

**ASSET BASED FINANCE ASSOCIATION
QUARTERLY STATISTICS
TO DECEMBER 2014**

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1. CONTRIBUTORS

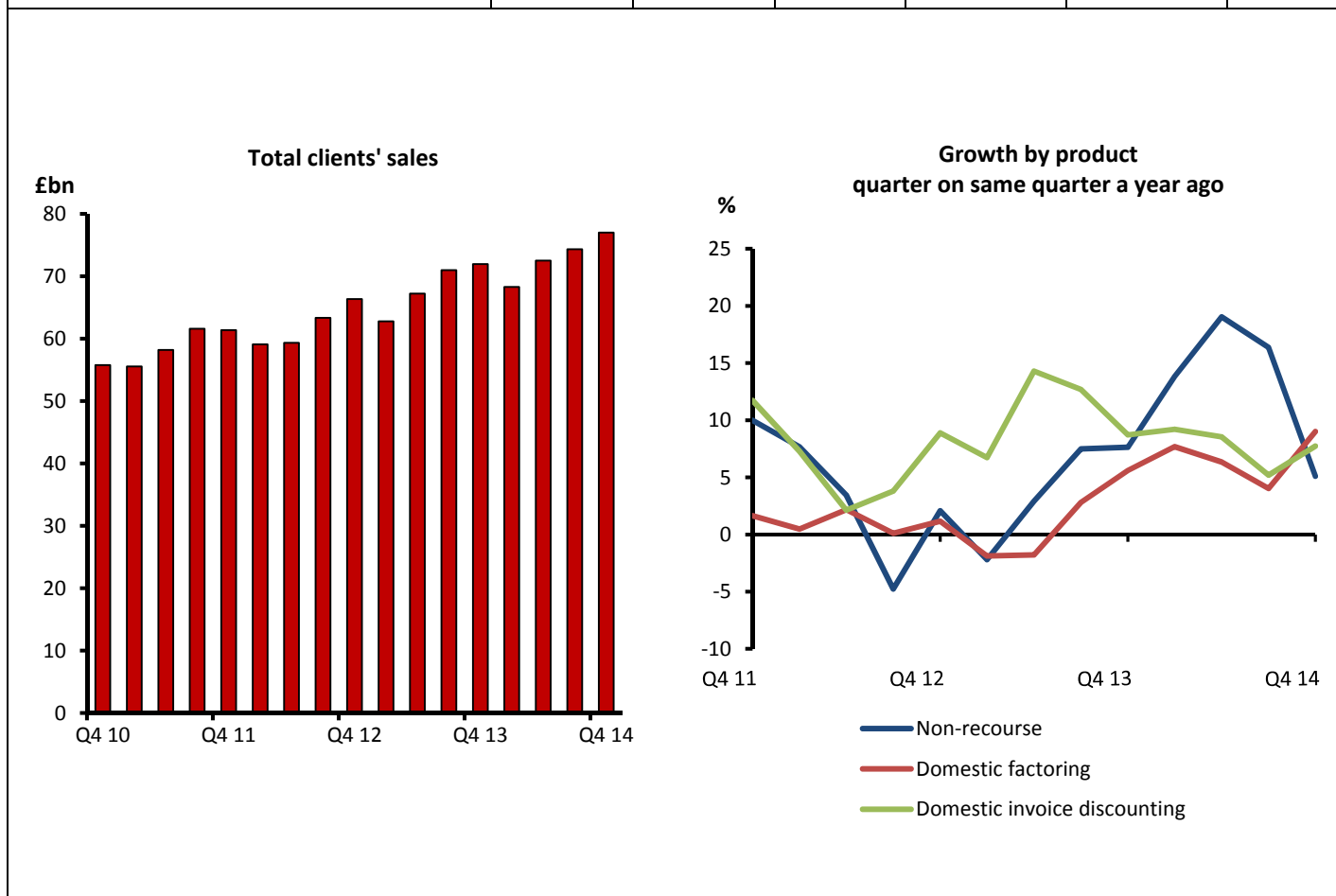
The members listed below contributed data for the period to December 2014:

<p>A ABN AMRO Commercial Finance AIB Commercial Finance Ltd AIB Group (UK) plc Aldermore Invoice Finance Ashley Commercial Finance</p>	<p>H, I, J Hitachi Capital (UK) plc HSBC Invoice Finance (UK) Ltd Independent Growth Finance JSM Finance Ltd</p>
<p>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</p>	<p>K, L, M, N Leumi ABL Ltd Lloyds Bank Commercial Finance Ltd Metro Bank SME Finance</p>
<p>C, D Cavendish Investments (Manchester) Ltd Close Brothers Invoice Finance Clydesdale Bank plc Danske Bank Danske Bank A/S</p>	<p>P, Q, R Positive Cashflow Finance Ltd Quantum Factors Ltd RBS Invoice Finance Regency Factors Invoice Finance Ltd Regency Factors plc</p>
<p>E, F Easy Invoice Finance Ltd Factor 21 plc Five Arrows Business Finance plc</p>	<p>S Santander Invoice Finance Shawbrook Business Credit Siemens Financial Services Limited Skipton Business Finance Ltd</p>
<p>G GE Capital Bank Limited</p>	<p>U, V Ulster Bank Invoice Finance (NI) Ulster Bank Invoice Finance Ultimate Finance Group plc</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 ...		
	Dec 14	Dec 13	% Change	Dec 14	Dec 13	% Change
Domestic factoring	5,435	4,986	9%	19,826	18,569	7%
Domestic invoice discounting	67,101	62,276	8%	254,102	236,115	8%
Export factoring	499	458	9%	2,010	1,856	8%
Export invoice discounting	3,772	3,988	-5%	15,378	15,572	-1%
Import factoring	204	244	-16%	844	852	-1%
Total clients' sales	77,011	71,952	7%	292,160	272,964	7%
Non-recourse included in total above	8,263	7,861	5%	32,548	28,710	13%
Credit protection payments to clients	4.8	3.8	26%	22.0	19.2	15%



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2.2. BALANCES AT THE PERIOD END

BALANCES AT PERIOD END (£M) (All products)	Balances as at the end of ...		
	Dec 14	Dec 13	% Change
Pure invoice finance – advances against debt	15,506	14,445	7%
ABL facilities:			
Advances against debt	2,699	2,291	18%
Advances against stock	576	435	32%
Advances against plant and machinery	364	337	8%
Advances against property	146	149	-2%
Advances against other assets	113	106	7%
<i>Total excluding other commitments</i>	19,404	17,763	9%
Other commitments	26	17	53%
Total advances	19,430	17,780	9%
Total funding available	27,892	25,976	7%
Total facilities agreed	39,963	35,005	14%
Debtor outstandings	36,539	34,215	7%
Stock	2,555	2,112	21%
Plant and machinery	866	673	29%
Property and other trading assets	339	467	-27%
Total security values	40,299	37,467	8%

NUMBER OF CLIENTS AT PERIOD END (All products)	Number of clients as at the end of ...		
	Dec 14	Dec 13	% Change
Domestic factoring	17,279	18,129	-5%
Domestic invoice discounting	19,448	18,997	2%
Export and mixed export + domestic	5,327	5,085	5%
Import factoring	627	606	3%
Stock & ABL finance	897	614	46%
Total number of clients	43,578	43,431	0%
Clients lost in quarter	2,098	2,036	3%
Clients gained in quarter	1,968	2,128	-8%

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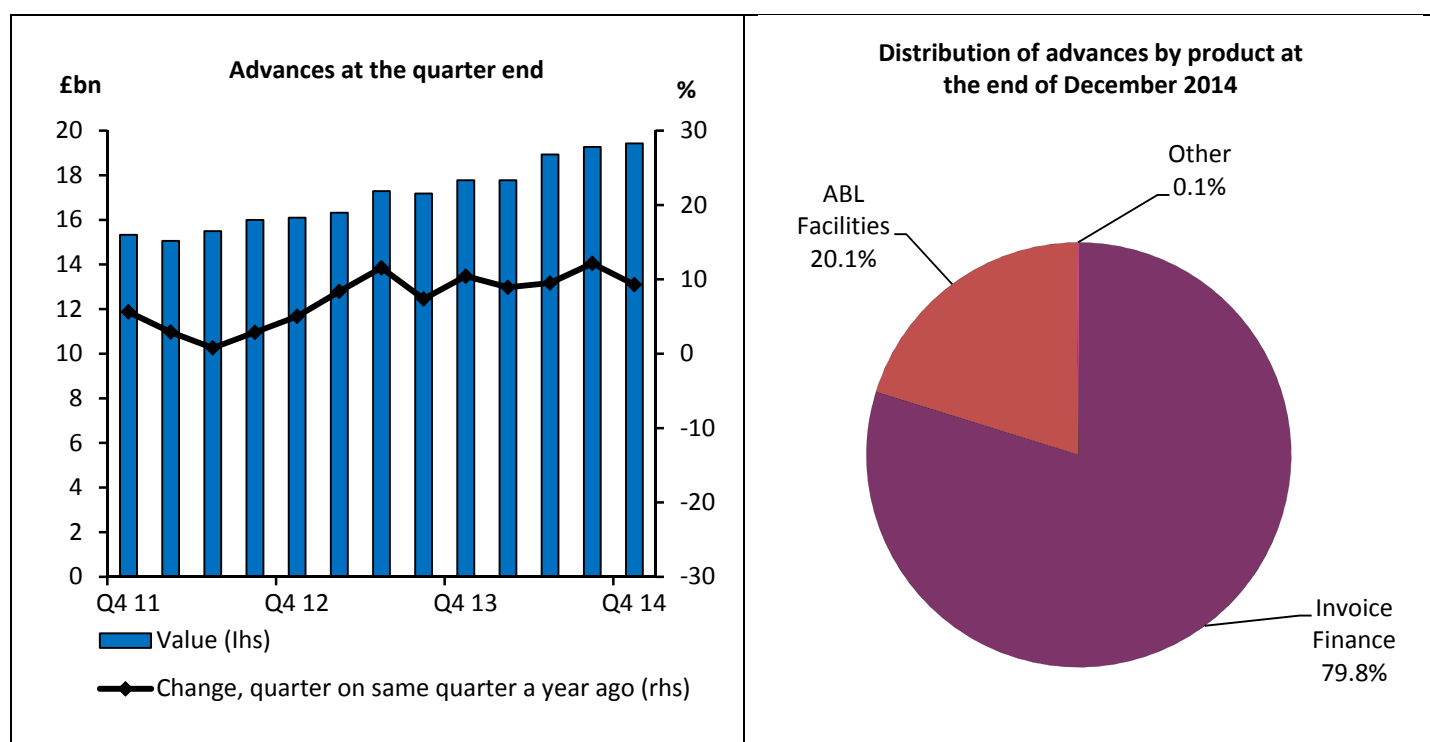
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2.3. ANALYSIS OF SOLE LENDER AND SYNDICATE DEALS

	For the quarter ended December 2014			
	Sole lender deals	Syndicate deals		Total
		Lead	Non-Lead	
Clients' sales volumes (£m)	65,661	11,350	N/A	77,011
Advances at the period end (£m)	16,720	1,325	1,385	19,430
Number of clients at period end	43,487	91	N/A	43,578

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	14,377	616
0.5 – 1.0	6,611	561
1.0 – 5.0	14,482	2,914
5.0 – 10.0	3,885	2,053
10.0 – 50.0	3,510	5,630
50.0 – 100.0	399	1,801
Over 100.0	314	5,855
Total	43,578	19,430



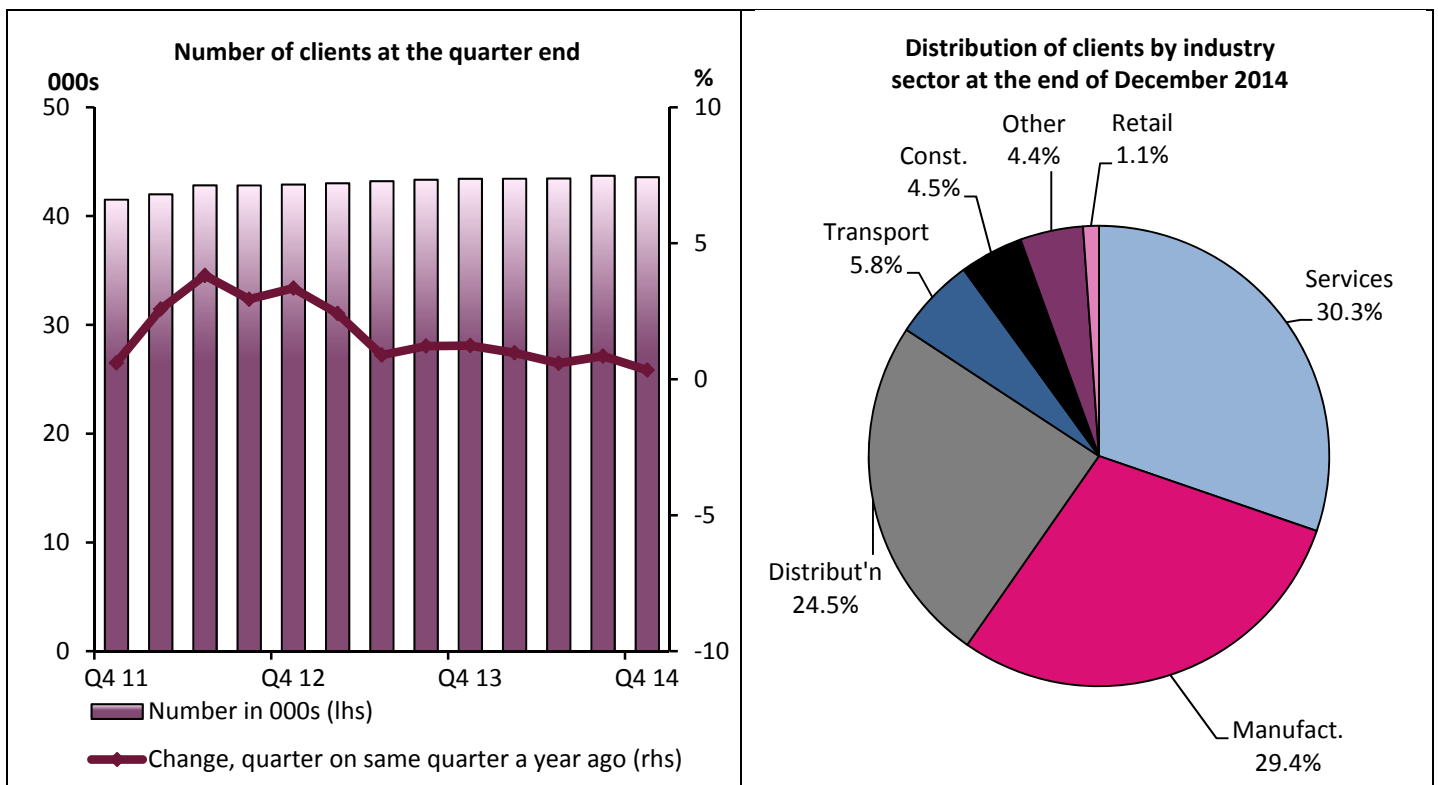
2.5. ANALYSIS OF CLIENT NUMBERS BY INDUSTRY SECTOR

Industry sector	Number of clients at the quarter end
Manufacturing	12,821
Distribution	10,694
Services	13,195
Transport	2,512
Retail	484
Construction	1,947
Other	1,925
Total	43,578

2.6. AVERAGE NUMBER OF DEBTOR DAYS OUTSTANDING

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

Factoring clients	54.6
Discounting clients	51.6



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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 ...		
	Dec 14	Dec 13	% Change	Dec 14	Dec 13	% Change
Total clients' sales	7,031	5,517	27%	25,476	21,206	20%

BALANCES AT PERIOD END (€M) (All products)	Balances as at the end of ...		
	Dec 14	Dec 13	% Change
Total advances	1,237	1,212	2%
Total securities values	2,870	2,716	6%
Total funding available	2,046	1,742	17%
Total funding agreed	3,390	2,409	41%

NUMBER OF CLIENTS AT PERIOD END (All products)	Number of clients as at the end of ...		
	Dec 14	Dec 13	% Change
Total number of clients	1,913	1,963	-3%
Clients lost in quarter	51	33	55%
Clients gained in quarter	48	54	-11%

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	398	153
0.5 – 1.0	212	58
1.0 – 5.0	876	271
5.0 – 10.0	208	153
10.0 – 50.0	180	242
50.0 – 100.0	25	167
Over 100.0	14	193
Total	1,913	1,237

ANALYSIS OF CLIENT NUMBERS BY INDUSTRY SECTOR

Industry sector	Number of clients at the quarter end
Manufacturing	340
Distribution	787
Services	484
Transport	77
Retail	52
Construction	23
Other	150
Total	1,913

Notes to the Republic of Ireland statistics

1. The group comprises of:

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

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

In 2014, the UK economy grew at its fastest annual rate for seven years despite a slowdown in growth in Q4 2014. The preliminary estimate of GDP in the final quarter of 2014 showed that economic output grew by 0.5% compared with the previous quarter, the lowest rate of growth recorded since Q4 2013. Growth in services sector output remained robust in Q4 2014 at 0.8% and output from the agricultural sector also grew by 1.3% over the same period. By contrast, output from the production industries and the construction sector fell in Q4 2014 by 0.1% and 1.8% respectively.

The **total amounts outstanding** to private non-financial corporations (PNFCs) stood at £373.5 billion at the end of December 2014, down from £378.2 billion at the end of the previous quarter.

Total **gross lending** to PNFCs increased in the twelve months to December 2014 by 16.4% compared with the same period in the previous year. Gross lending to SMEs increased by 24.8% over this period, while lending to large-sized businesses grew by 13.4%.

Total net funds raised by PNFCs in the UK was positive in Q4 2014 at £3.6 billion. Net bond issuance remained strong in the final quarter of 2014 at more than £6.0 billion. Net equity issuance was also positive in Q4 2014 at £1.1 billion.

Asset finance provided through **leasing and hire purchase** by members of the Finance & Leasing Association (FLA) grew in 2014 at its strongest rate for at least 7 years. New business was £25.4 billion in 2014, 13% higher than in 2013. In the final quarter of 2014, new business increased by 12% compared with Q4 2013 to £6.9 billion.

Plant and machinery finance and IT equipment finance grew at similar rates in Q4 2014, with new business up by 24% and 25% respectively. There was also strong growth in business equipment finance, up 16% over the same period. By contrast, commercial vehicle finance growth slowed to only 2% in the final quarter of 2014.

