

Q1
2021

Asset-Based Lending Index



**Secured Finance
Network**

An association of professionals
putting capital to work

Introduction

The Secured Finance Network's Quarterly Asset-Based Lending Index is designed to allow SFNet members to monitor industry trends and benchmark performance.

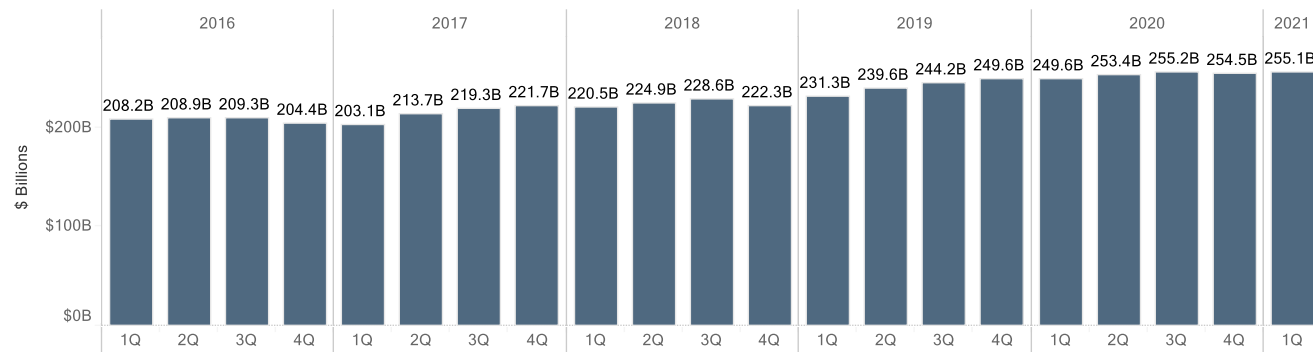
A significant number of SFNet members engaged in asset-based lending and factoring participated in this year's surveys. Members who participate in the surveys received more detailed reports mapping additional facets of their industry. If you are a member and are interested in participating, please contact Aydan Savaser at asavaser@SFNet.com. If you are not a member, please contact James Kravitz at jkravitz@SFNet.com to learn about the many benefits of membership.

The makeup of the lenders providing data for this report changes from quarter to quarter. Participating members also have the ability to revise their previously reported data. As such, the data presented in this report reflects only organizations who responded during the current data collection cycle and previous quarter values reported in this report may not be consistent with the previous quarters' reports.

If you have any questions about the data contained in this report, or if you have suggestions on how we can improve the report in future years, please contact the Westat analysis team at SFNetDataInitiative@westat.com or 1-855-887-3820.

Business Development

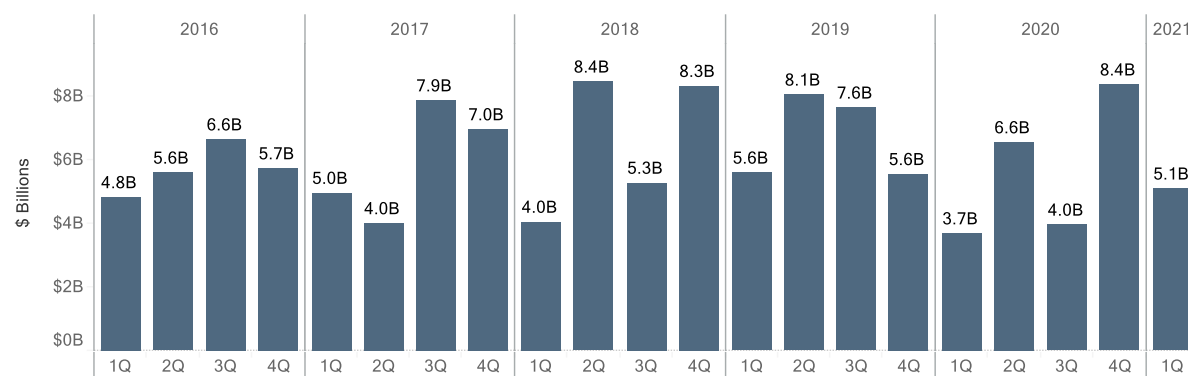
Total Committed Credit Lines



- Total committed credit lines in 1Q 2021 increased from the previous quarter by 0.2%.
- Compared to the same quarter last year, total commitments increased 2.2%.

Note: Data represents lenders who responded to SFNet's 1Q 2021 Asset-Based Lending Survey and reported on the referenced values in all quarters.

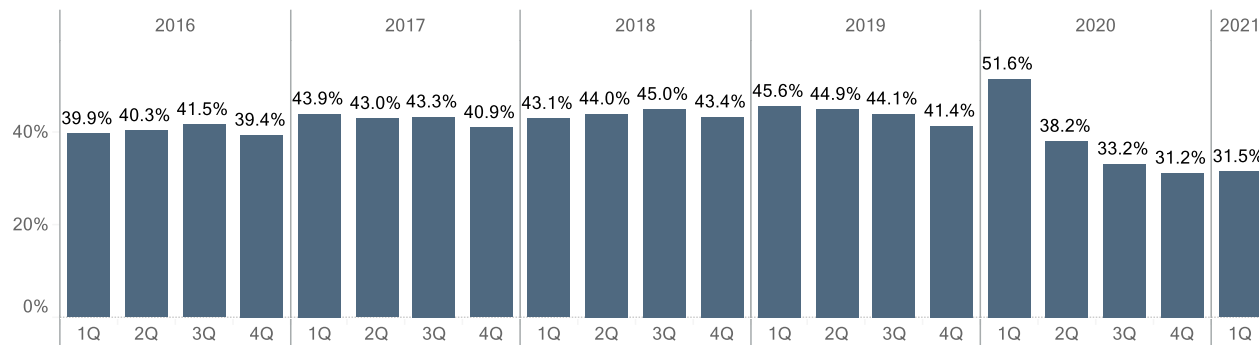
New Credit Commitments (Gross)



Note: Data represents lenders who responded to SFNet's 1Q 2021 Asset-Based Lending Survey and reported on the referenced values in all quarters.

- Compared to the previous quarter, new credit commitments decreased 39.3% to \$5.1B in 1Q 2021.
- Compared to the same quarter in the previous year, new credit commitments increased by 37.8%.

Loans Outstanding as Percent of Total Credit Commitments

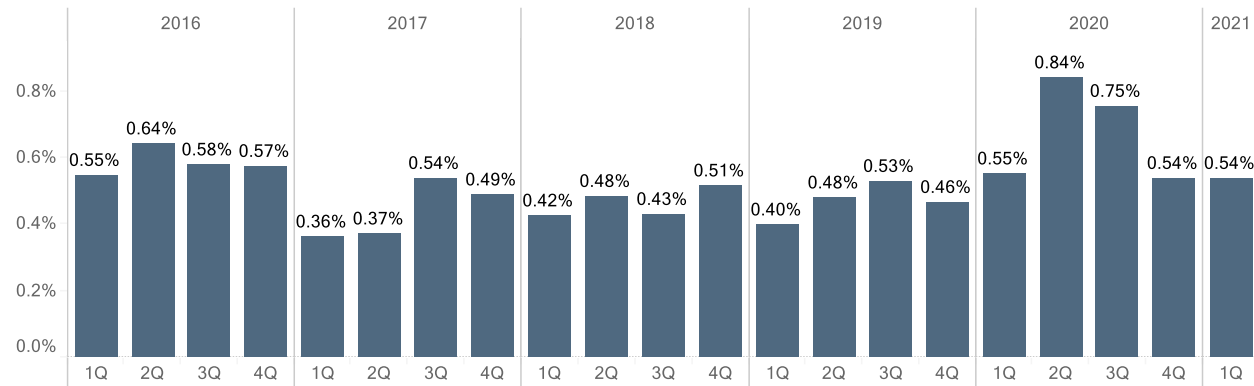


Note: Data represents lenders who responded to SFNet's 1Q 2021 Asset-Based Lending Survey and reported on the referenced values in one or more quarters.

- Credit line utilization increased in 1Q 2021, rising 30 basis points compared to 4Q 2020.
- Compared to 1Q 2020 credit line utilization decreased by 2,010 basis points in 1Q 2021.

Portfolio Performance

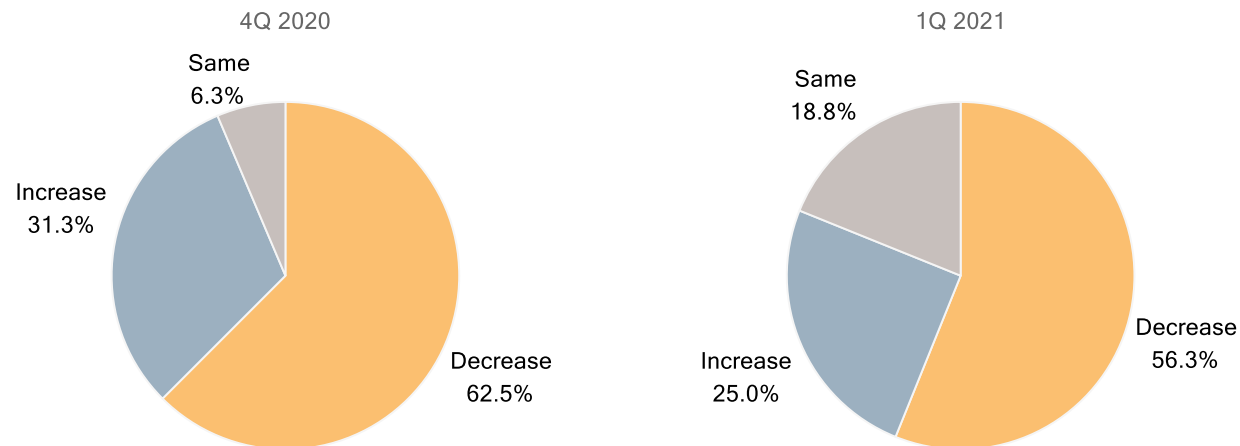
Non-Accruing Loans as % of Total Loans Outstanding



Note: Data represents lenders who responded to SFNet's 1Q 2021 Asset-Based Lending Survey and reported on the referenced values in one or more quarters.

- As a percentage of outstanding loans, non-accruing loans remained the same in 1Q 2021, at 0.54%, compared to the previous quarter.
- Compared to the same quarter last year, the percentage of non-accruing decreased by one basis point.

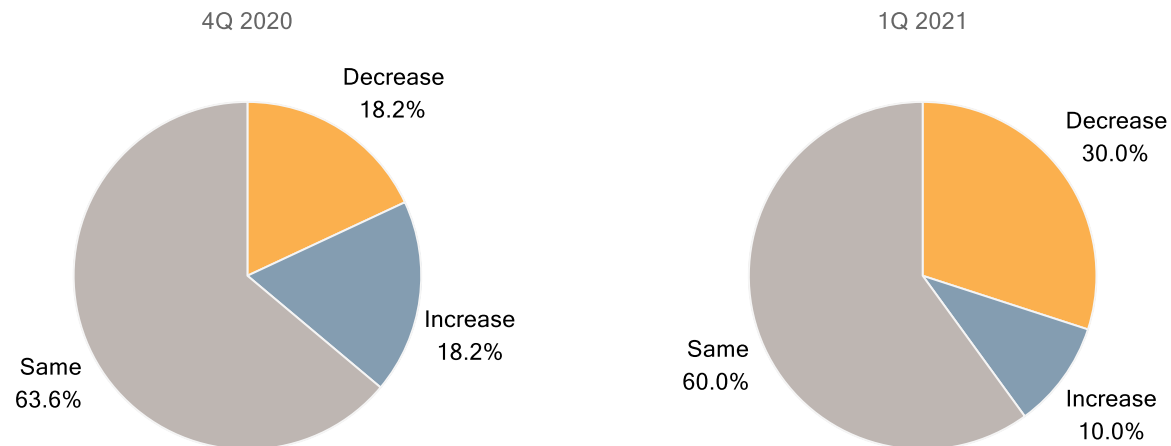
Change in Non-Accruing Loans



Note: Data represents lenders who responded to SFNet's 1Q 2021 Asset-Based Lending Survey and reported on the referenced values in two or three quarters.

- 25.0% of lenders reported an increase in non-accruals in 1Q 2021, an upturn compared to 31.3% of lenders reporting an increase in 4Q 2020.
- The share of lenders that reported a decrease in non-accruing loans fell from 62.5% in 4Q 2020 to 56.3% in 1Q 2021.
- The amount of lenders reporting no change from the previous quarter grew from 6.3% in 4Q 2020 to 18.8% in 1Q 2021.

Change in Gross Write-offs



Note: Data represents lenders who responded to SFNet's 1Q 2021 Asset-Based Lending Survey and reported on the referenced values in two or three quarters.

- The percentage of lenders reporting an increase in gross write-offs fell from 18.2% in 4Q 2020 to 10.0% in 1Q 2021.
- In 1Q 2021, 30.0% of the responding lenders reported a decrease in gross write-offs, rising from 18.2% of lenders reported a decrease in 4Q 2020.
- The share of lenders that reported no change in gross write-offs from the previous quarter decreased from 63.6% in 4Q 2020 to 60.0% in 1Q 2021.