

Biz2Credit Small Business Lending Index™

Small Business Financing at Big Banks and at Institutional Investors Finishes Strong in Landmark Year

December 2014

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



19.8%

Big bank approvals

In a year to year comparison, big bank approval rates have increased by more than 19% in December from 17.6% approval rates in December 2013


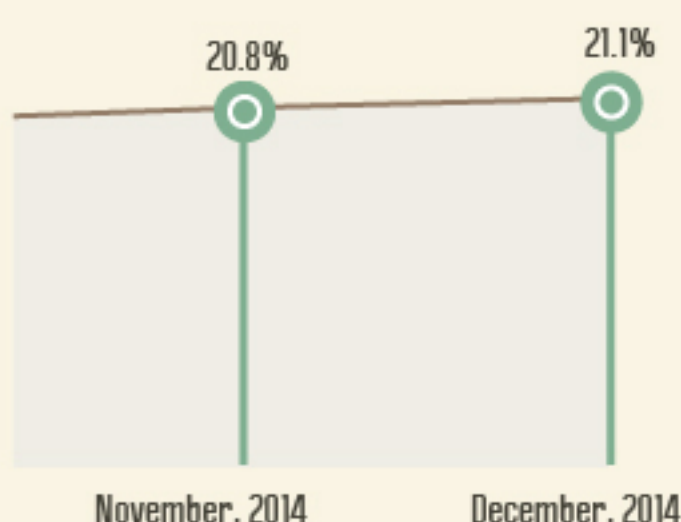
60.1%

Institutional Lenders,

Institutional lenders granted 60.1% of funding requests by small business owners in December, an increase from 59.9% in November. Approval rates by institutional lenders have increased each month since Biz2Credit began monitoring this category of lenders in January 2014.


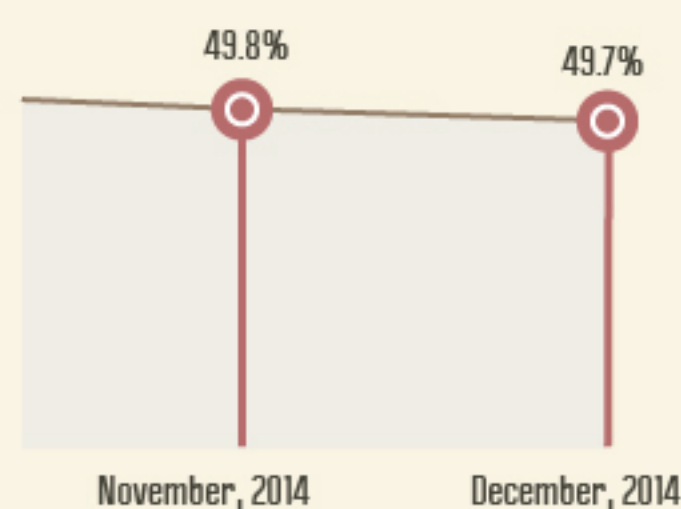
"Institutional lenders continue to be prominent factors in the small business finance game. They are offering a wider variety of financial products that are more attractive to borrowers, including longer terms and lower interest rates than other non-bank alternative lenders.

Credit-worthy borrowers are increasingly opting to apply for loans at institutional lenders because of the simplicity of getting financing from these lenders and more attractive terms that are offered. They are also approaching big banks, which enjoy better brand names and are getting the highest quality borrowers coming to them." – Biz2Credit CEO Rohit Arora,




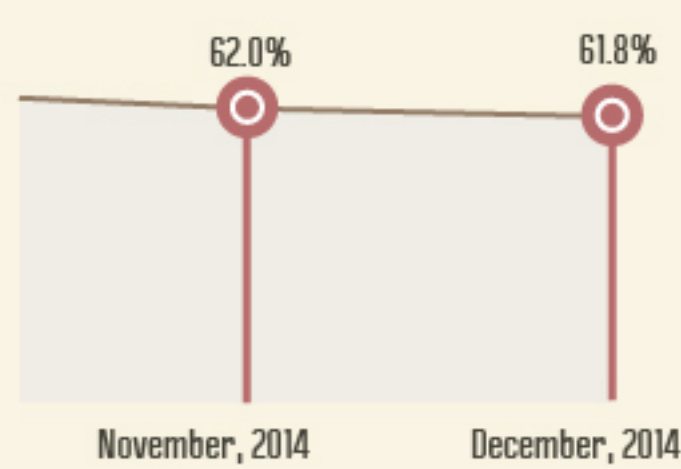
Loan approvals at Big banks

Big banks (\$10 billion+ in assets) approved 21.1% of small business loan requests in December, which is up from 20.8% in November and marks back-to-back months of increases. Further, a year-to-year comparison shows that lending approval rates at big banks are up nearly 20 percent.



Loan approvals at Small banks


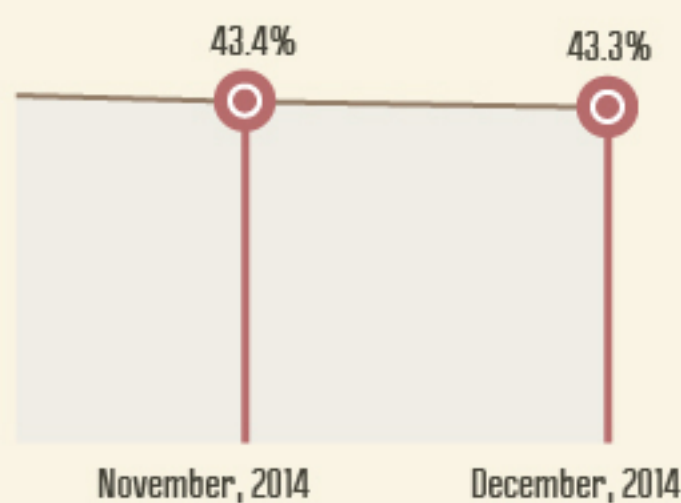
For the second consecutive month, small banks are denying more than half of their loan requests. Further, lending approval rates by small banks dropped for the seventh month in a row as they approved 49.7% of loan requests from small business owners in December, which is slightly below November's mark of 49.8%. Despite the steady drops in lending approval rates at small banks, a year-to-year comparison shows that these loan approval rates are nearly identical to last year's numbers.



Small business loan approvals by Alternative lenders

Approval rates at alternative lenders – merchant cash advance companies, factors, and other non-bank institutions – slipped for the 12th straight month to 61.8% in December, from 62% in November.

"Small business owners' financials have improved. Their performance is better and they are increasing their business credit scores. As a result they are not as desperate for money as they were during the recession when many alternative lenders could charge very high interest rates," – Biz2Credit CEO Rohit Arora,



Credit union approvals of small business loans

Credit unions granted 43.3% of loan applications in December, a slight drop in the approval rate of 43.4% over the previous month as they continue to struggle making a bigger presence in the small business finance marketplace.

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 with more than 1,300 lenders nationwide.