



# *Executive Dashboard*

## User Guide

*Transforming Data to Direction*

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# Executive Dashboard

## INTRODUCTION

The Executive Dashboard web-based reporting system was designed as an aid for bank Senior Management teams, to help them visually track their performance metrics with just a few clicks of the mouse. The product is both insightful and powerful, and will help your Bank Management and board successfully analyze current performance. Instead of just providing answers, the program actually helps you raise questions to ask and answer, allowing you to strategize and make sound decisions that will increase future profitability.

Plansmith's Executive Dashboard, formally known as Executive Brief, is a concise, clear, and user-friendly graphical reporting tool. Using the data from your Financial *Compass*® database, you will see your historical bank performance, compare your current standing to target, and efficiently anticipate future results by considering possible trends in the market.

## NAVIGATION

There are six major tabs in the Executive Dashboard program. Each will be described in more detail later in this guide:



1. Summary: View a summary of your Key Ratios and Contributions & Detriments
2. Earnings: Income Statement Diagnostics
3. Balance Sheet: Balance Sheet Diagnostics
4. Risk: Interest Rate Risk Diagnostics. Includes charts for 90 Day Dynamic Gap vs. Fed Funds; Shocked NIM vs. Min Margin % of E.A.; Shocked Mark-to-Market Equity Ratio vs. Min Cap Ratio
5. KPI/Policy: Key Performance Indicators and Policy Indicators
6. Appendix: Direct access to Balance Sheet, Income Statement, and Rate Reports, as entered in *Compass*

Additional navigation options include: links to each of your report pages and the Appendix, and the area where you may change your default report view settings between 1-year and 2-years.




The **'Feedback'** button allows you to send questions/comments/suggestions to the Plansmith staff.

**'PDF Options'** allows the user to export the tables, graphs, charts, and reports directly to PDF. To print any of the Executive Dashboard report pages, export your data to PDF and print from this program.

**'Logout'** allows the user to exit the Executive Dashboard program.

## **SUMMARY**

Within the Summary section there are two sub tabs, found on the right side page: 'Ratios' and 'Contributions & Detriments'. When clicking on either, you are presented with a visual summary of your bank's current performance compared to budget. There are both tables and charts to aid in your analysis of performance, and color-coded arrows within the table that indicate your actual performance related to target.

-  Indicates that your bank has outperformed its target. A bank has outperformed when the actual performance contributed to an increased Net Income.
-  Indicates that performance of your bank in an item is below the target (detrimental to Net Income) but only within 5%.
-  Indicates under performance. The bank's actual performance is greater than 95% off of targeted performance.

Below the tables, you will also notice graphs that compare your current performance to targeted performance. To graph a specific item, simply click on the line item in the table and the graph will instantly update to reflect that same type of comparison. You may also select whether you want the Key Ratios graph to display a one-year or two-year view, regardless of your default view settings, by clicking on the red arrows directly above the graph.

## **KEY RATIOS**

The ratios displayed on these pages are computed using various methods

1. When expressing income and expense, they are computed using year-to-date values and average balances. These include:
  - a. All Profitability ratios
  - b. The Loan Loss Provision / Average Loans
2. When expressing balance sheet relationships, they are computed using point in time values. These include
  - a. Capital Adequacy
  - b. Growth ratios from Beginning of year to Current month
3. In the Risk section, Net Interest Margin is to Current Average Earning Assets and Market Value of Equity is to Current Average Assets

## CONTRIBUTIONS & DETRIMENTS

The tables on each page display contribution of the major components of earnings expressed as a percent to average assets. The color-coded quick read arrows indicate the component's performance relative to its target.

- ↑ Indicates that your bank has outperformed its target. A bank has outperformed when the actual performance contributed to an increased Net Income.
- Indicates that performance of your bank in an item is below (detrimental to Net Income) the target but only within 5%.
- ↓ Indicates under performance. The bank's actual performance is greater than 95% off of targeted performance.

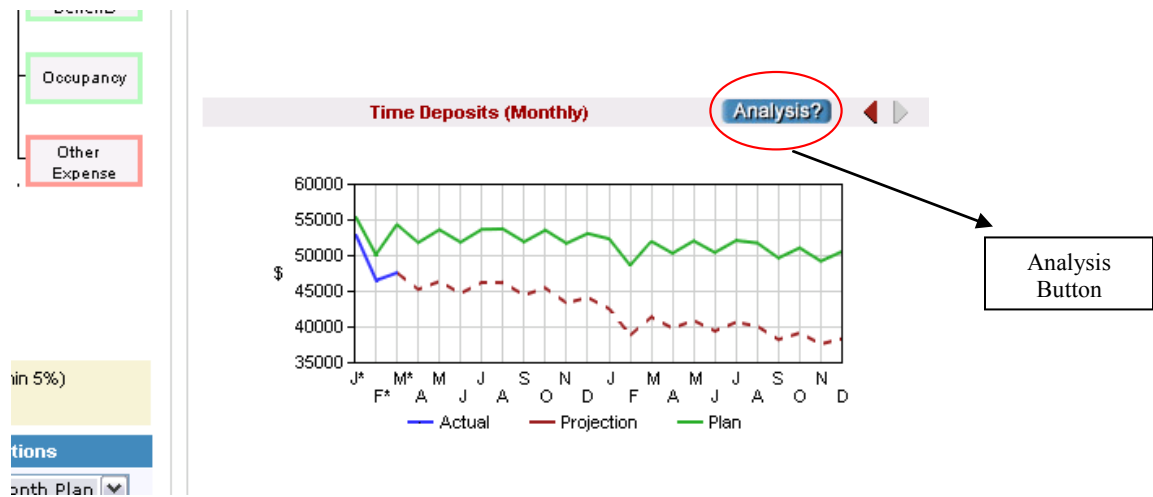
Contributions are displayed graphically on both pages. Within the bar graphs, bars extending to the left of center signify a diminished ROA (Return on Average Assets); bars extending to the right of center signify an increase in ROA.

## EARNINGS

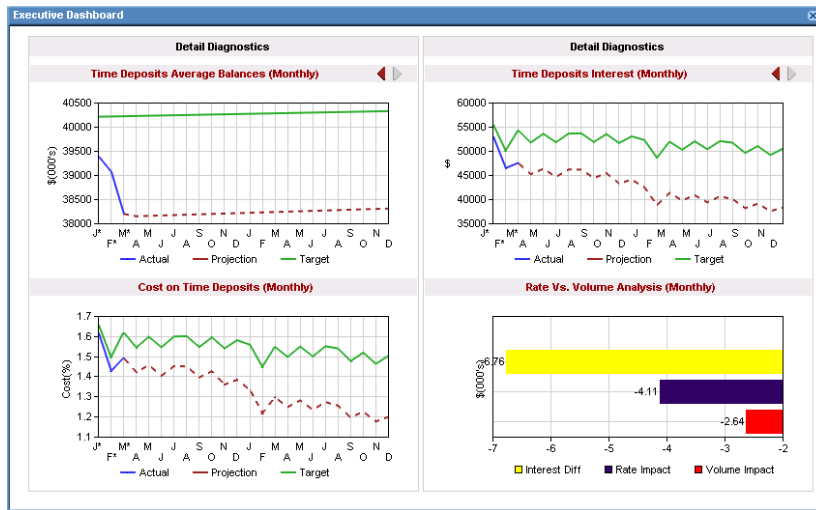
At a glance, the earnings tree diagram allows the reader to quickly assess key performance areas of the income statement. Here, users may again drill down within each key category by clicking the mouse cursor on its Item Box within the tree. The item's components will appear in the table on the right hand page (RHP) along with a chart displaying the monthly trend. This chart, as described by the table above, includes information about current performance in relation to target, and both the \$ and % variance between the two.

If the item has more detail with respect to rate and volume, an **Analysis** button will be available directly above the chart. Click on it to review the elements that impact performance.

You may change both the *Data Type* and *Comparison Options* boxes at the bottom, further expanding your analysis options.



Rate and Volume Diagnostics



## BALANCE SHEET

The tree structure provides a quick analysis tool to assess balance sheet performance at the component level. As in the Earnings Tab, the reader can further investigate the underlying details by clicking on the item box on the tree.

Review the trend of any item in the table by clicking on its name in the table. Its chart will appear below.



Again, note the Data Type and Comparison Options boxes at the bottom of the page. These settings will allow the reader to change the time frame and data types. To review the growth analysis within the balance sheet, click on the Growth box on the gray bar at the top of the Right Hand Page. eg. If you want to view Interest Bearing Deposits within your Liabilities & Capital, click on the 'Interest Bearing Deposits' title in the table or chart legend to drill down. To go back to your Liabilities & Capital summary table, click on the back arrow.

You also have the option of selecting the Mix tab, which can be found in the grey box on the upper right hand page. Under this tab you can review your Mix Analysis Diagnostics by again selecting the Data Type and Comparison Options desired at the bottom of the page, for both your Total Assets and your Total Liabilities & Capital.

## **RISK**

Interest Rate Risk Diagnostic including a Gap Analysis, Rate Shock Simulation, and Market Value of Equity, as well as 90-Day Dynamic Gap vs. Fed Funds, and Shocked Mark-to-Market Equity Ratio vs. Min Cap Ratio charts.

Three analyses of risk are presented

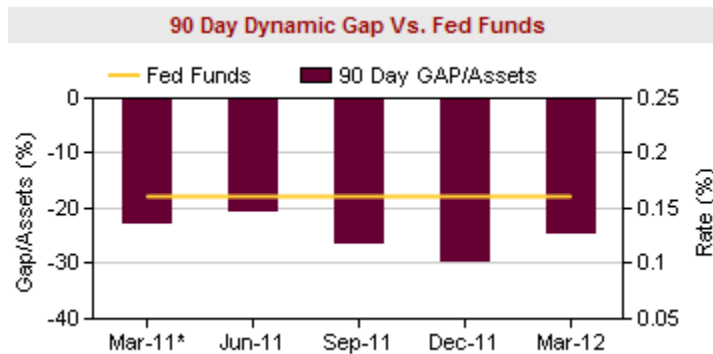
1. The Cumulative Rate Sensitivity Gap
2. The Rate Shocked Net Interest Margin
3. The Rate Shocked Market Value of Equity

The Gap table has the additional feature of being able to look ahead into the future and see the future gap positions as the plan is realized (often called Dynamic Gap).

The Rate Shocked Net Interest Margin table gives actual dollar values of interest margin for various rate levels of rate change.

The Rate Shock Market Value of Equity table also indicates the % decline (slope) in market value for a 100bp (1%) change in rates. Slopes greater than 15% are considered to be the maximum allowed.

Each analysis includes a chart on the right hand page. (see example of '90 Day Dynamic Gap vs. Fed Funds' chart below)





1. The Gap chart is actually a view of the projected 90-day gap at four points in time in the future, along with a rate forecast as seen in the Fed Funds rate projected for the same periods.
2. The Rate Shocked Interest Margin (% of Earning Assets) is shown for each rate shock level (x-axis) along with the minimum margin needed to maintain the capital level. A margin above the minimum indicates an increasing equity ratio. A margin below the minimum indicates a decreasing equity ratio.
3. The Market Value of Equity (% of Assets) chart quickly shows the mark-to-market value of the equity as rates rise or fall by the amounts indicated on the x-axis. Also shown is the minimum acceptable equity ratio.

## **KPI/POLICY**

Key Performance Indicators (KPIs) are fundamental performance markers set by management that, when achieved, drive the key elements of the plan. These may or may not be financial measurements, but rather, a factor that influences financial performance (for example, the number of employees or number of loans made in a given period).

The Executive Dashboard report policy feature compares performance or position to the bank's management policies. The limits may be shown as an upper limit such as a Loan/Deposit Ratio or a lower limit such as a Loan Loss Reserve Ratio. It could also be a range of limits such as: Liquidity Ratio, not lower than 20% nor higher than 40%.

### **Color Coding Guide on these pages**

-  Indicates that your bank is within policy limits.
-  Indicates that your bank is outside the policy limits.

If desired, you may adjust your KPIs and Policies in *Compass*® before uploading your data to Executive Dashboard. To do so, access your Utilities menu in *Compass*®, and then select the KPI/Policy Editor. Here you may select the accounts you wish to analyze from your Chart of Accounts, and drop them into the appropriate Indicators or Policy categories list. Once you have set up your lists, set the data type required, whether your limits will be Single Limit or a range of limits (as described above), and whether 'Over Limit is Good'. Next, input the numerical values of your 'On Target Value' and limits you want to set. If you wish to use ratios that do not appear on the Summary Items list, use the Ratio Designer in *Compass*® to create customized ratios. For more information about creating your KPIs & Policies, please refer to the Utilities section of your *Financial Compass*® User's Guide.

Upload your data from *Compass*® to Executive Dashboard once the KPIs and Policies have been determined and updated (as applicable). To perform the upload, click on the Utilities menu in *Compass*® then select 'Submit Plan to Executive Brief' from the dropdown menu. The upload process only takes about 15 seconds to complete!

**Note:** You must compute your plan in *Compass*® before uploading to Executive Dashboard. If you are simultaneously running the Executive Dashboard program while updating your KPI/Policies in *Compass*®, be sure to compute your plan in *Compass*®, log out of Executive Dashboard, then log back in to ensure your reports are updated and accurate.

## **APPENDIX**

Your Income Statement, Balance Sheet, and Risk Reports – as loaded into your *Financial Compass*® database – are visible in this tab.

*Balance Sheet:* EOM Balance – History & Projections or Budget; Average Balance – History & Projections or Balance

*Income Statement:* History & Projections or Budget

*Risk Reports* – Offering Rates or Yields and Costs



## **CONCLUSION**

Plansmith's Executive Dashboard allows Senior Management teams and bank directors quickly view their current performance, monthly trends, and performance related to target with just a few clicks of the mouse. The graphs and charts help you quickly and easily understand your bank's performance, anticipate future performance as changes in the market occur, and track how past decisions have impacted your bank and brought you to current standing.

If you have any questions about the Executive Dashboard program, please call Plansmith at 800.323.3281.