Vendors & Services

AlmanMurphy readies Banc risk data service

ALMANMURPHY Network Services, a Minneapolis-based start-up vendor, is gearing up for the launch of its Bankers Automated Network Connection (Banc) risk management service for bonds and derivatives portfolios.

Banc is targeted at small to medium-sized U.S. banks, and is designed to comply with recentl-risk management guidelines introduced by U.S. federal and state regulators.

The services incorporated into Banc will include models and reports developed by Capital Management Sciences, a Los Angeles-based fixed-income analytics house.

AlmanMurphy is promoting its new system as an inexpensive way for smaller banks to comply with the U.S.'s SR-95-17 directive, issued by the Federal Reserve Board on March 28.

This directive states that an institution's failure to "understand adequately the risks involved in its securities or derivatives position," through lack of either internal expertise or outside advice, "constitutes an unsafe and unsound banking practice."

Richard Alman, head of marketing at AlmanMurphy, claims that while large U.S. banks have the resources to address the SR-95-17 rule, their smaller counterparts do not.

"Up until now the small community banker just hasn't had access to cost-effective software programs," says Alman. "We're going to give them software and portfolio analytic reports that will provide them with interest rate risk measures, either issue by issue or for the whole portfolio."

• Due for a debut

As *RMO* went to press, Banc was due to make its debut at the annual American Bankers Association conference held in San Francisco on October 7.

Banc end-users will employ a Microsoft Windows-based client to access a remote Banc server providing standard and customised reports using CMS's risk analytic algorithms. The server will be located at Alman-Murphy's headquarters in Minneapolis.

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Reports and other information can then be printed locally or electronically sent to the appropriate regulatory agencies.

According to Alman, these reports include: portfolio holdings, security pricing, option-adjusted spread appraisal, performance measurement, cash flow and gap analysis, and limited portfolio stress testing.

Banc captures the portfolio data

it requires in one of three ways. Users can enter assets individually via a Windows capture screen, or they can upload datafiles from a portfolio accounting system directly into their Banc client terminal.

Alternatively, users can provide AlmanMurphy with a list of assets from which it will populate a confidential client database.

Banc will be accessible via the Internet on one or more of the major U.S. on-line service providers. Among the services being considered are Compu-Serve, America OnLine, Prodigy and the recently launched Microsoft Network, says Alman.

The service's release date is scheduled for the first quarter of next year. Alman says the system's client interface is still under development. Alman-Murphy has also yet to decide on the type and number of servers it will deploy.

Banc is being targeted at banks with less than $100 million in assets under management. Product pricing is estimated at $75 per report per month.

This market sector includes roughly 7,000 of the U.S.'s 11,000 commercial banks, Alman says. The company will later expand the scope of its marketing scheme to include an estimated 4,000 savings and loans and credit unions, he adds.

AlmanMurphy Network Services was formed by Alman and his business partner Michael Murphy earlier this year.

Alman was formerly an executive vice president for strategic planning for CMS, while Murphy worked with SunGard Securities Systems in marketing and product development. ∎