



Commercial Lending Institute



Review of Corporate Income Tax Returns

Financial Statement Review

Introduction to Credit and Ratio Analysis

Asset-Conversion Cycle Analysis

Introduction to Cash-Flow Analysis

Financial Forecasting

Commercial Loan Documentation

Writing Credit Memos

February 21-23, 2018
SHAZAM Education Center
CBAI Headquarters, Springfield

Commercial Lending Institute

This three-day, mini-institute provides your commercial lenders with a solid foundation for producing and managing a quality loan portfolio. It focuses on analytical tools such as ratio, financial, cash-flow analysis, as well as commercial loan structuring to enhance repayment capacity. The Institute begins with a review of basic skills and knowledge, then builds to the more complex and demanding. Case studies are used to reinforce learning and represent typical community-bank borrowers.

DAY ONE — WEDNESDAY, FEBRUARY 21

INTRODUCTION

- Identifying the stages in the commercial lending process
- Understanding industry, business, and management risks and their importance in the commercial lending process

FINANCIAL STATEMENT REVIEW

- Review of accounting assumptions and the rules of debits and credits
- Identification of the major accounts on financial statements and how they are interrelated
- Detailed analysis of accounts receivables, inventory, and capital assets and how the allowance for doubtful accounts, inventory costing methods, and depreciation affect profitability

INTRODUCTION TO CREDIT AND RATIO ANALYSIS

- Types of analytical tools available to perform a complete credit analysis
- The importance of ratio analysis
- How to calculate key ratios and interpret their meanings
- Case study

DAY TWO — THURSDAY, FEBRUARY 22

REVIEW OF CORPORATE INCOME TAX RETURNS

- We'll look at:
 - Types of returns
 - What they mean
- Tying financial statements to tax returns – any hidden messages?
- Determining the relationship of the borrower to the tax return and vice-versa
- Is your loan financing what you think it is? – secrets hidden within a tax return

ASSET-CONVERSION CYCLE ANALYSIS

- Defining the operating and fixed asset cycles
- How understanding the operating cycle can be utilized to structure short-term loans for various types of borrowing entities

INTRODUCTION TO CASH-FLOW ANALYSIS

- Understanding the differences between accrual basis and cash basis financial statements
- Recognizing the impact of time on the cash inflow and outflow when analyzing an accrual basis prepared financial statement
- Review the rules of cash flow
- Illustrating how cash is generated (used) from operating, investing, and financing activities
- Calculating cash flow utilizing the uniform cash analysis method
- Calculating a modified uniform cash analysis method

DAY THREE — FRIDAY, FEBRUARY 23

FINANCIAL FORECASTING

- How to receive assumptions from your borrower and translate them into a projected income statement and balance sheet
- How to calculate a forecasted uniform cash analysis performing a sensitivity analysis
- Determining the break-even point required to cover fixed costs
- Determining the sustainable growth rate in order to maintain a certain amount of debt or to maintain a certain leverage position

COMMERCIAL LOAN DOCUMENTATION

- Review the documents necessary to meet all five steps of the documentation process including:
 - Identifying the borrower
 - Identifying and valuating the collateral
 - Evidencing the debt
 - Attaching the collateral
 - Perfecting the collateral

WRITING CREDIT MEMOS

- Tips for writing clear and efficient credit memoranda focusing on factors that may impair a borrower's ability to repay debt and other relevant issues

CHECK YOUR UNDERSTANDING

A Look at Your Faculty

Jeffery Johnson, president and founder of Bankers Insight Group, Atlanta, Georgia, has more than 36 years' experience in the banking field. He began as management trainee and was promoted to group vice president for South Trust Bank, Atlanta. Johnson also was senior vice president and commercial banking division manager for Citizens Trust Bank, Atlanta. He has taught AIB classes and lending seminars for several community and state banking associations and private banks. He has also presented lending seminars in Singapore. He has been a training professional and consultant for 11 years.

Johnson is a graduate of Morehouse College, Atlanta; John Carroll University in University Heights, Ohio; and the Prochnow Graduate School of Banking, Madison, Wisconsin. He received graduate certification in bank management from Wharton School of Business at the University Pennsylvania, Philadelphia.

Gary Genenbacher, CPA and partner in the financial services team BKD, LLP. He specializes in providing family-owned businesses with tax solutions and corporations with strategic tax planning, including Subchapter S conversions, retirement planning strategies, accounting methods and tax credit opportunities. His professional affiliations include the American Institute of Certified Public Accountants, Illinois CPA Society, and Central Illinois Estate Planning Council.

Robert M. Swartz, CPA and partner in the financial services team at BKD, LLP. He provides a full range of assurance and consulting services to banks. He also provides audit and consulting services to employee-benefit plans. Swartz is a member of the Illinois and Missouri CPA Societies. He has a bachelor's degree in accounting from Millikin University, Decatur, Illinois and attended the American Institution of Certified Public Accountants Banking School at the University of Virginia, Charlottesville.

What Others Have Said:

"Jeffrey is a commercial wizard. His expertise and polished delivery make it easy to absorb the information."

Sara Biagini, Vice President
Granville National Bank

"This was an extremely informative and enlightening look into the financial and non-financial factors involved in looking at a commercial loan."

Chris Brooks, Loan Officer
First Robinson Savings Bank, N.A.

"This was a great institute. Information was very relevant to me learning all new information. The institute being three days meant no rush, which was very helpful."

Michael Porter, Vice President
Eureka Savings Bank, LaSalle

"Jeff is very knowledgeable and presents in a fun way to keep everyone entertained."

Matt Moyer, Commercial Loan Officer
Citizens State Bank, Lena

Important Institute Notes

Teaching Methods — CBAI's Commercial Lending Institute focuses on the why's and how's of the lending function. Lecture, role play, case studies, and other teaching methods will be utilized to keep learning at its highest. All lending cases discussed are gathered from the files of community banks and reflect real loan situations. *A calculator must be brought to each class so that attendees can work through the mathematics of the loan cases.*

Certificate of Completion — To demonstrate successful completion of CBAI's Commercial Lending Institute, each attendee will receive a plaque for display.

Institute Facilities and Tuition — Classes are conducted at the CBAI Headquarters, 901 Community Drive, Springfield, IL, 62703. A light breakfast and lunch are provided each day, and dinner is provided on Tuesday. Tuition is \$685 for CBAI members and \$1,285 for prospective-members. Payment must accompany the completed registration form unless other arrangements have been made. A \$100 cancellation fee will be assessed after February 16, 2018.

Housing — A block of rooms has been reserved at the Baymont Inn. To obtain accommodations, call 217/529-6655. Please indicate you are a CBAI member to obtain the special room rate of \$63 plus tax for singles or doubles.

Schedule of Classes & Faculty

	Wednesday	Thursday	Friday
8 a.m.	Registration/Breakfast	Review of Corporate Income Tax Returns <i>Robert Swartz and Gary Genenbacher</i>	Financial Forecasting <i>Jeffery Johnson</i>
9 a.m.	Introduction <i>Jeffery Johnson</i>		
10 a.m.	Intro to Credit & Ratio Analysis <i>Jeffery Johnson</i>	Asset-Conversion Cycle Analysis <i>Jeffery Johnson</i>	Commercial Loan Documentation <i>Jeffery Johnson</i>
11 a.m.			
12 p.m.	Lunch	Lunch	Lunch
1 p.m.	Financial Statement Review <i>Jeffery Johnson</i>	Intro to Cash-Flow Analysis <i>Jeffery Johnson</i>	Writing Credit Memos <i>Jeffery Johnson</i>
2 p.m.			Check Your Understanding
3 p.m.			
4 p.m.			
5 p.m.			Adjournment
6 p.m.	Class Dinner/Social Activity	Dinner on Your Own	

For More Information

Tracy McQuinn, Senior Vice President
 Valerie Johnston, Vice President
 Melinda McClelland, Vice President
 Tina Horner, Administrative Assistant
 Jennifer Nika, Administrative Assistant
 Department of Education & Special Events
 217/529-2265 FAX: 217/585-8738
 Terry Griffin, Chicago Area Vice President
 708/714-3333

THIS INSTITUTE PROVIDES 18 HOURS OF CREDIT
 TOWARD THE PRESTIGIOUS
 CERTIFIED COMMUNITY LENDER DESIGNATION

THIS INSTITUTE QUALIFIES FOR 18 HOURS
 OF CPE CREDIT



REGISTRATION FORM

Commercial Lending Institute

February 21-23, 2018

Name/Title: _____

Bank/Assets: _____

Address: _____ City/State/Zip: _____

Phone: _____ Fax: _____ E-Mail: _____

(E-mail address required for registration).

Any physical or medical situations that might affect participation in activities? Yes No

If yes, please explain: _____

Education Background (Check highest level):

High School Graduate

Associate Degree

College Graduate

Other banking schools attended, if any:

The Community Bankers School, sponsored by CBAI

Other _____

Professional Experience:

Years of experience (as of Institute date) _____

Years of commercial lending (as of Institute date) _____

Briefly describe your current position in the bank

Please select your payment method.

Check Enclosed Check in Mail Pay at Door Credit Card*

**If you are paying by credit card, please fill out the following information. (Visa and MasterCard accepted).*

Name as It Reads On Card _____ Card Number _____

Company Name on Card _____ Expiration Date _____

Billing Address of Card _____ Three-Digit Security Code _____



Mail it in:
 CBAI Education Department
 901 Community Drive
 Springfield, IL 62703-5184



Fax it in:
 (217) 585-8738



Call it in:
 (217) 529-2265



Click it in:
www.cbai.com