

## Product



### Prologue™ Credit Loss Manager

#### Satisfy the FASB Credit Loss Accounting Standard While Minimizing Reserve Requirements



The Financial Accounting Standards Board's Current Expected Credit Loss (CECL) standard introduces new compliance and operational challenges for financial institutions. Prologue Credit Loss Manager from Fiserv provides enhanced credit modeling so that you can optimize the required reserve amount for every loan.

By replacing the incurred loss accounting model with an expected loss model, the CECL mandate significantly changes the way financial institutions will prepare and audit the Allowance for Loan and Lease Loss (ALLL) going forward. Designed to measure both current and future portfolio risk rather than just current losses, industry experts have predicted the standard could increase institutions' ALLL reserves by 10 to 50 percent.

The true impact of CECL depends on how accurately your institution can predict current and future credit losses and optimize ALLL reserve amounts. Most existing credit risk solutions lack the capability of forecasting cash flows and the impact to those cash flows on capital, margin and liquidity. In addition, they do not provide holistic, current and future views of the balance sheet.

Prologue Credit Loss Manager enhances risk modeling to help you ensure CECL compliance while maximizing the capital available for loans and investment. It illuminates a broad range of information required to measure credit

losses, including reasonable and supportable forecasts regarding expected collections of loan principles and payments. By analyzing all available data, including information about past events, current conditions and reasonable and supportable forecasts, the solution calculates more accurate loss rates so that you can minimize ALLL reserve requirements.

Although financial institutions are not required to comply with CECL standards until 2020, Prologue Credit Loss Manager can begin improving your decision-making around credit risk, interest rates and profitability today. The solution enables constant analysis of current and future cash flow and credit impact, allowing for loss mitigation early and often. And by enhancing your ability to analyze risk scenarios, interpret inter-dependencies and identify successful markets and products more readily, Prologue Credit Loss Manager is a valuable tool for the entire enterprise.

Prologue Credit Loss Manager is part of the Financial Performance Management suite of solutions from Fiserv. These integrated solutions enable a common, consistent enterprise performance management approach to financial management, financial performance management and financial risk management.



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### Key Benefits

- Ensure compliance with the FASB Current Expected Credit Loss standard
- Optimize ALLL reserve amounts
- Increase capital available for loans and investments
- Understand credit loss data, history and trends more holistically
- Identify credit loss trends over time and by segment (credit bands, product types, rate sensitivities, etc.)
- Understand the market impacts of changing interest rates
- Improve your understanding of financial inter-dependencies
- Analyze potential risk scenarios to improve business decisions
- Identify profitable/unprofitable markets and product lines more readily

### Connect With Us

For more information about Prologue Credit Loss Manager, please contact us at 800-872-7882, email [getsolutions@fiserv.com](mailto:getsolutions@fiserv.com) or visit [www.fiserv.com](http://www.fiserv.com).



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