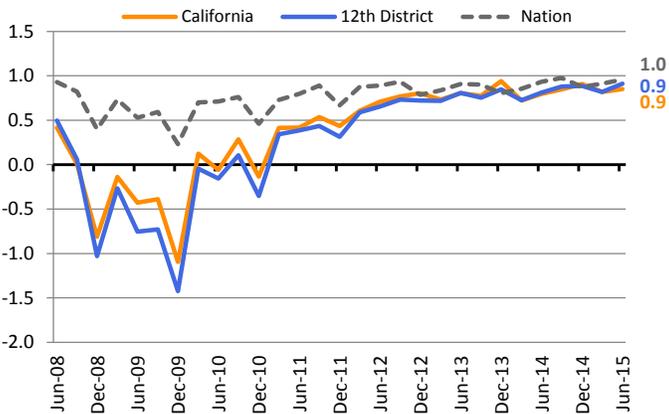


Overview:

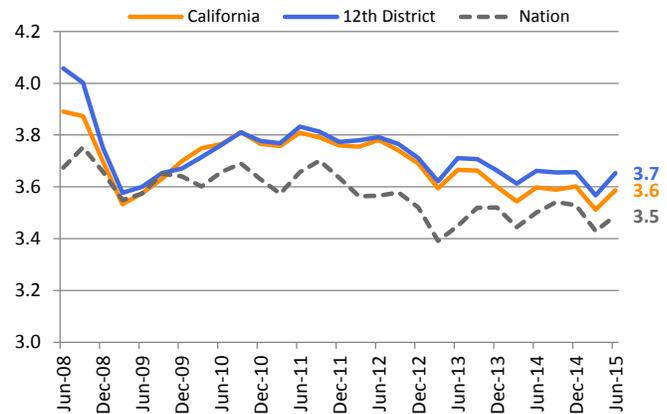
- California banks' average year-to-date annualized ROAA increased to 0.84%, a seven-basis-point increase over last year. A lower average noninterest expense ratio was the primary contributor to improved earnings. Declines in average overhead ratios more than offset declines in average net interest margins and average noninterest income ratios.
- Asset quality continued to improve with the average nonperforming assets ratio dropping to 0.67%, the lowest of any mainland 12th District state.
- Average year-over-year net loan growth in California continued to be highest in the nation at 13.4%, while the average nonperforming loan ratio remained low at 0.7% and the average net charge-off ratio was -0.02%.

Average 1-Quarter Return on Avg. Assets (%)



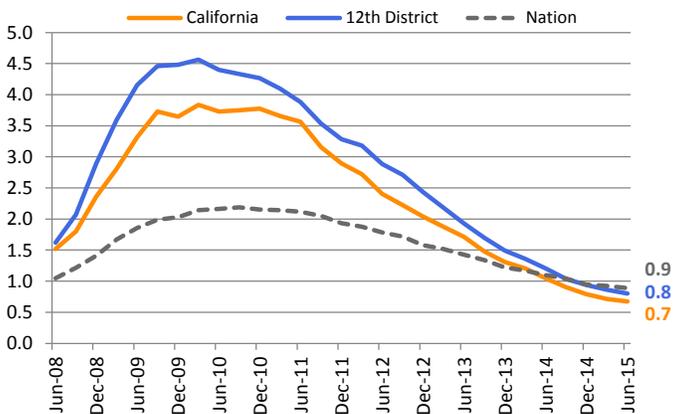
Quarterly net income / average assets, annualized

Avg. Net Interest Income (TE) / Avg. Assets (%)



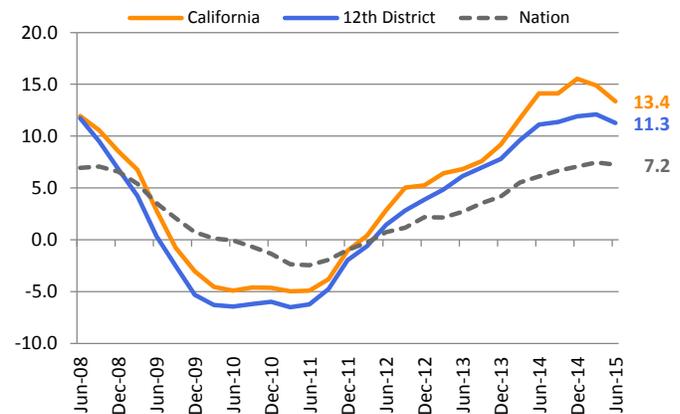
Quarterly, annualized, TE: tax equivalency basis

Avg. Nonperforming Assets / Total Assets (%)

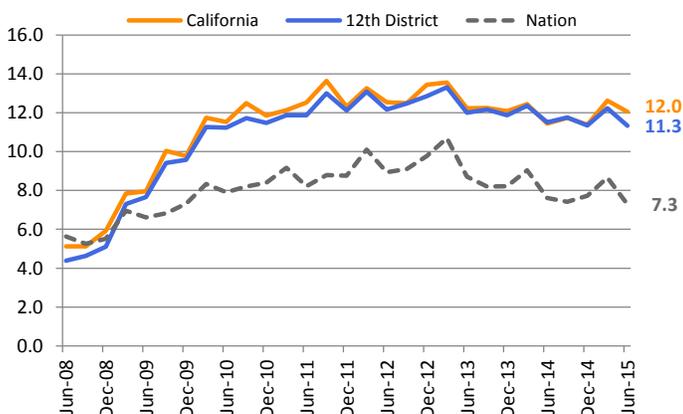


Nonperforming: 90 + days past due + nonaccrual + other real estate owned

Avg. Net Loan Growth Rate, Year-Over-Year (%)

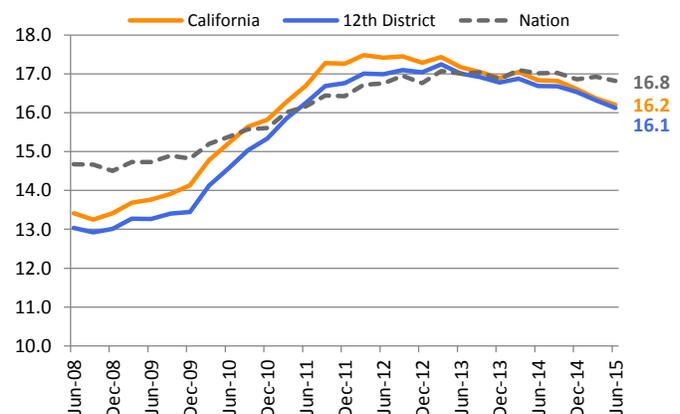


Avg. Short-Term Investments / Total Assets (%)



Short-term investments: <= 1 year

Average Total Risk-Based Capital Ratio (%)



Total capital / risk-based assets

Note: Ratios represent 10% trimmed means (highest and lowest 10% of ratios are trimmed before averaging), ROAA is return on average assets.

I. Summary Items	California			United States		
	Jun-15	Mar-15	Jun-14	Jun-15	Mar-15	Jun-14
median bank asset size (millions)	\$441	\$434	\$394	\$177	\$176	\$167
number of banks	186	190	195	5,441	5,502	5,694
-state member	27	26	26	818	814	827
-national	35	38	40	1,025	1,048	1,108
-nonmember	124	126	129	3,598	3,640	3,759
memo: number < 5 yrs. old	1	1	1	10	11	17

II. Balance Sheet Highlights	Average California Bank (trimmed 10%)			Average U.S. Bank (trimmed 10%)		
	Jun-15	Mar-15	Jun-14	Jun-15	Mar-15	Jun-14
Selected Loan Concentrations (% Total Risk-Based Capital)	%	%	%	%	%	%
total CRE (excl. owner-occupied nonfarm-nonresidential)	234.6	229.4	224.8	116.1	115.3	114.1
-construction & land development	23.6	23.3	20.6	27.5	27.2	26.4
-nonfarm nonresidential (excl. owner-occupied)	159.7	156.1	155.5	65.4	65.2	65.4
-multi-family	31.8	31.1	29.5	11.9	11.8	11.7
nonfarm nonresidential owner-occupied	104.8	105.5	105.4	69.7	69.8	71.4
1-4 family residential (includes home equity)	70.4	70.6	71.4	139.8	139.0	138.9
agricultural & farmland secured	7.5	6.9	6.8	67.2	64.1	62.6
commercial & industrial	90.2	92.3	93.1	76.8	76.0	77.1
consumer	2.9	3.0	3.2	21.9	21.7	22.6
Liquidity, Funding, and Capital	%	%	%	%	%	%
net loan growth rate (year-over-year)	13.4	14.9	14.1	7.2	7.5	6.1
net loans / assets	67.6	67.0	66.4	62.5	61.0	60.5
core deposits / total assets (w/CDs <= \$250K)	75.0	75.1	75.6	78.9	79.5	79.5
net noncore funding dependence (w/CDs > \$250K)	-1.1	-2.4	-1.0	1.8	-0.5	0.9
securities / assets	11.8	11.9	13.2	21.8	21.9	23.0
tier 1 leverage ratio	11.3	11.3	11.4	10.4	10.4	10.3
total risk-based capital ratio	16.2	16.4	16.8	16.8	16.9	17.0

III. Performance Measures	Jun-15	Mar-15	Jun-14	Jun-15	Mar-15	Jun-14
Earnings (year-to-date annualized)	%	%	%	%	%	%
return on average assets	0.84	0.82	0.77	0.94	0.91	0.90
net interest income (tax equivalent) / average assets	3.54	3.51	3.57	3.46	3.43	3.47
noninterest revenues / average assets	0.51	0.52	0.56	0.59	0.58	0.59
overhead expenses / average assets	2.93	2.98	3.11	2.83	2.83	2.88
loan loss provisions / average assets	0.02	0.02	0.04	0.07	0.06	0.07
efficiency ratio	69.91	71.47	72.94	68.74	69.44	69.76
Asset Quality	%	%	%	%	%	%
noncurrent loans / total loans	0.74	0.81	1.18	0.93	0.97	1.14
loans past due 30-89 days / total loans	0.12	0.20	0.17	0.61	0.76	0.71
loans past due 30+ days or nonaccrual / total loans	0.95	1.13	1.46	1.68	1.89	2.02
allowance for losses / loans & leases not held for sale	1.68	1.72	1.84	1.43	1.46	1.53
net charge-offs / average loans (YTD annualized)	-0.02	-0.01	0.02	0.07	0.05	0.11

Population of banks includes commercial banks only. De Novo banks (<5 years old) are omitted. CRE = Commercial Real Estate.

Averages are trimmed (upper/lower 10% of observations are removed before averaging).

Sources: Regulatory Condition & Income Reports and Federal Reserve financial & databases.

For this and other publications, see: <http://www.frbsf.org/banking/publications>

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