



Secured Finance Network

Fourth Quarter 2015
Asset-Based Lending Index

www.SFNet.com

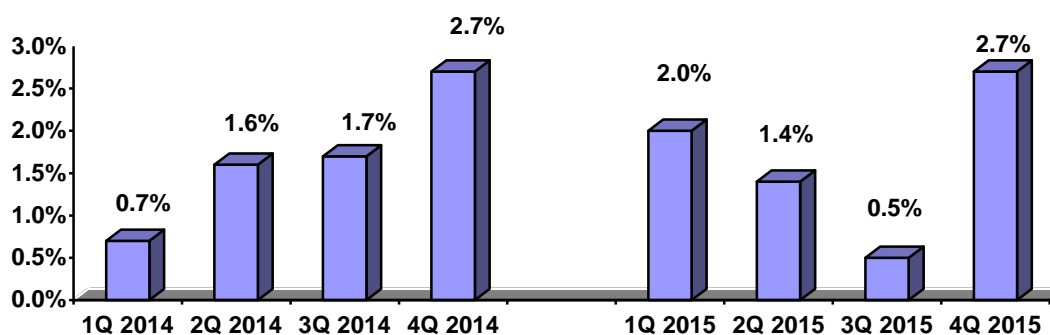
Introduction

- This Quarterly Asset-Based Lending Index was developed to help Commercial Finance Association members and external constituencies monitor industry trends.
- 26 of the largest SFNet members engaged in asset-based lending provided data for this Index.
- The mix of reporting members changes from time to time. Also, they occasionally revise previously reported data. In these instances, data from prior indices is restated.
- This survey was conducted by R.S. Carmichael & Co. on behalf of the SFNet.

Business Development

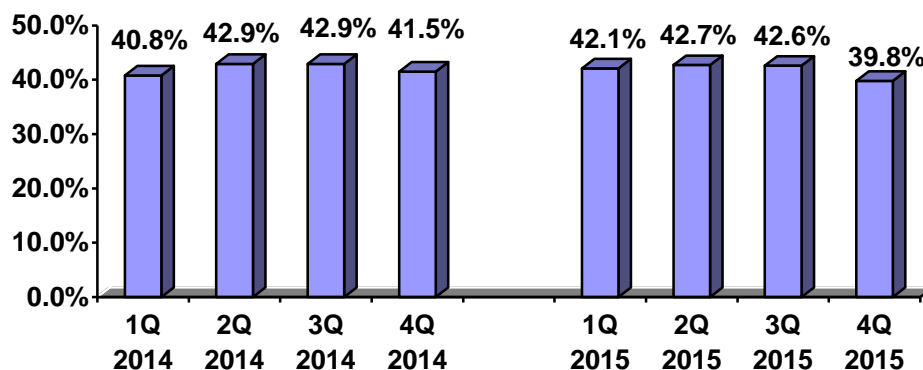
- Total committed credit lines grew 2.7% in 4Q 2015 from the previous quarter.
- Compared to the same quarter in 2014, total commitments were up 6.7%

(Percentage Change of Total Commitments)



- Lenders' new credit commitments in 4Q 2015 were 47.9% above the prior quarter and 23.5% above the same quarter in 2014.
- Credit line utilization as of December 31, 2015, was 39.8%. This was lower than the prior quarter and the same quarter in 2014.

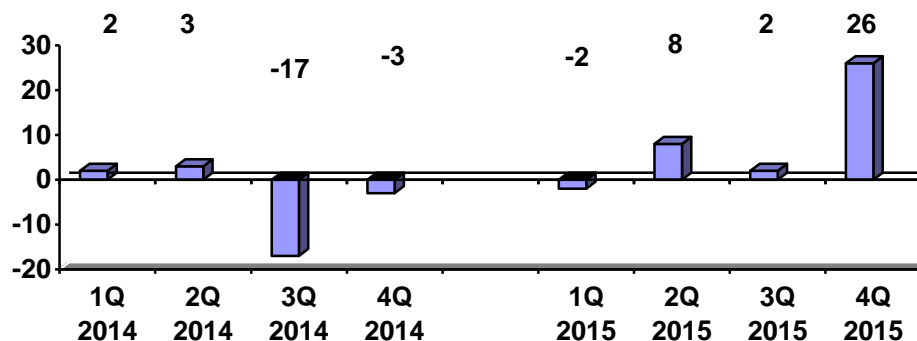
(Loans Outstanding as a Percentage of Total Credit Commitments)



Portfolio Performance

- Lenders' non-accruing loans in 4Q 2015 as a percentage of total asset-based loans outstanding were higher than the previous quarter.

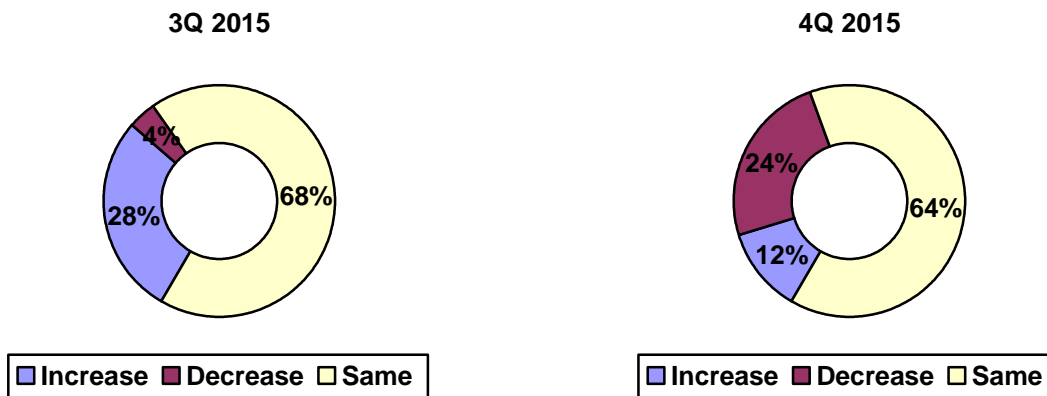
(Basis Point Change of Non-Accruals)



- 24% of lenders reported an increase in non-accruals in 4Q 2015 compared to the prior quarter. In 3Q 2015, 24% also had reported an increase.



- With respect to gross write-offs, 12% of lenders reported an increase in 4Q 2015 vs. 28% in 3Q 2015.



- Gross write-offs as a percentage of total asset-based loans outstanding remained at an historically low level in 4Q 2015.