Secured Finance Network

An association of professionals
putting capital to work

Quarterly Asset-Based Lending Index
Second-Quarter 2012

Introduction

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

- **22 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. In these instances, data from previous indices has been restated. Also, some participants occasionally revise previously reported data.**

- **This survey was conducted by R.S. Carmichael & Co., White Plains, NY on behalf of the Secured Finance Network.**

Business Development

- **Total committed credit lines in 2Q 2012 were up 0.3%. 55% of lenders reported an increase.**
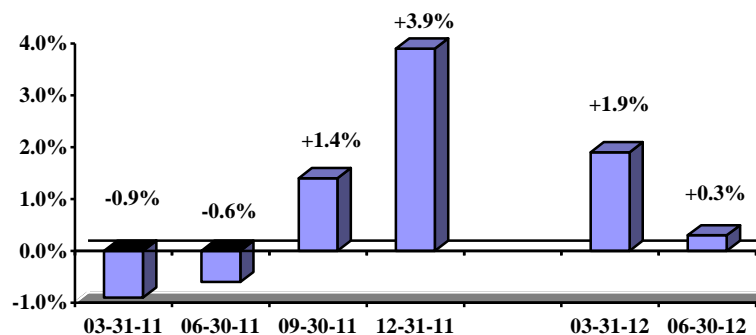
- **Compared to the same quarter in 2011, total commitments increased 7.7%.**

R.S. Carmichael & Co., Inc.

- **Lenders' <u>new</u> credit commitments originated in the second-quarter of 2012 were up 33.8%. Compared to the same quarter in 2011, new commitments were down 3.2%. 59% of lenders reported an increase in new commitments in the second-quarter.**

- **Utilization of lenders' credit lines increased to 41.7% in the second-quarter of 2012. This compares to 40.8% in the previous quarter and 40.9% in the same quarter in 2011.**

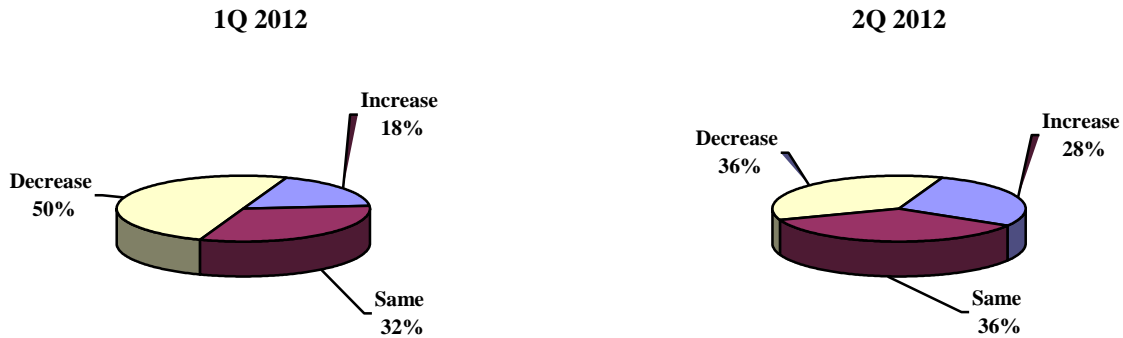(Loans Outstanding as a Percentage of Total Credit Commitments)
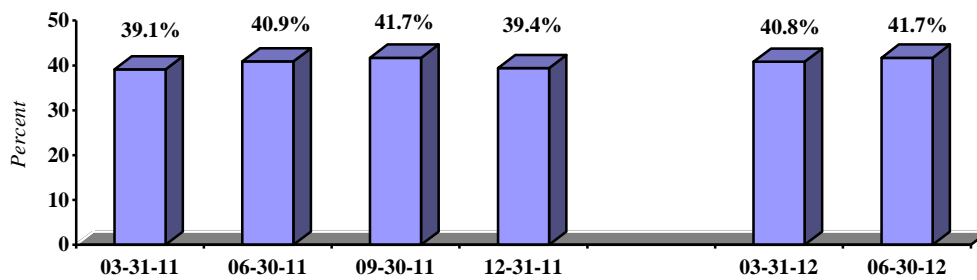

Portfolio Performance

- **Lenders' non-accruing loans as a percentage of their total asset-based loans outstanding increased in 2Q 2012. This follows a decline in the previous quarter.**
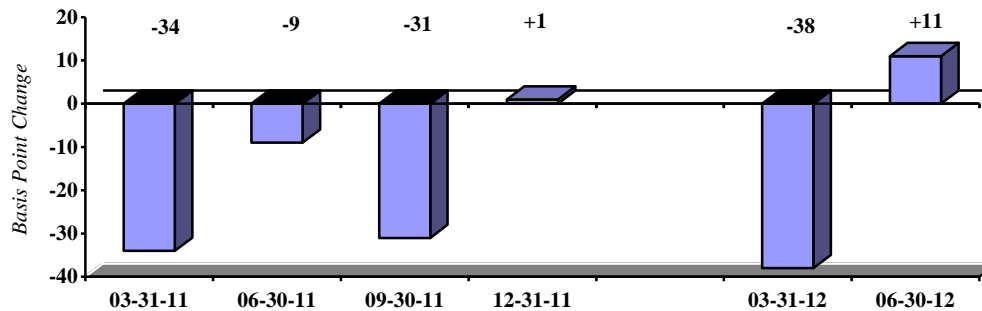
- **36% of lenders reported a decrease in non-accruals in 2Q 2012 vs. 50% in 1Q 2012.**

1Q 2012

2Q 2012

- **With respect to gross write-offs, 27% of lenders reported a decrease in gross write-offs in 2Q 2012 vs. 23% in 1Q 2012.**

1Q 2012

2Q 2012
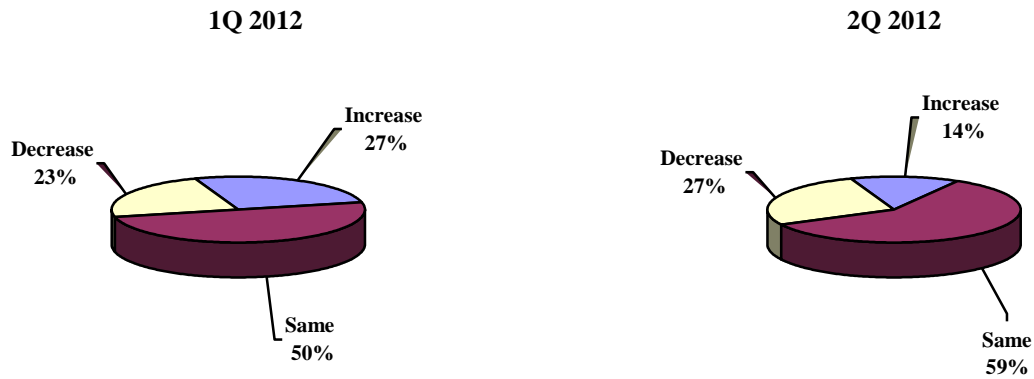
- **Gross write-offs as a percentage of total outstandings continued to drop in the second-quarter and again were well below 100 basis points.**