

## SIMPLIFY THE COMPLEXITY OF THE CECL MANDATE

### Defendable CECL Reserve Calculations

OnlineCECL™ from ZM Financial Systems (ZMFS) is a completely cloud-based solution designed to help financial institutions meet their CECL adoption dates, while still pro-actively managing their balance sheet. OnlineCECL provides users with the ability to load, analyze and pool their own unique loan history to gain meaningful insights into past and future behavior. Of course meeting the mandate is the end goal: OnlineCECL also helps users improve and optimize long-term performance to save time and money down the road.

### Key Features

OnlineCECL allows you to build on the data and assumptions already being used for ALM, building out a historic database, and layering in assumptions unique to fulfilling CECL accounting requirements. The “heavy lifting” is already in place for ALM, so users can focus on analyzing alternative default methodologies that fit the products and data availability. Methods are easily defined via the menus and spreadsheets. Updated information can be loaded using templates, then processed each period for inclusion in the accounting results.



No software installation, no IT involvement

### Key Benefits

- Cloud-based: no software/hardware to purchase or maintain
- Direct links to third party data based on analyzed national loan data, for forecasting PD/LGD, and CPR using multiple risk factors and under multiple economic scenarios
- Accurate calculations utilizing all known product attributes and sophisticated forecasting techniques
- Transparency and better reporting through templates, analytics and custom reporting
- Ability to model banks separately and easily consolidate analyses and reporting
- Faster end-to-end processes through intuitive menu design and the latest forecasting tools
- Simpler maintenance via a refined combination of packaged software and spreadsheets



AUTO



HOME EQUITY



BANKCARD



RETAIL



CONSUMER FINANCE



STUDENT LOANS



MORTGAGE



OTHER

Direct Links to Analyzed, National Data:  
8 Loan Categories, 5 Factors



See how your numbers stack up against the best data in the industry. Use ZMFS+Moody's default data as a reference point.

## Third Party Connections

To provide clients with an easier way to apply product-level assumptions for CECL and default modeling, ZMFS now offers Probability of Default, Loss Given Default and Prepayments (PD/LG) estimates to our clients directly from Moody's Analytics. These estimates will be provided via subscription, available for all clients regardless of the platform they are utilizing. Bankers need a simplified approach to start integrating credit sensitivity into their ALCO process to help with CECL planning, DFAST and better modeling in general. This initial offering between ZMFS and Moody's is focused on retail lending product segments such as auto, consumer finance, home equity and student loans, among others. This approach to projecting defaults will provide institutions using ZMFS solutions with assumptions at a product level, without requiring them to load massive amounts of data or history. In addition, ZMFS provides integration with Andrew Davidson & Company, the leading provider of prepayment and credit models for Agency, Non-Agency and Multifamily collateral.

## Start winning the historical loan data fight.

Contact us today to schedule a demonstration via:

**Email:** [sales@zmfs.com](mailto:sales@zmfs.com)

**Phone:** 919.493.0029

**Web:** [w3.zmfs.com](http://w3.zmfs.com)

## About ZM Financial Systems

ZM Financial Systems believes financial institutions must have access to stronger analytics to perform confidently in an uncertain world. From securities and fixed-income analytics, credit-adjusted ALM and liquidity to risk management, budgeting and funds transfer pricing, our models allow you to analyze potential outcomes for many different scenarios...and sleep better at night knowing you have defensible decisions.

Founded in 2003 on the belief that institutions needed access to strong analytics, ZMFS is a privately held corporation headquartered in Cary, N.C. In addition to the 25 percent of our staff who have PhD's in the advanced quantitative field, our development and product support teams all have experience in the finance arena. This means our clients can have stronger confidence in their bottom line and balance sheet decisions, knowing the tools they are using reduce their risk while increasing capital. Discover why more than 2,000 institutions have implemented our integrated systems to neutralize the effects of economic uncertainty.

