



FinXTech Connect Executive Briefings:

# Streamline & Scale Your Digital Small Business Lending

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**FinX**Tech.

Brought to you by: **BankDirector.**

#FXT23





# OPEN & BUSINESS

## Streamline & Scale Your Digital Small Business Lending

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Experience FinXTech May 2023

# Why Small Business Lending?

## 1. Large Addressable Market

- 31 Million Small Businesses in the United States
- SMBs account for 2/3 of GDP and employment
- >\$300B prime SMB term loans originated a year
- In 2022 over 5.1mm applications for new business entities, a 45% increase from 2018

## 2. Relative Value & Diversification

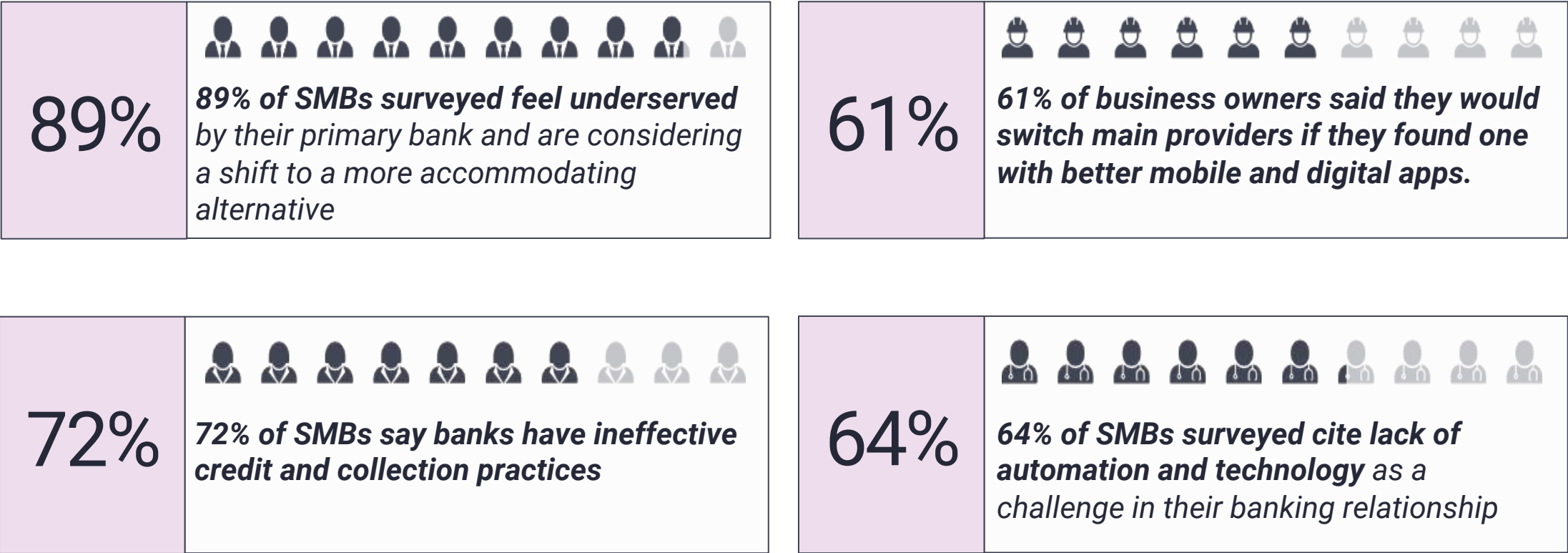
- Mortgage originations decreasing, dropping 68% from 4Q20 to 4Q22
- CRE loans under additional pressure as rates have increased
- Auto loan market competition increasing from non-bank players offering below market rates

**Today there is a large SMB opportunity offering a shorter term, higher yielding asset than alternatives**

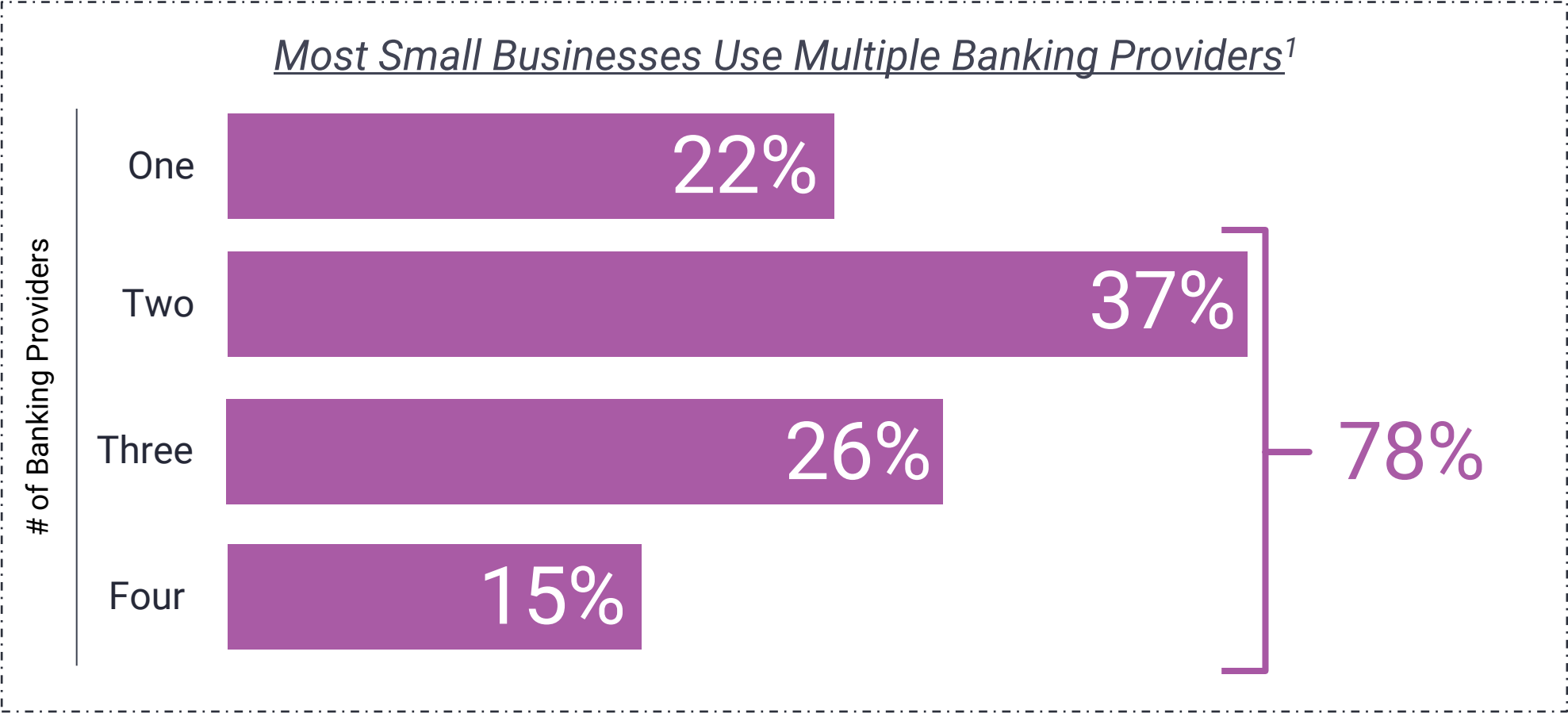


# Is Your Bank Seizing the Small Business Opportunity?

## Small Businesses are Underserved



# In a time when SMB relationships are splintering, lending drives loyalty



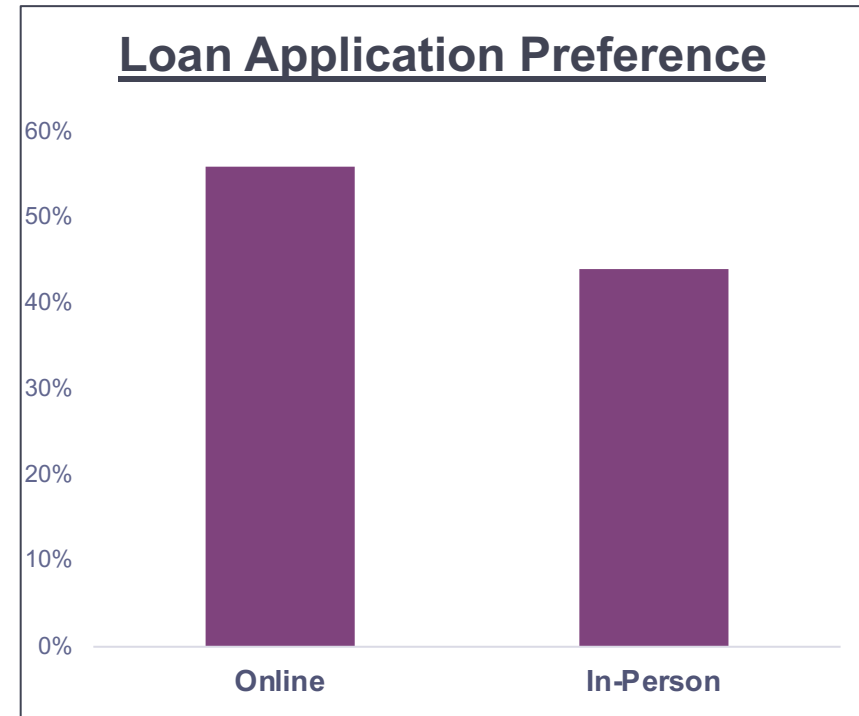
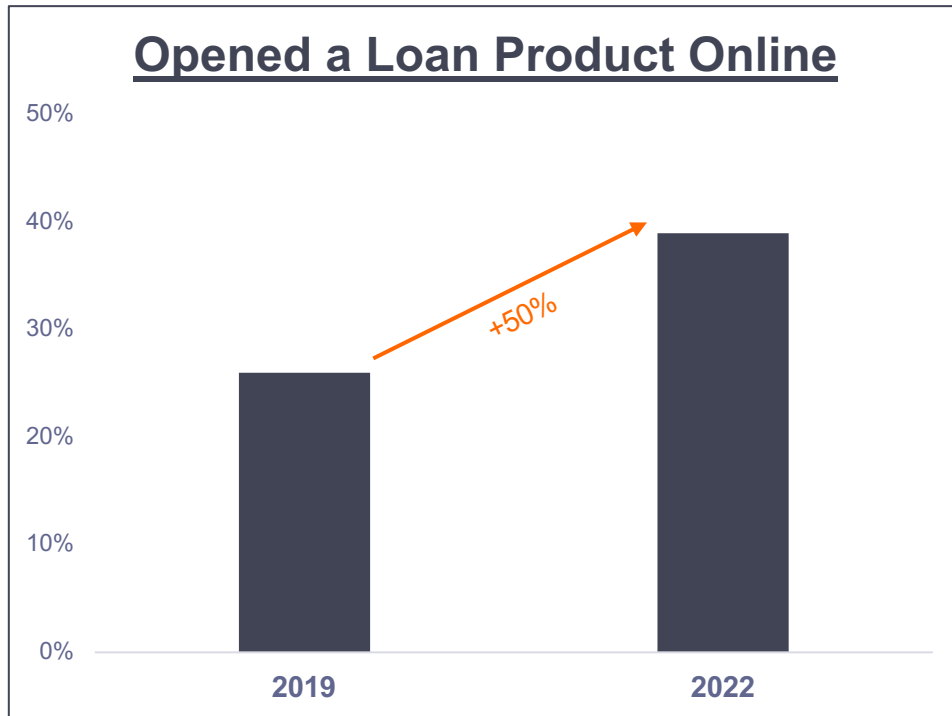
However, 62% of business owners who have a loan with their main bank only have one deposit relationship<sup>2</sup>



1. Arizent, Future of Small Business Banking 2022  
2. BAI (Bank Administration Institute) Banking Outlook: 2022 Business Banking Insights

# Small Business Owners Are Going Digital

- The number of small businesses who opened loan products online increased between 2019 and 2020 by 50%<sup>1</sup>
- Majority of small businesses now prefer to apply for loans online (up from 48% in 2019)<sup>1</sup>



# Why Partner For Digital SMB Lending?

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## Time

**It takes 10+ years to build a predictive credit model**



## Operational Overhead

**The Operational overhead of scaling a small business lending program can be prohibitively high**

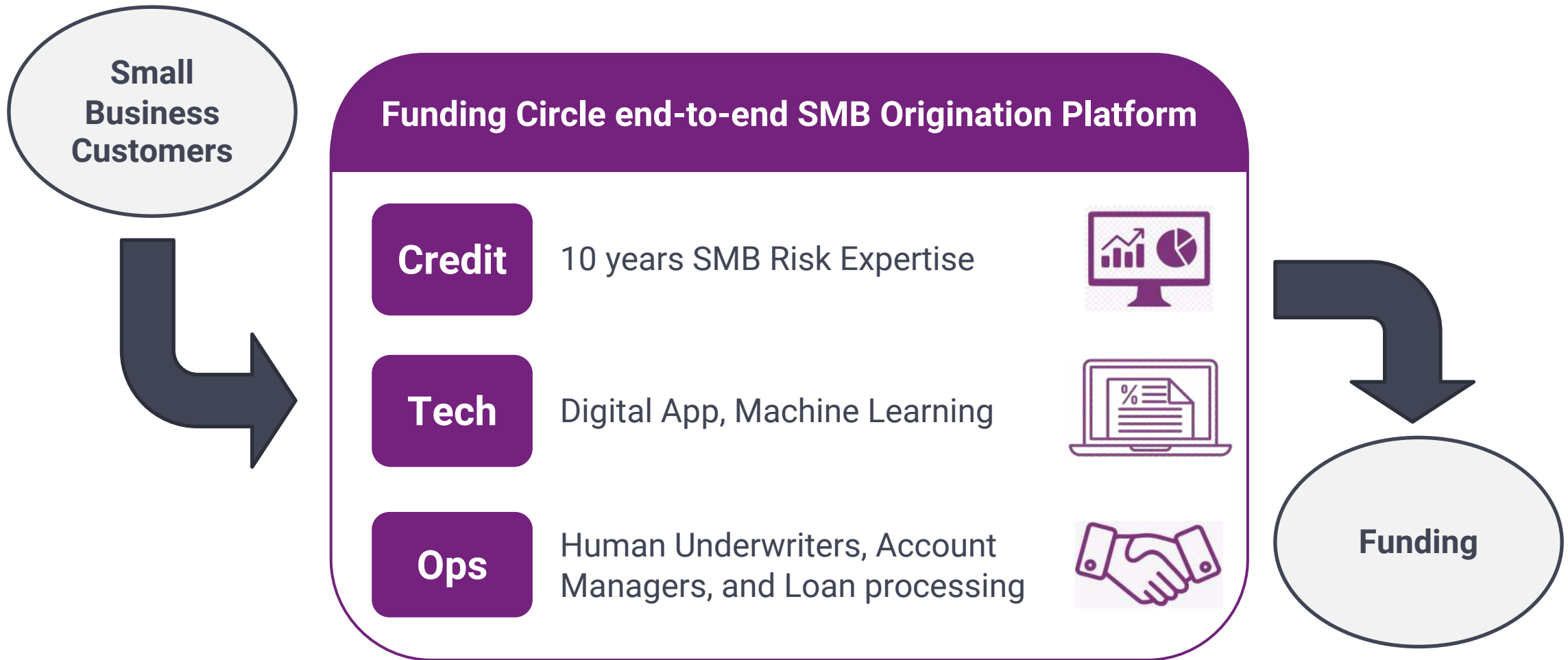


## Speed to Market

**Building a digital program from scratch will take several months if not years, giving competitors time to move in**



# We now offer our prime, end to end SMB lending platform including credit, ops and technology to partner FIs in a plug and play solution



No other lender brings together all the components in an easy to implement white label / co-branded solution

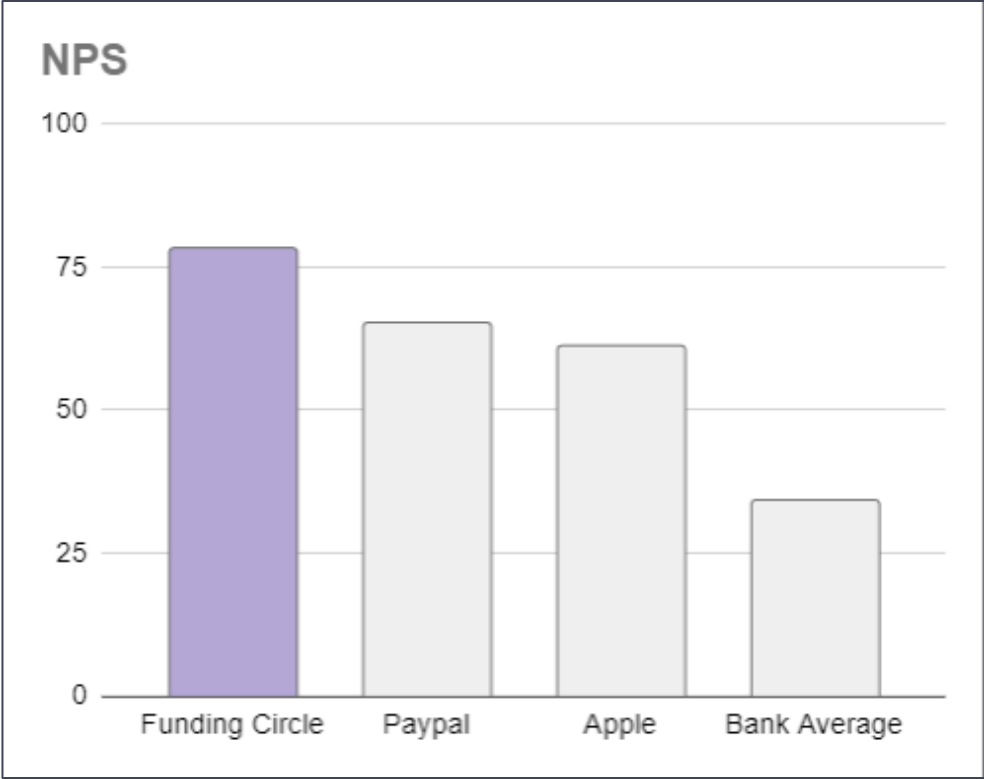


# We help you deliver a product that your SMB customers really want

Best in Class prime lending product...

	Prime loans ~\$50k-\$500k	Key message
Speed	✓	Funding in under 48 hours
Ease	✓	From zero to two documents required
Price	✓	Rates as low as 6.99%
Conversion / Availability	✓	Market-leading conversion

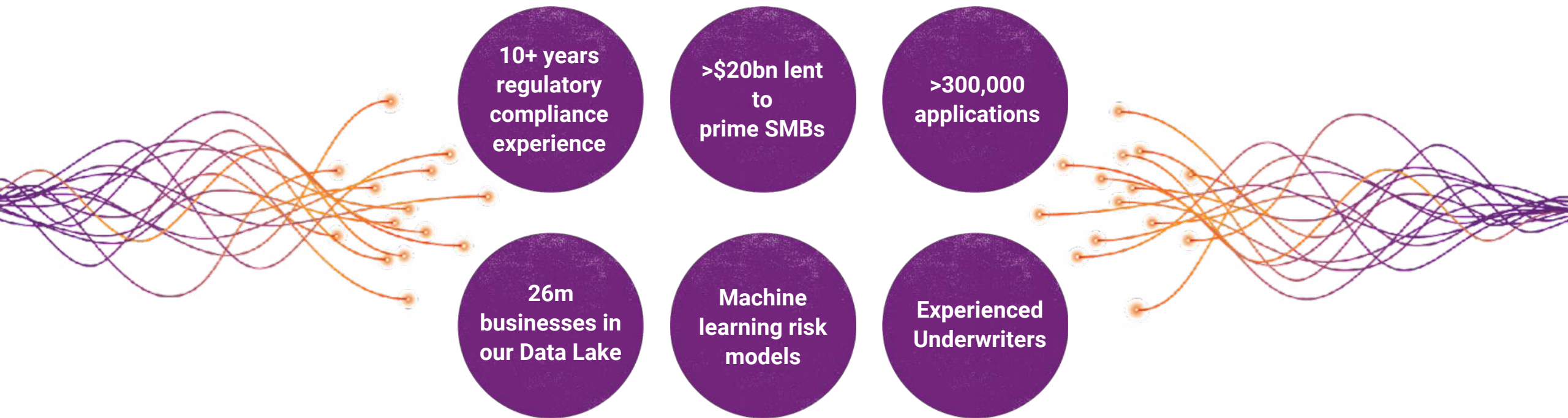
...delivers market-leading NPS



“Blazing fast” –Erik, Pitney Bowes Customer

# We have a 10 year track record of originating prime SMB loans, delivering strong returns to investors

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**Delivers a consistent and predictable risk profile and returns for investors**