

# HIGHEST SPIKE IN BIG BANK LENDING SINCE THE GREAT RECESSION

## BIG BANK AND INSTITUTIONAL LENDER LOAN APPROVAL RATES CONTINUE TO THRIVE

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

The monthly analysis of 1,000 loan applications from Biz2Credit.com revealed continued growth for institutional lenders and big banks, but steady decline for small banks and credit unions.



### LOAN APPROVALS AT INSTITUTIONAL LENDERS

Institutional Lenders continued its month-over-month growth, reaching **62.2%**, up from **62%** in September.

#### ↑ YEARLY COMPARISON



#### ↑ MONTHLY COMPARISON



“We are seeing an increasing demand from institutional investors who want to buy dollar backed assets that have a decent yield as well as low regulatory risks. Right now, small business loans fit both the criteria and thus more institutional investors are buying a greater number of loans at lower yield and longer terms. This also reflects on the growing maturity of marketplace lending, which is becoming more mainstream now as an asset class.” - Biz2Credit CEO Rohit Arora



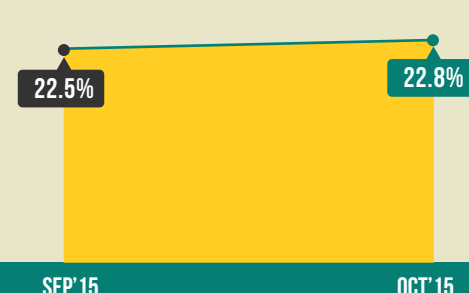
### LOAN APPROVALS AT BIG BANKS

Big banks (\$10 billion+ in assets) saw a surprising spike in their approval numbers -- the highest approval rates since after the end of the Great Recession. October showed **22.8%** of small business loan approvals, up from **22.5%** in September.

#### ↑ YEARLY COMPARISON



#### ↑ MONTHLY COMPARISON



“As interest rates start going up, we expect further increase in the Big Banks’ appetite for small business loans. Big Banks are also warming up to buy more loans from the marketplace lenders.” - Biz2Credit CEO Rohit Arora



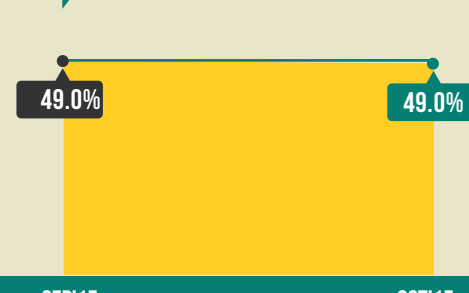
### LOAN APPROVALS AT SMALL BANKS

Lending approval rates at small banks stayed flat at **49%** in October, the same as in September.

#### ↓ YEARLY COMPARISON



#### ➡ MONTHLY COMPARISON



“Small Banks have been slow to adapt to new ways of lending in the small business space, especially incorporating online platforms, and thus their approvals have started to slide down” - Biz2Credit CEO Rohit Arora



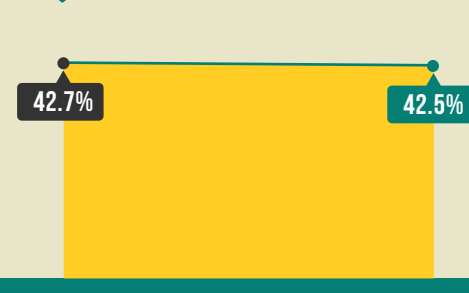
### CREDIT UNION APPROVALS

Credit unions approved **42.5%** of loan applications in October, down two-tenths of a percent compared to September.

#### ↓ YEARLY COMPARISON



#### ↓ MONTHLY COMPARISON



“Credit Union approvals are at their lowest from the time of starting this Lending Index and the main reason is lack of clarity on the cap which limits credit unions to lend only upto 12.5% of their asset base to small businesses and the pending legislation which will allow the credit unions to lend up to 27.5% of their asset base as well as lack of investments in the digital space.” - Biz2Credit CEO Rohit Arora



### SMALL BUSINESS LOAN APPROVALS BY ALTERNATIVE LENDERS

Alternative lenders dropped slightly in October to **60.8%**, down from **60.9%** in September.

#### ↓ YEARLY COMPARISON



#### ↓ MONTHLY COMPARISON



“Alternative lenders approval rates have gone down as they have not been willing to lower their APR pricing thus leading to higher quality customers turning down their offers and borrowing more money from Institutional lenders through marketplace lending platforms.” - Biz2Credit CEO Rohit Arora

## 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 and lenders.