

Q1
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.

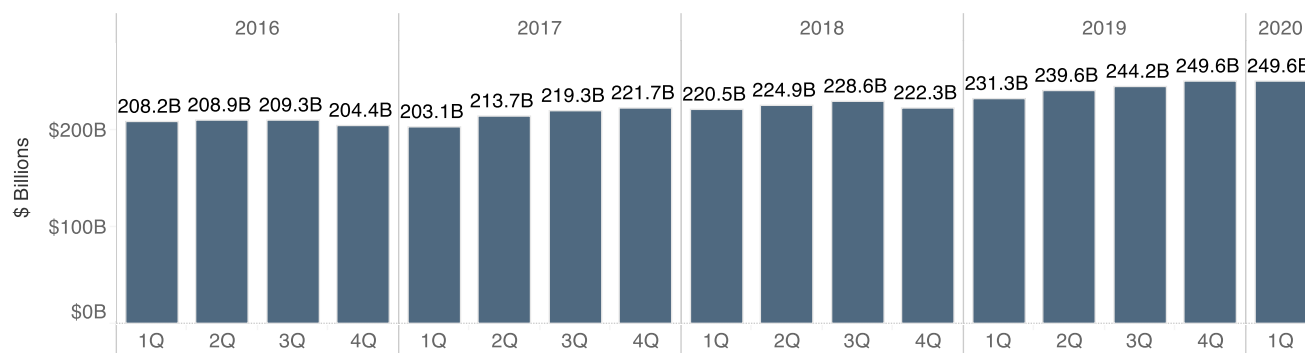
A significant number of SFNet members engaged in asset-based lending and factoring participated in this year's surveys. Members who participate in the surveys received more detailed reports mapping additional facets of their industry. If you are a member and are interested in participating, please contact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

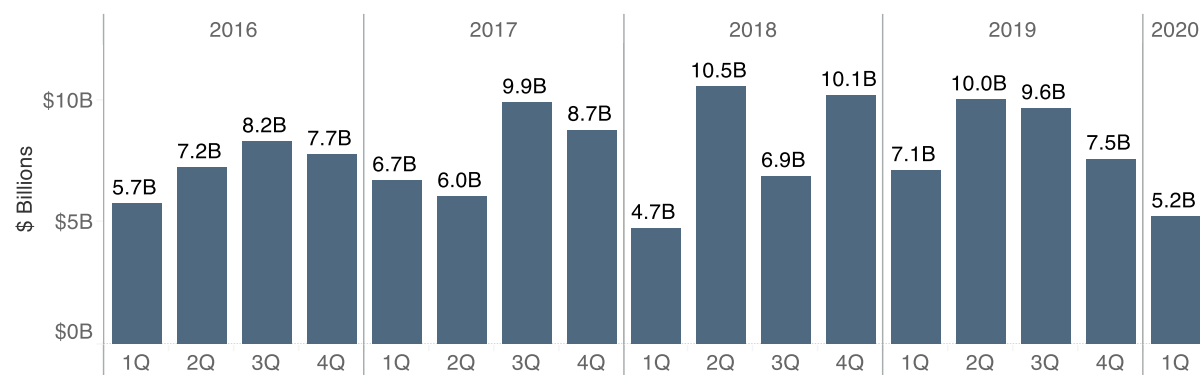
Total Committed Credit Lines



Note: Data represents lenders who responded to SFNet's 1Q 2020 Asset-Based Lending Survey and reported on the referenced values in all quarters.

- Total committed credit lines remained the same as the previous quarter at \$249.6B.
- Compared to the same quarter last year, total commitments increased 7.9%.

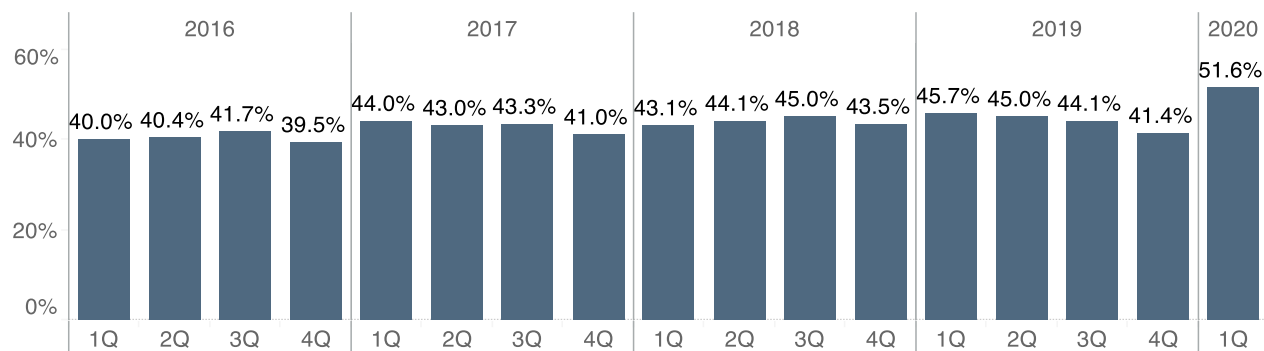
New Credit Commitments (Gross)



Note: Data represents lenders who responded to SFNet's 1Q 2020 Asset-Based Lending Survey and reported on the referenced values in all quarters.

- Compared to the previous quarter, new credit commitments decreased 30.7% to \$5.2B in 1Q 2020.
- Compared to the same quarter in the previous year, new credit commitments decreased by 26.8%.

Loans Outstanding as Percent of Total Credit Commitments

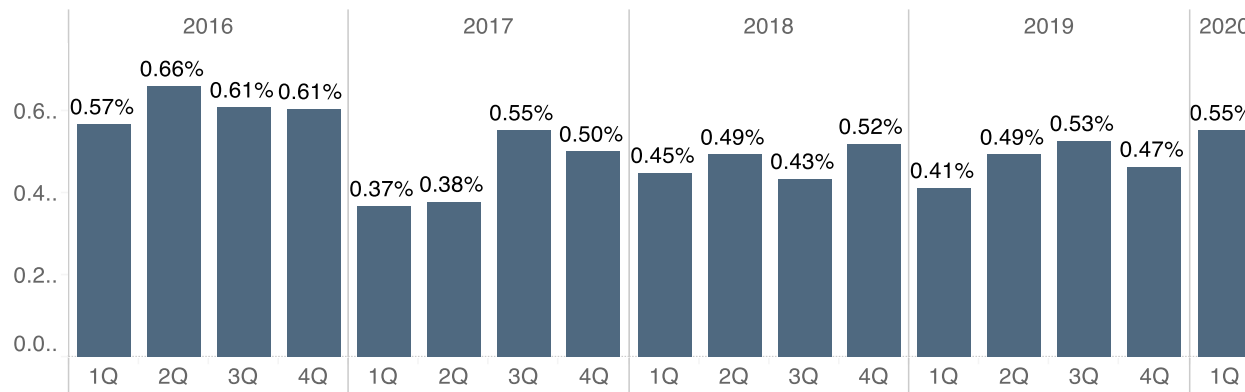


Note: Data represents lenders who responded to SFNet's 1Q 2020 Asset-Based Lending Survey and reported on the referenced values in one or more quarters.

- Credit line utilization increased in 1Q 2020, rising 1,020 basis points compared to 4Q 2019.
- Compared to 1Q 2019 credit line utilization increased by 590 basis points in 1Q 2020.

Portfolio Performance

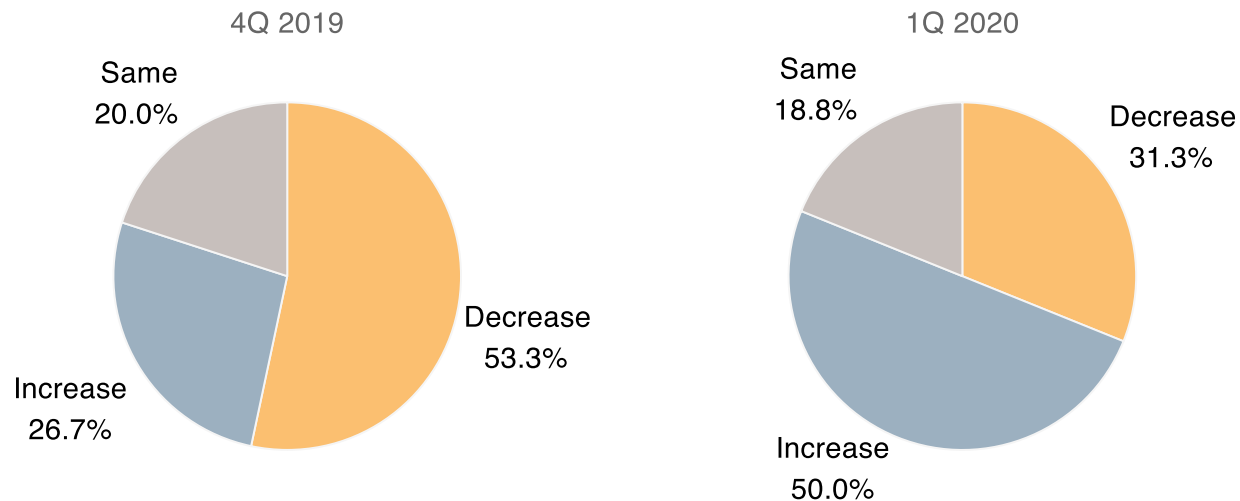
Non-Accruing Loans as % of Total Loans Outstanding



Note: Data represents lenders who responded to SFNet's 1Q 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 1Q 2020 increased by eight basis points from the previous quarter.
- Compared to the same quarter last year, the percentage of non-accruing loans grew by 14 basis points.

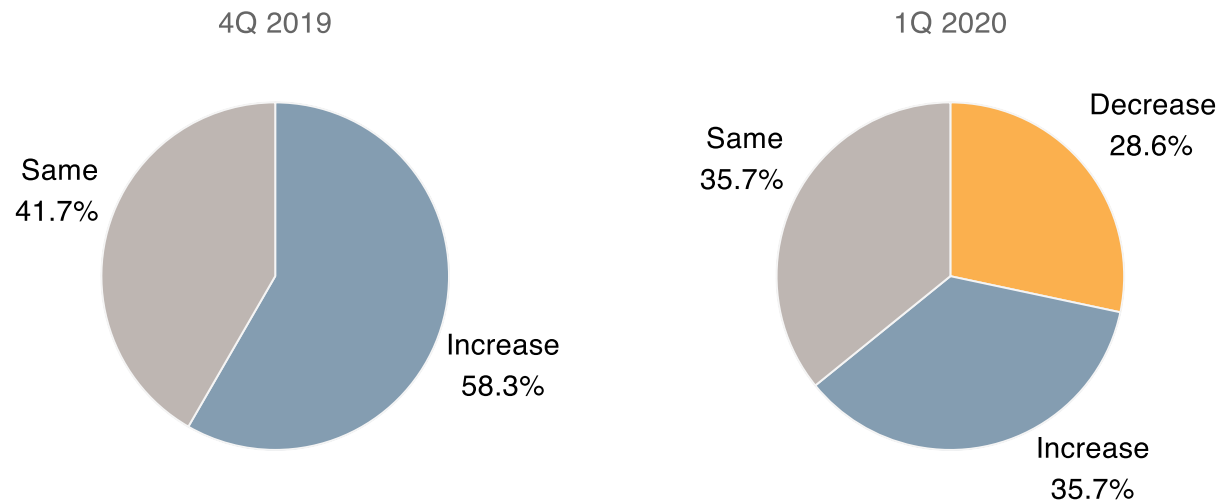
Change in Non-Accruing Loans



Note: Data represents lenders who responded to SFNet's 1Q 2020 Asset-Based Lending Survey and reported on the referenced values in two or three quarters.

- 50.0% of lenders reported an increase in non-accruals in 1Q 2020 compared to 26.7% of lenders in 4Q 2019.
- The share of lenders that reported a decrease in non-accruing loans shrunk from 53.3% in 4Q 2019 to 31.3% in 1Q 2020.
- The amount of lenders reporting no change from the previous quarter remained relatively consistent from 20.0% in 4Q 2019 to 18.8% in 1Q 2020.

Change in Gross Write-offs



Note: Data represents lenders who responded to SFNet's 1Q 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 decreased from 58.3% in 4Q 2019 to 35.7% in 1Q 2020.
- In 4Q 2019, none of the responding lenders reported a decrease in gross write-offs, whereas 1Q 2020 28.6% of lenders reported a decrease.
- The share of lenders that reported no change in gross write-offs from the previous quarter decreased from 41.7% in 4Q 2019 to 35.7% in 1Q 2020.