

# BANKING TRENDS: HOT TOPICS

BRUCE WHITEHURST | VBA PRESIDENT & CEO

2021 LEADERSHIP CONFERENCE

Thank you and on behalf of the VBA, we appreciate your active engagement with your state trade association in attending this conference.

# LOOKING BACK: THE 18-MONTH YEAR



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ASSOCIATION

## PANDEMIC RESPONSE



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# PAYCHECK PROTECTION PROGRAM



## VIRGINIA PPP DATA

### Round 1 – Approvals through April 16, 2020:

- **National Level:** More than 1.6 million loans approved; totaling more than \$342 billion
- **VA Level:** 40,371 loans approved; totaling more than \$8.7 billion

### Round 2 – Approvals through August 8, 2020 (includes round 1 data):

- **National Level:** More than 5.2 million loans approved; totaling more than \$525 billion
- **VA Level:** 114,570 loans approved; totaling more than \$12.58 billion

### Round 3 – Approvals through May 31, 2021 (does not include 2020 data):

- **National Level:** More than 6.6 million loans approved; totaling more than \$277 billion
- **VA Level:** 113,491 loans approved; totaling more than \$5.5 billion

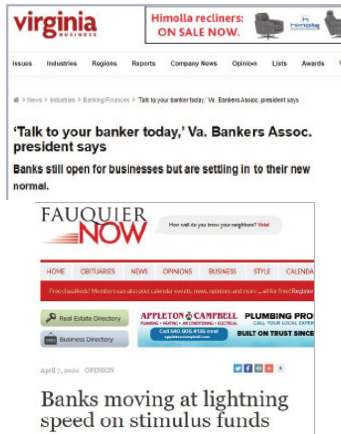


“Bankers faced two crises — COVID followed by the massive SBA loan program. We have never had better communication. We were making decisions as rapidly as I have ever seen in my 32-year career in banking. All the key stakeholders were right there together and were reaching instantaneous decisions.”

- JOHN ASBURY, 2020-2021 VBA Chairman and Atlantic Union Bankshares Corp. President & CEO, April 20, 2020 Forbes article

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## VBA IN THE NEWS & OTHER COMMUNICATIONS EFFORTS



### NUMBER OF COMMITTEE MEETINGS:



### March 2020-June 2021



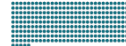
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## DIVERSITY, EQUITY & INCLUSION INITIATIVES

VBA /ABA DEI Summit

### 2020 SUMMIT

More than 275 people



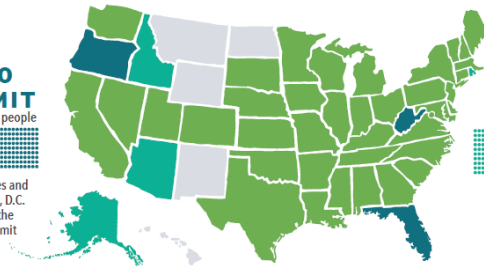
from 41 states and  
Washington, D.C.  
attended the  
2020 Summit

### 2021 SUMMIT

More than 400 people



from 42 states and  
Washington, D.C.  
attended the  
2021 Summit



■ 2020 & 2021 Summit  
■ 2020 Summit  
■ 2021 Summit

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## EDUCATION & TRAINING REIMAGINED



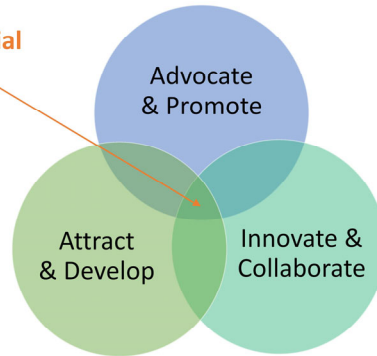
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# STRATEGIC PLAN UPDATE

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2019-2021 STRATEGIC PLAN

VBA is an essential  
partner in the  
evolution of  
banking.



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## INDUSTRY & REGULATION: A LOOK AHEAD



## OLD & NEW TRENDS & ISSUES

### Key Issues Facing Community Banks

- Rising Interest Rates?
- Impact of PPP
- Future of CRE
- Industry Image

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## GALLUP SURVEY: CONFIDENCE IN BANKS, 2019-2021

*% who have “a great deal” or “quite a lot” of confidence*

<b>2019 %</b>	<b>2020 %</b>	<b>2021 %</b>	<b>Change, 2021 vs. 2020 Pct. Pts.</b>
30	38	33	-5

<b>2007 %</b>	<b>2008 %</b>	<b>2009 %</b>	<b>Change, 2007 vs. 2009 Pct. Pts.</b>
41	32	22	-19

Source: GALLUP

## CONSUMER SATISFACTION DURING THE PANDEMIC



**9 in 10**

account holders are  
"very satisfied" or "satisfied"  
with their primary bank



**96%**

rate their bank's customer  
service as "excellent,"  
"very good," or "good"



**3 in 4**

rate the banking  
industry's response as  
"excellent" or "good"

are "very satisfied" or  
"satisfied" with their  
bank's response



**12%**

have utilized a financial  
assistance program offered by  
their bank during the pandemic



**83%**

of those aware of their bank's  
assistance options during the  
pandemic now view their bank  
more favorably

Source: ABA

## POST-PANDEMIC BANKING



## PRE-PANDEMIC ISSUES REMAIN IN DIFFERENT FORMS

Key Issues Facing Community Banks Before & After COVID:

- Margin Compression:
  - Rates Still Historically Low; Thin NIM
- Technology/Cyber/Data:
  - New Frauds; More Online/Mobile Usage; AI
- Branch Decisions:
  - New Staffing Approaches; Customer Behavior Changes
- M&A Options:
  - Coming Back; Large Banks Reemerging?
- Recruitment/Retention/Training:
  - Remote working; Culture; DEI

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## LEGISLATIVE/REGULATORY ISSUES



## FEDERAL LEGISLATIVE & REGULATORY KEY ISSUES

- Legislation
  - Infrastructure Bill: Funding Sources: Corporate rates; using banks for IRS reporting
  - SAFE Banking Act
  - DEI & ESG
  - FedAccounts/Postal Banking
- Regulation
  - CRA Modernization
  - Climate Change Risk
  - Fair Lending/UDAAP
  - Cryptocurrency/FinTech
  - DEI & ESG

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## KEY STATE LEGISLATIVE ISSUES

- Federal Funds – Small Business, Housing, Broadband, Tourism
- Data Privacy – State and Federal
- Oppose Credit Union Expansion – Legislative & Litigation Strategies
- Affordable/Workforce Housing – State and Federal
- State Employer Regulations
- Tax Policy
- Racial Equity Focus: All Issues

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ABA:ASK BRUCE ANYTHING!



WHAT CAN  
YOU DO?  
STAY ENGAGED!





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**THANK YOU!**

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