

Creating a "No Growth" What-If

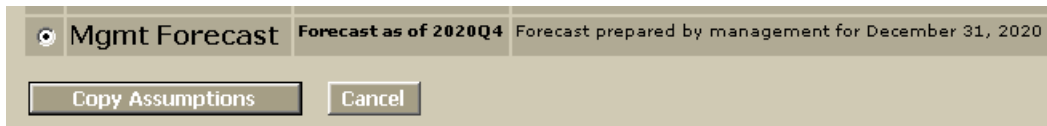
To create a new what-if select the "What-if | Assumptions" tab from the main menu.



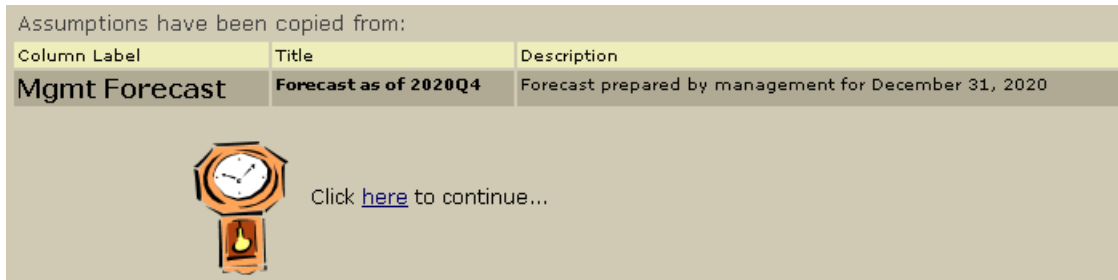
Next you'll want to make sure you are starting with a clean slate, so we are going to copy the assumptions from the Management forecast. Click on the "Copy assumptions" link:



Now you should be presented with a list of previous what-ifs to copy from. One of those should be labeled "Mgmt Forecast". If several what-ifs are listed, it is usually the last one in the list.



Select the "Mgmt Forecast" and then click the "Copy Assumptions" button. You should then see a confirmation of the copy that looks like this:



Click on the "here" link to continue creating this what-if. Your screen should now look like this:



Notice that at the bottom it now indicates that you have entered no new assumptions. In this no growth forecast we are only going to be changing the competitive banking market decisions (Lending & Funding).

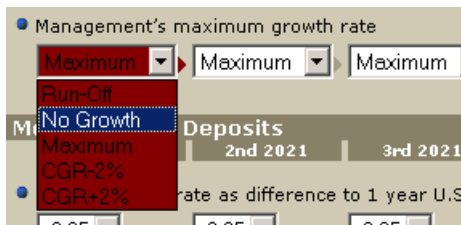
Let's start with the Funding decisions first. It the SECOND selection under competitive banking markets. Click on the "Funding Link".



You should now see a form that lists all the possible competitive decisions for funding (here is a picture of the first two).

A screenshot of a web application form titled 'Competitive Banking Markets - Funding'. The form is divided into two main sections: 'Commercial Checking Accounts' and 'Retail Checking Accounts'. Each section has a 'Help & Reference' link on the right. The 'Commercial Checking Accounts' section has columns for quarters 1st 2021 through 4th 2022. It includes two rows of settings: 'Dollar change in balances required before sweep' (all set to 0%) and 'Management's maximum growth rate' (all set to Maximum). The 'Retail Checking Accounts' section also has columns for quarters 1st 2021 through 4th 2022 and includes two rows of settings: 'Adjust minimum balances for "free" checking accounts' (all set to 0%) and 'Management's maximum growth rate' (all set to Maximum). At the top right of the form are buttons for 'Cancel Changes' and 'Save Selections'.

Each funding decision has several parts. One of the those parts is "Management's maximum growth rate". Currently each decision has this option set to Maximum. We going to change the setting to "No growth". To do this change the first quarter's decision by dropping down the list of selections:



You could move to each quarter and change the setting from Maximum to No Growth, but that could get kind of tedious. Instead we'll copy this No



Growth selection to each quarter by clicking on the highlighted arrow right next to the No Growth selection we just made clicking on the arrow should copy the No Growth selection to all the remaining quarters.

A screenshot of the 'Management's maximum growth rate' row in the form. All eight dropdown menus are now set to 'No Growth'.

Change the Management's maximum growth rate for all of the funding decisions including: Commercial Checking, Retail Checking, NOW Accounts, Money Market Deposits, CDs Under \$100,000, and CDs over \$100,000. When finished, scroll to the bottom or the top of the form and click on the Save Selections button.



This should take you back to the "Enter Assumptions" screen. Now we'll move back to the Lending decisions.

Enter Assumptions:

- [Competitive Banking Markets](#)
 - > [Lending](#)
 - > [Funding](#)
- [Financial Instrument Contracts](#)
- [Bank Capital and Reserves](#)
- [Operating Expenses and Staffing](#)
- [Interest Rate Forecast](#)
- [Buy Securities](#)
- [Sell Securities](#)

• **Copy assumptions** from previously calculated What-Ifs or the Management Forecast as of December 31, 2020.

• **Create and calculate** a "What-If" Scenario based on these assumptions.

Assumptions:

- No revisions to assumptions (identical to prior quarter's forecast)

Click on the "Lending" link. You should see a decision form listing the competitive lending decisions. For all the decisions, except for "Residential Real Estate Loans" change the Management's maximum growth rate to "No Growth" for all quarters.

For Residential Real Estate Loans change the Targeted Share of New Residential Mortgages to 5% in 1st quarter 2021. Also change the Percentage of Mortgage Loans production which is fixed rate and maybe AFS to 100%.

Residential Real Estate Loans	1st 2021	2nd 2021	3rd 2021	4th 2021
• Targeted share of new residential mortgages made in the community	5%	0%	0%	0%
• Percentage of mortgage loan production which is fixed rate and maybe AFS	100%	0%	0%	0%
• Percentage of fixed rate mortgages which are AFS	0%	0%	0%	0%

Also, make the same change to the 1st quarter of 2022.

	1st 2022	2nd 2022	3rd 2022	4th 2022
Community	5%	0%	0%	0%
Maybe AFS	100%	0%	0%	0%
	0%	0%	0%	0%



Now scroll to the top of bottom of the page and click on the "Save Selections" button.

Now we are ready to create and calculate our new No Growth What-if. Click on the "Create and calculate" link.

• **Create and calculate** a "What-IF" Scenario based on these assumptions.

Now you'll be asked to give this new what-if a name and description.

Specify New What-If Description

Column Label:

Title:

Description:

The column label and title will help you identify this what-if in the future when comparing results to other what-ifs and the management forecast. Change both the Column Label and the Title to say "No Growth" then click on the Calculate What-If button.

Column Label:

Title:

Click on

Your finished, the system should now start calculating your new What-if. Once the calculation is complete you can review the reports.