

LOAN APPROVAL RATES AT BIG BANKS, INSTITUTIONAL LENDERS HITS NEW HIGHS

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

↑ YEARLY COMPARISON

20.0%
2014

10.9%
2015

In a year to year comparison, big bank approval rates have increased by more than 10% in June 2015 from 20.0% approval rates in June 2014.



BIG BANK APPROVALS

↑ MONTHLY COMPARISON

22.1%
JUNE

21.9%
MAY

Big banks (\$10 billion+ in assets) approved 22.1% of small business loan requests in June 2015, up from 21.9% in May, marking the eighth consecutive month that approval rates have increased for the largest banks.

“Big banks are increasingly adopting digitization. This makes them more efficient and is of benefit to borrowers, as well. These are the best numbers for big bank lending since the recession, Small business lending is profitable; that’s why we see institutional lenders getting into marketplace lending. It is a good time for entrepreneurs in search of capital.” - Biz2Credit CEO Rohit Arora

↑ LOAN APPROVALS AT INSTITUTIONAL LENDERS

Institutional lenders approved 61.4% of funding requests by small business owners in June, up from 61.3% in May. Lending approval rates at institutional lenders have surpassed those of alternative lenders, such as merchant cash advance companies, factors, and other non-bank lenders. Approval rates by institutional lenders have increased every month since January 2014 when Biz2Credit began monitoring this category.

61.3%
MAY



61.4%
JUNE

“Institutional lenders are establishing themselves as mainstream lenders in the small business marketplace and are continuing to replace cash advance companies, which typically charge interest rates that are simply too high, Institutional lenders are offering more attractive loan packages to businesses on marketplace lending platforms, such as Biz2Credit’s. As a result, they are making funding deals with more creditworthy borrowers.” - Biz2Credit CEO Rohit Arora

↓ LOAN APPROVALS AT SMALL BANKS

Lending approval rates at small banks dropped two-tenths of a percent in June to 49.3% from 49.5% last month. For the eighth consecutive month, small banks have denied more than half of their loan requests.

49.5%
MAY



49.3%
JUNE

“Small banks need to start adapting to technology quickly. Otherwise they will continue losing market share to big banks and institutional lenders, Their competitors make quicker decisions and get deals done. Meanwhile, they are not keeping pace. We have seen small banks falling behind in both the personal loans space and small business lending space during the past two and half years.” - Biz2Credit CEO Rohit Arora

■ SMALL BUSINESS LOAN APPROVALS BY ALTERNATIVE LENDERS

Approval rates at alternative lenders remained flat 61% in June, an Index-low. Alternative lenders' approval percentages have steadily declined since January 2014, coinciding with the emergence of institutional lenders in the small business lending marketplace.

61.0%
MAY



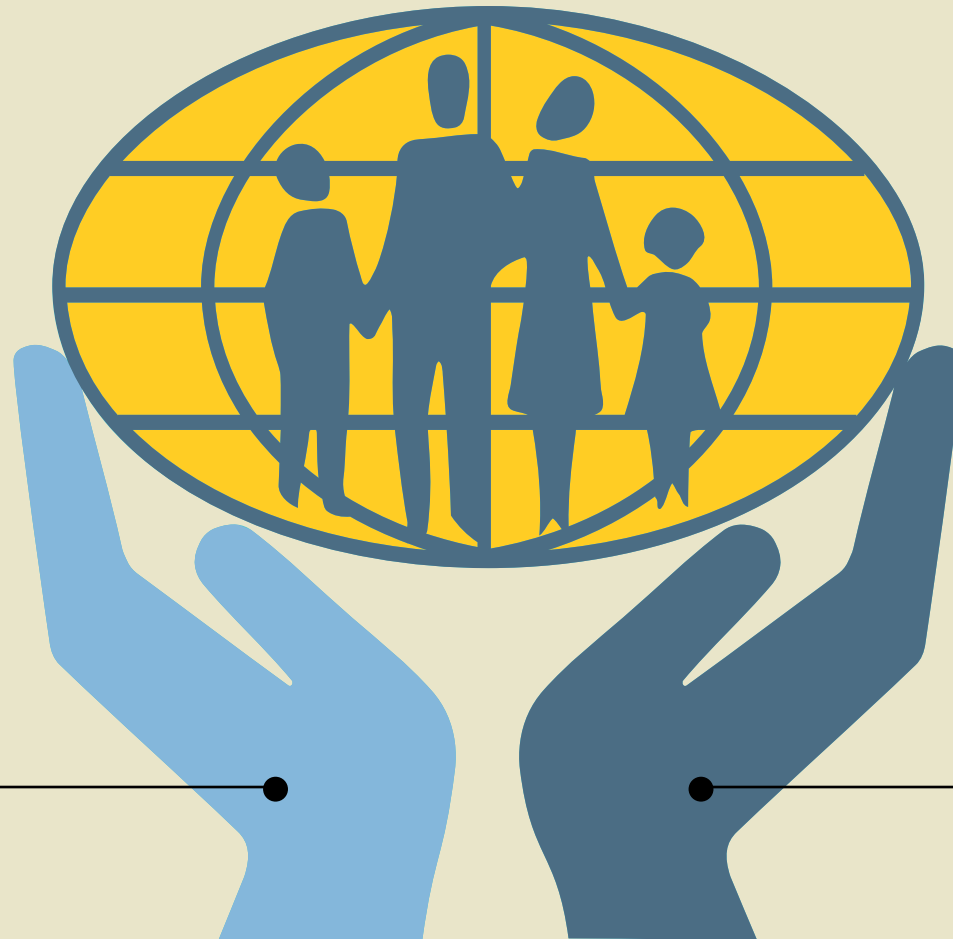
61.0%
JUNE

“Alternative lenders offer what I call ‘desperate money’ and right now, borrowers aren’t desperate, The financials of small business owners are pretty good and have been that way for the past couple of years.” - Biz2Credit CEO Rohit Arora

↓ CREDIT UNION APPROVALS OF SMALL BUSINESS LOANS

Credit unions approved 43.0% of loan applications in June, the same as in May 2015.

43.1%
MAY



43.0%
JUNE

“Credit unions continue to lag in small business lending because of they have not invested in technology and are still handcuffed by the MBL cap that allows them to lend only 12.2% of their total assets,” - 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.