Twin Cities MSA and US Banking Conditions -- Third Quarter 2019

Banks = 69 -- Data from quarterly call reports

-- Large increase in bank profits
-- Small increase in loan growth
-- Problem loans were flat

<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>14.87%</td>
<td>-24 bps</td>
<td>-15 bps</td>
</tr>
</tbody>
</table>

**Asset Quality**

- Noncurrent and Delinquent Loans as a Percent of Capital and Allowance: 4.04% (Change from previous quarter: -3 bps; previous year: -93 bps)
- Construction and Land Development Noncurrent and Delinquent Loans as a Percent of Capital and Allowance: 0.00% (Change from previous quarter: 0 bps; previous year: 0 bps)
- Commercial Real Estate Noncurrent and Delinquent Loans as a Percent of Capital and Allowance: 0.66% (Change from previous quarter: 36 bps; previous year: -30 bps)

**Earnings**

- Return on Average Assets: 1.31% (Change from previous quarter: 12 bps; previous year: 12 bps)
- Net Interest Margin: 4.00% (Change from previous quarter: 5 bps; previous year: 15 bps)
- Provisions as a Percent of Average Assets

**Liquidity**

- Noncore Funding as a Percent of Liabilities: 13.47% (Change from previous quarter: 39 bps; previous year: 166 bps)
- Net Loan Growth (over last four quarters): 7.14% (Change from previous quarter: 81 bps; previous year: 5 bps)

**Nation**

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<td>Total Risk Based Capital Ratio</td>
<td>16.26%</td>
<td>8 bps</td>
<td>18 bps</td>
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</tbody>
</table>

**Asset Quality**

- Noncurrent and Delinquent Loans as a Percent of Capital and Allowance: 5.94% (Change from previous quarter: -10 bps; previous year: -45 bps)
- Construction and Land Development Noncurrent and Delinquent Loans as a Percent of Capital and Allowance: 0.00% (Change from previous quarter: 0 bps; previous year: 0 bps)
- Commercial Real Estate Noncurrent and Delinquent Loans as a Percent of Capital and Allowance: 0.81% (Change from previous quarter: 2 bps; previous year: -9 bps)

**Earnings**

- Return on Average Assets: 1.16% (Change from previous quarter: 2 bps; previous year: 2 bps)
- Net Interest Margin: 3.90% (Change from previous quarter: 0 bps; previous year: 1 bps)
- Provisions as a Percent of Average Assets

**Liquidity**

- Noncore Funding as a Percent of Liabilities: 20.38% (Change from previous quarter: 20 bps; previous year: 67 bps)
- Net Loan Growth (over last four quarters): 4.59% (Change from previous quarter: -49 bps; previous year: -105 bps)