

The State of Commercial Banking Market Analysis

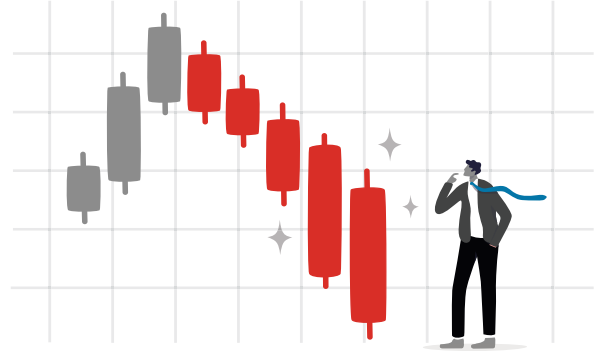
By Q2

Many commercial bankers in 2022 found themselves on a road of twists and turns, not to mention highs and lows. Making sense of all that happened can be found in our latest research and assessment of the state of commercial banking.

From the trends, challenges, and opportunities we've found 5 takeaways that may help you and your financial institution in navigating what's ahead.

1 THE ECONOMIC OUTLOOK FOR 2023 IS UNCERTAIN

Although some economic indicators point to a recession, the resilient job market signals it will look different from recessions in the past.



BANKS ARE BRACING FOR DOWNTURNS 2

Commercial banks are stepping up loan loss provisions despite consistently strong credit quality.

3 RENEWED FOCUS ON DEPOSITS

Loan demand outpaces deposit growth, leading to a rise in deposit betas and intensifying competition.

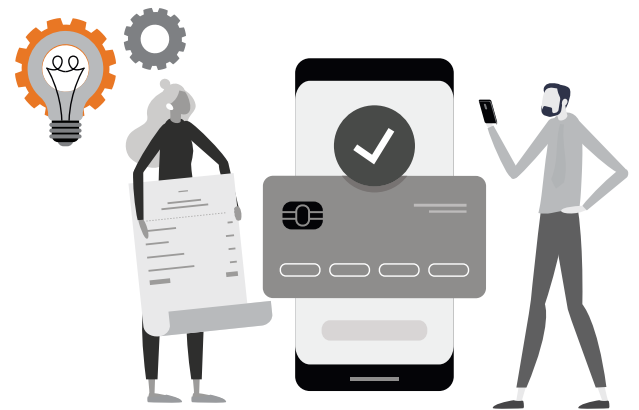


DIGITAL REACHES DEEP INTO FINANCIAL INSTITUTIONS 4

Fintech partnerships and a focus on small business experiences top the list.

5 INNOVATION IN PAYMENTS PRESENTS AN OPPORTUNITY

Digital advancements such as real-time payments, integrated payables, and API integration to key systems like ERP will help financial institutions of all sizes compete.



Q2's full market analysis can be downloaded.



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