



# Caple Unsecured Business Loans

Caple provides unsecured loans to SME businesses, of between £500k and £5million, for terms of between 5 and 8 years.

This product is unique in the market and is only available via a member of Caple's independent Partner Network - borrowers cannot approach Caple direct. Only Partners that can demonstrate knowledge, experience, and a strong track record in commercial finance are considered for inclusion and we are proud to have been selected as a member of Caple's Partner Network.

Our admission to the Partner Network extends our reach and means that we can provide unique benefits and an even greater choice of funding solutions to our clients.

Caple Business Loans are unsecured, so that means no personal guarantees, charges on company or personal assets, fixed/floating charges, debentures, or warrants (although when lending to group structures cross company guarantees will be required).

They can be used to finance growth, investment, acquisitions or as additional working capital. They can also be used to fund changes in ownership, such as

Management Buy-Ins and Management Buy-Outs; and can even be used alongside existing bank debt or other external finance.

Caple is a financial services company with offices in London and Amsterdam, whose mission is to provide long-term, unsecured loans to European SMEs.

Loans are funded by BNP Paribas Asset Management.

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## The Benefits of a Caple Loan

- Caple provides credit where banks and other commercial lenders cannot fully satisfy the need.
- Loans are more flexible because they are based on a business's strategic plan rather than on the availability of collateral.
- Because loans are unsecured, company assets are freed up and if necessary can be used as collateral to support other bank borrowing.
- Directors' personal guarantees are not needed.



## The Application Process

- Pricing is fair and transparent, with no commissions or hidden charges.
- In normal circumstances loans can be provided within four to six weeks.
- Applications must be submitted via one of Caple's independent Partner advisors - borrowers cannot approach Caple direct. Partners are pre-vetted by Caple and are allowed access to their technology platform, which is used for assessing, proposing and the subsequent monitoring of loans.
- The Partner carries out an initial eligibility check on the borrower.
- Credit approval is based on an in-depth written proposal, prepared by the Partner, which includes an analysis of the borrower, its strategy and its expected cash flows.
- The proposal is then assessed and approved by Caple and BNP Paribas Asset Management.
- Following credit approval, the Partner liaises with the borrower to complete the offer letter and other pre-drawdown paperwork.
- If required, the Partner can also deal with the post-drawdown monitoring requirements on behalf of the borrower.



## Features of the Caple Offering

- Available in amounts from £500k to £5million.
- Repayment terms of between 5 and 8 years.
- Business loans are unsecured - no personal guarantees, charges over company assets, fixed/floating charges, debentures, or warrants are required.
- Loans have a wide range of uses including growth finance, acquisitions, MBOs/MBIs, cash flow top-ups, as well as working capital and general corporate purposes.
- Fixed interest rates are between 6% and 12%, and are based on the financial strength of the borrower and their business plan.
- Loans are repayable in quarterly instalments.
- There are no legal fees, valuation fees, or third party due diligence fees.
- The borrower must be a UK SME with at least two directors or shareholders.





## Eligibility Criteria

- Turnover must be between £1million and £50million, and they must have minimum total (gross) assets of £1million (not net assets).
- They cannot operate in a restricted sector (e.g. property investment and development).
- Loans are not permitted for the sole purpose of repaying existing debt and must include an element of new borrowing.
- Total third party borrowing, including the new Caple loan, cannot exceed a multiple of 4x EBITDA, calculated on the borrower's first year projections after drawdown of the loan (the multiple excludes subordinated debt such as director loans, vendor loans etc.).
- The Caple loan cannot account for more than 70% of bank or other third party debt post drawdown.
- A minimum of three years registered accounts is required, with two of the last three being profitable (note: after drawdown, accounts need to be audited as part of ongoing monitoring).
- There can have been no payment or demand events in respect of existing borrowings (including overdue payments) in the last three years.
- Borrowers must observe a Debt Service Cover Ratio calculated on the first year projections post loan drawdown, where forecast EBIT must cover Total Debt Service costs (i.e. the capital & interest payments on all existing borrowings as well as the new Caple loan to be granted) by at least 1.2 times.
- The borrower must be able to comply with KYC/AML requirements.



## Restricted Sectors

- Property Investment (unless owner occupied)
- Property Development
- Financial and Insurance Sectors
- Nightclubs and Gambling
- Hotels and Restaurants
- Production and trade of tobacco and associated products (relates to the handling of raw tobacco where majority of business is over one third)
- Production and trade of weapons and ammunitions
- R&D or technical applications intending to:
  - Support the businesses mentioned above including pornography
  - Provide illegal access to numerical data, or allow the downloading of it
- Nuclear Power and Nuclear Fuel Cycle
- Palm Oil
- Oil Sands
- Mining
- Coal fire power generation
- Wood pulp (upstream and downstream)
- Companies trading in the agricultural sector are subject to a separate policy.



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## Contact Us

If you would like to speak to us about an Unsecured Business Loan through Caple, please call your Independent Banking Consultant contact direct, or alternatively:

Telephone: **01234 262620**

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