



# Managing Bank Ratios, Risk, Regulation and Customer Experience In the Changing Technology Landscape

IOWA BANKERS ASSOCIATION

OCTOBER 29, 2019

## Meaning of the CAMELS Score



C—Capital adequacy



A—Asset quality



M—Management



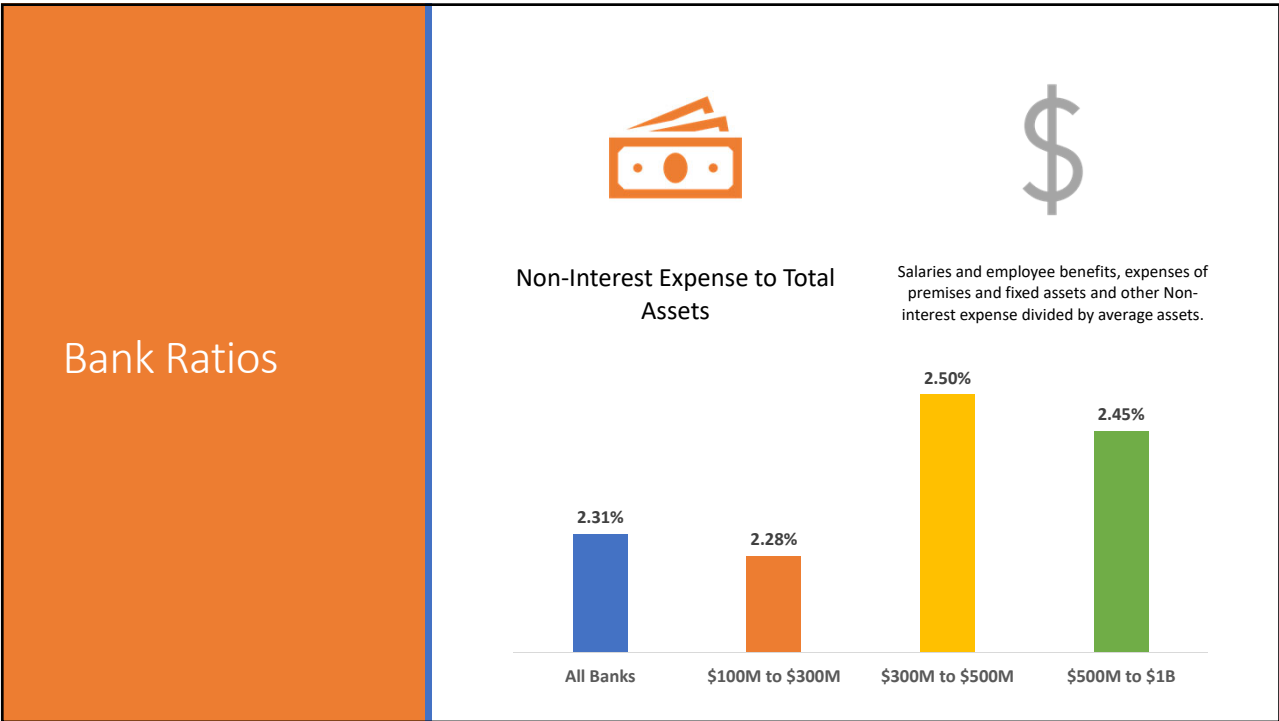
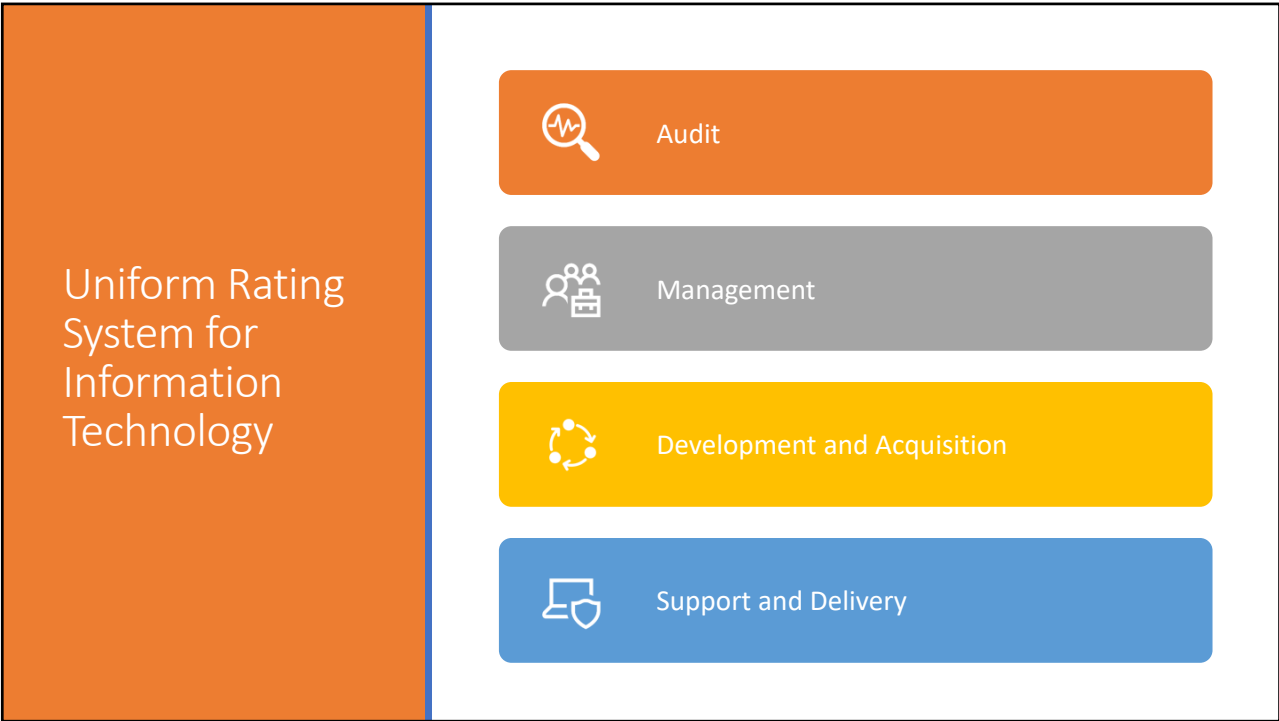
E—Earnings

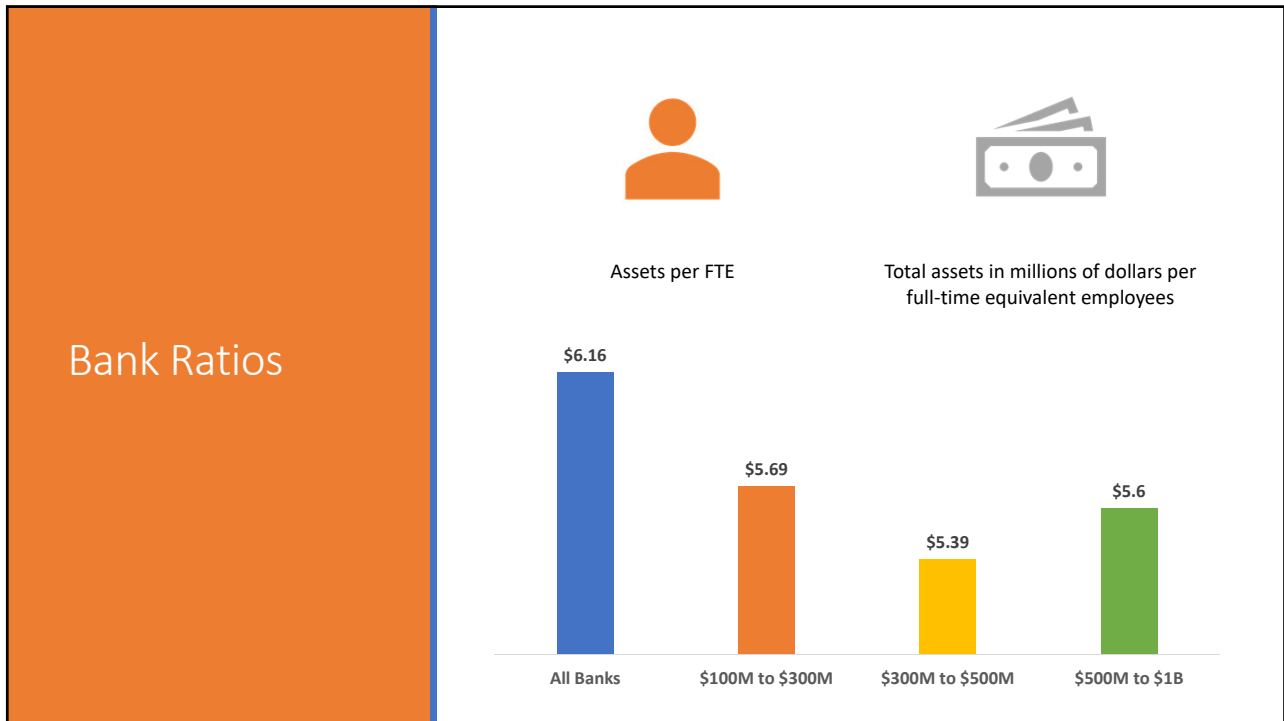


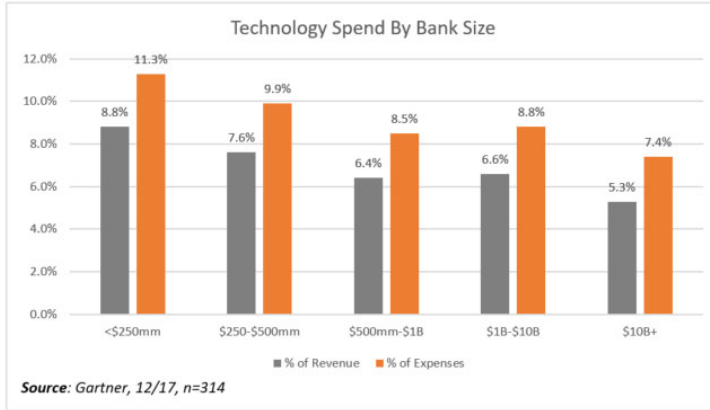
L—Liquidity



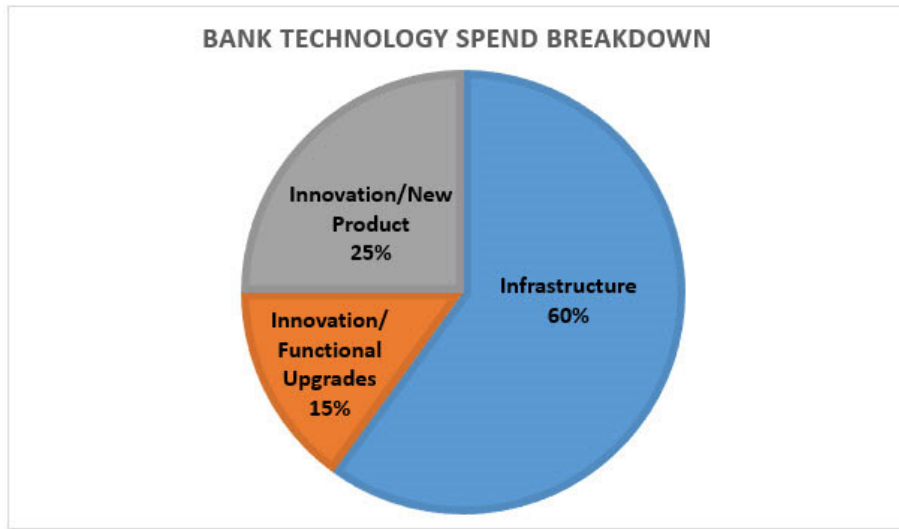
S—Sensitivity to market risk

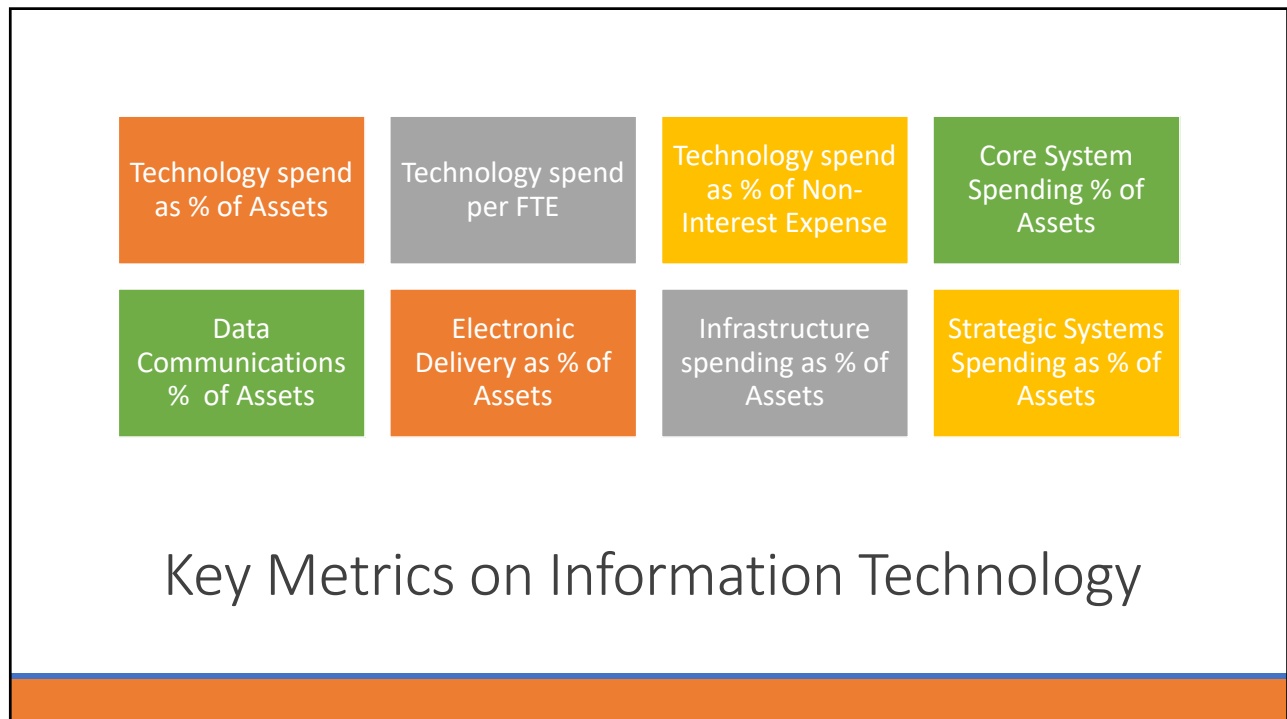
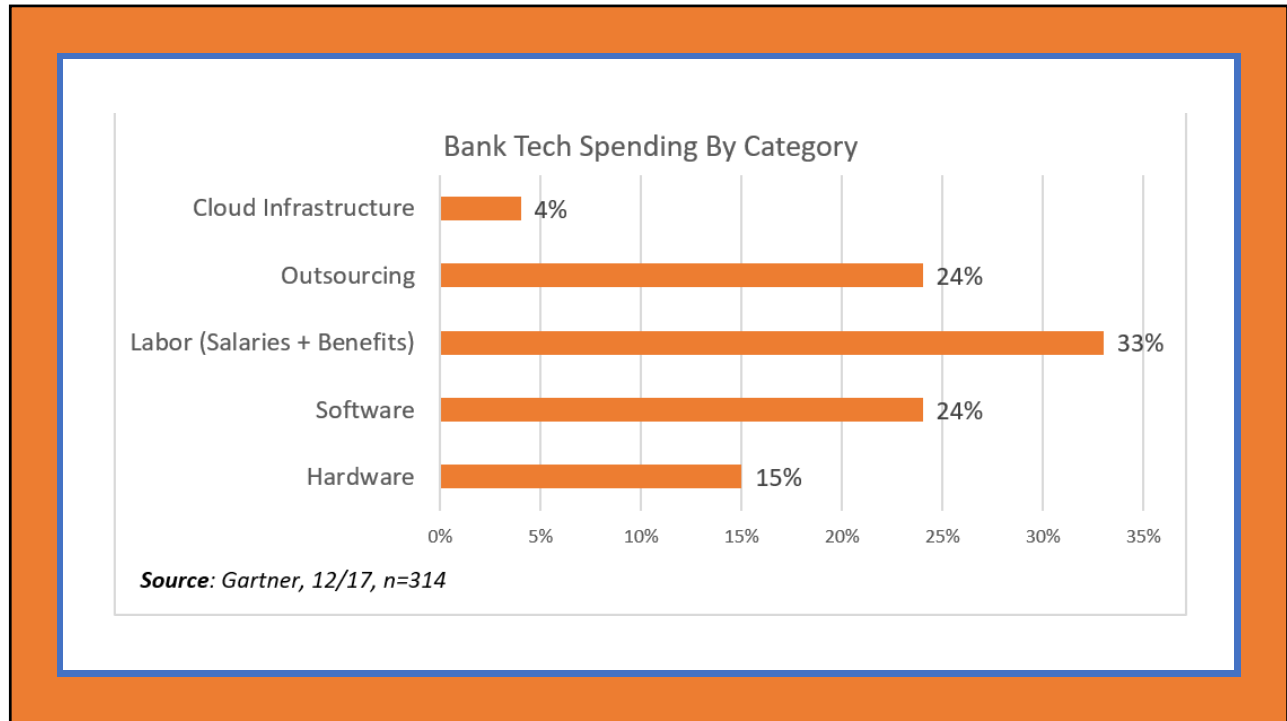






Where Banks Are Spending Their Technology Dollars





Technology  
spend as % of  
Assets

25%	Median	75%
.199%	.263%	.345%

Technology  
spend per FTE

25%	Median	75%
\$8,952	\$12,143	\$14,925

Technology  
spend as % of  
Non-Interest  
Expense

25%	Median	75%
7.160%	8.950%	11.550%

Core System  
Spending % of  
Assets

25%	Median	75%
.047%	.062%	.077%

Data  
Communication  
% of Assets

25%	Median	75%
.027%	.031%	.036%

Electronic  
Delivery as % of  
Assets

25%	Median	75%
.046%	.072%	.094%



Infrastructure  
spending as %  
of Assets

25%	Median	75%
.042%	.053%	.070%

Strategic  
Systems  
Spending as %  
of Assets

25%	Median	75%
.037%	.045%	.069%

# Answering the Questions about Technology Investments



DOES THE TECHNOLOGY FIT WITHIN THE BANK'S STRATEGIC VISION?



DOES IT IMPROVE THE CUSTOMER EXPERIENCE ACROSS MY PLATFORM?



HOW WILL MY EMPLOYEES ACCESS THE TECHNOLOGY?



WHERE WILL THE DATA LIVE AND HOW WILL THE DATA MOVE?



DOES THE TECHNOLOGY FIT MY DESIRED FUTURE ARCHITECTURE?



HOW DOES THE PRODUCT SCALE?



WHAT ARE THE ALL-IN RISK-ADJUSTED ECONOMICS?



SOLVING THIS PROBLEM

<https://csbcorrespondent.com/blog/our-7-question-test-prevent-bad-bank-technology> - Chris Nichols



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