

# Ascend CECL Forecaster™

Quickly get the right data, models and accurate forecasts you need to comply with CECL — all in one place, at the right price.

---

## What is Current Expected Credit Loss (CECL)?

CECL is a set of new accounting standards that requires you to estimate losses over the life of the loan, which can have significant financial impact on your business. Public business entities that file financial statements with the Security and Exchange Commission will have to comply by 2020, and smaller publicly traded banks (defined by the SEC as smaller reporting companies), as well as privately held banks and credit unions must adopt the new standard by 2023.

## The challenges CECL can bring to your organization

Are you feeling unprepared to meet the CECL compliance deadline? You're not alone. Many organizations are feeling the pressure as deadlines get closer. CECL compliance and adoption can take up to 12 months because of the new guidelines' complexity and the additional time and work required to comply.

While it can be a challenge to prepare, it's critical to meet these deadlines. You must show how your loan loss reserves have been calculated using the new CECL standards when filing your audited financial statements. Failure to comply can affect your financial statement approval, leading to reduced investor confidence, warnings and fines, and decreased profitability in the long term. Preparing for CECL may seem overwhelming, but we're here to help.

## Ascend CECL Forecaster

Ascend CECL Forecaster is a web-based application that combines the vast data within the Experian Ascend Technology Platform™, Oxford Economics' macroeconomic scenario data, valuation data, Oliver Wyman's industry-leading CECL-compliant models and a loan loss reserve calculation engine in one easy-to-use environment. It provides you with accurate loan loss reserve calculations that are delivered quickly and include detailed reports that can be sent directly to management and auditors.

## Secure, hosted data and analytics through Experian Ascend Technology Platform™

Complying with CECL is a challenge because you may not have the historical, prerecession data required to appropriately forecast your losses. Also, gathering and formatting this data will take additional time, money and resources. Through the Experian Ascend Technology Platform, named one of the best overall analytics platforms in 2019, we can provide:

- Fifteen years of Experian loan-level data, including VantageScore®, bankruptcy scores and customer-level attributes
- All required collateral data for mortgage and auto loans, with auto valuation data from Experian Automotive
- Oxford Economics' macroeconomic data

## Ascend CECL Forecaster

Having access to these robust data sets will give you all the additional data you need to comply with CECL and accurately calculate your forecasts while also saving time, money and resources.

### Accessible, explainable and predictive CECL-compliant models

Creating CECL-compliant models in-house or purchasing a custom model from a vendor can be time-consuming and costly. This puts you at risk for missing crucial deadlines and potentially spending more money than needed. The models included within Ascend CECL Forecaster were built by Oliver Wyman's finance, risk and data science teams using:

- A loan-level, industry-leading discrete hazard rate method
- Oxford Economics' historical macroeconomic scenarios
- A mix of advanced machine learning and statistical techniques

These models provide accurate forecasts and macrosensitive results at microsegment levels. With these advanced models already built into our solution, there is no need for you to purchase a custom model or develop your own. Ascend CECL Forecaster gives you the best models to accurately forecast your reserves, saving you time and money.

### Easy-to-use web application, with no extra integrations

Accurately calculating your forecasts is crucial; not doing so can result in reserving more than you need, leading to lower profit margins across the business. Our intuitive and easy-to-use web application is fast — providing CECL results and reports in less than one week. Our user-friendly dashboard allows you to create and manage your key parameters in one place. Oxford Economics' multiyear forecasts also are built-in to help you explore each scenario's impact on your reserves. You have the option of weighing scenarios, giving you added control of the input driven by your views on the future. This ensures you're making the best choices for your organization and reserving the right amount — leaving more money for you to reinvest in your business.

Once your forecasts have been calculated, Ascend CECL Forecaster automatically generates reports that provide necessary documentation, assumptions that were used and justification for those assumptions so auditors have everything they need in one place. These reports can be downloaded right from the dashboard, making it simple to send to management and auditors.

## Key benefits

- Our simple-to-use web application can be set up quickly online with no additional data needed from you.
- Your institution's loan portfolio data, Oxford Economics' macroeconomic data and valuation data are included.
- Hazard rate loan-level modeling, scenario analysis, reporting and executive dashboards are included.
- You'll get loan-level CECL models built by Oliver Wyman using advanced machine learning techniques and 15 years of historical Experian data.
- "What if" scenario analysis tools; precise, back-tested CECL predictions; dashboards; and reporting also are included.

## Expert CECL guidance for success

Implementing CECL across your business can be complex, and applying updated forecasts into your financial system can turn into an intricate and time-consuming process. Experts from Oliver Wyman can help make this process smooth for you.

Once CECL forecasts are calculated, your loan loss reserves may increase, which can reduce profit margins across the business. Our Experian Advisory Services experts have extensive experience in designing business strategies. We can help update your strategies based on the impact CECL guidelines will have on your loss forecasts to help ensure your business achieves maximum profitability.

## The most effective solution available

- Accurate: Experian's data plus Oliver Wyman's accepted methodology
- Innovative: Leverages advancements in machine learning
- Fast: Quick results delivered by Experian Ascend Technology Platform
- Frictionless: No data input required from you

We can help you get prepared for CECL today. Contact us at 1 888 727 8330 to get started.

VantageScore is a registered trademark of VantageScore Solutions, LLC.

