

# Community Bank CFO Conference

November 2, 2017  
Springfield, IL



Managing Interest Rate Risk  
for Uncertain Outcomes

Accounting's Impact  
on the Bottom Line

2017 State of Cybersecurity

The Real Price of Risk  
in Lending

CECL Is Coming -  
What Should We Do?

# Introduction

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The 2017 CFO Conference is designed to help community-bank CFOs manage interest rate risk for uncertain outcomes; discover how accounting impacts the bottom line; learn how to manage their cybersecurity risk; discover the real price of risk in lending; and find out how to prepare for CECL.

Participants gain a wide variety of information from expert speakers on topics that community bank chief financial officers have requested, and return to the bank ready to implement newly found ideas and knowledge!

## Who Should Attend?

CBAI's 2017 CFO Conference not only benefits chief financial officers, it is also geared toward presidents, CEOs, and anyone else who is involved in controlling expenses and increasing profitability for their community banks.

# Conference Agenda

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**8:30 – 9 a.m.**

Registration and Continental Breakfast

**9 – 10:15 a.m.**

*Managing Interest Rate Risk for Uncertain Outcomes*

**Lester Murray, Associate Partner**

**THE BAKER GROUP, Oklahoma City, OK**

The year began with high expectations for economically constructive changes to tax policy, fiscal stimulus, and the regulatory environment. As we approach year end, questions regarding the outcomes of those changes have been supplemented with new uncertainties that question the ultimate fruition of those expectations. Risk managers contemplating strategic adjustments that address these long-awaited changes now find themselves wondering whether any changes will even happen. This discussion will identify those risk measurements that help managers prepare for conditions and outcomes yet unknown. Those preparations will include the satisfaction of regulatory requirements in addition to exploring security selection alternatives and the development of appropriate interest rate risk modeling assumptions. Variables related to measuring and monitoring an adequate level of liquidity are also reviewed.

**Lester Murray** joined the Baker Group in 1986 and is an associate partner within the firm's Financial Strategies Group. In that capacity, he works with community banks in helping them develop and implement investment and interest rate risk management strategies. Murray is a frequent speaker at various investment conferences, conventions, and educational seminars throughout the country. Before joining Baker, he worked in the investment divisions of two broker/dealer banks in Oklahoma City and was also an assistant national bank examiner for the Comptroller of the Currency in the Southern District. He is a graduate of Oklahoma State University, Stillwater.

**10:15 – 10:30 a.m.**

**Break**

**10:30 – 11:45 a.m.**

*Accounting's Impact on the Bottom Line*

**Fred Markwell, Partner and Leslie Wilson, Partner**

**BKD, LLP, St. Louis, MO**

A bank's bottom line is not driven solely by the loan department. In a world where transactions have become increasingly complex, the bottom line also has much to do with the application of a myriad of accounting and tax rules to which they are subject. In this session, attendees have the opportunity to learn how treatment under certain accounting and tax rules may impact their bottom lines.

**Fred Markwell** is a member of BKD National Financial Services Group. He specializes in corporate taxation, including mergers and acquisitions, formation of and planning for multiple corporate entities, insurance company taxation and financial institution taxation. He has more than 25 years of experience serving the tax planning and compliance needs of financial institutions ranging in size from \$30 million to \$150 billion in assets and ranging from closely held family banks to publicly traded, SEC-registered multibank holding companies. In addition to his public accounting experience, Markwell also gained significant experience while serving as tax director for a Missouri bank holding company and senior vice president of tax planning for a regional and national bank. Markwell is a member of the American Institute of Certified Public Accountants. He is a past member of the St. Louis chapter of the Tax Executives Institute Inc. Financial Institution Tax Association of the Midwest and Southeastern Association of Tax Administrators.

# Conference Agenda

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**Leslie Wilson** is a member of BKD National Financial Services Group, is an audit and consulting partner with more than 20 years of experience. She works with financial institutions, to assist them with a full range of accounting, assurance, and consulting services, including overseeing financial statement audits, reviews, and directors' examinations. She also consults with many organizations regarding long-range business planning, mergers and acquisitions, due diligence, and internal operational policies and processes, including handling day-to-day inquiries regarding accounting and strategic issues. Wilson is a member of the American Institute of CPAs, American Woman's Society of Certified Public Accountants, and Missouri Society of CPAs. She is actively involved in Illinois and Missouri state banking associations and the Risk Management Association of St. Louis. She is a 1995 graduate of Drury University, Springfield, MO, with a B.A. degree in accounting and business administration.

**11:45 a.m. -- 12:30 p.m.**  
**Lunch**

**12:30 -- 1:30 p.m.**  
**2017 State of Cybersecurity**  
**Brendan McGowan, Chief Technology Officer**  
**Safe Systems, Inc., Alpharetta, GA**

Major shifts just happened in the cybersecurity threat landscape. Threats are evolving faster than ever. This session explores how the bad guys actually succeed in causing material damage to your bank and how to defend against it. Having a fighting chance against these threats requires more than just buying products. It requires a way of thinking about security that can evolve as fast as the threat landscape. Learn what the successful elements of a secure network are, and how they need to be managed. This is intended for an audience that cares about managing these risks, but may not speak a technical language.

Topics include:

- Understand how real-world, proven cyber attacks are perpetrated against banks
- Learn how to think about ongoing security principles to stay ahead of the game
- Gain examples of what a well-protected network looks like today

**Brendan McGowan** is Safe Systems' Chief Technology Officer. He oversees development of strategic technology solutions that enhance the ability of community banks to manage compliance, security, and IT in accordance with regulations.

He graduated from Georgia Southern University, Statesboro, with a business management degree in Information Systems, and serves on the advisory board for the College of IT at Georgia Southern.

**1:30 -- 1:45 p.m.**  
**Break**

**1:45 -- 2:45 p.m.**  
***The Real Price of Risk in Lending***  
**Robert Ashbaugh, Senior Risk Management Consultant**  
**Sageworks, Raleigh, NC**

Risk ratings are the basis for understanding credit risk in the portfolio, yet many institutions struggle to maintain and apply an objective risk rating system. Accurate risk ratings allow institutions to better price loans and account for risk in the allowance for loan and lease losses (ALLL). This session covers the basics of identifying risk, pricing it appropriately and reflecting it in the reserve.

**Robert Ashbaugh** is a senior risk management consultant at Sageworks, and is responsible for assisting financial institutions with their ALLL and stress-testing programs. Ashbaugh has more than 20 years of capital markets and commercial banking experience, as both a portfolio manager and risk manager, with a primary focus on mortgage-backed securities and commercial loans. Among his responsibilities were monthly ALLL calculations, institutional and concentration stress testing, and risk analytics. He is past holder of the Series 7, 52, and 63 licenses. He received his bachelor's degree in both economics and international business from Temple University, Philadelphia, PA.

**2:45 -- 3 p.m.**  
**Break**



# Conference Agenda

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3 -- 4 p.m.

**CECL Is Coming – What Should We Do?**

**Brett Schwantes, Senior Manager**  
**Wipfli, LLP, Wausau, WI**

The Current Expected Credit Loss (CECL) standard is coming, and institutions are trying to figure out what to do next. The FASB pushed out the effective dates of the new standard to give institutions time to implement very significant changes to their allowances for loan and lease loss analyses, but a lot of work needs to be done between now and then. So what should institutions be doing or thinking about in 2017? Schwantes shares his thoughts on the pros and cons of some different CECL methodologies that could be used; setting up a loss rate analysis; and implementation steps to be taken in 2017 (and beyond).

**Brett Schwantes, CPA**, has more than 20 years of experience working closely with financial institutions and is the leader of the Technical Issues Committee for the financial institutions practice of Wipfli LLP. He has received specialized training on accounting for a number of complex issues such as derivatives and fair value measurements of financial instruments, which has allowed him to better understand the unique problems and challenges this industry faces and to advise financial institutions on a variety of accounting and regulatory issues. Schwantes also consults with clients on the impact of new accounting standards and how best to implement them to avoid negative consequences whenever possible.

Schwantes shares his knowledge and understanding of current accounting trends and issues with other professionals through professional organization meetings, the WICPA Financial Institutions Conference, the Community Banking Advisory Network annual conference, and the annual Wipfli Community Banking Forums. In addition, he has authored several articles published by Wipfli that address new and technical accounting issues affecting the financial institution industry.

4 p.m.

**Adjournment**

## What Others Have Said:

*"I liked the diversity of strategies and concepts covered. Various speakers throughout the conference. The conference was well organized and had relevant subject matter. Speakers were engaging and applied strategies and concepts to current events."*

Ryan McDonald  
The Bank of Herrin

*"This conference had fast-paced, timely topics. Well worth the time and expense."*

Gary Edgeton, VP and Cashier  
The Harvard State Bank

*"I liked the relevant and diverse range of topics."*

Jason Semple, CFO  
Dieterich Bank, N.A.

# Registration Fees

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Fees include hand-out materials, refreshment breaks, and lunch. An income-tax deduction may be allowed for educational expenses undertaken to maintain or improve professional skills.

## Cancellation Policy

Registrants cancelling two days prior to each seminar receive 100% refund; one day prior, 50%; the day of the seminar, no refund. **All cancellations must be made in writing prior to the seminar day. Invoices and training materials will be sent to all "no shows."**

## CBAI MEMBER

One person.....	\$265
Two or more from same banking institution .....	\$245 each

## \*\*PROSPECTIVE MEMBER

One person.....	\$465
Two or more from same banking institution .....	\$445 each

**CDD members receive a 10% discount.**

\*\*Only financial institutions/firms eligible for CBAI membership.

# Registration Form

CFO CONFERENCE

NOVEMBER 2, 2017

SHAZAM Education Center, CBAI Headquarters, Springfield

**Please Print**

Name of Bank \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Tel. No. \_\_\_\_\_

Name/Title \_\_\_\_\_

E-Mail \_\_\_\_\_

(E-mail is required for registration).

Name/Title \_\_\_\_\_

E-Mail \_\_\_\_\_

(E-mail is required for registration).

\_\_\_\_ I have special needs, please contact me before the seminar.

**Please select your payment method.**

\_\_\_\_ Check Enclosed

\_\_\_\_ Check in Mail

\_\_\_\_ Pay at Door

\_\_\_\_ Credit Card\*

*\*If you are paying by credit card, please fill out the following information.  
(Visa, MasterCard & Discover accepted).*

Name as It Reads on Card \_\_\_\_\_

Company Name on Card \_\_\_\_\_

Billing Address of Card \_\_\_\_\_

Card Number \_\_\_\_\_ Exp. Date \_\_\_\_\_

Three-Digit Security Code \_\_\_\_\_



Mail it in:  
CBAI Education Department  
901 Community Drive  
Springfield, IL 62703-5184



Fax it in:  
(217) 585-8738



Call it in:  
(800) 736-2224 (Illinois only)



Click it in:  
[www.cbai.com](http://www.cbai.com)

## Date and Location

November 2, 2017

CBAI Headquarters,  
SHAZAM Education Center  
901 Community Drive, Springfield, IL  
217/529-2265

## Agenda

Registration begins at 8:30 a.m. The seminar runs from 9 a.m. to approximately 4 p.m. Continental breakfast and lunch provided.

## Continuing Education

CBAI is a registered Public Accounting Continuing Professional Education (CPE) provider by the Illinois Department of Financial and Professional Regulation.

## For More Information

Tracy McQuinn, Senior Vice President  
Valerie Johnston, Vice President  
Melinda McClelland, Vice President  
Rebecca Ridgeway,  
Administrative Assistant  
Jennifer Nika,  
Administrative Assistant  
Department of Education  
& Special Events  
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