

Managing Portfolios of Core Deposits

April 16 & 18, 2012
2:00 pm – 3:40 pm Central

Overview

Everyone knows Market rates at some point are going up. With the FED's recent announcement freezing the fed funds rate, will we see a disconnection to the FOMC target rate if loan demand picks up? If the economy picks up speed, how soon and how much will your local rates increase? With interest rate floors on variable-rate loans, containing funding costs for the first 200 bp of rate rise is crucial. The development of appropriate assumptions and strategies for core deposits is crucial now as you continually make balance sheet allocation decisions based on results from interest rate risk modeling. In this two part Webinar, Tom Farin will apply concepts taught in "Core Deposit Analytics" in managing portfolios of non-maturity deposits and CDs in rising rate environments.

The first session will focus on pricing and segmentation strategies for managing cost of funds on CDs. The second session will do the same for non-maturity deposits. Along the way Tom will reveal a significant number of segmentation strategies designed to allow you to compete for rate sensitive funds while not overpaying for non-rate sensitive funds. The segmentation strategies discussed are designed to be immediately applied in your shop.

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Learning Objectives

- The difference between contractual and actual behavior of CDs
- How to use a variety of CD segmentation strategies to reduce marginal cost and pricing betas of CDs
- Use of barriers to entry in reducing CD cannibalization
- The differences between contractual and actual behavior of non-maturity deposits
- How to use a variety of non-maturity deposit segmentation strategies to reduce marginal cost and pricing betas of non-maturity deposits
- Use of barriers to entry in reducing NMD cannibalization
- Significance of decay rate assumptions in economic value hedge provided by non-maturity deposits.

Agenda

- Role of deposit segmentation strategies in managing interest rate risk
- Development and implementation of CD segmentation strategies
- Examples of CD segmentation strategies and how they affect pricing betas and marginal cost.
- Development and implementation of non-maturity deposit segmentation strategies
- Examples of non-maturity deposit segmentation strategies and how they affect pricing betas and marginal cost.

CPE Credit Hours



Earn up to 4 hours of CPE credit.

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- Level: Intermediate
- Prerequisites: None
- Advance preparation: Completion of Core Deposit Analytics is suggested
- Field of Study: Finance
- Instructional Method: Group Internet Based

For more information regarding administrative policies such as complaints or refunds, call 800-236-3724.

Who Should Attend

- Chief Financial Officers
- Financial Analysts
- Marketing Directors
- Retail; Banking Managers

Faculty

Tom Farin

President & CEO, Farin & Associates

Tom Farin is a widely known banking industry lecturer and consultant. He has delivered national educational programs for the American Bankers Association and the Credit Union National Association. He has served on the faculty of five major national banking schools including the Graduate School of Banking at Wisconsin, Graduate School of Banking at Louisiana State University, Graduate School of Banking at Boulder, Colorado, Stonier Graduate School of Banking and the CUNA Management School. Tom has also been a featured speaker at a number of regional programs sponsored by state and regional trade associations. Tom is faculty coordinator of a new Financial Management School offered jointly by the Graduate School of Banking at Wisconsin and the Financial Managers Society. His firm is a leader in delivering A/L distance education through partners like GSB-Wisconsin, FMS, and the FHLBs.

Fees:

\$500.00 which includes:

- One phone and one internet connection for the live presentation.
- Handouts and other resource material for attendees.
- Unlimited access for your organization to the recording of the seminar presentation for 90 days after the conclusion of the program.

Register

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