

FDIC State Profile

Texas

Second Quarter 2021

ECONOMIC INDICATORS (NOT SEASONALLY ADJUSTED, UNLESS NOTED)

| Employment Growth Rates (% change from year ago, unless noted) | Q2-21 | Q1-21 | Q2-20 | 2020 | 2019 |
|---|--------------|--------------|--------------|-------------|-------------|
| Total Nonfarm (share of trailing four quarter employment in parentheses) | 7.1% | -3.9% | -8.0% | -4.3% | 2.3% |
| Manufacturing (7%) | 1.7% | -5.1% | -5.5% | -4.3% | 2.9% |
| Other (non-manufacturing) Goods-Producing (7%) | -0.3% | -10.2% | -10.5% | -9.1% | 3.8% |
| Private Service-Providing (70%) | 9.8% | -3.4% | -9.3% | -4.5% | 2.4% |
| Government (16%) | 1.8% | -2.2% | -2.2% | -0.6% | 1.1% |
| Unemployment Rate (% of labor force, seasonally adjusted) | 6.6% | 6.9% | 11.6% | 7.7% | 3.5% |
| Other Indicators (% change of 4-qtr moving total, unless noted) | Q2-21 | Q1-21 | Q2-20 | 2020 | 2019 |
| Single-Family Home Permits | 34.7% | 21.4% | 11.0% | 21.9% | 2.4% |
| Multifamily Building Permits | -3.6% | -6.2% | 18.6% | -7.6% | 15.2% |
| Home Price Index (change from year ago) | 12.0% | 6.8% | 3.8% | 4.6% | 4.8% |
| Nonbusiness Bankruptcy Filings per 1000 people (quarterly annualized level) | 0.64 | 0.60 | 0.72 | 0.79 | 1.13 |

BANKING TRENDS

| General Information | Q2-21 | Q1-21 | Q2-20 | 2020 | 2019 |
|--|--------------|--------------|--------------|-------------|-------------|
| Institutions (#) | 403 | 407 | 415 | 410 | 420 |
| Total Assets (in millions) | 1,069,279 | 1,062,551 | 937,602 | 1,018,737 | 545,582 |
| New Institutions (# < 3 years) | 1 | 1 | 2 | 1 | 2 |
| Subchapter S Institutions (#) | 198 | 200 | 203 | 200 | 206 |
| Asset Quality | Q2-21 | Q1-21 | Q2-20 | 2020 | 2019 |
| Past-Due and Nonaccrual Loans / Total Loans (median %) | 0.71 | 0.88 | 0.82 | 0.90 | 1.12 |
| Noncurrent Loans / Total Loans (median %) | 0.30 | 0.35 | 0.38 | 0.34 | 0.40 |
| Loan and Lease Allowance / Total Loans (median %) | 1.31 | 1.33 | 1.22 | 1.32 | 1.20 |
| Loan and Lease Allowance / Noncurrent Loans (median multiple) | 2.95 | 2.38 | 2.55 | 2.46 | 2.06 |
| Net Loan Losses / Total Loans (median %, year-to-date annualized) | 0.00 | 0.00 | 0.03 | 0.04 | 0.05 |
| Capital / Earnings (year-to-date annualized, unless noted) | Q2-21 | Q1-21 | Q2-20 | 2020 | 2019 |
| Tier 1 Leverage (median %, end of period) | 9.95 | 10.11 | 10.23 | 10.20 | 10.89 |
| Return on Assets (median %) | 1.15 | 1.10 | 1.09 | 1.09 | 1.23 |
| Pretax Return on Assets (median %) | 1.27 | 1.23 | 1.21 | 1.20 | 1.38 |
| Net Interest Margin (median %) | 3.33 | 3.32 | 3.73 | 3.61 | 3.96 |
| Yield on Earning Assets (median %) | 3.63 | 3.59 | 4.33 | 4.10 | 4.71 |
| Cost of Funding Earning Assets (median %) | 0.24 | 0.26 | 0.52 | 0.44 | 0.67 |
| Provisions to Avg. Assets (median %) | 0.04 | 0.02 | 0.16 | 0.16 | 0.08 |
| Noninterest Income to Avg. Assets (median %) | 0.53 | 0.52 | 0.52 | 0.56 | 0.58 |
| Overhead to Avg. Assets (median %) | 2.47 | 2.45 | 2.73 | 2.68 | 2.92 |
| Liquidity/Sensitivity | Q2-21 | Q1-21 | Q2-20 | 2020 | 2019 |
| Net Loans to Assets (median %) | 54.63 | 55.71 | 59.95 | 57.15 | 61.36 |
| Noncore Funding to Assets (median %) | 6.94 | 6.93 | 8.26 | 7.35 | 8.03 |
| Long-term Assets to Assets (median %, call filers) | 32.69 | 30.88 | 27.59 | 30.03 | 27.50 |
| Brokered Deposits (number of institutions) | 79 | 84 | 85 | 86 | 86 |
| Brokered Deposits to Assets (median % for those above) | 3.58 | 3.14 | 3.51 | 3.47 | 3.40 |
| Loan Concentrations (median % of Tier 1 Capital plus the Reserve for Loan and Lease Losses) | Q2-21 | Q1-21 | Q2-20 | 2020 | 2019 |
| Commercial and Industrial | 84 | 89 | 99 | 87 | 60 |
| Commercial Real Estate | 186 | 188 | 190 | 179 | 188 |
| Construction & Development | 43 | 41 | 44 | 41 | 42 |
| Multifamily Residential Real Estate | 5 | 5 | 5 | 5 | 5 |
| Nonresidential Real Estate | 117 | 117 | 111 | 111 | 119 |
| Residential Real Estate | 89 | 91 | 97 | 92 | 100 |
| Consumer | 12 | 13 | 14 | 14 | 15 |
| Agriculture | 25 | 26 | 27 | 26 | 30 |

BANKING PROFILE

| Largest Deposit Markets (from 2021 Summary of Deposits) | Institutions in Market | Deposits (\$ millions) | Asset Distribution | Institutions |
|--|-------------------------------|-------------------------------|--------------------------------|---------------------|
| Dallas-Fort Worth-Arlington, TX | 169 | 787,712 | < \$100 million | 60 (14.9%) |
| Houston-The Woodlands-Sugar Land, TX | 95 | 335,461 | \$100 million to \$250 million | 106 (26.3%) |
| San Antonio-New Braunfels, TX | 61 | 169,576 | \$250 million to \$1 billion | 151 (37.5%) |
| Austin-Round Rock-Georgetown, TX | 68 | 61,686 | \$1 billion to \$10 billion | 75 (18.6%) |
| McAllen-Edinburg-Mission, TX | 19 | 13,586 | > \$10 billion | 11 (2.7%) |