

# FDIC

# Quarterly

## Quarterly Banking Profile: Fourth Quarter 2017

### Highlights:

- *Quarterly Net Income Is 40.9 Percent Lower Than a Year Ago Largely Due to One-Time Changes From the New Tax Law*
- *Net Interest Income Rises 8.5 Percent From Fourth Quarter 2016*
- *Community Bank Net Income Falls 14.2 Percent From a Year Ago Largely Due to One-Time Changes From the New Tax Law*
- *Deposit Insurance Fund Increases by \$2.2 Billion*
- *DIF Reserve Ratio Rises 2 Basis Points to 1.30 Percent*

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## Quarterly Banking Profile: Fourth Quarter 2017

FDIC-insured institutions reported aggregate net income of \$25.5 billion in the fourth quarter of 2017, down \$17.7 billion (40.9 percent) from a year earlier. Higher income taxes, reflecting one-time income tax effects enacted from the new tax law, coupled with higher noninterest expense and loan-loss provisions, lowered quarterly net income. Excluding one-time income tax effects, estimated quarterly net income would have been \$42.2 billion, down 2.3 percent. *See page 1.*

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### Community Bank Performance

Community banks—which represent 92 percent of insured institutions—reported net income of \$4.1 billion in the fourth quarter, down \$681 million (14.2 percent) from a year ago. Excluding one-time income tax charges, estimated fourth quarter net income would have increased by 17 percent from a year earlier. *See page 15.*

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### Insurance Fund Indicators

The Deposit Insurance Fund (DIF) balance increased by \$2.2 billion, to \$92.7 billion, during the fourth quarter, driven by assessment income, including surcharges on large banks. The DIF reserve ratio rose to 1.30 percent at year-end 2017, up from 1.28 percent at September 30, 2017, and 1.20 percent at year-end 2016. Estimated insured deposits rose 0.8 percent in the fourth quarter. *See page 23.*

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## INSURED INSTITUTION PERFORMANCE

**Quarterly Net Income Is 40.9 Percent Lower Than a Year Ago Largely Due to One-Time Changes From the New Tax Law**  
**Excluding Changes From the New Tax Law, Estimated Quarterly Net Income Would Have Been \$42.2 Billion, Down 2.3 Percent From a Year Ago**

**Net Interest Income Rises 8.5 Percent From Fourth Quarter 2016**

**Total Loan and Lease Balances Increase \$164.1 Billion During the Fourth Quarter**

**“Problem Bank List” Falls Below 100**

### Quarterly Net Income Is 40.9 Percent Lower Than a Year Ago Largely Due to One-Time Changes From the New Tax Law

In the fourth quarter, 5,670 insured institutions reported quarterly net income of \$25.5 billion, down \$17.7 billion (40.9 percent) from a year ago. Higher income taxes, reflecting one-time income tax effects enacted from the new tax law, coupled with higher noninterest expense and loan-loss provisions, lowered quarterly net income.<sup>1</sup> Excluding one-time income tax effects, estimated quarterly net income would have been \$42.2 billion, down 2.3 percent.<sup>2</sup>

### Full-Year 2017 Net Income Declines 3.5 Percent Due to One-Time Tax Changes

Net income for full-year 2017 totaled \$164.8 billion, a decline of \$6 billion (3.5 percent) compared to 2016. The decline in full-year net income was due to higher income taxes (up \$21.6 billion, or 28.4 percent), which reflects one-time changes from the new tax law, combined with higher noninterest expense (up \$19.5 billion, or 4.6 percent) and higher loan-loss provisions (up \$3 billion, or 6.2 percent). Net operating revenue (the sum of net interest income and total noninterest income) increased by \$39.5 billion from 2016, as net interest income rose by \$37.7 billion (8.2 percent) and noninterest income grew by \$1.8 billion (0.7 percent). The average net interest margin (NIM) increased to 3.25 percent from 3.13 percent in 2016. Without the one-time tax charges in the fourth quarter, estimated full-year 2017 net income would have been \$183.1 billion, an increase of 7.2 percent from 2016.<sup>3</sup>

<sup>1</sup> See FIL-6-2018, New Tax Law: Accounting and Reporting Implications, <https://www.fdic.gov/news/news/financial/2018/fil18006.html>.

<sup>2</sup> This estimate of net income applies the average quarterly tax rate between fourth quarter 2011 and third quarter 2017 to income before taxes and discontinued operations.

<sup>3</sup> This estimate of net income applies the average annual tax rate between 2011 and 2016 to income before taxes and discontinued operations.

Chart 1

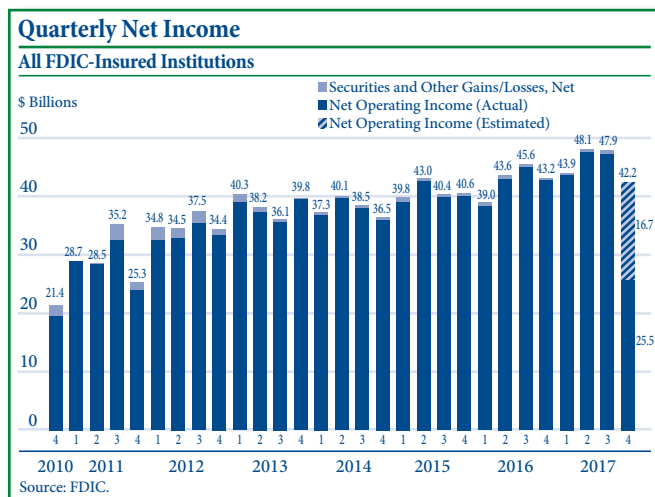
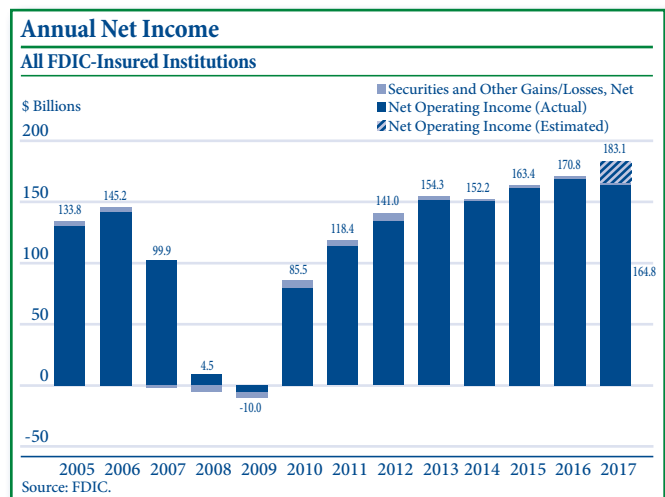


Chart 2



**Net Interest Income Rises 8.5 Percent From Fourth Quarter 2016**

Net operating revenue of \$192.2 billion, was \$10 billion (5.5 percent) higher than fourth quarter 2016. Net interest income grew by \$10.2 billion (8.5 percent), while noninterest income fell by \$202.4 million (0.3 percent). More than four out of five banks (86.4 percent) reported higher net interest income from a year ago, as interest-bearing assets increased (up 4.4 percent) and the average NIM increased to 3.31 percent from 3.16 percent a year ago. This is the highest quarterly NIM for the industry since fourth quarter 2012. More than two out of three banks (70 percent) reported higher net interest margins than a year earlier.

**Provisions Increase 8.9 Percent From a Year Ago**

Loan-loss provisions totaled \$13.6 billion in the fourth quarter, an increase of \$1.1 billion (8.9 percent) from a year ago. More than one in three (38.9 percent) institutions reported higher loan-loss provisions than in fourth quarter 2016. Fourth quarter loan-loss provisions totaled 7.1 percent of net operating revenue, up from 6.8 percent a year ago.

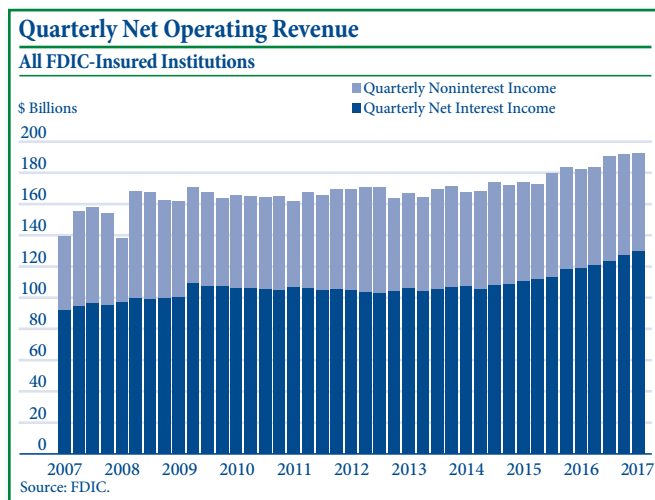
**Noninterest Expense Increases From a Year Ago**

Noninterest expense for the banking industry was \$9.4 billion (8.6 percent) higher than fourth quarter 2016, led by an increase in “other” noninterest expense (up \$6.3 billion, or 14.1 percent). Other noninterest expense includes, but is not limited to, information technology costs, legal fees, consulting services, and audit fees. Salary and employee benefits rose by \$3.2 billion (6.3 percent) from a year ago. Full-time equivalent employees at FDIC-insured institutions rose by 1.1 percent from a year ago, while industry assets increased by 3.8 percent. Average assets per employee rose to \$8.4 million from \$8.2 million in fourth quarter 2016.

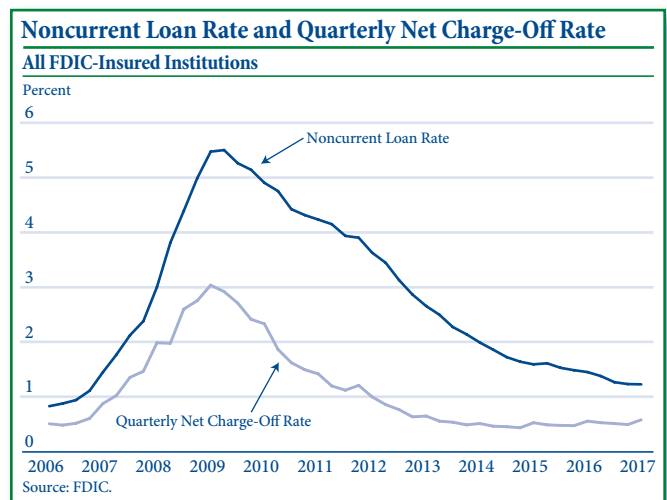
**Net Charge-Off Rate Increases Slightly**

Banks charged off \$13.2 billion in uncollectable loans during the quarter, an increase of \$1 billion (8.6 percent) from a year ago. This marks a ninth consecutive quarter that net charge-offs increased. Less than half (45.3 percent) of all banks reported an annual increase in their quarterly net charge-offs. The increase in net charge-offs was led by credit card balances, which grew by \$1.1 billion (15.7 percent). Net charge-offs declined for commercial and industrial loans (down \$210.3 million, 8.6 percent), home equity loans (down \$178.1 million, or 68.6 percent), and residential mortgage loans (down \$68.3 million, or 36.4 percent). The average net charge-off rate rose from 0.52 percent in fourth quarter 2016 to 0.55 percent.

**Chart 3**



**Chart 4**



**Noncurrent Loan Rate Remains Stable**

After declining for the past six consecutive quarters, noncurrent balances (90 days or more past due or in nonaccrual status) for total loans and leases increased by \$1.5 billion (1.3 percent) during the fourth quarter. The increase in noncurrent balances was led by residential mortgages (up 2.8 billion, or 5.2 percent) and credit cards (up \$1.2 billion, or 11.5 percent), and was partially offset by a decline in noncurrent commercial and industrial loans (down \$1.7 billion, or 8.5 percent). Despite the overall dollar increase, the average noncurrent loan rate remained unchanged at 1.20 percent from the previous quarter.

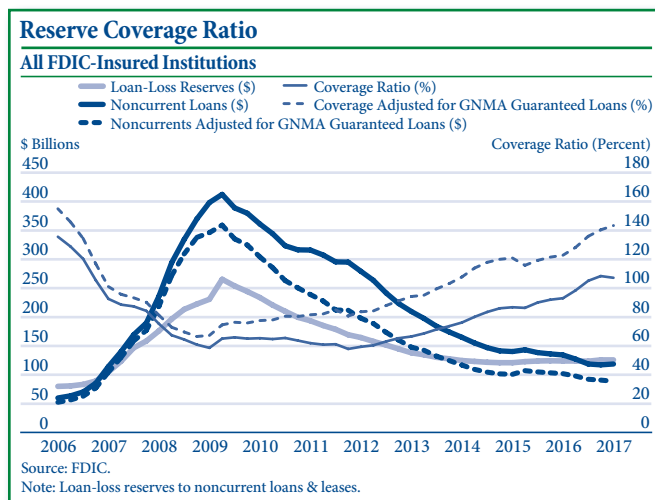
**Loan-Loss Reserves Increase From the Previous Quarter**

Banks continued to increase their loan-loss reserves (up \$236.2 million, or 0.2 percent) during the quarter, as loan-loss provisions of \$13.6 billion exceeded net charge-offs of \$13.2 billion. Banks that itemize their reserves (banks with assets greater than \$1 billion) reported higher reserves for credit card losses (up \$1.9 billion, or 5.2 percent) from the previous quarter, and lower reserves for residential real estate losses (down \$827.2 million, or 5.4 percent) and commercial and industrial loan losses (down \$723.5 million, or 2.2 percent) during the quarter. The coverage ratio (loan-loss reserves to noncurrent loan balances) declined slightly to 106.3 percent, but has been above 100 percent for the past three quarters.

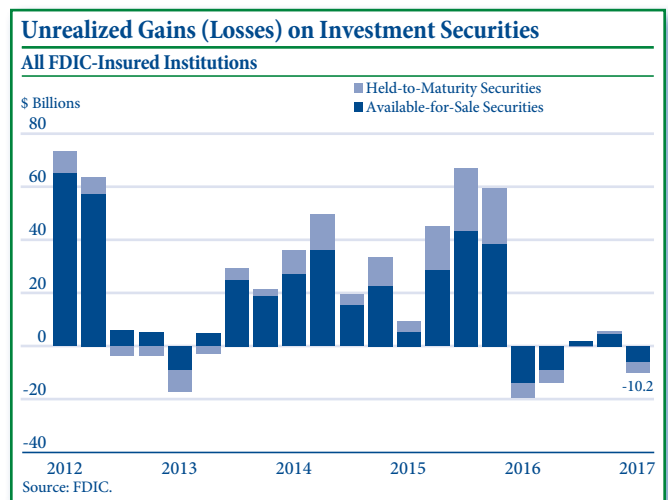
**Equity Capital Rises Modestly**

Total equity capital increased by \$3.6 billion (0.2 percent) in fourth quarter 2017. Declared dividends of \$30.1 billion exceeded the quarterly net income of \$25.5 billion during the quarter, reducing retained earnings by \$4.6 billion. Accumulated other comprehensive income declined by \$8.5 billion in the quarter, which was led by a decline in the market value of available-for-sale securities. The equity-to-assets ratio declined to 11.22 percent from 11.31 percent in third quarter 2017, but remained above the year-ago ratio of 11.10 percent. At year-end 2017, 99.4 percent of all insured institutions, which account for 99.97 percent of total industry assets, met or exceeded the requirements for the highest regulatory capital category, as defined for Prompt Corrective Action purposes.

**Chart 5**



**Chart 6**



**Total Loan and Lease Balances Increase \$164.1 Billion During the Fourth Quarter**

Total loan and lease balances increased by \$164.1 billion (1.7 percent) from third quarter 2017, as balances in all major loan categories increased. Credit card balances increased by \$69.6 billion (8.8 percent) from the previous quarter, commercial and industrial loans grew by \$24.5 billion (1.2 percent), and residential mortgage loans rose by \$21.7 billion (1.1 percent). Unused loan commitments were \$108.9 billion (1.5 percent) higher than the previous quarter, led by higher unused credit card lines (up \$57.7 billion, or 1.6 percent). Over the past 12 months, loan and lease balances increased by \$416.1 billion (4.5 percent), exceeding last quarter’s annual growth rate of 3.5 percent. The 12-month increase in loan and lease balances was led by commercial and industrial loans (up \$78.4 billion, or 4.1 percent), residential mortgage loans (up \$68.7 billion, or 3.4 percent), nonfarm nonresidential loans (up \$67.1 billion, or 5.1 percent), and credit card balances (up \$65.2 billion, or 8.2 percent). Home equity lines of credit continued with the year-over-year decline (down \$23 billion, or 5.3 percent). Unused loan commitments increased 4.4 percent from a year ago, the largest annual growth rate since third quarter 2016.

**Deposits Grew 1.4 Percent From the Previous Quarter**

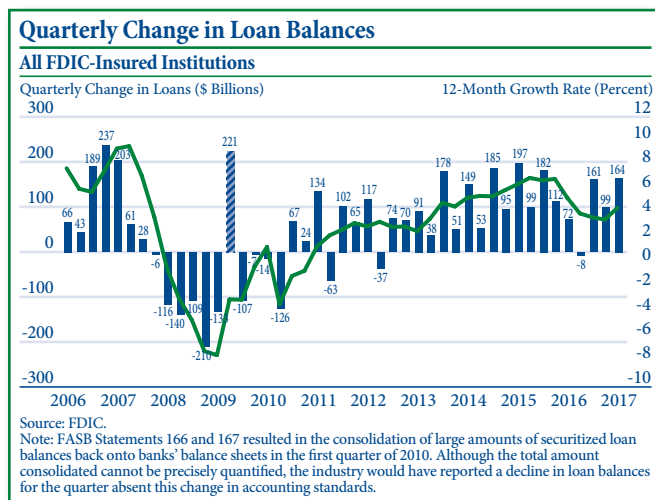
Total deposits increased by \$179.8 billion (1.4 percent) in the fourth quarter. Balances in domestic interest-bearing accounts rose by \$153.7 billion (1.8 percent), and balances in noninterest-bearing accounts grew by \$7.8 billion (0.2 percent). Domestic deposits in accounts larger than \$250,000 increased by \$159.6 billion (2.5 percent) from third quarter 2017. Nondeposit liabilities declined by \$8.9 billion (0.4 percent), as other liabilities were down \$29.3 billion (7.3 percent).

**‘Problem Bank List’ Falls Below 100**

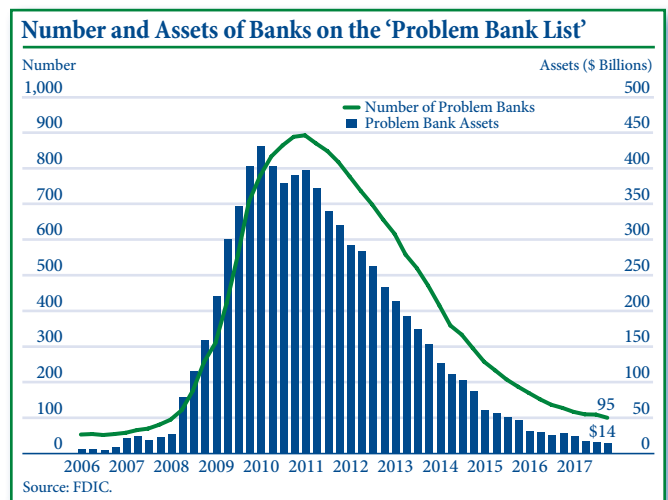
The FDIC’s Problem Bank List declined from 104 to 95 at year-end 2017, the lowest number of problem banks since first quarter 2008. Total assets of problem banks were down from \$16 billion in the third quarter to \$13.9 billion. During the quarter, merger transactions absorbed 64 institutions, two institutions failed, and one new charter was added. For full-year 2017, five new charters were added, 230 institutions were absorbed by mergers, and eight institutions failed.

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**Chart 7**



**Chart 8**





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

	2017	2016	2015	2014	2013	2012	2011
Return on assets (%)	0.97	1.04	1.04	1.01	1.07	1.00	0.88
Return on equity (%)	8.64	9.29	9.29	9.01	9.54	8.90	7.79
Core capital (leverage) ratio (%)	9.62	9.48	9.59	9.44	9.40	9.15	9.07
Noncurrent assets plus other real estate owned to assets (%)	0.72	0.86	0.97	1.20	1.63	2.20	2.61
Net charge-offs to loans (%)	0.50	0.47	0.44	0.49	0.69	1.10	1.55
Asset growth rate (%)	3.79	5.09	2.66	5.59	1.94	4.02	4.30
Net interest margin (%)	3.25	3.13	3.07	3.14	3.26	3.42	3.60
Net operating income growth (%)	-3.03	4.62	7.11	-0.73	12.82	17.76	43.60
Number of institutions reporting	5,670	5,913	6,182	6,509	6,812	7,083	7,357
Commercial banks	4,918	5,112	5,338	5,607	5,847	6,072	6,275
Savings institutions	752	801	844	902	965	1,011	1,082
Percentage of unprofitable institutions (%)	5.40	4.45	4.80	6.27	8.16	11.00	16.23
Number of problem institutions	95	123	183	291	467	651	813
Assets of problem institutions (in billions)	\$14	\$28	\$47	\$87	\$153	\$233	\$319
Number of failed institutions	8	5	8	18	24	51	92
Number of assisted institutions	0	0	0	0	0	0	0

\* Excludes insured branches of foreign banks (IBAs).

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

(dollar figures in millions)	4th Quarter 2017	3rd Quarter 2017	4th Quarter 2016	%Change 16Q4-17Q4		
Number of institutions reporting	5,670	5,738	5,913	-4.1		
Total employees (full-time equivalent)	2,076,106	2,084,080	2,052,978	1.1		
<b>CONDITION DATA</b>						
Total assets	\$17,416,262	\$17,242,418	\$16,779,598	3.8		
Loans secured by real estate	4,773,568	4,730,472	4,603,243	3.7		
1-4 Family residential mortgages	2,063,771	2,042,064	1,995,060	3.4		
Nonfarm nonresidential	1,391,075	1,377,643	1,323,979	5.1		
Construction and development	338,338	330,747	313,019	8.1		
Home equity lines	411,154	417,298	434,129	-5.3		
Commercial & industrial loans	2,013,426	1,988,897	1,934,998	4.1		
Loans to individuals	1,677,964	1,602,614	1,589,466	5.6		
Credit cards	865,050	795,425	799,842	8.2		
Farm loans	80,852	80,882	79,901	1.2		
Other loans & leases	1,177,533	1,156,140	1,099,540	7.1		
Less: Unearned income	2,291	2,059	2,175	5.3		
Total loans & leases	9,721,053	9,556,945	9,304,973	4.5		
Less: Reserve for losses	123,740	123,503	121,682	1.7		
Net loans and leases	9,597,313	9,433,442	9,183,291	4.5		
Securities	3,631,824	3,615,281	3,559,771	2.0		
Other real estate owned	8,451	9,099	10,932	-22.7		
Goodwill and other intangibles	383,389	378,113	369,229	3.8		
All other assets	3,795,286	3,806,483	3,656,374	3.8		
Total liabilities and capital	17,416,262	17,242,418	16,779,598	3.8		
Deposits	13,399,022	13,219,252	12,894,563	3.9		
Domestic office deposits	12,081,255	11,919,768	11,647,119	3.7		
Foreign office deposits	1,317,767	1,299,484	1,247,444	5.6		
Other borrowed funds	1,496,033	1,474,161	1,413,454	5.8		
Subordinated debt	68,929	75,110	83,904	-17.8		
All other liabilities	493,826	518,383	518,506	-4.8		
Total equity capital (includes minority interests)	1,958,451	1,955,512	1,869,171	4.8		
Bank equity capital	1,954,112	1,950,477	1,863,006	4.9		
Loans and leases 30-89 days past due	67,595	64,083	65,692	2.9		
Noncurrent loans and leases	116,385	114,837	132,013	-11.8		
Restructured loans and leases	60,214	61,530	65,503	-8.1		
Mortgage-backed securities	2,133,347	2,117,153	2,005,022	6.4		
Earning assets	15,760,921	15,586,363	15,103,316	4.4		
FHLB Advances	582,533	575,406	563,263	3.4		
Unused loan commitments	7,516,809	7,407,905	7,200,727	4.4		
Trust assets	20,334,391	19,709,519	17,663,958	15.1		
Assets securitized and sold	677,875	699,463	737,059	-8.0		
Notional amount of derivatives	173,490,303	190,595,890	166,783,334	4.0		
<b>INCOME DATA</b>						
	Full Year 2017	Full Year 2016	%Change	4th Quarter 2017	4th Quarter 2016	%Change 16Q4-17Q4
Total interest income	\$572,329	\$515,794	11.0	\$150,638	\$133,688	12.7
Total interest expense	73,259	54,389	34.7	21,118	14,354	47.1
Net interest income	499,070	461,405	8.2	129,520	119,334	8.5
Provision for loan and lease losses	51,089	48,096	6.2	13,568	12,462	8.9
Total noninterest income	255,479	253,643	0.7	62,657	62,859	-0.3
Total noninterest expense	442,757	423,219	4.6	117,954	108,599	8.6
Securities gains (losses)	2,129	3,786	-43.8	24	632	-96.2
Applicable income taxes	97,616	76,046	28.4	34,854	18,451	88.9
Extraordinary gains, net*	-87	-323	N/M	-222	-28	N/M
Total net income (includes minority interests)	165,129	171,150	-3.5	25,602	43,285	-40.9
Bank net income	164,793	170,810	-3.5	25,532	43,186	-40.9
Net charge-offs	46,783	42,421	10.3	13,161	12,114	8.7
Cash dividends	121,352	102,761	18.1	30,082	28,624	5.1
Retained earnings	43,442	68,049	-36.2	-4,550	14,562	N/M
Net operating income	163,704	168,813	-3.0	25,753	42,870	-39.9

\* See Notes to Users for explanation.

N/M - Not Meaningful

**TABLE III-A. Full Year 2017, All FDIC-Insured Institutions**

FULL YEAR (The way it is...)	All Insured Institutions	Asset Concentration Groups*									
		Credit Card Banks	International Banks	Agricultural Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <\$1 Billion	All Other <\$1 Billion	All Other >\$1 Billion	
Number of institutions reporting	5,670	11	5	1,390	2,943	421	59	272	509	60	
Commercial banks	4,918	10	5	1,376	2,632	106	45	245	447	52	
Savings institutions	752	1	0	14	311	315	14	27	62	8	
Total assets (in billions)	\$17,416.3	\$562.7	\$4,197.0	\$282.6	\$6,025.9	\$349.4	\$270.9	\$46.9	\$88.8	\$5,592.2	
Commercial banks	16,219.7	483.5	4,197.0	277.4	5,546.8	95.4	163.0	42.7	76.7	5,337.3	
Savings institutions	1,196.6	79.2	0.0	5.3	479.1	254.0	107.8	4.2	12.1	254.9	
Total deposits (in billions)	13,399.0	309.7	3,064.1	234.1	4,733.5	274.5	227.6	38.0	74.7	4,442.7	
Commercial banks	12,468.2	251.9	3,064.1	231.3	4,375.1	81.3	137.7	35.1	64.9	4,226.8	
Savings institutions	930.8	57.8	0.0	2.9	358.4	193.3	89.9	2.9	9.8	215.8	
Bank net income (in millions)	164,793	7,847	25,933	2,902	59,530	3,128	2,677	1,202	813	60,761	
Commercial banks	152,185	6,284	25,933	2,790	54,299	1,336	1,906	617	736	58,282	
Savings institutions	12,608	1,563	0	112	5,231	1,792	771	585	77	2,479	
<b>Performance Ratios (%)</b>											
Yield on earning assets	3.73	12.45	2.91	4.24	3.90	3.32	4.02	3.09	3.88	3.31	
Cost of funding earning assets	0.48	1.54	0.49	0.52	0.47	0.48	0.46	0.33	0.41	0.37	
Net interest margin	3.25	10.92	2.43	3.72	3.42	2.84	3.56	2.75	3.47	2.93	
Noninterest income to assets	1.50	2.48	1.82	0.64	1.27	1.31	1.18	6.41	0.90	1.46	
Noninterest expense to assets	2.60	5.35	2.42	2.67	2.73	2.52	2.45	5.59	2.88	2.33	
Loan and lease loss provision to assets	0.30	3.92	0.19	0.15	0.16	0.01	0.46	0.06	0.09	0.21	
Net operating income to assets	0.96	1.53	0.62	1.04	1.02	0.90	1.02	2.57	0.92	1.09	
Pretax return on assets	1.54	3.19	1.34	1.30	1.49	1.50	1.76	3.33	1.17	1.59	
Return on assets	0.97	1.52	0.62	1.05	1.02	0.93	1.02	2.60	0.93	1.10	
Return on equity	8.64	9.85	6.29	9.27	8.57	8.33	10.20	17.37	7.81	9.98	
Net charge-offs to loans and leases	0.50	3.95	0.56	0.16	0.21	0.05	0.60	0.22	0.15	0.43	
Loan and lease loss provision to net charge-offs	109.21	124.63	95.36	134.72	113.64	22.97	106.55	92.06	107.84	95.52	
Efficiency ratio	57.94	42.26	60.65	64.64	61.61	62.75	51.69	62.49	69.50	55.73	
% of unprofitable institutions	5.40	0.00	0.00	3.02	5.23	10.69	8.47	9.93	6.09	3.33	
% of institutions with earnings gains	56.16	27.27	40.00	54.68	57.87	50.36	49.15	54.78	55.99	68.33	
<b>Condition Ratios (%)</b>											
Earning assets to total assets	90.50	92.21	88.37	93.02	90.93	94.74	97.53	92.31	92.73	90.66	
Loss allowance to:											
Loans and leases	1.27	4.39	1.36	1.40	1.03	0.75	0.83	1.43	1.26	1.14	
Noncurrent loans and leases	106.32	285.81	107.71	146.06	119.63	27.78	170.63	107.79	114.21	73.16	
Noncurrent assets plus other real estate owned to assets	0.72	1.24	0.48	0.76	0.70	1.70	0.36	0.58	0.81	0.82	
Equity capital ratio	11.22	15.10	9.84	11.18	11.95	11.22	10.00	15.25	11.94	11.09	
Core capital (leverage) ratio	9.62	13.13	8.66	10.89	10.16	10.90	10.12	14.72	11.85	9.19	
Common equity tier 1 capital ratio	13.11	12.75	13.32	14.41	12.37	21.81	17.94	32.01	20.32	13.06	
Tier 1 risk-based capital ratio	13.19	12.87	13.39	14.43	12.46	21.83	18.14	32.02	20.34	13.13	
Total risk-based capital ratio	14.57	14.98	14.75	15.55	13.78	22.74	19.01	33.00	21.46	14.60	
Net loans and leases to deposits	71.63	140.73	49.89	80.59	88.51	75.67	84.84	34.48	65.91	62.83	
Net loans to total assets	55.11	77.46	36.43	66.76	69.53	59.46	71.29	27.96	55.45	49.91	
Domestic deposits to total assets	69.37	54.42	48.24	82.84	78.27	78.29	84.02	81.08	84.13	74.85	
<b>Structural Changes</b>											
New reporters	5	0	0	0	3	0	0	2	0	0	
Institutions absorbed by mergers	230	0	0	33	176	8	0	1	10	2	
Failed institutions	8	0	0	1	4	2	0	0	1	0	
<b>PRIOR FULL YEARS (The way it was...)</b>											
Number of institutions	2016	5,913	13	5	1,429	3,025	462	65	300	549	65
	2014	6,509	15	3	1,515	3,222	553	52	374	708	67
	2012	7,083	19	5	1,537	3,499	659	51	414	826	73
Total assets (in billions)	2016	\$16,779.6	\$519.0	\$4,052.7	\$284.9	\$5,628.2	\$331.5	\$256.0	\$51.0	\$97.5	\$5,558.7
	2014	15,553.7	484.2	3,735.6	273.5	4,878.5	439.6	175.9	61.9	129.1	5,375.5
	2012	14,450.4	600.7	3,808.4	239.8	4,338.9	628.3	101.6	64.9	145.8	4,522.0
Return on assets (%)	2016	1.04	2.28	0.93	1.21	0.97	0.99	0.96	2.84	0.93	1.06
	2014	1.01	3.22	0.72	1.17	0.94	0.96	1.05	2.20	0.86	1.06
	2012	1.00	3.13	0.80	1.27	0.89	0.87	1.46	1.23	0.86	1.00
Net charge-offs to loans & leases (%)	2016	0.47	3.34	0.55	0.15	0.22	0.07	0.56	0.22	0.17	0.41
	2014	0.49	2.81	0.73	0.13	0.24	0.21	0.62	0.34	0.25	0.41
	2012	1.10	3.69	1.41	0.24	0.74	0.82	1.31	0.45	0.45	0.94
Noncurrent assets plus OREO to assets (%)	2016	0.86	1.14	0.61	0.77	0.87	1.97	0.70	0.63	0.94	0.96
	2014	1.20	0.88	0.85	0.83	1.17	2.19	1.19	0.73	1.39	1.43
	2012	2.20	1.11	1.39	1.11	2.21	2.70	0.88	1.04	1.67	3.06
Equity capital ratio (%)	2016	11.10	14.85	9.97	11.30	11.81	11.28	10.04	15.21	11.42	10.85
	2014	11.15	15.13	9.45	11.42	11.97	12.07	9.88	14.78	11.81	11.11
	2012	11.17	14.67	8.93	11.14	11.93	11.09	9.57	14.27	11.47	11.85

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

**TABLE III-A. Full Year 2017, All FDIC-Insured Institutions**

FULL YEAR (The way it is...)	All Insured Institutions	Asset Size Distribution					Geographic Regions*						
		Less Than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	\$10 Billion to \$250 Billion	Greater Than \$250 Billion	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco	
Number of institutions reporting	5,670	1,407	3,513	627	114	9	693	668	1,214	1,438	1,235	422	
Commercial banks	4,918	1,238	3,061	510	100	9	363	605	1,019	1,389	1,158	384	
Savings institutions	752	169	452	117	14	0	330	63	195	49	77	38	
Total assets (in billions)	\$17,416.3	\$83.7	\$1,154.1	\$1,751.7	\$5,699.1	\$8,727.6	\$3,248.0	\$3,601.0	\$3,918.1	\$3,684.1	\$1,090.0	\$1,875.1	
Commercial banks	16,219.7	74.2	983.5	1,413.4	5,021.0	8,727.6	2,812.9	3,497.7	3,806.6	3,642.9	955.9	1,503.7	
Savings institutions	1,196.6	9.5	170.7	338.3	678.1	0.0	435.0	103.3	111.5	41.2	134.1	371.5	
Total deposits (in billions)	13,399.0	70.0	961.8	1,390.0	4,340.0	6,637.2	2,462.4	2,828.3	2,928.1	2,819.2	889.0	1,472.1	
Commercial banks	12,468.2	62.6	827.2	1,133.1	3,808.1	6,637.2	2,131.6	2,746.4	2,851.1	2,788.8	781.0	1,169.4	
Savings institutions	930.8	7.4	134.6	257.0	531.9	0.0	330.8	81.9	77.0	30.4	108.0	302.7	
Bank net income (in millions)	164,793	686	11,700	17,711	57,416	77,281	26,852	35,154	38,512	28,357	11,684	24,235	
Commercial banks	152,185	640	10,151	14,868	49,246	77,281	23,725	34,556	37,288	27,974	10,297	18,343	
Savings institutions	12,608	46	1,549	2,842	8,170	0	3,127	597	1,224	383	1,386	5,891	
<b>Performance Ratios (%)</b>													
Yield on earning assets	3.73	4.18	4.24	4.14	4.21	3.26	3.85	3.85	3.00	3.82	4.10	4.41	
Cost of funding earning assets	0.48	0.46	0.50	0.50	0.55	0.42	0.59	0.40	0.40	0.55	0.39	0.49	
Net interest margin	3.25	3.72	3.74	3.64	3.66	2.83	3.26	3.44	2.60	3.27	3.71	3.92	
Noninterest income to assets	1.50	1.18	1.15	1.24	1.53	1.58	1.34	1.45	1.85	1.25	1.35	1.74	
Noninterest expense to assets	2.60	3.46	3.13	2.79	2.69	2.44	2.56	2.58	2.58	2.51	3.00	2.74	
Loan and lease loss provision to assets	0.30	0.14	0.13	0.21	0.50	0.21	0.39	0.35	0.13	0.27	0.20	0.53	
Net operating income to assets	0.96	0.83	1.03	1.04	1.04	0.89	0.85	1.00	1.00	0.76	1.12	1.34	
Pretax return on assets	1.54	1.02	1.38	1.63	1.68	1.47	1.32	1.61	1.47	1.44	1.57	2.17	
Return on assets	0.97	0.83	1.04	1.05	1.04	0.90	0.86	1.00	1.00	0.78	1.12	1.36	
Return on equity	8.64	6.39	9.22	9.00	8.60	8.53	6.93	8.24	9.61	7.77	9.98	11.45	
Net charge-offs to loans and leases	0.50	0.21	0.15	0.22	0.71	0.47	0.58	0.61	0.27	0.51	0.28	0.67	
Loan and lease loss provision to net charge-offs	109.21	109.45	128.11	131.38	118.08	94.37	120.99	99.50	94.33	102.09	111.06	129.08	
Efficiency ratio	57.94	74.94	67.41	59.73	54.48	58.58	59.13	56.29	61.40	58.67	62.23	49.86	
% of unprofitable institutions	5.40	10.66	4.04	1.75	2.63	0.00	7.36	9.28	5.68	3.27	4.21	5.92	
% of institutions with earnings gains	56.16	53.80	55.96	60.93	64.04	66.67	51.08	53.74	57.08	55.35	59.51	58.53	
<b>Condition Ratios (%)</b>													
Earning assets to total assets	90.50	92.35	93.04	92.35	91.16	89.34	90.06	89.74	89.48	90.53	91.73	94.02	
Loss allowance to:													
Loans and leases	1.27	1.39	1.25	1.10	1.38	1.24	1.29	1.29	1.16	1.32	1.11	1.43	
Noncurrent loans and leases	106.32	115.44	141.59	141.24	127.36	83.87	120.96	96.48	96.68	86.08	107.05	209.26	
Noncurrent assets plus other real estate owned to assets	0.72	1.01	0.83	0.66	0.70	0.73	0.65	0.83	0.64	0.86	0.81	0.45	
Equity capital ratio	11.22	13.01	11.30	11.82	12.13	10.48	12.34	12.06	10.42	9.99	11.49	11.58	
Core capital (leverage) ratio	9.62	12.91	11.10	10.72	10.38	8.69	10.31	9.55	9.14	8.92	10.21	10.71	
Common equity tier 1 capital ratio	13.11	20.56	15.35	13.85	13.14	12.54	13.29	12.80	12.97	12.43	13.15	14.99	
Tier 1 risk-based capital ratio	13.19	20.59	15.39	13.87	13.30	12.57	13.36	12.91	13.01	12.49	13.25	15.14	
Total risk-based capital ratio	14.57	21.66	16.48	14.87	14.77	14.03	14.72	14.27	14.22	14.36	14.32	16.22	
Net loans and leases to deposits	71.63	70.55	81.31	87.91	78.96	62.03	73.67	73.07	66.04	68.57	79.38	77.71	
Net loans to total assets	55.11	58.99	67.76	69.76	60.13	47.17	55.85	57.39	49.35	52.48	64.74	61.01	
Domestic deposits to total assets	69.37	83.61	83.33	79.11	72.91	63.11	68.9	75.98	65.31	59.71	81.52	77.88	
<b>Structural Changes</b>													
New reporters	5	3	1	1	0	0	0	1	0	0	3	1	
Institutions absorbed by mergers	230	55	137	35	3	0	34	42	52	42	40	20	
Failed institutions	8	3	3	2	0	0	1	0	4	1	1	1	
<b>PRIOR FULL YEARS (The way it was...)</b>													
Number of institutions	2016	5,913	1,541	3,637	621	105	9	724	720	1,271	1,485	1,268	445
	2014	6,509	1,871	3,957	574	98	9	807	812	1,406	1,599	1,372	513
	2012	7,083	2,204	4,217	555	99	8	873	904	1,515	1,716	1,490	585
Total assets (in billions)	2016	\$16,779.6	\$91.5	\$1,173.9	\$1,761.7	\$5,305.7	\$8,446.8	\$3,096.4	\$3,507.3	\$3,784.3	\$3,633.8	\$1,010.7	\$1,747.0
	2014	15,553.7	109.7	1,232.1	1,576.4	4,534.2	8,101.3	2,956.4	3,217.9	3,595.8	3,404.0	904.4	1,475.2
	2012	14,450.4	128.1	1,275.0	1,454.7	4,468.7	7,123.9	2,896.1	3,056.1	3,298.1	3,068.7	870.4	1,261.0
Return on assets (%)	2016	1.04	0.89	1.08	1.02	1.07	1.03	0.87	1.02	1.00	1.09	1.02	1.40
	2014	1.01	0.79	1.00	1.09	1.09	0.95	0.83	1.00	0.88	1.07	1.14	1.49
	2012	1.00	0.68	0.80	1.13	1.13	0.94	0.96	0.77	0.90	1.10	1.01	1.72
Net charge-offs to loans & leases (%)	2016	0.47	0.21	0.14	0.25	0.64	0.47	0.52	0.54	0.27	0.53	0.31	0.58
	2014	0.49	0.23	0.23	0.27	0.60	0.54	0.55	0.54	0.36	0.60	0.23	0.47
	2012	1.10	0.43	0.64	0.73	1.30	1.17	1.24	1.19	0.85	1.37	0.56	0.84
Noncurrent assets plus OREO to assets (%)	2016	0.86	1.10	0.96	0.84	0.78	0.90	0.70	1.03	0.79	1.00	1.06	0.53
	2014	1.20	1.45	1.38	1.41	0.83	1.32	0.89	1.55	1.11	1.46	1.18	0.65
	2012	2.20	2.10	2.37	2.46	1.40	2.61	1.46	3.23	2.00	2.45	2.05	1.38
Equity capital ratio (%)	2016	11.10	12.70	11.14	11.55	11.87	10.50	12.11	12.05	10.32	9.87	10.92	11.79
	2014	11.15	12.28	11.20	11.90	12.39	10.28	11.81	12.45	9.80	10.20	11.06	12.47
	2012	11.17	12.00	10.90	11.77	12.37	10.32	12.18	12.03	9.10	10.86	10.70	13.24

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

**TABLE IV-A. Fourth Quarter 2017, All FDIC-Insured Institutions**

FOURTH QUARTER (The way it is...)	All Insured Institutions	Asset Concentration Groups*									
		Credit Card Banks	International Banks	Agricultural Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <\$1 Billion	All Other <\$1 Billion	All Other >\$1 Billion	
Number of institutions reporting	5,670	11	5	1,390	2,943	421	59	272	509	60	
Commercial banks	4,918	10	5	1,376	2,632	106	45	245	447	52	
Savings institutions	752	1	0	14	311	315	14	27	62	8	
Total assets (in billions)	\$17,416.3	\$562.7	\$4,197.0	\$282.6	\$6,025.9	\$349.4	\$270.9	\$46.9	\$88.8	\$5,592.2	
Commercial banks	16,219.7	483.5	4,197.0	277.4	5,546.8	95.4	163.0	42.7	76.7	5,337.3	
Savings institutions	1,196.6	79.2	0.0	5.3	479.1	254.0	107.8	4.2	12.1	254.9	
Total deposits (in billions)	13,399.0	309.7	3,064.1	234.1	4,733.5	274.5	227.6	38.0	74.7	4,442.7	
Commercial banks	12,468.2	251.9	3,064.1	231.3	4,375.1	81.3	137.7	35.1	64.9	4,226.8	
Savings institutions	930.8	57.8	0.0	2.9	358.4	193.3	89.9	2.9	9.8	215.8	
Bank net income (in millions)	25,532	-39	-4,175	335	13,511	563	464	223	175	14,474	
Commercial banks	22,809	-407	-4,175	308	12,353	220	400	150	159	13,801	
Savings institutions	2,723	368	0	28	1,158	342	64	73	16	673	
<b>Performance Ratios (annualized, %)</b>											
Yield on earning assets	3.85	12.86	3.01	4.31	4.02	3.48	4.20	3.07	3.91	3.39	
Cost of funding earning assets	0.54	1.70	0.55	0.56	0.53	0.56	0.53	0.34	0.43	0.44	
Net interest margin	3.31	11.17	2.46	3.75	3.49	2.92	3.67	2.73	3.48	2.95	
Noninterest income to assets	1.45	2.51	1.68	0.64	1.24	1.28	1.19	4.79	0.88	1.44	
Noninterest expense to assets	2.73	5.65	2.43	3.16	2.80	2.66	2.65	5.29	2.88	2.55	
Loan and lease loss provision to assets	0.31	3.99	0.21	0.16	0.15	0.00	0.46	0.07	0.10	0.23	
Net operating income to assets	0.60	-0.03	-0.39	0.48	0.91	0.63	0.69	1.87	0.79	1.04	
Pretax return on assets	1.40	3.12	1.20	0.81	1.44	1.39	1.65	2.00	1.13	1.34	
Return on assets	0.59	-0.03	-0.40	0.48	0.91	0.65	0.69	1.91	0.79	1.04	
Return on equity	5.24	-0.19	-4.01	4.21	7.56	5.75	6.89	12.52	6.58	9.35	
Net charge-offs to loans and leases	0.55	4.18	0.56	0.24	0.23	0.06	0.62	0.28	0.18	0.51	
Loan and lease loss provision to net charge-offs	103.09	119.02	102.54	98.48	96.53	12.97	103.00	85.35	97.62	88.81	
Efficiency ratio	60.51	43.69	62.47	76.02	62.49	65.41	54.52	72.29	69.88	60.84	
% of unprofitable institutions	16.23	36.36	20.00	10.36	17.40	26.37	23.73	19.12	14.54	13.33	
% of institutions with earnings gains	46.05	27.27	20.00	54.68	41.56	43.23	32.20	51.47	49.71	50.00	
<b>Structural Changes</b>											
New reporters	1	0	0	0	1	0	0	0	0	0	
Institutions absorbed by mergers	64	0	0	6	54	2	0	0	2	0	
Failed institutions	2	0	0	1	0	1	0	0	0	0	
<b>PRIOR FOURTH QUARTERS (The way it was...)</b>											
Return on assets (%)	2016	1.03	2.21	1.03	1.08	0.91	1.01	0.80	3.21	0.87	1.04
	2014	0.95	3.08	0.46	1.09	0.98	0.91	0.93	2.48	0.79	1.05
	2012	0.96	3.08	0.70	1.13	0.88	0.85	1.16	1.02	0.79	0.99
Net charge-offs to loans & leases (%)	2016	0.52	3.76	0.61	0.25	0.27	0.06	0.60	0.33	0.23	0.42
	2014	0.48	2.74	0.73	0.20	0.25	0.12	0.64	0.50	0.32	0.38
	2012	0.97	3.36	1.04	0.35	0.72	0.60	1.50	0.65	0.47	0.85

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

**TABLE IV-A. Fourth Quarter 2017, All FDIC-Insured Institutions**

FOURTH QUARTER (The way it is...)	All Insured Institutions	Asset Size Distribution					Geographic Regions*						
		Less Than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	\$10 Billion to \$250 Billion	Greater Than \$250 Billion	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco	
Number of institutions reporting	5,670	1,407	3,513	627	114	9	693	668	1,214	1,438	1,235	422	
Commercial banks	4,918	1,238	3,061	510	100	9	363	605	1,019	1,389	1,158	384	
Savings institutions	752	169	452	117	14	0	330	63	195	49	77	38	
Total assets (in billions)	\$17,416.3	\$83.7	\$1,154.1	\$1,751.7	\$5,699.1	\$8,727.6	\$3,248.0	\$3,601.0	\$3,918.1	\$3,684.1	\$1,090.0	\$1,875.1	
Commercial banks	16,219.7	74.2	983.5	1,413.4	5,021.0	8,727.6	2,812.9	3,497.7	3,806.6	3,642.9	955.9	1,503.7	
Savings institutions	1,196.6	9.5	170.7	338.3	678.1	0.0	435.0	103.3	111.5	41.2	134.1	371.5	
Total deposits (in billions)	13,399.0	70.0	961.8	1,390.0	4,340.0	6,637.2	2,462.4	2,828.3	2,928.1	2,819.2	889.0	1,472.1	
Commercial banks	12,468.2	62.6	827.2	1,133.1	3,808.1	6,637.2	2,131.6	2,746.4	2,851.1	2,788.8	781.0	1,169.4	
Savings institutions	930.8	7.4	134.6	257.0	531.9	0.0	330.8	81.9	77.0	30.4	108.0	302.7	
Bank net income (in millions)	25,532	18	2,467	3,099	10,958	8,989	4,747	6,163	8,146	-813	2,365	4,924	
Commercial banks	22,809	122	2,171	2,541	8,985	8,989	4,137	6,042	7,888	-911	2,190	3,461	
Savings institutions	2,723	-104	296	559	1,973	0	610	120	258	98	174	1,463	
<b>Performance Ratios (annualized, %)</b>													
Yield on earning assets	3.85	4.21	4.32	4.21	4.41	3.34	3.99	3.95	3.12	3.88	4.18	4.66	
Cost of funding earning assets	0.54	0.48	0.53	0.55	0.63	0.48	0.66	0.47	0.46	0.60	0.43	0.58	
Net interest margin	3.31	3.74	3.79	3.66	3.78	2.86	3.33	3.48	2.66	3.28	3.75	4.09	
Noninterest income to assets	1.45	-0.01	1.16	1.21	1.54	1.49	1.29	1.44	1.76	1.19	1.28	1.69	
Noninterest expense to assets	2.73	3.25	3.20	2.83	2.81	2.58	2.64	2.64	2.66	2.76	3.05	2.93	
Loan and lease loss provision to assets	0.31	0.16	0.14	0.21	0.52	0.23	0.42	0.35	0.13	0.29	0.20	0.56	
Net operating income to assets	0.60	0.10	0.86	0.72	0.78	0.42	0.60	0.71	0.84	-0.10	0.88	1.07	
Pretax return on assets	1.40	0.02	1.35	1.54	1.65	1.22	1.21	1.55	1.34	1.13	1.47	2.04	
Return on assets	0.59	0.09	0.86	0.72	0.78	0.41	0.59	0.69	0.83	-0.09	0.88	1.07	
Return on equity	5.24	0.66	7.57	6.03	6.40	3.92	4.77	5.68	7.99	-0.88	7.65	9.14	
Net charge-offs to loans and leases	0.55	0.28	0.22	0.28	0.76	0.51	0.64	0.69	0.26	0.56	0.32	0.74	
Loan and lease loss provision to net charge-offs	103.09	95.84	92.68	105.23	111.26	93.61	116.11	87.68	100.89	97.01	94.22	122.88	
Efficiency ratio	60.51	94.26	68.08	60.68	55.43	63.08	60.80	57.20	63.82	64.89	63.85	51.89	
% of unprofitable institutions	16.23	21.82	14.32	14.19	16.67	22.22	28.28	23.80	14.42	11.40	12.39	17.30	
% of institutions with earnings gains	46.05	52.59	45.72	34.77	38.60	33.33	30.45	39.22	46.95	52.43	52.55	39.10	
<b>Structural Changes</b>													
New reporters	1	0	1	0	0	0	0	0	0	0	1	0	
Institutions absorbed by mergers	64	10	41	11	2	0	12	12	8	9	11	12	
Failed institutions	2	1	1	0	0	0	0	0	1	1	0	0	
<b>PRIOR FOURTH QUARTERS (The way it was...)</b>													
Return on assets (%)	2016	1.03	0.69	1.05	0.86	1.05	1.06	0.87	0.99	1.07	1.09	0.79	1.33
	2014	0.95	0.67	1.00	1.08	1.11	0.82	0.79	1.01	0.84	0.86	1.11	1.46
	2012	0.96	0.50	0.70	1.00	1.18	0.87	0.92	0.82	0.88	1.01	0.90	1.55
Net charge-offs to loans & leases (%)	2016	0.52	0.36	0.23	0.35	0.71	0.49	0.61	0.58	0.30	0.59	0.33	0.67
	2014	0.48	0.29	0.32	0.25	0.58	0.52	0.51	0.50	0.38	0.61	0.28	0.44
	2012	0.97	0.54	0.74	0.72	1.15	0.97	1.09	1.17	0.65	1.17	0.61	0.71

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

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

December 31, 2017	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
<b>Percent of Loans 30-89 Days Past Due</b>										
All loans secured by real estate	0.71	0.47	0.97	0.65	0.47	1.00	0.45	1.38	1.21	1.08
Construction and development	0.35	0.00	0.51	0.60	0.30	0.42	0.63	1.03	0.82	0.42
Nonfarm nonresidential	0.25	0.00	0.35	0.56	0.22	0.25	0.20	0.92	0.77	0.29
Multifamily residential real estate	0.12	0.00	0.11	0.16	0.10	0.21	0.04	2.29	0.95	0.24
Home equity loans	0.74	19.74	1.23	0.35	0.53	0.52	0.41	0.72	0.65	0.88
Other 1-4 family residential	1.22	0.45	1.36	1.14	0.93	1.18	0.49	1.80	1.57	1.57
Commercial and industrial loans	0.28	0.98	0.27	0.74	0.29	0.48	0.34	0.84	0.98	0.23
Loans to individuals	1.48	1.56	1.08	1.36	1.39	1.18	0.83	1.70	2.07	1.85
Credit card loans	1.33	1.56	1.09	1.14	0.95	0.87	0.75	0.77	2.29	1.24
Other loans to individuals	1.64	1.55	1.06	1.38	1.44	1.21	0.85	1.76	2.06	2.24
All other loans and leases (including farm)	0.25	0.59	0.28	0.53	0.24	0.29	0.05	0.41	0.58	0.20
Total loans and leases	0.70	1.53	0.68	0.66	0.48	0.95	0.64	1.30	1.23	0.87
<b>Percent of Loans Noncurrent**</b>										
All real estate loans	1.66	0.66	2.33	0.94	0.91	2.98	0.50	1.51	1.14	2.95
Construction and development	0.52	0.00	0.24	0.65	0.53	0.53	1.20	2.48	0.96	0.48
Nonfarm nonresidential	0.61	0.00	0.58	0.97	0.59	0.89	0.54	1.31	1.42	0.62
Multifamily residential real estate	0.15	0.00	0.08	0.26	0.15	0.51	0.23	0.46	0.49	0.16
Home equity loans	2.43	2.13	4.25	0.36	1.24	1.30	1.72	0.49	0.51	3.63
Other 1-4 family residential	2.75	0.70	3.19	0.82	1.56	3.54	0.38	1.58	1.16	4.17
Commercial and industrial loans	0.90	0.91	1.03	1.28	0.96	0.45	0.35	1.27	1.04	0.75
Loans to individuals	0.97	1.56	0.89	0.49	0.76	0.50	0.55	0.56	1.20	0.74
Credit card loans	1.37	1.61	1.15	0.36	0.88	0.76	1.27	0.34	1.06	1.20
Other loans to individuals	0.54	0.58	0.35	0.50	0.74	0.47	0.37	0.57	1.20	0.44
All other loans and leases (including farm)	0.20	0.46	0.11	0.91	0.29	0.17	0.01	0.60	0.53	0.15
Total loans and leases	1.20	1.53	1.27	0.96	0.86	2.71	0.49	1.33	1.10	1.56
<b>Percent of Loans Charged-Off (net, YTD)</b>										
All real estate loans	0.03	0.05	0.03	0.05	0.04	0.00	0.01	0.09	0.05	0.02
Construction and development	-0.02	0.00	0.00	-0.01	-0.02	0.01	-0.13	0.23	0.03	-0.05
Nonfarm nonresidential	0.04	0.00	0.01	0.07	0.04	0.07	0.07	0.09	0.05	0.01
Multifamily residential real estate	-0.01	0.00	-0.01	0.01	-0.01	0.03	0.00	0.15	0.04	-0.02
Home equity loans	0.14	0.63	0.20	0.02	0.11	-0.08	0.11	0.13	0.06	0.18
Other 1-4 family residential	0.02	0.05	0.02	0.07	0.04	0.00	0.00	0.06	0.06	0.00
Commercial and industrial loans	0.38	2.77	0.26	0.49	0.39	0.40	0.39	0.37	0.41	0.35
Loans to individuals	2.26	4.00	2.65	0.53	0.99	1.01	1.00	0.60	0.58	1.79
Credit card loans	3.61	4.10	3.30	1.80	2.90	2.26	2.80	0.48	1.35	3.16
Other loans to individuals	0.91	2.04	1.36	0.41	0.75	0.89	0.56	0.60	0.56	0.96
All other loans and leases (including farm)	0.16	1.04	0.10	0.25	0.19	0.27	0.03	0.91	0.26	0.16
Total loans and leases	0.50	3.95	0.56	0.16	0.21	0.05	0.60	0.22	0.15	0.43
<b>Loans Outstanding (in billions)</b>										
All real estate loans	\$4,773.6	\$0.4	\$573.1	\$118.7	\$2,606.0	\$188.3	\$60.0	\$9.5	\$37.9	\$1,179.6
Construction and development	338.3	0.0	16.6	7.0	250.0	6.1	0.3	0.8	2.2	55.2
Nonfarm nonresidential	1,391.1	0.0	50.1	32.3	1,014.3	17.3	4.1	3.3	8.8	261.0
Multifamily residential real estate	403.9	0.0	76.3	3.8	272.9	4.7	0.9	0.3	1.1	44.0
Home equity loans	411.2	0.0	54.2	2.4	200.3	11.0	4.6	0.3	1.5	136.9
Other 1-4 family residential	2,063.8	0.4	326.3	28.7	823.3	148.2	50.1	4.4	20.9	661.5
Commercial and industrial loans	2,013.4	15.9	330.8	21.9	967.0	5.7	9.6	1.7	4.2	656.5
Loans to individuals	1,678.0	438.7	279.3	6.5	333.5	4.0	112.2	1.4	4.5	497.9
Credit card loans	865.1	418.9	190.4	0.5	38.3	0.4	22.1	0.1	0.2	194.2
Other loans to individuals	812.9	19.8	88.9	5.9	295.2	3.7	90.1	1.3	4.3	303.7
All other loans and leases (including farm)	1,258.4	0.8	367.3	44.3	328.1	11.3	13.1	0.7	3.3	489.6
Total loans and leases (plus unearned income)	9,723.3	455.8	1,550.5	191.4	4,234.6	209.4	194.8	13.3	49.9	2,823.6
<b>Memo: Other Real Estate Owned (in millions)</b>										
All other real estate owned	8,450.5	0.2	523.6	317.8	5,424.9	238.9	29.0	96.7	167.4	1,652.0
Construction and development	2,470.7	0.0	18.2	77.1	2,012.2	54.6	4.3	51.0	38.5	214.7
Nonfarm nonresidential	2,361.2	0.0	70.0	102.9	1,751.3	28.1	5.6	24.8	59.5	319.0
Multifamily residential real estate	134.2	0.0	0.0	14.5	102.7	3.6	0.0	1.6	0.7	11.0
1-4 family residential	2,919.0	0.2	302.3	58.8	1,452.9	110.6	19.1	17.6	63.6	894.0
Farmland	141.3	0.0	0.0	64.6	64.9	2.4	0.0	1.5	5.2	2.8
GNMA properties	384.3	0.0	95.0	0.0	41.0	39.7	0.0	0.2	0.0	208.4

\* 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**

December 31, 2017	All Insured Institutions	Asset Size Distribution					Geographic Regions*					
		Less Than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	\$10 Billion to \$250 Billion	Greater Than \$250 Billion	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
<b>Percent of Loans 30-89 Days Past Due</b>												
All loans secured by real estate	0.71	1.17	0.60	0.37	0.56	1.07	0.51	0.86	0.77	1.02	0.64	0.31
Construction and development	0.35	0.86	0.43	0.31	0.29	0.42	0.41	0.28	0.33	0.40	0.35	0.28
Nonfarm nonresidential	0.25	0.89	0.36	0.22	0.20	0.28	0.27	0.25	0.28	0.25	0.32	0.15
Multifamily residential real estate	0.12	0.64	0.23	0.10	0.10	0.13	0.14	0.08	0.12	0.17	0.18	0.08
Home equity loans	0.74	0.62	0.51	0.41	0.57	0.97	0.56	0.81	0.86	0.88	0.50	0.36
Other 1-4 family residential	1.22	1.68	0.99	0.67	1.02	1.56	0.88	1.43	1.18	1.67	1.33	0.51
Commercial and industrial loans	0.28	1.18	0.58	0.41	0.25	0.24	0.24	0.21	0.27	0.30	0.45	0.35
Loans to individuals	1.48	2.03	1.61	1.34	1.37	1.60	1.21	2.07	1.06	1.43	1.03	1.47
Credit card loans	1.33	5.31	2.24	2.83	1.44	1.15	1.16	1.56	1.15	1.16	0.74	1.72
Other loans to individuals	1.64	1.96	1.57	1.07	1.28	2.05	1.29	2.59	1.02	1.87	1.17	1.24
All other loans and leases (including farm)	0.25	0.50	0.46	0.28	0.24	0.24	0.13	0.17	0.36	0.23	0.47	0.36
Total loans and leases	0.70	1.14	0.63	0.43	0.65	0.82	0.57	0.86	0.63	0.79	0.63	0.60
<b>Percent of Loans Noncurrent**</b>												
All real estate loans	1.66	1.21	0.87	0.73	1.31	2.80	1.31	2.08	1.84	2.52	1.01	0.50
Construction and development	0.52	0.96	1.05	0.54	0.28	0.45	0.57	0.82	0.47	0.36	0.42	0.41
Nonfarm nonresidential	0.61	1.37	0.77	0.58	0.57	0.58	0.72	0.64	0.68	0.58	0.57	0.41
Multifamily residential real estate	0.15	0.84	0.45	0.14	0.10	0.12	0.14	0.12	0.16	0.26	0.22	0.06
Home equity loans	2.43	0.42	0.59	0.61	1.29	3.91	2.28	3.07	2.35	2.90	1.08	0.63
Other 1-4 family residential	2.75	1.29	1.00	1.15	2.34	3.94	2.16	3.15	2.77	4.18	2.02	0.63
Commercial and industrial loans	0.90	1.58	1.08	1.13	0.98	0.77	0.91	0.78	0.78	0.99	1.49	0.86
Loans to individuals	0.97	0.84	0.70	0.82	1.14	0.81	1.02	1.16	0.57	0.93	0.84	1.02
Credit card loans	1.37	2.94	1.63	2.88	1.51	1.15	1.25	1.49	1.18	1.20	1.25	1.76
Other loans to individuals	0.54	0.80	0.64	0.44	0.62	0.47	0.64	0.81	0.33	0.49	0.65	0.32
All other loans and leases (including farm)	0.20	1.01	0.70	0.38	0.25	0.12	0.20	0.13	0.15	0.24	0.32	0.33
Total loans and leases	1.20	1.20	0.88	0.78	1.09	1.47	1.07	1.34	1.20	1.53	1.04	0.68
<b>Percent of Loans Charged-Off (net, YTD)</b>												
All real estate loans	0.03	0.07	0.05	0.04	0.04	0.02	0.06	0.05	0.03	0.01	0.03	-0.01
Construction and development	-0.02	0.04	0.04	0.01	-0.04	-0.06	0.04	0.02	-0.02	-0.10	0.00	-0.12
Nonfarm nonresidential	0.04	0.09	0.05	0.04	0.05	0.00	0.05	0.05	0.05	0.01	0.04	0.00
Multifamily residential real estate	-0.01	0.04	-0.01	0.01	-0.01	-0.01	0.00	-0.02	-0.01	-0.01	-0.01	0.00
Home equity loans	0.14	0.04	0.05	0.06	0.12	0.18	0.13	0.23	0.13	0.13	0.04	0.00
Other 1-4 family residential	0.02	0.07	0.05	0.05	0.04	0.00	0.07	0.01	0.02	0.01	0.03	0.00
Commercial and industrial loans	0.38	0.53	0.43	0.47	0.43	0.31	0.36	0.48	0.25	0.29	0.52	0.50
Loans to individuals	2.26	0.99	1.11	1.75	2.53	2.08	2.36	2.36	1.58	2.52	1.50	2.44
Credit card loans	3.61	10.35	6.18	6.19	3.87	3.19	3.20	3.87	3.40	3.38	2.70	4.61
Other loans to individuals	0.91	0.68	0.77	0.78	0.76	1.07	0.94	0.85	0.89	1.27	0.94	0.63
All other loans and leases (including farm)	0.16	0.27	0.27	0.31	0.16	0.13	0.21	0.15	0.12	0.15	0.27	0.10
Total loans and leases	0.50	0.21	0.15	0.22	0.71	0.47	0.58	0.61	0.27	0.51	0.28	0.67
<b>Loans Outstanding (in billions)</b>												
All real estate loans	\$4,773.6	\$34.2	\$612.5	\$907.3	\$1,544.7	\$1,674.7	\$971.1	\$917.5	\$994.3	\$874.5	\$456.8	\$559.3
Construction and development	338.3	2.0	57.2	86.5	121.3	71.3	62.1	60.4	57.3	52.4	70.0	36.1
Nonfarm nonresidential	1,391.1	8.5	232.3	372.6	489.9	287.7	317.2	273.3	214.4	193.8	189.5	202.9
Multifamily residential real estate	403.9	0.9	33.7	100.4	149.9	119.1	144.9	41.2	107.5	33.4	20.0	56.9
Home equity loans	411.2	0.8	24.2	45.9	142.8	197.5	80.9	104.0	102.0	74.4	21.2	28.7
Other 1-4 family residential	2,063.8	15.5	214.4	279.1	624.2	930.5	361.6	424.3	490.0	427.0	138.3	222.6
Commercial and industrial loans	2,013.4	5.8	98.4	188.4	744.5	976.3	305.6	493.5	437.2	411.1	139.1	226.9
Loans to individuals	1,678.0	3.3	32.1	73.2	818.8	750.5	366.8	413.5	226.9	324.8	65.0	281.0
Credit card loans	865.1	0.1	2.0	11.3	479.6	372.1	230.4	210.4	65.8	200.3	20.9	137.2
Other loans to individuals	812.9	3.2	30.2	61.9	339.2	378.4	136.3	203.1	161.1	124.5	44.2	143.7
All other loans and leases (including farm)	1,258.4	6.8	49.2	67.1	367.9	767.5	194.7	269.4	298.1	349.4	53.0	93.9
Total loans and leases (plus unearned income)	9,723.3	50.1	792.3	1,236.1	3,475.9	4,169.0	1,838.2	2,094.0	1,956.5	1,959.7	713.9	1,161.0
<b>Memo: Other Real Estate Owned (in millions)</b>												
All other real estate owned	8,450.5	237.2	2,561.6	1,865.3	1,925.4	1,861.1	1,585.2	1,859.9	1,601.3	1,508.9	1,386.8	508.5
Construction and development	2,470.7	60.7	1,122.6	708.9	347.0	231.5	256.3	651.4	307.3	508.8	566.7	180.2
Nonfarm nonresidential	2,361.2	71.0	843.7	626.1	511.5	309.0	441.0	479.1	452.6	358.3	486.3	143.8
Multifamily residential real estate	134.2	8.1	58.8	33.7	9.2	24.3	32.9	27.4	21.6	30.0	13.5	8.8
1-4 family residential	2,919.0	72.2	458.3	439.4	930.5	1,018.5	764.9	647.1	676.8	403.8	277.3	149.0
Farmland	141.3	25.1	77.8	32.2	4.9	1.4	9.1	16.8	21.0	47.8	35.7	10.9
GNMA properties	384.3	0.2	0.3	25.1	122.3	236.4	81.0	38.0	121.9	120.2	7.4	15.8

**\* 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**

	4th Quarter 2017	3rd Quarter 2017	2nd Quarter 2017	1st Quarter 2017	4th Quarter 2016	% Change 16Q4 17Q4	Asset Size Distribution				
							Less Than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	\$10 Billion to \$250 Billion	Greater Than \$250 Billion
<i>(dollar figures in millions; notional amounts unless otherwise indicated)</i>											
<b>ALL DERIVATIVE HOLDERS</b>											
Number of institutions reporting derivatives	1,368	1,395	1,422	1,417	1,427	-4.1	43	786	423	107	9
Total assets of institutions reporting derivatives	\$15,816,310	\$15,658,866	\$15,451,566	\$15,361,637	\$15,183,959	4.2	\$3,249	\$345,233	\$1,339,145	\$5,401,052	\$8,727,631
Total deposits of institutions reporting derivatives	12,133,300	11,933,615	11,789,324	11,768,346	11,589,525	4.7	2,692	284,905	1,062,261	4,146,250	6,637,193
Total derivatives	173,490,303	190,595,890	187,860,427	180,491,094	166,783,334	4.0	189	18,401	132,094	49,913,185	123,426,433
<b>Derivative Contracts by Underlying Risk Exposure</b>											
Interest rate	130,429,413	141,264,920	139,826,426	132,697,581	124,479,973	4.8	184	18,311	126,948	43,674,737	86,609,233
Foreign exchange*	34,422,180	39,707,400	38,856,459	38,313,393	33,277,647	3.4	0	3	3,714	5,723,727	28,694,735
Equity	3,079,607	3,055,705	2,908,473	2,826,463	2,475,169	24.4	0	0	172	162,982	2,916,453
Commodity & other (excluding credit derivatives)	1,372,891	1,477,532	1,334,384	1,349,981	1,257,180	9.2	0	0	18	82,168	1,290,704
Credit	4,186,122	5,090,240	4,934,591	5,303,594	5,293,365	-20.9	0	1	1,242	269,571	3,915,308
Total	173,483,578	190,587,336	187,851,324	180,483,202	166,783,334	4.0	29	11,895	132,036	49,913,185	123,426,433
<b>Derivative Contracts by Transaction Type</b>											
Swaps	94,523,862	101,820,942	103,004,241	99,182,539	96,383,754	-1.9	19	6,572	85,682	25,697,866	68,733,723
Futures & forwards	34,407,208	40,118,624	39,841,404	39,858,005	34,192,708	0.6	6	2,855	27,489	7,855,573	26,521,285
Purchased options	19,163,389	20,398,592	19,127,368	16,939,463	14,791,782	29.6	0	249	7,344	7,735,299	11,420,497
Written options	19,683,605	20,908,669	18,608,635	17,046,726	14,581,494	35.0	4	2,217	10,048	8,229,492	11,441,843
Total	167,778,064	183,246,827	180,581,649	173,026,733	159,949,739	4.9	29	11,894	130,563	49,518,230	118,117,349
<b>Fair Value of Derivative Contracts</b>											
Interest rate contracts	49,030	52,123	68,960	65,746	62,629	-21.7	0	78	274	10,747	37,931
Foreign exchange contracts	10,372	13,938	-430	1,613	10,779	-3.8	0	0	-22	2,541	7,853
Equity contracts	-7,514	-5,742	-4,898	-4,921	-2,181	N/M	0	0	1	235	-7,750
Commodity & other (excluding credit derivatives)	-829	-1,390	-1,300	118	622	N/M	0	0	0	6	-835
Credit derivatives as guarantor**	33,170	34,840	31,164	24,958	16,617	99.6	0	-1	-2	1,750	31,422
Credit derivatives as beneficiary**	-34,547	-37,666	-31,788	-24,932	-15,028	N/M	0	0	-31	-1,882	-32,633
<b>Derivative Contracts by Maturity***</b>											
Interest rate contracts											
< 1 year	72,590,564	72,157,754	65,971,632	61,926,348	55,052,886	31.9	27	4,242	29,648	20,142,459	52,414,188
1-5 years	36,154,531	43,431,393	48,374,437	46,450,818	43,262,490	-16.4	28	2,221	33,797	8,162,399	27,956,086
> 5 years	23,565,841	27,041,460	29,634,366	29,973,243	29,761,959	-20.8	16	6,308	49,833	7,052,297	16,457,388
Foreign exchange and gold contracts											
< 1 year	24,379,652	28,416,443	27,411,021	27,320,407	23,910,532	2.0	0	3	2,192	4,013,345	20,364,112
1-5 years	4,805,216	4,987,149	4,813,394	4,772,294	4,453,265	7.9	0	0	888	813,236	3,991,092
> 5 years	2,525,329	2,543,811	2,496,193	2,429,269	2,420,119	4.3	0	0	52	645,816	1,879,460
Equity contracts											
< 1 year	2,295,686	2,159,633	2,236,472	2,197,689	1,842,304	24.6	0	0	16	47,595	2,248,075
1-5 years	732,909	780,834	720,365	759,782	677,136	8.2	0	0	64	41,374	691,471
> 5 years	113,150	119,191	126,774	84,970	122,956	-8.0	0	0	0	7,050	106,101
Commodity & other contracts (including credit derivatives, excluding gold contracts)											
< 1 year	2,172,996	2,542,161	2,544,432	2,722,501	2,681,842	-19.0	0	4	24	63,016	2,109,952
1-5 years	2,814,096	3,173,395	3,069,752	3,054,143	3,198,687	-12.0	0	0	269	166,043	2,647,784
> 5 years	312,753	524,420	311,157	487,184	339,228	-7.8	0	26	373	32,271	280,083
<b>Risk-Based Capital: Credit Equivalent Amount</b>											
Total current exposure to tier 1 capital (%)	23.3	24.2	24.6	24.1	29.2		0.0	0.4	0.6	15.0	34.6
Total potential future exposure to tier 1 capital (%)	38.6	45.1	46.9	48.1	44.0		0.1	0.3	0.8	18.9	61.5
Total exposure (credit equivalent amount) to tier 1 capital (%)	61.9	69.4	71.5	72.3	73.2		0.1	0.7	1.4	33.9	96.1
<b>Credit losses on derivatives****</b>	11.0	1.0	10.0	1.0	30.0	-63.3	0.0	0.0	0.0	2.0	10
<b>HELD FOR TRADING</b>											
Number of institutions reporting derivatives	201	200	205	201	260	-22.7	2	37	93	61	8
Total assets of institutions reporting derivatives	12,486,978	12,403,492	12,228,056	12,124,176	12,093,915	3.3	168	17,334	330,465	3,699,674	8,439,337
Total deposits of institutions reporting derivatives	9,558,217	9,421,994	9,306,454	9,265,757	9,222,603	3.6	151	14,392	260,428	2,892,473	6,390,772
<b>Derivative Contracts by Underlying Risk Exposure</b>											
Interest rate	128,194,060	138,893,663	137,316,308	130,188,927	121,957,324	5.1	3	674	38,132	43,156,240	84,999,011
Foreign exchange	32,402,444	36,960,571	36,002,239	35,648,745	31,228,297	3.8	0	0	2,545	5,544,043	26,855,856
Equity	3,063,576	3,040,023	2,893,124	2,810,971	2,459,958	24.5	0	0	0	151,100	2,912,476
Commodity & other	1,343,837	1,450,053	1,306,894	1,321,931	1,255,198	7.1	0	0	7	54,290	1,289,540
Total	165,003,917	180,344,309	177,518,566	169,970,575	156,900,778	5.2	3	674	40,683	48,905,673	116,056,884
<b>Trading Revenues: Cash &amp; Derivative Instruments</b>											
Interest rate**	2,237	2,917	4,521	3,866	-1,547	N/M	0	0	7	619	1,611
Foreign exchange**	1,795	1,540	681	1,684	5,941	-69.8	0	0	3	213	1,580
Equity**	989	1,183	1,122	922	680	45.4	0	0	9	91	889
Commodity & other (including credit derivatives)**	13	754	314	653	928	-98.6	0	0	1	-107	119
Total trading revenues**	5,035	6,394	6,637	7,126	6,003	-16.1	0	0	20	816	4,199
<b>Share of Revenue</b>											
Trading revenues to gross revenues (%)**	3.6	4.6	4.8	5.4	4.6		0.0	0.0	0.5	2.0	4.4
Trading revenues to net operating revenues (%)**	30.7	19.9	20.5	24.2	20.0		0.0	0.0	4.4	11.8	46.8
<b>HELD FOR PURPOSES OTHER THAN TRADING</b>											
Number of institutions reporting derivatives	784	799	820	830	1,298	-39.6	6	278	388	103	9
Total assets of institutions reporting derivatives	15,371,332	15,222,623	15,021,569	14,906,761	14,886,971	3.3	451	137,421	1,251,623	5,254,206	8,727,631
Total deposits of institutions reporting derivatives	11,775,352	11,580,060	11,438,123	11,394,184	11,348,675	3.8	376	113,690	992,732	4,031,361	6,637,193
<b>Derivative Contracts by Underlying Risk Exposure</b>											
Interest rate	2,228,718	2,362,796	2,501,109	2,500,845	2,522,649	-11.7	26	11,216	88,758	518,497	1,610,222
Foreign exchange	500,344	496,561	519,135	511,772	509,119	-1.7	0	3	939	54,299	445,103
Equity	16,031	15,682	15,349	15,492	15,211	5.4	0	0	172	11,882	3,977
Commodity & other	29,054	27,479	27,490	28,049	1,982	1,365.9	0	0	12	27,879	1,164
Total notional amount	2,774,147	2,902,518	3,063,083	3,056,158	3,048,961	-9.0	26	11,220	89,879	612,557	2,060,465

All line items are reported on a quarterly basis. N/M - Not Meaningful  
 \* Includes 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.  
 \*\* Does not include banks filing the FFIEC 051 report form, which was introduced in first quarter 2017.  
 \*\*\* 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 banks filing the FFIEC 041 report form that have \$300 million or more in total assets, but is not applicable to banks filing the FFIEC 051 form.



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

							Asset Size Distribution				
	4th Quarter 2017	3rd Quarter 2017	2nd Quarter 2017	1st Quarter 2017	4th Quarter 2016	% Change 16Q4-17Q4	Less Than \$100 Million	\$100 to \$1 Billion	\$1 to \$10 Billion	\$10 to \$250 Billion	Greater Than \$250 Billion
(dollar figures in millions)											
<b>Assets Securitized and Sold with Servicing Retained or with Recourse or Other Seller-Provided Credit Enhancements</b>											
Number of institutions reporting securitization activities	67	66	68	67	75	-10.7	0	8	20	32	7
<b>Outstanding Principal Balance by Asset Type</b>											
1-4 family residential loans	\$590,211	\$606,755	\$620,524	\$634,480	\$643,700	-8.3	\$0	\$1,899	\$14,132	\$88,737	\$485,444
Home equity loans	20	21	22	24	25	-20.0	0	0	0	20	0
Credit card receivables	4,553	16,114	17,306	16,406	12,879	-64.6	0	0	0	4,521	32
Auto loans	9,770	10,494	11,566	12,158	11,543	-15.4	0	0	1,516	8,255	0
Other consumer loans	3,052	3,610	3,778	3,955	4,576	-33.3	0	0	0	2,003	1,049
Commercial and industrial loans	380	316	309	312	276	37.7	0	0	0	0	380
All other loans, leases, and other assets	60,869	55,105	54,266	56,669	64,060	-5.0	0	10	9,294	1,539	50,026
Total securitized and sold	668,855	692,414	707,771	724,004	737,059	-9.3	0	1,909	24,942	105,075	536,930
<b>Maximum Credit Exposure by Asset Type</b>											
1-4 family residential loans	1,716	1,718	1,750	1,906	2,056	-16.5	0	2	24	1,199	491
Home equity loans	0	0	0	0	0	0.0	0	0	0	0	0
Credit card receivables	353	1,405	1,508	1,443	1,162	-69.6	0	0	0	353	0
Auto loans	147	161	183	125	428	-65.7	0	0	13	134	0
Other consumer loans	86	87	96	100	97	-11.3	0	0	0	0	86
Commercial and industrial loans	0	0	0	0	0	0.0	0	0	0	0	0
All other loans, leases, and other assets	1,131	908	874	875	1,142	-1.0	0	0	142	0	989
Total credit exposure	3,431	4,279	4,410	4,448	4,884	-29.8	0	2	178	1,686	1,566
Total unused liquidity commitments provided to institution's own securitizations	215	246	172	142	175	22.9	0	0	0	23	192
<b>Securitized Loans, Leases, and Other Assets 30-89 Days Past Due (%)</b>											
1-4 family residential loans	4.7	4.3	3.4	3.0	4.1		0.0	1.9	3.8	4.4	4.7
Home equity loans	9.7	5.9	8.2	5.6	6.9		0.0	0.0	0.0	9.7	0
Credit card receivables	0.3	0.4	0.4	0.4	0.4		0.0	0.0	0.0	0.3	0
Auto loans	2.1	1.6	1.4	1.2	1.7		0.0	0.0	4.6	1.6	0
Other consumer loans	4.7	4.2	4.1	4.0	4.6		0.0	0.0	0.0	2.5	8.9
Commercial and industrial loans	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0
All other loans, leases, and other assets	0.5	0.7	1.3	0.9	0.7		0.0	0.0	0.3	0.0	0.5
Total loans, leases, and other assets	4.2	3.9	3.1	2.7	3.7		0.0	1.9	2.6	3.9	4.4
<b>Securitized Loans, Leases, and Other Assets 90 Days or More Past Due (%)</b>											
1-4 family residential loans	1.6	1.3	1.3	1.4	1.4		0.0	0.7	1.3	3.0	1.3
Home equity loans	45.7	47.1	47.4	47.8	47.1		0.0	0.0	0.0	45.7	0
Credit card receivables	0.2	0.3	0.3	0.3	0.3		0.0	0.0	0.0	0.2	0
Auto loans	0.4	0.3	0.3	0.3	0.3		0.0	0.0	0.6	0.3	0
Other consumer loans	4.6	4.2	4.0	4.1	4.2		0.0	0.0	0.0	1.1	11.2
Commercial and industrial loans	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0
All other loans, leases, and other assets	1.2	1.2	1.4	1.6	1.3		0.0	0.0	0.2	0.0	1.4
Total loans, leases, and other assets	1.5	1.2	1.3	1.4	1.4		0.0	0.7	0.8	2.6	1.3
<b>Securitized Loans, Leases, and Other Assets Charged-off (net, YTD, annualized, %)</b>											
1-4 family residential loans	0.2	0.2	0.1	0.1	0.3		0.0	0.0	0.0	0.0	0.3
Home equity loans	11.7	8.7	5.9	2.6	6.9		0.0	0.0	0.0	11.7	0
Credit card receivables	1.2	1.2	0.8	0.4	4.2		0.0	0.0	0.0	1.2	6.3
Auto loans	1.2	0.8	0.5	0.2	0.7		0.0	0.0	2.9	0.9	0
Other consumer loans	1.5	1.0	0.6	0.4	1.0		0.0	0.0	0.0	0.8	2.9
Commercial and industrial loans	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0
All other loans, leases, and other assets	1.7	1.3	0.7	0.5	0.4		0.0	0.0	0.0	0.0	2.1
Total loans, leases, and other assets	0.4	0.3	0.2	0.1	0.4		0.0	0.0	0.2	0.1	0.4
<b>Seller's Interests in Institution's Own Securitizations – Carried as Loans</b>											
Home equity loans	0	0	0	0	0	0.0	0	0	0	0	0
Credit card receivables	2,460	8,171	7,260	8,080	13,335	-81.6	0	0	0	2,460	0
Commercial and industrial loans	463	401	334	365	327	41.6	0	0	0	0	463
<b>Seller's Interests in Institution's Own Securitizations – Carried as Securities</b>											
Home equity loans	0	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	0
Commercial and industrial loans	0	0	0	0	0	0.0	0	0	0	0	0
<b>Assets Sold with Recourse and Not Securitized</b>											
Number of institutions reporting asset sales	522	524	548	579	1,066	-51.0	19	252	194	49	8
<b>Outstanding Principal Balance by Asset Type</b>											
1-4 family residential loans	180,743	26,404	26,211	25,919	38,320	371.7	193	161,081	10,155	5,332	3,982
Home equity, credit card receivables, auto, and other consumer loans	504	523	543	564	580	-13.1	0	1	28	19	456
Commercial and industrial loans	154	190	188	230	364	-57.7	0	13	36	74	32
All other loans, leases, and other assets	101,529	97,455	95,098	93,140	89,265	13.7	0	19	129	33,041	68,341
Total sold and not securitized	282,930	124,572	122,040	119,853	128,528	120.1	193	161,113	10,348	38,465	72,810
<b>Maximum Credit Exposure by Asset Type</b>											
1-4 family residential loans	162,216	7,895	7,932	7,655	10,885	1,390.3	11	155,597	3,065	2,153	1,390
Home equity, credit card receivables, auto, and other consumer loans	152	151	152	153	147	3.4	0	1	28	3	121
Commercial and industrial loans	93	116	133	175	308	-69.8	0	13	6	74	0
All other loans, leases, and other assets	28,110	27,057	26,299	25,918	25,036	12.3	0	19	34	9,549	18,509
Total credit exposure	190,571	35,219	34,516	33,902	36,375	423.9	11	155,629	3,133	11,778	20,020
<b>Support for Securitization Facilities Sponsored by Other Institutions</b>											
Number of institutions reporting securitization facilities sponsored by others	53	54	56	63	104	-49.0	1	16	18	12	6
Total credit exposure	32,255	34,350	35,012	35,130	35,264	-8.5	0	40	124	1,804	30,287
Total unused liquidity commitments	1,260	1,298	1,150	1,118	1,131	11.4	0	14	0	429	817
<b>Other</b>											
Assets serviced for others**	5,994,620	5,928,869	5,946,667	5,944,659	5,982,208	0.2	4,684	196,602	284,014	1,310,993	4,198,328
Asset-backed commercial paper conduits											
Credit exposure to conduits sponsored by institutions and others	16,909	16,618	16,698	17,521	21,720	-22.2	0	0	0	0	16,909
Unused liquidity commitments to conduits sponsored by institutions and others	26,928	27,458	28,342	25,784	21,832	23.3	0	0	5	1,338	25,585
Net servicing income (for the quarter)	2,173	2,306	2,167	2,829	4,997	-56.5	-169	243	189	1,087	822
Net securitization income (for the quarter)	131	395	472	363	228	-42.5	0	5	4	77	45
Total credit exposure to Tier 1 capital (%)**	13.9	4.6	4.6	4.7	4.9		0.1	123.0	1.9	2.7	7.0

\* Does not include banks filing the FFIEC 051 report form, which was introduced in first quarter 2017.

\*\* 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.

**TABLE VIII-A. Trust Services (All FDIC-Insured Institutions)**

	All Insured Institutions					Asset Size Distribution				
	Dec 31 2017	Dec 31 2016	Dec 31 2015	Dec 31 2014	% Change 2016-2017	Less Than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	\$10 Billion to \$250 Billion	Greater Than \$250 Billion
<b>(dollar figures in millions)</b>										
Number of institutions reporting	5,670	5,913	6,182	6,509	-4.1	1,407	3,513	627	114	9
Number of institutions with fiduciary powers	1,746	1,807	1,857	1,923	-3.4	215	1,098	344	80	9
Commercial banks	1,618	1,674	1,721	1,779	-3.3	200	1,034	301	74	9
Savings institutions	128	133	136	144	-3.8	15	64	43	6	0
Number of institutions exercising fiduciary powers	1,293	1,344	1,379	1,435	-3.8	129	803	279	73	9
Commercial banks	1,190	1,235	1,271	1,318	-3.6	115	751	248	67	9
Savings institutions	103	109	108	117	-5.5	14	52	31	6	0
Number of institutions reporting fiduciary activity	1,225	1,267	1,298	1,357	-3.3	120	752	272	72	9
Commercial banks	1,128	1,166	1,197	1,247	-3.3	106	704	243	66	9
Savings institutions	97	101	101	110	-4.0	14	48	29	6	0
<b>Fiduciary and related assets - managed assets</b>										
Personal trust and agency accounts	684,146	632,625	642,115	687,945	8.1	17,583	55,002	75,962	264,713	270,886
Noninterest-bearing deposits	9,074	9,569	10,578	8,693	-5.2	17	605	204	250	7,996
Interest-bearing deposits	70,967	74,682	80,050	79,642	-5.0	238	4,527	6,761	12,701	46,740
U.S. Treasury and U.S. Government agency obligations	108,284	100,568	83,343	100,951	7.7	1,749	3,510	15,056	41,958	46,010
State, county and municipal obligations	219,069	199,526	194,887	180,255	9.8	5,584	11,325	19,055	84,821	98,285
Money market mutual funds	99,534	101,602	105,684	101,966	-2.0	2,502	8,082	11,063	36,025	41,862
Other short-term obligations	151,809	149,233	162,046	189,900	1.7	94	93	776	118,609	32,237
Other notes and bonds	272,738	246,503	173,848	198,682	10.6	9,246	6,208	13,820	177,886	65,579
Common and preferred stocks	3,324,510	2,906,511	2,668,254	2,914,323	14.4	37,439	187,290	188,874	1,933,230	977,677
Real estate mortgages	1,861	2,034	1,957	1,989	-8.5	328	285	304	535	408
Real estate	47,887	49,026	50,917	43,849	-2.3	1,046	7,244	6,604	13,794	19,199
Miscellaneous assets	122,752	116,135	118,135	117,239	5.7	1,766	8,343	11,434	49,192	52,016
Employee benefit and retirement-related trust and agency accounts:										
Employee benefit - defined contribution	428,440	396,726	342,054	361,774	8.0	1,475	6,685	14,175	357,835	48,270
Employee benefit - defined benefit	585,299	646,918	551,423	612,253	-9.5	3,564	3,637	21,137	504,111	52,851
Other employee benefit and retirement-related accounts	373,359	312,368	290,760	310,073	19.5	5,037	49,930	26,284	150,393	141,715
Corporate trust and agency accounts	19,903	19,809	19,444	20,957	0.5	0	320	6,188	10,592	2,804
Investment management and investment advisory agency accounts	1,935,596	1,616,180	1,433,152	1,560,369	19.8	29,672	110,309	113,886	1,003,592	678,137
Other fiduciary accounts	401,741	330,764	370,752	384,119	21.5	2,680	11,629	16,320	177,765	193,347
Total managed fiduciary accounts:										
Assets	4,428,484	3,955,390	3,649,700	3,937,490	12.0	60,010	237,512	273,951	2,469,001	1,388,009
Number of accounts	1,846,680	1,760,617	1,694,191	1,635,972	4.9	120,758	361,795	309,394	499,043	555,690
<b>Fiduciary and related assets - nonmanaged assets</b>										
Personal trust and agency accounts	280,165	260,240	276,133	289,810	7.7	4,036	24,528	27,900	139,121	84,581
Employee benefit and retirement-related trust and agency accounts:										
Employee benefit - defined contribution	2,333,041	2,112,375	2,036,329	2,208,911	10.4	115,280	31,900	62,828	1,512,578	610,454
Employee benefit - defined benefit	4,659,295	4,187,660	4,169,025	4,208,533	11.3	15,073	26,479	15,091	3,611,460	991,193
Other employee benefit and retirement-related accounts	1,627,419	1,303,939	1,303,086	1,612,404	24.8	992	45,025	16,593	1,325,578	239,231
Corporate trust and agency accounts	3,350,526	2,593,482	2,657,963	2,568,742	29.2	13	8,141	350,887	316,842	2,674,643
Other fiduciary accounts	3,655,462	3,250,872	3,035,378	3,503,127	12.4	6,742	34,348	32,019	1,842,055	1,740,298
Total nonmanaged fiduciary accounts:										
Assets	15,905,908	13,708,569	13,477,912	14,391,526	16.0	142,135	170,421	505,316	8,747,635	6,340,400
Number of accounts	3,849,476	3,931,329	3,809,370	3,846,839	-2.1	123,103	1,162,264	194,818	1,707,144	662,147
Custody and safekeeping accounts:										
Assets	97,547,974	85,355,832	81,322,742	83,504,133	14.3	275,742	920,338	982,196	32,875,713	62,493,986
Number of accounts	9,272,643	8,567,235	8,290,770	9,368,787	8.2	2,322,075	4,932,745	113,105	594,684	1,310,034
<b>Fiduciary and related services income</b>										
Personal trust and agency accounts	4,662	4,514	4,707	4,871	3.3	123	266	510	1,776	1,987
Retirement-related trust and agency accounts:										
Employee benefit - defined contribution	1,333	1,229	1,199	1,190	8.5	20	47	187	602	477
Employee benefit - defined benefit	1,509	1,415	1,391	1,381	6.6	11	18	32	989	458
Other employee benefit and retirement-related accounts	1,910	1,655	1,519	1,498	15.4	50	436	236	676	512
Corporate trust and agency accounts	1,718	1,684	1,469	1,371	2.0	0	15	307	369	1,027
Investment management agency accounts	8,524	7,766	7,449	6,987	9.8	104	741	827	3,051	3,801
Other fiduciary accounts	812	764	684	827	6.3	3	27	9	381	391
Custody and safekeeping accounts	14,406	13,377	13,361	13,091	7.7	16	323	536	5,336	8,195
Other fiduciary and related services income	904	832	970	1,157	8.7	9	90	114	278	412
Total gross fiduciary and related services income	35,870	33,399	32,883	32,515	7.4	341	2,037	2,773	13,460	17,259
Less: Expenses	33,134	30,645	30,696	30,826	8.1	241	1,533	2,480	14,079	14,802
Less: Net losses from fiduciary and related services	256	207	367	220	23.7	0	5	4	101	146
Plus: Intracompany income credits for fiduciary and related services	7,410	5,757	4,946	5,406	28.7	1	18	329	3,844	3,219
Net fiduciary and related services income	9,731	8,139	6,631	6,730	19.6	97	442	576	3,085	5,531
<b>Collective investment funds and common trust funds (market value)</b>										
Domestic equity funds	718,199	636,516	558,173	615,207	12.8	7,684	969	15,684	533,596	160,267
International/global equity funds	230,397	186,627	188,974	193,625	23.5	1,547	6,526	4,596	156,713	61,015
Stock/bond blend funds	141,328	142,755	137,335	143,065	-1.0	1,332	722	6,439	76,070	56,764
Taxable bond funds	148,520	149,992	146,148	154,238	-1.0	853	1,847	2,149	3,834	139,837
Municipal bond funds	3,001	3,291	3,924	4,373	-8.8	36	295	41	1,529	1,100
Short-term investments/money market funds	154,093	161,560	145,387	178,284	-4.6	2,194	0	67	90,791	61,041
Specialty/other funds	56,774	56,067	52,694	47,543	1.3	30	302	5,568	2,827	48,047
Total collective investment funds	1,452,312	1,336,808	1,233,135	1,336,336	8.6	13,676	10,661	34,544	865,361	528,071

## COMMUNITY BANK PERFORMANCE

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

**Net Income Falls 14.2 Percent From a Year Ago Largely Due to One-Time Changes From the New Tax Law  
Excluding Changes From the New Tax Law, Estimated Quarterly Net Income Would Have Been \$5.6 Billion,  
Up 17 Percent From a Year Ago**

**Net Interest Margin Widens Year-Over-Year to 3.66 Percent**

**Loan and Lease Balances Rise 7.7 Percent Annually**

**Noncurrent Loans Decline, While Net Charge-Offs Remain Flat Year-Over-Year**

### Community Banks Report Fourth Quarter Net Income of \$4.1 Billion

Net income of \$4.1 billion for 5,227 FDIC-insured community banks was down \$681 million (14.2 percent) compared with fourth quarter 2016, following a significant rise in income tax expenses. A reduction in corporate tax rates under the new tax law prompted significant one-time write-downs on deferred tax assets, which contributed to a \$1.8 billion increase in income tax expense compared with the same period last year. Excluding one-time income tax effects, estimated quarterly net income would have been \$5.6 billion at community banks, up 17 percent from fourth quarter 2016.<sup>1</sup> Higher net interest income lifted the pretax return on assets (ROA) 13 basis points to 1.31 percent, compared with the same quarter last year. This improvement narrowed the gap between community and noncommunity bank pretax ROAs from 33 basis points at fourth quarter 2016 to 9 basis points at fourth quarter 2017. One de novo opened and two community banks failed during the quarter.

<sup>1</sup> This estimate of net income applies the average quarterly tax rate at community banks between fourth quarter 2011 and third quarter 2017 to income before taxes and discontinued operations.

Chart 1

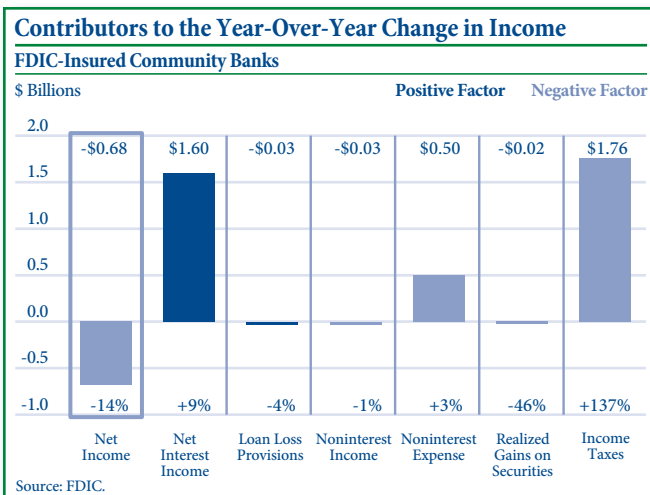
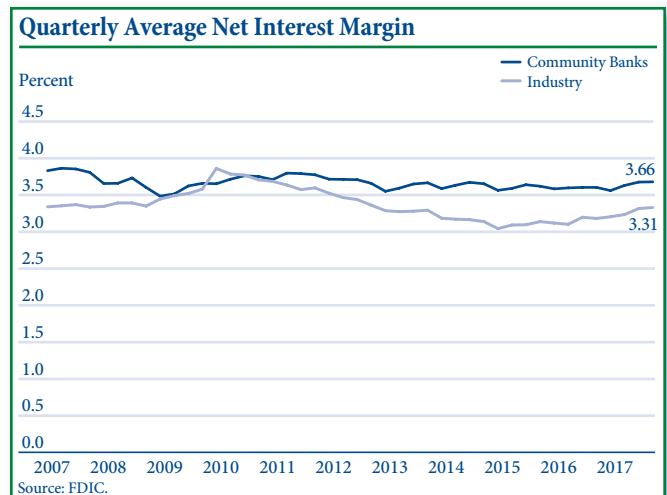


Chart 2



**Annual Net Income of \$20.6 Billion Is 4 Percent Higher Than 2016**

Annual net income of \$20.6 billion was up \$757 million (4 percent) from a year earlier, as the majority of community banks (56 percent) reported higher net income. Changes from the new tax law contributed to a \$2.3 billion (39 percent) increase in income tax expenses in 2017. Excluding these tax effects, estimated annual net income would have been \$22.3 billion, up from \$19.8 billion in 2016.<sup>2</sup> A \$5.8 billion increase in net interest income during the year offset higher noninterest expense (up \$2.4 billion, or 4 percent) and boosted the pretax ROA by 5 basis points to 1.35 percent. Higher payroll expenses (up \$1.7 billion, or 5 percent) led the annual increase in noninterest expenses.

**Net Operating Revenue Rises More Than 7 Percent From the Previous Year**

Higher net interest income (up \$1.6 billion, or 9.4 percent) lifted net operating revenue 7.2 percent year-over-year to \$23.4 billion. Growth in other real estate loan income (up \$1 billion, or 13.3 percent) drove most of the increase in net interest income.<sup>3</sup> The average net interest margin (NIM) at community banks widened 8 basis points year-over-year to 3.66 percent, but increased less than 1 basis point during the quarter. Higher earning asset yields, which increased at a faster rate than average funding costs, drove this improvement. NIM for community banks was 40 basis points wider than that of noncommunity banks. Noninterest income fell by \$31.1 million (0.6 percent) from fourth quarter 2016 largely due to a \$261 million decline in net gains on loan sales.

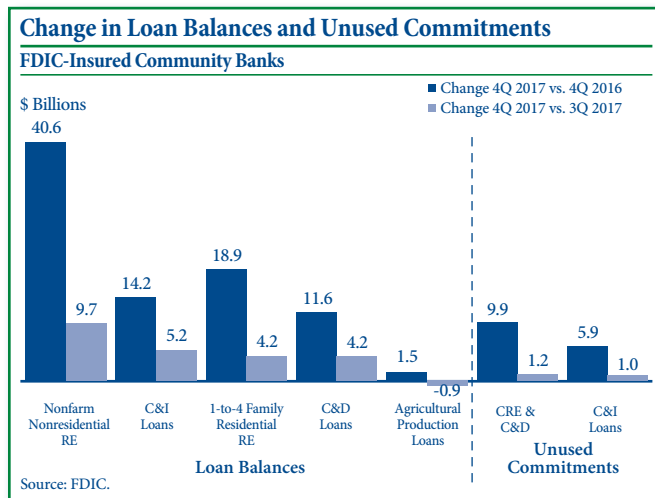
**Noninterest Expense Rises 3 Percent Year-Over-Year**

Higher payroll expenses drove most of the \$502.8 million (3.4 percent) year-over-year increase in noninterest expenses. Payroll expenses were up \$393.1 million (4.7 percent) as community banks added 7,547 full-time employees in 2017, a 1.8 percent increase. Average total assets per employee increased 4.8 percent to \$5.2 million during the same period. More than two out of three (68.5 percent) community banks reported higher noninterest expense, while noninterest expense as a percentage of average assets declined by 7 basis points to 2.83 percent from the year ago quarter.

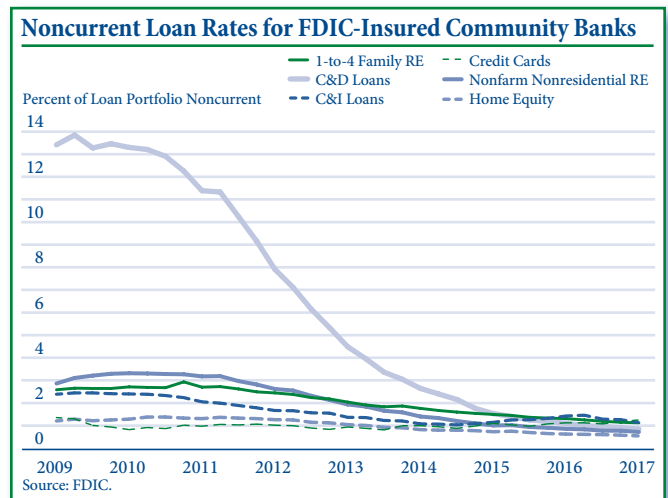
<sup>2</sup>This estimate of net income applies the average annual tax rate at community banks between 2011 and 2016 to income before taxes and discontinued operations.

<sup>3</sup>Other real estate loan income includes income from construction and development, farmland, multifamily, and nonfarm nonresidential loans.

**Chart 3**



**Chart 4**



**Loan and Lease Balances Increase 1.8 Percent During the Quarter**

Loan and lease balances totaled \$1.6 trillion at year-end 2017, up 1.8 percent in the fourth quarter. Increases in nonfarm nonresidential loans of \$9.7 billion (2.2 percent), construction and development (C&D) loans of \$4.2 billion (4.1 percent), commercial and industrial (C&I) loans of \$5.2 billion (2.6 percent), and multifamily loans of \$2.4 billion (2.1 percent) contributed most to the quarterly growth. Unfunded commitments increased by \$4 billion (1.4 percent) during the quarter. Over the past 12 months, loan and lease balances increased by \$111 billion (7.7 percent), led by increases in nonfarm nonresidential loans (up 9.7 percent), 1-to-4 family residential loans (up 4.9 percent), C&I loans (up 7.4 percent), C&D loans (up 12.2 percent), and multifamily loans (up 11.8 percent). Community banks made commitments to fund an additional \$22.3 billion (8.3 percent) in loans compared to a year ago. Annual growth in unfunded commitments was led by C&D loans (up \$10.2 billion or 13.3 percent) and C&I loans (up \$5.9 billion or 6.9 percent).

**Community Banks Add More Small Loans to Businesses**

Community banks funded an additional \$9.2 billion in small loans to businesses compared with fourth quarter 2016, increasing the total to \$294.8 billion (up 3.2 percent). Most of the growth in this category was in nonfarm nonresidential loans (up \$4.3 billion or 3.1 percent) and C&I loans (up \$3.6 billion or 4.1 percent). The annual rate of increase in small loans to businesses of 3.2 percent was more than twice that of noncommunity banks.

**Noncurrent Loan Rate Declines**

The noncurrent loan rate declined 6 basis points during the fourth quarter to 0.85 percent, following a quarterly 4.4 percent decline in noncurrent loan balances to \$13.3 billion. The noncurrent rate for C&I loans improved most among major loan categories during the fourth quarter, declining by 13 basis points. Despite the improvement, C&I loans had the highest noncurrent rate among major loan categories (1.13 percent) followed by 1-to-4 family residential loans (1.12 percent). Additionally, nearly two out of three community banks (63.5 percent) reported lower or unchanged noncurrent rates from a year ago. Since fourth quarter 2016, the noncurrent rate declined 16 basis points (7.1 percent).

**Net Charge-Off Rate Holds Steady From a Year Ago**

The net charge-off rate of 0.21 percent at year-end 2017 was down 1 basis point from fourth quarter 2016. The net charge-off rate at community banks was 40 basis points below that of noncommunity banks (0.61 percent). Net charge-off rates increased from a year ago in two major loan categories: C&I loans (up 7 basis points) and C&D loans (up 3 basis points), while it declined by 3 basis points for nonfarm nonresidential loans.

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

	2017	2016	2015	2014	2013	2012	2011
Return on assets (%)	0.96	0.99	0.99	0.93	0.90	0.83	0.55
Return on equity (%)	8.67	8.81	8.85	8.45	8.27	7.68	5.19
Core capital (leverage) ratio (%)	10.80	10.69	10.67	10.57	10.43	10.18	9.98
Noncurrent assets plus other real estate owned to assets (%)	0.78	0.94	1.07	1.34	1.73	2.27	2.84
Net charge-offs to loans (%)	0.16	0.16	0.15	0.21	0.32	0.58	0.87
Asset growth rate (%)	0.85	2.97	2.71	2.21	0.39	2.25	1.64
Net interest margin (%)	3.62	3.57	3.57	3.61	3.59	3.67	3.74
Net operating income growth (%)	0.04	2.47	9.54	4.81	14.64	56.17	207.86
Number of institutions reporting	5,227	5,461	5,735	6,037	6,307	6,542	6,799
Percentage of unprofitable institutions (%)	5.49	4.63	5.02	6.44	8.40	11.14	16.34

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

(dollar figures in millions)	4th Quarter 2017	3rd Quarter 2017	4th Quarter 2016	%Change 16Q4-17Q4		
Number of institutions reporting	5,227	5,295	5,461	-4.3		
Total employees (full-time equivalent)	416,241	422,859	431,061	-3.4		
<b>CONDITION DATA</b>						
Total assets	\$2,201,554	\$2,226,349	\$2,182,948	0.9		
Loans secured by real estate	1,194,926	1,201,706	1,160,745	2.9		
1-4 Family residential mortgages	395,464	399,703	389,906	1.4		
Nonfarm nonresidential	456,967	458,397	445,339	2.6		
Construction and development	106,817	104,868	101,907	4.8		
Home equity lines	49,748	50,087	50,721	-1.9		
Commercial & industrial loans	204,968	206,565	203,277	0.8		
Loans to individuals	61,823	61,863	60,901	1.5		
Credit cards	2,039	2,048	2,215	-8.0		
Farm loans	51,657	52,685	50,717	1.9		
Other loans & leases	38,879	39,620	39,697	-2.1		
Less: Unearned income	699	687	660	5.9		
Total loans & leases	1,551,555	1,561,752	1,514,678	2.4		
Less: Reserve for losses	18,063	18,481	18,680	-3.3		
Net loans and leases	1,533,492	1,543,272	1,495,998	2.5		
Securities	408,789	420,143	422,963	-3.4		
Other real estate owned	3,913	4,238	5,052	-22.6		
Goodwill and other intangibles	13,526	14,370	14,407	-6.1		
All other assets	241,834	244,326	244,528	-1.1		
Total liabilities and capital	2,201,554	2,226,349	2,182,948	0.9		
Deposits	1,804,513	1,819,074	1,793,683	0.6		
Domestic office deposits	1,804,024	1,818,403	1,793,205	0.6		
Foreign office deposits	490	671	478	2.4		
Brokered deposits	90,705	90,019	81,074	11.9		
Estimated insured deposits	1,328,226	1,343,869	1,329,677	-0.1		
Other borrowed funds	135,316	137,752	131,754	2.7		
Subordinated debt	865	1,007	806	7.4		
All other liabilities	15,850	17,310	16,067	-1.4		
Total equity capital (includes minority interests)	245,009	251,206	240,637	1.8		
Bank equity capital	244,885	251,091	240,540	1.8		
Loans and leases 30-89 days past due	8,381	7,688	8,661	-3.2		
Noncurrent loans and leases	13,254	14,195	15,325	-13.5		
Restructured loans and leases	7,016	7,356	8,291	-15.4		
Mortgage-backed securities	173,569	179,559	181,023	-4.1		
Earning assets	2,052,647	2,076,129	2,029,748	1.1		
FHLB Advances	111,168	111,808	104,002	6.9		
Unused loan commitments	291,083	293,301	284,791	2.2		
Trust assets	331,438	282,638	294,187	12.7		
Assets securitized and sold	24,080	21,762	14,704	63.8		
Notional amount of derivatives	66,662	71,407	59,764	11.5		
<b>INCOME DATA</b>						
	Full Year 2017	Full Year 2016	%Change	4th Quarter 2017	4th Quarter 2016	%Change 16Q4-17Q4
Total interest income	\$82,231	\$79,191	3.8	\$21,470	\$20,420	5.1
Total interest expense	10,322	9,133	13.0	2,850	2,369	20.3
Net interest income	71,909	70,058	2.6	18,621	18,052	3.2
Provision for loan and lease losses	3,111	3,266	-4.7	823	1,170	-29.7
Total noninterest income	18,699	19,939	-6.2	4,779	5,137	-7.0
Total noninterest expense	59,099	59,986	-1.5	15,428	15,664	-1.5
Securities gains (losses)	351	638	-45.0	26	50	-48.8
Applicable income taxes	8,161	6,566	24.3	3,050	1,650	84.9
Extraordinary gains, net*	2	-9	N/M	-2	-9	N/M
Total net income (includes minority interests)	20,590	20,808	-1.0	4,122	4,746	-13.1
Bank net income	20,567	20,786	-1.1	4,117	4,741	-13.1
Net charge-offs	2,381	2,245	6.1	814	833	-2.3
Cash dividends	9,934	10,213	-2.7	2,976	3,052	-2.5
Retained earnings	10,633	10,572	0.6	1,141	1,689	-32.5
Net operating income	20,320	20,312	0.0	4,101	4,717	-13.0

\* See Notes to Users for explanation.

N/M - Not Meaningful

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

(dollar figures in millions)	4th Quarter 2017	3rd Quarter 2017	4th Quarter 2016	%Change 16Q4-17Q4		
Number of institutions reporting	5,227	5,226	5,223	0.1		
Total employees (full-time equivalent)	416,241	414,148	408,694	1.8		
<b>CONDITION DATA</b>						
Total assets	\$2,201,554	\$2,169,540	\$2,081,691	5.8		
Loans secured by real estate	1,194,926	1,173,256	1,105,085	8.1		
1-4 Family residential mortgages	395,464	391,272	376,530	5.0		
Nonfarm nonresidential	456,967	447,272	416,373	9.7		
Construction and development	106,817	102,614	95,234	12.2		
Home equity lines	49,748	49,322	48,015	3.6		
Commercial & industrial loans	204,968	199,760	190,818	7.4		
Loans to individuals	61,823	61,388	58,878	5.0		
Credit cards	2,039	1,984	2,090	-2.5		
Farm loans	51,657	52,576	50,184	2.9		
Other loans & leases	38,879	37,642	36,240	7.3		
Less: Unearned income	699	685	637	9.7		
Total loans & leases	1,551,555	1,523,936	1,440,568	7.7		
Less: Reserve for losses	18,063	18,139	17,579	2.8		
Net loans and leases	1,533,492	1,505,798	1,422,989	7.8		
Securities	408,789	407,132	407,484	0.3		
Other real estate owned	3,913	4,175	4,859	-19.5		
Goodwill and other intangibles	13,526	13,140	12,381	9.2		
All other assets	241,834	239,295	233,979	3.4		
Total liabilities and capital	2,201,554	2,169,540	2,081,691	5.8		
Deposits	1,804,513	1,777,866	1,712,332	5.4		
Domestic office deposits	1,804,024	1,777,288	1,711,869	5.4		
Foreign office deposits	490	578	463	5.8		
Brokered deposits	90,705	88,251	77,789	16.6		
Estimated insured deposits	1,328,226	1,317,617	1,275,333	4.1		
Other borrowed funds	135,316	129,915	124,304	8.9		
Subordinated debt	865	822	612	41.4		
All other liabilities	15,850	16,641	15,242	4.0		
Total equity capital (includes minority interests)	245,009	244,296	229,201	6.9		
Bank equity capital	244,885	244,180	229,123	6.9		
Loans and leases 30-89 days past due	8,381	7,518	8,388	-0.1		
Noncurrent loans and leases	13,254	13,865	14,267	-7.1		
Restructured loans and leases	7,016	7,235	8,043	-12.8		
Mortgage-backed securities	173,569	171,836	172,965	0.3		
Earning assets	2,052,647	2,024,127	1,936,836	6.0		
FHLB Advances	111,168	105,544	98,818	12.5		
Unused loan commitments	291,083	287,056	268,814	8.3		
Trust assets	331,438	280,154	295,170	12.3		
Assets securitized and sold	24,080	21,762	14,704	63.8		
Notional amount of derivatives	66,662	69,869	55,772	19.5		
<b>INCOME DATA</b>						
	Full Year 2017	Full Year 2016	%Change	4th Quarter 2017	4th Quarter 2016	%Change 16Q4-17Q4
Total interest income	\$82,231	\$74,707	10.1	\$21,470	\$19,258	11.5
Total interest expense	10,322	8,640	19.5	2,850	2,236	27.4
Net interest income	71,909	66,067	8.8	18,621	17,022	9.4
Provision for loan and lease losses	3,111	2,859	8.8	823	852	-3.5
Total noninterest income	18,699	18,650	0.3	4,779	4,810	-0.6
Total noninterest expense	59,099	56,748	4.1	15,428	14,925	3.4
Securities gains (losses)	351	602	-41.7	26	48	-46.3
Applicable income taxes	8,161	5,872	39.0	3,050	1,289	136.6
Extraordinary gains, net**	2	-9	N/M	-2	-9	N/M
Total net income (includes minority interests)	20,590	19,831	3.8	4,122	4,804	-14.2
Bank net income	20,567	19,809	3.8	4,117	4,799	-14.2
Net charge-offs	2,381	2,153	10.6	814	789	3.2
Cash dividends	9,934	9,382	5.9	2,976	2,792	6.6
Retained earnings	10,633	10,428	2.0	1,141	2,007	-43.1
Net operating income	20,320	19,362	5.0	4,101	4,776	-14.1

\* See Notes to Users for explanation.

N/M - Not Meaningful

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

Fourth Quarter 2017 (dollar figures in millions)	All Community Banks	Geographic Regions*					
		New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	5,227	601	612	1,145	1,385	1,155	329
Total employees (full-time equivalent)	416,241	84,520	50,547	87,273	70,118	91,106	32,677
<b>CONDITION DATA</b>							
Total assets	\$2,201,554	\$591,514	\$244,508	\$397,108	\$347,914	\$421,398	\$199,112
Loans secured by real estate	1,194,926	370,514	135,461	206,799	167,600	206,741	107,811
1-4 Family residential mortgages	395,464	136,456	42,294	71,782	51,459	66,374	27,099
Nonfarm nonresidential	456,967	130,805	59,122	75,445	55,902	84,394	51,299
Construction and development	106,817	23,955	15,469	14,951	14,636	28,940	8,868
Home equity lines	49,748	16,336	7,544	10,970	5,157	4,890	4,852
Commercial & industrial loans	204,968	49,481	20,655	39,699	34,958	41,532	18,643
Loans to individuals	61,823	14,534	7,068	12,192	10,407	13,071	4,551
Credit cards	2,039	443	159	400	581	238	219
Farm loans	51,657	588	1,202	8,699	28,825	9,535	2,807
Other loans & leases	38,879	11,300	3,452	7,246	5,983	7,531	3,366
Less: Unearned income	699	168	105	54	93	135	143
Total loans & leases	1,551,555	446,249	167,732	274,582	247,681	278,276	137,034
Less: Reserve for losses	18,063	4,521	1,911	3,206	3,251	3,430	1,746
Net loans and leases	1,533,492	441,728	165,822	271,376	244,430	274,847	135,289
Securities	408,789	93,090	45,009	79,775	64,468	90,426	36,021
Other real estate owned	3,913	659	901	696	641	797	219
Goodwill and other intangibles	13,526	4,023	1,415	2,550	1,973	2,544	1,021
All other assets	241,834	52,013	31,362	42,710	36,402	52,785	26,563
Total liabilities and capital	2,201,554	591,514	244,508	397,108	347,914	421,398	199,112
Deposits	1,804,513	466,986	202,840	327,685	287,239	353,802	165,962
Domestic office deposits	1,804,024	466,541	202,840	327,667	287,239	353,802	165,935
Foreign office deposits	490	444	0	18	0	0	27
Brokered deposits	90,705	28,785	7,922	16,352	14,934	12,537	10,175
Estimated insured deposits	1,328,226	333,711	149,364	257,592	223,752	253,514	110,293
Other borrowed funds	135,316	52,012	13,023	22,232	20,203	18,667	9,179
Subordinated debt	865	485	257	46	10	52	15
All other liabilities	15,850	5,493	1,649	2,764	1,875	2,394	1,675
Total equity capital (includes minority interests)	245,009	66,539	26,738	44,380	38,587	46,484	22,280
Bank equity capital	244,885	66,471	26,724	44,363	38,586	46,462	22,280
Loans and leases 30-89 days past due	8,381	2,163	1,072	1,501	1,237	1,989	419
Noncurrent loans and leases	13,254	4,419	1,459	2,369	1,782	2,517	709
Restructured loans and leases	7,016	2,116	886	1,610	983	991	431
Mortgage-backed securities	173,569	52,395	19,069	30,472	20,750	33,466	17,417
Earning assets	2,052,647	555,666	226,004	369,346	324,002	390,677	186,953
FHLB Advances	111,168	46,132	11,114	17,030	15,237	14,824	6,831
Unused loan commitments	291,083	76,059	30,265	54,208	49,447	51,130	29,974
Trust assets	331,438	75,609	12,636	85,523	97,099	50,845	9,726
Assets securitized and sold	24,080	8,821	76	8,007	2,541	777	3,857
Notional amount of derivatives	66,662	27,427	7,422	13,889	6,917	8,350	2,657
<b>INCOME DATA</b>							
Total interest income	\$21,470	\$5,537	\$2,423	\$3,805	\$3,428	\$4,264	\$2,013
Total interest expense	2,850	915	298	491	462	484	199
Net interest income	18,621	4,622	2,125	3,313	2,966	3,780	1,814
Provision for loan and lease losses	823	301	57	115	131	175	44
Total noninterest income	4,779	1,020	528	1,238	724	930	340
Total noninterest expense	15,428	3,741	1,861	2,962	2,398	3,106	1,360
Securities gains (losses)	26	47	-2	-8	-7	0	-4
Applicable income taxes	3,050	997	452	498	301	401	401
Extraordinary gains, net**	-2	0	-3	0	0	0	0
Total net income (includes minority interests)	4,122	650	278	968	853	1,028	346
Bank net income	4,117	648	277	967	853	1,027	346
Net charge-offs	814	244	73	151	140	185	21
Cash dividends	2,976	326	307	760	587	799	197
Retained earnings	1,141	322	-30	207	265	228	149
Net operating income	4,101	611	281	975	857	1,029	348

\* See Table V-A for explanation.

\*\* See Notes to Users for explanation.



**Table IV-B. Fourth Quarter 2017, FDIC-Insured Community Banks**

Performance ratios (annualized, %)	All Community Banks		Fourth Quarter 2017, Geographic Regions*					
	4th Quarter 2017	3rd Quarter 2017	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Yield on earning assets	4.22	4.20	4.02	4.33	4.15	4.27	4.40	4.35
Cost of funding earning assets	0.56	0.54	0.66	0.53	0.54	0.58	0.50	0.43
Net interest margin	3.66	3.65	3.36	3.80	3.61	3.69	3.90	3.92
Noninterest income to assets	0.88	0.89	0.70	0.87	1.26	0.84	0.89	0.69
Noninterest expense to assets	2.83	2.76	2.55	3.07	3.00	2.79	2.97	2.76
Loan and lease loss provision to assets	0.15	0.14	0.21	0.09	0.12	0.15	0.17	0.09
Net operating income to assets	0.75	1.07	0.42	0.46	0.99	1.00	0.98	0.71
Pretax return on assets	1.31	1.42	1.12	1.20	1.49	1.34	1.37	1.52
Return on assets	0.75	1.08	0.44	0.46	0.98	0.99	0.98	0.70
Return on equity	6.75	9.61	3.92	4.15	8.73	8.85	8.86	6.24
Net charge-offs to loans and leases	0.21	0.13	0.22	0.18	0.22	0.23	0.27	0.06
Loan and lease loss provision to net charge-offs	101.05	154.10	123.49	78.41	75.92	93.41	94.69	205.67
Efficiency ratio	65.31	63.83	64.71	69.79	64.75	64.61	65.71	62.86
Net interest income to operating revenue	79.58	79.24	81.93	80.11	72.79	80.39	80.26	84.21
% of unprofitable institutions	16.13	4.17	28.95	24.02	14.59	10.97	12.55	17.63
% of institutions with earnings gains	46.55	66.59	30.12	40.36	46.99	52.71	52.73	38.91

**Table V-B. Full Year 2017, FDIC-Insured Community Banks**

Performance ratios (%)	All Community Banks		Full Year 2017, Geographic Regions*					
	Full Year 2017	Full Year 2016	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Yield on earning assets	4.14	4.04	3.95	4.23	4.05	4.20	4.32	4.26
Cost of funding earning assets	0.52	0.47	0.62	0.49	0.49	0.54	0.46	0.40
Net interest margin	3.62	3.57	3.33	3.74	3.56	3.67	3.87	3.86
Noninterest income to assets	0.88	0.95	0.66	0.91	1.23	0.86	0.92	0.73
Noninterest expense to assets	2.77	2.85	2.48	3.01	2.96	2.74	2.93	2.72
Loan and lease loss provision to assets	0.15	0.15	0.20	0.11	0.10	0.15	0.17	0.08
Net operating income to assets	0.95	0.96	0.68	0.80	1.09	1.13	1.13	1.01
Pretax return on assets	1.35	1.30	1.14	1.25	1.48	1.41	1.41	1.57
Return on assets	0.96	0.99	0.70	0.80	1.09	1.14	1.14	1.02
Return on equity	8.67	8.81	6.27	7.29	9.77	10.21	10.33	9.08
Net charge-offs to loans and leases	0.16	0.16	0.20	0.13	0.13	0.15	0.22	0.05
Loan and lease loss provision to net charge-offs	130.69	145.51	132.82	126.13	115.06	142.20	120.61	221.05
Efficiency ratio	64.84	66.13	65.01	68.67	64.85	63.53	64.76	62.11
Net interest income to operating revenue	79.36	77.85	82.62	79.18	72.97	79.83	79.64	83.15
% of unprofitable institutions	5.49	4.63	7.65	9.48	5.76	3.39	4.24	6.38
% of institutions with earnings gains	55.71	64.24	50.25	52.94	56.42	55.38	58.53	59.88

\* See Table V-A for explanation.

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

December 31, 2017	All Community Banks	Geographic Regions*					
		New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
<b>Percent of Loans 30-89 Days Past Due</b>							
All loans secured by real estate	0.51	0.47	0.61	0.57	0.48	0.65	0.24
Construction and development	0.39	0.34	0.46	0.39	0.33	0.47	0.24
Nonfarm nonresidential	0.31	0.29	0.33	0.34	0.33	0.36	0.17
Multifamily residential real estate	0.13	0.12	0.06	0.19	0.14	0.28	0.05
Home equity loans	0.46	0.51	0.52	0.46	0.26	0.53	0.32
Other 1-4 family residential	0.90	0.80	1.15	0.97	0.76	1.16	0.45
Commercial and industrial loans	0.44	0.30	0.55	0.32	0.49	0.64	0.43
Loans to individuals	1.55	1.72	1.68	1.05	1.11	2.33	0.94
Credit card loans	2.13	1.59	1.33	1.31	4.01	1.50	1.03
Other loans to individuals	1.53	1.73	1.69	1.04	0.94	2.34	0.94
All other loans and leases (including farm)	0.44	0.33	0.29	0.48	0.44	0.50	0.54
Total loans and leases	0.54	0.48	0.64	0.55	0.50	0.71	0.31
<b>Percent of Loans Noncurrent**</b>							
All loans secured by real estate	0.84	0.96	0.91	0.91	0.69	0.80	0.48
Construction and development	0.84	0.89	1.27	0.90	0.81	0.61	0.66
Nonfarm nonresidential	0.72	0.83	0.74	0.84	0.70	0.69	0.32
Multifamily residential real estate	0.22	0.16	0.39	0.42	0.29	0.26	0.05
Home equity loans	0.55	0.63	0.56	0.54	0.26	0.59	0.49
Other 1-4 family residential	1.12	1.41	1.14	1.10	0.60	1.07	0.86
Commercial and industrial loans	1.13	1.54	0.75	0.85	0.98	1.41	0.74
Loans to individuals	0.65	0.47	0.69	0.35	0.44	1.36	0.39
Credit card loans	1.25	1.62	0.70	0.93	1.79	0.58	0.76
Other loans to individuals	0.63	0.43	0.69	0.33	0.36	1.37	0.37
All other loans and leases (including farm)	0.60	0.33	0.44	0.65	0.70	0.60	0.59
Total loans and leases	0.85	0.99	0.87	0.86	0.72	0.90	0.52
<b>Percent of Loans Charged-Off (net, YTD)</b>							
All loans secured by real estate	0.05	0.07	0.04	0.06	0.04	0.04	-0.02
Construction and development	0.03	0.14	0.01	0.04	-0.06	0.03	-0.05
Nonfarm nonresidential	0.06	0.07	0.05	0.07	0.08	0.05	-0.02
Multifamily residential real estate	0.00	0.01	0.01	0.00	0.01	0.00	0.00
Home equity loans	0.05	0.05	0.06	0.06	0.04	0.03	-0.02
Other 1-4 family residential	0.06	0.08	0.04	0.07	0.04	0.05	-0.01
Commercial and industrial loans	0.51	0.87	0.36	0.29	0.31	0.66	0.17
Loans to individuals	0.98	0.98	0.99	0.67	1.22	1.11	0.96
Credit card loans	6.85	3.98	1.65	5.02	15.74	1.67	2.56
Other loans to individuals	0.78	0.88	0.97	0.52	0.37	1.10	0.88
All other loans and leases (including farm)	0.29	0.47	0.25	0.21	0.17	0.49	0.25
Total loans and leases	0.16	0.20	0.13	0.13	0.15	0.22	0.05
<b>Loans Outstanding (in billions)</b>							
All loans secured by real estate	\$1,194.9	\$370.5	\$135.5	\$206.8	\$167.6	\$206.7	\$107.8
Construction and development	106.8	24.0	15.5	15.0	14.6	28.9	8.9
Nonfarm nonresidential	457.0	130.8	59.1	75.4	55.9	84.4	51.3
Multifamily residential real estate	114.6	60.6	6.7	16.9	9.4	8.6	12.2
Home equity loans	49.7	16.3	7.5	11.0	5.2	4.9	4.9
Other 1-4 family residential	395.5	136.5	42.3	71.8	51.5	66.4	27.1
Commercial and industrial loans	205.0	49.5	20.7	39.7	35.0	41.5	18.6
Loans to individuals	61.8	14.5	7.1	12.2	10.4	13.1	4.6
Credit card loans	2.0	0.4	0.2	0.4	0.6	0.2	0.2
Other loans to individuals	59.8	14.1	6.9	11.8	9.8	12.8	4.3
All other loans and leases (including farm)	90.5	11.9	4.7	15.9	34.8	17.1	6.2
Total loans and leases	1,552.3	446.4	167.8	274.6	247.8	278.4	137.2
<b>Memo: Unfunded Commitments (in millions)</b>							
Total Unfunded Commitments	291,083	76,059	30,265	54,208	49,447	51,130	29,974
Construction and development: 1-4 family residential	25,446	5,283	4,196	2,979	3,219	6,909	2,859
Construction and development: CRE and other	61,241	18,635	6,701	10,048	7,797	12,994	5,065
Commercial and industrial	92,024	23,187	8,394	19,073	15,464	16,063	9,843

\* See Table V-A for explanation.

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

## Insurance Fund Indicators

### Deposit Insurance Fund Increases by \$2.2 Billion

### Insured Deposits Grow by 0.8 Percent

### DIF Reserve Ratio Rises 2 Basis Points to 1.30 Percent

The Deposit Insurance Fund (DIF) balance increased by \$2.2 billion, to \$92.7 billion, during the fourth quarter. Assessment income of \$2.7 billion, which includes temporary assessment surcharges on large banks, was the largest source of the increase. Interest income and other revenue of \$308 million, and a negative provision for insurance losses of \$203 million, also increased the fund balance. Operating expenses of \$443 million, unrealized losses on available-for-sale securities of \$461 million, and other unrealized losses of \$20 million partially offset the increase in the fund balance.<sup>1</sup> Two insured institutions with combined assets of \$199 million failed in the fourth quarter. Eight insured institutions with combined assets of \$5.1 billion failed in all of 2017.

The deposit insurance assessment base—average consolidated total assets minus average tangible equity—increased by 1.1 percent in the fourth quarter and by 3.0 percent over 12 months.<sup>2,3</sup> Total estimated insured deposits increased by 0.8 percent in the fourth quarter of 2017 and by 3.5 percent year-over-year. The DIF's reserve ratio (the fund balance as a percent of estimated insured deposits) rose to 1.30 percent on December 31, 2017, from 1.28 percent at September 30, 2017, and 1.20 percent four quarters ago. The December 31, 2017, reserve ratio is the highest for the DIF since December 31, 2004, when the reserve ratio was 1.31 percent.<sup>4</sup>

By law, the reserve ratio must reach a minimum of 1.35 percent by September 30, 2020. The law also requires that, in setting assessments, the FDIC offset the effect of the increase in the reserve ratio from 1.15 to 1.35 percent on banks with less than \$10 billion in assets. To satisfy these requirements, large banks are subject to a temporary surcharge of 4.5 basis points of their assessment base, after making certain adjustments.<sup>5,6</sup> Surcharges began in the third quarter of 2016 and will continue through the quarter in which the reserve ratio reaches or exceeds 1.35 percent. If, however, the reserve ratio has not reached 1.35 percent by the end of 2018, large banks will pay a shortfall assessment in early 2019 to close the gap.

Small banks will receive credits to offset the portion of their assessments that help to raise the reserve ratio from 1.15 percent to 1.35 percent. When the reserve ratio is at or above 1.38 percent, the FDIC will automatically apply a small bank's credits to reduce its regular assessment up to the entire amount of the assessment.

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<sup>1</sup> Includes unrealized postretirement benefit loss.

<sup>2</sup> There are additional adjustments to the assessment base for banker's banks and custodial banks.

<sup>3</sup> Figures for estimated insured deposits and the assessment base include insured branches of foreign banks, in addition to insured commercial banks and savings institutions.

<sup>4</sup> The reserve ratio at December 31, 2004, represents the combined balances of the Bank Insurance Fund and Savings Association Insurance Fund as a percent of estimated insured deposits.

<sup>5</sup> Large banks are generally those with assets of \$10 billion or more.

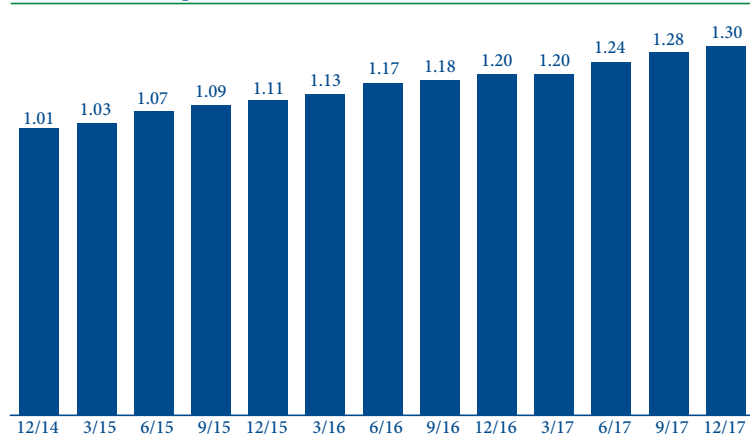
<sup>6</sup> The assessment base for the surcharge is a large bank's regular assessment base reduced by \$10 billion (and subject to additional adjustment for affiliated banks).

**Table I-C. Insurance Fund Balances and Selected Indicators**

	Deposit Insurance Fund*													
	4th Quarter 2017	3rd Quarter 2017	2nd Quarter 2017	1st Quarter 2017	4th Quarter 2016	3rd Quarter 2016	2nd Quarter 2016	1st Quarter 2016	4th Quarter 2015	3rd Quarter 2015	2nd Quarter 2015	1st Quarter 2015	4th Quarter 2014	
<i>(dollar figures in millions)</i>														
<b>Beginning Fund Balance</b>	\$90,506	\$87,588	\$84,928	\$83,162	\$80,704	\$77,910	\$75,120	\$72,600	\$70,115	\$67,589	\$65,296	\$62,780	\$54,320	
<b>Changes in Fund Balance:</b>														
Assessments earned	2,656	2,568	2,634	2,737	2,688	2,643	2,328	2,328	2,160	2,170	2,328	2,189	2,030	
Interest earned on investment securities	305	274	251	227	189	171	164	147	128	122	113	60	70	
Operating expenses	443	404	450	442	437	422	441	415	447	410	434	396	408	
Provision for insurance losses	-203	-512	-233	765	-332	-566	-627	-43	-930	-578	-317	-426	-6,787	
All other income, net of expenses	3	1	4	2	3	3	2	5	12	2	3	6	-43	
Unrealized gain/(loss) on available-for-sale securities**	-481	-33	-12	7	-317	-167	110	412	-298	64	-34	231	24	
<b>Total fund balance change</b>	<b>2,242</b>	<b>2,918</b>	<b>2,660</b>	<b>1,766</b>	<b>2,457</b>	<b>2,794</b>	<b>2,790</b>	<b>2,520</b>	<b>2,485</b>	<b>2,526</b>	<b>2,293</b>	<b>2,516</b>	<b>8,460</b>	
<b>Ending Fund Balance</b>	<b>92,747</b>	<b>90,506</b>	<b>87,588</b>	<b>84,928</b>	<b>83,162</b>	<b>80,704</b>	<b>77,910</b>	<b>75,120</b>	<b>72,600</b>	<b>70,115</b>	<b>67,589</b>	<b>65,296</b>	<b>62,780</b>	
Percent change from four quarters earlier	11.53	12.14	12.42	13.06	14.55	15.10	15.27	15.05	15.64	29.08	32.37	33.55	33.03	
<b>Reserve Ratio (%)</b>	<b>1.30</b>	<b>1.28</b>	<b>1.24</b>	<b>1.20</b>	<b>1.20</b>	<b>1.18</b>	<b>1.17</b>	<b>1.13</b>	<b>1.11</b>	<b>1.09</b>	<b>1.07</b>	<b>1.03</b>	<b>1.01</b>	
<b>Estimated Insured Deposits</b>	<b>7,151,060</b>	<b>7,094,564</b>	<b>7,042,522</b>	<b>7,075,496</b>	<b>6,910,931</b>	<b>6,813,252</b>	<b>6,672,294</b>	<b>6,659,996</b>	<b>6,519,715</b>	<b>6,406,678</b>	<b>6,333,620</b>	<b>6,333,948</b>	<b>6,195,554</b>	
Percent change from four quarters earlier	3.47	4.13	5.55	6.24	6.00	6.35	5.35	5.15	5.23	4.61	3.91	3.70	3.29	
<b>Domestic Deposits</b>	<b>12,129,301</b>	<b>11,966,431</b>	<b>11,827,933</b>	<b>11,856,691</b>	<b>11,691,571</b>	<b>11,505,077</b>	<b>11,240,160</b>	<b>11,154,723</b>	<b>10,950,122</b>	<b>10,695,506</b>	<b>10,629,335</b>	<b>10,616,458</b>	<b>10,408,187</b>	
Percent change from four quarters earlier	3.74	4.01	5.23	6.29	6.77	7.57	5.75	5.07	5.21	4.72	5.25	6.56	5.93	
<b>Assessment Base***</b>	<b>15,000,399</b>	<b>14,833,722</b>	<b>14,703,046</b>	<b>14,620,904</b>	<b>14,563,389</b>	<b>14,383,059</b>	<b>14,193,993</b>	<b>13,994,467</b>	<b>13,833,119</b>	<b>13,662,699</b>	<b>13,589,502</b>	<b>13,533,471</b>	<b>13,345,986</b>	
Percent change from four quarters earlier	3.00	3.13	3.59	4.48	5.28	5.27	4.45	3.41	3.65	4.19	5.33	5.78	4.61	
<b>Number of Institutions Reporting</b>	<b>5,679</b>	<b>5,747</b>	<b>5,796</b>	<b>5,865</b>	<b>5,922</b>	<b>5,989</b>	<b>6,067</b>	<b>6,131</b>	<b>6,191</b>	<b>6,279</b>	<b>6,357</b>	<b>6,428</b>	<b>6,518</b>	

**DIF Reserve Ratios**

Percent of Insured Deposits



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

	DIF Balance	DIF-Insured Deposits
12/14	\$62,780	\$6,195,554
3/15	65,296	6,333,948
6/15	67,589	6,333,620
9/15	70,115	6,406,678
12/15	72,600	6,519,715
3/16	75,120	6,659,996
6/16	77,910	6,672,294
9/16	80,704	6,813,252
12/16	83,162	6,910,931
3/17	84,928	7,075,496
6/17	87,588	7,042,522
9/17	90,506	7,094,564
12/17	92,747	7,151,060

**Table II-C. Problem Institutions and Failed Institutions**

<i>(dollar figures in millions)</i>	2017	2016	2015	2014	2013	2012	2011
<b>Problem Institutions</b>							
Number of institutions	95	123	183	291	467	651	813
Total assets	\$13,939	\$27,624	\$46,780	\$86,712	\$152,687	\$232,701	\$319,432
<b>Failed Institutions</b>							
Number of institutions	8	5	8	18	24	51	92
Total assets****	\$5,082	\$277	\$6,706	\$2,914	\$6,044	\$11,617	\$34,923

\* Quarterly financial statement results are unaudited.

\*\* Includes unrealized postretirement benefit gain (loss).

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

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

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

<i>(dollar figures in millions)</i> December 31, 2017	Number of Institutions	Total Assets	Domestic Deposits*	Est. Insured Deposits
<b>Commercial Banks and Savings Institutions</b>				
FDIC-Insured Commercial Banks	4,918	\$16,219,706	\$11,150,570	\$6,364,865
FDIC-Supervised	3,266	2,540,344	1,995,967	1,369,032
OCC-Supervised	874	10,977,727	7,284,900	3,982,408
Federal Reserve-Supervised	778	2,701,636	1,869,703	1,013,425
FDIC-Insured Savings Institutions	752	1,196,556	930,685	745,079
OCC-Supervised	344	768,862	605,826	492,292
FDIC-Supervised	371	399,957	303,142	235,507
Federal Reserve-Supervised	37	27,738	21,716	17,280
<b>Total Commercial Banks and Savings Institutions</b>	<b>5,670</b>	<b>17,416,262</b>	<b>12,081,255</b>	<b>7,109,943</b>
<b>Other FDIC-Insured Institutions</b>				
U.S. Branches of Foreign Banks	9	89,249	48,046	41,117
<b>Total FDIC-Insured Institutions</b>	<b>5,679</b>	<b>17,505,511</b>	<b>12,129,301</b>	<b>7,151,060</b>

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

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

Quarter Ending September 30, 2017 *(dollar figures in billions)*

Annual Rate in Basis Points*	Number of Institutions	Percent of Total Institutions	Amount of Assessment Base**	Percent of Total Assessment Base
1.50 - 3.00	3,419	59.49	\$3,723.4	25.10
3.01 - 6.00	1,583	27.54	10,233.5	68.99
6.01 - 10.00	555	9.66	687.5	4.63
10.01 - 15.00	76	1.32	153.6	1.04
15.01 - 20.00	94	1.64	17.4	0.12
20.01 - 25.00	9	0.16	1.8	0.01
> 25.00	11	0.19	16.5	0.11

\* Assessment rates do not incorporate temporary surcharges on large banks.

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

## Notes to Users

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

### Tables I-A through VIII-A.

The information presented in Tables I-A through VIII-A of the *FDIC Quarterly Banking Profile* is aggregated for all FDIC-insured Call Report filers, both commercial banks and savings institutions. Some tables are arrayed by groups of FDIC-insured institutions based on predominant types of asset concentration, while other tables aggregate institutions by asset size and geographic region. Quarterly and full-year data are provided for selected indicators, including aggregate condition and income data, performance ratios, condition ratios, and structural changes, as well as past due, noncurrent, and charge-off information for loans outstanding and other assets.

### Tables I-B through VI-B.

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

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

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

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

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

The fourth step includes organizations that operate within a limited geographic scope. This limitation of scope is used as a proxy measure for a bank's relationship approach to banking. Banks that operate within a limited market area have more ease in managing relationships at a personal level. Under this step, four criteria are applied to each banking organization. They include both a minimum and maximum number of total banking offices, a maximum level of deposits for any one office, and location-based criteria. The limits on the number of and deposits per office are adjusted upward quarterly. For banking offices, banks must have more than one office, and the maximum number of offices is 40 in 1985 and

reached 87 in 2016. The maximum level of deposits for any one office is \$1.25 billion in deposits in 1985 and reached \$6.97 billion in deposits in 2016. The remaining geographic limitations are also based on maximums for the number of states (fixed at 3) and large metropolitan areas (fixed at 2) in which the organization maintains offices. Branch office data are based on the most recent data from the annual June 30 *Summary of Deposits Survey* that are available at the time of publication.

Finally, the definition establishes an asset-size limit, also adjusted upward quarterly and below which the limits on banking activities and geographic scope are waived. The asset-size limit is \$250 million in 1985 and reached \$1.39 billion in 2016. This final step acknowledges the fact that most of those small banks that are not excluded as specialty banks meet the requirements for banking activities and geographic limits in any event.

### Summary of FDIC Research Definition of Community Banking Organizations

Community banks are designated at the level of the banking organization.

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

**Exclude:** Any organization with:

- No loans or no core deposits
- Foreign Assets  $\geq$  10% of total assets
- More than 50% of assets in certain specialty banks, including:
  - credit card specialists
  - consumer nonbank banks<sup>1</sup>
  - industrial loan companies
  - trust companies
  - bankers' banks

**Include:** All remaining banking organizations with:

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

### Tables I-C through IV-C.

A separate set of tables (Tables I-C through IV-C) provides comparative quarterly data related to the Deposit Insurance Fund (DIF), problem institutions, failed institutions, estimated FDIC-insured deposits, as well as assessment rate information. Depository insti-

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

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

<sup>3</sup> Maximum number of offices indexed to equal 40 in 1985 and 87 in 2016.

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

tutions that are not insured by the FDIC through the DIF are not included in the *FDIC Quarterly Banking Profile*. U.S. branches of institutions headquartered in foreign countries and non-deposit trust companies are not included unless otherwise indicated. Efforts are made to obtain financial reports for all active institutions. However, in some cases, final financial reports are not available for institutions that have closed or converted their charters.

## DATA SOURCES

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

## COMPUTATION METHODOLOGY

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

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

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

## ACCOUNTING CHANGES

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

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

<https://www.fdic.gov/news/news/financial/2018/fil18001.html>

<https://www.fdic.gov/news/news/financial/2018/fil18001.pdf>

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

Further information on changes in financial statement presentation, income recognition and disclosure is available from the FASB. <http://www.fasb.org/jsp/FASB/Page/LandingPage&cid=1175805317350>.

## DEFINITIONS (in alphabetical order)

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

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

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

**Assessment rate schedule** – Initial base assessment rates for small institutions are based on a combination of financial ratios and CAMELS component ratings. Initial rates for large institutions—generally those with at least \$10 billion in assets—are also based on CAMELS component ratings and certain financial measures combined into two scorecards—one for most large institutions and another for the remaining very large institutions that are structurally and operationally complex or that pose unique challenges and risks in case of failure (highly complex institutions). The FDIC may take additional information into account to make a limited adjustment to a large institution's scorecard results, which are used to determine a large institution's initial base assessment rate.

While risk categories for small institutions (except new institutions) were eliminated effective July 1, 2016, initial rates for small institutions are subject to minimums and maximums based on an institution's CAMELS composite rating. (Risk categories for large institutions were eliminated in 2011.)

The current assessment rate schedule became effective July 1, 2016. Under the current schedule, initial base assessment rates range from 3 to 30 basis points. An institution's total base assessment rate

may differ from its initial rate due to three possible adjustments:

- (1) **Unsecured Debt Adjustment:** An institution’s rate may decrease by up to 5 basis points for unsecured debt. The unsecured debt adjustment cannot exceed the lesser of 5 basis points or 50 percent of an institution’s initial base assessment rate (IBAR). Thus, for example, an institution with an IBAR of 3 basis points would have a maximum unsecured debt adjustment of 1.5 basis points and could not have a total base assessment rate lower than 1.5 basis points.
- (2) **Depository Institution Debt Adjustment:** For institutions that hold long-term unsecured debt issued by another insured depository institution, a 50 basis point charge is applied to the amount of such debt held in excess of 3 percent of an institution’s Tier 1 capital.
- (3) **Brokered Deposit Adjustment:** Rates for large institutions that are not well capitalized or do not have a composite CAMELS rating of 1 or 2 may increase (not to exceed 10 basis points) if their brokered deposits exceed 10 percent of domestic deposits.

The assessment rate schedule effective July 1, 2016, is shown in the following table:

Total Base Assessment Rates*				
	Established Small Banks			Large and Highly Complex Institutions**
	CAMELS Composite			
	1 or 2	3	4 or 5	
Initial Base Assessment Rate	3 to 16	6 to 30	16 to 30	3 to 30
Unsecured Debt Adjustment	-5 to 0	-5 to 0	-5 to 0	-5 to 0
Brokered Deposit Adjustment	N/A	N/A	N/A	0 to 10
Total Base Assessment Rate	1.5 to 16	3 to 30	11 to 30	1.5 to 40

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

\*\* Effective July 1, 2016, large institutions are also subject to temporary assessment surcharges in order to raise the reserve ratio from 1.15 percent to 1.35 percent. The surcharges amount to 4.5 basis points of a large institution’s assessment base (after making certain adjustments).

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

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

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

**Common equity Tier 1 capital ratio** – ratio of common equity Tier 1 capital to risk-weighted assets. Common equity Tier 1 capital includes common stock instruments and related surplus, retained earnings, accumulated other comprehensive income (AOCI), and limited amounts of common equity Tier 1 minority interest, minus

applicable regulatory adjustments and deductions. Items that are fully deducted from common equity Tier 1 capital include goodwill, other intangible assets (excluding mortgage servicing assets) and certain deferred tax assets; items that are subject to limits in common equity Tier 1 capital include mortgage servicing assets, eligible deferred tax assets, and certain significant investments.

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

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

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

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

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

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

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

**Derivatives transaction types:**

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Securities** – excludes securities held in trading accounts. Banks' securities portfolios consist of securities designated as "held-to-maturity," 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 and contra accounts** – unearned income for *Call Report* filers only.

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

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