

VBA INDUSTRY UPDATE



Bruce Whitehurst

President & CEO

Virginia Bankers Association

VBA Leadership Conference | November 15, 2019

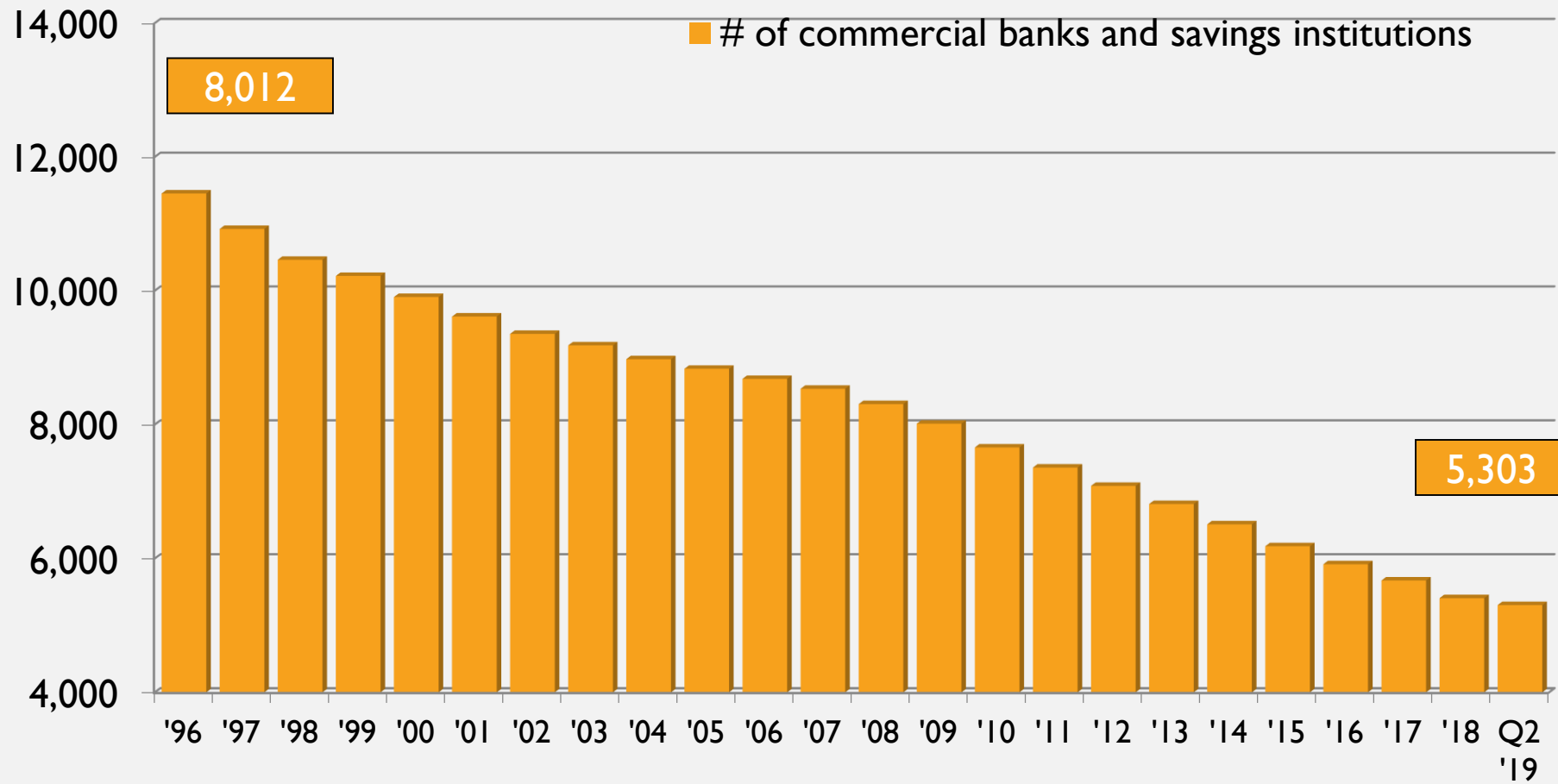
bruce@vabankers.org | @BruceTW

AGENDA

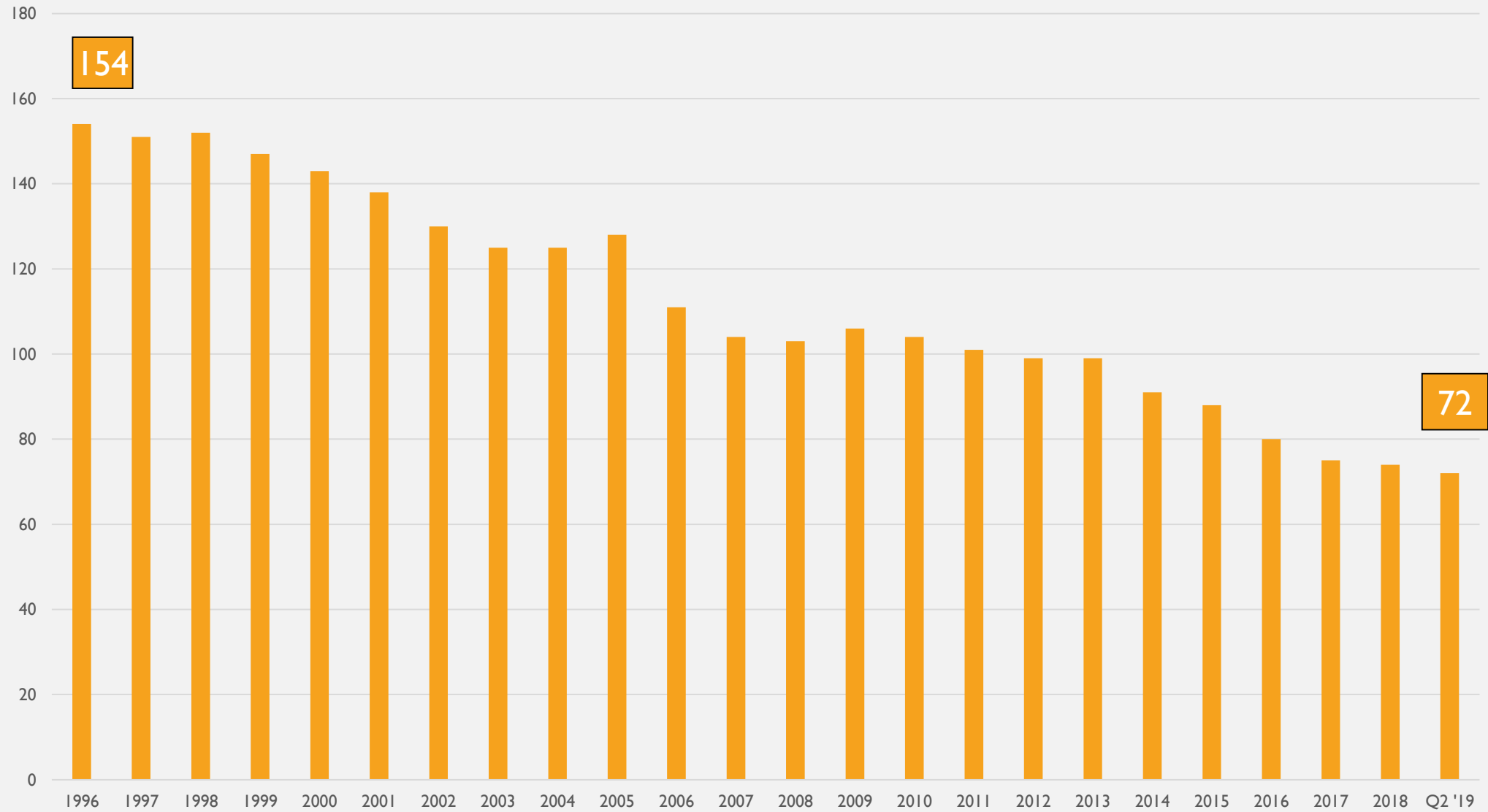
- Industry Update
- Key Industry Trends
- VBA Initiatives
- National Emerging Leaders Initiatives
- Stay Engaged

INDUSTRY UPDATE

INDUSTRY CONSOLIDATION CONTINUES IN THE US

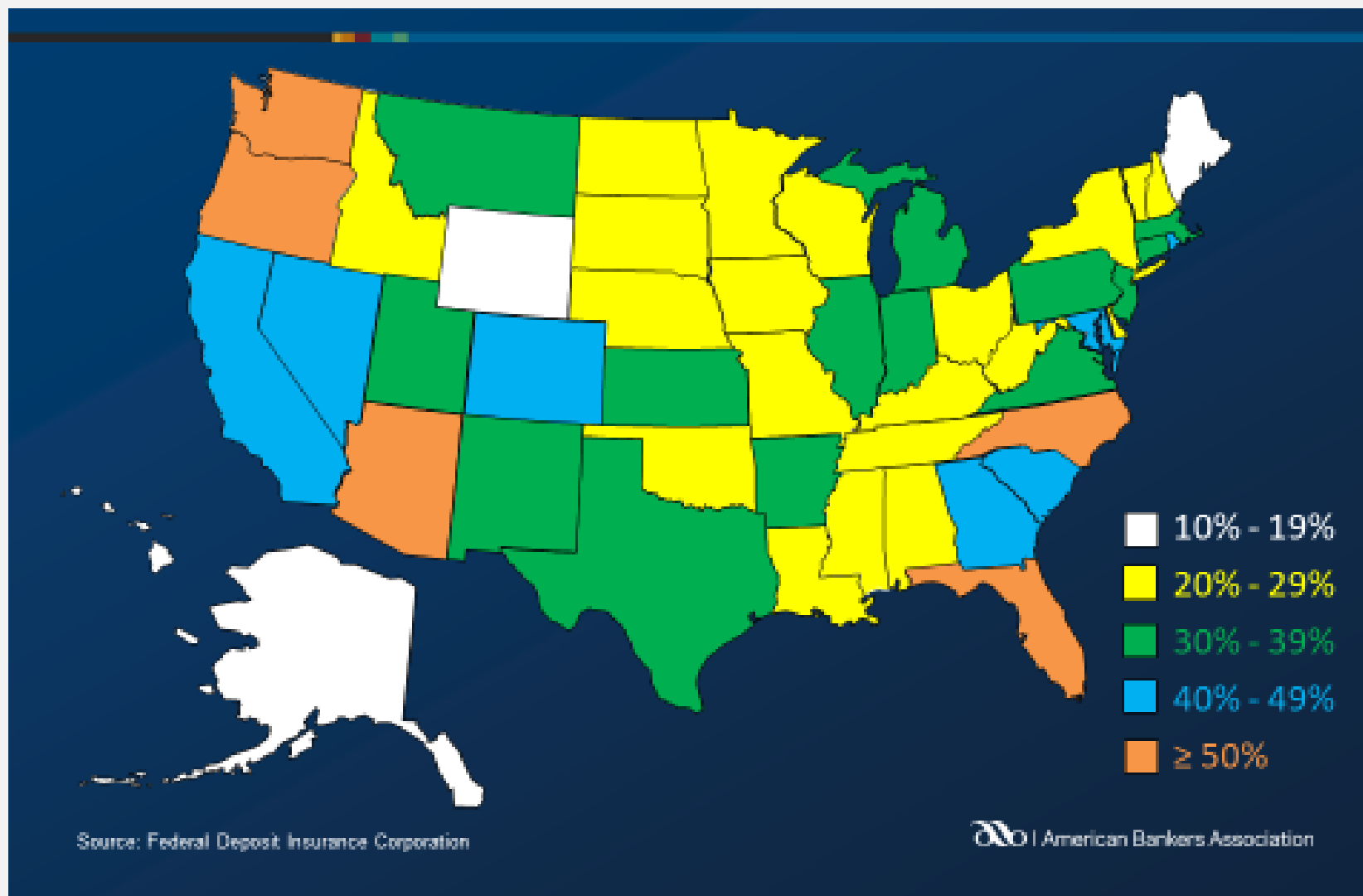


AND IN VIRGINIA



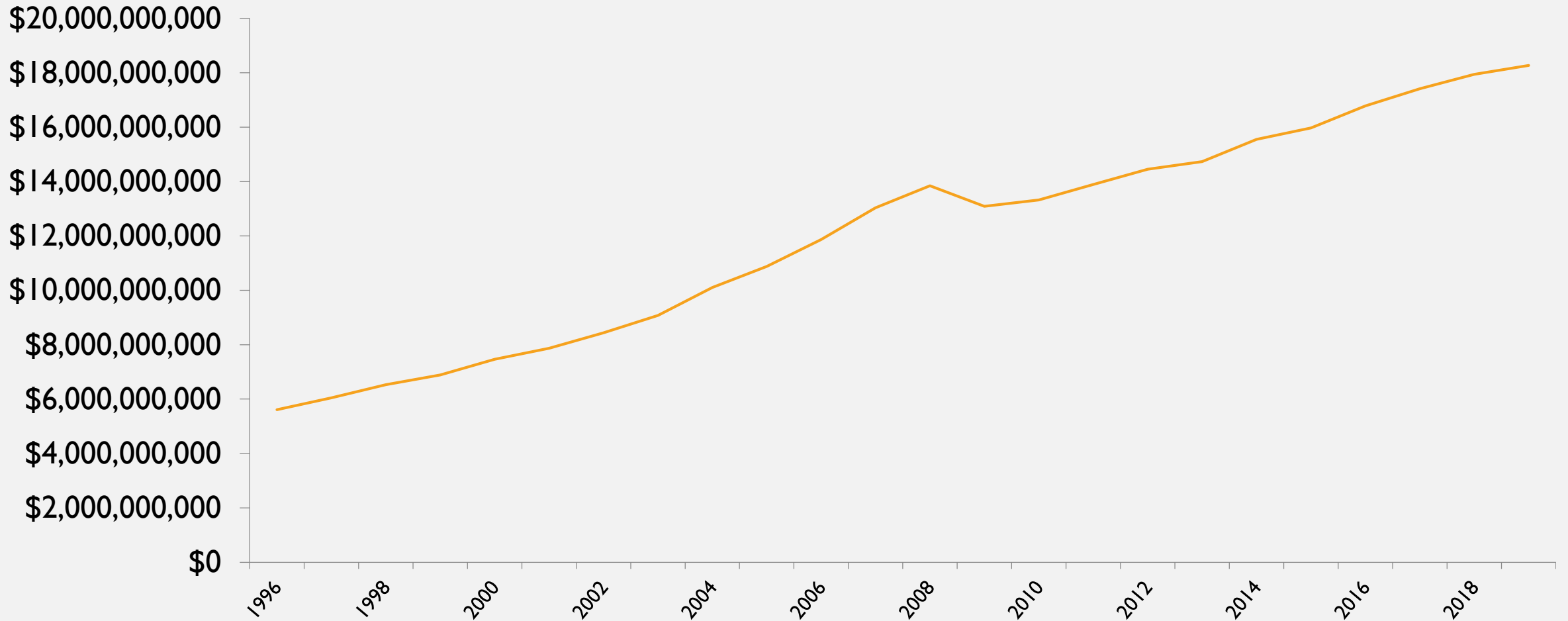
Source: FDIC

LOSS OF BANKS OVER THE LAST 10 YEARS



TOTAL ASSETS - US

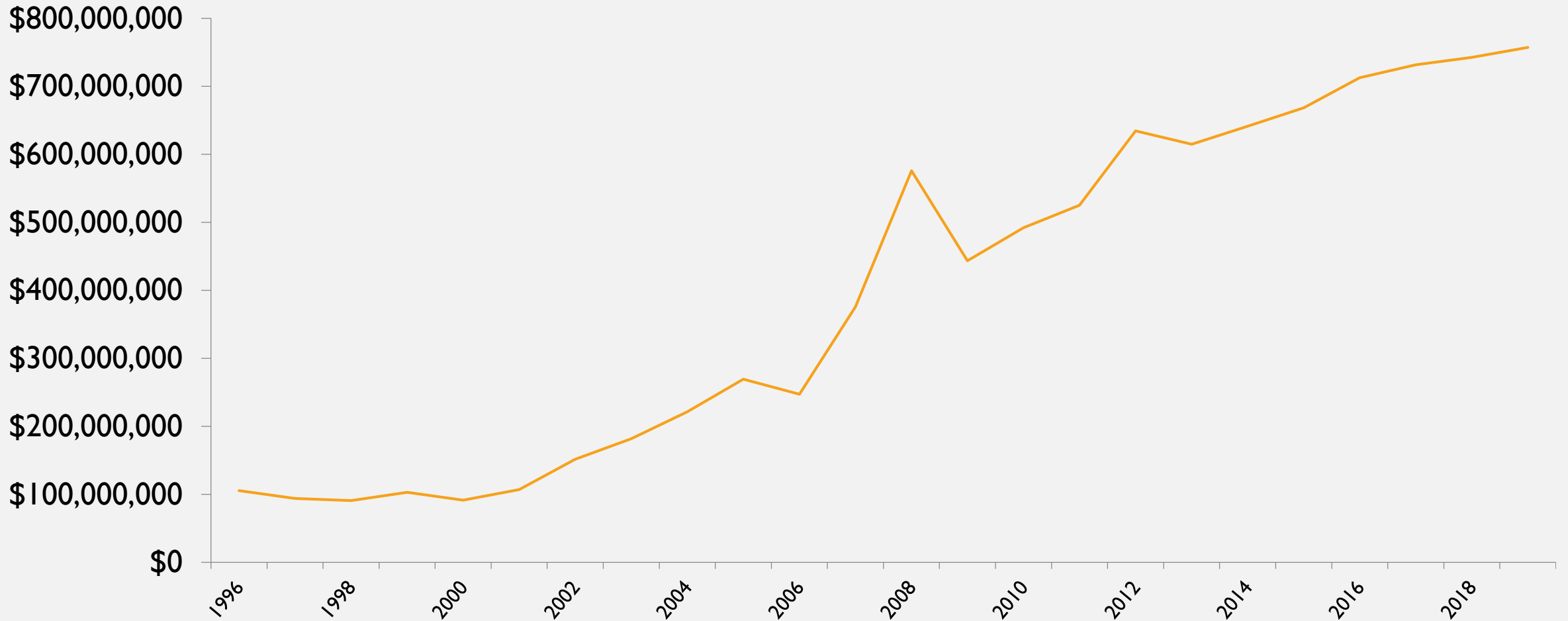
(\$ IN 000'S)



Source: FDIC

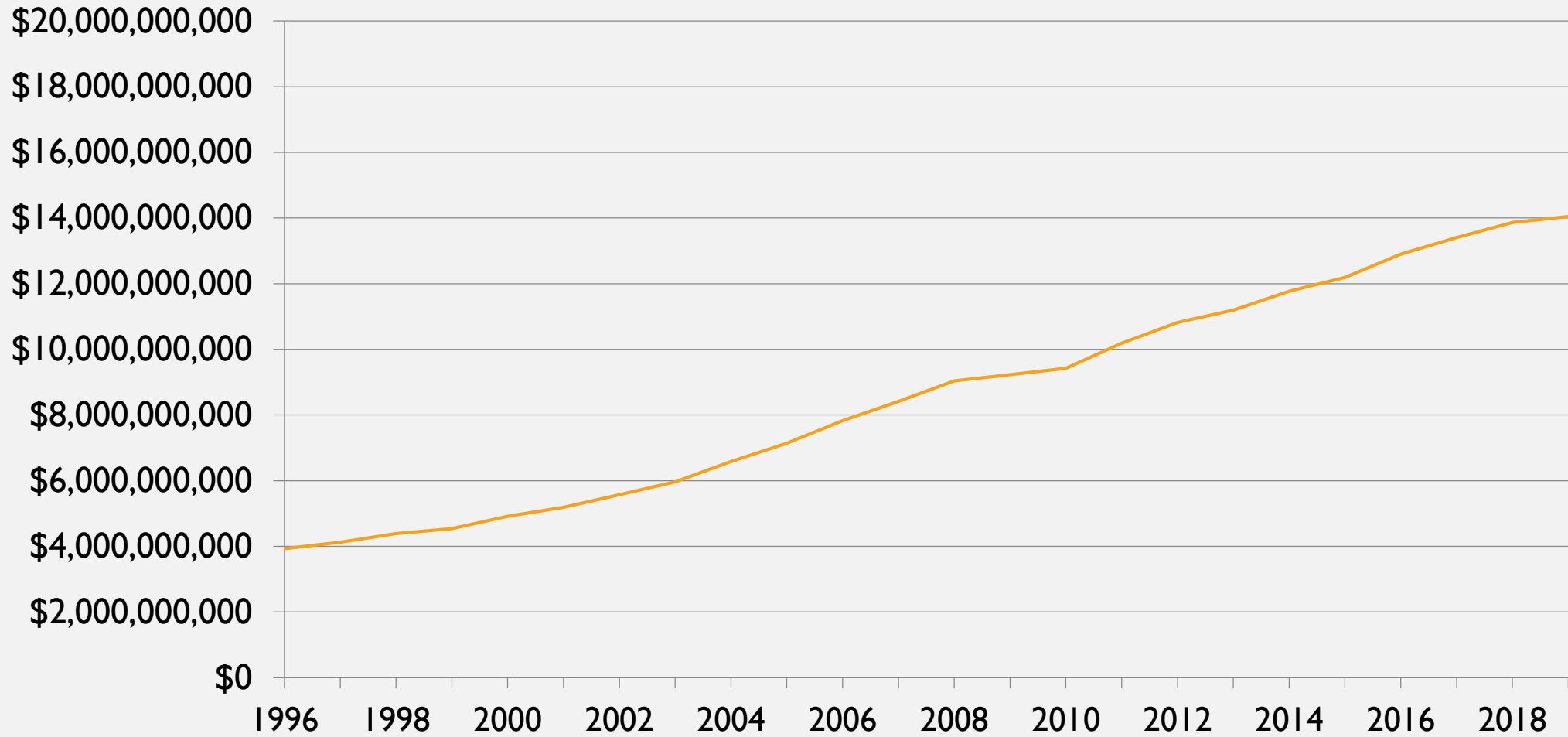
TOTAL ASSETS – VA

(\$ IN 000'S)



Source: FDIC

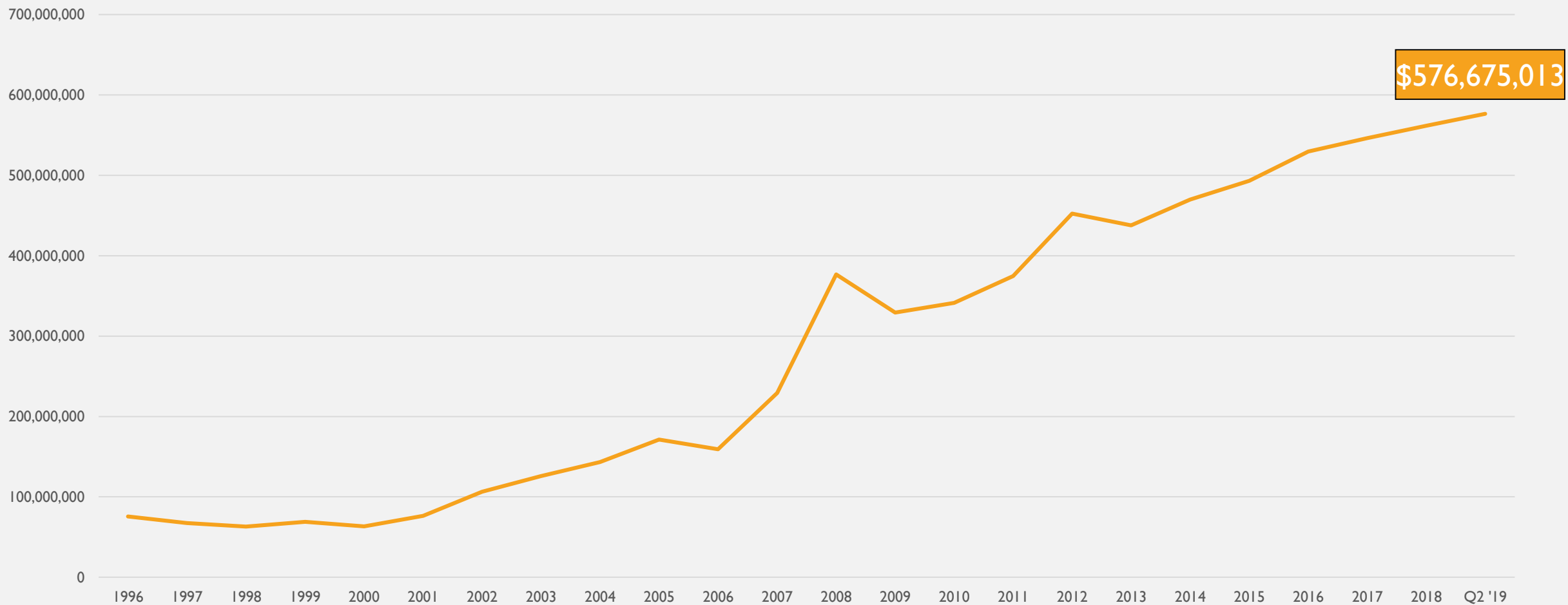
DEPOSITS, LONG-TERM TREND - US (BILLIONS)



Source: FDIC

DEPOSITS – ALL VA INSTITUTIONS

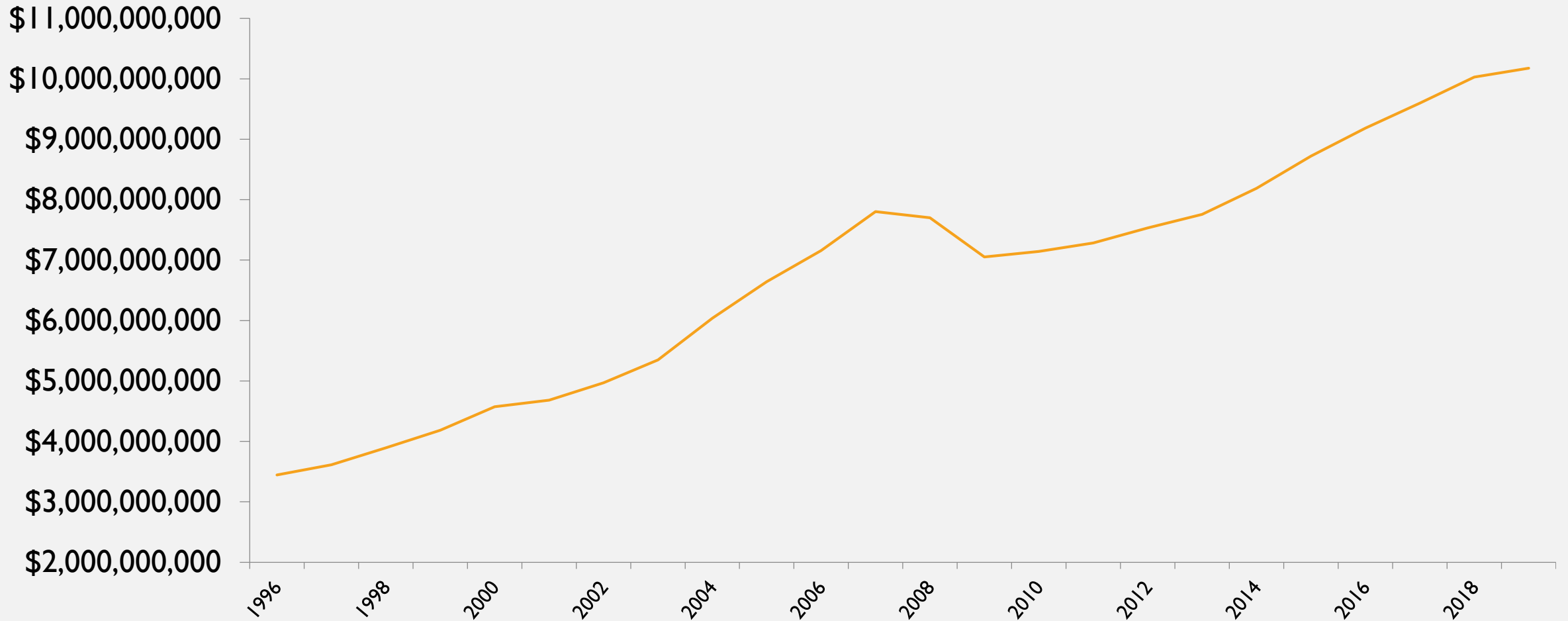
* NUMBERS REPRESENT THOUSANDS OF US DOLLARS



Source: FDIC

NET LOANS AND LEASES - US

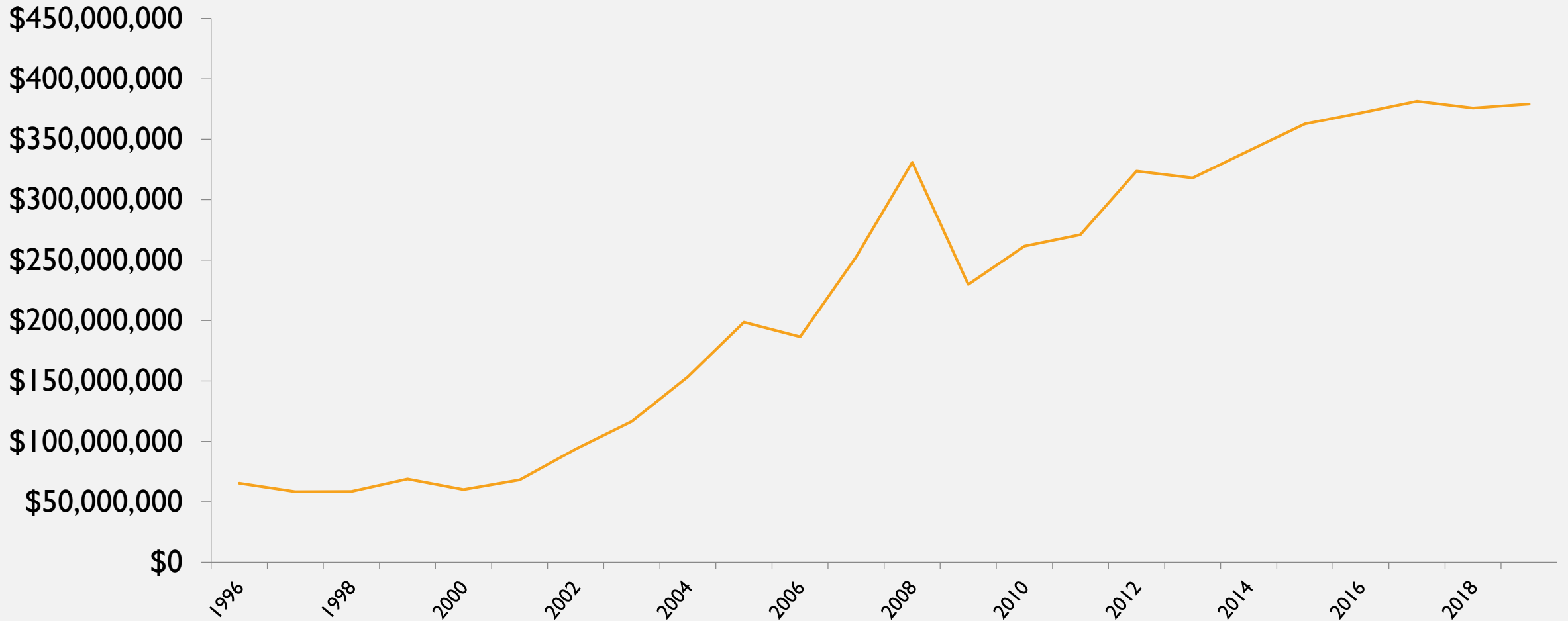
(\$ IN 000'S)



Source: FDIC

NET LOANS AND LEASES – VA

(\$ IN 000'S)

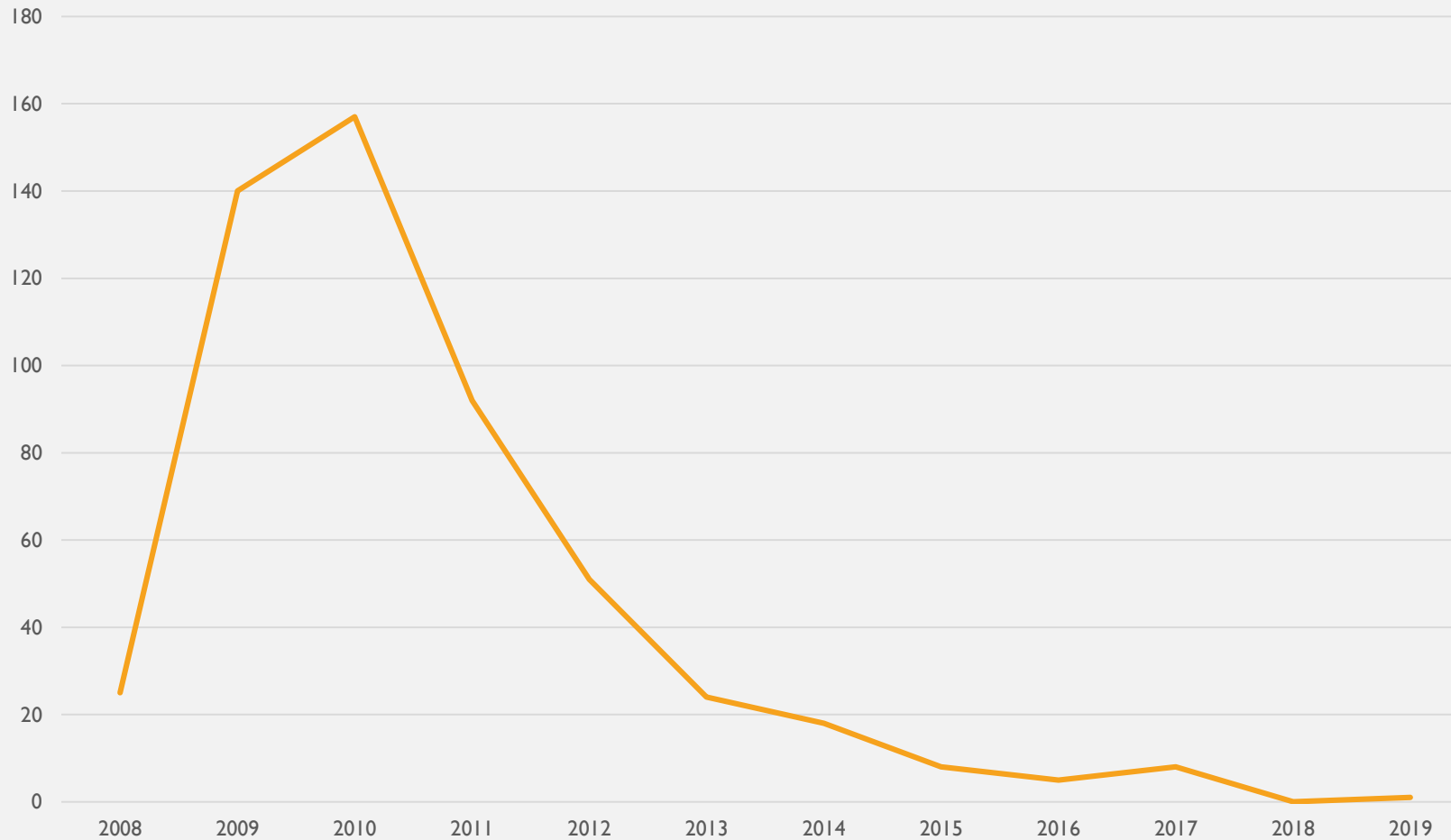


Source: FDIC

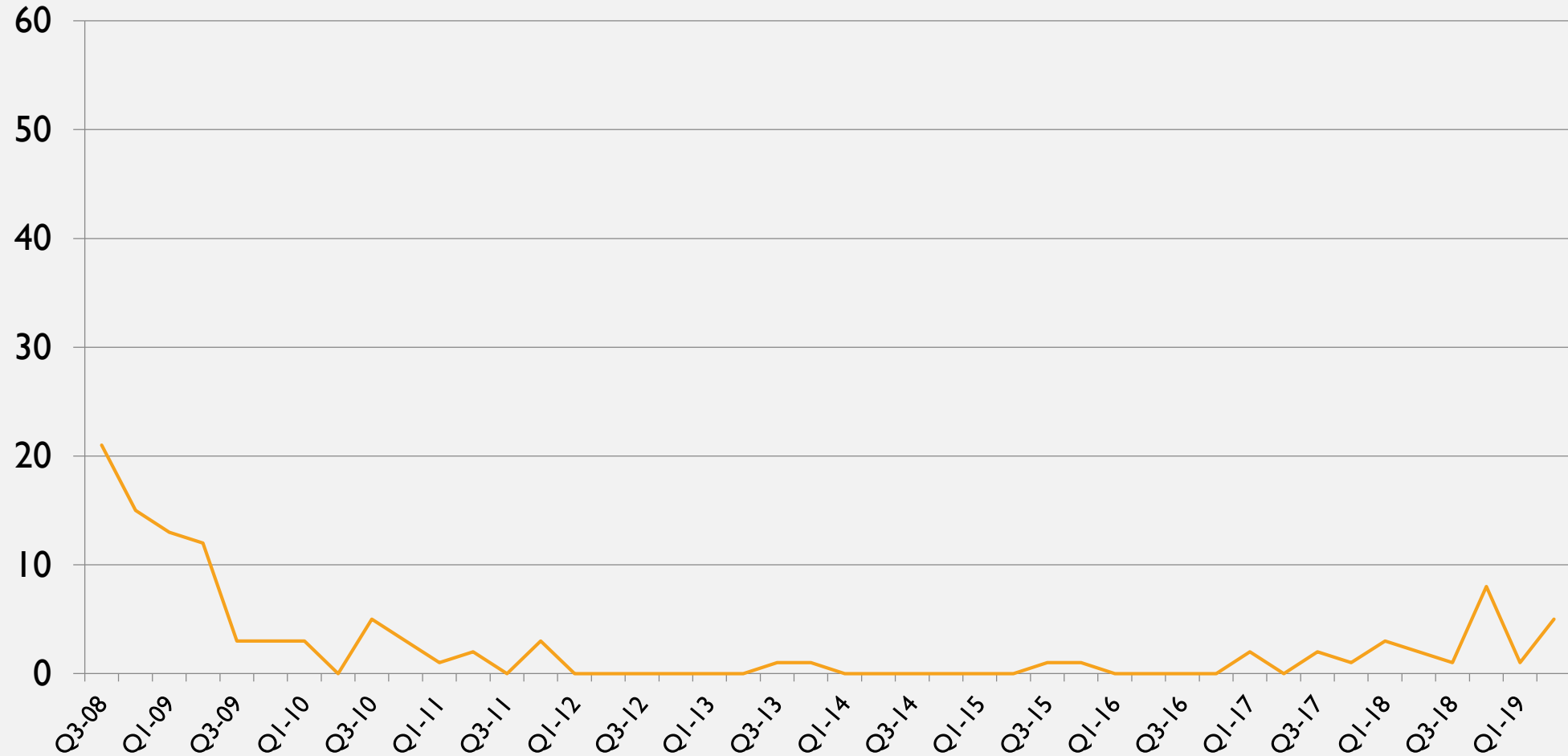
LARGE INSTITUTIONS CONTINUE TO HOLD A HIGH PERCENTAGE OF INDUSTRY ASSETS

Asset Size	# of Banks Q2 2019	Compared to 2008 YE	% of Total Institutions Q2 2019	% of Total Assets Q2 2019	% of Total Institutions 2008 YE	% of Total Assets 2008 YE
>\$10 billion	141	<i>Up 27</i>	2.7%	84.2%	1.4%	78.2%
\$1 billion - \$10 billion	651	<i>Up 90</i>	12.3%	9.4%	6.8%	10.8%
\$100 million - \$1 billion	3,281	<i>Down 1,218</i>	61.9%	6.0%	54.2%	9.8%
< \$100 million	1,230	<i>Down 1,901</i>	23.2%	0.4%	37.7%	1.2%

OF FAILED INSTITUTIONS BY YEAR

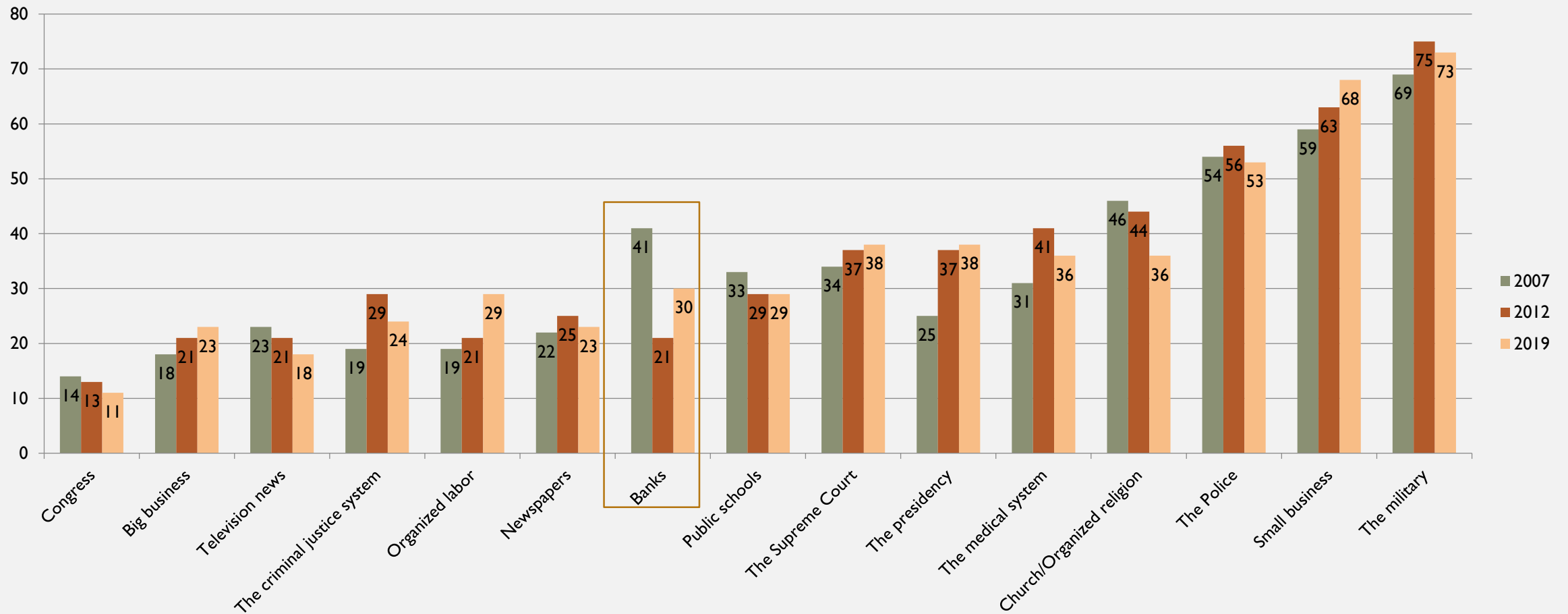


NEW REPORTING INSTITUTIONS BY QUARTER



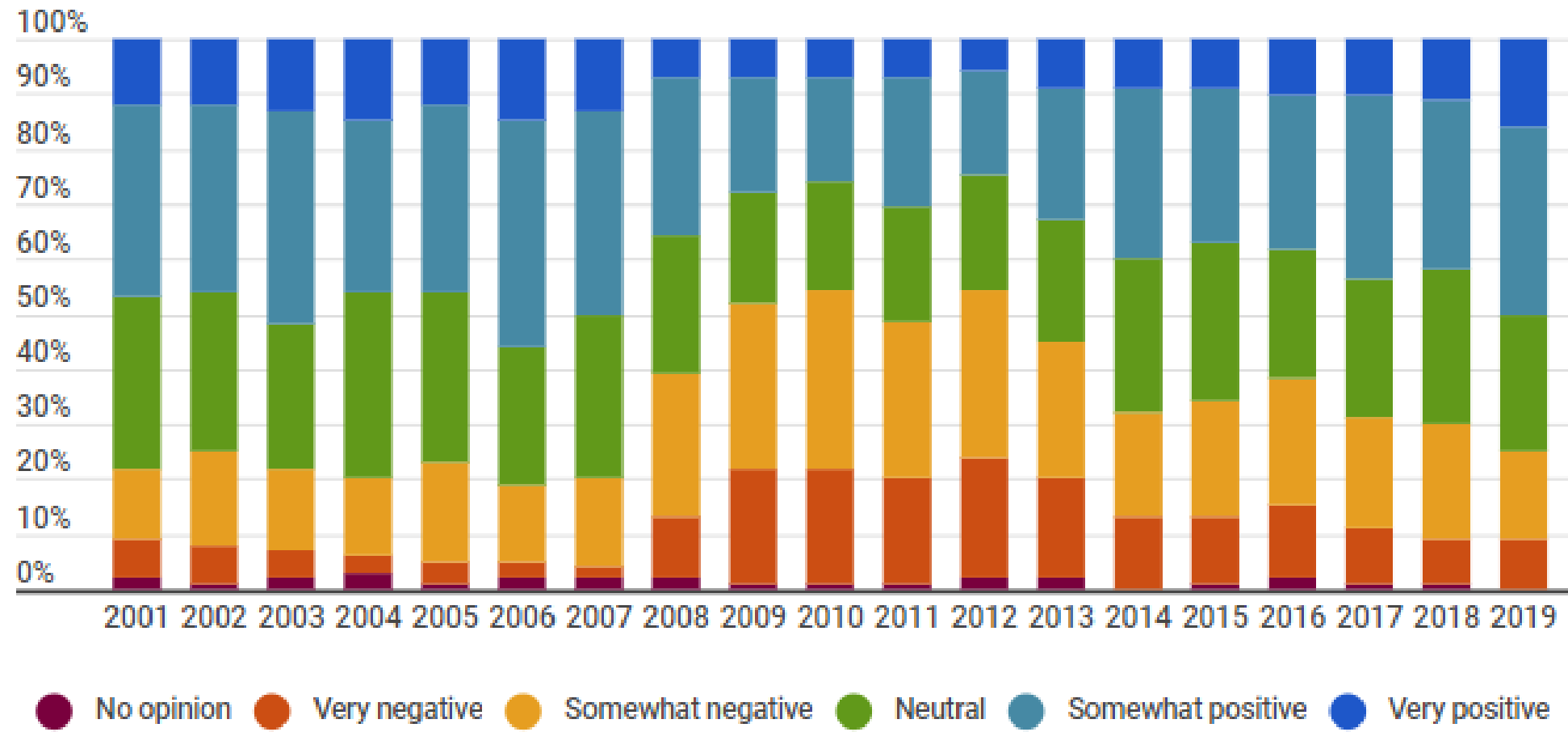
Source: FDIC

CHANGES IN CONFIDENCE IN INSTITUTIONS 2007 VS. 2012 VS. 2019



Source: Gallup

CONSUMERS' POSITIVE OPINION OF BANKING INDUSTRY REACHES 12-YEAR HIGH



Source: Gallup

CONSUMERS' POSITIVE OPINION OF BANKING INDUSTRY REACHES 12-YEAR HIGH

<u>2007</u>	<u>2012</u>	<u>2019</u>
1 Restaurant industry	Computer industry	Restaurant industry
2 Computer industry	Restaurant industry	Computer industry
3 Internet Industry	Retail industry	Grocery industry
4 Grocery industry	Internet Industry	Farming and agriculture
5 Retail industry	Farming and agriculture	Travel industry
6 Banking	Grocery industry	Accounting
7 Farming and agriculture	Publishing industry	Automobile industry
8 Accounting	Accounting	Retail industry
9 Publishing industry	Travel industry	Real estate industry
10 Travel industry	Automobile industry	Banking
11 Telephone industry	Telephone industry	Electric and gas utilities
12 Education	Education	Sports industry
13 Automobile industry	Sports Industry	Airline industry
14 Television and radio industry	Movie Industry	Telephone industry
15 Advertising and public relations industry	Television and radio industry	Publishing industry
16 Sports industry	Healthcare industry	Internet industry
17 Movie Industry	Pharmaceutical industry	Movie industry
18 Real estate industry	The legal field	Education
19 Airline industry	Electric and gas utilities	Television and radio industry
20 The legal field	Advertising and public relations industry	The legal field
21 Electric and gas utilities	Airline industry	Oil and gas industry
22 Pharmaceutical industry	Real estate industry	Advertising and public relations industry
23 Healthcare industry	Banking	Healthcare industry
24 The federal government	The federal government	The federal government
25 Oil and gas industry	Oil and gas industry	Pharmaceutical industry

Source: Gallup

KEY TRENDS

KEY INDUSTRY TRENDS

- Economic, Political & Regulatory Environment
- Technology
 - Innovation & Disruption
 - FinTech
 - Cybersecurity
- Talent Management

VBA INITIATIVES

E&T CONTINUUM



E&T BROCHURE

Education & Training Program Guide by Job Function

This guide contains information on VBA Education & Training offerings and engagement opportunities by job function. More information on each item can be found at www.vabankers.org or by calling any member of the Education & Training team. What is missing? Call us with your training needs! We look forward to serving you!

Retail

- **VBAConnect:** A Conference for Bank Human Resources, Marketing, Retail Banking and Training Professionals
- **ABA Certificates:** Bank Solutions Provider, Bank Teller, Branch Manager, Bank Financial Management, General Banking, Customer Service Representative, Personal Banker, Supervisor/Team Leader, Universal Banker
- **Creating Lifetime Bank to Business Partnerships Through Trust, Insights and Value Seminar**
- **Graduate School of Banking at Madison:** Sales and Marketing School
- **Retail Executives Committee**

Accounting

- **ABA Certificate:** Bank Financial Management
- **Call Report Training**
- **Interest Rate Risk & Investment Strategies Seminar**
- **VBA/VA Chamber Financial Forecast**
- **CFO Conference**
- **Graduate School of Banking at Madison:** Financial Managers School
- **Accounting Peer Group Meetings**
- **CFO Committee**

Compliance

- **ABA Certificates:** BSA/AML Compliance, Deposit Compliance, Fraud Prevention, Lending Compliance
- **AML/BSA 2-Day School**
- **BSA/AML Compliance Management Seminar**
- **Internal Audit Seminar**
- **Compliance Hot Topics**
- **Compliance School**
- **VBAProtect:** A Conference for Bank Security, Compliance, Enterprise Risk Management, Operations & Technology Professionals
- **FSU Master's Program for Compliance Professionals**
- **Compliance Peer Group Meetings**
- **Compliance Committee**

Enterprise Risk Management

- **ABA Certificates:** Risk Management Frameworks, BSA/AML Compliance, Fraud Prevention, Operational Risk Management
- **Certified Vendor Regulatory Program Manager**
- **VBAProtect:** A Conference for Bank Security, Compliance, Enterprise Risk Management, Operations & Technology Professionals
- **ERM Committee**

Banking as a Life-Long Career

Student

- **VBA Bank Day Scholarship Program**
- **VBA Internship Program**
- **VBA Career Center**

Emerging Leader

- **Burgers with Bruce**
- **Mix and Mingle Events**
- **ABA-Wharton Emerging Leaders Certificates**
- **Leadership Conference**
- **Management Development Program**
- **Virginia Bankers School of Bank Management**

Manager

- **Bank Managers School**
- **Graduate School of Banking at LSU**

Senior Executive

- **Executive Leadership Institute**

CEO/Market President

- **VBA/VA Chamber Financial Forecast**
- **Annual Convention**
- **Bank Directors' Symposium**
- **CEO Forum**

Director

- **VBA/VA Chamber Financial Forecast**
- **Annual Convention**
- **Bank Directors' Symposium**
- **TTS – Directors Education Webinar Series**

Retired Banker

- **Annual Convention**
- **CEO Forum**

Education for Anyone

- **VBA Advocacy Events**
- **Back to School at the VBA**
- **Women in Banking Conference**

Marketing

- **ABA Certificates:** Foundational Certificate in Bank Marketing, Advanced Certificate in Bank Marketing
- **VBAConnect:** A Conference for Bank Human Resources, Marketing, Retail Banking and Training Professionals
- **Graduate School of Banking at Madison:** Sales and Marketing School
- **Marketing Committee**

Human Resources

- **VBAConnect:** A Conference for Bank Human Resources, Marketing, Retail Banking and Training Professionals
- **VBA Internship Program**
- **Graduate School of Banking at Madison:** HR Management School
- **VBA HR Committee**

Operations & Technology

- **ABA Certificates:** Risk Management Frameworks, BSA/AML Compliance, Fraud Prevention, Operational Risk Management
- **Certified Vendor Regulatory Program Manager**
- **VBAProtect:** A Conference for Bank Security, Compliance, Enterprise Risk Management, Operations & Technology Professionals
- **Graduate School of Banking at Madison:** Bank Technology Security School
- **Ops & Tech Committee**

Lending & Credit

- **Lending**
 - **ABA Certificates:** Business and Commercial Lending, Small Business Banker
 - **CRE Bootcamp**
 - **Commercial Lending School**
 - **Creating Lifetime Bank to Business Partnerships Through Trust, Insights and Value Seminar**
 - **Lending & Credit Conference**
 - **Lending Executives Committee**
- **Credit**
 - **Loan Processor/Loan Assistant Seminar**
 - **Lending & Credit Conference**
 - **Lending Executives Committee**

Trust & Wealth Management

- **ABA Certificates:** Foundational, Intermediate and Advanced; Health Savings Account (HSA) Expert
- **Trust Peer Group**
- **Trust & Wealth Management Committee**

Security

- **ABA Certificate:** Fraud Prevention
- **Train the Trainer Seminar:** Elder Financial Exploitation
- **VBAProtect:** A Conference for Bank Security, Compliance, Enterprise Risk Management, Operations & Technology Professionals
- **Graduate School of Banking at Madison:** Bank Technology Security School
- **Security Committee**

Training

- **VBA Internship Program - Mentor and/or Champion**
- **Train the Trainer:** Elder Financial Exploitation
- **VBAConnect:** A Conference for Bank Human Resources, Marketing, Retail Banking and Training Professionals
- **Training Committee**

DIVERSITY & INCLUSION

- Diversity & Inclusion Task Force
 - Two meetings held so far
- Outreach/Partnerships
 - Risk Management Association event
 - Virginia Center for Inclusive Communities
 - College and University Connections

NATIONAL INITIATIVES WITH THE
AMERICAN BANKERS ASSOCIATION
EMERGING LEADERS COUNCIL:
DOROTHY WELCH, BLUE RIDGE BANK

STAY ENGAGED WITH THE VBA!

ABOUT THE VBA

Founded: 1893

Headquartered: Glen Allen, VA

Staff: 26

Members: 100 banks

Mission: To enhance Virginia banking for the benefit of banks, their customers and their communities.

Chairman: Jeffrey V. Haley, President and CEO, American National Bank & Trust

President & CEO: Bruce Whitehurst, bruce@vabankers.org

INDUSTRY ADVOCACY

- Attend VBA Legislative Meetings: Meet with your state and federal legislators to review important industry issues
- Sign up to send comment letters through the VBA Call to Action program
- Contribute to VBA BankPAC
- Attend Banker Day in January and the Washington Summit in March
- Sign up to receive the VBA Legislative Bulletin

Matt Bruning: mbruning@vabankers.org

COMMITTEES

Join one of the 15 VBA committees that represent many areas of banking:

- Provide input to the VBA on matters affecting the banking industry and the committee's functional area
- Identify possible legislative and/or regulatory issues
- Provide input on education and training needs
- Participate in a forum for the exchange of ideas and networking

Tracy Ottinger: tottinger@vabankers.org

EMERGING BANK LEADERS

- Join the Emerging Bank Leaders
- Attend regional networking and educational events
- Learn and meet other bankers at the annual Leadership Conference
- Participate in advocacy efforts on behalf of your bank
- Become more involved in financial literacy in your community
- Make new friends
- Have fun!

Chandler Owdom: cowdom@vabankers.org

COMMUNICATIONS

Sign up to receive:

- Executive Brief - news bites emailed every other Monday
- VBA magazine, *Virginia Banking*
- Regulatory Bulletin
- Legislative Bulletin
- Emerging Bank Leaders Newsletter
- Cybersecurity Newsletter
- For Your Benefit Newsletter
- The Kit: Financial Literacy Newsletter
- VBA Virtual: Weekly Webinars email

Chandler Owdom: cowdom@vabankers.org



EDUCATION & TRAINING

- Attend one of over 30 live Education & Training events offered per year
- Inquire about the VBA Bank School
- Apply for the Management Development Program or Executive Leadership Institute
- Learn about the hundreds of webinars offered on www.vabankers.org

Courtney Fleming: cfleming@vabankers.org

FINANCIAL LITERACY

- Participate in Teach Children to Save Day
- Learn about EVERFI
- Participate in Get Smart About Credit Day
- Host a student on Bank Day
- Attend Back to School at the VBA
- Sponsor a school for Virginia Reads One Book
- Access information and resources through the VBA Financial Literacy Toolkit

Monica McDearmon: mmcdearmon@vabankers.org

THANK YOU!