

Seven of the top-100 banks take a holistic approach to the CECL transition with EVOLV Reserving Solution

SS&C Primatics positions banks for successful CECL implementations.

Business challenges

- **A forward-looking estimate** – CECL represents a fundamental shift in the definition of the allowance from an incurred loss to a life of instrument estimate
- **Cross-functional changes** – wide-ranging impact to the end-to-end allowance processes, requiring new data elements, estimates, and disclosures
- **Increased data needs** – increased breadth and depth of data inputs needed to estimate credit losses, fulfill the disclosure requirements, and perform analysis
- **Controls** – as a significant financial estimate, the entire process must be executed in a SOX controlled manner
- **A potentially volatile estimate** – more period over period volatility relative to the current allowance due to the consideration of reasonable and supportable forecasts
- **Evolving industry consensus** – industry-accepted best practices will continue to emerge during implementation and after adoption

Functionality

Data import and validation	Model execution	Qualitative adjustments	Specific review	Reporting and analytics
Automated centralization, cleansing, validation, normalization, and maintenance of data quality	Centralized platform that hosts all models across several lines of business for multiple accounting and regulatory reporting purposes	Ability to adjust or overwrite quantitative results for factors not considered by the model	Workflow tool designed for financial instruments evaluated on an individual basis	Push-button disclosures, internal management packages, and ad-hoc analytics

Benefits

Enterprise-grade software

Real software, the result of over a decade of research and development, supported by **dedicated technology development**, system implementation, and customer support teams

“Productionalized” reserving process

Seamless integration of data, model execution, disclosures, and analytics in a controlled, scalable, and repeatable manner

Flexible solution **supports a variety of CECL-compliant methodologies** within a controlled framework

Adaptability

Future-proof solution addresses emerging industry practices and **evolving business needs**, leading up to 2020 and beyond

Software as a service (SaaS) delivery mechanism **enables updates** without disrupting production processes

SOX-controlled process

Embedded **preventative and detective controls**, error reports, audit trails, reconciliations, segregation of duties, and full data lineage

Over a decade of experience supporting **GAAP-compliant accounting** for SEC filing institutions

Powerful reporting & analytics

Flexible analytics links the changes in **expected credit losses at the instrument level** to all changes, including changes in forecasted conditions, credit risk, and portfolio composition

Attribution, migration, scenario, sensitivity, and variance analysis drillable to the asset level