

THE FINANCIAL SERVICES ROUNDTABLE



Financing America's Economy

To: Representatives of the Financial Services Roundtable, GAC, Public Affairs Council, Research Working Group, All Staff

Fast Facts: COMMERCIAL LENDING

FACT: Commercial and industrial (C&I) lending is showing small glimpses of recovery—increasing by \$6.2 billion over the last four months. Currently, \$1.22 trillion C&I loans are outstanding.

FACT: Banks cited improved C&I loan demand in their third quarter earnings reports:

- “Importantly, average commercial loans were higher on a linked quarter basis...This is the first linked quarter increase in average commercial loans since the fourth quarter of 2008,” *Richard Davis, President of U.S. Bancorp.*
- “[We added] \$12.1 billion of new commercial and commercial real estate commitments, and \$18.8 billion of commercial and commercial real estate commitment renewals,” *U.S. Bancorp.*
- “New loan commitments in commercial real estate are up 265 percent from prior year and up 44 percent from prior quarter as economy begins to recover,” *Wells Fargo & Company.*
- “Middle Market lending to both existing and new customers increased by \$900 million in the third quarter.” *JPMorgan Chase & Co.*
- “Growth accelerated for most portfolios in the quarter: 6.0% growth in C&I, including 20.5% in Large Corporate,” *BB&T Corporation.*
- “Commercial Lending and Leasing also had a very strong quarter, [with] earnings of \$443 million up \$313 million versus last year. Those results were driven by lower losses, lower marks and impairments and higher core margins. That all reflects the improvements in asset quality,” *GE Capital.*
- “We continue to compete vigorously for new commercial loan opportunities...Business loans...grew on average by \$37.2 million,” *Commerce Bancshares, Inc.*

FACT: Over the last ten years, C&I lending has trended upwards. Current levels are 37% higher than the most recent dip in 2004.

This report is also attached as a PDF. If you have questions or comments, please do not hesitate to contact Abby McCloskey, Director of Research at the Financial Services Roundtable, at abby@fsround.org, or Scott Talbott, Senior Vice President of Government Affairs, at scott@fsround.org.

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