Banks at a Glance: California

FEDERAL RESERVE BANK OF SAN FRANCISCO

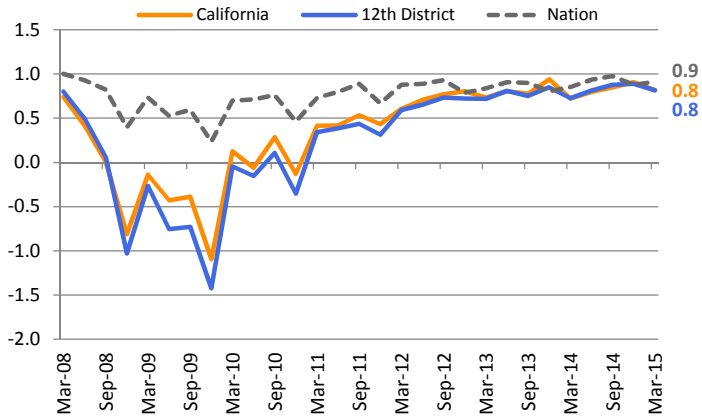
Federal Reserve Bank of San Francisco
Financial Institution Supervision and Credit

Data as of 03/31/15

Overview:

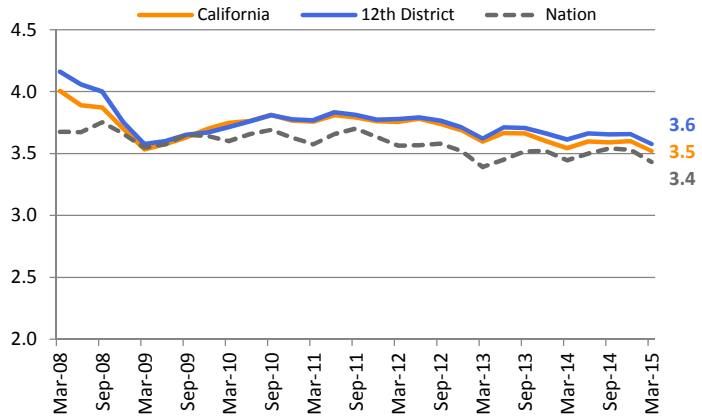
- California banks' average annualized ROAA dipped modestly from the fourth quarter, but increased 10 basis points year-over-year. Lower average overhead and provision expense ratios offset higher average effective tax rates and declines in net interest margins and noninterest income ratios.
- Average net loan growth, which was led by commercial real estate and commercial & industrial loans, continued to be the strongest in the nation at 14.8%, nearly double the national average.
- Asset quality improved on average with nonperforming assets continuing to decline. Nonperforming loans decreased 77 basis points year-over-year on average to 1.1%. Nationally, nonperforming loans declined 44 basis points on average.

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



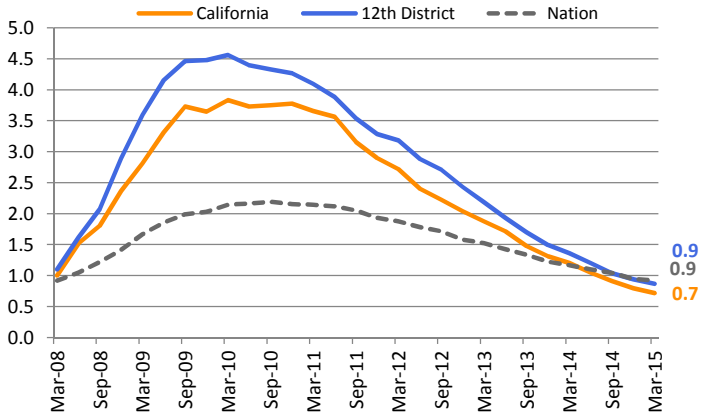
Quarterly net income / average assets, annualized

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



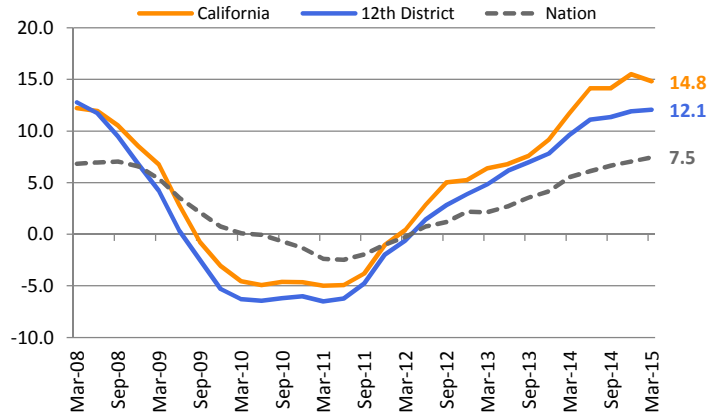
Quarterly, annualized, TE: tax equivalency basis

Avg. Nonperforming Assets / Total Assets (%)

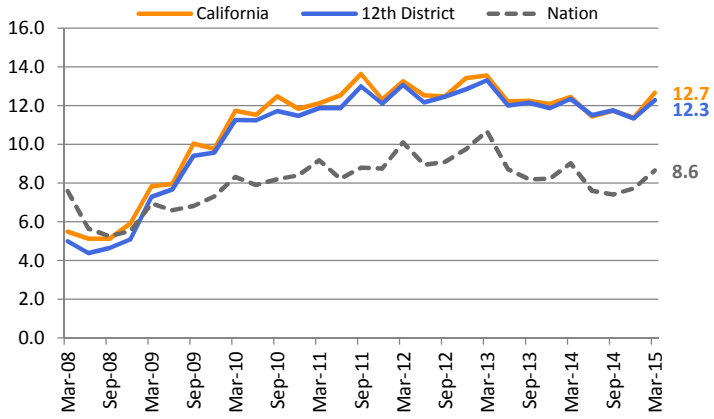


Nonperforming: 90 + days past due + nonaccrual + other real estate owned

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

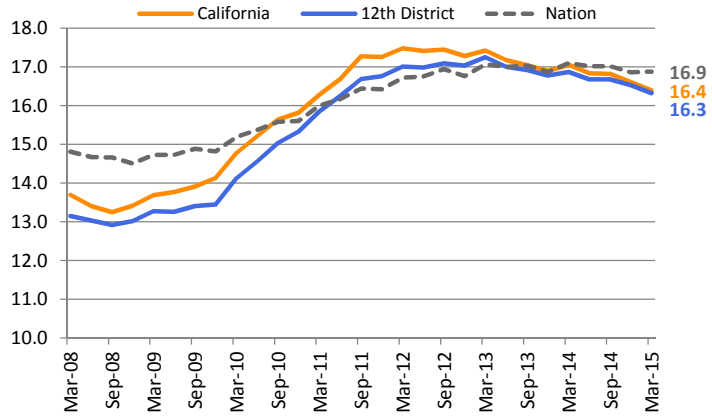


Avg. Short-Term Investments / Total Assets (%)



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.

Banking Trends *(commercial banks only)* *Data as of 03/31/15*

I. Summary Items	California			United States		
	Mar-15	Dec-14	Mar-14	Mar-15	Dec-14	Mar-14
median bank asset size (millions)	$434	$417	$381	$176	$173	$167
number of banks	190	193	198	5,501	5,572	5,742
-state member	26	27	26	814	822	828
-national	38	38	41	1,048	1,064	1,130
-nonmember	126	128	131	3,639	3,686	3,784
memo: number < 5 yrs. old	1	1	1	11	13	25

II. Balance Sheet Highlights	Average California Bank (trimmed 10%)			Average U.S. Bank (trimmed 10%)		
	Mar-15	Dec-14	Mar-14	Mar-15	Dec-14	Mar-14
Selected Loan Concentrations (% Total Risk-Based Capital)	%	%	%	%	%	%
total CRE (excl. owner-occupied nonfarm-nonresidential)	230.3	228.1	220.2	115.9	116.0	113.7
-construction & land development	23.4	22.1	19.1	27.3	27.6	26.0
-nonfarm nonresidential (excl. owner-occupied)	156.8	156.0	154.8	65.5	65.5	65.5
-multi-family	31.1	31.3	29.3	11.8	11.8	11.6
nonfarm nonresidential owner-occupied	106.3	104.9	105.0	70.2	70.2	71.7
1-4 family residential (includes home equity)	70.7	70.7	70.4	139.4	140.0	137.3
agricultural & farmland secured	6.9	7.0	6.6	64.3	66.2	60.0
commercial & industrial	91.1	94.1	90.8	76.2	76.9	76.3
consumer	3.0	3.1	3.4	21.7	22.5	22.5
Liquidity, Funding, and Capital	%	%	%	%	%	%
net loan growth rate (year-over-year)	14.8	15.5	11.7	7.5	7.0	5.5
net loans / assets	67.1	67.5	65.1	61.1	61.6	59.1
core deposits / total assets (w/CDs <= $250K)	75.1	75.3	76.0	79.5	79.2	80.2
net noncore funding dependence (w/CDs > $250K)	-2.5	-1.2	-2.9	-0.6	1.0	-1.4
securities / assets	11.8	12.4	13.5	21.9	22.0	22.9
tier 1 leverage ratio	11.4	11.4	11.5	10.4	10.3	10.3
total risk-based capital ratio	16.4	16.6	17.0	16.9	16.9	17.1

III. Performance Measures	Mar-15	Dec-14	Mar-14	Mar-15	Dec-14	Mar-14
Earnings (year-to-date annualized)	%	%	%	%	%	%
return on average assets	0.82	0.85	0.72	0.91	0.92	0.85
net interest income (tax equivalent) / average assets	3.52	3.58	3.54	3.43	3.50	3.44
noninterest revenues / average assets	0.52	0.55	0.55	0.58	0.60	0.57
overhead expenses / average assets	3.00	3.05	3.17	2.83	2.91	2.88
loan loss provisions / average assets	0.02	0.04	0.03	0.06	0.09	0.07
efficiency ratio	71.68	71.72	74.63	69.47	69.60	70.53
Asset Quality	%	%	%	%	%	%
noncurrent loans / total loans	0.81	0.89	1.38	0.97	0.97	1.23
loans past due 30-89 days / total loans	0.20	0.18	0.25	0.76	0.68	0.86
loans past due 30+ days or nonaccrual / total loans	1.13	1.20	1.73	1.88	1.81	2.26
allowance for losses / loans & leases not held for sale	1.70	1.73	1.92	1.45	1.45	1.58
net charge-offs / average loans (YTD annualized)	-0.01	0.01	0.02	0.04	0.14	0.07

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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