HBP ANALYTICS

KEYS TO EFFECTIVE MODELING

There are several keys to an effective ALM process, regardless of the model you run.

Your Bank may be attempting to run its model in-house, but lack the time, resources, or knowledge to process your model effectively.

You may also wish to keep the majority of your ALM process while outsourcing the modeling function. This method allows you to free up your limited resources to work on strategic development and reporting.

Our review of your modeling process can help you better utilize the resources you have or help you identify the resources you need.

COMPREHENSIVE REVIEW OF BANK's ALM PROCESS

- Assessment of core processing system data
  - General Ledger – Chart of Accounts
  - Investments
  - Loans
  - Deposits
  - FHLB/Other Borrowings

- Assumptions
  - Growth
  - Pricing
  - Interest Rates
  - Prepayment
  - NMDA Pricing Betas
  - NMDA Decay Rates

- Model process and review
  - Monthly update procedures
  - Reconciliations
  - Comprehensive Checklist
  - Report Retention
  - Validation

- Interest rate risk

HBP ANALYTICS

  - Earnings at Risk
  - Economic Value of Equity
  - Gap
  - Parallel and Non-Parallel Rate Shocks
  - Static and Dynamic Balance Sheet Simulations

- Assumption Sensitivity Analysis
  - Testing of major assumption groups within the AL model

- Presentation compilation
  - Agenda
  - Topics
  - Reports
  - 3rd Party Materials

- Regulatory & Audit Findings
  - Addressing and documenting recent exam findings
  - Completeness of procedural enhancements

EXPERIENCE

Over 45 years of combined experience in working with community banks on finance, treasury and ALCO related topics:

- Chairing Board and management level ALCO meetings
- Development and processing of instrument level models
- Compiling Monthly/Quarterly ALCO presentations
- 30+ years of capital markets experience
- Bank Treasurer and budgeting experience

If you're looking for the expertise to quickly enhance any segment of your ALCO process, please contact us.