



## Bid Support & Due Diligence Services

Acquisition bids that are on target, our due diligence methodology lets you bid confidently.

*“The bid assistance was excellent, and Primatics exceeded our expectations. We would definitely use them again for future work.”*

*-Divisional CFO at acquiring mid-tier bank*

### **Business Challenges**

#### **Aggressive Timelines**

Bid valuations often need to be completed in a week or less. Manual valuation processes and resource constraints make this difficult.

#### **Incomplete Data**

The target bank’s loan tape often has gaps in loan-level data required to perform the valuation, including FICO scores, risk ratings and delinquency information.

#### **Understanding Key Valuation Drivers**

Valuing the portfolio requires applying the appropriate assumptions for default, severity, prepayment and timing, based on the portfolio’s local markets. This requires experience with analyzing MSAs and applying the appropriate modeling assumptions to reduce uncertainty in the valuation.

#### **Scenario Analysis**

It is critical to perform multiple iterations of the valuation by shocking the discount rates and other assumptions to assess valuation sensitivity

to these shocks. Manual processes for executing these scenarios can cause delays and can be resource intensive, which further stress the timelines, data quality and confidence of the valuation results.

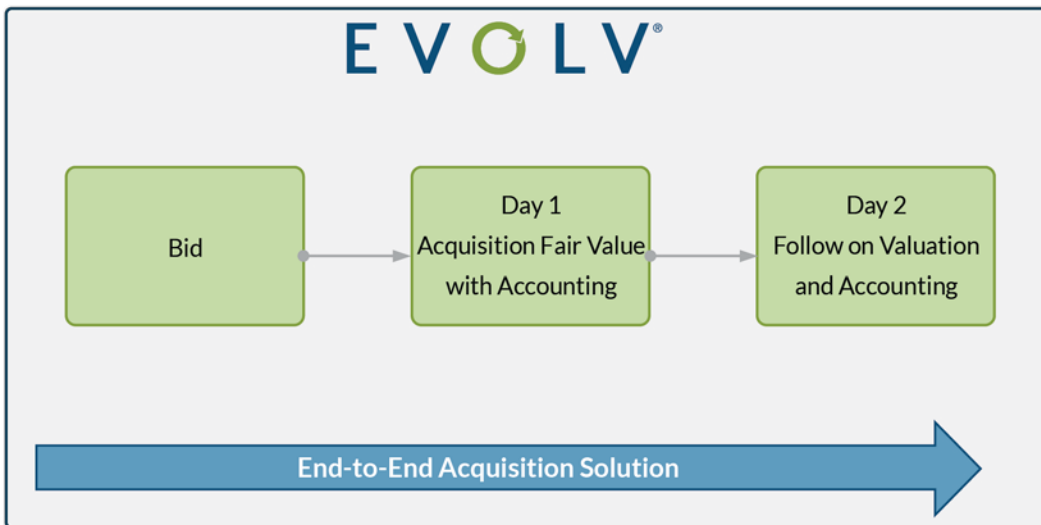
#### **Integration with Day 1 & Day 2**

Banks often struggle to ensure consistent valuation approaches are used through Bid Support, Day 1 and Day 2 processes. This leads to volatility in results and manual reconciliation.

#### **The Evolv Valuation Approach**

Upon receiving the target bank data, Primatics converts the data into a model-ready format by applying data validation processes, such as past due maturity dates and outdated appraisals. Primatics then configures modeling assumptions into Evolv for the target portfolio, working with clients to develop probability of default, loss severity and prepayment assumptions for a variety of loan types. In addition, specific timing and recovery assumptions are generated to ensure that loan dispositions are in line with the reality on the ground, given the

## Evolv Acquired Solution



local geography of the target bank. Evolv can then shock various assumptions such as discount rates for iterative sensitivity runs. Within the Evolv suite, a deterministic or multi-path modeling approach is used to create life-of-loan, loan-level cash flows. Evolv leverages the model to develop contractual cash flows based on the loan tape provided by the bank as well as to create expected cash flows based on modeling assumptions (such as default, loss severity, prepayment and timing) for each valuation cohort. Combining Evolv's Valuation Framework and the Primatics team of valuation experts, banks can complete bid valuations quickly and generate robust results and reports. The results of the valuation flow directly into Evolv for Day 1 and Day 2 processing.

### The Primatics Advantage

Industry leading banks and financial institutions have partnered with Primatics based on our differentiated offerings, which include:

### Software Partnership

- Providing short and long-term value through software partnership—we invest over 25% of our revenue into R&D to offer

industry leading products and solutions.

- Ensuring agile business process and software delivery to address rapidly-changing industry dynamics.

### Deep Functional Capabilities

- Making better business decisions driven by a unified accounting and valuation view.
- Viewing accounting scenarios and portfolio sensitivity to changing macroeconomic and credit variables.
- Taking advantage of flexible and customized analytics and reporting capabilities.

### Thought Leadership

- Assessing the impact of new regulatory frameworks on loan valuation and accounting.
- Providing industry best practices on loan valuation for portfolios.
- Managing complex business scenarios given the challenging operating environment.




info@

primaticsfinancial.com


Contact us today to learn more about how we can help you evolve.

### About Primatics

Primatics addresses a financial institution's most complex risk and finance challenges with EVOLV, our open platform with integrated solutions. Built by industry experts, EVOLV uniquely equips financial institutions to efficiently meet changing accounting, risk, compliance, regulatory, market and business needs.

 [www.primaticsfinancial.com](http://www.primaticsfinancial.com)

 [www.linkedin.com/company/primatics-financial](http://www.linkedin.com/company/primatics-financial)

 @Primatics