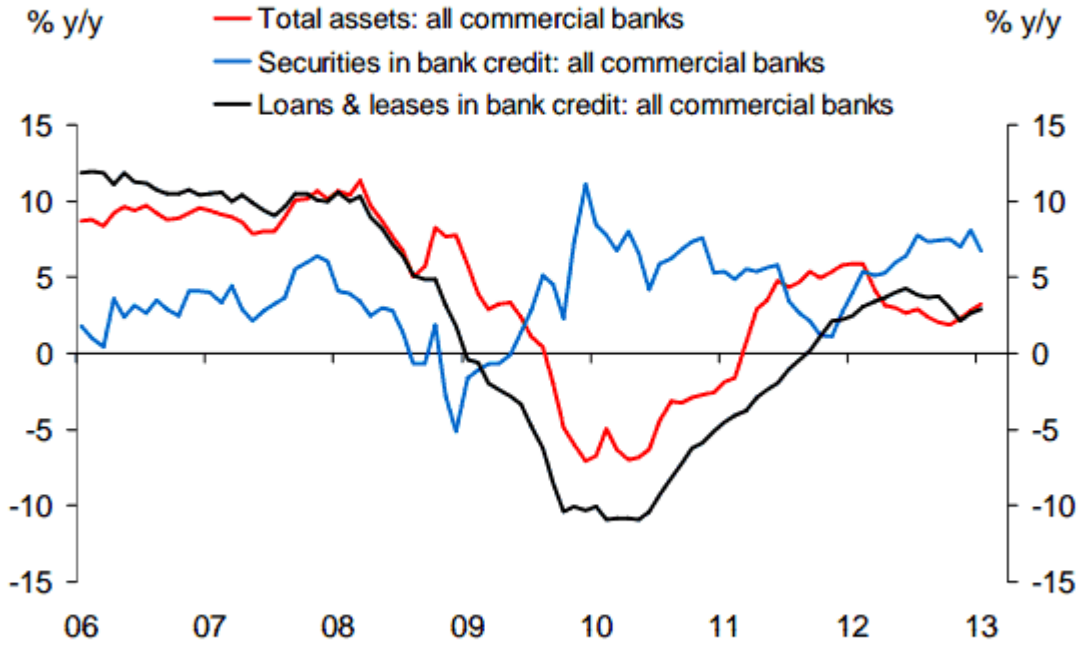


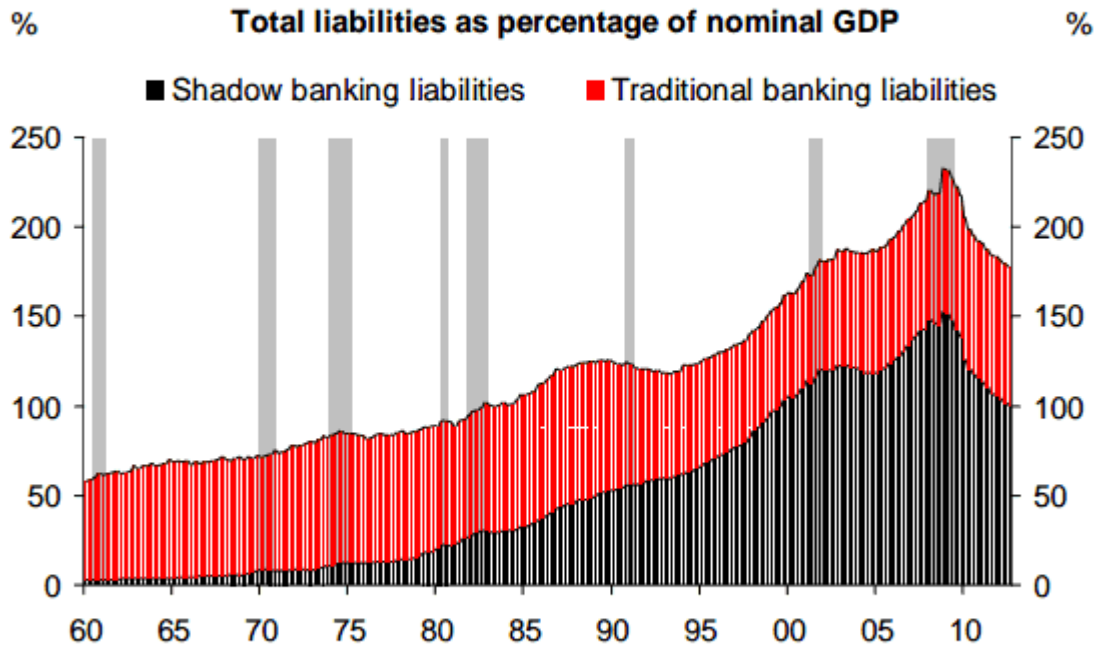
...as a result banks have much healthier balance sheets today than in 2008...



Source: FRB, Haver Analytics, DB Global Markets Research

Yes, balance sheets may be 'better' but I'm looking for an acceleration of loan growth to make up for the deficit reduction. I don't see it here.

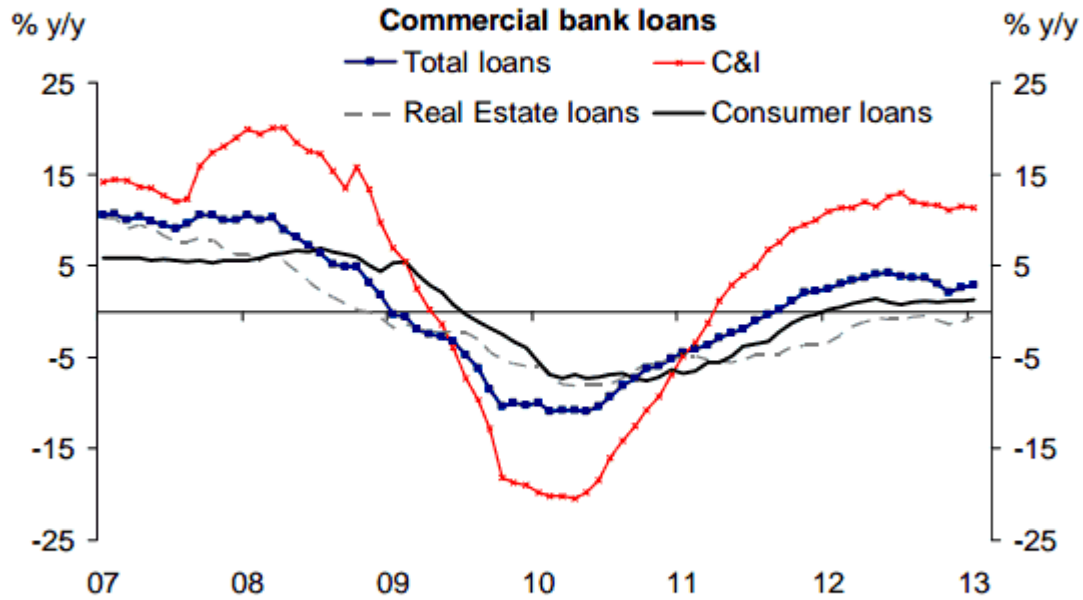
# ...total banking sector liabilities down 50%-points of GDP since 2008...



Source: FRB, BEA, Haver Analytics, DB Global Markets Research

Loans create deposits, and, again, I don't see any sign of credit expansion here.

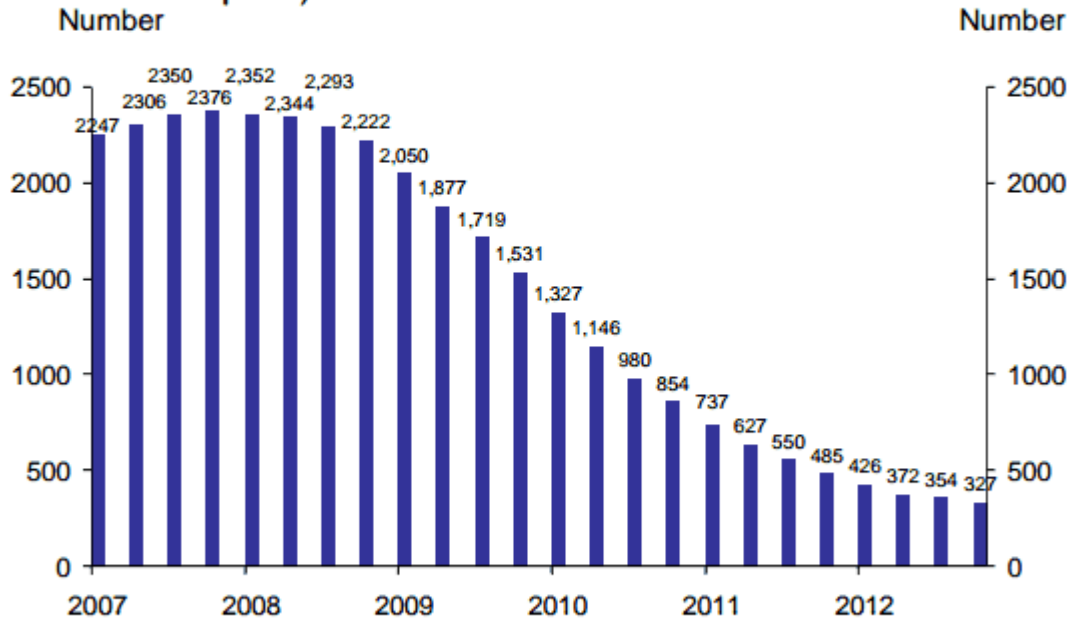
...banks no longer deleveraging;  
bank lending growing steadily...



Source: FRB, Haver Analytics, DB Global Markets Research

This shows lending increasing modestly, with no sign of growth rates moving up to fill the Federal 'spending gap' created by deficit reduction.

...number of institutions with construction loan concentrations (construction loans exceed total capital) much lower than in 2008...



Source: FDIC, DB Global Markets Research

This isn't going anywhere of consequence either.

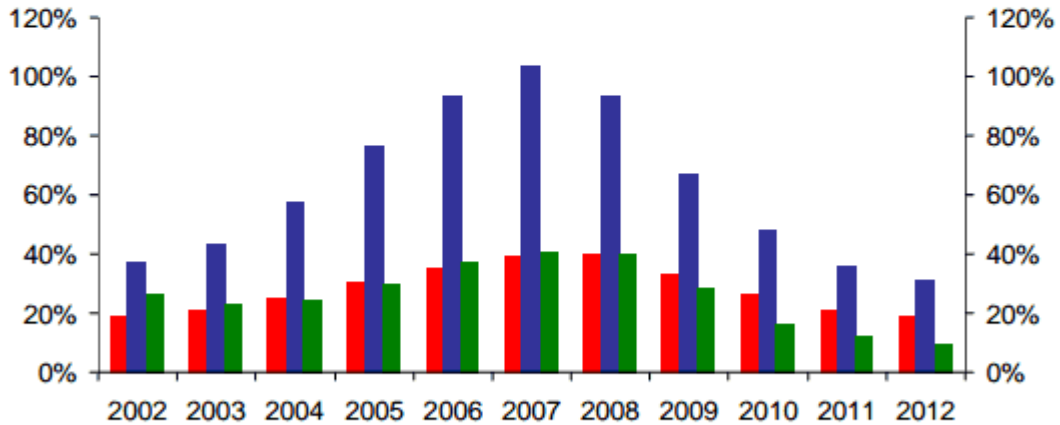
## ...median construction and development loan concentrations trending down...



% of total risk based capital, by lender asset size

% of total risk based capital, by lender asset size

■ Assets under \$ 1 bln   ■ Assets \$ 1-10 bln   ■ Assets over \$ 10 bln

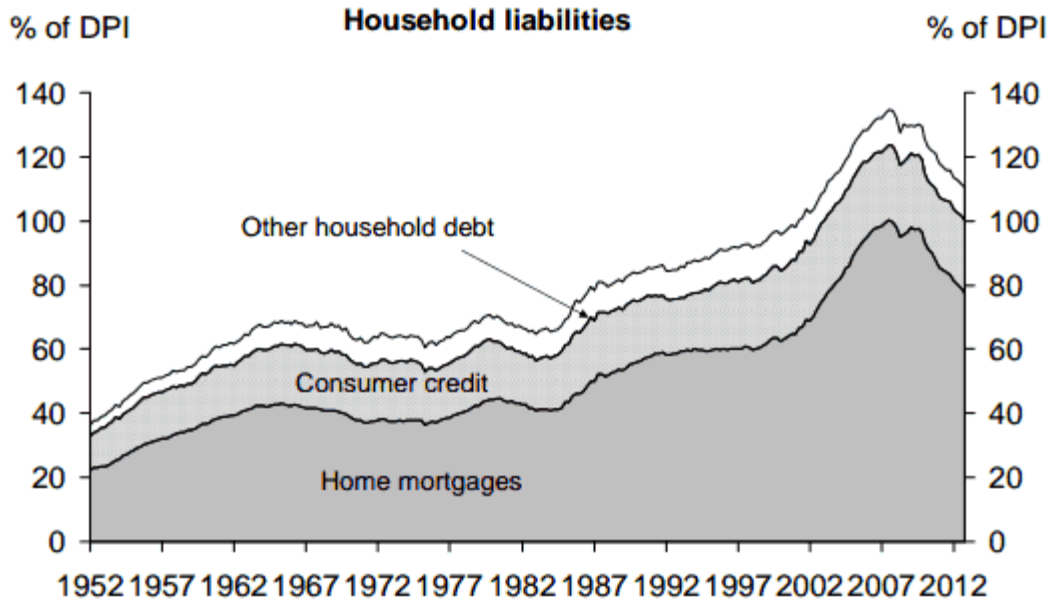


Source: FDIC, DB Global Markets Research

More of same.

Down

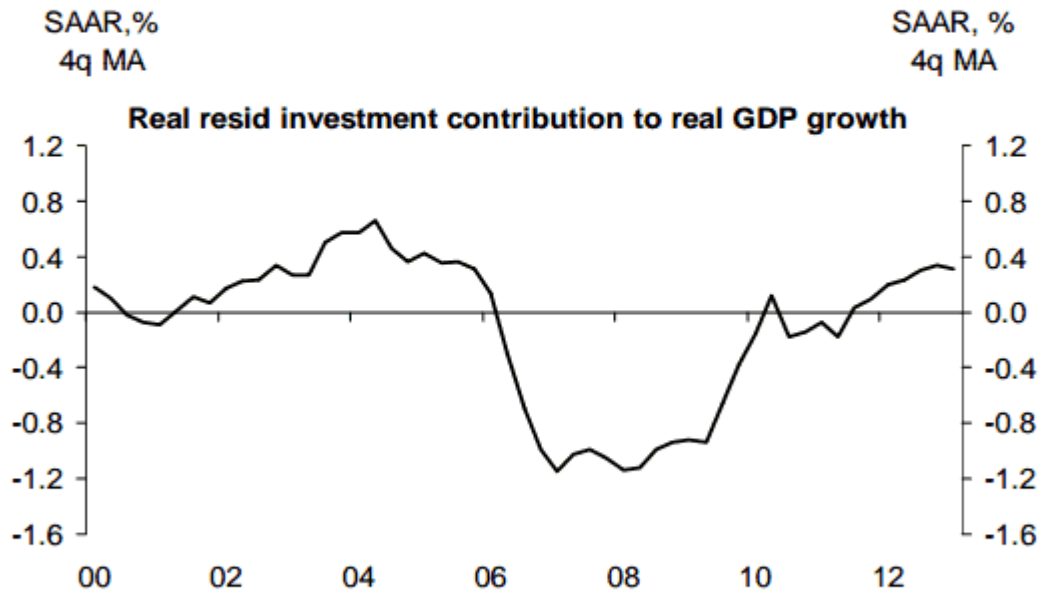
...and as a share of income the downtrend in household debt continues and we are currently at 2002/2003 levels...



Source: FRB, Haver Analytics, DB Global Markets Research

Down nicely, showing 'repair' but not showing any signs of rising to the occasion to 'replace' federal deficit reduction policies.

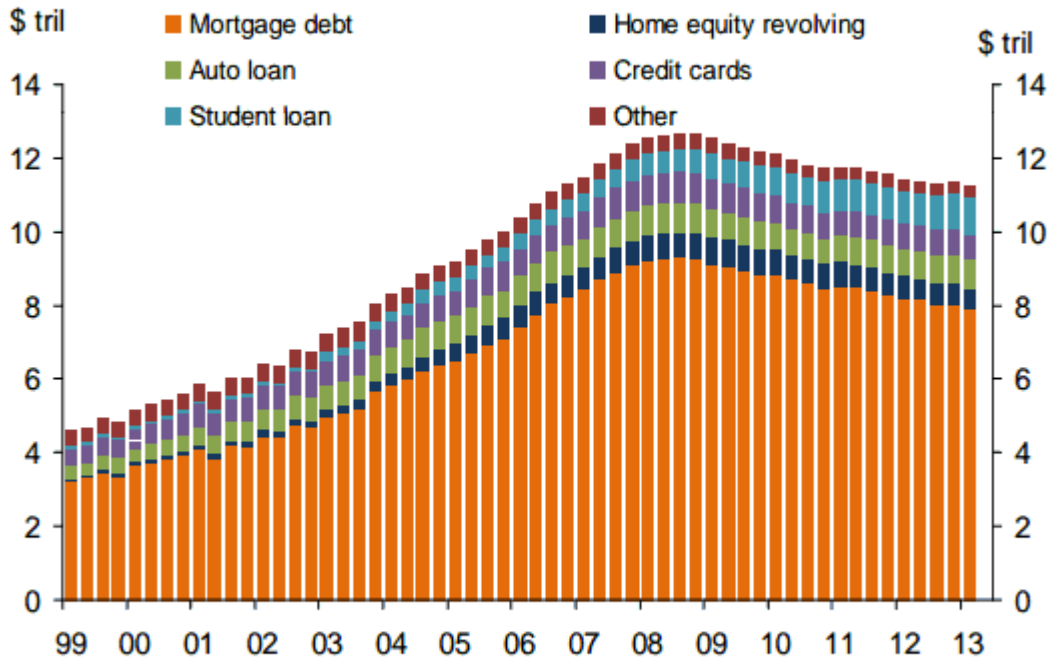
...residential investment is adding to GDP growth...



Source: BEA, Haver Analytics, DB Global Markets Research

Growth rate here going the wrong way recently as well

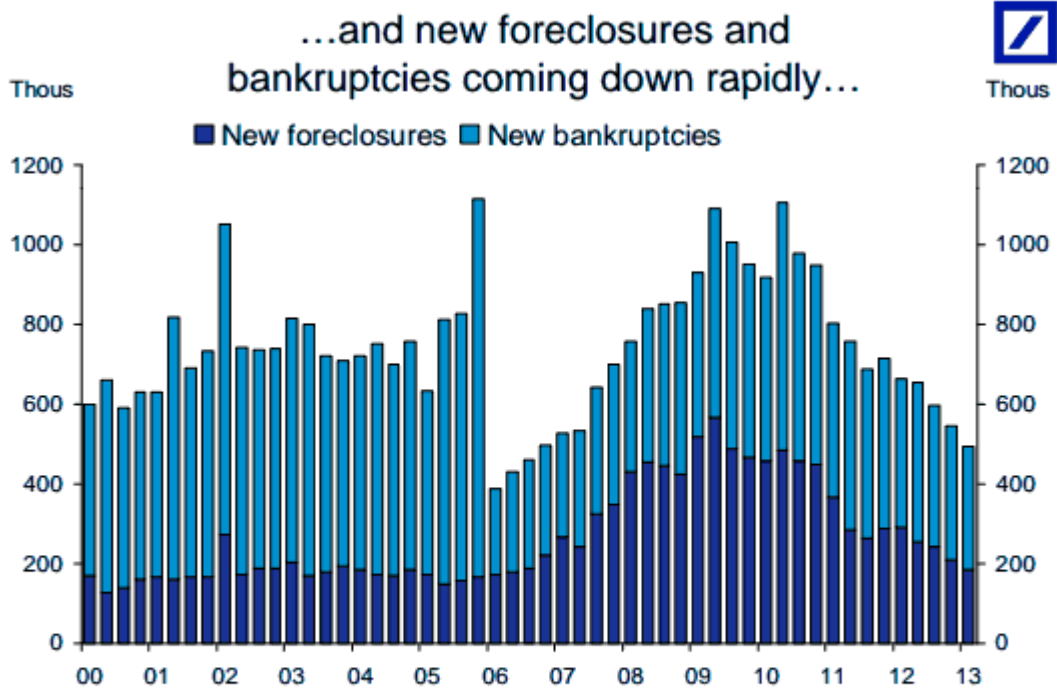
...and total household debt levels is falling...



Source: FRB- New York, DB Global Markets Research

No signs of support for replacing government spending cuts here either.





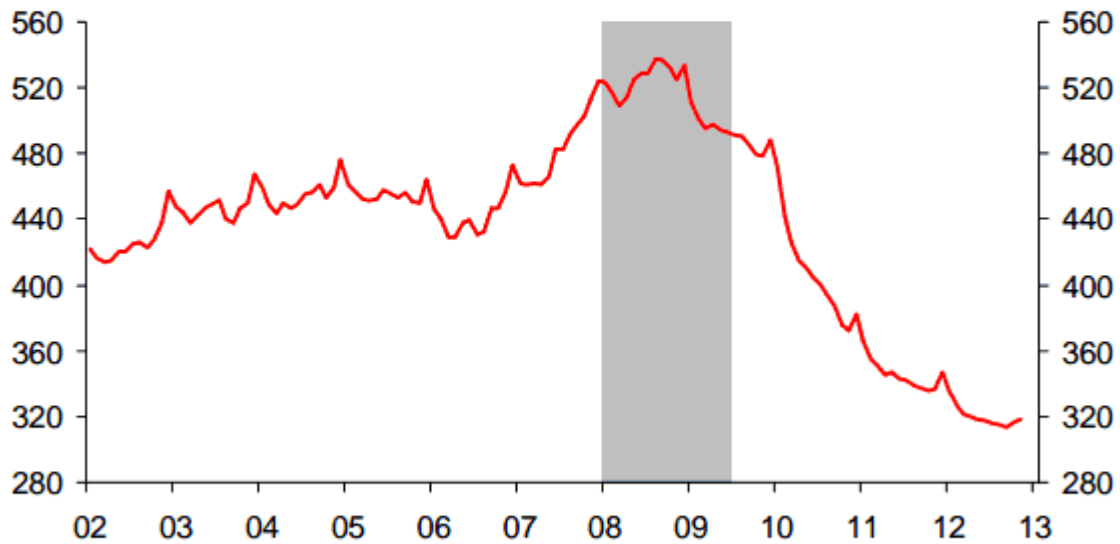
Note: Break in series in 2005-2006 was the Bankruptcy Reform Act. Source: FRB-New York, DB Global Markets Research

The hangover from this might be a lower propensity to borrow to spend even as balance sheets mend?

...credit card debt outstanding much lower than in 2008...



USD bln **S&P: US credit card quality index: private-label and bankcards:outstandings** USD bln



Source: S&P, Haver Analytics, DB Global Markets Research

A glimmer of a pickup but even that might be temporary as consumers struggle with tax hikes and spending cuts.