

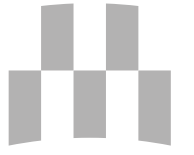


Banks are **losing**  
**market share**  
in **CRE Loans**





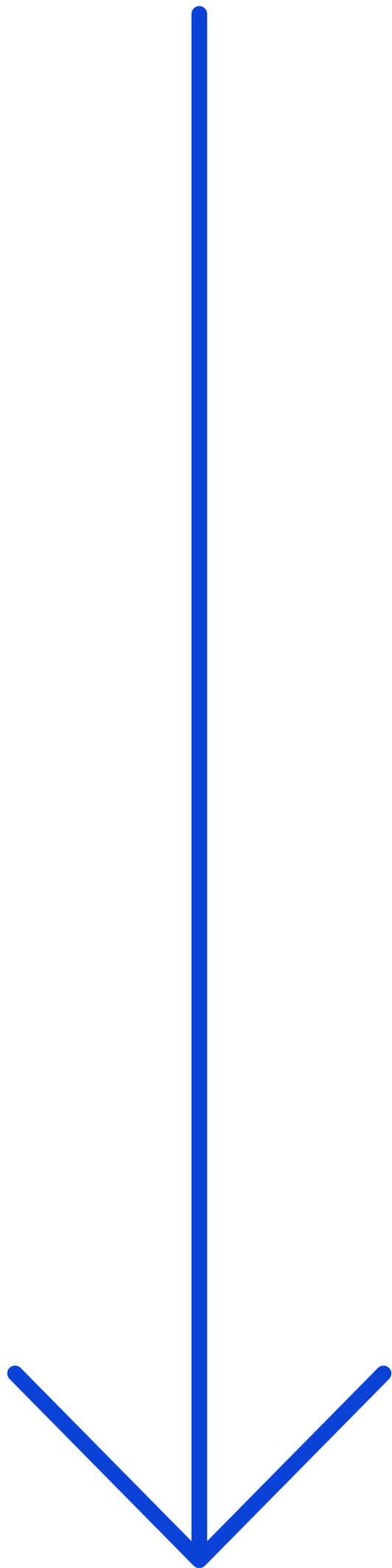
Small and  
medium-sized  
banks find it hard  
to compete and  
source deals.



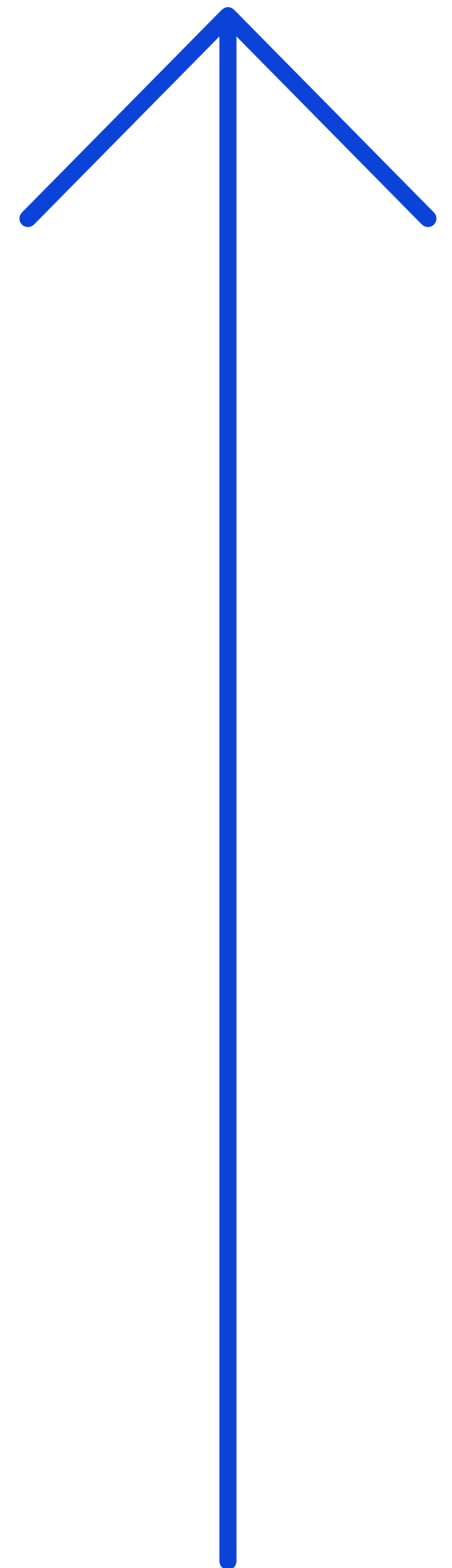
The equation  
is simple...



**Margins are coming down**



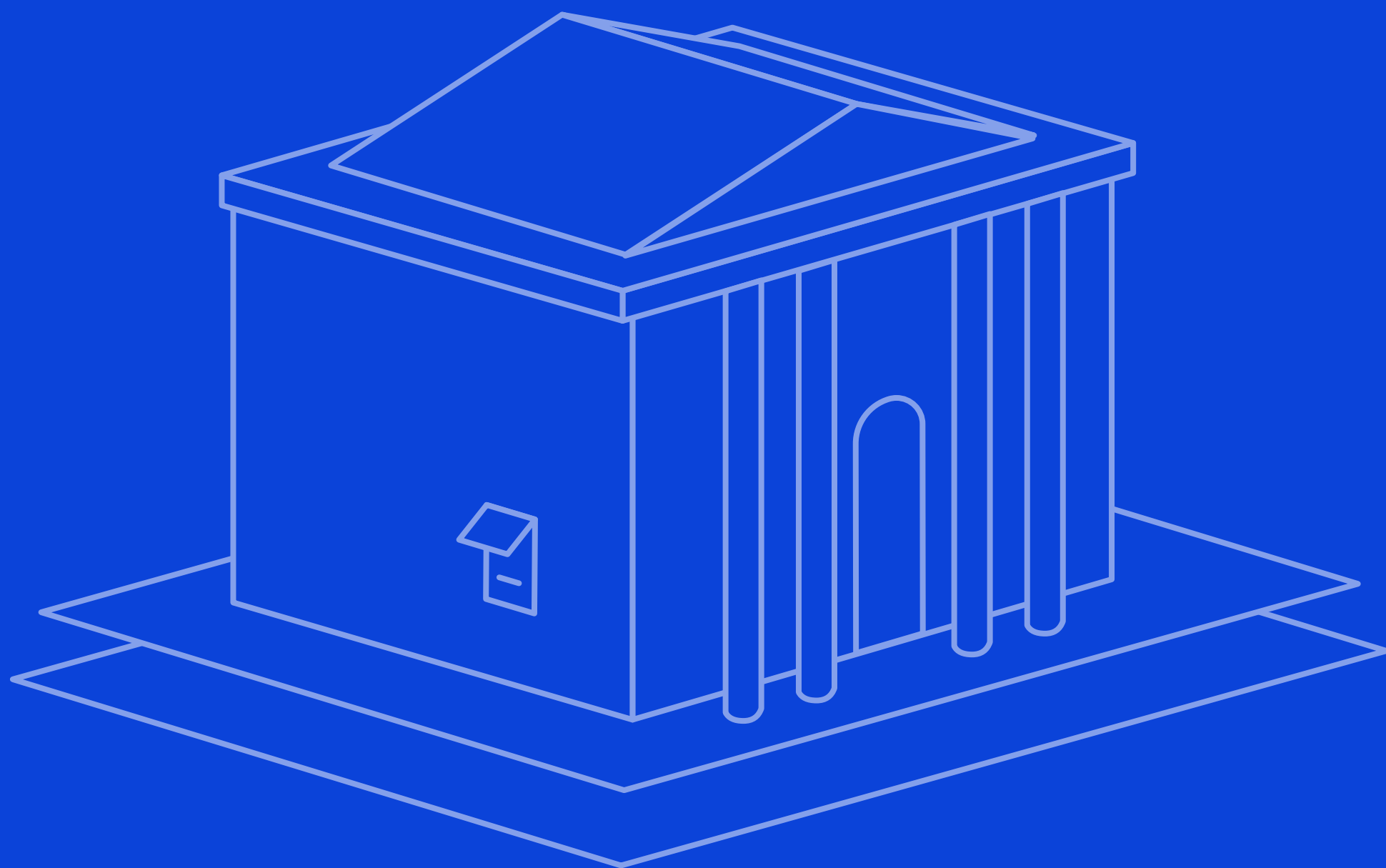
**while**

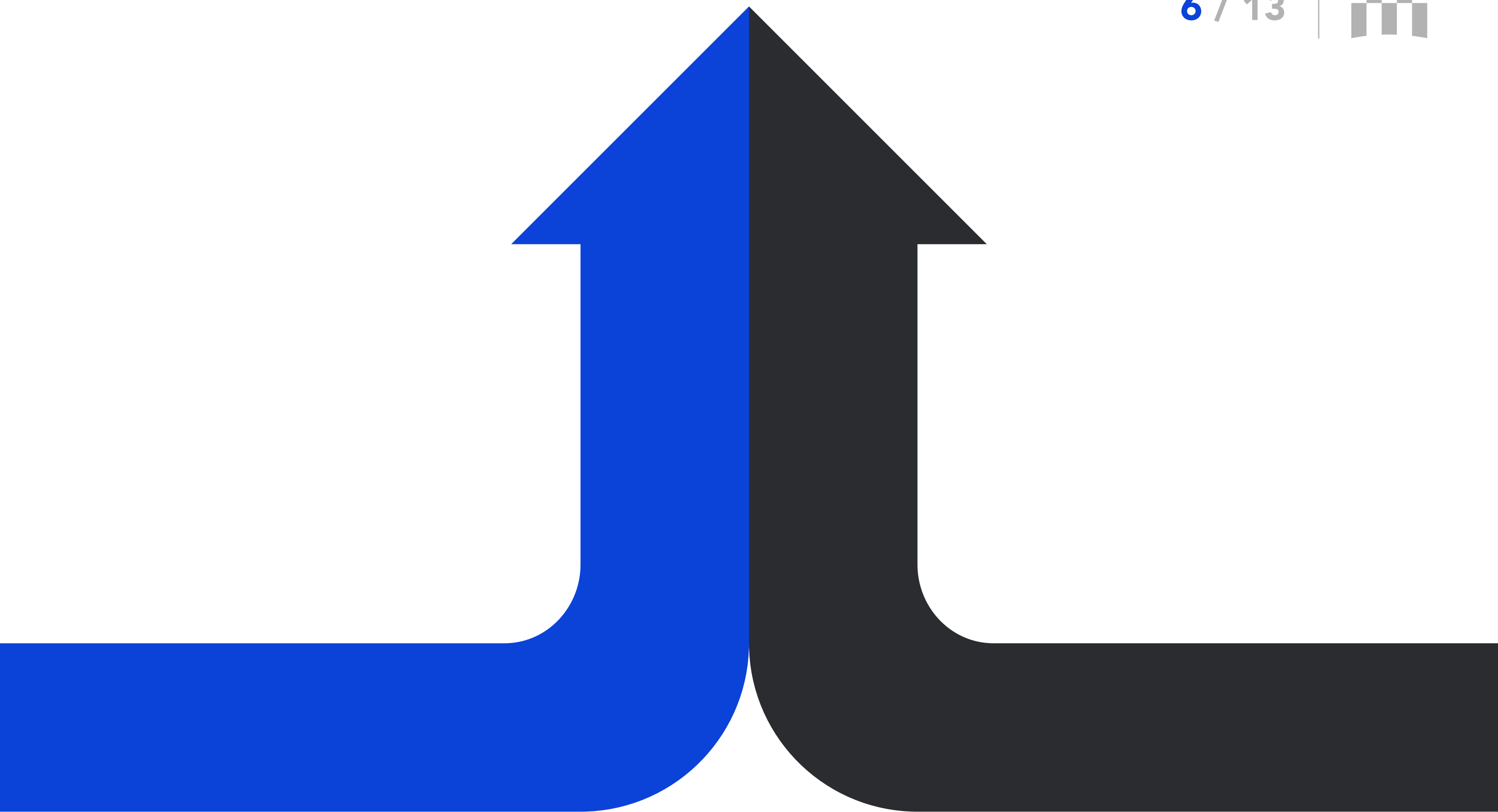


**labor costs are going up**



So how can  
banks compete  
and gain back  
market share?

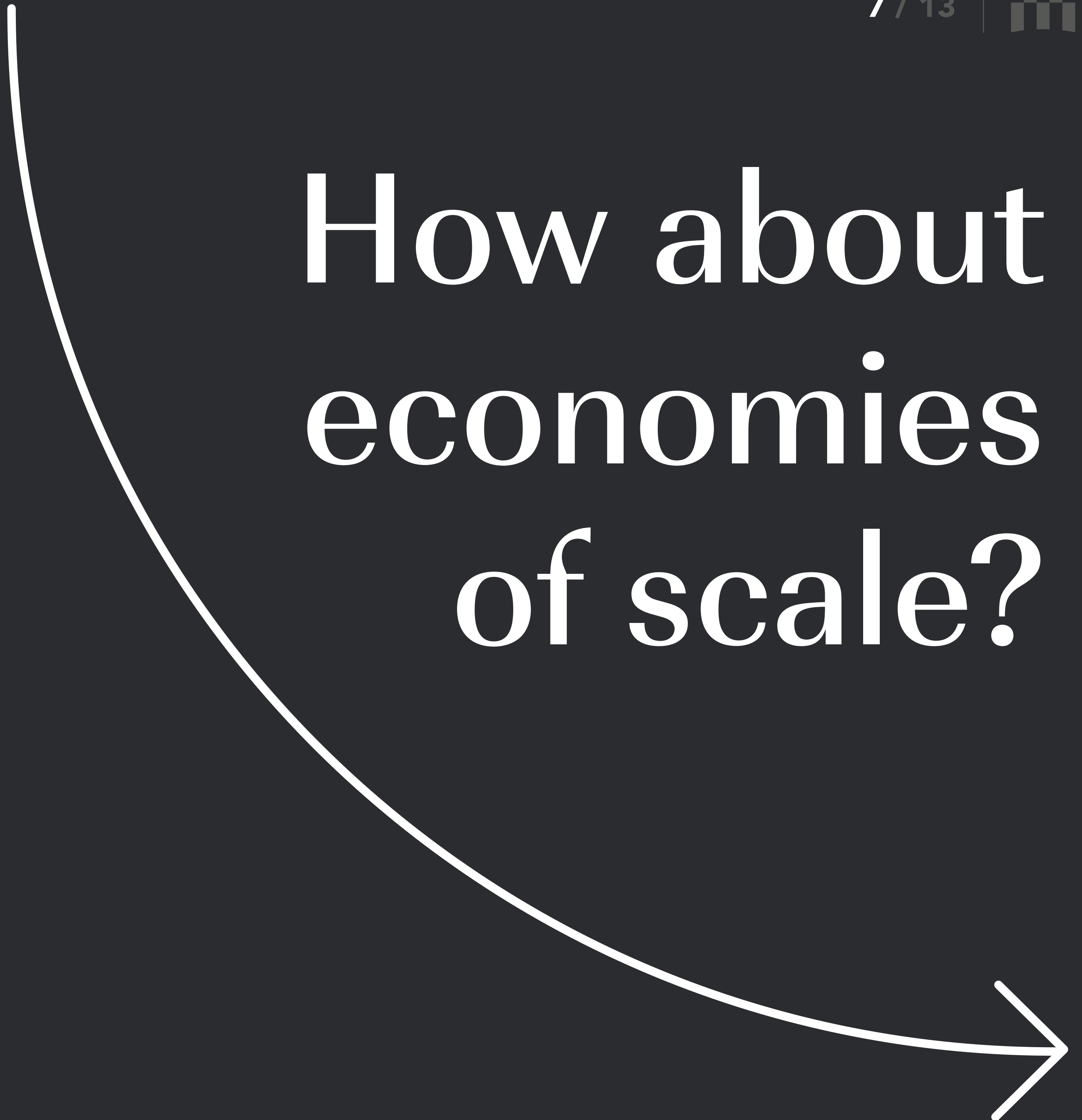


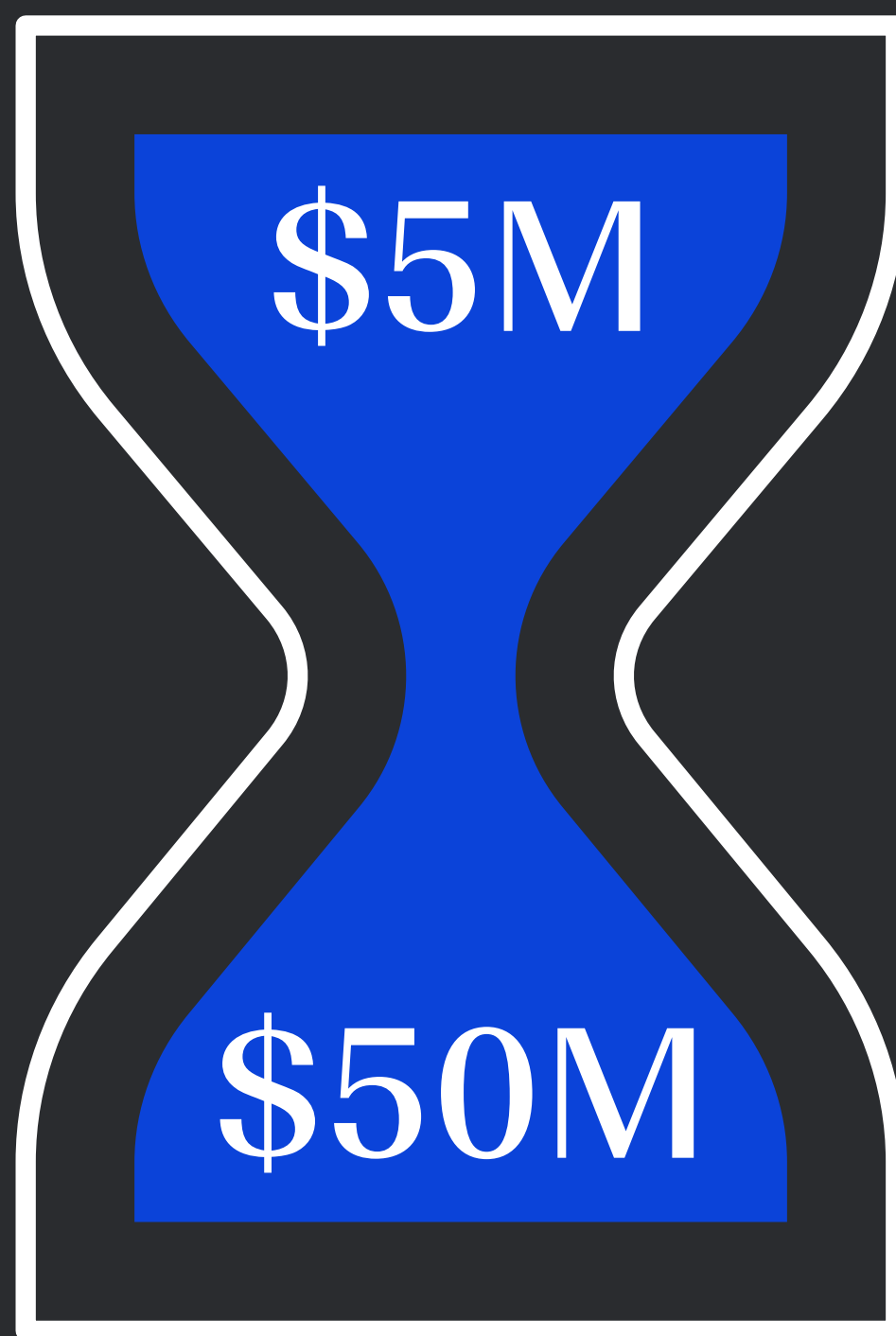


One solution is mergers,  
but mergers are expensive  
and painful



How about  
economies  
of scale?





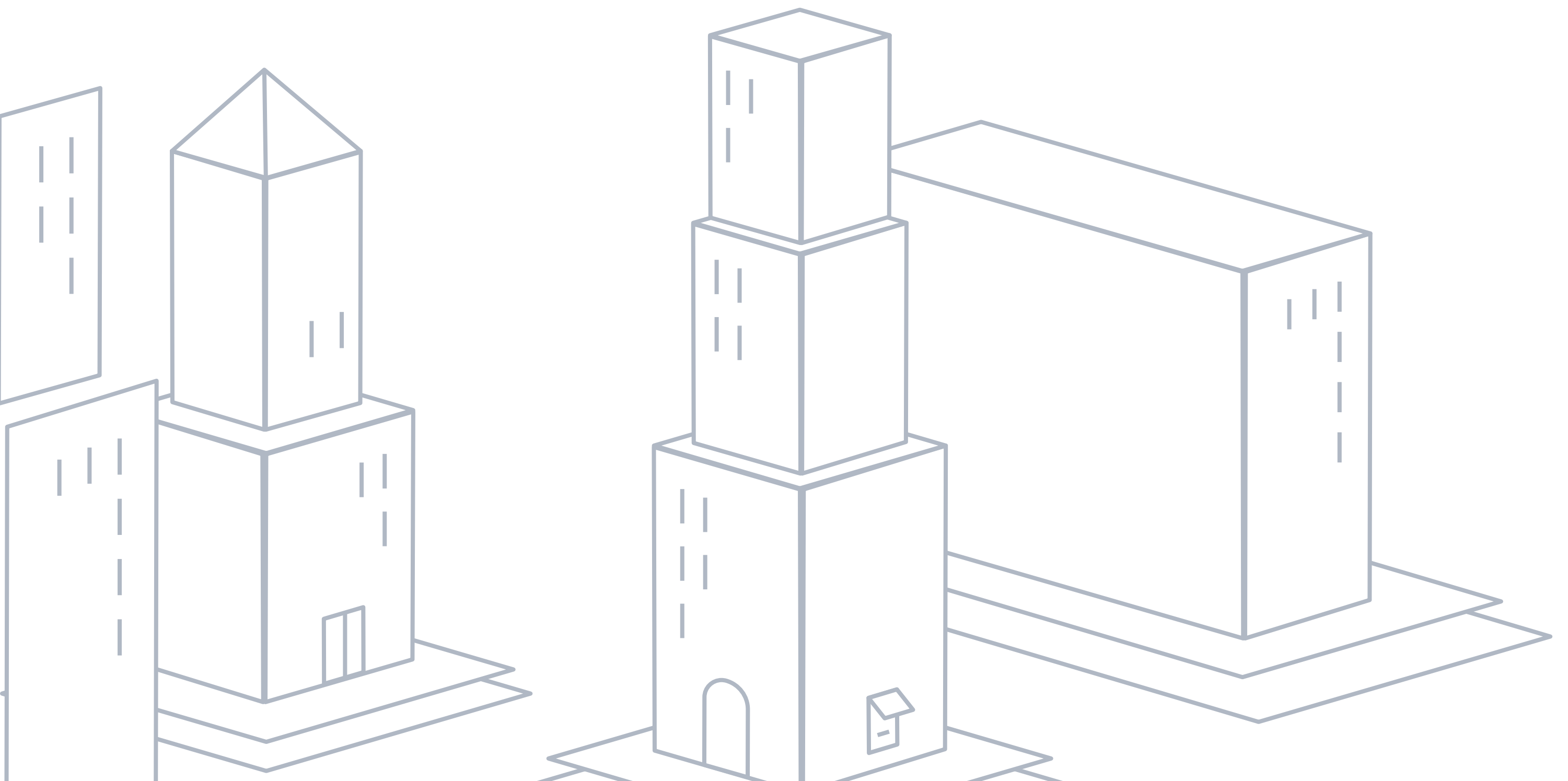
A loan officer devotes the same time to underwrite a \$5M or \$50M loan.

The productivity of a loan officer underwriting a \$50M loan is much higher.



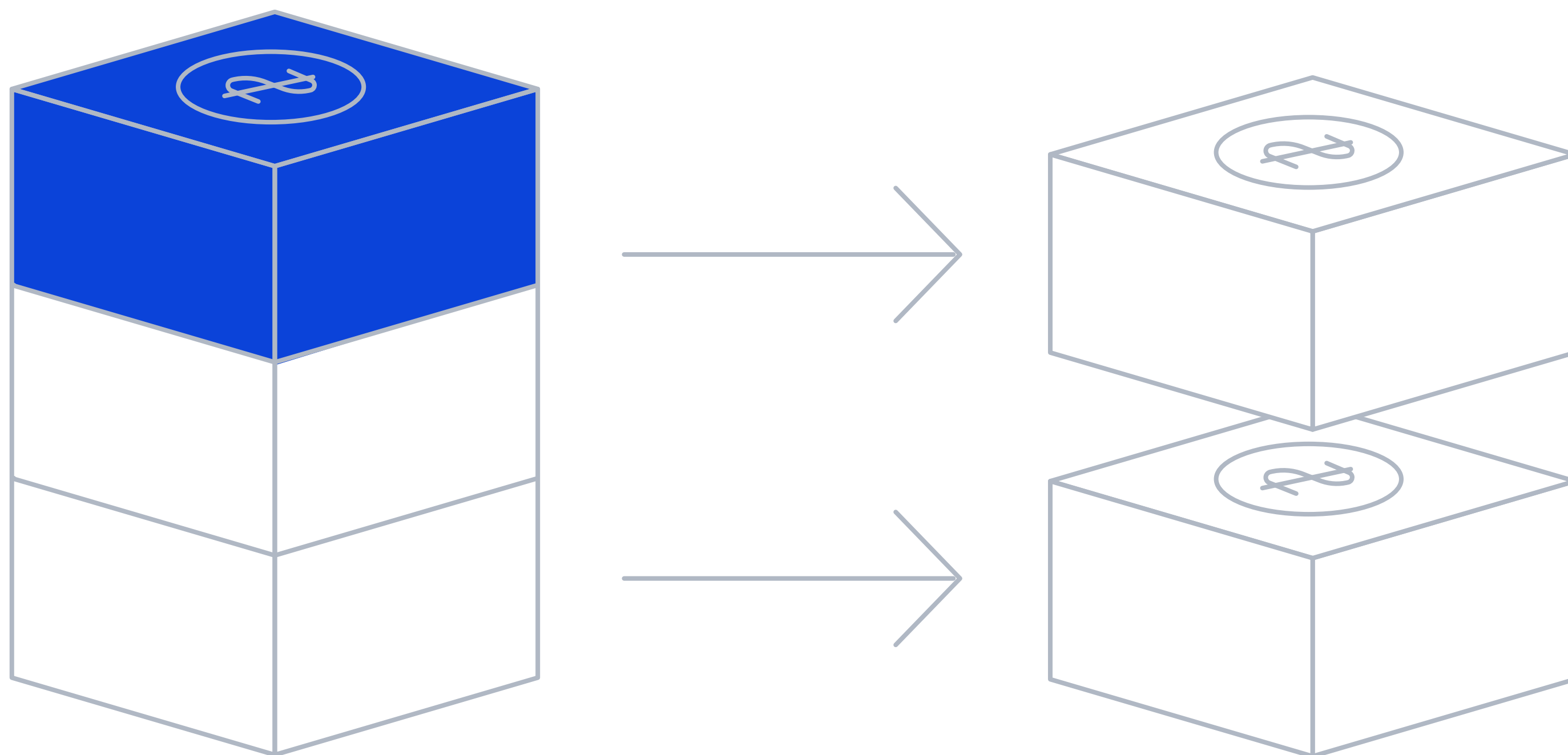


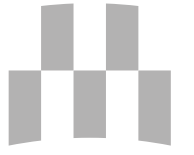
**Banks will have to find ways to leverage each other's underwriting abilities and funding resources.**



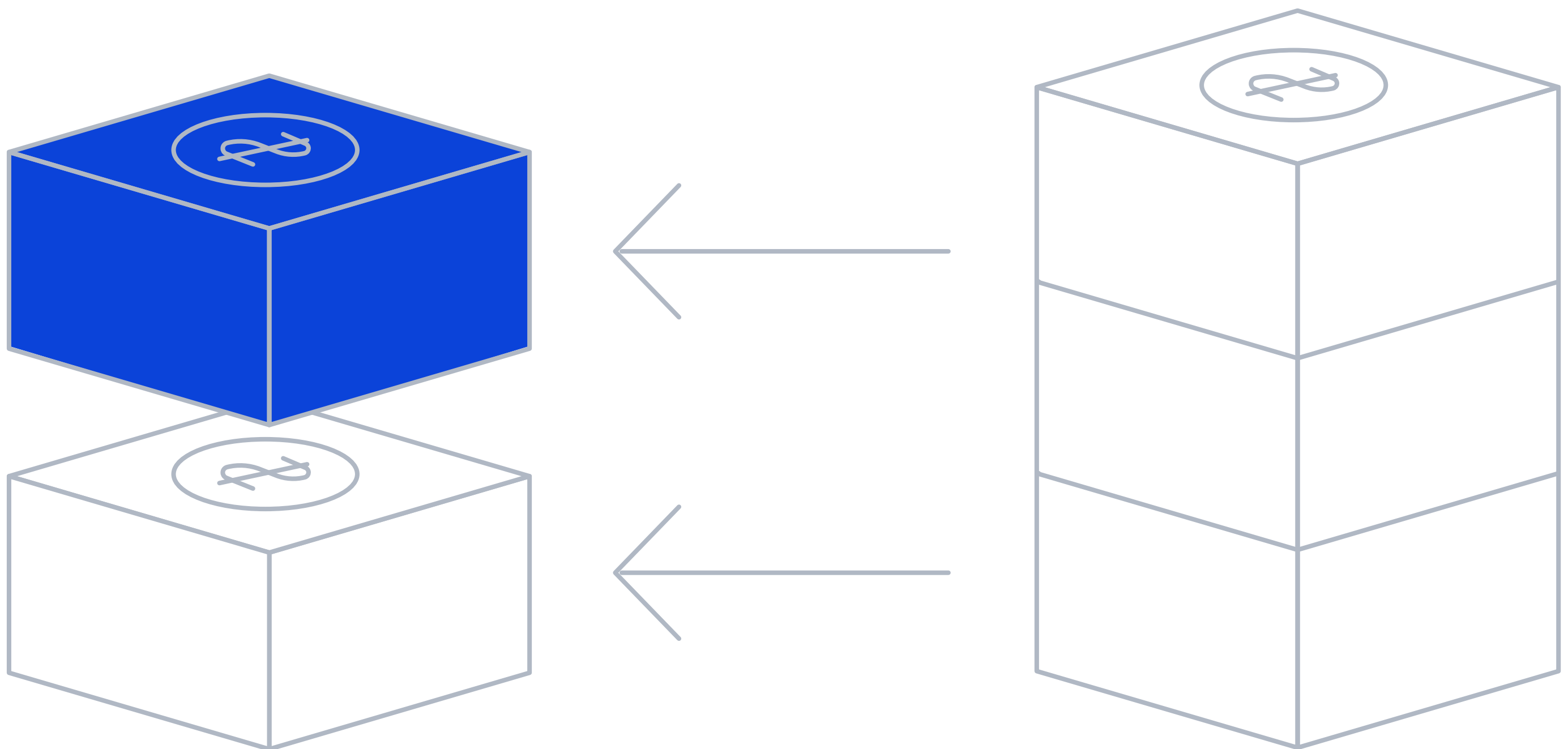


A bank can underwrite a larger loan, keep part on its books and sell the rest to other banks...



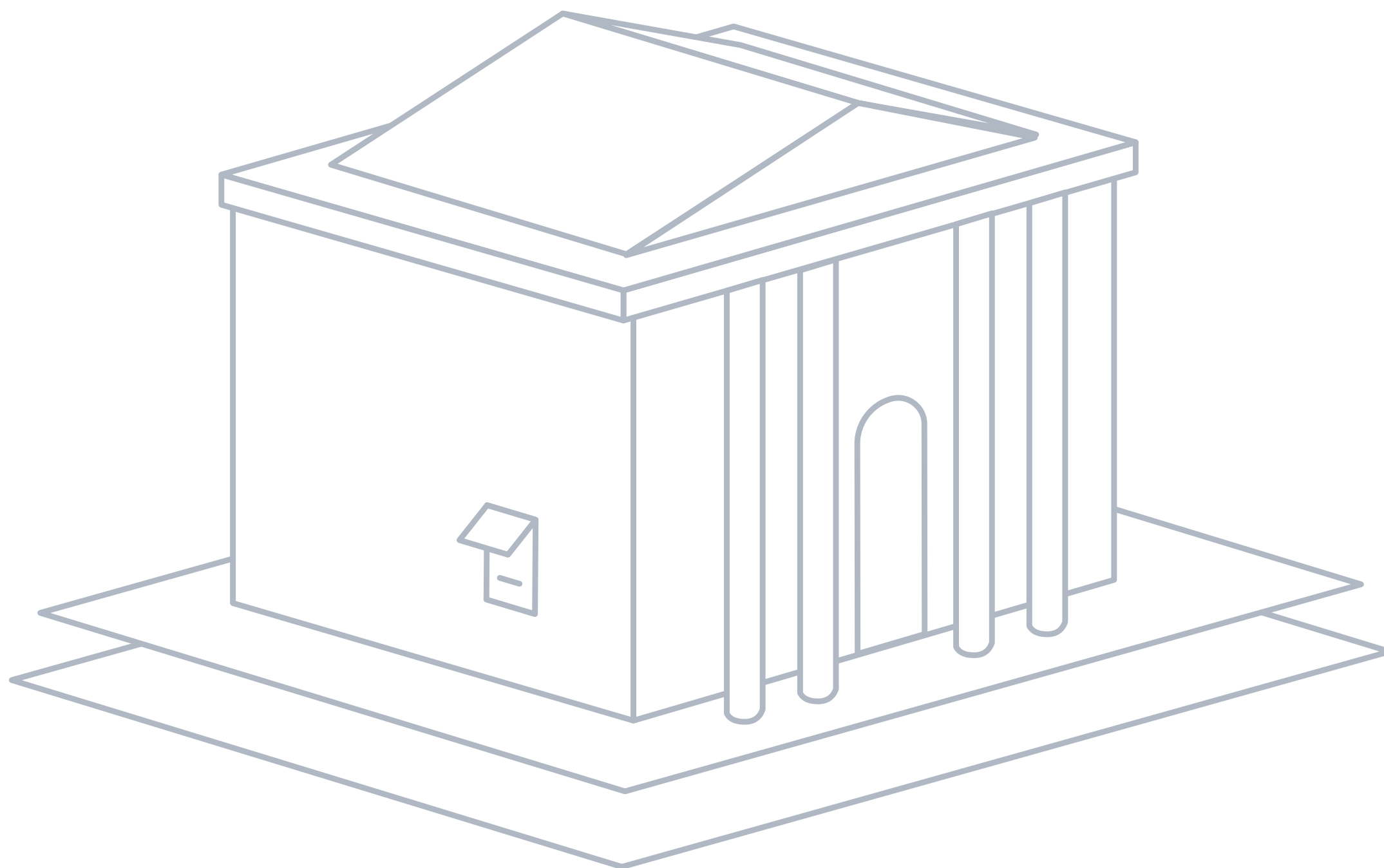


Conversely, a bank can engage its loan officer in buying pieces of loans that other banks underwrite.





Despite common wisdom,  
the underwriting personnel  
are a bank's true asset —  
not the deposits.



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