MARCH/2023

Small Business Bank Loan Approvals Dropped Dramatically in March: Biz2Credit Study

Biz2Credit Small Business Lending Index finds funding requests at banks declined after Silicon Valley Bank's collapse; borrowers had more success with non-bank lenders.



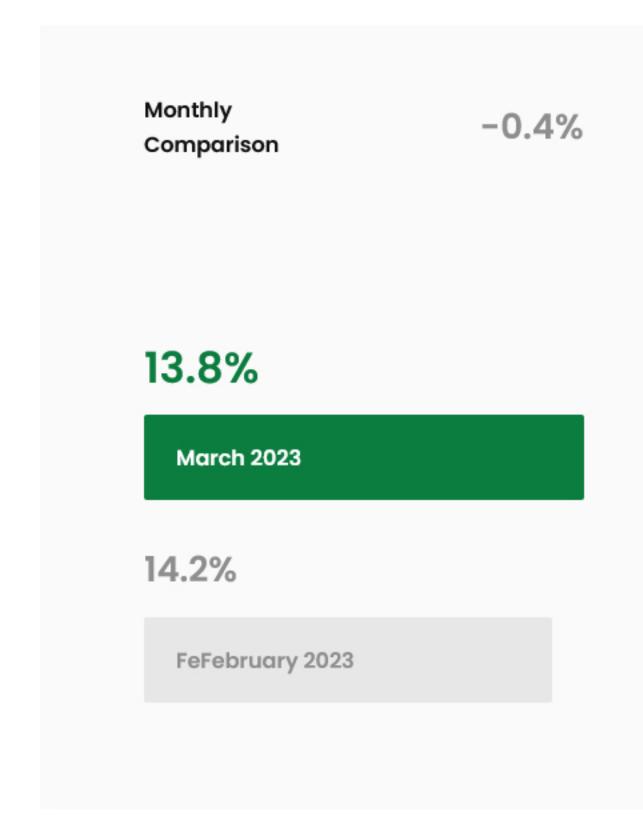
Small business loan approval percentages at big banks slipped again, falling from 14.2% in February to 13.8% in March, according to the latest Biz2Credit Small Business Lending Index™ released today. This marks is the lowest figure for big banks since July 2021.

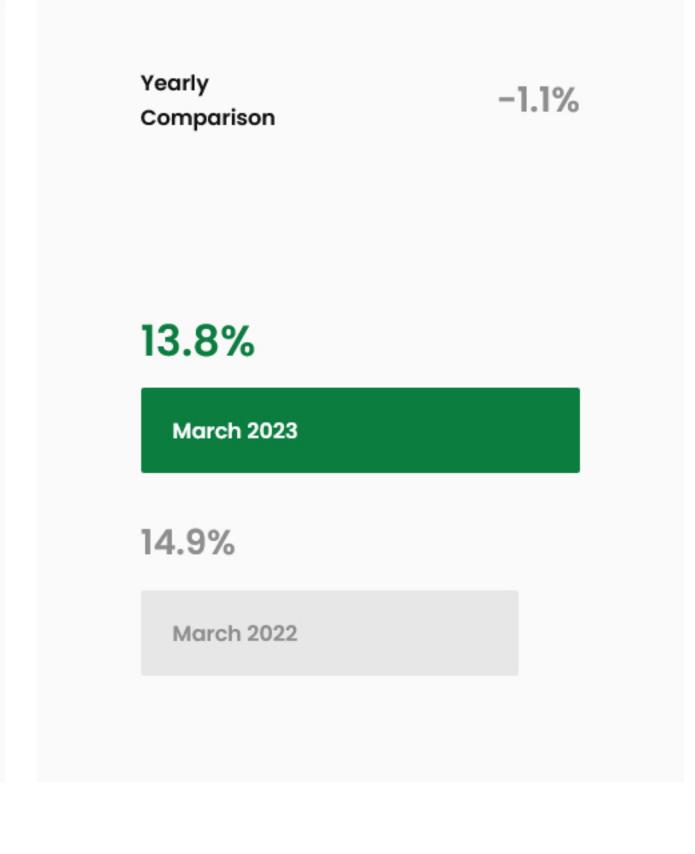
and the unemployment rate changed little at 3.5%, according to the <u>Jobs Report</u> released by the Bureau of Labor Statistics on Friday, April 7. Job gains continued in leisure and hospitality, government, professional and business services, and health care. Many of these jobs are created by small businesses.

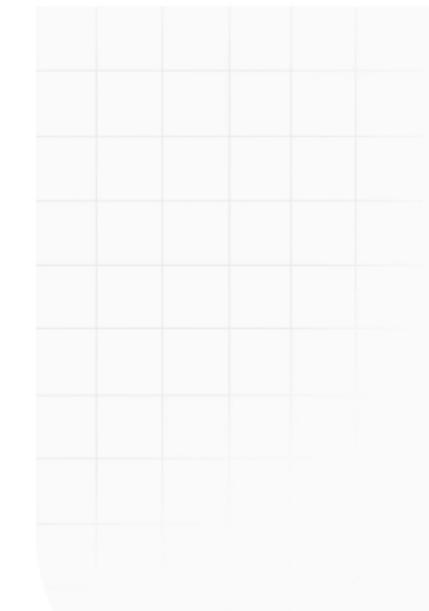
Total nonfarm payroll employment rose by 236,000 in March,

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. To view the March 2023 Index, click here

To determine its Small Business Lending Index, Biz2Credit







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. 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.

"The collapse of Silicon Valley Bank (SVB) shook the confidence of small

business 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

Rohit Arora Biz2Credit CEO



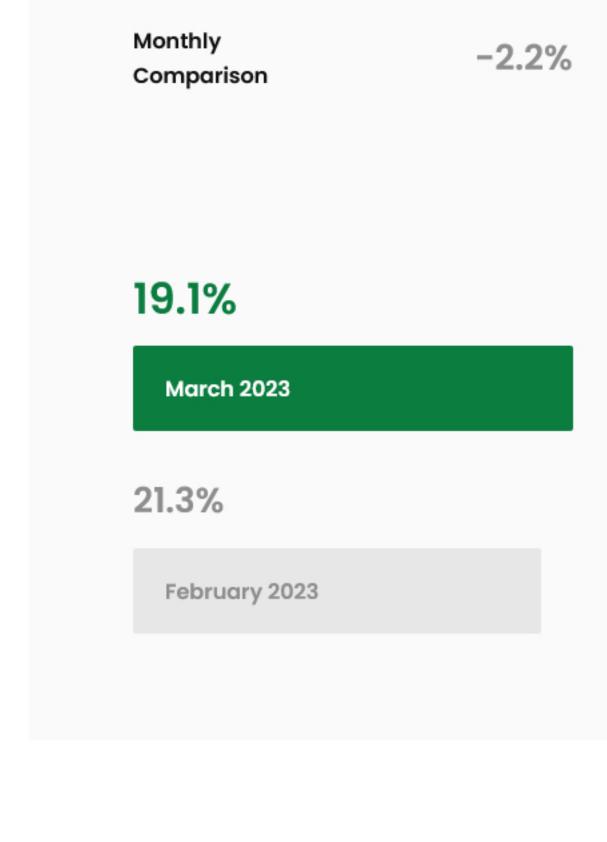
Approval rates of business loan applications

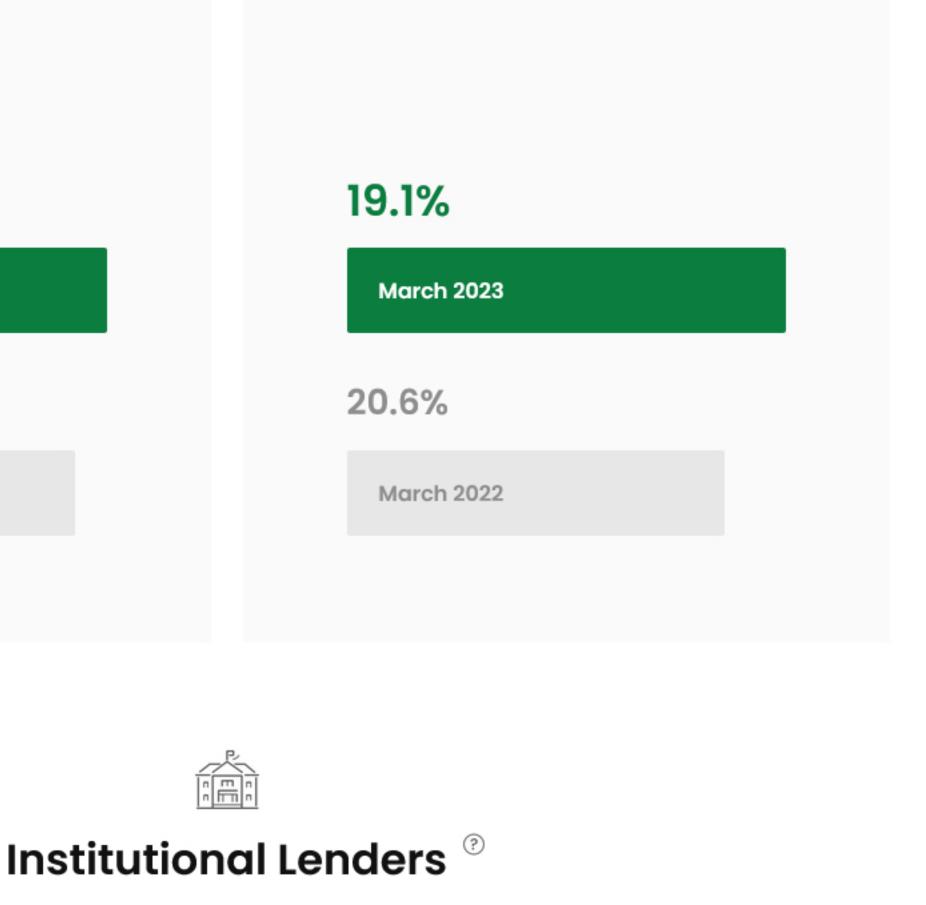
at small banks also dropped more than two

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

Yearly

Comparison





-1.5%

+1.2%

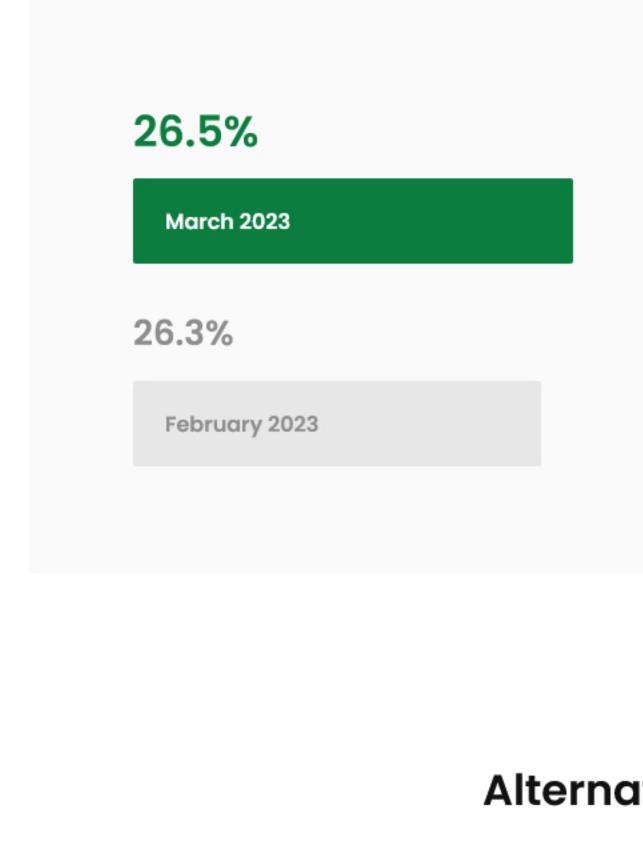
+1.8%

-0.4%



+0.2% Comparison

Yearly

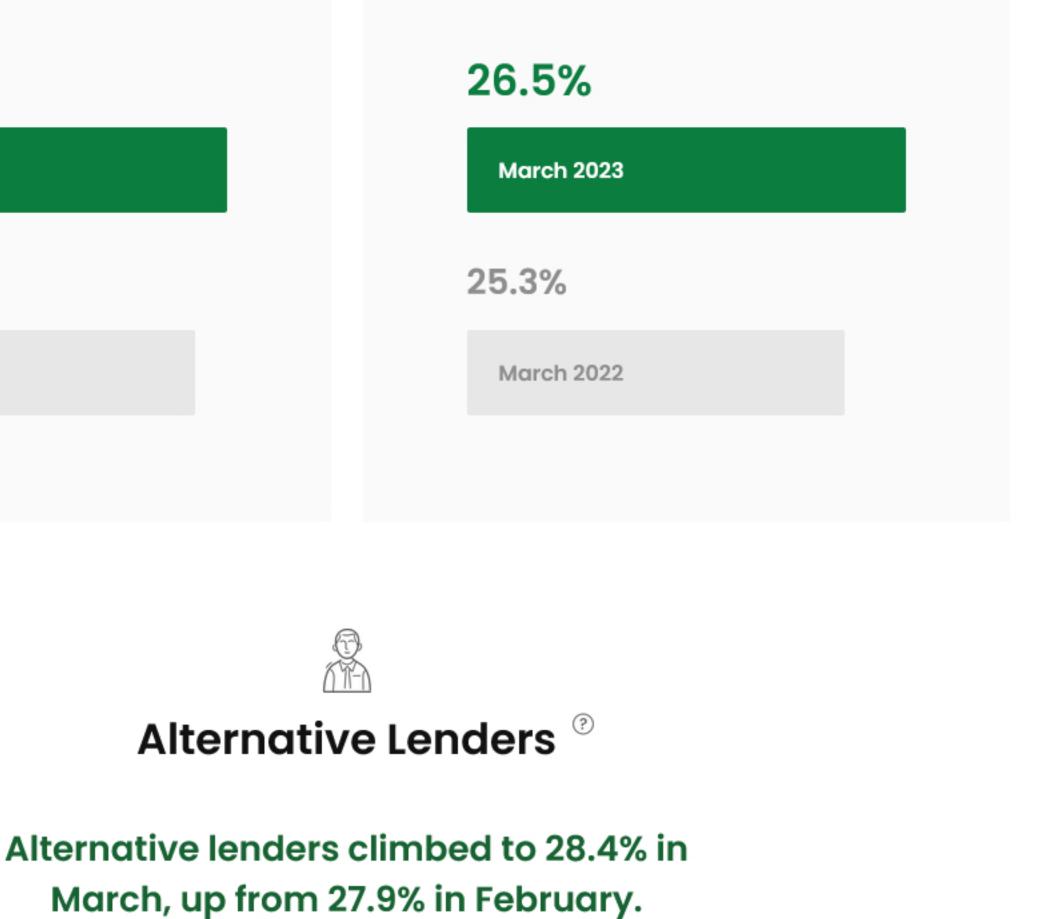


Monthly

Monthly

Comparison

Comparison





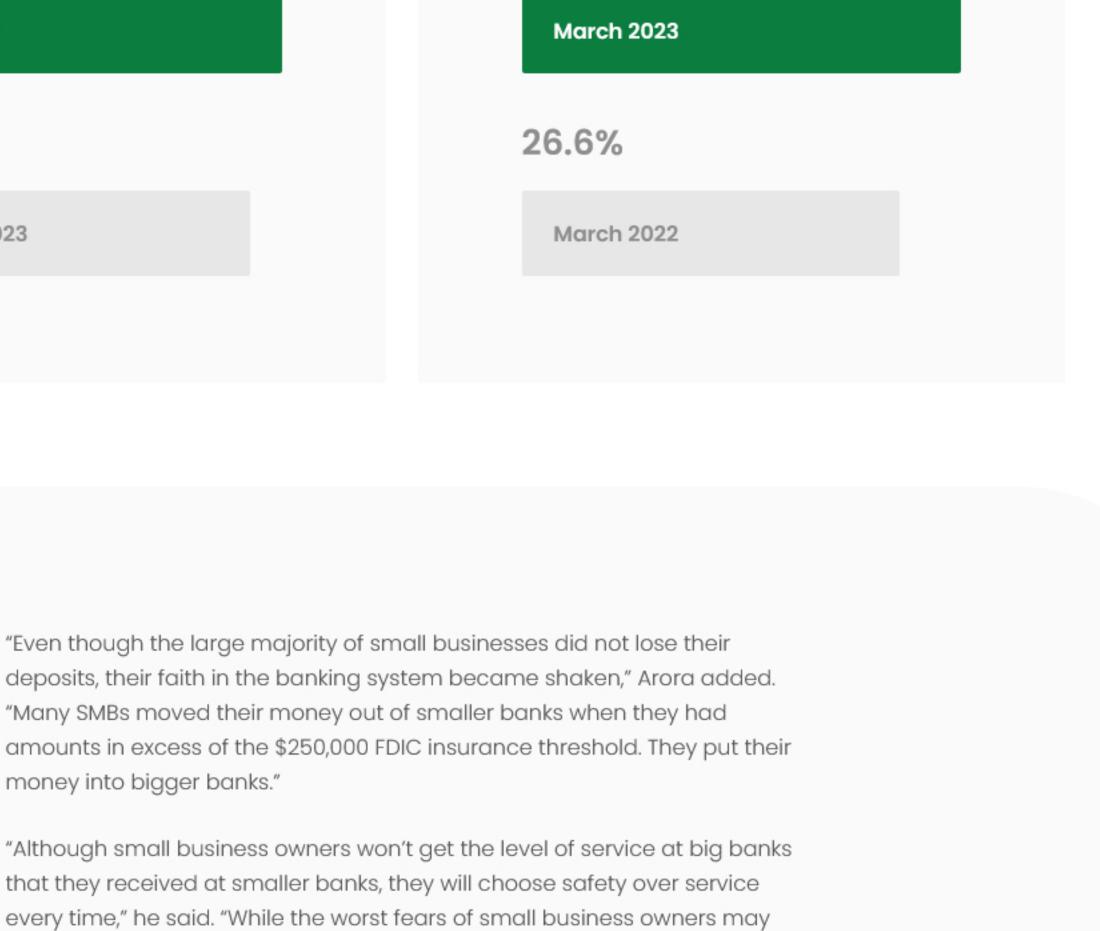
+0.5% Comparison

Yearly

28.4%

28.4%
March 2023
27.9%
February 2023
"Even though the large majority deposits, their faith in the bank

money into bigger banks."



not be warranted, their confidence in the banking system has not been

is why small businesses are now experiencing a credit crunch."

fully restored -- and it may not return for a while. This hurts lending, and it

Rohit Arora

Biz2Credit CEO

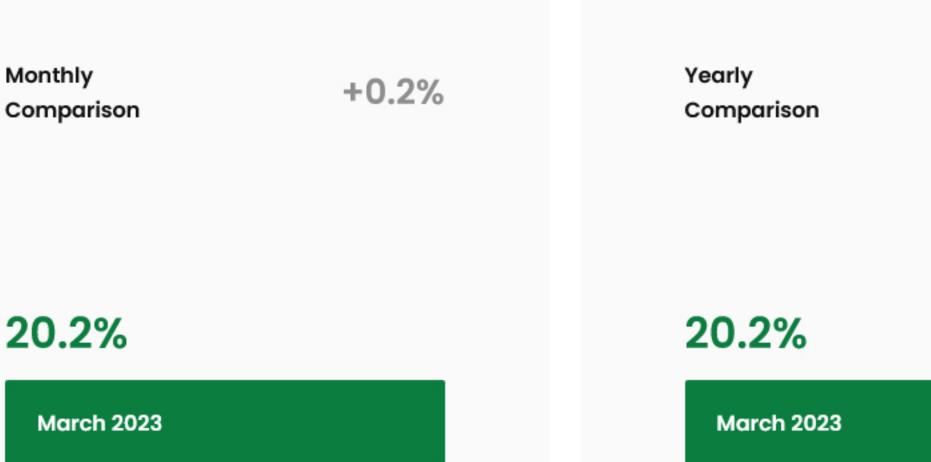


Credit Unions [®]

March from 20.0% in February.

20.6%

March 2022



20.0%

February 2023