FDIC QUARTERLY
2023 VOLUME 17, NUMBER 2

INSURED INSTITUTION PERFORMANCE

Net Income Increased From the Prior Quarter, Led by Higher Noninterest Income

The Net Interest Margin Declined Quarter Over Quarter but Increased Year Over Year

Unrealized Losses on Securities Declined for a Second Consecutive Quarter

Loan Balances Declined Modestly From Last Quarter but Grew From a Year Ago

Total Deposits Declined for a Fourth Consecutive Quarter

Asset Quality Metrics Remained Favorable Despite Modest Deterioration

NET INCOME INCREASED QUARTER OVER QUARTER AND YEAR OVER YEAR

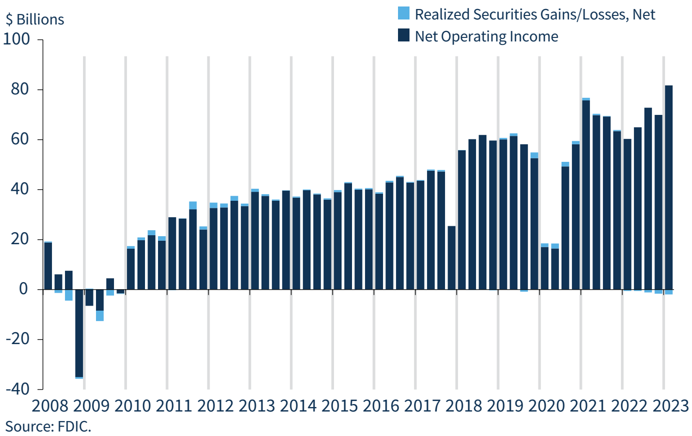
Net income for the 4,672 FDIC-insured commercial banks and savings institutions totaled $79.8 billion during first quarter 2023, an increase of $11.5 billion (16.9 percent) from the fourth quarter. Strong growth in noninterest income, reflecting the accounting treatment of the acquisition of two failed institutions and higher trading revenue at large banks, outpaced higher noninterest expense and lower net interest income. Without the two failed-bank acquisitions, net income would have been approximately flat from the fourth quarter. Year-over-year net income increased $20.1 billion (33.6 percent), as growth in net interest income exceeded growth in provision expense and noninterest expense.

The banking industry reported a return on average assets of 1.36 percent in the first quarter, up from 1.16 percent in fourth quarter 2022 and 1.01 percent in first quarter 2022.

Chart 1

Quarterly Net Income

All FDIC-Insured Institutions

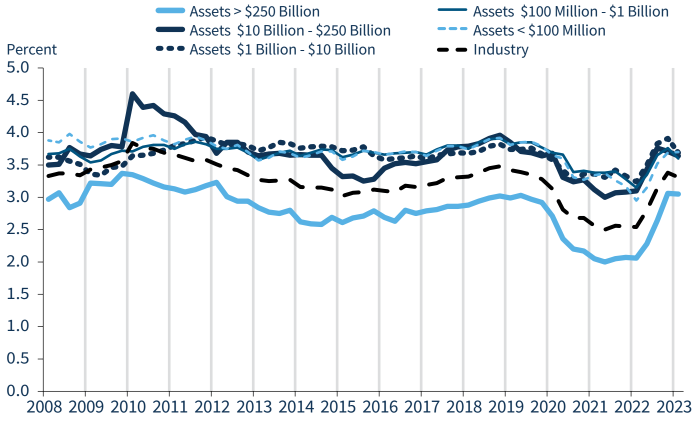


Source: FDIC.

Chart 2

Quarterly Net Interest Margin

All FDIC-Insured Institutions



Source: FDIC.

THE NET INTEREST MARGIN DECLINED QUARTER OVER QUARTER BUT INCREASED YEAR OVER YEAR

The net interest margin (NIM) of 3.31 percent was 7 basis points lower than the prior quarter as the average cost of deposits rose more than the average yield on loans. The NIM was 77 basis points higher than the year-ago quarter and, despite the quarterly decline, above the pre-pandemic average of 3.25 percent.[1]

The average cost of deposits increased 43 basis points from the prior quarter to 1.42 percent. The increase in the average cost of deposits was slightly lower than the 46 basis-point increase reported in the prior quarter but higher than the 34 basis-point increase in third quarter 2022. The average cost of deposits increased for all Quarterly Banking Profile (QBP) asset size groups relative to the previous quarter.

The average yield on loans increased 32 basis points from the prior quarter to 6.08 percent. The increase in average loan yields represents a sizable deceleration over the 73 and 65 basis-point increases reported in fourth and third quarters of 2022, respectively. Average loan yields increased for all QBP asset size groups relative to the previous quarter.

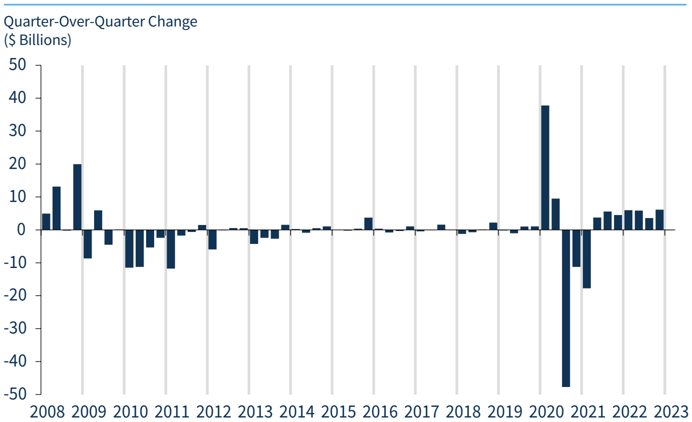
NET OPERATING REVENUE ROSE QUARTER OVER QUARTER AND YEAR OVER YEAR

Net operating revenue (net interest income plus noninterest income) totaled $261.7 billion in first quarter 2023, up $18.5 billion (7.6 percent) from the prior quarter, as strong growth in noninterest income (up $23.0 billion, or 36.5 percent) was partially offset by lower net interest income (down $4.6 billion, or 2.5 percent). The accounting treatment of banks' acquisition of two failed banks and record-high trading revenue led the growth in noninterest income. Interest income increased $19.1

Chart 3

Change in Quarterly Credit Loss Provisions

All FDIC-Insured Institutions

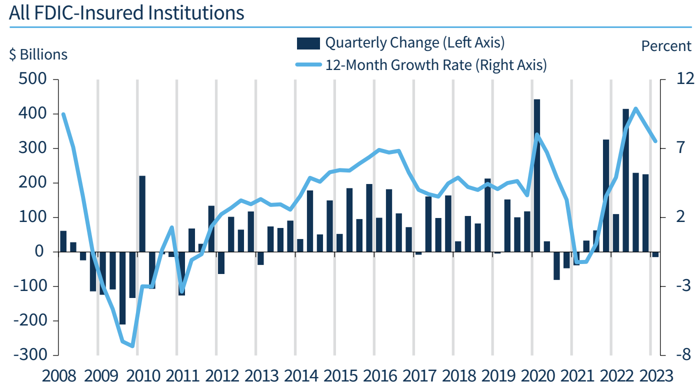


Source: FDIC.

Chart 4

Quarterly Change in Loan Balances

All FDIC-Insured Institutions



Source: FDIC.
Note: ASC Topics 810 and 860 resulted in the consolidation of large amounts of securitized loan balances back onto banks' balance sheets in the first quarter of 2010. Although the 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.

[1] The "pre-pandemic average" refers to the period first quarter 2015 through fourth quarter 2019 and is used consistently throughout this report.

billion (7.9 percent) from fourth quarter 2022, but was offset by a $23.7 billion (38.2 percent) increase in interest expense. From the year-ago quarter, net operating revenue rose $47.0 billion (21.9 percent), as net interest income grew $37.7 billion (27.3 percent) and noninterest income expanded $9.3 billion (12.2 percent).

NONINTEREST EXPENSE INCREASED

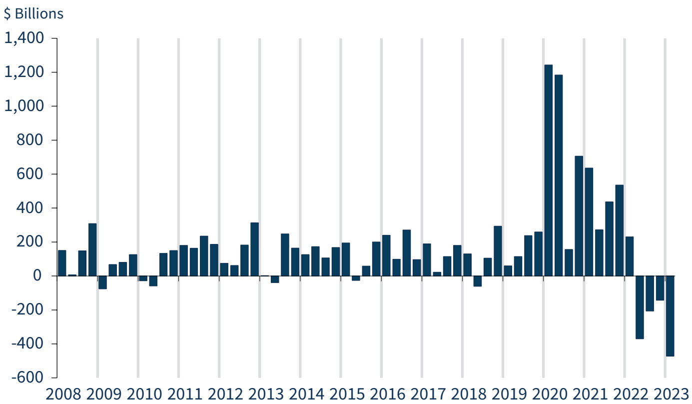
Noninterest expense totaled $141.3 billion, up $5.4 billion (4.0 percent) from the prior quarter. An increase in salary and employee benefits expense (up $4.0 billion, or 6.1 percent) drove the increase in noninterest expense during the quarter. Relative to a year ago, an increase in salary and employee benefits expense (up $3.9 billion, or 5.8 percent) and "all other noninterest expense" (up $2.1 billion, or 3.9 percent) drove the increase in noninterest expense.[2]

Despite the aggregate growth in noninterest expense for the banking industry, the efficiency ratio (noninterest expense to net operating revenue) declined almost 9 percentage points from the year-ago quarter to 53.0, led by strong growth in net interest income.[3] The efficiency ratio declined for all QBP asset size groups.

Chart 5

Quarterly Change in Deposits

All FDIC-Insured Institutions

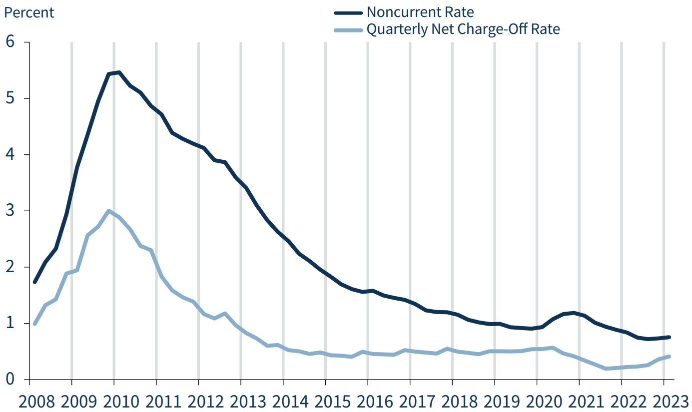


Source: FDIC.

Chart 6

Noncurrent Loan Rate and Quarterly Net Charge-Off Rate

All FDIC-Insured Institutions



Source: FDIC.

[2] "All other noninterest expense" includes, but is not limited to, expenses related to data processing, advertising and marketing, legal fees, intracompany transactions, and consulting and advisory fees.

[3] The reduction in this ratio indicates that the industry was more efficient in producing revenue.

PROVISION EXPENSE REMAINED UNCHANGED FROM THE PRIOR QUARTER BUT INCREASED FROM A YEAR AGO

Provision expense remained unchanged from the last quarter but increased $15.5 billion from a year ago.[4] The net number of banks reporting adoption of current expected credit loss (CECL) accounting increased from 392 in fourth quarter 2022 to 4,421 in first quarter 2023.[5] New CECL adopters in the quarter made a "Day One" adjustment of $3.0 billion, which flowed through retained earnings and increased the allowance for credit losses but did not affect provision expense.[6]

The reserve coverage ratio (the ratio of the allowance for credit losses to noncurrent loans) for all insured institutions was 219.5 percent in first quarter 2023, a slight increase from the fourth quarter 2022 ratio of 217.5 percent.

BANKING INDUSTRY ASSETS INCREASED FROM FOURTH QUARTER 2022

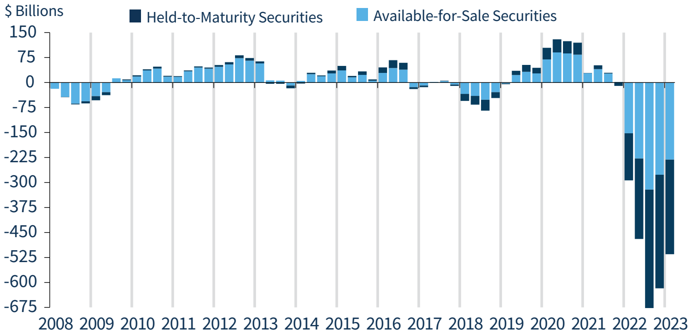
Total assets increased $119.6 billion (0.5 percent) from fourth quarter 2022 to $23.7 trillion. Cash and balances due from depository institutions rose $263.6 billion (10.2 percent), followed by assets in trading accounts that increased $67.1 billion (9.2 percent).

Year over year, total assets decreased $253.7 billion (1.1 percent). The growth in total loan and lease balances (up $855.2 billion, or 7.5 percent) was offset by declines in total securities (down $649.0 billion, or 10.4 percent) and cash and balances due from depository institutions (down $534.0 billion, or 15.8 percent).

Chart 7

Unrealized Gains (Losses) on Investment Securities

All FDIC-Insured Institutions

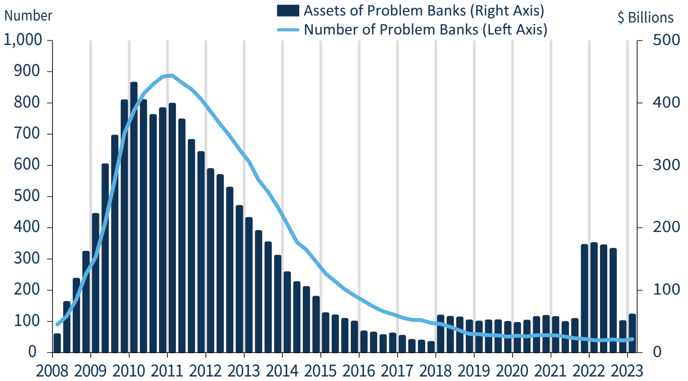


Source: FDIC.
Note: Insured Call Report filers only. Unrealized losses on securities reflects the difference between the market value as of quarter end and the book value of non-equity securities. This calculation does not account for any unrealized gains or losses in "accumulated other comprehensive income" because they cannot be derived from Call Reports for the industry.

Chart 8

Number and Assets of Banks on the "Problem Bank List"

All FDIC-Insured Institutions



Source: FDIC.
Note: The asset values of insured financial institutions on the problem bank list are what were on record as of the last day of the quarter.

[4] Provisions for credit losses include both losses for loans and securities for CECL adopters but only loan losses for non-adopters.
[5] All institutions with a fiscal year after December 15, 2022, are required to implement CECL accounting by first quarter 2023.
[6] The Day-One adjustment is the difference, if any, between the amount of Allowance for Losses on Loans and Leases (ALLL) required under the incurred loss methodology and the Allowance for Credit Loss (ACL) required under CECL and booked on the first day of the quarter that a bank adopts CECL. This amount is transferred from retained earnings to the ACL and is not recognized as a provision in the income statement.

UNREALIZED LOSSES ON SECURITIES DECLINED FOR A SECOND CONSECUTIVE QUARTER[7]

Unrealized losses on securities totaled $515.5 billion in the first quarter, down $102.2 billion (16.5 percent) from the prior quarter.[8] Unrealized losses on held-to-maturity securities totaled $284.0 billion in the first quarter. Unrealized losses on available-for-sale securities totaled $231.6 billion in the first quarter.[9]

LOAN BALANCES DECLINED MODESTLY FROM LAST QUARTER BUT GREW FROM A YEAR AGO

Total loan and lease balances declined $14.6 billion (0.1 percent) from the previous quarter. Loans transferred to the FDIC as receiver and a seasonal decline in credit card loan balances (down $26.6 billion, or 2.6 percent) were the major contributors to the quarterly decline in total loan balances for the banking industry. Without the loans transferred out of the banking system to the FDIC, loan growth would have been 0.4 percent quarter over quarter.

Year over year, total loan and lease balances increased $855.2 billion (7.5 percent), driven by growth in 1–4 family residential mortgages (up $232.2 billion, or 10.2 percent), consumer loans (up $156.4 billion, or 8.3 percent), and commercial and industrial loans (up $138.7 billion, or 5.8 percent).

TOTAL DEPOSITS DECLINED SUBSTANTIALLY QUARTER OVER QUARTER, BUT INSURED DEPOSITS INCREASED

Total deposits declined $472.1 billion (2.5 percent) between fourth quarter 2022 and first quarter 2023. The quarterly decline is the largest reduction reported in the QBP since data collection began in 1984. This was the fourth consecutive quarter that the industry reported lower levels of total deposits. A reduction in estimated uninsured deposits (down $663.3 billion, or 8.3 percent) was the primary driver of the quarterly decline. Estimated insured deposits continued to increase (up $255.1 billion, or 2.5 percent) during the quarter. The decline in total deposits in first quarter 2023 was offset by increased wholesale funding (up $661.0 billion, or 14.4 percent) from the previous quarter.[10] Wholesale funding as a percentage of total assets rose from 19.5 percent in fourth quarter 2022 to 22.2 percent in first quarter 2023.

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[7] Unrealized losses on securities reflect the difference between the market value as of quarter end and the book value of non-equity securities. This calculation does not account for any unrealized gains or losses in "accumulated other comprehensive income" because unrealized gains and losses cannot be derived from Call Reports for the industry.

[8] Amended and resubmitted Call Reports changed fourth quarter 2022 value to –$617.8 billion from the –$620.4 billion reported in the fourth quarter 2022 Quarterly Banking Profile released on February 28, 2023.

[9] Due to rounding, values do not add up to the aggregate value.

[10] Wholesale funding includes federal funds purchased and securities sold under agreement to repurchase, Federal Home Loan Bank and other borrowings, brokered and reciprocal deposits, listing service deposits, municipal and state deposits, and foreign deposits (which are not FDIC insured).

EARLY-STAGE DELINQUENCIES DECLINED MODESTLY

The rate of loans and leases 30 to 89 days past due decreased 4 basis points from the prior quarter, but increased 4 basis points from the year-ago quarter to 0.52 percent. The quarterly decline was led by declines in past-due auto loans and 1–4 family residential mortgages. Despite the yearly increase, the overall past-due rate remains below the pre-pandemic average of 0.66 percent.

THE NONCURRENT LOAN RATE INCREASED SLIGHTLY FROM THE PRIOR QUARTER

The share of loans and leases 90 days or more past due or in nonaccrual status increased 2 basis points from the prior quarter, but fell 8 basis points from the year-ago quarter to 0.75 percent. The quarterly increase was driven by increases in noncurrent nonfarm, nonresidential (commercial real estate) loan balances. Almost half of all banks (49.0 percent) reported lower noncurrent loan balances compared with fourth quarter 2022.

THE NET CHARGE-OFF RATE INCREASED FROM THE YEAR-AGO QUARTER

The net charge-off rate of 0.41 percent increased 5 basis points from the prior quarter and 19 basis points from the year-ago quarter. The annual increase was led by higher credit card net charge-off balances. Despite the increase, the industry's net charge-off rate remains below the pre-pandemic average of 0.48 percent.

CAPITAL RATIOS REMAINED STRONG

The leverage capital ratio rose 17 basis points from a quarter ago to 9.15 percent due to increased retained earnings and lower average assets. The total risk-based capital ratio increased 12 basis points to 15.07 percent, and the tier 1 risk-based capital ratio increased 10 basis points to 13.75 percent as capital formation grew and risk-weighted assets declined.

Equity capital increased $55.5 billion (2.5 percent) in first quarter 2023, led by an improvement in accumulated other comprehensive income (up $42.8 billion) from fourth quarter as a decline in certain market interest rates improved the value of some available-for-sale investment securities. Retained earnings contributed $35.6 billion to equity formation in the first quarter, as net income of $79.8 billion exceeded declared dividends of $44.3 billion. The number of institutions with capital ratios that did not meet Prompt Corrective Action requirements for the well-capitalized category declined by five from fourth quarter 2022 to six.[11]

[11] Prompt Corrective Action categories are assigned based on reported capital ratios only and do not include the effects of regulatory downgrades.

ONE BANK OPENED AND TWO BANKS FAILED IN FIRST QUARTER 2023

The number of FDIC-insured institutions declined from 4,706 in fourth quarter to 4,672 this quarter. During the quarter, one bank opened, one bank self-liquidated, one bank sold a majority of assets and did not file a Call Report, two banks failed, and 31 institutions merged with other FDIC-insured institutions. The number of banks on the FDIC's "Problem Bank List" increased by four from the previous quarter to 43.[12] Total assets of problem banks increased $10.5 billion to $58.0 billion.

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[12] Banks on the FDIC's Problem Bank List have a CAMELS composite rating of "4" or "5" due to financial, operational, or managerial weaknesses, or a combination of such issues. The number of banks on the list increased by four from the previous quarter, reflecting movement from banks coming on and off the list.

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

	2023**	2022**	2022	2021	2020	2019	2018
Return on assets (%)	1.36	1.01	1.11	1.23	0.72	1.29	1.35
Return on equity (%)	14.42	10.40	11.82	12.21	6.85	11.38	11.98
Core capital (leverage) ratio (%)	9.15	8.67	8.98	8.73	8.82	9.66	9.70
Noncurrent assets plus other real estate owned to assets (%)	0.40	0.41	0.39	0.44	0.61	0.55	0.60
Net charge-offs to loans (%)	0.41	0.22	0.27	0.25	0.50	0.52	0.48
Asset growth rate (%)	-1.06	6.33	-0.51	8.46	17.29	3.92	3.03
Net interest margin (%)	3.31	2.54	2.95	2.54	2.82	3.36	3.40
Net operating income growth (%)	35.56	-20.37	-3.64	96.90	-38.77	-3.14	45.45
Number of institutions reporting	4,672	4,796	4,706	4,839	5,002	5,177	5,406
Commercial banks	4,096	4,196	4,127	4,232	4,375	4,518	4,715
Savings institutions	576	600	579	607	627	659	691
Percentage of unprofitable institutions (%)	4.43	5.59	3.46	3.10	4.68	3.73	3.46
Number of problem institutions	43	40	39	44	56	51	60
Assets of problem institutions (in billions)***	$58	$173	$47	$170	$56	$46	$48
Number of failed institutions	2	0	0	0	4	4	0

* Excludes insured branches of foreign banks (IBAs).
** Through March 31, ratios annualized where appropriate. Asset growth rates are for 12 months ending March 31.
*** Assets shown are what were on record as of the last day of the quarter.

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

(dollar figures in millions)	1st Quarter 2023	4th Quarter 2022	1st Quarter 2022	%Change 22Q1-23Q1
Number of institutions reporting	4,672	4,706	4,796	-2.6
Total employees (full-time equivalent)	2,128,293	2,124,250	2,088,158	1.9
CONDITION DATA				
Total assets	$23,719,547	$23,599,954	$23,973,288	-1.1
Loans secured by real estate	5,801,454	5,766,002	5,327,173	8.9
1-4 Family residential mortgages	2,506,251	2,479,491	2,274,101	10.2
Nonfarm nonresidential	1,782,796	1,777,490	1,673,417	6.5
Construction and development	479,664	467,600	413,001	16.1
Home equity lines	269,798	273,007	261,284	3.3
Commercial & industrial loans	2,529,298	2,533,047	2,390,620	5.8
Loans to individuals	2,037,721	2,070,565	1,881,273	8.3
Credit cards	982,813	1,009,401	851,150	15.5
Farm loans	69,942	76,748	67,794	3.2
Other loans & leases	1,775,287	1,782,301	1,691,927	4.9
Less: Unearned income	1,635	1,953	1,905	-14.2
Total loans & leases	12,212,067	12,226,711	11,356,883	7.5
Less: Reserve for losses*	202,219	195,298	175,461	15.3
Net loans and leases	12,009,849	12,031,413	11,181,423	7.4
Securities**	5,611,460	5,883,915	6,260,482	-10.4
Other real estate owned	2,687	2,593	2,935	-8.4
Goodwill and other intangibles	435,471	430,064	415,294	4.9
All other assets	5,660,079	5,251,969	6,113,155	-7.4
Total liabilities and capital	23,719,547	23,599,954	23,973,288	-1.1
Deposits	18,742,486	19,214,547	19,932,264	-6.0
Domestic office deposits	17,303,965	17,725,358	18,381,103	-5.9
Foreign office deposits	1,438,522	1,489,189	1,551,160	-7.3
Other borrowed funds	1,900,791	1,351,869	980,556	93.8
Subordinated debt	60,822	65,187	65,733	-7.5
All other liabilities	752,685	761,223	734,760	2.4
Total equity capital (includes minority interests)	2,262,762	2,207,128	2,259,973	0.1
Bank equity capital	2,260,484	2,204,942	2,257,770	0.1
Loans and leases 30-89 days past due	63,506	67,922	54,100	17.4
Noncurrent loans and leases	92,129	89,810	95,194	-3.2
Restructured loans and leases	12,980	44,061	41,843	-69.0
Mortgage-backed securities	3,032,304	3,150,204	3,521,605	-13.9
Earning assets	21,522,467	21,399,665	21,838,746	-1.4
FHLB Advances	803,855	587,575	203,679	294.7
Unused loan commitments	9,693,060	9,569,428	9,359,485	3.6
Trust assets	18,815,310	18,095,390	18,954,357	-0.7
Assets securitized and sold	388,906	392,102	416,932	-6.7
Notional amount of derivatives	220,468,525	192,875,723	203,157,729	8.5

INCOME DATA	Full Year 2022	Full Year 2021	%Change	1st Quarter 2023	1st Quarter 2022	%Change 22Q1-23Q1
Total interest income	$750,897	$563,569	33.2	$261,353	$146,492	78.4
Total interest expense	117,580	36,143	225.3	85,612	8,462	911.7
Net interest income	633,317	527,426	20.1	175,741	138,030	27.3
Provision for credit losses***	51,599	-30,998	N/M	20,732	5,214	297.6
Total noninterest income	290,917	300,417	-3.2	85,988	76,657	12.2
Total noninterest expense	538,038	510,160	5.5	141,337	133,870	5.6
Securities gains (losses)	-3,903	3,010	-229.7	-2,180	-588	N/M
Applicable income taxes	67,287	72,409	-7.1	17,581	15,207	15.6
Extraordinary gains, net****	-233	47	-592.2	5	0	N/M
Total net income (includes minority interests)	263,176	279,328	-5.8	79,904	59,807	33.6
Bank net income	262,919	279,126	-5.8	79,807	59,751	33.6
Net charge-offs	31,439	27,359	14.9	12,422	6,289	97.5
Cash dividends	152,333	156,162	-2.5	44,257	28,853	53.4
Retained earnings	110,585	122,964	-10.1	35,550	30,898	15.1
Net operating income	266,764	276,847	-3.6	81,723	60,287	35.6

* For institutions that have adopted ASU 2016-13, this item represents the allowance for credit losses on loans and leases held for investment and allocated transfer risk.
** For institutions that have adopted ASU 2016-13, securities are reported net of allowances for credit losses.
*** For institutions that have adopted ASU 2016-13, this item represents provisions for credit losses on a consolidated basis; for institutions that have not adopted ASU 2016-13, this item represents the provision for loan and lease losses.
**** See Notes to Users for explanation.

N/M - Not Meaningful

TABLE III-A. First Quarter 2023, All FDIC-Insured Institutions

FIRST 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	4,672	10	5	1,015	2,516	314	41	282	417	72
Commercial banks	4,096	9	5	1,002	2,283	92	31	258	355	61
Savings institutions	576	1	0	13	233	222	10	24	62	11
Total assets (in billions)	$23,719.5	$464.1	$5,768.6	$279.7	$8,328.6	$730.7	$382.3	$62.0	$97.1	$7,606.4
Commercial banks	22,431.3	364.7	5,768.6	273.5	7,913.4	154.5	375.6	57.4	82.5	7,441.0
Savings institutions	1,288.3	99.4	0.0	6.2	415.2	576.2	6.7	4.6	14.5	165.4
Total deposits (in billions)	18,742.5	357.0	4,457.8	241.0	6,612.6	595.3	316.2	53.7	84.4	6,024.4
Commercial banks	17,698.8	279.3	4,457.8	237.3	6,286.6	122.4	310.5	50.3	72.4	5,882.1
Savings institutions	1,043.7	77.6	0.0	3.8	326.0	472.9	5.7	3.4	12.1	142.3
Bank net income (in millions)	79,807	3,629	17,981	882	31,895	1,230	1,281	333	261	22,315
Commercial banks	77,145	3,099	17,981	844	30,932	334	1,272	180	238	22,265
Savings institutions	2,662	530	0	39	963	896	8	154	23	49
Performance Ratios (annualized, %)										
Yield on earning assets	4.92	13.49	4.77	4.55	4.84	3.06	6.50	3.92	4.28	4.71
Cost of funding earning assets	1.61	3.04	1.95	1.08	1.38	1.23	2.75	0.74	0.80	1.54
Net interest margin	3.31	10.45	2.82	3.47	3.46	1.83	3.75	3.17	3.48	3.18
Noninterest income to assets	1.47	6.48	1.78	0.53	1.40	0.62	1.04	4.10	0.93	1.12
Noninterest expense to assets	2.41	9.09	2.30	2.30	2.38	1.47	2.11	4.28	2.89	2.21
Credit loss provision to assets**	0.35	3.27	0.29	0.04	0.29	0.02	0.75	0.08	0.06	0.32
Net operating income to assets	1.39	3.17	1.30	1.29	1.60	0.68	1.34	2.15	1.10	1.21
Pretax return on assets	1.66	4.13	1.63	1.40	1.84	0.88	1.71	2.67	1.22	1.43
Return on assets	1.36	3.17	1.25	1.26	1.57	0.67	1.35	2.15	1.08	1.18
Return on equity	14.42	29.86	13.40	14.18	15.89	12.17	16.55	21.49	12.36	12.48
Net charge-offs to loans and leases	0.41	3.18	0.48	0.03	0.15	0.04	0.85	0.20	0.06	0.48
Loan and lease loss provision to net charge-offs	156.85	123.84	160.65	157.14	252.66	171.11	133.17	115.63	136.38	135.58
Efficiency ratio	53.02	54.64	53.34	60.58	50.27	61.83	46.22	60.47	68.85	55.00
% of unprofitable institutions	4.43	0.00	0.00	2.56	3.38	11.78	19.51	8.16	4.80	11.11
% of institutions with earnings gains	66.70	40.00	80.00	73.69	65.54	55.10	53.66	70.21	66.67	55.56
Condition Ratios (%)										
Earning assets to total assets	90.74	96.06	88.96	93.87	91.07	96.07	93.92	92.59	93.61	90.55
Loss allowance to:										
Loans and leases	1.66	6.89	1.92	1.37	1.25	0.63	2.12	1.64	1.25	1.64
Noncurrent loans and leases	219.49	506.18	265.39	268.16	184.14	161.54	336.41	245.83	215.54	188.31
Noncurrent assets plus other real estate owned to assets	0.40	1.12	0.24	0.35	0.47	0.14	0.48	0.21	0.35	0.43
Equity capital ratio	9.53	10.50	9.38	9.12	9.98	5.79	8.15	10.37	8.98	9.54
Core capital (leverage) ratio	9.15	10.98	8.42	10.72	9.72	9.06	9.45	13.77	11.18	8.84
Common equity tier 1 capital ratio***	13.67	12.73	16.05	14.06	11.88	23.53	14.16	30.24	17.57	13.85
Tier 1 risk-based capital ratio***	13.75	12.89	16.12	14.06	11.94	23.53	14.19	30.24	17.57	13.98
Total risk-based capital ratio***	15.07	14.75	17.28	15.16	13.24	24.03	15.24	31.14	18.60	15.45
Net loans and leases to deposits	64.08	99.62	41.24	71.50	82.28	42.16	89.15	30.46	62.57	59.77
Net loans and leases to total assets	50.63	76.63	31.87	61.61	65.32	34.34	73.73	26.37	54.44	47.34
Domestic deposits to total assets	72.95	76.92	55.25	86.17	79.30	81.31	82.71	86.57	86.98	77.11
Structural Changes										
New reporters	1	0	0	0	0	0	0	1	0	0
Institutions absorbed by mergers	31	0	0	6	24	0	0	0	1	0
Failed institutions	2	0	0	0	1	0	0	0	0	1
PRIOR FIRST QUARTERS (The way it was...)										
Number of institutions 2022	4,796	11	5	1,081	2,403	283	39	368	501	105
2020	5,116	11	5	1,261	2,706	384	50	214	428	57
2018	5,606	11	5	1,355	2,936	412	61	274	495	57
Total assets (in billions) 2022	$23,973.3	$503.9	$6,065.8	$298.5	$7,357.8	$341.0	$361.2	$84.5	$127.3	$8,833.4
2020	20,255.2	503.8	5,232.5	279.1	7,548.6	388.1	154.6	37.0	78.8	6,032.7
2018	17,530.3	542.0	4,278.6	270.7	6,143.8	353.4	278.1	45.6	85.5	5,532.6
Return on assets (%) 2022	1.01	4.65	0.77	1.10	1.04	0.95	1.69	1.19	0.88	0.90
2020	0.38	0.11	0.44	1.28	0.22	0.15	1.79	2.63	0.93	0.47
2018	1.28	2.64	1.21	1.30	1.23	1.04	1.42	3.16	1.01	1.25
Net charge-offs to loans & leases (%) 2022	0.22	1.94	0.28	0.01	0.09	0.00	0.40	0.08	0.03	0.17
2020	0.54	4.32	0.74	0.10	0.26	0.04	0.54	0.27	0.09	0.46
2018	0.50	4.26	0.55	0.07	0.19	0.04	0.61	0.15	0.15	0.40
Noncurrent assets plus OREO to assets (%) 2022	0.41	0.85	0.26	0.44	0.52	0.26	0.51	0.25	0.39	0.41
2020	0.54	1.39	0.30	0.94	0.64	1.18	0.41	0.40	0.65	0.50
2018	0.70	1.25	0.47	0.87	0.69	1.77	0.42	0.55	0.78	0.77
Equity capital ratio (%) 2022	9.42	12.78	8.70	9.50	10.20	8.82	8.60	11.59	9.74	9.09
2020	10.44	11.51	8.77	11.85	11.63	9.66	9.61	17.77	12.65	10.26
2018	11.20	16.03	9.81	11.20	11.90	11.27	10.05	15.71	11.56	11.04

* See Table IV-A (page 12) for explanations.
** For institutions that have adopted ASU 2016-13, the numerator represents provisions for credit losses on a consolidated basis; for institutions that have not adopted ASU 2016-13, the numerator represents the provision for loan and lease losses.
*** Beginning March 2020, does not include institutions that have a Community Bank Leverage Ratio election in effect at the report date.

TABLE III-A. First Quarter 2023, All FDIC-Insured Institutions

FIRST QUARTER (The way it is...)	All Insured Institutions	Asset Size Distribution: Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	$10 Billion to $250 Billion	Greater Than $250 Billion	Geographic Regions*: New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	4,672	744	2,940	828	146	14	551	529	1,002	1,194	1,048	348
Commercial banks	4,096	651	2,608	694	130	13	291	483	865	1,157	982	318
Savings institutions	576	93	332	134	16	1	260	46	137	37	66	30
Total assets (in billions)	$23,719.5	$44.9	$1,085.4	$2,265.2	$6,814.5	$13,509.5	$4,505.0	$4,868.1	$5,755.4	$4,186.8	$2,029.3	$2,374.9
Commercial banks	22,431.3	39.7	953.6	1,942.8	6,332.8	13,162.4	4,134.6	4,816.1	5,683.3	4,129.3	1,451.4	2,216.6
Savings institutions	1,288.3	5.2	131.8	322.4	481.7	347.2	370.5	52.0	72.1	57.5	577.9	158.3
Total deposits (in billions)	18,742.5	37.9	931.7	1,870.0	5,294.3	10,608.7	3,549.1	3,863.0	4,439.4	3,421.9	1,662.8	1,806.5
Commercial banks	17,698.8	34.0	824.5	1,611.9	4,911.6	10,316.8	3,250.6	3,825.2	4,387.8	3,373.3	1,184.1	1,677.8
Savings institutions	1,043.7	3.9	107.2	258.1	382.7	291.9	298.5	37.8	51.5	48.6	478.7	128.7
Bank net income (in millions)	79,807	111	3,263	6,520	30,078	39,835	13,586	23,633	17,669	13,034	5,131	6,753
Commercial banks	77,145	100	2,876	5,852	28,879	39,437	12,855	23,543	17,358	12,824	4,507	6,057
Savings institutions	2,662	10	387	667	1,199	398	731	90	311	210	624	696
Performance Ratios (annualized, %)												
Yield on earning assets	4.92	4.44	4.62	5.04	5.33	4.71	5.09	4.70	4.63	5.06	4.37	5.93
Cost of funding earning assets	1.61	0.74	1.02	1.35	1.70	1.67	1.97	1.31	1.53	1.71	1.23	1.88
Net interest margin	3.31	3.70	3.60	3.69	3.64	3.05	3.12	3.39	3.09	3.35	3.14	4.06
Noninterest income to assets	1.47	1.56	1.02	0.97	1.91	1.37	1.26	1.89	1.57	1.23	0.72	1.84
Noninterest expense to assets	2.41	3.79	2.88	2.64	2.61	2.23	2.24	2.25	2.37	2.36	2.26	3.39
Credit loss provision to assets**	0.35	0.05	0.08	0.22	0.48	0.34	0.26	0.47	0.31	0.33	0.12	0.64
Net operating income to assets	1.39	1.00	1.23	1.23	1.82	1.22	1.26	2.01	1.31	1.25	1.04	1.20
Pretax return on assets	1.66	1.15	1.41	1.47	2.14	1.48	1.52	2.20	1.59	1.56	1.23	1.58
Return on assets	1.36	0.99	1.21	1.16	1.80	1.19	1.22	2.00	1.25	1.24	1.02	1.15
Return on equity	14.42	7.97	12.87	11.92	18.66	12.81	12.20	20.52	13.36	13.20	12.80	12.07
Net charge-offs to loans and leases	0.41	0.04	0.05	0.22	0.45	0.48	0.39	0.50	0.28	0.38	0.11	0.77
Loan and lease loss provision to net charge-offs	156.85	249.61	218.09	144.24	158.87	156.15	122.44	170.06	215.44	161.88	207.75	126.20
Efficiency ratio	53.02	75.50	65.43	59.49	47.40	54.28	54.46	45.09	54.25	55.18	61.68	55.04
% of unprofitable institutions	4.43	10.48	3.30	2.66	6.16	7.14	5.99	5.48	4.39	2.93	3.63	8.05
% of institutions with earnings gains	66.70	73.39	67.59	58.82	59.59	64.29	57.35	76.18	64.27	67.50	68.61	65.52
Condition Ratios (%)												
Earning assets to total assets	90.74	92.92	93.82	93.09	92.14	89.38	89.70	90.32	89.81	90.69	93.02	93.93
Loss Allowance to:												
Loans and leases	1.66	1.45	1.31	1.36	1.68	1.76	1.63	1.63	1.56	1.74	1.28	2.03
Noncurrent loans and leases	219.49	171.84	278.23	234.82	219.18	212.86	184.52	228.37	224.75	219.43	147.97	339.61
Noncurrent assets plus other real estate owned to assets	0.40	0.49	0.34	0.43	0.50	0.35	0.48	0.38	0.34	0.40	0.47	0.40
Equity capital ratio	9.53	12.57	9.56	9.84	9.72	9.37	10.04	9.72	9.44	9.52	8.12	9.61
Core capital (leverage) ratio	9.15	14.13	11.15	10.49	9.66	8.48	9.36	8.87	8.91	8.91	9.53	9.95
Common equity tier 1 capital ratio***	13.67	22.50	15.45	13.49	13.01	13.98	13.75	12.84	14.23	13.28	14.51	13.92
Tier 1 risk-based capital ratio***	13.75	22.50	15.48	13.53	13.20	14.01	13.78	12.89	14.29	13.37	14.62	14.20
Total risk-based capital ratio***	15.07	23.54	16.60	14.58	14.49	15.40	15.05	14.10	15.68	14.93	15.75	15.39
Net loans and leases to deposits	64.08	62.08	73.50	81.50	80.37	52.05	66.07	63.94	58.88	58.73	62.22	85.07
Net loans and leases to total assets	50.63	52.37	63.09	67.28	62.44	40.88	52.05	50.74	45.41	48.00	50.98	64.71
Domestic deposits to total assets	72.95	84.37	85.84	82.46	76.43	68.53	74.72	76.93	68.23	66.96	81.92	75.80
Structural Changes												
New reporters	1	1	0	0	0	0	0	0	1	0	0	0
Institutions absorbed by mergers	31	5	16	8	2	0	1	6	10	6	6	2
Failed institutions	2	0	0	0	2	0	1	0	0	0	0	1
PRIOR FIRST QUARTERS (The way it was...)												
Number of institutions 2022	4,796	784	3,027	825	147	13	569	544	1,032	1,228	1,069	354
2020	5,116	1,124	3,168	680	131	13	617	582	1,099	1,317	1,126	375
2018	5,606	1,393	3,453	628	123	9	684	656	1,208	1,426	1,214	418
Total assets (in billions) 2022	$23,973.3	$47.8	$1,109.3	$2,204.3	$7,084.9	$13,527.0	$4,530.6	$4,750.7	$5,833.3	$4,222.7	$2,064.7	$2,571.4
2020	20,255.2	66.6	1,066.7	1,802.6	5,770.4	11,548.9	3,787.4	4,128.7	4,721.0	4,027.1	1,547.4	2,043.5
2018	17,530.3	83.2	1,130.2	1,700.5	5,827.3	8,789.1	3,273.9	3,604.2	3,969.6	3,674.5	1,102.9	1,905.3
Return on assets (%) 2022	1.01	0.77	1.02	1.23	1.25	0.84	0.92	1.06	0.89	0.89	0.98	1.53
2020	0.38	0.83	1.09	0.76	-0.16	0.52	0.55	0.04	0.49	0.49	0.77	0.00
2018	1.28	0.93	1.18	1.27	1.37	1.24	1.15	1.31	1.27	1.17	1.35	1.63
Net charge-offs to loans and leases (%) 2022	0.22	0.04	0.03	0.10	0.30	0.22	0.21	0.30	0.15	0.23	0.08	0.33
2020	0.54	0.12	0.11	0.22	0.76	0.53	0.51	0.62	0.43	0.53	0.31	0.81
2018	0.50	0.19	0.08	0.18	0.74	0.46	0.62	0.56	0.24	0.53	0.21	0.74
Noncurrent assets plus OREO to assets (%) 2022	0.41	0.54	0.39	0.44	0.52	0.35	0.45	0.39	0.35	0.45	0.56	0.34
2020	0.54	0.97	0.74	0.68	0.68	0.43	0.49	0.55	0.47	0.61	0.70	0.52
2018	0.70	1.02	0.83	0.70	0.68	0.69	0.63	0.79	0.66	0.79	0.82	0.47
Equity capital ratio (%) 2022	9.42	12.50	9.90	10.15	9.96	8.96	9.89	9.84	8.88	9.42	8.56	9.71
2020	10.44	14.05	11.98	11.69	11.27	9.67	10.71	11.24	9.83	9.75	10.94	10.76
2018	11.20	13.10	11.24	11.71	12.19	10.43	12.36	12.04	10.37	10.04	11.48	11.45

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

** For institutions that have adopted ASU 2016-13, the numerator represents provisions for credit losses on a consolidated basis; for institutions that have not adopted ASU 2016-13, the numerator represents the provision for loan and lease losses.

*** Beginning March 2020, does not include institutions that have a Community Bank Leverage Ratio election in effect at the report date.

TABLE IV-A. Full Year 2022, 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 <$1Billion	All Other >$1 Billion
Number of institutions reporting		4,706	10	5	1,054	2,501	320	35	300	410	71
Commercial banks		4,127	9	5	1,041	2,268	94	27	275	349	59
Savings institutions		579	1	0	13	233	226	8	25	61	12
Total assets (in billions)		$23,600.0	$452.7	$5,745.9	$298.5	$8,139.0	$720.6	$590.4	$70.3	$95.9	$7,486.7
Commercial banks		22,319.4	356.4	5,745.9	292.4	7,730.3	151.6	584.8	65.6	81.8	7,310.6
Savings institutions		1,280.6	96.3	0.0	6.1	408.8	569.0	5.6	4.6	14.1	176.1
Total deposits (in billions)		19,214.5	339.2	4,488.3	257.5	6,660.1	631.7	494.2	61.1	84.2	6,198.2
Commercial banks		18,132.6	264.9	4,488.3	253.5	6,333.4	125.0	489.5	58.0	72.4	6,047.6
Savings institutions		1,082.0	74.3	0.0	4.0	326.7	506.8	4.7	3.1	11.8	150.6
Bank net income (in millions)		262,919	15,015	55,970	3,581	93,035	6,630	7,444	1,461	975	78,807
Commercial banks		249,959	12,112	55,970	3,422	88,975	1,653	7,416	643	897	78,870
Savings institutions		12,960	2,903	0	159	4,060	4,977	27	819	77	-63
Performance Ratios (%)											
Yield on earning assets		3.50	11.87	2.99	3.84	3.75	2.31	4.27	2.96	3.57	3.21
Cost of funding earning assets		0.55	1.51	0.67	0.46	0.45	0.36	0.93	0.32	0.36	0.50
Net interest margin		2.95	10.36	2.32	3.38	3.30	1.96	3.34	2.64	3.22	2.71
Noninterest income to assets		1.23	6.84	1.56	0.56	0.89	0.40	1.02	5.93	0.87	1.12
Noninterest expense to assets		2.28	9.51	2.15	2.25	2.28	1.15	1.96	5.71	2.68	2.10
Credit loss provision to assets**		0.22	2.49	0.19	0.05	0.14	0.02	0.47	0.03	0.04	0.21
Net operating income to assets		1.13	3.68	0.99	1.25	1.19	0.88	1.32	2.06	1.03	1.04
Pretax return on assets		1.40	4.77	1.23	1.39	1.48	1.10	1.74	2.49	1.15	1.27
Return on assets		1.11	3.68	0.95	1.22	1.18	0.86	1.33	1.99	1.02	1.03
Return on equity		11.82	31.61	10.58	13.25	11.81	13.46	15.63	17.98	11.37	10.97
Net charge-offs to loans and leases		0.27	2.12	0.32	0.04	0.11	0.01	0.38	0.13	0.04	0.31
Loan and lease loss provision to net charge-offs		159.85	138.39	172.80	196.59	180.97	405.84	161.62	85.67	211.06	155.15
Efficiency ratio		57.74	56.26	59.06	59.93	57.53	50.16	46.84	68.45	68.83	58.28
% of unprofitable institutions		3.46	0.00	0.00	1.80	2.60	9.38	8.57	10.67	2.20	7.04
% of institutions with earnings gains		56.01	30.00	20.00	45.54	59.82	57.81	51.43	59.33	56.59	60.56
Condition Ratios (%)											
Earning assets to total assets		90.68	95.70	88.43	93.38	90.93	96.12	94.28	92.76	93.50	90.85
Loss Allowance to:											
Loans and leases		1.60	6.46	1.88	1.34	1.21	0.62	1.46	1.60	1.25	1.61
Noncurrent loans and leases		217.46	520.12	275.64	267.74	175.88	152.57	333.71	236.69	226.40	189.08
Noncurrent assets plus other real estate owned to assets		0.39	1.06	0.23	0.35	0.48	0.15	0.34	0.22	0.33	0.42
Equity capital ratio		9.34	10.71	9.26	8.66	9.76	5.27	8.15	10.27	8.36	9.38
Core capital (leverage) ratio		8.98	11.53	8.20	10.57	9.54	8.70	9.23	14.00	10.94	8.68
Common equity tier 1 capital ratio***		13.56	12.87	16.01	13.68	11.83	23.08	12.52	29.02	17.32	13.79
Tier 1 risk-based capital ratio***		13.65	13.03	16.08	13.68	11.90	23.08	13.45	29.02	17.32	13.83
Total risk-based capital ratio***		14.94	14.90	17.26	14.75	13.14	23.55	14.49	29.89	18.35	15.30
Net loans and leases to deposits		62.62	106.37	41.37	72.14	80.59	38.93	89.70	30.88	61.46	56.49
Net loans and leases to total assets		50.98	79.69	32.31	62.24	65.94	34.13	75.08	26.85	53.95	46.77
Domestic deposits to total assets		75.11	74.91	55.46	86.28	81.73	87.51	83.70	86.96	87.75	80.41
Structural Changes											
New reporters		15	0	0	1	0	0	0	14	0	0
Institutions absorbed by mergers		134	0	1	20	98	2	0	4	3	6
Failed institutions		0	0	0	0	0	0	0	0	0	0
PRIOR FULL YEARS (The way it was...)											
Number of institutions	2021	4,839	12	5	1,121	2,417	293	33	357	506	95
	2019	5,177	12	5	1,291	2,733	393	58	210	428	47
	2017	5,670	11	5	1,389	2,944	420	59	272	510	60
Total assets (in billions)	2021	$23,719.7	$499.8	$5,827.2	$302.8	$7,372.0	$776.3	$353.0	$83.4	$130.4	$8,374.9
	2019	18,645.7	530.8	4,481.5	283.5	6,735.8	392.7	230.7	38.3	76.3	5,876.2
	2017	17,415.4	562.7	4,196.0	282.6	6,026.0	349.2	270.9	46.9	88.8	5,592.2
Return on assets (%)	2021	1.23	5.32	1.09	1.33	1.24	0.88	1.98	1.66	1.06	1.05
	2019	1.29	3.27	1.23	1.33	1.18	1.20	1.21	3.56	1.17	1.27
	2017	0.97	1.52	0.62	1.05	1.02	0.93	1.02	2.61	0.91	1.10
Net charge-offs to loans & leases (%)	2021	0.25	2.00	0.38	0.05	0.11	0.01	0.27	0.08	0.04	0.20
	2019	0.52	4.15	0.72	0.18	0.20	0.03	0.82	0.17	0.13	0.39
	2017	0.50	3.95	0.56	0.16	0.21	0.04	0.60	0.23	0.15	0.43
Noncurrent assets plus OREO to assets (%)	2021	0.44	0.78	0.28	0.47	0.55	0.18	0.48	0.27	0.39	0.46
	2019	0.55	1.39	0.33	0.81	0.60	1.18	0.48	0.45	0.62	0.52
	2017	0.73	1.25	0.51	0.77	0.70	1.70	0.36	0.59	0.81	0.82
Equity capital ratio (%)	2021	9.94	12.56	9.20	10.78	10.71	8.17	9.00	12.96	10.79	9.74
	2019	11.32	12.81	10.20	11.85	12.27	10.94	10.41	18.48	12.79	10.93
	2017	11.22	15.10	9.83	11.18	11.95	11.21	10.00	15.26	11.94	11.09

***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.
** For institutions that have adopted ASU 2016-13, the numerator represents provisions for credit losses on a consolidated basis; for institutions that have not adopted ASU 2016-13, the numerator represents the provision for loan and lease losses.
*** Beginning March 2020, does not include institutions that have a Community Bank Leverage Ratio election in effect at the report date.

TABLE IV-A. Full Year 2022, 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	4,706	761	2,964	823	145	13	558	534	1,011	1,198	1,053	352
Commercial banks	4,127	666	2,632	687	130	12	295	488	874	1,161	987	322
Savings institutions	579	95	332	136	15	1	263	46	137	37	66	30
Total assets (in billions)	$23,600.0	$46.3	$1,098.0	$2,277.4	$7,091.4	$13,086.9	$4,547.5	$4,614.2	$5,575.4	$4,243.2	$1,992.9	$2,626.9
Commercial banks	22,319.4	41.1	967.9	1,945.7	6,626.5	12,738.1	4,177.3	4,560.2	5,504.3	4,187.9	1,416.5	2,473.2
Savings institutions	1,280.6	5.2	130.1	331.7	464.9	348.7	370.2	54.0	71.0	55.3	576.3	153.6
Total deposits (in billions)	19,214.5	39.0	948.4	1,899.1	5,796.8	10,531.2	3,690.8	3,825.2	4,360.7	3,468.8	1,710.9	2,158.2
Commercial banks	18,132.6	35.2	841.9	1,631.7	5,418.7	10,205.2	3,388.5	3,786.6	4,309.0	3,421.7	1,192.4	2,034.3
Savings institutions	1,082.0	3.9	106.6	267.4	378.1	326.0	302.3	38.5	51.7	47.0	518.5	123.9
Bank net income (in millions)	262,919	400	12,816	28,633	86,338	134,732	45,780	53,737	61,716	40,759	22,712	38,215
Commercial banks	249,959	354	11,117	25,765	81,135	131,587	43,057	53,989	60,216	40,155	17,895	34,646
Savings institutions	12,960	46	1,699	2,867	5,203	3,145	2,723	-253	1,500	604	4,816	3,568
Performance Ratios (%)												
Yield on earning assets	3.50	3.58	3.88	4.11	3.92	3.14	3.52	3.48	3.10	3.60	3.36	4.29
Cost of funding earning assets	0.55	0.36	0.42	0.48	0.58	0.55	0.70	0.41	0.52	0.61	0.37	0.64
Net interest margin	2.95	3.22	3.46	3.63	3.34	2.58	2.82	3.07	2.58	2.98	3.00	3.65
Noninterest income to assets	1.23	1.56	1.08	1.10	1.22	1.27	1.16	1.03	1.47	1.08	0.81	1.79
Noninterest expense to assets	2.28	3.50	2.84	2.65	2.39	2.12	2.16	2.18	2.21	2.35	2.14	2.80
Credit loss provision to assets**	0.22	0.03	0.08	0.19	0.29	0.20	0.23	0.24	0.17	0.17	0.09	0.45
Net operating income to assets	1.13	0.87	1.21	1.32	1.27	1.02	1.05	1.16	1.11	0.98	1.13	1.52
Pretax return on assets	1.40	0.98	1.39	1.62	1.61	1.26	1.30	1.37	1.38	1.24	1.36	1.95
Return on assets	1.11	0.84	1.19	1.30	1.25	1.01	1.03	1.15	1.09	0.97	1.12	1.49
Return on equity	11.82	6.72	12.35	13.13	12.82	11.02	10.42	11.64	12.03	10.34	13.41	15.51
Net charge-offs to loans and leases	0.27	0.06	0.05	0.15	0.28	0.32	0.26	0.34	0.18	0.27	0.09	0.43
Loan and lease loss provision to net charge-offs	159.85	106.04	250.22	192.43	160.83	153.28	168.95	137.45	206.16	137.57	185.20	161.82
Efficiency ratio	57.74	76.77	65.31	58.61	54.78	58.58	57.60	56.69	58.11	61.83	59.00	53.23
% of unprofitable institutions	3.46	10.38	2.29	1.58	2.07	0.00	4.66	5.43	3.56	1.84	2.56	6.53
% of institutions with earnings gains	56.01	51.51	56.04	60.39	55.17	46.15	59.68	70.04	54.01	42.49	64.39	55.68
Condition Ratios (%)												
Earning assets to total assets	90.68	92.70	93.59	92.85	92.12	89.26	90.54	89.94	89.30	90.37	92.84	93.97
Loss Allowance to:												
Loans and leases	1.60	1.39	1.29	1.29	1.57	1.75	1.57	1.60	1.52	1.69	1.19	1.90
Noncurrent loans and leases	217.46	162.36	272.24	201.87	217.75	216.90	181.16	222.67	226.21	217.63	145.23	334.23
Noncurrent assets plus other real estate owned to assets	0.39	0.50	0.34	0.47	0.46	0.35	0.47	0.39	0.33	0.39	0.44	0.37
Equity capital ratio	9.34	12.37	9.22	9.65	9.50	9.20	9.84	9.73	9.24	9.21	7.83	9.38
Core capital (leverage) ratio	8.98	14.19	11.03	10.43	9.42	8.29	9.32	8.61	8.68	8.79	9.35	9.70
Common equity tier 1 capital ratio***	13.56	22.26	15.24	13.37	12.89	13.91	13.67	12.64	14.18	13.21	14.39	13.78
Tier 1 risk-based capital ratio***	13.65	22.26	15.29	13.41	13.09	13.95	13.72	12.70	14.23	13.29	14.51	14.03
Total risk-based capital ratio***	14.94	23.29	16.38	14.44	14.33	15.33	15.03	13.85	15.60	14.86	15.58	15.16
Net loans and leases to deposits	62.62	62.57	72.80	81.00	75.71	51.18	64.99	62.62	58.48	58.16	59.10	76.84
Net loans and leases to total assets	50.98	52.73	62.88	67.55	61.89	41.18	52.75	51.92	45.74	47.55	50.74	63.13
Domestic deposits to total assets	75.11	84.28	86.38	83.29	80.29	69.90	76.97	80.29	69.02	66.57	85.82	81.38
Structural Changes												
New reporters	15	15	0	0	0	0	3	4	0	1	2	5
Institutions absorbed by mergers	134	29	67	29	9	0	26	11	23	39	29	6
Failed institutions	0	0	0	0	0	0	0	0	0	0	0	0
PRIOR FULL YEARS (The way it was...)												
Number of institutions 2021	4,839	817	3,049	813	147	13	577	551	1,040	1,237	1,075	359
2019	5,177	1,156	3,225	656	130	10	625	587	1,118	1,330	1,138	379
2017	5,670	1,407	3,513	627	114	9	693	668	1,214	1,438	1,235	422
Total assets (in billions) 2021	$23,719.7	$50.0	$1,125.0	$2,221.9	$7,076.0	$13,246.9	$4,454.9	$4,787.7	$5,666.0	$4,198.7	$2,041.5	$2,570.9
2019	18,645.7	68.6	1,087.9	1,753.9	6,071.6	9,663.8	3,407.7	3,847.5	4,235.6	3,796.7	1,204.6	2,153.7
2017	17,415.4	83.7	1,154.2	1,751.7	5,699.2	8,726.7	3,248.1	3,601.0	3,918.1	3,683.2	1,090.0	1,875.1
Return on assets (%) 2021	1.23	1.04	1.29	1.41	1.46	1.07	1.08	1.26	1.25	1.10	1.12	1.71
2019	1.29	1.02	1.29	1.30	1.35	1.26	1.09	1.29	1.34	1.20	1.32	1.66
2017	0.97	0.83	1.04	1.05	1.04	0.89	0.85	1.00	1.00	0.76	1.12	1.36
Net charge-offs to loans & leases (%) 2021	0.25	0.07	0.06	0.12	0.30	0.27	0.26	0.26	0.19	0.31	0.10	0.33
2019	0.52	0.21	0.14	0.21	0.70	0.51	0.48	0.58	0.42	0.53	0.24	0.78
2017	0.50	0.21	0.15	0.22	0.71	0.47	0.58	0.61	0.27	0.51	0.28	0.67
Noncurrent assets plus OREO to assets (%) 2021	0.44	0.58	0.42	0.44	0.56	0.37	0.45	0.39	0.37	0.49	0.69	0.35
2019	0.55	0.94	0.70	0.57	0.62	0.48	0.51	0.57	0.49	0.61	0.84	0.42
2017	0.73	1.01	0.83	0.66	0.70	0.74	0.65	0.83	0.67	0.86	0.81	0.45
Equity capital ratio (%) 2021	9.94	13.49	10.83	10.86	10.31	9.50	10.32	10.21	9.52	9.81	9.64	10.14
2019	11.32	14.27	12.01	12.03	11.86	10.76	11.83	12.23	10.89	10.24	12.16	11.15
2017	11.22	13.01	11.29	11.82	12.13	10.47	12.34	12.06	10.42	9.99	11.49	11.58

* 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
** For institutions that have adopted ASU 2016-13, the numerator represents provisions for credit losses on a consolidated basis; for institutions that have not adopted ASU 2016-13, the numerator represents the provision for loan and lease losses.
*** Beginning March 2020, does not include institutions that have a Community Bank Leverage Ratio election in effect at the report date.

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

		Asset Concentration Groups*								
March 31, 2023	**All Insured Institutions**	**Credit Card Banks**	**International Banks**	**Agricultural Banks**	**Commercial Lenders**	**Mortgage Lenders**	**Consumer Lenders**	**Other Specialized <$1 Billion**	**All Other <$1 Billion**	**All Other >$1 Billion**
Percent of Loans 30-89 Days Past Due										
All loans secured by real estate	0.41	0.25	0.45	0.46	0.40	0.31	0.14	0.97	0.67	0.43
Construction and development	0.36	0.63	0.16	0.49	0.33	0.72	0.53	1.42	0.56	0.47
Nonfarm nonresidential	0.25	0.00	1.53	0.37	0.19	0.23	0.03	0.66	0.42	0.23
Multifamily residential real estate	0.20	0.00	0.34	0.06	0.18	0.21	0.08	0.94	0.12	0.14
Home equity loans	0.49	0.00	0.70	0.40	0.48	0.38	0.33	0.74	0.61	0.49
Other 1-4 family residential	0.59	0.27	0.34	0.68	0.79	0.30	0.15	1.13	0.83	0.52
Commercial and industrial loans	0.33	0.82	0.58	0.76	0.25	0.26	0.42	0.80	0.82	0.29
Loans to individuals	1.32	1.37	0.97	0.88	0.97	0.30	2.01	1.51	1.82	1.53
Credit card loans	1.28	1.40	0.94	1.20	1.40	1.01	2.14	0.33	8.24	1.46
Other loans to individuals	1.36	1.08	1.08	0.84	0.94	0.27	2.01	1.56	1.48	1.60
All other loans and leases (including farm)	0.24	0.75	0.35	0.64	0.24	0.04	0.06	0.46	0.36	0.14
Total loans and leases	0.52	1.30	0.56	0.54	0.39	0.30	1.29	0.97	0.76	0.56
Percent of Loans Noncurrent**										
All real estate loans	0.93	0.67	1.12	0.50	0.74	0.42	0.20	0.65	0.55	1.48
Construction and development	0.38	0.00	1.58	0.18	0.29	0.45	0.11	0.35	0.21	0.55
Nonfarm nonresidential	0.70	0.76	0.75	0.46	0.53	0.29	0.32	0.53	0.65	1.57
Multifamily residential real estate	0.20	2.61	0.10	0.55	0.16	0.18	0.00	0.00	0.08	0.40
Home equity loans	1.73	0.00	5.79	0.21	1.02	0.36	2.20	0.53	0.29	2.62
Other 1-4 family residential	1.31	0.64	1.26	0.44	1.37	0.44	0.16	0.79	0.56	1.55
Commercial and industrial loans	0.65	0.61	0.79	0.75	0.70	0.36	0.71	0.90	0.81	0.49
Loans to individuals	0.91	1.47	0.79	0.40	0.63	0.10	0.82	0.50	0.66	0.90
Credit card loans	1.35	1.56	0.97	0.49	1.32	0.69	2.94	0.13	3.92	1.51
Other loans to individuals	0.49	0.43	0.19	0.39	0.59	0.08	0.79	0.52	0.49	0.36
All other loans and leases (including farm)	0.17	0.74	0.21	0.43	0.21	0.13	0.02	0.65	0.44	0.11
Total loans and leases	0.75	1.36	0.72	0.51	0.68	0.39	0.63	0.67	0.58	0.87
Percent of Loans Charged-Off (net, YTD)										
All real estate loans	0.03	0.01	-0.01	0.01	0.02	0.01	-0.01	-0.05	0.01	0.06
Construction and development	0.01	0.00	0.00	0.02	0.01	0.00	0.00	-0.02	0.00	-0.02
Nonfarm nonresidential	0.09	0.00	0.06	0.00	0.05	0.03	0.00	-0.02	0.02	0.31
Multifamily residential real estate	0.03	0.00	0.00	-0.02	0.01	0.00	0.00	0.00	0.00	0.13
Home equity loans	-0.07	0.00	-0.33	0.03	-0.03	-0.03	0.07	0.10	0.00	-0.11
Other 1-4 family residential	0.00	0.02	-0.01	0.00	0.00	0.02	-0.02	0.02	0.01	0.00
Commercial and industrial loans	0.26	1.95	0.21	0.12	0.28	0.04	0.32	0.20	0.25	0.17
Loans to individuals	1.93	3.38	1.92	0.48	1.02	0.32	1.34	2.21	0.25	1.93
Credit card loans	3.09	3.50	2.35	2.53	4.07	2.56	7.10	0.73	0.16	3.29
Other loans to individuals	0.84	1.97	0.49	0.25	0.82	0.24	1.27	2.26	0.26	0.72
All other loans and leases (including farm)	0.12	0.93	0.10	0.02	0.12	0.08	0.08	0.95	0.15	0.13
Total loans and leases	0.41	3.18	0.48	0.03	0.15	0.04	0.85	0.20	0.06	0.48
Loans Outstanding (in billions)										
All real estate loans	$5,801.5	$4.6	$573.4	$114.7	$3,384.0	$222.7	$62.0	$12.7	$41.3	$1,386.0
Construction and development	479.7	0.1	18.3	8.3	377.0	7.4	0.7	1.4	3.1	63.5
Nonfarm nonresidential	1,782.8	0.3	62.5	29.5	1,363.5	18.2	8.4	4.5	9.1	286.8
Multifamily residential real estate	593.1	0.0	92.9	4.3	390.4	6.6	1.1	0.4	1.3	96.1
Home equity loans	269.8	0.0	19.4	1.8	170.1	9.0	0.8	0.3	1.3	67.0
Other 1-4 family residential	2,506.3	4.1	338.4	26.7	1,021.8	180.6	50.9	5.3	23.1	855.3
Commercial and industrial loans	2,529.3	42.0	360.0	21.7	1,256.5	7.3	38.1	1.9	4.6	797.1
Loans to individuals	2,037.7	334.9	400.6	5.8	371.2	15.0	173.0	1.3	4.6	731.3
Credit card loans	982.8	307.4	306.1	0.6	22.7	0.5	2.3	0.0	0.2	342.9
Other loans to individuals	1,054.9	27.5	94.4	5.3	348.5	14.5	170.7	1.3	4.4	388.4
All other loans and leases (including farm)	1,845.2	0.4	540.5	32.5	499.2	7.6	14.9	0.8	2.9	746.3
Total loans and leases (plus unearned income)	12,213.7	381.9	1,874.6	174.8	5,510.9	252.6	288.0	16.6	53.5	3,660.7
Memo: Other Real Estate Owned (in millions)										
All other real estate owned	2,687.4	0.9	224.0	81.0	1,547.4	50.3	13.8	18.0	27.7	724.3
Construction and development	473.0	0.0	5.0	7.7	400.4	9.5	0.9	8.7	10.9	29.9
Nonfarm nonresidential	1,262.9	0.9	72.0	33.2	744.8	12.1	0.5	5.6	9.9	383.9
Multifamily residential real estate	27.4	0.0	0.0	0.9	26.0	0.2	0.0	0.0	0.2	0.0
1-4 family residential	843.2	0.0	146.0	10.4	325.3	28.5	12.4	3.5	6.6	310.5
Farmland	78.8	0.0	0.0	28.8	49.6	0.0	0.0	0.1	0.2	0.0

* See Table IV-A (page 12) 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.

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

		Asset Size Distribution					Geographic Regions*					
March 31, 2023	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
Percent of Loans 30-89 Days Past Due												
All loans secured by real estate	0.41	0.98	0.42	0.24	0.44	0.47	0.40	0.39	0.34	0.53	0.65	0.20
Construction and development	0.36	1.06	0.43	0.28	0.38	0.37	0.62	0.29	0.22	0.38	0.26	0.42
Nonfarm nonresidential	0.25	0.80	0.29	0.15	0.20	0.44	0.26	0.18	0.24	0.55	0.19	0.11
Multifamily residential real estate	0.20	0.04	0.13	0.10	0.20	0.28	0.25	0.25	0.10	0.53	0.24	0.03
Home equity loans	0.49	0.64	0.45	0.41	0.53	0.50	0.46	0.45	0.62	0.53	0.46	0.37
Other 1-4 family residential	0.59	1.20	0.59	0.40	0.72	0.53	0.54	0.58	0.43	0.62	1.54	0.27
Commercial and industrial loans	0.33	1.13	0.54	0.40	0.30	0.32	0.23	0.28	0.40	0.36	0.27	0.49
Loans to individuals	1.32	1.38	1.14	1.63	1.20	1.39	1.06	1.88	0.83	1.21	0.90	1.58
Credit card loans	1.28	3.28	3.67	3.07	1.30	1.22	1.46	1.60	0.88	1.07	0.59	1.43
Other loans to individuals	1.36	1.36	1.06	1.33	1.12	1.60	0.75	2.14	0.79	1.51	0.99	1.71
All other loans and leases (including farm)	0.24	0.71	0.49	0.39	0.23	0.22	0.21	0.13	0.37	0.23	0.23	0.16
Total loans and leases	0.52	0.99	0.46	0.36	0.53	0.56	0.45	0.61	0.43	0.53	0.57	0.58
Percent of Loans Noncurrent**												
All real estate loans	0.93	0.76	0.44	0.43	0.89	1.44	1.03	0.92	1.02	1.14	1.00	0.39
Construction and development	0.38	0.32	0.28	0.31	0.29	0.71	0.79	0.13	0.61	0.22	0.16	0.38
Nonfarm nonresidential	0.70	0.86	0.45	0.37	0.70	1.27	1.08	0.76	0.55	0.86	0.35	0.45
Multifamily residential real estate	0.20	0.32	0.22	0.20	0.18	0.22	0.28	0.34	0.13	0.13	0.06	0.15
Home equity loans	1.73	0.49	0.43	0.38	1.00	3.03	1.49	1.31	2.18	3.98	0.71	0.45
Other 1-4 family residential	1.31	0.79	0.47	0.63	1.37	1.61	1.24	1.19	1.42	1.50	2.44	0.41
Commercial and industrial loans	0.65	1.44	0.69	1.18	0.68	0.53	0.98	0.48	0.57	0.55	0.74	0.80
Loans to individuals	0.91	0.90	0.42	1.02	0.89	0.92	0.97	1.10	0.51	0.89	0.57	1.09
Credit card loans	1.35	2.29	1.92	3.74	1.43	1.25	1.62	1.62	0.89	1.12	1.02	1.56
Other loans to individuals	0.49	0.89	0.38	0.45	0.46	0.52	0.48	0.64	0.18	0.41	0.44	0.67
All other loans and leases (including farm)	0.17	0.74	0.48	0.28	0.17	0.16	0.12	0.11	0.24	0.20	0.16	0.13
Total loans and leases	0.75	0.84	0.47	0.58	0.77	0.83	0.88	0.72	0.69	0.79	0.86	0.60
Percent of Loans Charged-Off (net, YTD)												
All real estate loans	0.03	0.00	0.00	0.01	0.06	0.00	0.02	0.01	0.01	0.00	0.01	0.11
Construction and development	0.01	-0.02	0.00	-0.01	0.02	0.01	0.02	-0.02	0.05	-0.01	0.00	0.01
Nonfarm nonresidential	0.09	0.02	0.00	0.02	0.16	0.09	0.08	0.07	0.04	0.05	0.03	0.28
Multifamily residential real estate	0.03	0.00	-0.01	0.01	0.05	0.00	0.00	0.00	0.01	0.00	0.00	0.12
Home equity loans	-0.07	0.00	-0.01	0.01	-0.03	-0.15	-0.04	-0.12	-0.10	-0.14	-0.03	0.02
Other 1-4 family residential	0.00	0.01	0.00	0.01	0.00	-0.01	-0.01	0.00	0.00	0.00	0.00	0.01
Commercial and industrial loans	0.26	0.18	0.15	0.26	0.34	0.22	0.21	0.26	0.30	0.09	0.12	0.74
Loans to individuals	1.93	0.38	0.76	2.64	1.90	1.93	2.00	2.03	1.22	2.28	0.94	2.42
Credit card loans	3.09	13.96	4.21	9.47	3.21	2.85	3.55	3.31	2.13	2.87	1.86	3.73
Other loans to individuals	0.84	0.28	0.65	1.17	0.89	0.76	0.83	0.89	0.40	1.01	0.67	1.23
All other loans and leases (including farm)	0.12	-0.09	0.06	0.07	0.06	0.14	0.09	0.22	0.10	0.10	0.12	0.04
Total loans and leases	0.41	0.04	0.05	0.22	0.45	0.48	0.39	0.50	0.28	0.38	0.11	0.77
Loans Outstanding (in billions)												
All real estate loans	$5,801.5	$16.7	$547.0	$1,141.7	$2,217.0	$1,879.1	$1,233.7	$992.3	$1,151.6	$902.9	$707.4	$813.4
Construction and development	479.7	1.1	57.0	127.6	203.6	90.4	86.7	74.5	76.5	69.2	116.8	56.2
Nonfarm nonresidential	1,782.8	3.4	201.4	481.1	730.5	366.4	402.7	331.3	279.7	224.2	283.1	261.8
Multifamily residential real estate	593.1	0.4	32.4	129.2	266.2	164.9	188.0	52.5	149.3	60.2	35.7	107.4
Home equity loans	269.8	0.3	15.7	37.4	103.2	113.2	71.9	57.6	64.8	29.5	20.7	25.4
Other 1-4 family residential	2,506.3	8.1	187.9	328.5	896.1	1,085.6	478.9	461.0	554.9	430.9	227.7	352.8
Commercial and industrial loans	2,529.3	2.8	83.0	240.6	842.1	1,360.8	435.5	646.6	602.6	436.3	195.2	213.1
Loans to individuals	2,037.7	1.6	26.8	96.5	782.6	1,130.2	383.7	475.9	406.5	300.3	78.4	392.9
Credit card loans	982.8	0.0	0.8	16.6	339.8	625.6	165.4	223.5	188.7	203.8	17.4	184.1
Other loans to individuals	1,054.9	1.5	26.0	79.8	442.8	504.6	218.4	252.4	217.8	96.5	61.0	208.8
All other loans and leases (including farm)	1,845.2	2.8	37.4	66.9	486.7	1,251.4	331.0	396.4	494.8	405.9	67.3	149.8
Total loans and leases (plus unearned income)	12,213.7	23.9	694.2	1,545.6	4,328.5	5,621.6	2,384.1	2,511.2	2,655.5	2,045.4	1,048.4	1,569.2
Memo: Other Real Estate Owned (in millions)												
All other real estate owned	2,687.4	16.4	397.5	639.1	701.4	933.0	413.7	641.6	521.4	480.9	469.1	160.7
Construction and development	473.0	3.7	128.8	189.1	129.8	21.5	47.5	83.0	34.3	94.6	179.4	34.2
Nonfarm nonresidential	1,262.9	6.4	156.8	328.0	223.4	548.2	103.0	401.0	216.8	289.4	213.0	39.6
Multifamily residential real estate	27.4	0.1	10.4	5.5	6.9	4.5	9.6	2.3	10.3	2.3	2.8	0.0
1-4 family residential	843.2	5.8	70.9	87.7	324.9	353.8	253.6	154.1	248.4	68.2	55.0	63.9
Farmland	78.8	0.4	30.6	27.5	16.4	4.0	0.0	0.6	10.8	25.4	18.8	23.1

* See Table IV-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.

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

(dollar figures in millions; notional amounts unless otherwise indicated)	1st Quarter 2023	4th Quarter 2022	3rd Quarter 2022	2nd Quarter 2022	1st Quarter 2022	% Change 22Q1-23Q1	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	1,177	1,141	1,212	1,254	1,295	-9.1	13	503	512	135	14
Total assets of institutions reporting derivatives	$21,778,016	$21,631,670	$21,656,143	$21,873,055	$22,148,693	-1.7	$932	$257,557	$1,607,427	$6,402,551	$13,509,549
Total deposits of institutions reporting derivatives	17,123,410	17,562,378	17,673,277	17,982,075	18,368,847	-6.8	729	218,275	1,323,510	4,972,223	10,608,672
Total derivatives	220,468,525	192,875,723	198,385,321	197,421,142	203,157,729	8.5	130	10,616	190,485	4,402,848	215,864,447
Derivative Contracts by Underlying Risk Exposure											
Interest rate	160,283,032	139,774,359	141,989,523	142,884,741	145,900,883	9.9	130	10,314	183,422	2,469,637	157,619,529
Foreign exchange*	48,529,675	43,001,986	45,988,455	44,459,158	46,356,534	4.7	0	0	2,811	1,680,794	46,846,070
Equity	5,001,131	4,423,904	4,409,702	4,330,864	4,489,264	11.4	0	30	24	50,809	4,950,268
Commodity & other (excluding credit derivatives)	1,574,689	1,432,977	1,606,776	1,779,436	1,905,829	-17.4	0	0	56	135,309	1,439,324
Credit	5,079,273	4,241,352	4,389,784	3,965,766	4,504,316	12.8	0	15	3,703	66,299	5,009,256
Total	220,467,800	192,874,578	198,384,240	197,419,965	203,156,826	8.5	130	10,359	190,016	4,402,848	215,864,447
Derivative Contracts by Transaction Type											
Swaps	137,729,743	118,597,662	121,132,626	121,285,181	124,396,704	10.7	0	1,584	130,896	2,576,131	135,021,132
Futures & forwards	34,502,393	28,748,693	31,661,060	32,045,336	33,523,101	2.9	0	1,384	8,485	1,358,752	33,133,771
Purchased options	20,067,871	19,695,467	19,118,334	18,596,675	18,875,284	6.3	0	286	20,381	173,107	19,874,097
Written options	20,222,587	19,693,855	18,780,453	18,958,408	19,054,957	6.1	0	1,307	9,590	161,297	20,050,393
Total	212,522,593	186,735,678	190,692,473	190,885,599	195,850,046	8.5	0	4,561	169,352	4,269,287	208,079,393
Fair Value of Derivative Contracts											
Interest rate contracts	64,098	72,856	76,860	76,672	71,330	-10.1	0	47	1,486	-3,252	65,817
Foreign exchange contracts	2,918	-14,980	15,025	11,233	11,938	-75.6	0	0	3	1,089	1,825
Equity contracts	-5,957	4,403	16,949	12,308	-3,383	N/M	0	0	0	-649	-5,308
Commodity & other (excluding credit derivatives)	2,790	8,892	18,933	22,615	21,140	-86.8	0	0	0	100	2,690
Credit derivatives as guarantor**	12,908	5,346	-16,373	-18,433	13,388	-3.6	0	3	12	-59	12,951
Credit derivatives as beneficiary**	-14,427	-4,002	23,163	22,643	-14,304	N/M	0	0	9	-163	-14,273
Derivative Contracts by Maturity* **											
Interest rate contracts < 1 year	109,261,215	92,694,359	97,477,065	96,672,591	102,946,312	6.1	0	971	18,317	1,322,011	107,919,917
1-5 years	30,208,263	27,375,717	26,085,681	26,253,904	26,322,685	14.8	0	718	71,133	584,128	29,552,284
> 5 years	21,259,200	20,667,400	19,919,888	22,979,692	23,004,026	-7.6	0	810	60,899	354,367	20,843,124
Foreign exchange and gold contracts < 1 year	36,896,856	33,156,693	34,753,442	33,883,174	34,852,149	5.9	0	0	1,691	1,539,853	35,355,312
1-5 years	4,979,588	4,811,621	4,481,609	4,545,526	4,822,181	3.3	0	0	324	117,883	4,861,380
> 5 years	2,528,186	2,444,283	2,226,842	2,476,418	2,618,402	-3.4	0	0	1	8,798	2,519,388
Equity contracts < 1 year	4,990,234	4,335,420	4,315,354	4,272,177	4,491,365	11.1	0	7	2	21,624	4,968,601
1-5 years	1,150,946	999,329	1,057,822	911,068	1,000,719	15.0	0	23	4	25,715	1,125,204
> 5 years	106,507	98,766	140,485	174,232	175,183	-39.2	0	0	0	1,169	105,338
Commodity & other contracts (including credit derivatives, excluding gold contracts) < 1 year	3,102,457	2,743,038	2,933,679	3,007,398	3,560,248	-12.9	0	0	166	50,487	3,051,804
1-5 years	3,290,311	2,844,783	2,819,537	2,653,707	2,658,498	23.8	0	2	1,079	55,044	3,234,187
> 5 years	487,351	272,418	468,669	680,264	469,467	3.8	0	12	2,179	9,493	475,667
Risk-Based Capital: Credit Equivalent Amount											
Total current exposure to tier 1 capital (%)	13.0	14.9	21.0	17.5	16.7		0.0	0.2	2.2	3.6	19.9
Total potential future exposure to tier 1 capital (%)	32.0	31.8	32.2	35.2	38.6		0.0	0.1	0.9	5.3	51.5
Total exposure (credit equivalent amount) to tier 1 capital (%)	45.1	46.7	53.2	52.7	55.3		0.0	0.3	3.1	8.9	71.4
Credit losses on derivatives******	-12.5	101.1	106.6	104.6	109.5	-111.4	0.0	1.2	-1.9	0.2	-12.1
HELD FOR TRADING											
Number of institutions reporting derivatives	158	165	173	172	180	-12.2	0	13	75	58	12
Total assets of institutions reporting derivatives	16,517,738	16,459,085	16,478,700	16,613,157	17,113,163	-3.5	0	7,086	324,528	3,425,004	12,761,119
Total deposits of institutions reporting derivatives	12,895,162	13,224,437	13,290,145	13,518,784	14,065,252	-8.3	0	5,970	265,842	2,618,313	10,005,037
Derivative Contracts by Underlying Risk Exposure											
Interest rate	155,617,896	135,502,495	137,555,249	138,592,472	141,764,396	9.8	0	320	42,182	1,064,258	154,511,137
Foreign exchange	45,123,349	40,604,230	42,216,283	41,401,741	43,028,040	4.9	0	0	2,542	1,561,266	43,559,541
Equity	4,948,378	4,375,929	4,363,822	4,283,905	4,463,312	10.9	0	0	0	41,105	4,907,273
Commodity & other	1,532,080	1,391,961	1,565,817	1,737,954	1,865,296	-17.9	0	0	40	127,632	1,404,407
Total	207,221,703	181,874,615	185,701,171	186,016,071	191,121,044	8.4	0	320	44,765	2,794,260	204,382,358
Trading Revenues: Cash & Derivative Instruments											
Interest rate**	5,724	4,623	-1,179	894	415	1,279.3	0	0	6	79	5,639
Foreign exchange**	4,438	1,168	8,156	6,366	6,341	-30.0	0	0	1	195	4,242
Equity**	5,335	3,099	3,308	777	1,458	265.9	0	0	3	223	5,109
Commodity & other (including credit derivatives)**	2,086	785	2,453	2,363	2,396	-12.9	0	0	0	177	1,909
Total trading revenues**	17,582	9,675	12,739	10,401	10,610	65.7	0	0	10	674	16,898
Share of Revenue											
Trading revenues to gross revenues (%)**	7.6	4.8	7.1	6.8	7.4		0.0	0.0	0.2	1.5	9.3
Trading revenues to net operating revenues (%)**	33.5	20.8	27.7	25.6	28.5		0.0	0.0	0.9	6.1	42.0
HELD FOR PURPOSES OTHER THAN TRADING											
Number of institutions reporting derivatives	546	528	541	553	564	-3.2	0	102	298	132	14
Total assets of institutions reporting derivatives	20,871,016	20,707,296	20,730,925	20,822,172	21,091,915	-1.0	0	53,953	1,180,335	6,127,178	13,509,549
Total deposits of institutions reporting derivatives	16,454,728	16,786,145	16,882,713	17,089,251	17,465,032	-5.8	0	44,897	966,798	4,834,361	10,608,672
Derivative Contracts by Underlying Risk Exposure											
Interest rate	4,642,380	4,252,676	4,412,573	4,267,827	4,110,189	12.9	0	4,212	124,397	1,405,379	3,108,392
Foreign exchange	563,149	519,396	491,890	513,259	552,327	2.0	0	0	151	52,267	510,731
Equity	52,752	47,975	45,880	46,959	25,951	103.3	0	30	24	9,704	42,994
Commodity & other	42,609	41,016	40,959	41,482	40,534	5.1	0	0	15	7,677	34,917
Total notional amount	5,300,890	4,861,062	4,991,302	4,869,528	4,729,001	12.1	0	4,242	124,587	1,475,027	3,697,035

All line items are reported on a quarterly basis.
* Includes 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.
** Does not include banks filing the FFIEC 051 report form, which was introduced in first quarter 2017.
*** Derivative contracts subject to the risk-based capital requirements for derivatives.
**** Credit losses on derivatives is applicable to all banks filing the FFIEC 031 report form and banks filing the FFIEC 041 report form that have $300 million or more in total assets, but is not applicable to banks filing the FFIEC 051 form.
N/M - Not Meaningful

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

(dollar figures in millions)	1st Quarter 2023	4th Quarter 2022	3rd Quarter 2022	2nd Quarter 2022	1st Quarter 2022	% Change 22Q1-23Q1	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	63	64	64	64	62	1.6	0	4	11	38	10
Outstanding Principal Balance by Asset Type**											
1-4 family residential loans	255,482	257,640	275,921	286,245	285,743	-10.6	0	4,778	14,427	60,256	176,021
Home equity loans	4	5	5	6	6	-33.3	0	0	0	4	0
Credit card receivables	118	103	76	39	12	883.3	0	0	0	118	0
Auto loans	1,237	1,102	541	59	72	1,618.1	0	0	0	835	402
Other consumer loans	1,654	1,202	1,277	1,347	1,169	41.5	0	0	0	644	1,011
Commercial and industrial loans	4,703	4,988	4,626	5,265	6,228	-24.5	0	0	0	0	4,703
All other loans, leases, and other assets	113,937	115,199	113,555	114,372	111,531	2.2	0	0	6,734	9,768	97,435
Total securitized and sold	377,135	380,239	396,001	407,333	404,761	-6.8	0	4,778	21,161	71,625	279,572
Maximum Credit Exposure by Asset Type**											
1-4 family residential loans	648	633	650	726	847	-23.5	0	0	0	399	249
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
Auto loans	12	19	19	0	0	0.0	0	0	0	0	12
Other consumer loans	0	0	0	0	0	0.0	0	0	0	0	0
Commercial and industrial loans	207	219	203	226	263	-21.3	0	0	0	0	207
All other loans, leases, and other assets	2,783	2,790	2,975	2,525	2,486	11.9	0	0	63	372	2,348
Total credit exposure	3,650	3,661	3,847	3,477	3,596	1.5	0	0	63	771	2,816
Total unused liquidity commitments provided to institution's own securitizations	251	236	210	187	225	11.6	0	0	0	0	251
Securitized Loans, Leases, and Other Assets 30-89 Days Past Due (%)**											
1-4 family residential loans	2.3	2.9	2.5	2.4	2.2		0.0	1.8	0.2	2.6	2.4
Home equity loans	7.1	5.5	3.4	9.3	8.6		0.0	0.0	0.0	7.1	0.0
Credit card receivables	5.1	5.8	3.9	2.6	0.0		0.0	0.0	0.0	5.1	0.0
Auto loans	2.1	1.2	0.4	0.0	0.0		0.0	0.0	0.0	2.8	0.7
Other consumer loans	2.1	3.3	3.1	2.9	3.4		0.0	0.0	0.0	1.2	2.7
Commercial and industrial loans	0.0	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	0.6	0.3	0.3	0.3	0.3		0.0	0.0	0.5	2.0	0.5
Total loans, leases, and other assets	1.7	2.0	1.8	1.9	1.7		0.0	0.0	0.0	2.4	1.7
Securitized Loans, Leases, and Other Assets 90 Days or More Past Due (%)**											
1-4 family residential loans	0.8	0.8	1.1	1.4	1.6		0.0	1.2	0.1	2.0	0.4
Home equity loans	28.6	28.1	27.5	26.0	27.4		0.0	0.0	0.0	28.6	0.0
Credit card receivables	6.8	5.8	2.6	0.0	0.0		0.0	0.0	0.0	6.8	0.0
Auto loans	0.2	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.1	0.2
Other consumer loans	1.7	2.8	2.8	2.5	2.8		0.0	0.0	0.0	0.8	2.3
Commercial and industrial loans	0.0	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	0.6	0.5	0.9	0.7	1.1		0.0	0.0	1.3	0.7	0.5
Total loans, leases, and other assets	0.5	0.5	0.9	1.1	1.3		0.0	0.0	0.0	0.9	0.5
Securitized Loans, Leases, and Other Assets Charged-Off (net, YTD, annualized, %)**											
1-4 family residential loans	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0
Home equity loans	0.1	4.0	2.1	2.3	2.0		0.0	0.0	0.0	0.1	0.0
Credit card receivables	4.2	1.9	0.0	0.0	0.0		0.0	0.0	0.0	4.2	0.0
Auto loans	0.2	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.2	0.0
Other consumer loans	0.4	0.6	0.4	0.3	0.1		0.0	0.0	0.0	0.3	0.5
Commercial and industrial loans	0.0	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	0.1	0.2	0.1	0.1	0.0		0.0	0.0	0.0	0.4	0.0
Total loans, leases, and other assets	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0
Seller's Interests in Institution's Own Securitizations - Carried as Securities or Loans***											
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	307	311	316	318	321	-4.4	3	94	138	62	10
Outstanding Principal Balance by Asset Type											
1-4 family residential loans	20,300	24,182	27,018	27,429	29,138	-30.3	18	2,851	8,934	7,413	1,085
All other loans, leases, and other assets	144,741	144,016	142,239	141,862	140,553	3.0	0	31	48	40,591	104,072
Total sold and not securitized	165,041	168,198	169,257	169,291	169,691	-2.7	18	2,881	8,981	48,004	105,157
Maximum Credit Exposure by Asset Type											
1-4 family residential loans	6,352	8,620	9,015	9,893	9,796	-35.2	1	261	2,759	2,690	642
All other loans, leases, and other assets	41,996	41,742	41,221	41,203	40,923	2.6	0	31	35	12,472	29,458
Total credit exposure	48,348	50,362	50,235	51,095	50,720	-4.7	1	291	2,794	15,162	30,099
Support for Securitization Facilities Sponsored by Other Institutions											
Number of institutions reporting securitization facilities sponsored by others	34	36	36	36	37	-8.1	0	11	11	5	7
Total credit exposure	20,875	20,092	21,922	22,526	23,468	-11.0	0	0	0	727	20,149
Total unused liquidity commitments	3,049	3,165	3,576	1,995	2,194	39.0	0	0	0	295	2,754
Other											
Assets serviced for others****	6,223,402	6,329,175	6,178,078	6,111,536	6,046,070	2.9	2,790	140,718	406,571	1,456,543	4,216,779
Asset-backed commercial paper conduits											
Credit exposure to conduits sponsored by institutions and others	4,090	4,128	3,803	5,836	6,289	-35.0	0	0	0	0	4,090
Unused liquidity commitments to conduits sponsored by institutions and others	59,759	60,714	59,659	61,747	64,654	-7.6	0	0	0	62	59,697
Net servicing income (for the quarter)	1,749	1,412	3,224	3,489	4,523	-61.3	7	86	444	494	717
Net securitization income (for the quarter)	29	38	-11	-2	-10	N/M	0	0	2	17	9
Total credit exposure to Tier 1 capital (%)*****	3.2	3.1	3.3	3.3	3.4	-5.9	0.0	0.1	0.1	2.2	4.8

* Does not include banks filing the FFIEC 051 report form, which was introduced in first quarter 2017.
** Beginning in June 2018, for banks that file the FFIEC 041 report form, all other loans include home equity loans, credit card receivables, auto loans, other consumer loans, and commercial and industrial loans.
*** Beginning in June 2018, only includes banks that file the FFIEC 031 report form.
**** 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.

N/M- Not Meaningful

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COMMUNITY BANK PERFORMANCE

Community banks are identified based on criteria defined in the FDIC's 2012 Community Banking Study. When comparing community bank performance across quarters, prior-quarter dollar amounts are based on community banks designated as such in the current quarter, adjusted for mergers. In contrast, prior-quarter ratios are based on community banks designated during the previous quarter.

Net Income Decreased Quarter Over Quarter
The Net Interest Margin Declined in the Quarter but Increased From a Year Ago
Loan Growth Continued and Was Broad-Based Across Most Portfolio Segments
Total Deposit Growth Was Modest Quarter Over Quarter
Asset Quality Remained Favorable Overall

QUARTERLY NET INCOME DECLINED FROM FOURTH QUARTER

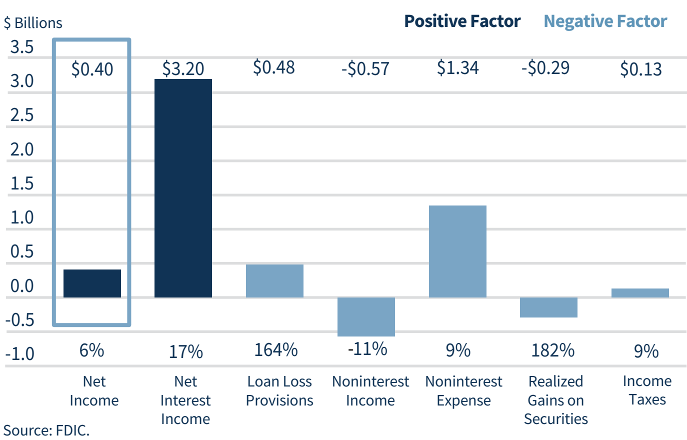
Quarterly net income for the 4,230 community banks declined $306.0 million (4.2 percent) from one quarter ago to $7.0 billion in first quarter 2023. Lower net interest income and noninterest income exceeded the declines in losses on the sale of securities, provisions for credit losses, and noninterest expense. More than half (56.8 percent) of all community banks reported lower net income compared with fourth quarter 2022. The share of unprofitable community banks dropped slightly to 4.4 percent. The pretax return on average assets (ROAA) ratio fell 21 basis points from one quarter ago to 1.27 percent.

Net income increased $403.6 million (6.1 percent) from first quarter 2022, driven by higher net interest income that was partially offset by higher noninterest and provision expenses and lower noninterest income. Pretax ROAA rose 1 basis point from the year-ago quarter.

Chart 1

Contributors to the Year-Over-Year Change in Income

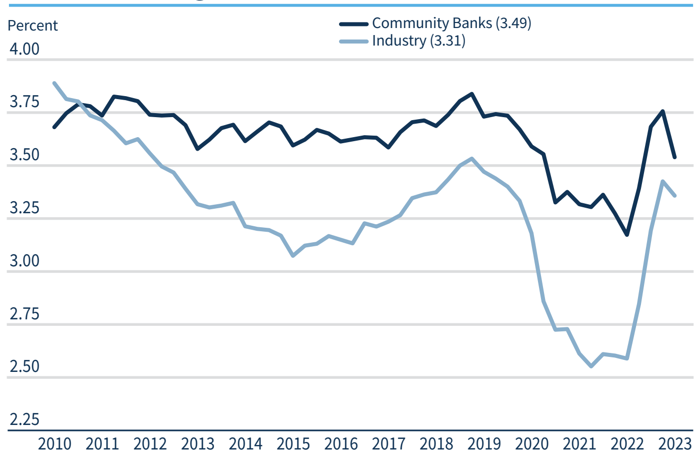
FDIC-Insured Community Banks



Source: FDIC.

Chart 2

Net Interest Margin



Source: FDIC.

THE NET INTEREST MARGIN DECLINED OVER THE QUARTER BUT INCREASED FROM A YEAR AGO

The average community bank quarterly NIM decreased 22 basis points from the prior quarter to 3.49 percent, falling below the pre-pandemic average of 3.63 percent.[1] The NIM widened 37 basis points from the year-ago quarter. The quarterly decrease in the NIM was due mainly to the increase in the average cost of deposits outpacing the increase in average yield on loans.

The average cost of deposits increased 39 basis points from the prior quarter and 92 basis points from the year-ago quarter to 1.14 percent. Yields on total loans increased 16 basis points from the prior quarter and 94 basis points from the year-ago quarter to 5.36 percent, largely due to higher yields on commercial real estate (CRE) loans.

NET OPERATING REVENUE DECLINED QUARTER OVER QUARTER ON FALLING NET INTEREST INCOME

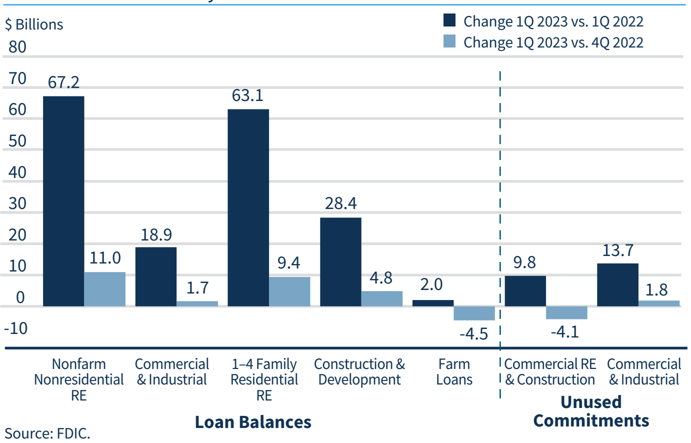
Community bank net operating revenue (net interest income plus noninterest income) decreased $1.2 billion (4.3 percent) from fourth quarter 2022. Higher interest expense, mainly on domestic deposits, drove the quarterly decline in net interest income. Noninterest income declined $237.0 million (4.9 percent) from the prior quarter due to lower net gains on sales of other assets and ATM fees. More than 70 percent of community banks reported lower net interest income in the first quarter.

From the year-ago quarter, a $3.2 billion increase in net interest income was only partially offset by a $566.0 million decline in noninterest income, resulting in a $2.6 billion (11.0 percent) increase in net operating revenue. Lower net gains on loan sales drove the annual decline in noninterest income, while higher interest income on loans secured by farmland, and nonfarm, nonresidential CRE, and 1–4 family residential real estate loans drove the year-over-year growth in net interest income.

Chart 3

Change in Loan Balances and Unused Commitments

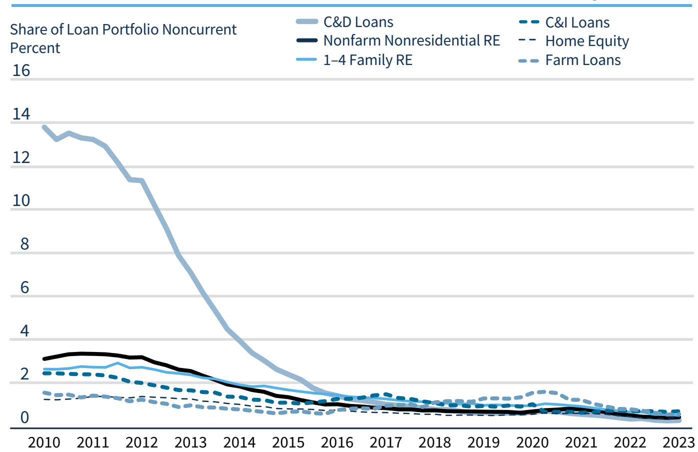
FDIC-Insured Community Banks



Source: FDIC.

Chart 4

Noncurrent Loan Rates for FDIC-Insured Community Banks



Source: FDIC.

[1] The "pre-pandemic average" refers to the period first quarter 2015 through fourth quarter 2019 and is used consistently throughout this report.

NONINTEREST EXPENSE DECLINED QUARTER OVER QUARTER BUT INCREASED YEAR OVER YEAR

Noninterest expense of $16.8 billion was $120.2 million (0.7 percent) lower than the fourth quarter but $1.3 billion (8.7 percent) higher than first quarter 2022. A reduction in data processing expenses drove the quarterly decline in noninterest expense, and higher salary and data processing expenses drove the annual increase. Noninterest expense as a share of average assets dropped 6 basis points to 2.49 percent from one quarter ago as noninterest expense declined and average assets rose. The community bank efficiency ratio (noninterest expense as a share of net operating revenue) rose 218 basis points from one quarter ago to 62.83 percent, as noninterest expense declined by a lesser share than net operating revenue. The higher efficiency ratio indicates that banks were less efficient at generating revenue.

PROVISION EXPENSE DECLINED OVER THE QUARTER, BUT INCREASED YEAR OVER YEAR

Quarterly provision expense of $767.9 million was $160.2 million (17.3 percent) lower than one quarter ago but $476.5 million higher than one year ago.[2] As of first quarter 2023, 3,993 community banks had adopted current expected credit loss (CECL) accounting. New community bank CECL adopters in the quarter made a "Day One" adjustment of $922 million, which flowed through retained earnings and increased the allowance for credit losses but did not affect provision expense.[3]

The reserve coverage ratio (the ratio of the allowance for credit losses to noncurrent loans) decreased 1.3 percentage points from the previous quarter, but increased 37.3 percentage points from the year-ago quarter to 272.9 percent. This is the second-highest level in the history of the Quarterly Banking Profile following last quarter's peak. The reserve coverage ratio for community banks was 58.7 percentage points above the reserve coverage ratio for noncommunity banks.

COMMUNITY BANK ASSETS ROSE ON SOLID, YET SLOWING QUARTERLY LOAN GROWTH

Total assets increased $32.9 billion (1.2 percent) from fourth quarter 2022 and $119.3 billion (4.6 percent) from the previous year. Growth in total loans and leases slowed from the prior quarter, increasing $32.1 billion (1.8 percent) in first quarter 2023 compared with $64.3 billion (3.7 percent) in fourth quarter 2022. Total loans and leases grew $238.4 billion (15.0 percent) from one year ago. The balance of securities fell $11.9 billion (2.0 percent) from fourth quarter 2022 and $21.5 billion (3.5 percent) from one year ago, weighing on quarterly asset growth. Increases in cash and balances due from depository institutions of $14.0 billion (8.9 percent) from the previous quarter added to growth, but this asset category was down $104.7 billion (37.9 percent) from the year-ago quarter.

[2] Provisions for credit losses include both losses for loans and securities for CECL adopters but only loan losses for non-adopters.

[3] The Day-One adjustment is the difference, if any, between the amount of Allowance for Losses on Loans and Leases (ALLL) required under the incurred loss methodology and the Allowance for Credit Loss (ACL) required under CECL and booked on the first day of the quarter that a bank adopts CECL. This amount is transferred from retained earnings to the ACL, and is not recognized as a provision in the income statement.

UNREALIZED LOSSES ON SECURITIES DECREASED BUT REMAIN ELEVATED[4]

Unrealized losses on securities totaled $59.2 billion in the first quarter, down from $67.9 billion in the fourth quarter. Unrealized losses on held-to-maturity securities totaled $9.4 billion in first quarter 2023, while unrealized losses on available-for-sale securities totaled $49.8 billion.

LOAN GROWTH WAS STEADY AND BROAD-BASED

Total loan and lease balances in most major portfolios increased from one quarter ago, except for agriculture production loans, a category that is affected by seasonal factors. Slightly more than two-thirds of community banks (66.8 percent) reported quarterly loan growth. Growth in nonfarm, nonresidential CRE loan balances (up $11.0 billion, or 2.0 percent) and 1–4 family residential real estate loan balances (up $9.4 billion, or 2.2 percent) drove the quarterly increase.

Loan balances in all portfolios grew from one year ago, and 89.7 percent of community banks reported annual loan growth. Growth in nonfarm, nonresidential CRE loan balances (up 67.2 billion, or 13.4 percent) and 1–4 family residential real estate loan balances (up $63.1 billion, or 17.1 percent) drove the annual increase.

DEPOSITS WERE UP SLIGHTLY FROM THE PREVIOUS QUARTER

Community banks reported deposit growth of 0.5 percent ($10.3 billion) during first quarter 2023, up from growth of 0.03 percent reported in fourth quarter 2022. Slightly more than half of all community banks (52.0 percent) reported an increase in deposit balances from the prior quarter. Growth in deposit accounts with less than $250,000 (up $73.1 billion) drove total deposit growth and was largely offset by a decline in uninsured balances. In the first quarter, growth in interest-bearing deposit balances (up $41.6 billion, or 2.5 percent) was mostly offset by a decline in noninterest-bearing deposits. Deposit balances rose 1.6 percent ($35.1 billion) from one year ago.

Wholesale funds increased $52.9 billion (10.2 percent) in the quarter. This increase largely consisted of growth in brokered deposits of $21.2 billion (25.1 percent), reciprocal deposits (net of brokered) of $14.9 billion (21.6 percent), and other borrowings of $9.4 billion (182.7 percent) from one quarter ago. The share of wholesale funds to total assets was 21.1 percent in first quarter, up from 19.2 percent in fourth quarter 2022 and above the pre-pandemic average of 17.5 percent.[5]

[4] Unrealized losses on securities reflect the difference between the market value as of quarter end and the book value of non-equity securities. This calculation does not account for any unrealized gains or losses in "accumulated other comprehensive income" because unrealized gains and losses cannot be derived from Call Reports.

[5] Wholesale funding includes federal funds purchased and securities sold under agreement to repurchase, Federal Home Loan Bank and other borrowings, brokered and reciprocal deposits, listing service deposits, municipal and state deposits, and foreign deposits (which are not FDIC insured).

EARLY-STAGE DELINQUENCIES REMAINED LOW

The rate of loans and leases 30 to 89 days past due grew 1 basis point from one quarter ago and was unchanged from a year ago at 0.37 percent, a level that remains below the pre-pandemic average of 0.55 percent. The nonfarm, nonresidential CRE loan past-due rate rose 4 basis points from the prior quarter and 3 basis points from the year-ago quarter to 0.21 percent, and the farm loan past-due rate was up 15 basis points to 0.39 percent quarter over quarter. Farm lending is highly seasonal; while first-quarter delinquencies are normally elevated, the past-due rate was down 1 basis point from the year-ago quarter.

THE NONCURRENT LOAN RATE EDGED HIGHER FROM A RECORD LOW LAST QUARTER

Loans and leases 90 days or more past due or in nonaccrual status (noncurrent loan balances) increased, and the noncurrent rate increased 1 basis point from fourth quarter 2022 to 0.45 percent. Still, slightly more than half of community banks (51.7 percent) reported quarter-over-quarter reductions in noncurrent loan balances. Noncurrent loan balances for nonfarm, nonresidential CRE, multifamily, and commercial and industrial loans increased slightly from the prior quarter; these increases were somewhat offset by declines in the noncurrent loan balances of residential real estate loans.

THE NET CHARGE-OFF RATE REMAINED LOW

The community bank net charge-off rate increased to 0.09 percent from 0.03 percent in first quarter 2022 but remained low compared to the average rate of the previous decade. In addition, most movement occurred in relatively small loan portfolio segments. The net charge-off rate for consumer loans (which account for 4.6 percent of total loan balances) increased 55 basis points from one year ago to 1.20 percent.

CAPITAL RATIOS REMAINED STRONG

The tier one risk-based capital ratio for community banks that did not file the community bank leverage ratio (CBLR) was 13.71 percent, up 10 basis points from the prior quarter, as reductions in higher risk-weighted assets outpaced tier 1 capital declines. The average CBLR for the 1,618 community banks that elected to use the CBLR framework was 11.92 percent, up 6 basis points from fourth quarter 2022. The leverage capital ratio for community banks increased 6 basis points to 10.56 percent in first quarter 2023. Equity capital rose $5.9 billion (2.4 percent) in first quarter 2023 as a decline in certain market interest rates improved the value of available-for-sale investment securities, resulting in a slight reversal in the negative accumulated other comprehensive income observed in previous quarters. However, no community banks are advanced approach institutions and, therefore, these losses did not directly affect their regulatory capital ratios.

ONE COMMUNITY BANK OPENED AND NO COMMUNITY BANKS FAILED IN FIRST QUARTER 2023

The number of community banks declined to 4,230 in the first quarter, down 28 from the previous quarter. One community bank opened, none failed, several transitioned from community to noncommunity banks or vice versa, and 26 merged out of existence during the quarter.

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

	2023*	2022*	2022	2021	2020	2019	2018
Return on assets (%)	1.04	1.04	1.15	1.26	1.09	1.20	1.19
Return on equity (%)	11.13	10.19	12.00	11.70	9.72	10.24	10.51
Core capital (leverage) ratio (%)	10.56	10.15	10.50	10.16	10.32	11.14	11.13
Noncurrent assets plus other real estate owned to assets (%)	0.34	0.38	0.33	0.40	0.60	0.65	0.71
Net charge-offs to loans (%)	0.09	0.03	0.07	0.07	0.12	0.13	0.12
Asset growth rate (%)	-0.70	3.87	-1.61	8.86	12.15	2.55	0.23
Net interest margin (%)	3.49	3.12	3.45	3.28	3.39	3.66	3.73
Net operating income growth (%)	4.45	-11.78	-3.72	29.69	-2.07	0.13	25.30
Number of institutions reporting	4,230	4,348	4,258	4,386	4,556	4,750	4,978
Percentage of unprofitable institutions (%)	4.37	5.80	3.52	3.26	4.52	3.96	3.66

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

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

(dollar figures in millions)	1st Quarter 2023	4th Quarter 2022	1st Quarter 2022	% Change 22Q1-23Q1
Number of institutions reporting	4,230	4,258	4,348	-2.7
Total employees (full-time equivalent)	372,778	375,597	382,295	-2.5
CONDITION DATA				
Total assets	$2,715,076	$2,711,722	$2,734,287	-0.7
Loans secured by real estate	1,416,330	1,410,255	1,302,614	8.7
1-4 Family residential mortgages	431,165	426,107	391,151	10.2
Nonfarm nonresidential	567,679	569,803	533,802	6.3
Construction and development	152,441	150,768	133,911	13.8
Home equity lines	43,454	43,904	39,886	8.9
Commercial & industrial loans	237,364	240,589	234,668	1.1
Loans to individuals	83,839	80,240	67,951	23.4
Credit cards	2,721	2,740	2,197	23.9
Farm loans	43,412	48,071	42,195	2.9
Other loans & leases	46,943	47,283	47,809	-1.8
Less: Unearned income	685	758	716	-4.3
Total loans & leases	1,827,203	1,825,680	1,694,521	7.8
Less: Reserve for losses*	22,568	22,095	21,800	3.5
Net loans and leases	1,804,635	1,803,584	1,672,721	7.9
Securities**	586,188	599,532	619,174	-5.3
Other real estate owned	784	790	1,058	-25.9
Goodwill and other intangibles	18,059	18,582	19,306	-6.5
All other assets	305,410	289,233	422,027	-27.6
Total liabilities and capital	2,715,076	2,711,722	2,734,287	-0.7
Deposits	2,287,430	2,303,513	2,370,921	-3.5
Domestic office deposits	2,286,704	2,302,835	2,368,109	-3.4
Foreign office deposits	726	677	2,812	-74.2
Brokered deposits	105,622	84,442	51,416	105.4
Other borrowed funds	144,143	130,734	72,931	97.6
Subordinated debt	315	320	283	11.1
All other liabilities	25,623	25,492	22,222	15.3
Total equity capital (includes minority interests)	257,565	251,663	267,928	-3.9
Bank equity capital	257,439	251,534	267,797	-3.9
Loans and leases 30-89 days past due	6,744	6,507	6,193	8.9
Noncurrent loans and leases	8,270	8,057	9,255	-10.6
Restructured loans and leases	2,760	3,957	4,289	-35.7
Mortgage-backed securities	238,895	243,422	270,828	-11.8
Earning assets	2,543,822	2,534,038	2,564,897	-0.8
FHLB Advances	109,435	103,488	48,908	123.8
Unused loan commitments	422,356	427,129	417,011	1.3
Trust assets	301,038	350,255	331,122	-9.1
Assets securitized and sold	25,473	26,348	25,434	0.2
Notional amount of derivatives	112,920	103,647	123,507	-8.6

INCOME DATA	Full Year 2022	Full Year 2021	% Change	1st Quarter 2023	1st Quarter 2022	% Change 22Q1-23Q1
Total interest income	$96,349	$88,251	9.2	$29,727	$21,478	38.4
Total interest expense	11,147	7,655	45.6	7,706	1,552	396.4
Net interest income	85,202	80,596	5.7	22,021	19,926	10.5
Provision for credit losses***	2,583	1,091	136.7	768	304	153.0
Total noninterest income	19,920	24,900	-20.0	4,570	5,316	-14.0
Total noninterest expense	64,899	64,973	-0.1	16,805	16,256	3.4
Securities gains (losses)	-789	845	-193.4	-443	-95	364.8
Applicable income taxes	6,495	7,342	-11.5	1,556	1,550	0.4
Extraordinary gains, net****	23	30	N/M	4	0	N/M
Total net income (includes minority interests)	30,379	32,964	-7.8	7,024	7,037	-0.2
Bank net income	30,370	32,936	-7.8	7,022	7,033	-0.2
Net charge-offs	1,114	1,097	1.6	419	131	219.3
Cash dividends	12,369	14,072	-12.1	2,881	2,958	-2.6
Retained earnings	18,000	18,864	-4.6	4,142	4,076	1.6
Net operating income	31,032	32,230	-3.7	7,436	7,119	4.5

* For institutions that have adopted ASU 2016-13, this item represents the allowance for credit losses on loans and leases held for investment and allocated transfer risk.
** For institutions that have adopted ASU 2016-13, securities are reported net of allowances for credit losses.
*** For institutions that have adopted ASU 2016-13, this item represents provisions for credit losses on a consolidated basis; for institutions that have not adopted ASU 2016-13, this item represents the provision for loan and lease losses.
**** See Notes to Users 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)	1st Quarter 2023	4th Quarter 2022	1st Quarter 2022	% Change 22Q1-23Q1
Number of institutions reporting	4,230	4,229	4,217	0.3
Total employees (full-time equivalent)	372,778	371,862	369,686	0.8
CONDITION DATA				
Total assets	$2,715,076	$2,682,163	$2,595,747	4.6
Loans secured by real estate	1,416,330	1,386,136	1,221,418	16.0
1-4 Family residential mortgages	431,165	421,786	368,077	17.1
Nonfarm nonresidential	567,679	556,725	500,456	13.4
Construction and development	152,441	147,602	124,067	22.9
Home equity lines	43,454	43,098	37,405	16.2
Commercial & industrial loans	237,364	235,712	218,440	8.7
Loans to individuals	83,839	79,952	65,032	28.9
Credit cards	2,721	2,736	1,986	37.0
Farm loans	43,412	47,925	41,426	4.8
Other loans & leases	46,943	46,066	43,087	8.9
Less: Unearned income	685	726	639	7.2
Total loans & leases	1,827,203	1,795,064	1,588,763	15.0
Less: Reserve for losses*	22,568	21,717	20,590	9.6
Net loans and leases	1,804,635	1,773,347	1,568,173	15.1
Securities**	586,188	598,085	607,693	-3.5
Other real estate owned	784	779	1,015	-22.7
Goodwill and other intangibles	18,059	17,970	16,883	7.0
All other assets	305,410	291,983	401,983	-24.0
Total liabilities and capital	2,715,076	2,682,163	2,595,747	4.6
Deposits	2,287,430	2,277,087	2,252,299	1.6
Domestic office deposits	2,286,704	2,276,409	2,251,551	1.6
Foreign office deposits	726	677	748	-2.9
Brokered deposits	105,622	84,123	40,920	158.1
Other borrowed funds	144,143	132,202	69,065	108.7
Subordinated debt	315	320	245	28.4
All other liabilities	25,623	24,928	20,218	26.7
Total equity capital (includes minority interests)	257,565	247,627	253,918	1.4
Bank equity capital	257,439	247,501	253,796	1.4
Loans and leases 30-89 days past due	6,744	6,444	5,869	14.9
Noncurrent loans and leases	8,270	7,966	8,726	-5.2
Restructured loans and leases	2,760	3,850	4,079	-32.3
Mortgage-backed securities	238,895	242,579	260,382	-8.3
Earning assets	2,543,822	2,506,722	2,436,991	4.4
FHLB Advances	109,435	105,571	45,799	138.9
Unused loan commitments	422,356	418,631	389,438	8.5
Trust assets	301,038	350,703	313,938	-4.1
Assets securitized and sold	25,473	26,348	25,369	0.4
Notional amount of derivatives	112,920	101,353	103,202	9.4

INCOME DATA	Full Year 2022	Full Year 2021	% Change	1st Quarter 2023	1st Quarter 2022	% Change 22Q1-23Q1
Total interest income	$95,065	$81,669	16.4	$29,727	$20,282	46.6
Total interest expense	11,011	7,123	54.6	7,706	1,458	428.5
Net interest income	84,054	74,546	12.8	22,021	18,824	17.0
Provision for credit losses***	2,519	1,195	110.9	768	291	163.6
Total noninterest income	19,768	23,570	-16.1	4,570	5,136	-11.0
Total noninterest expense	64,045	61,106	4.8	16,805	15,465	8.7
Securities gains (losses)	-1,689	816	-307.1	-443	-157	182.2
Applicable income taxes	6,388	6,519	-2.0	1,556	1,425	9.2
Extraordinary gains, net****	23	8	N/M	4	0	N/M
Total net income (includes minority interests)	29,204	30,120	-3.0	7,024	6,622	6.1
Bank net income	29,195	30,098	-3.0	7,022	6,618	6.1
Net charge-offs	1,091	965	13.1	419	117	256.6
Cash dividends	12,044	13,004	-7.4	2,881	2,808	2.6
Retained earnings	17,151	17,093	0.3	4,142	3,810	8.7
Net operating income	30,754	29,430	4.5	7,436	6,752	10.1

* For institutions that have adopted ASU 2016-13, this item represents the allowance for credit losses on loans and leases held for investment and allocated transfer risk.
** For institutions that have adopted ASU 2016-13, securities are reported net of allowances for credit losses.
*** For institutions that have adopted ASU 2016-13, this item represents provisions for credit losses on a consolidated basis; for institutions that have not adopted ASU 2016-13, this item represents the provision for loan and lease losses.
**** See Notes to Users for explanation.

N/M - Not Meaningful

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

First Quarter 2023 (dollar figures in millions)	**All Community Banks**	**Geographic Regions***					
		New York	**Atlanta**	**Chicago**	**Kansas City**	**Dallas**	**San Francisco**
Number of institutions reporting	4,230	461	476	931	1,148	956	258
Total employees (full-time equivalent)	372,778	72,685	39,107	77,451	71,354	82,018	30,163
CONDITION DATA							
Total assets	$2,715,076	$642,979	$288,611	$507,723	$495,943	$529,303	$250,516
Loans secured by real estate	1,416,330	381,233	149,996	257,635	242,069	262,178	123,218
1-4 Family residential mortgages	431,165	141,233	44,164	74,267	69,034	75,597	26,869
Nonfarm nonresidential	567,679	141,479	68,875	101,496	84,716	109,891	61,223
Construction and development	152,441	26,716	18,587	24,002	26,489	45,633	11,015
Home equity lines	43,454	11,035	5,765	10,597	5,556	5,396	5,106
Commercial & industrial loans	237,364	48,041	23,458	51,088	50,153	47,260	17,364
Loans to individuals	83,839	18,593	7,378	13,767	13,404	13,432	17,266
Credit cards	2,721	398	113	188	980	254	789
Farm loans	43,412	556	1,274	7,231	24,918	7,071	2,363
Other loans & leases	46,943	14,142	3,030	11,236	7,946	7,658	2,930
Less: Unearned income	685	67	97	72	130	187	133
Total loans & leases	1,827,203	462,499	185,039	340,884	338,360	337,413	163,008
Less: Reserve for losses**	22,568	4,772	2,284	4,275	4,448	4,481	2,308
Net loans and leases	1,804,635	457,727	182,755	336,609	333,911	332,932	160,700
Securities***	586,188	115,730	65,631	115,043	109,644	125,786	54,354
Other real estate owned	784	140	106	150	186	164	39
Goodwill and other intangibles	18,059	4,538	854	4,429	3,470	3,632	1,137
All other assets	305,410	64,845	39,265	51,492	48,732	66,790	34,287
Total liabilities and capital	2,715,076	642,979	288,611	507,723	495,943	529,303	250,516
Deposits	2,287,430	527,116	250,227	427,446	418,885	456,492	207,263
Domestic office deposits	2,286,704	526,415	250,226	427,446	418,885	456,492	207,239
Foreign office deposits	726	701	1	0	0	0	24
Brokered deposits	105,622	35,559	11,070	19,190	16,991	13,175	9,636
Other borrowed funds	144,143	43,906	10,279	28,398	27,368	19,465	14,727
Subordinated debt	315	148	0	16	1	139	10
All other liabilities	25,623	8,307	2,540	4,014	3,904	3,804	3,054
Total equity capital (includes minority interests)	257,565	63,501	25,564	47,849	45,785	49,403	25,462
Bank equity capital	257,439	63,476	25,566	47,758	45,784	49,393	25,461
Loans and leases 30-89 days past due	6,744	1,487	703	1,110	1,264	1,734	447
Noncurrent loans and leases	8,270	2,384	615	1,598	1,330	1,731	611
Restructured loans and leases	2,760	712	246	723	483	439	157
Mortgage-backed securities	238,895	59,523	29,561	42,445	35,900	46,062	25,404
Earning assets	2,543,822	602,701	270,600	474,255	465,322	494,859	236,086
FHLB Advances	109,435	38,127	8,424	22,098	19,370	13,568	7,848
Unused loan commitments	422,356	90,327	38,565	84,347	91,750	79,130	38,237
Trust assets	301,038	55,885	11,124	67,608	122,681	34,822	8,918
Assets securitized and sold	25,473	10,820	10	3,926	5,585	4,613	519
Notional amount of derivatives	112,920	42,605	13,456	15,399	24,107	8,920	8,433
INCOME DATA							
Total interest income	$29,727	$6,847	$3,183	$5,402	$5,321	$6,011	$2,965
Total interest expense	7,706	2,079	735	1,382	1,466	1,377	668
Net interest income	22,021	4,768	2,448	4,020	3,855	4,633	2,297
Provision for credit losses****	768	131	81	116	116	151	173
Total noninterest income	4,570	871	426	1,030	934	900	407
Total noninterest expense	16,805	3,665	1,748	3,091	3,040	3,381	1,880
Securities gains (losses)	-443	-27	-20	-73	-16	-34	-272
Applicable income taxes	1,556	406	194	309	204	230	213
Extraordinary gains, net*****	4	-1	9	0	-4	0	0
Total net income (includes minority interests)	7,024	1,409	840	1,462	1,410	1,738	165
Bank net income	7,022	1,409	840	1,461	1,410	1,737	165
Net charge-offs	419	92	28	31	65	58	145
Cash dividends	2,881	493	219	676	611	638	244
Retained earnings	4,142	916	621	785	798	1,099	-79
Net operating income	7,436	1,434	848	1,523	1,428	1,767	435

* See Table IV-A for explanation.
** For institutions that have adopted ASU 2016-13, this item represents the allowance for credit losses on loans and leases held for investment and allocated transfer risk.
*** For institutions that have adopted ASU 2016-13, securities are reported net of allowances for credit losses.
**** For institutions that have adopted ASU 2016-13, this item represents provisions for credit losses on a consolidated basis; for institutions that have not adopted ASU 2016-13, this item represents the provision for loan and lease losses.
***** See Notes to Users for explanation.

Table IV-B. First Quarter 2023, FDIC-Insured Community Banks

Performance ratios (annualized, %)	All Community Banks		First Quarter 2023, Geographic Regions*					
	1st Quarter 2023	4th Quarter 2022	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Yield on earning assets	4.71	4.53	4.59	4.76	4.59	4.61	4.90	5.02
Cost of funding earning assets	1.22	0.82	1.39	1.10	1.17	1.27	1.12	1.13
Net interest margin	3.49	3.71	3.19	3.66	3.42	3.34	3.78	3.89
Noninterest income to assets	0.68	0.72	0.55	0.60	0.82	0.76	0.69	0.65
Noninterest expense to assets	2.49	2.56	2.30	2.45	2.45	2.46	2.58	2.99
Loan and lease loss provision to assets	0.11	0.14	0.08	0.11	0.09	0.09	0.12	0.28
Net operating income to assets	1.10	1.23	0.90	1.19	1.21	1.16	1.35	0.69
Pretax return on assets	1.27	1.48	1.14	1.45	1.40	1.31	1.50	0.60
Return on assets	1.04	1.23	0.88	1.18	1.16	1.14	1.32	0.26
Return on equity	11.13	13.42	9.01	13.50	12.53	12.57	14.39	2.63
Net charge-offs to loans and leases	0.09	0.11	0.08	0.06	0.04	0.08	0.07	0.36
Loan and lease loss provision to net charge-offs	167.36	186.55	125.59	262.70	339.74	153.49	237.24	117.34
Efficiency ratio	62.83	60.65	64.72	60.39	60.77	63.04	60.70	69.31
Net interest income to operating revenue	82.81	82.74	84.55	85.19	79.60	80.49	83.73	84.93
% of unprofitable institutions	4.37	5.85	6.29	5.88	4.30	3.05	3.24	8.53
% of institutions with earnings gains	67.42	70.43	55.75	77.31	64.98	67.86	70.08	67.05

*See Table IV-A for explanation.

Table V-B. Full Year 2022, FDIC-Insured Community Banks

Performance ratios (%)	All Community Banks		Full Year 2022, Geographic Regions*					
	Full Year 2022	Full Year 2021	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Yield on earning assets	3.90	3.59	3.85	3.89	3.77	3.87	4.07	4.00
Cost of funding earning assets	0.45	0.31	0.51	0.39	0.44	0.51	0.41	0.35
Net interest margin	3.45	3.28	3.33	3.49	3.33	3.36	3.66	3.65
Noninterest income to assets	0.76	0.95	0.58	0.64	0.97	0.80	0.76	0.83
Noninterest expense to assets	2.46	2.48	2.31	2.44	2.45	2.44	2.56	2.74
Loan and lease loss provision to assets	0.10	0.04	0.10	0.10	0.07	0.09	0.12	0.13
Net operating income to assets	1.18	1.23	1.00	1.12	1.28	1.23	1.33	1.07
Pretax return on assets	1.40	1.54	1.23	1.35	1.54	1.41	1.49	1.38
Return on assets	1.15	1.26	0.95	1.10	1.27	1.21	1.32	1.06
Return on equity	12.00	11.70	9.38	12.22	13.33	12.93	14.11	10.41
Net charge-offs to loans and leases	0.07	0.07	0.08	0.05	0.04	0.07	0.07	0.09
Loan and lease loss provision to net charge-offs	227.00	99.95	173.13	298.36	270.40	193.09	278.38	254.90
Efficiency ratio	61.37	61.21	62.06	61.90	59.64	61.22	60.89	63.94
Net interest income to operating revenue	81.05	76.40	84.38	83.59	76.35	79.85	81.83	80.51
% of unprofitable institutions	3.52	3.26	5.54	5.43	3.41	1.91	2.60	7.39
% of institutions with earnings gains	55.94	74.72	59.70	71.40	53.46	42.46	65.52	54.09

*See Table IV-A for explanation.

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

March 31, 2023	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	0.31	0.26	0.33	0.33	0.32	0.41	0.18
Construction and development	0.34	0.25	0.27	0.32	0.40	0.40	0.28
Nonfarm nonresidential	0.21	0.23	0.21	0.20	0.22	0.25	0.09
Multifamily residential real estate	0.09	0.10	0.05	0.13	0.08	0.07	0.04
Home equity loans	0.41	0.41	0.40	0.41	0.33	0.44	0.52
Other 1-4 family residential	0.48	0.35	0.58	0.57	0.43	0.67	0.32
Commercial and industrial loans	0.41	0.37	0.49	0.29	0.40	0.53	0.46
Loans to individuals	1.22	1.54	1.04	0.63	1.05	2.40	0.66
Credit card loans	3.26	2.08	1.28	0.87	5.11	0.88	3.19
Other loans to individuals	1.16	1.52	1.04	0.62	0.73	2.43	0.54
All other loans and leases (including farm)	0.35	0.12	0.33	0.17	0.46	0.55	0.49
Total loans and leases	0.37	0.32	0.38	0.33	0.37	0.51	0.27
Percent of Loans Noncurrent							
All loans secured by real estate	0.42	0.48	0.31	0.49	0.36	0.42	0.29
Construction and development	0.26	0.41	0.14	0.29	0.35	0.16	0.29
Nonfarm nonresidential	0.41	0.47	0.32	0.55	0.35	0.42	0.22
Multifamily residential real estate	0.22	0.27	0.09	0.29	0.17	0.12	0.11
Home equity loans	0.39	0.48	0.22	0.30	0.35	0.32	0.65
Other 1-4 family residential	0.49	0.58	0.40	0.53	0.32	0.55	0.35
Commercial and industrial loans	0.69	0.89	0.49	0.50	0.58	0.84	0.81
Loans to individuals	0.51	0.50	0.34	0.25	0.45	1.15	0.36
Credit card loans	2.41	1.53	0.53	0.59	2.51	0.67	3.99
Other loans to individuals	0.45	0.48	0.34	0.24	0.29	1.16	0.19
All other loans and leases (including farm)	0.34	0.13	0.32	0.22	0.36	0.44	1.05
Total loans and leases	0.45	0.52	0.33	0.47	0.39	0.51	0.37
Percent of Loans Charged-Off (net, YTD)							
All loans secured by real estate	0.01	0.00	-0.01	0.01	0.01	0.00	0.05
Construction and development	-0.01	-0.02	-0.01	0.00	-0.01	0.00	0.00
Nonfarm nonresidential	0.02	0.02	0.00	0.01	0.01	0.01	0.06
Multifamily residential real estate	0.00	-0.01	0.00	-0.01	0.00	0.00	0.02
Home equity loans	0.00	-0.04	-0.02	-0.02	0.00	0.00	0.14
Other 1-4 family residential	0.00	0.00	-0.01	0.00	0.00	0.00	0.07
Commercial and industrial loans	0.22	0.25	0.12	0.10	0.07	0.06	1.43
Loans to individuals	1.20	1.18	1.05	0.34	1.56	1.36	1.63
Credit card loans	9.93	4.30	1.67	1.25	16.20	1.66	10.73
Other loans to individuals	0.90	1.11	1.04	0.32	0.37	1.35	1.16
All other loans and leases (including farm)	0.08	0.13	0.55	0.06	0.01	0.05	0.24
Total loans and leases	0.09	0.08	0.06	0.04	0.08	0.07	0.36
Loans Outstanding (in billions)							
All real estate loans	$1,416.3	$381.2	$150.0	$257.6	$242.1	$262.2	$123.2
Construction and development	152.4	26.7	18.6	24.0	26.5	45.6	11.0
Nonfarm nonresidential	567.7	141.5	68.9	101.5	84.7	109.9	61.2
Multifamily residential real estate	136.7	58.3	8.0	27.7	17.7	9.5	15.5
Home equity loans	43.5	11.0	5.8	10.6	5.6	5.4	5.1
Other 1-4 family residential	431.2	141.2	44.2	74.3	69.0	75.6	26.9
Commercial and industrial loans	237.4	48.0	23.5	51.1	50.2	47.3	17.4
Loans to individuals	83.8	18.6	7.4	13.8	13.4	13.4	17.3
Credit card loans	2.7	0.4	0.1	0.2	1.0	0.3	0.8
Other loans to individuals	81.1	18.2	7.3	13.6	12.4	13.2	16.5
All other loans and leases (including farm)	90.4	14.7	4.3	18.5	32.9	14.7	5.3
Total loans and leases (plus unearned income)	1,827.9	462.6	185.1	341.0	338.5	337.6	163.1
Memo: Unfunded Commitments (in millions)							
Total Unfunded Commitments	422,356	90,327	38,565	84,347	91,750	79,130	38,237
Construction and development: 1-4 family residential	35,408	5,949	5,157	4,129	5,463	12,129	2,581
Construction and development: CRE and other	99,923	22,013	10,037	18,604	17,790	24,355	7,124
Commercial and industrial	126,588	28,554	10,036	29,586	25,923	21,371	11,118

* See Table IV-A for explanation.
Note: 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

Two Institutions Fail During the First Quarter

Deposit Insurance Fund Decreases by $12.1 Billion

DIF Reserve Ratio Falls 14 Basis Points, Ends First Quarter at 1.11 Percent

During the first quarter, the Deposit Insurance Fund (DIF) balance decreased by $12.1 billion to $116.1 billion. The vast majority of the decline in the DIF was for loss provisions, which subtracted $16.4 billion from the DIF, driven by the failure of two banks and amounts set aside for the anticipated failure of First Republic Bank. The decline in the DIF balance does not include the cost of covering uninsured deposits pursuant to the systemic risk determination made for two banks that failed in March 2023. The FDIC is required by statute to recover those losses through special assessments, offsetting the losses associated with protecting uninsured depositors and eliminating any effect on the DIF balance and reserve ratio. Other costs included a $1.7 billion realized loss on the sale of investments and $508 million in operating expenses. Assessment revenue of $3.3 billion was the largest source of income. A net decrease in unrealized losses on available-for-sale securities of $2.5 billion, interest earned on investments of $661 million, and other miscellaneous income of $12 million also partially offset the decline in the fund balance.

The deposit insurance assessment base—average consolidated total assets minus average tangible equity—decreased by 1.4 percent in the first quarter and fell by 1.3 percent over the last 12 months.[1,2]

Total estimated insured deposits increased by 2.5 percent in the first quarter of 2023 and increased by 3.1 percent year over year. The DIF's reserve ratio (the fund balance as a percent of insured deposits) was 1.11 percent on March 31, 2023, down 14 basis points from the previous quarter and 10 basis points lower than the previous year. Prior quarters were impacted by significant revisions to insured deposits reported by the industry.

[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.

The FDIC adopted a DIF Restoration Plan on September 15, 2020, that would return the reserve ratio to 1.35 percent, the statutory minimum, by September 2028 as required by law. In spite of recent stress in the banking industry, the reserve ratio currently remains on track to reach 1.35 percent by the statutory deadline. The FDIC will continue to monitor factors affecting the reserve ratio, including but not limited to, insured deposit growth and potential losses due to bank failures and related reserves as required under the current Restoration Plan.

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Table I-C. Insurance Fund Balances and Selected Indicators*

	Deposit Insurance Fund**												
(dollar figures in millions)	1st Quarter 2023	4th Quarter 2022	3rd Quarter 2022	2nd Quarter 2022	1st Quarter 2022	4th Quarter 2021	3rd Quarter 2021	2nd Quarter 2021	1st Quarter 2021	4th Quarter 2020	3rd Quarter 2020	2nd Quarter 2020	1st Quarter 2020
Beginning Fund Balance	$128,218	$125,457	$124,458	$123,039	$123,141	$121,935	$120,547	$119,362	$117,897	$116,434	$114,651	$113,206	$110,347
Changes in Fund Balance:													
Assessments earned	3,306	2,142	2,145	2,086	1,938	1,967	1,662	1,589	1,862	1,884	2,047	1,790	1,372
Interest earned on investment securities	661	498	332	225	191	197	221	251	284	330	392	454	507
Realized gain on sale of investments	-1,666	0	0	0	0	0	0	0	0	0	0	0	0
Operating expenses	508	515	456	460	453	475	448	466	454	470	451	465	460
Provision for insurance losses	16,402	-48	-49	-86	100	8	-53	-42	-57	-48	-74	-47	12
All other income, net of expenses	12	114	6	29	8	61	65	2	1	9	5	2	2
Unrealized gain/(loss) on available-for-sale securities***	2,450	474	-1,077	-547	-1,686	-536	-165	-233	-285	-338	-284	-383	1,450
Total fund balance change	-12,147	2,761	999	1,419	-102	1,206	1,388	1,185	1,465	1,463	1,783	1,445	2,859
Ending Fund Balance	116,071	128,218	125,457	124,458	123,039	123,141	121,935	120,547	119,362	117,897	116,434	114,651	113,206
Percent change from four quarters earlier	-5.66	4.12	2.89	3.24	3.08	4.45	4.72	5.14	5.44	6.84	6.88	6.71	7.95
Reserve Ratio (%)	1.11	1.25	1.24	1.23	1.21	1.24	1.25	1.27	1.25	1.29	1.31	1.30	1.38
Estimated Insured Deposits	10,480,533	10,224,399	10,146,846	10,110,979	10,169,251	9,932,314	9,764,250	9,487,834	9,512,792	9,122,542	8,920,927	8,834,894	8,175,568
Percent change from four quarters earlier	3.06	2.94	3.92	6.57	6.90	8.88	9.45	7.39	16.36	16.79	15.40	14.95	6.30
Percent of Total Deposit Liabilites After Exclusions	58.64	55.93	55.14	54.51	53.88	53.14	53.81	53.68	54.56	54.36	55.14	55.21	55.32
Estimated Uninsured Deposits	7,391,235	8,057,715	8,254,299	8,436,963	8,703,725	8,756,907	8,380,722	8,187,867	7,921,356	7,659,451	7,258,145	7,168,231	6,602,736
Percent change from four quarters earlier	-15.08	-7.98	-1.51	3.04	9.88	14.33	15.47	14.22	19.97	30.42	27.30	30.51	22.09
Percent of Total Deposit Liabilites After Exclusions	41.36	44.07	44.86	45.49	46.12	46.86	46.19	46.32	45.44	45.64	44.86	44.79	44.68
Total Deposit Liabilities After Exclusions** **	17,871,768	18,282,114	18,401,145	18,547,941	18,872,976	18,689,222	18,144,972	17,675,701	17,434,148	16,781,993	16,179,071	16,003,125	14,778,304
Percent change from four quarters earlier	-5.30	-2.18	1.41	4.93	8.25	11.36	12.15	10.45	17.97	22.64	20.46	21.43	12.82
Assessment Base*****	20,679,188	20,976,743	20,990,194	21,026,237	20,942,714	20,686,127	20,131,363	19,780,295	19,313,207	18,909,427	18,575,121	18,267,307	16,589,826
Percent change from four quarters earlier	-1.26	1.40	4.27	6.30	8.44	9.40	8.38	8.28	16.42	16.23	15.93	15.71	5.90
Number of Institutions Reporting	4,681	4,715	4,755	4,780	4,805	4,848	4,923	4,959	4,987	5,011	5,042	5,075	5,125

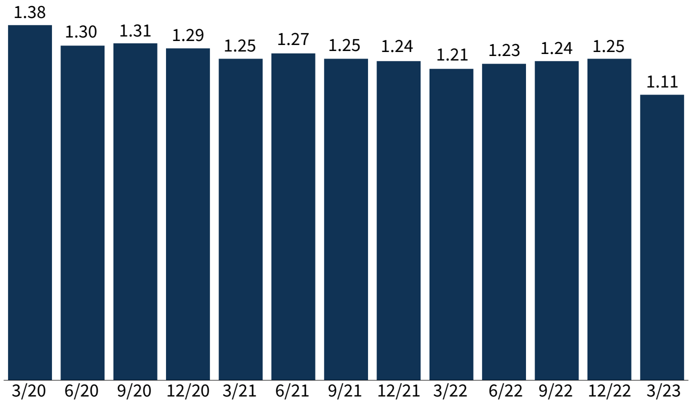
Table II-C. Problem Institutions and Failed Institutions

(dollar figures in millions)	2023******	2022******	2022	2021	2020	2019	2018	2017
Problem Institutions								
Number of institutions	43	40	39	44	56	51	60	95
Total assets*******	$57,993	$173,078	$47,463	$170,172	$55,830	$46,190	$48,481	$13,939
Failed Institutions								
Number of institutions	2	0	0	0	4	4	0	8
Total assets********	$319,390	$0	$0	$0	$455	$209	$0	$5,082

* Includes insured branches of foreign banks (IBAs) and any revisions to prior quarter data.
** Quarterly financial statement results are unaudited.
*** Includes unrealized postretirement benefit gain (loss).
**** Does not equal total deposits and domestic office deposits in the tables above due to adjustments to align with the determination of deposit insurance coverage in the event of a bank failure.
***** Average consolidated total assets minus tangible equity, with adjustments for banker's banks and custodial banks.
****** Through March 31.
******* Assets shown are what were on record as of the last day of the quarter.
******** Total assets are based on final Call Reports submitted by failed institutions.

DIF Reserve Ratios

Percent of Insured Deposits



Deposit Insurance Fund Balance and Insured Deposits ($ Millions)

	DIF Balance	DIF-Insured Deposits
3/20	$113,206	$8,175,568
6/20	114,651	8,834,894
9/20	116,434	8,920,927
12/20	117,897	9,122,542
3/21	119,362	9,512,792
6/21	120,547	9,487,834
9/21	121,935	9,764,250
12/21	123,141	9,932,314
3/22	123,039	10,169,251
6/22	124,458	10,110,979
9/22	125,457	10,146,846
12/22	128,218	10,224,399
3/23	116,071	10,480,533

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

(dollar figures in millions) March 31, 2023	Number of Institutions	Total Assets	Domestic Deposits*	Est. Insured Deposits
Commercial Banks and Savings Institutions				
FDIC-Insured Commercial Banks	4,096	$22,431,267	$16,260,589	$9,569,624
FDIC-Supervised	2,718	4,128,509	3,196,593	2,119,889
OCC-Supervised	716	14,914,569	10,623,349	6,093,033
Federal Reserve-Supervised	662	3,388,189	2,440,647	1,356,702
FDIC-Insured Savings Institutions	576	1,288,280	1,043,376	866,119
OCC-Supervised	251	549,184	435,777	370,398
FDIC-Supervised	288	307,428	247,347	188,837
Federal Reserve-Supervised	37	431,668	360,252	306,883
Total Commercial Banks and Savings Institutions	4,672	23,719,547	17,303,965	10,435,742
Other FDIC-Insured Institutions				
U.S. Branches of Foreign Banks	9	95,818	50,580	44,791
Total FDIC-Insured Institutions	4,681	23,815,365	17,354,545	10,480,533

* Excludes $1.4 trillion in foreign office deposits, which are not FDIC insured.

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

Quarter Ending December 31, 2022 (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	2,853	60.5	$6,941.9	33.09
3.01 - 6.00	1,328	28.2	12,371.0	58.97
6.01 - 10.00	440	9.3	1,528.7	7.29
10.01 - 15.00	49	1.0	118.1	0.56
15.01 - 20.00	45	1.0	17.0	0.08
20.01 - 25.00	0	0.0	0.0	0.00
> 25.00	0	0.0	0.0	0.00

* Values do not reflect updates to assessment rates which took effect starting January 1, 2023.

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: https://www.fdic.gov/resources/community-banking/cbi-study.html.

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 104 in 2023. The maximum level of deposits for any one office is $1.25 billion in deposits in 1985 and reached $10.28 billion in deposits in 2023. 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 $2.06 billion in 2023. 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

— Assets held in foreign branches ≥ 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]

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 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*

[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 $2.06 billion in 2023.
[3] Maximum number of offices indexed to equal 40 in 1985 and 104 in 2023.
[4] Maximum branch deposit size indexed to equal $1.25 billion in 1985 and $10.28 billion in 2023.

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* (TFR) 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, which is 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; 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

Financial accounting pronouncements by the Financial Accounting Standards Board (FASB) can result in changes in an individual bank's accounting policies and in the Call Reports they submit. Such accounting changes can affect the aggregate amounts presented in the QBP for the current period and the period-to-period comparability of such financial data.

The current quarter's Financial Institution Letter (FIL) and related Call Report supplemental instructions can provide additional explanation to the QBP reader beyond any material accounting changes discussed in the QBP analysis.

https://www.fdic.gov/news/financial-institution-letters/2023/fil23011.html

https://www.fdic.gov/resources/bankers/call-reports/index.html

Further information on changes in financial statement presentation, income recognition and disclosure is available from the FASB.

https://www.fasb.org/page/index?pageId=standards/index.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 deposits in banks' domestic offices with certain adjustments.

Assessment rate schedule – Initial base assessment rates for small institutions (except new 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.

Initial rates for small institutions are subject to minimums and maximums based on an institution's CAMELS composite rating.

The current assessment rate schedule became effective January 1, 2023. Under the current schedule, initial base assessment rates range from 5 to 32 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 5 basis points would have a maximum unsecured debt adjustment of 2.5 basis points and could not have a total base assessment rate lower than 2.5 basis points. (2) Depository Institution Debt Adjustment: For institutions that hold long-term unsecured debt issued by another insured depository institution, a 50 basis point charge is applied to the amount of such debt held in excess of 3 percent of an institution's Tier 1 capital. (3) Brokered Deposit Adjustment: Rates for 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 January 1, 2023, is shown in the following table:

Total Base Assessment Rates*

	Established Small Banks CAMELS Composite			Large and Highly Complex Institutions
	1 or 2	3	4 or 5	
Initial Base Assessment Rate	5 to 18	8 to 32	18 to 32	5 to 32
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	2.5 to 18	4 to 32	13 to 32	2.5 to 42

* 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.

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. Beginning March 2020, this ratio does not include institutions that have a Community Bank Leverage Ratio election in effect at the report date.

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.

Liquidity ratio – liquid assets to total assets. Liquid assets include cash, federal funds sold, and securities including unrealized gains/losses on held-to-maturity securities less pledged securities.

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 filed 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" (reported at amortized cost (book value)), securities designated as "available-for-sale" (reported at fair (market) value), and equity securities with readily determinable fair values not held for trading.

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 (https://home.treasury.gov/policy-issues/small-business-programs/small-business-lending-fund).

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 and 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.