Technical Notes:

This presentation provides metrics based on Consolidated Reports of Condition & Income (Call Reports) for commercial banks through 2Q 2023. Community banks are defined as having less than $10 billion in assets.
Compressing Margins Following Rebound

Net Interest Margin (NIM) Quarterly, % of Earning Assets

NIM Drivers Tenth District Banks, % of Earning Assets

Change in Yield on Earning Assets
Change in Cost of Funds

Source: Reports of Condition and Income
Reliance on Borrowings as Deposit Growth Stalls

Borrowings
Tenth District Banks

- FFP & Repos
- FHLB Borrowings
- Other Borrowings

Change in Deposits
Year-Over-Year, 2Q 2023
Tenth District Banks

- Demand Deposits
- NOW & ATS
- MMDA
- Other Savings
- Time Deposits
- Brokered Deposits
- Total Deposits

$Billions

Source: Reports of Condition and Income
Note: Growth rates are adjusted for merger activity.
Loan Growth Slows, Though Still Impacting Liquid Asset Levels

Loan Growth (%)
Tenth District Banks, 2Q 2023

Change in Liquid Assets
Year-Over-Year
Tenth District Banks

- Consumer
- Agriculture
- C&I
- Other CRE
- CLD
- 1-4 Family
- Total

$Billions

Source: Reports of Condition and Income
Note: Growth rates are adjusted for merger activity.
Sound Credit Conditions at Present

Noncurrent Loans (% of Loans)
Tenth District Banks

- Consumer
- Agriculture
- C&I
- Other CRE
- CLD
- 1-4 Family
- Total

Average Change in ACL
Attributed to CECL at Adoption
Tenth District Banks

- Under $1B: 1.55%
- $1B-$10B: 5.00%
- Above $10B: 10.50%

Sources: Reports of Condition and Income
But Potential for Future Stress

Sources: Reports of Condition and Income, FRED, Federal Reserve Senior Loan Officer Opinion Survey
Risk Considerations in CRE Lending

Non-Owner Occupied CRE Concentrations
Tenth District Banks

Pct of Banks Highly Concentrated (Right Scale)
NOO CRE/Tier 1 Capital

CLD Concentrations
Tenth District Banks

Pct of Banks Highly Concentrated (Right Scale)
CLD/Tier 1 Capital

Sources: Reports of Condition and Income
Risk Considerations in Agricultural Lending

Ag Loan Growth
Year-Over-Year, Tenth District Banks

Source: Reports of Condition and Income
Note: Growth rates are adjusted for merger activity.
Capital Adequacy Considering Increased Risk

Leverage Ratio (% Avg Assets)
Tenth District Banks

Tenth District Banks

Tier 1 Leverage Ratio
Leverage Ratio with URGL*


Jun-20 Jun-21 Jun-22 Jun-23

Risk-Weighted Assets (% Assets)
Tenth District Banks, Non-CBLR filers

Source: Reports of Condition and Income

*Not a regulatory measure of capital. All District banks have elected to exclude accumulated other comprehensive income from the calculation of Tier 1 capital (AOCI opt-out) per capital rules.
Composite Ratings Trends
Tenth District State Member Banks

Pct of Banks

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Legend:
- 1: Category 1
- 2: Category 2
- 3: Category 3
- 4: Category 4
- 5: Category 5