

ALLIED CAPITAL CORP  
Form 497  
September 25, 2003

Prospectus Supplement  
(To Prospectus dated June 11, 2003)

Filed Pursuant to Rule 497  
Registration Statement No. 333-104149

# Allied Capital Corporation

## 2,200,000 Shares

### Common Stock

We are offering for sale 2,200,000 shares of our common stock. Our common stock is traded on the New York Stock Exchange under the symbol ALD. The last reported sales price for our common stock on September 24, 2003 was \$25.03 per share.

**You should review the information, including the risk of leverage, set forth under Risk Factors on page 9 of the accompanying prospectus before investing in our common stock.**

	Per Share	Total
Public offering price	\$25.00	\$55,000,000
Underwriting discount	\$ 1.18	\$ 2,596,000
Proceeds to Allied Capital Corporation(1)	\$23.82	\$52,404,000

(1) Before deducting expenses payable by us estimated to be \$180,000.

Please read this prospectus supplement, and the accompanying prospectus, before investing, and keep it for future reference. The prospectus supplement and the accompanying prospectus contain important information about us. The SEC maintains an Internet website (<http://www.sec.gov>) that contains other information about us.

We have granted the underwriters a 30-day option to purchase up to 330,000 additional shares of common stock to cover over-allotments. If the underwriters exercise the option in full, the public offering price, the underwriting discount and proceeds to us would be \$63,250,000, \$2,985,400 and \$60,264,600, respectively.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.**

The shares of common stock will be ready for delivery on or about September 30, 2003.

**Deutsche Bank Securities**

**U.S. Bancorp Piper Jaffray**

The date of this prospectus supplement is September 24, 2003.

You should rely only on the information contained in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

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In this prospectus supplement and the accompanying prospectus, unless otherwise indicated, Allied Capital, we, us or our refer to Allied Capital Corporation and its subsidiaries.

Information contained in this prospectus supplement and the accompanying prospectus may contain forward-looking statements, which can be identified by the use of forward-looking terminology such as may, will, expect, intend, anticipate, estimate, or continue or the negative thereof or other variations thereon or comparable terminology. The matters described in Risk Factors in the accompanying prospectus and certain other factors noted throughout this prospectus supplement and the accompanying prospectus constitute cautionary statements identifying important factors with respect to any such forward-looking statements, including certain risks and uncertainties, that could cause actual results to differ materially from those in such forward-looking statements.

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### FEES AND EXPENSES

This table describes the various costs and expenses that an investor of our common stock will bear directly or indirectly.

<b>Shareholders Transaction Expenses</b>	
Sales load (as a percentage of offering price)(1)	4.72%
Dividend reinvestment plan fees(2)	None
<b>Annual Expenses (as a percentage of consolidated net assets attributable to common shares)(3)</b>	
Operating expenses(4)	3.6%
Interest payments on borrowed funds(5)	4.7%
	<hr/>
Total annual expenses(6)	8.3%

- (1) Represents the underwriting discounts and commissions with respect to the shares sold by Allied Capital in this offering.
- (2) The expenses of our dividend reinvestment plan are included in Operating expenses. We do not have a stock purchase plan. The participants in the dividend reinvestment plan will bear a pro rata share of brokerage commissions incurred with respect to open market purchases, if any. See Dividend Reinvestment Plan in the accompanying prospectus.
- (3) Consolidated net assets attributable to common stock equals net assets (*i.e.*, total consolidated assets less total consolidated liabilities and preferred stock) at June 30, 2003.
- (4) Operating expenses represent our estimated operating expenses for the year ending December 31, 2003, excluding interest on indebtedness. This percentage for the year ended December 31, 2002, was 3.5%.
- (5) The Interest payments on borrowed funds represents our estimated interest expenses for the year ending December 31, 2003. We had outstanding borrowings of \$979.7 million at June 30, 2003. This percentage for the year ended December 31, 2002, was 4.6%. See Risk Factors in the accompanying prospectus.
- (6) Total annual expenses as a percentage of consolidated net assets attributable to common stock are higher than the total annual expenses percentage would be for a company that is not leveraged. We borrow money to leverage our net assets and increase our total assets. The SEC requires that the Total annual expenses percentage be calculated as a percentage of net assets, rather than the total assets, including assets that have been funded with borrowed monies. If the Total annual expenses percentage were calculated instead as a percentage of consolidated total assets, our Total annual expenses would be 4.9% of consolidated total assets.

#### Example

The following example, required by the SEC, demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in us. In calculating the following expense amounts, we assumed we would have no additional leverage and that our operating expenses would remain at the levels set forth in the table above.

	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
You would pay the following expenses on a \$1,000 investment, assuming a 5.0% annual return	\$128	\$291	\$454	\$863

Although the example assumes (as required by the SEC) a 5.0% annual return, our performance will vary and may result in a return of greater or less than 5.0%. In addition, while the example assumes reinvestment of all dividends and distributions at net asset value, participants in the dividend reinvestment plan may receive shares of common stock that we issue at or above net asset value or purchased by the administrator of the dividend reinvestment plan, at the market price in effect at the time, which may be higher than, at, or below net asset value. See Dividend Reinvestment Plan in the accompanying prospectus.

**The example should not be considered a representation of future expenses, and the actual expenses may be greater or less than those shown.**

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### USE OF PROCEEDS

The net proceeds from the sale of the shares of our common stock, after deducting estimated expenses of this offering, are estimated to be \$52.2 million. We intend to use the net proceeds from selling our common stock for investment in the debt or equity securities of private companies, non-investment grade commercial mortgage-backed securities or collateralized debt obligation bonds and preferred shares and other general corporate purposes. We may also repay a portion of our revolving line of credit. At September 23, 2003, the interest rate on our revolving line of credit was 2.5% and there were no amounts then outstanding. This revolving line of credit terminates in April 2005 and may be extended under substantially similar terms for one additional year at our option.

### UNDERWRITING

We and the underwriters named below have entered into an underwriting agreement concerning the shares of our common stock being offered. Subject to the terms and conditions of the underwriting agreement, each underwriter has severally agreed to purchase the number of shares of common stock set forth opposite its name below. Deutsche Bank Securities Inc. is acting as the representative of U.S. Bancorp Piper Jaffray Inc.

Underwriters	Number of shares
Deutsche Bank Securities Inc.	1,760,000
U.S. Bancorp Piper Jaffray Inc.	440,000
Total	2,200,000

If the underwriters sell more shares than the total number set forth in the table above, the underwriters have a 30-day option to buy up to an additional 330,000 shares from us at the public offering price less the underwriting discounts and commissions to cover these sales. If any shares are purchased under this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

This offering will be underwritten on a firm commitment basis. In the underwriting agreement, the underwriters agreed, subject to the terms and conditions set forth therein, to purchase the shares of common stock being sold pursuant thereto at a price per share equal to the public offering price less the underwriting discount specified on the cover page of this prospectus supplement. According to the terms of the underwriting agreement, the underwriters will either purchase all of the shares or none of them.

The underwriters propose to offer the shares to the public initially at the public offering price set forth on the cover of this prospectus supplement. The underwriters may also offer the shares to certain dealers at the public offering price less a concession not in excess of \$0.70 per share. Any of these dealers may resell any shares purchased from the underwriters to other brokers or dealers at a discount of up to \$0.10 per share from the public offering price. After the commencement of the offering, the public offering price and concession may be changed by the underwriters.

The following table provides information regarding the per share and total underwriting discounts and commissions that we will pay to the underwriters in connection with this offering. These amounts are shown assuming both no exercise and full exercise of



the underwriters' option to purchase up to an additional 330,000 shares of our common stock.

	<b>Paid by us</b>	
	<b>No exercise</b>	<b>Full exercise</b>
Per share	\$ 1.18	\$ 1.18
Total	\$2,596,000	\$2,985,400

We estimate that the total expenses of this offering, excluding the underwriting discounts and commissions, will be approximately \$180,000, which will be paid by us.

This offering of the shares is made for delivery when, as and if accepted by the underwriters and subject to prior sale and to withdrawal, cancellation or modification of this offering without notice. The underwriters reserve the right to reject an order for the purchase of shares in whole or in part.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, and to contribute to payments the underwriters may be required to make in respect of these liabilities.

We and certain of our executive officers have entered into a lock-up agreement with the underwriters. Under this agreement, we and these executive officers may not, without the prior written approval of Deutsche Bank Securities Inc., offer, sell, contract to sell or otherwise dispose of or hedge our common stock or securities convertible into or exchangeable for our common stock (other than the shares in this offering, issuances of common stock pursuant to the conversion or exchange of convertible securities or the exercise of warrants or options, grants of employee stock options or issuance of common stock pursuant to the exercise of such options, transactions relating to shares of common stock or other securities acquired in open market transactions after completion of this offering, or an additional issuance of equity securities through privately negotiated transactions that may or may not involve an underwriter, whether or not registered with the SEC, aggregating not more than \$75 million). These restrictions will be in effect for a period of 60 days after the date of this prospectus supplement. At any time and without notice, Deutsche Bank Securities Inc. may release all or some of the securities from this lock-up agreement.

In connection with this offering, the underwriters may purchase and sell shares of our common stock in the open market. These transactions may include stabilizing transactions, short sales and purchases to cover positions created by short sales. Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of our common stock while this offering is in progress. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in this offering. Short sales may be either covered short sales or naked short sales. Covered short sales are sales made in an amount not greater than the underwriters' over-allotment option to purchase additional shares in this offering. The underwriters may close out any covered short position by either exercising their over-allotment option or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. Naked short sales are sales in excess of the over-allotment option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to

be created if the underwriters are concerned there may be downward pressure on the price of shares in the open market after pricing that could adversely affect investors who purchase in this offering.

The underwriters also may impose a penalty bid. This occurs when one underwriter repays to the other underwriter a portion of the underwriting discount received by it because the other underwriter has repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

We have been advised by the underwriters that these transactions may be effected on the New York Stock Exchange or otherwise and, if commenced, may be discontinued at any time. Similar to other purchase activities, these activities may have the effect of raising or maintaining the market price of our shares or preventing a decline in the market price of our shares. As a result, the price of our shares may be higher than the price that might otherwise exist in the open market.

The underwriters expect to deliver the shares through the facilities of The Depository Trust Company in New York, New York, on or about September 30, 2003. At that time, the underwriters will pay us for the shares in immediately available funds.

In the ordinary course of business, the underwriters and/or their affiliates have in the past performed, and may continue to perform, commercial banking, financial advisory and investment banking services for us for which they have received, or may receive, customary compensation. Affiliates of the underwriters are members of the lending syndicate for our unsecured revolving line of credit.

This offering is being conducted in compliance with Rule 2810 of the Conduct Rules of the National Association of Securities Dealers, Inc.

The address for Deutsche Bank Securities Inc. is 60 Wall Street, 4th Floor, New York, NY 10005. The address for U.S. Bancorp Piper Jaffray Inc. is 800 Nicollet Mall, Minneapolis, MN 55402.

#### **RECENT DEVELOPMENTS**

On September 22, 2003, one of our directors, George C. Williams, retired as a member of our board of directors.

For the third quarter of 2003, our board of directors declared a dividend of \$0.57 per share of common stock. The third quarter dividend is payable on September 26, 2003, with a record date of September 12, 2003. The shares offered by this prospectus supplement will not be entitled to the third quarter dividend.

During the second quarter of 2003, our board of directors extended the term of all existing employment agreements with certain of our officers from June 30, 2003 to December 31, 2003. In addition, our board of directors appointed Scott Binder, one of our managing directors, to the newly created position of Chief Valuation Officer.

#### **LEGAL MATTERS**

Certain legal matters with respect to the validity of the shares of common stock we are offering will be passed upon for us by Sutherland Asbill & Brennan LLP, Washington, D.C. Certain legal matters related to the offering will be passed upon for the underwriters by Morgan, Lewis & Bockius LLP, New York, New York.

**INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS  
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*The following analysis of our financial condition and results of operations should be read in conjunction with our Consolidated Financial Statements and the Notes thereto included herein and in the accompanying prospectus. The information herein contains certain forward-looking statements. These statements include the plans and objectives of management for future operations and financial objectives and can be identified by the use of forward-looking terminology such as may, will, expect, intend, anticipate, estimate, or continue or the negative thereof or other variations thereon or comparable terminology. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors that could cause actual results and conditions to differ materially from those projected in these forward-looking statements are set forth below in the Risk Factors section. Other factors that could cause actual results to differ materially include:*

*the ongoing global economic downturn;*

*risks associated with possible disruption in our operations due to terrorism; and*

*future regulatory actions and conditions in our operating areas.*

*Financial or other information presented for private finance portfolio companies has been obtained from the portfolio company, and the financial information presented may represent unaudited, projected or pro forma financial information, and therefore may not be indicative of actual results. In addition, the private equity industry uses financial measures such as EBITDA or EBITDAM (Earnings Before Interest, Taxes, Depreciation, Amortization and, in some instances, Management fees) in order to assess a portfolio company's financial performance and to value a portfolio company. EBITDA and EBITDAM are not intended to represent cash flow from operations as defined by accounting principles generally accepted in the United States of America and such information should not be considered as an alternative to net income, cash flow from operations or any other measure of performance prescribed by accounting principles generally accepted in the United States of America.*

**OVERVIEW**

We are a business development company that provides long-term debt and equity investment capital to companies in a variety of industries. Our lending and investment activity is generally focused on private finance and commercial real estate finance, primarily the investment in non-investment grade commercial mortgage-backed securities, which we refer to as CMBS, and collateralized debt obligation bonds and preferred shares, which we refer to as CDOs. Our private finance activity principally involves providing financing through privately negotiated long-term debt and equity investment capital. Our private financing is generally used to fund growth, buyouts, acquisitions, recapitalizations, note purchases, and bridge financings. We generally invest in private companies though, from time to time, we may invest in public companies that lack access to public capital or whose securities may not be marginable.

Our portfolio composition at June 30, 2003, and December 31, 2002, was as follows:

	<u>2003</u>	<u>2002</u>
Private Finance	72%	70%
Commercial Real Estate Finance	28%	30%

Our earnings depend primarily on the level of interest and dividend income, fee income, and net gains or losses earned on our investment portfolio after deducting interest paid on borrowed capital and operating expenses. Interest income results from the stated interest rate earned on a loan and the amortization of loan origination points and discounts. The level of interest income is directly related to the balance of the interest-bearing investment portfolio multiplied by the weighted average yield. Our ability to generate interest income is dependent on economic, regulatory, and competitive factors that influence new investment activity, the amount of loans and debt securities for which interest is not accruing and our ability to secure debt and equity capital for our investment activities.

## PORTFOLIO AND INVESTMENT ACTIVITY

Total portfolio investment activity and yields at and for the three and six months ended June 30, 2003 and 2002, and at and for the year ended December 31, 2002, were as follows:

(\$ in millions)	At and for the Three Months Ended June 30,		At and for the Six Months Ended June 30,		At and for the Year Ended December 31,
	2003	2002	2003	2002	2002
	(unaudited)		(unaudited)		
Portfolio at value	\$ 2,546.1	\$ 2,381.0	\$ 2,546.1	\$ 2,381.0	\$ 2,488.2
Investments funded	\$ 257.4	\$ 115.5	\$ 526.4	\$ 195.5	\$ 506.4
Change in accrued or reinvested interest and dividends	\$ 9.3	\$ 6.2	\$ 20.4	\$ 19.5	\$ 44.7
Principal repayments	\$ 74.3	\$ 36.0	\$ 150.3	\$ 67.0	\$ 143.2
Sales	\$ 32.6	\$ 1.2	\$ 276.7	\$ 126.3	\$ 213.5
Yield <sup>(1)</sup>	14.1%	13.8%	14.1%	13.8%	14.0%

(1) The weighted average yield on interest-bearing investments is computed as the (a) annual stated interest rate earned plus the annual amortization of loan origination fees, original issue discount, and market discount earned on accruing interest-bearing investments, divided by (b) total interest-bearing investments at value. The weighted average yield is computed as of the balance sheet date.

## Private Finance

The private finance portfolio, investment activity, and yields at and for the three and six months ended June 30, 2003 and 2002, and at and for the year ended December 31, 2002, were as follows:

(\$ in millions)	At and for the Three Months Ended June 30,		At and for the Six Months Ended June 30,		At and for the Year Ended December 31,
	2003	2002	2003	2002	2002
	(unaudited)		(unaudited)		
Portfolio at value:					
Loans and debt securities	\$ 1,192.4	\$ 1,050.8	\$ 1,192.4	\$ 1,050.8	\$ 1,151.2
Equity interests	646.8	584.5	646.8	584.5	592.0
Total portfolio	\$ 1,839.2	\$ 1,635.3	\$ 1,839.2	\$ 1,635.3	\$ 1,743.2
Investments funded	\$ 163.8	\$ 32.2	\$ 273.9	\$ 69.8	\$ 297.2
Change in accrued or reinvested interest and dividends	\$ 8.1	\$ 7.0	\$ 19.4	\$ 19.1	\$ 42.6
Principal repayments	\$ 70.9	\$ 27.2	\$ 146.0	\$ 56.0	\$ 129.3
Yield <sup>(1)</sup>	14.4%	13.9%	14.4%	13.9%	14.4%

(1) The weighted average yield on loans and debt securities is computed as the (a) annual stated interest rate earned plus the annual amortization of loan origination fees, original issue discount, and market discount earned on accruing loans and debt securities, divided by (b) total loans and debt securities at value. The weighted average yield is computed as of the balance sheet date.



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Investments funded for the six months ended June 30, 2003 and 2002, and for the year ended December 31, 2002, consisted of the following:

(\$ in millions)	Loans and Debt Securities	Equity Interests	Total
<b><i>For the Six Months Ended June 30, 2003<sup>(1)</sup></i></b>			
Companies more than 25% owned	\$ 42.2	\$ 25.2	\$ 67.4
Companies 5% to 25% owned	9.5	1.0	10.5
Companies less than 5% owned	190.6	5.4	196.0
Total	\$ 242.3	\$ 31.6	\$ 273.9
<b><i>For the Six Months Ended June 30, 2002<sup>(1)</sup></i></b>			
Companies more than 25% owned	\$ 16.0	\$ 3.8	\$ 19.8
Companies 5% to 25% owned	7.5	7.0	14.5
Companies less than 5% owned	34.0	1.5	35.5
Total	\$ 57.5	\$ 12.3	\$ 69.8
<b><i>For the Year Ended December 31, 2002<sup>(1)</sup></i></b>			
Companies more than 25% owned	\$ 86.1	\$ 18.7	\$ 104.8
Companies 5% to 25% owned	22.3	0.4	22.7
Companies less than 5% owned	154.6	15.1	169.7
Total	\$ 263.0	\$ 34.2	\$ 297.2

(1) The private finance portfolio is presented in three categories – companies more than 25% owned, which represent portfolio companies where we directly or indirectly own more than 25% of the outstanding voting securities of such portfolio company and, therefore, are deemed controlled by us under the Investment Company Act of 1940, or the 1940 Act; companies owned 5% to 25%, which represent portfolio companies where we directly or indirectly own 5% to 25% of the outstanding voting securities of such portfolio company or where we hold one or more seats on the portfolio company’s board of directors and, therefore, are deemed to be an affiliated person under the 1940 Act; and companies less than 5% owned, which represent portfolio companies where we directly or indirectly own less than 5% of the outstanding voting securities of such portfolio company and where we have no other affiliations with such portfolio company.

At June 30, 2003, we had outstanding funding commitments of \$103.9 million to portfolio companies, including \$27.4 million committed to private venture capital funds. At June 30, 2003, we also had total commitments to portfolio companies in the form of standby letters of credit and guarantees of \$96.0 million.

We fund new investments using cash, through the issuance of our common equity, the reinvestment of previously accrued interest and dividends in debt or equity securities, or the current reinvestment of interest and dividend income through the receipt of a debt or equity security (payment-in-kind income). From time to time we may opt to reinvest accrued interest receivable in a new debt or equity security in lieu of receiving such interest in cash and providing a subsequent investment.

We may acquire more than 50% of the common stock of a company in a control buyout transaction. Control investments are generally structured such that we earn a current return through a combination of interest income on our senior loans and subordinated debt, dividends on our preferred and common stock, and management or transaction services fees to compensate us for the managerial assistance that we provide to a controlled portfolio company. We plan to continue to seek attractive control investments.

Control investments provide the opportunity to invest meaningful amounts of capital with the potential for attractive current income returns as well as the potential for future capital gains. Control transactions are typically larger than our mezzanine investments. In some cases for companies that are more than 50% owned, we may not accrue interest on loans and debt securities if such company is in need of additional working capital. In such cases, we may defer current debt service. Our most significant investments acquired through control buyout transactions at June 30, 2003, were Business Loan Express, LLC (BLX), acquired in 2000, and The Hillman Companies, Inc., acquired in 2001.

***Business Loan Express, LLC.*** At June 30, 2003, our investment in BLX totaled \$264.7 million at cost and \$356.8 million at value, or 12.6% of our total assets, which includes unrealized appreciation of \$92.1 million.

BLX is the nation's second largest non-bank, government guaranteed lender utilizing the SBA's 7(a) Guaranteed Loan Program and is licensed by the SBA as a Small Business Lending Company (SBLC). BLX is a preferred lender as designated by the SBA, and originates, sells, and services small business loans. In addition to the SBA 7(a) Guaranteed Loan Program, BLX originates conventional small business loans and originates loans under the USDA Business and Industry Guaranteed Loan Program. BLX has offices across the United States and is headquartered in New York, New York. Changes in the laws or regulations that govern SBLCs or the SBA 7(a) Guaranteed Loan Program or changes in government funding for this program could have a material adverse impact on BLX and, as a result, negatively affect our financial results.

During the quarter ended March 31, 2003, BLX completed two significant transactions, the purchase of loans and other assets from Amresco Independence Funding, Inc., or AIF, and the reorganization of BLX from a corporation to a limited liability company, or LLC.

In January 2003, BLX completed the acquisition of \$128.0 million of performing loans and other assets from AIF. BLX purchased \$121.5 million of performing SBA 7(a) unguaranteed loans at par and \$6.5 million of other assets. The acquisition increased BLX's serviced portfolio and enhanced its nationwide loan origination platform. We provided \$50 million of the capital to fund this acquisition. Our \$50 million financing was in the form of a short-term revolving credit facility of \$25 million to fund the temporary capital needs of construction loans purchased and loans pending sale, as well as \$25 million of preferred equity to support the future growth potential of BLX post acquisition.

In February 2003, BLX completed a reorganization from a corporation to a limited liability company in order to simplify its corporate structure and provide certain income tax efficiencies. In connection with the reorganization, BLX's stated book equity increased by \$43 million because we converted \$43 million of our subordinated debt into preferred stock in BLX, Inc., which was exchanged for Class A equity interests in BLX, LLC. In addition, we exchanged our existing preferred stock and common equity investments in BLX, Inc. for similar classes of members' equity in BLX, LLC represented by Class B and Class C equity interests, respectively.

Subsequent to the reorganization, BLX's taxable earnings will flow directly to its members and we represent approximately 95% of the economic interests in the LLC. In connection with the reorganization, BLX has changed its fiscal year end to September 30.



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Summary financial data for BLX at and for the twelve months ended June 30, 2003 and 2002, is presented below.

(\$ in millions)	For the Twelve Months Ended June 30, 2003 <sup>(1)</sup>	For the Twelve Months Ended June 30, 2002
<b>Operating Data</b>		
Total revenue	\$ 109.1	\$ 84.6
Net income <sup>(4)</sup>	\$ 7.5	\$ 2.3
Earnings before interest, taxes and management fees (EBITM) <sup>(4)</sup>	\$ 44.4	\$ 43.0
<b>Balance Sheet Data</b>		
Total assets <sup>(2)</sup>	\$ 340.0	\$ 277.1
Total debt	\$ 166.0	\$ 183.0
Total owners' equity	\$ 137.0	\$ 59.9
<b>Other Data</b>		
Total loan originations	\$ 718.1	\$ 565.1
Serviced loan portfolio	\$2,165.5	\$1,372.6
Number of loans	3,048	2,083