

EVOLV^{EA} – A CECL solution that is simply powerful and powerfully simple

SS&C EVOLV's Enhanced Analytical Reserving Solution (EVOLV^{EA}) provides the Power of a model without the need for a modeling team.

The right approach for most

CECL does not require that a particular method be used to estimate expected credit losses. Institutions can leverage practical methods relevant to the circumstance; actual estimation methods will range anywhere from simplistic approaches to sophisticated models. Given the range of possibilities for CECL, each institution will have a slightly different approach to generating the CECL estimate. The largest institutions will leverage predictive models while the smallest ones will rely on expert judgement. But, what about everyone else?

Bridging the gap

Before EVOLV^{EA}, there was a gap in the marketplace in terms of practical solutions to help institutions successfully address the end-to-end transition to CECL. EVOLV^{EA} bridges the gap by combining the power of models with the simplicity of spreadsheets, while still allowing your expert judgement to be exercised. We have designed an approach called the Enhanced Analytical (EA) approach that offers a "right-sized" solution for institutions with an amazingly easy to use interface. EVOLV^{EA} supports a range of methodologies including vintage analysis, loss rate, PD/LGD and migration analysis. Simply put, it's a cost effective solution, right sized for your institution.

Easy, fast, intuitive, and feature-rich software

EVOLV^{EA} supports a variety of CECL-compliant estimation methods, including vintage analysis, migration analysis, and open pool analysis. It includes data management capabilities, PD/LGD, and best-in-class business intelligence and each step of the end-to-end reserving process is documented via an intuitive and controlled workflow.

Features



Institution-specific credit loss estimates leveraging SS&C EVOLV's macroeconomic sensitive models



Supports a variety of methods including migration to loss, open pool, PD/LGD and vintage. Also institutions have the ability to upload loss rates.



Flexible options to revert to the historical loss information after the reasonable and supportable forecast period



Easy-to-use software that requires minimal training and minutes to execute



Unlimited qualitative adjustments for factors not included in the forecast



Superior, push button and out-of-the-box reporting including quantitative disclosures, analytical reports to support qualitative disclosure requirements, internal management reporting packages, and ad-hoc analytics



Allows for customized segmentation options as defined by the user for each portfolio



Stores historical and current portfolio data at the asset and aggregate level

Benefits

✓ Builds off of data and processes already in place at your institution

✓ Greatly reduces supporting documentation required in spreadsheet based approaches by quantifying the impact of the forward looking forecast through the use of an easy to understand and robust predictive model

✓ A cost-effective, intuitive and "right-sized" solution that keeps an institution's judgment and supports it with enhanced analysis without incurring the cost of using complex models

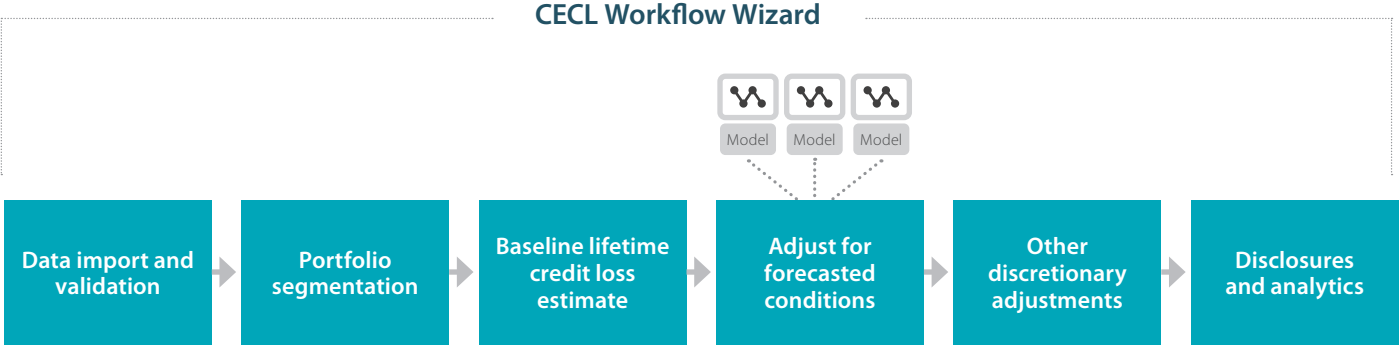
✓ Anticipates change – always expanding functionality with market changes and emerging best practices, enabled through SaaS delivery model

✓ Cleans and provides application ready data with domain-specific business rules

✓ Scalable solution – we grow with your institution

EVOLV^{EA} – A holistic transition to CECL

EVOLV^{EA} holistically addresses the transition to CECL in a controlled, secure, and scalable environment that stands up to the high degree of scrutiny associated with significant financial statement estimates. The EVOLV^{EA} CECL Reserving Solution Components are highlighted in the diagram below.



Functionality implemented

Data import and validation	Model execution	Qualitative adjustments	Controls framework	Reporting and analytics
Secure file transfer data uploads providing validation and error checks to ensure data quality	Centralized solution hosts multiple loss methodologies and macroeconomic models across all major loan asset classes Option for alternative macro forecasts in support of analysis	Ability to easily adjust for qualitative factors within a controlled process	Controlled process with loan-level calculations and reporting, support audits and exportable audit packages	Powerful loan level reporting including push button, out-of-the-box disclosures and extensive and highly configurable analytical reports leveraging enterprise grade BI tools

Our competitive advantage

SS&C EVOLV has been serving financial institutions of all sizes for more than 15 years. Our team of over 300 highly qualified technology, risk, and finance professionals combines industry knowledge and experience with our innovative software platform to support the most critical risk and finance processes of industry-leading financial institutions.



Frequently asked questions

1. What is the enhanced analytical approach?

We recognize that there is a gap in terms of practical solutions to address the transition to CECL for mid-sized financial institutions, one that does not involve complex models or an overly manual analytical approach. The enhanced analytical approach combines the advantages of a modeled and analytical approach and minimizes the disadvantages of each. An enhanced analytical approach applies more rigor and consistency to the reserving process than a purely analytical approach and allows the institution to leverage current reserving processes and data.

2. Do we need 'modelers' or model experts to use EVOLV^{EA}?

No. Our solution does not require you to have model experts or a team of "quants". We provide you with the analysis required to successfully implement CECL.

3. Can I leverage my existing processes?

Yes, our solution is designed to do that. Additionally, you also have the option of moving the entire process to EVOLV^{EA}.

4. Can I still apply judgment to my reserve?

Absolutely. We recognize that judgement is an important part of the reserving process. EVOLV^{EA} is designed to help support your qualitative adjustments. All adjustments are applied down to instrument level for use by our best-in-class reporting suite.

5. Is enhanced analytical solution expensive?

No, our solution is a cost effective approach to compliance. We combine the power of analytics and sophistication of models to deliver a unique solution best suited for your institution at a highly competitive price.

6. Is it easy to use?

EVOLV^{EA} is highly intuitive and easy to use. We think of EVOLV^{EA} as simply powerful. It is a powerful solution that is simple and easy to use.

7. What reports will I be able to access?

EVOLV^{EA} offers a comprehensive set of reports, including quantitative and qualitative disclosures, internal management packages and ad-hoc analytics.

8. Can it accommodate future changes?

Absolutely. As new requirements or industry-accepted practices emerge, updates to the solution are deployed via our Software as a Service (SaaS) delivery model.

9. Do we need extensive training to use the software?

No. EVOLV^{EA} is highly intuitive and easy-to-use. That said, we provide training during implementation.

10. Is ongoing support available after implementation?

Absolutely. We have a dedicated professional services team that provides expert advisory to our clients. In addition, we have a customer support team that is available 24x7 to answer any questions you might have.

11. Do clients get access to an up-to-date economic forecast?

EVOLV^{EA} comes out of the box with an economic forecast from an industry leading economic advisory firm, which is updated at least quarterly and always kept up to date.

Experience matters

For many institutions and vendors, CECL represents a significant increase in complexity. However, generating complex estimates for accounting purposes has been a core competency of SS&C EVOLV since our inception. We have successfully implemented CECL for clients totaling over \$700B in loans on our platform.

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