

ASSET BASED FINANCE ASSOCIATION
QUARTERLY STATISTICS
TO JUNE 2014

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1. CONTRIBUTORS

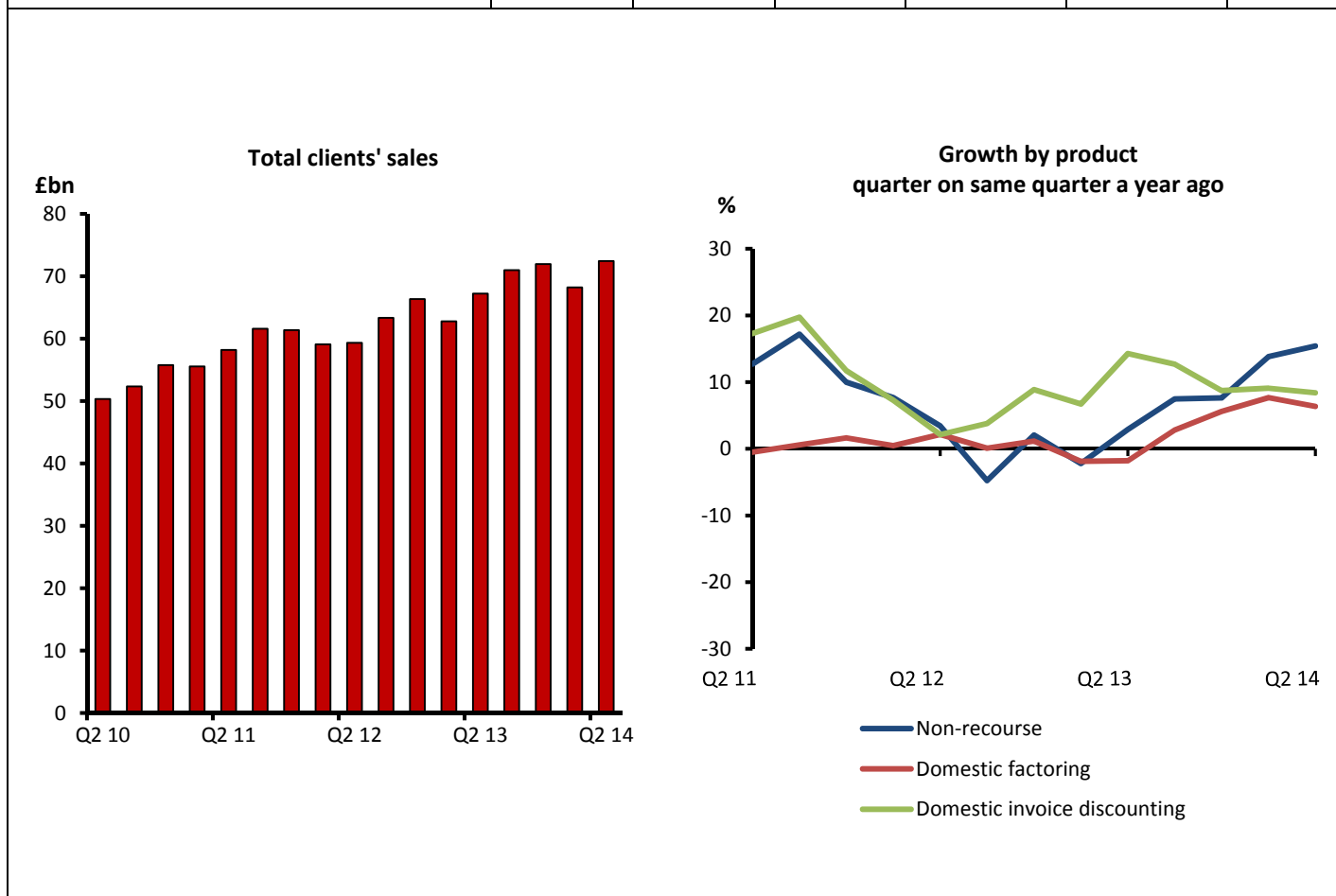
The members listed below contributed data for the period to June 2014:

A ABN AMRO Commercial Finance AIB Commercial Finance Ltd Aldermore Invoice Finance Ashley Commercial Finance	H, I, J Hitachi Capital (UK) plc HSBC Invoice Finance (UK) Ltd Independent Growth Finance JSM Finance Ltd
B Bank of Ireland Commercial Finance, Belfast Bank of Ireland Finance, Dublin Bank of London and The Middle East Barclays Trade and Working Capital UK & Ireland Bibby Financial Services Ltd BNP Paribas Commercial Finance Ltd Burdale Financial Ltd	K, L, N Leumi ABL Ltd Lloyds Bank Commercial Finance Ltd
C, D Cavendish Investments (Manchester) Ltd Centric Commercial Finance Close Brothers Invoice Finance Clydesdale Bank plc Danske Bank Danske Bank A/S	P, Q, R Positive Cashflow Finance Ltd Quantum Factors Ltd RBS Invoice Finance Regency Factors Invoice Finance Ltd Regency Factors plc
E, F Easy Invoice Finance Ltd Factor 21 plc First Trust Bank Five Arrows Business Finance plc	S Santander Invoice Finance Skipton Business Finance Ltd SME Invoice Finance Ltd
G GE Capital Bank Ltd	U, V Ulster Bank Invoice Finance (NI) Ulster Bank Invoice Finance Ultimate Finance Group plc

2.1. CLIENTS' SALES

The statistics below represent the aggregate of all those members contributing data.

CLIENTS' SALES (£M) (All products)	Quarter ended ...			Year-to-date ...		
	Jun 14	Jun 13	% Change	Jun 14	Jun 13	% Change
Domestic factoring	4,760	4,475	6%	9,380	8,765	7%
Domestic invoice discounting	62,983	58,091	8%	122,158	112,330	9%
Export factoring	558	464	20%	999	988	1%
Export invoice discounting	3,918	4,010	-2%	7,708	7,556	2%
Import factoring	223	178	25%	429	372	15%
Total clients' sales	72,442	67,218	8%	140,674	130,011	8%
Non-recourse included in total above	8,061	6,983	15%	15,447	13,471	15%
Credit protection payments to clients	7.1	5.9	20%	13.3	10.4	28%



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2.2. BALANCES AT THE PERIOD END

BALANCES AT PERIOD END (£M) (All products)	Balances as at the end of ...		
	Jun 14	Jun 13	% Change
Pure invoice finance – advances against debt	15,303	14,025	9%
ABL facilities:			
Advances against debt	2,466	2,229	11%
Advances against stock	520	448	16%
Advances against plant and machinery	336	285	18%
Advances against property	159	158	1%
Advances against other assets	116	130	-11%
<i>Total excluding other commitments</i>	18,900	17,275	9%
Other commitments	30	11	173%
Total advances	18,930	17,286	10%
Total funding available	27,555	26,262	5%
Total facilities agreed	37,450	34,421	9%
Debtor outstandings	34,899	33,527	4%
Stock	2,364	2,359	0%
Property	335	284	18%
Plant and machinery	959	528	82%
Other trading assets	158	149	6%
Total security values	38,715	36,847	5%

NUMBER OF CLIENTS AT PERIOD END (All products)	Number of clients as at the end of ...		
	Jun 14	Jun 13	% Change
Domestic factoring	17,641	18,196	-3%
Domestic invoice discounting	19,283	18,779	3%
Export and mixed export + domestic	5,271	5,083	4%
Import factoring	634	586	8%
Stock & ABL finance	633	564	12%
Total number of clients	43,462	43,208	1%
Clients lost in quarter	2,251	2,231	1%
Clients gained in quarter	2,277	2,421	-6%

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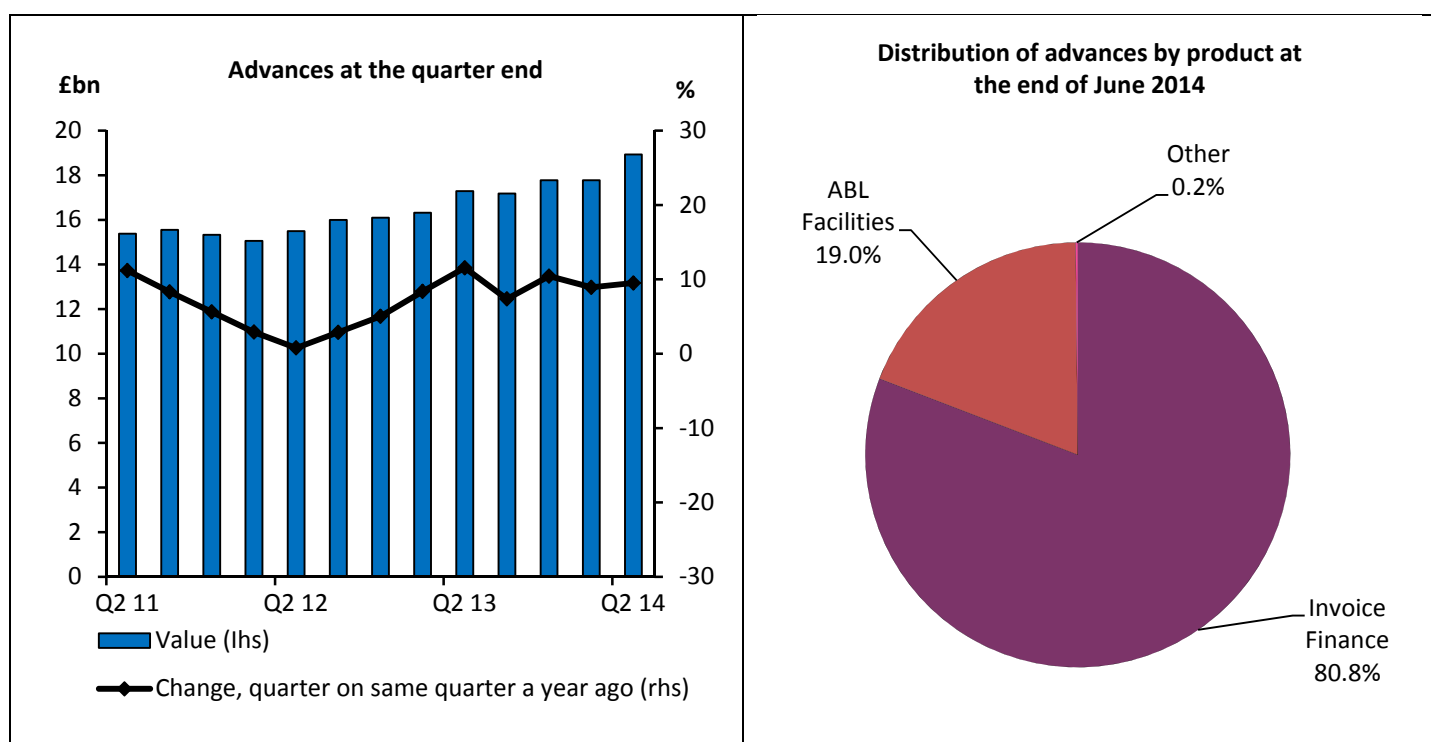
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2.3. ANALYSIS OF SOLE LENDER AND SYNDICATE DEALS

	For the quarter ended June 2014 ...			
	Sole lender deals	Syndicate deals		Total
		Lead	Non-Lead	
Clients' sales volumes (£m)	61,579	10,863	N/A	72,442
Advances at the period end (£m)	16,632	1,049	1,249	18,930
Number of clients at period end	43,385	77	N/A	43,462

2.4. ANALYSIS OF ADVANCES AND CLIENT NUMBERS BY SIZE OF CLIENT TURNOVER

Client annual turnover bands £m	Number of clients at the quarter end	Advanced at the quarter end £m
0.0 – 0.5	14,512	631
0.5 – 1.0	6,545	562
1.0 – 5.0	14,453	2,951
5.0 – 10.0	3,833	2,018
10.0 – 50.0	3,410	5,097
50.0 – 100.0	384	1,769
Over 100.0	325	5,902
Total	43,462	18,930



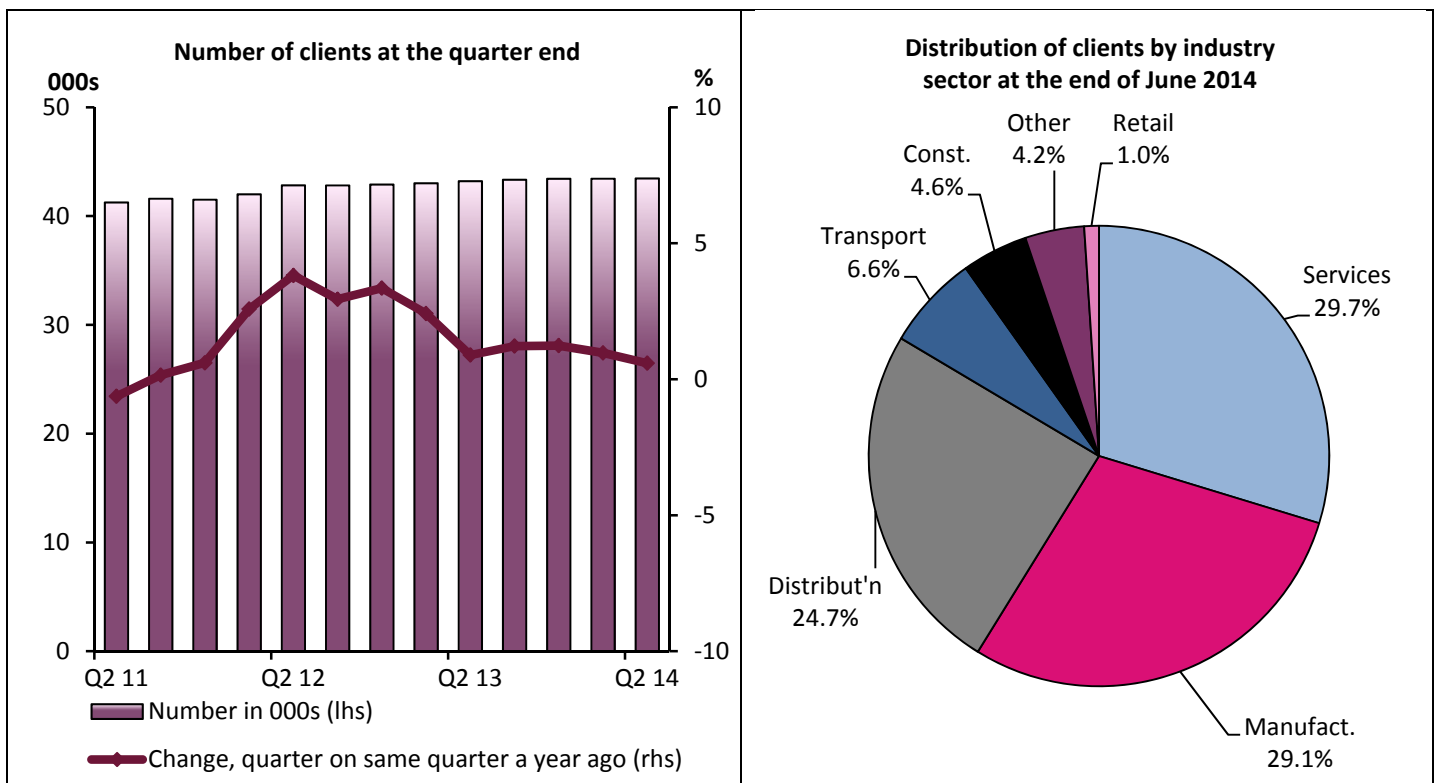
2.5. ANALYSIS OF CLIENT NUMBERS BY INDUSTRY SECTOR

Industry sector	Number of clients at the quarter end
Manufacturing	12,651
Distribution	10,742
Services	12,915
Transport	2,889
Retail	447
Construction	2,014
Other	1,804
Total	43,462

2.6. AVERAGE NUMBER OF DEBTOR DAYS OUTSTANDING

Results based on taking a simple average of those members reporting data:

Factoring clients	57.4
Discounting clients	54.6



3. AGGREGATE RESULTS OF THE MEMBERS IN THE REPUBLIC OF IRELAND

In the following tables figures are quoted in euros (€). Notes 1 and 2 on page 7 should be read in conjunction with this section.

CLIENT'S SALES VOLUME (€M) (All products)	Quarter ended ...			Year-to-date ...		
	Jun 14	Jun 13	% Change	Jun 14	Jun 13	% Change
Total clients' sales	6,444	5,445	18%	11,930	10,330	15%

BALANCES AT PERIOD END (€M) (All products)	Balances as at the end of ...		
	Jun 14	Jun 13	% Change
Total advances	1,268	1,307	-3%
Total securities values	2,951	2,883	2%
Total funding available	2,105	1,910	10%
Total funding agreed	3,123	2,674	17%

NUMBER OF CLIENTS AT PERIOD END (All products)	Number of clients as at the end of ...		
	Jun 14	Jun 13	% Change
Total number of clients	1,918	1,951	-2%
Clients lost in quarter	41	62	-34%
Clients gained in quarter	35	45	-22%

ANALYSIS OF ADVANCES AND CLIENT NUMBERS BY SIZE OF CLIENT TURNOVER

Client annual turnover bands (£m)	Number of clients at the quarter end	Advanced at the quarter end €m
0.0 – 0.5	338	101
0.5 – 1.0	203	46
1.0 – 5.0	923	279
5.0 – 10.0	219	158
10.0 – 50.0	191	263
50.0 – 100.0	26	172
Over 100.0	18	249
Total	1,918	1,268

ANALYSIS OF CLIENT NUMBERS BY INDUSTRY SECTOR

Industry sector	Number of clients at the quarter end
Manufacturing	350
Distribution	776
Services	476
Transport	82
Retail	49
Construction	23
Other	162
Total	1,918

Notes to the Republic of Ireland statistics

1. The group comprises of:

- AIB Commercial Finance Ltd;
- Bank of Ireland Finance, Dublin;
- Bibby Financial Services (Ireland);
- Danske Banke A/S;
- Lloyds Bank Commercial Finance (Ireland);
- Ulster Bank Invoice Finance Ltd.

2. Data on the average number of debtor days outstanding for factoring and discounting clients have not been published since not all contributors are currently able to supply this information.

4. TRENDS IN BUSINESS LENDING

The second estimate of **GDP** in Q2 2014 showed that the economy grew by 0.8% compared with Q1 2014, exceeding its pre-recession level for the first time in more than six years. Growth was primarily driven by an increase in output from the services sector of 1.0%. In spite of the strength of the recovery in economic output, weak wage growth has reduced the likelihood of a rise in Bank Rate this year.

The **total value outstanding** to private non-financial corporations (PNFCs) stood at £384.4 billion at the end of June 2014, up from £382.6 billion at the end of the previous quarter. Total **gross lending** to PNFCs increased in the twelve months to June 2014 by 18.2% compared with the same period in the previous year. Gross lending to SMEs increased by 22.0% over this period, while lending to large-sized businesses grew by 16.9%. The twelve month rate of growth in **net lending** to PNFCs turned positive in May 2014 for the first time in five years.

Outstandings by sector in the second quarter of 2014 grew by 2.8% in the manufacturing sector and by 0.3% in the services sector compared with the previous quarter, while the construction sector reported a fall in outstandings of 4.1% over the same period.

Total net funds raised by PNFCs in the UK grew by £289 million in the second quarter of 2014. Net equity issuance increased for a second quarter in a row in Q2 2014, up by £3.3 billion over the quarter. Net bond issuance also increased in the second quarter, by £732 million. But funds raised through commercial papers fell by almost £2.4 billion.

Asset finance provided through **leasing and hire purchase** by members of the Finance & Leasing Association (FLA) increased by 7% in Q2 2014 compared with the same quarter in 2013, to £6.2 billion. In the first half of 2014, new business was 10% higher than in same period in the previous year.

Growth in the second quarter was driven by the commercial vehicle finance and plant and machinery finance sectors, with each reporting new business growth of 17% compared with Q2 2013.

Data sources: Bank of England, FLA

