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# Agenda

- 1. Stages of Growth for Emerging Companies and their Banking Needs
- 2. Why Are Bankers Asking all these Questions?
  - 1. What the bank is trying to achieve (it's not just a good return!)
  - 2. What Questions an Entrepreneur Needs to Ask their Bank
- 3. J.P. Morgan Overview

Stages of Growth for Emerging Companies

# Delivering solutions at every stage of growth

	Seed/early stage	Expansion/later stage	Established	Mature
Funding stage	<ul><li>Friends/family</li><li>Angel investors</li></ul>	■ Venture capital	■ IPO	■ Publicly traded
Business challenge/ state	<ul> <li>Developing product/service</li> <li>Developed Beta or limited commercialization product/service</li> </ul>	<ul> <li>Complete professional management team</li> <li>Substantial revenue growth</li> <li>18-24 months from cash flow break even</li> </ul>	<ul><li>Proven concept</li><li>Achieved significant revenues</li><li>Approaching cash flow break even</li></ul>	<ul> <li>Established business model with strong profits</li> <li>Focused on expanding offerings, cost management</li> </ul>
Customer needs	<ul><li>Reliability of execution</li><li>Consistency in working relationship with bank</li></ul>	<ul> <li>Tailored products (e.g., online) and flexible service</li> <li>Strong local market knowledge and retail branch network</li> </ul>	<ul> <li>Deep industry expertise</li> <li>Customized products (wholesale) and deal structuring/pricing</li> </ul>	<ul><li>Service and product quality</li><li>Presence in key markets</li><li>Advisory services</li></ul>
Product needs	<ul><li>Cash management</li><li>Corporate cards</li><li>Financial planning for founders</li></ul>	<ul> <li>Liquidity, card &amp; cash management</li> <li>Loans</li> <li>Capital markets / M&amp;A access</li> <li>Financial planning for founders</li> <li>E-commerce processing/payments</li> <li>Banking API services</li> </ul>	<ul> <li>Liquidity, card &amp; cash management</li> <li>Loans</li> <li>Capital markets / M&amp;A access</li> <li>International solutions</li> <li>Private Banking for founders</li> <li>E-commerce processing/payments</li> <li>Banking API services</li> </ul>	<ul> <li>Liquidity, card &amp; cash management</li> <li>Loans</li> <li>Capital markets / M&amp;A access</li> <li>International solutions</li> <li>Private Banking for founders</li> <li>E-commerce processing/payments</li> <li>Banking API services</li> </ul>

Why Are Bankers Asking all these Questions?

### Reasons for Paperwork and Questions

#### Return

- Internal Hurdle Rates
- Questions: Deposit size and length of time, number of payments made and received?

# Regulation

- Required to comply (AML, OFAC, FinCEN, etc.)
- Questions: Any individuals own more than 10%?

# Retrograde

- Bank systems cobbled together
- C-O-B-O-L











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