



**ASU 2016-01 - Financial Instruments Subtopic 825-10
amends the measurement of fair value of financial
instruments for disclosure requirements under ASC
Topic 825 - Financial Instruments, effective for March
31, 2018 financial reports for public business entities
(PBEs)**

Financial institutions that are considered PBEs pursuant to ASU 2013-12 - Definition of a Public Business Entity must ensure the fair value footnote disclosures for financial assets and liabilities recorded at amortized cost utilize the "exit price" notion consistent with ASC Topic 820 - Fair Value Measurements and Disclosures when measuring the fair value. Utilization of the "entry price" method in measuring fair value for disclosure purposes is no longer permitted. Community Banks will likely need assistance in complying with the new fair value disclosure requirement (especially for the fair value of loan portfolios). RP Financial has been providing fair valuation services for financial assets and liabilities in accordance with ASC 820 for various purposes including purchase accounting, asset sales, estate settlements and civil litigation matters for years. RP Financial's fair value analysis contains support documentation necessary for review by the clients' external auditors.

Founded in 1988, RP Financial is a nationally recognized bank consulting firm, which has worked with over 1,200 banking companies nationwide, from de novos to those with up to \$50 billion in assets. Boards of Directors and executive management seek us for advisory, planning and valuation services because of our proven track record in assisting banks in achieving their business and strategic objectives. Among other things, RP Financial specializes in the fair market valuations of financial institutions and related subsidiary companies and financial assets and liabilities. The principals and staff of RP Financial have served as fair market appraisers and consultants for hundreds of transactions in the banking industry.

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