

BankDirector.

Breakout 1:
**The Smart(er) Bank:
Fast, Differentiated &
Trusted**

John Eggemeyer

Banc of California

Collyn Gilbert

Valley National Bank

Moderated By:

Quintin Sykes

Cornerstone Advisors

#A0BA24



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It's better to look ahead
and prepare, than to look
back and regret.

Jackie Joyner-Kersey

*3 Gold Medals
1 Silver Medals
2 Bronze Medals*





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The Smart(er) Bank

Fast.

Differentiated.

Trusted.

John Eggemeyer, Chair of the Board, Banc of California, Inc.

Collyn Gilbert, EVP, Chief Strategy & Marketing Office, Valley National Bank

Moderated by: **Quintin Sykes**, Partner, Cornerstone Advisors

Joining Us at #AOBA24



Collyn Gilbert

EVP, Chief Strategy & Marketing Officer



John Eggemeyer

Chairman of the Board



About the Banks



Ticker: VLY

Assets: \$61 Billion

Headquarters: Wayne, NJ

Employees: 3,779 FTE

Branches: 235

Source: S&P Global Q3 2023



Ticker: BANC

Assets: \$36 Billion (post-merger projected)

Headquarters: Los Angeles, CA

Employees: 2,421 (pre-merger combined)

Branches: 129 (pre-merger combined)

Source: S&P Global Q3 2023, merger announcement

Note: Pacific Western Bancorp merged with PacWest Bancorp in late 2023

5 Pillars of the Smart(er) Bank



Hyper Efficient

Groundbreaking efficiency will be the hallmark of the Smarter Bank, driven by a combination of digital self-service, process automation and artificial intelligence.



Differentiated

To compete with non-traditional banks, the Smarter Bank will need to shrug off plain vanilla “sameness” and forge distinct competitive positions and segmented brands.



Nimble

Forget annual planning cycles. Banks and credit unions that intend to survive in a technology-first era understand they are in a constant “release” environment and must continually balance structure with “getting stuff out the door fast”.



Data-Driven

Smarter banks and credit unions will need to take inspiration from trailblazer organizations that know how to drive value by leveraging data to make better, faster, and more informed decisions.



Opportunistic

Whether it’s M&A, talent carve-outs, new market entries, or new lines of business, Smarter Banks will be the ones that know when to move and look for opportunities – particularly when the industry is inward-focused and risk-averse.

Desired Outcomes



Strong Capital & Liquidity



8-12% Consistent Organic Revenue Growth



Sub 50% Efficiency Ratios



>\$400K in Revenue Per Employee



Rigorous Measures of Customer & Employee Engagement & Loyalty



P/E Ratios +30% Higher than Traditional Banks

PILLAR 1

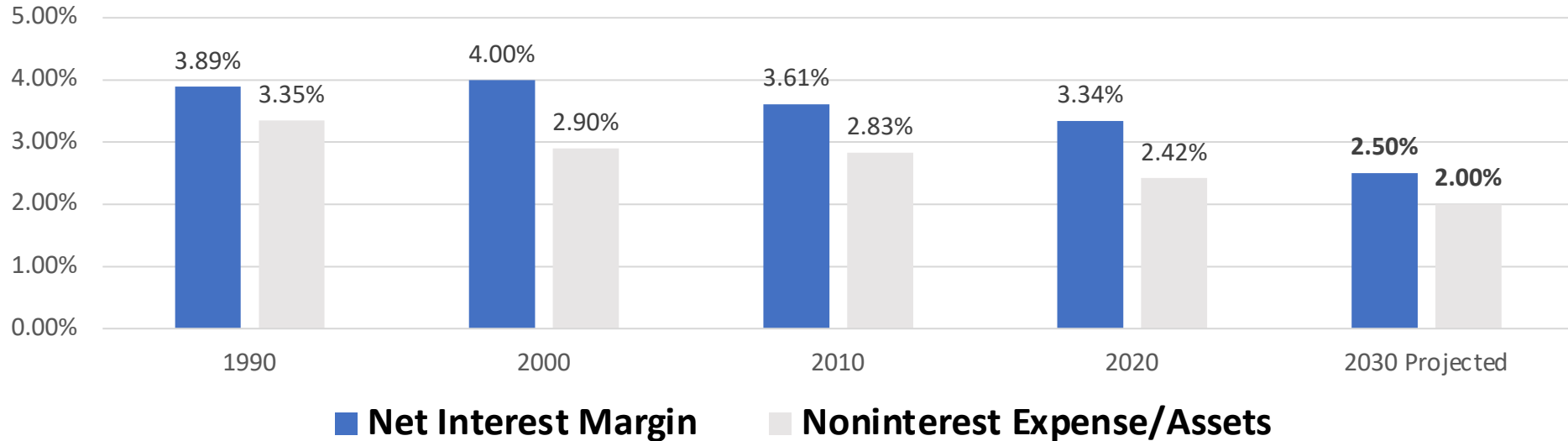
Hyper Efficient



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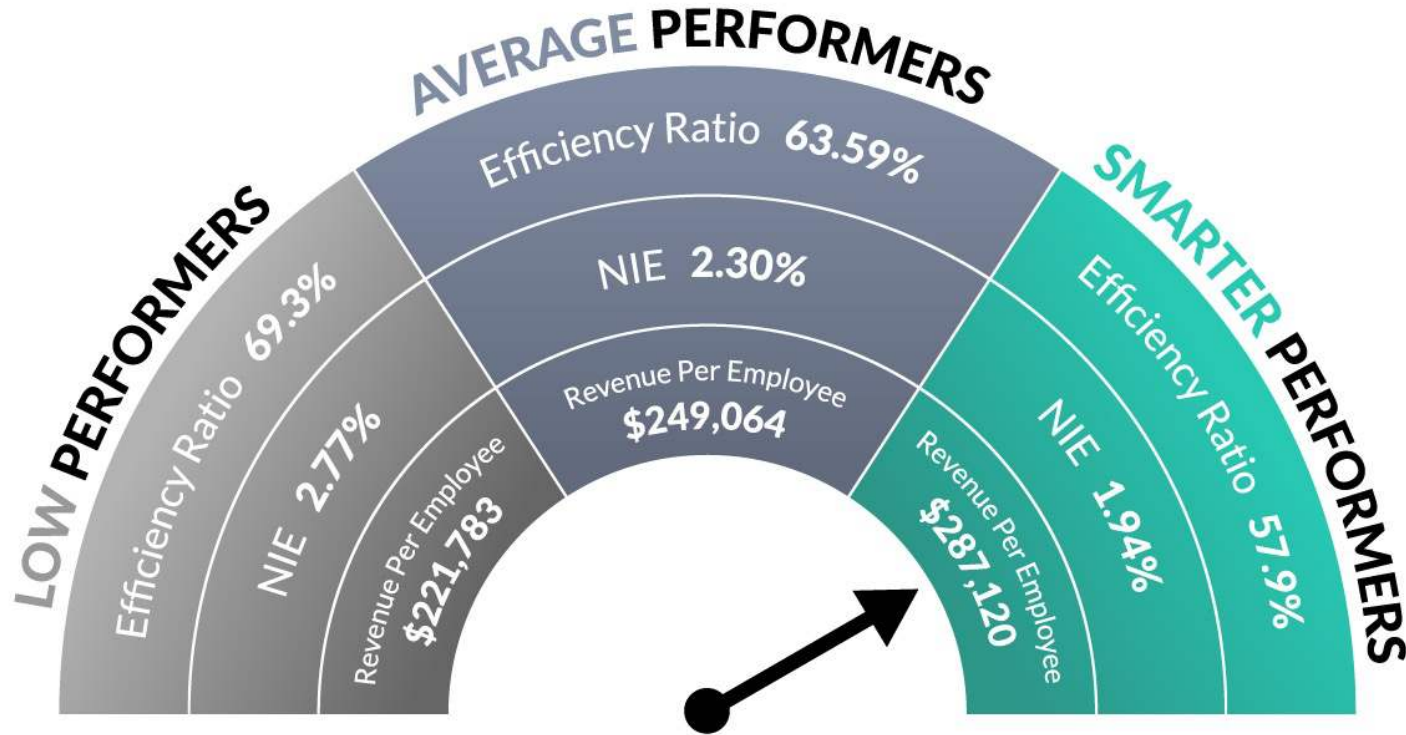
Margin Compression Must Be Met With Hyper Efficiency

Long-Term Margin and Expense Trends In Banking



Peer group is banks nationwide with \$1 - \$100 billion in assets

Show Me The Money



Source: Cornerstone Performance Vault Proprietary Benchmark Data

PILLAR 2

Differentiated



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Notice a Pattern?

The Citibank logo features the word "citibank" in a blue, lowercase, sans-serif font. A red arc is positioned above the "i" and "b".

The Capital One logo consists of the words "Capital One" in a blue, italicized, sans-serif font. A red swoosh graphic is positioned above the "One".

The Bank of America logo features the words "Bank of America" in a blue, bold, sans-serif font. To the right is the Bank of America flag logo, which consists of seven horizontal stripes (three blue and four red) that are slightly curved.

Guess which color symbolizes order, trust, and calmness...

And What Is a Bank?

JPMorganChase



SoFi 



amazon

Capital One

BLOCK

 Square

 Cash App

PILLAR 3



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Simplicity is really hard



- Sir Johnny Ive
Apple, Chief Design Officer (1997-2019)



The Evolution of the iPhone



2007



2015

2016

2017

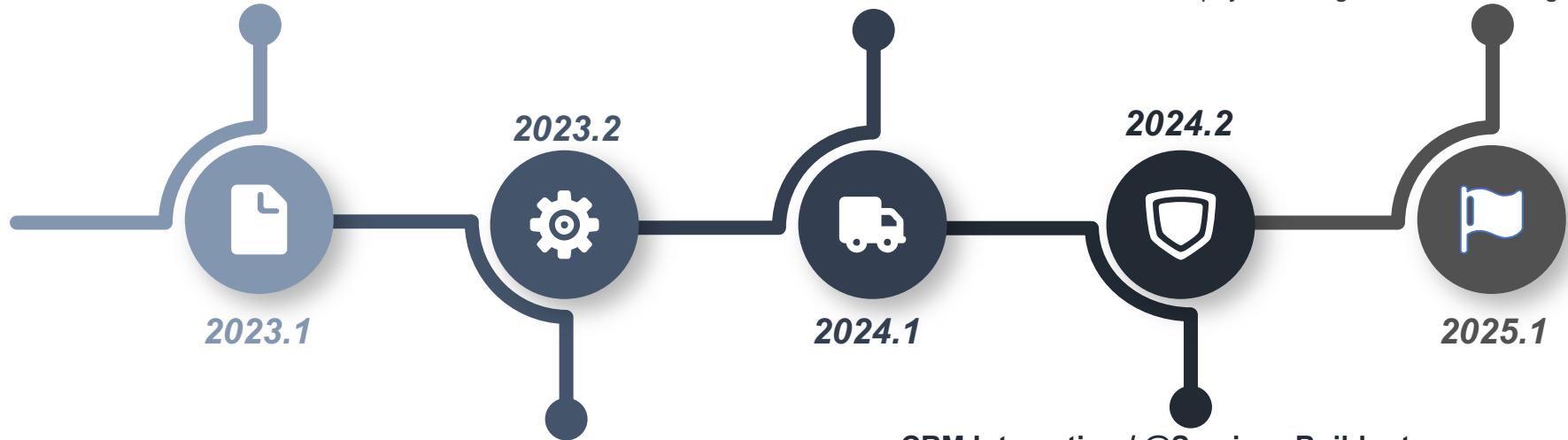
Work The “Release” Road Map From The Top

New Digital Banking Platform

- Drive mobile adoption to 80%
- Increase digital x-sell by 50%

NextGen Payments

- Deploy Zelle alternative leveraging Fed Now
- Small business credit card and merchant services
- Enhanced payments digital ID fraud management



2023.1

New Online Account Opening and Virtual Branch build out

- Increase digital deposit opening to 40%
- Maintain x-sell in digital world
- Test and learn virtual branch growth – target 5,000 new members

2024.1

CRM Integration / @Services Buildout

- Delivered capabilities in CRM Road Map
- 20% x-sell increase to existing members w/ personalized offers
- Segmented Marketing, Cards
- Target 30 – 40 processes with new @service automation

2024.2

2025.1

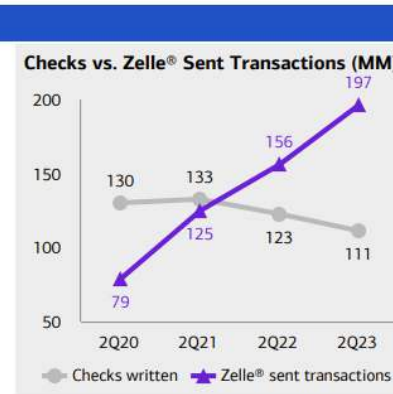
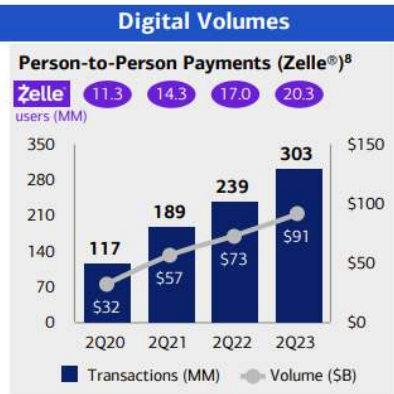
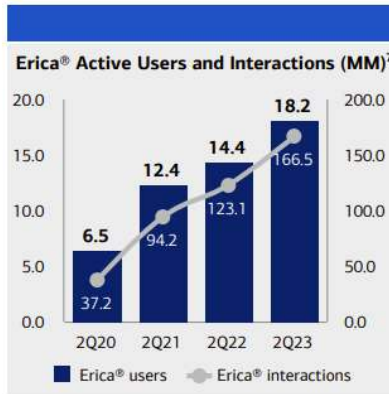
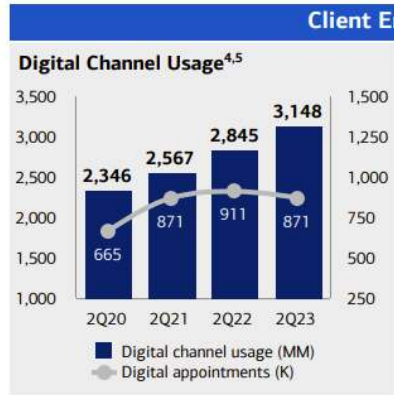
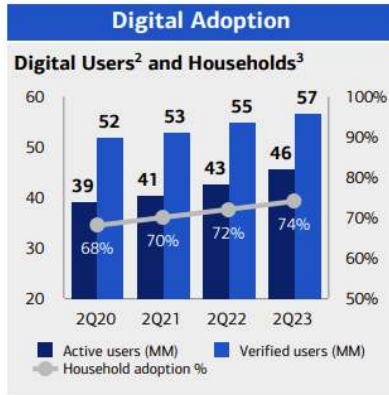
PILLAR 4

Data-Driven



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How Visible is Your Bank's Digital Dashboard?



BofA's
Consumer
Digital
Update

PILLAR 5

Opportunistic



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The World Of Technology Performance Management

Major Systems Providers





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Quintin Sykes Partner, M&A and Enterprise Programs

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Quintin Sykes leads Cornerstone's merger and acquisition (M&A) and enterprise program delivery efforts. He has over 35 years of technology and operations experience in financial services companies.

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this session.



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