

COMMERCIAL BANKING

BEHIND CLOSED DOORS- A LENDERS VIEW OF BUSINESS PLANS AND CREDIT PROPOSALS

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A LENDERS VIEW OF BUSINESS PLANS AND CREDIT PROPOSALS- CONTENTS



1. Credit Challenges
2. Nature of Organisation and Governance
3. Past & Current Performance
4. Future Plans
5. Funding Sources
6. Other Considerations
7. Credit Process

THE CREDIT CHALLENGES



- Government support
 - Grant
 - Rent
- Demand for Affordable Housing
- Capacity
- Commercial Activities
- Ratings
- Deregulation
- Impact of exit from EU





Organisational Background

- Nature of business
- Complexity
- Corporate Strategy

Governance

- Board
- Exec team
- Second Tier Management
- Risk Assessment
- Internal & External ratings



PERFORMANCE



Past performance

- Audited accounts
- KPI trends
- Development performance



Current performance

- Board Reports
- Financial performance
- Development update



FUTURE PLANS-LINK TO CORPORATE STRATEGY



Business Plan

- Link to Audited accounts
- Can you track the BP from the Audited Accounts?

Financial projections

- Assumptions
 - Basis
 - Comparable
 - Testing

Cashflow

- Past accuracy
- Development spend



FUTURE PLANS-LINK TO CORPORATE STRATEGY



- Financial projections - continued
 - I&E
 - Balance Sheet
 - Covenants
 - Sensitivities
- Narrative





Sources of funding

- Surpluses
- Core business
- Sales
- Grants
- Bank/EIB
- Investors



CONSIDERATIONS



- Purpose of New Facility or Request
- Security- Readily Available Good Marketable
- Demand
- Business streams
- Ratings- Regulatory and Public
- Political risk



THE CREDIT PROCESS



- Credit & Pricing process
- Credit Analyst
- Credit Sanctioner
- Credit committee
- Pricing committee



QUESTIONS



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