



Quarterly Banking Profile

Second Quarter 2019

INSURED INSTITUTION PERFORMANCE

- **Net Income Rises 4.1 Percent to \$62.6 Billion on Higher Net Interest Income**
- **Net Interest Margin Remains Stable at 3.39 Percent**
- **Total Loan and Lease Balances Expand 4.5 Percent From 12 Months Ago**
- **Noncurrent Rate Improves and Net Charge-Off Rate Remains Stable**
- **Five New Banks Are Added in Second Quarter 2019**

Net Income Rises 4.1 Percent to \$62.6 Billion on Higher Net Interest Income

During the three months ended June 30, quarterly net income for the 5,303 FDIC-insured commercial banks and savings institutions totaled \$62.6 billion, an increase of \$2.5 billion (4.1 percent) from a year ago. Improvement in quarterly net income was attributable to higher net interest income and an increase in realized securities gains. Almost 60 percent of all banks reported annual increases in net income from the year-ago quarter, while less than 4 percent of banks were unprofitable during the second quarter.¹ The average return on assets increased to 1.38 percent from 1.37 percent in second quarter 2018.

Net Interest Income Expands 3.7 Percent From a Year Earlier

Net interest income of \$139 billion increased by \$4.9 billion (3.7 percent) from a year earlier, the slowest year-over-year growth rate since fourth quarter 2015. Slightly more than three-quarters of all banks (75.1 percent) reported an increase in net interest income from second quarter 2018. Net interest margin for the banking industry was 3.39 percent during the quarter, up slightly from 3.38 percent a year ago but below a recent high of 3.48 percent in fourth quarter 2018. Since year-end 2018, the average yield on earning assets rose by 1 basis point, while the average cost of funding increased by 11 basis points. During this period, the largest increase in the average cost of funding was among banks with assets from \$1 billion to \$10 billion.

Loan-Loss Provisions Increase More Than 9 Percent From Second Quarter 2018

Banks set aside \$12.8 billion in loan-loss provisions during the second quarter, an increase of \$1.1 billion (9.3 percent) from a year earlier. More than one-third of all banks (36.1 percent) reported year-over-year increases in loan-loss provisions. Loan-loss provisions as a percentage of net operating revenue increased from 5.80 percent in second quarter 2018 to 6.25 percent.

Noninterest Income Falls 2.7 Percent From a Year Earlier

Noninterest income fell by \$1.8 billion (2.7 percent) from 12 months ago, although less than half of all banks (41 percent) reported declines. The overall decline in noninterest income was driven primarily by servicing fees, which fell by \$3.1 billion from a year ago to negative \$332.7 million, and investment banking fees, which declined by \$533.5 million (16.1 percent). Increases in all other noninterest income (up \$1.2 billion, or 3.8 percent) and trading revenue (up \$742.5 million, or 9.8 percent) helped offset the decline in noninterest income during the year.

Noninterest Expense Increases From Second Quarter 2018

Noninterest expense rose by \$1.6 billion (1.4 percent) from a year ago. The increase was widespread with 75.3 percent of all banks contributing to the growth. Salary and employee benefits rose by \$1.8 billion (3.2 percent) from a year ago, as average assets per employee increased from \$8.4 million to \$8.8 million.

Net Charge-Offs Rise 9.3 Percent From a Year Ago

Banks charged off \$12.8 billion in uncollectable loans during the second quarter, up \$1.1 billion (9.3 percent) from a year ago. The overall increase in net charge-offs was led by credit card balances (up \$669.4 million, or

¹ Methodology used for calculating industry participation counts consists of institutions existing in both reporting periods.

8.3 percent) and commercial and industrial loans (up \$368.9 million, or 25.2 percent). The average net charge-off rate increased modestly from 0.48 percent in second quarter 2018 to 0.50 percent. The net charge-off rate for commercial and industrial loans rose 5 basis points from a year ago to 0.33 percent, while the net charge-off rate for credit cards rose by 12 basis points from a year ago to 4.03 percent, surpassing the 4 percent level for the first time since second quarter 2012.

Noncurrent Loan Rate Improves to 0.93 Percent

Noncurrent loan balances (90 days or more past due or in nonaccrual status) declined by \$4.9 billion (4.8 percent) from first quarter 2019. Slightly more than half of all banks (50.6 percent) reported declines in noncurrent loan balances. The quarter-over-quarter improvement was reflected in residential mortgages, which fell by \$2.1 billion (5 percent), and credit card balances, which declined by \$1.1 billion (8.7 percent). The average noncurrent rate declined by 6 basis points from the previous quarter to 0.93 percent.

Loan-Loss Reserves Decline Modestly From the Previous Quarter

Loan-loss reserves totaled \$124.9 billion at the end of second quarter, down \$292.5 million (0.2 percent) from the first quarter. Just over one-quarter of all banks (26.3 percent) reported quarterly declines in loan-loss reserves. At banks that itemize their loan-loss reserves, which are banks with total assets of \$1 billion or more and represent 91 percent of total industry loan-loss reserves, the quarterly decline was attributable to residential real estate (down \$762.7 million, or 6.5 percent) and credit cards (down \$59.3 million, or 0.1 percent). Loan-loss reserves for commercial loans increased by \$445.2 million (1.4 percent) from the previous quarter.

Total Assets Increase From First Quarter 2019

Total assets rose by \$177.3 billion (1 percent) from the previous quarter. Cash and balances due from depository institutions declined by \$81.5 billion (4.8 percent). Banks increased their investment securities by \$54.8 billion (1.5 percent), as mortgage-backed securities rose by \$65 billion (2.9 percent) and state and municipal securities declined by \$14.5 billion (4.5 percent). After reaching an all-time high of 35.8 percent in second quarter 2018, the percentage of industry assets maturing or repricing in more than three years continued to decline, falling to 35.1 percent in the second quarter.

Loan Balances Increase From the Previous Quarter and a Year Ago

Total loan and lease balances rose by \$152.3 billion (1.5 percent) from first quarter 2019. Almost three-quarters of all banks (72.7 percent) reported quarterly increases in their loan and lease balances. All major loan categories reported quarter-over-quarter increases, led by consumer loans, which rose by \$42.2 billion (2.5 percent), and residential mortgage loans, which increased by \$38.3 billion (1.8 percent).² Over the past year, total loan and lease balances rose by \$443 billion (4.5 percent), a modest increase from the 4.1 percent annual growth rate reported last quarter. Commercial and industrial loans had the largest dollar increase from a year ago, increasing by \$142.8 billion (6.9 percent).

Deposits Increase From First Quarter 2019

Total deposit balances increased by \$114 billion (0.8 percent) from the previous quarter, as deposits in foreign offices increased by \$51.3 billion (4.1 percent) and domestic office deposits rose by \$62.7 billion (0.5 percent). Domestic deposits in noninterest-bearing accounts rose by \$37.2 billion (1.2 percent), while interest-bearing deposits increased by \$25.5 billion (0.3 percent). Nondeposit liabilities increased by \$25.1 billion (1.2 percent) from the previous quarter, as other liabilities rose by \$25.2 billion (6.2 percent).

Equity Capital Rises From the Previous Quarter

Equity capital rose to \$2.1 trillion in the second quarter, up \$38.6 billion (1.9 percent) from the previous quarter, led by accumulated other comprehensive income. Declared dividends totaled \$48.6 billion, an increase of \$10.8 billion (28.6 percent) from second quarter 2018. At end of second quarter, 16 insured institutions with \$2.2 billion in total assets were below the requirements for the well-capitalized category as defined for Prompt Corrective Action purposes.

² Consumer loans include credit card balances.

Five New Banks Are Added in Second Quarter 2019

The number of FDIC-insured commercial banks and savings institutions declined from 5,362 to 5,303 during the three months ended June 30. Five new banks were added during the second quarter, 60 institutions were absorbed by mergers, and one bank failed. The number of institutions on the FDIC's "Problem Bank List" declined from 59 to 56 at the end of second quarter, the lowest number since first quarter 2007. Total assets of problem banks increased from \$46.7 billion to \$48.5 billion.

Quarterly Banking Profile

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

	2019**	2018**	2018	2017	2016	2015	2014
Return on assets (%)	1.36	1.33	1.35	0.97	1.04	1.04	1.01
Return on equity (%)	12.01	11.81	11.98	8.60	9.27	9.29	9.01
Core capital (leverage) ratio (%)	9.81	9.74	9.70	9.63	9.48	9.59	9.44
Noncurrent assets plus							
other real estate owned to assets (%)	0.57	0.64	0.60	0.73	0.86	0.97	1.20
Net charge-offs to loans (%)	0.50	0.49	0.48	0.50	0.47	0.44	0.49
Asset growth rate (%)	4.19	2.71	3.03	3.79	5.09	2.66	5.59
Net interest margin (%)	3.40	3.36	3.40	3.25	3.13	3.07	3.14
Net operating income growth (%)	4.96	27.24	45.45	-3.27	4.43	7.11	-0.73
Number of institutions reporting	5,303	5,542	5,406	5,670	5,913	6,182	6,509
Commercial banks	4,630	4,834	4,715	4,918	5,112	5,338	5,607
Savings institutions	673	708	691	752	801	844	902
Percentage of unprofitable institutions (%)	3.68	3.92	3.39	5.61	4.48	4.82	6.27
Number of problem institutions	56	82	60	95	123	183	291
Assets of problem institutions (in billions)	\$49	\$54	\$48	\$14	\$28	\$47	\$87
Number of failed institutions	1	0	0	8	5	8	18

* 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 2019	1st Quarter 2019	2nd Quarter 2018	%Change 18Q2-19Q2
Number of institutions reporting	5,303	5,362	5,542	-4.3
Total employees (full-time equivalent)	2,069,218	2,065,597	2,077,005	-0.4
CONDITION DATA				
Total assets	\$18,267,235	\$18,089,969	\$17,532,880	4.2
Loans secured by real estate	4,963,895	4,902,382	4,831,844	2.7
1-4 Family residential mortgages	2,160,307	2,122,039	2,090,369	3.3
Nonfarm nonresidential	1,473,823	1,457,778	1,421,846	3.7
Construction and development	357,120	353,646	346,820	3.0
Home equity lines	358,451	365,370	389,049	-7.9
Commercial & industrial loans	2,214,578	2,202,051	2,071,790	6.9
Loans to individuals	1,748,022	1,705,831	1,658,206	5.4
Credit cards	881,143	859,946	837,186	5.3
Farm loans	81,601	78,535	79,836	2.2
Other loans & leases	1,293,931	1,260,929	1,217,313	6.3
Less: Unearned income	2,347	2,347	2,346	0.0
Total loans & leases	10,299,680	10,147,381	9,856,644	4.5
Less: Reserve for losses	124,887	125,180	123,424	1.2
Net loans and leases	10,174,793	10,022,201	9,733,220	4.5
Securities	3,779,176	3,724,355	3,633,322	4.0
Other real estate owned	6,361	6,555	7,612	-16.4
Goodwill and other intangibles	397,154	399,310	391,772	1.4
All other assets	3,909,751	3,937,548	3,766,954	3.8
Total liabilities and capital	18,267,235	18,089,969	17,532,880	4.2
Deposits	14,039,675	13,925,694	13,468,691	4.2
Domestic office deposits	12,747,618	12,684,906	12,235,403	4.2
Foreign office deposits	1,292,057	1,240,788	1,233,288	4.8
Other borrowed funds	1,496,881	1,505,756	1,494,292	0.2
Subordinated debt	68,946	68,853	67,197	2.6
All other liabilities	564,021	530,165	518,861	8.7
Total equity capital (includes minority interests)	2,097,713	2,059,501	1,983,838	5.7
Bank equity capital	2,094,600	2,056,019	1,980,357	5.8
Loans and leases 30-89 days past due	60,729	64,196	59,288	2.4
Noncurrent loans and leases	95,680	100,545	104,832	-8.7
Restructured loans and leases	52,879	55,262	57,606	-8.2
Mortgage-backed securities	2,282,678	2,217,641	2,156,747	5.8
Earning assets	16,485,316	16,350,347	15,852,101	4.0
FHLB Advances	533,185	521,067	583,973	-8.7
Unused loan commitments	8,048,558	7,988,966	7,736,524	4.0
Trust assets	20,621,589	20,144,341	20,302,438	1.6
Assets securitized and sold	550,767	571,777	642,669	-14.3
Notional amount of derivatives	207,258,101	203,961,596	209,843,315	-1.2
INCOME DATA				
Total interest income	\$359,698	\$316,552	\$180,661	11.6
Total interest expense	81,649	51,328	41,630	49.7
Net interest income	278,050	265,224	139,031	3.7
Provision for loan and lease losses	26,694	24,130	12,818	9.3
Total noninterest income	131,566	135,299	66,185	-2.7
Total noninterest expense	230,112	228,929	115,068	1.4
Securities gains (losses)	1,992	421	1,121	535.9
Applicable income taxes	31,574	31,675	15,988	-4.8
Extraordinary gains, net*	169	-188	177	N/M
Total net income (includes minority interests)	123,397	116,022	62,639	4.1
Bank net income	123,267	115,872	62,574	4.1
Net charge-offs	25,505	23,748	12,773	9.3
Cash dividends	87,184	68,359	48,600	28.6
Retained earnings	36,083	47,513	13,974	-37.4
Net operating income	121,622	115,872	61,558	2.2

* See Notes to Users for explanation.

N/M - Not Meaningful

Quarterly Banking Profile

TABLE III-A. Second Quarter 2019, 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	5,303	11	5	1,329	2,803	388	70	220	426	51	
Commercial banks	4,630	10	5	1,317	2,519	105	50	198	384	42	
Savings institutions	673	1	0	12	284	283	20	22	42	9	
Total assets (in billions)	\$18,267.2	\$521.0	\$4,488.8	\$291.1	\$6,584.1	\$355.5	\$222.4	\$37.7	\$75.6	\$5,691.0	
Commercial banks	17,098.0	428.9	4,488.8	285.1	6,142.4	110.3	114.3	33.3	65.9	5,429.1	
Savings institutions	1,169.2	92.0	0.0	6.0	441.7	245.3	108.1	4.4	9.8	261.9	
Total deposits (in billions)	14,039.7	350.2	3,211.8	239.3	5,137.0	275.4	183.0	29.7	63.2	4,550.1	
Commercial banks	13,115.3	281.6	3,211.8	236.2	4,808.0	86.0	91.8	26.6	55.5	4,317.8	
Savings institutions	924.3	68.6	0.0	3.0	329.1	189.3	91.1	3.1	7.7	232.4	
Bank net income (in millions)	62,574	4,188	13,931	968	20,419	1,003	798	286	272	20,710	
Commercial banks	58,787	3,444	13,931	950	19,406	475	519	114	249	19,700	
Savings institutions	3,787	744	0	18	1,014	528	279	172	24	1,009	
Performance Ratios (annualized, %)											
Yield on earning assets	4.41	12.87	3.78	4.80	4.53	3.87	5.27	3.59	4.41	3.91	
Cost of funding earning assets	1.02	2.33	1.01	0.96	1.02	0.99	1.04	0.62	0.70	0.89	
Net interest margin	3.39	10.53	2.77	3.84	3.51	2.88	4.24	2.97	3.71	3.01	
Noninterest income to assets	1.46	4.43	1.69	0.65	1.07	1.34	1.38	6.47	1.88	1.45	
Noninterest expense to assets	2.53	7.04	2.36	2.56	2.55	2.57	3.03	5.52	3.62	2.18	
Loan and lease loss provision to assets	0.28	3.28	0.26	0.18	0.17	0.02	0.57	0.05	0.14	0.17	
Net operating income to assets	1.36	3.20	1.21	1.31	1.23	1.16	1.40	2.90	1.41	1.45	
Pretax return on assets	1.73	4.17	1.55	1.53	1.57	1.44	1.88	3.80	1.62	1.85	
Return on assets	1.38	3.21	1.24	1.34	1.25	1.13	1.44	3.05	1.44	1.46	
Return on equity	12.07	26.13	11.93	11.32	10.33	10.35	13.41	17.65	11.18	12.96	
Net charge-offs to loans and leases	0.50	4.33	0.73	0.17	0.19	0.02	0.79	0.15	0.16	0.35	
Loan and lease loss provision to net charge-offs	100.35	94.48	92.87	149.61	125.60	123.47	103.72	133.34	154.12	95.25	
Efficiency ratio	55.58	48.15	56.79	59.94	59.18	62.63	54.81	59.92	67.67	51.90	
% of unprofitable institutions	3.83	0.00	0.00	2.33	3.75	8.51	2.86	6.36	3.99	1.96	
% of institutions with earnings gains	60.12	63.64	40.00	59.44	61.43	53.09	52.86	58.64	61.74	62.75	
Structural Changes											
New reporters	5	0	0	0	0	0	0	4	1	0	
Institutions absorbed by mergers	60	0	1	9	47	0	1	0	2	0	
Failed institutions	1	0	0	1	0	0	0	0	0	0	
PRIOR SECOND QUARTERS (The way it was...)											
Return on assets (%)	2018	1.37	2.73	1.23	1.34	1.28	1.07	1.20	3.76	1.14	1.45
.....	2016	1.06	2.27	0.96	1.23	1.06	0.94	0.96	2.51	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
Net charge-offs to loans & leases (%)	2018	0.48	4.02	0.50	0.19	0.16	0.01	1.14	0.04	0.09	0.36
.....	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

* See Table IV-A (page 8) for explanations.

Quarterly Banking Profile

TABLE III-A. Second Quarter 2019, All FDIC-Insured Institutions

SECOND QUARTER (The way it is...)	All Insured Institutions	Asset Size Distribution					Geographic Regions*						
		Less Than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	\$10 Billion to \$250 Billion	Greater Than \$250 Billion	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco	
Number of institutions reporting	5,303	1,230	3,281	651	132	9	640	611	1,143	1,357	1,165	387	
Commercial banks	4,630	1,090	2,884	531	116	9	335	558	982	1,311	1,093	351	
Savings institutions	673	140	397	120	16	0	305	53	161	46	72	36	
Total assets (in billions)	\$18,267.2	\$72.7	\$1,090.1	\$1,716.1	\$6,287.9	\$9,100.4	\$3,318.2	\$3,735.2	\$4,220.8	\$3,745.8	\$1,169.1	\$2,078.1	
Commercial banks	17,098.0	64.5	939.9	1,397.6	5,595.5	9,100.4	2,910.1	3,634.4	4,118.6	3,699.5	1,021.0	1,714.4	
Savings institutions	1,169.2	8.2	150.2	318.5	692.3	0.0	408.1	100.8	102.2	46.3	148.1	363.7	
Total deposits (in billions)	14,039.7	59.9	907.2	1,378.3	4,821.3	6,873.0	2,541.9	2,945.8	3,069.9	2,896.2	943.3	1,642.5	
Commercial banks	13,115.3	53.9	788.5	1,133.0	4,267.1	6,873.0	2,234.1	2,869.3	2,996.6	2,860.5	824.8	1,330.0	
Savings institutions	924.3	6.1	118.7	245.3	554.2	0.0	307.8	76.5	73.3	35.7	118.5	312.5	
Bank net income (in millions)	62,574	174	3,660	5,432	22,266	31,043	9,408	13,412	14,209	12,423	4,049	9,072	
Commercial banks	58,787	148	3,180	4,675	19,741	31,043	8,548	13,272	13,802	12,285	3,634	7,246	
Savings institutions	3,787	25	481	756	2,525	0	861	140	407	138	415	1,826	
Performance Ratios (annualized, %)													
Yield on earning assets	4.41	4.61	4.77	4.76	4.86	3.97	4.38	4.45	3.89	4.40	4.81	5.16	
Cost of funding earning assets	1.02	0.76	0.92	1.02	1.15	0.93	1.21	0.91	0.88	1.08	0.89	1.11	
Net interest margin	3.39	3.86	3.86	3.74	3.71	3.03	3.17	3.54	3.01	3.31	3.92	4.05	
Noninterest income to assets	1.46	1.45	1.23	1.11	1.47	1.54	1.30	1.49	1.68	1.26	1.29	1.65	
Noninterest expense to assets	2.53	3.82	3.19	2.82	2.61	2.34	2.44	2.54	2.53	2.37	2.99	2.71	
Loan and lease loss provision to assets	0.28	0.13	0.14	0.19	0.41	0.23	0.27	0.31	0.19	0.28	0.18	0.49	
Net operating income to assets	1.36	0.93	1.29	1.24	1.42	1.35	1.12	1.44	1.33	1.30	1.39	1.72	
Pretax return on assets	1.73	1.12	1.58	1.61	1.84	1.70	1.46	1.82	1.65	1.66	1.70	2.29	
Return on assets	1.38	0.96	1.35	1.28	1.43	1.37	1.15	1.44	1.34	1.34	1.40	1.75	
Return on equity	12.07	6.75	11.42	10.64	11.88	12.66	9.51	11.81	12.16	12.97	11.61	15.50	
Net charge-offs to loans and leases	0.50	0.15	0.11	0.21	0.66	0.51	0.45	0.54	0.41	0.53	0.22	0.77	
Loan and lease loss provision to net charge-offs	100.35	144.89	173.25	125.72	100.98	93.83	106.24	98.55	92.73	99.17	124.38	101.34	
Efficiency ratio	55.58	75.65	65.81	61.02	53.22	54.76	58.17	54.15	57.59	55.22	60.74	49.32	
% of unprofitable institutions	3.83	9.19	2.59	0.77	0.00	0.00	4.38	6.38	4.64	1.92	3.18	5.17	
% of institutions with earnings gains	60.12	54.31	61.02	65.59	63.64	77.78	58.91	62.68	59.23	58.66	59.74	66.93	
Structural Changes													
New reporters	5	5	0	0	0	0	2	1	2	0	0	0	
Institutions absorbed by mergers	60	13	36	9	2	0	12	7	15	12	9	5	
Failed institutions	1	1	0	0	0	0	0	0	0	0	1	0	
PRIOR SECOND QUARTERS (The way it was...)													
Return on assets (%)	2018	1.37	1.08	1.27	1.29	1.47	1.34	1.20	1.50	1.30	1.27	1.42	1.76
.....	2016	1.06	0.92	1.10	1.06	1.13	1.02	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
Net charge-offs to loans & leases (%)	2018	0.48	0.11	0.11	0.27	0.69	0.43	0.60	0.54	0.25	0.49	0.21	0.70
.....	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

* See Table IV-A (page 9) for explanations.

Quarterly Banking Profile

TABLE IV-A. First Half 2019, 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	5,303	11	5	1,329	2,803	388	70	220	426	51
Commercial banks	4,630	10	5	1,317	2,519	105	50	198	384	42
Savings institutions	673	1	0	12	284	283	20	22	42	9
Total assets (in billions)	\$18,267.2	\$521.0	\$4,488.8	\$291.1	\$6,584.1	\$355.5	\$222.4	\$37.7	\$75.6	\$5,691.0
Commercial banks	17,098.0	428.9	4,488.8	285.1	6,142.4	110.3	114.3	33.3	65.9	5,429.1
Savings institutions	1,169.2	92.0	0.0	6.0	441.7	245.3	108.1	4.4	9.8	261.9
Total deposits (in billions)	14,039.7	350.2	3,211.8	239.3	5,137.0	275.4	183.0	29.7	63.2	4,550.1
Commercial banks	13,115.3	281.6	3,211.8	236.2	4,808.0	86.0	91.8	26.6	55.5	4,317.8
Savings institutions	924.3	68.6	0.0	3.0	329.1	189.3	91.1	3.1	7.7	232.4
Bank net income (in millions)	123,267	8,346	27,851	1,925	39,894	2,071	1,521	569	536	40,554
Commercial banks	115,473	6,725	27,851	1,875	37,856	941	1,022	223	488	38,494
Savings institutions	7,794	1,621	0	50	2,039	1,131	499	347	47	2,061
Performance Ratios (annualized, %)										
Yield on earning assets	4.40	12.88	3.83	4.74	4.51	3.85	5.25	3.59	4.37	3.90
Cost of funding earning assets	1.00	2.33	1.03	0.93	0.99	0.96	1.00	0.61	0.68	0.87
Net interest margin	3.40	10.56	2.80	3.81	3.52	2.89	4.25	2.98	3.69	3.02
Noninterest income to assets	1.46	4.25	1.80	0.62	1.05	1.32	1.25	6.34	1.84	1.41
Noninterest expense to assets	2.55	6.92	2.45	2.54	2.55	2.56	2.93	5.50	3.60	2.18
Loan and lease loss provision to assets	0.30	3.29	0.27	0.13	0.17	0.01	0.58	0.04	0.12	0.20
Net operating income to assets	1.35	3.20	1.22	1.32	1.22	1.16	1.36	2.92	1.40	1.42
Pretax return on assets	1.71	4.13	1.57	1.53	1.55	1.50	1.84	3.71	1.60	1.80
Return on assets	1.36	3.21	1.25	1.33	1.24	1.17	1.38	3.07	1.43	1.43
Return on equity	12.01	26.18	11.99	11.45	10.25	10.84	12.96	17.93	11.16	12.78
Net charge-offs to loans and leases	0.50	4.32	0.72	0.18	0.18	0.02	0.79	0.13	0.13	0.37
Loan and lease loss provision to net charge-offs	104.66	94.25	98.64	104.08	134.93	121.54	104.83	116.28	161.92	105.45
Efficiency ratio	55.69	47.78	57.06	60.41	59.26	62.61	53.89	60.49	68.08	52.07
% of unprofitable institutions	3.68	0.00	0.00	2.41	3.39	9.28	1.43	6.36	3.29	5.88
% of institutions with earnings gains	62.59	72.73	40.00	60.72	64.65	51.80	52.86	62.73	65.96	64.71
Condition Ratios (%)										
Earning assets to total assets	90.25	95.40	87.41	93.45	90.79	95.10	95.46	92.06	93.07	90.66
Loss Allowance to:										
Loans and leases	1.21	4.51	1.43	1.37	0.98	0.62	1.05	1.44	1.28	1.02
Noncurrent loans and leases	130.53	303.96	161.64	116.66	126.54	33.78	163.89	126.40	138.23	96.99
Noncurrent assets plus										
other real estate owned to assets	0.57	1.20	0.37	0.92	0.61	1.19	0.46	0.43	0.67	0.56
Equity capital ratio	11.47	12.32	10.46	11.94	12.18	11.05	10.93	17.57	13.09	11.31
Core capital (leverage) ratio	9.81	12.00	9.13	11.35	10.19	10.64	10.93	16.62	12.86	9.44
Common equity tier 1 capital ratio	13.36	14.07	14.07	14.79	12.26	21.05	17.67	36.04	21.50	13.49
Tier 1 risk-based capital ratio	13.44	14.21	14.15	14.80	12.33	21.07	17.90	36.05	21.52	13.56
Total risk-based capital ratio	14.79	16.13	15.68	15.88	13.54	21.82	18.91	36.86	22.58	14.96
Net loans and leases to deposits	72.47	115.36	51.97	83.12	89.97	79.38	83.60	34.67	68.28	62.76
Net loans and leases to total assets	55.70	77.54	37.18	68.31	70.20	61.48	68.79	27.32	57.01	50.18
Domestic deposits to total assets	69.78	65.98	47.31	82.19	77.72	77.15	82.27	78.80	83.49	76.85
Structural Changes										
New reporters	6	0	0	0	1	0	0	4	1	0
Institutions absorbed by mergers	103	0	1	18	78	1	1	1	3	0
Failed institutions	1	0	0	1	0	0	0	0	0	0
PRIOR FIRST HALVES (The way it was...)										
Number of institutions	2018 5,542	12	5	1,383	2,894	406	71	245	475	51
	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
Total assets (in billions)	2018 \$17,532.9	\$626.4	\$4,222.2	\$283.8	\$6,167.6	\$356.4	\$216.8	\$39.3	\$80.8	\$5,539.6
	2016 16,534.0	502.0	3,966.6	270.7	5,986.3	396.2	200.9	56.4	104.1	5,050.8
	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
Return on assets (%)	2018 1.33	2.71	1.22	1.32	1.24	1.08	1.31	3.64	1.08	1.35
	2016 1.02	2.31	0.90	1.22	1.01	0.95	1.00	2.50	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
Net charge-offs to loans & leases (%)	2018 0.49	4.02	0.53	0.13	0.17	0.02	0.97	0.10	0.13	0.37
	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
Noncurrent assets plus										
OREO to assets (%)	2018 0.64	1.05	0.41	0.88	0.65	1.61	0.47	0.44	0.76	0.71
	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
Equity capital ratio (%)	2018 11.30	15.29	10.02	11.31	11.91	11.23	10.35	16.60	11.89	11.12
	2016 11.27	14.81	9.95	11.58	11.88	11.59	10.24	15.48	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

*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 their 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.

Quarterly Banking Profile

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

June 30, 2019	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	0.55	0.15	0.65	0.71	0.41	0.68	0.36	0.95	1.01	0.79
Construction and development	0.37	0.00	0.07	0.84	0.35	0.62	0.20	0.92	1.04	0.42
Nonfarm nonresidential	0.21	0.00	0.21	0.57	0.21	0.22	0.58	0.53	0.73	0.15
Multifamily residential real estate	0.09	0.00	0.06	0.38	0.09	0.11	0.01	0.07	0.33	0.11
Home equity loans	0.61	0.00	1.08	0.49	0.48	0.49	0.40	0.56	0.71	0.67
Other 1-4 family residential	0.90	0.17	0.91	1.01	0.76	0.76	0.33	1.30	1.21	1.12
Commercial and industrial loans	0.29	0.80	0.32	0.86	0.27	0.57	0.45	0.97	1.11	0.23
Loans to individuals	1.37	1.60	0.97	1.16	1.37	0.99	0.83	1.60	1.58	1.63
Credit card loans	1.28	1.63	0.99	1.09	1.32	0.79	0.73	2.62	2.90	1.13
Other loans to individuals	1.46	1.20	0.90	1.17	1.37	1.00	0.85	1.51	1.47	1.93
All other loans and leases (including farm)	0.23	0.74	0.33	0.74	0.19	0.51	0.21	0.65	0.74	0.13
Total loans and leases	0.59	1.52	0.58	0.75	0.44	0.67	0.69	1.03	1.05	0.67
Percent of Loans Noncurrent**										
All real estate loans	1.19	1.71	1.48	1.11	0.79	1.97	1.29	1.30	0.99	1.88
Construction and development	0.45	0.11	0.61	0.55	0.45	0.30	0.99	0.58	0.69	0.38
Nonfarm nonresidential	0.56	51.85	0.56	0.86	0.52	0.51	1.27	1.12	1.08	0.64
Multifamily residential real estate	0.13	0.00	0.06	0.51	0.14	0.98	0.14	2.14	0.58	0.09
Home equity loans	1.95	0.00	3.82	0.36	1.15	0.92	1.66	0.30	0.45	2.78
Other 1-4 family residential	1.83	0.59	1.92	0.85	1.32	2.29	1.27	1.54	0.98	2.43
Commercial and industrial loans	0.79	0.65	0.84	1.37	0.86	1.01	0.23	0.79	0.85	0.66
Loans to individuals	0.92	1.57	0.88	0.49	0.79	0.42	0.48	0.83	0.62	0.67
Credit card loans	1.31	1.64	1.05	0.47	1.18	0.72	1.27	1.28	2.06	1.12
Other loans to individuals	0.52	0.52	0.29	0.50	0.75	0.40	0.30	0.80	0.50	0.40
All other loans and leases (including farm)	0.22	0.02	0.09	1.32	0.35	0.77	0.13	0.66	0.68	0.13
Total loans and leases	0.93	1.48	0.88	1.17	0.77	1.84	0.64	1.14	0.92	1.05
Percent of Loans Charged-Off (net, YTD)										
All real estate loans	0.01	0.02	0.01	0.07	0.02	-0.02	-0.01	0.00	0.04	-0.02
Construction and development	-0.01	0.00	0.08	-0.03	-0.01	-0.07	0.00	0.05	-0.05	-0.04
Nonfarm nonresidential	0.04	0.00	0.13	0.07	0.04	0.01	0.04	0.00	0.07	0.03
Multifamily residential real estate	0.00	0.00	0.00	-0.01	0.01	0.00	-0.01	0.00	0.01	0.00
Home equity loans	-0.07	0.00	-0.02	-0.03	0.04	-0.22	0.07	0.04	0.05	-0.25
Other 1-4 family residential	0.01	0.03	-0.01	0.03	0.02	-0.01	-0.02	-0.02	0.04	-0.01
Commercial and industrial loans	0.30	2.29	0.31	0.29	0.26	0.05	0.60	0.20	0.17	0.26
Loans to individuals	2.44	4.54	2.85	0.58	1.19	1.07	1.06	0.52	0.84	1.79
Credit card loans	3.97	4.66	3.50	2.91	4.47	1.81	2.89	1.97	6.20	3.41
Other loans to individuals	0.86	2.51	0.65	0.35	0.90	1.02	0.63	0.40	0.48	0.83
All other loans and leases (including farm)	0.12	1.50	0.06	0.36	0.14	0.25	0.03	0.70	0.28	0.12
Total loans and leases	0.50	4.32	0.72	0.18	0.18	0.02	0.79	0.13	0.13	0.37
Loans Outstanding (in billions)										
All real estate loans	\$4,963.9	\$1.1	\$560.3	\$125.5	\$2,833.4	\$196.6	\$34.4	\$7.2	\$33.6	\$1,171.7
Construction and development	357.1	0.1	16.4	7.4	274.6	5.2	0.6	0.6	2.0	50.2
Nonfarm nonresidential	1,473.8	0.0	55.7	34.9	1,102.3	17.3	2.1	2.4	7.6	251.5
Multifamily residential real estate	444.9	0.0	81.9	4.2	306.7	5.3	0.3	0.2	1.0	45.4
Home equity loans	358.5	0.0	41.6	2.5	190.0	10.5	3.3	0.2	1.2	109.2
Other 1-4 family residential	2,160.3	1.0	316.4	29.2	910.4	157.3	28.0	3.3	18.8	695.8
Commercial and industrial loans	2,214.6	39.6	356.6	23.8	1,076.0	6.1	6.4	1.4	3.7	700.9
Loans to individuals	1,748.0	382.1	381.3	6.7	382.4	4.4	110.5	1.4	3.6	475.6
Credit card loans	881.1	359.2	294.1	0.6	30.5	0.3	20.6	0.1	0.3	175.6
Other loans to individuals	866.9	22.9	87.2	6.1	351.9	4.1	90.0	1.3	3.3	300.0
All other loans and leases (including farm)	1,375.5	0.3	395.6	45.6	377.2	13.0	3.3	0.5	2.7	537.4
Total loans and leases (plus unearned income)	10,302.0	423.0	1,693.8	201.7	4,669.0	220.1	154.7	10.5	43.7	2,885.6
Memo: Other Real Estate Owned (in millions)										
All other real estate owned	6,361.3	0.2	456.8	303.1	4,141.6	166.2	28.5	40.4	103.5	1,120.9
Construction and development	1,591.5	0.0	4.0	56.7	1,358.9	41.1	3.9	18.5	16.1	92.2
Nonfarm nonresidential	1,960.6	0.0	73.0	89.9	1,468.8	18.4	7.7	13.0	45.0	244.7
Multifamily residential real estate	82.0	0.0	1.0	7.5	72.3	0.6	0.0	0.1	0.2	0.3
1-4 family residential	2,464.0	0.2	324.8	53.0	1,141.3	104.7	16.8	8.3	38.3	776.6
Farmland	208.2	0.0	0.0	96.0	100.3	1.4	0.0	0.5	3.9	6.2

* See Table IV-A (page 8) 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.

Quarterly Banking Profile

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

June 30, 2019	All Insured Institutions	Asset Size Distribution					Geographic Regions*					
		Less Than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	\$10 Billion to \$250 Billion	Greater Than \$250 Billion	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Percent of Loans 30-89 Days Past Due												
All loans secured by real estate	0.55	1.17	0.58	0.32	0.48	0.74	0.43	0.58	0.56	0.82	0.64	0.25
Construction and development	0.37	0.91	0.55	0.40	0.31	0.31	0.35	0.21	0.29	0.65	0.35	0.44
Nonfarm nonresidential	0.21	0.96	0.41	0.22	0.16	0.14	0.24	0.17	0.24	0.20	0.31	0.12
Multifamily residential real estate	0.09	0.60	0.28	0.10	0.06	0.08	0.08	0.12	0.12	0.09	0.08	0.05
Home equity loans	0.61	0.72	0.49	0.39	0.51	0.77	0.49	0.61	0.72	0.78	0.43	0.30
Other 1-4 family residential	0.90	1.53	0.79	0.47	0.86	1.07	0.74	0.93	0.81	1.29	1.35	0.37
Commercial and industrial loans	0.29	1.15	0.64	0.46	0.23	0.26	0.17	0.25	0.33	0.27	0.39	0.41
Loans to individuals	1.37	1.75	1.39	1.34	1.36	1.38	1.22	1.94	0.89	1.20	0.89	1.53
Credit card loans	1.28	1.33	2.09	2.86	1.52	1.04	1.38	1.45	0.92	1.14	0.73	1.65
Other loans to individuals	1.46	1.76	1.35	1.05	1.20	1.81	1.09	2.41	0.86	1.31	0.95	1.42
All other loans and leases (including farm)	0.23	0.70	0.63	0.27	0.16	0.24	0.08	0.15	0.37	0.27	0.22	0.16
Total loans and leases	0.59	1.14	0.62	0.40	0.57	0.65	0.46	0.70	0.53	0.66	0.58	0.58
Percent of Loans Noncurrent**												
All real estate loans	1.19	1.19	0.79	0.69	1.03	1.79	1.03	1.32	1.34	1.70	1.07	0.40
Construction and development	0.45	0.65	0.71	0.47	0.39	0.33	0.54	0.44	0.60	0.33	0.34	0.45
Nonfarm nonresidential	0.56	1.35	0.71	0.60	0.44	0.61	0.65	0.52	0.64	0.60	0.57	0.33
Multifamily residential real estate	0.13	0.65	0.28	0.15	0.14	0.06	0.13	0.25	0.12	0.12	0.16	0.08
Home equity loans	1.95	0.50	0.53	0.60	1.13	3.17	1.96	1.86	2.02	2.89	0.99	0.55
Other 1-4 family residential	1.83	1.14	0.83	0.98	1.78	2.34	1.64	1.96	1.87	2.51	2.24	0.45
Commercial and industrial loans	0.79	1.67	0.98	1.17	0.84	0.66	0.81	0.56	0.80	0.79	0.96	1.18
Loans to individuals	0.92	0.77	0.66	0.74	1.09	0.79	1.02	1.09	0.61	0.92	0.74	0.98
Credit card loans	1.31	0.53	1.64	2.52	1.56	1.07	1.56	1.34	0.94	1.21	1.23	1.64
Other loans to individuals	0.52	0.77	0.59	0.39	0.63	0.42	0.56	0.85	0.25	0.44	0.54	0.40
All other loans and leases (including farm)	0.22	1.51	1.00	0.45	0.28	0.12	0.20	0.17	0.16	0.28	0.37	0.30
Total loans and leases	0.93	1.26	0.82	0.75	0.91	1.01	0.90	0.93	0.92	1.11	0.96	0.67
Percent of Loans Charged-Off (net, YTD)												
All real estate loans	0.01	0.06	0.02	0.03	0.03	-0.02	0.03	-0.01	0.01	0.01	0.03	0.00
Construction and development	-0.01	0.05	-0.02	-0.02	0.00	-0.01	0.03	-0.03	0.03	-0.05	0.00	-0.05
Nonfarm nonresidential	0.04	0.08	0.03	0.04	0.04	0.05	0.05	0.05	0.02	0.06	0.05	0.00
Multifamily residential real estate	0.00	0.03	0.00	0.00	0.01	0.00	0.01	0.03	0.00	0.00	-0.01	0.00
Home equity loans	-0.07	0.13	0.02	0.03	0.02	-0.17	0.05	-0.30	0.01	-0.02	0.03	-0.04
Other 1-4 family residential	0.01	0.03	0.02	0.02	0.02	-0.02	0.03	0.01	0.00	-0.01	0.01	-0.01
Commercial and industrial loans	0.30	0.30	0.26	0.33	0.35	0.26	0.24	0.29	0.30	0.26	0.29	0.49
Loans to individuals	2.44	0.56	1.02	1.88	2.72	2.29	2.49	2.45	1.98	2.78	1.37	2.77
Credit card loans	3.97	3.04	5.79	7.27	4.48	3.46	4.01	4.08	3.37	3.81	2.72	4.85
Other loans to individuals	0.86	0.54	0.72	0.81	0.97	0.76	1.16	0.83	0.51	0.99	0.79	0.88
All other loans and leases (including farm)	0.12	0.21	0.19	0.24	0.10	0.11	0.11	0.13	0.10	0.11	0.22	0.10
Total loans and leases	0.50	0.14	0.10	0.19	0.66	0.52	0.46	0.56	0.39	0.52	0.21	0.78
Loans Outstanding (in billions)												
All real estate loans	\$4,963.9	\$29.6	\$581.1	\$900.8	\$1,814.6	\$1,637.8	\$1,025.7	\$929.8	\$1,002.9	\$875.3	\$498.3	\$631.9
Construction and development	357.1	1.7	55.3	88.1	146.7	65.4	68.5	59.1	60.4	50.1	78.2	41.0
Nonfarm nonresidential	1,473.8	6.9	219.9	368.6	590.6	287.8	339.2	286.9	223.8	199.6	207.5	216.8
Multifamily residential real estate	444.9	0.7	31.8	101.9	185.2	125.2	157.1	44.6	112.5	38.8	22.9	69.0
Home equity loans	358.5	0.7	20.8	39.1	137.4	160.4	73.5	87.3	88.6	61.7	20.1	27.2
Other 1-4 family residential	2,160.3	13.7	201.0	277.6	735.6	932.4	382.7	437.7	492.9	431.1	150.7	265.3
Commercial and industrial loans	2,214.6	5.1	94.7	196.5	855.3	1,063.0	345.6	541.5	495.2	439.4	152.6	240.2
Loans to individuals	1,748.0	2.7	30.7	70.2	802.6	841.7	290.3	415.7	338.1	314.1	67.6	322.2
Credit card loans	881.1	0.0	1.8	11.5	395.1	472.7	132.9	205.3	172.7	199.0	19.9	151.4
Other loans to individuals	866.9	2.7	28.9	58.7	407.5	369.0	157.4	210.4	165.4	115.1	47.7	170.8
All other loans and leases (including farm)	1,375.5	6.1	48.6	67.7	443.7	809.4	208.8	286.2	330.2	367.6	62.5	120.2
Total loans and leases (plus unearned income)	10,302.0	43.5	755.2	1,235.2	3,916.1	4,352.0	1,870.4	2,173.3	2,166.4	1,996.4	781.0	1,314.5
Memo: Other Real Estate Owned (in millions)												
All other real estate owned	6,361.3	154.9	1,768.2	1,382.7	1,672.3	1,383.2	1,147.7	1,417.4	1,253.6	1,074.1	1,132.8	335.7
Construction and development	1,591.5	32.7	720.6	438.5	311.8	87.9	212.5	434.9	186.1	265.8	384.2	108.0
Nonfarm nonresidential	1,960.6	47.7	587.3	555.4	464.5	305.7	299.2	424.9	395.1	303.3	468.5	69.7
Multifamily residential real estate	82.0	5.2	45.0	22.6	5.7	3.5	15.7	21.4	14.4	15.6	8.7	6.1
1-4 family residential	2,464.0	47.7	325.1	292.2	867.9	931.1	608.5	522.7	612.1	366.0	230.0	124.8
Farmland	208.2	21.6	90.1	74.1	22.3	0.0	11.8	13.4	21.0	93.4	41.4	27.2

* See Table IV-A (page 9) 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.

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 as such in the current quarter, adjusted for mergers. In contrast, prior-quarter performance ratios are based on community banks designated during the previous quarter.

- ***Community Banks Report 8.1 Percent Increase in Net Income***
- ***Growth in Net Interest Income and Noninterest Income Increases Net Operating Revenue***
- ***Loan and Lease Balances Grow 6.3 Percent***
- ***Net Charge-Off and Noncurrent Rates Both Decline Year Over Year***

Community Banks Report 8.1 Percent Increase in Net Income

Community banks reported net income of \$6.9 billion in second quarter 2019, an increase of \$522.2 million (8.1 percent) from second quarter 2018. Growth in net interest income (up 5.1 percent), noninterest income (up 4.7 percent), and gains on securities sales (up 656.7 percent) drove the annual increase in net income, which was partially offset by an increase in noninterest expense (up 5.6 percent) and a modest increase in provision expense (up 2.3 percent). Community banks reported a pretax return on average assets of 1.48 percent in second quarter 2019, up 7 basis points from a year ago, as the gap between community banks and noncommunity banks narrowed by 12 basis points over the same period. Ninety-six percent of community banks reported a profit during the quarter. At the end of second quarter 2019, there were 4,874 community banks. Fifty-four banks merged, one community bank opened, and one community bank failed during the quarter.

Growth in Net Interest Income and Noninterest Income Increases Net Operating Revenue

Net operating revenue rose to \$24 billion at community banks in second quarter 2019, up \$1.2 billion from a year ago owing to growth in net interest income (up 5.1 percent) and noninterest income (up 4.7 percent). Higher interest income on non-1-4 family real estate loans (up 13.3 percent), commercial and industrial (C&I) loans (up 17.1 percent), and 1-4 family mortgage loans (up 9 percent) drove the increase in net interest income from a year ago. Noninterest income increased \$212.1 million (4.7 percent) from second quarter 2018 to \$4.7 billion largely due to higher net gains from loan sales (up \$206.9 million, or 25.5 percent). More than half of community banks (56.8 percent) reported an increase in noninterest income from second quarter 2018.

Net Interest Margin Remains Stable

The net interest margin narrowed 1 basis point from a year ago to 3.68 percent, as the increase in average funding costs slightly outpaced the increase in average earning asset yields. Average funding costs for community banks have been lower than funding costs for noncommunity banks for six consecutive quarters, reversing a ten-year trend from first quarter 2008 through first quarter 2018 during which community banks reported a higher cost of funds than noncommunity banks. Community banks funded 89 percent of the increase in earning assets with deposits during the year. Depositors added \$82.7 billion (6 percent) to interest-bearing accounts and \$14.7 billion (3.9 percent) to noninterest-bearing accounts at community banks from a year ago. Growth in short-term time deposits—time deposits with maturities of three years or less—led the increase in interest-bearing deposit volume.

Noninterest Expense Rises as Payroll Expense and Assets Increase

Noninterest expense increased to \$15.3 billion in second quarter 2019, up \$817.1 million (5.6 percent) from a year ago. Slightly more than three-quarters (75.7 percent) of community banks reported higher noninterest expense compared with second quarter 2018. Payroll expense increased \$526.8 million (6.3 percent) from a year ago, as average assets per employee increased from \$5.35 million to \$5.56 million.

Loan and Lease Balances Grow 6.3 Percent

Loan and lease balances increased \$34.6 billion (2.2 percent) to \$1.6 trillion during second quarter 2019, as 73.1 percent of community banks reported higher loan and lease balances compared with the previous quarter.

Growth in major loan categories—nonfarm nonresidential loans (30 percent of total loans at community banks), 1–4 family residential real estate loans (25 percent of total loans), C&I loans (14 percent of total loans) and construction and development (C&D) loans (7 percent of total loans)—drove the quarterly and annual increases in loan and lease balances.

Loan and lease balances rose \$96.5 billion (6.3 percent) from second quarter 2018, led by growth in nonfarm nonresidential loans (up \$32.3 billion, or 7.2 percent), C&I loans (up \$17.3 billion, or 8.5 percent), 1–4 family residential real estate loans (up \$15.7 billion, or 4.1 percent), and C&D loans (up \$9.4 billion, or 9 percent). Community banks continued to grow their small loans to businesses, adding \$7.1 billion (2.4 percent) since second quarter 2018. Small loans to businesses held by community banks are 40.9 percent of the industry total.

Asset Quality Metrics Remain Favorable

Noncurrent loan and lease balances declined \$146 million (1.2 percent) during second quarter 2019. This decline contributed to an increase in the coverage ratio (loan and lease loss reserves to noncurrent loans) to 150.2 percent from 147.6 percent last quarter. The noncurrent rate for total loans declined 7 basis points to 0.75 percent from a year ago, reflecting a decline in noncurrent rates for major loan categories both quarterly and annually. The C&I noncurrent rate registered the largest decline among major loan categories during the quarter, falling 9 basis points to 0.88 percent.

The noncurrent rate for farm loans, of which community banks hold more than twice the volume held by noncommunity banks, was 1.28 percent in second quarter 2019, an increase of 13 basis points from a year ago but still below the recent high of 1.54 percent in first quarter 2010. The noncurrent rate for farmland loans increased 14 basis points from a year ago to 1.52 percent, and the noncurrent rate for agricultural production loans increased 11 basis points to 0.93 percent.

Net Charge-Off Rate Remains Low

Net charge-offs increased \$69 million (19.3 percent) during the quarter and \$20.6 million (5.1 percent) compared to second quarter 2018. The net charge-off rate for total loans was relatively flat at 0.11 percent (up 2 basis points quarterly), which is only slightly above the ten-year low of 0.09 percent and 46 basis points below that of noncommunity banks. The net charge-off rate for farm loans increased 4 basis points to 0.10 percent during the quarter. Of the major loan categories, only C&D loans registered a decline in the net charge-off rate during the quarter—down 2 basis points to negative 0.03 percent—as loan loss recoveries exceeded charge offs. The net charge-off rate for C&I loans increased 7 basis points to 0.25 percent during the quarter.

Community Bank Capital Ratios Continue to Expand

Equity capital grew \$24.8 billion (10.3 percent) during the year, supporting annual increases in all regulatory capital ratios. The total equity capital ratio increased 52 basis points to 11.68 percent, the leverage capital ratio increased 17 basis points to 11.14 percent year over year, and the total risk based capital ratio increased 8 basis points to 15.80 percent.

Quarterly Banking Profile

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

	2019*	2018*	2018	2017	2016	2015	2014
Return on assets (%)	1.20	1.14	1.19	0.96	0.99	0.99	0.93
Return on equity (%)	10.45	10.24	10.59	8.65	8.81	8.85	8.45
Core capital (leverage) ratio (%)	11.14	10.97	11.09	10.80	10.69	10.67	10.57
Noncurrent assets plus							
other real estate owned to assets (%)	0.66	0.75	0.70	0.78	0.94	1.07	1.34
Net charge-offs to loans (%)	0.10	0.14	0.12	0.16	0.16	0.15	0.21
Asset growth rate (%)	2.06	0.70	2.31	1.17	2.97	2.74	2.20
Net interest margin (%)	3.67	3.66	3.72	3.62	3.57	3.57	3.61
Net operating income growth (%)	3.34	14.08	28.16	0.21	2.42	9.57	4.78
Number of institutions reporting	4,874	5,112	4,981	5,228	5,462	5,736	6,037
Percentage of unprofitable institutions (%)	3.80	4.13	3.57	5.72	4.67	5.04	6.44

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

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

(dollar figures in millions)	2nd Quarter 2019	1st Quarter 2019	2nd Quarter 2018	% Change 18Q2-19Q2
Number of institutions reporting	4,874	4,932	5,112	-4.7
Total employees (full-time equivalent)	407,901	406,575	415,477	-1.8
CONDITION DATA				
Total assets	\$2,267,582	\$2,258,777	\$2,221,855	2.1
Loans secured by real estate	1,239,029	1,234,817	1,216,853	1.8
1-4 Family residential mortgages	399,943	399,232	400,033	0.0
Nonfarm nonresidential	479,116	477,544	468,395	2.3
Construction and development	113,784	113,466	108,623	4.8
Home equity lines	47,306	47,539	48,776	-3.0
Commercial & industrial loans	221,869	216,995	210,179	5.6
Loans to individuals	65,103	64,037	62,697	3.8
Credit cards	2,025	1,988	1,885	7.5
Farm loans	53,410	50,933	52,095	2.5
Other loans & leases	43,265	40,150	39,804	8.7
Less: Unearned income	642	642	701	-8.5
Total loans & leases	1,622,035	1,606,289	1,580,927	2.6
Less: Reserve for losses	18,291	18,271	18,243	0.3
Net loans and leases	1,603,744	1,588,018	1,562,684	2.6
Securities	389,305	392,599	403,050	-3.4
Other real estate owned	2,834	2,985	3,571	-20.6
Goodwill and other intangibles	16,998	16,725	15,202	11.8
All other assets	254,701	258,450	237,348	7.3
Total liabilities and capital	2,267,582	2,258,777	2,221,855	2.1
Deposits	1,859,739	1,861,209	1,818,620	2.3
Domestic office deposits	1,857,467	1,858,899	1,818,033	2.2
Foreign office deposits	2,271	2,310	587	287.0
Brokered deposits	75,516	77,356	74,726	1.1
Estimated insured deposits	1,350,104	1,355,680	1,335,071	1.1
Other borrowed funds	123,286	119,332	138,443	-10.9
Subordinated debt	631	618	629	0.4
All other liabilities	18,935	17,711	16,068	17.8
Total equity capital (includes minority interests)	264,991	259,907	248,095	6.8
Bank equity capital	264,916	259,839	247,978	6.8
Loans and leases 30-89 days past due	8,031	9,212	7,432	8.1
Noncurrent loans and leases	12,178	12,375	12,925	-5.8
Restructured loans and leases	5,965	6,033	6,549	-8.9
Mortgage-backed securities	179,687	177,205	177,217	1.4
Earning assets	2,115,034	2,107,482	2,072,598	2.0
FHLB Advances	100,718	95,973	115,387	-12.7
Unused loan commitments	315,984	313,263	303,200	4.2
Trust assets	276,541	269,923	293,149	-5.7
Assets securitized and sold	12,908	12,965	19,148	-32.6
Notional amount of derivatives	99,265	83,604	78,089	27.1
INCOME DATA				
	First Half 2019	First Half 2018	% Change	
Total interest income	\$48,048	\$43,782	9.7	2nd Quarter 2019
Total interest expense	9,819	6,400	53.4	2nd Quarter 2018
Net interest income	38,229	37,382	2.3	% Change 18Q2-19Q2
Provision for loan and lease losses	1,325	1,496	-11.5	
Total noninterest income	8,901	9,205	-3.3	
Total noninterest expense	30,160	30,016	0.5	
Securities gains (losses)	405	91	345.5	
Applicable income taxes	2,737	2,538	7.8	
Extraordinary gains, net*	115	-162	N/M	
Total net income (includes minority interests)	13,428	12,466	7.7	
Bank net income	13,424	12,458	7.8	
Net charge-offs	781	1,086	-28.1	
Cash dividends	6,671	5,320	25.4	
Retained earnings	6,754	7,138	-5.4	
Net operating income	12,973	12,554	3.3	

* See Notes to Users for explanation.

N/M - Not Meaningful

Quarterly Banking Profile

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

(dollar figures in millions)	2nd Quarter 2019	1st Quarter 2019	2nd Quarter 2018	% Change 18Q2-19Q2		
Number of institutions reporting	4,874	4,870	4,867	0.1		
Total employees (full-time equivalent)	407,901	403,002	401,912	1.5		
CONDITION DATA						
Total assets	\$2,267,582	\$2,238,343	\$2,149,512	5.5		
Loans secured by real estate	1,239,029	1,218,664	1,169,668	5.9		
1-4 Family residential mortgages	399,943	393,048	384,243	4.1		
Nonfarm nonresidential	479,116	470,911	446,828	7.2		
Construction and development	113,784	111,996	104,385	9.0		
Home equity lines	47,306	47,059	47,172	0.3		
Commercial & industrial loans	221,869	215,689	204,557	8.5		
Loans to individuals	65,103	63,225	61,202	6.4		
Credit cards	2,025	1,980	2,005	1.0		
Farm loans	53,410	50,820	51,634	3.4		
Other loans & leases	43,265	39,621	39,109	10.6		
Less: Unearned income	642	629	666	-3.7		
Total loans & leases	1,622,035	1,587,390	1,525,503	6.3		
Less: Reserve for losses	18,291	18,097	17,747	3.1		
Net loans and leases	1,603,744	1,569,293	1,507,756	6.4		
Securities	389,305	394,334	395,274	-1.5		
Other real estate owned	2,834	2,938	3,406	-16.8		
Goodwill and other intangibles	16,998	16,546	15,133	12.3		
All other assets	254,701	255,232	227,942	11.7		
Total liabilities and capital	2,267,582	2,238,343	2,149,512	5.5		
Deposits	1,859,739	1,844,447	1,762,042	5.5		
Domestic office deposits	1,857,467	1,842,137	1,760,060	5.5		
Foreign office deposits	2,271	2,310	1,982	14.6		
Brokered deposits	75,516	76,747	71,624	5.4		
Estimated insured deposits	1,350,104	1,343,483	1,292,781	4.4		
Other borrowed funds	123,286	118,214	130,837	-5.8		
Subordinated debt	631	618	620	1.9		
All other liabilities	18,935	17,532	15,762	20.1		
Total equity capital (includes minority interests)	264,991	257,532	240,252	10.3		
Bank equity capital	264,916	257,464	240,141	10.3		
Loans and leases 30-89 days past due	8,031	9,157	7,268	10.5		
Noncurrent loans and leases	12,178	12,324	12,545	-2.9		
Restructured loans and leases	5,965	6,030	6,392	-6.7		
Mortgage-backed securities	179,687	177,763	173,810	3.4		
Earning assets	2,115,034	2,088,720	2,005,031	5.5		
FHLB Advances	100,718	94,981	108,492	-7.2		
Unused loan commitments	315,984	310,403	293,266	7.7		
Trust assets	276,541	268,537	260,358	6.2		
Assets securitized and sold	12,908	12,965	14,113	-8.5		
Notional amount of derivatives	99,265	81,473	72,967	36.0		
INCOME DATA						
	First Half 2019	First Half 2018	% Change	2nd Quarter 2019	2nd Quarter 2018	% Change 18Q2-19Q2
Total interest income	\$48,048	\$42,231	13.8	\$24,422	\$21,675	12.7
Total interest expense	9,819	6,175	59.0	5,112	3,310	54.5
Net interest income	38,229	36,056	6.0	19,310	18,365	5.1
Provision for loan and lease losses	1,325	1,447	-8.5	673	658	2.3
Total noninterest income	8,901	8,725	2.0	4,695	4,483	4.7
Total noninterest expense	30,160	28,705	5.1	15,326	14,509	5.6
Securities gains (losses)	405	86	372.4	234	31	656.7
Applicable income taxes	2,737	2,455	11.5	1,407	1,285	9.5
Extraordinary gains, net*	115	2	N/M	118	1	N/M
Total net income (includes minority interests)	13,428	12,263	9.5	6,949	6,427	8.1
Bank net income	13,424	12,256	9.5	6,946	6,424	8.1
Net charge-offs	781	883	-11.6	426	405	5.1
Cash dividends	6,671	5,283	26.3	3,417	2,870	19.1
Retained earnings	6,754	6,973	-3.1	3,529	3,554	-0.7
Net operating income	12,973	12,190	6.4	6,631	6,402	3.6

* See Notes to Users for explanation.

N/M - Not Meaningful

Quarterly Banking Profile

Table III-B. Aggregate Condition and Income Data by Geographic Region, FDIC-Insured Community Banks
Second Quarter 2019

(dollar figures in millions)	Geographic Regions*						
	All Community Banks	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	4,874	552	561	1,073	1,304	1,085	299
Total employees (full-time equivalent)	407,901	83,284	45,641	83,857	71,971	88,728	34,420
CONDITION DATA							
Total assets	\$2,267,582	\$619,673	\$230,159	\$397,946	\$373,103	\$421,133	\$225,569
Loans secured by real estate	1,239,029	385,019	126,300	209,657	184,502	211,185	122,365
1-4 Family residential mortgages	399,943	137,499	39,625	68,256	55,040	68,070	31,453
Nonfarm nonresidential	479,116	139,676	55,381	78,957	62,268	85,936	56,897
Construction and development	113,784	26,440	14,268	16,667	16,187	29,659	10,564
Home equity lines	47,306	14,943	6,252	10,010	5,334	4,907	5,860
Commercial & industrial loans	221,869	56,158	19,238	42,177	39,641	42,457	22,198
Loans to individuals	65,103	15,916	6,395	12,251	11,070	12,938	6,532
Credit cards	2,025	427	144	247	566	213	428
Farm loans	53,410	641	1,447	8,498	30,178	9,616	3,030
Other loans & leases	43,265	12,439	3,267	8,171	6,809	7,912	4,666
Less: Unearned income	642	161	90	48	107	131	105
Total loans & leases	1,622,035	470,013	156,558	280,705	272,094	283,978	158,687
Less: Reserve for losses	18,291	4,393	1,755	3,209	3,543	3,438	1,953
Net loans and leases	1,603,744	465,620	154,803	277,497	268,550	280,539	156,734
Securities	389,305	92,329	42,101	72,008	63,818	82,370	36,679
Other real estate owned	2,834	500	557	531	493	611	142
Goodwill and other intangibles	16,998	4,884	1,194	2,951	2,438	3,174	2,357
All other assets	254,701	56,339	31,504	44,959	37,804	54,438	29,657
Total liabilities and capital	2,267,582	619,673	230,159	397,946	373,103	421,133	225,569
Deposits	1,859,739	490,873	192,573	328,707	307,569	353,940	186,076
Domestic office deposits	1,857,467	490,188	192,573	328,578	307,569	353,940	184,619
Foreign office deposits	2,271	685	1	129	0	0	1,457
Brokered deposits	75,516	25,744	4,935	14,193	14,026	10,122	6,496
Estimated insured deposits	1,350,104	343,241	139,959	256,874	238,615	252,377	119,039
Other borrowed funds	123,286	50,041	9,056	19,338	20,004	14,616	10,231
Subordinated debt	631	509	13	36	10	42	21
All other liabilities	18,935	6,435	1,701	2,992	2,500	3,069	2,237
Total equity capital (includes minority interests)	264,991	71,814	26,817	46,872	43,020	49,465	27,003
Bank equity capital	264,916	71,789	26,813	46,848	43,019	49,444	27,002
Loans and leases 30-89 days past due	8,031	1,743	867	1,531	1,509	1,841	538
Noncurrent loans and leases	12,178	3,492	1,179	2,243	2,157	2,344	763
Restructured loans and leases	5,965	2,034	603	1,378	845	698	406
Mortgage-backed securities	179,687	52,938	19,446	29,741	23,033	33,429	21,100
Earning assets	2,115,034	580,771	213,514	371,159	348,926	390,589	210,076
FHLB Advances	100,718	44,067	7,430	14,924	15,702	11,204	7,390
Unused loan commitments	315,984	85,606	27,581	56,415	55,230	54,272	36,880
Trust assets	276,541	55,868	8,973	58,577	92,878	42,089	18,155
Assets securitized and sold	12,908	7,599	69	1,061	2,804	950	424
Notional amount of derivatives	99,265	39,554	8,573	14,880	15,212	13,337	7,708
INCOME DATA							
Total interest income	\$24,422	\$6,364	\$2,498	\$4,214	\$4,116	\$4,742	\$2,488
Total interest expense	5,112	1,633	475	849	862	881	412
Net interest income	19,310	4,731	2,023	3,366	3,254	3,861	2,076
Provision for loan and lease losses	673	144	59	109	138	159	64
Total noninterest income	4,695	916	471	1,120	834	974	380
Total noninterest expense	15,326	3,669	1,692	2,858	2,543	3,089	1,475
Securities gains (losses)	234	71	38	72	20	26	7
Applicable income taxes	1,407	422	144	266	187	187	201
Extraordinary gains, net**	118	118	0	0	0	-1	0
Total net income (includes minority interests)	6,949	1,602	637	1,324	1,241	1,423	722
Bank net income	6,946	1,601	637	1,323	1,241	1,422	722
Net charge-offs	426	94	33	63	88	97	50
Cash dividends	3,417	784	214	796	678	620	326
Retained earnings	3,529	817	423	526	563	802	397
Net operating income	6,631	1,425	606	1,258	1,222	1,403	717

* See Table V-A for explanation.

** See Notes to Users for explanation.

Quarterly Banking Profile

Table IV-B. Second Quarter 2019, FDIC-Insured Community Banks

	All Community Banks		Second Quarter 2019, Geographic Regions*					
	2nd Quarter 2019	1st Quarter 2019	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Performance ratios (annualized, %)								
Yield on earning assets	4.65	4.58	4.42	4.72	4.57	4.74	4.89	4.78
Cost of funding earning assets	0.97	0.91	1.14	0.90	0.92	0.99	0.91	0.79
Net interest margin	3.68	3.67	3.29	3.83	3.65	3.75	3.98	3.99
Noninterest income to assets	0.83	0.76	0.60	0.83	1.13	0.90	0.93	0.68
Noninterest expense to assets	2.72	2.69	2.39	2.97	2.89	2.74	2.95	2.64
Loan and lease loss provision to assets	0.12	0.12	0.09	0.10	0.11	0.15	0.15	0.12
Net operating income to assets	1.18	1.14	0.93	1.06	1.27	1.32	1.34	1.28
Pretax return on assets	1.48	1.40	1.32	1.37	1.61	1.54	1.54	1.65
Return on assets	1.23	1.16	1.04	1.12	1.34	1.34	1.36	1.29
Return on equity	10.65	10.17	9.02	9.70	11.46	11.71	11.73	10.85
Net charge-offs to loans and leases	0.11	0.09	0.08	0.09	0.09	0.13	0.14	0.13
Loan and lease loss provision to net charge-offs	158.15	183.08	153.42	176.75	171.74	157.09	163.47	128.97
Efficiency ratio	63.48	64.02	64.65	67.31	63.29	61.78	63.62	59.84
Net interest income to operating revenue	80.44	81.82	83.78	81.11	75.03	79.59	79.86	84.53
% of unprofitable institutions	4.00	4.06	4.89	6.60	4.85	1.99	3.32	5.69
% of institutions with earnings gains	59.85	62.67	58.88	62.03	58.99	58.51	59.82	66.56

*See Table V-A for explanation.

Table V-B. First Half 2019, FDIC-Insured Community Banks

	All Community Banks		First Half 2019, Geographic Regions*					
	First Half 2019	First Half 2018	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Performance ratios (%)								
Yield on earning assets	4.62	4.29	4.40	4.70	4.53	4.68	4.83	4.79
Cost of funding earning assets	0.94	0.63	1.10	0.87	0.89	0.96	0.88	0.77
Net interest margin	3.67	3.66	3.29	3.83	3.64	3.72	3.95	4.01
Noninterest income to assets	0.80	0.84	0.57	0.79	1.10	0.84	0.88	0.68
Noninterest expense to assets	2.70	2.75	2.38	2.95	2.87	2.72	2.91	2.63
Loan and lease loss provision to assets	0.12	0.14	0.09	0.10	0.10	0.15	0.16	0.13
Net operating income to assets	1.16	1.15	0.93	1.06	1.27	1.27	1.30	1.30
Pretax return on assets	1.45	1.37	1.30	1.34	1.56	1.47	1.48	1.67
Return on assets	1.20	1.14	1.02	1.10	1.30	1.28	1.31	1.30
Return on equity	10.45	10.24	8.86	9.58	11.24	11.29	11.43	11.02
Net charge-offs to loans and leases	0.10	0.14	0.08	0.08	0.07	0.12	0.14	0.11
Loan and lease loss provision to net charge-offs	169.69	137.72	148.22	184.82	191.41	175.29	172.65	163.87
Efficiency ratio	63.63	64.12	64.62	67.31	63.51	62.51	63.89	59.23
Net interest income to operating revenue	81.11	80.24	84.35	81.89	75.57	80.60	80.69	84.60
% of unprofitable institutions	3.80	4.13	4.89	5.53	4.19	2.53	2.95	5.69
% of institutions with earnings gains	62.47	74.92	61.41	65.06	62.53	58.82	64.42	68.23

* See Table V-A for explanation.

Quarterly Banking Profile

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

June 30, 2019	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	0.45	0.34	0.51	0.56	0.51	0.58	0.27
Construction and development	0.45	0.34	0.46	0.51	0.52	0.45	0.49
Nonfarm nonresidential	0.30	0.24	0.29	0.37	0.36	0.40	0.18
Multifamily residential real estate	0.17	0.11	0.16	0.40	0.25	0.11	0.12
Home equity loans	0.43	0.46	0.49	0.43	0.32	0.47	0.35
Other 1-4 family residential	0.68	0.53	0.86	0.82	0.65	0.89	0.37
Commercial and industrial loans	0.47	0.29	0.64	0.44	0.53	0.61	0.51
Loans to individuals	1.34	1.53	1.44	0.77	0.94	2.08	1.07
Credit card loans	2.16	2.58	1.34	0.95	3.37	1.57	1.38
Other loans to individuals	1.31	1.50	1.45	0.77	0.81	2.09	1.05
All other loans and leases (including farm)	0.52	0.21	0.28	0.50	0.70	0.55	0.31
Total loans and leases	0.49	0.37	0.55	0.55	0.55	0.65	0.34
Percent of Loans Noncurrent**							
All loans secured by real estate	0.73	0.77	0.76	0.83	0.73	0.76	0.41
Construction and development	0.58	0.62	0.67	0.59	0.65	0.48	0.56
Nonfarm nonresidential	0.63	0.66	0.60	0.74	0.63	0.72	0.31
Multifamily residential real estate	0.18	0.15	0.32	0.30	0.22	0.25	0.06
Home equity loans	0.49	0.60	0.50	0.47	0.28	0.44	0.52
Other 1-4 family residential	0.94	1.16	0.98	0.97	0.58	0.92	0.54
Commercial and industrial loans	0.88	0.79	0.74	0.78	0.98	1.08	0.80
Loans to individuals	0.53	0.34	0.68	0.33	0.40	1.07	0.35
Credit card loans	0.89	1.13	0.32	0.47	1.31	0.53	0.72
Other loans to individuals	0.52	0.31	0.69	0.33	0.35	1.08	0.33
All other loans and leases (including farm)	0.81	0.29	0.62	0.81	1.03	0.77	0.85
Total loans and leases	0.75	0.74	0.75	0.80	0.79	0.83	0.48
Percent of Loans Charged-Off (net, YTD)							
All loans secured by real estate	0.03	0.04	0.02	0.03	0.02	0.05	0.00
Construction and development	-0.01	0.00	-0.02	-0.02	-0.04	0.00	-0.04
Nonfarm nonresidential	0.05	0.05	0.02	0.04	0.04	0.09	0.00
Multifamily residential real estate	0.00	0.01	0.01	-0.01	0.01	0.00	-0.01
Home equity loans	0.03	0.04	0.01	0.05	0.01	0.02	-0.01
Other 1-4 family residential	0.03	0.04	0.02	0.02	0.02	0.03	-0.01
Commercial and industrial loans	0.21	0.17	0.21	0.16	0.25	0.28	0.26
Loans to individuals	0.89	0.81	0.87	0.37	1.08	0.93	1.66
Credit card loans	6.04	3.61	3.03	1.73	14.76	1.81	2.58
Other loans to individuals	0.72	0.73	0.82	0.35	0.33	0.92	1.60
All other loans and leases (including farm)	0.18	0.13	0.14	0.25	0.13	0.27	0.22
Total loans and leases	0.10	0.08	0.08	0.07	0.12	0.14	0.11
Loans Outstanding (in billions)							
All real estate loans	\$1,239.0	\$385.0	\$126.3	\$209.7	\$184.5	\$211.2	\$122.4
Construction and development	113.8	26.4	14.3	16.7	16.2	29.7	10.6
Nonfarm nonresidential	479.1	139.7	55.4	79.0	62.3	85.9	56.9
Multifamily residential real estate	121.9	64.0	6.3	18.0	11.3	8.5	13.7
Home equity loans	47.3	14.9	6.3	10.0	5.3	4.9	5.9
Other 1-4 family residential	399.9	137.5	39.6	68.3	55.0	68.1	31.5
Commercial and industrial loans	221.9	56.2	19.2	42.2	39.6	42.5	22.2
Loans to individuals	65.1	15.9	6.4	12.3	11.1	12.9	6.5
Credit card loans	2.0	0.4	0.1	0.2	0.6	0.2	0.4
Other loans to individuals	63.1	15.5	6.3	12.0	10.5	12.7	6.1
All other loans and leases (including farm)	96.7	13.1	4.7	16.7	37.0	17.5	7.7
Total loans and leases (plus unearned income)	1,622.7	470.2	156.6	280.8	272.2	284.1	158.8
Memo: Unfunded Commitments (in millions)							
Total Unfunded Commitments	315,984	85,606	27,581	56,415	55,230	54,272	36,880
Construction and development: 1-4 family residential	25,971	5,145	3,476	3,093	3,558	7,550	3,149
Construction and development: CRE and other	66,718	20,466	6,525	11,060	9,146	12,934	6,588
Commercial and industrial	102,264	28,777	7,313	20,188	16,868	17,227	11,890

* See Table V-A for explanation.

**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 \$2.6 Billion***
- ***DIF Reserve Ratio Rises 4 Basis Points to 1.40 Percent***
- ***Small Bank Credits Will Be Applied to Second Quarter Assessments***

During the second quarter, the Deposit Insurance Fund (DIF) balance increased by \$2.6 billion to \$107.4 billion. Assessment income of \$1.2 billion and unrealized gains on available-for-sale securities of \$694 million were the largest drivers of the increase. Negative provisions for losses added \$610 million and interest earned on investments added \$535 million, while operating expenses reduced the fund by \$459 million. One small institution with total assets of \$37 million failed during the second quarter of 2019.

The deposit insurance assessment base—average consolidated total assets minus average tangible equity—increased by 0.7 percent in the second quarter and by 3.7 percent over 12 months.¹² Total estimated insured deposits decreased by 0.1 percent in the second quarter of 2019 but rose by 4.6 percent year over year.

The strong growth in the fund balance, combined with flat insured deposit growth, increased the DIF reserve ratio (the fund balance as a percent of estimated insured deposits) to 1.40 percent on June 30, 2019, the highest level since September 30, 1999. The second quarter reserve ratio is 4 basis points higher than at March 31, 2019, and 7 basis points higher than the previous year.

Small banks earned a total of \$765 million in credits for the portion of their assessments that contributed to growth in the reserve ratio from 1.15 percent to 1.35 percent. The credits are automatically applied to offset the assessments of small banks when the reserve ratio is at least 1.38 percent.³ Therefore, the FDIC will apply approximately \$320 million of credits to offset the second quarter assessments of small banks, which will be due September 30, 2019.

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 In August 2019, the FDIC Board of Directors authorized a notice of proposed rulemaking (NPR) that would require the FDIC to apply the small bank credits in any assessment quarter in which the reserve ratio is at least 1.35 percent.

Quarterly Banking Profile

Table I-C. Insurance Fund Balances and Selected Indicators

Deposit Insurance Fund*													
	2nd Quarter 2019	1st Quarter 2019	4th Quarter 2018	3rd Quarter 2018	2nd Quarter 2018	1st Quarter 2018	4th Quarter 2017	3rd Quarter 2017	2nd Quarter 2017	1st Quarter 2017	4th Quarter 2016	3rd Quarter 2016	2nd Quarter 2016
<i>(dollar figures in millions)</i>													
Beginning Fund Balance	\$104,870	\$102,609	\$100,204	\$97,588	\$95,072	\$92,747	\$90,506	\$87,588	\$84,928	\$83,162	\$80,704	\$77,910	\$75,120
Changes in Fund Balance:													
Assessments earned.....	1,187	1,369	1,351	2,728	2,598	2,850	2,656	2,568	2,634	2,737	2,688	2,643	2,328
Interest earned on investment securities.....	535	507	481	433	381	338	305	274	251	227	189	171	164
Realized gain on sale of investments.....	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating expenses.....	459	434	453	434	445	433	443	404	450	442	437	422	441
Provision for insurance losses.....	-610	-396	-236	-121	-141	-65	-203	-512	-233	765	-332	-566	-627
All other income, net of expenses.....	9	2	2	2	3	1	3	1	4	2	3	3	2
Unrealized gain/(loss) on available-for-sale securities**.....	694	421	788	-234	-162	-496	-481	-33	-12	7	-317	-167	110
Total fund balance change.....	2,576	2,261	2,405	2,616	2,516	2,325	2,242	2,918	2,660	1,766	2,457	2,794	2,790
Ending Fund Balance	107,446	104,870	102,609	100,204	97,588	95,072	92,747	90,506	87,588	84,928	83,162	80,704	77,910
Percent change from four quarters earlier....	10.10	10.31	10.63	10.72	11.42	11.95	11.53	12.14	12.42	13.06	14.55	15.10	15.27
Reserve Ratio (%)	1.40	1.36	1.36	1.36	1.33	1.30	1.30	1.27	1.24	1.20	1.20	1.18	1.17
Estimated Insured Deposits	7,691,598	7,699,901	7,525,393	7,377,158	7,355,373	7,334,658	7,156,067	7,101,090	7,049,332	7,081,095	6,917,200	6,817,375	6,674,365
Percent change from four quarters earlier....	4.57	4.98	5.16	3.89	4.34	3.58	3.45	4.16	5.62	6.29	6.11	6.41	5.38
Domestic Deposits	12,788,777	12,725,359	12,659,395	12,367,954	12,280,904	12,305,817	12,129,503	11,966,478	11,827,933	11,856,691	11,693,371	11,506,877	11,242,960
Percent change from four quarters earlier....	4.14	3.41	4.37	3.36	3.83	3.79	3.73	3.99	5.20	6.28	6.76	7.56	5.74
Assessment Base***	15,673,568	15,562,369	15,450,464	15,227,751	15,112,199	15,068,151	15,000,701	14,833,644	14,702,429	14,620,363	14,562,672	14,382,469	14,191,487
Percent change from four quarters earlier....	3.71	3.28	3.00	2.66	2.79	3.06	3.01	3.14	3.60	4.47	5.28	5.27	4.43
Number of Institutions Reporting	5,312	5,371	5,415	5,486	5,551	5,616	5,679	5,747	5,796	5,865	5,922	5,989	6,067

* Quarterly financial statement results are unaudited.

** Includes unrealized postretirement benefit gain (loss).

*** Average consolidated total assets minus tangible equity, with adjustments for banker's banks and custodial banks.

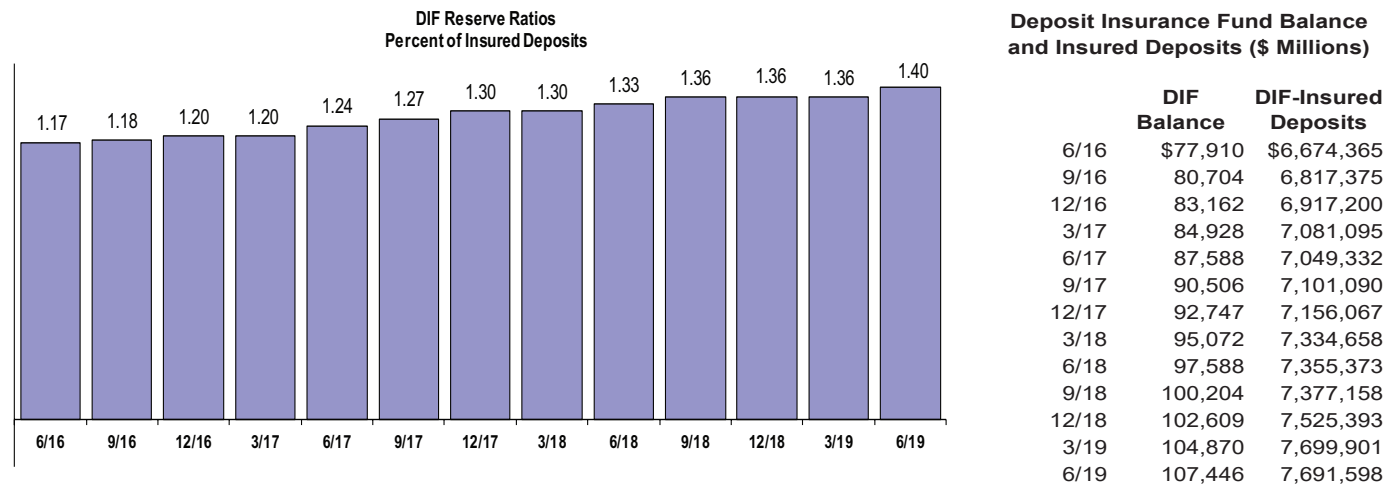


Table II-C. Problem Institutions and Failed Institutions

<i>(dollar figures in millions)</i>	2019****	2018****	2018	2017	2016	2015	2014	2013
Problem Institutions								
Number of institutions.....	56	82	60	95	123	183	291	467
Total assets.....	\$48,505	\$54,378	\$48,489	\$13,939	\$27,624	\$46,780	\$86,712	\$152,687
Failed Institutions								
Number of institutions.....	1	0	0	8	5	8	18	24
Total assets*****	\$37	\$0	\$0	\$5,082	\$277	\$6,706	\$2,914	\$6,044

**** Through June 30.

***** Total assets are based on final Call Reports submitted by failed institutions.

Quarterly Banking Profile

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

(dollar figures in millions)

June 30, 2019

	Number of Institutions	Total Assets	Domestic Deposits*	Est. Insured Deposits
Commercial Banks and Savings Institutions				
FDIC-Insured Commercial Banks	4,630	\$17,098,031	\$11,823,312	\$6,899,756
FDIC-Supervised	3,086	2,674,036	2,119,423	1,448,410
OCC-Supervised	798	11,489,918	7,666,963	4,336,012
Federal Reserve-Supervised	746	2,934,078	2,036,926	1,115,334
FDIC-Insured Savings Institutions	673	1,169,203	924,306	755,207
OCC-Supervised	305	765,291	619,575	516,632
FDIC-Supervised.....	332	373,314	280,423	219,105
Federal Reserve-Supervised.....	36	30,598	24,309	19,470
Total Commercial Banks and Savings Institutions	5,303	18,267,235	12,747,618	7,654,964
Other FDIC-Insured Institutions				
U.S. Branches of Foreign Banks	9	93,034	41,159	36,634
Total FDIC-Insured Institutions	5,312	18,360,268	12,788,777	7,691,598

* 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, 2019 (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	3,376	62.86	\$7,820.4	50.25
3.01 - 6.00	1,421	26.46	6,743.0	43.33
6.01 - 10.00	441	8.21	887.9	5.71
10.01 - 15.00	60	1.12	74.5	0.48
15.01 - 20.00	62	1.15	22.7	0.15
20.01 - 25.00	4	0.07	1.2	0.01
> 25.00	7	0.13	12.6	0.08

*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://www.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. (All charters under designated holding companies are considered community banking charters.)

Exclude: Any organization with:

- No loans or no core deposits
- Foreign Assets \geq 10% of total assets
- More than 50% of assets in certain specialty banks, including:
 - credit card specialists
 - consumer nonbank banks¹
 - industrial loan companies
 - trust companies
 - bankers' banks

Include: All remaining banking organizations with:

- Total assets < indexed size threshold²
- Total assets \geq 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 \leq 2
 - Number of states with offices \leq 3
 - No single office with deposits > indexed maximum branch deposit size.⁴

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

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

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

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

Tables I-C through IV-C.

A separate set of tables (Tables I-C through IV-C) provides comparative quarterly data related to the Deposit Insurance Fund (DIF), problem institutions, failed 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 (TFR)* submitted by all FDIC-insured depository institutions. (TFR filers began filing Call Reports effective with the quarter ending March 31, 2012.) This information is stored on and retrieved from the FDIC's Research Information System (RIS) database.

COMPUTATION METHODOLOGY

Parent institutions are required to file consolidated reports, while their subsidiary financial institutions are still required to file separate reports. Data from subsidiary institution reports are included in the *Quarterly Banking Profile* tables, which can lead to double-counting. No adjustments are made for any double-counting of subsidiary data. Additionally, certain adjustments are made to the OTS *Thrift Financial Reports* to provide closer conformance with the reporting and accounting requirements of the FFIEC *Call Reports*. (TFR filers began filing Call Reports effective with the quarter ending March 31, 2012.) All condition and performance ratios represent weighted averages, which is the sum of the individual numerator values divided by the sum of individual denominator values. All asset and liability figures used in calculating performance ratios represent average amounts for the period (beginning-of-period amount plus end-of-period amount plus any interim periods, divided by the total number of periods). For "pooling-of-interest" mergers, the assets of the acquired institution(s) are included in average assets, since the year-to-date income includes the results of all merged institutions. No adjustments are made for "purchase accounting" mergers. Growth rates represent the percentage change over a 12-month period in totals for institutions in the base period to totals for institutions in the current period. For the community bank subgroup, growth rates will reflect changes over time in the number and identities of institutions designated as community banks, as well as changes in the assets and liabilities, and income and expenses of group members. Unless indicated otherwise, growth rates are not adjusted for mergers or other changes in the composition of the community bank subgroup. When community bank growth rates are adjusted for mergers, prior period balances used in the calculations represent totals for the current group of community bank reporters, plus prior period amounts for any institutions that were subsequently merged into current community banks.

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

ACCOUNTING CHANGES

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

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

<https://www.fdic.gov/news/news/financial/2019/fil19040.html>

<https://www.fdic.gov/news/news/financial/2019/fil19040.pdf>

<https://www.fdic.gov/regulations/resources/call/call.html>

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

<http://www.fasb.org/jsp/FASB/Page/LandingPage&cid=1175805317350>.

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 & 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 filed a Thrift Financial Report (TFR), the valuation allowance

subtracted also includes allowances for other repossessed assets. Also, for TFR filers the components of other real estate owned are reported gross of valuation allowances. (TFR filers began filing Call Reports effective with the quarter ending March 31, 2012.)

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

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

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

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

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

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

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

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

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

Securities – excludes securities held in trading accounts. Banks’ securities portfolios consist of securities designated as “held-to-maturity” (reported at amortized cost (book value)), securities designated as “available-for-sale” (reported at fair (market) value), and equity securities with readily determinable fair values not held for trading.

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

Seller’s interest in institution’s own securitizations – the reporting bank’s ownership interest in loans and other assets that

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

Small Business Lending Fund – The Small Business Lending Fund (SBLF) was enacted into law in September 2010 as part of the Small Business Jobs Act of 2010 to encourage lending to small businesses by providing capital to qualified community institutions with assets of less than \$10 billion. The SBLF Program is administered by the U.S. Treasury Department (<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 and contra accounts – unearned income for Call Report filers only.

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

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