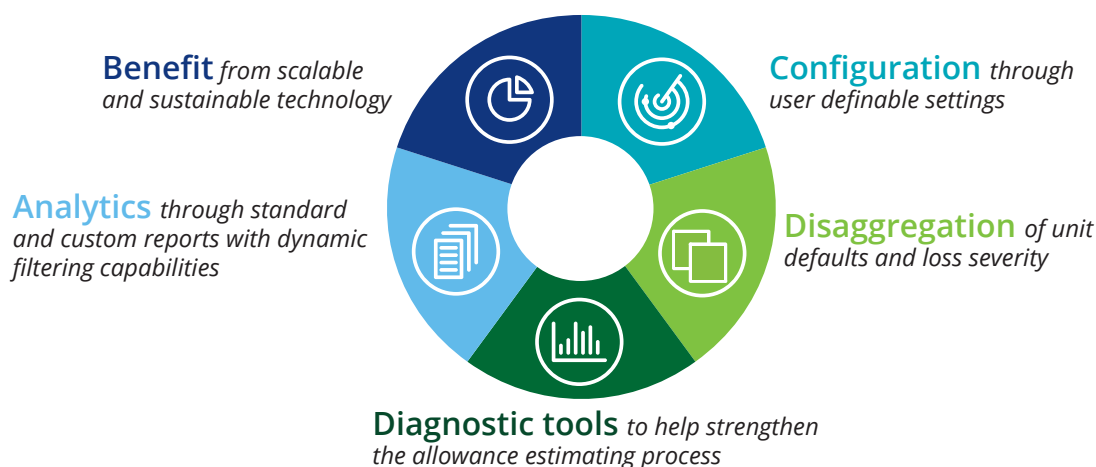


Solvas|ALLL+™

The Solvas|ALLL+ platform is designed to help financial institutions address the industry challenges associated with the allowance for loan and lease losses (ALLL). Solvas|ALLL+ is a software solution that delivers a credit modeling engine that helps identify portfolio risk, provides analytical tools to assist in strengthening the credit loss estimate and offers detailed configuration options to reflect the accounting policies and procedures related to the allowance process.

Solvas|ALLL+ can assist with the accounting and reporting allowance requirements associated with ASC 450-20 (FAS 5) and ASC 310-10-35 (FAS 114) and can help financial institutions prepare for the transition to the current expected credit loss (CECL) model's requirements under the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU), *Financial Instruments – Credit Losses (Topic 326)*.



Configuration

- Apply specific allowance policies and governance requirements to configure the software solution
- Create pool segmentation using multiple levels of loan attributes to reflect portfolio risk
- Define default rules, lookback and loss emergence periods and other modeling rulesets
- Designate parameters to manage qualitative factors and apply to the user-defined pool segmentation



Disaggregation

- Model consumer and commercial portfolios based on a transition matrix framework
- Produce probability of default (PD) and loss given default (LGD) estimates using minimal historical loan data
- Compare period transition matrices to gain insight into credit risk concentration and trends
- Pivot to the CECL framework using the transition matrix model and PD/LGD approach



Diagnostic tools

- Create a peer group to track and view current and historical comparisons of selected allowance metrics
- View quarterly national and state level economic data and forecasts
- Create sensitivity scenarios using hypothetical changes to the portfolio's risk state and quantify the ALLL impact



Analytics

- Review standard reports including roll forward details, risk migration history and back-testing analysis
- Create standard report packages for board committees and management oversight
- Configure and manage portfolio and loan level reports through the solutions dynamic filtering capabilities



Benefit

- Solvas|ALLL+ is a relational database and loss estimates are calculated entirely in software code
- System logs record workflow events and user access is controlled by security and administrative roles
- Implementation of the software can be either a hosted solution or an on-premise installation

Our Solvas|ALLL+ implementation strategy is to on-board clients to the software now and help enhance their current allowance platform through modeling, configuration and analytics. This approach can enable clients to understand the impact of CECL while preparing for a seamless transition. Solvas|ALLL+ is designed for the financial services industry and can be integrated with other Solvas™ financial software.

Contact information

For more information about Solvas|ALLL+ or other Solvas products and services, please visit www.deloitte.com/financialtechnology, or to arrange a demonstration, please contact:

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Complimentary products and services

- [Solvas|LDC™](#) - An acquired distressed debt accounting and reporting solution for banks, credit unions, and other financial institutions
- [Solvas|Forecast™](#) - A software solution designed to forecast cash flows for financial instruments based on comprehensive user-defined assumptions
- [Solvas|Capital™](#) - A stress testing, reporting and analytical software tool used by banking institutions for capital planning
- [Solvas|TDR™](#) - A financial accounting, calculation and reporting software tool associated with troubled debt restructuring
- [Solvas|Hosting™](#) - A cloud-based hosting platform for Deloitte Advisory's Financial Technology™ products
- [TARDI](#) - Tax Analysis and Information Reporting for Debt Investments

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