South Dakota and US Banking Conditions -- Third Quarter 2019
Banks = 56, BHCs = 42 -- Data from quarterly call reports

-- Small increase in bank profits
-- Large decline in loan growth
-- Medium decline in problem loans

<table>
<thead>
<tr>
<th>Capital</th>
<th>Median</th>
<th>Change from previous quarter</th>
<th>Change from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Risk Based Capital Ratio</td>
<td>16.93%</td>
<td>43 bps</td>
<td>69 bps</td>
</tr>
</tbody>
</table>

**Asset Quality**

Noncurrent and Delinquent Loans as a Percent of Capital and Allowance | 5.81% | -146 bps | 3 bps |
Construction and Land Development Noncurrent and Delinquent Loans as a Percent of Capital and Allowance | 0.00% | 0 bps | 0 bps |
Commercial Real Estate Noncurrent and Delinquent Loans as a Percent of Capital and Allowance | 0.00% | 0 bps | 0 bps |

**Earnings**

Return on Average Assets | 1.26% | 5 bps | -11 bps |
Net Interest Margin | 4.05% | 1 bps | 0 bps |
Provisions as a Percent of Average Assets

**Liquidity**

Noncore Funding as a Percent of Liabilities | 21.67% | 86 bps | -94 bps |
Net Loan Growth (over last four quarters) | 1.19% | -285 bps | -382 bps |

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<td>Total Risk Based Capital Ratio</td>
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</table>

**Asset Quality**

Noncurrent and Delinquent Loans as a Percent of Capital and Allowance | 5.94% | -10 bps | -45 bps |
Construction and Land Development Noncurrent and Delinquent Loans as a Percent of Capital and Allowance | 0.00% | 0 bps | 0 bps |
Commercial Real Estate Noncurrent and Delinquent Loans as a Percent of Capital and Allowance | 0.81% | 2 bps | -9 bps |

**Earnings**

Return on Average Assets | 1.16% | 2 bps | 2 bps |
Net Interest Margin | 3.90% | 0 bps | 1 bps |

**Liquidity**

Noncore Funding as a Percent of Liabilities | 20.38% | 20 bps | 67 bps |
Net Loan Growth (over last four quarters) | 4.59% | -49 bps | -105 bps |