

Powering growth: Abrigo's valuation advisory team supports complex M&A deals

Austin, Texas, December 31 2024 – Abrigo, a leading technology and services provider for financial institutions, announced significant milestones in its valuation advisory services, reinforcing its position as a trusted partner in navigating complex valuation, accounting, and regulatory compliance challenges.

The latest *Bank Director* 2025 M&A Survey reveals a rising interest in bank mergers and acquisitions, with 43% of financial institution leaders indicating they are likely to pursue acquisitions by the end of 2025, up from 35% the previous year. This increase in expected merger activity underscores the need for trusted partners who can deliver accurate, efficient, and compliant fair value determinations for substantiating the fair values of assets and liabilities for purchase price allocations establishing goodwill and reviewing key metrics such as earn-back period and pro forma capital.

Abrigo's valuation consultants assist buyers and investment banking firms during due diligence and transaction closing by determining fair value adjustments through a comprehensive analysis. Abrigo provides these services across all financial institution transactions for loan portfolios, core deposit intangibles, time deposits, and other assets and liabilities such as other identifiable intangibles and acquired debt.

Highlights of Abrigo's valuation achievements in 2023 and 2024 include:

- Successfully completed over 30 buy-side fair value projects.
- Provided fair value determinations for 6 of the last 10 mergers of equals.
- Supported due diligence and closing for 5 of the last 11 mergers of mutually owned institutions.
- Advised on 16 of the approximately 40 transactions involving banks with over \$1 billion in assets.
- Displayed expertise across the U.S., including 13 deals in the Southeast, 5 in the Midwest, and 4 in the Northeast and West.

An innovative approach to valuation consulting

Abrigo's valuation approach leverages advanced analytics and market-participant assumptions derived from a proprietary database of loan information from more than 2,000 financial institutions. Abrigo's software also supports the cash flow calculations of over 2,000 financial institutions' monthly and quarterly CECL allowance calculations using a proprietary loan cash flow engine. Using these advantages, Abrigo's valuation team delivers loan-level fair value calculations that bifurcate credit and interest rate marks, streamlining downstream processes like CECL compliance and loan mark accretion. Additionally, Abrigo has longstanding experience providing quarterly fair value disclosures in compliance with ASU 2016-01. "The timely and accurate delivery of fair value indications makes complex processes more efficient and effective," said Mike Green, Director of Abrigo Advisory Services' valuation and business combination consultancy.

Proven valuation results for complex transactions

Abrigo recently provided fair value services, income recognition, and CECL support to a multi-bank holding company that was acquiring another institution. The buyer, opting not to utilize push-down accounting and maintaining a separate charter for the acquired bank, faced challenges in accreting marks. Leveraging Abrigo's valuation experts and proprietary income recognition software, the valuation team delivered timely valuation results and produced GAAP-compliant income recognition results seamlessly, simplifying income reporting. By streamlining the incorporation of the fair value adjustments into the institution's CECL processes, Abrigo also helped expedite the bank's allowance process and treatment of PCD and Non-PCD loans, ensuring efficiency and compliance.

Positioned for the accelerating M&A landscape

As M&A activity gains momentum, financial institutions need partners who can act quickly and provide reliable valuation and accounting expertise. "Abrigo combines deep experience, vast data capabilities, and a commitment to client success," said Abrigo Chief Executive Officer Jay Blandford. "Financial institutions can move confidently and capitalize on strategic growth opportunities with the help of our experts."

Learn how Abrigo can add value to your next transaction. Visit abrigo.com for more information.

About Abrigo

Abrigo is a leading provider of compliance, credit risk, lending, and asset/liability management solutions and services that help financial institutions thrive. Abrigo accelerates growth, increases client efficiency, and improves customer experience with an easy-to-use and expansive platform. We ensure customer success with our award-winning client service team, advisory expertise, and innovative technology. With a network of 2,400+ FIs, Abrigo offers unique opportunities for insightful peer benchmarks and best practices. Visit abrigo.com to learn more. Follow Abrigo on social media using [@WeAreAbrigo](https://twitter.com/WeAreAbrigo).

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