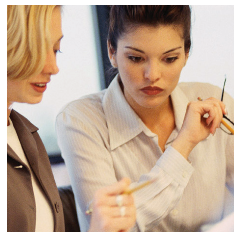
Product

Prologue™ Risk Manager

Accurately Understand and Actively Manage Your Risk Exposure



Excessive, unmanaged and mismanaged risk has many institutions struggling. But risk in and of itself is not a problem–when managed properly. Managing the risk reward balance is a critical component to developing and executing an effective performance management strategy.

You need a risk management solution that not only keeps you in compliance with today's regulations, but also helps you actively measure, monitor and manage risks for optimum performance. In today's challenging environment, you need every tool at your disposal to generate profits, and your risk/reward balance is a key element of that. Prologue Risk Manager from Fiserv can help.

Scenario and Stress Testing (What If)

Prologue Risk Manager simulation engines give you immediate answers to what if questions, so you can weigh the relative risks and rewards of different business strategies and stress events. You can test endless interest-rate scenarios and examine individual balance-sheet components or the balance sheet as a whole.

A/L simulations consist of easily defined forecasting assumptions–such as interest rates, pricing strategies, prepayments and growth. Assumptions can be mixed and matched and, using automated rate shocks, the balance sheet can be stress-tested for sudden and significant movements in interest rates. In addition to standard scenarios, stress scenarios can be defined and processed allowing evaluation of projected income, valuation, capital, liquidity and credit metrics under both expected and unexpected circumstances.

Modeling Versatility

Prologue Risk Manager supports multiple charts of account structures and an unlimited number of accounts within any chart. View the balance sheet from the regulatory, budgetary and strategic perspectives simultaneously. View results at a level of detail that best matches your ALCO management process. Most commonly used calculations are standard in Prologue Risk Manager, but you can also define calculations–giving you the flexibility you need to run your business.

Flexible Reporting

Reporting is a critical part of your balance-sheet management process. Prologue Risk Manager provides a number of standard reports, including proforma financial statements; comparative reports and analysis; decision graphics; market valuation/duration reports; integrated market value reporting for FAS 107 and FAS 115; simulation audit reports and account details; and static and dynamic gap reports. You can also easily create custom reports through familiar spreadsheet applications like Microsoft® Excel® or IBM® Cognos® Impromptu® or with the system's embedded custom report writer.

Planning and Forecasting

Building effective strategic plans requires being able to forecast your balance-sheet risk. Prologue Risk Manager gives you forecasting capabilities for a 120-month horizon. You can store budget and actual data for variance, rate/volume and trend analysis, so it is easy to evaluate new strategies against committed plans.

Advanced Features

Prologue Risk Manager also offers a full range of optional advanced capabilities:

- An automated interest-rate scenario builder
- Automated balance sheet growth assumptions
- A hedge package with basic and complex interest-rate swaps, financial futures, caps, floors, collars and forward rate agreements
- Capabilities for stochastic analysis using linear path space technologies
- Capabilities for dynamic market value/ duration analysis
- Advanced liquidity analysis including forecasted ratios, contingent liquidity as well as daily liquidity analysis
- Advanced credit analysis
- Used for modeling DFAST scenarios
- Capabilities for consolidating multiple institutions
- Custom tools, such as user equations, a custom report writer and lag matrix
- Multi-currency modeling capabilities
- Support for premium/discount and loan fee amortization/accretion as required by FAS 91
- Support for forecasted funds transfer pricing (FTP)
- Modeling of various purchase/sale scenarios for investment, liquidity and IRR management purposes

Risk and Compliance

Do you have a keen understanding of your best growth opportunities – and their costs and risks?

Key Benefits

- Integrate analysis of interest-rate risk, liquidity risk, credit, market risk and regulatory capital
- Forecast your interest-rate risk for a 120-month time horizon
- Test endless interest-rate scenarios and strategy combinations
- Examine the whole balance sheet or individual components easily
- Mix and match simulation assumptions for thorough stress-testing
- Use linear path space technologies for stochastic analysis
- Consolidate multiple institutions for comprehensive reporting and planning
- Customize the system through user equations, a custom report writer and lag matrix
- Leverage multi-currency modeling capabilities
- Forecast funds transfer pricing (FTP)

Fiserv can help you uncover this knowledge and implement the right strategyfor success. Fiserv has a host of solutions that help solve today's problems and anticipate tomorrow's needs with:

- Web-enabled analytic tools to understand key performance indicators
- Enterprise budgeting and planning tools that deliver critical information
- Financial accounting solutions that automate and streamline processing and reporting

Connect With Us

For more information on Prologue Risk Manager from Fiserv, call 800-872-7882 or visit www.riskandperformance.fiserv.com.

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