



Secured Finance Network

Fourth Quarter 2014
Asset-Based Lending Index

www.SFNet.com

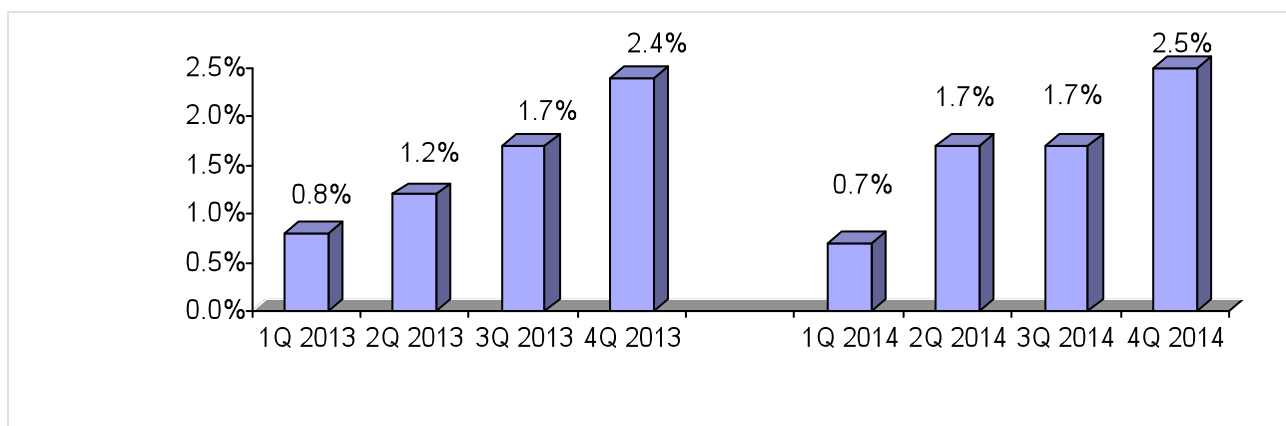
Introduction

- **This Quarterly Asset-Based Lending Index was developed to help Secured Finance Network members and external constituencies monitor industry trends.**
- **28 of the largest SFNet members engaged in asset-based lending provided data for this Index.**
- **The mix of reporting members changes from time to time. Also, they occasionally revise previously reported data. In these instances, data from prior indices is restated.**
- **This survey was conducted by R.S. Carmichael & Co. on behalf of the SFNet.**

Business Development

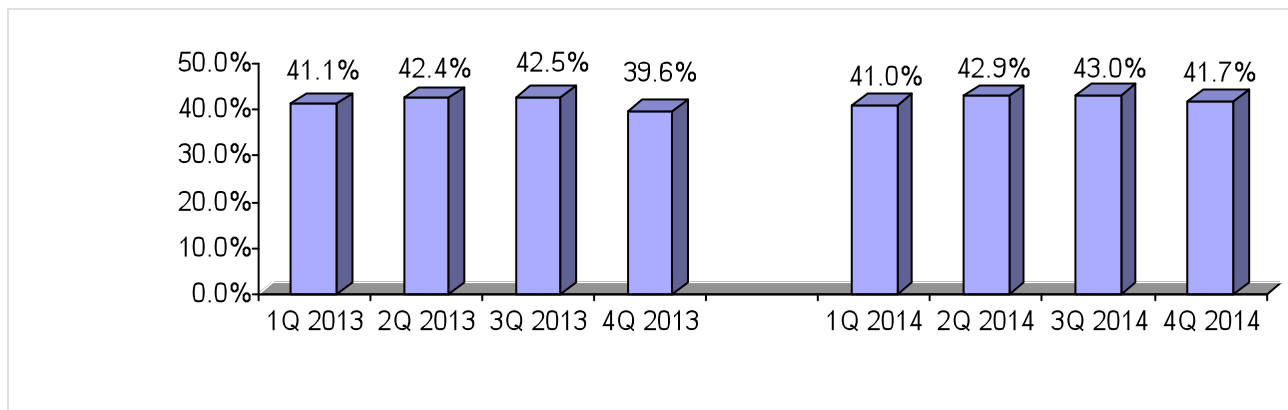
- **Total committed credit lines grew 2.5% in 4Q 2014 compared to the prior quarter.**
- **Compared to the same quarter in 2013, total commitments increased by 6.7%.**

(Percentage Change of Total Commitments)



- Lenders' **new** credit commitments in 4Q 2014 were 8.2% above the previous quarter. For all of 2014, new commitments exceeded 2013 by 4.3%.
- Credit line utilization as of December 31, 2014, was 41.7%. This was lower than the previous quarter (43.0%) but above the same quarter in 2013 (39.6%).

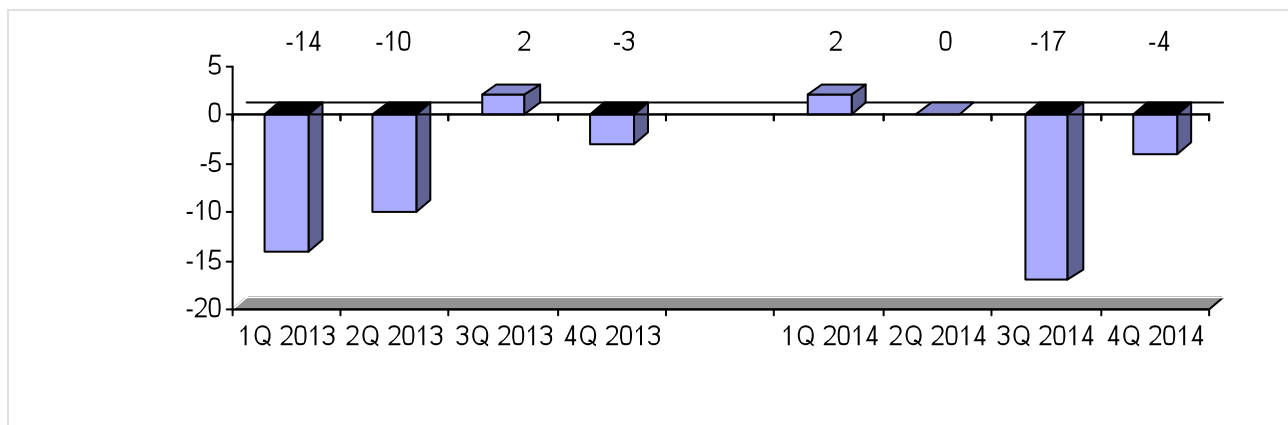
(Loans Outstanding as a Percentage of Total Credit Commitments)



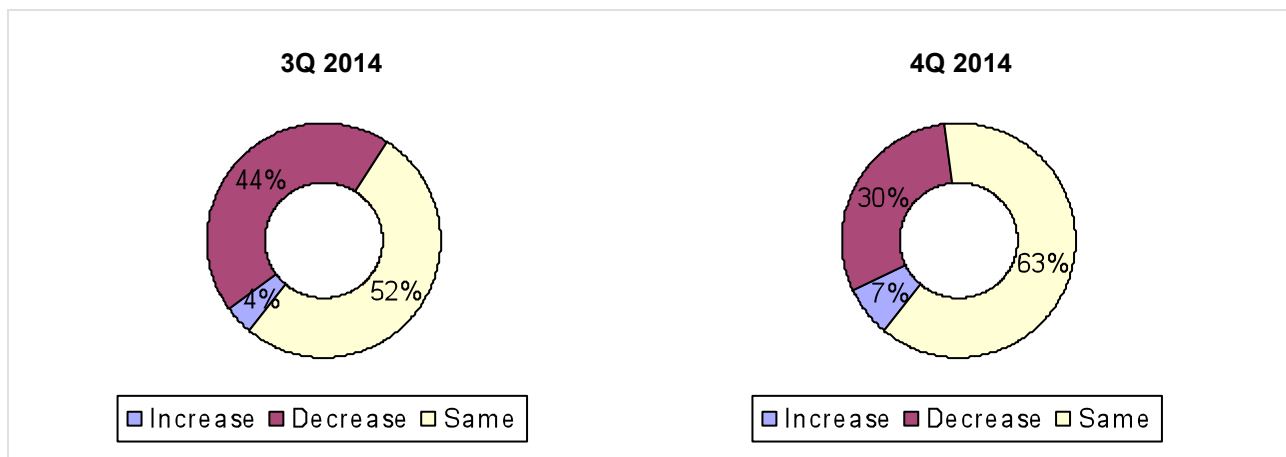
Portfolio Performance

- Lenders' non-accruing loans as a percentage of their total asset-based loans outstanding were again lower than the previous quarter.

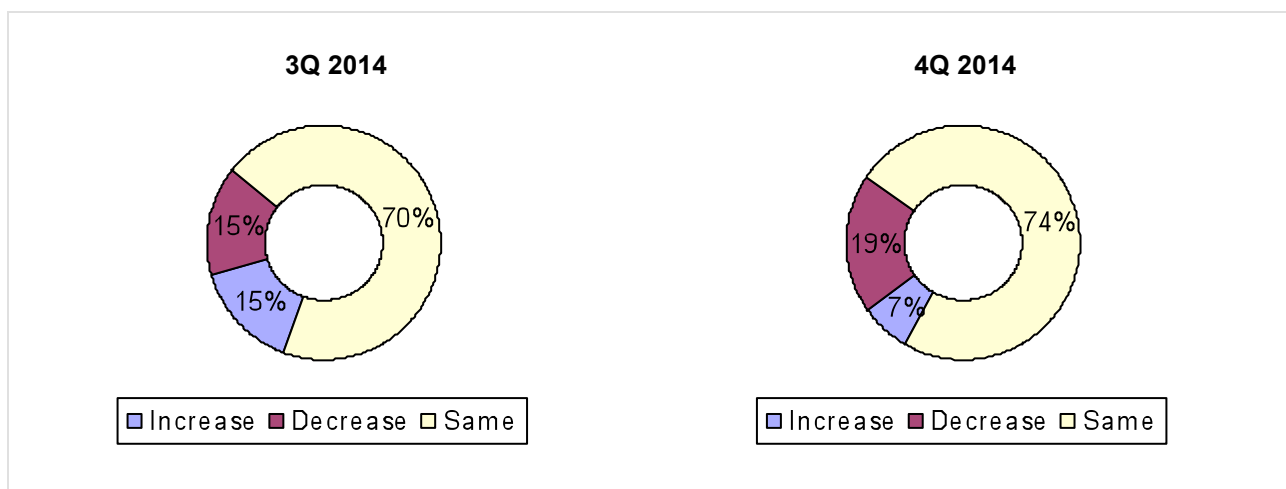
(Basis Point Change of Non-Accruals)



- 30% of lenders reported a decrease in non-accruals in 4Q 2014 compared to the prior quarter. In 3Q 2014, 44% had reported a decrease.



- With respect to gross write-offs, 93% of lenders reported either a decrease or the same level of write-offs in 4Q 2014.



- Gross write-offs as a percentage of total asset-based loans outstanding dropped even further in 4Q 2014.