



Global Investment Research

Credit, Growth and FinTech

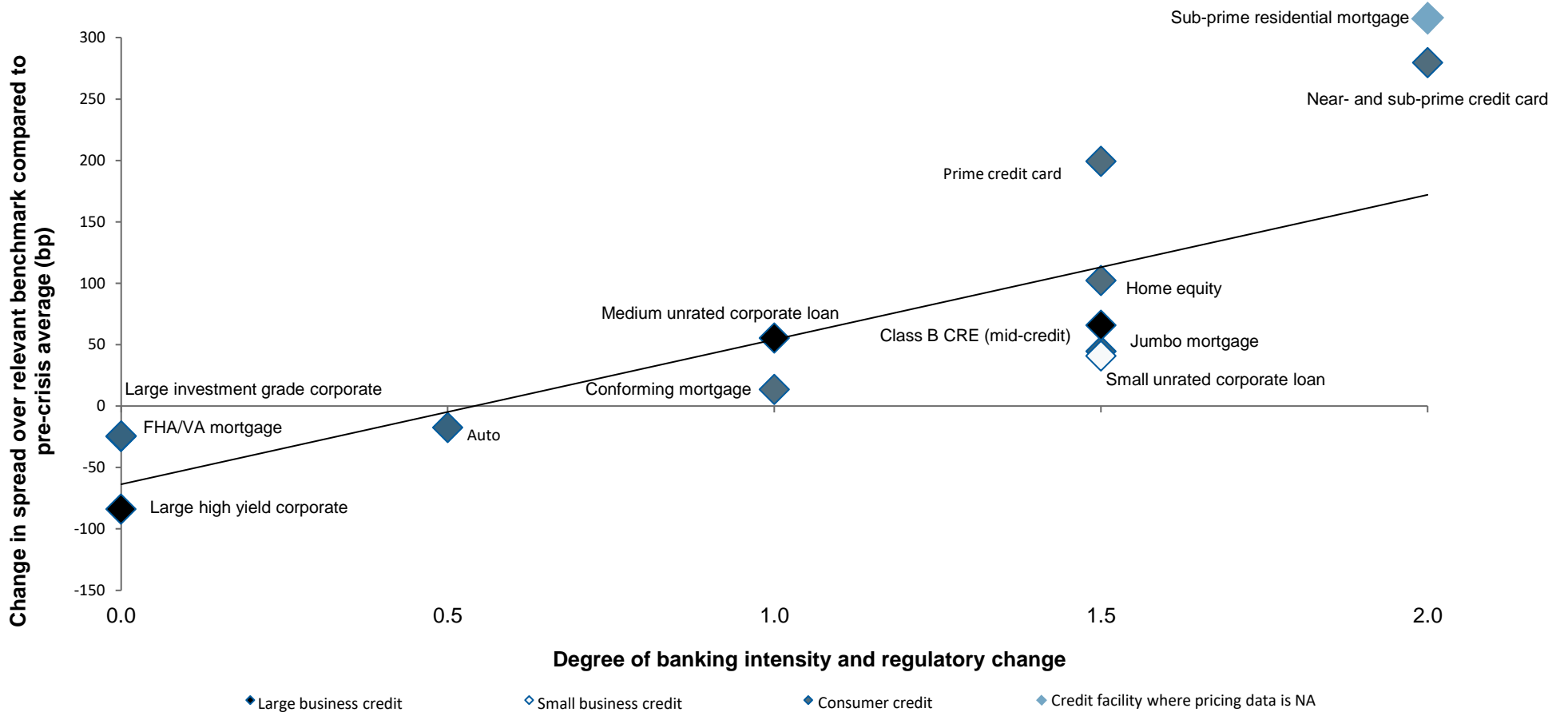
How have regulations impacted the availability of credit and business growth? How can fintech help?

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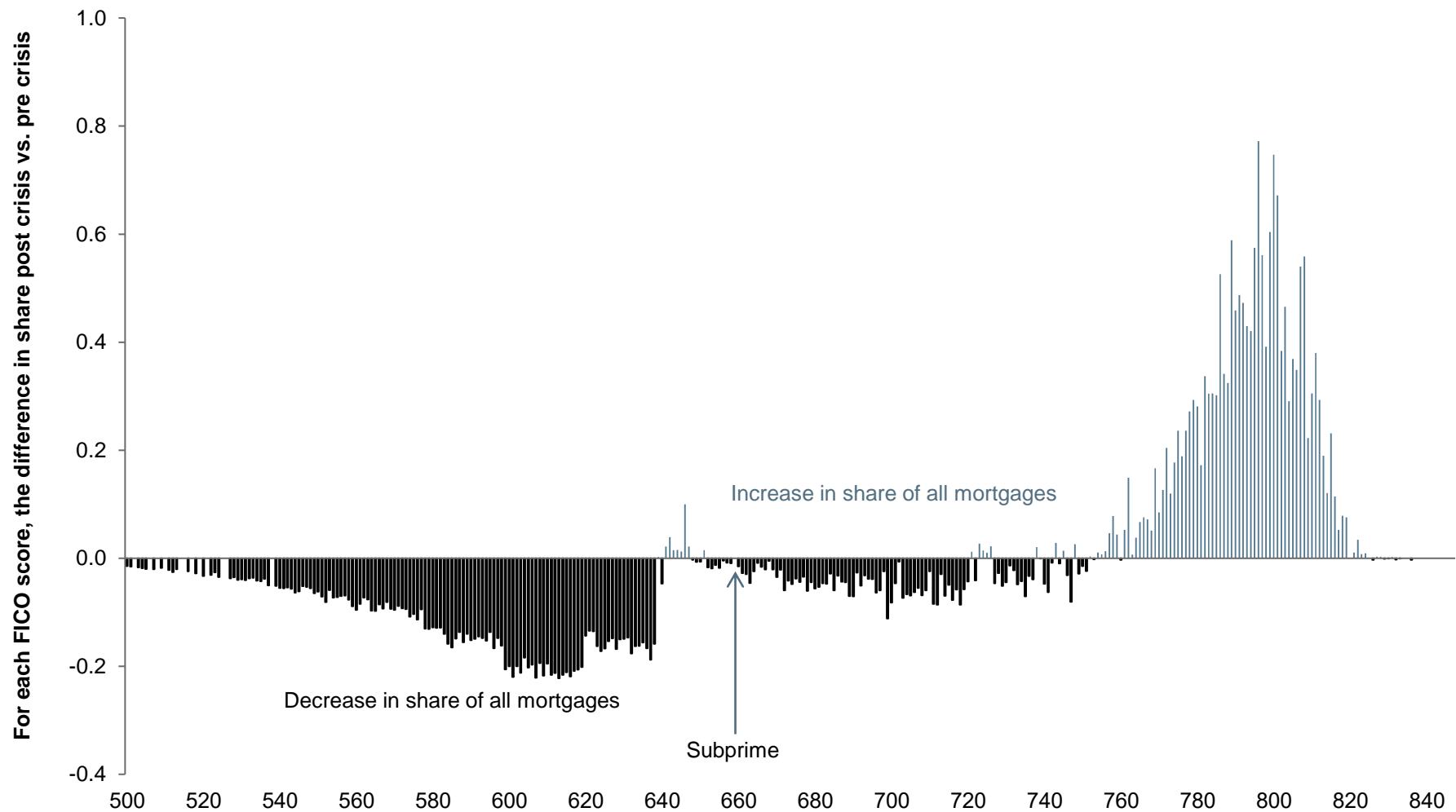


Rising rates in markets most exposed to regulatory change



Source: Goldman Sachs Global Markets Institute.

The differential between high- and low-FICO mortgages post-crisis



Source: eMBS, Goldman Sachs Global Markets Institute.

Financing options during the lifecycle of a business

Life Cycle Stage		Revenue ¹		External Financing Options								
				FICO-Based Lending		Secured Bank Lending ²		Bank Funded Growth		Private Placement	Public Offerings	
				Credit Cards (Business and Personal)	Home Equity Line of Credit	Bank Inventory Loans	Short-Term Loans	SBA Loan ³	Non-FICO Bank Loan	Investment-Related Lending	Public Equity	Public Debt
Exit (IPOs, strategic acquisitions, etc.)	\$25+ million							✓	✓	✓	✓	
Maturity						✓		✓	✓			
Expansion	\$20 - 25 million		✓	✓	✓	✓	✓	✓				
Established	\$15 - 20 million		✓	✓	✓	✓	✓					
Growth ²	\$5 - 15 million	✓	✓	✓	✓							
Start-up	Under \$5 million	✓	✓									

For illustrative purposes. This chart represents discussions with small business owners on their experiences with accessing capital, as opposed to the actual technical requirements for financing.

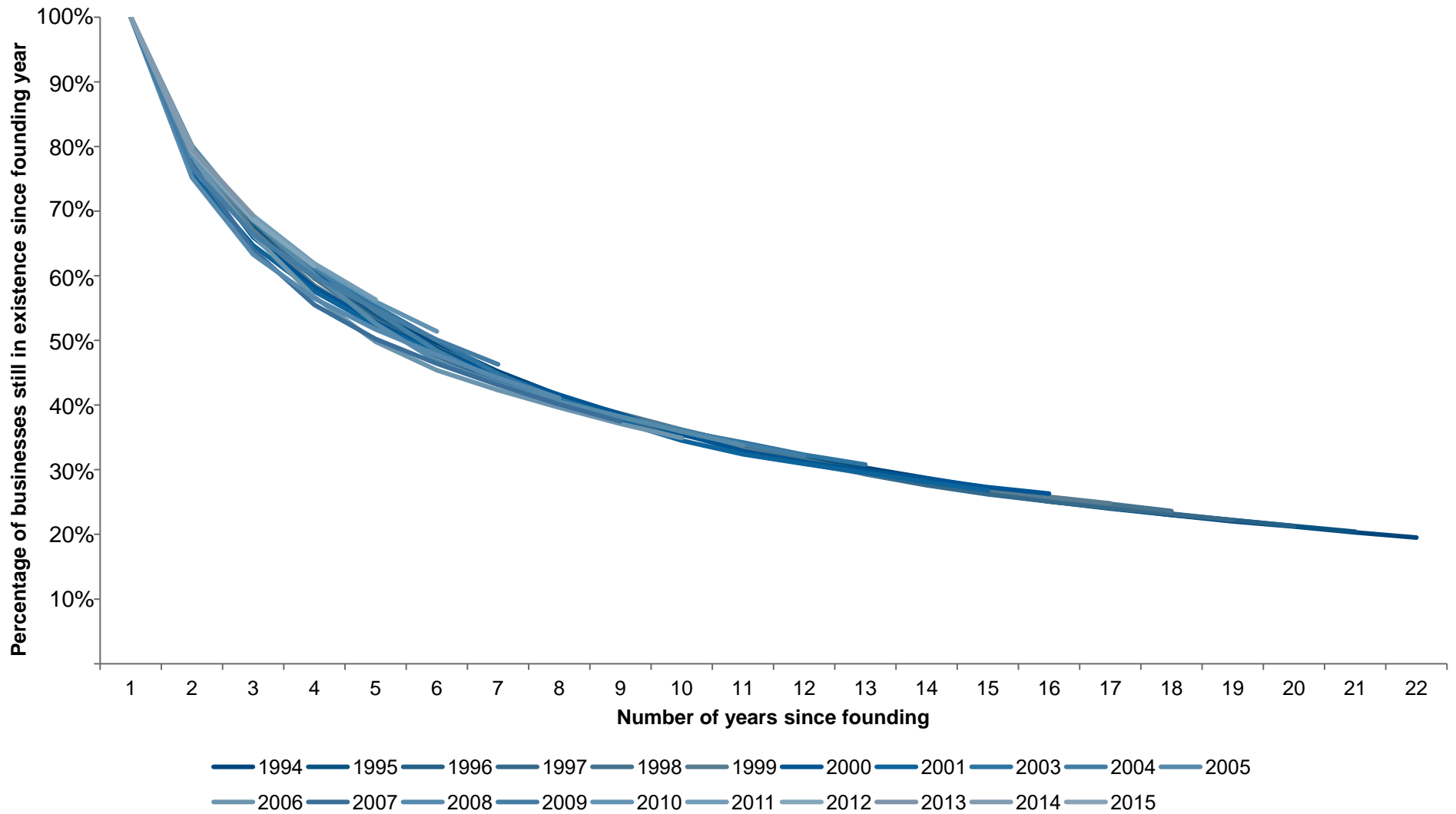
¹ Revenue minimums may vary due to state laws and requirements from lending institutions. Additional factors on a case-by-case basis may include FICO score, assets, collateral (such as real estate properties), receivables, level of debt incurred, profitability, revenue growth speed, and industry type.

² The lighter shading for companies in the growth stage represents requirements to provide additional pledged assets and personal guarantees when applying for secured bank lending options.

³ Maximum revenue and employee size for an SBA 7(a) loan varies by industry. For certain industries, such as specific types of farming, the maximum revenue to qualify as a small business can be as low as \$750,000. In addition to the SBA 7(a), the SBA also administers a variety of other types of loans, including the SBA 504 loan, microloans, and disaster loans.

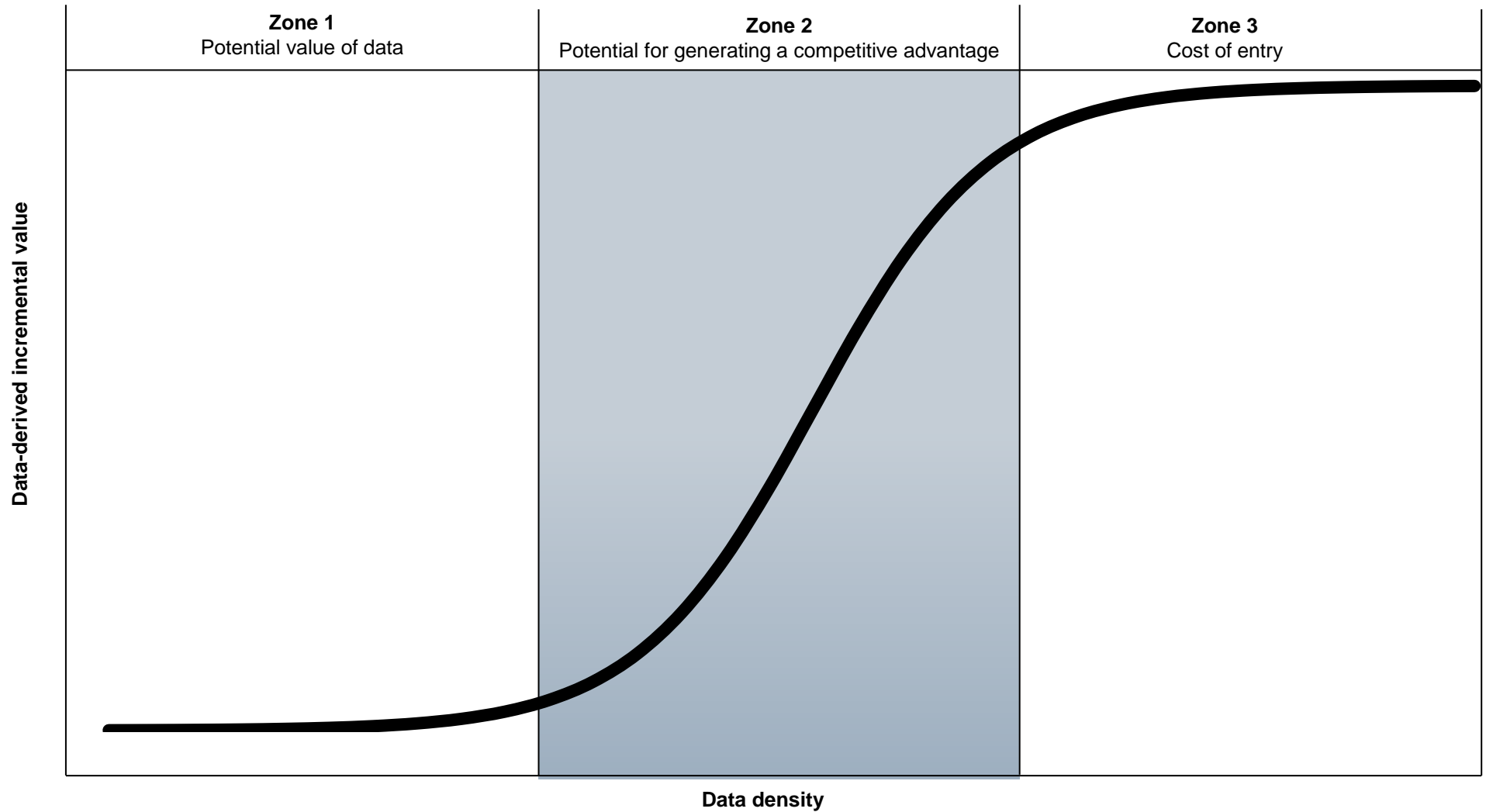
Source: Small Business Administration, Goldman Sachs Global Markets Institute.

Business survival rates since founding year



Source: Bureau of Labor Statistics, Goldman Sachs Global Markets Institute.

The learning curve as a competitive advantage



Source: Goldman Sachs Global Markets Institute.