

News

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Moody's Analytics helps community banks meet CECL requirements with the ImpairmentStudio™ platform

SAN FRANCISCO, June 28, 2018 – Moody's Analytics, a global provider of financial intelligence, has introduced new features in its [ImpairmentStudio™](#) solution that are specifically designed for community banks and regional institutions. The ImpairmentStudio platform helps organizations meet Current Expected Credit Loss (CECL) accounting standards.

Community and regional banks face a distinct set of challenges in implementing the new accounting standard. In addition to resource constraints (both financial and staffing), they often struggle with a lack of historical default and loss experience data, particularly when they have grown recently through mergers and acquisitions. Community banks also need additional support to achieve key goals: ensuring that their risk ratings reflect the expected credit loss of a loan over its contractual life, developing methodologies for converting annual net charge-offs into forward-looking measures of lifetime credit losses, and identifying a reasonable and supportable economic forecast.

To help community banks meet their unique needs, the Moody's Analytics solution offers state-level and local-level economic data that can be tailored to match a bank's specific regional footprint. The tool also includes expanded coverage of industry data sets, which can supplement the institution's own historical data when necessary. Additionally, a new set of loss rate models have been added, complementing the already available Probability of Default, Loss Given Default, and discounted cash flow approaches. Customers also benefit from access to loss analytics for securities, as well as a full set of available disclosures and analysis reports.

"With these features, community banks and regional institutions have access to best-in-class Moody's Analytics credit data, analytics, and technology, specifically packaged to address their challenges," said Eric Ebel, Managing Director at Moody's Analytics. "This will allow them to comply with the new CECL standard on day one, but will also support their future growth and deliver long-term business value."

Since the ImpairmentStudio solution is available as a Software as a Service platform, smaller institutions can achieve a lower cost of ownership compared with an installed solution, requiring less in-house technical staff and expertise.

Moody's Analytics introduced the ImpairmentStudio platform in late 2017, building on our success preparing customers for CECL with our data, models, economic scenarios, and advisory services. Since then, a range of US financial institutions have adopted the solution as they prepare for CECL. The solution recently [secured the top position](#) among 17 vendors evaluated by Chartis Research for their CECL technology offerings.

[Click here](#) to learn more about the ImpairmentStudio solution.

About Moody's Analytics

Moody's Analytics provides financial intelligence and analytical tools supporting our clients' growth, efficiency, and risk management objectives. The combination of our unparalleled expertise in risk, expansive information resources and innovative application of technology, helps today's business leaders confidently navigate an evolving marketplace. We are recognized for our industry-leading solutions, comprising research, data, software and professional services, assembled to deliver a seamless customer experience. Thousands of organizations worldwide have made us their trusted partner because of our uncompromising commitment to quality, client service, and integrity.

Moody's Analytics is a subsidiary of Moody's Corporation (NYSE: MCO). MCO reported revenue of \$4.2 billion in 2017, employs approximately 11,900 people worldwide and maintains a presence in 41 countries. Further information about Moody's Analytics is available at www.moodyanalytics.com.

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