

Asset Based Lending (ABL)

Important Information Summary

The information in this document summarises the important features of Metro Bank's Asset Based Lending products but is not intended to replace the Facilities Agreement and associated Terms and Conditions. This document also contains the terms specifying the charges which apply to the product and other additional provisions. If there is anything you do not understand, please ask any Metro Bank Invoice Finance and Asset Based Lending representative. These details are correct as of 30 April 2025. If these details have changed by the time you commence a facility, we will provide you with the current Important Information Summary for this account.

The information contained in this table summarises key product features and is not intended to replace any terms and conditions.

THINGS YOU SHOULD CONSIDER BEFORE TAKING OUT THIS PRODUCT

- Minimum borrowing facility of £2,000,000.
- Maximum borrowing amount of £50,000,000.
- Asset Based Facilities can be provided against Debtors, Inventory (Stock), Plant & Machinery ("P&M") and Commercial Property. With consideration given to additional Cashflow Loan facilities in certain circumstances.
- All ABL facilities must have an Invoice Finance (Debtors) element to the facility.
- Any P&M facilities will be against existing P&M assets. New P&M, Capex, facilities can be provided by Metro Bank Asset Finance.
- Facilities provided against Inventory, P&M and Commercial Property assets will require a professional valuation, paid for by yourselves. Any subsequent valuations required will also be at your cost.
- Advance rates against each asset class will be agreed on a case-by-case basis and can be subject to review. They are typically up to:
 - Debtors – 90%
 - Inventory – 85%
 - P&M – 80%
 - Commercial Property – 75%
- For the operation of the Invoice Finance facility certain Disbursements can feature. These are available on our website. These are provided alongside the Sales Finance Agreement.
- ABL facilities can be used to:
 - Re-finance existing Facilities
 - Provide working capital and growth financing
 - Be used to fund a transaction such as an MBO, MBI, Acquisitions etc.
 - Other purposes as agreed.
- The interest rates in this product are variable which means the rate can go up or down from time to time.

FEES AND CHARGES

Invoice Finance (Debtors)

1. Service Fee. Either a variable fee, based on a percentage of gross sales (including VAT), when invoices are assigned or a Fixed Monthly Fee, charged at the end of each month.
 2. Discount Charge. A variable rate charged over Metro Bank Base Rate (variable)
- We charge the Discount Charge daily on the balance outstanding on your account.

Inventory

1. Monitoring Fee. A Fixed Monthly Fee, charged at the end of each month, (individually negotiated).
 2. Interest. A variable rate charged over Metro Bank Base Rate (variable)
- We charge the Interest daily on the balance outstanding on your account.

FEES AND CHARGES (continued)

Term Loans – P&M, Commercial Property and Cashflow Loan	Interest. A variable rate charged over Metro Bank Base Rate (variable) We charge the Interest daily on the balance outstanding on your account.
Initial arrangement fee	Individually negotiated.
Facility Increase fee	Individually negotiated.
Annual Fee	Individually negotiated.

OTHER KEY PRODUCT INFORMATION

Duration of Agreement	1-5 years. Renewal of the facility is subject to credit review and approval.
Loan Amortisation Periods	Plant & Machinery – Up to 5 years Commercial Property – Up to 25 years Cashflow Loan – Up to 4 years
Security Requirements	Asset Based Lending is subject to credit approval. Security may be required. Any property or asset used as security may be at risk if repayments are missed for any debt secured on it. Charges may apply for any default on payments. We may share account performance information with credit reference agencies.

MORE INFORMATION

What is Asset Based Lending?	Asset Based Lending utilises the value of assets on your Balance Sheet, and/or the target company Balance Sheet, to provide a flexible way to free up working capital and acquisition finance to support organic business growth and acquisition plans.
What is a variable rate?	The interest rates in this product are variable, which means the rate can go up or down from the time to time. Metro Bank base rate can be found on our website: www.metrobankonline.co.uk/help-and-support/what-is-the-metro-bank-base-rate If the Metro Bank base rate changes, then we will increase or decrease the interest rate as appropriate. We will apply any changes to your account without undue delay and tell you about any changes in advance.
Statements	We will provide you with a monthly online statement, via our E3 system.