



**SUNGARD** BANCWARE FOCUS ALM

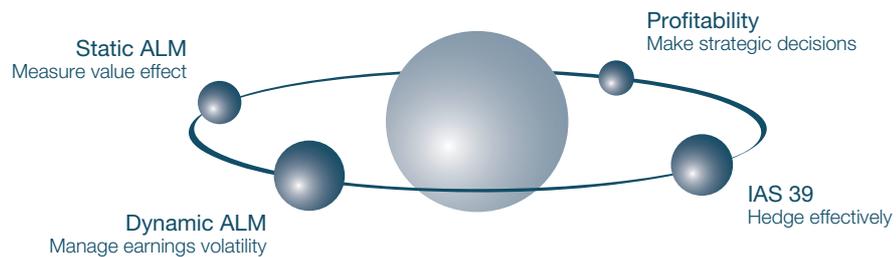
Managing Risk  
Across Your Balance  
Sheet

**BETTER INFORMATION AND ANALYSIS MEANS BETTER DECISIONS. MANAGING THE RISK ON THE BALANCE SHEET TODAY REQUIRES DILIGENCE AND FLEXIBLE, SCALABLE TOOLS TO MEET YOUR NEEDS — NOW AND IN THE FUTURE.**

Today, asset/liability management professionals demand solutions that enable sophisticated, dynamic modeling and net interest income simulation, using the latest financial techniques. To manage risk effectively, you need to model customer behavior, economic valuation, interest rate scenarios and a wide range of other variables quickly, easily and accurately.

Our integrated risk management solution allows financial institutions to measure and manage

interest rate, foreign exchange and liquidity risk precisely and efficiently. With accurate and detailed data and analysis, managers are able to more clearly understand the impact of market changes on the balance sheet, and make more informed business decisions. Our clients are able to model customer behavior and market movements to more effectively stabilize margin and earnings, precisely forecast future earnings, manage profitability, and comply with regulatory requirements.



## STATIC ALM

BancWare Focus ALM delivers both Static and Dynamic Asset Liability Management. Our Static ALM module enables organizations to measure interest rate risk inherent in the balance sheet using the economic value perspective – enabling you to quantify the market value changes of assets, liabilities, and economic value of capital resulting from interest and exchange rate movements – all in an intuitive user interface.

Static ALM delivers:

- Repricing Balance Sheet/Gap Analysis
- Cash Flow Balance Sheet
- Market Value Balance Sheet (Present Values)
- Value Effect: Delta and Duration Report
- Key Rate Duration Profile
- Static Profitability Analysis: Yield Report
- Parametric Value at Risk
- Effective Yields
- Hedge Simulation
- Interest Rate Risk Reports for Regulators
- Complete Drill-Down Functionality
- Flexible Reporting Engine



## DYNAMIC ALM

Leading financial institutions understand that simply using a static value effect approach to managing risk is only part of the picture. To make better decisions, you need better analysis.

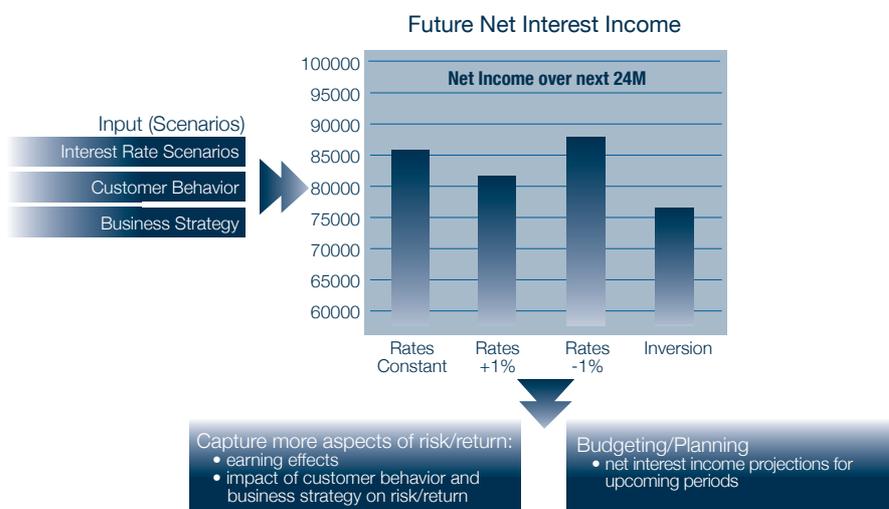
Dynamic ALM gives you the power to fully quantify potential impacts of interest rate and exchange rate fluctuations on future earnings and cash flow streams.

The balance sheet is extrapolated over a future time horizon based on detailed assumptions and relationships in the area of market rates, customer behavior (e.g. new business, prepayment), and the institution's business strategy (e.g. margins, refinancing strategy, etc.).

For any future time period, BancWare Focus ALM provides you with the scenario dependent evolution of various results, including interest income/expense, balance, market values, sensitivities, cash-flows, gap profiles, etc.

Simulation results are also used to define more accurate earnings projections for budgeting purposes.

The sophisticated analytics provide you with the tools you need today to evaluate the impact of changing business strategy, market rates and customer behavior. You can measure precise earnings effects, manage liquidity risk, and capture the impact of embedded options.



Dynamic ALM delivers:

- Scenario-dependent projections of future earnings, balance, market values, yields, cash-flows, etc.
- Ability to measure earnings effects, future liquidity risk, and product inherent optionality risk
- Powerful new business simulation with user defined volume projections, instrument characteristics, price rate models, and maturity schedules
- Ability to capture customer behavior: product shift simulations and multi factor prepayment modeling
- Intuitive user interface with object-oriented scenario modeling

## IAS 39

Our integrated solution for IAS 39 allows organizations to streamline IAS 39 compliance efforts to include asset/liability management, hedge accounting, mark-to-market, and back-office processes on one completely modular platform.

IAS 39 delivers:

- Hedge accounting to avoid undesired earnings volatility
  - Identify and define hedge relationships that qualify for hedge accounting
  - Meet formal documentation criteria for hedge relationships
  - Perform hedge simulations/prospective effectiveness tests
  - Quantify the impact of hedging activities on your future earnings
  - Run and document retrospective hedge effectiveness test
  - Generate General Ledger accounting entries (Back Office)
- Amortized cost/Fair value calculation
- Earnings and capital simulation under IAS 39 accounting rules



## PROFITABILITY AND FUNDS TRANSFER PRICING

To manage business effectively, you need to understand where risk lies. Our Funds Transfer Pricing feature enables you to separate the effects of the interest rate risks from the performance of business units to better understand what is impacting your business. Appropriate transfer rates can be allocated to each individual position according to its funding cost or opportunity.

Our FTP Solution allows you to calculate transfer rates on both the transaction level and profit contributions for the different business units. The isolation of these profit contributions makes it possible to establish a comparable and transparent performance measurement system within your financial institution, and effectively assess the profitability of products and organization units.

# Why Choose BancWare Focus ALM?

BancWare Focus ALM is a market leading solution for actively measuring and managing the interest rate and FX risk in the banking book (Asset/Liability Management). More than 160 financial institutions across Europe rely on BancWare Focus ALM to make more informed and strategic business decisions every day. With support for data integration, funds transfer pricing, profitability and budgeting and planning, BancWare Focus ALM provides a complete, integrated risk management solution.

## EASE OF USE

Designed for business users, BancWare Focus ALM is easy to learn, and easy to use. You will be up and running quickly, saving time and resulting in a lower total cost of ownership.

## BETTER DECISIONS, FASTER

No other commercial ALM solution provides you with a faster simulation process than BancWare Focus ALM. 'What If' scenarios can be entered easily, and results obtained quickly. This enables you to generate the required simulation results for faster and more effective ALM decisions.

## HIGH VOLUME PROCESSING

With our distributed compute feature of BancWare Focus ALM we can better handle high volumes of records. Many competitors rely solely on Microsoft's capability for multi-processing, which is not enough. BancWare Focus ALM has been developed for true distributed processing.

## COMPREHENSIVE INSTRUMENT COVERAGE

BancWare Focus ALM supports a wide variety of balance and off-balance-sheet products, including non-maturing accounts, amortizing loans (various amortization types), and derivatives (Swaps, FRA, Futures, Caps/Floors, Swaptions, Binary Options, etc.).

## PROVEN TRACK RECORD

Delivered and supported by our team of industry experts, we provide predictable implementations "on time and on budget." Our highly trained consulting and support team is always available to provide training, customize your implementation, and offer advanced risk management consulting. We strive to exceed expectations, and are proud of the consistently high customer satisfaction rankings we receive.

## DATA CONFIDENCE

Our comprehensive interface layer gives you the ability to capture, enhance, aggregate, and validate data at the transaction level from a variety of sources. This enables you to ensure a high data quality for your ALM analysis and helps you to reduce implementation time and costs.

## FLEXIBLE REPORTING OPTIONS

BancWare Focus ALM offers extensive predefined standard reports, enabling easy slicing, dicing and reporting of data to understand the relative impact of changes in the environment, balance sheet composition and model parameterization. Results can be directly exported to MS Excel, or to standard reporting tools, enabling compliance with regulatory reporting requirements.

## INTEGRATED RISK AND PERFORMANCE SOLUTIONS

An authoritative leader in risk management, BancWare offers powerful technology and proven solutions that help financial firms effectively analyze market risk, forecast balance sheet performance, meet regulatory requirements and make critical business decisions. Our asset/liability management, profitability, strategic planning, credit risk, and regulatory compliance solutions provide a complete picture of your banking business. A unified view of risk and performance measurements across all activities and markets drives greater understanding of your complete financial picture and allows decisions to be driven by common strategy and assumptions. BancWare can integrate critical financial management systems, giving you the power to share comprehensive analytics, decision-support and performance measurement at all levels of your business.

With over 20 years of banking technology experience serving more than 400 client organizations in 35 countries, BancWare solutions deliver high-caliber, actionable intelligence to meet the specific needs of financial institutions – both large and small.



[www.sungard.com/bancware](http://www.sungard.com/bancware)

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