

Session One, Part Two PRE-WORK

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A note from Andy: Greetings, Ladies and Gentlemen! I am looking forward to meeting you and getting to know each of you through the entire course of the upcoming premier VBA Management Development Program. Welcome! I know there are a multitude of skill sets/experiences within the class, so I thought the best way to create a 'pre-session' assignment would be an exercise designed to provide you with a broad overview of key topics.



Step #1: Obtain from your Bank's Chief Financial Officer/Controller/Chief Accounting Officer:

most recent annual report
most recent month-end or quarter-end balance sheet and income statement

Step #2: At the same time, share this list of questions with that individual

ask for a specific time to then meet with that individual;
at that meeting, discuss the questions as they pertain to your bank.

Step #3: Bring your Questions/Answers with you to Session One

I do not need/want to see the answers. Having the discussion with your financial leader will simply prepare you for discussion of these topics during Session One.

Questions:

Does your bank have a 'niche' product or line of business that truly distinguishes your bank/sets you apart from other competitors? What is it? What makes it a niche opportunity for your bank?

Example: offering same day loan approval for commercial business loans

Example: being known as the 'go to bank' in your market for a specific product or service

Example: doing something/things CONSISTENTLY better than other banks

As you review your bank's balance sheet and income statement with your financial leader, ask what he/she considers your areas of strength and areas of opportunity.

What did you learn in the letter to shareholders in your annual report about your bank's strategic plan?

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VBA Management Development Program

Session One, Part Two PRE-WORK (cont.)



- **Does your bank have a written VISION STATEMENT?**
 - *can you define it in 1-2 sentences?*
 - *how was it originally crafted?*
- **Does your bank have a set of CORE VALUES?**
 - *if so, how were the core values created?*
 - *how are they conveyed throughout the organization?*
- **How does your bank's management team evaluate performance compared to other 'peer banks'?**
 - *a separate customized peer group? If so, how are peers identified?*
 - *if peer tracking exists, how is the information used by management and by the board of directors?*
- **Discuss your bank's DEPOSIT MIX:**
 - *create a pie graph of all of your 'core' and 'non-core' deposit categories*
 - *define and review your bank's 'loan/deposit ration'. Is there a goal or goal range for this ratio? Why?*
 - *which category of deposits are most desired? Why?*
 - *are deposit growth goals part of annual performance or incentive compensation plans for commercial lenders and/or retail branch managers? if yes, in what way?*
- **Discuss your bank's LOAN PORTFOLIO COMPOSITION:**
 - *create a pie graph of all major concentrations*
 - *which loan types are of primary interest to your bank? Why?*
 - *are loan growth goals part of annual performance or incentive compensation plans for commercial lenders and/or retail branch managers? if yes, in what way?*