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After 150 years Success for PCSB Financial Corporation still comes from Understanding and Being a Part of the Community



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CEOCFO: *Mr. Roberto, the first thing I see on the PCSB Financial site is "The Incredibly Neighborly Commercial Bank." What does that mean for PCSB?*

Mr. Roberto: First we know that we have been part of the community for the last 150 years but beyond that, we know that it really says something about how successful the institution is, but times have changed over the years. The message we are trying to send is that even after all this time, we are a company that understands its community and want to be part of that community in a meaningful way. The way we go about it is a feeling that we are your neighbor, understand what you need and are here to support you.

CEOCFO: *Would you tell us about the region you serve?*

Mr. Roberto: It is a diverse community that we serve. We are headquartered in Westchester County, but have branches in four counties. Westchester borders NYC – specifically the Bronx – and is a very dynamic community. The southern cities are very urban and diverse, where the northern communities become more rural. Putnam County is even more rural than Westchester and is more of a bedroom community for people that work in the city, Dutchess becomes even a bit more rural, while Rockland County is similar to Westchester. Because of that diverse community, as a company, we really need to understand the issues that affect not only the businesses but the consumers that either operate or reside in those communities.

CEOCFO: *What types of businesses are your typical customers?*

Mr. Roberto: It is pretty diverse and as a community bank we focus on small businesses. The one thing that we believe we do better than the

money-center banks is provide that personal approach to banking, especially with small businesses. We can adapt to the challenges they may face in a banking relationship better than the money-center banks who have products where it becomes one-size-fits-all. That does not work a lot of times for small businesses so our ability to understand what is important and adapt to what they require, I believe is an advantage that we have over the money-center banks.

As a \$2 billion company, we also handle much larger businesses especially on the commercial lending side. There is a variety of businesses we support and think we have the ability to adapt to all different sizes. I think the other thing that is important for those businesses, myself, my senior management team and our staff all live in the communities we service. We understand it because we live there and certainly access to my office is readily available to our customer base if there is an issue they need to talk to me about. I think it is for us, a big advantage over some of the larger banks. Yes, they probably have technology that is superior to ours but our technology is at a level that competes and with the added personal factor we provide probably have an advantage.

CEOCFO: *Would you give us an example of what you might do differently with a customer?*

Mr. Roberto: There are different businesses especially on the retail and small business side, it could be a restaurant, it could be a small service provider business, or it could be even a business that does have little more scale size and needs certain bells and whistles that maybe a small business does not need.

When I speak about one size doesn't fit all, it means that a smaller business may not need certain aspects of a product that a larger business requires. If it is one-size-fits-all, then that smaller business does not have a product that really adapts to what they appropriately need. So, we will take that product and modify it to say ok, here is something that adapts to your business operations with consideration also given to the cost of that product.

CEOCFO: *Are there many other community banks in your area?*

Mr. Roberto: There are a couple but as time goes on, the M&A activity in our area has really eliminated many of the community banks. There was a community bank in our market that was recently acquired by a larger bank. We are one of a couple remaining community banks in our market that can continue to create some market share within the community that we serve. For example, in Putnam County we consider ourselves the largest community bank but do flip back and forth with another bank for market share. You only have to go back 10-15 years to have probably triple the number of community banks in the market.

CEOCFO: *Would you tell us about the PCSB Community Foundation, and particularly with so many worthy causes, how you decide where to focus?*

Mr. Roberto: The PCSB Community Foundation was funded through our IPO and currently has a value somewhere in the \$6 to \$7 million range. It becomes difficult for us sometimes to make hard decisions on

who to help and who not to help. However, I think we do a good job in making sure that our focus is largely on those not-for-profits that are not directly attached to a national organization. I am not saying that those organizations do not do great work but they do get support nationally.

There are so many local organizations that do not get national support that also do very good work but rely on businesses like ours to support them. Certainly, those organizations that are at the forefront of community housing needs are organizations that we strongly support as well as organizations that provide support for the underserved or minority communities within our footprint and organizations that provide mental health services to our community and the list goes on. When I looked at the list most recently, there were more than 200 organizations that our foundation supported.

CEOCFO: *Does PCSB reach out for new customers as well as to the investment community?*

Mr. Roberto: You cannot take for granted that people are going to walk through the door because you have been around for 150 years. We know that people in our community are bombarded with not only emails but solicitations through regular mail. Our customer base is being solicited by competing banks on a regular basis but what we do very well is having our staff go out into the community and talk about the bank. We attend various community events throughout our footprint. Although COVID put stop to that for a while it is starting to make a comeback with many of the service organizations throughout our footprint back to having in-person events. We do networking, mailings and commercials on local radio and television. Those commercials are very personal and they feature myself and other staff, so there is that connection of the bank as part of the community. There are various ways we market the bank but I think the one thing we focus on is really getting out into the community, networking and talking about what we can provide and what we do to support the community. I think that is important because today, especially with the younger generations, I think they like to do business with companies that support the things that they believe in. We understand that and do that very well.

