REPORT OF FAILED BANKS IN U.S.A USING POWER BI

Dataset source; https://catalog.data.gov/dataset/fdic-failed-bank-list

Tool of analysis; Power Bi

By

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CHAPTER 01

Introduction

A bank failure occurs when a federal or state regulator closes an insolvent bank. State-chartered banks may be shut down by banking commissioners or by the federal government, respectively (KAGAN, 2023).

- Bank failures occur when the bank cannot meet its obligations to creditors and depositors.
- The Federal Deposit Insurance Corp. (FDIC) protects deposits for up to $250,000 per depositor, per account.
- In some cases, the FDIC may fully reimburse for lost deposits of a failed bank without using federal or state tax revenues.
- Bank failures are often difficult to predict.

The most common cause of bank failure is when the value of the bank's assets falls below the market value of the bank's liabilities, which are the bank's obligations to creditors and depositors. This might happen because the bank loses too much on its investments. It's not always possible to predict when a bank will fail (KAGAN, 2023).

CHAPTER 02

Results

Overall Dashboard

The dashboard in figure 1 presets the visual results of failed banks in the U.S.A with 563 total failed banks ad 443 city states.

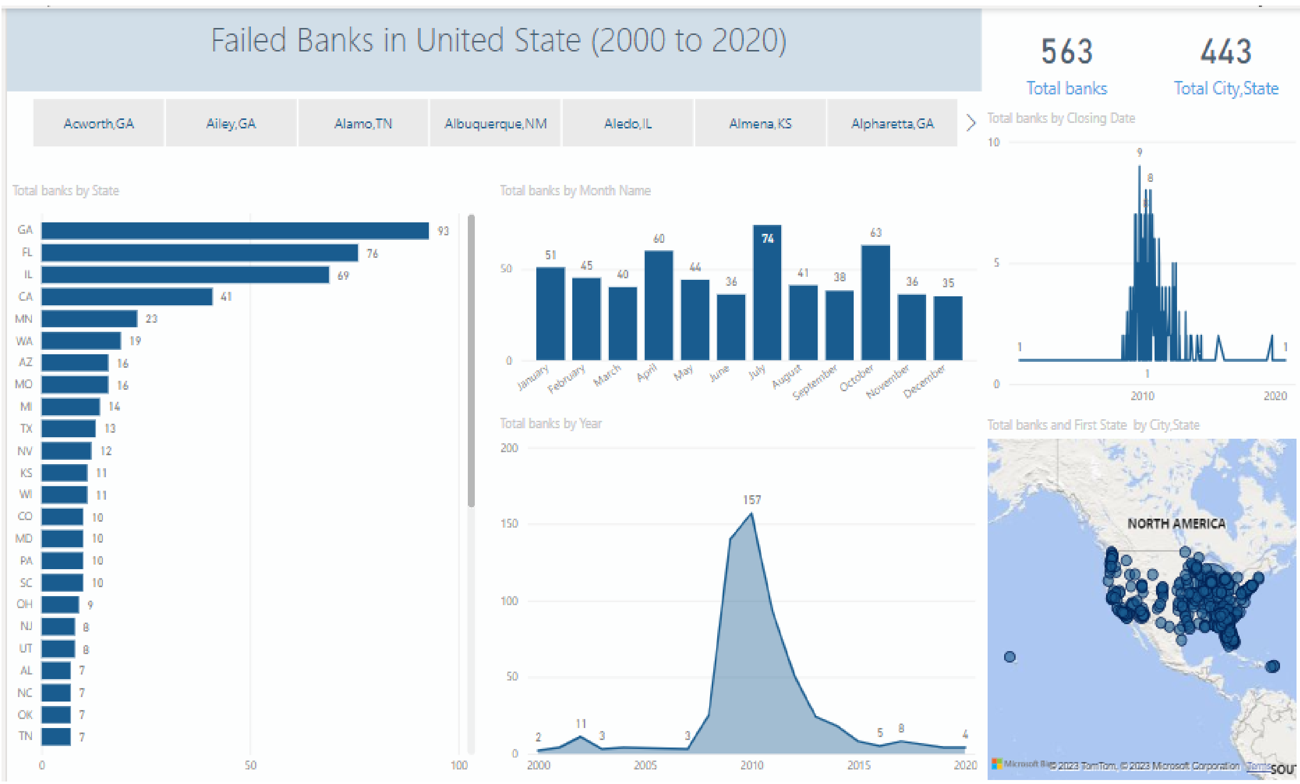


Figure 1; Failed banks Dashboard

Dashboard Breakdown

1.Total Banks by state

GA is the state which had the most failed banks (93) and Wy state had the least failed banks (1) as shown in figure 2 below.

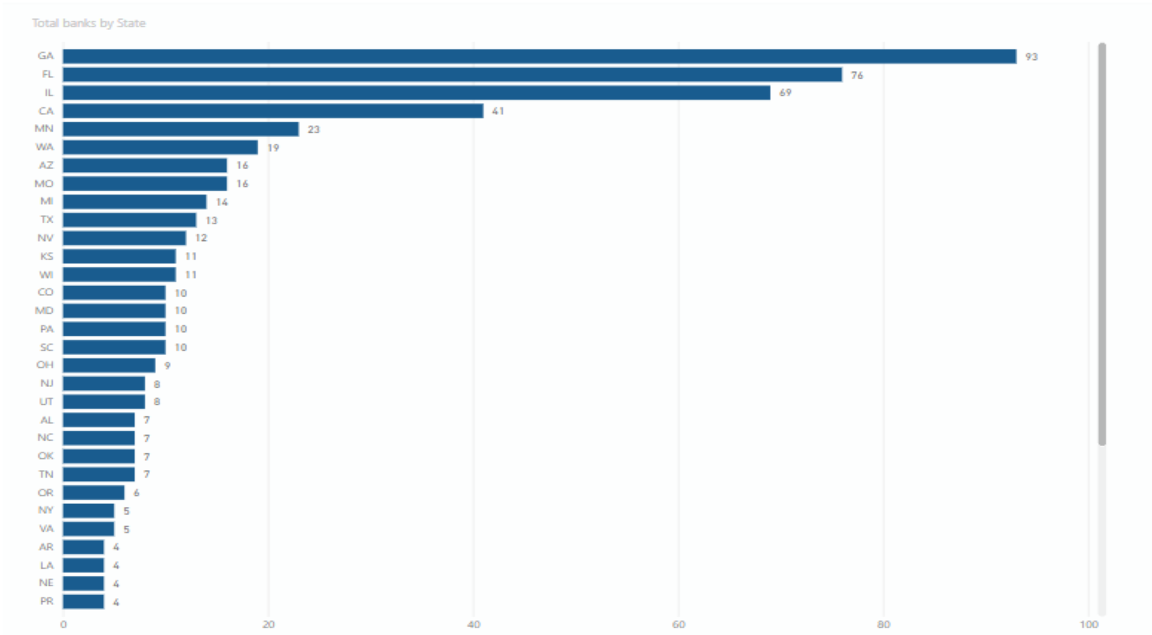


Figure 2: Total failed Banks by state

2.Total banks by Month

Overall total banks in all 20 years, July had the most failed banks (74) and June had the least (24) as presented in figure 3.

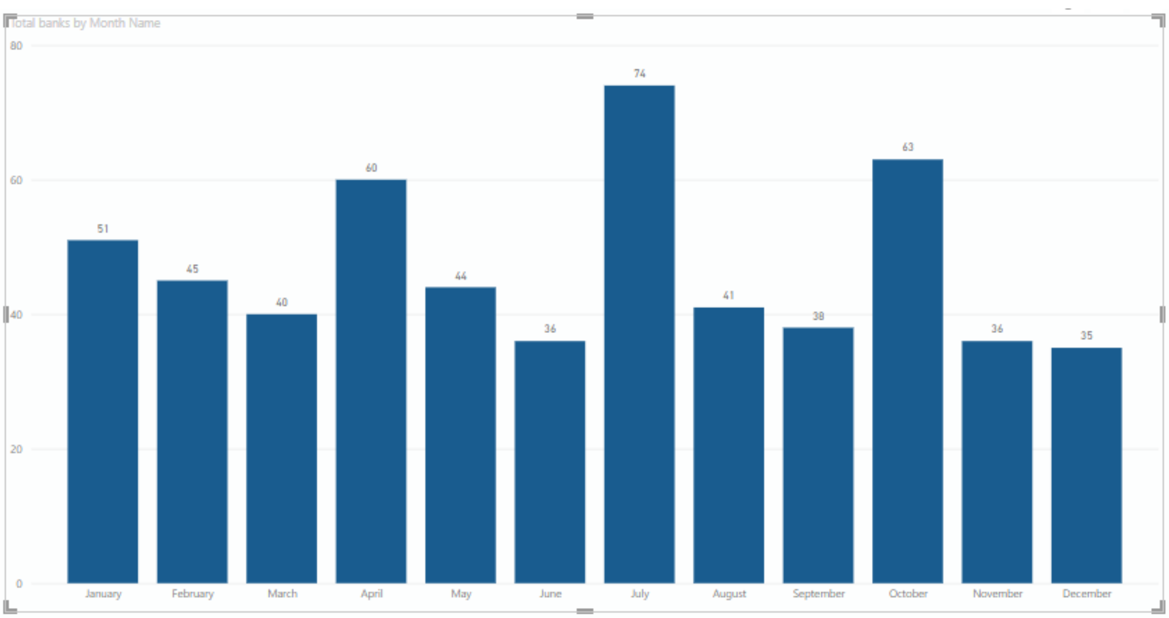


Figure 3: Total Failed banks by Month

3.Total banks by years

As shown in Figure 4, 2010 is the year that had the most failed banks (157) in all 20 years between 2000 and 2020, and 2000 had the least failed banks (2).

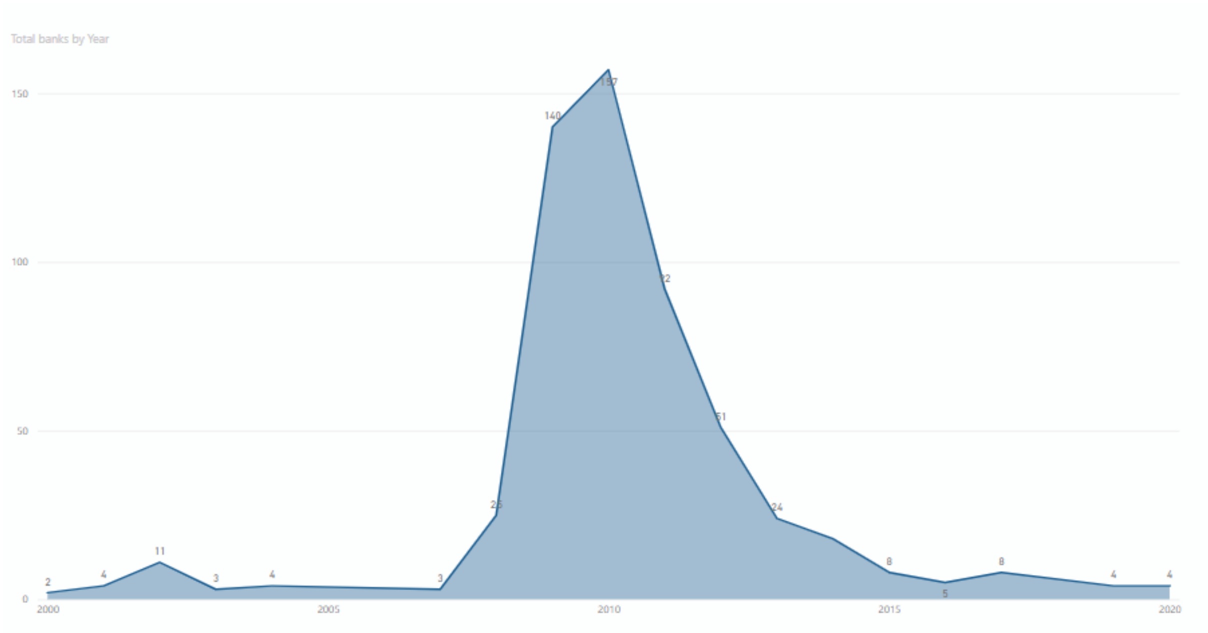
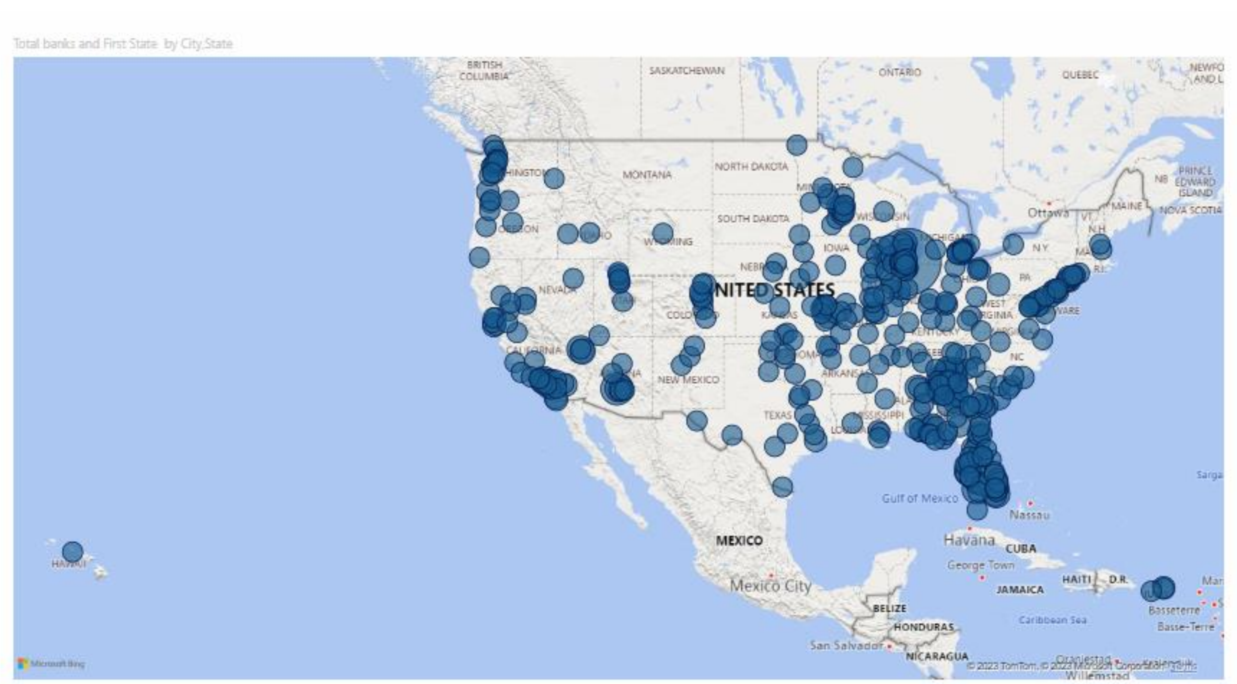


Figure 4: Total failed banks by years

4. Failed banks distribution in U.S.A



Conclusion

The most frequent reason for bank collapse is when the market value of the bank's liabilities, which are its debts to depositors and creditors, exceeds the market value of the bank's assets.

As a result, in order to keep the bank from failing, its owners must make sure that its assets do not fall below the market value of its obligations.

References

KAGAN, J. (2023, july 16). *Investopedia*. Retrieved from https://www.investopedia.com/terms/b/bank-failure.asp