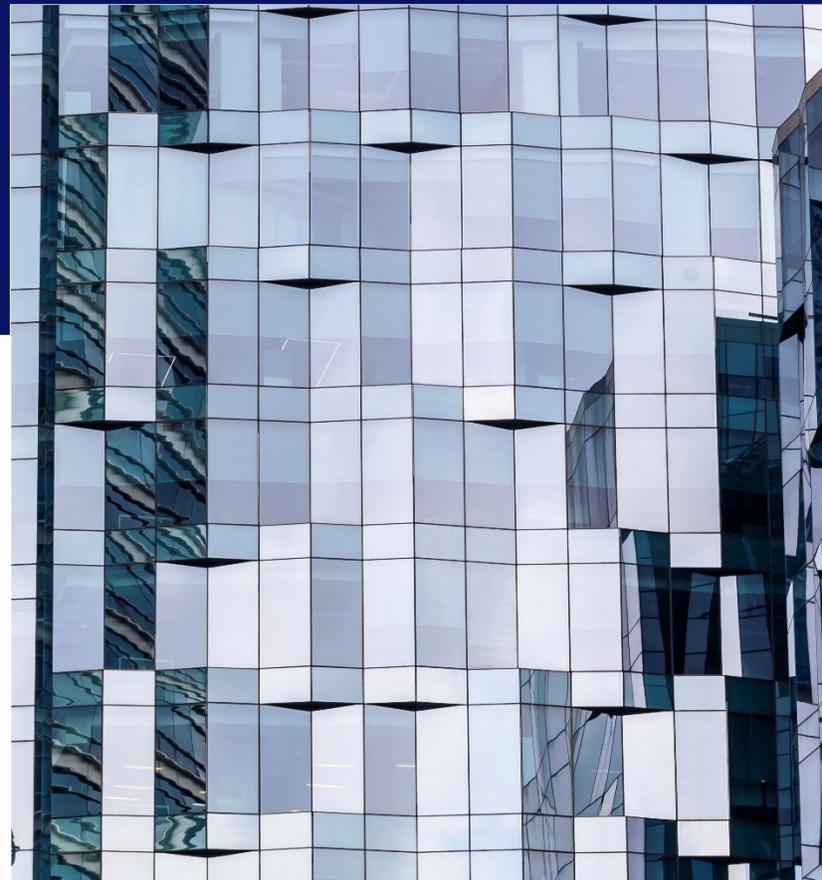


CASE STUDY

Southside Bank enhances interest rate risk modeling with Moody's ALM



SUMMARY

Southside Bank, a Texas-based community bank and subsidiary of Southside Bancshares, Inc. with \$8.34 billion in assets, enhanced its interest rate risk modeling by combining internal data expertise with Moody's ALM US Solution. Through training, forums, and dedicated support, the bank refined its models, gained strategic insights, scenario flexibility, and a more granular understanding of risk across interest rate and liquidity stress testing.

CHALLENGE

Southside Bank sought to strengthen its understanding of its interest rate risk exposure. The bank wanted managers and employees with data management experience to lead interest rate risk modeling efforts and adopt technology and solutions that would modernize models and improve parallel testing.

SOLUTION

Southside Bank expanded its Interest Rate Risk team by leveraging internal talent with strong data management expertise and implementing Moody's ALM US Solution. The team actively participated in Moody's Customer Forums to learn from peer institutions and joined every Moody's webinar on interest rate risk and ALM. To further accelerate adoption, Moody's specialists conducted a two-day, in-person training and troubleshooting session, offering practical guidance and deep insights. Ongoing communication with Moody's help desk provided continuous support, equipping the team with the tools and confidence needed to refine and validate the model.

RESULTS

Southside Bank has a reliable model that's been carefully vetted and validated. The bank can run a broad range of scenarios and incorporate dynamic, strategic insights into its balance sheet. Liquidity stress testing, once a manual process, is now integrated into Moody's ALM, aligning assumptions across risk types. The team has a more granular understanding of their risk profile, allowing incremental adjustments and better-informed decision-making. Southside Bank's journey reflects how SaaS solutions and data-driven strategies can transform risk management and uncover both risks and opportunities.

“Moody’s ALM gives us the ability to run a wider and more dynamic array of scenarios. We have strategic insight into our balance sheet and a clear understanding of Southside Bank’s risks. While we previously had a good understanding of our overall risk profile, we now have more granular information around our exposures and can make timely decisions to adjust them as needed.”

Robby Plymail, AVP Interest Rate Risk Analyst

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