



Illinois League of Financial Institutions

Asset/Liability Management Seminars

March 25, 2010

Hilton Garden Inn Springfield
3100 South Dirksen Parkway
Springfield, IL 62703
217-529-7171

Please visit the following website for directions:
www.springfieldil.stayhgi.com

March 26, 2010

NIU Naperville
1120 E. Diehl Road
Naperville, IL 60563
815-752-8990

Please visit the following website for directions:
www.niu.edu/maps/

The Illinois League of Financial Institutions is pleased to announce that in March it will sponsor its annual **Asset/Liability Management Seminar**. This year's program will be conducted by **Dr. Jim Clarke** of Villanova, PA.

This program will focus on asset/liability management, and the critical issues bank ALCOs will face in 2010 with an economy in recovery, and an interest rate environment dropped dramatically in 2008, but eventually we will face rising interest rates. The events in the 3rd and 4th quarters of 2008 were unprecedented in modern financial history, but the financial markets have stabilized. The recession was the deepest since the 1970s and the yield curve is the lowest in the last 50 years. Your bank's ALCO was challenged in 2008 and 2009, hopefully 2010 will be a year things settle down, but there will be challenges including concern over interest rate risk.

The program will begin with a projection of the fallout from the financial crisis of 2008 and the impact on community banks – new regulations, followed by a business cycle forecast with a special emphasis on housing market and the Illinois economy. Short-term interest rates have decreased over 500 basis points since September 2007 and it is likely that they may begin to increase in late 2010 or early 2011. Margins have stabilized in 2009 as the cost of funds continues to fall - the thrift industry in particular has benefited from the low rate environment – what is the forecast for 2010. The challenge for bankers is managing credit risk in the current environment, but with the anticipation of a different economic and interest rate scenario in 2010 and 2011. **The program will include a discussion of the recent pronouncement by the FFIEC on interest rate risk and its implications for balance sheet management.**

Both the short-term and the long-term challenges facing bank ALCOs will be discussed. The program will examine both asset and liability decisions for 2010. Dr. Clarke will examine the modeling of your balance sheet as the interest rate cycle continues to evolve with a focus on both market risk and liquidity risk. The program will conclude with a discussion of growth strategies for 2010, particularly asset allocation, and leverage strategies for this point in the rate cycle.

SEMINAR AGENDA

Morning Session - Current Environment

- The Financial Crisis and Impact on Regulations
- Business Cycle Conditions
- Yield Curve Forecasts
- Bank Risk Profile in 2010
- Bank performance – Impact of credit cycle
- Issues in Interest Rate Risk – FFIEC Pronouncement

Managing Assets in the Current Environment

- Loan Portfolio Management
- Investment Options in the Current Environment
- Reducing Interest Rate Risk Exposure

Afternoon Session - Managing Liabilities in the Current Environment

- Deposit Trends
- Protecting Core Deposits
- Retail Strategies to Funding Assets
- Reducing Interest Rate Risk Exposure
- FHLB Strategies – Caps
- Growth Strategies for 2010 – Do leverage transactions make sense at this point in cycle?
- Challenges Facing ALCOs in 2010 & 2011

SCHEDULE

8:00 a.m. - 8:30 a.m.	Registration and Continental Breakfast
8:30 a.m. - 12:00 noon	Program
12:00 noon - 1:30 p.m.	Lunch
1:30 p.m. - 3:00 p.m.	Program
3:00 p.m.	Adjournment

SPEAKER: JIM CLARKE, PH.D.

Dr. Jim Clarke is the principal of Clarke Consulting, Villanova, PA. He lectures on asset/liability management at the National School of Banking sponsored by ABA, and the New England School of Banking. Dr. Clarke conducts ALM seminars for many state associations, and for Risk Management Association (RMA) and Financial Managers Society (FMS). He also conducts board education programs on ALM for a number of state associations. In 2009 & 2010, he spoke at the RMA Annual Convention, the Connecticut Bankers, Massachusetts Bankers and Louisiana Bankers Conventions, and ABA's Mutual Conference. Dr. Clarke is on the Board of two community banks, and is a Director of an investment company.

WHO SHOULD ATTEND

This program is designed for CEOs, CFOs, controllers, and any manager with responsibility for the ALCO function, this would include lenders, retail personnel or internal auditors. This program would also be valuable to board members who sit on the ALCO or would like to become more familiar with the process.

HOW TO REGISTER

To register for the seminar of your choice, please complete and return by mail or FAX (217) 789-9115 the enclosed registration form. Checks should be made payable to the Illinois League of Financial Institutions. Early registration is encouraged. Space is limited.

REGISTRATION FEE

The registration fee for the seminar for **ILFI members** is **\$215 per registrant** and for **non-members** the fee is **\$270 per registrant**. The registration fee includes: cost of instruction, all training materials, continental breakfast, morning and afternoon breaks and group lunch

CANCELLATION POLICY

The registration fee will be fully refunded if the League is notified by FAX or letter no later than 4 business days prior to the seminar. Fifty percent of the fee will be refunded thereafter to cover administrative costs. "No shows" will not be refunded. Substitutions are welcome at any time.