

Q4
2016

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.

Twenty-five of the largest SFNet members engaged in asset-based lending participated in this quarter's survey. Members who participated in the survey received a more detailed report mapping additional facets of the industry.

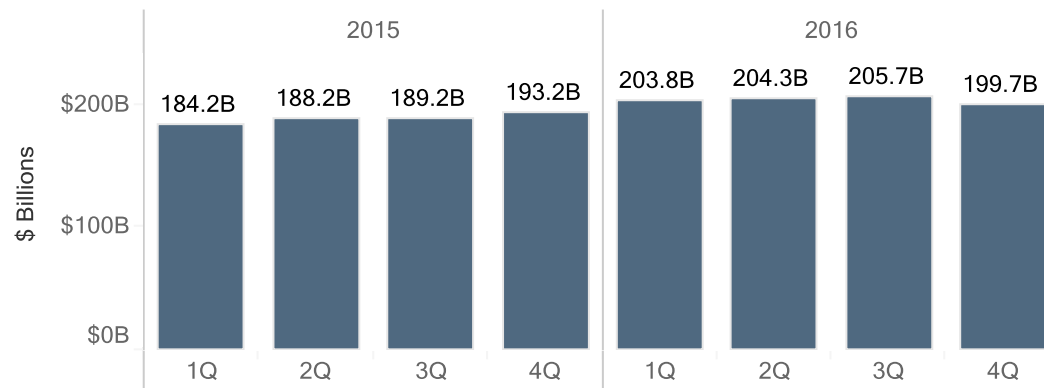
The makeup of the lenders providing data for this report changes from quarter to quarter. Participating members also have the ability to revise their previously report data. As such, the data presented in this report reflects only organizations who responded during the current data collection cycle and previous quarter values reported in this report may not be consistent with the previous quarter's 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 CFADataInitiative@westat.com or 1-855-887-3820.

Business Development

Total Committed Credit Lines

1Q 2015 - 4Q 2016

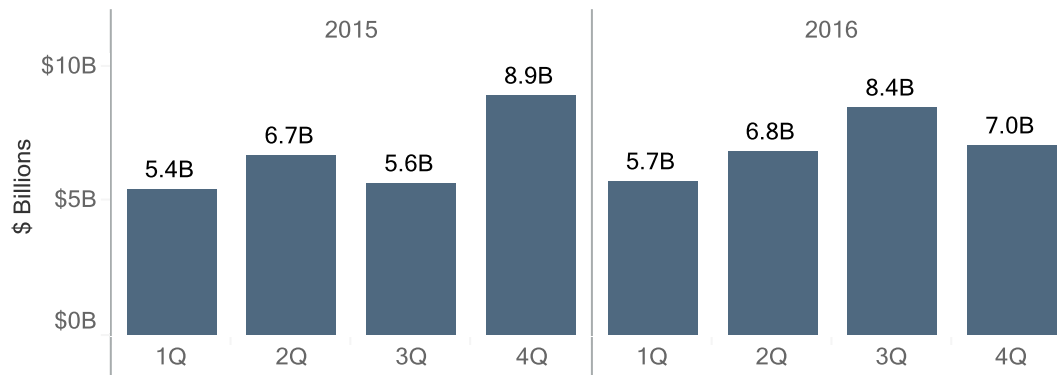


Note: Data represents lenders who responded to CFA's 4Q 2016 Asset-Based Lending Survey

- Total committed credit lines decreased 3% compared to the previous quarter.
- Compared to the same quarter last year, total commitments increased 3%.

New Credit Commitments (Gross)

1Q 2015 - 4Q 2016

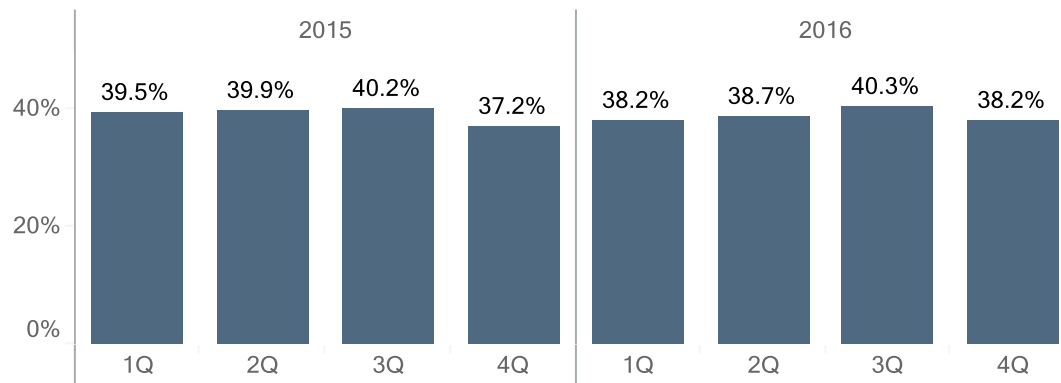


- Compared to the previous quarter, new credit commitments decreased 17%.
- Compared to the same quarter in the previous year, new credit commitments decreased by 21%.

Note: Data represents lenders who responded to CFA's 4Q 2016 Asset-Based Lending Survey

Loans Outstanding as Percent of Total Credit Commitments

1Q 2015 - 4Q 2016



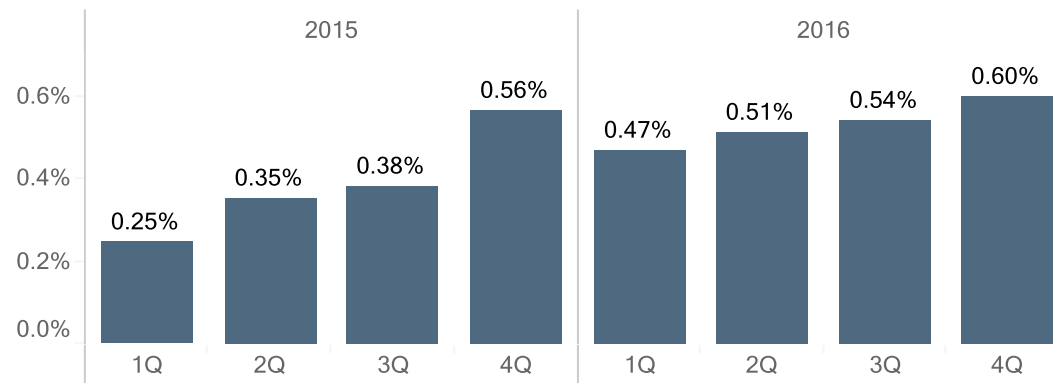
- Credit line utilization fell in 4Q from the 2016 high of 40.3% to 38.2%, a 5.2% decrease.
- Credit line utilization increased when compared to 4Q 2015 by 2.7%.

Note: Data represents lenders who responded to CFA's 4Q 2016 Asset-Based Lending Survey

Portfolio Performance

Non-Accruing Loans as % of Total Loans Outstanding

1Q 2015 - 4Q 2016

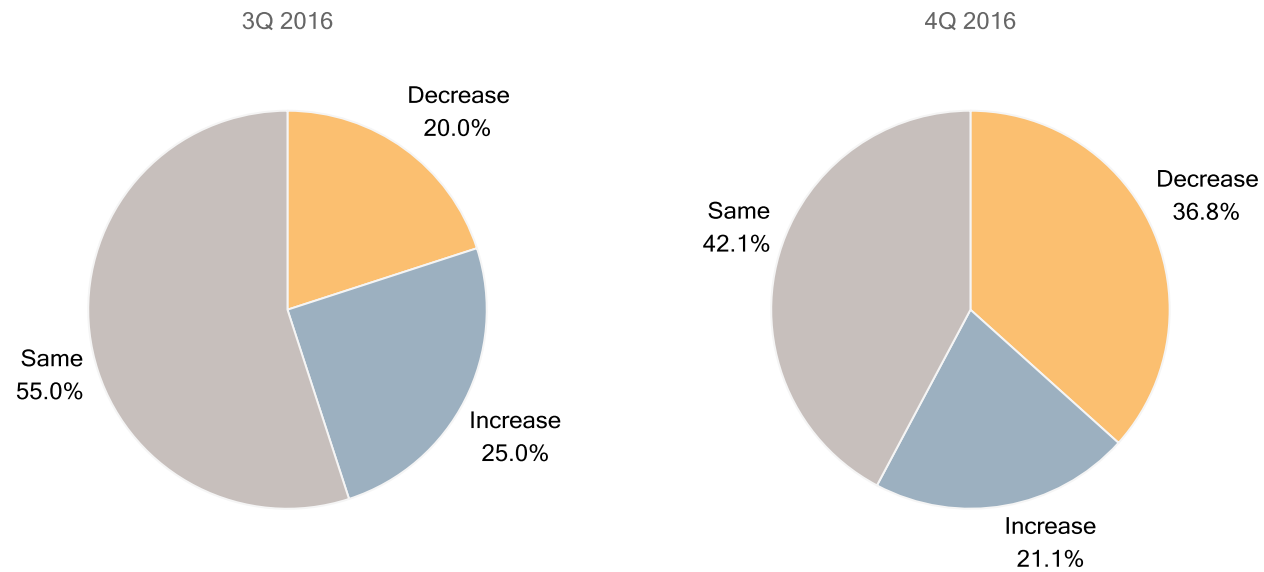


- As a percentage of outstanding loans, non-accruing loans increased 11% from 3Q to 4Q 2016.
- Compared to the same quarter last year, the percentage of non-accruing loans increased by 7%.

Note: Data represents lenders who responded to CFA's 4Q 2016 Asset-Based Lending Survey

Change in Non-Accruing Loans

3Q 2016 and 4Q 2016

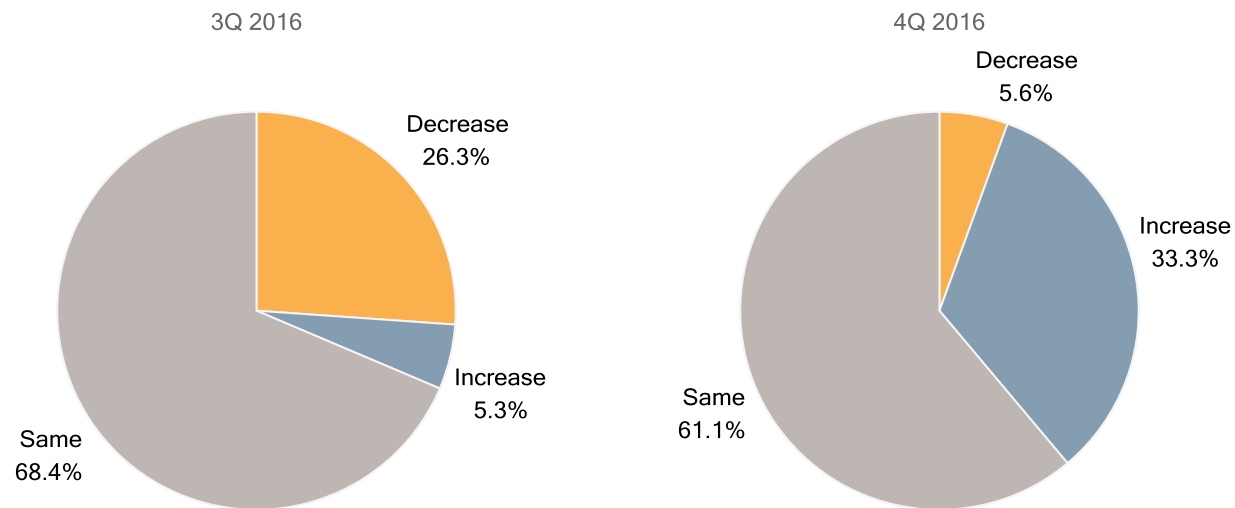


Note: Data represents lenders who responded to CFA's 4Q 2016 Asset-Based Lending Survey

- 21.1% of lenders reported an increase in non-accruals in 4Q 2016 compared to 25% of organizations in 3Q 2016, a 16% decrease.

Change in Gross Write-offs

3Q 2016 and 4Q 2016



Note: Data represents lenders who responded to CFA's 4Q 2016 Asset-Based Lending Survey

- The number of lenders reporting an increase in gross write-offs grew in 4Q 2016 from 5.3% in 3Q to 33.3% in 4Q.