Education & Industry Tuesday Highlights

William W. Reid, Jr.

MIBA/ICBA Partnership Breakfast

Tuesday, 7:30 am, Sea Chase Room, then to Marbella Room A at 9:00 am. Join us Tuesday morning 7:30 am in the Sea Chase Room for a sitdown breakfast and presentation by William W. Reid, Jr., President and CEO of ICBA Financial Services Corp. (ICBFS). *Sponsored by: MARKETING SPECIALISTS, INC.*

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Hot Topics Seminar

Tuesday, 9:00 am, Marbella Room A.

"Wholesale Funding Workshop"

Presented by Bob Colvin, CEO, Index Powered Financial Services LLC

CREDIT HOURS: Eligible for 3 hours CPE. Each attendee will receive a certificate required to receive their appropriate credit.

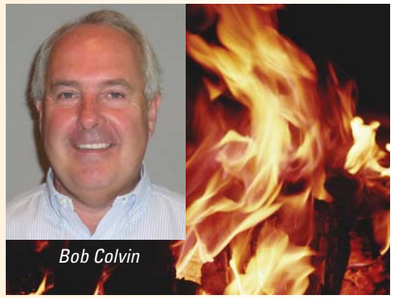
SEMINAR REGISTRATION is included with a full convention registration. Registration for this seminar only is available at $195 per member or $295 per nonmember and includes Tuesday morning breakfast, seminar, luncheon and Exhibit Hall reception. Use convention registration form on back cover.

Wholesale funding continues to increase and as a result, new regulatory guidance will be released later this year. This workshop will analyze the various wholesale alternatives (FHLB advances, Brokered Deposits, Listing services, etc.), and review regulatory requirements and the policies necessary to guide this activity within your organization. A notebook will be provided to each participant that will include key liquidity and funding information.

The **decline in traditional retail deposits** as a result of the increased competition from the stock market, annuity sales, brokerage firms, credit unions and on-line competitors, is forcing all banks to develop a comprehensive wholesale funding plan. While using wholesale funds is not a new phenomenon in community banking, the magnitude of these positions now and what they are expected to be in the future are raising regulators' concerns. While banks have traditionally had loan and investment officers, few if any banks have a designated **"funding" officer,** regardless of the bank's size. This function has generally been handled within the ALCO committee but no one was really "in charge." More attention must be given to this topic going forward.

For the first time in almost 10 years, each of the regulatory agencies are undergoing a thorough review of their **"Liquidity"** procedures that every bank will be required to meet. Understanding these new requirements and how they will impact you regarding the Liquidity component of your CAMEL rating require every bank's attention.

Bob Colvin, who will present the information at the workshop, has a long history in bank funding and liquidity issues….from teaching a funding and liquidity course at the Madison Graduate School of Banking, to working with various regulatory groups on emerging funding issues. He was also responsible for developing the first and only securitized CD product which has now been granted Patent Protection from the U.S. Patent Office. We hope you will take the opportunity at this year's convention to learn more about this important and emerging issue.



Bob Colvin

Presentation Outline:

What Are the Current Wholesale Funding Trends/Pros & Cons?
(9:00 am-9:45 am approx.)

- Decline in Traditional Deposits
- Growth in other Wholesale Funding
- FHLB Advances
- Brokered Deposits
- Jumbo Deposits, Rate Boards
- Repurchase Agreements
- Other Wholesale Sources

Break

Liquidity Risk – How Your Regulator Looks At It (10:00 am-10:45 am approx.)

- Types of Liquidity Risks
- Measuring Liquidity Risk
- Risk Monitoring & Reporting Systems

Break

Sound Practices for Managing Liquidity Risk
(11:00-11:45am approx)

- Role of Senior Management
- Liquidity Risk Limits & Guidelines
- Developing a Contingency Funding Plan
- Liquidity Risks – Examination Objective
- Discussion Summary & Wrap-Up – Questions & Answers

General Business Session on Wednesday

General Business Session
Wednesday, 9:00 am, Valencia Room

Bill Esry

"Welcome & Introductions"
William C. Esry, MIBA President and President, Blue Ridge Bank and Trust Co., Independence

Ken Parsons, Sr.

"ICBA Washington Report"
Ken F. Parsons, Sr., ICBA Treasurer and Chairman, Venture Bank, Lacey, Washington

Sarah Steelman

"Missouri Treasurer's Update"
Sarah Steelman, Missouri State Treasurer

Eric McClure

"The Commissioner's Report"
D. Eric McClure, Commissioner, Missouri Division of Finance

Charles Butler

"MIBA Nominating Committee Report"
Charles Butler, Chairman, MIBA Nominating Committee and President, Farmers & Merchants Bank, St. Clair

Program Notes

Use the space below to jot down names, numbers and notes.