



TAKING THE RISK OUT OF
SMALL BUSINESS LENDING

Investment by Small Businesses Anchors U.S. Economy ***Small Business Lending Index Is At the Second Highest Point Since 2005***

(CHICAGO, IL — September 2, 2015) —The July 2015 data release of the Thomson Reuters/PayNet Small Business Lending Index (SBLI), which is a leading economic indicator of GDP, is 145.2. June's value had been restated from 143.3 to 146.4. On a year-over-year basis, the SBLI is up 13% compared to July 2014. The July release marks the 28th monthly increase in lending activity and investing by small businesses and is the second highest point since inception in 2005.

"At times of shifting foreign economies and softness for big companies, this latest data release shows small business a key driver for the U.S. economy," states William Phelan, president of PayNet.

Borrowings and investments increased in all of the 10 largest states on a year-over-year basis. Among the largest states, the biggest increases show up in FL (+10%), CA (+8%) and PA (+9). At the other end of the spectrum, the smallest, yet still positive increases, show up in OH (+3%), NC (+2%) and IL (+0.2%).

The Thomson Reuters/PayNet Small Business Delinquency Index (SBDI) 31-90 days past due decreased 2 basis points from 1.23% in June 2015 to 1.21% in July 2015. This is the first month since April 2014 that delinquency has declined on a year-over-year basis. Compared to one year ago, delinquency decreased 3 basis points.

"All of this means positives for the economy, more capex spending, more job openings and above average credit quality for loans in the remainder of 2015," Phelan noted.

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About

PayNet Inc. is the leading provider of credit ratings on small businesses enabling lenders to achieve optimal risk management, growth and operational efficiencies. PayNet maintains the largest proprietary database of small business loans, leases and lines of credit encompassing over 23 Million contracts worth over \$1.3 Trillion. Using state-of-the-art analytics, PayNet converts raw data into real-time marketing intelligence and predictive information that subscribing lenders use to make informed small business financial decisions and improve their business strategy. For more information, visit paynetonline.com and sbinsights.net.

Thomson Reuters/PayNet Small Business Lending Index (SBLI)

The Small Business Lending Index (SBLI) is based on new commercial loan and lease originations by major U.S. lenders in PayNet's proprietary database. This index measures the volume of loans to small businesses normalized to January 2005. Small businesses generally respond to changes in economic conditions more rapidly than do larger businesses, so this statistic is a leading indicator of the economy and predicts changes in GDP between 2-5 months.

Thomson Reuters/PayNet Small Business Delinquency Index (SBDI)

The Small Business Delinquency Index (SBDI) measures the financial stress of small businesses with \$1mm or less in credit outstanding.

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