Phoenix Management Services
"Lending Climate in America" Survey

4th Quarter 2012
Summary, Trends and Implications

PHOENIX
"LENDING CLIMATE IN AMERICA"
QUARTERLY SURVEY

4th Quarter 2012

SUMMARY, TRENDS AND IMPLICATIONS

1. **Natural gas prices are expected to stay below $5 per British thermal unit for the next 10 years. This source of energy is most efficiently used and transported within the continent where it is produced, which should lead to increased supply in the United States. How do you see this energy component playing out for domestic businesses in the next several years?**

Natural gas has been discussed quite a bit recently, especially as United States energy policy was featured during the presidential election. The majority of lenders who took this quarter's lending survey identified with two responses. Fifty-eight percent identified with the feeling that "reduced energy costs will have a positive effect on domestic business. While not all industries will have the same level of demand, increased discretionary income and lower manufacturing costs may account for a small increase in corporate earnings". The other opinion receiving significant response was "supply is currently high, creating lower pricing, but environmental & regulatory issues will constrict the number of future drilling sites, leading to increased energy costs. The domestic pricing advantage will exist for less time than forecasters expect", which garnered 30% of the total. Of note, one lender felt that the increase in production should be regulated by the EPA and other enforcement entities to properly balance economic and environmental impacts.

2. **Net interest margin (a metric for lending performance focusing on the deposit and lending or investing spread) has dropped to its lowest level in 36 months according to SNL Financial. The Federal Reserve board has forecast a low interest rate environment through 2015. What do you feel banks should do to rectify the impact of lower net interest margins on profitability?**

This question generated a nearly even response between two choices. Forty percent of lenders surveyed feel that "the risk factors associated with choices a. and b. are too great to be effective. Banks should maintain as lean a cost structure as possible and await rate hikes from the Federal Reserve" (choice a. was "retain mortgages and other securitized products to increase returns on deposits" and choice b. was "become more aggressive regarding risk profile and/or structure in an effort to further expand margin"). Thirty nine percent of lenders think banks should "invest in new areas of fee based financial products in the retail and commercial markets". Thirteen percent of respondents believed that banks should "become more aggressive regarding risk profile and/or structure in an effort to further expand margin". In addition, several individuals expanded on their survey selection with the following comments:

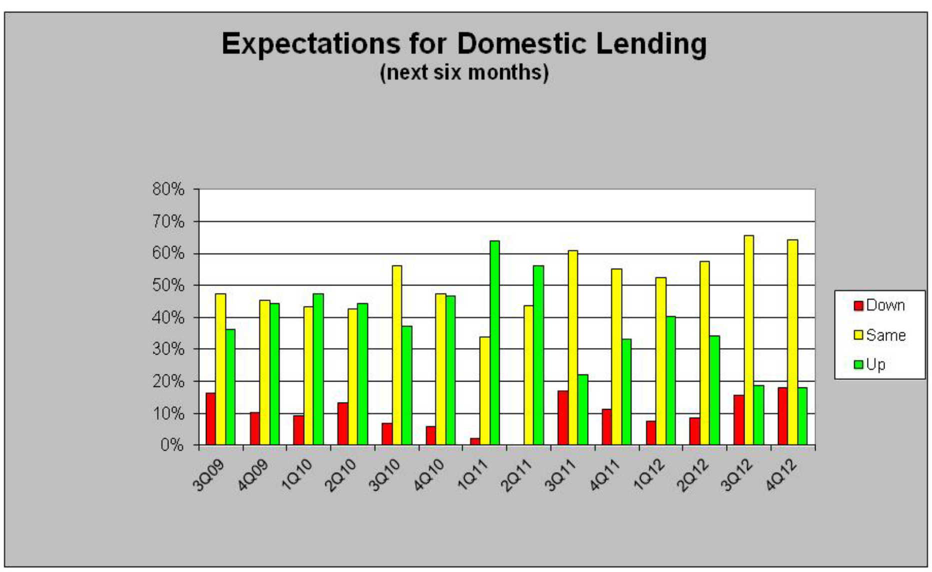
> "Banks and bankers are already becoming more aggressive in pricing and structure as each is chasing fewer quality companies."
>
> "Retain the most profitable commercial and residential loans, securitize the rest, focus on fee based revenue and cut costs to the bone."
>
> "Banks are going to have to charge more fees for lines of credit, both renewal and non-usage fees."
>
> "Stop the nonsense - let rates normalize; good banks thrive, bad banks fail"

3. **Recently, the US economy has begun to show improvement, particularly in housing and employment metrics. Consumer confidence recently hit its highest level since 2007 as well. However, third quarter corporate earnings in the US have disappointed investors, fueling fears that a robust recovery may be premature. What are your thoughts on the surprisingly disappointing results for corporate earnings in the third quarter thus far?**

This question yielded an overwhelming response to “the results should not be surprising as there is still a lot of uncertainty. Europe continues to be a drag on domestic businesses' international revenues and the US recovery has been gradual.” This choice struck a chord with 75% of respondents. The second place response was “investors and analysts faith in the ability of the central bank to influence the economy was so strong that they largely ignored signs that corporate earnings were weakening. Recent declines show the limit of Fed policy to improve corporate earnings.” with eight percent of those polled. Drawing seven percent of response totals each, were “the prevalence of reduced guidance for the remainder of this calendar year and the early part of 2013 are the most worrisome aspects of recent earnings reports” and “other” thoughts on the disappointing results. Additional thoughts on disappointing earnings were as follows:

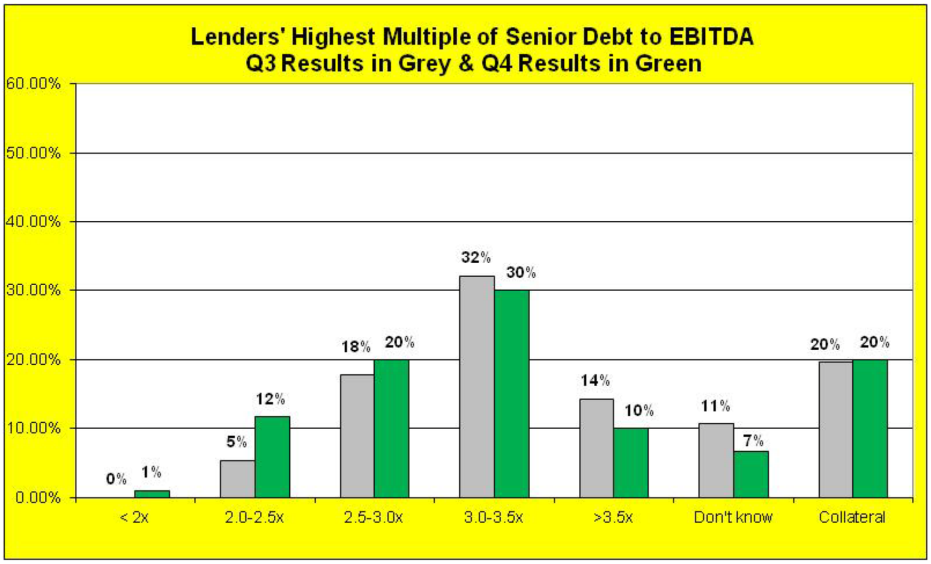
> “Improving consumer confidence will boost future earnings”
>
> “CAPEX and hiring take time to reach bottom line”
>
> “Less ability to continue cost reductions”
>
> “Europe, fiscal cliff & regulation overhang”

4. **Quarterly update reveals negligible change in domestic sentiment.** This quarter’s diffusion index decreased three percentage points relative to last quarter. Compared to the same period six months ago, this quarter shows a decrease in the diffusion index of twenty six percentage points. Eighteen percent of respondents feel that domestic lending will increase with the same amount believing over the next six months it will also decrease. Last quarter, 19% of lenders felt domestic lending would increase and 16% believed a decrease would take place. Sixty-four percent of survey takers think that there will be no change over the next six months (last quarter had a 65% response).



5. **Leverage ratio impact on loan consideration remains consistent quarter over quarter.**

   Lender responses in the 3.0-3.5x category still maintained the largest percentage of responses. This category decreased two percentage points relative to last quarter's survey (thirty percent in the current survey versus thirty two percent in Q3 2012). Twenty percent of surveyed lenders indicated that collateral supersedes senior debt to EBITDA ratio when considering a loan request, the same number as last quarter. Twenty percent of lenders also indicated that they would consider a loan with a senior leverage ratio between 2.5-3.0x, which represents a two percentage point gain over last quarter (eighteen percent). Ten percent of lenders responded that their institution would consider senior debt to EBITDA ratios in excess of 3.5x, this leverage metric decreased from fourteen percent of all responses last quarter. Twelve percent of lenders would consider providing senior term loans in the 2-2.5x ratio category, a seven percentage point increase from last quarter's five percent. Seven percent of those surveyed did not know the highest leverage ratio their institution would consider, compared to eleven percent last quarter.

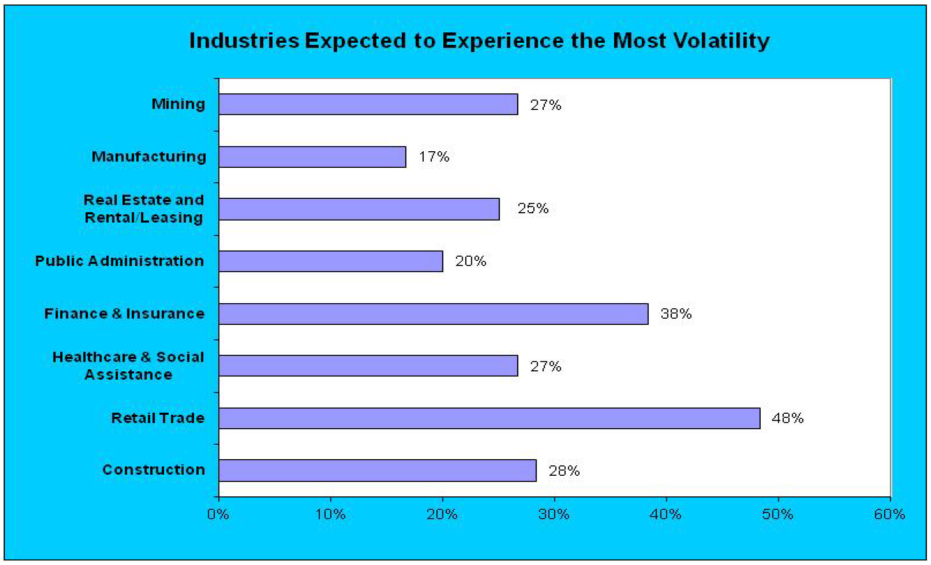


6. **Senior debt to EBITDA lending ratios should remain consistent for the next six months according to survey results.** The majority (sixty percent) of respondents believe their institution will experience no change in the next six months compared to fifty four percent that shared the same sentiment last quarter. Seventeen percent of respondents indicated they were collateral lenders and did not specifically focus on senior debt to EBITDA multiple (down four percentage points from the previous survey). Seven percent of lenders specified that they do not know how senior leverage ratios will change at their financial institutions in the next six months.

7. **Looming U.S. fiscal deadline is overwhelming economic risk factor.** When asked to choose two factors that could have the strongest potential to affect the economy in the next six months, eighty percent (versus sixty six percent in the previous quarter) chose the U.S. budget deficit. Unstable energy price concerns were the second greatest response, with twenty five percent of those polled showing concern (thirty nine percent chose this factor in the last survey). Stability in the stock market garnered twenty three percent of responses compared to sixteen percent last quarter. Twenty two percent of lenders cited both "other" concerns and a sluggish housing market as possible economic headwinds. Constrained liquidity in capital markets and the war in Iraq rounded out the remaining risk factors with ten and five percent of total responses.

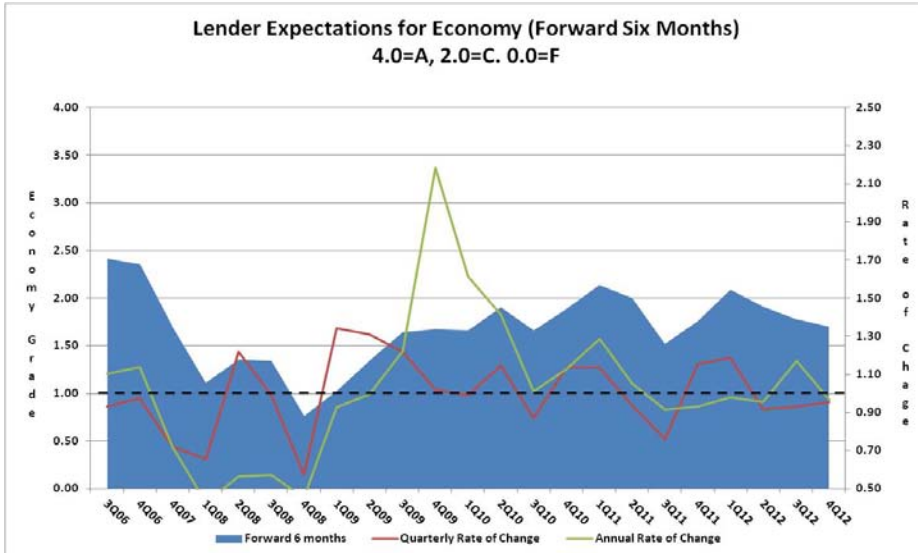
8. **Retail trade and the finance & insurance industries supplant construction for the first time in two years as those industries most likely to experience volatility**. When asked to identify three industries that will experience the most volatility in the next six months, forty eight percent of lenders agree that retail trade will experience the greatest volatility. This is a

nine percentage point increase over last quarter (thirty nine percent). Finance and insurance followed close behind with thirty eight percent of those polled (a jump of twelve percentage points from last quarter). Somewhat surprising, construction landed in third place this quarter with twenty eight percent of lender responses. Last quarter construction had a majority response of sixty one percent. The healthcare and social assistance industry along with the mining industry each received twenty seven percent of total responses. Mining increased eight percentage points from last quarter while healthcare and social assistance declined by eight percentage points. Real estate rental and leasing comprised twenty five percent of survey taker's responses. Public admin received twenty percent of the total lender vote. Rounding out the industries receiving greater than ten percent of responses included manufacturing and educational services. The remaining industries yielded responses of ten percent or less.



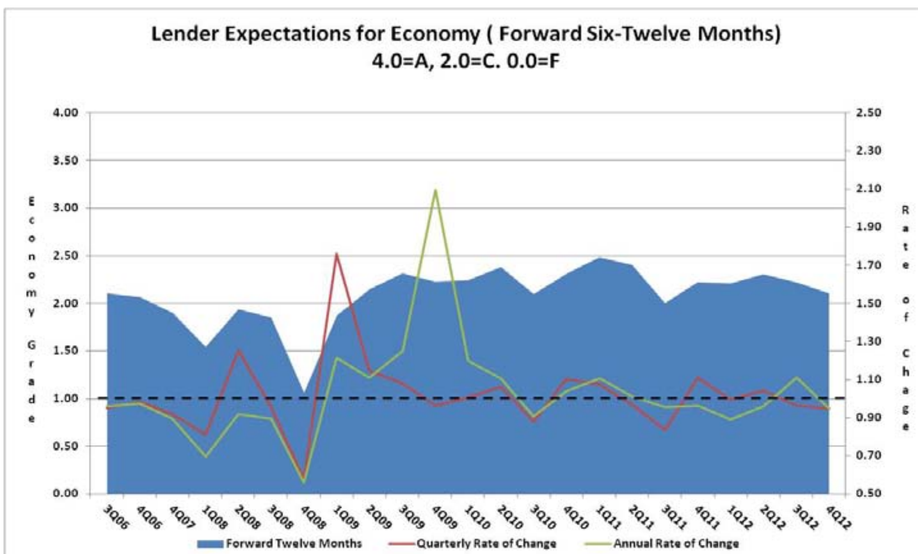
9. **Borrowers maintain new capital investment plans and acquisitions for future growth.** This quarter had a two percentage point uptick with regard to borrowers making new capital investments. Fifty percent of lenders feel their customers will perform these actions compared to forty eight percent in Q3 2012. Forty three percent of lenders feel their customers will pursue an acquisition in the near term, compared to forty four percent last quarter. Thirty three percent of lenders believe their customers will introduce new products or services, a quarterly retraction of four percentage points. Twenty three percent of lenders believe their customers will enter new markets during the next six months. Last quarter, entering new markets garnered twenty six percent of all responses (a three percentage point drop this quarter). Hiring new employees received the exact same percentage of responses quarter over quarter, twenty percent. Raising additional capital yielded a decrease of nine percentage points this quarter to seventeen percent of all responses. Ten percent of respondents believe their customers will conduct "other" activities in the near term, another significant quarterly decrease of seven percentage points.

10. **Near term economic performance falls for the third consecutive quarter.** Economic growth sentiment received an overall "C-" grade this quarter, falling again slightly by eight basis points relative to Q3 2012. The majority of lenders (sixty six percent) still believe the economy will perform at a "C" level or better over the next six months, compared to seventy six percent in the previous survey. Thirty three percent of respondents agreed that the economy will perform at a "D" grade in the next six months, a jump of nine percentage points from last quarter. Of note, zero lenders anticipate an "F" grade.



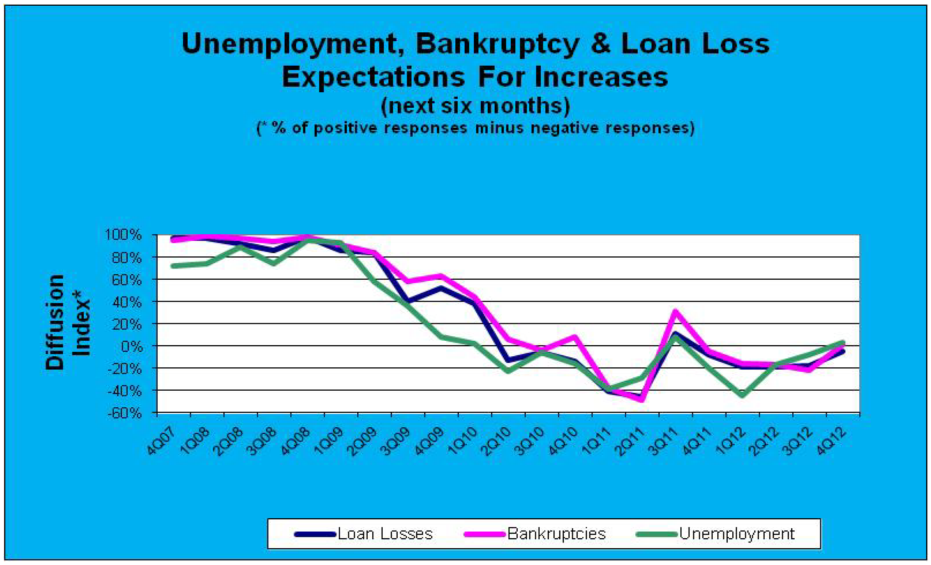
*** Rate of Change of 1.0 is at equilibrium and signifies "no change" from the corresponding prior period of comparison.***

11. **Longer term economic growth outlook trends lower as well.** Lenders growth expectations for the U.S. economy beyond six months contracted by twelve basis points according to survey results. This quarter yielded a "C" grade, which is the same as last quarter. Eighty five percent of lenders believe the economy will perform at a "C" level or better in the six to twelve month period, compared to ninety percent in the previous quarter.

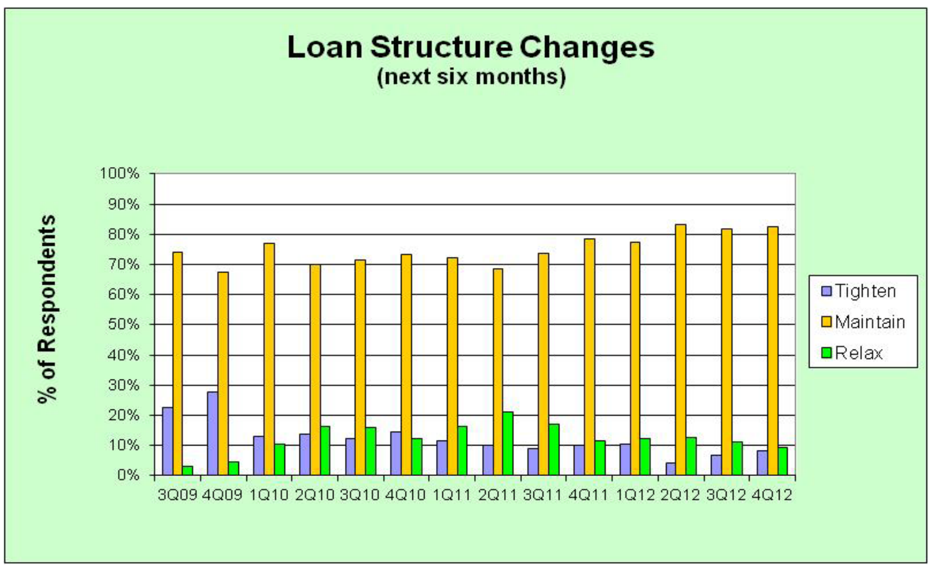


*** Rate of Change of 1.0 is at equilibrium and signifies "no change" from the corresponding prior period of comparison.***

12. **Lenders this quarter believe an uptick of bankruptcies and loan losses are on the horizon.** These two categories increased by eight percentage points and two percentage points respectively. There was also a five percentage point increase in those lenders who feel unemployment will increase as well.



13. **Loan structure trends toward more restrictions.** The percentage of respondents planning to maintain their loan structure remained the same as last quarter's results, totaling eighty two percent of respondents. Lenders who expect to tighten their loan structures did increase by one percentage point this quarter. Lenders anticipating relaxing their client's loan structures decreased one percentage points.



14. **Interest rate spreads hold steady.** Eighty one percent of respondents (versus seventy four percent in the previous quarter) anticipate maintaining lending spreads at their current levels. The percentage of lenders expecting to reduce their current credit spreads retracted two percentage points, representing eleven percent of total responses this quarter. Eight percent of lenders anticipate increasing their credit spreads in the next six months versus thirteen percent in Q3 2012.

Expectations For Lending Spreads
(next six months)
% of Respondents
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
3Q09
4Q09
1Q10
2Q10
3Q10
4Q10
1Q11
2Q11
3Q11
4Q11
1Q12
2Q12
3Q12
4Q12
Increase
Maintain
Reduce

Phoenix Management Services
"Lending Climate in America"
4th Quarter 2012

Survey Results

1. Lower natural gas prices to benefit domestic business according to survey

Natural gas prices are expected to stay below $5 per British thermal unit for the next 10 years. This source of energy is most efficiently used and transported within the continent where it is produced, which should lead to increased supply in the United States.

Lenders were asked: How do you see this energy component playing out for domestic businesses in the next several years?

- Fifty eight percent believe reduced energy costs will have a positive effect on domestic business. While not all industries will have the same level of demand, increased discretionary income and lower manufacturing costs may account for a small increase in corporate earnings.
- Thirty percent feel that supply is currently high, creating lower pricing, but environmental & regulatory issues will constrict the number of future drilling sites, leading to increased energy costs. The domestic pricing advantage will exist for less time than forecasters expect.
- Five percent of respondents think domestic beneficiaries with the greatest amount to gain are fertilizer & chemical industries. The US will see increased investment in fertilizer & plastic manufacturing in the long term. Other downstream beneficiaries will also experience a renewed demand.
- Five percent are of the opinion that technological advances and/or depressed prices will lead natural gas producers to develop ways to market to areas where it can be sold at higher prices or focus on activities that drive domestic supply down. Prices will increase as time goes on.
- Two percent have other feelings regarding the natural gas impact on domestic business.

2. New products and lean cost structure keys to banks mitigating lower interest margins.

Net interest margin (a metric for lending performance focusing on the deposit and lending or investing spread) has dropped to its lowest level in 36 months according to SNL Financial. The Federal Reserve board has forecast a low interest rate environment through 2015.

Lenders were asked: What do you feel banks should do to rectify the impact of lower net interest margins on profitability?

- Forty percent of respondents agreed the risk factors associated with choices a. and b. are too great to be effective. Banks should maintain as lean a cost structure as possible and await rate hikes from the Federal Reserve.
- Thirty nine percent decided that banks should invest in new areas of fee based financial products in the retail and commercial markets.
- Thirteen percent felt banks should become more aggressive regarding risk profile and/or structure in an effort to further expand margin.

- Five percent believe that banks should undertake other initiatives at a firm level.

- Three percent feel that banks should retain mortgages and other securitized products to increase returns on deposits.

3. Gradual domestic recovery and international uncertainty lead to depressed quarterly earnings according to survey

Recently, the US economy has begun to show improvement, particularly in housing and employment metrics. Consumer confidence recently hit its highest level since 2007 as well. However, third quarter corporate earnings in the US have disappointed investors, fueling fears that a robust recovery may be premature.

Lenders were asked: What are your thoughts on the surprisingly disappointing results for corporate earnings in the third quarter thus far?

- Seventy five percent are of the opinion that the results should not be surprising as there is still a lot of uncertainty. Europe continues to be a drag on domestic businesses' international revenues and the US recovery has been gradual.

- Eight percent sense investors and analysts faith in the ability of the central bank to influence the economy was so strong that they largely ignored signs that corporate earnings were weakening. Recent declines show the limit of Fed policy to improve corporate earnings.

- Seven percent of lenders believe the prevalence of reduced guidance for the remainder of this calendar year and the early part of 2013 are the most worrisome aspects of recent earnings reports.

- Seven percent responded with thoughts other than those listed.

- Three percent believe it will slow the US recovery further as US firms will idle more facilities, plan layoffs and cut additional costs to meet expectations.

4. Highest Senior Debt to EBITDA Leverage Institutions Would Consider

Respondents were asked the highest multiple of Senior Debt to EBITDA their financial institution would consider with regard to a loan request.

- Thirty percent indicated their institution would consider a loan request with a leverage multiple as high as the 3.0x – 3.5x range (previous survey: 32 percent).

- Twenty percent of respondents replied they are collateral lenders and, therefore, do not make credit decisions based on cash flow/leverage multiples (previous survey: 20 percent).

- Twenty percent believed their institution would consider a loan request with a Senior Debt to EBITDA multiple as high as the 2.5x – 3.0x range (previous survey: 18 percent).

- Twelve percent of lenders believed their institution would consider a loan request with a Senior Debt to EBITDA multiple as high as 2.0x – 2.5x range (previous survey: 5 percent).

- Ten percent of lenders opined their financial institution would consider a loan request with a leverage multiple of greater than 3.5x (previous survey: 14 percent).

- Seven percent of lenders either “did not know” or did not respond with regard to how their institution’s senior leverage ratio would change. (previous survey: 11 percent)

- One percent of lenders indicated that their financial institution would only consider a loan request with a Senior Debt to EBITDA ratio of less than 2.0x (previous survey: 0 percent).

5. Anticipated Change in Senior Debt to EBITDA Multiple

Respondents were asked, over the next six months, how the Senior Debt to EBITDA multiple would change at their financial institution.

- Sixty percent indicated that the Senior Debt to EBITDA multiple will not change at their financial institution over the next six months (previous survey: 54 percent).

- Seventeen percent of respondents replied they are collateral lenders and, therefore, do not make credit decisions based on cash flow/leverage multiples (previous survey: 21 percent).

- Seven percent of lenders responded “Do Not Know” regarding how senior leverage ratios would change at their financial institution in the next six months. (previous survey: 11 percent)

- Five percent of lenders believe that the leverage multiple will increase less than 0.5x during the next six months (previous survey: 9 percent).

- Five percent conclude that the leverage multiple will decrease less than 0.5x during the next six months (previous survey: 3 percent).

- Five percent conclude that the leverage multiple will increase greater than 0.5x during the next six months (previous survey: 2 percent).

- One percent believe that the leverage multiple will decrease greater than 0.5x during the next six months (previous survey: 0 percent)

6. Factors with Strongest Potential to Affect Near-Term Economy

Respondents were asked, over the next six months, which TWO factors had the strongest potential to affect the economy.

- Eighty percent of respondents selected the U.S. budget deficit as having the strongest potential to affect the economy over the next six months (previous survey: 66 percent).

- Twenty five percent concluded that unstable energy prices have the strongest potential to affect the economy during the next six months (previous survey: 39 percent).

- Twenty three percent opined that the stability of the stock market has the strongest potential to affect the economy during the next six months (previous survey: 16 percent).

- Twenty two percent chose “other” factors as having the strongest potential to affect the economy during the next six months (previous survey: 27 percent).

- Twenty two percent designated the sluggish housing market as the factor with the strongest potential to affect the near-term economy (previous survey: 18 percent).

- Ten percent indicated constrained liquidity in the capital markets as the factor with the strongest potential to affect the near-term economy (previous survey: 18 percent).

- Five percent indicated the war in Iraq as the factor with the strongest potential to affect the near-term economy (previous survey: 2 percent).

7. Industries Expected to Experience Greatest Volatility

Respondents were asked, over the next six months, which industries will experience the most volatility (i.e. Chapter 11 filings, mergers and acquisitions, declining profits, etc.). Respondents were asked to select the top three industries.

- Forty eight percent believe the retail trade industry will experience the most volatility over the next six months (previous survey: 39 percent).

- Thirty eight percent of respondents believe the finance and insurance industry will experience the greatest volatility over the next six months (previous survey: 26 percent).

- Twenty eight percent designated the construction industry as the industry expected to have the greatest volatility in the near term (previous survey: 61 percent).

- Twenty seven percent of respondents chose the healthcare and social assistance industry to experience the greatest volatility (previous survey: 35 percent).

- Twenty seven percent of respondents believe the mining industry will experience significant volatility in the next six months (previous survey: 19 percent).

- Twenty five percent responded that the real estate and rental/leasing industry would experience the most volatility during the next six months (previous survey: 20 percent).

- Twenty percent of lenders feel that the public administration industry will face increasing volatility in the near term (previous survey: 24 percent)

- Seventeen percent of lenders believe the manufacturing industry to experience the greatest volatility (previous survey: 19 percent).

- Seventeen percent of survey takers are of the opinion educational services will experience significant volatility in the short term (previous survey: 4 percent).

- The balance of the industry choices registered ten percent or less from the respondents.

8. Customers' Plans in the Next Six to Twelve Months

Respondents were asked which of the following actions their customers planned in the next six months. Lenders were asked to designate all potential customer actions that applied.

- Fifty percent of lenders believe their customers will be making new capital investments (previous survey: 48 percent).

- Forty three percent of lenders indicated their customers are planning on making an acquisition in the next six months (previous survey: 44 percent).

- Thirty three percent of lenders believe their customers are planning on introducing new products or services (previous survey: 37 percent).

- Twenty three percent responded their customers are planning on entering new markets in the near term (previous survey: 26 percent).

- Twenty percent of respondents indicated their customers plan on hiring new employees in the next six months (previous survey: 20 percent).

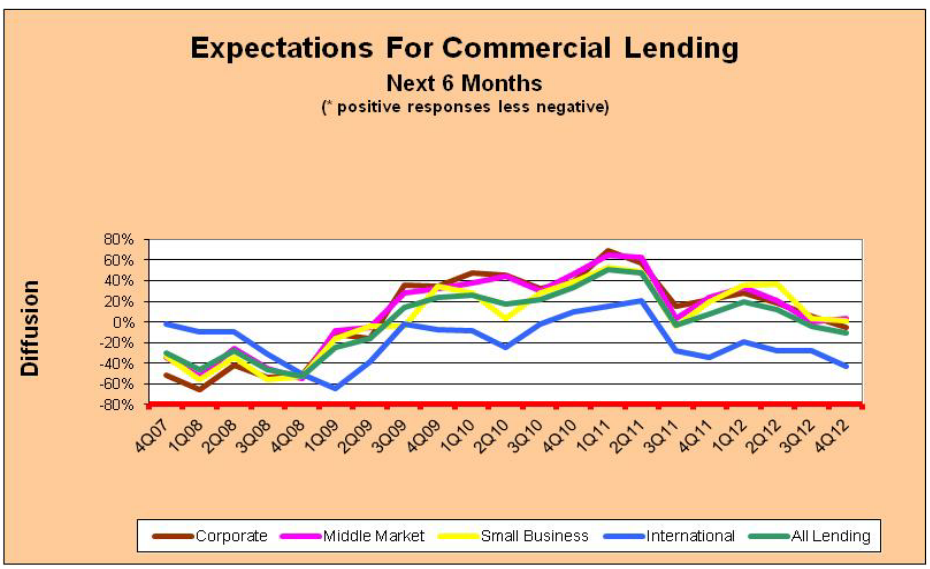
- Seventeen percent indicated their customers are planning on raising additional capital in the near term (previous survey: 26 percent).

- Ten percent of lenders believe their customers are planning "other" initiatives in the next six months (previous survey: 17 percent).

9. Economic Indicators

Respondents were asked whether they expected the following economic indicators to be up, down, or remain the same over the next six months.

- Overall sentiment regarding lending economic indicators experienced another quarterly retraction. Fourteen percent of respondents view the lending environment as improving compared to eighteen percent of respondents from the previous quarter. The overall lending diffusion index for all lending categories was lower by six percentage points compared to Q3 2012. The domestic lending diffusion index was slightly lower as well this quarter. The index decreased by three percentage points relative to last quarter.



	4Q/2012			3Q/2012		
	Up	Down	Same	Up	Down	Same
Corporate Lending	11%	17%	72%	24%	18%	58%
Middle Market Lending	19%	15%	66%	16%	17%	67%
Small Business Lending	23%	22%	55%	16%	13%	71%
International Lending	3%	46%	51%	15%	43%	42%

- This quarter illustrated lenders trending towards believing that there will be increased losses and bankruptcies in the next six months. Fewer respondents were expecting these events to decrease while there was an uptick in those anticipating similar or slightly higher instances of the choices below.

	4Q/2012			3Q/2012		
	Up	Down	Same	Up	Down	Same
Loan Losses	23%	25%	52%	20%	38%	42%
Bankruptcies	23%	22%	55%	15%	36%	49%
Interest Rates	3%	3%	94%	5%	22%	73%
Unemployment	20%	17%	63%	15%	22%	63%

10. U.S. Economy Grade – Next Six Months

Respondents were asked how they expected the U.S. economy to perform during the next six months on a grading scale of A through F.

- Responses slipped again this quarter with respect to the economic growth grade point average. In the current quarter, sixty three percent of respondents believe the economy will perform at a "C" level, which represents a decrease of eleven percentage points from the previous quarter. The largest driver of the weighted average grade reduction was the ten percentage point increase in lenders who feel the economy will perform at a "D" grade level in the next six months.

Grade	4Q/2012	3Q/2012
A	0%	0%
B	3%	2%
C	63%	74%
D	34%	24%
F	0%	0%
Weighted Average Grade	1.70	1.78

11. U.S. Economy Grade – Beyond the Next Six Months

Respondents were asked how they expected the U.S. economy to perform beyond the next six months on a grading scale of A through F.

- Lenders expectations for the U.S. economy's performance in the longer term experienced another retraction relative to the previous quarter. The weighted average fell twelve basis points and eighty four percent of lenders feel as though in the longer term the economy will perform at a "C" or better level (compared to eighty nine percent last quarter).

Grade	4Q/2012	3Q/2012
A	0%	0%
B	25%	34%
C	59%	55%
D	16%	9%
F	0%	2%
Weighted Average	2.10	2.22

12. Customers' Future Growth Expectations

Lenders assessed their customers' growth expectations for the next six months to a year.

- The percentage of respondents indicating their customers have "moderate" growth expectations for the next six months to one year decreased by twelve percentage points in Q4 2012. Lenders expectations for their customers to experience "no growth" showed a dramatic increase this quarter, while no lenders anticipate strong growth expectations for their customers.

Indication	4Q/2012	3Q/2012
Very Strong	0%	0%
Strong	0%	3%
Moderate	72%	84%
No Growth	28%	13%

13. Loan Structure

Respondents were asked whether their financial institutions planned to tighten, relax, or maintain their loan structures (collateral requirements, guarantees, advance rates, loan covenants, etc.) in each of four different-sized loan categories.

- Similar to last quarter, eighty two percent of lenders anticipate maintaining their loan structures in the near term. This quarter did show a slight shift towards tightening loan standards, according to survey results.

	4Q/2012			3Q/2012		
	Tighten	Maintain	Relax	Tighten	Maintain	Relax
Loans> $25 million	7%	84%	9%	6%	79%	15%
$15 – 25 million	7%	84%	9%	4%	85%	11%
$5-15 million	9%	84%	7%	6%	85%	9%
Under $5 million	10%	78%	12%	13%	78%	9%
Overall Average	8%	82%	10%	7%	82%	11%

14. Interest Rate Spread

Lenders were asked whether their financial institutions planned to reduce, maintain or increase their interest rate spreads and fee structures on similar credit quality loans.

- The majority of respondents (eighty one percent) plan to maintain their current interest rate spreads and fee structures on all sizes of loans.

	4Q/2012			3Q/2012		
	Reduce	Maintain	Increase	Reduce	Maintain	Increase
Loans> $25 million	15%	80%	5%	19%	72%	9%
$15 – 25 million	9%	86%	5%	17%	74%	9%
$5-15 million	11%	83%	6%	11%	74%	15%
Under $5 million	10%	76%	14%	6%	75%	19%
Overall Average	11%	81%	8%	13%	74%	13%

15. The Fed and Interest Rates

Respondents were asked in what direction the Fed would move interest rates and by how much in the coming six months.

- Consistent with the previous survey, a significant majority of lenders, ninety percent, believe that the Fed will not change interest rate during the next six months. See the next page for the response spread.

Bps Change	4Q/2012	3Q/2012
-More than 1.0	0%	0%
-1.0	0%	0%
-.75	0%	0%
-.50	1%	3%
-.25	2%	11%
0	90%	84%
+.25	7%	2%
+.50	0%	0%
+.75	0%	0%
+1.0	0%	0%
More than 1.0	0%	0%
Weighted Average	- 0.01 basis points	- 0.04 basis points

16. Current Competition

Respondents were asked to identify the segment of the industry from which they were experiencing the most competition.

- In a shift from last quarter, local commercial/community banks served as the greatest competition for lenders this quarter with fifty five percent of all responses. Last quarter this group accounted for twenty three percent of the total. Factor competition also increased this quarter by twenty percentage points relative to last quarter.

	4Q/2012	3Q/2012
Money Center Banks	8%	14%
Local Commercial/ Community Banks	55%	23%
Factors	20%	0%
Regional Banks	13%	54%
Commercial Finance Organizations	0%	7%
Other	4%	2%