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WebEquity[®] Offers Banks a Faster, Easier, More Accurate Way to Manage Allowance for Loan and Lease Losses

Industry's most complete ALLL solution helps reduce the risk of costly mistakes and help banks meet loan loss reserve reporting and regulatory needs

OMAHA, Neb., November 29, 2011 — WebEquity Solutions[®] LLC (WebEquity) today announced the introduction of [WebEquity[®] ALLL](#), the industry's most comprehensive software solution to help banks systematically and accurately calculate and manage their loan loss reserves.

Financial institutions are under increasing pressure from bank examiners, auditors and boards of directors to develop and document a comprehensive, consistent process for determining a sufficient [allowance for loan and lease losses \(ALLL\)](#), the amount held in reserve based on an estimate of current and future credit losses in a loan and lease portfolio.

According to the U.S. Department of the Treasury's Office of the Comptroller of the Currency (OCC), the ALLL "represents one of the most significant estimates in an institution's financial statements and regulatory reports." The OCC, which regulates national banks and federal savings associations, requires banks to maintain an ALLL at an appropriate level to cover current and anticipated credit losses on loan and lease portfolios.

"The accuracy of our loan loss reserve decisions are absolutely critical to ensuring regulatory compliance and maintaining the overall financial strength of our institution," said Marty Opdahl, chief credit officer at American Bank Center of North Dakota. "WebEquity's ALLL solution provides the powerful set of analysis and decision support tools we needed to fine-tune our bank's ALLL process, maintain loan loss reserves at the right level and prepare for regulatory exams."

WebEquity ALLL is a cloud computing-based software solution that automates and speeds the process of collecting the necessary data to calculate loan loss reserves, analyze impaired loans and potential loan losses, determine and adjust quarterly provisions, and establish a clear audit trail to support accurate ALLL reserve decision-making. WebEquity ALLL is offered under the [Independent Community Bankers of America \(ICBA\)](#) Preferred Service Provider program, which makes quality products and services available to the ICBA's nearly 5,000 member banks.

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WebEquity will showcase its new ALLL solution at a [series of complimentary webinars](#) on Dec. 8, 2011 and Dec. 15, 2011 at 2 p.m. Eastern (1 p.m. Central). During the webinars, bank executives and lending managers will have an opportunity to see a brief demo of the WebEquity ALLL solution. For registration information, please visit www.webequitysolutions.com/ICBAwebinar.

Today, most banks still use manual processes and Microsoft Excel to calculate the ALLL, increasing the risk of costly calculation errors, inadequate documentation and inconsistencies. Typically, this process is extremely time-consuming for banks because they must collect an extensive amount of data to determine the reserve, including current loan balances, historical losses and impaired loans.

“Calculating loan loss reserves may be an inexact science, therefore it’s getting an enormous amount of scrutiny from bank examiners who are trying to solve the credit risk management puzzle,” said Doug McGregor, CEO of WebEquity Solutions. “Given the current industry and regulatory environment, banks can no longer afford to rely on outdated manual processes and spreadsheets to manage such a complex and risky area of their balance sheets. We developed our WebEquity ALLL software solution to address these issues and provide banks with an efficient analysis tool to help them meet examiner expectations.”

With WebEquity ALLL, institutions have the capabilities they need to:

- **Comply with regulatory guidelines**, including FFIEC audits, ASC 450 (FAS 5), ASC 310 (FAS 114), generally accepted accounting procedures (GAAP), interagency policies, and examiner expectations.
- **Configure the solution to their bank’s specific ALLL process**, including loan portfolio segmentation, impaired loan worksheets, environmental and management adjustments, and historical weighting.
- **Compare their bank’s ALLL with peers and historical trends** to ensure reserves are forward-looking, consistent with peer performance and grounded in historical results.
- **Maintain comprehensive reporting and in-depth documentation** to ensure transparency with boards of directors, executive management, auditors and examiners.

WebEquity ALLL is part of a comprehensive suite of lending software that helps banks efficiently [manage lending](#) processes, calculate an [allowance for loan and lease losses \(ALLL\)](#), and improve [risk management](#) and stress-testing of their entire commercial loan portfolio, including commercial industrial, commercial real estate, agricultural, construction, small business and consumer credits. WebEquity’s [cloud-based](#), fully hosted solutions simplify implementation and upgrade processes and reduce IT infrastructure costs.

About WebEquity Solutions

WebEquity® is the proven leader in on-demand lending software. More than [700 financial institutions](#) and 20,000 lending professionals use WebEquity to automate and streamline their lending process and reduce operational costs, while making more uniform and profitable credit decisions. The company offers financial institutions a distinct advantage with a single solution that works for all loan types, an on-demand model that provides

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centralized, anywhere access, and the flexibility to configure the system so it fits their lending practices. WebEquity serves institutions in the U.S., Canada and Australia. WebEquity is the Preferred Service Provider of the [Independent Community Bankers of America](#) for commercial/Ag lending, stress testing and ALLL software. For more information call 800.264.0787 or visit www.webequitysolutions.com.

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