

CEREBRO CAPITAL

Cerebro Capital Non-Bank Lending Quarterly Survey

Cerebro Capital fielded surveys in January 2021 and April 2021 to non-bank lenders that are part of Cerebro’s lender network. Cerebro questions focused only on Middle-Market C&I loans and were compared to Federal Reserve Senior Loan Officer Survey responses for large and mid-size businesses. Comparison questions from the Federal Reserve survey are included below each table where there was an equivalent question asked of commercial banks.

Data for Commercial Banks was sourced from:

[Federal Reserve Senior Loan Officer Survey Jan 2021; Table 1](#)
[Federal Reserve Senior Loan Officer Survey April 2021; Table 1](#)

Cerebro Survey Questions:

1. Looking back over the past three months, how have your lending institution's credit standards changed for C&I loans?

	Federal Reserve 4Q20 Commercial Banks (n=73)	Cerebro 4Q20 Non-Banks (n=64)	Federal Reserve 1Q21 Commercial Banks (n=73)	Cerebro 1Q21 Non-Banks (n=68)
Tightened considerably	0%	3.13%	0%	1.47%
Tightened somewhat	17.8%	17.19%	2.7%	11.76%
Remained basically unchanged	69.9%	57.81%	79.5%	58.82%
Eased somewhat	12.3%	20.31%	17.8%	27.94%
Eased considerably	0%	1.56%	0%	0%

Corresponding Federal Reserve Question

Over the past three months, how have your bank's credit standards for approving applications for C&I loans or credit lines—other than those to be used to finance mergers and acquisitions—to large and middle-market firms and to small firms changed?

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1a. Because your lending institution has tightened its credit standards for C&I loans over the past three months, how important have the following possible reasons been for the change?

Deterioration in your lending institution's current or expected capital position

	Federal Reserve 4Q20 Commercial Banks (n=31)	Cerebro 4Q20 Non-Banks (n=11)	Federal Reserve 1Q21 Commercial Banks (n=15)	Cerebro 1Q21 Non-Banks (n=10)
Not Important	83.9%	72.73%	93.3%	70%
Somewhat Important	12.9%	27.27%	6.7%	30%
Very Important	3.2%	0%	0%	0%

Less favorable or more uncertain economic outlook

	Federal Reserve 4Q20 Commercial Banks (n=29)	Cerebro 4Q20 Non-Banks (n=11)	Federal Reserve 1Q21 Commercial Banks (n=16)	Cerebro 1Q21 Non-Banks (n=10)
Not Important	3.4%	9.09%	18.8%	30%
Somewhat Important	41.4%	63.64%	50%	70%
Very Important	55.2%	27.27%	31.2%	0%

Worsening of industry-specific problems

	Federal Reserve 4Q20 Commercial Banks (n=17)	Cerebro 4Q20 Non-Banks (n=6)	Federal Reserve 1Q21 Commercial Banks (n=13)	Cerebro 1Q21 Non-Banks (n=10)
Not Important	20.7%	9.09%	38.5%	30%
Somewhat Important	20.7%	36.36%	38.5%	40%
Very Important	58.6%	54.55%	23.1%	30%

Less aggressive competition from other lenders (other financial intermediaries or the capital markets)

	Federal Reserve 4Q20 Commercial Banks (n=31)	Cerebro 4Q20 Non-Banks (n=11)	Federal Reserve 1Q21 Commercial Banks (n=15)	Cerebro 1Q21 Non-Banks (n=10)
Not Important	67.7%	36.36%	86.7%	80%
Somewhat Important	29%	45.45%	0%	10%
Very Important	3.2%	18.18%	13.3%	10%

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Reduced tolerance for risk

	Federal Reserve 4Q20 Commercial Banks (n=31)	Cerebro 4Q20 Non-Banks (n=11)	Federal Reserve 1Q21 Commercial Banks (n=15)	Cerebro 1Q21 Non-Banks (n=10)
Not Important	35.5%	9.09%	46.7%	20%
Somewhat Important	61.3%	72.73%	53.3%	70%
Very Important	3.2%	18.18%	0%	10%

Decreased liquidity in the secondary market for these loans

	Federal Reserve 4Q20 Commercial Banks (n=31)	Cerebro 4Q20 Non-Banks (n=11)	Federal Reserve 1Q21 Commercial Banks (n=15)	Cerebro 1Q21 Non-Banks (n=10)
Not Important	74.2%	81.82%	86.7%	80%
Somewhat Important	22.6%	18.18%	13.3%	10%
Very Important	3.2%	0%	0%	10%

Deterioration in your lending institution's current or expected liquidity position

	Federal Reserve 4Q20 Commercial Banks (n=30)	Cerebro 4Q20 Non-Banks (n=11)	Federal Reserve 1Q21 Commercial Banks (n=15)	Cerebro 1Q21 Non-Banks (n=10)
Not Important	93.3%	90.91%	100%	80%
Somewhat Important	3.3%	9.09%	0%	20%
Very Important	3.3%	0%	0%	0%

Increased concerns about the effects of legislative changes, supervisory actions, or changes in accounting standards

	Federal Reserve 4Q20 Commercial Banks (n=31)	Cerebro 4Q20 Non-Banks (n=11)	Federal Reserve 1Q21 Commercial Banks (n=15)	Cerebro 1Q21 Non-Banks (n=10)
Not Important	58.1%	45.45%	53.3%	60%
Somewhat Important	35.5%	45.45%	40%	20%
Very Important	6.5%	9.09%	6.7%	20%

Corresponding Federal Reserve Question

If your bank has tightened or eased its credit standards or its terms for C&I loans or credit lines over the past three months (as described in questions 1 and 2), how important have been the following possible reasons for the change?

A. Possible reasons for tightening credit standards or loan terms

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1b. Because your lending institution has eased its credit standards for C&I loans over the past three months, how important have the following possible reasons been for the change?

Improvement in your lending institution's current or expected capital position

	Federal Reserve 4Q20 Commercial Banks (n=17)	Cerebro 4Q20 Non-Banks (n=14)	Federal Reserve 1Q21 Commercial Banks (n=35)	Cerebro 1Q21 Non-Banks (n=17)
Not Important	76.47%	50.0%	85.7%	41.18%
Somewhat Important	23.52%	35.71%	14.3%	35.29%
Very Important	0%	14.29%	0%	23.53%

More favorable or less uncertain economic outlook

	Federal Reserve 4Q20 Commercial Banks (n=18)	Cerebro 4Q20 Non-Banks (n=14)	Federal Reserve 1Q21 Commercial Banks (n=36)	Cerebro 1Q21 Non-Banks (n=17)
Not Important	16.67%	0%	13.9%	0%
Somewhat Important	50.0%	71.42%	66.7%	52.94%
Very Important	33.33%	28.57%	19.4%	47.06%

Improvement in industry-specific problems

	Federal Reserve 4Q20 Commercial Banks (n=16)	Cerebro 4Q20 Non-Banks (n=14)	Federal Reserve 1Q21 Commercial Banks (n=34)	Cerebro 1Q21 Non-Banks (n=17)
Not Important	56.25%	21.43%	47.1%	17.65%
Somewhat Important	31.25%	57.14%	44.1%	29.41%
Very Important	12.50%	21.43%	8.8%	52.94%

More aggressive competition from other lenders (other financial intermediaries or the capital markets)

	Federal Reserve 4Q20 Commercial Banks (n=18)	Cerebro 4Q20 Non-Banks (n=14)	Federal Reserve 1Q21 Commercial Banks (n=36)	Cerebro 1Q21 Non-Banks (n=17)
Not Important	27.78%	28.57%	16.7%	17.65%
Somewhat Important	44.44%	35.71%	52.8%	29.41%
Very Important	27.78%	35.71%	30.6%	52.94%

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Increased tolerance for risk

	Federal Reserve 4Q20 Commercial Banks (n=17)	Cerebro 4Q20 Non-Banks (n=14)	Federal Reserve 1Q21 Commercial Banks (n=34)	Cerebro 1Q21 Non-Banks (n=17)
Not Important	94.11%	7.14%	64.7%	35.29%
Somewhat Important	5.89%	64.28%	35.3%	47.06%
Very Important	0%	28.57%	0%	17.65%

Increased liquidity in the secondary market for these loans

	Federal Reserve 4Q20 Commercial Banks (n=17)	Cerebro 4Q20 Non-Banks (n=14)	Federal Reserve 1Q21 Commercial Banks (n=34)	Cerebro 1Q21 Non-Banks (n=17)
Not Important	58.82%	78.57%	82.4%	76.47%
Somewhat Important	41.18%	21.43%	17.6%	11.76%
Very Important	0%	0%	0%	11.76%

Improvement in your lending institution's current or expected liquidity position

	Federal Reserve 4Q20 Commercial Banks (n=17)	Cerebro 4Q20 Non-Banks (n=14)	Federal Reserve 1Q21 Commercial Banks (n=36)	Cerebro 1Q21 Non-Banks (n=17)
Not Important	70.59%	42.86%	69.4%	47.06%
Somewhat Important	23.53%	42.86%	27.8%	35.29%
Very Important	5.88%	14.29%	2.8%	17.65%

Reduced concerns about the effects of legislative changes, supervisory actions, or changes in accounting standards

	Federal Reserve 4Q20 Commercial Banks (n=16)	Cerebro 4Q20 Non-Banks (n=14)	Federal Reserve 1Q21 Commercial Banks (n=33)	Cerebro 1Q21 Non-Banks (n=17)
Not Important	81.25%	57.14%	81.8%	70.59%
Somewhat Important	18.76%	35.71%	18.2%	17.65%
Very Important	0%	7.14%	0%	11.76%

Corresponding Federal Reserve Question

If your bank has tightened or eased its credit standards or its terms for C&I loans or credit lines over the past three months (as described in questions 1 and 2), how important have been the following possible reasons for the change?

B. Possible reasons for easing credit standards or loan terms:

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2. Looking back over the past three months, how has the number of inquiries from potential corporate borrowers regarding the availability and terms of new credit lines or increases in existing lines changed?

	Federal Reserve 4Q20 Commercial Banks (n=72)	Cerebro 4Q20 Non-Banks (n=61)	Federal Reserve 1Q21 Commercial Banks (n=73)	Cerebro 1Q21 Non-Banks (n=66)
The number of inquiries has increased substantially	0%	14.75%	1.4%	18.18%
The number of inquiries has increased moderately	26.4%	55.74%	31.5%	43.94%
The number of inquiries has stayed about the same	43.1%	21.31%	46.6%	27.27%
The number of inquiries has decreased moderately	29.2%	6.56%	19.2%	10.61%
The number of inquiries has decreased substantially	1.4%	1.64%	1.4%	0%

Corresponding Federal Reserve Question

At your bank, apart from seasonal variation, how has the number of inquiries from potential business borrowers regarding the availability and terms of new credit lines or increases in existing lines changed over the past three months? (Please consider only inquiries for additional or increased C&I lines as opposed to the refinancing of existing loans.)

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2a. If demand for C&I loans has strengthened over the past three months, how important have the following possible reasons been for the change?

Customer inventory financing needs increased

	Federal Reserve 4Q20 Commercial Banks (n=19)	Cerebro 4Q20 Non-Banks (n=43)	Federal Reserve 1Q21 Commercial Banks (n=24)	Cerebro 1Q21 Non-Banks (n=40)
Not Important	63.2%	37.21%	41.7%	27.50%
Somewhat Important	36.8%	46.51%	45.8%	40%
Very Important	0%	16.28%	12.5%	32.50%

Customer accounts receivable financing needs increased

	Federal Reserve 4Q20 Commercial Banks (n=19)	Cerebro 4Q20 Non-Banks (n=43)	Federal Reserve 1Q21 Commercial Banks (n=24)	Cerebro 1Q21 Non-Banks (n=40)
Not Important	63.2%	37.21%	50%	25%
Somewhat Important	36.8%	46.51%	37.5%	62.50%
Very Important	0%	16.28%	12.5%	12.50%

Customer investment in plant or equipment increased

	Federal Reserve 4Q20 Commercial Banks (n=19)	Cerebro 4Q20 Non-Banks (n=43)	Federal Reserve 1Q21 Commercial Banks (n=25)	Cerebro 1Q21 Non-Banks (n=40)
Not Important	57.9%	51.16%	16%	32.50%
Somewhat Important	36.8%	34.88%	64%	47.50%
Very Important	5.3%	13.95%	20%	20%

Customer internally generated funds decreased

	Federal Reserve 4Q20 Commercial Banks (n=19)	Cerebro 4Q20 Non-Banks (n=43)	Federal Reserve 1Q21 Commercial Banks (n=24)	Cerebro 1Q21 Non-Banks (n=40)
Not Important	57.9%	30.23%	66.7%	37.5%
Somewhat Important	42.1%	46.51%	33.3%	47.5%
Very Important	0%	23.26%	0%	15%

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Customer merger or acquisition financing needs increased

	Federal Reserve 4Q20 Commercial Banks (n=19)	Cerebro 4Q20 Non-Banks (n=43)	Federal Reserve 1Q21 Commercial Banks (n=23)	Cerebro 1Q21 Non-Banks (n=40)
Not Important	21.1%	27.91%	43.5%	27.5%
Somewhat Important	47.4%	37.21%	30.4%	25%
Very Important	31.6%	34.88%	26.1%	47.5%

Customer borrowing shifted to your lending institution from other lender sources because these other sources became less attractive

	Federal Reserve 4Q20 Commercial Banks (n=19)	Cerebro 4Q20 Non-Banks (n=43)	Federal Reserve 1Q21 Commercial Banks (n=25)	Cerebro 1Q21 Non-Banks (n=40)
Not Important	47.4%	20.93%	64%	20%
Somewhat Important	36.8%	44.19%	32%	52.5%
Very Important	15.8%	34.88%	4%	27.5%

Customer precautionary demand for cash and liquidity increased

	Federal Reserve 4Q20 Commercial Banks (n=18)	Cerebro 4Q20 Non-Banks (n=43)	Federal Reserve 1Q21 Commercial Banks (n=24)	Cerebro 1Q21 Non-Banks (n=40)
Not Important	83.3%	18.60%	83.3%	27.5%
Somewhat Important	16.7%	55.81%	12.5%	40%
Very Important	0%	25.58%	4.2%	32.5%

Corresponding Federal Reserve Question

If demand for C&I loans has strengthened or weakened over the past three months (as described in question 4), how important have been the following possible reasons for the change?

A. If stronger loan demand (answer 1 or 2 to question 4A or 4B), possible reasons

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2b. If demand for C&I loans has weakened over the past three months, how important have the following possible reasons been for the change?

Customer inventory financing needs decreased

	Federal Reserve 4Q20 Commercial Banks (n=15)	Cerebro 4Q20 Non-Banks (n=5)	Federal Reserve 1Q21 Commercial Banks (n=22)	Cerebro 1Q21 Non-Banks (n=7)
Not Important	33.3%	60%	54.5%	57.14%
Somewhat Important	51.9%	20%	40.9%	28.57%
Very Important	14.8%	20%	4.5%	14.29%

Customer accounts receivable financing needs decreased

	Federal Reserve 4Q20 Commercial Banks (n=27)	Cerebro 4Q20 Non-Banks (n=5)	Federal Reserve 1Q21 Commercial Banks (n=22)	Cerebro 1Q21 Non-Banks (n=7)
Not Important	37%	40%	45.5%	28.57%
Somewhat Important	51.9%	20%	50%	42.86%
Very Important	11.1%	40%	4.5%	28.57%

Customer investment in plant or equipment decreased

	Federal Reserve 4Q20 Commercial Banks (n=28)	Cerebro 4Q20 Non-Banks (n=5)	Federal Reserve 1Q21 Commercial Banks (n=21)	Cerebro 1Q21 Non-Banks (n=7)
Not Important	21.4%	80%	14.3%	42.86%
Somewhat Important	53.6%	20%	71.4%	42.86%
Very Important	25%	0%	14.3%	14.29%

Customer internally generated funds increased

	Federal Reserve 4Q20 Commercial Banks (n=28)	Cerebro 4Q20 Non-Banks (n=5)	Federal Reserve 1Q21 Commercial Banks (n=23)	Cerebro 1Q21 Non-Banks (n=7)
Not Important	46.4%	20%	26.1%	0%
Somewhat Important	53.6%	60%	47.8%	42.86%
Very Important	0%	20%	26.1%	57.14%

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Customer merger or acquisition financing needs decreased

	Federal Reserve 4Q20 Commercial Banks (n=27)	Cerebro 4Q20 Non-Banks (n=5)	Federal Reserve 1Q21 Commercial Banks (n=21)	Cerebro 1Q21 Non-Banks (n=7)
Not Important	59.3%	20%	61.0%	42.86%
Somewhat Important	37%	60%	33.3%	42.86%
Very Important	3.7%	20%	4.8%	14.29%

Customer borrowing shifted from your lending institution to other lender sources because these other sources became more attractive

	Federal Reserve 4Q20 Commercial Banks (n=27)	Cerebro 4Q20 Non-Banks (n=5)	Federal Reserve 1Q21 Commercial Banks (n=22)	Cerebro 1Q21 Non-Banks (n=7)
Not Important	80%	20%	50%	14.29%
Somewhat Important	20%	80%	40.9%	42.86%
Very Important	0%	0%	9.1%	42.86%

Customer precautionary demand for cash and liquidity decreased

	Federal Reserve 4Q20 Commercial Banks (n=28)	Cerebro 4Q20 Non-Banks (n=5)	Federal Reserve 1Q21 Commercial Banks (n=21)	Cerebro 1Q21 Non-Banks (n=7)
Not Important	42.9%	0%	23.8%	14.29%
Somewhat Important	39.3%	60%	52.4%	85.71%
Very Important	17.9%	40%	23.8%	0%

Corresponding Federal Reserve Question

If demand for C&I loans has strengthened or weakened over the past three months (as described in question 4), how important have been the following possible reasons for the change?

B. If weaker loan demand (answer 4 or 5 to question 4A or 4B), possible reasons

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3. Looking back over the past three months, for applications for C&I loans that your lending institution is currently willing to approve, how have the terms of those loans changed?

Maximum size of loans

	Federal Reserve 4Q20 Commercial Banks (n=73)	Cerebro 4Q20 Non-Banks (n=60)	Federal Reserve 1Q21 Commercial Banks (n=72)	Cerebro 1Q21 Non-Banks (n=64)
Tightened considerably	0%	1.67%	0%	0%
Tightened somewhat	11%	11.67%	2.8%	4.69%
Remained basically unchanged	78.1%	63.33%	75%	62.5%
Eased somewhat	11%	20%	22.2%	26.56%
Eased considerably	0%	3.33%	0%	6.25%

Maximum maturity of loans

	Federal Reserve 4Q20 Commercial Banks (n=73)	Cerebro 4Q20 Non-Banks (n=60)	Federal Reserve 1Q21 Commercial Banks (n=72)	Cerebro 1Q21 Non-Banks (n=64)
Tightened considerably	0%	3.33%	0%	0%
Tightened somewhat	9.6%	3.33%	4.2%	3.13%
Remained basically unchanged	83.6%	76.67%	88.7%	89.06%
Eased somewhat	6.8%	11.67%	7%	7.81%
Eased considerably	0%	5%	0%	0%

Costs of loans

	Federal Reserve 4Q20 Commercial Banks (n=9)	Cerebro 4Q20 Non-Banks (n=11)	Federal Reserve 1Q21 Commercial Banks (n=72)	Cerebro 1Q21 Non-Banks (n=64)
Tightened considerably	0%	1.67%	0%	0%
Tightened somewhat	12.5%	18.33%	2.8%	7.81%
Remained basically unchanged	80.6%	51.67%	70.8%	57.81%
Eased somewhat	6.9%	25%	26.4%	32.81%
Eased considerably	0%	3.33%	0%	1.56%

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Spreads of loan rates over your lending institution's cost of funds (wider spreads=tightened, narrower spreads=eased)

	Federal Reserve 4Q20 Commercial Banks (n=72)	Cerebro 4Q20 Non-Banks (n=60)	Federal Reserve 1Q21 Commercial Banks (n=72)	Cerebro 1Q21 Non-Banks (n=64)
Tightened considerably	0%	3.33%	0%	0%
Tightened somewhat	19.4%	23.33%	4.2%	7.81%
Remained basically unchanged	59.7%	50%	61.1%	60.94%
Eased somewhat	20.8%	21.67%	33.3%	25%
Eased considerably	0%	1.67%	1.4%	6.25%

Premiums charged on riskier loans

	Federal Reserve 4Q20 Commercial Banks (n=73)	Cerebro 4Q20 Non-Banks (n=60)	Federal Reserve 1Q21 Commercial Banks (n=71)	Cerebro 1Q21 Non-Banks (n=64)
Tightened considerably	1.4%	5%	0%	4.69%
Tightened somewhat	21.9%	33.33%	7%	23.44%
Remained basically unchanged	71.2%	46.67%	84.5%	62.5%
Eased somewhat	5.5%	15%	8.5%	9.38%
Eased considerably	0%	0%	0%	0%

Loan covenants

	Federal Reserve 4Q20 Commercial Banks (n=73)	Cerebro 4Q20 Non-Banks (n=60)	Federal Reserve 1Q21 Commercial Banks (n=71)	Cerebro 1Q21 Non-Banks (n=64)
Tightened considerably	0%	1.67%	1.4%	0%
Tightened somewhat	13.7%	20%	1.4%	12.5%
Remained basically unchanged	78.1%	63.33%	78.9%	70.31%
Eased somewhat	6.8%	15%	18.3%	12.5%
Eased considerably	1.4%	0%	0%	4.69%

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Collateralization requirements

	Federal Reserve 4Q20 Commercial Banks (n=73)	Cerebro 4Q20 Non-Banks (n=60)	Federal Reserve 1Q21 Commercial Banks (n=71)	Cerebro 1Q21 Non-Banks (n=64)
Tightened considerably	0%	3.33%	0%	1.56%
Tightened somewhat	8.2%	18.33%	1.4%	10.94%
Remained basically unchanged	89%	70%	94.4%	79.69%
Eased somewhat	2.7%	6.67%	4.2%	6.25%
Eased considerably	0%	1.67%	0%	1.56%

Use of interest rate floors (more use=tightened, less use=eased)

	Federal Reserve 4Q20 Commercial Banks (n=71)	Cerebro 4Q20 Non-Banks (n=60)	Federal Reserve 1Q21 Commercial Banks (n=71)	Cerebro 1Q21 Non-Banks (n=64)
Tightened considerably	2.8%	3.33%	0%	1.56%
Tightened somewhat	22.5%	20%	14.1%	9.38%
Remained basically unchanged	69%	68.33%	62%	79.69%
Eased somewhat	5.6%	5%	21.1%	7.81%
Eased considerably	0%	3.33%	2.8%	1.56%

Corresponding Federal Reserve Question

For applications for C&I loans or credit lines—other than those to be used to finance mergers and acquisitions—from large and middle-market firms and from small firms that your bank currently is willing to approve, how have the terms of those loans changed over the past three months?

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4. How do you anticipate lending standards for C&I loans at your lending institution to change over the next 6 (12) months, compared to its current standards, apart from normal seasonal variation?

	Federal Reserve 4Q20 (12 months) Commercial Banks (n=73)	Cerebro 4Q20 (12 Months) Non-Banks (n=60)	NO SIMILAR QUESTION ASKED IN FED 1Q21 SURVEY	Cerebro 1Q21 (6 Months) Non-Banks (n=64)
Tightened considerably	0%	0%		0%
Tightened somewhat	11%	3.33%		7.81%
Remained basically unchanged	79.5%	51.67%		53.13%
Eased somewhat	9.6%	40%		37.5%
Eased considerably	0%	5%		1.56%

Corresponding Federal Reserve Question

No similar question asked in 1Q21.

4Q20 27. Assuming that economic activity progresses in line with consensus forecasts, how does your bank expect its **lending standards** for the following **C&I loan** categories to change over 2021 compared with its current standards, apart from normal seasonal variation? (Please refer to the definitions of large and middle-market firms suggested in question 1. If your bank defines firm size differently from the categories suggested in question 1, please use your definitions.)

A. Compared with my bank's current lending standards, over 2021, my bank expects its **lending standards** for approving applications for **C&I loans or credit lines to large and middle-market firms** to:

4a. If you expect your lending institution to tighten its credit standards for C&I loans, how important are the following possible reasons for the expected change in standards?

Expected deterioration in your lending institution's capital or liquidity position

	Federal Reserve 4Q20 Commercial Banks (n=17)	Cerebro 4Q20 Non-Banks (n=2)	NO SIMILAR QUESTION ASKED IN FED 1Q21 SURVEY	Cerebro 1Q21 Non-Banks (n=5)
Not Important	76.47%	100%		60%
Somewhat Important	23.53%	0%		0%
Very Important	0%	0%		40%

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Expected deterioration in collateral values

	Federal Reserve 4Q20 Commercial Banks (n=17)	Cerebro 4Q20 Non-Banks (n=2)	NO SIMILAR QUESTION ASKED IN FED 1Q21 SURVEY	Cerebro 1Q21 Non-Banks (n=5)
Not Important	29.41%	50%		0%
Somewhat Important	58.82%	50%		100%
Very Important	11.76%	0%		0%

Expected reduction in competition from other lenders

	Federal Reserve 4Q20 Commercial Banks (n=16)	Cerebro 4Q20 Non-Banks (n=2)	NO SIMILAR QUESTION ASKED IN FED 1Q21 SURVEY	Cerebro 1Q21 Non-Banks (n=5)
Not Important	50%	50%		60%
Somewhat Important	50%	0%		20%
Very Important	0%	50%		20%

Expected reduction in risk tolerance

	Federal Reserve 4Q20 Commercial Banks (n=17)	Cerebro 4Q20 Non-Banks (n=2)	NO SIMILAR QUESTION ASKED IN FED 1Q21 SURVEY	Cerebro 1Q21 Non-Banks (n=5)
Not Important	29.41%	0%		20%
Somewhat Important	58.82%	50%		40%
Very Important	11.76%	50%		40%

Expected reduction in ease of selling loans in secondary market

	Federal Reserve 4Q20 Commercial Banks (n=17)	Cerebro 4Q20 Non-Banks (n=2)	NO SIMILAR QUESTION ASKED IN FED 1Q21 SURVEY	Cerebro 1Q21 Non-Banks (n=5)
Not Important	70.59%	50%		80%
Somewhat Important	29.41%	50%		20%
Very Important	0%	0%		0%

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Expected deterioration in credit quality of loan portfolio

	Federal Reserve 4Q20 Commercial Banks (n=17)	Cerebro 4Q20 Non-Banks (n=2)	NO SIMILAR QUESTION ASKED IN FED 1Q21 SURVEY	Cerebro 1Q21 Non-Banks (n=5)
Not Important	23.53%	0%		0%
Somewhat Important	52.94%	50%		80%
Very Important	23.53%	50%		20%

Increased concerns about the effects of legislative changes, supervisory actions, or changes in accounting standards

	Federal Reserve 4Q20 Commercial Banks (n=17)	Cerebro 4Q20 Non-Banks (n=2)	NO SIMILAR QUESTION ASKED IN FED 1Q21 SURVEY	Cerebro 1Q21 Non-Banks (n=5)
Not Important	35.29%	0%		20%
Somewhat Important	52.94%	50%		40%
Very Important	11.76%	50%		40%

Corresponding Federal Reserve Question

No similar question asked in 1Q21.

4Q20 31. If your bank expects to tighten or ease its credit standards for any of the loan categories reported in questions 27-30, how important are the following possible reasons for the expected change in standards?

A. Possible reasons for expecting to tighten credit standards:

4b. If you expect your lending institution to ease its credit standards for C&I loans, how important are the following possible reasons for the expected change in standards?

Expected improvement in your lending institution's capital or liquidity position

	Federal Reserve 4Q20 Commercial Banks (n=22)	Cerebro 4Q20 Non-Banks (n=27)	NO SIMILAR QUESTION ASKED IN FED 1Q21 SURVEY	Cerebro 1Q21 Non-Banks (n=25)
Not Important	68.2%	37.04%		56%
Somewhat Important	27.3%	33.33%		32%
Very Important	4.5%	29.63%		12%

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Expected increase in collateral values

	Federal Reserve 4Q20 Commercial Banks (n=21)	Cerebro 4Q20 Non-Banks (n=27)	NO SIMILAR QUESTION ASKED IN FED 1Q21 SURVEY	Cerebro 1Q21 Non-Banks (n=25)
Not Important	52.4%	40.74%		32%
Somewhat Important	33.3%	40.74%		56%
Very Important	14.3%	18.52%		12%

Expected increase in competition from other lenders

	Federal Reserve 4Q20 Commercial Banks (n=22)	Cerebro 4Q20 Non-Banks (n=27)	NO SIMILAR QUESTION ASKED IN FED 1Q21 SURVEY	Cerebro 1Q21 Non-Banks (n=25)
Not Important	59.1%	22.22%		16%
Somewhat Important	36.4%	25.93%		24%
Very Important	4.5%	51.85%		60%

Expected increase in risk tolerance

	Federal Reserve 4Q20 Commercial Banks (n=21)	Cerebro 4Q20 Non-Banks (n=27)	NO SIMILAR QUESTION ASKED IN FED 1Q21 SURVEY	Cerebro 1Q21 Non-Banks (n=25)
Not Important	42.9%	7.41%		12%
Somewhat Important	42.9%	70.37%		72%
Very Important	14.3%	22.22%		16%

Expected increase in ease of selling loans in secondary market

	Federal Reserve 4Q20 Commercial Banks (n=21)	Cerebro 4Q20 Non-Banks (n=27)	NO SIMILAR QUESTION ASKED IN FED 1Q21 SURVEY	Cerebro 1Q21 Non-Banks (n=25)
Not Important	81%	70.37%		68%
Somewhat Important	19%	29.63%		32%
Very Important	0%	0%		0%

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Expected improvement in credit quality of loan portfolio

	Federal Reserve 4Q20 Commercial Banks (n=22)	Cerebro 4Q20 Non-Banks (n=27)	NO SIMILAR QUESTION ASKED IN FED 1Q21 SURVEY	Cerebro 1Q21 Non-Banks (n=25)
Not Important	27.3%	29.63%		20%
Somewhat Important	50%	59.26%		52%
Very Important	22.7%	11.11%		28%

Reduced concerns about the effects of legislative changes, supervisory actions, or changes in accounting standards

	Federal Reserve 4Q20 Commercial Banks (n=22)	Cerebro 4Q20 Non-Banks (n=27)	NO SIMILAR QUESTION ASKED IN FED 1Q21 SURVEY	Cerebro 1Q21 Non-Banks (n=25)
Not Important	72.7%	59.26%		52%
Somewhat Important	27.3%	33.33%		40%
Very Important	0%	7.41%		8%

Corresponding Federal Reserve Question

No similar question asked in 1Q21.

4Q20 31. If your bank expects to tighten or ease its credit standards for any of the loan categories reported in questions 27-30, how important are the following possible reasons for the expected change in standards?

A. Possible reasons for expecting to credit standards:

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5. Looking ahead over the next six (12) months, how are changes in the macroeconomy likely to impact your lending business? Please check all that you feel apply:

	Cerebro 4Q20 (12 months) Non-Banks (n=60)	Cerebro 1Q21 (6 months) Non-Banks (n=64)
The macroeconomic environment has minimal effect on our lending decisions.	21.67%	29.6299%
We anticipate relaxing our credit standards as the macroeconomy strengthens.	28.33%	25.00%
We anticipate tightening our credit standards as the macroeconomy weakens.	13.33%	15.63%
We are anticipating a weakening economy that will disadvantage our competitors and this, in turn, will provide us with expanding opportunities to extend credit.	35.00%	32.81%
We anticipate a strengthening economy that will likely lead to an expanding supply of credit and less attractive opportunities for our institution to extend credit.	36.67%	28.13%

Corresponding Federal Reserve Question

No similar question asked in 1Q21.

6. Over the next 6 (12) months, how do you expect demand for C&I loans from your lending institution to change compared to its current level, apart from normal seasonal variation?

	Federal Reserve 4Q20 Commercial Banks (n=67)	Cerebro 4Q20 (12 months) Non-Banks (n=60)	NO SIMILAR QUESTION ASKED IN FED 1Q21 SURVEY	Cerebro 1Q21 (6 months) Non-Banks (n=64)
Strengthen substantially	0%	8.33%		14.06%
Strengthen somewhat	46.3%	65%		70.31%
Remain basically unchanged	50.7%	20%		10.94%
Weaken somewhat	3%	6.67%		3.13%
Weaken substantially	0%	0%		1.56%

Corresponding Federal Reserve Question

No similar question asked in 1Q21.

4Q20 Q32. Assuming that economic activity progresses in line with consensus forecasts, how does your bank expect **demand** for the following categories of **C&I loans** from your bank to change over 2021 compared with its current level, apart from normal seasonal variation?

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A. Compared with its current level, over 2021, my bank expects **demand** for **C&I loans or credit lines to large and middle-market firms** from my bank to:

7. Over the next 6 (12) months, what is your outlook for delinquencies and charge-offs on your lending institution's C&I loans?

	Federal Reserve 4Q20 Commercial Banks (n=70)	Cerebro 4Q20 (12 months) Non-Banks (n=60)	NO SIMILAR QUESTION ASKED IN FED 1Q21 SURVEY	Cerebro 1Q21 (6 months) Non-Banks (n=64)
Improve substantially	0%	10%		3.13%
Improve somewhat	31.4%	16.67%		21.88%
Remain around current levels	51.4%	58.33%		67.19%
Deteriorate somewhat	17.1%	15%		7.81%
Deteriorate substantially	0%	0%		0%

Corresponding Federal Reserve Question

No similar question asked in 1Q21.

4Q20 36. Assuming that economic activity progresses in line with consensus forecasts, what is your outlook for delinquencies and charge-offs on your bank's **C&I loans** in the following categories in 2021? C. The quality of my bank's **nonsyndicated C&I loans to large and middle-market firms** over 2021, as measured by my bank's outlook for delinquencies and charge-offs on these loans, is likely to: