

Technical Model Validation Service

A periodic review of your ALM model is a fundamental risk management practice.

Your data inputs and assumptions should reflect the true behavior of the financial instruments on your balance sheet. Missing data, inaccurate inputs or invalid assumptions can dilute the results of your risk measures, affect your institution's earnings potential or lead your organization in the wrong strategic direction, all of which could negatively impact your next examination.

Our Validation Service Includes:

Section 1 is an executive summary with recommended changes listed in order of relevance, highlighting potential deficiencies.

Section 2 includes a comprehensive review of your Chart of Accounts setup.

Section 3 is a thorough review of the download setup and the download process. Our proven ALM experts who understand your business will look at the extract files and note what fields are currently setup and make recommendations for additional fields that could be added to improve results from the model. We'll also run the monthly update process, note any download exceptions, and make recommendations on how to clear up those exceptions.

Section 4 is a historical review of how the client has been updating the model on a monthly basis. Here we review if items are populated on a monthly basis, if the client is balancing their historical month-end, average and income/expense values to their financial statements, and if the client is updating portfolio and offering rates for all accounts.

Section 5 is a review of the Maturity & Repricing module cashflows. Here we review the schedules for the accounts brought in from the application files (loans, time deposits, demand deposits, investments – if files are provided) to determine if the schedules created appear to be appropriate and reasonable.

Final Sections These deal with advanced modeling options including:

- Historical Deposit Correlation Analysis and Decay on non-maturity deposits
- Prepayment Assumption review
- Key Rate Tie and Formula review
- Rate Ceilings and Floor review
- General Model & Advanced Option review

To see a Sample Report, [Click Here](#).

For more information on this service and associated pricing, please contact our Client Services area at ProfitstarSupport@jackhenry.com or at (800) 356-9099.