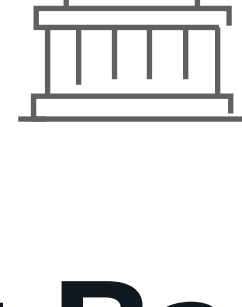


FEBRUARY/ 2023

Biz2Credit Small Business Lending Index™

Reports a Decrease in Loan Approval Rates at Banks and Credit Unions in February 2023

Small business loan approval percentages at big banks slipped again, falling from 14.4% in January to 14.2% in February 2023, according to the latest Biz2Credit Small Business Lending Index™ released today. This marks the ninth consecutive month in which big bank approval percentages have declined.



Big Banks

Big banks slipped again, falling from 14.4% in January to 14.2% in February 2023, according to the latest Biz2Credit Small Business Lending Index™ released today.

Nonfarm payroll employment rose by 311,000 in February, and the unemployment rate edged up to 3.6%, according to the Jobs Report released by the Bureau of Labor Statistics on

Friday, March 10. Notable job gains occurred in leisure and hospitality, retail trade, government, and health care. Many of these jobs are created by small businesses.

Monthly Comparison**-0.2%****14.2%**

February 2023

14.4%

January 2023

Yearly Comparison**-0.5%****14.2%**

February 2023

14.7%

February 2022

"February was not a great month for small business borrowers, and given the fallout from the collapse of Silicon Valley Bank (SVB), my fear is that it will be even harder for companies to secure capital," said Rohit Arora, CEO of Biz2Credit, one of the nation's leading experts in small business finance and fintech. "Lending at big banks, which are the most financially stable institutions, has stalled for months. Given what has happened of late, small banks are going to be cautious in lending. "There is a real danger that small businesses are about to experience a credit crunch."

Rohit Arora
Biz2Credit CEO

Small Banks

Small banks also dropped in February to 21.3%, down one-tenth of a percent from 21.4%, according to the latest Biz2Credit Small Business Lending Index™ released today.

Monthly Comparison**-0.1%****21.3%**

February 2023

21.4%

January 2023

Yearly Comparison**+0.8%****21.3%**

February 2023

20.5%

February 2022



Institutional Lenders

Institutional lenders granted 26.3% of funding requests in February month, an increase from 26.1% in January.

Monthly Comparison**+0.2%****26.3%**

February 2023

26.1%

January 2023

Yearly Comparison**+1.1%****26.3%**

February 2023

25.2%

February 2022

"Fed Chair Jerome Powell had signaled the likelihood of another hike in March, but that seems more difficult to do, given recent events," Arora added. "The high cost of capital, combined with stingy lenders, is a bad combination for small business borrowers."

Rohit Arora
Biz2Credit CEO

Alternative Lenders

Alternative lenders were up slightly from 27.8% in January to 27.9% in February

Monthly Comparison**+0.1%****27.9%**

February 2023

27.8%

January 2023

Yearly Comparison**+1.4%****27.9%**

February 2023

26.5%

February 2022



Credit unions

Credit unions approved 20.0% of applications, down one-tenth of a percentage from January.

Monthly Comparison**-0.1%****20.0%**

February 2023

20.1%

January 2023

Yearly Comparison**-0.7%****20.0%**

February 2023

20.7%

February 2022

About the Biz2Credit Small Business Lending Index™

Biz2Credit analyzed loan requests from companies in business more than two years with credit scores above 680. The results are based on primary data submitted by more than 1,000 small business owners who applied for funding on Biz2Credit's platform.

About Biz2Credit

Founded in 2007, Biz2Credit has arranged more than \$7 billion in small business financing. The company is expanding its industry-leading technology in custom digital platform solutions for banks and other financial institutions, investors, and service providers.

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