



An association of professionals
putting capital to work

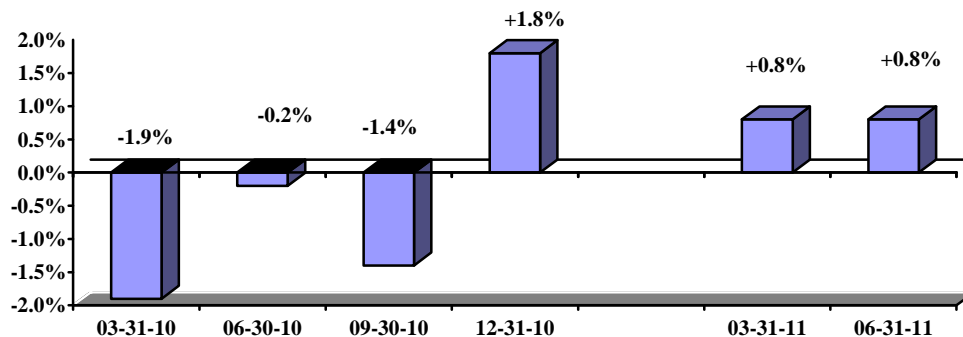
Quarterly Asset-Based Lending Index Second-Quarter 2011

Introduction

- This Quarterly Asset-Based Lending Index was developed to help Secured Finance Network members and external constituencies monitor industry trends.
- 20 of the largest SFNet members engaged in asset-based lending provided data for this Index. The mix of reporting members has changed slightly from time to time. In these instances, data from previous indices was restated.
- This survey was conducted by R.S. Carmichael & Co., White Plains, NY on behalf of the Secured Finance Network.

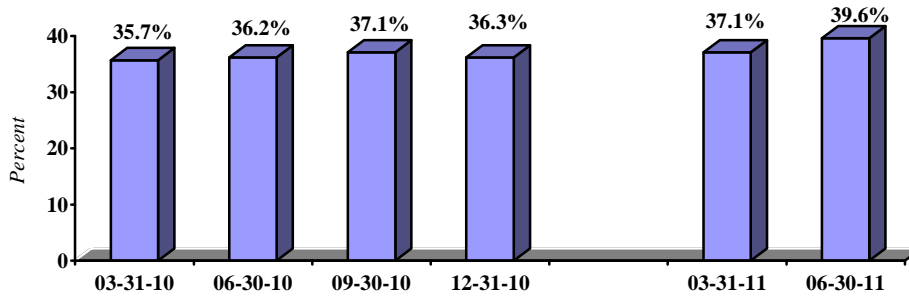
Business Development

- Total committed credit lines in 2Q 2011 increased 0.8% over 1Q 2011.
- Compared to 2Q 2010, total credit commitments were up by 2.0%.



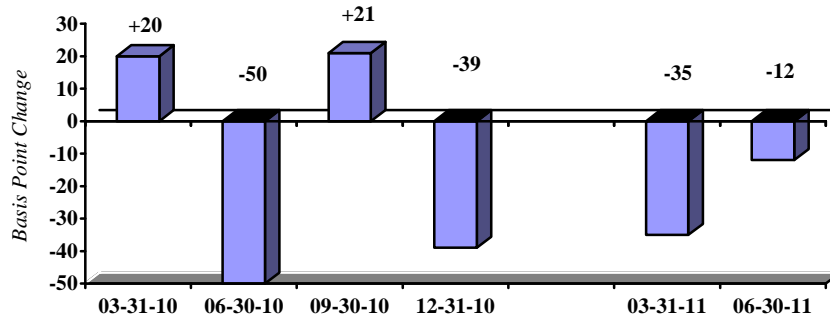
- Lenders' new credit commitments originated in the second-quarter of 2011 grew by 8.2% over the prior quarter. Moreover, 47% of lenders reported an increase in new credit commitments in the quarter.
- Utilization of lenders' credit lines increased to 39.6% in the second-quarter of 2011.

(Loans Outstanding as a Percentage of Total Credit Commitments)

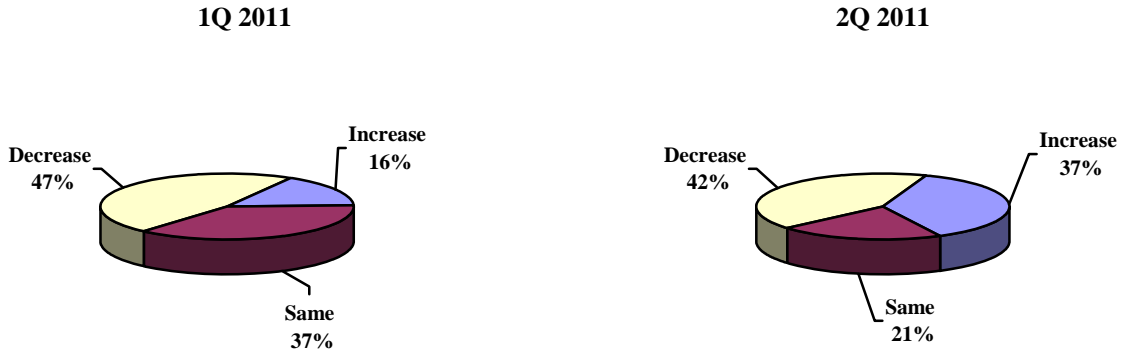


Portfolio Performance

- Lenders' non-accruing loans as a percentage of their total asset-based loans outstanding decreased 12 basis points in the second-quarter of 2011.



- **42% of lenders reported a decrease in non-accruals in 2Q 2011 compared to the prior quarter.**



- **With respect to gross write-offs, 79% of lenders reported either a decrease or the same level in the second-quarter of 2011 over the prior quarter.**

