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## Quarterly Asset-Based Lending Index Third-Quarter 2012

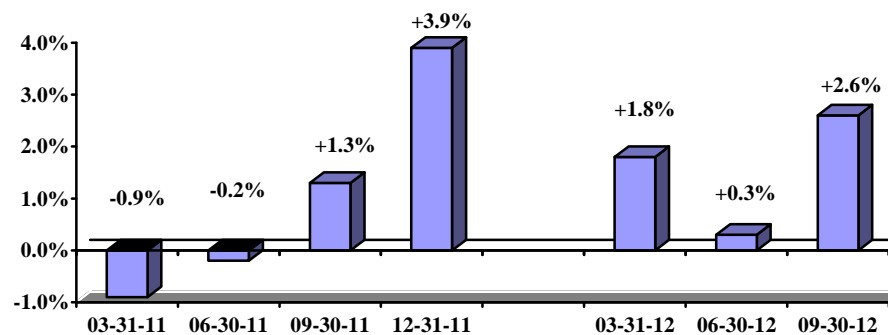
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### Introduction

- This Quarterly Asset-Based Lending Index was developed to help Secured Finance Network members and external constituencies monitor industry trends.
- 21 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. Also, some participants have revised previously reported data, and one major lender did not report non-accruals and write-offs this quarter. In these instances, data from previous indices has been restated.
- This survey was conducted by R.S. Carmichael & Co. on behalf of the Secured Finance Network.

### Business Development

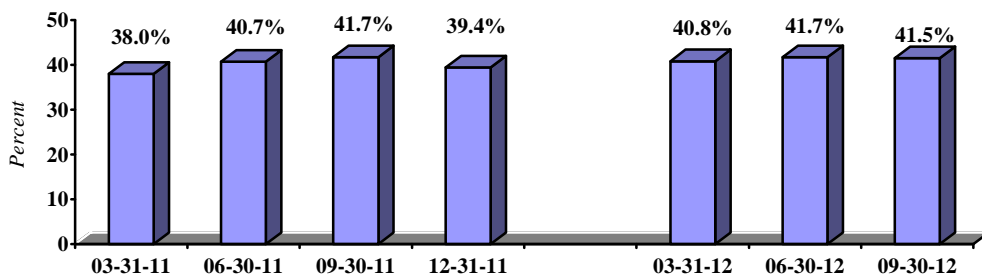
- Total committed credit lines in 3Q 2012 grew 2.6% compared to the previous quarter. 81% of lenders reported an increase.



- Compared to the same quarter in 2011, total commitments increased 8.4%.

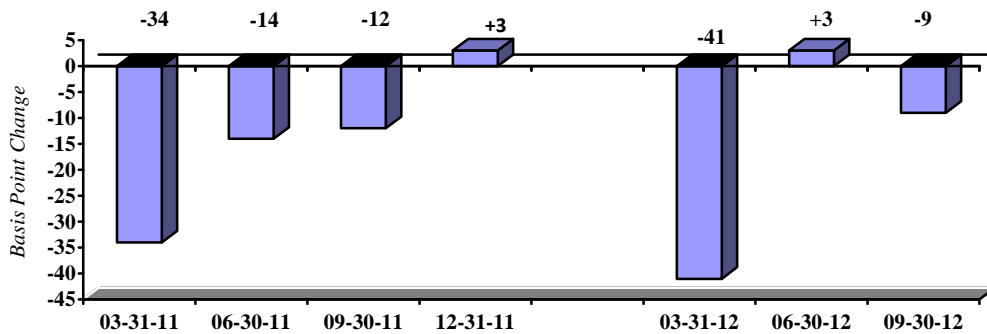
- Lenders' new credit commitments originated in 3Q 2012 were up 3.3%. Compared to the same quarter in 2011, new commitments also grew by 3.3%. 57% of lenders reported an increase in 3Q 2012.
- Utilization of lenders' credit lines dipped to 41.5% in the third-quarter of 2012. This compares to 41.7% in the previous quarter and in the same quarter in 2011.

(Loans Outstanding as a Percentage of Total Credit Commitments)

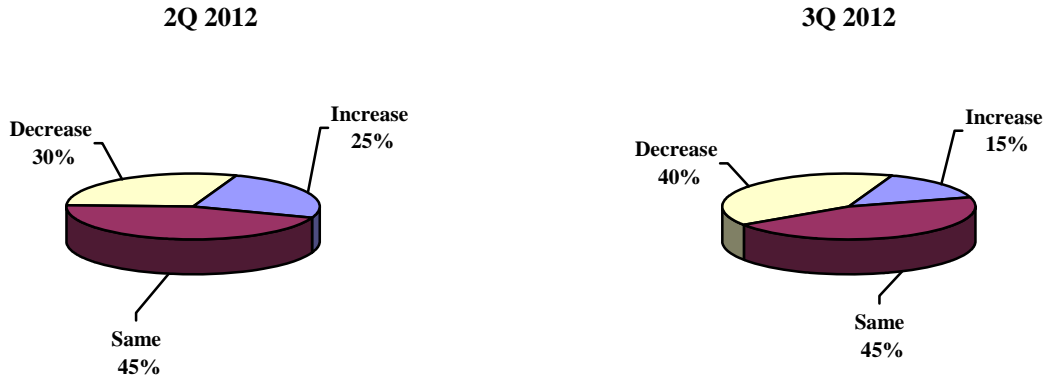


### Portfolio Performance

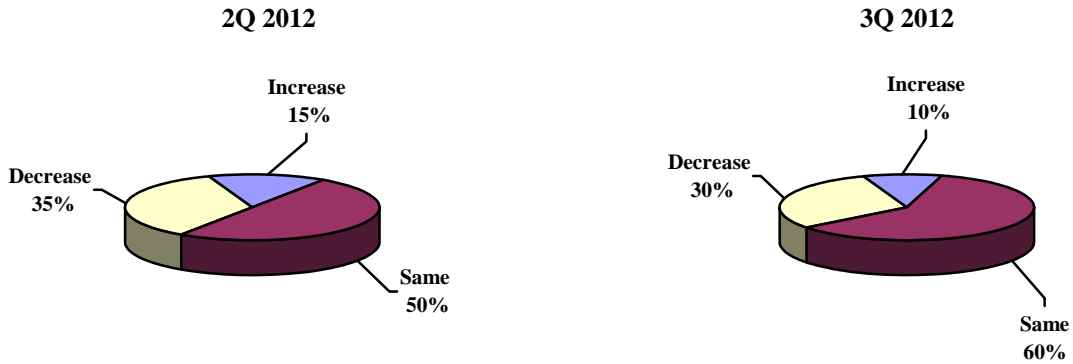
- Lenders' non-accruing loans as a percentage of their total asset-based loans outstanding resumed their decline in 3Q 2012.



- **40% of lenders reported a decrease in non-accruals in 3Q 2012 vs. 30% in 2Q 2012.**



- **With respect to gross write-offs, 30% of lenders reported a decrease in gross write-offs in 3Q 2012 vs. 35% in 2Q 2012.**



- **Gross write-offs as a percentage of total outstandings continued to drop in the third-quarter to a level well below 100 basis points.**