ERM Watchtower™

Risk Intelligence + Performance Management Platform

Built to continuously inform, enlighten and empower banking executives and boards.

An SRA Technology Company
Our Purpose

We believe we’re solving one of the biggest and systemic problems in banking.

By enabling financial institutions to become safe, healthy and high-performing enterprises, we can help them drive the growth and vitality of our communities.
Our platform was designed and built by leaders from banking, technology, academia and the United States Treasury.
ERM Watchtower™

The only platform that aggregates, integrates and normalizes all critical risk and performance indicators on a continuous basis.

Custom designed by banking practitioners exclusively for the modern banking enterprise.
Platform Clients

- Sterling National Bank
- TIAA Bank
- TD Ameritrade
- PenFed Credit Union
- TowneBank
- ConnectOneBank
- TriState Capital
- Busey
- Veritex
- Univest
- Silvergate
- Sona
- Carter Bank & Trust
- MidSouth Bank
- VCB
- Penn Community Bank
- Allegiance Bank
- TruPoint
- CEI Community Bank
- Virginia Community Bank
- Signature
- VCC
- FirstState
- NPB
The ERM Watchtower™

risk management maturity spectrum.

We accelerate your risk maturity.

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<td><strong>Less mature</strong></td>
<td><strong>More mature</strong></td>
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<td><strong>Risk Governance</strong></td>
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<td><strong>Strategic + Capital Planning</strong></td>
<td><strong>Advanced Decision Making</strong></td>
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<td>Issue Tracking</td>
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<td>Risk Attribution + Profitability Analysis</td>
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Our process for the successful management of risk and performance.

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<th>Profile Framework</th>
<th>Data Normalization</th>
<th>Algorithmic Standardization</th>
<th>Data Aggregation</th>
<th>Accessibility + Transparency</th>
<th>Automated Feedback Loop</th>
<th>Data + Systems Integrity</th>
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<td>Performance &amp; risk aggregation framework to create risk profiles (Enterprise, Business or Department)</td>
<td>Ratio-based scalar measurements are normalized across enterprise</td>
<td>Utilizes a standard algorithm to aggregate information</td>
<td>Aggregation of resultant data (strategic layer of data: KSIs, KRI's &amp; KPI's); focus on a critical data only</td>
<td>Enterprise accessibility &amp; transparency</td>
<td>Risk governance, business decisions &amp; feedback loop</td>
<td>Systems, data &amp; process integrity is facilitated</td>
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Patented process developed by ERM Watchtower
ERM Watchtower™ integrates all critical business indicators.

**STRATEGIC**
Key Strategic Indicator
- 30 Targets

**PERFORMANCE**
Key Performance Indicator
- 40 Targets

**RISK**
Key Risk Indicator
- 120 Metrics

**COMPLIANCE**
Key Compliance Indicator
- Quality Indicators
Holistic

- Serving the board and C-level
- Manage risk and earnings growth
- Provide actionable insights
Continuous

- Consistent data feeds
- Ongoing monitoring + evaluation
- AWS-powered processing
### Integrated
- All key internal + external data sources
- Watchtower Library of 2,000 indicators
- Data points relative to peers
Clear

- Improved communications
- Aggregated for ease of use
- Fresh information
Indispensable

- ‘Easy’ or ‘Very Easy’ to implement
- ‘Very Satisfied’ with results
- ‘Very’ or ‘Extremely’ valuable
## Risk Intelligence Hub
A single dashboard for executive and boards.

### Strategic + Repetitional Risk
- Competitive Intelligence (WEP)
- National Economic Monitoring (WEP)
- External Event Monitoring (Risk WEP)
- Strategic Imperative Monitoring
- Product Profitability (WEP)

### Credit Risk
- Customer Credit Monitoring (WEP)
- CECL (WEP)
- Call Report (WEP)
- Core System
- Loan Profitability Optimization (WEP)

### Interest + Liquidity Risk
- ALCO Software (WEP)
- CECL (WEP)
- Liquidity Stress Test
- Treasury Profitability Optimization (WEP)

### Compliance + Legal Risk
- Compliance Monitoring (WEP)
- AML/BSA Risk Assessment
- AML/BSA Transaction Monitoring
- Compliance Training
- Model Risk & Model Inventory

### Operational Risk
- Third Party Management (WEP)
- FFIEC Cybersecurity Risk Assessment
- Information Security Risk Assessment
- Department Risk Assessment
- Business Continuity (In Development)
- Vendor Risk Assessment
ERM Watchtower™ Platform

Five Levels of Risk Maturity
Patented Process
Expert Banking Practitioners
Aggregated Data
Algorithmic Standardization + Normalization

Streamlined Reporting
Integrated Risk + Performance
Clear Communications
Actionable Insights
Managed Service Team Structure

- Watchtower Leader
- Implementation Team
- Strategy Practitioner
- Performance Practitioner
- Risk Practitioner
- Compliance Practitioner

SRA Team
Leadership

Michael Glotz
Founding Partner
Chief Executive Officer
Capital One
Experient Technologies
Sun Trust Bank

Stephen Lane
Founding Partner
President
Dime Capital / LVIR
First Fidelity Private Capital
First Fidelity
Office of the Comptroller of the Currency

Albert Knotts
Founding Partner
Chief Credit Officer
Capital One
First Union
Risk Management Association
Office of the Comptroller of the Currency

Tom Osgood
Chief Financial Officer
Chief Administrative Officer
Wachovia
Signet
Xenith

Matthew Neels
Sr. Managing Director
Compliance
Capital One
MBNA America
MNC Financial
Office of the Comptroller of the Currency
ERM Watchtower™ removes the friction, cost and complexity from risk + performance management.

- Holistic
- Continuous
- Integrated
- Clear
Michael Glotz
Founding Partner
Chief Executive Officer

Mr. Glotz is the Chief Executive Officer, Founding Partner of Strategic Risk Associates (SRA) and is the firm’s practice leader for risk management, governance, capital management and internal audit activities. He has led numerous risk management and capital planning engagement efforts for national, regional and community organizations.

Mr. Glotz served as Senior Vice President and Strategic Financial Officer for Crestar Bank and later SunTrust Bank through acquisition. During his tenure with SunTrust Bank, he held various senior financial positions including Strategic Financial Officer and head of Strategic Cost Management (EMC2 Play.)

Immediately before SRAs founding, Mr. Glotz was a Managing Vice President with Capital One Financial Corporation. Mr. Glotz held a number of senior positions with Capital One including Managing Vice President of Corporate Audit and Credit Review Services for Capital One Bank ($80 Billion in Assets at the time), which included the oversight and development of over 100 audit and risk professionals. Mr. Glotz also supported the implementation of Enterprise Risk Management and lead independent assessments of bank acquisition and integration activities for large-scale mergers.

Mr. Glotz is Risk-Reward Co-Chair of the American Association of Bank Directors and is a faculty member of the Institute of Bank Director Education. Mr. Glotz was a Faculty Professor of the Virginia Bankers School at the University of Virginia where he taught Risk Governance and ERM. He has delivered Bank Director training for many State Banking Association, and individually for a number of Boards.

Mr. Glotz received a BBA Degree in Business with the University of Wisconsin, an MBA with the University of Richmond and completed the Executive Development Program at Wharton, University of Pennsylvania. He is a Certified Risk Professional.
Albert Knotts  
Founding Partner  
Chief Credit Officer

Mr. Knotts is a Founding Partner of Strategic Risk Associates (SRA) and the firm’s Chief Credit Officer. He oversees the credit risk aspects of SRA’s software as a service business, credit risk management solutions, and lending solutions including specialty finance. He leads all credit risk management, loan resolution, and lending strategy engagements at regional clients, community clients, and specialty finance firms including his leadership role in M&A credit due diligence.

Prior to SRA’s founding, Mr. Knotts was a Senior Vice President at Capital One Financial Corporation and the Head of Credit Review Services for the entire company. He was directly responsible for the review of the credit card, auto, and commercial lending businesses. Mr. Knotts was also responsible for the independent credit assessment of large scale acquisitions.

Mr. Knotts previously served as Executive Vice President and Head of Portfolio Management for First Union’s Northeast and Mid-Atlantic Regions. During his tenure with First Union, he held various senior credit positions including Senior Credit Officer Corporate Banking, Connecticut Bank Chief Credit Officer and Deputy Manager for Credit Audit. He began his career with the Office of the Comptroller of the Currency (OCC) as an assistant National Bank Examiner in the Western District based in Seattle, Washington. After obtaining his Commission from the OCC, he transferred to New York City where he became a Multi-National Bank Examiner with responsibility for large multi-country banking organizations.

Mr. Knotts is a prior Chairman of the Risk Management Association’s Loan Review Roundtable and participates in numerous industry conferences. He received a BA Degree in Economics from the University of Washington.
Stephen Lane
Founding Partner
President

Steve is a Founding Partner of SRA and the firm's practice partner for merger and acquisition related services, including due diligence and valuation support. In his career, Steve has led the due diligence for some of the largest transactions completed, including recapitalizations or investments in banks by private equity firms. Steve also developed SRA's Capital/ALLL Stress Test and the implementation of that service to our clients. Prior to founding SRA, Mr. Lane was a Founder and President of LVIR Investor Group, formerly Dime Capital Partners, the mezzanine lending and equity investment subsidiary of the Dime Savings Bank, a multi-billion dollar financial institution. While President of Dime Capital Partners ("DCP"), Mr. Lane provided equity and mezzanine financing for buyouts, acquisitions, recapitalizations, and growth transactions. Prior to forming DCP in 1998, Mr. Lane headed First Fidelity Private Capital ("FFPC"), the direct equity/mezzanine investment unit of First Fidelity Bancorporation, which was purchased by First Union Corporation (now Wells Fargo). In addition to heading the equity investment unit, Mr. Lane headed First Fidelity’s (subsequently First Union’s) SBA Lending and Community Development Lending and Investment Groups. Prior to heading FFPC, Mr. Lane headed the mergers and acquisitions due diligence team for First Fidelity Bancorporation, then the nation’s 25th largest banking institution. Before joining First Fidelity, Mr. Lane was employed by the United States Comptroller of the Currency, where he worked for seventeen (17) years and became the Senior Regulator for Highly Leveraged Transactions.

Mr. Lane is a Chartered Financial Analyst and holds both a BS and an MBA from Virginia Tech, Blacksburg, Virginia. He is also a graduate of the Stonier School of Banking at Rutgers University.
ERM Watchtower™ Practitioners

Rob Mitchell
Partner, Global Business Development

Rob is a partner of SRA and has worked in the financial services industry for almost 30 years as a commercial banker, private equity investor, and investment banker. As a commercial lender and lending team leader, he underwrote numerous credits and made a wide variety of loans. He also worked with the Chief Credit Officer of Nationsbank where he reviewed the largest loans being submitted for approval as well as participated in the bank’s acquisition due diligence of First Republic Bank. As a private equity investor, he underwrote and invested in numerous debt and equity investment opportunities across the country. As a partner at SRA, Mr. Mitchell has participated in many loan reviews and M&A due diligences on behalf of bank investors, buyers, and merger partners. He has also worked with numerous bank management teams and boards of directors to assist them with regulatory issues, enterprise risk management, strategic plans, board and management assessments, and numerous other issues. Mr. Mitchell earned a Bachelor of Arts from Kenyon College and a Masters in Business Administration from the Darden School at the University of Virginia. He retired from the US Naval Reserves.
Matthew Neels
Sr. Managing Director
Compliance

Matt is SRA’s Senior Managing Director for Compliance Management and has extensive experience in Compliance, Anti-Money Laundering, and BSA. Prior to joining SRA, he was the Senior Vice President for Compliance and Anti-Money Laundering at Capital One Financial, the Corporate Compliance & BSA Officer for MBNA Corporation, and the Chief Compliance Officer for MBNA Canada. Prior to MBNA, he managed Corporate Compliance, the Appraisal Division and other control functions at MNC Financial as well as managed regulatory compliance matters and coordination with federal banking authorities. He began his career at the Office of the Comptroller of the Currency as a National Bank Examiner.

Mr. Neels has served on the American Bankers Association’s Compliance Administrative Committee and was active with the Delaware Bankers Association Compliance Committee. He is currently Chairman of the Board of the Better Business Bureau of Central Virginia. He holds certifications in Compliance, Privacy, Money Laundering and Risk Management.

Mr. Neels is a graduate of the University of Maryland.
Mr. Osgood was most recently EVP, CFO & CAO of Xenith Bankshares, Inc. (XBKS). Mr. Osgood was one of the original founders of Xenith which through organic growth and creative mergers was among the fastest growing banks in Virginia. In addition to the finance and accounting functions, Mr. Osgood oversaw human resources, compliance, and BSA functions and led Xenith’s initial enterprise risk management implementation. Mr. Osgood’s began his 30 year banking career began at Wachovia Bank & Trust and also included 15 years at Signet Banking Corporation where he held numerous positions in lending, investment banking and risk management.

Mr. Osgood also help found ECFP, a fire and life safety design, installation and service contractor, from a start-up to one of the largest fire and life safety companies in the U.S. The ECFP management team won Richmond Chamber of Commerce Entrepreneur of the Year Award in 2001.

Mr. Osgood holds a B.A. from Hampden-Sydney College and MBA form the University of Richmond. Mr. Osgood has completed executive education at Stanford University, the University of Virginia and the Center for Career Leadership.

Tom Osgood
Chief Financial & Chief Administrative Officer
Tony Zatelli  
Chief Technology Officer

Mr. Zatelli is the Chief Technology Officer for SRA. He is responsible for all IT related activities in SRA including software development, quality assurance, and management of ERM Watchtower™.

Mr. Zatelli has worked in the software industry for over 20 years, primarily in SaaS-based software companies and has extensive experience both as a software engineer and in leadership positions. With his engineering and leadership background, Mr. Zatelli is able to provide expertise in guiding the development of ERM Watchtower™ and advising SRA's leadership on critical IT decisions.

Prior to joining SRA, Mr. Zatelli worked for many national and local companies such as Carmax, Luck Stone, Acronis, nTelos, Allianz, Allscripts, and UNOS.
ERM Watchtower™ Practitioners

Niki White
Chief Customer Officer

Ms. White is the Chief Customer Officer having joined SRA in 2016. Previously she was SVP of Risk Management at First Capital Bank and VP & Controller. She was previously with the accounting firms of Yount, Hyde and Barbour and PriceWaterhouseCoopers. Ms. White has been recognized five times by peers as a Super CPA as published by Virginia Business Magazine. Ms. White was awarded the “Top 5 Under 35” award by the Virginia Society of CPAs.

Ms. White holds B.S. in Accounting from The Pennsylvania State University and is licensed certified public accountant and earned a Certificate of leadership from University of Virginia, Darden Executive Education Program.
**Marc Caccavale**  
Managing Director  
Data + Risk Management

Marc is a senior industry executive. He has served the financial industry for over 18 years with deep experience in the protocols and best practices on the use, flow, protection, and implications of data including data’s impact on optimal system performance and regulatory compliance. Marc’s career within the industry has been exclusively on the vendor side of the business. He has met with and analyzed thousands of clients and organizations. He has directly advised, managed and guided hundreds of clients through long and complex sales and implementation cycles. Marc has written and published numerous industry summaries on data governance, regulatory protocol, performance, reconciliation, private wealth management and exchange-traded funds with industry leading representatives. Marc held senior positions with Bloomberg, SS&C Technologies, and Asset Control. Marc has B.A.’s from the University of South Florida, political science and Kean University, history. He is founder, former treasurer and fund-raising event coordinator of the Centennial Village Group (501c3) in his hometown of Cranford, NJ. He is an active member of the Knights of Columbus as well as a member of several financial industry groups whose focus are risk, regulatory, data and compliance.
**T. Gaylon Layfield, III**

Independent Chairman of the Board of Directors

T. Gaylon Layfield, III will serve as Independent Chairman of SRA’s Board of Directors.

Most recently, Mr. Layfield was founder and CEO of Xenith Bankshares, Inc. (now Union Bankshares, Inc.). From 2010 to its sale in 2018, Mr. Layfield led Xenith’s growth from $150 million to more than $3 billion in assets through both organic growth and M&A transactions.

With 35 years of banking experience, Mr. Layfield served as President and COO of Signet Banking Corporation at the time of its sale to First Union (now Wells Fargo). Prior to this role, Mr. Layfield was the Senior Executive Vice President in charge of the Commercial Line of Business. Mr. Layfield held other positions in executive leadership including leading the Retail Line of Business, serving as the Regional Executive for the Hampton Roads Region, leading the Baltimore Region Commercial Banking Group and serving in the International Banking Group. Mr. Layfield also led a company-wide reengineering effort for Signet Bank following the spin-off of CapitalOne from Signet.

Mr. Layfield earned a degree in Economics from the University of Virginia and an MBA from the Darden School of Business at the University of Virginia.

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**ERM Watchtower™ Practitioners**
Scott A. Reed
Independent Director

Mr. Reed, a Partner, Director and co-founder of BankCap Partners, has 25 years of experience in the financial services and strategic consulting industries. Mr. Reed serves on the boards of Silvergate Capital Corp. and Vista Bancshares and previously served on the board of Xenith Bankshares, Inc., all BankCap portfolio companies. Mr. Reed also serves on the board of Denver-based InBankshares, a Colorado-based bank and President of LF Capital Acquisition Corp, a special purpose acquisition company formed to target an investment in the commercial banking industry. Mr. Reed also serves on the advisory board of Chicago based, Performance Trust. In his role at BankCap, Mr. Reed focuses on transaction sourcing, structuring and processing, capital raising activities and oversight of BankCap’s portfolio investments.

Mr. Reed began his career as a derivatives trader with Swiss Bank Corporation. After graduating from business school, he worked for Bain & Company as a consultant and later at Bear Stearns as an investment banker in its Financial Institutions Group.

Mr. Reed is a graduate of the University of Virginia with a BS in Commerce and a BA and History. He received his MBA from the Amos Tuck School of Business at Dartmouth College, where he was an Edward Tuck Scholar.
ERM Watchtower™ Practitioners

Raymond Santelli
First Capital Bank
BB&T
Performance

Rebecca Wright Dodson, CISA
Ernst & Young
Risk

Terry Hoover, CPA, CIA
TIB
Sheshunoff
Payne & Smith
FDIC
OCC
Risk

Nancy Grey
Regions Financial
Bank of America
Compliance

Cathy Jackson, CPA
Southern Bank & Trust
Bank of Hampton Roads
Heritage Banshares
Compliance

John M. Crocket
VA Bureau of Financial Institutions
Conference of State Bank Supervisors
Bank Administration Institute
American Counsel of State Savings Supervisors
LSU Graduate School of Banking
Compliance
Thank you!

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