VALOORES in'ALM
Revolutionizing Risk Management for Financial Institutions

Key Features:

- Robust and highly scalable analytical risk engines.
- Customer relationship level data model.
- Full integration with VALOORES Business Intelligence tools.
- Integration with Key Risk (KRIs) and Performance (KPIs) indicators.

Key Benefits:

- Integrate risk into decision-making processes.
- Provide actionable insights on customer and product profitability.
- Foster a transparent risk management culture.
- Ensure pervasive intelligence across the organization.

Related Products:

The following products are offered by VALOORES Financial Services Solutions:

- VALOORES in'Asset Liability Management Analytics.
- VALOORES in'Funds Transfer Pricing
- VALOORES in'Profitability Management.
- VALOORES in'Balance Sheet Planning.
- VALOORES in'Pricing.
- VALOORES in'Analytica.

Mastering Risk: Tailored Asset Liability Management Strategies for Financial Success

✔ Simplifying the Complexities

VALOORES in’ALM provides a comprehensive framework for risk identification, risk assessment, risk mitigation and consequently decision-making. It generates over 200 financial metrics through balance sheets and offers advanced analytics for value-at-risk (VaR), earnings-at-risk (EaR), market value, and liquidity analysis, with customizable result aggregation by time and product category.

✔ Multicurrency

VALOORES in'ALM streamlines the complexities of multi-currency operations by allowing users to define product characteristics, pricing methods, valuations, and volume activities for each currency combination.
It links exchange rate scenarios to interest rate forecasts to assess balance sheet sensitivity and provides rate conversion calculations for consistent internal values, accommodating different yield formats and accrual bases.

✔ Wealth of Output Information

VALOORES in’ALM calculates and stores a variety of financial risk indicators:

- VaR, EaR, and probability distributions
- Static and dynamic market value, duration and convexity
- Static and dynamic gap (based on both repricing and liquidity)
- Income simulation

The system captures extensive data, from the organization's overall Value at Risk (VaR) to daily cash flows for individual customers. Income cash flows can be viewed on both actual and transfer-pricing bases, with gap results including principal runoff, repricing runoff, interest cash flows, and accruals.

✔ Rigorous Calculations

VALOORES in’ALM employs transactional-level data in a user-friendly financial model for daily cash flow modeling of accounts and new business activity. VALOORES in’ALM has an embedded option to produce Value at Risk (VaR) and Earnings at Risk (EaR) projections through advanced Monte Carlo simulations that create risk-free curves using spline smoothing techniques.
The system accurately models unique payment and repricing characteristics:

- Unlimited repricing frequencies
- Absolute and incremental caps

and floors

- Rate lags and minimum rate change requirements
- Teaser or discounted loans
- Compounding and interest credited

✔ **Liquidity Risk Modeling**

VALOORES in'ALM compiles cash flow and liquidity gap models into customizable daily, monthly, or yearly buckets for liquidity management. Users can adjust these for specific reporting needs, processing data from the full balance sheet to targeted portfolios. The system also offers multi-factor prepayment and early redemption models, with flexible assumptions to reflect changing cash flow profiles based on interest rates and economy.

✔ **Flexibility in Process Management**

To preserve data integrity VALOORES in´ALM utilizes detailed customer information, enabling tailored corrections based on product characteristics. Current balance sheet calculations are processed separately from new origination modeling, allowing for effective analysis of new business impacts, strategies comparison, and flexibility to changing financial modeling assumptions.

✔ **Flexibility in Assumption Management**

VALOORES in'ALM provides customizable built-in models for diverse markets. Assumptions are stored separately from detailed data, allowing unlimited rules for analyzing rate risk scenarios. The multifactor prepayment model adjusts to specific instrument characteristics such as seasonality and repricing. Users manage complex calculations, including term structure selection and smoothing techniques, while new business assumptions are processed independently to keep results distinct from current holdings.

✔ **Reliable Verifiable Results**

VALOORES in´ALM integrates calculation engines for consistent results. The cash flow engine supports income simulations, gap analysis, Monte Carlo simulations, and budgeted cash flows. Robust auditing features allow detailed analysis of model behavior. For effective asset-liability management, results can be visualized at an executive level, supported by detailed reports where needed.

✔ **Enterprise-Wide Analysis and Reporting**

- VALOORES in'ALM leverages advanced Business Intelligence technology for efficient information management. Its tailored dashboards and standard reports cover Interest Rate Risk, regulatory needs, and ad-hoc analysis. VALOORES in'Analytica offers both high-level insights and detailed impact analysis. Key pre-built metrics include historical trends and flexible benchmark options for various scenarios.
- Tracking changes in value and relative percentage variations.
- Calculation of first, last, and average results over time.
- Ranking functions for comparative analysis.

Standard reports and dashboards evaluate interest rate risk, including Market Value of Equity, Duration of Equity, Repricing Gaps, and Value at Risk.

✔ **Architecting the Right Solution**

VALOORES Financial Services applications offer integrated solutions based on industry best practices. Each component - data, analytics, business rules, hierarchies, and reporting - functions seamlessly together or as a standalone solution. They can be implemented in any order, supporting both simple and complex setups, and allow for continuous methodological evolution.

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