

# Banking & Asset Finance

Capability Statement



## In the world of financial risk....

The finance sector is experiencing some of its greatest challenges for years. It is a fast-changing and highly volatile environment and, in order to succeed, lenders must demonstrate acute risk management skills, combined with astute market awareness.

To help manage their exposure to risk, lenders should surround themselves with advisors who have the required skills and knowledge. Manches' banking and asset finance team has extensive experience of working for lenders on a wide range of banking and other credit transactions. Our knowledge of the issues associated with the various layers of funding on a transaction enables us to manage the deal effectively at every stage.

We offer pragmatic solutions without compromising our clients' key financial objectives. We work closely with them, using our negotiating skills to bring the transaction to a timely and successful solution: one that meets the main commercial objectives of all parties.

We also understand that whilst we need to protect our clients' interests, time – in the financial sector – is money. As such, we identify and focus on the key points that can mean the success or failure of the transaction.



## We understand your business

We act for retail and overseas banks, financial institutions, private equity investors and corporate borrowers, and advise on acquisition finance, corporate lending, asset finance, property and project finance, and restructuring.

We have particular experience of acting for clients in the technology and telecoms, hotels and leisure, housing, manufacturing, publishing, PFI/infrastructure and education sectors. Our knowledge of our client's business sectors can help protect lenders' interests on a deal.

## Recent work examples

### Term loans and revolving credit facilities

A client Bank successfully negotiated to provide senior debt finance for the acquisition of a hotels group by a real estate investment company. Our corporate and property due diligence reports helped the Bank in its risk assessment of the proposed loan and of the security structure to support the loan. We worked closely with Bank's team to ensure that the terms of the facility documents met its credit committee's requirements. The facility agreement and the security structure to support the loan had to be geared to allow for post-completion syndication with other financial institutions. The acquisition was funded by means of share capital investment, deferred consideration as well as the Bank facility. We were able to ensure that the potentially conflicting interests of the various types of funders were bridged in the inter-creditor agreement.

A client Bank instructed us on a senior debt finance deal to acquire a company in the defence industry, partially financed by a deferred consideration, for which the vendors took out insurance cover. We structured the inter-creditor terms so that the insurer's secured rights of subrogation and counter-indemnity were secondary to the rights of the Bank and the vendors right to payment of the deferred consideration was secondary to the payment entitlements of the Bank.

In a recent transaction, our corporate due diligence investigation highlighted the significance of specific tax issues not previously addressed by their other advisors. As a result, the Bank decided

## who helps protect the lender?



not to proceed. To safeguard our clients' interests, our corporate team focuses on important matters relevant to the clients' credit risk assessments and commercial sensitivities.

### Secured lending

Our property team has acted for a number of leading banks to investigate and report on titles to properties which are to be offered as security for bank finance. Our property team's reports aim to take account of the commercial rationale for each banking transaction. In this way, our reports of title are focussed on the real issues and circumstances of each transaction.

### Debt finance

A financial institution instructed us in relation to an inventory finance transaction. This was to run in parallel with senior debt loan finance and deferred consideration finance. Each of the funders intended to take security over the assets of the same company. We negotiated an inter-creditor agreement dealing with the competing interests of the financial institutions concerned, whilst ensuring that the priority of our client's security over book debts was protected.

### Lease finance

An asset lease finance company instructed us to devise a legal structure for syndicating some of its lease finance commitments across a number of lease finance companies, with the aim of maintaining a suitable spread of risk exposure on its books. We worked closely with the client to ensure that the documentation and procedures were user-friendly and administratively easy to manage, with minimal change to their existing control and monitoring procedures.

## Where Manches adds real value

Manches is a leading UK law firm, offering comprehensive legal services in key industry sectors.

The firm has a distinguished reputation for delivering an outstanding service and clear, unequivocal advice with access to over 170 lawyers in Oxford, Reading and London.

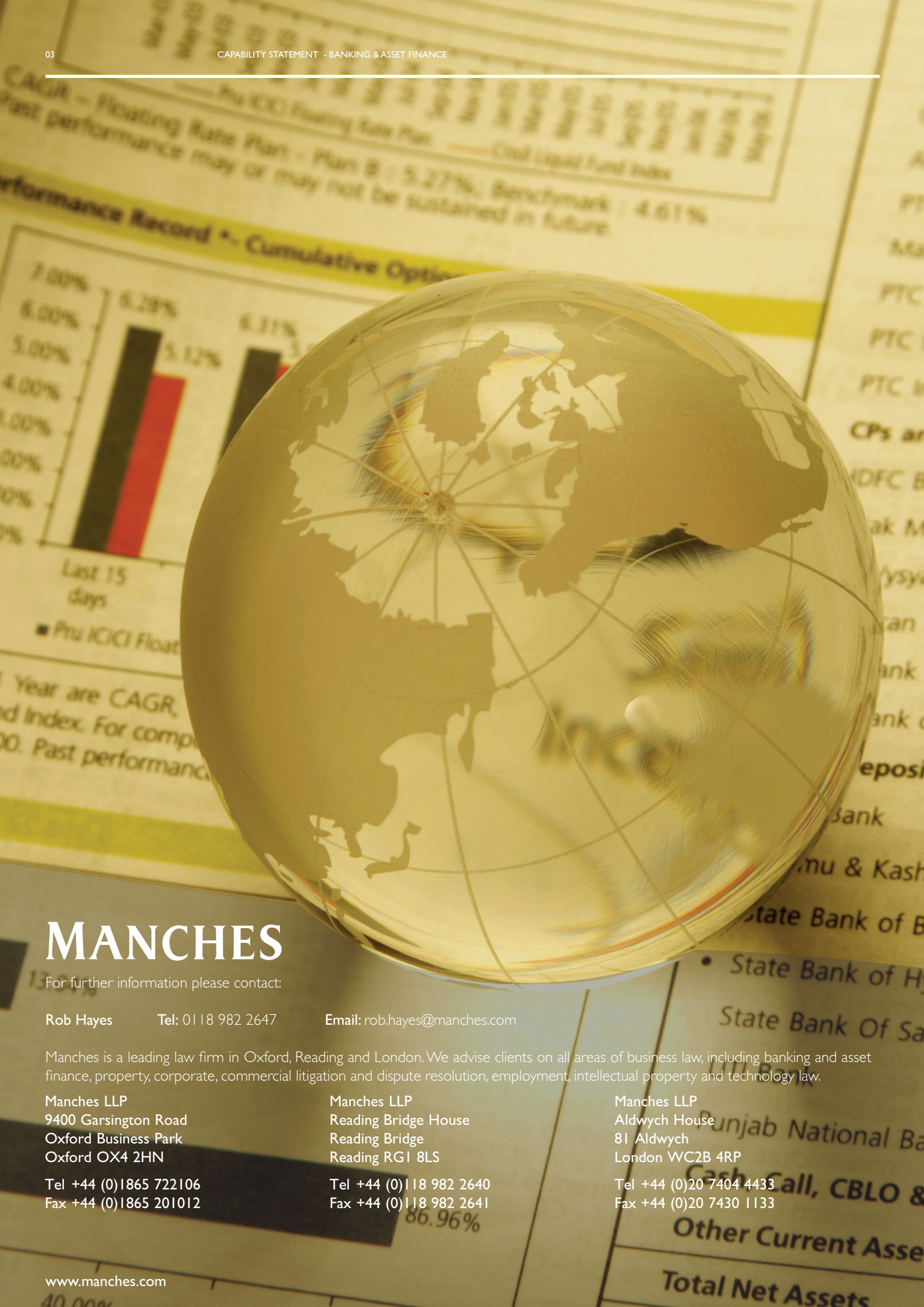
Our banking and asset finance teams work closely with the firm's insolvency and corporate recovery team. This ensures that we offer pragmatic solutions which take account of the latest experience in the enforcement of security and the recovery of secured assets. Our existing clients benefit from strong, lasting relationships based on understanding and trust, a friendly approach, responsiveness to the task, and the quality and delivery of results.

"Manches quickly got to grips with the transaction, identifying and clearly explaining the key risk issues and promptly dealing with a number of changes to the deal structure along the way. The legal due diligence highlighted a number of potential issues but these were dealt with in a very 'commercial' way with the firm providing clear opinions and advice as to the underlying risks. This commercial approach, coupled with the ability to work to tight timescales were key components to completing the transaction on time."

Quote from a major banking client

### Our clients include:

- Allied Irish Bank
- Bank of Ireland
- Clydesdale Bank
- Fortis Bank
- HBOS
- HSBC
- Lloyds TSB Bank Capital Markets
- Lloyds TSB Commercial Finance
- National Westminster Bank
- The Royal Bank of Scotland



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Manches is a leading law firm in Oxford, Reading and London. We advise clients on all areas of business law, including banking and asset finance, property, corporate, commercial litigation and dispute resolution, employment, intellectual property and technology law.

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