**RiskGPS: Assumption Essentials**  
*Guide for Managing Assumptions in RiskGPS*

**Overview**

RiskGPS generates **default assumptions** by analyzing your bank’s current and historical call reports, along with relevant external sources. Regulatory examiners expect each bank to:

* Understand the assumptions used in risk analysis.
* Make necessary adjustments to reflect the bank’s actual position.
* Document the rationale and process behind all changes.

**Quarterly Review Requirements**

Banks are expected to **review and report assumptions quarterly**. RiskGPS makes this process simple. You may:

* **Modify** the default assumptions.
* **Confirm** agreement with defaults by re-entering them into the user-defined fields.

**Saving Your Assumption Changes**

To ensure your updates are saved:

* **Click the “OK” button** before switching to another screen.
* Be aware that:
  + Assumptions are **not saved** until “OK” is clicked.
  + **Bank-specific assumptions are not retained** between quarters. This helps you to comply with regulatory requirements for quarterly review of all assumptions.
  + Only **one set of assumptions** is stored in the system. Previous versions must be re-entered manually if needed.

**Saving Multiple Assumption Sets**

To retain different versions of assumptions:

1. Use the **“Print” function** to create a snapshot of your current assumptions.
2. **Name the report** to clearly indicate the assumption set saved.

**Trying Alternative Assumptions**

Each quarter, you can test multiple scenarios by adjusting assumptions. This type of analysis is often called a **“what-if” scenario**. It allows you to:

* Quickly visualize the impact of various decisions.
* Perform the entire process in seconds, for **no additional cost**.

**Stress Testing Critical Assumptions**

Annual **stress testing** of key assumptions is supported. For detailed instructions, refer to:

**Video Tutorial:** “Stress Testing Key Assumptions”  
*Available in the RiskGPS Tutorial Library.*

**Assumption Types in RiskGPS**

RiskGPS classifies assumptions into the following five categories:

1. **Risk Tolerance**
2. **Loan Assumptions**
3. **Securities Assumptions**
4. **Deposit Assumptions**
5. **Reclassifications**

*Note: Many users will not need to adjust “Reclassifications.” The remaining sections are typically updated in minutes each quarter.*

**Need Expert Help?**

**Plansmith’s Advisory Services** can assist with:

* Custom assumption documentation
* Policy development and reporting
* ALCO and board training
* Regulatory feedback response

Our services are led by a **former FDIC examiner** with over 20 years of experience.

**Contact Us:**  
📞 1-800-323-3281  
📧 support@bankersgps.com