



Aug 3, 2016

## Weekly Post: **Generate ALM Reports using Extract, Transform, Load (ETL) THC Solution**

Dear Clients-

THC is constantly striving to improve the ALM process for our clients by leveraging the latest technologies. As a client of THC, you now have the option to generate your own reports utilizing ETL technology. ETL (extract, transform, load) is a highly efficient tool that will enable you to quickly and easily generate your own reports on either a monthly, quarterly or adhoc basis.

Your standard data input files have been reformatted to accommodate the ETL process. In addition to having more control over generating your reports, utilizing the ETL process will also help avoid human errors by eliminating the need for any manual operations

As you know, regulatory guideline recommends that you to be in control of the ALM process in managing the bank. This week, I describe how can you generate your reports to measure, monitor and managing your performance.

### Challenges

- How can I generate another set of ALM reports because I need to know how the quarterly reports will look like?
- How can I make sure that I will get the ALM reports next week?
- How can I generate another set of reports for August, between two cycles?

### Solution

Technologies have vastly changed the way risk reports can be generated. THC uses servers in data centers to conduct the computing intensive calculation required for risk reports. Further, THC uses the ETL method to accept your data input files, enabling THC Risk Officer™ to generate your reports in a straight forward fashion.

THC has changed your standard input data format based on your data input files sent to THC previous cycles. THC has configured those files into ETL files so that Risk Officer™ can read the ETL files without any manual operations. This approach would avoid human errors. Therefore, if you use these ETL files, following the instructions here, you can generate your licensed quarterly (or monthly) reports.

### Market Wisdom - Art Hilliard\*

#### Where to Begin

Many institutions may want to sell loans off the balance sheet, but may not know how to begin the process? Here's a step-by-step guide to help get started:

- Using THC identify loans for sale
- Pull the loan data file (aka "Tape") from your servicing system using the Excel format provided in TFO
- Confirm the data in the tape matches data in the loan file
- Confirm the availability and completeness of the loan file including legal docs file (The above two steps will save a lot of grief later in the process)
- Upload the investor ready tape to TFO as a loan seller and model the asking price
- Be prepared to answer questions. As potential investors look at the file, they will have questions

Having the correct data in the correct format and having loan files in order before the process begins will make the process go more smoothly during the bidding and due diligence process. It will also significantly improve the chances of closing the transaction.

Art Hilliard has been in the mortgage industry for 29 years. He has originated, managed secondary marketing, securitizations and settlements, provided mortgage financial advisory and performed multiple mortgage portfolio sales and acquisitions. He was past president of the Illinois Mortgage Bankers Association.



**Getting Started**

☑ **Step 1 Download Previous Cycle Data Files**

1. Select the cycle for next quarter/month
2. In upload data panel, click these green buttons under the previous cycle to **download the data files** of the previous cycle

Select cycle: 201606

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**Simulation Dashboard** [Instructions to revise the base line reports](#)

ID	Descriptions	Update Date	Economic Values			capital		NII and Earnings	
			assets	loans	deposits	EVE	EVE ratio(%)	duration	NII
<< <<< >>> 1.0 1 <input type="button" value="GO"/> <a href="#">Refresh</a>									

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**1 Upload Data ?**

File list	Choose File	No file chosen	Current cycle data file	Previous cycle data file	Validation Result
investment:	<input type="button" value="Choose File"/>	No file chosen	<a href="#">201606</a>	<a href="#">201603</a>	<a href="#">Warnings detected</a>
Mortgage Loan:	<input type="button" value="Choose File"/>	No file chosen	<a href="#">201606</a>	<a href="#">201603</a> - data file	<a href="#">ected</a>
Commercial Loan:	<input type="button" value="Choose File"/>	No file chosen	<a href="#">201606</a>	<a href="#">201603</a> - validation result	<a href="#">ected</a>
Installment Loan:	<input type="button" value="Choose File"/>	No file chosen	<a href="#">201606</a>	<a href="#">201603</a>	<a href="#">ected</a>
Deposit:	<input type="button" value="Choose File"/>	No file chosen	<a href="#">201606</a>	<a href="#">201603</a>	<a href="#">ected</a>
other loan and deposit:	<input type="button" value="Choose File"/>	No file chosen	<a href="#">201606</a>	<a href="#">201603</a>	
call:	<input type="button" value="Choose File"/>	No file chosen	<a href="#">201606</a>	<a href="#">201603</a>	
Borrowing:	<input type="button" value="Choose File"/>	No file chosen	<a href="#">201606</a>	<a href="#">201603</a>	
UBPR	<input type="button" value="Choose File"/>	No file chosen	<a href="#">201606</a>	<a href="#">201603</a>	
Budgeting input file:	<input type="button" value="Choose File"/>	No file chosen		<a href="#">201603</a>	
PATH+:	<input type="button" value="Choose File"/>	No file chosen		<a href="#">201603</a>	

ETL Data Validation [View Result](#) [Check PATHfile](#)

☑ **Step 2. Prepare/Upload Input Data**

1. Edit those downloaded ETL files by changing the input data in the ETL files to reflect the changes to the balance sheet.
2. Edit financial simulation assumption: the growth plan and projected non-interest incomes and expenses (optional). You can also use the ETL files to revise your growth plan or budget plans
3. Upload the ETL files
  - a. Browse each ETL file by clicking on the “Browse” button.
  - b. Click on the “Upload Data File”.



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investment:	Choose File	No file chosen	<a href="#">201606</a>	<a href="#">201603</a>	<a href="#">Warnings detected</a>
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Commercial Loan:	Choose File	No file chosen	<a href="#">201606</a>	<a href="#">201603</a>	<a href="#">Warnings detected</a>
Installment Loan:	Choose File	No file chosen	<a href="#">201606</a>	<a href="#">201603</a>	<a href="#">Warnings detected</a>
Deposit:	Choose File	No file chosen	<a href="#">201606</a>	<a href="#">201603</a>	<a href="#">Warnings detected</a>
other loan and deposit:	Choose File	No file chosen		<a href="#">201603</a>	
call:	Choose File	No file chosen	<a href="#">201606</a>	<a href="#">201603</a>	
Borrowing:	Choose File	No file chosen	<a href="#">201606</a>		
UBPR:	Choose File	No file chosen	<a href="#">201606</a>	<a href="#">201603</a>	
Budgeting input file:	Choose File	No file chosen		<a href="#">201603</a>	
PATH+:	Choose File	No file chosen			

[View Result](#) [Check PATHfile](#)

**Step 3. Validate and Generate Reports**

1. Click on the “ETL Data Validate” button and check the validation results. This button will appear after you have uploaded the data files.
2. Select the reports you would like to generate
3. Click on the “Generate Report” button. Report generation may take around 20-30 minutes depending on the balance sheet size
4. After the reports are ready, click on the icons to download them.

**2 Generate Reports ?**

ALM Client Report Templates  Reinvestment Setting

- Interest Risk**
  - Economic Value of Equity (EVE)
  - Earnings-at-Risk (EaR)
- Liquidity Risk**
  - Liquidity Gap
- Others**
  - Assumption Report
  - DASHBOARD
  - ALM DASHBOARD

portfolio will be rebuild.pre-trade is not ready.

**Conclusions**

Generating your own reports is simple and straightforward. THC ETL ( Extend Transform PATH+ offers model transparency and you can take control in the asset-liability management process.

*If you have any questions regarding your revising your reports, please do not hesitate to contact THC.*

Regards,  
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*THC is NOT a broker-dealer. THC only offers an analytical platform for clients to work together to meet your customers' needs or your balance sheet requirements. THC does not collect any commission.*

\*Art Hilliard is the Principal at AJHilliard Company assisting banks, credit unions, and mortgage companies with mortgage advisory and asset sales and acquisitions.

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