

# Scenario impact simulator

Quickly analyze performance over a wide range of scenarios



Drill down into data



Prioritize risk  
remediation efforts



Assess emerging risks

## The Issue

Almost no industry is immune from the coronavirus pandemic's financial impacts. Regional shutdowns, travel bans and supply chain disruptions heighten the risk of credit defaults across industries. Elevated volatility within the capital markets put trading profits at risk. Unemployment and interest rate movements threaten the stability of core deposits. Firms are facing an array of strategic challenges, and the decisions they make may determine if they survive the crisis and how strongly they can recover. Information is crucial, but with economic conditions outside of everyday norms, managing based on historical trends is insufficient.

Banks are increasingly recognizing the benefits of enterprise stress testing on their balance sheet management. In today's uncertain environment, a similar but more streamlined scenario-based analysis is needed to direct tactical and strategic planning.

## The Challenges

**Uncertain and ever-changing outlooks.** Management needs access to timely information to inform decision making. SAS® allows you to consider a wide range of scenarios and quickly analyze outcomes based on the most recent expectations.

**Silo-based stress test processes are slow and inflexible.** While periodic supervisory tests can be well-planned and orchestrated over weeks, crisis response requires a nimble process that allows for impact analysis across different scenarios. SAS allows you to quickly iterate multiple scenarios and assumptions. Customizable reporting facilitates ad hoc analyses to address pressing concerns.

**A small pool of qualified talent.** Scenario analysis and stress testing require a blend of analytical skills and business acumen. Industry competition makes recruitment and retention difficult. SAS provides a web-based, highly automated, UI-driven process that reduces key person risks.

**A remote workforce makes collaboration difficult.** Under pressure, a patchwork approach to analysis can lead to miscommunication, inconsistent models and misaligned assumptions. SAS unifies your process, helping ensure a cohesive and consistent analysis.

**Controls and transparency must be maintained.** A highly dynamic and iterative environment heightens the risk of operational errors. Our structured and transparent workflow maintains strong controls and auditability to help reduce errors.

## Our Approach

Organizations need a readily accessible working environment to analyze their company's performance quickly over a wide range of scenarios. SAS can help you manage your portfolio with:

- **Rapid access to powerful risk analytics.** SAS provides a cloud-based, open environment for scenario-based stress testing. Quickly bring in your data and begin analyzing your portfolio over a wide range of economic scenarios and business assumptions.
- **Synchronized process orchestration.** Use the included components to optimize workstreams and facilitate collaboration. Ensure the entire team is using a consistent set of scenarios and assumptions. Maintain strong governance and controls.
- **Powerful model implementation and execution environment.** Use prebuilt models or import your own. Rapidly perform simulations and automatically process results. Add overlays and adjustments with full transparency.
- **Flexible data visualization and reporting.** Take advantage of the included capital and financial measures. Generate and view income statement and balance sheet projections. Easily drill down into results to identify key drivers and understand their impacts.
- **Attribution and trend analysis.** Quantify the effects of changing scenarios and assumptions. Estimate the impacts of potential strategies.

## The SAS® Difference

SAS helps financial institutions of all sizes address their most challenging issues in risk and financial management. Our global experience combined with our leading-edge analytical platform provides a scenario-based stress test solution that offers:

- **Cloud-based convenience.** A quick and easy-to-implement environment covers the entire process including data collection, scenario management, model execution and reporting.
- **Proven high-performance analytics.** Financial institutions across the globe rely on SAS for critical risk and finance functions. Our industry-leading analytical and reporting environment enables firms to effectively and efficiently address their business challenges.
- **Flexibility and scalability to meet evolving requirements.** Highly automated, dashboard-driven capabilities support your immediate needs while supporting more expansive use across the organization.
- **Technical and subject-matter expertise.** SAS offers both technical and domain-level support services to ensure your immediate and ongoing success.

The SAS approach was recently recognized with these designations from Chartis:



Learn more at the [SAS COVID-19 Resource Hub](#)

