

Biz2Credit Small Business Lending Index Record Breaking Approval Rates at Big Banks and Institutional Lenders

April 2014

According to the Biz2Credit Small Business Lending Index, a monthly analysis of 1,000 loan applications on Biz2Credit.com

 **15.47%**

Small business loan approvals

In a year-to-year comparison, big bank approval rates have increased by more than 15.47% percent from the 7.60% approval rate in April 2013.

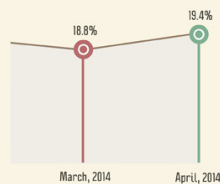
58.3%

Institutional Lenders,

Institutional Lenders granted 58.3% of the funding requests they received in April, a moderate increase from 58.1% in March. These institutions include credit funds, insurance companies, family funds, and other yield-hungry, non-bank financial institutions. They typically offer more competitively priced loan options than alternative lenders in amounts up to \$1 million.

"Institutional investors are taking away market share from alternative lenders. They are gathering momentum as a category of small business lender as company owners to borrow larger sums of money at cheaper interest rates."

– Biz2Credit CEO Rohit Arora,



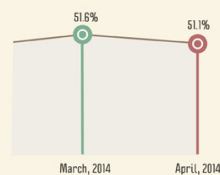
Loan approvals at Big banks

Small business loan approval rates at big banks (\$10 billion+ in assets) rose to 19.4% in April 2014, up from 18.8% in March, and a record high for the Biz2Credit Small Business Lending Index, a monthly analysis of 1,000 loan applications on Biz2Credit.com.

"In April, small business owners submit their tax filings, and banks use that data in making their lending decisions. The economy is steadily improving, and established businesses are returning to the credit marketplace. They are able to get money from big banks that offer attractive rates. This is a very strong trend."

"There was a lot of pent up demand in the marketplace. Retailers are buying inventory, and restaurants are upgrading their outdoor seating in preparation for the summer. Big banks make speedier decisions on non-SBA loans, which take a long time to process. That is a major reason for the jump in approval rates by big banks."

– Biz2Credit CEO Rohit Arora,

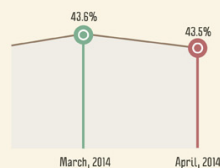


Loan approvals at Small banks

Small business loan approval rates at small banks decreased to 51.1% in April 2014, down from 51.6% last month.

"Small banks are down because they are not processing SBA Express loans as quickly as they were last month. I was a little surprised to see them stall a bit in April."

– Biz2Credit CEO Rohit Arora,

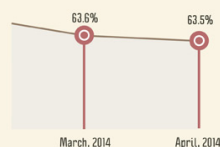


Credit union approvals of small business loans

Meanwhile, loan approvals by credit unions dropped to the lowest level ever in the three year history of the Biz2Credit Index. Small business loan approval rates at credit unions slightly decreased from 43.6% in March to 43.5% in April.

"Overall, credit unions keep slipping in the small business lending marketplace, and approval rate percentages have dropped to their lowest levels."

– Biz2Credit CEO Rohit Arora,



Small business loan approvals by Alternative lenders

Alternative lenders decreased for the fourth consecutive month to 63.5% in April from 63.6% in March 2014. Alternative lenders are starting to feel the squeeze from banks and institutional lenders, which are attracting higher quality borrowers who are willing to shop around.

About the Biz2Credit Small Business Lending Index

Biz2Credit analyzed loan requests ranging from \$25,000 to \$3 million from companies in business more than two years with an average credit score above 680. Unlike other surveys, the results are based on primary data submitted by more than 1,000 small business owners who applied for funding on Biz2Credit's online lending platform, which connects business borrowers with more than 1,100 lenders nationwide.