

Using ALMIS for Forward Looking Analysis

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Agenda

- Overview of ALMIS Planning Wizard
- What's new in ALMIS version 9
- Assumptions inputting into ALMIS
- Outputs working with the report writer
- Stresses
- Q & A



Assets

Liabilities

Swaps

Current (actual) Portfolio





Projected Portfolio(s) **Assets**

Liabilities

Swaps

Assumptions in Planning Wizard



Balances Average Rate Projected Portfolio 31/03





Projected Interest Margin 04

Balances Average Rate Projected Portfolio 30/04



Balance Rate Term

Current (actual) Portfolio





Projected Portfolio(s) Balance Rate Term

Balance Rate Term

Assumptions in Planning Wizard



Balance Rate Term

Current (actual) Portfolio



Assumptions in Planning



Projected Portfolio(s)

Balance Rate Term

Balance Rate Term

Balance Sheet
P/L
Basis
Re-pricing
Maturity



System Performance

- Planning Wizard creates a new portfolio and changes individual portfolio transactions for each plan period
 - Number of plan periods is very material
 - Disk access speed is very material
 - Processor speed is reasonably material
 - Number of transactions is very material
 - Number of products is not very material
 - Assumptions made is not very material
 - Disk access can be improved using 'thin client'
 - Number of transactions can be reduced using data compression

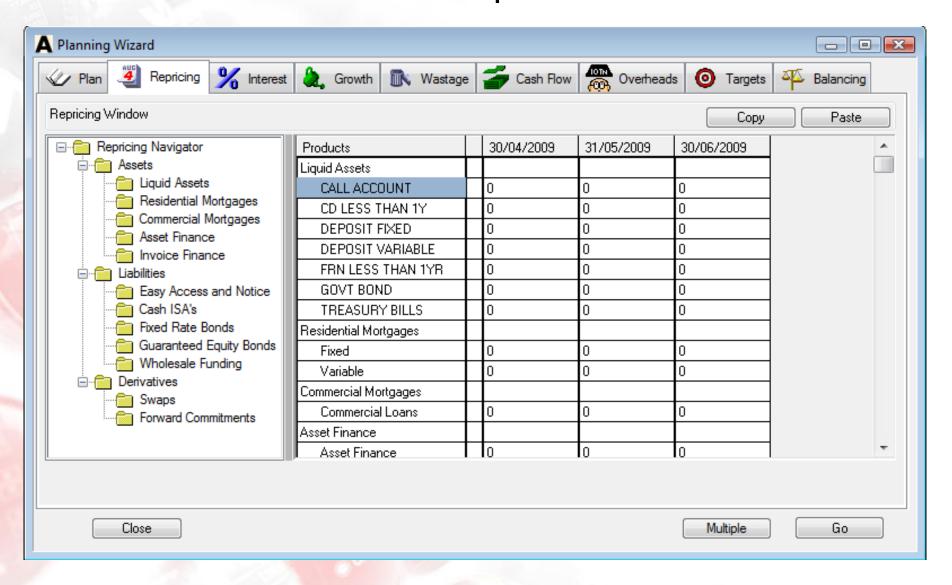


What's new in V9

- Improved Funds Flow Statement
- Add New Product without entering middle office
- Improved Follow on
 - Save different assumptions
 - Ability to apply different follow on assumptions to different plan periods
 - Follow-on to original product
- Improved Auto-hedge
 - To include follow on
 - Select Counter-party
- Overhead / Other Income Dependencies
 - Includes % growth and wastage and adding a new transaction
- Automatically Accretes
- Fewer mouse clicks
- Bug fixes
 - Correct Gross Capital Ratio
 - Balance appears on window when product description is the same
 - Forward curve works when adding new growth as a transaction



Assumptions: Input at a category / product level Calculations: Done at the portfolio transaction level



Assumptions

- Time periods to cover
- Follow on / roll-over
- Term to re-price
- Interest rates
- New business
- Redemptions
- Overheads / other income & Balancing



Stresses

- Liquidity stress (survival days)
- 12 Month cash-flow bond retention drops
- HPI Stresses
- Sub-debts & new capital instruments
- Counter-party failure
- Loan losses
- Higher retail outflow on non protected deposits
- Changing variable interest rates, stresses to funding rates



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