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July 18, 2022

CONNECTICUT BANKERS ASSOCIATION

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SENT TO:

CEO, CEO+, CFO, CRO, CLO & ALCO

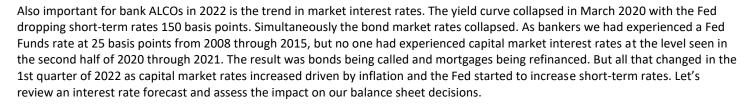
TO THE CHIEF EXECUTIVE OFFICER OR INDIVIDUAL ADDRESSED

RE: Best Practices in Asset/Liability Management Seminar 2022

We are pleased to announce our annual, half-day program, *Best Practices in Asset/Liability Management 2022* facilitated by Dr. Jim Clarke, to be held on Tuesday, September 27, 2022, from 8:30-1:00p.m. at the DoubleTree Hilton Hotel, 42 Century Drive, Bristol, CT. Please CLICK HERE to register.

This annual program will focus on the critical issues bank ALCOs are facing in the 3rd Quarter of 2022, and what we anticipate for 2023. Economic data was positive entering 2022, the economy turned positive in the 3rd quarter of 2020 after two quarters of recession tied to the Pandemic. 2022 has turned out to be a disappointment with a decline of GDP in the first quarter and an increasing rate of inflation. We will review economic forecasts for the rest of 20

quarter and an increasing rate of inflation. We will review economic forecasts for the rest of 2022 and 2023. The central issues for most ALCOs continues to be margin compression, excess liquidity and low loan to asset ratios.



Given the interest rate and economic forecasts, we will create an ALCO committee and consider decision making on both sides of the balance sheet based on all we know entering the 4th quarter of 2022.

SPEAKER



Dr. James Clarke is the Principal of Clarke Consulting, a Villanova, Pennsylvania firm specializing in ALCO issues and strategic planning for community banks. Jim has lectured on asset/liability management at the Stonier National School of Banking sponsored by ABA, the Southwest Graduate School of Banking, the New England School of Banking and Connecticut School of Banking. He conducts ALM seminars for many state associations, and for Risk Management Association (RMA) and Financial Managers Society (FMS). Jim also conducts board education programs on ALM for several state associations. Dr. Clarke is on the Board of two community banks and was a director of an investment company headquartered in Connecticut. Jim is also on the Editorial Board of the RMA Journal.

SCHEDULE 8:00 a.m.

Refreshments/Registration

8:30 a.m. - 10:00 a.m.

Current Environment

- Economic Forecast & the Impact on Connecticut Banks focus on commercial loan demand. Review the Connecticut economy.
- Interest Rate Forecast and Implications for Balance Sheet Management.
- Liquidity Management What is driving excess liquidity? How has the trend changed in 2022?
- Regulatory focus on financial risk on bank balance sheets in the 3rd quarter 2022.

10:00 a.m. – 10:15 a.m.

Break

Hold a Mock ALCO

Managing Assets in the Current Environment

- Liquidity Management Choices on both sides of Balance Sheet.
- Investment Options: Duration Risk is lower in 2022, but still an issue.
- Loan Portfolio Management
 - Commercial Pipeline and Credit Risk post Pandemic.
 - Residential Mortgage Lending Volume is down from 2021, decision to hold loans in portfolio.

Managing Liabilities in the Current Environment

- FHLB Advance Line and options for reducing liquidity. Or building a ladder before rates move higher
- Deposit Strategies:
 - o Liquidity Management Shrinking deposits.
 - Non-maturity Deposits be careful with legacy and customer loyalty. Review Bank Rates – who is leading the pricing in 3rd Q of 2022?
 - Certificates may be best option for reducing liquidity and lowering the cost of funds.
 Also consider CD strategies in light of interest rate forecast.

12:30 p.m. *Adjourn*

CONTINUING EDUCATION CREDITS

In accordance with the rules and guidelines of the Connecticut State Board of Public Accountancy, Best Practices in Asset/Liability Management may be worth 3 ½ hours of Continuing Education Credit. *The program has not been pre-approved for credit.* The field of study for this course is Banking. Attendees interested in receiving a confirmation of attendance memo from the CBA should leave their business cards with staff at the registration desk.

REGISTRATION

The *Best Practices in Asset/Liability Management 2022* seminar will be held on Tuesday, September 27, 2022, at the DoubleTree Hilton Hotel in Bristol, CT from 8:30 a.m. until 12:30 p.m. Please <u>CLICK HERE</u> to register. The member fee for this event will be \$195. All registrants will be billed regardless of their attendance.

The fee includes all program materials, refreshments, and Connecticut State sales tax. Should you have any questions regarding the program or registration procedures, please do not hesitate to contact me at the Association office.

Sincerely,

KIMBERLY M. TUTTLE Director of Education