

## FDIC State Profiles

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### Definitions, Data Sources, and Calculation Methodologies<sup>1</sup>

#### Economic Indicators<sup>2</sup>

**Total Nonfarm Employment** - The percent change from one year ago in the average level of nonfarm employment during the listed period (not seasonally adjusted).

Source: Bureau of Labor Statistics

**Manufacturing** - The percent change from one year ago in the average level of manufacturing employment during the listed period (not seasonally adjusted).

Source: Bureau of Labor Statistics

**Other (non-Manufacturing) Goods-Producing** - The percent change from one year ago in the average level of non-manufacturing employment (typically mining and construction employment) during the listed period (not seasonally adjusted).

Source: Bureau of Labor Statistics

**Private Service-Producing** - The percent change from one year ago in the average level of non-governmental service employment during the listed period (not seasonally adjusted).

Source: Bureau of Labor Statistics

**Government** - The percent change from one year ago in the average level of governmental employment during the listed period (not seasonally adjusted).

Source: Bureau of Labor Statistics

**Unemployment Rate** - The number of unemployed divided by the civilian labor force, averaged over the listed period (seasonally adjusted).

Source: Bureau of Labor Statistics Regional Household Employment Survey

**Single-Family Home Permits** - The percent change from one year ago of the four-quarter moving total in new privately owned single-family housing units authorized during the listed period (not seasonally adjusted).

Source: Bureau of the Census

**Multifamily Building Permits** - The percent change from one year ago of the four-quarter moving total in new privately owned multifamily building permits authorized during the listed period (not seasonally adjusted).

Source: Bureau of the Census

**Home Price Index** - The percent change from one year ago in the home price index (1980 Q1=100).

Source: Federal Housing Finance Agency

**Nonbusiness Bankruptcy Filings per 1000 People** - Bankruptcy filings per 1,000 people during the listed period. Quarterly figures are annualized (multiplied by 4).

Sources: Administrative Office of the U.S. Courts, Bureau of the Census

#### Banking Trends<sup>3</sup>

**Institutions (#)** - The number of FDIC-insured institutions headquartered in the state at the end of the listed period.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Total Assets (in millions)** - The total reported assets for institutions headquartered in the state as of the end of the listed period.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**New Institutions (# < 3 years)** - The number of new FDIC-insured institutions headquartered in the state as of the end of the listed period. New institutions are insured institutions that were established within the previous three years.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Subchapter S Institutions (#)** - The number of FDIC-insured Subchapter S corporations headquartered in the state as of the end of the listed period. 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. Its taxable income flows through to its shareholders in proportion to their stock ownership, and the shareholders generally pay federal income taxes on their share of this taxable income. This can have the effect of reducing institutions' reported taxes and increasing their after-tax earnings. The election of Subchapter S status may result in an increase in shareholders' personal tax liability. Therefore, some S corporations may increase the amount of earnings distributed as dividends to compensate for higher personal taxes.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Past-Due and Nonaccrual Loans / Total Loans** - The median ratio of the sum of loans and leases that are 30 days or more past due or in nonaccrual status divided by total loans for FDIC-insured institutions headquartered in the state as of the end of the listed period.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Noncurrent Loans / Total Loans** - The median ratio of the sum of loans and leases 90 days or more past due or in nonaccrual status divided by total loans for FDIC-insured institutions headquartered in the state as of the end of the listed period.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Loan and Lease Allowance / Total Loans** - The median ratio of the applicable reserve for loan and lease losses on a consolidated basis divided by total loans for FDIC-insured institutions headquartered in the state as of the end of the listed period.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Loan and Lease Allowance / Noncurrent Loans** - The median ratio of the applicable reserve for loan and lease losses on a consolidated basis divided by loans and leases 90 days or more past due and loans and leases in nonaccrual status for FDIC-insured institutions headquartered in the state as of the end of the listed period.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Net Loan Losses / Total Loans** - The median ratio of net loan losses divided by average total loans for FDIC-insured institutions headquartered in the state as of the end of the listed period. Year-to-date figures are annualized. Net loan losses are total loans and leases charged off, less amounts recovered on loans and leases previously charged off.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Tier 1 Leverage** - The median reported Tier 1 leverage ratio for FDIC-insured institutions headquartered in the state as of the end of the listed period. Tier 1 capital is the sum of common stockholders' equity, noncumulative perpetual preferred stock (including any related surplus), and minority interests in consolidated subsidiaries, minus ineligible intangible assets. The Tier 1 leverage ratio is Tier 1 capital divided by average total assets (less disallowed intangibles).

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Return on Assets** - The median ratio of net income (including gains or losses on securities and extraordinary items) divided by average total assets for all FDIC-insured institutions headquartered in the

state as of the end of the listed period. Year-to-date figures are annualized.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Pretax Return on Assets** - The median ratio of pretax net income divided by average total assets for FDIC-insured institutions headquartered in the state as of the end of the listed period. Year-to-date figures are annualized. This measure is often useful since Subchapter S institutions will have significantly different return on asset figures from other insured institutions.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Net Interest Margin** - The median ratio of interest income less interest expense divided by average earning assets for FDIC-insured institutions headquartered in the state as of the end of the listed period. Year-to-date figures are annualized.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Yield on Earning Assets** - The median ratio of interest, dividend, and fee income earned on loans and investments divided by average earning assets for FDIC-insured institutions headquartered in the state as of the end of the listed period. Year-to-date figures are annualized.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Cost of Funding Earning Assets** - The median ratio of interest expense paid (primarily on deposits and other borrowed money) divided by average earning assets for FDIC-insured institutions headquartered in the state as of the end of the listed period. Year-to-date figures are annualized.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Provisions to Average Assets** - The median ratio of expenses recognized to increase the allowance for credit losses divided by average assets for FDIC-insured institutions headquartered in the state as of the end of the listed period. Year-to-date figures are annualized.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Noninterest Income to Average Assets** - The median ratio of noninterest income divided by average assets for FDIC-insured institutions headquartered in the state as of the end of the listed period. Year-to-date figures are annualized.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Overhead to Average Assets** - The median ratio of noninterest expense divided by average assets for FDIC-insured institutions headquartered in the state as of the end of the listed period. Year-to-date figures are annualized.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports.

**Loans to Assets** - The median ratio of total loans divided by total assets for FDIC-insured institutions headquartered in the state as of the end of the listed period.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Noncore Funding to Assets** - The median ratio of the sum of foreign deposits, large time deposits, brokered deposits, and other borrowings divided by total assets for FDIC-insured institutions headquartered in the state as of the end of the listed period. The definitions for core and noncore funding were changed as of first quarter 2010 to reflect the increase in the amount of insurable deposits from \$100,000 to \$250,000.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Long-Term Assets to Assets** - The median ratio of assets that mature or reprice in over five years plus collateralized mortgage obligations with an expected life greater than three years divided by total assets for FDIC-insured institutions headquartered in the state as of the end of the listed period. This item is not available for institutions that filed Thrift Financial Reports prior to 2012. Beginning of 2012, all insured institutions file Call Reports.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Brokered Deposits (# of Institutions)** - The number of FDIC-insured institutions headquartered in the state reporting brokered deposit liabilities as of the end of the listed period.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Brokered Deposits to Assets** - For FDIC-insured institutions headquartered in the state that have brokered deposit liabilities, the median ratio of brokered deposits divided by total assets as of the end of the listed period.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Loan Concentrations** - The loan concentration ratios conform with adjustments made by the federal banking agencies effective March 31, 2020, for measuring credit-related concentrations due to the regulatory changes and accounting reporting related to Community Bank Leverage Ratio and Current Expected Credit Losses. Prior periods have been adjusted for this change.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Commercial and Industrial Loan Concentration** - The median ratio of commercial and industrial lending divided by Tier 1 capital plus the applicable reserve for loan and lease losses for FDIC-insured institutions headquartered in the state as of the end of the listed period. Only FDIC-insured institutions with a positive Tier 1 capital level or a positive applicable reserve for loan and lease losses are included when calculating the median. Insured institutions that adopt CECL and elect the transition option have the transitional amount of retained earnings subtracted from Tier 1 capital.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Commercial Real Estate Loan Concentration** - The median ratio of commercial real estate loans divided by Tier 1 capital plus the applicable reserve for loan and lease losses for FDIC-insured institutions headquartered in the state as of the end of the listed period. Commercial real estate lending includes loans secured by construction, land development, multifamily, and nonresidential properties, as well as loans to fund commercial real estate, construction, and land development not secured by real estate. Only FDIC-insured institutions with a positive Tier 1 capital level or a positive applicable reserve for loan and lease losses are included when calculating the median. Insured institutions that adopt CECL and elect the transition option have the transitional amount of retained earnings subtracted from Tier 1 capital.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Construction and Development Loan Concentration** - The median ratio of construction and development loans divided by Tier 1 capital plus the applicable reserve for loan and lease losses for FDIC-insured institutions headquartered in the state as of the end of the listed period. Only FDIC-insured institutions with a positive Tier 1 capital level or a positive applicable reserve for loan and lease losses are included when calculating the median. Insured institutions that adopt CECL and elect the transition option have the transitional amount of retained earnings subtracted from Tier 1 capital.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Multifamily Residential Real Estate Concentration** - The median ratio of multifamily residential real estate loans divided by Tier 1 capital plus the applicable reserve for loan and lease losses for FDIC-insured institutions headquartered in the state as of the end of the listing period. Only FDIC-insured institutions with a positive Tier 1 capital level or a positive applicable reserve for loan and lease losses are included when calculating the median. Insured institutions that adopt CECL and elect the transition option have the transitional amount of retained earnings subtracted from Tier 1 capital.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Nonresidential Real Estate Concentration** - The median ratio of nonresidential real estate loans divided by Tier 1 capital plus the applicable reserve for loan and lease losses for FDIC-insured institutions headquartered in the state as of the end of the listed period. Only FDIC-insured institutions with a positive Tier 1 capital level or a positive applicable reserve for loan and lease losses are included when calculating the median. Insured institutions that adopt CECL and elect the transition option have the

transitional amount of retained earnings subtracted from Tier 1 capital.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Residential Real Estate Concentration** - The median ratio of one-to-four family residential real estate loans divided by Tier 1 capital plus the applicable reserve for loan and lease losses for FDIC-insured institutions headquartered in the state as of the end of the listed period. Only FDIC-insured institutions with a positive Tier 1 capital level or a positive applicable reserve for loan and lease losses are included when calculating the median. Insured institutions that adopt CECL and elect the transition option have the transitional amount of retained earnings subtracted from Tier 1 capital.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Consumer Loan Concentration** - The median ratio of consumer loans divided by Tier 1 capital plus the applicable reserve for loan and lease losses for FDIC-insured institutions headquartered in the state as of the end of the listed period. Only FDIC-insured institutions with a positive Tier 1 capital level or a positive applicable reserve for loan and lease losses are included when calculating the median. Insured institutions that adopt CECL and elect the transition option have the transitional amount of retained earnings subtracted from Tier 1 capital.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

**Agricultural Loan Concentration** - The median ratio of agricultural production and agricultural real estate loans divided by Tier 1 capital plus the applicable reserve for loan and lease losses for FDIC-insured institutions headquartered in the state as of the end of the listed period. Only FDIC-insured institutions with a positive Tier 1 capital level or a positive applicable reserve for loan and lease losses are included when calculating the median. Insured institutions that adopt CECL and elect the transition option have the transitional amount of retained earnings subtracted from Tier 1 capital.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

## Banking Profile

**Largest Deposit Markets** - A listing of the largest deposit markets in the state, with totals for the number of FDIC-insured institutions (not holding companies) reporting offices in that market and their reported deposits. Markets include metropolitan areas as defined by the Bureau of Census. Entire deposit markets are shown, even for those that overlap state boundaries.

Source: Information from the FDIC Summary of Deposits Survey

(<https://www7.fdic.gov/sod/sodMarketBank.asp?barItem=2>)

**Asset Distribution** - A distribution of FDIC-insured institutions in the state according to reported assets as of the most recent available Call and Thrift Financial Reports.

Source: Federal Financial Institutions Examination Council Call Reports and Thrift Financial Reports

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### Footnote:

<sup>1</sup> As of the fourth quarter 2018 edition of the State Profiles, Single-Family Home Permits and Multifamily Building Permits are calculated as a percentage change from one year ago of the four-quarter moving total. Additionally, starting in fourth quarter 2018, Net Loan Losses and all earnings indicators are calculated as year-to-date figures annualized, rather than quarterly figures annualized.

<sup>2</sup> Growth rates in the Economic Indicators section show the percentage change from the year-ago quarter in columns one, two, and three. Growth rates in columns four and five show the percentage change from the prior calendar year.

<sup>3</sup> Banking trend indicators are end-of-period data, with the exception of net loans losses to total loan and all earnings indicators. For these, data shown in columns one, two, and three are year-to-date annualized. Full-year calculations are shown in the last two columns.