

Q4  
2017

# *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@cfa.com](mailto:asavaser@cfa.com). If you are not a member, please contact James Kravitz at [jkravitz@cfa.com](mailto:jkravitz@cfa.com) to learn about the many benefits of membership.

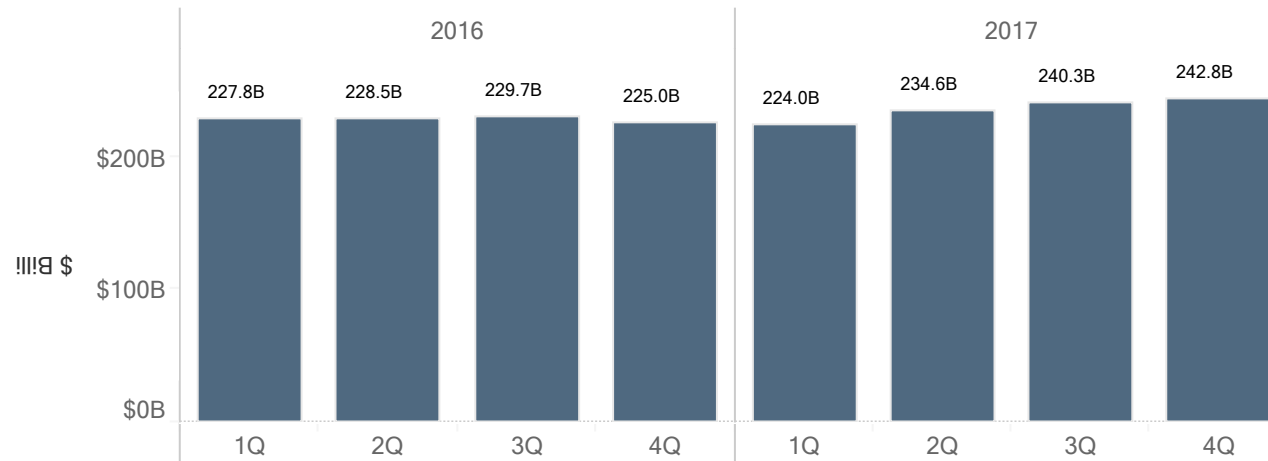
The makeup of the lenders providing data for this report changes from quarter to quarter. Participating members also have the ability to revise their previously reported data. As such, the data presented in this report reflects only organizations who responded during the current data collection cycle 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 [CFADatInitiative@westat.com](mailto:CFADatInitiative@westat.com) or 1-855-887-3820.

## Business Development

### Total Committed Credit Lines

1Q 2016 - 4Q 2017

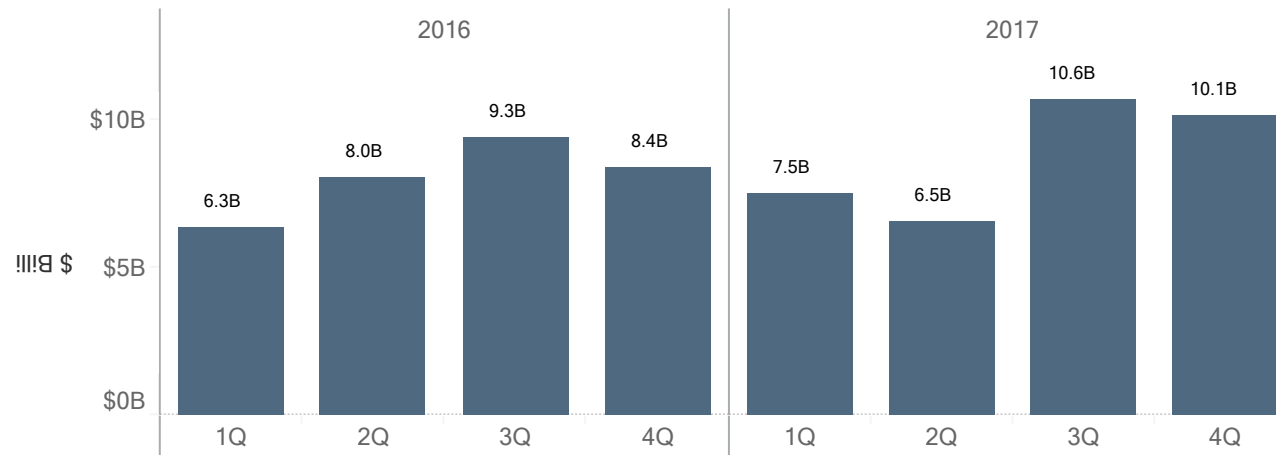


Note: Data represents lenders who responded to SFNet's 4Q 2017 Asset-Based Lending Survey and reported on the referenced values in all quarters.

- Total committed credit lines increased 1% compared to the previous quarter.
- Compared to the same quarter last year, total commitments increased 8%.

### New Credit Commitments (Gross)

1Q 2016 - 4Q 2017

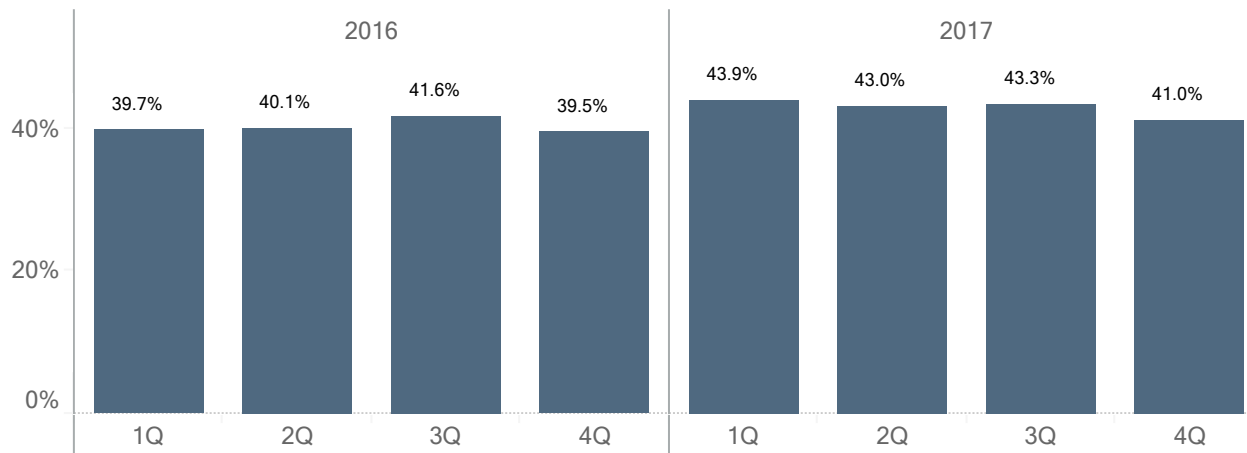


- Compared to the previous quarter, new credit commitments decreased 5% to \$10.1B in 4Q 2017, the smallest change in any reporting period.
- Compared to the same quarter in the previous year, new credit commitments increased by 17%.

Note: Data represents lenders who responded to SFNet's 4Q 2017 Asset-Based Lending Survey and reported on the referenced values in all quarters.

## Loans Outstanding as Percent of Total Credit Commitments

1Q 2016 - 4Q 2017



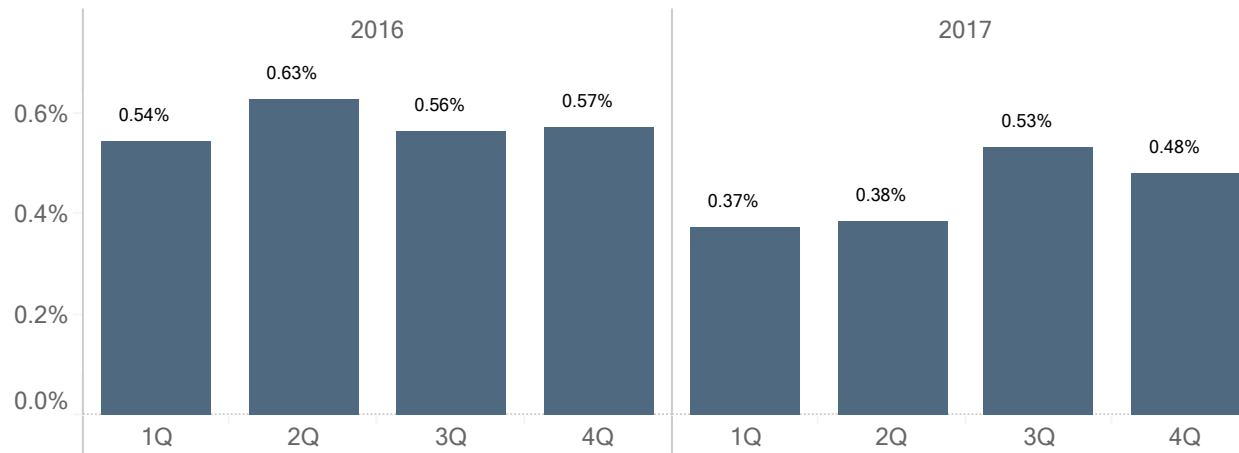
Note: Data represents lenders who responded to SFNet's 4Q 2017 Asset-Based Lending Survey and reported on the referenced values in one or more quarters.

- Credit line utilization decreased slightly in 4Q 2017, falling about 230 basis points compared to 3Q 2017.
- Compared to 4Q 2016 credit line utilization increased by 150 basis points in 4Q 2017.

## Portfolio Performance

### Non-Accruing Loans as % of Total Loans Outstanding

1Q 2016 - 4Q 2017

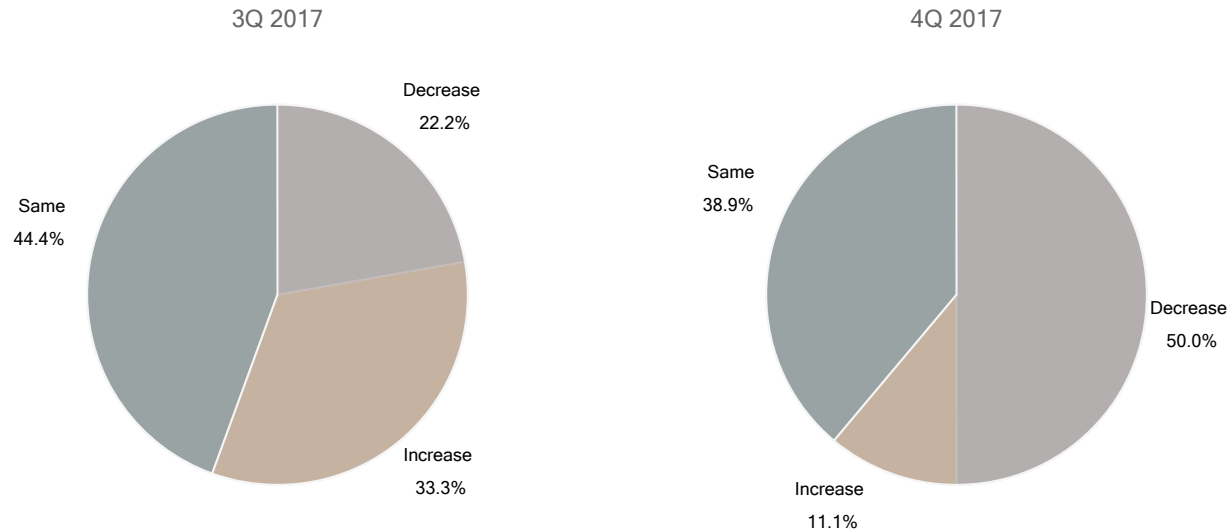


- As a percentage of outstanding loans, non-accruing loans in 4Q 2017 decreased by five basis points from the previous quarter.
- Compared to the same quarter last year, the percentage of non-accruing loans decreased by nine basis points.

Note: Data represents lenders who responded to SFNet's 4Q 2017 Asset-Based Lending Survey and reported on the referenced values in one or more quarters.

### Change in Non-Accruing Loans

3Q 2017 and 4Q 2017

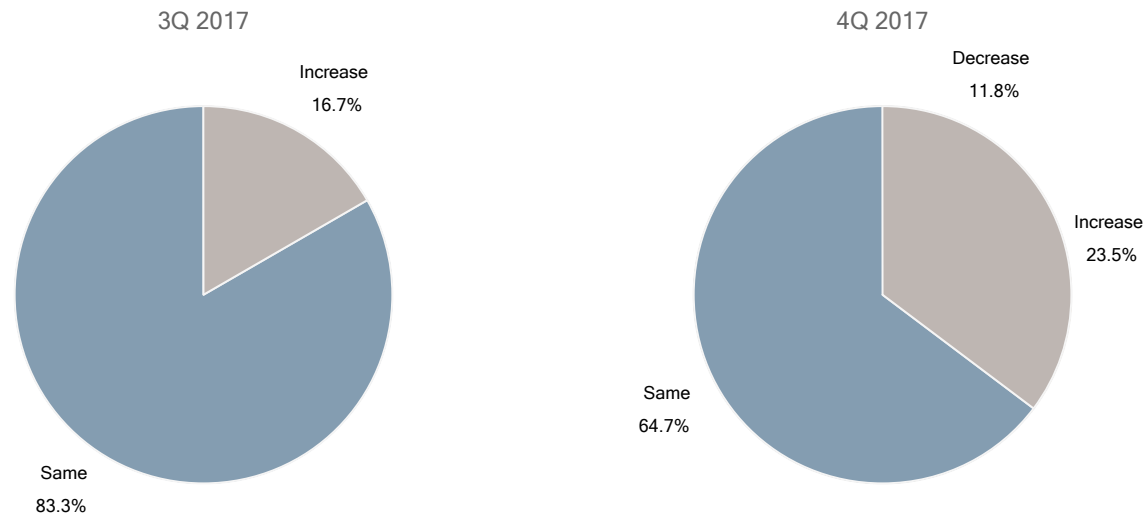


Note: Data represents lenders who responded to SFNet's 4Q 2017 Asset-Based Lending Survey and reported on the referenced values in two or three quarters.

- 11.1% of lenders reported an increase in non-accruals in 4Q 2017 compared to 33.3% of lenders in 3Q 2017.

### Change in Gross Write-offs

3Q 2017 and 4Q 2017



Note: Data represents lenders who responded to SFNet's 4Q 2017 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 16.7% in 3Q 2017 to 23.5% in 4Q 2017.