



## LIQUIDITY CONTINGENCY PLANNING ASSISTANCE

As we face abrupt changes in the strategic focus, taking the time to diagnose strengths and weaknesses and to plan ahead is a worthwhile exercise. Young & Associates, Inc. can assist you in every step of the planning process and generating valuable support information for your strategic decision making:

- ✓ Assess the range of possible outcomes of contemplated business strategies
- ✓ Line up contingency funding plans and position your bank for new opportunities
- ✓ Ensure regulatory compliance and adequacy of your risk management practices

### **Streamline your planning with our liquidity cash flow forecasting and stress testing tools**

Our dynamic Microsoft Excel® tool is designed to assist in performing quantitative liquidity assessments as required by the latest regulatory guidance. It includes a base case cash flow forecast and multiple stress scenarios covering a 12-month horizon and allows for easy what-if modifications to the base case assumptions to monitor the impact on primary and contingent liquidity. The liquidity stress testing can be performed by using a combination of stress constraints in short-term or prolonged stress events. The model also calculates liquidity coverage ratios and other liquidity metrics. Over the years, our methodology passed through a number of regulatory exams at our client banks.

### **Get expert guidance in developing new or enhancing existing liquidity programs and contingency funding plans**

We can help you define general liquidity strategies, policies, and liquidity metrics that match your institution's business plan and risk profile. We can also assist in the process of developing procedures for addressing liquidity shortfalls in emergency situations. Our customized Contingency Funding Plan will identify potential stress events, define relevant early warning indicators and parameters for liquidity stress testing, identify alternative sources of funds and funding strategies, define lines of responsibility and communication, and establish a detailed Crisis Action Plan.

### **Get hands-on assistance with quantitative cash flow forecasts and stress testing**

We can assist in developing quantitative cash flow forecasts, measuring primary liquidity position and availability of contingent liquidity, as well as and performing various liquidity analyses and monitoring dynamic cash flow ratios and other liquidity metrics. We can also assist in performing Liquidity Stress Tests, including identification of various stress constraints, analysis of potential funding erosion in a stress situation, impact of stress on the availability of contingent funding, and the primary liquidity position of the institution.

### **Ensure regulatory compliance with independent reviews and audits of existing systems**

Young & Associates, Inc. can assist in assessing the adequacy of the bank's internal control systems, the accuracy and completeness of the data inputs, the reasonableness of scenarios and assumptions used in the risk measurement system, as well as the model validation and back-testing. Our comprehensive review reports describe the finding and provide specific suggestions for improving the quality of the bank's risk management systems.

**For more information**, contact Martina Dowidchuk at [mdowidchuk@younginc.com](mailto:mdowidchuk@younginc.com) or 330.422.3449.