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PCB – Growing the People-Centered, Community-Driven Banking Brand



William (Bill) A. Loving Jr.
 President & CEO

Pendleton Community Bank, Inc (the bank)
Allegheny Bancshares, Inc. (the holding company)
<https://www.yourbank.bank/>

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 William (Bill) A. Loving Jr.

CEOCFO: *Mr. Loving, how long have you been with Pendleton Community Bank, Inc and how did it develop to where you are today as President and CEO?*

Mr. Loving: I joined the bank in October of 2000, so this October it will be 22 years. When I joined the bank, the main office was located in Franklin, West Virginia, and the bank had just opened their second Financial Center in Moorefield, West Virginia. Since that time, we have been able to grow the franchise to consist of thirteen financial centers and two loan production offices across Virginia and West Virginia.

CEOCFO: *Would you tell us the history of the bank and its founding vision?*

Mr. Loving: The bank was chartered in 1925 but not in Franklin, West Virginia. The bank began as Farmers and Merchants Bank of Marlinton, West Virginia. As we all know, during the great depression many financial institutions were closed, including the ones in Franklin. The town found itself without a bank, and the town leaders asked those in Marlinton if they would move the bank to Franklin. So, in 1937 the bank was relocated to Franklin and renamed Pendleton County Bank. The bank’s vision was centered around serving the needs of the community. Having no banks in the community, a need was there for the services Pendleton could provide.

CEOCFO: *Has the vision changed much from its founding?*

Mr. Loving: Our vision has not changed from its founding in 1925. We are still people-centered and community-driven, supporting the needs of our communities in any way we can. After I joined the institution, we developed our mission statement that has not changed appreciably over the last 22 years.

CEOCFO: *I see from your press releases you have added a number of people to your team over the past year or so. Would you tell us about some significant new team members and what you look for when bringing in someone new?*

Mr. Loving: We have added a number of new team members in our Virginia market as well as in the southern part of West Virginia. These new hires were to fill out positions in commercial lending, agricultural lending, the dealer finance division we developed mid-year 2021, deposit services, and additional staff to support our growth.

Primarily we look for team members that embody who we are as a company, our core values, and fit our community-driven culture because that is a big part of who we are. We want to be part of the communities where we are located.

CEOCFO: *Would you tell us about the businesses in your community? Which industries would you say are the backbone of the community, providing jobs and community development?*

Mr. Loving: That depends upon the region. If you look at our northern region of West Virginia, agriculture is primarily the big industry with poultry being a big component of that sector. There are some other industries in the northern market, but certainly not the significance that you would find if you look at our Virginia region and its proximity to I-81 and the growth the area has seen. Those two markets are unique but similar in many ways as our Virginia region also has a significant agricultural component in the marketplace. The southern region is made up of small business, some industry, but tourism is a big component of that marketplace. The three regions we serve may be unique in nature but we have the same common goal and objective, and that is living out our Mission Statement.

CEOCFO: *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. Loving: Over time we have grown our presence in the commercial world, although if you look at Ag as a component of commercial, we have always been in that marketplace. I would say it is probably 60/40, 40% in retail/consumer and 60% commercial, but that also has an Ag component to it.

CEOCFO: *How big a part is mortgage lending for you and is it in the commercial or consumer side of the business?*

Mr. Loving: Mortgage is an important component of our franchise, both commercial and consumer. I was certainly very pleased recently when we won two awards for Best Mortgage Company in two local contests. Residential lending is a big part of who we are and who we have been over the past.

CEOCFO: *With the rise of online banking and mobile apps, and many people staying at home because of COVID, 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. Loving: We subscribe to and I really focus on being high-tech but high-touch. I believe we must have a mix of each because there are

consumers that want and desire electronic functionality and we can provide that. There are others also, I believe, that want the personal touch we offer, especially if they are having a problem or need to ask a question. We focus on both, the traditional banking channel as well as the electronic banking channel.

We have seen a growth on the electronic side due to the elements that you mentioned such as COVID, demographics, and age. However, we still focus on the personal touch. I think the personal touch is going to be an important component of the community bank model and who we are going forward.

CEO CFO: *Would you tell us about the communities that you serve in Virginia, Northern West Virginia and Southern West Virginia. Are they more rural or urban? What changes have you seen over the past two years?*

Mr. Loving: They are unique. The northern West Virginia market is more rural in nature. Both our Southern West Virginia and Virginia markets would have a blend of rural and urban; but the Virginia market would have the highest degree of urban characteristics.

CEO CFO: *In May 2021 you expanded your presence in the Shenandoah Valley with the acquisition of three Carter Bank & Trust offices. Why did you make that move and how has it worked out for you?*

Mr. Loving: Two of the locations were on our strategic roadmap, if you will. We had been looking at those markets for potential growth opportunities, so when the proposition came along to look at the offices in Bridgewater and Staunton, it fit our strategic plan. The third one helped us build out our Harrisonburg presence. I felt the acquisitions were a way to enter the markets without having the headwinds of being a new entrant into the market, so it made financial sense, and it worked out well for us. We have seen good growth in our Virginia footprint with the addition of those three offices.

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

Mr. Loving: We have thirteen financial centers and two loan production offices. To say that we are looking to grow the number of locations, we always look for growth opportunities, but it needs to be strategic growth and profitable growth. I am not a proponent of growing just to grow.

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

Mr. Loving: Yes, there has been a mix. We have opened several de novo offices as well as the purchase of other offices. One of the first opportunities I had when I joined the bank was to open a de novo office in Marlinton, West Virginia, where our bank began in 1925. The next opportunity was through an acquisition of two offices. One was merged into an existing office and the other expanded our footprint. Both strategies have been successful for us.

CEO CFO: *Your website name is yourbank.com. Very ingenious. How did it come about that you managed to acquire that name?*

Mr. Loving: That was early on and before I joined the bank. It was definitely forward-looking and great insight. We have since added the dot bank as a component, so now our domain is yourbank.bank. It has served us well and it is a good domain name to build our tagline "Your Bank for Generations". It also gives us an opportunity to say if you bank with us, we will be your bank too.

CEOCFO: *Pendleton Community Bank was named the "Best Company to Work For" in the Daily News Record's (DNR). What did that mean for you?*

Mr. Loving: Very grateful to receive that honor, as well as the other recognition we received for Best Bank and Best Mortgage Company, as well as Best Ag lender in another contest. It was a reward in that the culture and the values we strive to build are there and being recognized. To me, it says that we are accomplishing our goal.

I meet with every new team member after they join the bank to go through our Core Values and our Mission Statement. One of our core values is to encourage professional success of our team members. I tell them if you are successful, we are going to be successful.

CEOCFO: *What is your management strategy with a number of branches that you have to look after?*

Mr. Loving: We have two Area Executives who oversee their respective markets from a growth perspective. One covers West Virginia and one Virginia. They are assisted by a Retail Administrator and three Regional Retail Managers who focus on operations and customer support. The Retail Administrator conducts weekly meetings with Financial Center Managers and these results are discussed at the Area Executive meetings and a combined report rolls up to the meetings held with myself, Chief Banking Officer, and Retail Administrator.

CEOCFO: *What is your current funding position? On your website it indicates that you provide an opportunity to purchase stock in the company. Is reaching out to investors an important role for you as CEO?*

Mr. Loving: It is important to us to maintain investor relations. Our stock is not listed, so it is a big component of what I do every day, just making sure we are maintaining shareholder relations.

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

Mr. Loving: There are many banks in the communities we serve, and they are all good banks. Every institution has its unique culture and its unique mission. We all strive to be community banks and we strive to give back to the communities, but that is something that we focus on day-in and day-out, along with ensuring our customer service exceeds their expectations.

We focus on giving back to the communities that we serve through both financial contributions and volunteer time. I would like to think that this uniqueness has been recognized and appreciated within the markets we serve.