California Banking Statistics

For Immediate Release | *Contact: Beth Mills*
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"The most recent banking statistics from the FDIC continue to show increased lending for California headquartered banks, with total loans and leases equaling almost $400 billion in the third quarter of 2014. Additionally, net charge-offs have now fallen year-over-year for 17 consecutive quarters."

– Rod Brown
California Bankers Association President & CEO

Third quarter 2014 banking statistics from the Federal Deposit Insurance Corporation (FDIC) indicate increased lending for banks and savings institutions headquartered in California. For the past four years, assets have increased year-over-year with total loans and leases equaling $392 billion in the third quarter of 2014 compared to $307 billion in the third quarter of 2011.[1] It is also significant that total loans and leases have increased year-over-year, despite consolidation within the industry wherein the number of California headquartered banks has decreased during the same four-year period from 259 in third quarter 2011 to 215 in third quarter 2014.

In October 2014, the Federal Reserve Board released their *Beige Book* indicating that economic activity continued to improve moderately in the Twelfth District, inclusive of California. The report highlighted increased overall loan demand with credit quality improving since the previous report. Competition among lenders for customers with high-quality credit remained "intense," resulting in depressed interest rates on loans.

Third quarter 2014 FDIC statistics also show that net charge-offs have now fallen year-over-year for 17 consecutive quarters, the lowest quarterly total since the first quarter of 2007. At the same time, 98.2 percent of all insured banks have met or exceeded the requirements of the highest regulatory capital category.

Second quarter 2014 data from the Office of Comptroller of the Currency's *Mortgage Metrics Report*, show ongoing progress relative to residential one-to-four mortgages outstanding in the United States. The sampling indicates that 92.9 percent of all mortgages serviced by the reporting servicers are current and performing compared to 90.6 percent a year prior. Mortgages in the process of foreclosure decreased by 47.4 percent compared to the prior year. Servicers have modified 3,525,913 mortgages from the beginning of 2008 through the end of the first quarter of 2014.

According to a December 2014 survey from Ipsos, when it comes to protecting personal information and protecting consumers from fraud, banks are seen by 79 percent of Americans as being the most trustworthy.

[1] California data is conservative since it does not capture non-CA headquartered banks that do significant business in the state.