Borrowing Base Facility

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Borrowing Base Facility

- Revolving working capital facility funding the business in a flexible way against security interest over current assets
- Loan balance may fluctuate daily, based on ‘Borrowing Base Certificate’ submitted by the borrower and subject to a credit limit
- Lender may confirm accuracy periodically by field examinations and A/R verifications
Example: Eligible Current Assets

- **$36 M**
- **$12 M**
- **$6 M**

**Inventory**

- Cash
- Receivables
- Raw Material
- Finished Goods
- WIP

Borrowing Base Facility
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Example: Borrowing Base Loan Facility for maximum limit of $40M

- Total Eligible Assets: $54M
- Advance Rate 85%
- Borrowing Base: $46M
- Loan Draw Down: $40M
- Loan Balance: $40M

- Finished Goods $12 M
- Raw Material $6 M
- Receivables $36 M
Borrowing Base Facility

Example: Borrowing Base Loan Facility for maximum limit of $40M

Total Eligible Assets: $45M

Advance Rate 85%

Borrowing Base: $38M

Loan Repayment: $2M

Loan Balance: $38M
Example: Borrowing Base Certificate

Borrower: _________________________  Date: __________ __________

Total Accounts Receivable: ______________
Less Accounts overdue > 90 days: ______________
Accounts Receivable (A/R): ______________
Eligible Accounts Receivable: ______________  (1) (A/R x ___%)

Total Inventory (Raw Material + Finished Goods): ______________
Eligible Inventory: ______________  (2) (Total Inventory x ___%)

Borrowing Base: ______________  (1) + (2)

Less: Current Outstanding Loan Balance: ______________

Amount Available* (Amount Repayable): ______________

*Within Credit Facility
Thank You