



# INTELLIGENT RISK ANALYTICS FOR THE MID-MARKET

## Solving for CECL - and beyond

### OVERVIEW

Accenture has implemented the SAS® solution for CECL, including the SAS Expected Credit Loss solution and the SAS CECL content package, on AIP (Accenture Insights Platform). Together, Accenture and SAS accelerate CECL expected loss calculations and reporting so that banks can focus their expert resources on the core business challenges of capital optimization, risk mitigation and balance sheet immunization. In addition, by developing standardized models and reports, lenders of all sizes can minimize the cost to implement CECL.

computational challenges and tight timelines of the new CECL standards, while reducing implementation and execution risks. Banks can create, test and execute large numbers of complex analytical models, ensuring process transparency and auditability along with instilling strong model governance. It's designed primarily for CFOs to comply with new FASB accounting standards, as well as CROs who will need to provide the required analytics and reports.

SAS Regulatory Content for CECL, coupled with the SAS Expected Credit Loss solution, helps banks meet the

<p><b>What does SAS Regulatory Content for CECL provide?</b></p>	<p>SAS delivers an Enterprise Platform that provides a controlled environment where complex systems of loan-level risk models can be implemented quickly and transparently to calculate loan losses. Along with pre-defined work-flows and reporting that help meet a bank's CECL regulatory requirements.</p>
<p><b>What does AIP do?</b></p>	<p>AIP is a comprehensive solution comprised of an integrated suite of leading technologies, consumption-based commercial arrangements, enterprise support, and apps and intelligent industry solutions that helps clients harness enterprise big data to make more intelligent decisions – quickly and at scale.</p>
<p><b>Why Accenture and SAS?</b></p>	<p>Accenture and SAS help financial institutions meet the data and computational challenges, tight timelines, and regulatory scrutiny of both portfolio stress testing exercises and the new expected credit loss allowance standards (IFRS 9 and CECL). Together we provide a cost effective managed service model that delivers the same advanced analytics that large complex banks use to mid-market banks.</p>
<p><b>Who will benefit from this Accenture and SAS approach?</b></p>	<p>SAS on AIP can benefit both large financial institutions that need to efficiently execute complex analytics using a powerful risk engine on a highly scalable platform, as well as smaller financial institutions looking for an out-of-the-box CECL solution. Although the environment is customizable, working with standard model libraries, fit and benchmarked across a consortium of loan and market data, makes compliance for smaller lenders much more cost effective and easier to implement.</p>



### FLEXIBLE

When the regulatory environment changes, your platform shouldn't be one of your risks



### SCALABLE

It may be difficult to know how fast your business will grow, but knowing how much computing power you will need should be simple



### COST EFFECTIVE

Infrastructure expansion and maintenance should not be another cost of risk and compliance

## DO YOU NEED TO QUICKLY AND COST-EFFECTIVELY IMPLEMENT A CECL SOLUTION? WITH SAS® REGULATORY CONTENT FOR CECL AND ACCENTURE INSIGHTS PLATFORM YOU CAN:

### SAS® ON AIP CAPABILITIES FOR CECL

- An auto-calibrated set of CECL compliant models, preconfigured work-flows implementing the accounting rules, and ability to generate drill-down reports and ledgers for CECL regulatory purposes.
- Provides a robust solution for flexible reporting and management of "what if?" analysis to clearly understand and assess the impacts of changing data, models and assumptions.
- Add functionality to optimize your work-flows as regulations and business need change.
- Standard set of scenarios, and consolidated reports to meet regulatory requirements in an efficient and auditable manner.
- Quickly implement standard CECL models to fit your credit loss profile.
- A set of pre-built model templates makes it easy to evolve into more advanced CECL methodologies including computing lifetime expected credit loss (ECL), hazard models, Markov chains, PD curves, loss given default (LGD), Monte Carlo simulations and state transition models.
- An input data model supports ECL calculations and financial disclosure reporting.
- An expected credit loss scenario attribution model that computes the ECL impact of different scenarios is provided along with industry benchmarks.



#### FRONT END

- Reporting
- Workflow



#### ANALYTICS

- Management for what-if? analysis
- Machine learning
- Credit loss models



#### DATA INTEGRATION

- Loan level data
- Standardized data model
- Data lineage & auditability



#### PORTFOLIO & MARKET DATA

- Cross-industry loan data
- Industry based benchmarks
- Market data & scenarios

Accenture Applied Intelligence



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