FINASTRA

CECL *express*

Factsheet – CECL Express by GreenPoint

Make CECL compliance simple and optimal for community banks and credit unions

Take the complexity out of understanding and complying with the new Current Expected Credit Loss standard. Optimize Allowance for Credit Losses and predict the increase of capital requirements.

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CECL Express reduced the time of execution from few days to few hours with a less manual process while leveraging analytics."

Marcus Cree
Managing Director,
GreenPoint Global

Financial institutions experience capital lock up due to mandatory Current Expected Credit Loss (CECL) change. This can lead to a capital provisioning increase anywhere between 20%-40%. This process is optimizable but unless financial institutions analyze all five Expected Credit Loss methods under multiple scenarios and interpret results, capital requirements can be punitive.

There are several options available but choosing the right CECL methodology is time consuming and complex. The process requires both data and know-how which are hard to source and implement which are hard to source and implement every time CECL is calculated.

CECL Express offers reporting, tracking and managing of banking book related capital requirements under the new Current Expected Credit Loss standard and makes complex decisions simple.

CECL Express' interface shown above
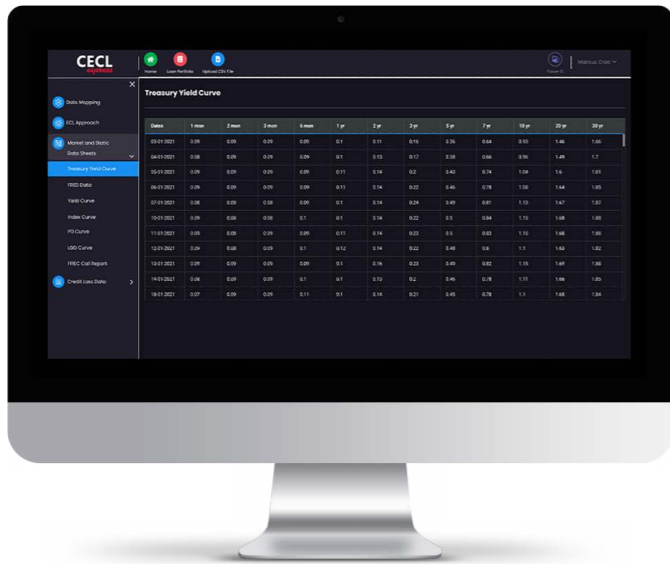
How it works

CECL Express offers a cloud based turnkey solution to comply with Current Expected Credit Loss (CECL) requirements as well as to optimize the impact of the Allowance for Credit Losses (ACL). The solution is fully integrated with Finastra's Fusion Phoenix and Fusion UltraData core systems via FusionFabric.cloud. It also accepts loan information from any other core loan system and guarantees no data retention during the process.

CECL Express collects the portfolio data from the core loan system and applies its pre-integrated market data from sources like the Federal Financial Institutions Examination Council (FFIEC), the Federal Reserve Board and the United States Treasury.

The solution provides dashboards and graphics to manage financial institution's unique characteristics such as the loan pool definition and the qualitative factors. The combined data is sent to the compliance engine to calculate the ACL overnight. The following morning financial institutions can review and analyze the results using intuitive dashboards, designed for understanding the results (per pool and ACL approach) and explain the methodology to their auditors. This helps maximize capital by letting financial institutions choose the most effective loss reserve strategy available and justify it to their auditors.

Why CECL Express?

Optimize Allowance for Credit Losses (ACL) by comparing between all five Expected Credit Loss (ECL) methods, under three pre-defined scenarios to decide the best tradeoffs and optimal capital requirement.

Leverage CECL Express's intuitive user experience view that leads to transparent conclusions and offers analytical proof to auditors.

Simple to connect, CECL express is automatically pre-integrated with Finastra's Fusion Phoenix and Fusion UltraData core banking solutions and pre-connected with public market data such as FED, FFIEC etc. It offers a self-service course on CECL basics, ACL methods and advice on how to use the solution.

Key benefits

Reduce cost

CECL express is a turnkey solution that makes CECL simple but robust with no implementation cost when linked with Finastra's Fusion Phoenix and Fusion UltraData core products. It also doesn't require expensive licenses for data upload. The solution is fully managed as a service with no versioning and painful updates cost.

Increase revenue

Increase your revenue and Return on Equity (ROE) by selecting the most appropriate ECL approach amongst all five FASB methodologies. CECL express will help financial institutions to better manage and allocate capital allowance per line of business and defined segmentation. This has a direct consequence on revenue growth and profitability, measured by ROE.

Reduce Risk

Reduce risk with a cloud-based solution with no data security risk and no data retention across the full process. The possibility to manage three different scenarios allows financial institutions to understand accurately the portfolio's risk sensitivity.

Improve efficiency

CECL express provides a user-friendly interface with dedicated dashboard that provides the required drilldown, and with transparency and analysis for financial institutions and their auditors. All data and inputs are readily accessible for full auditability and the solution is designed to provide effective out-of-the-box CECL reporting and disclosure. It is built on Power BI to give intuitive and click-through user experience.

Contact us

About Finastra

Finastra is building an open platform that accelerates collaboration and innovation in financial services, creating better experiences for people, businesses and communities. Supported by the broadest and deepest portfolio of financial services software, Finastra delivers this vitally important technology to financial institutions of all sizes across the globe, including 90 of the world's top 100 banks. Our open architecture approach brings together a number of partners and innovators. Together we are leading the way in which applications are written, deployed and consumed in financial services to evolve with the changing needs of customers. Learn more at **finastra.com**

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