

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



VIRGINIA BANKERS
ASSOCIATION



PANDEMIC RESPONSE



VIRGINIA BANKERS
ASSOCIATION

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

VIRGINIA BANKERS ASSOCIATION

VBA IN THE NEWS & OTHER COMMUNICATIONS EFFORTS

virginia BUSINESS
 Home News, Features, Sports, Weather, Public Media, Post-Action Center, Contact Us

Himolla recliners: ON SALE NOW.

Home > News > Industries > Banking/Finance > Talk to your banker today: Va. Bankers Assoc. president says

'Talk to your banker today,' Va. Bankers Assoc. president says
 Banks still open for businesses but are settling in to their new normal.

FAUQUIER NOW
 How fast do you know your neighbors? Visit

HOME | FEATURES | NEWS | OPINION | BUSINESS | STYLE | CALENDAR

APPLETON & CAMPBELL PLUMBING PRO
 Available in Fairfax and Loudoun Counties. Call 703-704-3333

BUILT ON TRUST SINCE 1914

April 7, 2020 07:28:30

Banks moving at lightning speed on stimulus funds

CONNECTION to your community
 We Need Your Help! Save One Of America's Oldest Local Newspapers on GoFundMe
 Visit connectionnewspaper.com or http://www.gofundme.com/f/save-america-s-oldest-local-newspaper

Home News, Features, Sports, Weather, Public Media, Post-Action Center, Contact Us

Winston, May 3, 2021

Banks to the Rescue
 Small businesses wait for banks to get federal money from the Paycheck Protection Program.

We Need Your Help! Save One Of America's Oldest Local Newspapers on GoFundMe

CONNECTION

Banks to the Rescue
 Small businesses wait for banks to get federal money from the Paycheck Protection Program.

We Need Your Help! Save One Of America's Oldest Local Newspapers on GoFundMe

CONNECTION

NUMBER OF COMMITTEE MEETINGS:

March – June 2020: **59**

July 2020 – June 2021: **92**

March 2020-June 2021

- Number of board meetings and peer group meetings: **46**
- Number of attendees at the 2020 Virtual Annual Meeting: **184**
- Number of attendees at the Retail Banking Post-COVID Virtual Roundtable: **53**

VIRGINIA BANKERS ASSOCIATION

DIVERSITY, EQUITY & INCLUSION INITIATIVES

VBA / ABA DEI Summit

2020 SUMMIT

More than 275 people



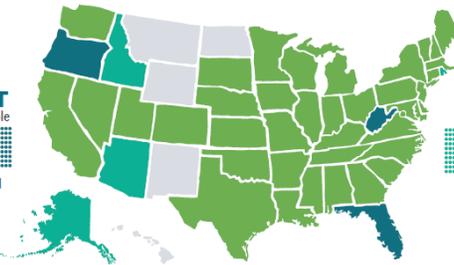
from 41 states and Washington, D.C. attended the 2020 Summit

2021 SUMMIT

More than 400 people



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



- 2020 & 2021 Summit
- 2020 Summit
- 2021 Summit

VIRGINIA BANKERS ASSOCIATION

EDUCATION & TRAINING REIMAGINED

- 26  PROGRAMS SHIFTED AND/OR RECREATED
- 1,536  BANKERS REACHED
- 13  NEW TECHNOLOGY TOOLS OR PLATFORMS LEARNED/USED
- 166  FACILITATORS WHO SHIFTED WITH US
- 73  SPONSORS/EXHIBITORS



VIRGINIA BANKERS
ASSOCIATION

STRATEGIC PLAN UPDATE

VIRGINIA BANKERS
ASSOCIATION

2019-2021 STRATEGIC PLAN

VBA is an essential
partner in the
evolution of
banking.



VIRGINIA BANKERS
ASSOCIATION

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

VIRGINIA BANKERS
ASSOCIATION

GALLUP SURVEY: CONFIDENCE IN BANKS, 2019-2021

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

2019 %	2020 %	2021 %	Change, 2021 vs. 2020 Pct. Pts.
30	38	33	-5
2007 %	2008 %	2009 %	Change, 2007 vs. 2009 Pct. Pts.
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

VIRGINIA BANKERS
ASSOCIATION

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

VIRGINIA BANKERS
ASSOCIATION

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

VIRGINIA BANKERS
ASSOCIATION



ABA: ASK BRUCE ANYTHING!



WHAT CAN
YOU DO?
STAY ENGAGED!



Thank You to Our 2021 EBL Chair



Nicole Martin
Benchmark Community Bank

VIRGINIA BANKERS
ASSOCIATION


VBA EMERGING BANK LEADERS

THANK YOU!

BRUCE@VABANKERS.ORG

804-241-3223

