

The Issues Facing Our Industry

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Issues for Discussion

Cybersecurity

Third Parties and Vendor Risk Management

Credit Risk

ACL and CECL Implementation

Interest Rate and Liquidity Risk Management

Regulatory Compliance

New Products and Services

ChatGPT

Innovation in Banking

Bonus Topics



Cybersecurity

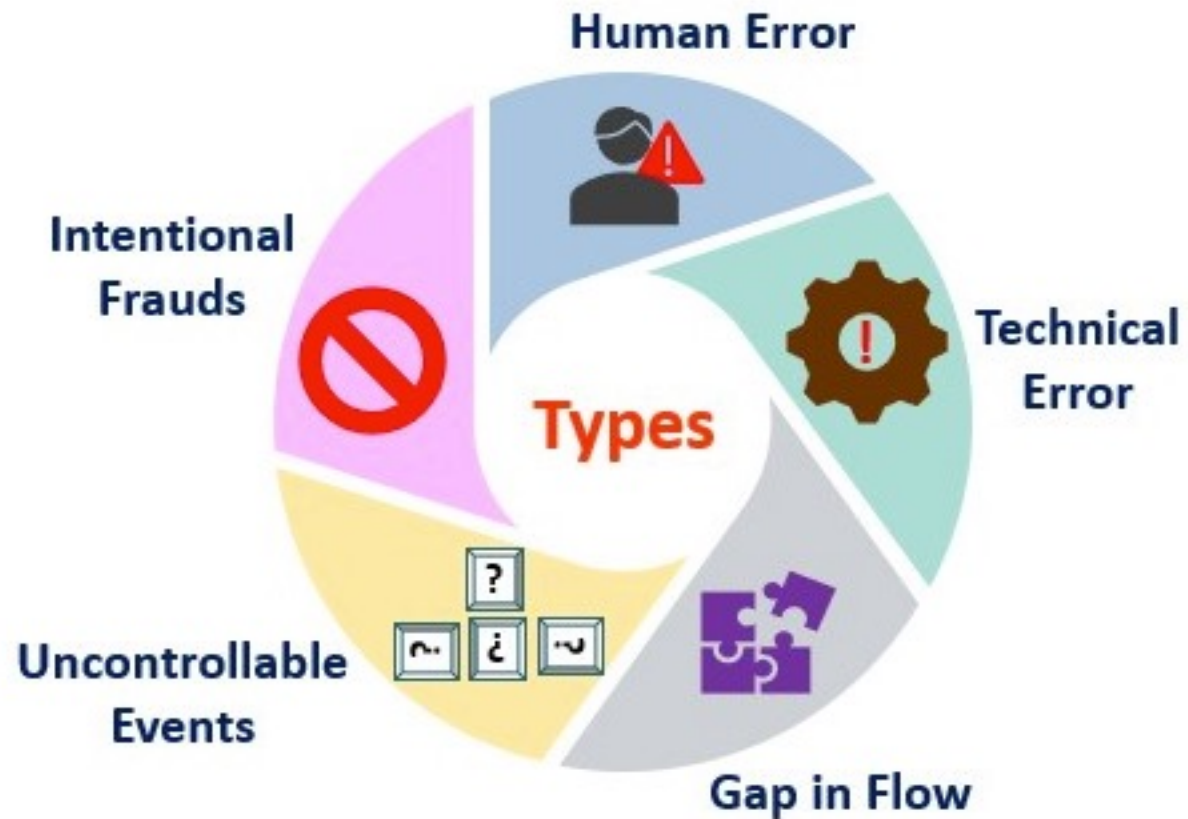
FDIC 2022 Report – What are they looking at?

- Ransomware
- Social Engineering
- Supply Chain
- Money Laundering Innovations
- Exploiting Vulnerabilities

Microsoft 365



Cybersecurity (continued)



Third Parties and Vendor Risk Management



CYBERSECURITY RISKS



QUALIFIED STAFFING –
INTERNALLY AND
EXTERNALLY



INNOVATIVE
RELATIONSHIPS



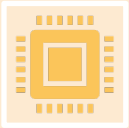
REGULATORY
COMPLIANCE
CONSIDERATIONS



Credit Risk



Is the bank experiencing significant loan growth? If so, what area of lending? Is merger/acquisition activity a planned growth strategy?



What, if any, credit concentrations exist and what is impact to portfolio performance with increasing interest rates / inflation? What is the refinance risk the portfolio?



Are staffing constraints / turnover a pain point for the bank in the credit function?



Are there identified areas of concerns regarding credit quality or credit administration in the most recent regulatory report?



Steps to Prepare for a Recessionary Period

Strengthen

Strengthen capital and liquidity: Banks can build up their capital and liquidity buffers to help weather a potential downturn. This could involve retaining earnings, issuing new capital, or reducing dividends.

Stay Up To Date

Stay up to date on regulatory changes: It's important for banks to stay informed about regulatory changes that may impact operations, and to ensure that they are compliant with all relevant regulations.

Manage

Manage costs: Banks can also focus on cost management, for example by reducing expenses, streamlining operations, and increasing efficiency.



ACL and CECL Implementation

Prepare a CECL
Adoption
Package

Third-Party
Vendor
Management

Internal
Back-testing

Add CECL to the
2023 Internal
Audit Plan

CECL Model
Validation

Talk to Your
Auditors and
Regulators

Be Prepared to
Adapt



Interest Rate and Liquidity Risk Management

Impact of Rising Rate Environment

Impact of Investment Portfolios and Liquidity

Importance of Contingency Funding Plans

Sound Asset/Liability Management Practices

Why the recent bank failures should matter to all
financial institutions



Regulatory Compliance

Fair
Lending

AML Act
of 2020

BSA

Reg E



New Products and Services



Real-time credit management



Data Analytics



Fintech Relationships

Loan/Deposit Productivity

Customer Experience

Over ½ of banks have no plans to partner with a Fintech



Banking as a Service (BaaS)



ChatGPT



What can you tell me about BankDirector and their FinXTech conference?

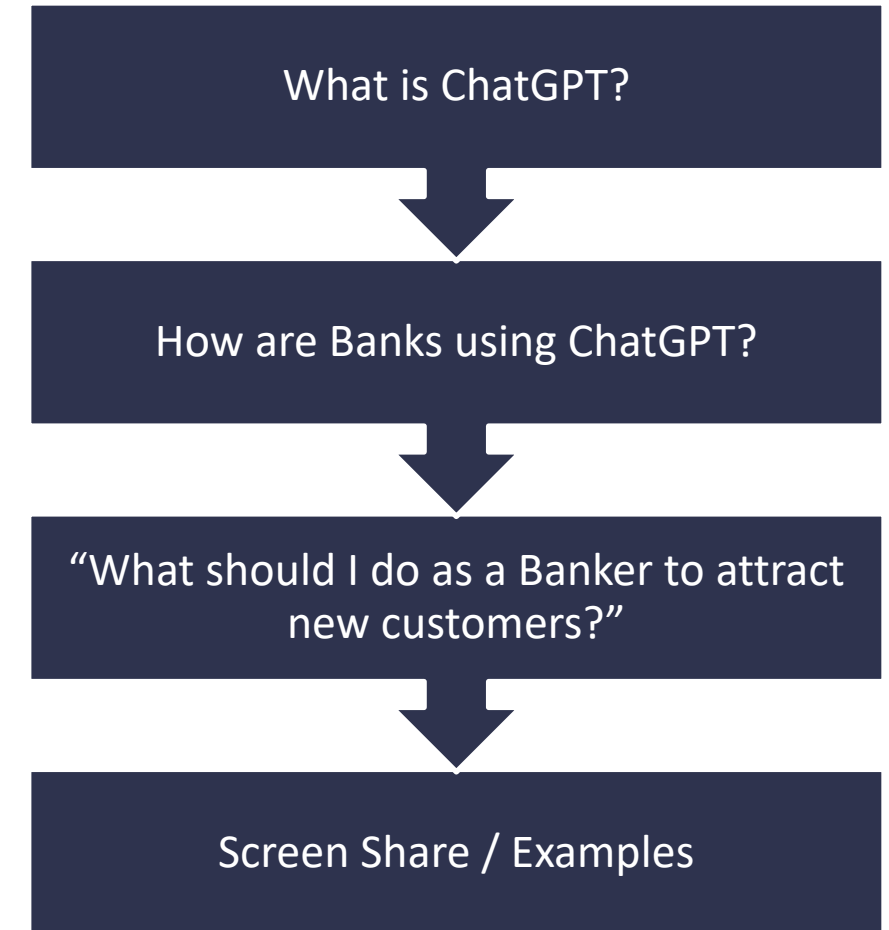


BankDirector is a media and information company that provides news, analysis, and research to directors and officers of financial institutions in the United States. They also organize conferences and events, including their annual FinXTech conference.

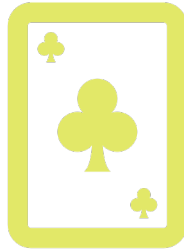
The FinXTech conference is a forum for leaders in the financial industry to discuss the latest trends and innovations in financial technology (FinTech). The conference brings together executives from banks, FinTech companies, and investment firms to explore how technology is transforming the financial industry and how banks can partner with FinTech companies to better serve their customers.

The conference typically features keynote speakers, panel discussions, and networking opportunities. Topics discussed may include digital banking, cybersecurity, artificial intelligence, blockchain, and other emerging technologies that are changing the financial landscape.

BankDirector's FinXTech conference has become a leading event in the FinTech industry, attracting a diverse range of attendees and speakers. The conference provides a valuable platform for industry leaders to share insights, build relationships, and stay up-to-date on the latest developments in FinTech.

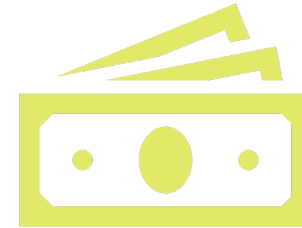


Innovation in Banking



Challengers in the Market

Big Tech, Megabanks, Fintech, Challengers

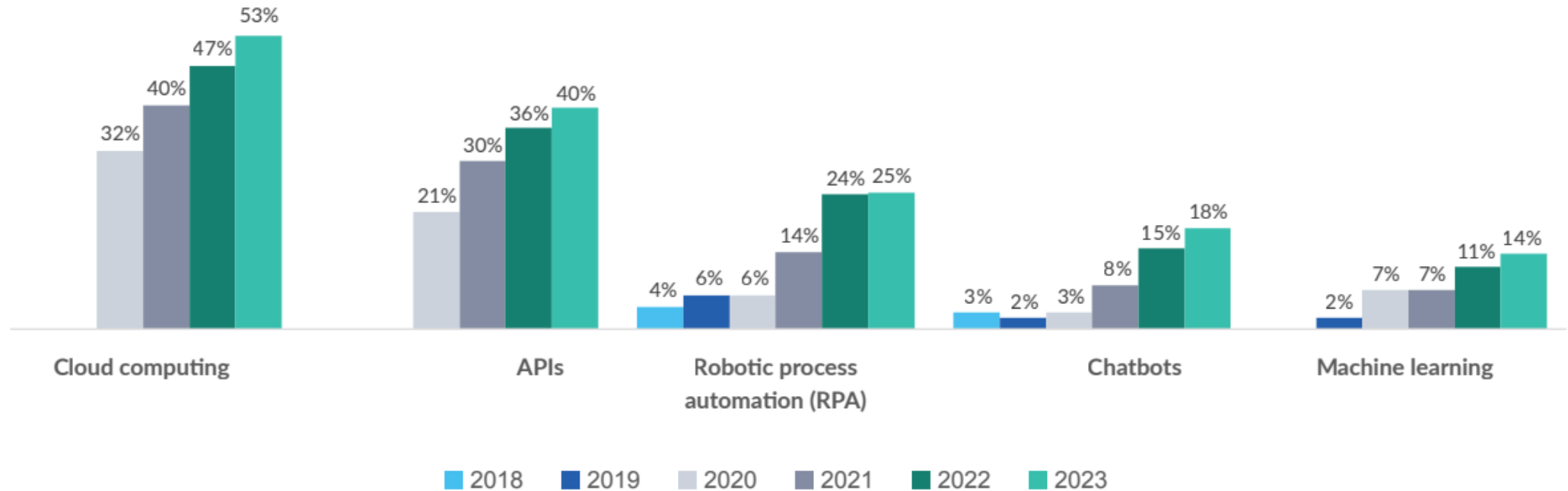


Real-Time Payments



Innovation in Banking (Continued)

Percentage of Banks That Had Deployed Technology Going Into 2018 to 2023



Source: Cornerstone Advisors surveys of bank and credit union senior executives, 2017 to 2022



Bonus Topics - Other Considerations

Staffing

M&A

ESG

Crypto

Metaverse



About CLA

Background and knowledge

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The Four Essential Elements of the CLA Promise

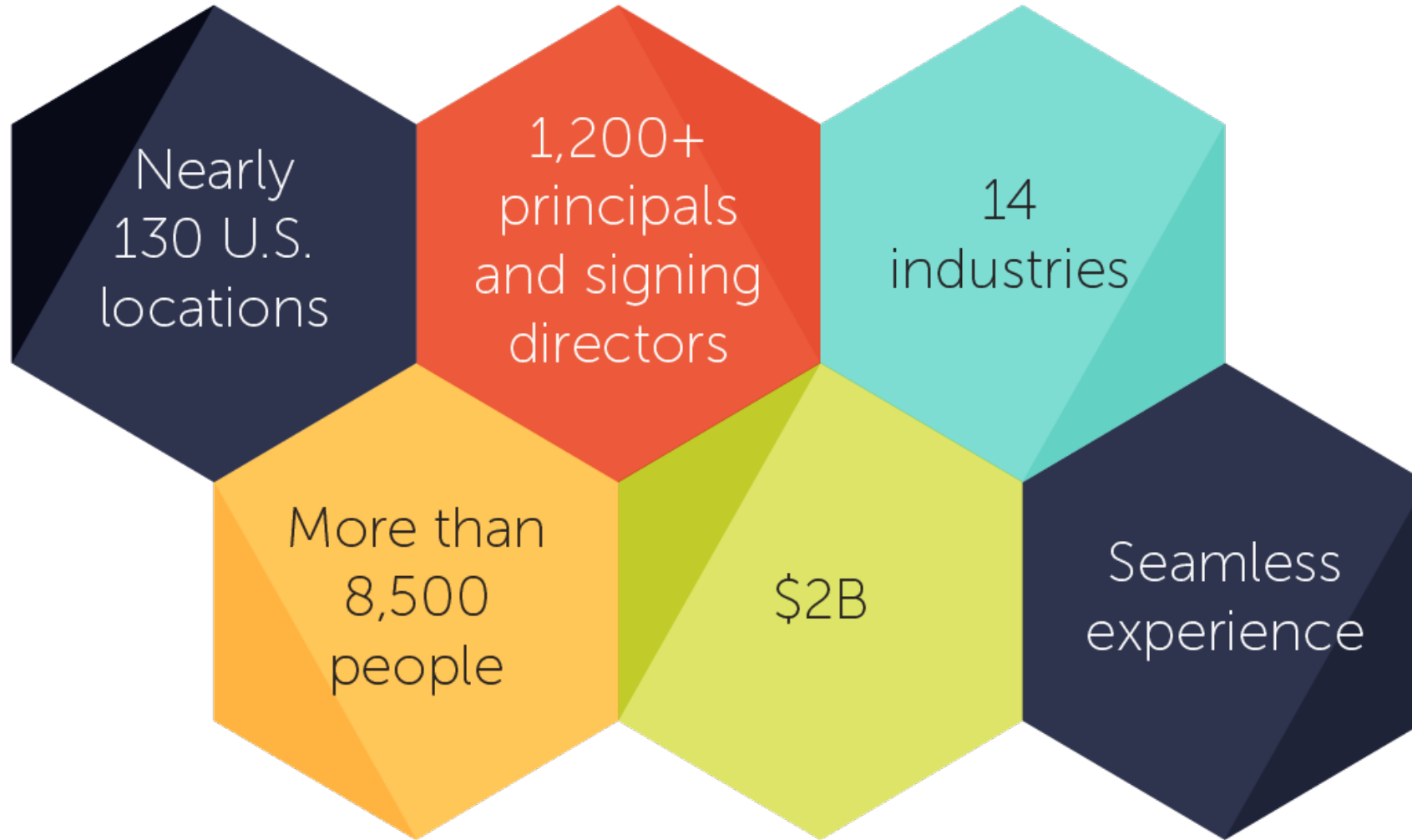
<h2>Our Purpose</h2> <p>CLA exists to create opportunities — for our clients, our people, and our communities.</p>	<h2>Our Promise</h2> <p>We promise to know you and help you.</p>	<h2>Our Family Culture</h2> <p>We're one family, working together to create opportunities.</p>	<h2>Our Strategic Advantages</h2> <ul style="list-style-type: none">Deep industry specializationSeamless, integrated capabilitiesPremier resource for private business and ownersInspired careers
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Driven by Our Values

 <h3>Curious</h3> <p>We care, we listen, we get to know you</p>	 <h3>Collaborative</h3> <p>We help you seamlessly, bringing innovative teams to the table</p>	 <h3>Transparent</h3> <p>We communicate clearly and authentically</p>	 <h3>Inclusive</h3> <p>We embrace all voices and create opportunities for you in an energetic and inspiring environment</p>	 <h3>Reliable</h3> <p>We respond in hours, not days; we follow through, protect our client data, and produce quality results</p>
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Facts: The Basics



Creating Opportunities for Our Communities

2015

CLA Foundation established

501

Grants since 2015

\$8M

Granted since 2015

3

Areas of focus: education,
employment, entrepreneurship

\$2M+

Raised and granted in 2022

109

Organizations
received funds in 2022

1,715

Family members
donated in 2022

65

Office champions in 2022

100%

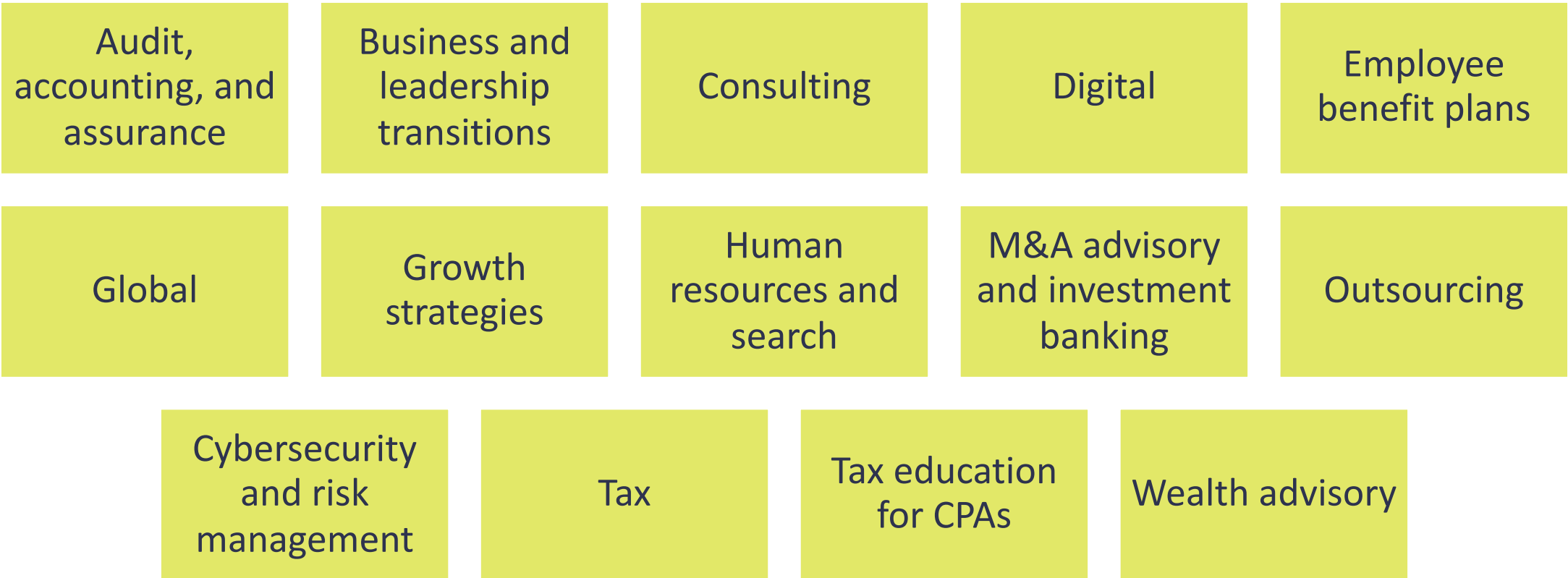
Owner giving in 2022

125

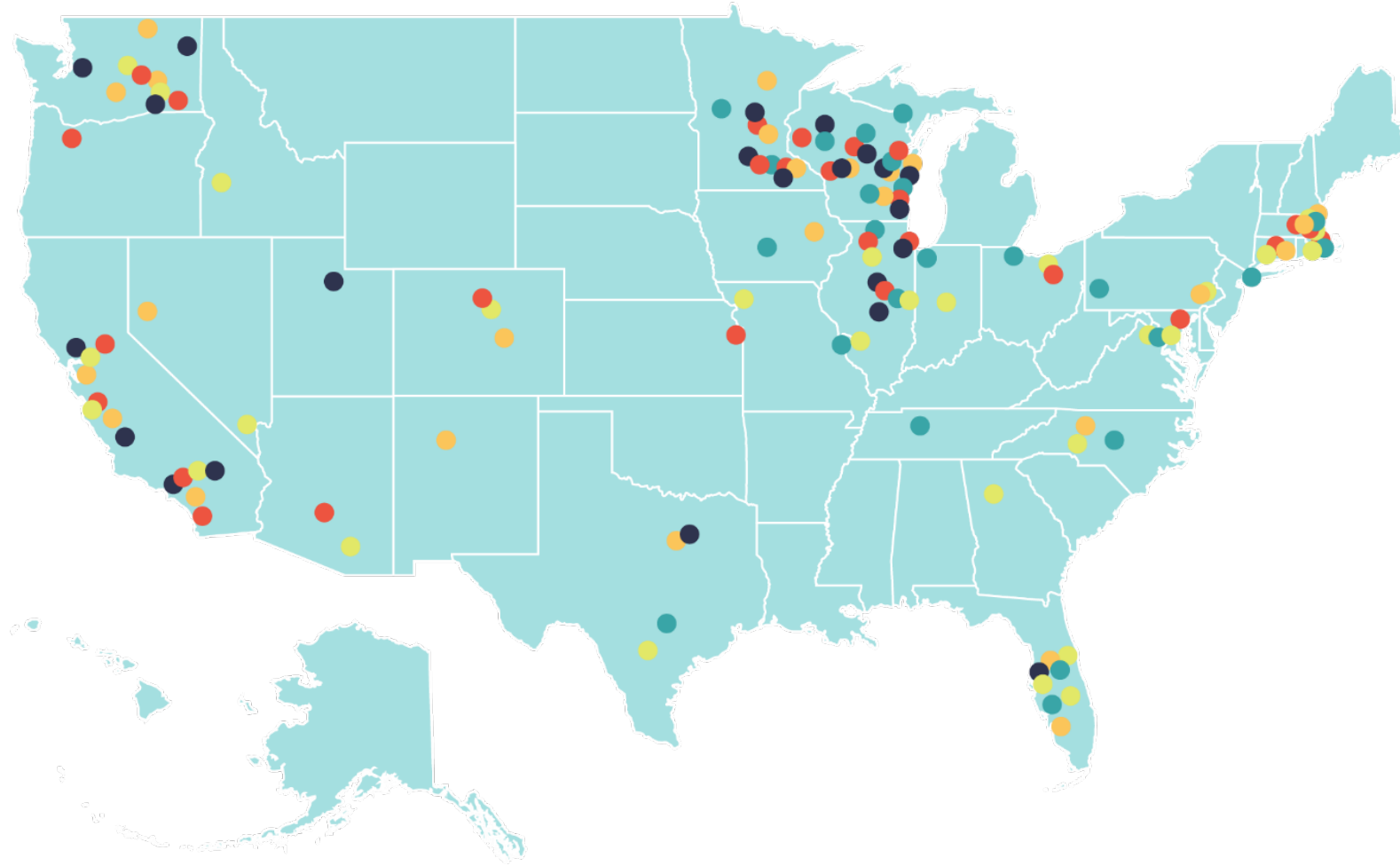
Family members
reviewed grants in 2022



Services



National and International Reach



CLA has more than 8,500 professionals, operating nearly 130 locations across the country.



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It Takes Balance

It's our job to engage in conversations, listen to what you really want, and apply our talents and experience to make extraordinary impact on your organization and life.