

Banking Conditions

Stephanie Ziadeh

**Manager,
Surveillance and Risk Analysis**



**BANKING &
SUPERVISION FORUM 2022**
FEDERAL RESERVE BANK OF KANSAS CITY

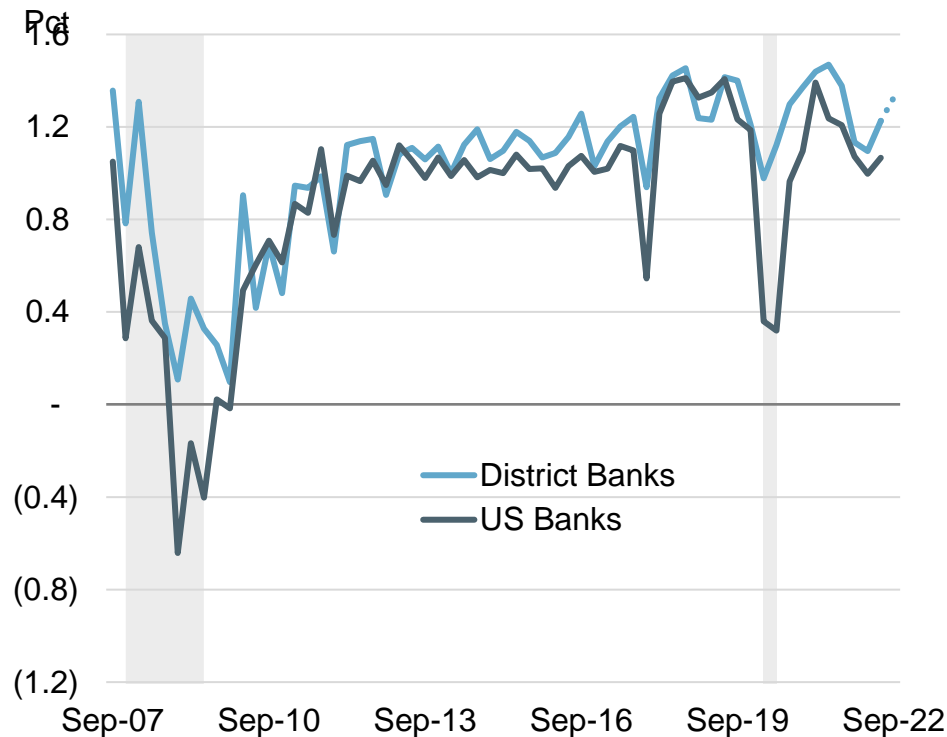
Technical Notes:

This presentation provides financial performance based on Consolidated Reports of Condition & Income (call reports) for all U.S. commercial banks through 2Q 2022. Preliminary 3Q 2022 is provided for District commercial banks and is subject to change.

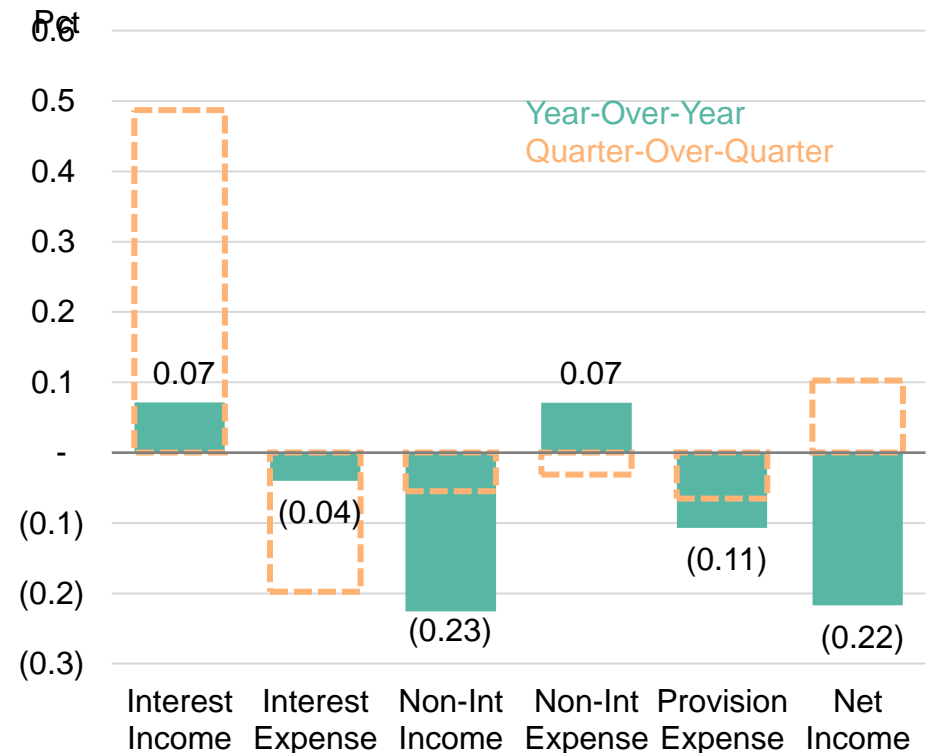


Revenue Seeing Some Relief

Return on Average Assets
Quarterly, Pct of Average Assets



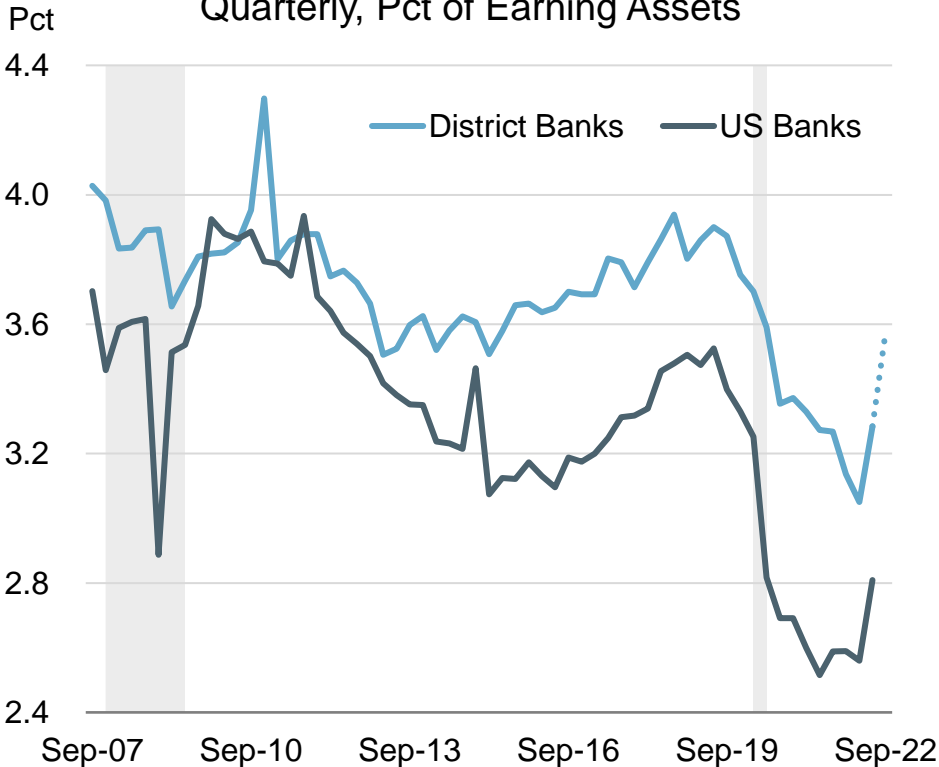
Change in ROAA*
District Banks, Pct of Avg Assets, 3Q 2022



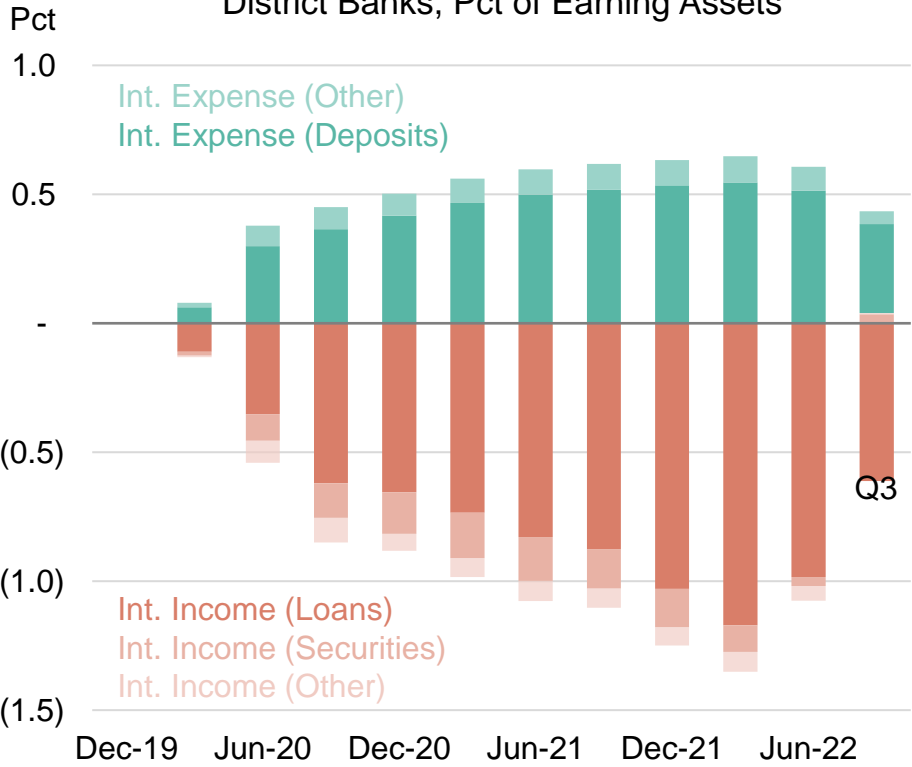
*Change in expense items shown as positive values to indicate savings (decrease) in expenses
Source: Reports of Condition and Income

Due To Net Interest Margin Improvement

Net Interest Margin Quarterly, Pct of Earning Assets



Changes in Contributions of NIM From YE 2019 District Banks, Pct of Earning Assets

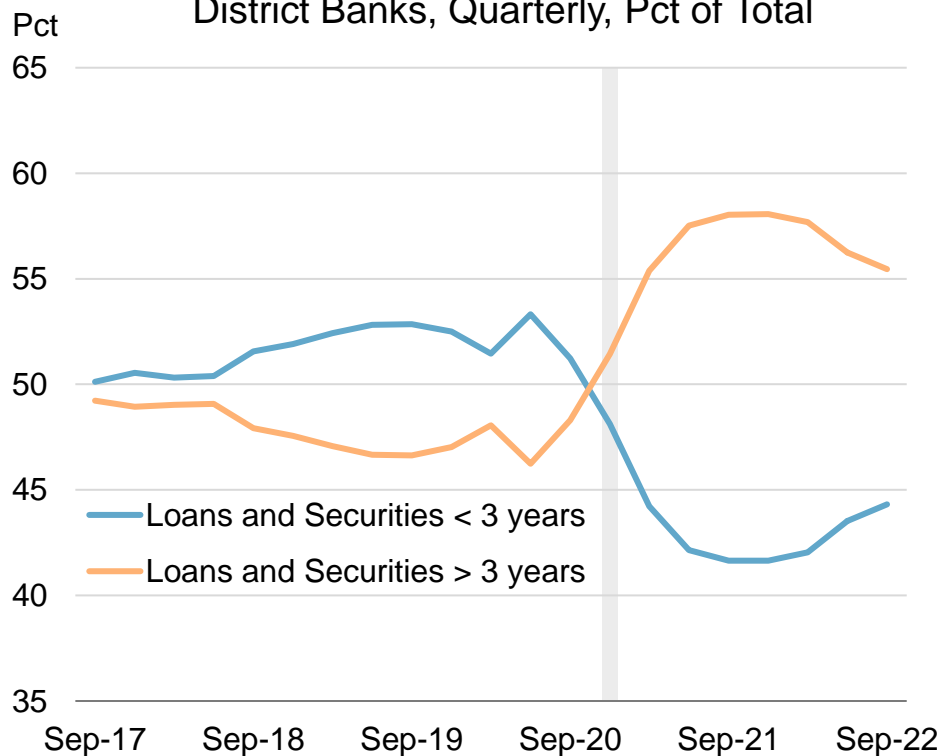


Source: Reports of Condition and Income

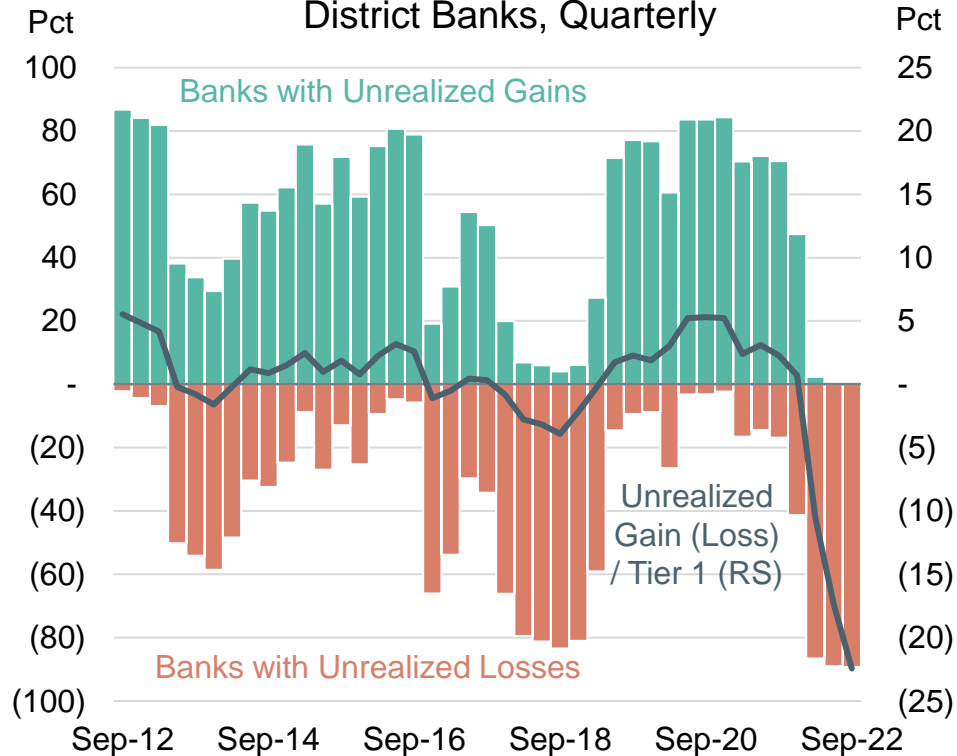


Banks Went Long, Then Rates Rose

Asset Maturities
District Banks, Quarterly, Pct of Total



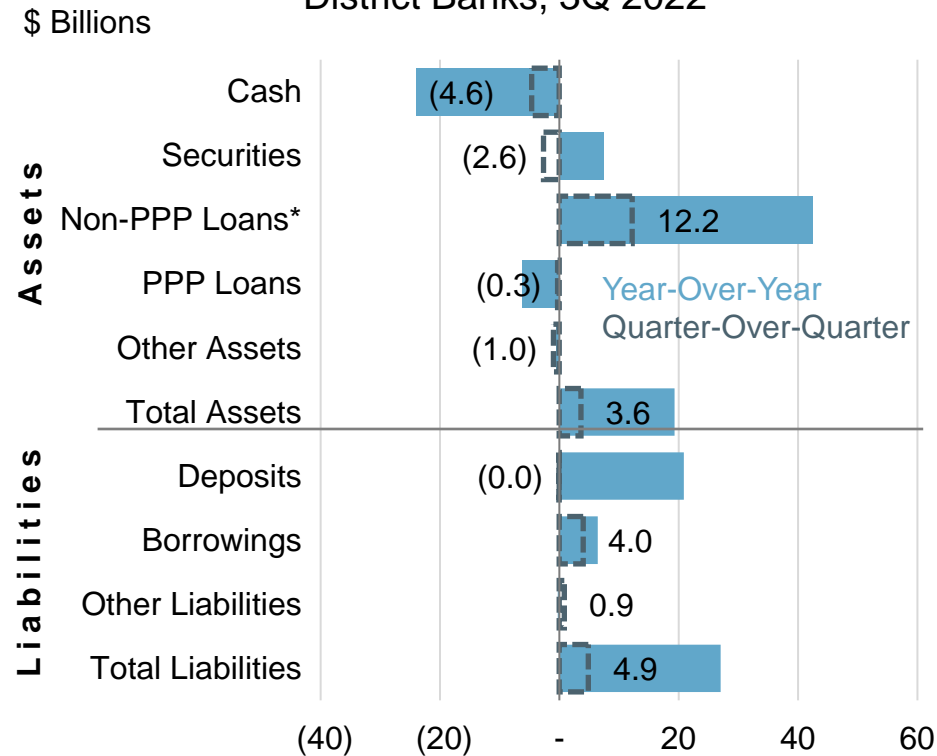
Unrealized Gains/Losses in AFS Securities
District Banks, Quarterly



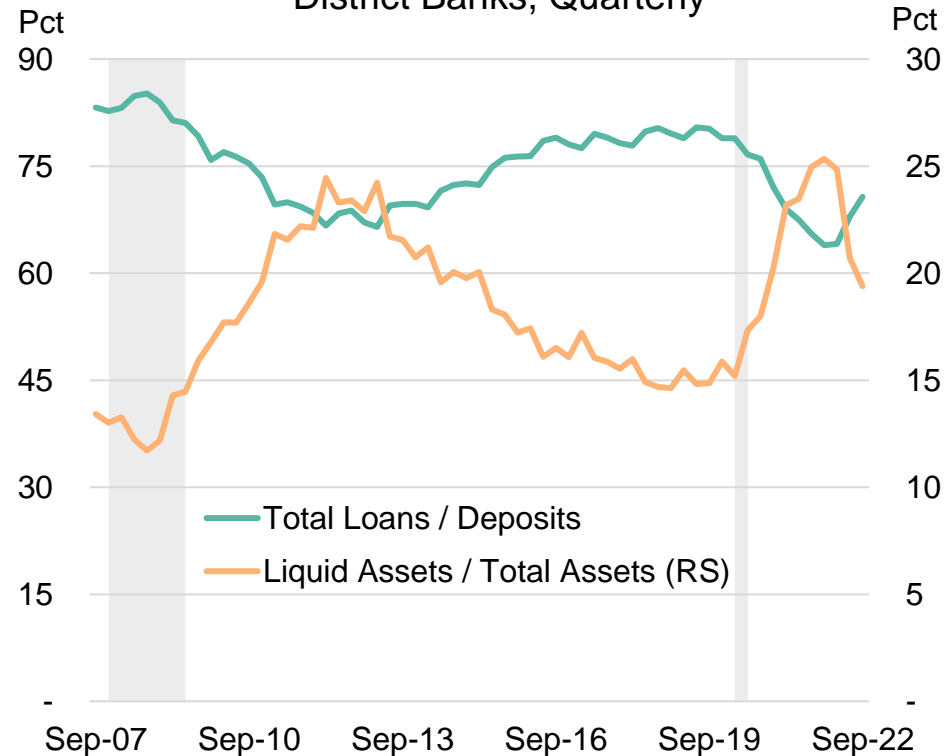
Source: Reports of Condition and Income

Balance Sheet Trends Are Shifting

Balance Sheet Shifts
District Banks, 3Q 2022



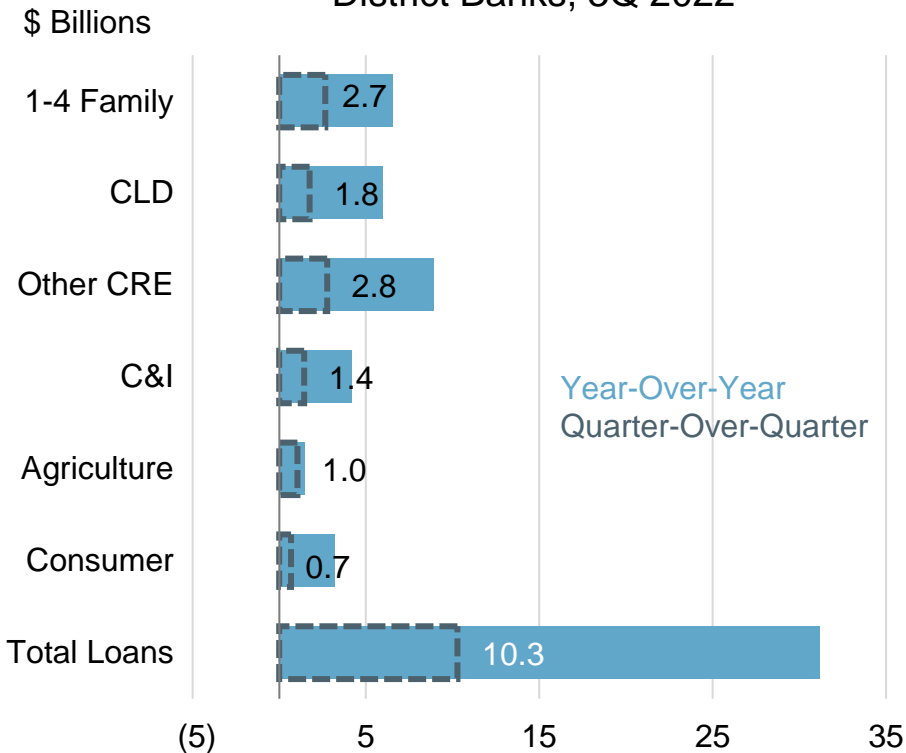
Balance Sheet Liquidity
District Banks, Quarterly



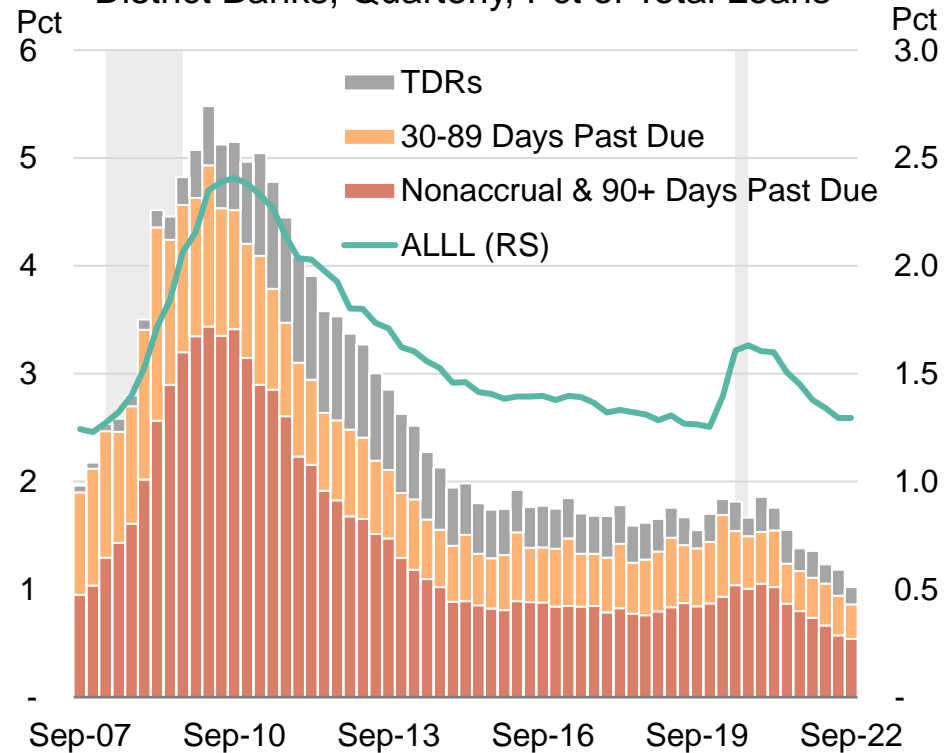
*PPP = Paycheck Protection Program loans
Source: Reports of Condition and Income

Asset Growth in CRE; Problem Loans Remain Low

Loan Growth
District Banks, 3Q 2022



Problem Assets and ALLL Levels
District Banks, Quarterly, Pct of Total Loans*

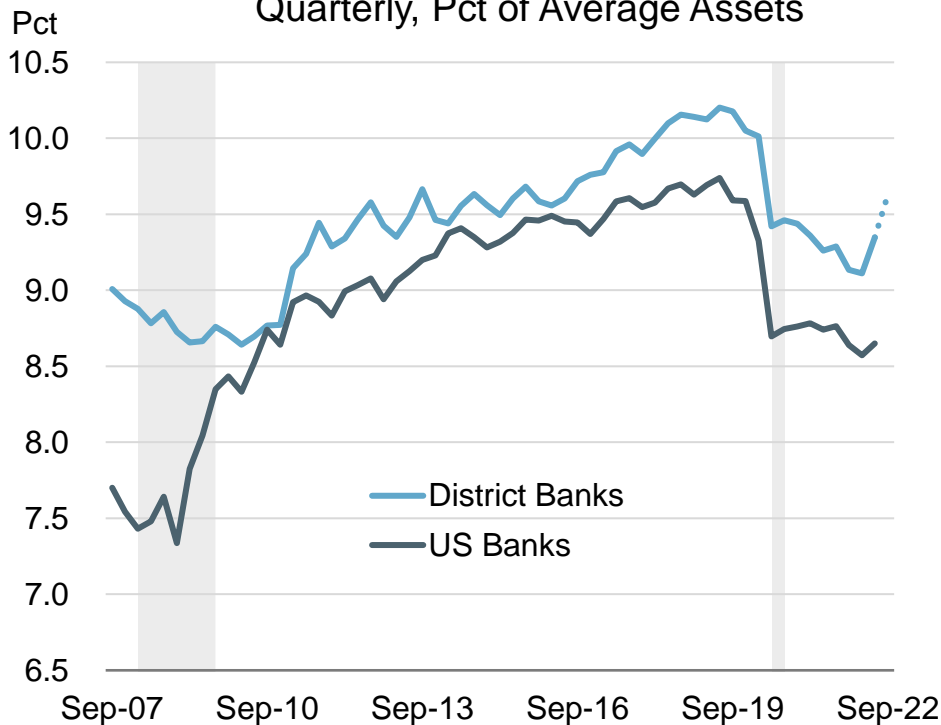


*Excludes PPP loans

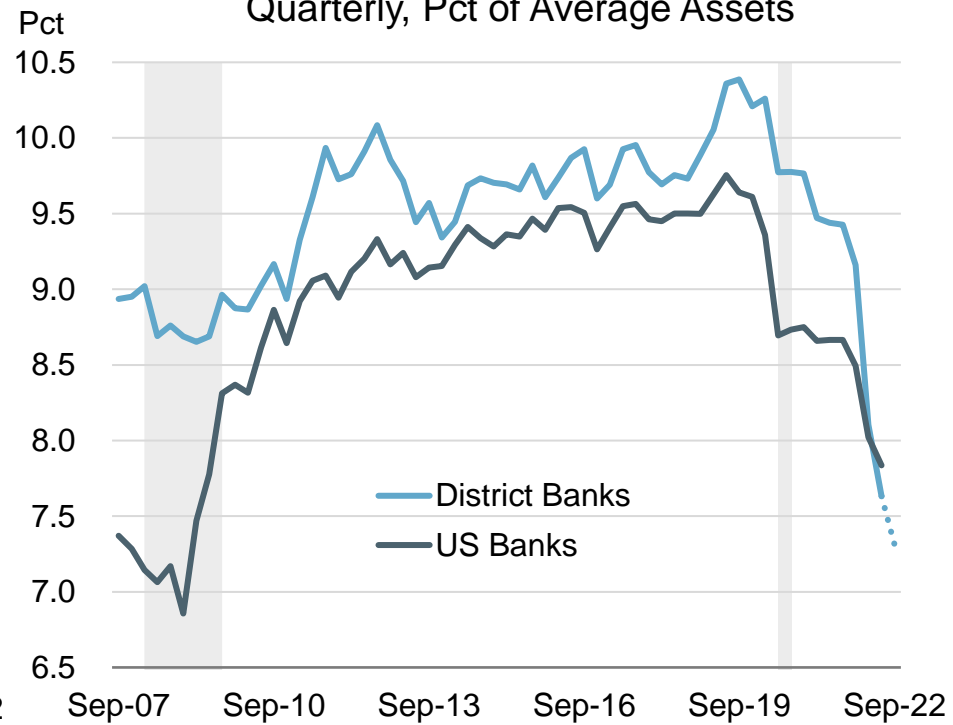
Source: Reports of Condition and Income

Regulatory Capital Ratios Are Recovering

Tier 1 Leverage Ratio
Quarterly, Pct of Average Assets



Tangible Common Equity Ratio*
Quarterly, Pct of Average Assets



*Tangible Common Equity Ratio = capital, calculated according to GAAP, less "intangible assets" except for mortgage servicing assets as a percent of tangible average assets

Source: Reports of Condition and Income