

MARCH/ 2023

Biz2Credit Small Business Lending IndexTM

Small Business Bank Loan Approvals Dropped Dramatically in March Finds funding requests at banks declined after Silicon Valley Bank's collapse; borrowers had more success with non-bank lenders

Small business loan approval percentages at big banks slipped again, falling from

14.2% in February to 13.8% in March, according to the latest Biz2Credit Small

Business Lending Index™ released today. This marks is the lowest figure for big

banks since July 2021.

Big Banks

Big banks slipped again, falling from 14.2% in February to

13.8% in March, according to the latest Biz2Credit Small

Business Lending Index™ released today. in leisure and hospitality, government, Total nonfarm payroll employment rose by professional and business services, and health 236,000 in March, and the unemployment rate

Monthly Comparison 13.8% **March 2023**

changed little at 3.5%, according to the Jobs

Statistics on Friday, April 7. Job gains continued

Report released by the Bureau of Labor

businesses. Yearly Comparison

care. Many of these jobs are created by small

14.2% February 2023 "The collapse of Silicon Valley Bank (SVB) shook the confidence of small business

13.8% **March 2023** 14.9% **March 2022**

Arora noted that there was a big difference in the approval rates at banks during the first ten days before the Silicon Valley Bank (SVB) and Signature Bank collapses and the final days of March, when approvals plummeted as businesses pulled deposits from small and midsized banks." **Rohit Arora** Biz2Credit CEO

owners. Many of them rushed to take their deposits out of small and midsize banks.

That development hurt the banks' ability to lend. Thus, it has become 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.

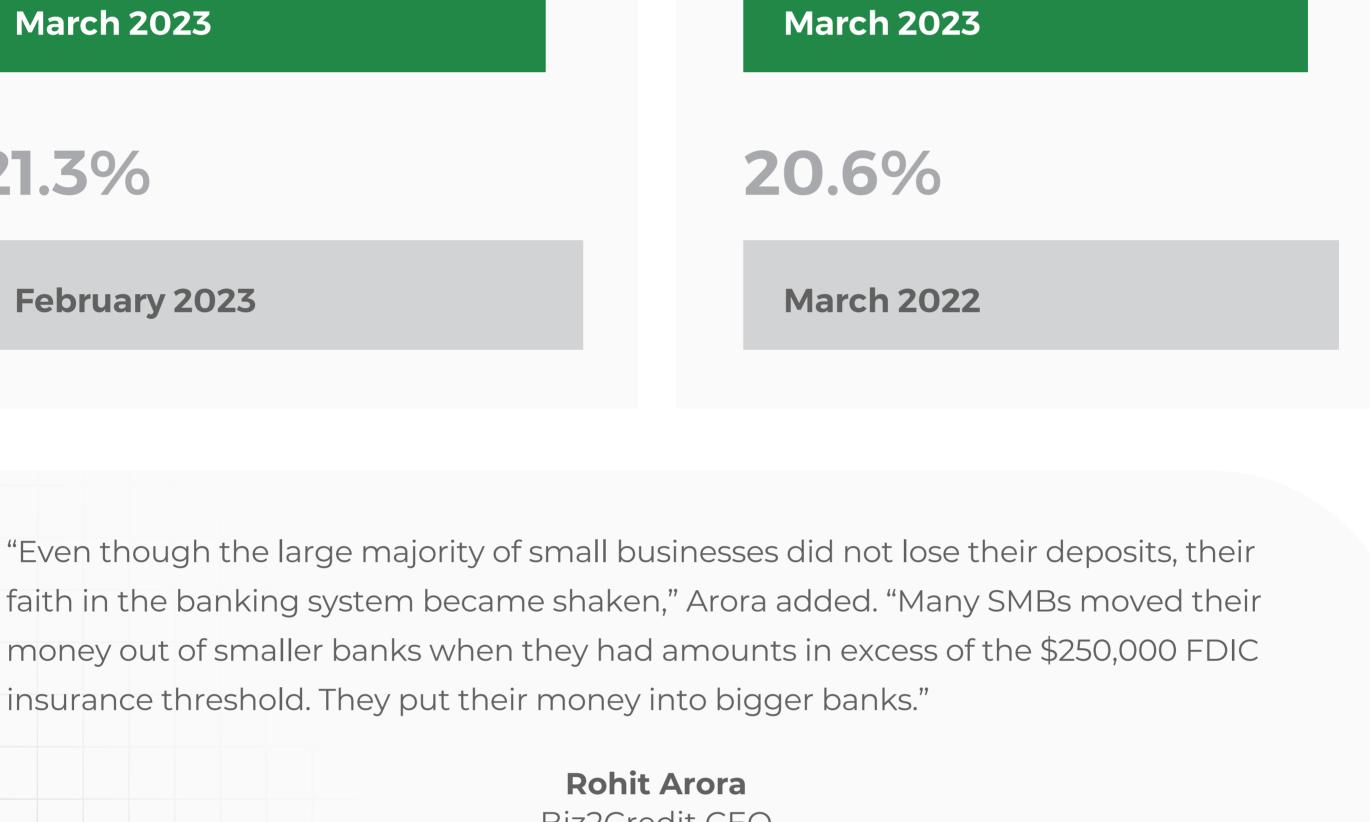


according to the latest Biz2Credit Small Business Lending Index™ released today.

points from February's figure of 21.3% to 19.1% in March,

Monthly Yearly -1.5% -2.2% Comparison Comparison 19.1% **19.1%**

March 2023 21.3% February 2023 insurance threshold. They put their money into bigger banks."



Institutional Lenders

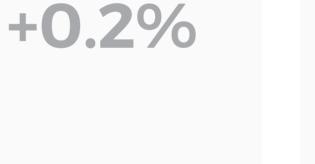
up from 26.3% in February.

Yearly

Comparison

25.3%

March 2022



26.5% **March 2023**

Monthly

Comparison

26.5%

26.3%

March 2023

February 2023

"Although small business owners won't get the level of service at big banks that they received at smaller banks, they will choose safety over service every time," he said. "While the worst fears of small business owners may not be warranted, their confidence in the banking system has not been fully restored -- and it may not return for a while. This hurts lending, and it is why small businesses are now experiencing a credit crunch." **Rohit Arora** Biz2Credit CEO

+1.8%



Alternative Lenders

Alternative lenders climbed to 28.4% in March, up from

27.9% in February.

Yearly

Comparison

28.4%

26.6%

20.2%

March 2023

March 2023

March 2022

March 2023 27.9%

+0.5%

Monthly

Comparison

28.4%

February 2023

20.2%

20.0%

February 2023

March 2023

Biz2Credit CEO Institutional investors granted 26.5% of funding requests,

+1.2%

Credit unions Credit unions reversed a year-long decline in approval

percentages by rising to 20.2% in March from 20.0%

in February.

Monthly Yearly +0.2% -0.4% Comparison Comparison

> 20.6% **March 2022**

About the Biz2Credit Small Business Lending Index ™	
Biz2Credit analyzed loan requests from companies in operation for 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.

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