

## LOAN APPROVAL RATES AT BIG BANKS, INSTITUTIONAL LENDERS CONTINUE UPWARDS, SET RECORD HIGHS

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

### ↑ YEARLY COMPARISON

19.4%

2014

11.8%

2015

In a year to year comparison, big bank approval rates have increased by more than 11% in April 2015 from 19.4% approval rates in April 2014



BIG BANK APPROVALS

### ↑ MONTHLY COMPARISON

21.7%

APRIL

21.6%

MARCH

Big banks (\$10 billion+ in assets) approved 21.7% of small business loan requests in April 2015, up from 21.6% in March. Moreover, big banks' loan approval rates have improved for six consecutive months and in 12 of the last 13 months.



"Now that 2014 tax returns have been filed, it is evident that the economy is doing better. I expect that loan approval rates will continue to go up in the foreseeable future, Big banks are more willing to grant bigger loans to business owners that have a track record of proven success."

- Biz2Credit CEO Rohit Arora



## LOAN APPROVALS AT INSTITUTIONAL LENDERS

Institutional lenders approved 61.1% of funding requests by small business owners in April, up from 60.9% in March 2015. Approval rates by institutional lenders have increased each month ever since Biz2Credit began monitoring this category of lenders in January 2014.

60.9%

MARCH



61.1%

APRIL



"Institutional lenders are becoming mainstream lenders in the small business market and are supplanting cash advance companies among non-bank sources of capital. Since advance companies charge a premium rate, the laws of economics dictate that unless you differentiate the product, eventually a lower price competitor will steal market share. We have seen this happen to cash advance companies."

- Biz2Credit CEO Rohit Arora



## LOAN APPROVALS AT SMALL BANKS

Lending approval rates at small banks improved one-tenth of a percent in April to 49.6% from 49.5% last month. Although the rate of funding requests improved, this category of lenders has denied more than half of their loan requests for their sixth consecutive month. Albeit a slight rebound, it is the first time that lending approval rates have improved at small banks over the last 11 months.

49.5%

MARCH



49.6%

APRIL



"Small banks are holding steady, but they face fierce competition as institutional players are becoming mainstream. Deals happen faster through electronic marketplaces, such as Biz2Credit's platform, which works against small banks in attracting more credit-worthy borrowers."

- Biz2Credit CEO Rohit Arora



## SMALL BUSINESS LOAN APPROVALS BY ALTERNATIVE LENDERS

Approval rates at alternative lenders - merchant cash advance companies, factors, and other non-bank institutions - dipped to an Index-low of 61.1% in April, from 61.2% in March. Alternative lenders' approval percentages have declined each month since January 2014, coinciding with the emergence of institutional lenders in the small business lending marketplace. For the first time ever loan approval rates at institutional lenders and alternative lenders have matched each other, according to the monthly Index figures.

61.2%

MARCH



61.1%

APRIL



"Cash advance companies use a network of brokers who charge 8-10 percent upfront. This fee is factored in the form of high interest rates, which are working against alternative lenders. Meanwhile, institutional lenders make deals happen faster through electronic marketplaces, such as Biz2Credit's platform, and offer more attractive rates."

- Biz2Credit CEO Rohit Arora

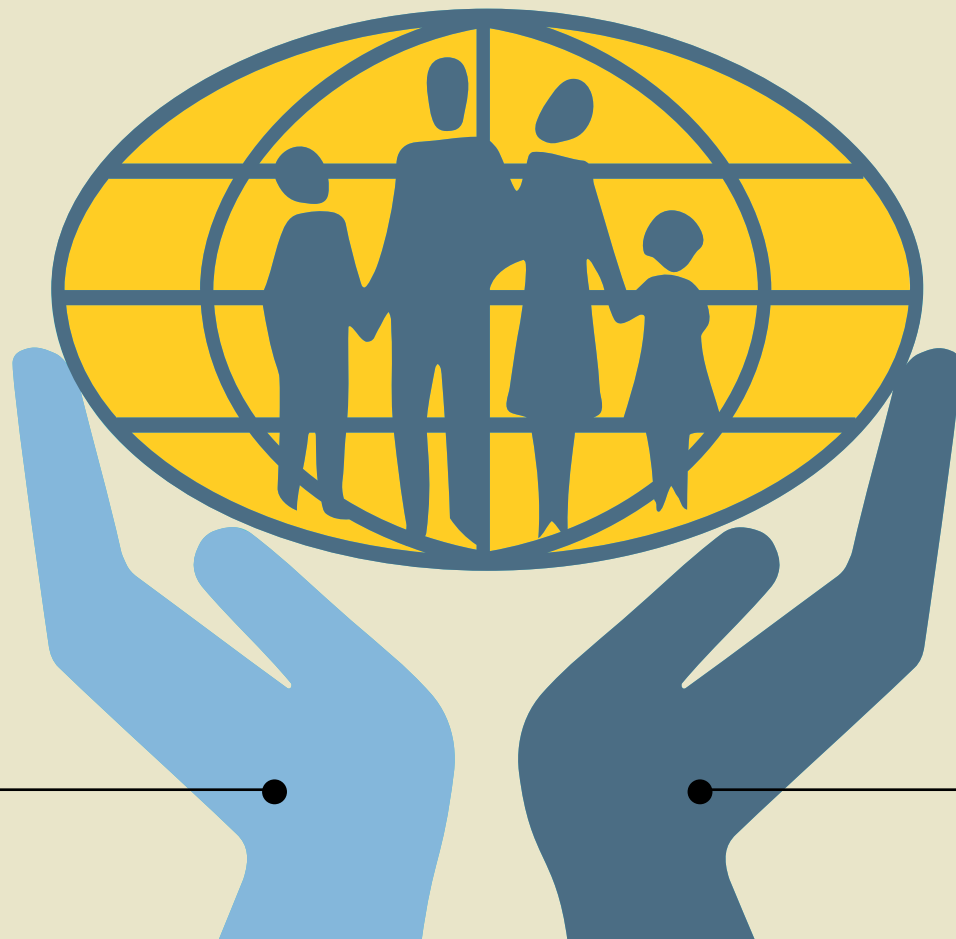


## CREDIT UNION APPROVALS OF SMALL BUSINESS LOANS

Credit unions approved 43% of loan applications in April, a slight drop from 43.1% in March 2015.

43.1%

MARCH



43.0%

APRIL



"Credit unions are not adapting to their counterparts quickly enough with respect to improvements in technology,"

- 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.