

Q4
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.

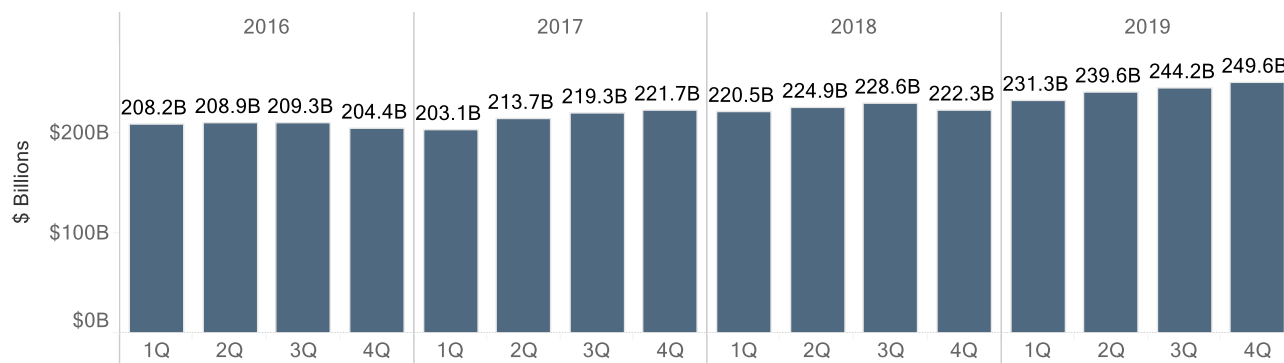
The makeup of the lenders providing data for this report changes from quarter to quarter. Participating members also have the ability to revise their previously reported data. As such, the data presented in this report reflects only organizations who responded during the current data collection cycle 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

1Q 2016 - 4Q 2019

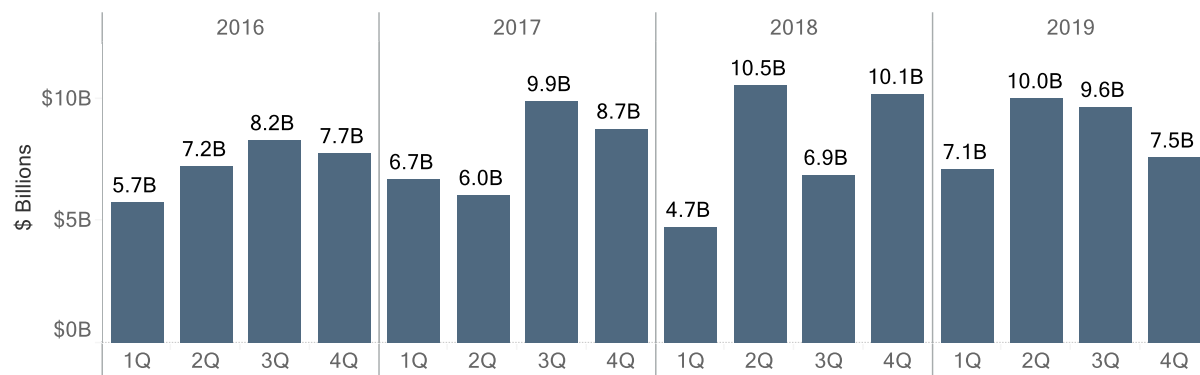


Note: Data represents lenders who responded to SFNet's 4Q 2019 Asset-Based Lending Survey and reported on the referenced values in all quarters.

- Total committed credit lines increased by 2.2% compared to the previous quarter.
- Compared to the same quarter last year, total commitments increased 12.3%.

New Credit Commitments (Gross)

1Q 2016 - 4Q 2019

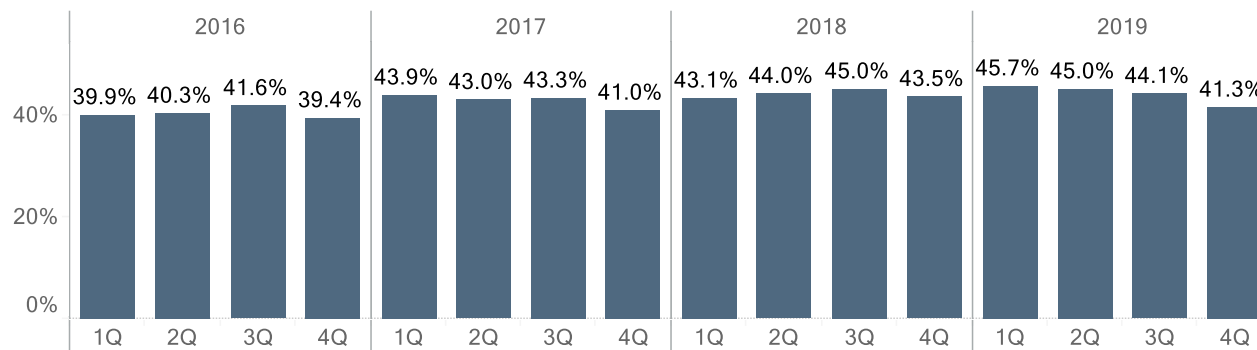


Note: Data represents lenders who responded to SFNet's 4Q 2019 Asset-Based Lending Survey and reported on the referenced values in all quarters.

- Compared to the previous quarter, new credit commitments decreased 21.9% to \$7.5B in 4Q 2019.
- Compared to the same quarter in the previous year, new credit commitments decreased by 25.7%.

Loans Outstanding as Percent of Total Credit Commitments

1Q 2016 - 4Q 2019



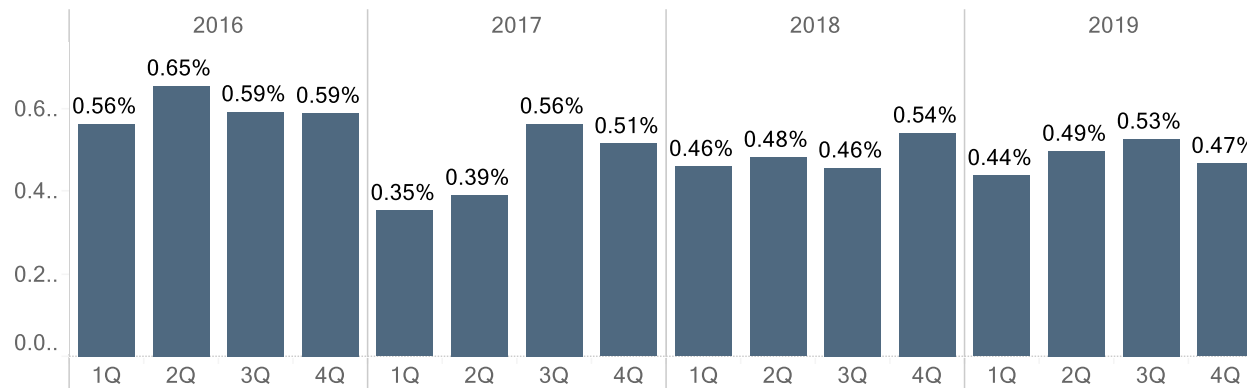
Note: Data represents lenders who responded to SFNet's 4Q 2019 Asset-Based Lending Survey and reported on the referenced values in one or more quarters.

- Credit line utilization decreased in 4Q 2019, falling 280 basis points compared to 3Q 2019.
- Compared to 4Q 2018 credit line utilization decreased by 220 basis points in 4Q 2019.

Portfolio Performance

Non-Accruing Loans as % of Total Loans Outstanding

1Q 2016 - 4Q 2019

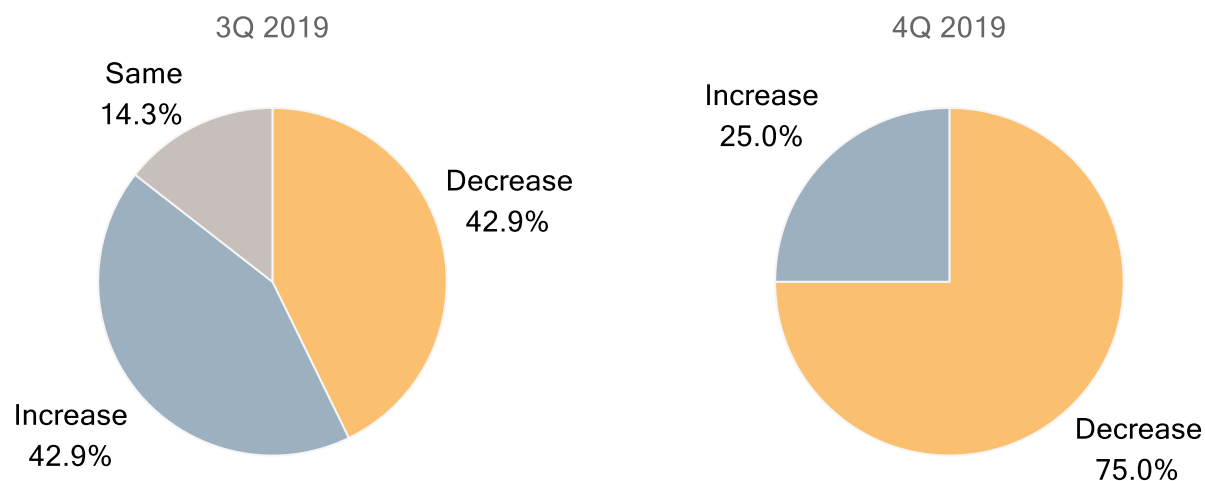


Note: Data represents lenders who responded to SFNet's 4Q 2019 Asset-Based Lending Survey and reported on the referenced values in one or more quarters.

- As a percentage of outstanding loans, non-accruing loans in 4Q 2019 decreased by six basis points from the previous quarter.
- Compared to the same quarter last year, the percentage of non-accruing loans fell by seven basis points.

Change in Non-Accruing Loans

3Q 2019 and 4Q 2019

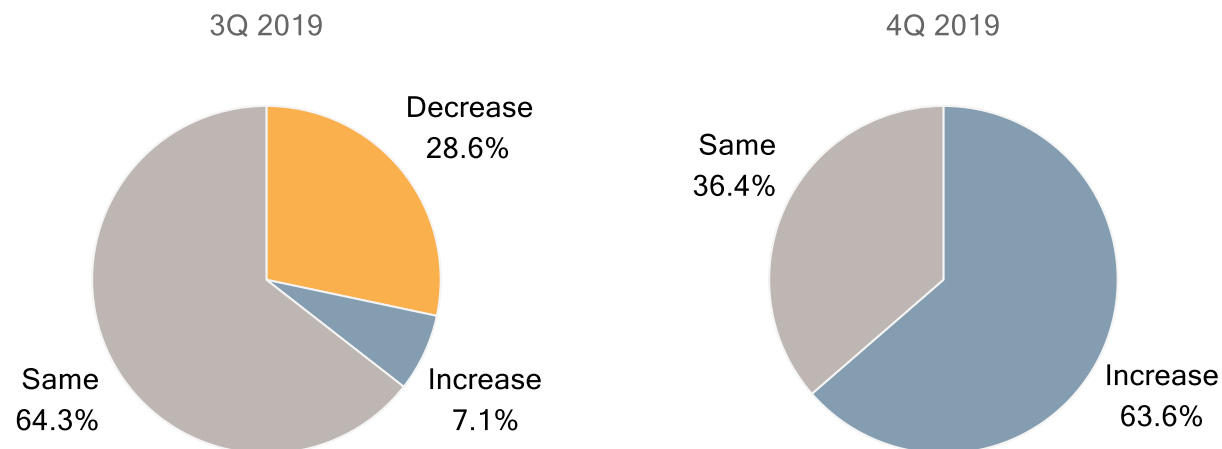


Note: Data represents lenders who responded to SFNet's 4Q 2019 Asset-Based Lending Survey and reported on the referenced values in two or three quarters.

- 25.0% of lenders reported an increase in non-accruals in 4Q 2019 compared to 42.9% of lenders in 3Q 2019.
- The share of lenders that reported a decrease in non-accruing loans grew from 42.9% in 3Q 2019 to 75.0% in 4Q 2019.
- In 3Q 2019, 14.3% reported no change from the previous quarter whereas all lenders in 4Q 2019 reported a change.

Change in Gross Write-offs

3Q 2019 and 4Q 2019



Note: Data represents lenders who responded to SFNet's 4Q 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 7.1% in 3Q 2019 to 63.6% in 4Q 2019.
- In 3Q 2019, 28.6% of responding lenders reported a decrease in gross write-offs, whereas in 4Q 2019 none of the responding lenders reported a decrease.
- The share of lenders that reported no change in gross write-offs from the previous quarter decreased from 64.3% in 3Q 2019 to 36.4% in 4Q 2019.