Asset-Based Lending Index

Q3
2019

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.

Secured Finance Network

Business Development

Total Committed Credit Lines
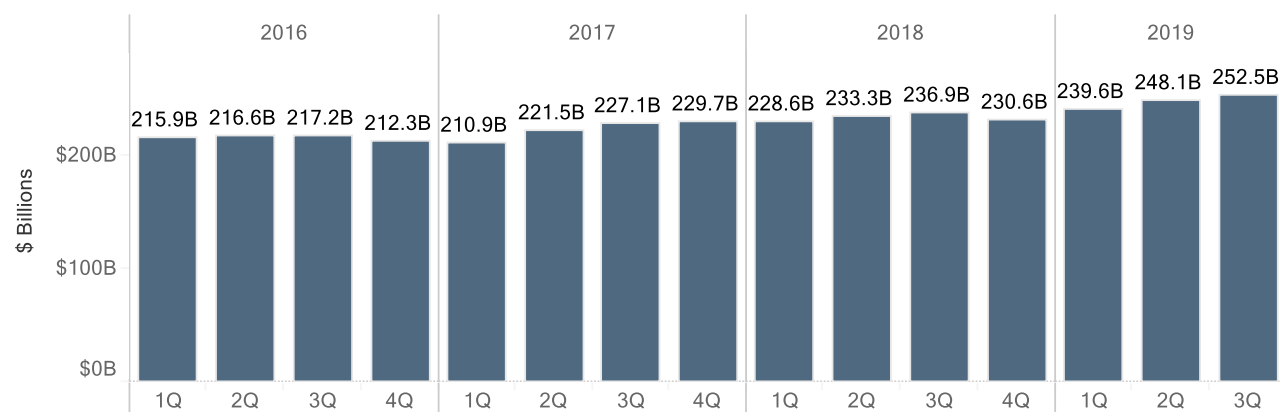
- Total committed credit lines increased by 1.8% compared to the previous quarter.
- Compared to the same quarter last year, total commitments increased 6.6%.

Note: Data represents lenders who responded to SFNet's 3Q 2019 Asset-Based Lending Survey and reported on the referenced values in all quarters.
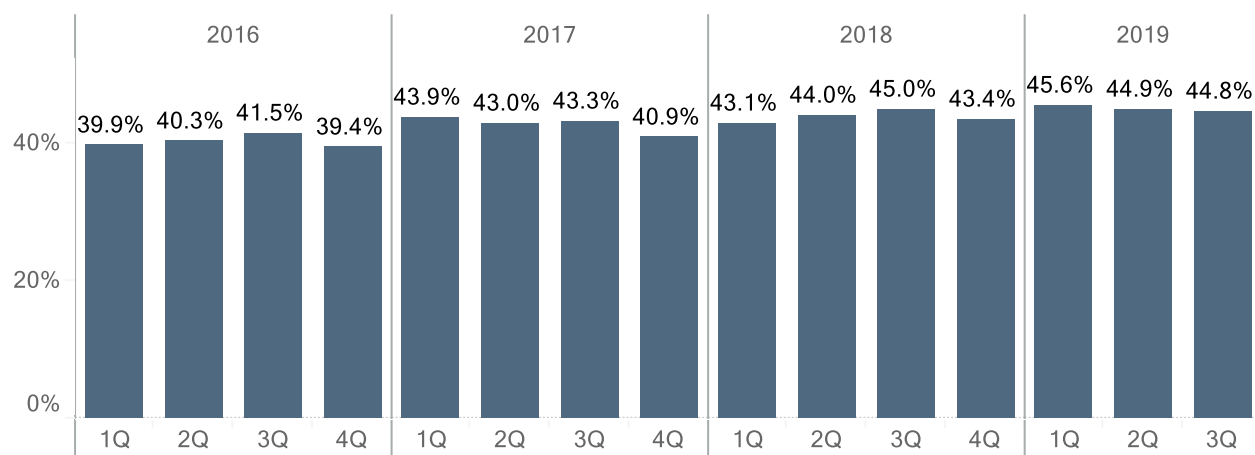
New Credit Commitments (Gross)
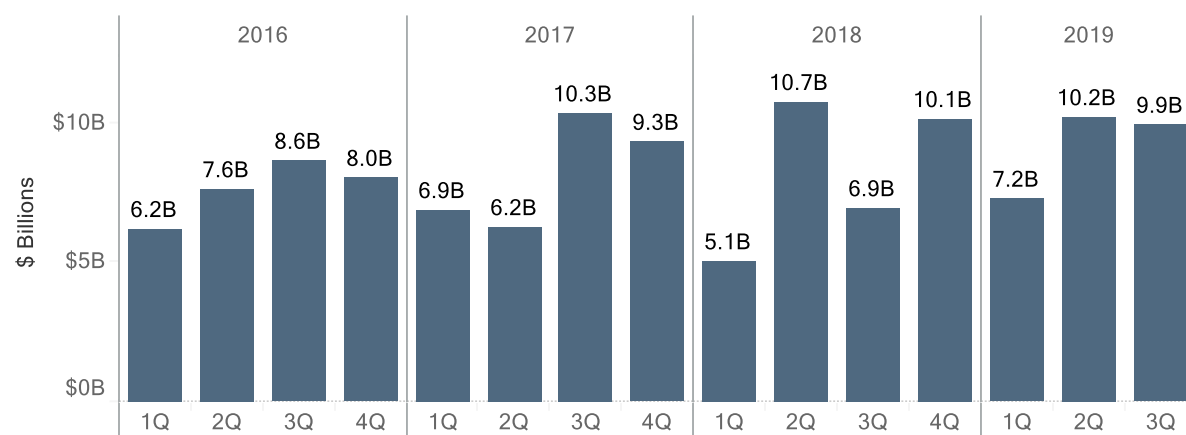
Note: Data represents lenders who responded to SFNet's 3Q 2019 Asset-Based Lending Survey and reported on the referenced values in all quarters.

- Compared to the previous quarter, new credit commitments decreased 2.9% to $9.9B in 3Q 2019.
- Compared to the same quarter in the previous year, new credit commitments increased by 43.5%.

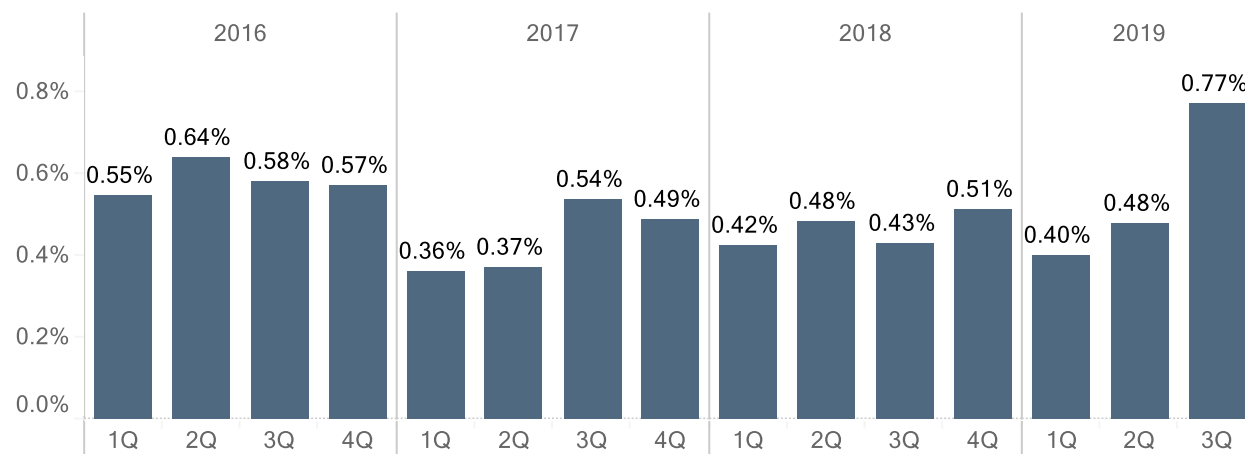## Loans Outstanding as Percent of Total Credit Commitments

Note: Data represents lenders who responded to SFNet's 3Q 2019 Asset-Based Lending Survey and reported on the referenced values in one or more quarters.

- Credit line utilization decreased in 3Q 2019, falling 10 basis points compared to 2Q 2019.
- Compared to 3Q 2018 credit line utilization decreased by 20 basis points in 3Q 2019.
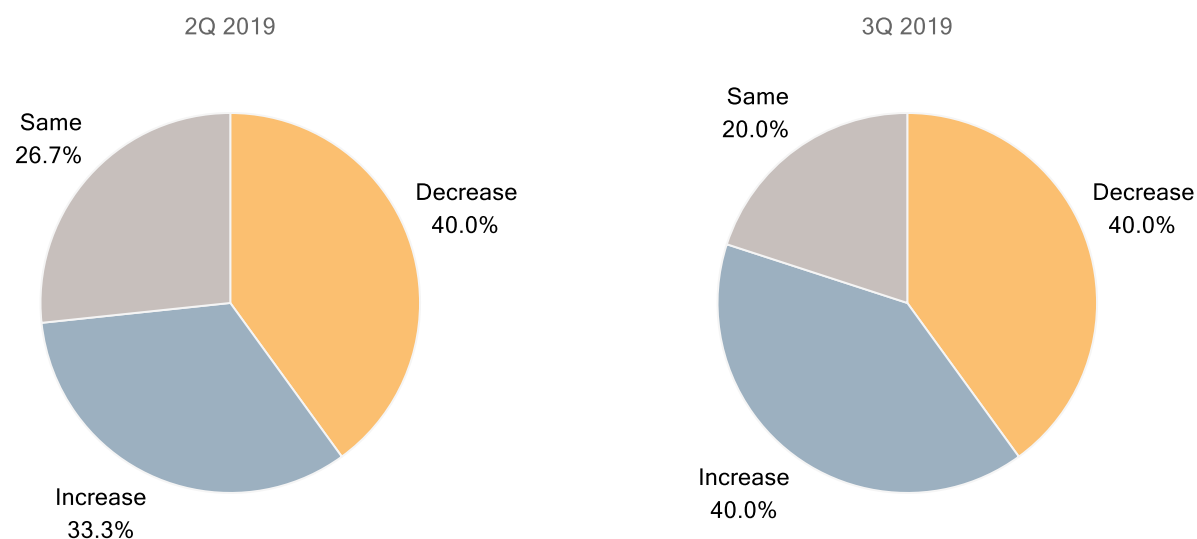
Portfolio Performance

Non-Accruing Loans as % of Total Loans Outstanding

Note: Data represents lenders who responded to SFNet's 3Q 2019 Asset-Based Lending Survey and reported on the referenced values in one or more quarters.

- As a percentage of outstanding loans, non-accruing loans in 3Q 2019 increased by 29 basis points from the previous quarter.
- Compared to the same quarter last year, the percentage of non-accruing loans increased 34 basis points.

Change in Non-Accruing Loans

2Q 2019

Same
26.7%

Decrease
40.0%

Increase
33.3%

3Q 2019

Same
20.0%

Decrease
40.0%

Increase
40.0%

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.
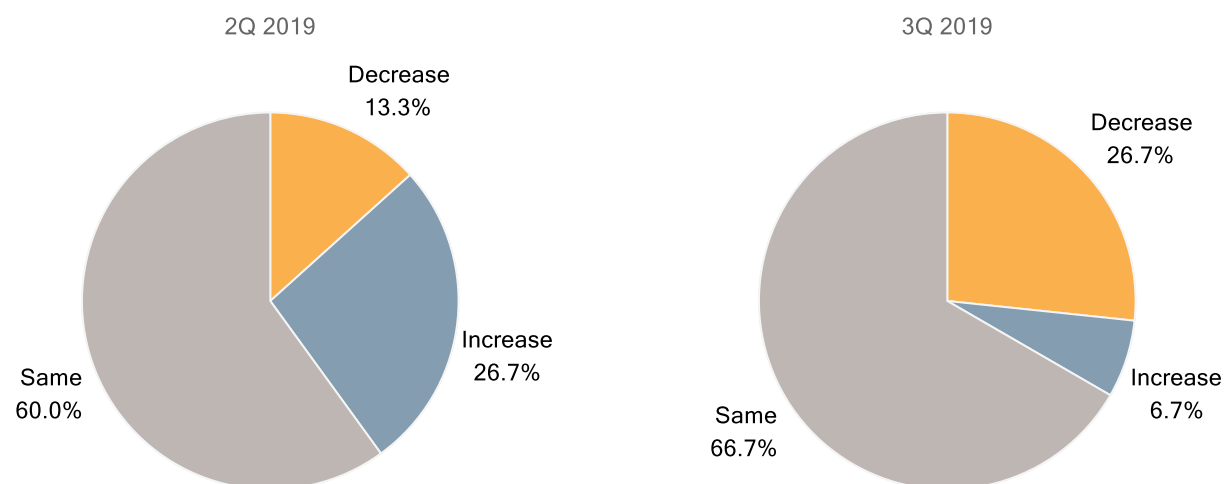
- 40.0% of lenders reported an increase in non-accruals in 3Q 2019 compared to 33.3% of lenders in 2Q 2019.
- The share of lenders that reported a decrease in non-accruing loans remained the same from 2Q 2019 to 3Q 2019 at 40.0%.
- In 2Q 2019, 26.7% reported no change from the previous quarter whereas 20.0% reported no change in 3Q 2019.

Change in Gross Write-offs

Note: Data represents lenders who responded to SFNet's 3Q 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 decreased from 26.7% in 2Q 2019 to 6.7% in 3Q 2019.
- The share of lenders reporting a decrease in gross write-offs increased from 13.3% in 2Q 2019 to 26.7% in 3Q 2019.
- The share of lenders that reported no change in gross write-offs from the previous quarter increased from 60.0% in 2Q 2019 to 66.7% in 3Q 2019.