Regional & Community Bankers Conference

Jim Nolan
Federal Reserve Bank of Boston
October 16, 2013
The FDIC’s Problem Bank List Continues to Shrink

Source: FDIC

<table>
<thead>
<tr>
<th>Year</th>
<th>Problem Banks</th>
<th>Failures</th>
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<tbody>
<tr>
<td>2006</td>
<td>53</td>
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<tr>
<td>2007</td>
<td>84</td>
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<tr>
<td>2008</td>
<td>262</td>
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<td>2009</td>
<td>702</td>
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<td>2010</td>
<td>893</td>
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<tr>
<td>2011</td>
<td>812</td>
<td>92</td>
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<tr>
<td>2012</td>
<td>638</td>
<td>51</td>
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<td>2013</td>
<td>546</td>
<td>22</td>
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Banks with Satisfactory CAMELS Composite Ratings by State 1Q 2008
Banks with Satisfactory CAMELS Composite Ratings by State 1Q 2011
Banks with Satisfactory CAMELS Composite Ratings by State 2Q 2013
Banks with Satisfactory Asset Quality Ratings by State 1Q 2008
Banks with Satisfactory Asset Quality Ratings by State 1Q 2011
Banks with Satisfactory Asset Quality Ratings by State 2Q 2013
Banks with Satisfactory Earnings Ratings by State 1Q 2008

[Map of the United States with states colored according to earnings ratings]

Legend:
- Less than 60%
- 60-64%
- 65-69%
- 70-74%
- 75-79%
- 80-84%
- 85-89%
- 90-94%
- 95-100%
Banks with Satisfactory Earnings Ratings by State 1Q 2011
Banks with Satisfactory Earnings Ratings by State 2Q 2013
First District Loan Growth Exceeds the US ...

Source: Call Report Data, Q2 2013
... But Yields on Loans are Lower

Source: Uniform Bank Performance Report, Q2 2013
Interest-Bearing Funds are Modestly More Expensive…

Source: Uniform Bank Performance Report, Q2 2013
First District Earnings are Challenging