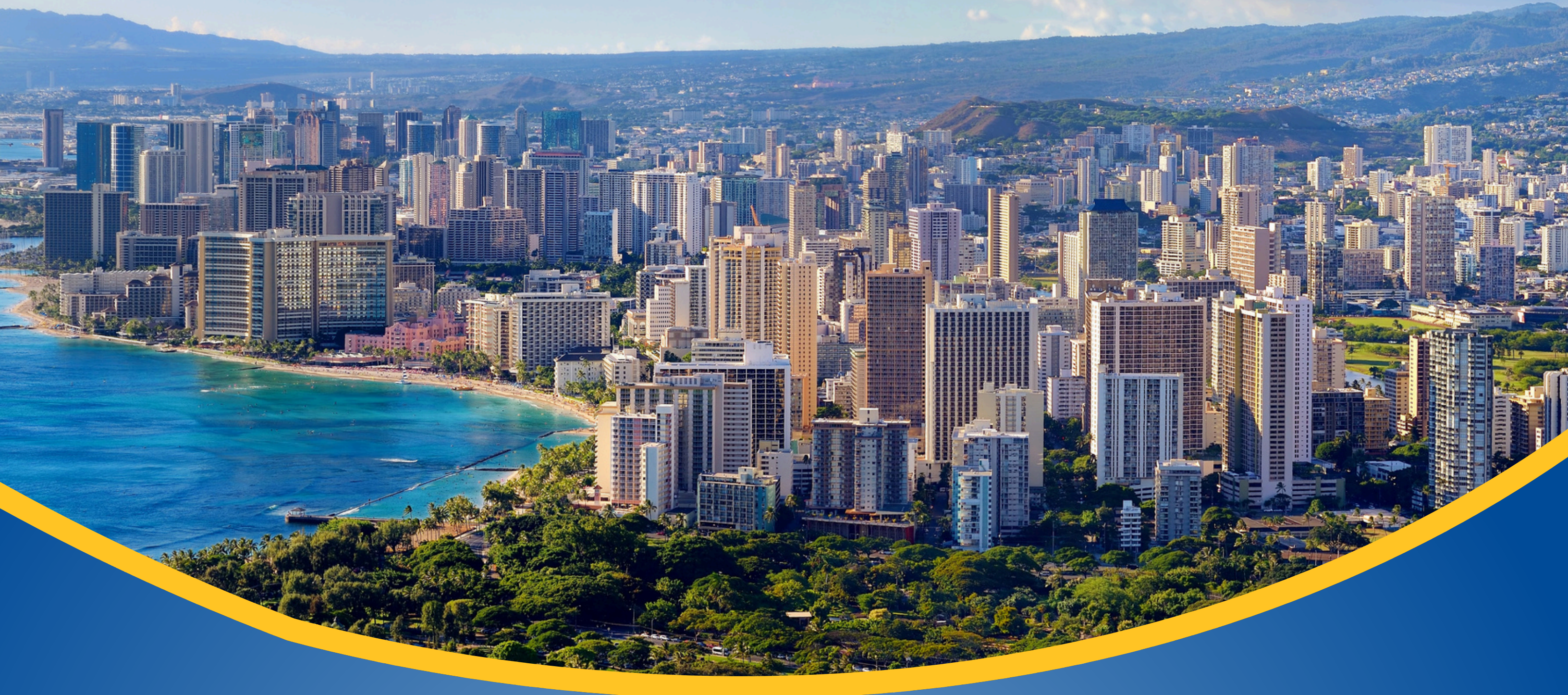


ARCSys & Kwock CPA

HONOLULU,HI

Modeling Knowledge Workshop

CECL, ALM & Data Analytics

MAY 26TH - MAY 27TH 2026

Accounting, modeling, and analytics training to help your team succeed

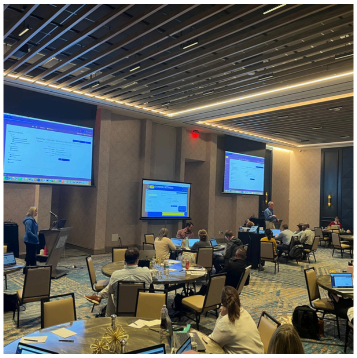
Ala Moana Honolulu by Mantra
410 Atkinson Drive, Honolulu,
Hawaii 96814

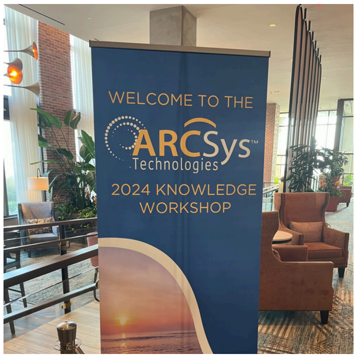
ARCSys™ Technologies

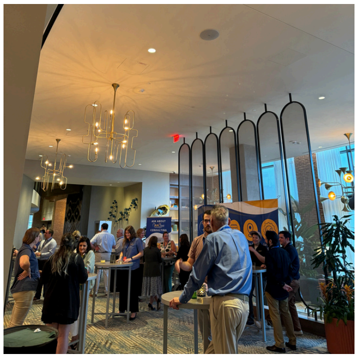
2026 KNOWLEDGE WORKSHOP

We're thrilled to welcome you to the ARCSys Technologies & Kwock Knowledge Workshop in sunny Honolulu, Hawaii! Building on the success of our previous hands-on training sessions, this event will offer invaluable learning opportunities tailored to tackle your needs and enhance your team's expertise.

Honolulu provides a unique opportunity to connect with our clients in the area, as well as our broader ARCSys community, in a beautiful setting. We look forward to our time together at this exceptional training experience designed to empower your team with practical skills and insights that drive results for your CECL and ALM models.







ARCSys Technologies Knowledge Workshop 2024

"There is such a wealth of knowledge with the group and I really benefitted from all the speakers!"

"I really appreciated how genuine and passionate everyone was. I can tell everyone on the team wants us to understand the system and have the best experience with it and I can truly appreciate that."

"All of the ARCSys team was knowledgeable and engaging."

WHAT TO EXPECT

This conference will:

- Increase your CECL and ALM knowledge
- Improve your ARCSys system knowledge and efficiency
- Streamline your CECL and ALM process
- Provide networking opportunities
- Increase your utilization of the Data Warehouse for high level analytics
- Improve your communication with auditors/examiners
- Optimize resources and enhance efficiency for your organization
- Build your skills with enhanced tools for budgeting, risk migration, interest rate risk and pricing, and stress testing

Our hands-on workshop will cover the following topics:

- CECL Modeling
- ALM Modeling
- Data Warehouse Utilization
- Forecasting
- Allowance Analysis
- Training on 5 Different Models
- ARCSys Consulting Services
- New Products and Services

A laptop is required to be brought by all attendees to participate in hands on training.

DETAILS

Location & Accommodation

Ala Moana Honolulu by Mantra

410 Atkinson Drive, Honolulu, Hawaii 96814

Room Block Link: https://book.passkey.com/event/51001694/owner/11602/home

Attire

Business - Casual attire is appropriate

Required Training Materials

Please **bring your computer** as there will be hands-on training within the ARCSys systems that will require you to be in the software. ARCSys will provide a specialized dataset to be utilized for training purposes.

Pricing

$1,850 per person before February 28th, 2026

$1,950 per person from March 1st, 2026 to conference

Optional add-on Board-Level Financial Insights: $150 *per person*

GROUP RATE: For groups of 3 or more people receive an additional 10% off regardless of when you register! Use code **"GROUP"**

A laptop is required to be brought by all attendees to participate in hands on training.

Optional Add-On Session: Board-Level Financial Insights
Wednesday, May 27, 2026 | 5:00 – 8:30 PM | $150

Enhance your conference experience with this special evening session designed for board members, audit committee members, and C-suite executives who want to deepen their understanding of critical financial modeling and governance topics.

The evening begins with a plated dinner, followed by **three 45-minute sessions** led by industry experts. These focused discussions will cover **board-specific financial modeling content** and provide strategies for keeping your board well-informed and engaged. This will be a beneficial session for your management team and board as we discuss the economics of managing risk in today's regulatory environment.

Possible session topics include:

- How the changing economic environment impacts model forecasting
- Insights from a regulator (invited guest speaker)
- Insights from an economist (invited guest speaker)

These specialized sessions are a valuable opportunity to gain board-level perspectives, hear from industry leaders, and walk away with actionable insights to strengthen oversight and decision-making at your institution.

SESSION PREVIEWS

ALL SESSIONS ARE SUBJECT TO CHANGE

From Forecast to Allowance: Mastering the Impact of Your Economic Data on Your CECL Model

Presented by Deborah Rozum

Bridge the gap between raw economic data and your final allowance, demystifying why forecasts fluctuate and how those changes ripple through your CECL model. Attendees will move beyond theory with a hands-on exercise, comparing baseline and alternative forecasts to see real-time impacts on reserve levels.

Objectives

- Identify the sources and components of economic forecasts, including those provided by ARCSys
- Determine why economic forecasts are subject to change
- Analyze the impact of economic forecasts on the CECL model and allowance
- Review how to compare forecasting results effectively
- Apply hands-on techniques to compare a baseline forecast against an alternative forecast and evaluate the resulting changes

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Dissecting ARCSys Models: WARM Method, DCF & PD

Presented by Austin Dunkle

Mastering the quantitative models that drive your allowance calculation is a non-negotiable. This session moves beyond theory to give practitioners an actionable comparison of the three primary methodologies for forecasting expected credit losses at the asset level. We will examine the assumptions, data requirements, and calculation mechanics of each model, providing the clarity to defend your allowance methodology to auditors and management. This is essential for anyone responsible for the accuracy and compliance of CECL reporting.

Objectives

- To define the Discounted Cash Flow (DCF) model and explain how it is used for CECL allowance calculations by projecting cash flows at the asset level.
- To introduce the Probability of Default (PD) model, focusing on its use in CECL allowance calculations to estimate expected credit losses at the asset level.
- To present the WARM DCF model as a distinct valuation methodology that, like the DCF model, utilizes charge-offs and prepayments.
- To highlight the differences between the DCF, PD, and WARM DCF models, emphasizing their unique variable sets and application contexts within the framework of CECL allowance calculations.

Streamlining Your CECL Narrative: Mastering the New Model Summary Report

Presented by Justin Umscheid

Discover how to transform your complex CECL data into a clear, audit-ready narrative. This session introduces the new CECL Summary Report within the ACL Calculator, designed to automate and streamline your documentation process. Attendees will learn how this tool aggregates segmentation methodologies, economic covariate analysis, and model configurations into a cohesive report, saving time and improving transparency for auditors and examiners.

Objectives

- Identify the key components of the new CECL Summary Report, including segmentation, economic covariates, and model configurations.
- Generate automated reports that document critical model inputs such as charge-off cycles, prepayment speeds, and reversion methodologies.
- Analyze how economic forecasts and qualitative factors are integrated and presented within the summary for clearer stakeholder communication.
- Apply the report’s standardized format to streamline audit preparation and validate model assumptions effectively.

From Compliance to Catalyst: Transforming ALM into a Strategic Growth

Presented by CROWE

In today’s high-stakes environment defined by shifts in interest rates, credit rate renewals, heightened regulatory feedback, and the mounting pressure to justify modeling assumptions, Asset and Liability Management has never been more critical or scrutinized. But what if ALM could be more than a regulatory checkbox? In this session, we will explore real-world case studies of institutions that have elevated their ALM practices from back-office compliance tools to boardroom-level strategy drivers.

Objectives

- Understand the core components of a comprehensive ALM process
- Understand how peers are re-vamping their ALM processes for increased strategic value

The EVE of Change: Mastering Capital Resilience and Predictive Modeling in Volatile Markets

Presented by Mike Umscheid

For banks and credit unions, the Economic Value of Equity (EVE) is the ultimate "truth-teller" of long-term financial health. Unlike quarterly earnings, which can be manipulated by accounting timing, EVE reflects the immediate market reality of your institution’s future cash flows. This session gives a deep dive into the mechanics of EVE through the lens of current economic volatility.

Objectives

- Understand the inverse relationship between interest rate cycles and EVE, and why a strong Net Interest Income (NII) can sometimes mask a decaying economic foundation.
- Move beyond static +200bps shocks to implement "dynamic duration modeling" that anticipates how non-parallel yield curve shifts impact portfolio value.
- Identify "low-beta" deposit behaviors and "embedded options" (prepayments/caps) that serve as natural hedges during economic transitions.
- Equip management with the vocabulary to explain EVE fluctuations to Boards and Regulators as a proactive strategy rather than a reactive correction.

The Annual Check-Up: Optimizing Your CECL Model Through Annual Reviews

Presented by Mike Umscheid & Deborah Rozum

Uncover the critical role of the Annual Review in maintaining a compliant and accurate CECL model. We will walk through the process—from the initial checklist to the final Executive Summary—explaining how ARCSys reassess segmentation structures and validate economic covariates. Learn how techniques like the Explainable Boosting Machine (EBM) and COX Proportional Hazards ensure your model remains "reasonable and supportable" amidst changing economic and internal risk conditions.

Objectives

- Examine the comprehensive Annual CECL Analysis Process, including segmentation analysis and economic indicator validation.
- Assess why regular annual reviews are essential for adhering to CECL standards and ensuring assumptions remain reasonable and supportable.
- Explore advanced analytical techniques, such as the Explainable Boosting Machine (EBM) and Cox Proportional Hazards, used to validate risk pools.
- Review the components of the Executive Summary to interpret official recommendations and feature importance effectively.
- Identify how to apply findings from the Annual Review to optimize model performance and justify pool structures to examiners.

Q-Factors: Documentation, Audit Defense, and Governance

Presented by Mike Umscheid

Master the support and documentation of Qualitative Factors (Q-Factors) to bridge the gap between historical data and current portfolio risks. This session clarifies the crucial distinction between Q-Factors and economic forecasts, utilizing hands-on scenarios like shifting underwriting policies or credit quality migration. Attendees will learn to calculate, document, and defend adjustments using data-driven analytics to ensure audit readiness.

Objectives

- Define qualitative factors (Q-factors) in the context of CECL
- Determine when to incorporate Q-factors into your CECL model by analyzing current risk in comparison to historical experience
- Leverage the power of historical data to support your Q-factor adjustments
- Analyze changes in risk and understand how Q-factors can improve your model's accuracy

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Predictive Precision: Transitioning from Historical Averages to Dynamic Prepayment Forecasting

Presented by Deborah Rozum

For financial institutions, prepayment speeds are the "wild card" of Asset Liability Management (ALM). While many institutions rely on the 12-month rolling average to project cash flows, this lagging indicator often masks the immediate impact of interest rate shifts. This session dives into the evolution of prepayment modeling, moving from retrospective reporting to proactive forecasting.

Objectives

- Establish a direct mathematical link between rate fluctuations and prepayment speeds within different types of portfolios.
- Understand when to utilize a 12-month historical averages in appose to a 12 month forecasted rate.
- nterpret quarterly pool-level data to understand how real estate assets react differently to rate volatility.
- Differentiate between Static and Dynamic prepayment models and determine which is appropriate for their institution's ALM (Asset Liability Management) strategy.

The Logic Behind the Magic: Verification and Validation Protocols in the ACL Calculator

Presented by Cory Appell

In an industry where a single miscalculation can have significant implications, "good enough" is never the standard. This session pulls back the curtain on the lifecycle of every update made to our products, specifically focusing on the ACL Calculator. Participants will explore the critical distinctions between Quality Assurance (QA) and Quality Control (QC), as well as Verification and Validation. By walking through our collaborative stakeholder process—from initial logic design to independent Analytical Calculation Verifier (ACV) tools for testing—we'll review the specific safeguards that ensure your monthly CECL allowances remain accurate, compliant, and reliable.

Objectives

- Define the differences between Quality Assurance vs. Quality Control and Verification vs. Validation.
- Review the process(es) of making additions, updates, or fixes to our products and the testing and review that occur before they go live.
- Analyze the multi-step workflow used to confirm calculations through independent Analytical Calculation Verifier (ACV) tools.
- Evaluate the importance of regression testing in ensuring new updates do not compromise existing system code.
- Recognize how comprehensive documentation and independent testing tools provide long-term security for client data.

Purchased Seasoned Loans (PSL) Under CECL: Demystifying Day 1 and Beyond

Presented by CROWE

As M&A activity rebounds and institutions prepare for examiners' heightened focus on acquisition accounting, understanding the new CECL guidance for PSL's is essential. The redefined accounting rules under ASC 326 eliminate some of the accounting complexities for non-Purchased Credit Deteriorated loans, introducing an approach that is reshaping Day 1 recognition, ongoing reserve strategies, and post-close performance monitoring. We'll walk through the accounting changes and illustrations of day two considerations and prepare you for the updates in recordation under the new guidance and how to approach valuation and credit modeling to alleviate regulatory and audit scrutiny.

Objectives

- Understand the accounting impact of the PSL guidance
- Evaluate pros and cons of early adoption during 2026
- Evaluate the impact of trends in M&A activity throughout 2025 and early 2026

Breaking Silos Between CECL and ALM Modeling

Presented by Baker Tilly

This session explores how financial institutions can better align credit and balance sheet risk modeling by identifying shared data elements, understanding process interdependencies, and coordinating scenario analysis across interest rate and credit risk. Attendees will also review common model governance practices—including validation, change management, and reporting—and gain practical insights for creating a more integrated and efficient modeling framework.

Objectives

- Identify shared data elements required for both ALM and CECL modeling
- Explore process interdependencies between data, sources, assumptions, and controls
- Gain insights into the role of scenario analysis between credit and interest rate risk
- Evaluate commonalities within model governance practices including model validation, change management and reporting)

Precision Portfolios: Leveraging AVMs for Proactive Risk and LTV Management

Presented by Deborah Rozum

In an era of fluctuating real estate markets, a "static" appraisal from the date of origination is no longer sufficient for robust portfolio management. This session explores the transition from one-time appraisals to Dynamic Automated Valuation Models (AVMs). We will examine the methodology behind estimating market values for residential real estate, multi-family, and industrial assets using sophisticated property indexes. The core of our discussion will center on the 12 or 24-month collateral forecast, a tool that allows institutions to visualize how projected changes in the Housing Price Index (HPI) will impact their Loan-to-Value (LTV) ratios and potential loss exposure.

Objectives

- Understand how statistical models utilize location specific HPIs (Housing Price Indices) to estimate current collateral value.
- Utilize 12 or 24-month collateral forecasting to identify "at-risk" loans before they reach a critical Loan-to-Value (LTV) threshold.
- Differentiate between "portfolio monitoring" and "underwriting," ensuring AVM usage aligns with federal safety and soundness standards regarding physical property conditions.
- Integrate AVM-driven LTV data into the Allowance for Credit Losses (ACL) and loan review processes for more accurate loss potential modeling.

What's in the Box: Unpacking Transparency to Master and Defend Your Model

Presented by Cory Appell & Austin Dunkle

The term "Black Box" implies hidden risks and opaque numbers—a nightmare for auditors. But your software shouldn't be a mystery. In this session, the Director of Quality & Testing pulls back the curtain on the logic that drives your monthly CECL reporting.

Objectives

- Distinguish between Black Box and White Box methodologies to uncover the difference between hidden financial risk and actual transparency.
- Leverage the "White Box features" of the ACL Calculator to streamline your audit preparation and defend your CECL allowance.
- Execute independent validations of your financial calculations by applying root-cause analysis.

Bridging the Gap: Mastering CECL Allowance Comparison and Variance Analysis

Presented by Debroah Rozum & Austin Dunkle

In a post-implementation environment, the challenge for financial institutions has shifted from calculating the allowance to explaining it. This session provides a practical framework for deconstructing the drivers of CECL volatility. Attendees will learn to isolate the impacts of macroeconomic shifts versus loan-level changes—such as FICO migration, prepayment assumptions, and interest rate pivots—within DCF and PD/LGD models. Gain the analytical tools needed to transform complex model outputs into a clear, defensible narrative for auditors and stakeholders.

Objectives

- Utilize comparison tools to identify how fluctuations in key inputs—including charge-offs, prepayments, and credit utilization—directly move the needle on CECL calculations.
- Apply a granular "attribution" approach to isolate and quantify the specific factors driving changes in the reserve, from portfolio growth to model methodology shifts.
- Distinguish between variance drivers in DCF models (ACB changes and payment timing) versus PD/LGD models (credit score migration and exposure at default).
- Leverage economic forecast comparison tools to create a "bridge" between changing macroeconomic expectations (unemployment, GDP, etc.) and the resulting impact on the allowance.

Cracking the Code: Comprehensive Disclosure Standards for ACL and Credit Quality

Presented by Austin Dunkle

This training session provides a practical roadmap for mastering the complexities of CECL reporting, moving beyond basic calculations to high-quality, audit-ready disclosures. Participants will learn to identify disclosure triggers for loan modifications, build a streamlined coding structure to simplify reporting workflows, and navigate the rigorous five-year credit quality data mandates required for non-SEC filer public institutions. Through a deep dive into off-balance sheet exposures, HTM/AFS securities, and ACL methodology transparency, attendees will gain the technical expertise needed to ensure their disclosures are both operationally efficient and fully aligned with the latest regulatory expectations.

Objectives

- Distinguish between Black Box and White Box methodologies to uncover the difference between hidden financial risk and actual transparency.
- Leverage the "White Box features" of the ACL Calculator to streamline your audit preparation and defend your CECL allowance.
- Execute independent validations of your financial calculations by applying root-cause analysis.

The Strategic Pulse: Mastering EVE and Dynamic Cash-Flow Stress Testing in Volatile Markets

Presented by Mike Umsheid

Standard ALM often stops at compliance. This session takes a dynamic approach to Asset-Liability Management (ALM), treating it as a dynamic engine for capital management. We will explore the intersection of long-term value (EVE) and short-term liquidity through the lens of monthly cash-flow precision.

Objectives

- Quantify how economic value of equity (EVE) fluctuations act as a leading indicator for future regulatory capital erosion.
- Transition from quarterly "snapshots" to monthly detailed cash-flow forecasting to identify precise liquidity "inflection points."
- Create "multi-path" economic scenarios (Stressed vs. Non-Stressed) and analyze their divergent impacts on Net Interest Margin (NIM).
- Evaluate how "new business" assumptions—rather than just the static runoff of the current balance sheet—alter the risk profile in a changing rate environment.

Beyond the Base Case: Transforming What-If Scenarios into Monthly Strategic Blueprints

Presented by Mike Umscheid

For many institutions, the ALM model is a "black box" used once a quarter for regulatory compliance. This session challenges that status quo, positioning the "What-If Scenario" as a living management tool. We will explore how to transition from "Check-the-Box" modeling to a Continuous Forecasting Framework.

Objectives

- Implement a feedback loop that compares monthly actual cash flows against prior "What-If" projections to refine model assumptions.
- Utilize monthly cash-flow buckets to pinpoint exactly when and where liquidity gaps will emerge under stressed conditions.
- Move from annual "static" shocks to 12-month rolling dynamic forecasts that account for new production and reinvestment.
- Use scenario output to drive ALCO (Asset Liability Committee) actions, such as pricing adjustments or wholesale funding pivots.