

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

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1. CONTRIBUTORS

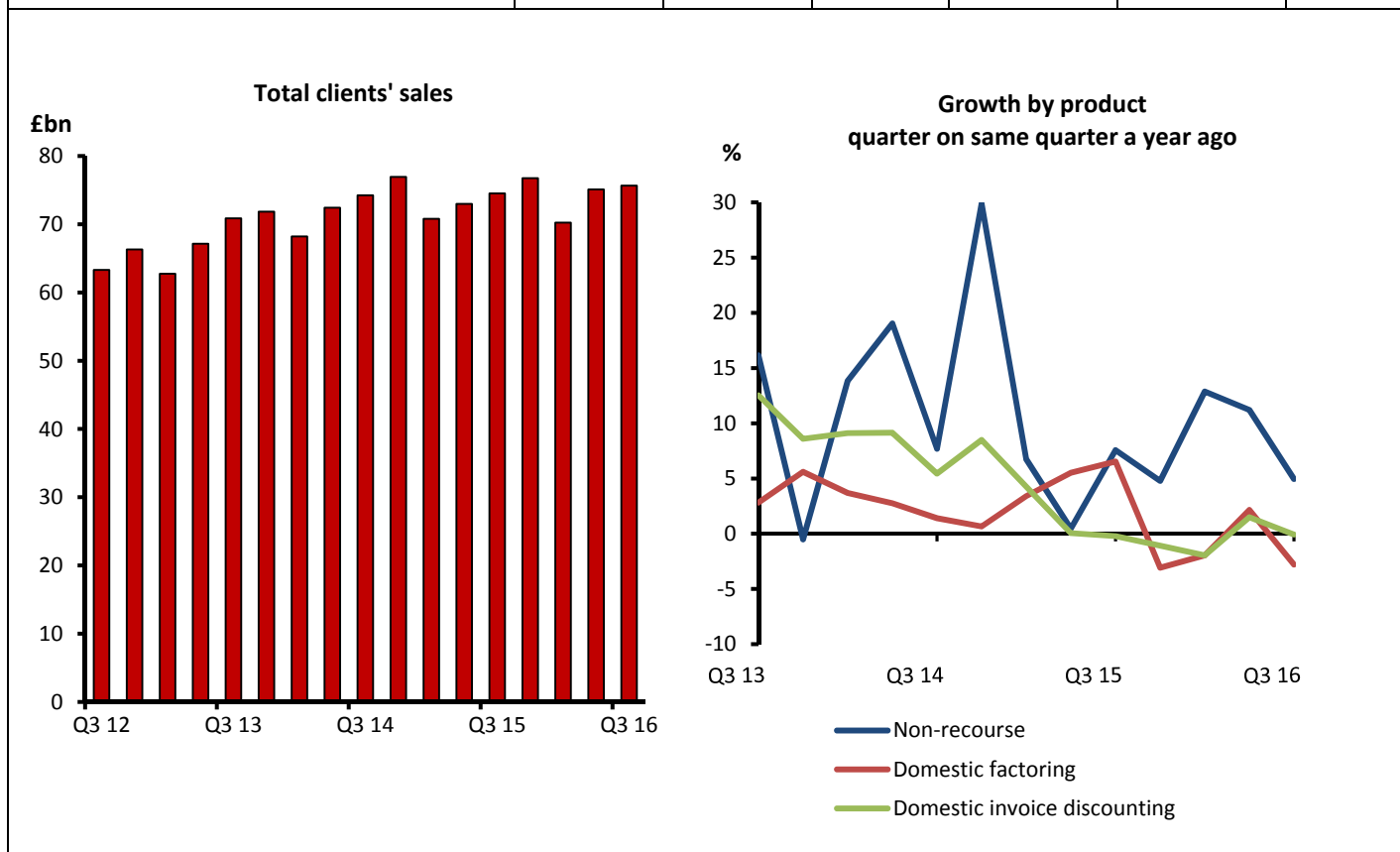
The members listed below contributed data for the period to September 2016:

<p>A ABN AMRO Commercial Finance AIB Commercial Finance Ltd – Northern Ireland AIB Commercial Finance Ltd – ROI Ireland Aldermore Invoice Finance Amicus Commercial Finance Ltd Ashley Commercial Finance Ltd</p>	<p>H, I, J HH Cashflow Finance Hitachi Capital (UK) PLC HSBC Invoice Finance (UK) Ltd IGF Invoice Finance Ltd JSM Finance Ltd</p>
<p>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>K, L, M Leumi ABL Ltd Lloyds Bank Commercial Finance Ltd Metro Bank Asset & Invoice Finance</p>
<p>C, D Cavendish Investment Close Brothers Invoice Finance Ltd Clydesdale Bank plc & Yorkshire Bank Invoice Finance Danske Bank</p>	<p>P, Q, R Paragon Bank Business Finance PLC Positive Cashflow Finance Ltd Pulse Cashflow Finance Ltd Quantum Factors Ltd RBS Invoice Finance Regency Factors PLC</p>
<p>E, F Easy Invoice Finance Factor 21 PLC Factor 21 North</p>	<p>S, T Santander Invoice Finance Secure Trust Bank Commercial Finance Shawbrook Business Credit Siemens Financial Services Ltd Skipton Business Finance Ltd Team Factors Ltd</p>
<p>G GapCap Ltd GE Capital Bank Ltd Gener8 Finance Ltd</p>	<p>U, V, W 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 ...		
	Sep 16	Sep 15	% Change	Sep 16	Sep 15	% Change
Domestic factoring	5,061	5,206	-3%	14,530	14,660	-1%
Domestic invoice discounting	64,565	64,612	0%	189,375	189,673	0%
Export factoring	322	305	6%	907	911	0%
Export invoice discounting	5,591	4,247	32%	15,813	12,579	26%
Import factoring	134	181	-26%	413	557	-26%
Total clients' sales	75,673	74,551	2%	221,038	218,380	1%
Non-recourse included in total above	9,695	9,237	5%	27,885	25,474	9%
Credit protection payments to clients	8.5	6.7	27%	23.6	22.4	5%



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2.2. BALANCES AT THE PERIOD END

BALANCES AT PERIOD END (£M) (All products)	Balances as at the end of ...		
	Sep 16	Sep 15	% Change
Pure invoice finance – advances against debt	16,498	15,939	4%
Invoice finance plus – advances against debt plus other assets	243	217	12%
ABL facilities:			
Advances against debt	2,668	2,549	5%
Advances against stock	606	592	2%
Advances against plant and machinery	361	355	2%
Advances against property	168	142	18%
Advances against other assets	95	96	-1%
<i>Total excluding other commitments</i>	<i>20,639</i>	<i>19,890</i>	<i>4%</i>
Other commitments	15	15	0%
Total advances	20,654	19,905	4%
Total funding available	30,350	29,016	5%
Total facilities agreed	39,932	38,761	3%
Debtor outstandings	38,212	36,486	5%
Stock	2,903	2,389	22%
Plant and machinery	1,073	831	29%
Property	267	246	9%
Other trading assets	19	14	36%
Total security values	42,474	39,966	6%

NUMBER OF CLIENTS AT PERIOD END (All products)	Number of clients as at the end of ...		
	Sep 16	Sep 15	% Change
Domestic factoring	16,559	17,010	-3%
Domestic invoice discounting	20,154	20,008	1%
Export and mixed export + domestic	5,691	5,583	2%
Import factoring	572	551	4%
Stock Finance	117	111	5%
ABL facilities	975	877	11%
Total number of clients	44,068	44,140	0%
Clients lost in quarter	2,090	2,276	-8%
Clients gained in quarter	2,009	2,344	-14%

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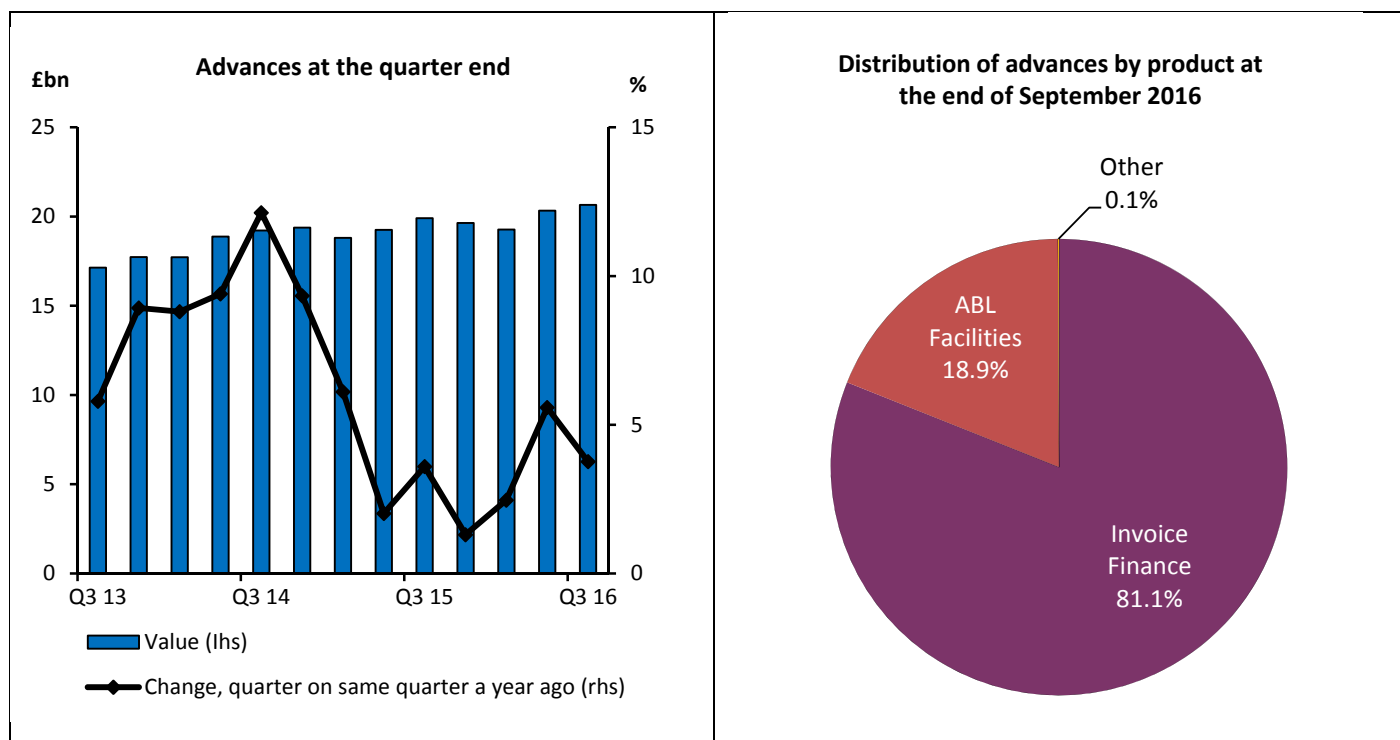
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2.3. ANALYSIS OF SOLE LENDER AND SYNDICATE DEALS

	For the quarter ended September 2016			
	Sole lender deals	Syndicate deals		Total
		Lead	Non-Lead	
Clients' sales volumes (£m)	65,362	10,311	N/A	75,673
Advances at the period end (£m)	18,021	1,140	1,493	20,654
Number of clients at period end	43,962	106	N/A	44,068

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	13,769	730
0.5 – 1.0	6,462	530
1.0 – 5.0	15,147	3,073
5.0 – 10.0	4,125	2,075
10.0 – 25.0	2,602	3,228
25.0 – 50.0	1,093	1,999
50.0 – 100.0	485	2,307
Over 100.0	385	6,712
Total	44,068	20,654



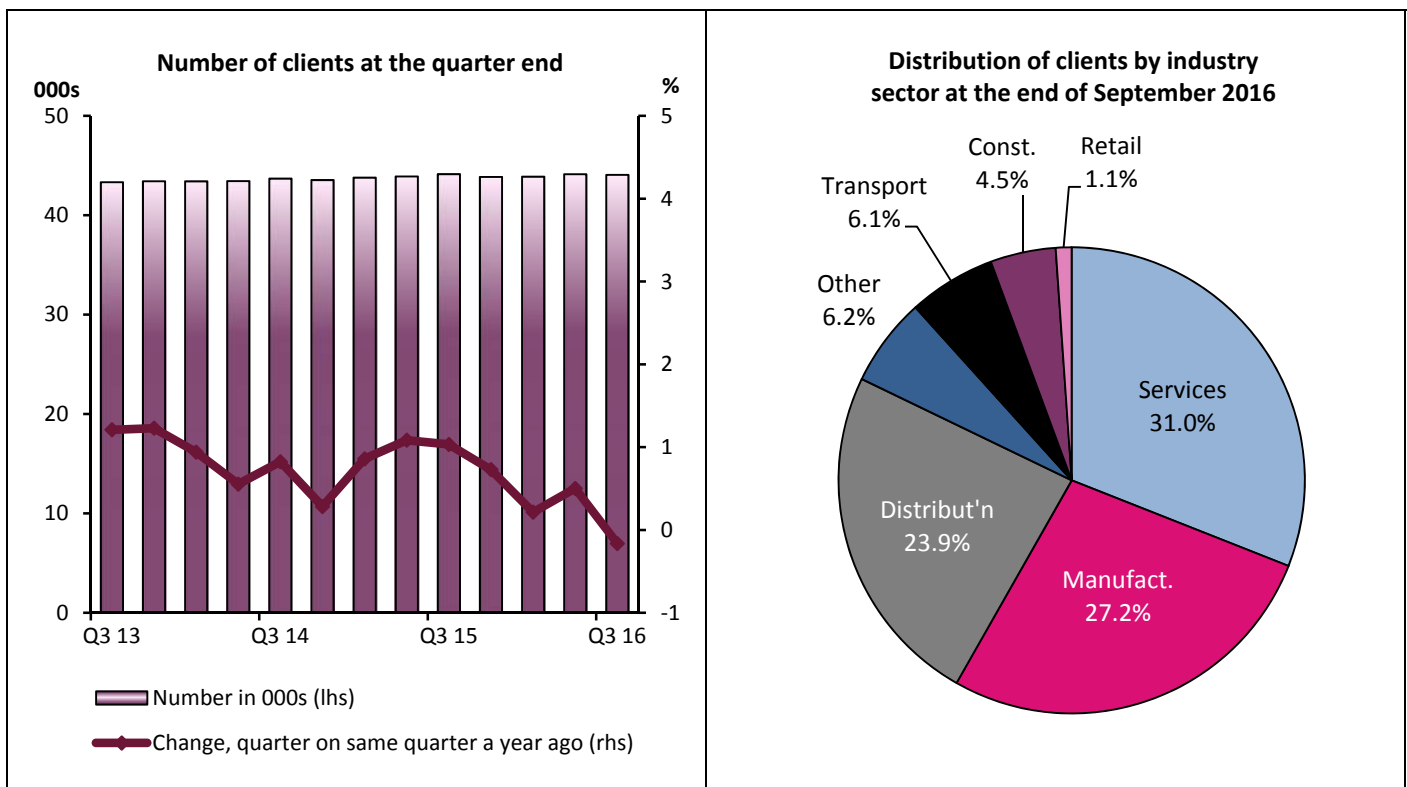
2.5. ANALYSIS OF CLIENT NUMBERS BY INDUSTRY SECTOR

Industry sector	Number of clients at the quarter end
Services	13,655
Manufacturing	12,004
Distribution	10,545
Transport	2,667
Construction	1,998
Retail	484
Other	2,715
Total	44,068

2.6. AVERAGE NUMBER OF DEBTOR DAYS OUTSTANDING

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

Factoring clients	53.6 days
Discounting clients	56.8 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 ...		
	Sep 16	Sep 15	% Change	Sep 16	Sep 15	% Change
Total clients' sales	5,989	6,500	-8%	17,764	19,201	-7%

BALANCES AT PERIOD END (€M) (All products)	Balances as at the end of ...		
	Sep 16	Sep 15	% Change
Total advances	1,242	1,335	-7%
Total securities values	3,210	3,167	1%
Total funding available	2,336	2,466	-5%
Total funding agreed	3,040	3,722	-18%

NUMBER OF CLIENTS AT PERIOD END (All products)	Number of clients as at the end of ...		
	Sep 16	Sep 15	% Change
Total number of clients	1,967	1,947	1%
Clients lost in quarter	31	30	3%
Clients gained in quarter	37	47	-21%

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	239	96
0.5 – 1.0	216	49
1.0 – 5.0	973	306
5.0 – 10.0	309	179
10.0 – 25.0	142	153
25.0 – 50.0	41	148
50.0 – 100.0	31	106
Over 100.0	16	205
Total	1,967	1,242

ANALYSIS OF CLIENT NUMBERS BY INDUSTRY SECTOR

Industry sector	Number of clients at the quarter end
Distribution	796
Manufacturing	386
Services	359
Retail	80
Transport	78
Construction	33
Other	235
Total	1,967

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

The second estimate of Q3 2016 GDP growth published by the Office for National Statistics confirmed that the UK economy grew by 0.5% compared with Q2 2016. Over that period, household expenditure increased by 0.7% and business investment was up by 0.9%. Net trade made a positive contribution to GDP growth in the third quarter of 0.7 percentage points, the largest since Q1 2014.

The Office for Budget Responsibility (OBR) published its first set of economic forecasts since the referendum on the UK’s membership of the EU at the same time as the Chancellor’s Autumn Statement. The OBR expects uncertainty about trade negotiations with the EU to delay investment, and that higher import prices will feed through to higher CPI inflation and put pressure on consumer spending power. In line with many other forecasters, the OBR expects the UK economy to slow in 2017, but not to enter recession. The OBR expects GDP to grow by 1.4% in 2017 and by 1.7% in 2018. Household consumption is forecast to grow by 1.2% in 2017 and by 1.1% in 2018, while business investment is expected to fall by 0.3% in 2017, but then to recover and grow by 4.1% in 2018.

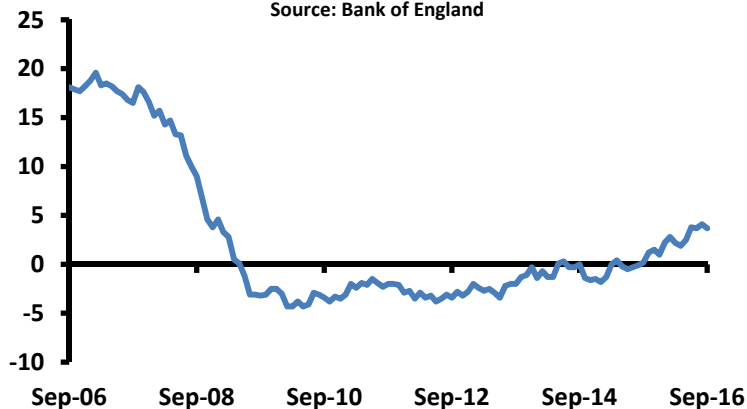
Overall, **net lending** to private non-financial corporations (PNFCs) grew by 3.7% in the twelve months to September 2016. **Gross lending** to PNFCs in the twelve months to September 2016 was £225.9 billion, 8.6% higher than in the same period in 2015, with particularly strong growth in new lending to large businesses.

In Q3 2016, the **total net funds** raised by PNFCs in the UK was £7.0 billion. Net funds raised through bond issuance was particularly strong in the third quarter, reaching £6.1 billion.

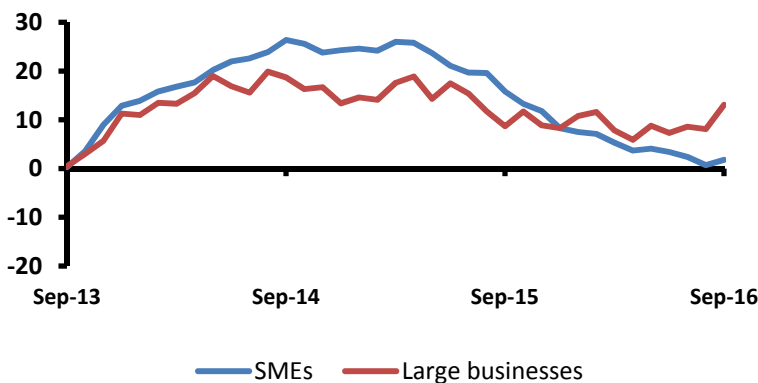
Asset finance new business provided through **leasing and hire purchase** by members of the Finance & Leasing Association grew in Q3 2016 by 12% compared with Q3 2015, to £7.7 billion – the strongest rate of growth for more than a year.

In Q3 2016, the business equipment finance sector reported new business growth of 19%. There was also solid growth in commercial vehicle finance and business car finance, up by 9% and 8% respectively.

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

