



The Solvast|ALLL+ platform is designed to help financial institutions address the industry challenges associated with the allowance for loan and lease losses (ALLL). Solvast|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.

Solvast|ALLL+ can assist with the accounting and reporting allowance requirements associated with ASC 450-20 (FAS 5) and

ASC 310-10-35 (FAS 114). It can also help financial institutions prepare for the transition to the current expected credit loss (CECL) model's requirements under the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU), *Financial Instruments—Credit Losses (Topic 326)*.

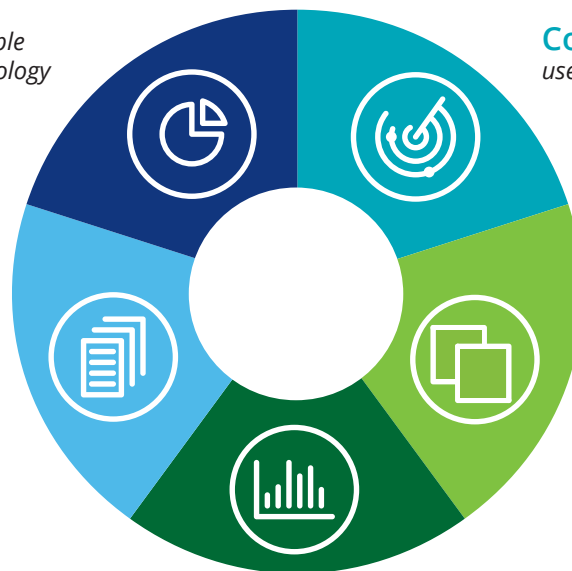
## Framework for a scalable and sustainable platform

**Benefit** from scalable and sustainable technology

**Configuration** through user-definable settings

**Analytics** through standard and custom reports with dynamic filtering capabilities

**Disaggregation** of unit defaults and loss severity



**Diagnostic tools** to help strengthen the allowance estimating process



## 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 solution's 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.

For more information about Solvas|ALLL+ or other Solvas products and services, please visit [www.deloitte.com/ft](http://www.deloitte.com/ft). To arrange a demonstration, please contact:

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## Complimentary products and services

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

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