

APOLLO

Outlook for US regional banks

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Apollo Global Management

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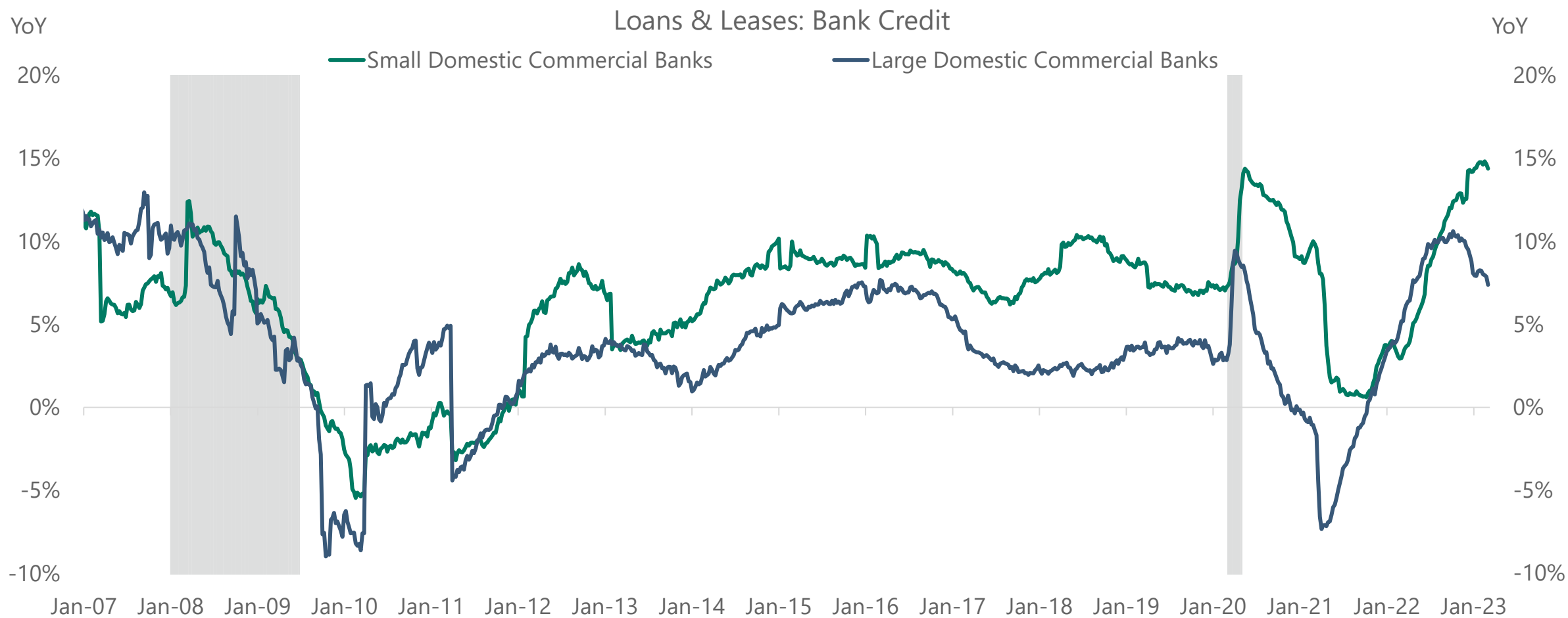
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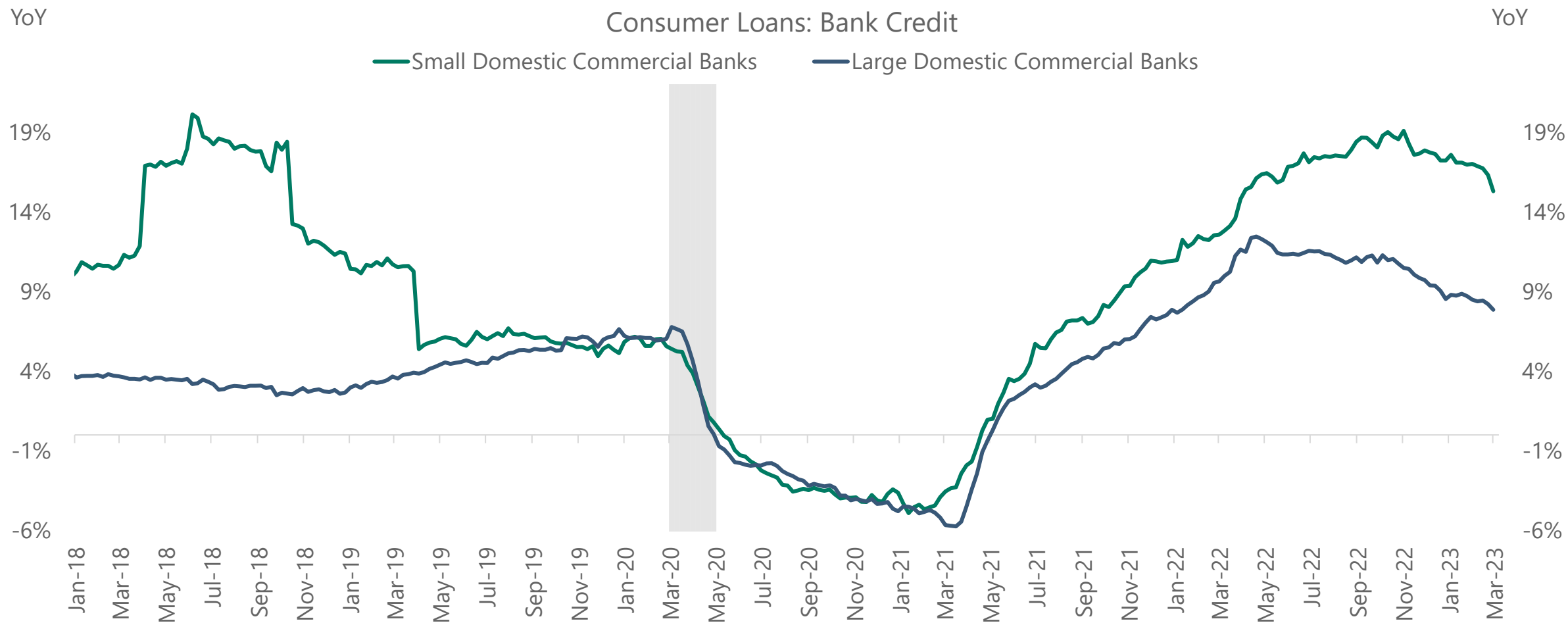
Bank credit: Small vs large commercial banks

Divergence recently between small bank and large bank lending growth



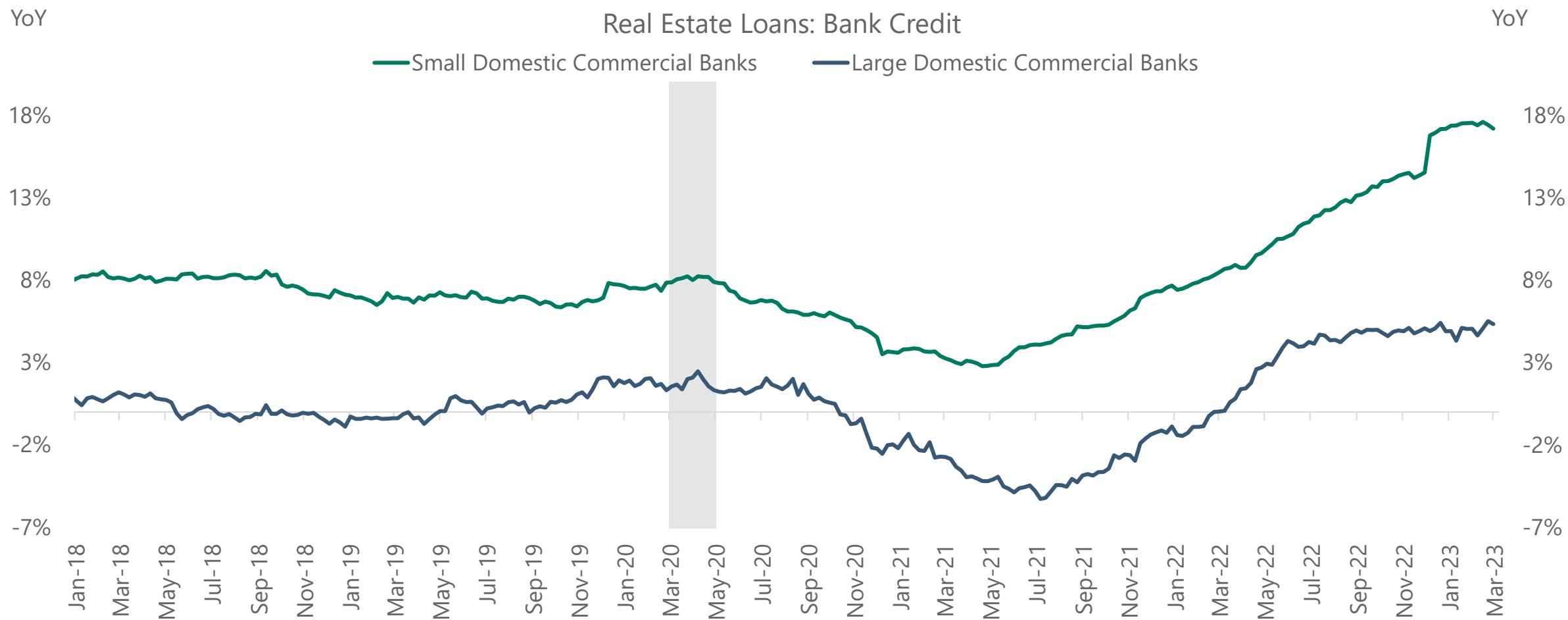
Source: Federal Reserve Board, Haver Analytics, Apollo Chief Economist.

Lending to consumers

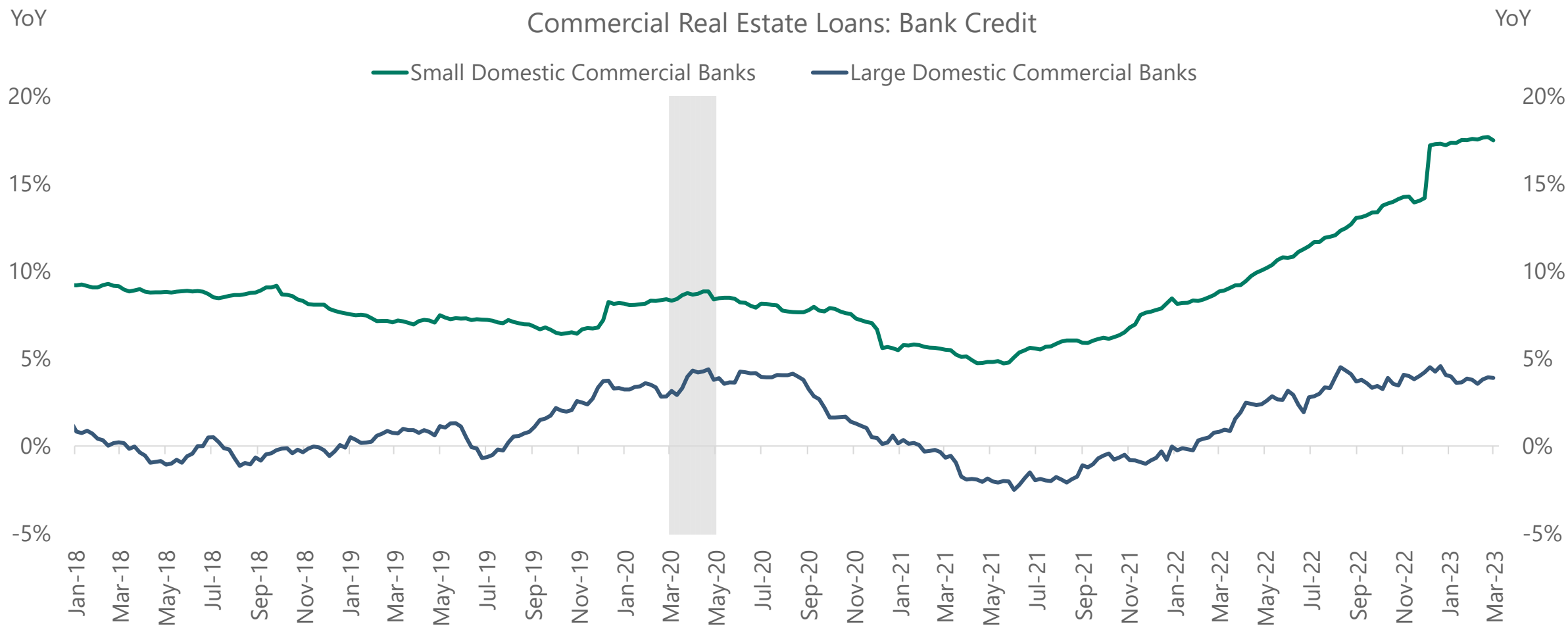


Source: Federal Reserve Board, Haver Analytics, Apollo Chief Economist.

Real estate lending

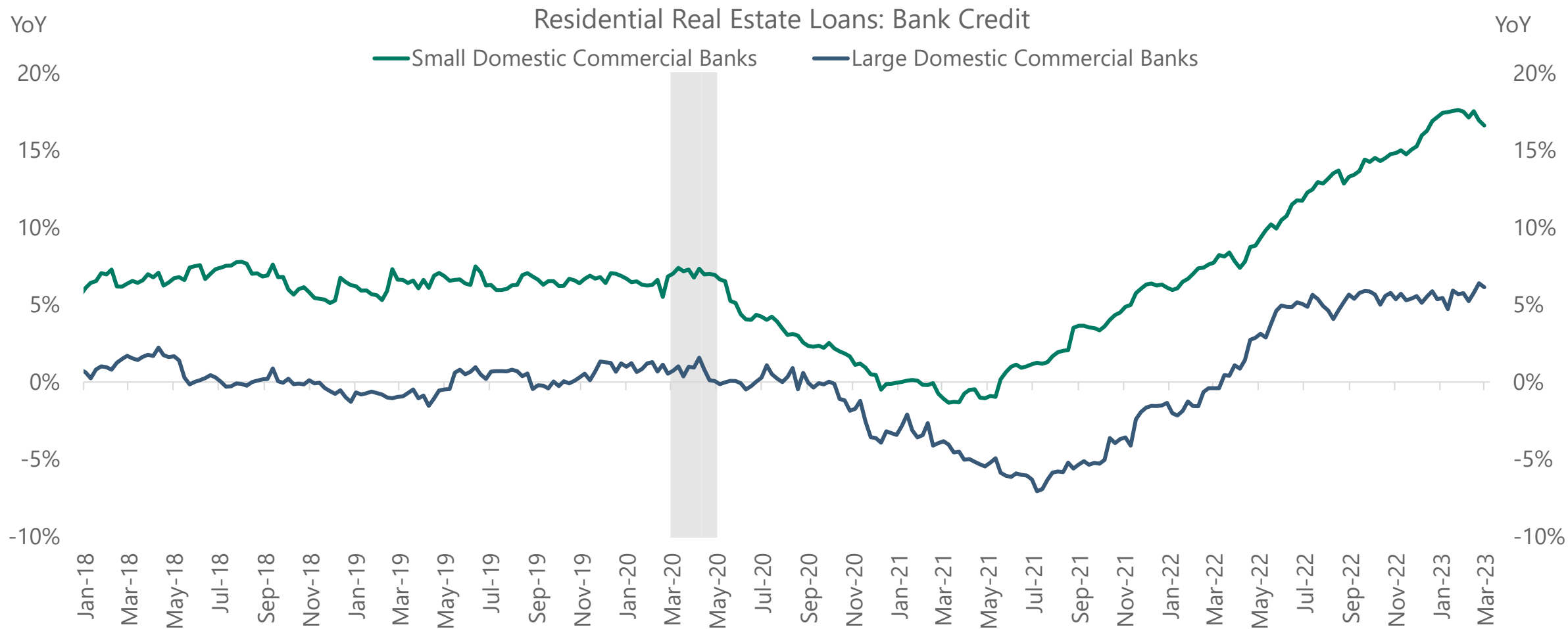


Commercial real estate lending



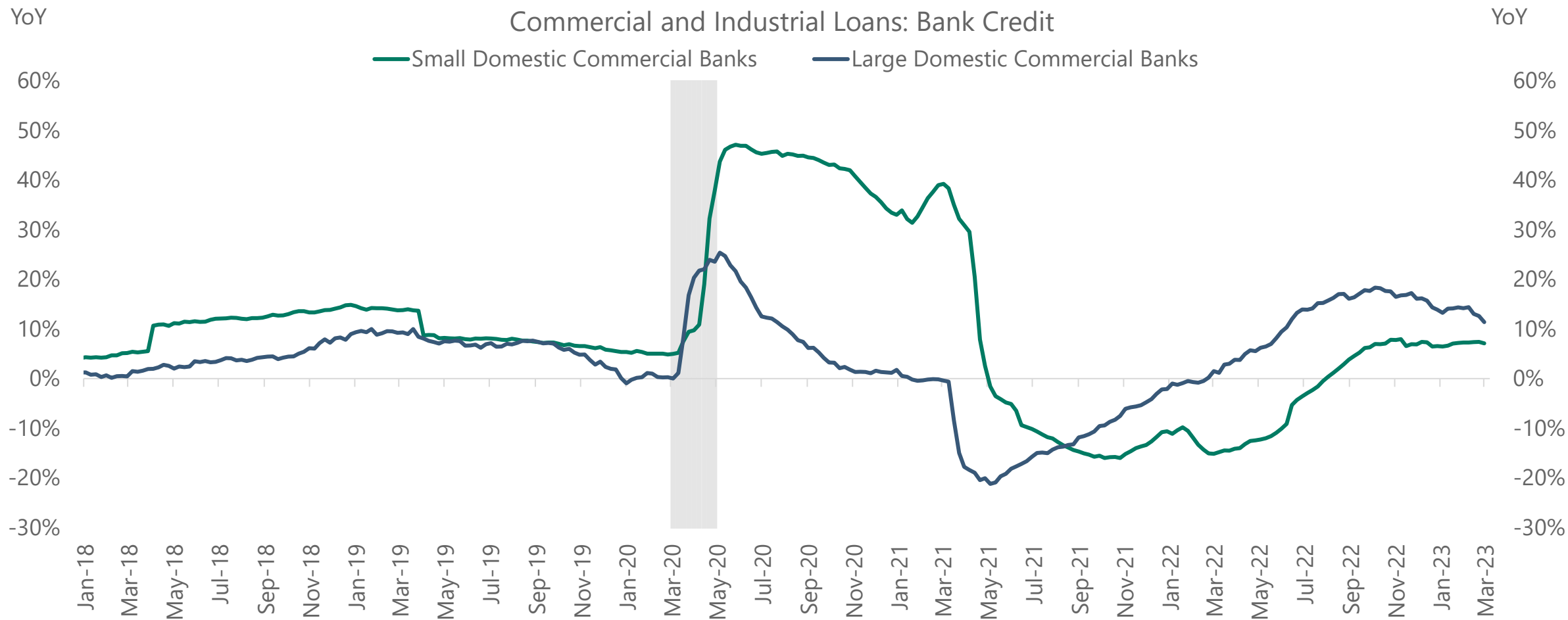
Source: Federal Reserve Board, Haver Analytics, Apollo Chief Economist.

Residential real estate lending



Source: Federal Reserve Board, Haver Analytics, Apollo Chief Economist.

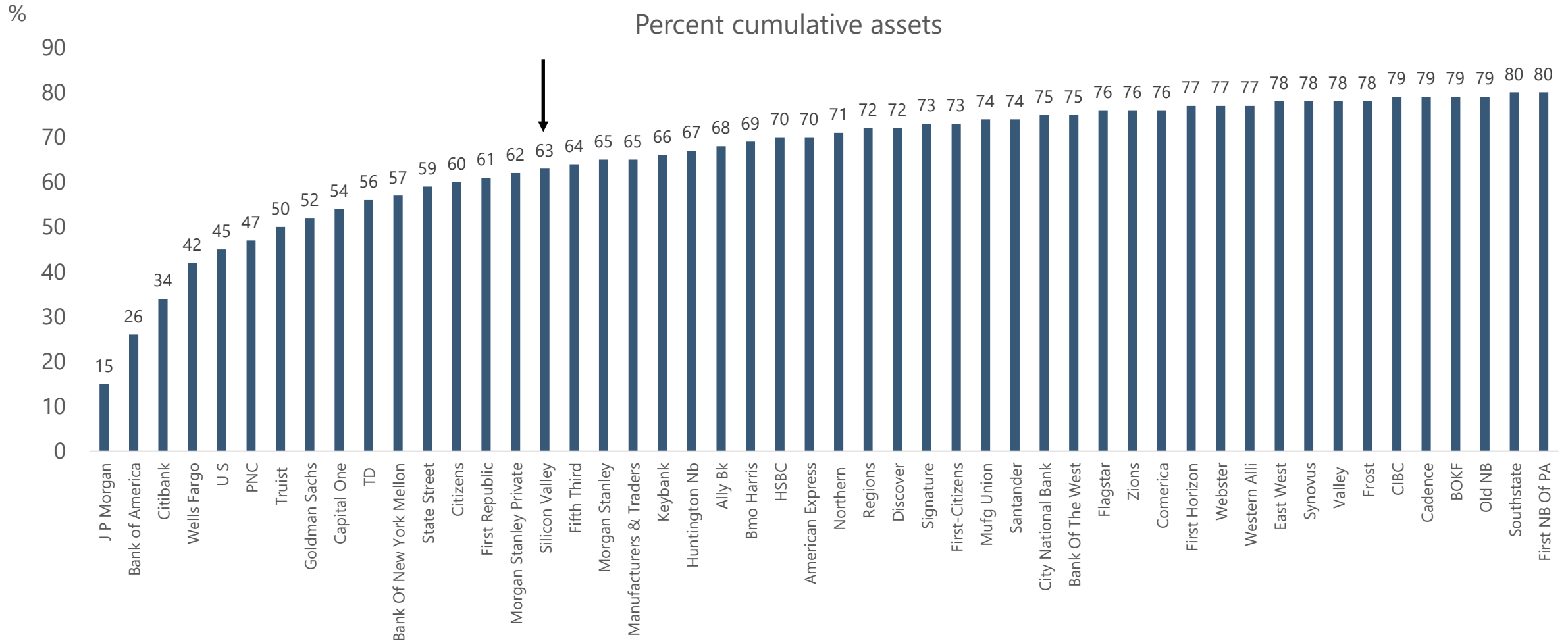
Commercial and Industrial loan lending



Source: Federal Reserve Board, Haver Analytics, Apollo Chief Economist.

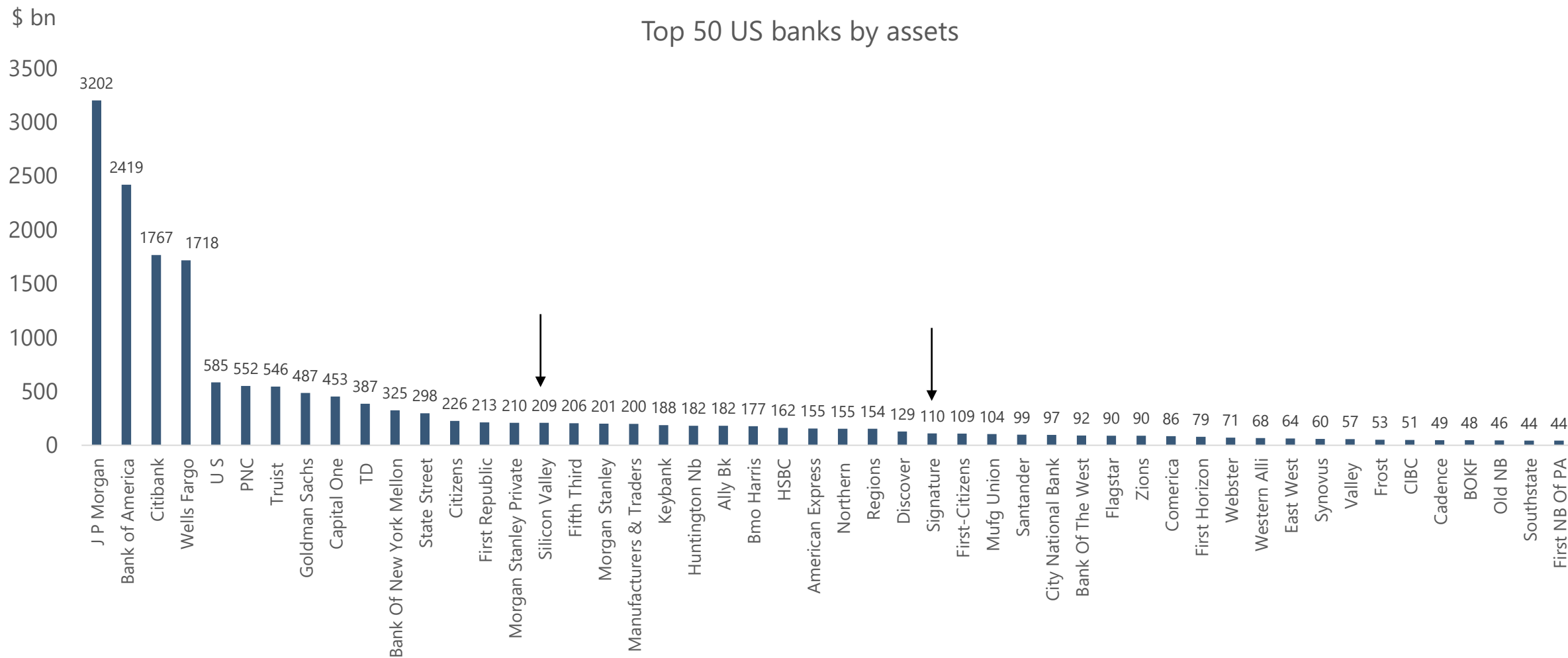
US banks by assets

Tighter credit conditions are coming: Banks “to the right” of SVB are likely to start reorganizing their balance sheets



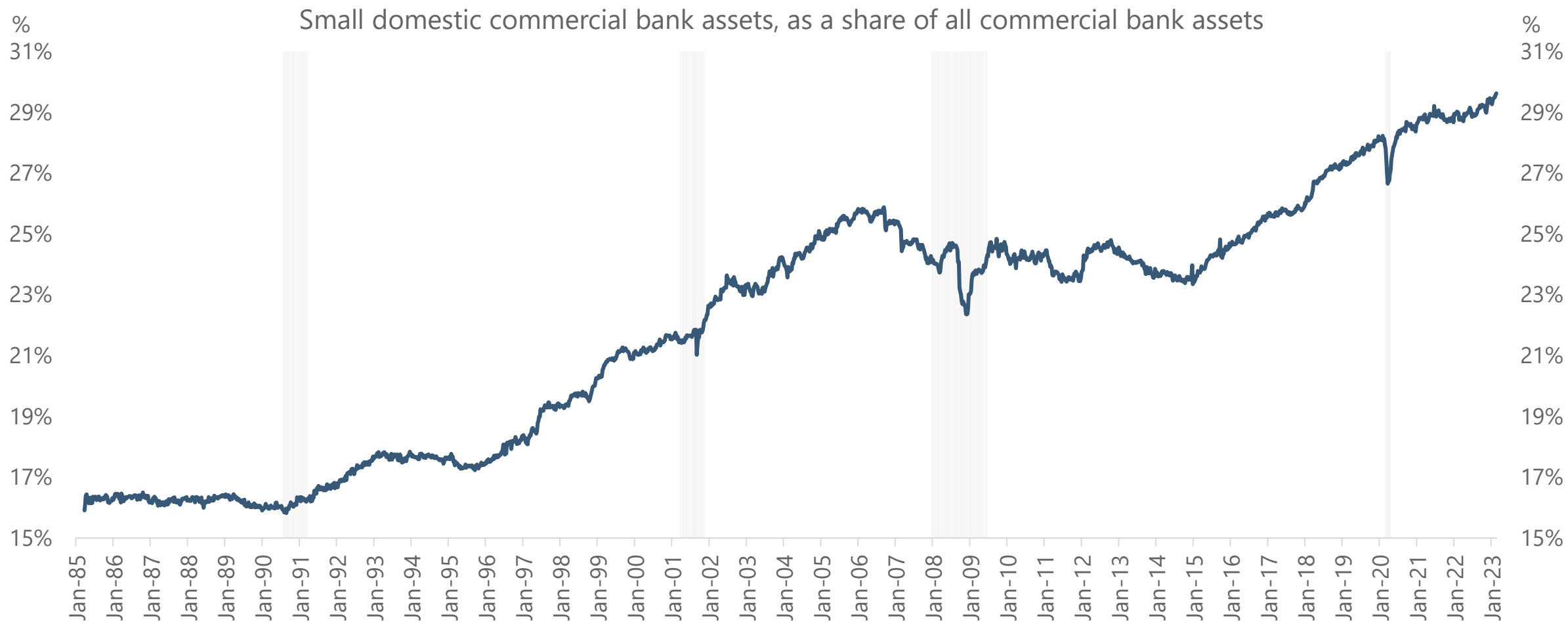
Source: Federal Reserve Board, Haver Analytics, Apollo Chief Economist. As of Q4 2022. Represents the views and opinions of Apollo's Chief Economist. Subject to change at any time without notice.

Top 50 US banks by assets



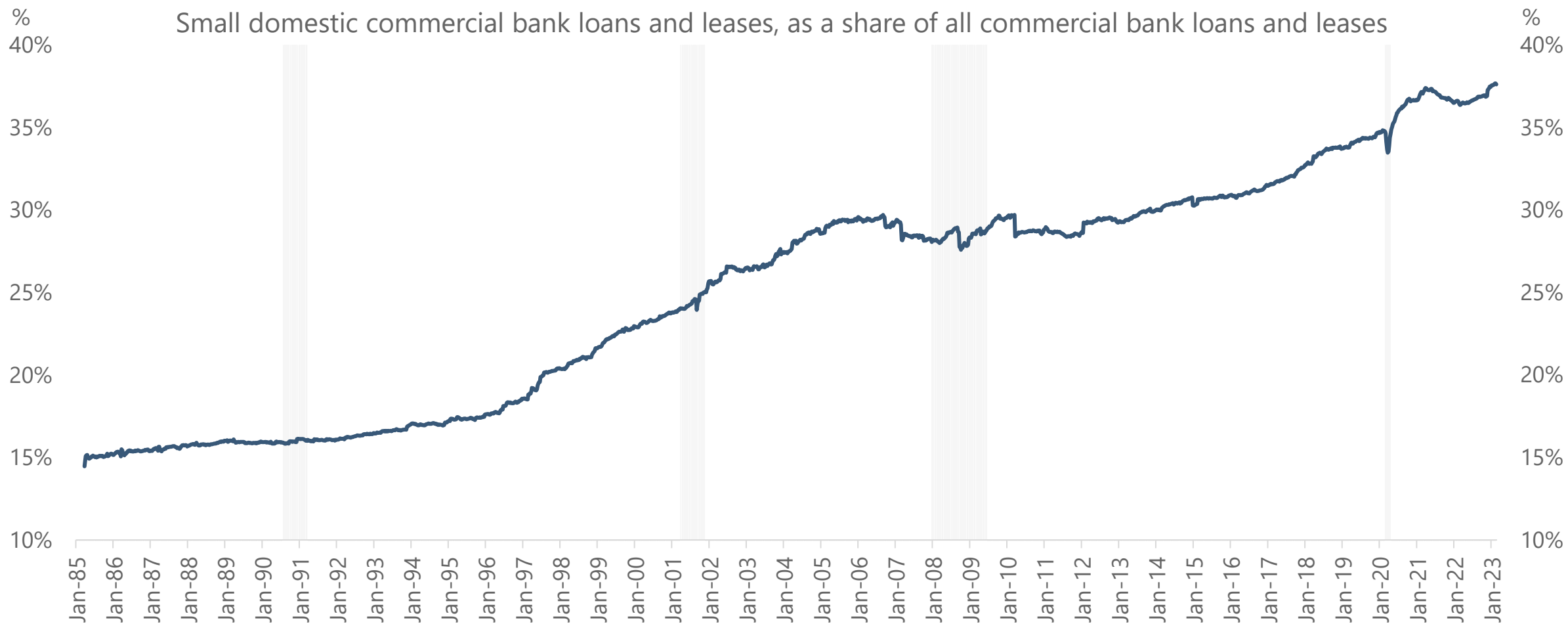
Source: Federal Reserve Board, Haver Analytics, Apollo Chief Economist. As of Q4 2022.

Small bank assets as a share of total banking sector assets



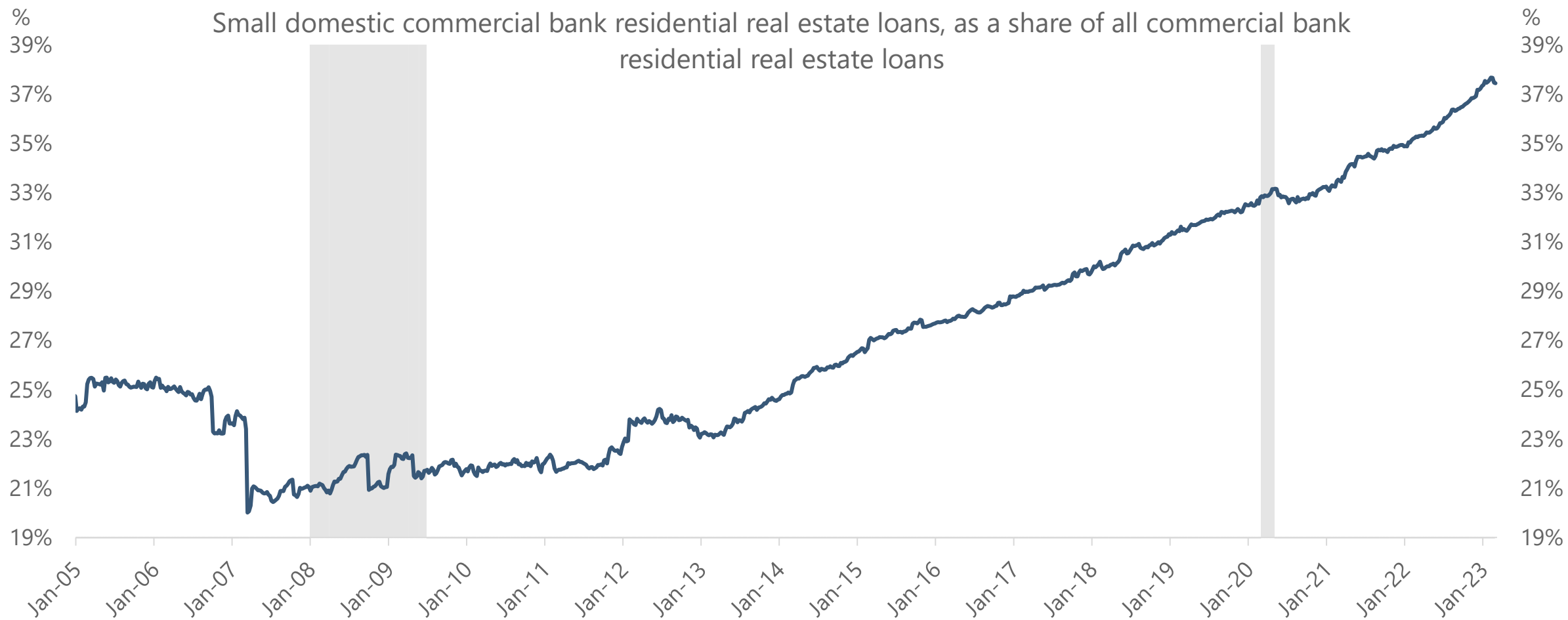
Source: Federal Reserve Board, Haver Analytics, Apollo Chief Economist.

Share of lending by smaller banks



Source: Federal Reserve Board, Haver Analytics, Apollo Chief Economist.

Residential real estate loan share of small banks



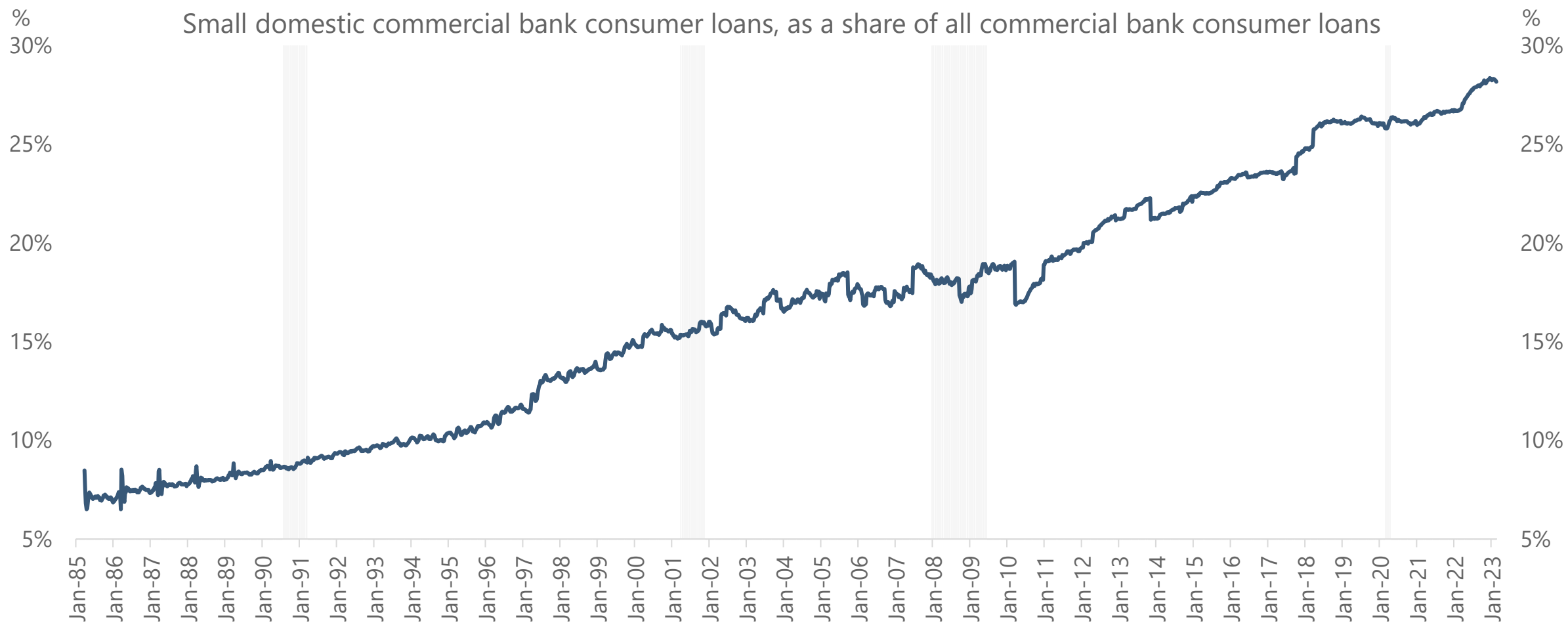
Source: Federal Reserve Board, Haver Analytics, Apollo Chief Economist.

Small domestic banks commercial real estate loans share



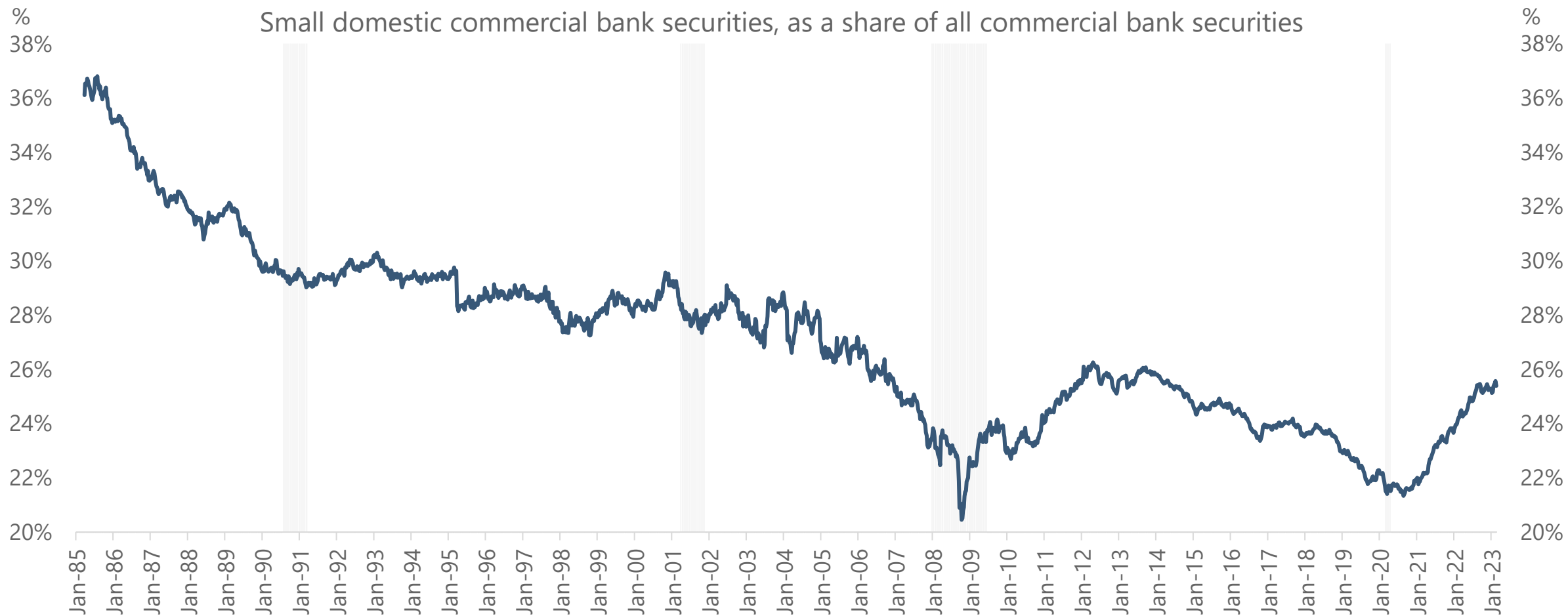
Source: Federal Reserve Board, Haver Analytics, Apollo Chief Economist. Represents the views and opinions of Apollo's Chief Economist.

Consumer lending share for small banks



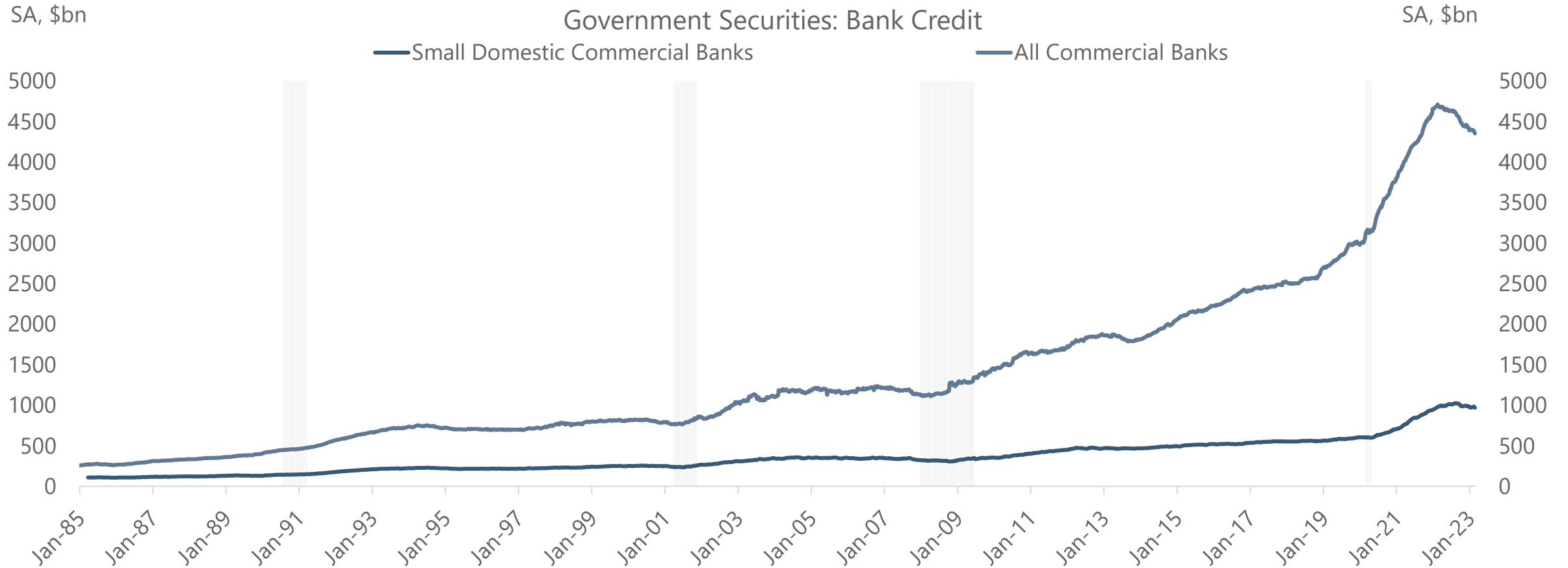
Source: Federal Reserve Board, Haver Analytics, Apollo Chief Economist.

Share of securities in the banking sector held by small banks



Source: Federal Reserve Board, Haver Analytics, Apollo Chief Economist.

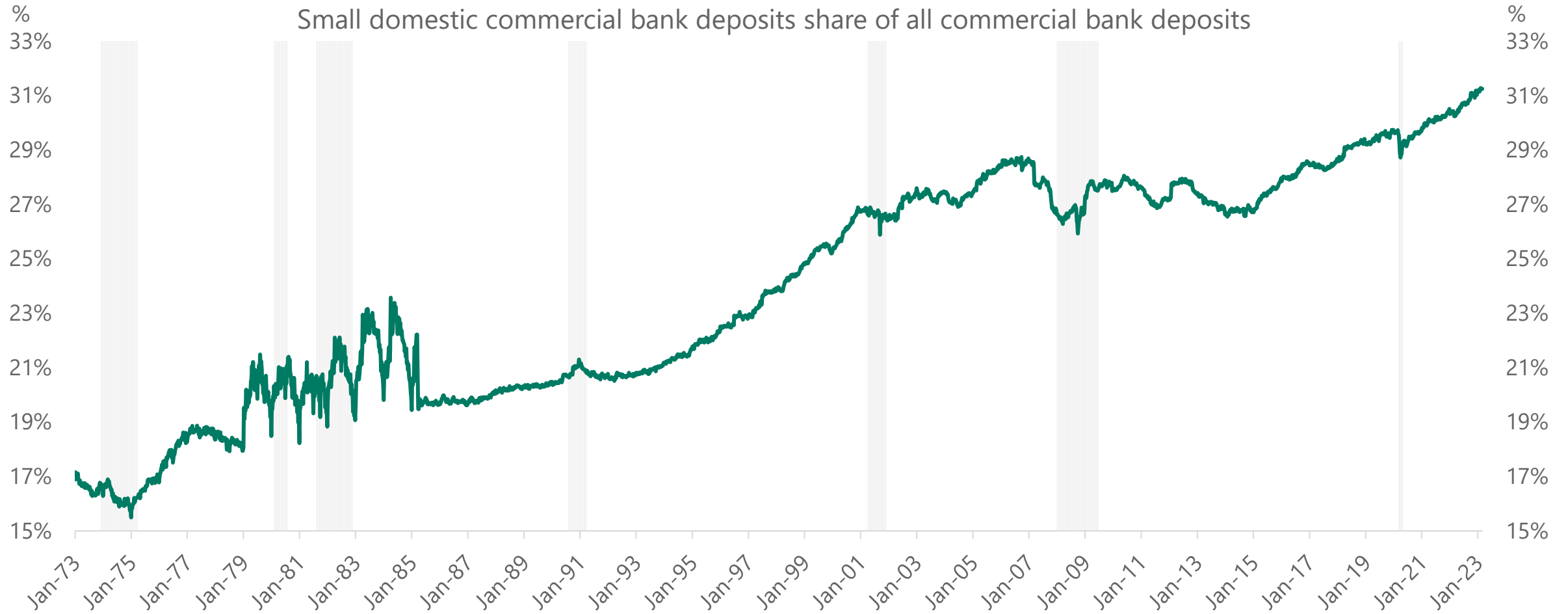
Government securities holdings: Small vs all commercial banks



Source: Federal Reserve Board, Haver Analytics, Apollo Chief Economist.

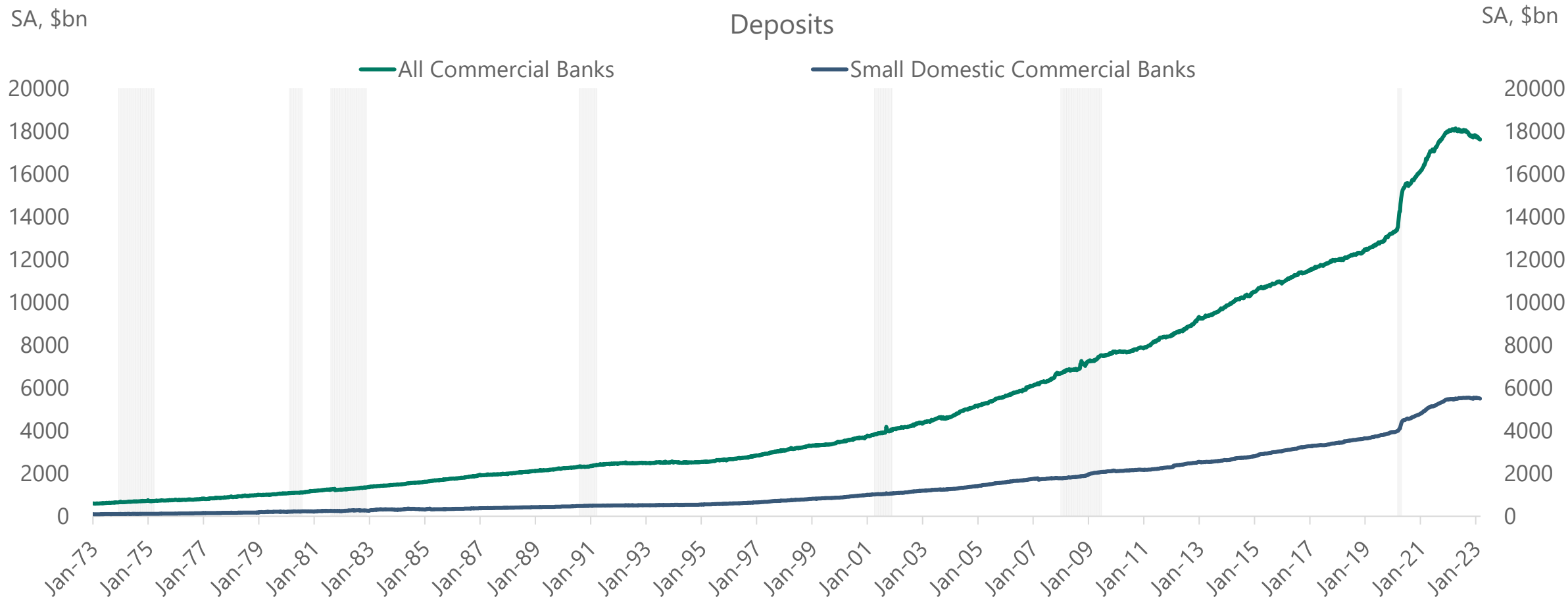
Deposits: Small vs large commercial banks

Small banks account for 31% of total deposits in the banking sector



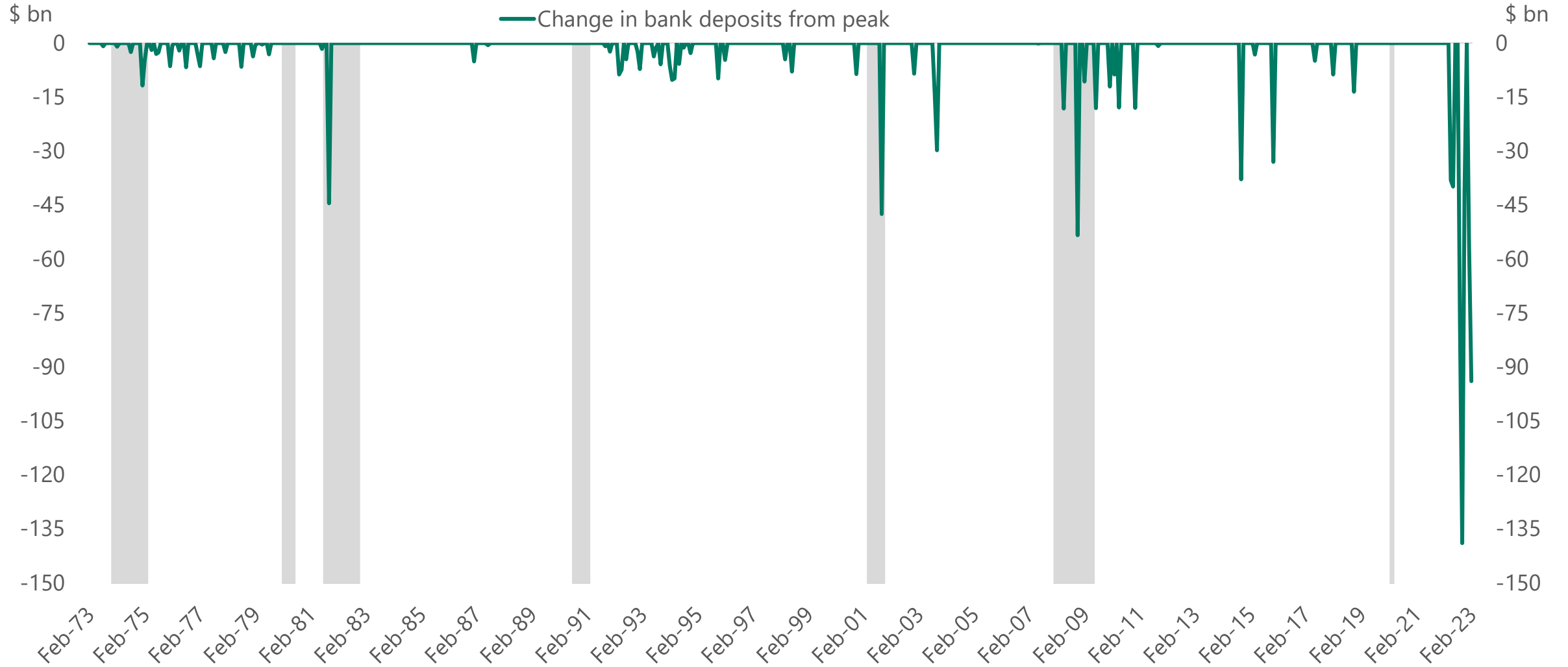
Source: Federal Reserve Board, Haver Analytics, Apollo Chief Economist.

Deposits in small banks versus all banks

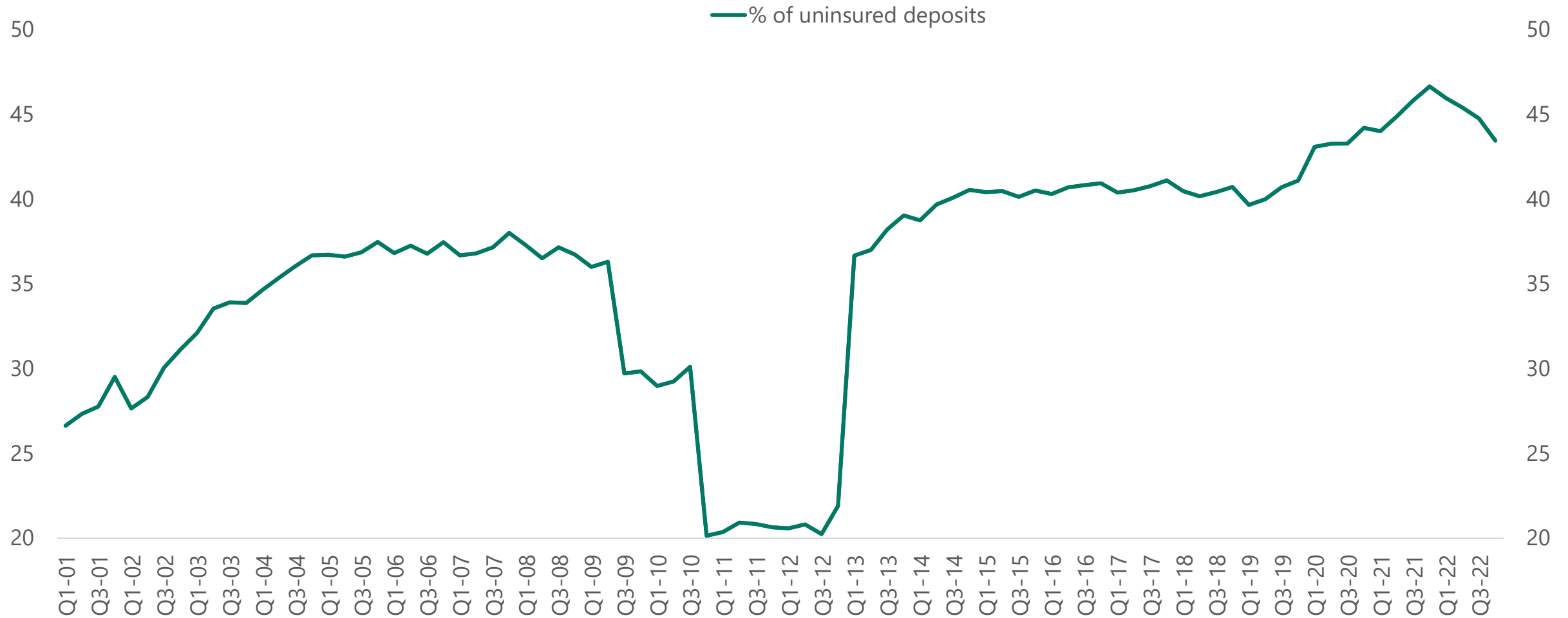


Source: Federal Reserve Board, Haver Analytics, Apollo Chief Economist.

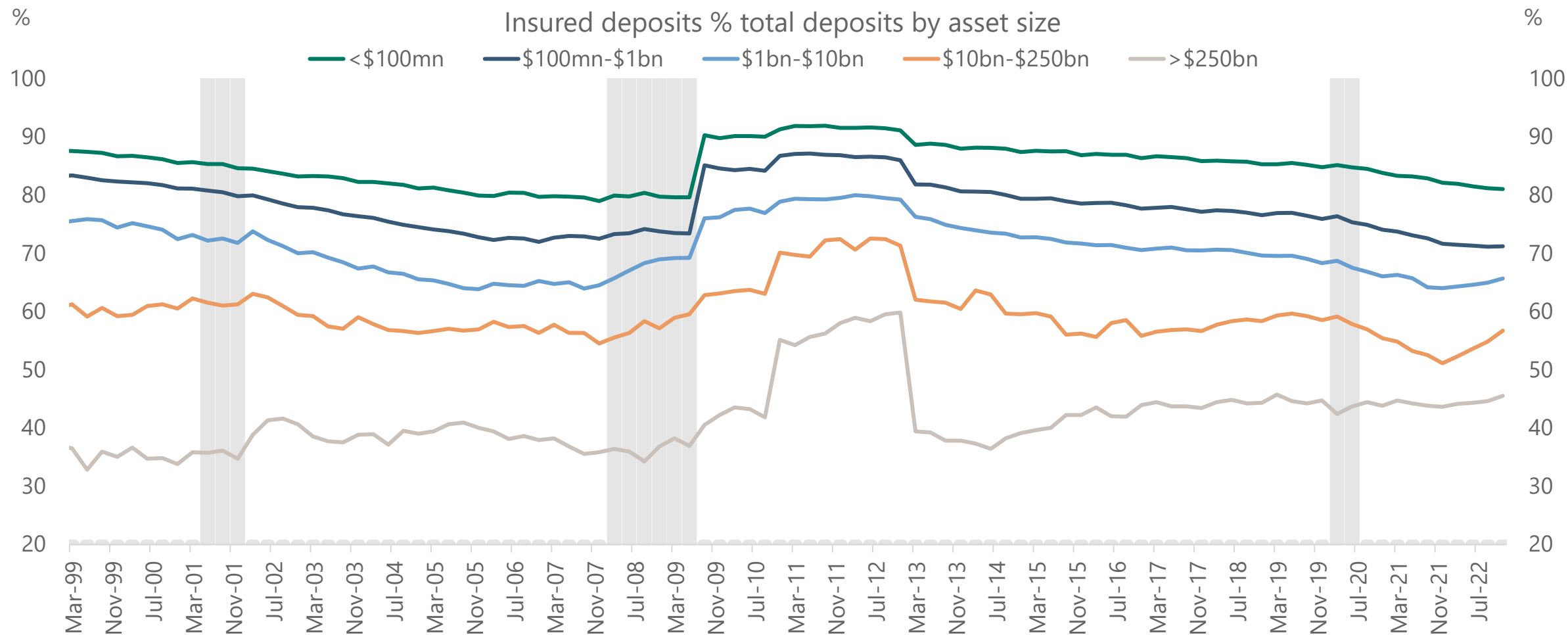
Drawdown in total deposits of domestic commercial banks



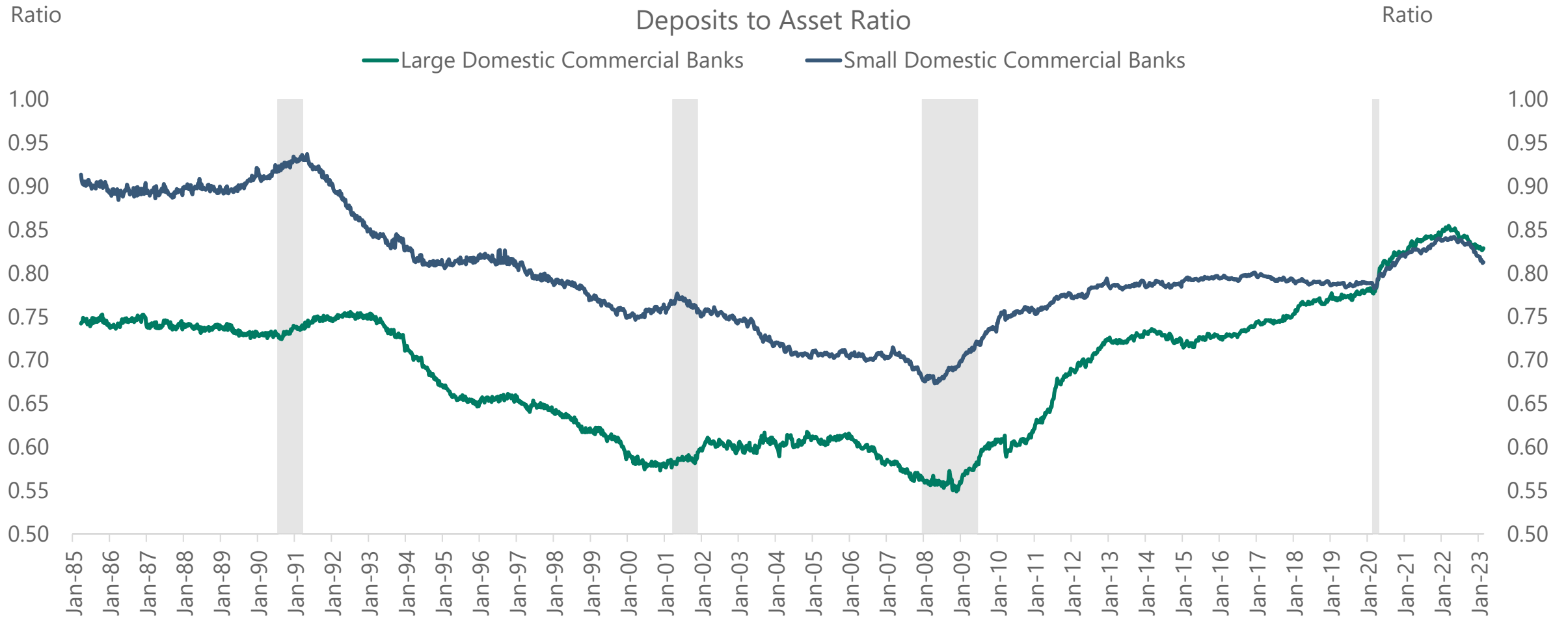
Share of deposits that are uninsured: 43%



Share of insured deposits, by bank size

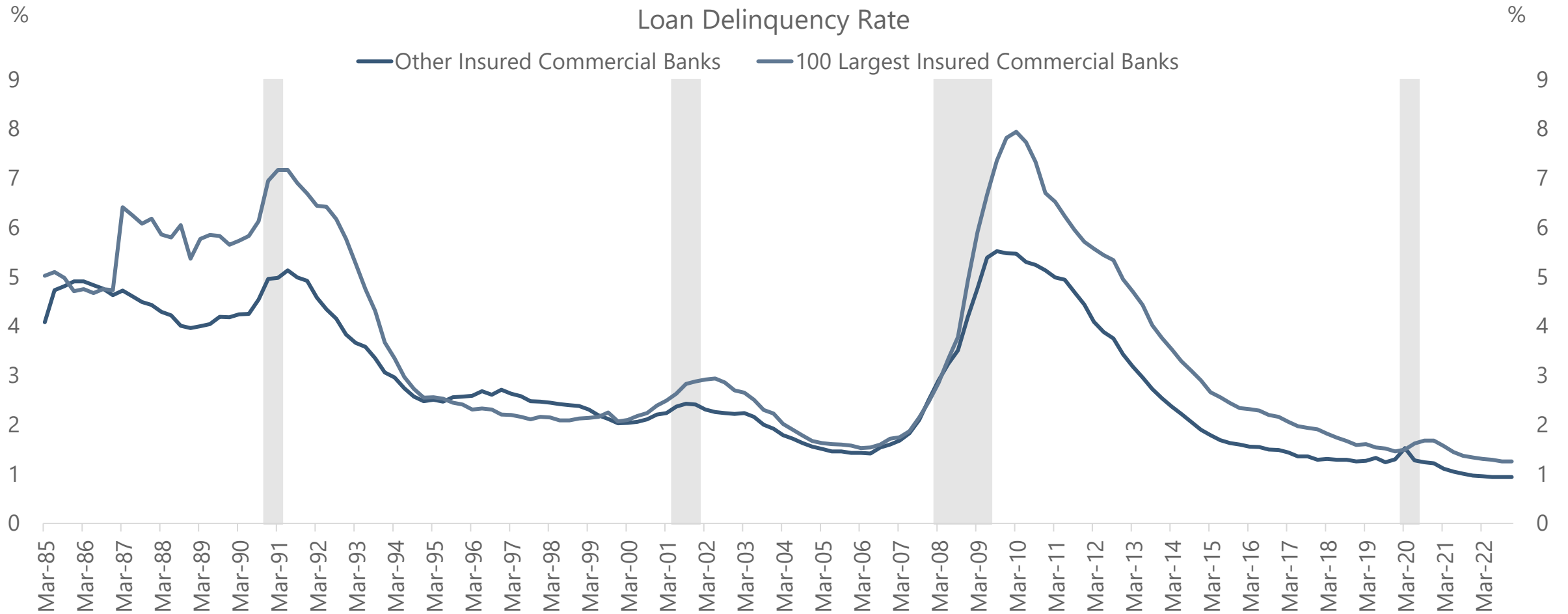


Deposit to asset ratio for large and small banks



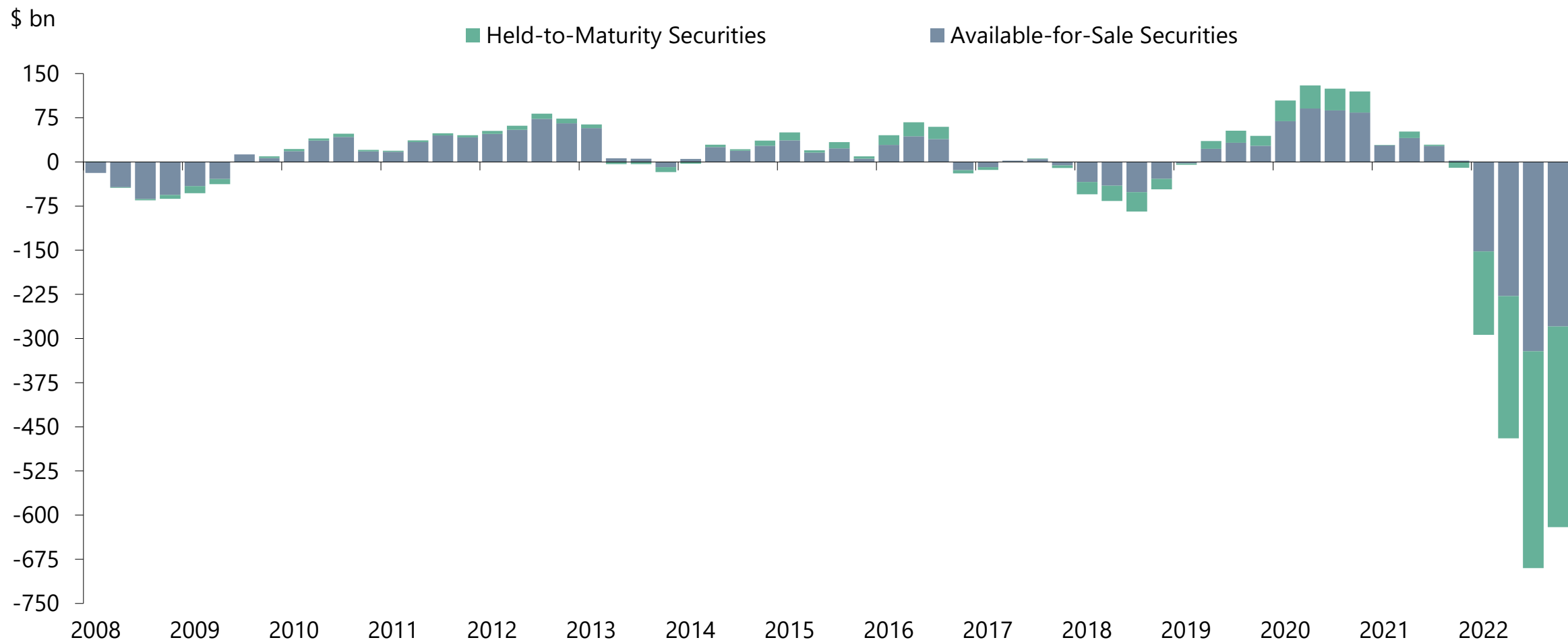
Delinquency rates & unrealized losses on securities

Loan delinquency rate for large and small banks

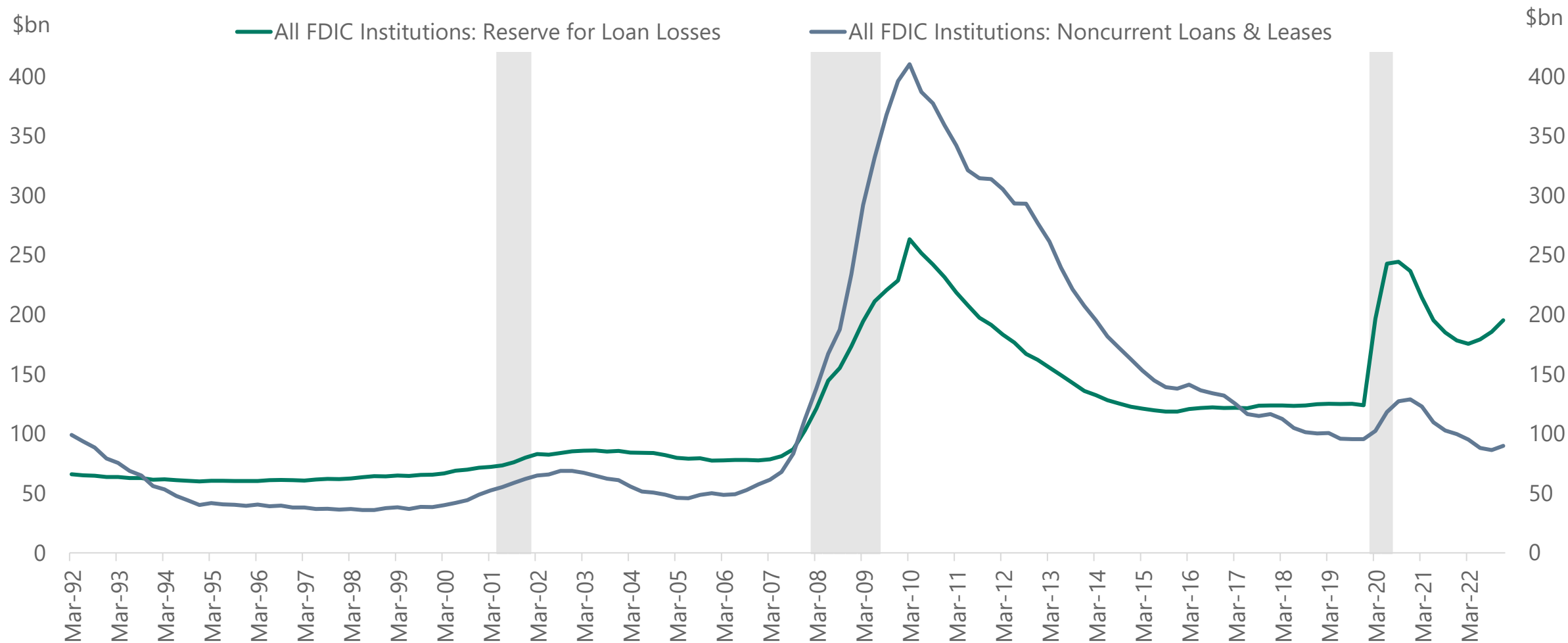


Source: Federal Reserve Board, Haver Analytics, Apollo Chief Economist.

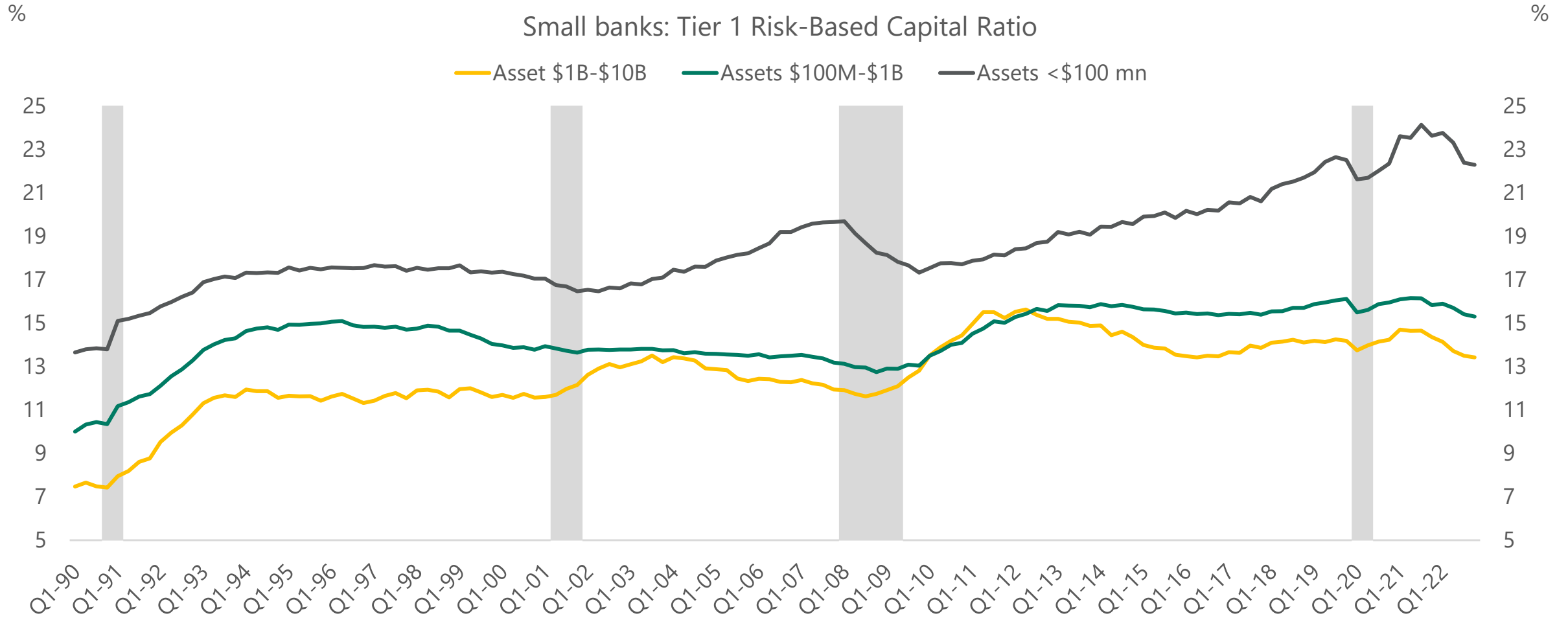
Unrealized Gains (Losses) on investment securities for banks



Reserves for loan losses

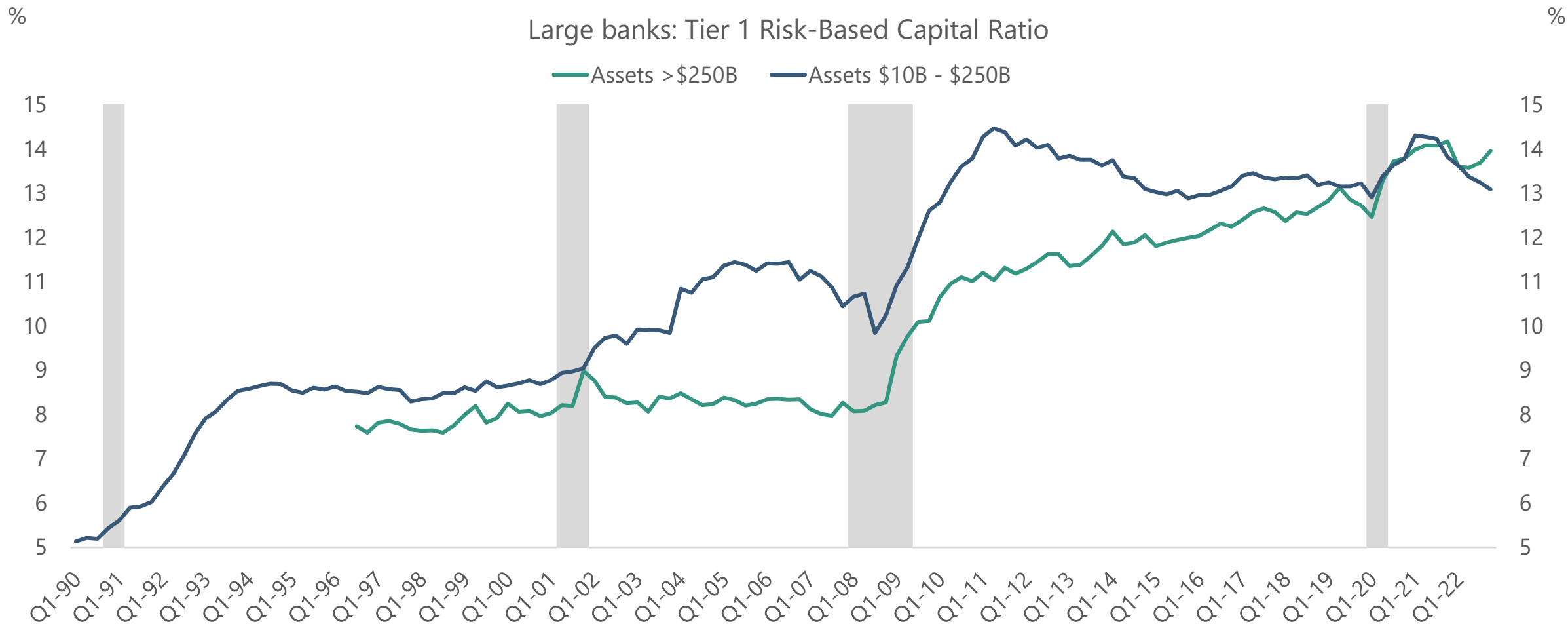


Tier-1 risk-based capital ratio for smaller banks



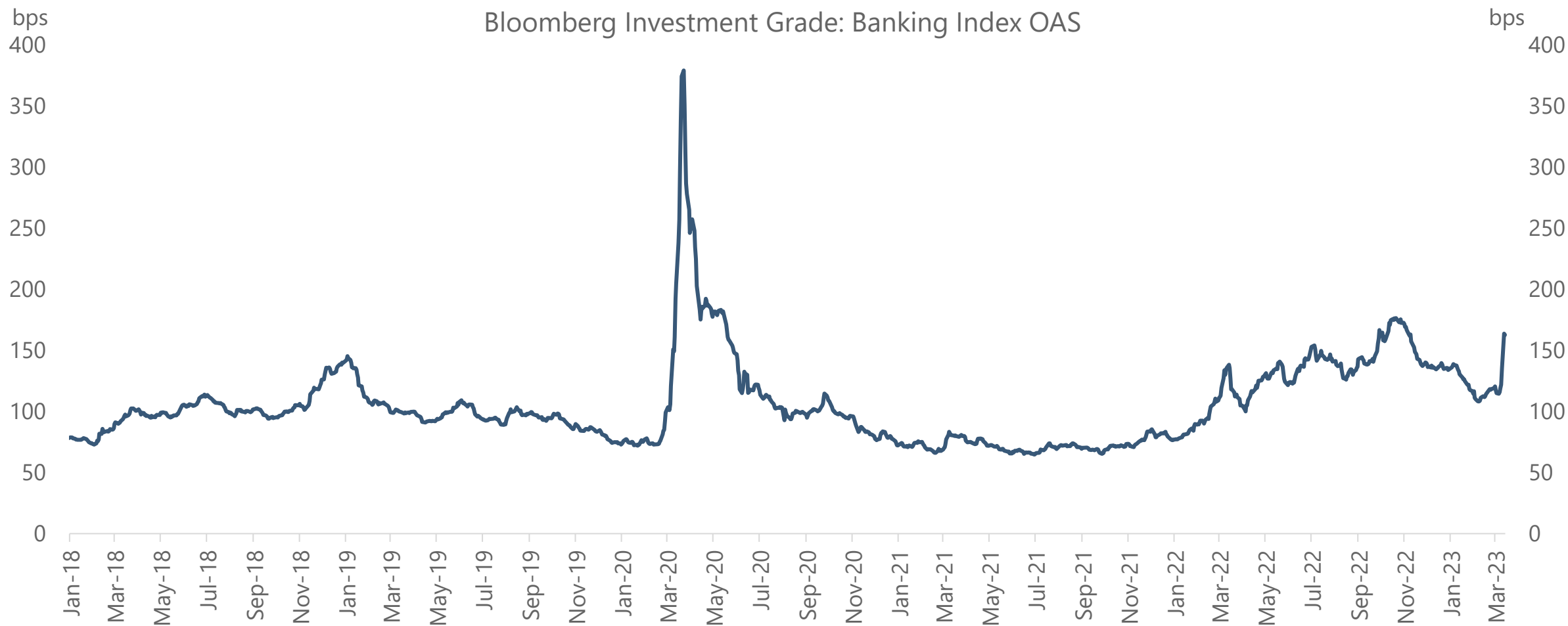
Source: FDIC, Apollo Chief Economist. Note: As per FDIC, large banks are defined as institutions with total assets of \$10 billion or more and small banks have total assets under \$10 billion.

Tier 1 risk-based capital ratio for larger banks



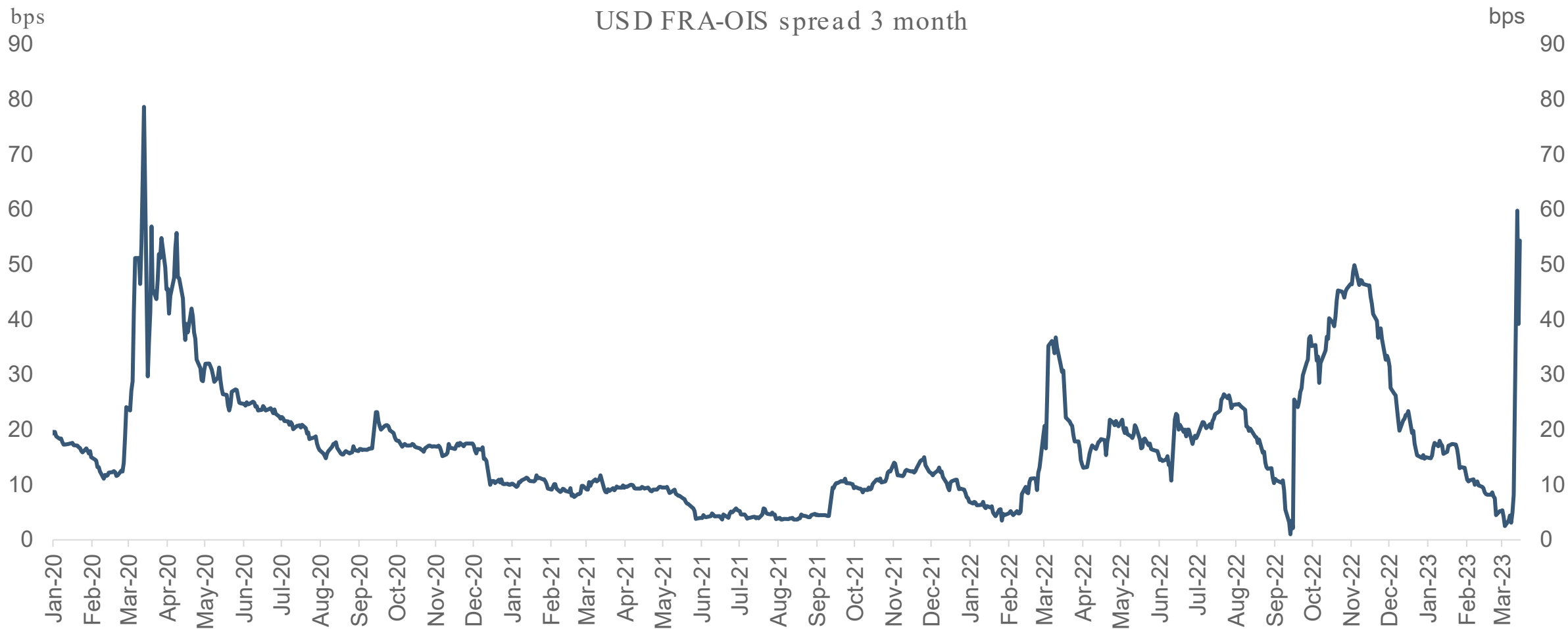
Source: FDIC, Apollo Chief Economist. Note: As per FDIC, large banks are defined as institutions with total assets of \$10 billion or more and small banks have total assets under \$10 billion..

Banking index IG OAS spreads widening



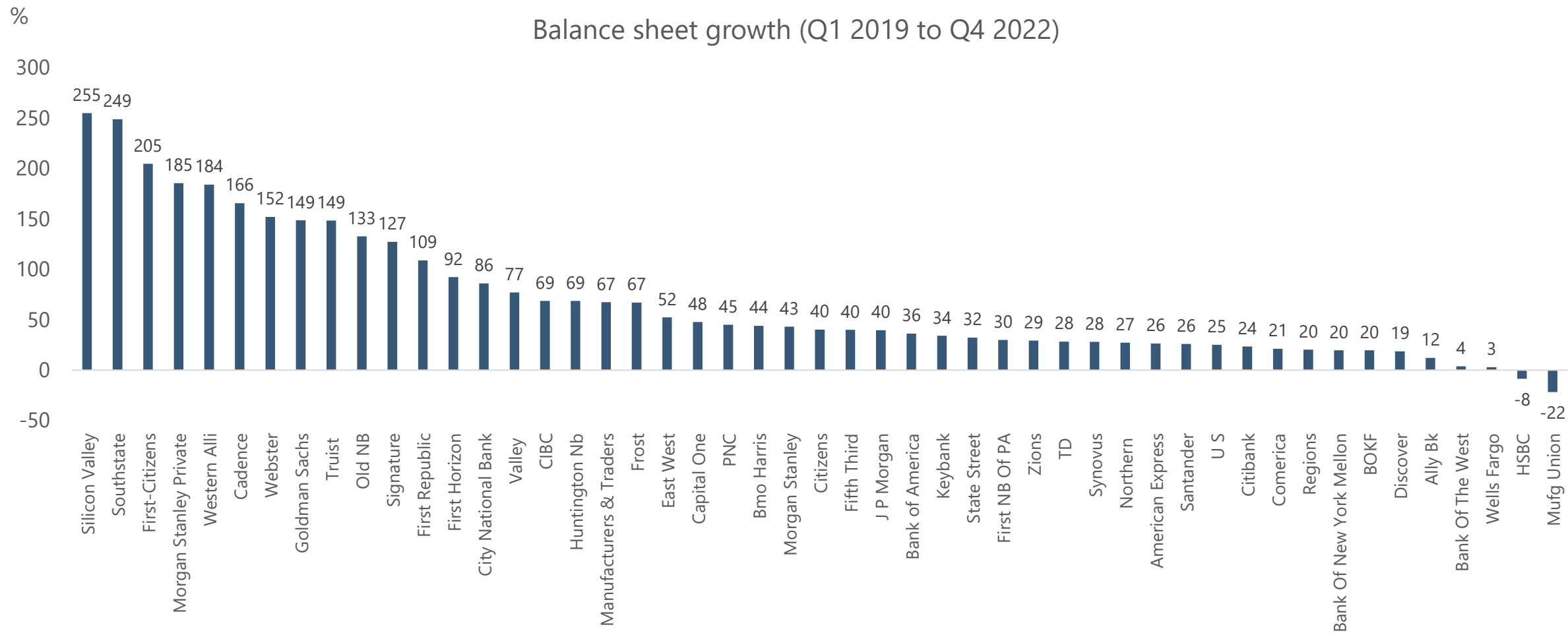
Source: Bloomberg, Apollo Chief Economist. Note: Ticker used I00408US Index. As of March 13, 2023.

FRA OIS spread widening



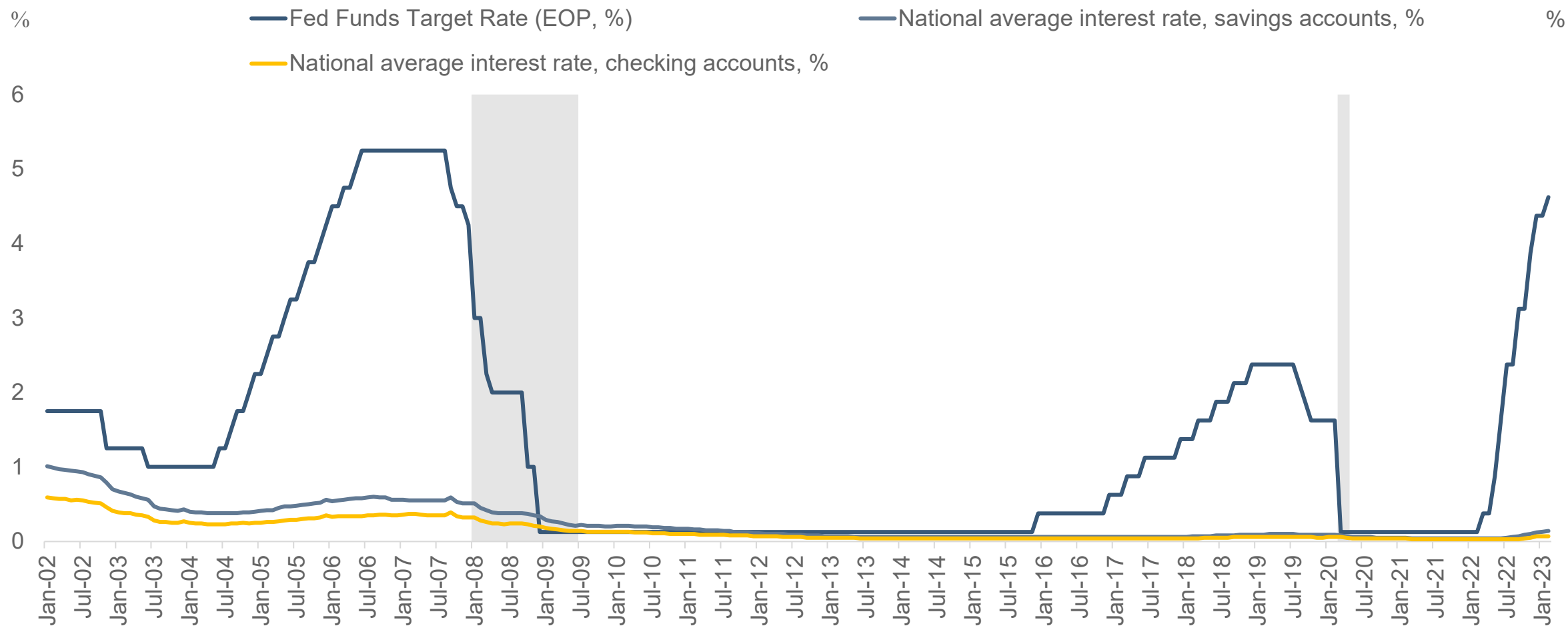
Source: Bloomberg. Note: Ticker used USFOSC1 BGN Curncy. As of March 13, 2023.

Balance sheet growth of US banks



Source: FDIC, Apollo Chief Economist.

Interest rate on checking accounts versus the Fed funds rate





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Torsten Slok joined Apollo in August 2020 as Chief Economist and he leads Apollo's macroeconomic and market analysis across the platform.

Prior to joining, Mr. Slok worked for 15 years as Chief Economist at Deutsche Bank where his team was top ranked in the annual Institutional Investor survey for a decade. Prior to joining Deutsche Bank Mr. Slok worked at the IMF in Washington, DC and at the OECD in Paris.

Mr. Slok has a Ph.D in Economics and has studied at the University of Copenhagen and Princeton University.