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2022-2023
VBA Chairman

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JOHN MARSHALL BANK

20
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VIRGINIA BANKERS ASSOCIATION

2022-2023 | VBA BOARD

Christopher W. Bergstrom
CHAIRMAN
John Marshall Bank

Litz H. Van Dyke
CHAIRMAN-ELECT
Carter Bank & Trust

Leton L. Harding, Jr.
IMMEDIATE PAST
CHAIRMAN
Powell Valley National Bank

James R. Black
Touchstone Bank

David P. Boyle
Burke & Herbert Bank

Victor K. Branch
Bank of America, NA

John J. Brough
Chain Bridge Bank, NA

John R. Caldwell
The Farmers Bank of Appomattox

Thomas F. Cherry
C&F Bank

Steven A. DeLuca
Capital One Financial Corporation

Aubrey H. Hall, III
First National Bank

Scott C. Harvard
First Bank, Virginia

G. Lyn Hayth, III
Bank of Botetourt

Brandon C. Lorey
Bank of Clarke

Thomas L. Ransom
Truist Bank

Sherri A. Sackett
Select Bank

Brad E. Schwartz
TowneBank

Robert F. Shuford, Jr.
Old Point Financial Corporation

Maria P. Tedesco
Atlantic Union Bank

Joseph J. Thomas
Freedom Bank of Virginia

Janet N. Tope
Wells Fargo Bank, N.A.

Robert C. Wood, Jr.
United Bank



EXPECT THE UNEXPECTED

Bruce Whitehurst
PRESIDENT & CEO
 VIRGINIA BANKERS ASSOCIATION

At the June 2001 VBA Annual Convention, we knew Y2K was safely behind us. We did not foresee – or have any way to anticipate – the coming September 11 attack on our nation and its tragic consequences. At our June 2008 VBA Annual Convention, we knew the housing market was blazing hot; we did not know IndyMac would fail a month later and that by September we would be in a global financial crisis.

In June of 2019, we thought low interest rates and tepid economic growth might hang around for a long time. We did not know that the following March would find us in a global pandemic with significant near- and intermediate-term economic outcomes, on top of the challenges the fundamental health crisis COVID-19 presented.

At our convention in Virginia Beach in June 2022, we knew inflation seemed to be more sticky than transitory and that the interest rate environment would be changing for the first time in about a decade. We did not anticipate two of the largest bank failures in U.S. history and three total failures in the spring of 2023.

Reflecting on the past VBA program year, from mid-2022 to mid-2023, as well as on the past periods mentioned above, it's safe to say that we should prepare to expect the unexpected. Not every year brings significant disruptive events, but it happens often enough that we know to be ready for unanticipated events to change our focus and call on us to respond accordingly.

Interestingly, the four disruptive events I have described include two that were completely external to the banking industry and two that were much more directly connected to financial services. In all cases, banks were directly impacted and called upon to be key players in finding solutions and moving our country through and beyond the crisis at hand. Time after time, we are reminded how crucial banks are to our country's well-being and to creating positive outcomes in communities all over Virginia and the nation.

“Time after time, we are reminded how crucial banks are to our country's well-being and to creating positive outcomes in communities all over Virginia and the nation.”

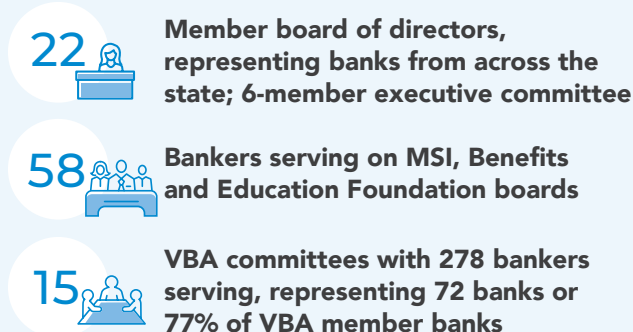
Over the VBA's 130-year history, we have certainly been through many more unexpected events and crises than these four, yet Virginia banking continues to stand strong, and your support of the VBA is unwavering. Being adaptable and flexible should probably be the first two bullet points in every job description these days, as we are called upon to be just that so many times. Perhaps that is why banks continue to assign such value to the ongoing development of bankers; and as I mentioned at the VBA Annual Convention in June, we at the VBA are privileged that we get to play a central role in helping banks keep bankers adaptable, flexible and prepared to handle whatever lies around the next corner.

From the entire VBA staff to all our member banks, associate members and industry partners, thank you for your confidence in us and for your active engagement as we partner with you to keep Virginia banking at the forefront throughout the Commonwealth.

VBA MEMBER DATA — as of June 2023 —



— VBA MEMBER — ENGAGEMENT SNAPSHOT



2022-2023 TIMELINE

June 21, 2022

Chris Bergstrom, John Marshall Bank, was elected as 2022-2023 VBA Chairman at the 129th VBA Annual Convention in Virginia Beach.

July 22, 2022

Forty-four Virginia bankers graduated from the 84th session of the Virginia Bankers School of Bank Management. During the graduation ceremony, the 2016-2021 Faircloth Award recipients surprised Mark Faircloth in recognition of his 25 years as a Bank School faculty member and the faculty liaison to the Bank School Trustees.

September 15, 2022

The Virginia Banking Fellows Program, a new partnership with the Virginia Foundation for Community College Education sponsored by the VBA Education Foundation and seven Virginia banks, launched with thirteen students participating in the pilot program.

March 2023

The FDIC and state regulators closed Silicon Valley Bank (SVB) on March 10 and Signature Bank on March 12. These closures mark the second and third largest bank failures since Washington Mutual in 2008.

May 11, 2023

The Department of Health & Human Services ended the COVID-19 public health emergency.

May 23, 2023

The first meeting of the VBA DEI Peer Connections group was held virtually.

July 1, 2022

The VBA Benefits Corp. implemented a pharmacy captive program, covering the majority of the cost for high-cost specialty medications that cover more than 36 conditions.

August 3, 2022

The judges of the Virginia State Corporation Commission ruled in favor of the VBA and Virginia banks in the three-year legal battle opposing Virginia Credit Union's (VACU) attempt to add 10,000 members of the Medical Society of Virginia to VACU's field of membership.

January 12, 2023

More than 200 bankers attended the first in-person Banker Day in Richmond since 2020.

May 1, 2023

The FDIC announced that San Francisco-based First Republic Bank had been closed and sold to JPMorgan Chase.

May 19, 2023

The VBA sent a letter to Senator Mark Warner, updating him on the strength and state of the Virginia banking industry ahead of the Senate Banking Committee reviews of the 2023 bank failures.

June 25-28, 2023

More than 320 bankers and industry partners gathered for the 130th VBA Annual Convention at The Breakers Palm Beach, a first-time location for this event, where Litz Van Dyke was elected 2023-2024 VBA Chairman.

Bank School



Fellows Program



Banker Day



Annual Convention





CHAIRMAN'S REFLECTIONS

Christopher W. Bergstrom
 PRESIDENT & CEO, JOHN MARSHALL BANK
 2022-2023 VBA CHAIRMAN

I have been honored to serve as the VBA Chairman this year and have gained an even deeper appreciation for the role and value of our association as a result.

The economy has been the headline for the past twelve months. This time last year, we were moving from what the Federal Reserve Bank Chairman Jay Powell had called "transitory" inflation to an acknowledgment that maybe inflation was more persistent than the Fed had expected. The FOMC began increasing interest rates at what became a record pace and the yield curve inverted. One year later, we have soaring deposit rates along with intense competition for those deposits. This is quite a change from being flush with deposits and liquidity from the pandemic and trillions of dollars in federal government stimulus – likely much more stimulus than we needed.

Perhaps the three regional bank failures – two in March and one in May – seemed like a surprise, but probably should not have been. To be sure, there were unique attributes of each bank, with common themes around concentration of customer base, poor risk management and lack of timely regulatory enforcement, but the rapid changes in our interest rate environment clearly played a key role in the demise of these banks.

As the media fanned the flames of the so-called banking crisis, the role of the VBA became clear, just like so many times in its 130-year history. The VBA spoke out on our behalf with the media and with policymakers. Your VBA Board had a robust discussion in April, which led to a VBA letter delivered to Virginia Senator Mark Warner – a senior member on the Senate Banking Committee – to set the record straight. In our letter, we expressed our clear intention for the VBA to play an active role in Congressional dialogue about the bank failures, any possible regulatory changes and what to do, if anything, about FDIC deposit insurance limits. The VBA continues to coordinate with its peers across the country and at the national level as we seek the best possible outcome for banks, which is always the VBA's number one mission.

The VBA remains strong because we have evolved and adapted our association and its business model to make sure we are able to meet the needs of a changing industry. To be

in a solid financial position after a decades-long period of industry consolidation is a testament to the strong partnership between member banks and the VBA's professional staff. This partnership is vital to our success.

Industry and economic disruption can lead to an acceleration in consolidation. So as merger activity is projected by some to increase, we can feel good about the VBA's strong foundation and the fact that our association will continue to be an essential partner to all of us. I believe that a key part of VBA's future success will come from collaborations and partnerships that will provide mutual benefit to VBA member banks.

Adaptability has become a bedrock of banking, just like service to our customers and communities, along with integrity of our actions. Over the past fifteen years, the banking industry rebounded from the challenges of the great recession to become the economic first responders of a once in a lifetime pandemic. How could we forget but could we have imagined it possible? As we face the realities and challenges of today, we should also embrace the potential for new opportunities for the banking industry in the future.

Thank you for honoring me by choosing me to serve as your VBA Chairman for the past year.

To be in a solid financial position after a decades-long period of industry consolidation is a testament to the strong partnership between member banks and the VBA's professional staff.



Chris with the VBA Executive Committee at the 129th Annual Convention in Virginia Beach.

Chris, pictured here with Immediate Past VBA Chairman Leton Harding, was installed as VBA Chairman in June 2022.



During the 2022 Virginia Bankers School of Bank Management, Chris shared his congratulations and advice for the graduates.

Chris joined the VBA staff for lunch in October 2022.



During the 2022 VBA Leadership Conference in October, Chris served on a bank CEO/bank executives panel.

At the 2023 VBA/VA Chamber Financial Forecast in January, Chris welcomed the group and introduced Federal Reserve Bank of Richmond President and CEO Tom Barkin.



Chris welcomed Virginia and Tennessee bankers on the Payments Fraud: Threats and Prevention Strategies virtual event in February 2023.



Chris joined more than 50 Virginia bankers at the 2023 VBA/ABA Washington Summit in March.

Chris presided over the 130th VBA Annual Convention in Palm Beach in June 2023.





130TH ANNUAL CONVENTION

More than 320 bankers and industry partners joined us June 25-28 at The Breakers Palm Beach for the 130th VBA Annual Convention. Attendees enjoyed general and breakout sessions in addition to social and networking events during their time in Florida.

The event began Sunday with a Welcome Reception sponsored by Investors Title Insurance Agency. On Monday, spouses and guests enjoyed a Mix & Mingle with longtime Palm Beach resident Leslie Diver, Island Living Tours. The Golf Tournament, sponsored by Vericast, returned for the first time since 2019 on Monday afternoon at the Ocean Course and a reception was held Monday evening, sponsored by Marsh McLellan Agency, SageView, VBA Benefits Corp. and Voya.

On Tuesday afternoon, attendees enjoyed a Fun in the Sun Social, sponsored by R&T Deposit Solutions followed by the closing reception and dinner, sponsored by Bankers Insurance.

A special thank you to 2022-2023 VBA Chairman Chris Bergstrom, John Marshall Bank, who presided over this year's event.

For a full event recap, please visit www.vabankers.org/post/2023-vba-annual-convention-recap.



VBA Education Foundation Chairman Scott Harvard (middle) and VBA Government Relations Committee Chairman Robert Wood (right) joined Bruce Whitehurst during the Tuesday morning General Session for an update on the 2023 VBA BankPAC campaign and the VBA Education Foundation Annual Fund Campaign.



Past VBA chairmen and presidents enjoyed dinner on Sunday evening in the Gold Room at The Breakers.



Monday's breakout sessions were sponsored by Abrigo, Profit Resources, Inc., Chatham Financial and Keefe, Bruyette & Woods, Inc., a Stifel Company.



Keynote speakers during the General Sessions included Nela Richardson, Alyson Van Hooser, Alex Vogel and Chaunte Lowe (pictured right).



Litz Van Dyke, Carter Bank & Trust, was installed as 2023-2024 VBA Chairman during Tuesday's General Session.



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SETTING THE STAGE

Matt Bruning
EXECUTIVE VICE PRESIDENT, GOVERNMENT & MEMBER RELATIONS
VIRGINIA BANKERS ASSOCIATION

Looking back, the last year in advocacy was thankfully quieter than the previous few as the pandemic abated with a growing sense of a return to normalcy. Of course, circumstances provided yet another unexpected twist with the early spring 2023 failures of Silicon Valley Bank (SVB) and Signature Bank. The potential reverberations from those events bring a heightened need for advocacy engagement as we move forward. Likewise, the past year was mostly “the calm before the storm” in the political realm, in anticipation of state legislative elections in the fall.

Thankfully, VBA state advocacy events returned in person, first with the fall legislative meetings followed by the first non-virtual VBA Banker Day since 2020 in January. While we will continue leveraging technology to expand opportunities for engagement with elected officials, resuming these opportunities for constituent bankers to speak directly with their state legislators was both welcomed and productive. The relationships fostered and policy positions explained through those interactions led to a successful 2023 Virginia General Assembly session. Proactive legislation to modernize and improve efficiency to the bank franchise tax, update and expand the permissible investments available to banks, and remove pandemic-related garnishment protection procedures won strong, bipartisan support on their way to being enacted into law.


At the federal level, November elections presented divided government within Congress and the tone and priorities from the different chambers on banking issues could not be more discordant. Ultimately, it is setting up for no action, either on measures supported or opposed by the industry, under the current congressional composition. Virginia bankers had the unique happenstance of timing to be at the VBA/ABA Washington Summit – and back on Capitol Hill – in March for meetings with our delegation just days after the collapse of SVB and Signature Bank. The unified message of the banking industry remaining safe and sound with consumer deposits protected was important to deliver in a time of uncertainty. Further work remains ahead as policymakers debate what, if any, changes to consider in the wake of those events.

Virginia welcomed two new members of Congress, as Republican former state senator Jen Kiggans won a tightly contested 2nd district election, while Democratic former state senator Jennifer McClellan succeeded 4th

District Congressman Donald McEachin following his passing. More dramatic changes are poised to occur at the state level with new district boundaries and dozens of retirements portending significant turnover for the 2024 session. With many new faces in Richmond, educating freshly elected legislators will be a top priority.


With the forthcoming elections, it was important that the VBA BankPAC remain well-funded to make a difference in support of pro-banking candidates on both sides of the aisle. Virginia bankers delivered, raising over \$454,000 in the 2022 campaign.

While there really is no quiet time in advocacy, the last year provided an opportunity to make progress and set the stage for future positive results.




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2022 VBA BankPAC CAMPAIGN RESULTS

The banking industry’s role in maintaining a steady economic environment for communities and businesses underscores the importance of strong continued advocacy efforts at both the state and federal level. As the unified voice of the industry in the political arena, VBA BankPAC is crucial to facilitating those advocacy efforts. As a result of your generous contributions, our industry has a seat at the table at the Capitol in both Washington D.C. and Richmond when important policy decisions impacting the daily operations and financial results of your institutions are being made.

2022 VBA BankPAC by the Numbers:



Total Amount Raised:
\$454,168



Total Number of Bank Contributors:
53



Total Number of Individual and Director Contributors:
1,037

THANK YOU TO THE FOLLOWING BANKS FOR THEIR SUPPORT OF THE 2022 VBA BANKPAC CAMPAIGN:

- American National Bank & Trust Co.
- Atlantic Union Bank
- Bank of America
- Bank of Botetourt
- Bank of Clarke
- Bank of the James
- Benchmark Community Bank
- C&F Bank
- Capital One
- Carter Bank & Trust
- Chain Bridge Bank
- Chesapeake Bank
- Citizens Bank & Trust Company
- City National Bank
- Community Bank of the Chesapeake
- Community Bankers’ Bank
- Dollar Bank
- F&M Bank
- First Bank & Trust Co.
- First Bank, Virginia
- First Community Bank
- First Citizens Bank & Trust Co.
- First National Bank
- Freedom Bank
- Fulton Bank
- John Marshall Bank
- Lee Bank & Trust
- Legacy Bank
- M&T Bank
- MainStreet Bank
- National Bank
- National Capital Bank
- New Horizon Bank
- New Peoples Bank
- Old Point National Bank
- Pioneer Bank
- Powell Valley National Bank
- Primis Bank
- Select Bank
- Skyline National Bank
- Southern Bank & Trust
- SouthState Bank
- The Bank of Charlotte County
- The Bank of Marion
- The Bank of Southside Virginia
- The Farmers Bank of Appomattox
- Touchstone Bank
- TowneBank
- TruPoint Bank
- United Bank
- Village Bank
- Virginia Bankers Association
- Virginia National Bank
- Wells Fargo Bank



VBA STATE LEGISLATIVE MEETINGS

2022 ATTENDANCE

237
TOTAL STATEWIDE ATTENDANCE

27
ABINGDON

26
ROANOKE

25
DANVILLE

32
HARRISONBURG

42
RICHMOND

55
TYSONS

30
VIRGINIA BEACH

To learn more about VBA government relations efforts and advocacy opportunities, please visit www.vabankers.org/government-relations.



2023 VBA BANKER DAY

On January 12, more than 200 bankers from 44 banks attended VBA Banker Day at the Greater Richmond Convention Center – the first in-person Banker Day to be held since 2020. Over breakfast, Virginia Secretary of Finance Stephen Cummings provided insight into Governor Youngkin’s proposed budget and tax policy proposals and the overall priorities for the Administration. Attendees traveled to the Pocahontas Building to meet with legislators in their offices for a chance to hear directly from state policymakers and learn about the issues impacting banking in the 2023 General Assembly session.

For a full event recap, please visit www.vabankers.org/post/2023-vba-banker-day-event-recap.

2023 VBA/ABA WASHINGTON SUMMIT

More than 1,700 bankers from across the country attended the in-person and virtual VBA/ABA Washington Summit March 20-22, with nearly 50 in-person attendees from Virginia. Summit attendees heard from public officials and issue experts on the status of the nation’s economy and banking system post-recent bank failures. Virginia bankers met with Senators Mark Warner and Tim Kaine as well as House of Representative staff members to discuss issues including bank fees, credit unions, credit card interchange and the SAFE Banking Act. FHLBank Atlanta hosted a joint reception with the Maryland Bankers Association during the Summit.



2023 Washington Summit EMERGING BANK LEADERS SCHOLARSHIP RECIPIENTS



(pictured left to right): Stetson Franklin, American National Bank & Trust Co.; Darian Fisher, Southern Bank and Trust Company; and Jordan Dean, Pendleton Community Bank

Get to know the 2023 scholarship recipients by visiting www.vabankers.org/internal-links/get-know-2023-washington-summit-eb-l-scholarship-recipients.



For a full event recap, please visit www.vabankers.org/post/2023-vbaaba-washington-summit-recap.

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VBA EDUCATION FOUNDATION: YEAR IN REVIEW

Virginia Banking FELLOWS PROGRAM

From September 2022 to May 2023, thirteen Virginia community college students participated in the new Virginia Banking Fellows Program, a partnership with the Virginia Foundation for Community College Education (VFCCE). The VBA Education Foundation and seven Virginia banks sponsored this program with a mission to provide opportunities for underserved community college students to pursue their academic goals, strengthen their leadership skills, and learn more about the banking industry.

Each of the thirteen students received a \$7,000 scholarship to support tuition, books, fees and other expenses related to their education. The banking industry contributed an additional \$3,000 per Fellow to cover educational elements and the administrative fees of the program, for a total of \$10,000 per Fellow and \$130,000 in all.

Throughout the year, Virginia Banking Fellows participated in statewide leadership training and conferences, cultural opportunities, community service activities, online banking industry training as well as a variety of banking industry networking and educational events.

2022-2023 Virginia Banking Fellows attended the following community colleges:

- Blue Ridge Community College
- Germanna Community College
- Laurel Ridge Community College
- Mountain Empire Community College
- Northern Virginia Community College
- Patrick & Henry Community College
- Rappahannock Community College
- Reynolds Community College
- Tidewater Community College
- Virginia Western Community College



2023 VBA Bank Day SCHOLARSHIP PROGRAM

In March 2023, more than 460 students registered to participate in the VBA Bank Day Scholarship Program with 26 Virginia banks. Banks hosted in-person and virtual meetings for the students and provided resources and information so the students could learn about banking, financial services, career opportunities in the industry and the vital role banks play in their communities.



Carson Wang | 2023 STATEWIDE WINNER

A total of \$26,000 was awarded from the VBA Education Foundation to 12 students on the basis of essays written about their experiences. Carson Wang, a senior at Maggie Walker Governor's School in Richmond and hosted by Village Bank, was selected as this year's statewide winner and received a \$7,500 scholarship.

Regional and honorable mention winners were hosted by Bank of the James, Blue Ridge Bank, Burke & Herbert Bank, C&F Bank, F&M Bank, First National Bank, MainStreet Bank, New Peoples Bank, The Bank of Marion, United Bank and Village Bank.

To learn more about the 2023 winners, please visit www.vabankers.org/internal-links/get-know-2023-vba-bank-day-scholarship-program-winners.

2023 Virginia READS ONE BOOK PROGRAM

In March 2023, more than 13,700 Virginia students from Title 1 schools and their families were able to participate in the statewide reading program, Virginia Reads One Book, thanks to nearly \$90,000 of financial support from Virginia's banking industry. Nearly 70% of the total number of students participating in the 2023 program did so through Virginia banking industry sponsorship.

To view a full program recap, please visit www.vabankers.org/post/2023-virginia-reads-one-book-program-recap.



“Forming a partnership with a local bank was the most exciting part of the program – aside from all the benefits to the students.”
– 2023 Program Participant

2022-2023

VBA EDUCATION FOUNDATION BOARD

Scott C. Harvard
CHAIRMAN
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DIRECTOR EMERITUS
VBA President & CEO
1983-2006

Jeffrey M. Szyperski
IMMEDIATE
PAST CHAIRMAN
Chesapeake Bank

Nathalia D. Artus
Atlantic Union Bank

T. Patrick Collins
TowneBank

Timothy M. Duffee
SouthState Bank, NA

Jeffrey V. Haley
American National
Bank & Trust Co.

Leton L. Harding, Jr.
Powell Valley
National Bank

Jennifer W. Knighting
First Bank, Virginia

Charles H. Majors
American National
Bank & Trust Co.

Gary R. Shook
Community Bankers'
Bank

Dorothy M. Welch
Blue Ridge Bank, N.A.

Bruce T. Whitehurst
Virginia Bankers
Association

Steven C. Yeakel, CAE
Virginia Association of
Community Banks

ABA Foundation FINANCIAL EDUCATION PROGRAMS



2022 GET SMART ABOUT CREDIT



21

VIRGINIA BANKS
REGISTERED



2,300

STUDENTS
REACHED



2023 TEACH CHILDREN TO SAVE



25

VIRGINIA BANKS
REGISTERED



4,900

STUDENTS
REACHED

All registration numbers as of June 2023.

To learn more about the VBA Education Foundation and ABA Foundation programs and initiatives, please visit www.vabankers.org/education-foundation.

2022 VBA EDUCATION FOUNDATION ANNUAL FUND CAMPAIGN

Contributions to the VBA Education Foundation Annual Fund Campaign ensure that the banking industry is able to continue supporting statewide programs like the VBA Bank Day Scholarship Program and Virginia Reads One Book, while also establishing new initiatives like the Virginia Banking Fellows Program.



Total Amount Raised:

\$66,214



32 NUMBER OF BANK AND
INDUSTRY PARTNER
CONTRIBUTORS



47 NUMBER OF INDIVIDUAL
CONTRIBUTORS

Thank you to the following banks and industry partners that contributed to the 2022 campaign:

- American National Bank & Trust Co.
- American National Bank & Trust Co., in Memory of Sam Neese
- Atlantic Union Bank
- Bank of America, NA
- Bank of Botetourt
- Bank of Clarke County
- Banzai
- Benchmark Community Bank
- Blue Ridge Bank, in Memory of Suzie Allen
- C&F Bank
- Carter Bank & Trust
- Carter Bank & Trust, in Memory of Sam Neese
- Chesapeake Bank
- Citizens Bank & Trust Co.
- College Ave
- Community Bankers' Bank
- Community Bankers' Bank, in Memory of Sam Neese
- EagleBank
- F&M Bank, in Memory of Sam Neese
- First Bank, Virginia, in Memory of Sam Neese
- First Bank, Virginia, in Memory of Suzie Allen
- First National Bank
- John Marshall Bank
- National Bank
- National Bank, in Memory of Sam Neese
- New Peoples Bank, in Memory of Sam Neese
- Oak View National Bank
- Old Point National Bank
- Powell Valley National Bank, in Memory of Sam Neese
- Select Bank
- Southern Bank and Trust Company
- SouthState Bank
- The Bank of Marion
- Touchstone Bank
- TowneBank
- Virginia Association of Community Banks



THE NEW NORMAL: LEGAL LANDSCAPE

DeMarion Johnston
GENERAL COUNSEL & CORPORATE SECRETARY
VIRGINIA BANKERS ASSOCIATION

The new normal, post-pandemic life has seen the joyous occurrence of in-person events and activities, the restocking (mostly) of store shelves, and the reluctant return of more workers to the office. On the legal landscape, what's old is new again - familiar issues like credit union expansion, banks' right of offset, check fraud (see sidebar), and regulatory overreach reappeared. In response, the VBA focused its energy on providing information and support to our member banks, while also advocating for banks' rights in these areas.

I've shouted it from the rooftops, but this capstone deserves a final mention in the legal year in review: Our three-year legal battle opposing Virginia Credit Union's (VACU) attempt to add 10,000 members of the Medical Society of Virginia to VACU's fields of membership came to an end on August 3, 2022, when the judges of the Virginia State Corporation Commission ruled in favor of the VBA and Virginia banks. The Commission agreed with our position that VACU failed to prove the Medical Society of Virginia could not practicably, or consistently with reasonable safety-and-soundness standards, form its own credit union and, therefore, could not be added to VACU's membership. This was an important success for Virginia banking because it held credit unions, which already receive tax and reduced regulatory advantages in comparison to banks, to the letter of the Virginia law that only allows small groups to be added to existing credit unions. A special thank you to American National Bank & Trust Co., Blue Ridge Bank, N.A., The Bank of Charlotte County, Chesapeake Bank, Farmers Bank, First Bank & Trust Co., and First National Bank for serving as co-petitioners in this significant case.

“Our three-year legal battle opposing Virginia Credit Union's (VACU) attempt to add 10,000 members of the Medical Society of Virginia to VACU's fields of membership came to an end on August 3, 2022, when the judges of the Virginia State Corporation Commission ruled in favor of the VBA and Virginia banks.”

In another courtroom legal battle, the VBA filed an *amicus curiae* or “friend of the court” brief with the Supreme Court of Virginia in the Arch Insurance Company v. FVCbank case. This matter involved a complex conflict between VBA member FVCbank and a surety's competing security interests in checking account funds. The bank had an account holder with multiple accounts and loans with the bank, who defaulted on those loans. Upon default, the

bank froze the bank accounts and used its right of offset to collect the monies owed to the bank by the account holder/borrower. The insurance company, which was subrogated to the rights of the account holder/borrower, challenged the bank and claimed it had a superior right to the funds in the accounts. The Supreme Court of Virginia ruled in favor of the bank and reinforced well-settled Virginia banking law, including:

- a bank's interest in a borrower's account funds is governed by loan documents and perfected security interests, which include control over the accounts;
- a subrogee steps into the shoes of a principal and can have no greater rights than the principal;
- the relationship between a general depositor and the bank is that of debtor and creditor, and monies deposited immediately become the property of the bank, which is then a debtor of the depositor; and
- in the absence of a clear agreement to the contrary, expressed or implied, a deposit is presumed to be a general deposit.

This case was critical to Virginia banking because it threatened to disrupt the debtor/creditor relationship between banks and their depositors and threatened to burden banks with a duty to determine the source of all incoming deposit funds. Additionally, it was important because it maintained the character of a general deposit and reinforced a bank's right of offset when a depositor commingles funds with the general funds of the bank.

With the pandemic out of the way, federal regulators charged full steam ahead with their ambitious regulatory agendas, targeting, among other things, bank and credit card fees, the card payments system, the Community Reinvestment Act, and the beneficial ownership registry. The VBA submitted numerous comment letters to Congress and federal regulators opposing the activist proposals. We filed a comment with Congressional leaders opposing the expansion of the Durbin Amendment with the Credit Card Competition Act of 2022, arguing that the number of credit card issuers would be reduced, popular rewards programs would be lost, and the private-sector card payments system would be harmed. We commented to the Consumer Financial Protection Bureau our opposition to changes to the CARD Act and Regulation Z regarding credit card fees and payments, which have been well-settled and uncontroversial for more than a decade. The VBA also filed a comment with the Federal Housing Finance Agency (FHFA) alerting the agency of a regulatory

inconsistency regarding the measurement of bank capital by FHFA and the prudential banking agencies, which resulted in differing capital levels for the same institution and threatened loss of access to the Federal Home Loan Bank system. We urged regulatory changes to ensure consistency of capital definitions across regulations to safeguard bank access to the Federal Home Loan Banks.

The VBA commented with the Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, and Federal Reserve Board urging the agencies to act jointly to improve and tailor Community Reinvestment Act (CRA) regulation and supervision by reducing complexity, increasing predictability, and modernizing CRA to reflect technological advances and the use of technology by consumers accessing financial products and services. We also filed a comment with FinCEN asking the bureau to allow banks to use the registry of beneficial ownership information broadly to discharge their responsibilities under the Bank Secrecy Act and to allow banks to share beneficial ownership information across their enterprises, including foreign jurisdictions.

Even though the return to normalcy influenced the legal landscape and resulted in the recurrence of some familiar banking legal issues, the surprising failures of Silicon Valley Bank, Signature Bank, and First Republic Bank, along with the expected tightening of credit, growth of digital assets, and increased use of artificial intelligence, will bring a mix of old and new challenges to banking in the upcoming year. The VBA will continue to keep our members informed of pertinent legal events and developments while fighting for bank rights and reasonableness in regulation.

The Rise of PAYMENTS FRAUD



The swell of COVID-19 stimulus funds, loopholes and reduced enforcement at the U.S. Postal Service, and blatant theft converged and resulted in check fraud rearing its ugly head. FinCEN issued a check fraud alert in February 2023

and reported that the number of SARs related to check fraud surged to over 680,000, which was almost double the previous year's filings. In response, the VBA hosted a fraud webinar jointly with the Tennessee Bankers Association in February 2023 that featured Jim Hitchcock and Nessa Feddis from the American Bankers Association, who discussed the recent types of fraud banks were experiencing, the laws applicable to different types of fraud, and the tools and internal controls banks can use to combat fraud and reduce losses. The VBA also developed a fraud resources webpage as a central repository for fraud information and resources to assist our members.



VBA and Joint ABA/VBA COMMENT LETTERS:

- JUNE**
23
2022

Joint comment letter to the Federal Reserve Board of Governors, U.S. Department of the Treasury, OCC, FDIC, FHFA, U.S. Securities and Exchange Commission, and Commodity Futures Trading Commission on the impact of Environmental, Social and Governance guidance and regulatory proposals on banking
- OCT**
18
2022

Joint comment letter to Federal Housing Finance Agency Regarding Tier 1 Capital.
- OCT**
31
2022

VBA comment letter to Federal Housing Finance Agency supporting the FHLBank system
- DEC**
7
2022

Joint comment letter to U.S. House and Senate leadership opposing expansion of the Durbin Amendment.
- DEC**
20
2022
&
JAN
13
2023

Joint comment letters to the ALEC board of directors expressing strong opposition to the Eliminate Economic Boycotts Act
- FEB**
14
2023

Joint comment letter to FinCEN regarding Beneficial Ownership Information Access and Safeguards
- APR**
29
2023

Joint comment letter to Congressional leaders reinforcing the need to maintain a strong and diverse US banking sector in response to the 2023 bank failures
- MAY**
10
2023

Joint comment letter to the Senate Banking, Housing and Urban Affairs Committee supporting the SAFE Banking Act
- MAY**
19
2023

VBA letter to Senator Mark Warner updating him on the strength and state of the Virginia banking industry ahead of the Senate Banking Committee reviews of the 2023 bank failures
- JUNE**
6
2023

Joint comment letter urging Congressional leadership to reject the Credit Card Competition Act

AUG
1
2022

Joint comment letter to the CFPB opposing changes to the CARD Act or Regulation Z in regard to credit card fees and payments

AUG
5
2022

VBA comment letter joint with ABA and state associations to U.S. Congressional leadership opposing Credit Card Competition Act of 2022 and the expansion of Durbin Amendment routing to Credit

AUG
5
2022

VBA comment letter to FDIC, OCC, and Federal Reserve Board regarding Community Reinvestment Act

AUG
10
2022

VBA/VACB joint comment letter to Virginia Congressional Delegation opposing Credit Card Competition Act of 2022

- Virginia bankers did their part in opposing credit card routing mandates with more than 100 total actions taken urging legislators to oppose the Credit Card Competition Act



YEAR IN TRANSITION

Laurie Milligan
PRESIDENT & COO
 VBA BENEFITS CORPORATION

Like other employers over the past year, the VBA Benefits Corporation (VBABC) team navigated the new normal post-pandemic. After balancing virtual and in-person meetings, it was so refreshing and energizing to hit the road to see our clients again by EOY 2022. In terms of our benefit offerings, we continue to manage the daily operations and administration, with a focus towards risk mitigation strategies for our health coverages and participant education for our retirement plans.

Health & Welfare

Healthcare costs increased by nearly double digits from 2021 to 2022, due in part to delayed preventive screenings and exams from COVID-19, increased prescription drug prices, especially new high-cost drugs entering the market, and inflationary pressures within the industry. The VBABC worked with our benefit consultants to explore and implement strategies to mitigate our claims into 2023 and moving forward. A few of those included:

- Implementing a pharmacy captive program as of July 1, 2022. This program covers the majority of the cost for high-cost specialty medications that cover more than 36 conditions. In turn, the plan pays fixed costs during the year for this protection, rather than having these claims be paid by our stop-loss insurance, which could significantly increase our future stop-loss premiums.
- Completing a stop-loss competitive market analysis for 2023 coverage, which resulted in savings of \$1,839,000 from the initial Anthem renewal, and included contractual provision guarantees for 2024.

“For the remainder of 2023, we are continuing to focus on managing and supporting our members in the areas of mental health, cancer and women’s health resources.”

For the remainder of 2023, we are continuing to focus on managing and supporting our members in the areas of mental health, cancer and women’s health resources. The VBABC created quarterly participant communications campaigns to promote and educate members on the benefits offered

to support those who are suffering from these issues. We will be identifying and conducting due diligence on targeted point solutions in these areas with the intent to launch in 2024.

Retirement

The one big thing for retirement plans was the passage of SECURE Act 2.0 by Congress on December 29, 2022, which focuses on improving retirement savings for all Americans. The VBABC is working with our retirement plan partners to fully understand the positive implications - particularly for our 401(k) participants - and how and when the provisions will be integrated into our plans.

In July 2022, the IRS approved the VBABC Master Defined Benefit Pension Plan Document and Adoption Agreements. We anticipate updating the restated documents for our plans by early 2024.



(above) The VBABC held a Retirement Plans Conference in May 2023 with their retirement plan partners. (below) The VBABC team during their Open Enrollment celebration.



2022-2023
**VBA BENEFITS CORPORATION
 BOARD of DIRECTORS**

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Robert M. Gorman
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Michelle R. Austin
 Bank of Botetourt

James E. Hendricks, Jr.
 Village Bank

Thomas F. Cherry
 C&F Bank

W. Mark Nelson
 First Bank & Trust Co.

J. Peter Clements
 The Bank of
 Southside Virginia

Jay A. Stafford
 Benchmark
 Community Bank

**STRONGER BETTER
 TOGETHER**



FHLBank Atlanta helps you meet
 your financial goals so you can
 focus on serving your community.
 Together we can do more.



*A Look Back and
A LOOK AHEAD*

A snapshot of the scope, breadth and depth of VBABC offerings.

2022 End of Year Statistics



Retirement Plans:

Master Defined Contribution (401(k)) Trust:
 39 plans and \$307,000,000 in assets

Master Defined Benefit Pension Trust:
 13 plans and \$92,000,000 in assets

Non-Qualified Deferred Compensation:
 22 plans and \$78,400,000 in assets

2023 Snapshot



Medical and Dental Plans:

Approximately 7,300 employees/12,200
 members covered (includes spouses and children)



Medical and Prescription Drug Coverage:

\$83,000,000 in projected costs,
 of which only 7% are administrative

Did You Know?

**The Department of Health & Human
 Services ended the COVID-19
 Public Health Emergency on
 May 11, 2023, meaning:**

- There is no longer reimbursement of over the counter at-home COVID-19 test kits (with an exception in California due to state mandate).
- Provider-ordered COVID-19 lab testing is now subject to normal plan rules for both in-network and out-of-network services.
- COVID-19 vaccines are covered at 100% with no cost-share if provided by an in-network provider.



REMAINING CENTERED

Kristen Reid
VICE PRESIDENT, EDUCATION & TRAINING
 VIRGINIA BANKERS ASSOCIATION

I have recently taken up a new hobby – throwing clay. As I have jumped full force into my only-sometimes-successful pottery attempts, I have been pleasantly surprised by the lessons I have learned that can be applied to other areas of my life. The one that has recently been representing itself, whether I am sitting at the pottery wheel or preparing for the next VBA school or conference, is even though getting and remaining centered is really hard, it is the most crucial and often overlooked step. When the clay isn't exactly centered on the wheel, everything goes wonky, things get stressful and - let's face it - it just isn't as fun. Centering requires 100% focus on what the clay feels like in that moment while knowing what and how to make small adjustments that end up making a big difference. And while it can be the step that takes the longest, there is no other that makes a bigger impact with the end piece.

As I reflect on my time behind the pottery wheel as well as my time at any number of our education and training events, it seems that one of the most valuable pieces of any professional development offering is the opportunity to step away from daily activities with 100% focus and the ability to recenter. The world, and this industry, is moving and changing at such a fast pace. Keeping up can be exhausting and easily push us off center. And that's when everything goes wonky, stress increases and any enjoyment that we may have been experiencing disappears.

The past year has provided the opportunity for more than 1,200 bankers from 84 banks to take the time and space needed for learning to happen. We have received feedback from our event attendees that shows this, including:

- *It is a good chance to learn something new by getting away from all the distractions at the office and networking.*
- *I always come back from this conference feeling inspired and have many things to share with my team!*

These sentiments were shared across the board from the past year's programming. When people are given the space to focus on their development and learn about what they are passionate about, they return to their jobs feeling energized and centered on what is important. Ideas are shared, problems are solved and the small adjustments that make a big impact are realized during sessions led by industry experts and thought leaders and from each other during networking events. But the magic that happens in

a session or at a reception is only possible when attendees are first given the space to focus on their development.

“The magic that happens in a session or at a reception is only possible when attendees are first given the space to focus on their development.”

As we look at the rest of 2023 (and beyond), the VBA is remaining focused on how we can continue to create experiences and the space for attendees to return to their bank re-focused, re-centered and re-energized. It may take time and some small adjustments may need to be made, but in the end, it will make the biggest difference. In the meantime, you will often find me at the pottery wheel continuing to learn and focused on centering...both the clay and myself.



A SPECIAL THANKS TO OUR ENDORSED PROVIDERS, ASSOCIATE MEMBERS AND OTHER INDUSTRY PARTNERS

VBA Endorsed Providers continued to step up and serve our member banks through their quality solutions, relevant resources and timely insights. Thanks to each of those providers for their active engagement and support over the last year. We appreciate the VBA member banks that look to those providers to meet their banks' and, ultimately, their customers' needs. A special thank you to our valued Associate Members and industry partners for their continued engagement and sponsorship support.



Platinum Level:



Silver Level:



To learn more about the VBA Endorsed Providers, visit www.vabankers.org/endorsed-providers.
To learn more about the VBA Signature Sponsors, visit www.vabankers.org/vba-signature-sponsors.

2022-2023 | VBA MANAGEMENT SERVICES, INC. BOARD

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John Marshall Bank

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The Bank of Marion

Julie K. Sturt
United Bank

2022

VIRGINIA BANKERS SCHOOL OF BANK MANAGEMENT

Nearly 200 bankers participated in the week-long session of the Virginia Bankers School of Bank Management July 24-29, 2022. The School of Bank Management provides a multidimensional educational experience in banking. Employing lectures from the best of the banking, professional and academic worlds, case studies, home study problems and peer study groups provides a vehicle for each student to experience comprehensive learning.

The year's week-long session featured instructors who have been a part of the school for many years and a new faculty member, Michelle Austin from Bank of Botetourt, who taught both the Bank School Accounting Primer and Bank Financial Management I in the first year class.

The third year class chose to give back during the week and raised more than \$5,800 and collected donations to benefit the Boys and Girls Club of Central Virginia.



The seventh annual Faircloth Family Award of Excellence was awarded to Liz Ray of Burke & Herbert Bank. This award recognizes a member of the third-year class who exhibits three attributes which Bank School instructor Mark Faircloth and his family deeply value – continuous learning, passionate giving and purposeful living.

Virginia Bankers School of Bank Management Class of 2022

CLASS OF 2022 HONOR GRAD & TOP 10%

2022 HONOR GRAD

Andrew Long,
State Corporation Commission

2022 TOP 10%

Charles C. Driest,
F&M Bank

A.J. Eschle,
CliftonLarsonAllen LLP

Andrew Long,
State Corporation Commission

Dustin Reed Physioc,
State Corporation Commission

James William Benton Porter,
Carter Bank & Trust

Cameron Agricola.....TowneBank
Christina M. Alvino.....Burke & Herbert Bank
Betsy P. Bennett.....Bank of Clarke
Travis Cockerham.....Skyline National Bank
J. Dan Convery Jr.....Burke & Herbert Bank
Lynda JC Crossman.....United Bank
Erica A. Deluhery.....F&M Bank
Mark Dofflemyer.....Pioneer Bank
Charles C. Driest.....F&M Bank
A.J. Eschle.....CliftonLarsonAllen LLP
Cody Florence.....Virginia National Bank
Loren Gaylor.....Atlantic Union Bank
Amie D. Harden.....First Bank & Trust Co.
Melissa A. Hicks.....Chesapeake Bank
Shanton S. Kittler.....MainStreet Bank
Sarah M. Lambert.....State Corporation
Commission
Azita S. Langroodi.....United Bank
Andrew Long.....State Corporation
Commission
Bryan Patrick Lowry, Jr...C&F Bank
Stephanie N. McCoy.....Bank of Botetourt
Kendall P. McGee.....Village Bank
Natasha Merz.....Old Point National Bank
Seth T. Moore.....Atlantic Union Bank

Christopher R. Newsome.....First Bank & Trust Co.
Andrea Pender.....TruPoint Bank
Rasheeda D. Perry.....Atlantic Union Bank
Austin C. Phipps.....First Bank & Trust Co.
Dustin Reed Physioc.....State Corporation
Commission
Kelly E. Poe.....Skyline National Bank
James William Benton Porter..Carter Bank & Trust
Dennis Wayne Prescott.....Sandy Spring Bank
Dawn Rose Provost.....TowneBank
Liz Ray.....Burke & Herbert Bank
Kristin L. Routt.....American National Bank
& Trust Co.
Elizabeth Schaaf.....Atlantic Union Bank
Allen J. Scherer III.....Village Bank
Beth Lynn Shivak.....Atlantic Union Bank
Julie Stevens.....TowneBank
Brandie Taylor.....Carter Bank & Trust
Ben Thompson.....F&M Bank
Jason Williams.....Primis Bank
Lindsay M. Wirth.....Southern Bank and
Trust Company
N. Daniel Witcher.....American National Bank
& Trust Co.
David Younce.....Chesapeake Bank

For a full program recap, please visit www.vabankers.org/post/2022-virginia-bankers-school-bank-management-recap.



VBA INTERNSHIP PROGRAM

From June to August 2022, 33 students participated in the VBA Internship Program with eleven banks across the state. Through this program, interns were exposed to the industry through a variety of projects, online coursework, departmental rotations through their banks, community engagement and in-person and virtual training from the VBA. Interns who completed a set of requirements were eligible to receive the VBA Summer Internship Program Certificate of Completion.

Two in-person meetings were held for the interns – the Intern Orientation in June and the Mid-Summer Meetup in July. Participating interns also had the opportunity to attend a shadow day at the Virginia Bankers School of Bank Management in July. Interns participated in virtual meetings throughout the summer on a variety of banking topics, including:

- Enneagram Workshop
- Cryptocurrency 101
- A presentation from The Federal Reserve Bank of Richmond
- A conversation on DEI in the banking industry
- Presentation skills and LinkedIn best practices
- Capstone project discussions and mini-presentations

For a full program recap, please visit www.vabankers.org/post/2022-vba-internship-program-recap.



VBA Management DEVELOPMENT PROGRAM

On January 11, 2023, 36 Virginia bankers graduated from the VBA Management Development Program – our largest in person cohort to date! This program is a five-month, comprehensive training designed for newer employees who have developed a passion for banking, want to enhance their knowledge of the business of banking, and who are motivated to excel in their careers and reach their full potential. Sessions in this year's program included:

- Introduction to Banking & A+ Accounting and ALCO
- Insights Discovery: Learning Your Personal Leadership Style
- The Banking Technology Tsunami is Here – Can You Swim?
- From the CEO Seat – Defining Moments in Our Professional Development Journey
- Community Development/ CRA and Community Development/ Networking 101
- Digital Banking & the Modern Bank Marketing Department
- Introduction to Strategic Planning & Perspectives on Career Development
- Advocacy & Industry Engagement Beyond MDP

For a full program recap, please visit www.vabankers.org/post/2022-management-development-program-recap.

VBA Executive LEADERSHIP INSTITUTE

From January to May 2023, nineteen Virginia bankers participated in the Executive Leadership Institute (ELI), a five-month leadership development program designed to actively enhance the leadership, organizational and performance skills of bankers who are currently in or progressing toward senior level positions. During the program, participants took part in a variety of learning components including relevant pre-work, readings, podcasts and videos, hands-on experiential activities, small group activities and discussions, and simulations – all designed to ensure significant engagement throughout the program. ELI was led by Karen Conrad, president and owner of Karen Conrad and Associates, LLC, and Melissa Laughon, owner of Catch Your Limit.

Congratulations to the CLASS OF 2023

Marc Batchelor	MainStreet Bank
Will Bauder	The National Capital Bank of Washington
Brian Broyles	First Community Bank
Johnny Gardner	Carter Bank & Trust
Josh Grimes	FVCbank
Shannon Hairfield	Community Bankers' Bank
Josh Holder	SouthState Bank
Greg Hoover	First Bank, Virginia
Matt Hubbard	American National Bank & Trust Co.
Adam Jante	First Community Bank
Erin Johnston	Chesapeake Bank
Kelly Keene	Village Bank
Alan Miller	American National Bank & Trust Co.
Shari Popp	Old Point National Bank
Dale Schuurman	Blue Ridge Bank
Amanda Sumiel	Chesapeake Bank
Sherry Thacker	Old Point National Bank
Alex Vari	MainStreet Bank
Trent Wall	American National Bank & Trust Co.

For a full program recap, please visit www.vabankers.org/post/2023-vba-executive-leadership-institute-recap.



PARTNERSHIPS

SEP 2022 *Mid-Atlantic Bank* EXECUTIVES FORUM

On September 12-13, 2022, the VBA partnered with the Delaware Bankers Association, Maryland Bankers Association, Pennsylvania Bankers Association and West Virginia Bankers Association for the Mid-Atlantic Bank Executives Forum in Leesburg, VA. Nearly 70 bankers and industry partners joined us for sessions on balance sheet strategies in a rising rate environment, cryptocurrency adoption opportunities for financial institutions, an economic and political update, exploring the future of work, and more.



APR 2023 *VBA/VACB Bank* DIRECTORS' SYMPOSIUM

The 2023 Bank Directors' Symposium, co-sponsored by the Virginia Association of Community Banks (VACB), provided bank board members with current data, thought-provoking industry trends and networking opportunities with other directors and regulators. Nearly 200 bankers and industry partners joined us for the 2023 program, with a session in Blacksburg on April 18 and Richmond on April 19. Sessions included dynamic shifts in the bank boards and executive leadership, the case for credit risk management, establishing a cybersecure organization, and more.

To view a full event recap, please visit www.vabankers.org/post/2023-vbavacb-bank-directors-symposium-recap.



JAN 2023 *VBA/VA Chamber* FINANCIAL FORECAST

On January 12, 2023, nearly 600 bankers and members of the business community joined us for the VBA/VA Chamber Financial Forecast at the Greater Richmond Convention Center. For the twelfth year, the VBA and VA Chamber of Commerce partnered to bring together hundreds of members of the business community to learn what lies ahead for the state and national economy. Speakers at the 2023 event included Tom Barkin, president and CEO of the Federal Reserve Bank of Richmond, and Robert Stolle, president and CEO of Virginia Innovation Partnership Corporation.

To view a full event recap, please visit www.vabankers.org/post/2023-vbava-chamber-financial-forecast-recap.



MAY 2023 *Compliance* SCHOOL

The VBA partnered with the Maryland Bankers Association, North Carolina Bankers Association and West Virginia Bankers Association for virtual Compliance School in May 2023, which offered a comprehensive discussion of consumer compliance regulations and critical deposit account rules, as well as effective assessment methods. Compliance School consisted of a three-day lending track and a one-day deposits track.

SPOTLIGHTS

2023 THE VBA CONNECT|PROTECT EXPERIENCE

More than 260 bankers and industry partners joined us in Williamsburg from March 13-15 for the 2023 VBA Connect|Protect Experience. This event brought together banking professionals in the areas of marketing, human resources, retail banking, training, security, enterprise risk management, compliance, and operations and technology. The event featured 35 total sessions, including five general sessions and five concurrent breakout sessions, during which attendees uncovered new ideas, trends, and developments in banking.



To view a full event recap, please visit www.vabankers.org/post/2023-vba-connectprotect-experience-recap.



Commercial BANKING SCHOOL

Developed in partnership with the University of Richmond Robins School of Business, Commercial Banking School is designed to help banks build bench strength within their commercial banking division. Twenty Virginia bankers graduated from the week-long school in May 2023 where sessions included:

- Identifying Your Bank's Strategy & Market Differentiators
- Evaluating Current Customers & Pursuing New Business
- Calculating the Lifetime Value of a Lead
- Credit Risks & Determining Appropriate Loan Structure
- Negotiating Effectively and Earning Business



DIVERSITY, EQUITY & INCLUSION INITIATIVE HIGHLIGHTS

Chandler Owdom
VICE PRESIDENT, COMMUNICATIONS & STRATEGY
 VIRGINIA BANKERS ASSOCIATION

While we've reported on the VBA's diversity, equity and inclusion (DEI) journey in past issues of *Virginia Banking Annual*, I think it is important to look back at where we started to understand where we are and where we want to go. As I recently heard Virginia Housing's IDEA Leader Adrienne Whitaker say on this topic, "The way we get through the journey is through each little step." Each step matters, and it's crucial that we keep taking them.

Our concerted effort on DEI initiatives began with our 2019-2021 VBA Strategic Plan, when the VBA created the goal of developing resources to assist banks in building a more diverse future leadership. We formed the VBA DEI Council that year to help guide us in the creation of our DEI initiatives and programming for banks. This group was a key driver of our early DEI efforts.

In our most recent 2022-2024 Strategic Plan, we included a priority item that focused on sustaining momentum and enthusiasm around DEI and further exploring how VBA can help member banks continue their efforts.

While exploring how to achieve this goal, it became clear to us that a wider network was needed to continue the DEI Council's work and to open the conversation and connect more individuals. We created our new DEI Peer Connections group, which will meet virtually twice per year and be driven by Candace Davenport, VP, IDEA officer at First Bank, Virginia, who is serving as my co-facilitator. This group will be driven by the involvement of all participants with the goal of establishing a place for open communication, relationship-building, and creating a sense of community around DEI. Any Virginia banker can share perspectives, questions, and ideas on how we can build a more inclusive banking industry together.

While we are proud of the work we've done so far, we recognize creating effective change in this area is an ongoing process - not a checklist item - and we are excited to see how we can keep injecting energy into this space. As we rev up our support of member banks in their DEI efforts while staying focused on DEI initiatives and programming, we encourage you to contact us anytime with your thoughts and ideas. We hope you will join us on each step of the journey.

Women's Mentorship PROGRAM



The 2022-2023 cohort of the Women's Mentorship Program launched in September 2022 with 55 participants. In this program, mentor/mentee pairs participate in a 10-month experience involving one-on-one interaction and discussion combined with training and regional networking opportunities.

Women in Banking CONFERENCE

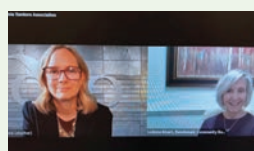
In December 2022, nearly 100 bankers and industry partners joined us for the tenth annual Women in Banking Conference at the Hermitage Country Club in Manakin-Sabot. Sessions at the event included:



- **Unconscious Bias: Elevated and Rechecked**
- **Utilize Your Time to Leverage Leadership Opportunities**
- **Dealing with Difficult Situations**
- **Women Leaders in Banking Panel: Telling Their Stories**
- **Embracing Meaningful Influence: The Building of Dynamic Leadership**



International WOMEN'S DAY

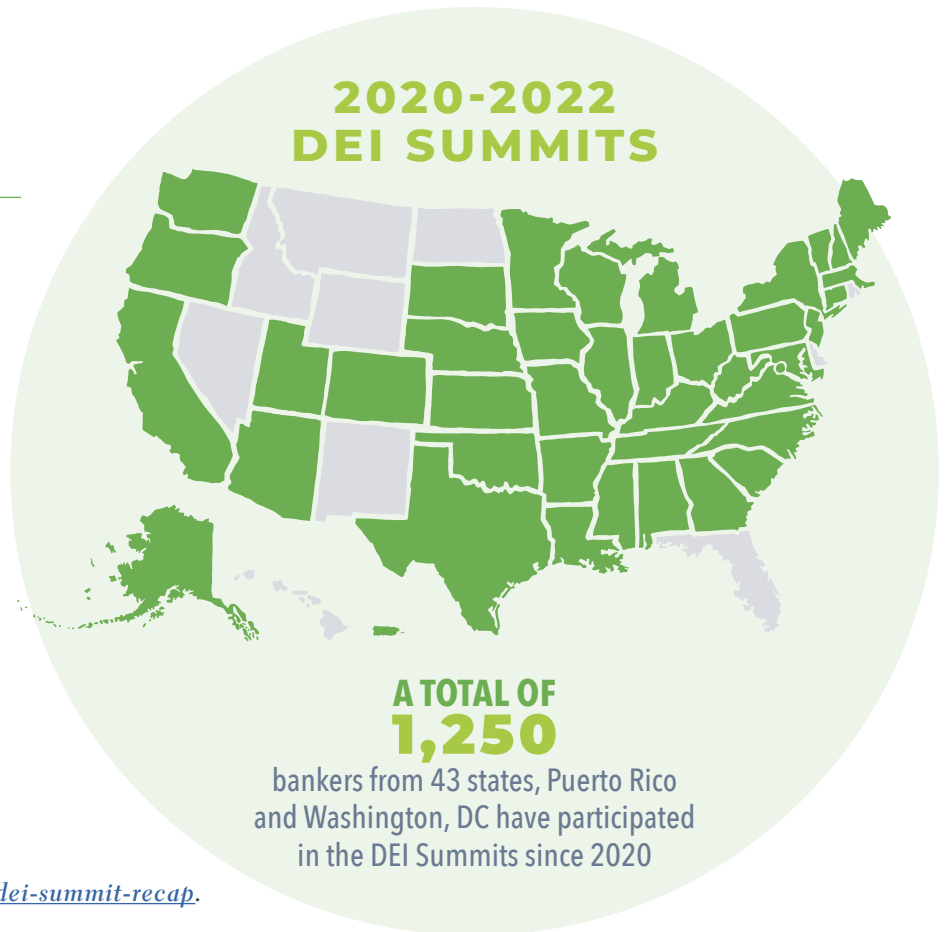


In partnership with the VBA Executive Women in Banking Peer Group, the VBA hosted an International Women's Day fireside chat on March 8, 2023 with Cathy Nestruck, American Bankers Association, and LeAnne Emert, Benchmark Community Bank and a member of the VBA Executive Women in Banking Peer Group. More than 300 bankers and 18 watch parties gathered for the fireside chat.

2022 ABA/VBA/MBA DEI SUMMIT

The VBA, ABA and the Maryland Bankers Association (MBA) came together to host the third-annual virtual DEI Summit for bankers on September 15, 2022. Five hundred seventy-five people attended nationwide from 41 states, Puerto Rico and Washington, DC. The event provided education to attendees on recruitment strategies, attracting and retaining second career workers, essential components of DEI frameworks, making your bank matter to multicultural consumers, leading a diverse workforce, why conscious inclusion matters and more. The afternoon closed with an outstanding closing keynote on Beyond the Image of Diversity: How to Create a Culture of Inclusion by Dima Ghawi, keynote speaker, executive coach and author.

To view a full event recap, please visit www.vabankers.org/post/2022-abavbamba-dei-summit-recap.



DEI Peer CONNECTIONS

The first DEI Peer Connections meeting was held on May 23, 2023. Former DEI Council members were invited to stay engaged in our efforts through active participation in DEI Peer Connections and an opt-in form was created so any banker can choose to receive communications and updates on future DEI Peer Connections and other DEI events and information from the VBA.



Candace Davenport, IDEA Officer at First Bank, Virginia, is serving as co-facilitator of the VBA DEI Peer Connections group with Chandler Owdom, VBA.

You can learn more about Candace by visiting www.vabankers.org/internal-links/5-minutes-candace-davenport.

DEI PEER CONNECTIONS MEETING RECAP:



31 people registered

DEI Updates from Partner Organizations:

- Leslie Frazier, Senior Vice President of Community and Industry Relations, Virginia Association of REALTORS®
- Naomi Mercer, SVP, DEI, and Cathy Nestrick, VP, Women's Leadership and DEI, American Bankers Association
- Adrienne Whitaker, Inclusion, Diversity, Equity & Access (IDEA) Leader, Director, Virginia Housing



Peer roundtable discussion on topics such as Juneteenth efforts and activities.

You can learn more about the VBA DEI Efforts and join the VBA DEI Peer Connections group by visiting www.vabankers.org/vba-diversity-equity-inclusion-efforts.



GET TO KNOW 2023 VBA EBL CHAIR AMY MELLINGER

SVP, HUMAN RESOURCES & MARKETING
POWELL VALLEY NATIONAL BANK

Q. Tell us about why you became a banker and what has kept you in the industry for the past 19 years.

A. I am an accidental banker. In the weeks leading up to my college graduation, I interviewed for two open positions: one in pharmaceutical sales and the second one in banking. The offer to become a new loan officer for a bank close to home came first. I'll never forget the first mortgage loan that I closed for a young family purchasing their first home. It was such a rewarding experience to know that I helped make it happen. Helping people and being a part of a bank that supports its community are what hooked me to the industry. I have been fortunate to work across many different departments and in many different capacities over my career, from lending and electronic banking to marketing and human resources. A passion for people and serving others has kept me in the industry, along with the variety of positions and responsibilities available.

Q. You have worked with past VBA Chairman and former VBA staff member Leton Harding, Powell Valley National Bank chairman, president and CEO, for many years. Which of "Leton's Leadership Lessons" stands out to you?

A. I could write a book on the leadership (and life) lessons I've learned from Leton, and he should definitely write a book. He's taught me to be curious and to always continue learning and growing. In the words of the late John Wooden, "The best learning takes place after I know it all." Leton has taught me about the importance of the journey, successes, and sometimes, more importantly, failures along the journey. I can't tell you how many times he's reminded me that, while climbing the mountain, always remember to stop, take a breath, and turn around and look back at how far I've come.

Q. Tell us how you initially became involved with the VBA Emerging Bank Leaders (EBL) and why you decided to champion the group by becoming its chair.

A. When I attended the Virginia Bankers School of Bank Management, the EBL had recently been reintroduced from the previous Young Bankers Section. I joined the EBL during my first year of Bank School to stay engaged with my peers after a week of networking and forming new friendships with bankers across the Commonwealth. I love this group! It is made up of a diverse and bright group of people who challenge me to be a better banker

and person, and I am excited for the opportunity to chair the group.

Q. What is your favorite VBA or EBL memory?

A. I can't choose just one! My top memories include 3rd year Bank School bank simulation, Virginia Reads One Book at Elk Knob Elementary School, attending the ABA Convention as an Emerging Leader in Nashville, and the 2022 VBA Annual Convention celebrating Leton with our team.



To read Amy's full Q&A, please visit www.vabankers.org/internal-links/get-know-amy-mellinger-2023-eb1-committee-chair.

EBL Networking EVENTS

In January 2023, EBL members attended the Pre-Banker Day Reception followed by a dinner with 25 EBL members at Lillie Pearl. On February 15, 2023, fifteen people registered for a Hampton Roads/Eastern Shore regional event in Norfolk at Elation Brewing, organized by EBL Steering Committee members Dale Schuurman and Kari Van Wassen. A happy hour networking event was also held in Tysons on October 20, 2022, at Starr Hill Biergarten at The Perch.



2023 Emerging Bank Leaders REGIONAL DIRECTORS

The EBL is a group that connects Virginia's emerging bank leaders to engage them in the future of the banking industry. Nearly 620 bankers are members of the EBL, which is split into six regions within the state. The efforts and activities of the EBL are planned in partnership with the EBL Steering Committee, a group of 28 bankers from across the state, which includes the following leaders for 2023.

To learn more about the EBL Regional Directors, please visit www.vabankers.org/internal-links/5-minutes-eb1-regional-directors.



2023 EBL VICE CHAIR
Northern Virginia Region:
DARREN TULLY
Freedom Bank



Capitol Region:
JENNIFER WILLNER
C&F Bank



Hampton Roads/
Eastern Shore Region:
DALE SCHUURMAN
Blue Ridge Bank



Valley Region:
JORDAN DEAN
Pendleton
Community Bank



Central/Southside Region:
MARY ANN MILLER
Bank of Botetourt



Southwest
Virginia Region:
JAMES BOWEN
First Bank & Trust Co.

Burgers with Bruce SERIES

In April 2023, nearly 200 attendees enjoyed a state of the industry update from VBA President and CEO Bruce Whitehurst followed by a "Leadership Dialogues" panel that consisted of bank CEOs and leaders from the VBA Emerging Bank Leaders Steering Committee at our Burgers with Bruce series.

Thank You to the 2023 Panelists!



RICHMOND

Jennifer Wilner
and **Tom Cherry**,
C&F Bank



ABINGDON

James Bowen,
First Bank & Trust Co.
Amy Mellinger
and **Leton Harding**,
Powell Valley National Bank



HARRISONBURG

Dorothy Welch,
Blue Ridge Bank
Brian Plum,
Jordan Dean,
Pendleton Community Bank



ROANOKE

Lyn Hayth and
Mary Ann Miller,
Bank of Botetourt



NORTHERN VIRGINIA

Jeff Dick and **Alex Vari**,
MainStreet Bank
Darren Tully,
Freedom Bank of Virginia



SUFFOLK

Lee Clark,
TowneBank
Dale Schuurman,
Blue Ridge Bank
Chrissy Peele,
TowneBank

2022 VBA LEADERSHIP CONFERENCE

More than 80 Virginia bankers joined us in Richmond for the 2022 VBA Leadership Conference October 27-28. This annual event is designed with emerging leaders in mind, providing attendees with skill-building training and the opportunity to share ideas and network with peers from across the state. In addition to staple sessions like an economic outlook, industry update and a bank CEO/executives panel, attendees also received education on topics like effective communications, digital currency, leading with intention and more.

To view a full event recap, please visit www.vabankers.org/conferenceseminarschool/2022-vba-leadership-conference-recap.

VBA MULTI-BANK TITLE AGENCY PROGRAM

VBA Management Services, Inc. (MSI) continued to manage and support the multi-bank title agencies. The volatility in the housing industry ushered in many obstacles such as higher interest rates and decreased housing inventory for the agencies. However, with the ability to handle many different types of transactions, like commercial closings, 1031 exchanges, and the ability to serve as back-

office closers for attorneys, the agencies were able to remain strong and even grow in different markets.

Since the inception of the multi-bank title agency program, the agencies have paid out over \$70 million in combined dividends. If your bank is interested in non-interest income, please reach out to Tracy Ottinger to discuss the potential of joining one of our agencies.



Virginia MORTGAGE BANKERS ASSOCIATION (VMBA)

MSI continued its role managing the Virginia Mortgage Bankers Association (VMBA) over the past year. The VMBA works to provide the Virginia mortgage industry with opportunities for professional development through their annual Loan Officer Summit, virtual Mastermind sessions, and the VMBA Annual Convention. Most importantly, the VMBA worked closely with its lobbyist to navigate the 2023 General Assembly session and address proposed legislation affecting the mortgage industry.



VMBA MEMBERS
AS OF END OF YEAR 2022



ATTENDEES
FOR THE VMBA ANNUAL
CONVENTION IN
SEPTEMBER 2022

VIRGINIA BANKERS ASSOCIATION

VBA Staff

Amy Binns
Senior Manager,
Industry Partnerships

Anne Boerner
Bookkeeper

Matthew Bruning
EVP, Government &
Member Relations

Tammy Clark
Accounts Payable &
Accounts Receivable Specialist

Megan Darmanin
Strategic Support Manager

Kellee Edelin
Program Manager, MSI
Database Manager, VBA

Todd Hancock
IT Administrator

Hannah Hedden
Education & Training Coordinator

Suzanne Jenkins
Accounting Manager

DeMarion Johnston, Esq.
General Counsel & Corporate
Secretary

Walt Lyons
VP, Education & Training and
VMBA Executive Director

Monica McDearmon
Manager, Communications
& Financial Education

Carla Moore
HR Director

Tracy Ottinger
SVP, MSI Managing Director, Title
Agencies and VBA Committees

Chandler Owdom
VP, Communications & Strategy

Stacy Puckett
CFO

Gail Queen
Education & Training Coordinator,
Event Registrar

Kristen Reid
VP, Education & Training

Bruce Whitehurst
President & CEO

VBA Benefits Corporation Staff

Cindy Beazley
Benefits Coordinator

Gabby Bond
Benefits Systems Manager

Pamela Connelly
Director of Benefit Plan Analysis

Vicky Heller
Benefits Administrator

Laurie Milligan
President & COO

John Snead
VP, Member Relations

Bobbi Weimer
Director, Benefit Plan Compliance

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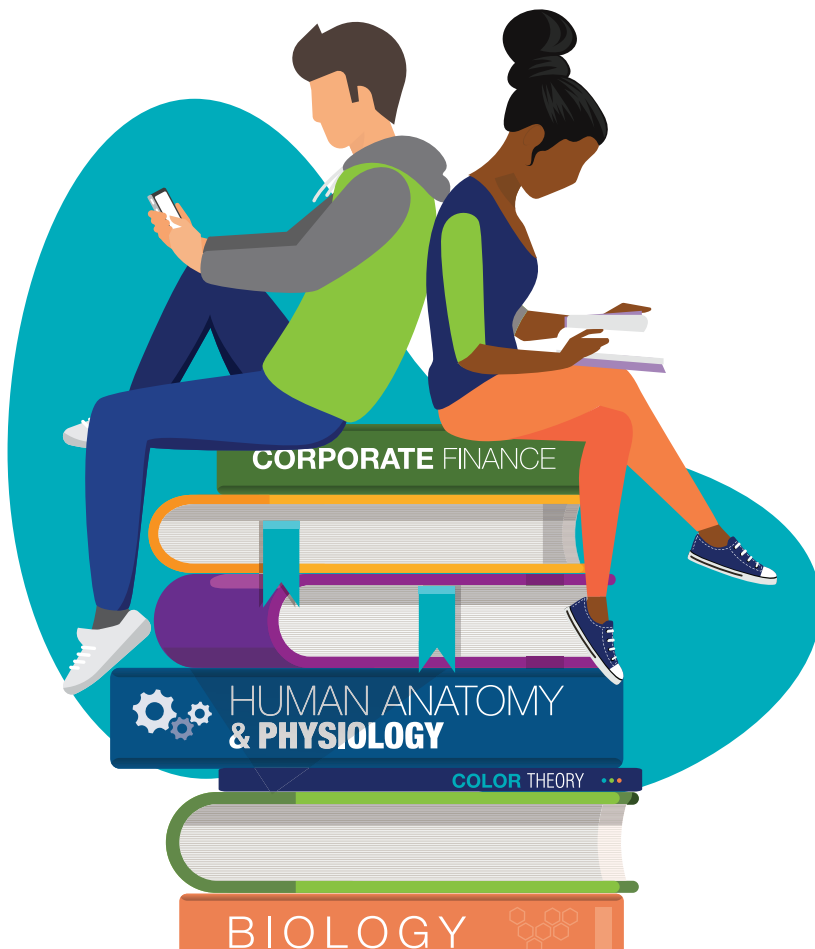
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