Streamline your route to better decisions

Financial institution managers rely on critical metrics to manage organizations each day. Accuracy and consistency are important, especially when making key decisions around pricing, product delivery, investments, and funding.

Moody's Analytics offers an integrated platform designed specifically for balance sheet management in banking. The tools encompass forecasting, budgeting, valuation, credit modeling, stress testing, liquidity, funds transfer pricing (FTP), and servicing valuation. These capabilities are packaged and pre-configured to shorten your implementation. And a choice of delivery platforms allows you to match up your information security and technology requirements with a solution designed specifically for your needs. This simplifies ongoing maintenance and provides confidence as you grow and evolve.

Why Choose Moody's Analytics?

Long-standing domain expertise

Moody's Analytics provides financial intelligence and analytical tools to help make better, faster decisions. We are known for our industry-leading and award-winning solutions, made up of research, data, software, and professional services, assembled to deliver a seamless customer experience.

Award-winning product

Moody's Analytics offers a powerful Asset Liability Management solution that integrates traditional forecasting and interest rate risk with liquidity risk management, Funds Transfer Pricing, investment management, and business reporting in a single enterprise platform. Clients benefit from a choice of deployments to best fit their needs.

Accelerated implementation

Our streamlined implementation approach focuses initially on a like for like migration. Once reconciled and in parallel you evolve and customize the tools as desired. You will be running in parallel with current processes in a matter of weeks and live shortly thereafter.
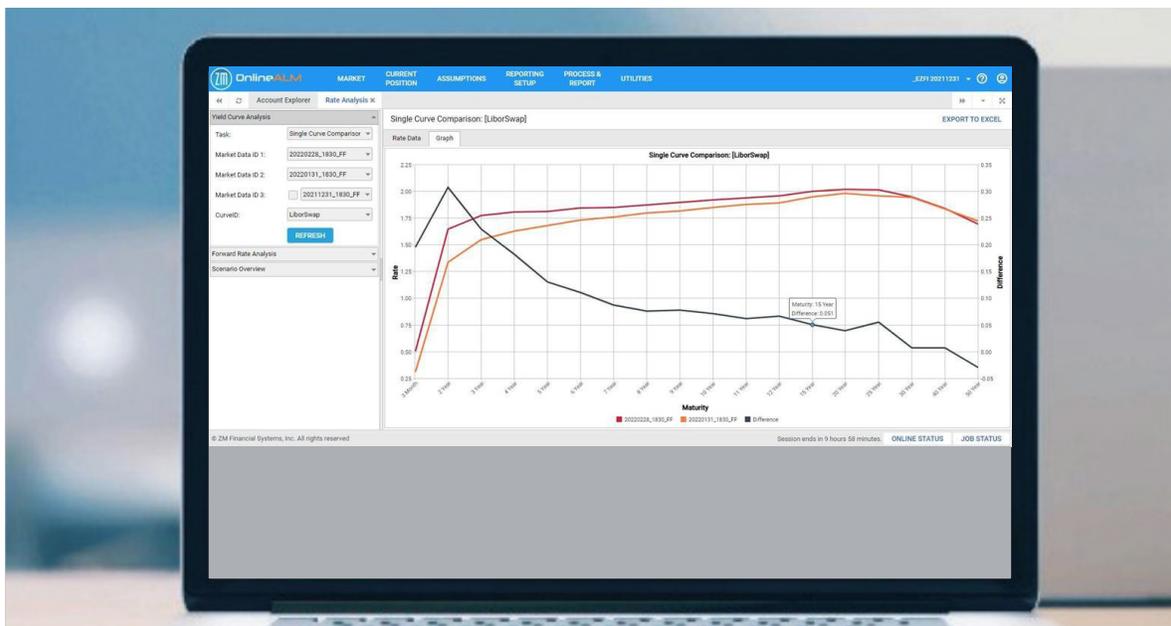

Start with a solid foundation

» Compare current and previous forecasts under unlimited economic scenarios and business strategies. Easily define, package, and reuse scenarios with the model. Stress income and value as well as your modelling assumptions. Perform alternative scenario shock/ramp/basis/twist yield curve modelling.

» Forecast earnings and cashflows under scenario-specific assumptions for new volume and pricing spreads, market rates, yield curves. Draw out crucial quantitative insights essential for analyzing, documenting, and executing financial plans to improve future performance.

» Produce management reporting and visuals quickly and easily. Match your balance sheet profile by customizing your chart of accounts and input assumptions. A wide range of market-oriented analytics are provided out of the box, including a comprehensive list of standard drillable reports and graphics.

» Utilize the platform that best fits your technology and infrastructure. Available for SaaS, hosted, and on-premise delivery.

Advantages of SaaS

| Total cost of ownership | Time to benefit | Easy maintenance | Security | Seamless upgrades | Scalability and integration |

Expand your modeling over time

» Layer on Moody's Analytics economic scenarios to gain insights into several possible futures.

» Design specific scenarios to stress liquidity and capital, understanding risks to your funding sources and potential situations that could impact solvency. Take advantage of daily cash flow reporting to support advanced liquidity stress testing, liquidity coverage, contingency funding, and cash planning.

U.S. Unemployment rate, %

Legend:
- Moody's Analytics Baseline
- Moody's Analytics Scenario 1
- Moody's Analytics Scenario 3

» Automatically model complex instruments and cash flows accurately for any scenario desired via integration with external market and instrument information as well as our highly calibrated prepayment models.

» Calculate trading-quality option adjusted values and prices using advanced Monte Carlo and lattice techniques.

» Analyze alternative buy/sell/fund/hedge strategies, optimizing the measures you are most focused on against the risk you are willing to accept.
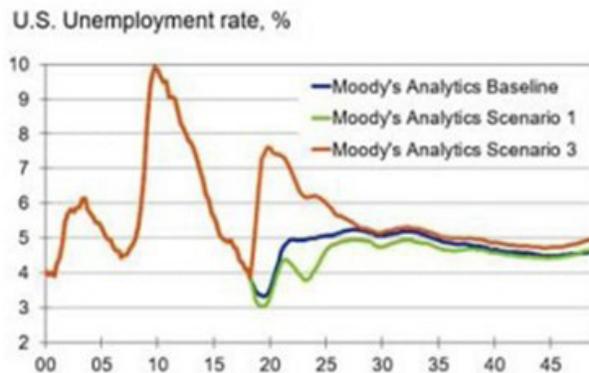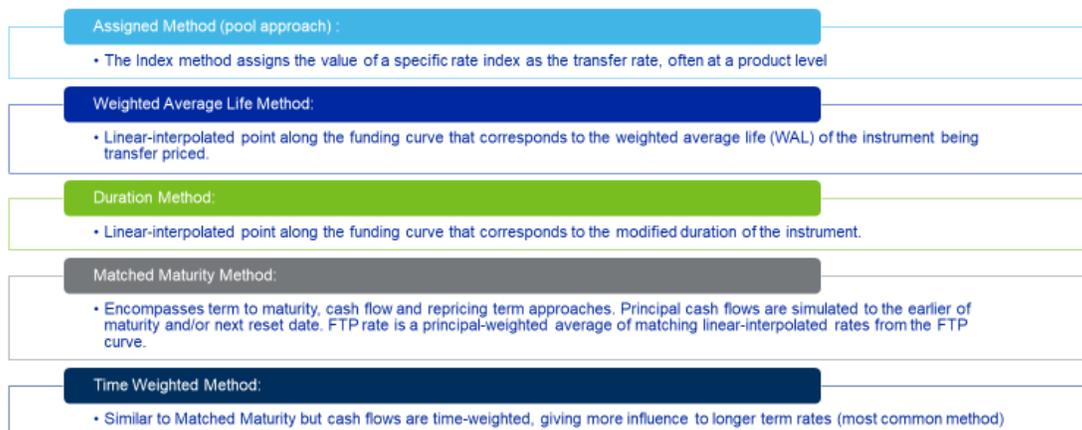
» Evaluate mortgage servicing rights using advanced assumption sets and the same calculation engines as the rest of your modeling. Ensure consistency and direct flow-through into forecasting and risk management of these and other specialized product offerings.

Seamlessly support broader decision-making

» Tighten linkages with budgeting processes to share margin projections and cashflows. Alternative data points such as General Ledger accounts and centers allow you to easily reorganize results for other uses.

» Understand spread trends and differences among your various units and products. Funds Transfer Pricing (FTP) is used widely by financial institutions for pricing and profitability, allowing you to proactively manage your net interest margin.

FTP Standard Methods
Pre-canned

Assigned Method (pool approach) :
• The Index method assigns the value of a specific rate index as the transfer rate, often at a product level

Weighted Average Life Method:
• Linear-interpolated point along the funding curve that corresponds to the weighted average life (WAL) of the instrument being transfer priced.

Duration Method:
• Linear-interpolated point along the funding curve that corresponds to the modified duration of the instrument.

Matched Maturity Method:
• Encompasses term to maturity, cash flow and repricing term approaches. Principal cash flows are simulated to the earlier of maturity and/or next reset date. FTP rate is a principal-weighted average of matching linear-interpolated rates from the FTP curve.

Time Weighted Method:
• Similar to Matched Maturity but cash flows are time-weighted, giving more influence to longer term rates (most common method)

Make better, informed decisions

Economic uncertainty is the key reason most financial institutions shock and stress their balance sheets and income statements, to see if they can survive financial crisis. You can assess the impact of your decisions before making them, seeing the specific changes as well as the new risk profile. Full transparency and advanced modeling techniques are used to deliver key metrics for financial institutions to make better business decisions.

Utilizing one solution, institutions can integrate forecasting, interest rate and credit risk, portfolio management, liquidity stress testing, and synchronize with budgeting processes.

Gain powerful tools for balance sheet management domain expertise

» Organize and classify financial instruments on a balance sheet into a tree-like structure to input client behavior models and define business forecasts, using the chart of accounts (COA) structure.

» Set up and manage a rule-based strategy for specific balance sheet items.

» Apply transformation logic to interest rate curves, macroeconomic indices, transaction characteristics, and rate response matrices to use in scenarios.

» Model client behavior such as loan prepayments, loan commitments, transaction rollovers, and term deposit early redemption with the variables that influence them.

Manage ALM and liquidity risk management obligations

» Calculate key liquidity risk measurements such as the liquidity gap, generate the business reports, and perform advanced scenarios.

» Define models that allow users to apply their understanding of client behavior.

» Compute and simulate net interest income across multiple scenarios.

» Manage FTP using several best practice methodologies including the powerful.

» Perform deposit modelling, including cash flow modelling of non-maturing deposits where balances and deposit rates change, and interest payments take place at different times.

AWARDS

Chartis
RiskTech Quadrant®
Category Leader
ALM Solutions, 2021

Chartis
RiskTech Quadrant®
Category Leader
Capital & Balance Sheet Optimization Solutions, 2021

2021 WINNER
FINTECH LEADERS
RANKED 2 IN THE OVERALL
FINTECH ECOSYSTEM RANKINGS

Risk
Technology Awards
2020 **Winner**

Moody's Analytics
Enterprise-wide
stress-testing product
of the year

FINTECH
BREAKTHROUGH
AWARD
2020
REGTECH INNOVATION AWARD

CONTACT US

Find out more information about Moody's Analytics award winning products and solutions please email us on MA_ZMFS_Sales@moodys.com.

CONTACT DETAILS

Visit us at **moodysanalytics.com** or contact us at a location below.

AMERICAS
+1.212.553.1653
clientservices@moodys.com

EMEA
+44.20.7772.5454
clientservices.emea@moodys.com

ASIA (EXCLUDING JAPAN)
+852.3551.3077
clientservices.asia@moodys.com

JAPAN
+81.3.5408.4100
clientservices.japan@moodys.com