

Biz2Credit Small Business Lending Index™ Small Business Loan Approval Rates Rebound at Big Banks

November 2014

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

 **19.5%**

Big bank approvals

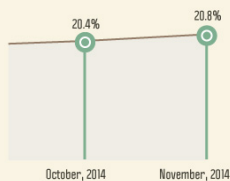
In a year to year comparison, big bank approval rates have increased by more than 19% in November from 17.4% approval rates in November 2013

59.9%

Institutional Lenders,

Institutional lenders granted 59.9% of the funding requests they received in November, a slight increase from 59.7% in October. Approval rates by institutional lenders have increased each month since Biz2Credit began monitoring this category of lenders in January 2014.

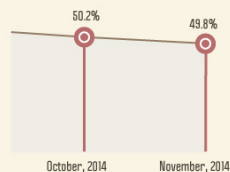
"Institutional lenders continue to capitalize on the decreasing demand of short-term loans. They are taking market share from small banks." – Biz2Credit CEO Rohit Arora,



Loan approvals at Big banks

Small business loan approval rates at big banks (\$10 billion+ in assets) bounced back in November to 20.8% after a setback in the month of October, according to the November 2014 Biz2Credit Small Business Lending Index, a monthly analysis of 1,000 loan applications on Biz2Credit.com. In October, big banks granted 20.4% of loan requests.

"Big banks have better name recognition and are offering more attractive rates than their smaller competitors. They continue to show their commitment of lending to qualified small business owners. Meanwhile, their commitment to investment into digitization is paying off as more borrowers seek to do business via smart phones and tablets. Big banks have increased their loan approval rates by 20 percent over the last year." – Biz2Credit CEO Rohit Arora,



Loan approvals at Small banks

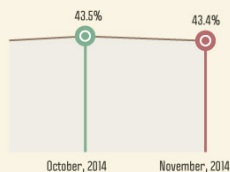
Meanwhile, for the first time in nearly a year, small banks are denying more than half of their loan requests. The percentage of loans granted by small banks slipped for the sixth consecutive month to 49.8% from 50.2% in October.

"Many of the smaller banks are starting to feel the squeeze of failing to adapt to their competition integrating technology. More credit-worthy borrowers are turning to big banks and institutional lenders because of their increased willingness to lend and the simplicity of getting financing from these lenders." – Biz2Credit CEO Rohit Arora,



Small business loan approvals by Alternative lenders

At the same time, approval rates at alternative lenders – merchant cash advance companies, factors, and other non-bank institutions – slipped for the tenth consecutive month to 62% in November, from 62.1% in October.



Credit union approvals of small business loans

Meanwhile, credit unions granted 43.4% of loan applications in November, a slight drop over the approval rate of 43.5% last month as they continue to struggle making a wider presence in the small business finance marketplace.

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 1,300 lenders nationwide.