

DEPARTMENT OF BUSINESS OVERSIGHT*Ensuring a Fair and Secure Financial Services Marketplace for all Californians***JAN LYNN OWEN****Commissioner of Business Oversight****For Immediate Release**

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Bank, Credit Union 3rd-Quarter Earnings Up from Same Period in 2013

SACRAMENTO – California’s state-chartered banks and credit unions in the third quarter both enjoyed increased earnings and substantial declines in delinquent loans compared to the same period in 2013, according to data released today by the state Department of Business Oversight (DBO). The DBO regulates state-chartered commercial banks, credit unions and other types of financial institutions.

Banks’ aggregate third-quarter earnings (net income) totaled \$882.6 million, up 1.2 percent from \$872.1 million in the same quarter of last year. The third-quarter performance was more impressive compared to the prior quarter of this year – earnings increased by 16.1 percent from \$760.4 million in the second quarter.

Credit unions’ aggregate earnings rose by 14.9 percent from the same quarter in 2013, to \$207.2 million from \$180.3 million. However, earnings declined from the second quarter, by 9.0 percent from \$227.8 million.

For the entire nine-month period through September, banks’ net income decreased by 1.7 percent from the same period in 2013, to \$2.36 billion from \$2.4 billion. Credit unions saw a 2.2 percent increase, to \$629.5 million from \$615.8 million.

For banks, third-quarter “noncurrent” loans dropped by 24.7 percent from the same period in 2013, to \$2.0 billion from \$2.7 billion. The third-quarter total represented an 8.2 percent decline from the second-quarter total of \$2.2 billion. Noncurrent is defined for banks as loans past due for 90 or more days and those for which the bank has stopped collecting interest.

Credit unions’ delinquent third-quarter loans fell by 18.9 percent from the same period last year, to \$337.3 million from \$415.6 million. The third-quarter decrease from the second quarter was 13.4 percent, from \$389.4 million. For credit unions, delinquent loans are those past due for 60 or more days.

Banks’ aggregate assets in the third quarter came totaled \$343.2 billion. That’s up 2.8 percent from the second quarter (\$333.7 billion) and 15.6 percent from the third quarter of 2013 (\$296.9 billion). For credit unions, third-quarter assets totaled \$84.1 billion. That was a 2.0 percent increase from the prior quarter (\$82.4 billion) and a 5.9 percent increase from the third quarter of 2013 (\$79.3 billion).

In the third quarter, California had 157 banks, up from 155 in the prior quarter, but down from 164 in the third quarter of 2013. Credit unions numbered 146 in the third quarter, the same amount as in the third quarter of 2013, and one more than the second-quarter total.

For the full “Third Quarter of 2014 Report,” and “Selected Financial Data” for individual banks and credit unions, go to <http://www.dbo.ca.gov/Publications/stats/default.asp>.

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