

Q4  
2021

# *Asset-Based Lending Index*



**Secured Finance  
Network**

An association of professionals  
putting capital to work

## Introduction

This report summarizes the headline results from the Secured Finance Network's Q4 2021 Asset-Based Lending Survey.

SFNet members who participate in these quarterly surveys receive more detailed reports each quarter to help them understand industry trends and benchmark their organization's performance and metrics relative to the broader respondent base. If you are a member and are interested in participating, please contact Aydan Savaser at [asavaser@SFNet.com](mailto:asavaser@SFNet.com). If you are not a member, please contact James Kravitz at [jkravitz@SFNet.com](mailto:jkravitz@SFNet.com) to learn about the many benefits of membership.

The makeup and overall number the lenders providing data for this report changes from quarter to quarter. As such, the values presented in this report correspond only to lenders that responded in this most recent cycle and previous quarter values shown in this report may not be consistent with the previous quarters' reports. Please refer to the data footnotes on each slide for further clarification on the values being shown in corresponding charts.

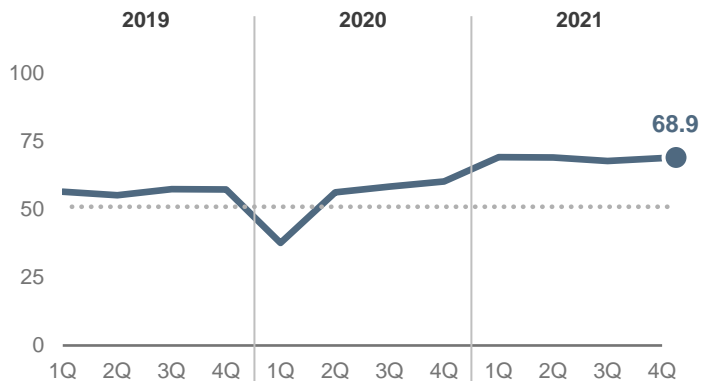
Values throughout this report cover data for both bank and non-bank lenders and may vary significantly for either group. For a detailed breakdown of bank and non-bank metrics please consider participating in the quarterly survey.

If you have any questions about the data represented in this report or have suggestions about how the report can be improved in the future, please contact Andy Yewdell at Keybridge Research at [ayewdell@keybridgedc.com](mailto:ayewdell@keybridgedc.com).

### Business Lender Confidence Index

Lender Sentiment, Combined Score (0 -100)

Q1 2019 – Q4 2021

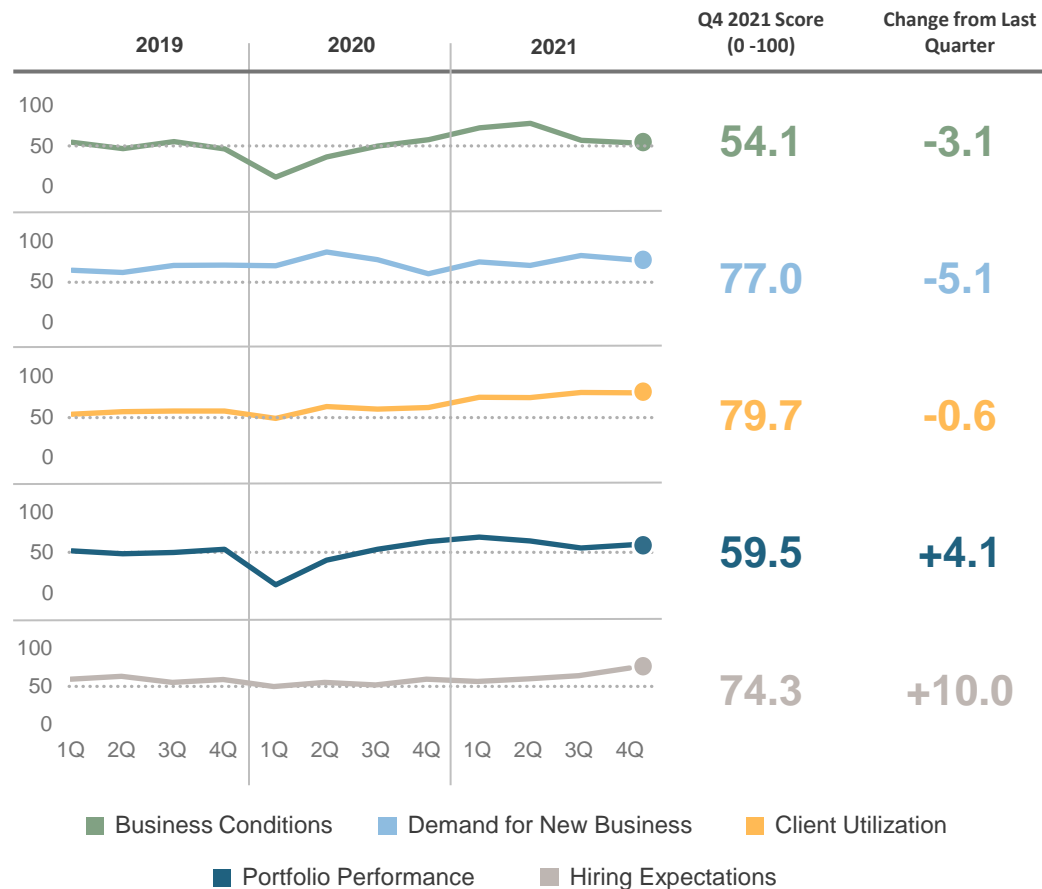


#### Highlights:

- Survey respondents provided their expectations for specific aspects of their business and the broader ABL market over the upcoming quarter.
- **Overall lender confidence remains positive** as of Q4 2021, continuing laterally from Q1's three-year high.
- Lenders reported the **most positive expectations** for client utilization, demand for new business, and hiring..
- Lenders were still **slightly optimistic** in expectations for business conditions and portfolio performance.
- Hiring expectations improved the most, while expectations for demand for new business had the largest drop, followed by business conditions.

Lender Sentiment, All Indices

Q1 2019 – Q4 2021

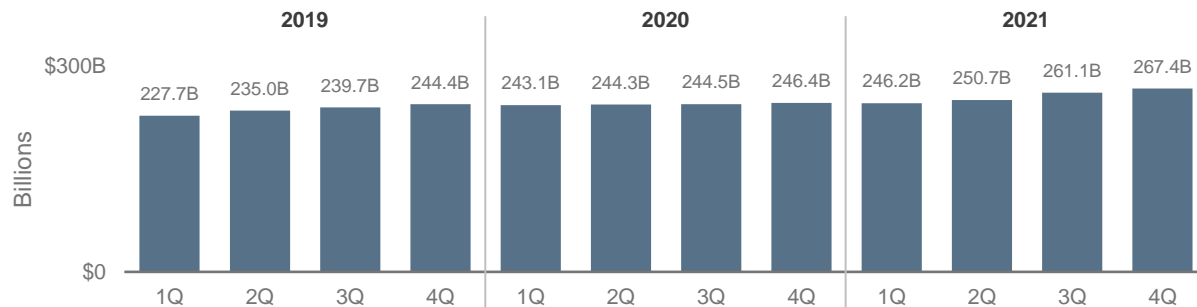


**Note:** The combined lender sentiment score represents an unweighted average across all five individual sentiment indices surveyed in Q4 2021. The above indices contain data from all respondents in any given quarter and are therefore not scoped to a consistent base of lenders that responded in every quarter.

### Business Development

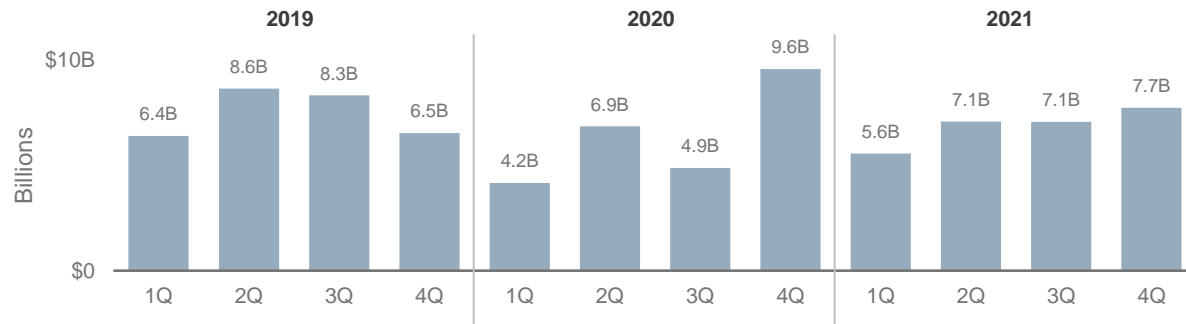
#### Total Committed Credit Lines

Q1 2019 – Q4 2021



#### New Credit Commitments (Gross)

Q1 2019 – Q4 2021



#### Highlights:

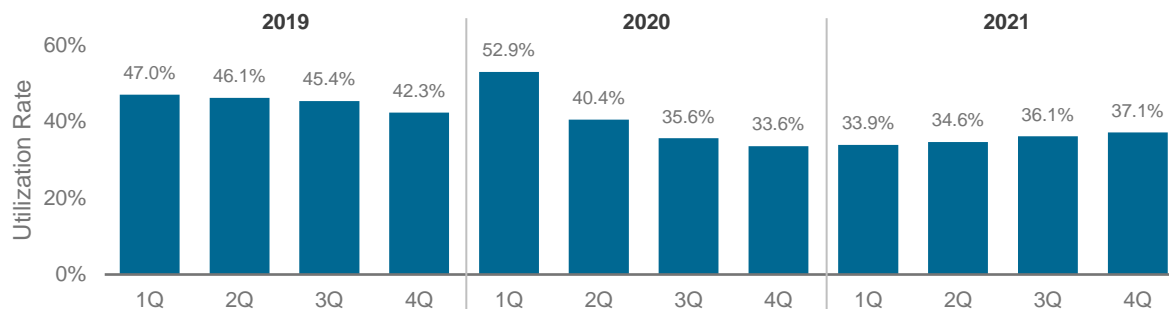
- Among lenders that responded across all quarters shown, total committed credit lines in Q4 2021 **increased by 2.4%** from the previous quarter.
- Compared to the same quarter last year, total committed credit lines among consistent respondents **increased by 8.5%** YoY.
- Across lenders that reported on new credit commitments in all quarters shown, new commitments **increased by 9.4%** in Q4 2021 from the previous quarter.
- Compared to the same quarter last year, new commitments among these lenders **decreased by 19.2%** YoY.

**Note:** Values in the above charts cover lenders that responded to the Q4 2021 SFNet Asset-Based Lending Survey and that have reported on the referenced fields in all quarters shown.

## Credit Line Utilization

### Loans Outstanding as Percentage of Total Credit Commitments

Q1 2019 – Q4 2021



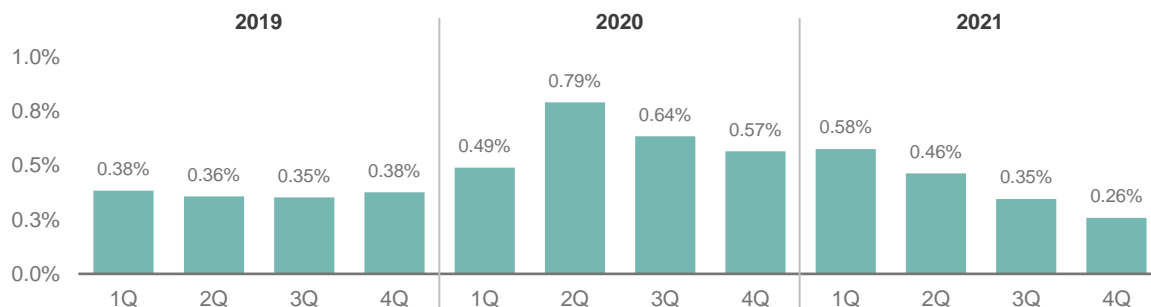
#### Highlights:

- Among lenders that responded across all quarters shown, credit line utilization in Q4 2021 **increased by 99 basis points** from the previous quarter.
- Compared to the same quarter last year, credit line utilization among these lenders **increased by 354 basis points** YoY.
- Credit line utilization among consistent survey respondents has climbed in recent quarters but remains below pre-pandemic utilization.

**Note:** Values in the above chart cover lenders that responded to the Q4 2021 SFNet Asset-Based Lending Survey and that have reported on the referenced fields in all quarters shown.

### Portfolio Performance – Non-Accruing Loans

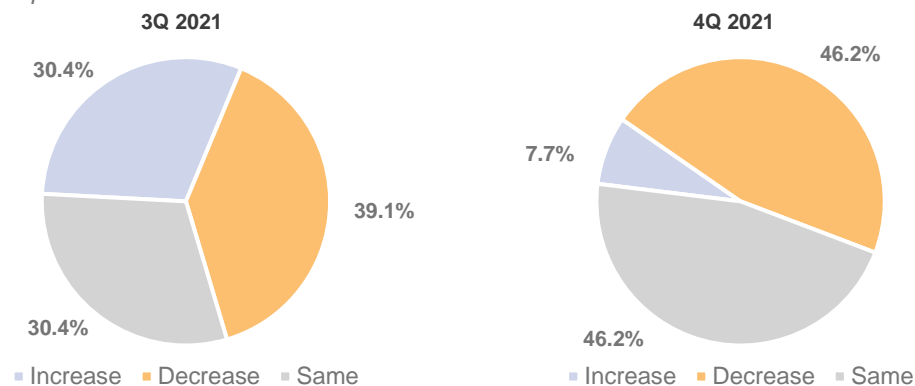
Non-Accruing Loans as a Percentage of Total Loans Outstanding – Quarterly  
Q1 2019 – Q4 2021



#### Highlights:

- As a percentage of loans outstanding among consistent respondents, non-accruing loans **fell by 9 basis points** in Q4 2021.
- Compared to the same quarter last year, the percentage of non-accruing loans among these respondents **decreased by 31 basis points**.
- **7.7%** of lenders reported an increase in non-accruing loans in Q4 2021, fewer than those in Q3 2021. The share of lenders reporting a decrease in non-accruals **rose from 39.1%** in Q3 2021 to **46.2%** in Q4 2021.

QoQ Change in Non-Accruing Loans  
Percentage of Respondents

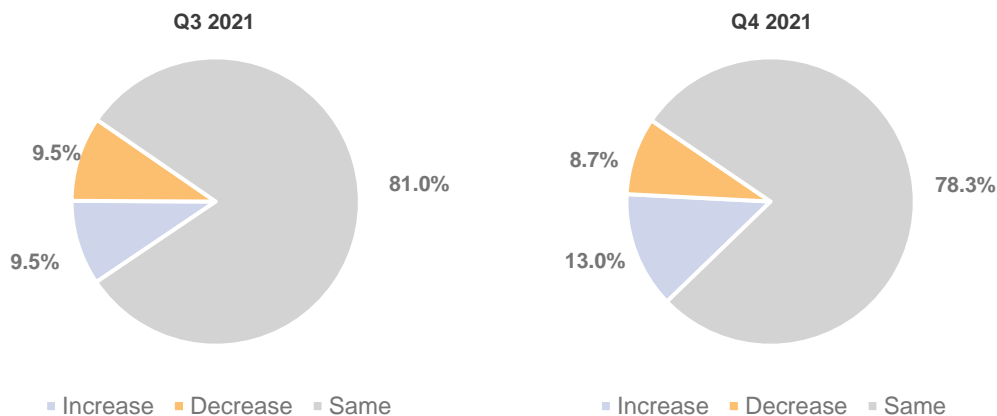


**Note:** Values in the top chart cover lenders that responded to the Q4 2021 SFNet Asset-Based Lending Survey and that have reported on the referenced fields in all quarters shown. Quarter-on-quarter changes in the bottom pie charts cover bank lenders that reported on non-accruing loans in two or three of the relevant quarters.

## Portfolio Performance – Gross Write-Offs

### QoQ Change in Gross Write-Offs

Percentage of Respondents



### Highlights:

- The share of respondents reporting a QoQ decrease in gross write-offs dipped from **9.5%** in Q3 2021 to **8.7%** in Q4. The percentage of respondents reporting an increase rose, with **9.5%** of respondents reporting an increase in Q3 2021 and **13.0%** reporting an increase in Q4.
- The share of lender respondents that reported no change in gross write-offs from the previous quarter decreased from **81.0%** in Q3 2021 to **78.3%** in Q4.
- Note: All lenders reporting no change in Q4 2021 reported \$0 in gross write-offs in each of the last two quarters.

**Note:** Quarter-on-quarter changes in the above pie charts cover bank lenders that reported on gross write-offs in two or three of the relevant quarters.