BankDirector

Valuation Lessons Learned from Credit Union & Bank Transactions

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#AOBA21

Outline

1. Why the Trend?
2. Valuation Framework
    - Concept of Earning Power
    - Reconciling P/TBV and P/E
    - Market Trends
    - How a Credit Union ("CU") Can View Valuation Differently
3. Importance of the Pro Forma Balance Sheet and FV Marks
    - Overview of Approaches
    - Example
4. Final Thoughts

Why the Trend?

Section 1

Question to Consider

Why are CUs acquiring banks and bank branches ("CUB Deals")?

- Of ~75 CU acquisitions of whole banks and/or bank branches since 2011, ~30 have occurred in 2019 and 2020 (40% of total)
  - CUB Whole Bank Deals Represented ~5% of whole bank deals in 2019 and 2020
  - CUB Branch Deals represented ~23% of all branch deals announced in 2020
- Bank and CUs have many common challenges
  - Overcapacity of physical branches that has accelerated with digital banking
  - Capacity issue further exacerbated by NIM pressure with rates near zero and loan demand weak
  - Implies highly competitive landscape for loans from both traditional incumbents and FinTechs
  - Both CU and bank industries have been in a consolidating phase for decades with smaller, slower growers acquired by larger entities for greater scale/efficiency
  - Always evolving and challenging regulatory and technology landscape – Trying to thread the needle of meeting higher compliance/regulatory burdens while also remaining relevant for customers in an increasingly digital and fast evolving world
- CUB deals can address the common challenges noted above and potentially create a win-win for both parties (CU buyer/ bank seller)

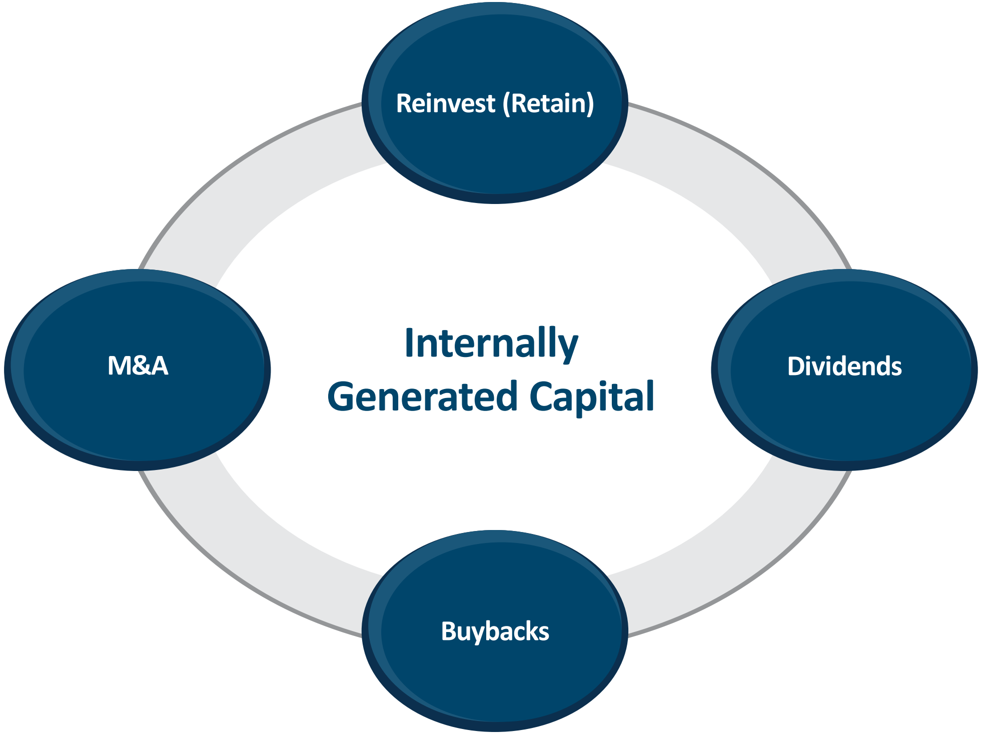
Why the CUB Deal Trend? Capital Allocation
Bank vs. CU

Bank Perspective

Banks have all four allocation options but increasingly view M&A in light of the headwinds noted previously

CU Perspective

Allocation options for CUs are different and more limited but CUs are also increasingly considering M&A (both with CUs and banks) in response to market conditions



Why the CUB Deal Trend?

Other Potential Drivers for the CUB Acquirer

- Diversify the loan portfolio away from a heavy reliance on consumer and mortgage lending
  - Can reduce the risk profile
- Geographic market expansion
- Accelerate the CU's growth
  - Buy strategy is often quicker than the organic build strategy and can include experienced lending talent
  - From 1Q15 to 2Q19, CU bank buyers grew their membership by 23% compared to ~15% for other CUs (from S&P Global Market Intelligence)

Why the CUB Deal Trend?

Other Potential Drivers for the Bank Seller

- CUB acquisition proceeds are typically 100% cash, providing certainty of proceeds in an uncertain market/economic environment
- Brings additional potential buyers to enhance bids and facilitate directors' goal of maximizing shareholder value
    - Many CUs are interested in rural or smaller communities outside of larger MSAs where larger banks are less focused on acquisitions
- CUs share community focus and may be less reliant than bank acquirers on achieving synergies
- CUs may seek potential upside/revenue enhancement from adding experienced staff (particularly lenders) ,while expanding services to members in a new or neighboring market area
- Deal can address succession/shareholder planning issues for community banks with aging management teams and shareholders
- Cap gains tax rates are low relative to historical levels, and a deal can address shareholder concerns over potential for higher capital future gains tax rates in future

For rest of presentation:

Black text reflects the similarities of a CU approach to valuation to that of a bank buyer

Red text reflects areas of key differences or where a CU acquirer (as opposed to a bank acquirer) places greater emphasis

The information presented is based upon our experience providing valuations to both CU and bank buyers

Valuation Framework

Section 2

Valuation Methods

Many of the valuation methods and techniques are similar to traditional methods for bank/bank deals

Acquisition value

- DCF with revenue enhancements and expense savings (and deal costs)
  - Sensitivity analysis to different economic and growth/retention scenarios/outcome
- M&A comp transactions
  - How do implied multiples compare to recent comparable market transactions?
    - Key question but less transparency on pricing of historical CUB deals
- Contribution analysis

Buyer dynamics

- Internal rate of return projected vs. hurdle rate
- Earnings accretion vs Equity (book value) dilution and earn-back period
- Strength of the buyer's currency (how richly valued?)
- Excess capital/net worth and/or access to the capital markets to fund cash portion

CUB deals are typically asset purchase of the assets/liabilities of the underlying bank

- Thus, a focus on valuation of the subsidiary bank as opposed to consolidated holding company

Intrinsic vs. Franchise Value

Intrinsic

- Or "fundamental" value
- Net asset value (asset holding co.)
- Earning power and multiple
- Cash (on cash) yield
- Viewed in context of ROE (profitability vs leverage) and growth (organic vs acquisition)

Franchise

- Management (vision & execution)
- Customer relationships
- Core deposits
- Long-term superior loss history (yield less net charge-offs)
- Market(s)
- Dominant business units

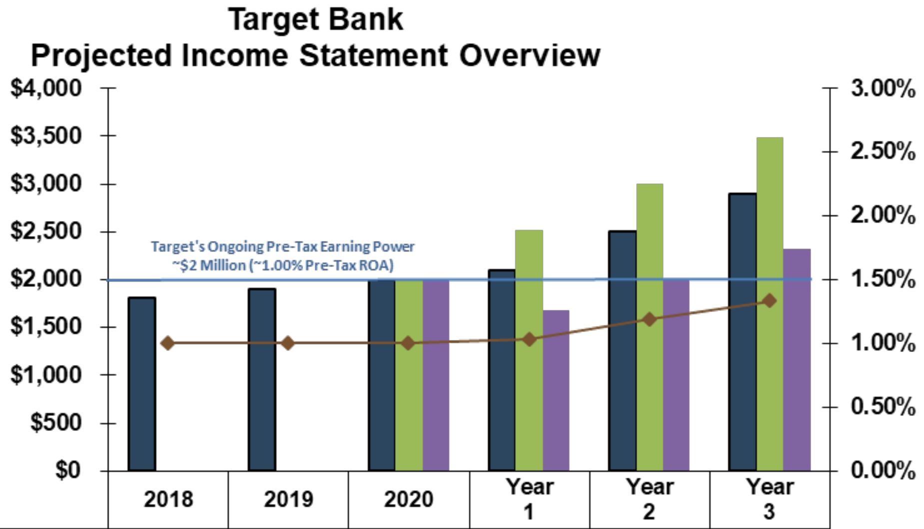
Core Earnings Analysis

Earning Power Derived from an Analysis of Historical Core Earnings Combined with an Earnings Forecast Over the Next 1-2 Years

Key items underlying: NIM, credit losses, loan/deposit growth & mix

Challenge of estimating a bank's earning power is:

- Credit losses tend to be episodic
  (i.e., very low for years then very big in downturn)
- The current rate environment devalues low cost deposits if unable to leverage and reinvest productively
- May require some stress testing of assumptions based on economic/growth/retention scenarios
- Will bank business mix translate to CU model? And vice versa?



	2018	2019	2020	Year 1	Year 2	Year 3
Pre-Tax Income (Base)	$1,810	$1,900	$2,000	$2,100	$2,500	$2,900
Pre-Tax Income (Upside)			$2,000	$2,520	$3,000	$3,480
Pre-Tax Income (Downside)			$2,000	$1,680	$2,000	$2,320
Pre-Tax ROA	1.00%	1.00%	1.00%	1.03%	1.19%	1.33%

Economic Scenarios to Consider

Range more narrow than in March/April 2020 but still wider than history

Base Scenario

- Consistent with consensus projections from Blue Chip Economic Indicators
- Vaccine developed and rolled out quickly & efficiently in 1H21
- A moderate improvement in economic activity in 2021 and 2022
- Real GDP growth above trend in 2021, activity declining to ~2.5% in 2023 while unemployment declines to ~5% by mid-2023
- Inflation in line with long-run targets
- Equity and Res RE increase 3-5% per year while CRE drops ~10% in 21 before rising 10% over 2022-2023.
- Treasury yields forecast to remain near zero through 2021 and then rise gradually above 1% by end of stress period.
- Damage to earnings power vis-à-vis pre-COVID includes NIM pressure and weaker loan growth once conditions improve
- Base case modeling of retention of customer accounts/business lines

Upside Scenario

- Vaccine developed and rolled out quickly & efficiently in 1H21
- Economic damage limited
- Reserve builds largely done
- Dividend cuts limited
- Share repurchases resume in 2021
- Damage to earnings power vis-à-vis pre-COVID is limited to lower NIM but some pent-up demand for loan growth
- Stronger retention of customer accounts/business lines
- Stronger modeling of adoption of CU existing services/product in local market

Downside Scenario

- Vaccine developed but rollout/adoption is challenging, and weaker economic conditions persist
- Extended recession or depression
- Broad-based decline in asset prices (equities, CRE, etc.)
- Wide-spread dividend cuts
- Common stock raises (@ low prices)
- Very impaired earning power (lower NIM, ongoing elevated provisions …)
- Bond market eventually forces the Fed to go negative
- Damage to earnings power includes NIM pressure, credit quality/provision expense, and weaker loan growth
- Weaker retention of customer accounts/business lines
- Weaker modeling of adoption of CU existing services/product in local market

What about the Multiple?
P/E = Risk Profile and Growth Expectations

Measuring Growth Potential

Market potential

- Local market economics/demographics and historical growth rates/future outlook

Competitive landscape for types of services offered within the local market

Ability to leverage team from target to provide similar lending services across CU parent's legacy markets

- For example, can the target's banks commercial lending or mortgage team facilitate the expansion of these services to the CU's legacy member in other markets?

Ability to leverage CU's strengths to enhance Target's NIM

- For example, CU may have a better technology stack and more expertise in consumer lending products (auto/mortgage) and thus can increase revenue in target bank's markets through rolling out their product/technology suite

Expense Savings

- Similar to bank buyers in terms of approach as CUs are interested in achieving potential expense savings/efficiencies as well
- Difference though in that expense savings tend to be lower due to desire to retain key staff and grow in the market they are expanding into going forward

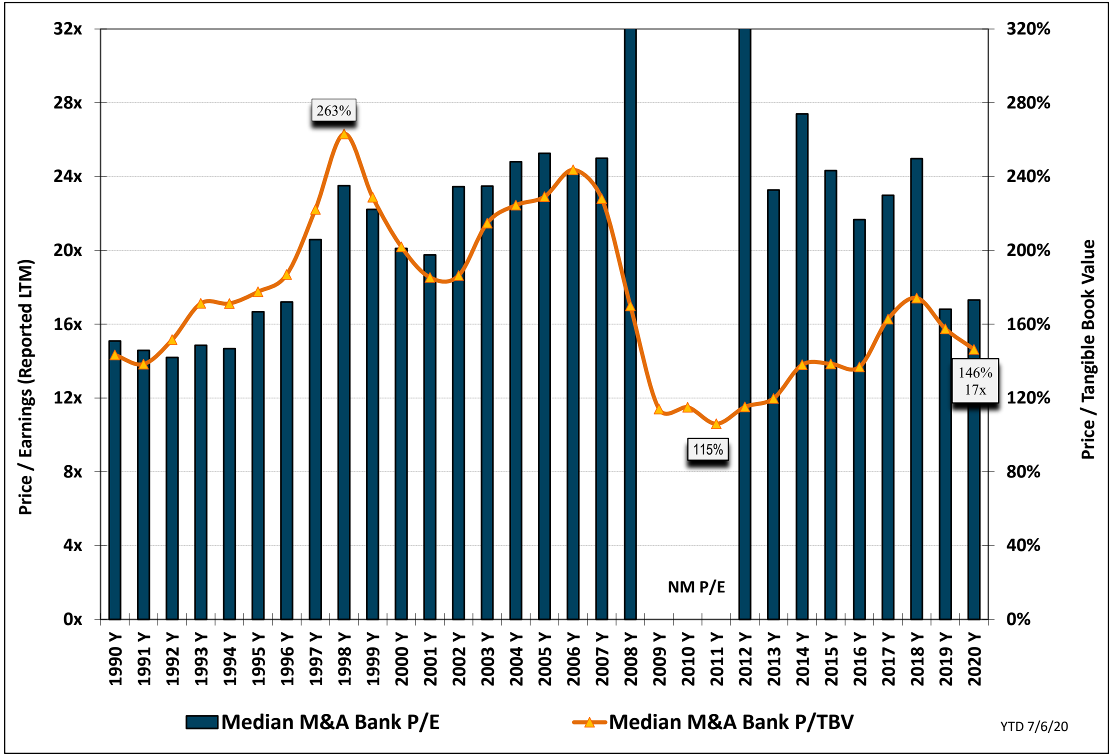
What about the Multiple?
P/E = Risk Profile and Growth Expectations

Measuring Risk Potential

  - ***There is no return without risk***
  - There are many permutations that acquirers will consider to calibrate a reasonable valuation (or range)

- Amount of capital and capital structure
- Type of credits
  - Exposure to economic sectors with COVID induced weakness (energy/hospitality/tourism)
  - How might risk grading/credit assessment differ between bank & CU?
- Liquidity / source of funding
  - CUs more dependent on retained earnings for funding
- M&A execution
  - Active CU acquirers have still on average completed less deals than serial bank acquirers so important for them to build up their team and also engage external advisors (legal/financial/accounting) to assist with process/execution
- Key executives/staff
  - Can executives/staff be retained by a CU with different pay structure (often no equity) through employment agreement?
- Data integrity
- Customer and business line concentration/retention
  - Key questions: Will CU be able to service/retain customers/business line? What might retention be?

US Bank M&A Median Multiples – All Deals



US Bank M&A Activity – CUB Deals

There have been 44 acquisitions of banks by credit unions since mid-2011

Of those, approximately half occurred in 2018 and 2019

Represented ~5% of deals in 2019 and 2020

Certain states/geographies have more activity than others

- In Florida, approximately half of the bank transactions in 2019 were CUs buying banks

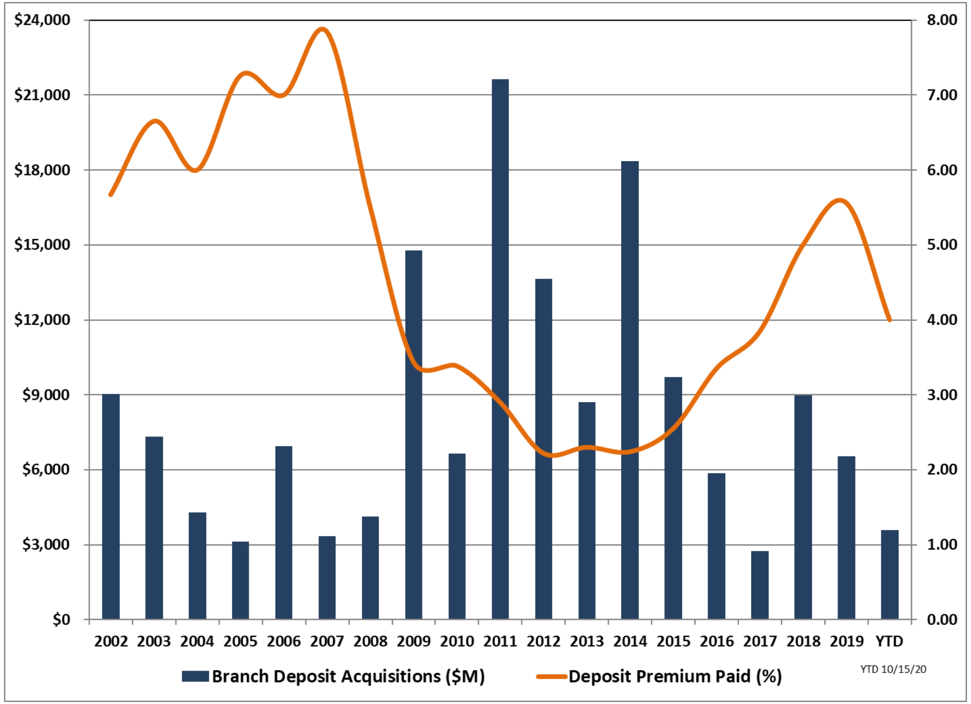
Valuation information has been limited on these deals with ~75% having no publicly reported pricing information

Change of Control Transactions Group Description	Price / LTM Earnings	Price / LTM Core Earnings	Price / Book Value	Price / Tangible Book Value	Tangible Book Premium / Core Deposits	Price / Assets	Number of Transactions	Number of Transactions w/o Pricing Info
Bank Deals with CU Acquirer	38.8x	30.0x	1.27x	1.27x	2.55%	14.3%	44	31

	Bank Target's Median Financial Metrics							
Change of Control Transactions Group Description	C Corp-Equiv ROAA	C Corp-Equiv ROAE	Fee Income / Avg Assets	Efficiency Ratio	Total Assets (000s)	Total Equity / Assets	Tang Common Equity / Tang Assets	NPAs / Assets
Bank Deals with CU Acquirer	0.40%	3.79%	0.47%	78%	115,494	10.66%	10.66%	0.98%

US Bank Branch M&A Median Deposit Premiums

Premiums Peaked Pre-Financial Crisis and Declined Along with Rates in 2020



US Bank Branch M&A Activity - CUBs

- There have been 31 acquisitions of bank branches by credit unions since mid-2011
- **2020 was the most active year for CU/bank branch acquisitions with 8 announced**

All Branch Transactions - 18, 19, & 20

No Loans Transferred in Settlement

Total Number of Transactions	51
Total No. Transactions with Known Premium	20
Median Deposit Premium	**3.24%**

Loans Transferred in Settlement

Total Number of Transactions	61
Total No. Transactions with Known Premium	33
Median Deposit Premium	**5.20%**

Credit Union Transactions (All Time Since '03)

No Loans Transferred in Settlement

Total Number of Transactions	20
Total No. Transactions with Known Premium	6
Median Deposit Premium	**4.88%**

Loans Transferred in Settlement

Total Number of Transactions	17
Total No. Transactions with Known Premium	5
Median Deposit Premium	**5.00%**

Source: S&P Global Market Intelligence

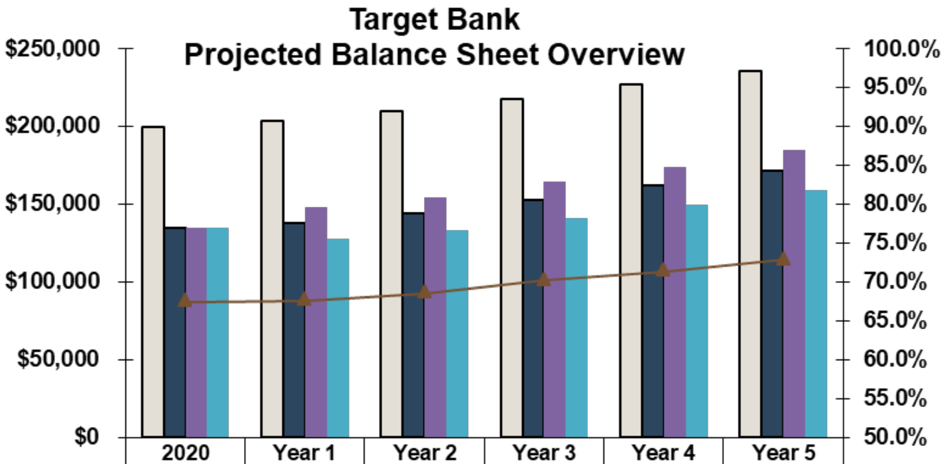
Example – Putting It All Together
(DCF w/ Unique CU Assumptions)

Similar to bank buyers, CU acquirers are interested in modeling potential pro forma earnings/balance sheet of the target, inclusive of expense savings and potential revenue enhancements/retention assumptions

This may require sensitivity analyses around different unique aspects of the transaction

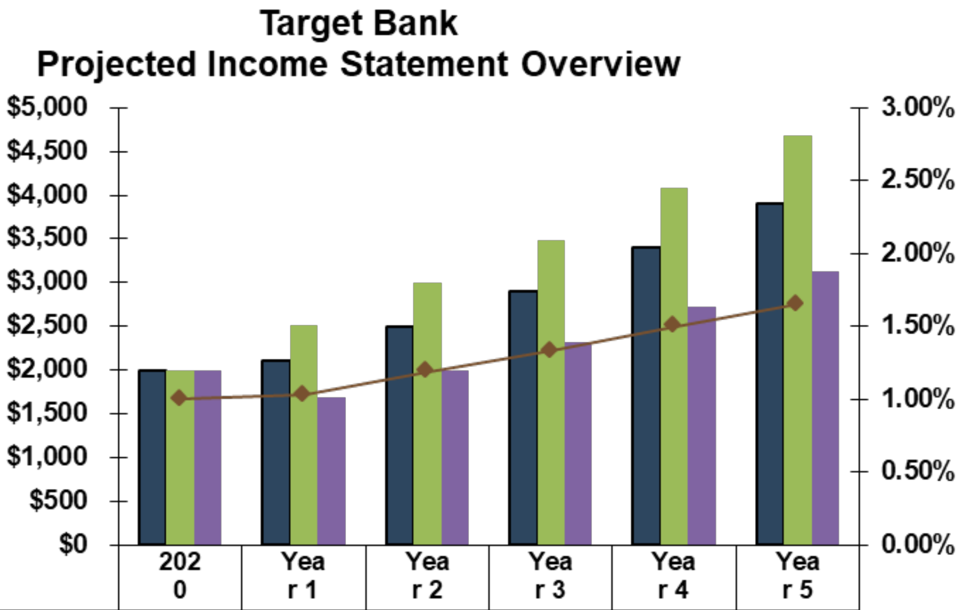
Key assumptions include:

- Quantitative
  - NIM
  - Credit expenses/provisions
  - Loan and deposit retention and growth
- Qualitative
  - Ability for bank's existing relationships and product lines to be retained by the CU post-close
  - Ability of the CU to offer their products and services to the bank's existing customers



	2020	Year 1	Year 2	Year 3	Year 4	Year 5
Total Assets	$200,000	$204,000	$210,000	$218,000	$227,000	$236,000
Net Loans (Base)	$135,000	$138,000	$144,000	$153,000	$162,000	$172,000
Net Loans (Upside)	$135,000	$148,350	$154,800	$164,475	$174,150	$184,900
Net Loans (Downside)	$135,000	$127,650	$133,200	$141,525	$149,850	$159,100
Loan / Asset	67.5%	67.6%	68.6%	70.2%	71.4%	72.9%

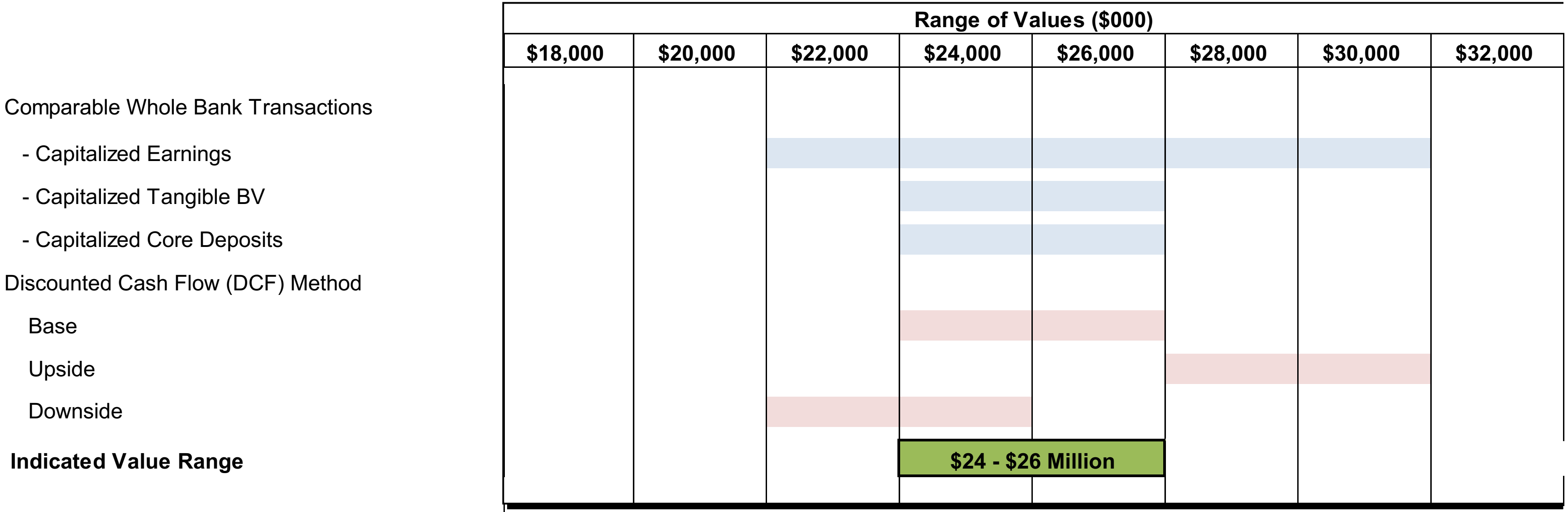
Example – Putting It All Together
(DCF w/ Unique CU Assumptions)



	2020	Year 1	Year 2	Year 3	Year 4	Year 5
Pre-Tax Income (Base)	$2,000	$2,100	$2,500	$2,900	$3,400	$3,900
Pre-Tax Income (Upside)	$2,000	$2,520	$3,000	$3,480	$4,080	$4,680
Pre-Tax Income (Downside)	$2,000	$1,680	$2,000	$2,320	$2,720	$3,120
Pre-Tax ROA	1.00%	1.03%	1.19%	1.33%	1.50%	1.65%

Example – Putting It All Together (Valuation Range)

Summary of Valuation Range - Target



Price / Rep'd. TBV	$18,000	100%	111%	122%	**133%**	**144%**	156%	167%	178%
Price / Rep'd. TBV Excl. DTA	$17,500	103%	114%	126%	**137%**	**149%**	160%	171%	183%
Price / Budgeted 21 Net Inc. (After-Tax)	$1,575	11.4	12.7	14.0	**15.2**	**16.5**	17.8	19.0	20.3
Price / Ongoing Earnings (After-Tax)	$1,500	12.0	13.3	14.7	**16.0**	**17.3**	18.7	20.0	21.3

Typical Pricing/Deal Metrics – CU Buyer

Pricing: Multiple of earning power including and excluding expense savings

Revenue Synergies: Attainable or Not? (Key question: Can accounts/business lines/staff be retained post-close? What is market potential?

Expense Saves: In-Market vs. Out of Market

Credit Quality/Expenses: Compare Historical Provisioning/Rating/LLR as Bank vs. Future as CU

Pro Formas –

- **Equity Dilution & Earn-Back**: Varies but typical targeted range of 3-5 years via the "cross-over" method
- **Earnings Accretion**: Typically accretive given no shares issued and essentially increasing leverage of CU

Internal Rate of Return: Is a reasonable return/yield generated on cash outlayed?

Net Worth and Capital Structure: Varies but day one net worth ratio often targeted at ~8-9% (7% and above is "well capitalized); Key question: What proportion of net worth is in goodwill and/or sub-debt pre- and post-close?

Example – Putting It All Together (Key Deal Metrics)

Equity / TBV earnback period and the IRR for the transaction are often top-of-mind

IRR should consider cash purchase price, opportunity cost of cash, and forecast cash flows/valuation of the target inclusive of any expense savings and growth/attrition over time

Hypothetical CUB Deal ScoreCard

	Internal Rate of Return	IRR - ROE	TBV Dilution	TBV Earnback Period	Earnings Accretion
Base	18.0%	11.5%	-6%	3.5 years	15-30%
Upside	21.0%	13.5%	-6%	3 years	20-36%
Downside	14.0%	6.5%	-6%	4 years	12-24%

Pro Forma Financials

Section 3

Importance of Pro Forma Financials and Fair Value Estimates

Similar to traditional bank deals, the pro forma balance sheet and implied net worth (i.e., capital) ratios for the acquirer on CUB deals both at closing and over a 1-3 year horizon are critical for board, management, and regulatory understanding and approval

In the initial accounting, the acquired assets are marked to their fair values, with the most significant marks typically for the loan portfolio, core deposit intangible, and CD portfolio

To estimate fair value, it is critical to understand the nature of the Target's loan portfolio and deposit base to develop retention rates for depositors, determine potential credit losses, and forecast cash flow streams from acquired assets and liabilities. These fair value estimates drive pro-forma net worth (i.e., capital) ratios and the implied goodwill residing on the pro forma balance sheet

The valuation process was a complex process prior to the onset of COVID-19 and is perhaps more complex in the current environment given range of economic outcomes and uncertainty

Our approach to valuation of loans and core deposit intangible asset is laid out on the next few slides

Loan Portfolio Valuation Overview

Financial assets and liabilities are valued using the income approach, which calculates the present value of a stream of future income or cash flows generated by the instruments. Typical steps for loans include:

Stratification

Identify and segregate purchased credit impaired loans.

PCI (Purchase credit impaired) loans typically value individually (smaller loans may be pooled)

Non-PCI loans pooled. Pool characteristics include collateral type (e.g., closed-end residential) and payment structure (e.g., fixed versus adjustable rate; amortizing versus interest only)

Valuation

Expected cash flows derived using

- Contractual payment terms
- Probability of default and loss given default estimates
- Prepayments

Expected cash flows discounted using spreads observed from similar assets, funds transfer pricing, or recently originated loans

Valuation Overview: Intangible Assets

Intangible assets such as core deposits are valued using the income approach, which calculates the present value of a stream of future income or cash flows generated by the intangible assets.

Depositor Relationships

Relevant valuation factors include:

- A “fully loaded” cost of funds, reflecting:
    - Interest cost of funds
    - Servicing costs
    - Non-interest income

Cost of alternative funds (e.g., FHLB)

Future account attrition rates (based on target’s historical attrition)

Discount rate for projected earnings

Putting It All Together: Pro Forma Examples

PRO FORMA BALANCE SHEET

	CU @ 12.31.20	Target Bank 12.31.20	Consolidation Adjustments	Consolidated	Balance Sheet Contribution Analysis: CU @ 12.31.20	Balance Sheet Contribution Analysis: Target Bank 12.31.20	Pro Forma % Bal Sht
Cash & Cash Equivalents	50,000	20,000	(25,000) [a]	45,000	71.4%	28.6%	2.7%
Investment Securities	150,000	30,000	300 [b]	180,300	83.3%	16.7%	10.7%
Loans	1,250,000	135,000	(3,375) [c]	1,381,625	90.3%	9.7%	82.1%
Allowance for Loan Losses	(15,000)	(1,620)	1,620	(15,000)	90.3%	9.7%	-0.9%
Net Loans	1,235,000	133,380		1,366,625	90.3%	9.7%	81.2%
Total Earning Assets	***1,435,000***	***183,380***		***1,591,925***	***88.7%***	***11.3%***	***94.6%***
Premises	30,000	7,500		37,500	80.0%	20.0%	2.2%
Other Real Estate Owned	500	1,000	(150) [d]	1,350	33.3%	66.7%	0.1%
Intangible Assets	0	0	9,398 [f]	9,398	nm	nm	0.6%
Other Assets	34,500	8,120	(500) [g]	42,120	80.9%	19.1%	2.5%
TOTAL ASSETS	**$1,500,000**	**$200,000**		**$1,682,293**	**88.2%**	**11.8%**	**100.0%**
Transaction Accounts	500,000	30,000		530,000	94.3%	5.7%	31.5%
Non-Transaction Accounts	780,000	146,250	293 [e]	926,543	84.2%	15.8%	55.1%
Total Shares/Deposits	***1,280,000***	***176,250***		***1,456,543***	***87.9%***	***12.1%***	***86.6%***
Total Borrowings	50,000	5,000		55,000	90.9%	9.1%	3.3%
Other Liabilities	20,000	750		20,750	96.4%	3.6%	1.2%
Total Liabilities	***1,350,000***	***182,000***		***1,532,293***	***88.1%***	***11.9%***	***91.1%***
Preferred Equity	0	0		0	nm	nm	0.0%
Equity	150,000	18,000	0 [h]	150,000	89.3%	10.7%	8.9%
TOTAL LIABILITIES & EQUITY	**$1,500,000**	**$200,000**		**$1,682,293**	**88.2%**	**11.8%**	**100.0%**
Net Worth	**$155,000**			**$155,000**			
Net Worth / Total Assets	**10.3%**			**9.2%**			

Adjustment Notes:

a) Cash Purchase Price

b) FV Mark on Invt't Portfolio

c) FV Mark on Loans & Removal of LLR

d) FV Mark on OREO

e) FV Mark on CD Portfolio

f) Goodwill and CDI

g) Removal of DTA

h) No adjustment

Final Thoughts

Section 4

Final Thoughts

CUs are increasingly active acquirers and tend to take a different view depending on the CU business model and the target bank's market/model

The CUB Deal trend is a result of both banks and CUs facing similar challenges, which has driven M&A up the board/management agenda as banks and CUs seek greater scale/efficiency and/or liquidity for bank sellers

Bank and CU acquirers share many key similarities to valuing target banks but also some key differences

To get the valuation right, it is important to understand key aspects of both the CU and the Target bank and develop reasonable pro forma financials and Target forecasts

Traditional valuation methods (such as market transactions, earning power, and DCF analysis) can be adapted and utilized to develop a valuation range of the Bank target while also considering some of the unique aspects of CU transactions

Once a valuation range for the Bank target is developed, key deal metrics can also be developed and assessed to allow the CU to compare the bank acquisition opportunity vs. other strategic options/uses of the cash to potentially be deployed

Lastly, developing a pro forma balance sheet inclusive of the estimates for the fair value of key assets/liabilities to be acquired is important to assess capital (i.e., net worth) ratios at closing and over time

Properly structured CUB deals can produce positive outcomes for both the bank sellers and the CU buyers

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Jay Wilson, Vice President, is a senior member of Mercer Capital's Depository Institutions practice and leads the Financial Technology industry team. Jay provides valuation and corporate advisory services to financial institutions for purposes including mergers and acquisitions, employee stock ownership plans, profit sharing plans, estate and gift tax planning and compliance matters, corporate planning and reorganizations.

He leads projects involving compliance with ASC 805 and ASC 350, which entail, for example, the identification and valuation of intangible assets under ASC 805 and impairment testing under ASC 350.

Additionally, he also works with financial institutions in merger and acquisition advisory engagements. He assists buyers in evaluating the attractiveness of acquisition candidates, determining a price for the target institution, structuring the transaction, and evaluating different forms of financing. For sell-side clients, Jay analyzes the potential value that the institution may receive upon a sale, assists in locating potential buyers, and participates in negotiating a final transaction price and merger agreement.

Jay is the author of the book, *Creating Strategic Value through Financial Technology* (Wiley Finance Series) and the co-author of the following books: *The ESOP Handbook for Banks: Exploring Alternatives for Liquidity While Maintaining Independence*, *The Bank Director's Valuation Handbook: What Every Director Must Know About Valuation* (Peabody Publishing, LP).

Mercer Capital's Services to CU Acquirers

Recent Representative Transactions

CEFCU **Citizens Equity First Credit Union** Peoria, Illinois agreed to acquire 4 branches of Simmons Bank **Simmons Bank** Pine Bluff, Arkansas Mercer Capital served as a financial advisor on behalf of Citizens Equity First Credit Union — **November 2020** —	SHARONVIEW FEDERAL CREDIT UNION Indian Land, South Carolina purchased two branches of Bank OZK Little Rock, Arkansas Mercer Capital served as a financial advisor on behalf of Shronview Federal Credit Union — **July 2020** —	first community credit union **First Community CU** Coquille, Oregon acquired 3 branches from UMPQUA BANK **Umpqua Bank** Roseburg, Oregon Mercer Capital provided valuation/financial advisory services to First Community CU. — **March 2020** —

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Ranked in the Top 5 in Bank Branch Deal Advisors in 2020 (per S&P Global)

- ***Buy-Side Valuation & Advisory Services:*** Mercer Capital can efficiently and effectively analyze the target institution (bank or CU), evaluate the financial effects of the transaction on the buyer, and determine a reasonable valuation range. If appropriate, Mercer Capital can also assist in negotiating the transaction and evaluating alternative financing mechanisms.

- ***Fairness Opinions:*** Support a board's determination that the consideration paid in a transaction is fair to shareholders from a financial point of view.

- ***Financial Reporting / Purchase Price Allocations:*** In the initial accounting for an acquisition, all assets and liabilities are marked to their fair values, with the most significant marks typically for the loan portfolio, followed by depositor customer relationship (core deposit) intangible assets. Fair value marks may also be appropriate on the liability side for time deposit portfolios and longer-term debt instruments such as FHLB advances.

Loan Portfolio Valuation Services Marketing

Mercer Capital professionals have extensive experience in valuing and performing due diligence on loan portfolios.

- Our loan portfolio valuation services help clients ascertain and develop support for fair values of portfolio investments in alternative assets.
- Perform approximately 20-30 valuations of assets (loans, core deposit intangibles) and liabilities (CD portfolios) obtained in bank M&A transactions annually, representing ~10-15% of announced bank deals annually
- Provide approximately 20 clients with quarterly loan valuations to assist with estimating the fair value of loan portfolios for disclosure requirements of ASU 2016-01
- Portfolios range from clean to highly distressed, with sizes ranging up to multi-billion dollars in unpaid principal
- Experience includes a wide variety of loan types, including loans originated by both traditional banks, thrifts, and credit unions as well as some non-bank lenders such as specialty finance and FinTech companies to several billion in unpaid principal balance
- Work product has been reviewed and accepted by all the major accounting firms