FDIC Quarterly

Quarterly Banking Profile: Second Quarter 2018

Highlights:

- *Quarterly Net Income Rises 25.1 Percent Over Second Quarter 2017 Income, Led by Higher Net Operating Revenue and a Lower Effective Tax Rate*
- *Margins Increase as Average Yields Outpace Growth in Funding Costs*
- *Community Bank Net Income Growth Reaches 21.1 Percent Annually on Higher Net Operating Revenue and a Lower Effective Tax Rate*
- *Community Bank Loan and Lease Growth Remains Strong at 7 Percent Year Over Year*
- *DIF Reserve Ratio Rises 3 Basis Points to 1.33 Percent*

2018
Volume 12, Number 3

Federal Deposit
Insurance Corporation

The ***FDIC Quarterly*** is published by the Division of Insurance and Research of the Federal Deposit Insurance Corporation and contains a comprehensive summary of the most current financial results for the banking industry. Feature articles appearing in the ***FDIC Quarterly*** range from timely analysis of economic and banking trends at the national and regional level that may affect the risk exposure of FDIC-insured institutions to research on issues affecting the banking system and the development of regulatory policy.

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2018 FDIC QUARTERLY

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Quarterly Banking Profile: Second Quarter 2018

FDIC-insured institutions reported aggregate net income of $60.2 billion in the second quarter of 2018, up $12.1 billion (25.1 percent) from a year ago. The improvement in earnings was attributable to higher net operating revenue and a lower effective tax rate. Of the 5,542 insured institutions reporting second quarter financial results, more than 70 percent reported year-over-year growth in quarterly earnings. The percent of unprofitable banks in the second quarter declined to 3.8 percent from 4.3 percent a year ago. *See page 1.*

Community Bank Performance

Community banks—which represent 92 percent of insured institutions—reported net income of $6.5 billion in the second quarter, up $1.1 billion (21.1 percent) from a year earlier. Higher net operating revenue and lower income tax expenses offset an increase in noninterest expense. *See page 15.*

Insurance Fund Indicators

The Deposit Insurance Fund (DIF) balance increased by $2.5 billion during the quarter to $97.6 billion on June 30, driven by assessment income. The DIF's reserve ratio (the fund balance as a percent of estimated insured deposits) was 1.33 percent on June 30, 2018, up from 1.30 percent on March 31, 2018, and 1.24 percent on June 30, 2017. *See page 23.*

QUARTERLY BANKING PROFILE Second Quarter 2018

INSURED INSTITUTION PERFORMANCE

Quarterly Net Income Rises 25.1 Percent Over Second Quarter 2017 Income, Led by Higher Net Operating Revenue and a Lower Effective Tax Rate

Margins Increase as Average Yields Outpace Growth in Funding Costs

Loan Balances Expand 4.2 Percent From Second Quarter 2017

Noncurrent Loan Rate Declines, While Net Charge-Off Rate Remains Stable

Two New Charters Added in Second Quarter 2018

Net Income Rises 25.1 Percent Over Second Quarter 2017, Led by Higher Net Operating Revenue and a Lower Effective Tax Rate

The 5,542 FDIC-insured commercial banks and savings institutions reported net income of $60.2 billion during the three months ended June 30, an increase of $12.1 billion (25.1 percent) from a year earlier. Higher net operating revenue (the sum of net interest income and noninterest income) and a lower effective tax rate contributed to the increase in industry net income. Assuming the effective tax rate before the new tax law, net income would have totaled an estimated $53.8 billion, an increase of $5.6 billion (11.7 percent) from second quarter 2017.[1] The average return on assets was 1.37 percent, up from 1.13 percent a year earlier. Only 3.8 percent of institutions were unprofitable during the quarter, down from 4.3 percent in second quarter 2017.

Margins Increase as Average Yields Outpace Growth in Funding Costs

Net interest income totaled $134.1 billion, an increase of $10.7 billion (8.7 percent) from 12 months earlier and the largest annual dollar increase ever reported by the industry. More than four out of five banks (85.1 percent) reported year-over-year increases. Net interest margin (NIM) rose to 3.38 percent, up 16 basis points from a year earlier, as average asset yields grew more rapidly than average funding costs. Institutions with assets of $10 billion to $250 billion reported the largest annual increase in average funding costs (up 30 basis points). The improvement in NIM was widespread, as more than two out of three banks (70.2 percent) reported increases from a year earlier.

[1] 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.

Chart 1

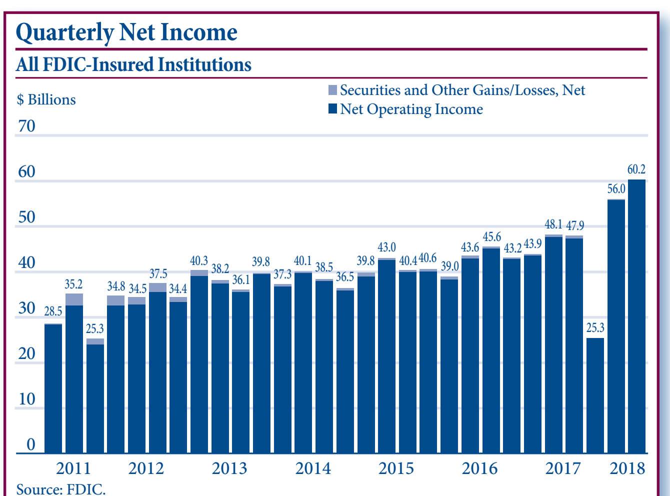
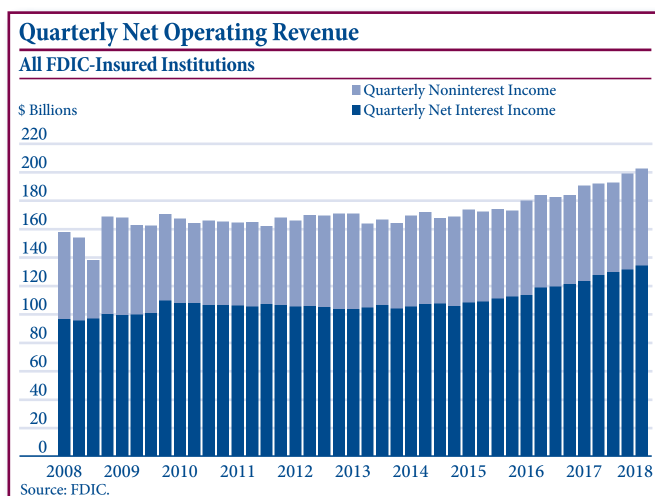


Chart 2



Provisions Decline Modestly From Second Quarter 2017	Banks set aside $11.7 billion in loan-loss provisions during the second quarter, a decline of $293.5 million (2.4 percent) from the previous year. Almost one-third of all banks (31.3 percent) reported lower loan-loss provisions than in second quarter 2017. Loan-loss provisions as a percentage of net operating revenue declined to 5.8 percent for the current quarter, the lowest level since third quarter 2015.
Noninterest Income Expands 2 Percent From a Year Earlier	Noninterest income totaled $68.1 billion, an increase of $1.3 billion (2 percent) from the previous year. The 12-month increase in noninterest income was attributable to servicing fees (up $638.2 million, or 29.5 percent), fiduciary activity (up $558.4 million, or 6.3 percent), and net gains on sales of other assets (up $388.3 million). Slightly more than half of all institutions (55.6 percent) reported increases in noninterest income from a year earlier.
Noninterest Expense Grows 4.6 Percent Year Over Year	Noninterest expenses rose by $5 billion (4.6 percent) from a year earlier, as salary and employee benefits grew by $2.7 billion (5.2 percent) and other noninterest expense increased by $1.8 billion (4.2 percent).[2] Average assets per employee totaled $8.4 million for the current quarter, up from $8.2 million in second quarter 2017. The efficiency ratio (noninterest expense as a percent of net operating revenue) improved to 55.5 percent in the second quarter, the lowest level since first quarter 2010.
Net Charge-Off Rate Remains Stable	For the past eleven quarters in a row, net charge-offs increased compared with a year earlier but at a slower rate. During the second quarter, banks charged-off $11.7 billion in uncollectable loans, an increase of $446.4 billion (4 percent) over the past 12 months. The annual increase in net charge-offs was led by credit card balances (up $918.9 million, or 12.8 percent). The average net charge-off rate remained stable from a year earlier at 0.48 percent.

[2] Other noninterest expense includes, but is not limited to, information technology costs, legal fees, consulting services, and audit fees.

Chart 3

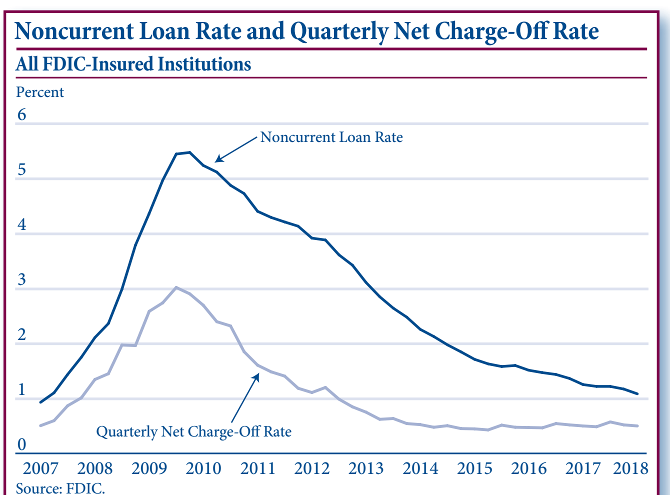
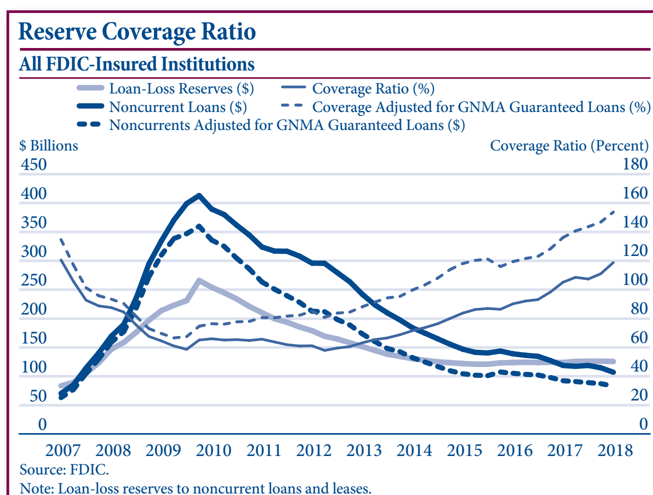


Chart 4



Noncurrent Loan Rate Declines to 1.06 Percent	Noncurrent loan balances (90 days or more past due or in nonaccrual status) declined by $7.7 billion (6.8 percent) from the first quarter, as more than half (52 percent) of all institutions reported quarterly declines. The improvement was led by residential mortgages (down $5.2 billion, or 9.7 percent), commercial and industrial loans (down $1.2 billion, or 6.8 percent), and credit cards (down $848.6 million, or 7.4 percent). The average noncurrent rate fell from 1.15 percent in the first quarter to 1.06 percent.
Reserve Coverage of Noncurrent Loans Continues to Grow	Loan-loss reserves declined by $330 million (0.3 percent) from the first quarter, as less than one-third (25.3 percent) of all institutions reported a quarterly decline. At banks that itemize their loan-loss reserves, which represent almost 91 percent of total industry loan-loss reserves, losses on credit cards increased by $284.2 million (0.7 percent). Itemized reserves for residential real estate losses fell by $522.3 million (3.7 percent). As noncurrent loan balances declined at a faster quarterly rate than loan-loss reserves, the coverage ratio (loan-loss reserves to noncurrent loan balances) grew from 110 percent in the first quarter to 117.7 percent.
Equity Capital Increases From the First Quarter	Equity capital of $2 trillion rose by $15.3 billion (0.8 percent) from the first quarter. Retained earnings contributed $22.4 billion to equity growth but were partly offset by a $7.8 billion reduction in accumulated other comprehensive income. With a decline in market value of available-for-sale securities, unrealized losses totaled $40.2 billion for the current quarter, an increase of $6 billion (17.4 percent) from the previous quarter. Declared dividends totaled $37.8 billion, an increase of $9.5 billion (33.4 percent) from the year before. At the end of the quarter, 99.6 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.
Balances at Federal Reserve Banks Decline Almost 12 Percent	Total assets rose modestly (up $1.3 billion) from the previous quarter, as cash and balances due from depository institutions declined by $126.4 billion (6.5 percent), the largest quarterly dollar decline since second quarter 2015. Balances at Federal Reserve banks declined by $139.7 billion (11.7 percent), and mortgage-backed securities rose by $43.5 billion (2.1 percent).

Chart 5

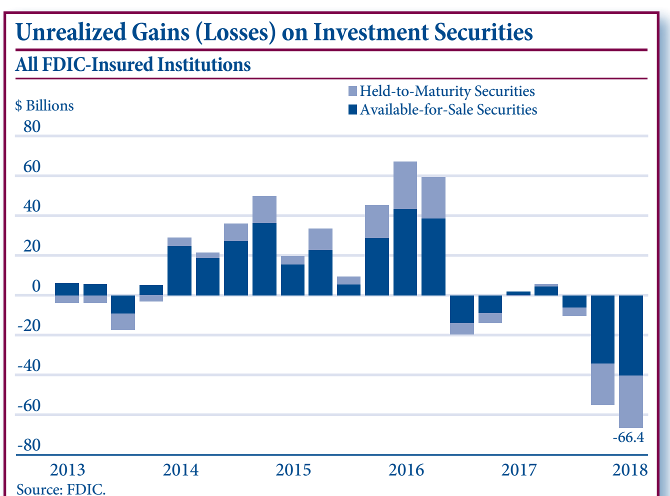
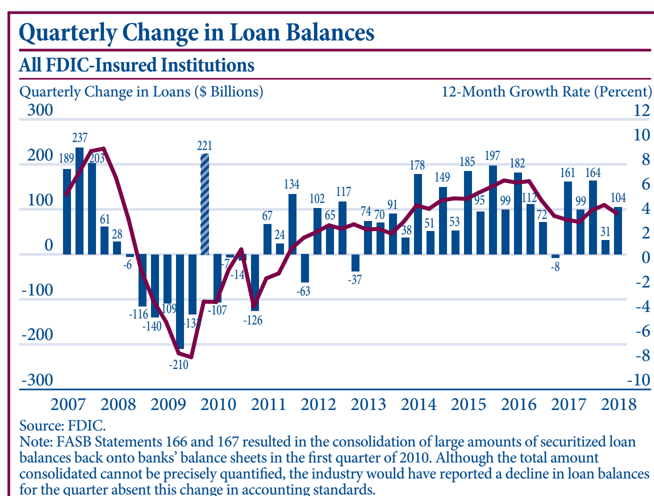


Chart 6



Loan Balances Expand 4.2 Percent From Second Quarter 2017

Total loan and lease balances increased by $104.3 billion (1.1 percent) from the first quarter, as more than three out of four banks (76.2 percent) reported quarterly increases. All major loan categories registered quarterly increases, led by commercial and industrial loans (up $25.5 billion, or 1.2 percent); consumer loans, which include credit card balances (up $23.7 billion, or 1.4 percent); nonfarm nonresidential loans (up $18.9 billion, or 1.3 percent); and residential mortgage loans (up $17.9 billion, or 0.9 percent).[3] Over the past year, total loan and lease balances grew by $398.5 billion (4.2 percent), a slight decline from last quarter's annual growth rate of 4.9 percent. Commercial and industrial loans rose by $95.2 billion (4.8 percent); consumer loans, which include credit card balances, increased by $84.4 billion (5.4 percent); residential mortgage loans grew by $70.6 billion (3.5 percent); and nonfarm nonresidential loans expanded by $56.4 billion (4.1 percent).

Deposits Decline From the Previous Quarter

Total deposits fell by $60.2 billion (0.4 percent) from the previous quarter, as deposits in both foreign offices (down $38.8 billion, or 3 percent) and domestic offices (down $21.5 billion, or 0.2 percent) declined. Domestic interest-bearing deposits rose by $13.5 billion (0.1 percent), while noninterest-bearing deposits declined by $34.9 billion (1.1 percent). Banks increased their nondeposit liabilities by $46.3 billion (2.3 percent) from the first quarter, led by Federal Home Loan Bank advances (up $30 billion, or 5.4 percent) and other liabilities (up $11.7 billion, or 3.1 percent).

Two New Charters Added in Second Quarter 2018

During the three months ended June 30, the number of FDIC-insured commercial banks and savings institutions declined by 65 to 5,542. Two new charters were added, 64 institutions were absorbed by mergers, and no banks failed. The number of institutions on the FDIC's "Problem Bank List" fell from 92 to 82, the lowest number since fourth quarter 2007. Assets of problem banks declined from $56.4 billion to $54.4 billion.

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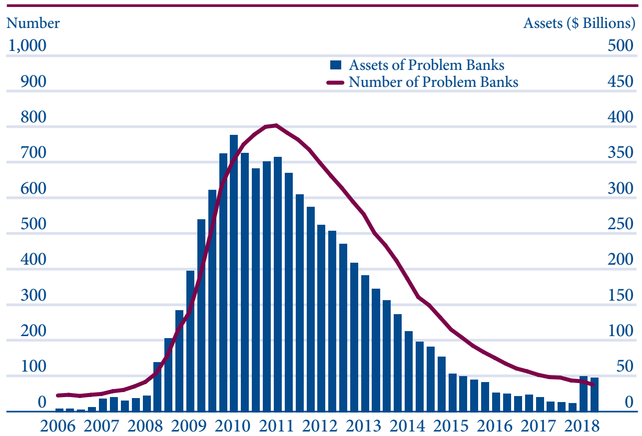
[3] Major loan categories include commercial and industrial loans, residential mortgage loans, consumer loans, and nonfarm nonresidential loans. Consumer loans include credit card loans, automobile loans, and all other consumer loans.

Chart 7

Number and Assets of Banks on the "Problem Bank List"



Source: FDIC.

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

	2018**	2017**	2017	2016	2015	2014	2013
Return on assets (%)	1.33	1.09	0.97	1.04	1.04	1.01	1.07
Return on equity (%)	11.83	9.72	8.61	9.29	9.29	9.01	9.54
Core capital (leverage) ratio (%)	9.74	9.69	9.63	9.48	9.59	9.44	9.40
Noncurrent assets plus other real estate owned to assets (%)	0.64	0.75	0.72	0.86	0.97	1.20	1.63
Net charge-offs to loans (%)	0.49	0.49	0.50	0.47	0.44	0.49	0.69
Asset growth rate (%)	2.71	3.24	3.79	5.09	2.66	5.59	1.94
Net interest margin (%)	3.36	3.20	3.25	3.13	3.07	3.14	3.26
Net operating income growth (%)	27.30	12.17	-3.25	4.57	7.11	-0.73	12.82
Number of institutions reporting	5,542	5,787	5,670	5,913	6,182	6,509	6,812
Commercial banks	4,833	5,011	4,918	5,112	5,338	5,607	5,847
Savings institutions	709	776	752	801	844	902	965
Percentage of unprofitable institutions (%)	3.70	4.08	5.61	4.46	4.80	6.27	8.16
Number of problem institutions	82	105	95	123	183	291	467
Assets of problem institutions (in billions)	$54	$17	$14	$28	$47	$87	$153
Number of failed institutions	0	6	8	5	8	18	24

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

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

(dollar figures in millions)	2nd Quarter 2018	1st Quarter 2018	2nd Quarter 2017	%Change 17Q2-18Q2
Number of institutions reporting	5,542	5,607	5,787	-4.2
Total employees (full-time equivalent)	2,077,035	2,076,978	2,093,283	-0.8
CONDITION DATA				
Total assets	$17,532,848	$17,531,541	$17,069,453	2.7
Loans secured by real estate	4,831,855	4,795,206	4,691,032	3.0
1-4 Family residential mortgages	2,090,483	2,072,611	2,019,883	3.5
Nonfarm nonresidential	1,421,579	1,402,650	1,365,216	4.1
Construction and development	346,939	344,173	324,111	7.0
Home equity lines	389,047	398,436	424,044	-8.3
Commercial & industrial loans	2,077,261	2,051,797	1,982,090	4.8
Loans to individuals	1,658,216	1,634,554	1,573,842	5.4
Credit cards	837,188	820,415	779,714	7.4
Farm loans	79,845	75,619	79,441	0.5
Other loans & leases	1,211,852	1,197,490	1,133,844	6.9
Less: Unearned income	2,347	2,283	2,040	15.0
Total loans & leases	9,856,682	9,752,384	9,458,208	4.2
Less: Reserve for losses	123,413	123,743	121,386	1.7
Net loans and leases	9,733,269	9,628,641	9,336,822	4.2
Securities	3,633,321	3,598,925	3,568,971	1.8
Other real estate owned	7,614	8,133	9,627	-20.9
Goodwill and other intangibles	391,735	388,766	376,684	4.0
All other assets	3,766,910	3,907,076	3,777,350	-0.3
Total liabilities and capital	17,532,848	17,531,541	17,069,453	2.7
Deposits	13,468,726	13,528,940	13,105,310	2.8
Domestic office deposits	12,235,438	12,256,900	11,780,618	3.9
Foreign office deposits	1,233,288	1,272,040	1,324,692	-6.9
Other borrowed funds	1,494,288	1,471,092	1,447,746	3.2
Subordinated debt	67,197	69,852	77,428	-13.2
All other liabilities	518,827	493,059	500,766	3.6
Total equity capital (includes minority interests)	1,983,810	1,968,598	1,938,203	2.4
Bank equity capital	1,980,329	1,965,000	1,933,123	2.4
Loans and leases 30-89 days past due	59,368	63,138	58,410	1.6
Noncurrent loans and leases	104,823	112,481	116,520	-10.0
Restructured loans and leases	57,618	58,438	62,818	-8.3
Mortgage-backed securities	2,156,874	2,113,396	2,072,554	4.1
Earning assets	15,851,976	15,883,667	15,406,743	2.9
FHLB Advances	583,974	553,988	565,704	3.2
Unused loan commitments	7,736,767	7,721,910	7,348,535	5.3
Trust assets	20,369,312	20,360,217	18,547,441	9.8
Assets securitized and sold	589,409	657,750	714,598	-17.5
Notional amount of derivatives	209,828,300	205,986,536	187,865,984	11.7

INCOME DATA	First Half 2018	First Half 2017	%Change	2nd Quarter 2018	2nd Quarter 2017	%Change 17Q2-18Q2
Total interest income	$316,505	$276,737	14.4	$161,891	$140,570	15.2
Total interest expense	51,329	32,658	57.2	27,781	17,191	61.6
Net interest income	265,176	244,079	8.6	134,109	123,379	8.7
Provision for loan and lease losses	24,108	24,037	0.3	11,712	12,006	-2.4
Total noninterest income	135,391	129,049	4.9	68,051	66,722	2.0
Total noninterest expense	228,733	217,259	5.3	113,379	108,401	4.6
Securities gains (losses)	422	1,318	-68.0	175	772	-77.3
Applicable income taxes	31,726	41,044	-22.7	16,804	22,266	-24.5
Extraordinary gains, net*	-188	16	N/M	-180	19	N/M
Total net income (includes minority interests)	116,234	92,122	26.2	60,259	48,220	25.0
Bank net income	116,083	91,943	26.3	60,201	48,132	25.1
Net charge-offs	23,738	22,732	4.4	11,682	11,235	4.0
Cash dividends	68,331	55,598	22.9	37,788	28,330	33.4
Retained earnings	47,753	36,345	31.4	22,413	19,802	13.2
Net operating income	116,083	91,192	27.3	60,301	47,662	26.5

* See Notes to Users for explanation.

N/M - Not Meaningful

TABLE III-A. Second Quarter 2018, All FDIC-Insured Institutions

SECOND QUARTER (The way it is...)	All Insured Institutions	Asset Concentration Groups*: Credit Card Banks	International Banks	Agricultural Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <$1 Billion	All Other <$1 Billion	All Other >$1 Billion
Number of institutions reporting	5,542	12	5	1,383	2,894	405	71	246	475	51
Commercial banks	4,833	11	5	1,370	2,599	115	51	222	418	42
Savings institutions	709	1	0	13	295	290	20	24	57	9
Total assets (in billions)	$17,532.8	$626.4	$4,222.2	$283.8	$6,167.7	$356.3	$216.8	$39.4	$80.8	$5,539.5
Commercial banks	16,366.7	541.9	4,222.2	277.7	5,708.0	102.5	106.3	35.1	69.4	5,303.5
Savings institutions	1,166.1	84.5	0.0	6.0	459.7	253.8	110.5	4.3	11.3	236.1
Total deposits (in billions)	13,468.7	367.5	3,062.3	235.6	4,832.7	277.1	177.4	31.5	68.4	4,416.1
Commercial banks	12,543.9	305.9	3,062.3	230.6	4,485.9	83.1	85.6	28.6	59.2	4,202.7
Savings institutions	924.9	61.7	0.0	5.0	346.8	194.0	91.8	2.9	9.2	213.4
Bank net income (in millions)	60,201	4,249	13,021	951	19,577	967	648	369	230	20,190
Commercial banks	56,667	3,703	13,021	922	18,445	383	460	178	212	19,342
Savings institutions	3,534	545	0	29	1,132	584	188	190	18	848
Performance Ratios (annualized, %)										
Yield on earning assets	4.08	12.15	3.24	4.49	4.23	3.64	4.62	3.35	4.16	3.62
Cost of funding earning assets	0.70	1.89	0.71	0.66	0.68	0.68	0.62	0.41	0.49	0.60
Net interest margin	3.38	10.26	2.53	3.83	3.56	2.95	4.00	2.94	3.66	3.02
Noninterest income to assets	1.55	3.48	2.00	0.65	1.13	1.29	1.45	8.38	0.87	1.49
Noninterest expense to assets	2.59	6.03	2.48	2.54	2.62	2.60	2.90	6.59	2.87	2.21
Loan and lease loss provision to assets	0.27	3.33	0.17	0.18	0.14	-0.01	0.47	0.07	0.09	0.16
Net operating income to assets	1.38	2.73	1.23	1.35	1.28	1.06	1.51	3.76	1.15	1.45
Pretax return on assets	1.76	3.65	1.57	1.51	1.61	1.53	1.66	4.41	1.30	1.87
Return on assets	1.37	2.73	1.23	1.35	1.28	1.08	1.20	3.75	1.14	1.45
Return on equity	12.22	17.77	12.36	11.95	10.75	9.55	11.71	22.69	9.64	13.15
Net charge-offs to loans and leases	0.48	4.02	0.50	0.19	0.16	0.01	1.14	0.04	0.09	0.36
Loan and lease loss provision to net charge-offs	100.26	105.87	93.49	140.18	118.62	-242.62	58.97	657.79	178.89	87.59
Efficiency ratio	55.47	45.85	58.19	59.62	59.37	63.10	53.36	59.36	66.87	51.46
% of unprofitable institutions	3.79	0.00	0.00	2.89	3.28	6.67	7.04	6.10	5.89	0.00
% of institutions with earnings gains	74.12	100.00	100.00	68.04	78.44	67.16	66.20	70.33	71.79	92.16
Structural Changes										
New reporters	2	0	0	0	0	0	0	2	0	0
Institutions absorbed by mergers	64	1	0	5	54	1	1	0	1	1
Failed institutions	0	0	0	0	0	0	0	0	0	0
PRIOR SECOND QUARTERS (The way it was...)										
Return on assets (%) 2017	1.13	2.05	0.95	1.22	1.08	0.92	1.13	2.97	0.91	1.25
2015	1.09	2.89	0.94	1.21	0.96	0.92	1.21	0.34	1.02	1.17
2013	1.06	3.27	1.03	1.21	0.79	1.07	1.68	1.79	0.95	1.05
Net charge-offs to loans & leases (%) 2017	0.48	4.07	0.51	0.21	0.22	0.00	0.59	0.19	0.16	0.39
2015	0.42	2.80	0.57	0.12	0.17	0.13	0.58	0.20	0.19	0.39
2013	0.73	3.38	1.05	0.14	0.46	0.41	1.07	0.45	0.38	0.48

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

TABLE III-A. Second Quarter 2018, All FDIC-Insured Institutions

SECOND QUARTER (The way it is...)	All Insured Institutions	Asset Size Distribution: Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	$10 Billion to $250 Billion	Greater Than $250 Billion	Geographic Regions*: New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	5,542	1,372	3,399	637	125	9	675	645	1,195	1,412	1,205	410
Commercial banks	4,833	1,220	2,976	516	112	9	351	588	1,025	1,364	1,131	374
Savings institutions	709	152	423	121	13	0	324	57	170	48	74	36
Total assets (in billions)	$17,532.8	$81.8	$1,112.3	$1,706.7	$5,951.5	$8,680.6	$3,276.4	$3,614.2	$3,957.2	$3,626.6	$1,114.0	$1,944.4
Commercial banks	16,366.7	73.0	953.4	1,352.4	5,307.3	8,680.6	2,836.8	3,512.2	3,851.0	3,586.2	977.9	1,602.6
Savings institutions	1,166.1	8.8	158.8	354.3	644.1	0.0	439.7	102.0	106.2	40.3	136.1	341.8
Total deposits (in billions)	13,468.7	68.1	927.0	1,359.4	4,532.0	6,582.3	2,473.8	2,845.6	2,923.8	2,780.8	903.9	1,540.8
Commercial banks	12,543.9	61.4	801.7	1,085.4	4,013.1	6,582.3	2,139.8	2,764.6	2,849.2	2,749.5	795.1	1,245.6
Savings institutions	924.9	6.6	125.3	274.0	518.9	0.0	334.0	81.1	74.6	31.3	108.8	295.2
Bank net income (in millions)	60,201	222	3,512	5,451	21,724	29,293	9,805	13,505	12,890	11,621	3,932	8,448
Commercial banks	56,667	195	3,034	4,686	19,459	29,293	8,799	13,286	12,680	11,514	3,407	6,982
Savings institutions	3,534	27	477	765	2,265	0	1,006	219	210	108	525	1,466
Performance Ratios (annualized, %)												
Yield on earning assets	4.08	4.37	4.47	4.39	4.65	3.58	4.24	4.16	3.38	4.11	4.45	4.81
Cost of funding earning assets	0.70	0.54	0.63	0.68	0.81	0.64	0.86	0.62	0.61	0.75	0.56	0.75
Net interest margin	3.38	3.83	3.85	3.71	3.83	2.94	3.38	3.54	2.77	3.36	3.89	4.06
Noninterest income to assets	1.55	1.36	1.15	1.20	1.51	1.70	1.37	1.53	2.00	1.29	1.28	1.66
Noninterest expense to assets	2.59	3.55	3.13	2.77	2.67	2.42	2.54	2.52	2.67	2.46	2.97	2.67
Loan and lease loss provision to assets	0.27	0.10	0.13	0.18	0.45	0.18	0.37	0.27	0.11	0.26	0.14	0.51
Net operating income to assets	1.38	1.10	1.27	1.32	1.47	1.34	1.19	1.50	1.32	1.26	1.43	1.76
Pretax return on assets	1.76	1.24	1.48	1.65	1.90	1.73	1.51	1.92	1.67	1.64	1.74	2.31
Return on assets	1.37	1.09	1.27	1.29	1.47	1.34	1.20	1.50	1.30	1.27	1.42	1.76
Return on equity	12.22	8.18	11.26	11.03	12.10	12.75	9.64	12.43	12.50	12.55	12.34	15.47
Net charge-offs to loans and leases	0.48	0.12	0.11	0.27	0.69	0.43	0.60	0.54	0.25	0.49	0.21	0.70
Loan and lease loss provision to net charge-offs	100.26	140.36	175.71	97.78	105.46	89.84	108.18	87.11	86.38	98.93	103.99	116.60
Efficiency ratio	55.47	72.27	65.80	59.17	52.63	55.31	56.95	52.99	59.31	55.60	60.43	48.30
% of unprofitable institutions	3.79	9.11	2.32	0.94	0.00	0.00	3.70	4.81	5.02	2.90	2.82	4.63
% of institutions with earnings gains	74.12	65.31	75.14	84.46	88.80	100.00	79.11	79.07	72.22	70.40	74.02	76.83
Structural Changes												
New reporters	2	2	0	0	0	0	0	1	0	0	1	0
Institutions absorbed by mergers	64	16	39	8	1	0	12	10	11	15	10	6
Failed institutions	0	0	0	0	0	0	0	0	0	0	0	0
PRIOR SECOND QUARTERS (The way it was...)												
Return on assets (%) 2017	1.13	0.94	1.12	1.26	1.14	1.10	0.95	1.20	1.04	1.08	1.28	1.54
2015	1.09	0.95	0.97	1.31	1.04	1.10	0.96	1.10	0.96	1.23	1.15	1.29
2013	1.06	0.77	0.95	1.27	0.88	1.17	0.54	1.02	1.12	1.28	1.17	1.60
Net charge-offs to loans & leases (%) 2017	0.48	0.21	0.12	0.22	0.72	0.44	0.60	0.57	0.24	0.48	0.26	0.66
2015	0.42	0.14	0.14	0.21	0.55	0.45	0.49	0.47	0.25	0.50	0.21	0.49
2013	0.73	0.35	0.37	0.43	0.97	0.72	1.00	0.70	0.48	0.95	0.34	0.58

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

TABLE IV-A. First Half 2018, All FDIC-Insured Institutions

FIRST HALF (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		5,542	12	5	1,383	2,894	405	71	246	475	51
Commercial banks		4,833	11	5	1,370	2,599	115	51	222	418	42
Savings institutions		709	1	0	13	295	290	20	24	57	9
Total assets (in billions)		$17,532.8	$626.4	$4,222.2	$283.8	$6,167.7	$356.3	$216.8	$39.4	$80.8	$5,539.5
Commercial banks		16,366.7	541.9	4,222.2	277.7	5,708.0	102.5	106.3	35.1	69.4	5,303.5
Savings institutions		1,166.1	84.5	0.0	6.0	459.7	253.8	110.5	4.3	11.3	236.1
Total deposits (in billions)		13,468.7	367.5	3,062.3	235.6	4,832.7	277.1	177.4	31.5	68.4	4,416.1
Commercial banks		12,543.9	305.9	3,062.3	230.6	4,485.9	83.1	85.6	28.6	59.2	4,202.7
Savings institutions		924.9	61.7	0.0	5.0	346.8	194.0	91.8	2.9	9.2	213.4
Bank net income (in millions)		116,083	8,524	25,826	1,868	37,788	1,966	1,402	711	434	37,564
Commercial banks		109,061	7,487	25,826	1,808	35,540	798	921	338	398	35,944
Savings institutions		7,022	1,037	0	60	2,249	1,167	481	372	35	1,620
Performance Ratios (annualized, %)											
Yield on earning assets		4.01	12.05	3.16	4.40	4.14	3.58	4.67	3.28	4.08	3.54
Cost of funding earning assets		0.65	1.79	0.65	0.62	0.63	0.64	0.63	0.39	0.47	0.55
Net interest margin		3.36	10.26	2.51	3.78	3.51	2.94	4.04	2.90	3.61	2.99
Noninterest income to assets		1.55	3.59	2.02	0.63	1.12	1.24	1.44	8.25	0.85	1.47
Noninterest expense to assets		2.62	6.15	2.50	2.52	2.61	2.57	2.94	6.55	2.85	2.29
Loan and lease loss provision to assets		0.28	3.38	0.18	0.14	0.14	-0.01	0.51	0.07	0.11	0.17
Net operating income to assets		1.33	2.71	1.22	1.33	1.24	1.08	1.46	3.64	1.09	1.35
Pretax return on assets		1.69	3.57	1.56	1.49	1.56	1.49	1.76	4.29	1.23	1.73
Return on assets		1.33	2.71	1.22	1.32	1.24	1.10	1.31	3.63	1.08	1.35
Return on equity		11.83	17.96	12.34	11.77	10.44	9.74	12.79	21.84	9.08	12.23
Net charge-offs to loans and leases		0.49	4.02	0.53	0.13	0.17	0.02	0.97	0.10	0.13	0.37
Loan and lease loss provision to net charge-offs		101.56	107.09	90.23	160.56	121.60	-94.09	74.17	251.44	154.50	89.08
Efficiency ratio		56.49	46.45	58.57	60.39	59.90	63.47	53.97	59.88	67.69	53.86
% of unprofitable institutions		3.70	0.00	0.00	2.53	3.14	7.16	7.04	6.91	5.89	0.00
% of institutions with earnings gains		76.02	83.33	100.00	71.01	80.72	69.38	73.24	70.33	69.05	90.20
Condition Ratios (%)											
Earning assets to total assets		90.41	92.74	87.86	93.44	90.95	94.43	96.89	92.04	92.95	90.78
Loss allowance to:											
Loans and leases		1.25	4.46	1.31	1.40	1.01	0.71	1.03	1.49	1.29	1.08
Noncurrent loans and leases		117.73	334.66	124.21	125.29	126.16	27.38	161.90	120.63	126.39	80.75
Noncurrent assets plus other real estate owned to assets		0.64	1.05	0.41	0.88	0.65	1.61	0.47	0.44	0.76	0.71
Equity capital ratio		11.29	15.29	10.02	11.31	11.91	11.24	10.35	16.59	11.89	11.12
Core capital (leverage) ratio		9.74	13.47	8.86	11.19	10.24	10.89	10.57	16.32	12.22	9.18
Common equity tier 1 capital ratio		13.14	13.85	13.46	14.68	12.39	21.95	17.12	36.04	20.82	12.93
Tier 1 risk-based capital ratio		13.22	13.95	13.55	14.69	12.47	21.97	17.36	36.05	20.85	13.01
Total risk-based capital ratio		14.59	15.91	14.95	15.81	13.74	22.84	18.36	37.06	21.93	14.47
Net loans and leases to deposits		72.27	127.90	50.89	81.65	89.31	75.99	85.51	34.89	66.00	62.91
Net loans to total assets		55.51	75.05	36.91	67.79	69.98	59.12	69.97	27.88	55.92	50.15
Domestic deposits to total assets		69.79	57.36	48.08	83.02	78.08	77.49	81.81	79.91	84.73	76.56
Structural Changes											
New reporters		5	0	0	0	0	0	0	5	0	0
Institutions absorbed by mergers		129	1	0	12	108	2	1	0	3	2
Failed institutions		0	0	0	0	0	0	0	0	0	0
PRIOR FIRST HALVES (The way it was...)											
Number of institutions	2017	5,787	12	5	1,418	2,958	454	60	276	546	58
	2015	6,348	14	4	1,484	3,146	545	55	353	681	66
	2013	6,940	16	4	1,521	3,455	603	47	416	810	68
Total assets (in billions)	2017	$17,069.5	$505.5	$4,194.3	$280.9	$5,911.7	$359.5	$261.7	$48.0	$97.0	$5,410.8
	2015	15,753.6	510.3	3,747.4	258.3	5,194.6	445.4	178.4	60.6	122.6	5,236.1
	2013	14,409.8	590.5	3,650.4	236.0	4,723.8	562.0	103.9	64.1	143.9	4,335.2
Return on assets (%)	2017	1.09	2.05	0.95	1.20	1.03	0.90	1.10	2.83	0.92	1.16
	2015	1.06	2.95	0.92	1.19	0.93	0.86	1.15	1.12	0.99	1.11
	2013	1.09	3.19	1.00	1.17	0.87	1.01	1.60	1.73	0.94	1.11
Net charge-offs to loans & leases (%)	2017	0.49	3.97	0.58	0.15	0.21	0.05	0.62	0.15	0.14	0.40
	2015	0.43	2.78	0.59	0.07	0.16	0.14	0.59	0.17	0.17	0.40
	2013	0.78	3.37	1.12	0.12	0.49	0.42	1.13	0.44	0.33	0.55
Noncurrent assets plus OREO to assets (%)	2017	0.75	1.06	0.50	0.84	0.76	1.63	0.62	0.50	0.92	0.83
	2015	1.04	0.74	0.76	0.80	0.96	1.94	1.03	0.69	1.27	1.28
	2013	1.90	0.92	1.28	1.03	1.94	2.30	0.89	1.00	1.60	2.56
Equity capital ratio (%)	2017	11.33	15.91	9.90	11.47	12.04	11.13	10.28	15.28	11.88	11.23
	2015	11.23	14.83	9.78	11.40	11.96	11.51	10.26	15.12	11.71	11.13
	2013	11.16	15.10	8.86	11.01	11.85	11.23	9.84	14.42	11.32	11.79

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

TABLE IV-A. First Half 2018, All FDIC-Insured Institutions

FIRST HALF (The way it is...)	All Insured Institutions	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	Geographic Regions*: New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	5,542	1,372	3,399	637	125	9	675	645	1,195	1,412	1,205	410
Commercial banks	4,833	1,220	2,976	516	112	9	351	588	1,025	1,364	1,131	374
Savings institutions	709	152	423	121	13	0	324	57	170	48	74	36
Total assets (in billions)	$17,532.8	$81.8	$1,112.3	$1,706.7	$5,951.5	$8,680.6	$3,276.4	$3,614.2	$3,957.2	$3,626.6	$1,114.0	$1,944.4
Commercial banks	16,366.7	73.0	953.4	1,352.4	5,307.3	8,680.6	2,836.8	3,512.2	3,851.0	3,586.2	977.9	1,602.6
Savings institutions	1,166.1	8.8	158.8	354.3	644.1	0.0	439.7	102.0	106.2	40.3	136.1	341.8
Total deposits (in billions)	13,468.7	68.1	927.0	1,359.4	4,532.0	6,582.3	2,473.8	2,845.6	2,923.8	2,780.8	903.9	1,540.8
Commercial banks	12,543.9	61.4	801.7	1,085.4	4,013.1	6,582.3	2,139.8	2,764.6	2,849.2	2,749.5	795.1	1,245.6
Savings institutions	924.9	6.6	125.3	274.0	518.9	0.0	334.0	81.1	74.6	31.3	108.8	295.2
Bank net income (in millions)	116,083	428	6,759	10,724	41,678	56,494	19,155	25,283	25,399	22,452	7,596	16,198
Commercial banks	109,061	375	5,828	9,053	37,312	56,494	17,191	24,821	24,834	22,227	6,601	13,388
Savings institutions	7,022	54	931	1,671	4,366	0	1,965	462	566	226	995	2,809
Performance Ratios (annualized, %)												
Yield on earning assets	4.01	4.30	4.40	4.33	4.57	3.50	4.15	4.10	3.30	4.03	4.36	4.76
Cost of funding earning assets	0.65	0.52	0.59	0.64	0.75	0.59	0.80	0.57	0.56	0.70	0.52	0.70
Net interest margin	3.36	3.78	3.80	3.69	3.81	2.91	3.36	3.53	2.73	3.33	3.84	4.06
Noninterest income to assets	1.55	1.35	1.12	1.19	1.52	1.70	1.37	1.49	1.97	1.34	1.26	1.67
Noninterest expense to assets	2.62	3.55	3.11	2.78	2.70	2.46	2.54	2.56	2.67	2.53	2.96	2.73
Loan and lease loss provision to assets	0.28	0.10	0.12	0.19	0.46	0.19	0.37	0.29	0.11	0.26	0.15	0.54
Net operating income to assets	1.33	1.06	1.23	1.30	1.42	1.29	1.17	1.41	1.29	1.22	1.39	1.70
Pretax return on assets	1.69	1.18	1.44	1.63	1.83	1.65	1.48	1.80	1.63	1.57	1.68	2.22
Return on assets	1.33	1.05	1.23	1.28	1.42	1.29	1.17	1.41	1.29	1.23	1.38	1.70
Return on equity	11.83	7.90	10.88	10.98	11.67	12.32	9.47	11.66	12.37	12.16	12.02	14.90
Net charge-offs to loans and leases	0.49	0.14	0.10	0.22	0.71	0.44	0.61	0.55	0.25	0.51	0.21	0.72
Loan and lease loss provision to net charge-offs	101.56	128.45	180.33	119.75	106.09	89.36	107.10	90.63	90.98	95.78	108.27	120.58
Efficiency ratio	56.49	72.97	66.46	59.79	53.49	56.60	57.21	54.66	60.04	57.00	61.12	49.40
% of unprofitable institutions	3.70	9.18	2.12	1.10	0.00	0.00	4.15	5.58	4.94	2.27	2.57	4.63
% of institutions with earnings gains	76.02	65.60	77.52	86.81	92.80	100.00	81.78	79.07	72.97	72.80	76.60	80.00
Condition Ratios (%)												
Earning assets to total assets	90.41	92.64	93.21	92.54	91.06	89.17	89.86	89.63	89.23	90.66	91.68	94.02
Loss allowance to:												
Loans and leases	1.25	1.39	1.25	1.11	1.35	1.21	1.28	1.26	1.12	1.30	1.07	1.45
Noncurrent loans and leases	117.73	113.23	146.73	133.19	137.96	97.13	129.76	108.70	106.23	99.60	112.07	205.19
Noncurrent assets plus other real estate owned to assets	0.64	0.99	0.80	0.69	0.63	0.62	0.61	0.72	0.57	0.74	0.76	0.46
Equity capital ratio	11.29	13.36	11.32	11.74	12.14	10.61	12.49	12.08	10.49	10.26	11.55	11.26
Core capital (leverage) ratio	9.74	13.44	11.34	10.86	10.47	8.79	10.49	9.59	9.20	9.21	10.36	10.55
Common equity tier 1 capital ratio	13.14	21.35	15.52	14.12	13.17	12.51	13.47	12.83	13.00	12.41	13.29	14.75
Tier 1 risk-based capital ratio	13.22	21.39	15.54	14.14	13.33	12.56	13.53	12.93	13.05	12.50	13.39	14.90
Total risk-based capital ratio	14.59	22.45	16.63	15.12	14.76	14.02	14.90	14.24	14.22	14.40	14.45	15.96
Net loans and leases to deposits	72.27	71.04	82.25	87.86	79.68	62.55	74.66	72.16	67.84	69.67	80.54	76.84
Net loans to total assets	55.51	59.10	68.55	69.98	60.68	47.43	56.37	56.82	50.12	53.42	65.35	60.89
Domestic deposits to total assets	69.79	83.19	83.34	79.41	73.19	63.70	69.27	76.33	64.91	60.97	81.09	78.36
Structural Changes												
New reporters	5	5	0	0	0	0	0	2	0	0	1	2
Institutions absorbed by mergers	129	33	77	18	1	0	23	18	18	26	33	11
Failed institutions	0	0	0	0	0	0	0	0	0	0	0	0
PRIOR FIRST HALVES (The way it was...)												
Number of institutions 2017	5,787	1,471	3,564	631	112	9	709	693	1,232	1,464	1,253	436
2015	6,348	1,799	3,847	591	102	9	787	788	1,371	1,571	1,338	493
2013	6,940	2,141	4,146	546	100	7	858	884	1,483	1,686	1,468	561
Total assets (in billions) 2017	$17,069.5	$87.1	$1,159.0	$1,752.2	$5,432.6	$8,638.6	$3,137.2	$3,540.4	$3,890.5	$3,692.3	$1,045.1	$1,763.9
2015	15,753.6	105.7	1,203.2	1,616.8	4,737.8	8,090.2	3,063.0	3,292.1	3,537.0	3,405.9	930.3	1,525.4
2013	14,409.8	124.8	1,256.7	1,413.8	4,702.8	6,911.6	2,855.1	2,980.2	3,344.1	3,087.9	867.2	1,275.3
Return on assets (%) 2017	1.09	0.93	1.09	1.18	1.10	1.06	0.93	1.10	1.01	1.08	1.22	1.45
2015	1.06	0.92	1.00	1.18	1.04	1.06	0.90	1.04	0.95	1.20	1.09	1.32
2013	1.09	0.76	0.92	1.19	0.99	1.18	0.70	1.07	1.11	1.26	1.14	1.55
Net charge-offs to loans & leases (%) 2017	0.49	0.17	0.12	0.21	0.71	0.46	0.56	0.58	0.29	0.49	0.27	0.66
2015	0.43	0.14	0.12	0.20	0.54	0.48	0.47	0.50	0.26	0.52	0.19	0.48
2013	0.78	0.31	0.34	0.42	1.01	0.80	1.05	0.76	0.52	1.00	0.35	0.61
Noncurrent assets plus OREO to assets (%) 2017	0.75	1.06	0.90	0.74	0.71	0.75	0.67	0.88	0.67	0.86	0.86	0.48
2015	1.04	1.35	1.27	1.04	0.80	1.15	0.76	1.28	1.00	1.30	1.09	0.57
2013	1.90	1.90	2.11	2.15	1.17	2.31	1.26	2.77	1.74	2.18	1.86	1.12
Equity capital ratio (%) 2017	11.33	13.09	11.36	11.82	12.37	10.55	12.46	12.21	10.38	10.08	11.32	12.22
2015	11.23	12.53	11.28	11.84	12.40	10.39	11.74	12.36	10.13	10.32	11.14	12.37
2013	11.16	11.76	10.85	11.78	12.43	10.22	12.00	12.22	9.17	10.83	10.74	13.14

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

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

June 30, 2018	All Insured Institutions	Asset Concentration Groups* Credit Card Banks	International Banks	Agricultural Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <$1 Billion	All Other <$1 Billion	All Other >$1 Billion
Percent of Loans 30-89 Days Past Due										
All loans secured by real estate	0.59	2.54	0.80	0.62	0.39	0.74	0.40	1.22	1.09	0.91
Construction and development	0.32	0.32	0.34	0.59	0.31	0.37	0.51	1.72	0.80	0.29
Nonfarm nonresidential	0.24	0.00	0.30	0.47	0.22	0.23	0.42	0.90	0.71	0.23
Multifamily residential real estate	0.09	70.06	0.05	0.55	0.10	0.11	0.11	0.49	0.48	0.07
Home equity loans	0.63	0.00	0.99	0.35	0.48	0.49	0.35	0.48	0.66	0.74
Other 1-4 family residential	0.98	0.15	1.12	0.95	0.70	0.84	0.41	1.51	1.37	1.32
Commercial and industrial loans	0.31	0.71	0.48	0.94	0.26	0.56	0.21	0.68	1.10	0.23
Loans to individuals	1.32	1.40	1.01	1.17	1.25	1.03	0.73	1.70	1.42	1.60
Credit card loans	1.23	1.41	1.02	0.99	1.21	0.80	0.69	1.75	2.28	1.09
Other loans to individuals	1.40	1.21	0.97	1.18	1.26	1.04	0.74	1.70	1.39	1.89
All other loans and leases (including farm)	0.20	0.57	0.22	0.65	0.17	0.26	0.15	0.60	0.53	0.16
Total loans and leases	0.60	1.34	0.63	0.68	0.41	0.71	0.62	1.18	1.08	0.73
Percent of Loans Noncurrent**										
All real estate loans	1.47	1.88	1.98	1.10	0.82	2.72	1.26	1.34	1.12	2.55
Construction and development	0.48	17.93	0.24	0.62	0.48	0.30	0.70	1.70	0.90	0.49
Nonfarm nonresidential	0.60	0.67	0.66	0.96	0.56	0.57	1.12	1.13	1.29	0.71
Multifamily residential real estate	0.14	0.00	0.07	0.30	0.15	0.44	0.49	1.80	0.53	0.12
Home equity loans	2.38	48.19	4.08	0.45	1.21	1.15	1.65	0.59	0.44	3.78
Other 1-4 family residential	2.33	0.99	2.63	0.84	1.34	3.24	1.25	1.42	1.13	3.39
Commercial and industrial loans	0.79	0.67	0.74	1.31	0.92	4.58	0.44	1.17	0.95	0.56
Loans to individuals	0.88	1.40	0.84	0.52	0.72	0.44	0.46	0.86	0.52	0.64
Credit card loans	1.27	1.44	1.09	0.28	1.13	0.69	1.19	0.85	0.98	1.09
Other loans to individuals	0.49	0.60	0.31	0.54	0.68	0.42	0.28	0.86	0.50	0.38
All other loans and leases (including farm)	0.24	0.77	0.10	1.18	0.33	0.20	0.18	0.74	0.53	0.20
Total loans and leases	1.06	1.33	1.05	1.12	0.80	2.59	0.64	1.23	1.02	1.34
Percent of Loans Charged-Off (net, YTD)										
All real estate loans	0.01	0.22	-0.03	0.01	0.02	-0.01	0.51	0.04	0.03	0.01
Construction and development	-0.04	0.00	0.00	-0.07	-0.04	-0.01	-0.06	0.19	0.05	-0.05
Nonfarm nonresidential	0.02	0.00	0.00	0.02	0.03	-0.02	0.64	0.00	-0.02	0.01
Multifamily residential real estate	0.00	0.00	0.01	-0.01	-0.01	-0.02	0.00	-0.01	-0.01	0.00
Home equity loans	0.07	83.73	0.11	-0.02	0.08	-0.26	0.21	-0.03	0.07	0.06
Other 1-4 family residential	0.01	0.04	-0.07	0.03	0.02	0.01	0.57	0.06	0.05	0.00
Commercial and industrial loans	0.28	2.37	0.21	0.32	0.27	0.05	0.68	-0.32	0.51	0.17
Loans to individuals	2.39	4.17	2.67	0.49	1.07	1.07	1.17	0.63	0.58	1.80
Credit card loans	3.88	4.27	3.56	2.06	4.15	2.58	2.99	1.39	1.73	3.31
Other loans to individuals	0.86	2.15	0.79	0.35	0.78	0.93	0.71	0.57	0.54	0.92
All other loans and leases (including farm)	0.13	4.20	0.10	0.29	0.13	0.17	0.03	0.74	0.20	0.13
Total loans and leases	0.49	4.02	0.53	0.13	0.17	0.02	0.97	0.10	0.13	0.37
Loans Outstanding (in billions)										
All real estate loans	$4,831.9	$0.6	$574.4	$121.2	$2,692.9	$191.0	$35.3	$7.9	$34.9	$1,173.6
Construction and development	346.9	0.0	16.6	7.1	261.3	6.0	0.5	0.7	2.2	52.5
Nonfarm nonresidential	1,421.6	0.0	51.6	33.1	1,046.0	16.9	2.5	2.6	7.9	260.9
Multifamily residential real estate	419.0	0.0	77.8	4.0	285.3	4.5	0.6	0.2	1.0	45.5
Home equity loans	389.0	0.0	49.2	2.4	198.5	10.9	4.3	0.3	1.3	122.3
Other 1-4 family residential	2,090.5	0.5	331.0	28.8	854.6	151.7	27.3	3.7	19.5	673.5
Commercial and industrial loans	2,077.3	43.3	343.1	22.7	988.0	5.9	7.3	1.4	4.0	661.6
Loans to individuals	1,658.2	447.3	273.7	6.6	341.3	4.2	107.4	1.3	4.0	472.4
Credit card loans	837.2	425.9	186.6	0.6	28.5	0.3	21.0	0.1	0.1	174.2
Other loans to individuals	821.0	21.4	87.2	6.0	312.8	3.9	86.5	1.2	3.9	298.2
All other loans and leases (including farm)	1,291.7	0.9	388.4	44.6	339.1	11.0	3.4	0.5	2.9	500.9
Total loans and leases (plus unearned income)	9,859.0	492.0	1,579.6	195.1	4,361.2	212.2	153.4	11.2	45.8	2,808.5
Memo: Other Real Estate Owned (in millions)										
All other real estate owned	7,613.8	0.3	457.8	309.2	4,907.5	228.1	29.9	36.3	143.3	1,501.5
Construction and development	2,146.5	0.0	5.2	75.7	1,825.8	51.4	4.6	11.7	28.5	143.6
Nonfarm nonresidential	2,239.7	0.0	67.0	103.1	1,602.8	19.4	8.1	14.6	56.6	368.1
Multifamily residential real estate	108.7	0.0	0.0	9.7	84.1	11.3	0.1	0.0	0.6	3.0
1-4 family residential	2,918.4	0.3	366.6	51.5	1,292.6	142.9	17.0	9.5	53.5	984.5
Farmland	180.4	0.0	0.0	69.2	102.1	3.1	0.1	0.5	4.1	1.3

* 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

June 30, 2018	All Insured Institutions	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	Geographic Regions*: New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Percent of Loans 30-89 Days Past Due												
All loans secured by real estate	0.59	1.04	0.53	0.30	0.47	0.89	0.45	0.67	0.63	0.89	0.54	0.25
Construction and development	0.32	0.59	0.48	0.29	0.29	0.29	0.50	0.25	0.20	0.35	0.37	0.16
Nonfarm nonresidential	0.24	0.84	0.37	0.21	0.22	0.17	0.28	0.19	0.30	0.22	0.27	0.14
Multifamily residential real estate	0.09	0.70	0.19	0.07	0.11	0.06	0.14	0.06	0.06	0.18	0.08	0.04
Home equity loans	0.63	0.65	0.43	0.39	0.48	0.82	0.51	0.71	0.69	0.71	0.46	0.34
Other 1-4 family residential	0.98	1.43	0.78	0.45	0.79	1.32	0.70	1.12	0.94	1.46	1.06	0.39
Commercial and industrial loans	0.31	1.30	0.58	0.42	0.22	0.32	0.21	0.27	0.40	0.29	0.39	0.31
Loans to individuals	1.32	1.74	1.32	1.28	1.23	1.41	1.09	1.85	0.90	1.25	0.87	1.35
Credit card loans	1.23	4.69	2.00	2.93	1.33	1.05	1.11	1.38	1.03	1.09	0.67	1.60
Other loans to individuals	1.40	1.69	1.28	0.98	1.11	1.76	1.06	2.32	0.84	1.51	0.96	1.13
All other loans and leases (including farm)	0.20	0.57	0.60	0.26	0.15	0.19	0.09	0.11	0.26	0.24	0.19	0.31
Total loans and leases	0.60	1.05	0.58	0.37	0.55	0.71	0.49	0.73	0.55	0.70	0.51	0.53
Percent of Loans Noncurrent**												
All real estate loans	1.47	1.21	0.83	0.73	1.17	2.39	1.21	1.82	1.63	2.13	0.97	0.48
Construction and development	0.48	0.76	0.95	0.52	0.31	0.36	0.51	0.70	0.46	0.34	0.30	0.62
Nonfarm nonresidential	0.60	1.40	0.75	0.60	0.54	0.59	0.71	0.53	0.70	0.67	0.60	0.38
Multifamily residential real estate	0.14	0.80	0.35	0.15	0.12	0.09	0.15	0.18	0.14	0.13	0.22	0.05
Home equity loans	2.38	0.51	0.55	0.56	1.22	3.92	2.34	3.00	2.25	2.86	1.00	0.63
Other 1-4 family residential	2.33	1.22	0.88	1.12	2.07	3.23	1.94	2.74	2.37	3.35	1.90	0.56
Commercial and industrial loans	0.79	1.68	1.01	1.45	0.85	0.58	0.74	0.64	0.67	0.75	1.28	1.15
Loans to individuals	0.88	0.82	0.65	0.80	1.02	0.74	0.99	0.98	0.50	0.89	0.76	0.93
Credit card loans	1.27	2.16	1.48	2.94	1.38	1.08	1.24	1.27	1.06	1.15	1.16	1.62
Other loans to individuals	0.49	0.80	0.60	0.41	0.56	0.41	0.60	0.69	0.27	0.47	0.58	0.33
All other loans and leases (including farm)	0.24	1.11	0.89	0.46	0.31	0.13	0.30	0.16	0.16	0.28	0.29	0.37
Total loans and leases	1.06	1.23	0.85	0.83	0.98	1.24	0.99	1.16	1.05	1.30	0.96	0.70
Percent of Loans Charged-Off (net, YTD)												
All real estate loans	0.01	0.02	0.02	0.03	0.02	-0.01	0.04	0.02	0.00	0.00	0.01	-0.01
Construction and development	-0.04	-0.06	-0.01	-0.05	-0.05	-0.05	0.00	-0.04	-0.01	-0.07	-0.02	-0.16
Nonfarm nonresidential	0.02	0.01	0.02	0.02	0.04	0.00	0.04	0.03	0.03	0.00	0.02	0.00
Multifamily residential real estate	0.00	-0.10	-0.01	-0.01	0.00	0.00	0.00	0.00	-0.01	0.01	0.00	-0.01
Home equity loans	0.07	0.02	0.04	0.05	0.07	0.08	0.12	0.08	0.09	0.02	0.00	-0.01
Other 1-4 family residential	0.01	0.04	0.03	0.08	0.03	-0.03	0.04	0.01	-0.02	0.01	0.02	0.00
Commercial and industrial loans	0.28	0.39	0.25	0.40	0.37	0.18	0.37	0.24	0.23	0.19	0.33	0.45
Loans to individuals	2.39	0.86	1.05	2.05	2.69	2.16	2.64	2.38	1.48	2.77	1.44	2.59
Credit card loans	3.88	17.39	6.50	7.88	4.11	3.45	3.62	3.98	3.70	3.67	2.72	4.70
Other loans to individuals	0.86	0.54	0.69	0.99	0.80	0.90	1.07	0.77	0.58	1.34	0.86	0.69
All other loans and leases (including farm)	0.13	0.19	0.20	0.20	0.11	0.13	0.11	0.12	0.16	0.12	0.09	0.17
Total loans and leases	0.49	0.14	0.10	0.22	0.71	0.44	0.61	0.55	0.25	0.51	0.21	0.72
Loans Outstanding (in billions)												
All real estate loans	$4,831.9	$33.6	$596.3	$884.7	$1,663.3	$1,654.0	$994.4	$905.8	$1,005.6	$871.9	$471.3	$582.8
Construction and development	346.9	2.0	55.8	82.6	136.4	70.1	65.2	59.8	58.2	52.0	73.5	38.2
Nonfarm nonresidential	1,421.6	8.2	226.5	358.9	540.2	287.8	326.8	277.8	217.7	194.3	196.1	208.9
Multifamily residential real estate	419.0	0.9	32.7	98.7	165.4	121.2	150.7	42.2	108.5	35.7	20.5	61.3
Home equity loans	389.0	0.8	22.6	41.8	141.4	182.4	78.2	96.7	96.4	69.2	20.9	27.6
Other 1-4 family residential	2,090.5	15.3	207.3	279.6	661.8	926.5	368.9	415.6	500.8	428.4	142.2	234.6
Commercial and industrial loans	2,077.3	5.7	96.8	186.8	787.3	1,000.7	318.5	502.2	455.9	425.6	144.3	230.8
Loans to individuals	1,658.2	3.1	31.3	73.1	819.7	731.0	359.9	406.6	228.7	310.2	64.9	287.8
Credit card loans	837.2	0.1	1.9	11.2	460.7	363.3	219.4	203.9	67.2	192.9	19.8	134.0
Other loans to individuals	821.0	3.1	29.4	61.9	359.0	367.6	140.5	202.7	161.6	117.3	45.1	153.9
All other loans and leases (including farm)	1,291.7	6.6	48.1	63.7	391.1	782.2	198.6	265.3	315.9	355.9	55.7	100.4
Total loans and leases (plus unearned income)	9,859.0	49.0	772.4	1,208.3	3,661.4	4,167.9	1,871.4	2,079.9	2,006.1	1,963.6	736.2	1,201.9
Memo: Other Real Estate Owned (in millions)												
All other real estate owned	7,613.8	202.9	2,283.7	1,710.7	1,829.1	1,587.5	1,380.8	1,788.9	1,408.0	1,287.0	1,335.0	414.2
Construction and development	2,146.5	50.7	974.3	622.7	352.6	146.2	238.2	575.9	257.1	378.3	535.4	161.6
Nonfarm nonresidential	2,239.7	61.1	778.7	573.7	534.7	291.5	405.2	493.1	418.5	339.5	478.8	104.7
Multifamily residential real estate	108.7	5.0	47.3	33.3	20.3	2.9	22.7	33.1	18.0	16.8	10.0	8.0
1-4 family residential	2,918.4	64.1	402.5	411.6	914.6	1,125.6	701.0	674.2	691.4	450.3	270.7	130.8
Farmland	180.4	22.0	81.0	69.4	6.8	1.3	13.7	12.6	22.9	82.2	40.2	8.9

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

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

(dollar figures in millions; notional amounts unless otherwise indicated)	2nd Quarter 2018	1st Quarter 2018	4th Quarter 2017	3rd Quarter 2017	2nd Quarter 2017	% Change 17Q2 18Q2	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
ALL DERIVATIVE HOLDERS											
Number of institutions reporting derivatives	1,359	1,360	1,367	1,397	1,423	-4.5	44	759	429	118	9
Total assets of institutions reporting derivatives	$15,926,402	$15,928,570	$15,815,208	$15,675,909	$15,459,961	3.0	$3,236	$325,748	$1,286,437	$5,630,349	$8,680,632
Total deposits of institutions reporting derivatives	12,187,330	12,247,546	12,133,179	11,947,224	11,796,323	3.3	2,704	268,929	1,018,035	4,315,385	6,582,278
Total derivatives	209,828,300	205,986,536	173,483,956	190,609,917	187,865,984	11.7	178	22,630	142,428	62,339,270	147,323,793
Derivative Contracts by Underlying Risk Exposure											
Interest rate	157,435,118	155,478,363	130,423,065	141,278,946	139,831,983	12.6	173	19,505	136,600	54,751,870	102,526,970
Foreign exchange*	43,280,045	41,064,224	34,422,180	39,707,400	38,856,459	11.4	0	0	4,331	7,037,368	36,238,346
Equity	3,420,624	3,466,899	3,079,607	3,055,705	2,908,473	17.6	0	0	190	173,155	3,247,279
Commodity & other (excluding credit derivatives)	1,510,765	1,631,020	1,372,891	1,477,532	1,334,384	13.2	0	0	18	95,176	1,415,571
Credit	4,178,619	4,345,494	4,186,122	5,090,240	4,934,591	-15.3	0	1	1,289	281,702	3,895,627
Total	209,816,738	205,976,797	173,477,230	190,601,362	187,856,881	11.7	40	11,277	142,358	62,339,270	147,323,793
Derivative Contracts by Transaction Type											
Swaps	107,957,920	105,094,180	94,523,862	101,820,942	103,004,241	4.8	17	6,724	79,913	29,430,295	78,440,970
Futures & forwards	46,024,430	45,497,597	34,407,162	40,132,650	39,846,961	15.5	13	2,094	33,818	11,294,511	34,693,994
Purchased options	23,883,350	23,840,759	19,163,376	20,398,592	19,127,368	24.9	0	275	13,247	10,076,250	13,793,579
Written options	25,142,037	24,973,515	19,677,317	20,908,669	18,608,635	35.1	10	2,183	13,934	10,930,742	14,195,168
Total	203,007,738	199,406,052	167,771,716	183,260,854	180,587,205	12.4	40	11,276	140,913	61,731,798	141,123,711
Fair Value of Derivative Contracts											
Interest rate contracts	49,616	51,494	49,032	52,123	68,960	-28.1	0	111	1,195	6,917	41,393
Foreign exchange contracts	23,843	27,846	10,372	13,938	-430	N/M	0	0	1	5,556	18,286
Equity contracts	5,006	6,582	-7,514	-5,742	-4,898	N/M	0	0	1	20	4,985
Commodity & other (excluding credit derivatives)	1,181	-867	-829	-1,390	-1,300	N/M	0	0	0	128	1,053
Credit derivatives as guarantor**	23,965	33,701	33,170	34,840	31,164	-23.1	0	-1	0	1,021	22,945
Credit derivatives as beneficiary**	-24,348	-34,976	-34,547	-37,666	-31,788	N/M	0	0	-34	-1,134	-23,180
Derivative Contracts by Maturity* **											
Interest rate contracts < 1 year	91,960,164	95,441,267	72,590,567	72,171,780	65,977,189	39.4	36	5,187	33,251	27,851,146	64,070,544
1-5 years	42,279,176	40,334,549	36,154,531	43,431,393	48,374,437	-12.6	12	4,689	36,527	9,152,484	33,085,464
> 5 years	24,373,707	23,687,625	23,565,841	27,041,460	29,634,366	-17.8	19	6,578	49,473	6,996,867	17,320,770
Foreign exchange and gold contracts < 1 year	31,341,488	29,696,500	24,379,652	28,385,819	27,411,021	14.3	0	5	2,724	5,071,690	26,267,068
1-5 years	4,906,416	5,021,957	4,805,216	4,987,149	4,813,394	1.9	0	0	891	813,844	4,091,681
> 5 years	2,472,893	2,630,013	2,525,329	2,574,435	2,496,193	-0.9	0	0	8	623,741	1,849,144
Equity contracts < 1 year	2,679,109	2,747,190	2,295,686	2,159,633	2,236,176	19.8	0	0	43	77,846	2,601,220
1-5 years	867,817	843,259	732,909	780,834	730,676	18.8	0	0	65	51,797	815,954
> 5 years	123,737	139,432	113,150	119,191	116,759	6.0	0	0	1	6,012	117,723
Commodity & other contracts (including credit derivatives, excluding gold contracts) < 1 year	1,994,605	2,314,371	2,172,996	2,542,161	2,544,432	-21.6	0	2	24	59,314	1,935,264
1-5 years	3,019,612	2,862,714	2,814,096	3,173,395	3,069,752	-1.6	0	5	254	185,512	2,833,841
> 5 years	309,072	527,870	312,753	524,420	311,157	-0.7	0	23	363	32,132	276,554
Risk-Based Capital: Credit Equivalent Amount											
Total current exposure to tier 1 capital (%)	24.5	24.8	23.3	24.2	24.6		0.1	0.8	1.3	14.2	37.6
Total potential future exposure to tier 1 capital (%)	39.6	41.9	38.5	45.1	46.9		0.1	0.4	0.8	19.6	63.5
Total exposure (credit equivalent amount) to tier 1 capital (%)	64.1	66.7	61.9	69.3	71.4		0.2	1.2	2.1	33.8	101.0
Credit losses on derivatives******	2.8	-1.1	11.4	1.2	9.9	-71.7	0.0	0.0	1.5	-0.6	1.9
HELD FOR TRADING											
Number of institutions reporting derivatives	196	198	200	200	205	-4.4	3	36	86	63	8
Total assets of institutions reporting derivatives	12,462,036	12,556,298	12,460,269	12,403,492	12,228,056	1.9	241	18,817	291,064	3,763,024	8,388,890
Total deposits of institutions reporting derivatives	9,500,260	9,620,609	9,538,277	9,421,994	9,306,454	2.1	216	15,516	229,366	2,920,877	6,334,285
Derivative Contracts by Underlying Risk Exposure											
Interest rate	155,241,882	153,262,602	128,177,040	138,893,663	137,316,308	13.1	4	710	32,313	54,196,843	101,012,011
Foreign exchange	40,144,539	38,353,254	32,402,215	36,960,571	36,002,239	11.5	0	0	3,797	6,682,214	33,458,529
Equity	3,402,588	3,450,109	3,063,576	3,040,023	2,893,124	17.6	0	0	37	159,836	3,242,715
Commodity & other	1,481,752	1,602,648	1,343,837	1,450,053	1,306,894	13.4	0	0	9	67,446	1,414,298
Total	200,270,761	196,668,613	164,986,668	180,344,309	177,518,566	12.8	4	710	36,156	61,106,338	139,127,552
Trading Revenues: Cash & Derivative Instruments											
Interest rate**	255	2,648	2,229	2,917	4,521	-94.4	0	0	8	-1,879	2,127
Foreign exchange**	4,535	2,894	1,793	1,540	681	565.9	0	0	3	2,802	1,730
Equity**	1,486	1,865	989	1,183	1,122	32.4	0	0	7	-84	1,563
Commodity & other (including credit derivatives)**	594	789	13	754	314	89.2	0	0	1	-36	629
Total trading revenues**	6,871	8,197	5,024	6,394	6,637	3.5	0	0	19	804	6,048
Share of Revenue											
Trading revenues to gross revenues (%)**	4.5	5.6	3.6	4.6	4.8		0.0	0.0	0.5	1.8	5.8
Trading revenues to net operating revenues (%)**	16.6	21.4	31.3	19.9	20.5		0.0	0.0	2.0	6.8	21.2
HELD FOR PURPOSES OTHER THAN TRADING											
Number of institutions reporting derivatives	758	758	783	801	821	-7.7	9	229	397	114	9
Total assets of institutions reporting derivatives	15,479,274	15,475,559	15,370,175	15,239,665	15,029,964	3.0	668	109,500	1,209,545	5,478,929	8,680,632
Total deposits of institutions reporting derivatives	11,827,656	11,881,099	11,775,231	11,593,669	11,445,122	3.3	569	90,913	957,598	4,196,299	6,582,278
Derivative Contracts by Underlying Risk Exposure											
Interest rate	2,184,804	2,206,558	2,239,391	2,376,823	2,506,666	-12.8	36	10,565	104,217	555,027	1,514,959
Foreign exchange	505,125	485,719	500,573	496,561	519,135	-2.7	0	0	378	29,384	475,362
Equity	18,036	16,790	16,031	15,682	15,349	17.5	0	0	153	13,318	4,564
Commodity & other	29,012	28,371	29,054	27,479	27,490	5.5	0	0	9	27,730	1,273
Total notional amount	2,736,977	2,737,439	2,785,049	2,916,545	3,068,640	-10.8	36	10,566	104,757	625,460	1,996,158

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.

**** 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 applicaable 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				
(dollar figures in millions)	2nd Quarter 2018	1st Quarter 2018	4th Quarter 2017	3rd Quarter 2017	2nd Quarter 2017	% Change 17Q2-18Q2	Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	$10 Billion to $250 Billion	Greater Than $250 Billion
Assets Securitized and Sold with Servicing Retained or with Recourse or Other Seller-Provided Credit Enhancements											
Number of institutions reporting securitization activities	64	65	67	66	68	-5.9	0	5	20	32	7
Outstanding Principal Balance by Asset Type											
1-4 family residential loans	$560,132	$571,205	$590,211	$606,755	$620,524	-9.7	$0	$805	$16,087	$85,783	$457,457
Home equity loans	16	18	20	21	22	-27.3	0	0	0	16	0
Credit card receivables	26	4,781	4,553	16,114	17,306	-99.8	0	0	0	0	26
Auto loans	4,647	8,221	9,770	10,494	11,566	-59.8	0	0	0	4,647	0
Other consumer loans	1,887	2,914	3,052	3,610	3,778	-50.1	0	0	0	845	1,042
Commercial and industrial loans	271	381	380	316	309	-12.3	0	0	0	0	271
All other loans, leases, and other assets	67,948	62,410	60,869	55,105	54,266	25.2	0	9	10,650	3,736	53,553
Total securitized and sold	581,566	649,931	668,855	692,414	707,771	-17.8	0	0	0	69,217	512,349
Maximum Credit Exposure by Asset Type											
1-4 family residential loans	1,327	1,527	1,716	1,718	1,750	-24.2	0	0	29	924	373
Home equity loans	0	0	0	0	0	0.0	0	0	0	0	0
Credit card receivables	0	392	353	1,405	1,508	-100.0	0	0	0	0	0
Auto loans	125	164	147	161	183	-31.7	0	0	0	125	0
Other consumer loans	82	88	86	87	96	-14.6	0	0	0	0	82
Commercial and industrial loans	0	0	0	0	0	0.0	0	0	0	0	0
All other loans, leases, and other assets	1,266	1,194	1,131	908	874	44.9	0	0	171	0	1,095
Total credit exposure	2,565	3,365	3,431	4,279	4,410	-41.8	0	0	0	1,015	1,550
Total unused liquidity commitments provided to institution's own securitizations	144	143	215	246	172	-16.3	0	0	0	19	125
Securitized Loans, Leases, and Other Assets 30-89 Days Past Due (%)											
1-4 family residential loans	3.5	3.2	4.7	4.3	3.4		0.0	2.6	1.6	3.0	3.7
Home equity loans	8.4	9.5	9.7	5.9	8.2		0.0	0.0	0.0	8.4	0.0
Credit card receivables	0.0	0.3	0.3	0.4	0.4		0.0	0.0	0.0	0.0	0.0
Auto loans	1.8	1.6	2.1	1.6	1.4		0.0	0.0	0.0	1.8	0.0
Other consumer loans	4.7	4.5	4.7	4.2	4.1		0.0	0.0	0.0	2.2	6.8
Commercial and industrial loans	0.0	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	0.3	0.3	0.5	0.7	1.3		0.0	0.0	0.5	0.8	0.3
Total loans, leases, and other assets	3.2	2.9	4.2	3.9	3.1		0.0	0.0	0.0	2.7	3.3
Securitized Loans, Leases, and Other Assets 90 Days or More Past Due (%)											
1-4 family residential loans	1.2	1.4	1.6	1.3	1.3		0.0	1.5	1.0	1.6	1.2
Home equity loans	42.6	44.1	45.7	47.1	47.4		0.0	0.0	0.0	42.6	0.0
Credit card receivables	0.0	0.2	0.2	0.3	0.3		0.0	0.0	0.0	0.0	0.0
Auto loans	0.4	0.3	0.4	0.3	0.3		0.0	0.0	0.0	0.4	0.0
Other consumer loans	6.0	4.3	4.6	4.2	4.0		0.0	0.0	0.0	1.7	9.5
Commercial and industrial loans	0.0	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	0.7	1.2	1.2	1.2	1.4		0.0	0.0	0.4	0.1	0.8
Total loans, leases, and other assets	1.2	1.4	1.5	1.2	1.3		0.0	0.0	0.0	1.2	1.2
Securitized Loans, Leases, and Other Assets Charged-off (net, YTD, annualized, %)											
1-4 family residential loans	-0.1	-0.1	0.2	0.2	0.1		0.0	0.0	0.0	0.0	-0.1
Home equity loans	11.4	4.9	11.7	8.7	5.9		0.0	0.0	0.0	11.4	0.0
Credit card receivables	3.8	0.3	1.2	1.2	0.8		0.0	0.0	0.0	0.0	3.8
Auto loans	0.6	0.4	1.2	0.8	0.5		0.0	0.0	0.0	0.6	0.0
Other consumer loans	0.6	0.3	1.5	1.0	0.6		0.0	0.0	0.0	0.4	0.7
Commercial and industrial loans	0.0	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	0.3	0.0	1.7	1.3	0.7		0.0	0.0	0.2	0.2	0.3
Total loans, leases, and other assets	0.0	-0.1	0.4	0.3	0.2		0.0	0.0	0.0	0.1	0.0
Seller's Interests in Institution's Own Securitizations – Carried as Loans											
Home equity loans	0	0	0	0	0	0.0	0	0	0	0	0
Credit card receivables	0	1,730	2,460	8,171	7,260	-100.0	0	0	0	0	0
Commercial and industrial loans	306	426	463	401	334	-8.4	0	0	0	0	306
Seller's Interests in Institution's Own Securitizations – Carried as Securities											
Home equity loans	0	0	0	0	0	0.0	0	0	0	0	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
Assets Sold with Recourse and Not Securitized											
Number of institutions reporting asset sales	475	463	509	511	534	-11.0	14	197	200	56	8
Outstanding Principal Balance by Asset Type											
1-4 family residential loans	24,763	24,532	180,648	26,404	26,211	-5.5	161	5,237	11,113	6,219	2,033
All other loans, leases, and other assets	109,138	102,630	101,529	97,455	95,098	14.8	0	20	201	34,650	74,267
Total sold and not securitized	133,901	127,163	282,177	123,859	121,309	10.4	161	5,257	11,314	40,869	76,300
Maximum Credit Exposure by Asset Type											
1-4 family residential loans	7,659	7,987	162,126	7,895	7,932	-3.4	41	753	3,452	2,502	910
All other loans, leases, and other assets	30,545	28,449	28,110	27,057	26,299	16.1	0	20	64	10,082	20,379
Total credit exposure	38,204	36,436	190,236	34,952	34,231	11.6	41	773	3,517	12,584	21,288
Support for Securitization Facilities Sponsored by Other Institutions											
Number of institutions reporting securitization facilities sponsored by others	45	46	49	50	52	-13.5	1	11	15	12	6
Total credit exposure	26,570	29,676	32,237	34,334	34,998	-24.1	0	0	0	1,244	25,326
Total unused liquidity commitments	1,031	1,148	1,259	1,298	1,150	-10.3	0	0	0	323	708
Other											
Assets serviced for others*	5,918,727	6,034,343	5,996,389	5,928,869	5,946,667	-0.5	4,608	183,993	307,947	1,353,138	4,069,041
Asset-backed commercial paper conduits											
Credit exposure to conduits sponsored by institutions and others	16,069	15,554	16,909	16,618	16,698	-3.8	0	0	0	0	16,069
Unused liquidity commitments to conduits sponsored by institutions and others	30,593	29,497	26,928	27,458	28,342	7.9	0	0	0	2,811	27,782
Net servicing income (for the quarter)	2,805	3,655	2,355	2,306	2,167	29.4	7	242	227	1,110	1,219
Net securitization income (for the quarter)	-49	151	131	395	472	-110.4	0	1	3	-71	18
Total credit exposure to Tier 1 capital (%)**	3.7	4.2	13.9	4.5	4.6	0.0	0.0	0.0	0.0	2.2	6.5

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

COMMUNITY BANK PERFORMANCE

Community banks 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 as such 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 Growth Reaches 21.1 Percent Annually on Higher Net Operating Revenue and Lower Effective Tax Rate

Loan and Lease Growth Remains Strong at 7 Percent Year Over Year

Net Interest Margin Expands 8 Basis Points to 3.69 Percent

Noncurrent and Net Charge-Off Rates Remain Low

Most Community Banks Report Increased Net Income Year Over Year

More than seven out of ten community banks (73 percent) reported higher net income compared with a year earlier. Reports from 5,111 insured community banks reflected net income of $6.5 billion—up $1.1 billion (21.1 percent) from second quarter 2017—as higher net operating revenue and lower income tax expenses offset an increase in noninterest expense.[1] Absent the benefits of a lower corporate tax rate, estimated quarterly net income would have been $6.1 billion—up 15.4 percent from the $5.3 billion reported in second quarter 2017.[2]

The pretax return on assets rose from 1.33 percent to 1.41 percent between first and second quarter 2018 and was up 5 basis points since second quarter 2017. Loan-loss provisions declined by $193.5 million (22.5 percent), while noninterest expenses were $934.2 million (6.6 percent) higher.

[1] The number of insured community banks reflects one new community bank charter and no community bank failures during the second quarter.

[2] 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

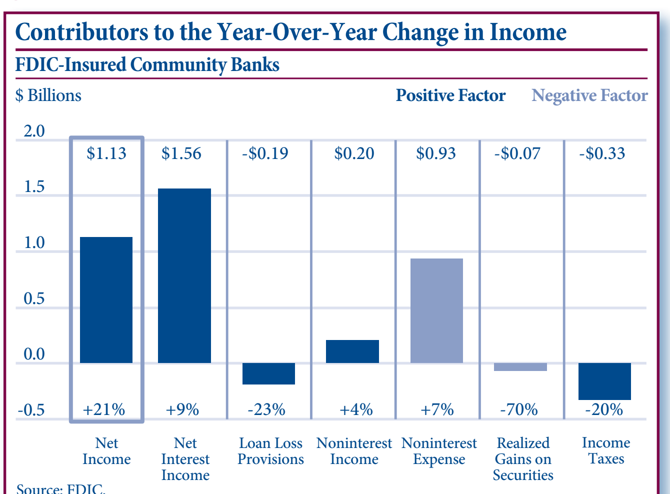
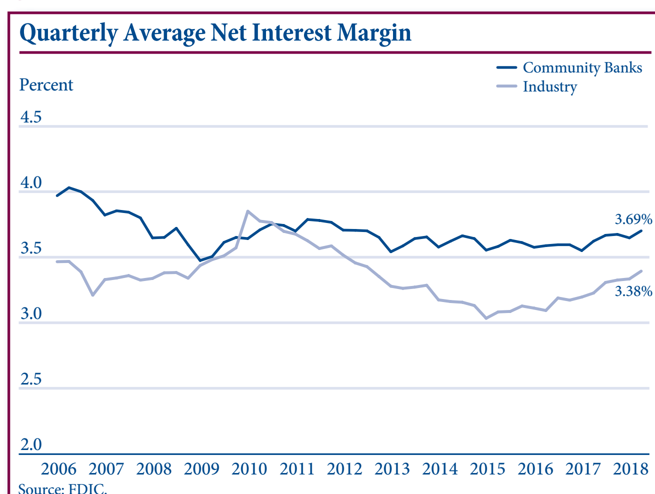


Chart 2



Higher Net Interest Income Lifts Net Operating Revenue

Net operating revenue rose by $1.8 billion (8 percent) from second quarter 2017, led by increases in net interest income and noninterest income. More than four out of five community banks (84.9 percent) reported higher net interest income, which totaled $19 billion and increased by $1.6 billion (9 percent) from the year before. Growth in non 1–4 family real estate loan income (up $1.2 billion or 14.7 percent) contributed most to this increase.[3] Increases in earning asset yields exceeded increases in funding costs, compared with the same period last year, causing an 8 basis point expansion in the average net interest margin (NIM) at community banks to 3.69 percent. This ratio was 35 basis points higher than that of noncommunity banks, although the distance between the two ratios continued to contract.

More Than Half of Community Banks Report Higher Noninterest Income

Noninterest income rose $201.9 million (4.5 percent) to $4.7 billion since second quarter 2017, despite a $28 million (5.61 percent) decline in net gains on loan sales and sales of other assets. Community banks continue to report a much lower ratio of noninterest income as a percentage of average assets (0.86 percent) compared with that of noncommunity banks (1.65 percent). More than half of community banks (55.3 percent) reported higher noninterest income compared with second quarter 2017.

Noninterest Expense Up on Higher Payroll Expense as Assets Per Employee Rises

Higher salary and employee benefits of $589.1 million (up 7.3 percent) pushed noninterest expense up $934.2 million (6.6 percent) since second quarter 2017. Salary and employee benefit growth accompanied an increase in the number of full-time equivalent employees, which increased by 10,923 (2.7 percent) during the year ending second quarter 2018, while average assets per employee rose by 3.9 percent to $5.3 million.

[3] Non 1–4 family real estate loans include construction and development, farmland, multifamily, and nonfarm nonresidential loans.

Chart 3

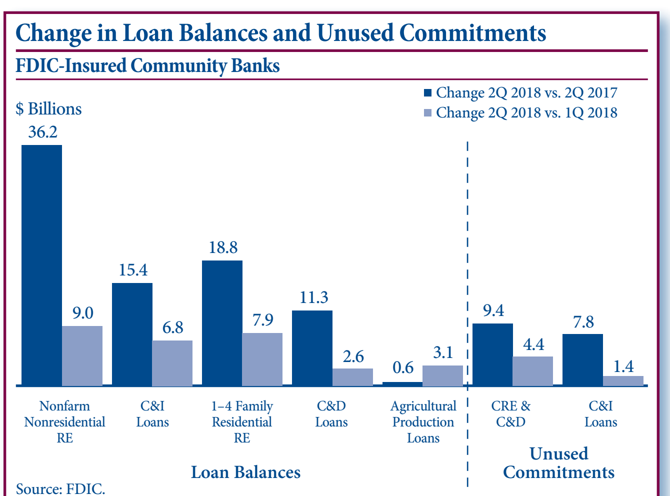
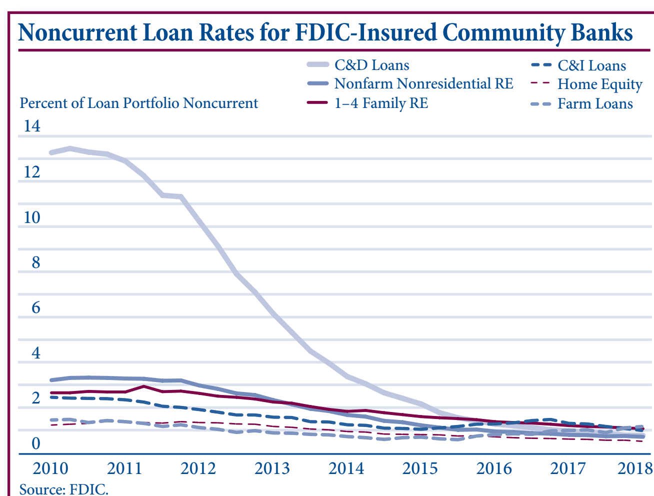


Chart 4



Community Bank Loan and Lease Growth Rate Outpaces That of the Industry

Loan and lease balances increased by $35.8 billion (2.3 percent) during the quarter to $1.6 trillion. Among the categories that led quarterly loan growth were nonfarm nonresidential loans, up $8.9 billion or 2 percent; 1-4 family residential real estate loans, up $7.9 billion or 2 percent; commercial and industrial (C&I) loans, up $6.8 billion or 3.4 percent; and construction and development (C&D) loans, up $2.6 billion or 2.4 percent.

Loan and lease balances rose by $103.2 billion (7 percent) in the past 12 months, exceeding the growth rate for noncommunity banks by more than 3 percentage points. Nearly eight out of ten community banks (79 percent) reported higher loan balances compared with second quarter 2017, and more than six out of ten community banks (60.5 percent) increased small loans to businesses. Community banks added $9 billion (3.1 percent) in small loans to businesses since second quarter 2017 to a collective total of $297 billion. This figure represents 42 percent of the industry total.

More than seven out of ten community banks (78.5 percent) reported annual loan and lease growth. The following categories led annual loan growth: nonfarm nonresidential loans, up $36.2 billion or 8.4 percent; 1–4 family residential loans, up $18.8 billion or 4.9 percent; C&I loans, up $15.4 billion or 7.9 percent; C&D loans, up $11.3 billion or 11.6 percent; and multifamily residential loans, up $10.1 billion or 9.4 percent. Unused loan commitments of $303.3 billion were up $25.2 billion (9.1 percent) during the year ending second quarter 2018. Commitments to lend against commercial real estate properties—including C&D properties—increased by $9.4 billion (11.4 percent) from a year earlier.

Noncurrent Loan Balances Shrink Despite Slight Increase in Noncurrent Farm Loans

Total noncurrent loan and lease balances declined by $229.7 million (1.7 percent) quarterly, supporting a 3 basis point decline in the noncurrent rate to 0.82 percent—29 basis points below that of noncommunity banks. As a result, six out of ten community banks (63.2 percent) reported a lower or unchanged noncurrent loan rate compared with the previous quarter. The noncurrent rate for all major loan categories declined compared with first quarter 2018; C&I loans showed the most improvement—as the noncurrent rate for this category decreased by 10 basis points during the quarter. The noncurrent rate for farm loans increased 6 basis points during the quarter to 1.15 percent because of increases in the noncurrent rates for farmland loans (up 10 basis points to 1.38 percent) and agricultural production loans (up 3 basis points to 0.82 percent).

Net Charge-Off Rates Remain Relatively Low

Community banks reported a 3 basis point decline in the net charge-off rate to 0.15 percent during the year ending second quarter 2018—a rate that remained well below that of noncommunity banks (0.54 percent). Despite an overall decline, the net charge-off rates for 1–4 family loans (up 6 basis points) and C&D loans (up 3 basis points) increased year over year.

Community Bank Equity Capital Up Since First Quarter

Equity capital totaled $248 billion, up $4.1 billion (1.7 percent) during the quarter. An increase in risk-weighted assets slightly outpaced the rate of capital formation during the quarter, causing a small decline in the tier 1 risk-based capital ratio (down 3 basis points to 14.67 percent) and the total risk-based capital ratio (down 4 basis points to 15.72 percent). However, the leverage capital ratio increased 7 basis points to 10.97 percent.

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

	2018*	2017*	2017	2016	2015	2014	2013
Return on assets (%)	1.14	1.03	0.96	0.99	0.99	0.93	0.90
Return on equity (%)	10.26	9.23	8.65	8.81	8.85	8.45	8.27
Core capital (leverage) ratio (%)	10.97	10.82	10.80	10.69	10.67	10.57	10.43
Noncurrent assets plus other real estate owned to assets (%)	0.74	0.86	0.78	0.94	1.07	1.34	1.73
Net charge-offs to loans (%)	0.14	0.15	0.16	0.16	0.15	0.21	0.32
Asset growth rate (%)	0.70	2.78	1.17	2.97	2.71	2.21	0.39
Net interest margin (%)	3.66	3.58	3.62	3.57	3.57	3.61	3.59
Net operating income growth (%)	14.30	7.37	0.14	2.42	9.54	4.81	14.64
Number of institutions reporting	5,111	5,338	5,228	5,461	5,735	6,037	6,307
Percentage of unprofitable institutions (%)	3.89	4.33	5.74	4.65	5.02	6.44	8.40

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

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

(dollar figures in millions)	2nd Quarter 2018	1st Quarter 2018	2nd Quarter 2017	%Change 17Q2-18Q2
Number of institutions reporting	5,111	5,170	5,338	-4.3
Total employees (full-time equivalent)	415,507	412,810	425,216	-2.3
CONDITION DATA				
Total assets	$2,221,502	$2,207,543	$2,206,024	0.7
Loans secured by real estate	1,216,862	1,199,955	1,185,836	2.6
1-4 Family residential mortgages	400,062	394,746	396,680	0.9
Nonfarm nonresidential	468,396	461,534	453,545	3.3
Construction and development	108,623	106,251	102,498	6.0
Home equity lines	48,773	48,596	49,596	-1.7
Commercial & industrial loans	210,271	205,409	205,864	2.1
Loans to individuals	62,699	61,526	60,779	3.2
Credit cards	1,885	1,925	1,988	-5.2
Farm loans	52,103	48,602	51,397	1.4
Other loans & leases	39,711	38,169	40,442	-1.8
Less: Unearned income	701	702	696	0.7
Total loans & leases	1,580,945	1,552,960	1,543,622	2.4
Less: Reserve for losses	18,233	18,187	18,326	-0.5
Net loans and leases	1,562,712	1,534,773	1,525,296	2.5
Securities	402,667	406,458	423,934	-5.0
Other real estate owned	3,573	3,783	4,448	-19.7
Goodwill and other intangibles	15,200	14,185	14,432	5.3
All other assets	237,351	248,344	237,913	-0.2
Total liabilities and capital	2,221,502	2,207,543	2,206,024	0.7
Deposits	1,818,268	1,817,595	1,802,189	0.9
Domestic office deposits	1,817,682	1,816,806	1,801,423	0.9
Foreign office deposits	587	789	766	-23.4
Brokered deposits	74,850	93,002	86,752	-13.7
Estimated insured deposits	1,335,036	1,339,087	1,339,266	-0.3
Other borrowed funds	138,438	129,042	139,055	-0.4
Subordinated debt	629	629	759	-17.2
All other liabilities	16,072	15,579	15,849	1.4
Total equity capital (includes minority interests)	248,095	244,698	248,172	0.0
Bank equity capital	247,978	244,583	248,045	0.0
Loans and leases 30-89 days past due	7,437	8,970	7,309	1.8
Noncurrent loans and leases	12,913	13,198	14,464	-10.7
Restructured loans and leases	6,558	6,622	7,443	-11.9
Mortgage-backed securities	177,154	174,963	181,021	-2.1
Earning assets	2,072,207	2,062,765	2,056,176	0.8
FHLB Advances	115,387	106,697	112,725	2.4
Unused loan commitments	303,314	298,830	290,478	4.4
Trust assets	293,501	303,544	259,882	12.9
Assets securitized and sold	9,544	19,462	21,310	-55.2
Notional amount of derivatives	78,099	70,273	69,794	11.9

INCOME DATA	First Half 2018	First Half 2017	%Change	2nd Quarter 2018	2nd Quarter 2017	%Change 17Q2-18Q2
Total interest income	$43,779	$41,133	6.4	$22,381	$20,995	6.6
Total interest expense	6,399	4,951	29.3	3,401	2,575	32.1
Net interest income	37,380	36,183	3.3	18,981	18,420	3.0
Provision for loan and lease losses	1,475	1,549	-4.8	666	876	-23.9
Total noninterest income	9,212	9,508	-3.1	4,715	4,844	-2.7
Total noninterest expense	30,017	29,753	0.9	15,126	15,026	0.7
Securities gains (losses)	91	228	-59.9	30	102	-70.8
Applicable income taxes	2,540	3,443	-26.2	1,314	1,746	-24.8
Extraordinary gains, net*	-162	-1	N/M	-163	-7	N/M
Total net income (includes minority interests)	12,490	11,172	11.8	6,457	5,711	13.1
Bank net income	12,481	11,161	11.8	6,452	5,703	13.1
Net charge-offs	1,077	1,093	-1.4	587	695	-15.6
Cash dividends	5,291	5,103	3.7	2,903	2,541	14.3
Retained earnings	7,190	6,058	18.7	3,549	3,162	12.2
Net operating income	12,577	11,003	14.3	6,597	5,634	17.1

* 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)	2nd Quarter 2018	1st Quarter 2018	2nd Quarter 2017	%Change 17Q2-18Q2
Number of institutions reporting	5,111	5,110	5,104	0.1
Total employees (full-time equivalent)	415,507	409,455	404,584	2.7
CONDITION DATA				
Total assets	$2,221,502	$2,198,222	$2,114,530	5.1
Loans secured by real estate	1,216,862	1,193,695	1,135,133	7.2
1-4 Family residential mortgages	400,062	392,154	381,228	4.9
Nonfarm nonresidential	468,396	459,413	432,226	8.4
Construction and development	108,623	106,029	97,291	11.6
Home equity lines	48,773	48,437	47,848	1.9
Commercial & industrial loans	210,271	203,451	194,838	7.9
Loans to individuals	62,699	61,487	59,850	4.8
Credit cards	1,885	1,887	1,910	-1.3
Farm loans	52,103	49,035	51,505	1.2
Other loans & leases	39,711	38,204	37,058	7.2
Less: Unearned income	701	704	687	2.0
Total loans & leases	1,580,945	1,545,167	1,477,697	7.0
Less: Reserve for losses	18,233	18,120	17,702	3.0
Net loans and leases	1,562,712	1,527,047	1,459,995	7.0
Securities	402,667	405,948	408,549	-1.4
Other real estate owned	3,573	3,785	4,320	-17.3
Goodwill and other intangibles	15,200	14,372	12,888	17.9
All other assets	237,351	247,070	228,778	3.7
Total liabilities and capital	2,221,502	2,198,222	2,114,530	5.1
Deposits	1,818,268	1,811,164	1,733,087	4.9
Domestic office deposits	1,817,682	1,810,375	1,732,640	4.9
Foreign office deposits	587	789	447	31.2
Brokered deposits	74,850	93,063	83,305	-10.1
Estimated insured deposits	1,335,036	1,331,919	1,292,104	3.3
Other borrowed funds	138,438	126,977	128,671	7.6
Subordinated debt	629	629	575	9.4
All other liabilities	16,072	15,470	15,031	6.9
Total equity capital (includes minority interests)	248,095	243,981	237,166	4.6
Bank equity capital	247,978	243,867	237,059	4.6
Loans and leases 30-89 days past due	7,437	8,940	7,081	5.0
Noncurrent loans and leases	12,913	13,143	14,011	-7.8
Restructured loans and leases	6,558	6,594	7,254	-9.6
Mortgage-backed securities	177,154	175,419	172,770	2.5
Earning assets	2,072,207	2,053,971	1,971,330	5.1
FHLB Advances	115,387	104,360	104,028	10.9
Unused loan commitments	303,314	298,715	278,113	9.1
Trust assets	293,501	288,874	264,808	10.8
Assets securitized and sold	9,544	19,462	21,310	-55.2
Notional amount of derivatives	78,099	71,145	67,398	15.9

INCOME DATA	First Half 2018	First Half 2017	%Change	2nd Quarter 2018	2nd Quarter 2017	%Change 17Q2-18Q2
Total interest income	$43,779	$38,823	12.8	$22,381	$19,829	12.9
Total interest expense	6,399	4,629	38.2	3,401	2,409	41.2
Net interest income	37,380	34,194	9.3	18,981	17,420	9.0
Provision for loan and lease losses	1,475	1,504	-1.9	666	860	-22.5
Total noninterest income	9,212	8,873	3.8	4,715	4,513	4.5
Total noninterest expense	30,017	28,095	6.8	15,126	14,191	6.6
Securities gains (losses)	91	224	-59.3	30	99	-69.9
Applicable income taxes	2,540	3,208	-20.8	1,314	1,643	-20.0
Extraordinary gains, net*	-162	-1	N/M	-163	-7	N/M
Total net income (includes minority interests)	12,490	10,482	19.2	6,457	5,332	21.1
Bank net income	12,481	10,473	19.2	6,452	5,326	21.1
Net charge-offs	1,077	1,052	2.4	587	675	-13.1
Cash dividends	5,291	4,594	15.2	2,903	2,309	25.7
Retained earnings	7,190	5,880	22.3	3,549	3,017	17.6
Net operating income	12,577	10,315	21.9	6,597	5,257	25.5

* 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

Second Quarter 2018 (dollar figures in millions)	All Community Banks	Geographic Regions*					
		New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	5,111	585	591	1,127	1,359	1,130	319
Total employees (full-time equivalent)	415,507	86,763	46,283	86,904	71,955	90,794	32,808
CONDITION DATA							
Total assets	$2,221,502	$617,166	$219,474	$398,591	$362,015	$423,481	$200,775
Loans secured by real estate	1,216,862	386,896	121,777	208,905	177,098	210,465	111,722
1-4 Family residential mortgages	400,062	141,360	39,712	71,456	53,126	67,108	27,300
Nonfarm nonresidential	468,396	138,760	52,235	76,947	59,802	86,718	53,934
Construction and development	108,623	25,380	13,701	15,378	15,603	29,282	9,278
Home equity lines	48,773	16,395	6,354	10,558	5,418	5,007	5,040
Commercial & industrial loans	210,271	52,271	17,469	41,429	37,616	42,245	19,241
Loans to individuals	62,699	15,384	6,630	12,327	10,834	12,870	4,653
Credit cards	1,885	422	117	364	558	224	200
Farm loans	52,103	609	1,396	8,386	29,068	9,648	2,997
Other loans & leases	39,711	11,874	2,808	7,289	6,760	7,507	3,473
Less: Unearned income	701	180	115	53	98	126	129
Total loans & leases	1,580,945	466,854	149,966	278,282	261,278	282,609	141,957
Less: Reserve for losses	18,233	4,615	1,714	3,209	3,455	3,449	1,791
Net loans and leases	1,562,712	462,239	148,252	275,073	257,822	279,160	140,165
Securities	402,667	95,105	40,094	77,243	66,629	89,193	34,402
Other real estate owned	3,573	623	815	604	575	774	182
Goodwill and other intangibles	15,200	5,067	1,277	2,785	2,168	2,686	1,215
All other assets	237,351	54,131	29,035	42,885	34,820	51,668	24,811
Total liabilities and capital	2,221,502	617,166	219,474	398,591	362,015	423,481	200,775
Deposits	1,818,268	485,539	184,692	328,242	298,578	354,712	166,505
Domestic office deposits	1,817,682	485,026	184,692	328,195	298,578	354,712	166,478
Foreign office deposits	587	513	0	47	0	0	27
Brokered deposits	74,850	25,629	4,605	13,752	13,272	9,337	8,255
Estimated insured deposits	1,335,036	343,720	135,852	259,025	231,526	254,383	110,529
Other borrowed funds	138,438	55,796	9,090	23,199	21,368	19,299	9,686
Subordinated debt	629	508	15	39	10	42	15
All other liabilities	16,072	5,741	1,441	2,676	2,072	2,499	1,642
Total equity capital (includes minority interests)	248,095	69,582	24,235	44,435	39,987	46,929	22,927
Bank equity capital	247,978	69,512	24,231	44,415	39,986	46,907	22,927
Loans and leases 30-89 days past due	7,437	1,708	856	1,377	1,316	1,772	407
Noncurrent loans and leases	12,913	4,290	1,247	2,356	1,978	2,333	710
Restructured loans and leases	6,558	2,046	730	1,567	936	877	402
Mortgage-backed securities	177,154	54,222	17,104	30,702	22,980	35,112	17,034
Earning assets	2,072,207	578,350	202,867	371,434	338,289	392,816	188,452
FHLB Advances	115,387	50,156	7,350	18,634	16,199	15,782	7,267
Unused loan commitments	303,314	83,154	26,148	56,290	53,756	52,976	30,990
Trust assets	293,501	70,015	8,562	73,403	87,874	44,947	8,700
Assets securitized and sold	9,544	5,357	72	1,105	2,686	153	170
Notional amount of derivatives	78,099	36,246	5,742	15,410	10,320	7,502	2,879
INCOME DATA							
Total interest income	$22,381	$5,980	$2,246	$3,842	$3,732	$4,448	$2,133
Total interest expense	3,401	1,144	297	541	581	582	255
Net interest income	18,981	4,837	1,949	3,301	3,151	3,866	1,878
Provision for loan and lease losses	666	165	58	89	135	160	59
Total noninterest income	4,715	986	447	1,198	778	968	338
Total noninterest expense	15,126	3,748	1,633	2,897	2,440	3,047	1,361
Securities gains (losses)	30	33	-4	3	4	-5	-1
Applicable income taxes	1,314	430	116	251	169	184	163
Extraordinary gains, net**	-163	0	0	-164	0	0	1
Total net income (includes minority interests)	6,457	1,514	585	1,100	1,189	1,437	632
Bank net income	6,452	1,512	585	1,098	1,189	1,435	632
Net charge-offs	587	119	34	216	73	107	37
Cash dividends	2,903	482	276	670	600	607	269
Retained earnings	3,549	1,031	310	428	589	828	363
Net operating income	6,597	1,486	589	1,262	1,186	1,441	633

* See Table V-A for explanation.
** See Notes to Users for explanation.

Table IV-B. Second Quarter 2018, FDIC-Insured Community Banks

Performance ratios (annualized, %)	All Community Banks		Second Quarter 2018, Geographic Regions*					
	2nd Quarter 2018	1st Quarter 2018	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Yield on earning assets	4.35	4.23	4.18	4.49	4.17	4.43	4.55	4.55
Cost of funding earning assets	0.66	0.60	0.80	0.59	0.59	0.69	0.60	0.54
Net interest margin	3.69	3.64	3.38	3.89	3.58	3.74	3.95	4.01
Noninterest income to assets	0.86	0.83	0.65	0.83	1.21	0.86	0.92	0.68
Noninterest expense to assets	2.75	2.75	2.46	3.02	2.93	2.71	2.89	2.73
Loan and lease loss provision to assets	0.12	0.15	0.11	0.11	0.09	0.15	0.15	0.12
Net operating income to assets	1.20	1.10	0.97	1.09	1.28	1.32	1.37	1.27
Pretax return on assets	1.41	1.33	1.27	1.30	1.36	1.51	1.54	1.60
Return on assets	1.17	1.11	0.99	1.08	1.11	1.32	1.36	1.27
Return on equity	10.53	9.98	8.81	9.87	9.98	11.98	12.37	11.16
Net charge-offs to loans and leases	0.15	0.13	0.10	0.09	0.31	0.11	0.15	0.11
Loan and lease loss provision to net charge-offs	113.55	164.17	138.08	169.19	41.32	184.54	149.72	159.48
Efficiency ratio	63.52	64.82	64.06	67.86	64.02	61.72	62.79	61.15
Net interest income to operating revenue	80.10	80.43	83.06	81.34	73.37	80.20	79.98	84.74
% of unprofitable institutions	3.99	4.24	4.10	5.08	5.32	2.94	2.83	5.64
% of institutions with earnings gains	73.35	73.21	78.63	78.00	71.34	70.05	73.54	75.55

Table V-B. First Half 2018, FDIC-Insured Community Banks

Performance ratios (%)	All Community Banks		First Half 2018, Geographic Regions*					
	First Half 2018	First Half 2017	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Yield on earning assets	4.29	4.07	4.12	4.42	4.14	4.35	4.47	4.50
Cost of funding earning assets	0.63	0.49	0.75	0.56	0.58	0.65	0.56	0.51
Net interest margin	3.66	3.58	3.36	3.86	3.57	3.70	3.91	3.99
Noninterest income to assets	0.84	0.88	0.64	0.82	1.19	0.84	0.90	0.67
Noninterest expense to assets	2.75	2.74	2.47	3.00	2.94	2.69	2.89	2.71
Loan and lease loss provision to assets	0.13	0.14	0.16	0.11	0.09	0.14	0.14	0.13
Net operating income to assets	1.15	1.01	0.90	1.06	1.22	1.28	1.33	1.26
Pretax return on assets	1.37	1.35	1.18	1.28	1.40	1.46	1.50	1.60
Return on assets	1.14	1.03	0.92	1.06	1.14	1.28	1.32	1.26
Return on equity	10.26	9.23	8.22	9.66	10.23	11.59	12.02	11.17
Net charge-offs to loans and leases	0.14	0.15	0.16	0.09	0.19	0.10	0.14	0.10
Loan and lease loss provision to net charge-offs	136.97	141.75	137.02	179.18	71.04	194.89	150.07	195.83
Efficiency ratio	64.12	64.81	64.85	68.08	64.80	62.43	63.48	60.93
Net interest income to operating revenue	80.23	79.19	83.12	81.31	73.68	80.44	80.06	84.81
% of unprofitable institutions	3.89	4.33	4.62	5.92	5.15	2.35	2.65	5.33
% of institutions with earnings gains	75.17	60.72	80.85	78.17	72.05	72.55	76.02	78.37

* See Table V-A for explanation.

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

June 30, 2018	All Community Banks	Geographic Regions*					
		New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Percent of Loans 30-89 Days Past Due							
All loans secured by real estate	0.43	0.34	0.53	0.50	0.46	0.57	0.20
Construction and development	0.40	0.34	0.38	0.41	0.44	0.52	0.20
Nonfarm nonresidential	0.30	0.23	0.33	0.35	0.36	0.37	0.18
Multifamily residential real estate	0.11	0.06	0.26	0.19	0.29	0.09	0.02
Home equity loans	0.41	0.43	0.46	0.40	0.32	0.54	0.28
Other 1-4 family residential	0.67	0.54	0.88	0.75	0.61	0.90	0.27
Commercial and industrial loans	0.45	0.28	0.56	0.35	0.53	0.57	0.55
Loans to individuals	1.30	1.46	1.48	0.83	0.89	1.98	0.82
Credit card loans	2.13	2.61	1.08	1.19	3.35	1.16	1.18
Other loans to individuals	1.27	1.43	1.49	0.82	0.75	1.99	0.81
All other loans and leases (including farm)	0.48	0.23	0.35	0.51	0.56	0.45	0.53
Total loans and leases	0.47	0.37	0.57	0.49	0.50	0.63	0.29
Percent of Loans Noncurrent**							
All loans secured by real estate	0.80	0.93	0.87	0.87	0.72	0.76	0.42
Construction and development	0.76	0.75	1.18	0.83	0.71	0.50	0.89
Nonfarm nonresidential	0.69	0.82	0.67	0.80	0.65	0.68	0.27
Multifamily residential real estate	0.20	0.18	0.27	0.31	0.20	0.31	0.03
Home equity loans	0.49	0.60	0.50	0.51	0.27	0.38	0.43
Other 1-4 family residential	1.05	1.36	1.07	1.01	0.61	0.96	0.58
Commercial and industrial loans	0.96	1.10	0.66	0.87	0.92	1.09	0.84
Loans to individuals	0.62	0.56	0.68	0.31	0.40	1.22	0.34
Credit card loans	1.25	2.11	0.52	0.99	1.29	0.48	1.06
Other loans to individuals	0.60	0.52	0.68	0.29	0.35	1.23	0.31
All other loans and leases (including farm)	0.78	0.36	0.58	0.89	0.87	0.73	1.05
Total loans and leases	0.82	0.92	0.83	0.85	0.76	0.83	0.50
Percent of Loans Charged-Off (net, YTD)							
All loans secured by real estate	0.03	0.03	0.01	0.11	0.02	0.02	-0.03
Construction and development	-0.01	0.03	-0.02	-0.06	-0.06	0.03	-0.12
Nonfarm nonresidential	0.03	0.04	0.01	0.05	0.03	0.02	-0.01
Multifamily residential real estate	-0.01	0.00	-0.02	-0.04	-0.01	0.02	0.00
Home equity loans	0.05	0.05	0.04	0.15	-0.01	0.04	-0.04
Other 1-4 family residential	0.07	0.04	0.03	0.25	0.03	0.02	-0.03
Commercial and industrial loans	0.43	0.86	0.36	0.17	0.19	0.49	0.19
Loans to individuals	1.19	0.92	0.80	1.58	1.10	1.01	2.27
Credit card loans	7.94	3.45	1.00	10.40	15.54	1.78	2.62
Other loans to individuals	0.97	0.85	0.80	1.29	0.29	0.99	2.26
All other loans and leases (including farm)	0.16	0.13	0.20	0.23	0.13	0.12	0.31
Total loans and leases	0.14	0.16	0.09	0.19	0.10	0.14	0.10
Loans Outstanding (in billions)							
All loans secured by real estate	$1,216.9	$386.9	$121.8	$208.9	$177.1	$210.5	$111.7
Construction and development	108.6	25.4	13.7	15.4	15.6	29.3	9.3
Nonfarm nonresidential	468.4	138.8	52.2	76.9	59.8	86.7	53.9
Multifamily residential real estate	117.0	62.5	5.4	17.5	10.4	8.6	12.7
Home equity loans	48.8	16.4	6.4	10.6	5.4	5.0	5.0
Other 1-4 family residential	400.1	141.4	39.7	71.5	53.1	67.1	27.3
Commercial and industrial loans	210.3	52.3	17.5	41.4	37.6	42.2	19.2
Loans to individuals	62.7	15.4	6.6	12.3	10.8	12.9	4.7
Credit card loans	1.9	0.4	0.1	0.4	0.6	0.2	0.2
Other loans to individuals	60.8	15.0	6.5	12.0	10.3	12.6	4.5
All other loans and leases (including farm)	91.8	12.5	4.2	15.7	35.8	17.2	6.5
Total loans and leases	1,581.6	467.0	150.1	278.3	261.4	282.7	142.1
Memo: Unfunded Commitments (in millions)							
Total Unfunded Commitments	303,314	83,154	26,148	56,290	53,756	52,976	30,990
Construction and development: 1-4 family residential	25,908	5,457	3,397	3,267	3,462	7,407	2,918
Construction and development: CRE and other	64,432	20,426	6,140	10,695	8,540	12,980	5,652
Commercial and industrial	95,075	25,962	6,966	19,410	16,276	16,468	9,994

* 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 $2.5 Billion

DIF Reserve Ratio Rises 3 Basis Points to 1.33 Percent

The Deposit Insurance Fund (DIF) balance increased by $2.5 billion, to $97.6 billion, during the second quarter. Assessment income of $2.6 billion, which includes temporary assessment surcharges on large banks, drove the fund balance increase. Interest on investments of $381 million, a negative provision for insurance losses of $141 million, and other miscellaneous income of $3 million also added to the fund balance. Operating expenses of $445 million and unrealized losses on available-for-sale securities of $162 million partly offset the increase in the fund balance.

The deposit insurance assessment base—average consolidated total assets minus average tangible equity—increased by 0.3 percent in the second quarter and by 2.8 percent over 12 months.[1,2] Total estimated insured deposits increased by 0.3 percent in the second quarter of 2018 and by 4.5 percent year over year. The DIF's reserve ratio (the fund balance as a percent of estimated insured deposits) was 1.33 percent on June 30, up from 1.30 percent at March 31, 2018, and 1.24 percent on June 30 of last year. The June 30, 2018, reserve ratio of 1.33 percent is the highest since March 31, 2004, when the reserve ratio was also 1.33 percent.[3]

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 percent 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.[45] Surcharges began in the third quarter of 2016 and will continue through the quarter in which the reserve ratio first meets 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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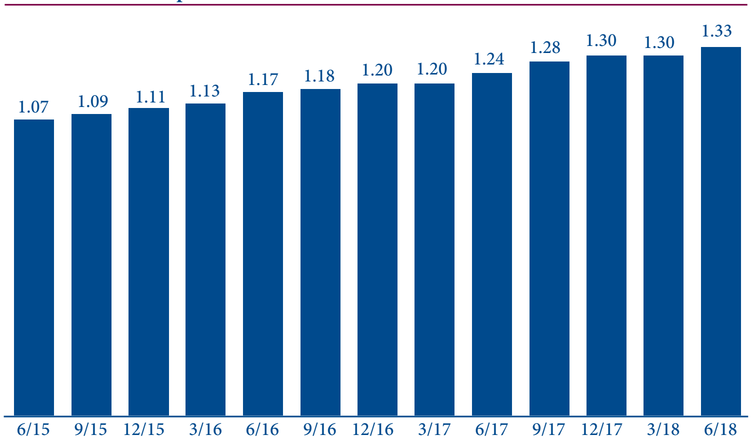
[1] There are additional adjustments to the assessment base for banker's banks and custodial banks.
[2] Figures for estimated insured deposits and the assessment base include insured branches of foreign banks, in addition to insured commercial banks and savings institutions.
[3] The reserve ratio for March 31, 2004, represents the combined balances of the Bank Insurance Fund and Savings Association Insurance Fund as a percent of estimated insured deposits.
[4] Large banks are generally those with assets of $10 billion or more.
[5] 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*												
(dollar figures in millions)	2nd Quarter 2018	1st Quarter 2018	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
Beginning Fund Balance	$95,072	$92,747	$90,506	$87,588	$84,928	$83,162	$80,704	$77,910	$75,120	$72,600	$70,115	$67,589	$65,296
Changes in Fund Balance:													
Assessments earned	2,598	2,850	2,656	2,568	2,634	2,737	2,688	2,643	2,328	2,328	2,160	2,170	2,328
Interest earned on investment securities	381	338	305	274	251	227	189	171	164	147	128	122	113
Realized gain on sale of investments	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating expenses	445	433	443	404	450	442	437	422	441	415	447	410	434
Provision for insurance losses	-141	-65	-203	-512	-233	765	-332	-566	-627	-43	-930	-578	-317
All other income, net of expenses	3	1	3	1	4	2	3	3	2	5	12	2	3
Unrealized gain/(loss) on available-for-sale securities**	-162	-496	-481	-33	-12	7	-317	-167	110	412	-298	64	-34
Total fund balance change	2,516	2,325	2,242	2,918	2,660	1,766	2,457	2,794	2,790	2,520	2,485	2,526	2,293
Ending Fund Balance	97,588	95,072	92,747	90,506	87,588	84,928	83,162	80,704	77,910	75,120	72,600	70,115	67,589
Percent change from four quarters earlier	11.42	11.95	11.53	12.14	12.42	13.06	14.55	15.10	15.27	15.05	15.64	29.08	32.37
Reserve Ratio (%)	1.33	1.30	1.30	1.28	1.24	1.20	1.20	1.18	1.17	1.13	1.11	1.09	1.07
Estimated Insured Deposits	7,358,053	7,334,746	7,150,781	7,094,247	7,042,281	7,075,301	6,910,937	6,813,258	6,672,294	6,659,996	6,519,715	6,406,678	6,333,620
Percent change from four quarters earlier	4.48	3.67	3.47	4.12	5.55	6.24	6.00	6.35	5.35	5.15	5.23	4.61	3.91
Domestic Deposits	12,280,939	12,305,835	12,129,503	11,966,478	11,827,933	11,856,691	11,693,371	11,506,877	11,242,960	11,156,523	10,952,922	10,698,306	10,632,635
Percent change from four quarters earlier	3.83	3.79	3.73	3.99	5.20	6.28	6.76	7.56	5.74	5.06	5.21	4.75	5.28
Assessment Base* **	15,111,840	15,067,636	15,001,495	14,834,520	14,703,227	14,621,071	14,563,563	14,383,166	14,194,203	13,994,619	13,833,140	13,662,743	13,589,490
Percent change from four quarters earlier	2.78	3.05	3.01	3.14	3.59	4.48	5.28	5.27	4.45	3.41	3.65	4.19	5.33
Number of Institutions Reporting	5,551	5,616	5,679	5,747	5,796	5,865	5,922	5,989	6,067	6,131	6,191	6,279	6,357

DIF Reserve Ratios

Percent of Insured Deposits



Deposit Insurance Fund Balance and Insured Deposits ($ Millions)

	DIF Balance	DIF-Insured Deposits
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	6,813,258
12/16	83,162	6,910,937
3/17	84,928	7,075,301
6/17	87,588	7,042,281
9/17	90,506	7,094,247
12/17	92,747	7,150,781
3/18	95,072	7,334,746
6/18	97,588	7,358,053

Table II-C. Problem Institutions and Failed Institutions

(dollar figures in millions)	2018****	2017****	2017	2016	2015	2014	2013	2012
Problem Institutions								
Number of institutions	82	105	95	123	183	291	467	651
Total assets	$54,378	$17,168	$13,939	$27,624	$46,780	$86,712	$152,687	$232,701
Failed Institutions								
Number of institutions	0	6	8	5	8	18	24	51
Total assets*****	$0	$4,882	$5,082	$277	$6,706	$2,914	$6,044	$11,617

* 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.
**** Through June 30.
***** Total assets are based on final Call Reports submitted by failed institutions.

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

(dollar figures in millions) June 30, 2018	Number of Institutions	Total Assets	Domestic Deposits*	Est. Insured Deposits
Commercial Banks and Savings Institutions				
FDIC-Insured Commercial Banks	4,833	$16,366,715	$11,310,604	$6,573,691
FDIC-Supervised	3,219	2,526,405	2,004,793	1,375,315
OCC-Supervised	851	11,100,443	7,396,603	4,150,057
Federal Reserve-Supervised	763	2,739,867	1,909,208	1,048,319
FDIC-Insured Savings Institutions	709	1,166,133	924,834	747,790
OCC-Supervised	320	728,240	593,586	486,964
FDIC-Supervised	350	407,380	307,133	241,283
Federal Reserve-Supervised	39	30,513	24,115	19,543
Total Commercial Banks and Savings Institutions	5,542	17,532,848	12,235,438	7,321,481
Other FDIC-Insured Institutions				
U.S. Branches of Foreign Banks	9	82,785	45,501	36,572
Total FDIC-Insured Institutions	5,551	17,615,634	12,280,939	7,358,053

* Excludes $1.2 trillion in foreign office deposits, which are not FDIC insured.

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

Quarter Ending March 31, 2018 *(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	3,398	60.51	$3,091.4	20.52
3.01 - 6.00	1,498	26.67	11,055.7	73.37
6.01 - 10.00	558	9.94	770.9	5.12
10.01 - 15.00	62	1.10	114.6	0.76
15.01 - 20.00	85	1.51	15.4	0.10
20.01 - 25.00	8	0.14	1.0	0.01
> 25.00	7	0.12	18.7	0.12

* 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 ≥ 10% of total assets

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

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

Include: All remaining banking organizations with:

— Total assets < indexed size threshold[2]

— Total assets ≥ indexed size threshold, where:

- Loan to assets > 33%
- Core deposits to assets > 50%
- More than 1 office but no more than the indexed maximum number of offices.[3]
- Number of large MSAs with offices ≤ 2
- Number of states with offices ≤ 3
- No single office with deposits > indexed maximum branch deposit size.[4]

Tables I-C through IV-C.

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

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

[2] Asset size threshold indexed to equal \$250 million in 1985 and \$1.39 billion in 2016.

[3] Maximum number of offices indexed to equal 40 in 1985 and 87 in 2016.

[4] 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/fil18039.html

https://www.fdic.gov/news/news/financial/2018/fil18039.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" (reported at amortized cost (book value)), securities designated as "available-for-sale" (reported at fair (market) value), and equity securities with readily determinable fair values not held for trading.

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.