Overview

Numerous 'solutions' for CECL have been developed; varying from in-house model construction to third-party outsourcing – and with many consultant services in-between. As you consider the best fit for your bank, you may be asking: **Is there a solution that can**

- **limit the additional resources (time and money) CECL will take?**
- **avoid having yet another separate function to maintain for compliance?**
- **maybe even add value for us?**

ALM Driver from Bankers' Bank delivers in these specific areas while insuring your compliance needs for CECL are met.

The Approach:

ALM Driver is built on the truth that Asset Liability Management is not just about modeling interest rate risk. This is because management must assess bank risks such as liquidity, capital, and credit; and examining each in isolation jeopardizes understanding the relationships that exist between them.

Built to incorporate credit risk, the result is that the requirements of CECL fit right into the ALM Driver model and allows you to get more out of it while meeting a compliance requirement.

Our Methodology:

ALM Driver uses a discounted cash flow methodology to model your bank on an instrument-by-instrument basis. Incorporating the Probability of Default and Loss Given Default (called PD/LGD) methodology creates the estimates for loss exposure generated on the specific holdings you have.

ALM Driver is your resource to…

1. ***have one set of data*** to monitor your risks and conduct CECL calculations. This reduces time and potential for error on maintaining various data summaries in different areas and formats.
2. ***limit cost***, as you're consolidating your activities into one model rather than paying for a CECL model, an ALM model, a budgeting tool, etc.
3. ***assess risks holistically***, as a consideration of a change in lending (for example) should include the impacts to credit risk, liquidity risk, interest rate risk and capital risk.
4. ***comply with CECL***, with a recognized methodology (PD/LGD and Discounted Cash Flows).
5. ***get more out of CECL***, as you'll be able to assess pricing and return in the context of CECL risk, review portfolio concentrations, and incorporate CECL into dynamic forecasting.