

BRICK & ASSOCIATES, INC.

2012 BASIC CU/ALM-ware Training Topics

- Data input screens and data entry questions
- Behavioral assumptions, such as Rate Sensitivity Factors, lags and prepayments
- What is an Income Simulation analysis all about?
- What is a Net Economic Value (NEV) analysis all about?
- New Contingency Funding Stress Test Report is reviewed
- BASIC ALM Policy & IRR guidelines are explained
- Market value of assets and liabilities
- Historical Key Ratios Program is discussed
- Copying Key Ratios Peer Group Data from www.brickinc.com into CU/ALM-ware
- Transferring data from ALM Program to Key Ratios
- Interpret ALM and Historical Key Ratios Reports
- What-If analyses are demonstrated and performed by participants

2012 ADVANCED ALM Training Topics

Do you want to . . .

1. Learn how to perform user-defined Contingency Funding Stress Tests for liquidity as suggested in the 2010 Liquidity Guidance from FFIEC? You will also learn how to read the Contingency Funding Stress Test Report.
2. Hear about Brick's Model Concentration Risk Policy & Appendix A since CUs are required to have such a Policy?
3. Learn how your rate-setting behavior affects the projected interest income, dividend expense and your IRR profile?
4. Learn how to produce Sensitivity Analyses so you can test how sensitive your IRR results are to your assumptions?—ALM is more of an art than a science so good judgment must be used when formulating ALM assumptions. Learn how to test which assumptions make the most difference on your IRR.
5. Learn what we consider to be “severe but plausible” shock tests since this is what the recent FFIEC’s IRR Advisory recommended for ALM shock tests?
6. Understand more about how Embedded Options affect projected liquidity and income and IRR as rates change?—A Case Study will illustrate the changing behavior of assets and liabilities as rates change.
7. Learn what determines your Shocked NEV Ratio and what the ratio means? The mystery behind NEV, its intent as a risk measurement tool, and the Market Value Reports will be discussed.
8. Learn about decay analysis and Non-Maturity Deposits (NMDs)?—The process of determining historical average maturities of your NMDs, background on recommended NMD assumptions and related NEV Risk Guidelines, and why building in a “margin of safety” is recommended.
9. Determine whether NMD Valuation and Brick’s Advanced ALM Policy are appropriate for you?
10. Learn how to produce a Flattening or Steepening Yield Curve Shift in an ALM analysis since non-parallel shifts were recommended in the FFIEC’s IRR Advisory.

If you answered YES to these questions, refer to the next page to get registered today!

Examiners like to see ALCO members receive on-going ALM education so document your attendance in your minutes and share your knowledge with your ALCO and Board.

If you have any questions, contact Brick & Associates at 800-332-8188 or staff@brickinc.com.

BRICK & ASSOCIATES, INC.

CU/ALM-ware & CU/BUDGET-ware Software Training Classes

PHONE (517) 332-7700 ♦ FAX (517) 332-0532 ♦ www.brickinc.com ♦ staff@brickinc.com

Training classes provide an understanding of the **CU/ALM-ware** and **CU/BUDGET-ware Systems** and reports. The East Lansing, MI classes are from 9AM to 4PM EST. Continental breakfast will be served at 8:30AM and lunch will be provided. The classes in Michigan qualify for 6 CPE credits in most states. If CPE credit is needed, notify our office at least six weeks prior. A confirmation letter will indicate whether the class will be conducted at Brick's office or the East Lansing Marriott.

To make a room reservation at the Marriott, call 517-337-4440 or 800-228-9290 and request the "Brick & Associates Block" to receive a rate of **\$114 single/double**. The Marriott provides a shuttle to and from the Lansing Capital City Airport. Please call the hotel for shuttle reservations. The Lansing Capital Regional Airport is 15 minutes from the Marriot and from our office. The Marriott is 1.5 miles from our office. Depending upon availability, the Marriott might provide transportation to our office if the Training class is held at our office. Otherwise, the Marriott can call a taxi if one is needed. The Bishop International Airport in Flint is 40 minutes from East Lansing. Participants flying into *Detroit Metro Airport* located 1.5 hours from East Lansing may use the Michigan Flyer Motorcoach Service for transportation between *Detroit Metro Airport* and the East Lansing Marriott for \$50/person roundtrip. Call 517-333-0400 or visit www.michiganflyer.com for information.

Participants are encouraged to bring a laptop to the Michigan classes with the System(s) installed. The laptop must have a Recordable/Rewritable CD-ROM drive or USB (flash/jump) drive. (If you have a laptop with Windows 7 Operating System, call us to get the Windows 7 compliant ALM and/or Budgeting Systems at no charge.)

Fax this form to 517-332-0532 to register for a class. **Call our office to confirm availability in the session of your choice prior to making travel arrangements since classes can sell out.**

Basic & Advanced CU/ALM-ware Classes in Michigan. **CU/ALM-ware** Version 9.1 will be utilized. The instructor of the **Advanced ALM** Class will assume that participants have previously attended the **Basic ALM** Class. A list of topics is attached.

Participants must bring to class an ALM scenario in Version 9.1 containing all investments, borrowings, member certificates, financial statement, and 8 quarters of Key Ratios data in the Key Ratios Report. If you utilize an older version of **CU/ALM-ware** than version 9.1, let us know well in advance so we can provide assistance. We can also update the Key Ratios database and generate an ALM analysis prior to training if needed. Contact us for a quote if needed.

CU/BUDGET-ware Class. Version 6 will be utilized. This class focuses on developing a balance sheet driven budget utilizing various forecasting models that allow for completion of a detailed budget in a short period of time. The ALM Integration model in Level II of **CU/BUDGET-ware** is discussed. After budget assumptions are entered in class, the budget is evaluated and refined. Most participants leave with a preliminary budget.

2012 CU/ALM-ware & CU/BUDGET-ware Training Registration

Circle the training day(s) you would like to attend.

<u>BASIC ALM CLASS</u>	<u>BUDGET CLASS</u>	<u>ADVANCED ALM CLASS</u>	<u>Will Bring Laptop (Y or N)</u>	CU: _____ Asset Size: _____
		Jun. 13— Las Vegas ARIA Resort *-- SOLD OUT		Name/Title: _____ Basic <input type="checkbox"/> or Advanced ALM <input type="checkbox"/> Email/Phone: _____
Jul. 18 **	Jul. 17 **	Jul. 18**	_____	Name/Title: _____ Basic <input type="checkbox"/> or Advanced ALM <input type="checkbox"/> Email/Phone: _____
Sep. 12 **	Sep. 11 **	Sep. 12**	_____	Name/Title: _____ Basic <input type="checkbox"/> or Advanced ALM <input type="checkbox"/> Email/Phone: _____
		Oct. 17— Mohegan Sun Resort in CT *		Name/Title: _____ Basic <input type="checkbox"/> or Advanced ALM <input type="checkbox"/> Email/Phone: _____
Nov. 14	Nov. 15	Nov. 16	_____	<i>Cancellations must be made at least 1 week prior to receive a full refund.</i>

Cost: CUs < \$50M in assets \$380/person/day, CUs \$50M - \$100M in assets \$430/person/day, CUs > \$100M in assets \$480/person/day.
Enclosed is a check payable to Brick & Associates, Inc. for \$_____.

*** June & October 4-Hour Advanced ALM Training will be the day before the June & October Conferences.
** July & September Training in East Lansing are the days prior to the East Lansing Conferences.**