



## Evolv Suite Bid Support & Due Diligence Services

Acquisition Bids that are on Target  
Our Due Diligence Methodology Lets You Bid Confidently

### 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, pre-payment 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.

### The Primatics Advantage

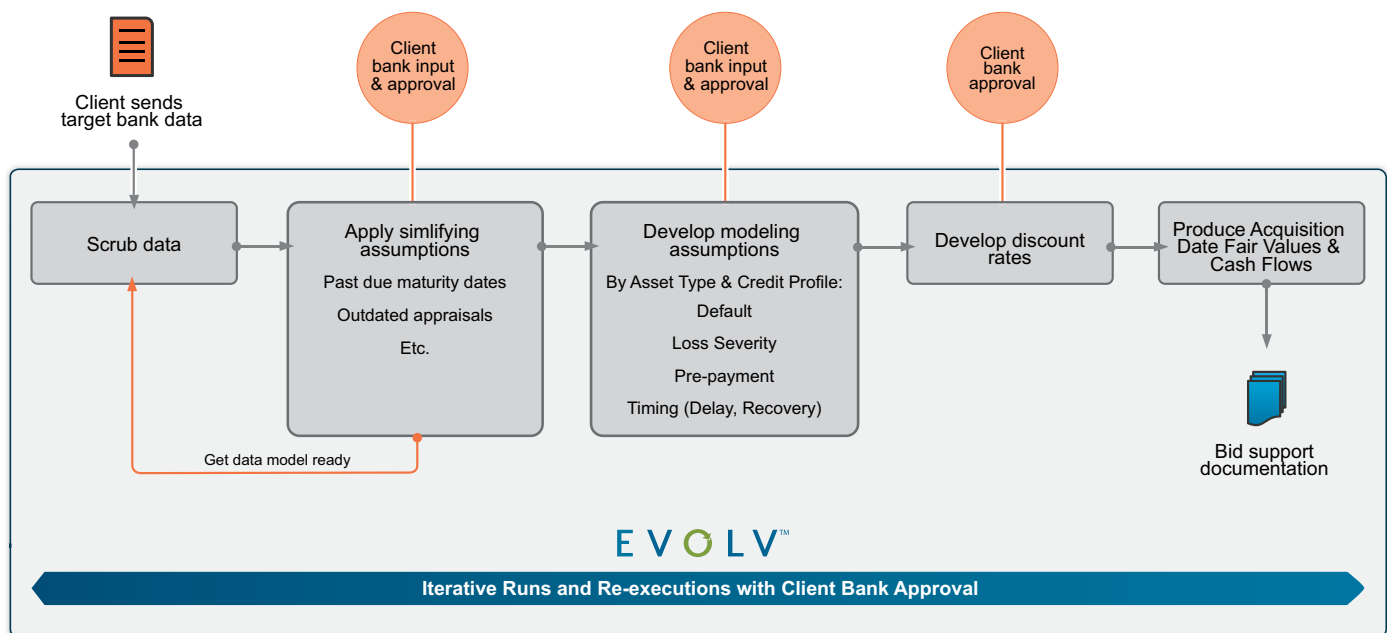
Primatics bid support and due diligence services provide greater confidence in your bid valuation along with timely completion. Key advantages include:

- *End-to-end processes:* We provide an end-to-end acquisition solution, enabling seamless transition from due diligence to day 1 valuation to day 2 processing.
- *Integrated technology:* We provide expert resources that leverage in-house automated tools for bid valuation. We have capabilities to create life-of-loan, loan level cash flows; perform iterative valuations; shock underlying assumptions; and produce final valuation results.
- *Technology investment:* We make significant investments in our technology platform and data integration solutions to streamline the valuation process. Our proven enterprise-class products will ensure that your loan data is analyzed in a controlled, repeatable, and automated fashion.
- *Bid valuation experience:* We have experience with over a hundred acquisitions, working with banks of varying portfolio sizes and compositions. We understand credit and payment assumptions, and have access to metrics and trend data, in specific local markets.
- *Partnership:* Primatics works closely with clients to perform several iterations of the valuation and shock various combinations of assumptions to test bid price sensitivities. We provide clients the flexibility to test out different scenarios and we partner with clients to obtain their input and approval throughout the valuation process.

## 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 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.



Primatics Financial is a highly specialized company offering tactical and strategic solutions to financial institutions, with a focus on dedication to meeting our clients' business and technology needs. We offer technology tools and consulting services for CFO's, Chief Risk Officers, and other financial institutions executives' most critical needs.

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