



# Global Bank Solutions

*"Serving the Needs of Financial Institutions Worldwide"*

## ***INTEREST RATE RISK***

**Interest Rate Risk (IRR) is one of the components of risk in the "S" component - Sensitivity to Market Risk - of the Uniform Financial Institutions Ratings System (UFIRS) used in Safety & Soundness Examinations. Financial institutions are required to stress test assets and liabilities by modeling interest rate changes over time, so as to determine how interest rate changes might affect earnings and equity.**

### **IRR SERVICES INCLUDE:**

- ***GAP/CUMULATIVE GAP ANALYSES (RATE SENSITIVE ASSETS/LIABILITIES)***
- ***INCOME SIMULATION (TO DETERMINE IMPACT OF RATE CHANGES ON INCOME)***
- ***ECONOMIC VALUE OF EQUITY (EVE) - TO DETERMINE IMPACT OF RATE CHANGES ON AN INSTITUTION'S EQUITY***
- ***USE OF +/- 100-400 BPS INTEREST RATE CHANGES***
- ***USE OF SHOCKS & RAMPS OVER A 2 YEAR PERIOD***
- ***INDEPENDENT VALIDATION OF MODEL ASSUMPTIONS/INPUTS/OUTPUTS***

### **IRR ACHIEVEMENTS:**

- ***QUARTERLY IRR ANALYSES AND REPORTS FOR SEVERAL BANKS***
- ***ANALYSES OF DEPOSIT RUN-OFF RATES FOR SEVERAL BANKS***
- ***DEVELOPMENT OF IRR POLICIES/PROCEDURES FOR SEVERAL BANKS***
- ***ADJUSTMENTS OF DEPOSIT/LENDING STRATEGIES FOR SEVERAL BANKS***
- ***INDEPENDENT REVIEW OF ASSUMPTIONS/INPUTS/OUTPUTS FOR SEVERAL BANKS***

**Our IRR Services are affordable, comprehensive and tailored to meet regulatory requirements. Reach out today for a free consultation !**

**NEW YORK | MIAMI | CHICAGO | DALLAS | PHOENIX | SAN FRANCISCO**

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