Introduction

The FDIC was created in 1933 to maintain stability and public confidence in the nation's financial system. A key part of accomplishing this mission is the FDIC's work to identify and analyze risks that could affect banks. The *Risk Review* summarizes the FDIC's assessment of risks related to conditions in the U.S. economy, financial markets, and the banking industry. The analysis of the banking industry pays particular attention to risks that may affect community banks. As the primary federal regulator for most community banks, the FDIC has a unique perspective on these institutions.

The *Risk Review* presents key risks to banks in four broad categories—credit risk, market risk, operational risk, and climate-related financial risk. The credit risk areas discussed are agriculture, commercial real estate, consumer debt, energy, housing, leveraged lending and corporate debt, nonbank lending, and small business lending. The market risk areas discussed are interest rate risk and net interest margin, and liquidity and deposits.

The *2022 Risk Review* expands coverage of risks from prior reports by examining operational risk to banks from cyber threats and illicit activity and climate-related financial risks to banking organizations. Monitoring these risks is among the FDIC's top priorities.

Section I is an executive summary. Section II is an overview of economic, financial market, and banking industry conditions. Section III is an analysis of the key credit, market, operational, and climate-related financial risks facing banks.[1]

[1] This report contains banking information available as of December 31, 2021, with updates reflecting more recent market developments as of April 1, 2022.