

# VIRTUAL

# Essentials of Commercial Credit Analysis Series

## WHEN

April 16-17 & May 14-15, 2024  
9:00 a.m. - 4:00 p.m.

## WHERE

Comfort of your own desk

This series provides bankers with foundational principles for effective commercial and real estate lending, commercial credit analysis, underwriting, and loan review. Each session prepares bankers to analyze credits successfully and make wise, evidence-based loan recommendations, where they must have the skills and flexibility to respond to a wide range of loan requests.

The instructor's facilitation approach encourages participant engagement and, thus, enhances their learning experience. Participants apply lending, underwriting, and credit analysis principles through real-world examples, practice problems, and case studies. Worksheets for calculating Debt-to-Income, Debt Service Coverage, and Global Debt Service Coverage are included.

Benefits of the Series: Gain a solid foundation for a career in commercial lending. Become more aware of the pitfalls of common lending and credit analysis mistakes. Understand why knowledge of UCA cash flow analysis is an under-valued, yet critical skill for all small business and commercial bankers. Learn how to interpret and communicate "the story" conveyed in the financial statements. Become familiar with analysis provided by commonly used bank financial analysis software. More effectively communicate with key stakeholders to improve loan decisions and client service.

## TUESDAY, APRIL 16

### SESSION I: INTRODUCTION TO COMMERCIAL LENDING AND FINANCIAL ACCOUNTING

- Lending in Today's Community Bank
- 5 C's of Credit Evaluation: Capacity, Character, Capital, Collateral, Conditions
- Types of Borrowers/Legal Entities
- Defining the Borrowing Need and Sources of Repayment
- Commercial Lending Lines of Business
- Types of Commercial Loans and Loan Structuring
- Financial Accounting 101 for Lenders
- Types and Quality of Financial Statements
- Evaluating Guarantor Support and the PFS
- Getting a Complete Loan Application

## WEDNESDAY, MAY 14

### SESSION III: FINANCIAL STATEMENT ANALYSIS, DIRECT (UCA) CASH FLOW ANALYSIS, WORKING CAPITAL, AND C&I LENDING

- Trend Analysis, Common-Size Analysis, Ratio Analysis
- Balance Sheet and Impact of Changes on Cash Flow
- Analyzing Working Capital
- Cash Conversion Cycle
- Key Differences in Analyzing C&I and CRE Loans
- Analyzing and Monitoring Loans Secured by Inventory and Account Receivable
- Projecting Future Income and Cash Flow
- Lessons Learned: C&I Problem Loans

## WEDNESDAY, APRIL 17

### SESSION II: ANALYZING TAX RETURNS AND CALCULATING TRADITIONAL CASH FLOW

- The Application of Traditional Debt Service Coverage
- Calculating Debt to Income for Consumer Loans to Commercial Borrowers
- Calculating Debt Service Coverage and Policy Considerations
- Calculating Global Debt Service Coverages for Business Owners/Guarantors
- Commercial and Consumer Fair Lending Compliance in Underwriting
- Analyzing Personal Tax Returns and Key Schedules
- Analyzing Business Tax Returns: LLC, S-Corp, C-Corp
- When and Why to Request K-1's
- Lessons Learned: CRE Problem Loans

## THURSDAY, MAY 15

### SESSION IV: PUTTING IT ALL TOGETHER: CREDIT MEMOS, LOAN GRADING, PORTFOLIO MANAGEMENT, AND EFFECTIVE COMMUNICATION

- Writing Effective Credit Memos
- Assessing Risk and Mitigation Strategies
- Proper Loan Grading
- Ongoing Loan Monitoring, Exception Management, and Loan Review
- Problem Loan Workouts
- Effectively Communicating with Credit Partners
- Building Loyal Client and Stakeholder Relationships

## WHO SHOULD ATTEND?

Commercial Lenders, Small Business Lenders, Credit Analysts/Commercial Loan Underwriters, Loan Review Officers, and Management Trainees.



# Arkansas Bankers Association | Professional Development Department

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## ABOUT THE INSTRUCTOR



**Christie Drexler** is the Senior Consultant and Facilitator for Performance Solutions, Inc., a bank training and consulting company that specializes in providing “real-world” solutions to the key challenges facing banks today in developing the team and building profitable relationships. Christie has over 26 years of experience in the financial industry for community, regional and national banks. Her experience has been expansive to include beginning as a Management Associate, successfully navigating both retail, real estate, operations, treasury services, commercial banking careers and serving as Chief Retail Officer, Market and Division President. Christie is a passionate facilitator and coach with a focus on developing leaders. Christie brings a wealth of knowledge in leadership development, coaching, commercial and retail lending, credit analysis, and much more. Christie is a passionate facilitator and coach with a focus on developing competent, caring, and impactful leaders in all roles of banking.

## REGISTRATION FEES

### ABA Members:

Early Registration Price (all four sessions): \$995

### Non-Members:

Early Registration Price: \$1,890

## NOTE

Registration fees are per person, not connection. Please register each person in attendance separately.

## VIRTUAL LIVE FORMAT

Attendees will need Internet access and a standard web browser to join this video and web conferencing. They will receive an email with a link to join the virtual meeting, handouts, and any additional information a few days before the event.

You do not need your own Zoom account. You will use the link, meeting ID and password we provide.

- You can log in on a desktop computer, laptop or download the Zoom app on your smart device.
- Internet access
- Audio on computer or a phone line

# ESSENTIALS OF COMMERCIAL CREDIT ANALYSIS SERIES

APRIL 16-17, 2024 & MAY 14-15, 2024

Bank/Company Name \_\_\_\_\_ Phone \_\_\_\_\_

Registrant Name \_\_\_\_\_ Title \_\_\_\_\_ E-mail \_\_\_\_\_

Registrant Name \_\_\_\_\_ Title \_\_\_\_\_ E-mail \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Registration Contact \_\_\_\_\_ Phone \_\_\_\_\_ E-mail \_\_\_\_\_

## PAYMENT INFORMATION

Charge my:  Mastercard   Visa   American Express   Discover 

Account Number \_\_\_\_\_

Name on Card \_\_\_\_\_

Expiration Date \_\_\_\_\_ CSC Number \_\_\_\_\_

(3-digit security code on back of your card)

Billing Zip Code \_\_\_\_\_

If you would prefer to pay via credit card over the phone, please call the ABA at (501) 376-3741. Please do not email your credit card information.

**Email:** abigail.johnson@arkbankers.org

**Fax:** (501) 376-9243

**Mail:** Check Payable to:  
Arkansas Bankers Association  
Professional Development Department  
1220 West Third Street  
Little Rock, AR 72201

### ABA USE ONLY:

**Registered:** \_\_\_\_\_

**Amount:** \_\_\_\_\_

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Note: Non-Members must pay with a credit card or check prior to the event.