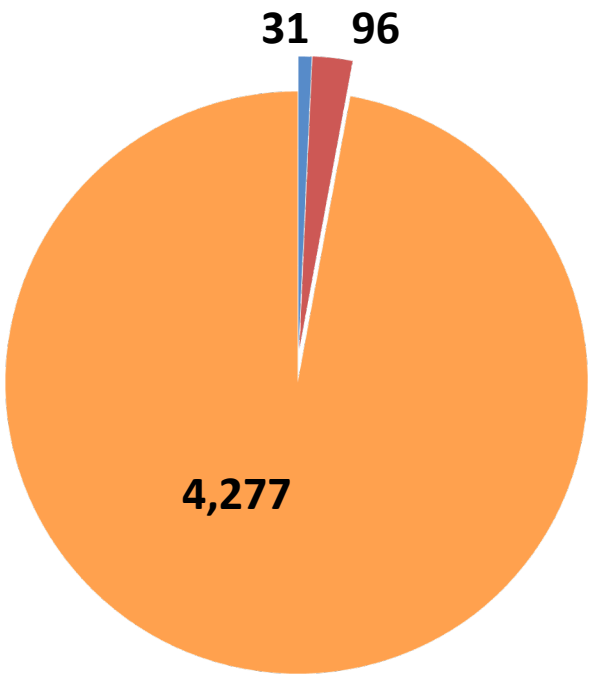
Banking Conditions:
June 2020

All U.S. Banks and Tenth District Banks

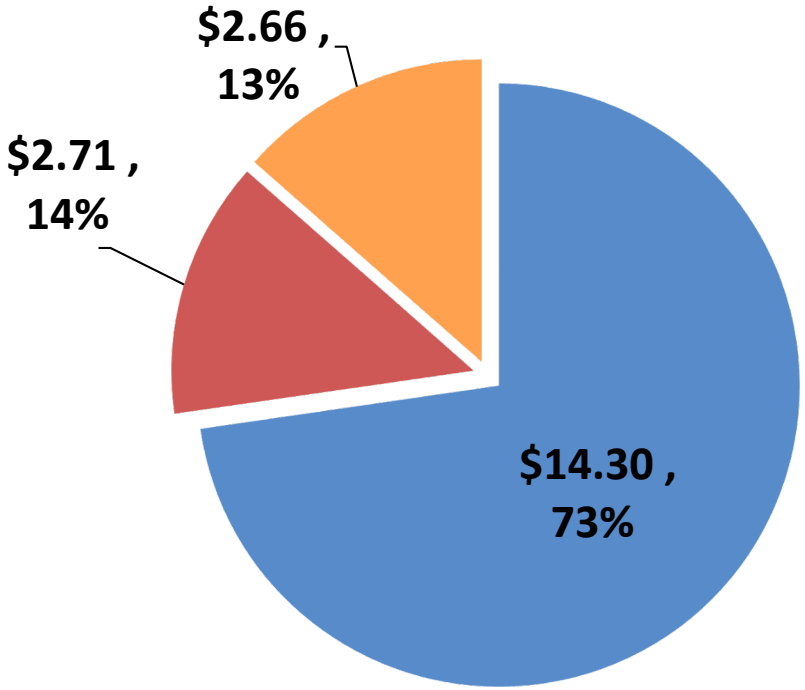
U.S. Institutions Overview

(All US Commercial Banks)

Number of Institutions



Assets - $ Trillions



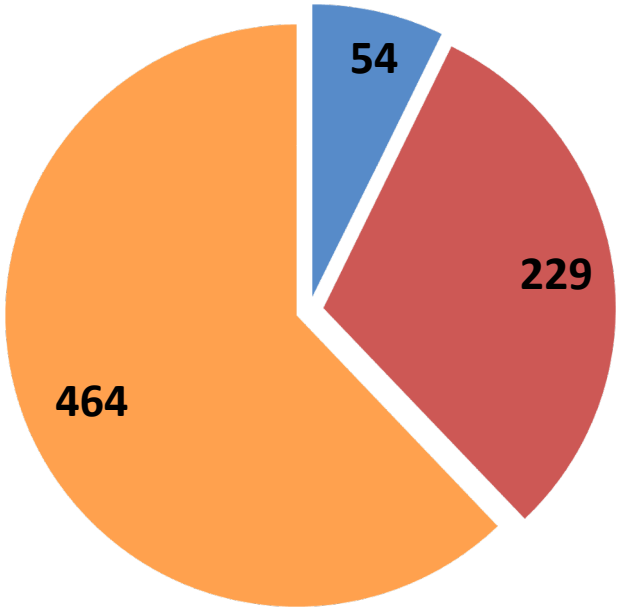
Banks Over $100 Billion | Banks $10 - $100 Billion | Banks Under $10 Billion

Source: Reports of Condition and Income – June 2020

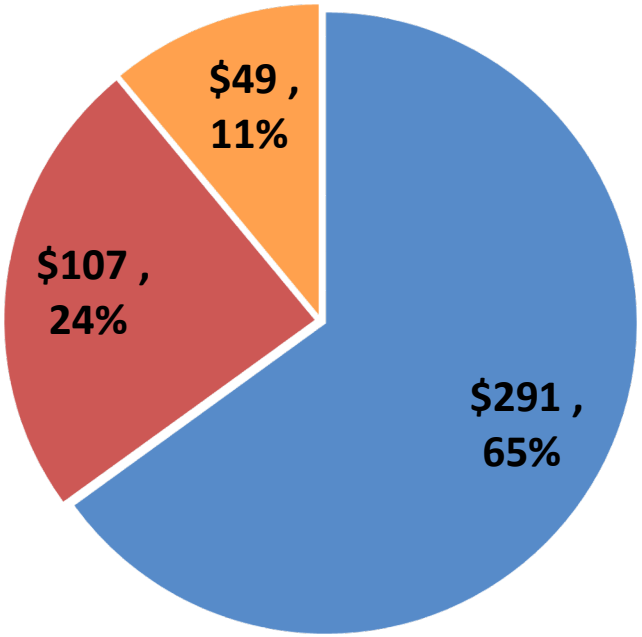
Tenth District Institutions Overview

(Tenth District Commercial Banks)

Number of Institutions



Assets - $ Billions



■ Banks Over $1 Billion ■ Banks $250 Million - $1 Billion ■ Banks Under $250 Million

Source: Reports of Condition and Income – June 2020

Capital

All U.S. commercial banks

- The leverage ratio decreased for all U.S. Commercial banks during the second quarter 2020 and year over year. The reduction in capital ratios is primarily driven by reduced earnings and increased asset growth.

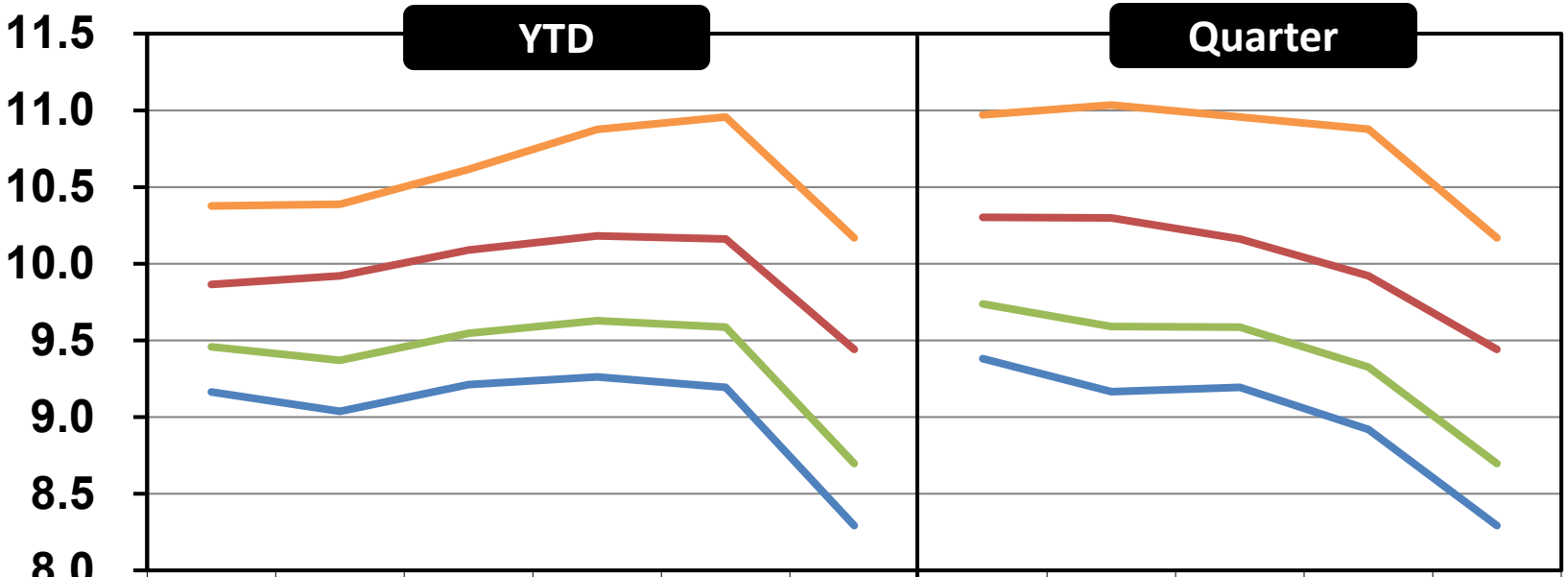
Tenth District commercial banks

- The story for the Tenth District leverage ratios mirrors that of all U.S. Commercial banks as the ratios declined both over the quarter and year over year.

Leverage Ratio

(All US Commercial Banks)

% of Assets*

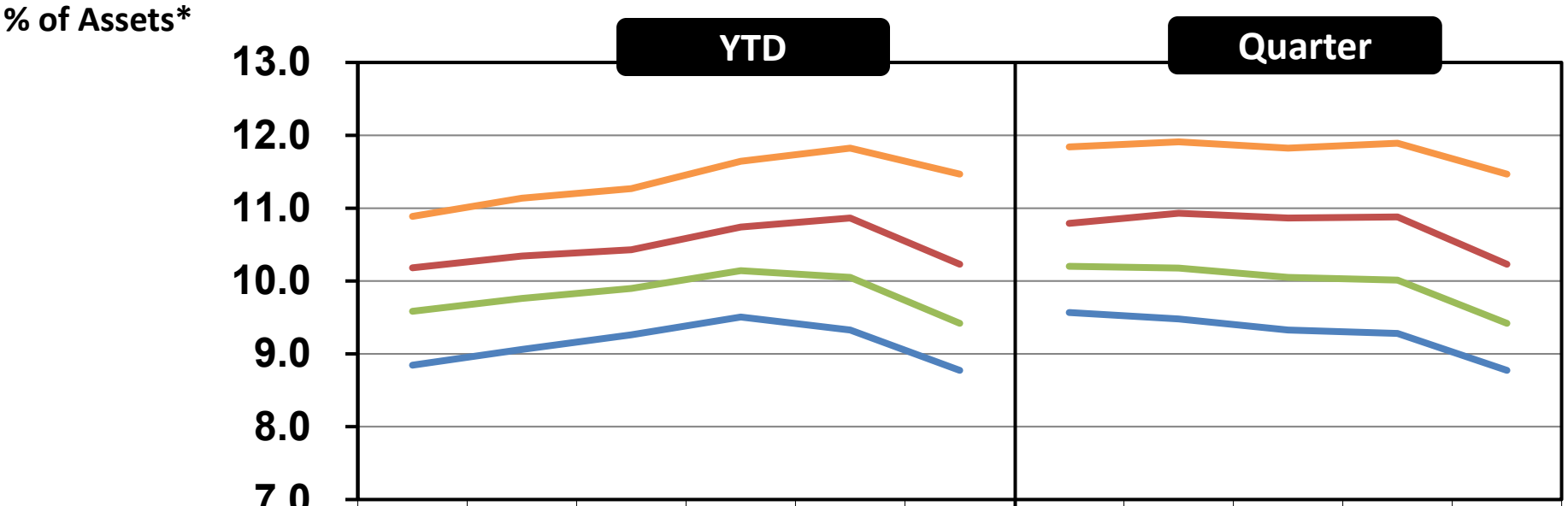


	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All Banks	9.46	9.37	9.55	9.63	9.59	8.70	9.74	9.59	9.59	9.33	8.70
Banks Over $100B	9.16	9.04	9.21	9.26	9.19	8.29	9.38	9.17	9.19	8.92	8.29
Banks $10 - $100B	9.87	9.92	10.09	10.18	10.16	9.44	10.30	10.30	10.16	9.92	9.44
Banks Under $10B	10.38	10.39	10.62	10.88	10.96	10.17	10.97	11.04	10.96	10.88	10.17

* Tier 1 capital to assets for leverage capital purposes (Quarter) – the "Leverage Ratio"
Source: Reports of Condition and Income

Leverage Ratio

(Tenth District Commercial Banks)

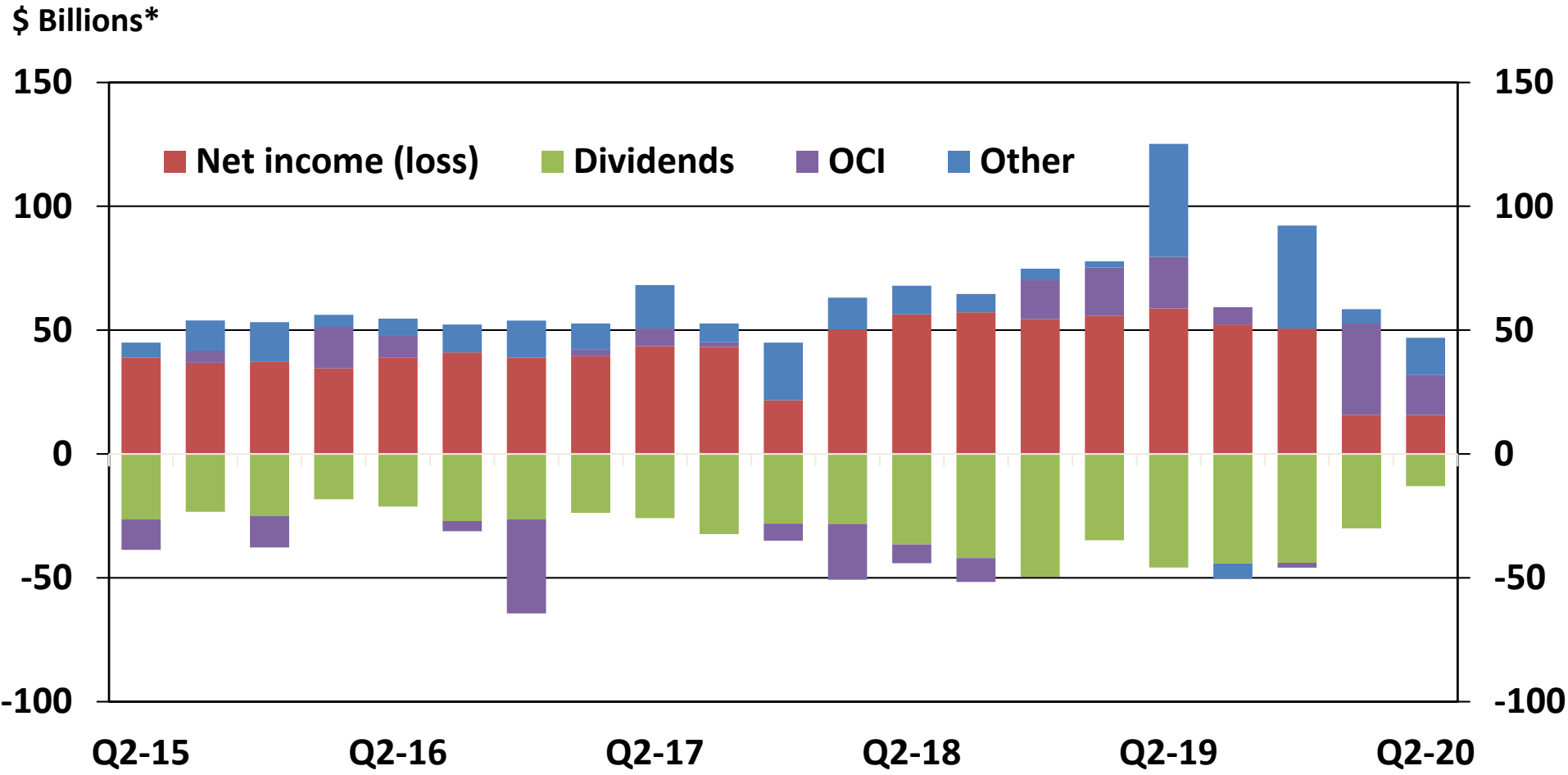


	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All District Banks	9.58	9.76	9.90	10.14	10.05	9.42	10.20	10.18	10.05	10.01	9.42
Banks Over $1B	8.84	9.06	9.26	9.51	9.33	8.77	9.57	9.48	9.33	9.28	8.77
Banks $250M - $1B	10.18	10.34	10.43	10.74	10.86	10.23	10.79	10.93	10.86	10.88	10.23
Banks Under $250M	10.89	11.14	11.27	11.64	11.82	11.47	11.84	11.91	11.82	11.89	11.47

* Tier 1 capital to assets for leverage capital purposes (Quarter) – the "Leverage Ratio"
Source: Reports of Condition and Income

Change in Equity Capital

(All U.S. Commercial Banks)

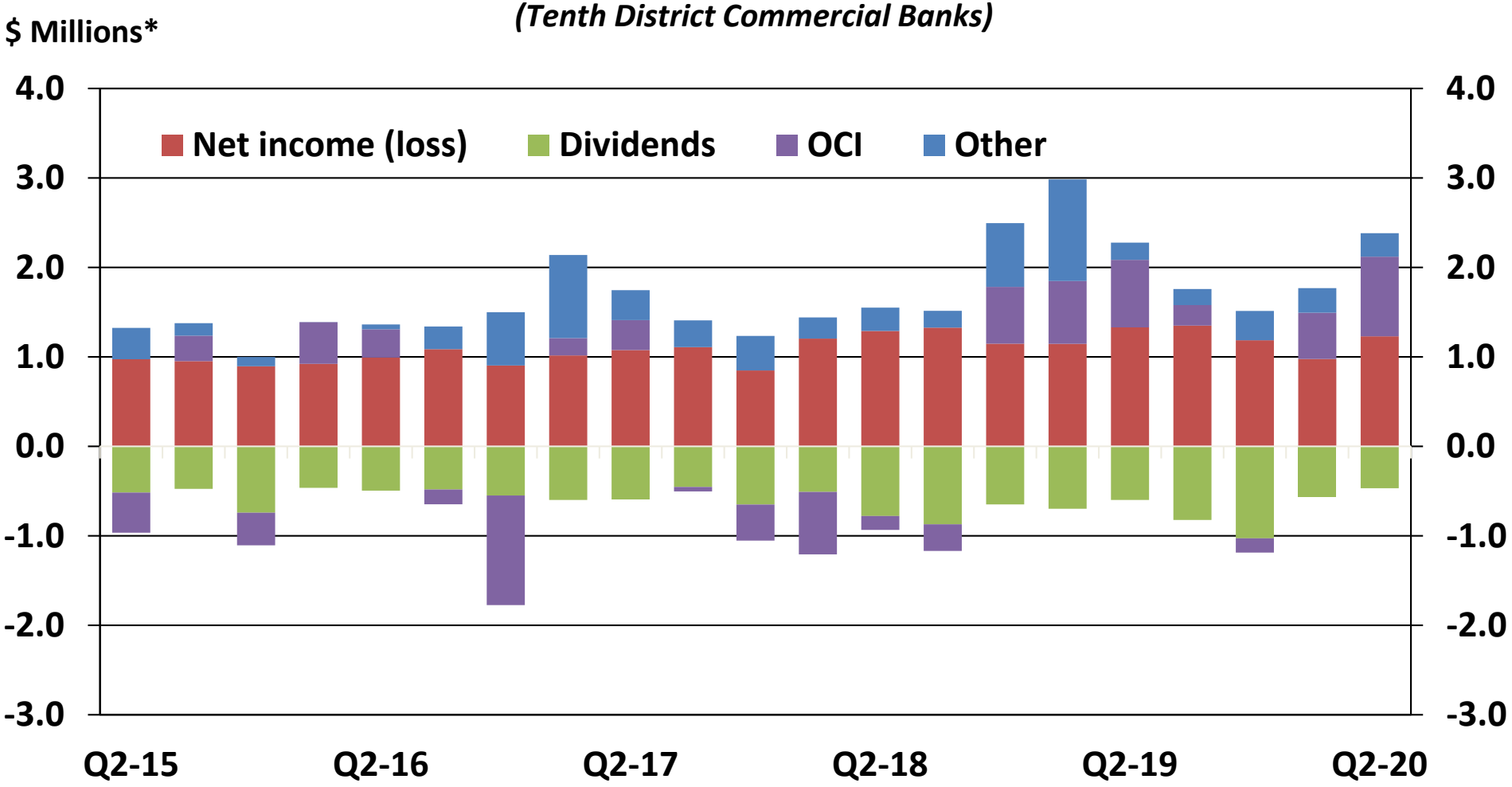


* Quarter change in components of equity capital

Source: Reports of Condition and Income

Change in Equity Capital

(Tenth District Commercial Banks)



* Quarter change in components of equity capital
Source: Reports of Condition and Income

Earnings

All U.S. commercial banks

- Earnings performance for all bank's declined slightly from 1Q20, although banks under $100B exhibited improvement.
- Net Interest Margin (NIM) decreased at all U.S. banks during the quarter, most significantly at banks over $10B.
- Noninterest expense has decreased almost across the board which has helped to somewhat offset NIM compression.
- With exception to bank's between $10B and $100B, loan loss provisions increased further from 1Q20 for institutions of all sizes.

Tenth District commercial banks

- Earnings at Tenth District commercial banks across all sizes increased in second quarter 2020; however, only commercial banks under $250M saw growth year to year.
- NIMs for District Banks of all sizes fell year over year, though banks over $250M and under $1B saw a slight uptick quarter over quarter.
- While noninterest income remained relatively stable, noninterest expense fell for banks across the District.
- Loan loss provisions increased both quarter to quarter and year over year for District banks with the exception of those under $250M who saw slight decreases year over year.

Return on Average Assets Summary

(All US Commercial Banks)

	2017	2018	2019	Jun-20	(YoY) Change*	(Qtr) Change*
Net Interest Income	2.87	3.04	3.00	2.99	(0.24)	0.01
Noninterest Income	1.46	1.56	1.51	1.25	(0.28)	(0.20)
Total Revenue	4.33	4.60	4.51	4.24	(0.52)	(0.20)
Provisions	0.27	0.26	0.29	1.05	0.71	(0.12)
Noninterest Expense	2.57	2.64	2.61	2.73	(0.08)	(0.22)
Total Expenses	2.84	2.90	2.90	3.77	0.63	(0.34)
Pre-tax operating income	1.49	1.70	1.61	0.47	(1.16)	0.14
Sub S Adjusted Net Income	0.93	1.34	1.28	0.37	(0.92)	0.13

Note: Income Statement items as a percentage of average assets – Annualized
*Quarterly data
Source: Reports of Condition and Income

Return on Average Assets Summary

(Tenth District Commercial Banks)

	2017	2018	2019	Jun-20	(YoY) Change*	(Qtr) Change*
Net Interest Income	3.36	3.51	3.52	3.29	(0.23)	(0.09)
Noninterest Income	1.15	1.10	1.14	1.23	0.13	0.12
Total Revenue	4.51	4.60	4.66	4.52	(0.17)	0.03
Provisions	0.21	0.20	0.19	0.60	0.47	0.09
Noninterest Expense	2.87	2.84	2.90	2.73	(0.24)	(0.24)
Total Expenses	3.08	3.04	3.10	3.33	0.23	(0.15)
Pre-tax operating income	1.11	1.35	1.30	1.06	(0.41)	0.17
Sub S Adjusted Net Income	0.95	1.26	1.22	0.99	(0.27)	0.13

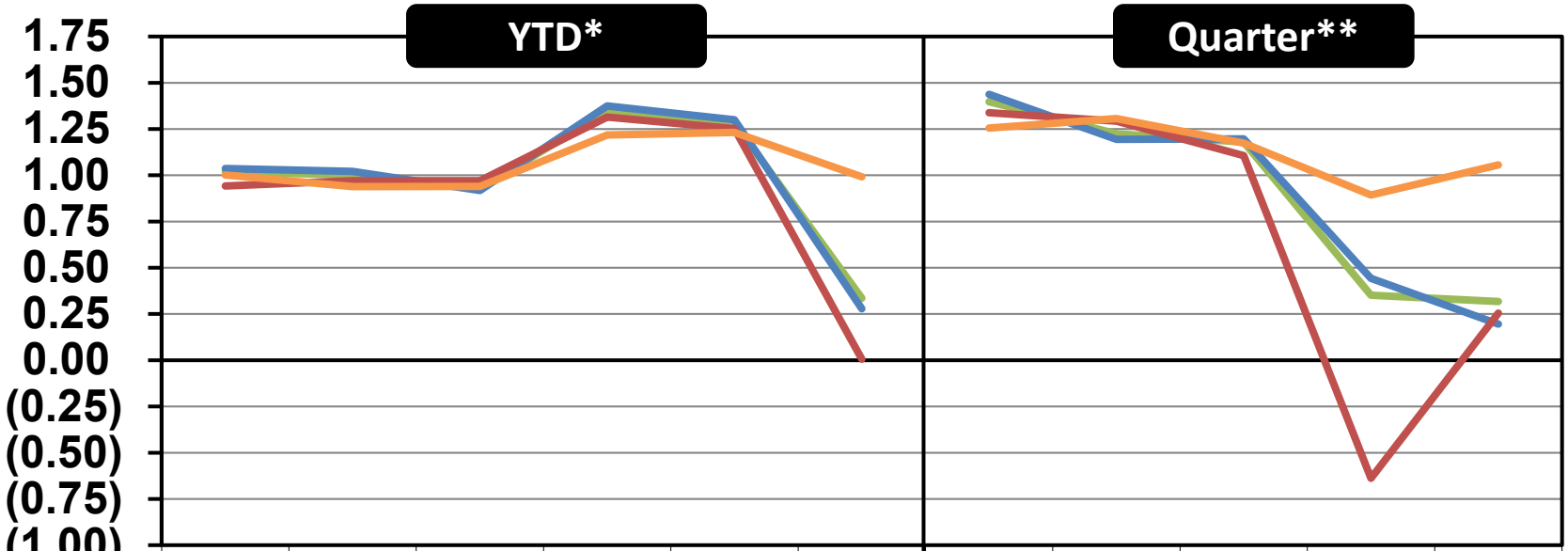
Note: Income Statement items as a percentage of average assets – Annualized
*Quarterly data
Source: Reports of Condition and Income

Return on Average Assets

Sub S Adjusted

(All US Commercial Banks)

% of Avg. Assets



	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All Banks	1.02	1.00	0.93	1.34	1.28	0.34	1.40	1.22	1.18	0.35	0.32
Banks Over $100B	1.04	1.02	0.92	1.37	1.30	0.28	1.44	1.19	1.20	0.44	0.20
Banks $10 - $100B	0.94	0.97	0.97	1.31	1.25	0.01	1.34	1.29	1.11	-0.64	0.25
Banks Under $10B	1.00	0.94	0.94	1.22	1.23	0.99	1.26	1.31	1.17	0.89	1.06

* YTD = Net Income (YTD), as a percentage of average assets - Annualized

** Quarter = Net Income (Quarter), as a percentage of average assets (Quarter) - Annualized

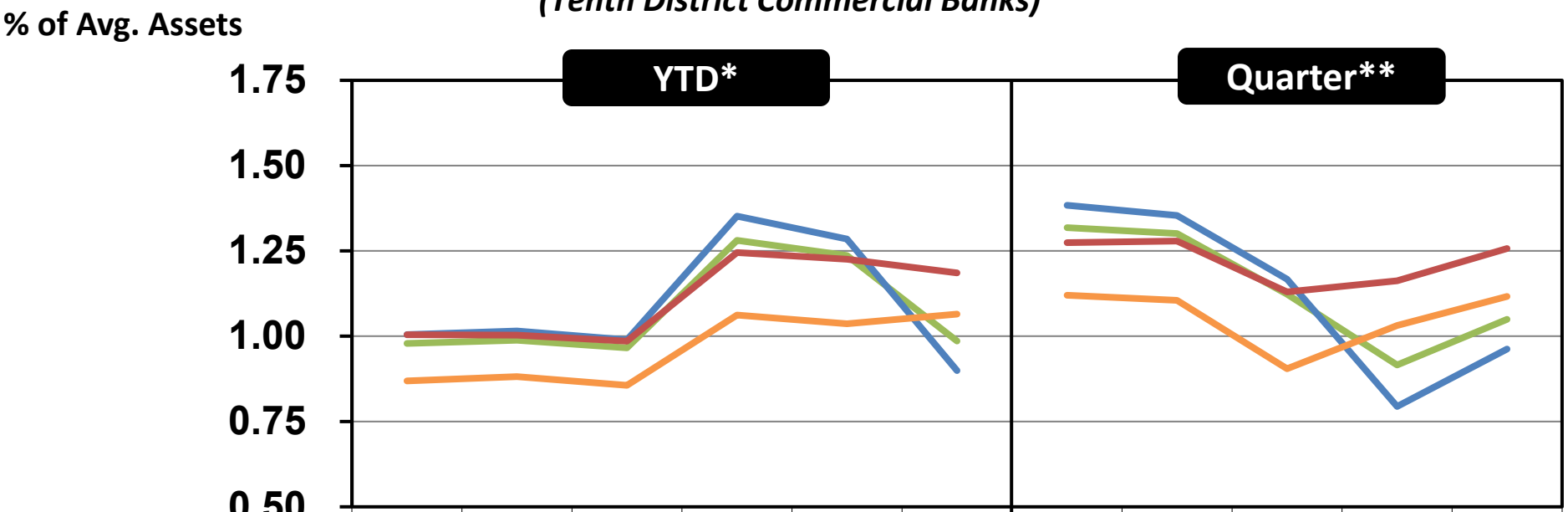
Note: Sub S adjusted Net Income

Source: Reports of Condition and Income

Return on Average Assets for District Banks

Sub S Adjusted

(Tenth District Commercial Banks)



	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All District Banks	0.98	0.99	0.97	1.28	1.24	0.99	1.32	1.30	1.12	0.92	1.05
Banks Over $1B	1.00	1.02	0.99	1.35	1.28	0.90	1.38	1.35	1.17	0.79	0.96
Banks $250M - $1B	1.00	1.00	0.99	1.25	1.23	1.19	1.27	1.28	1.13	1.16	1.26
Banks Under $250M	0.87	0.88	0.86	1.06	1.04	1.06	1.12	1.11	0.90	1.03	1.12

* YTD = Net Income (YTD), as a percentage of average assets - Annualized

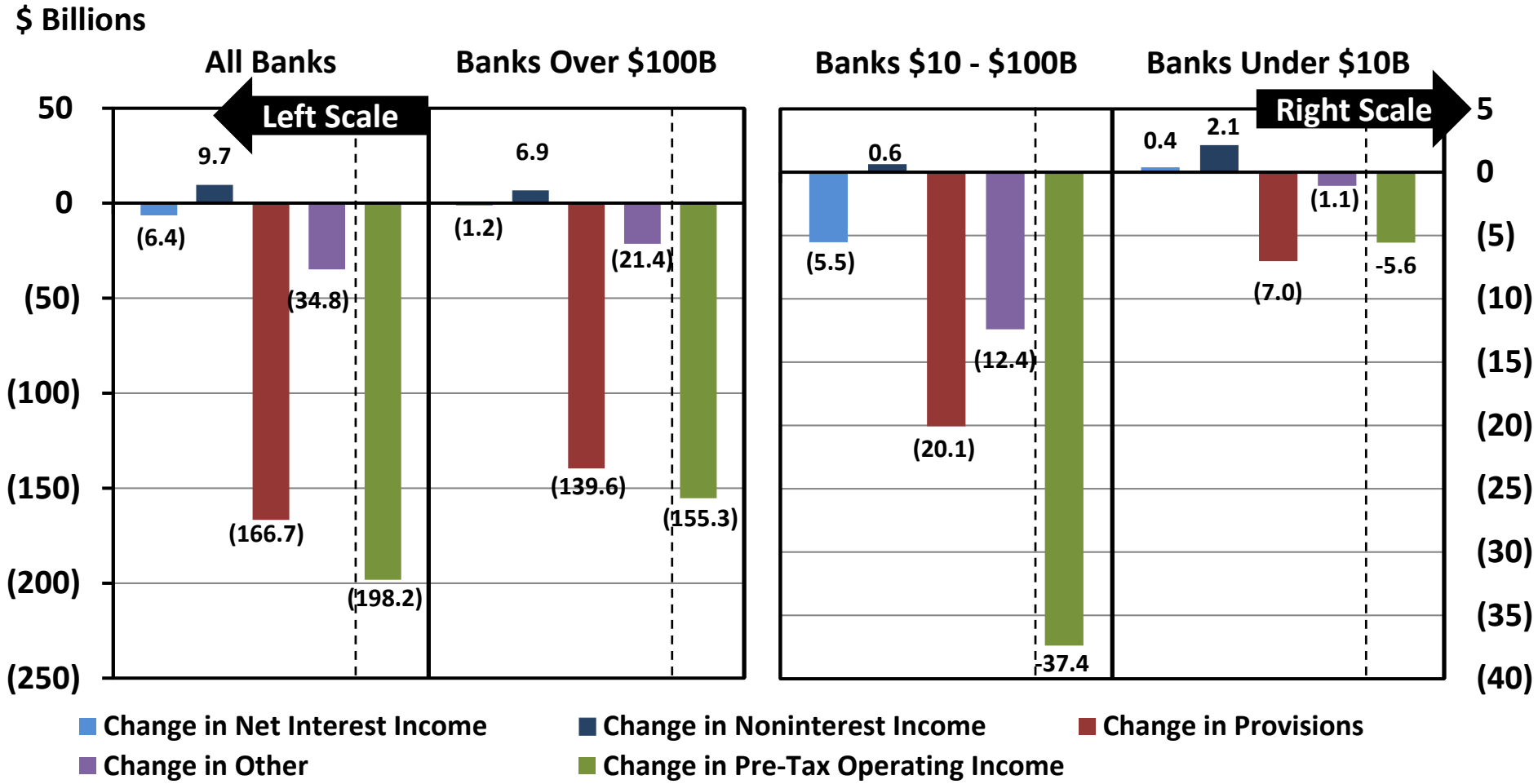
** Quarter = Net Income (Quarter), as a percentage of average assets (Quarter) – Annualized

Note: Sub S Adjusted Net Income

Source: Reports of Condition and Income

Contributions to Pre-Tax Income

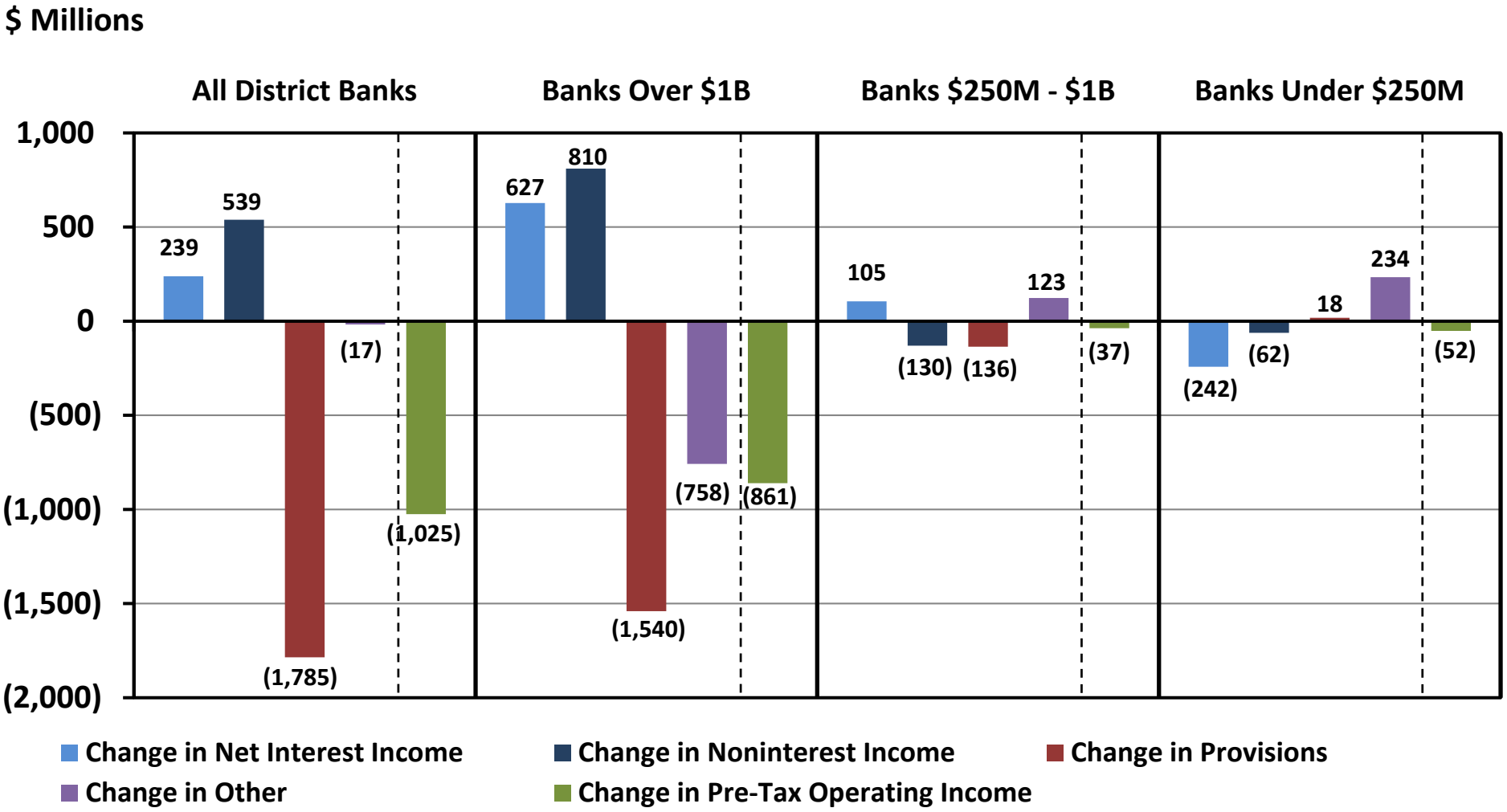
All U.S. Commercial Banks, December 2019 vs. June 2020



Source: Reports of Condition and Income

Contributions to Pre-Tax Income

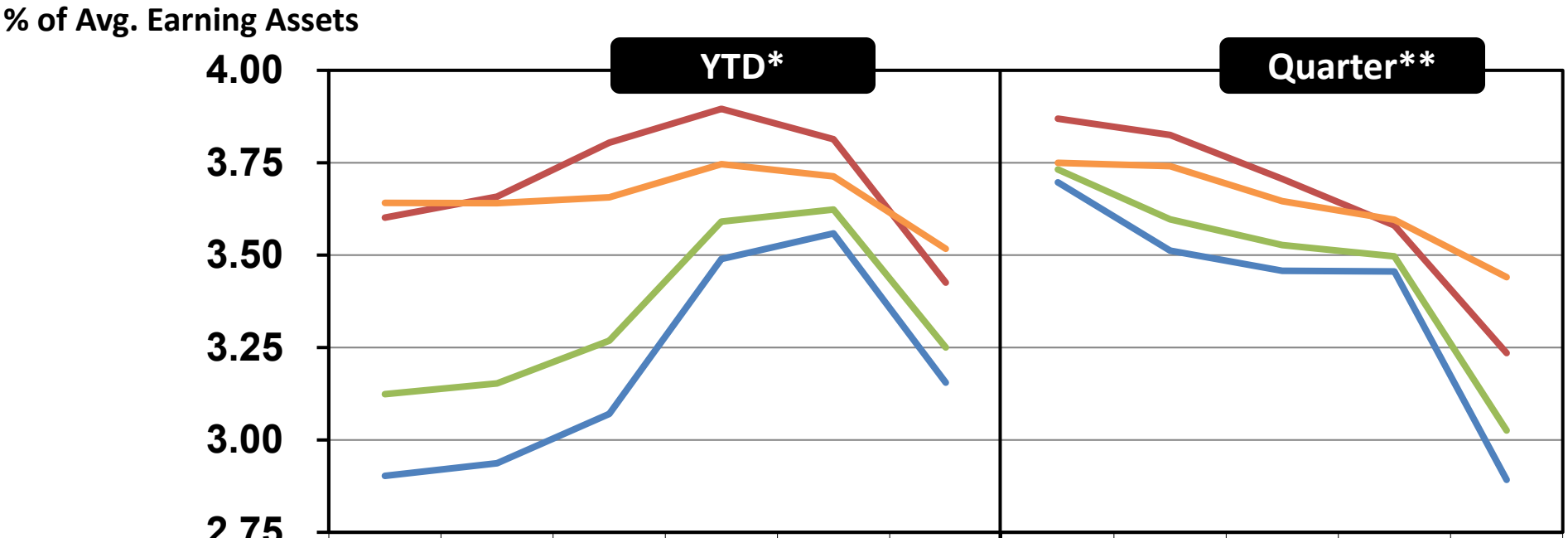
Tenth District Commercial Banks, December 2019 vs. June 2020



Source: Reports of Condition and Income

Net Interest Margin

(All US Commercial Banks)



	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All Banks	3.12	3.15	3.27	3.59	3.62	3.25	3.73	3.60	3.53	3.50	3.03
Banks Over $100B	2.90	2.94	3.07	3.49	3.56	3.16	3.70	3.51	3.46	3.46	2.89
Banks $10 - $100B	3.60	3.66	3.80	3.90	3.81	3.43	3.87	3.83	3.71	3.58	3.24
Banks Under $10B	3.64	3.64	3.66	3.75	3.71	3.52	3.75	3.74	3.65	3.60	3.44

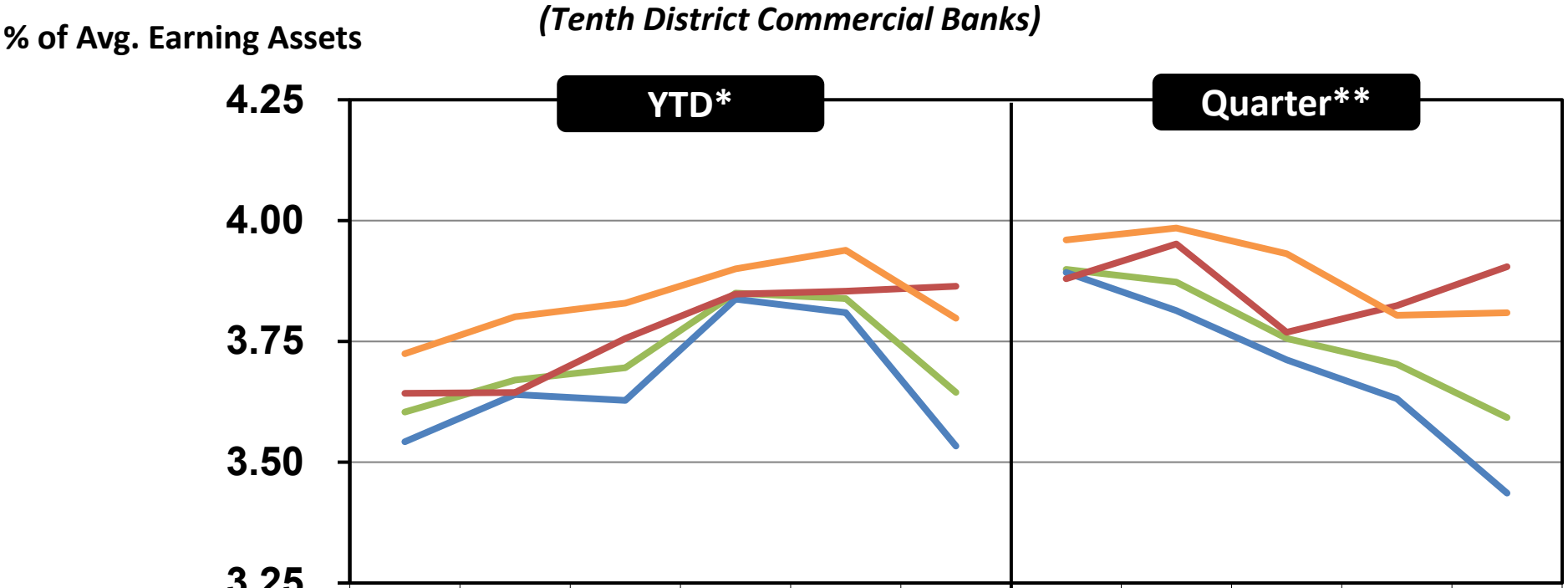
* YTD = Interest Income Net of Interest Expense (YTD), as a percentage of average earning assets - Annualized

** Quarter = Interest Income Net of Interest Expense (Quarter), as a percentage of average earning assets (Quarter) - Annualized

Source: Reports of Condition and Income

Net Interest Margin

(Tenth District Commercial Banks)



	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All District Banks	3.60	3.67	3.70	3.85	3.84	3.64	3.90	3.87	3.76	3.70	3.59
Banks Over $1B	3.54	3.64	3.63	3.84	3.81	3.53	3.89	3.81	3.71	3.63	3.44
Banks $250M - $1B	3.64	3.64	3.76	3.85	3.85	3.86	3.88	3.95	3.77	3.82	3.90
Banks Under $250M	3.72	3.80	3.83	3.90	3.94	3.80	3.96	3.98	3.93	3.80	3.81

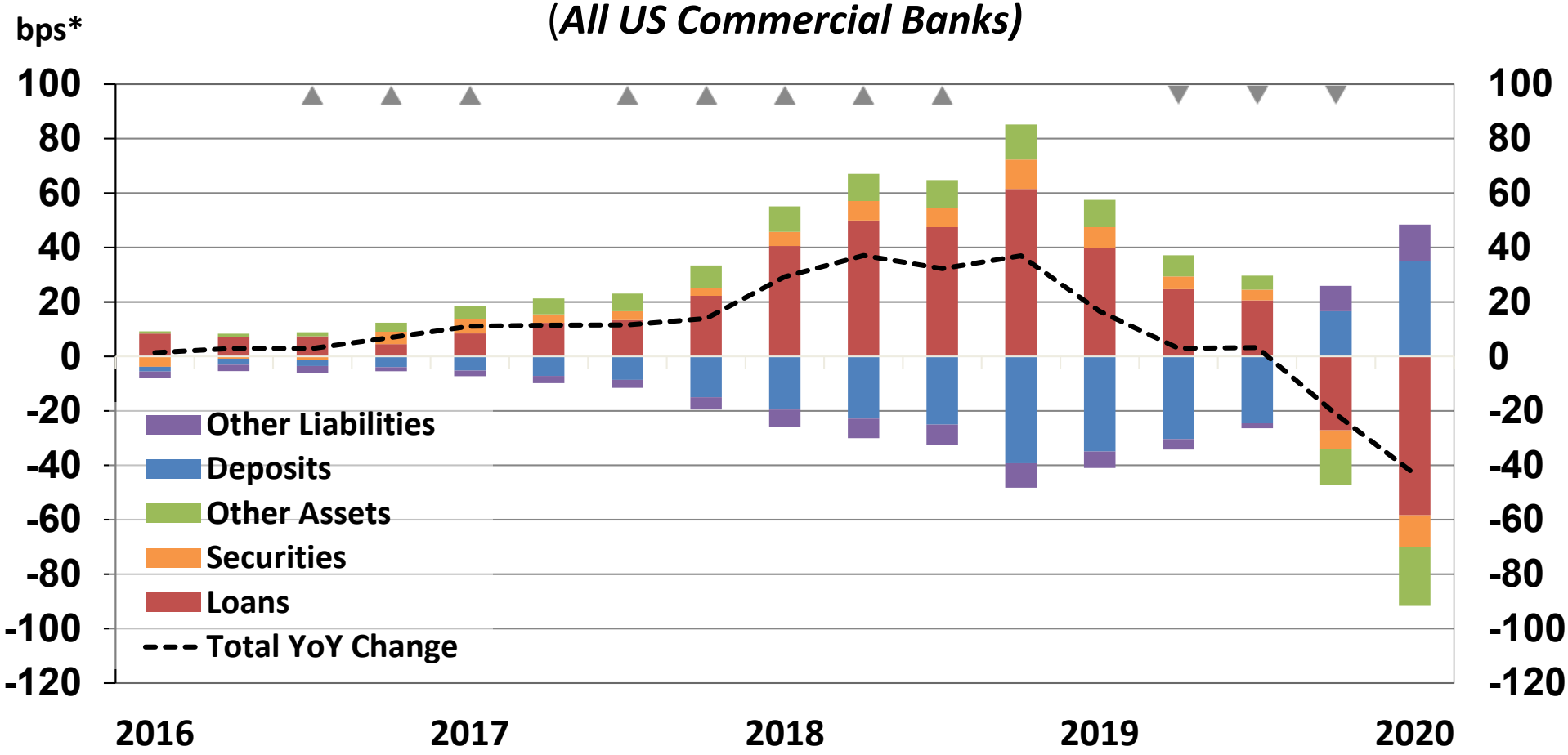
* YTD = Interest Income Net of Interest Expense (YTD), as a percentage of average earning assets - Annualized

** Quarter = Interest Income Net of Interest Expense (Quarter), as a percentage of average earning assets (Quarter) - Annualized

Source: Reports of Condition and Income

Change in Interest Income and Expense

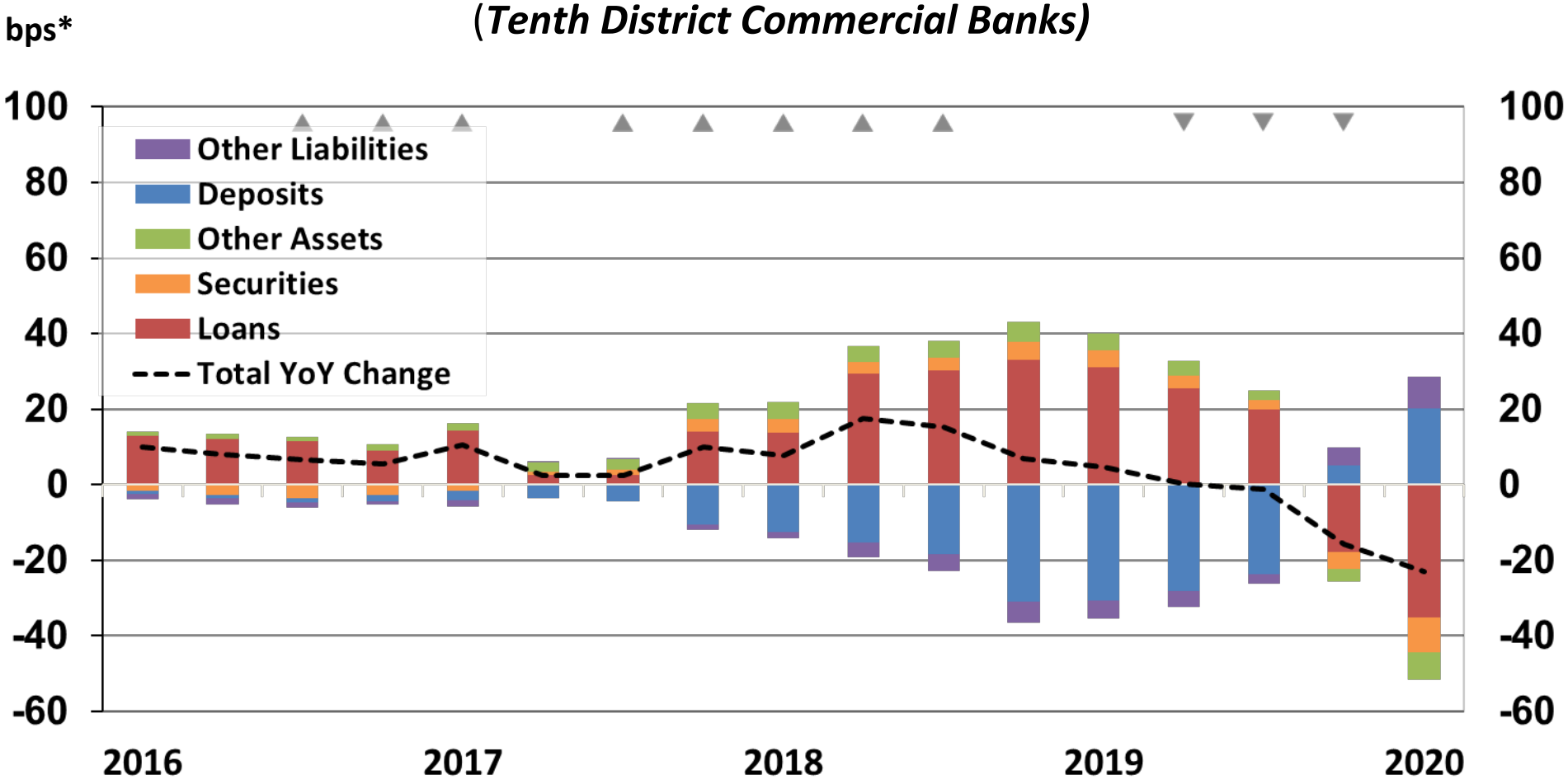
(All US Commercial Banks)



Note: ▲ = Fed rate increase during quarter ▼ = Fed rate decrease during quarter
* Components of interest income and interest expense (YTD), as a percentage of average earning assets - Annualized
Source: Reports of Condition and Income

Change in Interest Income and Expense

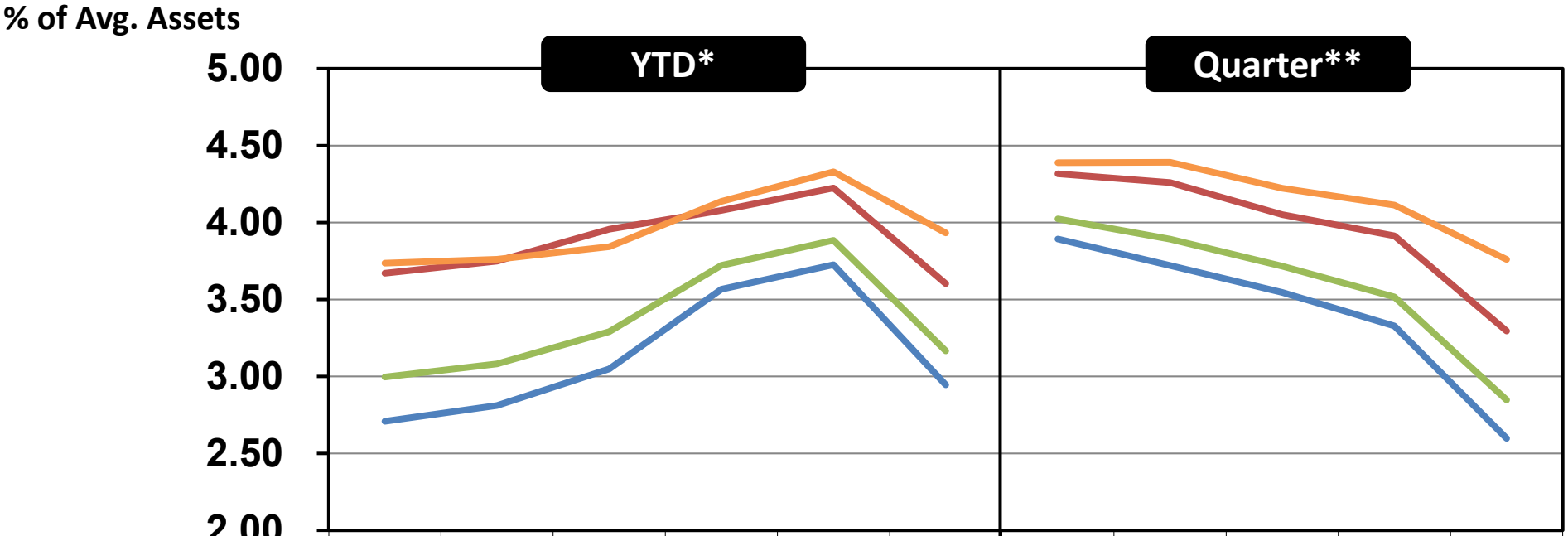
(Tenth District Commercial Banks)



Note: ▲ = Fed rate increase during quarter ▼ = Fed rate decrease during quarter
* Components of interest income and interest expense (YTD), as a percentage of average earning assets - Annualized
Source: Reports of Condition and Income

Interest Income

(All US Commercial Banks)



	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All Banks	3.00	3.08	3.29	3.72	3.88	3.17	4.02	3.89	3.72	3.52	2.85
Banks Over $100B	2.71	2.81	3.05	3.57	3.73	2.95	3.89	3.72	3.55	3.33	2.60
Banks $10 - $100B	3.67	3.75	3.96	4.08	4.22	3.60	4.32	4.26	4.05	3.91	3.30
Banks Under $10B	3.74	3.76	3.84	4.14	4.33	3.93	4.39	4.39	4.22	4.11	3.76

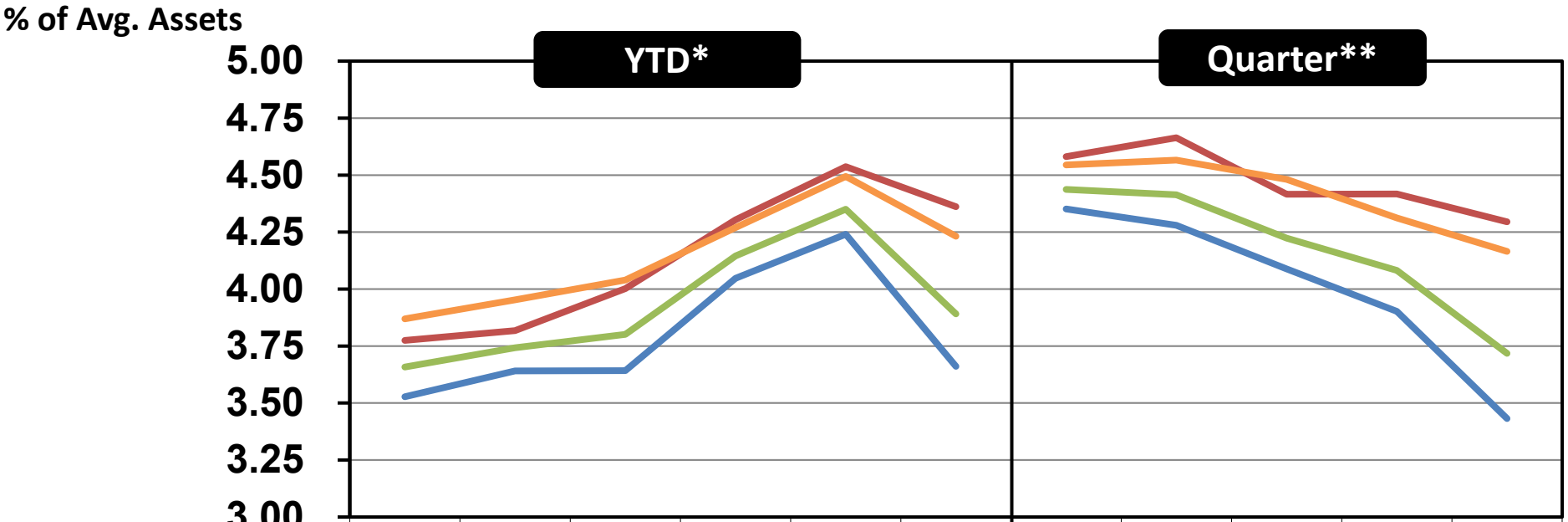
* YTD = Interest Income (YTD), as a percentage of average assets - Annualized

** Quarter = Interest Income (Quarter), as a percentage of average assets (Quarter) - Annualized

Source: Reports of Condition and Income

Interest Income

(Tenth District Commercial Banks)



	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All District Banks	3.66	3.74	3.80	4.15	4.35	3.89	4.44	4.41	4.22	4.08	3.72
Banks Over $1B	3.53	3.64	3.64	4.05	4.24	3.66	4.35	4.28	4.09	3.90	3.43
Banks $250M - $1B	3.77	3.82	4.00	4.30	4.54	4.36	4.58	4.66	4.42	4.42	4.30
Banks Under $250M	3.87	3.95	4.04	4.27	4.49	4.23	4.54	4.57	4.48	4.31	4.17

* YTD = Interest Income (YTD), as a percentage of average assets - Annualized

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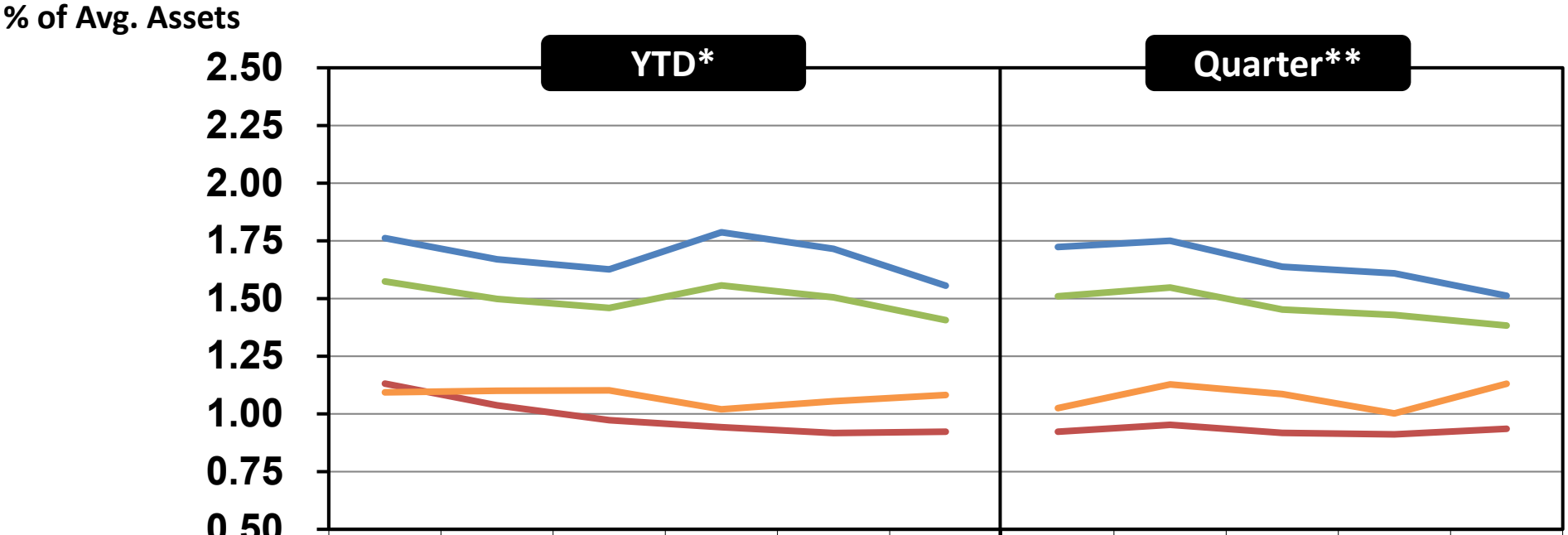
Source: Reports of Condition and Income

Noninterest Income

(All US Commercial Banks)

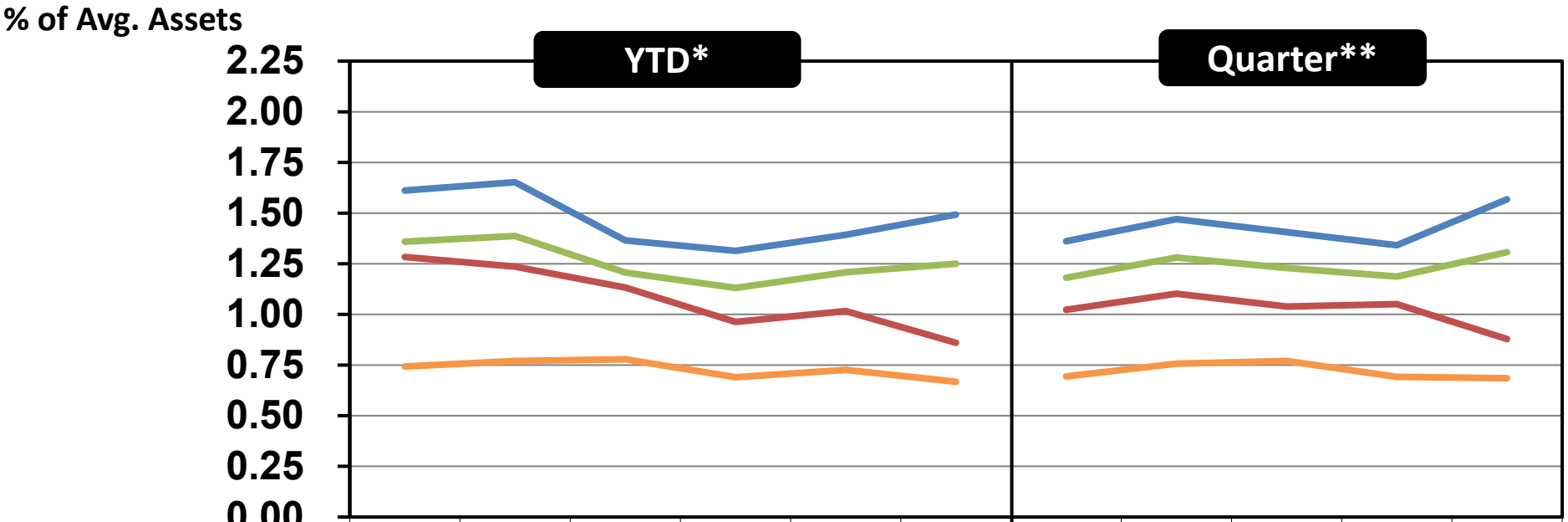


	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All Banks	1.57	1.50	1.46	1.56	1.51	1.41	1.51	1.55	1.45	1.43	1.38
Banks Over $100B	1.76	1.67	1.63	1.79	1.72	1.56	1.72	1.75	1.64	1.61	1.51
Banks $10 - $100B	1.13	1.04	0.97	0.94	0.92	0.92	0.92	0.95	0.92	0.91	0.94
Banks Under $10B	1.09	1.10	1.10	1.02	1.06	1.08	1.03	1.13	1.09	1.00	1.13

* YTD = Noninterest Income (YTD), as a percentage of average assets - Annualized
** Quarter = Noninterest Income (Quarter), as a percentage of average assets (Quarter) - Annualized
Source: Reports of Condition and Income

Noninterest Income

(Tenth District Commercial Banks)



	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All District Banks	1.36	1.39	1.21	1.13	1.21	1.25	1.18	1.28	1.23	1.19	1.31
Banks Over $1B	1.61	1.65	1.37	1.31	1.39	1.49	1.36	1.47	1.41	1.34	1.57
Banks $250M - $1B	1.28	1.24	1.13	0.96	1.02	0.86	1.02	1.10	1.04	1.05	0.88
Banks Under $250M	0.74	0.77	0.78	0.69	0.73	0.67	0.69	0.76	0.77	0.69	0.68

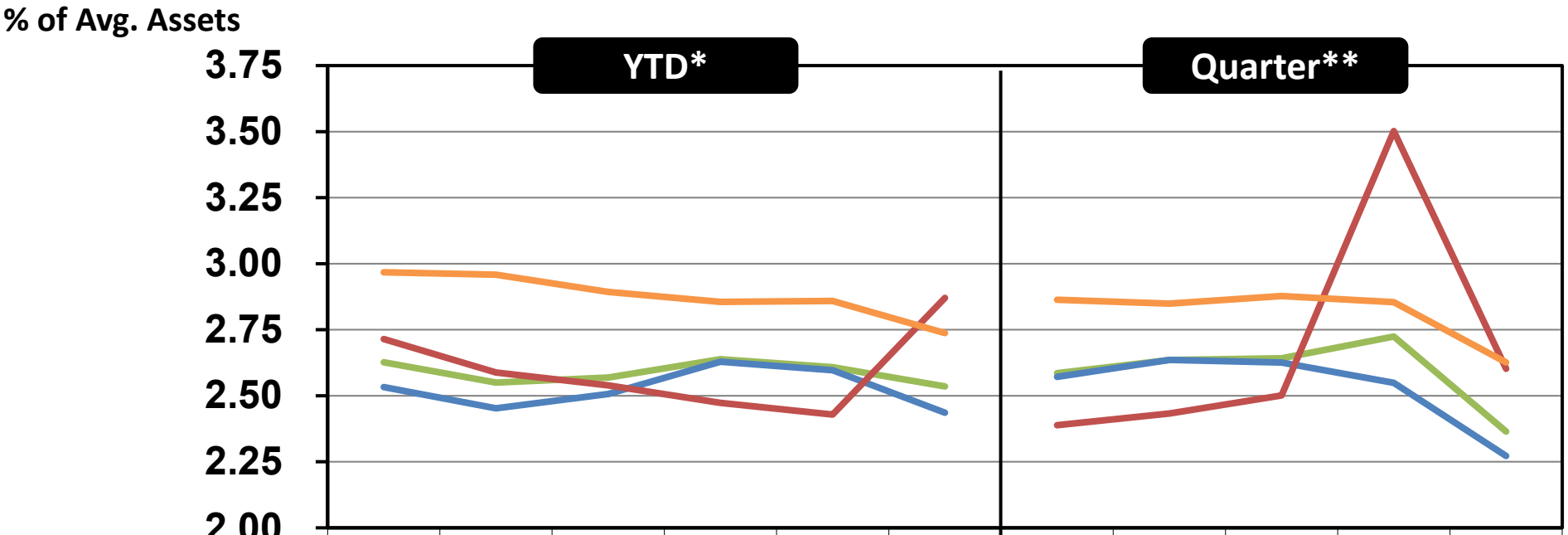
* YTD = Noninterest Income (YTD), as a percentage of average assets - Annualized

** Quarter = Noninterest Income (Quarter), as a percentage of average assets (Quarter) - Annualized

Source: Reports of Condition and Income

Noninterest Expense

(All US Commercial Banks)

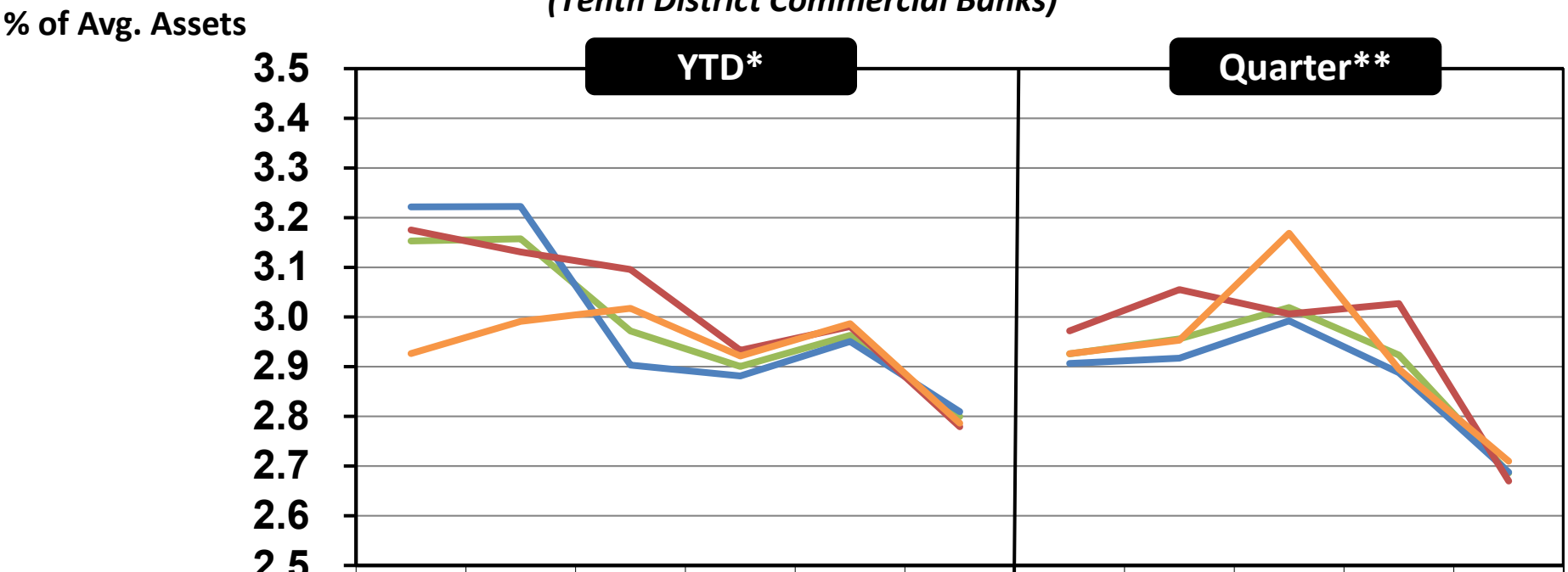


	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All Banks	2.63	2.55	2.57	2.64	2.61	2.54	2.59	2.64	2.64	2.72	2.36
Banks Over $100B	2.53	2.45	2.51	2.63	2.60	2.44	2.57	2.64	2.63	2.55	2.27
Banks $10 - $100B	2.71	2.59	2.54	2.47	2.43	2.87	2.39	2.43	2.50	3.50	2.60
Banks Under $10B	2.97	2.96	2.89	2.86	2.86	2.74	2.86	2.85	2.88	2.85	2.63

* YTD = Noninterest Expense (YTD), as a percentage of average assets - Annualized
** Quarter = Noninterest Expense (Quarter), as a percentage of average assets (Quarter) - Annualized
Source: Reports of Condition and Income

Noninterest Expense

(Tenth District Commercial Banks)



	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All District Banks	3.15	3.16	2.97	2.90	2.96	2.80	2.93	2.96	3.02	2.92	2.69
Banks Over $1B	3.22	3.22	2.90	2.88	2.95	2.81	2.91	2.92	2.99	2.89	2.69
Banks $250M - $1B	3.18	3.13	3.10	2.93	2.98	2.78	2.97	3.06	3.01	3.03	2.67
Banks Under $250M	2.93	2.99	3.02	2.92	2.99	2.79	2.93	2.95	3.17	2.90	2.71

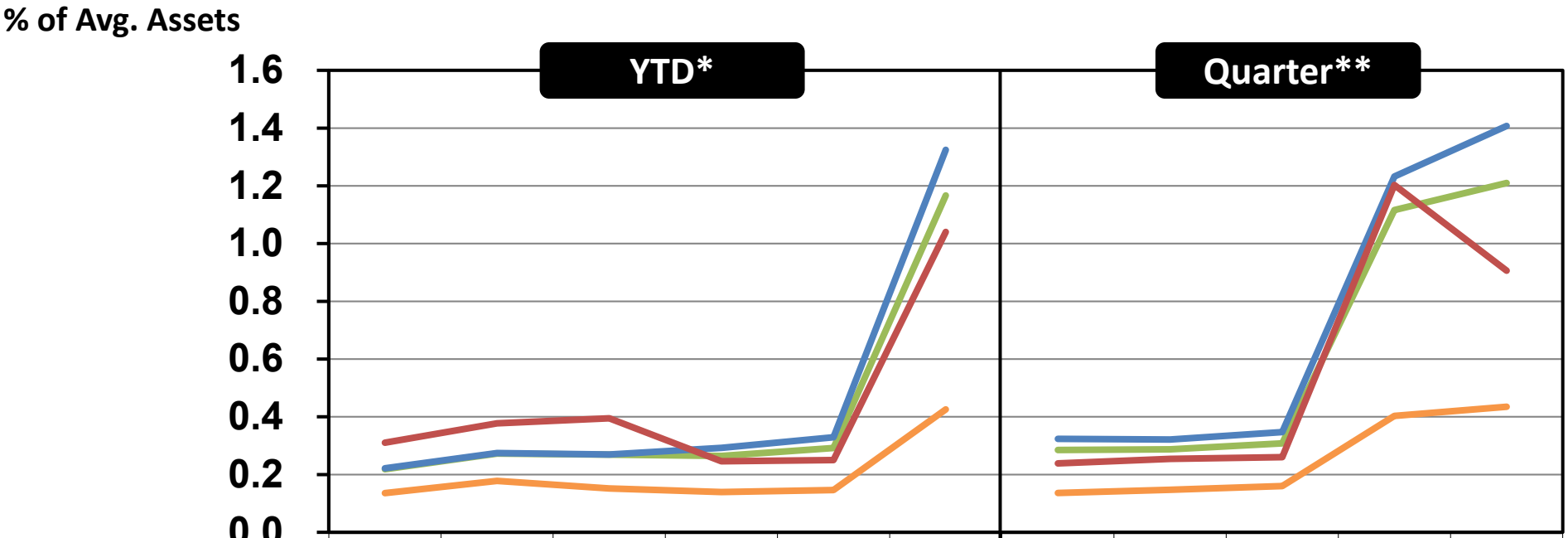
* YTD = Noninterest Expense (YTD), as a percentage of average assets - Annualized

** Quarter = Noninterest Expense (Quarter), as a percentage of average assets (Quarter) - Annualized

Source: Reports of Condition and Income

Loan Loss Provisions

(All US Commercial Banks)

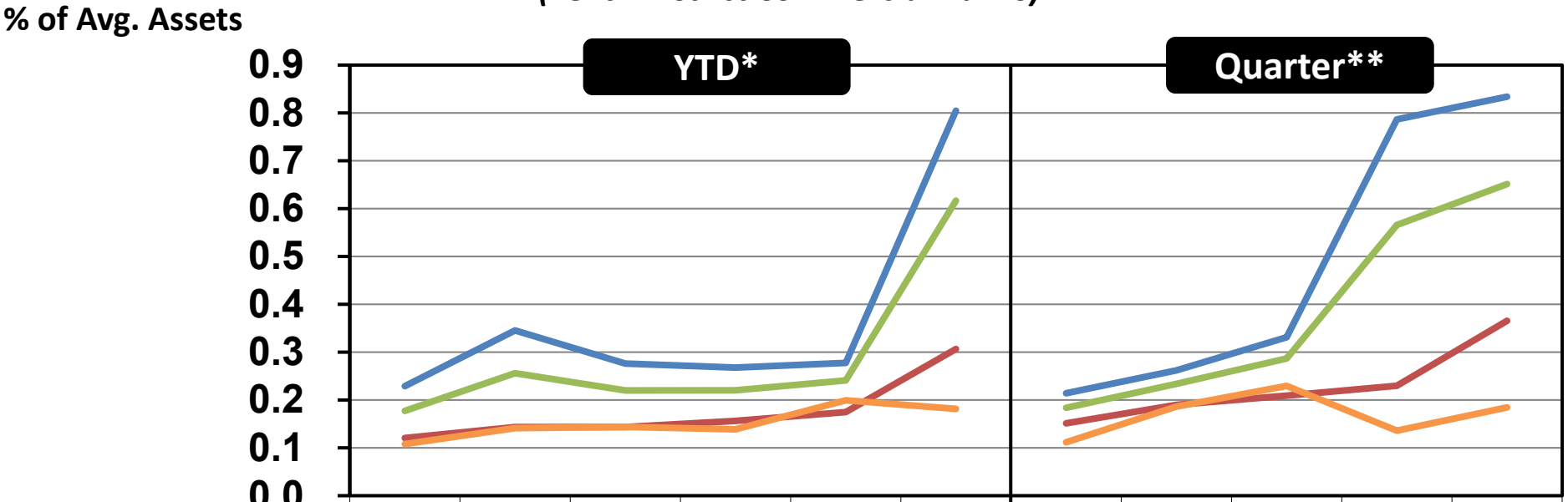


	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All Banks	0.22	0.27	0.27	0.26	0.29	1.17	0.29	0.29	0.31	1.12	1.21
Banks Over $100B	0.22	0.27	0.27	0.29	0.33	1.32	0.32	0.32	0.35	1.23	1.41
Banks $10 - $100B	0.31	0.38	0.40	0.25	0.25	1.04	0.24	0.25	0.26	1.20	0.91
Banks Under $10B	0.14	0.18	0.15	0.14	0.15	0.43	0.14	0.15	0.16	0.40	0.44

* YTD = Loan Loss Provision Expense (YTD), as a percentage of average assets - Annualized
** Quarter = Loan Loss Provision Expense (Quarter), as a percentage of average assets (Quarter) - Annualized
Source: Reports of Condition and Income

Loan Loss Provisions

(Tenth District Commercial Banks)



	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All District Banks	0.18	0.26	0.22	0.22	0.24	0.62	0.18	0.23	0.29	0.57	0.65
Banks Over $1B	0.23	0.35	0.28	0.27	0.28	0.80	0.21	0.26	0.33	0.79	0.83
Banks $250M - $1B	0.12	0.14	0.14	0.16	0.17	0.31	0.15	0.19	0.21	0.23	0.37
Banks Under $250M	0.11	0.14	0.14	0.14	0.20	0.18	0.11	0.19	0.23	0.14	0.18

* YTD = Loan Loss Provision Expense (YTD), as a percentage of average assets - Annualized
** Quarter = Loan Loss Provision Expense (Quarter), as a percentage of average assets (Quarter) - Annualized
Source: Reports of Condition and Income

Asset Quality

All U.S. commercial banks

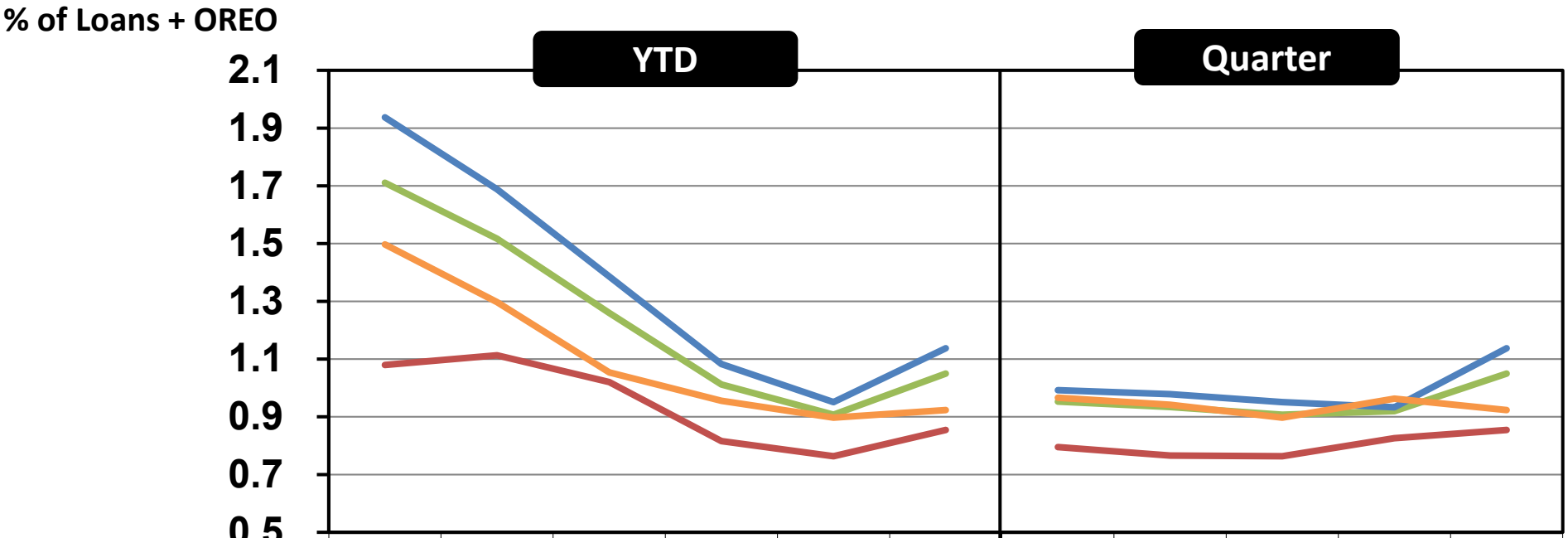
- While problem assets remain low at all U.S. commercial banks, the amount of problem assets saw an increase year to year.
- Construction and land development (CLD) and commercial real estate (CRE) loans saw upticks in noncurrent loans.
- Allowance for loan and lease loss (ALLL) as a percentage of loans 90+ days past due or in nonaccrual (Coverage Ratio) remains high for U.S. commercial banks.

Tenth District commercial banks

- Problem assets at District banks remained steady overall, while banks over $1B saw an increase quarter to quarter offsetting decreases for banks under $250M and between $250M and $1B.
- Agriculture loans remain the highest percentage of noncurrent loans across the District and continued to increase quarter to quarter. CRE along with 1-4 family loans also saw increases over the quarter.

Problem Assets

(All US Commercial Banks)



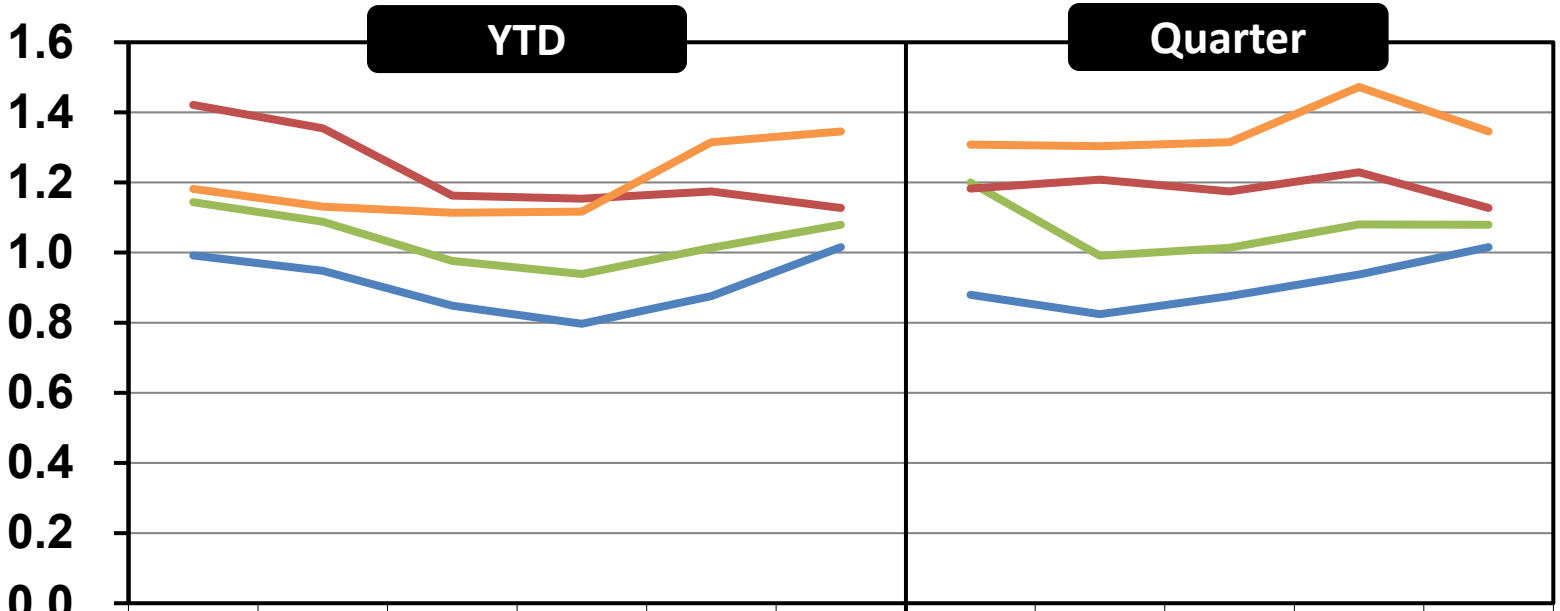
	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All Banks	1.71	1.52	1.26	1.01	0.91	1.05	0.95	0.93	0.91	0.92	1.05
Banks Over $100B	1.94	1.69	1.39	1.08	0.95	1.14	0.99	0.98	0.95	0.93	1.14
Banks $10 - $100B	1.08	1.11	1.02	0.82	0.76	0.85	0.80	0.77	0.76	0.83	0.85
Banks Under $10B	1.50	1.30	1.05	0.96	0.90	0.92	0.97	0.94	0.90	0.96	0.92

Note: Loans 90+ days past due + nonaccrual loans + other real estate owned (OREO) as a percentage of total loans + OREO
Source: Reports of Condition and Income

Problem Assets

(Tenth District Commercial Banks)

% of Loans + OREO*



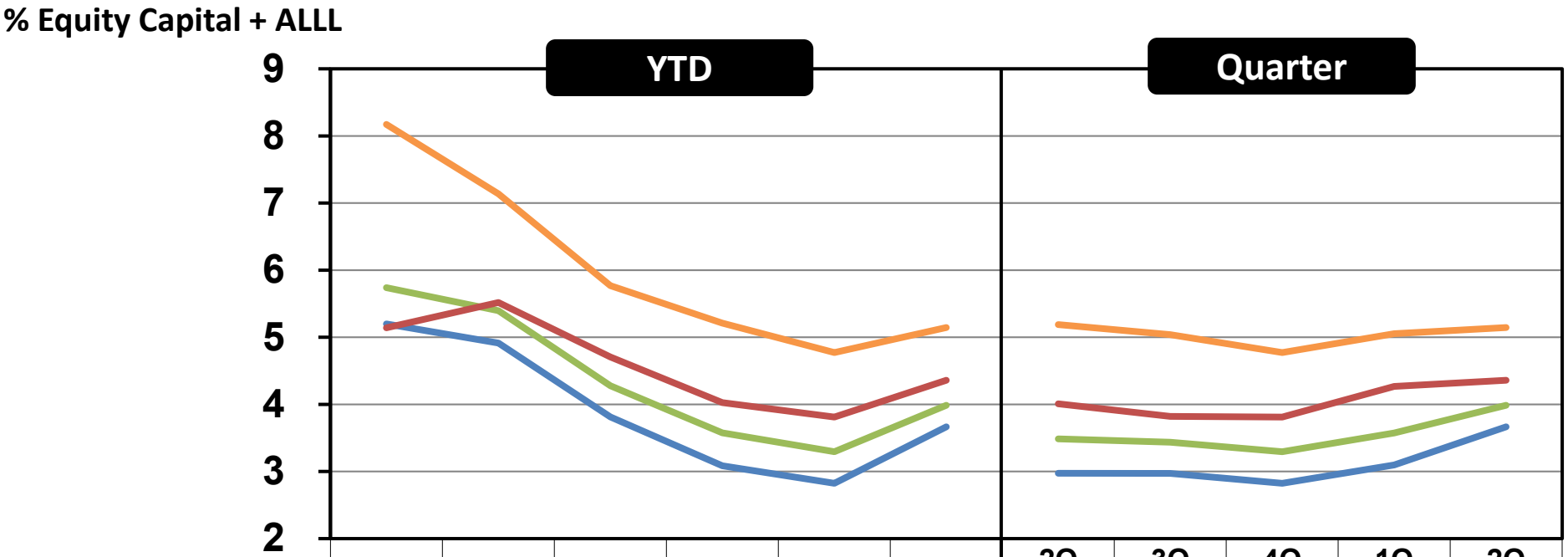
	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All District Banks	1.14	1.09	0.98	0.94	1.01	1.08	1.20	0.99	1.01	1.08	1.08
Banks Over $1B	0.99	0.95	0.85	0.80	0.88	1.02	0.88	0.82	0.88	0.94	1.02
Banks $250M - $1B	1.42	1.35	1.16	1.15	1.17	1.13	1.18	1.21	1.17	1.23	1.13
Banks Under $250M	1.18	1.13	1.11	1.12	1.32	1.35	1.31	1.30	1.32	1.47	1.35

* Loans 90+ days past due + nonaccrual loans + OREO as a percentage of total loans + OREO

Source: Reports of Condition and Income

Texas Ratio

(All US Commercial Banks)

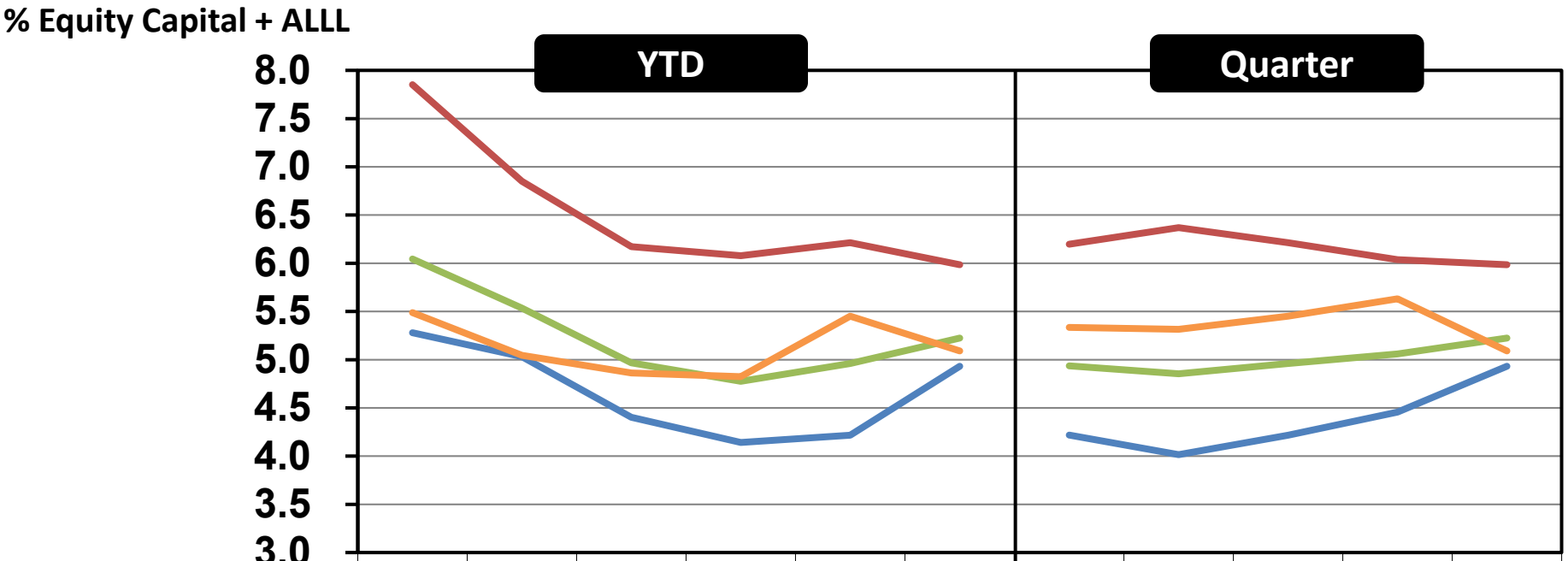


	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All Banks	5.7	5.4	4.3	3.6	3.3	4.0	3.5	3.4	3.3	3.6	4.0
Banks Over $100B	5.2	4.9	3.8	3.1	2.8	3.7	3.0	3.0	2.8	3.1	3.7
Banks $10 - $100B	5.1	5.5	4.7	4.0	3.8	4.4	4.0	3.8	3.8	4.3	4.4
Banks Under $10B	8.2	7.1	5.8	5.2	4.8	5.1	5.2	5.0	4.8	5.1	5.1

Note: Restructured loans, nonaccrual loans, and OREO to equity capital and allowance for loan and lease losses (ALLL)
Source: Reports of Condition and Income

Texas Ratio

(Tenth District Commercial Banks)



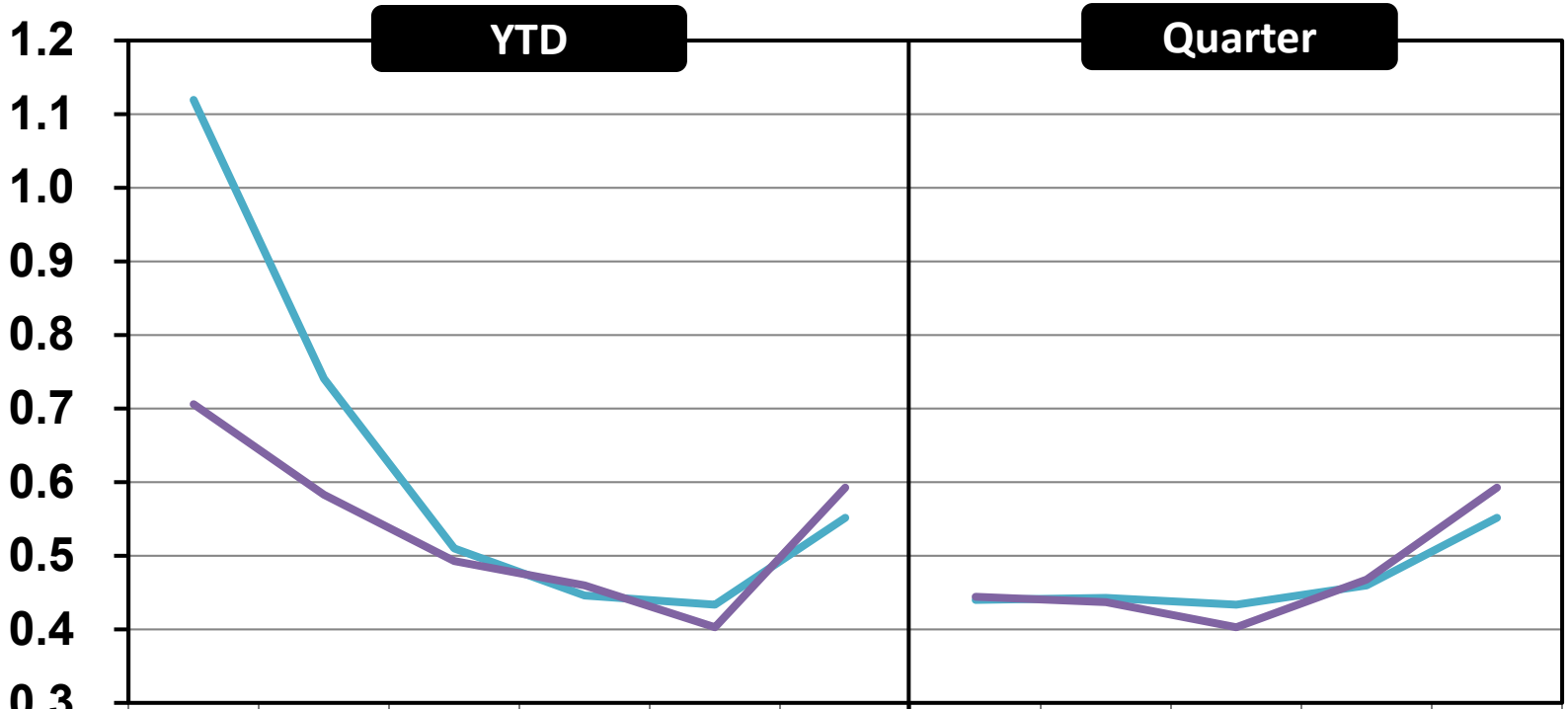
	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All District Banks	6.0	5.5	5.0	4.8	5.0	5.2	4.9	4.9	5.0	5.1	5.2
Banks Over $1B	5.3	5.0	4.4	4.1	4.2	4.9	4.2	4.0	4.2	4.5	4.9
Banks $250M - $1B	7.9	6.8	6.2	6.1	6.2	6.0	6.2	6.4	6.2	6.0	6.0
Banks Under $250M	5.5	5.0	4.9	4.8	5.5	5.1	5.3	5.3	5.5	5.6	5.1

Note: Restructured loans, nonaccrual loans, and OREO to equity capital and ALLL
Source: Reports of Condition and Income

Noncurrent CLD and CRE Loans

(All US Commercial Banks)

% of Loan Type*



	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
CLD (Banks)	1.12	0.74	0.51	0.45	0.43	0.55	0.44	0.44	0.43	0.46	0.55
Other CRE (Banks)	0.71	0.58	0.49	0.46	0.40	0.59	0.44	0.44	0.40	0.47	0.59

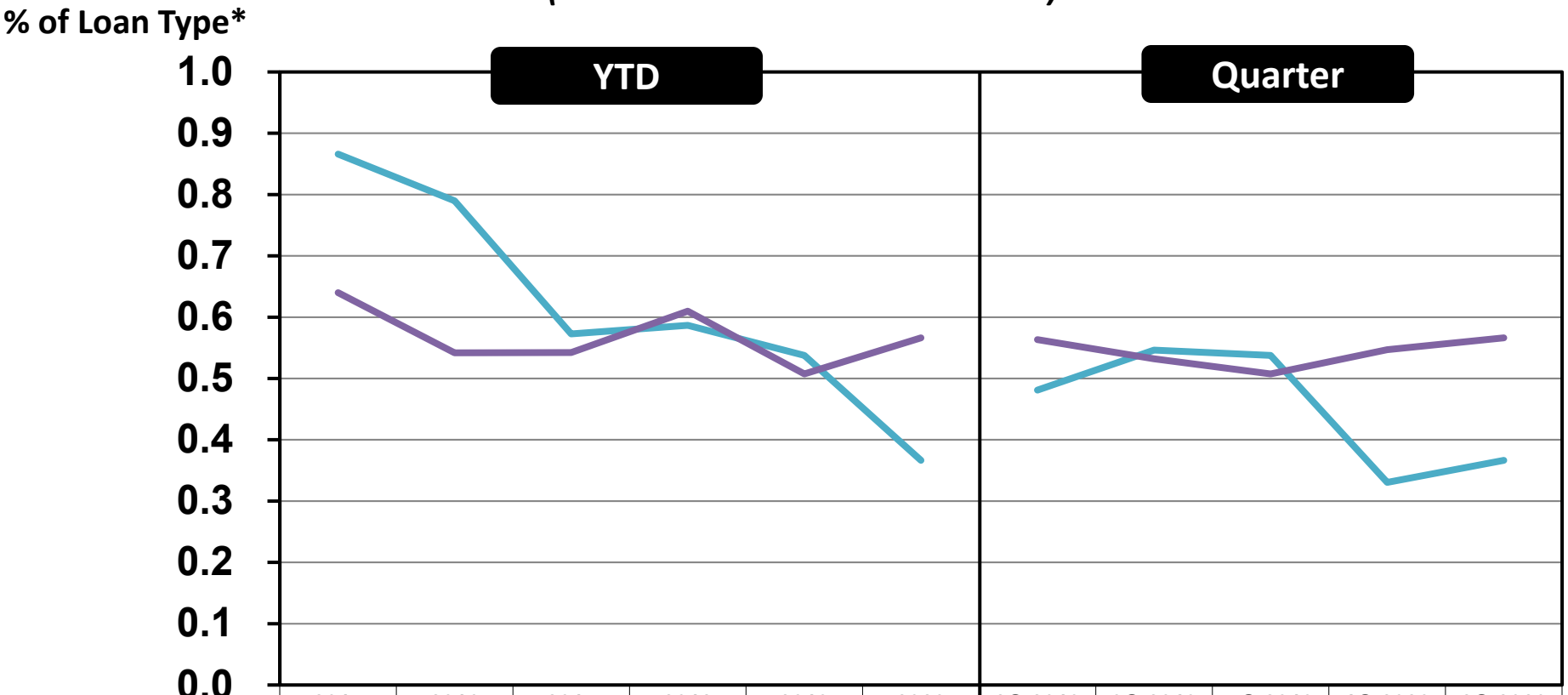
* Noncurrent Loans to Loans - By Loan Category

Note: Noncurrent includes loans 90+ days past due or on nonaccrual

Source: Reports of Condition and Income

Noncurrent CLD and CRE Loans

(Tenth District Commercial Banks)



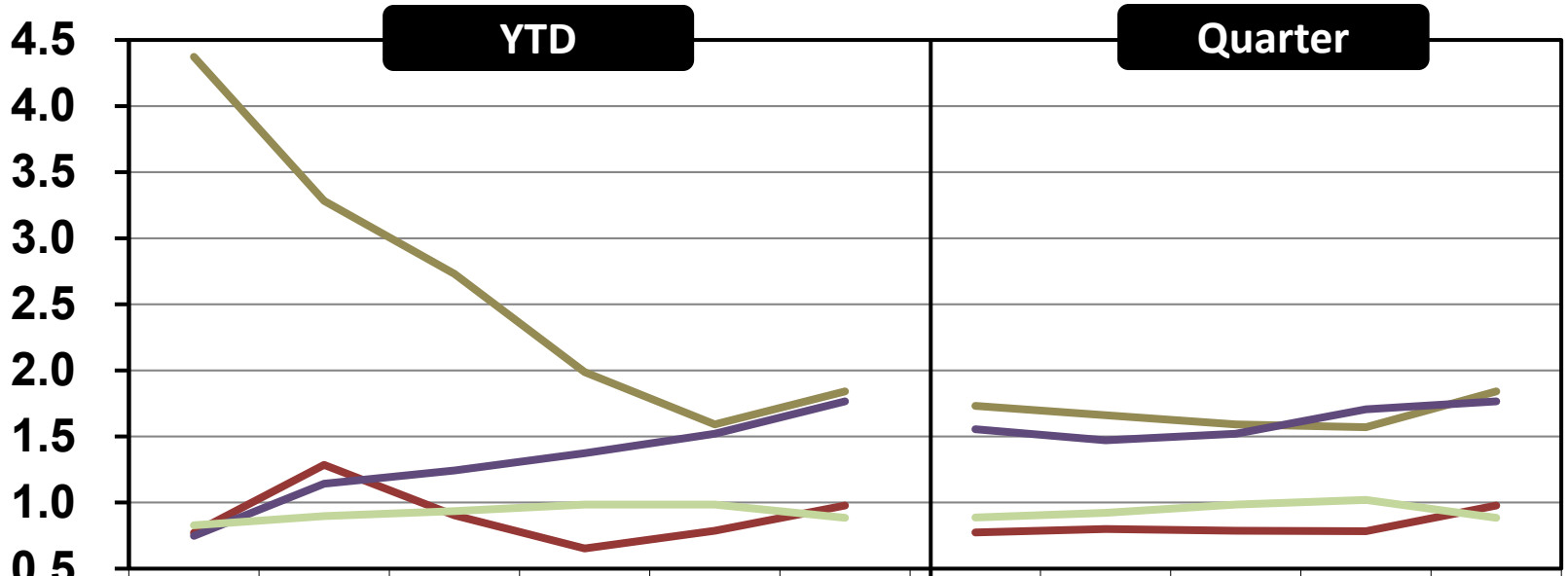
	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
CLD (Banks)	0.87	0.79	0.57	0.59	0.54	0.37	0.48	0.55	0.54	0.33	0.37
Other CRE (Banks)	0.64	0.54	0.54	0.61	0.51	0.57	0.56	0.53	0.51	0.55	0.57

* Noncurrent Loans to Loans - By Loan Category
Note: Noncurrent includes loans 90+ days past due or on nonaccrual
Source: Reports of Condition and Income

Noncurrent Loans by Other Loan Types

(All US Commercial Banks)

% of Loan Type*

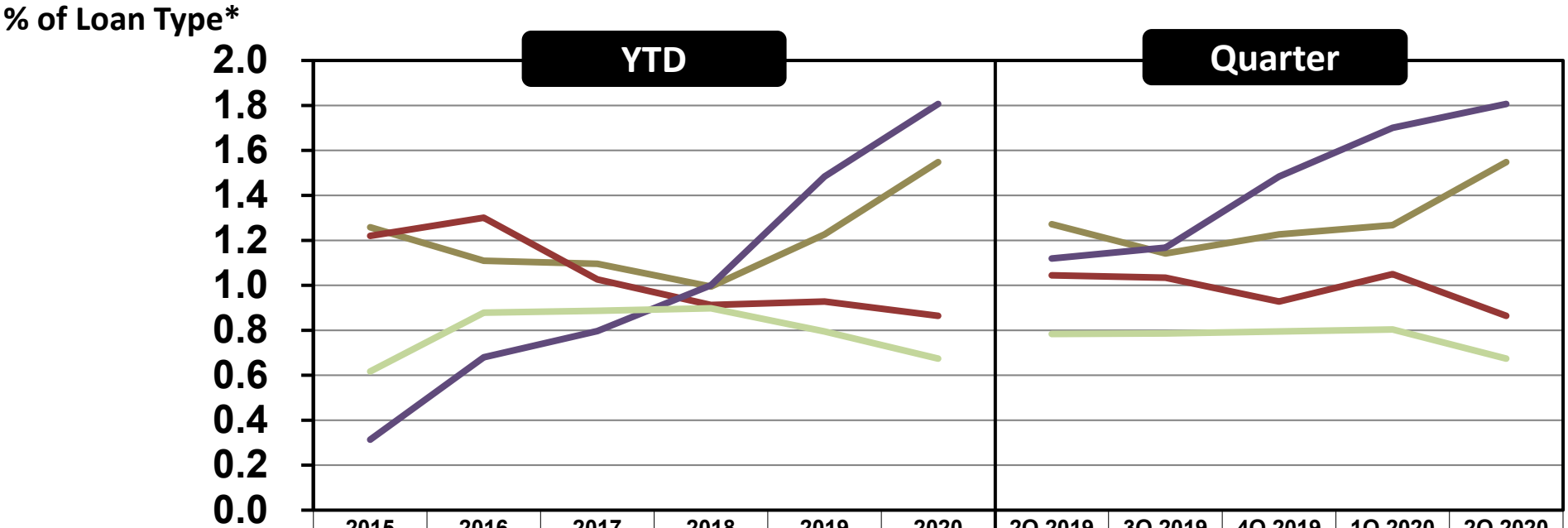


	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
1-4 Family	4.4	3.3	2.7	2.0	1.6	1.8	1.7	1.7	1.6	1.6	1.8
C&I	0.8	1.3	0.9	0.7	0.8	1.0	0.8	0.8	0.8	0.8	1.0
Ag	0.7	1.1	1.2	1.4	1.5	1.8	1.6	1.5	1.5	1.7	1.8
Consumer	0.8	0.9	0.9	1.0	1.0	0.9	0.9	0.9	1.0	1.0	0.9

* Noncurrent Loans to Loans - By Loan Category
Note: Noncurrent includes loans 90+ days past due or on nonaccrual
Source: Reports of Condition and Income

Noncurrent Loans by Other Loan Types

(Tenth District Commercial Banks)

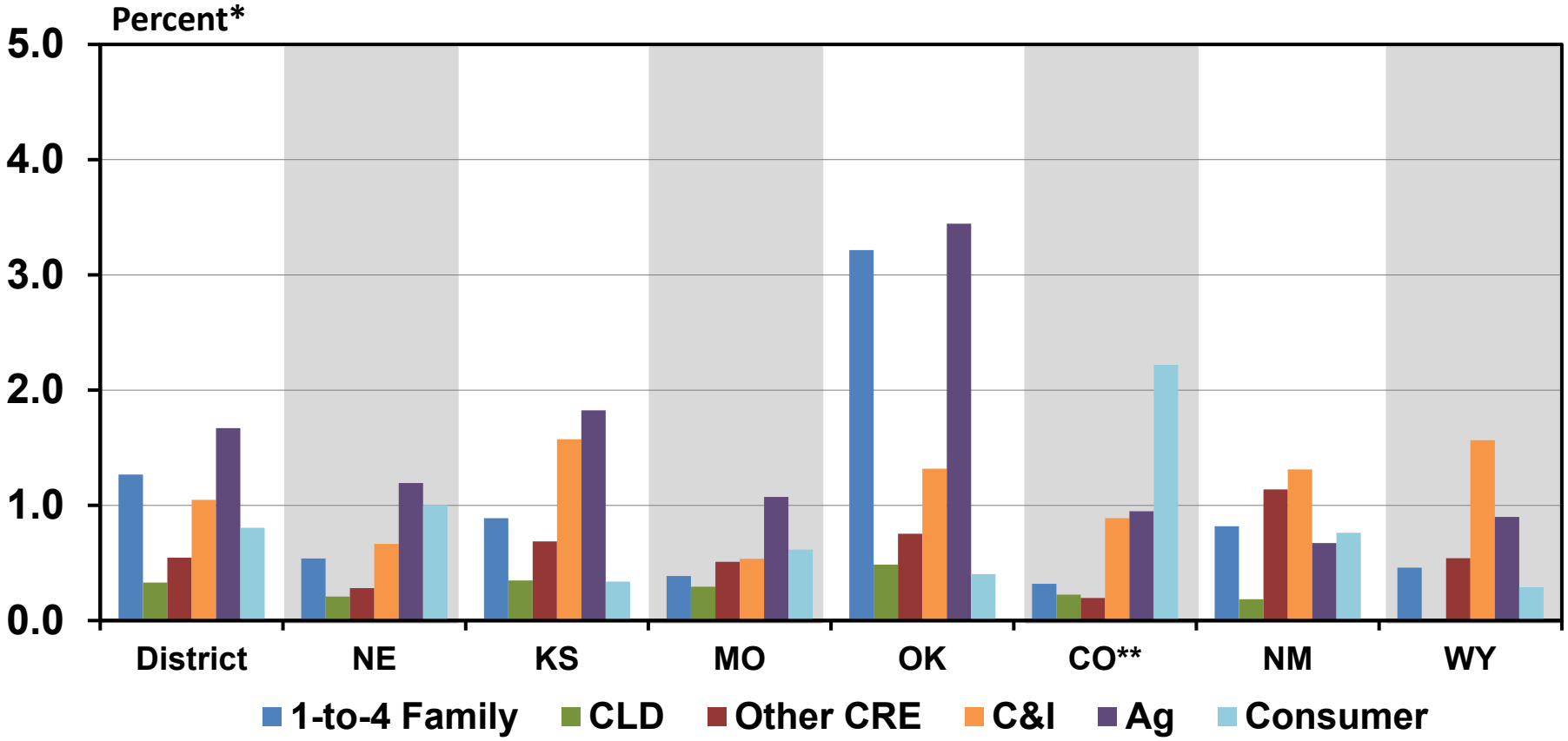


	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
1-to-4 Family (Banks)	1.26	1.11	1.10	0.99	1.23	1.55	1.27	1.14	1.23	1.27	1.55
C&I (Banks)	1.22	1.30	1.03	0.91	0.93	0.86	1.04	1.03	0.93	1.05	0.86
Ag (Banks)	0.31	0.68	0.80	1.00	1.48	1.81	1.12	1.17	1.48	1.70	1.81
Consumer (Banks)	0.62	0.88	0.89	0.90	0.79	0.67	0.78	0.79	0.79	0.80	0.67

* Noncurrent Loans to Loans - By Loan Category
Note: Noncurrent includes loans 90+ days past due or on nonaccrual
Source: Reports of Condition and Income

Noncurrent Loans by Loan Type Across District States

(Tenth District Commercial Banks)



* Noncurrent Loans to Loans - By Loan Category.

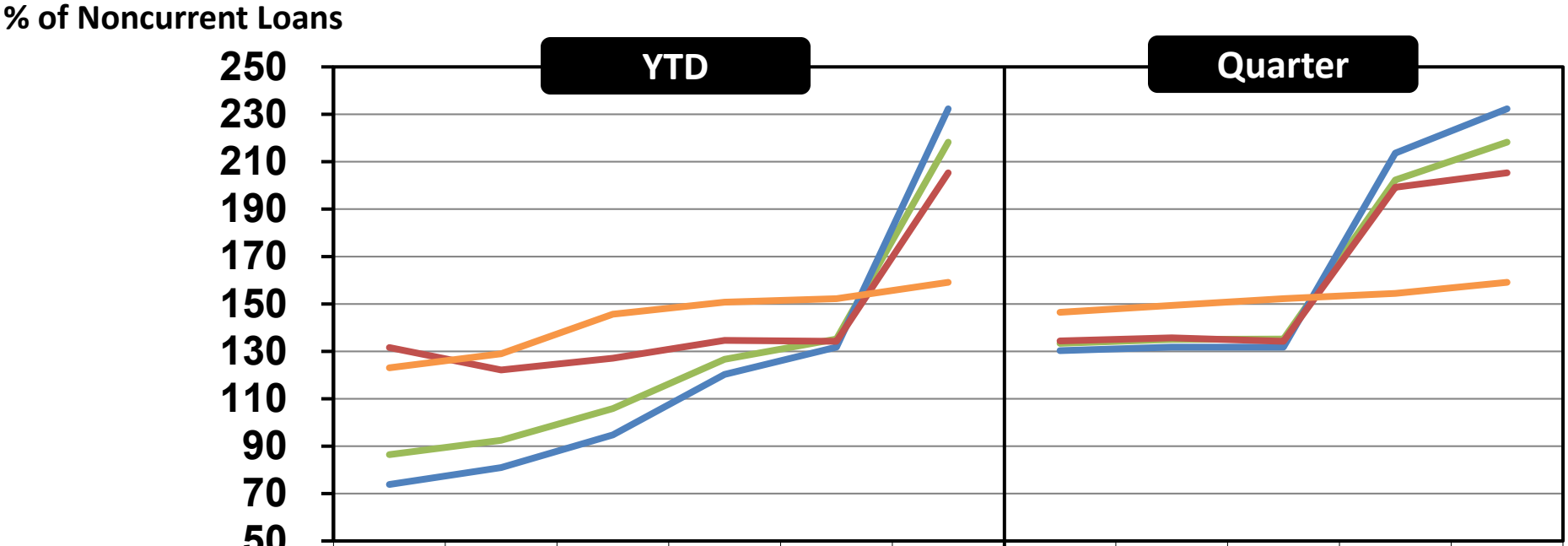
** Noncurrent Consumer loans in Colorado are mostly due to one institution engaged in a distressed student loan program

Note: Noncurrent includes loans 90+ days past due or in nonaccrual

Source: Reports of Condition and Income – June 2020

Coverage Ratio

(All US Commercial Banks)

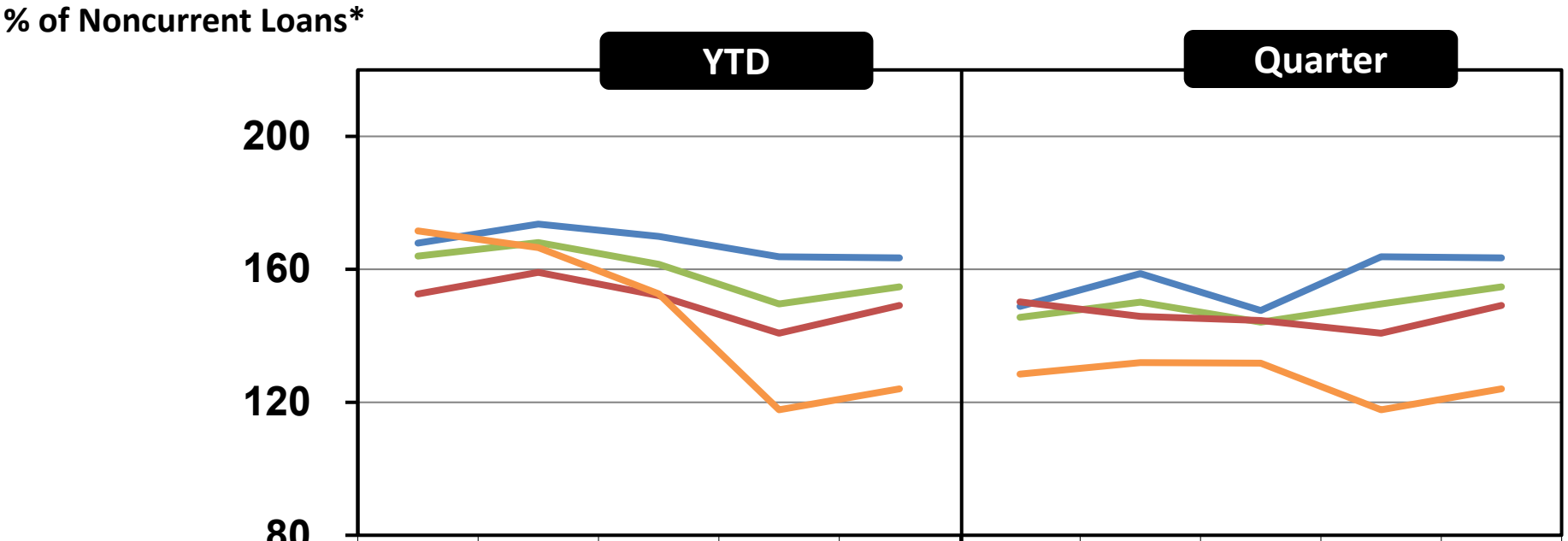


	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All Banks	86.4	92.4	105.8	126.7	135.2	218.3	133.4	135.0	135.2	202.3	218.3
Banks Over $100B	73.8	81.0	94.8	120.2	131.8	232.3	130.3	131.8	131.8	213.6	232.3
Banks $10 - $100B	131.6	122.2	127.1	134.6	134.2	205.3	134.4	135.7	134.2	199.2	205.3
Banks Under $10B	123.0	129.0	145.7	150.7	152.2	159.1	146.5	149.4	152.2	154.5	159.1

Note: Loan loss reserves to loans 90+ days past due or in nonaccrual
Source: Reports of Condition and Income

Coverage Ratio

(Tenth District Commercial Banks)

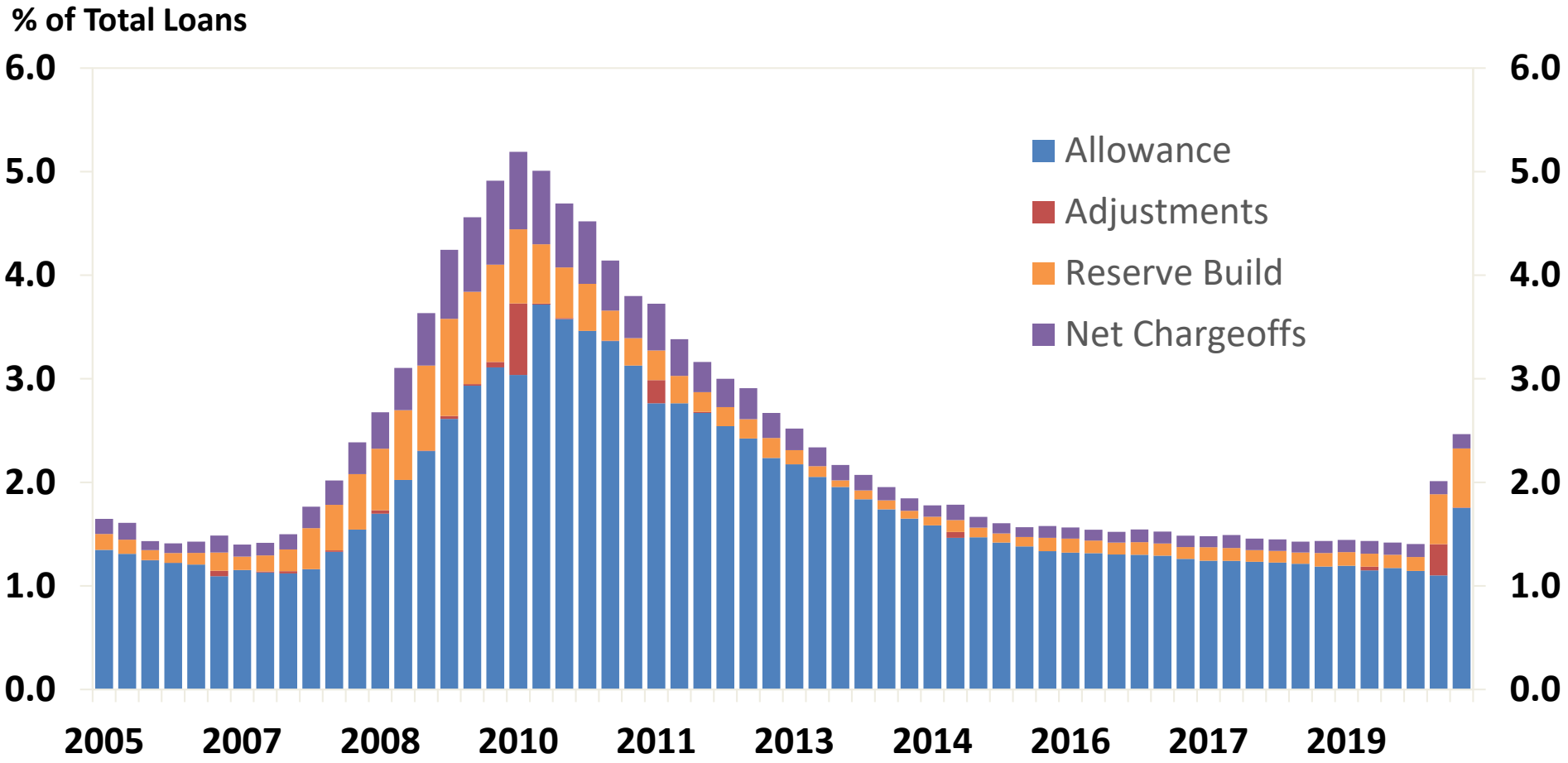


	2016	2017	2018	2020	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All District Banks	164.0	168.1	161.5	149.6	154.7	145.6	150.1	144.1	149.6	154.7
Banks Over $1B	167.9	173.6	169.9	163.8	163.5	148.9	158.7	147.6	163.8	163.5
Banks $250M - $1B	152.6	159.1	152.1	140.8	149.1	150.2	145.9	144.6	140.8	149.1
Banks Under $250M	171.5	166.5	152.6	117.7	124.0	128.5	131.9	131.8	117.7	124.0

* Loan loss reserves to loans 90+ days past due or in nonaccrual
Source: Reports of Condition and Income

Allowance to Total Loans

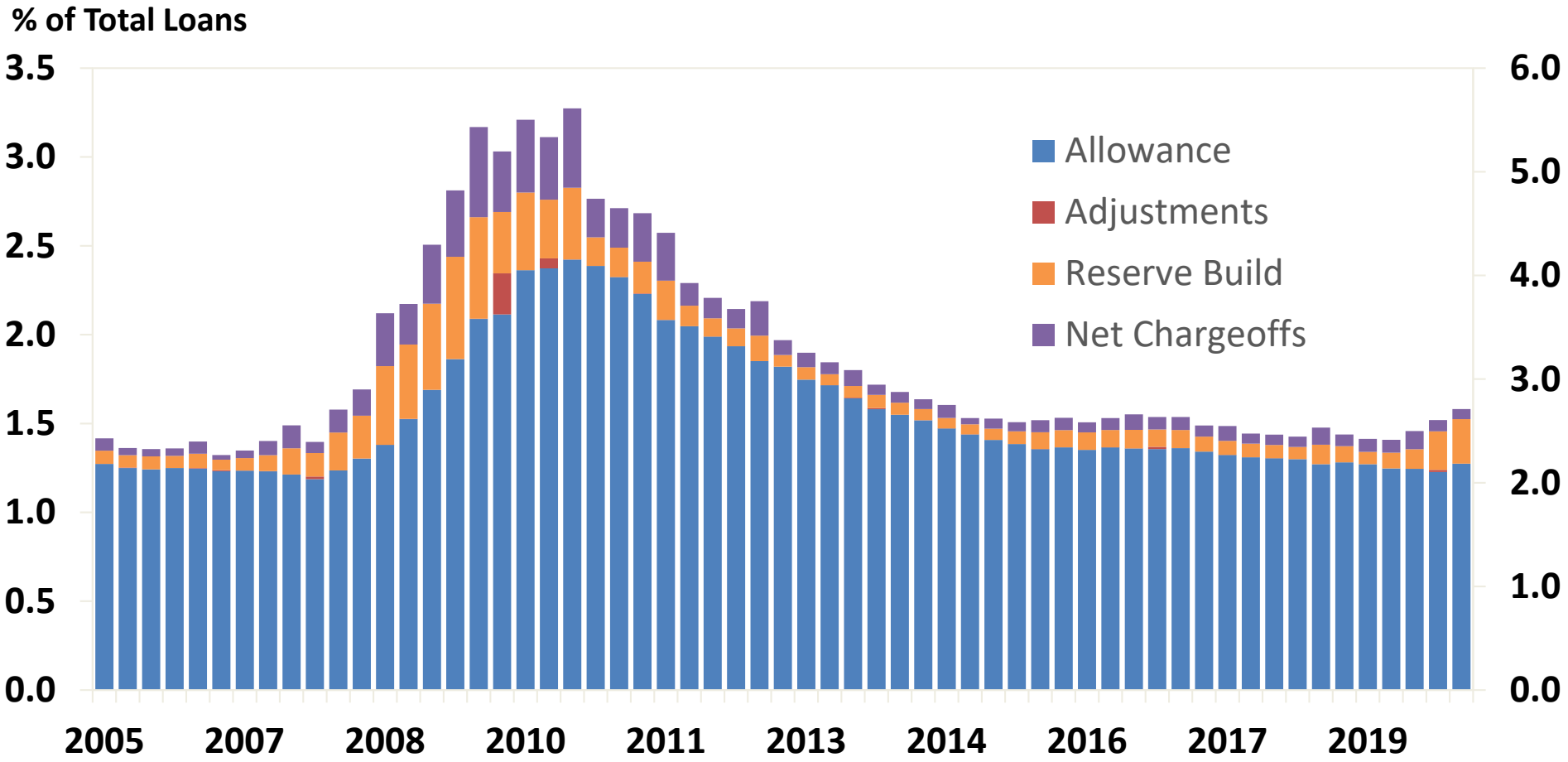
(All US Commercial Banks)



Source: Reports of Condition and Income

Allowance to Total Loans

(Tenth District Commercial Banks)



Source: Reports of Condition and Income

Balance Sheet Composition and Funding

All U.S. commercial banks

- Total deposit growth surpassed loan growth during the second quarter of 2020 and year-over-year, despite Payroll Protection Program (PPP) loans bolstering loan growth.
- Excluding PPP, all U.S. Commercial banks saw decreases in loan growth. Including PPP, small and medium sized banks, under $10B and between $10B-$100B respectively, saw increasing loan growth rates.
- Although banks under $10B who saw moderate increases in wholesale funding, all U.S. banks exhibited a decreasing trend.

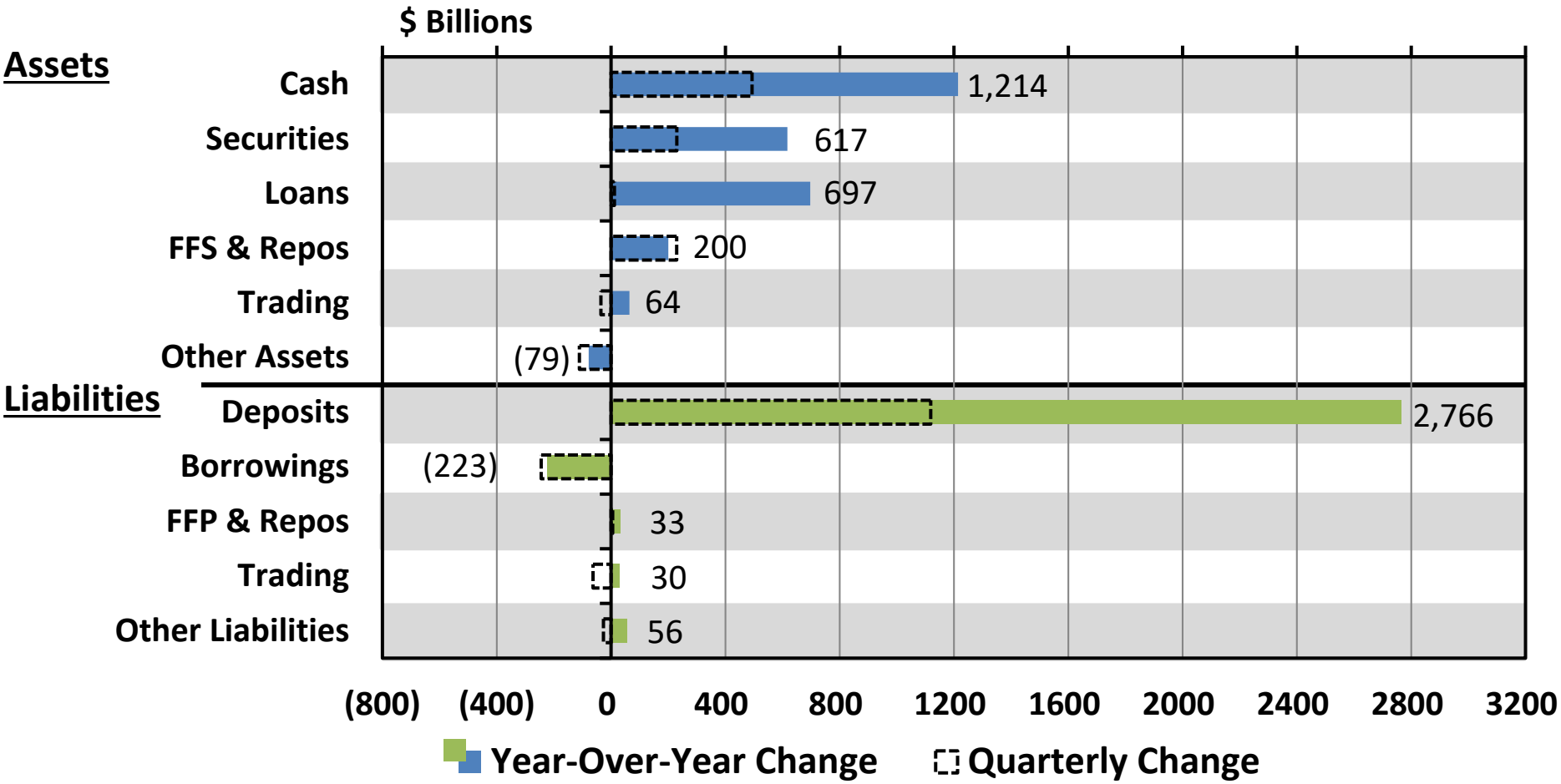
Tenth District commercial banks

- Deposit growth outpaced loan growth at Tenth District banks, both during the quarter and year-over-year. As with all U.S. banks, this is despite PPP's boost to loan growth.
- With PPP, all banks across the Tenth District experienced increasing loan growth rates. Without PPP, all banks experienced decreased loan growth rates.
- Wholesale funding for all district bank also decreased. However, bank's under $1B saw a slight increase.

Balance Sheet Shifts

Change From June 2019 to June 2020

(All US Commercial Banks)

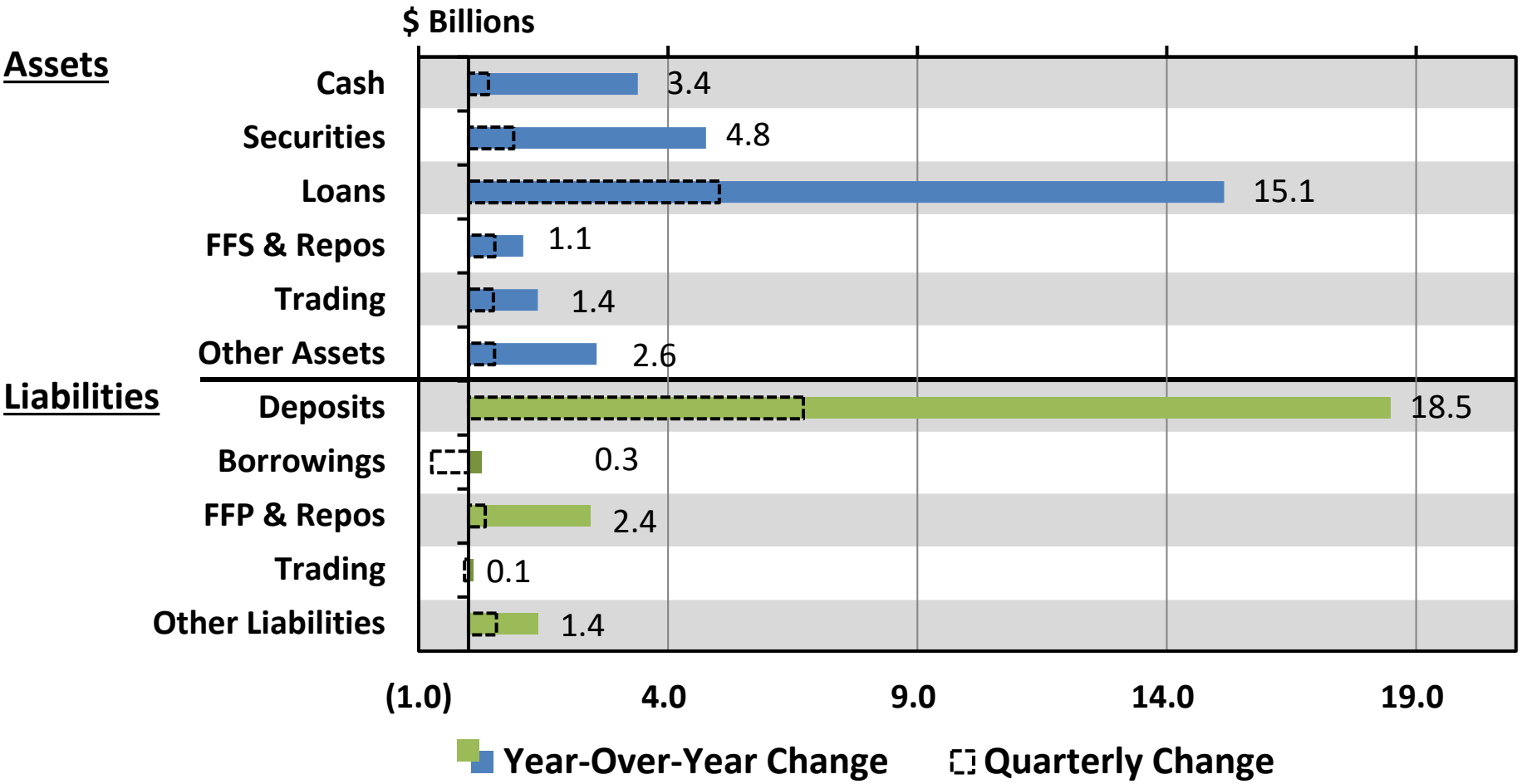


Source: Reports of Condition and Income

Balance Sheet Shifts

Change From June 2019 to June 2020

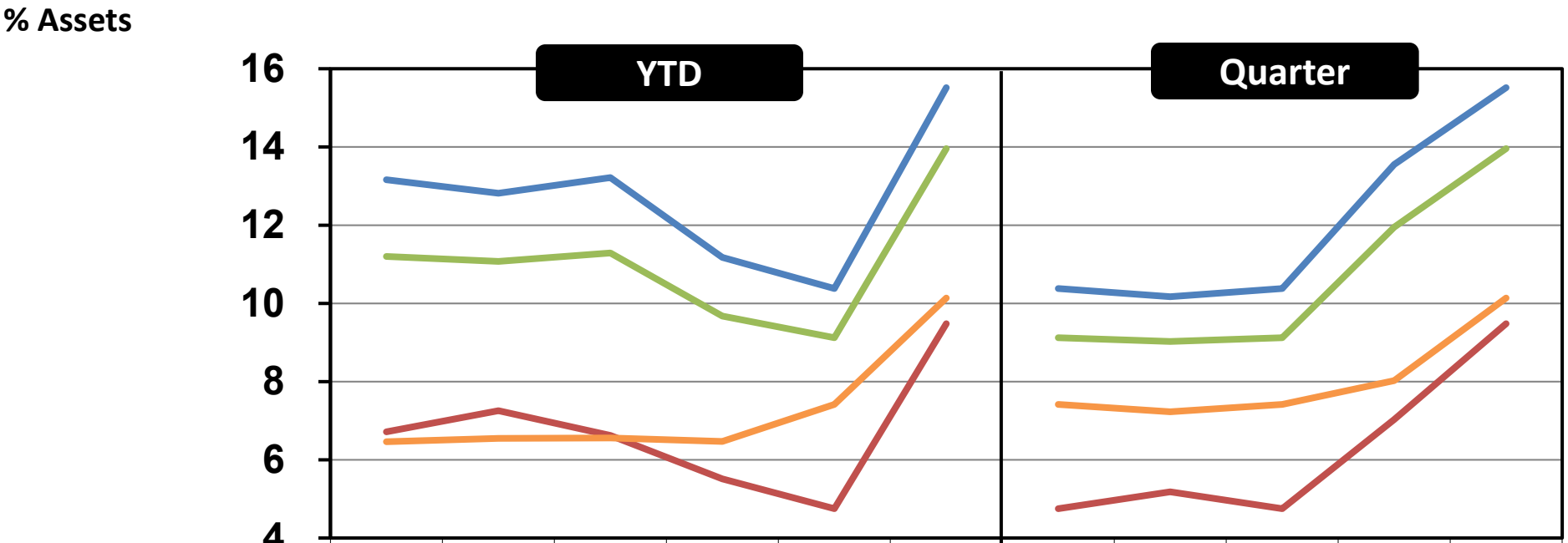
(Tenth District Commercial Banks)



Source: Reports of Condition and Income

Cash and Reserve Holdings

(All US Commercial Banks)



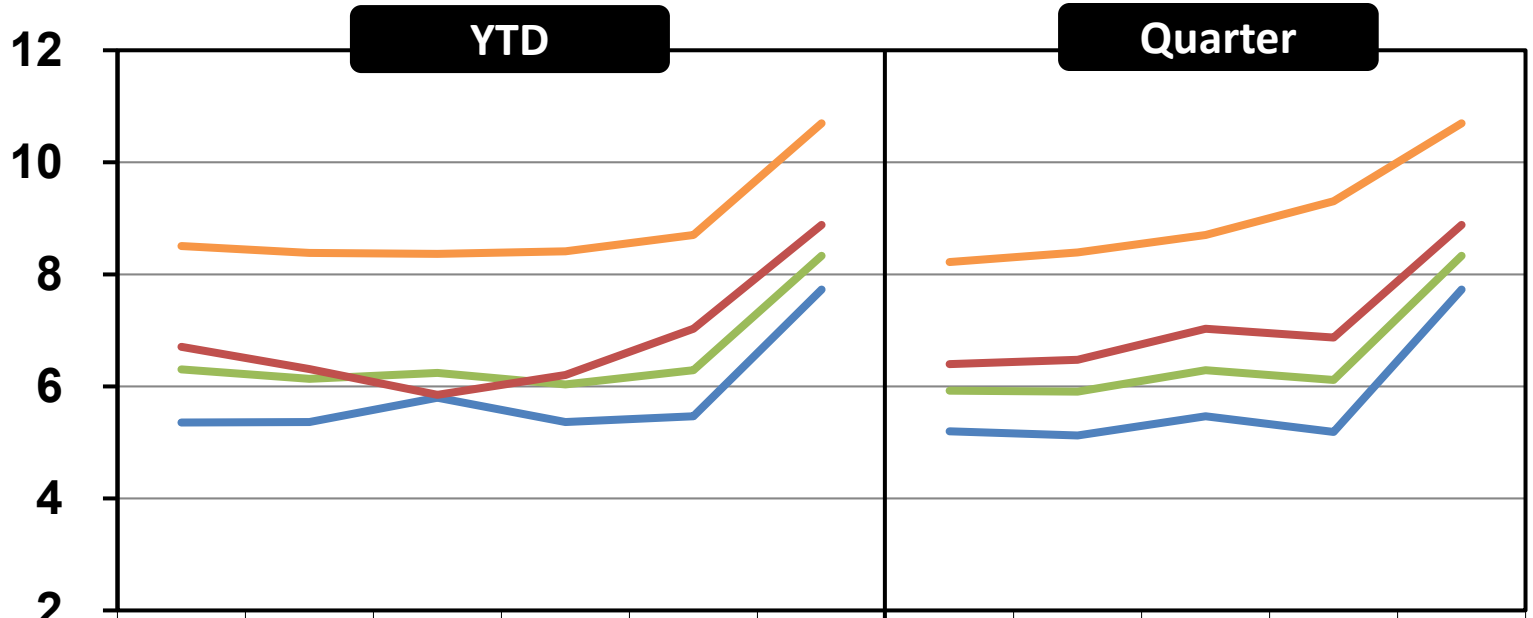
	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All Banks	11.2	11.1	11.3	9.7	9.1	14.0	9.1	9.0	9.1	11.9	14.0
Banks Over $100B	13.2	12.8	13.2	11.2	10.4	15.5	10.4	10.2	10.4	13.6	15.5
Banks $10 - $100B	6.7	7.3	6.6	5.5	4.7	9.5	4.7	5.2	4.7	7.0	9.5
Banks Under $10B	6.5	6.5	6.6	6.5	7.4	10.1	7.4	7.2	7.4	8.0	10.1

Note: Total cash and due from as a percentage of total assets
Source: Reports of Condition and Income

Cash and Reserve Holdings

(Tenth District Commercial Banks)

% of Assets*



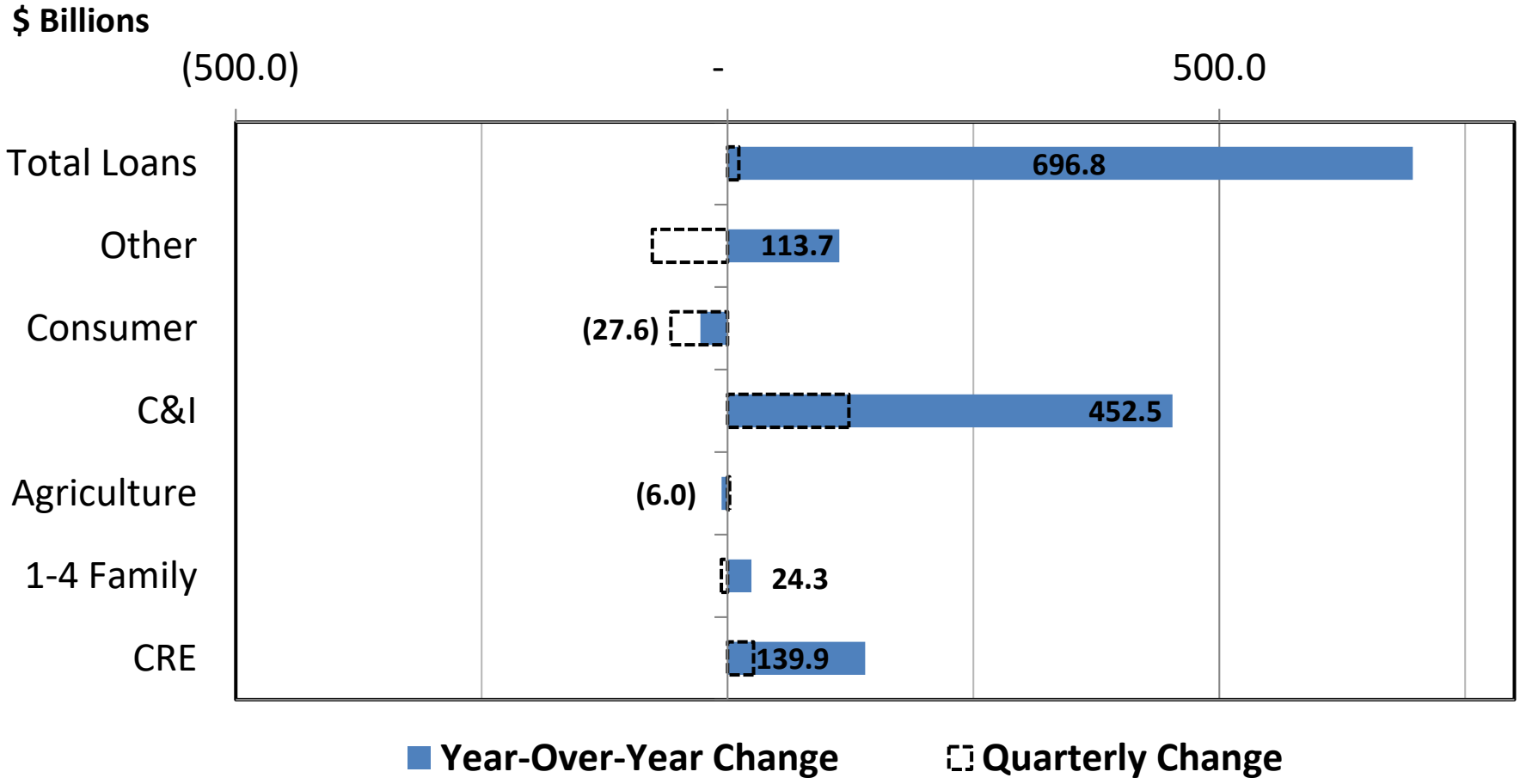
	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All District Banks	6.3	6.1	6.2	6.0	6.3	8.3	5.9	5.9	6.3	6.1	8.3
Banks Over $1B	5.4	5.4	5.8	5.4	5.5	7.7	5.2	5.1	5.5	5.2	7.7
Banks $250M - $1B	6.7	6.3	5.8	6.2	7.0	8.9	6.4	6.5	7.0	6.9	8.9
Banks Under $250M	8.5	8.4	8.4	8.4	8.7	10.7	8.2	8.4	8.7	9.3	10.7

Note: Total cash and due from as a percentage of total assets
Source: Reports of Condition and Income

Loan Portfolio Composition

Change From June 2019 to June 2020

(All US Commercial Banks)

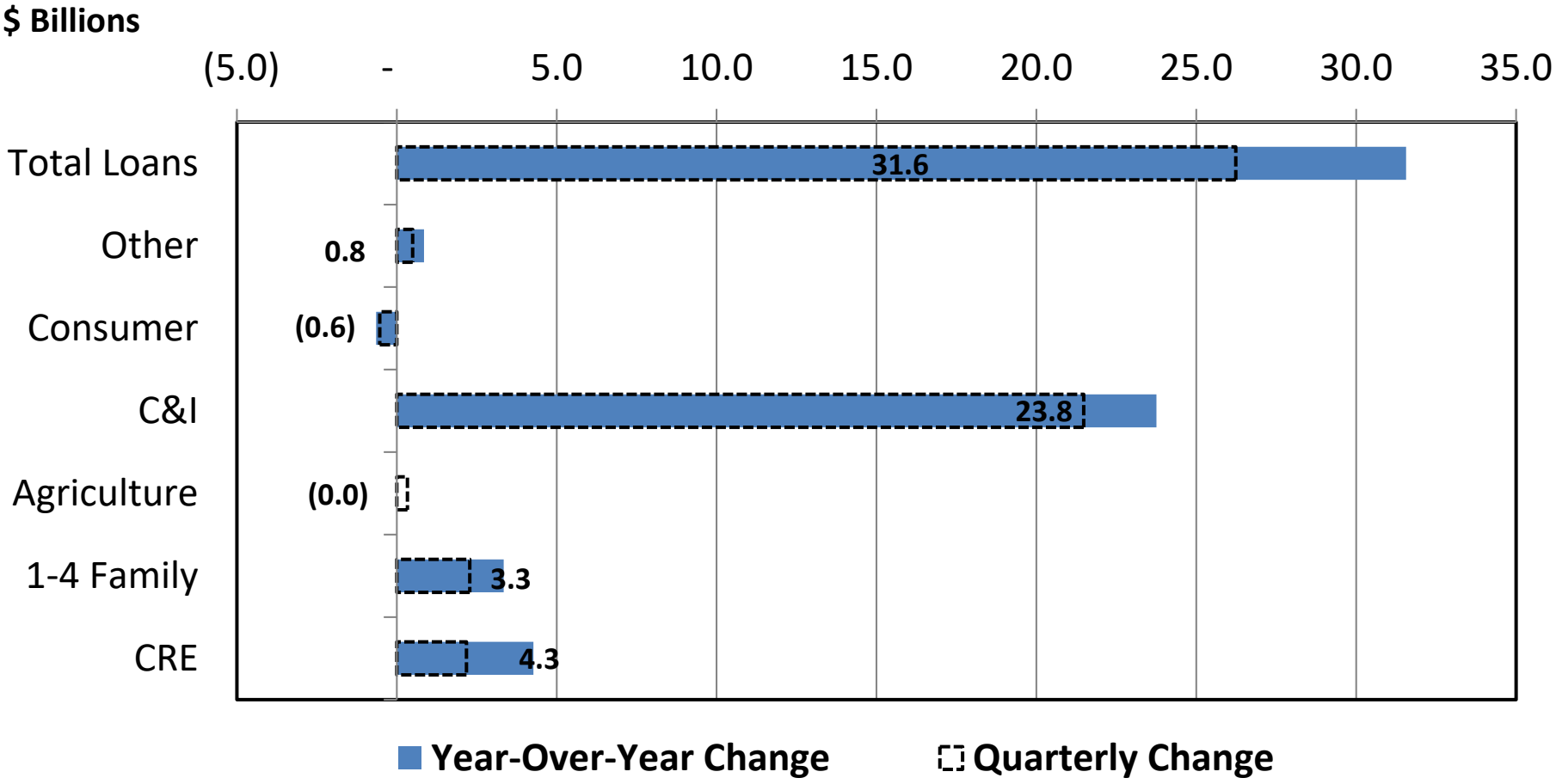


Source: Reports of Condition and Income

Loan Portfolio Composition

Change From June 2019 to June 2020

*(Tenth District Commercial Banks)**

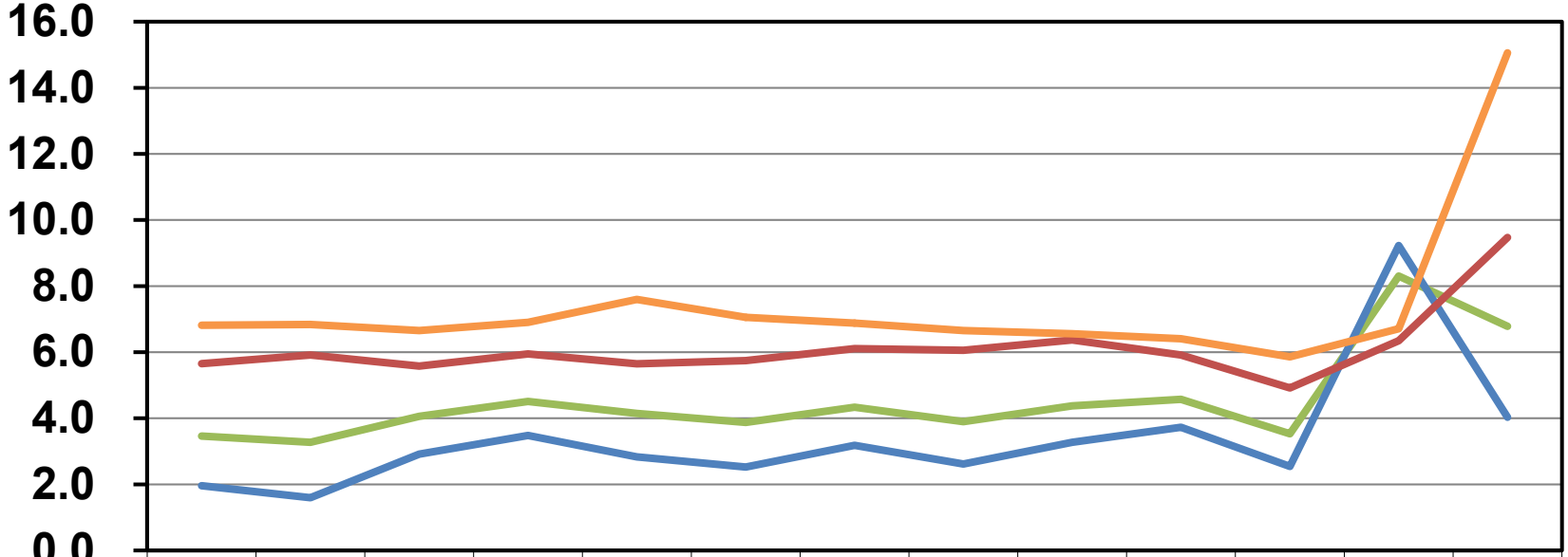


Source: Reports of Condition and Income

Total Loan Growth

(All US Commercial Banks)

% Change From Prior Year



	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All Banks	3.46	3.27	4.06	4.51	4.15	3.88	4.34	3.90	4.38	4.57	3.53	8.31	6.79
Banks Over $100B	1.96	1.60	2.92	3.48	2.83	2.53	3.18	2.62	3.27	3.73	2.54	9.23	4.03
Banks $10 - $100B	5.65	5.91	5.58	5.95	5.65	5.74	6.11	6.06	6.37	5.91	4.92	6.35	9.47
Banks Under $10B	6.82	6.84	6.65	6.91	7.60	7.06	6.88	6.65	6.56	6.41	5.86	6.71	15.06

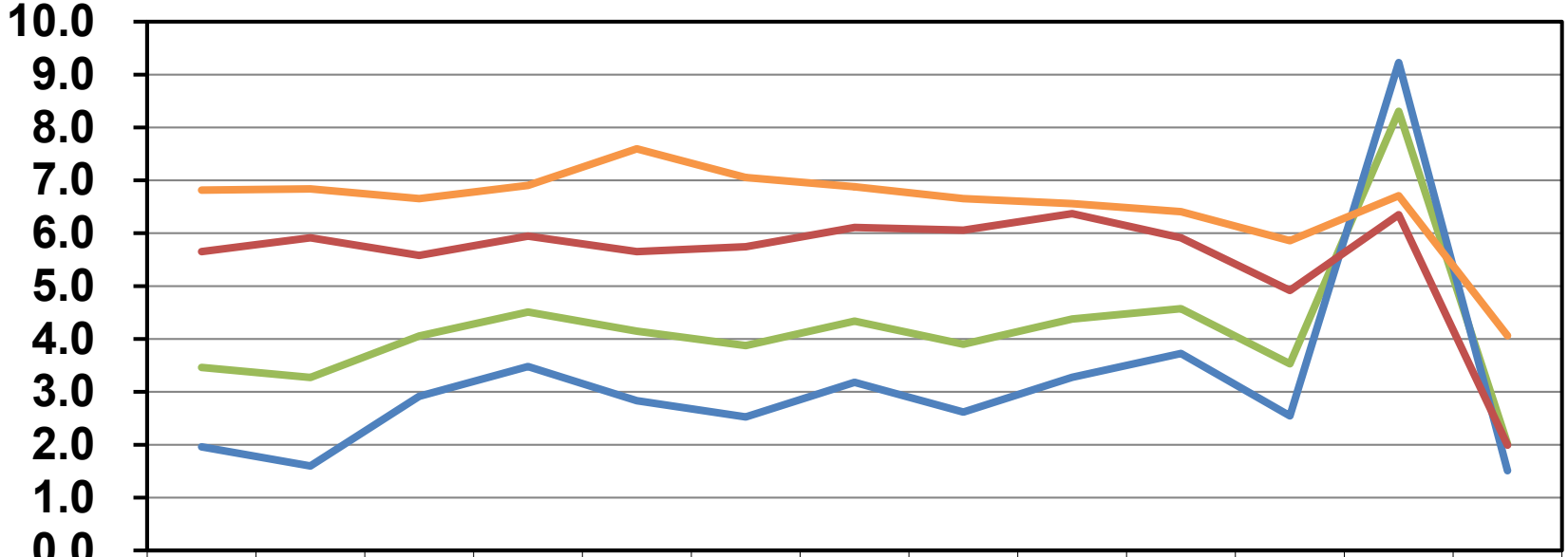
Notes: 1) The pool of banks within each size grouping was adjusted to eliminate distortions from acquisitions, including failed banks; 2) Loans are defined as net loans outstanding; 3) 2Q 2020 Loan growth includes PPP loan data

Source: Reports of Condition and Income

Total Loan Growth Excluding PPP

(All US Commercial Banks)

% Change From Prior Year

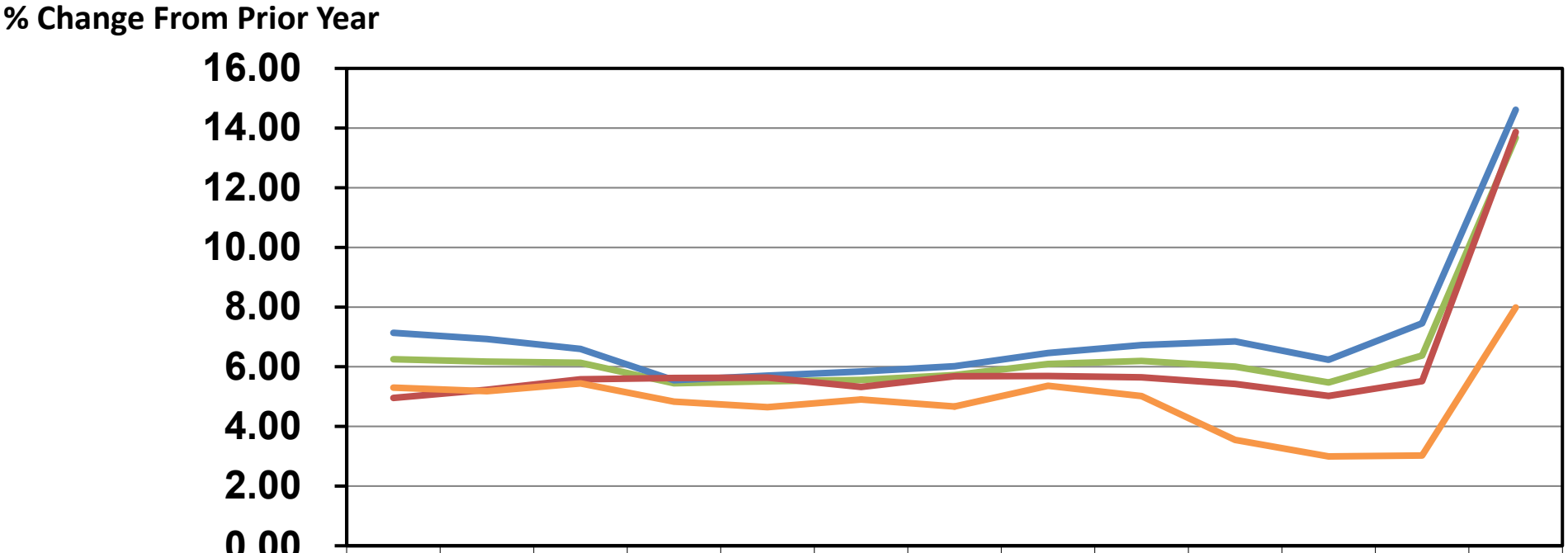


	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All Banks	3.46	3.27	4.06	4.51	4.15	3.88	4.34	3.90	4.38	4.57	3.53	8.31	2.01
Banks Over $100B	1.96	1.60	2.92	3.48	2.83	2.53	3.18	2.62	3.27	3.73	2.54	9.23	1.51
Banks $10 - $100B	5.65	5.91	5.58	5.95	5.65	5.74	6.11	6.06	6.37	5.91	4.92	6.35	1.99
Banks Under $10B	6.82	6.84	6.65	6.91	7.60	7.06	6.88	6.65	6.56	6.41	5.86	6.71	4.06

Notes: 1) The pool of banks within each size grouping was adjusted to eliminate distortions from acquisitions, including failed banks; 2) Loans are defined as net loans outstanding;
Source: Reports of Condition and Income

Total Loan Growth

(Tenth District Commercial Banks)



	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All District Banks	6.25	6.17	6.13	5.45	5.51	5.56	5.72	6.09	6.19	6.01	5.47	6.38	13.68
Banks Over $1B	7.14	6.93	6.60	5.55	5.70	5.84	6.02	6.46	6.72	6.85	6.23	7.45	14.61
Banks $250M - $1B	4.96	5.23	5.58	5.62	5.63	5.32	5.68	5.69	5.64	5.43	5.02	5.52	13.87
Banks Under $250M	5.30	5.18	5.44	4.83	4.65	4.90	4.67	5.36	5.02	3.55	3.00	3.02	7.99

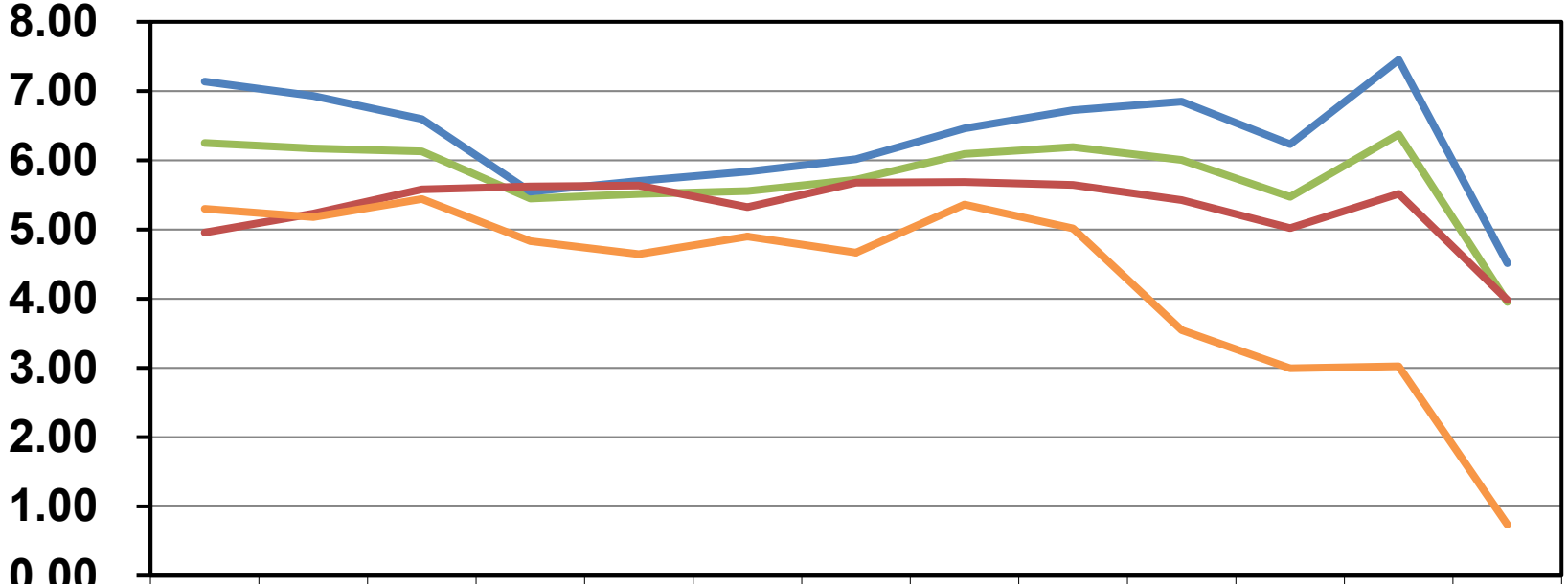
Notes: 1) The pool of banks within each size grouping was adjusted to eliminate distortions from acquisitions, including failed banks; 2) Loans are defined as net loans outstanding 3) 2Q 2020 Loan growth includes PPP loan data

Source: Reports of Condition and Income

Total Loan Growth Excluding PPP

(Tenth District Commercial Banks)

% Change From Prior Year



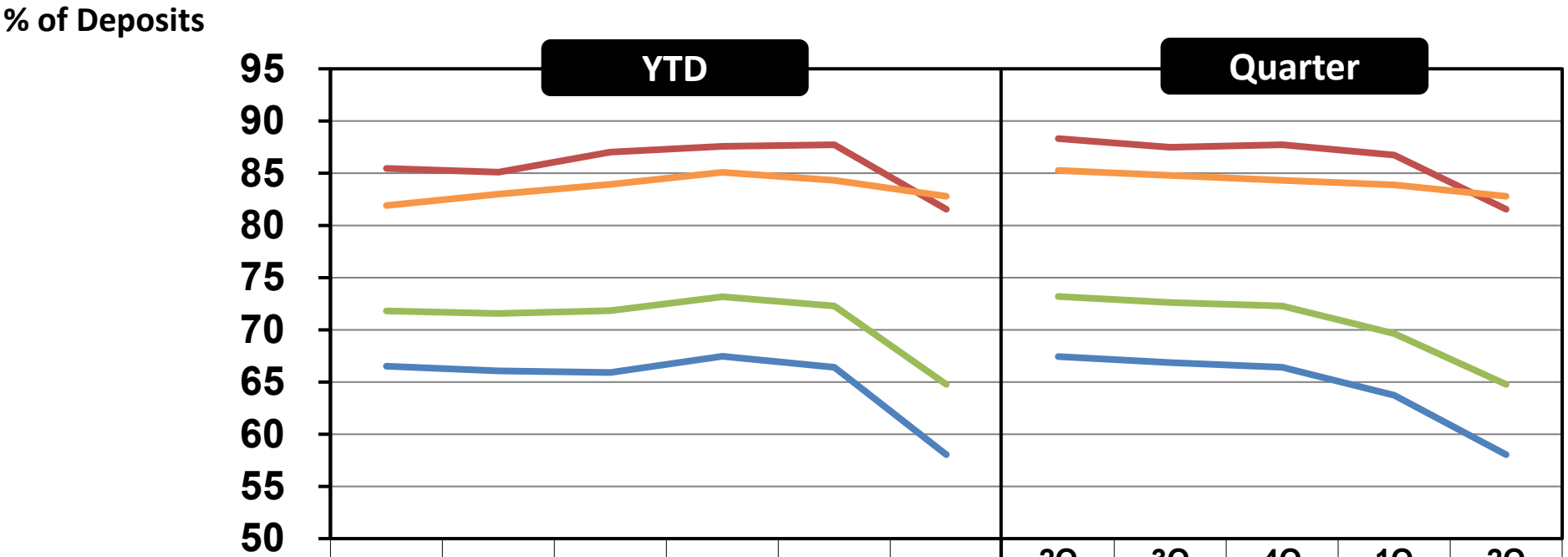
	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All District Banks	6.25	6.17	6.13	5.45	5.51	5.56	5.72	6.09	6.19	6.01	5.47	6.38	3.95
Banks Over $1B	7.14	6.93	6.60	5.55	5.70	5.84	6.02	6.46	6.72	6.85	6.23	7.45	4.51
Banks $250M - $1B	4.96	5.23	5.58	5.62	5.63	5.32	5.68	5.69	5.64	5.43	5.02	5.52	3.98
Banks Under $250M	5.30	5.18	5.44	4.83	4.65	4.90	4.67	5.36	5.02	3.55	3.00	3.02	0.74

Notes: 1) The pool of banks within each size grouping was adjusted to eliminate distortions from acquisitions, including failed banks; 2) Loans are defined as net loans outstanding

Source: Reports of Condition and Income

Loans to Deposits

(All US Commercial Banks)

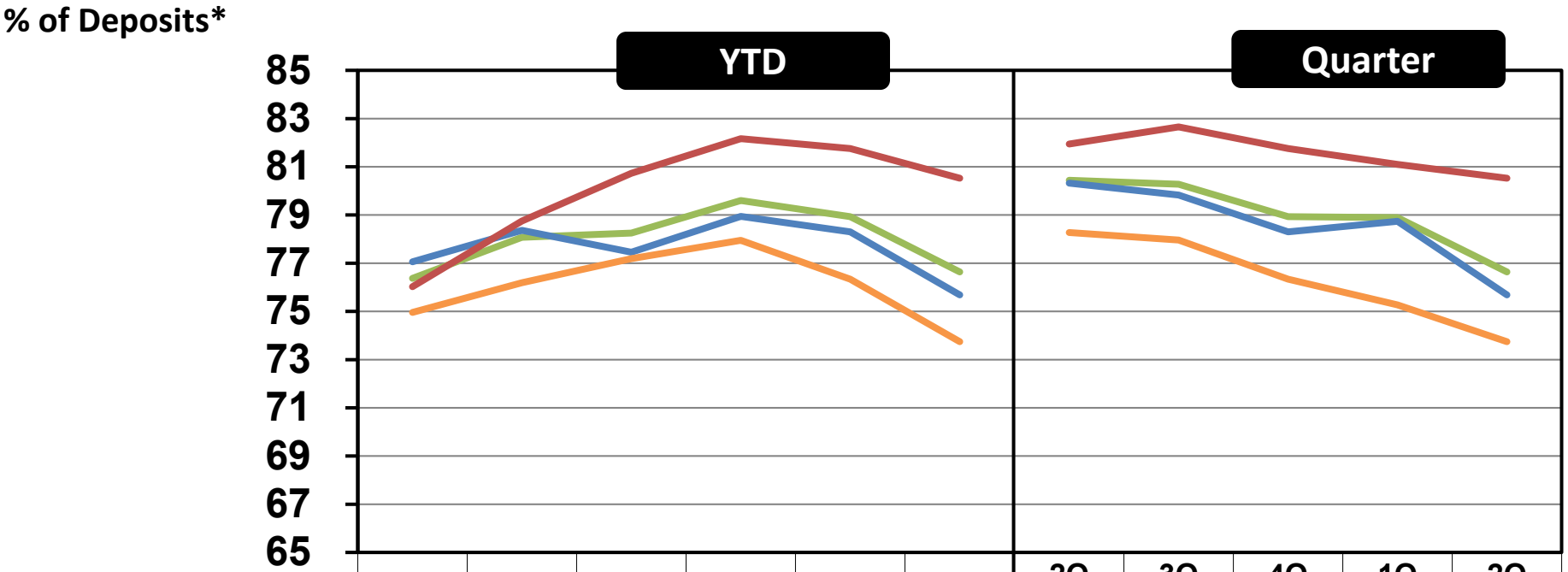


	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All Banks	71.8	71.6	71.8	73.2	72.3	64.8	73.2	72.6	72.3	69.6	64.8
Banks Over $100B	66.5	66.1	65.9	67.5	66.4	58.0	67.4	66.9	66.4	63.7	58.0
Banks $10 - $100B	85.5	85.1	87.0	87.6	87.7	81.6	88.3	87.5	87.7	86.7	81.6
Banks Under $10B	81.9	83.0	83.9	85.1	84.3	82.8	85.3	84.8	84.3	83.9	82.8

Note: Total loans as a percentage of total deposits
Source: Reports of Condition and Income

Loans to Deposits

(Tenth District Commercial Banks)

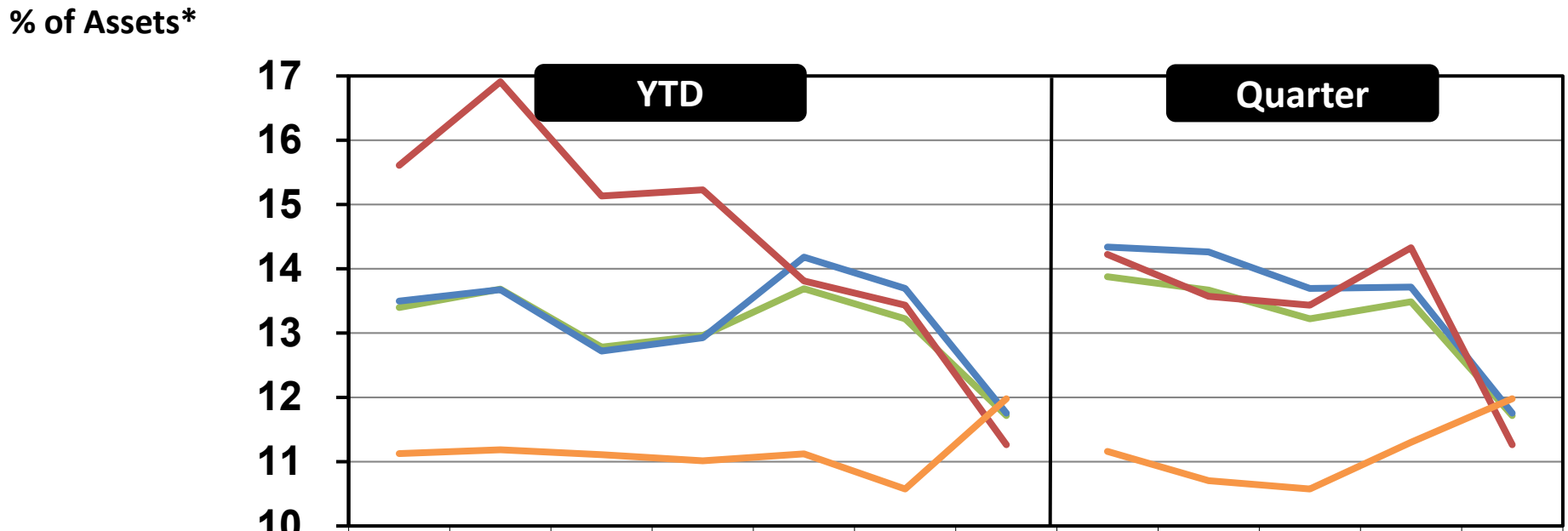


	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All District Banks	76.4	78.1	78.3	79.6	78.9	76.6	80.4	80.3	78.9	78.9	76.6
Banks Over $1B	77.1	78.4	77.5	78.9	78.3	75.7	80.3	79.8	78.3	78.7	75.7
Banks $250M - $1B	76.0	78.7	80.7	82.2	81.8	80.5	81.9	82.7	81.8	81.1	80.5
Banks Under $250M	75.0	76.2	77.2	78.0	76.3	73.7	78.3	78.0	76.3	75.3	73.7

* Total loans as a percentage of total deposits
Source: Reports of Condition and Income

Wholesale Funding

(All US Commercial Banks)



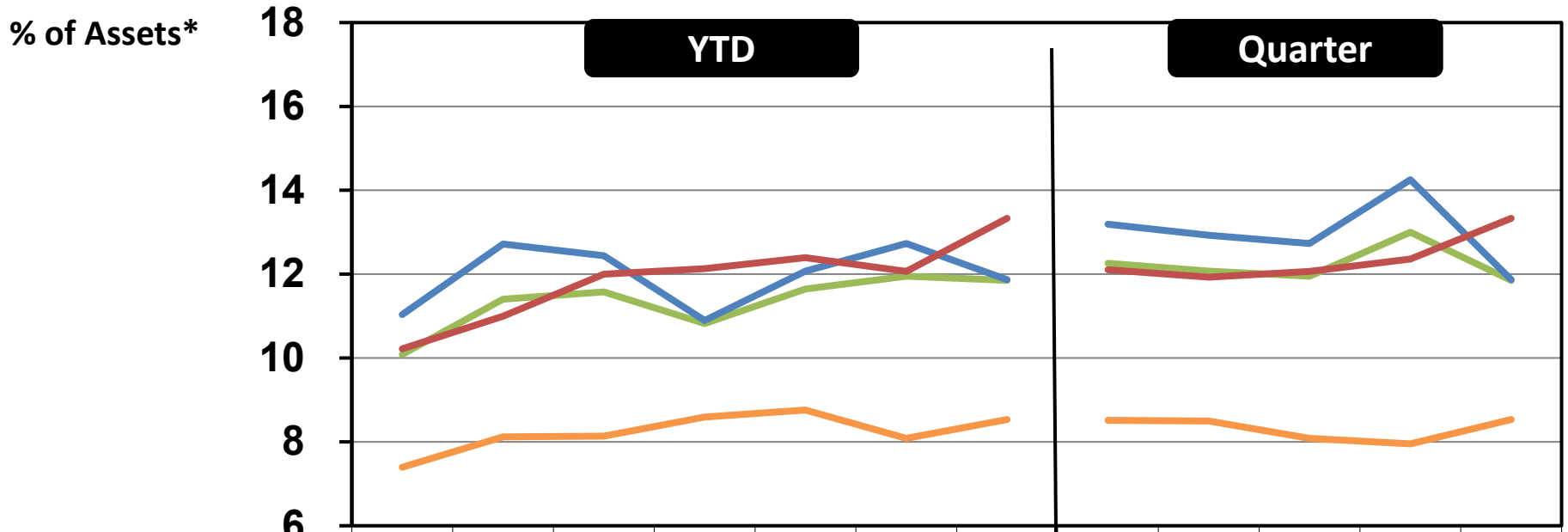
	2014	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All Banks	13.4	13.7	12.8	13.0	13.7	13.2	11.7	13.9	13.7	13.2	13.5	11.7
Banks Over $100B	13.5	13.7	12.7	12.9	14.2	13.7	11.8	14.3	14.3	13.7	13.7	11.8
Banks $10B - $100B	15.6	16.9	15.1	15.2	13.8	13.4	11.3	14.2	13.6	13.4	14.3	11.3
Banks Under $10B	11.1	11.2	11.1	11.0	11.1	10.6	12.0	11.2	10.7	10.6	11.3	12.0

* FFP, repos, listing service deposits, brokered deposits, FHLB borrowings, non-brokered reciprocal deposits, and other borrowed money, as a percentage of total assets

Source: Reports of Condition and Income

Wholesale Funding

(Tenth District Commercial Banks)



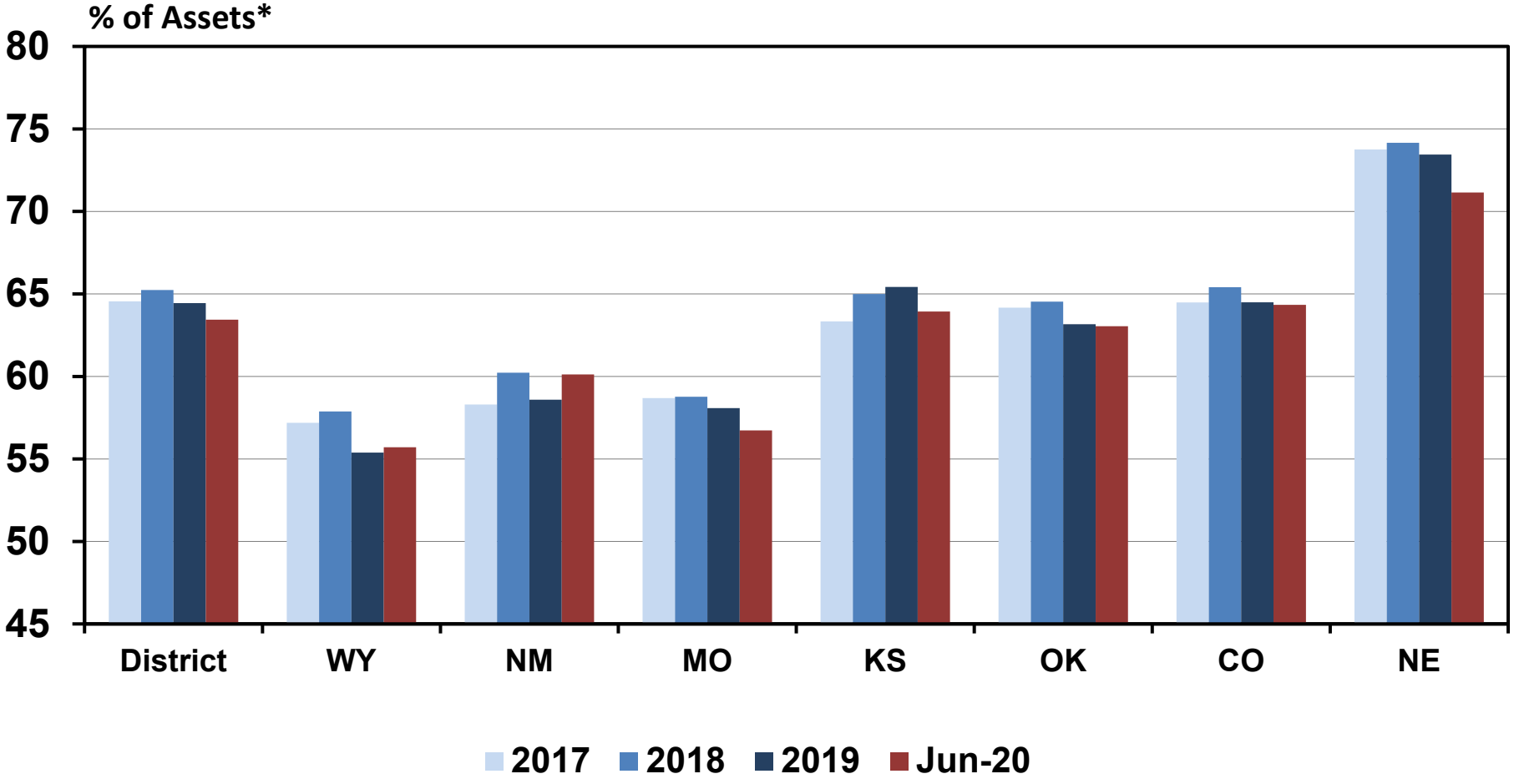
	2014	2015	2016	2017	2018	2019	2020	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020
All District Banks	10.1	11.4	11.6	10.8	11.6	12.0	11.9	12.3	12.1	12.0	13.0	11.9
Banks Over $1B	11.0	12.7	12.4	10.9	12.1	12.7	11.9	13.2	12.9	12.7	14.3	11.9
Banks $250M - $1B	10.2	11.0	12.0	12.1	12.4	12.1	13.3	12.1	11.9	12.1	12.4	13.3
Banks Under $250M	7.4	8.1	8.1	8.6	8.8	8.1	8.5	8.5	8.5	8.1	8.0	8.5

* FFP, repos, listing service deposits, brokered deposits, FHLB borrowings, non-brokered reciprocal deposits and other borrowed money, as a percentage of total assets

Source: Reports of Condition and Income

Loans to Assets Across District States

(Tenth District Commercial Banks)



* Total loans as a percentage of total assets
Source: Reports of Condition and Income

Paycheck Protection Program Loans

All U.S. commercial banks

- Commercial banks with less than $10 billion accounted for the largest portion of PPP loans with 38% of all PPP loans or $173 billion outstanding
- Unearned income has increased due to PPP fees

Tenth District commercial banks

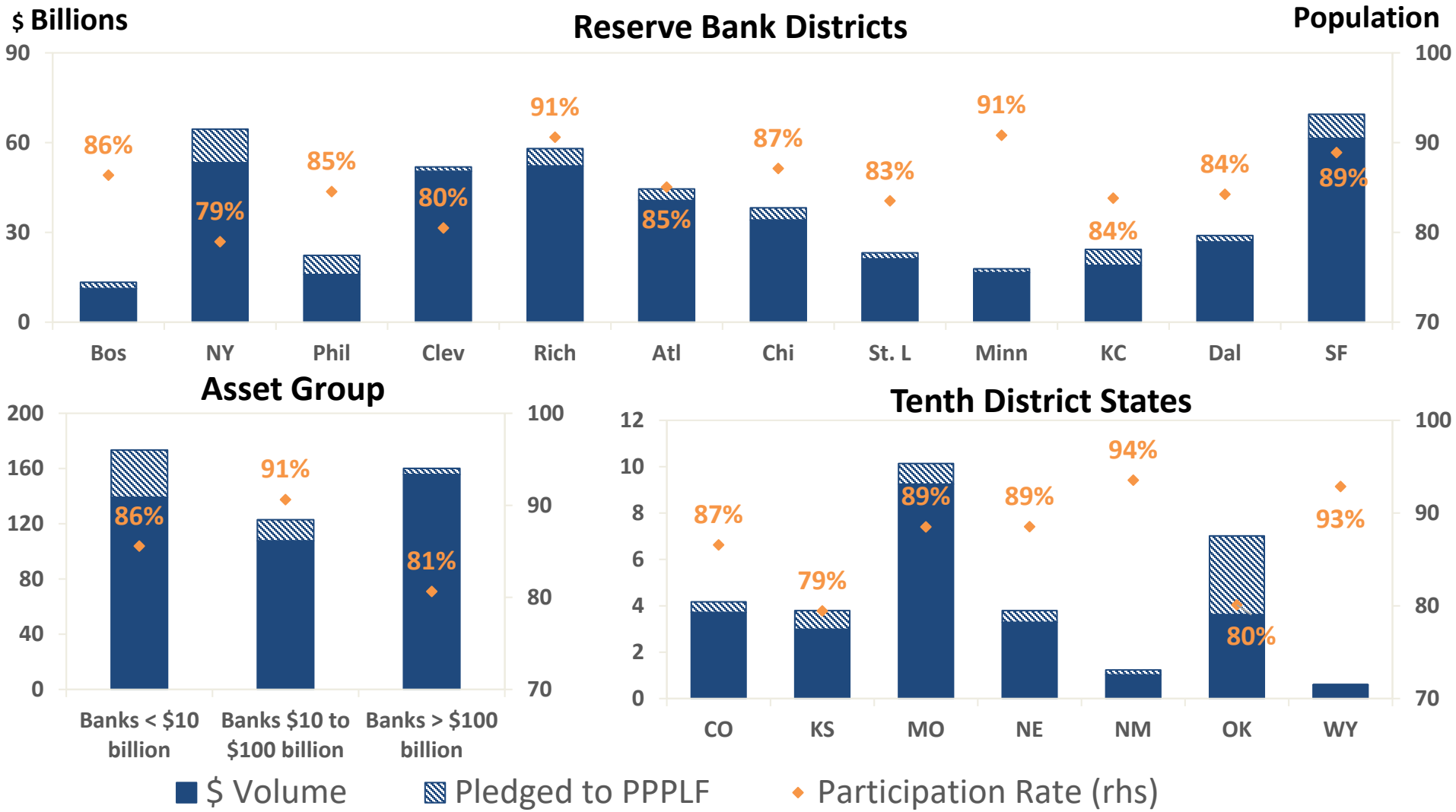
- Over $5.3 billion in PPP loans were reported during Q2 2020 with 84% of district banks participating
- Unlike All U.S. commercial banks, unearned income is down from Q1 2020

Additional notes

- PPP loans changed average assets - significantly impacting the change in capital ratios at banks with less than $10 billion

PPP Loans Outstanding and Rate of Participation

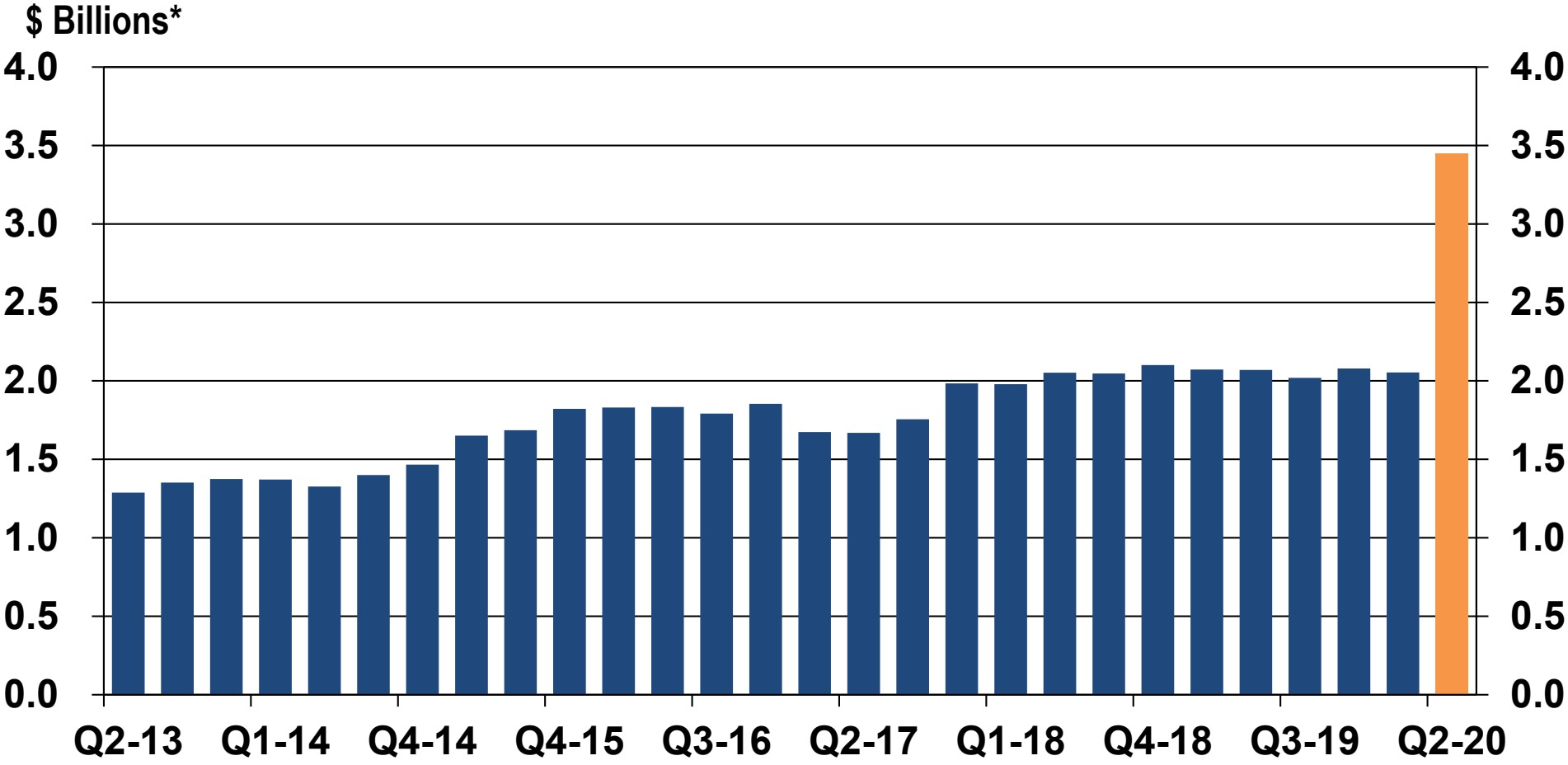
June 30th, 2020



Source: Reports of Condition and Income

Unearned Income on Loans and Loan Fees

(All US Commercial Banks)

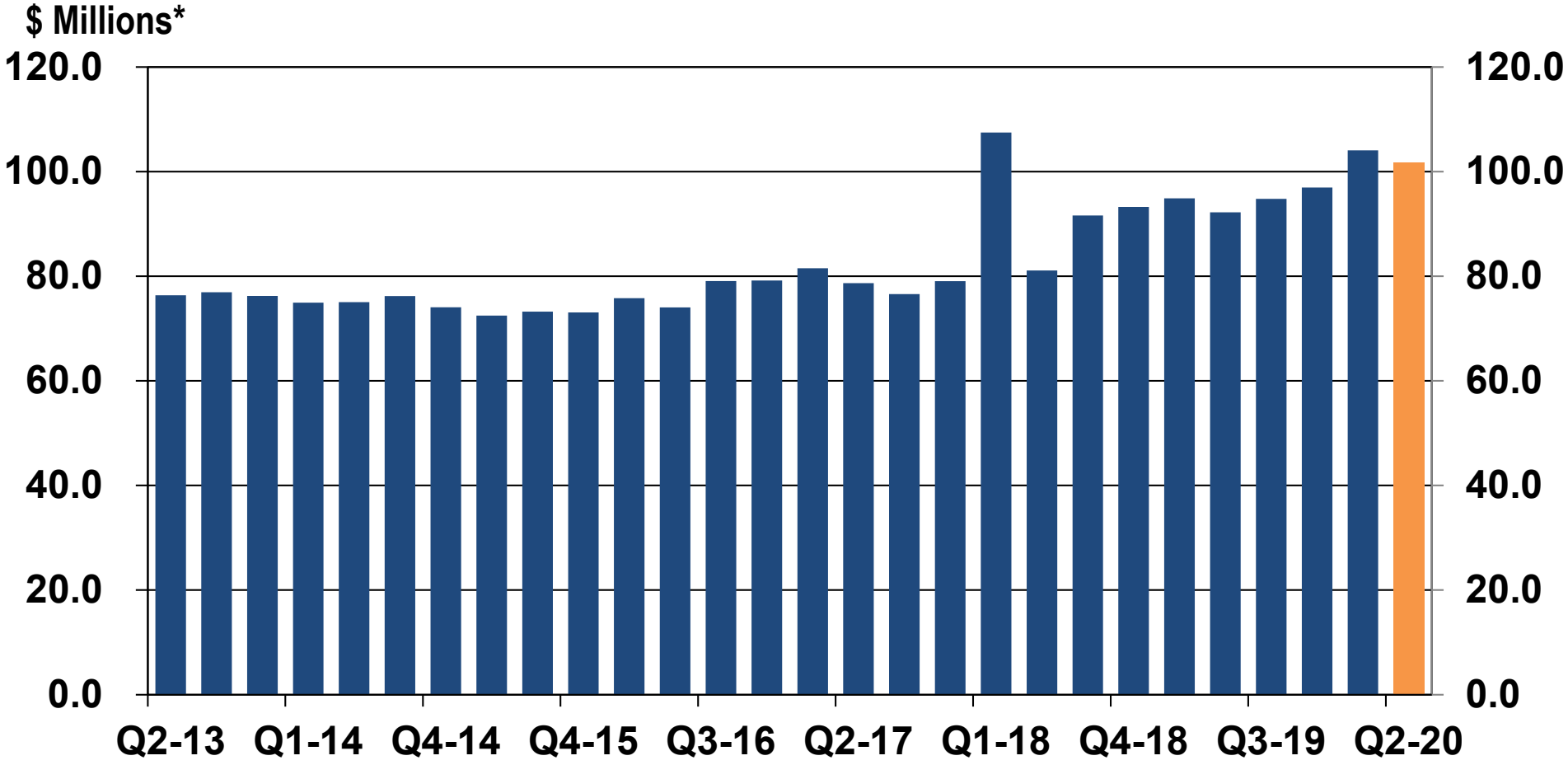


* Unearned income on loans and net unamortized loan fees

Source: Reports of Condition and Income

Unearned Income on Loans and Loan Fees

(Tenth District Commercial Banks)

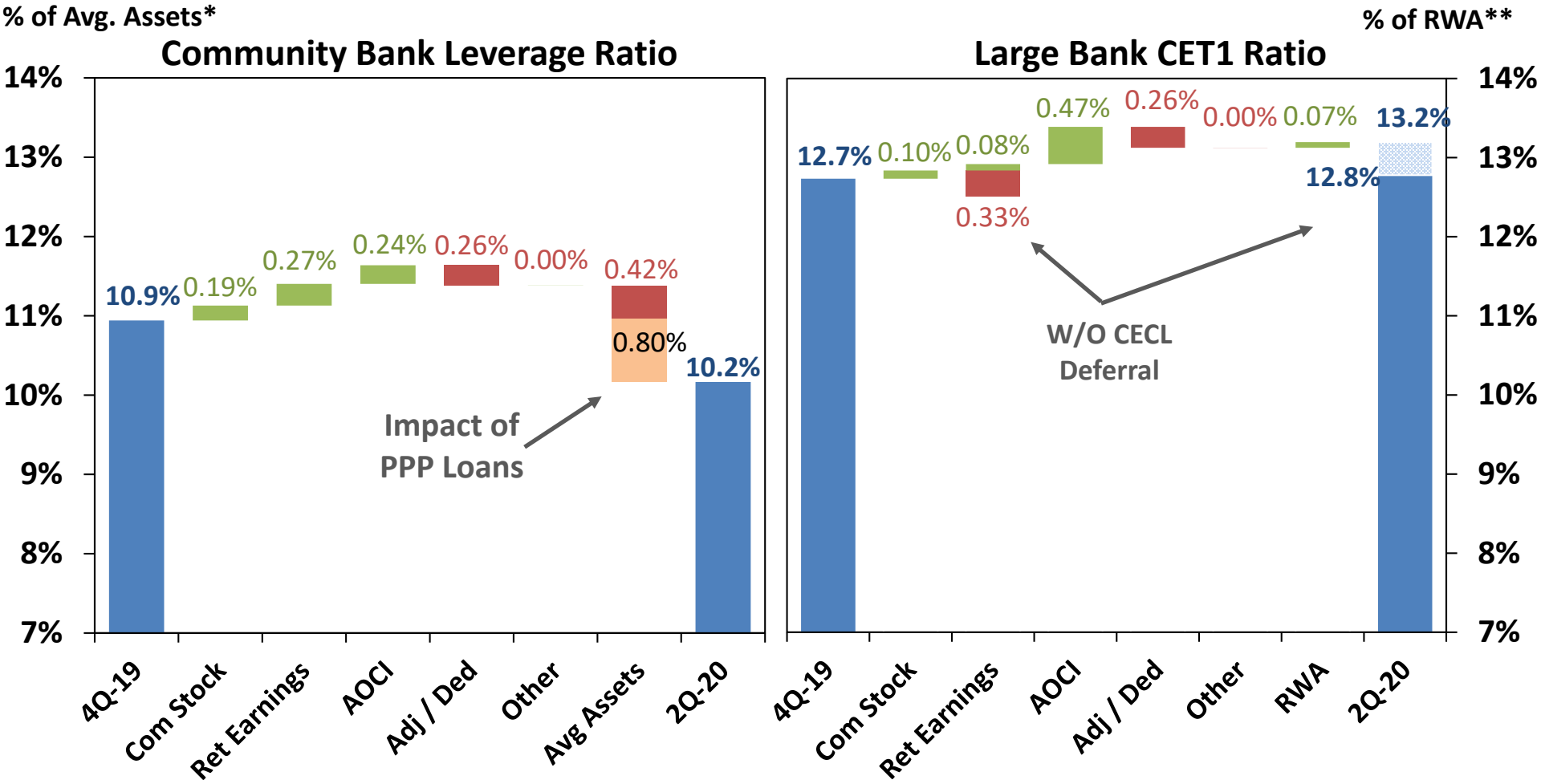


* Unearned income on loans and net unamortized loan fees

Source: Reports of Condition and Income

Factors for Change in Capital at Community and Large Banks

December 2019 vs. June 2020



* Tier 1 capital to assets for leverage capital purposes for banks under $10 billion

** Common equity tier 1 capital as a percentage of risk-weighted assets for banks over $100 billion

Source: Reports of Condition and Income