

PRESORTED  
STANDARD  
US POSTAGE  
PAID  
HARRISBURG PA  
PERMIT NO 775



3897 North Front Street  
Harrisburg, PA 17110



# PBA Professional Development

## Calculating and Maintaining the Allowance for Loan and Lease Losses

(Let's ALLL Get Aboard)

May 22, 2012

8:15 a.m. - 3:30 p.m.

**Pennsylvania Bankers Association**

3897 North Front Street

Harrisburg, PA 17110

*The PBA has been accepted as a program sponsor by the  
Pennsylvania State Board of Accountancy.*

*This program qualifies for a total of six (6) hours  
or continuing education credit.*

### **WHO SHOULD ATTEND**

This program is designed for CEO's, Presidents, Board Members, Credit Administrators, Senior Credit Officers, Loan Review Officers, Compliance Officers, Senior Loan Officers, Commercial/Consumer Loan Officers, Loan Operation Officers and Loan Administrators

*Professionals Dedicated to Your Success*

## PROGRAM OVERVIEW

The Allowance for Loan and Lease Losses (ALLL) represents one of the most significant estimates in an institution's financial statements and regulatory reports. It is a valuation reserve established and maintained by charges against the bank's operating income and is an estimate of loans that may be uncollectible.

Regulators are just as interested in your bank's methodology in calculating the ALLL in addition to the adequacy. This program will feature the calculation of the ALLL utilizing Sageworks software, which will satisfy the regulators' questions and concerns regarding the methodology.

Because of its significance, each institution has a responsibility for developing, maintaining and documenting a comprehensive, systematic and consistently applied process for determining the amount of the ALLL and the Provision for Loans & Lease Losses. To fulfill this responsibility, each institution should ensure controls are in place to consistently determine the ALLL in accordance with:

- Generally accepted accounting principles;
- Institution's stated policies and procedures;
- Management's best judgment; and
- Relevant supervisory guidance,

The Allowance is watched not only by the major agencies responsible for supervision of the banking system, but also by the American Institute of Certified Public Accountants, the Internal Revenue Service and the Securities & Exchange Commission. All have similar but yet, conflicting perspectives on how much of an allocation should be contained in the ALLL.

This program is designed to review the elements and thought process in establishing and maintaining an adequate ALLL level under the new guidance.

### Specific topics to be covered include:

- How to utilize Sageworks software to calculate the ALLL;
- Establishment and Purpose of the ALLL;
- Loan Grading and the impact on the ALLL;
- General Framework required to establish the ALLL;
- Review of Regulators expectations for the ALLL as set forth in; and
  - FASB ASC 450-20 Contingencies – Loss Contingencies (formerly FASB 5 – Accounting for Contingencies).
  - FASB ASC 310-10-35-2 through 30, Receivables-Overall-Subsequent Measurement-Impairment (formerly FASB 113 – Accounting by Creditors for Impairment of a Loan).
  - Interagency Policy on the ALLL issued in 2006 which revises the Policy issued in December 1993.
  - FFIEC Policy Statement on the ALLL Methodologies & Documentation.
  - Use of technology to aid in the calculation of Historical Loss Rates.
- Reinforce Concepts with Allowance Calculation Cases.

After completing this course, the participant will have an enhanced understanding of the importance of creating and maintaining an adequate Allowance that is legally defensible and insures the bank is operating in a safe and sound environment.

## ABOUT THE SPEAKER

**Jeffery W. Johnson, CEO, Bankers Insight Group**, started his career with SunTrust Bank in Atlanta as a Management Trainee and progressed to Vice President and Senior Lender for SouthTrust Bank (a large Southeastern Regional Bank) and Senior Vice President and Commercial Banking Division Manager for Citizens Trust Bank of Atlanta (Community Bank).

Most of his career has been spent in Credit Administration, Lending (Commercial, Consumer and Real Estate), Business Development, Loan Review, Management and Training & Development. He has managed loan portfolios representing a cross section of loan types including: Large Corporate, High Net Worth Individuals, Middle Market Companies, Small Businesses, Real Estate and Non-Profit Organizations and managed several loan officers with portfolio management responsibilities.

Mr. Johnson is now a training professional in the banking industry by leading various seminars covering important topics relating to issues in banking. He teaches actively for fifteen state banking associations in the United States, Risk Management Association (RMA) and individual banks nationwide. He co-authored a training course entitled "*Lending to Service and Other Professional Organizations*" for RMA in 2001.

Mr. Johnson earned a B.A. Degree in Accounting from Morehouse College in Atlanta, GA; a MBA in Finance from John Carroll University in University Heights, Ohio; Banking Diploma from Prochnow School of Banking at the University of Wisconsin-Madison and a Graduate Certificate in Bank Management from the Wharton School of Business at the University of Pennsylvania.

## REGISTRATION INFORMATION

Members - \$295

Non-Members - \$442.50

The registration fee includes all seminar sessions, materials, luncheon and breaks. Please submit the enclosed registration form and payment to:

Pennsylvania Bankers Association

Attn: Registrar

3897 North Front Street

Harrisburg, PA 17110

Tel. (717) 255-6900

Fax: (717) 233-1477

**\* You are encouraged to register through the Web site [www.pabanker.com](http://www.pabanker.com).**

The PBA accepts check, Visa and Master Card. All credit card payments must be processed through online registration. Please visit <http://www.pabanker.com/eventsInfo/calendar.htm>; find the seminar title and click on register now.

## HOTEL INFORMATION

Days Inn Harrisburg North

3919 N. Front Street

Harrisburg, PA 17110

(717) 233-3100



PENNSYLVANIA  
BANKERS ASSOCIATION

# REGISTRATION & INVOICE

## Allowance for Loan and Lease Losses Seminar

### May 22, 2012

Pennsylvania Bankers Association • 3897 North Front Street • Harrisburg • Tel. (717) 255-6900

Enclosed is a credit card or check made payable to the Pennsylvania Bankers Association for \$\_\_\_\_\_ for \_\_\_\_\_ registration(s) at \$295 per person for members. The non-member fee is \$442.50 per person.

Name \_\_\_\_\_ Nickname \_\_\_\_\_

Title \_\_\_\_\_ Male  Female

Bank \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Tel \_\_\_\_\_ Fax \_\_\_\_\_

E-Mail \_\_\_\_\_ Emergency Tel \_\_\_\_\_

Bank Deposit Size (round figures): \_\_\_\_\_

#### Method of Payment:

\*PBA accepts check, Visa and Master Card. All credit card payments must be processed through online registration. Please visit <http://www.pabanker.com/events/Info/calendar.htm>; find the seminar title and click on register now

#### Please mail registration information to:

Pennsylvania Bankers Association

Attn: Registrar

3897 North Front Street

Harrisburg, PA 17110

Tel: (717) 255-6900

**For database purposes, we request only one (1) registrant per form. Please make additional copies of the registration form as needed. Keep a copy for your records. PBA does not send confirmations. If you have questions, call (717) 255-6900.**

**NOTE:** Registrations are accepted at the member fee for PBA regular, associate and affiliate members and staff of regulatory agencies. All registrations are subject to a 20 percent cancellation fee. A 50 percent retention of the registration fee applies to cancellation requests five (5) to ten (10) business days prior to the seminar date; however, NO refunds will be issued for cancellations made within 5 business days of the seminar date or for "no-shows." All requests for refunds must be made in writing to PBA. All registrations received by any means of communication are subject to this cancellation clause. The PBA does not issue refunds due to weather conditions, Acts of God and/or other causes beyond its reasonable control.

## **2012 SCHEDULE**

### **MARCH**

#### **Analyzing Financial Statements Seminar**

March 13 • PBA Office • Harrisburg

#### **Human Resources Seminar**

March 15 • PBA Office • Harrisburg

#### **Asset Liability Management Seminar**

March 20 • PBA Office • Harrisburg

#### **Executive Leadership Session III**

March 22 – 23 • PBA Office • Harrisburg

#### **Marketing Seminar**

March 30 • Hershey Country Club • Hershey

### **APRIL**

#### **How to Build a Fair Lending Compliance**

##### **Management System Seminar**

April 4 • PBA Office • Harrisburg

#### **PBA Spring Summits**

Group 5 - April 9 • Sheraton Harrisburg/Hershey

Group 4 - April 10 • Williamsport Country Club

Group 2 - April 11 • Rivercrest Golf Club & Preserve, Oaks

Group 8 - April 18 • Marriott Pittsburgh N, Cranberry Woods

Group 6 - April 16 • The Calvin House, Duncansville

Group 3 - April 17 • The Westmoreland Club, Wilkes Barre

#### **Advanced Commercial Lending School**

April 19 – 20 • PBA Office • Harrisburg

### **MAY**

#### **Credit Risk Management EXL**

May 3 - 4 • PBA Office • Harrisburg

#### **Call Report**

May 15 • PBA Office • Harrisburg

#### **2012 Annual Convention**

May 16 – 19 • Fairmont Scottsdale Princess • Scottsdale Arizona

#### **Allowance for Loan and Lease Losses**

May 22 • PBA Office • Harrisburg

**Electronic Banking & Regulatory Compliance**  
May 24 • PBA Office • Harrisburg

### **JUNE**

#### **School of Banking**

June 3 - 8 • Penn Stater • State College

#### **Bankers Day at the Capitol**

June 11 • State Capitol • Harrisburg

#### **Directors Institute**

June 18 • Hershey Country Club • Hershey

### **JULY**

#### **School of Commercial Lending**

July 8 - 13 • Penn Stater • State College

#### **Advanced School of Banking**

July 15 - 20 • Penn Stater • State College

### **OCTOBER**

#### **Essentials of Commercial Lending**

October 3 - 4 • PBA Office • Harrisburg

#### **Understanding Global Cash Flow Analysis**

October 17 • PBA Office • Harrisburg

### **NOVEMBER**

#### **FDIC Director's College**

November 7 • Hershey Country Club • Hershey

**Professionals Dedicated to Your Success**

Please check the PBA Web site for event & program schedule updates.

[www.pabanker.com](http://www.pabanker.com)