

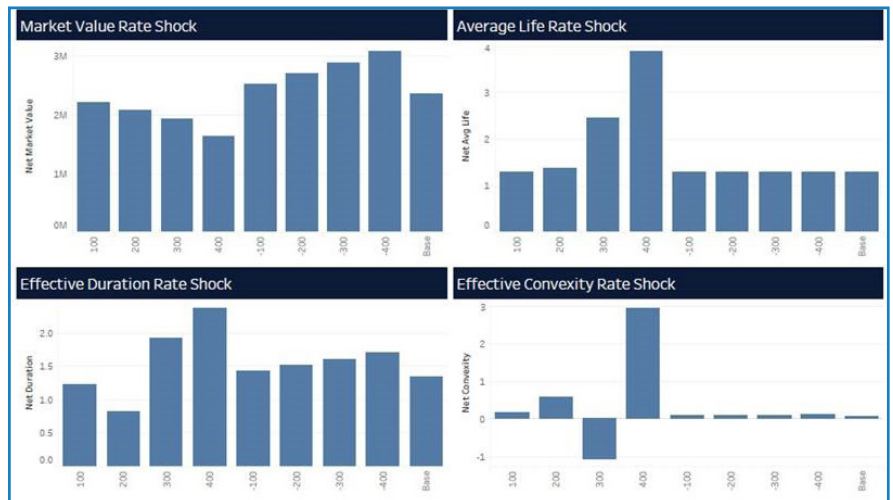
ZXBondSwap

ZERO-IN ON OPTIMAL INVESTMENT AND FUNDING DECISIONS

HARNESS THE POWER OF BLOOMBERG AND EXCEL to assess the impact of strategies on your institution's income and risk profile.

ZXBondSwap™ from ZM Financial Systems (ZMFS) is an easy-to-use yet powerful analytical tool for analyzing security trades and loan funding/leverage decisions. ZXBondSwap connects directly into your existing Bloomberg data¹, allowing you to load and refresh both market data and securities attributes instantly. You can utilize ZXBondSwap to:

- Analyze securities and portfolios from both value and income perspectives
- Load market and securities details instantly using our Bloomberg linkages
- Calculate a wide variety of value and risk measures to assess purchase and sell decisions
- Analyze almost any type of loan structure against a wide combination of funding vehicles



Insightful Analysis

Create risk management reports and generate investment ideas. With ZXBondSwap, reporting is easy! All outputs are exported directly to Microsoft Excel or in PDF form. Reports include both summary and detailed information – giving you an easy way to review, send and share information with others. Custom reports can also be designed using Tableau, delivering very polished reporting packages that can be generated in seconds. Reports include, but are not limited to:

- BondSwap Output
 - Market and accrued gain or loss
 - Impact on OAS
 - Impact on book and market yield
 - Impact on duration and convexity
 - Income and balance projection by security
 - Yield projection by security
 - Cash flow projection by security
 - Horizon market value by security
 - Break-even analysis
 - Total return analysis

Bond Swap Report																
Net - Summary																
	Market Value	Accrued	Total	OAS	MktYld	BookYld	YTWBkTE	Dur	Cnvx	Scenario	Net Income After Tax					
Buys	25,017,410	36,592	25,054,002	40.8	2.47	3.51	0.00	4.88	0.02	-100+0	Year 1	Total	%Chg	Breakeven(mos)		
Sells	24,581,778	16,321	24,598,099	30.0	2.64	2.65	0.00	6.04	0.39	Base	175,255	175,255	0.00%	2		
Net Dollars	435,632	20,271	455,903	10.8	(0.16)	0.86	0.00	(1.16)	(0.37)	100+0	175,255	175,255	0.00%	2		
Buy																
CUSIP	ID	OrigPar	Factor	CPar	Settle	OAS	MktYld	BookYld	YTWBkTE	WAL	Dur	Cnvx	Book Price	Book Val	Mkt Price	Mkt Val
048352EQ7	048352EQ7	500,000	1	500,000	05/31/2012	134.4	4.23	4.10	12.32	8.76	8.76	(0.92)	100.00	500,000	98.79	493,935
194304A10	194304A10	755,000	1	755,000	05/31/2012	343.2	6.23	7.00	11.62	6.13	6.13	(4.42)	100.00	755,000	106.30	802,554

¹Requires Bloomberg license and authorization from Bloomberg for approved usage.

- Risk Management Output
 - Market vs. Book Gain or Loss
 - Price and value shocks/stresses
 - OAS and options cost
 - Average life, duration
 - Effective Duration / convexity
 - Modified duration and prepay stresses
 - Market Value change in scenarios
 - Forward market change in scenarios
 - Earnings change in scenarios
 - Other assumption stress tests
 - Sector analysis
 - Repricing sensitivity
 - Cash flow sensitivity

	A	B	C	D	E	F	G	H
6								
7				EV Sensitivity - Securities				
8		-100+0	Base	100+0	200+0	300+0		
8	EV Securities (Include HTM)	189,529	184,893	181,802	179,643	176,889		
9	Less: Unrealized G/L on HTM	-	-	-	-	-		
10	Securities (Book Value)	189,529	184,893	181,802	179,643	176,889		
11	Unrealized G/L on AFS	1,148	(3,489)	(6,580)	(8,738)	(11,492)		
12								
13	EV Sensitivity	2.5%	-	(1.7%)	(2.8%)	(4.3%)		
14	Average Life (years)	10.49	10.74	10.74	10.74	10.74		
15	Effective Duration	2.749	2.116	1.231	1.263	1.915		
16	Effective Convexity	(0.400)	(0.208)	0.537	(0.515)	(1.342)		
17								
18				Market Risk Snapshot - Securities (Base)				
19		Economic	Unrealized	AvgLife	Book Yield	Effective	Effective	Effective
20	Sector	Value	Gain/Loss	(Years)	(%)	Duration	Convexity	PV01 (in \$)
21	Agency Notes/Bonds - FR	32,684	(4,599)	1.77	1.57	1.287	(7.842)	4,231
22	CMOs - Fixed Rate	21,803	622	3.14	4.16	2.903	0.126	6,352
23	CMOs - Variable Rate	130,405	489	14.55	2.33	2.193	1.661	28,603
24	Total	184,893	(3,489)	10.74	2.39	2.116	(0.208)	39,186
25								
26				Repricing/Maturity Profile - Securities				
27		Repricing (Notional)			Maturity (Notional)			
28				Cumulative		Cumulative		
29	Base Scenario	Amount	% Total	% Total	Amount	% Total	% Total	% AFS
30	Within 1 Year	143,545	78.5%	78.5%	16,683	9.1%	9.1%	100.0%
31	After 1 Yr/Within 2 Yrs	8,903	4.9%	83.4%	12,000	6.6%	15.7%	100.0%
32	After 2 Yr/Within 3 Yrs	10,914	6.0%	89.3%	14,161	7.7%	23.4%	100.0%
33	After 3 Yr/Within 5 Yrs	15,826	8.7%	98.0%	22,802	12.5%	35.9%	100.0%
34	After 5 Yr/Within 10 Yrs	3,702	2.0%	100.0%	24,348	13.3%	49.2%	100.0%
35	Beyond 10 Years	-	-	100.0%	92,897	50.8%	100.0%	100.0%
36	Total	182,890	100.0%	100.0%	182,890	100.0%	100.0%	100.0%
37								

Start seeing the impact of strategies and make decisions easier for your financial institutions.

Contact us today to schedule a demonstration or contact us via:

Email: sales@zmfs.com

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About ZM Financial Systems

ZM Financial Systems brings practical solutions to complex financial problems, offering complete solutions in securities and fixed-income analytics, credit-adjusted ALM, liquidity, risk management, budgeting and funds transfer pricing. We also offer large bank solutions to meet the evolving regulatory risk reporting requirements. With roughly 2,000 institutions depending on ZMFS products/analytics to identify, measure and monitor risk and value in their balance sheets, we are one of the fastest growing financial software companies in the U.S. Founded in 2003, ZMFS is a privately-held corporation headquartered in Cary, N.C. In addition to the 25 percent of our staff who have PhD's in the advanced quantitative field, our development and product support teams all have experience in the finance arena. Because our teams continuously collaborate, we can quickly navigate complex solutions to complete client-requested enhancements in days or weeks, versus months or years. Delivering state-of-the-art risk/reward analysis tools, such as ZMdesk, OnlineALM.com™, OnlineBudgeting.zmfs.com™ and ZXBondSwap™, our clients are empowered to uncover hidden risk while maximizing performance; test lending, investment and funding strategies; and respond to various regulatory requirements while efficiently delivering actionable information.

