California Banking Statistics

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"Banks continue to work hard to meet the needs of their customers. Business lending remains strong and asset quality continues to improve. Additionally, banks have built strong reserves of high quality capital, which now stands at 23 percent higher than 2008 levels."

– Rod Brown
California Bankers Association President & CEO

First 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 $373 billion in the first quarter of 2014 compared to $305 billion in the first 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 266 in first quarter 2011 to 220 in first quarter 2014.

In June 2014, the Federal Reserve Board released their *Beige Book* indicating that economic activity continued to improve moderately in the Twelfth District, inclusive of California. Among other metrics, the report highlighted increased overall loan demand with credit quality remaining strong. While the pace of home sales slowed, activity in commercial real estate market expanded. Lenders continue to compete vigorously on rates and terms for high-quality borrowers.

First quarter 2014 FDIC statistics also show that net charge-offs have now fallen year-over-year for 15 consecutive quarters, the lowest quarterly total since the second 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.

Fourth quarter 2013 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 91.8 percent of all mortgages serviced by the reporting servicers are current and performing compared to 89.4 percent a year prior. Servicers have modified 3,338,010 mortgages from the beginning of 2008 through the end of the third quarter of 2013.

A June 6, 2014, Gallup poll found that the banking industry ranks highest for consumer confidence in information security with 39 percent of respondents saying they have "a lot trust" in banks and credit card companies to keep their information safe. That compared to 26 percent for health insurance companies, 19 percent for cellphone carriers, 16 percent for email providers, 14 percent for retail stores, only 12 percent for the federal government and just 6 percent for online retailers.

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