LIKE A BANKER

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Be Empowered & Knowledgeable about your business's credit worthiness



PURPOSE & INTENTION

PROVIDE INSIGHT ON HOW BUSINESS STRUCTURE GUIDES THE LENDING PROCESS

PROVIDE INSIGHT ON HOW FINANCIAL STATEMENTS GUIDE THE LENDING PROCESS

PROVIDE INSIGHT ON WHAT AFFECTS THE LENDING DECISION BEYOND CREDIT SCORE

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Partnerships LLC • EIN Letter • EIN Letter • Resolution or • Resolution or Operating Agreement Agreement • Business License • Articles of

- Organization
- SOS Registration



- EIN Letter
- Resolution
- Charter
- SOS Registration

CABOUT THE PERSONAL GURANTORS Most banks will **REQUIRE** it

Only as good as the owner's **CAPACITY** to repay the debt

Not a **SUBSTITUTE** for collateral or cashflow

.. SET....DOCUMENTATION!

TAX RETURNS

BALANCE SHEET & INCOME STATEMENT

CASHFLOW STATEMENT

INTERIM FINANCIALS & AGED RECIEVABLE





ARE YOUR FINANCIAL STATEMENTS TELLING THE RIGHT

Will growth bring more costs?

Do you have a growth issue or a cashflow issue? Is there a concentration risk? Are your write-offs costing you loan opportunities? What changes year-over-year raise concern? How close to cash is your business? (liquidity) How effective/efficient was my business?

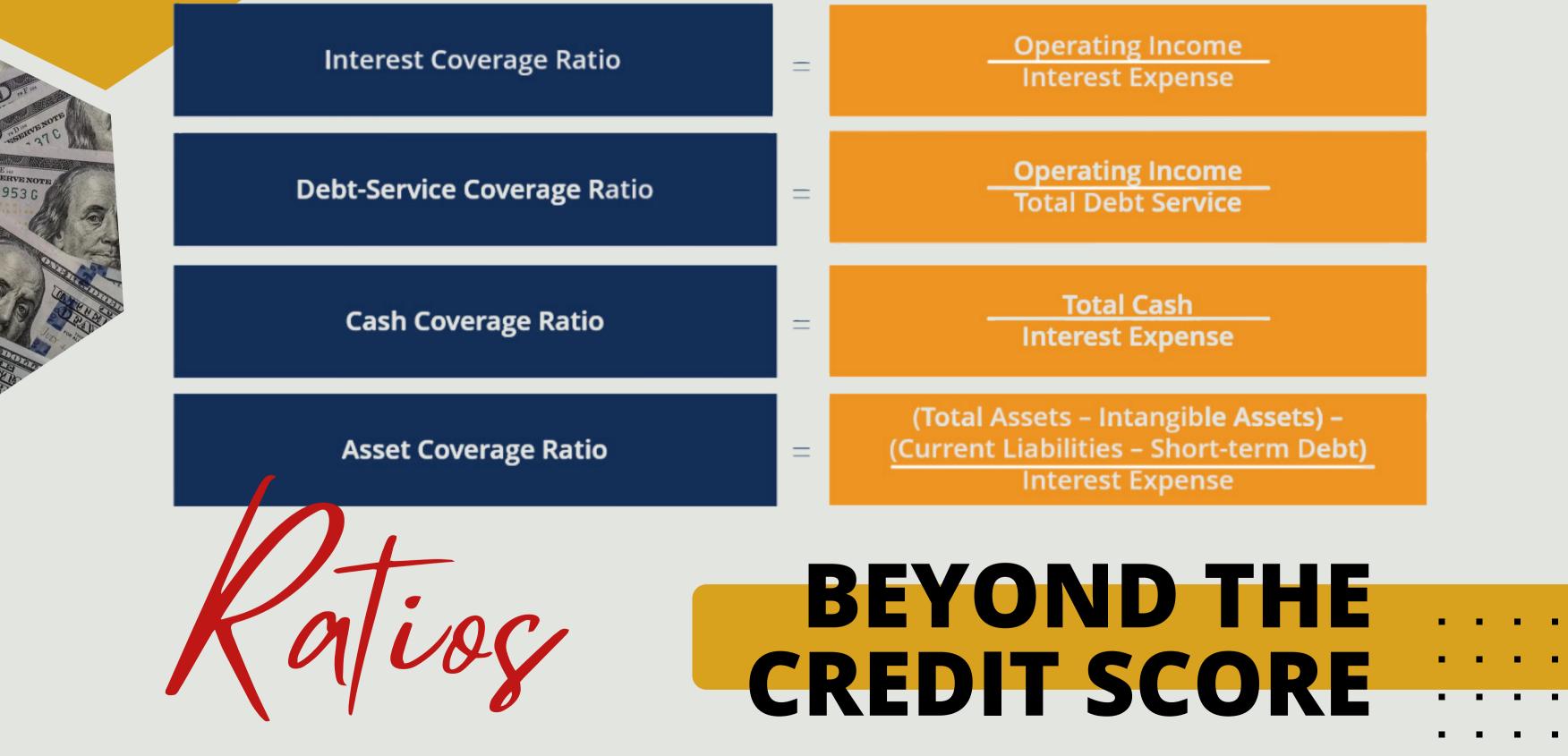


GLOBAL CASH FLOW ANALYSIS										
Prepared for	: [ENTER	NAME]								
As of	f: 12/3	1/2017	12/3	1/2018	12/	31/2019				
Net Income from Statement	\$	-	\$	-	\$	-				
+ Depreciation		-		-		-				
+ Interest Expense		-		-		-				
+ Rent Expense		-		-		-				
+ Other		-		-		-				
Cash Available for Debt Service	\$		\$		\$					
						0				
Current Maturities of Long Term Debt	\$	-	\$	-	\$	-				
+ Other Mortgage/ILD payments		-		-		-				
+ Proposed P & I Payment		-		-		-				
	_				4					
Debt Service Requirements	\$	•	\$		\$	•				
Surplus Cash Flow	\$		\$	-	\$	-				
Debt Service Coverage Ratio		-		-						
Personal Cash Flow of Guarantor										
Sources of Cash										
Salary	\$	-	\$	-	\$	-				
+Bonuses/Commission		-		-		-				
+Schedule C-Buiness Income (loss)		-		-		-				
+Interest/Dividends		-		-		-				
+ Schedule E - Rents, Partnership, S Corp		-		-		-				
+Adjustment for Depreciation		-		-		-				
+Capital Gains		-		-		-				
+Retirement Proceeds +Other Income		-		-		-				
Gross Personal Sources of Cash	ć	-	\$	-	\$	-				
- Income Taxes	\$	-	>	-	Ş	-				
Net Personal Cash Flow Available for DS	\$	-	\$	-	\$	-				
<u>Uses of Cash</u> Residential Mortgage Payment(s)	\$		\$		\$					
+Other Real Estate Mortgages	Ş	-	Ş	-	Ş	-				
+Other Consumer Debt Payment		-		-		-				
+Other (e.g. alimony, child support)				-						
Total Personal Uses	\$	-	\$	-	\$	-				
Surplus Personal Cash Flow	\$	-	\$	-	\$	-				
Personal Debt Service Coverage Ratio		-		-		-				
GLOBAL CASH FLOW										
Total Sources of Cash Available for DS Total Uses				-		-				
					-					

BEYOND THE CREDIT SCORE



Coverage Ratios







QUANTITATIVE

Earnings & Operating Cash Flow Trends

Asset & Liability

Values

Financial Flexibility & Debt Capacity

Financial Reporting



Market Risk

Management Risk

BEYOND THE CREDIT SCORE

	LENDING BUDGET	📔 🎽 Avera
		🔰 🎽 🕨 Total /
		🔰 🎽 Max a
	COMPOSITION	🕨 🕨 🕨 🕨
		🔰 🎽 Specia
	PERIODICITY	Short-
		🔰 🎽 Intern
		🔰 🎽 Long-
$\overline{\Lambda}$	DOCUMENTATION STANDARDS	Applic
		🔰 🎽 Credit
		🔰 🎽 🕨 Loan a
JUNK		> Collat
0	ACCEPTABLE SECURITIES	> Accep
		🔰 🎽 Allow
Policy		🍃 ≽ Guara
	CREDIT EVALUATION	🔰 🎽 Accep
		variou
		Credit
	LOAN PRICING	Rate of the second s
	RISK AVERAGE & LOAN GRADING	Types
	SYSTEM	🔰 🎽 🕨 Risk A

rage lending made per case I Amount per period

amount for any single case

n types

cialty groups & areas

rt-term working capital

rmediate-term investments

g-term investments

lication

lit reports

n agreement

ateral

eptable security

wable margins

rantor qualifications

eptable records, data & ous info

dit investigation

e of interest

es of Risk

Appetite



- Schedule a discovery session with your CPA/Accountant
- Interview your business & do a risk assessment
- Calculate your ratios
- Ask about your bank's lending policy
- Get your documents in order
- Find a great Sanker



CONTACT

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	Confide	ntial	Personal Fi	nar	icial Statement	As Of			
Individual 1 (First, Middle, Last - pleas	e print)			Τ	Individual 2 (If applicable)		Re	istionship to indiv 1	
Street Address			Phone	1	Street Address	Phone			
City/State/Zip			Years at Address	1	City/State/Zp	Years at Address			
Date of Birth	SSN		# Dependents	1	Date of Birth SSN			# Dependents	
Employer		Occupa	tion		Employer		Occupation		
Dusiness Address			Yean Employed	1	Duriness Address		-	Years Employed	
City/State/Zip			Business Phone	1	Oty/State/Zip Business P			Dusiness Phone	

		Solely	Owned	Jointly Owned	
ASSETS	Schedules	Individual 1 Amount	Individual 2 Amount	Amounta	Total
Cash in Financial Institutions (including money market accounts, CDs)					0
Readily Marketable Securities	8				0
Non-Readily Marketable Securities (current market value)	c				0
Cash Surrender Value of Life Insurance (current market value)	D				0
Residential Real Datate (market value)	E				0
Real Estate Investments (market value)	F				0
Partnerships/PC interests	G				0
Accounts and Notes Receivable	н				0
IRA, Keogh, Profit-Sharing & Other Vested Retirement Accts	1				0
Deferred Income	None				0
Personal Property (Including automobiles) & Other Assets	1				0
Total Asseta		\$ -	\$ -	\$ -	\$ -

		Solehy	Owned	Jointly Owned	
LIABILITIES AND NET WORTH	Schedules	Individual 1 Amount	Individual 2 Amount	Amounts	Total
Notes Payable	ĸ				0
Accounts Payable (Including credit cards)	L				0
Margin Accounts	c				0
Taues Payable	None				0
Mortgage Debt	E				0
Life Insurance Loans	D				0
Real Estate Investment Loans	F				0
Other Liabilities (List)	None				0
Total Liabilities		\$ -	\$ -	\$ -	\$ -
Net Worth (Total Assets Less Total Liabilities)		\$ -	\$ -	\$ -	\$ -
Schedule M - Contingent Liabilities		\$ -	\$ -	\$ -	\$ -

Sour	ces of income	(Annual			Monthly Expenditures							
Year ending:		Indivi	dual 1	Individ	tual 2	Tear ending:		Individual	1	Individual 2	Joh	nt
Salary						Mortgage/Rent Residence(x)						
Bonus and Commissions	nus and Commissions					All Other Debt Service						
Dividends & Interest						State and Federal Income Tax						
Real Estate Income						Insurance						
Partnership Distributions						Alimony/Child Support						
Business income						Other						
Allmony/Child Support*						Other						
Other Income						Other						
	Total	\$		\$	-		Total	\$ -	1	•	\$	

*Allmony, child support or other separate maintenance income need not be reported if you do not want to have it considered as a basis for repayment.

Information Requested:	IndM	Individual 1		dual 2	Comments	
internation requestes.	Tes	No	Yes	No		

Oblgor

SCHEDULE K - NOTES PAYABLE

Due to (Lender)		ype (Credit Trade,etc)		Amount of amitment/Line		Inpeld Balance of Line or Loan		ment Terma	Collateral and/or Guarantor(s)	Rate	Maturity	
							Freq	Amount				
	•	Total	\$		\$							

Due to (Lender)	

Guarantor (Check applicable box)											
Ind 1	Ind 2	Both									

Type of investment	Date of Initial	Ownership Interest Percentage		wnech) applicat	ip sile bax)	Current Market Value	Debt Owed by Partnership	Bank/Lender
			-	2	-			
					Total		\$.	

SCHEDULE H - ACCOUNTS AND NOTES RECEIVABLE

Amount	Terms (Due Date, Rate, Monthly Payment, Maturity)		ured	Description of Collateral	Pledged Amount	Bank/Lender
		Yes	No			

Total \$ -

SCHEDULE I - IRA, KEOGH, PROFIT-SHARING & OTHER VESTED RETIREMENT ACCOUNTS

Description	# of shares (stock) or		hanamhi applicat	Where Held	Current Market Valu	Value
	face value (bonds)	1	2	-		
		•		Total	\$	

SCHEDULE J - PERSONAL PROPERTY & OTHER ASSETS

Description	Location	Ownership (check applicable box)			Current Market Value	Pledged Amount	Bank/Lender
		1	2				
				Total			

SCHEDULE L - ACCOUNTS PAYABLE [Trade debt, credit cards, etc]

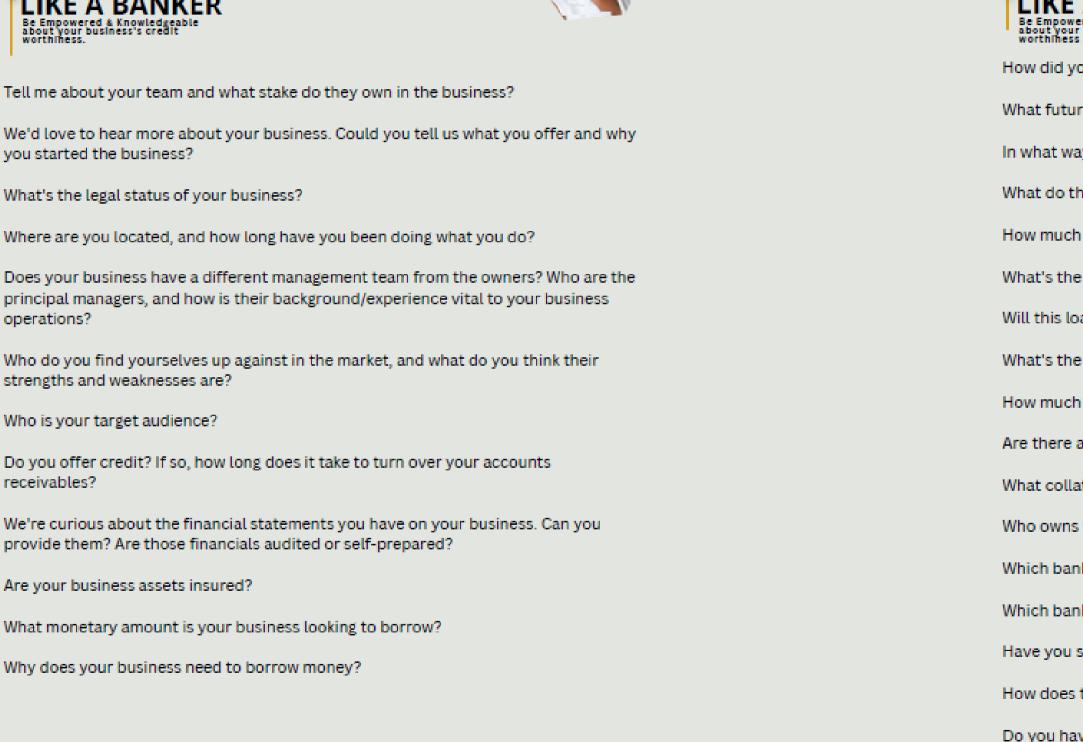
zan Type (Credit Card, Trade,etc)		Amount of Commitment/Line	Unpaid Balance of Line	Pay	ment Terma	Collateral and/or Guarantor(s)	Rate	Maturity
				Freq	Amount			
	-							
	Total	\$.	\$					

SCHEDULE M - CONTINGENT LIABILITIES - List below the details on any obligation(s) for which individual 1 or individual 2 are a guarantor, co-maker, or

	Guarantor (Check applicable box)		Borrower	Lender	Amount Guaranteed	Maturity Date	Collateral
Ind 1	Ind 2	Both	•				
				Total	s -		











- How did you come up with the amount for your loan request?
- What future financing needs do you predict needing?
- In what way will this loan significantly assist your company in reaching its goals?
- What do the earnings and profit history look like for your business?
- How much cash is your business generating from its operations?
- What's the primary source of repayment for the loan?
- Will this loan generate any further expenses for your business?
- What's the secondary source of repayment if the primary source fails?
- How much equity does your business have?
- Are there any willing and capable guarantors for your business?
- What collateral do you to pledge?
- Who owns the collateral, and where is it located?
- Which banks are you currently associated with?
- Which bank houses your business's operating account?
- Have you spoken to your bank about the loan request?
- How does this loan fit into your company's total banking and lending picture?
- Do you have other loans outstanding, and what's the nature and extent of these loans?





Quick Reference Bank Guide

Account Documentation

- Articles of Organization
- Secretary of State Filing
- EIN#
- Valid Driver's License

Lending Documentation

- 2 years Tax Returns
- Income Statement
- Balance Sheet
 Profit/Loss Statement

Exploring Repayment Potential

Banks want to see that your business has positive cash flow.

Net Income after taxes (Total Income-Total Expenses-Income Taxes)

Cash Flow

Noncash Expenses (Depreciation + Amortization+ Depletion)

Banks use this ratio to determine if your business has the cash required to repay not only the debt it currently has but any new debt.

Cash Flow

Cash Available

to

Service Debt

Interest Expense

Nonrecurring Income

Nonrecurring Expenses/Losses





Banks use this ratio to determine if there is enough cash for existing debt and any new debt. Consider this ratio as your cushion between annual cash flow and annual debt payments.

Debt Coverage Ratio

Cash Available to service debt

Annual Term Debt + Annual Line of Credit Debt

Are you able to afford your current debt? Banks want to ensure that there is a cushion between current assets and current liabilities; therefore, the higher your company's ratio, the less risky you become to the bank. This number needs to be at least 1.0 (this means you have \$1 in assets for every \$1 you have in liabilities).

Current Ratio

Current Assets

Current Liabilities

Banks use this ratio to compare a company's debt to overall wealth. If this ratio is high, it signals to the bank that your company may not have efficient assets to liquidate in the event your cash flow decreases.

Debt-to Worth

Ratio

Total Liabilities

Net Worth



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