FDIC Quarterly

Quarterly Banking Profile: Fourth Quarter 2016

Banks Attract More Deposits While Operating Fewer Offices

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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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FDIC-insured institutions reported aggregate net income of $43.7 billion in the fourth quarter of 2016, up $3.1 billion (7.7 percent) from a year earlier. The increase in earnings was mainly attributable to an $8.4 billion (7.6 percent) increase in net interest income. Of the 5,913 insured institutions reporting fourth quarter financial results, almost 60 percent reported year-over-year growth in quarterly earnings. The proportion of banks that were unprofitable in the fourth quarter fell to 8.1 percent from 9.6 percent a year earlier. *See page 1.*

Community Bank Performance

Community banks—which represent 92 percent of insured institutions—reported net income of $5.3 billion in the fourth quarter, up $507.9 million (10.5 percent) from one year earlier. The increase was driven by higher net interest income and noninterest income, which was partly offset by higher loan-loss provisions and noninterest expense. The 12-month growth rate in loan balances at community banks was 8.3 percent, while growth at noncommunity banks was 4.8 percent. The noncurrent rate continued to improve, and community banks accounted for 43 percent of small loans to businesses. *See page 17.*

Insurance Fund Indicators

Insured deposits increased by 1.4 percent in the fourth quarter of 2016. The DIF reserve ratio rose to 1.20 percent at year-end 2016, up from 1.18 percent at September 30, 2016, and 1.11 percent at year-end 2015. There were no failures of FDIC-insured institutions during the quarter. *See page 25.*

Featured Article: Banks Attract More Deposits While Operating Fewer Offices

Deposits across the banking industry grew while the number of offices shrank among noncommunity banks and increased among community banks from the previous year, according to the 2016 Summary of Deposits survey. Meanwhile, offices in energy-dependent counties reported almost no deposit growth as natural gas, oil, and coal prices fell. *See page 39.*

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INSURED INSTITUTION PERFORMANCE

Quarterly Net Income Is 7.7 Percent Higher Than a Year Earlier

Full-Year 2016 Industry Earnings Rise to $171.3 Billion

Community Bank Revenue and Loan Growth Outpace Industry

Total Loan Balances Rise 5.3 Percent During 2016

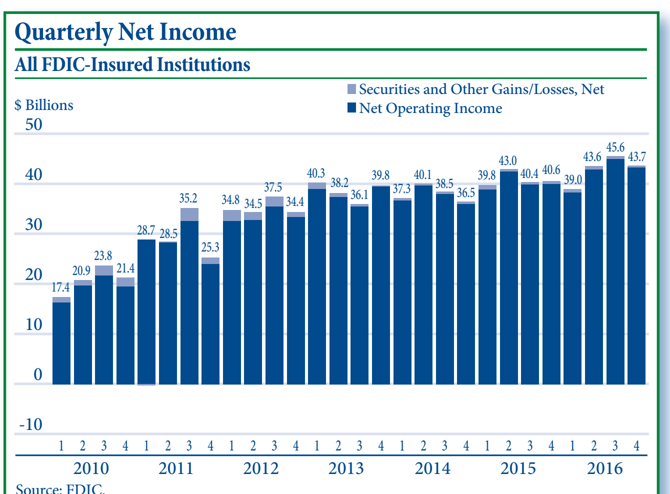
Net Income Is $43.7 Billion in Fourth Quarter

Insured institutions reported net income of $43.7 billion for the quarter, an increase of $3.1 billion (7.7 percent) compared with the year before. Almost 60 percent of all banks reported year-over-year increases in quarterly earnings. Only 8.1 percent of banks were unprofitable for the quarter, down from 9.6 percent the previous year. The average return on assets (ROA) rose slightly to 1.04 percent, from 1.02 percent in fourth quarter 2015.

Full-Year 2016 Earnings Rise to $171.3 Billion

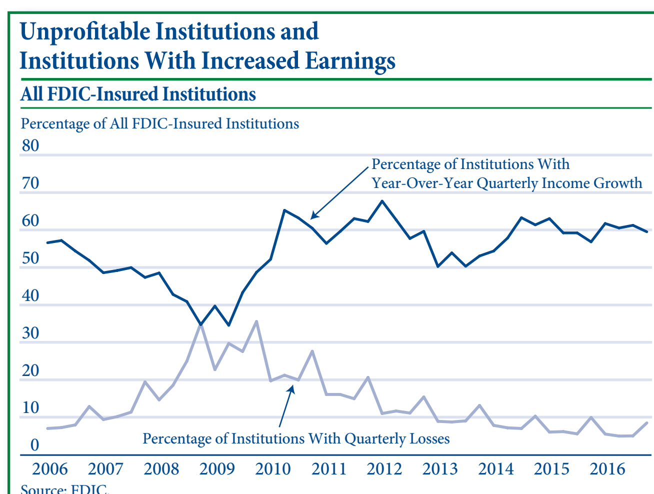
The industry reported $171.3 billion in net income for full-year 2016, $7.9 billion (4.9 percent) more than the industry earned in 2015. Almost two out of every three banks—65.2 percent—reported higher earnings in 2016 than in 2015. Only 4.2 percent of all banks had negative full-year net income. This is the lowest percentage of unprofitable banks for any year since 1995. Net operating revenue was $29 billion (4.2 percent) higher than in 2015, as net interest income increased by $29.8 billion (6.9 percent) and total noninterest income declined by $779 million (0.3 percent). The average net interest margin (NIM) rose to 3.13 percent from 3.07 percent in 2015. Total noninterest expenses were only $5.1 billion (1.2 percent) higher than a year earlier, as itemized litigation charges at a few large banks were $2.95 billion lower than in 2015. Loan-loss provisions totaled $47.8 billion, an increase of $10.7 billion (28.8 percent) from 2015. The average return on assets for 2016 was 1.04 percent, unchanged from the full-year average for 2015.

Chart 1



Source: FDIC.

Chart 2



Source: FDIC.

Net Interest Income Growth Lifts Operating Revenues

Net operating revenue totaled $181.8 billion in the fourth quarter, up $7.9 billion (4.6 percent) from the year before. Net interest income was $8.4 billion (7.6 percent) higher, while noninterest income declined by $480 million (0.8 percent). The increase in net interest income was attributable to growth in interest-bearing assets (up 5.2 percent over the past 12 months) and improvement in the industry's aggregate NIM, which rose to 3.16 percent, from 3.12 percent in fourth quarter 2015. The NIM improvement was not broad-based. A majority of banks—54.3 percent—reported lower NIMs than the year earlier. The decline in noninterest income was driven by a $950 million drop in income from changes in fair values of financial instruments and a $432 million decline in interchange fees. Both trading income and servicing income rose $1.7 billion (39.8 percent and 51.4 percent, respectively) from fourth quarter 2015.

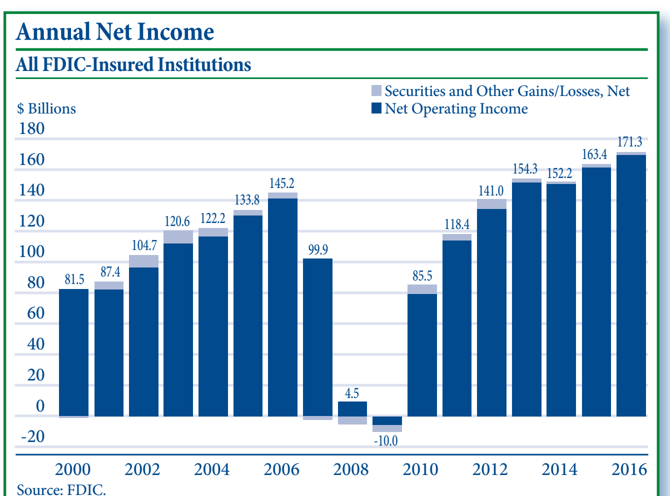
Noninterest Expenses Up 2.6 Percent From a Year Before

Total noninterest expenses were $2.7 billion (2.6 percent) higher than the year before. Salary and employee benefit expenses rose $1.7 billion (3.4 percent), while goodwill impairment charges were $675 million higher. Expenses for premises and fixed assets were only $9 million (0.1 percent) higher than the year earlier.

Quarterly Loss Provisions Decline From a Year Ago

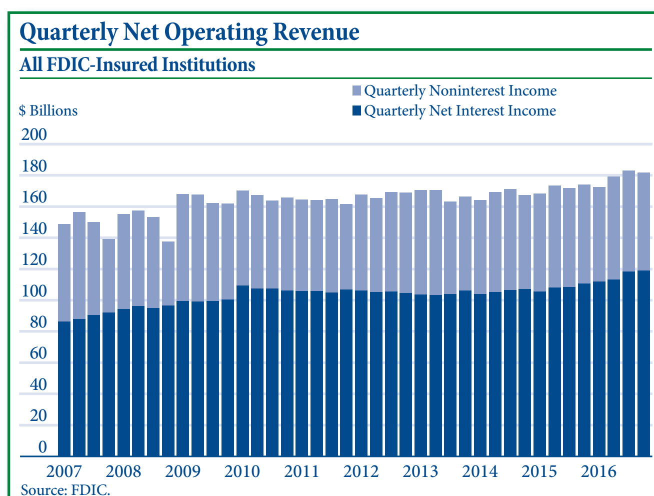
Loan-loss provisions totaled $12.2 billion in the fourth quarter, $3 million less than banks set aside a year earlier. This marks the first time since second quarter 2014 that quarterly provision expenses have not posted a year-over-year increase. For the industry, fourth-quarter provisions represented 6.7 percent of the quarter's net operating revenue, down from 7 percent in fourth quarter 2015.

Chart 3



Annual Net Income
All FDIC-Insured Institutions
Source: FDIC.

Chart 4



Quarterly Net Operating Revenue
All FDIC-Insured Institutions
Source: FDIC.

Quarterly Charge-Offs Rise for a Fifth Consecutive Quarter

Net loan losses totaled $12.2 billion, up $1.5 billion (13.5 percent) from a year earlier. This is the fifth quarter in a row that net charge-offs have posted a year-over-year increase. Credit card charge-offs were $1.4 billion (24.8 percent) higher, while net charge-offs of loans to commercial and industrial (C&I) borrowers rose $666 million (37.9 percent). Charge-offs of residential mortgage loans were $576 million (75.1 percent) lower than in fourth quarter 2015. The average net charge-off rate rose to 0.53 percent, from 0.49 percent the year before. This is well below the high of 3.00 percent recorded in fourth quarter 2009.

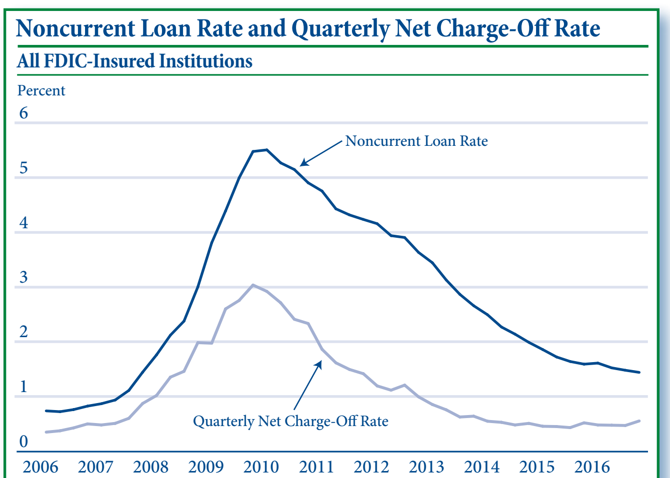
Noncurrent Loan Rate at Lowest Level Since 2007

Noncurrent loans and leases—those 90 days or more past-due or in nonaccrual status—declined for the 26th time in the last 27 quarters, falling by $2.4 billion (1.8 percent) during the three months ended December 31. During the quarter, noncurrent C&I loans declined for the first time in eight quarters, falling by $1.4 billion (5.3 percent). Noncurrent residential mortgage loan balances fell by $2 billion (3 percent), while noncurrent home equity loans declined by $170 million (1.6 percent), and noncurrent nonfarm nonresidential real estate loans fell by $192 million (2 percent). These improvements exceeded the $1.1 billion (12.7 percent) increase in noncurrent credit card balances. The average noncurrent loan rate fell from 1.45 percent to 1.41 percent, the lowest level since year-end 2007.

Loan-Loss Reserves Decline for the First Time in Five Quarters

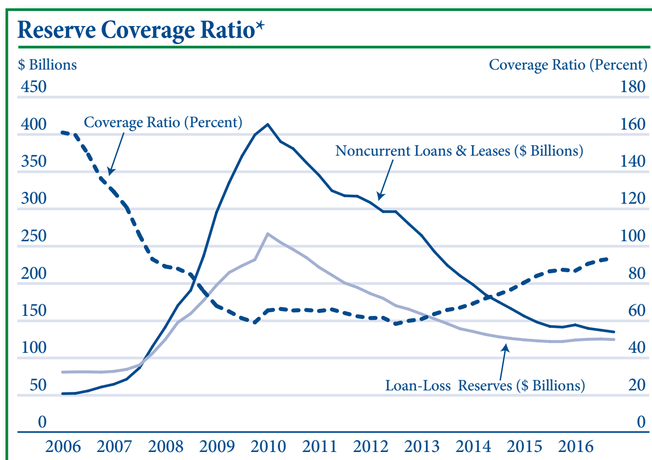
Banks reduced their reserves for loan and lease losses during the fourth quarter, as slightly lower loan-loss provisions were offset by higher net charge-offs. Loss reserves fell by $649 million (0.5 percent). At banks that itemize their reserves, which represent more than 90 percent of total industry reserves, the decline was driven by reductions in reserves for residential real estate loan losses, which fell by $1.2 billion (6.5 percent), and in reserves for commercial loan losses, which declined by $639 million (1.8 percent). Itemized reserves for losses on credit cards increased by $677 million (2.3 percent). Despite the small reduction in industry reserves, the larger decline in noncurrent loan balances caused the coverage ratio of reserves to noncurrent loans to rise from 91.1 percent to 92.3 percent in the quarter, the highest level since third quarter 2007.

Chart 5



Source: FDIC.

Chart 6



Source: FDIC.
*Loan-loss reserves to noncurrent loans & leases.

Equity Capital Posts a Quarterly Decline as the Market Value of Available-For-Sale Securities Falls

Total equity capital declined by $16.8 billion (0.9 percent) in fourth quarter 2016, as higher interest rates caused the market values of available-for-sale securities at banks to fall. Accumulated other comprehensive income declined by $39.5 billion in the quarter, mostly as a result of the drop in securities values. Retained earnings contributed $15.1 billion to equity growth, $1.8 billion (13.5 percent) more than a year earlier. Banks declared $28.6 billion in dividends, a $1.3 billion (4.8 percent) increase over fourth quarter 2015. The average equity-to-assets ratio for the industry declined from 11.22 percent to 11.11 percent. At the end of the quarter, 99.7 percent of all banks, representing 99.9 percent of industry assets, met or exceeded the requirements for the highest regulatory capital category as defined for Prompt Corrective Action purposes.

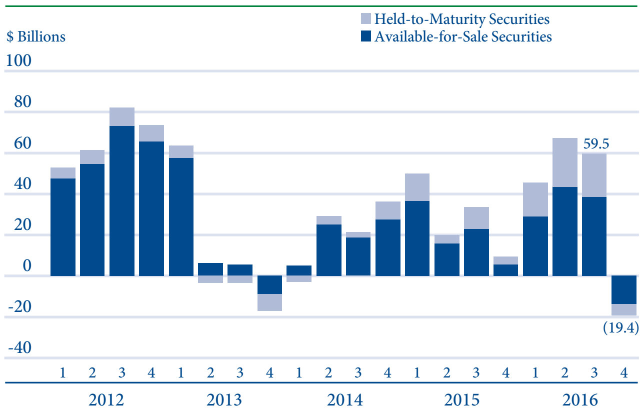
Loan Balances Increase $72.3 Billion in the Fourth Quarter

Total assets rose by $13.7 billion (0.1 percent) during the fourth quarter. Total loan and lease balances increased by $72.3 billion (0.8 percent). Growth in loan balances was led by credit cards (up $38.2 billion, 5 percent), loans secured by nonfarm nonresidential real estate properties (up $22.8 billion, 1.7 percent), and real estate construction and development loans (up $10.1 billion, 3.3 percent). C&I loan balances fell for the first time in 26 quarters, declining $7.7 billion (0.4 percent). Investment securities portfolios rose by $52 billion (1.5 percent) during the quarter despite a $52.4 billion decline in the market values of securities available for sale. Assets in trading accounts declined by $27.3 billion (4.6 percent). Banks reduced their balances at Federal Reserve banks by $116.4 billion (9.6 percent).

Chart 7

Unrealized Gains (Losses) on Investment Securities

All FDIC-Insured Institutions

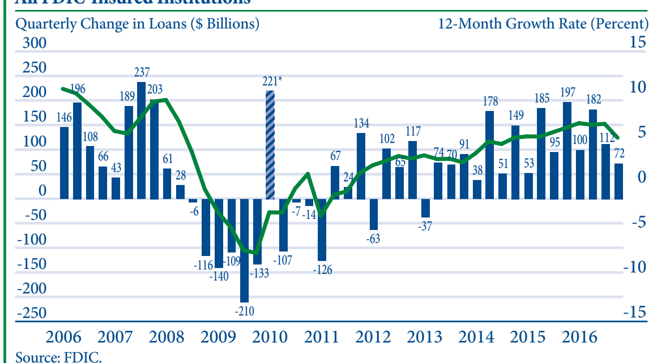


Source: FDIC.

Chart 8

Quarterly Change in Loan Balances

All FDIC-Insured Institutions



Source: FDIC.

* FASB Statements 166 and 167 resulted in the consolidation of large amounts of securitized loan balances back onto banks' balance sheets in the first quarter of 2010. Although the total amount consolidated cannot be precisely quantified, the industry would have reported a decline in loan balances for the quarter absent this change in accounting standards.

Total Loan Balances Rise 5.3 Percent During 2016

For full-year 2016, total assets increased $812.6 billion (5.1 percent). Total loans and leases increased by $466 billion (5.3 percent), as C&I loans rose by $94.2 billion (5.1 percent), loans secured by nonfarm nonresidential real estate were up by $92.6 billion (7.5 percent), and residential mortgages increased by $91.1 billion (4.8 percent). All major loan categories grew in 2016. Banks increased their investment securities by $205.9 billion (6.1 percent) in 2016, with mortgage-backed securities up $133.3 billion (7.1 percent) and U.S. Treasury securities up $97 billion (23 percent).

Deposits Rise by $96 Billion

Domestic deposit growth was relatively strong in the fourth quarter. Total deposits rose by $95.9 billion (0.7 percent), as deposits in domestic offices increased by $186.5 billion (1.6 percent), while foreign office deposits declined by $90.6 billion (6.8 percent). Balances in domestic interest-bearing accounts rose by $178.7 billion (2.1 percent), and balances in noninterest-bearing accounts grew by $7.7 billion (0.2 percent). Balances in consumer-oriented accounts increased by $120.5 billion (3 percent), while all other domestic office deposits rose by $62 billion (1 percent). Banks reduced their nondeposit liabilities by $65.4 billion (3.1 percent), as securities sold under repurchase agreements declined by $25.1 billion (10.9 percent), and trading account liabilities fell by $13 billion (5.1 percent).

Chart 9

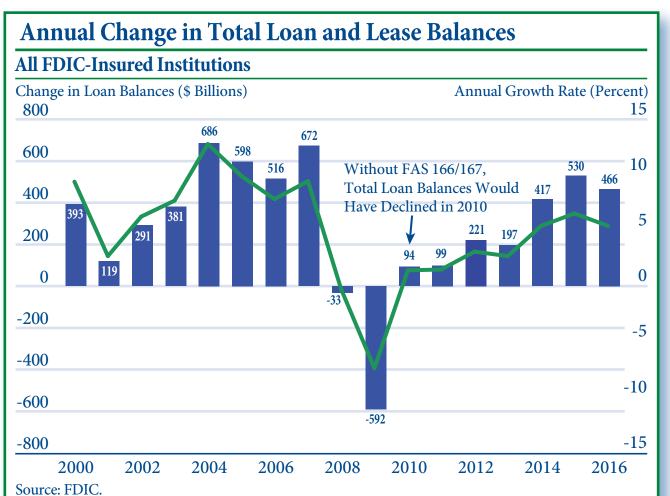
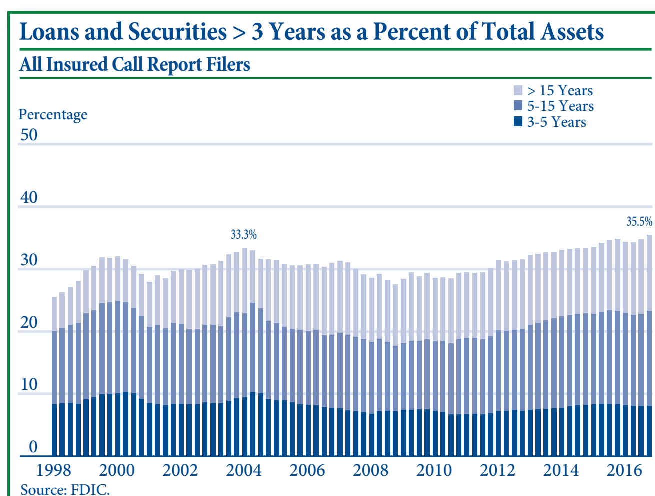


Chart 10



"Problem Bank List" Continues to Improve

The number of FDIC-insured commercial banks and savings institutions reporting quarterly financial results fell to 5,913 in the fourth quarter, from 5,980 in the third quarter of 2016. There were 65 mergers of insured institutions during the quarter, while no insured banks failed. No new charters were added during the quarter. Banks reported 2,052,504 full-time equivalent employees, an increase of 18,777 from fourth quarter 2015. The number of insured institutions on the FDIC's "Problem Bank List" declined from 132 to 123, as total assets of problem banks rose from $24.9 billion to $27.6 billion. For all of 2016, the number of insured institutions reporting declined by 269. Mergers absorbed 251 institutions, and 5 insured institutions failed. This is the smallest number of bank failures in a year since three FDIC-insured institutions failed in 2007. In 2015, there were eight failures.

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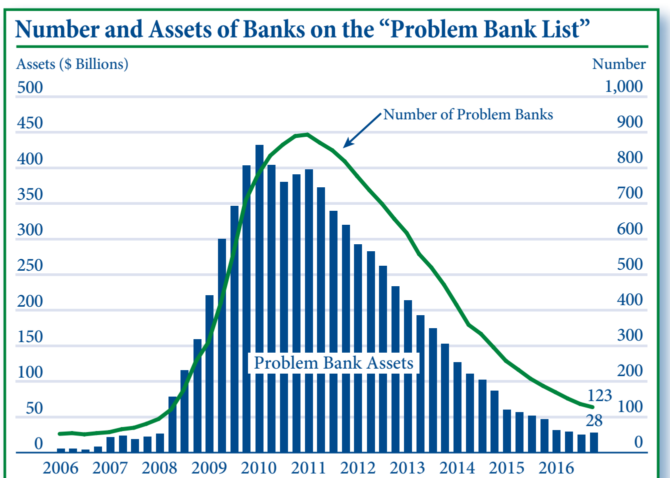
Chart 11



Source: FDIC.

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

	2016	2015	2014	2013	2012	2011	2010
Return on assets (%)	1.04	1.04	1.01	1.07	1.00	0.88	0.65
Return on equity (%)	9.32	9.29	9.01	9.54	8.90	7.79	5.85
Core capital (leverage) ratio (%)	9.48	9.59	9.44	9.40	9.15	9.07	8.89
Noncurrent assets plus other real estate owned to assets (%)	0.86	0.97	1.20	1.63	2.20	2.61	3.11
Net charge-offs to loans (%)	0.47	0.44	0.49	0.69	1.10	1.55	2.55
Asset growth rate (%)	5.09	2.66	5.59	1.94	4.02	4.30	1.77
Net interest margin (%)	3.13	3.07	3.14	3.26	3.42	3.60	3.76
Net operating income growth (%)	4.96	7.08	-0.73	12.82	17.76	43.60	1,594.34
Number of institutions reporting	5,913	6,182	6,509	6,812	7,083	7,357	7,658
Commercial banks	5,113	5,338	5,607	5,847	6,072	6,275	6,519
Savings institutions	800	844	902	965	1,011	1,082	1,139
Percentage of unprofitable institutions (%)	4.19	4.79	6.27	8.16	11.00	16.23	22.15
Number of problem institutions	123	183	291	467	651	813	884
Assets of problem institutions (in billions)	$28	$47	$87	$153	$233	$319	$390
Number of failed institutions	5	8	18	24	51	92	157
Number of assisted institutions	0	0	0	0	0	0	0

* Excludes insured branches of foreign banks (IBAs).

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

(dollar figures in millions)	4th Quarter 2016	3rd Quarter 2016	4th Quarter 2015	%Change 15Q4-16Q4
Number of institutions reporting	5,913	5,980	6,182	-4.4
Total employees (full-time equivalent)	2,052,504	2,043,470	2,033,727	0.9
CONDITION DATA				
Total assets	$16,780,224	$16,766,505	$15,967,647	5.1
Loans secured by real estate	4,603,202	4,567,602	4,375,450	5.2
1-4 Family residential mortgages	1,995,021	1,989,163	1,903,939	4.8
Nonfarm nonresidential	1,323,958	1,301,195	1,231,397	7.5
Construction and development	313,203	303,093	275,452	13.7
Home equity lines	434,132	444,313	465,296	-6.7
Commercial & industrial loans	1,935,515	1,943,257	1,841,361	5.1
Loans to individuals	1,589,433	1,544,469	1,497,904	6.1
Credit cards	799,810	761,645	756,464	5.7
Farm loans	79,905	80,624	81,651	-2.1
Other loans & leases	1,099,484	1,099,204	1,045,082	5.2
Less: Unearned income	2,174	2,075	2,080	4.6
Total loans & leases	9,305,365	9,233,080	8,839,368	5.3
Less: Reserve for losses	121,425	122,074	118,568	2.4
Net loans and leases	9,183,940	9,111,007	8,720,800	5.3
Securities	3,559,470	3,507,441	3,353,555	6.1
Other real estate owned	10,936	11,781	14,704	-25.6
Goodwill and other intangibles	369,231	363,420	360,397	2.5
All other assets	3,656,648	3,772,857	3,518,190	3.9
Total liabilities and capital	16,780,224	16,766,505	15,967,647	5.1
Deposits	12,894,726	12,798,803	12,190,024	5.8
Domestic office deposits	11,647,282	11,460,797	10,905,152	6.8
Foreign office deposits	1,247,444	1,338,006	1,284,872	-2.9
Other borrowed funds	1,413,237	1,445,272	1,385,671	2.0
Subordinated debt	83,905	87,037	91,597	-8.4
All other liabilities	518,550	548,744	499,431	3.8
Total equity capital (includes minority interests)	1,869,806	1,886,649	1,800,924	3.8
Bank equity capital	1,863,641	1,880,438	1,794,346	3.9
Loans and leases 30-89 days past due	65,742	60,076	64,252	2.3
Noncurrent loans and leases	131,608	133,989	137,913	-4.6
Restructured loans and leases	65,445	67,818	72,256	-9.4
Mortgage-backed securities	2,004,983	1,979,611	1,871,680	7.1
Earning assets	15,114,416	15,113,731	14,365,863	5.2
FHLB Advances	563,250	541,820	495,040	13.8
Unused loan commitments	7,201,892	7,187,376	6,914,906	4.2
Trust assets	17,664,089	17,656,868	17,305,977	2.1
Assets securitized and sold	737,169	763,200	820,686	-10.2
Notional amount of derivatives	166,739,373	179,902,253	181,986,620	-8.4

INCOME DATA	Full Year 2016	Full Year 2015	%Change	4th Quarter 2016	4th Quarter 2015	%Change 15Q4-16Q4
Total interest income	$515,796	$478,506	7.8	$133,699	$123,737	8.1
Total interest expense	54,397	46,876	16.0	14,362	12,809	12.1
Net interest income	461,399	431,630	6.9	119,337	110,928	7.6
Provision for loan and lease losses	47,836	37,139	28.8	12,202	12,205	0.0
Total noninterest income	252,538	253,317	-0.3	62,448	62,929	-0.8
Total noninterest expense	422,162	417,016	1.2	108,214	105,506	2.6
Securities gains (losses)	3,792	3,635	4.3	634	852	-25.6
Applicable income taxes	75,741	70,539	7.4	18,159	16,295	11.4
Extraordinary gains, net*	-326	-11	N/M	-45	-37	N/M
Total net income (includes minority interests)	171,665	163,876	4.8	43,799	40,666	7.7
Bank net income	171,324	163,390	4.9	43,700	40,587	7.7
Net charge-offs	42,519	37,283	14.1	12,213	10,762	13.5
Cash dividends	102,757	104,528	-1.7	28,628	27,311	4.8
Retained earnings	68,567	58,862	16.5	15,072	13,276	13.5
Net operating income	169,327	161,319	5.0	43,400	40,081	8.3

* See Notes to Users (page 31) for explanation. N/M - Not Meaningful

TABLE III-A. Full Year 2016, 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	5,913	13	5	1,429	3,026	461	65	300	549	65
Commercial banks	5,113	12	5	1,411	2,718	110	50	272	478	57
Savings institutions	800	1	0	18	308	351	15	28	71	8
Total assets (in billions)	$16,780.2	$519.0	$4,052.7	$284.9	$5,629.5	$330.8	$256.0	$51.0	$97.5	$5,558.8
Commercial banks	15,629.0	447.2	4,052.7	279.3	5,159.0	89.4	156.5	46.5	83.4	5,315.1
Savings institutions	1,151.2	71.8	0.0	5.6	470.5	241.4	99.5	4.6	14.2	243.7
Total deposits (in billions)	12,894.7	277.9	2,932.9	235.8	4,434.6	262.8	215.3	41.1	82.6	4,411.6
Commercial banks	11,983.1	223.2	2,932.9	232.5	4,085.1	76.7	132.2	38.0	71.0	4,191.3
Savings institutions	911.6	54.7	0.0	3.3	349.5	186.1	83.1	3.1	11.6	220.3
Bank net income (in millions)	171,324	11,419	37,737	3,366	53,263	3,186	2,329	1,445	888	57,691
Commercial banks	157,591	9,655	37,737	3,255	46,897	1,308	1,564	661	802	55,713
Savings institutions	13,733	1,764	0	111	6,366	1,879	764	784	87	1,978
Performance Ratios (%)										
Yield on earning assets	3.50	11.54	2.71	4.16	3.71	3.33	3.76	3.07	3.84	3.05
Cost of funding earning assets	0.37	1.17	0.36	0.47	0.40	0.49	0.36	0.32	0.41	0.26
Net interest margin	3.13	10.36	2.36	3.68	3.31	2.84	3.40	2.75	3.42	2.80
Noninterest income to assets	1.54	2.63	1.79	0.68	1.33	1.21	1.11	7.13	1.03	1.51
Noninterest expense to assets	2.57	5.46	2.36	2.54	2.76	2.51	2.43	5.81	3.03	2.25
Loan and lease loss provision to assets	0.29	3.17	0.19	0.16	0.18	-0.04	0.47	0.05	0.09	0.23
Net operating income to assets	1.03	2.28	0.93	1.18	0.97	0.96	0.96	2.80	0.89	1.05
Pretax return on assets	1.51	3.52	1.31	1.44	1.40	1.47	1.52	3.85	1.12	1.57
Return on assets	1.04	2.28	0.93	1.21	0.98	0.99	0.96	2.85	0.92	1.06
Return on equity	9.32	15.35	9.43	10.47	8.19	8.64	9.46	18.39	7.89	9.60
Net charge-offs to loans and leases	0.47	3.35	0.56	0.15	0.22	0.07	0.56	0.22	0.17	0.41
Loan and lease loss provision to net charge-offs	112.50	121.83	94.98	158.87	120.69	-96.02	118.40	80.54	94.48	109.47
Efficiency ratio	58.28	44.24	60.75	61.39	62.98	63.99	53.04	60.12	71.88	54.82
% of unprofitable institutions	4.19	0.00	0.00	1.68	4.26	7.59	10.77	7.00	5.65	1.54
% of institutions with earnings gains	65.23	46.15	80.00	59.34	70.65	61.17	64.62	56.00	58.29	75.38
Condition Ratios (%)										
Earning assets to total assets	90.07	91.48	87.68	92.85	90.83	94.66	97.35	91.93	92.53	90.11
Loss allowance to:										
Loans and leases	1.30	3.83	1.46	1.39	1.10	0.86	0.97	1.53	1.30	1.18
Noncurrent loans and leases	92.26	274.64	92.71	144.20	105.28	29.03	103.30	104.99	108.69	65.88
Noncurrent assets plus other real estate owned to assets	0.86	1.12	0.61	0.77	0.86	1.97	0.70	0.63	0.94	0.96
Equity capital ratio	11.11	14.85	9.97	11.30	11.82	11.29	10.04	15.24	11.42	10.85
Core capital (leverage) ratio	9.48	12.63	8.66	10.85	10.11	11.15	10.24	14.88	11.38	8.88
Common equity tier 1 capital ratio	12.87	11.85	13.40	14.44	12.32	21.83	18.14	32.65	19.44	12.40
Tier 1 risk-based capital ratio	12.96	11.97	13.42	14.45	12.44	21.88	18.33	32.66	19.48	12.50
Total risk-based capital ratio	14.35	14.15	14.53	15.56	13.80	22.80	19.22	33.53	20.59	14.06
Net loans and leases to deposits	71.22	144.60	49.59	80.07	87.61	78.78	82.81	34.34	65.23	63.47
Net loans to total assets	54.73	77.44	35.89	66.27	69.02	62.59	69.66	27.66	55.26	50.37
Domestic deposits to total assets	69.41	52.83	48.14	82.76	78.47	79.43	84.11	80.53	84.72	74.96
Structural Changes										
New reporters	0	0	0	0	0	0	0	0	0	0
Institutions absorbed by mergers	251	0	0	39	185	8	1	4	13	1
Failed institutions	5	0	0	0	4	0	0	0	1	0
PRIOR FULL YEARS (The way it was...)										
Number of institutions 2015	6,182	14	4	1,479	3,089	500	65	332	632	67
2013	6,812	16	4	1,532	3,378	588	55	405	772	62
2011	7,357	18	4	1,545	3,769	732	59	377	790	63
Total assets (in billions) 2015	$15,967.7	$549.1	$3,774.6	$277.6	$5,892.1	$385.4	$187.3	$57.5	$113.9	$4,730.3
2013	14,730.8	590.9	3,700.2	261.6	4,921.1	486.9	162.5	62.8	137.6	4,407.1
2011	13,891.3	538.7	3,456.4	215.7	4,086.1	825.4	97.2	56.1	138.6	4,477.2
Return on assets (%) 2015	1.04	2.84	0.87	0.96	0.95	0.83	1.04	2.68	0.91	1.12
2013	1.07	3.35	0.86	1.15	0.91	0.98	1.15	1.93	0.85	1.11
2011	0.88	3.49	0.74	1.11	0.63	0.56	1.68	1.92	0.92	0.89
Net charge-offs to loans & leases (%) 2015	0.44	2.79	0.59	0.10	0.20	0.13	0.62	0.20	0.20	0.41
2013	0.69	3.20	0.97	0.14	0.43	0.37	0.80	0.48	0.33	0.49
2011	1.55	5.26	1.97	0.40	1.18	0.90	1.87	0.56	0.54	1.25
Noncurrent assets plus OREO to assets (%) 2015	0.97	0.90	0.71	0.68	0.93	1.92	0.97	0.61	1.19	1.16
2013	1.63	0.93	1.07	0.95	1.65	2.14	1.23	0.84	1.44	2.18
2011	2.61	1.41	1.61	1.46	3.05	2.61	1.28	1.11	1.69	3.25
Equity capital ratio (%) 2015	11.24	14.29	10.13	11.32	11.76	11.37	10.12	15.02	11.80	11.08
2013	11.15	14.73	9.27	10.97	11.79	11.62	9.51	13.50	11.34	11.52
2011	11.16	15.11	8.89	11.22	11.69	10.39	9.82	14.51	11.45	12.08

* See Table V-A (page 12) for explanations.

TABLE III-A. Full Year 2016, 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**	**$10 Billion to $250 Billion**	**Greater Than $250 Billion**	**New York**	**Atlanta**	**Chicago**	**Kansas City**	**Dallas**	**San Francisco**
Number of institutions reporting		5,913	1,541	3,637	621	105	9	724	720	1,271	1,485	1,268	445
Commercial banks		5,113	1,354	3,155	506	89	9	375	651	1,063	1,431	1,186	407
Savings institutions		800	187	482	115	16	0	349	69	208	54	82	38
Total assets (in billions)		$16,780.2	$91.5	$1,173.9	$1,762.2	$5,305.7	$8,446.8	$3,096.5	$3,507.3	$3,784.3	$3,633.9	$1,011.3	$1,747.0
Commercial banks		15,629.0	80.9	997.7	1,444.8	4,658.9	8,446.8	2,658.8	3,424.1	3,672.2	3,574.2	886.0	1,413.8
Savings institutions		1,151.2	10.6	176.3	317.5	646.9	0.0	437.7	83.2	112.1	59.6	125.3	333.2
Total deposits (in billions)		12,894.7	76.8	979.9	1,401.2	4,072.7	6,364.1	2,324.1	2,762.2	2,820.6	2,742.2	834.2	1,411.4
Commercial banks		11,983.1	68.6	840.0	1,159.2	3,551.2	6,364.1	1,995.7	2,695.2	2,741.5	2,694.0	731.7	1,125.0
Savings institutions		911.6	8.2	139.9	242.0	521.5	0.0	328.4	67.1	79.1	48.2	102.5	286.4
Bank net income (in millions)		171,324	820	12,343	17,607	54,753	85,801	26,583	35,158	36,737	38,983	10,447	23,416
Commercial banks		157,591	708	10,507	15,035	45,540	85,801	23,512	34,437	35,397	38,503	9,094	16,648
Savings institutions		13,733	112	1,836	2,572	9,214	0	3,072	721	1,340	480	1,353	6,768
Performance Ratios (%)													
Yield on earning assets		3.50	4.12	4.14	4.04	3.88	3.04	3.54	3.63	2.79	3.64	3.97	4.10
Cost of funding earning assets		0.37	0.44	0.46	0.43	0.43	0.30	0.46	0.31	0.30	0.42	0.32	0.40
Net interest margin		3.13	3.68	3.68	3.61	3.45	2.74	3.07	3.32	2.49	3.23	3.65	3.70
Noninterest income to assets		1.54	1.21	1.20	1.22	1.57	1.63	1.33	1.45	1.85	1.35	1.40	1.91
Noninterest expense to assets		2.57	3.47	3.17	2.86	2.68	2.36	2.54	2.57	2.54	2.42	3.11	2.75
Loan and lease loss provision to assets		0.29	0.12	0.13	0.23	0.45	0.23	0.32	0.36	0.14	0.29	0.26	0.47
Net operating income to assets		1.03	0.88	1.06	1.03	1.06	1.02	0.86	1.01	0.99	1.06	1.06	1.40
Pretax return on assets		1.51	1.05	1.35	1.48	1.59	1.49	1.23	1.50	1.40	1.57	1.41	2.18
Return on assets		1.04	0.91	1.08	1.05	1.06	1.03	0.87	1.02	1.00	1.09	1.07	1.41
Return on equity		9.32	7.03	9.53	8.97	8.88	9.70	7.23	8.33	9.66	10.83	9.65	11.70
Net charge-offs to loans and leases		0.47	0.20	0.14	0.25	0.64	0.47	0.52	0.54	0.27	0.54	0.31	0.58
Loan and lease loss provision to net charge-offs		112.50	105.39	138.85	135.89	118.52	101.20	112.88	113.23	101.52	101.97	130.65	132.04
Efficiency ratio		58.28	75.17	68.37	61.68	56.04	57.33	61.12	57.53	62.02	55.82	64.36	50.30
% of unprofitable institutions		4.19	8.89	2.78	1.45	0.95	0.00	5.39	6.67	5.19	2.15	3.55	4.04
% of institutions with earnings gains		65.23	55.94	66.46	79.71	74.29	55.56	69.61	67.64	64.99	61.62	64.27	69.66
Condition Ratios (%)													
Earning assets to total assets		90.07	92.09	92.85	92.18	90.96	88.67	89.57	89.02	89.51	89.85	91.85	93.74
Loss allowance to:													
Loans and leases		1.30	1.41	1.30	1.16	1.36	1.31	1.25	1.35	1.25	1.35	1.25	1.36
Noncurrent loans and leases		92.26	112.57	133.04	120.57	111.16	72.99	109.57	83.10	85.28	76.28	94.09	172.92
Noncurrent assets plus other real estate owned to assets		0.86	1.10	0.95	0.82	0.78	0.90	0.70	1.03	0.79	1.00	1.03	0.53
Equity capital ratio		11.11	12.72	11.15	11.58	11.87	10.50	12.11	12.05	10.32	9.87	10.97	11.79
Core capital (leverage) ratio		9.48	12.63	10.98	10.46	10.17	8.61	9.95	9.52	9.03	8.74	9.97	10.90
Common equity tier 1 capital ratio		12.87	20.17	15.32	13.47	12.97	12.25	12.98	12.58	12.97	11.90	13.11	15.03
Tier 1 risk-based capital ratio		12.96	20.22	15.36	13.50	13.15	12.29	13.13	12.68	13.03	11.90	13.22	15.20
Total risk-based capital ratio		14.35	21.29	16.47	14.50	14.72	13.68	14.57	14.14	14.20	13.56	14.34	16.36
Net loans and leases to deposits		71.22	69.65	79.86	87.14	77.02	62.70	73.97	73.24	65.68	68.82	77.59	74.72
Net loans to total assets		54.73	58.49	66.66	69.29	59.12	47.24	55.52	57.68	48.95	51.93	64.00	60.37
Domestic deposits to total assets		69.41	83.97	83.46	79.22	73.14	62.91	68.1	76.15	65.71	59.1	82.41	80.16
Structural Changes													
New reporters		0	0	0	0	0	0	0	0	0	0	0	0
Institutions absorbed by mergers		251	89	135	25	2	0	33	38	62	53	42	23
Failed institutions		5	4	1	0	0	0	1	1	1	0	2	0
PRIOR FULL YEARS (The way it was...)													
Number of institutions	2015	6,182	1,688	3,792	595	99	8	762	762	1,337	1,543	1,307	471
	2013	6,812	2,056	4,090	559	100	7	840	869	1,470	1,659	1,431	543
	2011	7,357	2,415	4,284	551	100	7	915	957	1,552	1,773	1,542	618
Total assets (in billions)	2015	$15,967.7	$99.2	$1,199.9	$1,682.4	$5,163.6	$7,822.6	$3,074.1	$3,372.6	$3,503.7	$3,444.0	$943.1	$1,630.3
	2013	14,730.8	119.7	1,246.1	1,468.5	4,821.1	7,075.3	2,927.2	2,998.8	3,376.9	3,222.9	869.9	1,335.1
	2011	13,891.3	138.7	1,279.9	1,410.9	4,490.8	6,571.0	2,864.6	2,942.8	3,184.5	2,918.2	812.9	1,168.4
Return on assets (%)	2015	1.04	0.84	1.06	1.10	1.02	1.05	0.87	1.03	0.96	1.16	1.09	1.31
	2013	1.07	0.70	0.91	1.16	1.06	1.08	0.87	0.98	0.95	1.24	1.09	1.55
	2011	0.88	0.52	0.56	0.79	1.04	0.85	1.01	0.52	0.78	0.95	0.94	1.47
Net charge-offs to loans & leases (%)	2015	0.44	0.19	0.16	0.21	0.56	0.48	0.48	0.50	0.27	0.52	0.24	0.52
	2013	0.69	0.35	0.36	0.41	0.90	0.68	0.92	0.66	0.49	0.87	0.32	0.57
	2011	1.55	0.62	0.90	1.18	1.91	1.56	1.86	1.66	1.19	1.85	0.89	1.15
Noncurrent assets plus OREO to assets (%)	2015	0.97	1.25	1.12	0.93	0.75	1.09	0.75	1.15	0.94	1.19	1.04	0.53
	2013	1.63	1.75	1.81	1.89	0.99	1.97	1.12	2.23	1.47	1.99	1.58	0.91
	2011	2.61	2.34	3.01	3.13	1.88	2.92	1.78	3.84	2.31	2.76	2.60	1.97
Equity capital ratio (%)	2015	11.24	12.55	11.25	11.69	12.02	10.60	11.78	12.22	10.50	10.22	11.04	12.03
	2013	11.15	11.68	10.78	11.79	12.32	10.28	12.02	12.19	9.66	10.42	10.87	12.65
	2011	11.16	11.83	10.65	11.73	12.62	10.13	12.26	11.98	8.68	11.12	10.92	13.48

* See Table V-A (page 13) for explanations.

TABLE IV-A. Fourth Quarter 2016, All FDIC-Insured Institutions

FOURTH QUARTER (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		5,913	13	5	1,429	3,026	461	65	300	549	65
Commercial banks		5,113	12	5	1,411	2,718	110	50	272	478	57
Savings institutions		800	1	0	18	308	351	15	28	71	8
Total assets (in billions)		$16,780.2	$519.0	$4,052.7	$284.9	$5,629.5	$330.8	$256.0	$51.0	$97.5	$5,558.8
Commercial banks		15,629.0	447.2	4,052.7	279.3	5,159.0	89.4	156.5	46.5	83.4	5,315.1
Savings institutions		1,151.2	71.8	0.0	5.6	470.5	241.4	99.5	4.6	14.2	243.7
Total deposits (in billions)		12,894.7	277.9	2,932.9	235.8	4,434.6	262.8	215.3	41.1	82.6	4,411.6
Commercial banks		11,983.1	223.2	2,932.9	232.5	4,085.1	76.7	132.2	38.0	71.0	4,191.3
Savings institutions		911.6	54.7	0.0	3.3	349.5	186.1	83.1	3.1	11.6	220.3
Bank net income (in millions)		43,700	2,815	10,528	775	13,259	833	508	414	211	14,357
Commercial banks		40,369	2,312	10,528	739	11,892	334	363	176	189	13,835
Savings institutions		3,330	503	0	36	1,366	498	145	238	22	522
Performance Ratios (annualized, %)											
Yield on earning assets		3.54	12.08	2.72	4.17	3.75	3.33	3.80	3.05	3.85	3.08
Cost of funding earning assets		0.38	1.27	0.36	0.48	0.41	0.49	0.36	0.31	0.41	0.27
Net interest margin		3.16	10.82	2.36	3.68	3.35	2.84	3.44	2.73	3.44	2.80
Noninterest income to assets		1.49	2.41	1.73	0.71	1.29	1.27	1.09	7.87	1.03	1.45
Noninterest expense to assets		2.58	5.49	2.34	2.62	2.80	2.47	2.64	6.08	3.09	2.23
Loan and lease loss provision to assets		0.29	3.47	0.16	0.21	0.19	0.03	0.50	0.06	0.10	0.22
Net operating income to assets		1.04	2.21	1.01	1.09	0.94	0.99	0.80	3.24	0.86	1.03
Pretax return on assets		1.48	3.36	1.33	1.31	1.35	1.47	1.30	4.26	1.03	1.54
Return on assets		1.04	2.21	1.03	1.10	0.95	1.01	0.80	3.26	0.87	1.04
Return on equity		9.34	14.71	10.40	9.50	7.95	8.89	7.99	20.91	7.44	9.45
Net charge-offs to loans and leases		0.53	3.79	0.64	0.25	0.27	0.06	0.60	0.33	0.23	0.42
Loan and lease loss provision to net charge-offs		99.91	114.88	68.24	125.19	102.97	95.13	117.50	62.83	78.85	100.87
Efficiency ratio		58.36	43.81	60.86	62.94	63.08	62.22	53.61	58.47	73.11	55.04
% of unprofitable institutions		8.12	0.00	0.00	8.54	6.61	12.36	13.85	13.00	9.11	4.62
% of institutions with earnings gains		59.04	76.92	100.00	50.31	65.04	57.27	58.46	54.67	50.09	73.85
Structural Changes											
New reporters		0	0	0	0	0	0	0	0	0	0
Institutions absorbed by mergers		65	0	0	13	48	0	0	1	3	0
Failed institutions		0	0	0	0	0	0	0	0	0	0
PRIOR FOURTH QUARTERS (The way it was...)											
Return on assets (%)	2015	1.02	2.66	0.82	1.12	0.90	0.90	0.81	3.41	2.14	1.12
	2013	1.09	3.65	0.92	1.08	0.96	0.96	0.91	2.18	0.76	1.04
	2011	0.73	3.13	0.60	1.04	0.38	0.48	1.39	2.11	0.85	0.86
Net charge-offs to loans & leases (%)	2015	0.49	3.01	0.68	0.17	0.24	0.10	0.71	0.32	0.21	0.44
	2013	0.61	3.09	0.81	0.20	0.38	0.28	0.88	0.66	0.37	0.40
	2011	1.39	4.34	1.72	0.51	1.13	0.90	1.88	0.65	0.73	1.10

* See Table V-A (page 12) for explanations.

TABLE IV-A. Fourth Quarter 2016, All FDIC-Insured Institutions

FOURTH 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	$10 Billion to $250 Billion	Greater Than $250 Billion	Geographic Regions*: New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	5,913	1,541	3,637	621	105	9	724	720	1,271	1,485	1,268	445
Commercial banks	5,113	1,354	3,155	506	89	9	375	651	1,063	1,431	1,186	407
Savings institutions	800	187	482	115	16	0	349	69	208	54	82	38
Total assets (in billions)	$16,780.2	$91.5	$1,173.9	$1,762.2	$5,305.7	$8,446.8	$3,096.5	$3,507.3	$3,784.3	$3,633.9	$1,011.3	$1,747.0
Commercial banks	15,629.0	80.9	997.7	1,444.8	4,658.9	8,446.8	2,658.8	3,424.1	3,672.2	3,574.2	886.0	1,413.8
Savings institutions	1,151.2	10.6	176.3	317.5	646.9	0.0	437.7	83.2	112.1	59.6	125.3	333.2
Total deposits (in billions)	12,894.7	76.8	979.9	1,401.2	4,072.7	6,364.1	2,324.1	2,762.2	2,820.6	2,742.2	834.2	1,411.4
Commercial banks	11,983.1	68.6	840.0	1,159.2	3,551.2	6,364.1	1,995.7	2,695.2	2,741.5	2,694.0	731.7	1,125.0
Savings institutions	911.6	8.2	139.9	242.0	521.5	0.0	328.4	67.1	79.1	48.2	102.5	286.4
Bank net income (in millions)	43,700	171	3,079	4,316	13,724	22,410	6,776	8,668	10,184	9,881	2,466	5,725
Commercial banks	40,369	143	2,592	3,603	11,621	22,410	5,990	8,476	9,825	9,767	2,160	4,151
Savings institutions	3,330	28	487	713	2,102	0	786	192	358	114	306	1,573
Performance Ratios (annualized, %)												
Yield on earning assets	3.54	4.16	4.16	4.07	3.97	3.06	3.61	3.65	2.83	3.67	3.99	4.19
Cost of funding earning assets	0.38	0.44	0.46	0.44	0.45	0.31	0.48	0.32	0.30	0.44	0.33	0.40
Net interest margin	3.16	3.72	3.70	3.64	3.52	2.75	3.13	3.33	2.52	3.23	3.66	3.79
Noninterest income to assets	1.49	1.24	1.23	1.22	1.50	1.58	1.26	1.41	1.77	1.34	1.36	1.85
Noninterest expense to assets	2.58	3.66	3.22	2.90	2.71	2.34	2.54	2.56	2.53	2.43	3.16	2.81
Loan and lease loss provision to assets	0.29	0.16	0.15	0.32	0.46	0.20	0.36	0.34	0.09	0.29	0.27	0.53
Net operating income to assets	1.04	0.74	1.05	0.97	1.04	1.05	0.88	0.99	1.07	1.06	0.98	1.31
Pretax return on assets	1.48	0.86	1.30	1.38	1.52	1.50	1.17	1.48	1.41	1.57	1.30	2.08
Return on assets	1.04	0.75	1.06	0.99	1.04	1.06	0.87	0.99	1.07	1.09	0.98	1.33
Return on equity	9.34	5.79	9.34	8.49	8.70	10.04	7.23	8.13	10.45	10.89	8.85	11.16
Net charge-offs to loans and leases	0.53	0.32	0.22	0.35	0.72	0.50	0.62	0.58	0.30	0.61	0.33	0.66
Loan and lease loss provision to net charge-offs	99.91	85.30	104.55	132.48	106.37	85.62	103.79	100.84	62.26	89.63	127.36	131.46
Efficiency ratio	58.36	78.22	68.74	60.87	56.51	57.21	60.97	57.55	62.28	56.07	64.50	50.34
% of unprofitable institutions	8.12	16.81	5.53	2.58	3.81	0.00	7.60	11.39	8.26	8.01	7.65	4.94
% of institutions with earnings gains	59.04	51.65	58.89	75.85	73.33	55.56	66.02	64.17	58.46	54.28	56.94	62.92
Structural Changes												
New reporters	0	0	0	0	0	0	0	0	0	0	0	0
Institutions absorbed by mergers	65	24	33	7	1	0	6	11	18	13	11	6
Failed institutions	0	0	0	0	0	0	0	0	0	0	0	0
PRIOR FOURTH QUARTERS (The way it was...)												
Return on assets (%) 2015	1.02	0.75	1.19	1.03	0.99	1.02	0.77	1.02	1.02	1.09	0.97	1.43
2013	1.09	0.58	0.88	1.06	1.17	1.08	1.04	0.86	1.06	1.20	0.99	1.55
2011	0.73	0.30	0.40	0.61	0.79	0.79	0.83	0.25	0.69	0.86	0.81	1.45
Net charge-offs to loans & leases (%) 2015	0.49	0.31	0.22	0.30	0.59	0.54	0.53	0.54	0.28	0.59	0.35	0.62
2013	0.61	0.44	0.41	0.37	0.83	0.55	0.80	0.59	0.46	0.73	0.31	0.57
2011	1.39	0.78	1.09	1.23	1.55	1.39	1.55	1.45	1.21	1.58	1.00	1.07

* See Table V-A (page 13) for explanations.

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

December 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	0.75	0.27	1.01	0.67	0.49	1.01	0.44	1.50	1.29	1.07
Construction and development	0.32	0.00	1.01	0.60	0.29	0.67	0.30	0.74	0.89	0.19
Nonfarm nonresidential	0.25	0.00	0.27	0.56	0.25	0.24	0.40	0.83	0.93	0.20
Multifamily residential real estate	0.13	0.00	0.13	0.33	0.12	0.15	0.02	3.23	0.53	0.13
Home equity loans	0.68	0.00	1.23	0.32	0.50	0.61	0.37	0.71	0.69	0.73
Other 1-4 family residential	1.30	0.31	1.39	1.11	0.99	1.15	0.45	2.14	1.68	1.68
Commercial and industrial loans	0.29	0.96	0.25	0.74	0.29	0.51	0.10	1.35	1.00	0.26
Loans to individuals	1.43	1.49	1.19	1.43	1.31	1.16	0.84	1.85	1.67	1.71
Credit card loans	1.28	1.49	1.08	1.11	0.93	1.50	0.88	1.77	1.89	1.17
Other loans to individuals	1.57	1.50	1.39	1.46	1.36	1.12	0.82	1.86	1.67	2.02
All other loans and leases (including farm)	0.27	1.26	0.33	0.49	0.20	0.26	0.08	0.44	0.69	0.26
Total loans and leases	0.71	1.47	0.73	0.66	0.49	0.97	0.63	1.47	1.26	0.86
Percent of Loans Noncurrent**										
All real estate loans	1.95	0.56	2.79	0.94	1.08	3.21	1.51	1.67	1.30	3.22
Construction and development	0.73	0.00	0.26	0.77	0.75	0.88	4.18	2.49	1.02	0.66
Nonfarm nonresidential	0.71	0.00	0.93	0.94	0.69	1.56	3.94	1.49	1.41	0.59
Multifamily residential real estate	0.18	0.00	0.10	0.24	0.20	0.45	0.50	2.45	1.14	0.14
Home equity loans	2.41	0.00	3.63	0.43	1.32	1.86	2.41	0.94	0.56	3.45
Other 1-4 family residential	3.28	0.63	3.98	0.93	1.87	3.64	1.20	1.68	1.41	4.76
Commercial and industrial loans	1.27	0.87	1.47	1.46	1.28	1.06	0.15	1.42	1.19	1.19
Loans to individuals	0.92	1.41	1.02	0.54	0.76	0.47	0.59	0.88	0.81	0.63
Credit card loans	1.27	1.45	1.13	0.34	0.86	0.91	1.25	0.76	0.58	1.09
Other loans to individuals	0.56	0.66	0.80	0.55	0.74	0.42	0.43	0.90	0.82	0.36
All other loans and leases (including farm)	0.22	0.09	0.16	0.86	0.33	0.27	1.90	0.31	0.49	0.11
Total loans and leases	1.41	1.39	1.57	0.97	1.04	2.97	0.94	1.46	1.20	1.80
Percent of Loans Charged-Off (net, YTD)										
All real estate loans	0.06	0.18	0.07	0.05	0.05	0.04	0.08	0.13	0.09	0.07
Construction and development	-0.03	0.00	0.08	-0.05	-0.02	-0.08	1.08	0.15	0.04	-0.12
Nonfarm nonresidential	0.02	0.00	-0.01	0.06	0.03	0.05	0.22	0.08	0.13	-0.04
Multifamily residential real estate	0.00	0.00	0.00	0.11	0.00	-0.01	0.00	1.66	0.04	-0.01
Home equity loans	0.27	-1.13	0.36	-0.01	0.17	0.04	0.41	0.10	0.04	0.38
Other 1-4 family residential	0.06	0.22	0.05	0.08	0.07	0.04	0.02	0.09	0.09	0.06
Commercial and industrial loans	0.45	2.40	0.41	0.35	0.46	0.07	0.04	0.28	0.50	0.41
Loans to individuals	1.97	3.39	2.39	0.54	0.87	0.96	0.91	0.50	0.55	1.58
Credit card loans	3.16	3.47	3.18	1.53	2.28	3.57	2.49	0.97	1.43	2.79
Other loans to individuals	0.79	1.70	1.02	0.45	0.67	0.68	0.50	0.44	0.54	0.86
All other loans and leases (including farm)	0.13	0.21	0.08	0.26	0.20	0.17	0.03	0.64	0.26	0.10
Total loans and leases	0.47	3.35	0.56	0.15	0.22	0.07	0.56	0.22	0.17	0.41
Loans Outstanding (in billions)										
All real estate loans	$4,603.2	$0.2	$551.1	$117.5	$2,404.1	$190.3	$57.4	$9.9	$42.2	$1,230.6
Construction and development	313.2	0.0	13.9	7.1	226.1	4.7	0.5	0.8	2.6	57.5
Nonfarm nonresidential	1,324.0	0.0	46.6	32.5	940.8	15.3	3.7	3.4	9.7	272.0
Multifamily residential real estate	382.7	0.0	71.9	4.0	246.6	5.5	0.7	0.3	1.3	52.4
Home equity loans	434.1	0.0	57.4	2.5	200.1	10.0	5.0	0.3	1.7	157.2
Other 1-4 family residential	1,995.0	0.2	316.5	28.4	749.9	154.2	47.3	4.6	23.4	670.6
Commercial and industrial loans	1,935.5	14.9	308.9	22.3	923.6	4.6	8.5	1.8	4.5	646.4
Loans to individuals	1,589.4	402.5	272.1	6.6	302.2	4.4	104.5	1.9	4.5	490.8
Credit card loans	799.8	384.1	177.9	0.5	34.7	0.5	21.1	0.2	0.1	180.7
Other loans to individuals	789.6	18.4	94.2	6.0	267.4	4.0	83.4	1.6	4.4	310.2
All other loans and leases (including farm)	1,179.4	0.2	344.5	45.3	299.8	9.6	9.8	0.8	3.5	466.0
Total loans and leases (plus unearned income)	9,307.5	417.9	1,476.6	191.6	3,929.7	208.9	180.2	14.3	54.6	2,833.8
Memo: Other Real Estate Owned (in millions)										
All other real estate owned	10,935.8	0.1	627.2	331.3	7,156.7	285.7	91.8	111.6	261.5	2,070.0
Construction and development	3,368.8	0.0	3.2	103.1	2,747.7	70.3	9.2	52.7	88.5	294.2
Nonfarm nonresidential	2,807.0	0.0	50.3	109.8	2,202.3	37.0	15.9	28.5	78.0	285.2
Multifamily residential real estate	174.2	0.0	1.0	15.2	149.5	1.5	0.1	0.9	4.1	2.1
1-4 family residential	3,904.1	0.1	421.6	64.1	1,866.9	158.5	52.9	28.9	83.7	1,227.2
Farmland	144.4	0.0	0.0	39.0	92.5	1.3	0.1	0.5	7.2	3.8
GNMA properties	526.4	0.0	142.0	0.2	97.8	17.1	13.6	0.2	0.1	255.4

* 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

December 31, 2016	All Insured Institutions	Asset Size Distribution					Geographic Regions*					
		Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	$10 Billion to $250 Billion	Greater Than $250 Billion	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Percent of Loans 30-89 Days Past Due												
All loans secured by real estate	0.75	1.18	0.64	0.37	0.59	1.11	0.53	0.93	0.77	1.02	0.72	0.32
Construction and development	0.32	0.76	0.46	0.25	0.29	0.34	0.47	0.24	0.30	0.22	0.39	0.29
Nonfarm nonresidential	0.25	0.90	0.40	0.22	0.22	0.21	0.28	0.23	0.29	0.24	0.34	0.16
Multifamily residential real estate	0.13	0.50	0.24	0.11	0.11	0.14	0.13	0.07	0.15	0.26	0.17	0.05
Home equity loans	0.68	0.65	0.50	0.40	0.52	0.87	0.46	0.80	0.79	0.76	0.50	0.31
Other 1-4 family residential	1.30	1.72	1.05	0.67	1.06	1.70	0.93	1.63	1.20	1.69	1.48	0.53
Commercial and industrial loans	0.29	1.09	0.60	0.45	0.24	0.25	0.26	0.27	0.30	0.23	0.43	0.35
Loans to individuals	1.43	2.04	1.54	1.44	1.29	1.55	1.13	2.00	1.16	1.35	1.15	1.34
Credit card loans	1.28	5.17	2.10	1.74	1.40	1.11	1.05	1.52	1.07	1.14	0.88	1.74
Other loans to individuals	1.57	1.98	1.50	1.33	1.14	1.95	1.27	2.49	1.19	1.65	1.27	1.00
All other loans and leases (including farm)	0.27	0.53	0.45	0.24	0.16	0.31	0.15	0.32	0.31	0.28	0.26	0.26
Total loans and leases	0.71	1.14	0.66	0.45	0.63	0.85	0.56	0.90	0.64	0.79	0.67	0.55
Percent of Loans Noncurrent**												
All real estate loans	1.95	1.31	0.97	0.89	1.49	3.29	1.44	2.51	2.18	2.77	1.27	0.59
Construction and development	0.73	1.20	1.27	0.80	0.41	0.63	0.79	1.23	0.53	0.49	0.64	0.55
Nonfarm nonresidential	0.71	1.45	0.89	0.68	0.69	0.60	0.88	0.65	0.78	0.71	0.69	0.48
Multifamily residential real estate	0.18	0.56	0.53	0.22	0.10	0.15	0.15	0.23	0.18	0.23	0.37	0.13
Home equity loans	2.41	0.64	0.57	0.69	1.43	3.68	2.40	3.12	2.39	2.38	1.34	0.59
Other 1-4 family residential	3.28	1.44	1.11	1.40	2.60	4.86	2.29	3.99	3.44	4.64	2.48	0.76
Commercial and industrial loans	1.27	1.80	1.22	1.48	1.30	1.21	0.98	1.17	1.05	1.59	2.09	1.26
Loans to individuals	0.92	0.93	0.83	0.81	1.06	0.79	0.93	1.05	0.72	0.87	0.93	0.92
Credit card loans	1.27	2.75	1.50	1.57	1.39	1.09	1.08	1.40	1.06	1.17	1.25	1.67
Other loans to individuals	0.56	0.89	0.78	0.53	0.60	0.52	0.67	0.71	0.59	0.45	0.78	0.26
All other loans and leases (including farm)	0.22	0.71	0.63	0.63	0.27	0.14	0.21	0.16	0.17	0.27	0.33	0.39
Total loans and leases	1.41	1.26	0.97	0.96	1.22	1.79	1.14	1.62	1.46	1.77	1.33	0.79
Percent of Loans Charged-Off (net, YTD)												
All real estate loans	0.06	0.09	0.06	0.04	0.05	0.07	0.06	0.10	0.06	0.05	0.03	-0.01
Construction and development	-0.03	-0.03	0.02	-0.02	-0.05	-0.06	-0.01	0.09	-0.06	-0.10	-0.03	-0.16
Nonfarm nonresidential	0.02	0.13	0.06	0.04	0.01	-0.05	0.02	0.02	0.04	-0.02	0.04	0.00
Multifamily residential real estate	0.00	0.10	0.06	0.01	-0.01	-0.01	0.00	-0.01	-0.01	0.03	0.01	0.01
Home equity loans	0.27	0.10	0.05	0.09	0.20	0.37	0.19	0.39	0.22	0.36	0.15	0.01
Other 1-4 family residential	0.06	0.10	0.07	0.06	0.07	0.05	0.09	0.08	0.06	0.05	0.03	0.00
Commercial and industrial loans	0.45	0.53	0.33	0.58	0.48	0.40	0.38	0.38	0.36	0.49	0.63	0.65
Loans to individuals	1.97	0.82	0.81	1.59	2.18	1.87	2.15	2.09	1.21	2.35	1.42	1.90
Credit card loans	3.16	15.64	4.85	3.85	3.29	2.96	2.90	3.30	2.97	3.25	2.43	3.52
Other loans to individuals	0.79	0.62	0.53	0.80	0.65	0.91	0.84	0.83	0.59	1.17	0.94	0.49
All other loans and leases (including farm)	0.13	0.16	0.27	0.35	0.13	0.10	0.13	0.09	0.11	0.15	0.30	0.13
Total loans and leases	0.47	0.20	0.14	0.25	0.64	0.47	0.52	0.54	0.27	0.54	0.31	0.58
Loans Outstanding (in billions)												
All real estate loans	$4,603.2	$36.9	$611.6	$896.7	$1,401.2	$1,656.8	$925.7	$921.3	$957.4	$869.6	$414.6	$514.6
Construction and development	313.2	2.2	56.9	84.4	100.9	68.9	55.3	60.2	54.5	48.1	62.4	32.7
Nonfarm nonresidential	1,324.0	9.3	232.7	364.2	427.8	289.9	295.7	272.1	208.2	190.8	168.3	188.8
Multifamily residential real estate	382.7	1.0	33.1	91.6	140.0	117.0	138.3	43.8	101.1	33.0	17.1	49.5
Home equity loans	434.1	0.9	25.4	48.8	142.7	216.3	83.1	114.2	110.0	78.3	19.9	28.8
Other 1-4 family residential	1,995.0	16.6	215.4	287.0	574.4	901.6	349.2	418.2	460.9	432.8	130.5	203.4
Commercial and industrial loans	1,935.5	6.3	99.6	190.2	715.9	923.5	295.9	481.0	418.6	389.1	128.0	222.9
Loans to individuals	1,589.4	3.5	31.7	85.4	735.8	733.0	341.3	391.9	224.9	322.0	63.1	246.2
Credit card loans	799.8	0.1	2.2	22.6	428.4	346.5	217.7	197.6	60.5	189.3	20.2	114.7
Other loans to individuals	789.6	3.5	29.5	62.8	307.4	386.4	123.6	194.4	164.5	132.7	42.9	131.5
All other loans and leases (including farm)	1,179.4	7.5	50.2	63.6	327.6	730.5	178.6	256.9	275.2	333.0	49.9	85.9
Total loans and leases (plus unearned income)	9,307.5	54.3	793.1	1,235.9	3,180.5	4,043.7	1,741.4	2,051.0	1,876.1	1,913.7	655.7	1,069.6
Memo: Other Real Estate Owned (in millions)												
All other real estate owned	10,935.8	318.1	3,415.7	2,481.9	2,246.2	2,473.9	1,814.0	2,646.1	2,110.7	1,970.1	1,653.0	742.0
Construction and development	3,368.8	95.2	1,570.8	975.2	411.0	316.7	301.0	969.6	455.6	676.2	710.0	256.4
Nonfarm nonresidential	2,807.0	103.5	1,074.5	765.0	572.6	291.4	441.5	588.5	555.8	400.6	565.8	254.7
Multifamily residential real estate	174.2	14.4	68.9	62.3	10.7	18.0	37.9	28.8	22.2	48.8	18.6	18.0
1-4 family residential	3,904.1	93.0	622.8	614.5	1,101.6	1,472.1	956.6	958.2	881.9	611.3	308.0	188.1
Farmland	144.4	11.9	77.1	43.3	9.8	2.2	7.4	36.1	20.5	25.1	41.8	13.5
GNMA properties	526.4	0.2	1.7	21.6	140.5	362.4	69.6	64.8	174.7	197.2	8.8	11.3

*** 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)	4th Quarter 2016	3rd Quarter 2016	2nd Quarter 2016	1st Quarter 2016	4th Quarter 2015	% Change 15Q4-16Q4	Asset Size Distribution: Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	$10 Billion to $250 Billion	Greater Than $250 Billion
ALL DERIVATIVE HOLDERS											
Number of institutions reporting derivatives	1,426	1,441	1,446	1,429	1,414	0.8	62	839	418	98	9
Total assets of institutions reporting derivatives	$15,185,716	$15,188,993	$15,033,240	$14,766,715	$14,422,381	5.3	$4,669	$357,931	$1,325,790	$5,050,519	$8,446,806
Total deposits of institutions reporting derivatives	11,590,741	11,513,887	11,313,864	11,189,572	10,938,409	6.0	3,923	296,470	1,058,035	3,868,224	6,364,088
Total derivatives	166,739,373	179,902,253	192,350,486	195,508,825	181,986,620	-8.4	191	19,876	116,664	43,592,326	123,010,315
Derivative Contracts by Underlying Risk Exposure											
Interest rate	124,425,423	132,992,947	143,794,699	147,218,272	138,363,456	-10.1	191	19,855	112,354	36,689,697	87,603,326
Foreign exchange*	33,275,653	36,299,774	37,701,788	37,129,026	33,133,791	0.4	0	1	3,318	6,333,466	26,938,868
Equity	2,487,752	2,734,807	2,672,364	2,533,921	2,395,120	3.9	0	6	183	165,180	2,322,383
Commodity & other (excluding credit derivatives)	1,257,181	1,312,260	1,328,302	1,209,774	1,107,759	13.5	0	5	23	86,094	1,171,059
Credit	5,293,365	6,562,465	6,853,333	7,417,833	6,986,493	-24.2	0	9	787	317,890	4,974,679
Total	166,739,373	179,902,253	192,350,486	195,508,825	181,986,620	-8.4	191	19,876	116,664	43,592,326	123,010,315
Derivative Contracts by Transaction Type											
Swaps	96,383,730	103,013,911	111,900,682	114,814,419	107,392,487	-10.3	43	7,820	79,068	25,547,119	70,749,680
Futures & forwards	34,192,737	36,958,352	38,790,406	37,151,052	35,684,999	-4.2	61	6,079	20,090	8,090,412	26,076,095
Purchased options	14,772,195	15,466,148	16,277,239	16,857,478	15,469,691	-4.5	6	663	4,544	4,793,181	9,973,802
Written options	14,557,116	15,459,965	16,012,000	16,706,898	15,419,416	-5.6	82	5,305	11,955	4,716,621	9,823,152
Total	159,905,778	170,898,375	182,980,326	185,529,847	173,966,592	-8.1	191	19,866	115,657	43,147,333	116,622,729
Fair Value of Derivative Contracts											
Interest rate contracts	62,632	77,293	75,051	75,481	67,222	-6.8	1	128	212	29,356	32,934
Foreign exchange contracts	10,775	13,372	11,369	-11,530	-12,485	N/M	0	0	17	6,110	4,648
Equity contracts	-2,181	1,643	6,637	5,035	5,318	N/M	0	0	0	-39	-2,141
Commodity & other (excluding credit derivatives)	622	-2,185	-3,151	-4,310	-3,571	N/M	0	0	1	263	359
Credit derivatives as guarantor	16,617	17,871	1,037	2,901	-2,697	N/M	0	-1	-2	127	16,492
Credit derivatives as beneficiary	-15,028	-17,575	-167	-966	7,076	N/M	0	0	-29	330	-15,329
Derivative Contracts by Maturity**											
Interest rate contracts < 1 year	55,023,712	58,874,863	66,424,471	65,650,642	55,047,362	0.0	60	5,747	19,709	11,407,535	43,590,661
1-5 years	43,262,430	45,382,723	47,001,897	50,714,670	49,406,784	-12.4	24	2,017	30,468	11,623,935	31,605,986
> 5 years	29,761,959	32,522,164	33,930,510	34,846,003	32,980,646	-9.8	26	5,902	45,093	9,068,487	20,642,450
Foreign exchange and gold contracts < 1 year	23,909,631	25,797,765	26,622,784	26,231,748	24,129,842	-0.9	0	1	1,810	4,297,505	19,610,316
1-5 years	4,452,789	4,096,173	4,112,254	4,081,595	3,986,436	11.7	0	0	507	860,473	3,591,810
> 5 years	2,420,119	1,901,381	2,150,431	1,819,360	1,647,804	46.9	0	0	89	660,510	1,759,520
Equity contracts < 1 year	1,847,254	1,954,392	1,907,096	1,841,069	1,743,252	6.0	0	0	13	50,048	1,797,193
1-5 years	680,094	821,844	709,947	674,710	627,875	8.3	0	0	69	42,326	637,698
> 5 years	122,956	129,226	134,063	129,076	130,188	-5.6	0	0	0	15,731	107,226
Commodity & other contracts (including credit derivatives, excluding gold contracts) < 1 year	2,681,965	2,826,215	3,032,137	2,813,615	2,651,133	1.2	0	4	33	87,564	2,594,363
1-5 years	3,198,964	4,009,130	4,354,280	4,800,922	4,694,153	-31.9	0	5	102	163,696	3,035,160
> 5 years	339,228	540,260	368,331	619,196	405,131	-16.3	0	5	169	29,005	310,049
Risk-Based Capital: Credit Equivalent Amount											
Total current exposure to tier 1 capital (%)	29.2	35.2	37.2	34.5	30.1		0.0	0.3	0.6	19.3	42.7
Total potential future exposure to tier 1 capital (%)	44.0	41.0	43.5	47.5	48.3		0.1	0.4	0.7	21.1	70.1
Total exposure (credit equivalent amount) to tier 1 capital (%)	73.2	76.2	80.7	82.0	78.4		0.1	0.7	1.3	40.4	112.8
Credit losses on derivatives***	30.0	38.0	32.0	13.0	78.0	-61.5	0.0	0.0	0.0	15.0	15
HELD FOR TRADING											
Number of institutions reporting derivatives	260	251	257	252	250	4.0	7	98	92	55	8
Total assets of institutions reporting derivatives	12,093,909	12,138,725	11,985,152	11,719,838	11,460,982	5.5	545	41,670	353,800	3,520,118	8,177,775
Total deposits of institutions reporting derivatives	9,222,750	9,188,820	8,976,508	8,831,048	8,660,644	6.5	474	34,653	279,491	2,772,980	6,135,152
Derivative Contracts by Underlying Risk Exposure											
Interest rate	121,902,845	130,490,614	141,316,485	144,689,891	136,029,963	-10.4	8	1,275	33,060	36,156,096	85,712,406
Foreign exchange	31,226,301	33,353,870	34,671,042	34,029,316	31,666,580	-1.4	0	0	2,623	6,175,730	25,047,947
Equity	2,472,540	2,718,187	2,656,373	2,510,439	2,370,468	4.3	0	0	0	152,887	2,319,653
Commodity & other	1,255,199	1,310,469	1,326,621	1,208,052	1,105,989	13.5	0	0	5	84,945	1,170,248
Total	156,856,885	167,873,141	179,970,521	182,437,698	171,173,001	-8.4	8	1,276	35,688	42,569,659	114,250,254
Trading Revenues: Cash & Derivative Instruments											
Interest rate	-1,378	2,962	1,906	3,072	155	N/M	0	-1	35	-3,030	1,618
Foreign exchange	5,941	2,294	3,736	1,407	3,401	74.7	0	0	4	3,742	2,195
Equity	574	728	972	670	741	-22.5	0	0	3	37	534
Commodity & other (including credit derivatives)	844	437	420	455	-25	N/M	0	0	1	28	816
Total trading revenues	5,982	6,421	7,034	5,604	4,271	40.1	0	0	42	777	5,163
Share of Revenue											
Trading revenues to gross revenues (%)	4.6	4.9	5.5	4.6	3.5		0.0	0.0	1.1	2.2	5.8
Trading revenues to net operating revenues (%)	19.9	20.7	24.7	22.6	15.7		0.0	-0.2	4.9	10.5	23.8
HELD FOR PURPOSES OTHER THAN TRADING											
Number of institutions reporting derivatives	1,296	1,320	1,325	1,302	1,299	-0.2	56	758	380	93	9
Total assets of institutions reporting derivatives	14,888,132	14,893,525	14,754,766	14,523,714	14,204,940	4.8	4,216	325,223	1,222,487	4,889,400	8,446,806
Total deposits of institutions reporting derivatives	11,349,367	11,271,423	11,087,225	10,994,562	10,764,801	5.4	3,529	269,101	975,916	3,736,733	6,364,088
Derivative Contracts by Underlying Risk Exposure											
Interest rate	2,522,578	2,502,333	2,478,214	2,528,380	2,333,492	8.1	184	18,580	79,294	533,601	1,890,919
Foreign exchange	509,122	504,491	513,919	538,565	433,677	17.4	0	1	475	30,632	478,014
Equity	15,211	16,620	15,991	23,483	24,652	-38.3	0	6	183	12,293	2,730
Commodity & other	1,982	1,791	1,681	1,722	1,770	12.0	0	5	17	1,149	811
Total notional amount	3,048,893	3,025,234	3,009,806	3,092,149	2,793,591	9.1	184	18,591	79,969	577,675	2,372,475

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)	4th Quarter 2016	3rd Quarter 2016	2nd Quarter 2016	1st Quarter 2016	4th Quarter 2015	% Change 15Q4-16Q4	Asset Size Distribution: Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	$10 Billion to $250 Billion	Greater Than $250 Billion
Assets Securitized and Sold with Servicing Retained or with Recourse or Other Seller-Provided Credit Enhancements											
Number of institutions reporting securitization activities	75	74	74	73	73	2.7	0	15	19	34	7
Outstanding Principal Balance by Asset Type											
1-4 family residential loans	$643,700	$668,378	$687,192	$704,679	$715,914	-10.1	$0	$2,195	$14,260	$85,409	$541,836
Home equity loans	25	27	29	29	30	-16.7	0	0	0	25	0
Credit card receivables	12,879	13,491	13,485	13,400	13,502	-4.6	0	0	0	12,794	85
Auto loans	11,543	11,024	8,935	5,604	6,095	89.4	0	0	2,025	9,518	0
Other consumer loans	4,576	4,732	4,907	5,092	5,286	-13.4	0	0	0	2,368	2,208
Commercial and industrial loans	276	161	164	200	15	1,740.0	0	1	0	0	275
All other loans, leases, and other assets	64,170	65,387	71,245	74,712	79,844	-19.6	0	94	8,789	1,590	53,697
Total securitized and sold	737,169	763,200	785,958	803,716	820,686	-10.2	0	2,291	25,073	111,704	598,101
Maximum Credit Exposure by Asset Type											
1-4 family residential loans	2,056	2,114	2,080	2,162	2,363	-13.0	0	4	0	1,343	709
Home equity loans	0	0	0	0	0	0.0	0	0	0	0	0
Credit card receivables	1,162	1,209	1,207	1,152	1,108	4.9	0	0	0	1,162	0
Auto loans	428	436	0	0	0	0.0	0	0	0	428	0
Other consumer loans	97	96	91	86	89	9.0	0	0	0	0	97
Commercial and industrial loans	0	0	0	0	0	0.0	0	0	0	0	0
All other loans, leases, and other assets	1,142	841	971	902	990	15.4	0	0	51	15	1,076
Total credit exposure	4,884	4,696	4,349	4,302	4,549	7.4	0	4	51	2,948	1,882
Total unused liquidity commitments provided to institution's own securitizations	175	140	138	73	36	386.1	0	0	0	0	175
Securitized Loans, Leases, and Other Assets 30-89 Days Past Due (%)											
1-4 family residential loans	4.1	3.7	3.6	3.1	3.9		0.0	2.2	1.5	3.4	4.3
Home equity loans	6.9	5.5	8.6	6.2	5.4		0.0	0.0	0.0	6.9	0
Credit card receivables	0.4	0.4	0.3	0.4	0.4		0.0	0.0	0.0	0.4	1.2
Auto loans	1.7	1.5	1.3	1.2	1.5		0.0	0.0	3.4	1.3	0
Other consumer loans	4.6	4.4	3.8	3.8	3.9		0.0	0.0	0.0	2.1	7.4
Commercial and industrial loans	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0
All other loans, leases, and other assets	0.7	0.4	0.4	0.5	0.5		0.0	1.1	0.1	0.3	0.8
Total loans, leases, and other assets	3.7	3.3	3.3	2.8	3.5		0.0	2.2	1.2	2.8	4
Securitized Loans, Leases, and Other Assets 90 Days or More Past Due (%)											
1-4 family residential loans	1.4	1.5	1.6	1.6	2.0		0.0	1.5	0.5	1.2	1.5
Home equity loans	47.1	47.4	45.5	47.3	47.8		0.0	0.0	0.0	47.1	0
Credit card receivables	0.3	0.3	0.3	0.3	0.3		0.0	0.0	0.0	0.3	1.2
Auto loans	0.3	0.3	0.2	0.2	0.2		0.0	0.0	0.7	0.3	0
Other consumer loans	4.2	3.8	3.6	3.9	3.9		0.0	0.0	0.0	1.1	7.6
Commercial and industrial loans	0.0	0.0	0.1	0.1	1.0		0.0	0.0	0.0	0.0	0
All other loans, leases, and other assets	1.3	1.5	1.3	1.4	1.2		0.0	8.2	0.4	0.6	1.4
Total loans, leases, and other assets	1.4	1.4	1.5	1.6	1.9		0.0	1.7	0.5	1.0	1.5
Securitized Loans, Leases, and Other Assets Charged-off (net, YTD, annualized, %)											
1-4 family residential loans	0.3	0.2	0.2	0.1	0.4		0.0	0.1	0.0	0.0	0.4
Home equity loans	6.9	3.6	2.2	1.0	5.2		0.0	0.0	0.0	6.9	0
Credit card receivables	4.2	3.7	3.4	3.0	1.8		0.0	0.0	0.0	4.2	4.7
Auto loans	0.7	0.5	0.3	0.3	0.4		0.0	0.0	1.7	0.5	0
Other consumer loans	1.0	0.7	0.5	0.2	0.8		0.0	0.0	0.0	0.9	1.1
Commercial and industrial loans	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0
All other loans, leases, and other assets	0.4	0.3	0.4	0.1	0.6		0.0	0.0	0.0	0.0	0.5
Total loans, leases, and other assets	0.4	0.3	0.2	0.1	0.4		0.0	0.1	0.1	0.5	0.4
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	0
Credit card receivables	13,335	11,355	11,954	12,811	15,059	-11.4	0	0	0	13,335	0
Commercial and industrial loans	327	216	219	268	0	0.0	0	0	0	0	327
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	0
Credit card receivables	0	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	0
Assets Sold with Recourse and Not Securitized											
Number of institutions reporting asset sales	1,066	1,078	1,088	1,091	1,089	-2.1	103	726	181	48	8
Outstanding Principal Balance by Asset Type											
1-4 family residential loans	38,301	37,756	36,579	36,826	38,602	-0.8	1,059	17,179	9,351	4,895	5,818
Home equity, credit card receivables, auto, and other consumer loans	580	626	634	684	712	-18.5	0	3	19	26	531
Commercial and industrial loans	364	339	340	271	215	69.3	0	24	34	279	26
All other loans, leases, and other assets	89,265	84,258	80,687	79,266	73,499	21.5	0	28	158	26,345	62,734
Total sold and not securitized	128,510	122,979	118,240	117,047	113,028	13.7	1,059	17,234	9,562	31,545	69,109
Maximum Credit Exposure by Asset Type											
1-4 family residential loans	10,865	10,997	10,833	9,503	10,037	8.2	70	3,097	3,623	2,772	1,304
Home equity, credit card receivables, auto, and other consumer loans	147	148	134	161	163	-9.8	0	3	18	2	123
Commercial and industrial loans	308	183	186	181	151	104.0	0	24	5	279	0
All other loans, leases, and other assets	25,036	23,286	22,193	21,684	20,138	24.3	0	24	43	7,915	17,053
Total credit exposure	36,355	34,615	33,346	31,529	30,489	19.2	70	3,148	3,689	10,968	18,480
Support for Securitization Facilities Sponsored by Other Institutions											
Number of institutions reporting securitization facilities sponsored by others	104	104	109	110	111	-6.3	6	56	22	14	6
Total credit exposure	35,050	40,187	42,341	41,078	41,500	-15.5	7	139	221	2,049	32,634
Total unused liquidity commitments	1,131	1,411	2,853	1,387	834	35.6	0	13	2	489	627
Other											
Assets serviced for others*	6,002,174	5,997,016	6,035,190	6,056,621	6,061,667	-1.0	5,040	164,168	297,860	1,267,231	4,267,875
Asset-backed commercial paper conduits											
Credit exposure to conduits sponsored by institutions and others	21,720	23,084	21,665	18,378	13,980	55.4	0	0	0	0	21,720
Unused liquidity commitments to conduits sponsored by institutions and others	21,832	24,417	24,287	26,866	29,257	-25.4	0	0	6	1,824	20,001
Net servicing income (for the quarter)	5,039	2,647	1,174	882	3,328	51.4	14	293	336	1,479	2,918
Net securitization income (for the quarter)	228	287	181	203	250	-8.8	0	9	4	187	28
Total credit exposure to Tier 1 capital (%)**	4.9	5.1	5.2	5.1	5.1		0.7	2.6	2.2	3.1	7.4

* 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.

TABLE VIII-A. Trust Services (All FDIC-Insured Institutions)

	All Insured Institutions					Asset Size Distribution				
(dollar figures in millions)	Dec 31 2016	Dec 31 2015	Dec 31 2014	Dec 31 2013	% Change 2015-2016	Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	$10 Billion to $250 Billion	Greater Than $250 Billion
Number of institutions reporting	5,913	6,182	6,509	6,812	-4.4	1,541	3,637	621	105	9
Number of institutions with fiduciary powers	1,805	1,857	1,923	1,991	-2.8	228	1,146	351	71	9
Commercial banks	1,674	1,721	1,779	1,842	-2.7	210	1,083	307	65	9
Savings institutions	131	136	144	149	-3.7	18	63	44	6	0
Number of institutions exercising fiduciary powers	1,343	1,379	1,435	1,474	-2.6	138	842	291	63	9
Commercial banks	1,236	1,271	1,318	1,354	-2.8	121	791	257	58	9
Savings institutions	107	108	117	120	-0.9	17	51	34	5	0
Number of institutions reporting fiduciary activity	1,265	1,298	1,357	1,397	-2.5	130	784	279	63	9
Commercial banks	1,166	1,197	1,247	1,285	-2.6	113	738	248	58	9
Savings institutions	99	101	110	112	-2.0	17	46	31	5	0
Fiduciary and related assets - managed assets										
Personal trust and agency accounts	632,741	642,116	687,945	671,350	-1.5	16,697	53,201	72,718	234,808	255,317
Noninterest-bearing deposits	9,569	10,584	8,693	7,903	-9.6	19	722	153	325	8,349
Interest-bearing deposits	74,675	80,051	79,642	97,316	-6.7	269	4,803	7,744	12,157	49,702
U.S. Treasury and U.S. Government agency obligations	100,570	83,343	100,951	127,030	20.7	1,756	3,515	13,229	36,885	45,184
State, county and municipal obligations	199,548	194,887	180,255	176,967	2.4	5,817	10,846	20,033	78,262	84,591
Money market mutual funds	101,607	105,684	101,966	109,585	-3.9	2,483	8,061	11,306	36,023	43,734
Other short-term obligations	149,234	162,046	189,900	210,851	-7.9	35	81	784	118,332	30,003
Other notes and bonds	246,517	173,983	198,682	224,723	41.7	8,730	5,740	14,803	157,323	59,920
Common and preferred stocks	2,906,617	2,668,420	2,914,323	2,700,364	8.9	40,223	143,971	203,983	1,660,926	857,513
Real estate mortgages	2,035	1,957	1,989	1,936	4.0	336	201	235	807	455
Real estate	49,025	50,917	43,849	47,344	-3.7	1,061	7,507	6,736	12,997	20,724
Miscellaneous assets	116,135	118,135	117,239	101,488	-1.7	1,460	8,548	10,613	38,820	56,693
Employee benefit and retirement-related trust and agency accounts:										
Employee benefit - defined contribution	396,787	342,054	361,774	403,358	16.0	1,172	7,362	11,732	338,388	38,133
Employee benefit - defined benefit	646,918	551,423	612,253	582,751	17.3	3,767	3,508	20,165	567,915	51,562
Other employee benefit and retirement-related accounts	312,389	290,760	310,073	276,834	7.4	4,270	37,823	45,680	114,532	110,085
Corporate trust and agency accounts	19,811	19,444	20,957	22,832	1.9	0	376	4,606	10,949	3,880
Investment management and investment advisory agency accounts	1,616,213	1,433,152	1,560,369	1,299,675	12.8	33,909	79,976	114,319	784,436	603,574
Other fiduciary accounts	330,672	371,059	384,119	548,705	-10.9	2,375	11,748	20,399	101,832	194,318
Total managed fiduciary accounts:										
Assets	3,955,531	3,650,008	3,937,490	3,805,506	8.4	62,190	193,994	289,619	2,152,859	1,256,869
Number of accounts	1,760,895	1,694,192	1,635,972	1,557,905	3.9	111,176	303,418	323,984	464,779	557,538
Fiduciary and related assets - nonmanaged assets										
Personal trust and agency accounts	260,199	276,132	289,810	277,995	-5.8	5,137	22,783	24,861	129,798	77,621
Employee benefit and retirement-related trust and agency accounts:										
Employee benefit - defined contribution	2,112,262	2,037,017	2,208,911	3,122,507	3.7	99,027	25,050	64,254	1,383,148	540,783
Employee benefit - defined benefit	4,187,660	4,248,691	4,208,533	3,983,936	-1.4	14,473	23,601	13,822	3,253,922	881,843
Other employee benefit and retirement-related accounts	1,304,015	1,338,985	1,612,404	2,631,474	-2.6	11,184	23,269	15,677	1,064,125	189,760
Corporate trust and agency accounts	2,593,501	2,657,963	2,568,742	2,472,022	-2.4	4	19,412	358,505	314,805	1,900,775
Other fiduciary accounts	3,250,920	3,097,181	3,503,127	3,353,848	5.0	3,811	32,000	26,027	1,619,764	1,569,319
Total nonmanaged fiduciary accounts:										
Assets	13,708,558	13,655,968	14,391,526	15,841,782	0.4	133,636	146,115	503,145	7,765,561	5,160,101
Number of accounts	3,931,418	3,809,051	3,846,839	14,378,658	3.2	639,226	354,909	197,110	2,067,071	673,102
Custody and safekeeping accounts:										
Assets	85,357,482	81,196,148	83,499,072	80,166,742	5.1	185,479	1,000,681	773,234	28,037,541	55,360,547
Number of accounts	8,596,106	8,291,116	9,368,241	9,477,615	3.7	1,327,150	5,131,978	499,124	304,205	1,333,649
Fiduciary and related services income										
Personal trust and agency accounts	4,517	4,707	4,871	4,655	-4.0	132	239	521	1,644	1,980
Retirement-related trust and agency accounts:										
Employee benefit - defined contribution	1,229	1,199	1,190	1,281	2.5	18	47	179	551	434
Employee benefit - defined benefit	1,415	1,411	1,381	1,336	0.3	10	18	31	924	431
Other employee benefit and retirement-related accounts	1,655	1,528	1,498	1,350	8.3	45	346	283	526	455
Corporate trust and agency accounts	1,677	1,469	1,371	1,317	14.2	0	33	285	385	973
Investment management agency accounts	7,765	7,449	6,988	6,125	4.2	174	559	843	2,586	3,602
Other fiduciary accounts	764	699	827	816	9.3	3	23	7	352	380
Custody and safekeeping accounts	13,397	13,317	13,091	12,494	0.6	14	345	489	4,843	7,705
Other fiduciary and related services income	832	970	1,157	1,451	-14.2	5	91	97	229	411
Total gross fiduciary and related services income	33,394	32,883	32,515	30,992	1.6	405	1,786	2,748	12,084	16,372
Less: Expenses	30,651	31,276	30,827	29,519	-2.0	259	1,371	2,231	12,722	14,068
Less: Net losses from fiduciary and related services	199	367	220	245	-45.8	0	2	7	147	43
Plus: Intracompany income credits for fiduciary and related services	5,757	4,946	5,406	5,507	16.4	0	15	260	3,293	2,190
Net fiduciary and related services income	8,136	6,051	6,730	6,565	34.5	143	342	737	2,463	4,451
Collective investment funds and common trust funds (market value)										
Domestic equity funds	636,516	558,173	615,207	373,714	14.0	6,937	810	13,794	480,665	134,309
International/global equity funds	186,627	188,974	193,625	186,382	-1.2	1,374	5,953	3,311	130,021	45,968
Stock/bond blend funds	142,755	137,835	143,065	125,635	3.6	1,188	887	2,142	94,395	44,143
Taxable bond funds	149,992	146,148	154,238	145,958	2.6	771	1,942	1,718	3,698	141,863
Municipal bond funds	3,291	3,924	4,373	4,263	-16.1	45	293	74	1,667	1,211
Short-term investments/money market funds	161,560	145,387	178,284	178,395	11.1	2,015	0	160	102,205	57,181
Specialty/other funds	56,067	52,694	47,543	77,419	6.4	288	292	6,165	5,000	44,322
Total collective investment funds	1,336,808	1,233,135	1,336,336	1,091,766	8.4	12,618	10,178	27,364	817,651	468,997

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.

Community Bank Revenue and Loan Growth Outpace Industry

Quarterly Earnings Improve by 10.5 Percent From a Year Ago to $5.3 Billion

Full-Year 2016 Earnings Increase to $21.4 Billion, Led by Net Interest Income

Net Operating Revenue Rises on Higher Net Interest Income and Noninterest Income

Total Loan Balances Increase 8.3 Percent in 2016

Community Banks Report Earnings of $5.3 Billion in the Fourth Quarter

Earnings totaled $5.3 billion for the 5,461 FDIC-insured community banks in fourth quarter 2016, an increase of $507.9 million (10.5 percent) from a year earlier. Improvement in earnings was led by higher net operating revenue (the sum of net interest income and total noninterest income), but was offset in part by higher loan-loss provisions and noninterest expense. The pretax return on assets (ROA) was 1.24 percent, down 14 basis points from the previous quarter, but up 5 basis points from fourth quarter 2015.

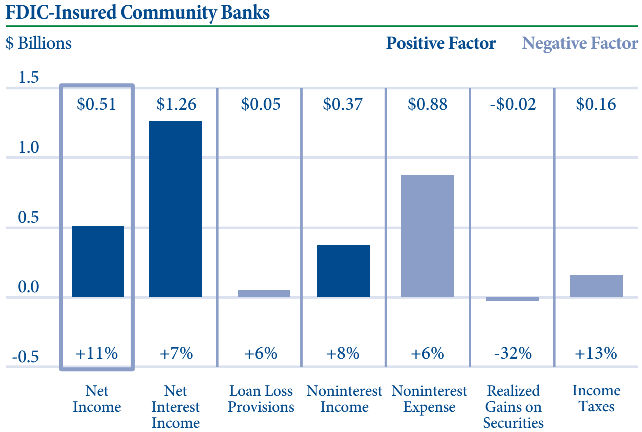
Full-Year 2016 Earnings of $21.4 Billion Up 10.1 Percent From Prior Year

Full-year 2016 earnings at community banks totaled $21.4 billion, an increase of $2 billion (10.1 percent) over full-year 2015 earnings. Higher net interest income (up $5.1 billion, or 7.9 percent) and noninterest income (up $1.4 billion, or 7.6 percent) lifted full-year earnings, which was partly offset by higher loan-loss provisions (up $516.7 million, or 20.6 percent) and noninterest expense (up $3.4 billion, or 6 percent). Almost two out of every three community banks (65 percent) reported an improvement in earnings from 2015. Pretax ROA in 2016 was 1.31 percent, up 5 basis points from 1.26 percent in 2015. Annual pretax ROA was above 1 percent for the past five consecutive years.

Chart 1

Contributors to the Year-Over-Year Change in Income

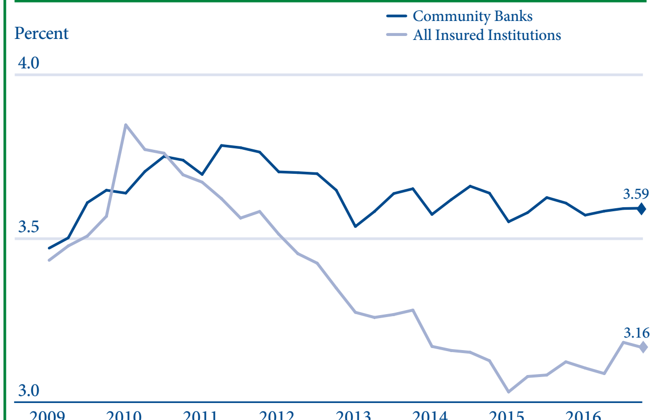
FDIC-Insured Community Banks



Source: FDIC.

Chart 2

Net Interest Margin



Source: FDIC.

Net Operating Revenue Increases More Than 7 Percent From the Previous Year

Community banks reported net operating revenue of $23.2 billion for the fourth quarter, up $1.6 billion (7.6 percent) from the year-earlier quarter. Higher net interest income (up $1.3 billion, or 7.5 percent) and noninterest income (up $372 million, or 7.8 percent) drove the increase in net operating revenue. Growth in net interest income was led by interest income from non 1-to-4 family real estate loans (up $853.5 million, or 11.3 percent), while net gains on loan sales (up $343.6 million, or 38.2 percent) lifted the year-over-year increase in noninterest income.[1]

Net Interest Margin at Community Banks Remains Stable

The average net interest margin (NIM) at community banks was 3.59 percent in fourth quarter 2016, down 1 basis point from the same quarter in 2015, as asset yields remained flat and funding costs increased 1 basis point. NIM at noncommunity banks increased from 3.04 percent in fourth quarter 2015 to 3.09 percent, with asset yields rising 8 basis points and funding costs increasing by 3 basis points.

Noninterest Expense Grows 6 Percent From Fourth Quarter 2015

Noninterest expense of $15.6 billion rose by $877.1 million (6 percent) from the same quarter a year ago, with 60 percent of community banks reporting an increase. The 12-month increase was led by higher salary and employee benefits (up $662 million, or 8.1 percent). Full-time employees at community banks totaled 431,061 in fourth quarter 2016, up 12,632 (3 percent) from a year earlier. The average asset per employee totaled $5.1 million during the quarter, up from $4.8 million in fourth quarter 2015. Noninterest expense as a percentage of net operating revenue declined from 68.7 percent in fourth quarter 2015 to 67.3 percent, the lowest fourth-quarter level since 2006.

Loan Balances Increase From the Previous Quarter

Total assets at community banks rose by $27.9 billion (1.3 percent) from the third quarter, with 80 percent of the growth coming from higher loan lease balances (up $22.4 billion, or 1.5 percent). Almost two-thirds (63 percent) of community banks reported higher loan and lease balances from the previous quarter. The largest quarterly increase was among nonfarm nonresidential loans (up $12.3 billion, or 2.8 percent), commercial and industrial loans (up $3.6 billion, or 1.8 percent), multifamily residential loans (up $3.2 billion, or 3.2 percent), and construction and development loans (up $3.1 billion, or 3.1 percent).

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

Chart 3

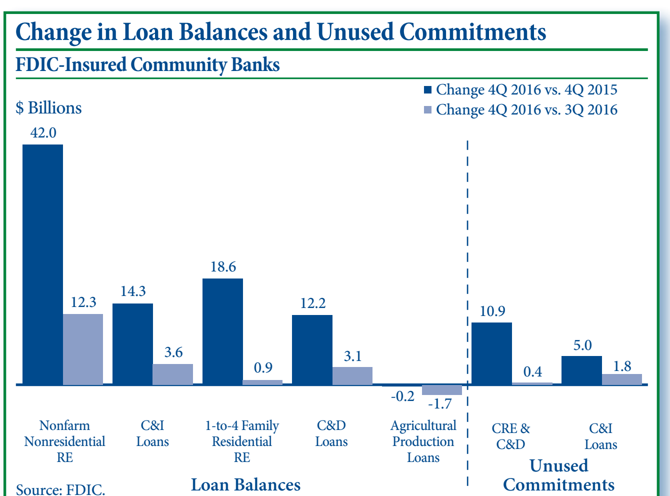
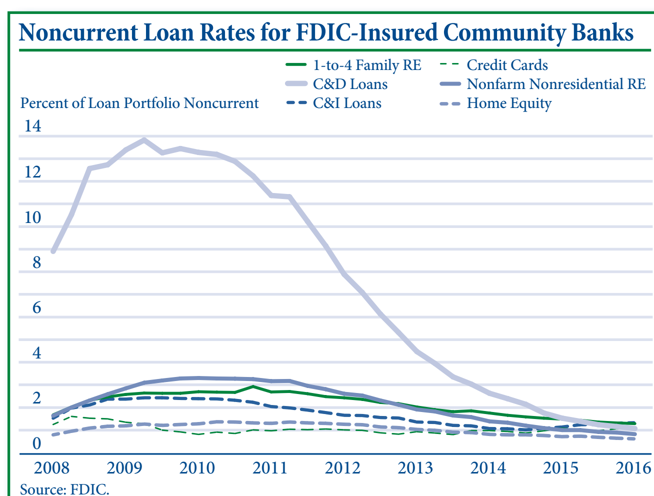


Chart 4



Total Loan Balances at Community Banks Increase 8.3 Percent in 2016

The 12-month growth rate in loan and lease balances at community banks was 8.3 percent, surpassing the 4.8 percent at noncommunity banks. The annual increase at community banks was attributed to nonfarm nonresidential loans (up $42 billion, or 10.4 percent), 1-to-4 family residential mortgages (up $18.6 billion, or 5 percent), multifamily residential loans (up $14.7 billion, or 16.3 percent), and commercial and industrial loans (up $14.3 billion, or 7.5 percent). Unused loan commitments totaled $284.6 billion for the fourth quarter, an increase of $24.4 billion (9.4 percent) from fourth quarter 2015, with unused commercial real estate loan commitments—including construction and development—growing $10.9 billion (15 percent).

Community Banks Increase Small Loans to Businesses at More Than Twice the Rate of Noncommunity Banks in 2016

Small loans to businesses totaled $298.3 billion in fourth quarter 2016, an increase of $579.3 million (0.2 percent) from the previous quarter.[2] The quarterly increase was led by nonfarm nonresidential loans (up $912.5 million, or 0.6 percent) and commercial and industrial loans (up $743.3 million, or 0.8 percent), which was partly offset by a reduction in agricultural production loans (down $1.1 billion, or 3.6 percent). Over the past 12 months, community banks expanded small loans to businesses by $6.4 billion (2.2 percent), more than twice the rate of noncommunity banks ($3.1 billion, or 0.8 percent). The yearly increase at community banks was driven by nonfarm nonresidential loans (up $3.4 billion, or 2.4 percent) and commercial and industrial loans (up $2.7 billion, or 3 percent). Community banks continued to hold 43 percent of all small loans to businesses.

Noncurrent Rate Declines Below 1 Percent

With more than half (56 percent) of community banks reducing their noncurrent loan and lease balances from the previous quarter, total balances fell by $393.6 million (2.6 percent). The noncurrent rate of 0.99 percent declined 4 basis points from the previous quarter. This is the first time since second quarter 2007 that the noncurrent rate was below 1 percent. The noncurrent rate declined for all major loan categories except for commercial and industrial loans (up 2 basis points) from the previous quarter. The largest decline was among construction and development loans (down 9 basis points) and nonfarm nonresidential loans (down 7 basis points).

Net Charge-Off Rate Declines Modestly From Fourth Quarter 2015

The net charge-off rate for community banks declined 1 basis point from the year before to 0.21 percent, while noncommunity banks had an increase of 4 basis points to 0.59 percent. The net charge-off rate for all major loan categories among community banks was lower from a year earlier except for commercial and industrial which increased 9 basis points to 0.55 percent. The largest annual improvement in the net charge-off rate was with 1-to-4 family residential mortgages (down 4 basis points).

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[2] Small loans to businesses consist of loans to commercial borrowers up to $1 million and farm loans up to $500,000.

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

	2016	2015	2014	2013	2012	2011	2010
Return on assets (%)	1.01	0.99	0.93	0.90	0.83	0.55	0.21
Return on equity (%)	9.06	8.85	8.45	8.27	7.68	5.19	2.07
Core capital (leverage) ratio (%)	10.71	10.67	10.57	10.43	10.18	9.98	9.57
Noncurrent assets plus other real estate owned to assets (%)	0.92	1.07	1.34	1.73	2.27	2.84	3.25
Net charge-offs to loans (%)	0.15	0.15	0.21	0.32	0.58	0.87	1.11
Asset growth rate (%)	3.00	2.71	2.21	0.39	2.25	1.64	-2.24
Net interest margin (%)	3.57	3.57	3.61	3.59	3.67	3.74	3.71
Net operating income growth (%)	5.50	9.54	4.81	14.64	56.17	207.86	211.59
Number of institutions reporting	5,461	5,735	6,037	6,307	6,542	6,799	7,014
Percentage of unprofitable institutions (%)	4.34	5.00	6.44	8.40	11.14	16.34	22.16

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

(dollar figures in millions)	4th Quarter 2016	3rd Quarter 2016	4th Quarter 2015	%Change 15Q4-16Q4
Number of institutions reporting	5,461	5,522	5,735	-4.8
Total employees (full-time equivalent)	431,061	431,151	437,842	-1.5
CONDITION DATA				
Total assets	$2,183,605	$2,163,553	$2,119,973	3.0
Loans secured by real estate	1,160,722	1,143,151	1,094,369	6.1
1-4 Family residential mortgages	389,858	389,636	376,160	3.6
Nonfarm nonresidential	445,387	434,583	418,618	6.4
Construction and development	101,939	98,985	93,745	8.7
Home equity lines	50,721	50,538	50,629	0.2
Commercial & industrial loans	203,379	200,390	196,227	3.6
Loans to individuals	60,901	60,314	59,988	1.5
Credit cards	2,215	2,141	2,173	1.9
Farm loans	50,721	52,468	51,331	-1.2
Other loans & leases	39,697	40,554	36,716	8.1
Less: Unearned income	660	642	638	3.4
Total loans & leases	1,514,761	1,496,235	1,437,993	5.3
Less: Reserve for losses	18,475	18,446	18,542	-0.4
Net loans and leases	1,496,285	1,477,789	1,419,450	5.4
Securities	422,959	419,992	438,358	-3.5
Other real estate owned	5,055	5,466	6,584	-23.2
Goodwill and other intangibles	14,400	14,284	13,826	4.2
All other assets	244,905	246,021	241,755	1.3
Total liabilities and capital	2,183,605	2,163,553	2,119,973	3.0
Deposits	1,793,682	1,771,676	1,736,385	3.3
Domestic office deposits	1,793,205	1,771,265	1,735,985	3.3
Foreign office deposits	478	411	400	19.4
Brokered deposits	81,194	78,407	71,329	13.8
Estimated insured deposits	1,329,596	1,323,721	1,313,889	1.2
Other borrowed funds	131,764	128,641	131,741	0.0
Subordinated debt	806	802	479	68.5
All other liabilities	16,090	17,661	15,664	2.7
Total equity capital (includes minority interests)	241,262	244,773	235,704	2.4
Bank equity capital	241,165	244,661	235,595	2.4
Loans and leases 30-89 days past due	8,711	7,802	8,972	-2.9
Noncurrent loans and leases	15,013	15,444	15,906	-5.6
Restructured loans and leases	8,298	8,663	9,424	-12.0
Mortgage-backed securities	181,024	179,986	185,291	-2.3
Earning assets	2,030,032	2,012,451	1,968,326	3.1
FHLB Advances	103,989	100,678	100,888	3.1
Unused loan commitments	284,645	281,271	271,069	5.0
Trust assets	294,313	253,776	292,961	0.5
Assets securitized and sold	14,704	14,435	15,812	-7.0
Notional amount of derivatives	59,690	74,283	51,861	15.1

INCOME DATA	Full Year 2016	Full Year 2015	%Change	4th Quarter 2016	4th Quarter 2015	%Change 15Q4-16Q4
Total interest income	$79,194	$76,401	3.7	$20,424	$19,745	3.4
Total interest expense	9,133	8,652	5.6	2,369	2,216	6.9
Net interest income	70,061	67,750	3.4	18,056	17,528	3.0
Provision for loan and lease losses	3,026	2,558	18.3	930	894	4.1
Total noninterest income	19,958	19,528	2.2	5,155	5,022	2.7
Total noninterest expense	59,934	59,373	0.9	15,612	15,498	0.7
Securities gains (losses)	640	520	23.0	52	77	-32.8
Applicable income taxes	6,279	5,633	11.5	1,363	1,224	11.4
Extraordinary gains, net*	-9	6	N/M	-9	4	N/M
Total net income (includes minority interests)	21,411	20,239	5.8	5,347	5,016	6.6
Bank net income	21,388	20,213	5.8	5,342	5,011	6.6
Net charge-offs	2,213	2,055	7.7	802	779	2.9
Cash dividends	10,209	10,093	1.2	3,055	3,271	-6.6
Retained earnings	11,179	10,120	10.5	2,287	1,741	31.4
Net operating income	20,913	19,822	5.5	5,316	4,946	7.5

* See Notes to Users (page 31) for explanation.

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)	4th Quarter 2016	3rd Quarter 2016	4th Quarter 2015	%Change 15Q4-16Q4
Number of institutions reporting	5,461	5,461	5,461	0.0
Total employees (full-time equivalent)	431,061	428,269	418,429	3.0
CONDITION DATA				
Total assets	$2,183,605	$2,155,674	$2,061,965	5.9
Loans secured by real estate	1,160,722	1,139,999	1,065,971	8.9
1-4 Family residential mortgages	389,858	388,999	371,306	5.0
Nonfarm nonresidential	445,387	433,056	403,423	10.4
Construction and development	101,939	98,849	89,768	13.6
Home equity lines	50,721	50,241	48,333	4.9
Commercial & industrial loans	203,379	199,769	189,119	7.5
Loans to individuals	60,901	60,156	57,757	5.4
Credit cards	2,215	2,135	2,146	3.2
Farm loans	50,721	52,446	50,962	-0.5
Other loans & leases	39,697	40,586	35,941	10.5
Less: Unearned income	660	643	651	1.3
Total loans & leases	1,514,761	1,492,314	1,399,100	8.3
Less: Reserve for losses	18,475	18,412	18,034	2.4
Net loans and leases	1,496,285	1,473,902	1,381,065	8.3
Securities	422,959	417,731	426,455	-0.8
Other real estate owned	5,055	5,443	6,380	-20.8
Goodwill and other intangibles	14,400	14,106	13,118	9.8
All other assets	244,905	244,493	234,947	4.2
Total liabilities and capital	2,183,605	2,155,674	2,061,965	5.9
Deposits	1,793,682	1,765,272	1,688,399	6.2
Domestic office deposits	1,793,205	1,764,861	1,688,004	6.2
Foreign office deposits	478	411	395	20.8
Brokered deposits	81,194	78,306	69,994	16.0
Estimated insured deposits	1,329,596	1,319,482	1,277,188	4.1
Other borrowed funds	131,764	128,229	128,829	2.3
Subordinated debt	806	802	429	88.2
All other liabilities	16,090	17,533	15,169	6.1
Total equity capital (includes minority interests)	241,262	243,838	229,139	5.3
Bank equity capital	241,165	243,726	229,030	5.3
Loans and leases 30-89 days past due	8,711	7,799	8,787	-0.9
Noncurrent loans and leases	15,013	15,406	15,514	-3.2
Restructured loans and leases	8,298	8,639	9,140	-9.2
Mortgage-backed securities	181,024	178,652	178,941	1.2
Earning assets	2,030,032	2,005,227	1,915,496	6.0
FHLB Advances	103,989	100,346	98,856	5.2
Unused loan commitments	284,645	280,019	260,206	9.4
Trust assets	294,313	252,060	275,175	7.0
Assets securitized and sold	14,704	14,435	13,196	11.4
Notional amount of derivatives	59,690	73,463	49,006	21.8

INCOME DATA	Full Year 2016	Full Year 2015	%Change	4th Quarter 2016	4th Quarter 2015	%Change 15Q4-16Q4
Total interest income	$79,194	$73,306	8.0	$20,424	$18,934	7.9
Total interest expense	9,133	8,348	9.4	2,369	2,137	10.8
Net interest income	70,061	64,958	7.9	18,056	16,797	7.5
Provision for loan and lease losses	3,026	2,509	20.6	930	880	5.8
Total noninterest income	19,958	18,551	7.6	5,155	4,783	7.8
Total noninterest expense	59,934	56,523	6.0	15,612	14,735	6.0
Securities gains (losses)	640	506	26.5	52	76	-31.7
Applicable income taxes	6,279	5,541	13.3	1,363	1,206	13.0
Extraordinary gains, net*	-9	5	N/M	-9	4	N/M
Total net income (includes minority interests)	21,411	19,447	10.1	5,347	4,839	10.5
Bank net income	21,388	19,420	10.1	5,342	4,834	10.5
Net charge-offs	2,213	1,959	12.9	802	746	7.4
Cash dividends	10,209	9,766	4.5	3,055	3,140	-2.7
Retained earnings	11,179	9,655	15.8	2,287	1,695	34.9
Net operating income	20,913	19,042	9.8	5,316	4,769	11.5

* See Notes to Users (page 31) for explanation.

N/M - Not Meaningful

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

Fourth Quarter 2016 (dollar figures in millions)		Geographic Regions*					
	All Community Banks	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	5,461	632	660	1,200	1,427	1,191	351
Total employees (full-time equivalent)	431,061	85,734	52,996	90,964	70,598	94,175	36,594
CONDITION DATA							
Total assets	$2,183,605	$579,560	$247,345	$396,142	$336,870	$420,337	$203,350
Loans secured by real estate	1,160,722	353,649	138,468	203,057	157,472	201,247	106,828
1-4 Family residential mortgages	389,858	131,324	44,625	71,754	49,737	64,607	27,811
Nonfarm nonresidential	445,387	125,502	59,874	74,347	51,942	82,719	51,003
Construction and development	101,939	20,802	15,794	13,919	13,465	28,997	8,961
Home equity lines	50,721	16,967	7,808	11,449	4,872	4,689	4,935
Commercial & industrial loans	203,379	50,934	19,194	37,913	33,118	42,739	19,482
Loans to individuals	60,901	13,377	6,368	12,147	10,141	13,727	5,142
Credit cards	2,215	446	133	442	566	307	321
Farm loans	50,721	554	1,193	8,522	28,148	9,462	2,841
Other loans & leases	39,697	12,582	3,202	6,810	5,754	7,909	3,440
Less: Unearned income	660	167	117	60	57	128	130
Total loans & leases	1,514,761	430,930	168,309	268,389	234,576	274,956	137,602
Less: Reserve for losses	18,475	4,427	2,044	3,343	3,162	3,662	1,838
Net loans and leases	1,496,285	426,503	166,265	265,046	231,414	271,294	135,764
Securities	422,959	96,207	46,460	82,181	65,989	93,273	38,849
Other real estate owned	5,055	775	1,276	913	770	1,015	305
Goodwill and other intangibles	14,400	4,734	1,270	2,492	1,854	2,716	1,334
All other assets	244,905	51,341	32,074	45,510	36,843	52,039	27,097
Total liabilities and capital	2,183,605	579,560	247,345	396,142	336,870	420,337	203,350
Deposits	1,793,682	460,124	204,766	327,431	278,104	352,891	170,366
Domestic office deposits	1,793,205	459,713	204,750	327,408	278,104	352,891	170,338
Foreign office deposits	478	411	16	23	0	0	28
Brokered deposits	81,194	26,889	7,294	13,942	12,439	11,669	8,962
Estimated insured deposits	1,329,596	329,505	152,785	259,839	217,243	253,711	116,513
Other borrowed funds	131,764	48,296	13,598	22,129	19,914	19,261	8,567
Subordinated debt	806	687	20	47	22	16	15
All other liabilities	16,090	5,634	1,749	2,829	1,846	2,394	1,637
Total equity capital (includes minority interests)	241,262	64,820	27,212	43,706	36,984	45,775	22,765
Bank equity capital	241,165	64,786	27,200	43,677	36,983	45,756	22,764
Loans and leases 30-89 days past due	8,711	2,223	1,151	1,478	1,228	2,152	479
Noncurrent loans and leases	15,013	5,036	1,646	2,620	1,779	3,136	796
Restructured loans and leases	8,298	2,337	1,146	2,046	1,036	1,118	615
Mortgage-backed securities	181,024	53,461	20,340	31,764	21,396	34,833	19,230
Earning assets	2,030,032	542,768	228,176	367,226	313,216	388,455	190,192
FHLB Advances	103,989	41,172	11,030	16,281	14,443	15,469	5,594
Unused loan commitments	284,645	72,850	30,620	53,061	47,062	51,462	29,589
Trust assets	294,313	53,174	12,768	78,097	87,821	50,810	11,643
Assets securitized and sold	14,704	3,690	67	5,955	936	639	3,417
Notional amount of derivatives	59,690	23,533	6,858	10,539	7,250	6,963	4,548
INCOME DATA							
Total interest income	$20,424	$5,185	$2,358	$3,605	$3,206	$4,109	$1,962
Total interest expense	2,369	759	262	405	379	398	165
Net interest income	18,056	4,426	2,096	3,199	2,826	3,711	1,797
Provision for loan and lease losses	930	220	86	100	170	315	40
Total noninterest income	5,155	954	528	1,303	812	964	594
Total noninterest expense	15,612	3,673	1,888	3,040	2,394	3,157	1,461
Securities gains (losses)	52	34	12	-7	6	9	-2
Applicable income taxes	1,363	413	154	228	187	154	228
Extraordinary gains, net	-9	-9	0	0	0	0	0
Total net income (includes minority interests)	5,347	1,099	509	1,127	893	1,059	660
Bank net income	5,342	1,097	508	1,125	893	1,059	660
Net charge-offs	802	196	81	136	157	194	38
Cash dividends	3,055	364	324	735	555	759	318
Retained earnings	2,287	733	185	390	338	299	342
Net operating income	5,316	1,081	500	1,135	888	1,050	662

* See Table V-A (page 13) for explanations.

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

Performance ratios (annualized, %)	All Community Banks		Fourth Quarter 2016, Geographic Regions*					
	4th Quarter 2016	3rd Quarter 2016	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Yield on earning assets	4.06	4.05	3.86	4.18	3.95	4.12	4.25	4.16
Cost of funding earning assets	0.47	0.47	0.57	0.46	0.44	0.49	0.41	0.35
Net interest margin	3.59	3.58	3.30	3.71	3.50	3.63	3.84	3.81
Noninterest income to assets	0.95	0.99	0.67	0.86	1.32	0.97	0.92	1.18
Noninterest expense to assets	2.88	2.85	2.56	3.08	3.09	2.87	3.02	2.89
Loan and lease loss provision to assets	0.17	0.14	0.15	0.14	0.10	0.20	0.30	0.08
Net operating income to assets	0.98	1.03	0.75	0.82	1.15	1.06	1.01	1.31
Pretax return on assets	1.24	1.38	1.05	1.08	1.37	1.29	1.16	1.76
Return on assets	0.99	1.05	0.77	0.83	1.14	1.07	1.01	1.31
Return on equity	8.83	9.32	6.81	7.44	10.22	9.58	9.16	11.59
Net charge-offs to loans and leases	0.21	0.16	0.18	0.19	0.20	0.27	0.28	0.11
Loan and lease loss provision to net charge-offs	116.06	122.52	111.85	105.79	73.52	108.02	162.75	107.16
Efficiency ratio	66.24	65.38	65.20	71.56	67.20	65.41	66.95	60.79
Net interest income to operating revenue	77.79	77.04	82.27	79.87	71.06	77.69	79.38	75.16
% of unprofitable institutions	8.46	4.80	8.07	11.97	8.58	8.20	7.98	4.84
% of institutions with earnings gains	57.92	60.12	65.19	63.03	57.25	53.96	55.42	62.11

Table V-B. Full Year 2016, FDIC-Insured Community Banks

Performance ratios (%)	All Community Banks		Full Year 2016, Geographic Regions*					
	Full Year 2016	Full Year 2015	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Yield on earning assets	4.04	4.03	3.85	4.16	3.92	4.10	4.24	4.13
Cost of funding earning assets	0.47	0.46	0.57	0.46	0.44	0.48	0.40	0.34
Net interest margin	3.57	3.57	3.28	3.70	3.49	3.62	3.84	3.79
Noninterest income to assets	0.95	0.95	0.67	0.92	1.30	0.93	0.94	1.11
Noninterest expense to assets	2.84	2.90	2.51	3.08	3.05	2.79	2.98	2.89
Loan and lease loss provision to assets	0.14	0.13	0.16	0.12	0.10	0.15	0.21	0.08
Net operating income to assets	0.99	0.97	0.75	0.85	1.08	1.13	1.11	1.19
Pretax return on assets	1.31	1.26	1.11	1.17	1.40	1.40	1.33	1.71
Return on assets	1.01	0.99	0.77	0.88	1.10	1.16	1.13	1.21
Return on equity	9.06	8.85	6.89	7.85	9.77	10.37	10.25	10.67
Net charge-offs to loans and leases	0.15	0.15	0.17	0.14	0.14	0.14	0.20	0.06
Loan and lease loss provision to net charge-offs	136.76	124.53	122.49	122.25	105.30	156.84	160.34	215.35
Efficiency ratio	66.06	67.64	66.01	70.69	66.93	64.40	66.11	61.73
Net interest income to operating revenue	77.83	77.63	82.02	78.66	71.35	78.43	79.12	76.17
% of unprofitable institutions	4.34	5.00	5.85	7.27	5.42	2.10	3.61	3.99
% of institutions with earnings gains	64.77	62.98	69.78	67.27	64.17	61.67	64.06	68.09

* See Table V-A (page 13) for explanations.

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

December 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	0.54	0.47	0.66	0.57	0.52	0.70	0.28
Construction and development	0.39	0.23	0.42	0.34	0.39	0.49	0.45
Nonfarm nonresidential	0.33	0.30	0.34	0.34	0.40	0.44	0.16
Multifamily residential real estate	0.16	0.13	0.28	0.19	0.22	0.31	0.01
Home equity loans	0.44	0.45	0.46	0.43	0.33	0.48	0.48
Other 1-4 family residential	0.92	0.81	1.22	1.00	0.77	1.19	0.49
Commercial and industrial loans	0.52	0.47	0.60	0.40	0.50	0.72	0.43
Loans to individuals	1.72	2.16	1.84	1.04	1.12	2.54	1.04
Credit card loans	2.10	2.23	1.26	1.19	4.04	1.14	0.99
Other loans to individuals	1.71	2.16	1.86	1.04	0.94	2.57	1.04
All other loans and leases (including farm)	0.39	0.26	0.22	0.31	0.39	0.50	0.60
Total loans and leases	0.57	0.52	0.68	0.55	0.52	0.78	0.35
Percent of Loans Noncurrent**							
All loans secured by real estate	0.96	1.13	1.02	1.06	0.76	0.92	0.54
Construction and development	1.08	1.08	1.66	0.90	1.16	0.87	0.87
Nonfarm nonresidential	0.83	0.98	0.79	1.00	0.84	0.77	0.38
Multifamily residential real estate	0.27	0.16	0.65	0.50	0.32	0.46	0.11
Home equity loans	0.62	0.79	0.50	0.68	0.27	0.62	0.49
Other 1-4 family residential	1.30	1.68	1.19	1.34	0.69	1.20	0.85
Commercial and industrial loans	1.33	1.49	0.83	0.90	0.97	2.25	0.87
Loans to individuals	0.78	0.63	0.87	0.39	0.49	1.62	0.33
Credit card loans	1.12	1.31	0.39	0.93	1.74	0.63	0.77
Other loans to individuals	0.77	0.61	0.88	0.37	0.41	1.64	0.31
All other loans and leases (including farm)	0.72	1.58	0.40	0.48	0.62	0.63	0.50
Total loans and leases	0.99	1.17	0.98	0.98	0.76	1.14	0.58
Percent of Loans Charged-Off (net, YTD)							
All loans secured by real estate	0.06	0.07	0.08	0.08	0.04	0.05	-0.01
Construction and development	0.02	0.04	0.17	-0.02	-0.02	-0.01	-0.05
Nonfarm nonresidential	0.06	0.08	0.06	0.09	0.06	0.07	0.00
Multifamily residential real estate	0.02	0.01	0.10	0.02	0.11	0.01	-0.01
Home equity loans	0.06	0.07	0.07	0.09	0.01	0.05	0.01
Other 1-4 family residential	0.07	0.08	0.09	0.11	0.05	0.06	0.00
Commercial and industrial loans	0.39	0.58	0.26	0.27	0.26	0.53	0.15
Loans to individuals	0.90	0.94	0.92	0.63	1.06	1.05	0.69
Credit card loans	5.41	4.23	1.31	3.60	13.29	1.49	2.12
Other loans to individuals	0.73	0.82	0.91	0.52	0.40	1.04	0.59
All other loans and leases (including farm)	0.32	0.63	0.30	0.21	0.17	0.48	0.31
Total loans and leases	0.15	0.17	0.14	0.14	0.14	0.20	0.06
Loans Outstanding (in billions)							
All loans secured by real estate	$1,160.7	$353.6	$138.5	$203.1	$157.5	$201.2	$106.8
Construction and development	101.9	20.8	15.8	13.9	13.5	29.0	9.0
Nonfarm nonresidential	445.4	125.5	59.9	74.3	51.9	82.7	51.0
Multifamily residential real estate	105.4	56.9	6.2	15.5	8.4	7.6	10.8
Home equity loans	50.7	17.0	7.8	11.4	4.9	4.7	4.9
Other 1-4 family residential	389.9	131.3	44.6	71.8	49.7	64.6	27.8
Commercial and industrial loans	203.4	50.9	19.2	37.9	33.1	42.7	19.5
Loans to individuals	60.9	13.4	6.4	12.1	10.1	13.7	5.1
Credit card loans	2.2	0.4	0.1	0.4	0.6	0.3	0.3
Other loans to individuals	58.7	12.9	6.2	11.7	9.6	13.4	4.8
All other loans and leases (including farm)	90.4	13.1	4.4	15.3	33.9	17.4	6.3
Total loans and leases	1,515.4	431.1	168.4	268.4	234.6	275.1	137.7
Memo: Unfunded Commitments (in millions)							
Total Unfunded Commitments	284,645	72,850	30,620	53,061	47,062	51,462	29,589
Construction and development: 1-4 family residential	23,795	4,638	4,342	2,604	2,908	6,709	2,593
Construction and development: CRE and other	58,300	17,638	7,110	8,986	6,890	12,954	4,722
Commercial and industrial	92,007	22,948	8,622	18,894	15,038	16,487	10,019

* See Table V-A (page 13) 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

Deposit Insurance Fund Increases by $2.5 Billion

Insured Deposits Grow by 1.4 Percent

DIF Reserve Ratio Rises 2 Basis Points to 1.20 Percent

The Deposit Insurance Fund (DIF) balance increased by $2.5 billion, to $83.2 billion, during the fourth quarter. Assessment income of $2.7 billion, which includes temporary assessment surcharges on large banks, drove the fund balance increase. A negative provision for insurance losses of $332 million, and interest on investments and other miscellaneous income of $192 million, also added to the fund balance. Operating expenses of $437 million and unrealized losses on available-for-sale securities of $317 million partially offset the increase in the fund balance. No insured institutions failed in the fourth quarter; for all of 2016, there were five failures of insured institutions, with combined assets of $277 million.

The deposit insurance assessment base—average consolidated total assets minus average tangible equity—rose 1.2 percent in the fourth quarter and 5.0 percent for all of 2016.[1,2] Total estimated insured deposits increased by 1.4 percent in the fourth quarter of 2016 and by 6.0 percent for all of 2016. The DIF's reserve ratio (the fund balance as a percent of estimated insured deposits) increased to 1.20 percent at year-end 2016 from 1.18 percent at September 30 and 1.11 percent at year-end 2015.

By law, the reserve ratio must reach a minimum of 1.35 percent by September 30, 2020. The law also requires that, in setting assessments, the FDIC offset the effect of the increase in the reserve ratio from 1.15 to 1.35 percent on banks with less than $10 billion in assets. To satisfy these requirements, large banks are subject to a temporary surcharge of 4.5 basis points of their assessment base, after making certain adjustments.[3,4] Surcharges began in the third quarter of 2016 and will continue through the quarter in which the reserve ratio first meets or exceeds 1.35 percent. If, however, the reserve ratio has not reached 1.35 percent by the end of 2018, large banks will pay a shortfall assessment in early 2019 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. When the reserve ratio is at or above 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.

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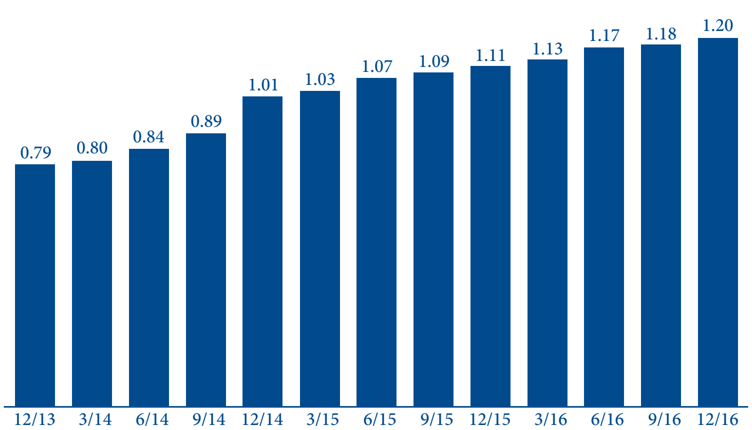
[1] There are additional adjustments to the assessment base for banker's banks and custodial banks.
[2] Figures for estimated insured deposits and the assessment base include insured branches of foreign banks, in addition to insured commercial banks and savings institutions.
[3] Large banks are generally banks with assets of $10 billion or more.
[4] The assessment base for the surcharge is a large bank's regular assessment base reduced by $10 billion (and subject to additional adjustment for affiliated banks).

Table I-C. Insurance Fund Balances and Selected Indicators

	Deposit Insurance Fund*												
(dollar figures in millions)	4th Quarter 2016	3rd Quarter 2016	2nd Quarter 2016	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
Beginning Fund Balance	$80,704	$77,910	$75,120	$72,600	$70,115	$67,589	$65,296	$62,780	$54,320	$51,059	$48,893	$47,191	$40,758
Changes in Fund Balance:													
Assessments earned	2,688	2,643	2,328	2,328	2,160	2,170	2,328	2,189	2,030	2,009	2,224	2,393	2,224
Interest earned on investment securities	189	171	164	147	128	122	113	60	70	80	87	45	23
Realized gain on sale of investments	0	0	0	0	0	0	0	0	0	0	0	0	302
Operating expenses	437	422	441	415	447	410	434	396	408	406	428	422	436
Provision for insurance losses	-332	-566	-627	-43	-930	-578	-317	-426	-6,787	-1,663	-204	348	-4,588
All other income, net of expenses	3	3	2	5	12	2	3	6	-43	6	6	9	9
Unrealized gain/(loss) on available-for-sale securities	-317	-167	110	412	-298	64	-34	231	24	-91	73	25	-277
Total fund balance change	2,458	2,794	2,790	2,520	2,485	2,526	2,293	2,516	8,460	3,261	2,166	1,702	6,433
Ending Fund Balance	83,162	80,704	77,910	75,120	72,600	70,115	67,589	65,296	62,780	54,320	51,059	48,893	47,191
Percent change from four quarters earlier	14.55	15.10	15.27	15.05	15.64	29.08	32.37	33.55	33.03	33.27	34.82	36.79	43.19
Reserve Ratio (%)	1.20	1.18	1.17	1.13	1.11	1.09	1.07	1.03	1.01	0.89	0.84	0.80	0.79
Estimated Insured Deposits	6,917,151	6,820,924	6,677,263	6,665,204	6,523,494	6,409,819	6,336,949	6,336,642	6,197,131	6,127,968	6,098,178	6,109,175	5,998,296
Percent change from four quarters earlier	6.03	6.41	5.37	5.19	5.27	4.60	3.92	3.72	3.31	2.82	2.56	1.91	-18.96
Domestic Deposits	11,691,733	11,505,078	11,240,160	11,154,724	10,950,122	10,695,506	10,629,335	10,616,458	10,408,187	10,213,199	10,099,415	9,962,543	9,825,479
Percent change from four quarters earlier	6.77	7.57	5.75	5.07	5.21	4.72	5.25	6.56	5.93	6.04	7.16	5.37	3.70
Assessment Base**	14,558,747	14,379,162	14,228,917	14,027,539	13,859,798	13,688,038	13,620,612	13,545,911	13,360,258	13,127,639	12,916,174	12,810,075	12,757,792
Percent change from four quarters earlier	5.04	5.05	4.47	3.56	3.74	4.27	5.45	5.74	4.72	4.72	3.31	2.97	2.54
Number of Institutions Reporting	5,922	5,989	6,067	6,131	6,191	6,279	6,357	6,428	6,518	6,598	6,665	6,739	6,821

DIF Reserve Ratios

Percent of Insured Deposits



Deposit Insurance Fund Balance and Insured Deposits ($ Millions)

	DIF Balance	DIF-Insured Deposits
12/13	$47,191	$5,998,296
3/14	48,893	6,109,175
6/14	51,059	6,098,178
9/14	54,320	6,127,968
12/14	62,780	6,197,131
3/15	65,296	6,336,642
6/15	67,589	6,336,949
9/15	70,115	6,409,819
12/15	72,600	6,523,494
3/16	75,120	6,665,204
6/16	77,910	6,677,263
9/16	80,704	6,820,924
12/16	83,162	6,917,151

Table II-C. Problem Institutions and Failed Institutions

(dollar figures in millions)	2016	2015	2014	2013	2012	2011
Problem Institutions						
Number of institutions	123	183	291	467	651	813
Total assets	$27,624	$46,780	$86,712	$152,687	$232,701	$319,432
Failed Institutions						
Number of institutions	5	8	18	24	51	92
Total assets***	$277	$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.
*** 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) December 31, 2016	Number of Institutions	Total Assets	Domestic Deposits*	Est. Insured Deposits
Commercial Banks and Savings Institutions				
FDIC-Insured Commercial Banks	5,113	$15,629,024	$10,735,730	$6,154,337
FDIC-Supervised	3,397	2,424,145	1,920,692	1,337,703
OCC-Supervised	923	10,653,267	7,046,604	3,861,476
Federal Reserve-Supervised	793	2,551,612	1,768,434	955,157
FDIC-Insured Savings Institutions	800	1,151,200	911,552	728,245
OCC-Supervised	374	742,282	602,799	487,157
FDIC-Supervised	390	384,030	289,102	225,478
Federal Reserve-Supervised	36	24,888	19,651	15,610
Total Commercial Banks and Savings Institutions	5,913	16,780,224	11,647,282	6,882,582
Other FDIC-Insured Institutions				
U.S. Branches of Foreign Banks	9	94,314	44,452	34,569
Total FDIC-Insured Institutions	5,922	16,874,538	11,691,733	6,917,151

* Excludes $1.2 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 September 30, 2016 *(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
1.50 - 3.00	3,472	57.97	$2,407.5	16.74
3.01 - 6.00	1,640	27.38	10,816.8	75.23
6.01 - 10.00	647	10.80	881.9	6.13
10.01 - 15.00	83	1.39	214.6	1.49
15.01 - 20.00	119	1.99	49.7	0.35
20.01 - 25.00	18	0.30	2.9	0.02
>25.00	10	0.17	5.9	0.04

* Assessment rates do not incorporate temporary surcharges on large banks.
** 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 VIII-A of the *FDIC Quarterly Banking Profile* is aggregated for all FDIC-insured Call report filers, both commercial banks and savings 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 adjusted upward quarterly. For banking offices, banks must have more than one office, and the maximum number of offices is 40 in 1985 and reached 87 in 2016. The maximum level of deposits for any one office is $1.25 billion in deposits in 1985 and reached $6.97 billion in deposits in 2016. 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 quarterly and below which the limits on banking activities and geographic scope are waived. The asset-size limit is $250 million in 1985 and reached $1.39 billion in 2016. 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 $1.39 billion in 2016.

[3] Maximum number of offices indexed to equal 40 in 1985 and 87 in 2016.

[4] Maximum branch deposit size indexed to equal $1.25 billion in 1985 and $6.97 billion in 2016.

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. When community bank growth rates are adjusted for mergers, prior period balances used in the calculations represent totals for the current group of community bank reporters, plus prior period amounts for any institutions that were subsequently merged into current community banks.

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, 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. [As a result of the recent accounting change, year-to-date Third Quarter 2016 "Extraordinary gains, net" on the QBP includes only Discontinued operations expense. Accordingly, comparisons to periods prior to September 2016 are not meaningful, since prior periods included all Extraordinary gains and Discontinued operations expense.] 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 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.

Assessment rate schedule – Initial base assessment rates for small institutions are based on a combination of financial ratios and CAMELS component ratings. Initial rates for large institutions—generally those with at least $10 billion in assets—are also based on CAMELS component ratings and certain 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). The FDIC may take additional information into account to make a limited adjustment to a large institution's scorecard results, which are used to determine a large institution's initial base assessment rate.

While risk categories for small institutions (except new institutions) were eliminated effective July 1, 2016, initial rates for small institutions are subject to minimums and maximums based on an institution's CAMELS composite rating. (Risk categories for large institutions were eliminated in 2011.)

The current assessment rate schedule became effective July 1, 2016. Under the current schedule, initial base assessment rates range from 3 to 30 basis points. An institution's total base assessment rate may differ from its initial rate due to three possible adjustments: (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 3 basis points would have a maximum unsecured debt adjustment of 1.5 basis points and could not have a total base assessment rate lower than 1.5 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 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.

The assessment rate schedule effective July 1, 2016, is shown in the following table:

Total Base Assessment Rates*				
	Established Small Banks			Large and 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

* 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.

** Effective July 1, 2016, large institutions are also subject to temporary assessment surcharges in order to raise the reserve ratio from 1.15 percent to 1.35 percent. The surcharges amount to 4.5 basis points of a large institution's assessment base (after making certain adjustments).

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.

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-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.

Banks Attract More Deposits While Operating Fewer Offices

Introduction

Deposits across the banking industry grew while the number of offices shrank among noncommunity banks and increased among community banks from the previous year, according to the 2016 Summary of Deposits (SOD) survey. Meanwhile, offices in energy-dependent counties reported almost no deposit growth as natural gas, oil, and coal prices fell.

This paper highlights key findings from the 2016 SOD, derived from office and deposit data that the FDIC collects from all FDIC-insured institutions as of June 30 each year. Recent trends in deposit growth and office contraction continued with the 2016 survey. Community banks reported more deposits and more offices, even as the number of offices declined for the industry as a whole.

Deposits at noncommunity banks grew faster in metropolitan areas than in micropolitan areas and rural areas, although the number of branches of noncommunity banks decreased at similar rates in each of those areas. While the total of all deposits in all offices in counties with high exposure to the energy industry did not increase from a year ago, these offices have stabilized from the 7.1 percent decrease in deposits noted in the 2015 SOD.

Offices Contract and Deposits Grow at a Steady Rate Industry Wide

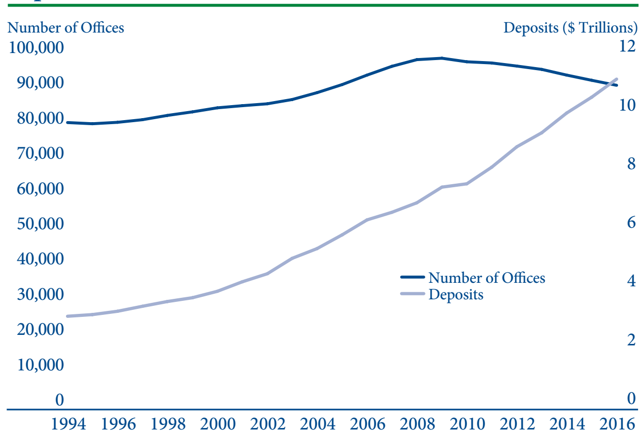
In 2016, FDIC-insured institutions reduced their number of offices by 1.5 percent (1,411 offices) to 91,851 for the year ending June 30, 2016 (Chart 1). This decline is on par with the 1.5 percent (1,453 offices) year-over-year decrease in 2015 and marks the seventh consecutive year that the number of offices has declined. During this period, the largest decline occurred in 2014, when office counts dropped 1.7 percent (1,614 offices). Since 2014, the rate of decline in offices has fallen but remains higher than the five-year average decline of 1.3 percent.[1]

Total deposits at FDIC-insured institutions increased 5.8 percent to $11.2 trillion from the previous year—similar to year-over-year growth in 2015 but slightly lower than the five-year average of 6.4 percent. Due in part to the overall contraction in offices, total deposits per office grew 7.4 percent to $122 million and the number of offices per 10,000 people declined 2.3 percent to 2.8 (Chart 2). The number of FDIC-insured institutions totaled 6,058 as of June 30, 2016, down from 6,348 one year earlier. Continuing a trend, the number of offices per institution increased to 15.2, up 3.2 percent year over year.

[1] In this analysis, "five-year average" refers to a five-year compound annual growth rate (CAGR).

Chart 1

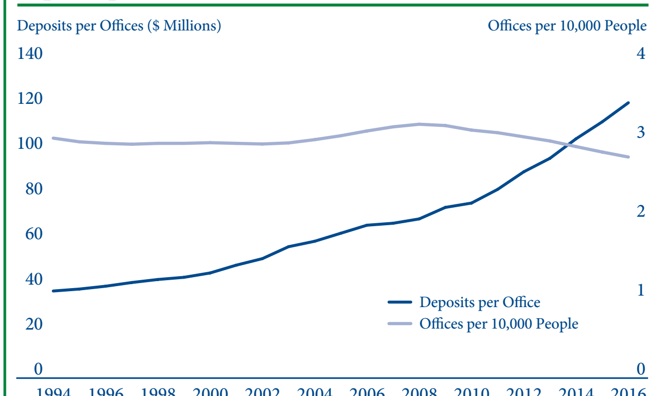
Deposits Increased While the Number of Offices Decreased



Sources: FDIC Summary of Deposits and OTS Branch Office Survey.

Chart 2

Offices per 10,000 People Decreased While Deposits per Office Increased



Sources: FDIC Summary of Deposits, OTS Branch Office Survey, and U.S. Census Bureau.

Metropolitan Areas Drive Deposit Growth, Rural Areas Report Slower Office Contraction

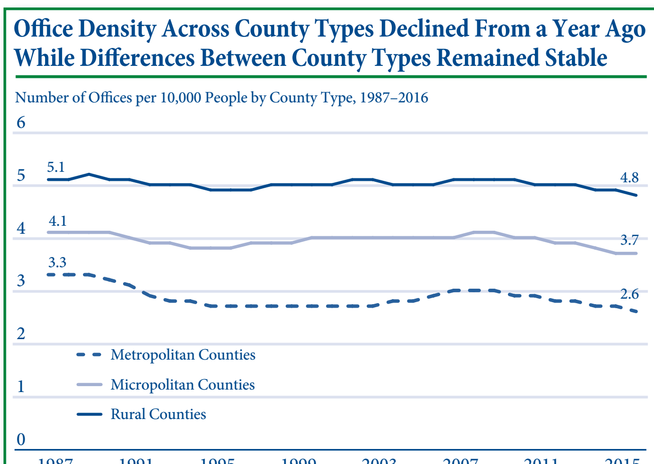
Deposits and offices continue to be concentrated in metropolitan areas: As of June 30, 2016, 79 percent of deposit-taking offices and 93 percent of deposits were located in metropolitan areas. The high percentage of offices and deposits in these areas is not surprising, as nearly 87 percent of the U.S. population lives in a metropolitan area.

Both metropolitan and nonmetropolitan areas reported office contraction and deposit growth year over year (Table 1).[2] Deposits in metropolitan areas grew 6.1 percent from the previous year, compared with increases of 2.6 percent in micropolitan areas and 1.4 percent in rural areas. Deposits in metropolitan and micropolitan areas grew at a faster rate than a year ago, while deposit growth in rural areas slowed to just over half the rate of the previous year. Only micropolitan areas exceeded their five-year average growth rate.

For the third consecutive year, office contraction was slowest in rural areas and fastest in micropolitan areas. The number of offices in rural areas declined 1.2 percent from the previous year, compared with declines of 1.5 percent in metropolitan areas and 1.6 percent in micropolitan areas. The number of offices declined in metropolitan areas for the seventh consecutive year and at a rate faster than their five-year average, while offices declined for only the fifth consecutive year in micropolitan and rural areas and at a rate equal to their five-year averages.

Office density, defined as the number of offices per 10,000 people, compares the relative prevalence of banking services across geographies. Counties in rural and micropolitan areas tend to have higher and more stable densities per 10,000 people, while counties in metropolitan areas tend to have lower densities that have fallen more rapidly over time.[3] Continuing this trend, in 2016 counties located in rural areas reported an office density of 4.8 compared to a reported office density of 3.7 for those in micropolitan areas and 2.6 for those in metropolitan areas (Chart 3).[4] Since 1987, counties in metropolitan areas have reported a loss of 0.7 offices per 10,000 people, the largest loss of office density among area types.

Chart 3



Sources: FDIC Summary of Deposits and U.S. Census Bureau.

[2] Metropolitan statistical areas contain a core urban area of greater than 50,000 inhabitants. Micropolitan statistical areas have urban clusters of between 10,000 and 50,000 inhabitants. All other areas are classified as rural.
[3] See Eric C. Breitenstein and John M. McGee, "Brick and Mortar Banking Remains Prevalent in an Increasingly Virtual World," *FDIC Quarterly*, Vol. 9, No. 1 (2015), https://www.fdic.gov/bank/analytical/quarterly/2015_vol9_1/FDIC_4Q2014_v9n1_BrickAndMortar.pdf.
[4] Population data for 2016 are forecasted by Moody's Analytics. Data from 2015 are used as the 2016 forecast for Alaska, Hawaii, and Virginia.

Table 1

Rural Areas Experienced the Slowest Rate of Office Contraction and the Weakest Rate of Deposit Growth

	Metropolitan Areas		Micropolitan Areas		Rural Areas	
	Number of Offices	Deposits ($ billions)	Number of Offices	Deposits ($ billions)	Number of Offices	Deposits ($ billions)
June 2016	72,686	10,404	10,045	468	9,120	361
June 2015	73,830	9,803	10,205	456	9,227	356
June 2011	77,584	7,480	10,892	424	9,708	326
1-Year Percent Change	-1.5%	6.1%	-1.6%	2.6%	-1.2%	1.4%
5-Year CAGR	-1.3%	6.8%	-1.6%	2.0%	-1.2%	2.1%

Source: FDIC Summary of Deposits.

Notes: CAGR = Compound Annual Growth Rate. Metropolitan statistical areas contain a core urban area of greater than 50,000 inhabitants. Micropolitan statistical areas have urban clusters of between 10,000 and 50,000 inhabitants. All other areas are classified as rural.

Deposit and Office Trends Remain Stable for the Largest Office Service Types

The largest reported office service types continued to be brick-and-mortar, retail, and drive-through offices.[5] Traditional brick-and-mortar offices represented 90.7 percent of all banking offices in 2016, a share that has remained stable since 2001, while retail offices made up 5.5 percent and drive-through offices comprised 2.6 percent. Continuing a trend that began in 2009, the number of brick-and-mortar offices fell 1.2 percent in 2016, a figure in line with the five-year average (Table 2). Deposits at brick-and-mortar offices increased 5.8 percent. The number of retail offices fell 4.7 percent, accelerating a trend of contraction that began in 2012. Deposits at retail offices rose 3.6 percent. The number of drive-through offices declined by 4.1 percent. Despite reporting a decline in deposits of 0.5 percent in 2016, drive-through offices maintained a five-year average deposit growth of 27.3 percent. This high average is due to a 165.6 percent increase in reported deposits at drive-through offices from 2013 to 2014, primarily due to one large institution reclassifying several offices from brick-and-mortar to drive-through. All other office types represent 1.3 percent of offices, and their number contracted by 2.9 percent in 2016, much faster than the five-year average decline of 0.2 percent. The average trend of slow contraction for all other office types is driven primarily by an increase in the number of offices reporting as trust offices—the only office service type to increase in number for each of the past six years.

Table 2

All Office Types Declined in 2016

	Brick-and-Mortar Offices		Retail Offices		Drive-Through Facilities		Other Office Types	
	Number of Offices	Deposits ($ billions)	Number of Offices	Deposits ($ billions)	Number of Offices	Deposits ($ billions)	Number of Offices	Deposits ($ billions)
June 2016	83,265	10,763	5,016	101	2,348	90	1,222	279
June 2015	84,295	10,172	5,261	97	2,448	91	1,258	255
June 2011	88,207	7,920	5,968	85	2,772	27	1,237	198
1-Year Percent Change	-1.2%	5.8%	-4.7%	3.6%	-4.1%	-0.5%	-2.9%	9.6%
5-Year CAGR	-1.1%	6.3%	-3.4%	3.5%	-3.3%	27.3%	-0.2%	7.1%

Source: FDIC Summary of Deposits.

Note: CAGR = Compound Annual Growth Rate.

[5] The SOD survey covers several banking office type categories, including brick-and-mortar, retail, drive-through, mobile, seasonal, home banking, trust offices, and more. For a detailed description of all branch service types, see https://www.fdic.gov/regulations/resources/call/SOD_Instructions.pdf.

Over a longer horizon, several office service types ran counter to the trend through 2016. Home banking offices and trust offices reported positive five-year average growth in the number of offices, with home banking offices increasing 1.8 percent and trust offices increasing 15.2 percent. Administrative, military, mobile, seasonal, and trust offices reported negative five-year average growth in deposits.

Community Bank Offices Increase Slightly While Noncommunity Bank Offices Decline

Unlike noncommunity banks, community banks increased their number of offices from the previous year and from five years prior (Table 3).[6] Fewer noncommunity bank offices and a larger number of community bank offices combined to elevate the share of community bank offices from 32.8 percent in 2011 to 35.2 percent in 2016. Community bank offices increased 0.2 percent (67 offices) year over year, slightly more than the five-year average growth of 0.1 percent per year. The annual increase occurred predominantly in metropolitan areas. Office growth was limited to a small number of institutions, as most community banks (87 percent) reported no change in their total number of offices. Conversely, noncommunity banks were much more likely to open and close offices. Nearly 35 percent of noncommunity banks reported fewer offices than a year ago, more than six times the rate of community banks. Overall, noncommunity bank offices fell by 2.3 percent (1,418 offices), a faster pace than their five-year average. This reduction occurred across metropolitan and nonmetropolitan areas and in every state.

Table 3

Noncommunity Banks Reduced Offices While Community Banks Maintained Office Numbers

	Community Banks		Noncommunity Banks	
	Number of Offices	Deposits ($ billions)	Number of Offices	Deposits ($ billions)
June 2016	32,297	1,752	59,554	9,481
June 2015	32,230	1,657	60,972	8,937
June 2011	32,107	1,415	65,821	6,775
1-Year Percent Change	0.2%	5.8%	-2.3%	6.1%
5-Year CAGR	0.1%	4.4%	-2.0%	7.0%

Source: FDIC Summary of Deposits.

Notes: Data have been adjusted for mergers. See inset box (page 43) for a detailed description of merger adjusting.

Community banks are identified based on criteria defined in the FDIC *Community Banking Study*.

CAGR = Compound Annual Growth Rate.

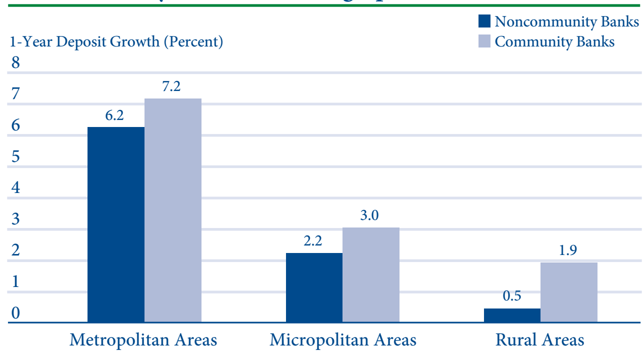
[6] Community banks are identified based on criteria including asset size and geographic scope of operations. They are defined in the FDIC *Community Banking Study* (2012). Figures in which community and noncommunity banks are compared across time periods are adjusted for mergers. No other figures in this analysis were adjusted for mergers, because doing so is required only of industry subgroups. For more detail on merger adjusting, see the inset box.

Community and Noncommunity Banks Report Strong Deposit Growth

Deposits increased at community and noncommunity banks. In 2016, community bank deposits increased 5.8 percent ($95.3 billion) from a year earlier to $1.75 trillion, with more than two-thirds of community banks reporting an annual increase. The growth rate of community bank deposits outpaced that of noncommunity banks in all geographic areas (Chart 4). In micropolitan and rural areas, community banks held a majority of total deposits and accounted for more than 70 percent of deposit growth. In metropolitan areas, noncommunity banks held most of the deposits and accounted for more than 85 percent of total growth. Total noncommunity bank deposits increased 6.1 percent ($543.5 billion), with more than three-quarters of noncommunity banks reporting an annual increase.

Chart 4

Deposit Growth at Community Banks Outpaced Growth at Noncommunity Banks in All Geographic Areas



Source: FDIC Summary of Deposits.
Note: Metropolitan statistical areas contain a core urban area of greater than 50,000 inhabitants. Micropolitan statistical areas have urban clusters of between 10,000 and 50,000 inhabitants. All other areas are classified as rural.

How Does Merger Adjusting Work? Why Do It?

The analysis of community and noncommunity banks was merger-adjusted with a fixed community bank designation as of June 30, 2016. Merger adjusting aligns acquired banks and their acquiring institutions in previous periods and treats the entities as if the merger had already occurred. Thus, if an institution purchased another during the study interval, merger adjusting combines the deposits and offices of the acquired institution with those of its acquirer in all prior periods. In addition, the community and noncommunity bank designations were fixed as of June 30, 2016, for all prior periods. Both of these steps are required for a "like-to-like" comparison between quarters.

The process of merger adjusting bank data to fix the groupings as of a point in time is important, because not doing so may lead to erroneous conclusions. It is critical to control for changes to an institution's community bank designation during the study interval, which is frequently the result of a merger. Community bank deposit growth would be understated and community bank office reductions would be overstated in an analysis that does not merger adjust and control for such changes.

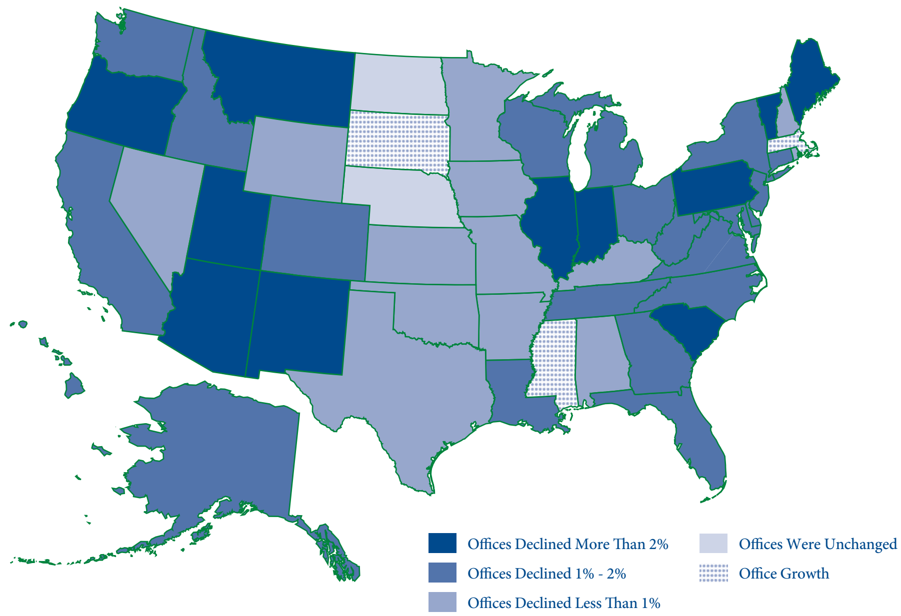
Because merger adjusting aligns acquired institutions with the existing acquiring institution, institutions that voluntarily liquidate and failures resulting in a payout were excluded from this analysis. In these cases, there is not an existing institution to which to assign the deposits and branches. A total of 81 institutions, or 1.1 percent of total banks from second quarter 2011, were excluded from prior periods in the community and noncommunity bank portions of this analysis. These institutions tend to be small and account for minor reductions in the total number of offices and deposits in prior periods.

The Number of Offices Declines in Most States

The number of offices declined in 45 of the 50 U.S. states between 2015 and 2016, as shown in the map below. The number of offices remained the same in two states and increased in three others. The number of offices also declined in the District of Columbia, Puerto Rico, Guam, and the Northern Mariana Islands. The number of offices did not change in five other areas in which banks must file the Summary of Deposits survey.[7]

Map

The Number of Offices Declined in Most States



Source: FDIC Summary of Deposits.

The Number of Banks With Offices in Multiple States Increases

Although the number of banks has declined since the 1980s, the number of banks with offices in multiple states has increased. The Riegle-Neal Interstate Banking and Efficiency Act of 1994 permitted interstate bank branching at the federal level, and the number of banks with offices in multiple states has grown since then.[8] The net number of banks with offices in more than one state increased from 688 to 703 between 2015 and 2016. During that time, 50 banks that previously operated in only one state added offices in additional states, while six banks that operated in multiple states reduced their operations to only one state. Further, 27 banks that operated in multiple states were acquired during the year and two closed.

Over the course of the year, 83 banks added offices in additional states and consequently had broader branch networks in 2016 than in 2015. Twenty banks operated offices in fewer states in 2016 than in 2015.

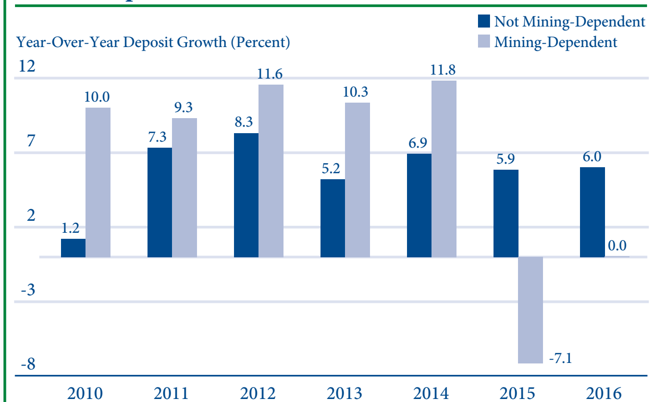
[7] The remaining areas are American Samoa, the Federated States of Micronesia, the Marshall Islands, Palau, and the U.S. Virgin Islands.
[8] Although some states permitted interstate banking before 1994, interstate banking was not permitted nationally until that year. See https://www.fdic.gov/regulations/laws/rules/6500-3500.html.

Offices in Counties Highly Dependent on Energy Activity Show No Deposit Growth

Falling prices for energy products such as coal, oil, and natural gas contributed to job losses in several parts of the country. Deposit growth was adversely affected in those areas as well. Nationwide, the number of jobs in mining increased more than 38 percent between the fourth quarter of 2009 and the third quarter of 2014. Subsequent to this increase, the number of mining jobs decreased nearly 24 percent between the third quarter of 2014 and the second quarter of 2016 as energy prices fell. The U.S. Department of Agriculture (USDA) labels some U.S. counties as "mining-dependent," which includes mining of coal, oil, and natural gas as well as support activities.[9] Deposits in mining-dependent counties increased considerably in the earlier part of the decade, when energy exploration in the United States grew rapidly (Chart 5). Deposits in these counties declined in 2015 and were unchanged in 2016, which suggests that deposits in those counties may be stabilizing.

Chart 5

Counties With High Exposure to Oil, Natural Gas, and Coal Had No Deposit Growth



Sources: USDA and FDIC Summary of Deposits.

Deposit Market Share Among Metropolitan Areas Shows Little Change

The SOD data allow for analysis of market concentration in various areas. Markets are considered to be highly concentrated if a high percentage of deposits are held by a small number of institutions. By contrast, if deposits are widely distributed among many institutions, then market concentration is low. Out of 388 metropolitan areas counted in the SOD, slightly more than half (201) experienced an increase in market concentration while 187 experienced a decrease.[10]

Conclusion

The 2016 SOD survey shows that recent trends in deposit growth and office contraction of FDIC-insured institutions continued into 2016. Like the overall industry, the vast majority of states and territories reported deposit growth and a decline in the number of offices in 2016. In addition, metropolitan, micropolitan, and rural areas all reported deposit growth and fewer offices. Deposit growth rates in metropolitan areas continue to be higher than those in micropolitan and rural areas, but the gap in growth rates has been narrowing in recent years. Offices declined most slowly in rural areas for each of the past three years.

[9] The USDA defines mining-dependent counties as those in which 13 percent or more of the county's annual labor and proprietors' earnings were derived from mining, or 8 percent or more of jobs were in mining, as measured by the 2010–2012 Bureau of Economic Analysis, Local Area Personal Income and Employment data http://www.ers.usda.gov/data-products/county-typology-codes/descriptions-and-maps.aspx#mining.

[10] Market concentration is measured by the Herfindahl-Hirschman Index (HHI). This calculation is given by comparing the deposit share of each bank to total deposits in the area. An index score of 0 indicates perfectly equally distributed market share, while a score of 10,000 indicates that a single institution comprises the entire market. A market is considered highly concentrated at a score of 2,500. For an explanation of the HHI and how it is used to determine market concentration, see "Horizontal Merger Guidelines," published by the Department of Justice at https://www.justice.gov/atr/horizontal-merger-guidelines-08192010.

Noncommunity banks drove the overall industry trends in office reductions, as they reported fewer offices in metropolitan, micropolitan, and rural areas, and in all states. Conversely, the total number of community bank offices increased slightly. Community bank office growth occurred predominantly in metropolitan areas and also spanned a majority of states. Deposits at both community and noncommunity banks grew at a similar pace to that of the industry average. Both groups reported deposit growth in metropolitan, micropolitan, and rural areas, and in nearly every state.

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