



Secured Finance Network

Second Quarter 2015
Asset-Based Lending Index

www.SFNet.com

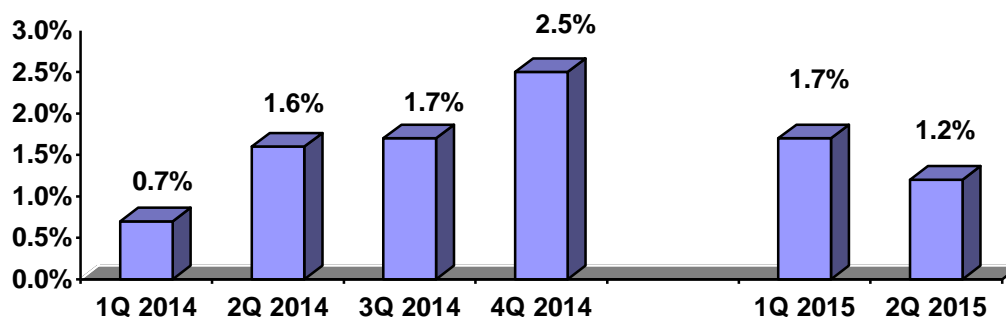
Introduction

- This Quarterly Asset-Based Lending Index was developed to help Secured Finance Network members and external constituencies monitor industry trends.
- 26 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

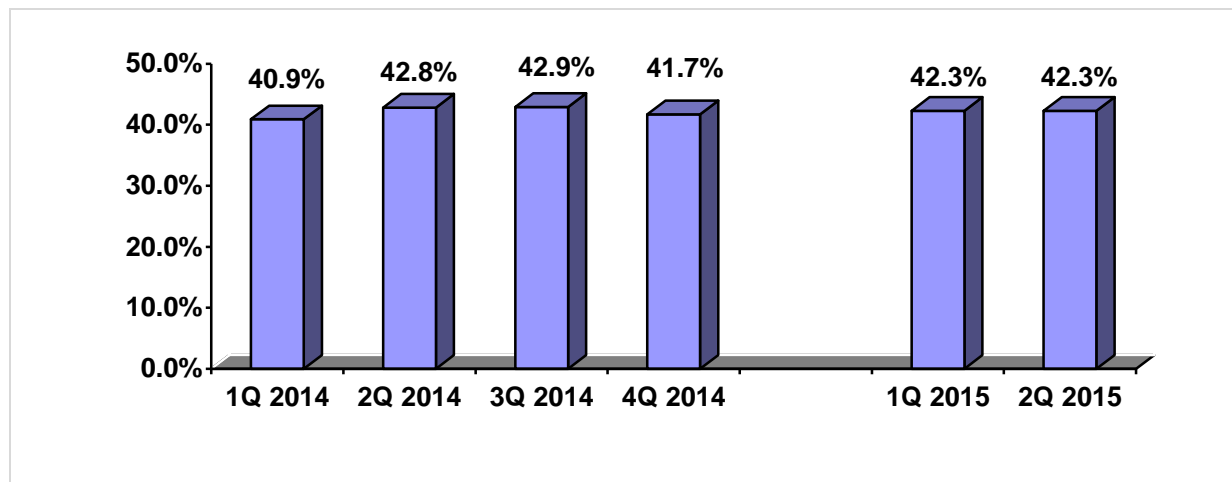
- Total committed credit lines were up 1.2% in 2Q 2015 compared to the previous quarter.
- Compared to the same quarter in 2014, total commitments rose 7.2%.

(Percentage Change of Total Commitments)



- Lenders' new credit commitments in 2Q 2015 were 9.0% higher than the previous quarter and 6.3% above the same quarter in 2014.
- Credit line utilization as of June 30, 2015, was 42.3%. This was unchanged from the previous quarter and below the same quarter in 2014 (42.8%).

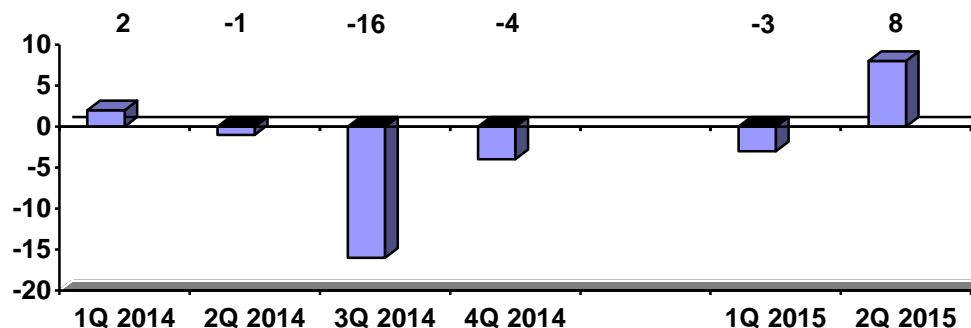
(Loans Outstanding as a Percentage of Total Credit Commitments)



Portfolio Performance

- Lenders' non-accruing loans in 2Q 2015 as a percentage of total asset-based loans outstanding were higher than in the previous quarter.

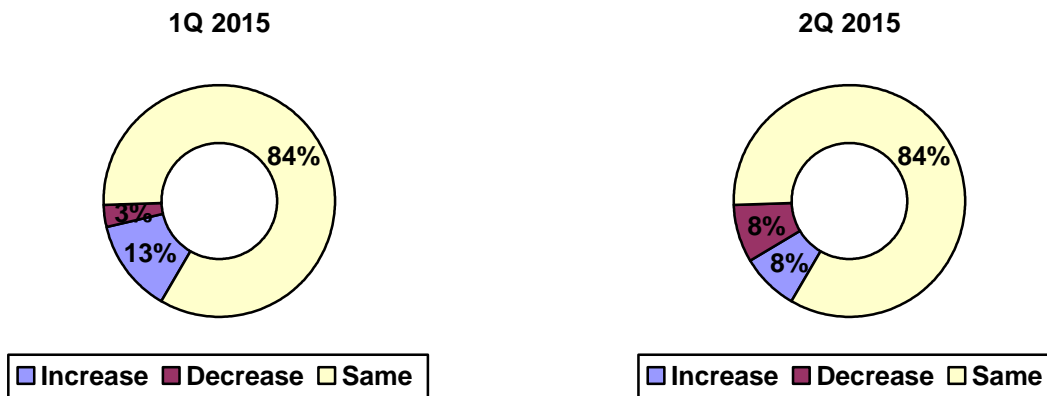
(Basis Point Change of Non-Accruals)



- 25% of lenders reported a decrease in non-accruals in 2Q 2015 compared to the prior quarter. In 1Q 2015, 21% had reported a decrease.



- With respect to gross write-offs, 92% of lenders reported either a decrease or the same level of write-offs in 2Q 2015.



- Gross write-offs as a percentage of total asset-based loans outstanding continued to be at a very low level in 2Q 2015.