

XMI LAUNCHES WORLD CLASS ASSET & LIABILITY MANAGEMENT SOFTWARE SOLUTION

Following extensive market research, and development with our international client base, we are delighted to announce the launch of XMI-ALMIS, an integrated Asset & Liability Management (ALM) software solution. The system delivers a powerful set of management information tools to support institutions with the complex challenges associated with ALM.

XMI-ALMIS is a potent resource for the balance sheet manager, providing a detailed understanding of the dynamics of today's book, and helping to improve tomorrow's balance sheet and pricing decisions.

The unique features of XMI-ALMIS:

- Dedicated decision-making tool, providing all relevant information and financial modelling
- Highly cost effective for any size of institution
- Multi-user access to current data as a standard feature
- User-defined reporting output
- Reduces the burden associated with regulatory reporting
- Automated interface with core banking and other systems (APIs)
- Utilises a Windows operating environment - therefore easy to implement and operate
- Tailored implementation package managed by XMI's ALM specialists
- Includes an excellent IAS 39 hedge accounting solution

A World Standard in Asset & Liability Management

From our work with banks and financial institutions around the

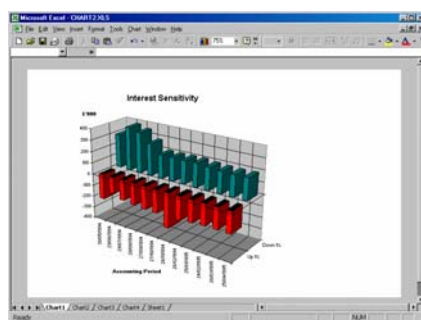
world, it has become clear that perhaps the biggest single challenge is to transform raw data into meaningful information that can be acted upon by management.

Regardless of the complexity or balance sheet composition of your organisation, XMI-ALMIS can help you to meet this challenge.

Financial managers need powerful information resources to fully understand the dynamics of the balance sheet and to make effective decisions which will have a positive impact on the bottom-line.

XMI-ALMIS has been developed as a dedicated decision support tool. It provides all of the necessary information and financial modelling resources to enable an organisation to make informed and timely decisions that affect its business.

The system provides the framework to test countless interest rate scenarios and strategy combinations, manage plans and margin variance and assess performance levels.



Sample screenshot

Key functions

The key functions of XMI-ALMIS include:

- Asset & Liability Management
- Market Risk Management
- Financial Planning & Stress Testing
- Margin variance modelling

The system delivers the following functionality:

Balance Sheet & Margin Reporting – integrated, timely and detailed information relating to the existing balance sheet and profitability.



Product Titles	Total bps	Rate bps	Mix bps	Volume bps
ASSETS:				
Liquidity	4.79	22.00	0.00	-17.21
Fixed Rate Mortgages	-0.46	0.00	-0.46	0.00
Capped Mortgages	-0.41	0.00	-0.41	0.00
Discounted Mortgages	-0.23	0.00	-0.23	0.00
Variable Mortgages	-3.33	0.00	-3.33	0.00
Tracker Mortgages	-0.57	0.00	-0.57	0.00
Loans/Prepays	0.00	0.00	0.00	0.00
Fossil/Other Assets	0.00	0.00	0.00	0.00
Total Assets	-0.82	-0.00	-5.30	05.56
LIABILITIES:				
Advanced Savings	-3.77	0.00	-3.77	0.00
Tracker Savings	-0.53	0.00	-0.53	0.00
Fixed Rate Savings	-0.90	0.00	-0.90	0.00
Treasury Funding	-6.90	-7.00	0.07	11.82
Other Liabilities	0.00	0.00	0.00	0.00
Taxation	0.00	0.00	0.00	0.00
General Reserves	0.00	0.00	0.00	0.00
Total Liabilities	1.12	70.90	-3.70	-65.00
HEDGES:				
Swaps Receivable	-1.82	0.00	-1.82	0.00
Swaps Payable	-1.83	0.00	-1.83	0.00
Forward Commitments	-0.02	0.00	-0.02	0.00
Total Hedges	-0.01	0.00	-1.84	1.83
Net Margin:	-1.95	-152.90	-3.44	154.39

Sample screenshot

Risk Reporting - a comprehensive series of liquidity and market risk reports and charts, analysing the risks to changing interest rates and exchange rates. Market forecasts can be user defined or linked to forward yield curves. These outputs comply with the reporting requirements of the main banking regulatory bodies.

Balance Sheet & Income Planning & Budgeting - advanced functionality to develop detailed forward projections, balance sheet and income plans. The system can be used to develop plans and also to compare plan with actual.

Scenario Modelling - a wide range of market forecasts, business scenarios and stochastic modelling, delivering fast and friendly analytical power to aid complex strategic and tactical business decisions. Included are market value sensitivities, income and balance sheet simulations and committed/forward-looking earnings sensitivities.

Regulatory Reporting – XMI-ALMIS eases the burden of effort and costs related to changes in regulatory reporting requirements by helping to facilitate tailored outputs (e.g. FSA 017, 047 & 048 & FSA Basis Risk Return).

IAS 39

XMI-ALMIS is a powerful IAS 39 hedge accounting solution. The system eliminates both the accounting volatility and administration associated with standard accounting. Effectiveness tests, hedge allocation reports and journals provide a fully integrated solution, including:

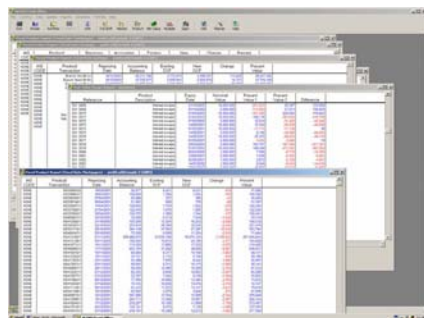
- Hedge Effectiveness Testing
- Best Fit Hedge Allocation
- Fair Value Calculations
- Macro or Micro
- Fair Value & Cash Flow

Since going live on portfolio hedge accounting the system is accounting for £158bn of derivative positions in nine financial institutions and has been audited by three of the big four audit firms.

Modular Delivery

The product can be tailored to suit a variety of banking institutions, including commercial banks, investment banks, savings and loans institutions, finance houses, leasing companies, building societies and housing banks.

XMI-ALMIS has two main modules, one covering data integration, data management and summary calculations, and the other providing high-end information and modelling resources for management, ALCO and the Board. The product can be configured and installed to precisely match a client's requirements.

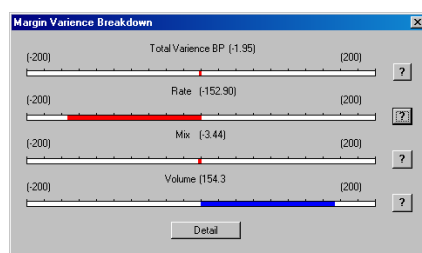


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XMI-ALMIS

Business Features

- Income Planning
- Margin Variance Analysis
- Balance Sheet Planning
- Balance Sheet Analysis
- Liquidity Stress
- Periodic & Cumulative Gap
- Re-Pricing & Maturity Gap
- Duration Analysis
- Fair Value / Pricing
- Break-even Yield Analysis
- Earnings Sensitivity
- Product Sensitivity
- IAS 39 Hedge Accounting
- Market (Basis Risk) Sensitivity
- Market Value Sensitivity
- Pre-Payment Modeling
- Value at Risk
- Monte Carlo Simulation
- Comparative Scenarios
- Comparative Reporting
- Counterparty Risk



Sample screenshot

XMI-ALMIS

System Features

- For Microsoft Windows NT 2000, 2003, 2008, XP, VISTA, Windows 7
- Dynamic Time Periods (no restrictions)
- Multi Portfolio Analysis (no limit)
- Open Database Connectivity (ODBC)
- Replaceable Database Drivers (RDD)
- Customised Data Integration
- Object Linking & Embedding (OLE 2.0)
- Dynamic Data Exchange (DDE)
- SQL data file access
- Encrypted Passwords & System Logs

XMI would be delighted to discuss the challenges of ALM with clients and provide an onsite demonstration of the system and its full capabilities. Further information is available on our website.



Recent Projects

Treasury Risk Review Bank, Gulf Region

Risk assessment and review of the bank's front, middle and back office treasury activities and technology systems - with recommendations on the implementation of improvements to the bank's treasury business and operating model.

Investment Portfolio Review Bank, Far East

Review of the fixed interest investment portfolio, providing advice on a limit allocation framework and the most appropriate control mechanisms.

New ALM/ALCO process UK, Financial Institution

Assisted a UK financial institution to introduce a new ALM/ALCO process. This involved the development of an appropriate ALM structure and comprehensive ALCO pack and reporting format.

About XMI

XMI is a results-driven Treasury and Capital Markets consultancy which helps financial institutions and others to reduce risk and attain maximum value from their Treasury front, middle and back offices. Founded by business practitioners, XMI offers a depth, breadth and reach of knowledge and experience that is unsurpassed in the Treasury sphere.

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