

Now that we have reached the end of the first quarter of the year, I am pleased to report that new business levels remain robust and we have witnessed a month-on-month increase in the number of new business proposals since the turn of the year. This is all very encouraging, given that the UK economy is still recovering somewhat tentatively from recession and general market conditions are far from buoyant, although business sentiment does appear to be improving.

In recent months a number of key introducers have approached us with details of lending portfolios that are currently available for purchase. We are very interested in exploring these opportunities, particularly as they provide a win-win situation for all those involved. This is an area of the market that we are keen to develop further. If you do know of any commercial lending portfolios that are or could soon be available for purchase then please do let either me or your account manager know, and we will be pleased to discuss the details with you.

Next month sees State Securities reach a significant milestone in its history when we will celebrate 30 years of providing asset based lending to UK SMEs. We are proud of our achievements and growth during this time and we look to the future with certainty, in the knowledge that we have continuity of funding, excellent support from our parent company, Five Arrows Leasing Group, and an extended network of very valued intermediary relationships. We are grateful to all our introducers for their loyalty to us in the past and for their continued commitment and support.

We are continuing our focus on growing and developing our factoring service. Many introducers have recognised the inherent benefits that factoring can deliver to their clients, including accelerating their business cash flow, providing additional working capital to support their business growth and giving much needed help with their credit control. Please do consider this flexible and bespoke service, which is tailored to support your client and their business relationships, as it could be a valuable service for your clients and a potential additional revenue stream for you.

Our previous open invitation to our premises in Hampshire still stands, for those of you who would be interested in meeting the State Securities team, understanding more about our operations and discussing mutually beneficial business opportunities. If you or any of your colleagues would like to visit, then please do get in touch.

Regards,

Barry G Hutchings ACII FHD
Sales and Marketing Director
State Securities plc

State Securities' Core Values

- We always deal with customers, introducers and colleagues in an honest and professional manner
- We work in partnership with our customers and strive to understand their market and their needs
- We take responsibility for our actions and for their consequences
- We always treat people with respect
- The customer is at the centre of all we do