

**LOAN APPROVAL RATES AT AT BIG BANKS, INSTITUTIONAL LENDERS, HIT NEW HIGHS**

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

↑ YEARLY COMPARISON

19.6%  
2014

11.7%  
2015

A year-to-year comparison shows that loan approval rates are up approximately 12 percent.



**BIG BANK APPROVALS**

↑ MONTHLY COMPARISON

21.9%  
MAY

21.7%  
APRIL

Big banks (\$10 billion+ in assets) approved 21.9% of small business loan requests in May 2015, up from 21.7% in April, marking the seventh consecutive month that approval rates have increased in this category of lenders.

“Low interest rates continue to prevail. In fact, big banks are granting a higher percentage of small business loan requests than at any time since the recession, Lending to businesses remains to be a profitable component of bank portfolios when the loan amounts are substantial. Thus, it is a good time to borrow. Things won't stay like this forever.” - Biz2Credit CEO Rohit Arora

↑ **LOAN APPROVALS AT INSTITUTIONAL LENDERS**

institutional lenders approved 61.3% of funding requests by small business owners in May, up from 61.1% in April. For the first time in Index history, lending approval rates at institutional lenders are higher than alternative lenders, which consist of merchant cash advance companies, factors, and other non-bank lenders Approval rates by institutional lenders have increased each month ever since Biz2Credit began monitoring this category of lenders in January 2014.

61.1%  
APRIL

61.3%  
MAY



“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 one-tenth of a percent in May to 49.5% from 49.6% last month. For the seventh consecutive month, small banks have denied more than half of their loan requests. In the last year, loan approval rates at small banks have dropped in 10 of those months.

49.6%  
APRIL

49.5%  
MAY



“Electronic lending marketplaces, such as Biz2Credit, process loan requests from business owners quickly; this works against small banks - especially ones that are doing lots of SBA loans, As the industry has evolved over the past few years, quick decision-making has become increasingly important. Small banks often are not technologically equipped to get loans done fast.” - Biz2Credit CEO Rohit Arora

↓ **SMALL BUSINESS LOAN APPROVALS BY ALTERNATIVE LENDERS**

Approval rates at alternative lenders dipped to an Index-low of 61% in May, from 61.1% in April. Alternative lenders' approval percentages have declined each month since January 2014, coinciding with the emergence of institutional lenders in the small business lending marketplace.

61.1%  
APRIL

61.0%  
MAY



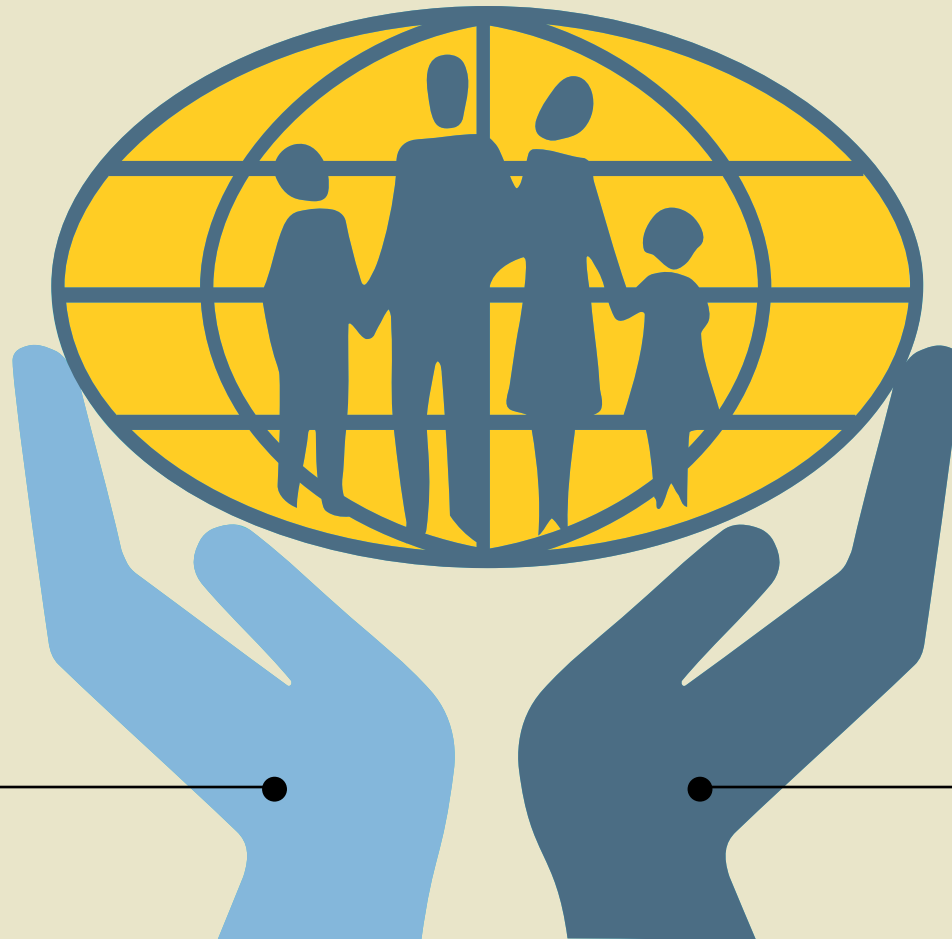
“With the relatively strong economy, businesses are no longer forced to borrow at any cost, Alternative lenders that charge substantially higher rates tend to be receiving requests from borrowers that are less creditworthy than others.” - Biz2Credit CEO Rohit Arora

↑ **CREDIT UNION APPROVALS OF SMALL BUSINESS LOANS**

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

43.0%  
APRIL

43.1%  
MAY



“Credit unions have shown little momentum this year. They are still lagging in technological upgrades and hampered by the MBL cap that allows them to lend only 12.25% 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.