



TAKING THE RISK OUT OF
SMALL BUSINESS LENDING

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C & I Strategy Becomes Integral for 2018 Profitability ***Bank Lending Strategies Can Generate Growth***

(Boston, MA—November 13, 2017)— A new study by PayNet, Inc., a firm that provides risk management tools and market insight to the commercial credit industry, shows how a new framework for planning and operating small business lending strategies can lead to increased 2018 profits.

Bank C&I lending has declined 33% since pre-recession levels, yet C&I lending has proven consistent profitability through business cycles.

“Banks are clearly missing the C&I market for loans \$1m and below,” states William Phelan, president of PayNet. “This segment provides higher loan yields and attractive deposit growth.”

PayNet’s AbsolutePD® forecasts 2018 defaults to be 2.1%, which is still below the long-term average for C&I pre-recession.

PayNet’s data shows:

Underserved Segments	1 Year Growth Trend	3 Month Growth Trend	3 Month Default Trend
Healthcare	-11%	-4%	No Change
Mining	+3%	+17%	-1%
Professional Services	-2%	-1%	No Change

Overserved Segments	1 Year Growth Trend	3 Month Growth Trend	3 Month Default Trend
Construction	+5%	+4%	No Change
Manufacturing	-1%	-3%	No Change
Accommodation & Food	+3%	-12%	No Change

“Successful banks can identify pockets of growth in underserved markets and low defaults; even during tough economic, regulatory, or technology cycles,” Phelan added.

PayNet President William Phelan will be the featured luncheon speaker on Monday November 13, 2017 presenting *The C&I Strategy for 2018*, a new framework for planning and operating a bank’s small business lending effort at the national Risk Management Association Conference in Boston, November 12-14, 2017. Information can also be obtained by visiting PayNet’s booth #206 at the RMA Conference.

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About

PayNet Inc. is the leading provider of credit ratings on small businesses enabling lenders to manage credit risk, grow earning assets and operate credit at lower cost. PayNet maintains the largest proprietary database of small business loans, leases and lines of credit encompassing over 23 million contracts worth over \$1.5 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

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