

WEB-BASED ALM FOR STRATEGIC RISK/SENSITIVITY MODELING

Unprecedented Ease-of-Use in Cloud-Based Environment

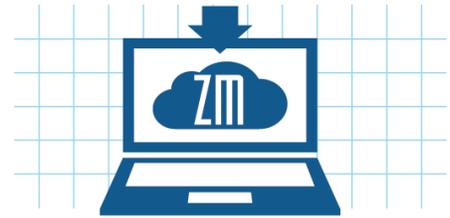
OnlineALM.com™ (OALM) from ZM Financial Systems (ZMFS) is a completely web-based asset-liability management solution designed to inform credit unions on the risk/reward trade-offs to balance sheet strategy selection. Using only a web browser and Excel, you can upload instrument data, set up assumptions, launch simulations and generate reports.

- No software to install, upgrade or have IT maintain
- Upload mapped data, set up simulation assumptions and process
- Hosted in a state-of-the-art SSAE 16-compliant data center
- Market rates, yield curves and residential mortgage prepayment models are maintained for you
- Instrument-level processing, prepayment modeling and stochastic valuation powered by ZMdesk™
- Unlimited scenarios, including shocks, ramps, twists and new volume strategies to facilitate what-if and stress testing
- Customizable chart of accounts and input assumptions to match your balance sheet profile

Instrument-Level Processing for Accuracy to Meet Regulations

OALM is your tool to deliver industry-leading risk measurement into the hands of decision-makers. The system processes at the instrument level, so detailed CUSIP attributes can be captured, including scenario-specific CMO cash flows when coupled with the optional Moody's library. Additional features to the system include a calibrated residential mortgage prepayment model and versatile scenario builder.

Using the cash flow and interest rate engines of our flagship software, ZMdesk™, OALM has the power and flexibility to help you meet various regulatory report requirements, such as the NCUA's NEV Supervisory Test. Credit Unions can assess their risk rating automatically with our latest report enhancement to view your book and economic values in Base and Up 300bp scenarios, then see these adjusted for a standardized 1 and 4 percent book value premium on non-maturity shares.

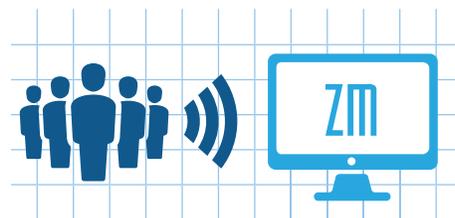


INTUITIVE INTERFACE

No software installation, no IT involvement

	Book Value	Economic Value	NCUA NEV Test	
	Base	Base	300+0	300+0
7 Asset				
8 Overnight Investment	32,000,000	32,000,000	32,000,000	32,000,000
9 Investments				
13 Investments (Total)	51,987,397	52,155,907	49,171,625	52,155,907
14 Loans				
20 Loans (Total)	66,799,546	71,254,742	66,982,725	71,254,742
21 Cash and Due From				
23 Cash and Due From (Total)	15,000,000	15,000,000	15,000,000	15,000,000
24 Other Assets				
30 Other Assets (Total)	18,090,610	13,019,924	11,740,132	13,019,924
31 Asset (Total)	183,877,553	183,430,574	174,894,482	183,430,574
32 Liability				
34 Overnight Borrowing				
35 Deposits				
38 Deposits (Total)	36,900,625	38,221,886	35,812,637	37,239,531
39 Borrowings				
42 Borrowings (Total)	11,307,190	11,756,147	11,959,445	11,959,445
43 Other Liabilities				
48 Other Liabilities (Total)	255,379	24,203	24,203	24,203
49 Liability (Total)	48,463,194	50,002,237	47,196,285	49,019,881
50				
51 Economic Value of Equity	135,414,359	133,428,337	127,698,197	134,410,692
52				
53 NEV Supervisory Test		Low		
54 Risk Level		72.80%		
55 Post-Shock NEV		5.28%		
56 NEV Sensitivity (%)				

Perform NCUA NEV stress test with ease



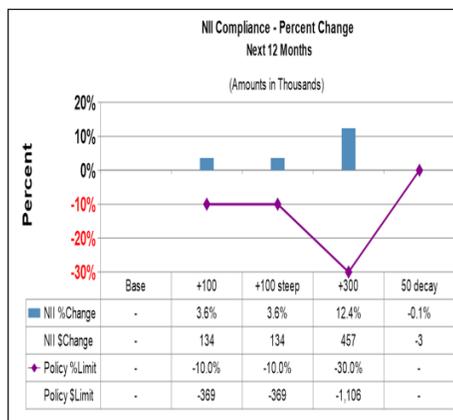
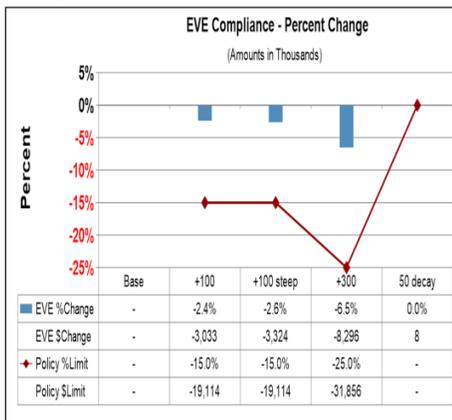
IMPROVE RETURNS

See the impact of various strategies on your institution's income and risk profile

Expand Your Capabilities

The list of corporate governance requirements for ALM has expanded in recent years. OALM helps you meet the demand for robust modeling, while remaining flexible and transparent. For example, the chart of accounts is fully customizable, and projection assumptions can take on a three-dimensional design. Other powerful features include:

- Credit default modeling to support allowance and CECL
- Option-adjusted valuation under term structure volatility
- Full support for alternative scenario shock/ramp/basis/twist yield curve modeling
- Ability to create multiple reinvestment instruments for earnings simulation
- Economic value and earnings simulation with capacity to stress test prepayment/decay volatility and OAS factors individually or in tandem
- Forward economic value horizon analysis
- Spread duration, key rate duration and economic value gap analysis



MSR Valuation

Mortgage servicing is a unique feature of OnlineALM because of the intricacies of correctly modeling servicing portfolios. Utilizing the same engine behind our industry-leading Asset/Liability Management system to process mortgage servicing rights and model income on balances held in escrow, clients are able to simultaneously run consistent assumptions for analyses while incorporating Mortgage Servicing Rights' (MSRs) income easily into forecasts and valuations. Users can create multiple tables for configuring valuation assumptions, which is ideal for institutions that hold varied vintages of servicing rights.

Start getting to personally know your credit union's risk.

Contact us today to schedule a demonstration via:

Email: sales@zmfs.com

Phone: 919.493.0029

Web: www.zmfs.com

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 1,500 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 and OnlineBondSwap.com™, 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.