

# INTRO TO BANKEXEC/TEAMWORK

**Frank Bell, Chesapeake Bank**  
SVP, Richmond Regional Executive  
and 2024 Bank School Fellow  
[fbell@chesbank.com](mailto:fbell@chesbank.com)

**Alvin Payne, Atlantic Union Bank**  
VP, Business Banker  
and 2024 Bank School Fellow  
[alvin.payne@atlanticunionbank.com](mailto:alvin.payne@atlanticunionbank.com)

**Gabby Bond**  
Benefits Systems Manager  
VBA Benefits Corporation  
[gbond@vabankers.org](mailto:gbond@vabankers.org)

**VIRGINIA BANKERS  
ASSOCIATION**

# Agenda

- Intro to and Overview of BankExec Frank Bell
- BankExec Presentations Gabby Bond
- Working with Your Team Alvin Payne
- Pre-Work Assignments Gabby Bond
- Team Assignments and Breakouts Gabby Bond

# What is BankExec?

- BankExec was developed to provide bankers with an understanding of financial management problems in banks
- The exercise is built around an economic model in the form of a computer program
- As a participant, you will be a member of a management team responsible for the operation of a medium-sized bank

# What is BankExec?

- You will be required to develop and implement policies in the areas of loans, securities investment, deposits, funding sources and capital
- You will face competition from other financial institutions operating in the same community and will be subject to a changing economic environment
- A major purpose of the exercise is to develop an understanding of the complexities of managing banks in a dynamic economy and of the need for an integrated, consistent set of policies to maintain the growth, profitability and safety of the banking firm

# How Does it Work?

- Your team will have the responsibility for managing one of as many as four or five banks in a community
- The banks, all identical at the start, compete directly with each other
- In addition to the economic and competitive environment, your bank must operate within guidelines determined by the Office of Bank Supervision, the bank's regulatory authorities

# How Does it Work?

- The simulation operates based on quarterly decisions and reports
  - You will make 8 decisions (2 years)
- You will receive electronic reports at the end of each calendar quarter that describe the financial operations of your bank and conditions in the economy, as well as the financial results of other banks in your community
- Based on this information, and any other provided by your instructors, you will make a set of decisions that will be in effect for one quarter of calendar time
- Decisions are submitted in the electronic platform and take effect on the first day of the next quarter

# Measurement

- Your bank's stock price is the performance measurement
- Investors in the bank's stock are concerned primarily with the future earnings and dividends (per share) of the bank
- In assessing the prospects for the future, investors and stock analysts evaluate the current condition of the bank and its history
- The "winning" bank at the end will be the one with the highest stock price
- Keep in mind that the bank's stock price provides an overall assessment of the bank's performance, but it is not a perfect guide to management's ability or the success of its strategies

# Fellows are Here to Help

- There is a group of ten bankers acting as Fellows.
- Their role is to help guide you during the decision-making process
- Please call on them often with your questions. They will provide guidance but will not tell you what to do.
- Instant message Gabby on BankExec platform when you have questions.

# Final Presentations

- ▶ On Thursday afternoon, upon completion of all 8 decisions, each team will present on their learnings to a couple of the Fellows and the other teams within their community. These presentations will cover the following questions:
  - What were your biggest challenges?
  - What were your biggest victories?
  - What were the key decision points that resulted in your bank's financial performance?
  - What lessons learned through BankExec can you take home and implement in your job?

# Final Presentations

- PowerPoint Slides **are required.** (Limit of 5 slides)
  - Other visual aides are optional.
- Each team will have a scheduled time to meet with the Fellows assigned between 2:30pm and 4:30pm on Thursday, July 25. You will have a chance to work with your team to plan for the dialogue on Thursday afternoon from 12:25-2:30pm.
- The presentations will be a max of 15 min with a max of 5 min Q&A from the Fellows

# Management Team

- You will be placed in teams to participate in the BankExec simulation
- It is important to organize your team in a way that best enables you to make decisions effectively and within the time constraints
- Someone must be responsible for each decision area and it is important that all major activities be assigned.
- The precise assignments can be based on the size of the team and the preferences of its members

# Management Team

- Your team might organize with the following set of job descriptions:
  - **CEO:** sets policy, drives direction, coordinates the efforts of the team, and interacts with regulatory authorities
  - **CFO:** develops plans and forecasts of bank operations, determines the bank's liquidity and capital requirements
  - **Investments Officer:** manages securities portfolio and prepares to meet the bank's liquidity requirements. Works closely with Treasury officer

# Management Team

- Your team might organize with the following set of job descriptions:
  - **Lending Officer:** analyzes the previous quarter's lending activity, sets loan rates and other loan decisions, projects future loan volume, and performs any other assignments applicable to the lending function
  - **Deposit Officer:** analyzes the previous quarter's deposit reports, sets deposit rates and business development budgets, projects deposit flows, and prepares marketing studies and other projects pertaining to deposits
  - **Treasury Officer:** arranges for discretionary funding sources and develops funding strategies. Manages the interest rate and foreign exchange risk positions of the bank in conjunction with the Investments Officer

# Friday Morning Awards Breakfast

- There will be an awards breakfast for your class on Friday morning, July 26<sup>th</sup> .
- This is your chance to connect one last time with your class before graduation.
- The Fellows will attend the breakfast to announce the teams with the winning stock price and to provide other additional recognition.

# BankExec Team Assignment

- 2024 BankExec Teams
- Create a PowerPoint slide for your bank outlining the following:
  - Bank Name
  - Bank Logo
  - Bank Tagline or Brand Statement
  - Bank Values
  - Bank Management Team by position
- Save the slide and send it to Gabby Bond ([gbond@vabankers.org](mailto:gbond@vabankers.org)) by **July 10, 2024.**
- This slide will be posted on the door of your BankExec Team Room at school
- Please limit this to one slide!

# BankExec Pre-Course Assignments

- ▶ These assignments are designed to get you familiar with the BankExec simulation.
- ▶ The assignments will be emailed to you by the end of the week.
- ▶ Completed assignments should be emailed to Gabby Bond by **July 5<sup>th</sup>**