



Custom analytics. Strategic modeling and validation.
Personal, dedicated support.

VALUE PROPOSITION

Recent regulatory changes have placed Asset Liability Management (ALM) programs, particularly interest rate risk (IRR), in the spotlight. As a result, more credit unions find themselves asking: How would a change in the interest rate environment impact our credit union? Would such a change cause our credit union to incur losses or create unnecessary risk exposure? How does our credit union create a comprehensive and effective asset liability management program that accurately measures our interest rate risks?

Accolade has been helping credit unions realize the answers to questions like these for the effective management of asset liability programs and IRR since 2007. And, we are here to help your credit union, too. Our IRR Analysis, Model Validation and CUAnalytics services offer credit unions guidance on their Asset Liability Committee (ALCO) process and provide credit unions with model review and/or independent model validation of their ALM programs.

IRR ANALYSIS

Accolade can assist your credit union in developing a sound ALM program that will enable you to maximize your financial performance while managing your IRR. Through our IRR Analysis, we provide custom analysis, reporting and tools for strategic insight, empowering your credit union to effectively manage its ALM program and meet newly instituted regulatory requirements with limited demands on your time.

With Accolade IRR Analysis, your credit union can:

- ❖ Get up and running quickly. Our services are customized, yet efficient.
- ❖ Meet its regulatory requirements for ALM with accurate and detailed NEV, NII and GAP reports that meet the regulatory needs for credit unions.
- ❖ Be assured of model efficacy and accuracy, as we value transparency. Your credit union will always be able to question, know and understand model assumptions and report analyses.
- ❖ Confidently work with examiners and/or your board and ALCO.
- ❖ Realize the value of maintaining a sound ALM program through a strengthened financial posture and a strategic vision for the future.

MODEL VALIDATION

Whether your regulator has made a request or your credit union is undergoing a self review, Accolade Model Validation can help your credit union mitigate its risk effectively through governance reviews and/or model validation. Our Model Validation is broken into three tiers to assist your credit union with whatever stage of validation it may need.

DID YOU KNOW?

In 2012, the National Credit Union Administration (NCUA) issued its final rule requiring federally insured credit unions of certain asset sizes to develop, adopt and implement an IRR management policy as a part of their asset liability management responsibilities. At Accolade we believe IRR management is critical regardless of the size of the institution. We are here to help whether your credit union is small, mid-sized or large.

ABOUT ACCOLADE

Accolade, founded in 2007, is a wholly owned credit union service organization (CUSO) of Corporate One Federal Credit Union, offering guidance and support through our Asset Liability Management (ALM), Investment, Strategic and Loan Advisories to credit unions nationwide.

Leveraging our core competencies in these areas, Accolade helps credit unions with varying balance sheet complexities optimize their financial performance while mitigating and managing any associated risks. Our services are turnkey and competitive with our expert team serving as an extension of your credit union's staff.

GETTING STARTED

Getting started is easy.
Contact us at 614-816-2688.

[Read more](#) ▶

- ❖ **Tier 1 – Governance Review:** Accolade Model Validation will review your credit union’s ALCO process—its policies, agenda and committee composition—to ensure your credit union is meeting ALCO best practices.
- ❖ **Tier 2 – Model Review:** In addition to reviewing model outputs, we use individual record level data and sample testing to develop recommendations based on our 24 aspects of modeling.
- ❖ **Tier 3 – Independent Model Validation:** Tier 3 goes beyond sample testing. We leverage our expertise to ensure your data is accurate and calculated properly and the processes from data entry to report generation meet regulatory requirements. We take your credit union’s balance sheet information and build our own model(s), conducting parallel testing to see how the models compare.

CUANALYTICS

The key to making sound strategic decisions lies in having the correct information on which to base those decisions. Does your credit union have a convenient place to pull your financial ratios? What about those of a key credit union peer and/or peer group(s)? Do you have the ability to evaluate what your credit union would look like after you merged with another institution? CUAnalytics enables your credit union to gather such information conveniently and cost effectively via a software-free, web-based interface. Monitor changes in your balance sheet, review peer comparison data, or see how your credit union is performing overall with CUAnalytics.

CUAnalytics automatically pulls in a credit union’s 5300 data on a quarterly basis and gives credit unions the ability to enter additional information into the program, such as general cash flow data. From there, customized reports are ready to be generated and reviewed. The four CUAnalytics reporting elements include:

- ❖ **Estimated Capital Adequacy, Asset Quality and Earnings (CAE) Report:** This report provides the calculated scores for Capital Adequacy, Asset Quality and Earnings (CAE), using NCUA’s most recent CAMEL parameters. The report compares the credit union’s ratios and scores to those of its peer group and provides an easy-to-read display of the CAE components and overall score.
- ❖ **Trends Report:** This report contains financial trends for the previous two years and includes quarterly peer comparisons. Coupled with detailed charts, this report allows credit unions and their boards to quickly identify positive and negative trends and develop plans accordingly.
- ❖ **Profitability Report:** This report presents a credit union’s income statement as a percent of average assets for the previous calendar year and the current year to date. Its easy-to-read format displays the credit union’s average balance sheet and income statement data.
- ❖ **GAP Report:** This report provides a time-weighted GAP analysis that takes into account the timing of the differences between rate-sensitive assets and rate-sensitive liabilities. The report also provides a “market-sensitive,” time-weighted GAP analysis to more closely estimate the degree of IRR presented by the credit union’s GAP position. Most importantly, the GAP report provides rate-shock profitability impact analysis accompanied by easy-to-read charts.

