aryza

et aryza **evaluate**

Software-based IFRS 9 management platform

The obligation to account for financial instruments in accordance with the International Financial Reporting Standard 9 (IFRS 9) is a highly complex task for banks.

Since January 2018, it has been mandatory for banks to follow the IFRS 9 reporting standard, which contains new regulations for the recognition of impairments and the classification and measurement of financial assets.

Since implementation of the standard, our Aryza experts have gained a wealth of experience in managing these demanding requirements using software.

We currently support numerous financial institutions with our Impairment Engine. Our integrated solution provides support during all phases of the impairment calculation.

Aryza's software allows you to create flexible models for the generation of risk parameters according to your specifications.

Modellable rules are provided for the segmentation of transactions and risk parameters and the assignment of levels (including transfer logic).

Our solution also enables you to manage and calculate on-and off-balance shares, and supports optional evaluation by your analysts.

Weighted scenarios with multiple calculations give you an optimal overview of the status and predict future performance.

Our software solution is of course also suitable for mass data transfers and can support multiple clients, multiple languages and foreign currencies.

If you would like a demo of the software, get in touch and we will arrange this for you.

Aryza Evaluate consists of three modules:

1 – The Impairment Engine

The Impairment Engine helps banks to calculate expected impairments. While the bad book serves as a planning tool for critical significant contracts that allows for manual cash flow estimation, the good book is responsible for an automatic accounting of an institution's population. One of the core functions is the possibility to calculate the expected loss.

2 – The Parameter Engine

Existing or new models for determining risk parameters, such as probability of default, expected loss given default, credit conversion factor etc. can be flexibly integrated individually via the Parameter Engine.

3 – The Risk Engine

Resilience can be tested at any time with the Risk Engine, for example with EBA stress test or climate stress test (currently running in Germany). In addition to regulatory stress tests, individual stress tests, such as migration losses, can also be carried out. The programme calculates expected lifetime losses on total portfolios in parallel to various stress scenarios. Banks that perform poorly in the hypothetical crisis scenario must expect supervisors to tell them to strengthen the capital buffer.

The Impairment Engine
Bad book

- Critical, significant cases
- Individual assessment by analysts
- Calculation according to DCF and weighted cash flows
- Commitment review, including resolutions, 4 AP etc.
- Stage 2, 3, POCI

The Impairment Engine
Good book

- Automatic processing and calculation
- Population of an institute
- EL/ELL determination using statistical methods
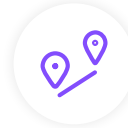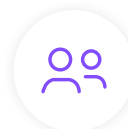- Stage 1-3
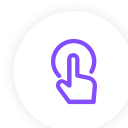
The Parameter Engine

- Mapping of any (mathematical) models
- Server side JavaScripting
- Access to Aryza + external data warehouses
- Arbitrary data adjustment
- Discrete periodic collateral calculation

The Risk Engine

- 25-fold parallel calculation
- Stressing of risk parameters, CF, EAD
- Mapping of individual stress models using the Parameter Engine

Combined Data Warehouse | Workflow | Reporting | Historisation / Archiving

Key advantages of using Aryza Evaluate

Integrated solution
For all stages of impairment calculation

Flexible creation
Of models with individual customer logic for generating risk parameters

Modellable rules
For the segmentation of transactions and risk parameters and for stage allocation (incl. transfer logic)

Management and calculation
Of on-balance and off-balance shares

Optional analyst evaluation
In Stage 2 and 3 as well as extensive support for Stage 3 processing

Weighted scenarios
With multiple calculations

Multi-client
Capability / Multilingualism / Foreign currency capability

Proven solution
Suitable for mass data transfer (daily import/calculation/export of up to 10 million accounts)

Consolidated reporting
Source for all stages (basis for regulatory reporting)

Process support
4-eye-principle, extensive plausibility checks.

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Alongside our technical results, we have now also been able to achieve a high degree of automation in our IT operations, including complete integration of the solution into the overall IT architecture of Postbank and its subsidiaries, with various interfaces from supplier and customer systems.

We have also managed to master Postbank's large and constantly growing volume of data, especially in light of IFRS 9, and have been able to ensure stable and good performance for the system in daily operation.

In addition to classic projects, the IFRS 9 models can be developed in an agile manner and put into production, enabling flexible and timely implementation.

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Cornelia Goulnik, IT program manager at Postbank

About Aryza

We are a pioneering technology company with big ambitions and a proven track record in providing solutions for the management of debt.

Aryza is a trusted partner to a diverse range of customers across the entire debt cycle. We provide holistic, intelligent and dynamic solutions that help manage debt, insolvency and loans.

Each unique product within our ecosystem has been built on a foundation of rich customer data, 18 years accumulated industry insight and genuine empathy for the difficult financial situations people often find themselves in.

We have a clearly defined vision, a distinct competitive advantage and a meaningful role to play in the world.

By leveraging our accumulated knowledge, customer insight and holistic and empathetic approach, we believe we can create an exciting future.

We, with our customers and partners, strive to change the debt industry for the better. With our unwavering dedication to our vision, we will improve the financial health and the lives of the millions of people that engage with our products everyday.
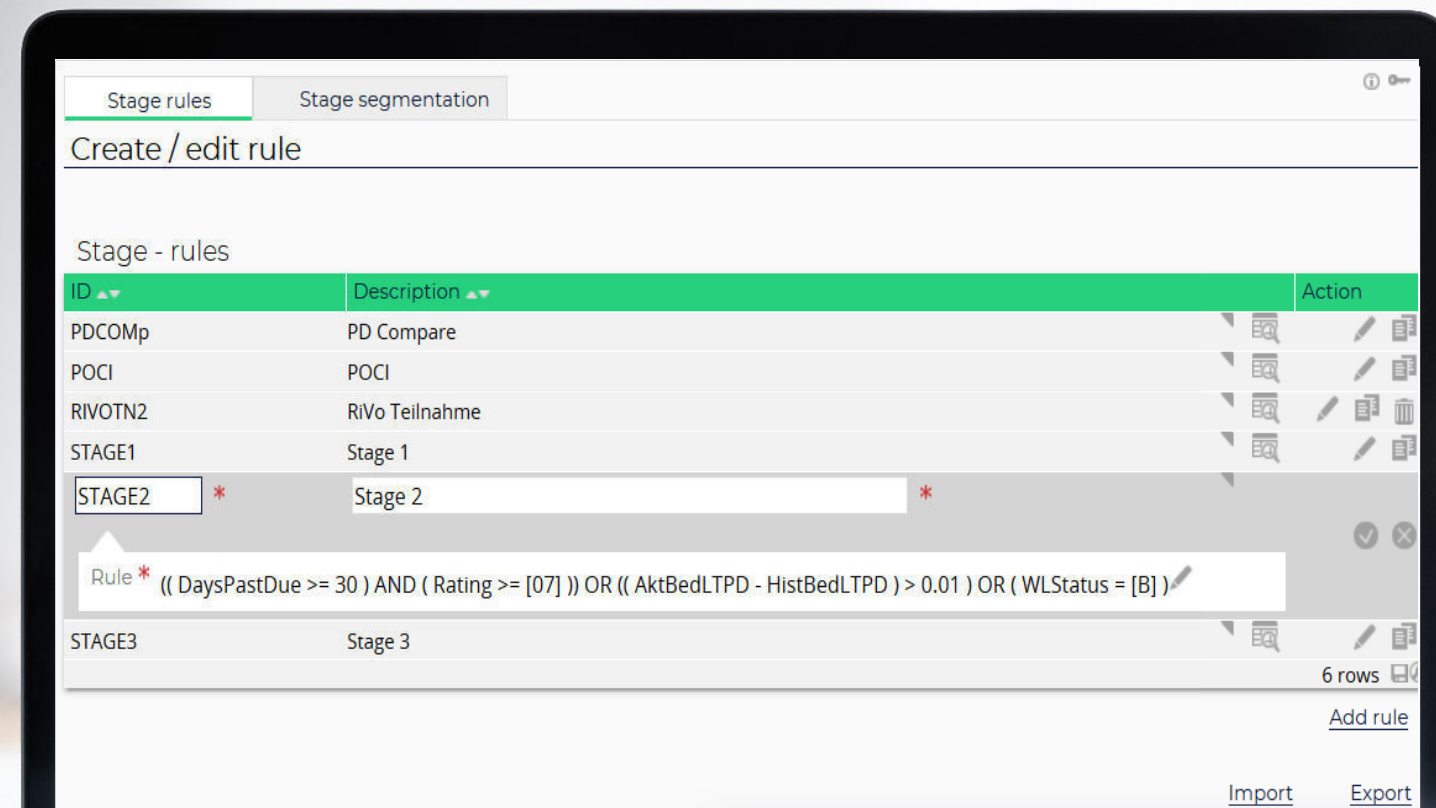
To find out more about Aryza Evaluate or to request a demo of the software, email us at hello@aryza.com
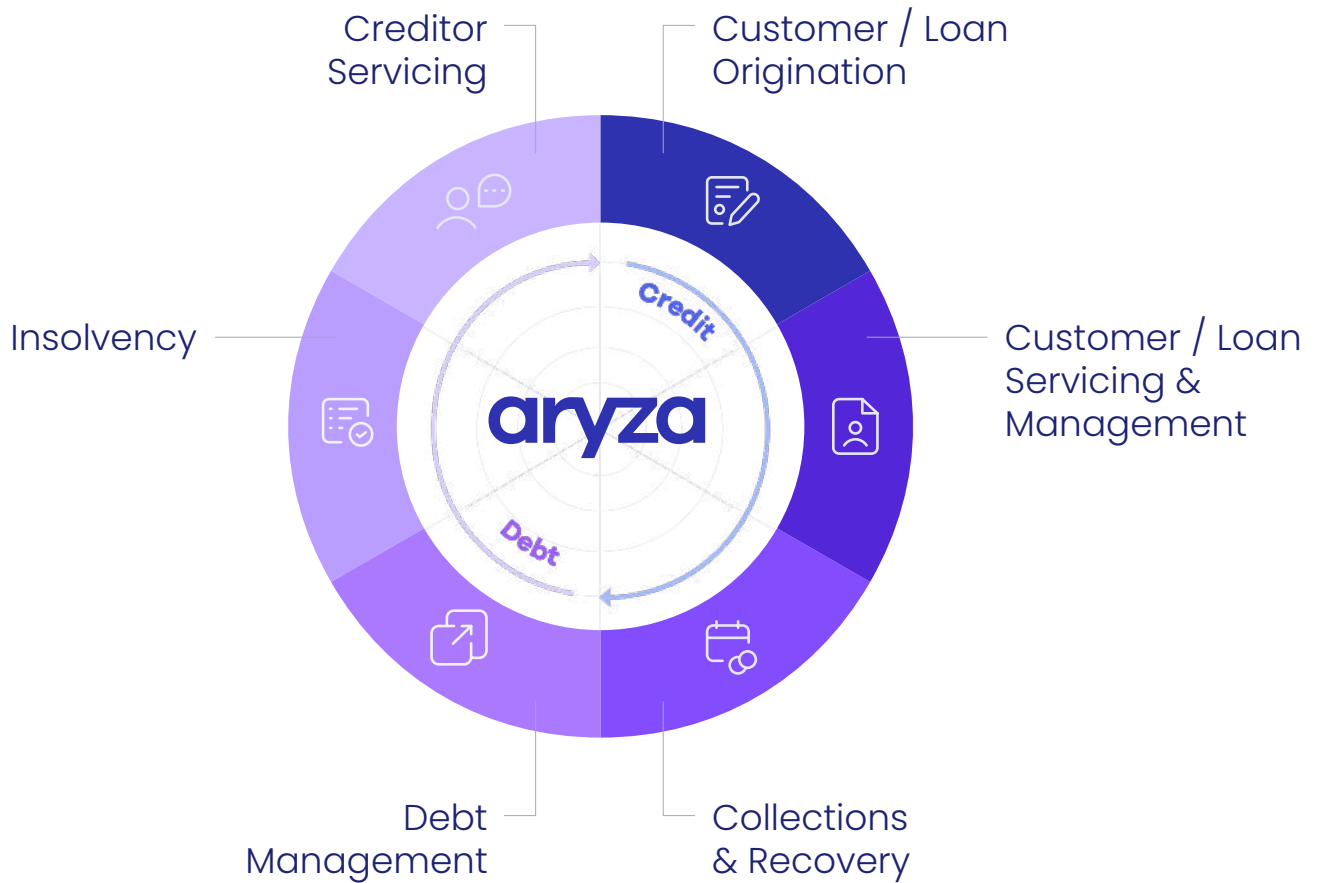
Global software solutions for managing customers and businesses at every stage of the credit-debt cycle

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