



Commercial, Industrial and Real Estate Loan Portfolio Review

OVERVIEW



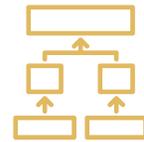
CHALLENGE

The effective management of a loan portfolio and the credit function is fundamental to a bank's safety and soundness. Portfolio management is the process by which risks that are inherent in the lending process are managed and controlled. Treliant was engaged by a third party to review the Commercial and Industrial loan portfolios, including commercial real estate. Portfolios were to be priced for sale at fair value.



SOLUTION

Multiple loan portfolios were assessed to understand loan underwriting practices, comprehensive financial analysis, cash flow analysis, and re-rating was performed on each loan. Collateral techniques were validated and reappraised, internal controls and loan documentation practices were assessed and exceptions identified. Portfolios were segmented in groupings for sale at a fair value.



APPROACH

Reviewed and evaluated loan information pertinent to specific financial institution asset portfolios and the underlying transactional data. Identified portfolio risks. Conducted portfolio valuation for the sale and determined projected sale returns. Considered different liquidity discounts in valuation.

RESULTS

- ✓ Delivered results of review to the organization leading the sale of the portfolios.
- ✓ Loan portfolios were grouped into reasonably valued packages that maximized sale proceeds.
- ✓ All portfolios packages were successfully disposed of by the organization representing the sale in excess of fair value due portfolio quality and transparency of packages.