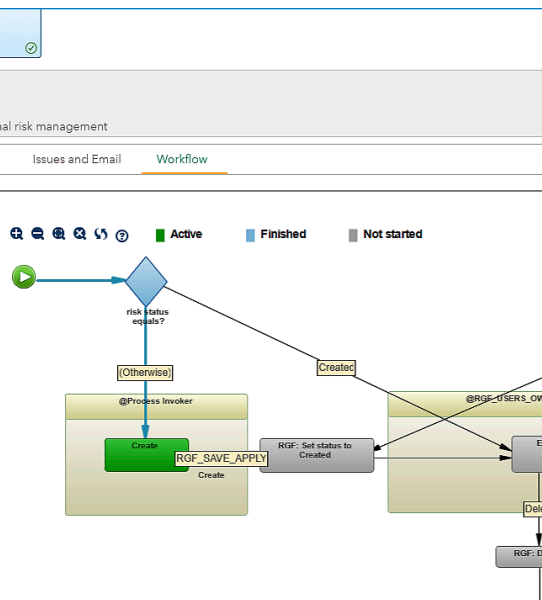


SAS® Qualitative Assessment Manager



What does SAS® Qualitative Assessment Manager do?

SAS Qualitative Assessment Manager reduces the manual effort required to document, manage, assess, communicate, monitor change and audit the stress-testing processes required for capital planning and review.

Why is SAS® Qualitative Assessment Manager important?

Regulators may raise objections to a bank's capital plan on qualitative grounds. Qualitative assessment guidelines shape uniform principles for stress-testing best practices across geographies. But management often lacks a holistic view of related interdependencies across regulatory or business-as-usual processes. The workflow component of SAS Qualitative Assessment Manager enables this comprehensive view across enterprise risk and stress-testing processes.

For whom is SAS® Qualitative Assessment Manager designed?

This solution is designed for chief risk officers, chief financial officers, auditors and finance managers, who need to optimize resources, address regulatory and audit demands, streamline and automate processes (where possible), and reduce cost (as a percentage of operating expenses).

You need to have confidence that your organization is performing the right stress-testing processes in support of your capital plan, because regulators may raise objections based on qualitative assessment guidelines. These are described by the Federal Reserve Bank (SR 15-18/19) and FASB CECL, as well as in Europe and international banking centers (European Banking Authority capital adequacy guidelines [ICAAP/Pillar II]) and IFRS 9.

SAS Qualitative Assessment Manager facilitates well-run regulatory exams that comply with stress testing, IFRS 9 and CECL models, and capital adequacy requirements. The product provides a central place to manage processes, controls and regulatory expectations.

You can use SAS Qualitative Assessment Manager to update process documentation and post evidence including frameworks for process certification, control testing, capital planning and self-assessment aligned with regulatory expectations. Seamless support for the CFO/executive attestation process

ensures compliance with international regulatory principles. The product streamlines internal auditing and the regulatory examination process that aligns artifacts with regulatory expectations, associated controls, controls testing and process outlines. Each artifact is linked to relevant documentation, which forms the core of a stress test. Any issues raised during the process may be tracked, traced and mitigated through the issue-resolution process.

Benefits

- **Enable workflow capabilities to track and manage organizationwide processes.** For banks participating in the Supervisory Federal Assessment of Capital Planning process (SR 15-18/SR 15-19) and for related capital requirements processes for European and other international banks (Pillar II under Basel III), SAS Qualitative Assessment Manager enables them to govern the entire process in a holistic manner.

- **Supports independent reviews for control testing, from data reconciliation to sensitivity analysis.** SAS Qualitative Assessment Manager includes support for the posting of all evidence and artifacts related to each element of the control testing process. This provides management with the ability to align stress-testing processes with internal governance and external regulatory requirements.
- **Enables the bank's internal stakeholders to evaluate and manage their adherence to regulatory principles.** Banks can identify gaps in methodology in comparison with regulatory expectations and industry best practices.
- **Supports a comprehensive process for executive assessment and attestation of the reporting data.** CFOs, or an equivalent executive authority, must sign off on (attest to) processes and reporting results that affect the bank's financial statements. For larger banks, attestation of stress-testing results is a discrete process.

- Provides a central point of control for the management of regulatory exams from the beginning of the process through resolution. Meeting regulatory expectations requires evidence of self-assessment and controls testing, including the golden copy of any artifacts required for evidentiary support. Enabling banks to manage and mitigate any issues that arise through this process of self-evaluation is an important capability in preparation for a regulatory review as well as the resolution of any issues that arise.

Overview

SAS Qualitative Assessment Manager enables banks to certify analytically driven processes, test the effectiveness of process-related controls and conduct self-assessments of the methodology used for stress testing whether you are following the US Federal Reserve's or European Banking Authority's capital adequacy (ICAAP) guidelines. This product provides process governance and workflow at the organization and business unit up to CFO attestation

(if required). In addition, it supports the entire process of regulatory exams through issues resolution. The end-point of a stress testing cycle is a set of attested document submissions to a regulatory authority or other audit-related stakeholders.

Comprehensive governance

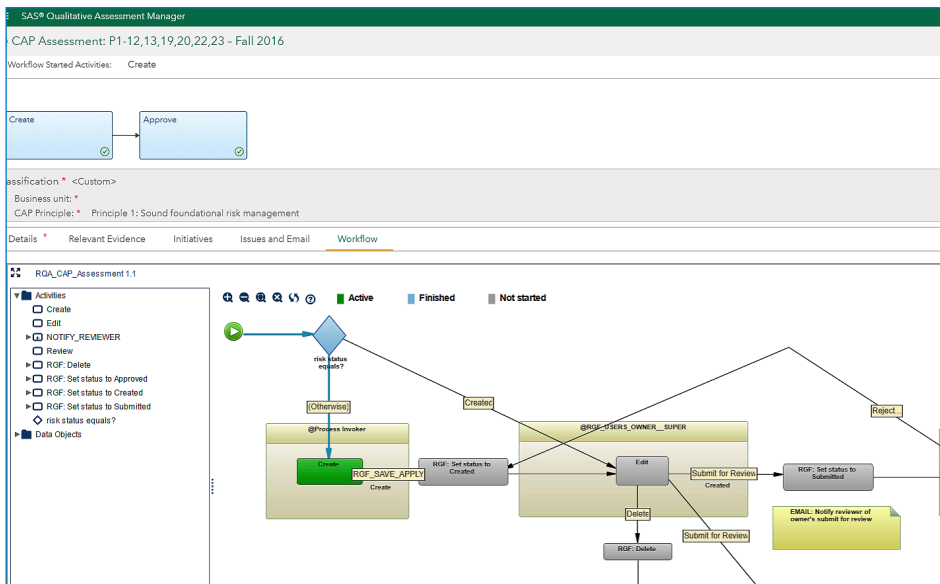
SAS Qualitative Assessment Manager includes the ability for banks to maintain an inventory of all documentation explaining the stress testing and capital planning steps, including the approval chain, orchestration of the workflow, process outcomes and controls. It provides workflow capabilities to track and holistically manage organizationwide processes. Interdependencies are tracked and controls are tested while the appropriate notifications and escalations are automatically routed.

Internal Controls

This product includes support for the posting of all evidence and artifacts related to each element of the control testing process.

Self-Assessment

The solution tracks controls aligned with regulatory principles and expectations, and automates control testing workflow procedures. It enables banks to identify weaknesses, limitations and uncertainties, define the required remediation of issues linked to outcomes and owners, and arrive at a transparent, fully documented and repeatable process.



SAS Qualitative Assessment Manager supports capital assessment workflow.

The screenshot shows the 'Process: Residential Mortgage Dynamic Transition Model' details. It includes a 'Create' and 'Approve' workflow diagram. Below the diagram, there are fields for 'Classification', 'Business unit', and 'CAP Principle'. The 'Process Details' section includes a search bar and a table of actions and controls.

| Actions | Name | Modified By | Version | Actions | Control ID | Control Des |
|--------------------------|-------------------------|-------------------|---------|--------------------------|-------------------|---|
| <input type="checkbox"/> | 01_ProcessOverview.html | RGF Administrator | 1 | <input type="checkbox"/> | Control #1 - ... | Analyst • Verifies that element values are |
| <input type="checkbox"/> | 02_KeyAssumptions.html | RGF Administrator | 1 | <input type="checkbox"/> | Control #2 - ... | Reviewer: • Compares quarterly data in s |
| <input type="checkbox"/> | 03_RequiredInputs.html | RGF Administrator | 1 | <input type="checkbox"/> | Control #3 - ... | Analyst • Verifies originations forecasts d |
| <input type="checkbox"/> | 04_ProcessMap.html | RGF Administrator | 1 | <input type="checkbox"/> | Control #4a - ... | Analyst • Ensures balances of model dat |
| <input type="checkbox"/> | 04_ProcessMap.vsd | RGF Administrator | 1 | <input type="checkbox"/> | Control #4b - ... | If model executed in SMF Analyst: • Capt |

SAS Qualitative Assessment Manager enables users to fully document their stress-testing process.

Executive Attestation

SAS Qualitative Assessment Manager's capabilities include full support of the executive attestation process, including a summary of internal controls and self-assessment results. The solution automates the process of data checking to ensure data is materially correct and aligns the approval processes with regulatory instructions.

Support for Regulatory Review

SAS Qualitative Assessment Manager provides a central point of control for the management of regulatory exams from the beginning of the process through to the resolution of any issues. It includes a centralized library of all documents with versioning related to the stress-testing cycle and likely to be requested by internal audit or regulatory examiners. Any issues raised by the examiners are captured and entered into the issue mitigation process, where they are tracked and reported up through resolution.

Key Features

SAS Qualitative Assessment Manager reduces the manual effort required to document, manage, assess, communicate, monitor change, and audit the stress testing processes required for capital planning and review:

Process Confirmation

- Process tasks and stakeholders.
- Process documentation.
- Identify outcomes and owners.

Control Testing

- Track controls.
- Automate control testing workflow.
- Capture and test control evidence.

Self-Assessment

- Manage regulatory principles and expectations.
- Workflow associates policies and processes with owners and approvers.
- Evidences for self-assessment and regulatory expectations.

CFO/Executive Attestation

- Attestation process for stress testing.
- Comply with regulatory instructions.
- Ensure data is materially correct.

Issue Resolution

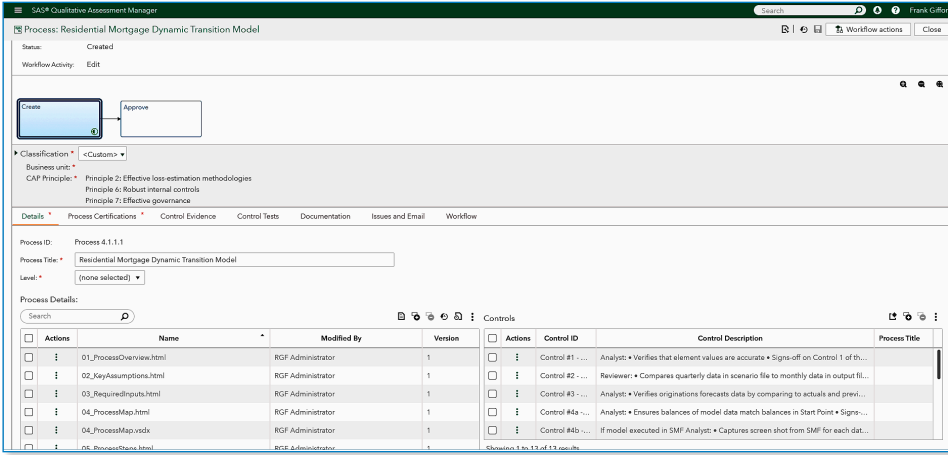
- Identify and manage issues raised by regulators.
- Manage issue mitigation process.
- Close issues and communicate information to regulators with supporting artifacts.

Document Catalog

- Centralized library of all documents related to the stress-testing cycle, organized by principle, taxonomy, file structure and context.
- Document controls include versioning and user access.
- Catalog serves as the single golden repository of all supporting artifacts including capital policy, risk appetite and CCAR Annual submission.

TO LEARN MORE »

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



SAS Qualitative Assessment Manager enables users to document their stress testing methodology.

To contact your local SAS office, please visit: sas.com/offices

