

# Greenwich Business Forum

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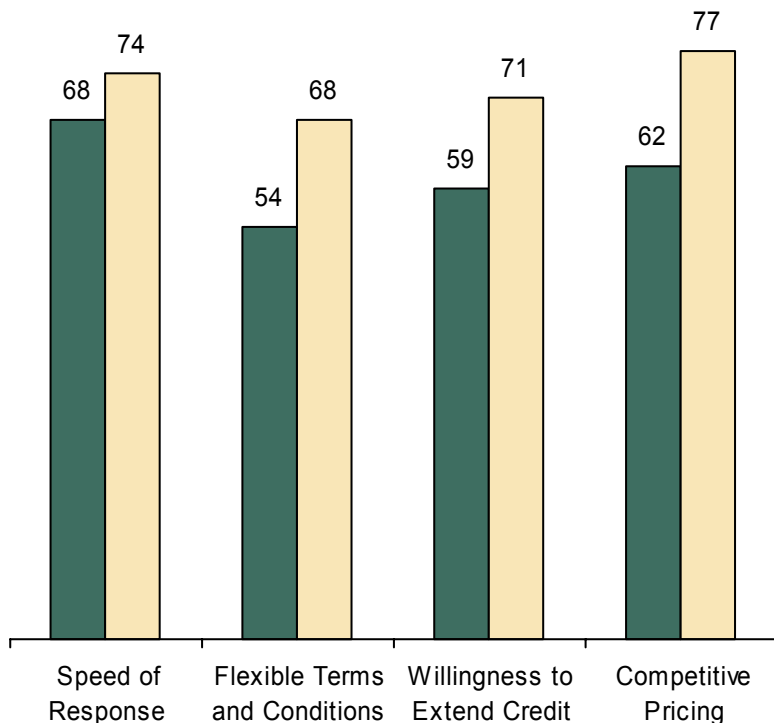
Credit Crunch Still Taking a Toll on Banking Relationships

March 2010

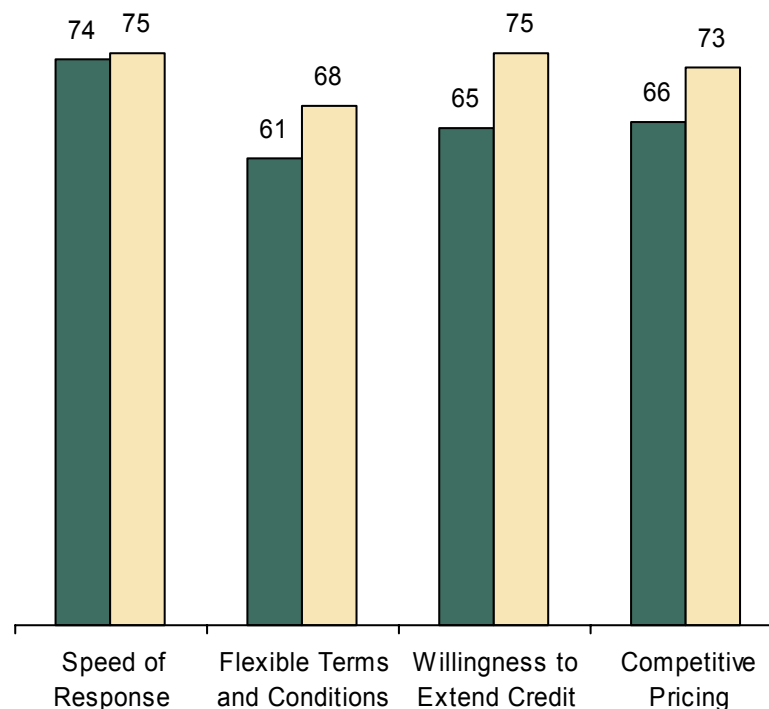
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# Regional providers have better credit performance scores across the board, as compared to national banks. Pricing and willingness to lend are the major areas where companies can benefit from smaller banks.

Credit Policy Evaluations “Net Performance” –  
Small Businesses (\$1mm-\$10mm)



Credit Policy Evaluations “Net Performance” –  
Mid-Sized Companies (\$10mm-\$500mm)



Source: Greenwich Business Forum – \$1mm-\$10mm

Note: “Net Performance” equals ‘Excellent/Above Average’ minus ‘Below Average/Poor’

Source: Greenwich Business Forum – \$10mm-\$500mm

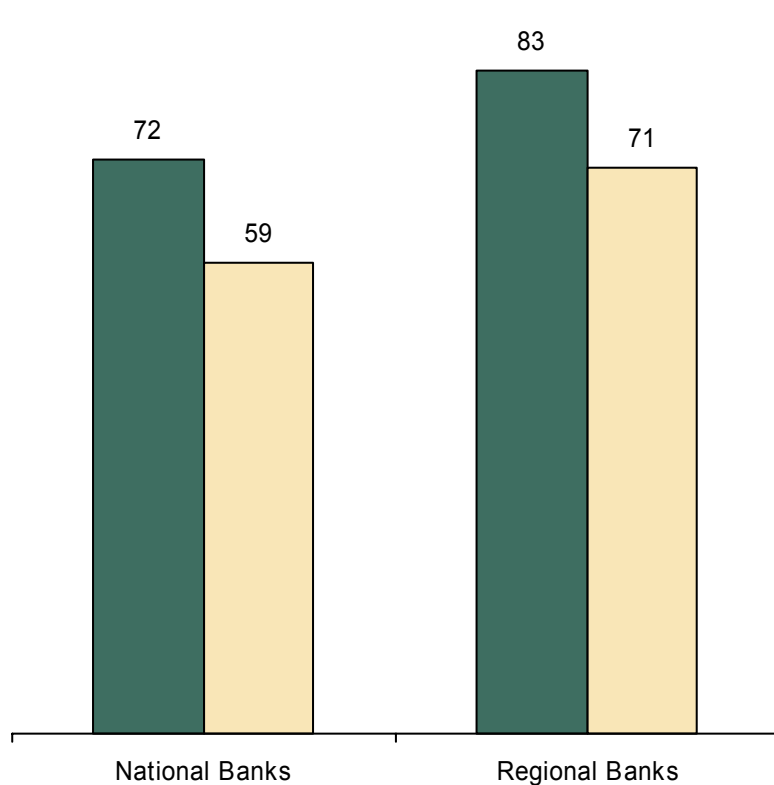
Note: “Net Performance” equals ‘Excellent/Above Average’ minus ‘Below Average/Poor’

 National Banks - Average

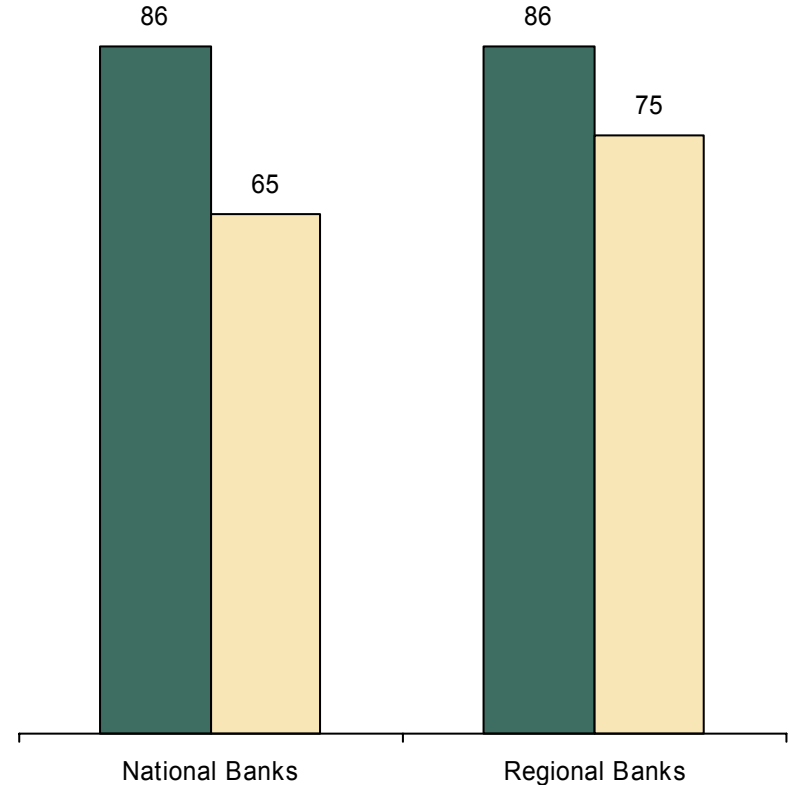
 Regional Banks - Average

# Willingness to lend scores have dropped for both national and regional providers from 2008 to 2009, but regional providers still have the edge.

Willingness to Lend "Net Performance" –  
Small Businesses (\$1mm-\$10mm)



Willingness to Lend "Net Performance" –  
Mid-Sized Companies (\$10mm-\$500mm)



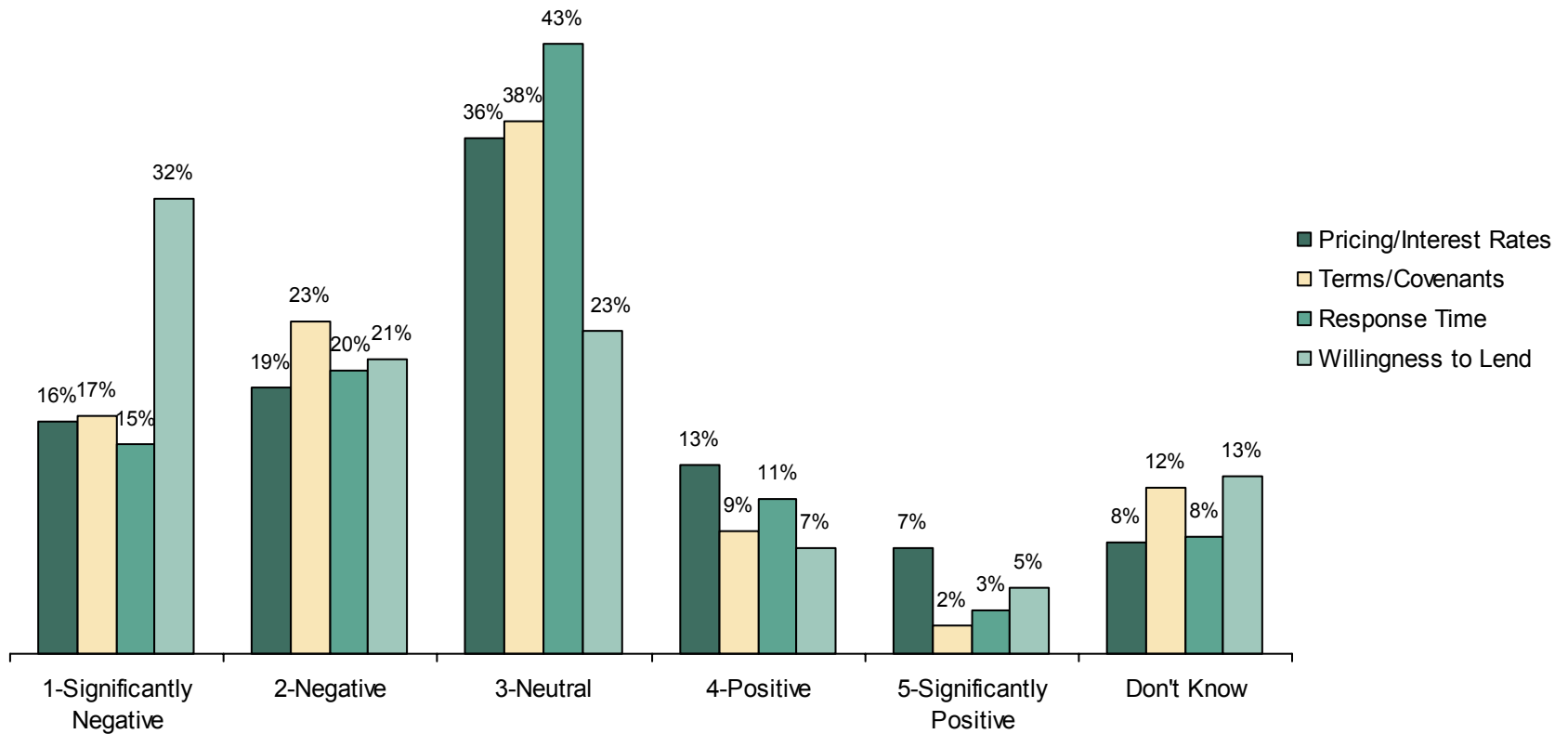
Source: Greenwich Business Forum – \$1mm-\$10mm  
Note: "Net Performance" equals 'Excellent/Above Average' minus 'Below Average/Poor'

Source: Greenwich Business Forum – \$10mm-\$500mm  
Note: "Net Performance" equals 'Excellent/Above Average' minus 'Below Average/Poor'

2008 2009

# Over half of small companies cite that banks' restricted willingness to lend is having a negative impact on their business.

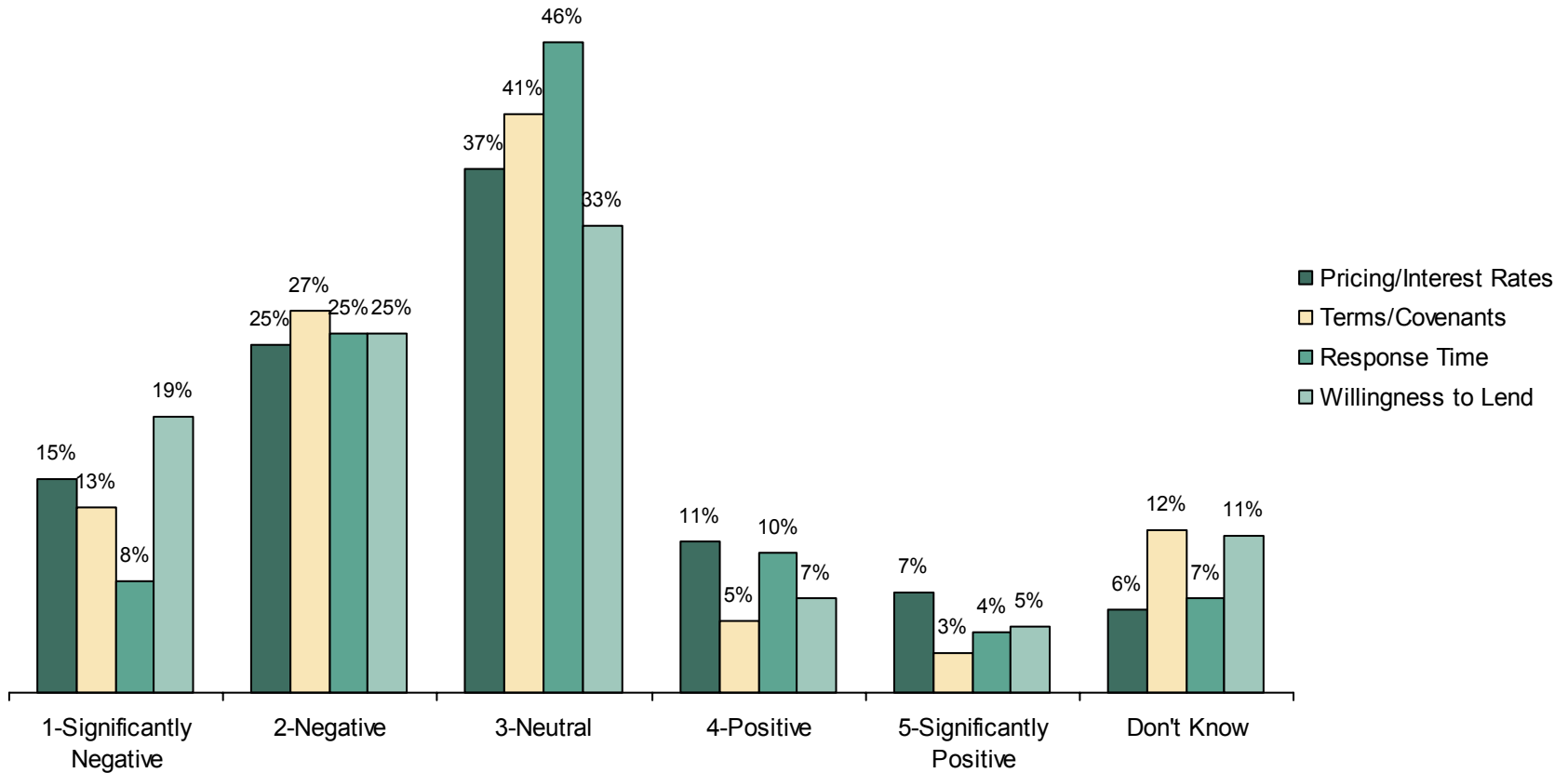
Impact of Bank Credit Characteristics on Small Businesses



Source: Greenwich Market Pulse v35

# Executives at mid-sized companies cite banks' willingness to lend as the primary factor that has negatively impacted their ability to operate in this market environment.

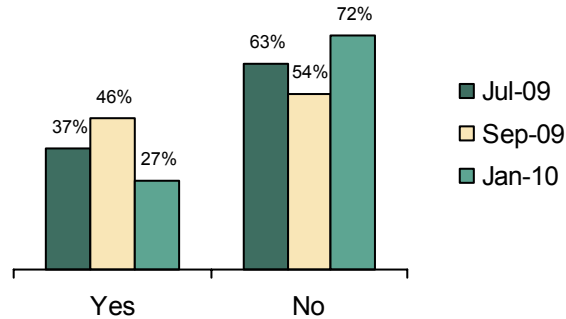
Impact of Bank Credit Characteristics on Mid-Sized Companies



Source: Greenwich Market Pulse v35

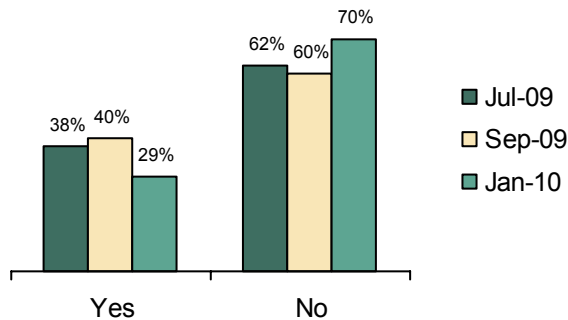
# Fewer companies are borrowing money than three months ago and those who do borrow are finding it more difficult to secure necessary financing.

**Percent of Small Businesses That Have Borrowed Money in the Past 3 Months**



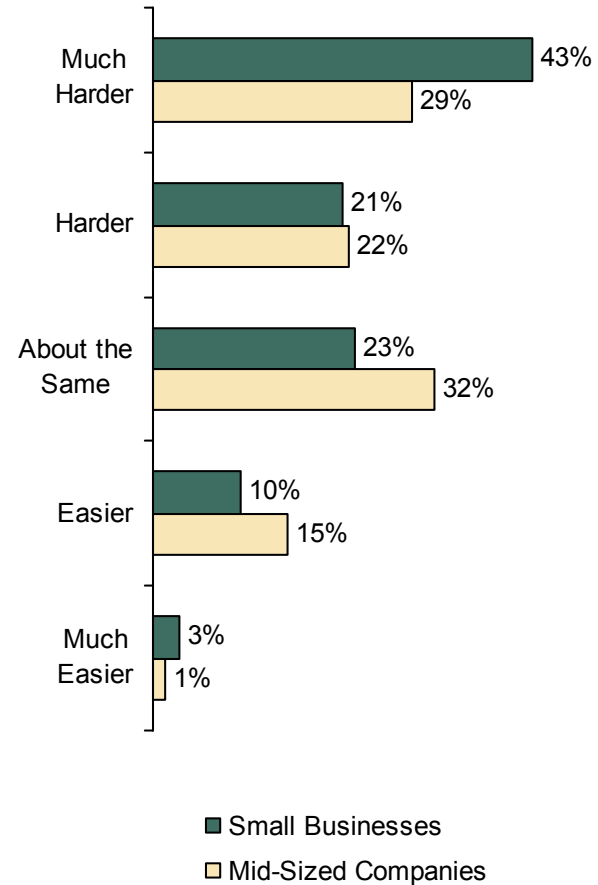
Source: Greenwich Market Pulse v32, v33, and v35

**Percent of Mid-Sized Companies That Have Borrowed Money in the Past 3 Months**



Source: Greenwich Market Pulse v32, v33, and v35

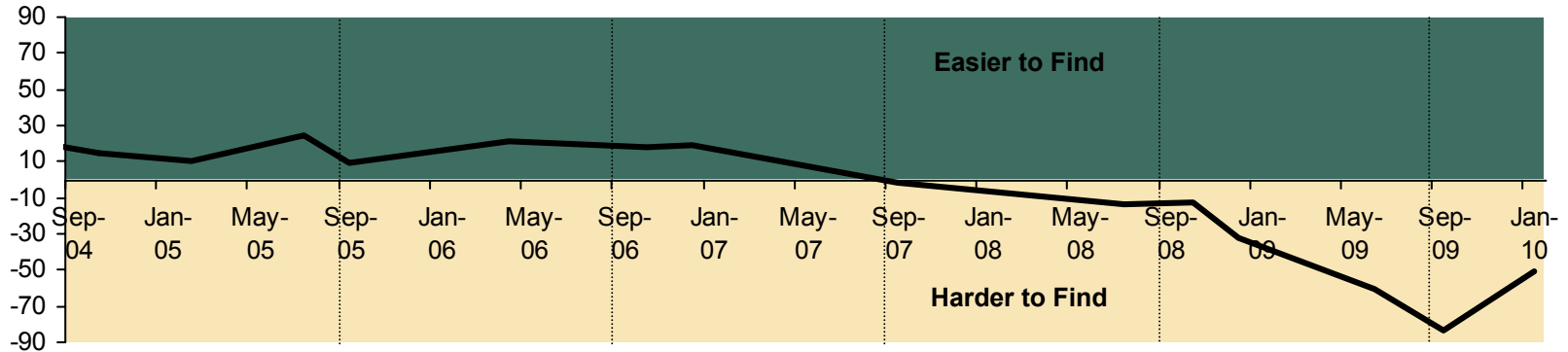
**Distribution of Opinions About Credit Availability Now Compared to Last Year**



Source: Greenwich Market Pulse v35

# While credit availability still remains deep in negative territory, a positive shift has taken place over the past few months for both small and mid-sized companies.

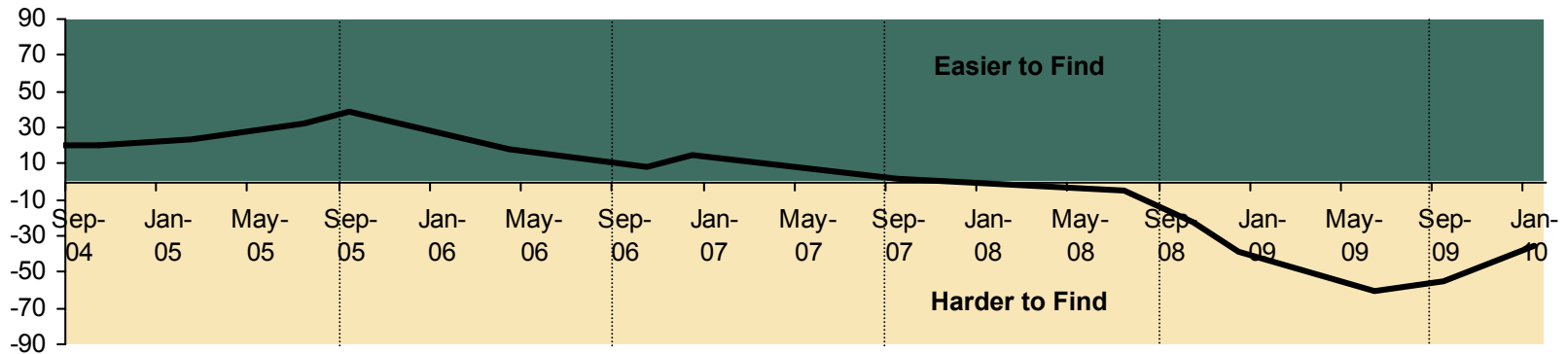
**Greenwich Credit Availability Index – Small Businesses**



Source: Greenwich Market Pulse v35

Note: The Greenwich Credit Availability Index is the net score of companies who feel that credit is easier versus harder to find.

**Greenwich Credit Availability Index – Mid-Sized Companies**

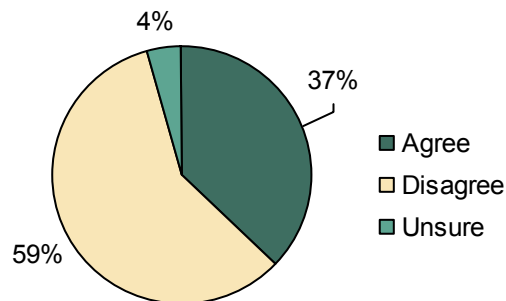


Source: Greenwich Market Pulse v35

Note: The Greenwich Credit Availability Index is the net score of companies who feel that credit is easier versus harder to find.

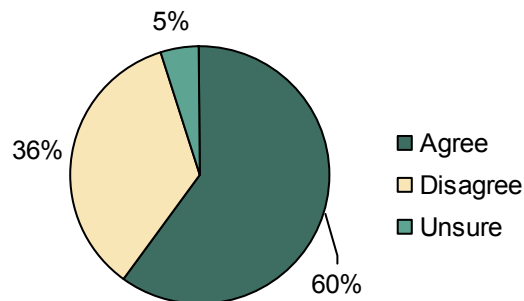
# The majority of companies understand the need for banks to be stricter on loan terms, but few are willing to accept longer wait times for credit requests and few believe banks are offering reasonable pricing and terms.

Percent of Small Businesses That Believe "It Is Acceptable for Banks to Take Longer to Approve Credit Requests Given the Current Economic Situation"



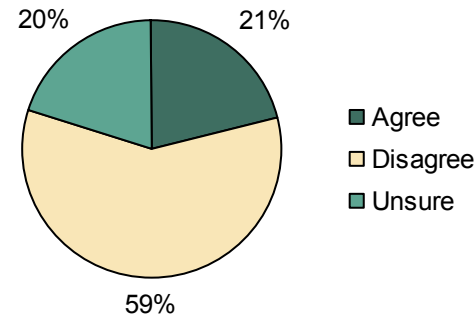
Source: Greenwich Market Pulse v35

Percent of Small Businesses That Believe "It Is Acceptable for Banks to Be Stricter on Loan Terms and Covenants Given the Current Economic Situation"



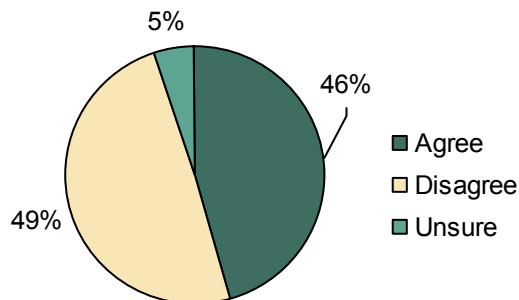
Source: Greenwich Market Pulse v35

Percent of Small Businesses That Believe "Banks Have Done a Good Job Adjusting Their Credit Terms and Pricing to Match the Realities of the Market"



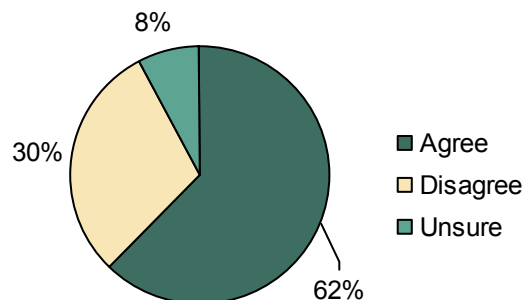
Source: Greenwich Market Pulse v35

Percent of Mid-Sized Companies That Believe "It Is Acceptable for Banks to Take Longer to Approve Credit Requests Given the Current Economic Situation"



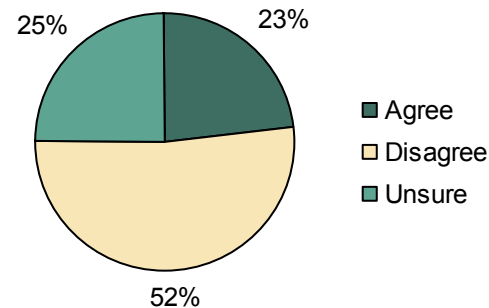
Source: Greenwich Market Pulse v35

Percent of Mid-Sized Companies That Believe "It Is Acceptable for Banks to Be Stricter on Loan Terms and Covenants Given the Current Economic Situation"



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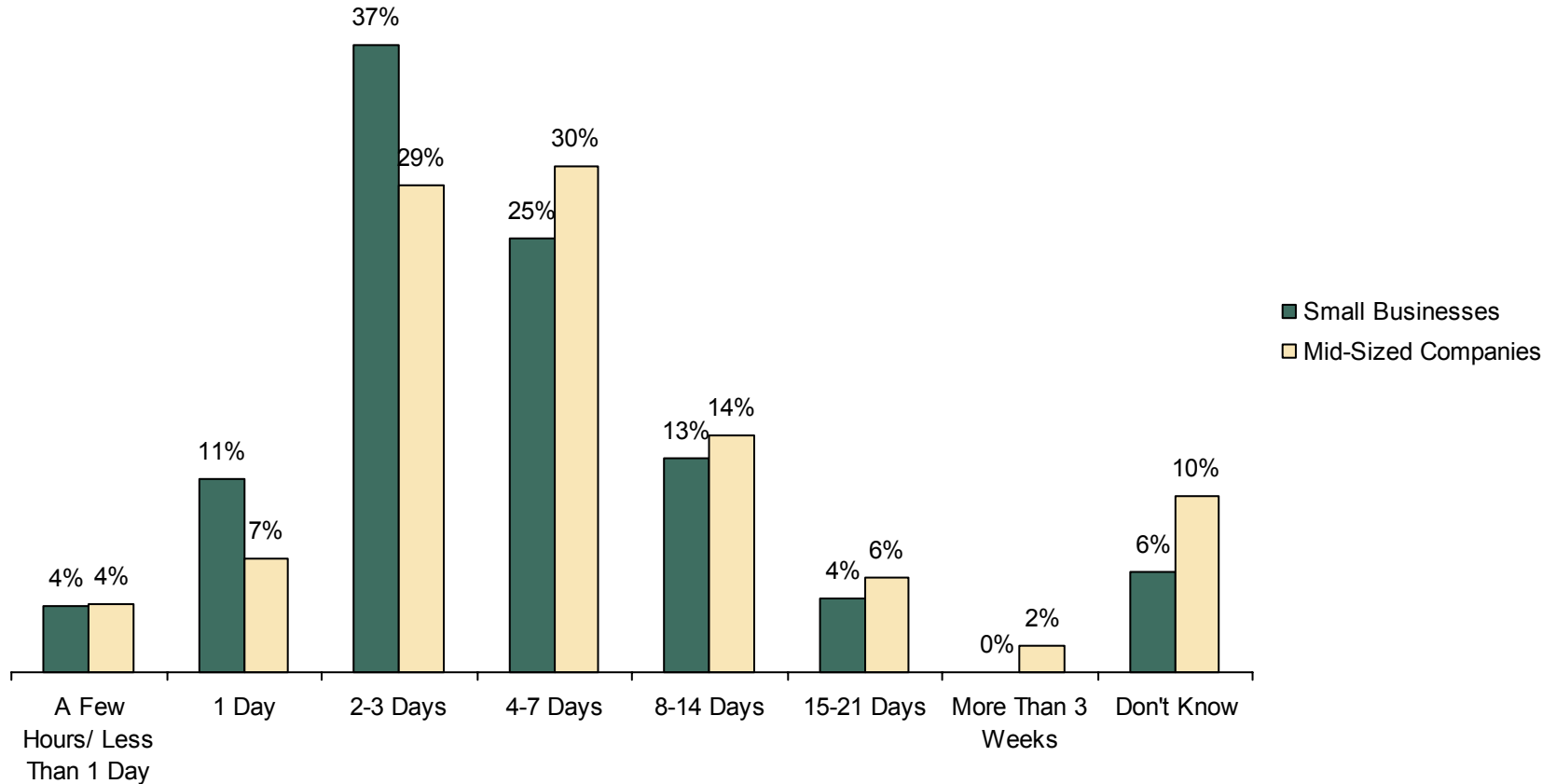
Percent of Mid-Sized Companies That Believe "Banks Have Done a Good Job Adjusting Their Credit Terms and Pricing to Match the Realities of the Market"



Source: Greenwich Market Pulse v35

# Most companies are willing to accept a wait time of between 3-7 days for responses to their credit requests and are generally unwilling to accept longer timeframes because of the market conditions.

Acceptable Wait Times for Credit Requests



Source: Greenwich Market Pulse v35

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