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Peoples Savings Bank – Focused on Giving Back to its Communities and Working with Other Bankers to Promote the Improvement of the Industry



Mark Laune
President & CEO

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“Community banking at Peoples Savings Bank is about knowing our customers and our customers knowing us... If our customers do not succeed, we as a bank do not succeed, so we work hard for all our communities and the customers that are in our communities, each and every day trying to make their financial lives better and to make our bank a success.” Mark Laune

CEOCFO: *Mr. Laune, on your website it says, "What it means to be a Community Bank for over 86 years!" Would you tell us what that means for Peoples Savings Bank?*

Mr. Laune: Community banking at Peoples Savings Bank is about knowing our customers and our customers knowing us. We are active in our communities. If our customers do not succeed, we as a bank do not succeed, so we work hard for all our communities and the customers that are in our communities, each and every day trying to make their financial lives better and to make our bank a success. We get to see our customers each and every day in our communities.

CEOCFO: *The bank was organized in 1935. Would you give us a little background and history of the bank and how it developed from its founding?*

Mr. Laune: Our bank started back in 1935 with several individuals that lived in and around Rhineland. The town needed another bank, the other bank was on the verge of closing. These individuals stepped up and organized and started Peoples Savings Bank. Today we can trace over 95% of our shareholder base back to those original individuals through the families that have continued to be shareholders throughout the years.

This is a strong group of local owners that have participated in our opportunities to expand the bank and holding company. Without the support of these individuals and families 85 plus years ago, we would not be where we are today.

CEO CFO: *In 2020, you acquired CBC bank. What did that acquisition do for Peoples Savings Bank?*

Mr. Laune: We are always looking for opportunities to grow that fit our niche. We are a small-town community bank and we are in the outskirts of the St. Louis area a little but mostly in the small communities. CBC fit that profile perfectly. They had three of the four banks that they owned which were in the smaller communities in northeast Missouri, where we did not have a presence. One was in a metro area where we also did not have a presence.

They were locally-owned and they ran it just the same way we do Peoples Savings Bank, so we were comfortable working with them and it was a great fit. It gave us an opportunity to grow our footprint, increase our size and give us efficiencies going forward. It also gave us an opportunity to work with great customers in these communities and to get new employees as part of our team.

CEO CFO: *Was the CBC acquisition prior to the pandemic?*

Mr. Laune: We met with the CBC owner probably two weeks before the pandemic closed everything. Basically, all of the meetings after that were not face-to-face and we had everything done through emails, over the phone, and we did our due-diligence with technology and packets of information that were sent to us. We were able to do everything right in the middle of the pandemic. We closed the deal in November of 2020.

CEO CFO: *You now have locations in Hermann, Rhineland, New Florence, Montgomery City, New Haven, New Melle, WingHaven, St. Peters, Troy, Bowling Green, & Clarksville, Missouri. Would you tell us about the communities that you serve. Are they more rural or urban? What changes have you seen over the past two years?*

Mr. Laune: Eight of our branches are in rural communities with an emphasis on small business, agricultural and consumer products. We have three branches of which I consider urban or just outside St. Louis. As far as changes the past two years, many have to do with the way we do our business and mainly due to the COVID pandemic and how that has changed the way we did banking.

We have more technology now and more technological products and services. We were able to adjust our hours and have maintained jobs as work-from-home status. I see this continuing in the future with a portion of the jobs as full-time offsite workers. We have also seen a significant growth that came from the quality employees we were able to hire and the dedication they gave to our bank as we grew through that time.

The employees through the pandemic and through the past couple years, the changes they endured in banking was the foundation of our success. We are looking forward to going into the future with these same individuals and the great ideas they have on technology and banking.

CEO CFO: *How many branches do you have and are you looking to grow that number in the near future?*

Mr. Laune: We have eleven branches currently. We are always open to look for opportunities if it fits our strategic plan going forward, or something that attracts us comes along. We like the smaller communities just on the cusp of the metropolitan areas. As of right now we have nothing on the horizon but you never know.

CEOCFO: *When you add branches or locations, is it through acquisition, de novo or a mix?*

Mr. Laune: We have done a little bit of both. We did all three of the above. We have done de novo branches in communities where we go in and start from scratch and try to find good employees that would help grow that branch and start a de novo in those areas. We also bought just a branch of an existing bank. That was our WingHaven facility. A bank wanted to sell a branch so we bought a branch at that point.

We then bought a full bank which we did with CBC that included the Troy, Clarksville, St. Peters, and Bowling Green branches. So we have done a little bit of everything.

CEOCFO: *Mr. Laune, you have been President and CEO since July 2008, but prior to that you were also the CFO. Would you tell us how long you've actually been with the bank and about your role and how it developed to where you are today as President and CEO?*

Mr. Laune: I started at Peoples Savings Bank right out of college, so almost 32 years ago now. We were a very small community bank at that time and I started as an accountant basically the only accountant of the bank. They were growing a little bit and needed an accountant. I then transferred through the years and became involved in the loan area as well as operations. I climbed the ladder until I became CFO, and then with our previous CEO's planned retirement in July of 2008, I became the President and CEO at that point.

CEOCFO: *You are a board member of the Missouri Bankers Association and the Missouri Independent Bankers Association. What does that mean for you?*

Mr. Laune: That means a lot. I am now a past board member of the Missouri Bankers Association. My term ended in June of this year, but I am a current board member of the Missouri Independent Bankers Association (MIBA) and the actual president elect. I will take over as president of that organization in September.

I feel that being involved in these organizations is giving back to this great industry and I think it is a must for all bankers young and old to be involved. We have to work together as bankers to promote and improve our industry especially through grassroots and with congress changing laws and working together as bankers to make banking better each and every day.

CEOCFO: *You welcomed back Matthew Kallmeyer as your Customer Relations Analyst. Why is that position important for you, and has there been any other significant changes to your team over the past few years?*

Mr. Laune: Matthew Kallmeyer was an employee of ours through his high school years and most of his college tenure. He went away to school and also worked for a bank where he was going to school. He went to work for them fulltime after graduating. As far as bringing him back, we knew his work ethic and what he could bring to the table. He wanted to move back to the area and it was pretty much a great decision for us to bring him back into the fold.

As far as our management team, when we purchased the CBC branches and added to our number of branches, we put another level of management in place with regional presidents. So with each regional president, two of them have four banks they manage and one has three banks. They are just another level of management that can answer questions to a certain extent before it moves up to the executive team.

CEOCFO: *As far as the position of customer relations analyst, was that a position that existed before Matthew or was it something that you created with his coming back?*

Mr. Laune: It is something we had been looking at. We are looking into drilling down into our information and looking at customer habits and seeing where we can have opportunities to address customer needs. We have started a new program within the bank with a new software company and we are trying to analyze customer habits and needs and any way we can help the customer going forward whether they need a mortgage or student loan, credit or debit card, or home equity loan. He is working into this area for us and this is something we are doing from scratch and to give us more information going forward to address our customer needs.

CEOCFO: *The Independent Community Bankers of America® (ICBA) announced that you were elected to serve on ICBA's Cyber and Data Security Subcommittee. How did that come about?*

Mr. Laune: Cybersecurity is one of the biggest risks in banks today. There is always credit risk, interest rate risk, but cyber risk and technology is a big thing now. One of my peers to the MIBA nominated me to be part of the ICBA and on this committee. It is an honor that I take seriously and cyber is one of the most interesting aspects of my job right now I feel because of the risk that is involved.

We have a very good IT and cybersecurity team here that helps us take care of our customers' data, as well as our data. I feel cyber is an important thing for banks going forward because the technological advances continue to happen and I want to be a part of that.

CEOCFO: *How important is Ag lending and lines of credit for you?*

Mr. Laune: They are very important because with the rural communities we are involved with agricultural lending is very important not only in our bank but in the banking industry as a whole and to our country. To survive, our farmers have to provide us with the food source and we have to work with our farmers. We need to not only have that industry survive but thrive.

The AG community is one that has so many different aspects to be involved in and work with the farmers from a banking perspective. There is the weather, the commodity prices, the input cost. Working with the agricultural community and working in AG lending within our bank is very important to not only our bank but I think the whole banking industry.

CEO CFO: *What do you look for in your lending team that sets you apart from other banks or lenders. How do you account for the knowledge necessary in Ag lending?*

Mr. Laune: When we hire lenders, we try to look for people within the bank to become lenders that have a knowledge of our customer base and knowledge of the customers and communities that they serve. The relationship with our lenders and their customers is very important. We say that our customers will follow a lender more than a bank and that is true.

We look for lenders who promote our bank, understand our product, and use this to have a better relationship with their customers. We want our lenders to be hands-on with our customers which means being out in the communities and volunteering in the communities and working side-by-side with these customers in the communities and making the communities better.

Our lenders have to be knowledgeable in every possible loan product they provide.

CEO CFO: *Would you tell us about the other loans you provide and are you more of a business/commercial bank than a consumer bank? What is the mix and would you like to see that change?*

Mr. Laune: I would say in the last five years we have changed to more of a small business commercial bank. We had a large presence before that in the consumer arena and the AG area. Being a community bank entails taking care of both commercial and consumer customers.

Our mix has adjusted in the past five years to more of a small business commercial lender and we monitor this very closely. Right now I am comfortable with the mix that we have as long as we take care of all of our customers, every one of them.

CEO CFO: *What kind of loans do you do in small business?*

Mr. Laune: We do the purchase of property, the equipment, the commercial and industrial lines of credit, we do just about everything the small business asks us. We are not a big SBA lender. We usually try to pass that on to more of the experts in that area, but as far as small business we are pretty involved with all aspects of it.

CEO CFO: *With the rise of online banking and mobile apps, is the personal touch still important for you and your customers or do you find with the newer generations that are in the workforce these things don't matter as much?*

Mr. Laune: I think we always have to have that personal touch. Times have definitely changed but banking is still a very trustworthy industry and many customers still want that personal relationship with their

banker even if it is a once-a-year call at the renewal of the loans or they want to be able to talk to us and go over their wants and needs that they may have in the future. I think it is going to be the personal touch going forward especially in the very rural communities.

CEOCFO: *Do you have a marketing person or team? If so, what is their role? Is it community relations messaging, helping pitching your products and loan offering or a mix?*

Mr. Laune: We do have a marketing officer but he wears many hats in our bank. He is involved in all our communities from volunteering and organizing events within our communities, presenting awards, newsletters, advertising, the list just goes on. Social media is one of the important parts of his job in our area. He is very good at promoting the bank and bank customers really appreciate the news and information he puts out there in our social media in regards to both the bank and the communities that we serve.

He will post about the communities we serve and it is good for all of our branches in getting them involved in the communities and following posts and getting information to promote not only the bank but the communities where we are located.

CEOCFO: *Your social media includes Facebook, Twitter, LinkedIn and Youtube. What do you use those for?*

Mr. Laune: I use these to see what is going on in the communities; I see what is going on with our customers and I see what is going on in LinkedIn and the banking industry. Some of the banks I am familiar with, we work with on different projects together. We share posts of our bank about what customers are doing and see what is going on in the banking world. I am not a big newspaper reader or news watcher, but I will get on LinkedIn to see what is going on in the country and our industry.

CEOCFO: *How is the bank funded? Do you have shareholders, investors, if so, how many and are you looking to grow that number?*

Mr. Laune: We have a shareholder base that can be traced back to 85 years. We also have an ESOP (Employee Stock Ownership), where employees are involved in the bank as owners of the bank. If we expand it would be through our ESOP or shareholder base.

CEOCFO: *In closing, what sets Peoples Savings Bank apart from other local banks and why are you important to the fabric of the community?*

Mr. Laune: I would not say that Peoples Savings Bank is set apart from other local banks in a recognizable way. We are all doing the same thing. We promote our banks in the communities and try to help customers the best we can. What we are is we all have the same service. We take deposits, we loan out money, but what we need to recognize is that the number of banks are shrinking and we need to work together as an industry to promote community banking, not to work against each other.

In Missouri where we are located, we have many small community banks and these are the backbone of the communities we serve and the success of the communities we serve. We have several community banks

in our area that we work with regularly on participation loans for our customers as both sellers and buyers. Some of these banks are in the very community where we have branches and this makes for a good working relationship because we are all promoting the community success.

I think small community banks need to realize we all need to work together and not against each other, to make the community banking industry, the banks that serve Main Street, better.

