



WebEquity® ALLL

The fast, accurate tool for calculating Allowances for Loan and Lease Losses

Determining and documenting ALLL reserves is a time-consuming challenge requiring expert judgment. WebEquity® ALLL expedites the process of creating a justifiable reserve. All by automating key elements in the decision process.

Now you can easily strengthen every aspect of your loss allowance practices:

- **Compliance With Regulatory Guidelines**

Following generally accepted accounting procedures (GAAP) and interagency policies, you quickly arrive at the loan loss contingency while meeting examiner expectations.

- **ASC 450 (FAS 5) and ASC 310 (FAS 114) Calculations**

You'll speed analysis for grouped loans (ASC 450) and easily integrate impaired loan (ASC 310) evaluations to arrive at an accurate overall allowance.

- **Complete Documentation of Reserve Decisions**

Provide examiners, auditors and Board members with a complete rationale for your reserve calculations, including management adjustments and narratives.

- **Historical Trend Analysis and Peer Comparisons**

Valuable insights based on peer performance and your bank's past experiences ensure that your reserve is forward looking, yet grounded in historical results.

- **Centralized Information Storage**

Maintaining your information in one location reduces the likelihood of errors and inaccuracies while simplifying future reserve decisions and activities.



Streamline your ALLL reserve process with advanced capabilities.

WebEquity ALLL systematically collects current and historical data... considers your subjective evaluation criteria... then automates an accurate reserve calculation. Each ALLL provision is backed up by decision details and written rationales.

Now you can remove hours and errors from your ALLL process. You will expedite a tedious, labor-intensive job with these key features and capabilities:

Easily configured to fit your needs.

WebEquity ALLL gives you exceptional flexibility, including the abilities to:

- Calculate reserves by holding company, individual banks/charters and regions
- Segment and group portfolio balances according to your loan types
- Tailor subjective criteria including historical weightings, environmental factors and peer groups

Automatic data collection for ASC 450 calculations.

WebEquity ALLL expedites the process by automating the collection of:

- Loan loss histories from past quarterly call reports
- Current loan portfolio data from the bank's core system including separating impaired loans, government guarantees, and deposit-collateralized loans

Historical and subjective considerations for grouped loan reserves.

The ALLL tool applies qualitative factors that you determine, including:

- Weighting of quarterly loss histories
- Environmental factors – delivered with nine pre-defined market factors that regulators recommend considering, but you can easily change, subtract and add more.

Comprehensive ALLL Reserve Analysis –
helps arrive at a justifiable reserve and builds confidence with your Board, examiners and auditors.

The screenshot displays the WebEquity ALLL software interface. At the top, there is a navigation bar with options like 'ALLL Home', 'View / Edit', 'Add New', '114 Worksheets', 'Trend / Compare', and 'Setup'. Below this is a table titled 'Allowance for Loan and Lease Losses (ALLL) Analysis'. The table has columns for Loan Segment, Portfolio Balance, Impaired Loans (FAS 114), Government Guaranteed Loans, Deposit Collateralized Loans, Net Loans for FAS 5 Analysis, Weighted Historical Loss, Environ. Adjust., FAS 5 Calculated Exposure, Lowest Expected Exposure, and Highest Expected Exposure. The 'Total' row shows a portfolio balance of \$501,855, impaired loans of \$16,010, government guaranteed loans of \$5,484, deposit collateralized loans of \$735, net loans for FAS 5 analysis of \$479,635, weighted historical loss of \$5,349, FAS 5 calculated exposure of \$4,564, lowest expected exposure of \$4,564, and highest expected exposure of \$6,487.

Below the table, there is a section for 'Post-Analysis ALLL Excess / (Shortfall) in Dollars'. It includes a table for 'FAS 5 Allocation' and 'FAS 114 Allocation', and a section for 'Other Adjustments' with a table showing 'Other Adjustment Category' and 'Adjustment'.

At the bottom, there is a text box for 'Post-Analysis - Excess / (Shortfall) in Dollars' with a 'Final decision was to add \$150K this quarter taking the overall allowance to \$6.7M.'

ASC 310 impairment measurements.

WebEquity ALLL uses all three prescribed methods for determining a loan's impairment level:

- Fair value of the underlying collateral
- Net present value (NPV) of expected future cash flows
- The loan's observable market value

Impaired loan worksheets to fit your needs.

You choose the impaired-loan worksheets you want to use.

- Pre-defined models that match the prescribed methods
- WebEquity Excel Add-in that imports data to match the worksheets your lenders use today

The image shows two overlapping Excel spreadsheets. The top spreadsheet is titled 'FAS 114 Worksheets - Collateral Entry' and contains a table with columns: Collateral Description, Original Value, Gross Market Value, Valuation Date, Source, Prior Liens, Deductions, Liquidation Value, and Order. The bottom spreadsheet is titled 'FAS 114 Worksheets - NPV Cash Flow Entry' and contains a table with columns: #, Repayment Source, Payment Amount, First Payment Date, Number of Payments, Frequency, Applied Interest Rate %, Net Present Value (NPV), and Order. A text box is visible in the bottom left corner of the NPV spreadsheet, containing a paragraph of text starting with 'Inventory - Liquidation value conducting "normal" business normally sold with a 60% m...'.

Managerial adjustments to your aggregated allowance.

Once your ASC 450 and ASC 310 reserves have been combined, the system clearly documents the managerial adjustments you have made for:

- Unfunded commitments
- Probability of Default / Loss Given Default (PD/LGD)
- Other adjustments made at management's discretion

A valuable bank acquisition due diligence tool.

Assessing the fair market value of a loan portfolio is a critical step for any institution that considers an acquisition. Yet, the due diligence must be swift and thorough. With WebEquity ALLL you can quickly compile loss histories, environmental considerations and impaired loan calculations of banks you want to acquire into a concise assessment of value. You can negotiate acquisition reserves with confidence.

A solution built by bankers for bankers.

WebEquity ALLL delivers powerful benefits:

- Time and labor savings
- Accuracy and reliability
- Informed decisions
- Regulatory compliance
- Accurate financial reporting
- Documented validation

ASC 310 Worksheets — offer pre-defined models that match the prescribed methods of loss valuations.



Clear documentation to support your reserve number.

Narratives, trend analysis and comprehensive reporting provide a detailed rationale for your ALLL provision. This support also gives you a valid foundation for future decisions.

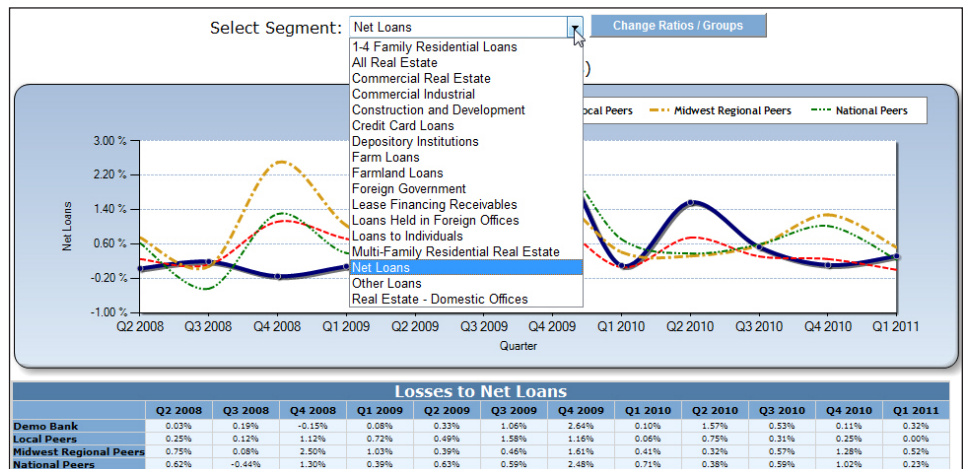
Complete audit trails that build confidence in your reserves.

Unlimited narrative fields allow you to create a comprehensive audit trail of your reserve decisioning process so that regulators, auditors and your Board have confidence in your numbers. Once your ALLL provision is approved, your analysis can be locked from additional changes and retained as a starting point for the next periods' calculations.

Trend Analysis and Peer Comparisons to clarify performance.

To support your decision - and refine your reserves over time - you can produce peer bank comparisons and trend reports of your past allowance and loss amounts.

Peer Comparisons — regional, national and custom peer group comparisons show your relative performance in key areas such as loss history, loss coverage and allowance to loans.



Comprehensive reporting at the touch of a key.

A comprehensive set of reports document your reserve decisions. These can be produced online or distributed as standard PDFs and include:

- ALLL Allowance
- Environmental Factors
- Loan Loss History
- Impaired Loan Losses
- Summary Information
- And More
- Loan Type Details

Regulators expect banks to “develop, maintain, and document a comprehensive, systematic, and consistently applied ALLL process.”*

WebEquity ALLL helps you do all this, and more.

For a demonstration of this valuable solution — and to learn more about other WebEquity offerings—visit www.webequitysolutions.com or contact us at **1-800-264-0787 ext. 3**.

* Interagency Policy Statement on the ALLL, December 13, 2006 (SR 06-17)



Work smart. Lend profitably.