

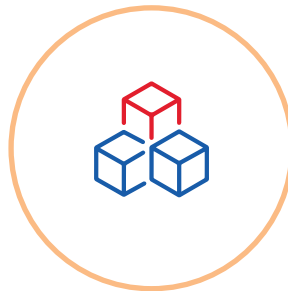


The Market Leading Turnkey Solution

DISTINGUISHING FEATURES



**Minimal
Implementation
Effort**



**Multiple Expected
Credit Loss (ECL) Choices
by Loan Pools**



**Comprehensive and
Rigorous Audit
Support**



**Best-in-class Intuitive
User Experience**



**Required Market
Data Included**



**Native Integration
with Finastra Systems**

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> Short Implementation Period

CECL guidelines require credit unions and banks to adopt the new standard no later than January 2023. Banks and credit unions must start system evaluation, selection and implementation. They do not have the option to delay this any further.

CECL EXPRESS™ is a unique industry-leading solution created from the ground up. It is natively integrated with Finastra core systems and requires no other data except the loan portfolio specifics from the bank or credit unions. If your underlying loan system is a Finastra core (including Loan IQ, Phoenix, and Ultra Data). Because your loan book is already mapped into the system, users can be up and running on CECL EXPRESS™ within a week.

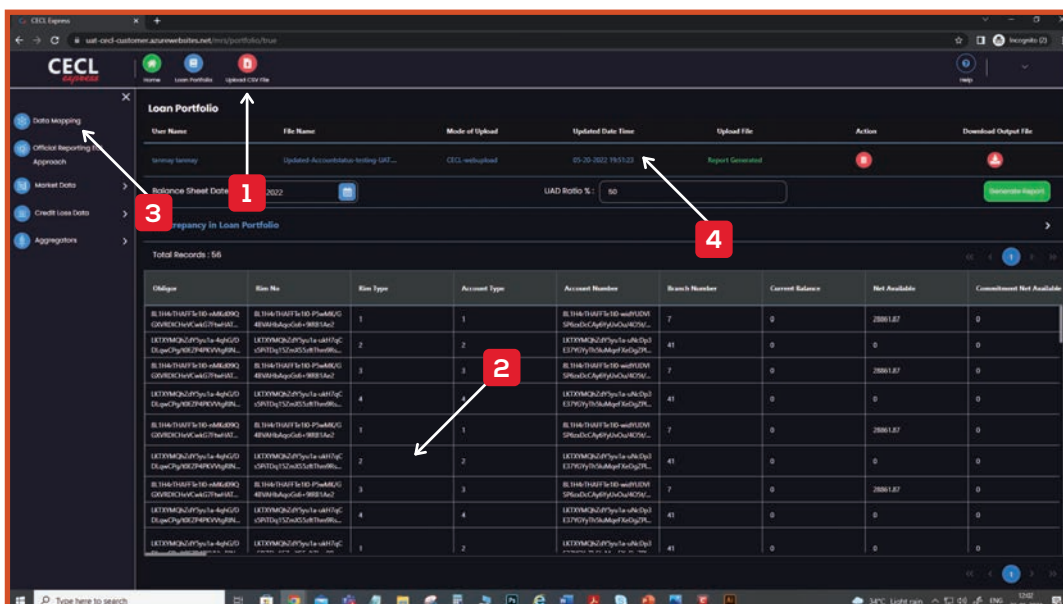
Other non-Finastra core banking systems can be mapped easily in just days.

ECL Dashboard



- 1 Full CECL result and loan book details
- 2 Multiple economic scenarios from base level to severe recession
- 3 Macroeconomic factors displayed graphically
- 4 Graphical and tabular breakdown of ECL by pool and loan

Loan Portfolio Dashboard



- 1 Intuitive navigation around the system, for analysis and audit
- 2 Full loan details displayed to ensure data integrity
- 3 All portfolio data mappings fully explained
- 4 Portfolio summary upload details shown for veracity

> Multiple Implementation Choices

CECL EXPRESS™ allows maximum flexibility in model choice for adopting the new accounting standard. This enables you to continuously optimize liquidity, P&L and manage capital and required loss provisions.

Banks and credit unions can select from five approved methods:

- > Vintage
- > Roll Rate
- > Discounted Cashflow
- > Weighted Average Remaining Maturity
- > Probability of Default/Loss Given Default

As loan portfolios diversify over time, e.g. with inclusion of auto loans and second liens on homes, it is highly desirable to use a targeted method for each loan pool. With CECL EXPRESS™, users can assess results for each pool and method, as well as analyze and use them selectively.

> Intuitive and Robust Audit Support

Justifying ECL model selection and results to auditors and bank examiners will be the most challenging aspect of complying with CECL requirements. There are two key considerations for supporting effective audit and bank examination functions.

- > A clear and tractable path and audit trail from ECL results through the underlying data used and loan level result.
- > Ease of input data management through structural location, access and stepwise analytics.

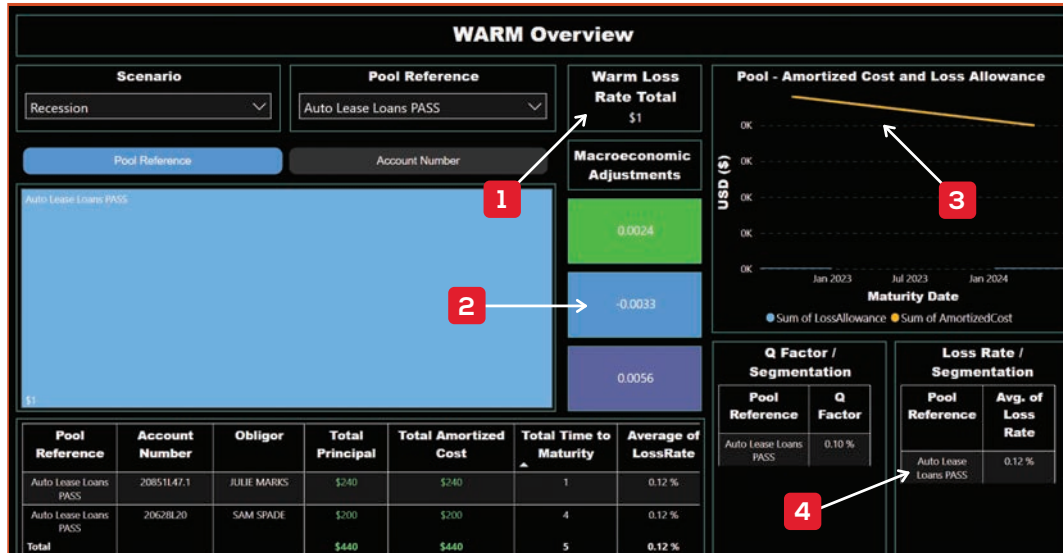
Reporting Dashboard

Pool Reference	ECL Approach	PD Approach
1-4 Family Construction Doubtful	PD, LGD	Pool
1-4 Family Construction Loss	PD, LGD	Pool
1-4 Family Construction Pass	Roll Rate	Pool
1-4 Family Construction Special	PD, LGD	Pool
1-4 Family Construction Substandard	PD, LGD	Pool
1-4 Family 31 Year Loans Doubtful	PD, LGD	Pool
1-4 Family 31 Year Loans Loss	PD, LGD	Pool
1-4 Family 31 Year Loans Pass	Roll Rate	Pool
1-4 Family 31 Year Loans Special	PD, LGD	Pool
1-4 Family 31 Year Loans Substandard	PD, LGD	Pool
1-4 Family Residential Loans Doubtful	PD, LGD	Pool
1-4 Family Residential Loans Loss	PD, LGD	Pool
1-4 Family Residential Loans Pass	Roll Rate	Pool
1-4 Family Residential Loans Special	PD, LGD	Pool
1-4 Family Residential Loans Substandard	PD, LGD	Pool
All Other Loans and Leases Doubtful	PD, LGD	Pool
All Other Loans and Leases Loss	PD, LGD	Pool
All Other Loans and Leases Pass	Roll Rate	Pool
All Other Loans and Leases Special	PD, LGD	Pool
All Other Loans and Leases Substandard	PD, LGD	Pool

- 1 Dedicated screen for users to select ECL methods by pool
- 2 Choice of five approved methods
- 3 Default probabilities by pool or credit score
- 4 Every pool used by the bank listed by call or class code

> WARM Approach

WARM Overview



- 1 Specific results for all pools using the WARM methodology
- 2 Macroeconomic factors used in the ECL computation
- 3 Graphical representation of amortized cost and loss allowance
- 4 Unadjusted loss rate for each pool using the ECL method

> Discount Cashflow Approach

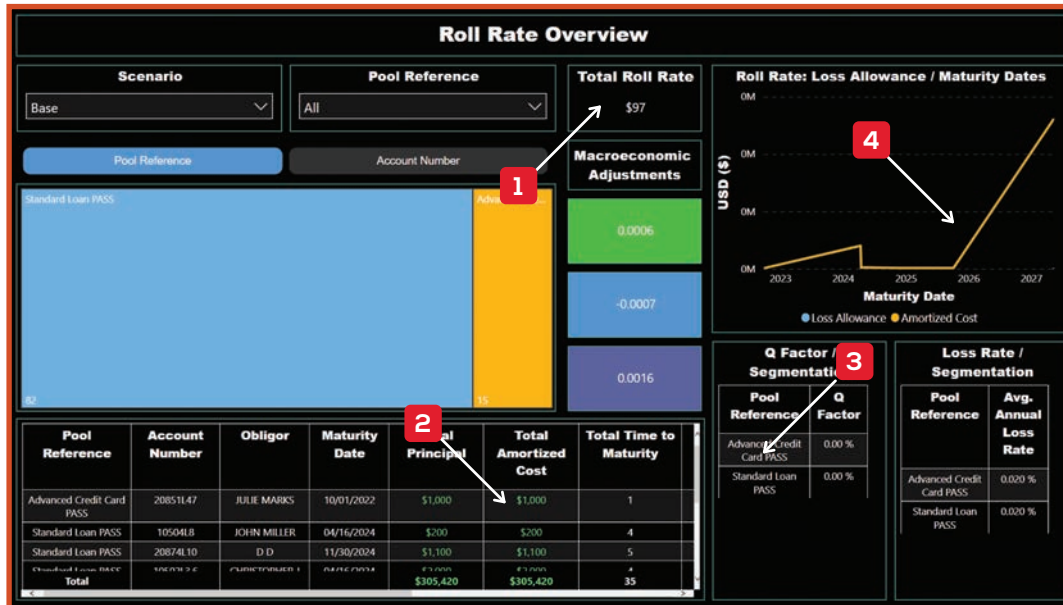
Discount Cashflow Overview



- 1 Visual breakdown by pool and account
- 2 Amortised cost breakdown of loans using the DCF method
- 3 Analysis of loan book by principal
- 4 Loan level results including EIR and other contributing calculations

> Roll Rate Approach

Roll Rate Overview



- 1 Specific results for all pools using the roll rate
- 2 Loan by loan breakdown of roll rate specific results
- 3 Relevant Q factors applied to the loss calculation
- 4 Graphical representation of ECL by loan maturity

CECL EXPRESS™ is only solution you will need across all functions for complying with the standard/regulation and optimizing capital liquidity.

CECL EXPRESS™ provides deep dive analysis for each combination of prescribed ECL method and loan pool. This enables senior managements, auditors, and examiners to review and validate the data and results.

Provision of all required market data

ECL models are only as good as the data that feeds them. It is an imperative for the CECL framework that all market data used for the audit and supervisory submissions, and that all inputs and results are available and easily tractable.

CECL EXPRESS™ systems provides the following data elements:

- > FFIEC/NCUA call reports
- > PD curves
- > Market data needed for all ECL methods
- > Yield curves
- > Peer group losses

Banks or credit unions have to provide only their specific loan information. This institution-specific confidential portfolio data is viewable on the dashboard for analysis and reporting.

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