FDIC

Quarterly Banking Profile

First Quarter 2014

INSURED INSTITUTION PERFORMANCE

- ***Net Income of $37.2 Billion Is $3.1 Billion Below Year-Ago Level***
- ***Reduced Mortgage Activity Contributes to Decline in Revenue***
- ***54 Percent of Banks Report Year-Over-Year Improvement in Earnings***
- ***Balances at Federal Reserve Banks Account for Almost Half of Asset Growth***

Effects of Last Year's Rate Increase Are Evident in First Quarter Results

The increase in medium- and long-term interest rates that occurred in second quarter 2013 continued to affect year-over-year earnings comparisons. Lower noninterest income, reflecting diminished mortgage revenue, declining trading income, and a one-time gain that inflated year-ago results, was the principal cause of the $3.1 billion (7.6 percent) year-over-year decline in industry earnings. This is only the second time in the last 19 quarters that the industry has reported a year-over-year decline in quarterly earnings. Both declines have occurred in the last three quarters. Last year's rise in interest rates resulted in a drying-up of demand for mortgage refinancings. Without this demand, mortgage originations have fallen sharply, and mortgage revenue has declined by almost one-half. The increase in interest rates also resulted in a steeper yield curve that has been beneficial for the net interest margins of banks that invest in longer-term assets and fund the investments with short-term liabilities. For the industry in aggregate, the declines in mortgage revenue and realized gains on securities caused by higher interest rates outweighed the gains in net interest income that stemmed from a steeper yield curve. For a majority of banks, however, the opposite was true. Even as total industry net income fell, more than half of all banks—54 percent—reported increased earnings compared with the year-ago period. The average return on assets for the quarter was 1.01 percent, down from 1.12 percent in first quarter 2013.

Lower Noninterest Income Outweighs Growth in Net Interest Income

Net operating revenue—the sum of net interest income and total noninterest income—totaled $163.7 billion in the first quarter. This was $6.7 billion (4 percent) lower than the first-quarter 2013 total. Net interest income was $361 million (0.3 percent) higher than the year before, but noninterest income was down by $7.1 billion (10.7 percent). More than two-thirds of all banks reported year-over-year increases in net interest income, but only seven of the 20 largest banks reported increases. The average net interest margin fell to 3.17 percent, from 3.27 percent in first quarter 2013, although 54 percent of banks reported higher margins compared with first quarter 2013. Larger institutions are less invested in longer-maturity, higher-yield assets, and a sizable share of their recent asset growth has consisted of low-yield, high-liquidity balances at Federal Reserve banks. They experienced the greatest margin erosion.

Reduced Income From Mortgage Lending Contributes to Revenue Decline

The year-over-year decline in noninterest income was led by a $4 billion (53.6 percent) drop in income from mortgage sales, securitization, and servicing. Trading revenue was $1.4 billion (18.3 percent) lower than the comparable period in 2013. In addition, first quarter 2013 noninterest income received a $2.5 billion boost from a litigation settlement, while there was no similar boost to first quarter 2014 income. A majority of banks, 55.6 percent, reported lower noninterest income than in first quarter 2013. Noninterest expense was essentially unchanged from 2013 (down $18 million, or 0.02 percent). Payroll expenses were $579 million (1.2 percent) lower, as the number of full-time equivalent employees was 43,890 fewer than a year ago. First-quarter expenses were elevated by a $959 million litigation expense.

Gains From Lower Provisioning Are Diminishing

The largest positive contribution to the year-over-year change in earnings came from reduced loan-loss provisions. The $7.6 billion that banks set aside for their loan-loss reserves was $3.3 billion (30.3 percent) lower than the year before. This is the 18th consecutive quarter that loan-loss provisions have declined year over year, and it is the second-smallest decline during this period. Forty-two percent of all banks reduced their loss provisions.

Charge-Offs Fall to Pre-Crisis Level

Loan losses continued to decline. Net charge-offs (NCOs) fell year over year for a 15th consecutive quarter, to $10.4 billion, $5.5 billion (34.8 percent) less than in first quarter 2013. This is the lowest quarterly NCO total since second quarter 2007. Charge-offs were lower across all major loan categories, with the largest declines occurring in residential mortgage loans (down $2 billion, 63.1 percent), home equity lines (down $1 billion, 53.3 percent), real estate loans secured by nonfarm nonresidential properties (down $734 million, 71.9 percent), and credit cards (down $709 million, 11.4 percent). The annualized NCO rate fell to 0.52 percent from 0.83 percent in first quarter 2013.

Noncurrent Balances Fall Below $200 Billion

The amount of loan and lease balances that were noncurrent (90 days or more past due or in nonaccrual status) declined for a 16th quarter in a row, as noncurrent levels improved in all major loan categories. Noncurrent balances totaled $195.1 billion at the end of the first quarter, down $12.1 billion (5.8 percent) from the total at year-end 2013. This is the first time since the end of third quarter 2008 that noncurrent balances have been below $200 billion. The improvement was led by residential mortgage loans, where noncurrent balances fell by $8.7 billion (6.5 percent), real estate loans secured by nonfarm nonresidential properties (down $1.2 billion, 5.7 percent) and real estate construction and development loans (down $1.1 billion, 12.7 percent).

Reserve Coverage Improves for Sixth Consecutive Quarter

Banks continued to release reserves in the first quarter, adding $7.6 billion in loss provisions while net charge-offs subtracted $10.4 billion. Total loan-loss reserves declined from $135.9 billion at year-end 2013 to $132.3 billion. This is the 16th consecutive quarter that reserve balances have fallen; reserves are now at a six-year low. The industry's coverage ratio of reserves to noncurrent loans increased from 65.6 percent to 67.8 percent during the quarter, however, owing to the decline in noncurrent loan balances. The coverage ratio has increased in each of the last six quarters. A year ago, the ratio was 59.5 percent.

Capital Measures Exhibit Strength

Equity capital increased by $29.8 billion (1.8 percent) in the quarter. Retained earnings contributed $17.3 billion, down from $25.9 billion in the same period of 2013, as declared dividends were up by $5.5 billion (38.3 percent). Higher market values for available-for-sale securities added $6.7 billion to equity during the quarter. Both the core capital (leverage) ratio and the Tier 1 risk-based capital ratio (as defined for Prompt Corrective Action purposes) rose to record levels for the industry. At the end of the first quarter, 98.2 percent of all insured institutions, representing 99.8 percent of industry assets, met or exceeded the requirements of the highest regulatory capital category.

Pace of Loan Growth Picks Up

Total assets increased by $178.3 billion (1.2 percent) in the first three months of 2014. Balances with Federal Reserve banks rose by $82.5 billion (7.1 percent), accounting for 46 percent of total asset growth. Investment securities portfolios rose by $52.7 billion (1.8 percent), as banks increased their holdings of U.S. Treasury securities by $44.6 billion (23.1 percent). Total loans and leases increased by $37.8 billion (0.5 percent) during the quarter. Credit card balances and agricultural production loans posted seasonal declines of $33 billion (4.8 percent) and $5.7 billion (8 percent), respectively. Home equity lines of credit declined for a 20th consecutive quarter, falling by $7.2 billion (1.4 percent). Residential mortgage balances declined by $6.3 billion (0.3 percent), as banks reduced their inventories of mortgages held for sale. All other major loan categories increased during the quarter. Loans to commercial and industrial borrowers increased by $15.3 billion (1.0 percent), while real estate loans secured by multifamily residential properties rose by $9 billion (3.4 percent), real estate loans secured by nonfarm nonresidential properties increased by $8.1 billion (0.7 percent), and auto loans rose by $6.2 billion (1.8 percent). Assets in trading accounts declined by $18.6 billion (3.1 percent).

Retail Deposits Lead Growth in Funding

Deposit balances were up by $125.8 billion (1.1 percent) in the quarter, as deposits in foreign offices fell by $5.4 billion (0.4 percent) and domestic office deposits increased by $131.1 billion (1.3 percent). Much of the increase in domestic deposits consisted of balances in smaller-denomination accounts. Deposits in accounts of less than $250,000 rose by $85.9 billion (1.7 percent). Nondeposit liabilities increased by $25.4 billion (1.4 percent), as unsecured borrowings increased by $28.1 billion (13.9 percent), and securities sold under repo agreements rose by $22 billion (7.2 percent). Liabilities in trading accounts declined by $22 billion (9.1 percent).

Problem List Falls to Less Than Half of Recent Peak

The number of insured commercial banks and savings institutions reporting financial results declined to 6,730 in the first quarter, down from 6,812 reporters at the end of fourth quarter 2013. No new reporters were added in the first quarter. Mergers absorbed 74 institutions during the quarter, and five insured institutions failed. The number of institutions on the FDIC's "Problem List" declined from 467 to 411 during the quarter. Assets of "problem" banks fell from $152.7 billion to $126.1 billion. The number of full-time equivalent employees declined to 2,058,927, from 2,102,817 in first quarter 2013. This is the fourth consecutive quarter that the number of employees has declined year over year.

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

	2014**	2013**	2013	2012	2011	2010	2009
Return on assets (%)	1.01	1.12	1.07	1.00	0.88	0.65	-0.08
Return on equity (%)	8.99	9.96	9.53	8.91	7.79	5.85	-0.73
Core capital (leverage) ratio (%)	9.54	9.26	9.40	9.15	9.07	8.89	8.60
Noncurrent assets plus other real estate owned to assets (%)	1.52	2.08	1.63	2.20	2.61	3.11	3.37
Net charge-offs to loans (%)	0.52	0.83	0.69	1.10	1.55	2.55	2.52
Asset growth rate (%)	3.30	3.58	1.88	4.02	4.30	1.77	-5.45
Net interest margin (%)	3.17	3.27	3.26	3.42	3.60	3.76	3.49
Net operating income growth (%)	-5.85	19.61	12.75	17.75	43.55	1594.66	-155.98
Number of institutions reporting	6,730	7,019	6,812	7,083	7,357	7,658	8,012
Commercial banks	5,809	6,048	5,876	6,096	6,291	6,530	6,840
Savings institutions	921	971	936	987	1,066	1,128	1,172
Percentage of unprofitable institutions (%)	7.28	8.55	8.12	10.98	16.22	22.15	30.84
Number of problem institutions	411	612	467	651	813	884	702
Assets of problem institutions (in billions)	$126	$213	$153	$233	$319	$390	$403
Number of failed institutions	5	4	24	51	92	157	140
Number of assisted institutions	0	0	0	0	0	0	8

* Excludes insured branches of foreign banks (IBAs).
** Through March 31, ratios annualized where appropriate. Asset growth rates are for 12 months ending March 31.

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

(dollar figures in millions)	1st Quarter 2014	4th Quarter 2013	1st Quarter 2013	%Change 13Q1-14Q1
Number of institutions reporting	6,730	6,812	7,019	-4.1
Total employees (full-time equivalent)	2,058,927	2,068,754	2,102,817	-2.1
CONDITION DATA				
Total assets	$14,901,002	$14,722,664	$14,424,434	3.3
Loans secured by real estate	4,075,508	4,065,663	4,059,427	0.4
1-4 Family residential mortgages	1,822,313	1,828,625	1,877,838	-3.0
Nonfarm nonresidential	1,117,684	1,109,585	1,072,938	4.2
Construction and development	214,319	209,935	201,534	6.3
Home equity lines	503,539	510,756	538,912	-6.6
Commercial & industrial loans	1,614,329	1,599,063	1,519,577	6.2
Loans to individuals	1,326,961	1,353,508	1,288,060	3.0
Credit cards	658,387	691,397	660,224	-0.3
Farm loans	64,972	70,642	59,810	8.6
Other loans & leases	851,019	806,149	733,951	16.0
Less: Unearned income	1,902	1,896	1,926	-1.3
Total loans & leases	7,930,910	7,893,129	7,658,899	3.6
Less: Reserve for losses	132,323	135,927	155,488	-14.9
Net loans and leases	7,798,587	7,757,202	7,503,411	3.9
Securities	3,054,501	3,001,760	2,998,531	1.9
Other real estate owned	29,367	30,209	35,892	-18.2
Goodwill and other intangibles	365,486	368,316	367,041	-0.4
All other assets	3,653,062	3,565,177	3,519,559	3.8
Total liabilities and capital	14,901,002	14,722,664	14,424,434	3.3
Deposits	11,317,837	11,192,053	10,819,197	4.6
Domestic office deposits	9,922,088	9,790,951	9,426,565	5.3
Foreign office deposits	1,395,749	1,401,102	1,392,632	0.2
Other borrowed funds	1,343,002	1,307,630	1,300,306	3.3
Subordinated debt	95,451	99,618	116,075	-17.8
All other liabilities	463,007	468,773	547,377	-15.4
Total equity capital (includes minority interests)	1,681,705	1,654,590	1,641,479	2.5
Bank equity capital	1,672,967	1,643,211	1,626,316	2.9
Loans and leases 30-89 days past due	69,570	75,883	80,037	-13.1
Noncurrent loans and leases	195,054	207,136	261,170	-25.3
Restructured loans and leases	97,167	99,419	105,772	-8.1
Mortgage-backed securities	1,690,537	1,673,883	1,698,409	-0.5
Earning assets	13,269,584	13,067,384	12,753,050	4.1
FHLB Advances	391,990	406,163	330,183	18.7
Unused loan commitments	6,214,801	6,098,254	5,908,378	5.2
Trust assets	20,193,283	19,691,995	18,271,244	10.5
Assets securitized and sold	722,091	742,448	809,168	-10.8
Notional amount of derivatives	233,457,475	238,755,603	232,583,465	0.4

INCOME DATA	Full Year 2013	Full Year 2012	%Change	1st Quarter 2014	1st Quarter 2013	%Change 13Q1-14Q1
Total interest income	$470,760	$486,730	-3.3	$116,125	$118,110	-1.7
Total interest expense	53,610	65,902	-18.7	11,937	14,284	-16.4
Net interest income	417,150	420,828	-0.9	104,187	103,826	0.4
Provision for loan and lease losses	32,426	57,807	-43.9	7,601	10,911	-30.3
Total noninterest income	251,844	248,629	1.3	59,513	66,621	-10.7
Total noninterest expense	416,751	421,221	-1.1	102,266	102,283	0.0
Securities gains (losses)	4,474	9,680	-53.8	827	2,071	-60.1
Applicable income taxes	69,530	58,303	19.3	17,304	18,758	-7.8
Extraordinary gains, net	243	-146	N/M	76	-59	N/M
Total net income (includes minority interests)	155,004	141,660	9.4	37,432	40,506	-7.6
Bank net income	154,219	141,050	9.3	37,239	40,308	-7.6
Net charge-offs	53,529	82,222	-34.9	10,374	15,900	-34.8
Cash dividends	87,161	96,409	-9.6	19,939	14,413	38.3
Retained earnings	67,059	44,640	50.2	17,300	25,895	-33.2
Net operating income	151,632	134,484	12.8	36,765	39,051	-5.9

N/M - Not Meaningful

TABLE III-A. First Quarter 2014, All FDIC-Insured Institutions

		Asset Concentration Groups*								
FIRST QUARTER **(The way it is...)**	All Insured Institutions	Credit Card Banks	International Banks	Agricultural Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <$1 Billion	All Other <$1 Billion	All Other >$1 Billion
Number of institutions reporting	6,730	16	4	1,481	3,323	563	54	444	783	62
Commercial banks	5,809	13	4	1,463	2,986	168	40	405	677	53
Savings institutions	921	3	0	18	337	395	14	39	106	9
Total assets (in billions)	$14,901.0	$592.3	$3,715.4	$245.2	$4,977.1	$575.5	$164.1	$70.2	$141.3	$4,419.9
Commercial banks	13,854.7	511.8	3,715.4	240.2	4,587.5	256.2	79.9	65.2	116.2	4,282.2
Savings institutions	1,046.3	80.5	0.0	5.0	389.6	319.3	84.1	5.0	25.1	137.7
Total deposits (in billions)	11,317.8	342.3	2,641.7	206.6	3,895.6	432.1	139.2	57.9	119.1	3,483.2
Commercial banks	10,516.0	285.8	2,641.7	203.4	3,608.7	198.3	67.6	54.2	98.8	3,357.5
Savings institutions	801.8	56.6	0.0	3.2	286.9	233.8	71.6	3.7	20.3	125.7
Bank net income (in millions)	37,239	5,143	7,172	682	11,724	1,201	415	320	288	10,294
Commercial banks	34,363	4,173	7,172	657	10,993	742	222	201	257	9,945
Savings institutions	2,876	970	0	25	731	458	193	119	31	349
Performance Ratios (annualized, %)										
Yield on earning assets	3.53	10.10	2.76	4.05	3.85	3.57	3.78	3.10	3.96	2.82
Cost of funding earning assets	0.36	0.65	0.39	0.50	0.41	0.58	0.48	0.38	0.49	0.20
Net interest margin	3.17	9.45	2.37	3.55	3.44	2.99	3.31	2.71	3.47	2.62
Noninterest income to assets	1.61	4.43	1.67	0.59	1.20	0.81	1.21	4.58	0.90	1.79
Noninterest expense to assets	2.76	5.55	2.44	2.48	2.82	2.28	2.32	4.59	3.02	2.66
Loan and lease loss provision to assets	0.21	2.11	0.15	0.09	0.14	0.13	0.49	0.05	0.08	0.08
Net operating income to assets	0.99	3.47	0.78	1.11	0.94	0.81	1.02	1.82	0.80	0.91
Pretax return on assets	1.47	5.48	1.14	1.30	1.34	1.25	1.61	2.46	1.02	1.40
Return on assets	1.01	3.48	0.77	1.12	0.95	0.84	1.02	1.85	0.82	0.94
Return on equity	8.99	23.59	8.29	10.21	8.01	7.22	10.64	13.73	7.16	8.17
Net charge-offs to loans and leases	0.52	3.03	0.72	0.06	0.27	0.23	0.72	0.11	0.17	0.34
Loan and lease loss provision to net charge-offs	73.27	89.37	60.89	229.97	74.41	94.42	100.08	152.17	88.65	48.81
Efficiency ratio	61.48	40.77	64.37	63.70	65.02	62.56	51.61	64.67	73.52	63.74
% of unprofitable institutions	7.28	0.00	0.00	3.78	7.61	11.19	5.56	10.36	8.56	3.23
% of institutions with earnings gains	54.01	43.75	50.00	56.11	56.30	45.83	40.74	51.58	49.04	50.00
Condition Ratios (%)										
Earning assets to total assets	89.05	92.35	87.34	92.48	89.59	93.53	97.51	91.45	91.95	88.22
Loss allowance to:										
Loans and leases	1.67	3.52	2.18	1.51	1.48	1.26	1.21	1.91	1.55	1.37
Noncurrent loans and leases	67.84	309.27	83.31	131.75	81.67	48.51	77.47	103.76	77.50	35.78
Noncurrent assets plus other real estate owned to assets	1.52	0.87	1.03	0.95	1.57	1.78	1.15	0.87	1.57	1.99
Equity capital ratio	11.23	14.74	9.38	11.06	11.92	11.68	9.64	13.54	11.55	11.48
Core capital (leverage) ratio	9.54	12.80	8.22	10.45	10.20	10.74	9.43	13.18	11.41	9.13
Tier 1 risk-based capital ratio	13.34	15.17	13.00	15.02	12.84	20.83	14.10	29.62	19.95	12.75
Total risk-based capital ratio	15.07	17.97	14.75	16.15	14.45	21.90	14.93	30.65	21.13	14.59
Net loans and leases to deposits	68.91	127.58	48.13	71.31	85.05	77.63	78.95	33.96	63.14	59.99
Net loans to total assets	52.34	73.73	34.22	60.08	66.57	58.29	66.99	28.01	53.23	47.28
Domestic deposits to total assets	66.59	55.25	43.65	84.25	77.26	74.93	84.84	81.74	84.31	71.82
Structural Changes										
New reporters	0	0	0	0	0	0	0	0	0	0
Institutions absorbed by mergers	74	0	0	13	47	3	0	2	4	5
Failed institutions	5	0	0	0	4	1	0	0	0	0
PRIOR FIRST QUARTERS **(The way it was...)**										
Number of institutions 2013	7,019	16	5	1,491	3,483	619	49	450	827	79
2011	7,574	21	4	1,531	3,983	699	72	354	844	66
2009	8,247	25	5	1,524	4,680	838	80	305	745	45
Total assets (in billions) 2013	$14,424.4	$594.3	$3,838.6	$231.1	$4,223.7	$566.2	$106.3	$69.4	$148.9	$4,645.8
2011	13,414.3	676.3	3,164.6	200.3	4,084.5	795.8	118.4	51.8	137.1	4,185.5
2009	13,526.2	464.0	3,203.0	165.4	6,002.0	1,100.9	73.2	36.2	103.5	2,377.9
Return on assets (%) 2013	1.12	3.10	0.95	1.14	0.89	0.94	1.48	1.52	0.93	1.22
2011	0.86	3.68	0.60	1.04	0.59	0.48	1.33	1.34	0.80	0.90
2009	-0.18	-11.26	0.61	0.73	-0.19	0.54	0.08	0.30	0.92	0.55
Net charge-offs to loans & leases (%) 2013	0.83	3.41	1.17	0.10	0.51	0.42	1.18	0.34	0.29	0.63
2011	1.83	6.67	1.96	0.31	1.34	0.98	1.77	0.76	0.39	1.40
2009	1.94	8.57	2.42	0.52	1.45	1.05	2.56	0.43	0.30	1.87
Noncurrent assets plus OREO to assets (%) 2013	2.08	1.04	1.30	1.07	2.12	2.57	0.92	1.05	1.68	2.85
2011	2.96	1.72	2.01	1.64	3.59	2.93	1.22	0.93	1.78	3.43
2009	2.40	2.63	2.00	1.48	2.82	3.04	0.99	0.62	1.11	1.71
Equity capital ratio (%) 2013	11.27	14.94	8.97	11.27	11.94	11.44	9.50	14.56	11.49	12.07
2011	11.25	16.03	8.72	10.95	11.60	10.30	10.81	15.07	11.16	12.22
2009	10.05	21.57	8.44	11.05	10.26	8.92	9.25	16.24	11.34	9.77

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

TABLE III-A. First Quarter 2014, All FDIC-Insured Institutions

		Asset Size Distribution				Geographic Regions*					
FIRST QUARTER **(The way it is...)**	All Insured Institutions	Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater Than $10 Billion	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	6,730	2,005	4,053	565	107	831	852	1,457	1,641	1,414	535
Commercial banks	5,809	1,770	3,496	452	91	458	767	1,209	1,571	1,319	485
Savings institutions	921	235	557	113	16	373	85	248	70	95	50
Total assets (in billions)	$14,901.0	$118.1	$1,245.8	$1,494.9	$12,042.3	$2,963.4	$3,032.9	$3,417.0	$3,238.4	$883.0	$1,366.4
Commercial banks	13,854.7	104.6	1,051.2	1,207.5	11,491.5	2,500.0	2,947.1	3,307.6	3,177.4	777.1	1,145.4
Savings institutions	1,046.3	13.5	194.6	287.4	550.8	463.4	85.7	109.4	61.0	105.9	221.0
Total deposits (in billions)	11,317.8	100.6	1,045.5	1,174.2	8,997.6	2,213.0	2,333.5	2,479.4	2,490.7	739.0	1,062.4
Commercial banks	10,516.0	89.9	890.1	957.9	8,578.2	1,878.7	2,268.6	2,396.2	2,441.7	650.7	880.1
Savings institutions	801.8	10.7	155.5	216.2	419.4	334.3	64.8	83.2	48.9	88.3	182.3
Bank net income (in millions)	37,239	240	2,804	3,760	30,435	7,505	6,631	6,801	9,185	2,371	4,746
Commercial banks	34,363	217	2,426	3,209	28,511	6,749	6,458	6,634	9,023	2,048	3,451
Savings institutions	2,876	23	379	550	1,924	755	174	168	162	323	1,295
Performance Ratios (annualized, %)											
Yield on earning assets	3.53	4.11	4.15	4.21	3.37	3.83	3.47	2.80	3.74	3.89	4.05
Cost of funding earning assets	0.36	0.49	0.51	0.45	0.33	0.41	0.29	0.30	0.41	0.34	0.44
Net interest margin	3.17	3.62	3.64	3.76	3.03	3.42	3.18	2.49	3.33	3.55	3.61
Noninterest income to assets	1.61	1.21	1.01	1.16	1.73	1.52	1.66	1.72	1.51	1.27	1.87
Noninterest expense to assets	2.76	3.47	3.12	3.03	2.68	2.73	3.03	2.64	2.60	3.02	2.75
Loan and lease loss provision to assets	0.21	0.09	0.12	0.17	0.22	0.35	0.17	0.14	0.16	0.10	0.31
Net operating income to assets	0.99	0.81	0.89	0.99	1.01	1.00	0.84	0.80	1.14	1.07	1.40
Pretax return on assets	1.47	0.96	1.15	1.42	1.52	1.51	1.28	1.14	1.71	1.41	2.17
Return on assets	1.01	0.82	0.91	1.01	1.02	1.02	0.88	0.80	1.14	1.08	1.41
Return on equity	8.99	6.94	8.36	8.55	9.13	8.47	7.18	8.24	10.88	9.92	11.15
Net charge-offs to loans and leases	0.52	0.18	0.18	0.26	0.62	0.75	0.47	0.38	0.61	0.21	0.50
Loan and lease loss provision to net charge-offs	73.27	87.48	100.35	99.45	70.47	87.44	63.31	80.95	48.72	76.40	102.01
Efficiency ratio	61.48	76.59	71.35	65.39	59.82	58.36	67.72	66.87	56.77	66.46	52.30
% of unprofitable institutions	7.28	12.92	5.33	2.65	0.00	7.94	11.27	8.24	5.12	5.02	9.91
% of institutions with earnings gains	54.01	52.47	54.48	56.46	52.34	51.26	58.69	48.73	55.51	56.36	54.39
Condition Ratios (%)											
Earning assets to total assets	89.05	91.42	92.15	91.12	88.45	89.34	87.45	88.45	88.68	91.56	92.75
Loss Allowance to:											
Loans and leases	1.67	1.67	1.58	1.53	1.70	1.68	1.52	1.80	1.85	1.48	1.48
Noncurrent loans and leases	67.84	92.50	92.54	74.41	64.77	94.10	48.26	69.62	59.46	84.47	123.46
Noncurrent assets plus											
other real estate owned to assets	1.52	1.71	1.71	1.77	1.47	1.08	2.04	1.39	1.86	1.46	0.85
Equity capital ratio	11.23	11.86	10.91	11.90	11.17	12.04	12.32	9.79	10.47	10.96	12.60
Core capital (leverage) ratio	9.54	11.76	10.70	10.67	9.25	9.93	9.49	8.62	9.20	10.04	11.57
Tier 1 risk-based capital ratio	13.34	19.45	15.87	14.92	12.84	14.36	12.77	12.44	12.58	14.45	15.80
Total risk-based capital ratio	15.07	20.56	17.04	16.09	14.70	16.15	14.51	14.08	14.63	15.78	17.09
Net loans and leases to deposits	68.91	64.07	74.03	81.87	66.67	70.62	73.70	61.10	66.96	70.77	76.28
Net loans to total assets	52.34	54.57	62.13	64.31	49.82	52.74	56.71	44.34	51.50	59.23	59.31
Domestic deposits to total assets	66.59	85.18	83.87	78.14	63.18	65.93	73.69	60.78	57.89	83.30	76.57
Structural Changes											
New reporters	0	0	0	0	0	0	0	0	0	0	0
Institutions absorbed by mergers	74	32	37	4	1	6	15	14	17	15	7
Failed institutions	5	2	3	0	0	1	1	1	0	1	1
PRIOR FIRST QUARTERS **(The way it was...)**											
Number of institutions 2013	7,019	2,161	4,196	553	109	867	894	1,500	1,701	1,480	577
2011	7,574	2,573	4,331	563	107	942	1,010	1,581	1,811	1,580	650
2009	8,247	3,052	4,504	576	115	1,005	1,172	1,692	1,924	1,690	764
Total assets (in billions) 2013	$14,424.4	$126.0	$1,270.8	$1,423.9	$11,603.8	$2,862.6	$3,017.0	$3,345.9	$3,068.2	$870.9	$1,259.8
2011	13,414.3	147.1	1,284.8	1,428.4	10,554.0	2,709.1	2,913.4	3,047.9	1,680.2	788.2	2,275.5
2009	13,526.2	167.2	1,359.5	1,512.5	10,486.9	2,505.7	3,520.2	3,176.6	1,064.7	908.9	2,350.2
Return on assets (%) 2013	1.12	0.72	0.87	1.10	1.15	0.86	1.11	1.09	1.25	1.09	1.47
2011	0.86	0.57	0.52	0.69	0.93	1.04	0.60	0.68	1.19	0.92	0.96
2009	-0.18	0.25	0.27	-0.24	-0.23	-1.82	0.20	0.12	0.56	-0.37	0.37
Net charge-offs to loans & leases (%) 2013	0.83	0.26	0.33	0.43	0.96	1.10	0.83	0.55	1.05	0.37	0.65
2011	1.83	0.43	0.77	1.37	2.09	2.29	1.82	1.43	2.02	0.83	1.98
2009	1.94	0.57	0.76	1.43	2.26	2.23	1.76	1.63	2.15	0.91	2.67
Noncurrent assets plus											
OREO to assets (%) 2013	2.08	2.04	2.30	2.17	2.04	1.41	3.03	1.87	2.34	2.01	1.28
2011	2.96	2.39	3.39	3.47	2.84	2.05	3.97	2.75	4.05	3.02	2.18
2009	2.40	1.87	2.53	2.98	2.31	1.53	2.56	2.43	2.72	2.60	2.81
Equity capital ratio (%) 2013	11.27	11.97	11.00	11.84	11.23	12.26	12.22	9.12	11.03	10.82	13.41
2011	11.25	11.57	10.28	11.43	11.34	12.74	11.84	8.52	11.58	10.73	12.33
2009	10.05	12.66	9.96	10.56	9.95	11.71	10.19	8.37	9.90	9.87	10.49

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

TABLE IV-A. Full Year 2013, All FDIC-Insured Institutions

		Asset Concentration Groups*								
FULL YEAR (The way it is...)	All Insured Institutions	Credit Card Banks	International Banks	Agricultural Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <$1 Billion	All Other <$1 Billion	All Other >$1 Billion
Number of institutions reporting	6,812	16	4	1,532	3,377	588	55	406	772	62
Commercial banks	5,876	13	4	1,511	3,040	169	42	369	675	53
Savings institutions	936	3	0	21	337	419	13	37	97	9
Total assets (in billions)	$14,722.7	$590.9	$3,691.5	$261.6	$4,921.9	$486.9	$162.5	$63.0	$137.6	$4,406.8
Commercial banks	13,670.2	514.3	3,691.5	255.3	4,508.3	194.8	80.8	58.4	116.0	4,250.7
Savings institutions	1,052.5	76.6	0.0	6.3	413.6	292.1	81.7	4.7	21.6	156.0
Total deposits (in billions)	11,192.1	340.6	2,645.5	218.0	3,849.5	362.9	137.4	51.6	116.0	3,470.7
Commercial banks	10,389.3	287.0	2,645.5	213.7	3,546.0	147.8	68.3	48.2	98.3	3,334.6
Savings institutions	802.8	53.6	0.0	4.3	303.5	215.1	69.1	3.4	17.6	136.1
Bank net income (in millions)	154,219	19,490	31,399	2,955	43,622	4,794	1,837	1,221	1,175	47,726
Commercial banks	143,052	15,960	31,399	2,833	41,063	2,579	1,037	714	1,067	46,399
Savings institutions	11,167	3,530	0	121	2,558	2,215	800	507	108	1,327
Performance Ratios (%)										
Yield on earning assets	3.68	10.19	2.88	4.16	3.98	3.59	3.84	3.08	4.06	3.06
Cost of funding earning assets	0.42	0.72	0.45	0.55	0.46	0.72	0.53	0.43	0.56	0.26
Net interest margin	3.26	9.47	2.43	3.61	3.52	2.87	3.31	2.65	3.49	2.81
Noninterest income to assets	1.74	4.49	1.77	0.65	1.33	1.06	1.54	5.10	0.96	1.93
Noninterest expense to assets	2.88	5.91	2.54	2.52	3.03	2.35	2.50	4.81	3.01	2.65
Loan and lease loss provision to assets	0.22	2.03	0.10	0.10	0.20	0.10	0.47	0.08	0.16	0.14
Net operating income to assets	1.05	3.37	0.83	1.14	0.90	0.95	1.10	1.90	0.83	1.08
Pretax return on assets	1.55	5.22	1.27	1.36	1.26	1.34	1.82	2.66	1.04	1.62
Return on assets	1.07	3.35	0.86	1.15	0.91	0.98	1.15	1.92	0.86	1.10
Return on equity	9.53	22.96	9.57	10.30	7.65	8.59	12.23	13.98	7.46	9.34
Net charge-offs to loans and leases	0.69	3.20	0.97	0.14	0.42	0.37	0.80	0.49	0.33	0.49
Loan and lease loss provision to net charge-offs	60.58	81.69	27.99	120.51	69.24	41.72	88.77	60.13	86.30	56.82
Efficiency ratio	60.51	43.26	64.84	62.75	64.75	62.23	52.18	63.62	71.86	59.09
% of unprofitable institutions	8.12	0.00	0.00	2.87	9.89	12.76	3.64	10.34	7.12	1.61
% of institutions with earnings gains	54.05	81.25	75.00	48.63	60.73	43.37	49.09	47.04	46.24	64.52
Condition Ratios (%)										
Earning assets to total assets	88.76	92.23	86.82	92.01	89.49	93.71	97.39	91.62	92.03	87.90
Loss Allowance to:										
Loans and leases	1.72	3.48	2.26	1.44	1.52	1.29	1.26	1.86	1.51	1.43
Noncurrent loans and leases	65.62	296.22	82.57	132.84	80.06	42.96	75.78	97.02	82.58	34.56
Noncurrent assets plus other real estate owned to assets	1.63	0.93	1.07	0.95	1.64	2.14	1.23	0.87	1.44	2.17
Equity capital ratio	11.16	14.73	9.30	10.97	11.79	11.62	9.51	13.50	11.34	11.52
Core capital (leverage) ratio	9.40	13.01	7.89	10.33	10.13	10.91	9.45	13.10	11.26	9.03
Tier 1 risk-based capital ratio	13.13	14.71	12.68	14.52	12.75	21.40	13.82	29.71	19.36	12.58
Total risk-based capital ratio	14.93	16.96	14.77	15.64	14.37	22.52	14.65	30.73	20.53	14.46
Net loans and leases to deposits	69.31	132.84	47.99	74.07	84.89	80.79	80.08	34.19	63.99	60.82
Net loans to total assets	52.69	76.57	34.39	61.72	66.39	60.22	67.72	27.97	53.92	47.90
Domestic deposits to total assets	66.50	54.61	43.93	83.33	77.13	74.38	84.55	81.07	84.26	71.84
Structural Changes										
New reporters	2	0	0	1	0	1	0	0	0	0
Institutions absorbed by mergers	232	0	0	36	161	8	0	2	15	10
Failed institutions	24	0	0	0	21	0	0	0	3	0
PRIOR FULL YEARS (The way it was...)										
Number of institutions 2012	7,083	19	5	1,537	3,499	659	51	414	826	73
2010	7,658	22	4	1,559	4,085	718	72	314	815	69
2008	8,305	26	5	1,559	4,753	839	91	279	709	44
Total assets (in billions) 2012	$14,450.7	$600.7	$3,808.4	$239.8	$4,339.4	$628.3	$101.6	$64.9	$145.8	$4,521.8
2010	13,318.9	705.4	3,038.1	199.8	4,094.6	789.0	114.3	42.9	132.3	4,202.6
2008	13,841.2	513.0	3,410.1	168.8	5,461.2	997.1	122.2	34.4	94.8	3,039.6
Return on assets (%) 2012	1.00	3.13	0.80	1.27	0.89	0.87	1.46	1.23	0.86	1.00
2010	0.65	1.82	0.72	0.98	0.20	0.68	1.28	1.48	0.70	0.80
2008	0.03	1.70	0.25	1.00	-0.13	-0.48	-0.01	1.43	0.82	-0.09
Net charge-offs to loans & leases (%) 2012	1.10	3.69	1.41	0.24	0.75	0.82	1.31	0.45	0.45	0.94
2010	2.55	10.83	2.29	0.59	1.90	1.14	2.37	0.64	0.56	1.87
2008	1.29	5.94	1.44	0.41	1.14	0.86	1.74	0.35	0.35	0.74
Noncurrent assets plus OREO to assets (%) 2012	2.20	1.11	1.39	1.11	2.21	2.70	0.88	1.04	1.67	3.05
2010	3.11	1.90	2.38	1.62	3.71	2.88	1.22	0.81	1.67	3.49
2008	1.91	2.08	1.59	1.17	2.34	2.55	1.31	0.35	1.05	1.35
Equity capital ratio (%) 2012	11.17	14.67	8.93	11.14	11.93	11.09	9.57	14.27	11.47	11.84
2010	11.15	14.96	8.93	10.86	11.40	10.05	11.00	16.31	11.01	12.04
2008	9.33	20.47	7.01	10.99	10.04	7.45	9.85	18.63	11.28	9.11

***Asset Concentration Group Definitions (Groups are hierarchical and mutually exclusive):**

Credit-card Lenders - Institutions whose credit-card loans plus securitized receivables exceed 50 percent of total assets plus securitized receivables.

International Banks - Banks with assets greater than $10 billion and more than 25 percent of total assets in foreign offices.

Agricultural Banks - Banks whose agricultural production loans plus real estate loans secured by farmland exceed 25 percent of the total loans and leases.

Commercial Lenders - Institutions whose commercial and industrial loans, plus real estate construction and development loans, plus loans secured by commercial real estate properties exceed 25 percent of total assets.

Mortgage Lenders - Institutions whose residential mortgage loans, plus mortgage-backed securities, exceed 50 percent of total assets.

Consumer Lenders - Institutions whose residential mortgage loans, plus credit-card loans, plus other loans to individuals, exceed 50 percent of total assets.

Other Specialized < $1 Billion - Institutions with assets less than $1 billion, whose loans and leases are less than 40 percent of total assets.

All Other < $1 billion - Institutions with assets less than $1 billion that do not meet any of the definitions above, they have significant lending activity with no identified asset concentrations.

All Other > $1 billion - Institutions with assets greater than $1 billion that do not meet any of the definitions above, they have significant lending activity with no identified asset concentrations.

TABLE IV-A. Full Year 2013, All FDIC-Insured Institutions

FULL YEAR (The way it is...)	All Insured Institutions	Asset Size Distribution: Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater Than $10 Billion	Geographic Regions*: New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	6,812	2,056	4,090	559	107	840	869	1,470	1,659	1,431	543
Commercial banks	5,876	1,814	3,522	450	90	461	784	1,219	1,586	1,334	492
Savings institutions	936	242	568	109	17	379	85	251	73	97	51
Total assets (in billions)	$14,722.7	$119.7	$1,246.1	$1,468.7	$11,888.2	$2,927.4	$2,998.8	$3,377.7	$3,214.1	$870.0	$1,334.6
Commercial banks	13,670.2	106.0	1,046.4	1,188.3	11,329.5	2,470.6	2,913.6	3,267.1	3,153.8	766.9	1,098.2
Savings institutions	1,052.5	13.7	199.7	280.4	558.6	456.8	85.3	110.6	60.3	103.1	236.4
Total deposits (in billions)	11,192.1	101.7	1,042.7	1,147.6	8,900.0	2,179.6	2,308.7	2,464.2	2,482.0	726.2	1,031.3
Commercial banks	10,389.3	90.8	883.1	937.5	8,477.9	1,849.5	2,244.5	2,379.8	2,433.6	641.1	840.9
Savings institutions	802.8	10.9	159.6	210.1	422.1	330.1	64.3	84.4	48.5	85.1	190.4
Bank net income (in millions)	154,219	853	11,218	16,792	125,356	25,112	29,637	31,923	38,681	9,299	19,567
Commercial banks	143,052	797	9,511	14,116	118,629	22,705	29,061	30,544	38,183	7,969	14,590
Savings institutions	11,167	56	1,707	2,676	6,727	2,407	576	1,378	499	1,330	4,977
Performance Ratios (%)											
Yield on earning assets	3.68	4.17	4.23	4.33	3.53	3.97	3.66	2.91	3.95	3.97	4.22
Cost of funding earning assets	0.42	0.56	0.58	0.52	0.39	0.46	0.36	0.36	0.48	0.39	0.50
Net interest margin	3.26	3.62	3.66	3.81	3.14	3.51	3.30	2.54	3.47	3.57	3.72
Noninterest income to assets	1.74	1.11	1.13	1.31	1.86	1.58	1.77	1.92	1.62	1.42	2.05
Noninterest expense to assets	2.88	3.47	3.19	3.15	2.81	2.98	3.02	2.77	2.68	3.12	2.91
Loan and lease loss provision to assets	0.22	0.14	0.18	0.19	0.23	0.38	0.20	0.06	0.25	0.14	0.35
Net operating income to assets	1.05	0.69	0.89	1.15	1.05	0.86	0.96	0.93	1.23	1.09	1.50
Pretax return on assets	1.55	0.81	1.15	1.46	1.60	1.37	1.45	1.34	1.76	1.42	2.28
Return on assets	1.07	0.71	0.91	1.17	1.07	0.88	0.98	0.95	1.24	1.08	1.53
Return on equity	9.53	5.99	8.40	9.82	9.65	7.23	8.07	10.32	11.54	10.03	11.75
Net charge-offs to loans and leases	0.69	0.34	0.36	0.40	0.78	0.93	0.66	0.48	0.87	0.32	0.57
Loan and lease loss provision to net charge-offs	60.58	75.78	79.98	72.34	58.39	76.30	53.52	27.62	53.57	72.90	101.04
Efficiency ratio	60.51	78.56	70.73	64.81	58.75	58.65	64.07	66.15	55.78	66.19	52.48
% of unprofitable institutions	8.12	13.08	6.53	2.50	2.80	10.71	14.15	9.18	4.40	5.31	10.31
% of institutions with earnings gains	54.05	48.49	55.53	62.08	62.62	50.12	62.26	50.88	51.66	54.58	61.51
Condition Ratios (%)											
Earning assets to total assets	88.76	91.40	92.10	91.13	88.09	89.25	87.09	87.72	88.60	91.44	92.68
Loss Allowance to:											
Loans and leases	1.72	1.67	1.60	1.56	1.76	1.71	1.59	1.83	1.94	1.51	1.52
Noncurrent loans and leases	65.62	91.21	88.44	70.93	62.85	92.92	46.87	67.31	57.88	79.99	117.79
Noncurrent assets plus other real estate owned to assets	1.63	1.75	1.81	1.89	1.57	1.12	2.23	1.47	1.99	1.58	0.92
Equity capital ratio	11.16	11.69	10.78	11.80	11.12	12.02	12.19	9.66	10.46	10.87	12.64
Core capital (leverage) ratio	9.40	11.59	10.63	10.61	9.10	9.83	9.48	8.36	8.97	9.97	11.62
Tier 1 risk-based capital ratio	13.13	19.06	15.73	14.88	12.60	14.07	12.67	12.25	12.20	14.36	15.79
Total risk-based capital ratio	14.93	20.16	16.90	16.07	14.54	15.74	14.41	14.20	14.35	15.67	17.10
Net loans and leases to deposits	69.31	65.66	74.89	82.42	67.01	71.14	74.55	61.24	67.00	71.50	77.02
Net loans to total assets	52.69	55.78	62.67	64.40	50.16	52.97	57.39	44.68	51.74	59.68	59.52
Domestic deposits to total assets	66.50	84.95	83.62	77.74	63.13	65.70	73.62	61.09	57.80	83.09	76.13
Structural Changes											
New reporters	2	1	0	1	0	2	0	0	0	0	0
Institutions absorbed by mergers	232	80	130	20	2	29	20	42	50	56	35
Failed institutions	24	13	10	1	0	1	9	4	1	4	5
PRIOR FULL YEARS (The way it was...)											
Number of institutions 2012	7,083	2,204	4,217	555	107	873	904	1,515	1,716	1,490	585
2010	7,658	2,625	4,367	559	107	949	1,022	1,602	1,825	1,601	659
2008	8,305	3,132	4,498	561	114	1,015	1,180	1,705	1,935	1,700	770
Total assets (in billions) 2012	$14,450.7	$128.1	$1,275.0	$1,454.8	$11,592.7	$2,896.0	$3,056.1	$3,298.5	$3,068.7	$870.4	$1,260.9
2010	13,318.9	148.6	1,291.7	1,429.6	10,449.0	2,694.8	2,929.8	2,950.1	1,686.5	789.0	2,268.7
2008	13,841.2	170.9	1,354.7	1,489.8	10,825.8	2,594.2	3,745.9	3,264.3	1,057.2	780.9	2,398.7
Return on assets (%) 2012	1.00	0.68	0.80	1.13	1.01	0.96	0.77	0.90	1.10	1.01	1.72
2010	0.65	0.27	0.26	0.19	0.76	0.76	0.34	0.60	0.84	0.68	0.81
2008	0.03	0.25	0.24	-0.30	0.05	0.25	-0.14	0.29	0.56	0.51	-0.63
Net charge-offs to loans & leases (%) 2012	1.10	0.43	0.64	0.73	1.22	1.24	1.19	0.85	1.37	0.55	0.84
2010	2.55	0.80	1.12	1.80	2.93	3.57	2.43	2.03	2.88	1.27	2.29
2008	1.29	0.46	0.67	1.10	1.45	1.44	1.01	1.24	1.60	0.68	1.74
Noncurrent assets plus OREO to assets (%) 2012	2.20	2.10	2.37	2.46	2.15	1.46	3.23	2.00	2.45	2.06	1.38
2010	3.11	2.38	3.44	3.57	3.01	2.14	3.93	2.98	4.24	3.17	2.51
2008	1.91	1.66	2.16	2.46	1.80	1.20	2.02	1.93	2.28	1.80	2.33
Equity capital ratio (%) 2012	11.17	12.00	10.90	11.77	11.11	12.18	12.03	9.09	10.86	10.70	13.23
2010	11.15	11.70	10.15	11.18	11.26	12.58	11.59	8.71	11.33	10.54	12.11
2008	9.33	12.87	10.00	10.65	9.01	11.14	9.56	8.07	9.49	9.95	8.45

* Regions:
New York - Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico Rhode Island, Vermont, U.S. Virgin Islands
Atlanta - Alabama, Florida, Georgia, North Carolina, South Carolina, Virginia, West Virginia
Chicago - Illinois, Indiana, Kentucky, Michigan, Ohio, Wisconsin
Kansas City - Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota
Dallas - Arkansas, Colorado, Louisiana, Mississippi, New Mexico, Oklahoma, Tennessee, Texas
San Francisco - Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Pacific Islands, Utah, Washington, Wyoming

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

March 31, 2014	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	1.10	0.15	1.45	0.87	0.78	0.95	0.73	1.51	1.50	1.63
Construction and development	0.70	0.00	0.80	0.88	0.65	0.72	1.14	1.11	1.32	0.79
Nonfarm nonresidential	0.50	0.00	0.38	0.81	0.50	0.52	1.46	1.08	1.29	0.40
Multifamily residential real estate	0.28	0.00	0.14	0.28	0.28	0.31	0.02	0.73	0.70	0.41
Home equity loans	0.71	0.62	0.94	0.62	0.59	0.70	0.47	1.03	0.66	0.74
Other 1-4 family residential	1.80	0.14	2.33	1.37	1.32	1.06	0.75	2.06	1.79	2.47
Commercial and industrial loans	0.34	0.95	0.34	1.03	0.28	0.53	0.32	1.63	1.12	0.35
Loans to individuals	1.26	1.11	1.36	1.43	1.13	1.36	0.76	1.52	1.85	1.64
Credit card loans	1.15	1.10	1.27	1.14	1.19	1.82	0.56	1.15	1.32	1.28
Other loans to individuals	1.37	1.22	1.52	1.45	1.12	1.00	0.82	1.55	1.86	1.70
All other loans and leases (including farm)	0.26	0.28	0.18	0.94	0.25	0.15	0.10	0.58	0.42	0.28
Total loans and leases	0.88	1.09	0.90	0.93	0.65	0.91	0.71	1.47	1.42	1.15
Percent of Loans Noncurrent**										
All real estate loans	4.16	0.60	6.04	1.37	2.52	2.91	4.14	2.21	2.25	7.23
Construction and development	3.43	0.00	1.29	2.78	3.65	2.55	30.60	4.75	5.00	2.64
Nonfarm nonresidential	1.78	4.11	1.20	1.99	1.74	1.51	11.89	2.38	2.47	1.88
Multifamily residential real estate	0.74	0.00	0.47	0.69	0.81	0.67	3.19	1.03	2.18	0.67
Home equity loans	2.70	0.00	3.64	1.07	1.55	1.96	2.84	0.93	0.76	3.68
Other 1-4 family residential	6.85	0.50	10.21	1.30	3.92	3.28	3.26	1.88	2.13	10.92
Commercial and industrial loans	0.60	0.90	0.54	1.51	0.68	0.80	0.81	1.58	1.72	0.39
Loans to individuals	1.01	1.17	1.12	0.58	0.91	1.19	0.81	0.54	0.91	0.83
Credit card loans	1.21	1.18	1.22	0.29	1.38	1.75	1.18	0.70	0.71	1.26
Other loans to individuals	0.81	0.86	0.93	0.61	0.84	0.76	0.69	0.53	0.91	0.75
All other loans and leases (including farm)	0.28	0.17	0.33	0.43	0.38	0.14	0.09	0.65	0.49	0.15
Total loans and leases	2.46	1.14	2.62	1.14	1.81	2.60	1.56	1.84	1.99	3.82
Percent of Loans Charged-Off (net, YTD)										
All real estate loans	0.24	0.07	0.35	0.05	0.21	0.22	0.43	0.05	0.15	0.27
Construction and development	0.06	0.00	-0.21	-0.30	0.20	0.30	0.15	0.33	0.05	-0.49
Nonfarm nonresidential	0.10	0.00	-0.03	0.09	0.14	0.05	-0.21	0.08	0.21	-0.01
Multifamily residential real estate	0.01	0.00	0.01	0.16	0.02	0.02	-0.21	-1.97	0.09	-0.03
Home equity loans	0.72	0.00	0.83	-0.12	0.47	0.56	1.24	0.11	0.21	0.96
Other 1-4 family residential	0.25	0.06	0.35	0.10	0.28	0.22	0.19	0.09	0.15	0.22
Commercial and industrial loans	0.23	2.42	0.19	0.10	0.23	0.04	0.08	0.02	0.22	0.09
Loans to individuals	2.05	3.11	2.73	0.39	0.98	0.92	0.87	0.35	0.25	1.36
Credit card loans	3.26	3.18	3.48	1.11	3.63	1.25	2.16	1.72	1.52	3.64
Other loans to individuals	0.83	1.56	1.42	0.33	0.58	0.63	0.47	0.24	0.23	0.92
All other loans and leases (including farm)	0.08	0.00	0.07	0.00	0.15	0.10	0.18	0.57	0.00	0.04
Total loans and leases	0.52	3.03	0.72	0.06	0.27	0.23	0.72	0.11	0.17	0.34
Loans Outstanding (in billions)										
All real estate loans	$4,075.5	$0.2	$476.6	$90.9	$2,060.7	$293.5	$25.5	$13.9	$59.2	$1,055.0
Construction and development	214.3	0.0	6.3	4.5	155.8	6.9	0.3	0.9	3.1	36.4
Nonfarm nonresidential	1,117.7	0.0	37.1	24.8	802.5	28.2	1.8	5.1	14.4	203.8
Multifamily residential real estate	271.7	0.0	49.5	2.6	175.5	9.6	0.2	0.4	1.6	32.4
Home equity loans	503.5	0.0	88.2	1.7	204.9	20.1	6.7	0.5	2.5	179.0
Other 1-4 family residential	1,822.3	0.2	237.3	23.4	688.1	227.3	16.4	6.2	33.4	590.0
Commercial and industrial loans	1,614.3	35.9	274.3	18.8	793.2	16.4	6.2	2.6	6.5	460.3
Loans to individuals	1,327.0	412.9	249.3	6.0	274.2	13.7	77.6	2.4	5.8	285.2
Credit card loans	658.4	396.6	157.1	0.4	35.4	5.9	18.3	0.2	0.1	44.3
Other loans to individuals	668.6	16.3	92.2	5.5	238.7	7.7	59.2	2.2	5.7	240.9
All other loans and leases (including farm)	916.0	3.6	300.0	33.9	235.8	16.3	2.0	1.2	4.9	318.2
Total loans and leases (plus unearned income)	7,932.8	452.7	1,300.3	149.6	3,363.9	339.8	111.3	20.1	76.4	2,118.7
Memo: Other Real Estate Owned (in millions)										
All other real estate owned	29,366.6	1.2	3,076.8	612.5	16,733.6	1,345.9	148.2	232.0	670.4	6,545.9
Construction and development	7,934.9	0.0	2.1	216.8	6,252.3	251.6	23.1	98.4	206.8	883.8
Nonfarm nonresidential	6,695.0	0.0	61.4	229.3	5,029.4	137.0	42.2	81.0	204.7	910.1
Multifamily residential real estate	696.3	0.0	6.0	21.7	522.7	18.2	0.4	5.1	17.3	104.9
1-4 family residential	6,573.3	0.2	739.3	101.5	3,611.3	489.2	72.7	45.5	229.7	1,283.8
Farmland	283.1	0.0	0.0	42.7	212.4	2.3	0.9	2.0	12.0	10.8
GNMA properties	7,126.1	0.0	2,213.0	0.4	1,105.7	447.5	8.9	0.0	0.0	3,350.6

* 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.

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

March 31, 2014	All Insured Institutions	Asset Size Distribution: Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater Than $10 Billion	Geographic Regions*: New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate	1.10	1.41	0.93	0.75	1.23	0.81	1.25	1.07	1.59	0.99	0.55
Construction and development	0.70	0.91	0.82	0.66	0.66	0.88	0.86	0.59	0.61	0.60	0.50
Nonfarm nonresidential	0.50	1.19	0.73	0.49	0.39	0.59	0.48	0.60	0.37	0.58	0.34
Multifamily residential real estate	0.28	0.65	0.49	0.23	0.25	0.20	0.47	0.32	0.25	0.37	0.22
Home equity loans	0.71	0.93	0.62	0.54	0.73	0.49	0.82	0.80	0.72	0.50	0.51
Other 1-4 family residential	1.80	1.88	1.32	1.29	1.96	1.23	1.86	1.67	2.75	1.76	0.83
Commercial and industrial loans	0.34	1.38	0.79	0.43	0.29	0.40	0.37	0.39	0.24	0.43	0.26
Loans to individuals	1.26	1.85	1.51	1.32	1.25	1.09	1.81	1.14	1.36	0.83	0.99
Credit card loans	1.15	1.81	1.35	1.60	1.13	0.97	1.61	0.98	1.31	0.54	1.25
Other loans to individuals	1.37	1.85	1.52	1.19	1.37	1.42	1.91	1.20	1.42	0.98	0.78
All other loans and leases (including farm)	0.26	0.95	0.66	0.37	0.23	0.37	0.17	0.34	0.16	0.41	0.44
Total loans and leases	0.88	1.38	0.92	0.72	0.89	0.77	1.00	0.83	1.06	0.82	0.57
Percent of Loans Noncurrent**											
All real estate loans	4.16	2.07	1.85	2.51	5.13	2.69	5.46	4.52	5.77	2.40	1.74
Construction and development	3.43	4.16	4.02	3.76	2.97	4.79	3.92	3.45	2.87	2.13	2.99
Nonfarm nonresidential	1.78	2.46	1.83	1.94	1.66	2.05	1.70	2.01	1.73	1.55	1.41
Multifamily residential real estate	0.74	2.33	1.17	0.86	0.60	0.52	0.82	0.91	0.96	1.29	0.52
Home equity loans	2.70	1.20	0.98	1.16	2.98	2.04	3.48	2.82	2.75	1.90	1.04
Other 1-4 family residential	6.85	1.98	1.74	3.70	8.28	3.71	8.45	7.52	9.95	3.77	2.23
Commercial and industrial loans	0.60	1.83	1.52	1.05	0.46	0.77	0.47	0.65	0.54	0.73	0.53
Loans to individuals	1.01	0.83	1.23	0.77	1.01	1.00	1.07	0.85	1.21	0.68	0.86
Credit card loans	1.21	0.93	1.12	1.57	1.20	1.05	1.55	1.16	1.28	1.16	1.32
Other loans to individuals	0.81	0.83	1.24	0.42	0.81	0.87	0.84	0.75	1.13	0.44	0.49
All other loans and leases (including farm)	0.28	0.65	0.50	0.48	0.25	0.37	0.20	0.15	0.36	0.33	0.49
Total loans and leases	2.46	1.80	1.71	2.05	2.63	1.78	3.14	2.58	3.11	1.75	1.20
Percent of Loans Charged-Off (net, YTD)											
All real estate loans	0.24	0.16	0.14	0.15	0.28	0.21	0.33	0.28	0.26	0.10	0.06
Construction and development	0.06	0.45	0.16	0.10	-0.02	0.48	0.16	0.03	-0.35	-0.01	-0.20
Nonfarm nonresidential	0.10	0.21	0.13	0.14	0.07	0.14	0.15	0.15	0.00	0.04	0.06
Multifamily residential real estate	0.01	-0.06	0.10	-0.01	0.00	-0.02	0.01	0.05	-0.09	0.10	0.01
Home equity loans	0.72	0.28	0.17	0.28	0.80	0.43	1.00	0.69	0.82	0.61	0.15
Other 1-4 family residential	0.25	0.16	0.16	0.21	0.28	0.25	0.27	0.28	0.32	0.13	0.09
Commercial and industrial loans	0.23	0.22	0.29	0.18	0.23	0.37	0.14	0.27	0.14	0.13	0.35
Loans to individuals	2.05	0.46	0.68	1.57	2.12	2.40	1.87	1.25	2.63	1.09	1.76
Credit card loans	3.26	2.76	3.96	3.74	3.24	2.92	3.98	3.10	3.63	2.04	3.32
Other loans to individuals	0.83	0.44	0.46	0.58	0.87	0.95	0.81	0.63	1.32	0.60	0.47
All other loans and leases (including farm)	0.08	0.00	0.11	0.11	0.08	0.08	0.04	0.15	0.04	0.12	0.09
Total loans and leases	0.52	0.18	0.18	0.26	0.62	0.75	0.47	0.38	0.61	0.21	0.50
Loans Outstanding (in billions)											
All real estate loans	$4,075.5	$45.9	$605.8	$699.6	$2,724.2	$820.7	$918.3	$788.7	$807.9	$332.6	$407.3
Construction and development	214.3	2.7	49.8	53.7	108.1	40.3	48.2	34.0	32.0	41.5	18.4
Nonfarm nonresidential	1,117.7	12.7	241.3	289.3	574.3	256.0	231.1	184.8	166.4	130.9	148.4
Multifamily residential real estate	271.7	1.4	31.6	60.6	178.1	94.9	33.3	74.2	22.9	11.4	34.9
Home equity loans	503.5	1.2	27.6	44.8	429.9	90.3	131.8	127.1	107.3	18.9	28.2
Other 1-4 family residential	1,822.3	20.5	214.7	234.8	1,352.3	335.2	463.4	348.6	390.6	116.6	167.9
Commercial and industrial loans	1,614.3	8.0	103.8	161.2	1,341.3	248.4	388.2	333.9	342.3	113.7	187.8
Loans to individuals	1,327.0	4.1	34.6	67.4	1,220.9	376.2	235.8	196.7	288.2	51.9	178.1
Credit card loans	658.4	0.0	2.2	20.7	635.5	274.4	76.6	48.0	161.6	17.5	80.2
Other loans to individuals	668.6	4.0	32.4	46.7	585.4	101.8	159.2	148.7	126.6	34.4	97.9
All other loans and leases (including farm)	916.0	7.6	42.6	48.4	817.4	144.7	204.1	223.4	261.3	32.8	49.7
Total loans and leases (plus unearned income)	7,932.8	65.6	786.8	976.6	6,103.8	1,589.9	1,746.4	1,542.8	1,699.6	531.0	823.0
Memo: Other Real Estate Owned (in millions)											
All other real estate owned	29,366.6	835.5	7,699.5	6,216.4	14,615.2	3,470.7	6,785.7	7,357.9	6,575.6	3,467.4	1,709.3
Construction and development	7,934.9	280.4	3,455.0	2,429.4	1,770.1	723.7	2,266.3	1,098.5	1,636.9	1,514.8	694.6
Nonfarm nonresidential	6,695.0	287.7	2,539.3	1,938.3	1,929.7	969.0	1,374.4	1,408.0	1,305.4	1,094.2	544.0
Multifamily residential real estate	696.3	32.5	213.9	176.5	273.5	200.8	98.4	144.9	139.7	77.9	34.6
1-4 family residential	6,573.3	220.2	1,339.3	1,263.7	3,750.1	1,279.8	1,666.0	1,668.5	946.6	617.1	395.2
Farmland	283.1	14.8	140.5	97.0	30.9	20.0	72.8	48.3	46.3	78.0	17.7
GNMA properties	7,126.1	0.0	11.6	311.5	6,803.0	276.4	1,307.8	2,989.8	2,443.7	85.4	23.0

* 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.

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

(dollar figures in millions; notional amounts unless otherwise indicated)	1st Quarter 2014	4th Quarter 2013	3rd Quarter 2013	2nd Quarter 2013	1st Quarter 2013	%Change 13Q1-14Q1	Asset Size Distribution: Less Than $100 Million	Asset Size Distribution: $100 Million to $1 Billion	Asset Size Distribution: $1 Billion to $10 Billion	Asset Size Distribution: Greater Than $10 Billion
ALL DERIVATIVE HOLDERS										
Number of institutions reporting derivatives	1,398	1,390	1,424	1,412	1,400	-0.1	72	855	372	99
Total assets of institutions reporting derivatives	$13,233,953	$13,068,354	$12,906,608	$12,690,786	$12,689,035	4.3	$5,355	$357,844	$1,086,216	$11,784,538
Total deposits of institutions reporting derivatives	9,974,698	9,858,640	9,682,692	9,410,509	9,427,713	5.8	4,583	297,053	867,615	8,805,447
Total derivatives	233,457,475	238,755,603	243,290,586	236,542,159	232,583,465	0.4	190	20,638	91,148	233,345,500
Derivative Contracts by Underlying Risk Exposure										
Interest rate	185,830,083	194,555,379	195,710,388	188,190,450	184,797,423	0.6	189	18,787	83,240	185,727,867
Foreign exchange*	32,994,577	29,668,744	31,200,455	31,471,711	30,374,632	8.6	0	1,680	6,852	32,986,044
Equity	2,151,169	2,077,309	2,191,416	2,130,468	2,064,904	4.2	0	73	415	2,150,681
Commodity & other (excluding credit derivatives)	1,263,060	1,208,874	1,339,676	1,367,298	1,445,238	-12.6	0	5	220	1,262,835
Credit	11,218,586	11,245,297	12,848,651	13,382,231	13,901,267	-19.3	0	93	420	11,218,072
Total	233,457,475	238,755,603	243,290,586	236,542,159	232,583,465	0.4	190	20,638	91,148	233,345,500
Derivative Contracts by Transaction Type										
Swaps	139,451,119	150,608,677	150,075,780	141,036,599	137,818,904	1.2	47	7,389	49,558	139,394,125
Futures & forwards	44,424,266	42,022,121	42,067,188	43,970,239	46,024,148	-3.5	44	6,926	22,456	44,394,840
Purchased options	17,909,006	16,870,263	17,637,787	17,680,639	16,644,988	7.6	14	815	4,785	17,903,392
Written options	17,629,569	16,929,743	17,784,103	17,800,582	17,161,532	2.7	85	5,399	12,705	17,611,380
Total	219,413,960	226,430,803	227,564,857	220,488,059	217,649,573	0.8	190	20,528	89,504	219,303,737
Fair Value of Derivative Contracts										
Interest rate contracts	72,730	71,270	64,832	60,694	67,678	7.5	1	40	56	72,633
Foreign exchange contracts	5,563	5,991	-10,390	-4,673	-6,685	N/M	0	0	-6	5,569
Equity contracts	1,553	32	-1,928	1,396	-2,588	N/M	0	9	8	1,537
Commodity & other (excluding credit derivatives)	-893	1,350	1,181	1,298	-2,544	N/M	0	1	-4	-890
Credit derivatives as guarantor	80,758	74,870	27,246	-8,729	-20,833	N/M	0	0	0	80,758
Credit derivatives as beneficiary	-77,327	-71,252	-22,672	13,888	25,373	N/M	0	0	-24	-77,303
Derivative Contracts by Maturity**										
Interest rate contracts < 1 year	77,936,405	77,933,066	91,852,227	88,198,011	86,869,690	-10.3	41	5,237	17,252	77,913,874
1-5 years	37,667,856	44,472,870	32,988,175	30,694,796	29,322,277	28.5	25	3,423	23,953	37,640,454
> 5 years	24,282,231	24,885,723	21,753,468	20,836,812	20,275,485	19.8	38	4,104	23,790	24,254,299
Foreign exchange contracts < 1 year	20,099,306	18,349,410	18,975,694	19,247,580	18,646,641	7.8	0	1,249	4,232	20,093,826
1-5 years	2,299,021	2,325,624	2,870,026	2,737,466	2,758,223	-16.6	0	0	93	2,298,928
> 5 years	974,381	1,029,302	1,503,977	1,456,229	1,427,702	-31.8	0	0	0	974,381
Equity contracts < 1 year	673,720	661,448	706,604	660,945	648,510	3.9	0	3	37	673,679
1-5 years	305,141	292,486	311,790	271,219	255,625	19.4	0	12	112	305,017
> 5 years	89,804	135,907	88,294	80,891	74,515	20.5	0	23	18	89,763
Commodity & other contracts < 1 year	379,469	338,091	375,292	424,508	479,201	-20.8	0	1	137	379,331
1-5 years	140,984	163,812	175,069	163,093	179,141	-21.3	0	0	8	140,976
> 5 years	18,960	5,903	16,142	15,300	21,505	-11.8	0	0	0	18,960
Risk-Based Capital: Credit Equivalent Amount										
Total current exposure to tier 1 capital (%)	23.5	26.1	27.1	30.5	32.6		0.1	0.3	0.6	26.7
Total potential future exposure to tier 1 capital (%)	56.7	58.7	62.4	62.8	62.3		0.1	0.3	0.5	64.5
Total exposure (credit equivalent amount) to tier 1 capital (%)	80.3	84.8	89.5	93.3	94.9		0.2	0.6	1.1	91.3
Credit losses on derivatives***	12.9	264.2	180.7	145.0	84.3	-84.7	0.0	0.3	0.1	12.5
HELD FOR TRADING										
Number of institutions reporting derivatives	245	253	242	242	239	2.5	8	92	81	64
Total assets of institutions reporting derivatives	10,658,787	10,573,821	10,414,762	10,169,674	10,137,664	5.1	641	45,186	282,175	10,330,786
Total deposits of institutions reporting derivatives	8,023,514	7,985,223	7,805,731	7,533,192	7,537,825	6.4	545	37,451	223,522	7,761,996
Derivative Contracts by Underlying Risk Exposure										
Interest rate	182,694,013	190,617,697	191,932,848	184,197,615	180,965,139	1.0	25	2,320	21,682	182,669,985
Foreign exchange	29,320,112	27,745,453	27,518,482	28,043,313	28,471,504	3.0	0	0	2,700	29,317,411
Equity	2,135,205	2,060,585	2,175,912	2,116,168	2,051,707	4.1	0	0	1	2,135,204
Commodity & other	1,256,235	1,200,547	1,330,681	1,356,542	1,428,759	-12.1	0	3	123	1,256,108
Total	215,405,564	221,624,282	222,957,923	215,713,638	212,917,110	1.2	26	2,323	24,507	215,378,708
Trading Revenues: Cash & Derivative Instruments										
Interest rate	1,775	475	3,085	2,762	2,216	-19.9	0	0	27	1,748
Foreign exchange	2,201	1,532	499	3,139	3,190	-31.0	0	0	2	2,199
Equity	607	470	230	922	830	-26.9	0	0	4	603
Commodity & other (including credit derivatives)	1,531	483	656	452	1,253	22.2	0	0	0	1,532
Total trading revenues	6,114	2,960	4,469	7,275	7,489	-18.4	0	0	32	6,082
Share of Revenue										
Trading revenues to gross revenues (%)	5.4	2.6	3.9	6.0	6.2		0.0	0.0	1.0	5.5
Trading revenues to net operating revenues (%)	26.5	11.5	20.8	31.2	29.0		0.0	0.3	7.9	27.0
HELD FOR PURPOSES OTHER THAN TRADING										
Number of institutions reporting derivatives	1,280	1,254	1,287	1,272	1,264	1.3	64	785	340	91
Total assets of institutions reporting derivatives	12,928,122	12,757,901	12,611,978	12,299,488	12,355,856	4.6	4,715	328,413	993,839	11,601,154
Total deposits of institutions reporting derivatives	9,732,773	9,614,299	9,449,509	9,103,518	9,168,313	6.2	4,038	272,530	793,395	8,662,811
Derivative Contracts by Underlying Risk Exposure										
Interest rate	3,136,071	3,937,682	3,777,540	3,992,835	3,832,284	-18.2	164	16,467	61,558	3,057,882
Foreign exchange	849,536	843,789	804,895	756,530	870,503	-2.4	0	1,664	2,929	844,944
Equity	15,964	16,724	15,504	14,300	13,197	21.0	0	73	414	15,477
Commodity & other	6,825	8,327	8,995	10,756	16,479	-58.6	0	2	97	6,727
Total notional amount	4,008,396	4,806,521	4,606,934	4,774,421	4,732,462	-15.3	164	18,205	64,997	3,925,029

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

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

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

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

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

(dollar figures in millions)	1st Quarter 2014	4th Quarter 2013	3rd Quarter 2013	2nd Quarter 2013	1st Quarter 2013	%Change 13Q1-14Q1	Asset Size Distribution: Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater Than $10 Billion
Assets Securitized and Sold with Servicing Retained or with Recourse or Other Seller-Provided Credit Enhancements										
Number of institutions reporting securitization activities	79	83	82	88	96	-17.7	1	30	17	31
Outstanding Principal Balance by Asset Type										
1-4 family residential loans	$598,531	$610,275	$625,642	$634,877	$636,296	-5.9	$0	$2,824	$13,689	$582,018
Home equity loans	41	42	44	46	47	-12.8	0	0	0	40
Credit card receivables	16,349	19,405	17,115	17,945	18,832	-13.2	0	161	0	16,189
Auto loans	4,735	4,676	4,708	3,860	4,505	5.1	0	711	0	4,024
Other consumer loans	4,462	4,607	4,790	4,938	5,155	-13.4	0	2	0	4,460
Commercial and industrial loans	1,881	1,987	3,945	4,472	4,025	-53.3	0	12	0	1,869
All other loans, leases, and other assets	96,092	101,456	104,890	99,226	140,309	-31.5	0	3,507	5,040	87,545
Total securitized and sold	722,091	742,448	761,133	765,366	809,168	-10.8	0	7,218	18,730	696,144
Maximum Credit Exposure by Asset Type										
1-4 family residential loans	2,895	2,794	2,927	3,086	3,254	-11.0	0	6	38	2,851
Home equity loans	0	0	0	0	0	0.0	0	0	0	0
Credit card receivables	1,455	603	554	557	588	147.4	0	76	0	1,379
Auto loans	5	0	0	0	0	0.0	0	0	0	5
Other consumer loans	174	164	168	168	185	-5.9	0	0	0	174
Commercial and industrial loans	38	27	20	33	41	-7.3	0	0	0	38
All other loans, leases, and other assets	1,308	1,633	1,729	1,861	2,438	-46.3	0	1	0	1,307
Total credit exposure	5,876	5,221	5,397	5,705	6,506	-9.7	0	83	38	5,755
Total unused liquidity commitments provided to institution's own securitizations	120	121	121	121	121	-0.8	0	0	0	120
Securitized Loans, Leases, and Other Assets 30-89 Days Past Due (%)										
1-4 family residential loans	3.3	4.3	4.1	4.3	4.0		0.0	1.2	4.4	3.3
Home equity loans	8.8	10.4	10.7	9.5	11.5		0.0	0.0	0.0	8.9
Credit card receivables	0.9	0.8	1.0	0.8	0.8		0.0	1.4	0.0	0.9
Auto loans	0.6	1.0	0.6	0.4	0.3		0.0	0.0	0.0	0.7
Other consumer loans	5.2	5.6	5.4	6.0	4.9		0.0	0.0	0.0	5.2
Commercial and industrial loans	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0
All other loans, leases, and other assets	0.3	0.8	1.1	1.2	1.2		0.0	1.0	0.2	0.3
Total loans, leases, and other assets	2.9	3.7	3.6	3.8	3.4		0.0	1.0	3.2	2.9
Securitized Loans, Leases, and Other Assets 90 Days or More Past Due (%)										
1-4 family residential loans	3.3	3.4	3.7	4.2	4.7		0.0	1.4	6.5	3.2
Home equity loans	37.8	36.5	34.4	32.3	31.7		0.0	0.0	0.0	38.3
Credit card receivables	0.7	0.6	0.6	0.4	0.4		0.0	1.7	0.0	0.7
Auto loans	0.1	0.1	0.0	0.0	0.0		0.0	0.0	0.0	0.1
Other consumer loans	6.7	7.3	7.1	6.3	6.9		0.0	0.0	0.0	6.7
Commercial and industrial loans	0.0	0.0	0.0	0.0	0.0		0.0	4.2	0.0	0.0
All other loans, leases, and other assets	8.7	9.2	8.9	10.2	8.8		0.0	0.6	1.7	9.4
Total loans, leases, and other assets	3.9	4.1	4.3	4.9	5.3		0.0	0.9	5.2	3.9
Securitized Loans, Leases, and Other Assets Charged-Off (net, YTD, annualized, %)										
1-4 family residential loans	0.2	0.9	0.7	0.5	0.3		0.0	0.0	0.0	0.2
Home equity loans	-0.1	0.2	0.3	0.2	0.3		0.0	0.0	0.0	-0.1
Credit card receivables	0.6	2.2	2.0	1.3	0.6		0.0	1.4	0.0	0.6
Auto loans	0.0	0.3	0.1	0.1	0.1		0.0	0.0	0.0	0.0
Other consumer loans	0.2	0.9	0.7	0.4	0.2		0.0	0.0	0.0	0.2
Commercial and industrial loans	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0
All other loans, leases, and other assets	0.7	0.9	0.6	0.5	0.1		0.0	0.0	0.0	0.8
Total loans, leases, and other assets	0.2	0.9	0.7	0.5	0.3		0.0	0.1	0.0	0.2
Seller's Interests in Institution's Own Securitizations - Carried as Loans										
Home equity loans	0	0	0	0	0	0.0	0	0	0	0
Credit card receivables	13,116	12,850	13,451	13,076	11,868	10.5	0	257	0	12,859
Commercial and industrial loans	2	3	3	3	0	0.0	0	2	0	0
Seller's Interests in Institution's Own Securitizations - Carried as Securities										
Home equity loans	0	0	0	0	0	0.0	0	0	0	0
Credit card receivables	0	0	0	0	0	0.0	0	0	0	0
Commercial and industrial loans	48	52	0	0	0	0.0	0	0	0	48
Assets Sold with Recourse and Not Securitized										
Number of institutions reporting asset sales	1,086	1,083	1,066	1,065	1,059	2.5	149	718	171	48
Outstanding Principal Balance by Asset Type										
1-4 family residential loans	43,650	46,443	48,349	48,783	50,644	-13.8	1,712	13,540	7,842	20,556
Home equity, credit card receivables, auto, and other consumer loans	755	776	802	829	852	-11.4	0	14	6	734
Commercial and industrial loans	69	62	64	71	74	-6.8	0	23	40	6
All other loans, leases, and other assets	65,974	67,794	62,143	63,988	64,769	1.9	2	61	199	65,713
Total sold and not securitized	110,448	115,074	111,358	113,671	116,339	-5.1	1,713	13,639	8,087	87,008
Maximum Credit Exposure by Asset Type										
1-4 family residential loans	9,529	10,727	11,607	12,225	13,152	-27.5	110	1,981	2,669	4,768
Home equity, credit card receivables, auto, and other consumer loans	155	160	156	151	167	-7.2	0	14	3	138
Commercial and industrial loans	33	27	29	34	36	-8.3	0	23	10	1
All other loans, leases, and other assets	16,970	17,058	15,316	15,360	15,216	11.5	2	18	55	16,896
Total credit exposure	26,687	27,973	27,109	27,769	28,571	-6.6	112	2,035	2,738	21,802
Support for Securitization Facilities Sponsored by Other Institutions										
Number of institutions reporting securitization facilities sponsored by others	139	148	154	157	167	-16.8	14	78	28	19
Total credit exposure	42,058	44,707	44,848	45,095	48,946	-14.1	12	194	347	41,506
Total unused liquidity commitments	1,017	981	923	828	673	51.1	0	0	0	1,016
Other										
Assets serviced for others*	4,557,964	4,712,508	4,773,340	4,885,219	5,186,035	-12.1	5,373	158,848	287,074	4,106,670
Asset-backed commercial paper conduits										
Credit exposure to conduits sponsored by institutions and others	12,110	12,317	13,049	11,316	10,925	10.8	5	0	3	12,102
Unused liquidity commitments to conduits sponsored by institutions and others	30,515	31,113	40,363	51,893	63,355	-51.8	0	0	798	29,716
Net servicing income (for the quarter)	2,141	4,627	3,182	5,827	4,218	-49.2	8	184	155	1,795
Net securitization income (for the quarter)	283	395	352	273	394	-28.2	0	8	8	266
Total credit exposure to Tier 1 capital (%)**	5.4	5.8	5.9	6.0	6.5		0.9	1.8	2.0	6.5

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

COMMUNITY BANK PERFORMANCE

- ***Community Banks Earn $4.4 Billion in First Quarter 2014***
- ***Net Interest Income Up 5 Percent From a Year Ago, Boosted by Loan Growth***
- ***Loan Balances Rise During the Quarter, Outpacing Industry Growth***
- ***Asset Quality Indicators Show Continuing Improvement***
- ***Community Banks Account for 45 Percent of Small Loans to Businesses***

Community Banks Represent 93 Percent of Insured Institutions

In December 2012, the FDIC released the *Community Banking Study* which examined institutions that provide traditional, relationship-based banking services in their communities. Based on criteria developed for the study, there were 6,234 community banks (93 percent of all FDIC-insured institutions) in the first quarter of 2014 with assets of $2.0 trillion (14 percent of industry assets). This new section of the *Quarterly Banking Profile* will provide insight into the condition and performance of this important part of the banking industry.

Earnings Down 1.5 Percent From a Year Ago, Far Less Than the Industry Decline

Community banks reported net income of $4.4 billion, down $67 million (1.5 percent) from first quarter 2013.[1] Despite the decline, more than half (54 percent) of all community banks reported higher earnings from a year ago and the percentage reporting a quarterly loss fell to 7.5 percent from 8.7 percent. The percentage decline in earnings at community banks was far less than the 7.6 percent decline for the industry.

Net Interest Income Increases at a Faster Pace Than the Industry

Net interest income—which accounts for about 80 percent of net operating revenue at community banks—was $16.6 billion during the quarter, up $790 million (5 percent) from a year ago. Two-thirds (67 percent) of community banks reported a year-over-year increase. The average net interest margin at community banks of 3.57 percent was 4 basis points higher than a year ago and 40 basis points above the industry average. Nearly 76 percent of community banks reported net interest margins above the industry average of 3.17 percent.

Lower Noninterest Income and Higher Noninterest Expense Reduce Earnings

Noninterest income—which accounts for about 20 percent of net operating revenue at community banks—was $4.1 billion in the first quarter, down $562 million (12 percent) from first quarter 2013 as revenue from loan sales—including mortgage sales—declined by $657 million (52 percent) from a year ago. Like community banks, the industry experienced an 11 percent year-over-year decline in noninterest income, driven by a 44 percent decline in income from loan sales. Noninterest expense at community banks was $315 million (2.2 percent) higher than a year earlier. Relative to total assets at community banks, noninterest expense declined to 0.72 percent from 0.73 percent a year ago, as assets grew at a faster pace than noninterest expense.

Loan Growth at Community Banks Higher Than the Industry

Total assets at community banks increased by $28 billion (1.4 percent) from the previous quarter, as loan balances grew by $12.3 billion (0.9 percent). Community banks reported higher loan growth than the industry, which experienced 0.5 percent growth. Over 75 percent of the increase in loan balances at community banks during the quarter was due to nonfarm nonresidential real estate loans (up $5.8 billion or 1.5 percent) and commercial and industrial loans (up $3.6 billion or 2.0 percent). Year-over-year loan growth at community banks of 6.6 percent also outpaced the industry at 3.6 percent. Total unused loan commitments at community banks increased by $12.1 billion (5.2 percent) during the quarter to $245 billion, indicating the potential for additional on-balance sheet loan growth in future quarters.

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[1] Prior period dollar amounts used for comparisons are merger-adjusted, meaning the same institutions identified as community banks in the current quarter are used to determine dollar amounts in prior quarters, after taking into account acquisitions. Performance ratios are not merger-adjusted.

Community Banks Hold 45 Percent of Small Loans to Businesses

Small loans to businesses—loans to commercial borrowers up to $1 million, and farm loans up to $500,000—at community banks totaled $296.1 billion in the first quarter, down by $920 million (0.3 percent) from the prior quarter but up by $8.2 billion (2.9 percent) from a year ago. Commercial and industrial loans increased by $1.4 billion (1.6 percent) from last quarter, while agricultural production loans fell by $2.8 billion (10.5 percent). Over two-thirds (68 percent) of the year-over-year increase in small loans to businesses was driven by improvement in commercial and industrial loans, and nonfarm nonresidential real estate loans.

Noncurrent Loan Rate at Community Banks Declines for 16 Consecutive Quarters

Loan performance at community banks continued to improve, as the noncurrent loan rate and the net-charge off rate both declined from the previous quarter and a year ago. Noncurrent loans (those 90+ days past due or in nonaccrual status) totaled $22 billion, down $6.2 billion (22 percent) from a year ago. Over 60 percent of community banks reported a decline in noncurrent loans relative to a year ago. The noncurrent rate was 1.68 percent in the first quarter, its lowest level since the first quarter of 2008. The noncurrent rate fell 11 basis points from the previous quarter and 65 basis points from a year ago, and it is 78 basis points below the industry rate of 2.46 percent. The coverage ratio (loan loss reserves relative to noncurrent loans) for community banks improved for a 10^{th} consecutive quarter, rising from 87.4 percent to 91.2 percent despite a small ($55 million or 0.3 percent) decline in reserves during the quarter. The coverage ratio at community banks is well above the industry average of 67.8 percent.

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

	2014**	2013**	2013	2012	2011	2010	2009
Return on assets (%)	0.87	0.89	0.90	0.83	0.55	0.21	-0.15
Return on equity (%)	8.03	8.15	8.30	7.66	5.17	2.08	-1.48
Core capital (leverage) ratio (%)	10.50	10.29	10.44	10.18	9.98	9.56	9.30
Noncurrent assets plus other real estate owned to assets (%)	1.62	2.17	1.72	2.27	2.84	3.25	3.27
Net charge-offs to loans (%)	0.17	0.29	0.31	0.59	0.87	1.11	1.26
Asset growth rate (%)	1.20	0.78	0.25	2.24	1.47	-2.30	3.54
Net interest margin (%)	3.57	3.53	3.59	3.67	3.74	3.71	3.56
Net operating income growth (%)	0.65	13.69	14.99	56.45	204.41	204.92	-162.26
Number of institutions reporting	6,234	6,489	6,307	6,543	6,800	7,017	7,254
Percentage of unprofitable institutions (%)	7.49	8.66	8.37	11.17	16.35	22.15	29.74

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

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

(dollar figures in millions)	1st Quarter 2014	4th Quarter 2013	1st Quarter 2013	% Change 13Q1-14Q1
Number of institutions reporting	6234	6307	6489	-3.9
Total employees (full-time equivalent)	449,924	453,462	459,761	-2.1
CONDITION DATA				
Total assets	$2,035,169	$2,019,280	$2,010,959	1.2
Loans secured by real estate	999,115	994,247	965,688	3.5
1-4 Family residential mortgages	349,772	349,691	345,124	1.3
Nonfarm nonresidential	394,568	392,763	382,382	3.2
Construction and development	77,825	77,372	75,410	3.2
Home equity lines	47,476	47,830	49,314	-3.7
Commercial & industrial loans	182,169	179,673	171,298	6.3
Loans to individuals	55,442	55,646	53,304	4.0
Credit cards	1,766	1,850	1,938	-8.8
Farm loans	39,716	43,290	35,677	11.3
Other loans & leases	27,975	27,894	25,894	8.0
Less: Unearned income	553	554	523	5.7
Total loans & leases	1,303,885	1,300,196	1,251,338	4.2
Less: Reserve for losses	20,020	20,285	21,586	-7.3
Net loans and leases	1,283,865	1,279,911	1,229,752	4.4
Securities	463,857	461,702	471,985	-1.7
Other real estate owned	10,822	11,362	14,284	-24.2
Goodwill and other intangibles	12,681	12,647	11,632	9.0
All other assets	263,946	253,657	283,306	-6.8
Total liabilities and capital	2,035,169	2,019,280	2,010,959	1.2
Deposits	1,688,056	1,669,232	1,669,753	1.1
Domestic office deposits	1,687,825	1,668,991	1,669,553	1.1
Foreign office deposits	231	241	200	15.5
Brokered deposits	56,078	53,578	51,924	8.0
Estimated insured deposits	1,326,886	1,314,925	1,338,259	-0.8
Other borrowed funds	111,543	118,397	103,972	7.3
Subordinated debt	432	447	553	-21.9
All other liabilities	14,223	14,296	16,144	-11.9
Total equity capital (includes minority interests)	220,916	216,908	220,538	0.2
Bank equity capital	220,770	216,765	220,373	0.2
Loans and leases 30-89 days past due	10,850	10,763	12,007	-9.6
Noncurrent loans and leases	21,954	23,219	29,121	-24.6
Restructured loans and leases	11,499	12,503	12,914	-11.0
Mortgage-backed securities	204,670	203,863	214,307	-4.5
Earning assets	1,876,464	1,860,414	1,854,720	1.2
FHLB Advances	80,224	83,896	70,571	13.7
Unused loan commitments	244,787	234,091	241,981	1.2
Trust assets	237,443	278,654	228,276	4.0
Assets securitized and sold	15,169	14,862	16,173	-6.2
Notional amount of derivatives	44,487	40,598	54,196	-17.9

INCOME DATA	Full Year 2013	Full Year 2012	% Change	1st Quarter 2014	1st Quarter 2013	% Change 13Q1-14Q1
Total interest income	$75,772	$79,518	-4.7	$18,927	$19,120	-1.0
Total interest expense	10,346	13,457	-23.12	2,330	2,808	-17.0
Net interest income	65,425	66,061	-1.0	16,597	16,313	1.7
Provision for loan and lease losses	3,151	6,572	-52.1	549	863	-36.4
Total noninterest income	18,579	18,688	-0.6	4,148	4,879	-15.0
Total noninterest expense	59,137	59,082	0.1	14,698	14,958	-1.7
Securities gains (losses)	562	1,517	-63.0	145	290	-50.1
Applicable income taxes	4,522	4,284	5.5	1,267	1,194	6.1
Extraordinary gains, net	43	-10	-521.9	5	2	123.5
Total net income (includes minority interests)	17,800	16,318	9.1	4,382	4,469	-2.0
Bank net income	17,777	16,289	9.1	4,378	4,463	-1.9
Net charge-offs	3,947	7,195	-45.1	542	921	-41.1
Cash dividends	8,705	8,951	-2.8	2,092	1,765	18.5
Retained earnings	9,072	7,337	23.6	2,286	2,698	-15.2
Net operating income	17,320	15,062	15.0	4,267	4,239	0.6

Table III-B. Aggregate Condition and Income Data by Geographic Region, FDIC-Insured Community Banks
First Quarter 2014

(dollar figures in millions)	All Community Banks	Geographic Regions* New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	6,234	730	783	1,392	1,576	1,328	425
Total employees (full-time equivalent)	449,924	87,366	59,299	97,735	72,162	97,461	35,901
CONDITION DATA							
Total assets	$2,035,169	$503,960	$250,784	$394,761	$317,344	$397,693	$170,627
Loans secured by real estate	999,115	284,931	132,024	194,371	135,188	171,196	81,405
1-4 Family residential mortgages	349,772	118,093	41,271	71,443	44,147	56,568	18,251
Nonfarm nonresidential	394,568	101,466	59,032	73,023	46,478	71,982	42,586
Construction and development	77,825	13,871	14,263	11,450	9,850	22,163	6,226
Home equity lines	47,476	15,591	7,737	11,099	4,243	4,261	4,545
Commercial & industrial loans	182,169	40,249	18,849	35,710	29,848	40,861	16,654
Loans to individuals	55,442	10,338	7,162	11,278	9,234	13,388	4,041
Credit cards	1,766	202	134	444	395	317	275
Farm loans	39,716	451	936	6,233	22,464	7,386	2,246
Other loans & leases	27,975	7,504	1,877	5,173	4,837	5,766	2,818
Less: Unearned income	553	141	97	62	25	116	112
Total loans & leases	1,303,885	343,333	160,773	252,702	201,545	238,480	107,051
Less: Reserve for losses	20,020	4,302	2,727	4,345	3,120	3,569	1,956
Net loans and leases	1,283,865	339,031	158,046	248,357	198,425	234,911	105,095
Securities	463,857	107,568	51,543	91,349	75,870	100,763	36,763
Other real estate owned	10,822	1,249	2,839	2,262	1,728	1,997	748
Goodwill and other intangibles	12,681	4,101	1,266	2,458	1,686	2,288	882
All other assets	263,946	52,011	37,091	50,335	39,635	57,735	27,139
Total liabilities and capital	2,035,169	503,960	250,784	394,761	317,344	397,693	170,627
Deposits	1,688,056	400,967	210,792	330,825	264,454	338,556	142,461
Domestic office deposits	1,687,825	400,849	210,725	330,798	264,454	338,556	142,443
Foreign office deposits	231	119	67	27	0	0	18
Brokered deposits	56,078	15,968	6,635	11,929	8,119	9,096	4,332
Estimated insured deposits	1,326,886	310,130	166,308	272,848	215,373	255,482	106,744
Other borrowed funds	111,543	43,105	11,221	18,550	17,374	14,679	6,613
Subordinated debt	432	207	68	103	7	5	43
All other liabilities	14,223	4,552	1,549	2,701	1,722	2,290	1,409
Total equity capital (includes minority interests)	220,916	55,128	27,155	42,582	33,788	42,162	20,100
Bank equity capital	220,770	55,082	27,146	42,527	33,787	42,131	20,098
Loans and leases 30-89 days past due	10,850	2,802	1,709	2,242	1,529	2,069	500
Noncurrent loans and leases	21,954	6,012	3,954	5,167	2,198	3,003	1,619
Restructured loans and leases	11,499	2,375	2,163	3,107	1,364	1,478	1,012
Mortgage-backed securities	204,670	59,450	23,029	37,146	26,881	39,732	18,433
Earning assets	1,876,464	467,786	228,645	363,485	293,212	365,542	157,793
FHLB Advances	80,224	33,696	8,265	12,454	11,962	10,397	3,449
Unused loan commitments	244,787	59,555	28,487	46,749	42,137	43,994	23,865
Trust assets	237,443	53,530	8,614	66,692	60,863	37,605	10,138
Assets securitized and sold	15,169	3,063	516	6,140	4,183	531	736
Notional amount of derivatives	44,487	15,194	5,441	9,794	5,157	6,946	1,955

INCOME DATA	All Community Banks	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Total interest income	$18,927	$4,542	$2,439	$3,612	$2,952	$3,794	$1,588
Total interest expense	2,330	690	307	443	376	388	126
Net interest income	16,597	3,853	2,132	3,170	2,576	3,406	1,461
Provision for loan and lease losses	549	159	66	145	62	116	1
Total noninterest income	4,148	760	469	1,132	633	814	340
Total noninterest expense	14,698	3,278	1,973	3,027	2,171	2,969	1,279
Securities gains (losses)	145	66	16	16	19	17	11
Applicable income taxes	1,267	385	148	282	163	152	137
Extraordinary gains, net	5	0	1	0	3	1	0
Total net income (includes minority interests)	4,382	857	430	863	835	1,002	395
Bank net income	4,378	856	430	861	835	1,002	395
Net charge-offs	542	135	90	167	54	75	22
Cash dividends	2,092	169	157	435	491	533	307
Retained earnings	2,286	687	273	426	344	469	88
Net operating income	4,267	808	417	850	818	987	387

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

Table IV-B. First Quarter 2014, FDIC-Insured Community Banks

	All Community Banks		First Quarter 2014, Geographic Regions*					
	1st Quarter 2014	4th Quarter 2013	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Performance ratios (annualized, %)								
Yield on earning assets	4.07	4.18	3.92	4.31	4.00	4.05	4.20	4.06
Cost of funding earning assets	0.50	0.53	0.60	0.54	0.49	0.52	0.43	0.32
Net interest margin	3.57	3.65	3.32	3.76	3.51	3.53	3.77	3.74
Noninterest income to assets	0.82	0.84	0.61	0.75	1.15	0.80	0.83	0.80
Noninterest expense to assets	2.91	3.07	2.62	3.18	3.08	2.75	3.02	3.03
Loan and lease loss provision to assets	0.11	0.15	0.13	0.11	0.15	0.08	0.12	0.00
Net operating income to assets	0.85	0.80	0.65	0.67	0.87	1.04	1.00	0.92
Pretax return on assets	1.12	0.98	0.99	0.93	1.16	1.26	1.17	1.26
Return on assets	0.87	0.80	0.69	0.69	0.88	1.06	1.02	0.93
Return on equity	8.03	7.42	6.29	6.42	8.21	10.00	9.64	7.92
Net charge-offs to loans and leases	0.17	0.35	0.16	0.22	0.26	0.11	0.13	0.08
Loan and lease loss provision to net charge-offs	101.17	68.23	117.57	73.30	86.92	114.07	154.92	5.92
Efficiency ratio	70.52	71.90	70.70	75.44	70.05	67.30	70.07	70.84
Net interest income to operating revenue	80.00	79.96	83.52	81.98	73.69	80.26	80.70	81.12
% of unprofitable institutions	7.49	13.11	8.49	11.88	8.33	5.20	5.05	11.06
% of institutions with earnings gains	54.03	52.81	49.86	58.24	48.42	56.35	56.70	54.82

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

Table V-B. Full Year 2013, FDIC-Insured Community Banks

	All Community Banks		Full Year 2013, Geographic Regions*					
	Full Year 2013	Full Year 2012	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Performance ratios (%)								
Yield on earning assets	4.16	4.42	3.99	4.39	4.11	4.13	4.29	4.18
Cost of funding earning assets	0.57	0.75	0.66	0.62	0.57	0.59	0.49	0.37
Net interest margin	3.59	3.67	3.33	3.77	3.54	3.54	3.80	3.81
Noninterest income to assets	0.94	0.95	0.72	0.84	1.27	0.91	0.93	1.00
Noninterest expense to assets	2.99	3.01	2.70	3.30	3.14	2.81	3.06	3.17
Loan and lease loss provision to assets	0.16	0.34	0.18	0.17	0.20	0.12	0.16	0.06
Net operating income to assets	0.87	0.77	0.65	0.61	0.95	1.05	1.03	1.09
Pretax return on assets	1.13	1.05	0.99	0.83	1.22	1.27	1.22	1.31
Return on assets	0.90	0.83	0.69	0.63	0.97	1.07	1.04	1.11
Return on equity	8.30	7.66	6.29	5.86	9.16	10.00	9.79	9.30
Net charge-offs to loans and leases	0.31	0.59	0.25	0.47	0.48	0.20	0.28	0.18
Loan and lease loss provision to net charge-offs	79.84	91.35	109.94	55.71	66.68	93.50	95.54	53.01
Efficiency ratio	69.85	69.25	70.50	75.29	68.86	66.91	68.88	70.00
Net interest income to operating revenue	77.88	77.95	80.98	80.40	71.91	78.27	78.89	77.79
% of unprofitable institutions	8.37	11.17	10.72	14.86	9.54	4.47	5.36	12.30
% of institutions with earnings gains	53.72	67.31	49.39	62.17	50.11	51.76	54.36	62.41

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

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

		Geographic Regions*					
March 31, 2014	All Community Banks	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Percent of Loans 30-89 Days Past Due							
All loans secured by real estate	0.83	0.77	1.08	0.96	0.73	0.87	0.43
Construction and development	0.78	0.96	0.94	0.77	0.73	0.63	0.57
Nonfarm nonresidential	0.64	0.60	0.80	0.83	0.55	0.59	0.36
Multifamily residential real estate	0.33	0.23	0.42	0.63	0.27	0.45	0.07
Home equity loans	0.58	0.60	0.73	0.56	0.55	0.52	0.37
Other 1-4 family residential	1.22	1.07	1.66	1.32	1.04	1.39	0.63
Commercial and industrial loans	0.68	0.73	0.74	0.62	0.76	0.66	0.55
Loans to individuals	1.60	2.79	1.83	1.03	1.09	1.70	0.59
Credit card loans	1.47	2.73	1.37	1.02	2.10	0.96	1.03
Other loans to individuals	1.61	2.79	1.84	1.03	1.04	1.72	0.55
All other loans and leases (including farm)	0.62	0.23	0.61	0.36	0.80	0.68	0.71
Total loans and leases	0.83	0.82	1.06	0.89	0.76	0.87	0.47
Percent of Loans Noncurrent**							
All loans secured by real estate	1.87	1.89	2.60	2.31	1.23	1.39	1.61
Construction and development	3.93	4.11	6.47	5.01	3.21	2.05	3.50
Nonfarm nonresidential	1.83	1.82	2.23	2.44	1.40	1.31	1.64
Multifamily residential real estate	0.86	0.44	1.73	1.75	0.77	0.83	0.53
Home equity loans	1.00	1.07	1.00	1.25	0.55	0.72	0.81
Other 1-4 family residential	1.90	2.20	2.21	2.25	1.13	1.38	1.40
Commercial and industrial loans	1.34	1.27	1.53	1.53	1.32	1.10	1.54
Loans to individuals	0.95	0.93	2.84	0.49	0.56	0.71	0.51
Credit card loans	0.99	2.09	2.06	0.70	1.01	0.50	0.68
Other loans to individuals	0.94	0.91	2.85	0.49	0.54	0.72	0.50
All other loans and leases (including farm)	0.46	0.25	1.00	0.60	0.35	0.53	0.54
Total loans and leases	1.68	1.75	2.46	2.04	1.09	1.26	1.51
Percent of Loans Charged-Off (net, YTD)							
All loans secured by real estate	0.14	0.12	0.20	0.25	0.08	0.07	0.04
Construction and development	0.18	0.37	0.45	0.31	-0.03	0.00	-0.10
Nonfarm nonresidential	0.14	0.10	0.20	0.29	0.10	0.05	0.06
Multifamily residential real estate	0.09	0.02	0.07	0.21	0.08	0.38	-0.01
Home equity loans	0.17	0.15	0.15	0.35	0.13	0.09	-0.05
Other 1-4 family residential	0.15	0.14	0.17	0.24	0.12	0.09	0.06
Commercial and industrial loans	0.22	0.28	0.22	0.32	0.14	0.17	0.15
Loans to individuals	0.65	0.72	0.71	0.51	0.65	0.74	0.44
Credit card loans	4.28	5.70	1.03	3.59	9.09	1.92	1.77
Other loans to individuals	0.53	0.61	0.70	0.38	0.26	0.71	0.34
All other loans and leases (including farm)	0.10	0.07	0.13	0.13	0.02	0.15	0.29
Total loans and leases	0.17	0.16	0.22	0.26	0.11	0.13	0.08
Loans Outstanding (in billions)							
All real estate loans	$999.1	$284.9	$132.0	$194.4	$135.2	$171.2	$81.4
Construction and development	77.8	13.9	14.3	11.5	9.8	22.2	6.2
Nonfarm nonresidential	394.6	101.5	59.0	73.0	46.5	72.0	42.6
Multifamily residential real estate	73.7	34.5	5.7	13.9	6.7	5.8	7.1
Home equity loans	47.5	15.6	7.7	11.1	4.2	4.3	4.5
Other 1-4 family residential	349.8	118.1	41.3	71.4	44.1	56.6	18.3
Commercial and industrial loans	182.2	40.2	18.8	35.7	29.8	40.9	16.7
Loans to individuals	55.4	10.3	7.2	11.3	9.2	13.4	4.0
Credit card loans	1.8	0.2	0.1	0.4	0.4	0.3	0.3
Other loans to individuals	53.7	10.1	7.0	10.8	8.8	13.1	3.8
All other loans and leases (including farm)	67.7	8.0	2.8	11.4	27.3	13.2	5.1
Total loans and leases (plus unearned income)	1,304.4	343.5	160.9	252.8	201.6	238.6	107.2
Memo: Unfunded Commitments (in millions)							
Total Unfunded Commitments	244,787	59,555	28,487	46,749	42,137	43,994	23,865
Construction and development: 1-4 family residential	17,461	3,594	3,417	1,854	2,050	5,060	1,487
Construction and development: CRE and other	39,709	12,312	5,428	5,974	4,719	8,282	2,994
Commercial and industrial	85,053	19,714	8,617	17,854	13,797	16,143	8,928

* 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.

INSURANCE FUND INDICATORS

- ***Insured Deposits Grow by 1.9 Percent***
- ***DIF Reserve Ratio Rises 1 Basis Point to 0.80 Percent***
- ***Five Institutions Fail During First Quarter***

Total assets of the 6,730 FDIC-insured institutions increased by 1.2 percent ($178.3 billion) during the first quarter of 2014. Total deposits increased by 1.1 percent ($125.8 billion), domestic office deposits increased by 1.3 percent ($131.1 billion), and foreign office deposits decreased by 0.4 percent ($5.4 billion). Domestic noninterest-bearing deposits increased by 1.8 percent ($46.4 billion) and savings deposits and interest-bearing checking accounts increased by 1.9 percent ($105.6 billion), while domestic time deposits decreased by 1.3 percent ($20.8 billion). For the twelve months ending March 31, total domestic deposits grew by 5.3 percent ($495.5 billion), with interest-bearing deposits increasing by 4 percent ($279.1 billion) and noninterest-bearing deposits rising by 8.9 percent ($216.4 billion).[1] Foreign deposits increased by 0.2 percent, other borrowed money increased by 9.5 percent, while securities sold under agreements to repurchase declined by 11.2 percent over the same twelve-month period.[2] At the end of the first quarter, domestic deposits funded 66.6 percent of industry assets, the largest share since the fourth quarter of 1993, when the share was 68 percent.

Total estimated insured deposits increased by 1.9 percent from the prior quarter and by 2.1 percent from one year earlier.[3] For institutions existing at the start and the end of the first quarter, insured deposits increased during the quarter at 4,932 institutions (73 percent), decreased at 1,760 institutions (26 percent), and remained unchanged at 35 institutions.

The condition of the Deposit Insurance Fund (DIF) continues to improve. The DIF increased by $1.7 billion during the first quarter to $48.9 billion. Assessment income of $2.4 billion was primarily responsible for the increase. Interest earned on investments of $45 million, unrealized gains on available-for-sale securities of $25 million, and other miscellaneous income of $9 million also added to the fund. Operating expenses of $422 million and provisions for insurance losses of $348 million partially offset the fund balance increase. During the first quarter of 2014, five insured institutions with combined assets of $718 million failed, at an estimated cost to the fund of $92 million. The DIF's reserve ratio—the DIF fund balance as a percent of estimated insured deposits—was 0.80 percent as of the first quarter, up from 0.79 percent in the prior quarter and 0.60 percent one year earlier.

Effective April 1, 2011, the deposit insurance assessment base changed to average consolidated total assets minus average tangible equity.[4] Revisions to insurance assessment rates and risk-based pricing rules for large banks (banks with assets greater than $10 billion) also became effective on that date.[5] Table 1 shows the distribution of the assessment base by institution asset size category as of the first quarter of 2014.

[1] Throughout the insurance fund discussion, FDIC-insured institutions include insured commercial banks and savings associations and, except where noted, exclude insured branches of foreign banks.
[2] Other borrowed money includes FHLB advances, term federal funds, mortgage indebtedness, and other borrowings.
[3] Figures for estimated insured deposits in this discussion include insured branches of foreign banks, in addition to insured commercial banks and savings institutions.
[4] There is an additional adjustment to the assessment base for banker's banks and custodial banks, as permitted under Dodd-Frank.
[5] The Fourth Quarter 2010 *Quarterly Banking Profile* includes a more detailed explanation of these changes.

Table 1
Distribution of the Assessment Base for FDIC-Insured Institutions*
by Asset Size
Data as of March 31, 2014

Asset Size	Number of Institutions	Percent of Total Institutions	Assessment Base** ($ Billion)	Percent of Base
Less Than $1 Billion	6,058	90.0	$1,202.6	9.4
$1 - $10 Billion	565	8.4	1,321.4	10.4
$10 - $50 Billion	71	1.1	1,349.6	10.6
$50 - $100 Billion	14	0.2	939.7	7.4
Over $100 Billion	22	0.3	7,937.8	62.3
Total	6,730	100.0	12,751.0	100.0

* Excludes insured U.S. branches of foreign banks.

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

Dodd-Frank requires that, for at least five years, the FDIC must make available to the public the reserve ratio and the Designated Reserve Ratio (DRR) using both estimated insured deposits and the new assessment base. As of March 31, 2014, the FDIC reserve ratio would have been 0.38 percent using the new assessment base (compared to 0.80 percent using estimated insured deposits), and the 2 percent DRR using estimated insured deposits would have been 0.96 percent using the new assessment base.

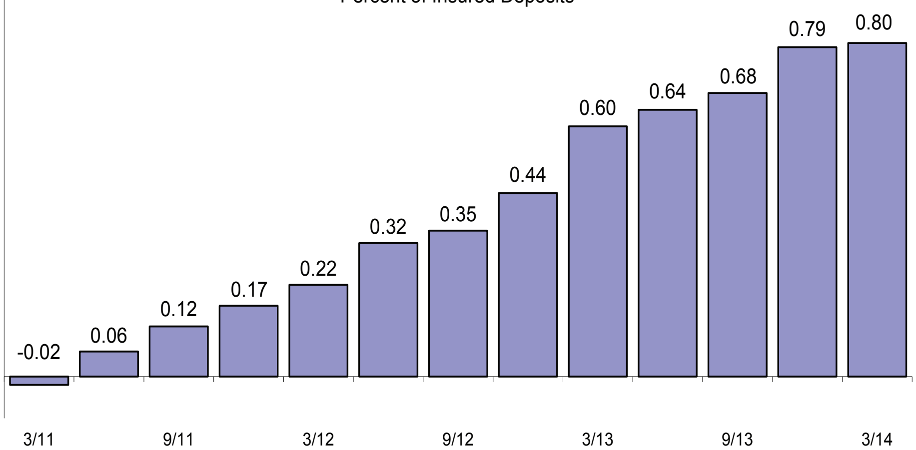
Table I-C. Insurance Fund Balances and Selected Indicators

	Deposit Insurance Fund*												
(dollar figures in millions)	1st Quarter 2014	4th Quarter 2013	3rd Quarter 2013	2nd Quarter 2013	1st Quarter 2013	4th Quarter 2012	3rd Quarter 2012	2nd Quarter 2012	1st Quarter 2012	4th Quarter 2011	3rd Quarter 2011	2nd Quarter 2011	1st Quarter 2011
Beginning Fund Balance……………………	$47,191	$40,758	$37,871	$35,742	$32,958	$25,224	$22,693	$15,292	$11,827	$7,813	$3,916	-$1,023	-$7,352
Changes in Fund Balance:													
Assessments earned…………………………	2,393	2,224	2,339	2,526	2,645	2,937	2,833	2,933	3,694	3,209	3,642	3,163	3,484
Interest earned on investment securities……	45	23	34	54	-9	66	-8	81	20	33	30	37	28
Realized gain on sale of investments………	0	302	156	0	0	0	0	0	0	0	0	0	0
Operating expenses……………………………	422	436	298	439	436	469	442	407	460	334	433	463	395
Provision for insurance losses………………	348	-4,588	-539	-33	-499	-3,344	-84	-807	12	1,533	-763	-2,095	-3,089
All other income, net of expenses……………	9	9	46	51	55	1,878	57	4,095	63	2,599	83	80	66
Unrealized gain/(loss) on available-for-sale securities………………………………………	25	-277	71	-96	30	-22	7	-108	160	40	-188	27	57
Total fund balance change……………………	1,702	6,433	2,887	2,129	2,784	7,734	2,531	7,401	3,465	4,014	3,897	4,939	6,329
Ending Fund Balance………………………	48,893	47,191	40,758	37,871	35,742	32,958	25,224	22,693	15,292	11,827	7,813	3,916	-1,023
Percent change from four quarters earlier..	36.79	43.19	61.58	66.88	133.73	178.67	222.85	479.49	NM	NM	NM	NM	NM
Reserve Ratio (%)……………………………	0.80	0.79	0.68	0.64	0.60	0.44	0.35	0.32	0.22	0.17	0.12	0.06	-0.02
Estimated Insured Deposits ……………**	$6,123,766	$6,009,801	$5,969,906	$5,953,332	$6,000,446	$7,406,525	$7,249,849	$7,083,434	$7,032,875	$6,974,690	$6,756,302	$6,524,750	$6,380,407
Percent change from four quarters earlier..	2.06	-18.86	-17.65	-15.95	-14.68	6.19	7.30	8.56	10.23	10.67	24.62	20.00	16.59
Domestic Deposits	$9,962,466	$9,825,321	$9,630,392	$9,424,433	$9,454,580	$9,474,585	$9,084,803	$8,937,725	$8,848,706	$8,782,134	$8,526,713	$8,244,900	$8,006,898
Percent change from four quarters earlier..	5.37	3.70	6.01	5.45	6.85	7.88	6.55	8.40	10.51	11.34	9.97	7.34	3.95
Number of Institutions Reporting…………	6,739	6,821	6,900	6,949	7,028	7,092	7,190	7,254	7,317	7,366	7,446	7,522	7,583

* Quarterly financial statement results are unaudited.

** Beginning in the third quarter of 2009, estimates of insured deposits are based on a $250,000 general coverage limit. The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) temporarily provided unlimited coverage for noninterest-bearing transaction accounts for two years beginning December 31, 2010, and ending December 31, 2012.

DIF Reserve Ratios
Percent of Insured Deposits



Deposit Insurance Fund Balance and Insured Deposits ($ Millions)

	DIF Balance	DIF-Insured Deposits
3/11	-$1,023	$6,380,407
6/11	3,916	6,524,750
9/11	7,813	6,756,302
12/11	11,827	6,974,690
3/12	15,292	7,032,875
6/12	22,693	7,083,434
9/12	25,224	7,249,849
12/12	32,958	7,406,525
3/13	35,742	6,000,446
6/13	37,871	5,953,332
9/13	40,758	5,969,906
12/13	47,191	6,009,801
3/14	48,893	6,123,766

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

(dollar figures in millions)	2014***	2013***	2013	2012	2011	2010	2009
Problem Institutions							
Number of institutions…………………	411	612	467	651	813	884	702
Total assets……………………………	$126,106	$213,339	$152,687	$232,701	$319,432	$390,017	$402,782
Failed Institutions							
Number of institutions…………………	5	4	24	51	92	157	140
Total assets****…………………………	$718	$459	$6,044	$11,617	$34,923	$92,085	$169,709
Assisted Institutions****							
Number of institutions…………………	0	0	0	0	0	0	8
Total assets……………………………	$0	$0	$0	$0	$0	$0	$1,917,482

*** Through March 31.

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

*****Assisted institutions represent eight institutions under a single holding company that received assistance in 2009.

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

(dollar figures in millions) **March 31, 2014**	Number of Institutions	Total Assets	Domestic Deposits*	Est. Insured Deposits
Commercial Banks and Savings Institutions				
FDIC-Insured Commercial Banks	5,809	$13,854,733	$9,120,424	$5,417,543
FDIC-Supervised	3,817	2,190,907	1,717,051	1,284,587
OCC-Supervised	1,131	9,560,608	6,009,317	3,399,985
Federal Reserve-Supervised	861	2,103,219	1,394,056	732,972
FDIC-Insured Savings Institutions	921	1,046,269	801,665	676,804
OCC-Supervised Savings Institutions	489	690,467	537,353	455,439
FDIC-Supervised Savings Institutions	432	355,802	264,311	221,366
Total Commercial Banks and Savings Institutions	6,730	14,901,002	9,922,088	6,094,347
Other FDIC-Insured Institutions				
U.S. Branches of Foreign Banks	9	86,151	40,377	29,419
Total FDIC-Insured Institutions	6,739	14,987,152	9,962,466	6,123,766

* Excludes $1.4 trillion in foreign office deposits, which are uninsured.

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

Quarter Ending December 31, 2013 (dollar figures in billions)

Annual Rate in Basis Points	Number of Institutions	Percent of Total Institutions	Amount of Assessment Base*	Percent of Total Assessment Base
2.50-5.00	1,369	20.07	$1,035	8.13
5.01-7.50	2,895	42.44	9,215	72.37
7.51-10.00	1,408	20.64	1,704	13.38
10.01-15.00	653	9.57	443	3.48
15.01-20.00	31	0.45	147	1.15
20.01-25.00	382	5.60	142	1.12
25.01-30.00	8	0.12	18	0.14
30.01-35.00	70	1.03	16	0.12
greater than 35.00	5	0.07	12	0.10

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

Notes to Users

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

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

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

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

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

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

Once the specialty organizations are removed, the third step involves including organizations that engage in basic banking activities as measured by the total loans-to-assets ratio (greater than 33 percent) and the ratio of core deposits to assets (greater than 50 percent). Core deposits are defined as 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 gradually adjusted upward over time. For banking offices, banks must have more than one office, and the maximum number of offices starts at 40 in 1985 and reaches 75 in 2010. The maximum level of deposits for any one office is $1.25 billion in deposits in 1985 and $5 billion in deposits in 2010. The remaining geographic limitations are also based on maximums for the number of states (fixed at 3) and large metropolitan areas (fixed at 2) in which the organization maintains offices. Branch office data are based on the most recent data from the annual June 30 *Summary of Deposits Survey* that are available at the time of publication.

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

Summary of FDIC Research Definition of Community Banking Organizations
Community banks are designated at the level of the banking. (All charters under designated holding companies are considered community banking charters.)
Exclude: Any organization with:
- No loans or no core deposits
- Foreign Assets $\geq$ 10% of total assets
- More than 50% of assets in certain specialty banks, including:
  - credit card specialists
  - consumer nonbank banks[1]
  - industrial loan companies
  - trust companies
  - bankers' banks

Include: All remaining banking organizations with:
- Total assets < indexed size threshold[2]
- Total assets $\geq$ 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 billion in 2010.
[3] Maximum number of offices indexed to equal 40 in 1985 and 75 in 2010.
[4] Maximum branch deposit size indexed to equal $1.25 billion in 1985 and $5 billion in 2010.

Tables I-C through IV-C.

A separate set of tables (Tables I-C through IV-C) provides comparative quarterly data related to the Deposit Insurance Fund (DIF), problem institutions, failed/assisted institutions, estimated FDIC-insured deposits, as well as assessment rate information. Depository institutions that are not insured by the FDIC through the DIF are not included in the *FDIC Quarterly Banking Profile*. U.S. branches of institutions headquartered in foreign countries and non-deposit trust companies are not included unless otherwise indicated. Efforts are made to obtain financial reports for all active institutions. However, in some cases, final financial reports are not available for institutions that have closed or converted their charters.

DATA SOURCES

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

COMPUTATION METHODOLOGY

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

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

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

ACCOUNTING CHANGES

Indemnification Assets and Accounting Standards Update No. 2012-06

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

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

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

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

Extended Net Operating Loss Carryback Period – The Worker, Homeownership, and Business Assistance Act of 2009, which was enacted on November 6, 2009, permits banks and other businesses, excluding those banking organizations that received capital from the U.S. Treasury under the Troubled Asset Relief Program, to elect a net operating loss carryback period of three, four, or five years instead of the usual carryback period of two years for any one tax year ending after December 31, 2007, and beginning before January 1, 2010. For calendar-year banks, this extended carryback period applies to either the 2008 or 2009 tax year. The amount of the net operating loss that can be carried back to the fifth carryback year is limited to 50 percent of the available taxable income for that fifth year, but this limit does not apply to other carryback years.

Under generally accepted accounting principles, banks may not record the effects of this tax change in their balance sheets and income statements for financial and regulatory reporting purposes until the period in which the law was enacted, i.e., the fourth quarter of 2009. Therefore, banks should recognize the effects of this fourth quarter 2009 tax law change on their current and deferred tax assets and liabilities, including valuation allowances for deferred tax assets, in their Call Reports for December 31, 2009. Banks should not amend their Call Reports for prior quarters for the effects of the extended net operating loss carryback period.

The American Recovery and Reinvestment Act of 2009, which was enacted on February 17, 2009, permits qualifying small businesses, including FDIC-insured institutions, to elect a net operating loss carryback period of three, four, or five years instead of the usual carryback period of two years for any tax year ending in 2008 or, at the small business's election, any tax year beginning in 2008. Under generally accepted accounting principles, institutions may not record the effect of this tax change in their balance sheets and income statements for financial and regulatory reporting purposes until the period in which the law was enacted, i.e., the first quarter of 2009.

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

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

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

Troubled Debt Restructurings and Accounting Standards Update No. 2011-02 – In April 2011, the FASB issued Accounting Standards Update (ASU) No. 2011-02, "A Creditor's Determination of Whether a Restructuring Is a Troubled Debt Restructuring," to provide additional guidance to help creditors determine whether a concession has been granted to a borrower and whether a borrower is experiencing financial difficulties. The guidance is also intended to reduce diversity in practice in identifying and reporting TDRs. This ASU was effective for public companies for interim and annual periods beginning on or after June 15, 2011, and should have been applied retrospectively to the beginning of the annual period of adoption for purposes of identifying TDRs. The measurement of impairment for any newly identified TDRs resulting from retrospective application should have been applied prospectively in the first interim or annual period beginning on or after June 15, 2011. (For most public institutions, the ASU takes effect July 1, 2011, but retrospective application begins as of January 1, 2011.) Nonpublic companies should apply the new guidance for annual periods ending after December 15, 2012, including interim periods within those annual periods. (For most nonpublic institutions, the ASU took effect January 1, 2012.) Early adoption of the ASU was permitted for both public and nonpublic entities. Nonpublic entities that adopt early are subject to a retrospective identification requirement. For additional information, refer to ASU 2011-02, available at http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498.

Accounting for Loan Participations – Amended ASC Topic 860 (formerly FAS 166) modified the criteria that must be met in order for a transfer of a portion of a financial asset, such as a loan participation, to qualify for sale accounting. These changes apply to transfers of loan participations on or after the effective date of amended ASC Topic 860 (January 1, 2010, for banks with calendar year fiscal year), including advances under lines of credit that are transferred on or after the effective date of amended ASC Topic 860 even if the line of credit agreements were entered into before this effective date. Therefore, banks with a calendar-year fiscal year must account for transfers of loan participations on or after January 1, 2010, in accordance with amended ASC Topic 860. In general, loan participations transferred before the effective date of amended ASC Topic 860 are not affected by this new accounting standard.

Under amended ASC Topic 860, if a transfer of a portion of an entire financial asset meets the definition of a "participating interest," then the transferor (normally the lead lender) must evaluate whether the transfer meets all of the conditions in this accounting standard to qualify for sale accounting.

Other-Than-Temporary Impairment — When the fair value of an investment in an individual available-for-sale or held-to-maturity security is less than its cost basis, the impairment is either temporary or other-than-temporary. The amount of the total other-than-temporary impairment related to credit loss must be recognized in earnings, but the amount of total impairment related to other factors must be recognized in other comprehensive income, net of applicable taxes. To determine whether the impairment is other-than-temporary, an institution must apply the applicable accounting guidance — refer to previously published Quarterly Banking Profile notes: http://www2.fdic.gov/qbp/2011mar/qbpnot.html.

ASC Topics 860 & 810 (formerly FASB Statements 166 & 167) – In June 2009, the FASB issued Statement No. 166, Accounting for Transfers of Financial Assets (FAS 166), and Statement No. 167, Amendments to FASB Interpretation No. 46(R) (FAS 167), which change the way entities account for securitizations and special purpose entities. FAS 166 revised FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, by eliminating the concept of a "qualifying special-purpose entity," creating the concept of a "participating interest," changing the requirements for derecognizing financial assets, and requiring additional disclosures. FAS 167 revised FASB Interpretation No. 46(R), Consolidation of Variable Interest Entities, by changing how a bank or other company determines when an entity that is insufficiently capitalized or is not controlled through voting or similar rights, i.e., a "variable interest entity" (VIE), should be consolidated. Under FAS 167, a bank must perform a qualitative assessment to determine whether its variable interest or interests give it a controlling financial interest in a VIE. If a bank's variable interest or interests provide it with the power to direct the most significant activities of the VIE, and the right to receive benefits or the obligation to absorb losses that could potentially be significant to the VIE, the bank is the primary beneficiary of, and therefore must consolidate, the VIE.

Both FAS 166 and FAS 167 take effect as of the beginning of each bank's first annual reporting period that begins after November 15, 2009, for interim periods therein, and for interim and annual reporting periods thereafter (i.e., as of January 1, 2010, for banks with a calendar year fiscal year). Earlier application is prohibited. Banks are expected to adopt FAS 166 and FAS 167 for Call Report purposes in accordance with the effective date of these two standards. Also, FAS 166 has modified the criteria that must be met in order for a transfer of a portion of a financial asset, such as a loan participation, to qualify for sale accounting. These changes apply to transfers of loan participations on or after the effective date of FAS 166. Therefore, banks with a calendar year fiscal year must account for transfers of loan participations on or after January 1, 2010, in accordance with FAS 166. In general, loan participations transferred before the effective date of FAS 166 (January 1, 2010, for calendar year banks) are not affected by this new accounting standard and pre-FAS 166 participations that were properly accounted for as sales under FASB Statement No. 140 will continue to be reported as having been sold.

Accounting Standards Codification ‐ refer to previously published Quarterly Banking Profile notes: http://www2.fdic.gov/qbp/2011sep/qbpnot.html.

DEFINITIONS (in alphabetical order)

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

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

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

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

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

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

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

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

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

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

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

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

Derivatives transaction types:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Risk-based capital groups – definition:

(Percent)	Total Risk-Based Capital *		Tier 1 Risk-Based Capital *		Tier 1 Leverage		Tangible Equity
Well-Capitalized	≥10	and	≥ 6	and	≥ 5		-
Adequately capitalized	≥ 8	and	≥ 4	and	≥ 4		-
Undercapitalized	≥ 6	and	≥ 3	and	≥ 3		-
Significantly undercapitalized	< 6	or	< 3	or	< 3	and	> 2
Critically undercapitalized	-		-		-		≤ 2

*As a percentage of risk-weighted assets.

Risk Categories and Assessment Rate Schedule – The current risk categories became effective January 1, 2007. Capital ratios and supervisory ratings distinguish one risk category from another. Effective April 1, 2011, risk categories for large institutions (generally those with at least $10 billion in assets) were eliminated. [Note: Effective January 1, 2014, a small number of "advanced approach institutions" began reporting Tier 1 capital based on regulatory capital standards approved by the banking agencies in July 2013. For all other FDIC-insured institutions, prior existing reporting will continue until January 2015 when mandatory compliance for all institutions is scheduled to begin. http://www.fdic.gov/regulations/capital/] The following table shows the relationship of risk categories (I, II, III, IV) for small institutions to capital and supervisory groups as well as the initial base assessment rates (in basis points) for each risk category. Supervisory Group A generally includes institutions with CAMELS composite ratings of 1 or 2; Supervisory Group B generally includes institutions with a CAMELS composite rating of 3; and Supervisory Group C generally includes institutions with CAMELS composite ratings of 4 or 5. For purposes of risk-based assessment capital groups, undercapitalized includes institutions that are significantly or critically undercapitalized.

<table>
<tr><th rowspan="2">Capital Category</th><th colspan="3">Supervisory Group</th></tr>
<tr><th>A</th><th>B</th><th>C</th></tr>
<tr><td>1. Well Capitalized</td><td>I
5 - 9 bps</td><td rowspan="2">II
14 bps</td><td rowspan="2">III
23 bps</td></tr>
<tr><td>2. Adequately Capitalized</td><td>II
14 bps</td></tr>
<tr><td>3. Undercapitalized</td><td colspan="2">III
23 bps</td><td>IV
35 bps</td></tr>
</table>

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

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

As required by Dodd-Frank, the calculation of risk-based assessment rates for large institutions no longer relies on long-term debt issuer ratings. Rates for large institutions are based on CAMELS ratings and certain forward-looking financial measures combined into two scorecards—one for most large institutions and another for the remaining very large institutions that are structurally and operationally complex or that pose unique challenges and risks in case of failure (highly complex institutions). In general, a highly complex institution is an institution (other than a credit card bank) with more than $500 billion in total assets that is controlled by a parent or intermediate parent company with more than $500 billion in total assets or a processing bank or trust company with total fiduciary assets of $500 billion or more. The FDIC retains its ability to take additional information into account to make a limited adjustment to an institution's total score (the large bank adjustment), which will be used to determine an institution's initial base assessment rate.

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

Total Base Assessment Rates*

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

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

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

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

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

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

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

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

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

Small Business Lending Fund — The Small Business Lending Fund (SBLF) was enacted into law in September 2010 as part of the Small Business Jobs Act of 2010 to encourage lending to small businesses by providing capital to qualified community

institutions with assets of less than $10 billion. The SBLF Program is administered by the U.S. Treasury Department (http://www.treasury.gov/resource-center/sb-programs/Pages/Small-Business-Lending-Fund.aspx).
Under the SBLF Program, the Treasury Department purchased noncumulative perpetual preferred stock from qualifying depository institutions and holding companies (other than Subchapter S and mutual institutions). When this stock has been issued by a depository institution, it is reported as “Perpetual preferred stock and related surplus.” For regulatory capital purposes, this noncumulative perpetual preferred stock qualifies as a component of Tier 1 capital. Qualifying Subchapter S corporations and mutual institutions issue unsecured subordinated debentures to the Treasury Department through the SBLF. Depository institutions that issued these debentures report them as “Subordinated notes and debentures.” For regulatory capital purposes, the debentures are eligible for inclusion in an institution’s Tier 2 capital in accordance with their primary federal regulator’s capital standards. To participate in the SBLF Program, an institution with outstanding securities issued to the Treasury Department under the Capital Purchase Program (CPP) was required to refinance or repay in full the CPP securities at the time of the SBLF funding. Any outstanding warrants that an institution issued to the Treasury Department under the CPP remain outstanding after the refinancing of the CPP stock through the SBLF Program unless the institution chooses to repurchase them.

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

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

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

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

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