



pALMs

In-House ALM Solution

In today's increasingly challenging economic environment, community banks need quick and unimpeded access to accurate and detailed asset-by-asset and liability-by-liability information. This is a critical requirement to enable them to rapidly and accurately aggregate and analyze risk across portfolios. To remain competitive banks must identify the optimal balance sheet positions that match their risk profile and strategic objectives.

pALMs is an ALM system that manages and reports unlimited what-if simulations based on user defined interest rate, liquidity and market risk scenarios.

A SaaS solution, pALMs provides detailed analysis to evaluate the impact of a specific asset or liability on your bank's balance sheet. The easy to use software allows you to review reports on-demand from your desktop, perform real-time simulations to predict the effects of new products or rate and volume changes prior to making investment decisions. The flexibility of user-defined rate shocks provides analysis of risk in any potential market condition.

pALMs is a solution for all your ALM requirements:

- ▶ Balance Sheet Composition
- ▶ Project Income at Risk
- ▶ Market Value at Risk
- ▶ Liquidity Analysis
- ▶ Capital Adequacy
- ▶ "What-if" Simulations
- ▶ Rate Shocks
- ▶ Historical Performance Analysis

+ Maximize NII
+ Manage Risk

Fully optimize your balance sheet through easily importing your general ledger, loan deposit and investment systems. Guidelines are user defined, allowing you to input your ALCO guides. Includes user-defined rate shock scenarios, swap scenarios and simulations.

ALCO and Investment Policy Guidelines			
Guidelines are to be entered as whole numbers unless noted otherwise.			
Data for Processing Period	Current <input type="button" value="v"/>	Latest Period Processed	June, 2011
Maximum Percent Change in Net Interest Income	<input type="text" value="25"/>	Minimum Net Interest Margin	<input type="text" value="0"/>
Minimum Return on Assets	<input type="text" value="0"/>	Minimum Return on Equity	<input type="text" value="0"/>
Minimum Net Portfolio Value Ratio	<input type="text" value="6"/>	Maximum Net Portfolio Value Ratio	<input type="text" value="15"/>
Minimum Liquidity Ratio	<input type="text" value="10"/>	Minimum Liquidity Ratio Net of Cash & Due	<input type="text" value="8"/>
Maximum Dependency Ratio	<input type="text" value="30"/>	Maximum Availability Ratio	<input type="text" value="50"/>
Maximum Percent Change in Book Value of Equity	<input type="text" value="25"/>	Last Modified: 5/14/2015 2:46:34 PM Modified By: demo	
Borrowing Limits (Used for Availability Ratio in the Liquidity Report)			
Fed Funds Purchased (000's)	<input type="text" value="0"/>	Fed Reserve Discount Window (000's)	<input type="text" value="52907"/>
Federal Home Loan Bank (000's)	<input type="text" value="87098"/>	FRB Borrowing Line (000's)	<input type="text" value="0"/>

Assess the impact to your balance sheet under adverse conditions with "What-if" simulations to help deploy effective A/L management strategies.

On-demand analytics, including detailed accounting, management summary, budget planning and market valuation reports.

Liquidity Ratio	
Cash & Due From	\$2,120
Securities @ Market Value	\$18,521
Fed Funds Sold	\$0
Federal Home Loan Bank	\$547
Federal Reserve Bank	\$72
FCCCU Checking	\$8,653
First Carolina MCSD	\$130
First Carolina PIC	\$750
First Carolina PSA	\$0
First Carolina Corp CD	\$0
Total Marketable Assets	\$30,793
Less:	
Pledged Securities	\$0
Net Cash & Marketable Assets	\$30,793
CD's \$100M & Greater	\$23,297
Fed Funds Purchased	\$0
Total Volatile Liabilities	\$23,297
Core Deposits	\$109,358
Time Deposits not listed above	\$23,633
Total Other Deposits	\$132,991
Total Deposits & Short Term Liabilities	\$156,288
Less:	
Pledged Securities	\$0
Net Deposits & Short Term Liabilities	\$156,288
LIQUIDITY RATIO	19.70%
ALCO Guideline/Status	>10% OK

Liquidity Ratio Net of Cash & Due	
Securities @ Market Value	\$18,521
Fed Funds Sold	\$0
Federal Home Loan Bank	\$547
Federal Reserve Bank	\$72
FCCCU Checking	\$8,653
First Carolina MCSD	\$130
First Carolina PIC	\$750
First Carolina PSA	\$0
First Carolina Corp CD	\$0
Total Marketable Assets	\$28,673
Less:	
Pledged Securities	\$0
Net Marketable Assets	\$28,673
CD's \$100M & Greater	\$23,297
Fed Funds Purchased	\$0
Total Volatile Liabilities	\$23,297
Core Deposits	\$109,358
Time Deposits not listed above	\$23,633
Total Other Deposits	\$132,991
Total Deposits & Short Term Liabilities	\$156,288
Less:	
Pledged Securities	\$0
Net Deposits & Short Term Liabilities	\$156,288
LIQUIDITY RATIO NET OF CASH & DUE	18.35%
ALCO Guideline/Status	>10% OK

Dependency Ratio	
Total Volatile Liabilities	\$23,297
Less: Short Term Investments	\$12,431
Net Volatile Liabilities	\$10,866
Total Earning Assets	\$156,033
Less: Short Term Investments	\$12,431
Net Earning Assets	\$143,602
DEPENDENCY RATIO	7.57%
ALCO Guideline/Status	<20% OK

Borrowing Availability Ratio	
Corporate Credit Union	Outstanding Line Limit
	\$0 \$16,000
Federal Reserve Discount Window	\$0 \$0
Federal Home Loan Bank	\$0 \$15,000
Total	\$0 \$31,000
BORROWING AVAILABILITY RATIO	0.00%
ALCO Guideline/Status	<25% OK

Distressed Debt Management Service

The sale of distressed debt, if supported with the current financial condition of debtors, provides a unique opportunity to improve pricing decisions and extract capital at a faster pace with higher recovery rates from otherwise, dormant, nonperforming assets. This provides financial institutions with a welcome infusion of capital to strengthen the balance sheet and positively impact performance while expanding lending opportunities.

By integrating credit bureau data with proprietary algorithms, CetoLogic's Distressed Debt Management service helps community banks and credit unions clear nonperforming assets off their balance sheets with portfolio valuations that better capture the debt recovery opportunities.

By reducing the volume of non-performing assets in their portfolios, these institutions also benefit from lower Allowance for Loan and Loan Losses (ALLL) reserve requirements, freeing up capital to expand an institution's revenue generating initiatives and strategic options.

Distressed Debt Management service:

- ▶ Strengthens the balance sheet with capital infusions from the sale of nonperforming assets.
- ▶ Improves valuation and pricing decisions with recovery ranking scores that incorporate debtors' current financial health and propensity to pay.
- ▶ Strengthens the financial health and portfolio performance by reductions in ALLL capital reserve requirements due to the sale of nonperforming assets.
- ▶ Improves the operational efficiency of your institution's debt recovery, collections and discharged debt valuation services.

The incorporation of credit bureau data with custom analytic models significantly improves the ability to rank order nonperforming accounts by their predicted recovery scores, contributing to improvements in pricing decisions and liquidation rates.

**Improve your
financial
institution's
distressed debt
pricing process
and recovery rates
with Predictive
Analytics.**