

McKinsey Regional Commercial Lending Benchmark

Discussion Document

September 2026

A peer-anchored, loan-level benchmark of how your commercial book prices and performs

Our differentiation:

- Loan-level granularity. Every loan in your book is scored individually against the average peer rate inside its own cohort, not against a bank-wide average *(product, deal-size, geo, risk-rating, new-or-renewed)*
- Peer-anchored, not market-survey. A panel of peer lenders submits the same canonical data; aggregation is k-anonymized, so results either publish or suppress with an explicit reason¹
- Dynamic dashboards help to identify gaps in your portfolio which can highlight areas for further pricing review

1. k-anonymized minimum 25 loans, 5 banks per KPI

1

Submit data

client.csv
loan.csv
rate.csv

2

McKinsey validates, standardizes, peer-aggregates data

3

Five dashboard output: performance, pricing, geo-detail, performance and credit detail

Five dashboards assessing performance, and drilling into location and product detail

■ Details to follow

SEGMENT PERFORMANCE

DASHBOARD 1

Where is there a gap between the bank and peers?

Annual gap vs. peer in every cohort

- Annual \$ gap size
- Per-product breakdown
- Avg gap to peers
- Renewals next 12 months

PRICING DRILL

DASHBOARD 2

Is the gap structural or distributional?

Decomposes the gap into its rate-shape drivers

- All-in rate by product vs. peer band
- Loan-level rate-gap histogram
- Wtd-avg rate by deal-size bucket
- Floating spread by index family

GEO & PRODUCT DRILL

DASHBOARD 3

Where do we focus the conversation?

Same gap, sliced four ways for targeting

- By state
- By product
- By risk rating
- Top-5 loans with the largest pricing variance vs. peers

TRENDED PERFORMANCE

DASHBOARD 4

How have we performed across time?

Trends on the headline KPIs

- Outstandings – Wtd-avg rate
- Charge-off rate – NPL ratio
- NIM (rate-style) trend
- Funding cost / RAROC / Cost-to-income

CREDIT CONTEXT

DASHBOARD 5

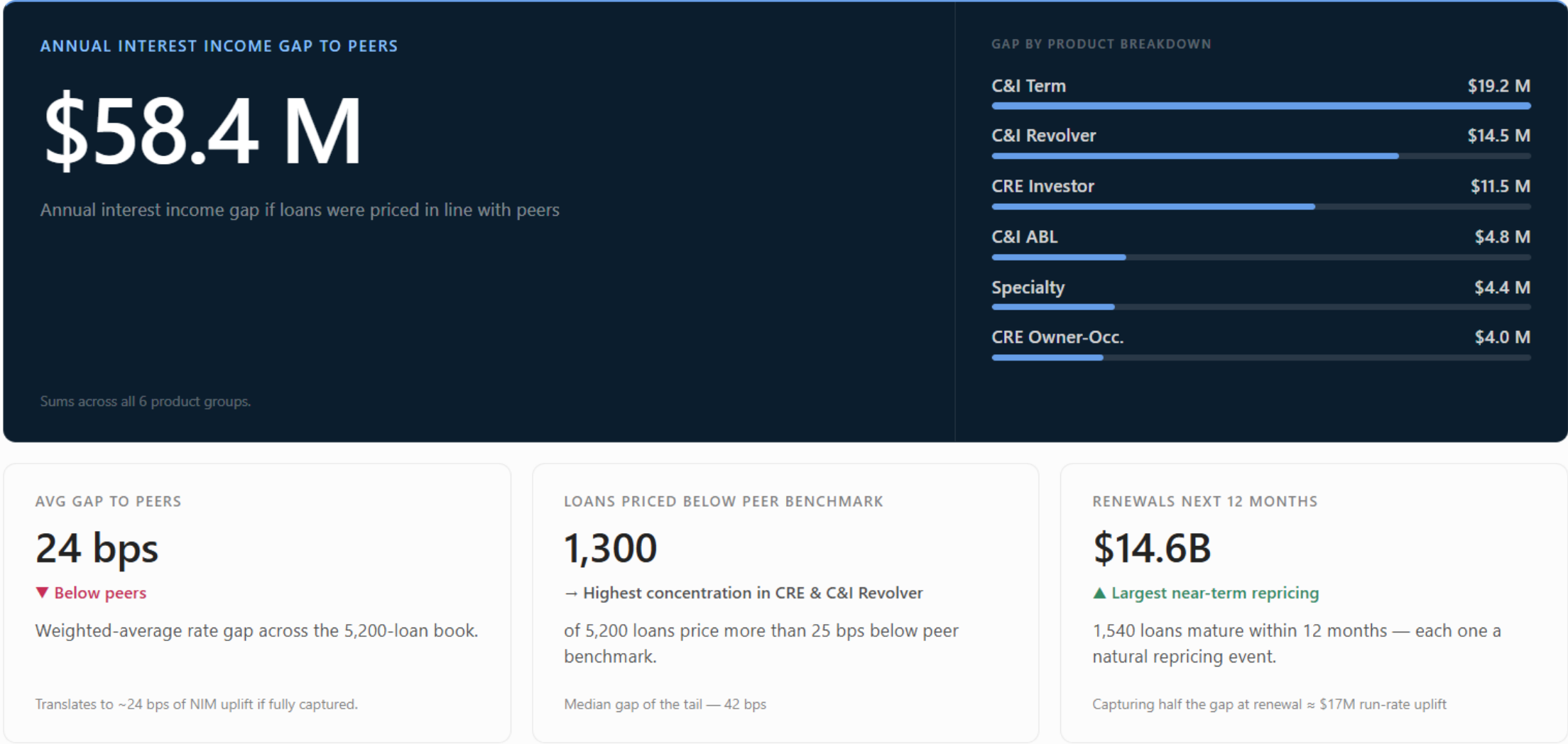
What credit posture sits behind the call?

Credit posture behind the pricing call

- IG vs. NIG mix
- Past-due aging mix
- Risk rating distribution
- Originations new vs. renewed

The annual interest income gap if loans were priced on par with peers within their respective cohort

Illustrative



Only 36 required fields for the initial benchmark, scale to deeper insights over time

Required Minimum Viable Product		
Data Required	Files 6	Columns 36
You see:		DASHBOARDS 5 of 5
- Segment performance - Pricing drill - Geography & Product drill - Trended Performance - Credit Context		

Recommended Full Benchmark		
Data Required	Files 6	Columns 62
Adds:		DASHBOARDS 5 of 5
- Floating spread by index family - NIM trend - RAROC - Pricing variance analysis refined by RM / channel / NAICS - Prioritized client list based on next reset date and loan position		

Additional data layers available over time to unlock richer pricing, pipeline, performance, and credit insights.

Next steps

1

Select your starting tier and governance team

Choose the data tier that can be supported today and identify executive sponsors from finance, data, and lending

2

Align and submit data extracts

Map loan, pricing, and client data to the benchmark data schema and prepare files for submission

3

Validate, submit, and receive results

McKinsey runs data quality checks and partners with your team to resolve any issues before final submission. Receive peer benchmarking results in the next reporting cycle

Appendix

MODULE 1

Where the largest gaps to peers sit

Bank ABC's annual interest-income gap to peers, decomposed by product.

[View rate & spread detail →](#)

ANNUAL INTEREST INCOME GAP TO PEERS

\$58.4 M

Annual interest income gap if loans were priced in line with peers.

Sums across all 6 product groups.

GAP BY PRODUCT BREAKDOWN

C&I Term	\$19.2 M
C&I Revolver	\$14.5 M
CRE Investor	\$11.5 M
C&I ABL	\$4.8 M
Specialty	\$4.4 M
CRE Owner-Occ.	\$4.0 M

AVG GAP TO PEERS

24 bps

▼ Below peers

Weighted-average rate gap across the 5,200-loan book.
Translates to ~24 bps of NIM uplift if fully captured.

LOANS PRICED BELOW PEER BENCHMARK

1,300

→ Highest concentration in CRE & C&I Revolver
of 5,200 loans price more than 25 bps below peer benchmark.
Median gap of the tail — 42 bps

RENEWALS NEXT 12 MONTHS

\$14.6B

▲ Largest near-term repricing
1,540 loans mature within 12 months — each one a natural repricing event.
Capturing half the gap at renewal ≈ \$17M run-rate uplift



MODULE 2A · DRILL

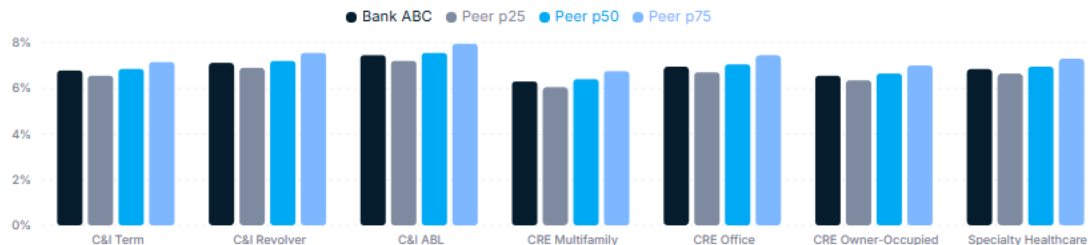
Rate & spread drill

Is the gap to peers structural (every cut sits below the peer band) or concentrated in particular products, risk bands and deal sizes?

All-in rate by product · Bank ABC vs. peer band

Where the wtd-avg rate sits inside the peer p25–p75 distribution

● Bank ABC ● p50 ○ p25 ○ p75



Bank ABC sits below peer p75 across every product — the gap to peers is widest in C&I Revolver and CRE Office.

All-in rate by risk band · Bank ABC vs. peer band

Where the wtd-avg rate sits inside the peer p25–p75 distribution

● Bank ABC ● p50 ○ p25 ○ p75

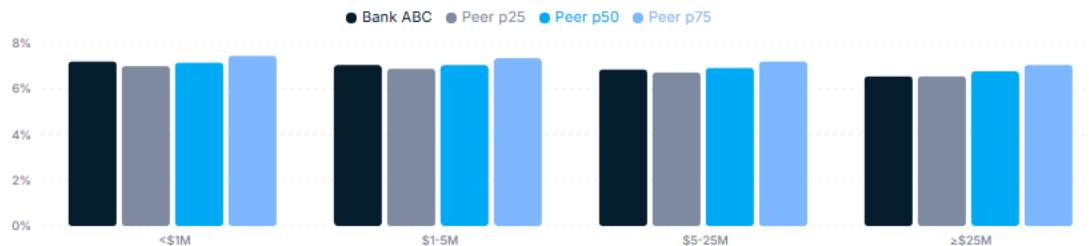


Bank ABC sits below peer p75 across the risk scale — the gap to peers is widest in the NIG bands, where peers charge more for risk.

Wtd-avg rate by deal-size bucket · Bank ABC vs. peer band

Bigger deals sit tighter — gap to the peer band widens with size

● Bank ABC ● p50 ○ p25 ○ p75

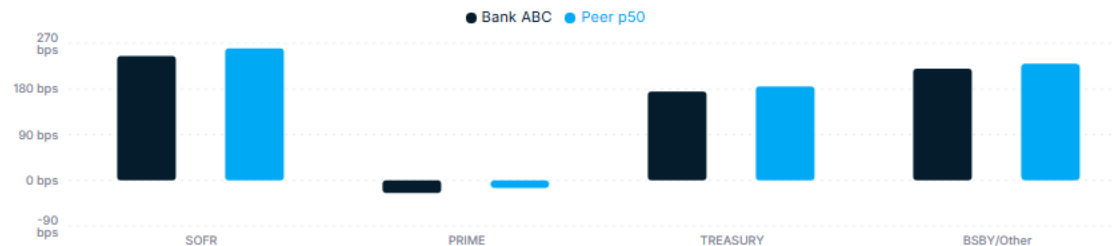


Largest-bucket gap to peer p75 ≈ 50 bps · ~47% of the dollar gap to peers sits in ≥\$25M deals.

Floating spread by index family

Bps over reference rate · book-weighted average

● Bank ABC ● Peer p50



SOFR remains the largest book — Bank ABC sits 15 bps inside peer median.



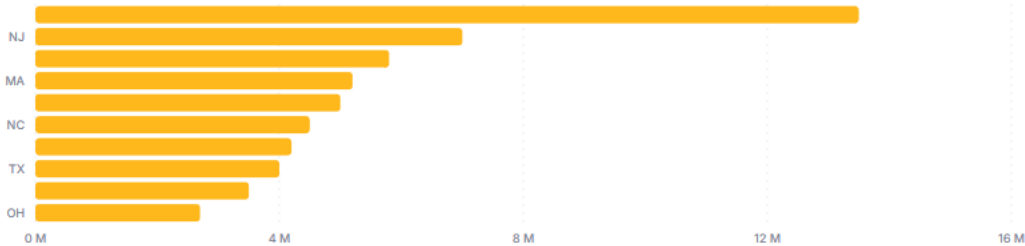
MODULE 2B • DRILL

Geo & product drill

Slice the \$58.4M gap to peers by where it concentrates across geographies and products.

Gap to peers by state - top 10 (\$M annual)

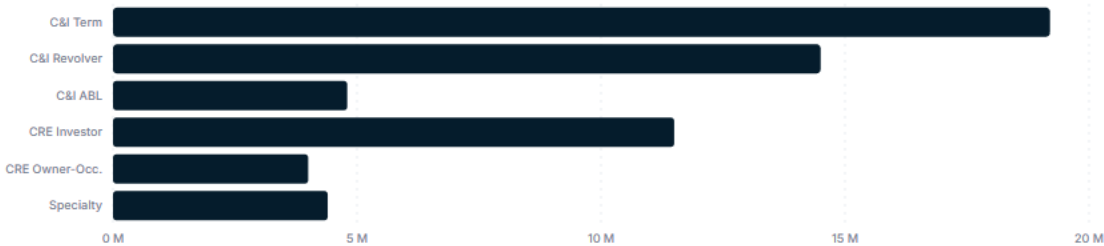
Where the largest dollar pools sit on the map



NY alone holds \$13.5 M of the gap (≈24% of the top 10) — the largest single-state concentration. Remaining states: \$3.0 M.

Gap to peers by product (\$M annual)

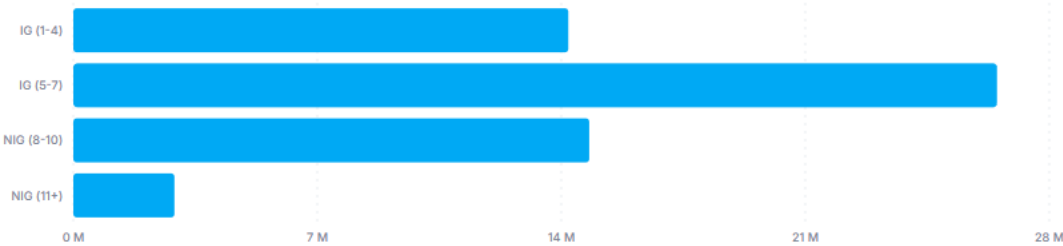
C&I Term + Revolver are the two biggest pools



C&I Term + C&I Revolver = \$33.7 M (58% of the total). CRE Investor adds another \$11.5 M concentrated in the Northeast portfolio.

Gap to peers by risk-rating bucket (\$M annual)

Investment-grade carries most of the gap to peers



IG (1-7) accounts for 70% of the dollar gap to peers — the largest, lowest-risk concentration.

Top-5 loans below peer benchmark (matched cohort)

Each line is one loan, ranked by its gap to peers

LOAN ID	PRODUCT	REGION	O/S	GAP TO PEERS
LN_002187 (masked)	C&I Revolver	Northeast	\$24.5M	-72 bps
LN_001902 (masked)	CRE Office	Northeast	\$32.0M	-68 bps
LN_004411 (masked)	C&I Term	Mid-Atlantic	\$18.3M	-61 bps
LN_003821 (masked)	C&I Revolver	Southeast	\$45.0M	-58 bps
LN_005012 (masked)	C&I Term	Northeast	\$22.7M	-54 bps

These five loans alone represent ~\$143 M of outstandings and the widest measured gaps to peers.



MODULE 3 · TRAILING

Six-quarter performance

How the headline metrics moved into the current reporting period.

Outstandings (indexed, Q4 '24 = 100)

▲ +8.6% YoY

Balance growth vs. the peer-median growth path

\$24.0 B Q1 '26 READING

● Bank ABC ● Peer p50



Q1 '26 ends at \$24.0 B — +8.6% YoY, roughly double the peer-median growth path (~+5% over the window).

Wtd-avg all-in rate (%)

▲ +30 bps YoY

Yield rose with the curve and now sits just above peer p50

6.85% Q1 '26 READING

● Bank ABC ● Peer p50



Bank ABC sits 7 bps above peer p50 (6.78%). The gap to peer p75 (Module 1) is ~24 bps on the book.

NIM (rate-style) — %

▼ -15 bps YoY

Compressing as funding cost rises faster than asset yield

2.65% Q1 '26 READING

● Bank ABC ● Peer p50



Peer p50 NIM is 2.72% (Bank ABC at p42). Funding cost moved faster than the asset book — the book's all-in rate sits ~24 bps below peer p75 (Module 1).

Charge-off rate (annual %)

▼ -4 bps YoY

Recovered from the Q2 '25 peak; sits well inside peer median

0.28% Q1 '26 READING

● Bank ABC ● Peer p50



Peak of 0.35% in Q2 '25 has been worked down to 0.28%. Peer median is 0.42% — Bank ABC's realized losses sit at peer p70+.

NPL ratio (%)

▲ +25.0% YoY

Soft uptrend — still below peer median

0.85% Q1 '26 READING

● Bank ABC ● Peer p50



0.85% NPL is still below peer p50 (1.05%) but trending against the panel — the Context page (Module 4) decomposes by IG/NIG and aging.

Funding & capital · Q1 '26

Rate- and capital-derived economics tracked alongside NIM

FUNDING COST

4.20%

p50 4.28%

Rank p38

CAPITAL INTENSITY

6.5%

\$1.57B capital

Rank by band

Funding cost is at peer p38 (Bank ABC funds tighter than median). Book-level capital intensity is ~6.5% and rises sharply down the risk scale — see the Context module.