



North Carolina's Economic Recovery and Small Business Lending

Joseph A. Smith, Jr.

NC Commissioner of Banks

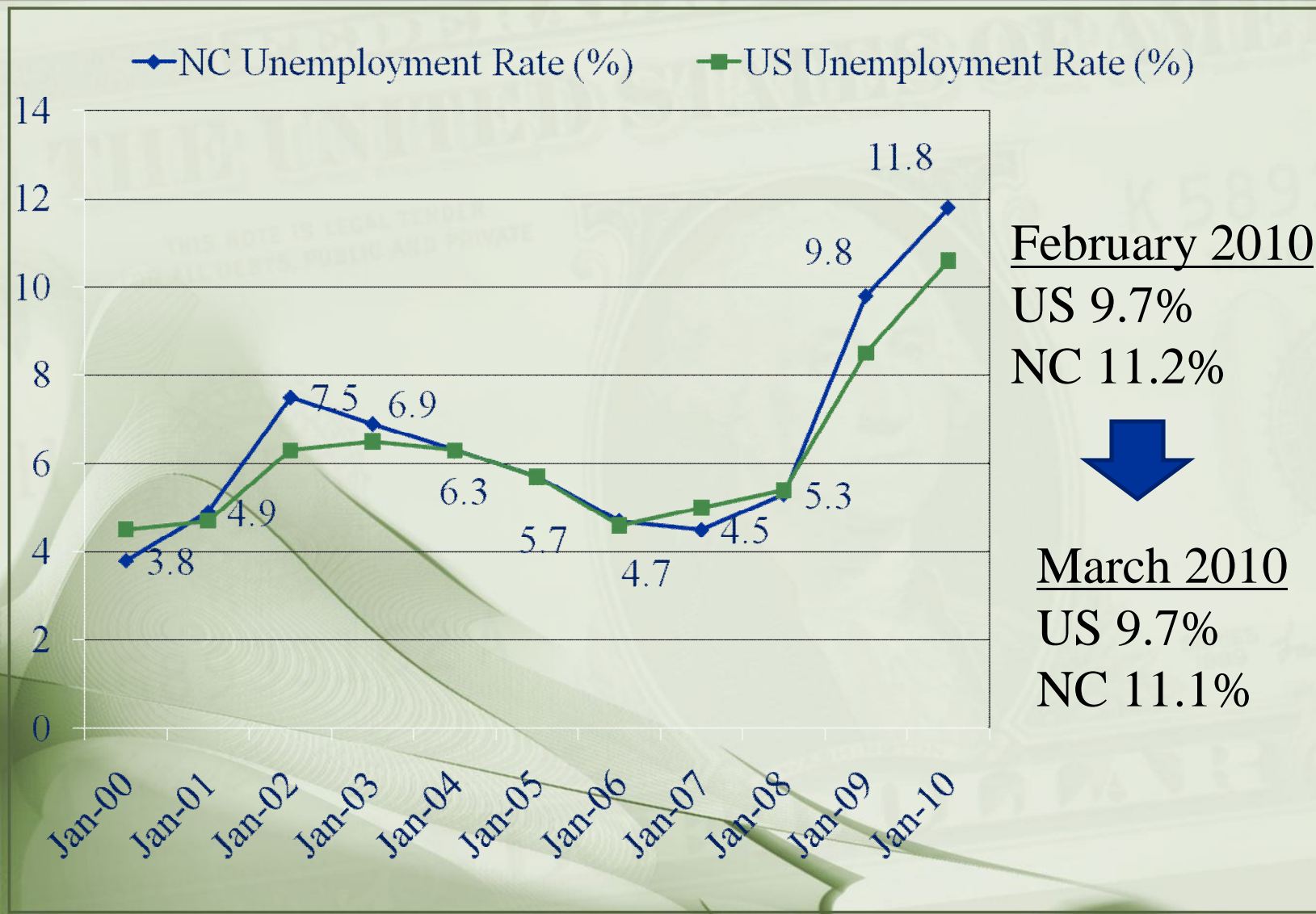
Joint Select Committee on Economic Recovery

April 27, 2010

Economic Outlook



Unemployment Rate



Source: FDIC and Bureau of Labor Statistics/Haver Analytics



Housing Permit Growth

Total Housing Permit Growth, New Units (%)

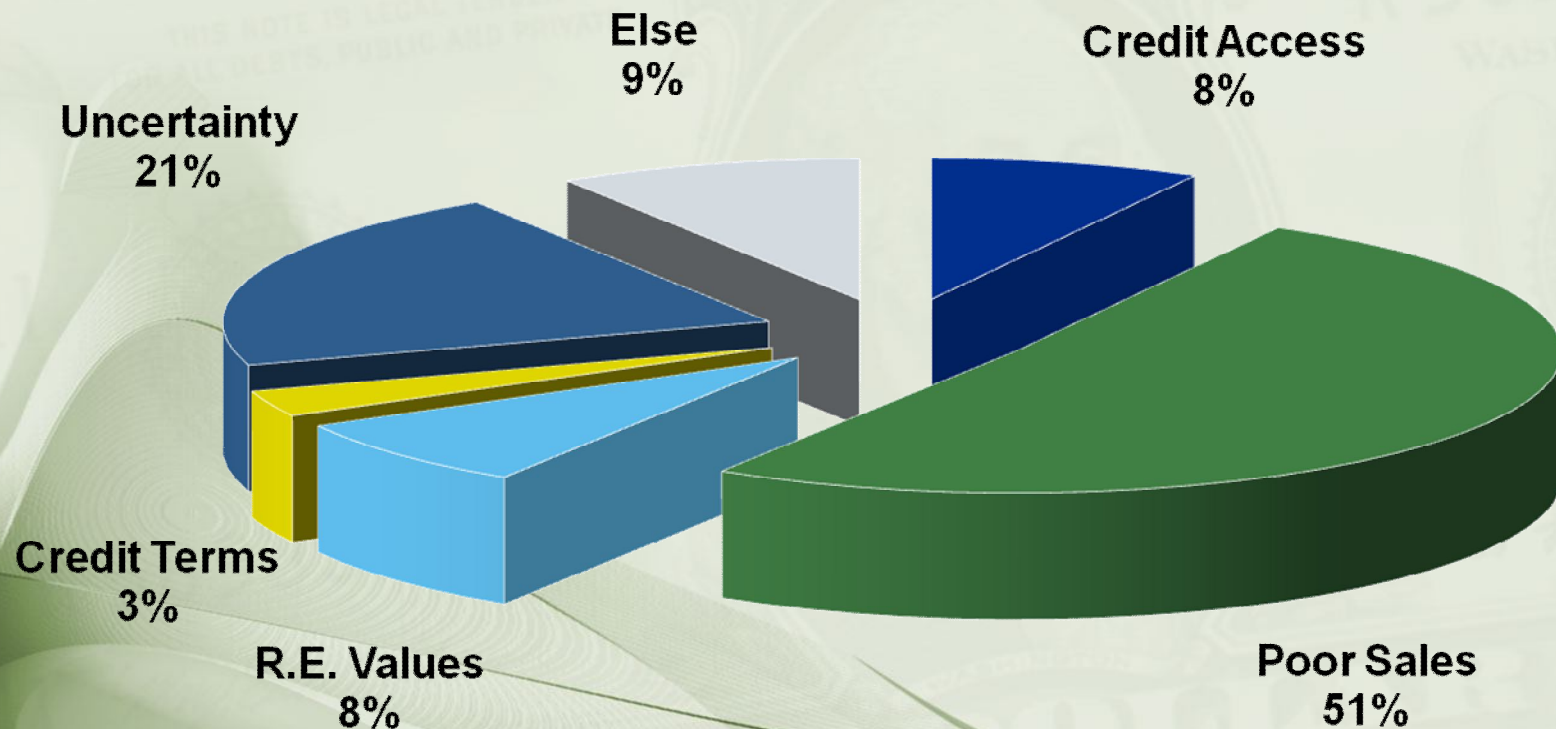


Source: FDIC



Small Business Challenges

Special National Survey – Nov./Dec. 09
(Most Important Immediate Problem)

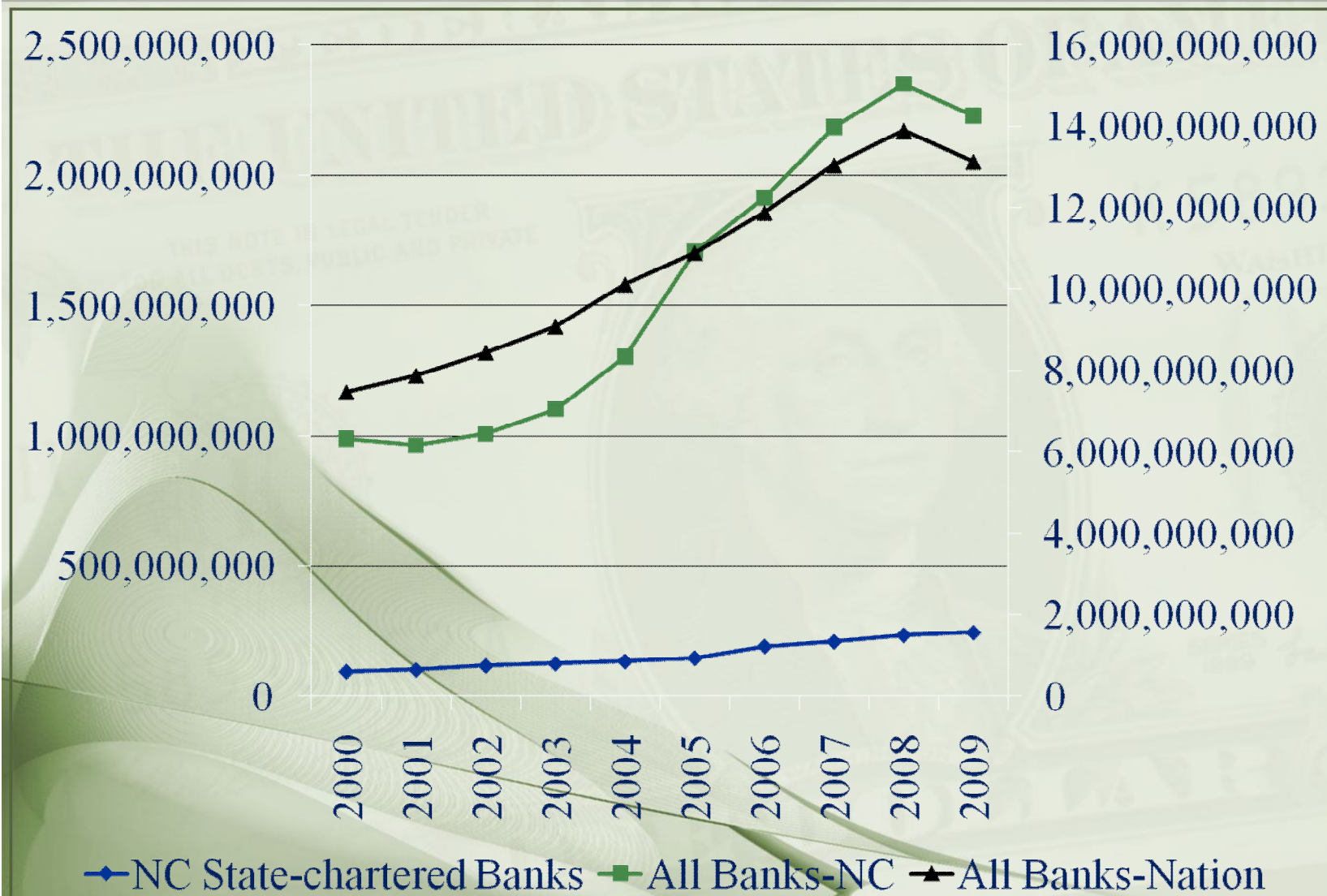


Source: "Small Business Credit in a Deep Recession", NFIB, William Dennis, Feb. 2010
Small firms defined as having fewer than 250 employees

Recovery of the Banking Sector



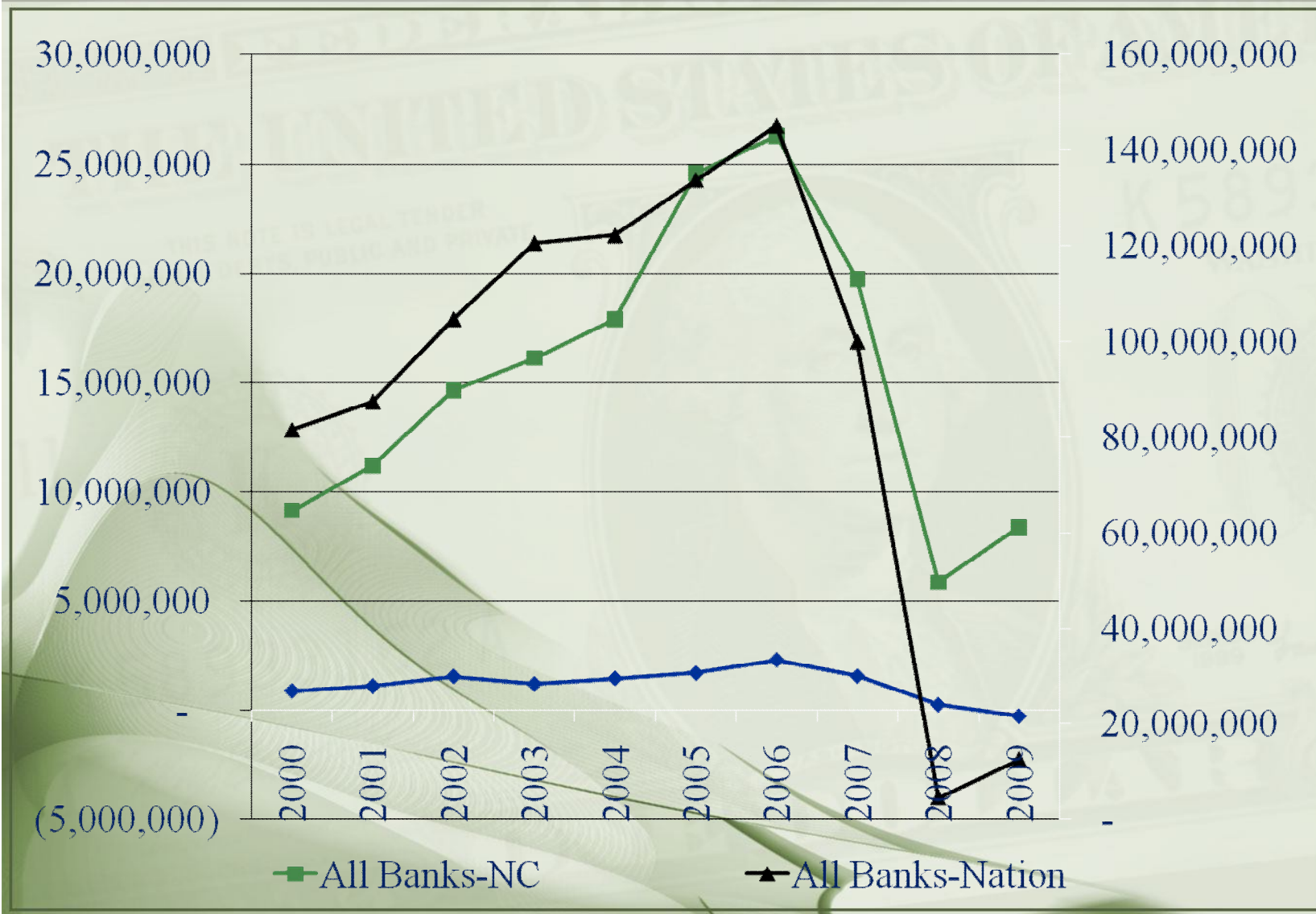
Balance Sheet – Total Assets



Source: SNL Financial



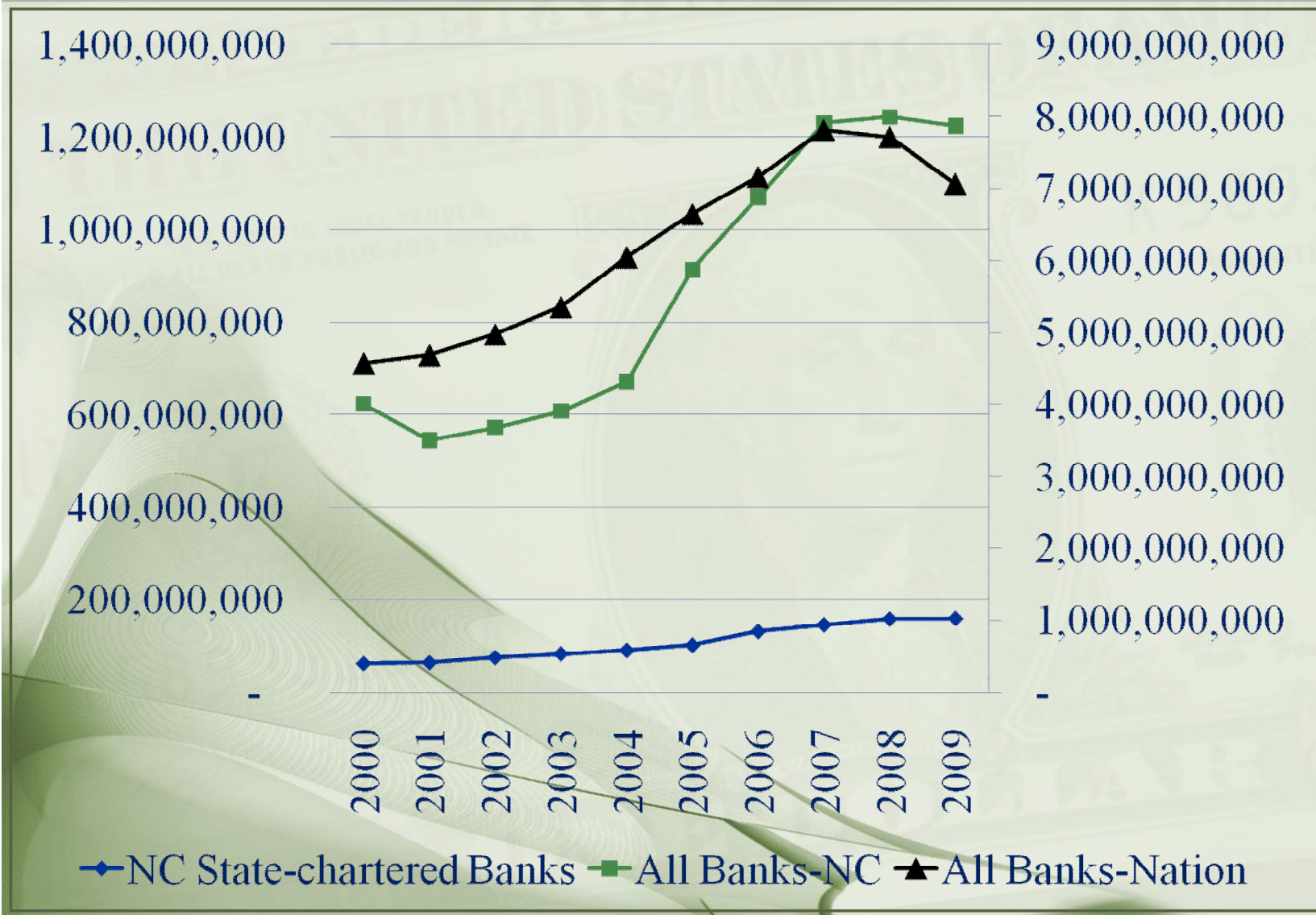
Income Statement - Earnings



Source: SNL Financial



Balance Sheet – Net Loans



Source: SNL Financial



Total Outstanding Loans

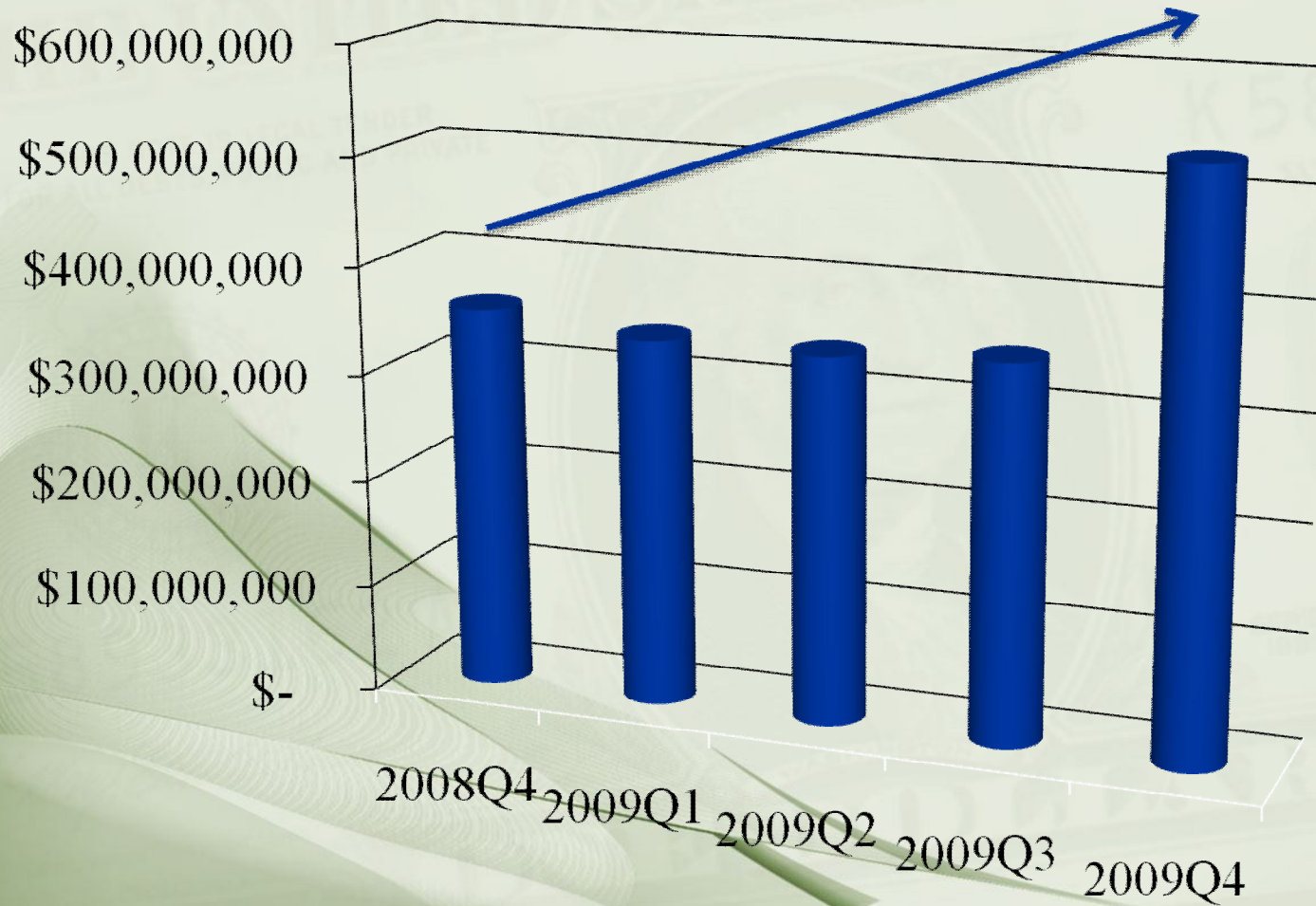
Top 23 Tarp Banks



Source: SNL Financial

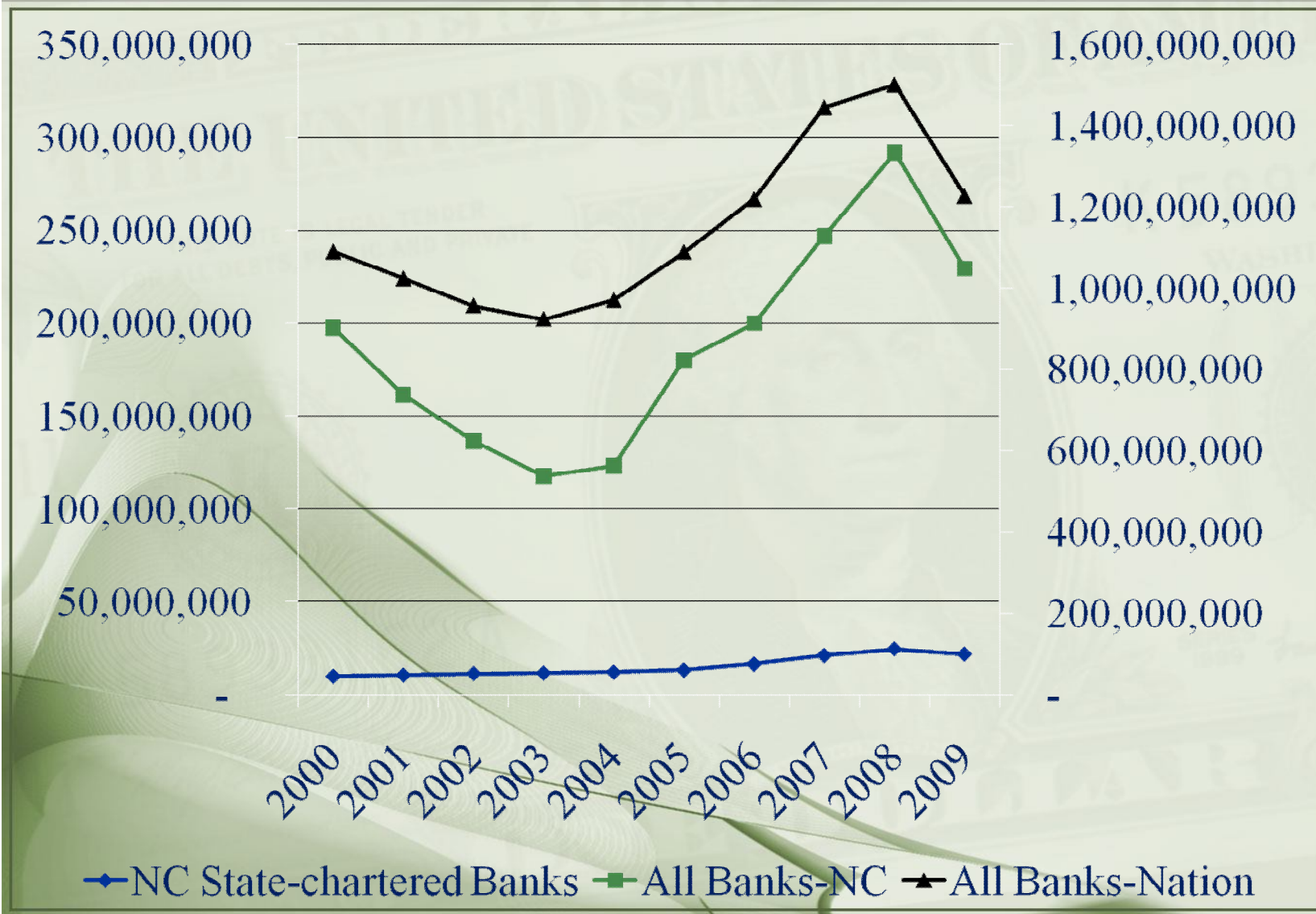
Total Outstanding Loans

Banks <\$2 Billion



Source: SNL Financial

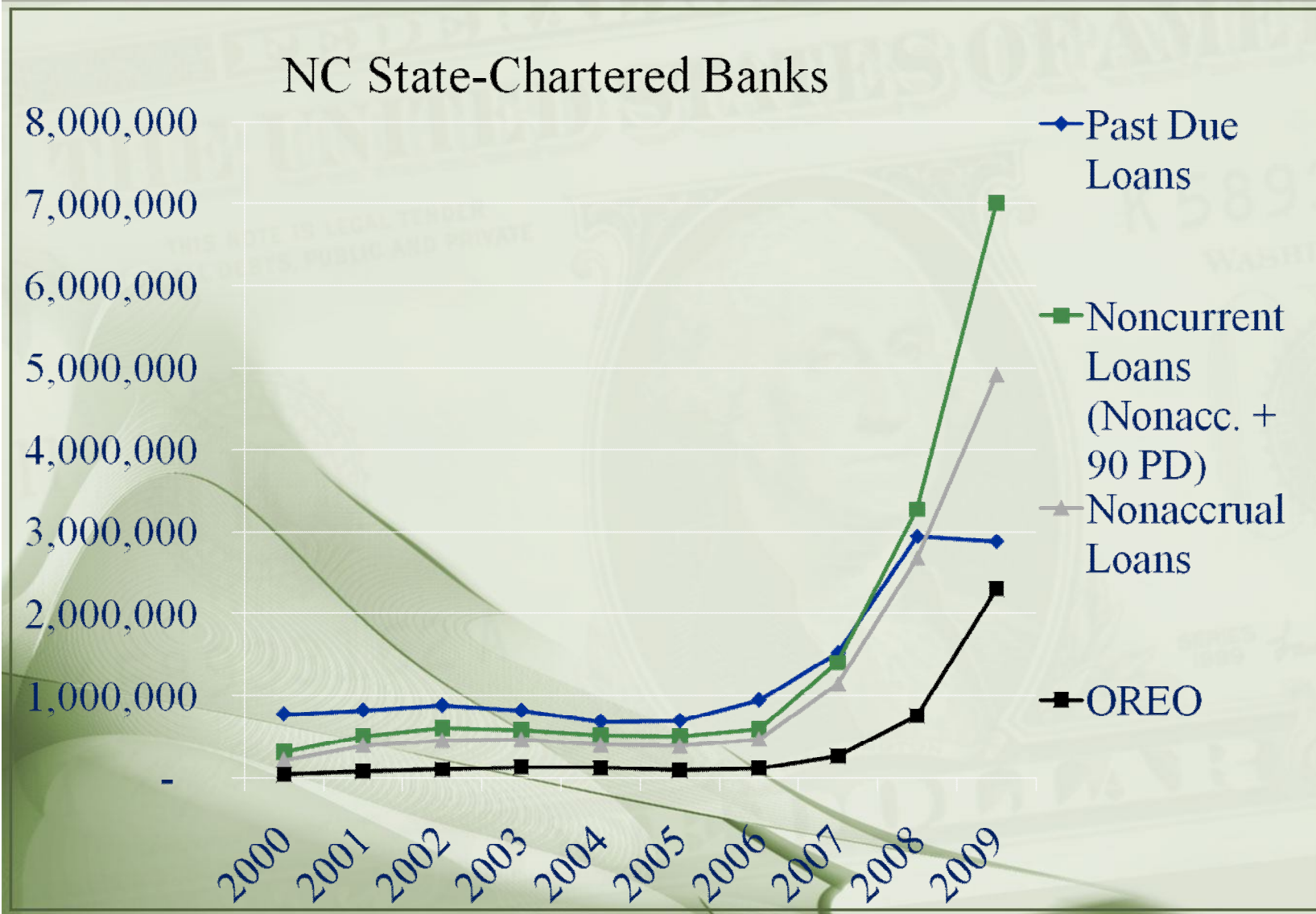
Balance Sheet – C&I Loans



Source: SNL Financial



Asset Quality Trend – (000)s

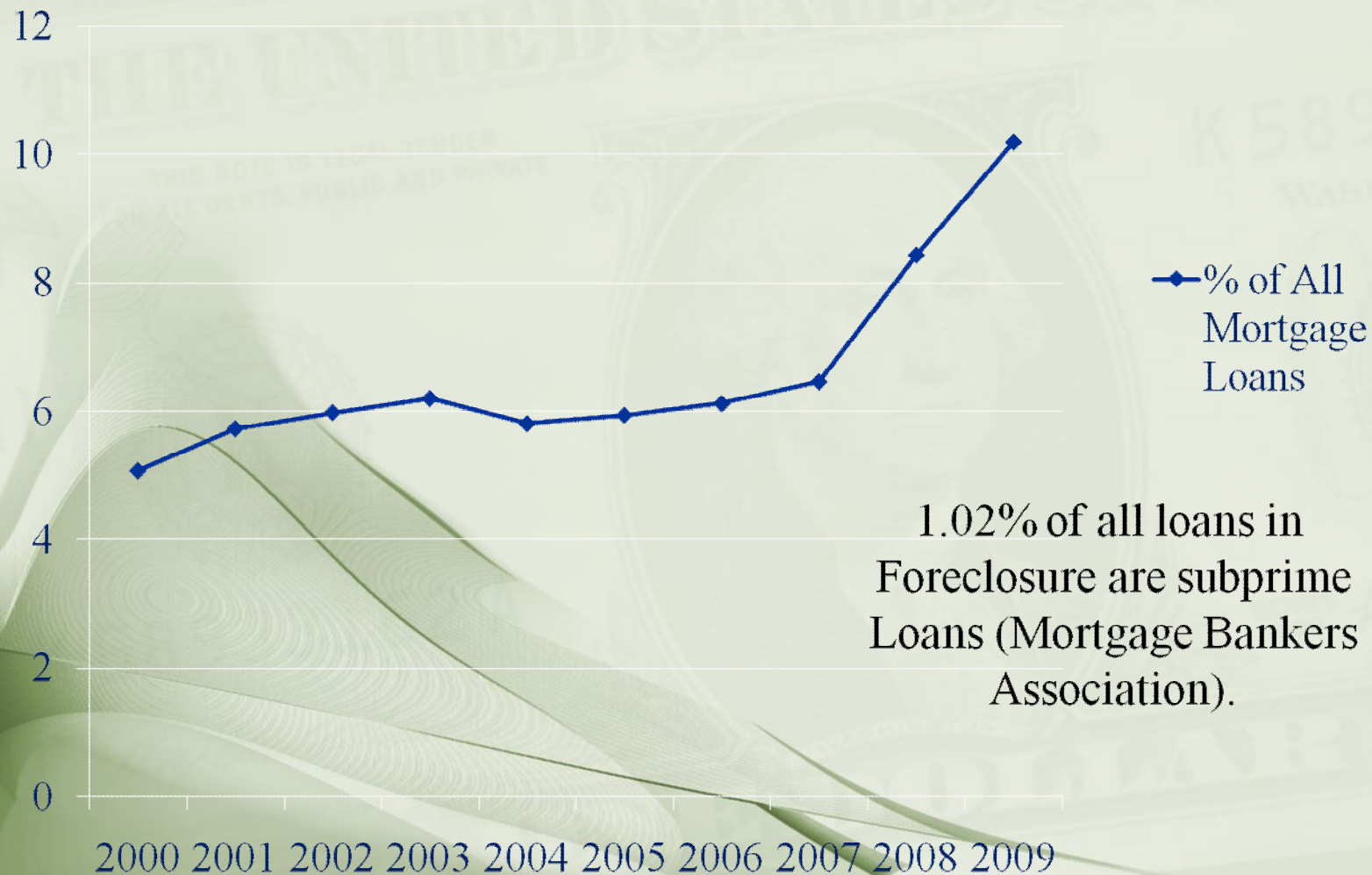


Source: FDIC



Increasing Mtg. Delinquencies

Delinquencies - % of All Mortgage Loans

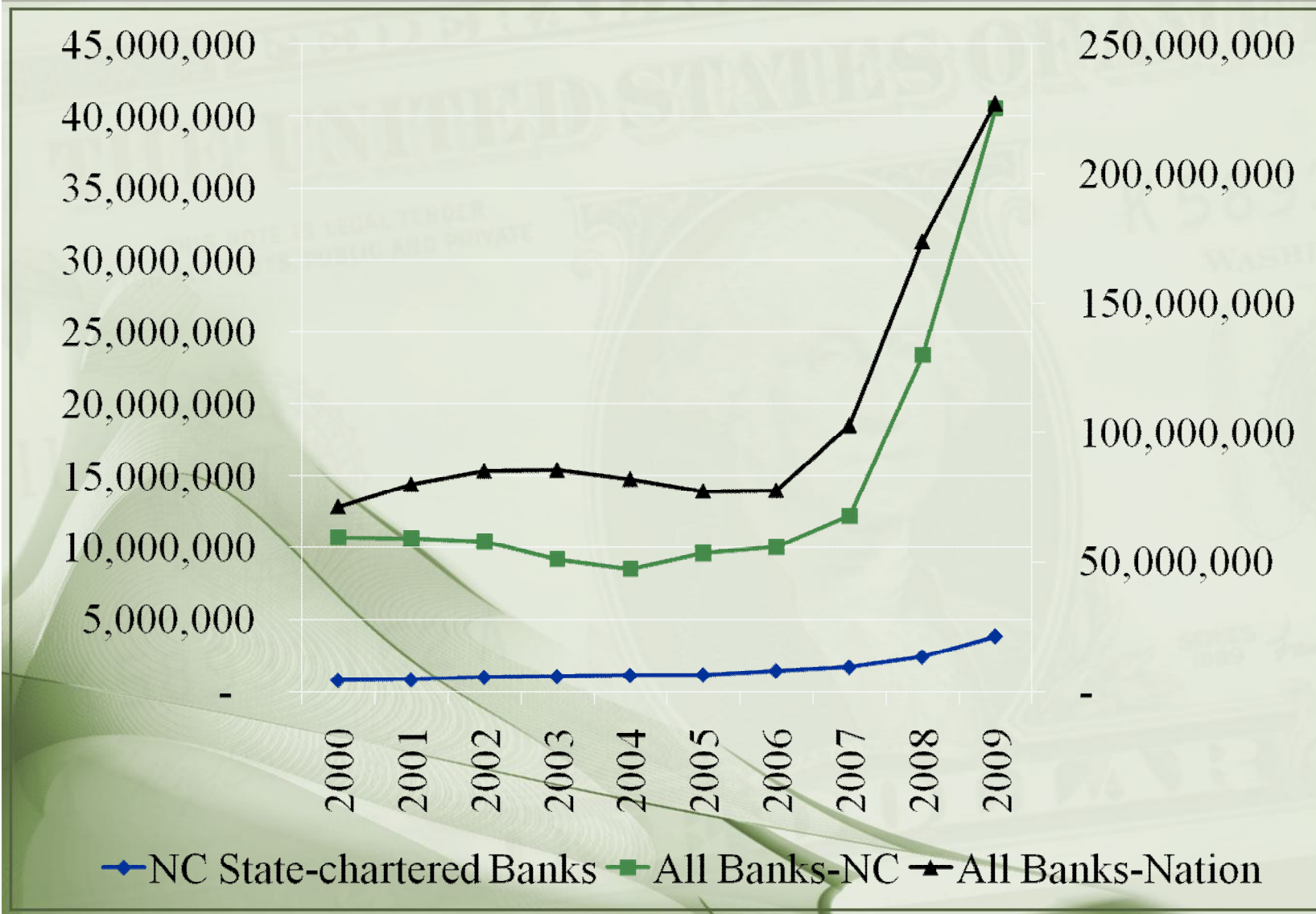


1.02% of all loans in Foreclosure are subprime Loans (Mortgage Bankers Association).

Source: FDIC



Increased Allowance for Loan Losses

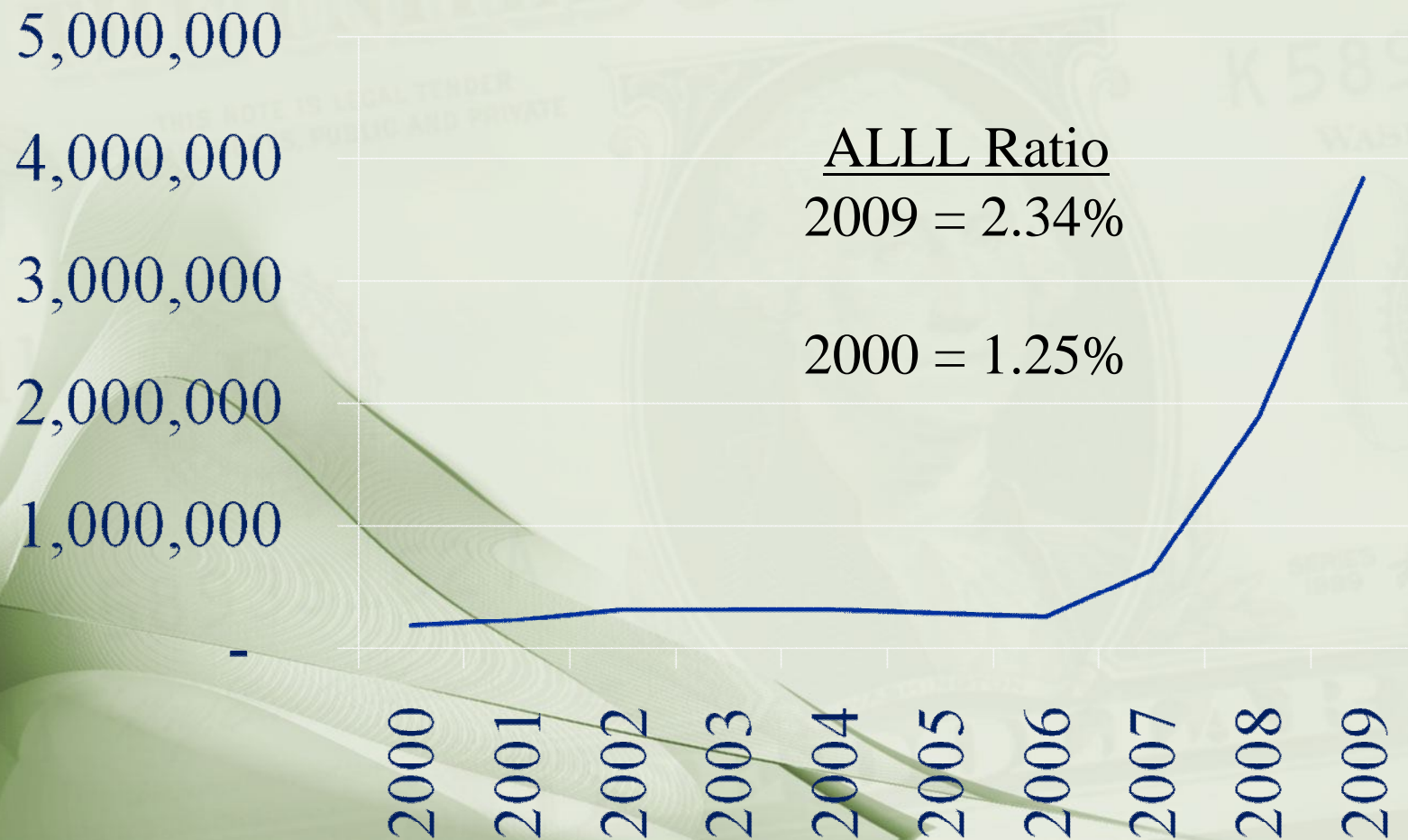


Source: SNL Financial



Increased Provision for Loan Losses

NC State Chartered Banks



Source: FDIC



Small Business Lending

North Carolina State Chartered Banks – June 2007 to June 2009

<u>Loan Size</u>		<u>2007</u>	<u>2008</u>	<u>2009</u>	% change
Under \$100,000	Dollars	\$2,881,164	\$3,257,104	\$3,534,432	22.7%
	Number	198,310	206,260	319,882	61.3%
\$100K - \$250K	Dollars	\$3,969,758	\$4,227,765	\$4,576,970	15.3%
	Number	37,760	38,607	43,094	14.1%
\$250K - \$1 million	Dollars	\$12,156,564	\$13,424,507	\$15,318,066	26.0%
	Number	36,324	38,729	43,389	19.4%
Total Business Loans	Dollars	\$19,007,486	\$20,909,376	\$23,429,468	23.3%

Source: SNL Financial



SBA Total Loan Volume – NC



Source: Small Business Administration, Office of Advocacy, data through 4th quarter 2009

Small Business Lending Outreach

- *SBA Bootcamp:*
 - *CEO Summit on Government Guarantees*
 - *June 3, 2010*
 - *Karen G. Mills, Administrator of the Small Business Administration*

