

RE: Full Profile – Intrinsic Value

Intrinsic Value specializes in providing economic consulting services in the areas of valuation, risk management, actuarial science and financial engineering for regulatory and statutory, financial reporting, tax, capital raising, transaction, litigation purposes and for the purpose of developing, implementing and validating models in the areas of risk management and actuarial science.

Intrinsic Value provides, for various purposes, professional opinions of a Fellow of The Israel Association of Valuators and Financial Actuaries (F.I.L.A.V.F.A.), of a Corporate Finance Valuator (CFV) certified by the Israel Association of Valuators and Financial Actuaries (IAVFA), of a Certified Risk Manager (CRM) chartered by the Israeli Association of Risk Managers (IARM), and of a Financial Risk Manager (FRM) certified by the Global Association of Risk Professional (GARP).

Intrinsic Values operates in ten service lines:

- Corporate Finance Valuation
- Quantitative Finance Valuation
- Financial and Economic Modeling
- Transaction Support
- Market Risk Actuarial Science
- Credit Risk Actuarial Science
- Operational and Integrated Risk Actuarial Science
- Investment Risk Actuarial Science
- Life Risk Actuarial Science
- Pension Risk Actuarial Science

Corporate Finance Valuation

Our corporate finance valuation experts specialize in valuing businesses and intangible assets for financial reporting purposes, regulatory and statutory purposes, litigation purposes, tax purposes and transaction (M&A's) purposes:

- Corporations, Enterprises and Business Segments Valuation
- Intangible Assets Valuation
- Purchase Price Allocation (PPA)
- Goodwill Impairment Testing
- Embedded Option and Real Option Valuation
- Employee Stock Option (ESOP) and Common Stock in a Privately-Held Company (409A) Valuation

- Equity Component and Complicated Equity or Liability Instrument Split (PWERM / CCM / OPM)
- Contingent Liability, Guarantee and Loan Valuation
- Inter-Company and International Transfer Price Valuation (At Arm's Length)

Quantitative Finance Valuation

Our quantitative finance valuation experts use valuation techniques (such as binomial trees and the Black-Scholes-Merton model) and risk models (such as Value-at-Risk and the Contingent Claims Approach) in order to determine the current value of financial assets and liabilities, and measure financial risks:

- Hedge Accounting Effectiveness Testing
- Embedded Derivatives Valuation
- Valuation and Risk Analysis for the Galai II Report (Sensitivity and VaR)
- Valuation and Risk Analysis for IFRS 7 and IFRS 9
- Convertible Bonds, Financial Options and Complex Derivative Positions Valuation
- Credit Risk Analysis
- Solvency Opinions

Financial and Economic Modeling

Our financial and economic modeling experts use sophisticated tools in order to build complex financial projections for business performance, investment, projects, etc. Our extensive comprehensive, wide scale knowledge in macro-economic, accounting, investments and tax provide us with the necessary tools to implement an in depth understanding of the uncertainties, variables and scenarios needed to be taken into our forecasts for our diverse range of local and international loyal clientele:

- Complex Economic Modeling (BOT and PPP) and Financial Control and Support
- Building Financial and Inflation Models (IAS 39, AG7, AG8)
- Building Control Premiums and Minority Discounts
- Building Minority Discounts for Family Transfers and Blockage Discounts
- Building Discounts for Lack of Marketability (DLOM) and Discounts for Lack of Liquidity (DLOL)
- Building Built-In Gains Tax Discounts, Key Person Discounts, and Restrictive Agreement Discounts
- Building Investment Company Discounts (Portfolio Discount) and Lack of Voting Rights Discounts

Transaction Support

- Economic Due Diligence
- Analysis of the Information of the Company Designated for Acquisition or Merger
- Identifying Financial Risks and Business Opportunities
- Evaluation of the Effects of the Possible Acquisition on the Company

- Merger Ratio Valuation and Transaction Consulting
- Fairness Opinion
- Contingent Consideration Valuation in M&A Transactions

Market Risk Actuarial Science

Our market risk actuarial science experts use market risk measurement and management techniques in order to price fixed income securities, quantify volatility exposures, build term structure models, measure Value-at-Risk, Expected Shortfall and several other coherent measures, model dependence using of correlations and copulas, parametric and non-parametric estimation methods ,and value exotic options and mortgage backed securities:

- Fixed Income Valuation using Term Structure Models
- Mortgage and Mortgage-Backed Security (MBS) Valuation
- VaR Mapping
- Backtesting VaR
- Estimating ES and Oher Coherent Risk Measures
- Implementation of Parametric (EVT) and Non-Parametric Methods of Estimation
- Modeling Dependence using Correlations and Copulas
- Quantifying Volatility Exposure using Smile and Term Structure
- Exotic Option Valuation

Credit Risk Actuarial Science

Our credit risk actuarial science experts use credit risk measurement and management techniques in order to estimate expected and unexpected loss, structure credit products such as collateralized debt obligations and credit derivatives, measure default risk using methodologies such as Credit VaR, and price credit counterparty risk:

- Synthetic Credit Rating
- Measuring Expected and Unexpected Losses
- Structured Finance and Securitization
- Modeling Country and Sovereign Risk
- Mitigating and Pricing Counterparty Credit Risk (CVA and DVA)
- Credit Derivative Valuation
- Measuring Default Risk (Estimating Defaults and Recoveries from Market Prices and Spreads)
- Estimating Credit VaR

Operational and Integrated Risk Actuarial Science

Our operational risk actuarial science experts measure, manage, and mitigate operational risk in order to estimate economic capital needs, allocate risk-based capital, manage and mitigate liquidity risk, manage model risk, backtest Value-at-Risk models, run stress testing, and implement the Basel regulations—one of the major international regulatory frameworks relevant to risk managers today:

- Calculating and Applying Risk-Adjusted Return On Capital (RAROC)
- Managing and Mitigating Liquidity Risk (LVaR, LaR and CFaR)
- Managing Model Risk
- Enterprise Risk Management (ERM)
- Estimating Economic Capital and Operational VaR
- Building Risk Appetite Frameworks
- Regulation and the Basel Accords (Minimum Capital Requirements, Methods for Calculating Credit, Market, and Operational Risk, Liquidity Risk Management, Stress testing, Revisions to the Basel II Accord, The Basel III Framework and Comparing Basel II/III to Solvency II)

Investment Risk Actuarial Science

Our investment risk actuarial science experts apply risk management techniques to the investment management process in order to construct a portfolio, analyze performance, budget risk, measure portfolio and component VaR, and manage risk in hedge funds and private equity investments:

- Portfolio Construction
- Portfolio-based Performance Analysis
- Measuring Portfolio and Component VaR
- Risk budgeting and Estimating Surplus at Risk (SaR)
- Risk Monitoring and Performance Measurement
- Risk Management of Hedge Funds and Private Equity

Life Risk Actuarial Science

Our life risk actuarial science experts use actuarial mathematics techniques of life contingencies in order to value life assurance contracts (e.g., term assurance, whole life assurance, endowment assurance, annuity assurance, and pure endowment) and value policy values (e.g., prospective and retrospective reserves, surrender values and paid-up values):

- Constructing Survival Functions and Life Tables (Select, Ultimate and Aggregate)
- Calculating Life Annuities (Fixed, Variable, Temporary and Deferred)
- Pricing Life Assurance Contracts at the Issue Date (Office and Net Premiums)

- Valuing Life Assurance Contracts During the Life of the Policy (Prospective and Retrospective Reserves)
- Measuring Modified Reserves (FPT and CRVM)
- Determining Surrender Values for Life Assurance Contracts
- Determination of Paid-up Values for Life Assurance Contracts
- Construction of Actuarial Balance Sheets of Insurance Companies

Pensions Risk Actuarial Science

Our pensions risk actuarial science experts use actuarial mathematics techniques of pension contingencies in order to value pension insurance contracts (e.g., basic pension, comprehensive pension, new pension fund, pension from old pension fund, budgetary pension and early retirement pension) and value the rights of pension funds' members in respect of their past and future seniority (e.g., survivors' pension, old age pension, widow's pension and disability pension) and actuarial opinions, such as: IAS19, Personal Injury and Wrongful Death, Commercial Damages and Lost Profits, Matrimonial Litigation, Career Assets and examination and expert opinion notes and more:

- Constructing Pension Multiple-Decrement Tables (Service Table, Salary Scale, Funds' Members Table, Marriage Table, Disability Rates Table and Contributions Table)
- Calculating the Determining Wage and New Portions in the Pension funds
- Valuing the Rights of the Pension Funds' Members in respect of their Past and Future Service (Old Age Pension, Widow's Pension and Disability Pension)
 - Actuarial Opinions on Wage Losses (Loss of Earning Capacity)
 - Actuarial Opinions on Pension Losses (Loss of Social Rights)
 - Actuarial Opinions on Personal Injury (Medical Malpractice Calculations)
 - Actuarial Opinions on National Insurance Deductions (Social Security Calculations)
 - Actuarial Opinions on Compensation from the Ministry of Defense (Budgetary Pension Calculations)
 - Actuarial Opinion on Resource Balance Due to Divorce (Participation Pension and Old Pension Calculations)
 - Actuarial Opinions on Career Assets (Personal Goodwill Calculations)
 - Actuarial Reports to Assess the Company's Liabilities to Its employees in Accordance with IAS 19 (Employee Benefit Calculations)
- Construction of Actuarial Balance Sheets (Cost of Pension Scheme Terms) of Various Pension Funds and Entities



Mr. Roi Polanitzer

Mr. Roi Polanitzer is the Owner and Chief Actuary of Intrinsic Value, a training and consulting firm specializing in state-of-the-art decision and risk analysis tools and techniques such as Real Options Analysis, Monte Carlo Simulation, Forecasting, Optimization, Statistics and Risk Modeling as well as Actuarial Science. His areas of expertise include structured products, financial derivatives, and risk management. He has published extensively in professional magazines such as Status – the Journal of Managerial and Strategic Thinking, Funder – Israel's Investment, Insurance and Pension Management Magazine, Insurance and Finance – the Association of Insurance Brokers and Agents in Israel's Magazine, and others. Mr. Polanitzer is a co-author of 2 academic papers on Risk Management in the Israeli Banking System in the Journal of Yosef Kasirer Institute and the Quarterly Banking Review, both in Hebrew.

Mr. Polanitzer is a Fellow of the IAVFA (F.I.L.A.V.F.A.) and holds an FRM (Financial Risk Manager) designation from the GARP (Global Association of Risk Professionals), a CRM (Certified Risk Manager) designation from the IARM (Israeli Association of Risk Managers), undergraduate and graduate degrees both with cum laude from the Ben-Gurion University of the Negev, as well as a Diploma in Financial Risk Management from the Ariel University. He also studied in the program for certificate studies in Actuarial Science at the University of Haifa and Successfully completed the professional exams administered by the ISA (Israel Securities Authority) for a Portfolio Manager's License.

Mr. Polanitzer has worked at the Ashkelon Academic College, the Achva Academic College, the Ben-Gurion University of the Negev, the University of Haifa, the Ariel University, the Advisory Firm of Dr. Shilo Lifschutz, the Consulting Firm Ogen - Actuarial, Financial and Business Consulting Ltd., and the Accounting Firm Raveh Ravid & Co. He is the co-founder and CEO of the Israel Association of Valuators and Financial Actuaries (IAVFA) and served as the chairman of a committee of IAVFA which determined Financial Valuation Guidelines to All Israeli Tax Authority Personnel engaged in Valuation Practice.

Along with his academic achievements Mr. Polanitzer has provided consulting to accounting firms, audit firms, financial advisory firms, and publicly traded companies in Israel on how to forecast the future, how to analyze projects at risk. and how to identify, quantify, value, hedge, mitigate, and diversify risk.

We will be pleased to be at your service for any questions or clarifications, at any time.