

# **2024 CCBN CREDIT ANALYST SCHOOL**

May 14, 15 & 15, 2024, Holiday Inn, Sacramento Downtown

## **AGENDA**

### **Day One**

**Review the Performance of the Financial Institutions' Industry and Understand the functionality of banks in their role in developing the local, regional and national economies.**

**Brief Review and Understanding of Bank Financial Statements**

**Review the role of A Credit Analyst and Why It Is a Vital Part of The Credit Underwriting Process.**

- The role of commercial lending in the banking industry
- Organization structure of credit administration and where credit analysts are positioned
- Requirements and responsibilities of the credit analyst
- Skills and professional traits of successful credit analysts required to be successful including:
  - Information is required to match the loan request.
  - Best practices in spreading financial statements.
  - Knowing the right questions to ask.
  - How to communicate analytical results to more senior lenders.

**Identify Industry, Business and Management Risks and Their Impact on Borrowers**

**Introduction of A Commercial & Industrial Case and Commercial Real Estate Case Study**

- These case studies will be used to apply and practice the credit analysis concepts and tools presented over the course of the program.

**Review and Analysis of Financial Statements**

- Identify The Major Accounts Displayed On Financial Statements For Commercial And Industrial Relationships
- Understand The Accounting Development Of Major Asset Accounts That Banks Rely Upon As A Primary Source Of Repayment

- Review The Notes To Financial Statements And Understand How Useful They Are To The Underwriting Process
- Utilizing Financial Statements Mapping to understand the relationship between the Income Statement and Balance Sheet and how understanding this concept leads to a deeper understanding of Ratio Analysis and Cash Flow Analysis

## **Day Two**

### **Determining Creditworthiness Utilizing Major Credit Ratios to Determine the Four Vital Financial Factors of Economic Entities Including:**

- Liquidity
- Leverage
- Asset management capabilities
- Operating performance

### **Utilize Ratio Analysis to Perform the Following:**

- Short-Term Loan Structuring Through Determining the Net Working Investment (Financing Gap in Terms of Days and Amount Required to Fund the Gap)
- Financial Impact on Income and Cash Flow From Changing Credit Ratios and Income Statement Margins

### **Cash Flow Analysis to Convert Income into Cash**

- Understand How Cash Flow Analysis Is The Process Of Converting An Accrual Basis Financial Statement Into A Statement Of Cash Flow
- Review The Rules Of Cash Flow
- Demonstration Of Cash Flow Analysis Utilizing The Uniform Cash Analysis (UCA) Method
- Comparison Of UCA With Traditional, EBITDA And The Indirect Methods Of Calculating Cash Flow

- Identification Of The Four Facilities Of Cash Flow Analysis Utilizing Traditional And EBITDA Methods

### **Financial Forecasting and Calculating Sustainable Growth Rates**

- Converting management's assumptions into a projected income statement, balance sheet and cash Flow Analysis statement to Support the Repayment Capability of Long-Term Loans
- Determine the sales growth level without increasing leverage beyond a safe level

### **Day Three**

#### **Analyzing Corporate Tax Returns**

- Review the various tax forms required to be filed by various organizational structures
- Understand the flow of tax forms into Form 1120, 1120S and 1065
- How to analyze schedule K-1 for pass-through entities
- Understand how to maneuver through tax returns in order to obtain required information
- Know how to convert tax return income into cash flow

#### **Elements to Consider in Writing An Effective Credit Memorandum**

- This final segment will allow the application of knowledge gained over the previous two days to compose and effective credit memorandum suitable to be presented to the Loan Officer and Credit Committee

#### **Review/Wrap-Up**

#### **Check Your Understanding – Online Multiple-Choice Final Exam**

#### **Awarding Of Certificates**

#### **CLOSE PROGRAM**