

Q2
2019

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.

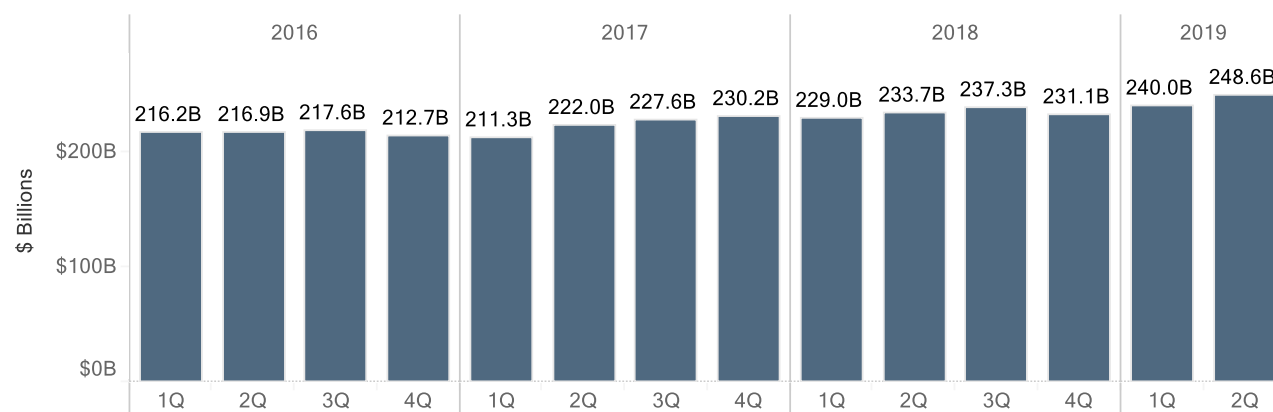
A significant number of SFNet members engaged in asset-based lending and factoring participated in this year's surveys. Members who participate in the surveys received more detailed reports mapping additional facets of their industry. If you are a member and are interested in participating, please contact 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 CFADataInitiative@westat.com or 1-855-887-3820.

Business Development

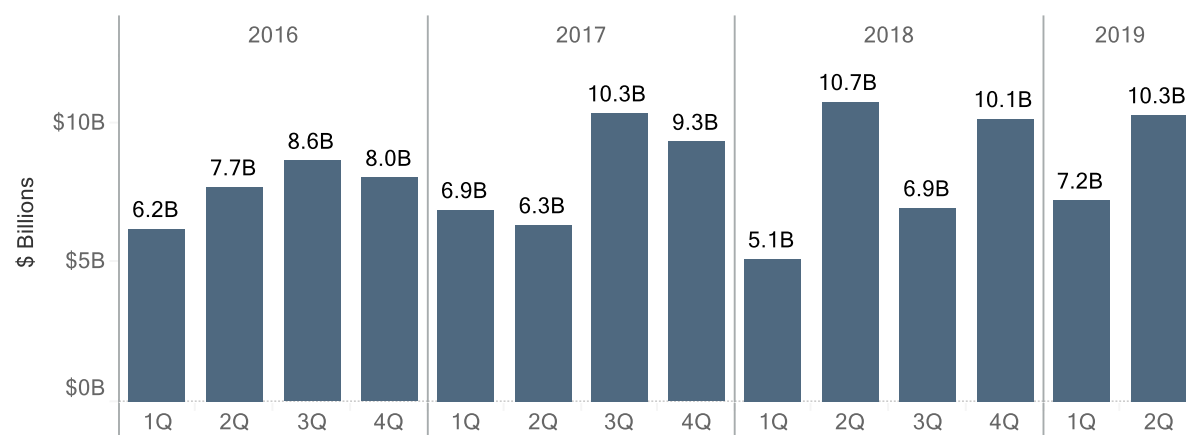
Total Committed Credit Lines



- Total committed credit lines increased by 3.6% compared to the previous quarter.
- Compared to the same quarter last year, total commitments increased 6.4%.

Note: Data represents lenders who responded to SFNet's 2Q 2019 Asset-Based Lending Survey and reported on the referenced values in all quarters.

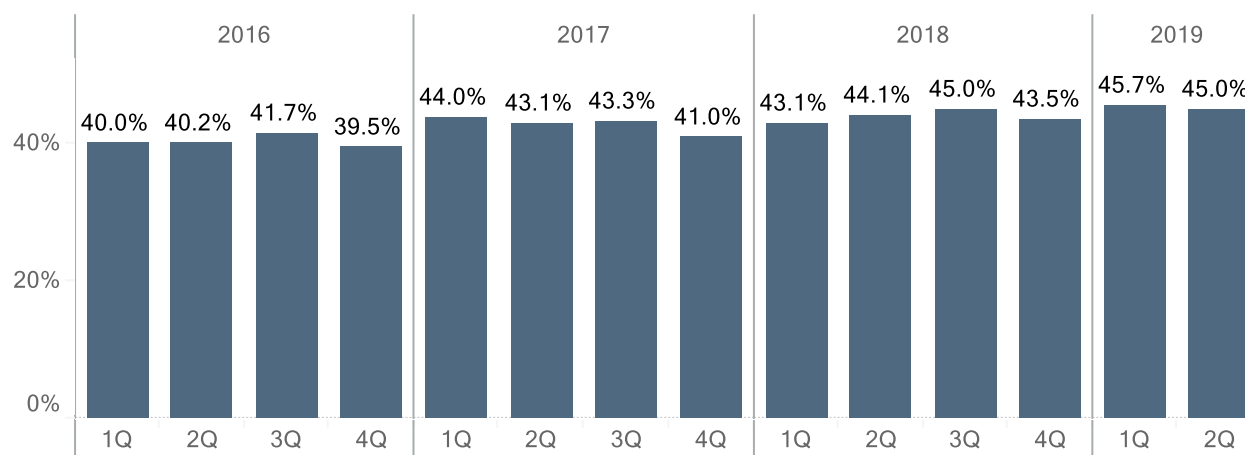
New Credit Commitments (Gross)



Note: Data represents lenders who responded to SFNet's 2Q 2019 Asset-Based Lending Survey and reported on the referenced values in all quarters.

- Compared to the previous quarter, new credit commitments increased 43.1% to \$10.3B in 2Q 2019.
- Compared to the same quarter in the previous year, new credit commitments decreased by 3.7%.

Loans Outstanding as Percent of Total Credit Commitments

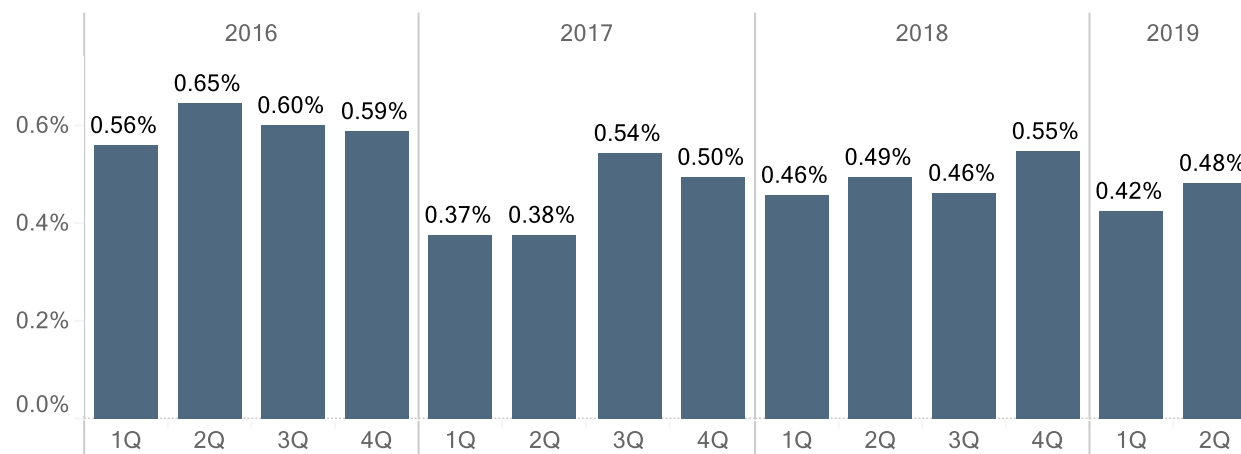


Note: Data represents lenders who responded to SFNet's 2Q 2019 Asset-Based Lending Survey and reported on the referenced values in one or more quarters.

- Credit line utilization decreased in 2Q 2019, falling 70 basis points compared to 1Q 2019.
- Compared to 2Q 2018 credit line utilization increased by 90 basis points in 2Q 2019.

Portfolio Performance

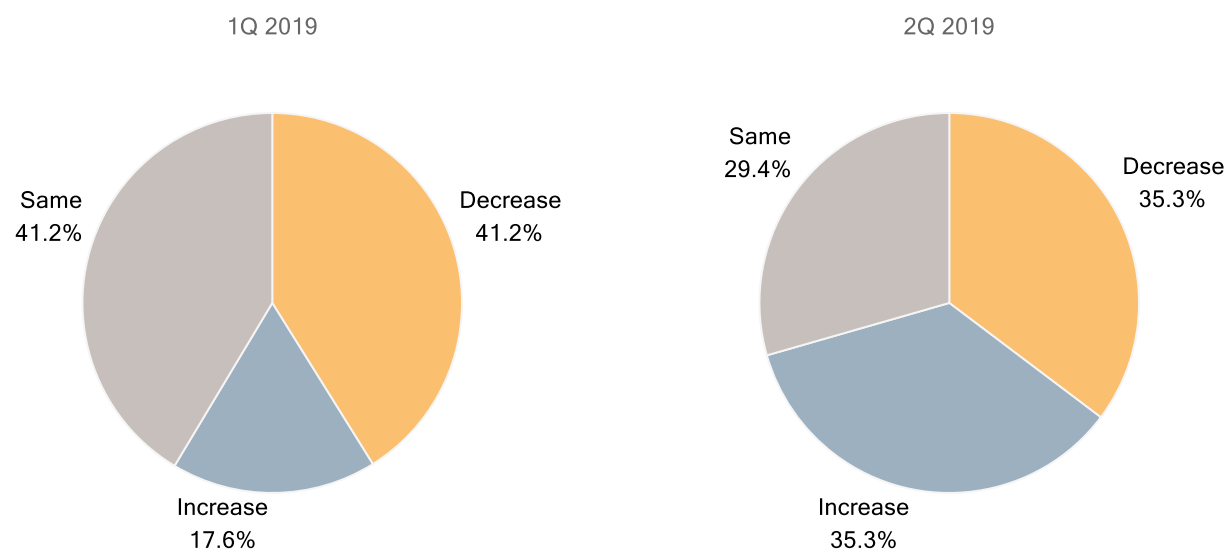
Non-Accruing Loans as % of Total Loans Outstanding



- As a percentage of outstanding loans, non-accruing loans in 2Q 2019 increased by six basis points from the previous quarter.
- Compared to the same quarter last year, the percentage of non-accruing loans decreased by one basis point.

Note: Data represents lenders who responded to SFNet's 2Q 2019 Asset-Based Lending Survey and reported on the referenced values in one or more quarters.

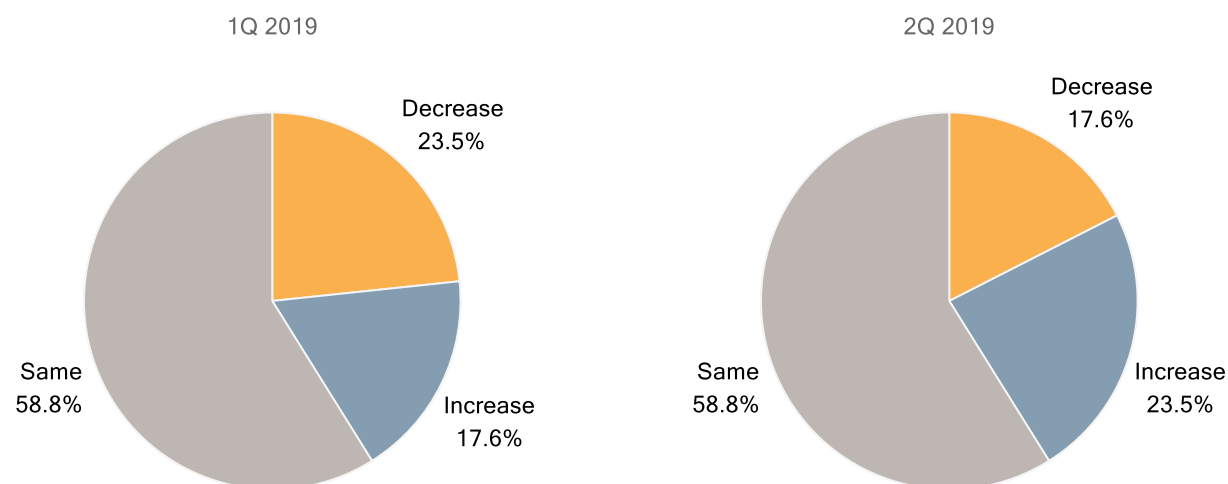
Change in Non-Accruing Loans



Note: Data represents lenders who responded to SFNet's 2Q 2019 Asset-Based Lending Survey and reported on the referenced values in two or three quarters.

- 35.3% of lenders reported an increase in non-accruals in 2Q 2019 compared to 17.6% of lenders in 1Q 2019.
- The share of lenders that reported a decrease in non-accruing loans decreased from 41.2% in 1Q 2019 to 35.3% in 2Q 2019.
- In 1Q 2019, 41.2% reported no change from the previous quarter whereas 29.4% reported no change in 2Q 2019.

Change in Gross Write-offs



Note: Data represents lenders who responded to SFNet's 2Q 2019 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 increased from 17.6% in 1Q 2019 to 23.5% in 2Q 2019.
- The share of lenders reporting a decrease in gross write-offs decreased from 23.5% in 1Q 2019 to 17.6% in 2Q 2019.
- The share of lenders that reported no change in gross write-offs from the previous quarter remained the same at 58.8%.