

A small, dark silhouette of three people standing together, located in the top left corner of the page.

## DEAL SHEET 2009

As a product, Asset Based Lending provides a flexible and alternate financing solution for businesses experiencing change. A robust product, Asset Based Lending has proven its reputation within various economic cycles – boom or bust and is why Asset Based Lending continues to bolster its position despite the tightening effect of the credit crunch today.

Asset Based Lending delivers sophisticated solutions for a variety of scenarios including growth, buyouts, buy-ins, mergers and acquisitions, refinancing, turnarounds, public to private transactions across both a European and global arena.

This Deal Sheet was produced by the Asset Based Lending Committee, part of the ABFA, which aims to increase understanding and raise the profile of the Asset Based Lending industry in the UK and Ireland.

The Asset Based Finance Association (ABFA) is an Association which represents the Asset Based Finance industry (which includes Asset Based Lending) in the UK and Ireland. Currently over 49,000 businesses are benefiting from over £17 billion in lending from this industry.

To read more about recent ABL deals please visit [www.abfa.org.uk/abl/abl.asp](http://www.abfa.org.uk/abl/abl.asp)

### **KBC BUSINESS CAPITAL SAYS: “YES WE CAN”**

KBC Business Capital, the specialist Asset Based Lending (ABL) subsidiary of Belgian banking group KBC Bank recently completed the re-financing of one of the UK's leading providers of canned food products to the food service and retail sectors.

After a successful management buyout (MBO) a few years ago this specialist provider of canned food always kept a close eye on its financial facilities. With the UK economy on a downward trend and with the availability of funding decreasing the directors decided to seek a re-financing for their business.

They had three key requirements: to maximise their financial headroom, to try to achieve a more flexible and robust funding structure and if possible to obtain a committed facility.

KBC's £8.35m ABL facility was completed in January 2009 and

delivered all of these requirements through a complementary mixture of revolving Account Receivables and inventory facilities alongside more traditional banking requirements such as Letter of Credit, HMCE guarantees and Treasury facilities.

On completing the transaction, Paul Hooper, Sales Director at KBC Business Capital said: “This type of business re-financing is typical of the opportunities that are being presented to KBC. We are seeing a lot of good companies who are worried about both the availability and certainty of their funding facilities because of the economic and financial climate. Switching away from “on demand” facilities to a three-year Asset Based Lending structure helps to provide the financial stability companies need in today's economic environment.”