

Capacity and Liquidity Impact on Financing and Capital Availability

Specialized Industries & Finance:

U.S. Bank Food Industries

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Know Your Banks

- Do They Understand Your Business?
 - Assets
 - Capital
 - Liquidity Needs
 - Speed of Market
 - Risk Management
 - Transaction Structures
 - Lenders or Specialists?

Know Your Banks

- Capacity to Support Your Business?
 - House Limits
 - Regulatory Limits
 - Internal Portfolio Limits
 - Bank Team

Know Your Banks

- Bank Ratings
 - National Banks
 - International Banks
 - Regional/Community Banks

Know Your Banks

- Top 10 U.S. Commercial Bank Ratings

U.S. Rank	Company	Moody's	S&P
1	U.S. Bancorp	Aa3 (n)	A+
2	JP Morgan Chase & Co.	Aa3 (n)	A+ (n)
3	Wells Fargo & Co.	A1 (n)	AA- (n)
4	BB&T Corp.	A2	A
5	Bank of America Corp.	A2 (n)	A (n)
6	PNC Financial Services Group	A3	A
7	Keycorp	Baa1 (n)	BBB+
8	Suntrust Banks, Inc.	Baa1 (n)	BBB
9	Fifth Third Bancorp	Baa1 (n)	BBB
10	Regions Financial Corp.	Ba3 (n)	BB+ (n)

Source: *Global Finance* February 28, 2011

Know Your Banks

- Selected International Bank Ratings

Company	Moody's	S&P
RaboBank Group	Aaa	AAA
National Australia Bank	Aaa	AA
Toronto-Dominion Bank	Aaa	AA-
BNP Paribas	Aa2	AA
HSBC Holdings	Aa2	AA-
Credit Agricole	Aa1	AA-
Barclays Bank	Aa3	AA-
Bank of Montreal	Aa2	A+
Societe Generale	Aa2	A+

Source: *Global Finance* October 2010

Know Your Banks

- Regional/Community Bank Failures
 - 2010 157
 - 2009 140

Know Your Banks

- Capacity
 - Farm Credit System
 - Commercial Banks
 - International Banks
- *61 Bankers at NGFA vs. 18 in 2007*

Know Your Banks

- To Syndicate or Not?
 - Do you have enough capacity?
 - Single Bank
 - Bi-Lateral Credit Lines
 - Syndication

Know Your Banks

- Today's Syndication Options
 - Single Agent
 - Co-Agent
 - Farm Credit System

What Banks Need to Know

- Financial Strength
 - Historical
 - Current
 - Forecast/Projections
- Key Metrics
 - Cash Flow
 - Leverage
 - Liquidity

What Banks Need to Know

- Strength of Management Team
- Risk Management Policy/Practices
- Key Risks to Business Model
- Business Plan/Company Objectives

What Banks Need to Know

- Anticipated Business Direction
 - Ups and Downs
 - Factors Influencing Expectations
- Potential Liquidity Issues
- Anticipated Covenant Compliance
- Financial Covenants
- Other Covenants

What Banks Need to Know

- Regulatory Issues
- Legal Issues
- “In the News”
- Proactive vs. Reactive
 - Lead Time
- Decide - Do Not React
 - Modification vs. Waiver
 - Default Clauses

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