

Q4
2020

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.

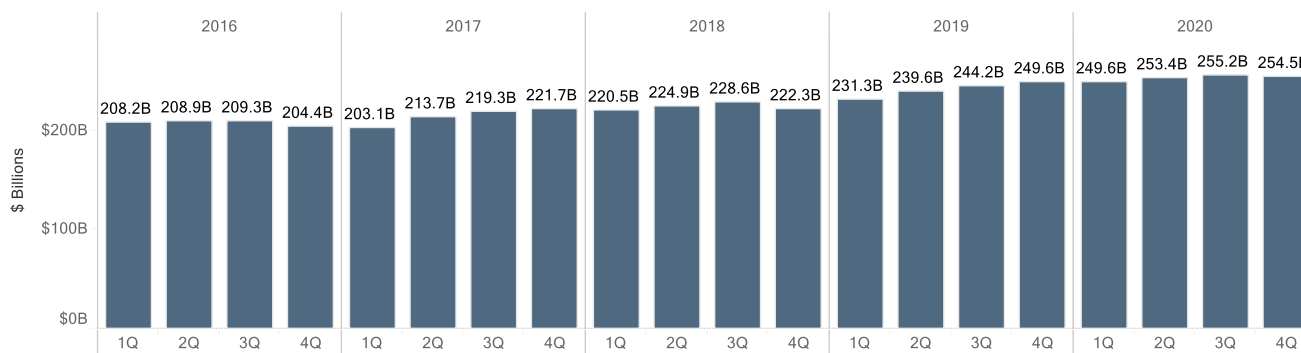
A significant number of SFNet members engaged in asset-based lending and factoring participated in this year's surveys. Members who participate in the surveys received more detailed reports mapping additional facets of their industry. If you are a member and are interested in participating, please contact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

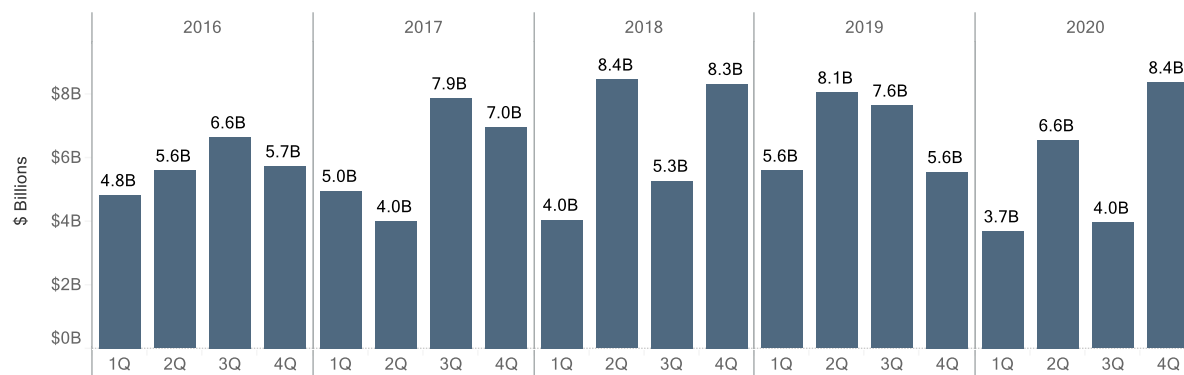
Total Committed Credit Lines



- Total committed credit lines in 4Q 2020 decreased from the previous quarter by 0.3%.
- Compared to the same quarter last year, total commitments increased 2.0%.

Note: Data represents lenders who responded to SFNet's 4Q 2020 Asset-Based Lending Survey and reported on the referenced values in all quarters.

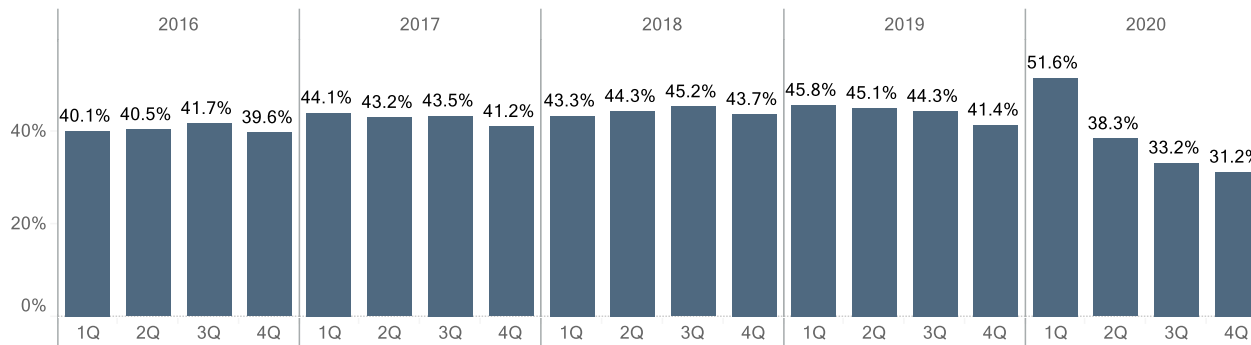
New Credit Commitments (Gross)



Note: Data represents lenders who responded to SFNet's 4Q 2020 Asset-Based Lending Survey and reported on the referenced values in all quarters.

- Compared to the previous quarter, new credit commitments increased 110.0% to \$8.4B in 4Q 2020.
- Compared to the same quarter in the previous year, new credit commitments increased by 50.0%.

Loans Outstanding as Percent of Total Credit Commitments

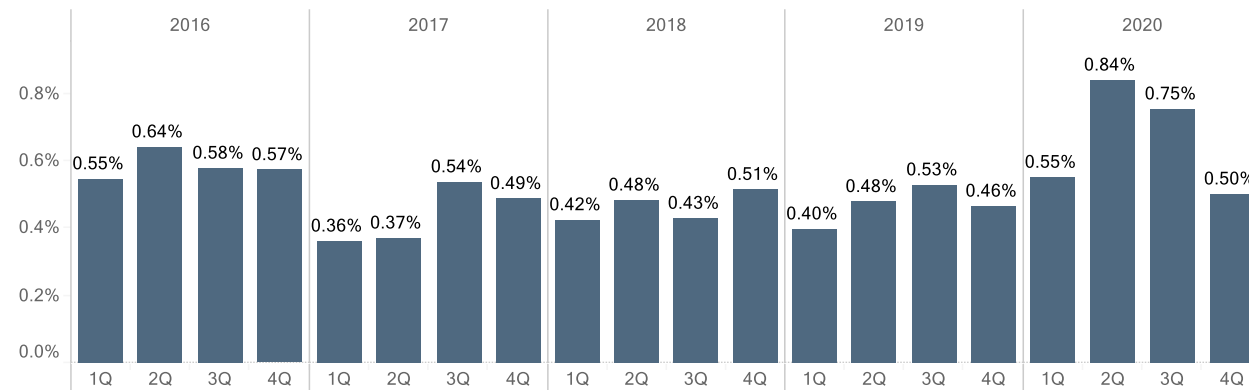


Note: Data represents lenders who responded to SFNet's 4Q 2020 Asset-Based Lending Survey and reported on the referenced values in one or more quarters.

- Credit line utilization decreased in 4Q 2020, falling 200 basis points compared to 3Q 2020.
- Compared to 4Q 2019 credit line utilization decreased by 1,020 basis points in 4Q 2020.

Portfolio Performance

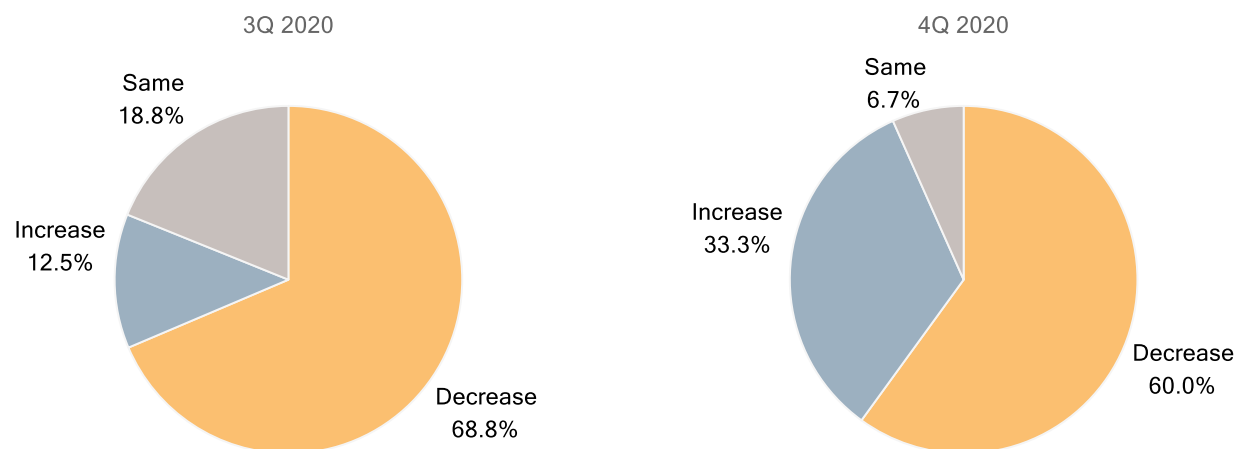
Non-Accruing Loans as % of Total Loans Outstanding



Note: Data represents lenders who responded to SFNet's 4Q 2020 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 2020 decreased by 25 basis points from the previous quarter.
- Compared to the same quarter last year, the percentage of non-accruing loans grew by four basis points.

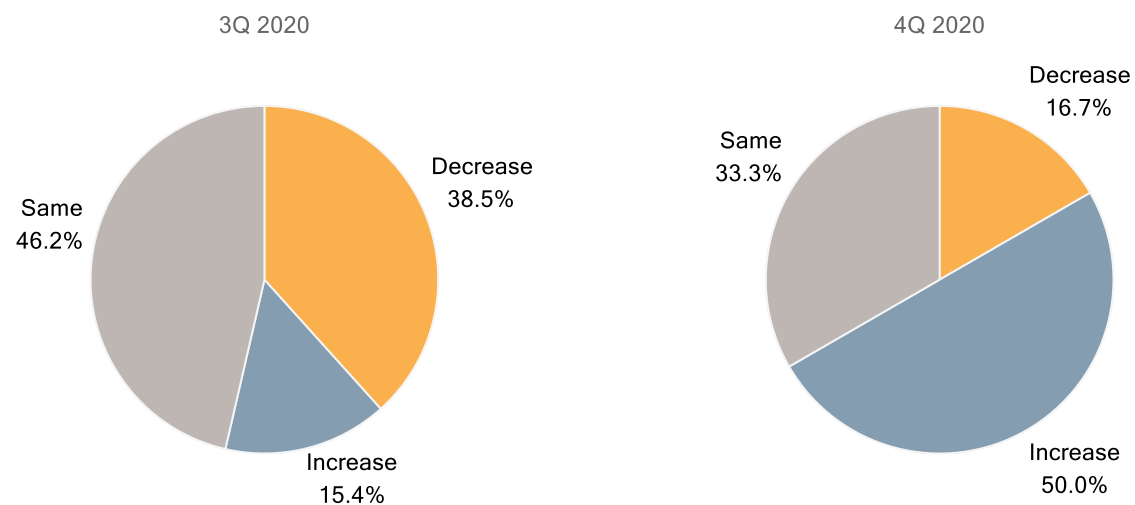
Change in Non-Accruing Loans



Note: Data represents lenders who responded to SFNet's 4Q 2020 Asset-Based Lending Survey and reported on the referenced values in two or three quarters.

- 33.3% of lenders reported an increase in non-accruals in 4Q 2020, an increase compared to 12.5% of lenders reporting an increase in 3Q 2020.
- The share of lenders that reported a decrease in non-accruing loans decreased from 68.8% in 3Q 2020 to 60.0% in 4Q 2020.
- The amount of lenders reporting no change from the previous quarter fell from 18.8% in 3Q 2020 to 6.7% in 4Q 2020.

Change in Gross Write-offs



Note: Data represents lenders who responded to SFNet's 4Q 2020 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 grew from 15.4% in 3Q 2020 to 50.0% in 4Q 2020.
- In 4Q 2020, 16.7% of the responding lenders reported a decrease in gross write-offs, falling from 38.5% of lenders reported a decrease in 3Q 2020.
- The share of lenders that reported no change in gross write-offs from the previous quarter decreased from 46.2% in 3Q 2020 to 33.3% in 4Q 2020.