

## Current Expected Credit Loss (CECL)

**ESTABLISH ASSET POOLS AND MONITORING TO  
MEASURE EXPECTED CREDIT LOSS AND ITS IMPACT ON  
YOUR INSTITUTION'S PERFORMANCE**

Confidently employ powerful loss methodologies simultaneously within a flexible loan pooling method. Baker Hill NextGen® CECL enables a data driven strategy leveraging reliable loan level insight providing you the most pragmatic view of your expected credit loss.

Baker Hill NextGen® CECL combines the best of risk management, loan origination and ongoing loan monitoring capabilities within a unique CECL solution that provides a view across the entire loan lifecycle. With a focus on every aspect of risk associated with your loans, this Baker Hill solution will ensure confidence in your expected credit loss calculations. Most importantly, with Baker Hill NextGen CECL, the insights you gain will result in a compounding positive impact on your lending, commercial loan pricing, and overall risk management efforts.

Baker Hill's uncomplicated CECL approach incorporates powerful loss methodologies including Probability of Default (PD) and Loss Given Default (LGD) in concert with migration analysis – all deployed within a flexible loan pooling method to give you targeted loss insights. Our powerful, scalable, customizable and flexible CECL solution addresses CECL in a simple, straightforward manner.

Baker Hill NextGen CECL provides various credit risk scoring options including integration with consumer credit rating services for consumer credits and automated credit scoring

functionality for non-consumer loans such as commercial and industrial credits. This allows you to address every situation, regardless of its complexity or structure.



**WHY BAKER HILL NEXTGEN CECL?** Appropriately manage the size of your CECL allowance for loan and lease losses and related provision expense with powerful loss methodologies, reliable loan level data store, integrated consumer credit rating services and automated credit risk scoring.

 800.821.8664  
[www.bakerhill.com](http://www.bakerhill.com)

**CONNECT** Explore how your institution can manage CECL with confidence and improve your lending portfolio performance with Baker Hill NextGen® CECL. To learn more, visit [bakerhill.com/cecl](http://bakerhill.com/cecl).

## Complete Loan Lifecycle Risk Perspective

Baker Hill NextGen® CECL fully integrates with our lending and risk management solutions, providing you the engine to power your CECL solution with a complete loan lifecycle risk perspective from initial credit underwriting through the entire lifecycle of each loan. You can confidently rely on the up-to-date and accurate credit risk rating indicators necessary to drive the powerful loss methodologies necessary to properly address CECL.

## Powerful Loss Methodologies

Baker Hill's NextGen® CECL solution supports powerful loss methodologies including PD/LGD in concert with migration analysis. Other supported loss methodologies include the incurred loss, cumulative loss, and vintage loss rate methodologies. Our mix of loss methodologies can be employed individually within each loan pool or in combination. Our mix of relatively simple and complex loss methodologies makes it possible for you to address CECL in a simple, straightforward manner when data availability and other factors allow.

## Robust Loan Level Data Store

Our robust data store supports the data demands required by CECL. In addition, our data store supports uploads of any type of data available within your loan organization such as core loan, loan origination, loan monitoring and other types to enrich the data that powers Baker Hill NextGen® CECL.

## Flexible Loan Pooling Method

The Baker Hill NextGen® CECL solution includes a flexible loan pooling method that allows you to manage the segmentation and pooling of loan relationships in an intuitive manner; for example:

- Multiple loan pools can be merged into a single pool
- Individual loan pools can be split into multiple pools as pool sizes and loss data availability increase
- Loans can be moved from one pool to another
- The flexible loss pooling method offers nearly unlimited customization

## Automated Risk Rating and Configurable Scorecards

Automating the assessment of risk within Baker Hill NextGen® CECL streamlines the effort required to determine the probability of loss for your portfolio at the loan level. Combining Baker Hill NextGen® CECL and Statement Spreading allows you to create powerful insights such as automated risk rating and configurable scorecards to drive significant improvements in your bottom line.

Baker Hill empowers financial institutions to work smarter and drive more profitable lending relationships. Baker Hill NextGen® is the expert solution to optimize business decisions to manage risk, generate growth, and maximize profitability. Baker Hill is the partner of choice for loan origination, portfolio risk management, analytics and CECL for financial institutions in the United States. For more information, visit [www.bakerhill.com](http://www.bakerhill.com).

