



CEIS REVIEW INC.

**New Jersey Bankers Association  
CEIS Review Inc.  
Commercial Real Estate Portfolio Trends  
Through 1Q2019**

**May 30, 2019**

**Presenter: Dean Giglio  
Managing Director  
CEIS Review Inc.**



# CEIS REVIEW INC.

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PROFESSIONAL CONSULTING SERVICES TO BANKERS BY BANKERS

The CEIS Review mission is to be the preeminent provider of independent outsourced loan review, loan portfolio stress testing, ALLL methodology validation or refinement, as well as being a provider of related commercial credit management techniques to financial institutions worldwide. Our commitment is to commercial banks, savings banks, credit unions, foreign branches and agencies, multinational organizations and other firms requiring a third party assessment of loan portfolio quality and process.

Our commitment to excellence includes delivering clear & concise reporting, utilizing cutting edge credit and portfolio management techniques, maintaining an objective viewpoint, providing adequate flexibility to clients needs and consistently staying ahead of emerging industry and regulatory matters.

Ultimately, we are dedicated to our client's success and growth.



## About CEIS Review

from CEIS Review



**CEIS REVIEW INC.**  
*Consulting Services to the Financial Community*



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Consulting Services To The Financial Community



CEIS Review was established in 1989 for the specific purpose of providing professional services to banks and other financial institutions.

The company is independent in ownership and its practice. The primary business focus is assessing the quality of loan portfolios and their management independent of any potential conflicts from affiliated business activities or interests.

## CEIS Profile

- Clients with portfolios based throughout North and South America
- Experience with Federal and State chartered banks and credit unions, public and private
- Risk Review Professionals each with minimum of 20 to 25 years banking experience
- Portfolio Review practice with more than 50 professionals
- Risk Review Programs providing continuity in service and appropriate rotation
- Suite of services addressing multiple portfolio concerns

## Benefits to Clients

- Opinions independent of organizational politics or related influences
- Services customized to your continuing or surge requirements
- Highly experienced professionals available on an as needed basis
- Resource providing observations regarding industry credit trends
- Credibility of proven and reputable credit risk assessment company
- Objectivity in reports to the Audit Committee and other interested parties
- Improved identification and management of credit risk issues
- Enhanced credit risk management infrastructure
- Contain costs, while improving credit review resources



### Loan Review Program

- General Loan Review
- International (off-shore) Loan Review
- Portfolio Acquisition Review
- Specialty/Structured Finance Review



### Loan Loss Reserve

- Methodology Validation or
- Methodology Refinement



### Loan Portfolio Stress Testing

- "Bottom Up" Loan Level Approach
- "Top Down" Capital Adequacy Assessment



### CEIS Consulting

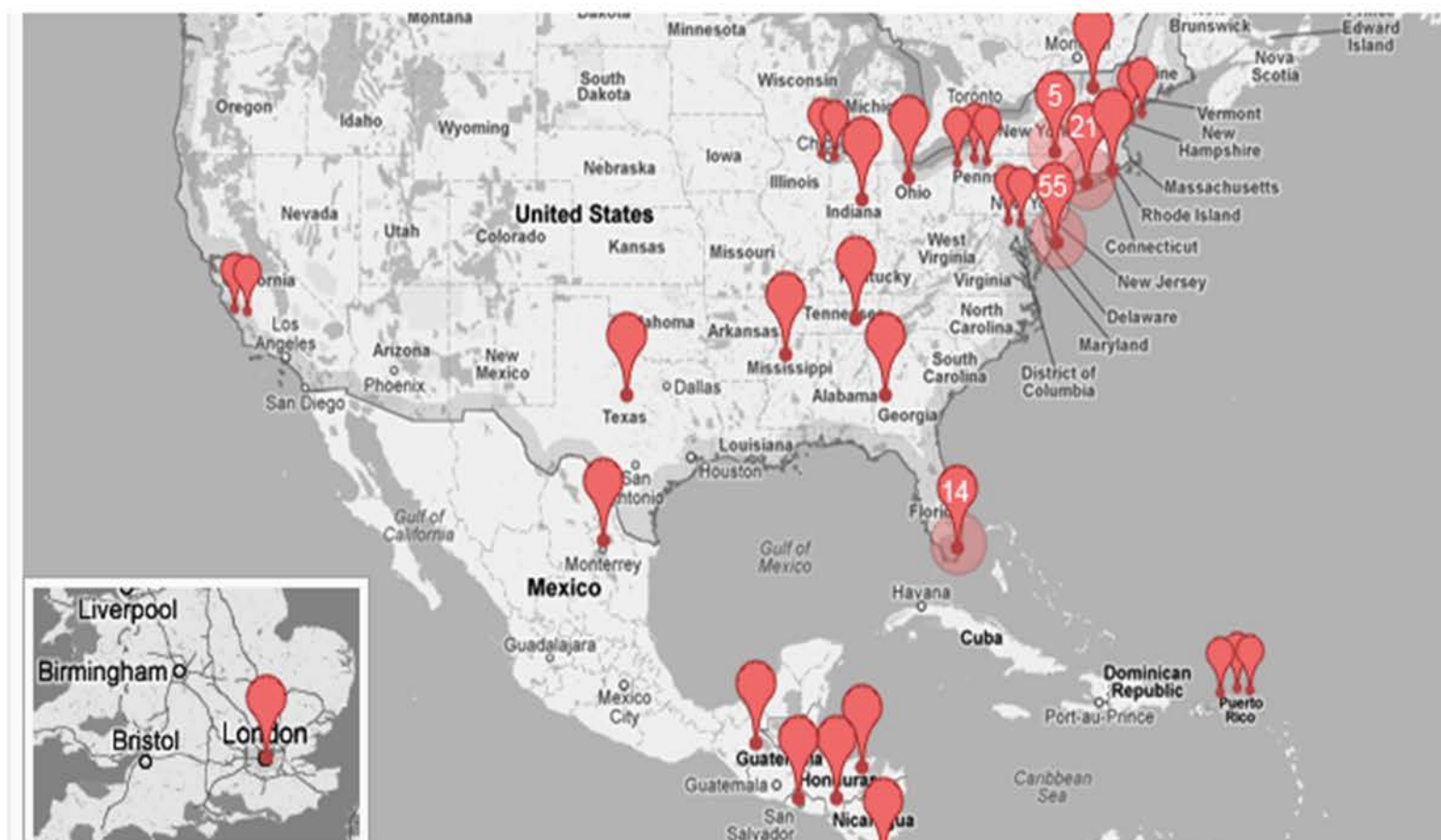
- Credit Risk Process Review
- Loan Policy Maintenance
- Loan and Credit Seminars



## Client Geographic Presence

Loan portfolios that we are actively engaged with range in size from \$35 million to several billion and include specialty lending as well as general lending activities in the domestic and international sectors.

To learn more about our professional services please contact us to discuss.



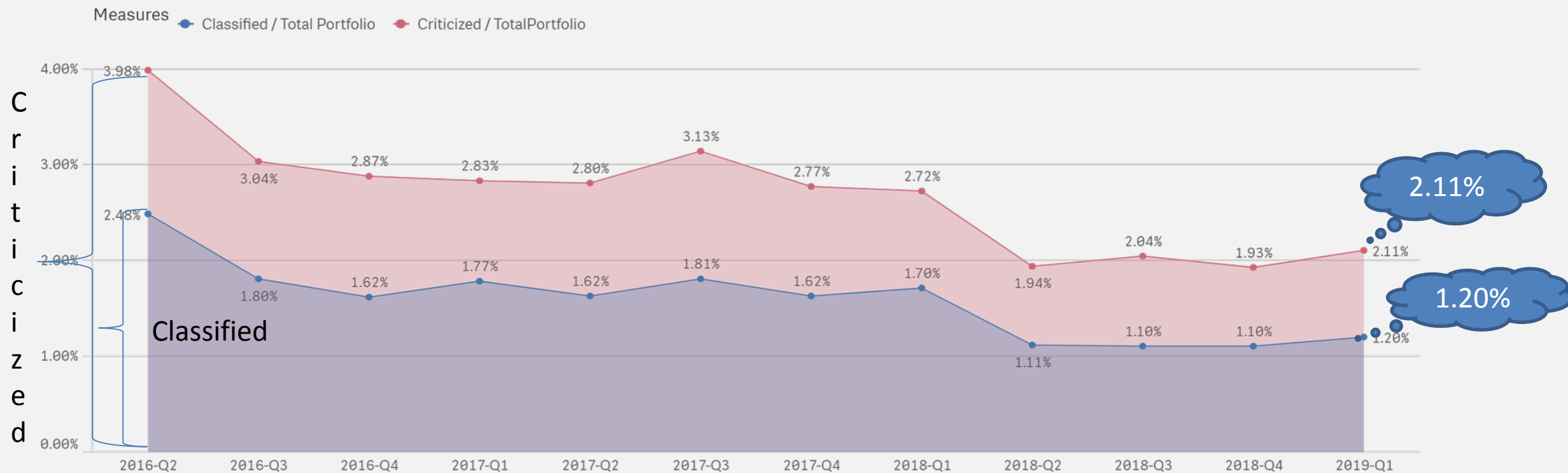


# Loan Quality -Ratings Trends

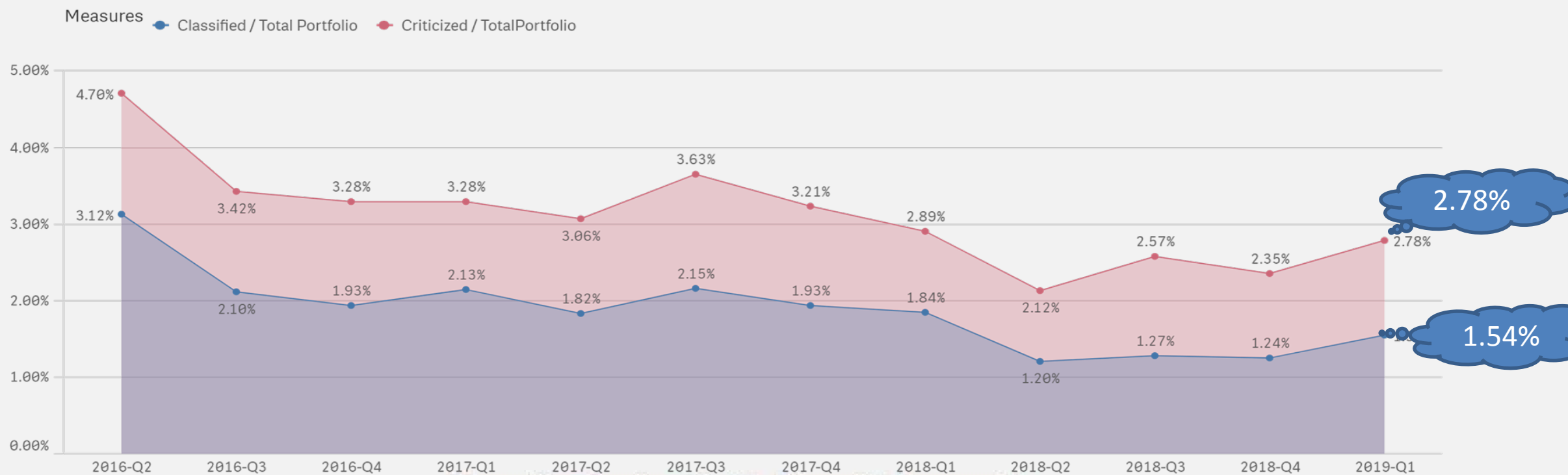


All CT, NJ, NY Banks

Criticized and Classified to Portfolio



CT, NJ, NY Banks < \$500MM



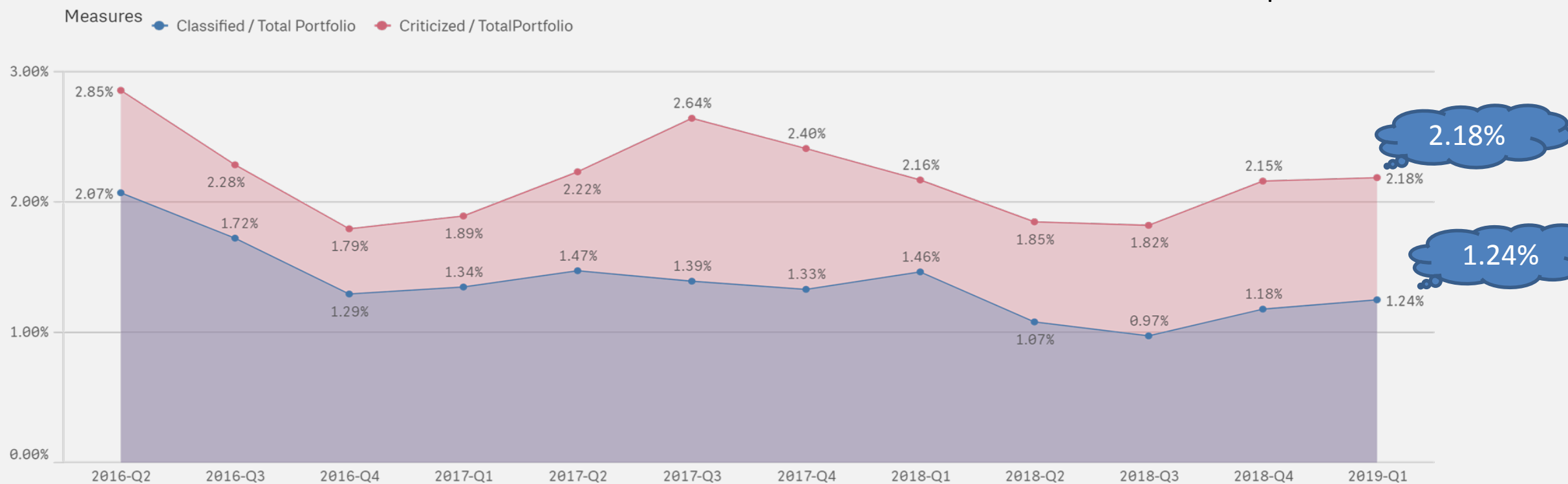
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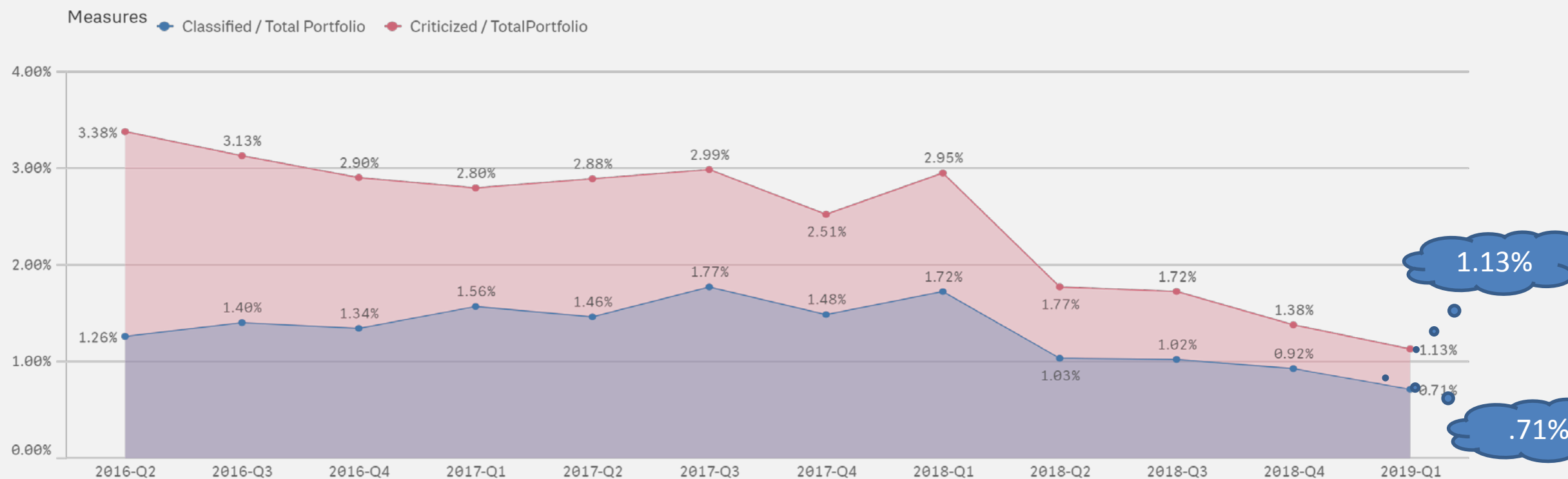
## All CT, NJ, NY Banks- \$500MM- \$1,000MM

## Criticized and Classified to Portfolio

Updated

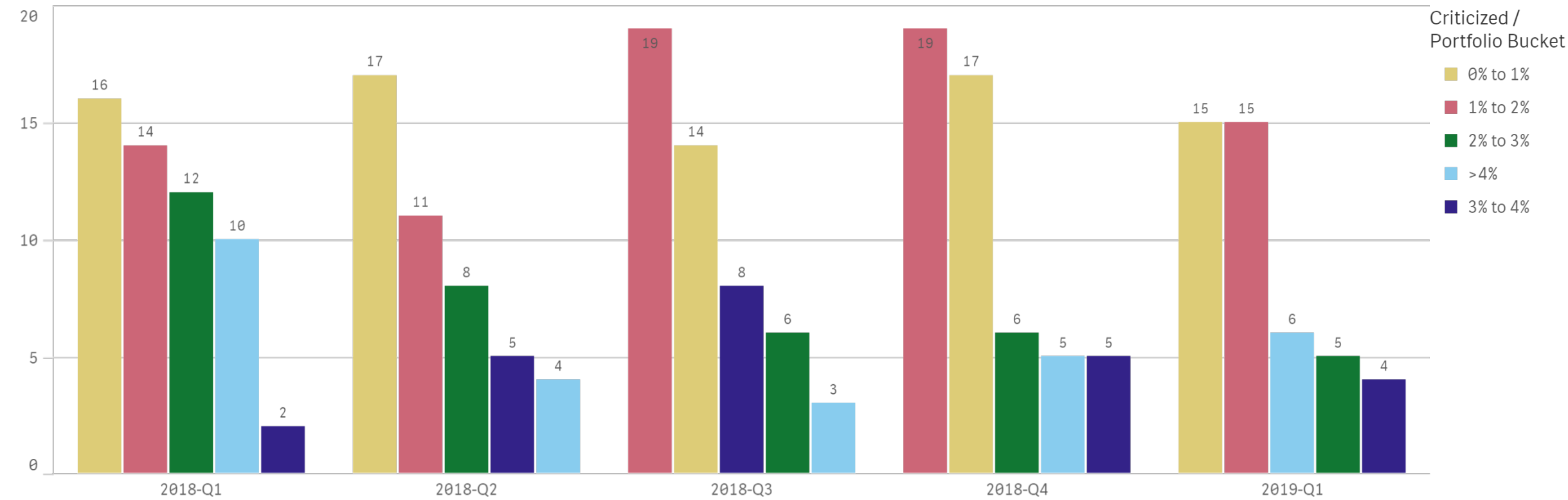


## CT, NJ, NY Banks > \$1,000,MM

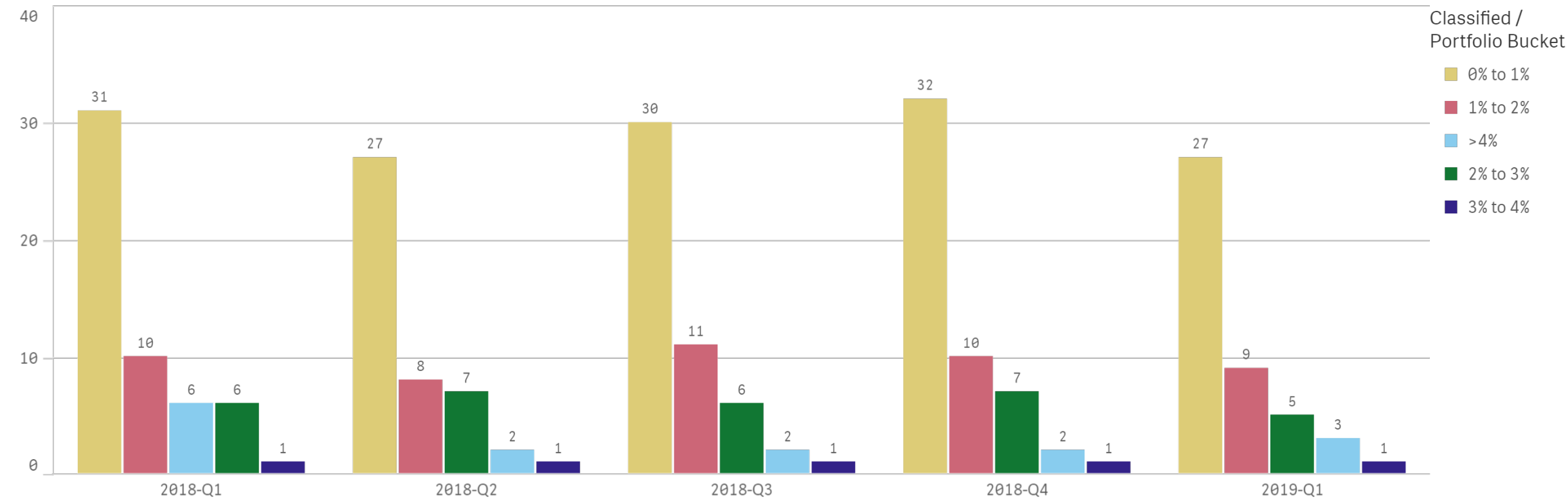


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Criticized / Portfolio - Count by Bucket



Classified / Portfolio - Count by Bucket



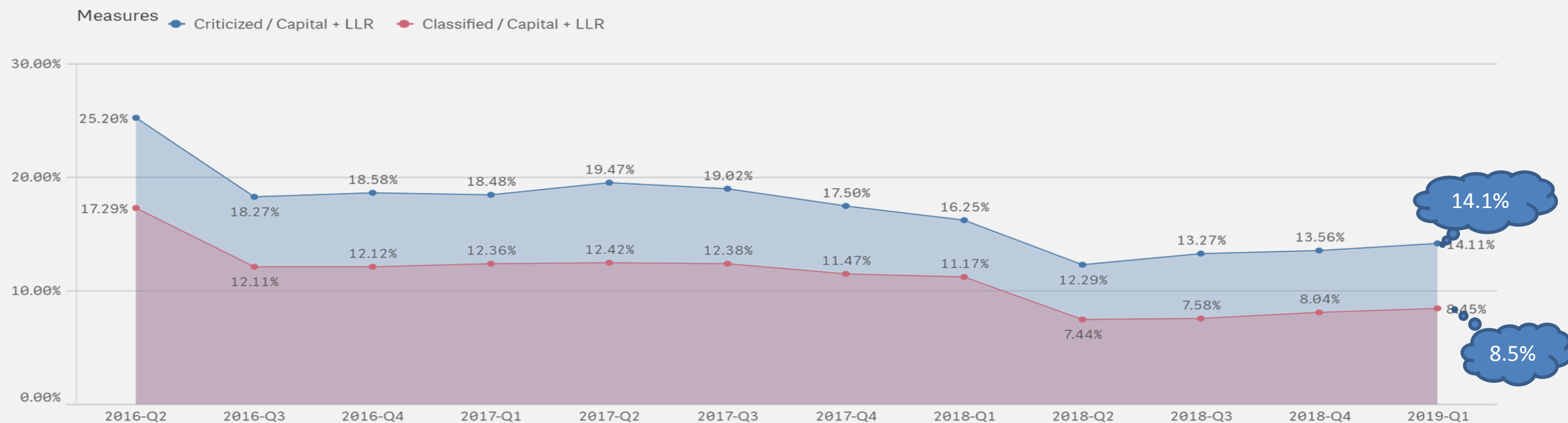


# Loan Quality- Capital Ratio Trends

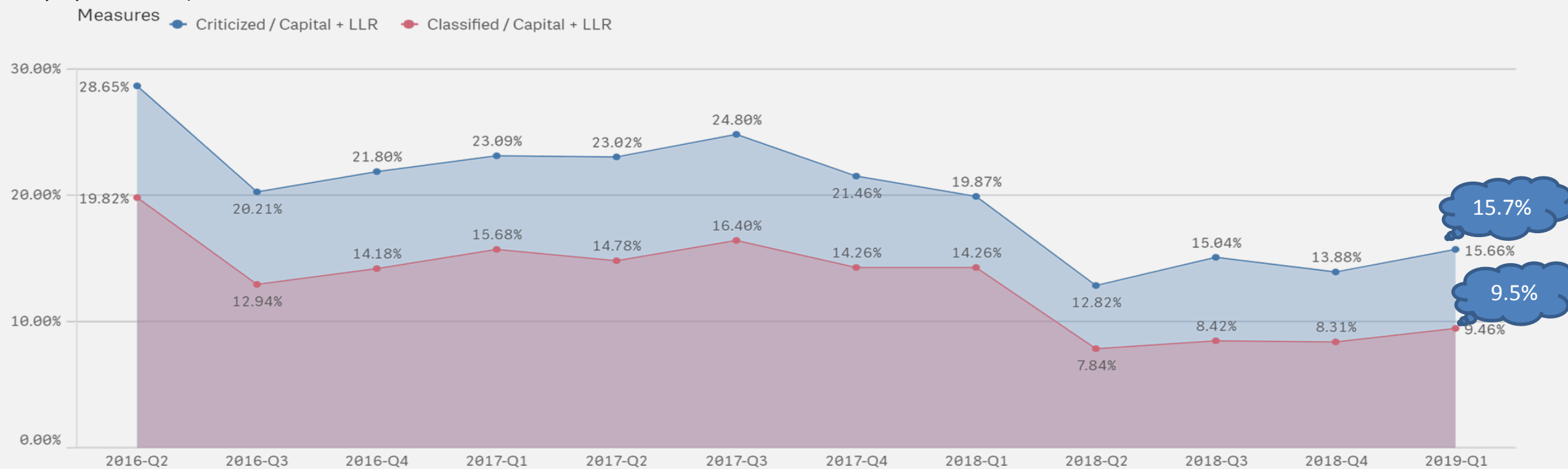


**All CT, NJ, NY Banks**

**Criticized and Classified to Capital + LLR**



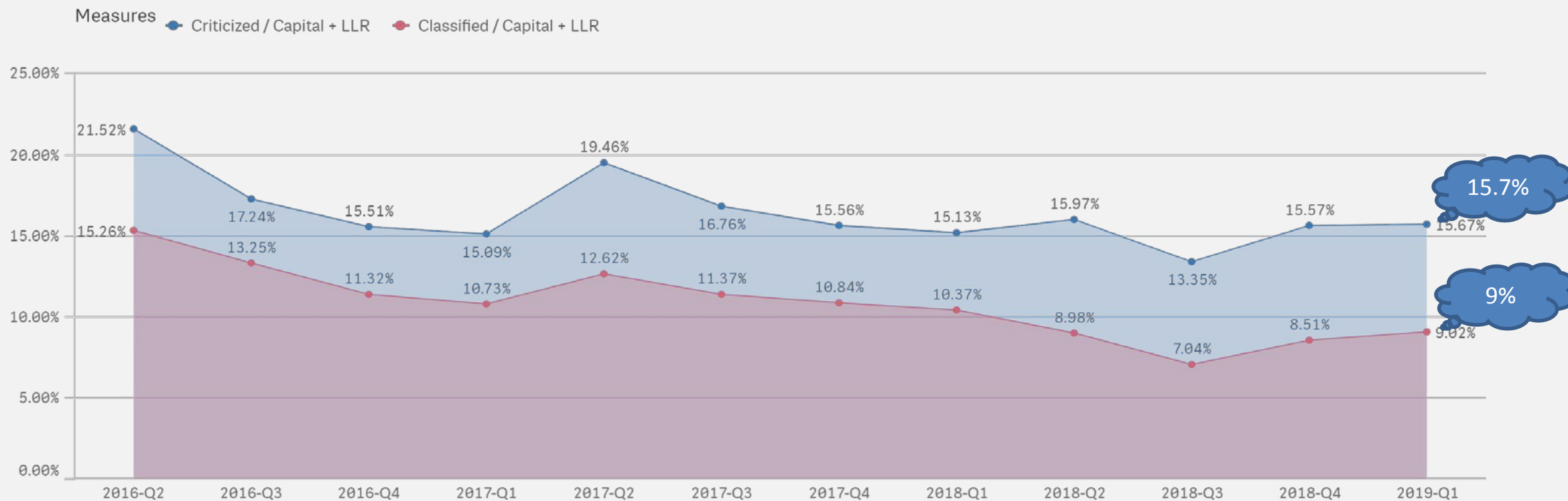
**CT, NJ, NY Banks < \$500MM**



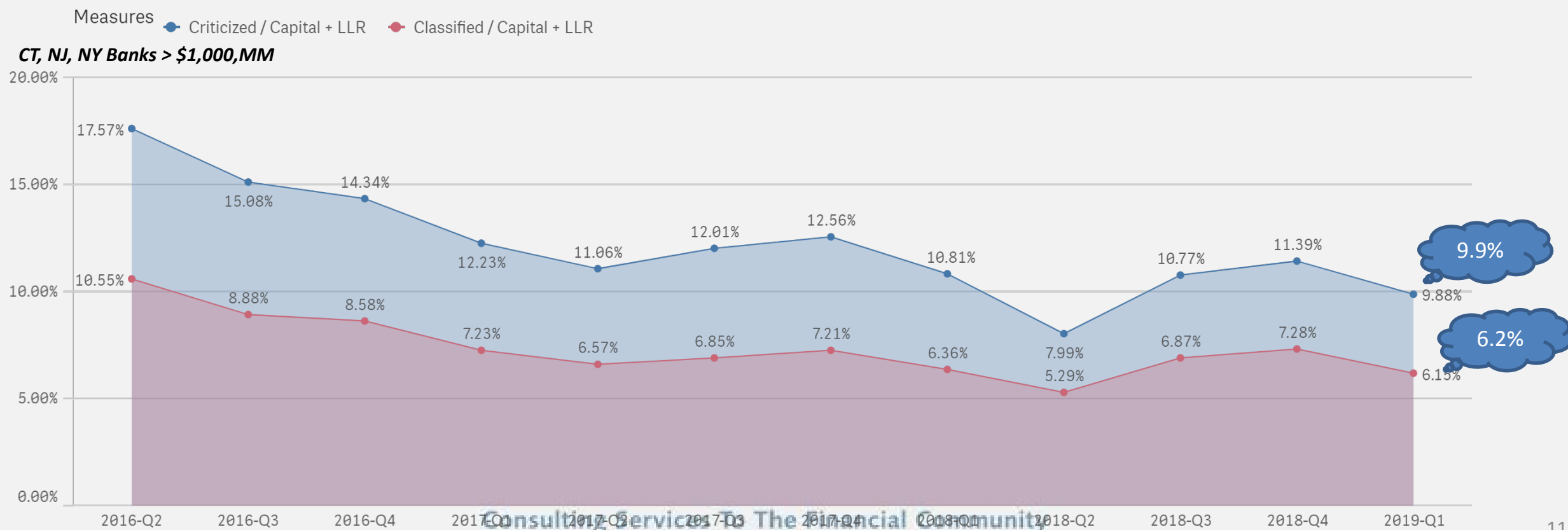


## All CT, NJ, NY Banks- \$500MM- \$1,000MM

## Criticized and Classified to Capital + LLR



## CT, NJ, NY Banks > \$1,000,MM

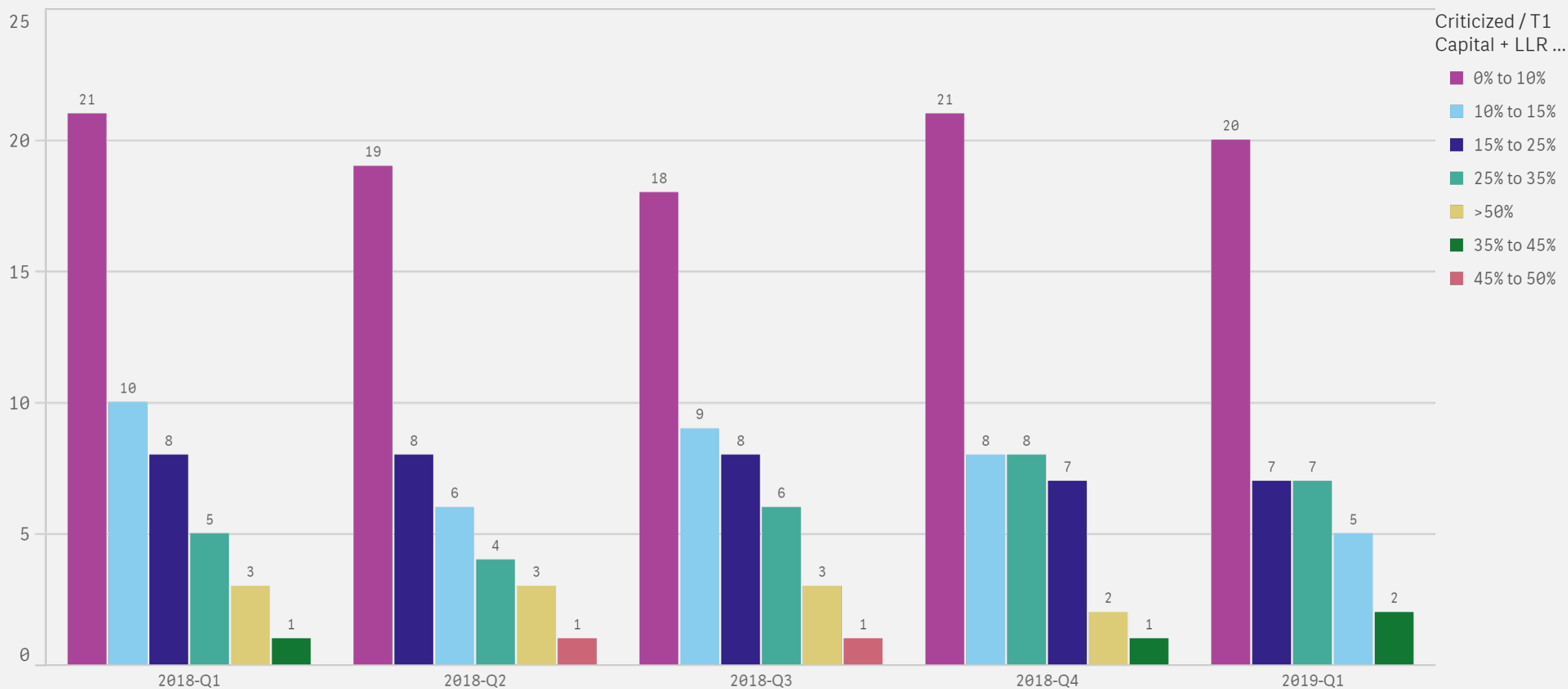




## Criticized and Classified / T1 Capital + LLR – Count By Range

All Banks NY NJ CT

Criticized / T1 Capital + LLR - Count by Bucket

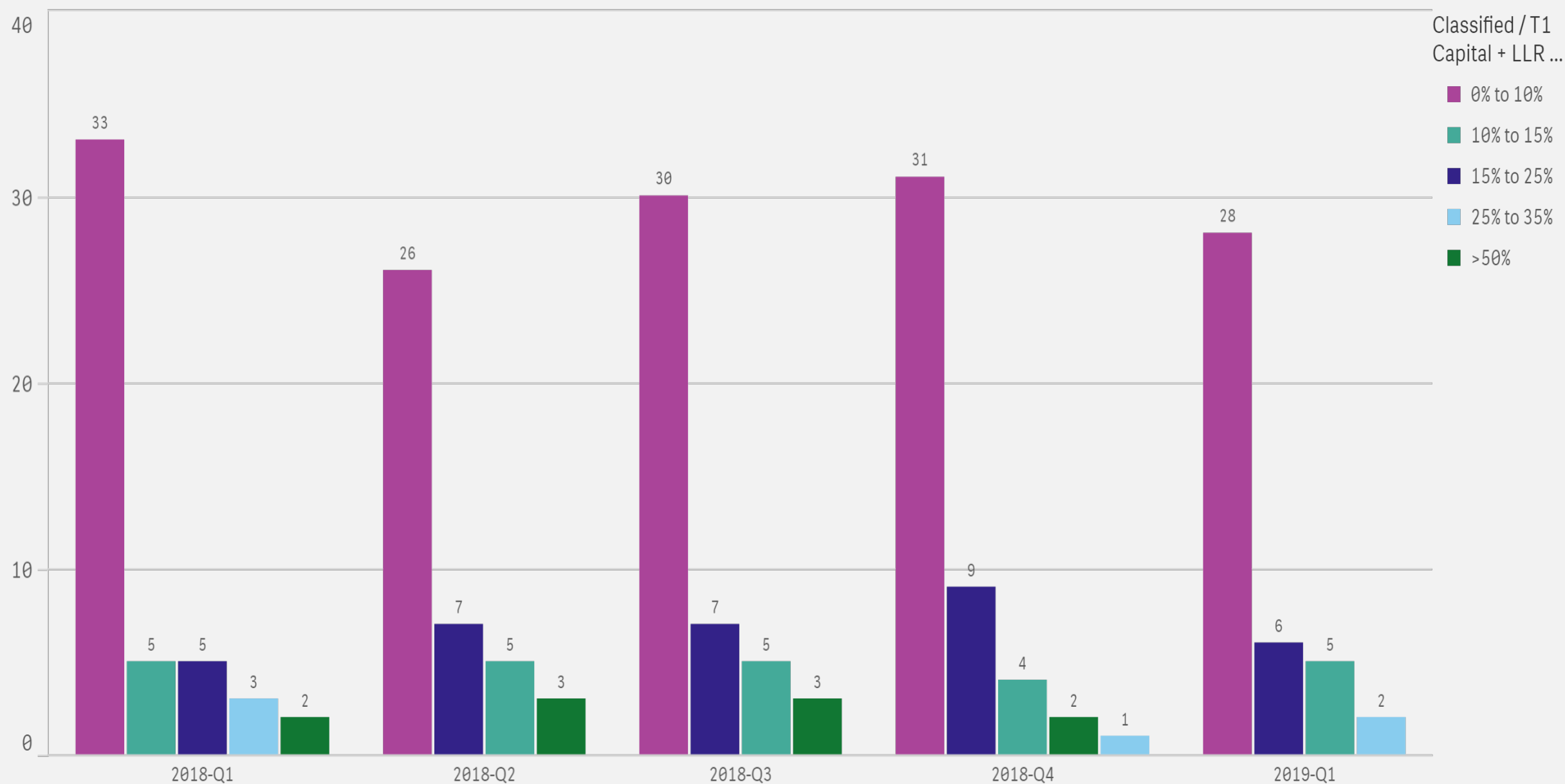




## Criticized and Classified / T1 Capital + LLR – Count By Range

All Banks NY NJ CT

### Classified / T1 Capital + LLR - Count by Bucket





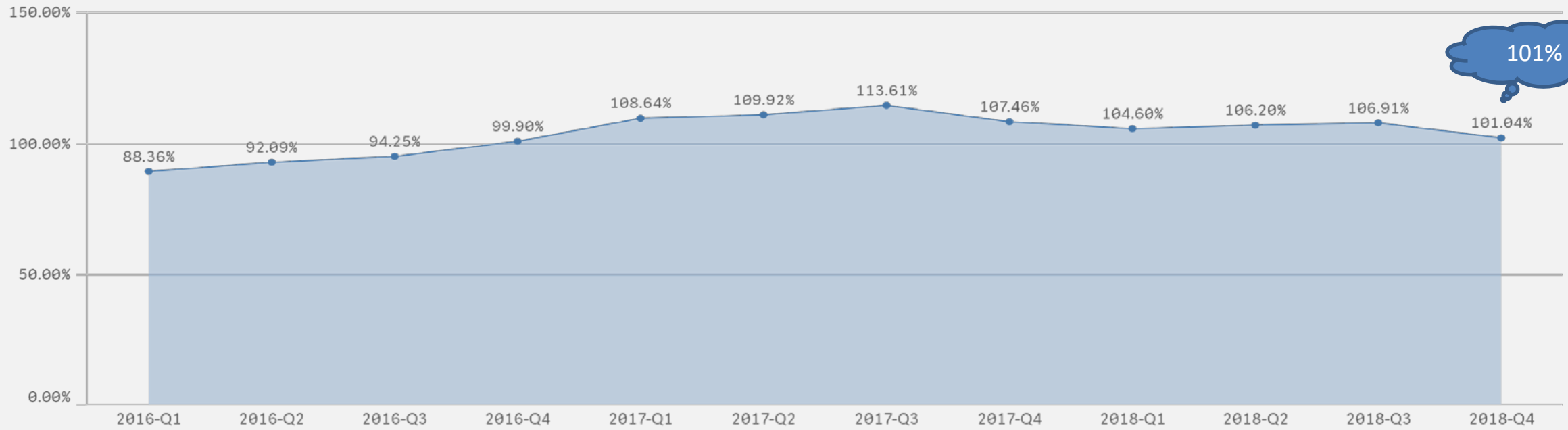
# Reserve Level Trends



## Loan Loss Reserve to Classified

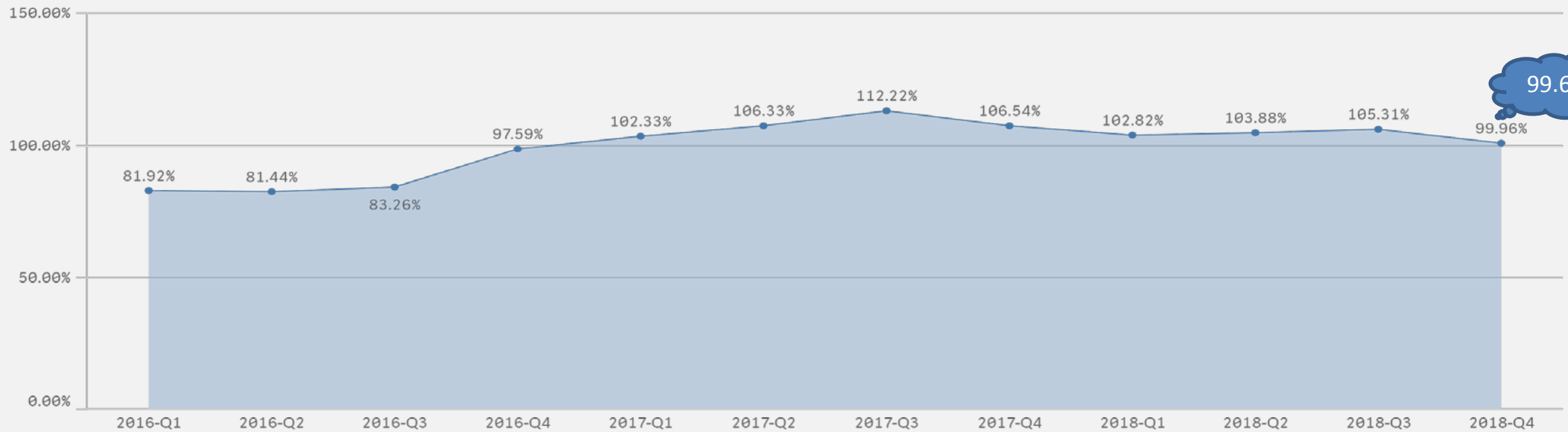
*All Banks*

LLR / Classified



*CT, NJ, NY Banks*

LLR / Classified



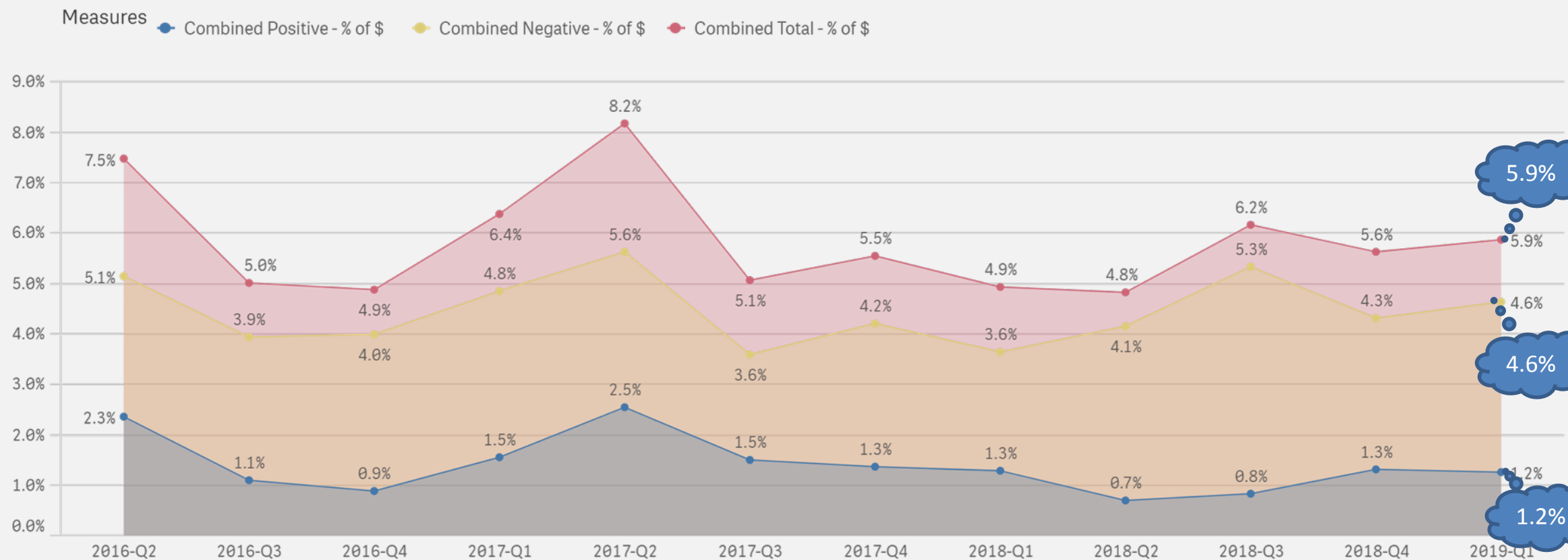


# Underwriting – Grade Variances/ Exceptions

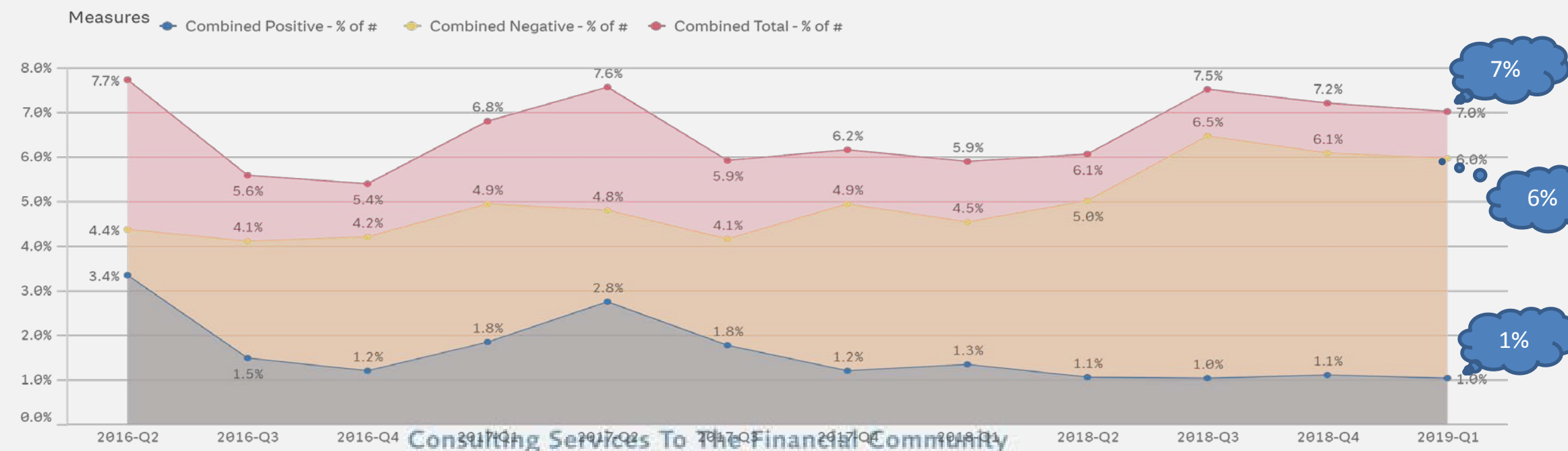


## CT, NJ, NY Banks

### Grade Variances - % of Dollars Reviewed



## CT, NJ, NY Banks <\$500MM

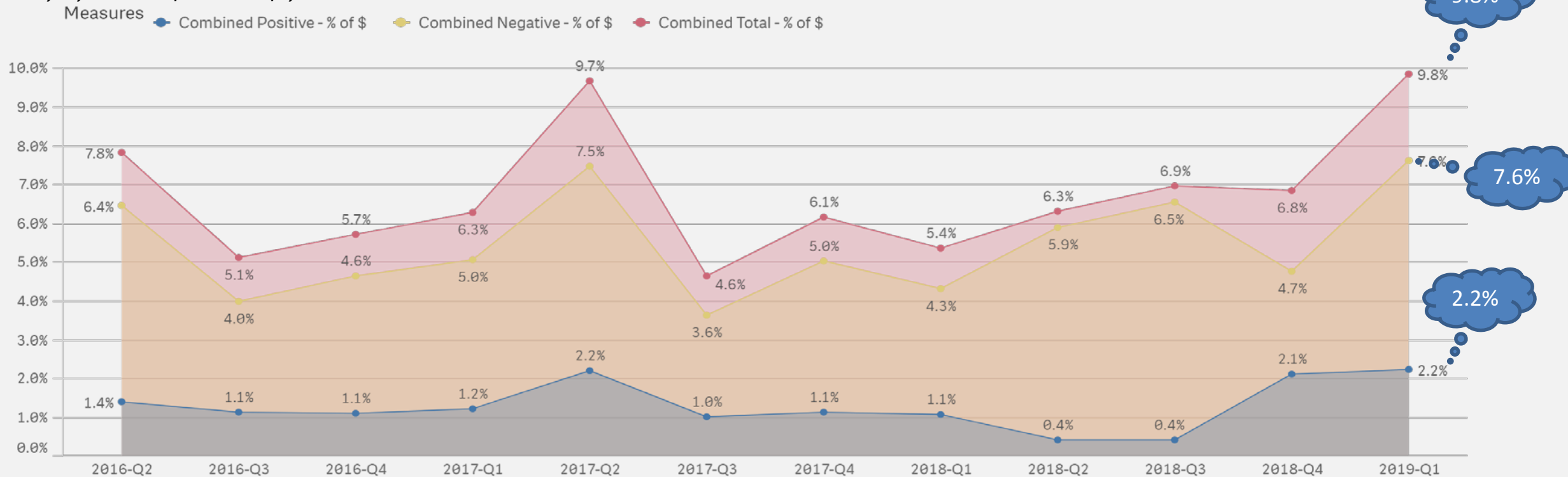


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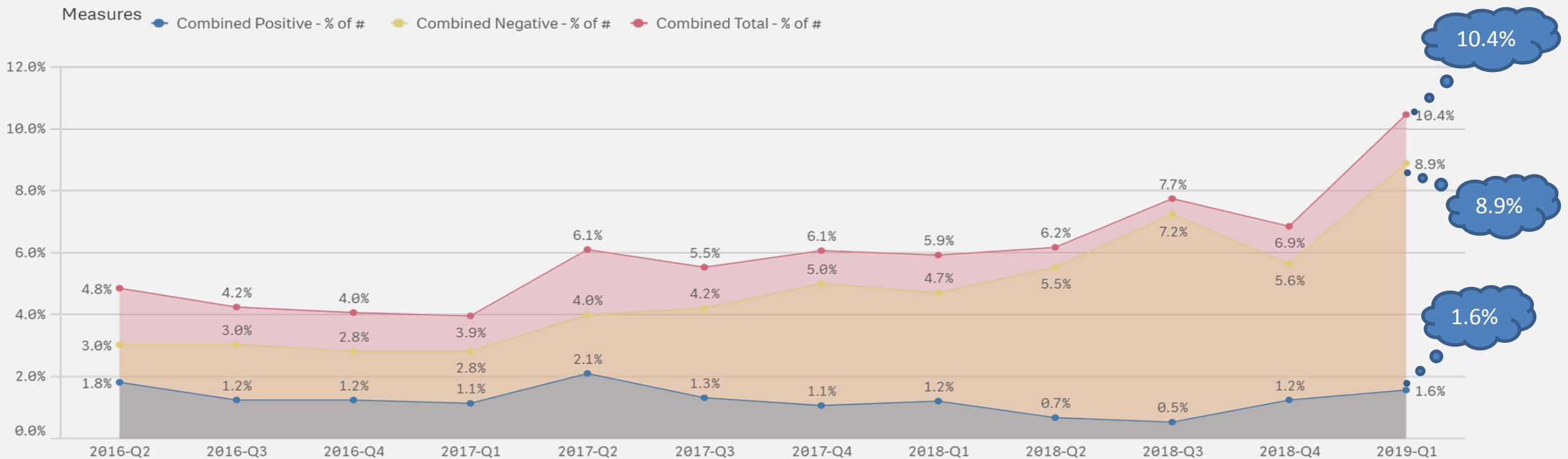


## Grade Variances - % of Dollars Reviewed

**CT, NJ, NY Banks \$500MM – \$1,000MM**



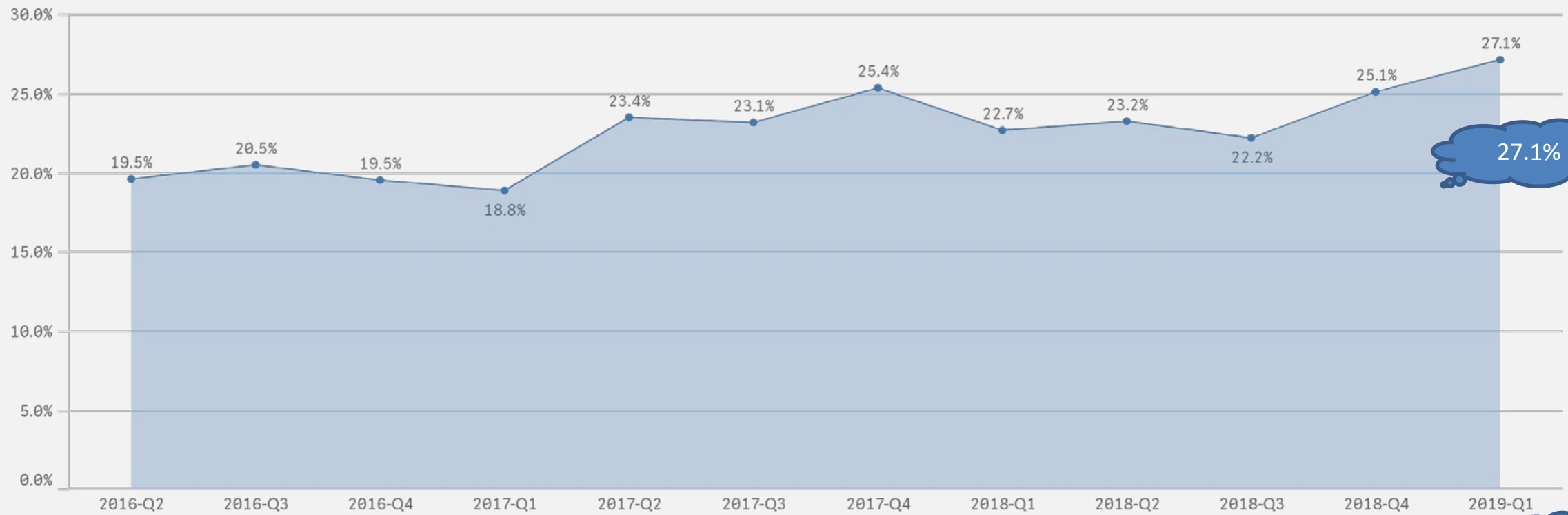
**CT, NJ, NY Banks >\$1,000MM**



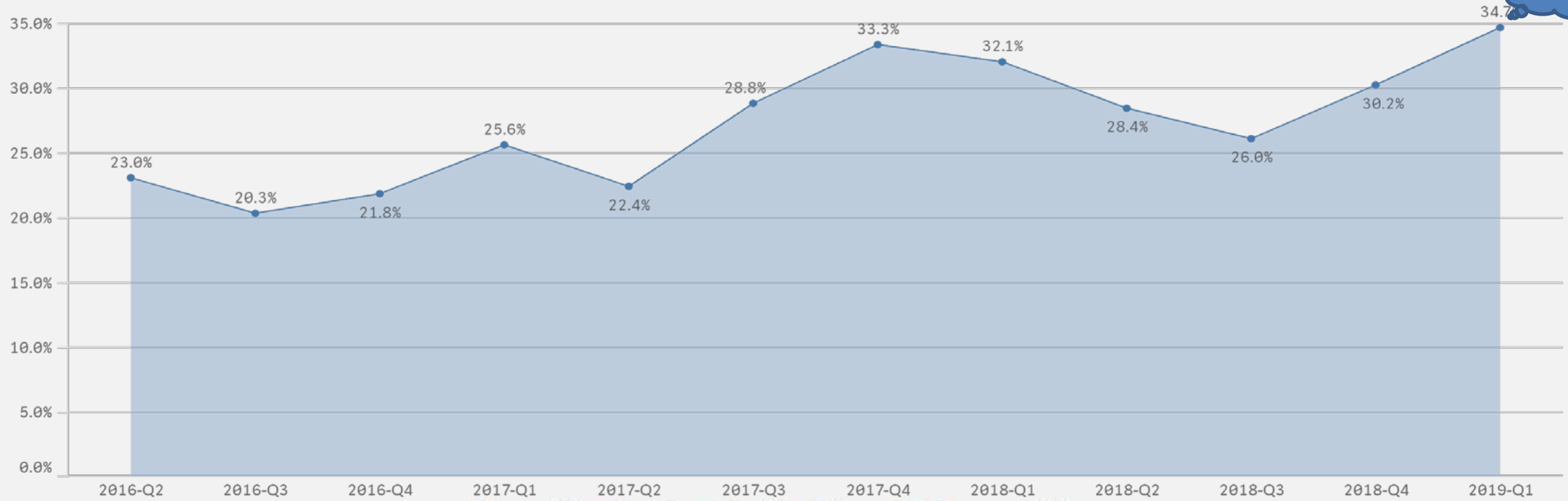


CT, NJ, NY Banks

## Exceptions - % of Borrowers with Exceptions



CT, NJ, NY Banks <\$500MM

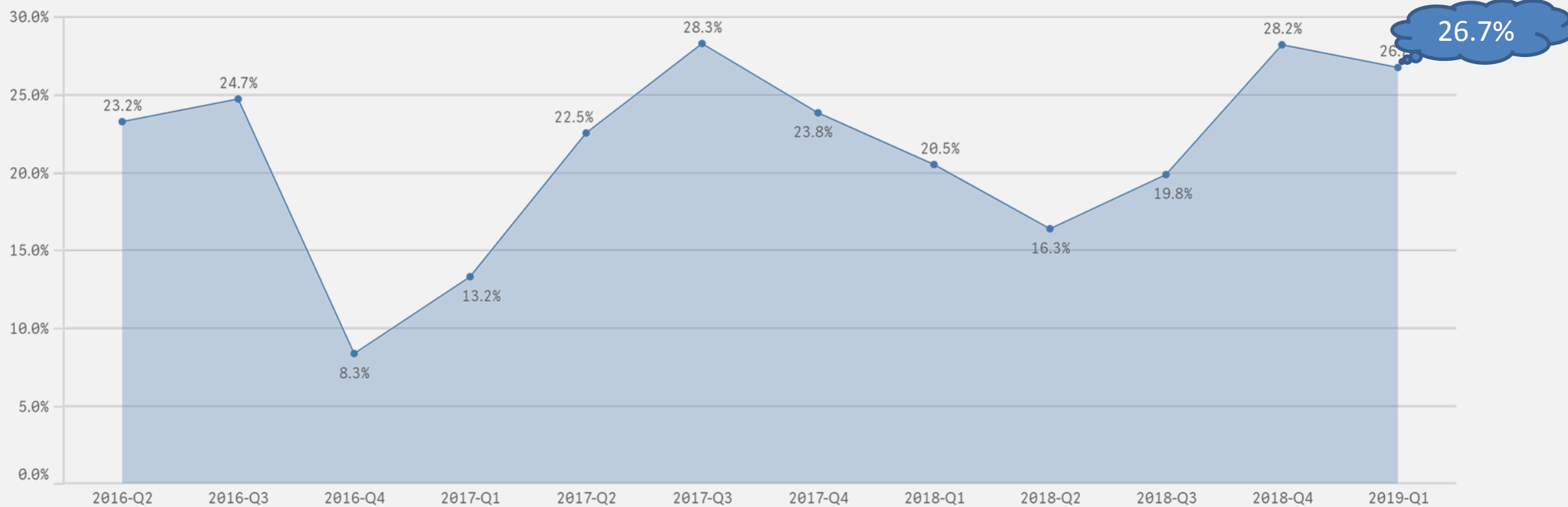


Consulting Services To The Financial Community

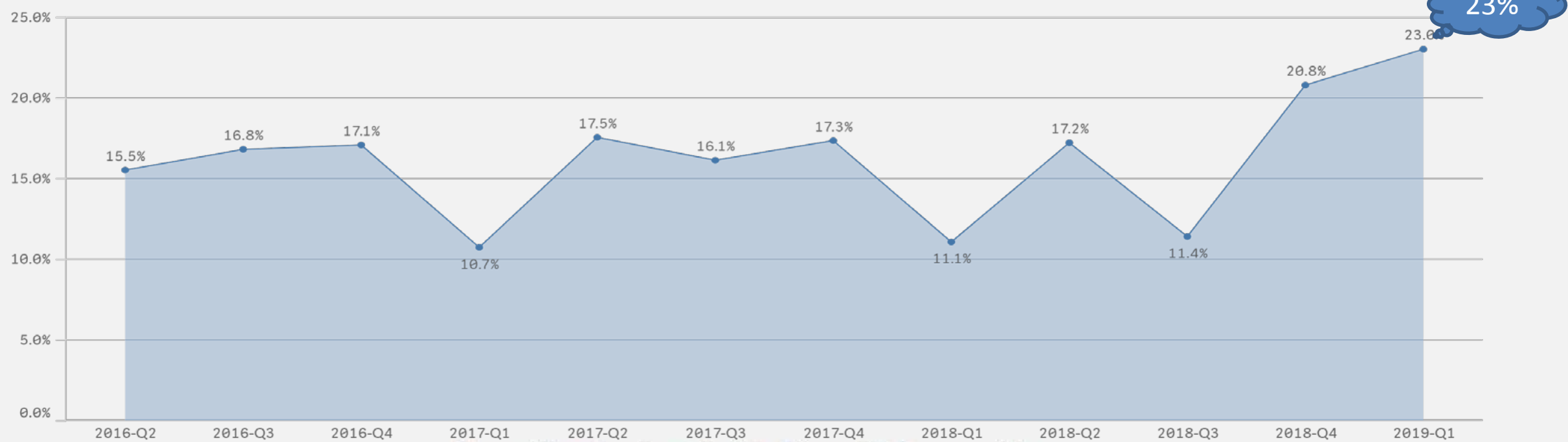


CT, NJ, NY Banks >\$500MM < \$1,000,MM

## Exceptions - % of Borrowers with Exceptions



CT, NJ, NY Banks >\$1,000MM



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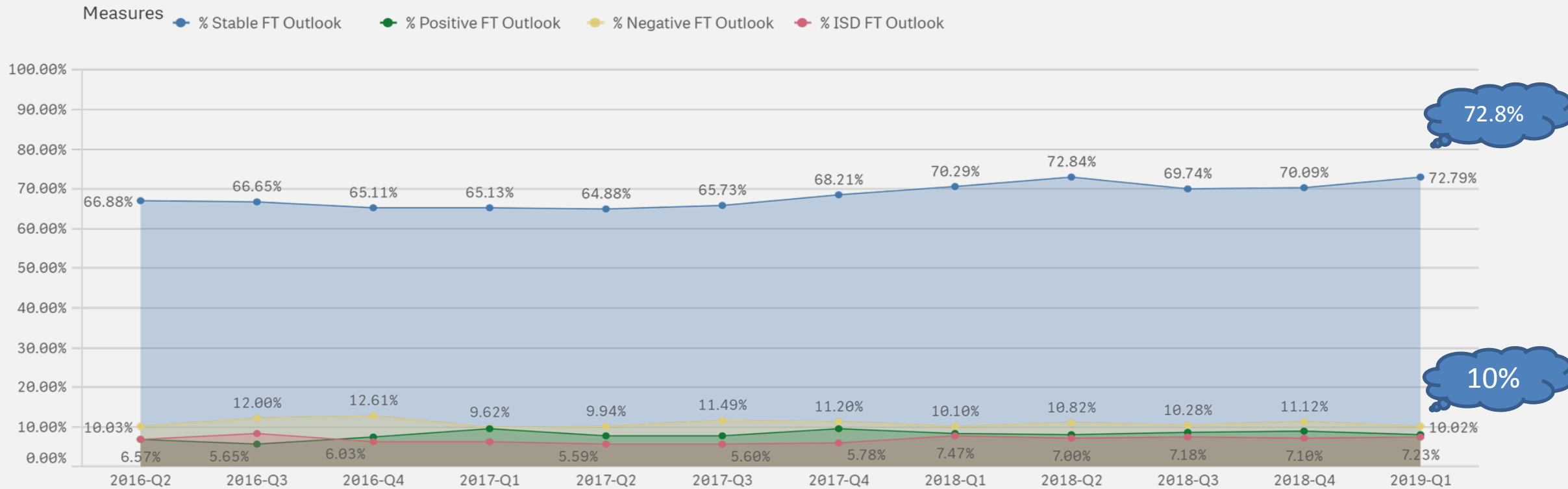


# Financial Reporting Trends

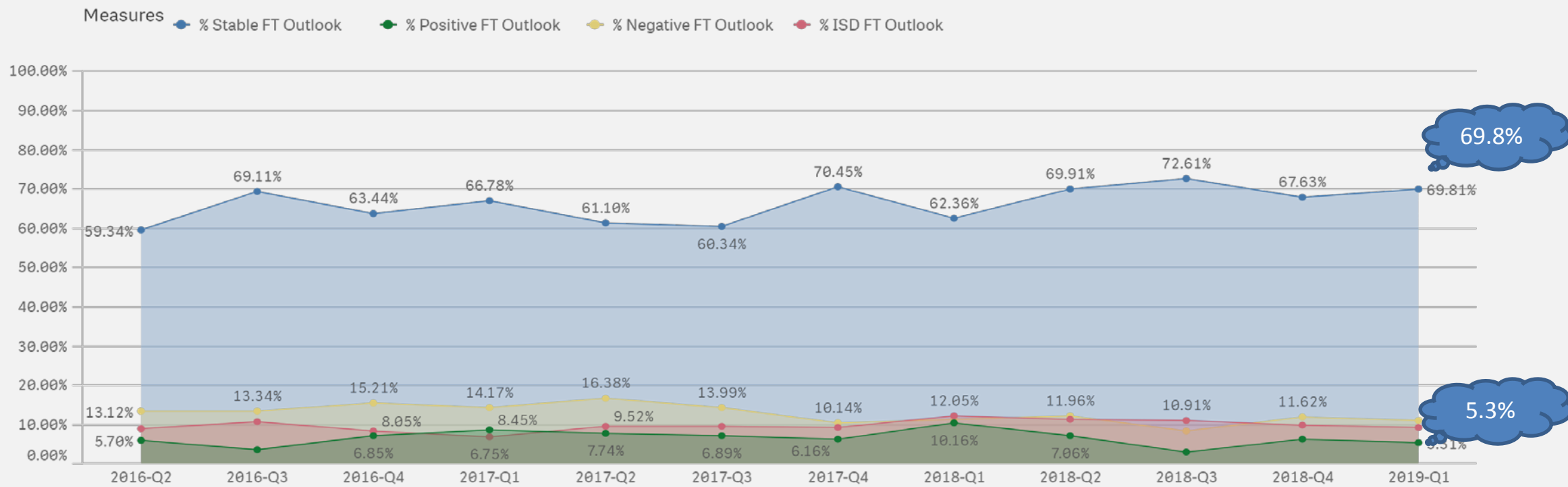


## CT, NJ, NY Banks

## Financial Trend – All Loans



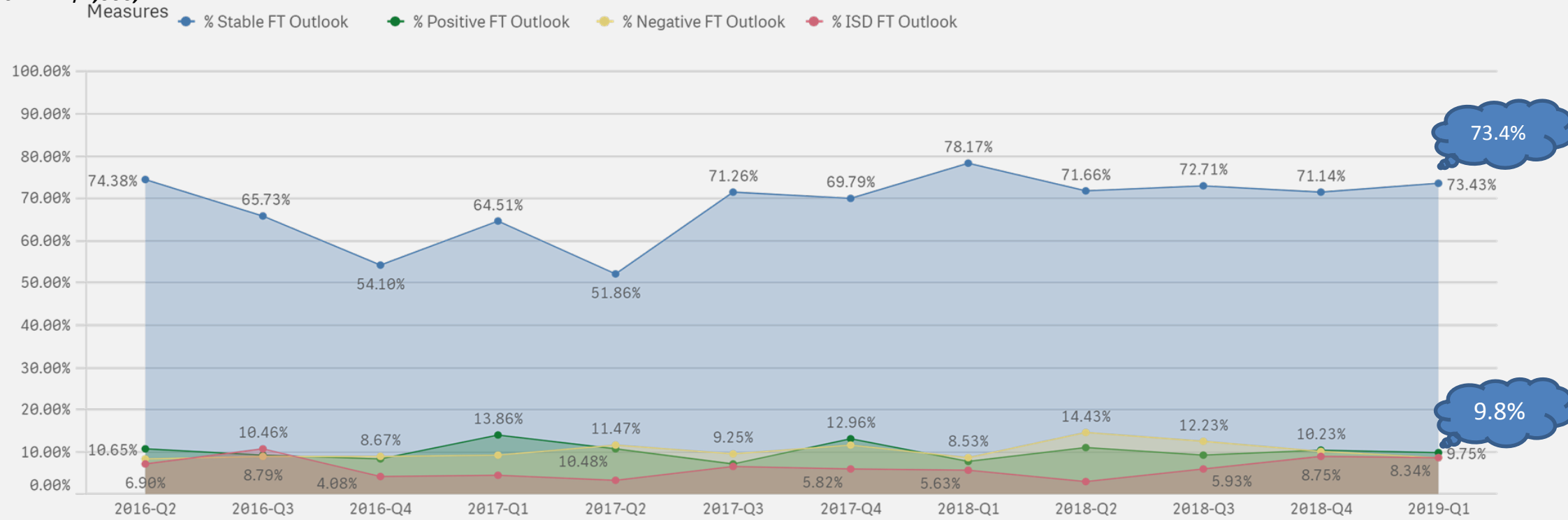
## CT, NJ, NY Banks <\$500MM



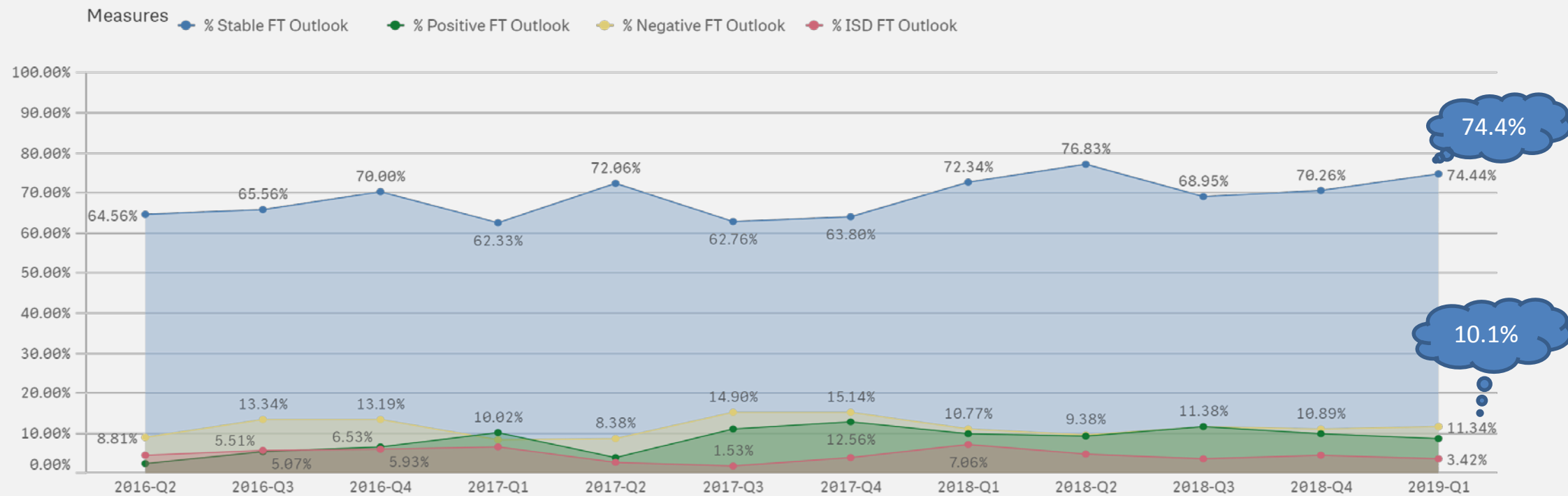


## Financial Trend – All Loans

CT, NJ, NY Banks \$500MM - \$1,000,MM



CT, NJ, NY Banks >\$1,000MM

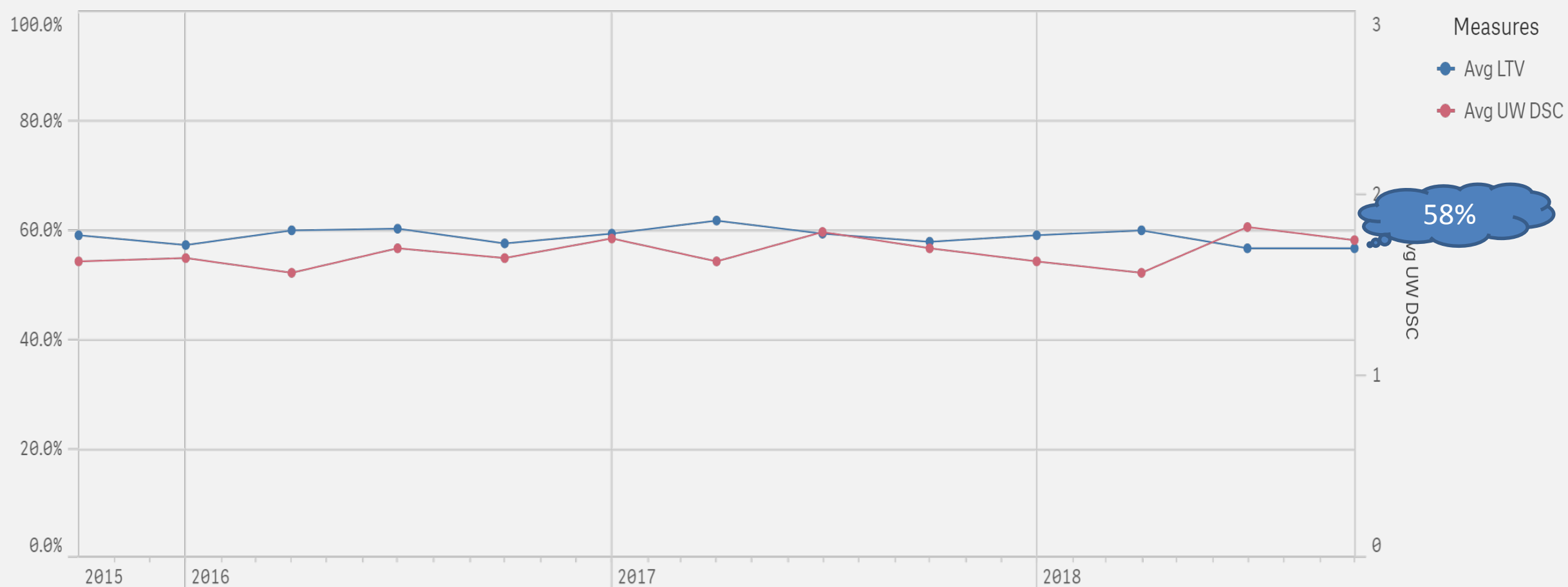




## New and Renewed Average LTV and DSC

CT, NJ, NY Banks

Avg LTV vs DSC

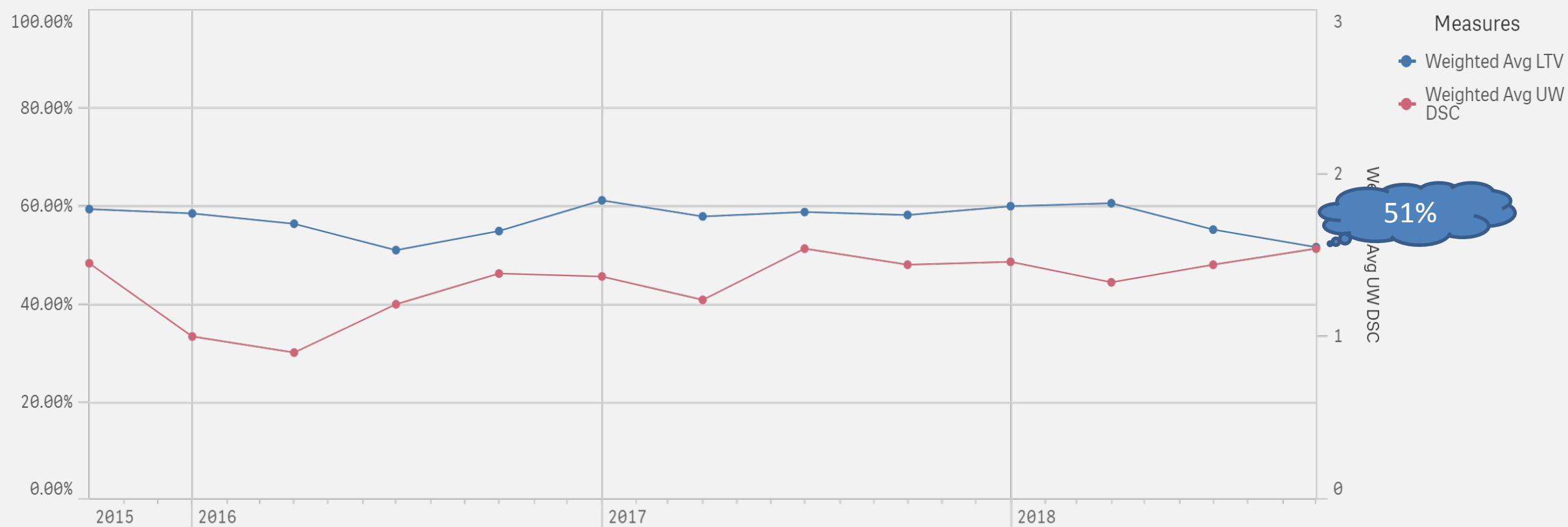




## New and Renewed Weighted Average LTV and DSC

CT, NJ, NY Banks

Weighted Avg LTV vs DSC





# Questions



## CEIS REVIEW

CEIS is an independent consulting firm serving the needs of organizations with general and/or specialized commercial loan portfolios.

Loan Review, ALLL / LLR Methodology and Validation, Portfolio Stress Testing, Portfolio Acquisition Review, Leveraged Lending Review, Municipal and Public Finance Review, Loan Policy Maintenance, Process Review, and customized Loan and Credit Seminars.

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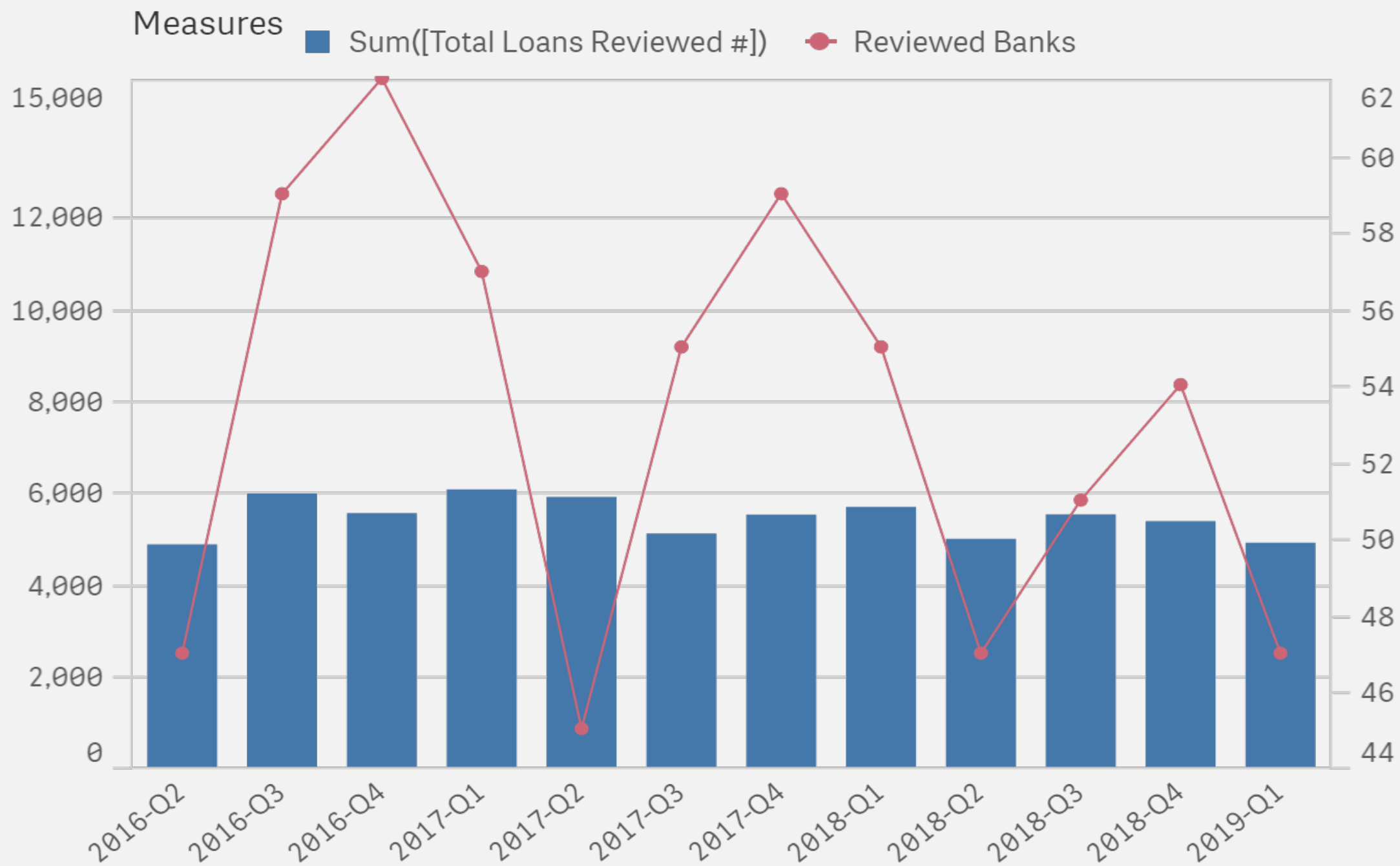
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Elaine M. Cottrell - [ecottrell@ceisreview.com](mailto:ecottrell@ceisreview.com)



# Appendices- Population Data

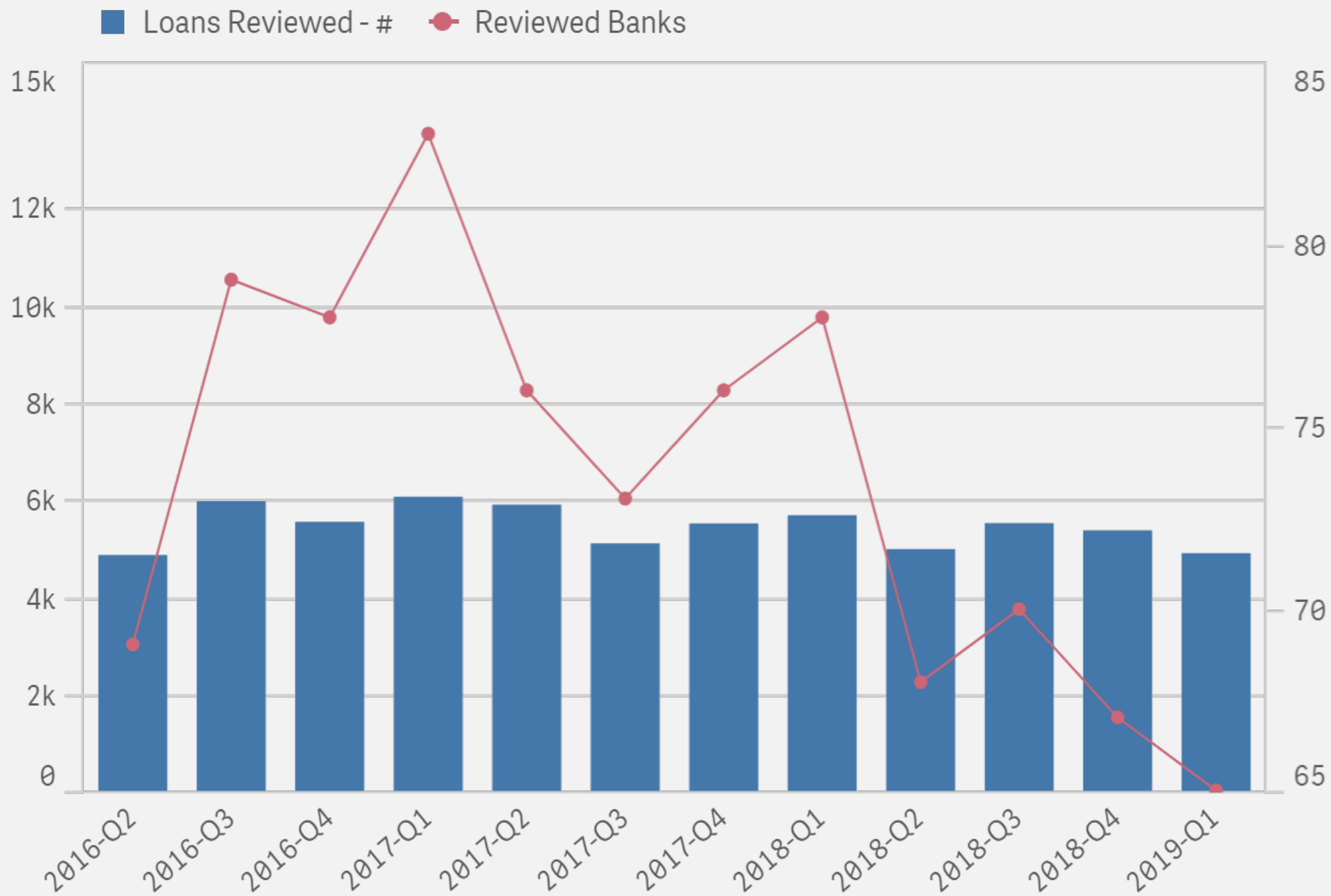


Data Population-Loan Quality



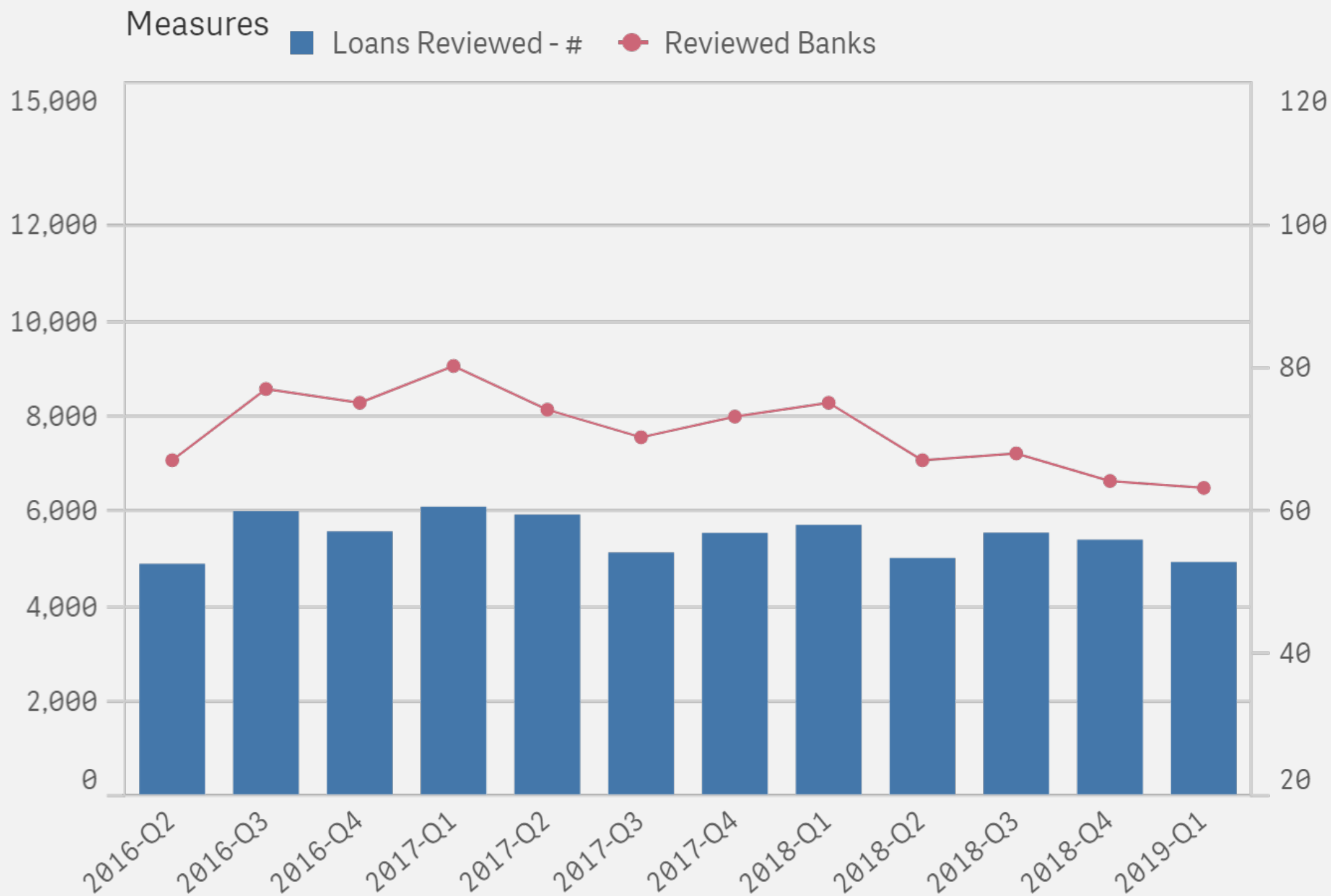


Data Population-Grade Variances





Data Population- Exceptions





Data Population- Financial Trends

Measures



Loans Reviewed - #



Reviewed Banks

