

# INDUSTRY

## BusinessObjects Budgeting for Financial Institutions

### Product Overview

#### Streamlining the Budgeting Process

##### Solution Highlights

Develop different formats for differing business requirements

Apply conditional statements and multi-tiered relationships

Complete rolling forecasts, flexible budgeting, and long-term forecasting

Send automatic alerts to help track and manage the budgeting process

Create multiple scenarios for sophisticated "what-if" analysis

Budgeting is a critical step in planning and managing the day-to-day operations of your financial institution. It is also a time-consuming, multi-layered, and complex process. To streamline the process and ensure more timely and accurate results, companies like yours are adopting new approaches that support more sophisticated modeling, tighter integration with source systems and better alignment with the strategic goals of the organization.

Descriptions & Variables	Actual	Actual	Actual	Fcst	Fcst	Fcst	Fcst
	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04
<b>132100 - Home Equity Loans</b>							
Average Balance	2,667,073	2,594,597	2,497,471	2,443,769	2,449,796	2,455,837	2,461,894
Interest	18,328	18,394	17,662	17,106	16,789	16,468	16,148
Yield	8.25%	8.51%	8.49%	8.40%	8.22%	8.05%	7.87%
<b>Beginning Balance</b>							
	2,691,336	2,631,754	2,519,144	2,440,759	2,446,778	2,452,813	2,458,862
- Runoff				84,976	85,826	86,684	87,551
Rate				9.07%	9.04%	8.97%	8.96%
- CF Analyzer							
- CF Analyzer							
+ New Volume	0	0	0	90,996	91,860	92,733	93,615
Key Rate	2.28%	2.84%	3.37%	3.37%	3.32%	3.40%	3.47%
Spread	1.20%	1.20%	1.20%	1.00%	1.00%	1.00%	1.00%
+ New Volume Rate	3.78%	4.34%	4.87%	4.37%	4.32%	4.40%	4.47%
+ IV Runoff	0	0	0	0	2,245	4,526	6,844
IV Runoff Rate	0.00%	0.00%	0.00%	0.00%	4.37%	4.35%	4.36%
= Ending Balance	2,631,754	2,519,144	2,440,759	2,446,778	2,452,813	2,458,862	2,464,926
= Ending Rate	8.25%	8.51%	8.49%	8.31%	8.13%	7.96%	7.78%

#### Budget Your Way

Balancing flexibility and control, sophistication and ease-of-use, BusinessObjects™ Budgeting for Financial Institutions (FI) provides the tools you need to create and execute detailed budgets – helping

transform strategic goals into operational plans. BusinessObjects Budgeting FI not only simplifies the budgeting process, but also incorporates sophisticated modeling for projecting balance sheet and net interest margin. Now you can incorporate runoff and new volume projections into the development of your net interest income and margin forecast. Line-of-business managers will have greater insight as to the new business needed to reach their growth targets.

By generating maximum participation and collaboration in budget development and analysis, BusinessObjects Budgeting FI is designed to involve the entire organization and build consensus – right from the start. Using flexible access methods, you can easily incorporate a large, multi-level decision-making team in the budget planning process via the web, your corporate LAN, or email. Because BusinessObjects Budgeting FI is integrated with your general ledger, payroll, fixed assets, loan, deposits, and other critical applications, data is mapped automatically, saving time and reducing errors. BusinessObjects Budgeting FI utilizes workflow tools – identifying process owners, assigning security rights, and issuing automated alerts – to help executives and managers track, manage, and complete the budgeting process in an accurate, timely manner.

BusinessObjects Budgeting FI provides you with completely customizable budget layouts and formats. Utilize flexible budget structures – including key rates, yield curves, new branch opening strategies, non-financial statistics, and sub-general ledger planning – for every branch, division, or line of business. Accommodate any number of complex or unique budgeting methodologies, including fixed, variable, and adjustable rate products for full net interest margin planning, inclusive of funds transfer pricing, if desired. With BusinessObjects Budgeting FI, you can enjoy sophisticated modeling capabilities, from calculation logic for projecting net interest margin to new branch modeling, from unlimited hierarchies to changing global assumptions, and from average daily balance calculations to total bank balancing mechanisms. Because all inputs are configured according to your unique requirements, they are easily adaptable to meet your specific needs. Clearly view the impact if a branch opening date slides two weeks or two months. And easily model and analyze performance if interest rates change, loan growth is stronger than anticipated, or credit quality deteriorates.

A detailed branch or division budget is meaningless if it does not support the strategic goals of the institution. BusinessObjects Budgeting FI embraces the strategic planning targets and assumptions to ensure the operating plan aligns with the strategic one. Your budgets can also be fully integrated with your profitability measurement function. BusinessObjects Budgeting FI has robust allocation logic and forward funds transfer pricing capabilities to create a comprehensive profitability picture. BusinessObjects Budgeting FI helps produce a single version of the truth – and common goals across your financial institution.

## **Enterprise Performance Management for Financial Institutions**

Business Objects offers the first purpose-built, fully integrated enterprise performance management (EPM) suite based on a flexible platform and a true, closed-loop process. Combining an intuitive Excel-based interface with robust, industry-standard databases, our plan reporting and analysis capabilities give users familiar spreadsheet formatting and calculating features while instantly populating reports with the most up-to-date information. Interactive dashboards and multi-dimensional, multi-conditional alerts enhance control over key business drivers for better decision making. Because our EPM suite ensures maximum involvement with the planning, reporting, and performance management process, users can leverage multiple access methods, deploying our EPM suite over the internet, over terminal server, or via the enterprise LAN/WAN environment.