

Director Dashboard

strategic directions, risk exposures, performances

National Bank

As of date : March, 2020
Previous Cycle :December, 2019

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DASHBOARD REVIEW

BANK'S PERFORMANCES: Are we trending toward our targets?

BUSINESS LINES: Are the growth and rate trends on track?

VARIANCE ANALYSIS: Can large variances between actual and projected values be explained?

INTEREST RATE RISK: PASS or FAIL against the policy limits? If FAIL, what are the actions?

CREDIT RISK: Do we have enough loss reserve?

LIQUIDITY RISK: Is there enough liquidity to cover stress scenarios?

DEPOSIT RATE REPRICING: Is the offer rate setting plan reasonable?

SOURCES and USES of FUNDS: Any plans for expected and unexpected inflow and outflow of funds?

BUSINESS LINES	Size (\$000)	Rate	Dur.	Prev Cycle Size (\$000)	Prev Cycle Rate	Prev Cycle Dur
Total Assets	318,492↑	3.20↓	1.83↓	311,233	3.44	2.14
Cash & Short Term	32,983↓	0.05↓	0.04↓	41,283	1.31	0.07
Investments	110,221↑	1.74↓	2.17↑	92,485	2.01	1.79
Loans	160,634↓	5.15↑	2.10↓	162,423	5.12	2.98
Real Estate	141,479↓	5.08↑	2.01↓	143,246	4.91	2.95
Non Real Estate	19,155↓	5.63↓	2.78↓	19,177	6.72	3.23
Total Liabilities	290,340↑	0.14↑	2.09↓	284,622	0.12	2.21
Deposits	285,203↑	0.15↑	2.13↓	279,593	0.12	2.25
Non Maturity Dep	251,921↑	0.05↑	2.17↓	245,926	0.05	2.32
Time Dep	33,282↓	0.87↑	1.87↑	33,667	0.65	1.75
Borrowings		0.00	0.00		0.00	0.00

BANK PERFORMANCE (projection)	Current	Prev Cycle	Chg from Prev Cycle
EVE ratio(%)	13.19↓	13.88↓	-0.69
Duration	0.11↓	1.73↓	-1.62
% EVE chg up 400	-6.46↑	-11.24↑	4.78
% NII chg up 400	29.36↑	25.08↑	4.28
CECL(\$000)	1,440↓	1,595↓	-155
Margin(%)	3.09↓	3.45↓	-0.36
NII(\$000)	9,409↓	10,259↓	-849
Earnings(\$000)	1,255↓	1,659↓	-404
ROE(%)	2.86↓	3.73↓	-0.87

Earnings-at-Risk (EaR) NII: 9,409 12 months horizon	Rate Shock	% Chg in NII	Policy Limits	Status
	400	29.36%		
	300	22.43%		
	200	15.40%		
	100	8.15%		
	Base	N/A		
	-100	-3.62%		
	-200	-3.56%		
	-300			
	Flattener	13.43%		

Earnings-at-Risk (EaR) NII: 18,349 24 months horizon	Rate Shock	% Chg in NII	Policy Limits	Status
	400	40.98%		
	300	31.52%		
	200	21.59%		
	100	11.31%		
	Base	N/A		
	-100	-6.34%		
	-200	-6.32%		
	-300			
	Flattener	15.86%		

3m variance of Income (\$000)	Actual(CALL)	Prev cycle projection	Variance (%)
asset interest	2,741	2,714	-0.97
loan interest	2,071	2,073	0.08
investment interest	481	483	0.50
others	189	158	-16.30
liability cost	105	93	-11.01
deposits	105	93	-11.01
borrowings	0	0	
others	0	0	
net interest income	2,636	2,621	-0.57
net non-interest cost	1,974	2,069	4.79
non-interest income	725	687	-5.28
non-interest expense	2,699	2,755	2.08
loss provision	0	0	
tax	113	91	-19.87
net income	549	462	-15.88

EVE at Risk EVE: 43,869 Duration:0.11	Rate Shock	% Chg in EVE	Policy Limits	Status	Offer Rate Change (12mo)	1y Up Beta (%)	1y Down Beta(%)	Annual Decay Rate(%)
	400	-6.46%			Non-Interest	0.00	0.00	30.36
	300	-4.19%			Trans. Account	8.35	11.46	17.34
	200	-2.34%			MMDA	18.47	4.18	33.15
	100	-1.05%			Passbook Account	2.35	7.00	20.26
	Base	N/A						
	-100	-5.75%						
	-200	-5.34%						
	-300							
Flattener	-0.80%							

Uses and Sources of Funds(\$000)	1mo	2mo	3mo	4mo	5mo	6mo
Cash	32,983	33,118	33,240	33,356	33,464	33,566
Investment Maturities	10,017	7,769	6,804	5,425	2,578	2,436
Loans Reductions	3,615	3,575	3,577	3,720	3,745	3,631
Borrowing Growth	-	-	-	-	-	-
Deposit Growth	8,697	8,645	8,164	7,998	7,319	7,184
Change in Equity	135	123	116	108	102	99
Other Sources	0	0	0	0	0	0
Total Sources of Funds	55,446	53,229	51,901	50,607	47,208	46,916
Investment Purchases	10,017	7,769	6,804	5,425	2,579	2,438
Loan Growth/Funded Commitments	3,649	3,610	3,613	3,757	3,783	3,672
Borrowing Reduction	-	-	-	-	-	-
Deposit Reduction	8,697	8,645	8,164	7,998	7,319	7,184
Adjustment for Accounting	-34	-35	-36	-37	-39	-42
Other Uses	0	0	0	0	0	0
Total Uses of Funds	22,329	19,989	18,545	17,143	13,642	13,251
LCR(Liquidity Coverage Ratio,%)	2.48	2.66	2.80	2.95	3.46	3.54

LOAN CREDIT RISK	Size (\$000)	Rate (%)	CECL (%)	PD (%)	LGD (%)	LTV Dur	Credit Score / DSR Dur
Loans	160,634	5.15	0.90	1.18	25.74	-1.41	3.56
Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper)	6,198	6.20	2.83	2.36	65.69	-0.81	8.27
Loans secured by real estate	141,479	5.08	0.77	1.08	22.75	-1.16	3.57

Notes

This Director's Dashboard Report summarizes all the key risk measures that enable senior management to discuss strategic and tactical actions. Note:

- Performance summary is based on economic values and projected earnings. These are forward looking performance measures assuming outstanding balances remain constant.
- The product growth shows the changes on the balance sheet and the impact on the balance sheet exposures.

- The risk exposure table ensures that the risk exposures are appropriate using the policy limits as benchmarks.
- Variance analysis table presents the differences between the projected values from the previous cycle risk reports and the actual realized measures from the CALL report. The results are also called “recurring backtesting”.
- Since the beta of the offer rates are management strategies, the table can assist you in your discussion about offer rate strategies.
- Liquidity coverage ratio allows you to project the cash inflows and outflows each month, ensuring that there is enough cash to cover funds outflows. The cash flows are projected taking prepayments of assets, beta and decay of deposit accounts into account. The rows indicating "reduction" estimate the required monthly refinancing and re-investing.
- Loan Credit Risk table presents the outstanding loan CECL values and their exposure to changes in repay capacity of the borrower and underlying collateral values.

Glossary

Assets	economic assets value
EVE Ratio(%)	economic value of equity to economic value of assets
Duration	% change of EVE to 100bpt interest rate shocks
NII	projected 12 months net interest income
Earnings	projected quarterly net income after loss provision and tax
Short Term/Asset(%)	cash & cash equivalent/ total assets
Yield Curve	treasury spot yield curve
Earning Asset Yield	interest income divided by average earning assets(annualized)
Cost of Funds	interest cost divided by average liabilities (annualized)
Margin	Margin = (Interest income-Interest expense)/Average earning assets
Return on Average Assets	NI / total asset (annualized)
Efficiency Ratio	total overhead expense expressed as a percentage of net interest income plus noninterest income
PD	probability of default
LGD	loss given default
LTV Duration	% change in value for 10% shift in LTV
Credit Score/DSR	FICO duration is % change with 20 shift; DSCR duration is % change with 10% DSCR shock
CECL	value of the unrecovered default during the life time.
CECL(%)	% value of the unrecovered default during the life time.

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