

## Case Study



### Thomaston Savings Bank

To Enhance Its Asset Liability Management Capabilities and Manage Interest Rate Risk, This Institution Depends on Asset Liability Manager

For more than eight years, Thomaston Savings Bank has relied on Asset Liability Manager from Fiserv to assist in organizational budgeting, special projects and to manage evolving regulatory requirements.



Thomaston Savings Bank, based in Thomaston, Connecticut, operates ten full-service branches throughout northwestern Connecticut. Thomaston Savings Bank's business philosophy focuses on building long lasting relationships with customers by providing financial services of the highest quality and value.

#### A Strategic Partnership

Rebekah Stokes, assistant vice president and financial analyst for Thomaston, is a strong proponent of Asset Liability Manager for its fundamental strategic value. "I use Asset Liability Manager exclusively to prepare for ALCO meetings, as well as to help us determine appropriate strategies for monitoring and mitigating interest rate risk. It is also invaluable in helping me construct models for the bank's economic value of equity in response to fluctuating interest rates." Further, Stokes uses Asset Liability Manager annually to prepare the bank's five-year strategic plan and to prepare budget reports for bank management.

#### Regulatory Monitoring and Risk Control

As with all financial institutions, regulatory compliance is a daily focus for Thomaston Savings Bank. "I like having Asset Liability Manager in-house, because it allows me to monitor our interest rate risk and EVE policy



#### Client Profile

Chartered in 1874, the first branch was opened in Burr & Stoughton Department Store. Even today, Thomaston Savings Bank is dedicated to a continued tradition of customer-focused community banking.

- Assets: \$800 million
- Headquartered in Thomaston, Connecticut
- Member FDIC

[www.thomastonsavingsbank.com](http://www.thomastonsavingsbank.com)

Fiserv is driving innovation in Payments, Processing Services, Risk & Compliance, Customer & Channel Management and Insights & Optimization, and leading the transformation of financial services technology to help our clients change the way financial services are delivered. Visit [www.fiserv.com](http://www.fiserv.com) for a look at what's next now.



**Fiserv, Inc.**  
255 Fiserv Drive  
Brookfield, WI 53045

800-872-7882  
262-879-5322  
[getsolutions@fiserv.com](mailto:getsolutions@fiserv.com)  
[www.fiserv.com](http://www.fiserv.com)

compliance and to address any potential problems quickly," said Stokes. "The solution has also helped us gain credibility with the regulators because we directly control the model input and assumptions."

Financial control is also vitally important. "The solution gives us total control of the asset/liability situation at the bank. And, Asset Liability Manager is extremely accurate. Our net interest income is always within one percent."

### **Capital Modeling and Risk Level Forecasting**

Asset Liability Manager enables Stokes to gauge the effects of the growth the bank is forecasting on its risk levels. "In addition to utilizing a static balance sheet to run the various shock scenarios, we also run a number of other scenarios that utilize a growing balance sheet. Asset Liability Manager allows us to use growth projections from our five year financial forecast."

### **Future Forecasting**

Thomaston Savings Bank often uses Asset Liability Manager as a forecasting tool for its budget projections for the upcoming fiscal year, which help determine the potential for future branch expansion. "The solution helps us run 'what if' scenarios to gauge the feasibility of opening new branches. Asset Liability Manager enables us to make assumptions about deposit and loan growth," noted Stokes. "That is invaluable when determining how to look and move forward."

### **Peace of Mind**

"Another big plus of Asset Liability Manager for me is the training and assistance we get from Fiserv. We would definitely be considered a "power user" of the product, and I believe in its ability to help us drive the bank forward," said Stokes.

### **Challenge**

As a thriving financial institution, Thomaston Savings Bank maintains a vigilant focus on monitoring and managing interest rate risk for both fiscal security and organizational responsibility.

### **Solution**

For more than eight years Rebekah Stokes, assistant vice president and financial analyst for Thomaston Savings Bank has used Asset Liability Manager to help the bank control interest rate risk and to enhance its modeling, reporting and asset/liability management capabilities. The solution also integrates smoothly with other Fiserv solutions used by the bank, including Prologue™ General Ledger and Prologue Fixed Assets.

### **Proof Points**

Asset Liability Manager helps the bank effectively:

- Monitor and manage interest rate risk
- Create 'what if' scenarios to gauge the feasibility of opening new branches and make assumptions about deposit and loan growth
- Control and test assumptions helping the bank gain credibility with regulators
- Gauge the risk management appetite and position of the bank
- Create budgets and robust reporting for management

### **Connect With Us**

For more information about Asset Liability Manager, call 800-872-7882, email [getsolutions@fiserv.com](mailto:getsolutions@fiserv.com) or visit [www.fiserv.com](http://www.fiserv.com).