Introduction

The FDIC has a long tradition of identifying, analyzing, and addressing key risks in the economy, financial markets, and the banking industry. With this publication—the 2019 Risk Review—the FDIC is expanding its coverage of risks that have the potential to affect stability and public confidence in the U.S. financial system. The publication serves the FDIC's mission by focusing on risks at a stage when policymakers, bankers, and the general public can act to mitigate their scope and impact. It also contributes to efforts to build trust and confidence through openness and accountability as part of the FDIC's *Trust through Transparency* initiative.[1]

The annual Risk Review provides a summary of key credit and market risks that ultimately may affect FDIC-insured institutions and the FDIC's Deposit Insurance Fund. Much of the discussion focuses on risks that may affect community banks. As the primary federal regulator for the majority of community banks in the United States, the FDIC is well-positioned to discuss risks that may affect the U.S. banking system, and community banks in particular, and to benefit from this public discussion.

The report summarizes conditions in the U.S. economy, financial markets, and banking industry, and presents key risks to banks in two broad categories: credit risk and market risk. The credit risk areas discussed are agriculture, commercial real estate, energy, housing, leveraged lending and corporate debt, and nonbank lending. The market risk areas discussed are interest rate risk and deposit competition, and liquidity. Section I is an executive summary. Section II is an overview of economic, financial market, and banking industry conditions. Section III is our assessment of the key credit and market risks facing banks.[2]

[1] For more information on the FDIC's *Trust through Transparency* initiative, see **https://www.fdic.gov/transparency/**.

[2] This report contains information available as of July 15, 2019.