

Biz2Credit Small Business Lending Index™

Big Banks Approved Small Business Loans at Pre-Recession Rates, Small Banks Granted More Than Half of Their Funding Requests in November, According to Biz2Credit Small Business Lending Index™



Business loan approvals rise for banks, while institutional lenders, alternative lenders and credit unions dip slightly

Small business loan approval rates for big banks reached another record high in November 2018, according to the Biz2Credit Small Business Lending Index™ released today.

Loan Approval in Big Banks

November approval percentage for big banks (assets of \$10 billion+) rose one-tenth of a percent from October's figure of 26.8% to 26.9%, according to Biz2Credit's monthly report, which examines more than 1,000 credit applications made by small businesses via the company's online lending platform.



The economy continues to show strength, and this bodes well for small businesses in search of capital. Entrepreneurs are optimistic about the future, and banks are willing to lend, "The holiday shopping season has gotten off to a good start, and overall, companies have done well in 2018. It's a good economic atmosphere for small business lending at the moment. I expect this to continue into the New Year."

Rohit Arora, Biz2Credit CEO

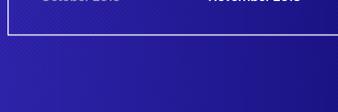


Optimism among entrepreneurs remains high, according to the October NFIB Small Business Optimism Index, which has trended upward for the past few years. The NFIB reports that 2018 has produced 45-year record high measures of job openings, actual job creation, compensation increases, profit growth, and inventory investment. Further, capital spending has risen significantly in the past few month and small business owners have bulked up their inventories.

The unemployment rate remained unchanged at 3.7 percent, according to The Bureau of Labor Statistics' December 7 Jobs Report. Sectors that saw the largest job growth were health care, manufacturing, and transportation and warehousing.

Loan Approval in Small Banks

Business loan approval rates rose at regional and community banks. Small banks actually granted more than half of the funding requests they received in November, 50.2%, up one-tenth from the previous month. The last time small banks approved small business loans at a higher rate was in September 2014.



"Small banks are making SBA loans at a record pace. Reasonably priced cost of capital is attractive to borrowers, while the government guarantees default and mitigating lender risk." "SBA loans help thousands of small businesses get off the ground each year, and I do not see an end to this trend anytime soon."

Rohit Arora, Biz2Credit CEO

Institutional lenders

Institutional lenders dipped slightly from 64.8% in October to 64.7% in November, a reflection of the competitive marketplace in small business lending at the moment.



"The rising tide floats all the boats. Institutional lenders, like the banks, are funding deals at a high rate."



Rohit Arora, Biz2Credit CEO

Alternative lenders

Loan approval rates among alternative lenders dropped from 56.8% in October to 56.7% in November.



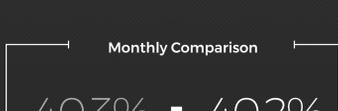
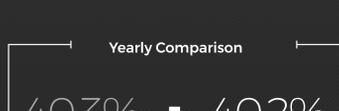
Alternative lenders fill a niche in the lending marketplace. We may see some vacillation, but not much on a monthly basis, "These lenders are willing to provide capital to businesses that do not qualify for traditional bank loans. They charge higher interest rates because the companies they fund involve a higher level of risk, whether it's because of cash flow problems, past financial issues of the business owner, or industry risk."



Rohit Arora, Biz2Credit CEO

Credit unions

Credit unions approved 40.2% of loan applications in November, down one-tenth of a percentage from October, according to the Biz2Credit Index.



"Thus far, 2018 has been one of the best ever for small business lending. As long as the economy remains strong and interest rates stay reasonable, I expect small business lending to be robust as we approach 2019,"



Rohit Arora, Biz2Credit CEO

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.

About Biz2Credit

Founded in 2007, Biz2Credit has arranged more than \$2 billion in small business financing and has several times been named to Crain's New York's Fast 50 and was recently ranked among the top 200 fast-growing companies on Deloitte's 2018 Technology Fast 500. Biz2Credit is expanding its industry-leading technology in custom digital platform solutions for leading banks and other financial institutions, investors and service providers in the U.S. Visit www.biz2credit.com or follow Biz2Credit on Twitter: @Biz2Credit, Facebook, and LinkedIn.