

CECL FACTSHEET

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COMPLIANCE TIMELINES

With introduction in June 2016, FASB has provided time for adoption

- SEC filers¹ (excluding SRCs²):
March 31, 2020
- All Other Entities:
March 31, 2023

OBJECTIVE

FASB introduced CECL as replacement for U.S. GAAP

- To avoid delayed recognition of credit losses resulting in overstatements of assets
- To provide financial statement users with more decision-useful information about the expected credit losses

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WHO IS AFFECTED?

Applies to all institutions currently following U.S. GAAP

- Banks, savings, credit unions, and financial holding companies, both public and private, of any size

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SCOPE

All financial assets with the contractual right to receive cash

- Loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and other similar financial assets

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¹An SEC filer is an entity that is required to file its financial statements with the U.S. Securities and Exchange Commission under the federal securities laws or, for an insured depository institution, the appropriate federal banking agency under section 12(i) of the Securities Exchange Act of 1934.

²SRC (Smaller Reporting Company) is defined based on public float and annual revenue: <https://www.sec.gov/smallbusiness/goingpublic/SRC>

