Scaling Commercial Lending with Confidence

Strengthening Credit Analysis, Portfolio Oversight, and Risk Visibility in a Changing Environment

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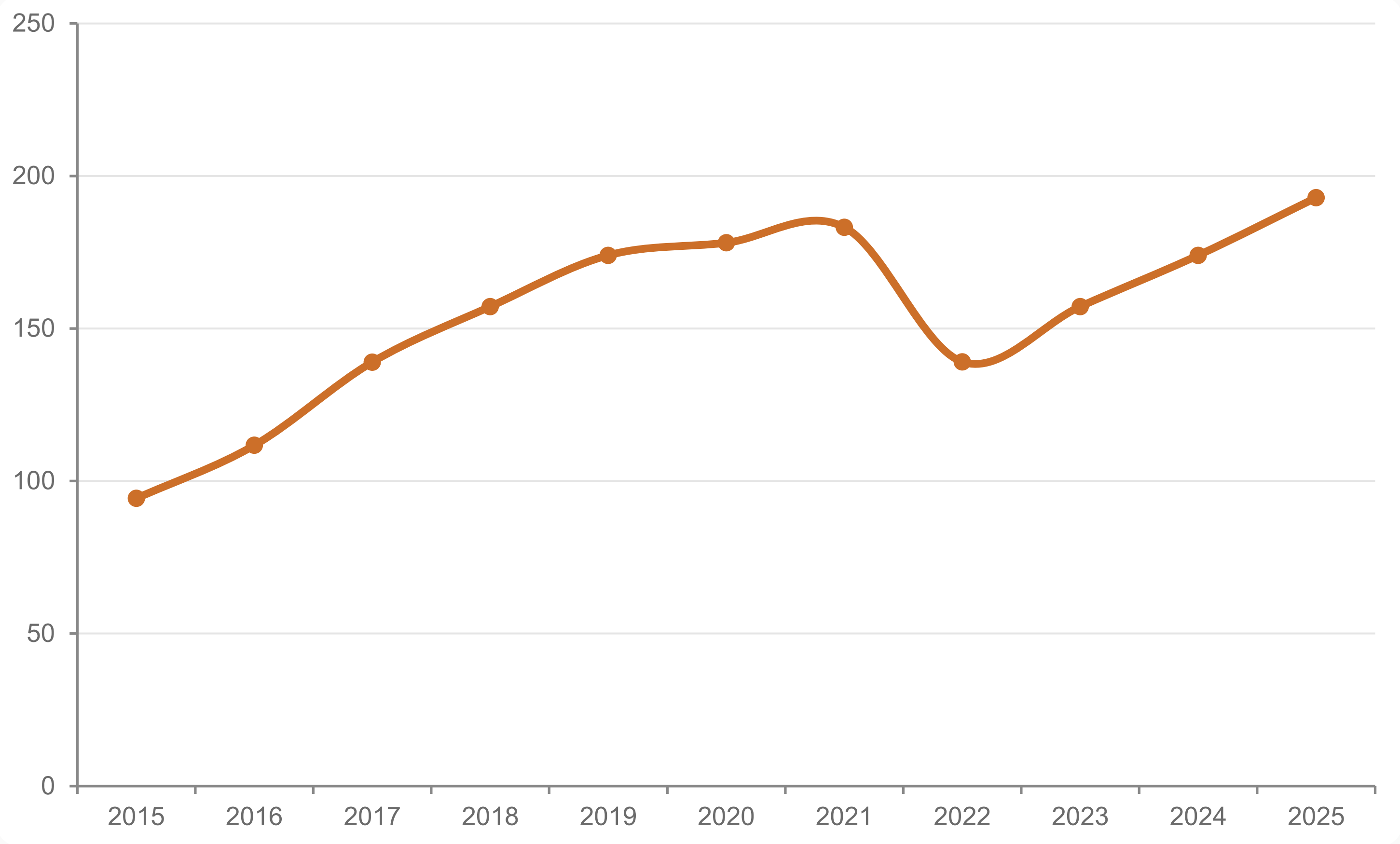
WHY THIS MATTERS NOW

“Do I really know where the risk is in my portfolio today?”

The question every commercial lending leader eventually has to answer.

THE MARKET CONTEXT

Commercial Lending Has Become a Strategic Growth Engine



2015 → 2025

$94.3B → $192.9B

More Than Doubled in a Decade

Source: NCUA Quarterly Data Summary

Growth changes expectations. As portfolios scale, leadership needs greater confidence that risk stays visible.

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LIVE POLL

Four Pressures Reshaping Commercial Lending

Changing Borrower Needs

More complex structures, layered ownership, rising expectations

Economic Uncertainty

Shifting conditions raise the need for timely, reliable insight

Staffing Constraints

Credit admin teams not growing at the same pace as the portfolio

Third-Party Underwriting Partnerships

CUSOs, third parties, and hybrid models all need consistent oversight

It's rarely one problem. It's the combination of all four.

THE THESIS

The Underwriting Model May Vary.

Internal Team

CUSO

Third-Party

Hybrid

Underwriting can be delegated.

Accountability cannot.

No matter who underwrites — the credit union signs the note, owns the relationship, and owns the risk.

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What Does Good Credit Governance Look Like?

Stakeholder	Primary Question	What They Need
Board	Are we growing responsibly?	Strategic portfolio insight
Executive Management	Where should we focus our attention?	Timely visibility into risk and performance
Credit Administration	What requires action today?	Operational insight and monitoring
Examiners	Can you demonstrate effective governance?	Consistent process and documented oversight

Visibility Creates Confidence

WHERE VISIBILITY BEGINS

Consistent Credit Analysis

What Most Institutions Have

- A credit policy
- A spreading process
- Underwriting standards

What Fewer Institutions Have

- The same standards applied the same way, every time
- Consistency across analysts, branches, and loan types
- Confidence that quality doesn't depend on who did the work

Consistency Is the Foundation Visibility Is Built On

Characteristics of Effective Credit Analysis

Complete	Nothing material is missing
Timely	Done when it's needed, not after the fact
Consistent	Same standard, every analyst, every loan
Documented	Conclusions are traceable, not just assumed
Independent	Analysis isn't shaped by pressure to approve

THE LIFECYCLE

Credit Analysis Isn't a One-Time Event

Origination

Annual Review

Renewal

Ongoing Monitoring

A Strong Underwriting Decision Doesn't Stay Accurate on Its Own

THE BREAKDOWN POINTS

Where Visibility Breaks Down

1

Annual Reviews

Are they timely, or a compliance checkbox?

2

Covenant Monitoring

Tracked, but is anyone watching the pattern?

3

Exception Tracking

Individually minor, collectively a warning sign

Each One Looks Small on Its Own. Together, They Tell a Story.

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Annual Reviews

What Gets Measured

- Was it completed?
- Was it completed on time?

What Actually Matters

- Does it reflect the borrower's current condition?
- Would it surface a real change if one occurred?

A Completed Review Isn't the Same as a Current One

Covenant Monitoring

What Gets Tracked

- Is this covenant currently in compliance?
- Has it been waived, and why?

What Often Doesn't Get Asked

- Is this borrower's covenant activity getting better or worse over time?
- Are similar issues showing up across multiple relationships?

Tracking Tells You What Happened. Pattern Tells You What's Coming.

BREAKDOWN POINT 3 OF 3 — LIVE POLL

Exception Tracking

One Missed Document

- Late financial statement
- Missing insurance certificate
- Delayed covenant certificate

→ *Rarely Meaningful*

A Pattern of Exceptions

Square1 Credit Suite consolidates exposure, reserves, financial position, exceptions, and comments — for one relationship or across several.

→ *Worth a Closer Look*

The Value Isn't in Tracking Exceptions. It's in Seeing Them Together.

THE PORTFOLIO VIEW

Individual Loans Don't Create Portfolio Risk. Portfolios Do.

Loan-Level Questions

- Is this borrower performing?
- Are covenants being met?
- Is the annual review complete?

Portfolio-Level Questions

- Where are our concentrations today vs. last quarter?
- Which relationships are on the watch list, and why?
- Are exceptions clustering by officer, branch, or type?
- What does this month's board package show that last month's didn't?

Portfolio oversight turns individual data points into actionable insight.

THE PAYOFF

From Data to Decisions

Data

- Annual Reviews
- Risk Ratings
- Covenants
- Exceptions
- Concentrations

→

Insight

- Where is risk increasing?
- Which relationships need attention?
- What's changed since last quarter?

→

Decision

- Adjust Risk Rating
- Increase Monitoring
- Review Loan Structure
- Board Discussion

Data tells you what happened. Insight tells you what matters.

Responsible AI in Commercial Lending

TODAY

Reducing Manual Data Entry

Powered by AnalystIQ™ & SpreadIQ™

- Reads tax returns & financial statements directly into spreads
- Extracts credit bureau trade-line & liability data automatically

WHAT'S NEXT

Extending Into Portfolio Insight

AI applied to portfolio-level analysis itself — helping identify concentration and emerging trends, supporting stronger board reporting and examiner readiness, not just speeding up paperwork. The industry is early here.

Responsible AI Supports Judgment. It Doesn't Replace It.

CLOSING

Five Actions You Can Take Tomorrow

1. Pull your last four quarters of exception data and look at direction, not just count.
2. Ask which industries show the most rating movement — not just the largest exposure.
3. Compare this month's concentration report to last quarter's, side by side.
4. Pick one criticized or classified relationship and trace how visible its decline was six months earlier.
5. Ask your team: when's the last time we looked at the portfolio, not just the loans in it?

None of These Cost a Dollar. They Cost a Habit.

ABOUT THE PLATFORM

About Square1 Credit Suite

SQUARE 1 CREDIT SUITE® POWERED BY SUNTELL

One Relationship Record

Member, credit analysis, documents, and collections in a single platform

Portfolio & Board Reporting

Concentrations, watch lists, exceptions, and monthly board packages

AnalystIQ™ & SpreadIQ™

AI-assisted spreading and bureau data extraction, with human review built in

Works However You Underwrite

Internal, CUSO, third-party, or hybrid — one platform, your choice of model

Learn more at suntell.com | 888.848.7349 | kronquillo@suntell.com

Q&A

Let's Open It Up

Questions, pushback, or your own experience — all welcome.

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