FDIC Quarterly

Quarterly Banking Profile: First Quarter 2016

Highlights:

- *First-Quarter Net Income of $39.1 Billion Is 2 Percent Lower Than the Year Before*
- *Troubled Commercial and Industrial Loan Balances Register a Sharp Increase*
- *Community Bank Net Income Improves More Than 7 Percent From First Quarter 2015*
- *Community Bank Loan Balances Increase 8.9 Percent From the Year Before*
- *DIF Reserve Ratio Rises 2 Basis Points to 1.13 Percent*
- *Final Rule Approved in March 2016 to Raise DIF to 1.35 Percent of Insured Deposits*
- *Final Rule Approved in April 2016 Revises Calculation of Insurance Assessments for Small Banks*

2016
Volume 10, Number 2

Federal Deposit
Insurance Corporation

The ***FDIC Quarterly*** is published by the Division of Insurance and Research of the Federal Deposit Insurance Corporation and contains a comprehensive summary of the most current financial results for the banking industry. Feature articles appearing in the ***FDIC Quarterly*** range from timely analysis of economic and banking trends at the national and regional level that may affect the risk exposure of FDIC-insured institutions to research on issues affecting the banking system and the development of regulatory policy.

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2016 FDIC QUARTERLY

Volume 10 • Number 2

Quarterly Banking Profile: First Quarter 2016

FDIC-insured institutions reported aggregate net income of $39.1 billion in the first quarter of 2016, down $765 million (1.9 percent) from a year earlier. The decline in earnings was mainly attributable to a $4.2 billion increase in provisions for loan losses and a $2.2 billion decline in noninterest income. The increase in loan-loss provisions is primarily attributable to rising levels of troubled loans to commercial and industrial borrowers, particularly in the energy sector. The decline in noninterest income reflects weakness in trading income at a few large banks, as well as lower income from asset servicing. Of the 6,122 insured institutions reporting first quarter financial results, more than half (61.4 percent) reported year-over-year growth in quarterly earnings. The proportion of banks that were unprofitable in the first quarter fell from 5.7 percent a year earlier to 5 percent, the lowest level since the first quarter of 1998. *See page 1.*

Community Bank Performance

Community banks—which represent 93 percent of insured institutions—reported net income of $5.2 billion in the first quarter, up $353.6 million (7.4 percent) from the year-earlier quarter. Improved revenue from net interest income and noninterest income was offset in part by higher loan-loss provisions and noninterest expense. Asset quality indicators continued to improve, and community banks accounted for 44 percent of small loans to businesses. *See page 15.*

Insurance Fund Indicators

Insured deposits increased by 2 percent in the first quarter of 2016. The DIF reserve ratio rose to 1.13 percent on March 31, 2016, up from 1.11 percent at December 31, 2015, and 1.03 percent at March 31, 2015. Final rules were approved to raise the DIF to 1.35 percent of insured deposits and revise the calculation of insurance assessments for small banks. *See page 23.*

INSURED INSTITUTION PERFORMANCE

First-Quarter Net Income of $39.1 Billion Is 2 Percent Lower Than the Year Before

Loan-Loss Provisions Are $4.2 Billion Higher

Troubled Commercial and Industrial Loan Balances Register a Sharp Increase

Loan Growth Rate Continues to Rise

Industry Assets Post Largest Quarterly Increase in Eight Years

Higher Expenses for Credit Losses Weigh on First-Quarter Earnings

Higher expenses for loan losses and lower noninterest income from trading and asset servicing contributed to a $765 million (1.9 percent) decline in quarterly earnings for FDIC-insured institutions in first quarter 2016. Most of the year-over-year drop in net income was concentrated among the largest banks. More than half of all banks—61.4 percent—reported higher quarterly earnings compared with first quarter 2015. Only 5 percent of banks reported negative net income in the quarter, down from 5.7 percent the year before. The average return on assets in the first quarter was 0.97 percent, down from 1.02 percent in first quarter 2015.

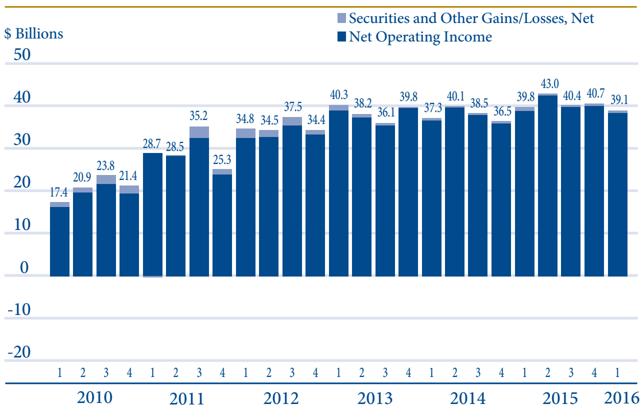
Net Interest Margins Improve From Year-Ago Levels

Net operating revenue—the sum of net interest income and total noninterest income—totaled $172.9 billion in the quarter, up $4.6 billion (2.7 percent) from the year earlier. Net interest income was $6.7 billion (6.4 percent) higher, while total noninterest income was $2.2 billion (3.4 percent) lower. The improvement in net interest income was attributable to wider net interest margins, as average asset yields increased more rapidly than average funding costs, and to a 3.7 percent increase in average interest-earning assets compared with first quarter 2015. The average net interest margin rose to 3.10 percent, from 3.02 percent the year before, as 57 percent of banks reported year-over-year improvement in their margins. The drop in noninterest income was concentrated among larger banks, and reflected a $1.9 billion (24.9 percent) decline in trading income, as well as a $736 million (46 percent) decline in servicing income.

Chart 1

Quarterly Net Income

All FDIC-Insured Institutions

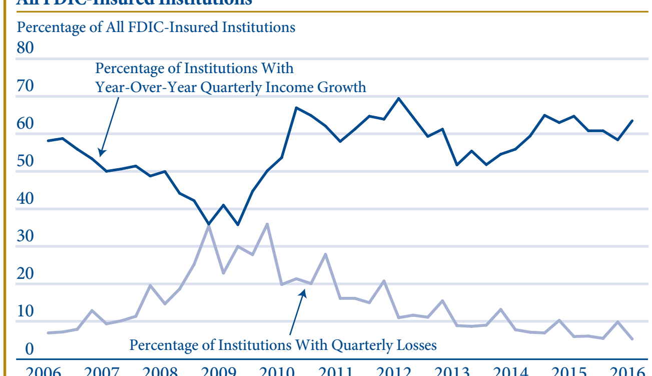


Source: FDIC.

Chart 2

Unprofitable Institutions and Institutions With Increased Earnings

All FDIC-Insured Institutions



Source: FDIC.

Aggregate Loan-Loss Provisions Continue to Rise

Banks set aside $12.5 billion in provisions for loan losses in the first quarter, a year-over-year increase of $4.2 billion (49.7 percent). This is the largest quarterly increase since fourth quarter 2012, and marks the seventh consecutive quarter that loan-loss provisions have increased. Slightly more than one-third of all banks—35.6 percent—reported higher quarterly loss provisions than the year before. Most of the increase in loss provisions occurred at larger banks. Quarterly provision expenses at banks with assets greater than $10 billion were $4.1 billion (54.8 percent) higher than in first quarter 2015, while total provisions at banks with less than $10 billion in assets were $140 million (15.8 percent) higher.

Loan Losses Post Second Consecutive Quarterly Increase

Quarterly net charge-offs (NCOs) totaled $10.1 billion, an increase of $1.1 billion (12.3 percent) compared with a year earlier. This is the second consecutive quarter that NCOs have posted a year-over-year increase, following 21 quarters in a row in which NCOs fell. NCOs of commercial and industrial (C&I) loans were $1.1 billion (144.7 percent) higher than in first quarter 2015. Smaller year-over-year NCO increases were reported in credit cards, auto loans, real estate construction and development loans, and agricultural production loans. The average NCO rate in the first quarter was 0.46 percent, compared with 0.43 percent a year earlier. Fewer than half of all banks—41.9 percent—reported year-over-year increases in quarterly NCOs.

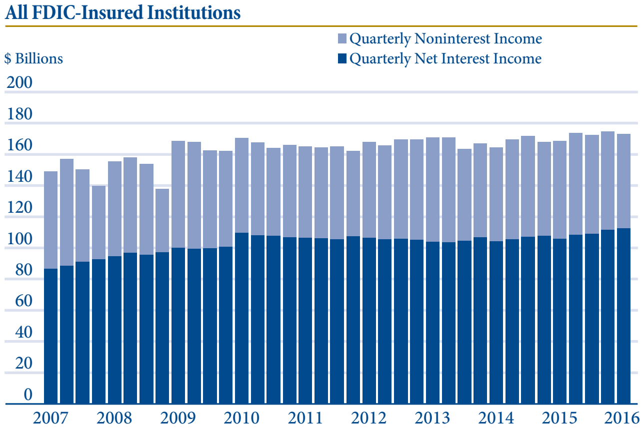
Noncurrent C&I Loans Increase by $9.3 Billion

The amount of loan balances that were noncurrent—90 days or more past due or in nonaccrual status—rose by $3.3 billion (2.4 percent) during the first three months of 2016. This is the first quarterly increase in total noncurrent loan balances in 24 quarters, driven by a $9.3 billion (65.1 percent) increase in noncurrent C&I loans. This is the largest quarterly increase in noncurrent C&I loans since first quarter 1987. Most of the increase occurred at larger banks. At institutions with assets greater than $10 billion, noncurrent C&I loans rose by $8.9 billion (82.1 percent). At institutions with less than $10 billion in assets, noncurrent C&I balances increased by $415 million (12 percent). A large part of the weakness in C&I loans is attributable to loans to the energy sector, especially oil and gas producers. Sharply lower energy prices have reduced the ability of many borrowers to service their

Chart 3

Quarterly Net Operating Revenue

All FDIC-Insured Institutions

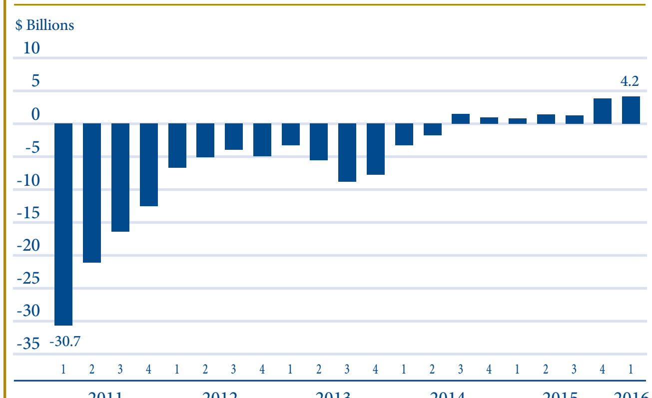


Source: FDIC.

Chart 4

Year-Over-Year Change in Quarterly Loan-Loss Provisions

All FDIC-Insured Institutions



Source: FDIC.

debts, and a large share of the direct lending exposure of the banking industry to these borrowers is held by larger banks. The average noncurrent loan rate rose from 1.56 percent to 1.58 percent during the quarter. This is still the second-lowest noncurrent rate for the industry since year-end 2007. For C&I loans, the average noncurrent rate rose from 0.78 percent to 1.24 percent. This is the highest noncurrent rate for C&I loans since year-end 2011. Noncurrent rates declined for all other major loan categories in the first quarter.

Loss Reserves Increase for the First Time in Six Years

As a result of the increase in noncurrent loans, the industry's coverage ratio of loan-loss reserves to noncurrent loans posted its first quarterly decline in 14 quarters, falling from 86 percent at the end of 2015 to 85.5 percent at the end of March. Banks increased their loan-loss reserves by $2.1 billion (1.8 percent), as they added more in loan-loss provisions ($12.5 billion) than they took out in net charge-offs ($10.1 billion). This is the first time in six years that the industry's aggregate loan-loss reserves have increased. Banks with assets greater than $1 billion, which itemize their reserves for major loan categories, reported a $3.3 billion (10.4 percent) increase in their reserves for estimated losses on non-real-estate commercial loans in the first quarter.

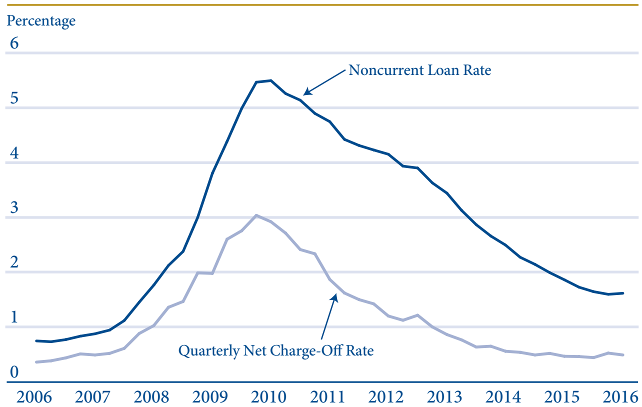
Equity Capital Increases by $39.3 Billion

An increase in retained earnings and higher market values in securities portfolios helped lift the equity capital of insured institutions by $39.3 billion (2.2 percent) during the first quarter. This is the largest quarterly increase in equity since third quarter 2009. While net income was lower than the year before, banks reduced their cash dividends by $1.6 billion (7.1 percent) compared with first quarter 2015. As a result, retained earnings totaled $18.3 billion, a year-over-year increase of $815 million (4.7 percent). In addition, accumulated other comprehensive income increased by $17.3 billion during first quarter 2016, buoyed by higher unrealized gains on available-for-sale securities. The industry's ratio of equity capital to total assets increased from 11.24 percent to 11.26 percent during the quarter. At the end of the first quarter, 99 percent of all insured institutions, holding 99.9 percent of total industry assets, met or exceeded the requirements for the highest regulatory capital category as defined for Prompt Corrective Action purposes.

Chart 5

Noncurrent Loan Rate and Quarterly Net Charge-Off Rate

All FDIC-Insured Institutions

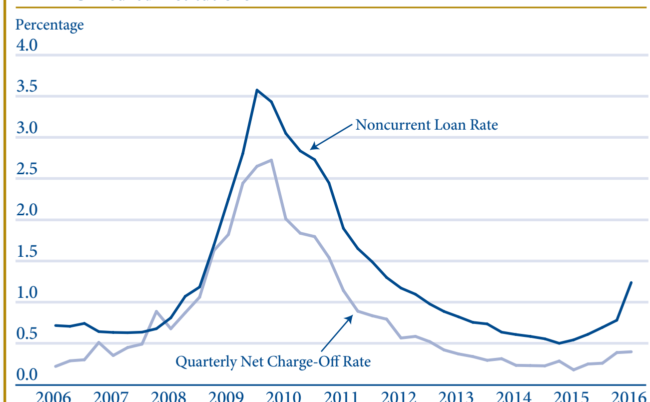


Source: FDIC.

Chart 6

C & I Loan Performance

All FDIC-Insured Institutions



Source: FDIC.

Loan Growth Remains Strong

Total assets increased by $325.6 billion (2 percent) during the quarter, the largest quarterly increase in industry assets since first quarter 2008. Balances with Federal Reserve banks increased by $79.7 billion (6.7 percent), primarily at large banks. Investment securities portfolios grew by $31.1 billion (0.9 percent), primarily as a result of a $23.4 billion increase in unrealized gains on available-for-sale securities. Total loans and leases increased by $99.7 billion (1.1 percent) during the first three months of 2016. C&I loans increased by $71.2 billion (3.9 percent), with the acquisition of a commercial finance business from outside the industry contributing to the strong growth in reported C&I loan balances. Real estate loans secured by nonfarm nonresidential real estate properties increased by $20.3 billion (1.6 percent), and 1-to-4 family residential mortgage loans rose by $14.3 billion (0.7 percent). Credit card balances posted a seasonal decline of $32.8 billion (4.3 percent), as borrowers paid down balances incurred during the holiday season. Over the 12 months ended March 31, total loan and lease balances increased by 6.9 percent. This is the highest 12-month growth rate for loan portfolios since midyear 2007–midyear 2008. Unused credit lines increased by $121.6 billion (1.8 percent) during the quarter, and are up by $451.1 billion (6.9 percent) over the previous 12 months.

Deposits Fund Most of the Industry's Asset Growth

Total deposits increased by $239.5 billion (2 percent) during the quarter. Deposits in domestic offices rose by $201.3 billion (1.8 percent), while deposits in foreign offices increased by $38.2 billion (3 percent). Domestic deposits in interest-bearing accounts grew by $218.4 billion (2.8 percent), while balances in noninterest-bearing domestic accounts fell by $17.1 billion (0.6 percent). Banks increased their nondeposit liabilities by $47 billion (2.4 percent), as liabilities in trading accounts rose by $38 billion (15.4 percent).

One Insured Bank Failed in the First Quarter

The number of insured commercial banks and savings institutions filing quarterly financial reports declined from 6,182 to 6,122 in the first quarter. During the quarter, mergers absorbed 58 insured institutions, while one insured bank failed. No new charters were added in the first quarter. The number of full-time equivalent employees totaled 2,039,887 in the quarter, a net increase of 6,163 (0.3 percent) from the fourth quarter of 2015, but 2,799 (0.1 percent) fewer than the year before.

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Chart 7

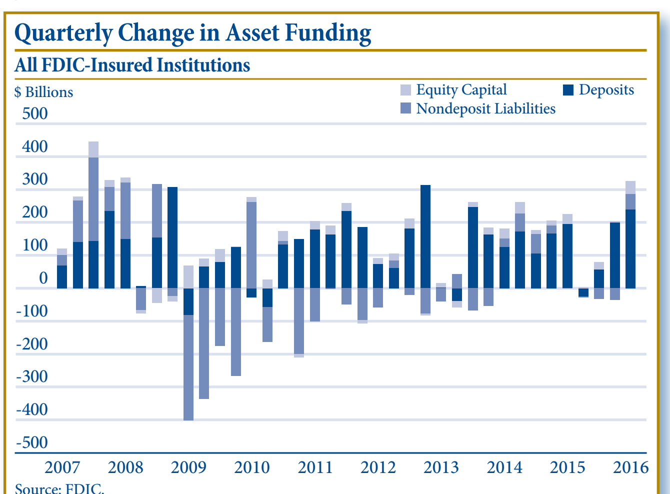


Chart 8

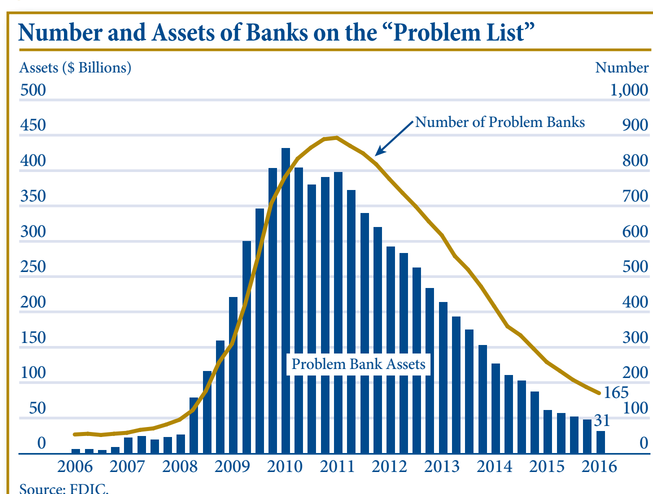


TABLE I-A. Selected Indicators, All FDIC-Insured Institutions*

	2016**	2015**	2015	2014	2013	2012	2011
Return on assets (%)	0.97	1.02	1.04	1.01	1.07	1.00	0.88
Return on equity (%)	8.62	9.12	9.30	9.01	9.54	8.90	7.79
Core capital (leverage) ratio (%)	9.61	9.48	9.59	9.44	9.40	9.15	9.07
Noncurrent assets plus other real estate owned to assets (%)	0.96	1.10	0.96	1.20	1.63	2.20	2.61
Net charge-offs to loans (%)	0.46	0.43	0.44	0.49	0.69	1.10	1.55
Asset growth rate (%)	3.27	5.82	2.66	5.59	1.94	4.02	4.30
Net interest margin (%)	3.10	3.02	3.07	3.14	3.26	3.42	3.60
Net operating income growth (%)	-1.36	6.01	7.15	-0.72	12.82	17.76	43.60
Number of institutions reporting	6,122	6,419	6,182	6,509	6,812	7,083	7,357
Commercial banks	5,289	5,535	5,338	5,607	5,847	6,072	6,275
Savings institutions	833	884	844	902	965	1,011	1,082
Percentage of unprofitable institutions (%)	5.00	5.67	4.72	6.27	8.16	11.00	16.23
Number of problem institutions	165	253	183	291	467	651	813
Assets of problem institutions (in billions)	$31	$60	$47	$87	$153	$233	$319
Number of failed institutions	1	4	8	18	24	51	92
Number of assisted institutions	0	0	0	0	0	0	0

* Excludes insured branches of foreign banks (IBAs).
** Through March 31, ratios annualized where appropriate. Asset growth rates are for 12 months ending March 31.

TABLE II-A. Aggregate Condition and Income Data, All FDIC-Insured Institutions

(dollar figures in millions)	1st Quarter 2016	4th Quarter 2015	1st Quarter 2015	%Change 15Q1-16Q1
Number of institutions reporting	6,122	6,182	6,419	-4.6
Total employees (full-time equivalent)	2,039,887	2,033,724	2,042,686	-0.1
CONDITION DATA				
Total assets	$16,293,443	$15,967,835	$15,777,989	3.3
Loans secured by real estate	4,419,244	4,375,101	4,203,636	5.1
1-4 Family residential mortgages	1,918,539	1,904,269	1,855,274	3.4
Nonfarm nonresidential	1,251,596	1,231,290	1,163,541	7.6
Construction and development	284,246	274,884	245,984	15.6
Home equity lines	457,505	465,297	483,906	-5.5
Commercial & industrial loans	1,913,330	1,842,170	1,749,152	9.4
Loans to individuals	1,474,257	1,497,956	1,383,943	6.5
Credit cards	723,659	756,464	679,967	6.4
Farm loans	77,620	81,501	71,545	8.5
Other loans & leases	1,056,820	1,044,846	955,668	10.6
Less: Unearned income	2,109	2,079	1,928	9.4
Total loans & leases	8,939,162	8,839,496	8,362,016	6.9
Less: Reserve for losses	120,663	118,546	121,056	-0.3
Net loans and leases	8,818,499	8,720,950	8,240,960	7.0
Securities	3,384,656	3,353,559	3,267,342	3.6
Other real estate owned	14,049	14,700	19,339	-27.4
Goodwill and other intangibles	359,116	360,500	355,857	0.9
All other assets	3,717,122	3,518,126	3,894,492	-4.6
Total liabilities and capital	16,293,443	15,967,835	15,777,989	3.3
Deposits	12,429,484	12,189,990	11,958,412	3.9
Domestic office deposits	11,106,439	10,905,117	10,578,233	5.0
Foreign office deposits	1,323,045	1,284,872	1,380,179	-4.1
Other borrowed funds	1,379,952	1,385,671	1,362,839	1.3
Subordinated debt	91,747	91,597	94,842	-3.3
All other liabilities	551,989	499,432	590,320	-6.5
Total equity capital (includes minority interests)	1,840,272	1,801,146	1,771,569	3.9
Bank equity capital	1,833,872	1,794,568	1,764,320	3.9
Loans and leases 30-89 days past due	58,616	64,293	61,385	-4.5
Noncurrent loans and leases	141,179	137,876	152,964	-7.7
Restructured loans and leases	71,109	72,147	79,503	-10.6
Mortgage-backed securities	1,895,546	1,871,667	1,773,843	6.9
Earning assets	14,653,442	14,365,762	14,102,979	3.9
FHLB Advances	481,183	495,033	433,048	11.1
Unused loan commitments	7,036,296	6,914,743	6,585,190	6.9
Trust assets	16,872,286	17,302,619	18,061,024	-6.6
Assets securitized and sold	803,719	820,686	940,322	-14.5
Notional amount of derivatives	195,508,395	182,006,727	206,694,352	-5.4

INCOME DATA	Full Year 2015	Full Year 2014	%Change	1st Quarter 2016	1st Quarter 2015	%Change 15Q1-16Q1
Total interest income	$478,517	$469,781	1.9	$125,246	$117,287	6.8
Total interest expense	46,508	47,128	-1.3	12,833	11,593	10.7
Net interest income	432,009	422,653	2.2	112,413	105,694	6.4
Provision for loan and lease losses	37,034	29,798	24.3	12,522	8,365	49.7
Total noninterest income	253,292	247,855	2.2	60,467	62,620	-3.4
Total noninterest expense	417,302	422,788	-1.3	104,782	103,495	1.2
Securities gains (losses)	3,635	3,202	13.5	940	1,309	-28.2
Applicable income taxes	70,596	68,177	3.6	17,372	17,832	-2.6
Extraordinary gains, net	-10	-55	N/M	-10	43	N/M
Total net income (includes minority interests)	163,993	152,893	7.3	39,133	39,974	-2.1
Bank net income	163,507	152,263	7.4	39,056	39,821	-1.9
Net charge-offs	37,201	39,557	-6.0	10,115	9,005	12.3
Cash dividends	104,513	90,196	15.9	20,714	22,295	-7.1
Retained earnings	58,994	62,067	-5.0	18,341	17,526	4.7
Net operating income	161,436	150,668	7.2	38,477	39,006	-1.4

N/M - Not Meaningful

TABLE III-A. First Quarter 2016, All FDIC-Insured Institutions

		Asset Concentration Groups*								
FIRST QUARTER (The way it is...)	**All Insured Institutions**	**Credit Card Banks**	**International Banks**	**Agricultural Banks**	**Commercial Lenders**	**Mortgage Lenders**	**Consumer Lenders**	**Other Specialized <$1 Billion**	**All Other <$1 Billion**	**All Other >$1 Billion**
Number of institutions reporting	6,122	14	5	1,460	3,046	503	58	336	634	66
Commercial banks	5,289	12	5	1,443	2,738	125	43	306	560	57
Savings institutions	833	2	0	17	308	378	15	30	74	9
Total assets (in billions)	$16,293.4	$540.1	$4,014.9	$275.6	$5,742.1	$404.9	$192.5	$60.1	$112.6	$4,950.8
Commercial banks	15,202.8	426.1	4,014.9	270.1	5,350.7	151.7	96.4	54.1	98.1	4,740.7
Savings institutions	1,090.6	113.9	0.0	5.4	391.4	253.2	96.1	5.9	14.5	210.1
Total deposits (in billions)	12,429.5	315.1	2,878.2	228.6	4,486.2	323.0	162.7	48.8	95.0	3,892.0
Commercial banks	11,568.8	228.1	2,878.2	225.4	4,198.0	126.3	81.1	44.7	83.1	3,703.9
Savings institutions	860.7	87.0	0.0	3.2	288.2	196.7	81.6	4.1	11.9	188.1
Bank net income (in millions)	39,056	3,750	8,195	838	12,899	968	509	351	248	11,297
Commercial banks	35,690	2,539	8,195	815	12,079	499	307	167	229	10,859
Savings institutions	3,366	1,211	0	23	820	469	203	184	20	437
Performance Ratios (annualized, %)										
Yield on earning assets	3.45	10.77	2.69	4.11	3.66	3.28	4.12	3.01	3.91	2.92
Cost of funding earning assets	0.35	1.04	0.34	0.46	0.39	0.47	0.43	0.33	0.40	0.23
Net interest margin	3.10	9.73	2.35	3.64	3.28	2.81	3.69	2.68	3.51	2.69
Noninterest income to assets	1.50	4.14	1.77	0.64	1.18	0.96	1.30	5.98	0.86	1.42
Noninterest expense to assets	2.60	6.20	2.40	2.50	2.67	2.29	2.65	5.26	2.96	2.27
Loan and lease loss provision to assets	0.31	2.59	0.26	0.13	0.21	-0.10	0.54	0.03	0.09	0.26
Net operating income to assets	0.95	2.75	0.83	1.19	0.89	0.94	1.07	2.32	0.85	0.90
Pretax return on assets	1.40	4.36	1.16	1.44	1.29	1.46	1.68	3.19	1.09	1.36
Return on assets	0.97	2.75	0.83	1.22	0.91	0.97	1.08	2.36	0.89	0.92
Return on equity	8.62	18.92	8.33	10.62	7.69	8.53	10.71	15.98	7.51	8.20
Net charge-offs to loans and leases	0.46	3.07	0.57	0.10	0.20	0.06	0.68	0.07	0.15	0.42
Loan and lease loss provision to net charge-offs	123.79	110.03	124.86	200.55	153.53	-249.36	110.14	154.71	110.66	123.33
Efficiency ratio	59.85	46.51	62.20	61.61	63.69	62.99	53.89	62.27	71.90	57.81
% of unprofitable institutions	5.00	0.00	0.00	2.53	4.86	9.15	1.72	8.04	7.10	3.03
% of institutions with earnings gains	61.39	35.71	40.00	62.12	63.99	56.06	58.62	56.25	54.73	65.15
Condition Ratios (%)										
Earning assets to total assets	89.93	92.58	87.20	93.29	90.57	94.82	95.68	91.70	92.64	90.24
Loss allowance to:										
Loans and leases	1.35	3.40	1.58	1.40	1.18	0.89	1.14	1.67	1.39	1.20
Noncurrent loans and leases	85.47	294.19	87.48	154.06	97.85	34.94	95.76	120.00	100.85	57.61
Noncurrent assets plus other real estate owned to assets	0.96	0.88	0.68	0.75	0.99	1.84	0.89	0.62	1.12	1.10
Equity capital ratio	11.26	14.83	9.89	11.57	11.82	11.37	10.02	14.65	11.89	11.28
Core capital (leverage) ratio	9.61	12.35	8.87	10.75	9.99	11.15	10.14	13.72	11.52	9.16
Common equity tier 1 capital ratio	12.69	12.34	12.93	14.46	12.10	21.82	13.82	30.72	19.92	12.37
Tier 1 risk-based capital ratio	12.77	12.46	12.96	14.47	12.21	21.87	14.03	30.73	19.95	12.48
Total risk-based capital ratio	14.24	14.72	14.31	15.58	13.67	22.71	14.82	31.65	21.09	14.00
Net loans and leases to deposits	70.95	125.52	48.91	79.02	86.73	77.58	82.60	33.97	64.37	63.75
Net loans to total assets	54.12	73.24	35.06	65.54	67.76	61.89	69.80	27.60	54.34	50.11
Domestic deposits to total assets	68.17	57.58	46.17	82.95	77.37	79.76	84.49	81.23	84.40	73.55
Structural Changes										
New reporters	0	0	0	0	0	0	0	0	0	0
Institutions absorbed by mergers	58	0	0	4	48	1	0	2	2	1
Failed institutions	1	0	0	0	1	0	0	0	0	0
PRIOR FIRST QUARTERS (The way it was...)										
Number of institutions 2015	6,419	15	4	1,464	3,150	557	58	387	713	71
2013	7,019	16	5	1,491	3,483	619	49	450	827	79
2011	7,574	21	4	1,531	3,983	699	72	354	844	66
Total assets (in billions) 2015	$15,778.0	$489.9	$3,855.3	$254.9	$4,926.8	$461.8	$181.7	$63.6	$132.4	$5,411.8
2013	14,423.8	594.5	3,838.6	231.1	4,223.0	566.2	106.3	69.4	148.9	4,645.8
2011	13,414.3	676.3	3,164.6	200.3	4,084.5	795.8	118.4	51.8	137.1	4,185.5
Return on assets (%) 2015	1.02	3.04	0.90	1.17	0.91	0.76	1.02	2.17	0.90	1.02
2013	1.12	3.11	0.95	1.14	0.89	0.94	1.48	1.52	0.93	1.22
2011	0.86	3.68	0.60	1.04	0.59	0.48	1.33	1.34	0.80	0.90
Net charge-offs to loans & leases (%) 2015	0.43	2.80	0.63	0.02	0.15	0.15	0.60	0.13	0.14	0.41
2013	0.83	3.41	1.17	0.10	0.51	0.42	1.18	0.34	0.29	0.63
2011	1.83	6.67	1.96	0.31	1.34	0.98	1.77	0.76	0.39	1.40
Noncurrent assets plus OREO to assets (%) 2015	1.10	0.83	0.78	0.80	1.06	1.94	1.11	0.70	1.31	1.33
2013	2.08	1.04	1.30	1.07	2.12	2.57	0.92	1.05	1.68	2.85
2011	2.96	1.72	2.01	1.64	3.59	2.93	1.22	0.93	1.78	3.43
Equity capital ratio (%) 2015	11.18	15.30	9.52	11.44	11.98	11.34	9.93	14.69	11.69	11.23
2013	11.28	14.94	8.97	11.27	11.95	11.44	9.50	14.56	11.49	12.07
2011	11.25	16.03	8.72	10.95	11.60	10.30	10.81	15.07	11.16	12.22

* See Table V-A (page 10) for explanations.

TABLE III-A. First Quarter 2016, All FDIC-Insured Institutions

FIRST QUARTER (The way it is...)		All Insured Institutions	Asset Size Distribution: Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater Than $10 Billion	Geographic Regions*: New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting		6,122	1,663	3,734	616	109	752	753	1,325	1,528	1,299	465
Commercial banks		5,289	1,464	3,231	501	93	388	680	1,107	1,470	1,218	426
Savings institutions		833	199	503	115	16	364	73	218	58	81	39
Total assets (in billions)		$16,293.4	$97.8	$1,179.8	$1,723.2	$13,292.6	$3,084.8	$3,417.7	$3,624.0	$3,543.5	$962.3	$1,661.2
Commercial banks		15,202.8	86.5	999.9	1,423.1	12,693.3	2,661.9	3,335.7	3,511.9	3,487.6	845.0	1,360.7
Savings institutions		1,090.6	11.3	179.9	300.1	599.3	422.9	82.0	112.0	55.9	117.3	300.4
Total deposits (in billions)		12,429.5	82.2	983.3	1,368.9	9,995.0	2,305.2	2,671.1	2,652.2	2,668.7	794.7	1,337.5
Commercial banks		11,568.8	73.5	840.7	1,141.6	9,513.0	1,988.3	2,604.6	2,570.7	2,624.6	697.8	1,082.8
Savings institutions		860.7	8.8	142.7	227.3	482.0	316.9	66.5	81.5	44.1	96.9	254.7
Bank net income (in millions)		39,056	228	3,023	4,454	31,351	6,222	7,486	8,284	9,071	2,495	5,497
Commercial banks		35,690	201	2,603	3,813	29,073	5,469	7,317	7,974	8,957	2,156	3,816
Savings institutions		3,366	26	420	641	2,278	753	169	309	114	339	1,681
Performance Ratios (annualized, %)												
Yield on earning assets		3.45	4.10	4.12	3.99	3.32	3.50	3.48	2.82	3.63	3.96	4.01
Cost of funding earning assets		0.35	0.43	0.46	0.42	0.34	0.43	0.30	0.30	0.39	0.32	0.39
Net interest margin		3.10	3.67	3.66	3.58	2.98	3.07	3.18	2.52	3.24	3.64	3.62
Noninterest income to assets		1.50	1.10	1.13	1.13	1.58	1.33	1.41	1.82	1.31	1.34	1.81
Noninterest expense to assets		2.60	3.33	3.16	2.80	2.52	2.60	2.62	2.58	2.42	3.05	2.72
Loan and lease loss provision to assets		0.31	0.09	0.11	0.16	0.35	0.30	0.38	0.20	0.32	0.29	0.44
Net operating income to assets		0.95	0.90	1.00	1.03	0.94	0.80	0.86	0.92	1.03	1.02	1.32
Pretax return on assets		1.40	1.08	1.30	1.50	1.40	1.19	1.29	1.30	1.49	1.36	2.07
Return on assets		0.97	0.93	1.03	1.05	0.95	0.81	0.88	0.93	1.04	1.05	1.34
Return on equity		8.62	7.26	9.14	8.94	8.54	6.80	7.19	8.94	10.21	9.43	11.07
Net charge-offs to loans and leases		0.46	0.11	0.09	0.19	0.55	0.48	0.54	0.26	0.55	0.30	0.52
Loan and lease loss provision to net charge-offs		123.79	144.56	174.37	125.17	122.69	113.25	120.42	152.37	109.63	151.84	139.77
Efficiency ratio		59.85	74.28	69.40	62.58	58.46	62.95	60.82	63.03	56.36	64.64	51.81
% of unprofitable institutions		5.00	11.00	3.00	1.46	1.83	4.92	8.23	6.04	3.53	3.54	5.81
% of institutions with earnings gains		61.39	56.95	62.40	68.34	55.05	59.84	63.48	59.02	58.31	64.90	67.53
Condition Ratios (%)												
Earning assets to total assets		89.93	92.14	92.94	92.20	89.36	89.33	89.40	89.02	89.67	91.69	93.69
Loss allowance to:												
Loans and leases		1.35	1.47	1.35	1.19	1.38	1.27	1.38	1.37	1.41	1.29	1.33
Noncurrent loans and leases		85.47	110.69	123.23	111.18	79.86	99.41	79.13	79.89	69.94	92.75	157.66
Noncurrent assets plus other real estate owned to assets		0.96	1.22	1.09	0.92	0.95	0.77	1.13	0.93	1.14	1.10	0.56
Equity capital ratio		11.26	12.86	11.34	11.73	11.17	12.01	12.35	10.32	10.14	11.11	12.12
Core capital (leverage) ratio		9.61	12.47	10.95	10.41	9.37	9.82	9.68	9.25	8.98	9.96	11.04
Common equity tier 1 capital ratio		12.69	20.13	15.43	13.47	12.31	12.72	12.53	12.59	11.79	13.08	14.97
Tier 1 risk-based capital ratio		12.77	20.17	15.48	13.50	12.40	12.88	12.63	12.62	11.79	13.19	15.15
Total risk-based capital ratio		14.24	21.27	16.60	14.53	13.96	14.39	14.12	13.78	13.71	14.36	16.28
Net loans and leases to deposits		70.95	68.51	78.39	85.84	68.20	72.12	73.86	66.17	68.62	76.37	74.01
Net loans to total assets		54.12	57.62	65.34	68.19	51.28	53.90	57.72	48.43	51.68	63.07	59.59
Domestic deposits to total assets		68.17	84.10	83.34	79.17	65.27	66.98	75.23	63.78	57.50	82.46	79.86
Structural Changes												
New reporters		0	0	0	0	0	0	0	0	0	0	0
Institutions absorbed by mergers		58	18	38	2	0	9	9	11	13	10	6
Failed institutions		1	1	0	0	0	0	0	1	0	0	0
PRIOR FIRST QUARTERS (The way it was...)												
Number of institutions	2015	6,419	1,830	3,895	582	112	796	797	1,386	1,585	1,351	504
	2013	7,019	2,161	4,196	553	109	867	894	1,500	1,701	1,480	577
	2011	7,574	2,573	4,331	563	107	942	1,010	1,581	1,811	1,580	650
Total assets (in billions)	2015	$15,778.0	$107.6	$1,219.6	$1,573.0	$12,877.8	$3,020.2	$3,273.1	$3,633.2	$3,424.9	$923.7	$1,503.0
	2013	14,423.8	126.0	1,270.8	1,423.8	11,603.2	2,862.3	3,017.0	3,345.3	3,068.2	870.9	1,260.0
	2011	13,414.3	147.1	1,284.8	1,428.4	10,554.0	2,709.1	2,913.4	3,047.9	1,680.2	788.2	2,275.5
Return on assets (%)	2015	1.02	0.86	1.01	1.05	1.02	0.83	0.98	0.94	1.16	1.04	1.35
	2013	1.12	0.73	0.87	1.09	1.15	0.86	1.11	1.09	1.25	1.09	1.49
	2011	0.86	0.57	0.52	0.69	0.93	1.04	0.60	0.68	1.19	0.92	0.96
Net charge-offs to loans & leases (%)	2015	0.43	0.15	0.11	0.20	0.51	0.46	0.52	0.27	0.54	0.16	0.46
	2013	0.83	0.27	0.33	0.43	0.96	1.10	0.83	0.55	1.05	0.37	0.65
	2011	1.83	0.43	0.77	1.37	2.09	2.29	1.82	1.43	2.02	0.83	1.98
Noncurrent assets plus OREO to assets (%)	2015	1.10	1.39	1.33	1.15	1.07	0.82	1.37	1.04	1.36	1.12	0.61
	2013	2.08	2.04	2.30	2.17	2.04	1.41	3.03	1.87	2.34	2.00	1.28
	2011	2.96	2.39	3.39	3.47	2.84	2.05	3.97	2.75	4.05	3.02	2.18
Equity capital ratio (%)	2015	11.18	12.45	11.28	11.87	11.08	11.76	12.47	9.89	10.25	11.08	12.53
	2013	11.28	11.97	11.00	11.84	11.23	12.26	12.22	9.12	11.03	10.82	13.41
	2011	11.25	11.57	10.28	11.43	11.34	12.74	11.84	8.52	11.58	10.73	12.33

* See Table V-A (page 11) for explanations.

TABLE IV-A. Full Year 2015, All FDIC-Insured Institutions

FULL YEAR (The way it is...)		All Insured Institutions	Asset Concentration Groups* Credit Card Banks	International Banks	Agricultural Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <$1 Billion	All Other <$1 Billion	All Other >$1 Billion
Number of institutions reporting		6,182	14	4	1,479	3,090	501	65	332	630	67
Commercial banks		5,338	12	4	1,461	2,779	120	49	298	557	58
Savings institutions		844	2	0	18	311	381	16	34	73	9
Total assets (in billions)		$15,967.8	$549.1	$3,774.6	$277.6	$5,892.4	$385.7	$187.3	$57.5	$113.3	$4,730.3
Commercial banks		14,893.4	433.4	3,774.6	272.4	5,495.9	144.5	94.9	51.3	98.2	4,528.2
Savings institutions		1,074.4	115.7	0.0	5.2	396.5	241.3	92.4	6.1	15.2	202.1
Total deposits (in billions)		12,190.0	321.8	2,697.2	230.4	4,582.0	305.9	157.5	46.0	95.3	3,753.9
Commercial banks		11,349.5	235.6	2,697.2	227.2	4,292.9	120.4	79.9	41.8	82.8	3,571.6
Savings institutions		840.5	86.2	0.0	3.2	289.1	185.5	77.6	4.2	12.4	182.3
Bank net income (in millions)		163,507	14,490	33,961	2,625	53,687	3,118	1,872	1,522	1,013	51,219
Commercial banks		151,964	10,535	33,961	2,520	50,814	1,694	1,135	683	924	49,699
Savings institutions		11,543	3,955	0	105	2,873	1,424	737	840	89	1,520
Performance Ratios (%)											
Yield on earning assets		3.40	10.50	2.58	4.10	3.57	3.24	4.07	3.03	3.87	3.00
Cost of funding earning assets		0.33	0.93	0.30	0.45	0.39	0.50	0.44	0.34	0.42	0.19
Net interest margin		3.07	9.57	2.28	3.64	3.19	2.74	3.63	2.69	3.45	2.81
Noninterest income to assets		1.62	4.47	1.81	0.66	1.26	0.86	1.36	6.92	0.99	1.65
Noninterest expense to assets		2.66	6.44	2.43	2.77	2.69	2.24	2.72	5.60	3.04	2.38
Loan and lease loss provision to assets		0.24	2.46	0.17	0.12	0.14	0.02	0.51	0.03	0.08	0.18
Net operating income to assets		1.03	2.84	0.86	0.94	0.94	0.80	1.03	2.63	0.87	1.09
Pretax return on assets		1.49	4.42	1.21	1.18	1.31	1.22	1.64	3.79	1.10	1.65
Return on assets		1.04	2.84	0.87	0.97	0.95	0.83	1.04	2.68	0.90	1.12
Return on equity		9.30	19.11	8.93	8.43	8.01	7.23	10.26	17.84	7.58	9.89
Net charge-offs to loans and leases		0.44	2.79	0.59	0.10	0.19	0.13	0.62	0.20	0.20	0.41
Loan and lease loss provision to net charge-offs		99.55	113.69	83.18	178.56	110.03	22.83	112.85	61.75	70.46	88.88
Efficiency ratio		59.92	47.61	63.33	62.30	64.33	64.80	54.90	59.46	72.59	55.70
% of unprofitable institutions		4.72	0.00	0.00	2.03	4.89	9.18	7.69	7.83	5.08	2.99
% of institutions with earnings gains		63.26	57.14	100.00	62.27	68.19	53.29	66.15	46.99	57.30	65.67
Condition Ratios (%)											
Earning assets to total assets		89.97	92.50	87.49	92.81	90.51	94.66	97.22	91.71	92.51	90.06
Loss allowance to:											
Loans and leases		1.34	3.20	1.59	1.38	1.17	0.96	1.14	1.69	1.39	1.20
Noncurrent loans and leases		85.98	274.03	87.52	172.42	103.89	36.45	89.88	115.06	95.55	55.14
Noncurrent assets plus other real estate owned to assets		0.96	0.90	0.70	0.68	0.93	1.92	0.97	0.61	1.19	1.16
Equity capital ratio		11.24	14.29	10.13	11.32	11.77	11.36	10.12	15.02	11.80	11.08
Core capital (leverage) ratio		9.59	12.30	8.83	10.66	10.05	11.27	10.29	14.35	11.56	8.98
Common equity tier 1 capital ratio		12.66	11.87	13.11	14.33	12.16	21.83	13.68	32.09	19.83	12.20
Tier 1 risk-based capital ratio		12.75	11.98	13.15	14.34	12.34	21.88	13.89	32.10	19.87	12.20
Total risk-based capital ratio		14.21	14.20	14.48	15.44	13.83	22.73	14.70	33.02	21.00	13.67
Net loans and leases to deposits		71.54	127.74	50.27	78.65	86.27	78.84	85.75	33.83	64.97	63.04
Net loans to total assets		54.62	74.87	35.92	65.27	67.08	62.52	72.11	27.09	54.61	50.03
Domestic deposits to total assets		68.29	57.73	46.52	82.99	76.75	79.28	84.08	80.08	84.05	73.46
Structural Changes											
New reporters		1	0	0	0	0	0	0	1	0	0
Institutions absorbed by mergers		304	0	1	47	219	12	2	1	15	7
Failed institutions		8	0	0	0	7	0	0	0	1	0
PRIOR FULL YEARS (The way it was...)											
Number of institutions	2014	6,509	15	3	1,515	3,222	553	52	374	708	67
	2012	7,083	19	5	1,537	3,499	659	51	414	826	73
	2010	7,658	22	4	1,559	4,085	718	72	314	815	69
Total assets (in billions)	2014	$15,553.8	$484.2	$3,735.6	$273.5	$4,878.5	$439.6	$175.9	$61.9	$129.1	$5,375.5
	2012	14,450.4	600.7	3,808.4	239.8	4,338.9	628.3	101.6	64.9	145.8	4,522.0
	2010	13,318.9	705.4	3,038.1	199.8	4,094.5	789.0	114.3	42.9	132.3	4,202.6
Return on assets (%)	2014	1.01	3.22	0.72	1.17	0.94	0.96	1.05	2.20	0.86	1.06
	2012	1.00	3.13	0.80	1.27	0.89	0.87	1.46	1.23	0.86	1.00
	2010	0.65	1.82	0.72	0.98	0.20	0.68	1.28	1.48	0.70	0.80
Net charge-offs to loans & leases (%)	2014	0.49	2.81	0.73	0.13	0.24	0.21	0.62	0.34	0.25	0.41
	2012	1.10	3.69	1.41	0.24	0.74	0.82	1.31	0.45	0.45	0.94
	2010	2.55	10.83	2.29	0.59	1.90	1.14	2.37	0.64	0.56	1.87
Noncurrent assets plus OREO to assets (%)	2014	1.20	0.88	0.85	0.83	1.17	2.19	1.19	0.73	1.39	1.43
	2012	2.20	1.11	1.39	1.11	2.21	2.70	0.88	1.04	1.67	3.06
	2010	3.11	1.90	2.38	1.62	3.71	2.88	1.22	0.81	1.67	3.49
Equity capital ratio (%)	2014	11.15	15.13	9.45	11.42	11.97	12.07	9.88	14.78	11.81	11.11
	2012	11.17	14.67	8.93	11.14	11.93	11.09	9.57	14.27	11.47	11.85
	2010	11.15	14.96	8.93	10.86	11.40	10.05	11.00	16.31	11.01	12.04

* See Table V-A (page 10) for explanations.

TABLE IV-A. Full Year 2015, All FDIC-Insured Institutions

		Asset Size Distribution				Geographic Regions*					
FULL YEAR (The way it is...)	All Insured Institutions	Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater Than $10 Billion	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	6,182	1,688	3,792	595	107	762	762	1,337	1,543	1,307	471
Commercial banks	5,338	1,483	3,279	485	91	394	689	1,117	1,482	1,226	430
Savings institutions	844	205	513	110	16	368	73	220	61	81	41
Total assets (in billions)	$15,967.8	$99.2	$1,199.9	$1,682.5	$12,986.3	$3,074.1	$3,372.6	$3,503.7	$3,444.0	$943.2	$1,630.3
Commercial banks	14,893.4	87.6	1,014.8	1,391.0	12,400.1	2,655.0	3,293.4	3,392.0	3,389.1	831.9	1,332.0
Savings institutions	1,074.4	11.6	185.1	291.5	586.2	419.2	79.2	111.7	54.9	111.2	298.3
Total deposits (in billions)	12,190.0	83.4	997.5	1,331.0	9,778.1	2,305.4	2,635.1	2,559.7	2,609.1	779.0	1,301.6
Commercial banks	11,349.5	74.3	851.0	1,111.3	9,312.8	1,994.0	2,571.8	2,479.4	2,565.1	687.8	1,051.4
Savings institutions	840.5	9.1	146.5	219.7	465.3	311.4	63.3	80.3	44.1	91.2	250.2
Bank net income (in millions)	163,507	827	12,424	17,701	132,555	25,908	33,881	34,184	39,614	9,974	19,946
Commercial banks	151,964	745	10,510	15,274	125,435	23,584	33,490	32,724	39,212	8,684	14,269
Savings institutions	11,543	82	1,914	2,427	7,120	2,324	392	1,461	401	1,290	5,676
Performance Ratios (%)											
Yield on earning assets	3.40	4.07	4.13	4.00	3.25	3.41	3.57	2.65	3.61	3.94	3.98
Cost of funding earning assets	0.33	0.44	0.46	0.40	0.31	0.42	0.28	0.26	0.35	0.31	0.42
Net interest margin	3.07	3.64	3.67	3.60	2.94	2.99	3.29	2.40	3.26	3.63	3.56
Noninterest income to assets	1.62	1.14	1.19	1.21	1.71	1.44	1.53	1.87	1.46	1.38	2.04
Noninterest expense to assets	2.66	3.44	3.18	2.87	2.58	2.61	2.71	2.60	2.48	3.10	2.93
Loan and lease loss provision to assets	0.24	0.11	0.11	0.19	0.26	0.28	0.28	0.10	0.24	0.20	0.39
Net operating income to assets	1.03	0.82	1.04	1.09	1.02	0.86	1.00	0.95	1.14	1.09	1.30
Pretax return on assets	1.49	0.96	1.33	1.50	1.51	1.21	1.49	1.33	1.68	1.42	2.05
Return on assets	1.04	0.84	1.07	1.11	1.03	0.87	1.03	0.96	1.16	1.10	1.31
Return on equity	9.30	6.73	9.45	9.36	9.30	7.37	8.32	9.47	11.30	9.91	10.60
Net charge-offs to loans and leases	0.44	0.19	0.15	0.20	0.51	0.48	0.50	0.27	0.52	0.23	0.52
Loan and lease loss provision to net charge-offs	99.55	102.52	107.08	133.06	97.07	110.24	96.45	76.19	88.21	134.48	122.42
Efficiency ratio	59.92	76.27	68.92	62.63	58.57	62.72	60.15	64.37	55.36	65.35	53.09
% of unprofitable institutions	4.72	9.54	3.22	1.01	2.80	6.56	8.53	5.09	2.53	3.29	5.73
% of institutions with earnings gains	63.26	55.92	64.74	74.96	61.68	61.02	63.91	64.70	64.42	59.37	68.79
Condition Ratios (%)											
Earning assets to total assets	89.97	91.75	92.75	92.17	89.41	89.67	89.09	89.10	89.79	91.91	93.45
Loss allowance to:											
Loans and leases	1.34	1.46	1.34	1.20	1.36	1.26	1.37	1.36	1.42	1.27	1.28
Noncurrent loans and leases	85.98	109.58	121.79	114.07	80.14	101.31	78.20	80.29	69.47	100.11	168.44
Noncurrent assets plus other real estate owned to assets	0.96	1.25	1.11	0.93	0.95	0.75	1.15	0.94	1.18	1.03	0.53
Equity capital ratio	11.24	12.56	11.25	11.70	11.17	11.78	12.22	10.50	10.22	11.06	12.03
Core capital (leverage) ratio	9.59	12.30	10.92	10.48	9.33	9.77	9.61	9.19	9.02	9.96	11.10
Common equity tier 1 capital ratio	12.66	19.81	15.38	13.51	12.27	12.63	12.38	12.72	11.85	13.12	14.75
Tier 1 risk-based capital ratio	12.75	19.86	15.44	13.56	12.37	12.81	12.48	12.76	11.85	13.24	14.92
Total risk-based capital ratio	14.21	20.94	16.55	14.58	13.91	14.32	13.99	13.86	13.78	14.38	16.03
Net loans and leases to deposits	71.54	68.65	78.78	86.33	68.82	71.67	74.39	67.28	69.05	76.64	75.88
Net loans to total assets	54.62	57.73	65.49	68.29	51.81	53.75	58.13	49.15	52.31	63.30	60.58
Domestic deposits to total assets	68.29	84.08	83.13	78.84	65.44	66.69	75.45	63.80	58.29	82.46	79.11
Structural Changes											
New reporters	1	1	0	0	0	1	0	0	0	0	0
Institutions absorbed by mergers	304	101	171	26	6	39	32	62	57	74	40
Failed institutions	8	5	2	1	0	1	3	2	0	1	1
PRIOR FULL YEARS (The way it was...)											
Number of institutions 2014	6,509	1,871	3,957	574	107	807	812	1,406	1,599	1,372	513
2012	7,083	2,204	4,217	555	107	873	904	1,515	1,716	1,490	585
2010	7,658	2,625	4,367	559	107	949	1,022	1,602	1,825	1,601	659
Total assets (in billions) 2014	$15,553.8	$109.7	$1,232.1	$1,576.4	$12,635.5	$2,956.4	$3,217.9	$3,595.8	$3,404.0	$904.4	$1,475.2
2012	14,450.4	128.1	1,275.0	1,454.7	11,592.6	2,896.1	3,056.1	3,298.1	3,068.7	870.4	1,261.0
2010	13,318.9	148.6	1,291.7	1,429.6	10,449.0	2,694.8	2,929.7	2,950.1	1,686.6	789.0	2,268.8
Return on assets (%) 2014	1.01	0.79	1.00	1.09	1.00	0.83	1.00	0.88	1.07	1.14	1.49
2012	1.00	0.68	0.80	1.13	1.01	0.96	0.77	0.90	1.10	1.01	1.72
2010	0.65	0.27	0.26	0.18	0.76	0.76	0.34	0.60	0.84	0.68	0.81
Net charge-offs to loans & leases (%) 2014	0.49	0.23	0.23	0.27	0.56	0.55	0.54	0.36	0.60	0.23	0.47
2012	1.10	0.43	0.64	0.73	1.22	1.24	1.19	0.85	1.37	0.56	0.84
2010	2.55	0.80	1.12	1.80	2.93	3.57	2.43	2.03	2.88	1.27	2.29
Noncurrent assets plus OREO to assets (%) 2014	1.20	1.45	1.38	1.41	1.15	0.89	1.55	1.11	1.46	1.18	0.65
2012	2.20	2.10	2.37	2.46	2.15	1.46	3.23	2.00	2.45	2.05	1.38
2010	3.11	2.39	3.44	3.57	3.01	2.14	3.93	2.98	4.24	3.17	2.51
Equity capital ratio (%) 2014	11.15	12.28	11.20	11.90	11.04	11.81	12.45	9.80	10.20	11.06	12.47
2012	11.17	12.00	10.90	11.77	11.11	12.18	12.03	9.10	10.86	10.70	13.24
2010	11.15	11.70	10.15	11.18	11.26	12.58	11.59	8.71	11.33	10.54	12.11

* See Table V-A (page 11) for explanations.

TABLE V-A. Loan Performance, All FDIC-Insured Institutions

March 31, 2016	All Insured Institutions	Asset Concentration Groups*								
		Credit Card Banks	International Banks	Agricultural Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <$1 Billion	All Other <$1 Billion	All Other >$1 Billion
Percent of Loans 30-89 Days Past Due										
All loans secured by real estate	0.76	0.15	1.03	0.77	0.52	0.80	0.53	1.26	1.15	1.12
Construction and development	0.37	0.00	0.59	0.61	0.36	0.78	0.38	1.11	0.87	0.26
Nonfarm nonresidential	0.27	0.00	0.31	0.51	0.27	0.36	0.92	0.85	0.86	0.18
Multifamily residential real estate	0.13	0.00	0.07	0.30	0.15	0.18	3.34	0.34	0.27	0.08
Home equity loans	0.61	0.00	1.01	0.38	0.45	0.63	0.35	0.46	0.59	0.69
Other 1-4 family residential	1.30	0.16	1.47	1.13	0.97	0.89	0.51	1.74	1.45	1.81
Commercial and industrial loans	0.27	0.84	0.26	0.99	0.29	0.33	0.11	1.10	0.91	0.17
Loans to individuals	1.16	1.17	1.18	1.28	0.98	0.75	0.71	1.71	2.23	1.35
Credit card loans	1.09	1.17	1.09	0.75	1.06	1.27	0.63	2.31	1.57	0.99
Other loans to individuals	1.22	1.17	1.32	1.32	0.97	0.71	0.73	1.65	2.24	1.56
All other loans and leases (including farm)	0.25	0.22	0.24	1.24	0.24	0.16	0.09	0.69	0.59	0.17
Total loans and leases	0.66	1.14	0.70	0.92	0.48	0.76	0.61	1.25	1.18	0.78
Percent of Loans Noncurrent**										
All real estate loans	2.32	0.51	3.41	0.95	1.37	2.82	3.31	1.63	1.48	3.91
Construction and development	1.00	0.00	0.57	0.98	1.03	0.96	7.55	2.47	1.69	0.88
Nonfarm nonresidential	0.86	0.00	0.69	1.06	0.82	1.39	7.96	1.84	1.66	0.87
Multifamily residential real estate	0.26	0.00	0.16	0.59	0.27	0.44	1.27	2.14	1.00	0.21
Home equity loans	2.66	0.00	4.46	0.58	1.37	2.10	2.51	0.63	0.59	3.77
Other 1-4 family residential	3.89	0.56	4.83	1.00	2.44	3.17	3.02	1.43	1.51	5.83
Commercial and industrial loans	1.24	0.65	1.35	1.28	1.28	0.83	0.21	1.10	1.40	1.16
Loans to individuals	0.82	1.21	0.98	0.59	0.67	0.34	0.53	0.69	1.06	0.56
Credit card loans	1.15	1.23	1.09	0.29	1.07	0.91	1.22	1.10	0.60	1.01
Other loans to individuals	0.50	0.61	0.80	0.61	0.62	0.31	0.35	0.65	1.07	0.29
All other loans and leases (including farm)	0.25	0.08	0.25	0.68	0.29	0.12	2.79	0.31	0.63	0.15
Total loans and leases	1.58	1.16	1.80	0.91	1.21	2.56	1.20	1.39	1.38	2.08
Percent of Loans Charged-Off (net, YTD)										
All real estate loans	0.07	-0.10	0.10	0.03	0.04	0.04	0.16	0.01	0.09	0.11
Construction and development	-0.05	0.00	0.40	-0.07	-0.08	-0.30	0.03	-0.22	0.00	-0.03
Nonfarm nonresidential	0.00	0.00	-0.01	0.04	0.01	0.01	0.03	-0.02	0.09	-0.06
Multifamily residential real estate	-0.01	0.00	-0.02	0.06	-0.01	0.05	0.00	-0.01	-0.05	-0.01
Home equity loans	0.33	0.00	0.40	0.01	0.22	0.07	0.53	0.11	0.06	0.46
Other 1-4 family residential	0.09	-0.11	0.07	0.08	0.08	0.06	0.08	0.08	0.12	0.11
Commercial and industrial loans	0.39	2.01	0.41	0.17	0.34	0.07	-0.01	-0.01	0.05	0.40
Loans to individuals	1.94	3.18	2.43	0.38	0.97	0.60	0.94	0.42	0.54	1.56
Credit card loans	3.12	3.25	3.26	1.53	3.27	3.35	2.49	1.10	1.17	2.76
Other loans to individuals	0.77	1.59	1.05	0.29	0.64	0.40	0.51	0.33	0.53	0.85
All other loans and leases (including farm)	0.11	0.23	0.11	0.17	0.16	0.10	0.02	0.26	0.52	0.07
Total loans and leases	0.46	3.07	0.57	0.10	0.20	0.06	0.68	0.07	0.15	0.42
Loans Outstanding (in billions)										
All real estate loans	$4,419.2	$0.2	$539.1	$111.5	$2,366.3	$225.8	$28.0	$12.0	$47.5	$1,088.9
Construction and development	284.2	0.0	10.3	6.4	212.5	5.3	0.3	0.9	2.9	45.6
Nonfarm nonresidential	1,251.6	0.0	42.7	30.5	901.7	18.7	1.9	4.1	11.5	240.4
Multifamily residential real estate	352.1	0.0	64.5	3.6	230.2	7.8	0.2	0.4	1.4	44.0
Home equity loans	457.5	0.0	66.4	2.4	214.7	11.3	5.4	0.4	1.8	155.1
Other 1-4 family residential	1,918.5	0.2	305.5	27.6	768.1	181.9	20.0	5.6	26.1	583.4
Commercial and industrial loans	1,913.3	35.4	308.5	21.7	949.2	7.4	7.2	2.0	5.3	576.4
Loans to individuals	1,474.3	373.5	245.8	6.3	317.8	6.9	94.4	1.8	5.1	422.7
Credit card loans	723.7	356.5	151.9	0.4	39.0	0.4	19.8	0.2	0.1	155.3
Other loans to individuals	750.6	17.0	93.9	5.9	278.8	6.5	74.6	1.6	5.0	267.4
All other loans and leases (including farm)	1,134.4	0.3	337.5	43.7	305.3	12.8	6.4	1.0	4.1	423.3
Total loans and leases (plus unearned income)	8,941.3	409.5	1,430.9	183.3	3,938.6	252.9	136.0	16.9	62.1	2,511.3
Memo: Other Real Estate Owned (in millions)										
All other real estate owned	14,049.3	0.2	807.6	387.9	9,070.5	932.6	82.4	131.4	398.2	2,238.4
Construction and development	4,321.7	0.0	2.3	142.2	3,473.0	118.1	7.4	59.8	142.4	376.4
Nonfarm nonresidential	3,426.6	0.0	56.9	122.6	2,637.7	52.0	17.3	40.1	119.0	381.0
Multifamily residential real estate	232.9	0.0	1.0	17.4	193.4	3.6	0.3	2.7	6.2	8.3
1-4 family residential	4,383.1	0.2	363.3	79.6	2,461.1	224.5	51.5	25.0	121.6	1,056.2
Farmland	214.4	0.0	0.0	25.8	163.8	1.7	0.0	3.6	9.0	10.5
GNMA properties	1,443.5	0.0	359.0	0.2	141.6	532.6	5.9	0.2	0.0	404.0

* Asset Concentration Group Definitions (Groups are hierarchical and mutually exclusive):
Credit-card Lenders - Institutions whose credit-card loans plus securitized receivables exceed 50 percent of total assets plus securitized receivables.
International Banks - Banks with assets greater than $10 billion and more than 25 percent of total assets in foreign offices.
Agricultural Banks - Banks whose agricultural production loans plus real estate loans secured by farmland exceed 25 percent of the total loans and leases.
Commercial Lenders - Institutions whose commercial and industrial loans, plus real estate construction and development loans, plus loans secured by commercial real estate properties exceed 25 percent of total assets.
Mortgage Lenders - Institutions whose residential mortgage loans, plus mortgage-backed securities, exceed 50 percent of total assets.
Consumer Lenders - Institutions whose residential mortgage loans, plus credit-card loans, plus other loans to individuals, exceed 50 percent of total assets.
Other Specialized < $1 Billion - Institutions with assets less than $1 billion, whose loans and leases are less than 40 percent of total assets.
All Other < $1 billion - Institutions with assets less than $1 billion that do not meet any of the definitions above, they have significant lending activity with no identified asset concentrations.
All Other > $1 billion - Institutions with assets greater than $1 billion that do not meet any of the definitions above, they have significant lending activity with no identified asset concentrations.
** Noncurrent loan rates represent the percentage of loans in each category that are past due 90 days or more or that are in nonaccrual status.

TABLE V-A. Loan Performance, All FDIC-Insured Institutions

		Asset Size Distribution				Geographic Regions*					
March 31, 2016	**All Insured Institutions**	**Less Than $100 Million**	**$100 Million to $1 Billion**	**$1 Billion to $10 Billion**	**Greater Than $10 Billion**	**New York**	**Atlanta**	**Chicago**	**Kansas City**	**Dallas**	**San Francisco**
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate	0.76	1.22	0.68	0.41	0.87	0.54	0.90	0.79	1.05	0.76	0.33
Construction and development	0.37	0.73	0.58	0.38	0.29	0.41	0.32	0.32	0.33	0.54	0.21
Nonfarm nonresidential	0.27	0.88	0.46	0.24	0.22	0.34	0.23	0.33	0.22	0.34	0.17
Multifamily residential real estate	0.13	0.76	0.32	0.14	0.10	0.13	0.15	0.12	0.08	0.24	0.10
Home equity loans	0.61	0.59	0.44	0.38	0.66	0.42	0.74	0.70	0.69	0.40	0.30
Other 1-4 family residential	1.30	1.68	1.00	0.69	1.46	0.90	1.55	1.23	1.74	1.51	0.55
Commercial and industrial loans	0.27	1.18	0.70	0.40	0.23	0.21	0.18	0.35	0.23	0.54	0.32
Loans to individuals	1.16	1.66	1.46	1.12	1.15	0.97	1.53	0.97	1.16	0.92	1.02
Credit card loans	1.09	3.82	1.67	1.46	1.08	0.90	1.20	0.89	1.14	0.63	1.38
Other loans to individuals	1.22	1.62	1.45	1.00	1.22	1.09	1.88	1.00	1.20	1.06	0.71
All other loans and leases (including farm)	0.25	1.04	0.92	0.42	0.21	0.10	0.20	0.43	0.22	0.39	0.23
Total loans and leases	0.66	1.22	0.73	0.46	0.68	0.51	0.76	0.66	0.75	0.70	0.47
Percent of Loans Noncurrent**											
All real estate loans	2.32	1.39	1.12	1.06	2.96	1.67	2.88	2.64	3.38	1.44	0.72
Construction and development	1.00	1.42	1.61	1.11	0.72	1.19	1.65	0.76	0.61	0.78	0.80
Nonfarm nonresidential	0.86	1.65	1.08	0.81	0.79	1.08	0.81	0.95	0.79	0.79	0.59
Multifamily residential real estate	0.26	0.50	0.67	0.28	0.19	0.23	0.20	0.29	0.33	0.55	0.17
Home equity loans	2.66	0.56	0.65	0.80	3.04	2.56	3.16	2.61	3.00	1.49	0.73
Other 1-4 family residential	3.89	1.48	1.21	1.62	4.78	2.53	4.63	4.16	5.68	2.72	0.93
Commercial and industrial loans	1.24	1.90	1.27	1.32	1.22	0.96	1.12	1.13	1.41	1.90	1.35
Loans to individuals	0.82	0.79	0.80	0.63	0.83	0.89	0.86	0.70	0.81	0.76	0.78
Credit card loans	1.15	1.75	1.45	1.39	1.14	1.02	1.20	0.99	1.14	1.22	1.37
Other loans to individuals	0.50	0.78	0.76	0.39	0.49	0.68	0.51	0.60	0.41	0.54	0.25
All other loans and leases (including farm)	0.25	0.79	0.61	1.04	0.19	0.43	0.13	0.26	0.22	0.36	0.33
Total loans and leases	1.58	1.33	1.09	1.07	1.72	1.27	1.75	1.71	2.01	1.39	0.84
Percent of Loans Charged-Off (net, YTD)											
All real estate loans	0.07	0.04	0.04	0.03	0.09	0.07	0.12	0.07	0.08	0.02	-0.01
Construction and development	-0.05	-0.23	-0.04	-0.03	-0.07	0.03	0.02	-0.12	-0.03	-0.05	-0.30
Nonfarm nonresidential	0.00	0.02	0.04	0.02	-0.03	0.01	-0.01	0.01	-0.04	0.01	0.00
Multifamily residential real estate	-0.01	0.07	0.03	0.00	-0.02	-0.01	-0.02	-0.01	-0.01	0.00	0.00
Home equity loans	0.33	0.00	0.04	0.11	0.37	0.26	0.45	0.29	0.40	0.19	0.03
Other 1-4 family residential	0.09	0.10	0.06	0.06	0.10	0.10	0.14	0.07	0.09	0.03	0.02
Commercial and industrial loans	0.39	0.25	0.21	0.34	0.41	0.29	0.35	0.32	0.49	0.68	0.42
Loans to individuals	1.94	0.66	0.69	1.49	2.00	2.07	2.09	1.15	2.39	1.38	1.83
Credit card loans	3.12	10.73	4.54	3.72	3.10	2.79	3.30	2.91	3.35	2.40	3.31
Other loans to individuals	0.77	0.50	0.44	0.76	0.78	0.82	0.78	0.55	1.18	0.88	0.48
All other loans and leases (including farm)	0.11	0.10	0.17	0.18	0.10	0.10	0.06	0.09	0.14	0.24	0.17
Total loans and leases	0.46	0.11	0.09	0.19	0.55	0.48	0.54	0.26	0.55	0.30	0.52
Loans Outstanding (in billions)											
All real estate loans	$4,419.2	$39.0	$601.8	$859.8	$2,918.5	$903.6	$905.2	$900.9	$848.0	$384.7	$476.9
Construction and development	284.2	2.3	54.3	78.9	148.8	51.4	57.8	46.0	43.9	56.4	28.7
Nonfarm nonresidential	1,251.6	10.0	229.4	347.5	664.8	286.3	261.9	192.2	179.4	154.5	177.4
Multifamily residential real estate	352.1	1.1	31.6	84.8	234.6	128.7	43.7	91.2	28.6	15.5	44.4
Home equity loans	457.5	1.0	25.6	49.6	381.3	87.6	119.8	113.9	88.1	19.5	28.6
Other 1-4 family residential	1,918.5	17.7	214.9	278.2	1,407.7	345.3	408.6	435.7	418.8	123.3	186.9
Commercial and industrial loans	1,913.3	6.8	98.8	189.5	1,618.3	293.1	476.3	402.6	396.4	125.3	219.6
Loans to individuals	1,474.3	3.6	31.9	80.2	1,358.5	310.1	370.5	214.9	294.2	59.4	225.1
Credit card loans	723.7	0.1	1.9	19.8	701.9	193.9	188.8	54.1	162.5	19.0	105.4
Other loans to individuals	750.6	3.6	30.0	60.4	656.6	116.2	181.7	160.8	131.8	40.5	119.7
All other loans and leases (including farm)	1,134.4	7.8	49.2	60.3	1,017.1	177.5	248.6	261.2	319.3	45.7	82.1
Total loans and leases (plus unearned income)	8,941.3	57.2	781.8	1,189.8	6,912.5	1,684.4	2,000.6	1,779.6	1,858.0	615.1	1,003.6
Memo: Other Real Estate Owned (in millions)											
All other real estate owned	14,049.3	430.0	4,293.9	3,121.0	6,204.3	2,137.9	3,704.5	2,854.7	2,469.1	1,965.0	918.1
Construction and development	4,321.7	151.0	1,988.5	1,275.6	906.6	385.0	1,243.3	630.9	862.1	869.2	331.3
Nonfarm nonresidential	3,426.6	132.5	1,327.9	963.4	1,002.7	560.4	716.0	726.9	541.3	615.0	266.9
Multifamily residential real estate	232.9	19.9	99.7	67.5	45.7	72.1	34.8	37.4	37.4	31.2	20.1
1-4 family residential	4,383.1	118.9	788.7	726.1	2,749.4	1,055.6	1,093.8	985.7	594.6	380.2	273.3
Farmland	214.4	7.5	88.3	68.8	49.9	20.0	39.7	65.3	19.5	58.3	11.6
GNMA properties	1,443.5	0.2	0.9	19.6	1,423.0	44.8	577.0	408.5	387.2	11.2	14.9

*** Regions:**
New York - Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico, Rhode Island, Vermont, U.S. Virgin Islands
Atlanta - Alabama, Florida, Georgia, North Carolina, South Carolina, Virginia, West Virginia
Chicago - Illinois, Indiana, Kentucky, Michigan, Ohio, Wisconsin
Kansas City - Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota
Dallas - Arkansas, Colorado, Louisiana, Mississippi, New Mexico, Oklahoma, Tennessee, Texas
San Francisco - Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Pacific Islands, Utah, Washington, Wyoming
** Noncurrent loan rates represent the percentage of loans in each category that are past due 90 days or more or that are in nonaccrual status.

Table VI-A. Derivatives, All FDIC-Insured Call Report Filers

(dollar figures in millions; notional amounts unless otherwise indicated)	1st Quarter 2016	4th Quarter 2015	3rd Quarter 2015	2nd Quarter 2015	1st Quarter 2015	% Change 15Q1-16Q1	Asset Size Distribution: Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater Than $10 Billion
ALL DERIVATIVE HOLDERS										
Number of institutions reporting derivatives	1,426	1,414	1,418	1,431	1,434	-0.6	64	841	418	103
Total assets of institutions reporting derivatives	$14,765,546	$14,422,560	$14,231,256	$14,198,373	$14,162,861	4.3	$4,796	$350,617	$1,301,596	$13,108,537
Total deposits of institutions reporting derivatives	11,188,407	10,938,377	10,735,417	10,706,603	10,666,242	4.9	4,000	290,303	1,039,498	9,854,607
Total derivatives	195,508,395	182,006,727	195,421,111	201,692,063	206,694,352	-5.4	320	22,400	117,159	195,368,516
Derivative Contracts by Underlying Risk Exposure										
Interest rate	147,218,152	138,401,684	148,698,245	154,434,103	158,514,087	-7.1	320	22,383	110,523	147,084,927
Foreign exchange*	37,128,715	33,133,167	34,636,874	34,969,999	35,563,105	4.4	0	0	5,681	37,123,033
Equity	2,533,921	2,377,623	2,495,086	2,363,902	2,359,532	7.4	0	4	330	2,533,587
Commodity & other (excluding credit derivatives)	1,209,774	1,107,759	1,393,229	1,436,333	1,241,078	-2.5	0	8	79	1,209,687
Credit	7,417,833	6,986,493	8,197,677	8,487,726	9,016,551	-17.7	0	4	547	7,417,282
Total	195,508,395	182,006,727	195,421,111	201,692,063	206,694,352	-5.4	320	22,400	117,159	195,368,516
Derivative Contracts by Transaction Type										
Swaps	114,814,442	107,392,487	112,697,602	117,508,997	117,711,339	-2.5	52	7,103	69,490	114,737,797
Futures & forwards	37,150,560	35,684,916	38,988,133	40,359,824	44,545,061	-16.6	113	7,245	22,682	37,120,519
Purchased options	16,857,467	15,479,916	16,827,743	16,260,327	16,451,135	2.5	11	796	5,979	16,850,681
Written options	16,706,949	15,429,380	16,247,252	15,985,025	16,189,901	3.2	145	7,251	18,351	16,681,202
Total	185,529,417	173,986,699	184,760,730	190,114,173	194,897,435	-4.8	320	22,396	116,502	185,390,200
Fair Value of Derivative Contracts										
Interest rate contracts	75,481	67,223	76,692	71,659	68,542	10.1	0	21	-380	75,840
Foreign exchange contracts	-11,530	-12,485	-15,284	-19,614	-10,042	N/M	0	0	-27	-11,503
Equity contracts	5,035	5,318	7,880	2,695	335	1,403.0	0	0	0	5,035
Commodity & other (excluding credit derivatives)	-4,310	-3,571	-6,952	-3,488	-5,756	N/M	0	0	1	-4,310
Credit derivatives as guarantor	2,901	-2,697	1,890	35,840	54,675	-94.7	0	-1	-2	2,903
Credit derivatives as beneficiary	-966	7,076	2,441	-34,672	-53,203	N/M	0	0	-26	-940
Derivative Contracts by Maturity**										
Interest rate contracts < 1 year	65,650,483	55,066,477	60,770,924	63,776,000	72,044,050	-8.9	84	6,989	21,917	65,621,493
1-5 years	50,714,685	49,406,784	52,458,092	54,771,292	54,914,300	-7.6	23	2,371	27,894	50,684,398
> 5 years	34,846,026	32,980,646	34,618,605	35,837,393	35,099,036	-0.7	38	4,841	38,257	34,802,889
Foreign exchange and gold contracts < 1 year	26,231,437	24,129,441	25,206,272	25,081,829	25,513,647	2.8	0	0	3,798	26,227,638
1-5 years	4,081,595	3,986,436	3,672,989	3,859,497	3,917,108	4.2	0	0	244	4,081,351
> 5 years	1,819,360	1,647,804	1,500,445	1,612,940	1,612,457	12.8	0	0	9	1,819,352
Equity contracts < 1 year	1,841,069	1,734,984	1,604,394	1,567,482	1,595,472	15.4	0	0	29	1,841,040
1-5 years	674,710	627,574	670,068	579,705	555,013	21.6	0	0	108	674,602
> 5 years	129,076	130,188	183,539	162,800	169,232	-23.7	0	0	10	129,066
Commodity & other contracts (including credit derivatives, excluding gold contracts) < 1 year	2,813,615	2,651,133	2,567,836	2,358,891	2,192,082	28.4	0	6	44	2,813,565
1-5 years	4,800,922	4,694,153	5,771,045	5,329,031	5,718,321	-16.0	0	5	54	4,800,863
> 5 years	619,196	405,131	750,909	428,131	598,669	3.4	0	0	108	619,088
Risk-Based Capital: Credit Equivalent Amount										
Total current exposure to tier 1 capital (%)	34.5	30.1	34.3	31.6	39.8		0.1	0.5	1.1	39.2
Total potential future exposure to tier 1 capital (%)	47.5	48.3	50.3	54.8	50.3		0.1	0.3	0.6	54.0
Total exposure (credit equivalent amount) to tier 1 capital (%)	82.0	78.4	84.6	86.4	90.0		0.2	0.8	1.7	93.2
Credit losses on derivatives***	13.3	78.3	71.9	61.4	69.3	-80.8	0.0	0.7	0.2	12.3
HELD FOR TRADING										
Number of institutions reporting derivatives	251	250	247	249	249	0.8	11	93	85	62
Total assets of institutions reporting derivatives	11,719,505	11,460,983	11,384,421	11,367,405	11,440,608	2.4	774	38,927	296,612	11,383,192
Total deposits of institutions reporting derivatives	8,830,787	8,660,644	8,553,870	8,547,594	8,584,534	2.9	645	32,516	234,813	8,562,814
Derivative Contracts by Underlying Risk Exposure										
Interest rate	144,656,610	136,068,193	146,169,740	151,668,106	155,492,761	-7.0	59	1,686	26,506	144,628,358
Foreign exchange	34,029,005	31,665,956	31,764,784	31,318,657	32,197,481	5.7	0	0	4,478	34,024,527
Equity	2,510,439	2,352,971	2,472,541	2,344,517	2,340,858	7.2	0	0	0	2,510,439
Commodity & other	1,208,052	1,105,989	1,390,888	1,433,959	1,234,659	-2.2	0	1	36	1,208,015
Total	182,404,106	171,193,110	181,797,953	186,765,239	191,265,759	-4.6	59	1,687	31,020	182,371,339
Trading Revenues: Cash & Derivative Instruments										
Interest rate	3,072	155	2,581	3,404	957	221.0	0	0	19	3,054
Foreign exchange	1,407	3,401	1,931	854	4,702	-70.1	0	0	8	1,399
Equity	670	741	50	584	791	-15.3	0	0	-1	671
Commodity & other (including credit derivatives)	604	-25	758	660	1,211	-50.1	0	1	2	602
Total trading revenues	5,753	4,271	5,319	5,502	7,662	-24.9	0	1	27	5,725
Share of Revenue										
Trading revenues to gross revenues (%)	4.7	3.5	4.4	4.5	6.4		0.0	0.2	0.9	4.9
Trading revenues to net operating revenues (%)	23.2	15.7	19.9	19.0	29.4		0.0	1.0	4.7	23.7
HELD FOR PURPOSES OTHER THAN TRADING										
Number of institutions reporting derivatives	1,300	1,299	1,305	1,311	1,308	-0.6	53	764	384	99
Total assets of institutions reporting derivatives	14,522,929	14,205,123	13,960,567	13,896,049	13,845,427	4.9	4,021	320,918	1,212,042	12,985,948
Total deposits of institutions reporting derivatives	10,993,692	10,764,769	10,518,599	10,465,122	10,412,082	5.6	3,355	265,262	967,451	9,757,624
Derivative Contracts by Underlying Risk Exposure										
Interest rate	2,561,543	2,333,490	2,528,505	2,765,996	3,021,326	-15.2	260	20,697	84,016	2,456,569
Foreign exchange	538,565	433,677	409,385	561,179	585,259	-8.0	0	0	1,093	537,472
Equity	23,483	24,652	22,545	19,385	18,674	25.8	0	4	330	23,149
Commodity & other	1,722	1,770	2,342	2,374	6,418	-73.2	0	7	43	1,672
Total notional amount	3,125,312	2,793,589	2,962,777	3,348,934	3,631,677	-13.9	260	20,709	85,482	3,018,861

All line items are reported on a quarterly basis. N/M - Not Meaningful

* Include spot foreign exchange contracts. All other references to foreign exchange contracts in which notional values or fair values are reported exclude spot foreign exchange contracts.

** Derivative contracts subject to the risk-based capital requirements for derivatives.

*** The reporting of credit losses on derivatives is applicable to all banks filing the FFIEC 031 report form and to those banks filing the FFIEC 041 report form that have $300 million or more in total assets.

TABLE VII-A. Servicing, Securitization, and Asset Sales Activities (All FDIC-Insured Call Report Filers)

(dollar figures in millions)	1st Quarter 2016	4th Quarter 2015	3rd Quarter 2015	2nd Quarter 2015	1st Quarter 2015	% Change 15Q1-16Q1	Asset Size Distribution: Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater Than $10 Billion
Assets Securitized and Sold with Servicing Retained or with Recourse or Other Seller-Provided Credit Enhancements										
Number of institutions reporting securitization activities	74	73	72	71	71	4.2	0	19	17	38
Outstanding Principal Balance by Asset Type										
1-4 family residential loans	$704,676	$715,914	$734,519	$749,911	$818,351	-13.9	$0	$2,009	$13,738	$688,929
Home equity loans	29	30	31	33	35	-17.1	0	0	0	29
Credit card receivables	13,400	13,502	14,187	17,766	17,817	-24.8	0	0	0	13,400
Auto loans	5,604	6,095	6,221	5,660	3,740	49.8	0	0	2,379	3,225
Other consumer loans	5,093	5,286	4,754	6,430	5,966	-14.6	0	1	0	5,092
Commercial and industrial loans	204	15	14	14	13	1,469.2	0	7	0	197
All other loans, leases, and other assets	74,712	79,844	86,277	89,384	94,400	-20.9	0	95	8,430	66,188
Total securitized and sold	803,719	820,686	846,005	869,198	940,322	-14.5	0	2,113	24,547	777,059
Maximum Credit Exposure by Asset Type										
1-4 family residential loans	2,617	2,840	2,933	3,101	3,117	-16.0	0	4	0	2,613
Home equity loans	0	0	0	0	0	0.0	0	0	0	0
Credit card receivables	1,152	1,108	1,187	1,470	1,531	-24.8	0	0	0	1,152
Auto loans	0	0	0	0	0	0.0	0	0	0	0
Other consumer loans	86	89	89	187	211	-59.2	0	0	0	86
Commercial and industrial loans	0	0	0	0	0	0.0	0	0	0	0
All other loans, leases, and other assets	902	990	1,319	1,084	1,405	-35.8	0	0	0	902
Total credit exposure	4,757	5,026	5,528	5,842	6,264	-24.1	0	4	0	4,753
Total unused liquidity commitments provided to institution's own securitizations	73	36	37	38	0	0.0	0	0	0	73
Securitized Loans, Leases, and Other Assets 30-89 Days Past Due (%)										
1-4 family residential loans	3.1	3.9	3.8	3.4	3.1		0.0	1.2	1.6	3.1
Home equity loans	6.2	5.4	5.9	5.3	5.2		0.0	0.0	0.0	6.2
Credit card receivables	0.4	0.4	0.4	0.4	0.4		0.0	0.0	0.0	0.4
Auto loans	1.2	1.5	1.1	0.9	1.0		0.0	0.0	1.4	1.0
Other consumer loans	3.8	3.9	4.3	4.1	4.6		0.0	0.0	0.0	3.8
Commercial and industrial loans	0.0	0.0	0.0	1.2	0.0		0.0	0.0	0.0	0.0
All other loans, leases, and other assets	0.5	0.5	0.3	0.3	0.4		0.0	0.4	0.0	0.6
Total loans, leases, and other assets	2.8	3.5	3.3	3.0	2.8		0.0	1.1	1.0	2.9
Securitized Loans, Leases, and Other Assets 90 Days or More Past Due (%)										
1-4 family residential loans	1.6	2.1	2.1	2.1	2.1		0.0	1.3	0.5	1.7
Home equity loans	47.3	47.8	47.4	46.5	44.7		0.0	0.0	0.0	47.3
Credit card receivables	0.3	0.3	0.3	0.3	0.3		0.0	0.0	0.0	0.3
Auto loans	0.3	0.2	0.2	0.1	0.1		0.0	0.0	0.4	0.2
Other consumer loans	3.9	3.9	4.4	4.4	5.1		0.0	0.0	0.0	3.9
Commercial and industrial loans	0.1	1.0	1.2	1.8	1.9		0.0	2.4	0.0	0.0
All other loans, leases, and other assets	1.4	1.2	1.3	1.4	1.4		0.0	10.5	0.5	1.5
Total loans, leases, and other assets	1.6	1.9	2.0	2.0	2.0		0.0	1.7	0.5	1.6
Securitized Loans, Leases, and Other Assets Charged-off (net, YTD, annualized, %)										
1-4 family residential loans	0.1	0.4	0.3	0.2	0.1		0.0	0.1	0.0	0.1
Home equity loans	1.0	5.2	3.2	1.8	0.7		0.0	0.0	0.0	1.0
Credit card receivables	3.0	1.8	1.4	0.8	0.4		0.0	0.0	0.0	3.0
Auto loans	0.3	0.4	0.2	0.2	0.1		0.0	0.0	0.3	0.2
Other consumer loans	0.2	0.8	0.6	0.3	0.2		0.0	0.0	0.0	0.2
Commercial and industrial loans	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0
All other loans, leases, and other assets	0.1	0.6	0.5	0.3	0.1		0.0	0.0	0.0	0.1
Total loans, leases, and other assets	0.1	0.4	0.3	0.2	0.1		0.0	0.0	0.0	0.1
Seller's Interests in Institution's Own Securitizations – Carried as Loans										
Home equity loans	0	0	0	0	0	0.0	0	0	0	0
Credit card receivables	12,811	15,059	13,248	10,380	9,983	28.3	0	0	0	12,811
Commercial and industrial loans	268	0	0	0	0	0.0	0	0	0	268
Seller's Interests in Institution's Own Securitizations – Carried as Securities										
Home equity loans	0	0	0	0	0	0.0	0	0	0	0
Credit card receivables	0	0	0	0	0	0.0	0	0	0	0
Commercial and industrial loans	0	0	0	0	0	0.0	0	0	0	0
Assets Sold with Recourse and Not Securitized										
Number of institutions reporting asset sales	1,089	1,087	1,099	1,106	1,097	-0.7	119	731	187	52
Outstanding Principal Balance by Asset Type										
1-4 family residential loans	36,776	38,515	39,013	38,992	38,856	-5.4	1,031	15,216	8,865	11,664
Home equity, credit card receivables, auto, and other consumer loans	684	712	714	742	694	-1.4	0	3	54	627
Commercial and industrial loans	267	215	217	80	83	221.7	2	12	96	156
All other loans, leases, and other assets	79,293	73,499	72,201	74,990	71,382	11.1	35	128	1,207	77,923
Total sold and not securitized	117,020	112,941	112,145	114,804	111,015	5.4	1,068	15,359	10,223	90,370
Maximum Credit Exposure by Asset Type										
1-4 family residential loans	9,475	9,950	10,495	10,436	10,061	-5.8	63	2,558	2,946	3,908
Home equity, credit card receivables, auto, and other consumer loans	161	163	134	136	137	17.5	0	3	30	128
Commercial and industrial loans	177	151	154	16	19	831.6	2	12	6	156
All other loans, leases, and other assets	21,711	20,138	19,655	19,652	18,624	16.6	35	12	90	21,575
Total credit exposure	31,524	30,402	30,438	30,240	28,841	9.3	100	2,585	3,072	25,767
Support for Securitization Facilities Sponsored by Other Institutions										
Number of institutions reporting securitization facilities sponsored by others	110	111	110	110	117	-6.0	9	57	25	19
Total credit exposure	41,078	41,500	42,211	44,649	44,981	-8.7	8	157	334	40,579
Total unused liquidity commitments	1,387	834	884	2,005	887	56.4	0	10	1	1,377
Other										
Assets serviced for others*	0	0	0	0	0	0.0	0	0	0	0
Asset-backed commercial paper conduits										
Credit exposure to conduits sponsored by institutions and others	18,378	13,980	12,020	12,284	11,736	56.6	4	1	0	18,373
Unused liquidity commitments to conduits sponsored by institutions and others	26,866	29,257	27,631	27,902	28,878	-7.0	0	0	6	26,860
Net servicing income (for the quarter)	864	3,328	1,040	4,546	1,600	-46.0	7	215	54	588
Net securitization income (for the quarter)	203	250	348	325	298	-31.9	0	5	6	192
Total credit exposure to Tier 1 capital (%)**	5.1	5.2	5.3	5.5	5.5		0.9	2.2	2.0	5.9

* The amount of financial assets serviced for others, other than closed-end 1-4 family residential mortgages, is reported when these assets are greater than $10 million.
** Total credit exposure includes the sum of the three line items titled "Total credit exposure" reported above.

COMMUNITY BANK PERFORMANCE

Community banks are identified based on criteria defined in the FDIC's *Community Banking Study*. When comparing community bank performance across quarters, prior-quarter dollar amounts are based on community banks designated in the current quarter, adjusted for mergers. In contrast, prior-quarter performance ratios are based on community banks designated during the previous quarter.

Net Income Improves More Than 7 Percent From First Quarter 2015

Revenue Increase Led by $1.3 Billion Growth in Net Interest Income

Percent of Unprofitable Community Banks Declines to the Lowest Level Since 1998

Net Interest Margin of 3.56 Percent Increases From the Year Before

Asset Quality Improves for All Major Loan Categories From the Previous Year, but Declines for Commercial and Industrial Loans

Net Income Grows at Community Banks but Declines at Noncommunity Banks

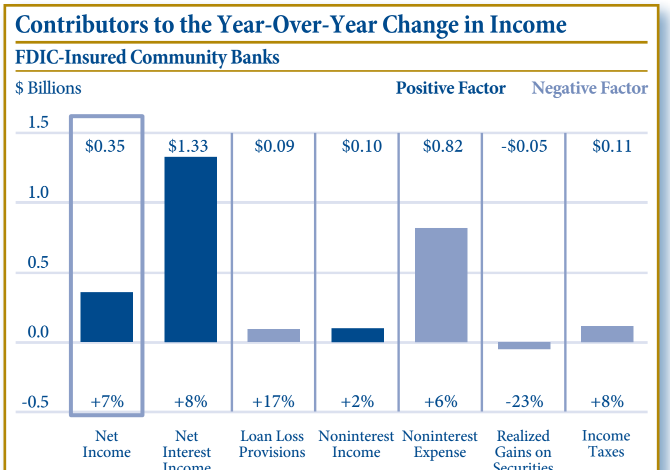
Aggregate net income of 5,664 FDIC-insured community banks totaled $5.2 billion during first quarter 2016, up $353.6 million (7.4 percent) from the year-earlier quarter. Improved revenue from net interest income and noninterest income was offset in part by higher loan-loss provisions and noninterest expense. Net income at noncommunity banks was down $942.4 million (2.7 percent), led by a few large noncommunity banks. Over the past 12 months, almost 62 percent of community banks improved their net income, while 5.1 percent were unprofitable during the quarter. Pretax return on assets was 1.28 percent, up 3 basis points from the same 2015 quarter, but 14 basis points below the rate of noncommunity banks (1.42 percent). There were 71 fewer community banks than in fourth quarter 2015, with one bank failure.

Net Interest Margin and Net Interest Income Increase From the Previous Year

Community banks reported net interest income of $17.5 billion during first quarter 2016, up $1.3 billion (8.2 percent) from first quarter 2015. With nearly 78 percent of them increasing their net interest income, the annual rate at community banks exceeded that of noncommunity banks (7.2 percent). The yearly increase in net interest income for community banks was led by non 1-to-4 family real estate loan income (up $747.6 million, or 10.5 percent).[1] Net interest margin (NIM) of 3.56 percent for the quarter was up 2 basis points from the year earlier, as asset yields increased (up 2 basis points) and funding costs remained unchanged. NIM at community banks was 53 basis points above that of noncommunity banks.

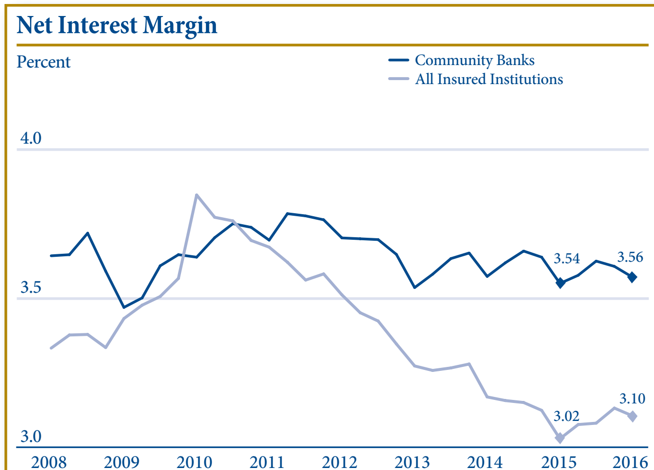
[1] Non 1-to-4 family real estate loan income includes construction and development, farmland, multifamily, and nonfarm nonresidential.

Chart 1



Source: FDIC.

Chart 2



Source: FDIC.

Noninterest Income Increases 2.1 Percent From the Previous Year

Noninterest income totaled $4.7 billion, up $97.6 million (2.1 percent) from a year earlier. While noninterest income improved at community banks, it declined for noncommunity banks (down $1.9 billion, or 3.2 percent) due to lower trading revenue (down $1.9 billion, or 24.9 percent). More than half (55 percent) of community banks increased their noninterest income from first quarter 2015. The year-over-year increase was led by net gains on sale of other assets (up $47 million, or 82.3 percent) and service charges on deposit accounts (up $30.3 million, or 3.3 percent).

Noninterest Expense as Percent of Net Operating Revenue Declines

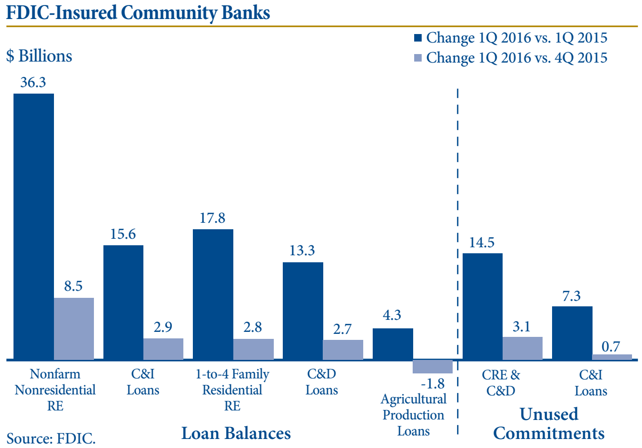
Noninterest expense at community banks was $819.9 million (5.8 percent) higher than in first quarter 2015. The annual increase was from higher salary and employee benefits (up $539.9 million, or 6.8 percent). Almost three out of four community banks (71 percent) increased noninterest expense from the year before. Full-time employees at community banks totaled 434,761 for the first quarter, up 12,221 (2.9 percent) from the same 2015 quarter. Noninterest expense represented 67.6 percent of net operating revenue, down from 68.8 percent in first quarter 2015, the lowest level since third quarter 2007. Average assets per employee were $4.9 million, up from $4.7 million in first quarter 2015.

Loan and Lease Balances Increase From the Previous Quarter and the Year Before

Total assets at community banks were $29.1 billion (1.4 percent) higher than in the previous quarter, as loan and lease balances grew $21.3 billion (1.5 percent). All major loan categories increased from fourth quarter 2015, led by nonfarm nonresidential loans (up $8.5 billion, or 2.1 percent), multifamily residential mortgages (up $4.1 billion, or 4.5 percent), commercial and industrial loans (up $2.9 billion, or 1.5 percent), and 1-to-4 family residential mortgages (up $2.8 billion, or 0.8 percent). Close to 60 percent of community banks posted a quarter-over-quarter increase in their loan and lease balance. The 12-month growth rate in loan and lease balances was 8.9 percent, exceeding the rate of noncommunity banks (6.6 percent). With close to 80 percent of community banks increasing their year-over-year loan and lease balances, the annual growth was led by nonfarm nonresidential loans (up $36.3 billion, or 9.4 percent), 1-to-4 family residential mortgages (up $17.8 billion, or 5 percent), commercial and industrial loans (up $15.6 billion, or 8.6 percent), and multifamily residential mortgages (up $15.3 billion, or 19.1 percent). Unused loan commitments totaled $278.4 billion in the quarter, up $11.3 billion from first quarter 2015, with commercial real estate, including construction and development, increasing $14.5 billion (22.7 percent).

Chart 3

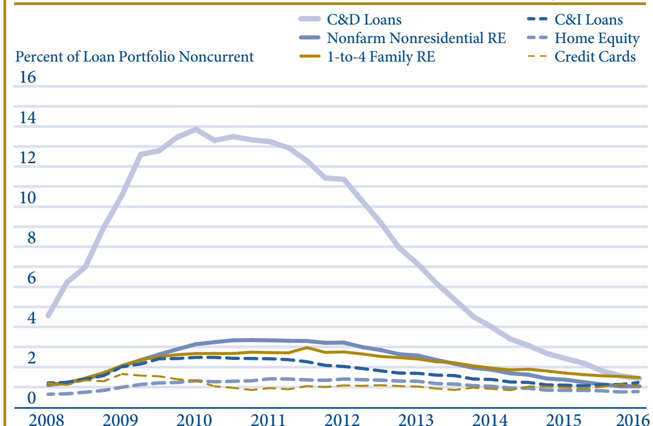
Change in Loan Balances and Unused Commitments



Source: FDIC.

Chart 4

Noncurrent Loan Rates for FDIC-Insured Community Banks



Source: FDIC.

Small Loans to Businesses Increase From First Quarter 2015

Small loans to businesses of $297.7 billion in the first quarter were $725.8 million (0.2 percent) higher than fourth quarter 2015. Almost half (47 percent) of community banks increased their small loans to businesses during the quarter. While the quarterly growth was led by commercial and industrial loans (up $1.3 billion, or 1.4 percent) and nonfarm nonresidential loans (up $944.8 million, or 0.7 percent), agricultural production loans declined $1.6 billion (5.4 percent). The annual increase in small loans to businesses at community banks (up $10.8 billion, or 3.8 percent) surpassed that of noncommunity banks (up $7.2 billion, or 1.9 percent). The 12-month growth in small loans to businesses at community banks was led by commercial and industrial loans (up $4.3 billion, or 4.9 percent) and nonfarm nonresidential loans (up $3.3 billion, or 2.3 percent). Meanwhile, nonfarm nonresidential loans for noncommunity banks declined (down $6.1 billion, or 4.1 percent). Community banks continued to hold 44 percent of small loans to businesses.

Community Banks Lower Their Noncurrent Loan and Lease Balances

Community banks reported noncurrent loan and lease balances of $16 billion for the quarter, down $1.7 billion (9.8 percent) from the year before. More than half (55 percent) of community banks reduced their noncurrent loan and lease balances from first quarter 2015. The coverage ratio—reserves for loan losses to noncurrent loans—was 116.19 percent, up from 104.71 percent a year earlier. The coverage ratio was above 100 percent for the past six consecutive quarters. Reserves for loan losses totaled $18.5 billion at the end of the quarter. For the first quarter, loan-loss provisions of $620.5 million were offset in part by $349 million in net charge-offs.

Asset Quality for Commercial and Industrial Loans Declines From the Previous Year

The noncurrent rate of 1.1 percent was 22 basis points lower than a year earlier, as all major loan categories, except for commercial and industrial loans, had lower noncurrent rates. The commercial and industrial noncurrent rate (1.2 percent) increased for a third consecutive quarter. The rate was 10 basis points above the previous quarter, and 13 basis points above first quarter 2015. The commercial and industrial noncurrent rate for noncommunity banks (1.24 percent) was 4 basis points above the rate for community banks. The net charge-off rate for community banks was 0.1 percent for the quarter, the lowest rate since first quarter 2006. All major loan categories, except for commercial and industrial loans (up 6 basis points), had lower net charge-off rates from the year before.

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TABLE I-B. Selected Indicators, FDIC-Insured Community Banks

	2016*	2015*	2015	2014	2013	2012	2011
Return on assets (%)	0.98	0.96	0.99	0.93	0.90	0.83	0.55
Return on equity (%)	8.75	8.61	8.89	8.46	8.28	7.68	5.19
Core capital (leverage) ratio (%)	10.70	10.65	10.67	10.57	10.43	10.18	9.98
Noncurrent assets plus other real estate owned to assets (%)	1.05	1.29	1.06	1.34	1.73	2.26	2.84
Net charge-offs to loans (%)	0.10	0.10	0.14	0.21	0.32	0.58	0.87
Asset growth rate (%)	2.77	1.83	2.71	2.31	0.33	2.25	1.60
Net interest margin (%)	3.56	3.54	3.57	3.61	3.59	3.67	3.74
Net operating income growth (%)	6.39	10.66	9.98	4.89	14.61	56.25	207.82
Number of institutions reporting	5,664	5,946	5,735	6,037	6,306	6,541	6,798
Percentage of unprofitable institutions (%)	5.12	5.92	4.93	6.44	8.40	11.15	16.34

* Through March 31, ratios annualized where appropriate. Asset growth rates are for 12 months ending March 31.

TABLE II-B. Aggregate Condition and Income Data, FDIC-Insured Community Banks

(dollar figures in millions)	1st Quarter 2016	4th Quarter 2015	1st Quarter 2015	%Change 15Q1-16Q1
Number of institutions reporting	5,664	5,735	5,946	-4.7
Total employees (full-time equivalent)	434,761	437,839	439,096	-1.0
CONDITION DATA				
Total assets	$2,127,886	$2,120,094	$2,070,578	2.8
Loans secured by real estate	1,102,255	1,094,601	1,040,173	6.0
1-4 Family residential mortgages	376,255	376,499	361,797	4.0
Nonfarm nonresidential	421,326	418,598	402,170	4.8
Construction and development	95,163	93,662	85,387	11.4
Home equity lines	49,937	50,629	49,372	1.1
Commercial & industrial loans	196,778	196,373	190,142	3.5
Loans to individuals	59,524	59,990	58,879	1.1
Credit cards	2,080	2,173	1,982	5.0
Farm loans	49,454	51,331	45,270	9.2
Other loans & leases	36,930	36,466	33,446	10.4
Less: Unearned income	629	637	553	13.8
Total loans & leases	1,444,312	1,438,123	1,367,358	5.6
Less: Reserve for losses	18,546	18,522	18,929	-2.0
Net loans and leases	1,425,766	1,419,602	1,348,429	5.7
Securities	434,583	438,361	445,436	-2.4
Other real estate owned	6,259	6,579	8,382	-25.3
Goodwill and other intangibles	13,927	13,818	12,817	8.7
All other assets	247,350	241,734	255,514	-3.2
Total liabilities and capital	2,127,886	2,120,094	2,070,578	2.8
Deposits	1,748,379	1,736,384	1,708,821	2.3
Domestic office deposits	1,747,960	1,735,983	1,708,341	2.3
Foreign office deposits	420	400	480	-12.6
Brokered deposits	72,978	71,357	65,670	11.1
Estimated insured deposits	1,319,947	1,313,887	1,313,741	0.5
Other borrowed funds	123,675	131,741	114,621	7.9
Subordinated debt	585	479	458	27.6
All other liabilities	16,295	15,661	15,652	4.1
Total equity capital (includes minority interests)	238,953	235,829	231,025	3.4
Bank equity capital	238,855	235,720	230,907	3.4
Loans and leases 30-89 days past due	9,059	8,972	9,852	-8.0
Noncurrent loans and leases	15,962	15,781	18,077	-11.7
Restructured loans and leases	8,926	9,420	10,065	-11.3
Mortgage-backed securities	185,170	185,278	190,950	-3.0
Earning assets	1,979,545	1,968,471	1,920,809	3.1
FHLB Advances	95,105	100,881	85,204	11.6
Unused loan commitments	278,354	271,029	259,713	7.2
Trust assets	260,121	292,935	247,297	5.2
Assets securitized and sold	16,363	15,812	14,130	15.8
Notional amount of derivatives	61,850	51,859	57,732	7.1

INCOME DATA	Full Year 2015	Full Year 2014	%Change	1st Quarter 2016	1st Quarter 2015	%Change 15Q1-16Q1
Total interest income	$76,403	$75,692	0.9	$19,725	$18,998	3.8
Total interest expense	8,652	9,101	-4.9	2,245	2,167	3.6
Net interest income	67,751	66,591	1.7	17,480	16,832	3.9
Provision for loan and lease losses	2,456	2,566	-4.3	620	540	14.9
Total noninterest income	19,522	17,680	10.4	4,694	4,681	0.3
Total noninterest expense	59,320	58,523	1.4	14,982	14,796	1.3
Securities gains (losses)	520	561	-7.2	180	245	-26.6
Applicable income taxes	5,687	5,186	9.7	1,586	1,512	4.9
Extraordinary gains, net	7	2	197.6	1	0	N/M
Total net income (includes minority interests)	20,337	18,559	9.6	5,166	4,911	5.2
Bank net income	20,310	18,535	9.6	5,162	4,901	5.3
Net charge-offs	1,973	2,757	-28.4	349	349	0.0
Cash dividends	10,102	9,251	9.2	2,536	2,160	17.4
Retained earnings	10,208	9,284	10.0	2,626	2,741	-4.2
Net operating income	19,919	18,111	10.0	5,023	4,721	6.4

N/M - Not Meaningful

TABLE II-B. Aggregate Condition and Income Data, FDIC-Insured Community Banks
Prior Periods Adjusted for Mergers

(dollar figures in millions)	1st Quarter 2016	4th Quarter 2015	1st Quarter 2015	%Change 15Q1-16Q1
Number of institutions reporting	5,664	5,664	5,663	0.0
Total employees (full-time equivalent)	434,761	432,358	422,540	2.9
CONDITION DATA				
Total assets	$2,127,886	$2,098,745	$2,015,557	5.6
Loans secured by real estate	1,102,255	1,082,734	1,011,278	9.0
1-4 Family residential mortgages	376,255	373,412	358,448	5.0
Nonfarm nonresidential	421,326	412,849	385,015	9.4
Construction and development	95,163	92,417	81,833	16.3
Home equity lines	49,937	49,819	46,914	6.4
Commercial & industrial loans	196,778	193,862	181,187	8.6
Loans to individuals	59,524	59,618	56,694	5.0
Credit cards	2,080	2,161	2,125	-2.1
Farm loans	49,454	51,286	45,151	9.5
Other loans & leases	36,930	36,124	32,813	12.5
Less: Unearned income	629	629	534	17.7
Total loans & leases	1,444,312	1,422,995	1,326,588	8.9
Less: Reserve for losses	18,546	18,318	18,359	1.0
Net loans and leases	1,425,766	1,404,677	1,308,230	9.0
Securities	434,583	434,165	437,551	-0.7
Other real estate owned	6,259	6,490	8,055	-22.3
Goodwill and other intangibles	13,927	13,707	12,442	11.9
All other assets	247,350	239,706	249,280	-0.8
Total liabilities and capital	2,127,886	2,098,745	2,015,557	5.6
Deposits	1,748,379	1,718,687	1,659,710	5.3
Domestic office deposits	1,747,960	1,718,287	1,659,264	5.3
Foreign office deposits	420	400	446	-5.9
Brokered deposits	72,978	70,793	63,203	15.5
Estimated insured deposits	1,319,947	1,300,843	1,279,839	3.1
Other borrowed funds	123,675	130,484	114,390	8.1
Subordinated debt	585	479	443	31.9
All other liabilities	16,295	15,514	15,341	6.2
Total equity capital (includes minority interests)	238,953	233,580	225,672	5.9
Bank equity capital	238,855	233,483	225,562	5.9
Loans and leases 30-89 days past due	9,059	8,905	9,732	-6.9
Noncurrent loans and leases	15,962	15,601	17,695	-9.8
Restructured loans and leases	8,926	9,305	9,770	-8.6
Mortgage-backed securities	185,170	182,914	186,563	-0.7
Earning assets	1,979,545	1,948,505	1,869,979	5.9
FHLB Advances	95,105	100,014	85,370	11.4
Unused loan commitments	278,354	267,580	267,044	4.2
Trust assets	260,121	289,725	245,170	6.1
Assets securitized and sold	16,363	15,812	14,130	15.8
Notional amount of derivatives	61,850	51,600	53,926	14.7

INCOME DATA	Full Year 2015	Full Year 2014	%Change	1st Quarter 2016	1st Quarter 2015	%Change 15Q1-16Q1
Total interest income	$75,420	$71,583	5.4	$19,725	$18,252	8.1
Total interest expense	8,543	8,585	-0.5	2,245	2,101	6.8
Net interest income	66,877	62,998	6.2	17,480	16,151	8.2
Provision for loan and lease losses	2,433	2,360	3.1	620	530	17.1
Total noninterest income	19,306	17,049	13.2	4,694	4,596	2.1
Total noninterest expense	58,514	55,164	6.1	14,982	14,162	5.8
Securities gains (losses)	516	535	-3.5	180	232	-22.5
Applicable income taxes	5,640	4,657	21.1	1,586	1,471	7.8
Extraordinary gains, net	7	1	402.3	1	0	N/M
Total net income (includes minority interests)	20,119	18,402	9.3	5,166	4,817	7.2
Bank net income	20,092	18,377	9.3	5,162	4,808	7.4
Net charge-offs	1,947	2,568	-24.2	349	332	5.1
Cash dividends	10,013	8,985	11.4	2,536	2,194	15.6
Retained earnings	10,079	9,392	7.3	2,626	2,613	0.5
Net operating income	19,704	17,978	9.6	5,023	4,637	8.3

N/M - Not Meaningful

TABLE III-B. Aggregate Condition and Income Data by Geographic Region, FDIC-Insured Community Banks

First Quarter 2016 (dollar figures in millions)		Geographic Regions*					
	All Community Banks	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	5,664	659	691	1,249	1,471	1,223	371
Total employees (full-time equivalent)	434,761	86,434	54,169	90,711	71,162	95,272	37,013
CONDITION DATA							
Total assets	$2,127,886	$560,570	$245,108	$386,196	$332,289	$413,109	$190,614
Loans secured by real estate	1,102,255	334,378	134,140	194,849	151,647	191,371	95,870
1-4 Family residential mortgages	376,255	127,432	43,724	70,258	48,946	62,553	23,340
Nonfarm nonresidential	421,326	118,207	57,014	71,015	50,043	77,592	47,455
Construction and development	95,163	18,862	15,586	12,295	12,472	27,704	8,244
Home equity lines	49,937	16,956	7,471	11,346	4,695	4,430	5,038
Commercial & industrial loans	196,778	48,837	18,553	36,528	32,497	42,096	18,267
Loans to individuals	59,524	12,671	6,703	11,689	9,779	13,578	5,103
Credit cards	2,080	453	128	415	484	305	296
Farm loans	49,454	504	1,166	7,780	28,141	9,332	2,531
Other loans & leases	36,930	11,627	2,797	6,291	5,517	7,448	3,249
Less: Unearned income	629	167	131	61	45	123	101
Total loans & leases	1,444,312	407,851	163,228	257,075	227,536	263,701	124,920
Less: Reserve for losses	18,546	4,575	2,131	3,451	3,103	3,498	1,787
Net loans and leases	1,425,766	403,276	161,096	253,624	224,433	260,203	123,133
Securities	434,583	98,414	47,652	83,647	68,841	96,559	39,471
Other real estate owned	6,259	943	1,579	1,254	925	1,193	365
Goodwill and other intangibles	13,927	4,608	1,161	2,210	1,790	2,662	1,496
All other assets	247,350	53,329	33,620	45,461	36,299	52,492	26,149
Total liabilities and capital	2,127,886	560,570	245,108	386,196	332,289	413,109	190,614
Deposits	1,748,379	444,474	203,701	320,072	273,677	347,661	158,794
Domestic office deposits	1,747,960	444,106	203,696	320,055	273,677	347,661	158,765
Foreign office deposits	420	368	6	17	0	0	29
Brokered deposits	72,978	25,559	7,236	12,285	11,135	10,623	6,140
Estimated insured deposits	1,319,947	325,024	156,112	256,799	216,446	255,390	110,175
Other borrowed funds	123,675	47,252	12,312	19,445	19,591	17,102	7,973
Subordinated debt	585	416	20	75	19	6	50
All other liabilities	16,295	5,529	1,684	2,876	1,958	2,533	1,715
Total equity capital (includes minority interests)	238,953	62,900	27,391	43,728	37,043	45,808	22,082
Bank equity capital	238,855	62,846	27,380	43,713	37,042	45,792	22,081
Loans and leases 30-89 days past due	9,059	2,230	1,119	1,504	1,591	2,112	502
Noncurrent loans and leases	15,962	5,613	2,049	2,842	1,741	2,810	908
Restructured loans and leases	8,926	2,505	1,303	2,337	1,015	1,063	702
Mortgage-backed securities	185,170	54,903	20,592	32,500	22,524	35,781	18,869
Earning assets	1,979,545	524,303	225,882	358,703	310,322	382,333	178,001
FHLB Advances	95,105	39,328	9,798	13,731	14,299	13,248	4,701
Unused loan commitments	278,354	72,135	29,679	51,091	46,880	50,342	28,227
Trust assets	260,121	57,337	9,663	64,400	77,274	41,583	9,864
Assets securitized and sold	16,363	3,367	517	5,974	784	615	5,106
Notional amount of derivatives	61,850	21,377	7,303	10,962	9,224	7,706	5,278
INCOME DATA							
Total interest income	$19,725	$4,993	$2,323	$3,490	$3,134	$4,005	$1,781
Total interest expense	2,245	729	263	388	361	373	132
Net interest income	17,480	4,264	2,060	3,102	2,773	3,632	1,649
Provision for loan and lease losses	620	169	58	79	96	178	40
Total noninterest income	4,694	921	560	1,148	690	925	450
Total noninterest expense	14,982	3,516	1,874	2,902	2,257	3,035	1,397
Securities gains (losses)	180	47	21	26	26	35	24
Applicable income taxes	1,586	499	197	296	195	189	209
Extraordinary gains, net	1	2	0	0	-1	-1	0
Total net income (includes minority interests)	5,166	1,051	512	999	939	1,189	476
Bank net income	5,162	1,049	511	997	939	1,188	476
Net charge-offs	349	95	36	63	49	93	13
Cash dividends	2,536	289	206	696	597	523	224
Retained earnings	2,626	760	305	301	342	665	252
Net operating income	5,023	1,014	496	976	918	1,159	460

* See Table V-A (page 11) for explanations.

Table IV-B. First Quarter 2016, FDIC-Insured Community Banks

Performance ratios (annualized, %)	All Community Banks		First Quarter 2016, Geographic Regions*					
	1st Quarter 2016	4th Quarter 2015	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Yield on earning assets	4.02	4.06	3.85	4.16	3.91	4.06	4.22	4.06
Cost of funding earning assets	0.46	0.46	0.56	0.47	0.43	0.47	0.39	0.30
Net interest margin	3.56	3.60	3.29	3.69	3.48	3.59	3.83	3.75
Noninterest income to assets	0.89	0.96	0.66	0.92	1.19	0.83	0.90	0.96
Noninterest expense to assets	2.84	2.95	2.54	3.09	3.02	2.72	2.96	2.97
Loan and lease loss provision to assets	0.12	0.15	0.12	0.10	0.08	0.12	0.17	0.08
Net operating income to assets	0.95	0.96	0.73	0.82	1.02	1.11	1.13	0.98
Pretax return on assets	1.28	1.21	1.12	1.17	1.35	1.37	1.34	1.46
Return on assets	0.98	0.97	0.76	0.84	1.04	1.13	1.16	1.01
Return on equity	8.75	8.68	6.78	7.56	9.21	10.24	10.52	8.73
Net charge-offs to loans and leases	0.10	0.20	0.09	0.09	0.10	0.09	0.14	0.04
Loan and lease loss provision to net charge-offs	177.76	113.23	177.58	160.85	125.81	197.28	191.54	307.28
Efficiency ratio	67.23	68.05	67.44	71.13	68.01	64.81	66.31	66.25
Net interest income to operating revenue	78.83	77.74	82.23	78.63	72.98	80.09	79.71	78.56
% of unprofitable institutions	5.12	10.01	5.16	8.83	6.16	3.33	3.68	6.47
% of institutions with earnings gains	61.60	56.32	60.24	64.25	58.77	58.74	65.41	67.39

Table V-B. Full Year 2015, FDIC-Insured Community Banks

Performance ratios (%)	All Community Banks		Full Year 2015, Geographic Regions*					
	Full Year 2015	Full Year 2014	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Yield on earning assets	4.03	4.10	3.87	4.14	3.94	4.05	4.22	4.04
Cost of funding earning assets	0.46	0.49	0.56	0.48	0.44	0.46	0.39	0.30
Net interest margin	3.57	3.61	3.31	3.67	3.51	3.59	3.83	3.74
Noninterest income to assets	0.95	0.89	0.70	0.92	1.30	0.91	0.92	1.17
Noninterest expense to assets	2.90	2.93	2.62	3.15	3.08	2.77	3.00	3.02
Loan and lease loss provision to assets	0.12	0.13	0.17	0.09	0.07	0.11	0.15	0.05
Net operating income to assets	0.97	0.91	0.69	0.80	1.11	1.14	1.13	1.11
Pretax return on assets	1.27	1.19	1.04	1.07	1.41	1.38	1.33	1.60
Return on assets	0.99	0.93	0.72	0.82	1.12	1.16	1.15	1.12
Return on equity	8.89	8.46	6.42	7.28	9.99	10.55	10.51	9.50
Net charge-offs to loans and leases	0.14	0.21	0.16	0.17	0.17	0.11	0.17	0.03
Loan and lease loss provision to net charge-offs	124.46	93.08	150.64	83.37	65.36	154.39	145.96	226.33
Efficiency ratio	67.58	69.11	68.62	73.16	67.40	64.94	66.79	64.62
Net interest income to operating revenue	77.63	79.02	81.58	78.54	71.43	78.60	79.31	74.79
% of unprofitable institutions	4.93	6.44	7.19	9.26	5.20	2.49	3.49	6.35
% of institutions with earnings gains	63.03	63.62	61.08	63.11	64.57	64.24	59.42	68.25

* See Table V-A (page 11) for explanations.

Table VI-B. Loan Performance, FDIC-Insured Community Banks

March 31, 2016	All Community Banks	Geographic Regions*					
		New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Percent of Loans 30-89 Days Past Due							
All loans secured by real estate	0.58	0.50	0.68	0.60	0.61	0.70	0.36
Construction and development	0.47	0.32	0.44	0.45	0.62	0.55	0.36
Nonfarm nonresidential	0.37	0.36	0.42	0.41	0.37	0.42	0.23
Multifamily residential real estate	0.17	0.15	0.20	0.29	0.13	0.19	0.13
Home equity loans	0.38	0.43	0.45	0.39	0.27	0.36	0.23
Other 1-4 family residential	0.91	0.78	1.21	0.95	0.76	1.15	0.65
Commercial and industrial loans	0.58	0.46	0.52	0.42	0.67	0.86	0.44
Loans to individuals	1.55	2.46	1.44	0.82	0.97	2.11	0.72
Credit card loans	1.66	2.14	1.02	1.04	2.73	0.95	1.03
Other loans to individuals	1.54	2.47	1.45	0.81	0.87	2.14	0.70
All other loans and leases (including farm)	0.77	0.27	0.52	0.57	1.08	0.73	0.78
Total loans and leases	0.63	0.55	0.69	0.58	0.70	0.80	0.40
Percent of Loans Noncurrent**							
All loans secured by real estate	1.12	1.33	1.34	1.21	0.78	1.00	0.68
Construction and development	1.39	1.48	2.51	1.29	1.25	0.94	0.99
Nonfarm nonresidential	1.01	1.18	1.12	1.14	0.87	0.89	0.57
Multifamily residential real estate	0.37	0.23	0.71	0.67	0.54	0.57	0.09
Home equity loans	0.74	0.86	0.67	0.82	0.38	0.71	0.67
Other 1-4 family residential	1.44	1.90	1.37	1.48	0.75	1.24	0.93
Commercial and industrial loans	1.20	1.38	0.96	1.01	0.96	1.52	1.01
Loans to individuals	0.67	0.70	0.87	0.43	0.49	1.02	0.32
Credit card loans	1.02	1.40	0.56	0.98	1.29	0.70	0.62
Other loans to individuals	0.66	0.68	0.88	0.41	0.45	1.02	0.30
All other loans and leases (including farm)	0.98	3.22	0.50	0.47	0.58	0.75	0.88
Total loans and leases	1.11	1.38	1.26	1.11	0.76	1.07	0.73
Percent of Loans Charged-Off (net, YTD)							
All loans secured by real estate	0.03	0.05	0.02	0.06	0.02	0.03	-0.03
Construction and development	-0.04	-0.02	-0.01	0.08	-0.07	-0.08	-0.17
Nonfarm nonresidential	0.03	0.03	0.00	0.02	0.05	0.05	-0.03
Multifamily residential real estate	0.01	0.01	-0.06	0.06	0.00	0.00	0.00
Home equity loans	0.06	0.09	0.03	0.10	0.01	0.02	-0.01
Other 1-4 family residential	0.06	0.08	0.07	0.09	0.03	0.05	0.00
Commercial and industrial loans	0.21	0.16	0.28	0.16	0.13	0.38	0.17
Loans to individuals	0.80	0.96	0.77	0.57	0.89	0.85	0.70
Credit card loans	5.09	4.21	1.05	3.47	12.68	1.36	1.98
Other loans to individuals	0.65	0.83	0.77	0.46	0.27	0.84	0.62
All other loans and leases (including farm)	0.16	0.22	0.23	0.09	0.09	0.29	0.26
Total loans and leases	0.10	0.09	0.09	0.10	0.09	0.14	0.04
Loans Outstanding (in billions)							
All loans secured by real estate	$1,102.3	$334.4	$134.1	$194.8	$151.6	$191.4	$95.9
Construction and development	95.2	18.9	15.6	12.3	12.5	27.7	8.2
Nonfarm nonresidential	421.3	118.2	57.0	71.0	50.0	77.6	47.5
Multifamily residential real estate	95.4	50.9	6.2	14.7	7.9	7.0	8.7
Home equity loans	49.9	17.0	7.5	11.3	4.7	4.4	5.0
Other 1-4 family residential	376.3	127.4	43.7	70.3	48.9	62.6	23.3
Commercial and industrial loans	196.8	48.8	18.6	36.5	32.5	42.1	18.3
Loans to individuals	59.5	12.7	6.7	11.7	9.8	13.6	5.1
Credit card loans	2.1	0.5	0.1	0.4	0.5	0.3	0.3
Other loans to individuals	57.4	12.2	6.6	11.3	9.3	13.3	4.8
All other loans and leases (including farm)	86.4	12.1	4.0	14.1	33.7	16.8	5.8
Total loans and leases	1,444.9	408.0	163.4	257.1	227.6	263.8	125.0
Memo: Unfunded Commitments (in millions)							
Total Unfunded Commitments	278,354	72,135	29,679	51,091	46,880	50,342	28,227
Construction and development: 1-4 family residential	21,914	4,673	3,902	2,397	2,504	6,084	2,354
Construction and development: CRE and other	55,033	17,225	7,435	7,588	6,341	12,053	4,391
Commercial and industrial	90,409	22,289	8,294	18,834	15,085	16,324	9,582

* See Table V-A (page 11) for explanations.

** Noncurrent loan rates represent the percentage of loans in each category that are past due 90 days or more or that are in nonaccrual status.

Insurance Fund Indicators

DIF Reserve Ratio Rises 2 Basis Points to 1.13 Percent

Insured Deposits Increase by 2 Percent

Final Rule Approved in March 2016 to Raise DIF to 1.35 Percent of Insured Deposits

Final Rule Approved in April 2016 Revises Calculation of Insurance Assessments for Small Banks

Total assets of the 6,122 FDIC-insured institutions increased by 2 percent ($325.6 billion) during the first quarter of 2016. Total deposits increased by 2 percent ($239.5 billion), domestic office deposits increased by 1.8 percent ($201.3 billion), and foreign office deposits increased by 3 percent ($38.2 billion). Domestic interest-bearing deposits increased by 2.8 percent ($218.4 billion), and noninterest-bearing deposits decreased by 0.6 percent ($17.1 billion). For the 12 months ending March 31, total domestic deposits grew by 5 percent ($528.2 billion), with interest-bearing deposits increasing by 6.3 percent ($483.4 billion) and noninterest-bearing deposits increasing by 1.5 percent ($44.8 billion).[1] Other borrowed money increased by 5.2 percent, securities sold under agreements to repurchase declined by 17.1 percent, and foreign office deposits declined by 4.1 percent over the same twelve-month period.[2]

Total estimated insured deposits increased by 2 percent in the first quarter of 2016.[3] For institutions existing at the start and the end of the most recent quarter, insured deposits increased during the quarter at 3,900 institutions (64 percent), decreased at 2,201 institutions (36 percent), and remained unchanged at only 30 institutions. Estimated insured deposits increased by 5 percent over the 12 months ending March 31, 2016.

The Deposit Insurance Fund (DIF) increased by $2.5 billion during the first quarter of 2016 to $75.1 billion (unaudited). Assessment income of $2.3 billion and unrealized gains on securities of $412 million drove the fund balance increase. Interest on investments of $147 million and a negative provision for insurance losses of $43 million also contributed to fund balance growth. First quarter operating expenses reduced the fund balance by $415 million. One insured institution, with assets of $67 million, failed during the first quarter. The DIF's reserve ratio was 1.13 percent on March 31, up from 1.11 percent at December 31, 2015, and 1.03 percent four quarters ago.

Effective April 1, 2011, the deposit insurance assessment base changed to average consolidated total assets minus average tangible equity.[4] Table 1 shows the distribution of the assessment base as of March 31, by institution asset size category.

Achieving the Minimum Reserve Ratio and Calculating Small Bank Assessments[5]

On March 15, 2016, the FDIC Board of Directors (Board) approved a final rule to increase the DIF to the statutorily required minimum of 1.35 percent of estimated insured deposits.[6] Congress, in the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), increased the minimum DIF reserve ratio, the ratio of the fund balance to estimated insured deposits, from 1.15 percent to 1.35 percent and required that the ratio reach that level by September 30, 2020. Further, the Dodd-Frank Act required that, in setting assessments, the FDIC offset the effect of the increase in the minimum reserve ratio from 1.15 to 1.35 percent on banks with less than $10 billion in assets.

[1] Throughout the insurance fund discussion, FDIC-insured institutions include insured commercial banks and savings associations and, except where noted, exclude insured branches of foreign banks.
[2] Other borrowed money includes FHLB advances, term federal funds, mortgage indebtedness, and other borrowings.
[3] Figures for estimated insured deposits in this discussion include insured branches of foreign banks, in addition to insured commercial banks and savings institutions.
[4] There is an additional adjustment to the assessment base for banker's banks and custodial banks, as permitted under Dodd-Frank.
[5] Banks with total assets less than $10 billion.
[6] https://www.federalregister.gov/articles/2016/03/25/2016-06770/assessments.

Table 1

Distribution of the Assessment Base for FDIC-Insured Institutions*
by Asset Size
Data as of March 31, 2016

Asset Size	Number of Institutions	Percent of Total Institutions	Assessment Base** ($ Bil.)	Percent of Base
Less Than $1 Billion	5,397	88.2	$1,123.7	8.1
$1 - $10 Billion	616	10.1	1,522.4	10.9
$10 - $50 Billion	69	1.1	1,396.0	10.0
$50 - $100 Billion	15	0.2	957.8	6.9
Over $100 Billion	25	0.4	8,951.9	64.2
Total	6,122	100.0	13,951.8	100.0

* Excludes insured U.S. branches of foreign banks.
** Average consolidated total assets minus average tangible equity, with adjustments for banker's banks and custodial banks.

To satisfy these requirements, the final rule imposes on large banks a surcharge of 4.5 basis points of their assessment base, after making certain adjustments.[7,8] Large banks will pay quarterly surcharges in addition to their regular risk-based assessments. (Overall regular risk-based assessment rates will decline once the reserve ratio reaches 1.15 percent, as approved by the FDIC Board in 2011.[9])

The final rule will become effective on July 1 of this year. If the reserve ratio reaches 1.15 percent before that date, surcharges will begin July 1. If the reserve ratio has not reached 1.15 percent by that date, surcharges will begin the first quarter after the reserve ratio reaches 1.15 percent. The FDIC expects that surcharges will last eight quarters. In any event, surcharges will continue through the quarter in which the reserve ratio first meets or exceeds 1.35 percent, but not past the fourth quarter of 2018. If the reserve ratio has not reached 1.35 percent by the end of 2018, a shortfall assessment will be imposed on large banks to close the gap.

Small banks will receive credits to offset the portion of their assessments that help to raise the reserve ratio from 1.15 percent to 1.35 percent. After the reserve ratio reaches 1.38 percent, the FDIC will automatically apply a small bank's credits to reduce its regular assessment up to the entire amount of the assessment.

On April 26, 2016, the Board adopted a final rule that amends the way insurance assessment rates are calculated for established small banks.[10,11] It updates the data and methodology that the FDIC uses to determine risk-based assessment rates for these institutions to better reflect risks and to help ensure that banks that take on greater risks pay more for deposit insurance than their less risky counterparts. The rule revises the financial ratios method used to determine assessment rates for these banks so that it is based on a statistical model that estimates the probability of failure over three years. Financial measures used in the financial ratios method are updated to be consistent with the statistical model.

[7] Large banks are, generally, banks with assets of $10 billion or more.
[8] The assessment base for the surcharge will be a large bank's regular assessment base reduced by $10 billion (and subject to adjustment for affiliated banks).
[9] As discussed below, the FDIC Board reaffirmed these lower rates in April 2016.
[10] Generally, banks that have less than $10 billion in assets that have been federally insured for at least five years.
[11] https://www.gpo.gov/fdsys/pkg/FR-2016-05-20/pdf/2016-11181.pdf.

Table 2

Initial and Total Base Assessment Rates*
(In basis points per annum)
After the Reserve Ratio Reaches 1.15 Percent**

	Established Small Banks			Large & Highly Complex Institutions
	CAMELS Composite			
	1 or 2	3	4 or 5	
Initial Base Assessment Rate	3 to 16	6 to 30	16 to 30	3 to 30
Unsecured Debt Adjustment***	-5 to 0	-5 to 0	-5 to 0	-5 to 0
Brokered Deposit Adjustment	N/A	N/A	N/A	0 to 10
Total Base Assessment Rate	1.5 to 16	3 to 30	11 to 30	1.5 to 40

* Total base assessment rates in the table do not include the Depository Institution Debt Adjustment (DIDA).

** The reserve ratio for the immediately prior assessment period must also be less than 2 percent.

*** The unsecured debt adjustment cannot exceed the lesser of 5 basis points or 50 percent of an insured depository institution's initial base assessment rate; thus, for example, an insured depository institution with an initial base assessment rate of 3 basis points will have a maximum unsecured debt adjustment of 1.5 basis points and cannot have a total base assessment rate lower than 1.5 basis points.

The rule eliminates risk categories for established small banks and uses the financial ratios method for all such banks (subject to minimum or maximum assessment rates based on a bank's CAMELS composite rating). The final rule preserves the overall reduction in assessment rates that will apply once the DIF reaches 1.15 percent and adopts the assessment rate schedules shown in Table 2.

The aggregate assessment revenue collected from small banks will be approximately the same as it would have been without the changes in the rule. The FDIC estimates that assessment rates under the final rule will be lower than current rates for about 93 percent of small banks and higher for about 7 percent of small banks. This final rule is also effective on July 1. If the reserve ratio reaches 1.15 percent before that date, the revisions in the final rule will begin July 1. If the reserve ratio has not reached 1.15 percent by that date, the revisions will begin the first quarter after the reserve ratio reaches 1.15 percent.

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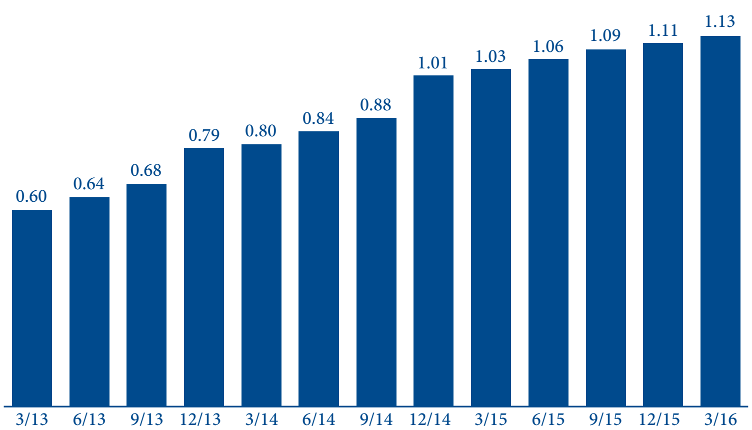
Table I-C. Insurance Fund Balances and Selected Indicators

(dollar figures in millions)	Deposit Insurance Fund* 1st Quarter 2016	4th Quarter 2015	3rd Quarter 2015	2nd Quarter 2015	1st Quarter 2015	4th Quarter 2014	3rd Quarter 2014	2nd Quarter 2014	1st Quarter 2014	4th Quarter 2013	3rd Quarter 2013	2nd Quarter 2013	1st Quarter 2013
Beginning Fund Balance	$72,600	$70,115	$67,589	$65,296	$62,780	$54,320	$51,059	$48,893	$47,191	$40,758	$37,871	$35,742	$32,958
Changes in Fund Balance:													
Assessments earned	2,328	2,160	2,170	2,328	2,189	2,030	2,009	2,224	2,393	2,224	2,339	2,526	2,645
Interest earned on investment securities	147	128	122	113	60	70	80	87	45	23	34	54	-9
Realized gain on sale of investments	0	0	0	0	0	0	0	0	0	302	156	0	0
Operating expenses	415	447	410	434	396	408	406	428	422	436	298	439	436
Provision for insurance losses	-43	-930	-578	-317	-426	-6,787	-1,663	-204	348	-4,588	-539	-33	-499
All other income, net of expenses	5	12	2	3	6	-43	6	6	9	9	46	51	55
Unrealized gain/(loss) on available-for-sale securities	412	-298	64	-34	231	24	-91	73	25	-277	71	-96	30
Total fund balance change	2,520	2,485	2,526	2,293	2,516	8,460	3,261	2,166	1,702	6,433	2,887	2,129	2,784
Ending Fund Balance	75,120	72,600	70,115	67,589	65,296	62,780	54,320	51,059	48,893	47,191	40,758	37,871	35,742
Percent change from four quarters earlier	15.05	15.64	29.08	32.37	33.55	33.03	33.27	34.82	36.79	43.19	61.58	66.88	133.73
Reserve Ratio (%)	1.13	1.11	1.09	1.06	1.03	1.01	0.88	0.84	0.80	0.79	0.68	0.64	0.60
Estimated Insured Deposits	6,669,378	6,541,665	6,423,858	6,350,106	6,352,414	6,211,197	6,141,732	6,109,668	6,120,755	6,010,810	5,967,515	5,950,765	5,999,235
Percent change from four quarters earlier	4.99	5.32	4.59	3.94	3.78	3.33	2.92	2.67	2.03	-18.83	-17.68	-15.96	-14.68
Domestic Deposits	11,154,728	10,950,088	10,695,508	10,629,336	10,616,459	10,408,189	10,213,201	10,099,416	9,962,545	9,825,480	9,631,665	9,424,637	9,454,796
Percent change from four quarters earlier	5.07	5.21	4.72	5.25	6.56	5.93	6.04	7.16	5.37	3.70	6.02	5.45	6.85
Assessment Base**	14,025,685	13,859,593	13,687,867	13,620,468	13,545,766	13,360,103	13,127,457	12,921,318	12,809,815	12,757,552	12,538,835	12,502,839	12,440,201
Percent change from four quarters earlier	3.54	3.74	4.27	5.41	5.75	4.72	4.69	3.35	2.97	2.59	2.14	2.82	1.34
Number of Institutions Reporting	6,131	6,191	6,279	6,357	6,428	6,518	6,598	6,665	6,739	6,821	6,900	6,949	7,028

DIF Reserve Ratios

Percent of Insured Deposits



Deposit Insurance Fund Balance and Insured Deposits ($ Millions)

	DIF Balance	DIF-Insured Deposits
3/13	$35,742	$5,999,235
6/13	37,871	5,950,765
9/13	40,758	5,967,515
12/13	47,191	6,010,810
3/14	48,893	6,120,755
6/14	51,059	6,109,668
9/14	54,320	6,141,732
12/14	62,780	6,211,197
3/15	65,296	6,352,414
6/15	67,589	6,350,106
9/15	70,115	6,423,858
12/15	72,600	6,541,665
3/16	75,120	6,669,378

Table II-C. Problem Institutions and Failed Institutions

(dollar figures in millions)	2016***	2015***	2015	2014	2013	2012	2011
Problem Institutions							
Number of institutions	165	253	183	291	467	651	813
Total assets	$30,870	$60,276	$46,780	$86,712	$152,687	$232,701	$319,432
Failed Institutions							
Number of institutions	1	4	8	18	24	51	92
Total assets****	$67	$6,299	$6,706	$2,914	$6,044	$11,617	$34,923

* Quarterly financial statement results are unaudited.
** Average consolidated total assets minus tangible equity, with adjustments for banker's banks and custodial banks.
*** Through March 31.
**** Total assets are based on final Call Reports submitted by failed institutions.

Table III-C. Estimated FDIC-Insured Deposits by Type of Institution

(dollar figures in millions) March 31, 2016	Number of Institutions	Total Assets	Domestic Deposits*	Est. Insured Deposits
Commercial Banks and Savings Institutions				
FDIC-Insured Commercial Banks	5,289	$15,202,849	$10,245,808	$5,938,941
FDIC-Supervised	3,510	2,338,073	1,854,156	1,318,810
OCC-Supervised	980	10,417,123	6,739,830	3,732,712
Federal Reserve-Supervised	799	2,447,653	1,651,822	887,419
FDIC-Insured Savings Institutions	833	1,090,594	860,631	701,662
OCC-Supervised Savings Institutions	395	696,112	562,604	464,096
FDIC-Supervised Savings Institutions	401	370,165	278,969	222,124
Federal Reserve-Supervised	37	24,317	19,058	15,441
Total Commercial Banks and Savings Institutions	6,122	16,293,443	11,106,439	6,640,603
Other FDIC-Insured Institutions				
U.S. Branches of Foreign Banks	9	95,647	48,289	28,776
Total FDIC-Insured Institutions	6,131	16,389,090	11,154,728	6,669,378

* Excludes $1.3 trillion in foreign office deposits, which are not FDIC insured.

Table IV-C. Distribution of Institutions and Assessment Base by Assessment Rate Range

Quarter Ending December 31, 2015 *(dollar figures in billions)*

Annual Rate in Basis Points	Number of Institutions	Percent of Total Institutions	Amount of Assessment Base*	Percent of Total Assessment Base
2.50-5.00	1,640	26.49	$1,785.9	12.89
5.01-7.50	3,074	49.65	10,331.0	74.54
7.51-10.00	920	14.86	1,249.2	9.01
10.01-15.00	362	5.85	342.4	2.47
15.01-20.00	16	0.26	58.7	0.42
20.01-25.00	143	2.31	85.6	0.62
25.01-30.00	0	0.00	0.0	0.00
30.01-35.00	35	0.57	6.6	0.05
greater than 35.00	1	0.02	0.0	0.00

* Beginning in the second quarter of 2011, the assessment base was changed to average consolidated total assets minus tangible equity, as required by the Dodd-Frank Act.

Notes to Users

This publication contains financial data and other information for depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). These notes are an integral part of this publication and provide information regarding the comparability of source data and reporting differences over time.

Tables I-A through VIII-A.

The information presented in Tables I-A through V-A of the *FDIC Quarterly Banking Profile* is aggregated for all FDIC-insured institutions, both commercial banks and savings institutions. Tables VI-A (Derivatives) and VII-A (Servicing, Securitization, and Asset Sales Activities) aggregate information only for insured commercial banks and state-chartered savings banks that file quarterly *Call Reports.* Table VIII-A (Trust Services) aggregates Trust asset and income information collected annually from all FDIC-insured institutions. Some tables are arrayed by groups of FDIC-insured institutions based on predominant types of asset concentration, while other tables aggregate institutions by asset size and geographic region. Quarterly and full-year data are provided for selected indicators, including aggregate condition and income data, performance ratios, condition ratios, and structural changes, as well as past due, noncurrent, and charge-off information for loans outstanding and other assets.

Tables I-B through VI-B.

The information presented in Tables I-B through VI-B is aggregated for all FDIC-insured commercial banks and savings institutions meeting the criteria for community banks that were developed for the FDIC's *Community Banking Study,* published in December, 2012: http://fdic.gov/regulations/resources/cbi/report/cbi-full.pdf.

The determination of which insured institutions are considered community banks is based on five steps.

The first step in defining a community bank is to aggregate all charter-level data reported under each holding company into a single banking organization. This aggregation applies both to balance-sheet measures and the number and location of banking offices. Under the FDIC definition, if the banking organization is designated as a community bank, every charter reporting under that organization is also considered a community bank when working with data at the charter level.

The second step is to exclude any banking organization where more than 50 percent of total assets are held in certain specialty banking charters, including: *credit card specialists, consumer nonbank banks, industrial loan companies, trust companies, bankers' banks,* and banks holding 10 percent or more of total assets in foreign offices.

Once the specialty organizations are removed, the third step involves including organizations that engage in basic banking activities as measured by the total loans-to-assets ratio (greater than 33 percent) and the ratio of core deposits to assets (greater than 50 percent). Core deposits are defined as non-brokered deposits in domestic offices. Analysis of the underlying data shows that these thresholds establish meaningful levels of basic lending and deposit gathering and still allow for a degree of diversity in how individual banks construct their balance sheets.

The fourth step includes organizations that operate within a limited geographic scope. This limitation of scope is used as a proxy measure for a bank's relationship approach to banking. Banks that operate within a limited market area have more ease in managing relationships at a personal level. Under this step, four criteria are applied to each banking organization. They include both a minimum and maximum number of total banking offices, a maximum level of deposits for any one office, and location-based criteria. The limits on the number of and deposits per office are gradually adjusted upward over time. For banking offices, banks must have more than one office, and the maximum number of offices starts at 40 in 1985 and reaches 75 in 2010. The maximum level of deposits for any one office is $1.25 billion in deposits in 1985 and $5 billion in deposits in 2010. The remaining geographic limitations are also based on maximums for the number of states (fixed at 3) and large metropolitan areas (fixed at 2) in which the organization maintains offices. Branch office data are based on the most recent data from the annual June 30 *Summary of Deposits Survey* that are available at the time of publication.

Finally, the definition establishes an *asset-size limit*, also adjusted upward over time from $250 million in 1985 to $1 billion in 2010, below which the limits on banking activities and geographic scope are waived. This final step acknowledges the fact that most of those small banks that are not excluded as specialty banks meet the requirements for banking activities and geographic limits in any event.

Summary of FDIC Research Definition of Community Banking Organizations

Community banks are designated at the level of the banking organization.

(All charters under designated holding companies are considered community banking charters.)

Exclude: Any organization with:

— No loans or no core deposits

— Foreign Assets ≥ 10% of total assets

— More than 50% of assets in certain specialty banks, including:

- credit card specialists
- consumer nonbank banks[1]
- industrial loan companies
- trust companies
- bankers' banks

Include: All remaining banking organizations with:

— Total assets < indexed size threshold[2]

— Total assets ≥ indexed size threshold, where:

- Loan to assets > 33%
- Core deposits to assets > 50%
- More than 1 office but no more than the indexed maximum number of offices.[3]
- Number of large MSAs with offices ≤ 2
- Number of states with offices ≤ 3
- No single office with deposits > indexed maximum branch deposit size.[4]

[1] Consumer nonbank banks are financial institutions with limited charters that can make commercial loans or take deposits, but not both.

[2] Asset size threshold indexed to equal $250 million in 1985 and $1 billion in 2010.

[3] Maximum number of offices indexed to equal 40 in 1985 and 75 in 2010.

[4] Maximum branch deposit size indexed to equal $1.25 billion in 1985 and $5 billion in 2010.

Tables I-C through IV-C.

A separate set of tables (Tables I-C through IV-C) provides comparative quarterly data related to the Deposit Insurance Fund (DIF), problem institutions, failed/assisted institutions, estimated FDIC-insured deposits, as well as assessment rate information. Depository institutions that are not insured by the FDIC through the DIF are not included in the *FDIC Quarterly Banking Profile.* U.S. branches of institutions headquartered in foreign countries and non-deposit trust companies are not included unless otherwise indicated. Efforts are made to obtain financial reports for all active institutions. However, in some cases, final financial reports are not available for institutions that have closed or converted their charters.

DATA SOURCES

The financial information appearing in this publication is obtained primarily from the Federal Financial Institutions Examination Council (FFIEC) *Consolidated Reports of Condition and Income (Call Reports)* and the OTS *Thrift Financial Reports* submitted by all FDIC-insured depository institutions. (TFR filers began filing Call Reports effective with the quarter ending March 31, 2012.) This information is stored on and retrieved from the FDIC's Research Information System (RIS) database.

COMPUTATION METHODOLOGY

Parent institutions are required to file consolidated reports, while their subsidiary financial institutions are still required to file separate reports. Data from subsidiary institution reports are included in the *Quarterly Banking Profile* tables, which can lead to double-counting. No adjustments are made for any double-counting of subsidiary data. Additionally, certain adjustments are made to the OTS *Thrift Financial Reports* to provide closer conformance with the reporting and accounting requirements of the FFIEC *Call Reports.* (TFR filers began filing Call Reports effective with the quarter ending March 31, 2012.)

All condition and performance ratios represent weighted averages, i.e., the sum of the individual numerator values divided by the sum of individual denominator values. All asset and liability figures used in calculating performance ratios represent average amounts for the period (beginning-of-period amount plus end-of-period amount plus any interim periods, divided by the total number of periods). For "pooling-of-interest" mergers, the assets of the acquired institution(s) are included in average assets since the year-to-date income includes the results of all merged institutions. No adjustments are made for "purchase accounting" mergers. Growth rates represent the percentage change over a 12-month period in totals for institutions in the base period to totals for institutions in the current period. For the community bank subgroup, growth rates will reflect changes over time in the number and identities of institutions designated as community banks, as well as changes in the assets and liabilities, and income and expenses of group members. Unless indicated otherwise, growth rates are not adjusted for mergers or other changes in the composition of the community bank subgroup.

All data are collected and presented based on the location of each reporting institution's main office. Reported data may include assets and liabilities located outside of the reporting institution's home state. In addition, institutions may relocate across state lines or change their charters, resulting in an inter-regional or inter-industry migration, e.g., institutions can move their home offices between regions, and savings institutions can convert to commercial banks or commercial banks may convert to savings institutions.

ACCOUNTING CHANGES

Accounting for Measurement-Period Adjustments Related to a Business Combination

In September 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-16, "Simplifying the Accounting for Measurement-Period Adjustments." Under Accounting Standards Codification Topic 805, Business Combinations (formerly FASB Statement No. 141(R), "Business Combinations"), if the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer reports provisional amounts in its financial statements for the items for which the accounting is incomplete. During the measurement period, the acquirer is required to adjust the provisional amounts recognized at the acquisition date, with a corresponding adjustment to goodwill, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date. At present under Topic 805, an acquirer is required to retrospectively adjust the provisional amounts recognized at the acquisition date to reflect the new information. To simplify the accounting for the adjustments made to provisional amounts, ASU 2015-16 eliminates the requirement to retrospectively account for the adjustments. Accordingly, the ASU amends Topic 805 to require an acquirer to recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which adjustment amounts are determined. Under the ASU, the acquirer also must recognize in the financial statements for the same reporting period the effect on earnings, if any, resulting from the adjustments to the provisional amounts as if the accounting for the business combination had been completed as of the acquisition date.

In general, the measurement period in a business combination is the period after the acquisition date during which the acquirer may adjust provisional amounts reported for identifiable assets acquired, liabilities assumed, and consideration transferred for the acquiree for which the initial accounting for the business combination is incomplete at the end of the reporting period in which the combination occurs. Topic 805 provides additional guidance on the measurement period, which shall not exceed one year from the acquisition date, and adjustments to provisional amounts during this period.

For institutions that are public business entities, as defined under U.S. GAAP, ASU 2015-16 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. For institutions that are not public business entities (i.e., that are private companies), the ASU is effective for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. The ASU's amendments to Topic 805 should be applied prospectively to adjustments to provisional amounts that occur after the effective date of the ASU. Thus, institutions with a calendar year fiscal year that are public business entities must apply the ASU to any adjustments to provisional amounts that occur after January 1, 2016, beginning with their Call Reports for March 31, 2016. Institutions with a calendar year fiscal year that are private companies must apply the ASU to any adjustments to provisional amounts that occur after January 1, 2017, beginning with their Call Reports for December 31, 2017. Early application of ASU 2015-16 is permitted in Call Reports that have not been submitted.

For additional information, institutions should refer to ASU 2015-16, which is available at http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498.

Debt Issuance Costs

In April 2015, the FASB issued ASU No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs." This ASU requires debt issuance costs associated with a recognized debt liability to be presented as a direct deduction from the face amount of the related debt liability, similar to debt discounts. The ASU is limited to the presentation of debt issuance costs; therefore, the recognition and measurement guidance for such costs is unaffected. At present, Accounting Standards Codification (ASC) Subtopic 835-30, Interest—Imputation of Interest, requires debt issuance costs to be reported on the balance sheet as an asset (i.e., a deferred charge). For Call Report purposes, the costs of issuing debt currently are reported, net of accumulated amortization, in "Other assets."

For institutions that are public business entities, as defined under U.S. GAAP, ASU 2015-03 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. For example, institutions with a calendar year fiscal year that are public business entities must apply the ASU in their Call Reports beginning March 31, 2016. For institutions that are not public business entities (i.e., that are private companies), the ASU is effective for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. Thus, institutions with a calendar year fiscal year that are private companies must apply the ASU in their December 31, 2016, and subsequent quarterly Call Reports. Early adoption of the guidance in ASU 2015-03 is permitted.

Extraordinary Items

In January 2015, the FASB issued ASU No. 2015-01, "Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items." This ASU eliminates from U.S. GAAP the concept of extraordinary items. At present, ASC Subtopic 225-20, Income Statement—Extraordinary and Unusual Items (formerly Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations"), requires an entity to separately classify, present, and disclose extraordinary events and transactions. An event or transaction is presumed to be an ordinary and usual activity of the reporting entity unless evidence clearly supports its classification as an extraordinary item. If an event or transaction currently meets the criteria for extraordinary classification, an institution must segregate the extraordinary item from the results of its ordinary operations and report the extraordinary item in its income statement as "Extraordinary items and other adjustments, net of income taxes."

ASU 2015-01 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Thus, for example, institutions with a calendar year fiscal year must begin to apply the ASU in their Call Reports for March 31, 2016. Early adoption of ASU 2015-01 is permitted provided that the guidance is applied from the beginning of the fiscal year of adoption. For Call Report purposes, an institution with a calendar year fiscal year must apply the ASU prospectively, that is, in general, to events or transactions occurring after the date of adoption. However, an institution with a fiscal year other than a calendar year may elect to apply ASU 2015-01 prospectively or, alternatively, it may elect to apply the ASU retrospectively to all prior calendar quarters included in the institution's year-to-date Call Report income statement that includes the beginning of the fiscal year of adoption.

After an institution adopts ASU 2015-01, any event or transaction that would have met the criteria for extraordinary classification before the adoption of the ASU should be reported in "Other noninterest income," or "Other noninterest expense," as appropriate, unless the event or transaction would otherwise be reportable in the income statement. In addition, consistent with ASU 2015-01, the agencies plan to remove reference to the term "extraordinary items" from the Call Report income statement.

For additional information, institutions should refer to ASU 2015-01, which is available at http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498.

Accounting by Private Companies for Identifiable Intangible Assets in a Business Combination

In December 2014, the FASB issued ASU No. 2014-18, "Accounting for Identifiable Intangible Assets in a Business Combination," which is a consensus of the Private Company Council (PCC). This ASU provides an accounting alternative that permits a private company, as defined in U.S. GAAP (and discussed in a later section of these Supplemental Instructions), to simplify the accounting for certain intangible assets. The accounting alternative applies when a private company is required to recognize or otherwise consider the fair value of intangible assets as a result of certain transactions, including when applying the acquisition method to a business combination under ASC Topic 805, Business Combinations (formerly FASB Statement No. 141 (revised 2007), "Business Combinations").

Under ASU 2014-18, a private company that elects the accounting alternative should no longer recognize separately from goodwill:

- Customer-related intangible assets unless they are capable of being sold or licensed independently from the other assets of a business, and
- Noncompetition agreements.

However, because mortgage servicing rights and core deposit intangibles are regarded as capable of being sold or licensed independently, a private company that elects this accounting alternative must recognize these intangible assets separately from goodwill, initially measure them at fair value, and subsequently measure them in accordance with ASC Topic 350, Intangibles–Goodwill and Other (formerly FASB Statement No. 142, "Goodwill and Other Intangible Assets").

A private company that elects the accounting alternative in ASU 2014-18 also must adopt the private company goodwill accounting alternative described in ASU 2014-02, "Accounting for Goodwill." However, a private company that elects the goodwill accounting alternative in ASU 2014-02 is not required to adopt the accounting alternative for identifiable intangible assets in ASU 2014-18.

A private company's decision to adopt ASU 2014-18 must be made upon the occurrence of the first business combination (or other transaction within the scope of the ASU) in fiscal years beginning after December 15, 2015. The effective date of the private company's decision to adopt the accounting alternative for identifiable intangible assets depends on the timing of that first transaction.

If the first transaction occurs in the private company's first fiscal year beginning after December 15, 2015, the adoption will be effective for that fiscal year's annual financial reporting period and all interim and annual periods thereafter. If the first transaction occurs in a fiscal year beginning after December 15, 2016, the adoption will be effective in the interim period that includes the date of the transaction and subsequent interim and annual periods thereafter.

Early application of the intangibles accounting alternative is permitted for any annual or interim period for which a private company's financial statements have not yet been made available for issuance. Customer-related intangible assets and noncompetition agreements that exist as of the beginning of the period of adoption should continue to be accounted for separately from goodwill, i.e., such existing intangible assets should not be combined with goodwill.

A bank or savings association that meets the private company definition in U.S. GAAP is permitted, but not required, to adopt ASU 2014-18 for Call Report purposes and may choose to early adopt the ASU, provided it also adopts the private company goodwill accounting alternative. If a private institution issues U.S. GAAP financial statements and adopts ASU 2014-18, it should apply the ASU's intangible asset accounting alternative in its Call Report in a manner consistent with its reporting of intangible assets in its financial statements.

For additional information on the private company accounting alternative for identifiable intangible assets, institutions should refer to ASU 2014-18, which is available at http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498.

Private Company Accounting Alternatives

In May 2012, the Financial Accounting Foundation, the independent private sector organization responsible for the oversight of the FASB, approved the establishment of the PCC to improve the process of setting accounting standards for private companies. The PCC is charged with working jointly with the FASB to determine whether and in what circumstances to provide alternative recognition, measurement, disclosure, display, effective date, and transition guidance for private companies reporting under U.S. GAAP. Alternative guidance for private companies may include modifications or exceptions to otherwise applicable existing U.S. GAAP standards.

The banking agencies have concluded that a bank or savings association that is a private company, as defined in U.S. GAAP (as discussed in a later section of these Supplemental Instructions), is permitted to use private company accounting alternatives issued by the FASB when preparing its Call Reports, except as provided in 12 U.S.C. 1831n(a) as described in the following sentence. If the agencies determine that a particular accounting principle within U.S. GAAP, including a private company accounting alternative, is inconsistent with the statutorily specified supervisory objectives, the agencies may prescribe an accounting principle for regulatory reporting purposes that is no less stringent than U.S. GAAP. In such a situation, an institution would not be permitted to use that particular private company accounting alternative or other accounting principle within U.S. GAAP for Call Report purposes. The agencies would provide appropriate notice if they were to disallow any accounting alternative under the statutory process.

Accounting by Private Companies for Goodwill

On January 16, 2014, the FASB issued ASU No. 2014-02, "Accounting for Goodwill," which is a consensus of the PCC. This ASU generally permits a private company to elect to amortize goodwill on a straight-line basis over a period of ten years (or less than ten years if more appropriate) and apply a simplified impairment model to goodwill. In addition, if a private company chooses to adopt the ASU's goodwill accounting alternative, the ASU requires the private company to make an accounting policy election to test goodwill for impairment at either the entity level or the reporting unit level. Goodwill must be tested for impairment when a triggering event occurs that indicates that the fair value of an entity (or a reporting unit) may be below its carrying amount. In contrast, U.S. GAAP does not otherwise permit goodwill to be amortized, instead requiring goodwill to be tested for impairment at the reporting unit level annually and between annual tests in certain circumstances. The ASU's goodwill accounting alternative, if elected by a private company, is effective prospectively for new goodwill recognized in annual periods beginning after December 15, 2014, and in interim periods within annual periods beginning after December 15, 2015. Goodwill existing as of the beginning of the period of adoption is to be amortized prospectively over ten years (or less than ten years if more appropriate). The ASU states that early application of the goodwill accounting alternative is permitted for any annual or interim period for which a private company's financial statements have not yet been made available for issuance.

A bank or savings association that meets the private company definition in ASU 2014-02, as discussed in the following section of these Supplemental Instructions (i.e., a private institution), is permitted, but not required, to adopt this ASU for Call Report purposes and may choose to early adopt the ASU. If a private institution issues U.S. GAAP financial statements and adopts the ASU, it should apply the ASU's goodwill accounting alternative in its Call Report in a manner consistent with its reporting of goodwill in its financial statements. Thus, for example, a private institution with a calendar year fiscal year that chooses to adopt ASU 2014-02 must apply the ASU's provisions in its December 31, 2015, and subsequent quarterly Call Reports unless early application of the ASU was elected. This would require the private institution to report in its December 31, 2015, Call Report one year's amortization of goodwill existing as of January 1, 2015, and the amortization of any new goodwill recognized in 2015.

For additional information on the private company accounting alternative for goodwill, institutions should refer to ASU 2014-02, which is available at http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498.

Definitions of Private Company and Public Business Entity

According to ASU No. 2014-02, "Accounting for Goodwill," a private company is a business entity that is not a public business entity. ASU No. 2013-12, "Definition of a Public Business Entity," which was issued in December 2013, added this term to the Master Glossary in the Accounting Standards Codification. This ASU states that a business entity, such as a bank or savings association, that meets any one of five criteria set forth in the ASU is a public business entity for reporting purposes under U.S. GAAP, including for Call Report purposes. An institution that is a public business entity is not permitted to apply the private company goodwill accounting alternative discussed in the preceding section when preparing its Call Report.

For additional information on the definition of a public business entity, institutions should refer to ASU 2013-12, which is available at http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498.

Reporting Certain Government-Guaranteed Mortgage Loans Upon Foreclosure

In August 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-14, "Classification of Certain Government-Guaranteed Mortgage Loans Upon Foreclosure," to address diversity in practice for how government-guaranteed mortgage loans are recorded upon foreclosure. The ASU updates guidance contained in ASC Subtopic 310-40, Receivables—Troubled Debt Restructurings by Creditors (formerly FASB Statement No. 15, "Accounting by Debtors and Creditors for Troubled Debt Restructurings," as amended), because U.S. GAAP previously did not provide specific guidance on how to categorize or measure foreclosed mortgage loans that are government guaranteed. The ASU clarifies the conditions under which a creditor must derecognize a government-guaranteed mortgage loan and recognize a separate "other receivable" upon foreclosure (that is, when a creditor receives physical possession of real estate property collateralizing a mortgage loan in accordance with the guidance in ASC Subtopic 310-40).

Under the ASU, institutions should derecognize a mortgage loan and record a separate other receivable upon foreclosure of the real estate collateral if the following conditions are met:

- The loan has a government guarantee that is not separable from the loan before foreclosure.
- At the time of foreclosure, the institution has the intent to convey the property to the guarantor and make a claim on the guarantee and it has the ability to recover under that claim.
- At the time of foreclosure, any amount of the claim that is determined on the basis of the fair value of the real estate is fixed (that is, the real estate property has been appraised for purposes of the claim and thus the institution is not exposed to changes in the fair value of the property).

This guidance is applicable to fully and partially government-guaranteed mortgage loans provided the three conditions identified above have been met. In such situations, upon foreclosure, the separate other receivable should be measured based on the amount of the loan balance (principal and interest) expected to be recovered from the guarantor.

For institutions that are public business entities, as defined under U.S. GAAP (as discussed in an earlier section of these Supplemental Instructions), ASU 2014-14 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2014. For example, institutions with a calendar year fiscal year that are public business entities must apply the ASU in their Call Reports beginning March 31, 2015. However, institutions that are not public business entities (i.e., that are private companies) are not required to apply the guidance in ASU 2014-14 until annual periods ending after December 15, 2015, and interim periods beginning after December 15, 2015. Thus, institutions with a calendar year fiscal year that are private companies must apply the ASU in their December 31, 2015, and subsequent quarterly Call Reports. Earlier adoption of the guidance in ASU 2014-14 is permitted if the institution has already adopted the amendments in ASU No. 2014-04, "Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure."

For additional information, institutions should refer to ASU 2014-14, which is available at http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498.

Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans Upon Foreclosure

In January 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-04, "Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure," to address diversity in practice for when certain loan receivables should be derecognized and the real estate collateral recognized. The ASU updated guidance contained in Accounting Standards Codification Subtopic 310-40, Receivables–Troubled Debt Restructurings by Creditors (formerly FASB Statement No.15, "Accounting by Debtors and Creditors for Troubled Debt Restructurings," as amended).

Under prior accounting guidance, all loan receivables were reclassified to other real estate owned (OREO) when the institution, as creditor, obtained physical possession of the property, regardless of whether formal foreclosure proceedings had taken place. The new ASU clarifies when a creditor is considered to have received physical possession (resulting from an in-substance repossession or foreclosure) of residential real estate collateralizing a consumer mortgage loan. Under the new guidance, physical possession for these residential real estate properties is considered to have occurred and a loan receivable would be reclassified to OREO only upon:

- The institution obtaining legal title upon completion of a foreclosure even if the borrower has redemption rights that provide the borrower with a legal right for a period of time after foreclosure to reclaim the property by paying certain amounts specified by law, or
- The completion of a deed in lieu of foreclosure or similar legal agreement under which the borrower conveys all interest in the residential real estate property to the institution to satisfy the loan.

Loans secured by real estate other than consumer mortgage loans collateralized by residential real estate should continue to be reclassified to OREO when the institution has received physical possession of a borrower's real estate, regardless of whether formal foreclosure proceedings take place.

For institutions that are public business entities, as defined under U.S. generally accepted accounting principles, ASU 2014-04 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2014. For example, institutions with a calendar year fiscal year that are public business entities must apply the ASU in their Call Reports beginning March 31, 2015. However, institutions that are not public business entities are not required to apply the guidance in ASU 2014-04 until annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Thus, institutions with a calendar year fiscal year that are not public business entities must apply the ASU in their December 31, 2015, and subsequent quarterly Call Reports. Earlier adoption of the guidance in ASU 2014-04 is permitted. Entities can elect to apply the ASU on either a modified retrospective transition basis or a prospective transition basis. Applying the ASU on a prospective transition basis should be less complex for institutions than applying the ASU on a modified retrospective transition basis. Under the prospective transition method, an institution should apply the new guidance to all instances where it receives physical possession of residential real estate property collateralizing consumer mortgage loans that occur after the date of adoption of the ASU. Under the modified retrospective transition method, an institution should apply a cumulative-effect adjustment to residential consumer mortgage loans and OREO existing as of the beginning of the annual period for which the ASU is effective. As a result of adopting the ASU on a modified retrospective basis, assets reclassified from OREO to loans should be measured at the carrying value of the real estate at the date of adoption while assets reclassified from loans to OREO should be measured at the lower of the net amount of the loan receivable or the OREO property's fair value less costs to sell at the time of adoption.

For additional information, institutions should refer to ASU 2014-04, which is available at http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498.

True-Up Liability Under an FDIC Loss-Sharing Agreement

An insured depository institution that acquires a failed insured institution may enter into a loss-sharing agreement with the FDIC under which the FDIC agrees to absorb a portion of the losses on a specified pool of the failed institution's assets during a specified time period. The acquiring institution typically records an indemnification asset representing its right to receive payments from the FDIC for losses during the specified time period on assets covered under the loss-sharing agreement.

Since 2009, most loss-sharing agreements have included a true-up provision that may require the acquiring institution to reimburse the FDIC if cumulative losses in the acquired loss-share portfolio are less than the amount of losses claimed by the institution throughout the loss-sharing period. Typically, a true-up liability may result because the recovery period on the loss-share assets (e.g., eight years) is longer than the period during which the FDIC agrees to reimburse the acquiring institution for losses on the loss-share portfolio (e.g., five years).

Consistent with U.S. GAAP and bank guidance for "Offsetting," institutions are permitted to offset assets and liabilities recognized in the Report of Condition when a "right of setoff" exists. Under ASC Subtopic 210-20, Balance Sheet—Offsetting (formerly FASB Interpretation No. 39, "Offsetting of Amounts Related to Certain Contracts"), in general, a right of setoff exists when a reporting institution and another party each owes the other determinable amounts, the reporting institution has the right to set off the amounts each party owes and also intends to set off, and the right of setoff is enforceable at law. Because the conditions for the existence of a right of offset in ASC Subtopic 210-20 normally would not be met with respect to an indemnification asset and a true-up liability under a loss-sharing agreement with the FDIC, this asset and liability should not be netted for Call Report purposes. Therefore, institutions should report the indemnification asset gross (i.e., without regard to any true-up liability) in Other Assets, and any true-up liability in Other Liabilities.

In addition, an institution should not continue to report assets covered by loss-sharing agreements after the expiration of the loss-sharing period even if the terms of the loss-sharing agreement require reimbursements from the institution to the FDIC for certain amounts during the recovery period.

Indemnification Assets and Accounting Standards Update No. 2012-06 – In October 2012, the FASB issued Accounting Standards Update (ASU) No. 2012-06, "Subsequent Accounting for an Indemnification Asset Recognized at the Acquisition Date as a Result of a Government-Assisted Acquisition of a Financial Institution," to address the subsequent measurement of an indemnification asset recognized in an acquisition of a financial institution that includes an FDIC loss-sharing agreement. This ASU amends ASC Topic 805, Business Combinations (formerly FASB Statement No. 141 (revised 2007), "Business Combinations"), which includes guidance applicable to FDIC-assisted acquisitions of failed institutions.

Under the ASU, when an institution experiences a change in the cash flows expected to be collected on an FDIC loss-sharing indemnification asset because of a change in the cash flows expected to be collected on the assets covered by the loss-sharing agreement, the institution should account for the change in the measurement of the indemnification asset on the same basis as the change in the assets subject to indemnification. Any amortization of changes in the value of the indemnification asset should be limited to the lesser of the term of the indemnification agreement and the remaining life of the indemnified assets.

The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2012. For institutions with a calendar year fiscal year, the ASU takes effect January 1, 2013. Early adoption of the ASU is permitted. The ASU's provisions should be applied prospectively to any new indemnification assets acquired after the date of adoption and to indemnification assets existing as of the date of adoption arising from an FDIC-assisted acquisition of a financial institution. Institutions with indemnification assets arising from FDIC loss-sharing agreements are expected to adopt ASU 2012-06 for Call Report purposes in accordance with the effective date of this standard. For additional information, refer to ASU 2012-06, available at http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498.

Goodwill Impairment Testing – In September 2011, the FASB issued Accounting Standards Update (ASU) No. 2011-08, "Testing Goodwill for Impairment," to address concerns about the cost and complexity of the existing goodwill impairment test in ASC Topic 350, Intangibles-Goodwill and Other (formerly FASB Statement No. 142, "Goodwill and Other Intangible Assets"). The ASU's amendments to ASC Topic 350 are effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011 (i.e., for annual or interim tests performed on or after January 1, 2012, for institutions with a calendar year fiscal year). Early adoption of the ASU was permitted. Under ASU 2011-08, an institution has the option of first assessing qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test described in ASC Topic 350. If, after considering all relevant events and circumstances, an institution determines it is unlikely (that is, a likelihood of 50 percent or less) that the fair value of a reporting unit is less than its carrying amount (including goodwill), then the institution does not need to perform the two-step goodwill impairment test. If the institution instead concludes that the opposite is true (that is, it is likely that the fair value of a reporting unit is less than its carrying amount), then it is required to perform the first step and, if necessary, the second step of the two-step goodwill impairment test. Under ASU 2011-08, an institution may choose to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing the first step of the two-step goodwill impairment test.

Accounting for Loan Participations – Amended ASC Topic 860 (formerly FAS 166) modified the criteria that must be met in order for a transfer of a portion of a financial asset, such as a loan participation, to qualify for sale accounting—refer to previously published *Quarterly Banking Profile* notes: http://www5.fdic.gov/qbp/2011mar/qbpnot.html.

Other-Than-Temporary Impairment – When the fair value of an investment in an individual available-for-sale or held-to-maturity security is less than its cost basis, the impairment is either temporary or other-than-temporary. The amount of the total other-than-temporary impairment related to credit loss must be recognized in earnings, but the amount of total impairment related to other factors must be recognized in other comprehensive income, net of applicable taxes. To determine whether the impairment is other-than-temporary, an institution must apply the applicable accounting guidance—refer to previously published *Quarterly Banking Profile* notes: http://www5.fdic.gov/qbp/2011mar/qbpnot.html.

Accounting Standards Codification – refer to previously published Quarterly Banking Profile notes: http://www5.fdic.gov/qbp/2011sep/qbpnot.html.

DEFINITIONS (in alphabetical order)

All other assets – total cash, balances due from depository institutions, premises, fixed assets, direct investments in real estate, investment in unconsolidated subsidiaries, customers' liability on acceptances outstanding, assets held in trading accounts, federal funds sold, securities purchased with agreements to resell, fair market value of derivatives, prepaid deposit insurance assessments, and other assets.

All other liabilities – bank's liability on acceptances, limited-life preferred stock, allowance for estimated off-balance-sheet credit losses, fair market value of derivatives, and other liabilities.

Assessment base – effective April 1, 2011, the deposit insurance assessment base has changed to "average consolidated total assets minus average tangible equity" with an additional adjustment to the assessment base for banker's banks and custodial banks, as permitted under Dodd-Frank. Previously the assessment base was "assessable deposits" and consisted of DIF deposits (deposits insured by the FDIC Deposit Insurance Fund) in banks' domestic offices with certain adjustments.

Assets securitized and sold – total outstanding principal balance of assets securitized and sold with servicing retained or other seller-provided credit enhancements.

Capital Purchase Program (CPP) – as announced in October 2008 under the TARP, the Treasury Department purchase of noncumulative perpetual preferred stock and related warrants that is treated as Tier 1 capital for regulatory capital purposes is included in "Total equity capital." Such warrants to purchase common stock or noncumulative preferred stock issued by publicly-traded banks are reflected as well in "Surplus." Warrants to purchase common stock or noncumulative preferred stock of not-publicly-traded bank stock are classified in a bank's balance sheet as "Other liabilities."

Common equity tier 1 capital ratio – ratio of common equity tier 1 capital to risk-weighted assets. Common equity tier 1 capital includes common stock instruments and related surplus, retained earnings, accumulated other comprehensive income (AOCI), and limited amounts of common equity tier 1 minority interest, minus applicable regulatory adjustments and deductions. Items that are fully deducted from common equity tier 1 capital include goodwill, other intangible assets (excluding mortgage servicing assets) and certain deferred tax assets; items that are subject to limits in common equity tier 1 capital include mortgage servicing assets, eligible deferred tax assets, and certain significant investments.

Construction and development loans – includes loans for all property types under construction, as well as loans for land acquisition and development.

Core capital – common equity capital plus noncumulative perpetual preferred stock plus minority interest in consolidated subsidiaries, less goodwill and other ineligible intangible assets. The amount of eligible intangibles (including servicing rights) included in core capital is limited in accordance with supervisory capital regulations.

Cost of funding earning assets – total interest expense paid on deposits and other borrowed money as a percentage of average earning assets.

Credit enhancements – techniques whereby a company attempts to reduce the credit risk of its obligations. Credit enhancement may be provided by a third party (external credit enhancement) or by the originator (internal credit enhancement), and more than one type of enhancement may be associated with a given issuance.

Deposit Insurance Fund (DIF) – the Bank (BIF) and Savings Association (SAIF) Insurance Funds were merged in 2006 by the Federal Deposit Insurance Reform Act to form the DIF.

Derivatives notional amount – the notional, or contractual, amounts of derivatives represent the level of involvement in the types of derivatives transactions and are not a quantification of market risk or credit risk. Notional amounts represent the amounts used to calculate contractual cash flows to be exchanged.

Derivatives credit equivalent amount – the fair value of the derivative plus an additional amount for potential future credit exposure based on the notional amount, the remaining maturity and type of the contract.

Derivatives transaction types:

Futures and forward contracts – contracts in which the buyer agrees to purchase and the seller agrees to sell, at a specified future date, a specific quantity of an underlying variable or index at a specified price or yield. These contracts exist for a variety of variables or indices, (traditional agricultural or physical commodities, as well as currencies and interest rates). Futures contracts are standardized and are traded on organized exchanges which set limits on counterparty credit exposure. Forward contracts do not have standardized terms and are traded over the counter.

Option contracts – contracts in which the buyer acquires the right to buy from or sell to another party some specified amount of an underlying variable or index at a stated price (strike price) during a period or on a specified future date, in return for compensation (such as a fee or premium). The seller is obligated to purchase or sell the variable or index at the discretion of the buyer of the contract.

Swaps – obligations between two parties to exchange a series of cash flows at periodic intervals (settlement dates), for a specified period. The cash flows of a swap are either fixed, or determined for each settlement date by multiplying the quantity (notional principal) of the underlying variable or index by specified reference rates or prices. Except for currency swaps, the notional principal is used to calculate each payment but is not exchanged.

Derivatives underlying risk exposure – the potential exposure characterized by the level of banks' concentration in particular underlying instruments, in general. Exposure can result from market risk, credit risk, and operational risk, as well as, interest rate risk.

Domestic deposits to total assets – total domestic office deposits as a percent of total assets on a consolidated basis.

Earning assets – all loans and other investments that earn interest or dividend income.

Efficiency ratio – Noninterest expense less amortization of intangible assets as a percent of net interest income plus noninterest income. This ratio measures the proportion of net operating revenues that are absorbed by overhead expenses, so that a lower value indicates greater efficiency.

Estimated insured deposits – in general, insured deposits are total domestic deposits minus estimated uninsured deposits. Beginning March 31, 2008, for institutions that file Call Reports, insured deposits are total assessable deposits minus estimated uninsured deposits. Beginning September 30, 2009, insured deposits include deposits in accounts of $100,000 to $250,000 that are covered by a temporary increase in the FDIC's standard maximum deposit insurance amount (SMDIA). The Dodd-Frank Wall Street Reform and Consumer Protection Act enacted on July 21, 2010, made permanent the standard maximum deposit insurance amount (SMDIA) of $250,000. Also, the Dodd-Frank Act amended the Federal Deposit Insurance Act to include noninterest-bearing transaction accounts as a new temporary deposit insurance account category. All funds held in noninterest-bearing transaction accounts were fully insured, without limit, from December 31, 2010, through December 31, 2012.

Failed/assisted institutions – an institution fails when regulators take control of the institution, placing the assets and liabilities into a bridge bank, conservatorship, receivership, or another healthy institution. This action may require the FDIC to provide funds to cover losses. An institution is defined as "assisted" when the institution remains open and receives assistance in order to continue operating.

Fair Value – the valuation of various assets and liabilities on the balance sheet—including trading assets and liabilities, available-for-sale securities, loans held for sale, assets and liabilities accounted for under the fair value option, and foreclosed assets—involves the use of fair values. During periods of market stress, the fair values of some financial instruments and nonfinancial assets may decline.

FHLB advances – all borrowings by FDIC insured institutions from the Federal Home Loan Bank System (FHLB), as reported by Call Report filers, and by TFR filers prior to March 31, 2012.

Goodwill and other intangibles – intangible assets include servicing rights, purchased credit card relationships, and other identifiable intangible assets. Goodwill is the excess of the purchase price over the fair market value of the net assets acquired, less subsequent impairment adjustments. Other intangible assets are recorded at fair value, less subsequent quarterly amortization and impairment adjustments.

Loans secured by real estate – includes home equity loans, junior liens secured by 1-4 family residential properties, and all other loans secured by real estate.

Loans to individuals – includes outstanding credit card balances and other secured and unsecured consumer loans.

Long-term assets (5+ years) – loans and debt securities with remaining maturities or repricing intervals of over five years.

Maximum credit exposure – the maximum contractual credit exposure remaining under recourse arrangements and other seller-provided credit enhancements provided by the reporting bank to securitizations.

Mortgage-backed securities – certificates of participation in pools of residential mortgages and collateralized mortgage obligations issued or guaranteed by government-sponsored or private enterprises. Also, see "Securities," below.

Net charge-offs – total loans and leases charged off (removed from balance sheet because of uncollectability), less amounts recovered on loans and leases previously charged off.

Net interest margin – the difference between interest and dividends earned on interest-bearing assets and interest paid to depositors and other creditors, expressed as a percentage of average earning assets. No adjustments are made for interest income that is tax exempt.

Net loans to total assets – loans and lease financing receivables, net of unearned income, allowance and reserves, as a percent of total assets on a consolidated basis.

Net operating income – income excluding discretionary transactions such as gains (or losses) on the sale of investment securities and extraordinary items. Income taxes subtracted from operating income have been adjusted to exclude the portion applicable to securities gains (or losses).

Noncurrent assets – the sum of loans, leases, debt securities, and other assets that are 90 days or more past due, or in nonaccrual status.

Noncurrent loans & leases – the sum of loans and leases 90 days or more past due, and loans and leases in nonaccrual status.

Number of institutions reporting – the number of institutions that actually filed a financial report.

New reporters – insured institutions filing quarterly financial reports for the first time.

Other borrowed funds – federal funds purchased, securities sold with agreements to repurchase, demand notes issued to the U.S. Treasury, FHLB advances, other borrowed money, mortgage indebtedness, obligations under capitalized leases and trading liabilities, less revaluation losses on assets held in trading accounts.

Other real estate owned – primarily foreclosed property. Direct and indirect investments in real estate ventures are excluded. The amount is reflected net of valuation allowances. For institutions that file a *Thrift Financial Report* (TFR), the valuation allowance subtracted also includes allowances for other repossessed assets. Also, for TFR filers the components of other real estate owned are reported gross of valuation allowances. (TFR filers began filing Call Reports effective with the quarter ending March 31, 2012.)

Percent of institutions with earnings gains – the percent of institutions that increased their net income (or decreased their losses) compared to the same period a year earlier.

"Problem" institutions – federal regulators assign a composite rating to each financial institution, based upon an evaluation of financial and operational criteria. The rating is based on a scale of 1 to 5 in ascending order of supervisory concern. "Problem" institutions are those institutions with financial, operational, or managerial weaknesses that threaten their continued financial viability. Depending upon the degree of risk and supervisory concern, they are rated either a "4" or "5." The number and assets of "problem" institutions are based on FDIC composite ratings. Prior to March 31, 2008, for institutions whose primary federal regulator was the OTS, the OTS composite rating was used.

Recourse – an arrangement in which a bank retains, in form or in substance, any credit risk directly or indirectly associated with an asset it has sold (in accordance with generally accepted accounting principles) that exceeds a pro rata share of the bank's claim on the asset. If a bank has no claim on an asset it has sold, then the retention of any credit risk is recourse.

Reserves for losses – the allowance for loan and lease losses on a consolidated basis.

Restructured loans and leases – loan and lease financing receivables with terms restructured from the original contract. Excludes restructured loans and leases that are not in compliance with the modified terms.

Retained earnings – net income less cash dividends on common and preferred stock for the reporting period.

Return on assets – bank net income (including gains or losses on securities and extraordinary items) as a percentage of average total (consolidated) assets. The basic yardstick of bank profitability.

Return on equity – bank net income (including gains or losses on securities and extraordinary items) as a percentage of average total equity capital.

Risk-based capital groups – definitions:

Capital Ratios Used to Determine Capital Evaluations for Assessment Purposes, Effective January 1, 2015*

Capital Evaluations	Total Risk-Based Capital Ratio	Tier 1 Risk-Based Capital Ratio	Common Equity Tier 1 Capital Ratio	Leverage Ratio
Well Capitalized	≥10%	≥8%	≥6.5%	≥5%
Adequately Capitalized**	≥8%	≥6%	≥4.5%	≥4%
Under-capitalized	Does not qualify as either Well Capitalized or Adequately Capitalized			

* Effective January 1, 2018, the supplemental leverage ratio will be added to capital evaluations for deposit insurance assessment purposes.

**An institution is Adequately Capitalized if it is not Well Capitalized, but satisfies each of the listed capital ratio standards for Adequately Capitalized.

Risk Categories and Assessment Rate Schedule – The current risk categories became effective January 1, 2007. Capital ratios and supervisory ratings distinguish one risk category from another. Effective April 1, 2011, risk categories for large institutions (generally those with at least $10 billion in assets) were eliminated. The following table shows the relationship of risk categories (I, II, III, IV) for small institutions to capital and supervisory groups as well as the initial base assessment rates (in basis points) for each risk category. Supervisory Group A generally includes institutions with CAMELS composite ratings of 1 or 2; Supervisory Group B generally includes institutions with a CAMELS composite rating of 3; and Supervisory Group C generally includes institutions with CAMELS composite ratings of 4 or 5. For purposes of risk-based assessment capital groups, undercapitalized includes institutions that are significantly or critically undercapitalized.

<table>
<tr><th rowspan="2">Capital Category</th><th colspan="3">Supervisory Group</th></tr>
<tr><th>A</th><th>B</th><th>C</th></tr>
<tr><td>1. Well Capitalized</td><td>I
5–9 bps</td><td rowspan="2">II
14 bps</td><td rowspan="2">III
23 bps</td></tr>
<tr><td>2. Adequately Capitalized</td><td>II
14 bps</td></tr>
<tr><td>3. Undercapitalized</td><td colspan="2">III
23 bps</td><td>IV
35 bps</td></tr>
</table>

Effective April 1, 2011, the initial base assessment rates are 5 to 35 basis points. An institution's total assessment rate may be less than or greater than its initial base assessment rate as a result of additional risk adjustments.

The base assessment rates for small institutions in Risk Category I are based on a combination of financial ratios and CAMELS component ratings (the financial ratios method).

As required by Dodd-Frank, the calculation of risk-based assessment rates for large institutions no longer relies on long-term debt issuer ratings. Rates for large institutions are based on CAMELS ratings and certain forward-looking financial measures combined into two scorecards—one for most large institutions and another for the remaining very large institutions that are structurally and operationally complex or that pose unique challenges and risks in case of failure (highly complex institutions). In general, a highly complex institution is an institution (other than a credit card bank) with more than $500 billion in total assets that is controlled by a parent or intermediate parent company with more than $500 billion in total assets or a processing bank or trust company with total fiduciary assets of $500 billion or more. The FDIC retains its ability to take additional information into account to make a limited adjustment to an institution's total score (the large bank adjustment), which will be used to determine an institution's initial base assessment rate.

Effective April 1, 2011, the three possible adjustments to an institution's initial base assessment rate are as follows: (1) Unsecured Debt Adjustment: An institution's rate may decrease by up to 5 basis points for unsecured debt. The unsecured debt adjustment cannot exceed the lesser of 5 basis points or 50 percent of an institution's initial base assessment rate (IBAR). Thus, for example, an institution with an IBAR of 5 basis points would have a maximum unsecured debt adjustment of 2.5 basis points and could not have a total base assessment rate lower than 2.5 basis points. (2) Depository Institution Debt Adjustment: For institutions that hold long-term unsecured debt issued by another insured depository institution, a 50 basis point charge is applied to the amount of such debt held in excess of 3 percent of an institution's Tier 1 capital. (3) Brokered Deposit Adjustment: Rates for small institutions that are not in Risk Category I and for large institutions that are not well capitalized or do not have a composite CAMELS rating of 1 or 2 may increase (not to exceed 10 basis points) if their brokered deposits exceed 10 percent of domestic deposits. After applying all possible adjustments (excluding the Depository Institution Debt Adjustment), minimum and maximum total base assessment rates for each risk category are as follows:

Total Base Assessment Rates*

	Risk Category I	Risk Category II	Risk Category III	Risk Category IV	Large and Highly Complex Institutions
Initial base assessment rate	5–9	14	23	35	5–35
Unsecured debt adjustment	-4.5–0	-5–0	-5–0	-5–0	-5–0
Brokered deposit adjustment	—	0–10	0–10	0–10	0–10
Total Base Assessment rate	2.5–9	9–24	18–33	30–45	2.5–45

* All amounts for all categories are in basis points annually. Total base rates that are not the minimum or maximum rate will vary between these rates. Total base assessment rates do not include the depository institution debt adjustment.

Beginning in 2007, each institution is assigned a risk-based rate for a quarterly assessment period near the end of the quarter following the assessment period. Payment is generally due on the 30th day of the last month of the quarter following the assessment period. Supervisory rating changes are effective for assessment purposes as of the examination transmittal date.

Special Assessment – On May 22, 2009, the FDIC board approved a final rule that imposed a 5 basis point special assessment as of June 30, 2009. The special assessment was levied on each insured depository institution's assets minus its Tier 1 capital as reported in its report of condition as of June 30, 2009. The special assessment was collected September 30, 2009, at the same time that the risk-based assessment for the second quarter of 2009 was collected. The special assessment for any institution was capped at 10 basis points of the institution's assessment base for the second quarter of 2009 risk-based assessment.

Prepaid Deposit Insurance Assessments – In November 2009, the FDIC Board of Directors adopted a final rule requiring insured depository institutions (except those that are exempted) to prepay their quarterly risk-based deposit insurance assessments for the fourth quarter of 2009, and for all of 2010, 2011, and 2012, on December 30, 2009. For regulatory capital purposes, an institution may assign a zero-percent risk weight to the amount of its prepaid deposit assessment asset. As required by the FDIC's regulation establishing the prepaid deposit insurance assessment program, this program ended with the final application of prepaid assessments to the quarterly deposit insurance assessments payable March 29, 2013. The FDIC issued refunds of any unused prepaid deposit insurance assessments on June 28, 2013.

Risk-weighted assets – assets adjusted for risk-based capital definitions which include on-balance-sheet as well as off-balance-sheet items multiplied by risk-weights that range from zero to 200 percent. A conversion factor is used to assign a balance sheet equivalent amount for selected off-balance-sheet accounts.

Securities – excludes securities held in trading accounts. Banks' securities portfolios consist of securities designated as "held-to-maturity," which are reported at amortized cost (book value), and securities designated as "available-for-sale," reported at fair (market) value.

Securities gains (losses) – realized gains (losses) on held-to-maturity and available-for-sale securities, before adjustments for income taxes. *Thrift Financial Report* (TFR) filers also include gains (losses) on the sales of assets held for sale. (TFR filers began filing Call Reports effective with the quarter ending March 31, 2012.)

Seller's interest in institution's own securitizations – the reporting bank's ownership interest in loans and other assets that have been securitized, except an interest that is a form of recourse or other seller-provided credit enhancement. Seller's interests differ from the securities issued to investors by the securitization structure. The principal amount of a seller's interest is generally equal to the total principal amount of the pool of assets included in the securitization structure less the principal amount of those assets attributable to investors, i.e., in the form of securities issued to investors.

Small Business Lending Fund – The Small Business Lending Fund (SBLF) was enacted into law in September 2010 as part of the Small Business Jobs Act of 2010 to encourage lending to small businesses by providing capital to qualified community institutions with assets of less than $10 billion. The SBLF Program is administered by the U.S. Treasury Department (http://www.treasury.gov/resource-center/sb-programs/Pages/Small-Business-Lending-Fund.aspx).

Under the SBLF Program, the Treasury Department purchased noncumulative perpetual preferred stock from qualifying depository institutions and holding companies (other than Subchapter S and mutual institutions). When this stock has been issued by a depository institution, it is reported as "Perpetual preferred stock and related surplus." For regulatory capital purposes, this noncumulative perpetual preferred stock qualifies as a component of Tier 1 capital. Qualifying Subchapter S corporations and mutual institutions issue unsecured subordinated debentures to the Treasury Department through the SBLF. Depository institutions that issued these debentures report them as "Subordinated notes and debentures." For regulatory capital purposes, the debentures are eligible for inclusion in an institution's Tier 2 capital in accordance with their primary federal regulator's capital standards. To participate in the SBLF Program, an institution with outstanding securities issued to the Treasury Department under the Capital Purchase Program (CPP) was required to refinance or repay in full the CPP securities at the time of the SBLF funding. Any outstanding warrants that an institution issued to the Treasury Department under the CPP remain outstanding after the refinancing of the CPP stock through the SBLF Program unless the institution chooses to repurchase them.

Subchapter S corporation – a Subchapter S corporation is treated as a pass-through entity, similar to a partnership, for federal income tax purposes. It is generally not subject to any federal income taxes at the corporate level. This can have the effect of reducing institutions' reported taxes and increasing their after-tax earnings.

Trust assets – market value, or other reasonably available value of fiduciary and related assets, to include marketable securities, and other financial and physical assets. Common physical assets held in fiduciary accounts include real estate, equipment, collectibles, and household goods. Such fiduciary assets are not included in the assets of the financial institution.

Unearned income & contra accounts – unearned income for *Call Report* filers only.

Unused loan commitments – includes credit card lines, home equity lines, commitments to make loans for construction, loans secured by commercial real estate, and unused commitments to originate or purchase loans. (Excluded are commitments after June 2003 for originated mortgage loans held for sale, which are accounted for as derivatives on the balance sheet.)

Yield on earning assets – total interest, dividend, and fee income earned on loans and investments as a percentage of average earning assets.