

EasCorp's Asset Liability Management (ALM) Validation Service is a confidential, objective, and critical evaluation of your internal model or outsourced modeling service. Although each project is highly customized, all our engagements entail a thorough review and recommendations for improvement of the following:

- Parameters of your modeling program, including the impact of NCUA's new Interest Rate Risk Policy and Program regulation
- Modeling assumptions, including re-pricing parameters, prepayment speeds, discount rates and embedded options
- Current model output reports, including your committee packet, for clarity and content

In addition to the services performed above, we can add features to suit your specific needs, such as an ALM policy review, a process review performed on site at the credit union, or a more in-depth review of the calculations within your current ALM modeling engine. An optional "parallel run" provides the data necessary for a detailed side-by-side comparison with your modeling results, as well as an accounting of discrepancies from one to the other.

WHY PERFORM AN ALM VALIDATION?

Sound business practice dictates that key decision-making tools be tested on a regular basis. ALM modeling has become a critical evaluation tool for financial managers and other decision makers, as well as an increasingly more important focus of regulatory examination. As these processes have become ingrained in the interest rate risk management process, the natural course of development is to test them rigorously for reliability. EasCorp's independent review can make your process more effective by revealing ways to improve the flow of information or correct deficiencies that may have become institutionalized.

OUR EXPERIENCE AND REPUTATION

EasCorp's professionals combine the knowledge of credit union rules, practices, and culture with interest rate risk management expertise for a one-of-a-kind engagement. We have performed numerous validations for credit unions of different sizes and complexity, and have the references to support our qualifications. We work efficiently and cooperatively with you to create a report that provides valuable insight into your modeling program, and that also serves as an important regulatory tool.

EASE OF USE COMBINED WITH RELIABLE OUTPUT

For the "parallel run" service, EasCorp handles all data input including loans, shares, investments and assumptions. We "map" to your general ledger and data processing systems in order to automate file uploads directly to us, and "scrub" your data to ensure thorough and accurate handling.

CONVENIENT REPORTING OPTIONS

As an ALM Validation service user, you can choose how to receive the results of the validation—via conference call or in person at your credit union. Our experienced, professional staff is mindful of your needs and available to answer all of your questions.

For additional information contact Cindy Nelson at ext. 3308.