

CECL PRO

The adoption dates of CECL's regulatory requirements are approaching quickly, and model planning should be underway. In preparation for CECL, institutions need awareness, planning, a proven model, and expert management. A strong partner is key, and ALM First is here to help.

BE PREPARED FOR CECL

A successful new model is based on:

- Strong forecasting methods
- Trustworthy processing
- Meticulous data collection
- Proper accounting integration
- Accurate reporting & implementation

THE ALM FIRST CECL PRO PROCESS



Collect, maintain, and align data to estimated lifetime credit losses for loans, leases, and debt instruments



CECL Modeling through automation of smart algorithms utilizing a transparent and auditable process



Deployed solutions that meet regulatory requirements giving you and your organization peace of mind

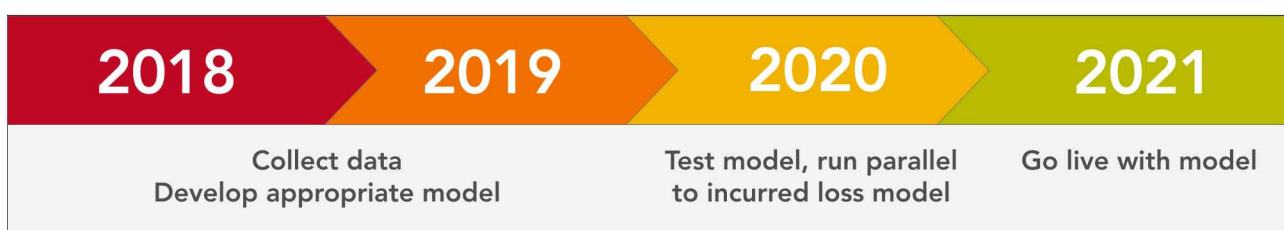
CECL PRO – A TURN-KEY SOLUTION

- Modeling that produces thorough, transparent analytics
- Runs multi-variable regression analyses
- Performs sensitivity & scenario tests
- Based on statistical rigor & capital markets expertise
- Various concentration analysis abilities (e.g., by geography, indirect dealers, etc.)
- Provides board, auditor, & examiner defense

KEY DELIVERABLES

- Comprehensive, auditable documentation
- Loan product level estimated loss report
- Methodology report
- Unique stratification reports

CECL IMPLEMENTATION TIMELINE



NOT JUST A FOOTNOTE, BUT ALSO PEACE OF MIND

REFERENCE EXAMPLE RESULT

Assets	2019	2020
Consumer Loans	\$282,820,260	\$285,677,030
Real Estate Loans	\$438,764,686	\$498,876,987
Notes Receivables	\$582,108	\$587,988
Total Loans	\$722,167,054	\$785,142,005
Allowance for Loan Loss	\$(4,156,878)	\$(8,567,998) ¹
Net Loans	\$718,010,176	\$776,574,007

¹ Compliant with new CECL guidelines and backed by ALM First's CECL PRO

WHY CECL PRO WITH ALM FIRST

- Hands-on approach with preparing and interpreting data
- Developed by leading accounting and strategic business professionals – not just delivered by a software company
- Economically and quantitatively driven
- Scalable based on size and complexity of institutional needs
- Additional loan pricing perspective on a go-forward basis
- Ongoing advice and education from ALM First experts
- Tiered pricing structure

ABOUT ALM FIRST

ALM First Financial Advisors is a leading, trusted strategic partner for depositories, offering an array of financial advisory services. Since 1995, our expertise in asset liability management, fixed income portfolio management and hedging, has allowed us to deliver deeper insights into financial institutions' balance sheets, strengthening their financial performance and building efficiencies. With more than \$20 billion of investments under management, ALM First is an SEC-registered investment advisor, acting as an unbiased third party, offering commission-free, fee-based services to over 250 financial institutions across the country.