

## Bank of Virginia Works Hard At Maintaining A Balance Between Their Employees, Shareholder And Customers

Financial  
Regional – Mid-Atlantic Banks  
(BOVA-NASDAQ)

Bank of Virginia

11730 Hull Street Road  
Midlothian, VA 23112  
Phone: 804-763-1333



**Frank Bell III**  
President and CEO

### BIO:

Mr. Bell has over 25 years of banking experience, the last 20 in the Richmond area. He began his banking career in 1982 as a Management Trainee with Bank of Virginia (Signet) in Roanoke, Virginia. He was transferred to Danville, Virginia and then to the Richmond area in the late 1980's. Mr. Bell served as Executive Vice President and Chief Operating Officer for Hanover Bank as well as the founding President of Citizens & Commerce Bank. He holds a BA in Economics from Virginia Military Institute and a MBA from Averett University. Mr. Bell is a graduate of the Virginia Banker's Association School of Bank

Management and The Executive Banking Institute. Mr. Bell is a Past President and Charter Member of the Innsbrook Rotary Club, he serves as a trustee of Millwood School, and is a member of Bon Air Baptist Church. Mr. Bell also serves on several other community and banking boards in the area.

### Company Profile:

Bank of Virginia operates five full-service branch offices in Chesterfield County and Henrico County in Virginia. Bank of Virginia common stock is traded on the NASDAQ stock market under the quotation symbol "BOVA".

Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFOinterviews.com

**CEOCFO:** Mr. Bell, what is your vision today at Bank of Virginia?

**Mr. Bell:** "We are a five-year old company that was founded by a group of directors, several of which were involved with a former community bank. We are located in an area which economically has had tremendous growth; there are a lot of small businesses in the area and that is truly our bread and butter. Our forte has been banking privately owned businesses with borrowing needs between \$500,000 and \$2,000,000. We have the ability to turn loans requests around very quickly. With that said, our vision is to provide the highest level of service in the market at the fairest price. We will not always be the cheapest, but we are also not the most expensive. We return calls when people call, if you get voicemail it is because we don't have that many people here. With that said, let me read to you what our vision statement is: "To bring a balance between shareholders, customers and employees, hiring the best

people, investing in our people and empowering our people, in turn providing a maximum return to shareholders and customers." I say that because all three, and I use an analogy that a former friend of mine used; it is kind of like a three-legged stool. You've got your employees, your shareholders and your customers, so we work hard to maintain a balance between them otherwise the stool tends to wobble. It is a relaxed atmosphere and it is a fun place to work."

**CEOCFO:** What are the intangibles you look for in your people?

**Mr. Bell:** "I look for a positive attitude. I look for an individual that has a balance in life. We jokingly say, and I have actually had this happen where we will be interviewing a commercial lender that wants to join Bank of Virginia. They will say 'boy if you hire me, I can bring you \$20 million in new loans because I am going to work from 7:00 in the morning till 7:00 at night; I have an incredible work ethic'. My response to somebody like that is, 'why would I want to hire you. You are going to screw it up for the rest of us.' We have lives outside of the bank and I do not want somebody working here where Bank of Virginia is the most important thing of their life. We hire people that want to come in and have fun, are forward thinkers, and realize that when they quit learning, everything stops. We spend a lot of money training our employees technically and in life skills. We are in a very relaxed atmosphere. This is not a stuffy environment; it is a great group of people. All of this outlines the type of people that I like to hire. The first thing I would say is I don't care who you are in the organization, regardless of whether you are a senior vice president or whether you are a courier, teller or a

branch manager, it doesn't matter. If you have a child that happens to be in a school play or you have to take care of a family issue, I don't want to find out that you are at the bank. If your child is in a play, you shouldn't be at the bank, you should be at that play. I have a little saying, 'if you have to retire to rest; you have missed the whole point.' This is a thought that I picked up at a leadership school, and has it become an important part of my life."

**CEOCFO:** What are your clients getting at Bank of Virginia, something specific that would really demonstrate the above and beyond approach?

**Mr. Bell:** "It is nothing for us to meet with the customers on weekends. Many of our customers have the CEOs cell phone number. It is nothing for us to go to a customer's house to do business. We have a customer that wanted to do business with us and his wife is ill, so it was very cumbersome for him to get her to the bank. Therefore, we just sent a notary and a new accounts person to their house. We are very involved in the community. Every year we do blood drives; we sponsor the bus coming here to our parking lot. We also do Santa at Christmas for all the kids. For the last couple of years we have purchased all of the Holiday decorations around the Christmas season and gone out to a selected nursing home with our staff and anybody that wants to go along. We spend the evening visiting the people in the nursing home, help to decorate the tree and whatever they want to do. I don't know if you are familiar with Caritas, but it is churches in Richmond during the winter that are open to the homeless. They bus the people in, and have dinner at the church, they get a good meal, they get an opportunity to have warm showers and then they spend the night there. There are classrooms throughout the church or whatever and then they have breakfast the next morning and then they move on to another church. It is organized throughout the winter months to give people shelter in tough weather. Our employees have prepared and served meals."

**CEOCFO:** How do you attract new business?

**Mr. Bell:** "Probably three ways. The first is we have a good solid calling culture. We have calling officers that spend a lot of time out of the office and they are actually knocking on doors calling. Often our officers have an 'in' because of a referral. That helps us a lot. The second thing is we are not afraid to ask our current customers for referrals. If you are pleased with what I am doing for you, would you give me a referral. It is amazing the number of times existing customers will refer business to us. The third is we have good branch locations with good visibility. We have the best name in the state of Virginia; let's face it we are 'the' Bank of Virginia. With that we get people that look us up and come in. There was a former Bank of Virginia, which is now under the Wachovia umbrella. The name was not used and we picked it up."

**CEOCFO:** Do you see new branches in the future?

**"We are located in an area which economically has had tremendous growth; there are a lot of small businesses in the area and that is truly our bread and butter." - Frank Bell III**

**Mr. Bell:** "It is definitely a challenging time. There has been a lot of change in our industry, but I do see continued branching in the future. Will it be at the rate that we have over the last couple of years? I kind of doubt it. We will enter into new markets. The way it used to work, you kind of had to grow into an area you know. There were studies that say your market was within three to five miles of the branch. However, it is not that way anymore. People are so much more mobile, even with gas prices so high; they don't hesitate to drive ten miles. I don't think we will see the density of branching, but we will see new branches."

**CEOCFO:** Would you tell us about newer services and what are you planning on adding in the future?

**Mr. Bell:** "Bank of Virginia is a \$200 million bank, with five branch locations and basically can offer anything that the large banks can offer with the exception of insurance and investments at this point. Probably one of the most exciting things we have now, which we have had

tremendous success with is called remote capture. You can make the deposit by scanning the check from your office. It is the customer's responsibility to maintain that check and destroy it at a later time. That has been big for us. What I was talking about earlier about how people would drive further to come to a particular branch, well this has even broadened it more. If you are a business with little cash, you could go weeks without ever coming into the bank, just scan the checks in. It is a very simple process. We also offer courier service. We have a fleet of cars and they will pick up deposits. Mobile banking will probably be next for us. I would like to think that we would have that out in 2009."

**CEOCFO:** What is the competitive landscape and why are your customers coming to you?

**Mr. Bell:** "Our competition is not the other community banks. We have a lot of customers that might have an account with other banks and that is fine. Our competition is the small business units for the larger institutions. Let's say you run a small business, it is your livelihood. I can provide you with an experienced loan officer/relationship manager that is part of the loan approval process and has the authority to make decisions on behalf of the bank. That approach is becoming rare."

**CEOCFO:** How is Bank of Virginia faring in the current environment?

**Mr. Bell:** "Bank of Virginia is doing fine given today's environment. We have a young, very experienced management team and we have a very experienced board of directors. We have conservative lending policies, for instance, we were never involved in any sub-prime lending, and we have had excellent credit quality over the years. We have had excellent growth, so we are faring fine. With that said, I would be remiss if I said we don't know what tomorrow will bring. The risk to a bank is that we might have a customer that also has some business with a larger institution, and that institution may say, 'we don't want to play anymore.' Then all of a sudden, they jerk the rug out from under my customer. Consequently, our position is hindered based on the ac-

tions of another bank. That is the risk, and it is not just at Bank of Virginia, but any community bank. We don't know what tomorrow will bring. Although we didn't have any direct sub-prime loans, I don't know what my customers might have had or I don't know how many of my customers were one of the 700 laid off of at a Richmond a week ago or how many of our customers will have their relationship impacted because of what has happened in their business. It is kind of that ripple effect. To date, we have done fine. We released third quarter earnings and given the toughness of maintaining our margins because we have lost 100 basis points over the last couple of months, Bank of Virginia reported what I would consider a nice profit."

**CEOCFO:** Why should investors be looking at Bank of Virginia?

**Mr. Bell:** "Bank of Virginia stands out because we have a vision and a focus that I think makes sense. We did not get into this to just build it up and sell it. We have a viable company that we want to grow through acquisition with the name Bank

of Virginia. We don't just have to stay in the Richmond area, we can go anywhere in the state of Virginia. I think we are a little different than a lot of the community banks out there."

**CEOCFO:** Final thoughts; what should people remember most about Bank of Virginia?

**Mr. Bell:** "People should know that we care about our people, our customers, and our shareholders. I know that is easy to say, but I think some of the things that I mentioned about what we do for our employees, some of the philosophies we have, that is where the rubber meets the road. We are not just paying lip service. Even my comment that I don't care who you are, if your child is in a play, well that is where you need to be. I mean that very sincerely and there is probably not a person in our organization that wouldn't tell you they have heard me say that. I can't tell you the number of times that I will be at a soccer game or a play for one of my children although they are beyond that age, and you look over and you will see one spouse, knowing that the other

could not get away from work. That to me is sad."

**CEOCFO:** That has got to make a difference.

**Mr. Bell:** "Within the first ten seconds you are in that business, you either feel good or you feel bad. We could go into certain companies and you know immediately how the employees are feeling and what is the tone of that organization. When people come into our company they are looked in the eye, they are smiled at, they are called by name if possible and that is the impression that we want. I get compliment after compliment on the job that our staff does. I will close by saying one thing we try to remember. Every day that you come into work, today is November 13<sup>th</sup>, guess what, there will only be one thirteenth of November 2008. You get one chance at it; make it what you want. For me and my staff, I want to make it the best November 13<sup>th</sup> 2008 that there ever was. You get one chance at it, that sounds a little flippant and a little silly, but if you come in with the attitude it is amazing at how it changes."



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