Ninth District Bank Operations As of 06/30/2014						
Ratios for the Median Bank in Each Category	**MN**	**ND**	**SD**	**MT**	**WI**	**MI**
Asset Composition						
Loans as a percent of assets	62%	64%	64%	59%	65%	56%
Federally guaranteed securities as a percent of assets	12%	11%	12%	16%	8%	12%
Other securities as a percent of assets	5%	7%	6%	3%	11%	14%
Cash, repos and deposits with the Fed as a percent of assets	10%	6%	9%	10%	6%	6%
Other as a percent of assets (includes real estate, intangibles, subsidiary investments, trading assets, etc.)	4%	4%	5%	6%	5%	6%
Liabilities Composition						
Insured deposits as a percent of liabilities	69%	64%	65%	68%	67%	69%
Uninsured deposits as a percent of liabilities	27%	31%	31%	27%	25%	27%
Other as a percent of liabilities	2%	4%	3%	2%	3%	2%
Capital						
Total risk-based capital ratio	15.6%	13.5%	16.4%	17.2%	16.8%	19.5%
Equity to assets	10.2%	9.6%	10.9%	10.7%	11.0%	11.8%
Net loan growth (year over year)	5.0%	10.7%	9.9%	6.7%	3.1%	1.0%
Total assets growth (year over year)	4.6%	4.5%	4.9%	4.9%	4.6%	3.8%

Ninth District Bank Demographics As of 06/30/2014						
	MN	**ND**	**SD**	**MT**	**WI**	**MI**
Size						
>$1 Billion	8 (2%)	7 (8%)	6 (9%)	3 (5%)	0 (0%)	0 (0%)
$500 Million to $1 Billion	15 (4%)	5 (6%)	9 (13%)	4 (7%)	5 (9%)	2 (10%)
$100 Million to $500 Million	139 (42%)	34 (40%)	20 (29%)	22 (37%)	30 (57%)	12 (57%)
<$100 Million	172 (51%)	38 (45%)	33 (49%)	31 (52%)	18 (34%)	7 (33%)
Locale (%)						
Metro	43%	20%	21%	18%	40%	0%
Non-Metro	57%	80%	79%	82%	60%	100%
Business Focus						
Agricultural (Ag loans >25% of Loans)	40%	75%	79%	48%	26%	0%
Commercial real estate (CRE > 300% of capital)	31%	57%	16%	30%	30%	19%

Definitions and Interpretation

Capital	Capital ratios are a key measure of a bank's financial stability. There are a variety of capital ratios, but they generally measure certain types of bank capital against certain types of assets. As a rule of thumb, the higher the ratio, the more sound the bank.
Total Risk-Based Capital Ratio	**Total risk-based capital / total risk-weighted assets** is a measure that adjusts both capital and assets for their underlying risk and allows lower capital charges for less risky assets.
Problem Assets	Problem Assets refers to the amount of risk or probable loss in a bank's assets and the ability of the bank's capital stock and other reserve accounts to absorb any losses. Problem assets measures usually focus on a bank's loan portfolio since (i) loans typically constitute a majority of a bank's assets, and (ii) most bank failures occur because of loan portfolio problems.
Noncurrent and Delinquent Loans as a Percent of Capital and Allowance	**[Noncurrent loans + delinquent loans] / [capital + allowances]** is a broader measure of asset quality that combines noncurrent loans (loans past due 90 days or more plus loans that are no longer accruing interest) with delinquent loans (loans that are still accruing interest but are past due 30-89 days). The denominator consists of total bank capital (equity) plus allowances (the cumulative capital the bank has set aside in the past to cover losses on loans and other bad debts), which together represent the maximum loss the bank could suffer while still remaining solvent.
Commercial Real Estate Noncurrent and Delinquent Loans as Percent of Capital and Allowance	**CRE [NCL + DQ] / [capital + allowances]** is a ratio that focuses on problematic commercial real estate loans.
Construction and Land Development Noncurrent and Delinquent Loans as a Percent of Capital and Allowance	**CLD [NCL + DQ] / [capital + allowances],** a subset of the prior measure, this ratio focuses on problematic loans that are used to finance construction & land development.
Residential Real Estate Noncurrent and Delinquent Loans as a Percent of Capital and Allowance	**RES RE [NCL + DQ] / [capital + allowances],** is a ratio that focuses on problematic loans that are used to finance residential development.
Agricultural Noncurrent and Delinquent Loans as a Percent of Capital and Allowance	**AG [NCL + DQ] / [capital + allowances]** is a ratio that focuses on problematic agricultural loans.

Earnings	Earnings are the difference between revenues and expenses, taking into account various gains, losses and taxes. An especially important item is the "provision for loan and lease losses," the amount set aside by a bank to maintain its allowances at a level sufficient to absorb estimated loan losses.
Return on Average Assets	**ROAA** is a standard measure of bank earnings. It is the ratio of net income to annual average assets.
Net Interest Margin	**NIM,** the difference between interest income and interest expense, represents the spread or gross margin on a bank's loans and investment (what it earns from its assets minus what it pays to buy those assets).
Provisions as a Percent of Average Assets	**Provision expense / average assets,** as mentioned above, provisions are the amounts set aside by a bank to absorb future loan losses.
Liquidity	Bank liquidity refers to the ability of a bank to raise cash quickly and easily at a reasonable cost. Banks must have adequate liquidity in order to serve their customers and operate efficiently.
Noncore Funding as a Percent of Liabilities	**Noncore funding / total liabilities,** noncore funding sources include federal funds purchased, Federal Home Loan Bank (FHLB) advances, subordinated notes and debentures, CDs of more than $100,000 (jumbo CDs) and brokered deposits. Banks that make extensive use of the sort of financing may find themselves subject to potential liquidity stress if the funding sources are no longer available.
Miscellaneous	
Net Loan Growth (over last four quarters)	The percentage change in total loans and leases, net of allowances, over the past four quarters.