Quarterly Banking Profile Third Quarter 2015

INSURED INSTITUTION PERFORMANCE

- ***Quarterly Income of $40.4 Billion Is 5 Percent Higher Than the Year-Ago Quarter***
- ***Lower Noninterest Expenses Are Key to Higher Industry Earnings***
- ***Industry Revenue Is Largely Unchanged From the Year Before***
- ***12-Month Loan Growth Rate Rises to 5.9 Percent***

Earnings Rise, Profitability Remains Flat

Reductions in expenses for litigation reserves outweighed weakness in net operating revenue at large banks as third quarter net income for FDIC-insured institutions totaled $40.4 billion. This represents an increase of $1.9 billion (5.1 percent) from the $38.4 billion reported in third quarter 2014. Well over half of all banks, or 58.9 percent, reported higher quarterly earnings than the year-ago quarter. The proportion of banks that were unprofitable fell to 5 percent, compared with 6.6 percent in third quarter 2014. The average return on assets was essentially unchanged at 1.02 percent, versus 1.01 percent the year before.

Revenues Increase at Most Banks

Net operating revenue—the sum of net interest income and total noninterest income—was only $488 million (0.3 percent) higher than in third quarter 2014. Net interest income was $1.8 billion (1.7 percent) above the year-ago level, while noninterest income was $1.3 billion (2 percent) lower. The year-over-year decline in quarterly noninterest income reflects lower income from asset servicing, reduced gains from loan sales, and lower trading income. These weaknesses were most evident among the largest banks. Three of the four largest banks reported year-over-year declines in net operating revenue totaling $3.3 billion (6.3 percent). However, for the industry as a whole, more than two out of every three institutions (68.8 percent) reported increased net operating revenue, and the median growth rate was 3.6 percent.

Chart 1

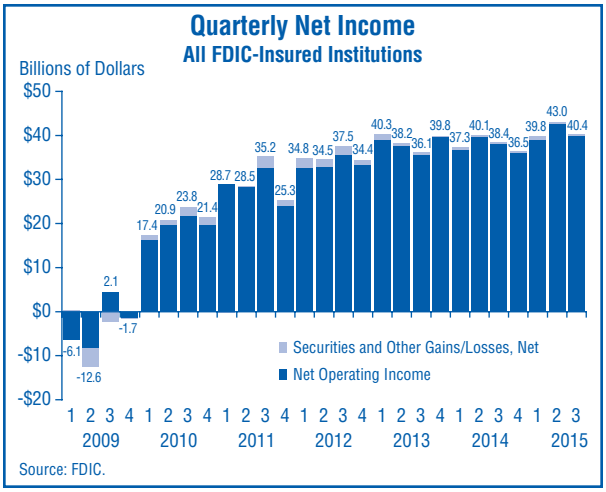
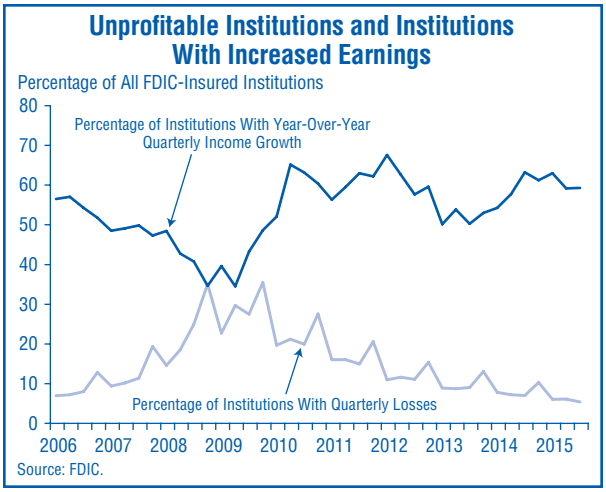


Chart 2



Expenses Improve at Large Banks

Total noninterest expense was $3.2 billion (2.9 percent) less than third quarter 2014, although fewer than one in three banks (31.4 percent) reported reduced expenses. Itemized litigation expenses at a few large banks were $2.7 billion lower, and charges for goodwill impairment declined by $578 million (45.4 percent). Expenses for salaries and employee benefits fell by $199 million (0.4 percent), as insured institutions reported 10,178 fewer employees than in the year-ago quarter.

Margins Remain Near Historic Low

The industry posted an average net interest margin (NIM) of 3.08 percent, below the 3.15 percent average in third quarter 2014. However, this is the second quarter in a row that the industry NIM has been above the 30-year low of 3.02 percent reached in first quarter 2015.

Loss Provisions Continue to Trend Up

For a fifth consecutive quarter, loan-loss provisions were higher than a year ago. Banks set aside $8.5 billion in the third quarter to cover loan losses, which was $1.3 billion (17.9 percent) more than in third quarter 2014. Slightly more than one-third of all banks, or 34.3 percent, reported year-over-year increases in loss provisions.

Loan Losses Decline Further

Loan losses were lower than third quarter 2014. Net charge-offs (NCOs) totaled $8.7 billion in the third quarter, down $569 million (6.2 percent) compared with the year earlier. This is the 21st consecutive quarter in which NCOs have registered a year-over-year decline. The quarterly NCO rate fell to 0.4 percent from 0.45 percent in third quarter 2014. This is the lowest quarterly NCO rate for the industry since third quarter 2006. NCOs were lower in most major loan categories. One exception was loans to commercial and industrial (C&I) borrowers, where NCOs increased by $231 million (25.3 percent).

Noncurrent Balances Improve Across Most Loan Categories

The amount of loans that were noncurrent (90 days or more past due or in nonaccrual status) fell for the 22nd quarter in a row. Between the end of June and the end of September, noncurrent loan balances declined by $5.5 billion (3.8 percent). However, noncurrent C&I loans increased for a third consecutive quarter, rising by $1.5 billion (13.8 percent). The average noncurrent loan rate declined from 1.69 percent to 1.61 percent during the quarter, and is now at the lowest level since year-end 2007.

Chart 3

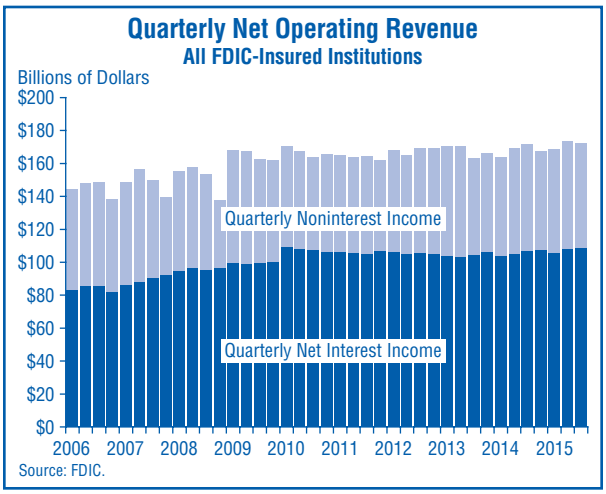
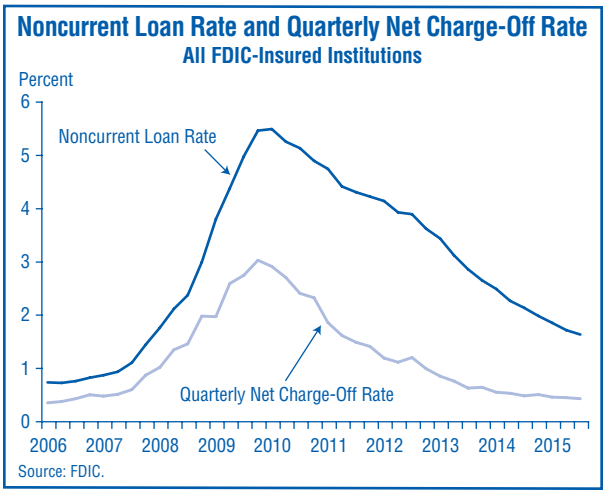


Chart 4



Banks Increase Reserves for Commercial Loans

Banks reduced their loan-loss reserves for the 21st consecutive quarter, as NCOs of $8.7 billion exceeded the $8.5 billion in provisions that banks added to reserves. Aggregate loan-loss reserves declined by $1.1 billion (0.9 percent) during the three months ended September 30. The industry's ratio of reserves to total loans and leases declined from 1.4 percent to 1.37 percent. This is the lowest level for this ratio since the end of 2007. The coverage ratio of reserves to noncurrent loans rose for a 12th consecutive quarter, from 82.7 percent at the end of June to 85.2 percent at the end of September, as the decline in noncurrent loan balances outweighed the reduction in reserves. Institutions with more than $1 billion in assets, which report disaggregated reserves, increased their reserves for non-real estate commercial loans by $989 million (3.4 percent), even as they reduced their total reserves by $819 million (0.8 percent).

Retained Earnings Bolster Equity Growth

Total equity capital increased by $21.5 billion (1.2 percent) in the third quarter, as retained earnings contributed $14.7 billion to capital growth. Accumulated other comprehensive income increased by $4.8 billion. Banks declared $25.6 billion in dividends in the quarter, only $44 million (0.2 percent) more than in third quarter 2014. At the end of the quarter, 98.8 percent of all insured institutions, representing 99.9 percent of total industry assets, met or exceeded the highest capital requirements as defined for Prompt Corrective Action purposes.

Commercial Real Estate Loans Lead Asset Growth

Total assets increased by only $46.5 billion (0.3 percent) during the quarter as banks reduced their inventories of cash and balances due from depository institutions by $56.4 billion (3.1 percent). Loans and leases increased by $95.3 billion (1.1 percent), led by nonfarm nonresidential real estate loans (up $23.8 billion, 2 percent), multifamily residential real estate loans (up $13.9 billion, 4.4 percent), credit card balances (up $13.6 billion, 1.9 percent), auto loans (up $10.8 billion, 2.7 percent), and real estate construction and development loans (up $10.3 billion, 4 percent). Loans to small businesses and farms rose by $1.6 billion (0.2 percent). Banks increased their investment securities by $25.9 billion (0.8 percent), with most of the growth consisting of an increase in mortgage-backed securities (up $31.2 billion, 1.7 percent).

Chart 5

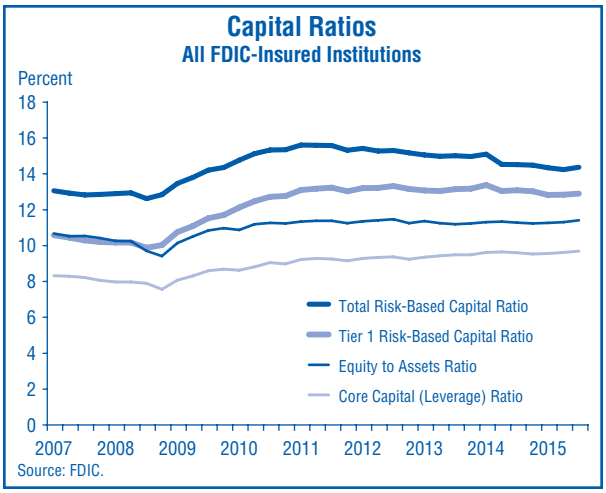
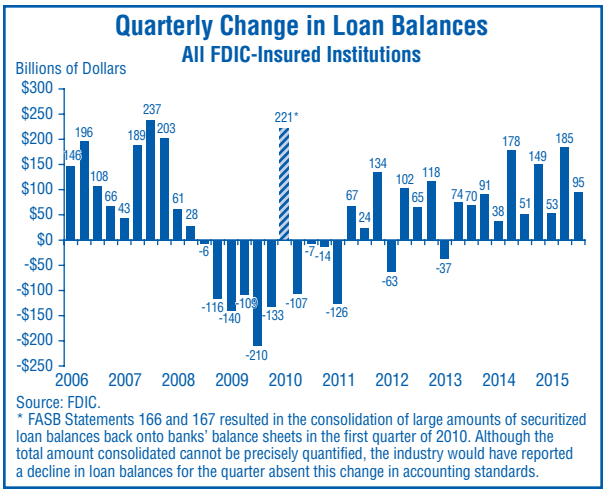


Chart 6



Retail Deposits Fund Balance Sheet Growth

Total deposits increased by $58 billion (0.5 percent) during the quarter, with foreign office deposits falling by $4.7 billion (0.3 percent) and deposits in domestic offices rising by $62.7 billion (0.6 percent). Most of the deposit growth consisted of smaller-denomination deposits. Estimated insured deposits increased by $69.1 billion (1.1 percent). Banks reduced their nondeposit liabilities by $32.8 billion as borrowings from Federal Home Loan Banks fell by $18.3 billion (3.9 percent) and securities sold under repurchase agreements declined by $17.7 billion (6.3 percent).

New Charter Is Only Second Start-Up in Almost Five Years

The number of FDIC-insured commercial banks and savings institutions filing quarterly financial results declined from 6,348 to 6,270 during the third quarter. Merger transactions absorbed 72 institutions; there was one insured institution failure, and one new charter was added. This is only the second new charter (excluding charters created to absorb failed banks) of an FDIC-insured institution since December 2010. During the quarter, the number of full-time equivalent employees at FDIC-insured institutions declined from 2,042,405 to 2,038,462. The number of banks on the FDIC's "Problem List" declined from 228 to 203, and total assets of "problem" banks fell from $56.5 billion to $51.1 billion.

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Chart 7

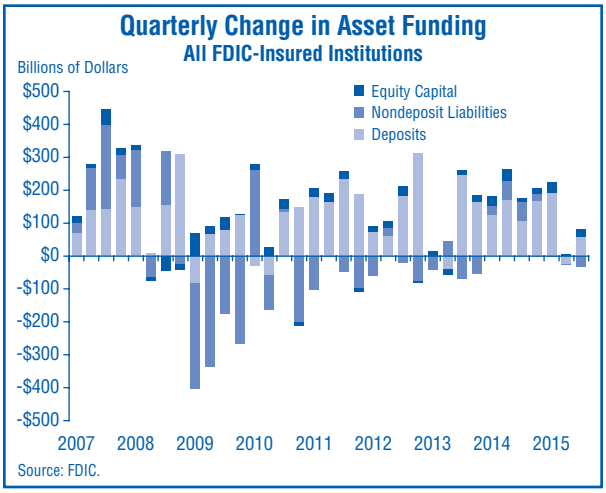


Chart 8

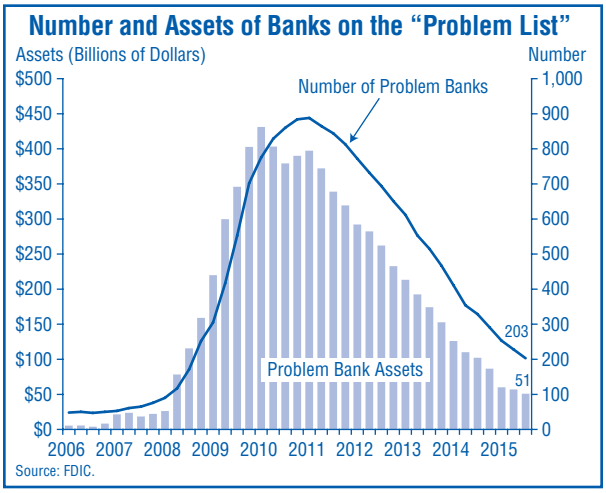


TABLE I-A. Selected Indicators, All FDIC-Insured Institutions*

	2015**	2014**	2014	2013	2012	2011	2010
Return on assets (%)	1.05	1.03	1.01	1.07	1.00	0.88	0.65
Return on equity (%)	9.33	9.17	9.01	9.54	8.90	7.79	5.85
Core capital (leverage) ratio (%)	9.61	9.51	9.45	9.40	9.15	9.07	8.89
Noncurrent assets plus other real estate owned to assets (%)	0.99	1.29	1.20	1.63	2.20	2.61	3.11
Net charge-offs to loans (%)	0.42	0.49	0.49	0.69	1.10	1.55	2.55
Asset growth rate (%)	2.94	5.10	5.59	1.94	4.02	4.30	1.77
Net interest margin (%)	3.05	3.15	3.14	3.26	3.42	3.60	3.76
Net operating income growth (%)	5.88	2.07	-0.73	12.83	17.76	43.60	1594.34
Number of institutions reporting	6,270	6,589	6,509	6,812	7,083	7,357	7,658
Commercial banks	5,410	5,670	5,607	5,847	6,072	6,275	6,519
Savings institutions	860	919	902	965	1,011	1,082	1,139
Percentage of unprofitable institutions (%)	4.78	6.60	6.28	8.15	11.00	16.23	22.15
Number of problem institutions	203	329	291	467	651	813	884
Assets of problem institutions (in billions)	$51	$102	$87	$153	$233	$319	$390
Number of failed institutions	6	14	18	24	51	92	157
Number of assisted institutions	0	0	0	0	0	0	0

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

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

(dollar figures in millions)	3rd Quarter 2015	2nd Quarter 2015	3rd Quarter 2014	%Change 14Q3-15Q3
Number of institutions reporting	6,270	6,348	6,589	-4.8
Total employees (full-time equivalent)	2,038,462	2,042,405	2,048,640	-0.5
CONDITION DATA				
Total assets	$15,800,219	$15,753,685	$15,348,842	2.9
Loans secured by real estate	4,307,188	4,261,412	4,136,131	4.1
1-4 Family residential mortgages	1,887,013	1,880,064	1,838,276	2.7
Nonfarm nonresidential	1,199,543	1,175,789	1,133,409	5.8
Construction and development	266,088	255,774	230,477	15.5
Home equity lines	471,539	477,910	496,130	-5.0
Commercial & industrial loans	1,802,149	1,798,015	1,672,435	7.8
Loans to individuals	1,453,749	1,422,688	1,382,419	5.2
Credit cards	714,790	701,190	683,022	4.7
Farm loans	79,159	76,344	72,926	8.5
Other loans & leases	1,001,990	990,420	898,107	11.6
Less: Unearned income	1,942	1,925	1,922	1.0
Total loans & leases	8,642,292	8,546,955	8,160,096	5.9
Less: Reserve for losses	118,558	119,646	125,254	-5.3
Net loans and leases	8,523,734	8,427,309	8,034,841	6.1
Securities	3,303,921	3,278,029	3,166,081	4.4
Other real estate owned	16,118	17,515	24,891	-35.2
Goodwill and other intangibles	356,949	359,993	363,934	-1.9
All other assets	3,599,496	3,670,840	3,759,095	-4.2
Total liabilities and capital	15,800,219	15,753,685	15,348,842	2.9
Deposits	11,990,437	11,932,441	11,596,585	3.4
Domestic office deposits	10,649,105	10,586,399	10,172,707	4.7
Foreign office deposits	1,341,332	1,346,042	1,423,878	-5.8
Other borrowed funds	1,382,904	1,430,708	1,393,698	-0.8
Subordinated debt	92,163	92,571	97,389	-5.4
All other liabilities	537,619	522,235	534,340	0.6
Total equity capital (includes minority interests)	1,797,096	1,775,730	1,726,830	4.1
Bank equity capital	1,790,375	1,768,861	1,718,404	4.2
Loans and leases 30-89 days past due	61,158	59,144	66,207	-7.6
Noncurrent loans and leases	139,170	144,702	171,923	-19.1
Restructured loans and leases	74,153	76,828	89,190	-16.9
Mortgage-backed securities	1,818,696	1,787,500	1,718,461	5.8
Earning assets	14,169,513	14,110,622	13,695,294	3.5
FHLB Advances	455,477	473,738	443,157	2.8
Unused loan commitments	6,802,991	6,680,672	6,435,142	5.7
Trust assets	16,865,318	17,780,968	18,187,509	-7.3
Assets securitized and sold	846,683	873,089	967,831	-12.5
Notional amount of derivatives	194,663,554	201,004,777	243,042,211	-19.9

INCOME DATA	First Three Quarters 2015	First Three Quarters 2014	%Change	3rd Quarter 2015	3rd Quarter 2014	%Change 14Q3-15Q3
Total interest income	$356,366	$351,521	1.4	$120,289	$118,779	1.3
Total interest expense	34,684	35,654	-2.7	11,545	11,840	-2.5
Net interest income	321,683	315,867	1.8	108,744	106,940	1.7
Provision for loan and lease losses	24,958	21,554	15.8	8,501	7,210	17.9
Total noninterest income	190,567	188,064	1.3	63,255	64,571	-2.0
Total noninterest expense	312,520	315,187	-0.9	105,558	108,761	-3.0
Securities gains (losses)	2,895	2,347	23.3	838	755	11.0
Applicable income taxes	54,356	53,299	2.0	18,278	17,661	3.5
Extraordinary gains, net	49	-116	N/M	-34	-112	N/M
Total net income (includes minority interests)	123,360	116,121	6.2	40,466	38,522	5.0
Bank net income	122,952	115,639	6.3	40,356	38,411	5.1
Net charge-offs	26,555	29,670	-10.5	8,675	9,244	-6.2
Cash dividends	77,187	67,323	14.7	25,643	25,599	0.2
Retained earnings	45,766	48,316	-5.3	14,713	12,812	14.8
Net operating income	121,294	114,558	5.9	39,932	38,076	4.9

N/M - Not Meaningful

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

THIRD 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	6,270	14	4	1,494	3,124	515	57	337	663	62
Commercial banks	5,410	12	4	1,477	2,812	123	43	300	584	55
Savings institutions	860	2	0	17	312	392	14	37	79	7
Total assets (in billions)	$15,800.2	$519.6	$3,836.6	$274.8	$5,508.6	$416.3	$184.5	$54.8	$118.3	$4,886.7
Commercial banks	14,726.6	411.5	3,836.6	269.1	5,120.2	145.0	93.4	48.8	101.0	4,701.0
Savings institutions	1,073.6	108.0	0.0	5.7	388.4	271.3	91.1	6.1	17.3	185.8
Total deposits (in billions)	11,990.4	296.7	2,701.6	225.2	4,285.2	317.3	154.3	43.7	99.5	3,867.1
Commercial banks	11,163.0	218.2	2,701.6	222.0	4,001.7	117.7	77.8	39.6	85.4	3,699.0
Savings institutions	827.4	78.5	0.0	3.2	283.5	199.6	76.5	4.1	14.1	168.0
Bank net income (in millions)	40,356	3,647	8,114	252	13,550	599	490	349	224	13,132
Commercial banks	37,568	2,677	8,114	217	12,717	450	264	157	197	12,775
Savings institutions	2,788	970	0	34	833	149	225	192	27	356
Performance Ratios (annualized, %)										
Yield on earning assets	3.40	10.65	2.59	4.17	3.66	3.18	4.16	3.02	3.91	2.90
Cost of funding earning assets	0.33	0.96	0.29	0.46	0.38	0.63	0.45	0.35	0.40	0.18
Net interest margin	3.08	9.70	2.29	3.71	3.28	2.55	3.71	2.66	3.51	2.72
Noninterest income to assets	1.61	4.39	1.78	0.67	1.28	0.53	1.38	6.93	1.00	1.65
Noninterest expense to assets	2.68	6.44	2.52	3.43	2.71	2.18	2.77	5.81	3.21	2.33
Loan and lease loss provision to assets	0.22	2.41	0.12	0.10	0.14	-0.02	0.47	0.03	0.10	0.17
Net operating income to assets	1.01	2.83	0.83	0.35	0.99	0.54	1.07	2.53	0.73	1.06
Pretax return on assets	1.49	4.50	1.16	0.61	1.40	0.82	1.69	3.56	0.96	1.62
Return on assets	1.02	2.83	0.84	0.37	0.99	0.57	1.08	2.55	0.76	1.08
Return on equity	9.09	19.11	8.50	3.19	8.44	4.93	10.52	16.65	6.31	9.47
Net charge-offs to loans and leases	0.40	2.61	0.49	0.08	0.20	0.12	0.58	0.19	0.18	0.37
Loan and lease loss provision to net charge-offs	98.00	120.42	68.83	199.68	98.90	-26.37	109.22	54.53	101.84	94.57
Efficiency ratio	60.16	47.27	65.81	60.57	63.21	73.85	55.51	61.93	75.41	55.80
% of unprofitable institutions	5.02	0.00	0.00	2.41	5.06	9.51	7.02	9.79	5.13	1.61
% of institutions with earnings gains	58.93	50.00	75.00	57.30	62.32	54.95	56.14	48.96	54.00	70.97
Structural Changes										
New reporters	1	0	0	0	0	0	0	1	0	0
Institutions absorbed by mergers	72	0	1	8	57	2	2	0	1	1
Failed institutions	1	0	0	0	1	0	0	0	0	0
PRIOR THIRD QUARTERS (The way it was...)										
Return on assets (%) 2014	1.01	3.10	0.79	1.28	0.95	0.83	1.18	2.12	0.92	0.96
2012	1.06	3.19	0.98	1.36	0.92	0.75	1.67	1.42	1.04	1.01
2010	0.72	2.04	0.63	1.08	0.35	0.70	1.52	1.94	0.89	0.93
Net charge-offs to loans & leases (%) 2014	0.45	2.62	0.68	0.09	0.25	0.15	0.57	0.30	0.24	0.26
2012	1.18	3.53	1.74	0.23	0.74	0.76	1.26	0.42	0.49	1.07
2010	2.38	8.94	2.05	0.58	1.96	1.33	1.97	0.98	0.52	1.64

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

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

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

THIRD QUARTER (The way it is...)	All Insured Institutions	Asset Size Distribution: Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater Than $10 Billion	Geographic Regions*: New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	6,270	1,752	3,812	596	110	780	778	1,351	1,559	1,319	483
Commercial banks	5,410	1,542	3,289	486	93	403	705	1,129	1,497	1,236	440
Savings institutions	860	210	523	110	17	377	73	222	62	83	43
Total assets (in billions)	$15,800.2	$102.7	$1,194.8	$1,642.8	$12,859.9	$3,018.8	$3,323.9	$3,531.9	$3,436.7	$940.8	$1,548.1
Commercial banks	14,726.6	90.9	1,009.4	1,358.5	12,267.8	2,571.6	3,250.7	3,421.6	3,382.0	831.9	1,268.8
Savings institutions	1,073.6	11.8	185.4	284.3	592.1	447.2	73.3	110.3	54.7	108.9	279.3
Total deposits (in billions)	11,990.4	85.8	991.7	1,296.0	9,616.9	2,246.7	2,594.6	2,539.4	2,606.2	775.8	1,227.6
Commercial banks	11,163.0	76.6	845.4	1,083.5	9,157.5	1,920.4	2,536.5	2,459.1	2,564.5	686.1	996.5
Savings institutions	827.4	9.1	146.4	212.5	459.4	326.3	58.2	80.3	41.8	89.7	231.1
Bank net income (in millions)	40,356	249	3,115	4,426	32,566	6,743	8,424	8,141	9,919	2,654	4,475
Commercial banks	37,568	216	2,653	3,826	30,872	6,033	8,548	7,775	9,810	2,311	3,091
Savings institutions	2,788	32	461	600	1,694	710	-124	367	109	343	1,383
Performance Ratios (annualized, %)											
Yield on earning assets	3.40	4.16	4.18	4.18	3.22	3.42	3.51	2.66	3.63	3.98	3.96
Cost of funding earning assets	0.33	0.44	0.46	0.40	0.30	0.43	0.28	0.25	0.34	0.31	0.40
Net interest margin	3.08	3.72	3.72	3.78	2.92	2.99	3.24	2.42	3.29	3.67	3.56
Noninterest income to assets	1.61	1.23	1.18	1.19	1.70	1.44	1.53	1.84	1.45	1.39	2.04
Noninterest expense to assets	2.68	3.46	3.21	2.91	2.60	2.56	2.71	2.69	2.48	3.10	3.03
Loan and lease loss provision to assets	0.22	0.09	0.10	0.20	0.23	0.25	0.25	0.06	0.23	0.18	0.41
Net operating income to assets	1.01	0.95	1.03	1.08	1.00	0.89	0.98	0.92	1.15	1.13	1.17
Pretax return on assets	1.49	1.11	1.34	1.56	1.50	1.30	1.50	1.25	1.70	1.49	1.93
Return on assets	1.02	0.97	1.05	1.09	1.02	0.89	1.02	0.92	1.16	1.14	1.18
Return on equity	9.09	7.63	9.29	9.16	9.08	7.51	8.22	8.98	11.27	10.15	9.56
Net charge-offs to loans and leases	0.40	0.16	0.15	0.22	0.47	0.43	0.44	0.27	0.46	0.24	0.51
Loan and lease loss provision to net charge-offs	98.00	97.34	102.48	130.95	95.21	109.15	97.98	46.05	95.67	117.63	129.82
Efficiency ratio	60.16	74.49	69.11	61.76	58.93	61.33	60.59	66.87	55.00	64.64	53.04
% of unprofitable institutions	5.02	9.87	3.38	1.68	2.73	7.18	8.10	5.48	3.01	3.64	5.59
% of institutions with earnings gains	58.93	53.08	60.18	68.29	58.18	58.46	60.93	58.77	58.50	57.09	63.35
Structural Changes											
New reporters	1	1	0	0	0	1	0	0	0	0	0
Institutions absorbed by mergers	72	26	38	5	3	6	7	18	13	19	9
Failed institutions	1	1	0	0	0	0	0	0	0	1	0
PRIOR THIRD QUARTERS (The way it was...)											
Return on assets (%) 2014	1.01	0.88	1.04	1.11	0.99	0.87	0.89	0.82	1.14	1.17	1.61
2012	1.06	0.79	0.87	1.02	1.09	1.02	0.72	0.95	1.28	1.16	1.68
2010	0.72	0.39	0.34	0.27	0.83	0.77	0.58	0.61	0.99	0.78	0.74
Net charge-offs to loans & leases (%) 2014	0.45	0.22	0.18	0.24	0.53	0.68	0.35	0.32	0.55	0.21	0.45
2012	1.18	0.38	0.58	0.79	1.33	1.15	1.33	1.04	1.54	0.52	0.83
2010	2.38	0.87	1.16	1.74	2.70	3.05	2.31	1.94	2.77	1.20	2.28

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

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

FIRST THREE QUARTERS (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	6,270	14	4	1,494	3,124	515	57	337	663	62
Commercial banks	5,410	12	4	1,477	2,812	123	43	300	584	55
Savings institutions	860	2	0	17	312	392	14	37	79	7
Total assets (in billions)	$15,800.2	$519.6	$3,836.6	$274.8	$5,508.6	$416.3	$184.5	$54.8	$118.3	$4,886.7
Commercial banks	14,726.6	411.5	3,836.6	269.1	5,120.2	145.0	93.4	48.8	101.0	4,701.0
Savings institutions	1,073.6	108.0	0.0	5.7	388.4	271.3	91.1	6.1	17.3	185.8
Total deposits (in billions)	11,990.4	296.7	2,701.6	225.2	4,285.2	317.3	154.3	43.7	99.5	3,867.1
Commercial banks	11,163.0	218.2	2,701.6	222.0	4,001.7	117.7	77.8	39.6	85.4	3,699.0
Savings institutions	827.4	78.5	0.0	3.2	283.5	199.6	76.5	4.1	14.1	168.0
Bank net income (in millions)	122,952	10,933	26,132	1,864	39,669	2,331	1,517	1,060	443	39,004
Commercial banks	114,077	8,112	26,132	1,784	37,052	1,301	868	484	372	37,972
Savings institutions	8,875	2,821	0	80	2,617	1,030	648	576	71	1,032
Performance Ratios (annualized, %)										
Yield on earning assets	3.38	10.46	2.55	4.08	3.65	3.20	4.06	3.00	3.87	2.94
Cost of funding earning assets	0.33	0.92	0.30	0.45	0.38	0.66	0.45	0.36	0.40	0.19
Net interest margin	3.05	9.54	2.25	3.62	3.27	2.54	3.61	2.65	3.46	2.75
Noninterest income to assets	1.62	4.48	1.83	0.66	1.28	0.77	1.40	6.78	0.95	1.63
Noninterest expense to assets	2.66	6.40	2.44	2.81	2.74	2.14	2.66	5.60	3.29	2.36
Loan and lease loss provision to assets	0.21	2.36	0.14	0.11	0.13	0.01	0.45	0.03	0.08	0.16
Net operating income to assets	1.03	2.91	0.87	0.89	0.98	0.69	1.11	2.54	0.47	1.06
Pretax return on assets	1.51	4.54	1.24	1.13	1.37	1.09	1.76	3.62	0.82	1.61
Return on assets	1.05	2.91	0.88	0.91	0.99	0.74	1.12	2.59	0.50	1.08
Return on equity	9.33	19.39	9.18	7.93	8.37	6.42	11.11	17.02	4.18	9.46
Net charge-offs to loans and leases	0.42	2.72	0.56	0.08	0.19	0.13	0.58	0.18	0.17	0.38
Loan and lease loss provision to net charge-offs	93.98	111.89	72.32	215.05	101.91	15.35	105.75	68.26	87.04	85.40
Efficiency ratio	59.99	47.35	63.45	61.72	63.86	67.11	54.08	60.87	78.92	56.38
% of unprofitable institutions	4.78	0.00	0.00	2.28	5.22	8.74	5.26	6.82	4.52	3.23
% of institutions with earnings gains	63.37	71.43	75.00	63.32	67.48	53.59	59.65	49.55	58.52	66.13
Condition Ratios (%)										
Earning assets to total assets	89.68	92.43	86.76	93.12	90.40	94.72	95.55	91.40	92.61	89.93
Loss allowance to:										
Loans and leases	1.37	3.25	1.62	1.40	1.21	1.03	1.10	1.73	1.45	1.23
Noncurrent loans and leases	85.19	301.00	85.79	159.49	107.04	38.38	85.61	103.65	99.21	54.67
Noncurrent assets plus other real estate owned to assets	0.99	0.83	0.71	0.75	0.96	1.95	1.00	0.71	1.16	1.19
Equity capital ratio	11.33	14.83	9.98	11.48	11.81	11.63	10.22	15.49	12.10	11.42
Core capital (leverage) ratio	9.61	12.42	8.67	10.69	10.05	11.22	10.23	14.64	11.69	9.22
Common equity tier 1 capital ratio	12.73	12.91	12.83	14.47	12.21	22.17	13.41	32.83	20.30	12.29
Tier 1 risk-based capital ratio	12.82	13.03	12.86	14.48	12.35	22.23	13.64	32.89	20.34	12.36
Total risk-based capital ratio	14.32	15.49	14.27	15.58	13.83	23.11	14.49	33.79	21.49	13.91
Net loans and leases to deposits	71.09	130.55	49.28	79.50	86.85	81.44	87.32	33.48	64.15	62.90
Net loans to total assets	53.95	74.56	34.70	65.14	67.56	62.07	73.02	26.67	53.97	49.78
Domestic deposits to total assets	67.40	56.67	44.98	81.94	76.83	76.21	83.62	79.65	84.12	72.79
Structural Changes										
New reporters	1	0	0	0	0	0	0	1	0	0
Institutions absorbed by mergers	224	0	1	31	166	6	2	1	14	3
Failed institutions	6	0	0	0	5	0	0	0	1	0
PRIOR THREE QUARTERS (The way it was...)										
Number of institutions 2014	6,589	16	3	1,501	3,284	570	50	371	729	65
2012	7,181	17	5	1,539	3,576	706	53	397	818	70
2010	7,761	22	5	1,583	4,172	725	81	320	789	64
Total assets (in billions) 2014	$15,348.8	$605.5	$3,690.9	$254.1	$5,186.4	$435.5	$167.5	$60.4	$128.5	$4,819.9
2012	14,222.9	580.5	3,774.3	223.9	4,125.0	821.8	116.9	63.4	142.7	4,374.5
2010	13,372.7	695.1	3,278.1	194.0	4,442.5	789.5	102.9	44.5	131.6	3,694.6
Return on assets (%) 2014	1.03	3.20	0.81	1.20	0.97	0.86	1.10	2.08	0.89	0.97
2012	1.02	3.14	0.83	1.30	0.91	0.82	1.62	1.25	1.01	1.01
2010	0.64	1.47	0.79	1.03	0.28	0.70	1.42	1.58	0.71	0.74
Net charge-offs to loans & leases (%) 2014	0.49	2.86	0.73	0.09	0.26	0.19	0.62	0.24	0.23	0.29
2012	1.14	3.81	1.53	0.22	0.75	0.78	1.44	0.33	0.42	0.98
2010	2.63	11.94	2.27	0.53	1.89	1.22	2.20	0.81	0.51	1.96
Noncurrent assets plus OREO to assets (%) 2014	1.29	0.82	0.90	0.88	1.30	2.27	1.10	0.75	1.46	1.58
2012	2.36	1.10	1.47	1.26	2.51	2.26	1.45	1.10	1.65	3.30
2010	3.24	1.97	2.36	1.70	3.84	3.13	1.05	1.06	1.96	3.78
Equity capital ratio (%) 2014	11.20	14.90	9.50	11.40	11.97	12.03	9.96	14.30	11.91	11.09
2012	11.39	14.82	9.17	11.68	11.87	10.83	9.96	15.04	11.86	12.44
2010	11.18	14.62	9.06	11.40	11.38	10.11	10.59	17.17	11.41	12.33

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

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

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

FIRST THREE QUARTERS (The way it is...)	All Insured Institutions	Asset Size Distribution: Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater Than $10 Billion	Geographic Regions*: New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	6,270	1,752	3,812	596	110	780	778	1,351	1,559	1,319	483
Commercial banks	5,410	1,542	3,289	486	93	403	705	1,129	1,497	1,236	440
Savings institutions	860	210	523	110	17	377	73	222	62	83	43
Total assets (in billions)	$15,800.2	$102.7	$1,194.8	$1,642.8	$12,859.9	$3,018.8	$3,323.9	$3,531.9	$3,436.7	$940.8	$1,548.1
Commercial banks	14,726.6	90.9	1,009.4	1,358.5	12,267.8	2,571.6	3,250.7	3,421.6	3,382.0	831.9	1,268.8
Savings institutions	1,073.6	11.8	185.4	284.3	592.1	447.2	73.3	110.3	54.7	108.9	279.3
Total deposits (in billions)	11,990.4	85.8	991.7	1,296.0	9,616.9	2,246.7	2,594.6	2,539.4	2,606.2	775.8	1,227.6
Commercial banks	11,163.0	76.6	845.4	1,083.5	9,157.5	1,920.4	2,536.5	2,459.1	2,564.5	686.1	996.5
Savings institutions	827.4	9.1	146.4	212.5	459.4	326.3	58.2	80.3	41.8	89.7	231.1
Bank net income (in millions)	122,952	693	8,918	13,760	99,581	20,134	25,367	25,262	30,258	7,702	14,229
Commercial banks	114,077	623	7,563	11,892	93,999	17,926	25,148	24,161	29,964	6,645	10,234
Savings institutions	8,875	70	1,355	1,868	5,582	2,208	219	1,101	295	1,057	3,996
Performance Ratios (annualized, %)											
Yield on earning assets	3.38	4.08	4.13	4.14	3.21	3.39	3.56	2.62	3.60	3.93	3.98
Cost of funding earning assets	0.33	0.44	0.46	0.40	0.31	0.42	0.28	0.25	0.34	0.31	0.43
Net interest margin	3.05	3.64	3.67	3.74	2.90	2.97	3.28	2.36	3.26	3.62	3.55
Noninterest income to assets	1.62	1.18	1.17	1.21	1.72	1.44	1.54	1.86	1.49	1.38	2.04
Noninterest expense to assets	2.66	3.44	3.19	2.92	2.57	2.58	2.73	2.60	2.48	3.08	2.97
Loan and lease loss provision to assets	0.21	0.08	0.10	0.18	0.23	0.26	0.26	0.09	0.21	0.17	0.35
Net operating income to assets	1.03	0.87	0.98	1.14	1.03	0.89	1.00	0.94	1.17	1.11	1.27
Pretax return on assets	1.51	1.04	1.30	1.57	1.52	1.27	1.51	1.30	1.73	1.46	2.04
Return on assets	1.05	0.90	1.01	1.15	1.04	0.90	1.03	0.94	1.18	1.12	1.28
Return on equity	9.33	7.14	8.99	9.70	9.33	7.59	8.32	9.37	11.52	10.01	10.30
Net charge-offs to loans and leases	0.42	0.15	0.13	0.21	0.49	0.46	0.48	0.26	0.50	0.20	0.49
Loan and lease loss provision to net charge-offs	93.98	98.83	115.39	129.82	90.76	105.40	91.87	71.68	82.09	128.68	115.81
Efficiency ratio	59.99	75.40	69.76	62.11	58.63	62.14	60.47	64.87	55.07	65.14	53.57
% of unprofitable institutions	4.78	9.70	3.20	1.01	1.82	6.67	8.23	4.89	2.57	3.71	6.00
% of institutions with earnings gains	63.37	56.68	64.69	75.17	60.00	59.87	61.83	63.95	66.13	60.27	69.36
Condition Ratios (%)											
Earning assets to total assets	89.68	91.96	92.74	92.10	89.07	89.18	88.97	88.86	89.47	91.59	93.33
Loss allowance to:											
Loans and leases	1.37	1.48	1.38	1.27	1.39	1.31	1.40	1.41	1.44	1.28	1.27
Noncurrent loans and leases	85.19	109.46	118.15	113.34	79.36	102.76	77.62	78.68	68.94	99.75	169.68
Noncurrent assets plus other real estate owned to assets	0.99	1.30	1.20	0.99	0.97	0.76	1.19	0.96	1.21	1.07	0.53
Equity capital ratio	11.33	12.84	11.35	11.92	11.24	11.99	12.44	10.35	10.28	11.26	12.28
Core capital (leverage) ratio	9.61	12.43	10.95	10.61	9.33	9.72	9.71	9.12	9.05	10.04	11.28
Common equity tier 1 capital ratio	12.73	20.02	15.48	13.78	12.29	12.94	12.60	12.54	11.78	13.25	14.83
Tier 1 risk-based capital ratio	12.82	20.09	15.54	13.84	12.39	13.13	12.71	12.59	11.78	13.40	14.99
Total risk-based capital ratio	14.32	21.20	16.67	14.89	13.98	14.71	14.26	13.77	13.72	14.57	16.08
Net loans and leases to deposits	71.09	69.31	78.60	86.04	68.31	71.54	73.93	66.09	68.35	76.49	76.98
Net loans to total assets	53.95	57.88	65.24	67.88	51.09	53.25	57.71	47.51	51.83	63.08	61.05
Domestic deposits to total assets	67.40	83.51	82.99	78.54	64.40	66.53	75.24	61.97	57.00	82.25	78.69
Structural Changes											
New reporters	1	1	0	0	0	1	0	0	0	0	0
Institutions absorbed by mergers	224	78	126	17	3	22	25	49	42	60	26
Failed institutions	6	4	1	1	0	1	2	2	0	1	0
PRIOR THREE QUARTERS (The way it was...)											
Number of institutions 2014	6,589	1,940	3,966	575	108	816	823	1,427	1,614	1,387	522
2012	7,181	2,287	4,235	551	108	891	918	1,529	1,738	1,513	592
2010	7,761	2,682	4,414	556	109	961	1,041	1,609	1,841	1,637	672
Total assets (in billions) 2014	$15,348.8	$114.2	$1,227.5	$1,531.4	$12,475.8	$3,045.1	$3,134.2	$3,503.2	$3,363.6	$884.9	$1,417.9
2012	14,222.9	132.4	1,278.3	1,424.4	11,387.8	2,927.6	2,942.9	3,230.9	3,059.1	845.8	1,216.4
2010	13,372.7	151.1	1,315.7	1,400.5	10,505.3	2,724.5	2,957.1	2,948.0	1,649.5	788.4	2,305.2
Return on assets (%) 2014	1.03	0.84	0.99	1.08	1.03	0.94	0.89	0.89	1.14	1.15	1.50
2012	1.02	0.72	0.84	1.18	1.02	0.94	0.76	0.91	1.13	1.10	1.79
2010	0.64	0.40	0.37	0.27	0.73	0.72	0.36	0.62	0.79	0.74	0.80
Net charge-offs to loans & leases (%) 2014	0.49	0.21	0.20	0.28	0.57	0.73	0.40	0.35	0.60	0.21	0.48
2012	1.14	0.39	0.60	0.75	1.29	1.26	1.23	0.93	1.44	0.55	0.88
2010	2.63	0.73	1.02	1.71	3.07	3.77	2.51	2.04	3.02	1.22	2.35
Noncurrent assets plus OREO to assets (%) 2014	1.29	1.56	1.53	1.50	1.24	0.92	1.71	1.19	1.60	1.29	0.69
2012	2.36	2.20	2.61	2.70	2.30	1.53	3.66	2.13	2.51	2.27	1.56
2010	3.24	2.42	3.42	3.70	3.17	2.18	4.04	3.06	4.59	3.28	2.72
Equity capital ratio (%) 2014	11.20	12.35	11.19	11.98	11.09	12.02	12.11	9.92	10.30	11.15	12.72
2012	11.39	12.13	11.10	11.88	11.35	12.38	12.31	9.19	11.04	11.03	13.70
2010	11.18	12.18	10.36	11.22	11.26	12.48	11.55	9.06	11.55	10.76	11.76

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

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

September 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	0.84	0.24	1.19	0.59	0.51	0.93	0.64	1.39	1.14	1.36
Construction and development	0.39	0.00	1.54	0.85	0.35	0.53	0.62	0.90	0.80	0.26
Nonfarm nonresidential	0.29	0.00	0.26	0.49	0.29	0.31	1.21	0.93	0.76	0.24
Multifamily residential real estate	0.13	0.00	0.03	0.25	0.14	0.17	0.72	0.01	0.41	0.19
Home equity loans	0.65	0.00	0.96	0.45	0.49	0.63	0.48	0.61	0.64	0.74
Other 1-4 family residential	1.47	0.25	1.79	1.13	0.94	1.04	0.61	1.97	1.49	2.20
Commercial and industrial loans	0.23	0.82	0.19	0.73	0.24	0.46	0.11	1.12	1.03	0.14
Loans to individuals	1.28	1.28	1.27	1.40	1.07	0.95	0.76	1.97	1.61	1.54
Credit card loans	1.19	1.28	1.15	0.93	1.19	1.53	0.72	2.17	2.09	1.10
Other loans to individuals	1.36	1.23	1.47	1.44	1.05	0.88	0.77	1.93	1.60	1.79
All other loans and leases (including farm)	0.21	0.00	0.34	0.40	0.18	0.24	0.12	0.45	0.44	0.12
Total loans and leases	0.71	1.24	0.80	0.59	0.47	0.89	0.67	1.37	1.13	0.91
Percent of Loans Noncurrent**										
All real estate loans	2.62	0.35	4.06	1.00	1.45	2.89	3.36	1.93	1.66	4.55
Construction and development	1.29	0.00	0.76	1.42	1.28	1.47	6.77	3.33	2.00	1.27
Nonfarm nonresidential	0.96	0.00	0.69	1.26	0.89	1.53	7.82	2.22	1.81	1.04
Multifamily residential real estate	0.33	0.00	0.23	0.70	0.34	0.75	2.62	0.82	0.99	0.28
Home equity loans	2.62	0.00	4.38	0.63	1.30	1.97	2.55	0.74	0.60	3.67
Other 1-4 family residential	4.41	0.37	6.04	1.04	2.53	3.18	2.96	1.70	1.73	6.86
Commercial and industrial loans	0.69	0.62	0.77	1.23	0.71	0.89	0.26	1.54	1.32	0.59
Loans to individuals	0.80	1.13	0.98	0.55	0.68	0.49	0.57	0.74	0.62	0.55
Credit card loans	1.07	1.15	1.01	0.29	1.06	1.07	1.13	0.89	1.05	0.97
Other loans to individuals	0.53	0.59	0.94	0.57	0.63	0.42	0.41	0.72	0.60	0.32
All other loans and leases (including farm)	0.22	0.00	0.15	0.47	0.27	0.14	3.18	0.28	0.38	0.17
Total loans and leases	1.61	1.08	1.89	0.88	1.13	2.68	1.28	1.66	1.46	2.24
Percent of Loans Charged-Off (net, YTD)										
All real estate loans	0.13	0.21	0.21	0.02	0.09	0.11	0.20	0.08	0.09	0.17
Construction and development	-0.05	0.00	-0.04	-0.17	-0.05	0.00	0.31	-0.05	-0.17	-0.04
Nonfarm nonresidential	0.06	0.00	0.01	0.00	0.08	0.03	0.08	0.10	0.09	0.02
Multifamily residential real estate	0.00	0.00	0.00	0.02	0.00	0.01	0.01	0.24	0.09	0.00
Home equity loans	0.40	0.00	0.48	0.08	0.26	0.27	0.50	0.15	0.07	0.56
Other 1-4 family residential	0.14	0.22	0.21	0.07	0.12	0.11	0.12	0.09	0.12	0.15
Commercial and industrial loans	0.22	2.07	0.21	0.23	0.20	0.22	0.07	0.09	0.34	0.16
Loans to individuals	1.77	2.80	2.32	0.34	0.84	1.07	0.78	0.57	0.56	1.48
Credit card loans	2.91	2.87	3.15	1.03	3.37	6.20	2.17	1.62	3.47	2.74
Other loans to individuals	0.65	1.33	0.95	0.29	0.48	0.47	0.39	0.37	0.48	0.74
All other loans and leases (including farm)	0.10	0.00	0.04	0.00	0.19	0.08	0.03	0.75	0.41	0.09
Total loans and leases	0.42	2.72	0.56	0.08	0.19	0.13	0.58	0.18	0.17	0.38
Loans Outstanding (in billions)										
All real estate loans	$4,307.2	$0.3	$506.4	$108.8	$2,286.1	$238.5	$30.0	$10.6	$49.5	$1,076.9
Construction and development	266.1	0.0	8.6	6.2	197.0	4.8	0.5	0.7	2.9	45.2
Nonfarm nonresidential	1199.5	0.0	36.2	29.8	866.4	18.6	2.5	3.5	12.0	230.5
Multifamily residential real estate	329.1	0.0	60.5	3.4	217.9	6.2	0.3	0.3	1.4	39.1
Home equity loans	471.5	0.0	70.7	2.4	212.8	11.5	5.9	0.4	2.0	165.8
Other 1-4 family residential	1887.0	0.3	278.0	27.3	754.8	196.7	20.6	5.1	27.4	576.7
Commercial and industrial loans	1802.1	34.1	279.6	21.6	891.4	6.4	7.3	1.8	5.6	554.2
Loans to individuals	1453.7	365.6	245.4	6.7	302.8	5.9	93.1	1.6	5.4	427.1
Credit card loans	714.8	349.0	152.4	0.5	37.1	0.6	19.9	0.3	0.1	155.0
Other loans to individuals	739.0	16.6	93.0	6.2	265.7	5.3	73.3	1.4	5.3	272.2
All other loans and leases (including farm)	1081.1	0.4	322.5	44.5	288.1	10.3	5.9	0.8	4.2	404.5
Total loans and leases (plus unearned income)	8644.2	400.4	1353.9	181.6	3768.3	261.1	136.3	14.9	64.8	2462.8
Memo: Other Real Estate Owned (in millions)										
All other real estate owned	16,118.3	0.1	823.3	460.4	10,239.6	1,045.5	105.0	134.1	417.9	2,892.3
Construction and development	5,207.0	0.0	1.3	183.2	4,101.3	129.1	17.7	53.9	129.8	590.7
Nonfarm nonresidential	3,965.0	0.0	54.0	142.9	2,981.1	59.1	24.4	43.2	130.8	529.5
Multifamily residential real estate	278.2	0.0	2.0	17.2	225.8	4.3	0.5	2.9	9.3	16.1
1-4 family residential	4,906.7	0.1	416.0	79.0	2,615.2	332.1	57.1	30.1	141.1	1,236.0
Farmland	226.3	0.0	0.0	38.1	161.3	1.3	0.0	3.8	6.9	15.0
GNMA properties	1,510.1	0.0	327.0	0.0	154.8	519.7	5.4	0.2	0.1	503.0

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

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

September 30, 2015	All Insured Institutions	Asset Size Distribution: Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater Than $10 Billion	Geographic Regions*: New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate	0.84	1.20	0.62	0.41	1.00	0.55	1.08	0.88	1.15	0.77	0.36
Construction and development	0.39	0.69	0.56	0.37	0.34	0.49	0.38	0.41	0.29	0.40	0.35
Nonfarm nonresidential	0.29	0.99	0.43	0.28	0.24	0.32	0.26	0.36	0.27	0.35	0.18
Multifamily residential real estate	0.13	0.54	0.31	0.11	0.11	0.14	0.16	0.08	0.20	0.17	0.13
Home equity loans	0.65	0.81	0.49	0.43	0.69	0.48	0.79	0.73	0.68	0.46	0.30
Other 1-4 family residential	1.47	1.70	0.96	0.67	1.70	0.89	1.86	1.40	1.96	1.56	0.62
Commercial and industrial loans	0.23	1.11	0.59	0.39	0.18	0.25	0.16	0.24	0.19	0.43	0.25
Loans to individuals	1.28	1.78	1.48	1.44	1.26	1.08	1.68	1.12	1.28	0.96	1.10
Credit card loans	1.19	3.80	1.86	1.98	1.16	0.95	1.34	1.00	1.21	0.71	1.53
Other loans to individuals	1.36	1.75	1.45	1.19	1.37	1.31	2.04	1.16	1.35	1.08	0.73
All other loans and leases (including farm)	0.21	0.53	0.33	0.21	0.20	0.07	0.12	0.49	0.15	0.18	0.18
Total loans and leases	0.71	1.14	0.64	0.47	0.75	0.54	0.87	0.71	0.81	0.67	0.49
Percent of Loans Noncurrent**											
All real estate loans	2.62	1.48	1.24	1.17	3.34	1.78	3.26	3.01	3.83	1.55	0.86
Construction and development	1.29	2.01	1.99	1.26	1.03	1.46	1.90	1.13	1.03	0.94	1.05
Nonfarm nonresidential	0.96	1.83	1.20	0.94	0.86	1.13	0.93	1.05	0.97	0.83	0.73
Multifamily residential real estate	0.33	0.48	0.77	0.33	0.26	0.27	0.24	0.40	0.37	0.75	0.24
Home equity loans	2.62	0.63	0.70	0.80	2.98	2.21	3.15	2.68	3.04	1.53	0.73
Other 1-4 family residential	4.41	1.56	1.33	1.73	5.44	2.74	5.23	4.86	6.43	2.84	1.09
Commercial and industrial loans	0.69	1.74	1.21	1.08	0.60	0.67	0.61	0.63	0.74	1.11	0.66
Loans to individuals	0.80	0.83	0.84	0.84	0.79	0.86	0.82	0.74	0.79	0.73	0.75
Credit card loans	1.07	1.47	1.40	1.77	1.05	0.94	1.12	0.92	1.07	1.12	1.31
Other loans to individuals	0.53	0.82	0.80	0.40	0.53	0.72	0.51	0.67	0.45	0.54	0.27
All other loans and leases (including farm)	0.22	0.62	0.41	1.00	0.16	0.40	0.14	0.17	0.20	0.29	0.25
Total loans and leases	1.61	1.36	1.17	1.12	1.75	1.27	1.81	1.79	2.10	1.28	0.75
Percent of Loans Charged-Off (net, YTD)											
All real estate loans	0.13	0.10	0.08	0.07	0.15	0.11	0.19	0.12	0.15	0.04	0.07
Construction and development	-0.05	0.03	0.05	-0.05	-0.09	0.05	0.10	-0.13	-0.24	-0.06	-0.12
Nonfarm nonresidential	0.06	0.14	0.07	0.11	0.04	0.10	0.05	0.04	-0.01	0.03	0.16
Multifamily residential real estate	0.00	0.17	0.04	0.00	-0.01	0.00	0.01	0.01	-0.03	-0.01	-0.02
Home equity loans	0.40	0.04	0.11	0.15	0.45	0.26	0.53	0.36	0.54	0.25	0.05
Other 1-4 family residential	0.14	0.11	0.11	0.08	0.16	0.11	0.19	0.14	0.18	0.07	0.04
Commercial and industrial loans	0.22	0.31	0.25	0.19	0.23	0.17	0.18	0.21	0.23	0.24	0.39
Loans to individuals	1.77	0.53	0.72	1.58	1.81	1.94	1.81	1.07	2.27	1.17	1.60
Credit card loans	2.91	7.04	4.48	3.54	2.88	2.63	2.87	2.84	3.27	2.09	3.12
Other loans to individuals	0.65	0.44	0.43	0.66	0.66	0.72	0.69	0.50	0.98	0.72	0.29
All other loans and leases (including farm)	0.10	0.00	0.16	0.15	0.10	0.11	0.06	0.15	0.07	0.19	0.15
Total loans and leases	0.42	0.15	0.13	0.21	0.49	0.46	0.48	0.26	0.50	0.20	0.49
Loans Outstanding (in billions)											
All real estate loans	$4,307.2	$41.2	$606.0	$808.2	$2,851.8	$876.3	$890.5	$870.4	$842.1	$372.7	$455.1
Construction and development	266.1	2.4	53.9	71.7	138.1	48.2	55.9	43.3	40.3	53.0	25.4
Nonfarm nonresidential	1199.5	10.5	231.3	327.3	630.4	274.0	247.7	186.8	173.5	146.9	170.6
Multifamily residential real estate	329.1	1.1	32.1	76.4	219.4	118.0	40.9	86.7	28.7	14.2	40.6
Home equity loans	471.5	1.0	26.4	48.5	395.7	88.5	123.6	118.2	93.6	19.8	27.9
Other 1-4 family residential	1887.0	18.8	217.4	265.3	1385.5	343.4	411.2	413.2	415.4	123.8	180.0
Commercial and industrial loans	1802.1	7.1	101.7	179.6	1513.8	276.0	452.8	368.1	368.1	125.1	212.1
Loans to individuals	1453.7	3.8	33.0	83.9	1333.0	303.5	370.5	210.8	294.2	59.1	215.8
Credit card loans	714.8	0.1	2.3	26.8	685.6	192.0	188.8	51.4	163.4	19.1	100.1
Other loans to individuals	739.0	3.8	30.7	57.1	647.4	111.5	181.7	159.3	130.8	40.0	115.7
All other loans and leases (including farm)	1081.1	8.2	50.1	58.3	964.6	173.4	231.9	253.1	303.7	44.4	74.6
Total loans and leases (plus unearned income)	8644.2	60.4	790.7	1129.9	6663.2	1629.2	1945.8	1702.3	1808.0	601.3	957.6
Memo: Other Real Estate Owned (in millions)											
All other real estate owned	16,118.3	516.3	5,015.8	3,524.9	7,061.2	2,223.7	4,230.8	3,231.5	3,161.5	2,199.2	1,071.6
Construction and development	5,207.0	185.6	2,338.9	1,472.1	1,210.4	450.4	1,526.8	759.8	1,087.6	982.6	399.8
Nonfarm nonresidential	3,965.0	163.7	1,574.8	1,065.2	1,161.2	579.1	827.3	868.3	710.6	672.5	307.1
Multifamily residential real estate	278.2	22.6	106.5	73.7	75.5	91.4	34.8	53.9	42.6	36.3	19.1
1-4 family residential	4,906.7	135.1	878.9	811.8	3,080.8	1,055.0	1,224.1	1,125.4	755.9	432.5	313.8
Farmland	226.3	9.1	115.2	79.2	22.8	18.7	53.8	42.4	31.8	61.1	18.5
GNMA properties	1,510.1	0.3	1.5	22.9	1,485.5	29.1	563.9	381.6	508.1	14.2	13.3

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

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

(dollar figures in millions; notional amounts unless otherwise indicated)	3rd Quarter 2015	2nd Quarter 2015	1st Quarter 2015	4th Quarter 2014	3rd Quarter 2014	% Change 14Q3-15Q3	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	1,413	1,429	1,434	1,400	1,392	1.5	70	833	407	103
Total assets of institutions reporting derivatives	$14,228,410	$14,195,802	$14,161,464	$13,921,828	$13,713,845	3.8	$5,144	$349,947	$1,239,207	$12,634,113
Total deposits of institutions reporting derivatives	10,732,972	10,704,380	10,664,980	10,461,458	10,291,809	4.3	4,278	288,196	987,104	9,453,394
Total derivatives	194,663,554	201,004,777	205,900,727	221,952,961	243,042,211	-19.9	362	21,257	98,749	194,543,186
Derivative Contracts by Underlying Risk Exposure										
Interest rate	147,846,233	153,754,334	157,728,028	174,010,311	190,996,275	-22.6	362	21,209	92,485	147,732,177
Foreign exchange*	34,636,877	34,969,999	35,563,105	34,745,833	37,993,284	-8.8	0	0	5,243	34,631,634
Equity	2,589,507	2,363,902	2,359,532	2,536,871	2,317,271	11.7	0	30	304	2,589,173
Commodity & other (excluding credit derivatives)	1,393,268	1,428,824	1,233,520	1,210,879	1,327,011	5.0	0	8	120	1,393,140
Credit	8,197,668	8,487,718	9,016,543	9,449,068	10,408,370	-21.2	0	10	596	8,197,062
Total	194,663,554	201,004,777	205,900,727	221,952,961	243,042,211	-19.9	362	21,257	98,749	194,543,186
Derivative Contracts by Transaction Type										
Swaps	112,697,606	117,508,966	117,711,335	135,169,550	148,331,152	-24.0	48	7,489	59,577	112,630,491
Futures & forwards	38,988,101	40,352,331	44,537,485	43,368,437	45,058,920	-13.5	78	6,922	19,507	38,961,594
Purchased options	16,477,230	15,936,785	16,070,746	16,388,881	18,040,949	-8.7	27	800	4,636	16,471,766
Written options	15,840,244	15,628,814	15,784,253	16,014,343	17,609,844	-10.0	209	6,036	14,349	15,819,649
Total	184,003,181	189,426,895	194,103,819	210,941,211	229,040,866	-19.7	362	21,247	98,071	183,883,501
Fair Value of Derivative Contracts										
Interest rate contracts	76,694	71,659	68,541	60,023	65,131	17.8	-1	52	-278	76,921
Foreign exchange contracts	-15,284	-19,614	-10,042	-4,845	13,334	N/M	0	0	16	-15,299
Equity contracts	7,880	2,695	335	3,769	-657	N/M	0	0	0	7,881
Commodity & other (excluding credit derivatives)	-6,952	-3,488	-5,755	-3,376	219	N/M	0	0	2	-6,953
Credit derivatives as guarantor	1,891	35,840	54,676	47,533	67,082	-97.2	0	-1	-1	1,892
Credit derivatives as beneficiary	2,441	-34,672	-53,203	-36,630	-62,731	N/M	0	0	-25	2,466
Derivative Contracts by Maturity**										
Interest rate contracts < 1 year	62,273,980	63,464,805	68,441,241	71,808,688	79,984,774	-22.1	87	6,868	18,166	62,248,859
1-5 years	55,134,239	54,758,959	54,762,265	33,727,025	40,334,338	36.7	23	3,015	25,390	55,105,812
> 5 years	36,553,709	35,837,361	35,099,032	22,213,590	22,393,371	63.2	36	4,708	29,992	36,518,973
Foreign exchange and gold contracts < 1 year	25,206,275	25,075,066	25,506,806	22,145,398	22,877,893	10.2	0	0	3,907	25,202,367
1-5 years	3,672,989	3,859,497	3,917,108	2,586,643	2,459,545	49.3	0	0	127	3,672,862
> 5 years	1,500,445	1,612,940	1,612,457	969,047	1,021,332	46.9	0	0	0	1,500,445
Equity contracts < 1 year	1,667,034	1,567,482	1,471,237	996,137	763,470	118.3	0	4	32	1,666,999
1-5 years	670,068	579,705	518,723	351,854	323,010	107.4	0	10	81	669,978
> 5 years	183,539	162,800	167,889	100,903	77,484	136.9	0	0	32	183,507
Commodity & other contracts (including credit derivatives, excluding gold contracts) < 1 year	2,567,847	2,358,147	5,553,640	1,298,825	1,407,104	82.5	0	3	48	2,567,795
1-5 years	5,812,508	5,329,031	5,890,994	3,623,142	4,045,843	43.7	0	5	35	5,812,468
> 5 years	756,438	428,122	600,004	289,055	321,390	135.4	0	0	25	756,413
Risk-Based Capital: Credit Equivalent Amount										
Total current exposure to tier 1 capital (%)	34.3	31.6	39.8	28.8	26.0		0.1	0.4	0.8	39.0
Total potential future exposure to tier 1 capital (%)	50.3	54.9	50.3	48.6	53.2		0.7	0.3	0.5	57.4
Total exposure (credit equivalent amount) to tier 1 capital (%)	84.6	86.4	90.1	77.4	79.2		0.8	0.7	1.4	96.3
Credit losses on derivatives***	72.0	61.0	69.0	91.0	83.0	-13.3	0.0	0.0	0.0	71.0
HELD FOR TRADING										
Number of institutions reporting derivatives	247	251	250	247	244	1.2	7	83	92	65
Total assets of institutions reporting derivatives	11,385,441	11,368,900	11,442,012	11,274,435	11,015,085	3.4	497	37,635	307,794	11,039,515
Total deposits of institutions reporting derivatives	8,554,842	8,548,960	8,585,796	8,457,075	8,262,859	3.5	415	31,472	244,342	8,278,613
Derivative Contracts by Underlying Risk Exposure										
Interest rate	145,317,817	150,988,408	154,706,680	170,761,929	188,011,288	-22.7	27	1,776	21,415	145,294,599
Foreign exchange	31,764,787	31,318,657	32,197,481	32,536,107	33,675,874	-5.7	0	0	3,853	31,760,934
Equity	2,566,962	2,344,517	2,340,858	2,519,511	2,300,741	11.6	0	0	0	2,566,962
Commodity & other	1,390,888	1,426,415	1,227,079	1,205,276	1,320,794	5.3	0	0	28	1,390,859
Total	181,040,454	186,077,996	190,472,098	207,022,823	225,308,697	-19.6	27	1,776	25,296	181,013,354
Trading Revenues: Cash & Derivative Instruments										
Interest rate	2,581	3,404	957	658	-826	N/M	0	0	6	2,575
Foreign exchange	1,931	854	4,702	2,902	4,830	-60.0	0	0	4	1,927
Equity	50	584	791	643	652	-92.3	0	0	0	50
Commodity & other (including credit derivatives)	758	660	1,211	255	946	-19.9	0	0	-2	760
Total trading revenues	5,319	5,502	7,662	4,458	5,602	-5.1	0	0	9	5,311
Share of Revenue										
Trading revenues to gross revenues (%)	4.4	4.5	6.4	3.8	4.7		0.0	0.0	0.3	4.5
Trading revenues to net operating revenues (%)	19.9	19.0	29.4	19.6	23.6		0.0	0.7	1.3	20.4
HELD FOR PURPOSES OTHER THAN TRADING										
Number of institutions reporting derivatives	1,299	1,307	1,308	1,277	1,272	2.1	64	767	370	98
Total assets of institutions reporting derivatives	13,938,048	13,891,982	13,844,232	13,613,678	13,421,601	3.8	4,731	322,666	1,145,571	12,465,080
Total deposits of institutions reporting derivatives	10,499,959	10,461,534	10,410,932	10,218,508	10,062,067	4.4	3,937	265,232	912,675	9,318,115
Derivative Contracts by Underlying Risk Exposure										
Interest rate	2,528,416	2,765,926	3,021,347	3,248,382	2,984,988	-15.3	335	19,433	71,070	2,437,578
Foreign exchange	409,385	561,179	585,259	647,043	724,435	-43.5	0	0	1,308	408,077
Equity	22,545	19,385	18,674	17,361	16,530	36.4	0	30	304	22,211
Commodity & other	2,381	2,409	6,441	5,602	6,216	-61.7	0	8	92	2,281
Total notional amount	2,962,726	3,348,899	3,631,721	3,918,388	3,732,169	-20.6	335	19,471	72,774	2,870,146

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

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

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

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

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

(dollar figures in millions)	3rd Quarter 2015	2nd Quarter 2015	1st Quarter 2015	4th Quarter 2014	3rd Quarter 2014	% Change 14Q3-15Q3	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	74	74	72	78	74	0.0	0	21	16	37
Outstanding Principal Balance by Asset Type										
1-4 family residential loans	$734,582	$753,697	$821,870	$847,508	$845,279	-13.1	$0	$2,076	$11,837	$720,670
Home equity loans	31	33	35	36	38	-18.4	0	0	0	31
Credit card receivables	14,187	17,766	17,817	18,499	16,782	-15.5	0	0	0	14,187
Auto loans	6,221	5,660	3,740	3,951	4,198	48.2	0	0	1,977	4,244
Other consumer loans	5,370	6,534	5,966	6,191	6,425	-16.4	0	617	0	4,753
Commercial and industrial loans	14	14	13	11	10	40.0	0	8	5	1
All other loans, leases, and other assets	86,277	89,384	94,400	96,257	95,099	-9.3	0	106	8,448	77,723
Total securitized and sold	846,683	873,089	943,841	972,452	967,831	-12.5	0	2,806	22,267	821,610
Maximum Credit Exposure by Asset Type										
1-4 family residential loans	2,933	3,101	3,117	2,918	2,806	4.5	0	4	0	2,929
Home equity loans	0	0	0	0	0	0.0	0	0	0	0
Credit card receivables	1,187	1,470	1,531	1,529	1,418	-16.3	0	0	0	1,187
Auto loans	0	0	0	0	0	0.0	0	0	0	0
Other consumer loans	89	187	211	194	188	-52.7	0	0	0	89
Commercial and industrial loans	0	0	0	0	0	0.0	0	0	0	0
All other loans, leases, and other assets	1,319	1,084	1,405	1,369	1,129	16.8	0	0	0	1,319
Total credit exposure	5,528	5,842	6,264	6,011	5,541	-0.2	0	4	0	5,524
Total unused liquidity commitments provided to institution's own securitizations	37	38	0	17	17	117.6	0	0	0	37
Securitized Loans, Leases, and Other Assets 30-89 Days Past Due (%)										
1-4 family residential loans	3.8	3.4	3.1	3.9	3.9		0.0	1.3	1.5	3.8
Home equity loans	5.9	5.3	5.2	7.5	8.0		0.0	0.0	0.0	5.9
Credit card receivables	0.4	0.4	0.4	0.7	0.8		0.0	0.0	0.0	0.4
Auto loans	1.1	0.9	0.9	0.9	0.7		0.0	0.0	1.3	1.0
Other consumer loans	3.8	4.0	4.6	4.9	4.8		0.0	0.0	0.0	4.3
Commercial and industrial loans	0.0	1.2	0.0	0.0	0.0		0.0	0.0	0.0	0.0
All other loans, leases, and other assets	0.3	0.3	0.4	0.3	0.6		0.0	0.6	0.0	0.4
Total loans, leases, and other assets	3.3	3.0	2.8	3.5	3.5		0.0	1.0	0.9	3.4
Securitized Loans, Leases, and Other Assets 90 Days or More Past Due (%)										
1-4 family residential loans	2.1	2.1	2.0	2.2	2.2		0.0	1.3	0.7	2.1
Home equity loans	47.4	46.5	44.7	43.3	42.0		0.0	0.0	0.0	47.4
Credit card receivables	0.3	0.3	0.3	0.5	0.5		0.0	0.0	0.0	0.3
Auto loans	0.2	0.1	0.1	0.1	0.1		0.0	0.0	0.3	0.1
Other consumer loans	3.9	4.3	5.1	5.3	5.2		0.0	0.0	0.0	4.4
Commercial and industrial loans	1.2	1.8	1.8	2.4	3.0		0.0	2.0	0.0	0.0
All other loans, leases, and other assets	1.2	1.4	1.4	3.3	6.5		0.0	8.3	0.5	1.3
Total loans, leases, and other assets	2.0	2.0	2.0	2.3	2.6		0.0	1.3	0.6	2.0
Securitized Loans, Leases, and Other Assets Charged-off (net, YTD, annualized, %)										
1-4 family residential loans	0.3	0.2	0.1	0.4	0.3		0.0	0.1	0.0	0.3
Home equity loans	3.2	1.8	0.7	1.0	0.1		0.0	0.0	0.0	3.2
Credit card receivables	1.4	0.8	0.4	1.7	1.5		0.0	0.0	0.0	1.4
Auto loans	0.2	0.1	0.1	0.2	0.1		0.0	0.0	0.5	0.1
Other consumer loans	0.5	0.3	0.2	0.8	0.6		0.0	0.0	0.0	0.6
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	0.5	0.3	0.1	0.9	0.6		0.0	0.0	0.0	0.5
Total loans, leases, and other assets	0.3	0.2	0.1	0.4	0.3		0.0	0.1	0.0	0.3
Seller's Interests in Institution's Own Securitizations - Carried as Loans										
Home equity loans	0	0	0	0	0	0.0	0	0	0	0
Credit card receivables	13,248	10,380	9,983	12,247	12,198	8.6	0	0	0	13,248
Commercial and industrial loans	0	0	0	0	0	0.0	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	1,098	1,107	1,097	1,103	1,105	-0.6	127	737	181	53
Outstanding Principal Balance by Asset Type										
1-4 family residential loans	39,027	38,997	38,864	40,547	40,838	-4.4	1,516	14,803	10,355	12,354
Home equity, credit card receivables, auto, and other consumer loans	721	750	694	712	709	1.7	0	8	28	685
Commercial and industrial loans	217	80	83	91	52	317.3	0	16	68	133
All other loans, leases, and other assets	72,204	74,994	71,382	69,560	66,271	9.0	0	116	1,183	70,904
Total sold and not securitized	112,168	114,821	111,023	110,909	107,869	4.0	1,517	14,942	11,634	84,075
Maximum Credit Exposure by Asset Type										
1-4 family residential loans	10,495	10,441	10,051	9,737	9,850	6.5	112	2,717	3,793	3,873
Home equity, credit card receivables, auto, and other consumer loans	140	144	137	137	140	0.0	0	8	3	129
Commercial and industrial loans	154	16	19	27	23	569.6	0	16	5	133
All other loans, leases, and other assets	19,659	19,656	18,624	17,954	17,233	14.1	0	15	69	19,574
Total credit exposure	30,448	30,257	28,831	27,855	27,246	11.8	113	2,756	3,870	23,709
Support for Securitization Facilities Sponsored by Other Institutions										
Number of institutions reporting securitization facilities sponsored by others	110	110	117	125	132	-16.7	9	59	23	19
Total credit exposure	42,211	44,649	44,981	44,248	41,590	1.5	7	152	371	41,681
Total unused liquidity commitments	884	2,005	887	1,150	918	-3.7	0	0	0	883
Other										
Assets serviced for others*	0	0	0	4,360,921	4,412,785	-100.0	0	0	0	0
Asset-backed commercial paper conduits										
Credit exposure to conduits sponsored by institutions and others	12,020	12,284	11,736	11,981	10,189	18.0	4	1	0	12,015
Unused liquidity commitments to conduits sponsored by institutions and others	27,631	27,902	28,878	28,924	27,948	-1.1	0	0	882	26,749
Net servicing income (for the quarter)	1,043	4,548	1,600	1,197	2,886	-63.9	8	199	100	737
Net securitization income (for the quarter)	348	325	298	340	385	-9.6	0	11	7	329
Total credit exposure to Tier 1 capital (%)**	5.3	5.5	5.5	5.5	5.3		0.9	2.2	2.5	6.1

* 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 Improved Almost 8 Percent From Third Quarter 2014***
- ***Net Interest Income and Noninterest Income Increased From the Year Before***
- ***Loan and Lease Balances Increased, Outpacing Growth at Noncommunity Banks***
- ***Asset Quality Indicators Continued to Improve***

Earnings of $5.2 Billion Increased From the Previous Year

Improved net interest income and noninterest income, coupled with lower loan-loss provisions, lifted earnings at 5,812 community banks (up $363.4 million, or 7.5 percent) from third quarter 2014. Almost 60 percent of community banks reported higher year-over-year earnings. The pretax return on assets was 1.31 percent, up 7 basis points from the 2014 quarter but 21 basis points below that of noncommunity banks. The percent of unprofitable community banks in the third quarter totaled 5.2 percent, the lowest since second quarter 1998.

Net Interest Margin Declined Despite an Increase in Net Interest Income

Net operating revenue totaled $22.4 billion during third quarter 2015, up $1.6 billion (7.5 percent) from the year before. Higher net interest income (up $1.1 billion, or 6.5 percent) and noninterest income (up $495.8 million, or 11.1 percent) contributed to the improvement in net operating revenue. Almost 70 percent of community banks reported higher net interest income than in third quarter 2014. Average net interest margin (NIM) was 3.62 percent, down 3 basis points from a year earlier, as average asset yields declined more rapidly than average funding costs. NIM at community banks was 63 basis points above the average for noncommunity banks. More than half (54.1 percent) of the year-over-year increase in noninterest income among community banks was from higher loan sales revenue (up $268 million, or 31 percent).

Chart 1

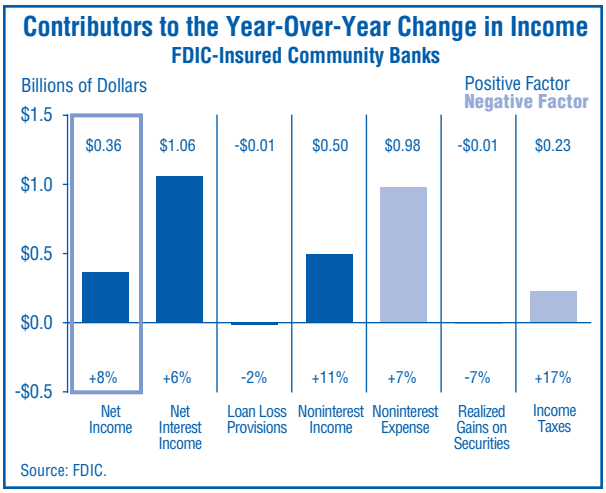
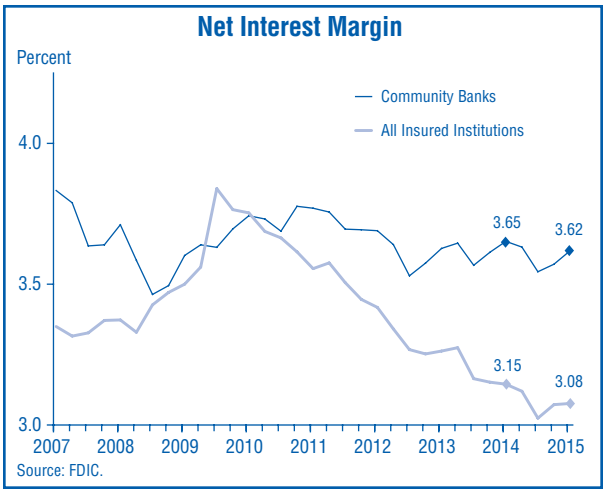


Chart 2



Long-Term Assets Remained Elevated at Community Banks

Long-term assets at community banks represented 33.9 percent of total assets in the current quarter, down from 34.3 percent in third quarter 2014.[1] Despite being below the peak of 34.5 percent in second quarter 2014, long-term assets at community banks continue to exceed the 26.1 percent held by the banking industry and the 25 percent for noncommunity banks. For the past 12 of 16 consecutive quarters, community banks have increased their holdings of long-term assets. Meanwhile, long-term funding has not grown at the same pace. This imbalance may lead to an increase in interest rate risk.

Noninterest Expense Rose From Third Quarter 2014

With 68 percent of community banks increasing their noninterest expense from third quarter 2014, noninterest expense of $15.1 billion grew $978.9 million (6.9 percent). While noninterest expense increased at community banks, it was down $3.2 billion (3.4 percent) for noncommunity banks. The annual increase in noninterest expense for community banks was led by higher salary and employee benefits (up $629 million, or 8.1 percent). Full-time employees increased by 10,846 (2.5 percent) from third quarter 2014 to 439,171. Average assets per employee at community banks totaled $4.8 million in the latest quarter, up from $4.6 million in third quarter 2014.

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

All Major Loan Categories Increased From the Previous Quarter and the Year Before

Total assets at community banks increased by $27.8 billion (1.3 percent) from second quarter 2015, as loan and lease balances grew by $26.7 billion (1.9 percent). Almost three out of every four community banks (71 percent) increased their loan and lease balances from the previous quarter, as did all major loan categories. Close to 74 percent of the quarterly increase was driven by nonfarm nonresidential loans (up $9.4 billion, or 2.3 percent), 1-to-4 family residential mortgages (up $3.5 billion, or 1 percent), multifamily residential mortgages (up $3.5 billion, or 4.2 percent), and construction and development loans (up $3.4 billion, or 3.9 percent). The year-over-year increase in loan and lease balances was $111.1 billion (8.5 percent). Almost half (47 percent) of the yearly increase in loan and lease balances was led by nonfarm nonresidential loans (up $31.3 billion, or 8.2 percent) and 1-to-4 family residential mortgages (up $21.2 billion, or 6 percent). Community banks continued to expand their 12-month growth rate in loan and lease balances at almost twice the rate of noncommunity banks (5.4 percent).

Community Banks Expanded Small Loans to Businesses

Community banks reported $299.2 billion in small loans to businesses during the third quarter, up $2.5 billion (0.8 percent) from the second quarter.[2] The quarterly growth in these loans at community

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

Chart 3

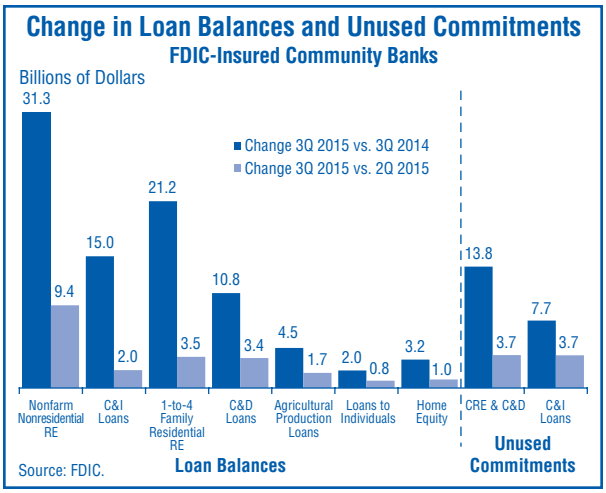
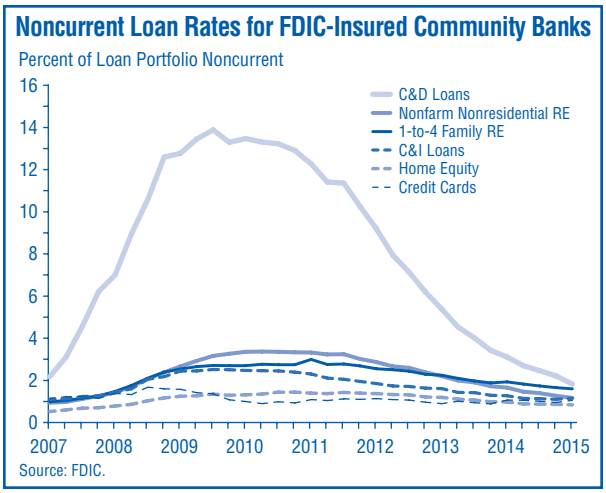


Chart 4



banks outperformed that of noncommunity banks (down $876.2 million, or 0.2 percent). While close to 60 percent of the quarterly increase was led by agricultural production loans (up $1.5 billion, or 5.3 percent), commercial and industrial loans declined (down $202.5 million, or 0.2 percent). The yearly increase in small loans to businesses at community banks (up $9.5 billion, or 3.3 percent) surpassed that of noncommunity banks (up $2.4 billion, or 0.7 percent). The 12-month increase at community banks was led by commercial and industrial loans (up $4 billion, or 4.6 percent), and nonfarm nonresidential loans (up $2.8 billion, or 1.9 percent). Community banks continued to hold 44 percent of all small loans to businesses.

Noncurrent Rate Declined for 22 Consecutive Quarters

With nearly 60 percent of community banks reducing their noncurrent loan and lease balances from the year-ago quarter, the noncurrent loan and lease balance declined $3.1 billion (15.7 percent) from third quarter 2014 to $16.5 billion. During third quarter 2015, the noncurrent rate was 1.17 percent, down 7 basis points from the previous quarter and 33 basis points from third quarter 2014. The noncurrent rate was 53 basis points below the 1.7 percent at noncommunity banks. All major loan categories at community banks, except for commercial and industrial loans, had lower noncurrent rates from the previous quarter. After declining for 21 consecutive quarters, the noncurrent rate for commercial and industrial loans (1.09 percent) increased 6 basis points from second quarter 2015. The quarterly net charge-off rate was 0.14 percent, down 3 basis points from third quarter 2014. All major loan categories, except for commercial and industrial loans (up 4 basis points), had a decline in the net charge-off rate from the year before.

One Community Bank Failed in the Third Quarter

The number of FDIC-insured community banks totaled 5,812 at the end of third quarter 2015, down 69 banks from the previous quarter. One community bank failed during the quarter. One new community bank charter was added during the same period.

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

	2015*	2014*	2014	2013	2012	2011	2010
Return on assets (%)	0.99	0.92	0.93	0.90	0.83	0.55	0.21
Return on equity (%)	8.88	8.44	8.46	8.28	7.68	5.19	2.07
Core capital (leverage) ratio (%)	10.72	10.60	10.57	10.43	10.18	9.98	9.57
Noncurrent assets plus other real estate owned to assets (%)	1.14	1.46	1.34	1.73	2.26	2.84	3.25
Net charge-offs to loans (%)	0.13	0.20	0.21	0.32	0.58	0.87	1.11
Asset growth rate (%)	3.15	1.22	2.31	0.33	2.25	1.60	-2.45
Net interest margin (%)	3.58	3.61	3.61	3.59	3.67	3.74	3.71
Net operating income growth (%)	10.29	1.04	4.92	14.61	56.25	207.82	206.20
Number of institutions reporting	5,812	6,107	6,037	6,306	6,541	6,798	7,014
Percentage of unprofitable institutions (%)	5.04	6.80	6.44	8.40	11.15	16.34	22.16

* Through September 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)	3rd Quarter 2015	2nd Quarter 2015	3rd Quarter 2014	%Change 3Q14-3Q15
Number of institutions reporting	5,812	5,881	6,107	-4.8
Total employees (full-time equivalent)	439,171	442,060	445,091	-1.3
CONDITION DATA				
Total assets	$2,095,679	$2,085,054	$2,031,679	3.2
Loans secured by real estate	1,076,041	1,064,892	1,017,259	5.8
1-4 Family residential mortgages	373,813	373,660	355,439	5.2
Nonfarm nonresidential	411,999	407,547	396,537	3.9
Construction and development	90,288	87,874	82,912	8.9
Home equity lines	50,092	50,049	49,206	1.8
Commercial & industrial loans	192,959	193,551	186,293	3.6
Loans to individuals	59,947	60,284	58,280	2.9
Credit cards	2,191	2,152	1,790	22.4
Farm loans	50,561	48,759	46,074	9.7
Other loans & leases	35,488	35,023	29,466	20.4
Less: Unearned income	589	568	573	2.8
Total loans & leases	1,414,406	1,401,942	1,336,799	5.8
Less: Reserve for losses	18,660	18,812	19,458	-4.1
Net loans and leases	1,395,746	1,383,130	1,317,341	6.0
Securities	438,119	443,577	452,580	-3.2
Other real estate owned	7,237	7,746	9,450	-23.4
Goodwill and other intangibles	13,735	13,597	12,561	9.3
All other assets	240,842	237,004	239,746	0.5
Total liabilities and capital	2,095,679	2,085,054	2,031,679	3.2
Deposits	1,717,385	1,708,626	1,672,408	2.7
Domestic office deposits	1,717,000	1,708,188	1,672,191	2.7
Foreign office deposits	385	438	217	77.5
Brokered deposits	70,040	67,309	59,462	17.8
Estimated insured deposits	1,304,485	1,308,563	1,300,115	0.3
Other borrowed funds	125,039	127,407	117,209	6.7
Subordinated debt	455	524	400	13.8
All other liabilities	16,794	15,633	15,628	7.5
Total equity capital (includes minority interests)	236,006	232,865	226,035	4.4
Bank equity capital	235,886	232,746	225,881	4.4
Loans and leases 30-89 days past due	8,203	8,188	9,025	-9.1
Noncurrent loans and leases	16,528	17,328	20,004	-17.4
Restructured loans and leases	9,695	9,961	11,346	-14.6
Mortgage-backed securities	184,588	189,057	197,961	-6.8
Earning assets	1,945,663	1,933,577	1,879,887	3.5
FHLB Advances	93,861	95,914	85,855	9.3
Unused loan commitments	286,501	282,020	248,643	15.2
Trust assets	242,405	247,787	238,809	1.5
Assets securitized and sold	16,035	14,575	18,907	-15.2
Notional amount of derivatives	53,177	58,202	43,485	22.3

INCOME DATA	First Three Quarters 2015	First Three Quarters 2014	%Change	3rd Quarter 2015	3rd Quarter 2014	%Change 3Q14-3Q15
Total interest income	$57,455	$56,664	1.4	$19,660	$19,311	1.8
Total interest expense	6,528	6,820	-4.3	2,208	2,274	-2.9
Net interest income	50,926	49,844	2.2	17,452	17,037	2.4
Provision for loan and lease losses	1,683	1,889	-10.9	560	574	-2.4
Total noninterest income	14,623	13,219	10.6	4,955	4,536	9.3
Total noninterest expense	44,593	43,773	1.9	15,145	14,820	2.2
Securities gains (losses)	453	390	16.4	100	110	-9.6
Applicable income taxes	4,481	3,980	12.6	1,593	1,394	14.3
Extraordinary gains, net	26	2	1,357.5	1	-6	N/M
Total net income (includes minority interests)	15,271	13,812	10.6	5,209	4,890	6.5
Bank net income	15,248	13,795	10.5	5,202	4,882	6.5
Net charge-offs	1,297	1,907	-32.0	477	554	-14.0
Cash dividends	6,861	6,192	10.8	2,183	1,943	12.4
Retained earnings	8,387	7,603	10.3	3,019	2,940	2.7
Net operating income	14,893	13,504	10.3	5,134	4,807	6.8

N/M - Not Meaningful

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

(dollar figures in millions)	3rd Quarter 2015	2nd Quarter 2015	3rd Quarter 2014	%Change 3Q14-3Q15
Number of institutions reporting	5,812	5,811	5,811	0.0
Total employees (full-time equivalent)	439,171	439,337	434,526	1.1
CONDITION DATA				
Total assets	$2,095,679	$2,067,837	$1,983,966	5.6
Loans secured by real estate	1,076,041	1,054,150	991,454	8.5
1-4 Family residential mortgages	373,813	370,268	352,602	6.0
Nonfarm nonresidential	411,999	402,600	380,691	8.2
Construction and development	90,288	86,883	79,511	13.6
Home equity lines	50,092	49,120	46,861	6.9
Commercial & industrial loans	192,959	190,924	177,992	8.4
Loans to individuals	59,947	59,118	57,952	3.4
Credit cards	2,191	2,182	2,213	-1.0
Farm loans	50,561	48,843	46,013	9.9
Other loans & leases	35,488	35,192	30,464	16.5
Less: Unearned income	589	568	555	6.0
Total loans & leases	1,414,406	1,387,660	1,303,320	8.5
Less: Reserve for losses	18,660	18,675	18,939	-1.5
Net loans and leases	1,395,746	1,368,985	1,284,381	8.7
Securities	438,119	442,211	444,498	-1.4
Other real estate owned	7,237	7,672	9,288	-22.1
Goodwill and other intangibles	13,735	13,452	11,806	16.3
All other assets	240,842	235,517	233,992	2.9
Total liabilities and capital	2,095,679	2,067,837	1,983,966	5.6
Deposits	1,717,385	1,695,089	1,628,961	5.4
Domestic office deposits	1,717,000	1,694,664	1,628,577	5.4
Foreign office deposits	385	425	385	0.2
Brokered deposits	70,040	66,790	60,231	16.3
Estimated insured deposits	1,304,485	1,300,322	1,269,746	2.7
Other borrowed funds	125,039	125,828	118,713	5.3
Subordinated debt	455	455	451	0.9
All other liabilities	16,794	15,472	15,116	11.1
Total equity capital (includes minority interests)	236,006	230,992	220,725	6.9
Bank equity capital	235,886	230,874	220,603	6.9
Loans and leases 30-89 days past due	8,203	8,180	9,006	-8.9
Noncurrent loans and leases	16,528	17,189	19,604	-15.7
Restructured loans and leases	9,695	9,845	11,223	-13.6
Mortgage-backed securities	184,588	188,052	194,050	-4.9
Earning assets	1,945,663	1,917,421	1,836,654	5.9
FHLB Advances	93,861	94,424	87,617	7.1
Unused loan commitments	286,501	278,574	256,473	11.7
Trust assets	242,405	249,519	233,594	3.8
Assets securitized and sold	16,035	14,575	13,056	22.8
Notional amount of derivatives	53,177	55,437	40,433	31.5

INCOME DATA	First Three Quarters 2015	First Three Quarters 2014	%Change	3rd Quarter 2015	3rd Quarter 2014	%Change 3Q14-3Q15
Total interest income	$57,455	$54,502	5.4	$19,660	$18,599	5.7
Total interest expense	6,528	6,604	-1.1	2,208	2,207	0.0
Net interest income	50,926	47,898	6.3	17,452	16,392	6.5
Provision for loan and lease losses	1,683	1,713	-1.7	560	574	-2.3
Total noninterest income	14,623	12,834	13.9	4,955	4,460	11.1
Total noninterest expense	44,593	41,852	6.5	15,145	14,166	6.9
Securities gains (losses)	453	394	15.0	100	108	-7.2
Applicable income taxes	4,481	3,848	16.5	1,593	1,366	16.6
Extraordinary gains, net	26	2	1,357.5	1	-6	N/M
Total net income (includes minority interests)	15,271	13,716	11.3	5,209	4,846	7.5
Bank net income	15,248	13,698	11.3	5,202	4,839	7.5
Net charge-offs	1,297	1,770	-26.7	477	567	-15.9
Cash dividends	6,861	6,176	11.1	2,183	1,925	13.4
Retained earnings	8,387	7,523	11.5	3,019	2,914	3.6
Net operating income	14,893	13,405	11.1	5,134	4,765	7.7

N/M - Not Meaningful

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

Third Quarter 2015 (dollar figures in millions)	All Community Banks	Geographic Regions* New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	5,812	684	715	1,282	1,502	1,244	385
Total employees (full-time equivalent)	439,171	87,774	55,854	92,541	70,811	95,510	36,681
CONDITION DATA							
Total assets	$2,095,679	$544,584	$245,743	$387,310	$325,354	$404,953	$187,734
Loans secured by real estate	1,076,041	320,965	134,618	194,799	146,927	185,067	93,665
1-4 Family residential mortgages	373,813	126,660	43,875	71,222	48,088	61,617	22,351
Nonfarm nonresidential	411,999	113,134	57,668	70,840	48,484	74,803	47,070
Construction and development	90,288	17,206	15,084	11,966	11,772	26,287	7,973
Home equity lines	50,092	16,834	7,669	11,637	4,573	4,338	5,041
Commercial & industrial loans	192,959	46,302	18,716	36,229	31,803	41,247	18,662
Loans to individuals	59,947	12,758	6,580	12,115	9,792	13,693	5,009
Credit cards	2,191	463	132	434	474	306	382
Farm loans	50,561	527	1,307	7,799	28,054	10,051	2,823
Other loans & leases	35,488	10,894	2,732	6,319	5,308	7,037	3,197
Less: Unearned income	589	164	98	63	35	124	106
Total loans & leases	1,414,406	391,283	163,855	257,197	221,849	256,972	123,251
Less: Reserve for losses	18,660	4,465	2,291	3,593	3,074	3,419	1,818
Net loans and leases	1,395,746	386,818	161,563	253,605	218,775	253,553	121,432
Securities	438,119	99,775	48,542	85,322	69,787	97,472	37,222
Other real estate owned	7,237	1,011	1,886	1,503	1,091	1,337	409
Goodwill and other intangibles	13,735	4,481	1,262	2,219	1,720	2,578	1,474
All other assets	240,842	52,499	32,489	44,661	33,982	50,014	27,197
Total liabilities and capital	2,095,679	544,584	245,743	387,310	325,354	404,953	187,734
Deposits	1,717,385	432,440	204,256	319,969	264,723	339,867	156,130
Domestic office deposits	1,717,000	432,139	204,246	319,952	264,723	339,867	156,073
Foreign office deposits	385	301	9	17	0	0	58
Brokered deposits	70,040	24,806	7,213	11,706	10,413	9,927	5,975
Estimated insured deposits	1,304,485	317,952	157,091	257,242	210,747	251,760	109,692
Other borrowed funds	125,039	44,851	11,990	20,445	22,322	17,694	7,737
Subordinated debt	455	309	23	50	4	6	66
All other liabilities	16,794	5,615	1,841	2,909	2,038	2,701	1,691
Total equity capital (includes minority interests)	236,006	61,370	27,634	43,938	36,268	44,686	22,110
Bank equity capital	235,886	61,317	27,616	43,917	36,267	44,661	22,109
Loans and leases 30-89 days past due	8,203	2,262	1,124	1,508	1,112	1,749	448
Noncurrent loans and leases	16,528	5,699	2,381	3,147	1,704	2,664	934
Restructured loans and leases	9,695	2,662	1,530	2,552	1,066	1,109	777
Mortgage-backed securities	184,588	55,176	20,495	32,881	22,130	36,180	17,726
Earning assets	1,945,663	508,167	225,669	359,082	303,233	374,525	174,988
FHLB Advances	93,861	35,897	9,372	14,315	16,076	13,705	4,495
Unused loan commitments	286,501	68,982	29,546	49,809	44,239	48,538	45,386
Trust assets	242,405	51,903	9,431	64,601	66,243	39,456	10,770
Assets securitized and sold	16,035	3,877	535	6,132	816	618	4,057
Notional amount of derivatives	53,177	18,841	6,276	8,910	7,601	7,410	4,139
INCOME DATA							
Total interest income	$19,660	$4,898	$2,378	$3,546	$3,104	$3,969	$1,765
Total interest expense	2,208	703	270	391	351	364	131
Net interest income	17,452	4,195	2,108	3,155	2,753	3,606	1,634
Provision for loan and lease losses	560	212	50	47	89	137	25
Total noninterest income	4,955	940	566	1,242	737	965	505
Total noninterest expense	15,145	3,483	1,995	3,006	2,235	3,040	1,386
Securities gains (losses)	100	41	12	17	11	13	5
Applicable income taxes	1,593	477	181	316	198	207	213
Extraordinary gains, net	1	0	-1	1	0	0	1
Total net income (includes minority interests)	5,209	1,004	459	1,047	979	1,200	521
Bank net income	5,202	1,002	458	1,045	979	1,198	521
Net charge-offs	477	136	60	113	56	100	11
Cash dividends	2,183	219	141	557	493	558	215
Retained earnings	3,019	783	316	488	486	640	305
Net operating income	5,134	977	452	1,031	969	1,188	516

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

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

	All Community Banks		Third Quarter 2015, Geographic Regions*					
	3rd Quarter 2015	2nd Quarter 2015	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Performance ratios (annualized, %)								
Yield on earning assets	4.08	4.03	3.90	4.24	3.98	4.12	4.27	4.11
Cost of funding earning assets	0.46	0.46	0.56	0.48	0.44	0.47	0.39	0.30
Net interest margin	3.62	3.57	3.34	3.76	3.54	3.65	3.88	3.81
Noninterest income to assets	0.95	0.98	0.70	0.93	1.29	0.91	0.96	1.10
Noninterest expense to assets	2.91	2.92	2.58	3.26	3.13	2.76	3.02	3.01
Loan and lease loss provision to assets	0.11	0.11	0.16	0.08	0.05	0.11	0.14	0.05
Net operating income to assets	0.99	1.00	0.72	0.74	1.07	1.20	1.18	1.12
Pretax return on assets	1.31	1.29	1.10	1.04	1.42	1.45	1.40	1.59
Return on assets	1.00	1.02	0.74	0.75	1.09	1.21	1.19	1.13
Return on equity	8.93	9.10	6.61	6.70	9.62	10.93	10.88	9.54
Net charge-offs to loans and leases	0.14	0.14	0.14	0.15	0.18	0.10	0.16	0.04
Loan and lease loss provision to net charge-offs	117.58	120.28	155.80	82.84	41.13	159.46	137.44	224.16
Efficiency ratio	67.24	67.66	67.44	74.16	68.06	63.65	66.23	64.46
Net interest income to operating revenue	77.88	77.10	81.70	78.82	71.75	78.89	78.88	76.40
% of unprofitable institutions	5.16	5.99	7.46	8.67	5.54	3.06	3.70	6.23
% of institutions with earnings gains	58.48	58.51	57.31	59.58	58.35	58.39	57.23	63.38

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

	All Community Banks		First Three Quarters 2015, Geographic Regions*					
	First Three Quarters 2015	First Three Quarters 2014	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Performance ratios (%)								
Yield on earning assets	4.03	4.11	3.87	4.21	3.95	4.05	4.21	4.04
Cost of funding earning assets	0.46	0.49	0.56	0.48	0.44	0.47	0.39	0.30
Net interest margin	3.58	3.61	3.31	3.72	3.51	3.58	3.82	3.74
Noninterest income to assets	0.95	0.88	0.70	0.92	1.29	0.91	0.93	1.12
Noninterest expense to assets	2.90	2.93	2.61	3.22	3.08	2.76	2.99	3.01
Loan and lease loss provision to assets	0.11	0.13	0.16	0.09	0.07	0.10	0.13	0.04
Net operating income to assets	0.97	0.90	0.69	0.77	1.09	1.16	1.14	1.08
Pretax return on assets	1.28	1.19	1.07	1.06	1.42	1.41	1.36	1.56
Return on assets	0.99	0.92	0.72	0.80	1.11	1.18	1.16	1.09
Return on equity	8.88	8.44	6.44	7.15	9.89	10.72	10.64	9.22
Net charge-offs to loans and leases	0.13	0.20	0.16	0.15	0.15	0.08	0.14	0.02
Loan and lease loss provision to net charge-offs	129.76	99.07	143.34	89.16	73.59	189.85	153.57	324.70
Efficiency ratio	67.68	69.08	68.58	73.96	67.41	64.62	66.74	65.16
Net interest income to operating revenue	77.69	79.04	81.42	78.73	71.57	78.57	79.16	75.60
% of unprofitable institutions	5.04	6.80	7.46	8.95	4.99	2.60	3.94	6.75
% of institutions with earnings gains	63.04	60.26	59.50	60.28	64.04	65.78	60.37	69.09

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

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

September 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	0.51	0.67	0.61	0.48	0.63	0.33
Construction and development	0.49	0.43	0.75	0.40	0.47	0.45	0.43
Nonfarm nonresidential	0.37	0.35	0.43	0.40	0.39	0.43	0.22
Multifamily residential real estate	0.17	0.14	0.21	0.26	0.27	0.15	0.07
Home equity loans	0.44	0.49	0.52	0.44	0.35	0.44	0.28
Other 1-4 family residential	0.89	0.79	1.05	1.02	0.73	1.04	0.64
Commercial and industrial loans	0.51	0.47	0.57	0.41	0.58	0.62	0.41
Loans to individuals	1.70	2.97	1.68	1.01	1.03	1.96	0.79
Credit card loans	1.85	2.43	1.44	1.31	3.05	1.23	0.91
Other loans to individuals	1.70	2.99	1.68	1.00	0.93	1.98	0.78
All other loans and leases (including farm)	0.34	0.34	0.21	0.32	0.35	0.34	0.38
Total loans and leases	0.58	0.58	0.69	0.59	0.50	0.68	0.36
Percent of Loans Noncurrent**							
All loans secured by real estate	1.22	1.44	1.54	1.37	0.81	1.04	0.75
Construction and development	1.76	1.76	3.16	1.95	1.59	1.05	1.39
Nonfarm nonresidential	1.10	1.25	1.34	1.27	0.93	0.93	0.63
Multifamily residential real estate	0.44	0.22	0.71	0.89	0.45	0.96	0.21
Home equity loans	0.78	0.93	0.73	0.85	0.39	0.57	0.71
Other 1-4 family residential	1.53	2.01	1.49	1.65	0.81	1.24	0.91
Commercial and industrial loans	1.09	1.07	1.15	1.03	1.01	1.29	0.93
Loans to individuals	0.71	0.81	1.04	0.47	0.45	1.00	0.35
Credit card loans	0.98	1.34	0.59	0.88	1.25	0.66	0.73
Other loans to individuals	0.70	0.79	1.05	0.45	0.41	1.01	0.32
All other loans and leases (including farm)	0.96	4.30	0.58	0.36	0.43	0.44	0.64
Total loans and leases	1.17	1.46	1.45	1.22	0.77	1.04	0.76
Percent of Loans Charged-Off (net, YTD)							
All loans secured by real estate	0.08	0.11	0.11	0.11	0.03	0.05	-0.05
Construction and development	0.04	0.18	0.16	0.03	-0.20	0.03	-0.10
Nonfarm nonresidential	0.07	0.15	0.09	0.08	0.06	0.04	-0.06
Multifamily residential real estate	0.02	0.02	0.07	0.03	0.01	0.06	-0.01
Home equity loans	0.12	0.15	0.12	0.20	0.06	0.06	-0.03
Other 1-4 family residential	0.10	0.10	0.11	0.17	0.06	0.08	-0.02
Commercial and industrial loans	0.22	0.24	0.21	0.25	0.16	0.28	0.08
Loans to individuals	0.74	0.93	0.71	0.55	0.68	0.81	0.66
Credit card loans	4.15	4.09	1.33	3.49	9.62	1.32	1.94
Other loans to individuals	0.61	0.81	0.69	0.43	0.24	0.80	0.54
All other loans and leases (including farm)	0.13	0.15	0.21	0.16	0.05	0.16	0.40
Total loans and leases	0.13	0.16	0.15	0.15	0.08	0.14	0.02
Loans Outstanding (in billions)							
All loans secured by real estate	$1,076.0	$321.0	$134.6	$194.8	$146.9	$185.1	$93.7
Construction and development	90.3	17.2	15.1	12.0	11.8	26.3	8.0
Nonfarm nonresidential	412.0	113.1	57.7	70.8	48.5	74.8	47.1
Multifamily residential real estate	87.6	45.2	6.2	14.2	7.3	6.4	8.2
Home equity loans	50.1	16.8	7.7	11.6	4.6	4.3	5.0
Other 1-4 family residential	373.8	126.7	43.9	71.2	48.1	61.6	22.4
Commercial and industrial loans	193.0	46.3	18.7	36.2	31.8	41.2	18.7
Loans to individuals	59.9	12.8	6.6	12.1	9.8	13.7	5.0
Credit card loans	2.2	0.5	0.1	0.4	0.5	0.3	0.4
Other loans to individuals	57.8	12.3	6.4	11.7	9.3	13.4	4.6
All other loans and leases (including farm)	86.0	11.4	4.0	14.1	33.4	17.1	6.0
Total loans and leases	1,415.0	391.4	164.0	257.3	221.9	257.1	123.4
Memo: Unfunded Commitments (in millions)							
Total Unfunded Commitments	286,501	68,982	29,546	49,809	44,239	48,538	45,386
Construction and development: 1-4 family residential	22,486	4,671	3,891	2,502	2,735	6,356	2,330
Construction and development: CRE and other	51,846	15,658	7,282	7,535	5,712	11,466	4,193
Commercial and industrial	89,301	21,510	8,297	18,561	14,677	16,414	9,841

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

INSURANCE FUND INDICATORS

- ***DIF Reserve Ratio Rises 3 Basis Points to 1.09 Percent***
- ***Insured Deposits Increase by 1.1 Percent***
- ***One Institution Failed During Third Quarter***

Total assets of the 6,270 FDIC-insured institutions increased by 0.3 percent ($46.5 billion) during the third quarter of 2015. Total deposits increased by 0.5 percent ($58.0 billion), domestic office deposits increased by 0.6 percent ($62.7 billion), and foreign office deposits decreased by 0.3 percent ($4.7 billion). Domestic interest-bearing deposits increased by 1.1 percent ($85.4 billion), and noninterest-bearing deposits decreased by 0.8 percent ($22.7 billion). For the 12 months ending September 30, total domestic deposits grew by 4.7 percent ($476.4 billion), with interest-bearing deposits increasing by 4.4 percent ($321.7 billion) and noninterest-bearing deposits rising by 5.5 percent ($154.7 billion).[1] Other borrowed money increased by 6.0 percent, securities sold under agreements to repurchase declined by 9.9 percent, and foreign office deposits declined by 5.8 percent over the same 12-month period.[2]

Total estimated insured deposits increased by 1.1 percent in the third quarter of 2015.[3] For institutions existing at the start and the end of the most recent quarter, insured deposits increased during the quarter at 2,929 institutions (47 percent), decreased at 3,318 institutions (53 percent), and remained unchanged at 29 institutions. Estimated insured deposits increased by 4.5 percent over the 12 months ending September 30, 2015.

The DIF increased by $2.5 billion during the third quarter of 2015 to $70.1 billion (unaudited). Assessment income of $2.2 billion and a negative provision for insurance losses of $578 million were the main drivers behind the fund balance increase. Interest on investments, unrealized gains on available for sale securities, and other miscellaneous income added another $188 million to the fund. Third quarter operating expenses reduced the fund balance by $410 million. For the first nine months of 2015, six insured institutions failed, with combined assets of $6.4 billion, at a current estimated cost to the DIF of $0.8 billion. In 2011, as part of the FDIC's long-term fund management plan, the FDIC Board of Directors adopted a lower rate schedule for regular risk-based assessments that will go into effect the quarter after the DIF reserve ratio first meets or exceeds 1.15 percent.[4] The DIF's reserve ratio was 1.09 percent on September 30, up from 1.06 percent at June 30, 2015, and 0.88 percent four quarters ago.

Effective April 1, 2011, the deposit insurance assessment base changed to average consolidated total assets minus average tangible equity.[5] 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.[6] Table 1 shows the distribution of the assessment base as of September 30, by institution asset size category.

[1] Throughout the insurance fund discussion, FDIC-insured institutions include insured commercial banks and savings associations and, except where noted, exclude insured branches of foreign banks.
[2] Other borrowed money includes FHLB advances, term federal funds, mortgage indebtedness, and other borrowings.
[3] Figures for estimated insured deposits in this discussion include insured branches of foreign banks, in addition to insured commercial banks and savings institutions.
[4] Adoption of Federal Deposit Insurance Corporation Restoration Plan, 75 Fed. Reg. 66293 (Oct. 27, 2010).
[5] There is an additional adjustment to the assessment base for banker's banks and custodial banks, as permitted under Dodd-Frank.
[6] 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 September 30, 2015

Asset Size	Number of Institutions	Percent of Total Institutions	Assessment Base** ($ Bil.)	Percent of Base
Less Than $1 Billion	5,564	88.7	$1,147.2	8.4
$1 - $10 Billion	596	9.5	1,457.7	10.7
$10 - $50 Billion	72	1.1	1,430.3	10.5
$50 - $100 Billion	14	0.2	913.8	6.7
Over $100 Billion	24	0.4	8,674.0	63.7
Total	6,270	100.0	13,623.0	100.0

* Excludes insured U.S. branches of foreign banks.
** Average consolidated total assets minus average tangible equity, with adjustments for banker's banks and custodial banks.

Dodd-Frank requires that, for at least five years, the FDIC must make available to the public the reserve ratio and the DRR using both estimated insured deposits and the new assessment base. As of September 30, 2015, the FDIC reserve ratio would have been 0.51 percent using the new assessment base (compared to 1.09 percent using estimated insured deposits), and the 2 percent DRR using estimated insured deposits would have been 0.94 percent using the new assessment base.

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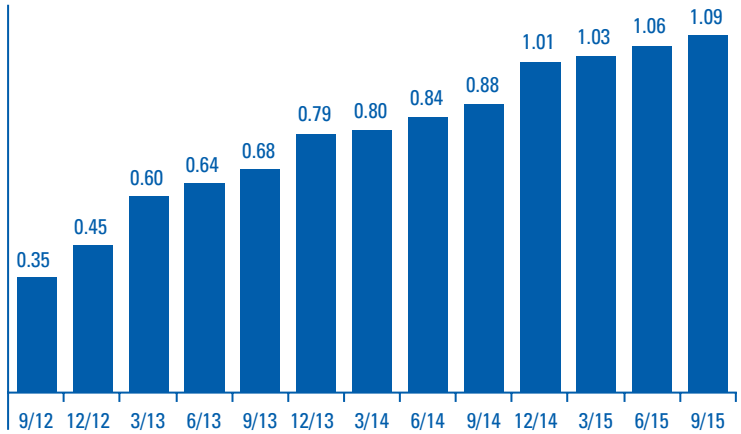
Table I-C. Insurance Fund Balances and Selected Indicators

(dollar figures in millions)	Deposit Insurance Fund*												
	3rd Quarter 2015	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
Beginning 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
Changes in Fund Balance:													
Assessments earned	2,170	2,328	2,189	2,030	2,009	2,224	2,393	2,224	2,339	2,526	2,645	2,937	2,833
Interest earned on investment securities	122	113	60	70	80	87	45	23	34	54	-9	66	-8
Realized gain on sale of investments	0	0	0	0	0	0	0	302	156	0	0	0	0
Operating expenses	410	434	396	408	406	428	422	436	298	439	436	469	442
Provision for insurance losses	-578	-317	-426	-6,787	-1,663	-204	348	-4,588	-539	-33	-499	-3,344	-84
All other income, net of expenses	2	3	6	-43	6	6	9	9	46	51	55	1,878	57
Unrealized gain/(loss) on available-for-sale securities	64	-34	231	24	-91	73	25	-277	71	-96	30	-22	7
Total fund balance change	2,526	2,293	2,516	8,460	3,261	2,166	1,702	6,433	2,887	2,129	2,784	7,734	2,531
Ending Fund Balance	70,115	67,589	65,296	62,780	54,320	51,059	48,893	47,191	40,758	37,871	35,742	32,958	25,224
Percent change from four quarters earlier	29.08	32.37	33.55	33.03	33.27	34.82	36.79	43.19	61.58	66.88	133.73	178.67	222.85
Reserve Ratio (%)	1.09	1.06	1.03	1.01	0.88	0.84	0.80	0.79	0.68	0.64	0.60	0.45	0.35
Estimated Insured Deposits**	6,420,010	6,350,086	6,343,610	6,211,168	6,141,707	6,109,681	6,120,778	6,010,853	5,967,558	5,951,124	5,999,614	7,405,043	7,248,466
Percent change from four quarters earlier	4.53	3.93	3.64	3.33	2.92	2.66	2.02	-18.83	-17.67	-15.96	-14.67	6.19	7.32
Domestic Deposits	10,695,512	10,629,336	10,616,332	10,408,065	10,213,080	10,099,337	9,962,453	9,825,399	9,631,580	9,424,503	9,454,658	9,474,585	9,084,803
Percent change from four quarters earlier	4.72	5.25	6.56	5.93	6.04	7.16	5.37	3.70	6.02	5.45	6.85	7.88	6.55
Assessment Base***	13,671,780	13,604,417	13,526,397	13,338,064	13,107,460	12,905,563	12,797,323	12,743,995	12,527,654	12,485,955	12,433,502	12,435,091	12,276,302
Percent change from four quarters earlier	4.31	5.42	2.42	4.66	4.63	3.36	2.93	2.48	2.05	2.68	2.68	2.67	2.35
Number of Institutions Reporting	6,279	6,357	6,428	6,518	6,598	6,665	6,739	6,821	6,900	6,949	7,028	7,092	7,190

DIF Reserve Ratios

Percent of Insured Deposits



Deposit Insurance Fund Balance and Insured Deposits

($ Millions)

	DIF Balance	DIF-Insured Deposits
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	6,109,681
9/14	54,320	6,141,707
12/14	62,780	6,211,168
3/15	65,296	6,343,610
6/15	67,589	6,350,086
9/15	70,115	6,420,010

Table II-C. Problem Institutions and Failed Institutions

(dollar figures in millions)	2015****	2014****	2014	2013	2012	2011	2010
Problem Institutions							
Number of institutions	203	329	291	467	651	813	884
Total assets	$51,068	$102,256	$86,712	$152,687	$232,701	$319,432	$390,017
Failed Institutions							
Number of institutions	6	14	18	24	51	92	157
Total assets*****	$6,421	$1,816	$2,914	$6,044	$11,617	$34,923	$92,085

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

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

(dollar figures in millions)

September 30, 2015	Number of Institutions	Total Assets	Domestic Deposits*	Est. Insured Deposits
Commercial Banks and Savings Institutions				
FDIC-Insured Commercial Banks	5,410	$14,726,590	$9,821,750	$5,713,221
FDIC-Supervised	3,588	2,369,036	1,853,152	1,335,207
OCC-Supervised	1,015	10,102,573	6,444,181	3,603,766
Federal Reserve-Supervised	807	2,254,981	1,524,417	774,248
FDIC-Insured Savings Institutions	860	1,073,629	827,354	677,021
OCC-Supervised Savings Institutions	416	687,967	536,968	446,605
FDIC-Supervised Savings Institutions	407	362,195	272,157	215,557
Federal Reserve-Supervised	37	23,467	18,229	14,858
Total Commercial Banks and Savings Institutions	6,270	15,800,219	10,649,105	6,390,242
Other FDIC-Insured Institutions				
U.S. Branches of Foreign Banks	9	98,665	46,408	29,768
Total FDIC-Insured Institutions	6,279	15,898,884	10,695,512	6,420,010

* Excludes $1.4 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 June 30, 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	1,601	25.18	$2,086.3	15.34
5.01-7.50	3,107	48.88	10,020.4	73.66
7.51-10.00	972	15.29	1,025.3	7.54
10.01-15.00	425	6.69	371.1	2.73
15.01-20.00	23	0.36	41.9	0.31
20.01-25.00	191	3.00	52.1	0.38
25.01-30.00	1	0.02	0.0	0.00
30.01-35.00	37	0.58	7.3	0.05
greater than 35.00	0	0.00	0.0	0.00

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

Notes to Users

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

Tables I-A through VIII-A.

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

Tables I-B through VI-B.

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

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

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

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

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

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

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

Summary of FDIC Research Definition of Community Banking Organizations

Community banks are designated at the level of the banking.

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

Exclude: Any organization with:

— No loans or no core deposits

— Foreign Assets ≥ 10% of total assets

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

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

Include: All remaining banking organizations with:

— Total assets < indexed size threshold[2]

— Total assets ≥ indexed size threshold, where:

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

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

- Number of large MSAs with offices ≤ 2
- Number of states with offices ≤ 3
- No single office with deposits > indexed maximum branch deposit size.[4]

Tables I-C through IV-C.

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

DATA SOURCES

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

COMPUTATION METHODOLOGY

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

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

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

ACCOUNTING CHANGES

Debt Issuance Costs

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

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

Extraordinary Items

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

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

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 Private Company Council (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 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. For example, if a private institution with a calendar year fiscal year chooses to early adopt ASU 2014-02 for third quarter 2015 financial reporting purposes, the institution may implement the provisions of the ASU in its Call Report for September 30, 2015. This would require the private institution to report in its third quarter 2015 Call Report nine months amortization of goodwill existing as of January 1, 2015, and the amortization of any new goodwill recognized in the first nine months of 2015. Goodwill amortization expense should be reported unless the amortization is associated with a discontinued operation, in which case the goodwill amortization should be included within the results of discontinued operations and reported as "Extraordinary items and other adjustments, net of income taxes."

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

Definitions of Private Company and Public Business Entity

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

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

Reporting Certain Government-Guaranteed Mortgage Loans Upon Foreclosure

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

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

For institutions that are public business entities, as defined under U.S. GAAP, ASU 2014-14 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2014. For example, institutions with a calendar year fiscal year that are public business entities must apply the ASU in their Call Reports beginning March 31, 2015.

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

Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans Upon Foreclosure

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

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

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

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

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

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

True-Up Liability Under an FDIC Loss-Sharing Agreement

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

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

Consistent with U.S. GAAP and bank guidance for "Offsetting," institutions are permitted to offset assets and liabilities recognized in the Report of Condition when a "right of setoff" exists. Under ASC Subtopic 210-20, Balance Sheet—Offsetting (formerly FASB Interpretation No. 39, "Offsetting of Amounts Related to Certain Contracts"), in general, a right of setoff exists when a reporting institution and another party each owes the other determinable

amounts, the reporting institution has the right to set off the amounts each party owes and also intends to set off, and the right of setoff is enforceable at law. Because the conditions for the existence of a right of offset in ASC Subtopic 210-20 normally would not be met with respect to an indemnification asset and a true-up liability under a loss-sharing agreement with the FDIC, this asset and liability should not be netted for Call Report purposes. Therefore, institutions should report the indemnification asset gross (i.e., without regard to any true-up liability) in Other Assets, and any true-up liability in Other Liabilities.

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

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

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

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

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

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

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

In the Call Report, until a loan that is a TDR is paid in full or otherwise settled, sold, or charged off, it must be reported in the appropriate loan category, as well as identified as a performing TDR loan, if it is in compliance with its modified terms. If a TDR is not in compliance with its modified terms, it is reported as a past-due and nonaccrual loan in the appropriate loan category, as well as distinguished from other past due and nonaccrual loans. To be considered in compliance with its modified terms, a loan that is a TDR must not be in nonaccrual status and must be current or less than 30 days past due on its contractual principal and interest payments under the modified repayment terms. A loan restructured in a TDR is an impaired loan. Thus, all TDRs must be measured for impairment in accordance with ASC Subtopic 310-10, Receivables – Overall (formerly FASB Statement No. 114, "Accounting by Creditors for Impairment of a Loan," as amended), and the Call Report Glossary entry for "Loan Impairment." Consistent with ASC Subtopic 310-10, TDRs may be aggregated and measured for impairment with other impaired loans that share common risk characteristics by using historical statistics, such as average recovery period and

average amount recovered, along with a composite effective interest rate. The outcome of such an aggregation approach must be consistent with the impairment measurement methods prescribed in ASC Subtopic 310-10 and Call Report instructions for loans that are "individually" considered impaired instead of the measurement method prescribed in ASC Subtopic 450-20, Contingencies – Loss Contingencies (formerly FASB Statement No. 5, "Accounting for Contingencies") for loans not individually considered impaired that are collectively evaluated for impairment. When a loan not previously considered individually impaired is restructured and determined to be a TDR, absent a partial charge-off, it generally is not appropriate for the impairment estimate on the loan to decline as a result of the change from the impairment measurement method prescribed in ASC Subtopic 450-20 to the methods prescribed in ASC Subtopic 310-10.

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

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

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

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

DEFINITIONS (in alphabetical order)

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

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

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

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

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

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

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

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

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

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

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

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

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

Derivatives transaction types:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Risk-based capital groups – definitions:

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

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

* Effective January 1, 2018, the supplemental leverage ratio will be added to capital evaluations for deposit insurance assessment purposes.
**An institution is Adequately Capitalized if it is not Well Capitalized, but satisfies each of the listed capital ratio standards for Adequately Capitalized.

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

CAMELS composite ratings of 4 or 5. For purposes of risk-based assessment capital groups, undercapitalized includes institutions that are significantly or critically undercapitalized.

Capital Category	Supervisory Group		
	A	B	C
1. Well Capitalized	I 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.