



## **COMMERCIAL LENDING SCHOOL WITH JEFFERY JOHNSON**

**October 9 – 11, 2019 • North Carolina Bankers Association • Raleigh, NC**

**Speaker: Jeffery Johnson – Senior Consultant, Bankers Insight Group**

### Tuesday, October 11<sup>th</sup>

8:30 – 9 am	<b>Registration / Continental Breakfast</b>
9 – 10:30 am	<b>In Session</b>
10:30 – 10:40 am	<b>Break</b>
10:40 am – 12pm	<b>In Session</b>
12 – 1 pm	<b>Lunch</b>
1 – 2:30 pm	<b>In Session</b>
2:30 – 2:45 pm	<b>Break</b>
2:45 – 4 pm	<b>In Session</b>
4 pm	<b>Adjourn</b>

### **Day 1 Topics:**

- Introduction to the Commercial Lending Process
  - Importance of Commercial Lending to Banks
  - Role of the Commercial Loan Officer (Relationship Manager)
  - Characteristics of a Good Commercial Loan Officer
  - Loan Prospecting, Business Development and Customer Retention
- Analyzing Industry, Business and Management Risks
  - Study of Industry Characteristics and Industry Life Cycles
  - Study of Business and Product Life Cycles
  - Discover Sources of Information on Various Industries
  - The Impact of Macro-Economic Factors on Business & Industries
- Accounting Principles
  - Influential Organizations that Govern Accounting Principles Development
  - Major Accounting Assumptions
  - Rules of Debits and Credits
- Review of Financial Statements and Corporate Tax Returns
  - Identify the Major Accounts Displayed on Financial Statements
  - Review and Analysis of Corporate Income Tax Returns
- Credit Ratio Analysis to Determine a Commercial Borrower's:
  - Liquidity
  - Leverage
  - Asset Management
  - Operating Performance
- A Comprehensive Case Study Will be Utilized to Reinforce Concepts

### Wednesday, October 10<sup>th</sup>

8:30 – 9 am	<b>Registration / Continental Breakfast</b>
9 – 10:30 am	<b>In Session</b>
10:30 – 10:40 am	<b>Break</b>
10:40 am – 12pm	<b>In Session</b>
12 – 1 pm	<b>Lunch</b>
1 – 2:30 pm	<b>In Session</b>
2:30 – 2:45 pm	<b>Break</b>
2:45 – 4 pm	<b>In Session</b>
4 pm	<b>Adjourn</b>



### Day 2 Topics:

- Review of the Asset Conversion Cycle to Determine When and How Much Funding a Commercial Borrower Will Require on a Short-Term Basis and When to Expect Payments on the Short Term Loans
  - Short Case Study
- Analysis of Borrowing Causes to Determine the Proper Loan Structure Required to Insure Maximum Repayment Capability
- Calculation and Analysis of Cash Flow
  - How Cash Flow Analysis is Utilized to Convert an Accrual Basis Financial Statement into a Statement of Cash Flow
  - Review the Rules of Cash Flow
  - Demonstration of How Cash Flow Analysis Utilizing the Universal Cash Analysis Method (UCA)
  - Comparison of the Traditional Cash Flow Analysis with the UCA Method
- Calculation of Global Cash Flow Analysis
  - Case Study

### Thursday, October 11<sup>th</sup>

8:30 – 9 am	<b>Registration / Continental Breakfast</b>
9 – 10:30 am	<b>In Session</b>
10:30 – 10:40 am	<b>Break</b>
10:40 am – 12pm	<b>In Session</b>
12 – 1 pm	<b>Lunch</b>
1 – 2:30 pm	<b>In Session</b>
2:30 – 2:45 pm	<b>Break</b>
2:45 – 4 pm	<b>In Session</b>
4 pm	<b>Adjourn</b>

### Day 3 Topics:

- Financial Forecasting and Calculating the Sustainable Growth Rate
  - Case Study
- How to Write an Effective Credit Memorandum
  - Planning and Organizing the Credit Memorandum
  - Interpreting Financial Ratios and Cash Flow Analysis
  - Properly Choosing the Relevant Factors to Include in a Credit Memorandum
  - How to Report Your Finding Efficiently and Effectively in the Credit Memorandum
- Review the Commercial Loan Documentation Process Including Documents Required to:
  - Identify the Borrower
  - Identify & Value the Collateral
  - Evidence the Debt
  - Attach the Collateral
  - Perfect the Security Interest
- Review of Credit Administration Issues
  - Credit Risk Rating
  - Loan Portfolio Management
  - Problem Loan Management