

OYSTER INDUSTRY FINANCE - Preparing For the Bank

This document is to help you prepare for a visit to the bank, or other lender, to discuss borrowing money or refinancing your oyster operation. The information below has been prepared after discussions with a number of banks/lenders to understand the type, quality and quantity of information they need to make a decision to lend you money, or not.

While all banks are different, one lender mentioned that they base their decision on what they call the Three C's:

- Character – of the person
- Capacity – to repay
- Collateral – to support the loan

All of these factors impact on the interest rate the bank offers should they decide to loan you money.

Another banker mentioned that it is very important that you share your **track record** in the industry. They need to understand the depth of your experience, the strength of your business and be confident in your ability to repay any loans.


This document is a checklist of the information you may need to gather and provide to the bank. Each bank/lender will have their own forms for you to complete, but this document should highlight the type of information you need to have to hand before you walk in the door.

You may be aware that the finance industry does not have a good working knowledge of the oyster industry, how it works and how it is valued etc. The goal of the questions below is to build understanding of the industry and your business, and ultimately make them more confident to lend you money. The better prepared you are, and the more professionally you prepare and provide your financial information, the greater the chance of success!

Throughout this document, the '💣' symbol indicates some useful tips or vital information.

BACKGROUND SUMMARY:

1. Describe your business:	Location/Estuary:			
	Size of lease:		hectares or	acres
	No. of dozen produced annually:			doz
	Approx. value of Annual Production: \$			
2. What type of oysters do you specialise in and the % of production?	Sydney Rock <input type="checkbox"/>	Pacific <input type="checkbox"/>	Other <input type="checkbox"/>	
	%	%	%	
3. Your role in the business				
4. No. of employees/workers in the business	1-5 <input type="checkbox"/>	5-10 <input type="checkbox"/>	10-20 <input type="checkbox"/>	20+ <input type="checkbox"/>
5. How long have you held this/these lease(s)?	Years			
6. When is/are the lease(s) due for renewal?	Month:	Year:		
	Month:	Year:		
	Month:	Yea:		
	Are you confident that the lease(s) will be renewed?			
	Yes <input type="checkbox"/>	No <input type="checkbox"/>		
7. How long have you been in the industry	Years			

8. What is your business structure	Sole Trader <input type="checkbox"/> Partnership <input type="checkbox"/> Company <input type="checkbox"/> Other <input type="checkbox"/>
9. Is your business:	Stable <input type="checkbox"/> Growing slowly <input type="checkbox"/> Growing rapidly <input type="checkbox"/>
10. From an industry average perspective, is your business performing	Below Industry <input type="checkbox"/> On Par <input type="checkbox"/> Above Industry <input type="checkbox"/>
11. How much money are you seeking to borrow?	\$
12. What will you use the loan for?	<ul style="list-style-type: none"> • • • •
13. Why is this an opportunity or a good thing for your business?  You need to convince the lender of the benefits/importance of your project to your business' future.	

PERSONAL:







1. Are you the key/main person in your business?	Yes <input type="checkbox"/> No <input type="checkbox"/>
	If yes, do you have Key Man/Person or Business Interruption Insurance? Yes <input type="checkbox"/> No <input type="checkbox"/>
	If you don't have Key Man/Person Insurance, do you have a continuity plan or succession plan if something should go wrong? Yes <input type="checkbox"/> No <input type="checkbox"/>
2. What are your monthly living expenses?	\$
3. Do you have a monthly budget?	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. Do you have any longer term financial commitments?	Yes <input type="checkbox"/> No <input type="checkbox"/>
	If yes, what are they: <ul style="list-style-type: none"> • =\$ • =\$ • =\$ • =\$

BUSINESS:

1. Do you have a Business Plan for your Oyster business?	Yes <input type="checkbox"/> No <input type="checkbox"/>
2. What are your top 3 goals/objectives for your business in the next 5 years?	1. 2. 3.

ATTACHMENTS:

We recommend that you go to any meeting well-armed with relevant and up-to-date information. Consider placing the information listed in this document, and the suggested attachments below, into a new/professional folder that can be presented to the lender.

Attachments	✓	Notes/Comments
Your current Business Plan	<input type="checkbox"/>	 this will show the bank that you operating in a strategic and organised way and have thought through the opportunities and risks for your industry
Cash flows and budgets (including assumptions behind the figures)	<input type="checkbox"/>	Attach these is you don't have a full business plan.  They should show how any loans will be spent and repaid. These documents prove you have a solid and realistic understanding of your business operation.
A detailed list of your Assets & Liabilities	<input type="checkbox"/>	 The bank will want to know what you personally and your business are worth. Include things such as superannuation policies, credit cards, equipment leases etc. You may be asked to show copies of the lease contracts/agreements
Copy of your Oyster Lease documents	<input type="checkbox"/>	 To prove you own the lease.
Business Tax Returns for last 2 years	<input type="checkbox"/>	Note: some lenders may ask for the previous 3 years and copies of Tax Portal statements
Your most recent Personal tax return, if applicable	<input type="checkbox"/>	
A Profit and Loss statement for the last 12 months	<input type="checkbox"/>	
Bank statements for the last 12 months	<input type="checkbox"/>	
Credit card statements for the last 12 months	<input type="checkbox"/>	
Your Personal Budget	<input type="checkbox"/>	The bank may want to see what you spend each month.
Oyster Industry FAQ document	<input type="checkbox"/>	 This will give background information on the NSW industry
A tourist guide from your area	<input type="checkbox"/>	 This will give background information on the strength of your region
Any economic profile/statistics prepared by your local government body	<input type="checkbox"/>	This will give background information on the strength of your region. Have a look at your Council's website