

Minnesota and US Banking Conditions -- Fourth Quarter 2019

Banks = 268, BHCs = 209 -- Data from quarterly call reports

-- Medium decline in bank profits

-- Loan growth was flat

-- Small decline in problem loans

| | Median | Change from previous quarter | Change from previous year |
|--|--------|---------------------------------|------------------------------|
| Capital | | | |
| Total Risk Based Capital Ratio | 15.57% | 7 bps | -7 bps |
| Asset Quality | | | |
| Noncurrent and Delinquent Loans as a Percent of Capital and Allowance | 6.23% | -53 bps | 15 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 | 0.32% | 0 bps | -4 bps |
| Earnings | | | |
| Return on Average Assets | 1.25% | -3 bps | 4 bps |
| Net Interest Margin | 4.05% | 0 bps | 5 bps |
| Provisions as a Percent of Average Assets | | | |
| Liquidity | | | |
| Noncore Funding as a Percent of Liabilities | 16.10% | -61 bps | 119 bps |
| Net Loan Growth (over last four quarters) | 4.36% | -19 bps | -30 bps |

Nation

| | Median | Change from previous quarter | Change from previous year |
|--|--------|---------------------------------|------------------------------|
| Capital | | | |
| Total Risk Based Capital Ratio | 16.21% | -5 bps | 14 bps |
| Asset Quality | | | |
| Noncurrent and Delinquent Loans as a Percent of Capital and Allowance | 6.16% | 21 bps | -10 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 | 0.79% | -1 bps | 0 bps |
| Earnings | | | |
| Return on Average Assets | 1.15% | 0 bps | 2 bps |
| Net Interest Margin | 3.88% | -1 bps | -1 bps |
| Provisions as a Percent of Average Assets | | | |
| Liquidity | | | |
| Noncore Funding as a Percent of Liabilities | 19.87% | -50 bps | 34 bps |
| Net Loan Growth (over last four quarters) | 4.27% | -32 bps | -117 bps |