

Macy's, Inc.
Form 4
May 23, 2011

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
ROCHE JOYCE M

(Last) (First) (Middle)

2 FLOWING WELLS LANE

(Street)

SAVANNAH, GA 31411

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Macy's, Inc. [M]

3. Date of Earliest Transaction
(Month/Day/Year)
05/20/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4)	
				(A) or (D)	Price			
				Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Underlying Securities (Instr. 3 and 4)
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Derivative Security			(A) or Disposed of (D)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares
			(A)	(D)				
Restricted Stock Units	(1)	05/20/2011	A	4,191	(2)	(2)	Common Stock	4,191

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ROCHE JOYCE M 2 FLOWING WELLS LANE SAVANNAH, GA 31411			X	

Signatures

/s/ Linda J. Balicki, as attorney-in-fact for Joyce Roche pursuant to a Power of Attorney 05/23/2011

__Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Each restricted stock unit represents the equivalent of one share of the Issuer's common stock.
The restricted stock units vest on the earlier of one year from the grant date or the date of the Issuer's next annual meeting of shareholders.
- (2) The vested shares will be automatically deferred and delivered to the reporting person six months after the reporting person's service on the Issuer's Board of Directors ends.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. gn="bottom" BGCOLOR="#FFFFFF" style="padding-left:0pt;padding-Right:0.75pt;padding-Top:0.75pt;width:2.72%; border-bottom:solid 0.75pt transparent;">

Net loan (charge-offs) recoveries

)

204

(544

)

170

Provision for loan losses

900

225

1,100

Explanation of Responses:

425

Ending balance

\$

17,271

\$

16,152

\$

17,271

\$

16,152

Loans held for investment

Explanation of Responses:

\$

1,201,391

\$

1,095,828

\$

1,201,391

\$

1,095,828

Average loans held for investment

1,168,996

1,082,491

1,147,263

1,065,172

Non-performing loans

7,611

5,383

7,611

5,383

Selected ratios:

Net loan charge-offs (recoveries) to average loans

0.09

%

-0.07

Explanation of Responses:

%

0.09

%

-0.03

%

Provision for loan losses to average loans

0.31

%

0.08

%

0.19

%

0.08

Explanation of Responses:

%

Allowance for loan losses to loans held for investment

1.43

%

1.47

%

1.43

%

1.47

%

The decrease in ALLL as a percentage of total loans from 2016 to 2017 is attributable to overall improvement in the credit quality of the underlying loan portfolio, changes to our historical loss rates, and adjustments to qualitative ALLL factors due to changes in current conditions.

Our construction and land development portfolio reflects some borrower concentration risk, and also carries the enhanced risks encountered with construction loans generally. We also finance contractors on a speculative basis. Construction and land development loans are generally more risky than permanent mortgage loans because they are dependent upon the borrower's ability to generate cash to service the loan, and the value of the collateral depends on project completion when market conditions may have changed. Our commercial real estate loans are a mixture of new and seasoned properties, retail, office, warehouse, and some industrial properties. Loans on properties are usually underwritten at a loan to value ratio of up to 75% with a minimum debt coverage ratio of 1.25 times. Our loan

Explanation of Responses:

portfolio does not include any significant concentrations in oil and gas related businesses.

We allocate our allowance for loan losses by assigning general percentages to our major loan categories (construction and land development, commercial real estate term, residential real estate, C&I and consumer), assigning specific percentages to each category of loans graded in accordance with the guidelines established by our regulatory agencies, and making specific allocations to impaired loans when factors are present requiring a greater reserve than would be required using the assigned risk rating allocation, which is typically based on a review of appraisals or other collateral analysis.

The following table indicates management's allocation of the ALLL and the percent of loans in each category to total loans as of each of the following dates:

	June 30, 2017	December 31, 2016
(Dollars in thousands)		
Commercial real estate loans:		
Real estate term	\$7,157	\$ 6,770
Construction and land development	5,077	5,449
Total commercial real estate loans	12,234	12,219
Commercial and industrial loans	4,489	3,718
Consumer loans:		
Residential and home equity	503	617
Consumer and other	45	161
Total consumer loans	548	778
Total	\$17,271	\$ 16,715

	June 30, 2017	December 31, 2016
(Percentage of total loans held for investment)		
Commercial real estate loans:		
Real estate term	53.4 %	51.7 %
Construction and land development	20.9 %	21.4 %
Total commercial real estate loans	74.3 %	73.1 %
Commercial and industrial loans	18.4 %	19.0 %
Consumer loans:		
Residential and home equity	6.1 %	6.5 %
Consumer and other	1.2 %	1.4 %
Total consumer loans	7.3 %	7.9 %
Total	100.0%	100.0 %

Investments

The carrying value of our investment securities totaled \$402.6 million as of June 30, 2017 and \$409.1 million as of December 31, 2016. Our portfolio of investment securities is comprised of both available-for-sale securities and securities that we intend to hold to maturity. As of June 30, 2017, we held no investment securities from any issuer which totaled over 10% of our shareholders' equity.

The carrying value of our portfolio of investment securities was as follows:

June 30,

Explanation of Responses:

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(Dollars in thousands)	2017	December 31, 2016
Available-for-sale securities: (Fair Value)		
U.S. Government agencies	\$116,774	\$118,603
Municipal securities	18,475	25,519
Mortgage-backed securities	180,118	181,821
Corporate securities	9,805	9,666
Total	325,172	335,609
Held-to-maturity securities: (Amortized Cost)		
Municipal securities	77,394	73,512
Total investment securities	\$402,566	\$409,121

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The following table shows the amortized cost for maturities of investment securities and the weighted average yields of such securities, including the benefit of tax-exempt securities:

Investment securities maturities as of June 30, 2017:

(Dollars in thousands)	Within One Year		After One but within Five Years		After Five but within Ten Years		After Ten Years		Total	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
Available-for-sale securities:										
U.S. Government agencies	\$20,271	1.03 %	\$87,082	1.18 %	\$9,849	2.37 %	\$—	0.00 %	\$117,202	1.25 %
Municipal securities	5,975	2.63 %	7,005	3.17 %	4,534	2.16 %	603	2.35 %	18,117	2.71 %
Mortgage-backed securities	6	4.98 %	5,491	1.23 %	70,779	1.63 %	104,775	2.05 %	181,051	1.86 %
Other securities	—	0.00 %	3,000	2.16 %	4,000	2.21 %	3,000	4.00 %	10,000	2.73 %
Total	26,252	1.40 %	102,578	1.35 %	89,162	1.76 %	108,378	2.11 %	326,370	1.72 %
Held-to-maturity securities:										
Municipal securities	7,774	1.23 %	45,458	1.60 %	17,132	1.96 %	7,030	2.29 %	77,394	1.71 %
Total investment securities	\$34,026	1.36 %	\$148,036	1.42 %	\$106,294	1.80 %	\$115,408	2.12 %	\$403,764	1.72 %

Actual maturities may differ from contractual maturities because issuers may have the right to call obligations with or without penalties.

We evaluate securities for other-than-temporary impairment at least on an annual basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) our intent and ability to retain our investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

Deposits

Total deposits were \$1.46 billion as of June 30, 2017 and \$1.43 billion as of December 31, 2016. The increase in total deposits is attributed primarily to our growth in existing markets and entering into new markets. Non-interest bearing demand deposits were \$466.0 million, or 31.9% of total deposits as of June 30, 2017 compared to 31.1% as of December 31, 2016. Interest bearing deposits are comprised of interest bearing DDA accounts, money market accounts, regular savings accounts, certificates of deposit of under \$100,000, and certificates of deposit of \$100,000 or more.

The following table shows the average amount and average rate paid on the categories of deposits for each of the periods presented:

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	Year to Date			Year Ended		
	June 30, 2017			December 31, 2016		
(Dollars in thousands)	Average Balance	Average Rate		Average Balance	Average Rate	
Non-interest bearing deposits	\$442,861	0.00	%	\$426,487	0.00	%
Interest bearing deposits:						
Interest bearing demand and savings	660,026	0.26	%	607,714	0.28	%
Money market	171,221	0.24	%	150,028	0.24	%
Certificates of deposit under \$100,000	89,685	0.61	%	94,689	0.32	%
Certificates of deposit \$100,000 and over	64,447	0.50	%	73,860	0.66	%
Total interest bearing deposits	985,379	0.30	%	926,291	0.31	%