

Q3
2024

Asset-Based Lending Index



**Secured Finance
Network**

An association of professionals
putting capital to work

Introduction

This report summarizes the headline results from the Secured Finance Network's Q3 2024 Asset-Based Lending Survey.

SFNet members who participate in these quarterly surveys receive more detailed reports each quarter to help them understand industry trends and benchmark their organization's performance and metrics relative to the broader respondent base. If you are a member and are interested in participating, please contact Aydan Savaser at asavaser@SFNet.com. If you are not a member, please contact James Kravitz at jkravitz@SFNet.com to learn about the many benefits of membership.

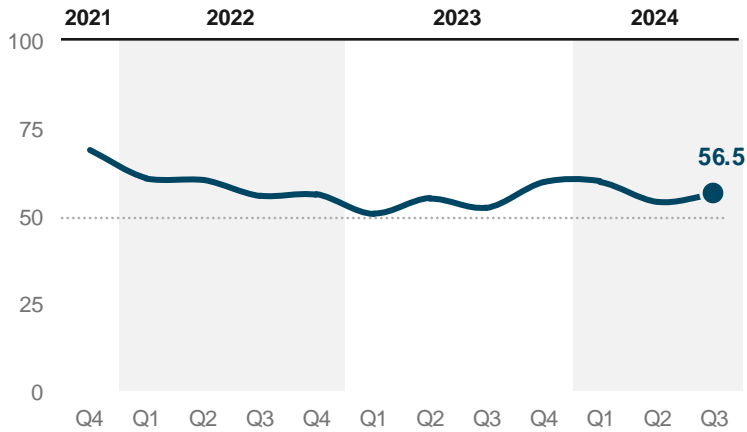
The makeup and overall number of lenders providing data for this report changes from quarter to quarter. As such, the values presented in this report correspond only to lenders that responded in this most recent cycle and previous quarter values shown in this report may not be consistent with the previous quarters' reports. Please refer to the data footnotes on each slide for further clarification on the values being shown in corresponding charts.

Values throughout this report cover data for both bank and non-bank lenders and may vary significantly for either group. For a detailed breakdown of bank and non-bank metrics please consider participating in the quarterly survey.

If you have any questions about the data represented in this report or have suggestions about how the report can be improved in the future, please contact Andy Yewdell at Keybridge Research at ayewdell@keybridgedc.com.

Business Lender Confidence Index

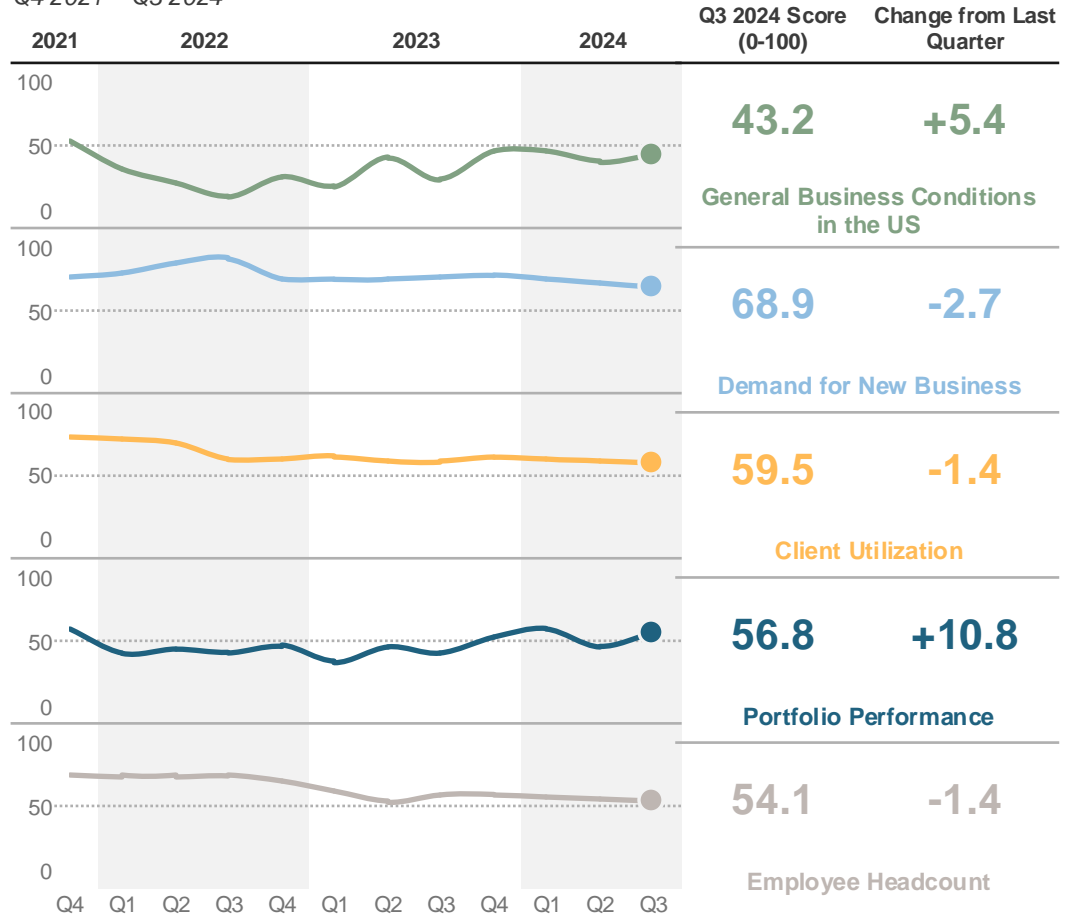
Combined Lender Sentiment Score (0 -100)
Q4 2021 – Q3 2024



Highlights:

- Survey respondents assessed aspects of their business and the broader ABL market over the next quarter. Scores above 60 signal improvements, below 40 indicate declines, and around 50 imply a condition will remain the same.
- The combined sentiment score remained in neutral territory, increasing slightly by 2.2 points from Q2 2024.
- The indices for business conditions and portfolio performance improved and indicate neutral outlooks for these areas.
- The indices for new business demand, employee headcount, and client utilization all ticked down. The scores suggest slightly positive outlooks for demand and neutral outlooks for utilization and headcount.

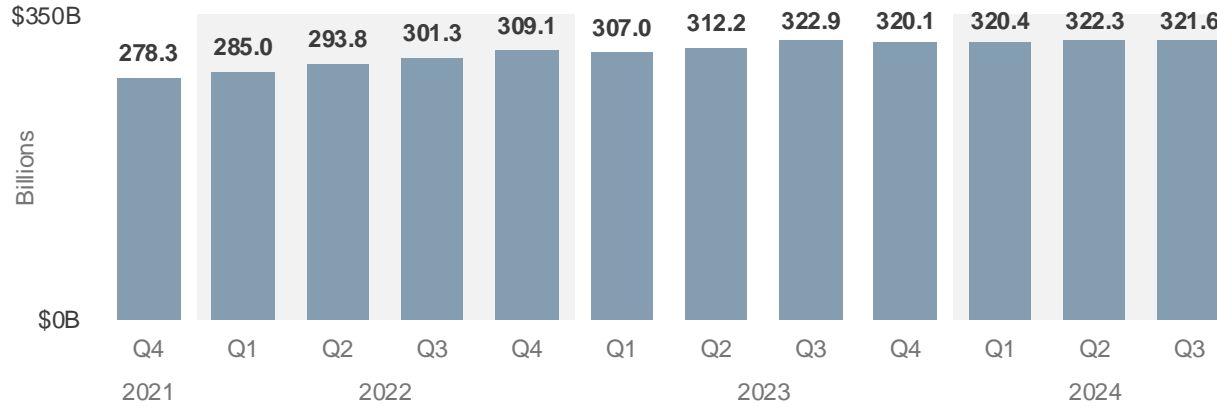
Lender Sentiment Indices
Q4 2021 – Q3 2024



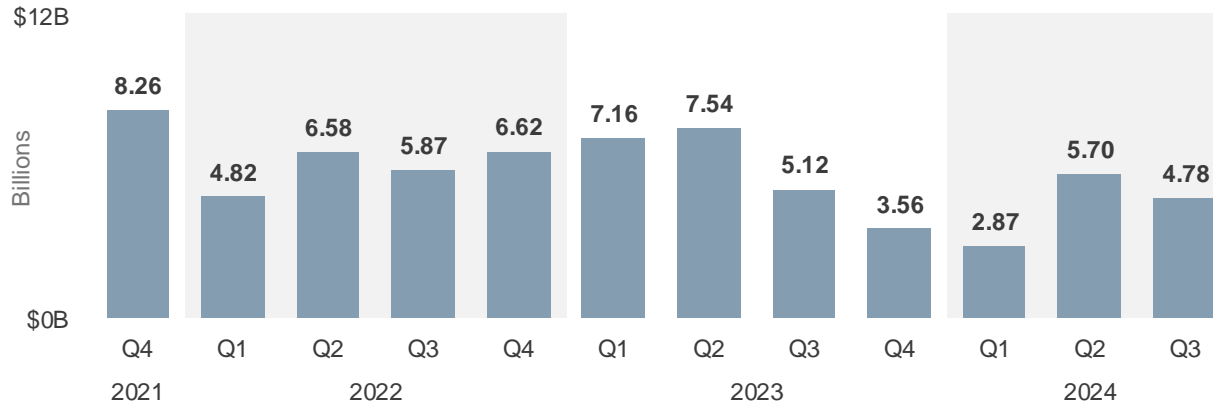
Note: The combined lender sentiment score represents an unweighted average across all five individual sentiment indices surveyed in Q3 2024. The above indices contain data from all respondents in any given quarter and are not scoped to a consistent base of lenders that responded in every quarter.

Business Development

Total Committed Credit Lines
Q4 2021 – Q3 2024



New Credit Commitments (Gross)
Q4 2021 – Q3 2024



Highlights:

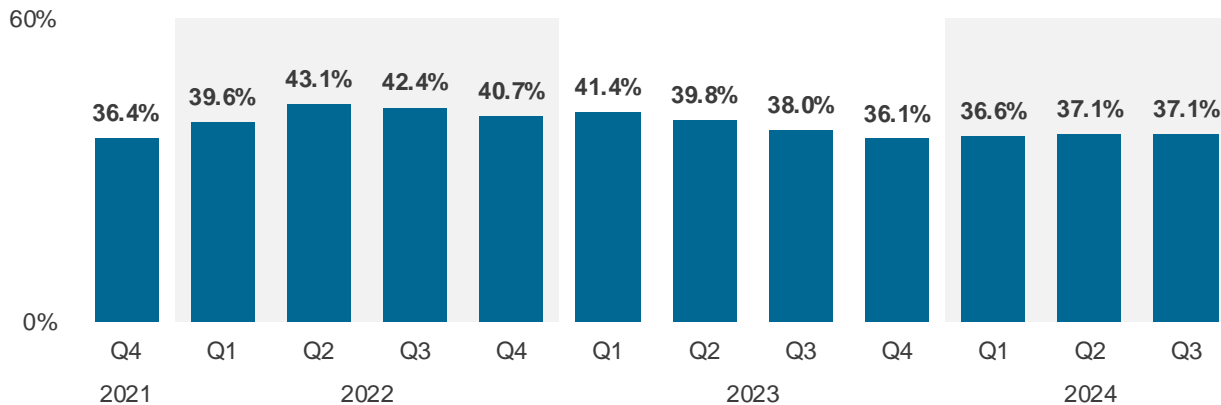
- Among lenders that responded across all quarters shown, total committed credit lines in Q3 2024 edged down by 0.2% from the previous quarter.
- Compared to the same quarter last year, total committed credit lines among consistent respondents declined by 0.4% Y/Y.
- Across lenders that reported on new credit commitments in all quarters shown, new commitments in Q3 2024 decreased by 16.2% from the previous quarter.
- Compared to the same quarter last year, new commitments among these lenders ticked down by 6.7% Y/Y.

Note: Values in the above charts cover lenders that responded to the Q3 2024 SFNet Asset-Based Lending Survey and that have reported on the referenced fields in all quarters shown.

Credit Line Utilization

Loans Outstanding as Percentage of Total Credit Commitments

Q4 2021 – Q3 2024



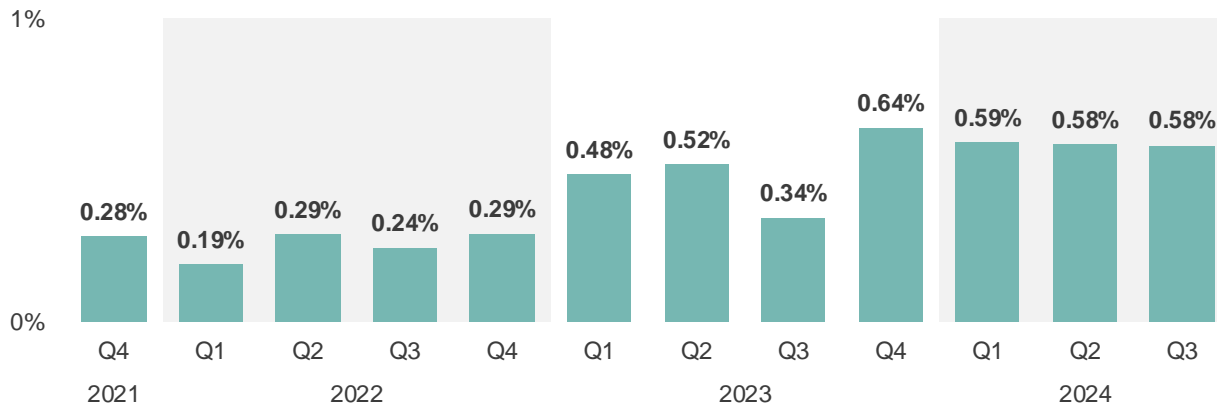
Highlights:

- Among lenders that responded in one or more quarters, credit line utilization in Q3 2024 increased by 5 basis points from the previous quarter.
- Compared to the same quarter last year, credit line utilization among these lenders decreased by 85 basis points Y/Y.

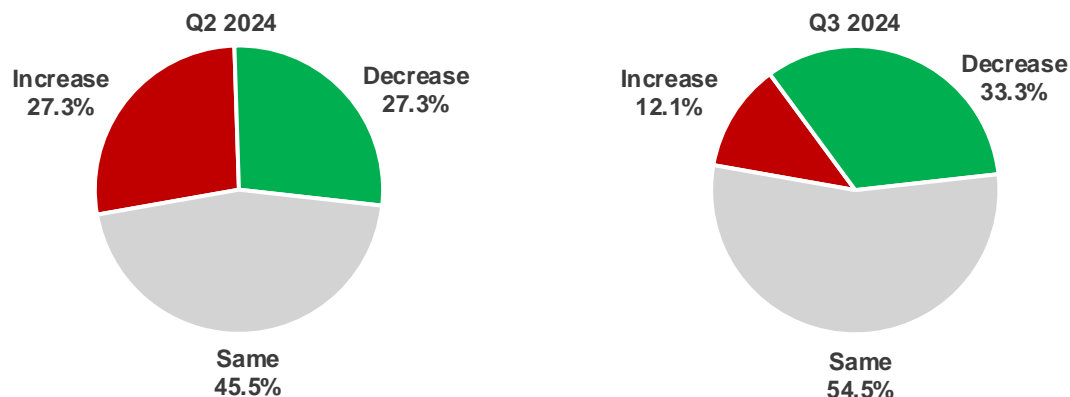
Note: Values in the above chart cover lenders that responded to the Q3 2024 SFNet Asset-Based Lending Survey and that have reported on the referenced fields in all quarters shown.

Portfolio Performance – Non-Accruing Loans

Non-Accruing Loans as a Percentage of Total Loans Outstanding
Q4 2021 – Q3 2024



Q/Q Change in Non-Accruing Loans
Percentage of Respondents



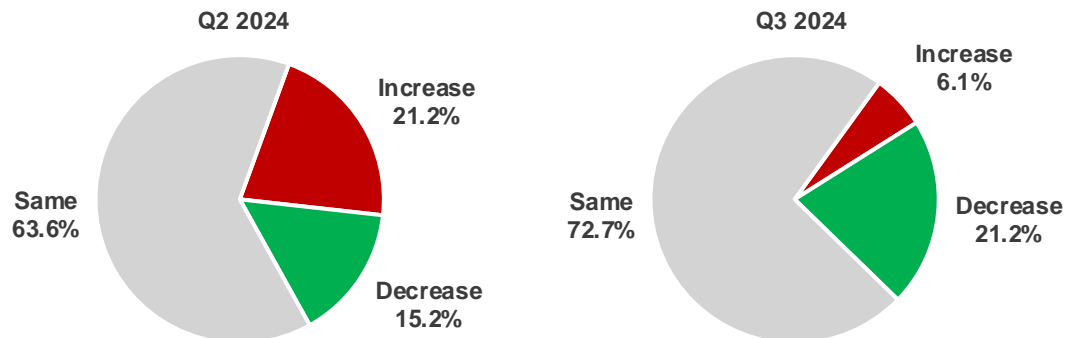
Highlights:

- As a percentage of loans outstanding among consistent respondents, non-accruing loans were unchanged from Q2 2024.
- Compared to the same quarter last year, the percentage of non-accruing loans among these respondents increased by 24 basis points.
- 12.1% of lenders reported an increase in non-accruing loans in Q3 2024, less than the share reporting an increase in Q2 2024.
- The share of lenders reporting a decrease in non-accruals rose to 33.3% in Q3 2024.

Note: Values in the top chart cover lenders that responded to the Q3 2024 SFNet Asset-Based Lending Survey and that have reported on the referenced fields in all quarters shown. Quarter-on-quarter changes in the bottom pie charts cover bank lenders that reported on non-accruing loans in two or three of the relevant quarters.

Portfolio Performance – Gross Write-Offs

Q/Q Change in Gross Write-Offs
Percentage of Respondents



Highlights:

- The share of respondents reporting a Q/Q decrease in gross write-offs increased to 21.2%. The percentage of respondents reporting an increase was more than halved, dropping to 6.1% in Q3 2024.
- The share of respondents that reported no change in gross write-offs rose from 63.6% to 72.7% from Q2 to Q3 2024.

Note: Quarter-on-quarter changes in the above pie charts cover bank lenders that reported on gross write-offs in two or three of the relevant quarters.