

Asset and liability management (ALM)



Manage balance-sheet risk effectively and maximize profitability

In today's volatile lending landscape, consumer and institutional lenders face a myriad of challenges when it comes to asset and liability management (ALM). With interest rate volatility nearing historic highs, yield curve inversions, evolving regulations, and shifts in the bond markets, gaining a single, accurate view of your balance sheet and exposures has never been more critical.

Furthermore, with more than 70% of the net increase of financial funds flowing toward non-banking financial institutions in the last decade, managing ALM effectively is crucial for banks given this shift. To stay ahead, you need a way to connect both sides of your balance sheet — your assets and liabilities — to make faster, informed, high-value decisions.

There's a better way to plan

Better manage your balance sheet, enhance profitability, and pinpoint risk exposures with the Anaplan Connected Planning platform. Connect receivables to liabilities to enable a real-time view of your balance sheet, perform advanced "what-if" scenario modeling and stress testing to enable better decision-making, and balance risk effectively so you can maximize profitability.



Key benefits

- **Unify your data.** Unlock a single, accurate, granular view of your balance sheet and risk on both a local and global level across various lines of business and products.
- **Perform advanced "what-if" scenario modeling and stress testing.** Plan in real-time and test various scenarios based on market, business, and economic assumptions to better assess the impact on net interest income (NII) and overall profitability to determine your best path forward.
- **Make faster, more informed decisions.** Understand profitability at a granular product and customer level and enable more strategic decisions around new products and markets to accelerate growth.

CUSTOMER STORY

Large U.S. financial services company

A large financial services company with \$150 billion in assets looked to Anaplan to optimize their global reporting and asset and liability management.

Challenges:

- **Siloed data and disparate systems** made it difficult to gain a holistic view of their balance sheet.
- **Reliance on manual processes** for data entry, consolidation, and reporting led to inefficiencies and delays when planning.
- **Lack of real-time visibility into key metrics** limited their ability to quickly respond to changing market conditions (e.g., volatile interest rate changes) and make agile, informed decisions.

Results:

Using Anaplan, the company was able to:

- **Identify \$350 million of value within their first month** by optimizing their hedging strategy.
- **Align their ALM to their general ledger (GL).**
- **Rapidly model NII scenario analysis**, allowing them to increase agility and reduce risk in the face of changing market conditions.
- **Prepare MI reports for their trade plan, NII scenario, and liquidity profiles with one click.**

Solution details

Advanced scenario modeling and stress testing

- Model multiple scenarios in real time and stress test interest rates, customer behavior, debt pricing, FTP allocations, contract volumes, and more.
- Identify mismatched asset and liability durations and implement more efficient, high-value trading strategies to maximize profitability.
- Model and stress test new products or different pricing strategies to determine the best path forward and accelerate time to market.
- Continuously ingest large amounts of financial and operational data across multiple dimensions to forecast possible outcomes and navigate uncertainty.

Enhanced balance sheet risk management

- Improve enterprise-wide visibility into critical metrics and their projections, including interest rate exposure, FX exposure, borrowing composition/costs, receivables run-off and more.
- Integrate with other treasury management or Anaplan systems for connected modeling of debt and liquidity.

- Identify funding gaps, plan trades, better manage risks, and run alternative scenarios for financing cash deficits or more effectively deploying cash surpluses.
- Plan trades more efficiently and effectively and ensure pricing is matched to funding costs.

Seamless data integration

- Integrate with any upstream or downstream system using pre-built connectors or self-service import and export.
- Rely on audit history to monitor model changes and activity.
- Illuminate blind spots and uncover new growth opportunities by incorporating assumptions and internal and external factors.

Real-time reporting

- Quickly refresh and share highly formatted reports for boardroom decision-making.
- Utilize integrations with Microsoft Office, Tableau, and Power BI to increase productivity and efficiency.
- Support self-service reporting and visualization with drill down into dimensionally-rich data for analysis and plan detail and assumptions.

The Anaplan platform offers

- **“What if” scenario and multi-dimensional modeling**, powered by our patented Hyperblock® calculation engine, producing ultra-fast calculations at unprecedented scale. With Anaplan, you can **run millions of scenarios** to ensure optimal capital allocation, allowing you to effectively **manage risk and maximize growth** simultaneously.
- **Built-in dashboards, reporting, and analytics** with data visualization providing a **single source of truth** on business performance.
- **Collaborative and agile planning** across finance, operations, HR, sales, marketing, and other business units.
- Best-in-class **security and compliance** with role-based access control, user management, SSO support with SAML 2.0 compliance, and data encryption.
- **A highly extensible ecosystem** — collect and analyze data in a single location using APIs, ETL connectors, and built-in integrations with other solutions.

About Anaplan

Anaplan is the only scenario planning and analysis platform designed to optimize decision-making in today's complex business environment so that enterprises can outpace their competition and the market. By building connections and collaboration across organizational silos, our platform intelligently surfaces key insights — so businesses can make the right decisions, right now.

More than 2,500 of the world's best brands continually optimize their decision-making by planning with Anaplan.

To learn more, visit www.anaplan.com

