

THE FINANCIAL SERVICES ROUNDTABLE



Financing America's Economy

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

Fast Facts: UPDATE: COMMERCIAL LENDING

FACT: Commercial and industrial (C&I) lending *continues* to show glimpses of recovery—increasing by \$22.8 billion from the end of 2010. Currently, \$1.25 trillion C&I loans are outstanding according to the Federal Reserve.

FACT: Banks cited improved C&I loan demand in their first quarter earnings reports for 2011:

- “We experienced healthy growth in average C&I loans of 8.7% on an annualized basis compared with last quarter.” [Chairman and CEO, Kelly King, BB&T](#)
- “Average loans of \$150 billion for the first quarter increased \$.2 billion compared with the fourth quarter as a result of a 4% increase in average commercial loans largely from a modest increase in utilization and new business activity.” [PNC](#)
- “Average commercial and industrial loans grew 2% from 4Q10.” [Bank of America.](#)
- “Average commercial loans outstanding were 1.9% higher, excluding acquisitions, in the first quarter than the prior quarter, as lending and commitments to corporate, middle market and small business customers grew.” [Chairman, President, and CEO Richard Davis, U.S. Bancorp](#)
- “Chase lent or increased credit to over 100,000 small businesses; extended or increased loan limits to approximately 1,500 middle market companies; and lent to or raised capital for more than 3,500 corporations. Chase commits to lend \$12 billion to American small businesses in 2011, a 20% increase over its 2010 commitment.” [JP Morgan Chase.](#)
- C&I lending grew 3.3% on a linked quarter basis from 4Q10. [M&T Bank](#)
- “Average commercial and industrial loans grew \$933 million, driven by customers’ capital expenditures, increasing investments in inventory and M&A.” [Regions Bank](#)
- “As the economy continued an uneven recovery, our business customers increased borrowing and utilization of credit lines – a hopeful sign that businesses are once again investing for growth.” [Chairman and CEO John Stumpf, Wells Fargo](#)
- “Compared to the previous quarter, average loan balances increased \$53.8 million due mainly to growth in business loans.” [Chairman and CEO David Kemper, Commerce Bank](#)

Previous Fast Facts on C&I lending can be viewed [here.](#)

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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.