

### WHY CHOOSE DHG?

DHG brings a collaborative team to consult with you every step of the way, and we will work with your stakeholders to create a CECL methodology that is understandable, operational and tailored to your institution.

### charting a course to adopt CECL

Following the financial crisis, the Financial Accounting Standards Board adopted a new credit impairment standard called the current expected credit loss model, or CECL. The standard calls for a life of loan loss model, which is expected to significantly increase reserves for many institutions. Regulators, management and shareholders are all keenly interested in the standard's impact on capital and earnings. Institutions need to assess the accounting impact and other ramifications of CECL as soon as possible in order to analyze its impact and make strategic adjustments.

### SERVICES TO MEET YOUR NEEDS

The new standard allows for a variety of different methods to calculate credit losses, all of which differ from the historical method that the majority of institutions use currently. DHG's team of experienced professionals provides insight and guides your management team through the following key steps:



-  Train key stakeholders within the institution
-  Evaluate implementation readiness and identify gaps in resources
-  Determine data needs, including available historical data and new data that need to be captured
-  Assist with the selection and implementation of appropriate loss estimation methodologies
-  Identify the appropriate software tool, ranging from a legacy Excel model to a third-party solution

### A RESOURCEFUL TEAM



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 Advise on the creation of policies and procedures for new methodologies

 Provide model validation services

### OUR COLLABORATIVE TEAM

Each institution is unique, and DHG will work with your stakeholders to create a CECL methodology that is understandable, operational and tailored to your institution. Proactive communication, responsiveness and deep credentials are hallmarks of our service approach. When you choose DHG as your trusted advisor, our team will provide quality services that meet your objectives in a timely, cost competitive manner.

