



ACL VALIDATION

The implementation of the Current Expected Credit Loss methodology has required financial institutions to create a new and adjusted approach to the allowance process. This change has created a level of uncertainty regarding the various approaches to estimate life of loan losses.

The Allowance of Credit Losses (ACL) is one of the largest estimated items on the balance sheet. Implications for overfunding or underfunding the allowance can either impact shareholder value, expose the institution to additional risk, or bring about additional regulatory scrutiny.

Arriving at an appropriate ACL requires significant management judgment to meet the current and anticipated risk of loss in the loan portfolio. This process should include sound documentation of both internal and external issues that may impact losses in the loan portfolio. We will work with you to provide an assurance of the ACL methodology and compliance with the regulatory and accounting guidance.

We view our role as an extension of your risk management team to provide you an independent assessment of the ACL process.

Benefits of working with Integrity Loan Review

- *Efficient process to save you time and money*
- *Engagements designed to your specific requirements*
- *Easy to read summary reporting*
- *Competitively priced to provide you value*

Advantages of working with Integrity Loan Review

- *Recognized industry experience*
- *Consistent with Accounting Standards Update No. 2016-13, Topic 326, Financial Instruments*
- *Direct involvement of senior management*
- *Depth of experience and breadth of knowledge*