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CF Bankshares Inc. – an Ohio-based Full-Service Commercial Bank with a National Deposit Account Gathering Platform and a robust National Mortgage Lending Footprint



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CEOCFO: *Mr. O'Dell, the first thing I see on the CFBank site is your tagline "The Boutique Bank;" would you tell us about that?*

Mr. O'Dell: That is about our delivery, we are a full-service commercial bank and serve the largest metro markets in Ohio through a wide range of custom financial solutions and through a relatively compact branch network, so we do have a bit of a unique business model. This is balanced with a national deposit account gathering platform as well as a robust national mortgage lending footprint. The bank is about \$1.5 billion in asset size currently and our mortgage company generated more than \$2 billion of volume in 2020.

CEOCFO: *Why the decision to go full force into the mortgage arena?*

Mr. O'Dell: We did go a bit against the prevailing grain at the time that we began to grow and expand our mortgage business, but it was opportunistic as much as anything else. We were able to partner with John Fearon, who had previously had his own mortgage operation. We had gotten to know John when he was selling his former mortgage company and we reconnected when the time was right. I had been in the mortgage business previously and had managed the mortgage unit at Fifth Third Bank, so we knew the mortgage business. We had a national bank platform and John had a direct-to-consumer mortgage lending model. We joined forces and it is done extremely well and we exceeded our expectations.

CEOCFO: *With so many places offering mortgages, what is the key in getting customers to turn to you?*

Mr. O'Dell: The key is rate, product, and responsiveness. Our front end is every bit as good and maybe perhaps better compared to Quicken and other big names. We have a strong relationship with Bankrate.com with whom we garner a lot of our leads. We also place a high value on each and every client, unlike some of the giants. You'll find us more responsive than most.

CEOCFO: *How do you simplify the mortgage process?*

Mr. O'Dell: We certainly think we have simplified the process and our growing volumes speak to that. The key is to try to keep it simple; we do the heavy lifting; we communicate frequently with our customers and we deliver on time. We

make it happen. It's also about making the investment in great people to keep it running smoothly. Our Mortgage group is comprised of nationally ranked lenders and an incredibly hard-working operations team to support them.

CEO CFO: *What do you look at when you assess whether a person qualifies for a mortgage? What might you look at that less savvy people might not take into consideration?*

Mr. O'Dell: We look at the typical things. Often, we find it best to stick to the basics. The fundamentals work. We have always strived for high credit quality in both our Mortgage and Commercial lines of business. We can also be creative and flexible through having lots of product offerings. In addition to this, we have added flexibility and capacity because we are able to make the decision to keep loans in our portfolio or sell them.

CEO CFO: *What is happening these days with your bank locations?*

Mr. O'Dell: We are looking at opportunities to expand our footprint. We have announced that we are going to be adding two full-service branches in the Cleveland market. We call these micro branches as opposed to the traditional bricks and mortar which are much more expensive. We are looking to continue to expand our presence.

We have not had a large brick and mortar presence compared to most banks our size. But we do believe that by being able to get some service branches added to our communities, that is only going to help us continue to build our presence.

**"I would say that the credit all goes to the team... My job here is to help them be successful."
Timothy T. O'Dell**

CEO CFO: *Would you tell us about the range of services at CF Bank and who your typical customers might be?*

Mr. O'Dell: We are a full-service commercial bank. We specialize in commercial real estate financing, commercial loans, term loans, equipment financing, we provide interest rate swaps, treasury management services along with a full suite of consumer products. Not only do we have a very sophisticated group of product offerings, but we pride ourselves on ensuring that what we offer is the best fit mutually for the client. We deliver through technology and, most importantly, a group of seasoned and experienced bankers, most of whom have worked for regional banks. We do not have a bureaucracy, we cut a lot of that out so we are much easier to do business with than the regional banks. We are able to be every bit as sophisticated, but because we are smaller, we can be more nimble, more responsive, and perhaps most importantly, our customers have direct access to decision-makers.

CEO CFO: *What is the competitive landscape for community business banks in your area?*

Mr. O'Dell: We are sometimes compared to a community bank due to our current size, but we are really a fast-growing commercial bank with a national lending platform. Commercial banking is very competitive, and we are in good markets that attract other competitors, like central Ohio and Cincinnati and the Cleveland market. What helps differentiate us is our highly driven team and focusing on providing a better customer experience.

CEO CFO: *Did the bank recognize the value of being user-friendly early on?*

Mr. O'Dell: We recapitalized this bank in late 2012. This was a struggling savings bank at the time. We came in with a management team and a group of investors and we went to the public market and raised capital and we essentially recapitalized this bank. From our prior experience we knew this community was underserved and if you could come in and make it easier to do business, we felt confident that there would be significant opportunities for us. In addition, we had a strong network, a lot of experience, and we hired people who had A-caliber quality relationships. That is how we built the bank; one quality relationship at a time. Much of it is word-of-mouth. We get a lot of referrals from existing customers.

CEO CFO: *Are there particular types of businesses or industries that look to CF Bank?*

Mr. O'Dell: We really do not like to say we like this industry or that industry. We just like well-run, well-managed companies. We do not think there are any bad businesses. Bad operators? Maybe. We enjoy learning about the businesses we serve. We have clients who are small business and those who are much larger. That diversification is key to a balanced portfolio from both a growth and a risk perspective.

CEOCFO: *CF Bank just released earnings and you tripled your income compared to the prior year. Would you tell us about the results and how you were able to achieve them at a time when things have been pretty iffy in many industries?*

Mr. O'Dell: We feel great about our results and we have a tremendous team of folks that are committed to excellence, are competitive and like to win. Those are the kinds of folks that really do well here. They come here mostly from regional banks and it is a different experience for them. They have more control and ability to service their customers because they do not have to work through all the bureaucracy they might find at other places.

We feel great about our results and our business model, from the very beginning, has gotten traction. We have been able to compete very effectively with the regional banks for the A caliber business customers. In addition to the core commercial bank, the mortgage company has really exceeded expectation. We have had some tremendous growth in the mortgage business, doubling in 2020 to generate over \$2 billion of volume so we are on a tremendous trajectory there as well.

CEOCFO: *Where does COVID fit into the mix and how have you helped your mortgage customers and business customers through this crisis?*

Mr. O'Dell: I think the big thing is that we have been here for our customers, we have been in-touch with our customers consistently. Because lots of other banks have retreated and we have continued to be interested and willing to do business, from that standpoint it has been advantageous for us. Many of our customers are business owners and entrepreneurs as well. We're proud of our small business lending activity through the Paycheck Protection Program, having provided much needed relief funding through over 560 loans to community businesses in the first round of 2020. Because of our flexibility and responsiveness, we got out ahead of some of the super-regionals – in fact before some of them even launched PPP programs our team was working remarkably hard, pushing 10x their typical volumes, and just doing a phenomenal job of getting our small business clients at the front of the line before funding ran out.

CEOCFO: *What went into some of the early decisions on how you were going to react to COVID?*

Mr. O'Dell: We have made ourselves available and we let the customers decide how they wanted to do business during the COVID period. We let the customers have it their way, so if they wanted to do conference calls or meet, we let them drive those decisions. We also did it in a very prudent way with distancing and masks and all the typical precautions. We also made early decisions on how our organization could internally prepare through recruitment and alignment of responsibilities to ensure that resources were allocated to credit risk areas. We have built a successful business through sound credit practices. We wanted to make sure our portfolios remain strong and that our borrowers know we're here for them through this, standing by and being proactive about solutions and to help them keep the lights on.

CEOCFO: *"We Are Just Revving Up," according to your recent statement. How far can CF Bankshares Inc go?*

Mr. O'Dell: We believe our best is very much yet ahead. We've put in the hard work to reposition a struggling savings bank with zero growth as a top-performing boutique commercial bank with a growing foothold in 3 major metro markets in Ohio. We also began to really grow the commercial mortgage business. The team worked very hard to put us in the position where we essentially control our own destiny. We have capital, access to capital, we have plenty of funding and we also have strong pipelines for business.

We are adding more quality talent, every quarter we add additional quality talent and people come in mostly from regional banks that want a different experience. As long as all those things are working and they are continuing to work, we feel very bullish about the future. We expanded into the Cleveland market, which is a tremendous market for us, moved our headquarters to Columbus, and then in 2017 we expanded into the greater Cincinnati market, where we've gotten great traction. We feel like we have just scratched the surface in each of the three major metro markets that we currently serve.

CEOCFO: *What if anything might potential customers on either the mortgage or bank side as well as potential investors, miss when they first take a look at CF Bank?*

Mr. O'Dell: I think at first perhaps someone from the outside looking in that maybe did not quite fully appreciate our ability to grow and compete for quality business, and our ability to compete effectively with the regional banks. I am not sure they fully appreciated our geographic dispersion, as most banks our size tend to focus on maybe one or two

markets. We serve all the major metro markets in Ohio and can compete very effectively with the regional banks in those markets for business. I think maybe they underestimated a little bit the sustainability of our growth and our team. Did I mention they really like to win?

CEOCFO: *Final thoughts?*

Mr. O'Dell: I would say that the credit all goes to the team. We have a remarkable bunch of folks here. The teamwork here is second to none. We are all involved, and we really work through this as a team. People that have played team sports tend to do well in our environment. I give the team, and their willingness to work closely to help one another, all the credit. My job here is to help them be successful.

