

# 2015 WBA BANKERS CONVENTION

The Coeur d'Alene Resort, ID • June 25 - 27

## Thursday, June 25

3:00 – 5:30 p.m.

### Registration and Beverages

*Sponsored by Allied Solutions, LLC*

5:30 – 8:00 p.m.

### Trade Show and Reception

*Cocktail Reception sponsored by TSYS*

*Hors d'oeuvres and Trade Show sponsored by BMO Capital Markets Corp.*

*Entertainment sponsored by Moss Adams LLP*

## Friday, June 26

7:00 – 8:00 a.m.

### Registration and Continental Breakfast

*Sponsored by Northrim Funding Services, a Division of Northrim Bank*

*Latté Cart sponsored by Evergreen Business Capital*

8:00 a.m. – 4:00 p.m.

### 1st General Session

8:00 – 9:15 a.m.

### Opening Remarks and Keynote Speaker

*Jim Pishue, President and CEO, Washington Bankers Association, Seattle, WA*

*Patrick Yalung, Regional President, Wells Fargo Bank; Chairman, Washington Bankers Association, Seattle, WA*

### The Road Ahead: Five Questions for Bank CEOs and Directors

*Rick Parsons, Veteran Banker, Author and National Speaker, Charlotte, NC*

*Sponsored by Heritage Bank*

What will U.S. and Washington banking look like in 2020? Rick Parsons, a 31-year banker and author of *Broke: America's Banking System*, will describe five macro forces shaping the future of banking. Expect to be challenged by his data about banking in Washington and across the country as he discusses *The Road Ahead: Five Questions for Bank CEOs and Directors*. This session will be especially beneficial for bank executives as they craft and debate the strategy and tactics needed to grow profitably in the future. Parsons is a frequent contributor to the *American Banker* as well as the *RMA Journal*, which in September recognized his article, *The Next Banking Crisis: Talent Risk* with first place in its annual Journalistic Excellence Competition.

9:20 – 10:30 a.m.

### Breakout Sessions

#### • CEO Session – The Talent Gap: Challenges and Strategy—Bank CEO Panel Discussion

*Melanie Dressel, President and CEO, Columbia Bank, Tacoma, WA*

*Jim Mitchell, President and CEO, Puget Sound Bank, Bellevue, WA*

*Rick Parsons, Author and Speaker, Charlotte, NC, Moderator*

*Roy Whitehead, Chairman/President and CEO, Washington Federal, Seattle, WA*

*Sponsored by Parke Associates, Inc. - Bank Executive Search*

The biggest challenge facing your bank may not come from your competition or bank regulators. It may not even come from outside your bank. That's because the biggest challenge facing many banks is finding the next generation of talented leaders to step up and guide the organization as current members of senior management retire. Responding to this "Talent Crisis" requires coordinated strategies to attract and retain strong performers and help them develop the skills they'll need to take on new responsibilities in the future. This panel will feature leading bank CEOs discussing both the challenge and their strategies for responding to it.

- **Directors Session – How to be Successful at CEO and Board Succession**

*Dennis McCuiston, CSP, Professional Speaker, Author and TV Host, McCuiston & Associates, Denison, TX*

Arguably the most important decisions a board makes are hiring, incentivizing, evaluating and compensating the CEO. The board, and the board alone, has to make the final decision on who is to replace the CEO in the event of a sudden departure or a more orderly one such as retirement. What role should the present CEO play in that decision? One often forgotten role of the board is to arrange for its own succession in addition to that of the CEO. This session will speak to that role and also focus on these questions:

- What does a good succession plan look like?
- What committee of the board is responsible for CEO and board succession?
- When should succession planning be done for an orderly transition?
- What should the board expect of the CEO in the development of potential successors and other managers one level down?
- How does a board know enough about the internal candidates to make an intelligent decision?
- When should a board go outside, and should a search firm be used?

- **Emerging Leaders – Developing the Next Generation of Bank Leaders**

*Joe Zavaglia, President, Zavaglia Consulting, WBA EDP Advisor and Consultant, Edmonds, WA*

One could argue we are all emerging leaders, constantly being challenged to grow, to think outside the box, but the reality is we are creatures of habit. Habits allow us to be comfortable, and being comfortable allows us to accept the status quo and to believe, or feel, that things are fine just as they are. What are we doing to develop the next generation of bank leaders, and are we preparing them to be just like us, or significantly better? What are we doing to develop our own leadership skills, to challenge our own processes? This breakout session will address the following:

- 1) You have to be fast to be seen as a great leader. You must be fast at spotting problems or trends, responding to problems, and making needed changes.
- 2) What are emerging leaders doing today? You must focus on:
  - Improving your personal leadership skills and creating new leadership habits.
  - Developing the next generation of leaders to be better than us.
  - The importance of hiring employees who will challenge us and our processes.
  - How you can lead the next generations.

10:30 – 11:00 a.m.

**Coffee Break**

*Sponsored by American Bankers Association*

11:00 – 11:30 a.m.

**A View from the Other Washington**

*Frank Keating, President and CEO, American Bankers Association, Washington, D.C.*

Join Frank Keating to hear about the challenges facing our industry. He will discuss key issues and look into the future and see what challenges are on the horizon.

11:30 – 12:00 p.m.

**WBA Legislative Update**

*Denny Eliason, WBA Lobbyist, Partner, Alliances Northwest, Normandy Park, WA*  
*Cindi Holmstrom, WBA Lobbyist, Principle, Pierce Consulting Services, Seattle, WA*

12:00 – 1:15 p.m.

**Trade Show and Exhibitor Luncheon**

*Sponsored by Elliott Cove Capital Management*

1:15 – 2:30 p.m.

**Breakout Sessions**

• **CEO Session – One Way to Create Competitive Advantage is to Develop a Strong Board of Directors**

*Dennis McCuiston, CSP, Professional Speaker, Author and TV Host, McCuiston & Associates, Denison, TX  
Sponsored by Wells Fargo*

Too often in the last few years a bank board has had to spend an inordinate amount of time on compliance issues; moreover, the quality time that needs to be spent on the development of strategy, the understanding of the risks in the strategy and the oversight and monitoring of operational results has often taken a back seat. This presentation will give CEOs a new look at how today's bank leadership can add value for the shareholders and all the other stakeholders as well. Topics to be included are:

- The importance of analyzing the talent on the board and recruiting for the skills needed to help the bank develop and implement strategy while managing the risk appetite.
- Continuing education for the board on industry issues, the economy and interest rates, technology, and the regulatory climate.
- The importance of the dynamics inside the boardroom.
- The importance of annual evaluations of the board and its individual directors.
- The ten things an effective board must do to serve as a source of competitive advantage.

• **Directors Session – The Directors' Role in Asset Quality**

*David Kemp, President, Bankers Management, Inc., College Park, GA*

This session focuses on the role of directors in ensuring the quality of the bank's risk assets, from approving loan policy to monitoring loan portfolio performance. A critical factor is for the board to reach a level of comfort with the quality of senior loan management. This comes through presentations to the board and objective measures of loan portfolio performance, such as loan volume, past dues, nonperforming loans, losses, and concentrations. Another key concern is the development of a sound disciplined credit culture. This begins with the quality of due diligence (loan package preparation) and is also reflected in independent third party reviews. The boards' participation in this process begins with setting the strategic direction of the bank's lending efforts.

• **Emerging Leaders – Adaptive Leadership**

**Leading Through Change While Successfully Navigating Unpredictability and Chaos**

*Rep. Kevin Parker, State Representative 6th District, Owner, Dutch Brothers Coffee, Spokane, WA*

Leadership decisions we make are often rooted in deeply held assumptions and values. Adaptive Leadership encourages leaders to evaluate and challenge these assumptions by understanding their own ability and effectiveness. We will explore the relationship between authority and leadership, the dynamics between the individual and organization, what it mean to exercise influence and the dangers involved, and how to lead through uncertain change. This breakout session will address the following:

- How to recognize theories and patterns of successful and unsuccessful leadership strategies.
- Determine differences between technical vs. adaptive challenges/solutions.
- Identify one's own deeply held assumptions and their impact on personal leadership behavior.
- Analyze the difference of authority vs. leadership and how this expands the ability to influence others.

1:30 – 3:30 p.m.

**Spouse and Guest Event - Topsy Muse**

*Information can be found under the Activities tab.*

2:30 – 3:00 p.m.

**Coffee Break, Sponsor Showcase, and Prizes**

*Sponsored by Foster Pepper PLLC*

3:00 – 4:00 p.m.

**A Candid Dialogue with the Regulators**

*Stan Ivie, Regional Director, FDIC, San Francisco, CA*

*Lee Kapos, Director, Federal Reserve Bank of San Francisco, Salt Lake City, UT*

*Dennis McCuiston, CSP, Professional Speaker, Author and TV Host, McCuiston & Associates, Denison, TX, Moderator*

*Rick Riccobono, Director of Banks, Department of Financial Institutions, Seattle, WA*

*Benjamin Rudolph, Associate Deputy Comptroller, OCC, Seattle, WA*

The good news is that serious challenges for banks and their regulators have subsided from the heady days of 2008-2011. The bad news is that there are always issues that cause sleepless nights for bankers and daunting tasks for regulators. This session will give the regulators an opportunity to share updates on current issues with the bankers, and also to let us know what they see on the horizon. The other good news is that the program will be very interactive with bankers getting to ask the most important questions on their minds. Our panelists will come prepared to answer those questions, and, we hope, give us some additional insight into what is happening in D.C. and Olympia. The session will be moderated by Dennis McCuiston who, as you might imagine, will come prepared with some questions of his own.

- 4:00 p.m. **Adjourn for the Day**
- 5:00 – 5:30 p.m. **Board Boat**
- 5:30 – 7:00 p.m. **Cruise and Hors d'oeuvres Reception**  
*Reception sponsored by NWFA Employee Benefit Trust*  
*Entertainment sponsored by PayneWest Insurance*

Saturday, June 27

- 7:00 – 8:00 a.m. **Hearty Breakfast**  
*Sponsored by Davis Wright Tremaine LLP*
- 7:00 – 8:00 a.m. **WBA Meeting and Breakfast**
- 8:00 a.m. – 12:00 p.m. **2nd General Session**  
*Jim Mitchell, President and CEO, Puget Sound Bank; Incoming Chairman, Washington Bankers Association, Bellevue, WA*
- 8:00 – 9:00 a.m. **An Economic Forecast in an Uncertain World**  
*Dr. Sean Snaith, Ph.D., Director of the Institute for Economic Competitiveness, University of Central Florida, Orlando, FL*  
*Sponsored by Pacific Coast Banking School*

The outlook for the U.S. economy continues to be clouded by uncertainty. Economic uncertainty, particularly economic policy uncertainty, weighs on an economic recovery that has been fitful, uneven and disappointing for nearly six years. How will the recovery fare in 2015 and beyond? Can the housing market sustain its recovery? When will the Fed finally commence interest rate hikes? Will a global slowdown and a stronger dollar undercut the recovery? This entertaining session addresses these issues and reflects on the policies that have been and will be implemented in the years ahead.

- 9:05 – 10:15 a.m. **Breakout Sessions**
- **The Risk of Hyper Speed: Banking in the Next Decade**  
*Richard Magrann-Wells, Executive Vice President, Financial Institutions Group/North American Practice Co-Leader, Willis Group, Los Angeles, CA*  
  
 Examine the frenetic speed at which banking and finance is changing, the pace is accelerating and the potential for catastrophic risk at such a breakneck pace is growing. We will look at how banks have developed to this point and a few historical examples of how, in the rush to compete, financial institutions have sometimes made colossal mistakes. (Knickerbocker Trust and the 1907 crash, Citibank's disastrous launch of the ATM, and Knight Capital's fatal software glitch for example). We will look forward at the latest competitors trying to eat the banking community's lunch. In the next decade the key to remaining relevant will be understanding the trends that matter and how to participate in those developments while avoiding potential landmines. Like never before, bank management is expected to ride the wave of technology all the while avoiding potential mistakes that could jeopardize their institutions.
  - **Directors Session – Hot Topics for Directors**  
*David Kemp, President, Bankers Management, Inc., College Park, GA*  
  
 Today's directors are faced with multiple challenges, from activist shareholders to aggressive regulators. As our customers demand more and more electronic access to the bank, cyber security becomes front and center. The audit committee's level of responsibility has greatly expanded to include compliance, enterprise risk, accounting, and safety and soundness. What will be the role of our branch system be in the future? How will we find and develop management talent for the future? Should our growth strategy include acquisitions? These and other topics will be explored.
- 10:15 – 10:30 a.m. **Coffee Break**  
*Sponsored by Pacific Coast Bankers' Bank*

## THE ROAD AHEAD

10:30 – 11:45 a.m. **Spies Among Us: How America is Losing Its Secrets**  
*James Olson, Former Chief of CIA, College Stations, TX*

James Olson, the former Chief of CIA counterintelligence, will describe his undercover experiences in the CIA and how the CIA today is on the front lines of the war on terror. Among other topics, he will discuss how he was selected by the CIA, the training he received, what it was like to live and work undercover, and how this difficult and sometimes dangerous lifestyle affected his marriage and children. (Olson's wife Meredith was also a CIA officer). Olson will take the audience on an actual operation he was involved in in Moscow that has recently been declassified. At the end of his talk, he will be happy to take questions on what he discussed or on current events.

11:45 – 12:00 p.m. **Closing Remarks/Adjourn**  
*Grand Prize sponsored by United Bankers' Bank*

12:30 p.m. **Golf Tournament Registration**  
*Golf Sponsors*  
*Keefe, Bruyette & Woods, Inc. – Golf Tournament*  
*McGladrey - Prizes*  
*United Bankers' Bank – Golf Hole*

1:00 p.m. **Optional Activity - Zip Lining**  
*Information can be found under the Activities tab.*

6:30 – 7:30 p.m. **Reception**  
*Sponsored by Federal Home Loan Bank of Des Moines*

7:30 – 10:30 p.m. **Dinner & Entertainment**  
*Dinner sponsored by WBA PROS, Inc.*  
*Entertainment sponsored by Meyer-Chatfield Corp.*  
*Centerpieces sponsored by TSYS*

### Additional Sponsors

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