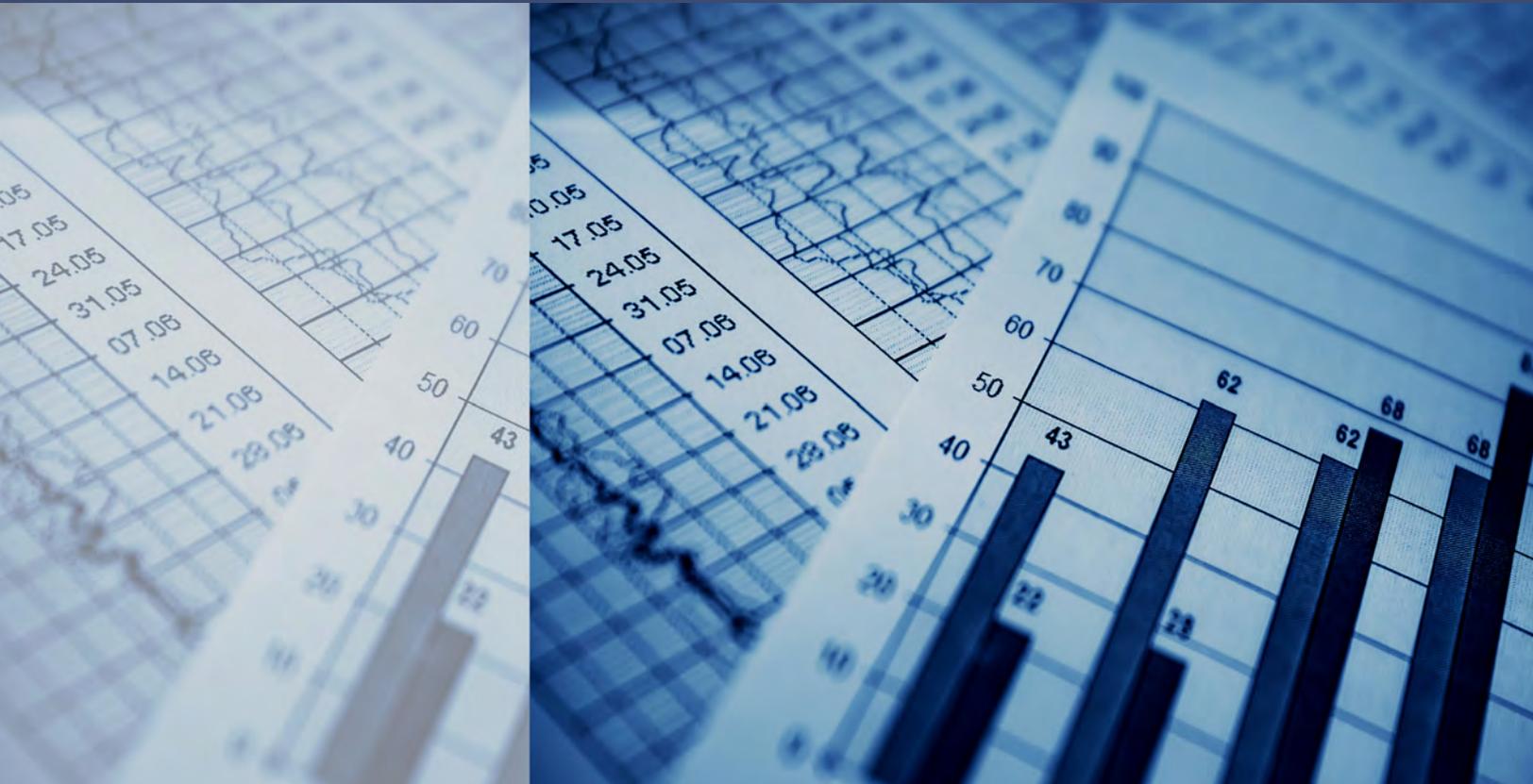


COMMERCIAL LENDING SCHOOL



The Commercial Lending School is designed to prepare bankers to serve effectively and profitably as commercial loan officers by developing a better comprehension of the economy and how it affects lending decisions. Insight is offered into how a business is structured and how it competes. You will develop an understanding of the role of the company's management and how to analyze and evaluate that management.

Bankers will be provided an opportunity to apply analytical techniques in a lending situation and to carry them forward in the pricing and structuring of a loan.

WHO SHOULD ATTEND

Any participant desiring to deepen their understanding of commercial lending from an introductory level.

AGENDA

DAY 1 (APRIL 10)

- 9:00 a.m. Industry Perspective – National & North Carolina Banking Landscape (KPN)
- 9:30 a.m. Lending Mistakes of the Past - A Regulator's View (KPN)
- 10:15 a.m. Networking Break
- 10:30 a.m. CRE Lending Best Practices (KPN)
- 11:30 a.m. Developing the Credit Memorandum (KPN)
- 12:15 p.m. Lunch - On Your Own
- 1:15 p.m. The Credit Committee - Past & Future Perspectives (KPN)
- 2:00 p.m. Fintech - Overview & Update (KPN)
- 2:30 p.m. Networking Break
- 2:45 p.m. Loan Approval Process - Good Enough to Succeed? (KPN)
- 4:00 p.m. Review and Q&A (KPN)

DAY 2 (APRIL 11)

- 9:00 a.m. Effective Relationship Management (KPN)
- 10:00 a.m. Identifying and Managing Problem loans (KPN)
- 10:45 a.m. Networking Break
- 11:00 a.m. Funding - Your ALCO Challenge (KPN)
- 12:00 p.m. Lunch - On Your Own
- 1:00 p.m. Financial Statement Analysis (DHG) Networking
- 3:00 p.m. Break
- 3:15 p.m. Borrower & Global Cash Flows (DHG)
- 5:00 p.m. Review and Q&A (DHG)

DAY 3 (APRIL 12)

- 9:00 a.m. Fundamentals of C&I and Balance Sheet Lending (DHG)
- 10:30 a.m. Networking Break
- 10:45 a.m. Fundamentals of CRE Lending (DHG)
- 12:00 p.m. Lunch - On Your Own
- 1:00 p.m. Case Studies (DHG)
- 4:00 p.m. Review and Q&A (DHG)

COURSE DESCRIPTIONS: DAY 1

Industry Perspective – A Look At Our Second Major Crisis

This session will take a deep dive into the numbers of both the entire industry as well as the figures for the state of North Carolina. The objective is to make sure we understand the root causes but also understand what to look for in the event another crisis visits our industry.

Lending Mistakes of the Past - A Regulator's View

If we want to understand why our examiners are so interested in our CRE portfolio, we only have to look into the loan quality issues of the past few years. This session will dig into the various loan portfolios we create, discover the quality factors that led to Regulator concerns, and discuss how we might avoid such pitfalls in the future.

CRE Lending - Best Practices

CRE continues to be the absolute mainstay of the community bank world and this session is designed to discuss some of the best practices we see in this kind of lending. Understanding how we mitigate the risks in this kind of loan is key to our understanding of how we continue to grow this portfolio in the future.

Developing the Credit Memorandum

This session will focus on the critical elements of construction of a bank's credit memorandum typically associated with commercial lending. We will also cover the details necessary in a formal loan presentation.

The Credit Committee - Past & Future Perspectives

This session is designed to describe our historical approach to Credit then look into the future of what we feel a Credit Committee will encompass in our community bank arena.

Fintech - Overview & Update

Partnerships with new financial technology companies can offer elegant ways to expand your footprint into different lending segments, but must be entered into with a firm eye towards due diligence and ongoing monitoring. This session will discuss best practices around evaluating these types of partnerships.

The Loan Approval Process - Good Enough to Succeed?

To be effective, our loan approval process must be both efficient and must be correct almost all of the time! Nothing can ruin a bank's day more than a bad loan but nothing destroys customer confidence more than a slow answer. This session will focus on the different kinds of loan approval processes we have seen and look into the pros and cons of each.



COURSE DESCRIPTIONS: DAY 2 & 3

Effective Relationship Management

This session focuses on developing and managing profitable customer relationships. We will discuss the key steps that banks need to take to effectively manage risk in a relationship-based banking environment including an effective calling program and pricing for profitability.

Identifying and Managing Problem Loans

This session will focus on the key ingredients of a solid special assets process. We will discuss key strategies and tactics that banks can use when performing loan workouts and what to do before a loan becomes non-performing, how to structure your special assets processes, and how to create borrower-specific workout strategies.

Funding - Your ALCO Challenge

Lending on a “prime” floating basis is the key way to manage interest rate risk, but with the highly competitive market for “commercial mini-perms”, those days seem to be in our rear view mirror. More times than not in those most competitive situations, we are faced with fixing rates for longer and longer periods of time and that is basically moving IRR from the borrower to our institution. This session will focus on your ALCO process and how it can manage that particular risk in the future.

Financial Statement Analysis

This session provides a fundamental overview of the most common accounts found on a company's financial statements. We will also discuss how the Balance Sheet, Income Statement, Reconciliation of Net Worth, and Cash Flow Statement are developed and connected to each other.

Borrower & Global Cashflows

Determining an entity's ability to generate cash flow is essential whenever repayment of a loan will extend beyond one year. This session will discuss best practices for conducting global cash flow analysis and identify potential sources and uses of cash.

Fundamentals of C&I and Balance Sheet Lending

Commercial borrowers depend on reliable access to cash for working capital. Secured working capital financing is as an attractive and sound credit product for banks to fuel commercial loan growth. Loans secured by working assets can be structurally complex, and oversight of asset based loans can be operationally demanding. This session will help you understand the fundamentals of asset based financing to properly communicate structural options and risks to borrowers and bank credit committees.

Fundamentals of CRE Lending

Banks continue to deal with commercial real estate (CRE) loans as a major portion of the loan portfolio, both performing and a few, lingering non-performing loans. This session will discuss the importance of understanding key analytical concepts in evaluating real estate cash flow.

Case Studies

This session will allow the participant to review an actual credit presentation and underwriting that a bank has previously done. We will perform a loan review analysis of the credit that would include underwriting observations, financial analysis and related portfolio management activities. The wrap up following will effectively cover and emphasize topics covered during the week as a basis for discussion.