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U.S. Small Business Remains Cool on Investment *Policy Uncertainty Impacts Small Business Growth*

Chicago, IL (May 2, 2017) — The March 2017 release of the Thomson Reuters/PayNet Small Business Lending Index (SBLI) continues to show small businesses cool towards real expansion as the Index increased just 4% to 134.0 from 128.9 in February 2017. The SBLI is down 1% from March 2016.

“The environment remains wait-and-see, which is certainly an improvement from the middle of 2016 when small businesses pulled-back,” states William Phelan, president of PayNet, Inc.

Arts, Entertainment & Recreation continues to grow at a double-digit rate year-over-year (13.6%). Administrative & Waste Services and Construction also continue to benefit from the generally constructive domestic economy with year-over-year growth rates of 4.8% and 4.3%. Accommodation & Food Services has experienced revived growth after a year in the doldrums with 2.1% month-over-month increased investment.

Transportation (-15.4%), Agriculture (-7.8%), and Mining, Oil, & Gas (-8.9%) are three of the weakest sectors that are starting to bounce back, although all three are still decidedly in the negative territory. The rate of contraction is accelerating in Healthcare (- 13.1%), largely due to continued political uncertainty.

Small business financial health remains positive. The Thomson Reuters/PayNet Small Business Delinquency Index (SBDI) remains flat in March 2017 at 1.34% from February 2017. Construction (1.93%) and Transportation (1.73%) exhibited the highest delinquency rates. All the industry segments had higher delinquencies year-over-year with the greatest increases in Transportation (+43 bps), Retail (+20 bps), and Agriculture (+16 bps).

Small business default trends remain benign and the rate of increase has been moderating. The PayNet Small Business Default Index (SBDFI) registered 1.9% in March 2017 compared to 1.6% in March 2016. The highest default rates exist in Mining (4.6%), Transportation (4.5%), and Information (2.7%).

“As time goes on and uncertainties become a bigger issue, small private companies become more confirmed in their need for details,” Phelan added. “The healthcare sector has nearly thrown in the towel on further investment.”

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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 www.paynet.com.

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.

PayNet Small Business Default Index (SBDFI)

The PayNet Small Business Default Index (SBDFI) measures small business defaults and signal insolvency across multiple sectors of the economy at the national, state and industry levels. Default is a point-in-time measurement of borrowers that have failed to remain current and as such is a vital piece of information to assess risk exposure and evaluate the health of the overall economy