

Biz2Credit Small Business Lending Index

Reports Drop in Approval Rates at Big Banks and Rise in Small Banks

↑ **7.60%**

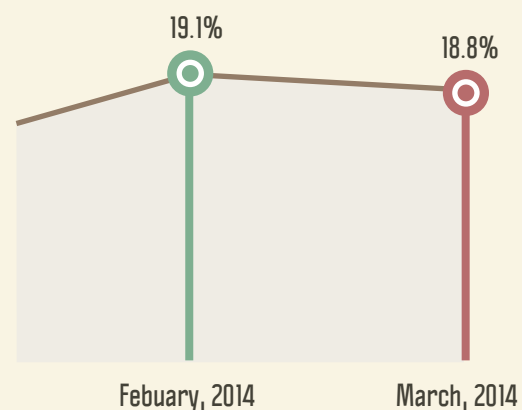
Small business loan approvals

In a year-to-year comparison, big bank approval rates have increased by more than 16.75 percent from the 13.2% approval rate in March 2014.

58.1%

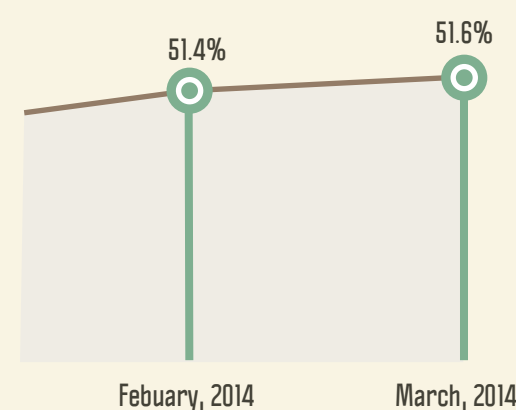
Institutional Lenders

Institutional Lenders approved 58.1% of the funding requests they received in March, a moderate increase from 56.6% in February. Lending approval rates by institutional lenders have progressively increased its loan approval rates since it was first introduced as a category to the Biz2Credit Small Business Lending Index in January 2014. Lenders include credit funds, insurance companies, family funds, and other yield-hungry, non-bank financial institutions that typically offer more competitively priced loan options than alternative lenders in amounts up to \$1 million.



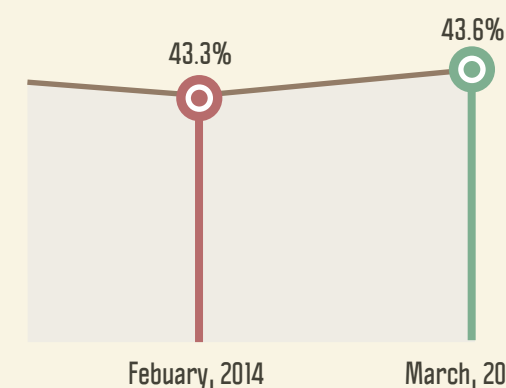
↓ Loan approvals at Big banks

Small business loan approval rates at big banks (\$10 billion+ in assets) dropped to 18.8% in March 2014 which earlier stood at 19.1% in February, reported Biz2Credit Small Business Lending Index- a monthly analysis of 1,000 loan applications on Biz2Credit.com. However, in a year-to-year comparison, lending approval rates at big banks still have increased nearly 20 percent.



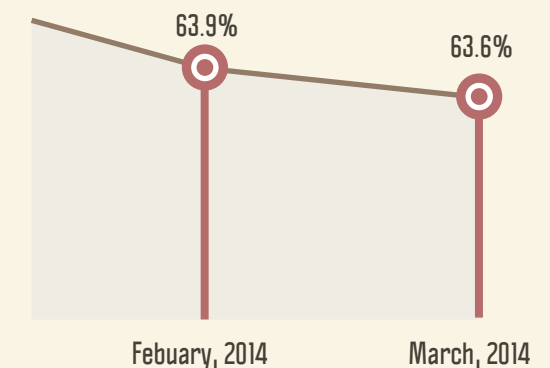
↑ Loan approvals at Small banks

Small business loan approval rates at small banks increased to 51.6% in March 2014, up from 51.4% last month. Small bank lending approval rates have increased over the last three months and four out of the last five months.



↑ Credit union approvals of small business loans

Meanwhile, credit unions experienced a slight increase in lending approvals. In March, small business loan approval rates at credit unions improved from 43.3% in February to 43.6%. Though, lending approval rates by credit unions are down by nearly 5% in a year-to-year comparison.



↓ Small business loan approvals by Alternative lenders

Alternative lenders decreased for the third consecutive month to 63.6% in March from 63.9% in February 2014. Alternative lenders are starting to feel the squeeze from banks and institutional lenders, which are attracting higher quality borrowers who are willing to shop around.