



The “Black Box” of Financing

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Access to Capital:

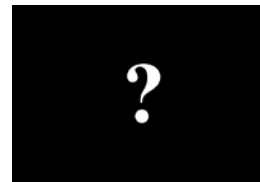
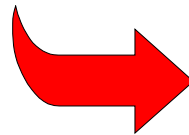
Food, Beverage and Agricultural Enterprises

May 19, 2015

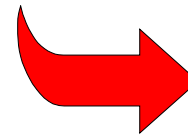
Small Business View of the Credit Process



Application



Black Box



**Commitment
or Decline**

M&T Bank's Credit Process

Initial Meeting



Information Gathering



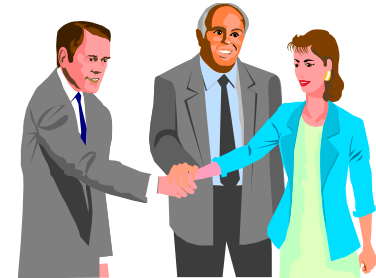
Analysis



Decision



Closing



Relationship

Initial Meeting

- ▶ Meet with the client
- ▶ Learn the client's business
- ▶ Understand their goals and objectives
- ▶ Become familiar with their financial needs

Information Gathering

- ◆ Business Credit Application

- ◆ Financial Statements

 - Business
 - Personal
 - Projections

- ◆ Business Plan

 - Start-ups vs. Relationship
 - Expansions
 - Acquisitions

- ◆ Situational Information

 - Invoices / Sales Contracts
 - Appraisals
 - Account Agings

Analysis

- ◆ Verify information
- ◆ Validate credit history
- ◆ Analyze financials
- ◆ Resolve open issues / questions

Analysis (5 C's of Credit)

◆ Character

- Historical use of business and personal credit
- Prudent business practices
- Employment background

◆ Capacity (Cash Flow)

- Ability to service projected debt
- Historical vs. projected cash flow

◆ Collateral

- Matching maturity
- Establish value

◆ Capital

- Owner's investment
- Business retained earnings

◆ Conditions

- Industry
- Competition

M&T Bank Decision Process

- ◆ Recommendation
- ◆ Decision
- ◆ Second look
- ◆ Other considerations
 - ▶ Agency participation (NYBDC, NCA, IDA, LDC, etc)
 - ▶ SBA guarantee
 - ▶ Additional collateral, guarantors, capital
 - ▶ See following slide for flow chart

Why Do We Use the SBA?

- ▶ Flexibility
- ▶ Shortfall in collateral
- ▶ Start-up
- ▶ Non-traditional businesses

Types of Credit Products Offered

- Term Loan/Business Installment Loan
- FlexLine of Credit
- Business Access Line of Credit
- Equipment Leasing
- Business OverDraft Line of Credit
- Letters of Credit
- SBA Guaranteed Loans
- Participation Loans
- Home Equity Loans
- AND LAST BUT NOT LEAST.....
Commercial Mortgage

VALUE ADDED for our clients:

A Banker who knows, utilizes & assists with ED programs.

- SBA (Small Business Association) –
- NYS Linked Deposit – rate reduction up to 2%/ 4 yrs
- NYSERDA and National Grid Grants
- IDA (Industrial Development Agencies) – low interest loans, PILOTs, Sale-Lease backs
- GSBDC (Greater Syracuse Business Development Corp) –
- NYBDC (New York Business Development Corp)
- EDGE
- NCA