What does SAS® Credit Assessment Manager do?
SAS Credit Assessment Manager automates the process of categorizing impaired loans, down to the individual assessment level - whether they are nonperforming loans, related exposures or unlikely to pay. It flags and reports on customers that fall into these categories and enables management to resolve individual cases through refinancing, restructuring the loan, calling in collateral or other remediating action.

Why is SAS® Credit Assessment Manager important?
SAS Expected Credit Loss (IFRS 9 and CECL) evaluates a bank's entire portfolio of loans. SAS Credit Assessment Manager extends this capability, enabling credit and risk managers to zero in on bank-specified subsets of impaired loans individually, identify any related exposures, proactively manage those exposures in time to mitigate losses and optimize the recovered amount.

For whom is SAS® Credit Assessment Manager designed?
It is designed for financial services CROs, CFOs, CCOs and credit portfolio managers. These executives must mitigate risk, optimize recovery of impaired loans and report on individual assessments of impaired loans to regulators.

Benefits

- **Improve collections.** Proactively manage troubled loans so your bank can act in time to mitigate risk, limit losses and optimize recovery. Collections from impaired loans may be improved through monitoring timely collection programs, including dunning, refinancing, restructuring or seizure of collateral.
- **Optimize impairment provisions.** SAS Credit Assessment Manager automates the process of loan categorization and integrates individually assessed impairment values with your expected credit loss (ECL) solution. The result is a comprehensive picture of collective and individually assessed positions, providing the insight required to optimize impairment provisions.
- **Analyze high volumes of loans.** Use a well-defined process to analyze very high volumes of individual loans. You can assign specific cases to knowledgeable customer relationship managers and calculate impairment values in a timely manner. Test multiple cash flow outcomes, including baseline, optimistic and pessimistic economic scenarios to support your collections strategy.
- **Establish a single source of truth.** SAS Credit Assessment Manager centrally captures all relevant loan information, including counterparty details and relationships, loan instruments, cash flows and collateral. Reap the benefits of a full, centrally managed and reliable range of management reports, including regular assessment of borrower repayment capabilities beyond basic loan servicing data.
• **Ensure auditable workflow.** The SAS solution offers a complete audit trail of workflow, including documentation of decisions ranging from foreclosure to concessions, reclassifications or modifications. It also enables automated escalation of any reclassification decision that requires additional evidence, such as performing or nonperforming forbear exposures with inadequate payment plans.

• **Address regulatory requirements.** Streamline the process of addressing regulatory requirements, including European Central Bank (ECB) guidance on nonperforming loans and related IFRS 9 and FASB reporting rules. Be prepared to easily present all relevant information, including counterparty data, loan instruments, cash flows and collateral from one source.

## Overview

SAS Credit Assessment Manager ensures well-run regulatory exams that comply with IFRS 9/CECL accounting rules and related requirements for individual assessment of nonperforming loans. It extends the capabilities of SAS Expected Credit Loss (IFRS 9/CECL), providing SAS financial services customers a uniquely comprehensive and scalable solution with optimized time to benefit.

The solution provides a central place to manage credit processes and controls across lines of business, from process documentation and certification to control testing, capital planning and self-assessment procedures that are fully aligned with regulatory expectations. Seamless support for the management and approval process at each stage up through board approval ensures compliance with international regulatory principles.

SAS Credit Assessment Manager streamlines both internal audit and regulatory examination through the intuitive alignment of artifacts with internal and external stakeholder expectations. Any issues raised during an examination may be tracked, traced and mitigated through the issue resolution process.

### Individual assessment decisioning

SAS Credit Assessment Manager provides qualitative retail and corporate questionnaire-based decisioning for restaging individual loans, including business rules. This enables identification of contaminated companion exposures.
Workflow-driven analytics
A systematic, workflow-driven process establishes different economic scenarios and available cash flows, aligning them with rigorous analytical methods to arrive at a revised impairment amount.

A wide range of analytical methods computes impaired expected credit loss based on the likelihood of occurrence under various economic scenarios.

The workflow then maps these results to the percentage of cash flows available to service debt under each scenario, including the application of collateral and related factors.

Full transparency
The solution offers a complete audit trail of workflow, including documentation of decisions ranging from foreclosures to concessions, reclassifications or modifications. It also enables automated reclassification of any decision that requires additional evidence, such as performing or nonperforming forborne exposures with inadequate payment plans.

A transparent process for selecting nonperforming exposures and associated counterparties assesses each position individually, computing revised impairment amounts periodically for fully transparent management reporting.

Interconnected exposures
SAS Credit Assessment Manager links both exposures and collateral to counterparties, related legal entities and parties of interest, enabling the evaluation of all related exposure factors. It is integrated with SAS Expected Credit Loss (IFRS 9/CECL) to assess required provisioning through stress tests and quality reviews, providing timely reports on impairment through recognition of loan losses.

Key Features

Exposure selection for individual assessments
• Rules-driven process for filtering loans and other credit exposures for individual assessment.
• Ability to manually add counterparties for individual assessment.
• Visualization of selection rules used for each monthly run.
• Rules for establishing validity of prior individual assessments.

Individual assessment decisioning
• Questionnaire-based decisioning for both retail and commercial loans.
• Supports restaging of individual loans.
• Rules-based triggers.

Comprehensive workflow and analytics
• Iterative, workflow-driven processes involving available cash flows, likelihood of various economic scenarios, available and matched collateral, and other cash sources.
• Alignment of data and analytics.
• Mapping of results to debt-servicing options.

Complete audit trail
• Documentation of decisions.
• Includes all required records and artifacts from modification through foreclosure.
• Transparent assessment processes.

Loan contamination
• Link exposures to specific counterparties.
• Identify contamination and interconnected risks.

Reliable data
• Aggregate internal and external data sources.
• Map to IFRS 9 and CECL collective assessment data.

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SAS Credit Assessment Manager enables impairment calculations for individual loans.
With SAS Credit Assessment Manager, you can easily view a list of impaired loans within specific portfolios.

To learn more about SAS risk solutions and services, download white papers, view screenshots and see other related materials, please visit sas.com/risk.