2018 Community Bank Case Study Competition – Topic

Questions – 2018 Community Bank Case Study Competition

Part I, Financial Analysis

Students should analyze the following, using the FFIEC 041/051 Call Report, Uniform Bank Performance Report (UBPR), and other publicly available[1] data sources:

- Earnings Performance
- Loan Portfolio Composition, broken out by loan type (e.g. consumer loans, mortgage loans)
- Asset Growth
- Capital Levels
- Liquidity

To facilitate uniform analyses amongst teams, this financial analysis should be completed on a YoY basis.

Part II, The Community & Technology

For the next piece of the case study, the students should identify regional trends within that community banking organization's market, and how technology impacts those trends. Students should consider how technology use has affected existing relationships in the community, as well as how technology adoption has brought new customers to the bank. The questions below serve as a suggested guideline to investigate technology's impact on the bank's customer relationships, but are by no means exhaustive.

1. How does the bank define their market?
2. Students should identify market trends within the banking market (as defined by the bank), and the extent to which the bank participates in those trends, including:
    a. Small Business Lending
    b. Agricultural Lending
    c. Commercial Real Estate Lending
    d. Mortgage
    e. Payments
    f. Deposits
3. How does the bank utilize technology to meet local needs for products and services, and why was that technology selected?
4. How has use of technology effected local customer relationships, particularly younger customers, or customers that have moved away since opening an account?

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[1] To facilitate fair and equitable competition, all data analysis should be pulled from publicly available data sources. Of course, students can use other data analysis tools to verify data, but many students do not have access to expensive finance engines like Bloomberg, SNL, etc. With questions about data sources, please contact Amanda Holcombe at AHolcombe@csbs.org.

5. Has technology adoption brought new customers and/or customer demographics to the bank?

Part III, Management & Technology

Students should also consider how management plans to utilize technology in the future. The questions below serve as a suggested guideline to discuss this topic, but are by no means exhaustive.

1. Has management incorporated technology adoption and/or use into the bank's strategic planning process?
2. What are management's short and long-term goals in terms of adopting, maintaining, or scaling back use of technology at the bank?

Part IV, Third Party Vendors & Technology Service Providers

Finally, student teams should discuss how the bank utilizes third party vendors and technology service providers. The questions below serve as a suggested guideline to address this topic, but are by no means exhaustive.

1. How does the bank use third-party technology vendors and/or service providers to solve problems or meet specific needs?
2. How does the bank integrate third-party vendor and/or technology provider management into their risk assessment process?
3. What are the greatest challenges related to third-party vendor management?
4. Are there emerging third-party vendor trends that could expand business lines and streamline internal processes?