



Quarterly Banking Profile

Second Quarter 2015

INSURED INSTITUTION PERFORMANCE

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

Improving Earnings Trend Remains Broad-Based

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

Margins Rebound Slightly From 30-Year Low

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

Litigation Expenses Are Lower

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

Net Charge-Off Rate Improves to Pre-Crisis Level

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

Noncurrent Rate Continues to Improve

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

consisted of loans with U.S. government guarantees, or loans covered by loss-sharing agreements with the FDIC.

Banks Continue to Release Reserves

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

Capital Growth Is Modest

Banks added \$4.5 billion to equity capital during the quarter. The modest 0.3 percent increase reflected a reduced contribution from retained earnings and a decline in unrealized gains in available-for-sale securities portfolios. Retained earnings totaled \$14.4 billion, which was \$3.8 billion (20.9 percent) less than in second quarter 2014. Banks declared \$28.6 billion in dividends in the second quarter, up \$6.7 billion (30.8 percent) versus the 2014 quarter. Higher interest rates lowered the market values of securities portfolios. Accumulated other comprehensive income, a component of equity capital that includes unrealized gains on securities held for sale, declined by \$12.9 billion. The industry's equity-to-assets ratio rose from 11.18 percent to 11.23 percent during the quarter. At mid-year, 98.6 percent of all FDIC-insured institutions, representing 99.9 percent of industry assets, met or exceeded the requirements for well-capitalized banks, as defined for Prompt Corrective Action purposes.

Banks Reduce Their Balances at Federal Reserve Banks

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

Non-Operational Deposit Balances Decline

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

Only One Bank Failure in the Quarter

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

Quarterly Banking Profile

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

	2015**	2014**	2014	2013	2012	2011	2010
Return on assets (%)	1.06	1.04	1.01	1.07	1.00	0.88	0.65
Return on equity (%)	9.45	9.25	9.01	9.54	8.91	7.79	5.85
Core capital (leverage) ratio (%)	9.53	9.56	9.45	9.40	9.15	9.07	8.89
Noncurrent assets plus other real estate owned to assets (%)	1.04	1.38	1.20	1.63	2.20	2.61	3.11
Net charge-offs to loans (%)	0.43	0.51	0.49	0.69	1.10	1.55	2.55
Asset growth rate (%)	3.83	5.29	5.59	1.94	4.03	4.30	1.77
Net interest margin (%)	3.05	3.16	3.14	3.26	3.42	3.60	3.76
Net operating income growth (%)	6.85	-0.12	-0.70	12.81	17.78	43.60	1594.34
Number of institutions reporting	6,348	6,656	6,509	6,812	7,083	7,357	7,658
Commercial banks	5,472	5,722	5,605	5,846	6,071	6,274	6,518
Savings institutions	876	934	904	966	1,012	1,083	1,140
Percentage of unprofitable institutions (%)	5.04	6.76	6.24	8.15	10.98	16.23	22.15
Number of problem institutions	228	354	291	467	651	813	884
Assets of problem institutions (in billions)	\$57	\$110	\$87	\$153	\$233	\$319	\$390
Number of failed institutions	5	12	18	24	51	92	157
Number of assisted institutions	0	0	0	0	0	0	0

* Excludes insured branches of foreign banks (IBAs).

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

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

(dollar figures in millions)	2nd Quarter 2015	1st Quarter 2015	2nd Quarter 2014	%Change 14Q2-15Q2		
Number of institutions reporting	6,348	6,419	6,656	-4.6		
Total employees (full-time equivalent)	2,042,386	2,042,688	2,059,827	-0.8		
CONDITION DATA						
Total assets	\$15,753,305	\$15,778,034	\$15,172,054	3.8		
Loans secured by real estate	4,261,429	4,204,229	4,123,201	3.4		
1-4 Family residential mortgages	1,880,016	1,855,271	1,843,069	2.0		
Nonfarm nonresidential	1,175,728	1,163,419	1,126,785	4.3		
Construction and development	255,816	246,097	222,752	14.8		
Home equity lines	477,911	483,904	499,183	-4.3		
Commercial & industrial loans	1,798,093	1,748,648	1,660,387	8.3		
Loans to individuals	1,422,713	1,383,937	1,366,163	4.1		
Credit cards	701,190	679,967	678,337	3.4		
Farm loans	76,342	71,541	69,620	9.7		
Other loans & leases	990,377	955,638	891,666	11.1		
Less: Unearned income	1,924	1,928	1,855	3.8		
Total loans & leases	8,547,030	8,362,065	8,109,182	5.4		
Less: Reserve for losses	119,643	121,060	128,185	-6.7		
Net loans and leases	8,427,387	8,241,005	7,980,996	5.6		
Securities	3,277,989	3,267,361	3,113,095	5.3		
Other real estate owned	17,516	19,338	26,291	-33.4		
Goodwill and other intangibles	359,979	355,873	365,579	-1.5		
All other assets	3,670,434	3,894,456	3,686,093	-0.4		
Total liabilities and capital	15,753,305	15,778,034	15,172,054	3.8		
Deposits	11,932,441	11,958,285	11,490,260	3.8		
Domestic office deposits	10,586,399	10,578,106	10,058,719	5.2		
Foreign office deposits	1,346,042	1,380,179	1,431,542	-6.0		
Other borrowed funds	1,430,673	1,362,966	1,382,281	3.5		
Subordinated debt	92,571	94,842	97,802	-5.3		
All other liabilities	521,934	590,327	486,386	7.3		
Total equity capital (includes minority interests)	1,775,686	1,771,606	1,715,325	3.5		
Bank equity capital	1,768,818	1,764,357	1,706,579	3.6		
Loans and leases 30-89 days past due	59,152	61,383	65,705	-10.0		
Noncurrent loans and leases	144,693	152,971	181,568	-20.3		
Restructured loans and leases	76,794	79,510	94,093	-18.4		
Mortgage-backed securities	1,787,500	1,773,843	1,716,673	4.1		
Earning assets	14,110,660	14,103,044	13,524,196	4.3		
FHLB Advances	473,721	433,045	437,480	8.3		
Unused loan commitments	6,680,902	6,575,712	6,327,481	5.6		
Trust assets	17,781,023	18,087,191	18,339,532	-3.0		
Assets securitized and sold	873,094	943,846	964,951	-9.5		
Notional amount of derivatives	201,004,797	205,900,541	239,219,451	-16.0		
INCOME DATA						
	First Half 2015	First Half 2014	%Change	2nd Quarter 2015	2nd Quarter 2014	%Change 14Q2-15Q2
Total interest income	\$236,362	\$233,136	1.4	\$119,295	\$117,431	1.6
Total interest expense	23,030	23,860	-3.5	11,454	11,976	-4.4
Net interest income	213,333	209,276	1.9	107,842	105,454	2.3
Provision for loan and lease losses	16,475	14,345	14.9	8,113	6,749	20.2
Total noninterest income	127,684	123,616	3.3	65,065	63,832	1.9
Total noninterest expense	207,082	206,811	0.1	103,792	104,916	-1.1
Securities gains (losses)	2,065	1,596	29.4	756	770	-1.9
Applicable income taxes	36,294	35,672	1.7	18,469	18,065	2.2
Extraordinary gains, net	-129	-4	N/M	-153	-79	N/M
Total net income (includes minority interests)	83,102	77,655	7.0	43,135	40,248	7.2
Bank net income	82,804	77,284	7.1	42,990	40,070	7.3
Net charge-offs	17,950	20,449	-12.2	8,949	10,081	-11.2
Cash dividends	50,853	41,762	21.8	28,566	21,836	30.8
Retained earnings	31,952	35,522	-10.1	14,424	18,234	-20.9
Net operating income	81,777	76,535	6.9	42,761	39,792	7.5

N/M - Not Meaningful

Quarterly Banking Profile

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

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

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

Quarterly Banking Profile

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

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

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

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

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

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

- Credit-card Lenders - Institutions whose credit-card loans plus securitized receivables exceed 50 percent of total assets plus securitized receivables.
- International Banks - Banks with assets greater than \$10 billion and more than 25 percent of total assets in foreign offices.
- Agricultural Banks - Banks whose agricultural production loans plus real estate loans secured by farmland exceed 25 percent of their total loans and leases.
- Commercial Lenders - Institutions whose commercial and industrial loans, plus real estate construction and development loans, plus loans secured by commercial real estate properties exceed 25 percent of total assets.
- Mortgage Lenders - Institutions whose residential mortgage loans, plus mortgage-backed securities, exceed 50 percent of total assets.
- Consumer Lenders - Institutions whose residential mortgage loans, plus credit-card loans, plus other loans to individuals, exceed 50 percent of total assets.
- Other Specialized < \$1 Billion - Institutions with assets less than \$1 billion, whose loans and leases are less than 40 percent of total assets.
- All Other < \$1 billion - Institutions with assets less than \$1 billion that do not meet any of the definitions above, they have significant lending activity with no identified asset concentrations.
- All Other > \$1 billion - Institutions with assets greater than \$1 billion that do not meet any of the definitions above, they have significant lending activity with no identified asset concentrations.

Quarterly Banking Profile

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

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

* 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

Quarterly Banking Profile

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

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

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

** Noncurrent loan rates represent the percentage of loans in each category that are past due 90 days or more or that are in nonaccrual status.

Quarterly Banking Profile

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

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

* 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.

Quarterly Banking Profile

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

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

All line items are reported on a quarterly basis.

*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.

N/M - Not Meaningful

Quarterly Banking Profile

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

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

*The amount of financial assets serviced for others, other than closed-end 1-4 family residential mortgages, is reported when these assets are greater than \$10 million.

**Total credit exposure includes the sum of the three line items titled "Total credit exposure" reported above.

COMMUNITY BANK PERFORMANCE

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

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

Earnings of \$5.3 Billion Increased From Second Quarter 2014

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

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

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

Community Banks Increased Holdings of Long-Term Assets

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

Noninterest Expense Rose During the Current Quarter

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

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

Loan Balances Increased From the Previous Quarter and the Year Before

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

Community Banks Grew Small Loans to Businesses

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

Asset Quality Indicators Continued to Improve

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

One Community Bank Failed in the Second Quarter

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

² Small loans to businesses consist of loans to commercial borrowers up to \$1 million and farm loans up to \$500,000.

Quarterly Banking Profile

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

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

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

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

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

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

Quarterly Banking Profile

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

(dollar figures in millions)	2nd Quarter 2015	1st Quarter 2015	2nd Quarter 2014	% Change 2Q14-2Q15		
Number of institutions reporting	5,881	5,881	5,881	0.0		
Total employees (full-time equivalent)	442,041	438,267	438,615	0.8		
CONDITION DATA						
Total assets	\$2,085,064	\$2,069,371	\$1,978,461	5.4		
Loans secured by real estate	1,064,908	1,040,610	982,022	8.4		
1-4 Family residential mortgages	373,635	366,881	350,735	6.5		
Nonfarm nonresidential	407,566	399,032	379,175	7.5		
Construction and development	87,779	84,660	76,928	14.1		
Home equity lines	50,050	49,001	46,437	7.8		
Commercial & industrial loans	193,610	188,245	177,552	9.0		
Loans to individuals	60,309	58,676	57,336	5.2		
Credit cards	2,152	2,111	2,161	-0.4		
Farm loans	48,758	45,147	43,383	12.4		
Other loans & leases	35,000	33,104	29,274	19.6		
Less: Unearned income	568	549	536	5.8		
Total loans & leases	1,402,017	1,365,233	1,289,030	8.8		
Less: Reserve for losses	18,808	18,862	19,175	-1.9		
Net loans and leases	1,383,209	1,346,372	1,269,855	8.9		
Securities	443,577	445,553	449,247	-1.3		
Other real estate owned	7,747	8,362	9,986	-22.4		
Goodwill and other intangibles	13,584	12,763	11,594	17.2		
All other assets	236,948	256,321	237,779	-0.3		
Total liabilities and capital	2,085,064	2,069,371	1,978,461	5.4		
Deposits	1,708,626	1,704,058	1,627,072	5.0		
Domestic office deposits	1,708,188	1,703,606	1,626,668	5.0		
Foreign office deposits	438	452	404	8.3		
Brokered deposits	67,206	65,153	58,303	15.3		
Estimated insured deposits	1,308,315	1,311,494	1,276,875	2.5		
Other borrowed funds	127,406	117,594	117,527	8.4		
Subordinated debt	524	438	451	16.2		
All other liabilities	15,632	15,778	14,543	7.5		
Total equity capital (includes minority interests)	232,876	231,503	218,867	6.4		
Bank equity capital	232,758	231,386	218,752	6.4		
Loans and leases 30-89 days past due	8,196	9,842	9,152	-10.4		
Noncurrent loans and leases	17,318	18,157	20,626	-16.0		
Restructured loans and leases	9,926	10,037	11,145	-10.9		
Mortgage-backed securities	189,057	191,477	197,783	-4.4		
Earning assets	1,933,615	1,920,052	1,826,640	5.9		
FHLB Advances	95,897	87,941	86,318	11.1		
Unused loan commitments	281,984	275,399	250,804	12.4		
Trust assets	247,863	246,097	235,315	5.3		
Assets securitized and sold	14,580	14,136	13,085	11.4		
Notional amount of derivatives	58,250	57,289	45,097	29.2		
INCOME DATA						
	First Half 2015	First Half 2014	% Change	2nd Quarter 2015	2nd Quarter 2014	% Change 2Q14-2Q15
Total interest income	\$38,221	\$36,302	5.3	\$19,353	\$18,374	5.3
Total interest expense	4,361	4,441	-1.8	2,189	2,218	-1.3
Net interest income	33,861	31,861	6.3	17,165	16,155	6.2
Provision for loan and lease losses	1,125	1,158	-2.8	581	604	-3.7
Total noninterest income	9,899	8,569	15.5	5,094	4,462	14.2
Total noninterest expense	29,847	28,030	6.5	15,131	14,122	7.1
Securities gains (losses)	358	276	29.8	117	137	-14.4
Applicable income taxes	2,956	2,537	16.5	1,404	1,307	7.4
Extraordinary gains, net	25	8	219.3	22	4	488.8
Total net income (includes minority interests)	10,215	8,988	13.6	5,282	4,726	11.8
Bank net income	10,199	8,979	13.6	5,275	4,720	11.8
Net charge-offs	848	1,225	-30.8	495	659	-24.9
Cash dividends	4,673	4,262	9.6	2,482	2,265	9.6
Retained earnings	5,526	4,717	17.1	2,793	2,455	13.8
Net operating income	9,909	8,765	13.0	5,166	4,614	12.0

Quarterly Banking Profile

**Table III-B. Aggregate Condition and Income Data by Geographic Region, FDIC-Insured Community Banks
Second Quarter 2015**

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

* See Table V-A for explanations.

Quarterly Banking Profile

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

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

* See Table V-A for explanations.

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

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

* See Table V-A for explanations.

Quarterly Banking Profile

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

June 30, 2015	All Community Banks	Geographic Regions*					
		New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Percent of Loans 30-89 Days Past Due							
All loans secured by real estate	0.55	0.53	0.67	0.63	0.51	0.60	0.28
Construction and development	0.54	0.42	0.70	0.62	0.58	0.47	0.49
Nonfarm nonresidential	0.38	0.40	0.46	0.41	0.34	0.37	0.20
Multifamily residential real estate	0.21	0.16	0.21	0.40	0.28	0.26	0.05
Home equity loans	0.43	0.46	0.42	0.50	0.34	0.42	0.24
Other 1-4 family residential	0.86	0.79	1.03	0.96	0.74	0.99	0.49
Commercial and industrial loans	0.51	0.39	0.56	0.55	0.58	0.59	0.33
Loans to individuals	1.64	2.88	1.29	1.03	0.98	1.97	0.57
Credit card loans	1.64	2.19	1.29	1.04	2.70	1.08	0.85
Other loans to individuals	1.63	2.90	1.29	1.03	0.89	1.99	0.54
All other loans and leases (including farm)	0.38	0.45	0.31	0.39	0.44	0.29	0.26
Total loans and leases	0.58	0.59	0.67	0.63	0.53	0.65	0.30
Percent of Loans Noncurrent**							
All loans secured by real estate	1.33	1.57	1.66	1.47	0.91	1.05	0.86
Construction and development	2.14	2.34	3.77	2.40	1.81	1.19	1.68
Nonfarm nonresidential	1.20	1.41	1.46	1.37	1.03	0.90	0.76
Multifamily residential real estate	0.45	0.25	0.87	0.93	0.28	0.83	0.24
Home equity loans	0.80	0.94	0.72	0.86	0.41	0.65	0.77
Other 1-4 family residential	1.59	2.09	1.45	1.71	0.95	1.24	0.98
Commercial and industrial loans	1.02	1.04	1.07	1.06	1.01	1.02	0.84
Loans to individuals	0.64	0.77	0.91	0.43	0.44	0.78	0.36
Credit card loans	0.88	1.17	0.49	0.81	1.06	0.68	0.69
Other loans to individuals	0.63	0.75	0.91	0.41	0.41	0.79	0.33
All other loans and leases (including farm)	1.00	4.33	0.64	0.41	0.47	0.52	0.53
Total loans and leases	1.24	1.56	1.54	1.31	0.84	1.00	0.83
Percent of Loans Charged-Off (net, YTD)							
All loans secured by real estate	0.08	0.13	0.11	0.10	0.02	0.05	-0.05
Construction and development	0.02	0.19	0.15	0.08	-0.32	0.01	-0.13
Nonfarm nonresidential	0.09	0.19	0.12	0.07	0.06	0.03	-0.04
Multifamily residential real estate	0.03	0.02	0.09	0.05	-0.01	0.03	0.00
Home equity loans	0.13	0.15	0.11	0.21	0.08	0.05	-0.03
Other 1-4 family residential	0.10	0.10	0.09	0.15	0.06	0.09	-0.03
Commercial and industrial loans	0.19	0.24	0.15	0.20	0.12	0.24	0.11
Loans to individuals	0.69	0.86	0.56	0.52	0.64	0.81	0.59
Credit card loans	4.24	4.13	1.18	3.75	9.38	1.34	2.13
Other loans to individuals	0.56	0.74	0.55	0.39	0.21	0.80	0.44
All other loans and leases (including farm)	0.13	0.15	0.18	0.14	0.05	0.14	0.45
Total loans and leases	0.12	0.17	0.14	0.14	0.07	0.13	0.02
Loans Outstanding (in billions)							
All real estate loans	\$1,064.9	\$312.9	\$139.6	\$194.2	\$145.7	\$185.2	\$87.3
Construction and development	87.8	16.4	15.7	11.7	11.2	25.7	7.1
Nonfarm nonresidential	407.6	109.9	59.8	70.4	48.2	75.4	43.9
Multifamily residential real estate	84.7	43.1	6.2	14.1	7.2	6.3	7.8
Home equity loans	50.0	16.5	8.0	11.7	4.5	4.6	4.8
Other 1-4 family residential	373.6	125.2	45.7	71.8	48.3	61.7	21.0
Commercial and industrial loans	193.6	45.8	20.6	35.8	32.0	42.1	17.4
Loans to individuals	60.3	12.8	7.9	12.1	9.6	13.8	4.0
Credit card loans	2.2	0.5	0.1	0.4	0.5	0.3	0.3
Other loans to individuals	58.2	12.4	7.8	11.7	9.1	13.5	3.7
All other loans and leases (including farm)	83.8	11.3	4.0	13.5	32.8	16.8	5.4
Total loans and leases (plus unearned income)	1,402.6	382.8	172.2	255.6	220.0	257.9	114.0
Memo: Unfunded Commitments (in millions)							
Total Unfunded Commitments	281,984	66,664	31,053	48,603	43,943	49,288	42,433
Construction and development: 1-4 family residential	21,537	4,594	3,810	2,345	2,567	6,298	1,923
Construction and development: CRE and other	50,027	14,875	7,268	7,276	5,595	11,370	3,643
Commercial and industrial	87,352	20,402	9,294	17,742	14,060	16,903	8,951

* See Table V-A for explanations.

**Noncurrent loan rates represent the percentage of loans in each category that are past due 90 days or more or that are in nonaccrual status.

INSURANCE FUND INDICATORS

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

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

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

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

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

¹ There is an additional adjustment to the assessment base for banker's banks and custodial banks, as permitted under Dodd-Frank.

² The Fourth Quarter 2010 *Quarterly Banking Profile* includes a more detailed explanation of these changes.

Table 1
 Distribution of the Assessment Base for FDIC-Insured Institutions*
 by Asset Size
 Data as of June 30, 2015

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

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

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

Quarterly Banking Profile

Table I-C. Insurance Fund Balances and Selected Indicators

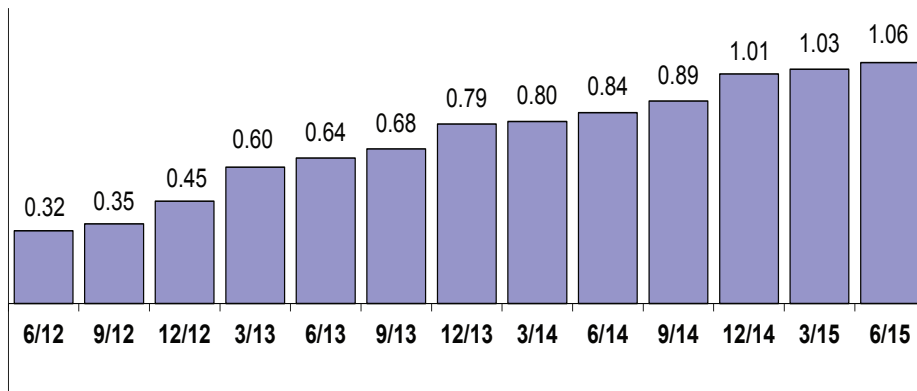
	Deposit Insurance Fund*												
	2nd Quarter 2015	1st Quarter 2015	4th Quarter 2014	3rd Quarter 2014	2nd Quarter 2014	1st Quarter 2014	4th Quarter 2013	3rd Quarter 2013	2nd Quarter 2013	1st Quarter 2013	4th Quarter 2012	3rd Quarter 2012	2nd Quarter 2012
<i>(dollar figures in millions)</i>							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

* Quarterly financial statement results are unaudited.

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

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

DIF Reserve Ratios
Percent of Insured Deposits



Deposit Insurance Fund Balance and Insured Deposits (\$ Millions)

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

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

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

**** Through June 30.

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

Quarterly Banking Profile

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

(dollar figures in millions)

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

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

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

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

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

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

Notes to Users

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

Tables I-A through VIII-A.

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

Tables I-B through VI-B.

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

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

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

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

Once the specialty organizations are removed, the third step involves including organizations that engage in basic banking activities as measured by the total loans-to-assets ratio (greater than 33 percent) and the ratio of core deposits to assets (greater than 50 percent). Core deposits are defined as 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 banks¹
 - industrial loan companies
 - trust companies
 - bankers' banks

Include: All remaining banking organizations with:

- Total assets < indexed size threshold²
- Total assets \geq indexed size threshold, where:
 - Loan to assets > 33%
 - Core deposits to assets > 50%
 - More than 1 office but no more than the indexed maximum number of offices.³
 - Number of large MSAs with offices \leq 2
 - Number of states with offices \leq 3
 - No single office with deposits > indexed maximum branch deposit size.⁴

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

² Asset size threshold indexed to equal \$250 million in 1985 and \$1 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 condition and performance ratios represent weighted averages, i.e., the sum of the individual numerator values divided by the sum of individual denominator values. All asset and liability figures used in calculating performance ratios represent average amounts for the period (beginning-of-period amount plus end-of-period amount plus any interim periods, divided by the total number of periods). For "pooling-of-interest" mergers, the assets of the acquired institution(s) are included in average assets since the year-to-date income includes the results of all merged institutions. No adjustments are made for "purchase accounting" mergers. Growth rates represent the percentage change over a 12-month period in totals for institutions in the base period to totals for institutions in the current period. For the community bank subgroup, growth rates will reflect changes over time in the number and identities of institutions designated as community banks, as well as changes in the assets and liabilities, and income and expenses of group members. Unless indicated otherwise, growth rates are not adjusted for mergers or other changes in the composition of the community bank subgroup.

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

ACCOUNTING CHANGES

Extraordinary Items

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Private Company Accounting Alternatives, Including Accounting for Goodwill

In May 2012, the Financial Accounting Foundation, the independent private sector organization responsible for the oversight of the FASB, approved the establishment of the PCC to improve the process of setting accounting standards for private companies. The PCC is charged with working jointly with the FASB to determine whether and in what circumstances to provide alternative recognition, measurement, disclosure,

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

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

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

report in its first quarter 2015 Call Report three months' amortization of goodwill existing as of January 1, 2015, and the amortization of any new goodwill recognized in the first three months of 2015. Goodwill amortization expense should be reported in unless the amortization is associated with a discontinued operation, in which case the goodwill amortization should be included within the results of discontinued operations and reported as "Extraordinary items and other adjustments, net of income taxes."

For additional information on the private company accounting alternative for goodwill, institutions should refer to ASU 2014-02, which is available at

<http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498>.

Definitions of Private Company and Public Business Entity

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

For additional information on the definition of a public business entity, institutions should refer to ASU 2013-12, which is available at

<http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498>.

Reporting Certain Government-Guaranteed Mortgage Loans Upon Foreclosure

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

This guidance is applicable to fully and partially government-guaranteed mortgage loans. Upon foreclosure, the separate other receivable should be measured based on the amount of the loan balance (principal and interest) expected to be recovered from the guarantor. This other receivable should be reported in "All other assets." Any interest income earned on the other receivable would be reported in "Other interest income." Other real estate owned would not be recognized by the institution. For institutions that are public business entities, as defined under U.S. GAAP, ASU 2014-14 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2014. For example, institutions with a calendar year fiscal year that are public business entities must apply the ASU in their Call Reports beginning March 31, 2015. However, institutions that are not public business entities (i.e., that are

private companies) are not required to apply the guidance in ASU 2014-14 until annual periods ending after December 15, 2015, and interim periods beginning after December 15, 2015. Thus, institutions with a calendar year fiscal year that are private companies must apply the ASU in their December 31, 2015, and subsequent quarterly Call Reports. Earlier adoption of the guidance in ASU 2014-14 is permitted if the institution has already adopted the amendments in ASU No. 2014-04, "Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans Upon Foreclosure." Entities can elect to apply ASU 2014-14 on either a modified retrospective transition basis or a prospective transition basis. For additional information, institutions should refer to ASU 2014-14, which is available at

<http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498>.

Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans Upon Foreclosure

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

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

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

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

For institutions that are public business entities, as defined under U.S. generally accepted accounting principles, ASU 2014-04 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2014. For example, institutions with a calendar year fiscal year that are public business entities must apply the ASU in their Call Reports beginning March 31, 2015. However, institutions that are not public business entities are not required to apply the guidance in ASU 2014-04 until annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after

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

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

True-Up Liability Under an FDIC Loss-Sharing Agreement

An insured depository institution that acquires a failed insured institution may enter into a loss-sharing agreement with the FDIC under which the FDIC agrees to absorb a portion of the losses on a specified pool of the failed institution's assets during a specified time period. The acquiring institution typically records an indemnification asset representing its right to receive payments from the FDIC for losses during the specified time period on assets covered under the loss-sharing agreement. Since 2009, most loss-sharing agreements have included a true-up provision that may require the acquiring institution to reimburse the FDIC if cumulative losses in the acquired loss-share portfolio are less than the amount of losses claimed by the institution throughout the loss-sharing period. Typically, a true-up liability may result because the recovery period on the loss-share assets (e.g., eight years) is longer than the period during which the FDIC agrees to reimburse the acquiring institution for losses on the loss-share portfolio (e.g., five years). Consistent with U.S. GAAP and bank guidance for "Offsetting," institutions are permitted to offset assets and liabilities recognized in the Report of Condition when a "right of setoff" exists. Under ASC Subtopic 210-20, Balance Sheet—Offsetting (formerly FASB Interpretation No. 39, "Offsetting of Amounts Related to Certain Contracts"), in general, a right of setoff exists when a reporting institution and another party each owes the other determinable amounts, the reporting institution has the right to set off the amounts each party owes and also intends to set off, and the right of setoff is enforceable at law. Because the conditions for the existence of a right of offset in ASC Subtopic 210-20 normally would not be met with respect to an indemnification asset and a true-up liability under a loss-sharing agreement with the FDIC, this asset and liability should not be netted for Call Report purposes. Therefore, institutions should report the indemnification asset gross (i.e., without regard to

any true-up liability) in Other Assets, and any true-up liability in Other Liabilities.

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

Indemnification Assets and Accounting Standards Update No. 2012-06

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

Under the ASU, when an institution experiences a change in the cash flows expected to be collected on an FDIC loss-sharing indemnification asset because of a change in the cash flows expected to be collected on the assets covered by the loss-sharing agreement, the institution should account for the change in the measurement of the indemnification asset on the same basis as the change in the assets subject to indemnification. Any amortization of changes in the value of the indemnification asset should be limited to the lesser of the term of the indemnification agreement and the remaining life of the indemnified assets. The ASU is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2012. For institutions with a calendar year fiscal year, the ASU takes effect January 1, 2013. Early adoption of the ASU is permitted. The ASU's provisions should be applied prospectively to any new indemnification assets acquired after the date of adoption and to indemnification assets existing as of the date of adoption arising from an FDIC-assisted acquisition of a financial institution. Institutions with indemnification assets arising from FDIC loss-sharing agreements are expected to adopt ASU 2012-06 for Call Report purposes in accordance with the effective date of this standard. For additional information, refer to ASU 2012-06, available at <http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498>.

Goodwill Impairment Testing – In September 2011, the FASB issued Accounting Standards Update (ASU) No. 2011-08, "Testing Goodwill for Impairment," to address concerns about the cost and complexity of the existing goodwill impairment test in ASC Topic 350, Intangibles—Goodwill and Other (formerly FASB Statement No. 142, "Goodwill and Other Intangible Assets"). The ASU's amendments to ASC Topic 350 are effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011 (i.e., for annual or interim tests performed on or after January 1, 2012, for institutions with a calendar year fiscal year). Early adoption of the ASU was permitted. Under ASU 2011-08, an institution has the option of first assessing qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test described in ASC Topic 350. If, after considering all relevant events and circumstances, an institution determines it is unlikely (that is, a likelihood of 50 percent or

less) that the fair value of a reporting unit is less than its carrying amount (including goodwill), then the institution does not need to perform the two-step goodwill impairment test. If the institution instead concludes that the opposite is true (that is, it is likely that the fair value of a reporting unit is less than its carrying amount), then it is required to perform the first step and, if necessary, the second step of the two-step goodwill impairment test. Under ASU 2011-08, an institution may choose to bypass the qualitative assessment for any reporting unit in any period and proceed directly to performing the first step of the two-step goodwill impairment test.

Troubled Debt Restructurings and Current Market

Interest Rates – Many institutions are restructuring or modifying the terms of loans to provide payment relief for those borrowers who have suffered deterioration in their financial condition. Such loan restructurings may include, but are not limited to, reductions in principal or accrued interest, reductions in interest rates, and extensions of the maturity date.

Modifications may be executed at the original contractual interest rate on the loan, a current market interest rate, or a below-market interest rate. Many of these loan modifications meet the definition of a troubled debt restructuring (TDR).

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

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

impairment estimate on the loan to decline as a result of the change from the impairment measurement method prescribed in ASC Subtopic 450-20 to the methods prescribed in ASC Subtopic 310-10.

Troubled Debt Restructurings and Accounting

Standards Update No. 2011-02 – In April 2011, the FASB issued Accounting Standards Update (ASU) No. 2011-02, "A Creditor's Determination of Whether a Restructuring Is a Troubled Debt Restructuring," to provide additional guidance to help creditors determine whether a concession has been granted to a borrower and whether a borrower is experiencing financial difficulties. The guidance is also intended to reduce diversity in practice in identifying and reporting TDRs. This ASU was effective for public companies for interim and annual periods beginning on or after June 15, 2011, and should have been applied retrospectively to the beginning of the annual period of adoption for purposes of identifying TDRs. The 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 – refer to previously published Quarterly Banking Profile notes: <http://www5.fdic.gov/qbp/2011mar/qbpnnot.html>.

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

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

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

DEFINITIONS (in alphabetical order)

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

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

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

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

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

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

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

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

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

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

associated with a given issuance.

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

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

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

Derivatives transaction types:

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

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

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

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

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

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

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

Estimated insured deposits – in general, insured deposits are total domestic deposits minus estimated uninsured deposits. Beginning March 31, 2008, for institutions that file Call Reports, insured deposits are total assessable deposits minus estimated uninsured deposits. Beginning September 30, 2009, insured deposits include deposits in accounts of \$100,000 to \$250,000 that are covered by a temporary increase in the FDIC's standard

maximum deposit insurance amount (SMDIA). The Dodd-Frank Wall Street Reform and Consumer Protection Act enacted on July 21, 2010, made permanent the standard maximum deposit insurance amount (SMDIA) of \$250,000. Also, the Dodd-Frank Act amended the Federal Deposit Insurance Act to include noninterest-bearing transaction accounts as a new temporary deposit insurance account category. All funds held in noninterest-bearing transaction accounts were fully insured, without limit, from December 31, 2010, through December 31, 2012.

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

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

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

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

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

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

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

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

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

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

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

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

Net operating income – income excluding discretionary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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profitability.

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

Risk-based capital groups - definitions:

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

Capital Evaluations	Total Risk-Based Capital Ratio	Tier 1 Risk-Based Capital Ratio	Common Equity Tier 1 Capital Ratio	Leverage Ratio
Well Capitalized	≥10%	≥8%	≥6.5%	≥5%
Adequately Capitalized**	≥8%	≥6%	≥4.5%	≥4%
Undercapitalized	Does not qualify as either Well Capitalized or Adequately Capitalized			
* Effective January 1, 2018, the supplemental leverage ratio will be added to capital evaluations for deposit insurance assessment purposes.				
**An institution is Adequately Capitalized if it is not Well Capitalized, but satisfies each of the listed capital ratio standards for Adequately Capitalized.				

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

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

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

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

As required by Dodd-Frank, the calculation of risk-based assessment rates for large institutions no longer relies on long-

term debt issuer ratings. Rates for large institutions are based on CAMELS ratings and certain forward-looking financial measures combined into two scorecards—one for most large institutions and another for the remaining very large institutions that are structurally and operationally complex or that pose unique challenges and risks in case of failure (highly complex institutions). In general, a highly complex institution is an institution (other than a credit card bank) with more than \$500 billion in total assets that is controlled by a parent or intermediate parent company with more than \$500 billion in total assets or a processing bank or trust company with total fiduciary assets of \$500 billion or more. The FDIC retains its ability to take additional information into account to make a limited adjustment to an institution's total score (the large bank adjustment), which will be used to determine an institution's initial base assessment rate.

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

Total Base Assessment Rates*

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

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

Beginning in 2007, each institution is assigned a risk-based rate for a quarterly assessment period near the end of the quarter following the assessment period. Payment is generally due on the 30th day of the last month of the quarter following the

assessment period. Supervisory rating changes are effective for assessment purposes as of the examination transmittal date.

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

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

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

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

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

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

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

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

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

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

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

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

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