

Information Necessary for a Model Validation

The following information is requested in order to successfully complete a detailed validation of the Purchaser's Model.

- Name, telephone number, and e-mail address of the financial institution personnel assigned to work with FRC;
- FRC Validation Questionnaire (to be completed via telephone interview);
- General Ledger: Detailed Balance Sheet;
- General Ledger: Detailed Income Statement for the year;
- General Description of the Model being used;
- Net Economic Value (calculation method and discount rates used);
- Data Input Files: (Loans, Investments, Certificates, Borrowings); Layout and field descriptions; 'Type' keys;
- Model Chart of Accounts;
- Model Attributes Report (Model Set-up / Structure, inclusive of loan, deposit/share assignments, sorting assumptions, import layouts, etc.);
- Beginning Balances and Rates used in the Model;
- Contractual Maturity cash flows relating to the Beginning Balances;
- Loan and Deposit/Share Pricing;
- Regarding Non-maturing Deposit/Share Pricing, the % Rate Change as Market Rates Shift;
- Decay factors on Non-maturing Deposits/Shares;
- "New Dollar" Rates (Driver Rates +/- Spreads);
- Prepayment Speed Assumptions;
- Detail Model Output: Balance Sheet, Income Statement, Yield Report, Gap Analysis for all rate scenarios modeled;
- Final Interest Rate Risk Measurement Package;
- Model reports used by the Alco.