



Ardmore's CECL Compliance Review Services

YOUR SUCCESS IS OUR GOAL

BENEFITS

- ▶ Know if your decisions, choices and alternatives will likely be acceptable to auditors and regulators
- ▶ Say with confidence that your bank's solution to CECL follows the main tenants of the FASB rule, and that the approach you adopted is reasonable and justifiable
- ▶ Fully document your bank's decisions and choices for audit and regulatory review

AREAS ADDRESSED BY ARDMORE

There are many elements of CECL compliance that every financial institution must address, including:

- ▶ CECL Data Management Process and Workflow
- ▶ Pool Disaggregation Considerations (Concentrations/Sub-Pooling)
- ▶ Life of Loan Calculation (Life of Pool/Sub-Pool)
- ▶ Quantitative Loss Rate Method Selection and Testing
- ▶ Economic Projection Methods and Options
- ▶ Reversion Method Considerations
- ▶ Qualitative Factor Review
- ▶ Scenario, Parallel Testing Runs

NOTES

- ▶ We cannot validate the internal calculations of a vendor-automated model
- ▶ We cannot comment on the institution-specific CECL reserve amounts that are calculated
- ▶ We do not perform CECL model "validation" as a service

CECL best practices for banks under \$10 Billion in assets are just now beginning to evolve as Q1 2023 is the first mandatory reporting period for banks of all sizes. The CECL rule is very flexible with many detailed calculations and reporting requirements, leaving smaller banks with a variety of choices and alternatives for compliance.

Ardmore's CECL Compliance Review Service walks you through the important aspects of each of these elements to help you justify and document your decisions. Be better prepared for those detailed conversations with auditors and regulators; do not go it alone!



Ardmore Banking Advisors: National Thought Leader in Smaller Bank CECL Compliance Since 2016

Ardmore is recognized as an expert in CECL implementations for banks under \$10 Billion in assets. Ardmore has been published in the American Banker, Bank Director, RMA Journal and other leading industry periodicals. Ardmore's Practice Leader, Peter Cherpack has presented our views and observations on the CECL challenge for more than eight years for such industry groups as the Risk Management Association, The American Bankers Association, Bank Director, CBANC, the Federal Reserve, the OCC and numerous state banking organizations.

FOR MORE INFORMATION

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