

# Greenwich Commercial Lending Market Insight - Q3 2023

## Banks Compete for Deposits and Holistic Customer Relationships

October 3, 2023

Executive Summary:

Banks' competition for deposits appears to be influencing pricing decisions made by bankers. SOFR spreads on floating-rate commercial loans fell in Q2 2023 to the lowest point since the start of 2022. Although the decline in spreads over the past year has only been about 8 basis points, the continued contraction in spreads is helping to minimize the impact of rising rates on commercial borrowers, albeit slightly.

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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