



CHANNEL
YOUR PARTNER IN FUNDING

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Channel Closes \$105MM Securitization

Minnetonka, MN – December 7, 2021. Channel announced today that it has completed its first securitization, a \$105 million issuance of asset-backed notes collateralized by small business loans and advances across a diverse set of industries.

The notes consist of three classes, rated A (sf), BBB (sf), and BB (sf) by Kroll Bond Rating Agency with a blended fixed annual coupon of 3.80%. The transaction also features a three-year revolving period and may be increased to \$500 million. Guggenheim Securities served as sole structuring advisor and book-running manager.

“We are excited to have successfully executed on our first securitization which represents an important milestone for our team and platform,” said Eli Sethre, Chief Financial Officer at Channel. “KBRA’s ratings and Channel’s track record of historically low cumulative net loss rates across economic environments demonstrate the value of our business model and ability to underwrite and manage risk. This ABS financing structure significantly improves Channel’s cost of capital, liquidity, and financing diversity, all of which are crucial to our growth and continued success.”

Brad Peterson, President and Chief Executive Officer at Channel said, “We are pleased with the acceptance of Channel’s first offering in the marketplace by institutional investors. The interest shown is a significant reflection of our strong partnerships and the quality of business we originate together. Moreover, it substantiates the direction we are headed as a company, the value in our credit modeling, business analytics and technology enabled approach, and the single source benefit we uniquely bring to market through multiple products and solutions.”

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Established in 2009, Channel is the only full-service independent lender offering a single source solution for equipment finance and working capital exclusively through equipment finance companies for their small and mid-size business customers. To date, Channel has provided over \$900 million in financing to over 10,000 businesses nationwide. The company is headquartered in Minnetonka, MN, with additional offices in Atlanta, GA, Des Moines, IA, and Marshall, MN.