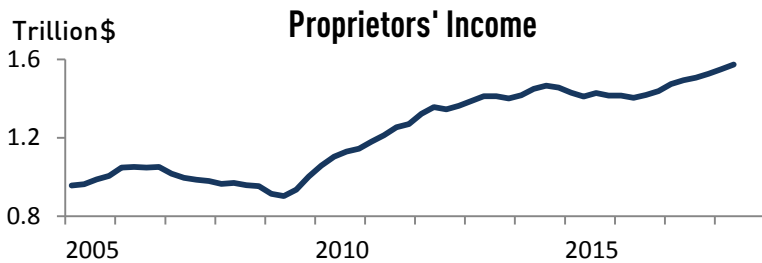


SMALL BUSINESS QUARTERLY BULLETIN

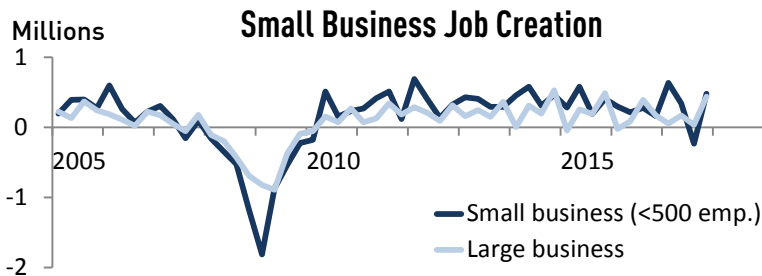
Small businesses are showing upticks in income, jobs, and new businesses, despite small business lending still being flat, even with low loan delinquency rates.



Source: U.S. Bureau of Economic Analysis.

Proprietors' Income

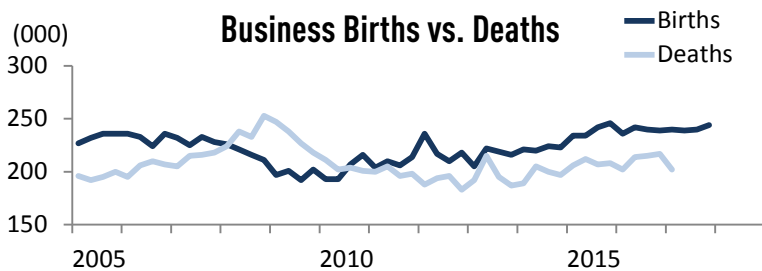
From the second quarter of 2009 to the second quarter of 2018, proprietors' income is up about 75 percent.



Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics.

Small Business Job Creation

Over the last five years, small businesses created 6.8 million net new jobs, which was 2.7 million more than the number of net new jobs created by large businesses.



Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics.

Business Births vs. Deaths

Since the Great Recession, there have been 1.3 million more employer business births than deaths.

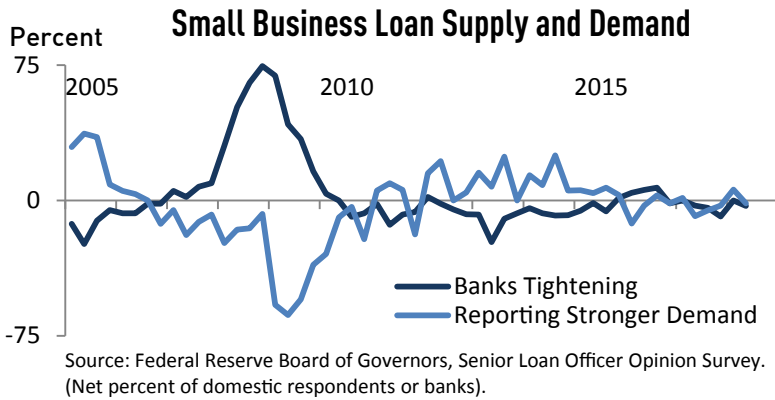


Source: U.S. Census Bureau, Current Population Survey (incorporated & unincorp.)

Self-Employment

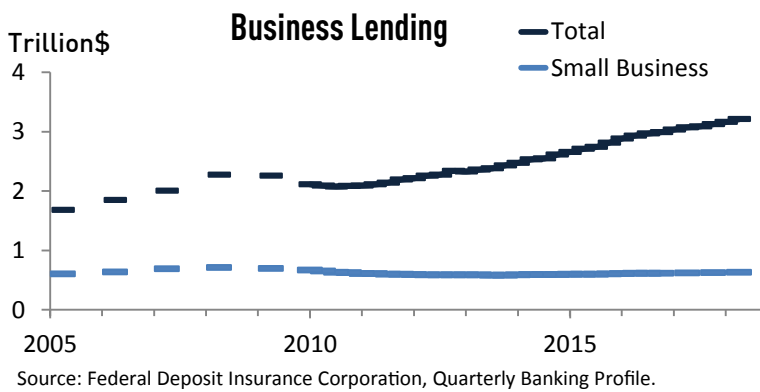
Self-employment (as a primary occupation) has been trending up for the last seven years.

FINANCE



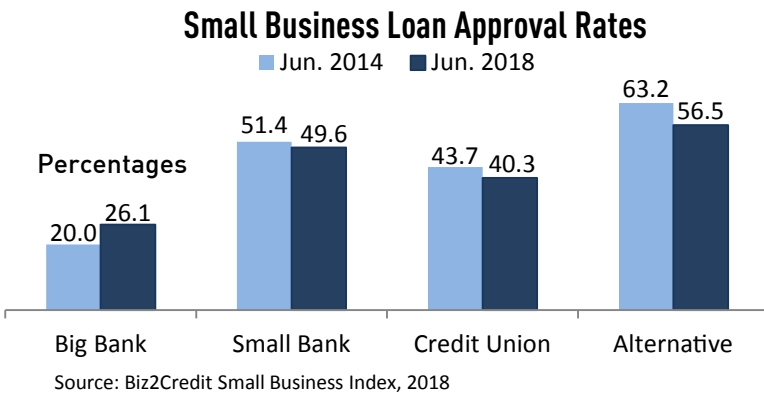
Small Business Loan Supply and Demand

Bankers report easing lending standards and a weak demand for small businesses loans.



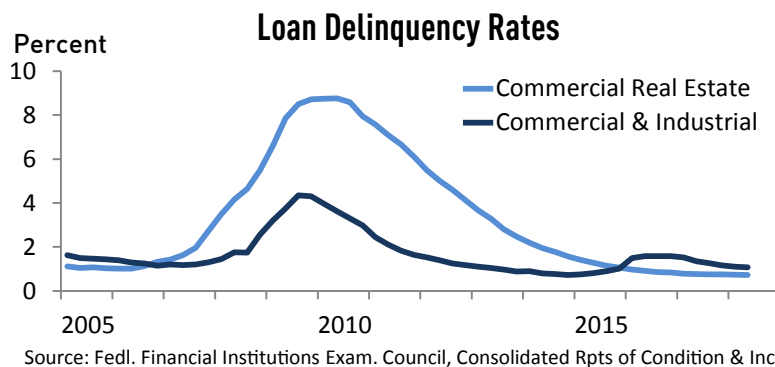
Business Lending

Large business lending (commercial and industrial plus commercial real estate) continues to rise at a steady clip while small business lending (loans under \$1 million) has been struggling to gain traction.



Small Business Loan Approval Rates

Approval rates for small banks are approaching alternative lending approval rates as alternative lenders become more selective.



Loan Delinquency Rates

Business loan delinquency loan rates have been low in recent years with commercial real estate dropping below commercial and industrial.