



BEST PRACTICE: IMPLEMENTATION

\$8 BILLION BANK GAINS SPEED, PRECISION, AND EASE OF USE IN UPGRADE TO ONLINEALM

First Commonwealth Bank, headquartered in Indiana, Penn., recently upgraded from the in-house system they had been using for 30 years to ZM Financial Systems' (ZMFS) OnlineALM.com (OnlineALM). The previous system was well-ingrained into the risk and budgeting processes for the bank.

PROBLEM

The bank had grown significantly, so the sheer number of instruments being modeled and the scenarios desired by management were taking too long, creating bottlenecks in decision-making. Aside from typical risk and forecasting activities, numbers generated from the process were also key to the bank's highly evolved budgeting process. And, with the growth in size and products being offered to consumers, the level of detail required was maxing out the size of their existing model.

SOLUTION

First Commonwealth chose OnlineALM from ZMFS as their new asset/liability modeling solution.

"This solution offered more robust modeling features, and more precise results," states Tricia Baker, Senior Treasury Officer, First Commonwealth Bank. "OnlineALM also provides reporting that can be more standard from the model itself, versus us building our packet in Excel."

RESULTS

While the First Commonwealth team is still learning the features and enhancements OnlineALM offers, they are using several modeling aspects to complete tasks they could not perform before. Examples include:

- Cashflow analytics on investments
- Decay modeling on deposits
- Quick alternative scenario building
- Option-adjusted valuations for the bank's economic value of equity
- Solving for Option-Adjusted Spreads (OAS)
- Jumping back and forth between current and older timeframes to compare details

Baker continues, "The balancing feature has proven to be a significant time-saver since it is so easy to use and allows analysts to see all of the information in one place."

OnlineALM allows First Commonwealth to run simulations significantly faster than their old model – in just under 10 minutes. This allows more iterations to be compared and more questions to be answered. Because of OnlineALM’s “online” feature, analysts are able to use the model anywhere they have a secure connection to the Internet: at work or even from home. There is no software for the team or their IT department to maintain or hardware to install.

The bank converted to OnlineALM over a weekend, then began testing and reconciliation before converting into production. During the implementation process, the bank experienced some personnel issues and could not get through reconciling as quickly as expected. ZM was there to help.

“We reached out to ZM, and they provided us with consultants to get through the first reconciliation and assist with setting up the second,” comments Baker. “ZM also provided a lot of help and training along the way, which proved invaluable to our teams and First Commonwealth’s mission to ultimately provide resources that help improve the financial lives of our neighbors and their businesses.”

“We are very pleased with the ease of use of this model,” continues Baker. “It was quick to learn and we feel has many positives and has provided us the ability to make changes to processes that we did not have the choice for in our previous model. We are excited to learn more.”

LEARN MORE ABOUT OUR IMPLEMENTATION PROCESS

Contact us today: **Email:** sales@zmfs.com **Phone:** 919.493.0029 **Web:** www.zmfs.com [Schedule Demo](#)

ABOUT FIRST COMMONWEALTH BANK

Founded as a community bank in 1982, First Commonwealth Bank partners with its customers to help improve their financial lives. Headquartered in Indiana, Penn., First Commonwealth can be found in more than 22 counties throughout Western Pennsylvania and Central, Northern and Southern Ohio, including corporate banking centers in Pittsburgh, Pennsylvania and Cleveland and Columbus, Ohio plus mortgage loan offices in Wexford, Pennsylvania and Hudson and Dublin, Ohio. Visit www.fcbanking.com for more information.

ABOUT ZM FINANCIAL SYSTEMS

ZM Financial Systems believes financial institutions must have access to stronger analytics to perform confidently in an uncertain world. From securities and fixed-income analytics, credit-adjusted ALM and liquidity to risk management, budgeting and funds transfer pricing, our models allow you to analyze potential outcomes for many different scenarios...and sleep better at night knowing you have defensible decisions.

Founded in 2003 on the belief that institutions needed access to strong analytics, 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. This means our clients can have stronger confidence in their bottom line and balance sheet decisions, knowing the tools they are using reduce their risk while increasing capital. Discover why more than 2,000 institutions have implemented our integrated systems to neutralize the effects of economic uncertainty.

