



**COMMUNITY BANKERS**

B A N K

*Resourceful. Responsive. Reliable.*

# CB Solutions

December 2011

Issue 24

## Asset Liability Modeling

**Q:** Are you looking for an ALM provider that will enable you to generate monthly or quarterly reports based on call report data or customized loan and deposit assumptions?

**A:** CBB has a solution that provides sophisticated, dynamic modeling and financial statement simulation using the latest financial techniques. All reports are accessible via a web portal, so there is no need to purchase additional software.

CBB has partnered with one of our sister bankers' banks, FNBB Capital Markets, to bring you two ALM options. The first level utilizes an interface between your bank's call report data and Olson software to generate ALM data. The second level utilizes a proprietary software system called Ambit Bancware ALM4 to provide a complete multi-dimensional analysis of the balance sheet, incorporating interest rate risk, income simulation and market valuation using deterministic modeling.

Ambit Bancware ALM4 includes:

- Flexible, scalable component-based architecture and object-oriented modeling environment.
- Unlimited modeling capabilities and unlimited flexibility in the definition of business assumptions.
- Tight integration with Microsoft Excel to provide flexible and powerful reporting.

Benefits of Ambit Bancware ALM4 are:

- Measures risk from both the accounting and economic perspectives to see the possible effects to net interest income, net income, and market value of portfolio equity under a variety of interest rate environments.
- Projects cash flows, earnings, projected reinvestment, and projected present values as they would develop over time based on assumptions you provide. The process is repeated for other interest rate scenarios to measure differences.
- Provides a more accurate assessment of risk to earnings at a given time vs. GAP analysis because of the ability to measure fluctuations in earnings for given rate scenarios over given time periods.
- Generates an Executive Summary report as a supplement to detailed level forecasting.

For more information on Asset Liability Management, please contact Kathleen Mojica at [kmojica@CBBonline.com](mailto:kmojica@CBBonline.com) or 804-794-5885 x 126.