

R2Metrics SwapRisk Software Certification Statement

R2Metrics has engaged the independent and expert services of Alpha-Numeric Consulting, LLC to perform extensive testing to certify that the software is able to meet the Asset-Liability Management (ALM) and Interest Rate Risk (IRR) modeling needs for a variety of balance sheet compositions, mathematically calculate simple and complex formulae, accurately and consistently apply default and custom assumptions to multiple sets of data, and respect the parameters of the categories' characteristics.

This third party review satisfies OCC Bulletin 2011-12 and other regulatory directives with respect to the software (code) component piece of an institution's overall model validation and verification.

Summary Statement

The SwapRisk software, version 6.0, is designed as a companion to the BankRisk software, and in aggregation has the conceptual and functional ability to represent current balance sheet positions, utilize assumptions and characteristics to produce future balance sheet positions, calculate shocked EVE and NII IRR results, and is mathematically accurate in a variety of most likely, rising, and declining rate scenarios.

This certification, as of December 16, 2015 represents only a single component of a comprehensive model verification. To fully comply with Bulletin OCC 2011-12 and the more recent FDIC Advisory in Interest Rate Risk Model Governance requirements, financial institutions must also have an independent review of their policies and procedures, data (input and imported), assumptions, and output.



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