Quarterly Banking Profile Third Quarter 2014

INSURED INSTITUTION PERFORMANCE

- ***Quarterly Earnings of $38.7 Billion Are 7.3 Percent Higher Than a Year Ago***
- ***Revenue Growth Is Key to Net Income Improvement***
- ***Loan-Loss Provisions Post First Year-Over-Year Increase Since 2009***
- ***Balances of Troubled Loans Continue to Decline***

More Banks Are Reporting Higher Earnings

Improving revenue performance across a growing proportion of institutions helped lift third quarter net income to $38.7 billion, a $2.6 billion (7.3 percent) increase over third quarter 2013 industry earnings. Almost 63 percent of institutions reported year-over-year improvement in quarterly net income, up from 50 percent a year ago. Only 6.4 percent reported net losses for the quarter, compared with 8.7 percent a year ago. The average quarterly return on assets was 1.02 percent, slightly above the 1 percent return on assets in third quarter 2013.

Revenues Post Largest Increase in Five Years

Net operating revenue (net interest income plus total noninterest income) totaled $171.3 billion, a year-over-year increase of $7.8 billion (4.8 percent). This is the largest year-over-year growth in revenue since fourth quarter 2009. Almost 69 percent of all banks reported higher net operating revenue versus a year ago. Noninterest income was $5.4 billion (9.2 percent) higher, as gains on loan sales increased by $1.2 billion (45.6 percent), and trading income was up $1.1 billion (25.3 percent). This is the first time in the last five quarters that noninterest income has posted a year-over-year increase. More than half of all banks—52 percent—reported growth in noninterest income. Net interest income increased by $2.4 billion (2.3 percent), with 71 percent of institutions reporting year-over-year increases. Total interest income was $1.2 billion (1 percent) higher than a year ago, while total interest expense was $1.2 billion (9.3 percent) lower. The 3.14 percent average net interest margin in the third quarter was 12 basis points lower than in third quarter 2013, and was virtually unchanged from the 3.15 percent average in second quarter 2014. Most of the margin erosion remained concentrated among some of the largest banks. Slightly more than half of all banks—51 percent—reported year-over-year increases in their net interest margins.

Chart 1

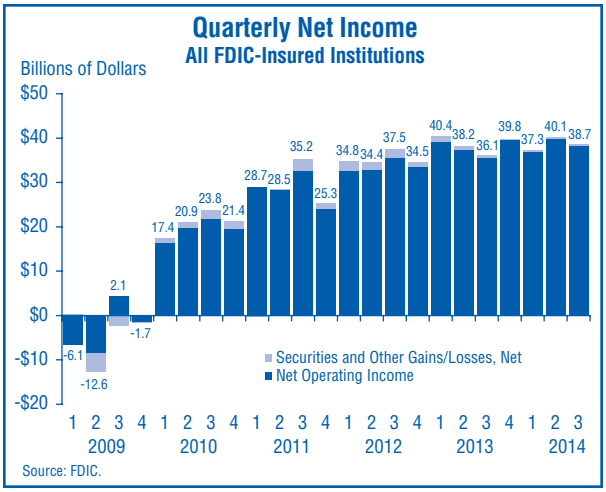
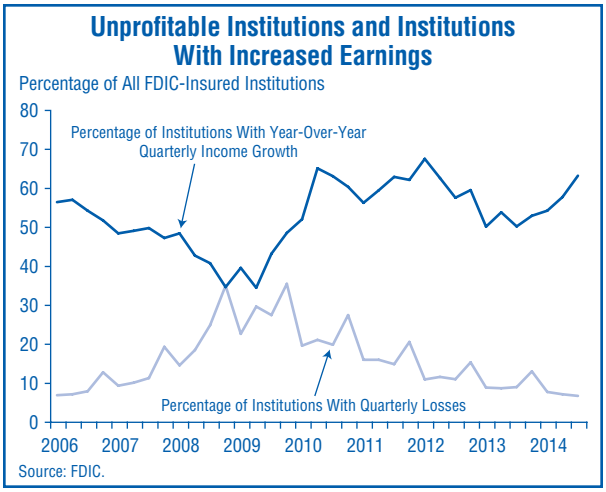


Chart 2



Litigation Expenses Decline

Noninterest expenses were $2 billion (1.9 percent) higher than a year ago. Salaries and employee benefits expenses were $2 billion (4.3 percent) higher, even though there were 31,731 (1.5 percent) fewer employees than in third quarter 2013. Goodwill impairment charges totaled $1.3 billion, a year-over-year increase of $1.1 billion. Itemized charges for litigation expenses at large banks totaled $3.7 billion, which was $1.6 billion less than a year ago.

Provisions Increase for First Time in Five Years

Loan-loss provisions totaled $7.2 billion, which was $1.4 billion (23.9 percent) more than banks set aside for loan losses in third quarter 2013. This is the first year-over-year increase in quarterly loss provisions in five years. A year ago, 400 banks reported negative quarterly loss provisions totaling $1.7 billion; in the third quarter, 402 institutions reported negative quarterly provisions totaling $331 million.

Charge-Off Rate Falls to Seven-Year Low

Insured institutions charged off $9.2 billion (net) in uncollectible loan balances in the third quarter, down $2.4 billion (21 percent) from a year ago. This is the 17th consecutive quarter that charge-offs have been below year-earlier levels. The quarterly net charge-off rate of 0.45 percent was the lowest average since first quarter 2007. All major loan categories except auto loans registered lower levels of charge-offs. Charge-offs of 1-to-4 family residential mortgage loans were $695 million (45.2 percent) lower than a year ago, while charge-offs of home equity lines of credit were down $526 million (45.9 percent). Credit card charge-offs were $366 million (6.9 percent) lower, and charge-offs on real estate loans secured by nonfarm nonresidential properties declined by $360 million (61.1 percent). Net charge-offs of auto loans were $104 million (22.8 percent) higher.

Noncurrent Loan Balances Continue to Fall

The amount of noncurrent loan and lease balances (90 days or more past due or in nonaccrual status) fell for the 18th quarter in a row, declining by $9.7 billion (5.3 percent) in the three months ended September 30. All major loan categories except loans to individuals (credit cards, auto loans, and other loans to individuals) had declines in noncurrent balances. The largest decline occurred in 1-to-4 family residential mortgages, where noncurrent balances fell by $7.7 billion (6.6 percent). Noncurrent real estate loans secured by nonfarm nonresidential properties declined by $1.1 billion (6.2 percent). In contrast to the overall declining trend in noncurrent loans, noncurrent balances rose during the quarter in credit cards (up $275 million, 3.8 percent), auto loans (up $99 million, 10.8 percent), and other loans to individuals (up $113 million, 2.7 percent). The percentage of loans and leases that were noncurrent at the end of the third quarter was 2.11 percent, the lowest average since midyear 2008. Almost 29 percent of all noncurrent loans consisted of residential mortgage loans with GNMA guarantees.

Chart 3

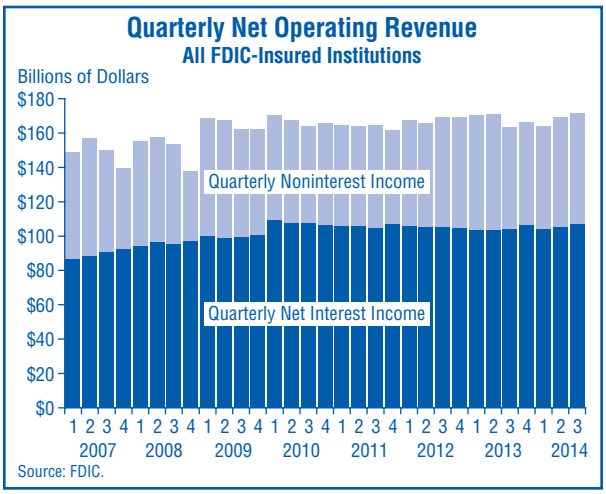
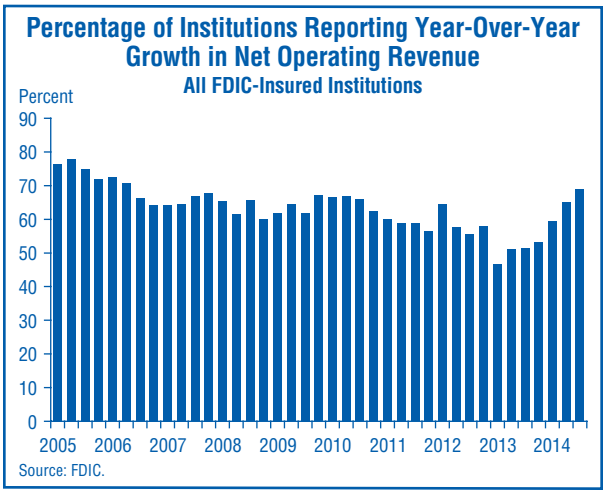


Chart 4



Reserve Coverage of Noncurrent Loans Improves for Ninth Consecutive Quarter

Loan-loss reserves fell for the 18th consecutive quarter. Net charge-offs of $9.2 billon exceeded loss provisions of $7.2 billion, as total reserves fell by $2.9 billion (2.3 percent) during the three months ended September 30. The $125.3 billion in reserves at the end of September was less than half the peak level of $263.2 billion reached at the end of first quarter 2010. Despite the decline in reserves, the average coverage ratio of reserves to noncurrent loans improved for a ninth consecutive quarter, from 70.6 percent to 72.9 percent, owing to the larger decline in noncurrent loan balances during the quarter.

Capital Growth Trails Growth in Assets

Equity capital increased by $12.1 billion (0.7 percent), as retained earnings contributed $13.2 billion to capital growth. Declared dividends in the third quarter totaled $25.5 billion, an increase of $2.6 billion (11.6 percent) from a year ago. Other comprehensive income declined by $6.1 billion, while goodwill fell by $627 million (0.2 percent) during the three months ended September 30. The average equity-to-assets ratio fell from 11.25 percent to 11.20 percent during the quarter. At the end of the quarter, 98.5 percent of all insured institutions, representing 99.8 percent of total industry assets, met or exceeded the requirements for the highest regulatory capital category as defined for Prompt Corrective Action purposes.

Investments in Treasury Securities Post Sizable Increase

Total assets of insured institutions increased by $176.7 billion (1.2 percent) during the quarter. Banks increased their investment securities holdings by $53.1 billion (1.7 percent), as balances of U.S. Treasury securities rose by $72 billion (26.3 percent). Total loan and lease balances increased by $50.9 billion (0.6 percent), as most major loan categories posted quarterly increases. Loans to commercial and industrial borrowers increased by $10.1 billion (0.6 percent), auto loans rose by $9 billion (2.4 percent), real estate loans secured by multifamily residential properties were up by $7.8 billion (2.8 percent), real estate loans secured by nonfarm nonresidential properties increased by $7.7 billion (0.7 percent), and real estate construction and development loans grew by $7.4 billion (3.3 percent). Loans to foreign banks fell by $15.6 billion (13 percent), and balances of residential mortgage loans declined by $6.7 billion (0.4 percent), as the amount of mortgage balances sold during the quarter exceeded the balances of new mortgages originated for sale by $20.7 billion. Unfunded loan commitments increased by $107.4 billion (1.7 percent). Loans to small businesses and farms increased by $2.2 billion (0.3 percent), as 54 percent of all banks reported growth in their small business/farm portfolios. Assets in trading accounts rose by $36.8 billion (6.1 percent).

Chart 5

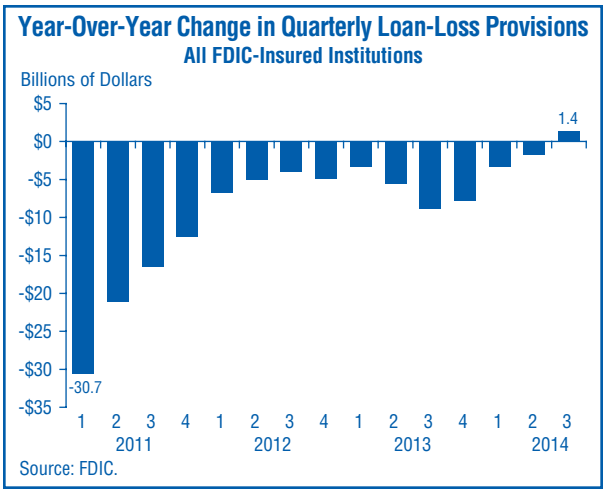
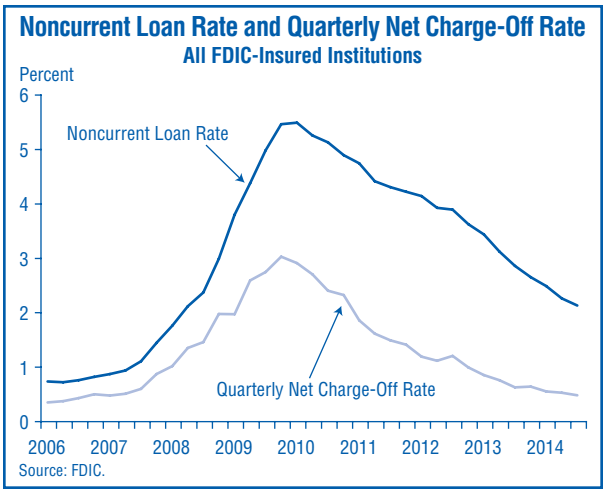


Chart 6



Large Deposits Account for Bulk of Funding Growth

For a second consecutive quarter, large denomination (> $250,000) deposits accounted for much of the growth in industry funding. Balances in these accounts increased by $124.9 billion (2.5 percent), representing three-quarters of the $164.9 billion growth in total liabilities. Balances in smaller-denomination accounts declined by $11.3 billion (0.2 percent). Nondeposit liabilities rose by $58.6 billion (3 percent), as liabilities in trading accounts increased by $44.8 billion (20.3 percent).

"Problem List" Continues to Improve

The number of insured institutions reporting financial results fell to 6,589, from 6,656 in the second quarter. Two insured institutions failed during the third quarter, compared with six failures a year ago. Mergers absorbed 64 institutions, and one institution in the process of voluntary liquidation did not file a report. For a third consecutive quarter, no new reporters were added. There has been only one *de novo* bank charter since fourth quarter 2010. The number of institutions on the FDIC's "Problem List" fell from 354 to 329 during the quarter, and assets of "problem" banks declined from $110.2 billion to $102.3 billion. This is the 14th consecutive quarter that the number and assets of "problem" institutions have declined, and the fewest "problem" institutions since March 31, 2009. The number of full-time equivalent employees at insured institutions declined for the sixth time in the past seven quarters, falling by 11,364 (0.6 percent) from second-quarter levels.

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Chart 7

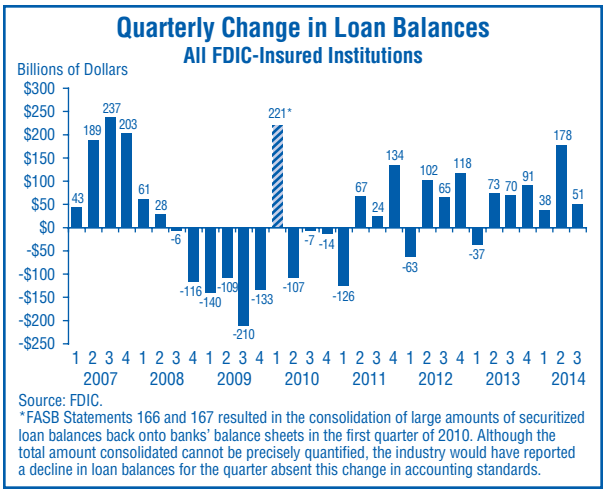


Chart 8

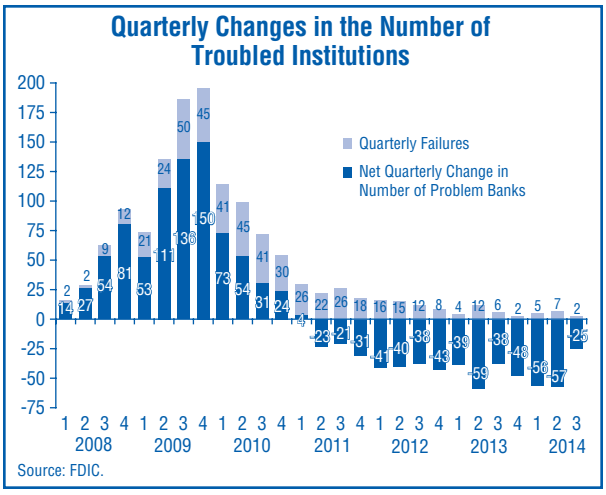


TABLE I-A. Selected Indicators, All FDIC-Insured Institutions*

	2014**	2013**	2013	2012	2011	2010	2009
Return on assets (%)	1.03	1.06	1.07	1.00	0.88	0.65	-0.08
Return on equity (%)	9.19	9.47	9.54	8.91	7.79	5.85	-0.73
Core capital (leverage) ratio (%)	9.52	9.40	9.40	9.15	9.07	8.89	8.60
Noncurrent assets plus other real estate owned to assets (%)	1.29	1.75	1.63	2.20	2.61	3.11	3.37
Net charge-offs to loans (%)	0.49	0.72	0.69	1.10	1.55	2.55	2.52
Asset growth rate (%)	5.11	2.68	1.94	4.02	4.30	1.77	-5.45
Net interest margin (%)	3.15	3.26	3.26	3.42	3.60	3.76	3.49
Net operating income growth (%)	2.36	10.86	12.83	17.81	43.57	1,594.54	-155.98
Number of institutions reporting	6,589	6,891	6,812	7,083	7,357	7,658	8,012
Commercial banks	5,705	5,937	5,876	6,096	6,291	6,530	6,840
Savings institutions	884	954	936	987	1,066	1,128	1,172
Percentage of unprofitable institutions (%)	6.57	7.91	8.15	10.98	16.22	22.15	30.84
Number of problem institutions	329	515	467	651	813	884	702
Assets of problem institutions (in billions)	$102	$174	$153	$233	$319	$390	$403
Number of failed institutions	14	22	24	51	92	157	140
Number of assisted institutions	0	0	0	0	0	0	8

* 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 2014	2nd Quarter 2014	3rd Quarter 2013	%Change 13Q3-14Q3
Number of institutions reporting	6,589	6,656	6,891	-4.4
Total employees (full-time equivalent)	2,048,639	2,060,003	2,080,370	-1.5
CONDITION DATA				
Total assets	$15,349,171	$15,172,440	$14,603,589	5.1
Loans secured by real estate	4,136,065	4,123,446	4,053,179	2.0
1-4 Family residential mortgages	1,838,209	1,844,874	1,842,582	-0.2
Nonfarm nonresidential	1,133,226	1,125,525	1,092,515	3.7
Construction and development	230,614	223,186	206,052	11.9
Home equity lines	496,171	499,172	516,674	-4.0
Commercial & industrial loans	1,674,122	1,664,072	1,541,635	8.6
Loans to individuals	1,382,426	1,366,721	1,331,679	3.8
Credit cards	683,022	678,337	677,074	0.9
Farm loans	72,966	69,635	67,994	7.3
Other loans & leases	896,442	887,148	809,401	10.8
Less: Unearned income	1,906	1,854	1,857	2.6
Total loans & leases	8,160,114	8,109,169	7,802,031	4.6
Less: Reserve for losses	125,255	128,190	142,582	-12.2
Net loans and leases	8,034,859	7,980,978	7,659,449	4.9
Securities	3,166,150	3,113,091	2,957,632	7.1
Other real estate owned	24,890	27,892	31,819	-21.8
Goodwill and other intangibles	363,944	365,590	367,118	-0.9
All other assets	3,759,328	3,684,889	3,587,570	4.8
Total liabilities and capital	15,349,171	15,172,440	14,603,589	5.1
Deposits	11,596,581	11,490,263	11,028,278	5.2
Domestic office deposits	10,172,703	10,058,721	9,599,748	6.0
Foreign office deposits	1,423,878	1,431,542	1,428,531	-0.3
Other borrowed funds	1,393,682	1,382,342	1,315,650	5.9
Subordinated debt	97,389	97,802	108,673	-10.4
All other liabilities	533,711	486,019	513,739	3.9
Total equity capital (includes minority interests)	1,727,807	1,716,014	1,637,248	5.5
Bank equity capital	1,719,382	1,707,268	1,622,431	6.0
Loans and leases 30-89 days past due	66,250	65,700	73,090	-9.4
Noncurrent loans and leases	171,921	181,577	221,201	-22.3
Restructured loans and leases	89,211	94,110	100,512	-11.2
Mortgage-backed securities	1,718,418	1,716,668	1,668,572	3.0
Earning assets	13,695,240	13,524,176	12,936,612	5.9
FHLB Advances	443,175	437,480	373,052	18.8
Unused loan commitments	6,434,391	6,326,985	6,126,180	5.0
Trust assets	18,175,602	18,342,151	19,034,601	-4.5
Assets securitized and sold	967,830	965,737	761,133	27.2
Notional amount of derivatives	242,940,302	239,190,963	241,599,691	0.6

INCOME DATA	First Three Quarters 2014	First Three Quarters 2013	%Change	3rd Quarter 2014	3rd Quarter 2013	%Change 13Q3-14Q3
Total interest income	$351,532	$352,202	-0.2	$118,781	$117,579	1.0
Total interest expense	35,661	40,855	-12.7	11,846	13,060	-9.3
Net interest income	315,871	311,347	1.5	106,935	104,519	2.3
Provision for loan and lease losses	21,540	25,150	-14.4	7,194	5,805	23.9
Total noninterest income	187,268	192,559	-2.8	64,338	58,913	9.2
Total noninterest expense	314,950	314,635	0.1	108,511	106,486	1.9
Securities gains (losses)	2,347	3,980	-41.0	755	543	39.0
Applicable income taxes	52,444	53,029	-1.1	17,400	15,731	10.6
Extraordinary gains, net	-116	167	N/M	-112	259	N/M
Total net income (includes minority interests)	116,436	115,239	1.0	38,811	36,212	7.2
Bank net income	115,955	114,674	1.1	38,700	36,074	7.3
Net charge-offs	29,658	41,565	-28.7	9,234	11,683	-21.0
Cash dividends	67,150	58,150	15.5	25,505	22,863	11.6
Retained earnings	48,805	56,524	-13.7	13,195	13,212	-0.1
Net operating income	114,875	112,230	2.4	38,367	35,593	7.8

N/M - Not Meaningful

TABLE III-A. Third Quarter 2014, 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	6,589	16	3	1,501	3,285	570	50	371	728	65
Commercial banks	5,705	13	3	1,482	2,967	170	40	334	640	56
Savings institutions	884	3	0	19	318	400	10	37	88	9
Total assets (in billions)	$15,349.2	$605.5	$3,691.3	$254.1	$5,186.5	$435.5	$167.5	$60.5	$128.5	$4,819.8
Commercial banks	14,290.1	516.1	3,691.3	248.6	4,794.2	143.0	82.6	55.6	108.4	4,650.2
Savings institutions	1,059.1	89.4	0.0	5.5	392.3	292.4	84.9	4.8	20.1	169.6
Total deposits (in billions)	11,596.6	339.5	2,583.6	209.4	4,019.7	320.8	140.5	49.2	107.7	3,826.2
Commercial banks	10,789.0	277.0	2,583.6	206.2	3,732.9	107.5	69.6	45.7	91.4	3,675.1
Savings institutions	807.6	62.6	0.0	3.2	286.8	213.3	70.8	3.5	16.2	151.1
Bank net income (in millions)	38,700	4,674	7,273	811	12,217	921	494	321	295	11,695
Commercial banks	35,618	3,612	7,273	781	11,410	455	282	189	266	11,350
Savings institutions	3,082	1,062	0	30	807	466	212	132	29	345
Performance Ratios (annualized, %)										
Yield on earning assets	3.49	10.27	2.77	4.21	3.82	3.40	4.06	3.11	3.98	2.73
Cost of funding earning assets	0.35	0.69	0.36	0.49	0.40	0.68	0.47	0.37	0.46	0.19
Net interest margin	3.14	9.58	2.42	3.72	3.42	2.72	3.59	2.74	3.52	2.54
Noninterest income to assets	1.69	4.11	1.85	0.66	1.27	0.97	1.51	5.32	0.92	1.81
Noninterest expense to assets	2.85	5.82	2.66	2.51	2.89	2.31	2.68	4.85	2.97	2.61
Loan and lease loss provision to assets	0.19	2.27	0.11	0.12	0.12	0.03	0.42	0.08	0.12	0.08
Net operating income to assets	1.01	3.09	0.79	1.27	0.95	0.80	1.18	2.10	0.89	0.96
Pretax return on assets	1.47	4.88	1.17	1.50	1.34	1.23	1.85	2.92	1.12	1.41
Return on assets	1.02	3.10	0.79	1.28	0.95	0.83	1.18	2.13	0.92	0.98
Return on equity	9.04	21.01	8.29	11.32	7.91	6.92	11.98	14.98	7.77	8.78
Net charge-offs to loans and leases	0.45	2.62	0.68	0.09	0.25	0.15	0.57	0.30	0.24	0.26
Loan and lease loss provision to net charge-offs	77.91	110.76	46.50	206.52	68.92	34.17	105.57	97.59	89.32	64.50
Efficiency ratio	61.72	43.67	66.71	60.67	63.84	65.05	53.40	61.78	71.02	62.69
% of unprofitable institutions	6.43	0.00	0.00	2.60	7.06	9.47	0.00	12.67	6.73	4.62
% of institutions with earnings gains	62.89	68.75	66.67	63.56	66.73	54.56	66.00	52.29	55.49	66.15
Structural Changes										
New reporters	0	0	0	0	0	0	0	0	0	0
Institutions absorbed by mergers	64	0	0	13	46	1	0	0	2	2
Failed institutions	2	0	0	0	2	0	0	0	0	0
PRIOR THIRD QUARTERS (The way it was...)										
Return on assets (%) 2013	1.00	3.38	0.52	1.24	0.99	0.92	1.04	1.98	0.85	1.07
2011	1.03	3.04	1.07	1.28	0.77	0.76	2.08	2.12	1.06	0.99
2009	0.06	0.35	-0.04	0.94	-0.32	0.26	0.20	1.03	0.74	0.63
Net charge-offs to loans & leases (%) 2013	0.60	2.91	0.86	0.09	0.35	0.30	0.68	0.46	0.31	0.42
2011	1.46	5.07	1.68	0.41	1.14	0.77	1.56	0.27	0.54	1.27
2009	2.72	10.67	3.18	0.60	2.14	1.59	2.64	0.80	0.57	2.63

* 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 2014, 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	6,589	1,940	3,966	575	108	816	823	1,427	1,614	1,387	522
Commercial banks	5,705	1,710	3,440	463	92	454	744	1,190	1,545	1,295	477
Savings institutions	884	230	526	112	16	362	79	237	69	92	45
Total assets (in billions)	$15,349.2	$114.2	$1,227.5	$1,531.4	$12,476.1	$3,045.0	$3,134.3	$3,503.2	$3,363.9	$884.9	$1,417.9
Commercial banks	14,290.1	100.9	1,040.1	1,240.1	11,909.0	2,582.0	3,048.3	3,393.3	3,302.4	778.2	1,185.9
Savings institutions	1,059.1	13.3	187.4	291.3	567.1	463.0	85.9	110.0	61.5	106.6	232.0
Total deposits (in billions)	11,596.6	96.1	1,021.5	1,192.4	9,286.6	2,253.1	2,429.4	2,552.0	2,528.2	732.2	1,101.8
Commercial banks	10,789.0	85.7	872.6	977.0	8,853.7	1,916.8	2,365.6	2,469.3	2,480.5	644.4	912.4
Savings institutions	807.6	10.4	148.9	215.4	432.9	336.3	63.8	82.7	47.7	87.8	189.3
Bank net income (in millions)	38,700	253	3,168	4,264	31,015	6,577	7,148	7,204	9,512	2,594	5,665
Commercial banks	35,618	223	2,739	3,675	28,982	5,808	6,947	6,941	9,402	2,240	4,280
Savings institutions	3,082	30	430	589	2,033	769	201	263	110	354	1,385
Performance Ratios (annualized, %)											
Yield on earning assets	3.49	4.18	4.24	4.22	3.32	3.74	3.40	2.75	3.73	4.01	4.09
Cost of funding earning assets	0.35	0.48	0.50	0.44	0.32	0.41	0.28	0.27	0.40	0.33	0.44
Net interest margin	3.14	3.71	3.74	3.78	3.00	3.32	3.12	2.48	3.33	3.68	3.64
Noninterest income to assets	1.69	1.14	1.12	1.30	1.80	1.54	1.66	1.87	1.50	1.38	2.25
Noninterest expense to assets	2.85	3.39	3.17	3.04	2.79	2.86	3.03	2.75	2.69	3.09	2.89
Loan and lease loss provision to assets	0.19	0.12	0.12	0.15	0.20	0.33	0.17	0.08	0.15	0.13	0.30
Net operating income to assets	1.01	0.87	1.02	1.13	0.99	0.86	0.89	0.83	1.13	1.17	1.62
Pretax return on assets	1.47	1.05	1.31	1.55	1.48	1.32	1.26	1.23	1.63	1.53	2.42
Return on assets	1.02	0.89	1.04	1.11	1.00	0.86	0.93	0.83	1.14	1.17	1.61
Return on equity	9.04	7.23	9.31	9.32	8.99	7.22	7.54	8.34	11.01	10.47	12.67
Net charge-offs to loans and leases	0.45	0.22	0.18	0.24	0.53	0.68	0.35	0.32	0.55	0.21	0.44
Loan and lease loss provision to net charge-offs	77.91	96.16	100.41	94.90	75.59	91.66	84.59	58.00	53.00	100.96	108.99
Efficiency ratio	61.72	74.39	68.97	62.22	60.80	58.91	67.56	67.05	58.87	64.57	50.84
% of unprofitable institutions	6.43	11.49	4.69	2.43	0.93	8.82	9.72	7.29	4.34	4.04	8.05
% of institutions with earnings gains	62.89	56.08	65.18	68.70	70.37	62.38	62.33	60.97	62.52	64.82	65.90
Structural Changes											
New reporters	0	0	0	0	0	0	0	0	0	0	0
Institutions absorbed by mergers	64	25	35	4	0	7	12	15	13	13	4
Failed institutions	2	1	1	0	0	0	1	1	0	0	0
PRIOR THIRD QUARTERS (The way it was...)											
Return on assets (%) 2013	1.00	0.74	0.92	1.17	0.99	1.06	0.94	0.53	1.25	1.06	1.54
2011	1.03	0.61	0.64	0.91	1.10	0.97	0.76	0.96	1.26	1.06	1.46
2009	0.06	0.11	-0.10	-0.54	0.17	0.05	-0.16	0.24	0.85	0.47	-0.31
Net charge-offs to loans & leases (%) 2013	0.60	0.28	0.34	0.31	0.68	0.81	0.55	0.46	0.75	0.28	0.50
2011	1.46	0.63	0.92	1.00	1.63	1.79	1.70	1.02	1.66	0.88	1.05
2009	2.72	0.88	1.27	2.17	3.10	3.07	2.70	2.59	2.53	1.45	3.15

* 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 2014, 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	6,589	16	3	1,501	3,285	570	50	371	728	65
Commercial banks	5,705	13	3	1,482	2,967	170	40	334	640	56
Savings institutions	884	3	0	19	318	400	10	37	88	9
Total assets (in billions)	$15,349.2	$605.5	$3,691.3	$254.1	$5,186.5	$435.5	$167.5	$60.5	$128.5	$4,819.8
Commercial banks	14,290.1	516.1	3,691.3	248.6	4,794.2	143.0	82.6	55.6	108.4	4,650.2
Savings institutions	1,059.1	89.4	0.0	5.5	392.3	292.4	84.9	4.8	20.1	169.6
Total deposits (in billions)	11,596.6	339.5	2,583.6	209.4	4,019.7	320.8	140.5	49.2	107.7	3,826.2
Commercial banks	10,789.0	277.0	2,583.6	206.2	3,732.9	107.5	69.6	45.7	91.4	3,675.1
Savings institutions	807.6	62.6	0.0	3.2	286.8	213.3	70.8	3.5	16.2	151.1
Bank net income (in millions)	115,955	14,332	22,304	2,258	36,650	2,886	1,362	932	858	34,373
Commercial banks	107,048	11,375	22,304	2,177	34,335	1,458	727	537	779	33,357
Savings institutions	8,907	2,957	0	82	2,315	1,429	635	395	79	1,015
Performance Ratios (annualized, %)										
Yield on earning assets	3.51	10.10	2.79	4.13	3.84	3.40	3.95	3.11	3.96	2.77
Cost of funding earning assets	0.36	0.67	0.38	0.49	0.40	0.67	0.47	0.37	0.47	0.20
Net interest margin	3.15	9.43	2.41	3.63	3.44	2.73	3.47	2.74	3.49	2.57
Noninterest income to assets	1.66	4.28	1.75	0.61	1.26	0.95	1.36	5.10	0.89	1.80
Noninterest expense to assets	2.80	5.79	2.55	2.48	2.86	2.25	2.53	4.74	2.96	2.60
Loan and lease loss provision to assets	0.19	2.13	0.12	0.10	0.13	0.04	0.45	0.06	0.10	0.08
Net operating income to assets	1.02	3.20	0.82	1.18	0.97	0.83	1.10	2.05	0.87	0.96
Pretax return on assets	1.50	5.07	1.18	1.41	1.37	1.27	1.72	2.84	1.08	1.44
Return on assets	1.03	3.20	0.81	1.20	0.97	0.86	1.10	2.08	0.90	0.98
Return on equity	9.19	21.69	8.62	10.76	8.11	7.27	11.31	14.97	7.71	8.71
Net charge-offs to loans and leases	0.49	2.86	0.73	0.09	0.26	0.19	0.62	0.24	0.23	0.29
Loan and lease loss provision to net charge-offs	72.63	95.39	46.68	179.24	72.66	37.42	103.26	83.66	84.00	59.55
Efficiency ratio	61.34	43.20	65.50	62.05	64.12	63.41	53.00	62.06	71.71	62.30
% of unprofitable institutions	6.57	0.00	0.00	2.80	7.25	9.47	2.00	10.51	7.69	4.62
% of institutions with earnings gains	60.07	68.75	66.67	60.96	63.29	50.53	46.00	54.45	55.08	56.92
Condition Ratios (%)										
Earning assets to total assets	89.22	92.51	86.70	92.77	89.98	93.91	95.57	90.98	92.52	88.99
Loss allowance to:										
Loans and leases	1.53	3.31	1.96	1.45	1.35	1.20	1.14	1.87	1.46	1.27
Noncurrent loans and leases	72.86	318.98	80.17	141.44	90.22	38.49	79.31	114.00	79.51	40.88
Noncurrent assets plus other real estate owned to assets	1.29	0.82	0.90	0.88	1.30	2.27	1.10	0.75	1.45	1.58
Equity capital ratio	11.20	14.89	9.52	11.40	11.97	12.02	9.96	14.31	11.92	11.09
Core capital (leverage) ratio	9.52	12.74	8.35	10.62	10.17	11.13	9.80	13.65	11.54	8.94
Tier 1 risk-based capital ratio	13.01	13.48	12.40	14.77	12.78	21.11	13.89	31.34	20.17	12.64
Total risk-based capital ratio	14.44	15.70	13.06	15.89	14.35	22.16	14.70	32.34	21.34	14.41
Net loans and leases to deposits	69.29	135.93	48.37	76.67	86.68	83.48	84.01	34.12	64.02	57.69
Net loans to total assets	52.35	76.23	33.85	63.19	67.18	61.49	70.44	27.77	53.64	45.79
Domestic deposits to total assets	66.28	53.33	44.25	82.41	76.65	73.65	83.84	80.35	83.79	70.84
Structural Changes										
New reporters	0	0	0	0	0	0	0	0	0	0
Institutions absorbed by mergers	199	0	0	37	139	6	0	2	7	8
Failed institutions	14	0	0	1	9	2	0	0	2	0
PRIOR FIRST THREE QUARTERS (The way it was...)										
Number of institutions 2013	6,891	17	4	1,536	3,433	597	47	400	791	66
2011	7,437	18	5	1,552	3,854	714	71	363	801	59
2009	8,099	24	4	1,580	4,540	795	81	284	732	59
Total assets (in billions) 2013	$14,603.6	$596.3	$3,729.4	$243.9	$4,773.7	$554.0	$149.3	$63.9	$137.9	$4,355.2
2011	13,811.9	532.0	3,665.3	208.5	4,170.5	798.3	98.8	54.0	136.4	4,148.1
2009	13,226.0	480.2	3,183.4	177.7	5,183.9	852.0	95.8	37.8	102.7	3,112.5
Return on assets (%) 2013	1.06	3.26	0.83	1.19	0.91	0.98	1.28	1.74	0.87	1.10
2011	0.92	3.62	0.81	1.14	0.71	0.60	1.75	1.80	0.92	0.89
2009	-0.11	-6.25	0.00	0.91	-0.23	0.47	0.22	0.64	0.79	0.62
Net charge-offs to loans & leases (%) 2013	0.72	3.21	1.03	0.11	0.44	0.37	0.77	0.61	0.32	0.51
2011	1.61	5.58	2.07	0.36	1.21	0.90	1.78	0.48	0.50	1.30
2009	2.38	9.93	2.90	0.52	1.77	1.26	2.64	0.81	0.46	2.31
Noncurrent assets plus OREO to assets (%) 2013	1.75	0.90	1.13	0.98	1.81	2.16	0.66	0.95	1.56	2.37
2011	2.66	1.41	1.59	1.59	3.19	2.68	1.13	0.99	1.87	3.36
2009	3.09	2.18	2.64	1.59	3.71	3.17	1.25	0.60	1.35	2.85
Equity capital ratio (%) 2013	11.11	14.89	8.80	11.01	11.81	11.40	9.64	13.71	11.34	11.77
2011	11.30	15.79	8.81	11.50	11.93	10.61	9.86	15.50	11.68	12.37
2009	10.76	22.08	8.45	11.32	10.96	9.30	10.87	17.58	11.84	11.26

* 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 2014, 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	6,589	1,940	3,966	575	108	816	823	1,427	1,614	1,387	522
Commercial banks	5,705	1,710	3,440	463	92	454	744	1,190	1,545	1,295	477
Savings institutions	884	230	526	112	16	362	79	237	69	92	45
Total assets (in billions)	$15,349.2	$114.2	$1,227.5	$1,531.4	$12,476.1	$3,045.0	$3,134.3	$3,503.2	$3,363.9	$884.9	$1,417.9
Commercial banks	14,290.1	100.9	1,040.1	1,240.1	11,909.0	2,582.0	3,048.3	3,393.3	3,302.4	778.2	1,185.9
Savings institutions	1,059.1	13.3	187.4	291.3	567.1	463.0	85.9	110.0	61.5	106.6	232.0
Total deposits (in billions)	11,596.6	96.1	1,021.5	1,192.4	9,286.6	2,253.1	2,429.4	2,552.0	2,528.2	732.2	1,101.8
Commercial banks	10,789.0	85.7	872.6	977.0	8,853.7	1,916.8	2,365.6	2,469.3	2,480.5	644.4	912.4
Savings institutions	807.6	10.4	148.9	215.4	432.9	336.3	63.8	82.7	47.7	87.8	189.3
Bank net income (in millions)	115,955	717	8,956	12,183	94,099	21,193	20,745	23,010	28,054	7,579	15,374
Commercial banks	107,048	636	7,753	10,400	88,259	18,926	20,199	22,242	27,678	6,548	11,457
Savings institutions	8,907	81	1,203	1,783	5,840	2,267	546	768	376	1,031	3,917
Performance Ratios (annualized, %)											
Yield on earning assets	3.51	4.12	4.19	4.21	3.34	3.77	3.43	2.78	3.73	3.96	4.09
Cost of funding earning assets	0.36	0.48	0.50	0.43	0.33	0.41	0.29	0.29	0.41	0.34	0.44
Net interest margin	3.15	3.64	3.69	3.78	3.01	3.36	3.14	2.49	3.32	3.62	3.65
Noninterest income to assets	1.66	1.10	1.08	1.22	1.78	1.53	1.65	1.86	1.50	1.35	2.07
Noninterest expense to assets	2.80	3.37	3.14	3.01	2.73	2.79	3.00	2.69	2.63	3.04	2.86
Loan and lease loss provision to assets	0.19	0.11	0.12	0.16	0.20	0.33	0.17	0.10	0.15	0.12	0.30
Net operating income to assets	1.02	0.82	0.97	1.07	1.02	0.94	0.87	0.89	1.14	1.14	1.50
Pretax return on assets	1.50	0.99	1.25	1.51	1.52	1.43	1.29	1.27	1.66	1.51	2.29
Return on assets	1.03	0.84	0.99	1.08	1.03	0.94	0.91	0.89	1.14	1.15	1.50
Return on equity	9.19	6.94	9.00	9.05	9.25	7.87	7.40	9.10	10.95	10.43	11.84
Net charge-offs to loans and leases	0.49	0.21	0.20	0.28	0.57	0.73	0.40	0.35	0.60	0.21	0.48
Loan and lease loss provision to net charge-offs	72.63	92.30	95.62	85.45	70.52	85.60	72.18	64.53	48.35	92.33	103.93
Efficiency ratio	61.34	75.60	69.72	63.11	60.14	58.78	67.30	65.77	57.83	64.72	52.05
% of unprofitable institutions	6.57	12.06	4.66	2.26	0.93	7.97	10.33	7.92	3.90	4.40	8.81
% of institutions with earnings gains	60.07	55.41	61.47	65.57	62.96	57.35	62.09	54.94	62.64	63.45	58.24
Condition Ratios (%)											
Earning assets to total assets	89.22	91.83	92.43	91.64	88.59	89.40	88.25	88.53	88.67	91.39	92.68
Loss allowance to:											
Loans and leases	1.53	1.59	1.50	1.42	1.56	1.56	1.44	1.65	1.65	1.38	1.35
Noncurrent loans and leases	72.86	95.48	98.65	82.63	69.25	103.15	53.80	71.45	61.50	92.22	141.12
Noncurrent assets plus other real estate owned to assets	1.29	1.57	1.54	1.50	1.24	0.92	1.71	1.19	1.61	1.28	0.69
Equity capital ratio	11.20	12.35	11.19	11.98	11.10	12.02	12.11	9.93	10.31	11.15	12.72
Core capital (leverage) ratio	9.52	12.05	10.81	10.60	9.23	9.85	9.46	8.78	9.07	10.00	11.48
Tier 1 risk-based capital ratio	13.01	19.65	15.83	14.60	12.49	13.74	12.74	12.06	12.35	14.00	15.26
Total risk-based capital ratio	14.44	20.74	16.98	15.73	13.99	15.46	14.41	13.10	13.88	15.20	16.44
Net loans and leases to deposits	69.29	67.23	76.72	84.62	66.52	71.96	71.48	61.00	67.92	74.63	77.76
Net loans to total assets	52.35	56.59	63.84	65.89	49.52	53.25	55.40	44.44	51.05	61.75	60.42
Domestic deposits to total assets	66.28	84.17	83.15	77.49	63.08	65.47	74.69	61.25	55.81	82.40	76.60
Structural Changes											
New reporters	0	0	0	0	0	0	0	0	0	0	0
Institutions absorbed by mergers	199	69	110	18	2	18	38	40	43	40	20
Failed institutions	14	8	6	0	0	2	4	5	0	2	1
PRIOR FIRST THREE QUARTERS (The way it was...)											
Number of institutions 2013	6,891	2,116	4,107	561	107	854	875	1,480	1,675	1,454	553
2011	7,437	2,491	4,279	561	106	924	974	1,563	1,792	1,555	629
2009	8,099	2,915	4,493	579	112	989	1,140	1,666	1,895	1,672	737
Total assets (in billions) 2013	$14,603.6	$123.5	$1,245.5	$1,453.1	$11,781.5	$2,876.9	$2,981.8	$3,398.6	$3,166.6	$864.0	$1,315.8
2011	13,811.9	142.9	1,273.4	1,425.0	10,970.6	2,842.2	2,954.3	3,169.9	2,901.9	801.8	1,141.7
2009	13,226.0	160.5	1,345.7	1,497.5	10,222.3	2,481.0	3,449.9	3,106.2	1,077.7	755.4	2,355.8
Return on assets (%) 2013	1.06	0.76	0.92	1.18	1.06	0.82	1.03	0.91	1.26	1.12	1.54
2011	0.92	0.54	0.59	0.85	0.97	1.07	0.61	0.81	0.98	0.97	1.47
2009	-0.11	0.19	0.05	-0.37	-0.10	-1.23	0.10	0.22	0.73	0.35	-0.23
Net charge-offs to loans & leases (%) 2013	0.72	0.30	0.35	0.38	0.82	0.97	0.69	0.50	0.91	0.33	0.58
2011	1.61	0.58	0.85	1.17	1.81	1.97	1.73	1.19	1.94	0.87	1.18
2009	2.38	0.78	1.01	1.83	2.74	2.73	2.18	2.15	2.40	1.20	3.10
Noncurrent assets plus OREO to assets (%) 2013	1.75	1.83	1.98	1.96	1.69	1.20	2.48	1.54	2.08	1.72	1.03
2011	2.66	2.39	3.18	3.26	2.52	1.79	3.81	2.40	2.77	2.75	2.17
2009	3.09	2.13	3.14	3.52	3.03	1.92	3.52	3.19	3.45	2.65	3.51
Equity capital ratio (%) 2013	11.11	11.82	10.83	11.76	11.05	12.00	12.30	9.13	10.64	10.87	12.85
2011	11.30	11.98	10.80	11.85	11.27	12.55	12.18	8.62	11.18	11.15	13.71
2009	10.76	12.41	10.11	10.75	10.82	12.27	11.57	8.68	10.85	10.41	10.78

* 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, 2014	All Insured Institutions	Asset Concentration Groups*								
		Credit Card Banks	International Banks	Agricultural Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <$1 Billion	All Other <$1 Billion	All Other >$1 Billion
Percent of Loans 30-89 Days Past Due										
All loans secured by real estate	1.01	0.03	1.54	0.65	0.63	1.00	0.77	1.34	1.27	1.55
Construction and development	0.50	0.00	0.54	0.82	0.46	0.51	0.44	0.92	1.10	0.53
Nonfarm nonresidential	0.36	0.00	0.19	0.61	0.36	0.50	2.20	0.96	0.83	0.27
Multifamily residential real estate	0.21	0.00	0.08	0.18	0.24	0.28	0.90	1.34	0.62	0.17
Home equity loans	0.68	0.67	0.99	0.36	0.56	0.65	0.49	0.48	0.72	0.70
Other 1-4 family residential	1.74	0.02	2.54	1.21	1.13	1.11	0.72	1.86	1.61	2.44
Commercial and industrial loans	0.26	0.84	0.33	0.90	0.25	0.56	0.10	0.98	0.89	0.15
Loans to individuals	1.33	1.18	1.35	1.44	1.12	1.06	0.78	1.55	1.84	1.86
Credit card loans	1.19	1.18	1.22	1.15	1.20	1.57	0.69	1.43	1.30	1.47
Other loans to individuals	1.46	1.23	1.58	1.47	1.11	1.01	0.80	1.56	1.85	1.94
All other loans and leases (including farm)	0.19	0.32	0.22	0.33	0.23	0.10	0.24	0.62	0.40	0.11
Total loans and leases	0.81	1.14	0.95	0.63	0.55	0.94	0.73	1.27	1.23	1.06
Percent of Loans Noncurrent**										
All real estate loans	3.57	0.55	5.65	1.24	2.07	3.44	3.78	1.91	2.07	6.01
Construction and development	2.55	0.00	1.30	2.04	2.56	2.02	28.15	3.45	3.87	2.47
Nonfarm nonresidential	1.48	3.30	0.96	1.79	1.41	1.72	11.17	1.79	2.32	1.66
Multifamily residential real estate	0.50	0.00	0.35	0.63	0.54	0.83	2.07	1.40	1.41	0.44
Home equity loans	2.62	0.00	3.71	1.07	1.43	2.02	2.72	0.78	0.68	3.62
Other 1-4 family residential	5.93	0.47	9.53	1.24	3.31	3.83	2.98	1.89	1.97	8.92
Commercial and industrial loans	0.55	0.74	0.52	1.34	0.63	1.11	0.60	1.50	1.70	0.36
Loans to individuals	0.93	1.07	1.07	0.55	0.80	0.57	0.77	0.63	0.98	0.78
Credit card loans	1.10	1.09	1.08	0.26	1.16	1.20	1.16	0.68	0.57	1.23
Other loans to individuals	0.76	0.73	1.05	0.57	0.75	0.50	0.65	0.63	0.99	0.69
All other loans and leases (including farm)	0.23	0.27	0.26	0.41	0.29	0.14	0.09	0.37	0.45	0.14
Total loans and leases	2.11	1.04	2.44	1.02	1.50	3.12	1.44	1.64	1.84	3.11
Percent of Loans Charged-Off (net, YTD)										
All real estate loans	0.21	0.04	0.33	0.06	0.20	0.18	0.34	0.12	0.18	0.18
Construction and development	0.03	0.00	-0.23	0.00	0.16	0.23	0.15	0.30	0.35	-0.55
Nonfarm nonresidential	0.10	0.00	-0.03	0.08	0.14	0.16	-0.04	0.12	0.21	-0.02
Multifamily residential real estate	0.02	0.00	-0.01	0.08	0.04	0.10	-0.04	-0.85	0.06	-0.03
Home equity loans	0.60	0.00	0.67	0.26	0.41	0.58	0.96	0.05	0.18	0.79
Other 1-4 family residential	0.21	0.04	0.32	0.10	0.28	0.15	0.16	0.15	0.17	0.12
Commercial and industrial loans	0.23	2.40	0.16	0.21	0.21	0.29	0.09	0.44	0.45	0.11
Loans to individuals	1.96	2.92	2.84	0.37	0.93	0.93	0.77	0.47	0.41	1.25
Credit card loans	3.18	2.98	3.73	0.77	3.56	3.70	2.08	1.76	1.43	3.29
Other loans to individuals	0.75	1.39	1.30	0.34	0.54	0.62	0.36	0.35	0.39	0.82
All other loans and leases (including farm)	0.09	0.00	0.09	0.00	0.16	0.07	0.10	0.82	0.00	0.04
Total loans and leases	0.49	2.86	0.73	0.09	0.26	0.19	0.62	0.24	0.23	0.29
Loans Outstanding (in billions)										
All real estate loans	$4,136.1	$0.3	$465.7	$97.0	$2,159.9	$242.4	$27.5	$12.2	$53.0	$1,078.1
Construction and development	230.6	0.0	6.2	5.2	171.7	4.7	0.4	0.9	3.0	38.6
Nonfarm nonresidential	1,133.2	0.0	34.5	26.3	822.8	20.0	1.8	4.3	12.9	210.5
Multifamily residential real estate	289.0	0.0	51.2	2.8	192.2	5.5	0.3	0.3	1.3	35.4
Home equity loans	496.2	0.0	80.6	1.8	210.4	14.0	6.4	0.4	2.1	180.4
Other 1-4 family residential	1,838.2	0.3	234.5	25.0	727.4	197.4	18.5	5.6	29.7	599.9
Commercial and industrial loans	1,674.1	37.5	270.9	19.9	826.8	6.6	6.5	2.2	6.1	497.7
Loans to individuals	1,382.4	435.8	248.1	6.5	287.8	6.4	83.0	1.7	6.2	306.9
Credit card loans	683.0	419.2	155.1	0.5	37.0	0.6	19.2	0.1	0.1	51.3
Other loans to individuals	699.4	16.7	93.0	6.0	250.8	5.8	63.8	1.6	6.1	255.6
All other loans and leases (including farm)	969.4	3.7	290.4	39.6	258.8	15.7	2.4	1.0	4.6	353.0
Total loans and leases (plus unearned income)	8,162.0	477.3	1,275.1	163.0	3,533.3	271.1	119.4	17.1	70.0	2,235.7
Memo: Other Real Estate Owned (in millions)										
All other real estate owned	24,890.5	0.2	1,278.0	542.3	14,204.1	1,358.6	124.8	171.6	552.6	6,658.2
Construction and development	6,891.5	0.0	3.0	195.6	5,450.9	162.9	16.0	69.6	168.2	825.4
Nonfarm nonresidential	5,653.2	0.0	62.0	189.0	4,327.8	101.0	34.6	56.3	174.8	707.6
Multifamily residential real estate	506.6	0.0	1.0	21.9	402.7	10.0	0.1	7.3	9.3	54.2
1-4 family residential	6,098.7	0.2	571.0	93.0	3,315.1	400.7	66.1	35.5	185.6	1,431.6
Farmland	280.5	0.0	0.0	42.6	209.6	1.6	0.0	2.9	14.8	9.0
GNMA properties	5,410.8	0.0	594.0	0.3	497.7	682.2	8.1	0.0	0.1	3,628.5

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

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

September 30, 2014	All Insured Institutions	Asset Size Distribution: Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater Than $10 Billion	Geographic Regions*: New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate	1.01	1.29	0.71	0.67	1.16	0.67	1.19	1.06	1.45	0.87	0.45
Construction and development	0.50	1.12	0.60	0.53	0.42	0.56	0.49	0.44	0.58	0.54	0.23
Nonfarm nonresidential	0.36	1.08	0.54	0.35	0.27	0.39	0.34	0.42	0.32	0.41	0.23
Multifamily residential real estate	0.21	0.70	0.43	0.18	0.17	0.22	0.21	0.18	0.19	0.22	0.23
Home equity loans	0.68	0.61	0.54	0.51	0.71	0.50	0.75	0.82	0.71	0.46	0.41
Other 1-4 family residential	1.74	1.77	1.05	1.24	1.95	1.08	1.94	1.76	2.49	1.70	0.75
Commercial and industrial loans	0.26	1.23	0.67	0.36	0.21	0.24	0.15	0.36	0.22	0.44	0.27
Loans to individuals	1.33	1.85	1.68	1.45	1.31	1.09	2.02	1.20	1.41	0.90	1.06
Credit card loans	1.19	2.94	1.60	1.91	1.17	0.96	1.84	0.98	1.27	0.67	1.46
Other loans to individuals	1.46	1.84	1.68	1.25	1.47	1.44	2.11	1.27	1.57	1.02	0.73
All other loans and leases (including farm)	0.19	0.40	0.31	0.26	0.18	0.10	0.12	0.38	0.09	0.26	0.31
Total loans and leases	0.81	1.20	0.73	0.65	0.84	0.65	0.95	0.82	0.98	0.74	0.53
Percent of Loans Noncurrent**											
All real estate loans	3.57	1.87	1.66	2.06	4.43	2.26	4.69	4.06	4.97	2.03	1.35
Construction and development	2.55	3.23	3.08	2.76	2.19	3.17	3.46	2.50	1.99	1.64	2.06
Nonfarm nonresidential	1.48	2.25	1.72	1.38	1.42	1.75	1.47	1.75	1.49	1.16	1.02
Multifamily residential real estate	0.50	1.79	1.12	0.57	0.37	0.32	0.58	0.68	0.60	0.84	0.41
Home equity loans	2.62	1.00	0.83	1.06	2.92	1.90	3.41	2.72	2.77	1.77	1.00
Other 1-4 family residential	5.93	1.86	1.58	3.30	7.19	3.20	7.27	6.79	8.43	3.45	1.80
Commercial and industrial loans	0.55	1.92	1.34	0.98	0.43	0.70	0.42	0.57	0.55	0.72	0.47
Loans to individuals	0.93	0.87	1.10	0.80	0.93	0.91	1.03	0.82	1.06	0.70	0.80
Credit card loans	1.10	0.96	1.01	1.67	1.08	0.94	1.46	0.98	1.13	1.15	1.30
Other loans to individuals	0.76	0.86	1.11	0.40	0.77	0.83	0.82	0.77	0.98	0.47	0.38
All other loans and leases (including farm)	0.23	0.65	0.46	0.37	0.20	0.33	0.20	0.13	0.26	0.28	0.26
Total loans and leases	2.11	1.66	1.52	1.72	2.25	1.51	2.67	2.31	2.68	1.50	0.96
Percent of Loans Charged-Off (net, YTD)											
All real estate loans	0.21	0.17	0.15	0.16	0.23	0.22	0.25	0.24	0.24	0.10	0.03
Construction and development	0.03	0.30	0.19	0.03	-0.05	0.40	0.20	0.08	-0.52	0.01	-0.35
Nonfarm nonresidential	0.10	0.21	0.15	0.13	0.07	0.14	0.15	0.16	0.00	0.07	0.04
Multifamily residential real estate	0.02	0.11	0.15	0.06	-0.02	0.00	0.04	0.04	-0.02	0.08	0.01
Home equity loans	0.60	0.18	0.22	0.27	0.67	0.36	0.82	0.59	0.71	0.51	0.14
Other 1-4 family residential	0.21	0.19	0.15	0.24	0.21	0.29	0.16	0.23	0.29	0.11	0.05
Commercial and industrial loans	0.23	0.36	0.34	0.26	0.21	0.36	0.15	0.23	0.14	0.15	0.37
Loans to individuals	1.96	0.50	0.69	1.58	2.03	2.28	1.64	1.25	2.64	1.06	1.70
Credit card loans	3.18	3.22	3.70	3.46	3.17	2.81	3.44	3.08	3.81	1.97	3.27
Other loans to individuals	0.75	0.47	0.48	0.72	0.77	0.81	0.76	0.65	1.13	0.59	0.39
All other loans and leases (including farm)	0.09	0.00	0.15	0.17	0.08	0.11	0.05	0.12	0.06	0.18	0.09
Total loans and leases	0.49	0.21	0.20	0.28	0.57	0.73	0.40	0.35	0.60	0.21	0.48
Loans Outstanding (in billions)											
All real estate loans	$4,136.1	$45.3	$609.1	$737.7	$2,743.9	$838.0	$901.7	$804.1	$826.5	$341.5	$424.3
Construction and development	230.6	2.7	51.7	59.7	116.5	43.4	49.7	36.7	34.5	45.3	20.9
Nonfarm nonresidential	1,133.2	12.2	239.4	294.0	587.6	259.2	232.8	185.6	165.5	133.9	156.3
Multifamily residential real estate	289.0	1.4	31.8	65.1	190.7	101.6	35.0	77.6	25.4	12.3	37.1
Home equity loans	496.2	1.2	27.5	47.2	420.3	91.0	129.7	124.8	102.7	19.3	28.7
Other 1-4 family residential	1,838.2	20.5	216.7	254.1	1,346.9	338.7	444.9	358.9	407.6	117.0	171.2
Commercial and industrial loans	1,674.1	7.8	104.1	161.8	1,400.4	256.6	401.8	345.3	354.3	118.3	197.8
Loans to individuals	1,382.4	4.1	35.7	72.8	1,269.8	392.1	248.8	202.3	296.9	55.3	187.0
Credit card loans	683.0	0.0	2.3	23.0	657.7	285.7	81.3	49.5	162.8	18.4	85.3
Other loans to individuals	699.4	4.1	33.4	49.8	612.1	106.4	167.5	152.8	134.1	36.9	101.7
All other loans and leases (including farm)	969.4	8.4	47.1	51.6	862.3	160.8	209.5	231.3	268.8	39.2	59.8
Total loans and leases (plus unearned income)	8,162.0	65.7	796.0	1,024.0	6,276.4	1,647.5	1,761.9	1,583.0	1,746.5	554.2	868.9
Memo: Other Real Estate Owned (in millions)											
All other real estate owned	24,890.5	697.1	6,620.9	5,328.3	12,244.2	3,131.5	6,369.4	4,588.0	6,381.5	2,962.0	1,458.1
Construction and development	6,891.5	233.8	3,007.8	2,038.8	1,611.1	685.1	1,990.1	945.5	1,453.7	1,275.0	542.1
Nonfarm nonresidential	5,653.2	233.1	2,167.4	1,633.2	1,619.4	826.2	1,220.2	1,195.5	1,021.7	940.0	449.6
Multifamily residential real estate	506.6	25.7	167.7	112.5	200.8	179.1	61.6	98.6	84.9	56.1	26.2
1-4 family residential	6,098.7	187.2	1,137.3	1,084.5	3,689.6	1,167.9	1,601.7	1,405.2	978.0	548.8	397.1
Farmland	280.5	17.3	139.1	100.7	23.4	19.4	67.8	56.1	42.2	74.0	20.9
GNMA properties	5,410.8	0.1	1.6	358.6	5,050.5	253.8	1,428.0	887.2	2,751.9	68.1	21.8

*** 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 2014	2nd Quarter 2014	1st Quarter 2014	4th Quarter 2013	3rd Quarter 2013	% Change 13Q3-14Q3	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	1,391	1,407	1,399	1,389	1,424	-2.3	71	833	386	101
Total assets of institutions reporting derivatives	$13,713,227	$13,523,258	$13,250,724	$13,073,466	$12,913,916	6.2	$5,108	$344,375	$1,121,559	$12,242,185
Total deposits of institutions reporting derivatives	10,291,118	10,169,544	9,980,762	9,855,694	9,682,692	6.3	4,306	283,395	888,637	9,114,781
Total derivatives	242,940,302	239,190,963	231,800,037	237,047,901	241,599,691	0.6	248	19,685	94,423	242,825,947
Derivative Contracts by Underlying Risk Exposure										
Interest rate	190,894,367	191,551,667	184,416,428	193,079,712	194,272,564	-1.7	247	17,382	87,062	190,789,676
Foreign exchange*	37,993,284	33,394,789	32,803,419	29,508,040	31,016,109	22.5	0	2,139	6,303	37,984,842
Equity	2,317,269	2,198,432	2,152,493	2,060,642	2,178,167	6.4	0	73	381	2,316,815
Commodity & other (excluding credit derivatives)	1,327,011	1,214,397	1,263,060	1,208,874	1,339,676	-0.9	1	1	156	1,326,853
Credit	10,408,372	10,831,679	11,164,636	11,190,633	12,793,174	-18.6	0	91	520	10,407,762
Total	242,940,302	239,190,963	231,800,037	237,047,901	241,599,691	0.6	248	19,685	94,423	242,825,947
Derivative Contracts by Transaction Type										
Swaps	148,328,645	146,510,078	141,280,789	152,465,179	151,915,064	-2.4	44	7,223	50,254	148,271,124
Futures & forwards	45,058,646	45,263,675	42,478,719	40,026,988	40,136,119	12.3	68	6,900	22,592	45,029,086
Purchased options	17,991,014	17,296,921	17,199,263	16,122,514	16,902,690	6.4	20	761	5,515	17,984,719
Written options	17,560,650	16,877,396	16,931,243	16,215,033	17,098,677	2.7	115	4,700	15,364	17,540,470
Total	228,938,955	225,948,070	217,890,014	224,829,713	226,052,549	1.3	248	19,584	93,725	228,825,398
Fair Value of Derivative Contracts										
Interest rate contracts	65,126	72,249	72,732	71,270	64,832	0.5	1	36	118	64,970
Foreign exchange contracts	13,334	4,729	5,563	5,991	-10,390	N/M	0	0	14	13,320
Equity contracts	-657	412	1,548	32	-1,928	N/M	0	3	4	-664
Commodity & other (excluding credit derivatives)	219	965	-893	1,350	1,181	-81.5	0	0	-5	224
Credit derivatives as guarantor	67,082	92,998	80,869	74,838	27,220	146.4	0	0	0	67,083
Credit derivatives as beneficiary	-62,731	-88,369	-77,438	-71,220	-22,646	N/M	0	0	-25	-62,706
Derivative Contracts by Maturity**										
Interest rate contracts < 1 year	79,984,475	81,212,198	77,787,391	77,758,364	91,687,405	-12.8	67	4,602	16,664	79,963,143
1-5 years	40,334,367	38,531,976	37,365,369	44,157,011	32,673,865	23.4	36	3,493	25,535	40,305,303
> 5 years	22,393,347	24,201,834	24,024,347	24,628,239	21,497,254	4.2	28	3,959	22,973	22,366,387
Foreign exchange contracts < 1 year	22,803,490	20,746,687	20,017,155	18,289,804	18,911,771	20.6	0	1,632	2,966	22,798,892
1-5 years	2,446,736	2,420,184	2,297,506	2,324,853	2,869,454	-14.7	0	0	77	2,446,659
> 5 years	1,021,146	1,016,489	974,365	1,029,287	1,503,977	-32.1	0	0	0	1,021,146
Equity contracts < 1 year	763,470	698,674	673,720	645,046	694,983	9.9	0	4	54	763,412
1-5 years	323,010	292,130	305,141	291,190	309,578	4.3	0	11	114	322,886
> 5 years	77,484	81,116	89,804	135,907	88,294	-12.2	0	21	26	77,436
Commodity & other contracts < 1 year	391,671	360,565	379,469	338,091	375,292	4.4	0	0	65	391,606
1-5 years	217,997	150,937	140,984	163,812	175,069	24.5	0	0	4	217,993
> 5 years	19,107	18,082	18,960	5,903	16,142	18.4	0	0	0	19,107
Risk-Based Capital: Credit Equivalent Amount										
Total current exposure to tier 1 capital (%)	26.0	23.5	23.5	26.1	27.1		0.1	0.4	0.5	29.5
Total potential future exposure to tier 1 capital (%)	53.2	55.1	56.2	58.1	61.9		0.1	0.3	0.5	60.4
Total exposure (credit equivalent amount) to tier 1 capital (%)	79.2	78.6	79.7	84.3	88.9		0.2	0.7	1.0	89.9
Credit losses on derivatives***	83.0	69.0	13.0	264.0	181.0	-54.1	0.0	0.0	0.0	83.0
HELD FOR TRADING										
Number of institutions reporting derivatives	245	247	243	252	241	1.7	9	88	85	63
Total assets of institutions reporting derivatives	11,015,566	10,889,657	10,638,660	10,559,491	10,400,363	5.9	633	40,473	297,413	10,677,047
Total deposits of institutions reporting derivatives	8,262,986	8,185,857	7,997,380	7,964,587	7,786,249	6.1	535	33,721	233,992	7,994,738
Derivative Contracts by Underlying Risk Exposure										
Interest rate	187,909,413	188,491,623	181,280,483	189,137,001	190,492,372	-1.4	80	1,951	22,032	187,885,351
Foreign exchange	33,675,874	30,164,255	29,208,497	27,636,697	27,457,246	22.6	0	0	4,902	33,670,971
Equity	2,300,741	2,182,209	2,136,529	2,043,918	2,162,663	6.4	0	0	45	2,300,695
Commodity & other	1,320,794	1,206,811	1,256,235	1,200,547	1,330,681	-0.7	1	0	44	1,320,749
Total	225,206,822	222,044,898	213,881,742	220,018,163	221,442,962	1.7	80	1,951	27,024	225,177,767
Trading Revenues: Cash & Derivative Instruments										
Interest rate	-826	2,878	2,010	357	2,995	N/M	0	0	19	-846
Foreign exchange	4,892	2,026	2,137	1,550	588	732.0	0	0	3	4,889
Equity	652	722	608	490	232	181.0	0	0	-8	659
Commodity & other (including credit derivatives)	958	783	1,427	509	701	36.7	0	0	-1	958
Total trading revenues	5,676	6,409	6,183	2,906	4,517	25.7	0	0	14	5,662
Share of Revenue										
Trading revenues to gross revenues (%)	4.8	5.4	5.4	2.5	4.0		0.0	0.1	0.4	4.9
Trading revenues to net operating revenues (%)	23.7	24.5	26.9	11.3	20.9		0.0	0.3	2.6	24.2
HELD FOR PURPOSES OTHER THAN TRADING										
Number of institutions reporting derivatives	1,269	1,288	1,282	1,253	1,287	-1.4	63	759	352	95
Total assets of institutions reporting derivatives	13,420,481	13,229,907	12,945,001	12,763,131	12,619,286	6.3	4,554	313,564	1,017,375	12,084,988
Total deposits of institutions reporting derivatives	10,060,899	9,938,964	9,738,920	9,611,265	9,449,509	6.5	3,841	257,738	807,840	8,991,480
Derivative Contracts by Underlying Risk Exposure										
Interest rate	2,984,954	3,060,044	3,135,945	3,942,711	3,780,192	-21	168	15,431	65,031	2,904,325
Foreign exchange	724,435	819,319	849,536	843,789	804,895	-10	0	2,129	1,223	721,083
Equity	16,528	16,223	15,965	16,724	15,504	6.6	0	73	336	16,119
Commodity & other	6,216	7,586	6,825	8,327	8,995	-30.9	0	1	112	6,104
Total notional amount	3,732,133	3,903,171	4,008,271	4,811,550	4,609,587	-19.0	168	17,633	66,701	3,647,632

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 2014	2nd Quarter 2014	1st Quarter 2014	4th Quarter 2013	3rd Quarter 2013	% Change 13Q3-14Q3	Asset Size Distribution: Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater Than $10 Billion
Assets Securitized and Sold with Servicing Retained or with Recourse or Other Seller-Provided Credit Enhancements										
Number of institutions reporting securitization activities	75	73	76	83	82	-8.5	1	24	17	33
Outstanding Principal Balance by Asset Type										
1-4 family residential loans	$845,272	$843,776	$598,462	$610,275	$625,642	35.1	$17.0	$2,172.0	$15,174.0	$827,909.0
Home equity loans	38	39	41	42	44	-13.6	0	0	0	38
Credit card receivables	16,782	16,692	16,349	19,405	17,115	-1.9	0	89	0	16,693
Auto loans	4,198	4,312	4,735	4,676	4,708	-10.8	0	1,052	0	3,146
Other consumer loans	6,425	4,945	4,462	4,607	4,790	34.1	0	2	0	6,423
Commercial and industrial loans	13	1,217	1,881	1,987	3,945	-99.7	0	8	3	2
All other loans, leases, and other assets	95,102	94,757	96,071	101,456	104,890	-9.3	0	3,561	4,939	86,602
Total securitized and sold	967,830	965,737	722,001	742,448	761,133	27.2	17	6,884	20,116	940,813
Maximum Credit Exposure by Asset Type										
1-4 family residential loans	2,806	2,908	2,912	2,809	2,927	-4.1	0	5	52	2,749
Home equity loans	0	0	0	0	0	0.0	0	0	0	0
Credit card receivables	1,418	1,450	1,455	603	554	156.0	0	30	0	1,388
Auto loans	0	0	5	0	0	0.0	0	0	0	0
Other consumer loans	188	192	174	164	168	11.9	0	0	0	188
Commercial and industrial loans	0	25	38	27	20	-100.0	0	0	0	0
All other loans, leases, and other assets	1,129	1,416	1,308	1,633	1,729	-34.7	0	1	0	1,128
Total credit exposure	5,541	5,991	5,892	5,236	5,397	2.7	0	37	52	5,452
Total unused liquidity commitments provided to institution's own securitizations	17	17	120	121	121	-86.0	0	0	0	17
Securitized Loans, Leases, and Other Assets 30-89 Days Past Due (%)										
1-4 family residential loans	3.9	3.5	3.3	4.3	4.1		0.0	1.4	5.1	3.9
Home equity loans	8.0	9.1	8.8	10.4	10.7		0.0	0.0	0.0	8.0
Credit card receivables	0.8	0.8	0.9	0.8	1.0		0.0	1.6	0.0	0.8
Auto loans	0.7	0.7	0.6	1.0	0.6		0.0	0.0	0.0	1.0
Other consumer loans	4.8	5.5	5.2	5.6	5.4		0.0	0.0	0.0	4.8
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	0.4	0.4	0.3	0.8	1.1		0.0	0.9	0.0	0.4
Total loans, leases, and other assets	3.5	3.2	2.9	3.7	3.6		0.0	0.9	3.9	3.5
Securitized Loans, Leases, and Other Assets 90 Days or More Past Due (%)										
1-4 family residential loans	2.2	2.3	3.3	3.4	3.7		0.0	1.7	6.0	2.2
Home equity loans	42.0	40.3	37.8	36.5	34.4		0.0	0.0	0.0	42.0
Credit card receivables	0.5	0.6	0.7	0.6	0.6		0.0	1.5	0.0	0.5
Auto loans	0.1	0.1	0.1	0.1	0.0		0.0	0.0	0.0	0.1
Other consumer loans	5.2	6.3	6.7	7.3	7.1		0.0	0.0	0.0	5.2
Commercial and industrial loans	2.4	0.0	0.0	0.0	0.0		0.0	3.8	0.0	0.0
All other loans, leases, and other assets	6.5	9.2	8.7	9.2	8.9		0.0	0.9	1.2	7.0
Total loans, leases, and other assets	2.6	2.9	3.9	4.1	4.3		0.0	1.0	4.8	2.6
Securitized Loans, Leases, and Other Assets Charged-off (net, YTD, annualized, %)										
1-4 family residential loans	0.3	0.2	0.1	0.9	0.7		0.0	0.2	0.0	0.3
Home equity loans	0.1	0.1	-0.1	0.2	0.3		0.0	0.0	0.0	0.1
Credit card receivables	1.5	1.2	0.6	2.2	1.9		0.0	5.7	0.0	1.5
Auto loans	0.1	0.1	0.0	0.2	0.1		0.0	0.0	0.0	0.1
Other consumer loans	0.6	0.3	0.2	0.9	0.7		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	0.6	0.9	0.7	0.9	0.6		0.0	0.0	0.0	0.7
Total loans, leases, and other assets	0.3	0.3	0.2	0.9	0.7		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	12,198	12,905	13,116	12,850	13,451	-9.3	0	313	0	11,886
Commercial and industrial loans	3	2	2	3	3	0.0	0	0	3	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	48	52	0	0.0	0	0	0	0
Assets Sold with Recourse and Not Securitized										
Number of institutions reporting asset sales	1,104	1,101	1,088	1,084	1,066	3.6	141	739	175	49
Outstanding Principal Balance by Asset Type										
1-4 family residential loans	41,064	42,240	43,720	46,519	48,349	-15.1	1,632	13,915	9,054	16,462
Home equity, credit card receivables, auto, and other consumer loans	709	727	755	776	802	-11.6	0	2	5	702
Commercial and industrial loans	52	53	69	62	64	-18.8	0	13	38	0
All other loans, leases, and other assets	66,271	65,112	65,974	67,794	62,143	6.6	1	96	184	65,989
Total sold and not securitized	108,096	108,131	110,518	115,150	111,358	-2.9	1,633	14,027	9,281	83,154
Maximum Credit Exposure by Asset Type										
1-4 family residential loans	9,853	9,646	9,573	10,756	11,607	-15.1	108	2,193	3,204	4,348
Home equity, credit card receivables, auto, and other consumer loans	140	141	155	160	156	-10.3	0	2	3	136
Commercial and industrial loans	23	24	33	27	29	-20.7	0	13	9	0
All other loans, leases, and other assets	17,233	16,849	16,970	17,058	15,316	12.5	1	16	55	17,161
Total credit exposure	27,249	26,660	26,732	28,002	27,109	0.5	109	2,224	3,271	21,645
Support for Securitization Facilities Sponsored by Other Institutions										
Number of institutions reporting securitization facilities sponsored by others	132	134	138	148	154	-14.3	12	72	29	19
Total credit exposure	41,590	42,375	42,058	44,707	44,848	-7.3	10	181	299	41,100
Total unused liquidity commitments	918	1,122	1,017	981	923	-0.5	0	0	0	917
Other										
Assets serviced for others*	4,412,810	4,459,026	4,556,249	4,712,533	4,773,337	-7.6	5,627	135,185	295,517	3,976,480
Asset-backed commercial paper conduits										
Credit exposure to conduits sponsored by institutions and others	10,189	12,129	12,110	12,317	13,049	-21.9	5	0	4	10,181
Unused liquidity commitments to conduits sponsored by institutions and others	27,948	28,274	30,515	31,113	40,363	-30.8	0	0	708	27,240
Net servicing income (for the quarter)	2,885	2,771	2,142	4,627	3,182	-9.3	8	189	184	2,504
Net securitization income (for the quarter)	384	318	285	377	352	9.1	0	15	5	364
Total credit exposure to Tier 1 capital (%)**	5.3	5.4	5.4	5.8	5.9		0.9	1.9	2.3	6.2

* 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

- ***Net Income of $4.9 Billion Improved 11 Percent From Third Quarter 2013***
- ***Net Interest Income and Noninterest Income Increased***
- ***Loan Balances Increased, Outpacing Industry Growth***
- ***Noncurrent Loan Rate Improved to Pre-Crisis Level***

Earnings Improved From a Year Ago, Outpacing Industry Growth

Improved net operating revenue (the sum of net interest income and total noninterest income), coupled with lower provision expenses, increased community banks net income of $4.9 billion, up $470.7 million (10.7 percent) from third quarter 2013.[1] The percentage increase in earnings at community banks was higher than the 7.6 percent increase for the industry. Almost two out of every three community banks (63 percent) reported a year-over-year increase, while 6.6 percent of community banks were unprofitable during third quarter 2014, the lowest number of banks with a quarterly loss since second quarter 2006. The pretax return on assets (ROA) was 1.25 percent, up 2 basis points from the previous quarter and 11 basis points from the year before—the highest level since third quarter 2007.[2]

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

[2] Pretax ROA is used for comparison because C corporations are taxed at the bank level, while S corporations pass tax obligations to their shareholders.

More Than 70 Percent of Community Banks Increased Net Interest Income

Community banks reported net interest income of $17 billion during the quarter, up $1 billion (6.5 percent) from third quarter 2013—outperforming the industry (3.1 percent). Close to 33 percent of the industry's annual growth in net interest income (up $3.2 billion) came from community banks. The net interest margin (NIM) was 3.65 percent at community banks, up 2 basis points from third quarter 2013, as average funding costs declined more rapidly than average asset yields. For the past five out of six quarters, NIM at community banks increased, while it declined or remained flat for the industry. Community banks posted a NIM 51 basis points above the industry average.

Higher Gains on Loan Sales Increased Noninterest Income

Noninterest income totaled $4.5 billion in third quarter 2014, up $63 million (1.4 percent) from third quarter 2013 as revenue from loan sales—including mortgage sales—increased by $58.4 million (7 percent) from the year-ago quarter. All other noninterest income—which accounts for almost 40 percent of total noninterest income at community banks—was $1.7 billion during the quarter, up $26.6 million (1.6 percent) from third

Chart 1

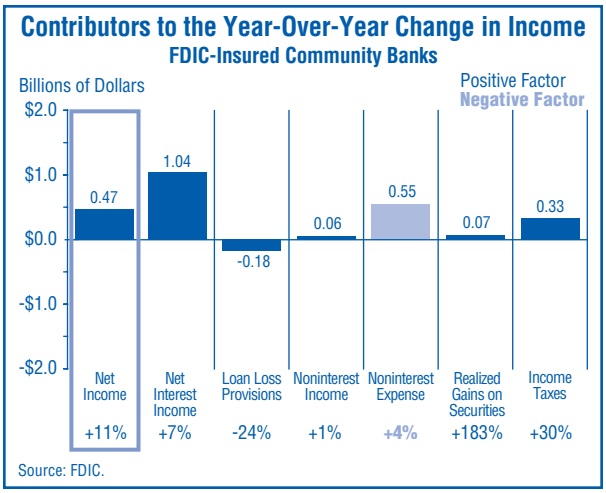
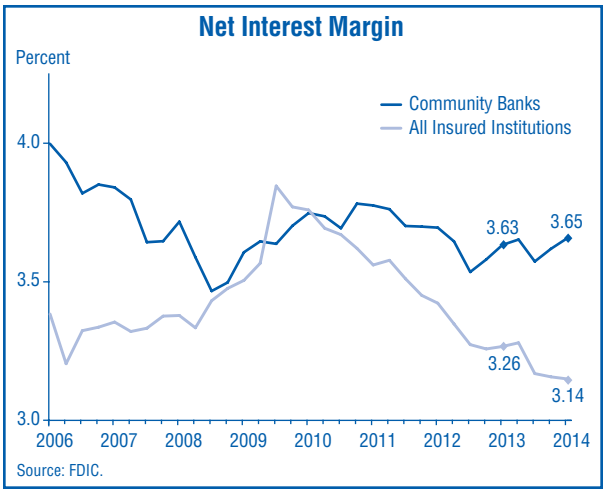


Chart 2



quarter 2013.[3] More than half of community banks (51.7 percent) increased noninterest income from third quarter 2013. However, the industry experienced a higher rate increase (9.6 percent).

Noninterest Expense Increased From a Year Ago

Noninterest expense at community banks was $553.5 million (3.9 percent) higher than in third quarter 2013. The year-over-year increase in noninterest expense was led by higher salary and employee benefits (up $381.5 million, or 5 percent). Close to 65 percent of community banks reported higher noninterest expense from the year-ago quarter. However, full-time employees at community banks only increased by 4,757 (1.1 percent) over the year to 445,090. The average asset per employee totaled $4.6 million for the current quarter, up from $4.4 million in third quarter 2013.

Loan Growth Increased From the Second Quarter and a Year Ago

Loan balances increased by $25.3 billion (1.9 percent) from the second quarter 2014, totaling $1.3 trillion. Almost three out of four community banks (71 percent) reported higher loan growth from the previous quarter. Community banks reported higher loan growth than the industry, which grew less than 1 percent. All major loan categories increased from the previous quarter, led by nonfarm nonresidential loans (up $6.1 billion, or 1.6 percent), 1-to-4 family (up $4 billion, or 1.1 percent), construction and development (up $3.3 billion, or 4.2 percent), and commercial and industrial loans (up $2.4 billion, or 1.3 percent). Year-over-year loan growth at community banks (8 percent) outpaced the industry (4.6 percent). Almost 43 percent of the yearly increase at community banks was led by nonfarm nonresidential (up $24.1 billion, or 6.5 percent) and commercial and industrial loans (up $18.1 billion, or 10.8 percent). Despite declines in 1-to-4 family loans and home equity lines of credit for the industry, community banks experienced a growth of $18 billion (5.3 percent) and $2.9 billion (6.3 percent), respectively. Total unused commercial real estate (CRE) loans—including construction and development—increased by $4.1 billion (6.7 percent) during the quarter to $64.7 billion, indicating continued credit extension, as off-balance and on-balance CRE loans increased from the previous quarter.

Community Banks Expanded Small Loans to Businesses

Small loans to businesses totaled $299 billion in the third quarter, up $2.7 billion (0.9 percent) from the previous quarter, outperforming the industry (up $2.2 billion, or 0.3 percent).[4] Close to 56 percent of community banks increased small loans to businesses from the previous quarter, led by agricultural production loans

[3] Items that are greater than $25,000 and exceed 3 percent of all other noninterest income are reported. They include income and fees from printing and sale of checks, earnings on increase in value of cash surrender value of life insurance, income and fees from automated teller machines, rent and other income from other real estate owned, safe deposit box rent, net change in the fair values of financial instruments accounted for under a fair value option, bank card and credit card interchange fees, and gains on bargain purchases.

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

Chart 3

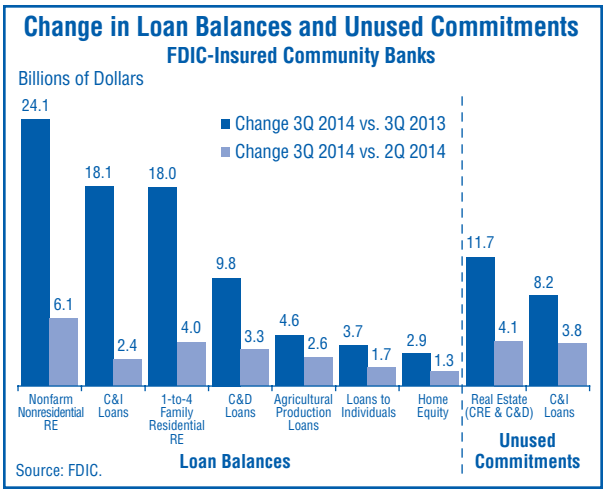
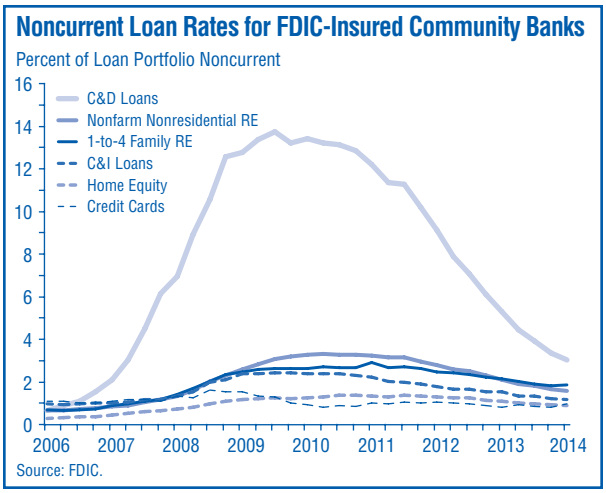


Chart 4



(up $1.7 billion, or 6.6 percent) and nonfarm nonresidential loans ($0.7 billion, or 0.5 percent). All major loan categories rose from third quarter 2013, with small loans to businesses increasing by $10.3 billion (3.6 percent). Most of the year-over-year increase in small loans to businesses at community banks was driven by increases in commercial and industrial loans (up $4.6 billion, or 5.3 percent). Community banks continued to hold 45 percent of small loans to businesses. Like community banks, the industry increased small loans to businesses from the year-ago quarter, but at a slower rate (2 percent).

Asset Quality Continued to Improve

Noncurrent loan balances totaled $20 billion for the current quarter, down $5.1 billion (20.3 percent) from third quarter 2013. Close to 61 percent of community banks lowered their noncurrent loan balances versus the year-ago quarter. The noncurrent rate was 1.5 percent for community banks in third quarter 2014, the lowest level since fourth quarter 2007. The noncurrent rate fell 4 basis points from the second quarter and 48 basis points from the previous year, and remained down 61 basis points from the industry rate of 2.11 percent. The noncurrent rate declined for most major loan categories from the year before, except for credit card loans (up 17 basis points). Construction and development loans continued to have the highest noncurrent rate (3.03 percent); however, that rate has declined for 16 consecutive quarters. The quarterly net charge-off rate was 0.16 percent, down 13 basis points from third quarter 2013, and remained down 29 basis points from the industry rate of 0.45 percent. The coverage ratio (loan loss reserves relative to noncurrent loans) for community banks improved from 96.3 percent to 97.14 percent during the quarter, and was well above the industry average of 72.86 percent. Despite a small decline in reserves during the quarter (down $74 million, or 0.4 percent), the coverage ratio has increased for 12 consecutive quarters.

Two Community Banks Failed in the Third Quarter

The number of FDIC-insured community banks totaled 6,107 in third quarter 2014, down 56 banks from the previous quarter. Two community banks failed during the quarter. Community banks continued to represent 93 percent of insured institutions, with $2 trillion in assets, $1.7 trillion in deposits, and $226 billion in equity capital.

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

	2014*	2013*	2013	2012	2011	2010	2009
Return on assets (%)	0.92	0.93	0.90	0.83	0.55	0.21	-0.14
Return on equity (%)	8.44	8.54	8.28	7.67	5.17	2.08	-1.42
Core capital (leverage) ratio (%)	10.60	10.48	10.44	10.18	9.98	9.56	9.30
Noncurrent assets plus other real estate owned to assets (%)	1.46	1.89	1.72	2.27	2.84	3.25	3.26
Net charge-offs to loans (%)	0.20	0.31	0.32	0.59	0.87	1.11	1.25
Asset growth rate (%)	1.13	1.12	0.25	2.24	1.47	-2.13	3.35
Net interest margin (%)	3.61	3.57	3.59	3.67	3.74	3.71	3.56
Net operating income growth (%)	1.03	18.52	14.65	56.54	204.98	209.82	-159.37
Number of institutions reporting	6,107	6,380	6,307	6,543	6,800	7,017	7,251
Percentage of unprofitable institutions (%)	6.76	8.13	8.40	11.16	16.35	22.15	29.71

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

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

(dollar figures in millions)	3rd Quarter 2014	2nd Quarter 2014	3rd Quarter 2013	%Change 13Q3-14Q3
Number of institutions reporting	6,107	6,163	6,380	-4.3
Total employees (full-time equivalent)	445,090	448,005	457,163	-2.6
CONDITION DATA				
Total assets	$2,031,705	$2,022,238	$2,008,965	1.1
Loans secured by real estate	1,017,241	1,004,794	982,395	3.5
1-4 Family residential mortgages	355,440	354,196	347,563	2.3
Nonfarm nonresidential	396,550	392,691	388,606	2.0
Construction and development	82,894	79,646	75,913	9.2
Home equity lines	49,203	47,989	48,158	2.2
Commercial & industrial loans	186,291	184,907	174,975	6.5
Loans to individuals	58,289	56,999	55,066	5.9
Credit cards	1,790	1,817	1,787	0.2
Farm loans	46,093	43,645	41,861	10.1
Other loans & leases	29,444	28,576	27,364	7.6
Less: Unearned income	556	555	546	1.9
Total loans & leases	1,336,801	1,318,366	1,281,115	4.3
Less: Reserve for losses	19,450	19,550	20,917	-7.0
Net loans and leases	1,317,351	1,298,816	1,260,197	4.5
Securities	452,656	458,191	468,161	-3.3
Other real estate owned	9,450	10,004	12,389	-23.7
Goodwill and other intangibles	12,571	12,507	12,407	1.3
All other assets	239,678	242,720	255,811	-6.3
Total liabilities and capital	2,031,705	2,022,238	2,008,965	1.1
Deposits	1,672,413	1,664,163	1,660,300	0.7
Domestic office deposits	1,672,195	1,663,940	1,660,081	0.7
Foreign office deposits	217	222	220	-1.1
Brokered deposits	59,384	56,163	52,312	13.5
Estimated insured deposits	1,300,091	1,303,836	1,320,002	-1.5
Other borrowed funds	117,192	118,990	115,563	1.4
Subordinated debt	400	420	490	-18.2
All other liabilities	15,632	14,823	15,911	-1.8
Total equity capital (includes minority interests)	226,068	223,843	216,702	4.3
Bank equity capital	225,915	223,696	216,557	4.3
Loans and leases 30-89 days past due	9,034	8,943	9,880	-8.6
Noncurrent loans and leases	20,022	20,300	25,385	-21.1
Restructured loans and leases	11,363	11,113	12,807	-11.3
Mortgage-backed securities	197,924	201,690	207,599	-4.7
Earning assets	1,879,822	1,865,993	1,847,837	1.7
FHLB Advances	85,873	87,084	80,134	7.2
Unused loan commitments	248,575	242,784	233,841	6.3
Trust assets	238,569	243,767	223,856	6.6
Assets securitized and sold	18,906	15,340	15,656	20.8
Notional amount of derivatives	43,410	48,984	44,339	-2.1

INCOME DATA	First Three Quarters 2014	First Three Quarters 2013	%Change	3rd Quarter 2014	3rd Quarter 2013	%Change 13Q3-14Q3
Total interest income	$56,665	$57,104	-0.8	$19,312	$19,241	0.4
Total interest expense	6,826	7,984	-14.5	2,280	2,563	-11.0
Net interest income	49,839	49,120	1.5	17,032	16,678	2.1
Provision for loan and lease losses	1,867	2,408	-22.5	555	736	-24.7
Total noninterest income	13,229	14,511	-8.8	4,535	4,606	-1.6
Total noninterest expense	43,776	44,330	-1.2	14,820	14,842	-0.2
Securities gains (losses)	389	541	-28.1	110	15	623.6
Applicable income taxes	3,993	3,634	9.9	1,411	1,186	19.0
Extraordinary gains, net	2	45	-96.1	-6	0	N/M
Total net income (includes minority interests)	13,823	13,845	-0.2	4,885	4,536	7.7
Bank net income	13,807	13,825	-0.1	4,878	4,527	7.8
Net charge-offs	1,895	2,874	-34.1	544	928	-41.3
Cash dividends	6,134	6,080	0.9	1,926	2,251	-14.4
Retained earnings	7,672	7,744	-0.9	2,952	2,276	29.7
Net operating income	13,515	13,378	1.0	4,803	4,529	6.1

N/M - Not Meaningful

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

Third Quarter 2014 (dollar figures in millions)	All Community Banks	Geographic Regions* New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	6,107	718	757	1,362	1,550	1,309	411
Total employees (full-time equivalent)	445,090	87,432	58,827	96,199	71,619	96,123	34,890
CONDITION DATA							
Total assets	$2,031,705	$513,171	$250,259	$392,934	$311,690	$394,524	$169,128
Loans secured by real estate	1,017,241	293,927	133,835	196,870	134,151	174,276	84,183
1-4 Family residential mortgages	355,440	122,058	42,442	72,176	40,261	58,185	20,320
Nonfarm nonresidential	396,550	103,432	59,002	72,703	47,111	71,607	42,695
Construction and development	82,894	15,739	14,781	11,864	10,597	23,333	6,579
Home equity lines	49,203	16,140	7,749	11,994	4,314	4,389	4,616
Commercial & industrial loans	186,291	43,412	19,637	35,218	30,668	40,298	17,059
Loans to individuals	58,289	11,391	7,549	12,238	9,672	13,718	3,721
Credit cards	1,790	202	139	456	446	323	224
Farm loans	46,093	494	1,236	7,196	25,333	9,240	2,594
Other loans & leases	29,444	7,474	2,081	5,499	5,245	6,334	2,810
Less: Unearned income	556	147	95	65	26	117	106
Total loans & leases	1,336,801	356,550	164,242	256,957	205,042	243,749	110,260
Less: Reserve for losses	19,450	4,347	2,572	4,121	3,100	3,496	1,816
Net loans and leases	1,317,351	352,204	161,670	252,837	201,942	240,254	108,444
Securities	452,656	104,848	51,039	90,649	72,739	99,147	34,233
Other real estate owned	9,450	1,180	2,486	1,981	1,453	1,765	585
Goodwill and other intangibles	12,571	4,081	1,294	2,299	1,695	2,290	912
All other assets	239,678	50,859	33,770	45,168	33,860	51,068	24,953
Total liabilities and capital	2,031,705	513,171	250,259	392,934	311,690	394,524	169,128
Deposits	1,672,413	406,471	208,484	325,897	257,556	332,654	141,351
Domestic office deposits	1,672,195	406,344	208,440	325,871	257,556	332,654	141,331
Foreign office deposits	217	126	45	26	0	0	20
Brokered deposits	59,384	17,627	6,551	12,453	9,052	8,581	5,120
Estimated insured deposits	1,300,091	307,803	163,531	267,686	208,295	249,713	103,063
Other borrowed funds	117,192	44,165	12,141	20,532	17,949	16,305	6,100
Subordinated debt	400	207	56	88	4	7	38
All other liabilities	15,632	5,169	1,663	2,806	1,910	2,531	1,554
Total equity capital (includes minority interests)	226,068	57,160	27,915	43,611	34,271	43,026	20,085
Bank equity capital	225,915	57,112	27,898	43,556	34,269	42,996	20,083
Loans and leases 30-89 days past due	9,034	2,521	1,346	1,882	1,091	1,828	366
Noncurrent loans and leases	20,022	6,020	3,326	4,671	2,055	2,779	1,172
Restructured loans and leases	11,363	2,820	1,975	2,993	1,303	1,310	963
Mortgage-backed securities	197,924	58,518	22,365	36,914	24,358	38,532	17,236
Earning assets	1,879,822	477,363	228,947	363,013	289,393	364,127	156,978
FHLB Advances	85,873	35,160	9,212	14,069	11,757	12,168	3,507
Unused loan commitments	248,575	60,684	29,419	48,165	41,938	44,344	24,025
Trust assets	238,569	52,746	9,261	68,120	62,314	39,255	6,874
Assets securitized and sold	18,906	5,628	514	6,127	4,511	620	1,505
Notional amount of derivatives	43,410	15,035	5,885	6,768	5,472	7,370	2,880
INCOME DATA							
Total interest income	$19,312	$4,681	$2,469	$3,656	$2,992	$3,896	$1,619
Total interest expense	2,280	711	297	426	343	376	127
Net interest income	17,032	3,970	2,172	3,230	2,649	3,520	1,492
Provision for loan and lease losses	555	158	65	108	79	131	13
Total noninterest income	4,535	805	547	1,172	716	915	380
Total noninterest expense	14,820	3,391	1,995	3,008	2,196	2,956	1,273
Securities gains (losses)	110	32	21	20	17	12	7
Applicable income taxes	1,411	400	170	311	171	198	161
Extraordinary gains, net	-6	-2	-3	0	0	-1	0
Total net income (includes minority interests)	4,885	855	507	996	935	1,161	431
Bank net income	4,878	852	506	994	935	1,160	431
Net charge-offs	544	145	98	123	79	99	0
Cash dividends	1,926	247	172	492	374	488	153
Retained earnings	2,952	605	334	502	561	671	278
Net operating income	4,803	831	494	980	921	1,152	426

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

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

	All Community Banks		Third Quarter 2014, Geographic Regions*					
	3rd Quarter 2014	2nd Quarter 2014	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Performance ratios (annualized, %)								
Yield on earning assets	4.14	4.10	3.95	4.34	4.05	4.16	4.32	4.18
Cost of funding earning assets	0.49	0.49	0.60	0.52	0.47	0.48	0.42	0.33
Net interest margin	3.65	3.61	3.35	3.82	3.58	3.68	3.90	3.85
Noninterest income to assets	0.90	0.91	0.63	0.88	1.20	0.92	0.93	0.91
Noninterest expense to assets	2.94	2.91	2.66	3.20	3.07	2.83	3.02	3.04
Loan and lease loss provision to assets	0.11	0.12	0.12	0.10	0.11	0.10	0.13	0.03
Net operating income to assets	0.95	0.94	0.65	0.79	1.00	1.19	1.18	1.02
Pretax return on assets	1.25	1.23	0.98	1.09	1.33	1.43	1.39	1.42
Return on assets	0.97	0.96	0.67	0.81	1.02	1.21	1.18	1.03
Return on equity	8.72	8.76	6.04	7.34	9.20	11.02	10.89	8.67
Net charge-offs to loans and leases	0.16	0.20	0.16	0.24	0.19	0.15	0.17	0.00
Loan and lease loss provision to net charge-offs	101.85	93.16	108.59	66.17	87.59	101.10	132.38	N/M
Efficiency ratio	68.38	68.42	70.66	72.94	68.02	64.92	66.36	67.83
Net interest income to operating revenue	78.97	78.63	83.14	79.87	73.38	78.72	79.38	79.70
% of unprofitable institutions	6.60	7.06	9.33	10.04	7.42	4.39	4.05	9.25
% of institutions with earnings gains	63.01	57.54	62.53	63.14	61.01	62.84	64.48	66.18

Table V-B. First Three Quarters 2014, FDIC-Insured Community Banks

	All Community Banks		First Three Quarters 2014, Geographic Regions*					
	First Three Quarters 2014	First Three Quarters 2013	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Performance ratios (%)								
Yield on earning assets	4.11	4.16	3.94	4.33	4.02	4.12	4.26	4.14
Cost of funding earning assets	0.49	0.58	0.60	0.53	0.48	0.48	0.42	0.33
Net interest margin	3.61	3.57	3.34	3.79	3.54	3.63	3.83	3.80
Noninterest income to assets	0.88	0.97	0.63	0.85	1.18	0.92	0.91	0.88
Noninterest expense to assets	2.93	2.97	2.66	3.19	3.06	2.83	3.00	3.08
Loan and lease loss provision to assets	0.12	0.16	0.17	0.11	0.13	0.09	0.12	0.04
Net operating income to assets	0.90	0.90	0.59	0.76	0.96	1.16	1.12	0.95
Pretax return on assets	1.19	1.17	0.94	1.04	1.27	1.38	1.33	1.31
Return on assets	0.92	0.93	0.63	0.78	0.97	1.18	1.13	0.97
Return on equity	8.44	8.54	5.71	7.16	8.97	10.93	10.52	8.15
Net charge-offs to loans and leases	0.20	0.31	0.23	0.26	0.25	0.14	0.16	0.06
Loan and lease loss provision to net charge-offs	98.50	83.80	111.63	66.91	81.33	105.44	127.76	109.17
Efficiency ratio	69.08	69.34	70.84	73.59	68.45	65.68	67.38	69.63
Net interest income to operating revenue	79.02	77.20	83.05	80.22	73.40	78.44	79.58	80.00
% of unprofitable institutions	6.76	8.13	8.36	10.83	8.08	3.94	4.51	9.98
% of institutions with earnings gains	60.32	51.71	56.96	62.88	54.70	63.16	63.71	58.64

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

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

September 30, 2014	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	0.67	0.69	0.79	0.77	0.52	0.72	0.31
Construction and development	0.55	0.65	0.60	0.57	0.50	0.55	0.21
Nonfarm nonresidential	0.49	0.50	0.58	0.61	0.41	0.46	0.25
Multifamily residential real estate	0.29	0.25	0.37	0.54	0.11	0.27	0.15
Home equity loans	0.51	0.63	0.59	0.51	0.36	0.43	0.21
Other 1-4 family residential	1.05	1.00	1.26	1.12	0.89	1.20	0.57
Commercial and industrial loans	0.53	0.34	0.65	0.52	0.66	0.62	0.39
Loans to individuals	1.70	2.66	1.94	1.22	1.06	1.94	0.59
Credit card loans	1.90	3.76	1.16	1.33	2.81	1.17	1.06
Other loans to individuals	1.69	2.64	1.95	1.22	0.98	1.96	0.56
All other loans and leases (including farm)	0.32	0.42	0.23	0.28	0.28	0.43	0.29
Total loans and leases	0.68	0.71	0.82	0.73	0.53	0.75	0.33
Percent of Loans Noncurrent**							
All loans secured by real estate	1.67	1.82	2.16	2.06	1.15	1.26	1.12
Construction and development	3.03	3.58	4.73	3.82	2.38	1.70	2.30
Nonfarm nonresidential	1.58	1.65	1.88	2.19	1.27	1.12	1.09
Multifamily residential real estate	0.76	0.36	1.70	1.56	0.68	1.02	0.27
Home equity loans	0.90	1.01	0.88	1.07	0.51	0.68	0.73
Other 1-4 family residential	1.86	2.25	1.94	2.11	1.26	1.34	1.13
Commercial and industrial loans	1.20	1.25	1.27	1.36	1.15	1.03	1.14
Loans to individuals	0.85	0.91	2.09	0.48	0.54	0.80	0.36
Credit card loans	0.99	1.82	0.55	0.79	1.39	0.61	0.67
Other loans to individuals	0.84	0.89	2.12	0.46	0.50	0.81	0.34
All other loans and leases (including farm)	0.43	0.29	0.86	0.57	0.37	0.41	0.45
Total loans and leases	1.50	1.69	2.02	1.82	1.00	1.14	1.06
Percent of Loans Charged-Off (net, YTD)							
All loans secured by real estate	0.16	0.20	0.22	0.24	0.09	0.08	0.01
Construction and development	0.17	0.35	0.45	0.17	0.04	0.07	-0.32
Nonfarm nonresidential	0.14	0.12	0.22	0.26	0.12	0.06	0.04
Multifamily residential real estate	0.10	0.03	0.18	0.24	0.09	0.23	0.01
Home equity loans	0.21	0.16	0.26	0.32	0.18	0.18	0.04
Other 1-4 family residential	0.21	0.31	0.16	0.25	0.12	0.09	0.02
Commercial and industrial loans	0.26	0.28	0.34	0.28	0.24	0.23	0.16
Loans to individuals	0.68	0.73	0.71	0.54	0.65	0.79	0.50
Credit card loans	4.14	5.60	1.51	3.23	8.11	1.80	2.03
Other loans to individuals	0.56	0.64	0.70	0.43	0.29	0.77	0.40
All other loans and leases (including farm)	0.13	0.09	0.21	0.10	0.05	0.28	0.21
Total loans and leases	0.20	0.23	0.26	0.25	0.14	0.16	0.06
Loans Outstanding (in billions)							
All loans secured by real estate	$1,017.2	$293.9	$133.8	$196.9	$134.2	$174.3	$84.2
Construction and development	82.9	15.7	14.8	11.9	10.6	23.3	6.6
Nonfarm nonresidential	396.6	103.4	59.0	72.7	47.1	71.6	42.7
Multifamily residential real estate	75.2	35.1	5.8	14.1	7.0	6.0	7.2
Home equity loans	49.2	16.1	7.7	12.0	4.3	4.4	4.6
Other 1-4 family residential	355.4	122.1	42.4	72.2	40.3	58.2	20.3
Commercial and industrial loans	186.3	43.4	19.6	35.2	30.7	40.3	17.1
Loans to individuals	58.3	11.4	7.5	12.2	9.7	13.7	3.7
Credit card loans	1.8	0.2	0.1	0.5	0.4	0.3	0.2
Other loans to individuals	56.5	11.2	7.4	11.8	9.2	13.4	3.5
All other loans and leases (including farm)	75.5	8.0	3.3	12.7	30.6	15.6	5.4
Total loans and leases	1,337.4	356.7	164.3	257.0	205.1	243.9	110.4
Memo: Unfunded Commitments (in millions)							
Total Unfunded Commitments	248,575	60,684	29,419	48,165	41,938	44,344	24,025
Construction and development: 1-4 family residential	19,186	3,981	3,434	2,276	2,388	5,428	1,679
Construction and development: CRE and other	44,205	13,295	5,971	6,681	5,330	9,547	3,380
Commercial and industrial	86,150	19,682	9,002	18,041	14,340	15,942	9,143

* 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 5 Basis Points to 0.89 Percent***
- ***Insured Deposits Increase by 0.4 Percent***
- ***Two Institutions Fail During Third Quarter***

Total assets of the 6,589 FDIC-insured institutions increased by 1.2 percent ($176.7 billion) during the third quarter of 2014. Total deposits increased by 0.9 percent ($106.3 billion), domestic office deposits increased by 1.1 percent ($114.0 billion), and foreign office deposits decreased by 0.5 percent ($7.7 billion). Domestic noninterest-bearing deposits increased by 1.3 percent ($35.5 billion) and savings deposits and interest-bearing checking accounts increased by 2 percent ($113.4 billion), while domestic time deposits decreased by 2.1 percent ($34.9 billion). For the twelve months ending September 30, total domestic deposits grew by 6 percent ($573.0 billion), with interest-bearing deposits increasing by 4.6 percent ($323.2 billion) and noninterest-bearing deposits rising by 9.8 percent ($249.7 billion).[1] Other borrowed money increased by 17 percent (a little more than half of the increase was from increases in FHLB advances), securities sold under agreements to repurchase declined by 16.7 percent, and foreign deposit growth was nearly flat (a decrease of 0.3 percent) over the same twelve-month period.[2]

Total estimated insured deposits increased by 0.4 percent in the third quarter of 2014.[3] For institutions existing at the start and the end of the most recent quarter, insured deposits increased during the quarter at 2,809 institutions (43 percent), decreased at 3,754 institutions (57 percent), and remained unchanged at 35 institutions. Estimated insured deposits increased by 2.8 percent over the 12 months ending September 30, 2014.

The DIF increased by $3.3 billion during the third quarter of 2014 to a record $54.3 billion (unaudited). The prior high for the DIF was $52.8 billion in the first quarter of 2008. Assessment income of $2 billion and a negative provision for insurance losses of $1.7 billion were the main forces behind the fund balance increase. The negative provision for insurance losses reflected unanticipated recoveries from litigation settlements and receivership asset recoveries that exceeded estimates. These recoveries were partially offset by an increase in the contingent loss reserve. Investment income and all other miscellaneous income net of expenses added another $86 million to the fund. Third quarter operating expenses and unrealized losses on available-for-sale securities reduced the fund balance by $497 million. For the first nine months of 2014, 14 insured institutions failed, with combined assets of $1.8 billion, at a current estimated cost to the DIF of $289 million. The DIF's reserve ratio was 0.89 percent on September 30, up from 0.84 percent at June 30, 2014, and 0.68 percent four quarters ago. The reserve ratio at the time of the prior DIF balance record—March 31, 2008—was 1.19 percent. Although the third quarter DIF balance was at a new record level, this did not equate to a reserve ratio higher than at the March 2008 level due to the increase in the insurance coverage limit and regular deposit growth. The first quarter 2008 DIF balance covered estimated insured deposits of $4.4 trillion, compared to $6.1 trillion in deposits as of the third quarter.

Effective April 1, 2011, the deposit insurance assessment base changed to average consolidated total assets minus average tangible equity.[4] Revisions to insurance assessment rates and risk-based pricing rules for large banks (banks with assets greater than $10 billion) also became effective on that date.[5] Table 1 shows the distribution of the assessment base as of September 30, by institution asset size category.

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,

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

Table 1

Distribution of the Assessment Base for FDIC-Insured Institutions* by Asset Size
Data as of September 30, 2014

Asset Size	Number of Institutions	Percent of Total Institutions	Assessment Base** ($ Bil.)	Percent of Base
Less Than $1 Billion	5,906	89.6	$1,187.1	9.1
$1 - $10 Billion	575	8.7	1,371.7	10.5
$10 - $50 Billion	72	1.1	1,412.1	10.8
$50 - $100 Billion	12	0.2	801.1	6.1
Over $100 Billion	24	0.4	8,290.9	63.5
Total	6,589	100.0	13,062.8	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.

2014, the FDIC reserve ratio would have been 0.41 percent using the new assessment base (compared to 0.89 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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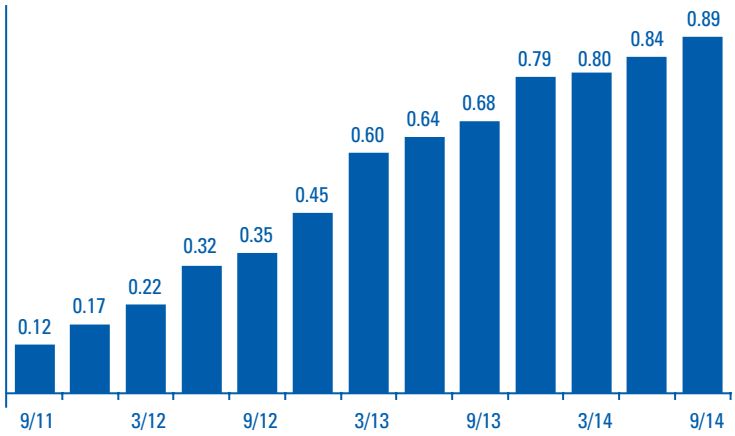
Table I-C. Insurance Fund Balances and Selected Indicators

(dollar figures in millions)	Deposit Insurance Fund*												
	3rd Quarter 2014	2nd Quarter 2014	1st Quarter 2014	4th Quarter 2013	3rd Quarter 2013	2nd Quarter 2013	1st Quarter 2013	4th Quarter 2012	3rd Quarter 2012	2nd Quarter 2012	1st Quarter 2012	4th Quarter 2011	3rd Quarter 2011
Beginning Fund Balance	$51,059	$48,893	$47,191	$40,758	$37,871	$35,742	$32,958	$25,224	$22,693	$15,292	$11,827	$7,813	$3,916
Changes in Fund Balance:													
Assessments earned	2,009	2,224	2,393	2,224	2,339	2,526	2,645	2,937	2,833	2,933	3,694	3,209	3,642
Interest earned on investment securities	80	87	45	23	34	54	-9	66	-8	81	20	33	30
Realized gain on sale of investments	0	0	0	302	156	0	0	0	0	0	0	0	0
Operating expenses	406	428	422	436	298	439	436	469	442	407	460	334	433
Provision for insurance losses	-1,663	-204	348	-4,588	-539	-33	-499	-3,344	-84	-807	12	1,533	-763
All other income, net of expenses	6	6	9	9	46	51	55	1,878	57	4,095	63	2,599	83
Unrealized gain/(loss) on available-for-sale securities	-91	73	25	-277	71	-96	30	-22	7	-108	160	40	-188
Total fund balance change	3,261	2,166	1,702	6,433	2,887	2,129	2,784	7,734	2,531	7,401	3,465	4,014	3,897
Ending Fund Balance	54,320	51,059	48,893	47,191	40,758	37,871	35,742	32,958	25,224	22,693	15,292	11,827	7,813
Percent change from four quarters earlier	33.27	34.82	36.79	43.19	61.58	66.88	133.73	178.67	222.85	479.49	NM	NM	NM
Reserve Ratio (%)	0.89	0.84	0.80	0.79	0.68	0.64	0.60	0.45	0.35	0.32	0.22	0.17	0.12
Estimated Insured Deposits**	6,131,924	6,110,124	6,120,679	6,010,853	5,967,558	5,951,124	5,999,614	7,405,042	7,248,466	7,081,206	7,031,331	6,973,468	6,754,060
Percent change from four quarters earlier	2.75	2.67	2.02	-18.83	-17.67	-15.96	-14.67	6.19	7.32	8.55	10.22	10.66	24.58
Domestic Deposits	10,213,077	10,099,340	9,962,453	9,825,398	9,630,462	9,424,504	9,454,659	9,474,585	9,084,803	8,937,725	8,848,706	8,782,134	8,526,713
Percent change from four quarters earlier	6.05	7.16	5.37	3.70	6.01	5.45	6.85	7.88	6.55	8.40	10.51	11.34	9.97
Number of Institutions Reporting	6,598	6,665	6,739	6,821	6,900	6,949	7,028	7,092	7,190	7,254	7,317	7,366	7,446

DIF Reserve Ratios

Percent of Insured Deposits



Deposit Insurance Fund Balance and Insured Deposits

($ Millions)

	DIF Balance	DIF-Insured Deposits
9/11	$7,813	$6,754,060
12/11	11,827	6,973,468
3/12	15,292	7,031,331
6/12	22,693	7,081,206
9/12	25,224	7,248,466
12/12	32,958	7,405,042
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	6,120,679
6/14	51,059	6,110,124
9/14	54,320	6,131,924

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

(dollar figures in millions)	2014***	2013***	2013	2012	2011	2010	2009
Problem Institutions							
Number of institutions	329	515	467	651	813	884	702
Total assets	$102,257	$174,188	$152,687	$232,701	$319,432	$390,017	$402,782
Failed Institutions							
Number of institutions	14	22	24	51	92	157	140
Total assets****	$1,816	$5,860	$6,044	$11,617	$34,923	$92,085	$169,709
Assisted Institutions***							
Number of institutions	0	0	0	0	0	0	8
Total assets	$0	$0	$0	$0	$0	$0	$1,917,482

* Quarterly financial statement results are unaudited. NM - Not meaningful

** 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.

*** Through September 30.

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

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

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

(dollar figures in millions)

September 30, 2014	Number of Institutions	Total Assets	Domestic Deposits*	Est. Insured Deposits
Commercial Banks and Savings Institutions				
FDIC-Insured Commercial Banks	5,705	$14,290,077	$9,365,169	$5,430,307
FDIC-Supervised	3,755	2,251,894	1,751,746	1,299,218
OCC-Supervised	1,092	9,846,015	6,163,473	3,401,370
Federal Reserve-Supervised	858	2,192,167	1,449,951	729,718
FDIC-Insured Savings Institutions	884	1,059,094	807,534	672,153
OCC-Supervised Savings Institutions	462	701,252	539,670	454,218
FDIC-Supervised Savings Institutions	422	357,843	267,865	217,936
Total Commercial Banks and Savings Institutions	6,589	15,349,171	10,172,703	6,102,460
Other FDIC-Insured Institutions				
U.S. Branches of Foreign Banks	9	109,964	40,373	29,464
Total FDIC-Insured Institutions	6,598	15,459,135	10,213,077	6,131,924

* 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, 2014 *(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	1,423	21.35	$2,871	22.25
5.01-7.50	2,996	44.95	7,955	61.64
7.51-10.00	1,288	19.32	1,438	11.15
10.01-15.00	572	8.58	410	3.18
15.01-20.00	33	0.50	118	0.91
20.01-25.00	286	4.29	73	0.56
25.01-30.00	8	0.12	10	0.07
30.01-35.00	56	0.84	22	0.17
greater than 35.00	3	0.05	9	0.07

* 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 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

Private Company Accounting Alternatives, Including Accounting for Goodwill

On January 16, 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-02, "Accounting for Goodwill." 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, existing U.S. GAAP does not 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. For example, a calendar year private institution could begin to apply the provisions of ASU 2014-02 in its Call Report for September 30, 2014, in which case it would report nine months' amortization of goodwill existing as of January 1, 2014, and the amortization of any new goodwill recognized in the first nine months of 2014. 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 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

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

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 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

DEFINITIONS (in alphabetical order)

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

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

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

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

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

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

Core capital – common equity capital plus noncumulative perpetual preferred stock plus minority interest in consolidated subsidiaries, less goodwill and other ineligible intangible

assets. The amount of eligible intangibles (including servicing rights) included in core capital is limited in accordance with supervisory capital regulations.

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

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

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

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

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

Derivatives transaction types:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Risk-based capital groups – definition:

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

* As a percentage of risk-weighted assets.

Risk Categories and Assessment Rate Schedule – The current risk categories became effective January 1, 2007. Capital ratios and supervisory ratings distinguish one risk category from another. Effective April 1, 2011, risk categories for large institutions (generally those with at least $10 billion in assets) were eliminated. 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.

[Note: Effective January 1, 2014, a small number of "advanced approach institutions" began reporting Tier 1 capital based on regulatory capital standards approved by the banking agencies in July 2013. For all other FDIC-insured institutions, prior existing reporting will continue until January 2015 when mandatory compliance for all institutions is scheduled to begin. http://www.fdic.gov/regulations/capital/. At that time a revised assessment rate schedule will be used to reflect the changes in the regulatory capital rules. http://www.fdic.gov/news/news/financial/2014/fil14037.html]

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.