Montana and US Banking Conditions -- Fourth Quarter 2019
Banks = 42, BHCs = 39 -- Data from quarterly call reports

-- Medium decline in bank profits
-- Medium increase in loan growth
-- Large increase 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>16.24%</td>
<td>37 bps</td>
<td>-48 bps</td>
</tr>
</tbody>
</table>

**Asset Quality**
- Noncurrent and Delinquent Loans as a Percent of Capital and Allowance: 10.86%, 367 bps, 256 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: 1.34%, -34 bps, -32 bps

**Earnings**
- Return on Average Assets: 1.24%, -7 bps, 7 bps
- Net Interest Margin: 4.51%, -1 bps, 13 bps
- Provisions as a Percent of Average Assets

**Liquidity**
- Noncore Funding as a Percent of Liabilities: 13.49%, -105 bps, -146 bps

**Net Loan Growth (over last four quarters)**
- 7.01%, 114 bps, 107 bps

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**Nation**

<table>
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<th>Change from previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Risk Based Capital Ratio</td>
<td>16.21%</td>
<td>-5 bps</td>
<td>14 bps</td>
</tr>
</tbody>
</table>

**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