



## Liquidity Stress Testing


Pressing current loan investment and deposit cash flows to see how a credit union is affected by changes in anticipated behavior is a basic form of stress testing. Identifying current cash flows and potential changes in the anticipated timing and prices of these cash flows are the focus of this service. Strong balance sheet management always has an eye on the liquidity position of the credit union. Understanding potential stresses from lack of funding for operations, loans, or higher cost funding is essential to proper management.


To better see exposures, and adjust exposures before they become losses, it is important to follow proper liquidity management techniques. Our CUSO, QuantyPhi, studies how to analyze and manage current and future liquidity situations, and the relevant pricing of liquidity in stressed situations.


### Key Benefits

1. Gain a better understanding of your credit union's risk exposure to changes in cash flows in both the short-term and long-term.
2. Identify and act upon performance opportunities and potential risk threats.
3. Discover cash flow sensitivity and funding costs that may change in an increasing rate environment.
4. Plan a more effective balance sheet strategy.

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