# Quarterly Banking Profile Second Quarter 2015

## INSURED INSTITUTION PERFORMANCE

- ***Quarterly Net Income Rises to $43 Billion***
- ***Higher Revenues, Lower Expenses Boost Earnings***
- ***Loan Growth Remains Steady***
- ***Only One Bank Fails in the Quarter***

### Improving Earnings Trend Remains Broad-Based

FDIC-insured commercial banks and savings institutions earned $43 billion in net income in second quarter 2015, an increase of $2.9 billion (7.3 percent) compared with second quarter 2014. Higher net operating revenue and lower noninterest expenses outweighed increased expenses for loan-loss provisions. Almost 60 percent of all banks—58.9 percent—reported year-over-year growth in quarterly net income, while only 5.6 percent were unprofitable in the quarter. In second quarter 2014, 6.8 percent of all banks reported net losses. The average return on assets rose slightly to 1.09 percent, from 1.07 percent in the 2014 quarter.

### Margins Rebound Slightly From 30-Year Low

Net operating revenue—the sum of net interest income and total noninterest income—totaled $172.9 billion in the quarter, up $3.6 billion (2.1 percent) from the year before. More than two-thirds of all banks—67.9 percent—reported higher net operating income. Net interest income increased by $2.4 billion (2.3 percent), as average interest-bearing assets were 5.3 percent higher than a year earlier. The industry net interest margin of 3.06 percent was down from 3.15 percent in second quarter 2014, but was up slightly from the 30-year low of 3.02 percent in first quarter 2015. Noninterest income rose by $1.2 billion (1.9 percent), as servicing income grew by $1.8 billion (63.9 percent), and trading revenue declined by $904 million (14.1 percent).

### Litigation Expenses Are Lower

Noninterest expenses declined $1.1 billion (1.1 percent) from 2014 levels, as itemized litigation expenses at a few large banks were $1.3 billion less than in second quarter 2014 and charges for goodwill impairment were $191 million lower. Payroll expenses were up $1.3 billion (2.8 percent), while expenses for premises and fixed assets were only $6 million (0.1 percent) higher than the year earlier. Loan-loss provision expenses posted a fourth consecutive year-over-year increase, rising by $1.4 billion (20.2 percent).

Chart 1

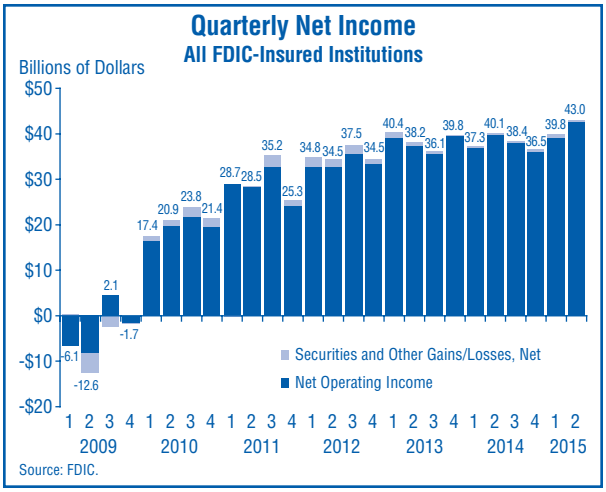
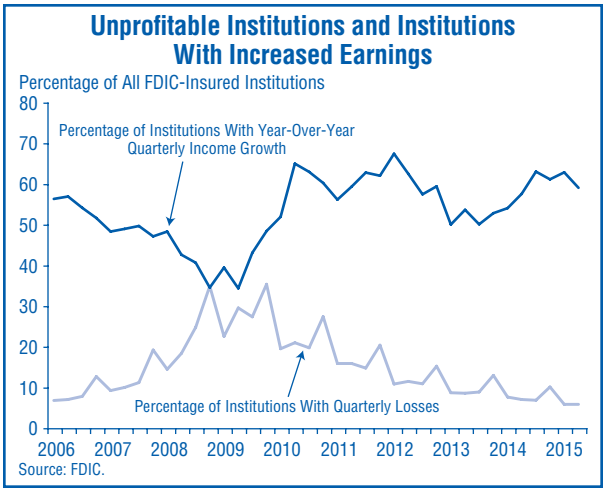



Chart 2



## Net Charge-Off Rate Improves to Pre-Crisis Level

Net charge-offs declined for a 20th consecutive quarter, falling $1.1 billion (11.2 percent) from the 2014 level. The average net charge-off rate fell to 0.42 percent in the quarter, down from 0.50 percent the year before. This is the lowest quarterly charge-off rate for the industry since third quarter 2006. Charge-offs were down, year over year, in all major loan categories except commercial and industrial (C&I) loans and auto loans. C&I net charge-offs were $146 million (15.7 percent) higher than the 2014 quarter, while auto loan charge-offs were up $71 million (21.2 percent).

## Noncurrent Rate Continues to Improve

The amount of noncurrent loans and leases (90 days or more past due or in nonaccrual status) fell by $8.3 billion (5.4 percent) during the three months ended June 30. This is the 21st consecutive quarterly decline in noncurrent loan balances. Noncurrent C&I loans increased by $1.5 billion (15.4 percent) during the quarter, and noncurrent auto loans rose by $40 million (4.4 percent). Noncurrent levels declined in all other major loan categories, led by a $6.4 billion (6.7 percent) decline in noncurrent residential mortgage loans. At the end of June, more than a third of the industry's $144.7 billion in noncurrent loan balances ($50 billion, or 34.6 percent) consisted of loans with U.S. government guarantees, or loans covered by loss-sharing agreements with the FDIC.

## Banks Continue to Release Reserves

Insured institutions reduced their loan-loss reserves for a 21st consecutive quarter. Reserve balances declined by $1.4 billion (1.2 percent) during the quarter, as net charge-offs of $8.9 billion exceeded loan-loss provisions of $8.1 billion. This is the smallest quarterly decline in industry reserves since banks began reducing them in second quarter 2010. The industry's ratio of reserves to total loans and leases fell from 1.45 percent to 1.40 percent during the quarter. This is the lowest average since year-end 2007. However, the average coverage ratio of reserves to noncurrent loans rose for the 11th quarter in a row, from 79.1 percent to 82.7 percent, because of the decline in noncurrent loan balances.

## Capital Growth Is Modest

Banks added $4.5 billion to equity capital during the quarter. The modest 0.3 percent increase reflected a reduced contribution from retained earnings and a decline in unrealized gains in available-for-sale securities portfolios. Retained earnings totaled $14.4 billion,

Chart 3

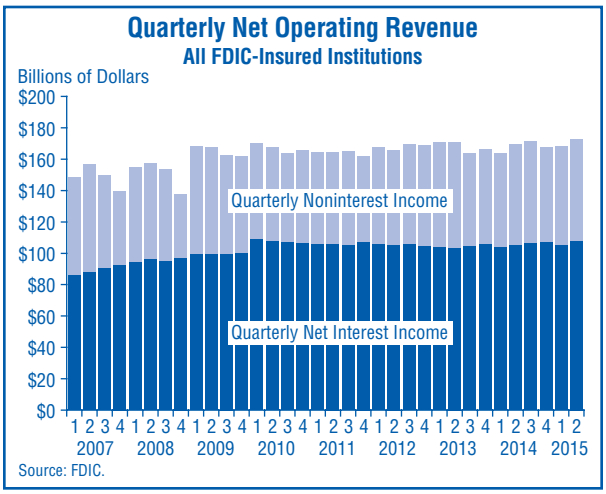
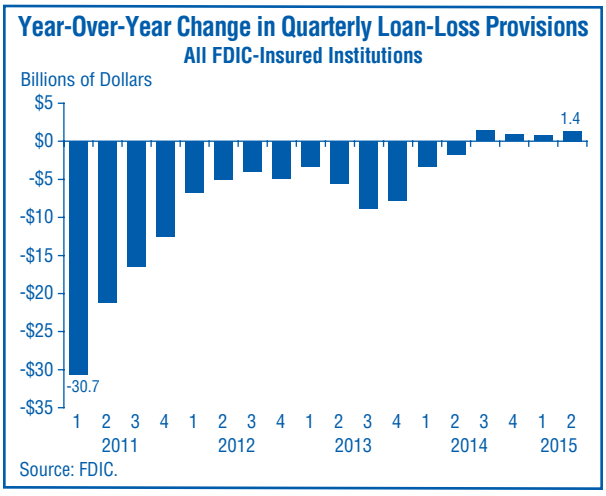



Chart 4



which was $3.8 billion (20.9 percent) less than in second quarter 2014. Banks declared $28.6 billion in dividends in the second quarter, up $6.7 billion (30.8 percent) versus the 2014 quarter. Higher interest rates lowered the market values of securities portfolios. Accumulated other comprehensive income, a component of equity capital that includes unrealized gains on securities held for sale, declined by $12.9 billion. The industry's equity-to-assets ratio rose from 11.18 percent to 11.23 percent during the quarter. At mid-year, 98.6 percent of all FDIC-insured institutions, representing 99.9 percent of industry assets, met or exceeded the requirements for well-capitalized banks, as defined for Prompt Corrective Action purposes.

## Banks Reduce Their Balances at Federal Reserve Banks

Total assets declined by $24.7 billion (0.2 percent) in the three months ended June 30. Banks reduced their balances at Federal Reserve banks by $182 billion (12.6 percent) during the quarter. Assets in trading accounts declined by $70.3 billion (10.6 percent). Securities and loans maturing in over 15 years increased by $45 billion (2.7 percent). Total loans and leases rose by $185 billion (2.2 percent). C&I loans increased by $49.4 billion (2.8 percent), residential mortgage loans rose by $24.7 billion (1.3 percent), credit card balances grew by $21.2 billion (3.1 percent), and loans to nondepository financial institutions increased by $18 billion (7.6 percent). This last loan category is up 39.9 percent over the 12 months ended June 30.

## Non-Operational Deposit Balances Decline

Total deposit balances fell by $25.8 billion (0.2 percent), as at least one large bank reduced its non-operational deposits (wholesale funds in excess of the level needed to provide operational services to wholesale customers) to avoid a regulatory capital surcharge. Deposits in foreign offices declined by $34.1 billion (2.5 percent), and domestic office deposits rose by $8.3 billion (0.1 percent). Domestic deposits in interest-bearing accounts fell by $37.1 billion (0.5 percent), while noninterest-bearing deposits increased by $45.4 billion (1.5 percent). Nondeposit liabilities declined by $34.1 billion, as trading liabilities fell by $57.9 billion (18.9 percent). Federal Home Loan Bank advances rose by $40.7 billion (9.4 percent), and other unsecured borrowings increased by $38.6 billion (13.1 percent).

Chart 5

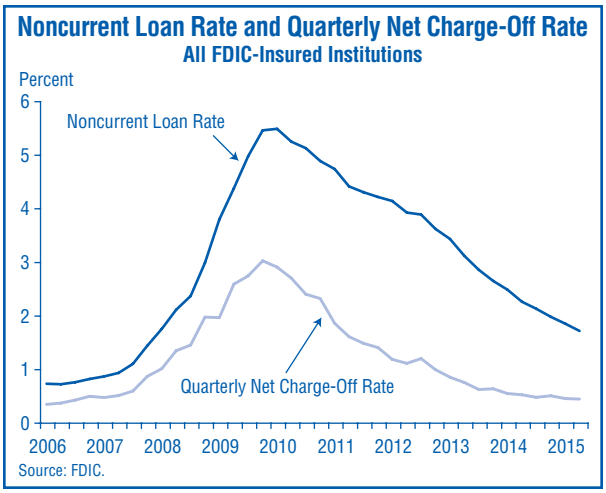
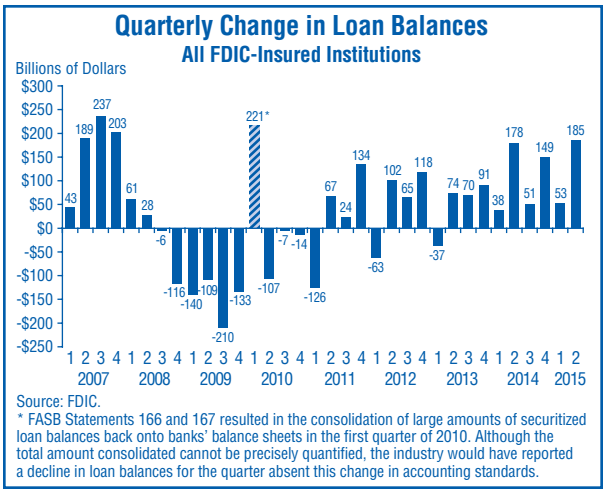



Chart 6



## Only One Bank Failure in the Quarter

The number of insured commercial banks and savings institutions reporting quarterly financial results in the second quarter fell to 6,348 from 6,419 reporters in the first quarter. During the quarter, 66 institutions were merged into other banks, while one insured institution failed. This is the first time since fourth quarter 2007 that there has been only one failure in a quarter. For a sixth consecutive quarter, no new charters were added. Banks reported 2,042,386 full-time equivalent employees in the second quarter, down from 2,042,688 in the first quarter and 2,059,827 in second quarter 2014. The number of insured institutions on the FDIC's "Problem List" declined for a 17th consecutive quarter, from 253 to 228. Total assets of problem institutions fell from $60.3 billion to $56.5 billion.

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Chart 7

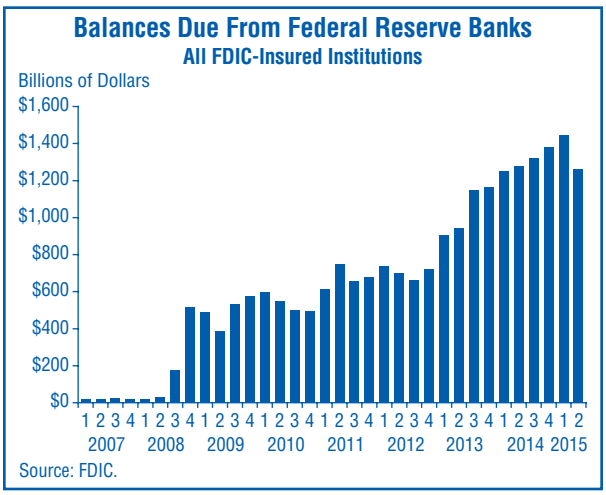
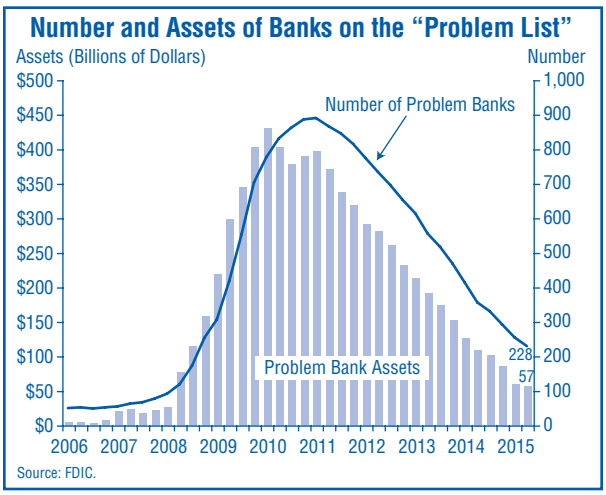



Chart 8



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

| | 2015** | 2014** | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|---|---|
| Return on assets (%) | 1.06 | 1.04 | 1.01 | 1.07 | 1.00 | 0.88 | 0.65 |
| Return on equity (%) | 9.45 | 9.25 | 9.01 | 9.54 | 8.91 | 7.79 | 5.85 |
| Core capital (leverage) ratio (%) | 9.53 | 9.56 | 9.45 | 9.40 | 9.15 | 9.07 | 8.89 |
| Noncurrent assets plus other real estate owned to assets (%) | 1.04 | 1.38 | 1.20 | 1.63 | 2.20 | 2.61 | 3.11 |
| Net charge-offs to loans (%) | 0.43 | 0.51 | 0.49 | 0.69 | 1.10 | 1.55 | 2.55 |
| Asset growth rate (%) | 3.83 | 5.29 | 5.59 | 1.94 | 4.03 | 4.30 | 1.77 |
| Net interest margin (%) | 3.05 | 3.16 | 3.14 | 3.26 | 3.42 | 3.60 | 3.76 |
| Net operating income growth (%) | 6.85 | -0.12 | -0.70 | 12.81 | 17.78 | 43.60 | 1,594.34 |
| Number of institutions reporting | 6,348 | 6,656 | 6,509 | 6,812 | 7,083 | 7,357 | 7,658 |
| Commercial banks | 5,472 | 5,722 | 5,605 | 5,846 | 6,071 | 6,274 | 6,518 |
| Savings institutions | 876 | 934 | 904 | 966 | 1,012 | 1,083 | 1,140 |
| Percentage of unprofitable institutions (%) | 5.04 | 6.76 | 6.24 | 8.15 | 10.98 | 16.23 | 22.15 |
| Number of problem institutions | 228 | 354 | 291 | 467 | 651 | 813 | 884 |
| Assets of problem institutions (in billions) | $57 | $110 | $87 | $153 | $233 | $319 | $390 |
| Number of failed institutions | 5 | 12 | 18 | 24 | 51 | 92 | 157 |
| Number of assisted institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

* Excludes insured branches of foreign banks (IBAs).
** Through June 30, ratios annualized where appropriate. Asset growth rates are for 12 months ending June 30.

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

| (dollar figures in millions) | 2nd Quarter 2015 | 1st Quarter 2015 | 2nd Quarter 2014 | %Change 14Q2-15Q2 |
|---|---|---|---|---|
| Number of institutions reporting | 6,348 | 6,419 | 6,656 | -4.6 |
| Total employees (full-time equivalent) | 2,042,386 | 2,042,688 | 2,059,827 | -0.8 |
| **CONDITION DATA** | | | | |
| Total assets | $15,753,305 | $15,778,034 | $15,172,054 | 3.8 |
| Loans secured by real estate | 4,261,429 | 4,204,229 | 4,123,201 | 3.4 |
| 1-4 Family residential mortgages | 1,880,016 | 1,855,271 | 1,843,069 | 2.0 |
| Nonfarm nonresidential | 1,175,728 | 1,163,419 | 1,126,785 | 4.3 |
| Construction and development | 255,816 | 246,097 | 222,752 | 14.8 |
| Home equity lines | 477,911 | 483,904 | 499,183 | -4.3 |
| Commercial & industrial loans | 1,798,093 | 1,748,648 | 1,660,387 | 8.3 |
| Loans to individuals | 1,422,713 | 1,383,937 | 1,366,163 | 4.1 |
| Credit cards | 701,190 | 679,967 | 678,337 | 3.4 |
| Farm loans | 76,342 | 71,541 | 69,620 | 9.7 |
| Other loans & leases | 990,377 | 955,638 | 891,666 | 11.1 |
| Less: Unearned income | 1,924 | 1,928 | 1,855 | 3.8 |
| Total loans & leases | 8,547,030 | 8,362,065 | 8,109,182 | 5.4 |
| Less: Reserve for losses | 119,643 | 121,060 | 128,185 | -6.7 |
| Net loans and leases | 8,427,387 | 8,241,005 | 7,980,996 | 5.6 |
| Securities | 3,277,989 | 3,267,361 | 3,113,095 | 5.3 |
| Other real estate owned | 17,516 | 19,338 | 26,291 | -33.4 |
| Goodwill and other intangibles | 359,979 | 355,873 | 365,579 | -1.5 |
| All other assets | 3,670,434 | 3,894,456 | 3,686,093 | -0.4 |
| Total liabilities and capital | 15,753,305 | 15,778,034 | 15,172,054 | 3.8 |
| Deposits | 11,932,441 | 11,958,285 | 11,490,260 | 3.8 |
| Domestic office deposits | 10,586,399 | 10,578,106 | 10,058,719 | 5.2 |
| Foreign office deposits | 1,346,042 | 1,380,179 | 1,431,542 | -6.0 |
| Other borrowed funds | 1,430,673 | 1,362,966 | 1,382,281 | 3.5 |
| Subordinated debt | 92,571 | 94,842 | 97,802 | -5.3 |
| All other liabilities | 521,934 | 590,327 | 486,386 | 7.3 |
| Total equity capital (includes minority interests) | 1,775,686 | 1,771,606 | 1,715,325 | 3.5 |
| Bank equity capital | 1,768,818 | 1,764,357 | 1,706,579 | 3.6 |
| Loans and leases 30-89 days past due | 59,152 | 61,383 | 65,705 | -10.0 |
| Noncurrent loans and leases | 144,693 | 152,971 | 181,568 | -20.3 |
| Restructured loans and leases | 76,794 | 79,510 | 94,093 | -18.4 |
| Mortgage-backed securities | 1,787,500 | 1,773,843 | 1,716,673 | 4.1 |
| Earning assets | 14,110,660 | 14,103,044 | 13,524,196 | 4.3 |
| FHLB Advances | 473,721 | 433,045 | 437,480 | 8.3 |
| Unused loan commitments | 6,680,902 | 6,575,712 | 6,327,481 | 5.6 |
| Trust assets | 17,781,023 | 18,087,191 | 18,339,532 | -3.0 |
| Assets securitized and sold | 873,094 | 943,846 | 964,951 | -9.5 |
| Notional amount of derivatives | 201,004,797 | 205,900,541 | 239,219,451 | -16.0 |

| **INCOME DATA** | First Half 2015 | First Half 2014 | %Change | 2nd Quarter 2015 | 2nd Quarter 2014 | %Change 14Q2-15Q2 |
|---|---|---|---|---|---|---|
| Total interest income | $236,362 | $233,136 | 1.4 | $119,295 | $117,431 | 1.6 |
| Total interest expense | 23,030 | 23,860 | -3.5 | 11,454 | 11,976 | -4.4 |
| Net interest income | 213,333 | 209,276 | 1.9 | 107,842 | 105,454 | 2.3 |
| Provision for loan and lease losses | 16,475 | 14,345 | 14.9 | 8,113 | 6,749 | 20.2 |
| Total noninterest income | 127,684 | 123,616 | 3.3 | 65,065 | 63,832 | 1.9 |
| Total noninterest expense | 207,082 | 206,811 | 0.1 | 103,792 | 104,916 | -1.1 |
| Securities gains (losses) | 2,065 | 1,596 | 29.4 | 756 | 770 | -1.9 |
| Applicable income taxes | 36,294 | 35,672 | 1.7 | 18,469 | 18,065 | 2.2 |
| Extraordinary gains, net | -129 | -4 | N/M | -153 | -79 | N/M |
| Total net income (includes minority interests) | 83,102 | 77,655 | 7.0 | 43,135 | 40,248 | 7.2 |
| Bank net income | 82,804 | 77,284 | 7.1 | 42,990 | 40,070 | 7.3 |
| Net charge-offs | 17,950 | 20,449 | -12.2 | 8,949 | 10,081 | -11.2 |
| Cash dividends | 50,853 | 41,762 | 21.8 | 28,566 | 21,836 | 30.8 |
| Retained earnings | 31,952 | 35,522 | -10.1 | 14,424 | 18,234 | -20.9 |
| Net operating income | 81,777 | 76,535 | 6.9 | 42,761 | 39,792 | 7.5 |

N/M - Not Meaningful

## TABLE III-A. Second Quarter 2015, All FDIC-Insured Institutions

| SECOND 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 | 6,348 | 14 | 4 | 1,484 | 3,145 | 545 | 55 | 353 | 682 | 66 |
| Commercial banks | 5,472 | 12 | 4 | 1,466 | 2,833 | 143 | 40 | 315 | 601 | 58 |
| Savings institutions | 876 | 2 | 0 | 18 | 312 | 402 | 15 | 38 | 81 | 8 |
| Total assets (in billions) | $15,753.3 | $510.3 | $3,747.4 | $258.3 | $5,194.2 | $445.4 | $178.4 | $60.6 | $122.7 | $5,236.2 |
| Commercial banks | 14,679.2 | 407.3 | 3,747.4 | 252.7 | 4,825.4 | 145.7 | 88.1 | 54.2 | 104.8 | 5,053.8 |
| Savings institutions | 1,074.1 | 103.1 | 0.0 | 5.6 | 368.8 | 299.7 | 90.3 | 6.4 | 17.9 | 182.4 |
| Total deposits (in billions) | 11,932.4 | 283.2 | 2,651.5 | 213.2 | 4,036.7 | 336.8 | 149.9 | 48.6 | 102.9 | 4,109.8 |
| Commercial banks | 11,108.4 | 209.0 | 2,651.5 | 210.0 | 3,768.5 | 116.8 | 73.8 | 44.0 | 88.5 | 3,946.3 |
| Savings institutions | 824.0 | 74.2 | 0.0 | 3.2 | 268.1 | 219.9 | 76.1 | 4.6 | 14.3 | 163.5 |
| Bank net income (in millions) | 42,990 | 3,609 | 8,952 | 780 | 12,418 | 1,027 | 547 | 48 | 314 | 15,294 |
| Commercial banks | 39,741 | 2,645 | 8,952 | 759 | 11,479 | 468 | 347 | -112 | 257 | 14,947 |
| Savings institutions | 3,249 | 964 | 0 | 22 | 939 | 559 | 200 | 160 | 57 | 348 |
| **Performance Ratios (annualized, %)** | | | | | | | | | | |
| Yield on earning assets | 3.38 | 10.27 | 2.61 | 4.08 | 3.58 | 3.20 | 4.04 | 2.99 | 3.92 | 3.01 |
| Cost of funding earning assets | 0.32 | 0.92 | 0.31 | 0.46 | 0.37 | 0.65 | 0.44 | 0.34 | 0.41 | 0.19 |
| Net interest margin | 3.06 | 9.34 | 2.30 | 3.62 | 3.21 | 2.55 | 3.60 | 2.65 | 3.50 | 2.82 |
| Noninterest income to assets | 1.65 | 4.64 | 1.86 | 0.67 | 1.20 | 0.95 | 1.58 | 5.92 | 1.16 | 1.74 |
| Noninterest expense to assets | 2.64 | 6.51 | 2.38 | 2.52 | 2.69 | 2.15 | 2.71 | 6.42 | 3.06 | 2.38 |
| Loan and lease loss provision to assets | 0.21 | 2.32 | 0.15 | 0.13 | 0.11 | 0.01 | 0.43 | 0.00 | 0.09 | 0.16 |
| Net operating income to assets | 1.09 | 2.89 | 0.94 | 1.19 | 0.97 | 0.85 | 1.21 | 0.25 | 0.99 | 1.16 |
| Pretax return on assets | 1.56 | 4.45 | 1.35 | 1.41 | 1.29 | 1.31 | 1.90 | 2.01 | 1.29 | 1.72 |
| Return on assets | 1.09 | 2.89 | 0.94 | 1.21 | 0.96 | 0.92 | 1.22 | 0.31 | 1.02 | 1.17 |
| Return on equity | 9.74 | 19.18 | 9.76 | 10.60 | 8.03 | 8.08 | 12.07 | 2.08 | 8.72 | 10.49 |
| Net charge-offs to loans and leases | 0.42 | 2.80 | 0.57 | 0.12 | 0.17 | 0.13 | 0.58 | 0.18 | 0.24 | 0.39 |
| Loan and lease loss provision to net charge-offs | 90.66 | 108.47 | 73.82 | 161.53 | 95.27 | 12.19 | 101.82 | -5.05 | 67.07 | 82.77 |
| Efficiency ratio | 59.22 | 48.30 | 61.01 | 62.03 | 65.07 | 63.63 | 53.43 | 76.74 | 69.38 | 54.87 |
| % of unprofitable institutions | 5.64 | 0.00 | 0.00 | 3.03 | 5.66 | 8.62 | 9.09 | 9.07 | 7.33 | 1.52 |
| % of institutions with earnings gains | 58.87 | 85.71 | 75.00 | 58.29 | 63.56 | 50.64 | 54.55 | 44.19 | 52.05 | 62.12 |
| **Structural Changes** | | | | | | | | | | |
| New reporters | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Institutions absorbed by mergers | 66 | 0 | 0 | 14 | 45 | 3 | 0 | 0 | 4 | 0 |
| Failed institutions | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| **PRIOR SECOND QUARTERS (The way it was...)** | | | | | | | | | | |
| Return on assets (%) 2014 | 1.07 | 3.03 | 0.87 | 1.20 | 1.00 | 0.87 | 1.08 | 2.05 | 0.89 | 1.05 |
| 2012 | 0.99 | 2.97 | 0.72 | 1.27 | 0.96 | 0.85 | 1.82 | 1.07 | 0.90 | 0.98 |
| 2010 | 0.63 | 1.45 | 1.00 | 1.03 | 0.18 | 0.66 | 1.26 | 1.57 | 0.43 | 0.65 |
| Net charge-offs to loans & leases (%) 2014 | 0.50 | 2.96 | 0.77 | 0.13 | 0.27 | 0.25 | 0.45 | 0.28 | 0.26 | 0.25 |
| 2012 | 1.09 | 3.91 | 1.37 | 0.23 | 0.75 | 0.64 | 1.53 | 0.55 | 0.43 | 0.92 |
| 2010 | 2.68 | 11.59 | 2.04 | 0.65 | 1.97 | 1.15 | 2.20 | 0.60 | 0.49 | 1.90 |

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

**Note:** Blue font identifies data that are also presented in the prior quarters' data at the bottom of the table.

## TABLE III-A. Second Quarter 2015, All FDIC-Insured Institutions

| SECOND QUARTER (The way it is...) | All Insured Institutions | Asset Size Distribution: Less Than $100 Million | $100 Million to $1 Billion | $1 Billion to $10 Billion | Greater Than $10 Billion | Geographic Regions*: New York | Atlanta | Chicago | Kansas City | Dallas | San Francisco |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Number of institutions reporting | 6,348 | 1,799 | 3,847 | 591 | 111 | 787 | 788 | 1,371 | 1,571 | 1,338 | 493 |
| Commercial banks | 5,472 | 1,583 | 3,315 | 480 | 94 | 408 | 713 | 1,144 | 1,506 | 1,251 | 450 |
| Savings institutions | 876 | 216 | 532 | 111 | 17 | 379 | 75 | 227 | 65 | 87 | 43 |
| Total assets (in billions) | $15,753.3 | $105.7 | $1,203.1 | $1,616.8 | $12,827.7 | $3,063.0 | $3,292.1 | $3,537.0 | $3,405.9 | $930.3 | $1,525.0 |
| Commercial banks | 14,679.2 | 93.5 | 1,014.7 | 1,336.8 | 12,234.3 | 2,619.9 | 3,203.2 | 3,427.4 | 3,349.9 | 821.0 | 1,257.8 |
| Savings institutions | 1,074.1 | 12.2 | 188.5 | 280.0 | 593.4 | 443.1 | 88.8 | 109.6 | 56.0 | 109.3 | 267.2 |
| Total deposits (in billions) | 11,932.4 | 88.7 | 998.9 | 1,267.3 | 9,577.5 | 2,284.4 | 2,548.8 | 2,558.0 | 2,586.5 | 769.9 | 1,184.9 |
| Commercial banks | 11,108.4 | 79.2 | 850.2 | 1,057.4 | 9,121.6 | 1,962.0 | 2,481.1 | 2,477.6 | 2,543.4 | 679.9 | 964.4 |
| Savings institutions | 824.0 | 9.5 | 148.7 | 210.0 | 455.9 | 322.4 | 67.7 | 80.4 | 43.1 | 89.9 | 220.5 |
| Bank net income (in millions) | 42,990 | 251 | 2,928 | 5,234 | 34,577 | 7,297 | 9,023 | 8,617 | 10,527 | 2,667 | 4,858 |
| Commercial banks | 39,741 | 218 | 2,444 | 4,552 | 32,528 | 6,532 | 8,821 | 8,187 | 10,414 | 2,289 | 3,498 |
| Savings institutions | 3,249 | 33 | 484 | 683 | 2,049 | 766 | 202 | 430 | 113 | 378 | 1,360 |
| **Performance Ratios (annualized, %)** | | | | | | | | | | | |
| Yield on earning assets | 3.38 | 4.08 | 4.13 | 4.13 | 3.21 | 3.34 | 3.63 | 2.63 | 3.60 | 3.92 | 3.87 |
| Cost of funding earning assets | 0.32 | 0.44 | 0.46 | 0.40 | 0.30 | 0.41 | 0.27 | 0.25 | 0.34 | 0.30 | 0.39 |
| Net interest margin | 3.06 | 3.64 | 3.66 | 3.73 | 2.91 | 2.93 | 3.36 | 2.37 | 3.26 | 3.62 | 3.48 |
| Noninterest income to assets | 1.65 | 1.28 | 1.20 | 1.27 | 1.74 | 1.47 | 1.56 | 1.87 | 1.57 | 1.39 | 2.03 |
| Noninterest expense to assets | 2.64 | 3.46 | 3.23 | 2.93 | 2.54 | 2.57 | 2.73 | 2.55 | 2.49 | 3.05 | 2.82 |
| Loan and lease loss provision to assets | 0.21 | 0.08 | 0.10 | 0.18 | 0.22 | 0.25 | 0.26 | 0.10 | 0.19 | 0.16 | 0.31 |
| Net operating income to assets | 1.09 | 0.93 | 0.95 | 1.28 | 1.07 | 0.95 | 1.08 | 0.96 | 1.22 | 1.14 | 1.33 |
| Pretax return on assets | 1.56 | 1.10 | 1.29 | 1.63 | 1.58 | 1.28 | 1.57 | 1.33 | 1.82 | 1.51 | 2.08 |
| Return on assets | 1.09 | 0.95 | 0.98 | 1.31 | 1.08 | 0.96 | 1.10 | 0.96 | 1.23 | 1.15 | 1.28 |
| Return on equity | 9.74 | 7.58 | 8.64 | 11.02 | 9.69 | 8.17 | 8.86 | 9.61 | 11.99 | 10.36 | 10.32 |
| Net charge-offs to loans and leases | 0.42 | 0.14 | 0.14 | 0.21 | 0.50 | 0.49 | 0.47 | 0.25 | 0.50 | 0.21 | 0.49 |
| Loan and lease loss provision to net charge-offs | 90.66 | 106.87 | 107.22 | 123.85 | 87.66 | 98.29 | 95.00 | 89.66 | 70.60 | 119.90 | 101.39 |
| Efficiency ratio | 59.22 | 74.80 | 70.09 | 61.65 | 57.67 | 62.08 | 59.38 | 63.67 | 54.25 | 64.33 | 53.23 |
| % of unprofitable institutions | 5.64 | 11.06 | 3.82 | 1.52 | 2.70 | 6.35 | 8.63 | 6.42 | 3.69 | 4.48 | 6.90 |
| % of institutions with earnings gains | 58.87 | 53.64 | 59.53 | 70.73 | 57.66 | 55.02 | 58.63 | 58.42 | 61.36 | 55.68 | 67.34 |
| **Structural Changes** | | | | | | | | | | | |
| New reporters | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Institutions absorbed by mergers | 66 | 28 | 32 | 6 | 0 | 8 | 6 | 11 | 16 | 17 | 8 |
| Failed institutions | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| **PRIOR SECOND QUARTERS (The way it was...)** | | | | | | | | | | | |
| Return on assets (%) 2014 | 1.07 | 0.85 | 1.01 | 1.01 | 1.08 | 0.95 | 0.92 | 1.05 | 1.14 | 1.17 | 1.46 |
| 2012 | 0.99 | 0.67 | 0.80 | 1.42 | 0.96 | 0.85 | 0.72 | 0.90 | 1.02 | 1.02 | 2.09 |
| 2010 | 0.63 | 0.52 | 0.24 | 0.12 | 0.75 | 0.75 | 0.15 | 0.75 | 0.72 | 0.69 | 0.88 |
| Net charge-offs to loans & leases (%) 2014 | 0.50 | 0.19 | 0.23 | 0.32 | 0.57 | 0.75 | 0.38 | 0.35 | 0.64 | 0.22 | 0.48 |
| 2012 | 1.09 | 0.44 | 0.65 | 0.76 | 1.21 | 1.30 | 1.11 | 0.83 | 1.34 | 0.56 | 0.92 |
| 2010 | 2.68 | 0.71 | 1.14 | 1.93 | 3.08 | 4.09 | 2.56 | 1.91 | 2.94 | 1.26 | 2.31 |

* See Table V-A (page 11) for explanations.
**Note:** Blue font identifies data that are also presented in the prior quarters' data at the bottom of the table.

## TABLE IV-A. First Half 2015, All FDIC-Insured Institutions

| FIRST HALF (The way it is...) | All Insured Institutions | Asset Concentration Groups* | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Credit Card Banks | International Banks | Agricultural Banks | Commercial Lenders | Mortgage Lenders | Consumer Lenders | Other Specialized <$1 Billion | All Other <$1 Billion | All Other >$1 Billion |
| Number of institutions reporting | 6,348 | 14 | 4 | 1,484 | 3,145 | 545 | 55 | 353 | 682 | 66 |
| Commercial banks | 5,472 | 12 | 4 | 1,466 | 2,833 | 143 | 40 | 315 | 601 | 58 |
| Savings institutions | 876 | 2 | 0 | 18 | 312 | 402 | 15 | 38 | 81 | 8 |
| Total assets (in billions) | $15,753.3 | $510.3 | $3,747.4 | $258.3 | $5,194.2 | $445.4 | $178.4 | $60.6 | $122.7 | $5,236.2 |
| Commercial banks | 14,679.2 | 407.3 | 3,747.4 | 252.7 | 4,825.4 | 145.7 | 88.1 | 54.2 | 104.8 | 5,053.8 |
| Savings institutions | 1,074.1 | 103.1 | 0.0 | 5.6 | 368.8 | 299.7 | 90.3 | 6.4 | 17.9 | 182.4 |
| Total deposits (in billions) | 11,932.4 | 283.2 | 2,651.5 | 213.2 | 4,036.7 | 336.8 | 149.9 | 48.6 | 102.9 | 4,109.8 |
| Commercial banks | 11,108.4 | 209.0 | 2,651.5 | 210.0 | 3,768.5 | 116.8 | 73.8 | 44.0 | 88.5 | 3,946.3 |
| Savings institutions | 824.0 | 74.2 | 0.0 | 3.2 | 268.1 | 219.9 | 76.1 | 4.6 | 14.3 | 163.5 |
| Bank net income (in millions) | 82,804 | 7,287 | 17,589 | 1,536 | 23,732 | 1,897 | 1,028 | 337 | 609 | 28,789 |
| Commercial banks | 76,647 | 5,436 | 17,589 | 1,490 | 22,025 | 870 | 605 | 42 | 505 | 28,086 |
| Savings institutions | 6,157 | 1,851 | 0 | 46 | 1,707 | 1,027 | 423 | 295 | 104 | 704 |
| **Performance Ratios (annualized, %)** | | | | | | | | | | |
| Yield on earning assets | 3.37 | 10.35 | 2.60 | 4.03 | 3.59 | 3.24 | 4.01 | 2.99 | 3.90 | 2.97 |
| Cost of funding earning assets | 0.33 | 0.90 | 0.32 | 0.46 | 0.38 | 0.66 | 0.45 | 0.34 | 0.42 | 0.19 |
| Net interest margin | 3.05 | 9.45 | 2.29 | 3.57 | 3.21 | 2.58 | 3.57 | 2.64 | 3.48 | 2.79 |
| Noninterest income to assets | 1.63 | 4.53 | 1.85 | 0.65 | 1.19 | 0.95 | 1.44 | 5.76 | 1.14 | 1.71 |
| Noninterest expense to assets | 2.64 | 6.37 | 2.39 | 2.51 | 2.70 | 2.17 | 2.63 | 5.93 | 3.06 | 2.42 |
| Loan and lease loss provision to assets | 0.21 | 2.33 | 0.15 | 0.10 | 0.11 | 0.03 | 0.44 | 0.02 | 0.09 | 0.17 |
| Net operating income to assets | 1.04 | 2.94 | 0.91 | 1.16 | 0.92 | 0.80 | 1.14 | 1.04 | 0.96 | 1.09 |
| Pretax return on assets | 1.52 | 4.55 | 1.32 | 1.39 | 1.29 | 1.27 | 1.81 | 2.30 | 1.26 | 1.63 |
| Return on assets | 1.06 | 2.95 | 0.92 | 1.19 | 0.93 | 0.86 | 1.15 | 1.11 | 1.00 | 1.11 |
| Return on equity | 9.45 | 19.55 | 9.65 | 10.51 | 7.76 | 7.43 | 11.47 | 7.33 | 8.52 | 9.92 |
| Net charge-offs to loans and leases | 0.43 | 2.78 | 0.59 | 0.07 | 0.16 | 0.14 | 0.59 | 0.16 | 0.19 | 0.40 |
| Loan and lease loss provision to net charge-offs | 91.78 | 107.77 | 73.60 | 226.77 | 102.25 | 32.58 | 103.79 | 46.49 | 84.75 | 83.55 |
| Efficiency ratio | 59.89 | 47.39 | 61.62 | 62.73 | 65.45 | 63.71 | 53.43 | 71.98 | 69.92 | 56.48 |
| % of unprofitable institutions | 5.04 | 0.00 | 0.00 | 2.36 | 5.31 | 8.26 | 5.45 | 7.65 | 6.16 | 1.52 |
| % of institutions with earnings gains | 63.19 | 71.43 | 100.00 | 63.14 | 68.14 | 53.39 | 60.00 | 48.73 | 56.01 | 59.09 |
| **Condition Ratios (%)** | | | | | | | | | | |
| Earning assets to total assets | 89.57 | 92.27 | 87.47 | 93.05 | 90.47 | 94.48 | 95.63 | 91.59 | 92.51 | 89.04 |
| Loss allowance to: | | | | | | | | | | |
| Loans and leases | 1.40 | 3.21 | 1.69 | 1.44 | 1.20 | 1.06 | 1.11 | 1.79 | 1.44 | 1.29 |
| Noncurrent loans and leases | 82.69 | 331.40 | 86.28 | 151.99 | 108.13 | 39.04 | 84.06 | 111.32 | 92.27 | 53.65 |
| Noncurrent assets plus other real estate owned to assets | 1.04 | 0.74 | 0.75 | 0.80 | 0.96 | 1.94 | 1.03 | 0.69 | 1.27 | 1.28 |
| Equity capital ratio | 11.23 | 14.83 | 9.78 | 11.40 | 11.96 | 11.52 | 10.26 | 15.10 | 11.70 | 11.13 |
| Core capital (leverage) ratio | 9.53 | 12.54 | 8.49 | 10.68 | 10.27 | 11.25 | 10.21 | 14.25 | 11.34 | 8.94 |
| Common equity tier 1 capital ratio | 12.67 | 12.63 | 12.55 | 14.66 | 12.45 | 22.57 | 13.57 | 31.75 | 19.63 | 12.01 |
| Tier 1 risk-based capital ratio | 12.76 | 12.75 | 12.58 | 14.67 | 12.65 | 22.63 | 13.80 | 31.76 | 19.66 | 12.02 |
| Total risk-based capital ratio | 14.24 | 15.21 | 13.88 | 15.79 | 14.12 | 23.54 | 14.66 | 32.74 | 20.82 | 13.59 |
| Net loans and leases to deposits | 70.63 | 133.19 | 50.16 | 77.47 | 86.32 | 81.05 | 86.96 | 33.66 | 65.30 | 62.87 |
| Net loans to total assets | 53.50 | 73.92 | 35.49 | 63.94 | 67.08 | 61.28 | 73.10 | 26.99 | 54.75 | 49.34 |
| Domestic deposits to total assets | 67.20 | 54.92 | 45.64 | 82.53 | 77.08 | 75.60 | 84.06 | 79.41 | 83.84 | 71.46 |
| **Structural Changes** | | | | | | | | | | |
| New reporters | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Institutions absorbed by mergers | 152 | 0 | 0 | 23 | 109 | 4 | 0 | 1 | 13 | 2 |
| Failed institutions | 5 | 0 | 0 | 0 | 4 | 0 | 0 | 0 | 1 | 0 |
| **PRIOR FIRST HALVES (The way it was...)** | | | | | | | | | | |
| Number of institutions 2014 | 6,656 | 16 | 4 | 1,493 | 3,300 | 569 | 56 | 391 | 765 | 62 |
| 2012 | 7,245 | 18 | 5 | 1,542 | 3,636 | 712 | 50 | 402 | 815 | 65 |
| 2010 | 7,830 | 21 | 4 | 1,579 | 4,267 | 744 | 84 | 293 | 776 | 62 |
| Total assets (in billions) 2014 | $15,172.1 | $601.2 | $3,802.2 | $250.6 | $5,059.4 | $458.5 | $212.7 | $63.1 | $138.7 | $4,585.6 |
| 2012 | 14,030.8 | 567.7 | 3,710.9 | 220.4 | 4,161.1 | 823.9 | 96.9 | 64.5 | 144.4 | 4,241.1 |
| 2010 | 13,199.5 | 698.2 | 3,059.4 | 189.0 | 4,357.9 | 794.5 | 97.1 | 38.1 | 124.3 | 3,841.2 |
| Return on assets (%) 2014 | 1.04 | 3.25 | 0.82 | 1.15 | 0.98 | 0.82 | 1.06 | 1.96 | 0.86 | 0.99 |
| 2012 | 0.99 | 3.14 | 0.76 | 1.27 | 0.90 | 0.84 | 1.81 | 1.18 | 0.92 | 1.00 |
| 2010 | 0.59 | 1.14 | 0.87 | 1.00 | 0.20 | 0.72 | 1.37 | 1.46 | 0.62 | 0.64 |
| Net charge-offs to loans & leases (%) 2014 | 0.51 | 2.98 | 0.74 | 0.10 | 0.27 | 0.26 | 0.50 | 0.21 | 0.21 | 0.30 |
| 2012 | 1.12 | 3.95 | 1.43 | 0.20 | 0.76 | 0.80 | 1.54 | 0.37 | 0.38 | 0.96 |
| 2010 | 2.78 | 13.44 | 2.40 | 0.53 | 1.89 | 1.19 | 2.39 | 0.55 | 0.44 | 2.09 |
| Noncurrent assets plus OREO to assets (%) 2014 | 1.38 | 0.78 | 0.92 | 0.90 | 1.42 | 2.10 | 0.89 | 0.84 | 1.48 | 1.78 |
| 2012 | 2.40 | 1.12 | 1.47 | 1.33 | 2.64 | 2.29 | 1.34 | 1.20 | 1.66 | 3.31 |
| 2010 | 3.33 | 2.25 | 2.60 | 1.71 | 3.90 | 3.17 | 1.05 | 0.79 | 1.59 | 3.70 |
| Equity capital ratio (%) 2014 | 11.25 | 14.61 | 9.38 | 11.26 | 12.05 | 11.71 | 9.83 | 13.99 | 11.63 | 11.45 |
| 2012 | 11.32 | 14.75 | 9.04 | 11.49 | 11.91 | 10.75 | 9.69 | 14.67 | 11.51 | 12.38 |
| 2010 | 11.11 | 14.20 | 9.27 | 11.33 | 10.99 | 10.02 | 10.64 | 18.38 | 11.36 | 12.29 |

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

**Note:** Blue font identifies data that are also presented in the prior first halves' data at the bottom of the table.

## TABLE IV-A. First Half 2015, All FDIC-Insured Institutions

| FIRST HALF (The way it is...) | All Insured Institutions | Asset Size Distribution: Less Than $100 Million | $100 Million to $1 Billion | $1 Billion to $10 Billion | Greater Than $10 Billion | Geographic Regions*: New York | Atlanta | Chicago | Kansas City | Dallas | San Francisco |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Number of institutions reporting | 6,348 | 1,799 | 3,847 | 591 | 111 | 787 | 788 | 1,371 | 1,571 | 1,338 | 493 |
| Commercial banks | 5,472 | 1,583 | 3,315 | 480 | 94 | 408 | 713 | 1,144 | 1,506 | 1,251 | 450 |
| Savings institutions | 876 | 216 | 532 | 111 | 17 | 379 | 75 | 227 | 65 | 87 | 43 |
| Total assets (in billions) | $15,753.3 | $105.7 | $1,203.1 | $1,616.8 | $12,827.7 | $3,063.0 | $3,292.1 | $3,537.0 | $3,405.9 | $930.3 | $1,525.0 |
| Commercial banks | 14,679.2 | 93.5 | 1,014.7 | 1,336.8 | 12,234.3 | 2,619.9 | 3,203.2 | 3,427.4 | 3,349.9 | 821.0 | 1,257.8 |
| Savings institutions | 1,074.1 | 12.2 | 188.5 | 280.0 | 593.4 | 443.1 | 88.8 | 109.6 | 56.0 | 109.3 | 267.2 |
| Total deposits (in billions) | 11,932.4 | 88.7 | 998.9 | 1,267.3 | 9,577.5 | 2,284.4 | 2,548.8 | 2,558.0 | 2,586.5 | 769.9 | 1,184.9 |
| Commercial banks | 11,108.4 | 79.2 | 850.2 | 1,057.4 | 9,121.6 | 1,962.0 | 2,481.1 | 2,477.6 | 2,543.4 | 679.9 | 964.4 |
| Savings institutions | 824.0 | 9.5 | 148.7 | 210.0 | 455.9 | 322.4 | 67.7 | 80.4 | 43.1 | 89.9 | 220.5 |
| Bank net income (in millions) | 82,804 | 488 | 5,948 | 9,370 | 66,998 | 13,475 | 16,947 | 17,067 | 20,396 | 5,066 | 9,854 |
| Commercial banks | 76,647 | 427 | 5,012 | 8,098 | 63,110 | 11,974 | 16,605 | 16,332 | 20,149 | 4,345 | 7,244 |
| Savings institutions | 6,157 | 61 | 936 | 1,271 | 3,888 | 1,501 | 342 | 735 | 247 | 722 | 2,610 |
| **Performance Ratios (annualized, %)** | | | | | | | | | | | |
| Yield on earning assets | 3.37 | 4.05 | 4.11 | 4.12 | 3.20 | 3.37 | 3.58 | 2.62 | 3.59 | 3.91 | 3.89 |
| Cost of funding earning assets | 0.33 | 0.44 | 0.46 | 0.40 | 0.31 | 0.41 | 0.27 | 0.26 | 0.35 | 0.31 | 0.41 |
| Net interest margin | 3.05 | 3.61 | 3.64 | 3.72 | 2.90 | 2.96 | 3.30 | 2.36 | 3.25 | 3.60 | 3.48 |
| Noninterest income to assets | 1.63 | 1.24 | 1.18 | 1.22 | 1.72 | 1.43 | 1.55 | 1.88 | 1.52 | 1.37 | 2.01 |
| Noninterest expense to assets | 2.64 | 3.42 | 3.19 | 2.93 | 2.55 | 2.59 | 2.74 | 2.56 | 2.49 | 3.08 | 2.82 |
| Loan and lease loss provision to assets | 0.21 | 0.08 | 0.10 | 0.18 | 0.23 | 0.26 | 0.26 | 0.10 | 0.21 | 0.16 | 0.31 |
| Net operating income to assets | 1.04 | 0.90 | 0.97 | 1.16 | 1.04 | 0.88 | 1.01 | 0.95 | 1.18 | 1.09 | 1.34 |
| Pretax return on assets | 1.52 | 1.07 | 1.30 | 1.57 | 1.54 | 1.24 | 1.51 | 1.32 | 1.75 | 1.45 | 2.10 |
| Return on assets | 1.06 | 0.92 | 1.00 | 1.18 | 1.05 | 0.90 | 1.04 | 0.95 | 1.20 | 1.11 | 1.32 |
| Return on equity | 9.45 | 7.41 | 8.85 | 9.99 | 9.45 | 7.61 | 8.37 | 9.58 | 11.67 | 9.96 | 10.56 |
| Net charge-offs to loans and leases | 0.43 | 0.14 | 0.13 | 0.20 | 0.50 | 0.48 | 0.50 | 0.26 | 0.52 | 0.19 | 0.48 |
| Loan and lease loss provision to net charge-offs | 91.78 | 99.04 | 120.74 | 127.41 | 88.50 | 103.33 | 88.97 | 85.82 | 75.92 | 135.92 | 106.19 |
| Efficiency ratio | 59.89 | 75.09 | 69.86 | 62.49 | 58.43 | 62.61 | 60.48 | 63.99 | 55.08 | 65.42 | 53.34 |
| % of unprofitable institutions | 5.04 | 10.06 | 3.33 | 1.35 | 2.70 | 6.10 | 8.25 | 5.54 | 2.99 | 3.59 | 7.30 |
| % of institutions with earnings gains | 63.19 | 55.48 | 65.48 | 73.10 | 55.86 | 58.96 | 61.80 | 63.82 | 66.14 | 60.69 | 67.75 |
| **Condition Ratios (%)** | | | | | | | | | | | |
| Earning assets to total assets | 89.57 | 91.99 | 92.65 | 91.97 | 88.96 | 89.31 | 88.83 | 88.76 | 89.27 | 91.58 | 93.04 |
| Loss allowance to: | | | | | | | | | | | |
| Loans and leases | 1.40 | 1.51 | 1.40 | 1.29 | 1.42 | 1.32 | 1.43 | 1.48 | 1.47 | 1.30 | 1.27 |
| Noncurrent loans and leases | 82.69 | 104.26 | 113.54 | 110.32 | 77.09 | 102.13 | 73.85 | 77.92 | 66.53 | 100.15 | 160.66 |
| Noncurrent assets plus other real estate owned to assets | 1.04 | 1.35 | 1.27 | 1.04 | 1.01 | 0.76 | 1.28 | 1.00 | 1.28 | 1.09 | 0.57 |
| Equity capital ratio | 11.23 | 12.53 | 11.28 | 11.84 | 11.14 | 11.74 | 12.36 | 10.13 | 10.32 | 11.14 | 12.37 |
| Core capital (leverage) ratio | 9.53 | 12.21 | 10.94 | 10.60 | 9.24 | 9.67 | 9.76 | 8.80 | 9.03 | 10.02 | 11.33 |
| Common equity tier 1 capital ratio | 12.67 | 19.91 | 15.54 | 13.82 | 12.21 | 12.80 | 12.62 | 12.42 | 11.75 | 13.26 | 14.83 |
| Tier 1 risk-based capital ratio | 12.76 | 19.97 | 15.61 | 13.88 | 12.31 | 12.98 | 12.73 | 12.46 | 11.75 | 13.42 | 15.00 |
| Total risk-based capital ratio | 14.24 | 21.08 | 16.74 | 14.93 | 13.88 | 14.58 | 14.27 | 13.52 | 13.72 | 14.55 | 16.12 |
| Net loans and leases to deposits | 70.63 | 68.12 | 78.08 | 86.33 | 67.79 | 69.92 | 74.62 | 64.17 | 68.59 | 75.88 | 78.38 |
| Net loans to total assets | 53.50 | 57.17 | 64.83 | 67.67 | 50.62 | 52.15 | 57.77 | 46.41 | 52.09 | 62.79 | 60.90 |
| Domestic deposits to total assets | 67.20 | 83.92 | 82.98 | 78.02 | 64.22 | 66.20 | 74.79 | 62.45 | 57.12 | 82.49 | 77.03 |
| **Structural Changes** | | | | | | | | | | | |
| New reporters | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Institutions absorbed by mergers | 152 | 52 | 88 | 12 | 0 | 16 | 18 | 31 | 29 | 41 | 17 |
| Failed institutions | 5 | 3 | 1 | 1 | 0 | 1 | 2 | 2 | 0 | 0 | 0 |
| **PRIOR FIRST HALVES (The way it was...)** | | | | | | | | | | | |
| Number of institutions 2014 | 6,656 | 1,975 | 4,007 | 565 | 109 | 823 | 837 | 1,444 | 1,629 | 1,398 | 525 |
| 2012 | 7,245 | 2,341 | 4,244 | 553 | 107 | 898 | 929 | 1,539 | 1,754 | 1,524 | 601 |
| 2010 | 7,830 | 2,746 | 4,424 | 555 | 105 | 969 | 1,064 | 1,619 | 1,852 | 1,643 | 683 |
| Total assets (in billions) 2014 | $15,172.1 | $116.3 | $1,234.6 | $1,492.9 | $12,328.3 | $3,047.8 | $3,049.5 | $3,480.2 | $3,310.6 | $893.3 | $1,390.7 |
| 2012 | 14,030.8 | 135.4 | 1,274.7 | 1,425.8 | 11,195.0 | 2,877.3 | 2,934.7 | 3,192.6 | 3,000.2 | 831.6 | 1,194.5 |
| 2010 | 13,199.5 | 154.7 | 1,324.8 | 1,428.3 | 10,291.8 | 2,672.0 | 2,987.4 | 2,865.9 | 1,656.3 | 787.4 | 2,230.6 |
| Return on assets (%) 2014 | 1.04 | 0.82 | 0.96 | 1.01 | 1.05 | 0.98 | 0.90 | 0.92 | 1.14 | 1.14 | 1.44 |
| 2012 | 0.99 | 0.70 | 0.81 | 1.24 | 0.99 | 0.91 | 0.78 | 0.88 | 1.05 | 1.08 | 1.85 |
| 2010 | 0.59 | 0.54 | 0.33 | 0.22 | 0.68 | 0.68 | 0.22 | 0.64 | 0.69 | 0.71 | 0.82 |
| Net charge-offs to loans & leases (%) 2014 | 0.51 | 0.19 | 0.21 | 0.29 | 0.59 | 0.75 | 0.42 | 0.37 | 0.63 | 0.21 | 0.49 |
| 2012 | 1.12 | 0.39 | 0.61 | 0.76 | 1.26 | 1.31 | 1.19 | 0.87 | 1.39 | 0.56 | 0.90 |
| 2010 | 2.78 | 0.66 | 0.99 | 1.78 | 3.28 | 4.10 | 2.63 | 2.12 | 3.13 | 1.24 | 2.45 |
| Noncurrent assets plus OREO to assets (%) 2014 | 1.38 | 1.62 | 1.61 | 1.61 | 1.33 | 0.98 | 1.90 | 1.26 | 1.68 | 1.34 | 0.76 |
| 2012 | 2.40 | 2.21 | 2.73 | 2.87 | 2.31 | 1.58 | 3.63 | 2.19 | 2.56 | 2.31 | 1.65 |
| 2010 | 3.33 | 2.38 | 3.40 | 3.63 | 3.29 | 2.23 | 4.03 | 3.22 | 4.62 | 3.18 | 2.94 |
| Equity capital ratio (%) 2014 | 11.25 | 12.15 | 11.09 | 11.91 | 11.18 | 11.91 | 12.42 | 9.86 | 10.41 | 11.16 | 12.76 |
| 2012 | 11.32 | 11.97 | 10.90 | 11.92 | 11.29 | 12.34 | 12.21 | 9.02 | 11.04 | 11.03 | 13.78 |
| 2010 | 11.11 | 12.19 | 10.21 | 11.06 | 11.22 | 12.29 | 11.43 | 9.15 | 11.55 | 10.57 | 11.65 |

* See Table V-A (page 11) for explanations.
**Note:** Blue font identifies data that are also presented in the prior first halves' data at the bottom of the table.

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

| June 30, 2015 | All Insured Institutions | Asset Concentration Groups* | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Credit Card Banks | International Banks | Agricultural Banks | Commercial Lenders | Mortgage Lenders | Consumer Lenders | Other Specialized <$1 Billion | All Other <$1 Billion | All Other >$1 Billion |
| **Percent of Loans 30-89 Days Past Due** | | | | | | | | | | |
| All loans secured by real estate | 0.85 | 0.05 | 1.18 | 0.63 | 0.51 | 0.86 | 0.62 | 1.36 | 1.20 | 1.33 |
| Construction and development | 0.40 | 0.00 | 0.84 | 0.79 | 0.36 | 0.66 | 0.23 | 1.61 | 1.19 | 0.31 |
| Nonfarm nonresidential | 0.29 | 0.00 | 0.31 | 0.52 | 0.28 | 0.36 | 1.50 | 0.87 | 0.78 | 0.26 |
| Multifamily residential real estate | 0.15 | 0.00 | 0.13 | 0.27 | 0.16 | 0.13 | 0.81 | 0.66 | 0.53 | 0.09 |
| Home equity loans | 0.61 | 0.72 | 0.90 | 0.48 | 0.48 | 0.61 | 0.45 | 0.72 | 0.62 | 0.64 |
| Other 1-4 family residential | 1.47 | 0.04 | 1.80 | 1.08 | 0.93 | 0.95 | 0.58 | 1.84 | 1.52 | 2.12 |
| Commercial and industrial loans | 0.22 | 0.73 | 0.16 | 0.85 | 0.23 | 0.52 | 0.17 | 0.99 | 0.93 | 0.19 |
| Loans to individuals | 1.17 | 1.13 | 1.20 | 1.36 | 1.00 | 1.04 | 0.70 | 1.70 | 1.57 | 1.35 |
| Credit card loans | 1.07 | 1.14 | 1.06 | 0.78 | 0.99 | 1.36 | 0.63 | 1.46 | 0.86 | 1.02 |
| Other loans to individuals | 1.26 | 1.09 | 1.43 | 1.40 | 1.00 | 1.00 | 0.72 | 1.73 | 1.59 | 1.54 |
| All other loans and leases (including farm) | 0.23 | 0.00 | 0.37 | 0.46 | 0.16 | 0.11 | 0.14 | 0.56 | 0.37 | 0.17 |
| Total loans and leases | 0.69 | 1.09 | 0.77 | 0.64 | 0.45 | 0.80 | 0.63 | 1.30 | 1.15 | 0.90 |
| **Percent of Loans Noncurrent**** | | | | | | | | | | |
| All real estate loans | 2.83 | 0.48 | 4.38 | 1.11 | 1.45 | 3.03 | 3.56 | 1.86 | 1.77 | 4.86 |
| Construction and development | 1.55 | 0.00 | 0.86 | 1.49 | 1.55 | 1.61 | 13.66 | 2.87 | 2.54 | 1.46 |
| Nonfarm nonresidential | 1.06 | 0.00 | 0.69 | 1.48 | 0.99 | 1.40 | 8.88 | 2.15 | 2.01 | 1.13 |
| Multifamily residential real estate | 0.34 | 0.00 | 0.25 | 0.65 | 0.34 | 0.59 | 2.60 | 0.84 | 1.27 | 0.32 |
| Home equity loans | 2.67 | 0.00 | 4.41 | 0.80 | 1.39 | 1.93 | 2.54 | 0.67 | 0.64 | 3.44 |
| Other 1-4 family residential | 4.74 | 0.50 | 6.75 | 1.07 | 2.34 | 3.39 | 3.01 | 1.67 | 1.75 | 7.34 |
| Commercial and industrial loans | 0.61 | 0.64 | 0.55 | 1.21 | 0.65 | 0.84 | 0.40 | 1.50 | 1.60 | 0.53 |
| Loans to individuals | 0.75 | 1.01 | 0.97 | 0.54 | 0.63 | 0.53 | 0.52 | 0.64 | 0.58 | 0.56 |
| Credit card loans | 1.00 | 1.03 | 0.98 | 0.19 | 0.96 | 1.04 | 1.08 | 1.01 | 0.69 | 0.95 |
| Other loans to individuals | 0.51 | 0.51 | 0.94 | 0.57 | 0.61 | 0.47 | 0.36 | 0.60 | 0.58 | 0.33 |
| All other loans and leases (including farm) | 0.22 | 0.00 | 0.15 | 0.49 | 0.28 | 0.10 | 3.78 | 0.36 | 0.34 | 0.18 |
| Total loans and leases | 1.69 | 0.97 | 1.95 | 0.95 | 1.11 | 2.73 | 1.32 | 1.61 | 1.56 | 2.41 |
| **Percent of Loans Charged-Off (net, YTD)** | | | | | | | | | | |
| All real estate loans | 0.15 | 0.15 | 0.27 | 0.01 | 0.10 | 0.12 | 0.22 | 0.06 | 0.10 | 0.20 |
| Construction and development | -0.06 | 0.00 | 0.00 | -0.32 | -0.04 | 0.03 | -0.15 | -0.25 | -0.13 | -0.12 |
| Nonfarm nonresidential | 0.08 | 0.00 | 0.01 | -0.02 | 0.09 | 0.04 | 0.08 | 0.08 | 0.09 | 0.04 |
| Multifamily residential real estate | 0.00 | 0.00 | 0.00 | -0.01 | 0.00 | 0.00 | 0.03 | 0.35 | 0.16 | 0.05 |
| Home equity loans | 0.42 | 0.00 | 0.46 | 0.12 | 0.28 | 0.28 | 0.63 | 0.13 | 0.07 | 0.56 |
| Other 1-4 family residential | 0.17 | 0.16 | 0.32 | 0.08 | 0.12 | 0.12 | 0.12 | 0.08 | 0.13 | 0.19 |
| Commercial and industrial loans | 0.21 | 2.13 | 0.23 | 0.17 | 0.17 | 0.29 | 0.08 | 0.11 | 0.53 | 0.14 |
| Loans to individuals | 1.80 | 2.86 | 2.36 | 0.32 | 0.68 | 0.92 | 0.77 | 0.59 | 0.53 | 1.54 |
| Credit card loans | 2.98 | 2.93 | 3.22 | 1.06 | 3.30 | 4.11 | 2.21 | 2.82 | 1.75 | 2.92 |
| Other loans to individuals | 0.63 | 1.34 | 0.93 | 0.26 | 0.46 | 0.55 | 0.36 | 0.33 | 0.48 | 0.71 |
| All other loans and leases (including farm) | 0.07 | 0.00 | 0.04 | 0.00 | 0.14 | 0.08 | 0.03 | 0.67 | 0.43 | 0.04 |
| Total loans and leases | 0.43 | 2.78 | 0.59 | 0.07 | 0.16 | 0.14 | 0.59 | 0.16 | 0.19 | 0.40 |
| **Loans Outstanding (in billions)** | | | | | | | | | | |
| All real estate loans | $4,261.4 | $0.3 | $502.5 | $100.5 | $2,152.7 | $244.3 | $29.5 | $11.9 | $51.6 | $1,168.2 |
| Construction and development | 255.8 | 0.0 | 8.2 | 5.3 | 180.7 | 4.9 | 0.5 | 0.8 | 3.1 | 52.3 |
| Nonfarm nonresidential | 1,175.7 | 0.0 | 37.8 | 26.4 | 832.8 | 20.4 | 2.4 | 4.0 | 12.3 | 239.6 |
| Multifamily residential real estate | 315.2 | 0.0 | 58.5 | 3.0 | 207.4 | 6.1 | 0.2 | 0.3 | 1.5 | 38.3 |
| Home equity loans | 477.9 | 0.0 | 74.1 | 1.9 | 197.4 | 12.7 | 6.1 | 0.5 | 2.1 | 183.2 |
| Other 1-4 family residential | 1,880.0 | 0.3 | 266.8 | 26.1 | 698.1 | 199.2 | 20.3 | 5.6 | 28.7 | 634.8 |
| Commercial and industrial loans | 1,798.1 | 33.6 | 289.9 | 19.9 | 860.1 | 7.3 | 7.3 | 2.1 | 5.9 | 571.9 |
| Loans to individuals | 1,422.7 | 353.7 | 245.7 | 6.4 | 247.4 | 5.9 | 90.1 | 1.7 | 5.9 | 466.1 |
| Credit card loans | 701.2 | 337.7 | 152.3 | 0.5 | 18.9 | 0.6 | 19.6 | 0.2 | 0.2 | 171.2 |
| Other loans to individuals | 721.5 | 16.0 | 93.3 | 5.9 | 228.4 | 5.3 | 70.5 | 1.5 | 5.7 | 294.9 |
| All other loans and leases (including farm) | 1,066.7 | 2.2 | 315.3 | 40.8 | 267.6 | 18.4 | 5.1 | 0.9 | 4.8 | 411.6 |
| Total loans and leases (plus unearned income) | 8,549.0 | 389.7 | 1,353.4 | 167.6 | 3,527.7 | 275.9 | 131.9 | 16.7 | 68.2 | 2,617.7 |
| **Memo: Other Real Estate Owned (in millions)** | | | | | | | | | | |
| All other real estate owned | 17,516.3 | 0.1 | 929.1 | 463.7 | 10,618.0 | 1,047.7 | 97.3 | 144.4 | 483.7 | 3,732.3 |
| Construction and development | 5,633.2 | 0.0 | 3.6 | 177.2 | 4,320.2 | 137.4 | 15.3 | 59.6 | 168.3 | 751.6 |
| Nonfarm nonresidential | 4,460.6 | 0.0 | 62.1 | 151.8 | 3,210.6 | 74.7 | 24.0 | 41.1 | 149.1 | 747.1 |
| Multifamily residential real estate | 314.3 | 0.0 | 1.0 | 16.1 | 256.2 | 8.3 | 0.2 | 5.4 | 8.4 | 18.6 |
| 1-4 family residential | 5,228.2 | 0.1 | 449.4 | 80.2 | 2,526.0 | 354.4 | 51.9 | 35.3 | 149.9 | 1,581.0 |
| Farmland | 224.2 | 0.0 | 0.0 | 38.3 | 157.9 | 1.4 | 0.0 | 2.9 | 8.0 | 15.6 |
| GNMA properties | 1,624.8 | 0.0 | 384.0 | 0.1 | 147.1 | 471.5 | 5.8 | 0.1 | 0.0 | 616.3 |

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

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

| June 30, 2015 | All Insured Institutions | Asset Size Distribution: Less Than $100 Million | $100 Million to $1 Billion | $1 Billion to $10 Billion | Greater Than $10 Billion | Geographic Regions*: New York | Atlanta | Chicago | Kansas City | Dallas | San Francisco |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Percent of Loans 30-89 Days Past Due** | | | | | | | | | | | |
| All loans secured by real estate | 0.85 | 1.20 | 0.62 | 0.42 | 1.01 | 0.55 | 1.06 | 0.88 | 1.19 | 0.75 | 0.35 |
| Construction and development | 0.40 | 1.01 | 0.62 | 0.33 | 0.33 | 0.39 | 0.35 | 0.40 | 0.49 | 0.43 | 0.30 |
| Nonfarm nonresidential | 0.29 | 0.92 | 0.42 | 0.29 | 0.23 | 0.32 | 0.28 | 0.33 | 0.32 | 0.33 | 0.16 |
| Multifamily residential real estate | 0.15 | 0.86 | 0.38 | 0.13 | 0.11 | 0.20 | 0.10 | 0.12 | 0.13 | 0.22 | 0.08 |
| Home equity loans | 0.61 | 0.87 | 0.47 | 0.40 | 0.64 | 0.45 | 0.70 | 0.71 | 0.64 | 0.46 | 0.30 |
| Other 1-4 family residential | 1.47 | 1.60 | 0.92 | 0.67 | 1.71 | 0.89 | 1.79 | 1.44 | 2.01 | 1.51 | 0.61 |
| Commercial and industrial loans | 0.22 | 1.22 | 0.63 | 0.36 | 0.17 | 0.22 | 0.21 | 0.22 | 0.17 | 0.42 | 0.24 |
| Loans to individuals | 1.17 | 1.78 | 1.42 | 1.37 | 1.15 | 1.00 | 1.52 | 1.06 | 1.16 | 0.90 | 0.98 |
| Credit card loans | 1.07 | 3.33 | 1.52 | 1.85 | 1.04 | 0.85 | 1.21 | 0.88 | 1.12 | 0.62 | 1.37 |
| Other loans to individuals | 1.26 | 1.76 | 1.42 | 1.15 | 1.26 | 1.25 | 1.86 | 1.12 | 1.22 | 1.03 | 0.65 |
| All other loans and leases (including farm) | 0.23 | 0.56 | 0.38 | 0.22 | 0.23 | 0.10 | 0.10 | 0.53 | 0.21 | 0.21 | 0.15 |
| Total loans and leases | 0.69 | 1.16 | 0.64 | 0.47 | 0.73 | 0.53 | 0.84 | 0.71 | 0.81 | 0.66 | 0.45 |
| **Percent of Loans Noncurrent**** | | | | | | | | | | | |
| All real estate loans | 2.83 | 1.57 | 1.33 | 1.29 | 3.61 | 1.87 | 3.55 | 3.28 | 4.09 | 1.63 | 1.06 |
| Construction and development | 1.55 | 2.21 | 2.25 | 1.62 | 1.22 | 1.82 | 2.27 | 1.35 | 1.21 | 1.05 | 1.36 |
| Nonfarm nonresidential | 1.06 | 1.94 | 1.29 | 1.06 | 0.95 | 1.23 | 1.01 | 1.14 | 1.08 | 0.86 | 0.89 |
| Multifamily residential real estate | 0.34 | 0.86 | 0.73 | 0.39 | 0.26 | 0.26 | 0.31 | 0.44 | 0.34 | 0.76 | 0.25 |
| Home equity loans | 2.67 | 0.73 | 0.74 | 0.81 | 3.02 | 2.12 | 3.22 | 2.74 | 3.13 | 1.59 | 0.93 |
| Other 1-4 family residential | 4.74 | 1.59 | 1.39 | 1.82 | 5.87 | 2.81 | 5.56 | 5.37 | 6.91 | 2.96 | 1.34 |
| Commercial and industrial loans | 0.61 | 1.81 | 1.21 | 0.91 | 0.52 | 0.58 | 0.58 | 0.57 | 0.61 | 0.94 | 0.55 |
| Loans to individuals | 0.75 | 0.83 | 0.76 | 0.71 | 0.75 | 0.81 | 0.77 | 0.72 | 0.77 | 0.65 | 0.65 |
| Credit card loans | 1.00 | 1.24 | 1.26 | 1.47 | 0.98 | 0.87 | 1.04 | 0.89 | 1.03 | 1.07 | 1.17 |
| Other loans to individuals | 0.51 | 0.82 | 0.73 | 0.37 | 0.51 | 0.71 | 0.48 | 0.67 | 0.45 | 0.44 | 0.21 |
| All other loans and leases (including farm) | 0.22 | 0.73 | 0.46 | 1.00 | 0.16 | 0.38 | 0.11 | 0.16 | 0.23 | 0.35 | 0.26 |
| Total loans and leases | 1.69 | 1.44 | 1.23 | 1.17 | 1.84 | 1.29 | 1.94 | 1.90 | 2.20 | 1.29 | 0.79 |
| **Percent of Loans Charged-Off (net, YTD)** | | | | | | | | | | | |
| All real estate loans | 0.15 | 0.09 | 0.08 | 0.07 | 0.18 | 0.12 | 0.23 | 0.14 | 0.18 | 0.04 | 0.06 |
| Construction and development | -0.06 | -0.15 | 0.05 | -0.06 | -0.11 | 0.02 | 0.07 | -0.12 | -0.25 | -0.06 | -0.13 |
| Nonfarm nonresidential | 0.08 | 0.13 | 0.07 | 0.09 | 0.07 | 0.14 | 0.07 | 0.04 | 0.00 | 0.02 | 0.13 |
| Multifamily residential real estate | 0.00 | 0.14 | 0.03 | 0.01 | 0.00 | 0.00 | 0.03 | 0.02 | -0.03 | -0.04 | -0.01 |
| Home equity loans | 0.42 | 0.02 | 0.11 | 0.16 | 0.47 | 0.28 | 0.57 | 0.38 | 0.55 | 0.27 | 0.07 |
| Other 1-4 family residential | 0.17 | 0.11 | 0.11 | 0.09 | 0.20 | 0.12 | 0.25 | 0.17 | 0.23 | 0.07 | 0.03 |
| Commercial and industrial loans | 0.21 | 0.33 | 0.24 | 0.18 | 0.21 | 0.19 | 0.16 | 0.19 | 0.21 | 0.16 | 0.40 |
| Loans to individuals | 1.80 | 0.53 | 0.66 | 1.56 | 1.85 | 1.98 | 1.84 | 1.06 | 2.35 | 1.15 | 1.61 |
| Credit card loans | 2.98 | 6.55 | 3.98 | 3.62 | 2.95 | 2.70 | 2.97 | 2.90 | 3.36 | 2.13 | 3.15 |
| Other loans to individuals | 0.63 | 0.45 | 0.39 | 0.61 | 0.65 | 0.70 | 0.65 | 0.46 | 1.05 | 0.66 | 0.28 |
| All other loans and leases (including farm) | 0.07 | 0.00 | 0.15 | 0.17 | 0.06 | 0.08 | 0.06 | 0.10 | 0.03 | 0.20 | 0.16 |
| Total loans and leases | 0.43 | 0.14 | 0.13 | 0.20 | 0.50 | 0.48 | 0.50 | 0.26 | 0.52 | 0.19 | 0.48 |
| **Loans Outstanding (in billions)** | | | | | | | | | | | |
| All real estate loans | $4,261.4 | $42.0 | $606.6 | $791.6 | $2,821.3 | $869.3 | $891.8 | $843.1 | $841.9 | $364.6 | $450.6 |
| Construction and development | 255.8 | 2.4 | 52.8 | 68.1 | 132.5 | 47.1 | 53.7 | 41.5 | 39.1 | 50.3 | 24.0 |
| Nonfarm nonresidential | 1,175.7 | 10.9 | 232.3 | 319.4 | 613.1 | 272.2 | 237.5 | 184.7 | 169.8 | 143.7 | 167.8 |
| Multifamily residential real estate | 315.2 | 1.2 | 32.0 | 73.5 | 208.6 | 112.1 | 39.2 | 83.7 | 27.4 | 13.4 | 39.5 |
| Home equity loans | 477.9 | 1.0 | 26.5 | 48.0 | 402.3 | 90.2 | 123.9 | 118.8 | 96.0 | 19.7 | 29.3 |
| Other 1-4 family residential | 1,880.0 | 19.1 | 218.6 | 263.1 | 1,379.1 | 343.3 | 427.2 | 393.4 | 413.7 | 122.8 | 179.5 |
| Commercial and industrial loans | 1,798.1 | 7.4 | 102.6 | 177.1 | 1,511.0 | 274.1 | 444.3 | 370.5 | 371.1 | 124.8 | 213.3 |
| Loans to individuals | 1,422.7 | 3.9 | 32.6 | 81.7 | 1,304.5 | 299.4 | 362.1 | 206.8 | 292.2 | 58.0 | 204.3 |
| Credit card loans | 701.2 | 0.1 | 2.4 | 25.7 | 673.1 | 190.3 | 186.3 | 49.7 | 163.0 | 18.8 | 93.2 |
| Other loans to individuals | 721.5 | 3.8 | 30.3 | 56.0 | 631.4 | 109.1 | 175.8 | 157.1 | 129.2 | 39.2 | 111.1 |
| All other loans and leases (including farm) | 1,066.7 | 8.1 | 49.5 | 58.5 | 950.6 | 176.2 | 231.5 | 245.7 | 295.8 | 44.6 | 72.8 |
| Total loans and leases (plus unearned income) | 8,549.0 | 61.3 | 791.4 | 1,108.8 | 6,587.4 | 1,619.0 | 1,929.7 | 1,666.2 | 1,800.9 | 592.1 | 941.0 |
| **Memo: Other Real Estate Owned (in millions)** | | | | | | | | | | | |
| All other real estate owned | 17,516.3 | 538.5 | 5,386.4 | 3,786.1 | 7,805.3 | 2,376.6 | 4,676.3 | 3,464.2 | 3,474.2 | 2,342.7 | 1,182.3 |
| Construction and development | 5,633.2 | 188.6 | 2,483.8 | 1,568.1 | 1,392.8 | 558.4 | 1,646.3 | 792.7 | 1,173.7 | 1,047.1 | 415.1 |
| Nonfarm nonresidential | 4,460.6 | 176.2 | 1,711.6 | 1,173.3 | 1,399.5 | 608.4 | 1,077.7 | 936.7 | 753.5 | 735.3 | 349.0 |
| Multifamily residential real estate | 314.3 | 21.9 | 127.0 | 85.8 | 79.5 | 99.6 | 41.3 | 64.6 | 43.6 | 42.4 | 22.8 |
| 1-4 family residential | 5,228.2 | 143.2 | 948.8 | 856.5 | 3,279.7 | 1,063.1 | 1,336.2 | 1,181.0 | 848.2 | 441.9 | 357.7 |
| Farmland | 224.2 | 8.7 | 113.4 | 82.0 | 20.1 | 17.6 | 52.8 | 45.5 | 31.3 | 59.6 | 17.5 |
| GNMA properties | 1,624.8 | 0.0 | 1.8 | 20.4 | 1,602.6 | 29.4 | 522.0 | 443.8 | 593.0 | 16.4 | 20.2 |

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

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

| (dollar figures in millions; notional amounts unless otherwise indicated) | 2nd Quarter 2015 | 1st Quarter 2015 | 4th Quarter 2014 | 3rd Quarter 2014 | 2nd Quarter 2014 | % Change 14Q2-15Q2 | Asset Size Distribution: Less Than $100 Million | $100 Million to $1 Billion | $1 Billion to $10 Billion | Greater Than $10 Billion |
|---|---|---|---|---|---|---|---|---|---|---|
| **ALL DERIVATIVE HOLDERS** | | | | | | | | | | |
| Number of institutions reporting derivatives | 1,425 | 1,433 | 1,400 | 1,392 | 1,405 | 1.4 | 67 | 848 | 406 | 104 |
| Total assets of institutions reporting derivatives | $14,194,185 | $14,160,788 | $13,921,849 | $13,713,845 | $13,522,372 | 5.0 | $4,959 | $355,165 | $1,220,821 | $12,613,240 |
| Total deposits of institutions reporting derivatives | 10,703,292 | 10,664,389 | 10,461,458 | 10,291,809 | 10,169,199 | 5.3 | 4,101 | 292,015 | 970,629 | 9,436,548 |
| Total derivatives | 201,004,797 | 205,900,541 | 221,952,957 | 243,042,211 | 239,219,451 | -16.0 | 243 | 23,899 | 100,570 | 200,880,085 |
| **Derivative Contracts by Underlying Risk Exposure** | | | | | | | | | | |
| Interest rate | 153,754,332 | 157,727,753 | 174,010,307 | 190,996,275 | 191,648,032 | -19.8 | 243 | 23,761 | 93,969 | 153,636,359 |
| Foreign exchange* | 34,969,944 | 35,563,105 | 34,745,833 | 37,993,284 | 33,394,779 | 4.7 | 0 | 5 | 5,558 | 34,964,381 |
| Equity | 2,363,902 | 2,359,532 | 2,536,871 | 2,317,271 | 2,135,462 | 10.7 | 0 | 37 | 323 | 2,363,542 |
| Commodity & other (excluding credit derivatives) | 1,428,824 | 1,233,520 | 1,210,879 | 1,327,011 | 1,214,397 | 17.7 | 0 | 8 | 138 | 1,428,678 |
| Credit | 8,487,795 | 9,016,631 | 9,449,068 | 10,408,370 | 10,826,781 | -21.6 | 0 | 88 | 582 | 8,487,125 |
| Total | 201,004,797 | 205,900,541 | 221,952,957 | 243,042,211 | 239,219,451 | -16.0 | 243 | 23,899 | 100,570 | 200,880,085 |
| **Derivative Contracts by Transaction Type** | | | | | | | | | | |
| Swaps | 117,508,562 | 117,711,355 | 135,169,546 | 148,331,152 | 146,514,058 | -19.8 | 43 | 7,501 | 57,452 | 117,443,566 |
| Futures & forwards | 40,352,518 | 44,537,336 | 43,368,437 | 45,058,920 | 45,263,688 | -10.9 | 86 | 8,084 | 22,307 | 40,322,042 |
| Purchased options | 15,937,174 | 16,070,746 | 16,388,881 | 18,040,949 | 17,320,870 | -8.0 | 18 | 828 | 4,780 | 15,931,548 |
| Written options | 15,628,584 | 15,784,107 | 16,014,343 | 17,609,844 | 16,882,849 | -7.4 | 96 | 7,393 | 15,356 | 15,605,738 |
| Total | 189,426,838 | 194,103,544 | 210,941,207 | 229,040,866 | 225,981,465 | -16.2 | 243 | 23,807 | 99,895 | 189,302,893 |
| **Fair Value of Derivative Contracts** | | | | | | | | | | |
| Interest rate contracts | 71,659 | 68,541 | 60,023 | 65,131 | 72,248 | -0.8 | 1 | 102 | 45 | 71,511 |
| Foreign exchange contracts | -19,615 | -10,042 | -4,845 | 13,334 | 4,729 | N/M | 0 | 0 | 12 | -19,627 |
| Equity contracts | 2,695 | 335 | 3,769 | -657 | 412 | 554.1 | 0 | 0 | 0 | 2,695 |
| Commodity & other (excluding credit derivatives) | -3,488 | -5,755 | -3,376 | 219 | 965 | N/M | 0 | 0 | 1 | -3,490 |
| Credit derivatives as guarantor | 35,841 | 54,676 | 47,533 | 67,082 | 95,094 | -62.3 | 0 | -1 | 0 | 35,842 |
| Credit derivatives as beneficiary | -34,672 | -53,208 | -36,633 | -62,731 | -90,465 | N/M | 0 | 0 | -25 | -34,647 |
| **Derivative Contracts by Maturity**** | | | | | | | | | | |
| Interest rate contracts < 1 year | 63,465,643 | 68,441,175 | 71,808,688 | 79,984,774 | 81,212,211 | -21.9 | 157 | 10,227 | 19,922 | 63,435,337 |
| 1-5 years | 54,759,983 | 54,762,223 | 33,727,025 | 40,334,338 | 38,531,826 | 42.1 | 26 | 3,307 | 26,277 | 54,730,374 |
| > 5 years | 35,837,509 | 35,098,993 | 22,213,586 | 22,393,371 | 24,203,418 | 48.1 | 38 | 4,620 | 28,624 | 35,804,227 |
| Foreign exchange and gold contracts < 1 year | 25,075,066 | 25,506,806 | 22,145,398 | 22,877,893 | 20,823,569 | 20.4 | 0 | 0 | 3,962 | 25,071,104 |
| 1-5 years | 3,859,497 | 3,917,108 | 2,586,643 | 2,459,545 | 2,435,601 | 58.5 | 0 | 0 | 117 | 3,859,380 |
| > 5 years | 1,612,940 | 1,612,457 | 969,047 | 1,021,332 | 1,016,489 | 58.7 | 0 | 0 | 0 | 1,612,940 |
| Equity contracts < 1 year | 1,567,484 | 1,471,238 | 996,137 | 763,470 | 698,674 | 124.4 | 0 | 10 | 35 | 1,567,439 |
| 1-5 years | 579,711 | 518,723 | 351,854 | 323,010 | 292,130 | 98.4 | 0 | 10 | 88 | 579,614 |
| > 5 years | 162,800 | 167,889 | 100,903 | 77,484 | 81,116 | 100.7 | 0 | 1 | 31 | 162,768 |
| Commodity & other contracts (including credit derivatives, excluding gold contracts) < 1 year | 2,358,193 | 5,553,836 | 1,298,825 | 1,407,104 | 1,454,791 | 62.1 | 0 | 3 | 95 | 2,358,095 |
| 1-5 years | 5,329,080 | 5,891,761 | 3,623,142 | 4,045,843 | 4,091,545 | 30.2 | 0 | 5 | 37 | 5,329,037 |
| > 5 years | 428,157 | 600,199 | 289,055 | 321,390 | 332,178 | 28.9 | 0 | 0 | 0 | 428,157 |
| **Risk-Based Capital: Credit Equivalent Amount** | | | | | | | | | | |
| Total current exposure to tier 1 capital (%) | 31.6 | 39.8 | 28.8 | 26.0 | 23.5 | | 0.2 | 0.3 | 0.6 | 36.0 |
| Total potential future exposure to tier 1 capital (%) | 54.8 | 49.8 | 48.6 | 53.2 | 55.1 | | 1.1 | 0.4 | 0.9 | 62.5 |
| Total exposure (credit equivalent amount) to tier 1 capital (%) | 86.4 | 89.5 | 77.4 | 79.2 | 78.7 | | 1.2 | 0.8 | 1.6 | 98.4 |
| **Credit losses on derivatives***** | 59.9 | 69.8 | 91.1 | 83.2 | 68.7 | -12.8 | 0.0 | 0.0 | 0.1 | 59.8 |
| **HELD FOR TRADING** | | | | | | | | | | |
| Number of institutions reporting derivatives | 249 | 249 | 247 | 244 | 247 | 0.8 | 6 | 85 | 93 | 65 |
| Total assets of institutions reporting derivatives | 11,376,392 | 11,441,332 | 11,274,453 | 11,015,085 | 10,889,259 | 4.5 | 375 | 38,978 | 320,294 | 11,016,745 |
| Total deposits of institutions reporting derivatives | 8,555,008 | 8,585,204 | 8,457,075 | 8,262,859 | 8,185,855 | 4.5 | 305 | 32,233 | 253,514 | 8,268,957 |
| **Derivative Contracts by Underlying Risk Exposure** | | | | | | | | | | |
| Interest rate | 150,988,410 | 154,706,700 | 170,761,929 | 188,011,288 | 188,587,997 | -19.9 | 26 | 2,009 | 21,574 | 150,964,800 |
| Foreign exchange | 31,318,657 | 32,197,481 | 32,536,107 | 33,675,874 | 30,164,255 | 3.8 | 0 | 0 | 4,208 | 31,314,449 |
| Equity | 2,344,517 | 2,340,858 | 2,519,511 | 2,300,741 | 2,119,239 | 10.6 | 0 | 0 | 0 | 2,344,517 |
| Commodity & other | 1,426,415 | 1,227,079 | 1,205,276 | 1,320,794 | 1,206,811 | 18.2 | 0 | 0 | 31 | 1,426,384 |
| Total | 186,077,998 | 190,472,118 | 207,022,823 | 225,308,697 | 222,078,302 | -16.2 | 26 | 2,009 | 25,813 | 186,050,150 |
| **Trading Revenues: Cash & Derivative Instruments** | | | | | | | | | | |
| Interest rate | 3,402 | 959 | 658 | -826 | 2,878 | 18.2 | 0 | 0 | 16 | 3,386 |
| Foreign exchange | 854 | 4,702 | 2,902 | 4,830 | 2,026 | -57.8 | 0 | 0 | 2 | 853 |
| Equity | 584 | 791 | 643 | 652 | 722 | -19.1 | 0 | 0 | 0 | 584 |
| Commodity & other (including credit derivatives) | 660 | 1,211 | 255 | 946 | 795 | -17.0 | 0 | 0 | 0 | 660 |
| Total trading revenues | 5,501 | 7,664 | 4,458 | 5,602 | 6,421 | -14.3 | 0 | 0 | 18 | 5,483 |
| **Share of Revenue** | | | | | | | | | | |
| Trading revenues to gross revenues (%) | 4.5 | 6.4 | 3.8 | 4.7 | 5.4 | | 0.0 | 0.0 | 0.5 | 4.6 |
| Trading revenues to net operating revenues (%) | 18.9 | 29.4 | 19.6 | 23.6 | 24.6 | | 0.0 | 0.2 | 2.4 | 19.4 |
| **HELD FOR PURPOSES OTHER THAN TRADING** | | | | | | | | | | |
| Number of institutions reporting derivatives | 1,305 | 1,308 | 1,277 | 1,272 | 1,287 | 1.4 | 62 | 779 | 366 | 98 |
| Total assets of institutions reporting derivatives | 13,883,264 | 13,844,236 | 13,613,681 | 13,421,601 | 13,229,481 | 4.9 | 4,666 | 327,167 | 1,109,179 | 12,442,251 |
| Total deposits of institutions reporting derivatives | 10,454,398 | 10,410,932 | 10,218,508 | 10,062,067 | 9,938,934 | 5.2 | 3,868 | 268,703 | 882,826 | 9,299,000 |
| **Derivative Contracts by Underlying Risk Exposure** | | | | | | | | | | |
| Interest rate | 2,765,922 | 3,021,053 | 3,248,378 | 2,984,988 | 3,060,035 | -9.6 | 217 | 21,752 | 72,394 | 2,671,560 |
| Foreign exchange | 561,123 | 585,259 | 647,043 | 724,435 | 819,319 | -31.5 | 0 | 0 | 1,258 | 559,865 |
| Equity | 19,385 | 18,674 | 17,361 | 16,530 | 16,223 | 19.5 | 0 | 37 | 323 | 19,025 |
| Commodity & other | 2,409 | 6,441 | 5,602 | 6,216 | 7,586 | -68.2 | 0 | 8 | 107 | 2,294 |
| Total notional amount | 3,348,840 | 3,631,427 | 3,918,384 | 3,732,169 | 3,903,163 | -14.2 | 217 | 21,797 | 74,082 | 3,252,744 |

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

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

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

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

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

| (dollar figures in millions) | 2nd Quarter 2015 | 1st Quarter 2015 | 4th Quarter 2014 | 3rd Quarter 2014 | 2nd Quarter 2014 | % Change 14Q2-15Q2 | Asset Size Distribution: Less Than $100 Million | $100 Million to $1 Billion | $1 Billion to $10 Billion | Greater Than $10 Billion |
|---|---|---|---|---|---|---|---|---|---|---|
| **Assets Securitized and Sold with Servicing Retained or with Recourse or Other Seller-Provided Credit Enhancements** | | | | | | | | | | |
| Number of institutions reporting securitization activities | 75 | 73 | 78 | 74 | 73 | 2.7 | 0 | 22 | 16 | 37 |
| **Outstanding Principal Balance by Asset Type** | | | | | | | | | | |
| 1-4 family residential loans | $753,697 | $821,870 | $847,508 | $845,279 | $844,190 | -10.7 | $0 | $1,987 | $13,279 | $738,431 |
| Home equity loans | 33 | 35 | 36 | 38 | 39 | -15.4 | 0 | 0 | 0 | 33 |
| Credit card receivables | 17,766 | 17,817 | 18,499 | 16,782 | 16,692 | 6.4 | 0 | 0 | 1 | 17,765 |
| Auto loans | 5,660 | 3,740 | 3,951 | 4,198 | 4,312 | 31.3 | 0 | 0 | 1,730 | 3,930 |
| Other consumer loans | 6,534 | 5,966 | 6,191 | 6,425 | 4,945 | 32.1 | 0 | 106 | 0 | 6,429 |
| Commercial and industrial loans | 20 | 19 | 11 | 10 | 17 | 17.6 | 0 | 14 | 5 | 1 |
| All other loans, leases, and other assets | 89,384 | 94,400 | 96,257 | 95,099 | 94,757 | -5.7 | 0 | 111 | 8,441 | 80,832 |
| Total securitized and sold | 873,094 | 943,846 | 972,452 | 967,831 | 964,951 | -9.5 | 0 | 2,218 | 23,457 | 847,420 |
| **Maximum Credit Exposure by Asset Type** | | | | | | | | | | |
| 1-4 family residential loans | 3,101 | 3,117 | 2,918 | 2,806 | 2,908 | 6.6 | 0 | 5 | 0 | 3,096 |
| Home equity loans | 0 | 0 | 0 | 0 | 0 | 0.0 | 0 | 0 | 0 | 0 |
| Credit card receivables | 1,470 | 1,531 | 1,529 | 1,418 | 1,450 | 1.4 | 0 | 0 | 0 | 1,470 |
| Auto loans | 0 | 0 | 0 | 0 | 0 | 0.0 | 0 | 0 | 0 | 0 |
| Other consumer loans | 187 | 211 | 194 | 188 | 192 | -2.6 | 0 | 0 | 0 | 187 |
| Commercial and industrial loans | 0 | 0 | 0 | 0 | 0 | 0.0 | 0 | 0 | 0 | 0 |
| All other loans, leases, and other assets | 1,084 | 1,405 | 1,369 | 1,129 | 1,416 | -23.4 | 0 | 0 | 0 | 1,084 |
| Total credit exposure | 5,842 | 6,264 | 6,011 | 5,541 | 5,966 | -2.1 | 0 | 5 | 0 | 5,837 |
| Total unused liquidity commitments provided to institution's own securitizations | 38 | 0 | 17 | 17 | 17 | 123.5 | 0 | 0 | 0 | 38 |
| **Securitized Loans, Leases, and Other Assets 30-89 Days Past Due (%)** | | | | | | | | | | |
| 1-4 family residential loans | 3.4 | 3.1 | 3.9 | 3.9 | 3.5 | | 0.0 | 1.2 | 1.2 | 3.4 |
| Home equity loans | 5.3 | 5.2 | 7.5 | 8.0 | 9.1 | | 0.0 | 0.0 | 0.0 | 5.3 |
| Credit card receivables | 0.4 | 0.4 | 0.7 | 0.8 | 0.8 | | 0.0 | 0.0 | 0.0 | 0.4 |
| Auto loans | 0.9 | 0.9 | 0.9 | 0.7 | 0.7 | | 0.0 | 0.0 | 1.0 | 0.8 |
| Other consumer loans | 4.0 | 4.6 | 4.9 | 4.8 | 5.5 | | 0.0 | 0.0 | 0.0 | 4.1 |
| Commercial and industrial loans | 1.2 | 0.0 | 0.0 | 0.0 | 0.0 | | 0.0 | 1.7 | 0.0 | 0.0 |
| All other loans, leases, and other assets | 0.3 | 0.4 | 0.3 | 0.6 | 0.4 | | 0.0 | 1.6 | 0.0 | 0.4 |
| Total loans, leases, and other assets | 3.0 | 2.8 | 3.5 | 3.5 | 3.2 | | 0.0 | 1.1 | 0.8 | 3.1 |
| **Securitized Loans, Leases, and Other Assets 90 Days or More Past Due (%)** | | | | | | | | | | |
| 1-4 family residential loans | 2.1 | 2.0 | 2.2 | 2.2 | 2.3 | | 0.0 | 1.4 | 0.7 | 2.1 |
| Home equity loans | 46.5 | 44.7 | 43.3 | 42.0 | 40.3 | | 0.0 | 0.0 | 0.0 | 46.5 |
| Credit card receivables | 0.3 | 0.3 | 0.5 | 0.5 | 0.6 | | 0.0 | 0.0 | 0.0 | 0.3 |
| Auto loans | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | | 0.0 | 0.0 | 0.2 | 0.1 |
| Other consumer loans | 4.3 | 5.1 | 5.3 | 5.2 | 6.3 | | 0.0 | 0.0 | 0.0 | 4.4 |
| Commercial and industrial loans | 1.3 | 1.3 | 2.4 | 3.0 | 2.9 | | 0.0 | 1.8 | 0.0 | 0.0 |
| All other loans, leases, and other assets | 1.4 | 1.4 | 3.3 | 6.5 | 9.2 | | 0.0 | 12.1 | 0.6 | 1.5 |
| Total loans, leases, and other assets | 2.0 | 2.0 | 2.3 | 2.6 | 2.9 | | 0.0 | 1.9 | 0.6 | 2.0 |
| **Securitized Loans, Leases, and Other Assets Charged-off (net, YTD, annualized, %)** | | | | | | | | | | |
| 1-4 family residential loans | 0.2 | 0.1 | 0.4 | 0.3 | 0.2 | | 0.0 | 0.1 | 0.0 | 0.2 |
| Home equity loans | 1.8 | 0.7 | 1.0 | 0.1 | 0.1 | | 0.0 | 0.0 | 0.0 | 1.8 |
| Credit card receivables | 0.8 | 0.4 | 1.7 | 1.5 | 1.2 | | 0.0 | 0.0 | 0.0 | 0.8 |
| Auto loans | 0.1 | 0.1 | 0.2 | 0.1 | 0.1 | | 0.0 | 0.0 | 0.3 | 0.1 |
| Other consumer loans | 0.3 | 0.2 | 0.8 | 0.6 | 0.3 | | 0.0 | 0.0 | 0.0 | 0.3 |
| Commercial and industrial loans | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | 0.0 | 0.0 | 0.0 | 0.0 |
| All other loans, leases, and other assets | 0.3 | 0.1 | 0.9 | 0.6 | 0.9 | | 0.0 | 0.0 | 0.0 | 0.3 |
| Total loans, leases, and other assets | 0.2 | 0.1 | 0.4 | 0.3 | 0.3 | | 0.0 | 0.1 | 0.0 | 0.2 |
| **Seller's Interests in Institution's Own Securitizations - Carried as Loans** | | | | | | | | | | |
| Home equity loans | 0 | 0 | 0 | 0 | 0 | 0.0 | 0 | 0 | 0 | 0 |
| Credit card receivables | 10,380 | 9,983 | 12,247 | 12,198 | 12,905 | -19.6 | 0 | 0 | 0 | 10,380 |
| Commercial and industrial loans | 0 | 0 | 0 | 0 | 2 | -100.0 | 0 | 0 | 0 | 0 |
| **Seller's Interests in Institution's Own Securitizations - Carried as Securities** | | | | | | | | | | |
| Home equity loans | 0 | 0 | 0 | 0 | 0 | 0.0 | 0 | 0 | 0 | 0 |
| Credit card receivables | 0 | 0 | 0 | 0 | 0 | 0.0 | 0 | 0 | 0 | 0 |
| Commercial and industrial loans | 0 | 0 | 0 | 0 | 0 | 0.0 | 0 | 0 | 0 | 0 |
| **Assets Sold with Recourse and Not Securitized** | | | | | | | | | | |
| Number of institutions reporting asset sales | 1,107 | 1,097 | 1,103 | 1,105 | 1,101 | 0.5 | 128 | 751 | 177 | 51 |
| **Outstanding Principal Balance by Asset Type** | | | | | | | | | | |
| 1-4 family residential loans | 39,019 | 38,877 | 40,547 | 40,838 | 41,944 | -7.0 | 1,057 | 15,456 | 9,877 | 12,629 |
| Home equity, credit card receivables, auto, and other consumer loans | 750 | 694 | 712 | 709 | 727 | 3.2 | 0 | 10 | 27 | 713 |
| Commercial and industrial loans | 80 | 83 | 91 | 52 | 53 | 50.9 | 0 | 10 | 69 | 0 |
| All other loans, leases, and other assets | 74,999 | 71,382 | 69,560 | 66,271 | 65,112 | 15.2 | 0 | 116 | 1,187 | 73,696 |
| Total sold and not securitized | 114,847 | 111,036 | 110,909 | 107,869 | 107,835 | 6.5 | 1,057 | 15,591 | 11,160 | 87,038 |
| **Maximum Credit Exposure by Asset Type** | | | | | | | | | | |
| 1-4 family residential loans | 10,478 | 10,075 | 9,737 | 9,850 | 9,646 | 8.6 | 75 | 2,579 | 3,919 | 3,904 |
| Home equity, credit card receivables, auto, and other consumer loans | 144 | 137 | 137 | 140 | 141 | 2.1 | 0 | 10 | 3 | 131 |
| Commercial and industrial loans | 16 | 19 | 27 | 23 | 24 | -33.3 | 0 | 10 | 6 | 0 |
| All other loans, leases, and other assets | 19,660 | 18,624 | 17,954 | 17,233 | 16,849 | 16.7 | 0 | 20 | 70 | 19,570 |
| Total credit exposure | 30,298 | 28,855 | 27,855 | 27,246 | 26,660 | 13.6 | 76 | 2,618 | 3,998 | 23,606 |
| **Support for Securitization Facilities Sponsored by Other Institutions** | | | | | | | | | | |
| Number of institutions reporting securitization facilities sponsored by others | 110 | 117 | 125 | 132 | 134 | -17.9 | 9 | 61 | 22 | 18 |
| Total credit exposure | 44,649 | 44,981 | 44,248 | 41,590 | 42,400 | 5.3 | 7 | 164 | 355 | 44,123 |
| Total unused liquidity commitments | 2,005 | 887 | 1,150 | 918 | 1,122 | 78.7 | 0 | 0 | 0 | 2,005 |
| **Other** | | | | | | | | | | |
| Assets serviced for others* | 0 | 0 | 4,360,845 | 4,412,785 | 4,461,369 | -100.0 | 0 | 0 | 0 | 0 |
| Asset-backed commercial paper conduits | | | | | | | | | | |
| Credit exposure to conduits sponsored by institutions and others | 12,284 | 11,736 | 11,981 | 10,189 | 12,129 | 1.3 | 4 | 1 | 0 | 12,278 |
| Unused liquidity commitments to conduits sponsored by institutions and others | 27,902 | 28,878 | 28,924 | 27,948 | 28,274 | -1.3 | 0 | 0 | 577 | 27,326 |
| Net servicing income (for the quarter) | 4,547 | 1,600 | 1,197 | 2,886 | 2,773 | 64.0 | 8 | 208 | 200 | 4,131 |
| Net securitization income (for the quarter) | 325 | 298 | 340 | 385 | 318 | 2.2 | 0 | 6 | 4 | 315 |
| Total credit exposure to Tier 1 capital (%)** | 5.5 | 5.5 | 5.5 | 5.3 | 5.4 | | 0.6 | 2.1 | 2.6 | 6.4 |

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

## COMMUNITY BANK PERFORMANCE

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

- ***Earnings Grew 12 Percent During Second Quarter 2015***
- ***Average Net Interest Margin of 3.57 Percent Declined From Second Quarter 2014***
- ***Growth in Noninterest Income at Community Banks Outpaces That of Industry***
- ***Loan Balances Rose More Than 8 Percent From the Year Before***
- ***Noncurrent Rate Reaches the Lowest Level Since Third Quarter 2007***

### Earnings of $5.3 Billion Increased From Second Quarter 2014

Aggregate earnings for the 5,881 community banks totaled $5.3 billion during second quarter 2015, up $555.3 million (11.8 percent) from the year before. Community banks grew earnings at almost twice the rate of noncommunity banks (6.4 percent). Improvement in earnings at community banks was led by higher net interest income and noninterest income, and lower provision expense. Close to 60 percent of community banks reported higher year-over-year earnings. The pretax return on assets was 1.29 percent, up 6 basis points from second quarter 2014 but 31 basis points below the noncommunity banks' rate.

### Net Operating Revenue Increased 8 Percent From the Year-Earlier Quarter

Net operating revenue of $22.3 billion increased $1.6 billion (8 percent) from 2014 as a result of higher net interest income (up $1 billion, or 6.2 percent) and noninterest income (up $631.9 million, or 14.2 percent). Community banks reported an average net interest margin (NIM) of 3.57 percent during the second quarter of 2015, down 4 basis points from the year before, as average asset yields fell more rapidly than average funding costs. NIM at community banks was 59 basis points above the average for noncommunity banks, and 51 basis points above the banking industry average. Close to 61 percent of the annual increase in noninterest income came from higher loan sales revenue (up $383.5 million, or 47.8 percent).

Chart 1

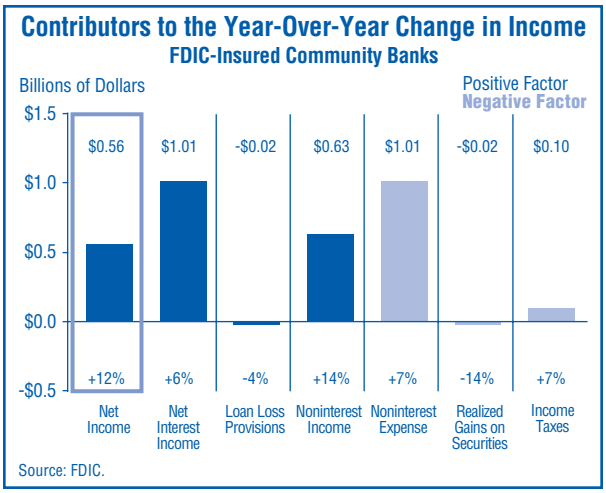
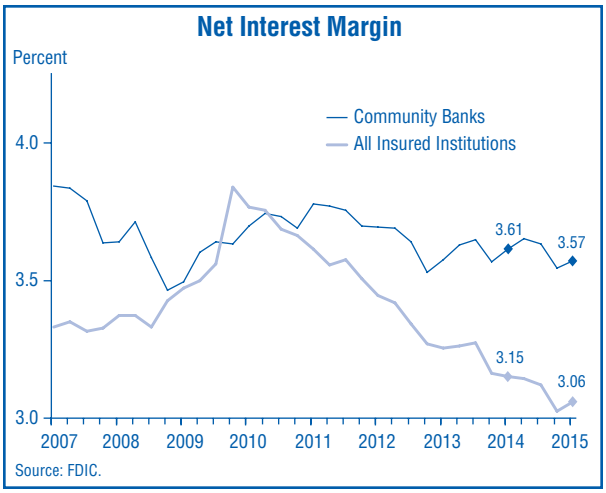



Chart 2



## Community Banks Increased Holdings of Long-Term Assets

Long-term assets represented 34.1 percent of total assets for community banks during second quarter 2015, up from 33.7 percent in the previous quarter.[1] Long-term assets at community banks exceeded the 25.8 percent held by the banking industry and the 24.5 percent for noncommunity banks. For the past 12 out of 15 consecutive quarters, community banks have increased their holdings of long-term assets. Meanwhile, long-term funding has not grown at the same rate. This imbalance may lead to an increase in interest rate risk. A rise in short-term interest rates may cause funding costs to rise at a faster rate than long-term asset yields, resulting in NIM compression.

## Noninterest Expense Rose During the Current Quarter

Noninterest expense for community banks totaled $15.1 billion in the second quarter of 2015, up $1 billion (7.1 percent) from the same 2014 quarter. While noninterest expense increased for community banks, it declined for noncommunity banks (down $1.4 billion, or 1.6 percent). Almost two out of every three community banks (67 percent) increased their noninterest expense from the year earlier. Close to 65 percent of the annual increase in noninterest expense was from higher salary and employee benefits (up $648.5 million, or 8.4 percent). Full-time employees at community banks totaled 442,041 in second quarter 2015, up 9,881 (2.3 percent) from the year earlier. Meanwhile, the number of full-time employees declined 0.6 percent for noncommunity banks. Average assets per employee at community banks were $4.7 million during the second quarter 2015, up from $4.5 million in second quarter 2014.

## Loan Balances Increased From the Previous Quarter and the Year Before

Community banks held $1.4 trillion in loan balances during the second quarter of 2015, up $36.8 billion (2.7 percent) from the previous quarter. All major loan categories increased from the first quarter, led by nonfarm nonresidential loans (up $8.5 billion, or 2.1 percent), 1-to-4 family residential mortgages (up $6.8 billion, or 1.8 percent), commercial and industrial loans (up $5.4 billion, or 2.9 percent), agricultural production loans (up $3.6 billion, or 8 percent), and construction and development loans (up $3.1 billion, or 3.7 percent). The 12-month growth rate in loan balances was 8.8 percent, almost twice the rate of noncommunity banks (4.8 percent). All major loan categories increased from the year earlier, with construction and development having the largest annual growth rate (14.1 percent).

[1] Long-term assets are loans and debt securities with remaining maturities or repricing intervals of over five years.

Chart 3

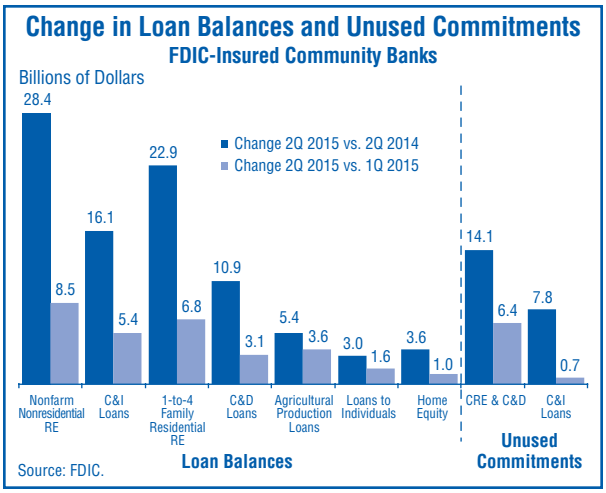
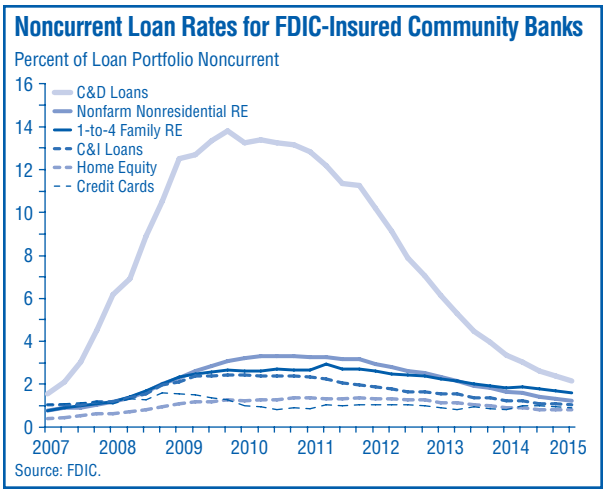



Chart 4



## Community Banks Grew Small Loans to Businesses

Small loans to businesses totaled $298.4 billion in the second quarter, up $5.2 billion (1.8 percent) from the previous quarter, outperforming noncommunity banks (up $2.3 billion, or 0.6 percent).[2] More than 75 percent of the quarterly increase was led by agricultural production loans (up $2.1 billion, or 8.1 percent), and commercial and industrial loans (up $1.9 billion, or 2.1 percent). The year-over-year increase of $9.8 billion (3.4 percent) was led by commercial and industrial loans (up $4.4 billion, or 4.9 percent), and nonfarm nonresidential loans (up $2.7 billion, or 1.8 percent). Community banks continued to hold 44 percent of all small loans to businesses.

## Asset Quality Indicators Continued to Improve

Noncurrent loan and lease balances totaled $17.3 billion during the second quarter, down $3.3 billion (16 percent) from second quarter 2014. Close to 58 percent of community banks reduced their noncurrent loan and lease balances from the year-ago quarter. The coverage ratio (loan loss reserves relative to noncurrent loans) increased from 96.4 percent in second quarter 2014 to 108.6 percent in second quarter 2015. The improvement was the result of a decline in noncurrent loan balances. The noncurrent loan rate was 1.23 percent in second quarter 2015, down from 1.32 percent in the previous quarter and 1.54 percent the year earlier. It remains 55 basis points below the noncommunity banks' rate of 1.78 percent. All major loan categories at community banks had lower noncurrent loan rates from second quarter 2014, with construction and development posting the largest decline (down 121 basis points). The quarterly net charge-off rate for community banks was 0.14 percent, down 6 basis points from the 2014 quarter. All major loan categories had a decline in the net charge-off rate from the year before, with construction and development having the largest decline (down 13 basis points).

## One Community Bank Failed in the Second Quarter

The number of FDIC-insured community banks totaled 5,881 at the end of second quarter 2015, down 65 banks from the previous quarter. One community bank failed during the quarter.

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

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

| | 2015* | 2014* | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|---|---|
| Return on assets (%) | 0.99 | 0.93 | 0.93 | 0.90 | 0.83 | 0.55 | 0.21 |
| Return on equity (%) | 8.90 | 8.49 | 8.46 | 8.28 | 7.68 | 5.19 | 2.07 |
| Core capital (leverage) ratio (%) | 10.71 | 10.59 | 10.57 | 10.44 | 10.18 | 9.98 | 9.57 |
| Noncurrent assets plus other real estate owned to assets (%) | 1.21 | 1.51 | 1.34 | 1.73 | 2.26 | 2.84 | 3.25 |
| Net charge-offs to loans (%) | 0.12 | 0.18 | 0.21 | 0.32 | 0.58 | 0.87 | 1.11 |
| Asset growth rate (%) | 3.20 | 0.57 | 2.31 | 0.33 | 2.25 | 1.60 | -2.26 |
| Net interest margin (%) | 3.56 | 3.59 | 3.61 | 3.59 | 3.67 | 3.74 | 3.71 |
| Net operating income growth (%) | 9.98 | 1.22 | 4.98 | 14.61 | 56.25 | 207.82 | 211.45 |
| Number of institutions reporting | 5,881 | 6,162 | 6,037 | 6,306 | 6,541 | 6,798 | 7,014 |
| Percentage of unprofitable institutions (%) | 5.29 | 6.98 | 6.39 | 8.40 | 11.15 | 16.34 | 22.16 |

* Through June 30, ratios annualized where appropriate. Asset growth rates are for 12 months ending June 30.

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

| (dollar figures in millions) | 2nd Quarter 2015 | 1st Quarter 2015 | 2nd Quarter 2014 | %Change 2Q14-2Q15 |
|---|---|---|---|---|
| Number of institutions reporting | 5,881 | 5,946 | 6,162 | -4.6 |
| Total employees (full-time equivalent) | 442,041 | 439,098 | 447,512 | -1.2 |
| **CONDITION DATA** | | | | |
| Total assets | $2,085,064 | $2,070,579 | $2,020,416 | 3.2 |
| Loans secured by real estate | 1,064,908 | 1,040,167 | 1,003,597 | 6.1 |
| 1-4 Family residential mortgages | 373,635 | 361,797 | 354,000 | 5.5 |
| Nonfarm nonresidential | 407,566 | 402,196 | 392,067 | 4.0 |
| Construction and development | 87,779 | 85,267 | 79,527 | 10.4 |
| Home equity lines | 50,050 | 49,366 | 47,796 | 4.7 |
| Commercial & industrial loans | 193,610 | 190,191 | 184,741 | 4.8 |
| Loans to individuals | 60,309 | 58,875 | 56,954 | 5.9 |
| Credit cards | 2,152 | 1,982 | 1,817 | 18.4 |
| Farm loans | 48,758 | 45,270 | 43,641 | 11.7 |
| Other loans & leases | 35,000 | 33,417 | 28,566 | 22.5 |
| Less: Unearned income | 568 | 553 | 556 | 2.0 |
| Total loans & leases | 1,402,017 | 1,367,365 | 1,316,942 | 6.5 |
| Less: Reserve for losses | 18,808 | 18,935 | 19,530 | -3.7 |
| Net loans and leases | 1,383,209 | 1,348,431 | 1,297,412 | 6.6 |
| Securities | 443,577 | 445,436 | 457,932 | -3.1 |
| Other real estate owned | 7,747 | 8,380 | 9,999 | -22.5 |
| Goodwill and other intangibles | 13,584 | 12,810 | 12,489 | 8.8 |
| All other assets | 236,948 | 255,521 | 242,583 | -2.3 |
| Total liabilities and capital | 2,085,064 | 2,070,579 | 2,020,416 | 3.2 |
| Deposits | 1,708,626 | 1,708,695 | 1,662,652 | 2.8 |
| Domestic office deposits | 1,708,188 | 1,708,215 | 1,662,430 | 2.8 |
| Foreign office deposits | 438 | 480 | 222 | 96.9 |
| Brokered deposits | 67,206 | 65,596 | 56,219 | 19.5 |
| Estimated insured deposits | 1,308,315 | 1,313,556 | 1,302,554 | 0.4 |
| Other borrowed funds | 127,406 | 114,748 | 118,924 | 7.1 |
| Subordinated debt | 524 | 458 | 420 | 24.8 |
| All other liabilities | 15,632 | 15,641 | 14,822 | 5.5 |
| Total equity capital (includes minority interests) | 232,876 | 231,036 | 223,598 | 4.1 |
| Bank equity capital | 232,758 | 230,918 | 223,451 | 4.2 |
| Loans and leases 30-89 days past due | 8,196 | 9,850 | 8,943 | -8.4 |
| Noncurrent loans and leases | 17,318 | 18,085 | 20,261 | -14.5 |
| Restructured loans and leases | 9,926 | 10,072 | 11,100 | -10.6 |
| Mortgage-backed securities | 189,057 | 190,950 | 201,574 | -6.2 |
| Earning assets | 1,933,615 | 1,920,810 | 1,864,324 | 3.7 |
| FHLB Advances | 95,897 | 85,201 | 87,037 | 10.2 |
| Unused loan commitments | 281,984 | 259,657 | 242,441 | 16.3 |
| Trust assets | 247,863 | 247,271 | 244,015 | 1.6 |
| Assets securitized and sold | 14,580 | 14,136 | 15,345 | -5.0 |
| Notional amount of derivatives | 58,250 | 57,564 | 48,884 | 19.2 |

| **INCOME DATA** | First Half 2015 | First Half 2014 | %Change | 2nd Quarter 2015 | 2nd Quarter 2014 | %Change 2Q14-2Q15 |
|---|---|---|---|---|---|---|
| Total interest income | $38,221 | $37,564 | 1.7 | $19,353 | $19,009 | 1.8 |
| Total interest expense | 4,361 | 4,557 | -4.3 | 2,189 | 2,275 | -3.8 |
| Net interest income | 33,861 | 33,007 | 2.6 | 17,165 | 16,733 | 2.6 |
| Provision for loan and lease losses | 1,125 | 1,129 | -0.4 | 581 | 599 | -2.9 |
| Total noninterest income | 9,899 | 8,752 | 13.1 | 5,094 | 4,551 | 11.9 |
| Total noninterest expense | 29,847 | 29,023 | 2.8 | 15,131 | 14,629 | 3.4 |
| Securities gains (losses) | 358 | 279 | 28.6 | 117 | 139 | -16.0 |
| Applicable income taxes | 2,956 | 2,660 | 11.1 | 1,404 | 1,370 | 2.5 |
| Extraordinary gains, net | 25 | 8 | 219.3 | 22 | 4 | 488.8 |
| Total net income (includes minority interests) | 10,215 | 9,233 | 10.6 | 5,282 | 4,830 | 9.4 |
| Bank net income | 10,199 | 9,223 | 10.6 | 5,275 | 4,824 | 9.4 |
| Net charge-offs | 848 | 1,182 | -28.3 | 495 | 643 | -23.1 |
| Cash dividends | 4,673 | 4,378 | 6.7 | 2,482 | 2,321 | 6.9 |
| Retained earnings | 5,526 | 4,846 | 14.0 | 2,793 | 2,503 | 11.6 |
| Net operating income | 9,909 | 9,009 | 10.0 | 5,166 | 4,717 | 9.5 |

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

| (dollar figures in millions) | 2nd Quarter 2015 | 1st Quarter 2015 | 2nd Quarter 2014 | %Change 2Q14-2Q15 |
|---|---|---|---|---|
| Number of institutions reporting | 5,881 | 5,881 | 5,881 | 0.0 |
| Total employees (full-time equivalent) | 442,041 | 438,267 | 438,615 | 0.8 |
| **CONDITION DATA** | | | | |
| Total assets | $2,085,064 | $2,069,371 | $1,978,461 | 5.4 |
| Loans secured by real estate | 1,064,908 | 1,040,610 | 982,022 | 8.4 |
| 1-4 Family residential mortgages | 373,635 | 366,881 | 350,735 | 6.5 |
| Nonfarm nonresidential | 407,566 | 399,032 | 379,175 | 7.5 |
| Construction and development | 87,779 | 84,660 | 76,928 | 14.1 |
| Home equity lines | 50,050 | 49,001 | 46,437 | 7.8 |
| Commercial & industrial loans | 193,610 | 188,245 | 177,552 | 9.0 |
| Loans to individuals | 60,309 | 58,676 | 57,336 | 5.2 |
| Credit cards | 2,152 | 2,111 | 2,161 | -0.4 |
| Farm loans | 48,758 | 45,147 | 43,383 | 12.4 |
| Other loans & leases | 35,000 | 33,104 | 29,274 | 19.6 |
| Less: Unearned income | 568 | 549 | 536 | 5.8 |
| Total loans & leases | 1,402,017 | 1,365,233 | 1,289,030 | 8.8 |
| Less: Reserve for losses | 18,808 | 18,862 | 19,175 | -1.9 |
| Net loans and leases | 1,383,209 | 1,346,372 | 1,269,855 | 8.9 |
| Securities | 443,577 | 445,553 | 449,247 | -1.3 |
| Other real estate owned | 7,747 | 8,362 | 9,986 | -22.4 |
| Goodwill and other intangibles | 13,584 | 12,763 | 11,594 | 17.2 |
| All other assets | 236,948 | 256,321 | 237,779 | -0.3 |
| Total liabilities and capital | 2,085,064 | 2,069,371 | 1,978,461 | 5.4 |
| Deposits | 1,708,626 | 1,704,058 | 1,627,072 | 5.0 |
| Domestic office deposits | 1,708,188 | 1,703,606 | 1,626,668 | 5.0 |
| Foreign office deposits | 438 | 452 | 404 | 8.3 |
| Brokered deposits | 67,206 | 65,153 | 58,303 | 15.3 |
| Estimated insured deposits | 1,308,315 | 1,311,494 | 1,276,875 | 2.5 |
| Other borrowed funds | 127,406 | 117,594 | 117,527 | 8.4 |
| Subordinated debt | 524 | 438 | 451 | 16.2 |
| All other liabilities | 15,632 | 15,778 | 14,543 | 7.5 |
| Total equity capital (includes minority interests) | 232,876 | 231,503 | 218,867 | 6.4 |
| Bank equity capital | 232,758 | 231,386 | 218,752 | 6.4 |
| Loans and leases 30-89 days past due | 8,196 | 9,842 | 9,152 | -10.4 |
| Noncurrent loans and leases | 17,318 | 18,157 | 20,626 | -16.0 |
| Restructured loans and leases | 9,926 | 10,037 | 11,145 | -10.9 |
| Mortgage-backed securities | 189,057 | 191,477 | 197,783 | -4.4 |
| Earning assets | 1,933,615 | 1,920,052 | 1,826,640 | 5.9 |
| FHLB Advances | 95,897 | 87,941 | 86,318 | 11.1 |
| Unused loan commitments | 281,984 | 275,399 | 250,804 | 12.4 |
| Trust assets | 247,863 | 246,097 | 235,315 | 5.3 |
| Assets securitized and sold | 14,580 | 14,136 | 13,085 | 11.4 |
| Notional amount of derivatives | 58,250 | 57,289 | 45,097 | 29.2 |

| **INCOME DATA** | First Half 2015 | First Half 2014 | %Change | 2nd Quarter 2015 | 2nd Quarter 2014 | %Change 2Q14-2Q15 |
|---|---|---|---|---|---|---|
| Total interest income | $38,221 | $36,302 | 5.3 | $19,353 | $18,374 | 5.3 |
| Total interest expense | 4,361 | 4,441 | -1.8 | 2,189 | 2,218 | -1.3 |
| Net interest income | 33,861 | 31,861 | 6.3 | 17,165 | 16,155 | 6.2 |
| Provision for loan and lease losses | 1,125 | 1,158 | -2.8 | 581 | 604 | -3.7 |
| Total noninterest income | 9,899 | 8,569 | 15.5 | 5,094 | 4,462 | 14.2 |
| Total noninterest expense | 29,847 | 28,030 | 6.5 | 15,131 | 14,122 | 7.1 |
| Securities gains (losses) | 358 | 276 | 29.8 | 117 | 137 | -14.4 |
| Applicable income taxes | 2,956 | 2,537 | 16.5 | 1,404 | 1,307 | 7.4 |
| Extraordinary gains, net | 25 | 8 | 219.3 | 22 | 4 | 488.8 |
| Total net income (includes minority interests) | 10,215 | 8,988 | 13.6 | 5,282 | 4,726 | 11.8 |
| Bank net income | 10,199 | 8,979 | 13.6 | 5,275 | 4,720 | 11.8 |
| Net charge-offs | 848 | 1,225 | -30.8 | 495 | 659 | -24.9 |
| Cash dividends | 4,673 | 4,262 | 9.6 | 2,482 | 2,265 | 9.6 |
| Retained earnings | 5,526 | 4,717 | 17.1 | 2,793 | 2,455 | 13.8 |
| Net operating income | 9,909 | 8,765 | 13.0 | 5,166 | 4,614 | 12.0 |

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

| Second Quarter 2015 (dollar figures in millions) | All Community Banks | Geographic Regions* New York | Atlanta | Chicago | Kansas City | Dallas | San Francisco |
|---|---|---|---|---|---|---|---|
| Number of institutions reporting | 5,881 | 689 | 727 | 1,301 | 1,515 | 1,261 | 388 |
| Total employees (full-time equivalent) | 442,041 | 87,841 | 58,725 | 93,081 | 71,432 | 96,420 | 34,542 |
| **CONDITION DATA** | | | | | | | |
| Total assets | $2,085,064 | $535,817 | $257,140 | $385,849 | $325,013 | $409,545 | $171,701 |
| Loans secured by real estate | 1,064,908 | 312,923 | 139,642 | 194,172 | 145,722 | 185,188 | 87,260 |
| 1-4 Family residential mortgages | 373,635 | 125,162 | 45,722 | 71,812 | 48,294 | 61,688 | 20,957 |
| Nonfarm nonresidential | 407,566 | 109,905 | 59,843 | 70,365 | 48,190 | 75,386 | 43,877 |
| Construction and development | 87,779 | 16,448 | 15,654 | 11,659 | 11,218 | 25,731 | 7,069 |
| Home equity lines | 50,050 | 16,509 | 7,986 | 11,666 | 4,464 | 4,643 | 4,781 |
| Commercial & industrial loans | 193,610 | 45,782 | 20,634 | 35,776 | 31,954 | 42,106 | 17,357 |
| Loans to individuals | 60,309 | 12,841 | 7,933 | 12,150 | 9,598 | 13,805 | 3,983 |
| Credit cards | 2,152 | 468 | 141 | 435 | 464 | 320 | 324 |
| Farm loans | 48,758 | 529 | 1,271 | 7,460 | 27,418 | 9,478 | 2,601 |
| Other loans & leases | 35,000 | 10,772 | 2,697 | 6,057 | 5,336 | 7,372 | 2,765 |
| Less: Unearned income | 568 | 156 | 95 | 62 | 31 | 123 | 101 |
| Total loans & leases | 1,402,017 | 382,691 | 172,083 | 255,554 | 219,997 | 257,826 | 113,866 |
| Less: Reserve for losses | 18,808 | 4,425 | 2,436 | 3,702 | 3,069 | 3,476 | 1,700 |
| Net loans and leases | 1,383,209 | 378,266 | 169,647 | 251,852 | 216,928 | 254,350 | 112,166 |
| Securities | 443,577 | 101,685 | 50,331 | 85,982 | 71,531 | 100,457 | 33,590 |
| Other real estate owned | 7,747 | 1,087 | 2,041 | 1,591 | 1,179 | 1,416 | 433 |
| Goodwill and other intangibles | 13,584 | 4,434 | 1,392 | 2,189 | 1,706 | 2,707 | 1,156 |
| All other assets | 236,948 | 50,345 | 33,728 | 44,235 | 33,669 | 50,616 | 24,355 |
| Total liabilities and capital | 2,085,064 | 535,817 | 257,140 | 385,849 | 325,013 | 409,545 | 171,701 |
| Deposits | 1,708,626 | 422,752 | 213,738 | 319,289 | 265,893 | 343,831 | 143,123 |
| Domestic office deposits | 1,708,188 | 422,406 | 213,686 | 319,272 | 265,893 | 343,831 | 143,100 |
| Foreign office deposits | 438 | 345 | 52 | 17 | 0 | 0 | 24 |
| Brokered deposits | 67,206 | 22,606 | 7,747 | 11,359 | 9,888 | 10,070 | 5,537 |
| Estimated insured deposits | 1,308,315 | 314,878 | 164,369 | 259,832 | 212,380 | 254,818 | 102,038 |
| Other borrowed funds | 127,406 | 47,095 | 13,214 | 20,457 | 21,228 | 18,703 | 6,708 |
| Subordinated debt | 524 | 308 | 106 | 49 | 4 | 7 | 51 |
| All other liabilities | 15,632 | 5,376 | 1,733 | 2,719 | 1,895 | 2,435 | 1,474 |
| Total equity capital (includes minority interests) | 232,876 | 60,287 | 28,348 | 43,335 | 35,994 | 44,568 | 20,345 |
| Bank equity capital | 232,758 | 60,235 | 28,330 | 43,313 | 35,993 | 44,543 | 20,343 |
| Loans and leases 30-89 days past due | 8,196 | 2,254 | 1,158 | 1,599 | 1,161 | 1,682 | 342 |
| Noncurrent loans and leases | 17,318 | 5,976 | 2,644 | 3,350 | 1,837 | 2,570 | 940 |
| Restructured loans and leases | 9,926 | 2,582 | 1,661 | 2,641 | 1,145 | 1,123 | 774 |
| Mortgage-backed securities | 189,057 | 56,587 | 21,581 | 33,602 | 23,441 | 37,849 | 15,997 |
| Earning assets | 1,933,615 | 499,411 | 235,923 | 357,276 | 302,822 | 378,165 | 160,017 |
| FHLB Advances | 95,897 | 37,562 | 10,270 | 14,533 | 14,970 | 14,463 | 4,098 |
| Unused loan commitments | 281,984 | 66,664 | 31,053 | 48,603 | 43,943 | 49,288 | 42,433 |
| Trust assets | 247,863 | 54,122 | 9,714 | 66,028 | 68,908 | 40,890 | 8,201 |
| Assets securitized and sold | 14,580 | 3,200 | 529 | 6,106 | 816 | 616 | 3,313 |
| Notional amount of derivatives | 58,250 | 18,164 | 8,809 | 9,096 | 7,839 | 9,938 | 4,405 |
| **INCOME DATA** | | | | | | | |
| Total interest income | $19,353 | $4,751 | $2,442 | $3,522 | $3,062 | $3,950 | $1,625 |
| Total interest expense | 2,189 | 687 | 277 | 391 | 350 | 363 | 121 |
| Net interest income | 17,165 | 4,065 | 2,166 | 3,131 | 2,712 | 3,587 | 1,503 |
| Provision for loan and lease losses | 581 | 219 | 44 | 88 | 84 | 126 | 20 |
| Total noninterest income | 5,094 | 951 | 619 | 1,248 | 803 | 968 | 506 |
| Total noninterest expense | 15,131 | 3,514 | 2,063 | 2,945 | 2,280 | 3,030 | 1,301 |
| Securities gains (losses) | 117 | 47 | 9 | 24 | 15 | 18 | 4 |
| Applicable income taxes | 1,404 | 423 | 136 | 232 | 184 | 217 | 212 |
| Extraordinary gains, net | 22 | 0 | 22 | 0 | 0 | 0 | 0 |
| Total net income (includes minority interests) | 5,282 | 907 | 572 | 1,138 | 983 | 1,201 | 480 |
| Bank net income | 5,275 | 905 | 570 | 1,136 | 983 | 1,200 | 480 |
| Net charge-offs | 495 | 196 | 62 | 91 | 53 | 87 | 6 |
| Cash dividends | 2,482 | 249 | 198 | 559 | 610 | 616 | 249 |
| Retained earnings | 2,793 | 656 | 372 | 577 | 373 | 584 | 231 |
| Net operating income | 5,166 | 872 | 543 | 1,119 | 969 | 1,186 | 477 |

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

## Table IV-B. Second Quarter 2015, FDIC-Insured Community Banks

| | All Community Banks | | Second Quarter 2015, Geographic Regions* | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2nd Quarter 2015 | 1st Quarter 2015 | New York | Atlanta | Chicago | Kansas City | Dallas | San Francisco |
| **Performance ratios (annualized, %)** | | | | | | | | |
| Yield on earning assets | 4.03 | 4.00 | 3.85 | 4.17 | 3.95 | 4.05 | 4.19 | 4.10 |
| Cost of funding earning assets | 0.46 | 0.46 | 0.56 | 0.47 | 0.44 | 0.46 | 0.38 | 0.31 |
| Net interest margin | 3.57 | 3.54 | 3.30 | 3.70 | 3.51 | 3.58 | 3.81 | 3.79 |
| Noninterest income to assets | 0.98 | 0.91 | 0.72 | 0.97 | 1.30 | 0.99 | 0.95 | 1.19 |
| Noninterest expense to assets | 2.92 | 2.89 | 2.66 | 3.23 | 3.06 | 2.81 | 2.97 | 3.06 |
| Loan and lease loss provision to assets | 0.11 | 0.11 | 0.17 | 0.07 | 0.09 | 0.10 | 0.12 | 0.05 |
| Net operating income to assets | 1.00 | 0.92 | 0.66 | 0.85 | 1.16 | 1.19 | 1.16 | 1.12 |
| Pretax return on assets | 1.29 | 1.25 | 1.00 | 1.11 | 1.42 | 1.44 | 1.39 | 1.63 |
| Return on assets | 1.02 | 0.96 | 0.68 | 0.89 | 1.18 | 1.21 | 1.18 | 1.13 |
| Return on equity | 9.11 | 8.62 | 6.09 | 8.07 | 10.52 | 10.91 | 10.80 | 9.54 |
| Net charge-offs to loans and leases | 0.14 | 0.10 | 0.21 | 0.15 | 0.14 | 0.10 | 0.14 | 0.02 |
| Loan and lease loss provision to net charge-offs | 117.54 | 154.63 | 111.83 | 72.02 | 96.65 | 157.38 | 144.51 | 355.00 |
| Efficiency ratio | 67.66 | 68.40 | 69.71 | 73.66 | 66.97 | 64.51 | 66.22 | 64.45 |
| Net interest income to operating revenue | 77.11 | 78.23 | 81.04 | 77.78 | 71.50 | 77.16 | 78.75 | 74.83 |
| % of unprofitable institutions | 5.88 | 5.89 | 7.26 | 9.08 | 6.53 | 3.70 | 4.68 | 7.73 |
| % of institutions with earnings gains | 58.61 | 62.73 | 54.57 | 57.77 | 58.34 | 61.12 | 55.99 | 67.01 |

## Table V-B. First Half 2015, FDIC-Insured Community Banks

| | All Community Banks | | First Half 2015, Geographic Regions* | | | | | |
|---|---|---|---|---|---|---|---|---|
| | First Half 2015 | First Half 2014 | New York | Atlanta | Chicago | Kansas City | Dallas | San Francisco |
| **Performance ratios (%)** | | | | | | | | |
| Yield on earning assets | 4.02 | 4.09 | 3.86 | 4.18 | 3.94 | 4.02 | 4.18 | 4.03 |
| Cost of funding earning assets | 0.46 | 0.50 | 0.56 | 0.48 | 0.44 | 0.46 | 0.39 | 0.31 |
| Net interest margin | 3.56 | 3.59 | 3.30 | 3.70 | 3.50 | 3.56 | 3.79 | 3.72 |
| Noninterest income to assets | 0.96 | 0.88 | 0.71 | 0.96 | 1.29 | 0.98 | 0.92 | 1.13 |
| Noninterest expense to assets | 2.91 | 2.91 | 2.63 | 3.23 | 3.05 | 2.80 | 2.96 | 3.03 |
| Loan and lease loss provision to assets | 0.11 | 0.11 | 0.16 | 0.09 | 0.08 | 0.09 | 0.13 | 0.04 |
| Net operating income to assets | 0.96 | 0.90 | 0.67 | 0.79 | 1.10 | 1.16 | 1.13 | 1.06 |
| Pretax return on assets | 1.28 | 1.19 | 1.05 | 1.08 | 1.42 | 1.43 | 1.35 | 1.53 |
| Return on assets | 0.99 | 0.93 | 0.71 | 0.83 | 1.12 | 1.19 | 1.14 | 1.07 |
| Return on equity | 8.90 | 8.49 | 6.36 | 7.46 | 10.03 | 10.78 | 10.53 | 9.04 |
| Net charge-offs to loans and leases | 0.12 | 0.18 | 0.17 | 0.14 | 0.14 | 0.07 | 0.13 | 0.02 |
| Loan and lease loss provision to net charge-offs | 132.69 | 95.57 | 133.71 | 91.83 | 92.39 | 208.24 | 160.38 | 275.89 |
| Efficiency ratio | 67.86 | 69.17 | 69.21 | 73.82 | 67.16 | 64.68 | 66.74 | 65.80 |
| Net interest income to operating revenue | 77.38 | 79.04 | 81.32 | 78.04 | 71.55 | 77.23 | 79.22 | 75.42 |
| % of unprofitable institutions | 5.29 | 6.98 | 6.97 | 8.80 | 5.69 | 3.04 | 3.73 | 8.25 |
| % of institutions with earnings gains | 63.08 | 55.99 | 58.93 | 61.62 | 63.72 | 65.81 | 60.59 | 68.56 |

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

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

| June 30, 2015 | 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 | 0.55 | 0.53 | 0.67 | 0.63 | 0.51 | 0.60 | 0.28 |
| Construction and development | 0.54 | 0.42 | 0.70 | 0.62 | 0.58 | 0.47 | 0.49 |
| Nonfarm nonresidential | 0.38 | 0.40 | 0.46 | 0.41 | 0.34 | 0.37 | 0.20 |
| Multifamily residential real estate | 0.21 | 0.16 | 0.21 | 0.40 | 0.28 | 0.26 | 0.05 |
| Home equity loans | 0.43 | 0.46 | 0.42 | 0.50 | 0.34 | 0.42 | 0.24 |
| Other 1-4 family residential | 0.86 | 0.79 | 1.03 | 0.96 | 0.74 | 0.99 | 0.49 |
| Commercial and industrial loans | 0.51 | 0.39 | 0.56 | 0.55 | 0.58 | 0.59 | 0.33 |
| Loans to individuals | 1.64 | 2.88 | 1.29 | 1.03 | 0.98 | 1.97 | 0.57 |
| Credit card loans | 1.64 | 2.19 | 1.29 | 1.04 | 2.70 | 1.08 | 0.85 |
| Other loans to individuals | 1.63 | 2.90 | 1.29 | 1.03 | 0.89 | 1.99 | 0.54 |
| All other loans and leases (including farm) | 0.38 | 0.45 | 0.31 | 0.39 | 0.44 | 0.29 | 0.26 |
| Total loans and leases | 0.58 | 0.59 | 0.67 | 0.63 | 0.53 | 0.65 | 0.30 |
| **Percent of Loans Noncurrent**** | | | | | | | |
| All loans secured by real estate | 1.33 | 1.57 | 1.66 | 1.47 | 0.91 | 1.05 | 0.86 |
| Construction and development | 2.14 | 2.34 | 3.77 | 2.40 | 1.81 | 1.19 | 1.68 |
| Nonfarm nonresidential | 1.20 | 1.41 | 1.46 | 1.37 | 1.03 | 0.90 | 0.76 |
| Multifamily residential real estate | 0.45 | 0.25 | 0.87 | 0.93 | 0.28 | 0.83 | 0.24 |
| Home equity loans | 0.80 | 0.94 | 0.72 | 0.86 | 0.41 | 0.65 | 0.77 |
| Other 1-4 family residential | 1.59 | 2.09 | 1.45 | 1.71 | 0.95 | 1.24 | 0.98 |
| Commercial and industrial loans | 1.02 | 1.04 | 1.07 | 1.06 | 1.01 | 1.02 | 0.84 |
| Loans to individuals | 0.64 | 0.77 | 0.91 | 0.43 | 0.44 | 0.78 | 0.36 |
| Credit card loans | 0.88 | 1.17 | 0.49 | 0.81 | 1.06 | 0.68 | 0.69 |
| Other loans to individuals | 0.63 | 0.75 | 0.91 | 0.41 | 0.41 | 0.79 | 0.33 |
| All other loans and leases (including farm) | 1.00 | 4.33 | 0.64 | 0.41 | 0.47 | 0.52 | 0.53 |
| Total loans and leases | 1.24 | 1.56 | 1.54 | 1.31 | 0.84 | 1.00 | 0.83 |
| **Percent of Loans Charged-Off (net, YTD)** | | | | | | | |
| All loans secured by real estate | 0.08 | 0.13 | 0.11 | 0.10 | 0.02 | 0.05 | -0.05 |
| Construction and development | 0.02 | 0.19 | 0.15 | 0.08 | -0.32 | 0.01 | -0.13 |
| Nonfarm nonresidential | 0.09 | 0.19 | 0.12 | 0.07 | 0.06 | 0.03 | -0.04 |
| Multifamily residential real estate | 0.03 | 0.02 | 0.09 | 0.05 | -0.01 | 0.03 | 0.00 |
| Home equity loans | 0.13 | 0.15 | 0.11 | 0.21 | 0.08 | 0.05 | -0.03 |
| Other 1-4 family residential | 0.10 | 0.10 | 0.09 | 0.15 | 0.06 | 0.09 | -0.03 |
| Commercial and industrial loans | 0.19 | 0.24 | 0.15 | 0.20 | 0.12 | 0.24 | 0.11 |
| Loans to individuals | 0.69 | 0.86 | 0.56 | 0.52 | 0.64 | 0.81 | 0.59 |
| Credit card loans | 4.24 | 4.13 | 1.18 | 3.75 | 9.38 | 1.34 | 2.13 |
| Other loans to individuals | 0.56 | 0.74 | 0.55 | 0.39 | 0.21 | 0.80 | 0.44 |
| All other loans and leases (including farm) | 0.13 | 0.15 | 0.18 | 0.14 | 0.05 | 0.14 | 0.45 |
| Total loans and leases | 0.12 | 0.17 | 0.14 | 0.14 | 0.07 | 0.13 | 0.02 |
| **Loans Outstanding (in billions)** | | | | | | | |
| All loans secured by real estate | $1,064.9 | $312.9 | $139.6 | $194.2 | $145.7 | $185.2 | $87.3 |
| Construction and development | 87.8 | 16.4 | 15.7 | 11.7 | 11.2 | 25.7 | 7.1 |
| Nonfarm nonresidential | 407.6 | 109.9 | 59.8 | 70.4 | 48.2 | 75.4 | 43.9 |
| Multifamily residential real estate | 84.7 | 43.1 | 6.2 | 14.1 | 7.2 | 6.3 | 7.8 |
| Home equity loans | 50.0 | 16.5 | 8.0 | 11.7 | 4.5 | 4.6 | 4.8 |
| Other 1-4 family residential | 373.6 | 125.2 | 45.7 | 71.8 | 48.3 | 61.7 | 21.0 |
| Commercial and industrial loans | 193.6 | 45.8 | 20.6 | 35.8 | 32.0 | 42.1 | 17.4 |
| Loans to individuals | 60.3 | 12.8 | 7.9 | 12.1 | 9.6 | 13.8 | 4.0 |
| Credit card loans | 2.2 | 0.5 | 0.1 | 0.4 | 0.5 | 0.3 | 0.3 |
| Other loans to individuals | 58.2 | 12.4 | 7.8 | 11.7 | 9.1 | 13.5 | 3.7 |
| All other loans and leases (including farm) | 83.8 | 11.3 | 4.0 | 13.5 | 32.8 | 16.8 | 5.4 |
| Total loans and leases | 1,402.6 | 382.8 | 172.2 | 255.6 | 220.0 | 257.9 | 114.0 |
| **Memo: Unfunded Commitments (in millions)** | | | | | | | |
| Total Unfunded Commitments | 281,984 | 66,664 | 31,053 | 48,603 | 43,943 | 49,288 | 42,433 |
| Construction and development: 1-4 family residential | 21,537 | 4,594 | 3,810 | 2,345 | 2,567 | 6,298 | 1,923 |
| Construction and development: CRE and other | 50,027 | 14,875 | 7,268 | 7,276 | 5,595 | 11,370 | 3,643 |
| Commercial and industrial | 87,352 | 20,402 | 9,294 | 17,742 | 14,060 | 16,903 | 8,951 |

* See Table V-A (page 11) for explanations.
** Noncurrent loan rates represent the percentage of loans in each category that are past due 90 days or more or that are in nonaccrual status.

## INSURANCE FUND INDICATORS

- ***DIF Reserve Ratio Rises 3 Basis Points to 1.06 Percent***
- ***Insured Deposit Growth Was Flat in Second Quarter***
- ***One Institution Fails During the Second Quarter***

Total assets of the 6,348 FDIC-insured commercial banks and savings institutions were nearly unchanged, declining by $24.7 billion (0.2 percent) from the previous quarter. Total deposits decreased by $25.8 billion (0.2 percent), domestic deposits increased by $8.3 billion (0.1 percent), and foreign office deposits decreased by $34.1 billion (2.5 percent). Domestic noninterest-bearing deposits increased by $45.4 billion (1.5 percent), savings and interest-bearing checking accounts decreased by $35.1 billion (0.6 percent), and time deposits decreased by $2 billion (0.1 percent). Domestic deposits funded 67.2 percent of industry assets at the end of the second quarter. Federal Home Loan Bank advances increased by $40.7 billion (9.4 percent), with most of the increase coming from borrowings maturing in one year or less. Federal funds purchased increased by $5.8 billion (22.2 percent) while securities sold under agreements to repurchase decreased by $10.1 billion (3.5 percent).

Estimated insured deposits (including U.S. branches of foreign banks) increased by only 0.1 percent ($6.2 billion) during the quarter to $6.4 trillion. Over the past four quarters, estimated insured deposits increased by 4.1 percent ($248.7 billion). For institutions existing as of March 31, 2015, and June 30, 2015, insured deposits increased during the quarter at 2,469 institutions (39 percent), decreased at 3,858 institutions (61 percent), and remained unchanged at 29 institutions.

The Deposit Insurance Fund (DIF) increased by 3.5 percent ($2.3 billion) during the second quarter to $67.6 billion (unaudited). Assessment income of $2.3 billion and a negative provision for insurance losses of $317 million were the largest sources of the increase. Interest earned and other revenue added $116 million to the DIF, while operating expenses and unrealized losses on securities reduced the fund by $468 million. The DIF's reserve ratio rose to 1.06 percent on June 30, 2015, from 1.03 percent at March 31, 2015, and 0.84 percent four quarters ago. The June 30, 2015, reserve ratio is the highest for the DIF since March 31, 2008, when the reserve ratio was 1.19 percent. One FDIC-insured institution with total assets of $90 million failed during the second quarter of 2015, at an estimated cost to the DIF of $17 million.

Effective April 1, 2011, the deposit insurance assessment base changed to average consolidated total assets minus average tangible equity.[1] Revisions to insurance assessment rates and risk-based pricing rules for large banks (banks with assets greater than $10 billion) also became effective on that date.[2] Table 1 shows the distribution of the assessment base by institution asset size category as of the second quarter.

[1] There is an additional adjustment to the assessment base for banker's banks and custodial banks, as permitted under Dodd-Frank.
[2] The fourth quarter 2010 *Quarterly Banking Profile* includes a more detailed explanation of these changes.

Table 1

**Distribution of the Assessment Base for FDIC-Insured Institutions* by Asset Size**
**Data as of June 30, 2015**

| Asset Size | Number of Institutions | Percent of Total Institutions | Assessment Base** ($ Bil.) | Percent of Base |
|---|---|---|---|---|
| Less Than $1 Billion | 5,646 | 88.9 | $1,157.9 | 8.5 |
| $1 - $10 Billion | 591 | 9.3 | 1,431.5 | 10.6 |
| $10 - $50 Billion | 74 | 1.2 | 1,466.6 | 10.8 |
| $50 - $100 Billion | 14 | 0.2 | 932.0 | 6.9 |
| Over $100 Billion | 23 | 0.4 | 8,566.6 | 63.2 |
| Total | 6,348 | 100.0 | 13,554.5 | 100.0 |

* Excludes 9 insured U.S. branches of foreign banks reporting a combined assessment base of $49.1 billion.
** Average consolidated total assets minus average tangible equity, with adjustments for banker's banks and custodial banks.

Dodd-Frank requires that, for at least five years, the FDIC must make available to the public the reserve ratio and the Designated Reserve Ratio (DRR) using both estimated insured deposits and the new assessment base. As of June 30, 2015, the FDIC reserve ratio would have been 0.50 percent using the new assessment base (compared to 1.06 percent using estimated insured deposits), and the 2 percent DRR using estimated insured deposits would have been 0.93 percent using the new assessment base.

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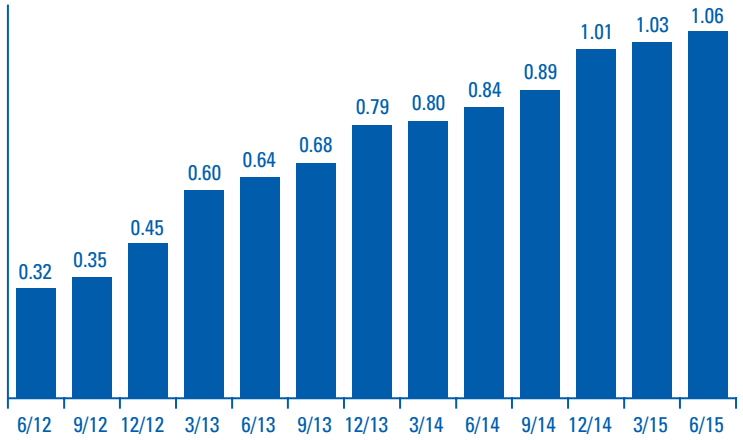
## Table I-C. Insurance Fund Balances and Selected Indicators

| (dollar figures in millions) | Deposit Insurance Fund* | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2nd Quarter 2015 | 1st Quarter 2015 | 4th Quarter 2014 | 3rd Quarter 2014 | 2nd Quarter 2014 | 1st Quarter 2014 | 4th Quarter 2013 | 3rd Quarter 2013 | 2nd Quarter 2013 | 1st Quarter 2013 | 4th Quarter 2012 | 3rd Quarter 2012 | 2nd Quarter 2012 |
| **Beginning Fund Balance** | $65,296 | $62,780 | $54,320 | $51,059 | $48,893 | $47,191 | $40,758 | $37,871 | $35,742 | $32,958 | $25,224 | $22,693 | $15,292 |
| **Changes in Fund Balance:** | | | | | | | | | | | | | |
| Assessments earned | 2,328 | 2,189 | 2,030 | 2,009 | 2,224 | 2,393 | 2,224 | 2,339 | 2,526 | 2,645 | 2,937 | 2,833 | 2,933 |
| Interest earned on investment securities | 113 | 60 | 70 | 80 | 87 | 45 | 23 | 34 | 54 | -9 | 66 | -8 | 81 |
| Realized gain on sale of investments | 0 | 0 | 0 | 0 | 0 | 0 | 302 | 156 | 0 | 0 | 0 | 0 | 0 |
| Operating expenses | 434 | 396 | 408 | 406 | 428 | 422 | 436 | 298 | 439 | 436 | 469 | 442 | 407 |
| Provision for insurance losses | -317 | -426 | -6,787 | -1,663 | -204 | 348 | -4,588 | -539 | -33 | -499 | -3,344 | -84 | -807 |
| All other income, net of expenses | 3 | 6 | -43 | 6 | 6 | 9 | 9 | 46 | 51 | 55 | 1,878 | 57 | 4,095 |
| Unrealized gain/(loss) on available-for-sale securities | -34 | 231 | 24 | -91 | 73 | 25 | -277 | 71 | -96 | 30 | -22 | 7 | -108 |
| Total fund balance change | 2,293 | 2,516 | 8,460 | 3,261 | 2,166 | 1,702 | 6,433 | 2,887 | 2,129 | 2,784 | 7,734 | 2,531 | 7,401 |
| **Ending Fund Balance** | 67,589 | 65,296 | 62,780 | 54,320 | 51,059 | 48,893 | 47,191 | 40,758 | 37,871 | 35,742 | 32,958 | 25,224 | 22,693 |
| Percent change from four quarters earlier | 32.37 | 33.55 | 33.03 | 33.27 | 34.82 | 36.79 | 43.19 | 61.58 | 66.88 | 133.73 | 178.67 | 222.85 | 479.49 |
| **Reserve Ratio (%)** | 1.06 | 1.03 | 1.01 | 0.89 | 0.84 | 0.80 | 0.79 | 0.68 | 0.64 | 0.60 | 0.45 | 0.35 | 0.32 |
| **Estimated Insured Deposits**** | 6,350,878 | 6,344,650 | 6,203,594 | 6,134,428 | 6,102,158 | 6,120,778 | 6,010,853 | 5,967,558 | 5,951,124 | 5,999,614 | 7,405,043 | 7,248,466 | 7,081,206 |
| Percent change from four quarters earlier | 4.08 | 3.66 | 3.21 | 2.80 | 2.54 | 2.02 | -18.83 | -17.67 | -15.96 | -14.67 | 6.19 | 7.32 | 8.55 |
| **Domestic Deposits** | 10,629,335 | 10,616,332 | 10,408,061 | 10,213,072 | 10,099,337 | 9,962,453 | 9,825,399 | 9,631,580 | 9,424,503 | 9,454,658 | 9,474,585 | 9,084,803 | 8,937,725 |
| Percent change from four quarters earlier | 5.25 | 6.56 | 5.93 | 6.04 | 7.16 | 5.37 | 3.70 | 6.02 | 5.45 | 6.85 | 7.88 | 6.55 | 8.40 |
| **Assessment Base***** | 13,603,595 | 13,526,063 | 13,337,980 | 13,107,287 | 12,905,394 | 12,797,180 | 12,743,864 | 12,527,522 | 12,485,749 | 12,433,319 | 12,434,981 | 12,276,147 | 12,159,353 |
| Percent change from four quarters earlier | 5.41 | 5.70 | 4.66 | 4.63 | 3.36 | 2.93 | 2.48 | 2.05 | 2.68 | 2.68 | 2.67 | 2.35 | 2.23 |
| **Number of Institutions Reporting** | 6,357 | 6,428 | 6,518 | 6,598 | 6,665 | 6,739 | 6,821 | 6,900 | 6,949 | 7,028 | 7,092 | 7,190 | 7,254 |

### DIF Reserve Ratios

Percent of Insured Deposits




### Deposit Insurance Fund Balance and Insured Deposits

($ Millions)

| | DIF Balance | DIF-Insured Deposits |
|---|---|---|
| 6/12 | $22,693 | $7,081,206 |
| 9/12 | 25,224 | 7,248,466 |
| 12/12 | 32,958 | 7,405,043 |
| 3/13 | 35,742 | 5,999,614 |
| 6/13 | 37,871 | 5,951,124 |
| 9/13 | 40,758 | 5,967,558 |
| 12/13 | 47,191 | 6,010,853 |
| 3/14 | 48,893 | 6,120,778 |
| 6/14 | 51,059 | 6,102,158 |
| 9/14 | 54,320 | 6,134,428 |
| 12/14 | 62,780 | 6,203,594 |
| 3/15 | 65,296 | 6,344,650 |
| 6/15 | 67,589 | 6,350,878 |

## Table II-C. Problem Institutions and Failed/Assisted Institutions

| (dollar figures in millions) | 2015**** | 2014**** | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|---|---|
| **Problem Institutions** | | | | | | | |
| Number of institutions | 228 | 354 | 291 | 467 | 651 | 813 | 884 |
| Total assets | $56,503 | $110,212 | $86,712 | $152,687 | $232,701 | $319,432 | $390,017 |
| **Failed Institutions** | | | | | | | |
| Number of institutions | 5 | 12 | 18 | 24 | 51 | 92 | 157 |
| Total assets***** | $6,389 | $1,571 | $2,914 | $6,044 | $11,617 | $34,923 | $92,085 |
| **Assisted Institutions** | | | | | | | |
| Number of institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total assets | $0 | $0 | $0 | $0 | $0 | $0 | $0 |

* Quarterly financial statement results are unaudited.
** Beginning in the third quarter of 2009, estimates of insured deposits are based on a $250,000 general coverage limit. The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) temporarily provided unlimited coverage for noninterest-bearing transaction accounts for two years beginning December 31, 2010, and ending December 31, 2012.
*** Average consolidated total assets minus tangible equity, with adjustments for banker's banks and custodial banks.
**** Through June 30.
***** Total assets are based on final Call Reports submitted by failed institutions.

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

*(dollar figures in millions)*

| June 30, 2015 | Number of Institutions | Total Assets | Domestic Deposits* | Est. Insured Deposits |
|---|---|---|---|---|
| ***Commercial Banks and Savings Institutions*** | | | | |
| FDIC-Insured Commercial Banks | 5,472 | $14,679,237 | $9,762,487 | $5,648,213 |
| FDIC-Supervised | 3,629 | 2,338,296 | 1,822,120 | 1,329,009 |
| OCC-Supervised | 1,027 | 10,018,816 | 6,367,213 | 3,534,470 |
| Federal Reserve-Supervised | 816 | 2,322,125 | 1,573,154 | 784,734 |
| FDIC-Insured Savings Institutions | 876 | 1,074,068 | 823,911 | 673,715 |
| OCC-Supervised Savings Institutions | 429 | 693,183 | 537,813 | 443,957 |
| FDIC-Supervised Savings Institutions | 408 | 357,332 | 267,797 | 214,697 |
| Federal Reserve-Supervised | 39 | 23,553 | 18,302 | 15,061 |
| ***Total Commercial Banks and Savings Institutions*** | 6,348 | 15,753,305 | 10,586,399 | 6,321,928 |
| ***Other FDIC-Insured Institutions*** | | | | |
| U.S. Branches of Foreign Banks | 9 | 98,105 | 42,937 | 28,951 |
| ***Total FDIC-Insured Institutions*** | 6,357 | 15,851,410 | 10,629,335 | 6,350,878 |

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

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

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

| Annual Rate in Basis Points | Number of Institutions | Percent of Total Institutions | Amount of Assessment Base* | Percent of Total Assessment Base |
|---|---|---|---|---|
| 2.50-5.00 | 1,572 | 24.46 | $1,592.0 | 11.77 |
| 5.01-7.50 | 3,039 | 47.28 | 10,295.4 | 76.12 |
| 7.51-10.00 | 1,064 | 16.55 | 1,034.7 | 7.65 |
| 10.01-15.00 | 472 | 7.34 | 459.8 | 3.40 |
| 15.01-20.00 | 26 | 0.40 | 82.9 | 0.61 |
| 20.01-25.00 | 208 | 3.24 | 51.0 | 0.38 |
| 25.01-30.00 | 2 | 0.03 | 0.4 | 0.00 |
| 30.01-35.00 | 45 | 0.70 | 9.8 | 0.07 |
| greater than 35.00 | 0 | 0.00 | 0.0 | 0.00 |

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

# Notes to Users

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

## Tables I-A through VIII-A.

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

## Tables I-B through VI-B.

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

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

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

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

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

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

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

## Summary of FDIC Research Definition of Community Banking Organizations

Community banks are designated at the level of the banking.

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

**Exclude:** Any organization with:

— No loans or no core deposits

— Foreign Assets ≥ 10% of total assets

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

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

**Include:** All remaining banking organizations with:

— Total assets < indexed size threshold[2]

— Total assets ≥ indexed size threshold, where:

- Loan to assets > 33%
- Core deposits to assets > 50%
- More than 1 office but no more than the indexed maximum number of offices.[3]

[1] Consumer nonbank banks are financial institutions with limited charters that can make commercial loans or take deposits, but not both.
[2] Asset size threshold indexed to equal $250 million in 1985 and $1 billion in 2010.
[3] Maximum number of offices indexed to equal 40 in 1985 and 75 in 2010.

- 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/assisted institutions, estimated FDIC-insured deposits, as well as assessment rate information. Depository institutions that are not insured by the FDIC through the DIF are not included in the *FDIC Quarterly Banking Profile*. U.S. branches of institutions headquartered in foreign countries and non-deposit trust companies are not included unless otherwise indicated. Efforts are made to obtain financial reports for all active institutions. However, in some cases, final financial reports are not available for institutions that have closed or converted their charters.

## DATA SOURCES

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

## COMPUTATION METHODOLOGY

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

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

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

## ACCOUNTING CHANGES

### Extraordinary Items

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

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

After an institution adopts ASU 2015-01, any event or transaction that would have met the criteria for extraordinary classification before the adoption of the ASU should be reported in "Other noninterest income," or "Other noninterest expense," as appropriate, unless the event or transaction would otherwise be reportable in the income statement. In addition, consistent with ASU 2015-01, the agencies plan to remove reference to the term "extraordinary items" from the income in 2016.

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

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

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

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

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

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

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

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

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

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

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

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

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

**Private Company Accounting Alternatives, Including Accounting for Goodwill**

In May 2012, the Financial Accounting Foundation, the independent private sector organization responsible for the oversight of the FASB, approved the establishment of the PCC to improve the process of setting accounting standards for private companies. The PCC is charged with working jointly with the FASB to determine whether and in what circumstances to provide alternative recognition, measurement, disclosure, display, effective date, and transition guidance for private companies reporting under U.S. GAAP. Alternative guidance for private companies may include modifications or exceptions to otherwise applicable existing U.S. GAAP standards. The banking agencies have concluded that a bank or savings association that is a private company, as defined in U.S. GAAP (as discussed in the next section of these Supplemental Instructions), is permitted to use private company accounting alternatives issued by the FASB when preparing its Call Reports, except as provided in 12 U.S.C. 1831n(a) as described in the following sentence. If the agencies determine that a particular accounting principle within U.S. GAAP, including a private company accounting alternative, is inconsistent with the statutorily specified supervisory objectives, the agencies may prescribe an accounting principle for regulatory reporting purposes that is no less stringent than U.S. GAAP. In such a situation, an institution would not be permitted to use that particular private company accounting alternative or other accounting principle within U.S. GAAP for Call Report purposes. The agencies would provide appropriate notice if they were to disallow any accounting alternative under the statutory process.

On January 16, 2014, the FASB issued ASU No. 2014-02, "Accounting for Goodwill," which is a consensus of the PCC. This ASU generally permits a private company to elect to amortize goodwill on a straight-line basis over a period of ten years (or less than ten years if more appropriate) and apply a simplified impairment model to goodwill. In addition, if a private company chooses to adopt the ASU's goodwill accounting alternative, the ASU requires the private company to make an accounting policy election to test goodwill for impairment at either the entity level or the reporting unit level. Goodwill must be tested for impairment when a triggering event occurs that indicates that the fair value of an entity (or a reporting unit) may be below its carrying amount. In contrast, U.S. GAAP does not otherwise permit goodwill to

be amortized, instead requiring goodwill to be tested for impairment at the reporting unit level annually and between annual tests in certain circumstances. The ASU's goodwill accounting alternative, if elected by a private company, is effective prospectively for new goodwill recognized in annual periods beginning after December 15, 2014, and in interim periods within annual periods beginning after December 15, 2015. Goodwill existing as of the beginning of the period of adoption is to be amortized prospectively over ten years (or less than ten years if more appropriate). The ASU states that early application of the goodwill accounting alternative is permitted for any annual or interim period for which a private company's financial statements have not yet been made available for issuance.

A bank or savings association that meets the private company definition in ASU 2014-02, as discussed in the following section of these Supplemental Instructions (i.e., a private institution), is permitted, but not required, to adopt this ASU for Call Report purposes and may choose to early adopt the ASU. If a private institution issues U.S. GAAP financial statements and adopts the ASU, it should apply the ASU's goodwill accounting alternative in its Call Report in a manner consistent with its reporting of goodwill in its financial statements. Thus, for example, a private institution with a calendar year fiscal year that chooses to adopt ASU 2014-02 must apply the ASU's provisions in its December 31, 2015, and subsequent quarterly Call Reports unless early application of the ASU is elected. If a private institution with a calendar year fiscal year chooses to early adopt ASU 2014-02 for first quarter 2015 financial reporting purposes, the institution may implement the provisions of the ASU in its Call Report for March 31, 2015. This would require the private institution to report in its first quarter 2015 Call Report three months' amortization of goodwill existing as of January 1, 2015, and the amortization of any new goodwill recognized in the first three months of 2015. Goodwill amortization expense should be reported unless the amortization is associated with a discontinued operation, in which case the goodwill amortization should be included within the results of discontinued operations and reported as "Extraordinary items and other adjustments, net of income taxes."

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

**Definitions of Private Company and Public Business Entity**

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

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

**Reporting Certain Government-Guaranteed Mortgage Loans Upon Foreclosure**

In August 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-14, "Classification of Certain Government-Guaranteed Mortgage Loans Upon Foreclosure," to address diversity in practice for how government-guaranteed mortgage loans are recorded upon foreclosure. The ASU updates guidance contained in ASC Subtopic 310-40, Receivables—Troubled Debt Restructurings by Creditors (formerly FASB Statement No. 15, "Accounting by Debtors and Creditors for Troubled Debt Restructurings," as amended), because U.S. GAAP previously did not provide specific guidance on how to categorize or measure foreclosed mortgage loans that are government guaranteed.

This guidance is applicable to fully and partially government-guaranteed mortgage loans. Upon foreclosure, the separate other receivable should be measured based on the amount of the loan balance (principal and interest) expected to be recovered from the guarantor. This other receivable should be reported in "All other assets." Any interest income earned on the other receivable would be reported in "Other interest income." Other real estate owned would not be recognized by the institution.

For institutions that are public business entities, as defined under U.S. GAAP, ASU 2014-14 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2014. For example, institutions with a calendar year fiscal year that are public business entities must apply the ASU in their Call Reports beginning March 31, 2015. However, institutions that are not public business entities (i.e., that are private companies) are not required to apply the guidance in ASU 2014-14 until annual periods ending after December 15, 2015, and interim periods beginning after December 15, 2015. Thus, institutions with a calendar year fiscal year that are private companies must apply the ASU in their December 31, 2015, and subsequent quarterly Call Reports. Earlier adoption of the guidance in ASU 2014-14 is permitted if the institution has already adopted the amendments in ASU No. 2014-04, "Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans Upon Foreclosure." Entities can elect to apply ASU 2014-14 on either a modified retrospective transition basis or a prospective transition basis. For additional information, institutions should refer to ASU 2014-14, which is available at http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498.

**Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans Upon Foreclosure**

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

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

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

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

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

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

**True-Up Liability Under an FDIC Loss-Sharing Agreement**

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

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

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

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

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

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

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

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

**Troubled Debt Restructurings and Current Market Interest Rates** – Many institutions are restructuring or modifying the terms of loans to provide payment relief for those borrowers who have suffered deterioration in their financial condition. Such loan restructurings may include, but are not limited to, reductions in principal or accrued interest, reductions in interest rates, and extensions of the maturity date. Modifications may be executed at the original contractual interest rate on the loan, a current market interest rate, or a below-market interest rate. Many of these loan modifications meet the definition of a troubled debt restructuring (TDR).

The TDR accounting and reporting standards are set forth in ASC Subtopic 310-40, Receivables – Troubled Debt Restructurings by Creditors (formerly FASB Statement No. 15, "Accounting by Debtors and Creditors for Troubled Debt Restructurings," as amended). This guidance specifies that a restructuring of a debt constitutes a TDR if, at the date of restructuring, the creditor for economic or legal reasons related to a debtor's financial difficulties grants a concession to the debtor that it would not otherwise consider.

In the Call Report, until a loan that is a TDR is paid in full or otherwise settled, sold, or charged off, it must be reported in the appropriate loan category, as well as identified as a performing TDR loan, if it is in compliance with its modified terms. If a TDR is not in compliance with its modified terms, it is reported as a past-due and nonaccrual loan in the appropriate loan category, as well as distinguished from other past due and nonaccrual loans. To be considered in compliance with its modified terms, a loan that is a TDR must not be in nonaccrual status and must be current or less than 30 days past due on its contractual principal and interest payments under the modified repayment terms. A loan restructured in a TDR is an impaired loan. Thus, all TDRs must be measured for impairment in accordance with ASC Subtopic 310-10, Receivables – Overall (formerly FASB Statement No. 114, "Accounting by Creditors for Impairment of a Loan," as amended), and the Call Report Glossary entry for "Loan Impairment." Consistent with ASC Subtopic 310-10, TDRs may be aggregated and measured for impairment with other impaired loans that share common risk characteristics by using historical statistics, such as average recovery period and average amount recovered, along with a composite effective interest rate. The outcome of such an aggregation approach must be consistent with the impairment measurement methods prescribed in ASC Subtopic 310-10 and Call Report instructions for loans that are "individually" considered impaired instead of the measurement method prescribed in ASC Subtopic 450-20, Contingencies – Loss Contingencies (formerly FASB Statement No. 5, "Accounting for Contingencies") for loans not individually considered impaired that are collectively evaluated for impairment. When a loan not previously considered individually impaired is restructured and determined to be a TDR, absent a partial charge-off, it generally is not appropriate for the impairment estimate on the loan to decline as a result of the change from the impairment measurement method prescribed in ASC Subtopic 450-20 to the methods prescribed in ASC Subtopic 310-10.

**Troubled Debt Restructurings and Accounting Standards Update No. 2011-02** – In April 2011, the FASB issued Accounting Standards Update (ASU) No. 2011-02, "A Creditor's Determination of Whether a Restructuring Is a Troubled Debt Restructuring," to provide additional guidance to help creditors determine whether a concession has been granted to a borrower and whether a borrower is experiencing financial difficulties. The guidance is also intended to reduce diversity in practice in identifying and reporting TDRs. This ASU was effective for public companies for interim and annual periods beginning on or after June 15, 2011, and should have been applied retrospectively to the beginning of the annual period of adoption for purposes of identifying TDRs. The measure-

ment of impairment for any newly identified TDRs resulting from retrospective application should have been applied prospectively in the first interim or annual period beginning on or after June 15, 2011. (For most public institutions, the ASU takes effect July 1, 2011, but retrospective application begins as of January 1, 2011.) Nonpublic companies should apply the new guidance for annual periods ending after December 15, 2012, including interim periods within those annual periods. (For most nonpublic institutions, the ASU took effect January 1, 2012.) Early adoption of the ASU was permitted for both public and nonpublic entities. Nonpublic entities that adopt early are subject to a retrospective identification requirement. For additional information, refer to ASU 2011-02, available at http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498.

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

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

**ASC Topics 860 & 810 (formerly FASB Statements 166 & 167)** – In June 2009, the FASB issued Statement No. 166, Accounting for Transfers of Financial Assets (FAS 166), and Statement No. 167, Amendments to FASB Interpretation No. 46(R) (FAS 167), which change the way entities account for securitizations and special purpose entities—refer to previously published *Quarterly Banking Profile* notes: https://www5.fdic.gov/qbp/2014dec/qbpnot.html.

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

## DEFINITIONS (in alphabetical order)

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

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

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

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

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

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

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

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

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

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

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

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

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

**Derivatives transaction types:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Risk-based capital groups – definitions:**

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

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

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

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

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

| Capital Category | Supervisory Group | | |
|---|---|---|---|
| | A | B | C |
| 1. Well Capitalized | I<br>5–9 bps | II<br>14 bps | III<br>23 bps |
| 2. Adequately Capitalized | II<br>14 bps | | |
| 3. Undercapitalized | III<br>23 bps | | IV<br>35 bps |

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

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

As required by Dodd-Frank, the calculation of risk-based assessment rates for large institutions no longer relies on long-term debt issuer ratings. Rates for large institutions are based on CAMELS ratings and certain forward-looking financial measures combined into two scorecards—one for most large institutions and another for the remaining very large institutions that are structurally and operationally complex or that pose unique challenges and risks in case of failure (highly

complex institutions). In general, a highly complex institution is an institution (other than a credit card bank) with more than $500 billion in total assets that is controlled by a parent or intermediate parent company with more than $500 billion in total assets or a processing bank or trust company with total fiduciary assets of $500 billion or more. The FDIC retains its ability to take additional information into account to make a limited adjustment to an institution's total score (the large bank adjustment), which will be used to determine an institution's initial base assessment rate.

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

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

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

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

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

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

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

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

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

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

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

Under the SBLF Program, the Treasury Department purchased noncumulative perpetual preferred stock from qualifying depository institutions and holding companies (other than Subchapter S and mutual institutions). When this stock has been issued by a depository institution, it is

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

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

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

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

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

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