

Asset/Liability Management

ALM

Mission Statement

Promote credit union strength through
ALM knowledge

Vision Statement

All credit unions have a firm ALM
foundation

Cornerstone Credit Union League is the **only league** with a staff driven ALM department designed to assist credit unions with their ALM needs.

We take pride in this unique offering and that ALM is consistently one of the most **highly rated** League services.

ALM world did not change after consolidation due to our **long relationship** with credit unions in both Arkansas and Oklahoma.

90% of Texas credit unions before consolidation

80% of Cornerstone credit unions after consolidation

36 new users in 2014

ALM Staff

Deborah Rightmire – Vice President

Vicki Connerly – Financial Analyst

Howard Bufe – Vice President/OnBalance

Dues Supported Services

ALM Key Ratio Report (KRR)

3 page analysis provided semi-annually

Expert commentary highlights areas of capital, earnings, asset quality, liquidity, and interest rate risk

Dues Supported Services

Dividend and Reinvestment Guidelines

Provides current interest rates in the five largest money center states

Offers recommendations for pricing deposits

Provides yield curve information to assist with loan pricing

Dues Supported Services

Loan Pricing Guidelines

Provides current interest rate recommendations for pricing consumer loans using a market index

Includes a matrix of industry standard FICO scores for use in risk based pricing models

Dues Supported Services

Peer Group Statistics

Semi-annual results for all federally chartered credit unions in the U.S.

Compare key ratios with peer credit unions

Monitor financial performance

Dues Supported Services

Expense Analysis

Analyzes expense areas compared with peer

Provides insight into staffing and compensation levels

Includes suggestions for potential corrective actions

Dues Supported Services

Liquidity Spreadsheet

Monitor - Excel driven worksheet identifies historical trends to set acceptable level of liquidity and ensure adherence to policy

Manage – to meet current liquidity needs

Maximize – invest excess funds for maximum investment return

Dues Supported Services

Southwest CUNA Management School

ALM staff serve as counselors, instructors, and project evaluators

On-site at mid-winter and summer sessions to provide ALM guidance

Approximately 30% of annual hours devoted to this educational opportunity

Fee Based Services

Quarterly Key Ratio Reports

3 page analysis provided quarterly to more closely monitor financial performance

Includes commentary highlighting the areas of capital, earnings, asset quality, liquidity, and interest rate risk

Fee Based Services

ABAJO ALM Software

User-friendly software recreates the Key Ratio Report on a monthly basis

Guides decision makers in the areas of capital, earnings, asset quality, liquidity, and interest rate risk

Fee Based Services

ALM and Investment Policy Formulation

Develop ALM and Investment Policies for non-complex credit unions that comply with current regulatory standards

Include areas addressing liquidity management, concentration levels, and interest rate risk

Fee Based Services

Board and Staff Training

Management chooses content, timing, and attendees

Customized to fit the individual credit union needs

Cost-effective opportunity to provide on-site education

Fee Based Services

Ready Conference

Economical opportunity for ALM consultation

Perfect for board and staff training

Uses:

- Assist with implementing ALM process

- Review current Key Ratio Report results

- Ensure understanding of ALM and Investment Policies

Fee Based Services

Mentoring

Assist those with a desire to learn more about ALM tools and techniques

Customized, credit union specific information

Relaxed environment paced to fit the needs of the individual

Fee Based Services

ALM Essentials Workshop

Designed for staff, board, and ALCO members wanting to learn more about the fundamentals of ALM

- Identify goals of ALM
- Maximize understanding of your Key Ratio Report
- Address 11 key ratios and industry standards
- Review expense analysis
- Discuss Risk Focused Examination
- Master pricing loans and deposits using market indicators

Fee Based Services

ALM Implementation Workshop

Designed for staff, board, and ALCO members involved in implementing an effective ALM process

- Understanding interest rate risk
- Discussing guidelines for an effective ALM Policy
- Discussing guidelines for an effective Investment Policy
- Reviewing broker/dealer due diligence
- Developing a consistent, effective ALCO agenda
- Monitoring and measuring liquidity

Alphabet Soup

NCUA –

National Credit Union Administration

NCUSIF –

National Credit Union Share Insurance Fund

PCA –

Prompt Corrective Action

RFE –

Risk Focused Exam

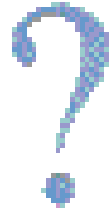
Alphabet Soup

ALM –

Asset/Liability Management

Always Loan Money

Awfully Long Meeting



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