

Energy crisis: do your business expenses keep you awake at night?



Are you concerned that the burden of paying everything is becoming too heavy?

Being faced with a loss of turnover, or other unforeseen events such as the current energy crisis, can have many consequences for your business and change its financial options.

Added pressure on income and costs can make it more difficult for your business to meet its financial obligations.

Are you worried about your business credit because of unforeseen energy prices and rising wage costs?

Contact your banker and talk about it

The banks are ready to help you. In close consultation with your banker, you can try to find a customised solution for your business to reduce its repayment burden. Talk to your banker if you are struggling. In fact, you can ask for assistance even before your business is in financial difficulty.

The bank will examine the available solutions to tackle any problems with you. More information on the specific measures that can be considered is provided below.

What options exist for my business?

Additional financing

To overcome financial difficulties, it might be appropriate to request additional financing as a way to bridge a temporary liquidity shortfall.

Possible deferment of principal repayments

Part of the regular instalments you pay on your business loan is usually the principal (capital) and part is interest. To reduce these instalments, you can check whether it is possible to temporarily defer the principal repayments.

Extending the term of the loan

It could be advantageous for your business to extend the term of the loan. The current repayment of your loan is then spread further over time, which reduces your regular instalments.

Mixed or alternative formula

A combination of the above formulas or an alternative formula could provide a solution.

The options are always considered in relation to your specific case.

In these cases, the bank will explain the effect of the various options in more detail. Bear in mind that certain adjustments could legally be regarded as payment arrears, which can lead to mandatory reporting to the National Bank of Belgium.

Advice and financial planning

If you wish, you can always ask your bank for advice to identify your financing needs. To work out the best possible financial plan, your banker will discuss your financial situation with you and consider the current circumstances and possibilities of your business. This is a personalised service and looks at what could be most advantageous for your business.

Ask for help in time

As a business owner, you should contact your banker as soon as you find it difficult to meet your financial obligations. An honest, open and transparent attitude is essential to be able to determine an appropriate measure tailored to your business's individual situation.

Be sure to contact your banker even if your business is not yet in financial difficulty but you are still feeling concerned. Contacting the bank in good time can help to assess your business's overall financial situation and its liquidity position. The sooner your banker is made aware of potential problems, the sooner a customised solution can be found. People who are well informed can anticipate what will happen next and often prevent the worst from happening. So don't hesitate, act instead.

Visit www.febelfin.be for more information.