

# Greenwich Commercial Lending Market Insight - Q2 2023

## Bank Deposit Outflows Push Loan Pricing Higher for Borrowers

May 30, 2023

Executive Summary:

Data observations from Greenwich Commercial Loan Analytics (GCLA) clients show that:

- Bank deposit outflows have contributed to increased internal funding costs, thus increasing loan prices for borrowers
- With a potential recession looming on the horizon, not all industries are showing signs of slowing down just yet
- The impact of rising rates by the Federal Reserve was still evident in Q1 2023, but is less pronounced than in prior quarter

Methodology:

Greenwich Commercial Loan Analytics (GCLA) is a unique offering backed by our market-leading dataset of commercial loan transactions used to help measure a bank's relative performance compared to independent, third-party metrics. Our experience in cleansing and standardizing commercial loan data, combined with our strong business knowledge and analytical methods, enables us to understand detailed pricing levels and trends nationwide. Our clients are principally top 40 U.S. commercial banks by asset size, with Coalition Greenwich collecting data on nearly 1.3 million loans monthly from bank contributors.

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