INSURED INSTITUTION PERFORMANCE

FDIC-Insured Institutions Earn $48.3 Billion in the Second Quarter

Quarterly Net Income Is 10.7 Percent Higher Than a Year Earlier

Community Bank Net Income Rises 8.5 Percent From the Year Before

Average Return on Assets of 1.14 Percent Is Highest in 10 Years

Total Loans and Leases Increase 3.7 Percent From the Previous Year

Higher Net Interest Income Lifts Industry Earnings

Higher net interest income and restrained growth in operating expenses helped lift banking industry profits in second quarter 2017. The 5,787 commercial banks and savings institutions insured by the FDIC reported net income of $48.3 billion for the quarter, an increase of $4.7 billion (10.7 percent) compared with the second quarter of 2016. Almost two out of every three banks—63.4 percent—reported year-over-year earnings improvement, while only 4.1 percent were unprofitable, down from 4.6 percent a year earlier. The average return on assets (ROA) rose to 1.14 percent from 1.06 percent the year before. This is the highest quarterly ROA for the industry since second quarter 2007.

Net Interest Margins Improve

Net operating revenue—the sum of net interest income and total noninterest income—rose to $190.5 billion in the second quarter, an $11 billion (6.1 percent) increase from second quarter 2016. Most of the improvement consisted of higher net interest income, which was $10.3 billion (9.1 percent) higher than a year earlier. The increase in net interest income helped lift the industry's net interest margin (NIM) to 3.22 percent, from 3.08 percent in second quarter 2016. This is the highest quarterly NIM since fourth quarter 2013. While 57.7 percent of all banks reported higher NIMs, the improvement was greatest at larger institutions. More of their assets reprice or mature in the short term, and they are better-positioned to benefit from rising short-term interest rates. Noninterest income totaled $66.8 billion, up $654 million (1 percent) from a year earlier. Income from asset servicing was $1 billion (93.9 percent) higher, while gains on asset sales were $1.6 billion (31.7 percent) lower. Trading income fell $313 million (4.5 percent).

Chart 1

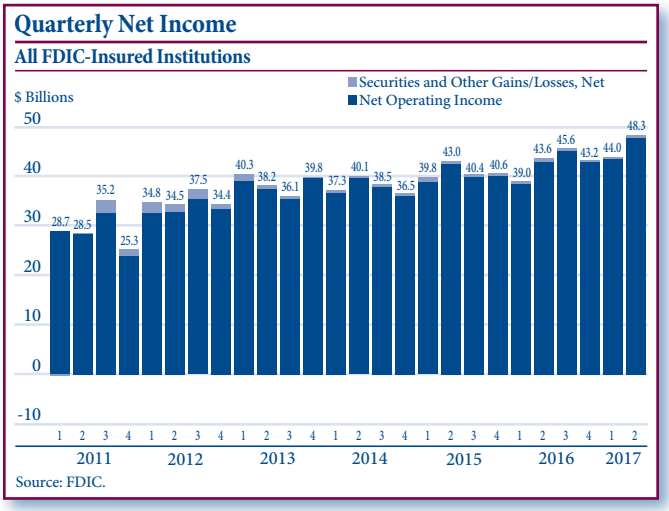
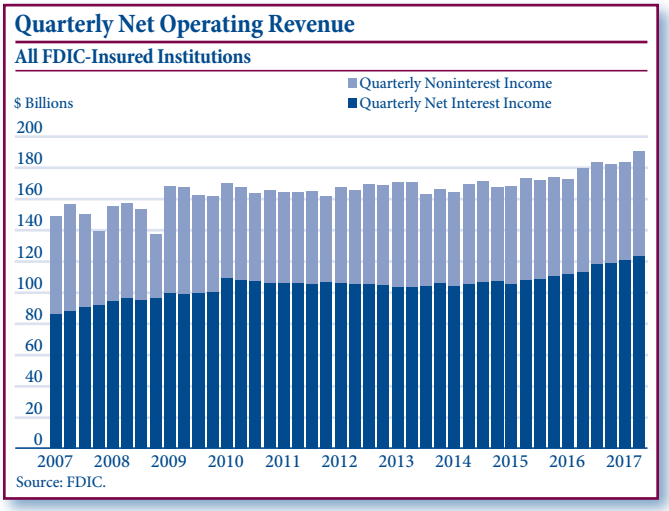


Chart 2



Noninterest Expense Growth Is Moderate

Banks set aside $12 billion in loan-loss provisions during the second quarter, up $273 million (2.3 percent) from the previous year. Slightly more than one-third of all banks—36.5 percent—increased their loss provisions versus second quarter 2016, while 32.2 percent reported lower provisions. Noninterest expenses totaled $108.6 billion, an increase of $3.5 billion (3.3 percent). Expenses for salaries and employee benefits were $2.1 billion (4.3 percent) higher than a year earlier, as the total number of employees rose by 48,019 (2.3 percent).

Credit Card Charge-Offs Continue to Increase

Loan losses rose from the year-ago level for a seventh consecutive quarter. Net charge-offs of loans and leases totaled $11.3 billion in the second quarter, an increase of $1.1 billion (11.2 percent) from a year earlier. Credit card charge-offs increased year over year for a seventh consecutive quarter, rising by $1.4 billion (24.5 percent), while charge-offs in other major loan categories declined. Net charge-offs of loans to commercial and industrial (C&I) borrowers were $210 million (9.7 percent) below the year-earlier level. The average net charge-off rate rose to 0.48 percent, from 0.45 percent in second quarter 2016.

Noncurrent Loan Balances Decline Further

The amount of loans and leases that were noncurrent—90 days or more past due or in nonaccrual status—fell for the 28th time in the last 29 quarters, declining by $8.4 billion (6.7 percent) in the three months ended June 30. Noncurrent balances declined in all major loan categories during the quarter. Noncurrent residential mortgage loans fell by $4.8 billion (7.9 percent), while noncurrent C&I loans declined by $2.2 billion (9.5 percent). The average noncurrent loan rate fell from 1.34 percent to 1.23 percent during the quarter, the lowest since third quarter 2007.

Banks Shift Their Reserve Allocations

Total loan-loss reserves posted a modest ($197 million, 0.2 percent) decline during the second quarter. The industry's coverage ratio of reserves to noncurrent loans and leases rose from 97.5 percent to 104.3 percent, the highest level since third quarter 2007. Banks with assets greater than $1 billion, which account for 90 percent of the industry's loss reserves, increased their reserves for credit card losses by $1.4 billion (4.3 percent), while reducing their reserves for commercial loan losses by $1.1 billion (3.3 percent) and their reserves for residential real estate loan losses by $922 million (5.5 percent).

Chart 3

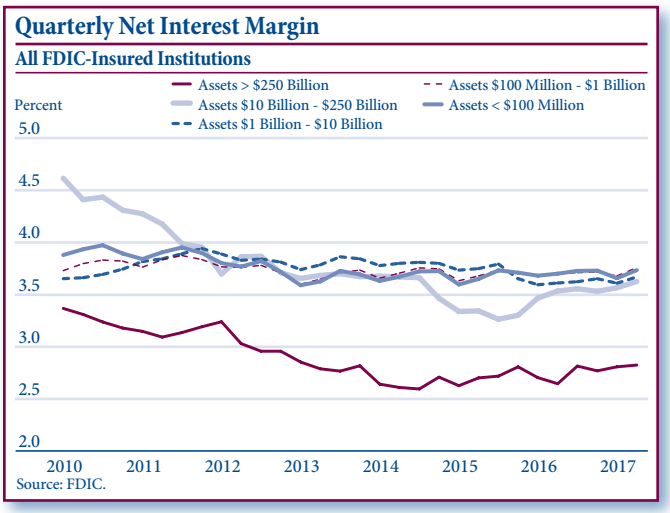
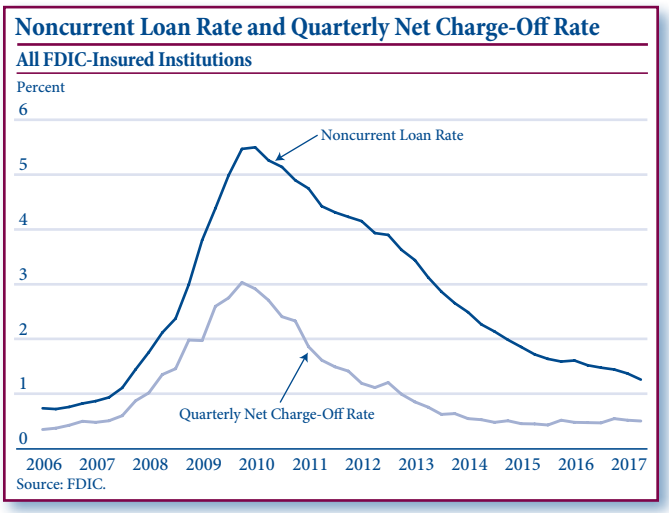


Chart 4



Retained Earnings Drive Capital Growth

Equity capital increased by $38.7 billion (2 percent) during the quarter. Retained earnings contributed $20 billion to the growth in capital, $322 million (1.6 percent) less than in second quarter 2016. Banks declared $28.3 billion in dividends in the quarter, up $5 billion (21.4 percent) from the year-earlier quarter. Lower long-term interest rates contributed to an $8 billion improvement in accumulated other comprehensive income, which was reflected in the equity capital increase. At the end of the quarter, 99.4 percent of all FDIC-insured institutions, representing 99.96 percent of total industry assets, met or exceeded the requirements for well-capitalized banks, as defined for Prompt Corrective Action purposes.

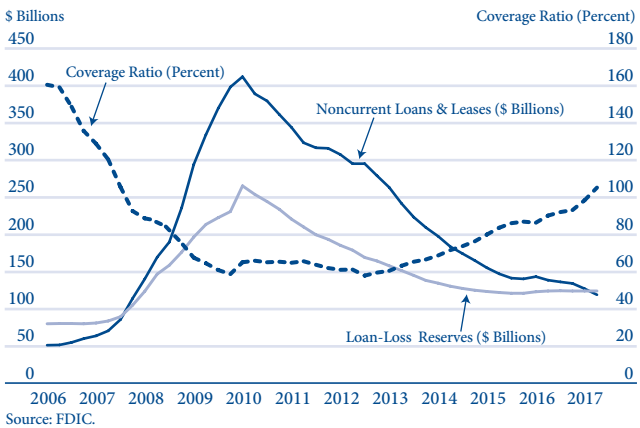
Banks Reduce Their Federal Reserve Bank Balances

Industry assets surpassed $17 trillion for the first time at the end of the second quarter, rising by $100.8 billion (0.6 percent) during the three months ended June 30. Banks reduced their balances at Federal Reserve banks by $102.4 billion (8 percent). They also reduced their investment securities by $15 billion (0.4 percent), as U.S. Treasury securities fell by $49.9 billion (9.7 percent), and mortgage-backed securities rose by $38 billion (1.9 percent). Securities held in available-for-sale accounts declined by $59 billion (9.7 percent), while securities in held-to-maturity accounts increased by $44 billion (4.7 percent). Assets in trading accounts increased by $18.7 billion (3.2 percent) during the quarter. The percentage of industry assets maturing or repricing in more than three years remained unchanged from the first quarter, at 35.4 percent. The all-time high level for this percentage—35.5 percent—occurred at the end of fourth quarter 2016.

The Annual Loan Growth Rate Slows for a Third Consecutive Quarter

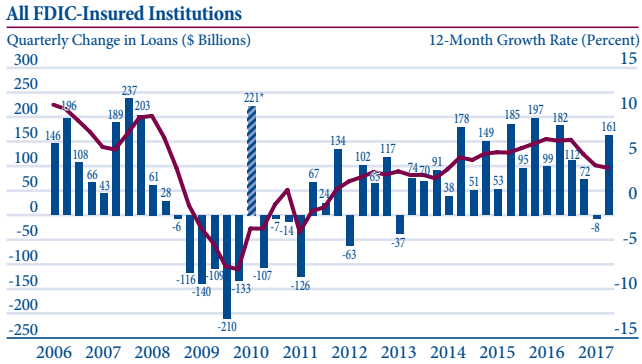
Total loans and leases increased by $161.2 billion (1.7 percent) during the second quarter. All major loan categories posted increases, led by residential mortgage loans (up $35.1 billion, 1.8 percent), credit card balances (up $23.6 billion, 3.1 percent), and C&I loans (up $22.1 billion, 1.1 percent). Unused loan commitments increased by $25.9 billion (0.4 percent). For the 12 months ended June 30, total loans and leases increased by $337.6 billion (3.7 percent), while unused loan commitments rose by $274.8 billion (3.9 percent). The 12-month growth rate for total loans and leases has slowed in each of the last three quarters. A year ago, the 12-month loan growth rate was 6.7 percent. The 12-month growth rate in unused loan commitments has slowed for six consecutive quarters. In 2015, unused commitments increased 6.6 percent.

Chart 5



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

Chart 6



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

The Number of Banking Employees Rises 2.3 Percent Over the Past Year

The number of FDIC-insured commercial banks and savings institutions reporting financial results fell to 5,787 in the second quarter, from 5,856 in the first quarter. During the second quarter, three insured institutions failed, while 62 institutions were absorbed by mergers. No new reporters were added during the quarter. The number of institutions on the FDIC's Problem Bank List declined for a 25th consecutive quarter, from 112 to 105. This is the smallest number of problem banks since March 31, 2008, and is almost 90 percent below the peak of 888 at the end of March 2011. The number of full-time equivalent employees rose by 11,663 (0.6 percent) to 2,093,278 during the quarter, which was 48,019 higher than second quarter 2016 (2.3 percent). This is still 5.9 percent below the peak of 2,223,383 employees in first quarter 2007.

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Chart 7

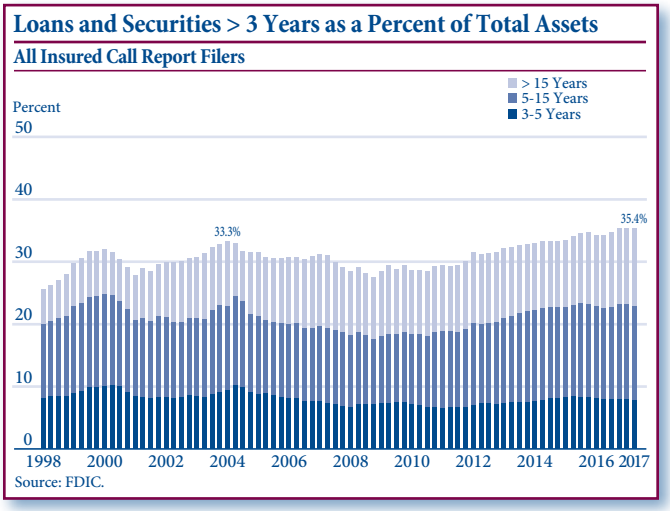


Chart 8

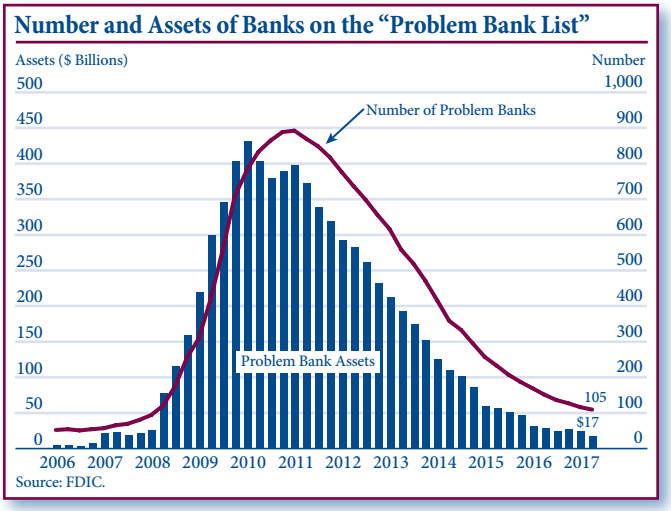


TABLE I-A. Selected Indicators, All FDIC-Insured Institutions*

	2017**	2016**	2016	2015	2014	2013	2012
Return on assets (%)	1.09	1.02	1.04	1.04	1.01	1.07	1.00
Return on equity (%)	9.74	9.04	9.29	9.29	9.01	9.54	8.90
Core capital (leverage) ratio (%)	9.69	9.57	9.48	9.59	9.44	9.40	9.15
Noncurrent assets plus other real estate owned to assets (%)	0.75	0.91	0.86	0.97	1.20	1.63	2.20
Net charge-offs to loans (%)	0.49	0.45	0.47	0.44	0.49	0.69	1.10
Asset growth rate (%)	3.22	4.95	5.09	2.66	5.59	1.94	4.02
Net interest margin (%)	3.21	3.09	3.13	3.07	3.14	3.26	3.42
Net operating income growth (%)	12.39	-0.29	4.65	7.07	-0.73	12.82	17.76
Number of institutions reporting	5,787	6,058	5,913	6,182	6,509	6,812	7,083
Commercial banks	5,011	5,238	5,112	5,338	5,607	5,847	6,072
Savings institutions	776	820	801	844	902	965	1,011
Percentage of unprofitable institutions (%)	3.99	4.37	4.43	4.79	6.27	8.16	11.00
Number of problem institutions	105	147	123	183	291	467	651
Assets of problem institutions (in billions)	$17	$29	$28	$47	$87	$153	$233
Number of failed institutions	6	3	5	8	18	24	51
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 2017	1st Quarter 2017	2nd Quarter 2016	%Change 16Q2-17Q2
Number of institutions reporting	5,787	5,856	6,058	-4.5
Total employees (full-time equivalent)	2,093,278	2,081,615	2,045,259	2.3
CONDITION DATA				
Total assets	$17,066,539	$16,965,756	$16,533,894	3.2
Loans secured by real estate	4,690,769	4,626,218	4,505,561	4.1
1-4 Family residential mortgages	2,019,900	1,984,760	1,960,624	3.0
Nonfarm nonresidential	1,365,118	1,346,570	1,278,251	6.8
Construction and development	324,037	319,166	294,242	10.1
Home equity lines	423,976	429,987	452,283	-6.3
Commercial & industrial loans	1,982,735	1,960,652	1,928,717	2.8
Loans to individuals	1,573,842	1,545,181	1,515,156	3.9
Credit cards	779,715	756,135	745,935	4.5
Farm loans	79,451	75,188	79,095	0.5
Other loans & leases	1,133,639	1,091,946	1,094,336	3.6
Less: Unearned income	2,039	2,032	2,106	-3.2
Total loans & leases	9,458,397	9,297,154	9,120,760	3.7
Less: Reserve for losses	121,581	121,778	121,683	-0.1
Net loans and leases	9,336,816	9,175,376	8,999,076	3.8
Securities	3,568,978	3,583,985	3,420,967	4.3
Other real estate owned	9,629	10,369	13,154	-26.8
Goodwill and other intangibles	373,654	370,338	359,511	3.9
All other assets	3,777,462	3,825,687	3,741,186	1.0
Total liabilities and capital	17,066,539	16,965,756	16,533,894	3.2
Deposits	13,105,331	13,083,810	12,528,055	4.6
Domestic office deposits	11,780,639	11,812,764	11,201,213	5.2
Foreign office deposits	1,324,692	1,271,046	1,326,842	-0.2
Other borrowed funds	1,447,740	1,416,069	1,457,653	-0.7
Subordinated debt	77,428	79,764	88,573	-12.6
All other liabilities	500,630	489,217	589,200	-15.0
Total equity capital (includes minority interests)	1,935,408	1,896,895	1,870,413	3.5
Bank equity capital	1,930,328	1,891,668	1,864,076	3.6
Loans and leases 30-89 days past due	57,686	60,463	58,089	-0.7
Noncurrent loans and leases	116,567	124,946	136,414	-14.5
Restructured loans and leases	62,959	64,046	69,619	-9.6
Mortgage-backed securities	2,072,550	2,034,504	1,924,317	7.7
Earning assets	15,406,822	15,325,899	14,821,151	4.0
FHLB Advances	565,660	522,554	545,673	3.7
Unused loan commitments	7,346,813	7,320,899	7,072,043	3.9
Trust assets	18,557,634	18,210,185	17,194,383	7.9
Assets securitized and sold	715,757	731,198	785,391	-8.9
Notional amount of derivatives	187,860,657	180,503,814	192,350,483	-2.3

INCOME DATA	First Half 2017	First Half 2016	%Change	2nd Quarter 2017	2nd Quarter 2016	%Change 16Q2-17Q2
Total interest income	$277,110	$251,861	10.0	$140,943	$126,868	11.1
Total interest expense	32,702	26,402	23.9	17,236	13,484	27.8
Net interest income	244,408	225,459	8.4	123,706	113,384	9.1
Provision for loan and lease losses	24,041	24,315	-1.1	12,036	11,763	2.3
Total noninterest income	129,124	126,505	2.1	66,794	66,140	1.0
Total noninterest expense	217,363	209,536	3.7	108,582	105,068	3.3
Securities gains (losses)	1,318	2,299	-42.7	772	1,363	-43.4
Applicable income taxes	41,140	37,478	9.8	22,327	20,172	10.7
Extraordinary gains, net*	16	-206	N/M	19	-196	N/M
Total net income (includes minority interests)	92,322	82,727	11.6	48,346	43,686	10.7
Bank net income	92,143	82,552	11.6	48,258	43,588	10.7
Net charge-offs	22,731	20,250	12.3	11,254	10,119	11.2
Cash dividends	55,546	43,822	26.8	28,280	23,287	21.4
Retained earnings	36,597	38,730	-5.5	19,978	20,301	-1.6
Net operating income	91,392	81,320	12.4	47,785	42,934	11.3

* See Notes to Users for explanation.

N/M - Not Meaningful

TABLE III-A. Second Quarter 2017, 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	5,787	12	5	1,417	2,960	453	60	276	546	58
Commercial banks	5,011	11	5	1,403	2,652	117	47	248	477	51
Savings institutions	776	1	0	14	308	336	13	28	69	7
Total assets (in billions)	$17,066.5	$505.5	$4,194.3	$280.8	$5,909.1	$359.4	$261.7	$48.0	$97.0	$5,410.8
Commercial banks	15,890.5	431.8	4,194.3	275.1	5,400.0	84.3	160.8	43.5	83.1	5,217.6
Savings institutions	1,176.1	73.7	0.0	5.7	509.1	275.1	100.9	4.5	14.0	193.2
Total deposits (in billions)	13,105.3	279.4	3,042.3	231.1	4,636.2	283.5	217.7	39.1	81.8	4,294.3
Commercial banks	12,172.1	223.2	3,042.3	228.2	4,252.9	70.6	131.6	36.0	70.3	4,117.0
Savings institutions	933.2	56.2	0.0	2.9	383.3	212.9	86.1	3.0	11.5	177.3
Bank net income (in millions)	48,258	2,569	9,866	865	15,904	826	732	356	209	16,932
Commercial banks	44,879	2,162	9,866	848	14,447	319	502	161	186	16,389
Savings institutions	3,379	406	0	17	1,457	507	230	195	23	543
Performance Ratios (annualized, %)										
Yield on earning assets	3.67	12.35	2.85	4.23	3.88	2.89	3.99	3.01	3.87	3.26
Cost of funding earning assets	0.45	1.49	0.46	0.51	0.45	0.40	0.40	0.31	0.40	0.35
Net interest margin	3.22	10.86	2.39	3.72	3.43	2.49	3.59	2.70	3.47	2.92
Noninterest income to assets	1.57	2.60	1.89	0.67	1.27	1.14	1.11	7.50	0.95	1.61
Noninterest expense to assets	2.56	5.37	2.44	2.52	2.71	2.25	2.33	5.90	2.96	2.22
Loan and lease loss provision to assets	0.28	3.97	0.15	0.17	0.16	-0.02	0.48	0.04	0.16	0.19
Net operating income to assets	1.12	2.05	0.94	1.23	1.08	0.88	1.13	2.96	0.85	1.23
Pretax return on assets	1.66	3.21	1.41	1.46	1.53	1.34	1.79	4.05	1.07	1.86
Return on assets	1.14	2.05	0.95	1.24	1.09	0.93	1.13	2.96	0.86	1.25
Return on equity	10.11	13.01	9.56	10.87	9.09	8.46	11.02	19.77	7.33	11.26
Net charge-offs to loans and leases	0.48	4.07	0.51	0.20	0.22	0.00	0.59	0.19	0.24	0.39
Loan and lease loss provision to net charge-offs	106.94	123.35	83.67	129.97	106.39	-700.80	114.91	72.21	122.95	98.20
Efficiency ratio	56.32	42.13	60.57	60.56	61.06	64.03	49.86	59.04	70.59	51.24
% of unprofitable institutions	4.15	0.00	0.00	3.25	3.68	6.62	6.67	7.25	5.68	0.00
% of institutions with earnings gains	63.44	58.33	60.00	55.89	68.21	59.38	60.00	56.16	63.37	75.86
Structural Changes										
New reporters	0	0	0	0	0	0	0	0	0	0
Institutions absorbed by mergers	62	0	0	5	49	3	0	0	4	1
Failed institutions	3	0	0	0	1	1	0	0	1	0
PRIOR SECOND QUARTERS (The way it was...)										
Return on assets (%) 2016	1.06	2.27	0.96	1.23	1.06	0.95	0.96	2.50	0.94	1.01
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
Net charge-offs to loans & leases (%) 2016	0.45	3.28	0.55	0.16	0.22	0.06	0.64	0.27	0.16	0.40
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

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

TABLE III-A. Second Quarter 2017, 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	$10 Billion to $250 Billion	Greater Than $250 Billion	Geographic Regions*: New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	5,787	1,471	3,564	631	112	9	709	693	1,232	1,464	1,253	436
Commercial banks	5,011	1,291	3,100	515	96	9	369	627	1,031	1,412	1,173	399
Savings institutions	776	180	464	116	16	0	340	66	201	52	80	37
Total assets (in billions)	$17,066.5	$87.1	$1,159.0	$1,752.2	$5,429.6	$8,638.6	$3,137.3	$3,540.4	$3,887.5	$3,692.3	$1,045.1	$1,763.9
Commercial banks	15,890.5	76.9	986.0	1,427.1	4,761.8	8,638.6	2,693.6	3,443.4	3,776.4	3,636.0	913.6	1,427.4
Savings institutions	1,176.1	10.1	173.0	325.1	667.8	0.0	443.6	97.0	111.1	56.3	131.5	336.5
Total deposits (in billions)	13,105.3	72.8	965.0	1,390.2	4,145.9	6,531.5	2,358.4	2,779.4	2,900.2	2,787.8	856.6	1,422.9
Commercial banks	12,172.1	64.9	827.9	1,142.3	3,605.5	6,531.5	2,024.5	2,701.0	2,823.4	2,742.7	747.8	1,132.7
Savings institutions	933.2	7.8	137.1	247.9	540.4	0.0	333.8	78.4	76.8	45.1	108.8	290.2
Bank net income (in millions)	48,258	208	3,206	5,466	15,625	23,754	7,422	10,591	10,201	9,959	3,292	6,793
Commercial banks	44,879	178	2,744	4,721	13,483	23,754	6,577	10,461	9,863	9,824	2,870	5,285
Savings institutions	3,379	30	462	745	2,141	0	846	130	338	135	422	1,508
Performance Ratios (annualized, %)												
Yield on earning assets	3.67	4.17	4.23	4.14	4.12	3.21	3.80	3.77	2.95	3.80	4.08	4.33
Cost of funding earning assets	0.45	0.45	0.48	0.48	0.51	0.40	0.56	0.36	0.38	0.53	0.37	0.45
Net interest margin	3.22	3.72	3.74	3.65	3.61	2.81	3.24	3.41	2.56	3.26	3.70	3.88
Noninterest income to assets	1.57	1.23	1.18	1.38	1.54	1.69	1.37	1.58	1.90	1.27	1.49	1.88
Noninterest expense to assets	2.56	3.41	3.12	2.79	2.63	2.38	2.53	2.51	2.55	2.44	2.98	2.71
Loan and lease loss provision to assets	0.28	0.12	0.14	0.21	0.49	0.19	0.40	0.32	0.10	0.25	0.21	0.50
Net operating income to assets	1.12	0.95	1.10	1.24	1.15	1.09	0.95	1.19	1.06	1.05	1.26	1.53
Pretax return on assets	1.66	1.14	1.42	1.78	1.71	1.64	1.36	1.81	1.55	1.56	1.71	2.32
Return on assets	1.14	0.96	1.11	1.26	1.16	1.10	0.95	1.20	1.06	1.08	1.27	1.54
Return on equity	10.11	7.38	9.87	10.77	9.46	10.51	7.68	9.89	10.25	10.83	11.42	12.77
Net charge-offs to loans and leases	0.48	0.19	0.13	0.22	0.72	0.44	0.60	0.57	0.25	0.48	0.27	0.66
Loan and lease loss provision to net charge-offs	106.94	105.32	152.87	138.96	112.70	91.87	117.15	97.15	87.08	100.83	121.94	125.01
Efficiency ratio	56.32	72.94	66.71	58.03	53.87	55.97	58.29	53.74	60.11	56.84	60.32	48.70
% of unprofitable institutions	4.15	9.52	2.58	1.11	0.89	0.00	4.94	5.63	4.38	3.01	4.07	3.90
% of institutions with earnings gains	63.44	53.84	64.34	77.34	81.25	77.78	67.98	67.82	63.88	56.08	63.37	72.71
Structural Changes												
New reporters	0	0	0	0	0	0	0	0	0	0	0	0
Institutions absorbed by mergers	62	17	35	10	0	0	11	13	16	7	12	3
Failed institutions	3	1	0	2	0	0	0	0	2	0	1	0
PRIOR SECOND QUARTERS (The way it was...)												
Return on assets (%) 2016	1.06	0.92	1.09	1.06	1.13	1.03	0.90	0.96	1.01	1.13	1.10	1.54
2014	1.07	0.85	1.01	1.01	1.16	1.03	0.95	0.92	1.05	1.14	1.17	1.46
2012	0.99	0.67	0.80	1.42	1.02	0.91	0.85	0.72	0.90	1.02	1.02	2.09
Net charge-offs to loans & leases (%) 2016	0.45	0.19	0.12	0.21	0.62	0.46	0.46	0.53	0.27	0.52	0.31	0.54
2014	0.50	0.19	0.23	0.32	0.70	0.46	0.75	0.38	0.35	0.64	0.22	0.48
2012	1.09	0.44	0.65	0.76	1.29	1.14	1.30	1.11	0.83	1.34	0.56	0.92

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

TABLE IV-A. First Half 2017, 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		5,787	12	5	1,417	2,960	453	60	276	546	58
Commercial banks		5,011	11	5	1,403	2,652	117	47	248	477	51
Savings institutions		776	1	0	14	308	336	13	28	69	7
Total assets (in billions)		$17,066.5	$505.5	$4,194.3	$280.8	$5,909.1	$359.4	$261.7	$48.0	$97.0	$5,410.8
Commercial banks		15,890.5	431.8	4,194.3	275.1	5,400.0	84.3	160.8	43.5	83.1	5,217.6
Savings institutions		1,176.1	73.7	0.0	5.7	509.1	275.1	100.9	4.5	14.0	193.2
Total deposits (in billions)		13,105.3	279.4	3,042.3	231.1	4,636.2	283.5	217.7	39.1	81.8	4,294.3
Commercial banks		12,172.1	223.2	3,042.3	228.2	4,252.9	70.6	131.6	36.0	70.3	4,117.0
Savings institutions		933.2	56.2	0.0	2.9	383.3	212.9	86.1	3.0	11.5	177.3
Bank net income (in millions)		92,143	5,161	19,482	1,682	30,118	1,629	1,425	676	430	31,541
Commercial banks		85,581	4,424	19,482	1,635	27,307	582	1,002	307	386	30,456
Savings institutions		6,562	737	0	47	2,811	1,047	422	369	44	1,085
Performance Ratios (annualized, %)											
Yield on earning assets		3.64	12.26	2.82	4.16	3.81	3.09	3.93	2.97	3.84	3.22
Cost of funding earning assets		0.43	1.42	0.43	0.49	0.43	0.45	0.38	0.31	0.39	0.33
Net interest margin		3.21	10.83	2.39	3.67	3.38	2.64	3.54	2.67	3.45	2.90
Noninterest income to assets		1.53	2.47	1.88	0.65	1.25	1.12	1.06	7.33	0.95	1.52
Noninterest expense to assets		2.57	5.29	2.45	2.52	2.72	2.34	2.29	5.93	2.93	2.25
Loan and lease loss provision to assets		0.28	3.90	0.17	0.14	0.16	0.01	0.47	0.04	0.12	0.19
Net operating income to assets		1.08	2.05	0.94	1.20	1.03	0.88	1.10	2.81	0.88	1.15
Pretax return on assets		1.58	3.20	1.36	1.42	1.46	1.35	1.75	3.82	1.10	1.72
Return on assets		1.09	2.05	0.95	1.21	1.03	0.93	1.10	2.82	0.90	1.16
Return on equity		9.74	13.23	9.51	10.68	8.71	8.48	10.84	18.87	7.63	10.57
Net charge-offs to loans and leases		0.49	3.97	0.58	0.15	0.21	0.05	0.62	0.15	0.19	0.40
Loan and lease loss provision to net charge-offs		105.76	123.48	82.63	145.16	110.33	18.60	108.58	95.56	118.73	93.95
Efficiency ratio		57.49	41.96	61.05	61.51	62.21	64.31	49.91	60.63	70.60	53.43
% of unprofitable institutions		3.99	0.00	0.00	2.61	3.75	7.06	6.67	6.16	5.49	0.00
% of institutions with earnings gains		62.09	50.00	80.00	52.43	68.95	55.63	58.33	47.10	61.36	81.03
Condition Ratios (%)											
Earning assets to total assets		90.28	91.52	87.53	93.38	90.99	94.62	97.45	92.03	92.90	90.64
Loss allowance to:											
Loans and leases		1.29	4.38	1.37	1.41	1.07	0.76	0.98	1.49	1.30	1.17
Noncurrent loans and leases		104.30	328.88	104.85	134.82	114.19	28.99	119.48	119.83	110.23	74.72
Noncurrent assets plus other real estate owned to assets		0.75	1.06	0.50	0.83	0.76	1.63	0.62	0.50	0.90	0.83
Equity capital ratio		11.31	15.91	9.90	11.47	12.00	11.15	10.28	15.24	11.88	11.23
Core capital (leverage) ratio		9.69	13.41	8.77	11.02	10.23	11.46	10.33	14.39	11.71	9.19
Common equity tier 1 capital ratio		13.15	12.59	13.45	14.54	12.45	21.36	18.30	31.89	20.18	12.99
Tier 1 risk-based capital ratio		13.23	12.71	13.51	14.55	12.55	21.38	18.51	31.91	20.20	13.06
Total risk-based capital ratio		14.65	14.87	14.92	15.68	13.89	22.26	19.38	32.76	21.33	14.58
Net loans and leases to deposits		71.24	137.68	49.13	81.42	88.27	74.68	85.14	32.90	64.64	63.20
Net loans to total assets		54.71	76.09	35.64	67.02	69.25	58.91	70.82	26.80	54.51	50.16
Domestic deposits to total assets		69.03	54.05	47.38	82.31	78.16	78.87	83.17	81.45	84.32	74.83
Structural Changes											
New reporters		2	0	0	0	1	0	0	1	0	0
Institutions absorbed by mergers		116	0	0	14	88	6	0	1	6	1
Failed institutions		6	0	0	0	4	1	0	0	1	0
PRIOR FIRST HALVES (The way it was...)											
Number of institutions	2016	6,058	13	4	1,466	3,029	491	63	324	605	63
	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
Total assets (in billions)	2016	$16,533.9	$501.9	$3,966.6	$270.7	$5,986.3	$396.2	$200.8	$56.4	$104.1	$5,050.7
	2014	15,171.9	601.2	3,802.2	250.6	5,059.2	458.5	212.7	63.1	138.7	4,585.7
	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
Return on assets (%)	2016	1.02	2.33	0.90	1.22	1.01	0.96	1.00	2.49	0.93	0.97
	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
Net charge-offs to loans & leases (%)	2016	0.45	3.27	0.57	0.13	0.22	0.06	0.65	0.17	0.15	0.40
	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
Noncurrent assets plus OREO to assets (%)	2016	0.91	0.87	0.66	0.78	0.93	1.80	0.86	0.61	1.02	1.04
	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
Equity capital ratio (%)	2016	11.27	14.82	9.95	11.58	11.88	11.60	10.24	15.44	11.98	11.18
	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

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

TABLE IV-A. First Half 2017, 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	$10 Billion to $250 Billion	Greater Than $250 Billion	Geographic Regions*: New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	5,787	1,471	3,564	631	112	9	709	693	1,232	1,464	1,253	436
Commercial banks	5,011	1,291	3,100	515	96	9	369	627	1,031	1,412	1,173	399
Savings institutions	776	180	464	116	16	0	340	66	201	52	80	37
Total assets (in billions)	$17,066.5	$87.1	$1,159.0	$1,752.2	$5,429.6	$8,638.6	$3,137.3	$3,540.4	$3,887.5	$3,692.3	$1,045.1	$1,763.9
Commercial banks	15,890.5	76.9	986.0	1,427.1	4,761.8	8,638.6	2,693.6	3,443.4	3,776.4	3,636.0	913.6	1,427.4
Savings institutions	1,176.1	10.1	173.0	325.1	667.8	0.0	443.6	97.0	111.1	56.3	131.5	336.5
Total deposits (in billions)	13,105.3	72.8	965.0	1,390.2	4,145.9	6,531.5	2,358.4	2,779.4	2,900.2	2,787.8	856.6	1,422.9
Commercial banks	12,172.1	64.9	827.9	1,142.3	3,605.5	6,531.5	2,024.5	2,701.0	2,823.4	2,742.7	747.8	1,132.7
Savings institutions	933.2	7.8	137.1	247.9	540.4	0.0	333.8	78.4	76.8	45.1	108.8	290.2
Bank net income (in millions)	92,143	409	6,210	10,179	29,824	45,521	14,544	19,273	19,558	19,772	6,218	12,778
Commercial banks	85,581	351	5,339	8,665	25,706	45,521	12,870	18,972	18,919	19,463	5,433	9,924
Savings institutions	6,562	58	872	1,514	4,117	0	1,674	300	639	309	785	2,854
Performance Ratios (annualized, %)												
Yield on earning assets	3.64	4.12	4.18	4.09	4.07	3.18	3.75	3.76	2.91	3.75	4.01	4.27
Cost of funding earning assets	0.43	0.44	0.47	0.47	0.49	0.37	0.54	0.35	0.35	0.51	0.36	0.43
Net interest margin	3.21	3.68	3.70	3.63	3.58	2.80	3.20	3.41	2.56	3.24	3.66	3.84
Noninterest income to assets	1.53	1.22	1.16	1.28	1.50	1.65	1.35	1.48	1.86	1.30	1.40	1.77
Noninterest expense to assets	2.57	3.40	3.11	2.77	2.64	2.41	2.53	2.58	2.57	2.44	2.96	2.68
Loan and lease loss provision to assets	0.28	0.12	0.12	0.21	0.49	0.19	0.36	0.34	0.12	0.25	0.20	0.50
Net operating income to assets	1.08	0.94	1.08	1.17	1.10	1.05	0.93	1.09	1.02	1.05	1.21	1.45
Pretax return on assets	1.58	1.11	1.38	1.67	1.63	1.55	1.33	1.62	1.46	1.55	1.62	2.21
Return on assets	1.09	0.94	1.09	1.19	1.11	1.06	0.93	1.10	1.02	1.08	1.21	1.46
Return on equity	9.74	7.32	9.67	10.18	9.13	10.13	7.61	9.07	9.90	10.85	10.95	12.15
Net charge-offs to loans and leases	0.49	0.17	0.12	0.21	0.71	0.46	0.56	0.58	0.29	0.49	0.27	0.66
Loan and lease loss provision to net charge-offs	105.76	120.57	158.62	141.88	113.88	88.39	114.64	102.17	86.05	96.69	117.62	123.98
Efficiency ratio	57.49	73.39	67.40	59.24	54.84	57.37	59.21	56.37	61.45	56.85	61.45	49.31
% of unprofitable institutions	3.99	8.77	2.69	0.79	0.89	0.00	4.94	5.92	4.38	2.80	3.43	3.90
% of institutions with earnings gains	62.09	51.33	62.96	78.61	80.36	88.89	70.38	69.26	61.20	53.89	59.78	73.85
Condition Ratios (%)												
Earning assets to total assets	90.28	92.57	93.07	92.40	91.01	88.99	89.61	89.72	89.78	89.69	92.07	93.81
Loss allowance to:												
Loans and leases	1.29	1.41	1.28	1.13	1.37	1.26	1.26	1.34	1.19	1.32	1.19	1.39
Noncurrent loans and leases	104.30	110.48	135.70	129.77	124.46	84.13	116.12	95.72	95.14	87.80	108.53	192.15
Noncurrent assets plus other real estate owned to assets	0.75	1.06	0.90	0.74	0.71	0.75	0.67	0.88	0.67	0.86	0.86	0.48
Equity capital ratio	11.31	13.10	11.36	11.83	12.32	10.55	12.46	12.21	10.31	10.08	11.32	12.23
Core capital (leverage) ratio	9.69	12.86	11.08	10.66	10.50	8.77	10.26	9.67	9.18	8.96	10.20	11.10
Common equity tier 1 capital ratio	13.15	20.49	15.36	13.61	13.27	12.57	13.21	12.91	13.14	12.27	13.15	15.38
Tier 1 risk-based capital ratio	13.23	20.52	15.40	13.62	13.45	12.61	13.29	13.02	13.19	12.33	13.25	15.53
Total risk-based capital ratio	14.65	21.59	16.50	14.61	14.95	14.12	14.68	14.44	14.43	14.21	14.37	16.61
Net loans and leases to deposits	71.24	70.32	80.70	87.23	78.25	62.01	74.59	73.04	65.20	68.84	78.04	75.12
Net loans to total assets	54.71	58.79	67.19	69.20	59.75	46.88	56.08	57.34	48.64	51.97	63.97	60.60
Domestic deposits to total assets	69.03	83.61	83.23	79.11	72.62	62.67	67.74	75.95	65.16	58.73	81.90	79.87
Structural Changes												
New reporters	2	1	0	1	0	0	0	0	0	0	1	1
Institutions absorbed by mergers	116	30	71	15	0	0	16	20	33	21	20	6
Failed institutions	6	2	2	2	0	0	1	0	3	0	1	1
PRIOR FIRST HALVES (The way it was...)												
Number of institutions 2016	6,058	1,637	3,690	619	102	10	739	743	1,305	1,519	1,292	460
2014	6,656	1,975	4,007	565	101	8	823	837	1,444	1,629	1,398	525
2012	7,245	2,341	4,244	553	100	7	898	929	1,539	1,754	1,524	601
Total assets (in billions) 2016	$16,533.9	$96.7	$1,173.6	$1,724.0	$4,897.6	$8,641.9	$3,127.7	$3,467.9	$3,692.0	$3,604.0	$976.1	$1,666.2
2014	15,171.9	116.3	1,234.6	1,492.7	4,761.2	7,567.1	3,047.7	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	4,515.3	6,679.7	2,877.3	2,934.7	3,192.6	3,000.2	831.6	1,194.5
Return on assets (%) 2016	1.02	0.92	1.06	1.06	1.08	0.97	0.85	0.92	0.97	1.09	1.07	1.45
2014	1.04	0.82	0.96	1.01	1.17	0.98	0.98	0.90	0.92	1.14	1.14	1.44
2012	0.99	0.70	0.81	1.24	1.07	0.93	0.91	0.78	0.88	1.05	1.08	1.85
Net charge-offs to loans & leases (%) 2016	0.45	0.15	0.11	0.20	0.62	0.47	0.47	0.53	0.27	0.53	0.31	0.53
2014	0.51	0.19	0.21	0.28	0.73	0.47	0.75	0.42	0.37	0.63	0.21	0.49
2012	1.12	0.39	0.61	0.76	1.35	1.19	1.31	1.19	0.87	1.39	0.56	0.90
Noncurrent assets plus OREO to assets (%) 2016	0.91	1.17	1.05	0.89	0.83	0.94	0.73	1.08	0.85	1.10	1.05	0.55
2014	1.38	1.62	1.61	1.61	0.93	1.58	0.98	1.90	1.26	1.67	1.34	0.76
2012	2.40	2.21	2.73	2.87	1.60	2.79	1.58	3.63	2.19	2.56	2.31	1.65
Equity capital ratio (%) 2016	11.27	12.97	11.47	11.79	12.21	10.60	12.01	12.37	10.31	10.15	11.21	12.22
2014	11.25	12.15	11.09	11.90	12.72	10.20	11.91	12.42	9.86	10.41	11.16	12.76
2012	11.32	11.97	10.90	11.92	12.81	10.26	12.34	12.21	9.02	11.04	11.03	13.78

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

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

June 30, 2017	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	0.63	0.17	0.87	0.61	0.41	0.73	0.37	1.29	1.05	0.97
Construction and development	0.32	0.00	0.44	0.47	0.30	0.50	0.55	1.60	0.77	0.33
Nonfarm nonresidential	0.23	0.00	0.29	0.50	0.22	0.37	0.29	0.79	0.80	0.18
Multifamily residential real estate	0.11	0.00	0.05	0.25	0.13	0.10	0.13	3.74	0.59	0.05
Home equity loans	0.63	0.00	1.02	0.39	0.46	0.49	0.34	0.55	0.55	0.73
Other 1-4 family residential	1.07	0.19	1.24	1.00	0.75	0.81	0.38	1.55	1.30	1.49
Commercial and industrial loans	0.27	0.89	0.23	0.88	0.27	0.43	0.22	0.99	1.10	0.26
Loans to individuals	1.31	1.49	1.06	1.24	1.13	0.97	0.73	1.76	1.74	1.54
Credit card loans	1.27	1.50	1.04	0.86	0.93	1.07	0.71	0.72	2.30	1.15
Other loans to individuals	1.34	1.33	1.09	1.28	1.15	0.96	0.74	1.84	1.72	1.77
All other loans and leases (including farm)	0.25	0.47	0.40	0.62	0.17	0.26	0.04	0.64	0.46	0.15
Total loans and leases	0.61	1.46	0.66	0.60	0.40	0.69	0.55	1.11	0.94	0.76
Percent of Loans Noncurrent**										
All real estate loans	1.68	0.53	2.38	1.01	0.96	2.85	1.32	1.42	1.21	2.82
Construction and development	0.62	0.00	0.34	0.71	0.63	0.59	3.85	2.02	0.79	0.59
Nonfarm nonresidential	0.65	0.00	0.58	1.01	0.65	0.86	3.48	1.37	1.42	0.56
Multifamily residential real estate	0.15	0.00	0.07	0.33	0.17	0.46	0.74	0.43	0.99	0.12
Home equity loans	2.38	0.86	4.01	0.43	1.25	1.44	1.91	0.54	0.50	3.49
Other 1-4 family residential	2.74	0.58	3.26	0.86	1.59	3.34	1.06	1.53	1.23	4.03
Commercial and industrial loans	1.08	0.85	1.11	1.45	1.14	0.60	0.56	1.03	1.07	0.98
Loans to individuals	0.85	1.36	0.85	0.51	0.72	0.42	0.50	0.83	1.56	0.62
Credit card loans	1.22	1.39	1.07	0.23	0.90	0.93	1.20	0.89	1.07	1.07
Other loans to individuals	0.50	0.65	0.39	0.53	0.70	0.37	0.33	0.83	1.57	0.36
All other loans and leases (including farm)	0.24	0.42	0.16	1.04	0.33	0.22	1.49	0.41	0.51	0.14
Total loans and leases	1.23	1.33	1.31	1.05	0.93	2.61	0.82	1.25	1.18	1.56
Percent of Loans Charged-Off (net, YTD)										
All real estate loans	0.03	0.18	0.04	0.04	0.03	0.02	0.02	0.06	0.05	0.03
Construction and development	-0.05	0.00	0.00	-0.04	-0.05	0.03	-0.24	0.15	-0.02	-0.08
Nonfarm nonresidential	0.03	0.00	-0.01	0.03	0.03	0.06	-0.02	0.08	0.04	0.01
Multifamily residential real estate	0.00	0.00	-0.01	0.10	0.00	0.02	0.00	0.06	0.11	-0.04
Home equity loans	0.17	-0.57	0.26	0.08	0.13	-0.03	0.06	0.03	0.06	0.20
Other 1-4 family residential	0.03	0.21	0.02	0.05	0.05	0.02	0.02	0.03	0.07	0.01
Commercial and industrial loans	0.36	2.82	0.25	0.37	0.41	0.30	0.51	0.15	0.36	0.28
Loans to individuals	2.27	4.03	2.81	0.48	1.02	1.03	1.01	0.47	0.50	1.71
Credit card loans	3.66	4.13	3.33	1.85	3.19	3.89	2.82	1.39	1.00	3.20
Other loans to individuals	0.90	2.01	1.81	0.36	0.71	0.74	0.57	0.39	0.48	0.84
All other loans and leases (including farm)	0.12	0.53	0.03	0.28	0.18	0.08	0.03	0.70	1.13	0.12
Total loans and leases	0.49	3.97	0.58	0.15	0.21	0.05	0.62	0.15	0.19	0.40
Loans Outstanding (in billions)										
All real estate loans	$4,690.8	$0.3	$563.8	$117.8	$2,539.7	$193.0	$58.2	$9.2	$41.0	$1,167.9
Construction and development	324.0	0.0	14.6	6.9	238.3	5.8	0.3	0.7	2.5	54.9
Nonfarm nonresidential	1,365.1	0.0	49.9	32.1	988.4	17.2	4.0	3.1	9.8	260.6
Multifamily residential real estate	398.5	0.0	74.6	3.8	266.1	4.8	0.7	0.2	1.2	47.1
Home equity loans	424.0	0.0	58.7	2.3	204.6	10.8	4.5	0.3	1.6	141.1
Other 1-4 family residential	2,019.9	0.3	318.5	28.8	799.0	153.7	48.4	4.3	22.4	644.6
Commercial and industrial loans	1,982.7	15.3	325.7	22.0	958.9	5.8	9.5	1.7	4.4	639.4
Loans to individuals	1,573.8	385.9	263.5	6.6	324.5	4.7	107.7	1.5	4.6	474.8
Credit card loans	779.7	366.7	176.7	0.6	39.4	0.4	20.7	0.1	0.1	174.9
Other loans to individuals	794.1	19.2	86.8	6.0	285.2	4.3	86.9	1.4	4.5	299.9
All other loans and leases (including farm)	1,213.1	0.8	363.1	44.5	314.2	9.9	12.0	0.7	3.6	464.2
Total loans and leases (plus unearned income)	9,460.4	402.3	1,516.1	191.0	4,137.3	213.4	187.3	13.1	53.6	2,746.4
Memo: Other Real Estate Owned (in millions)										
All other real estate owned	9,628.9	0.2	554.7	336.6	6,256.9	265.1	98.9	73.4	244.7	1,798.4
Construction and development	2,965.0	0.0	3.2	88.0	2,449.9	58.1	9.4	36.9	76.6	242.8
Nonfarm nonresidential	2,605.8	0.0	53.2	109.2	1,959.0	32.1	15.5	19.2	78.4	339.1
Multifamily residential real estate	153.2	0.0	1.1	14.4	117.4	5.4	0.0	0.4	4.4	10.1
1-4 family residential	3,303.6	0.2	371.1	62.7	1,608.7	134.6	54.5	16.3	76.4	979.2
Farmland	154.4	0.0	0.0	62.3	73.6	1.6	0.2	0.4	8.8	7.4
GNMA properties	423.7	0.0	105.0	0.0	48.3	33.3	19.3	0.2	0.1	217.5

* 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, 2017	All Insured Institutions	Asset Size Distribution: Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	$10 Billion to $250 Billion	Greater Than $250 Billion	Geographic Regions*: New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Percent of Loans 30-89 Days Past Due												
All loans secured by real estate	0.63	1.03	0.53	0.29	0.50	0.95	0.45	0.73	0.66	0.93	0.55	0.27
Construction and development	0.32	0.63	0.45	0.33	0.25	0.32	0.35	0.31	0.24	0.42	0.31	0.33
Nonfarm nonresidential	0.23	0.84	0.35	0.19	0.23	0.16	0.28	0.20	0.28	0.19	0.26	0.13
Multifamily residential real estate	0.11	0.38	0.26	0.12	0.13	0.04	0.13	0.04	0.08	0.13	0.17	0.16
Home equity loans	0.63	0.67	0.44	0.38	0.47	0.81	0.44	0.74	0.72	0.70	0.45	0.29
Other 1-4 family residential	1.07	1.42	0.79	0.46	0.85	1.45	0.75	1.21	1.01	1.56	1.13	0.42
Commercial and industrial loans	0.27	1.08	0.60	0.34	0.24	0.25	0.17	0.26	0.28	0.28	0.40	0.33
Loans to individuals	1.31	1.74	1.27	1.27	1.23	1.39	1.07	1.80	0.95	1.24	0.91	1.34
Credit card loans	1.27	4.99	2.03	2.04	1.39	1.08	1.05	1.45	1.03	1.11	0.70	1.89
Other loans to individuals	1.34	1.68	1.22	1.08	1.02	1.67	1.09	2.14	0.92	1.44	1.01	0.92
All other loans and leases (including farm)	0.25	0.65	0.54	0.22	0.18	0.26	0.07	0.14	0.37	0.32	0.20	0.28
Total loans and leases	0.61	0.92	0.48	0.36	0.57	0.74	0.48	0.74	0.56	0.74	0.50	0.51
Percent of Loans Noncurrent**												
All real estate loans	1.68	1.30	0.93	0.79	1.30	2.78	1.30	2.16	1.91	2.32	1.06	0.54
Construction and development	0.62	0.99	1.21	0.59	0.35	0.60	0.71	1.00	0.52	0.42	0.48	0.51
Nonfarm nonresidential	0.65	1.53	0.85	0.63	0.63	0.55	0.79	0.63	0.76	0.57	0.63	0.47
Multifamily residential real estate	0.15	0.91	0.43	0.20	0.09	0.11	0.15	0.16	0.16	0.16	0.27	0.08
Home equity loans	2.38	0.58	0.59	0.63	1.32	3.72	2.27	3.02	2.28	2.73	1.11	0.58
Other 1-4 family residential	2.74	1.33	1.01	1.22	2.25	3.95	2.06	3.32	2.88	3.79	2.06	0.65
Commercial and industrial loans	1.08	1.62	1.20	1.38	1.18	0.93	1.09	0.96	0.86	1.24	1.62	1.13
Loans to individuals	0.85	0.82	0.73	0.72	1.00	0.72	0.92	0.99	0.53	0.84	0.82	0.87
Credit card loans	1.22	2.59	1.45	1.70	1.34	1.05	1.10	1.28	1.02	1.10	1.21	1.67
Other loans to individuals	0.50	0.79	0.69	0.47	0.58	0.42	0.64	0.70	0.33	0.44	0.65	0.26
All other loans and leases (including farm)	0.24	1.05	0.81	0.71	0.29	0.14	0.26	0.14	0.17	0.32	0.35	0.41
Total loans and leases	1.23	1.27	0.94	0.87	1.10	1.50	1.08	1.40	1.25	1.50	1.09	0.72
Percent of Loans Charged-Off (net, YTD)												
All real estate loans	0.03	0.04	0.03	0.03	0.04	0.03	0.06	0.05	0.03	0.01	0.02	-0.01
Construction and development	-0.05	0.07	-0.01	-0.03	-0.07	-0.08	-0.03	-0.02	-0.05	-0.10	0.00	-0.15
Nonfarm nonresidential	0.03	-0.02	0.03	0.02	0.06	-0.02	0.06	0.03	0.02	-0.01	0.03	0.01
Multifamily residential real estate	0.00	0.01	0.02	0.01	-0.01	-0.02	0.00	0.01	-0.02	0.00	-0.01	-0.01
Home equity loans	0.17	0.02	0.06	0.08	0.13	0.22	0.17	0.24	0.17	0.16	0.02	0.00
Other 1-4 family residential	0.03	0.08	0.04	0.04	0.05	0.01	0.07	0.03	0.03	0.01	0.02	0.00
Commercial and industrial loans	0.36	0.39	0.31	0.34	0.50	0.26	0.41	0.38	0.24	0.28	0.46	0.54
Loans to individuals	2.27	0.89	0.87	1.85	2.53	2.11	2.31	2.35	1.76	2.49	1.51	2.43
Credit card loans	3.66	17.65	6.13	4.89	3.92	3.24	3.18	4.01	3.41	3.40	2.79	4.69
Other loans to individuals	0.90	0.58	0.50	0.86	0.71	1.10	0.86	0.73	1.15	1.18	0.92	0.59
All other loans and leases (including farm)	0.12	0.26	0.31	0.26	0.12	0.09	0.11	0.13	0.12	0.09	0.30	0.10
Total loans and leases	0.49	0.17	0.12	0.21	0.71	0.46	0.56	0.58	0.29	0.49	0.27	0.66
Loans Outstanding (in billions)												
All real estate loans	$4,690.8	$35.4	$608.1	$892.6	$1,482.5	$1,672.1	$952.1	$922.8	$975.7	$878.5	$428.1	$533.7
Construction and development	324.0	2.0	55.9	84.6	110.3	71.3	58.6	59.8	55.1	50.8	65.4	34.3
Nonfarm nonresidential	1,365.1	8.8	231.5	368.5	463.5	292.8	309.5	275.7	211.9	194.2	178.1	195.7
Multifamily residential real estate	398.5	1.0	32.7	94.1	149.9	120.8	142.5	45.0	104.7	34.7	18.5	53.1
Home equity loans	424.0	0.9	24.5	46.4	143.1	209.1	82.0	108.4	105.3	79.1	20.5	28.7
Other 1-4 family residential	2,019.9	16.0	214.0	277.0	600.1	912.8	355.1	421.4	475.7	428.9	128.5	210.4
Commercial and industrial loans	1,982.7	6.0	99.6	192.6	725.6	958.9	301.2	484.9	432.4	405.0	133.3	226.1
Loans to individuals	1,573.8	3.4	31.4	78.0	737.4	723.6	341.4	390.9	217.7	321.6	63.5	238.7
Credit card loans	779.7	0.1	1.9	15.7	415.5	346.5	212.4	191.4	60.4	192.5	19.7	103.3
Other loans to individuals	794.1	3.4	29.5	62.2	321.9	377.2	129.0	199.5	157.2	129.1	43.8	135.4
All other loans and leases (including farm)	1,213.1	7.1	50.1	63.8	344.3	747.8	187.5	259.3	288.2	340.2	51.9	85.9
Total loans and leases (plus unearned income)	9,460.4	51.9	789.3	1,227.1	3,289.8	4,102.4	1,782.1	2,057.8	1,914.0	1,945.3	676.8	1,084.4
Memo: Other Real Estate Owned (in millions)												
All other real estate owned	9,628.9	263.4	2,935.8	2,198.3	2,139.2	2,092.2	1,721.5	2,213.9	1,791.5	1,736.3	1,518.6	647.2
Construction and development	2,965.0	67.4	1,336.4	865.8	424.2	271.2	298.5	813.0	387.8	593.1	645.7	226.9
Nonfarm nonresidential	2,605.8	83.3	936.6	696.2	579.3	310.5	456.3	517.8	486.5	410.8	527.4	207.1
Multifamily residential real estate	153.2	10.7	60.9	37.7	19.6	24.3	39.9	31.9	19.6	32.9	18.6	10.4
1-4 family residential	3,303.6	80.9	518.3	528.4	993.0	1,183.1	837.3	790.6	738.6	486.7	276.8	173.5
Farmland	154.4	21.0	83.0	43.0	4.7	2.7	8.7	28.3	24.3	40.6	42.0	10.5
GNMA properties	423.7	0.2	0.6	27.2	118.3	277.5	80.8	32.3	134.7	149.2	8.2	18.6

*** 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 2017	1st Quarter 2017	4th Quarter 2016	3rd Quarter 2016	2nd Quarter 2016	% Change 16Q2-17Q2	Asset Size Distribution: Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	$10 Billion to $250 Billion	Greater Than $250 Billion
ALL DERIVATIVE HOLDERS											
Number of institutions reporting derivatives	1,422	1,418	1,426	1,441	1,446	-1.7	54	832	424	103	9
Total assets of institutions reporting derivatives	$15,449,008	$15,362,205	$15,183,854	$15,189,010	$15,033,255	2.8	$4,000	$356,503	$1,317,982	$5,131,935	$8,638,588
Total deposits of institutions reporting derivatives	11,789,663	11,768,685	11,589,438	11,513,889	11,313,864	4.2	3,362	294,422	1,047,876	3,912,518	6,531,486
Total derivatives	187,860,657	180,503,814	166,795,927	179,902,250	192,350,483	-2.3	235	22,763	129,604	50,728,682	136,979,373
Derivative Contracts by Underlying Risk Exposure											
Interest rate	139,826,463	132,697,634	124,479,973	132,992,944	143,794,696	-2.8	223	22,486	124,446	43,185,764	96,493,545
Foreign exchange*	38,856,459	38,313,393	33,277,647	36,299,774	37,701,788	3.1	0	1	3,964	7,013,717	31,838,777
Equity	2,908,473	2,839,056	2,487,763	2,734,807	2,672,364	8.8	0	0	153	145,796	2,762,524
Commodity & other (excluding credit derivatives)	1,334,384	1,349,981	1,257,180	1,312,260	1,328,302	0.5	0	0	42	89,647	1,244,695
Credit	4,934,591	5,303,594	5,293,365	6,562,465	6,853,333	-28.0	0	1	999	293,758	4,639,833
Total	187,851,359	180,495,622	166,795,927	179,902,250	192,350,483	-2.3	41	13,703	129,560	50,728,682	136,979,373
Derivative Contracts by Transaction Type											
Swaps	103,004,206	99,182,539	96,383,751	103,013,911	111,900,682	-8.0	20	6,192	85,882	26,691,266	76,220,846
Futures & forwards	39,841,399	39,857,885	34,192,708	36,958,352	38,790,403	2.7	14	3,911	22,841	8,523,199	31,291,435
Purchased options	19,127,394	16,947,409	14,799,704	15,466,148	16,277,239	17.5	0	300	4,361	7,672,093	11,450,641
Written options	18,608,685	17,051,321	14,586,169	15,459,962	16,012,000	16.2	7	3,299	15,225	7,292,737	11,297,416
Total	180,581,683	173,039,153	159,962,332	170,898,372	182,980,323	-1.3	41	13,702	128,309	50,179,295	130,260,338
Fair Value of Derivative Contracts											
Interest rate contracts	68,961	65,739	62,629	77,294	75,053	-8.1	0	84	269	34,430	34,178
Foreign exchange contracts	-430	1,613	10,779	13,372	11,369	N/M	0	0	-11	2,737	-3,156
Equity contracts	-4,898	-4,921	-2,181	1,643	6,637	N/M	0	0	0	-79	-4,820
Commodity & other (excluding credit derivatives)	-1,300	118	622	-2,185	-3,151	N/M	0	0	0	133	-1,434
Credit derivatives as guarantor**	31,164	24,958	16,617	17,871	1,037	2,905.2	0	-1	-2	515	30,651
Credit derivatives as beneficiary**	-31,788	-24,932	-15,028	-17,575	-167	N/M	0	0	-30	-379	-31,379
Derivative Contracts by Maturity* **											
Interest rate contracts < 1 year	65,970,653	61,926,351	55,052,886	58,874,863	66,424,468	-0.7	40	6,345	21,430	13,940,031	52,002,807
1-5 years	48,373,545	46,450,819	43,262,490	45,382,723	47,001,897	2.9	25	2,007	33,667	13,049,068	35,288,779
> 5 years	29,634,389	29,973,269	29,761,959	32,522,164	33,930,510	-12.7	23	6,193	49,836	9,234,585	20,343,752
Foreign exchange and gold contracts < 1 year	27,411,021	27,320,407	23,910,532	25,797,765	26,622,784	3.0	0	0	2,440	4,757,185	22,651,396
1-5 years	4,813,394	4,772,294	4,453,265	4,096,173	4,112,254	17.1	0	0	716	876,742	3,935,936
> 5 years	2,496,193	2,429,269	2,420,119	1,901,381	2,150,431	16.1	0	0	32	650,346	1,845,815
Equity contracts < 1 year	2,236,472	2,202,638	1,847,254	1,954,392	1,907,096	17.3	0	0	16	36,283	2,200,173
1-5 years	720,365	762,751	680,105	821,844	709,947	1.5	0	0	60	42,986	677,319
> 5 years	126,774	84,970	122,956	129,226	134,063	-5.4	0	0	0	8,197	118,577
Commodity & other contracts (including credit derivatives, excluding gold contracts) < 1 year	2,544,432	2,722,501	2,681,842	2,826,215	3,032,137	-16.1	0	0	64	79,222	2,465,145
1-5 years	3,069,752	3,054,143	3,198,687	4,009,130	4,354,280	-29.5	0	5	170	163,234	2,906,343
> 5 years	311,157	487,184	339,228	540,260	368,331	-15.5	0	16	259	31,214	279,668
Risk-Based Capital: Credit Equivalent Amount											
Total current exposure to tier 1 capital (%)	26.1	25.7	29.2	35.2	37.2		0.0	0.4	0.6	16.4	38.7
Total potential future exposure to tier 1 capital (%)	45.4	46.7	44.0	41.0	43.5		0.1	0.3	0.8	22.1	72.0
Total exposure (credit equivalent amount) to tier 1 capital (%)	71.5	72.3	73.2	76.2	80.7		0.1	0.7	1.4	38.5	110.7
Credit losses on derivatives** **	9.9	1.2	30.3	38.1	31.9	-69.0		0.0	-0.1	-1.5	11.6
HELD FOR TRADING											
Number of institutions reporting derivatives	205	201	260	251	257	-20.2	3	43	94	57	8
Total assets of institutions reporting derivatives	12,225,102	12,124,327	12,093,915	12,138,739	11,985,163	2.0	231	20,212	340,621	3,493,635	8,370,403
Total deposits of institutions reporting derivatives	9,306,449	9,265,757	9,222,603	9,188,820	8,976,508	3.7	208	16,844	270,606	2,714,356	6,304,435
Derivative Contracts by Underlying Risk Exposure											
Interest rate	137,316,184	130,188,927	121,957,324	130,490,614	141,316,485	-2.8	7	616	36,110	42,641,302	94,638,149
Foreign exchange	36,002,239	35,648,745	31,228,297	33,353,870	34,671,042	3.8	0	0	3,269	6,717,688	29,281,283
Equity	2,893,124	2,823,564	2,472,551	2,718,187	2,656,373	8.9	0	0	0	133,874	2,759,250
Commodity & other	1,306,894	1,321,931	1,255,198	1,310,469	1,326,621	-1.5	0	0	29	63,185	1,243,681
Total	177,518,442	169,983,168	156,913,371	167,873,141	179,970,521	-1.4	7	616	39,408	49,556,048	127,922,362
Trading Revenues: Cash & Derivative Instruments											
Interest rate**	3,406	3,906	-1,376	2,962	1,906	78.7	0	0	29	1,085	2,292
Foreign exchange**	685	1,684	5,941	2,294	3,736	-81.7	0	0	5	-1,175	1,855
Equity**	1,122	922	574	728	972	15.4	0	0	5	-15	1,131
Commodity & other (including credit derivatives)**	1,502	546	844	437	420	257.6	0	0	0	1,156	346
Total trading revenues**	6,714	7,059	5,984	6,421	7,034	-4.5	0	0	40	1,051	5,624
Share of Revenue											
Trading revenues to gross revenues (%)**	4.9	5.4	4.6	4.9	5.5		0.0	0.0	1.0	2.8	5.9
Trading revenues to net operating revenues (%)**	20.6	24.0	19.9	20.7	24.7		0.0	0.0	4.8	11.9	24.6
HELD FOR PURPOSES OTHER THAN TRADING											
Number of institutions reporting derivatives	819	829	1,297	1,320	1,325	-38.2	10	311	390	99	9
Total assets of institutions reporting derivatives	15,018,603	14,906,713	14,886,866	14,893,528	14,754,771	1.8	759	148,637	1,223,135	5,007,484	8,638,588
Total deposits of institutions reporting derivatives	11,438,107	11,393,987	11,348,587	11,271,425	11,087,225	3.2	639	122,899	971,555	3,811,529	6,531,486
Derivative Contracts by Underlying Risk Exposure											
Interest rate	2,501,268	2,500,672	2,522,648	2,502,329	2,478,211	0.9	33	13,085	88,292	544,462	1,855,396
Foreign exchange	519,135	511,772	509,119	504,491	513,919	1.0	0	0	442	40,400	478,292
Equity	15,349	15,492	15,211	16,620	15,991	-4.0	0	0	153	11,923	3,274
Commodity & other	27,490	28,049	1,982	1,791	1,681	1,535.3	0	0	14	26,462	1,014
Total notional amount	3,063,241	3,055,985	3,048,961	3,025,231	3,009,802	1.8	33	13,086	88,901	623,246	2,337,976

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

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

** Does not include banks filing the FFIEC 051 report form, which was introduced in first quarter 2017.

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

**** The reporting of credit losses on derivatives is applicable to all banks filing the FFIEC 031 report form and banks filing the FFIEC 041 report form that have $300 million or more in total assets, but is not applicable to banks filing the FFIEC 051 form.

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

(dollar figures in millions)	2nd Quarter 2017	1st Quarter 2017	4th Quarter 2016	3rd Quarter 2016	2nd Quarter 2016	% Change 16Q2-17Q2	Asset Size Distribution: Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	$10 Billion to $250 Billion	Greater Than $250 Billion
Assets Securitized and Sold with Servicing Retained or with Recourse or Other Seller-Provided Credit Enhancements											
Number of institutions reporting securitization activities	68	66	75	74	74	-8.1	0	8	19	34	7
Outstanding Principal Balance by Asset Type											
1-4 family residential loans	$621,278	$634,357	$643,700	$668,378	$687,192	-9.6	$0	$1,838	$12,700	$88,498	$518,242
Home equity loans	22	24	25	27	29	-24.1	0	0	0	22	0
Credit card receivables	17,306	16,406	12,879	13,491	13,485	28.3	0	1	0	17,261	44
Auto loans	11,566	12,158	11,543	11,024	8,935	29.4	0	0	1,957	9,609	0
Other consumer loans	3,778	3,955	4,576	4,732	4,907	-23.0	0	0	0	2,163	1,615
Commercial and industrial loans	309	312	276	161	164	88.4	0	0	0	0	309
All other loans, leases, and other assets	54,375	56,771	64,170	64,843	70,678	-23.1	0	0	8,460	1,507	44,408
Total securitized and sold	708,634	723,984	737,169	762,656	785,391	-9.8	0	1,839	23,117	119,060	564,618
Maximum Credit Exposure by Asset Type											
1-4 family residential loans	1,750	1,906	2,056	2,114	2,080	-15.9	0	7	0	1,244	499
Home equity loans	0	0	0	0	0	0.0	0	0	0	0	0
Credit card receivables	1,508	1,443	1,162	1,209	1,207	24.9	0	1	0	1,506	0
Auto loans	183	125	428	436	0	0.0	0	0	18	165	0
Other consumer loans	96	100	97	96	91	5.5	0	0	0	0	96
Commercial and industrial loans	0	0	0	0	0	0.0	0	0	0	0	0
All other loans, leases, and other assets	874	875	1,142	838	971	-10.0	0	0	51	0	823
Total credit exposure	4,410	4,448	4,884	4,693	4,349	1.4	0	8	69	2,915	1,418
Total unused liquidity commitments provided to institution's own securitizations	172	142	175	140	138	24.6	0	0	0	18	154
Securitized Loans, Leases, and Other Assets 30-89 Days Past Due (%)											
1-4 family residential loans	3.4	3.0	4.1	3.7	3.6		0.0	1.5	1.5	2.8	3.5
Home equity loans	8.2	5.6	6.9	5.5	8.6		0.0	0.0	0.0	8.2	0.0
Credit card receivables	0.4	0.4	0.4	0.4	0.3		0.0	1.7	0.0	0.4	2.3
Auto loans	1.4	1.2	1.7	1.5	1.3		0.0	0.0	2.9	1.1	0.0
Other consumer loans	4.1	4.0	4.6	4.4	3.8		0.0	0.0	0.0	2.1	6.7
Commercial and industrial loans	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0
All other loans, leases, and other assets	1.3	0.9	0.7	0.4	0.4		0.0	0.0	0.2	0.0	1.5
Total loans, leases, and other assets	3.1	2.7	3.7	3.3	3.3		0.0	1.5	1.1	2.3	3.4
Securitized Loans, Leases, and Other Assets 90 Days or More Past Due (%)											
1-4 family residential loans	1.3	1.4	1.4	1.5	1.6		0.0	0.8	0.6	1.0	1.4
Home equity loans	47.4	47.8	47.1	47.4	45.5		0.0	0.0	0.0	47.4	0.0
Credit card receivables	0.3	0.3	0.3	0.3	0.3		0.0	0.0	0.0	0.3	0.0
Auto loans	0.3	0.3	0.3	0.3	0.2		0.0	0.0	0.5	0.2	0.0
Other consumer loans	4.0	4.1	4.2	3.8	3.6		0.0	0.0	0.0	0.9	8.1
Commercial and industrial loans	0.0	0.0	0.0	0.0	0.1		0.0	0.0	0.0	0.0	0.0
All other loans, leases, and other assets	1.4	1.6	1.3	1.5	1.3		0.0	0.0	0.1	0.0	1.7
Total loans, leases, and other assets	1.3	1.4	1.4	1.4	1.5		0.0	0.8	0.4	0.9	1.4
Securitized Loans, Leases, and Other Assets Charged-off (net, YTD, annualized, %)											
1-4 family residential loans	0.1	0.1	0.3	0.2	0.2		0.0	0.0	0.0	0.0	0.1
Home equity loans	5.9	2.6	6.9	3.6	2.2		0.0	0.0	0.0	5.9	0.0
Credit card receivables	0.8	0.4	4.2	3.7	3.4		0.0	0.0	0.0	0.8	2.3
Auto loans	0.5	0.2	0.7	0.5	0.3		0.0	0.0	1.1	0.4	0.0
Other consumer loans	0.6	0.4	1.0	0.7	0.5		0.0	0.0	0.0	0.4	0.9
Commercial and industrial loans	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0
All other loans, leases, and other assets	0.7	0.5	0.4	0.3	0.3		0.0	0.0	0.0	0.0	0.9
Total loans, leases, and other assets	0.2	0.1	0.4	0.3	0.2		0.0	0.0	0.1	0.1	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	0
Credit card receivables	7,260	8,080	13,335	11,355	11,954	-39.3	0	0	0	7,260	0
Commercial and industrial loans	334	365	327	216	219	52.5	0	0	0	0	334
Seller's Interests in Institution's Own Securitizations – Carried as Securities											
Home equity loans	0	0	0	0	0	0.0	0	0	0	0	0
Credit card receivables	0	0	0	0	0	0.0	0	0	0	0	0
Commercial and industrial loans	0	0	0	0	0	0.0	0	0	0	0	0
Assets Sold with Recourse and Not Securitized											
Number of institutions reporting asset sales	546	577	1,066	1,079	1,089	-49.9	20	273	193	52	8
Outstanding Principal Balance by Asset Type											
1-4 family residential loans	26,063	25,903	38,320	37,792	36,609	-28.8	195	6,848	9,308	5,049	4,663
Home equity, credit card receivables, auto, and other consumer loans	543	564	580	626	634	-14.4	0	1	28	21	493
Commercial and industrial loans	188	230	364	339	340	-44.7	0	13	45	111	19
All other loans, leases, and other assets	95,098	93,140	89,265	84,258	80,687	17.9	0	18	143	29,651	65,286
Total sold and not securitized	121,892	119,837	128,528	123,015	118,270	3.1	195	6,881	9,524	34,831	70,461
Maximum Credit Exposure by Asset Type											
1-4 family residential loans	7,796	7,628	10,885	11,033	10,863	-28.2	11	737	3,379	2,287	1,382
Home equity, credit card receivables, auto, and other consumer loans	152	153	147	148	134	13.4	0	1	27	2	122
Commercial and industrial loans	133	175	308	183	186	-28.5	0	13	9	111	0
All other loans, leases, and other assets	26,299	25,918	25,036	23,286	22,193	18.5	0	18	39	8,539	17,703
Total credit exposure	34,380	33,875	36,375	34,651	33,376	3.0	11	770	3,454	10,939	19,206
Support for Securitization Facilities Sponsored by Other Institutions											
Number of institutions reporting securitization facilities sponsored by others	57	64	104	104	109	-47.7	1	19	19	12	6
Total credit exposure	35,012	35,130	35,264	40,190	42,341	-17.3	0	38	115	2,356	32,503
Total unused liquidity commitments		1,118	1,131	1,411	2,853	-65.6	0	13	0	339	630
Other											
Assets serviced for others**	5,944,712	5,923,540	5,981,964	5,962,395	5,996,359	-0.9	4,469	230,802	312,170	1,305,375	4,091,895
Asset-backed commercial paper conduits	28,342	25,784	21,832	24,417	24,287	16.7	0	0	5	1,886	26,451
Credit exposure to conduits sponsored by institutions and others	16,698	17,521	21,720	23,084	21,665	-22.9	0	0	0	0	16,698
Unused liquidity commitments to conduits sponsored by institutions and others	28,342	25,784	21,832	24,417	24,287	16.7	0	0	5	1,886	26,451
Net servicing income (for the quarter)	2,165	2,827	4,997	2,594	1,116	94.0	8	276	168	891	821
Net securitization income (for the quarter)	470	365	228	287	181	159.7	0	4	5	378	83
Total credit exposure to Tier 1 capital (%)***	4.6	4.7	4.9	5.1	5.2		0.1	0.6	2.0	2.9	7.2

* Does not include banks filing the FFIEC 051 report form, which was introduced in first quarter 2017.
** The amount of financial assets serviced for others, other than closed-end 1-4 family residential mortgages, is reported when these assets are greater than $10 million.
*** Total credit exposure includes the sum of the three line items titled "Total credit exposure" reported above.

COMMUNITY BANK PERFORMANCE

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

Net Income Rises 8.5 Percent to $5.7 Billion From the Year-Earlier Quarter

Net Interest Income Drives Increase in Net Operating Revenue

Net Interest Margin of 3.61 Percent Is Higher Than the Previous Year

Total Loan and Lease Balances Expand 7.8 Percent During the Year

Noncurrent Rate Improves Despite Uptick in Net Charge-Off Rate

Net Income Increases at Almost Two-Thirds (62 Percent) of Community Banks

Aggregate net income for the 5,338 community banks totaled $5.7 billion during the second quarter, an increase of $444.5 million (8.5 percent) over the past 12 months. Higher net interest income lifted second-quarter net income, but was partly offset by lower noninterest income and higher loan-loss provisions and noninterest expense. Almost two-thirds (62 percent) of community banks registered a year-over-year increase in net income. Only 4.3 percent of community banks reported negative net income, the lowest level since second quarter 2007. The pretax return on assets was 1.36 percent in the second quarter, up 3 basis points from the previous quarter and 2 basis points from second quarter 2016. Three community banks failed during this period.

Net Interest Income Rises Close to 9 Percent From Second Quarter 2016

Net interest income increased $1.5 billion (8.9 percent) from the year before to $18.4 billion. Almost 80 percent of community banks reported year-over-year increases in net interest income. The annual increase was led by interest earned on non 1-to-4 family real estate loans (up $920.6 million, or 12 percent).[1] The average net interest margin (NIM) rose by 3 basis points from the previous year to 3.61 percent, as average asset yields increased more rapidly than average funding costs. NIM at community banks was 44 basis points above that of noncommunity banks in the quarter, but the spread narrowed 13 basis points from a year earlier.

[1] Non 1-to-4 family real estate loans include construction and development, farmland, multifamily, and nonfarm nonresidential loans.

Chart 1

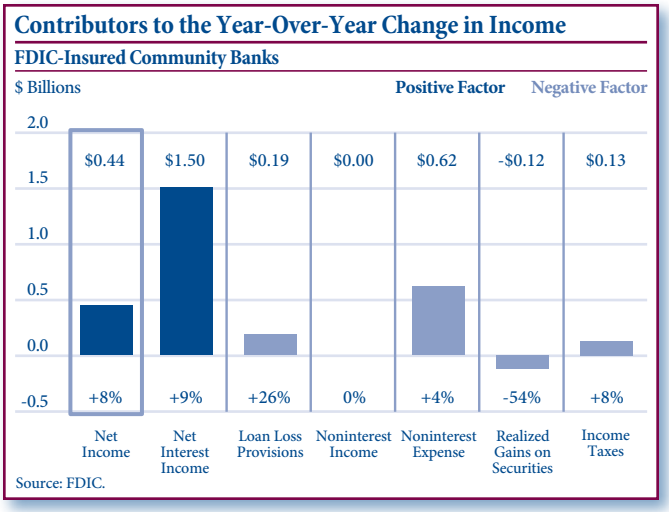
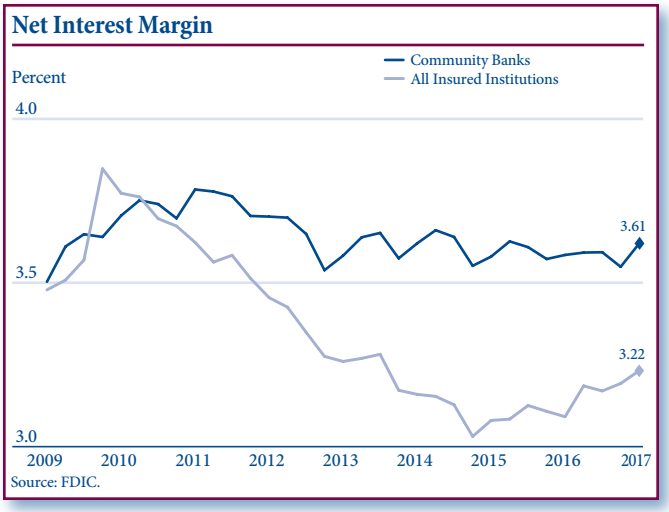


Chart 2



Noninterest Income Remains Flat During the Year

Noninterest income for community banks fell by $2.3 million (0.05 percent) from the year before, while noncommunity banks reported an increase of $1 billion (1.6 percent). Less than a majority (45 percent) of community banks reported lower noninterest income from the previous year. The decline in noninterest income was led by losses on loan sales (down $111.9 million, or 9.6 percent) and losses on sale of other assets (down $50.3 million, or 82.4 percent). Noninterest income as a percent of net operating revenue declined from 22.5 percent in second quarter 2016 to 20.8 percent.

Noninterest Expense Increases From the Year Before

Noninterest expense of $15 billion was $616.2 million (4.3 percent) higher from a year earlier, as salary and employee benefits increased by $462.4 million (5.7 percent). Nearly two out of every three (66 percent) community banks reported higher noninterest expense. Full-time employees at community banks increased by 9,315 (2.2 percent) from the year-ago quarter to 425,211. The average asset per employee increased to $5.2 million, compared with $4.9 million in second quarter 2016.

Loan Growth Rate at Community Banks Outpaces the Rate at Noncommunity Banks

Community banks reported $1.5 trillion in loan balances in the second quarter, an increase of $41 billion (2.7 percent) from the previous quarter. With 78 percent of community banks increasing their quarterly loan balances, the quarterly growth rate at community banks exceeded that of noncommunity banks (1.5 percent). The quarter-over-quarter increase in loan balances at community banks was led by nonfarm nonresidential loans (up $12.1 billion, or 2.7 percent), 1-to-4 family residential mortgages (up $8 billion, or 2 percent), and commercial and industrial loans (up $6.2 billion, or 3.1 percent). Loan balances increased by $111 billion (7.8 percent) over the past 12 months, surpassing the 3 percent growth rate at noncommunity banks. More than two-thirds (68 percent) of the yearly increase in loan balances at community banks was attributable to nonfarm nonresidential loans (up $44.1 billion, or 10.8 percent), 1-to-4 family residential mortgages (up $16.7 billion, or 4.4 percent), and commercial and industrial loans (up $14.7 billion, or 7.7 percent). Unused loan commitments increased by $23.3 billion (8.7 percent) from the year before, while unused commercial real estate loan commitments—including construction and development—rose by $9.5 billion (12.2 percent).

Chart 3

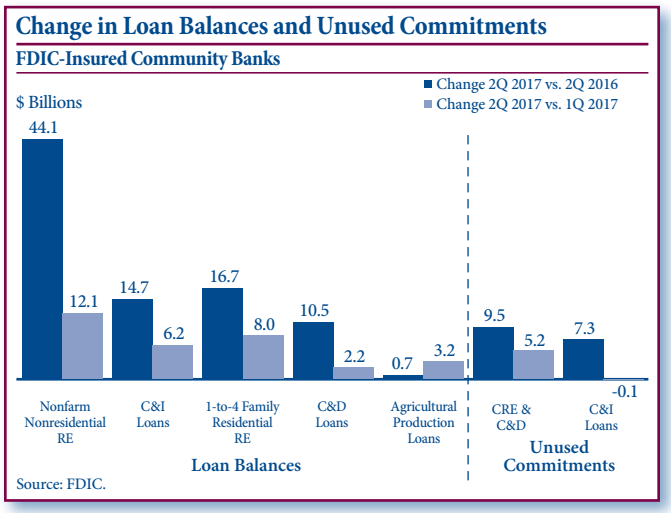
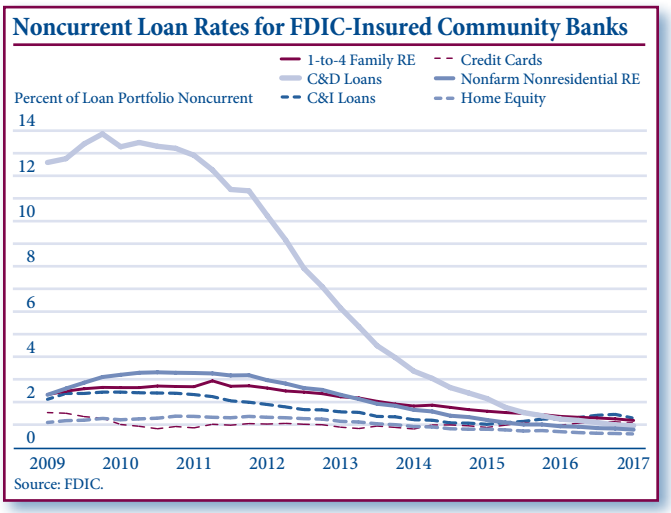


Chart 4



Community Banks Increase Small Loans to Businesses

In second quarter 2017, small loans to businesses at community banks totaled $296.9 billion, up from $289 billion in the previous year.[2] However, noncommunity banks reported an annual decline of $1.1 billion (0.3 percent). The 12-month increase at community banks was attributable to nonfarm nonresidential loans (up $3.8 billion, or 2.7 percent) and commercial and industrial loans (up $3 billion, or 3.4 percent). Community banks continue to hold 43 percent of all small loans to businesses.

Noncurrent Rate Improves Modestly From First Quarter 2017

With more than half (52 percent) of community banks reducing their noncurrent loan balances from the previous quarter, the noncurrent rate fell by 6 basis points to 0.94 percent, the lowest level since second quarter 2007. The noncurrent rate for community banks was 35 basis points below the 1.29 percent for noncommunity banks. All major loan categories among community banks improved their noncurrent rate from the previous quarter. After increasing for seven consecutive quarters, the noncurrent rate for commercial and industrial loans declined by 18 basis points from first quarter 2017.

Net Charge-Off Rate Increases From the Year Before

The net charge-off rate for community banks increased from 0.13 percent in second quarter 2016 to 0.19 percent, while for noncommunity banks the increase was smaller, up 3 basis points to 0.54 percent. Among community banks, all major loan categories had mixed year-over-year results. The net charge-off rate increased for nonfarm nonresidential loans (up 2 basis points) and commercial and industrial loans (up 41 basis points), and was the highest level since fourth quarter 2012. The rise in commercial and industrial loan net charge-offs was primarily the result of the write-down of taxi medallion loans at one large community bank. The net charge-off rate declined for 1-to-4 family residential mortgages (down 3 basis points). Construction and development loans had a negative net charge-off rate for the quarter (0.03 percent) as recoveries exceeded charge-offs.

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[2] Small loans to businesses consist of commercial and industrial loans with original amounts of $1 million or less, loans secured by nonfarm nonresidential real estate with original amounts of $1 million or less, real estate loans secured by farmland with original amounts of $500,000 or less, and agricultural production loans with original amounts of $500,000 or less.

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

	2017*	2016*	2016	2015	2014	2013	2012
Return on assets (%)	1.03	1.00	0.99	0.99	0.93	0.90	0.83
Return on equity (%)	9.23	8.92	8.81	8.85	8.45	8.27	7.68
Core capital (leverage) ratio (%)	10.82	10.69	10.69	10.67	10.57	10.43	10.18
Noncurrent assets plus other real estate owned to assets (%)	0.86	1.01	0.94	1.07	1.34	1.73	2.27
Net charge-offs to loans (%)	0.14	0.11	0.15	0.15	0.21	0.32	0.58
Asset growth rate (%)	2.78	2.94	2.97	2.71	2.21	0.39	2.25
Net interest margin (%)	3.58	3.57	3.57	3.57	3.61	3.59	3.67
Net operating income growth (%)	7.38	3.68	2.51	9.55	4.81	14.64	56.17
Number of institutions reporting	5,338	5,602	5,461	5,735	6,037	6,307	6,542
Percentage of unprofitable institutions (%)	4.22	4.59	4.61	5.00	6.44	8.40	11.14

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

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

(dollar figures in millions)	2nd Quarter 2017	1st Quarter 2017	2nd Quarter 2016	%Change 16Q2-17Q2
Number of institutions reporting	5,338	5,401	5,602	-4.7
Total employees (full-time equivalent)	425,211	428,825	436,815	-2.7
CONDITION DATA				
Total assets	$2,206,085	$2,215,289	$2,146,407	2.8
Loans secured by real estate	1,185,656	1,179,778	1,125,990	5.3
1-4 Family residential mortgages	396,626	394,860	382,059	3.8
Nonfarm nonresidential	453,481	451,642	430,748	5.3
Construction and development	102,423	102,463	97,586	5.0
Home equity lines	49,594	50,023	50,658	-2.1
Commercial & industrial loans	206,239	203,798	201,623	2.3
Loans to individuals	60,779	60,627	60,813	-0.1
Credit cards	1,988	2,110	2,119	-6.2
Farm loans	51,396	48,370	51,268	0.2
Other loans & leases	40,266	38,204	39,392	2.2
Less: Unearned income	695	665	633	9.8
Total loans & leases	1,543,641	1,530,112	1,478,454	4.4
Less: Reserve for losses	18,329	18,841	18,587	-1.4
Net loans and leases	1,525,311	1,511,271	1,459,867	4.5
Securities	423,937	432,396	427,803	-0.9
Other real estate owned	4,450	4,784	5,842	-23.8
Goodwill and other intangibles	14,428	14,719	14,279	1.0
All other assets	237,958	252,119	238,616	-0.3
Total liabilities and capital	2,206,085	2,215,289	2,146,407	2.8
Deposits	1,802,215	1,823,144	1,752,767	2.8
Domestic office deposits	1,801,449	1,822,693	1,752,358	2.8
Foreign office deposits	766	451	409	87.2
Brokered deposits	86,788	84,675	75,309	15.2
Estimated insured deposits	1,338,364	1,353,718	1,318,653	1.5
Other borrowed funds	139,051	129,364	132,253	5.1
Subordinated debt	759	767	831	-8.7
All other liabilities	15,853	16,286	17,264	-8.2
Total equity capital (includes minority interests)	248,207	245,728	243,292	2.0
Bank equity capital	248,080	245,603	243,191	2.0
Loans and leases 30-89 days past due	6,594	8,064	7,887	-16.4
Noncurrent loans and leases	14,448	15,276	15,668	-7.8
Restructured loans and leases	7,474	7,819	8,802	-15.1
Mortgage-backed securities	181,013	186,595	183,319	-1.3
Earning assets	2,056,178	2,064,412	1,995,848	3.0
FHLB Advances	112,682	102,227	103,873	8.5
Unused loan commitments	290,441	292,424	281,134	3.3
Trust assets	259,882	262,935	261,048	-0.4
Assets securitized and sold	21,606	21,403	16,570	30.4
Notional amount of derivatives	70,034	64,259	70,954	-1.3

INCOME DATA	First Half 2017	First Half 2016	%Change	2nd Quarter 2017	2nd Quarter 2016	%Change 16Q2-17Q2
Total interest income	$41,139	$39,524	4.1	$20,998	$19,986	5.1
Total interest expense	4,952	4,508	9.8	2,576	2,285	12.7
Net interest income	36,187	35,016	3.3	18,422	17,701	4.1
Provision for loan and lease losses	1,544	1,384	11.5	896	742	20.8
Total noninterest income	9,513	9,786	-2.8	4,845	5,141	-5.8
Total noninterest expense	29,768	30,020	-0.8	15,033	15,214	-1.2
Securities gains (losses)	227	416	-45.3	102	240	-57.5
Applicable income taxes	3,440	3,237	6.3	1,742	1,686	3.3
Extraordinary gains, net*	-1	2	N/M	-7	0	N/M
Total net income (includes minority interests)	11,175	10,579	5.6	5,691	5,438	4.7
Bank net income	11,163	10,568	5.6	5,684	5,432	4.6
Net charge-offs	1,087	825	31.8	709	471	50.6
Cash dividends	5,051	5,104	-1.0	2,491	2,587	-3.7
Retained earnings	6,112	5,464	11.9	3,193	2,845	12.2
Net operating income	11,006	10,249	7.4	5,615	5,251	6.9

* See Notes to Users for explanation.

N/M - Not Meaningful

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

(dollar figures in millions)	2nd Quarter 2017	1st Quarter 2017	2nd Quarter 2016	%Change 16Q2-17Q2
Number of institutions reporting	5,338	5,338	5,337	0.0
Total employees (full-time equivalent)	425,211	420,810	415,896	2.2
CONDITION DATA				
Total assets	$2,206,085	$2,177,383	$2,079,998	6.1
Loans secured by real estate	1,185,656	1,158,115	1,094,946	8.3
1-4 Family residential mortgages	396,626	388,661	379,906	4.4
Nonfarm nonresidential	453,481	441,405	409,331	10.8
Construction and development	102,423	100,210	91,961	11.4
Home equity lines	49,594	48,832	47,895	3.5
Commercial & industrial loans	206,239	200,012	191,555	7.7
Loans to individuals	60,779	59,437	57,695	5.3
Credit cards	1,988	2,037	2,023	-1.7
Farm loans	51,396	48,196	50,691	1.4
Other loans & leases	40,266	37,545	38,338	5.0
Less: Unearned income	695	655	615	13.0
Total loans & leases	1,543,641	1,502,651	1,432,611	7.8
Less: Reserve for losses	18,329	18,195	17,928	2.2
Net loans and leases	1,525,311	1,484,456	1,414,682	7.8
Securities	423,937	426,548	416,691	1.7
Other real estate owned	4,450	4,740	5,643	-21.1
Goodwill and other intangibles	14,428	14,244	13,387	7.8
All other assets	237,958	247,396	229,596	3.6
Total liabilities and capital	2,206,085	2,177,383	2,079,998	6.1
Deposits	1,802,215	1,791,983	1,694,393	6.4
Domestic office deposits	1,801,449	1,791,502	1,693,984	6.3
Foreign office deposits	766	481	409	87.2
Brokered deposits	86,788	82,831	72,890	19.1
Estimated insured deposits	1,338,364	1,331,621	1,277,089	4.8
Other borrowed funds	139,051	126,401	132,107	5.3
Subordinated debt	759	767	772	-1.7
All other liabilities	15,853	16,033	16,669	-4.9
Total equity capital (includes minority interests)	248,207	242,199	236,056	5.1
Bank equity capital	248,080	242,074	235,955	5.1
Loans and leases 30-89 days past due	6,594	7,941	7,796	-15.4
Noncurrent loans and leases	14,448	14,519	15,222	-5.1
Restructured loans and leases	7,474	7,690	8,544	-12.5
Mortgage-backed securities	181,013	183,090	178,720	1.3
Earning assets	2,056,178	2,029,364	1,935,932	6.2
FHLB Advances	112,682	100,657	103,959	8.4
Unused loan commitments	290,441	286,469	267,184	8.7
Trust assets	259,882	256,270	240,794	7.9
Assets securitized and sold	21,606	21,403	14,043	53.9
Notional amount of derivatives	70,034	62,300	65,551	6.8

INCOME DATA	First Half 2017	First Half 2016	%Change	2nd Quarter 2017	2nd Quarter 2016	%Change 16Q2-17Q2
Total interest income	$41,139	$37,840	8.7	$20,998	$19,134	9.7
Total interest expense	4,952	4,367	13.4	2,576	2,214	16.3
Net interest income	36,187	33,472	8.1	18,422	16,920	8.9
Provision for loan and lease losses	1,544	1,312	17.7	896	711	26.0
Total noninterest income	9,513	9,244	2.9	4,845	4,847	0.0
Total noninterest expense	29,768	28,462	4.6	15,033	14,416	4.3
Securities gains (losses)	227	391	-41.9	102	220	-53.7
Applicable income taxes	3,440	3,148	9.3	1,742	1,615	7.9
Extraordinary gains, net*	-1	2	N/M	-7	0	N/M
Total net income (includes minority interests)	11,175	10,188	9.7	5,691	5,246	8.5
Bank net income	11,163	10,178	9.7	5,684	5,240	8.5
Net charge-offs	1,087	784	38.7	709	460	54.1
Cash dividends	5,051	4,880	3.5	2,491	2,471	0.8
Retained earnings	6,112	5,298	15.4	3,193	2,768	15.4
Net operating income	11,006	9,878	11.4	5,615	5,073	10.7

* See Notes to Users for explanation.

N/M - Not Meaningful

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

Second Quarter 2017 (dollar figures in millions)	All Community Banks	Geographic Regions* New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	5,338	619	630	1,164	1,408	1,174	343
Total employees (full-time equivalent)	425,211	88,308	50,104	88,327	71,255	93,277	33,940
CONDITION DATA							
Total assets	$2,206,085	$612,339	$234,164	$395,550	$342,128	$425,021	$196,883
Loans secured by real estate	1,185,656	376,869	129,737	203,961	163,691	205,487	105,910
1-4 Family residential mortgages	396,626	139,985	41,418	71,871	51,036	65,843	26,474
Nonfarm nonresidential	453,481	132,122	56,344	74,766	54,635	84,456	51,158
Construction and development	102,423	22,034	14,781	13,893	13,742	29,329	8,644
Home equity lines	49,594	16,990	7,011	11,011	5,036	4,743	4,803
Commercial & industrial loans	206,239	52,740	18,380	39,030	34,517	42,615	18,958
Loans to individuals	60,779	14,089	6,459	12,315	10,253	13,394	4,269
Credit cards	1,988	444	119	402	552	224	248
Farm loans	51,396	591	1,397	8,214	28,364	9,945	2,885
Other loans & leases	40,266	12,921	3,133	7,008	5,850	7,957	3,396
Less: Unearned income	695	175	107	57	86	137	132
Total loans & leases	1,543,641	457,035	158,999	270,470	242,589	279,262	135,286
Less: Reserve for losses	18,329	4,554	1,894	3,310	3,246	3,557	1,767
Net loans and leases	1,525,311	452,481	157,105	267,160	239,343	275,704	133,518
Securities	423,937	100,531	43,875	82,138	66,268	94,464	36,660
Other real estate owned	4,450	759	1,047	799	701	903	241
Goodwill and other intangibles	14,428	5,122	1,128	2,580	1,888	2,675	1,036
All other assets	237,958	53,447	31,009	42,872	33,928	51,275	25,427
Total liabilities and capital	2,206,085	612,339	234,164	395,550	342,128	425,021	196,883
Deposits	1,802,215	480,103	195,489	325,120	280,900	356,654	163,950
Domestic office deposits	1,801,449	479,700	195,170	325,104	280,900	356,654	163,922
Foreign office deposits	766	402	319	17	0	0	28
Brokered deposits	86,788	28,376	7,114	15,246	13,908	13,022	9,123
Estimated insured deposits	1,338,364	344,394	146,261	258,274	221,944	256,915	110,577
Other borrowed funds	139,051	56,640	11,094	22,990	20,979	18,542	8,806
Subordinated debt	759	657	7	46	22	13	15
All other liabilities	15,853	5,580	1,506	2,783	1,898	2,511	1,575
Total equity capital (includes minority interests)	248,207	69,360	26,069	44,610	38,329	47,301	22,537
Bank equity capital	248,080	69,289	26,054	44,593	38,328	47,280	22,537
Loans and leases 30-89 days past due	6,594	1,751	763	1,205	1,028	1,502	344
Noncurrent loans and leases	14,448	5,037	1,522	2,532	1,862	2,722	772
Restructured loans and leases	7,474	2,268	932	1,727	1,036	1,011	501
Mortgage-backed securities	181,013	56,904	18,597	31,306	21,443	35,225	17,539
Earning assets	2,056,178	573,455	216,324	368,017	319,364	394,346	184,673
FHLB Advances	112,682	49,061	9,136	17,786	15,422	14,793	6,485
Unused loan commitments	290,441	76,903	28,813	54,263	48,122	53,071	29,269
Trust assets	259,882	49,188	7,271	70,361	82,352	43,353	7,358
Assets securitized and sold	21,606	6,754	80	7,967	2,108	738	3,958
Notional amount of derivatives	70,034	28,220	6,994	12,667	8,660	9,945	3,547
INCOME DATA							
Total interest income	$20,998	$5,555	$2,283	$3,683	$3,334	$4,205	$1,937
Total interest expense	2,576	860	252	435	414	436	178
Net interest income	18,422	4,694	2,031	3,249	2,920	3,769	1,759
Provision for loan and lease losses	896	373	56	108	126	202	32
Total noninterest income	4,845	943	531	1,213	755	957	446
Total noninterest expense	15,033	3,672	1,746	2,875	2,326	3,064	1,348
Securities gains (losses)	102	52	6	11	12	17	3
Applicable income taxes	1,742	508	207	358	213	254	203
Extraordinary gains, net**	-7	-5	0	0	0	0	-2
Total net income (includes minority interests)	5,691	1,131	558	1,132	1,022	1,223	624
Bank net income	5,684	1,129	557	1,130	1,022	1,221	624
Net charge-offs	709	360	33	62	78	149	26
Cash dividends	2,491	268	180	615	584	583	261
Retained earnings	3,193	861	377	515	438	639	364
Net operating income	5,615	1,096	554	1,122	1,012	1,208	623

* See Table V-A for explanations.
** See Notes to Users for explanation.

Table IV-B. Second Quarter 2017, FDIC-Insured Community Banks

Performance ratios (annualized, %)	All Community Banks		Second Quarter 2017, Geographic Regions*					
	2nd Quarter 2017	1st Quarter 2017	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Yield on earning assets	4.12	4.02	3.91	4.27	4.03	4.20	4.29	4.22
Cost of funding earning assets	0.50	0.48	0.61	0.47	0.48	0.52	0.45	0.39
Net interest margin	3.61	3.54	3.31	3.80	3.56	3.68	3.85	3.83
Noninterest income to assets	0.89	0.87	0.62	0.92	1.24	0.89	0.91	0.91
Noninterest expense to assets	2.75	2.75	2.42	3.01	2.93	2.73	2.90	2.76
Loan and lease loss provision to assets	0.16	0.12	0.25	0.10	0.11	0.15	0.19	0.06
Net operating income to assets	1.03	1.00	0.72	0.96	1.14	1.19	1.14	1.27
Pretax return on assets	1.36	1.33	1.08	1.32	1.52	1.45	1.40	1.69
Return on assets	1.04	1.01	0.75	0.96	1.15	1.20	1.16	1.28
Return on equity	9.29	9.16	6.60	8.68	10.27	10.80	10.49	11.24
Net charge-offs to loans and leases	0.19	0.10	0.32	0.09	0.09	0.13	0.22	0.08
Loan and lease loss provision to net charge-offs	126.27	167.71	103.46	168.25	173.89	159.99	135.26	121.42
Efficiency ratio	64.29	65.56	64.81	67.79	64.13	62.89	64.60	60.88
Net interest income to operating revenue	79.18	79.02	83.27	79.29	72.82	79.45	79.75	79.76
% of unprofitable institutions	4.31	4.48	5.33	5.71	4.55	2.98	4.17	4.96
% of institutions with earnings gains	62.40	56.17	66.88	66.03	63.06	55.54	62.95	71.72

Table V-B. First Half 2017, FDIC-Insured Community Banks

Performance ratios (%)	All Community Banks		First Half 2017, Geographic Regions*					
	First Half 2017	First Half 2016	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Yield on earning assets	4.07	4.03	3.88	4.21	3.98	4.13	4.26	4.18
Cost of funding earning assets	0.49	0.46	0.59	0.46	0.46	0.50	0.43	0.37
Net interest margin	3.58	3.57	3.29	3.75	3.52	3.63	3.83	3.81
Noninterest income to assets	0.88	0.93	0.62	0.91	1.21	0.86	0.92	0.90
Noninterest expense to assets	2.74	2.84	2.42	3.01	2.93	2.72	2.90	2.75
Loan and lease loss provision to assets	0.14	0.13	0.19	0.09	0.10	0.14	0.18	0.08
Net operating income to assets	1.01	0.97	0.76	0.92	1.10	1.15	1.16	1.20
Pretax return on assets	1.35	1.31	1.14	1.27	1.45	1.39	1.40	1.66
Return on assets	1.03	1.00	0.79	0.93	1.11	1.16	1.17	1.21
Return on equity	9.23	8.92	7.00	8.39	9.93	10.44	10.62	10.68
Net charge-offs to loans and leases	0.14	0.11	0.21	0.08	0.09	0.12	0.20	0.06
Loan and lease loss provision to net charge-offs	141.99	167.77	119.79	181.02	167.44	167.19	140.26	191.95
Efficiency ratio	64.82	66.67	65.12	68.56	65.21	63.72	64.65	61.16
Net interest income to operating revenue	79.18	78.16	83.16	79.22	73.05	79.69	79.49	79.81
% of unprofitable institutions	4.22	4.59	5.49	6.19	4.55	2.91	3.49	4.96
% of institutions with earnings gains	60.88	62.26	68.34	67.78	60.48	53.13	59.03	74.34

* See Table V-A for explanations.

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

June 30, 2017	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	0.43	0.38	0.50	0.51	0.41	0.53	0.25
Construction and development	0.39	0.27	0.39	0.39	0.36	0.39	0.79
Nonfarm nonresidential	0.28	0.26	0.29	0.31	0.29	0.33	0.14
Multifamily residential real estate	0.14	0.10	0.13	0.31	0.14	0.27	0.03
Home equity loans	0.39	0.42	0.41	0.40	0.29	0.50	0.24
Other 1-4 family residential	0.70	0.61	0.86	0.82	0.57	0.87	0.37
Commercial and industrial loans	0.44	0.28	0.57	0.35	0.53	0.59	0.44
Loans to individuals	1.44	1.86	1.48	0.83	1.00	2.06	0.82
Credit card loans	2.03	2.19	1.09	1.23	3.55	1.15	0.91
Other loans to individuals	1.42	1.85	1.48	0.82	0.85	2.08	0.82
All other loans and leases (including farm)	0.43	0.22	0.34	0.44	0.55	0.40	0.44
Total loans and leases	0.43	0.38	0.48	0.45	0.42	0.54	0.25
Percent of Loans Noncurrent**							
All loans secured by real estate	0.89	1.01	0.99	1.00	0.73	0.84	0.52
Construction and development	0.96	0.91	1.50	1.00	0.97	0.73	0.83
Nonfarm nonresidential	0.78	0.88	0.79	0.96	0.74	0.73	0.35
Multifamily residential real estate	0.22	0.13	0.51	0.49	0.16	0.39	0.10
Home equity loans	0.59	0.74	0.49	0.61	0.30	0.51	0.61
Other 1-4 family residential	1.19	1.53	1.19	1.17	0.60	1.07	0.82
Commercial and industrial loans	1.28	1.78	0.90	0.94	0.97	1.59	0.87
Loans to individuals	0.69	0.56	0.82	0.35	0.44	1.39	0.32
Credit card loans	1.08	1.29	0.60	0.87	1.44	0.51	0.96
Other loans to individuals	0.68	0.54	0.82	0.34	0.38	1.40	0.28
All other loans and leases (including farm)	0.85	1.54	0.47	0.53	0.84	0.78	0.59
Total loans and leases	0.94	1.10	0.96	0.94	0.77	0.97	0.57
Percent of Loans Charged-Off (net, YTD)							
All loans secured by real estate	0.04	0.06	0.02	0.04	0.03	0.03	-0.02
Construction and development	-0.02	0.03	-0.01	-0.07	-0.09	0.01	-0.05
Nonfarm nonresidential	0.04	0.08	0.02	0.04	0.04	0.03	-0.02
Multifamily residential real estate	0.01	0.00	0.02	0.00	0.09	0.01	0.00
Home equity loans	0.05	0.07	0.05	0.07	0.04	0.02	-0.01
Other 1-4 family residential	0.05	0.07	0.04	0.07	0.03	0.04	0.01
Commercial and industrial loans	0.49	1.09	0.15	0.14	0.20	0.58	0.21
Loans to individuals	0.92	0.94	0.87	0.59	1.19	1.01	0.99
Credit card loans	6.48	3.59	1.47	3.89	16.19	1.58	2.18
Other loans to individuals	0.73	0.85	0.86	0.47	0.33	1.00	0.92
All other loans and leases (including farm)	0.24	0.17	0.19	0.18	0.16	0.55	0.22
Total loans and leases	0.14	0.21	0.08	0.09	0.12	0.20	0.06
Loans Outstanding (in billions)							
All loans secured by real estate	$1,185.7	$376.9	$129.7	$204.0	$163.7	$205.5	$105.9
Construction and development	102.4	22.0	14.8	13.9	13.7	29.3	8.6
Nonfarm nonresidential	453.5	132.1	56.3	74.8	54.6	84.5	51.2
Multifamily residential real estate	113.7	63.4	5.9	16.0	9.0	7.9	11.5
Home equity loans	49.6	17.0	7.0	11.0	5.0	4.7	4.8
Other 1-4 family residential	396.6	140.0	41.4	71.9	51.0	65.8	26.5
Commercial and industrial loans	206.2	52.7	18.4	39.0	34.5	42.6	19.0
Loans to individuals	60.8	14.1	6.5	12.3	10.3	13.4	4.3
Credit card loans	2.0	0.4	0.1	0.4	0.6	0.2	0.2
Other loans to individuals	58.8	13.6	6.3	11.9	9.7	13.2	4.0
All other loans and leases (including farm)	91.7	13.5	4.5	15.2	34.2	17.9	6.3
Total loans and leases	1,544.3	457.2	159.1	270.5	242.7	279.4	135.4
Memo: Unfunded Commitments (in millions)							
Total Unfunded Commitments	290,441	76,903	28,813	54,263	48,122	53,071	29,269
Construction and development: 1-4 family residential	25,479	5,246	4,089	2,954	3,226	7,121	2,844
Construction and development: CRE and other	61,075	18,695	6,734	9,930	7,153	13,555	5,008
Commercial and industrial	91,438	23,748	7,806	18,506	14,925	16,655	9,799

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

Insurance Fund Indicators

Deposit Insurance Fund Increases by $2.7 Billion

DIF Reserve Ratio Rises 4 Basis Points to 1.24 Percent

Three Insured Institutions Fail

The Deposit Insurance Fund (DIF) balance increased by $2.7 billion, to $87.6 billion, during the second quarter. Assessment income of $2.6 billion, which includes temporary assessment surcharges on large banks, drove the fund balance increase. Interest on investments of $251 million, a negative provision for insurance losses of $233 million, and other miscellaneous income of $4 million also added to the fund balance. Operating expenses of $450 million and unrealized losses on available-for-sale securities of $12 million reduced the fund balance. Three insured institutions failed in the second quarter, with combined assets of $4.4 billion.

The deposit insurance assessment base—average consolidated total assets minus average tangible equity—increased by 0.5 percent in the second quarter and by 3.5 percent over 12 months.[1,2] Total estimated insured deposits decreased by 0.4 percent in the second quarter of 2017 but rose by 5.5 percent year-over-year. The DIF's reserve ratio (the fund balance as a percent of estimated insured deposits) was 1.24 percent on June 30, up from 1.20 percent at March 31, 2017, and 1.17 percent on June 30 of last year. The June 30, 2017, reserve ratio of 1.24 percent is the highest since December 31, 2005, when the reserve ratio was 1.25 percent.[3]

By law, the reserve ratio must reach a minimum of 1.35 percent by September 30, 2020. The law also requires that, in setting assessments, the FDIC offset the effect of the increase in the reserve ratio from 1.15 to 1.35 percent on banks with less than $10 billion in assets. To satisfy these requirements, large banks are subject to a temporary surcharge of 4.5 basis points of their assessment base, after making certain adjustments.[4,5] Surcharges began in the third quarter of 2016 and will continue through the quarter in which the reserve ratio first meets or exceeds 1.35 percent. If, however, the reserve ratio has not reached 1.35 percent by the end of 2018, large banks will pay a shortfall assessment in early 2019 to close the gap.

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

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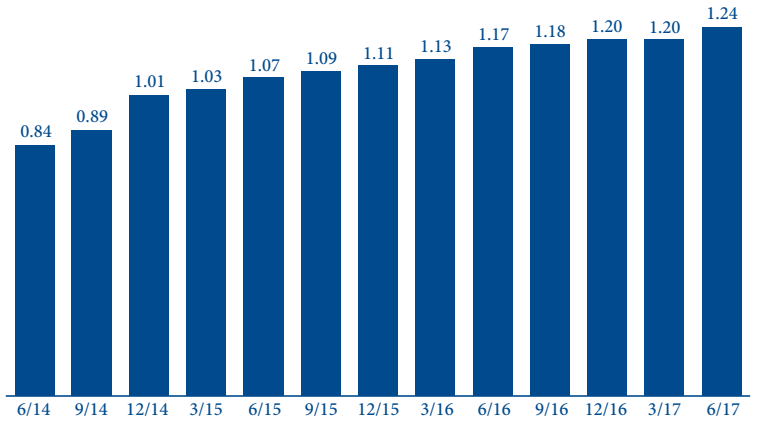
[1] There are additional adjustments to the assessment base for banker's banks and custodial banks.
[2] Figures for estimated insured deposits and the assessment base include insured branches of foreign banks, in addition to insured commercial banks and savings institutions.
[3] Reserve ratio for December 31, 2005, represents the combined balances of the Bank Insurance Fund and Savings Association Insurance Fund as a percent of estimated insured deposits.
[4] Large banks are generally those with assets of $10 billion or more.
[5] The assessment base for the surcharge is a large bank's regular assessment base reduced by $10 billion (and subject to additional adjustment for affiliated banks).

Table I-C. Insurance Fund Balances and Selected Indicators

(dollar figures in millions)	Deposit Insurance Fund*												
	2nd Quarter 2017	1st Quarter 2017	4th Quarter 2016	3rd Quarter 2016	2nd Quarter 2016	1st Quarter 2016	4th Quarter 2015	3rd Quarter 2015	2nd Quarter 2015	1st Quarter 2015	4th Quarter 2014	3rd Quarter 2014	2nd Quarter 2014
Beginning Fund Balance	$84,928	$83,162	$80,704	$77,910	$75,120	$72,600	$70,115	$67,589	$65,296	$62,780	$54,320	$51,059	$48,893
Changes in Fund Balance:													
Assessments earned	2,634	2,737	2,688	2,643	2,328	2,328	2,160	2,170	2,328	2,189	2,030	2,009	2,224
Interest earned on investment securities	251	227	189	171	164	147	128	122	113	60	70	80	87
Realized gain on sale of investments	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating expenses	450	442	437	422	441	415	447	410	434	396	408	406	428
Provision for insurance losses	-233	765	-332	-566	-627	-43	-930	-578	-317	-426	-6,787	-1,663	-204
All other income, net of expenses	4	2	3	3	2	5	12	2	3	6	-43	6	6
Unrealized gain/(loss) on available-for-sale securities	-12	7	-317	-167	110	412	-298	64	-34	231	24	-91	73
Total fund balance change	2,660	1,766	2,458	2,794	2,790	2,520	2,485	2,526	2,293	2,516	8,460	3,261	2,166
Ending Fund Balance	87,588	84,928	83,162	80,704	77,910	75,120	72,600	70,115	67,589	65,296	62,780	54,320	51,059
Percent change from four quarters earlier	12.42	13.06	14.55	15.10	15.27	15.05	15.64	29.08	32.37	33.55	33.03	33.27	34.82
Reserve Ratio (%)	1.24	1.20	1.20	1.18	1.17	1.13	1.11	1.09	1.07	1.03	1.01	0.89	0.84
Estimated Insured Deposits	7,045,151	7,076,788	6,914,661	6,817,020	6,675,378	6,663,048	6,522,388	6,409,239	6,336,141	6,334,862	6,196,472	6,125,603	6,096,276
Percent change from four quarters earlier	5.54	6.21	6.01	6.36	5.35	5.18	5.26	4.63	3.93	3.72	3.30	2.78	2.53
Domestic Deposits	11,827,954	11,856,694	11,691,575	11,505,081	11,240,160	11,154,724	10,950,122	10,695,506	10,629,335	10,616,458	10,408,187	10,213,199	10,099,415
Percent change from four quarters earlier	5.23	6.29	6.77	7.57	5.75	5.07	5.21	4.72	5.25	6.56	5.93	6.04	7.16
Assessment Base**	14,695,350	14,621,127	14,563,348	14,383,036	14,193,985	14,022,564	13,833,118	13,662,685	13,589,495	13,533,469	13,346,567	13,113,585	12,901,784
Percent change from four quarters earlier	3.53	4.27	5.28	5.27	4.45	3.61	3.65	4.19	5.33	5.68	4.61	4.61	3.19
Number of Institutions Reporting	5,796	5,865	5,922	5,989	6,067	6,131	6,191	6,279	6,357	6,428	6,518	6,598	6,665

DIF Reserve Ratios

Percent of Insured Deposits



Deposit Insurance Fund Balance and Insured Deposits ($ Millions)

	DIF Balance	DIF-Insured Deposits
6/14	$51,059	$6,096,276
9/14	54,320	6,125,603
12/14	62,780	6,196,472
3/15	65,296	6,334,862
6/15	67,589	6,336,141
9/15	70,115	6,409,239
12/15	72,600	6,522,388
3/16	75,120	6,663,048
6/16	77,910	6,675,378
9/16	80,704	6,817,020
12/16	83,162	6,914,661
3/17	84,928	7,076,788
6/17	87,588	7,045,151

Table II-C. Problem Institutions and Failed Institutions

(dollar figures in millions)	2017***	2016***	2016	2015	2014	2013	2012	2011
Problem Institutions								
Number of institutions	105	147	123	183	291	467	651	813
Total assets	$17,168	$28,970	$27,624	$46,780	$86,712	$152,687	$232,701	$319,432
Failed Institutions								
Number of institutions	6	3	5	8	18	24	51	92
Total assets****	$4,882	$189	$277	$6,706	$2,914	$6,044	$11,617	$34,923

* Quarterly financial statement results are unaudited.
** Average consolidated total assets minus tangible equity, with adjustments for banker's banks and custodial banks.
*** 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, 2017	Number of Institutions	Total Assets	Domestic Deposits*	Est. Insured Deposits
Commercial Banks and Savings Institutions				
FDIC-Insured Commercial Banks	5,011	$15,890,468	$10,847,499	$6,252,426
FDIC-Supervised	3,330	2,468,718	1,947,521	1,351,810
OCC-Supervised	898	10,831,360	7,124,525	3,920,967
Federal Reserve-Supervised	783	2,590,390	1,775,452	979,649
FDIC-Insured Savings Institutions	776	1,176,070	933,140	753,270
OCC-Supervised	358	755,862	613,937	501,442
FDIC-Supervised	381	394,160	298,628	235,617
Federal Reserve-Supervised	37	26,048	20,575	16,210
Total Commercial Banks and Savings Institutions	5,787	17,066,539	11,780,639	7,005,695
Other FDIC-Insured Institutions				
U.S. Branches of Foreign Banks	9	86,190	47,315	39,456
Total FDIC-Insured Institutions	5,796	17,152,729	11,827,954	7,045,151

* 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, 2017 *(dollar figures in billions)*

Annual Rate in Basis Points*	Number of Institutions	Percent of Total Institutions	Amount of Assessment Base**	Percent of Total Assessment Base
1.50 - 3.00	3,423	58.36	$2,588.5	17.70
3.01 - 6.00	1,625	27.71	11,108.1	75.97
6.01 - 10.00	615	10.49	699.8	4.79
10.01 - 15.00	74	1.26	159.2	1.09
15.01 - 20.00	106	1.81	53.1	0.36
20.01 - 25.00	11	0.19	1.7	0.01
>25.00	11	0.19	10.8	0.07

* Assessment rates do not incorporate temporary surcharges on large banks.
** Beginning in the second quarter of 2011, the assessment base was changed to average consolidated total assets minus tangible equity, as required by the Dodd-Frank Act.

Notes to Users

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

Tables I-A through VIII-A.

The information presented in Tables I-A through VIII-A of the *FDIC Quarterly Banking Profile* is aggregated for all FDIC-insured Call report filers, both commercial banks and savings institutions. Some tables are arrayed by groups of FDIC-insured institutions based on predominant types of asset concentration, while other tables aggregate institutions by asset size and geographic region. Quarterly and full-year data are provided for selected indicators, including aggregate condition and income data, performance ratios, condition ratios, and structural changes, as well as past due, noncurrent, and charge-off information for loans outstanding and other assets.

Tables I-B through VI-B.

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

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

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

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

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

The fourth step includes organizations that operate within a limited geographic scope. This limitation of scope is used as a proxy measure for a bank's relationship approach to banking. Banks that operate within a limited market area have more ease in managing relationships at a personal level. Under this step, four criteria are applied to each banking organization. They include both a minimum and maximum number of total banking offices, a maximum level of deposits for any one office, and location-based criteria. The limits on the number of and deposits per office are adjusted upward quarterly. For banking offices, banks must have more than one office, and the maximum number of offices is 40 in 1985 and reached 87 in 2016. The maximum level of deposits for any one office is $1.25 billion in deposits in 1985 and reached $6.97 billion in deposits in 2016. The remaining geographic limitations are also based on maximums for the number of states (fixed at 3) and large metropolitan areas (fixed at 2) in which the organization maintains offices. Branch office data are based on the most recent data from the annual June 30 *Summary of Deposits Survey* that are available at the time of publication.

Finally, the definition establishes an asset-size limit, also adjusted upward quarterly and below which the limits on banking activities and geographic scope are waived. The asset-size limit is $250 million in 1985 and reached $1.39 billion in 2016. This final step acknowledges the fact that most of those small banks that are not excluded as specialty banks meet the requirements for banking activities and geographic limits in any event.

Summary of FDIC Research Definition of Community Banking Organizations

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

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

Exclude: Any organization with:

— No loans or no core deposits

— Foreign Assets ≥ 10% of total assets

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

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

Include: All remaining banking organizations with:

— Total assets < indexed size threshold[2]

— Total assets ≥ indexed size threshold, where:

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

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),

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

[2] Asset size threshold indexed to equal $250 million in 1985 and $1.39 billion in 2016.

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

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

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

DATA SOURCES

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

COMPUTATION METHODOLOGY

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

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

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

ACCOUNTING CHANGES

Premium Amortization on Purchased Callable Debt Securities

In March 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2017-08, "Premium Amortization on Purchased Callable Debt Securities." This ASU amends Accounting Standards Codification (ASC) Subtopic 310-20, Receivables – Nonrefundable Fees and Other Costs (formerly FASB Statement No. 91, "Accounting for Nonrefundable Fees and Costs Associated with Originating or Acquiring Loans and Initial Direct Costs of Leases"), by shortening the amortization period for premiums on callable debt securities that have explicit, non-contingent call features and are callable at fixed prices and on preset dates. Under existing U.S. generally accepted accounting principles (GAAP), the premium on such a callable debt security generally is required to be amortized as an adjustment of yield over the contractual life of the debt security. Under the ASU, the excess of the amortized cost basis of such a callable debt security over the amount repayable by the issuer at the earliest call date (i.e., the premium) must be amortized to the earliest call date (unless the institution applies the guidance in ASC Subtopic 310-20 that allows estimates of future principal prepayments to be considered in the effective yield calculation when the institution holds a large number of similar debt securities for which prepayments are probable and the timing and amount of the prepayments can be reasonably estimated). If the call option is not exercised at its earliest call date, the institution must reset the effective yield using the payment terms of the debt security.

The ASU does not change the accounting for debt securities held at a discount. The discount on such debt securities continues to be amortized to maturity (unless the Subtopic 310-20 guidance mentioned above is applied).

For institutions that are public business entities, as defined under U.S. GAAP, the new standard is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. For institutions that are not public business entities (i.e., that are private companies), the new standard is effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Refer to the Glossary entries for "public business entity" and "private company" in the Call Report instructions for further information on these terms.

Early application of the new standard is permitted for all institutions, including adoption in an interim period of 2017 or a subsequent year before the applicable effective date for an institution. If an institution early adopts the ASU in an interim period, the cumulative-effect adjustment shall be reflected as of the beginning of the fiscal year of adoption.

An institution must apply the new standard on a modified retrospective basis as of the beginning of the period of adoption. Under the modified retrospective method, an institution should apply a cumulative-effect adjustment to affected accounts existing as of the beginning of the fiscal year the new standard is adopted and to retained earnings for this change in accounting principle.

For additional information, institutions should refer to ASU 2017-08, which is available at http://www.fasb.org/jsp/FASB/Document_C/DocumentPage?cid=1176168934053&acceptedDisclaimer=true.

Accounting for Measurement-Period Adjustments Related to a Business Combination

In September 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-16, "Simplifying the Accounting for Measurement-Period Adjustments."

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

In general, the measurement period in a business combination is the period after the acquisition date during which the acquirer may adjust provisional amounts reported for identifiable assets acquired, liabilities assumed, and consideration transferred for the acquiree for which the initial accounting for the business combination is incomplete at the end of the reporting period in which the combination occurs. Topic 805 provides additional guidance on the measurement period, which shall not exceed one year from the acquisition date, and adjustments to provisional amounts during this period. For institutions that are public business entities, as defined under U.S. GAAP, ASU 2015-16 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. For institutions that are not public business entities (i.e., that are private companies), the ASU is effective for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. The ASU's amendments to Topic 805 should be applied prospectively to adjustments to provisional amounts that occur after the effective date of the ASU. Thus, institutions with a calendar year fiscal year that are public business entities must apply the ASU to any adjustments to provisional amounts that occur after January 1, 2016, beginning with their Call Reports for March 31, 2016. Institutions with a calendar year fiscal year that are private companies must apply the ASU to any adjustments to provisional amounts that occur after January 1, 2017, beginning with their Call Reports for December 31, 2017. Early application of ASU 2015-16 is permitted in Call Reports that have not been submitted.

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

Debt Issuance Costs

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

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

Extraordinary Items

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

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

After an institution adopts ASU 2015-01, any event or transaction that would have met the criteria for extraordinary classification before the adoption of the ASU should be reported in "Other noninterest income," or "Other noninterest expense," as appropriate, unless the event or transaction would otherwise be reportable in the income statement. [As a result of the recent accounting change, year-to-date "Extraordinary gains, net" on the QBP includes only Discontinued operations expense. Accordingly, comparisons to prior periods are not meaningful, since prior periods included all Extraordinary gains and Discontinued operations expense.] For additional information, institutions should refer to ASU 2015-01, which is available at http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498.

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

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

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

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

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

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

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

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

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

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

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

Private Company Accounting Alternatives

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

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

Accounting by Private Companies for Goodwill

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

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

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

Definitions of Private Company and Public Business Entity

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

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

Reporting Certain Government-Guaranteed Mortgage Loans Upon Foreclosure

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

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

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

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

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

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

Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans Upon Foreclosure

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

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

- The institution obtaining legal title upon completion of a foreclosure even if the borrower has redemption rights that provide the borrower with a legal right for a period of time after foreclosure to reclaim the property by paying certain amounts specified by law, or

- The completion of a deed in lieu of foreclosure or similar legal agreement under which the borrower conveys all interest in the residential real estate property to the institution to satisfy the loan.

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

For institutions that are public business entities, as defined under U.S. generally accepted accounting principles, ASU 2014-04 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2014. For example, institutions with a calendar year fiscal year that are public business entities must apply the ASU in their Call Reports beginning March 31, 2015. However, institutions that are not public business entities are not required to apply the guidance in ASU 2014-04 until annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Thus, institutions with a calendar year fiscal year that are not public business entities must apply the ASU in their December 31, 2015, and subsequent quarterly Call Reports. Earlier adoption of the guidance in ASU 2014-04 is permitted. Entities can elect to apply the ASU on either a modified retrospective transition basis or a prospective transition basis. Applying the ASU on a prospective transition basis should be less complex for institutions than applying the ASU on a modified retrospective transition basis. Under the prospective transition method, an institution should apply the new guidance to all instances where it receives physical possession of residential real estate property collateralizing consumer mortgage loans that occur after the date of adoption of the ASU. Under the modified retrospective transition method, an institution should apply a cumulative-effect adjustment to residential consumer mortgage loans and OREO existing as of the beginning of the annual period for which the ASU is effective. As a result of adopting the ASU on a modified retrospective basis, assets reclassified from OREO to loans should be measured at the carrying value of the real estate at the date of adoption while assets reclassified from loans to OREO should be measured at the lower of the net amount of the loan receivable or the OREO property's fair value less costs to sell at the time of adoption. For additional information, institutions should refer to ASU 2014-04, which is available at http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498.

DEFINITIONS (in alphabetical order)

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

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

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

Assessment rate schedule – Initial base assessment rates for small institutions are based on a combination of financial ratios and CAMELS component ratings. Initial rates for large institutions—generally those with at least $10 billion in assets—are also based on CAMELS component ratings and certain financial measures combined into two scorecards—one for most large institutions and another for the remaining very large institutions that are structurally and operationally complex or that pose unique challenges and risks in case of failure (highly complex institutions). The FDIC may take additional information into account to make a limited adjustment to a large institution's scorecard results, which are used to determine a large institution's initial base assessment rate.

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

The current assessment rate schedule became effective July 1, 2016. Under the current schedule, initial base assessment rates range from 3 to 30 basis points. An institution's total base assessment rate may differ from its initial rate due to three possible adjustments: (1) Unsecured Debt Adjustment: An institution's rate may decrease by up to 5 basis points for unsecured debt. The unsecured debt adjustment cannot exceed the lesser of 5 basis points or 50 percent of an institution's initial base assessment rate (IBAR). Thus, for example, an institution with an IBAR of 3 basis points would have a maximum unsecured debt adjustment of 1.5 basis points and could not have a total base assessment rate lower than 1.5 basis points. (2) Depository Institution Debt Adjustment: For institutions that hold long-term unsecured debt issued by another insured depository institution, a 50 basis point charge is applied to the amount of such debt held in excess of 3 percent of an institution's Tier 1 capital. (3) Brokered Deposit Adjustment: Rates for large institutions that are not well capitalized or do not have a composite CAMELS rating of 1 or 2 may increase (not to exceed 10 basis points) if their brokered deposits exceed 10 percent of domestic deposits.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Derivatives transaction types:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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