

**ASSET BASED FINANCE ASSOCIATION**  
**QUARTERLY STATISTICS**  
**TO JUNE 2016**

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## 1. CONTRIBUTORS

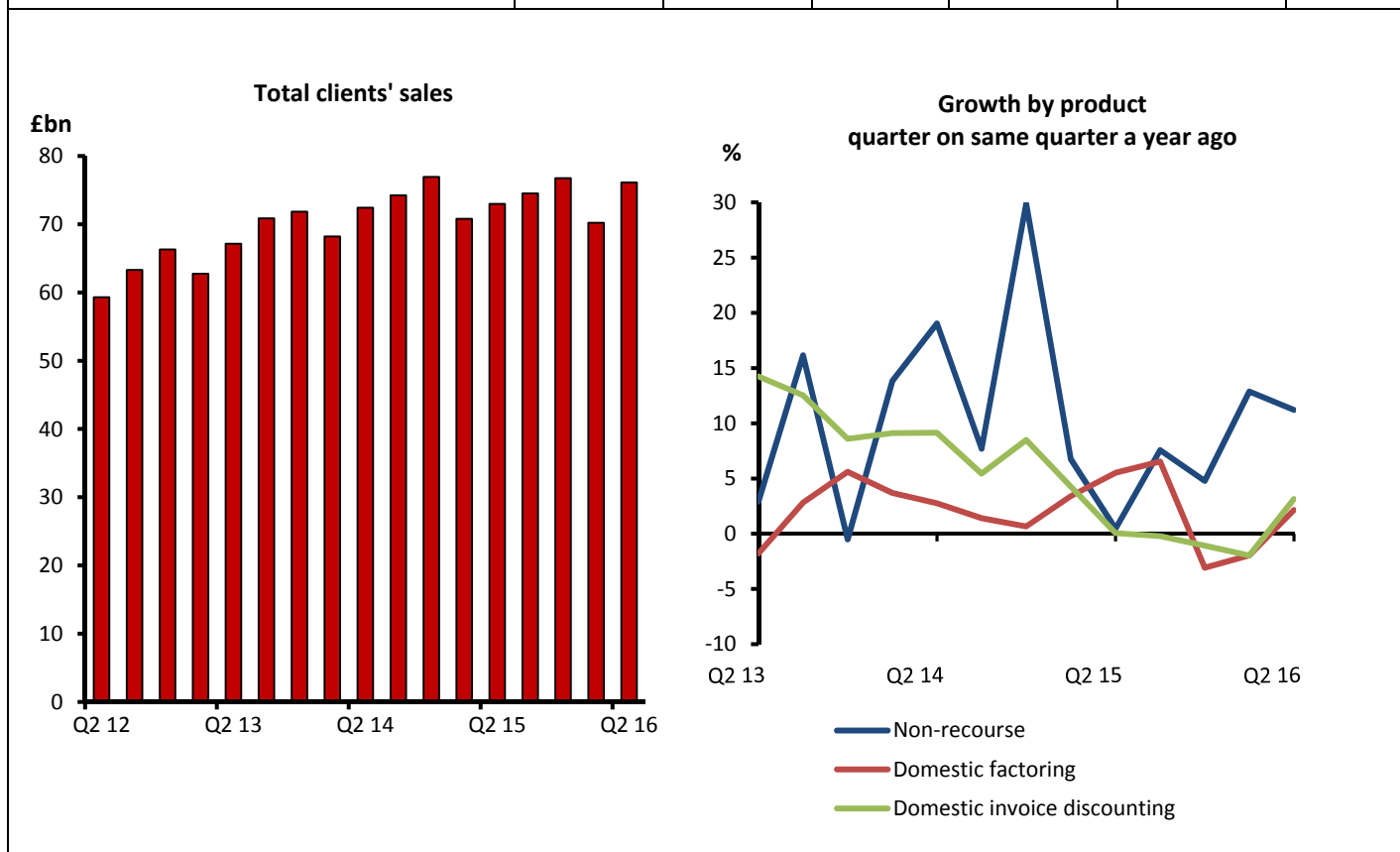
The members listed below contributed data for the period to June 2016:

<p><b>A</b>                  ABN AMRO Commercial Finance                  AIB Commercial Finance Ltd – Northern Ireland                  AIB Commercial Finance Ltd – ROI Ireland                  Aldermore Invoice Finance                  Ashley Commercial Finance Ltd</p>	<p><b>H, I, J</b>                  HH Cashflow Finance                  Hitachi Capital (UK) PLC                  HSBC Invoice Finance (UK) Ltd                  IGF Invoice Finance Ltd                  JSM Finance Ltd</p>
<p><b>B</b>                  Bank of Ireland Commercial Finance – Northern Ireland                  Bank of Ireland Commercial Finance – ROI Ireland                  Barclays Trade and Working Capital                  Bibby Financial Services Ltd                  BNP Paribas Commercial Finance Ltd</p>	<p><b>K, L, M</b>                  Leumi ABL Ltd                  Lloyds Bank Commercial Finance Ltd                  Metro Bank Asset &amp; Invoice Finance</p>
<p><b>C, D</b>                  Cavendish Investment                  Close Brothers Invoice Finance Ltd                  Clydesdale Bank plc &amp; Yorkshire Bank Invoice Finance                  Danske Bank</p>	<p><b>P, Q, R</b>                  Paragon Bank Business Finance PLC                  Positive Cashflow Finance Ltd                  Pulse Cashflow Finance Ltd                  Quantum Factors Ltd                  RBS Invoice Finance                  Regency Factors PLC</p>
<p><b>E, F</b>                  Easy Invoice Finance                  Factor 21 PLC                  Factor 21 North</p>	<p><b>S, T</b>                  Santander Invoice Finance                  Secure Trust Bank Commercial Finance                  Shawbrook Business Credit                  Siemens Financial Services Ltd                  Skipton Business Finance Ltd                  Team Factors Ltd</p>
<p><b>G</b>                  GapCap Ltd                  GE Capital Bank Ltd                  Gener8 Finance Ltd</p>	<p><b>U, V, W</b>                  Ulster Bank Invoice Finance - Northern Ireland                  Ulster Bank Invoice Finance – ROI Ireland                  Ultimate Finance Group                  Wells Fargo Capital Finance                  Working Capital Partners Ltd</p>

## 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 16	Jun 15	% Change	Jun 16	Jun 15	% Change
Domestic factoring	4,958	4,853	2%	9,469	9,454	0%
Domestic invoice discounting	65,386	63,395	3%	125,843	125,062	1%
Export factoring	293	299	-2%	585	606	-3%
Export invoice discounting	5,376	4,257	26%	10,220	8,332	23%
Import factoring	139	201	-31%	280	375	-25%
<b>Total clients' sales</b>	<b>76,152</b>	<b>73,005</b>	<b>4%</b>	<b>146,397</b>	<b>143,829</b>	<b>2%</b>
Non-recourse included in total above	9,289	8,352	11%	18,190	16,238	12%
Credit protection payments to clients	7.8	8.7	-10%	15.1	15.7	-4%



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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 16	Jun 15	% Change
Pure invoice finance – advances against debt	16,290	15,593	4%
Invoice finance plus – advances against debt plus other assets	219	203	8%
ABL facilities:			
Advances against debt	2,577	2,339	10%
Advances against stock	584	610	-4%
Advances against plant and machinery	343	278	23%
Advances against property	150	127	18%
Advances against other assets	114	91	25%
<i>Total excluding other commitments</i>	<i>20,277</i>	<i>19,241</i>	<i>5%</i>
Other commitments	11	17	-35%
<b>Total advances</b>	<b>20,288</b>	<b>19,258</b>	<b>5%</b>
<b>Total funding available</b>	<b>29,830</b>	<b>28,182</b>	<b>6%</b>
<b>Total facilities agreed</b>	<b>39,471</b>	<b>38,753</b>	<b>2%</b>
Debtor outstandings	37,531	36,325	3%
Stock	2,366	2,266	4%
Plant and machinery	965	659	46%
Property	267	218	22%
Other trading assets	15	46	-67%
<b>Total security values</b>	<b>41,144</b>	<b>39,514</b>	<b>4%</b>

NUMBER OF CLIENTS AT PERIOD END (All products)	Number of clients as at the end of ...		
	Jun 16	Jun 15	% Change
Domestic factoring	16,524	16,942	-2%
Domestic invoice discounting	20,345	19,936	2%
Export and mixed export + domestic	5,609	5,480	2%
Import factoring	566	626	-10%
Stock Finance	112	107	5%
ABL facilities	977	822	19%
<b>Total number of clients</b>	<b>44,133</b>	<b>43,913</b>	<b>1%</b>
Clients lost in quarter	1,962	2,216	-11%
Clients gained in quarter	2,211	2,339	-5%

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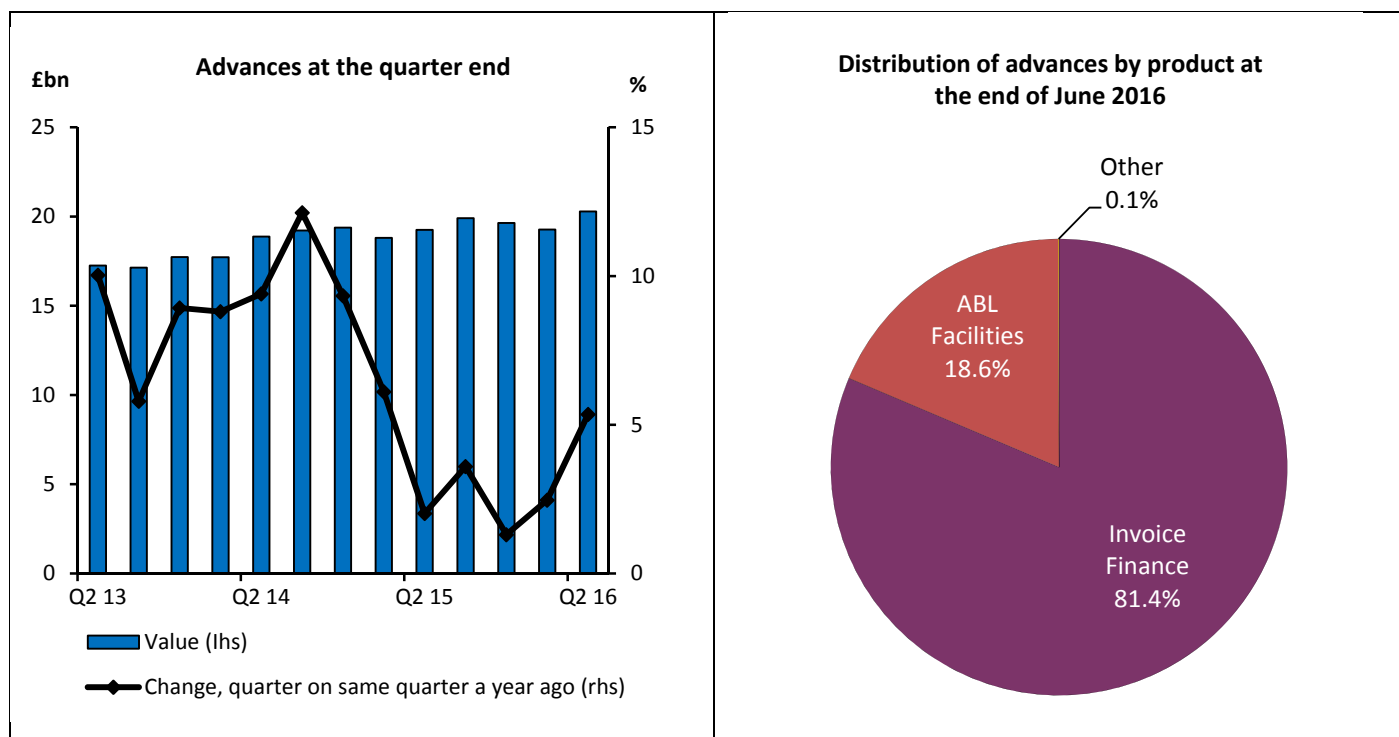
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## 2.3. ANALYSIS OF SOLE LENDER AND SYNDICATE DEALS

	For the quarter ended June 2016			Total deals
	Sole lender deals	Syndicate deals		
		Lead	Non-Lead	
Clients' sales volumes (£m)	65,277	10,875	N/A	76,152
Advances at the period end (£m)	17,923	1,058	1,307	20,288
Number of clients at period end	44,027	106	N/A	44,133

## 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	13,829	724
0.5 – 1.0	6,471	525
1.0 – 5.0	15,154	2,895
5.0 – 10.0	4,106	2,025
10.0 – 25.0	2,608	3,132
25.0 – 50.0	1,096	1,978
50.0 – 100.0	475	2,092
Over 100.0	394	6,917
<b>Total</b>	<b>44,133</b>	<b>20,288</b>



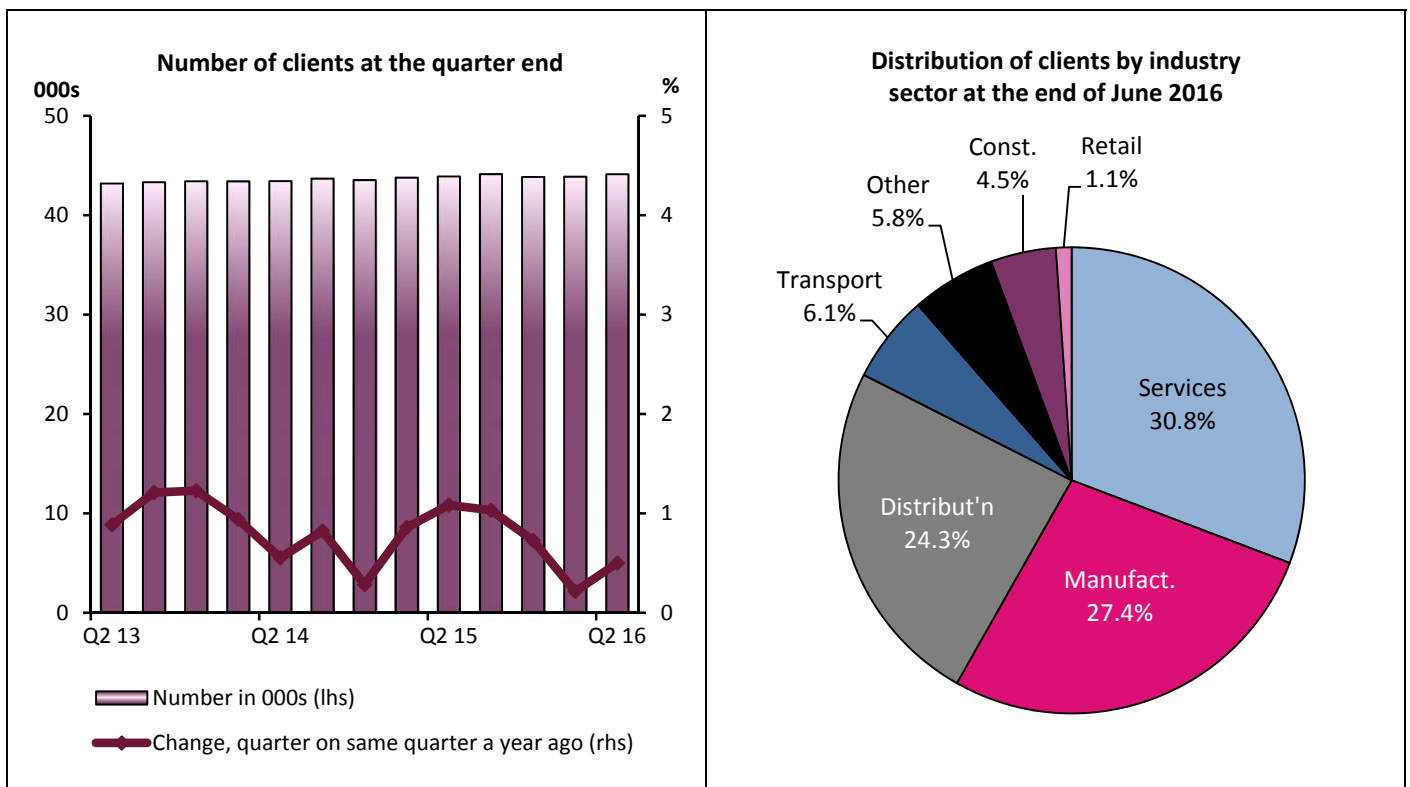
**2.5. ANALYSIS OF CLIENT NUMBERS BY INDUSTRY SECTOR**

Industry sector	Number of clients at the quarter end
Services	13,579
Manufacturing	12,107
Distribution	10,712
Transport	2,682
Construction	1,999
Retail	478
Other	2,576
<b>Total</b>	<b>44,133</b>

**2.6. AVERAGE NUMBER OF DEBTOR DAYS OUTSTANDING**

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

Factoring clients	54.3 days
Discounting clients	58.3 days



## 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 16	Jun 15	% Change	Jun 16	Jun 15	% Change
<b>Total clients' sales</b>	7,414	6,532	14%	13,104	12,701	3%

BALANCES AT PERIOD END (€M) (All products)	Balances as at the end of ...		
	Jun 16	Jun 15	% Change
<b>Total advances</b>	1,252	1,251	0%
<b>Total securities values</b>	3,250	3,118	4%
<b>Total funding available</b>	2,395	2,434	-2%
<b>Total funding agreed</b>	3,082	3,735	-17%

NUMBER OF CLIENTS AT PERIOD END (All products)	Number of clients as at the end of ...		
	Jun 16	Jun 15	% Change
<b>Total number of clients</b>	1,961	1,932	2%
<b>Clients lost in quarter</b>	38	28	36%
<b>Clients gained in quarter</b>	44	48	-8%



## 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	245	92
0.5 – 1.0	215	50
1.0 – 5.0	977	309
5.0 – 10.0	303	189
10.0 – 25.0	133	138
25.0 – 50.0	41	158
50.0 – 100.0	31	110
Over 100.0	16	206
<b>Total</b>	<b>1,961</b>	<b>1,252</b>

## ANALYSIS OF CLIENT NUMBERS BY INDUSTRY SECTOR

Industry sector	Number of clients at the quarter end
Distribution	804
Manufacturing	382
Services	361
Transport	78
Retail	76
Construction	29
Other	231
<b>Total</b>	<b>1,961</b>

### Notes to the Republic of Ireland statistics

1. The group comprises of:

- AIB Commercial Finance – ROI Ireland;
- Bank of Ireland Commercial Finance – ROI Ireland;
- Bibby Financial Services Ltd;
- Danske Bank;
- Lloyds Bank Commercial Finance Ltd;
- Ulster Bank Invoice Finance – ROI Ireland

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.

## 3. ECONOMIC AND BUSINESS LENDING TRENDS

There has been little by way of official data on the performance of the UK economy since the vote to leave the EU. Some survey indicators have suggested – perhaps not surprisingly – that both business and consumer confidence fell sharply in July. The Bank of England has introduced a number of measures to support economic growth and ensure a return of the CPI inflation rate to the Bank’s target of 2.0%, including a cut in Bank Rate from 0.5% to 0.25%. The Bank’s latest forecasts (from its August 2016 Inflation Report) suggest that GDP growth is likely to slow significantly in 2017, but recover in 2018 to a level not too dissimilar to 2016. Its latest forecasts show:

- GDP is expected to grow by 2.0% in 2016, by 0.8% in 2017 and by 1.8% in 2018.
- Private consumption is forecast to grow by 2.5% in 2016, by 1.0% in 2017 and by 0.75% in 2018.
- Business investment is forecast to fall by 3.75% in 2016, by 2.0% in 2017, but to return to growth of 4.75% in 2018.
- Housing investment is forecast to grow by 1.25% in 2016, to fall by 4.75% in 2017 and to grow by 2.5% in 2018.
- Exports are expected to grow by 2.75% in 2016, to fall by 0.5% in 2017 and to grow by 0.25% in 2018.

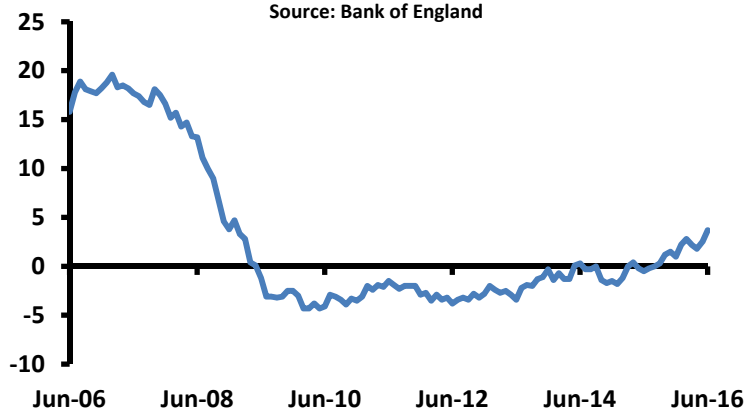
Overall, **net lending** to private non-financial corporations (PNFCs) grew by 3.7% in the twelve months to June 2016. **Gross lending** to PNFCs in the twelve months to June 2016 reached £219.2 billion, 6.2% higher than in the same period in 2015.

In Q2 2016, the **total net funds** raised by PNFCs in the UK was £6.6 billion. Net funds raised through loans remained strong in Q2 2016, reaching £6.2 billion, a similar level to the previous quarter.

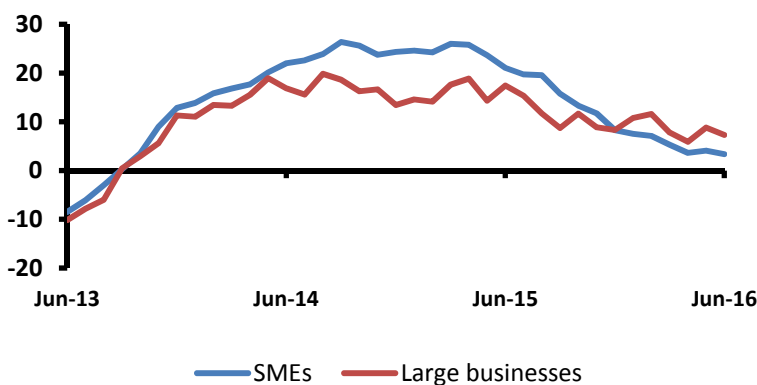
Asset finance new business provided through **leasing and hire purchase** by members of the Finance & Leasing Association grew in Q2 2016 by 4% compared with Q2 2015, to £7.7 billion.

In Q2 2016, the business equipment finance and commercial vehicle finance sectors helped to drive growth as new business in these sectors increased by 25% and 11% respectively. By contrast, the plant and machinery finance and business car finance sectors recorded modest falls in new business of 3% and 1% respectively over the same period.

**M4 net lending to PNFCs, seasonally adjusted, 12 months % change**  
Source: Bank of England



**Gross lending to non-financial businesses by MFIs, not seasonally adjusted, 12 months % change**  
Source: Bank of England



**Net funds raised by PNFCs, loans and total time series seasonally adjusted**  
Source: Bank of England

