

Sageworks ALLL

Create a defensible calculation

More banks and credit unions trust Sageworks ALLL for the allowance for loan and lease loss calculation than any other solution. Sageworks ALLL helps bankers streamline the reserve calculation process under current GAAP as well as future GAAP with current expected credit losses (CECL). The solution also helps institutions who have to comply with the International Financial Reporting Standards (IFRS 9).



Endorsed by the American Bankers Association®

CHALLENGES

INEFFICIENT PROCESSES

- Ongoing gathering of both external and internal data
- Numerous stalling points in the process
- Analyzing the data and reporting to various audiences
- Building disclosures by hand
- Difficulty improving loss rate calculations

POTENTIAL FOR MANUAL ERROR

- Protection, overwriting and version control issues with spreadsheets
- Cascading effects of manual changes
- Transferability of the process
- Staying up-to-date with regulations and guidance
- Inconsistent impairment calculations

EXAMINER AND AUDITOR CRITICISM

- Documentation, documentation, documentation
- Changing regulations and guidance
- Difficulty justifying assumptions and subjectivity in the calculation

FROM OUR CLIENTS

90% of clients reduced the time needed for the ALLL by 50%-80%.

“ It would take me approximately a week to finalize [the ALLL], and now it's taking approximately an afternoon. ”

100% of clients reduced manual errors in their calculations.

“ Before Sageworks, I would triple and quadruple check our spreadsheets to find errors and still wouldn't find them all...now, we know that our calculation is error-free. ”

100% of clients using Sageworks ALLL reduced examiner criticism.

“ Sageworks ALLL has impressed our examiners and auditors by providing consistency to the ALLL methodology. It is a more consistent, efficient, error-free approach. ”

sageworks ALLL My Account Log Out

ALLL Calculation Loans Individual Loans Pooled Loans Purchased Loans ALLL Reports Options

Print

ALLOWANCE FOR LOAN AND LEASE LOSSES SUMMARY

Today's Balances

ALLOWANCE FOR LOAN AND LEASE LOSSES BALANCES AND RESERVE

	Balances	Reserves	Comm
Individually Analyzed Loans:	\$ 53,814,446.00	\$ 53,814,446.00	
Pooled Loans:	\$ 373,189,789.57	\$ 14,138,258.54	
Purchased Impaired Loans:	\$ 26,983,200.00	\$ 540,558.00	
Purchased Non-Impaired Loans:	\$ 243,381,016.00	\$ 4,138,717.63	
Total Loans: ②	\$ 697,368,451.57		
Unallocated Reserves:		\$ 0.00	
Total ALLL Reserve: ①		\$ 72,631,980.17	

Individually Analyzed Loans:

Pooled Loans:

Purchased Impaired Loans:

Purchased Non-Impaired Loans:

Total Loans: ②

Unallocated Reserves:

Total ALLL Reserve: ①

KEY BENEFITS

- ✓ **Prepare for CECL**
 - Use CECL-ready methodologies
 - Capture, archive and incorporate loan-level detail
 - Prepare for capital adjustment
 - Reduce subjectivity and examiner criticism through data
- ✓ **Advanced Reporting**
 - Quickly generate reports for the board, examiners
- ✓ **Migration Analysis**
 - Calculate loss rates using a more granular and accurate methodology—quickly compare to historical loss
- ✓ **SOP 03-3/Purchased Loans**
 - Consolidate your institution's reserve and any purchased portfolios onto one platform
- ✓ **Disclosure Reports**
 - Satisfy ASU 2010-20 requirements (impaired loan report, TDR re-default report, aging analysis, etc.) quickly with Analytics & Reporting
- ✓ **Q Factor Support**
 - Import recent macroeconomic data to justify qualitative factors
 - FRED Data: information to defend economic assumptions
 - Sageworks Industry Data: largest database of financial information for privately held companies in the U.S.
- ✓ **Run Multiple Scenarios**
 - See how changes in Q Factors impact the ALLL, plan for capital adjustments and test how variations to the calculation impact the result
- ✓ **Use Various Methodologies**
 - Use different loss rate methodologies by pool to best fit your institution's loss experience
- ✓ **Backtesting**
 - Comply with regulatory pressure and ensure accuracy in your calculation with backtesting
- ✓ **Advanced Analysis**
 - Leverage a Loss Emergence Period or PD/LGD to bolster ALLL calculations
- ✓ **Automate Complex Collateral**
 - Analyze complex collateral relationships
- ✓ **Custom Integration**
 - Sageworks provides a dedicated integration project manager as a start-to-finish resource
- ✓ **Institutionalize Calculation**
 - Make the ALLL process transferable to new employees
- ✓ **Comply with IFRS 9**
 - Meet the requirements of the international standard