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**FDIC-Insured Commercial Banks**

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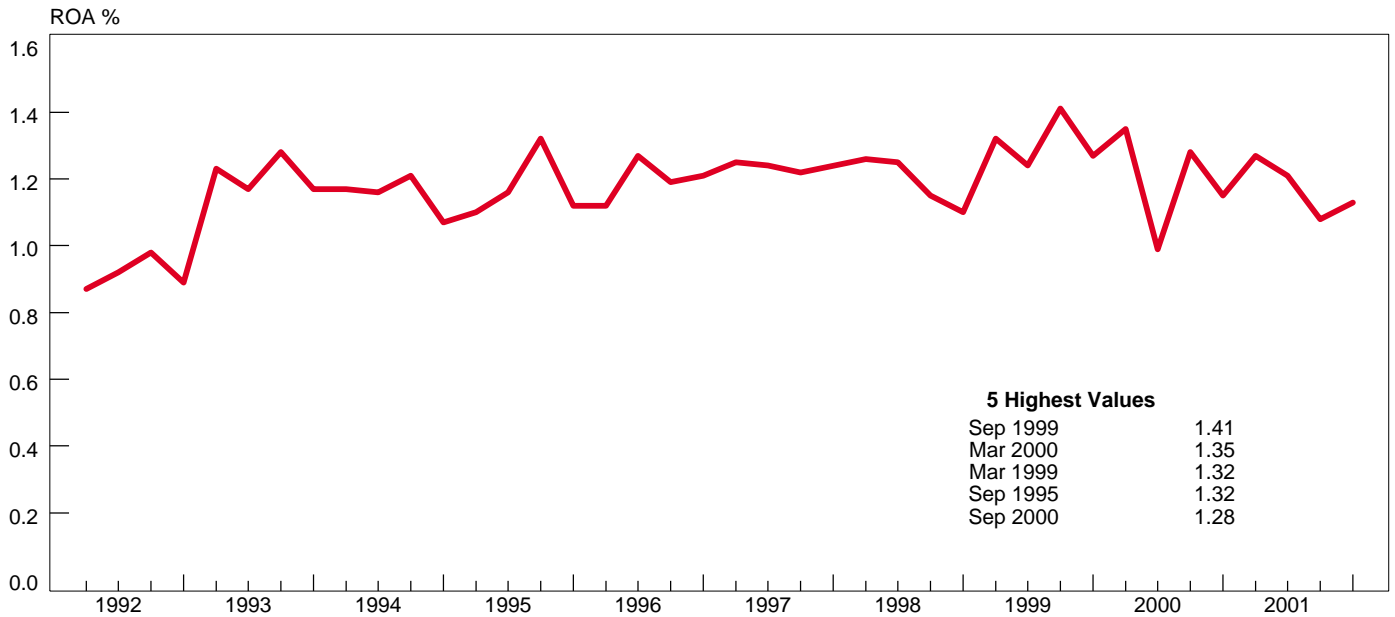
**All FDIC-Insured Institutions**

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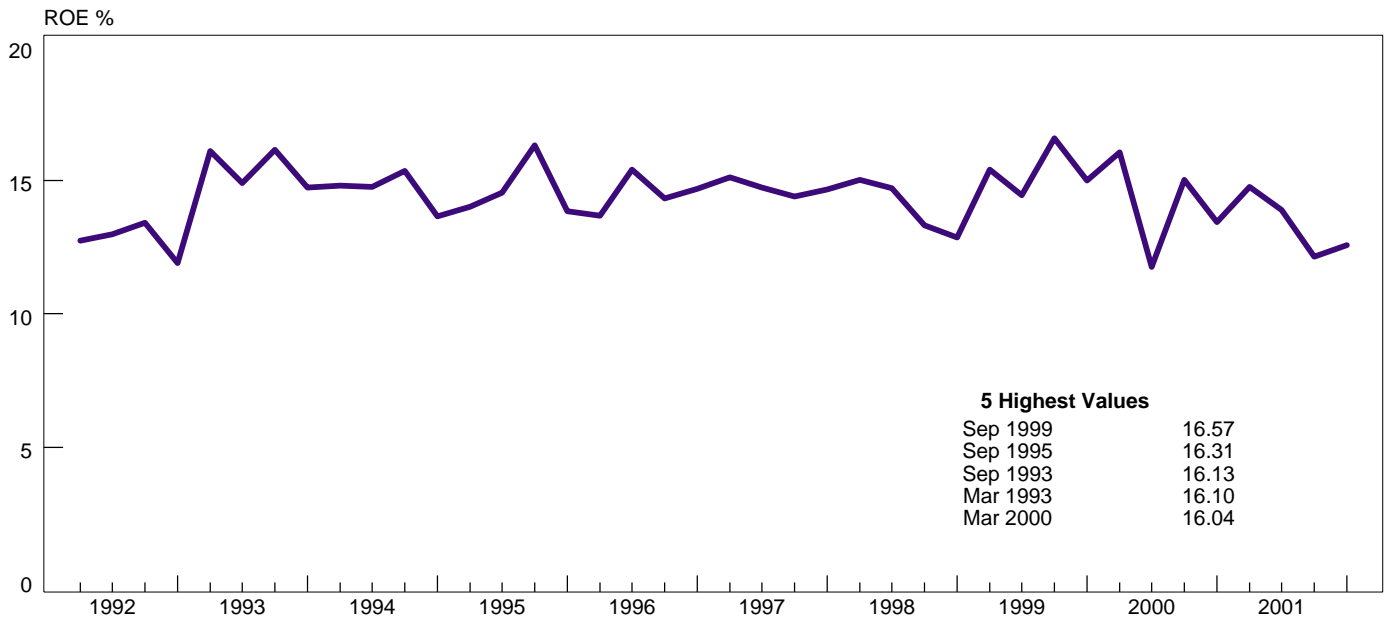
## Quarterly Return on Assets (ROA), Annualized

1992 - 2001



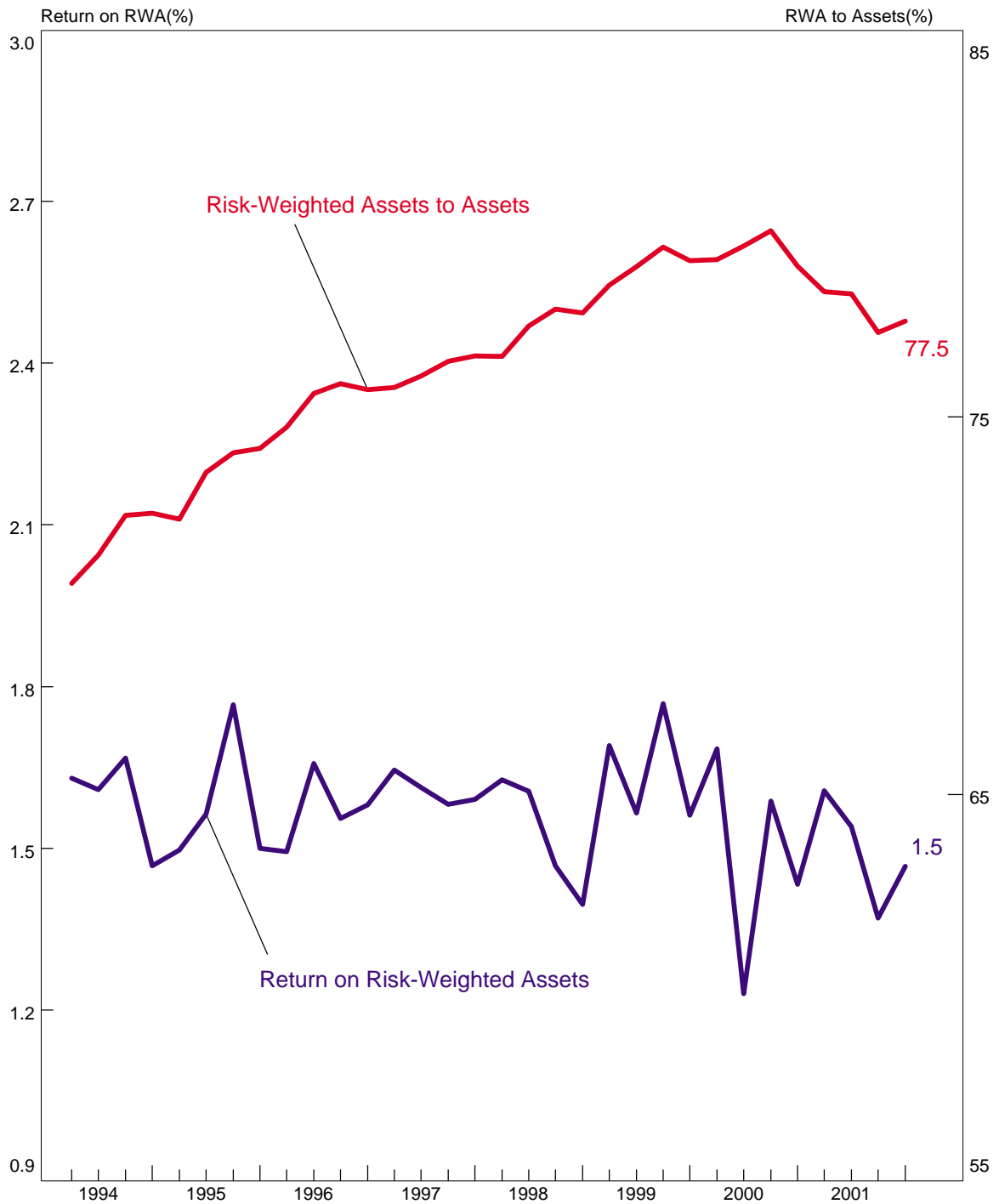
## Quarterly Return on Equity (ROE), Annualized

1992 - 2001



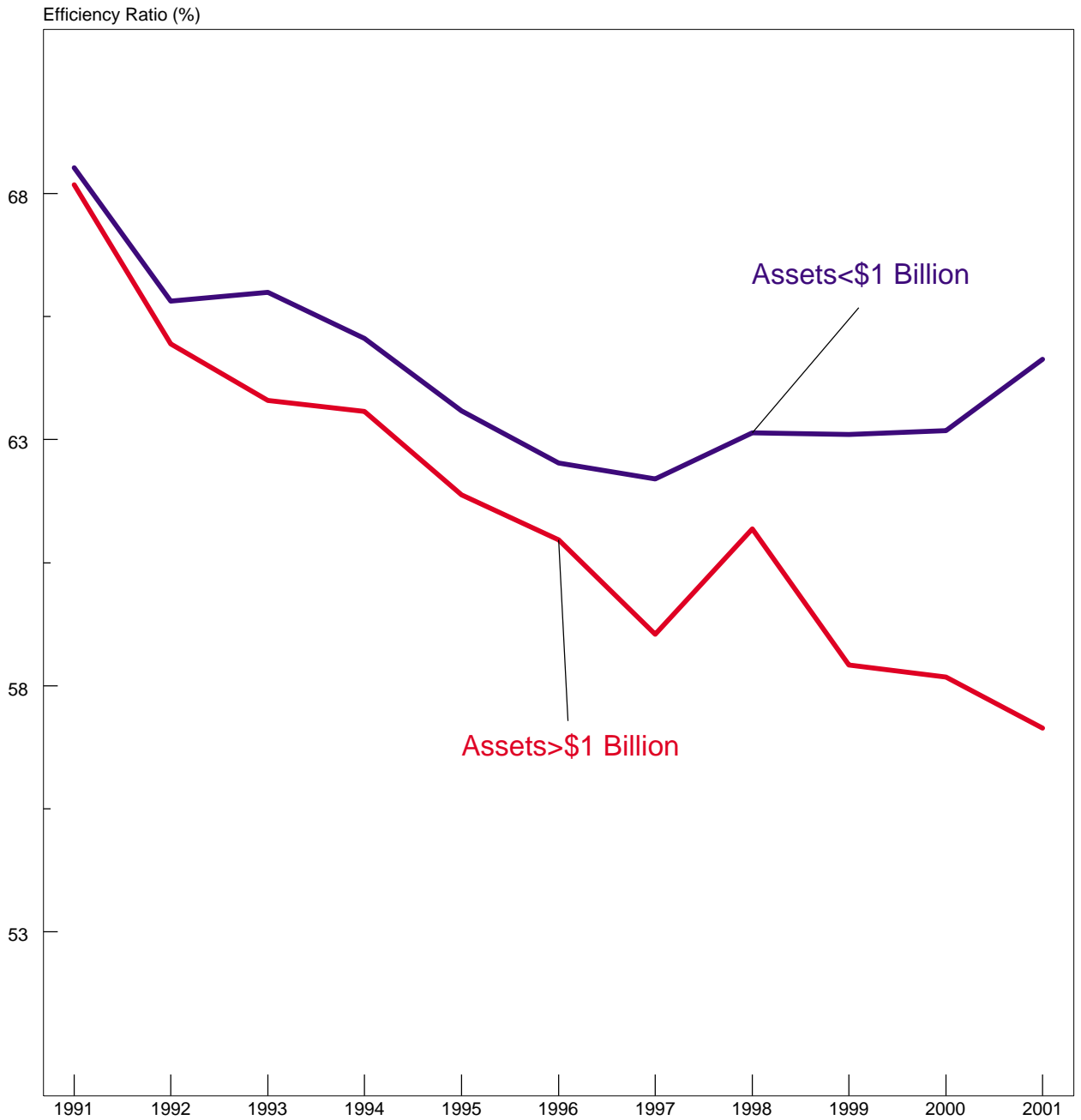
## Quarterly Return on Risk-Weighted Assets (RWA),\* and RWA to Total Assets

1994 - 2001



\* Assets weighted according to risk categories used in regulatory capital computations.

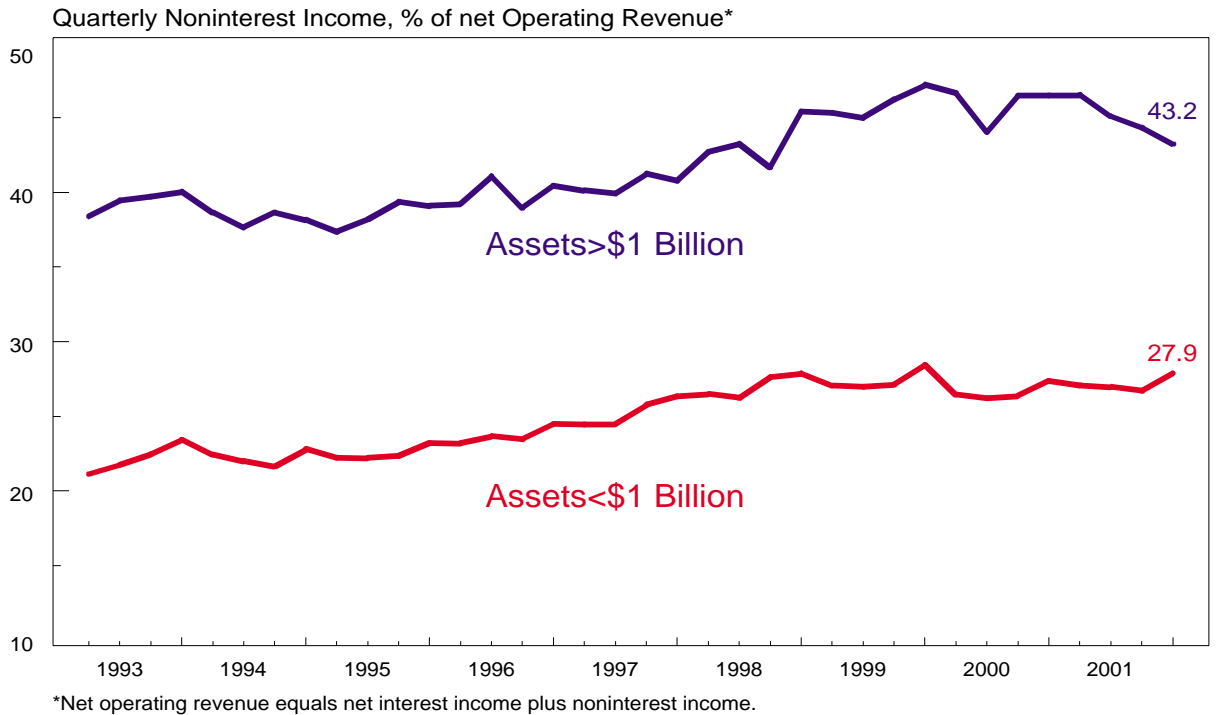
## Annual Efficiency Ratios 1991 - 2001



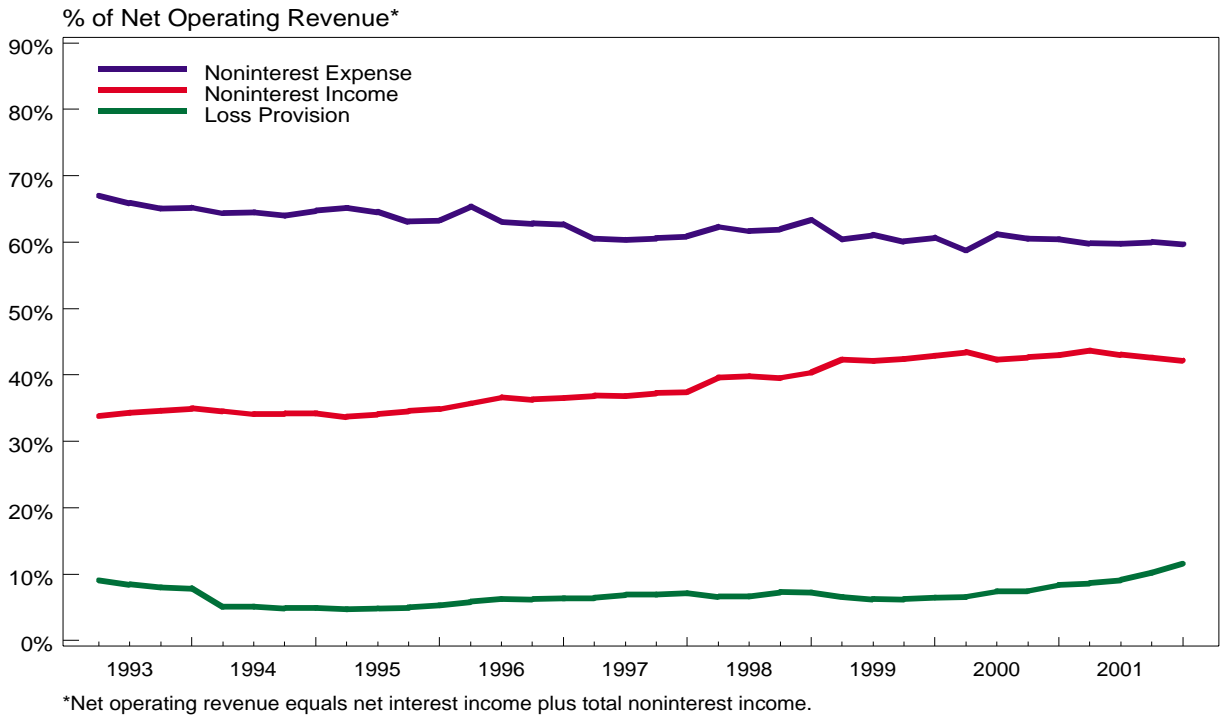
<b>Assets &lt;\$1 Billion</b>	<b>68.02</b>	<b>65.31</b>	<b>65.49</b>	<b>64.56</b>	<b>63.08</b>	<b>62.02</b>	<b>61.70</b>	<b>62.64</b>	<b>62.60</b>	<b>62.68</b>	<b>64.13</b>
<b>Assets &gt;\$1 Billion</b>	<b>67.68</b>	<b>64.44</b>	<b>63.30</b>	<b>63.07</b>	<b>61.38</b>	<b>60.46</b>	<b>58.55</b>	<b>60.69</b>	<b>57.92</b>	<b>57.67</b>	<b>56.64</b>
<b>Total</b>	<b>67.78</b>	<b>64.68</b>	<b>63.85</b>	<b>63.44</b>	<b>61.76</b>	<b>60.79</b>	<b>59.16</b>	<b>61.03</b>	<b>58.69</b>	<b>58.42</b>	<b>57.72</b>

\*Noninterest expense less amortization of intangible assets as a percent of net interest income plus noninterest income.

## Noninterest Income as a Percentage of Net Operating Revenue\* 1993 - 2001

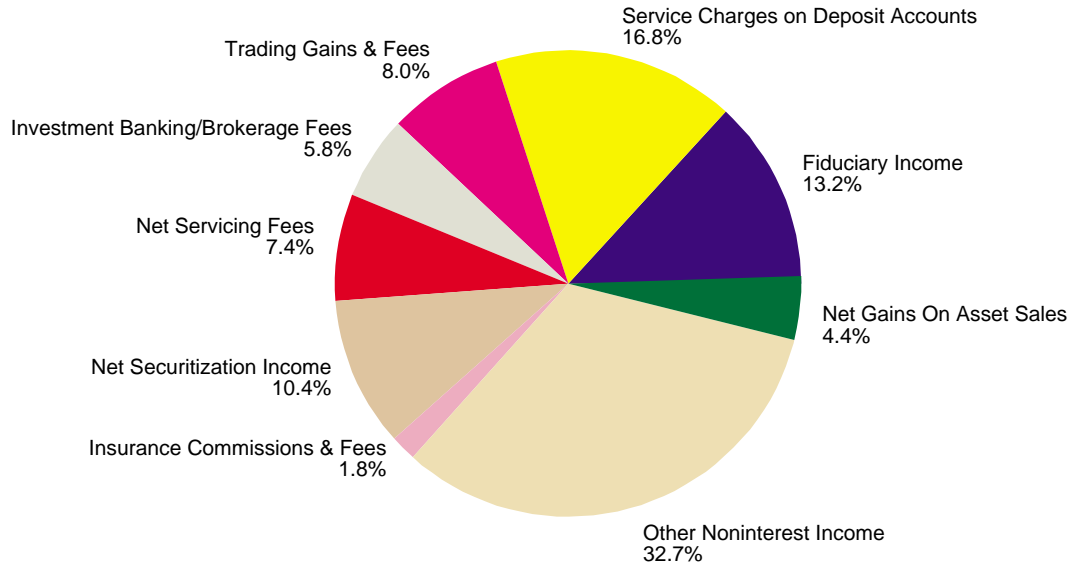


## Trends in Commercial Bank Income & Expenses 1993 - 2001



# Composition of Noninterest Income

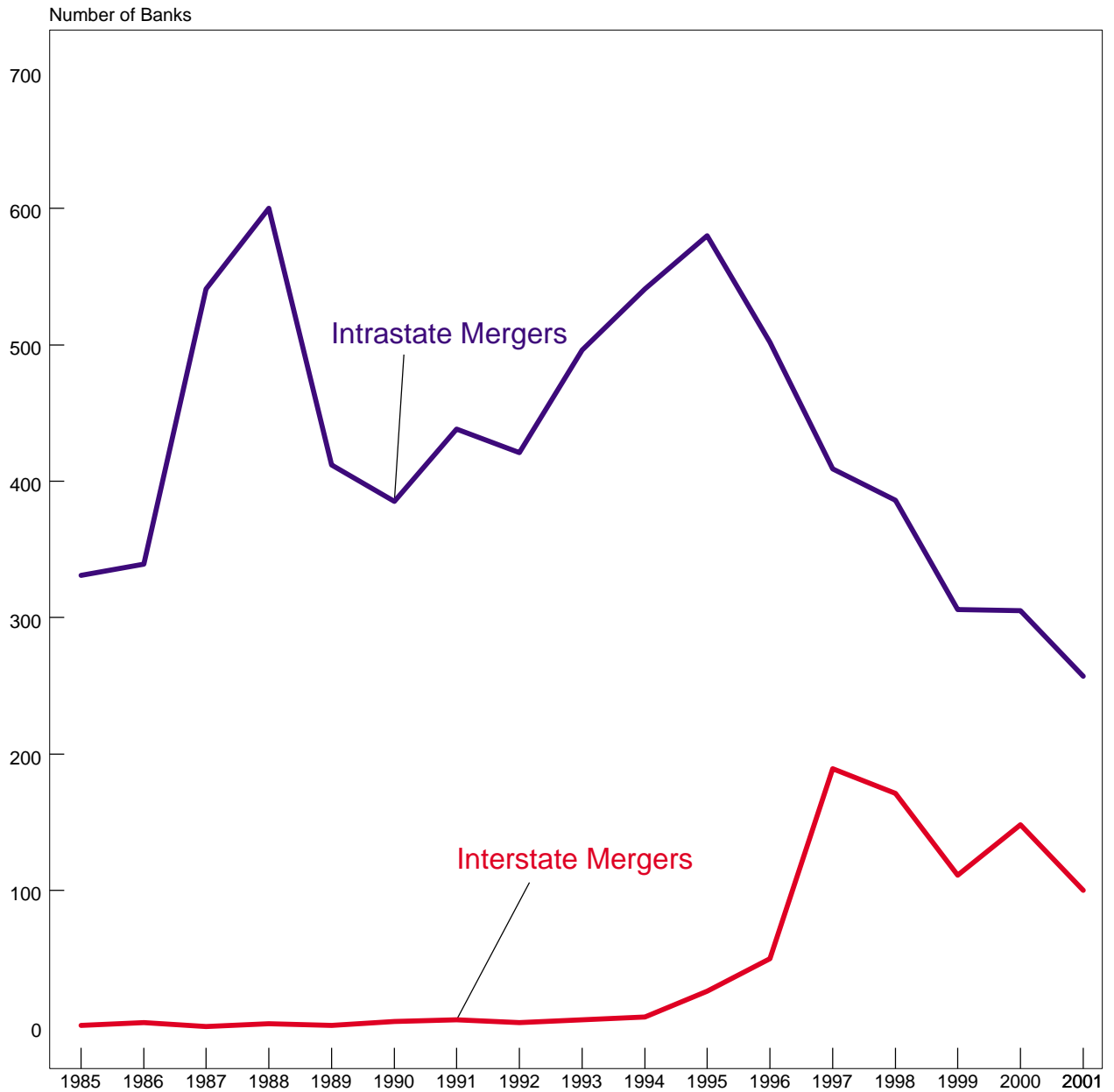
December 31, 2001



<u>Noninterest Income Source</u>	<u>Noninterest Income</u> \$ Millions	<u>Number of</u> <u>Banks Reporting</u> <u>Non-Zero Balances</u>	<u>Percent of</u> <u>All Banks</u>
Fiduciary Income	\$20,751	1,668	20.4%
Service Charges on Deposit Accounts	\$26,473	7,909	96.5%
Trading Gains & Fees	\$12,505	175	2.1%
Investment Banking/Brokerage Fees	\$9,097	2,178	26.6%
Venture Capital Revenue	\$-740	61	0.7%
Net Servicing Fees	\$11,569	1,626	19.8%
Net Securitization Income	\$16,350	100	1.2%
Insurance Commissions & Fees	\$2,875	4,063	49.6%
Net Gains On Asset Sales			
Net Gains On Loan Sales	\$4,643	1,739	21.2%
Net Gains On OREO Sales	\$65	2,129	26.0%
Net Gains On Sales Of Other Assets	\$2,249	2,321	28.3%
Other Noninterest Income	\$51,336	7,983	97.4%
<b>Total Noninterest Income</b>	<b>\$157,172</b>	<b>8,050</b>	<b>98.3%</b>

# Bank Mergers: Interstate vs. Intrastate

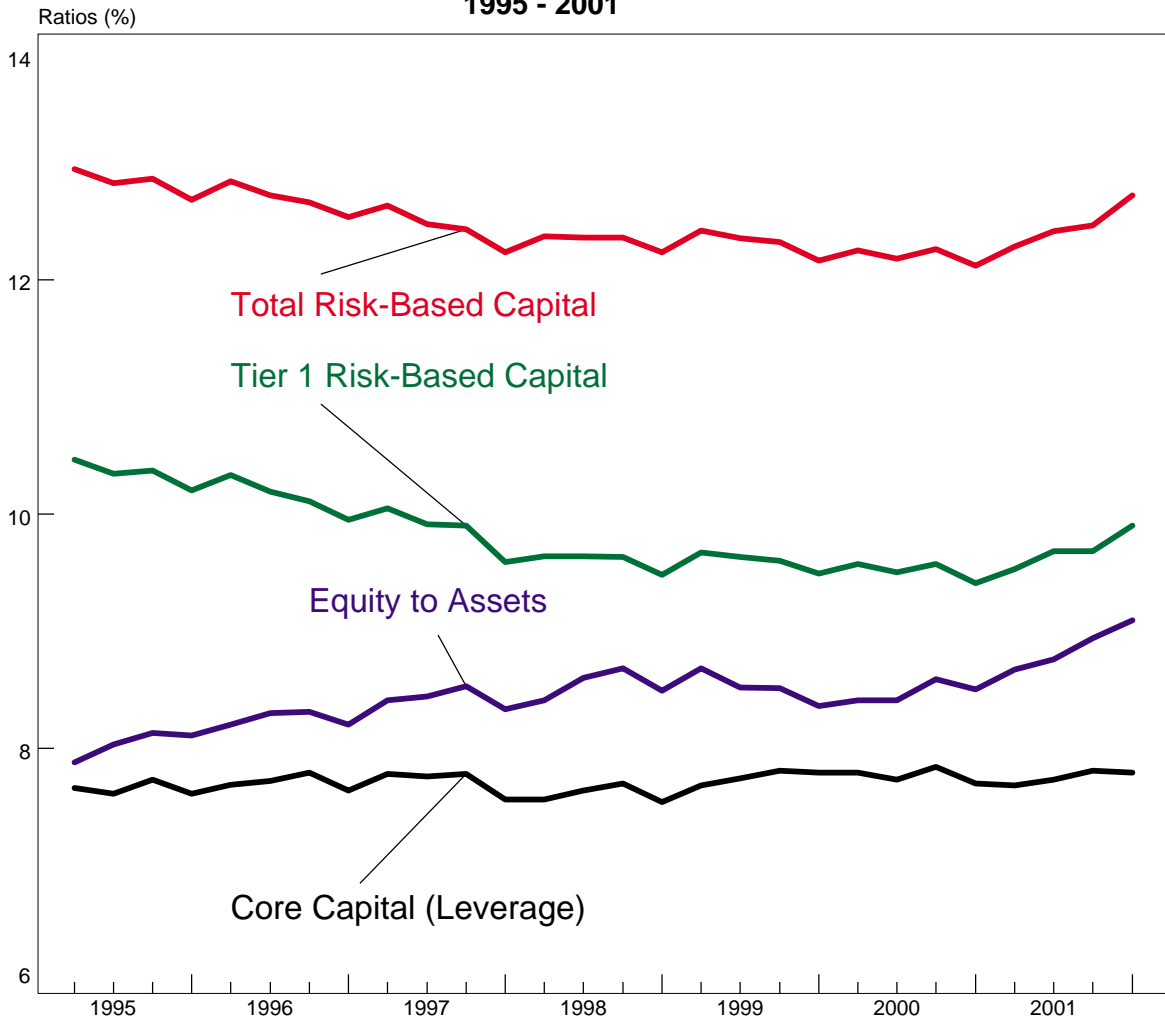
1985 - 2001



<b>Intrastate Mergers</b>	<b>331</b>	<b>339</b>	<b>541</b>	<b>600</b>	<b>412</b>	<b>385</b>	<b>438</b>	<b>421</b>	<b>496</b>	<b>541</b>	<b>580</b>	<b>502</b>	<b>409</b>	<b>386</b>	<b>306</b>	<b>305</b>	<b>257</b>
<b>Interstate Mergers</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>5</b>	<b>3</b>	<b>5</b>	<b>7</b>	<b>26</b>	<b>50</b>	<b>189</b>	<b>171</b>	<b>111</b>	<b>148</b>	<b>100</b>

# Capital Ratios

1995 - 2001

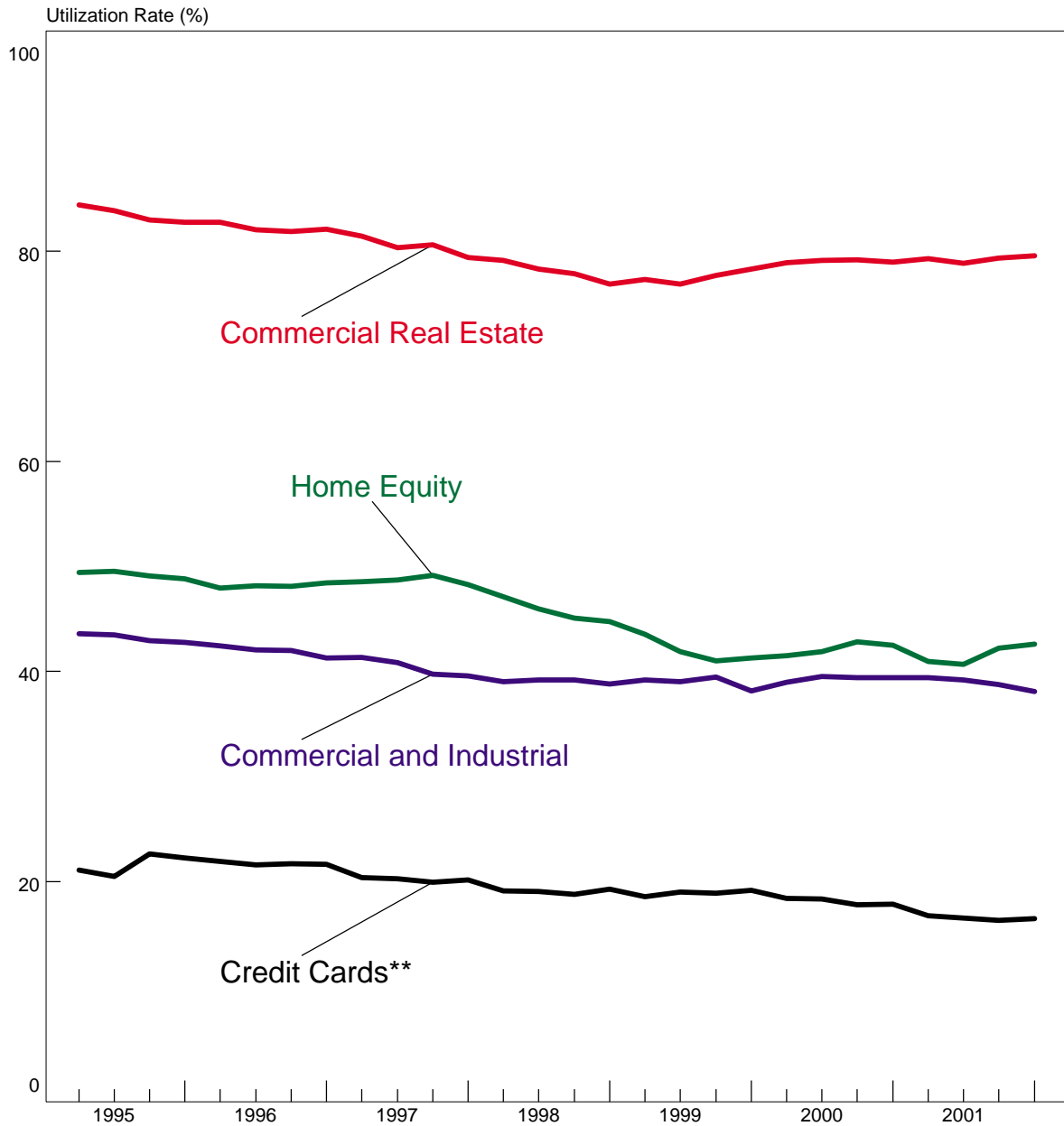


	12/95	12/96	12/97	12/98	12/99	12/00	12/01
<b>Total Risk-Based Capital</b>	<b>12.68</b>	<b>12.53</b>	<b>12.23</b>	<b>12.23</b>	<b>12.16</b>	<b>12.12</b>	<b>12.72</b>
<b>Tier 1 Risk-Based Capital</b>	<b>10.20</b>	<b>9.95</b>	<b>9.59</b>	<b>9.48</b>	<b>9.49</b>	<b>9.41</b>	<b>9.90</b>
<b>Equity to Assets</b>	<b>8.11</b>	<b>8.20</b>	<b>8.33</b>	<b>8.49</b>	<b>8.36</b>	<b>8.50</b>	<b>9.09</b>
<b>Core Capital (Leverage)</b>	<b>7.61</b>	<b>7.64</b>	<b>7.56</b>	<b>7.54</b>	<b>7.79</b>	<b>7.70</b>	<b>7.79</b>



## Utilization Rates of Loan Commitments\*

1995 - 2001

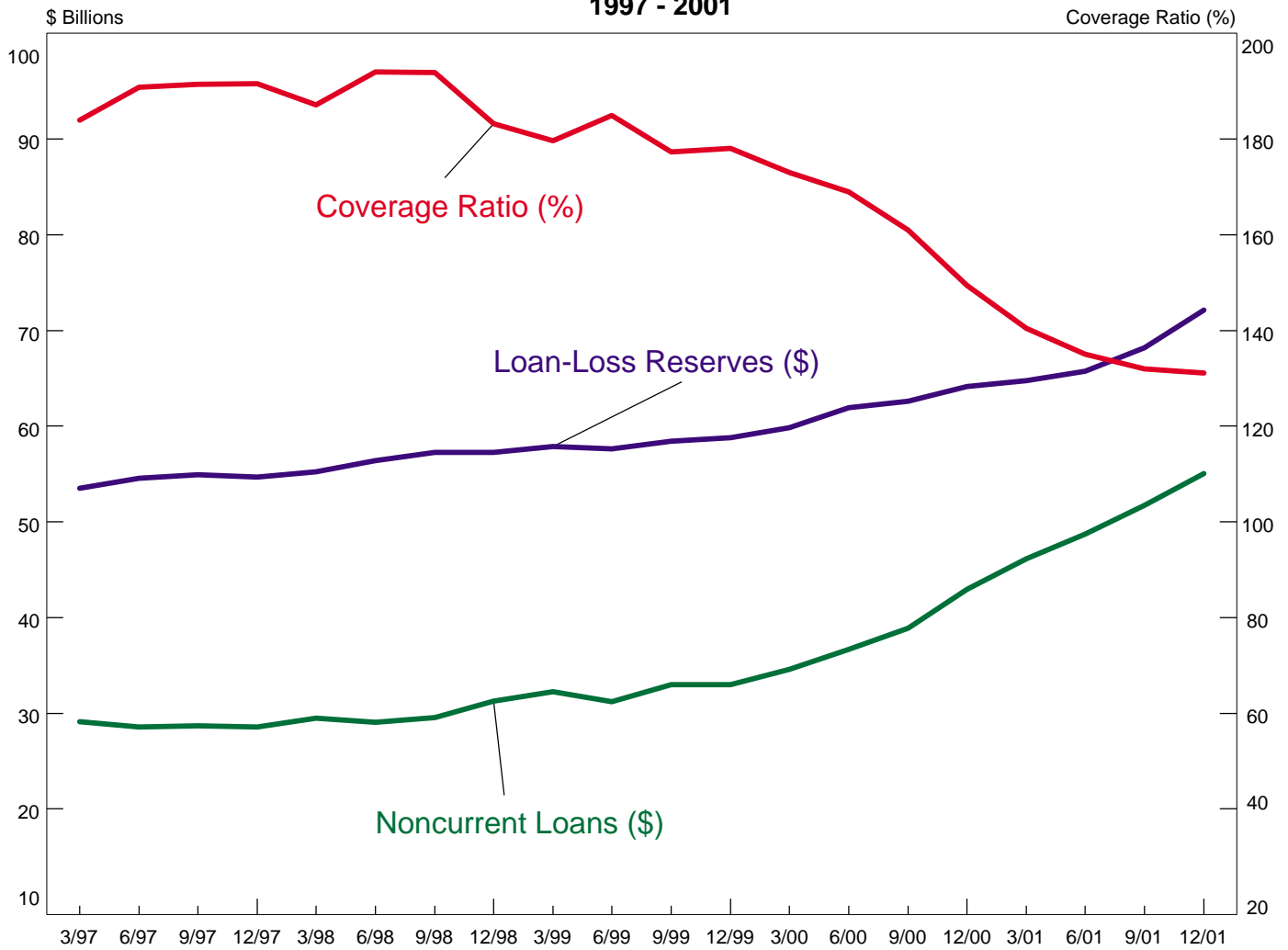


\* Utilization rates represent outstanding loan amounts as a percentage of unused loan commitments plus outstanding loan amounts.

\*\* Includes on-balance-sheet loans and off-balance-sheet securitized receivables. For 1st, 2nd, and 4th quarter Call data before 1996, loans securitized and sold are estimated using amounts reported as of 9/30.

# Reserve Coverage Ratio\*

1997 - 2001



### Noncurrent Loans (\$ Billions)

29.1 28.6 28.7 28.5 29.5 29.1 29.5 31.3 32.2 31.2 33.0 33.0 34.6 36.7 38.9 42.9 46.1 48.7 51.7 55.0

### Loan-Loss Reserves (\$ Billions)

53.5 54.5 54.9 54.7 55.2 56.4 57.3 57.3 57.9 57.6 58.4 58.8 59.9 62.0 62.6 64.1 64.7 65.8 68.2 72.1

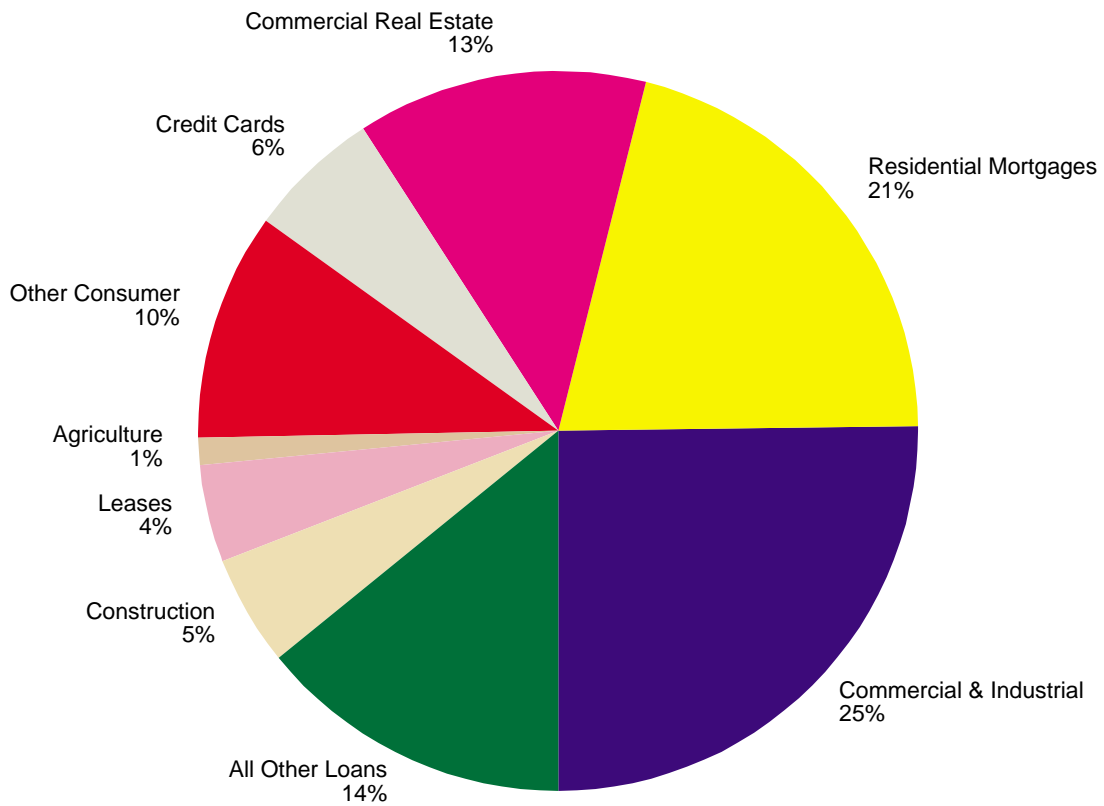
### Coverage Ratio (%)

184 191 191 192 187 194 194 183 180 185 177 178 173 169 161 149 140 135 132 131

\*Loan-loss reserves to noncurrent loans.

# Composition of Commercial Banks' Loan Portfolios

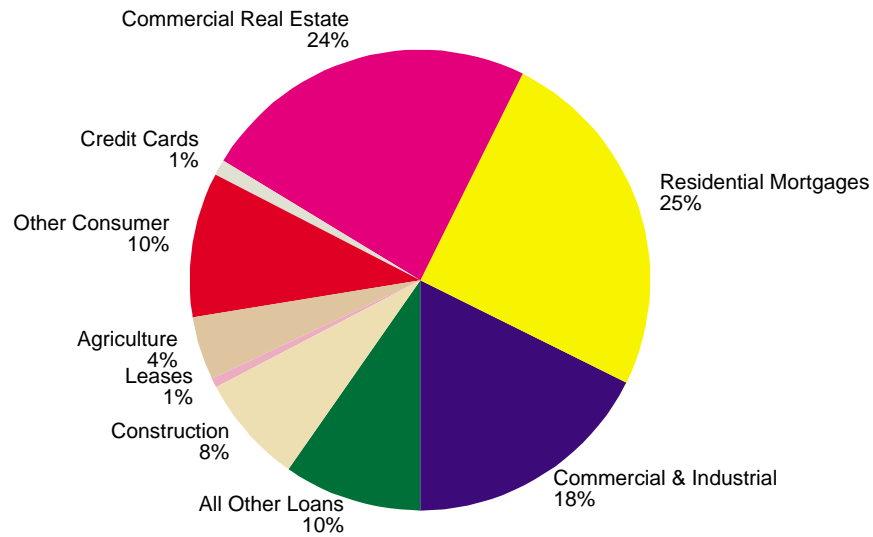
December 31, 2001



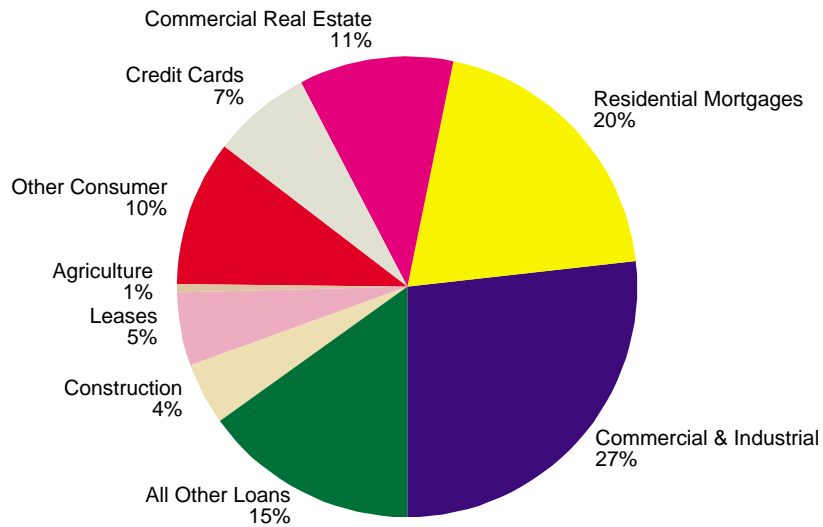
# Loan Portfolio Composition of Insured Commercial Banks

December 31, 2001

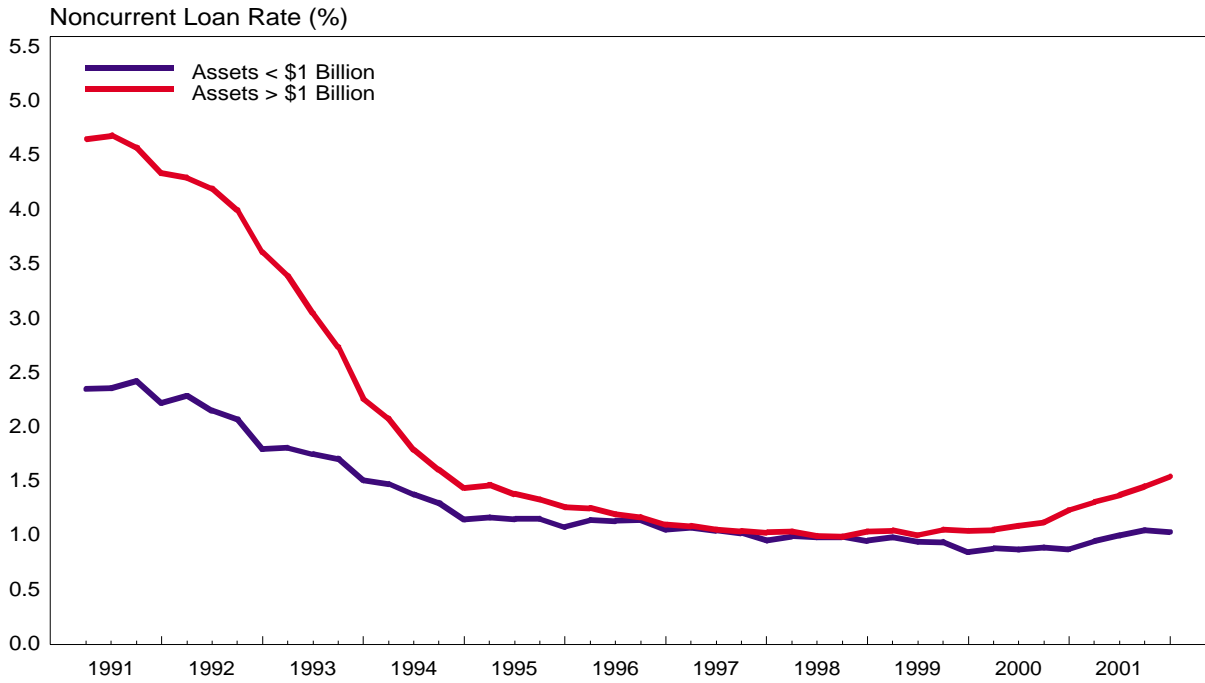
## Assets < \$1 Billion



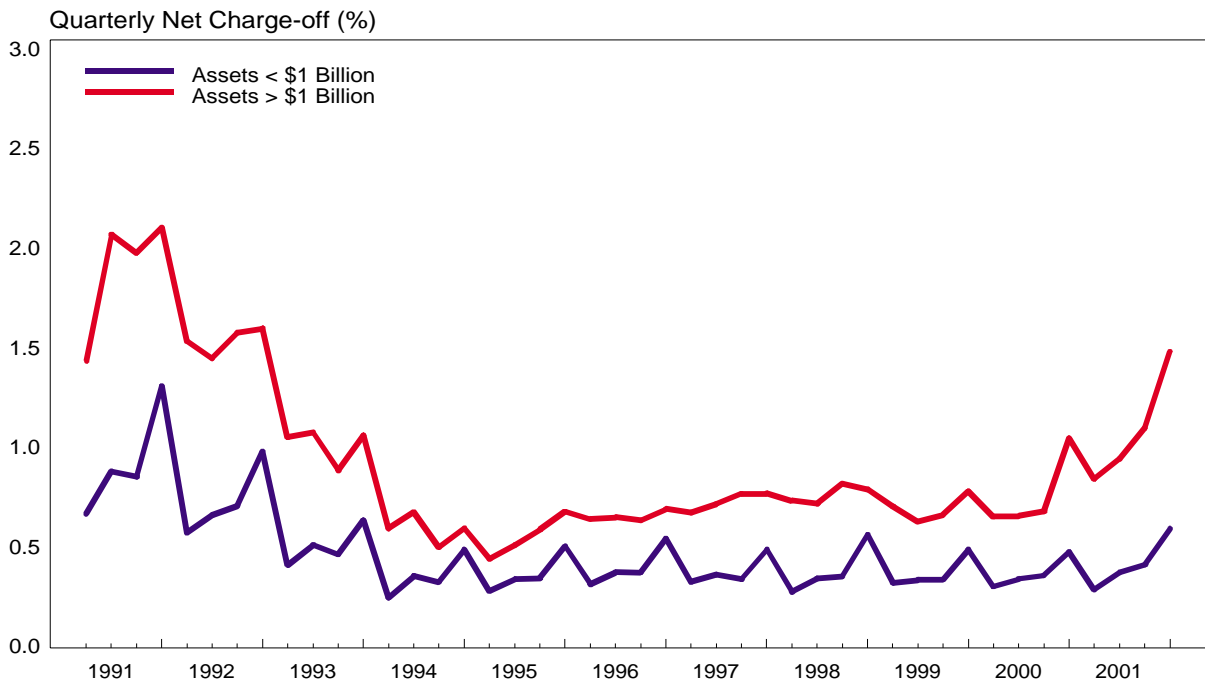
## Assets > \$1 Billion



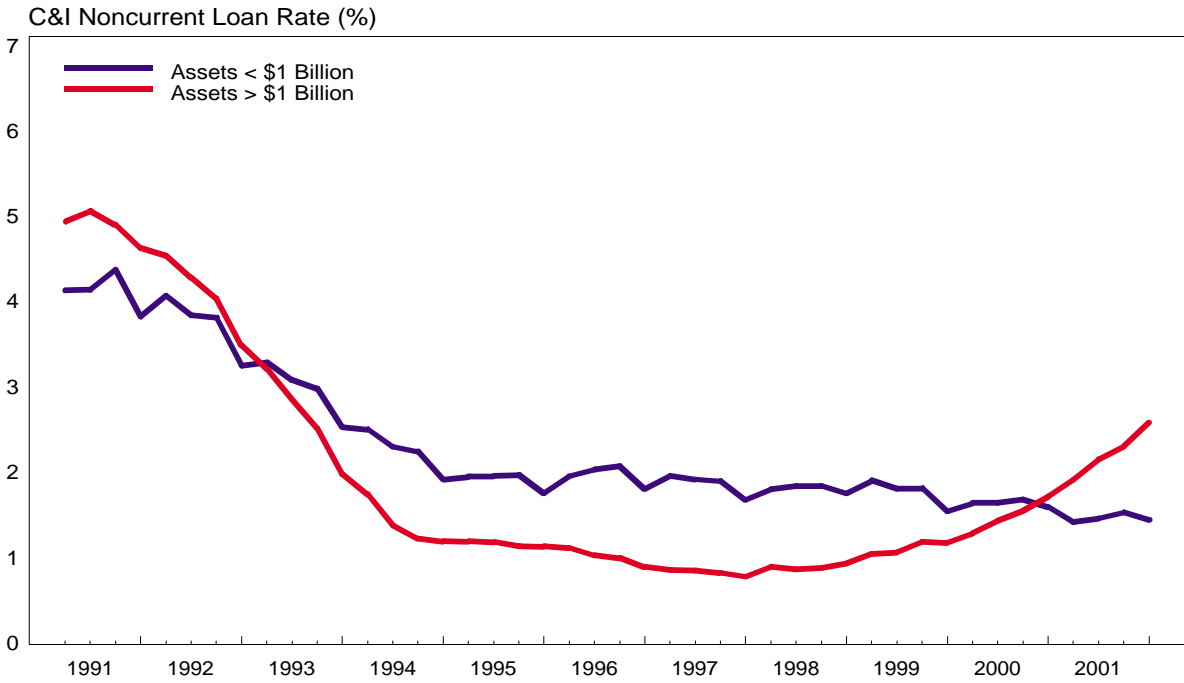
## Noncurrent Loan Rates By Asset Size 1991 - 2001



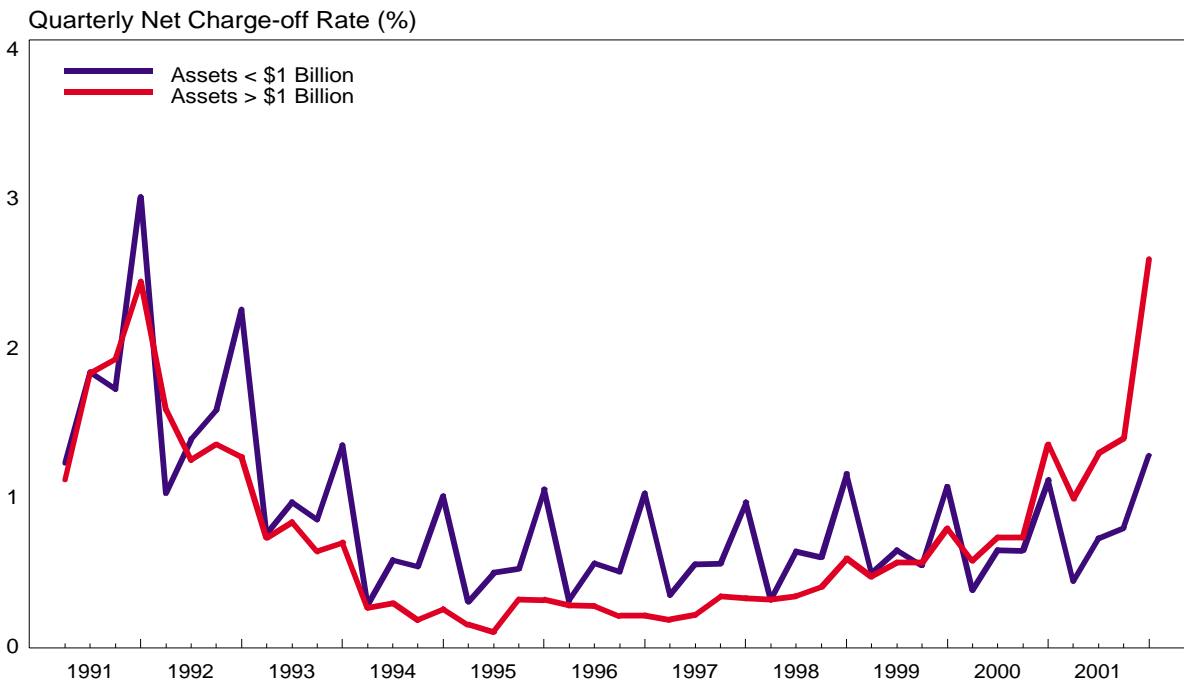
## Quarterly Net Charge-off Rates By Asset Size 1991 - 2001



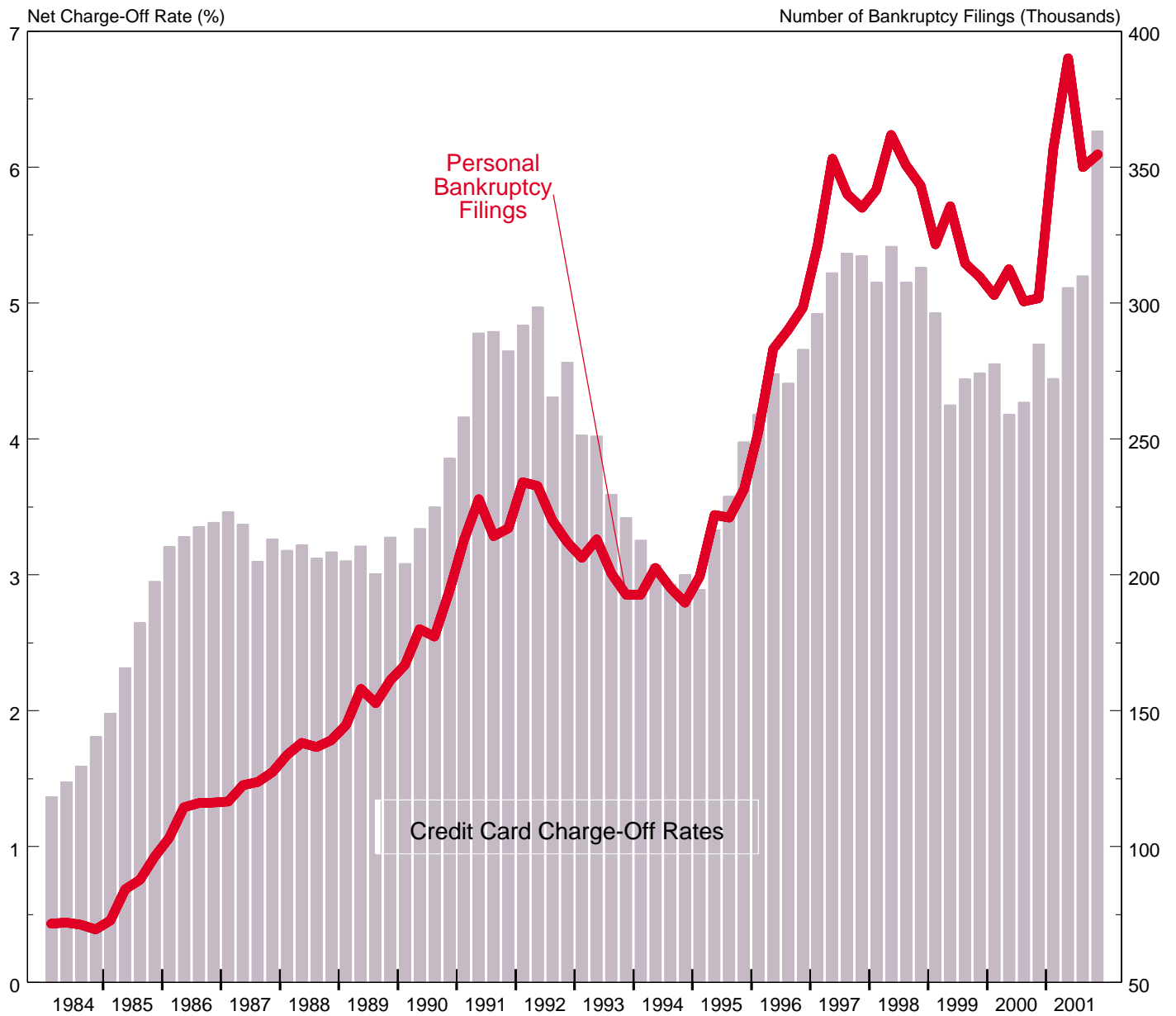
## Noncurrent C&I Loan Rates By Asset Size 1991 - 2001



## Quarterly Net Charge-off Rates on C&I Loans By Asset Size 1991 - 2001



## Credit Card Loss Rates and Personal Bankruptcy Filings 1984 - 2001



Sources: Bankruptcies - Administrative Office of the United States Courts  
 Charge-Off Rates - Commercial Bank Call Reports

## Credit Card Loss Rates and Personal Bankruptcy Filings

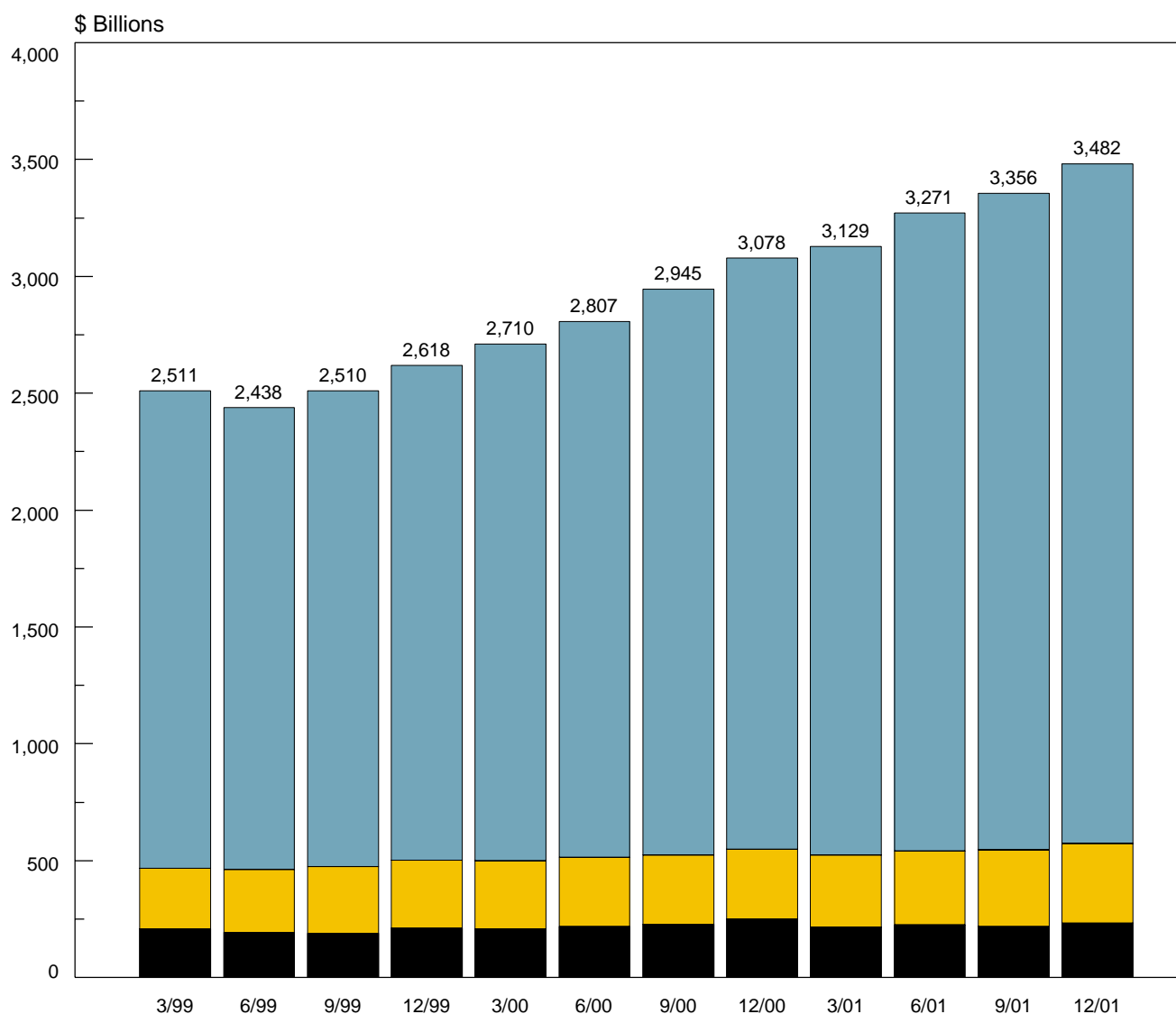
1984 - 2001

Date	Net Charge-Off Rate	Number of Bankruptcy Filings
3/31/84	1.37	71,697
6/30/84	1.48	71,955
9/30/84	1.59	71,201
12/31/84	1.81	69,554
3/31/85	1.98	72,887
6/30/85	2.31	84,243
9/30/85	2.65	87,727
12/31/85	2.95	96,376
3/31/86	3.21	103,088
6/30/86	3.28	114,384
9/30/86	3.35	116,037
12/31/86	3.38	116,204
3/31/87	3.46	116,578
6/30/87	3.37	122,689
9/30/87	3.10	123,868
12/31/87	3.26	127,409
3/31/88	3.18	133,712
6/30/88	3.22	138,245
9/30/88	3.12	136,561
12/31/88	3.17	139,215
3/31/89	3.10	144,711
6/30/89	3.21	157,955
9/30/89	3.01	152,696
12/31/89	3.28	161,404
3/31/90	3.08	166,694
6/30/90	3.34	179,943
9/30/90	3.50	177,351
12/31/90	3.86	193,872
3/31/91	4.16	212,913
6/30/91	4.78	227,853
9/30/91	4.79	214,174
12/31/91	4.64	217,160
3/31/92	4.84	233,973
6/30/92	4.97	232,657
9/30/92	4.31	220,021
12/31/92	4.57	212,112

Date	Net Charge-Off Rate	Number of Bankruptcy Filings
3/31/93	4.03	206,271
6/30/93	4.02	212,982
9/30/93	3.59	200,329
12/31/93	3.42	192,617
3/31/94	3.25	192,707
6/30/94	3.07	202,596
9/30/94	2.93	195,308
12/31/94	3.00	189,695
3/31/95	2.89	199,503
6/30/95	3.33	222,086
9/30/95	3.58	220,945
12/31/95	3.98	231,603
3/31/96	4.18	252,761
6/30/96	4.48	283,170
9/30/96	4.41	290,111
12/31/96	4.66	298,244
3/31/97	4.92	321,242
6/30/97	5.22	353,177
9/30/97	5.37	340,059
12/31/97	5.34	335,032
3/31/98	5.15	341,708
6/30/98	5.42	361,908
9/30/98	5.15	350,859
12/31/98	5.26	343,220
3/31/99	4.93	321,604
6/30/99	4.25	335,578
9/30/99	4.44	314,564
12/31/99	4.48	309,614
3/31/00	4.55	302,879
6/30/00	4.18	312,486
9/30/00	4.27	300,507
12/31/00	4.70	301,756
3/31/01	4.44	356,836
6/30/01	5.11	390,064
9/30/01	5.20	349,981
12/31/01	6.26	354,694



## Expansion of Credit Card Lines 1999 - 2001



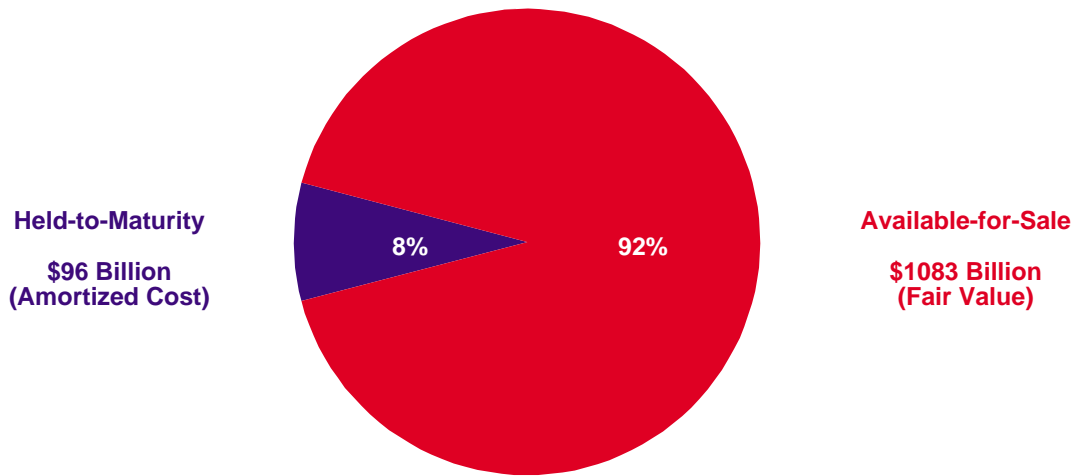
### Loans outstanding (\$ Billions)

■ Held on-balance-sheet *	208.0	192.9	189.3	212.1	207.6	219.0	228.7	249.4	216.4	226.3	218.4	232.4
■ Securitized & sold **	258.7	270.3	285.7	290.5	291.8	296.4	295.7	300.6	308.2	315.0	328.7	342.0
■ Unused commitments **	2,044.4	1,975.0	2,034.7	2,115.6	2,210.6	2,291.6	2,420.2	2,527.7	2,604.4	2,729.8	2,809.0	2,907.6
<b>Total</b>	<b>2,511.1</b>	<b>2,438.2</b>	<b>2,509.7</b>	<b>2,618.1</b>	<b>2,710.1</b>	<b>2,807.0</b>	<b>2,944.5</b>	<b>3,077.7</b>	<b>3,129.1</b>	<b>3,271.1</b>	<b>3,356.2</b>	<b>3,482.1</b>

\* Includes check credit and other revolving credit plans before 3/31/01.

\*\* Off-balance-sheet

**Total Securities\***  
December 31, 2001



**Total Securities\***  
December 31, 2001  
(\$ Millions)

	Held-to-Maturity		Available-for-Sale		Total Securities	Fair Value to Amortized Cost (%)
	Amortized Cost	Fair Value to Amortized Cost (%)	Fair Value	Fair Value to Amortized Cost (%)		
U.S. Government Obligations						
U.S. Treasury	\$4,774	101.7	\$40,281	101.1	\$45,055	101.1
U.S. Government Agencies	1,013	100.9	4,629	100.6	5,642	100.7
Government Sponsored Enterprises	26,069	101.2	164,077	101.4	190,146	101.3
Mortgage Pass-through Securities	17,436	101.8	365,114	100.4	382,551	100.5
Collateralized Mortgage Obligations	16,154	101.0	214,881	100.5	231,035	100.5
State, County, Municipal Obligations	22,495	101.8	73,994	101.4	96,489	101.5
Asset Backed Securities	449	100.3	107,728	100.7	108,177	100.7
Other Debt Securities	8,074	99.9	91,675	102.7	99,749	120.8
Equity Securities	**	**	20,717	106.1	20,717	106.1
<b>Total Securities</b>	<b>\$96,466</b>	<b>101.3</b>	<b>\$1,083,096</b>	<b>100.8</b>	<b>\$1,179,562</b>	<b>100.8</b>
Memoranda***						
Structured Notes	4,941		4,922			99.6

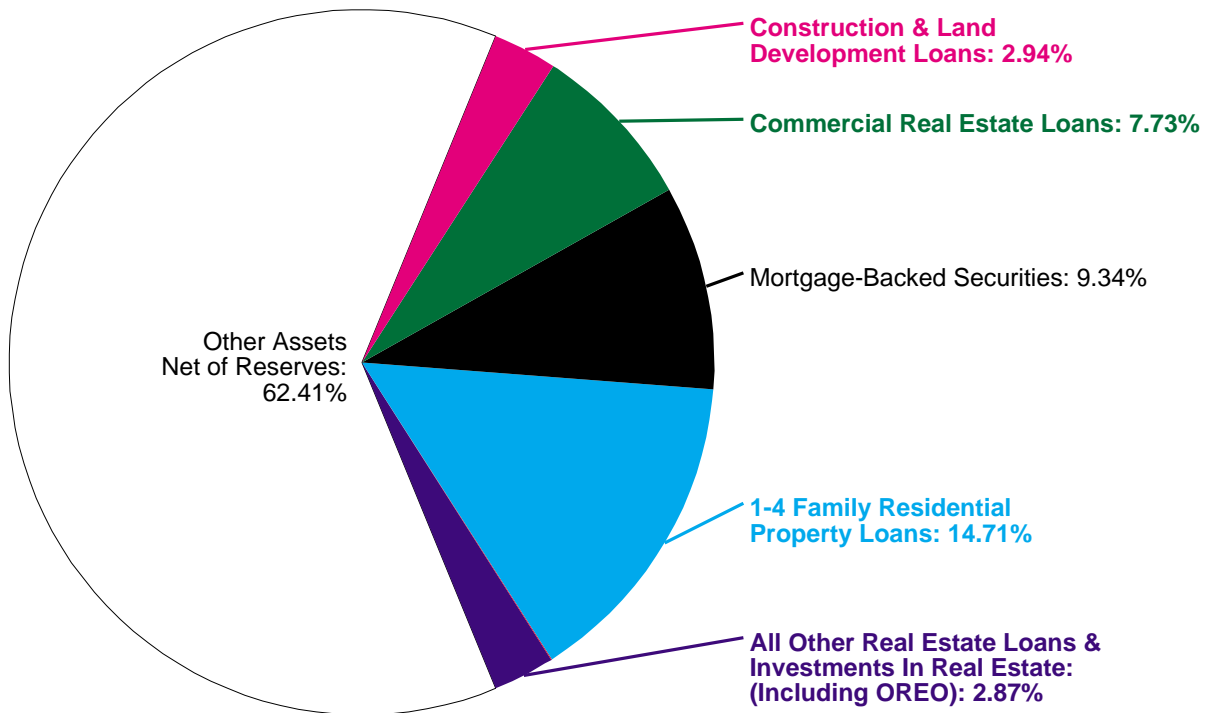
\* Excludes trading account assets.

\*\* Equity Securities are classified as 'Available-for-Sale'.

\*\*\* Structured notes are included in the 'Held-to-Maturity' or 'Available-for-Sale' accounts.

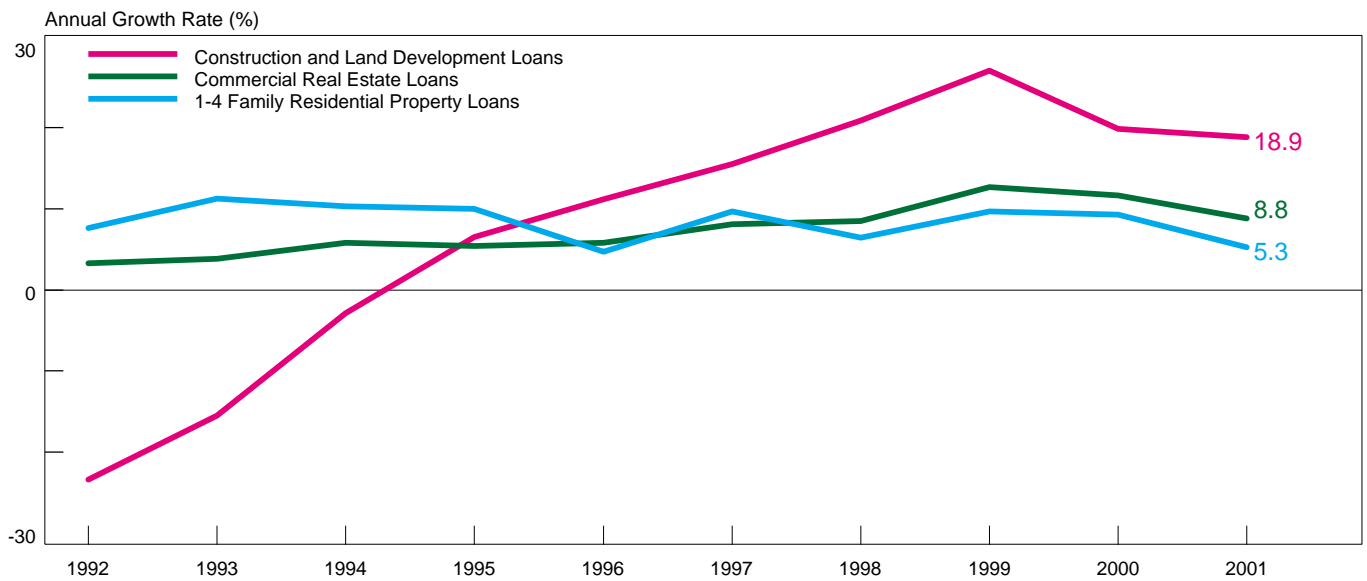
## Real Estate Assets as a Percent of Total Assets

December 31, 2001



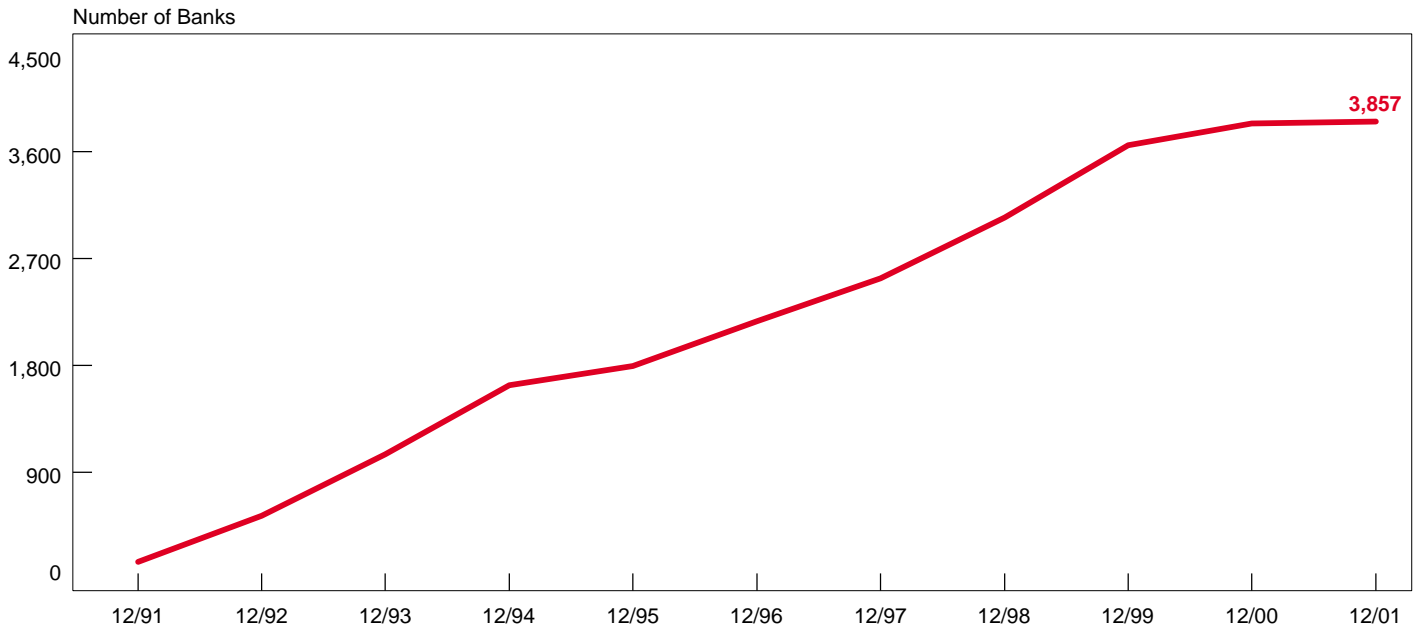
## Real Estate Loan Growth Rates\*

1992 - 2001



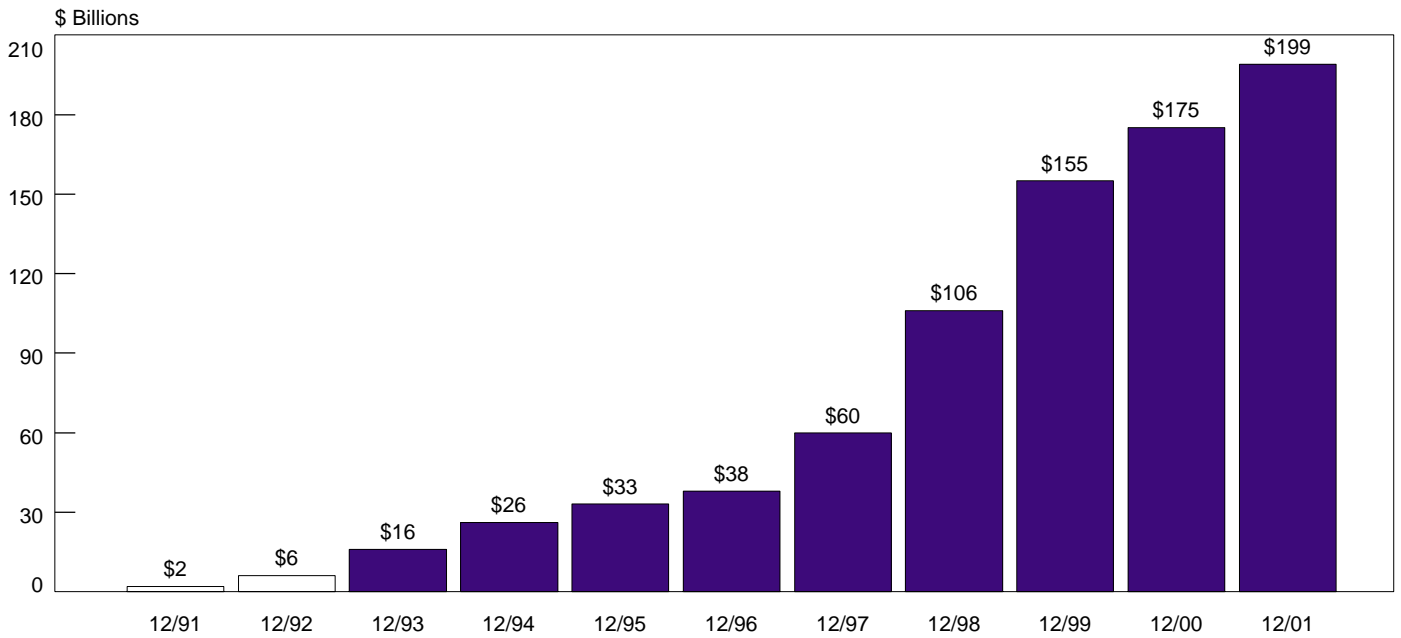
## Number of Commercial Banks with FHLB Advances\*

1991 - 2001



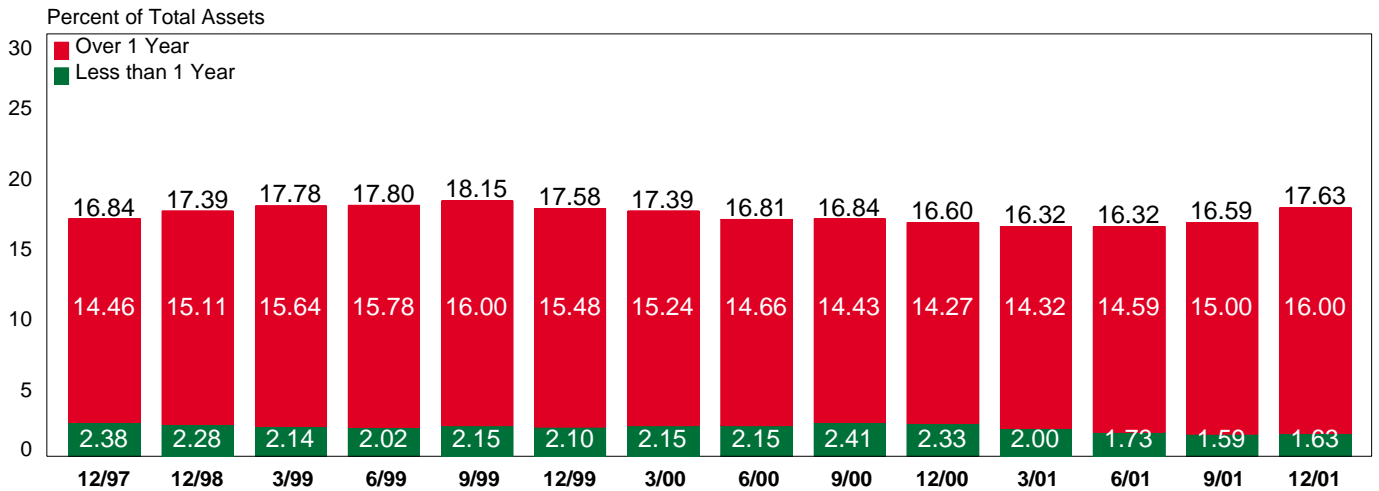
## Amount of FHLB Advances Outstanding\*

1991 - 2001

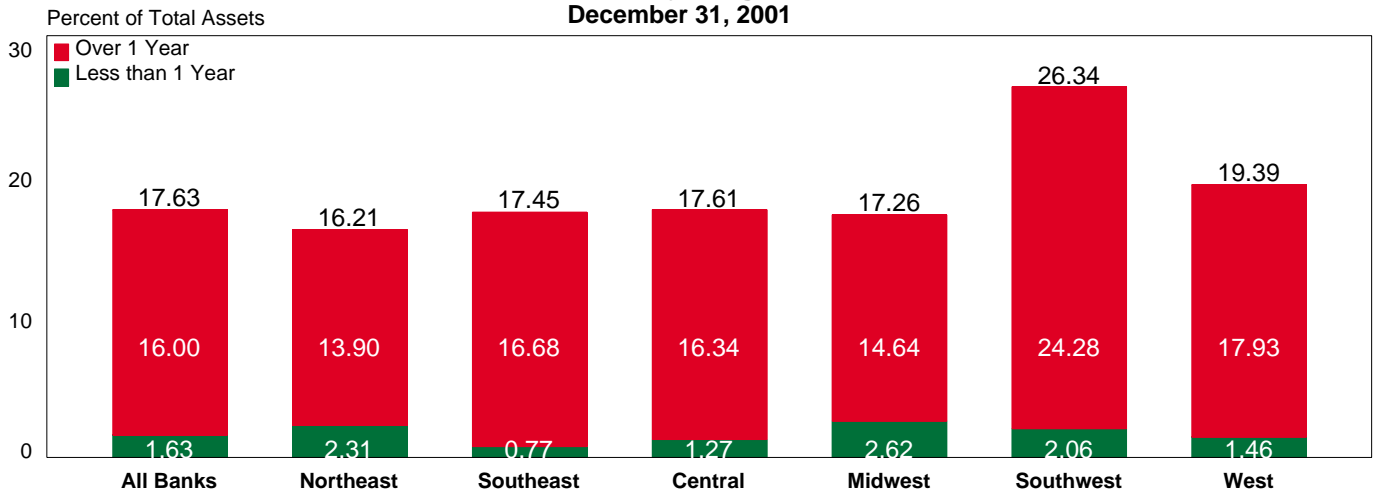


\* Source: Call Report and FHFB prior to 3/31/01.

## Debt Securities by Maturity or Repricing Frequency . . .



## . . . and by Region December 31, 2001



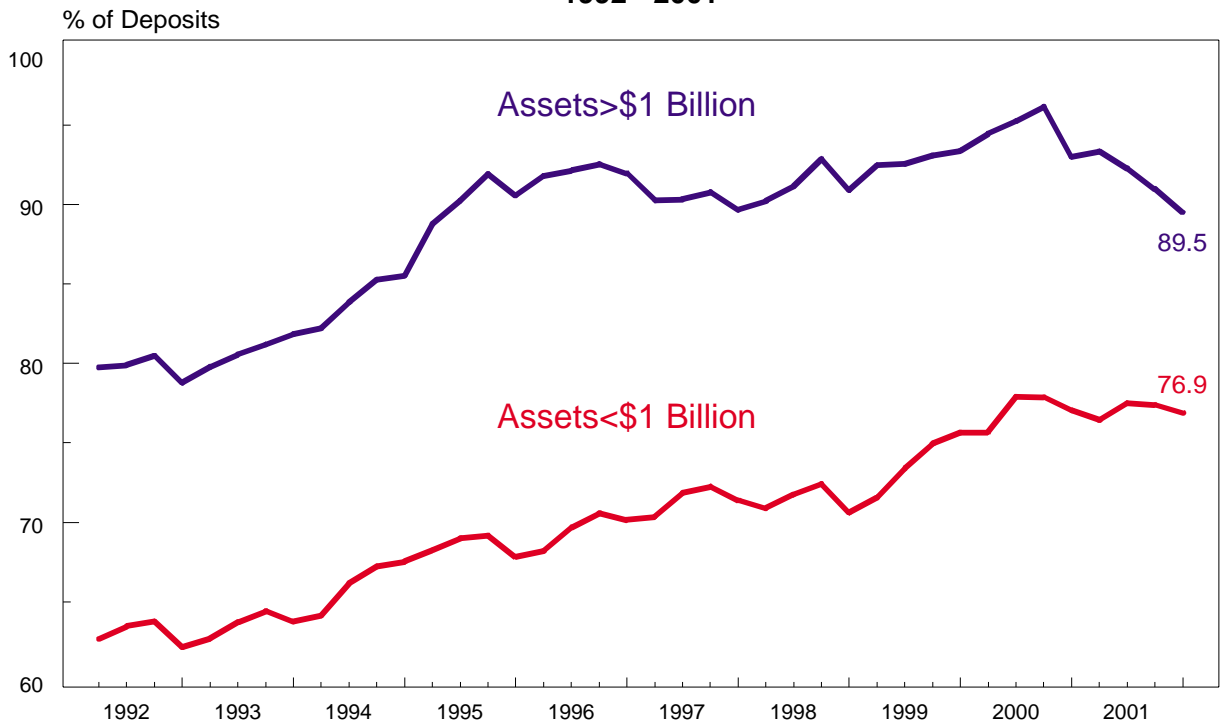
## Total Securities (Debt and Equity) (\$ Billions)

	12/99	3/00	6/00	9/00	12/00	3/01	6/01	9/01	12/01
U.S. Government Obligations:									
U.S. Treasury	113	109	102	94	76	56	55	48	45
U.S. Agencies	5	5	5	5	5	6	4	4	6
Government Sponsored Enterprises	203	214	219	229	225	204	183	181	190
Mortgage Pass-through Securities	285	286	285	284	296	317	330	365	383
Collateralized Mortgage Obligations	170	175	168	166	175	178	178	195	231
State, County, Municipal Obligations	89	89	90	90	93	94	94	96	96
Asset Backed Securities	*	*	*	*	*	71	88	94	108
Other Debt Securities	*	*	*	*	*	107	105	105	100
Equity Securities	<u>37</u>	<u>39</u>	<u>40</u>	<u>40</u>	<u>41</u>	<u>18</u>	<u>18</u>	<u>18</u>	<u>21</u>
Total Securities	\$1,047	\$1,057	\$1,047	\$1,062	\$1,079	\$1,049	\$1,056	\$1,107	\$1,180

\* Not reported prior to 3/01

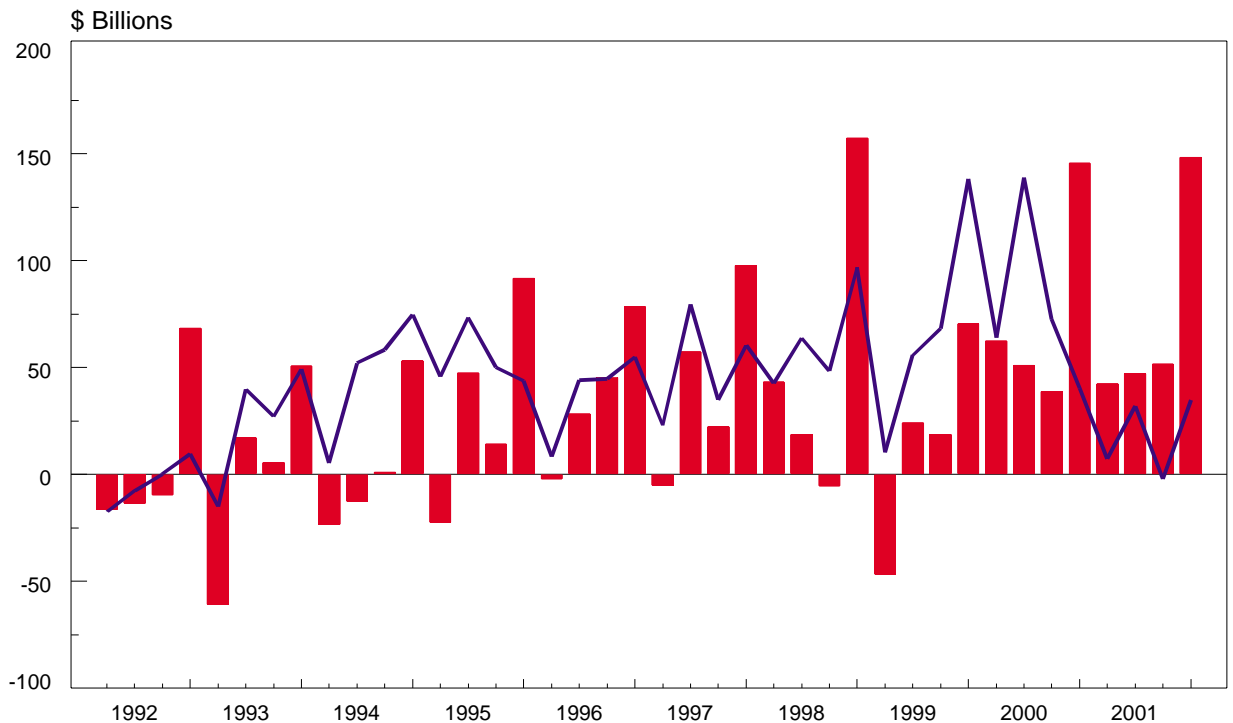
## Net Loans and Leases to Deposits (Domestic and Foreign)

1992 - 2001



## Quarterly Change in Domestic Loans vs Domestic Deposits

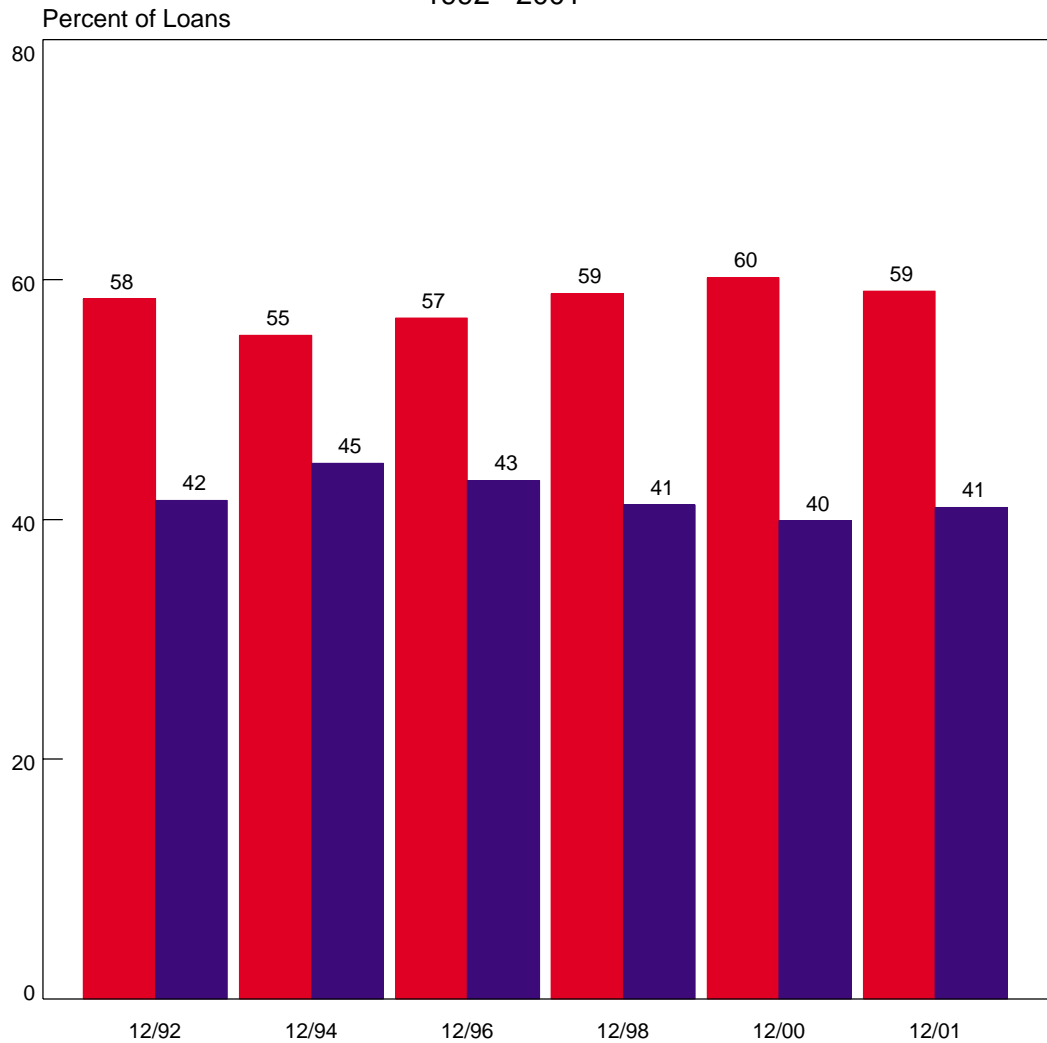
1992 - 2001



## Credit Risk Diversification

### Consumer Loans versus Loans to Commercial Borrowers (as a Percent of Total Loans)

1992 - 2001



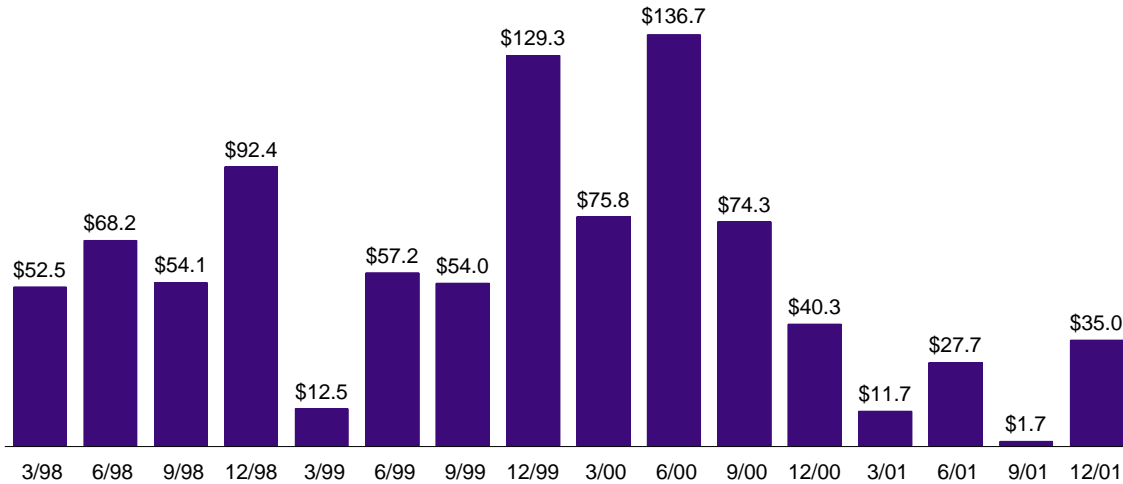
#### Loans (\$ Billions):

■ Commercial Borrowers	\$1,192	\$1,308	\$1,599	\$1,906	\$2,298	\$2,301
■ Consumer Loans	849	1,056	1,218	1,336	1,524	1,597

**Loans to Commercial Borrowers (Credit Risk Concentrated)** - These are loans that can have relatively large balances at risk to a single borrower. A single loan may represent a significant portion of an institution's capital or income. Therefore, a relatively small number of defaults could impair an institution's capital or income. These loans include commercial and industrial loans, commercial real estate, construction loans, and agricultural loans.

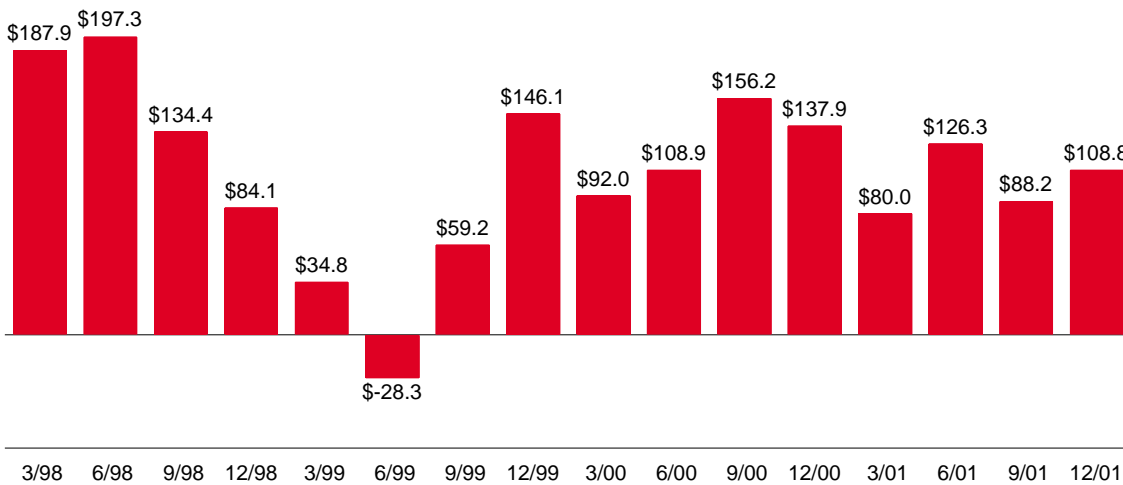
**Consumer Loans (Credit Risk Diversified)** - These are loans that typically have relatively small balances spread among a large number of borrowers. A number of defaults are likely but typically do not impair an institution's capital or income. These loans include consumer and credit card loans, 1-4 family residential mortgages and home equity loans.

## Quarterly Change in Reported Loans Outstanding (\$ Billions)



In the fourth quarter of 2001, 1-4 family loans increased by \$34.8 billion and credit card loans increased by \$14 billion, while commercial and industrial loans decreased by \$27.9 billion.

## Quarterly Change in Unused Loan Commitments (\$ Billions)

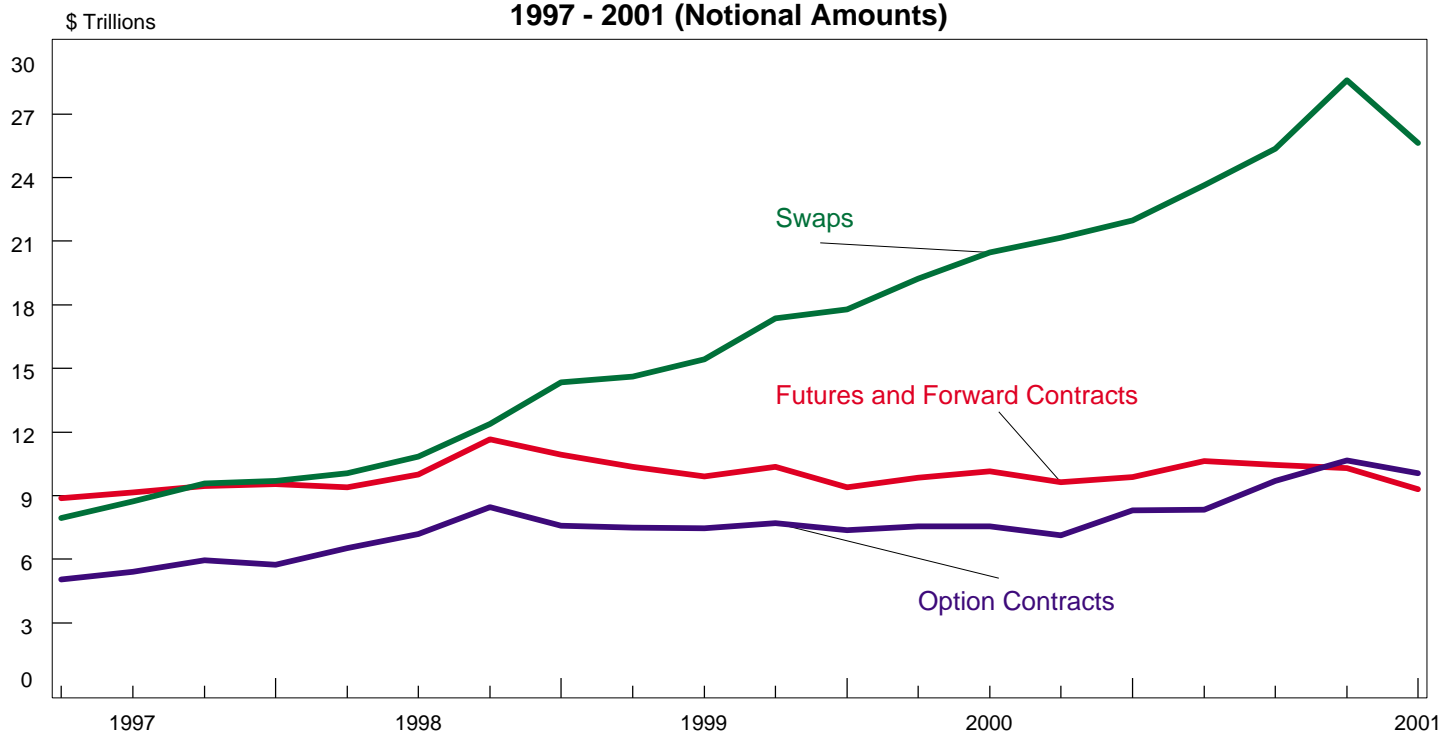


In the fourth quarter of 2001, unused credit card commitments increased by \$98.6 billion, while unused commitments for loans to businesses decreased by \$1.9 billion.



## Derivatives

### 1997 - 2001 (Notional Amounts)



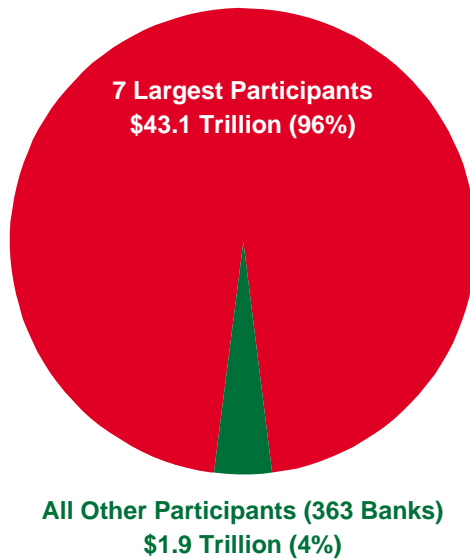
	12/97	12/98	12/99	12/00	3/01	6/01	9/01	12/01
<b>Total Derivatives</b> (Notional Amounts, in billions of dollars)	\$25,011	\$32,863	\$34,533	\$40,145	\$42,594	\$45,523	\$49,586	\$45,012
<b>Futures and Forward Contracts</b>	<b>9,551</b>	<b>10,924</b>	<b>9,390</b>	<b>9,877</b>	<b>10,619</b>	<b>10,459</b>	<b>10,311</b>	<b>9,313</b>
Interest rate contracts	4,083	5,521	5,096	5,302	5,612	5,803	5,908	5,310
Foreign exchange rate contracts	5,359	5,308	4,175	4,425	4,853	4,507	4,263	3,862
Other futures and forwards*	109	95	119	150	154	149	141	141
<b>Option Contracts</b>	<b>5,754</b>	<b>7,592</b>	<b>7,361</b>	<b>8,301</b>	<b>8,336</b>	<b>9,703</b>	<b>10,674</b>	<b>10,054</b>
Interest rate options	3,985	5,679	5,795	6,744	6,580	7,782	8,686	8,618
Foreign currency options	1,457	1,393	965	775	955	1,129	1,132	743
Other option contracts*	312	520	601	782	800	792	856	693
<b>Swaps</b>	<b>9,706</b>	<b>14,347</b>	<b>17,781</b>	<b>21,968</b>	<b>23,640</b>	<b>25,360</b>	<b>28,600</b>	<b>25,645</b>
Interest rate swaps	9,020	13,592	16,884	20,920	22,527	24,147	27,273	24,401
Foreign exchange rate swaps	614	686	774	899	971	1,054	1,187	1,129
Other swaps*	73	69	123	148	141	160	139	115
<b>Memoranda</b>								
Spot Foreign Exchange Contracts	317	375	66	189	401	440	379	111
Credit Derivatives	55	144	287	426	352	351	360	395
Number of banks reporting derivatives	461	447	418	401	386	367	362	370
Replacement cost of interest rate and foreign exchange rate contracts **	355	471	361	449	544	521	712	598

\* Not reported by banks with less than \$300 million in assets.

\*\* Reflects replacement cost of interest rate and foreign exchange contracts covered by risk-based-capital requirements. Does not include foreign exchange rate contracts with an original maturity of 14 days or less or futures contracts.

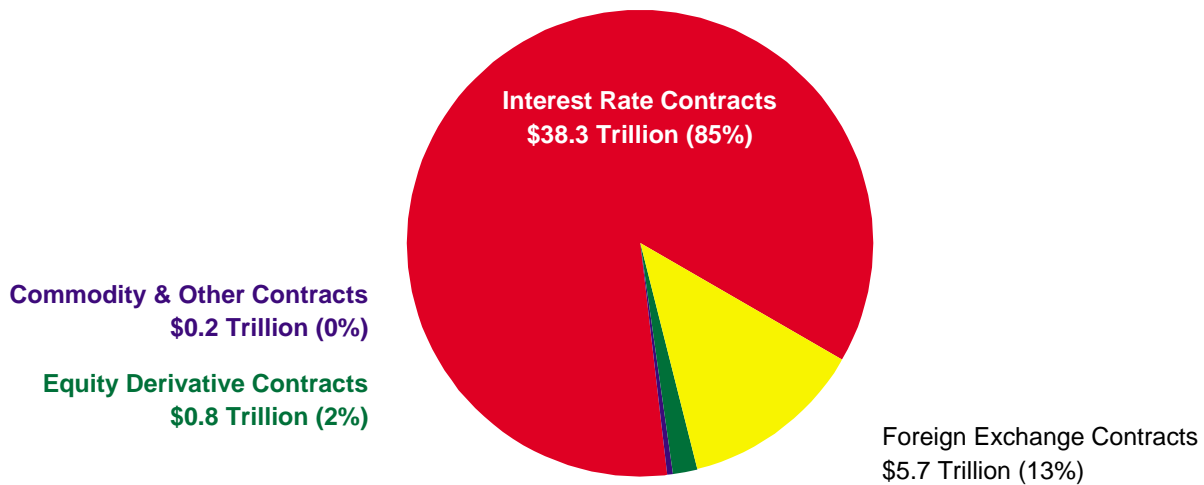
## Concentration of Derivatives\*

Notional Amounts  
December 31, 2001



## Composition of Derivatives\*

Notional Amounts  
December 31, 2001

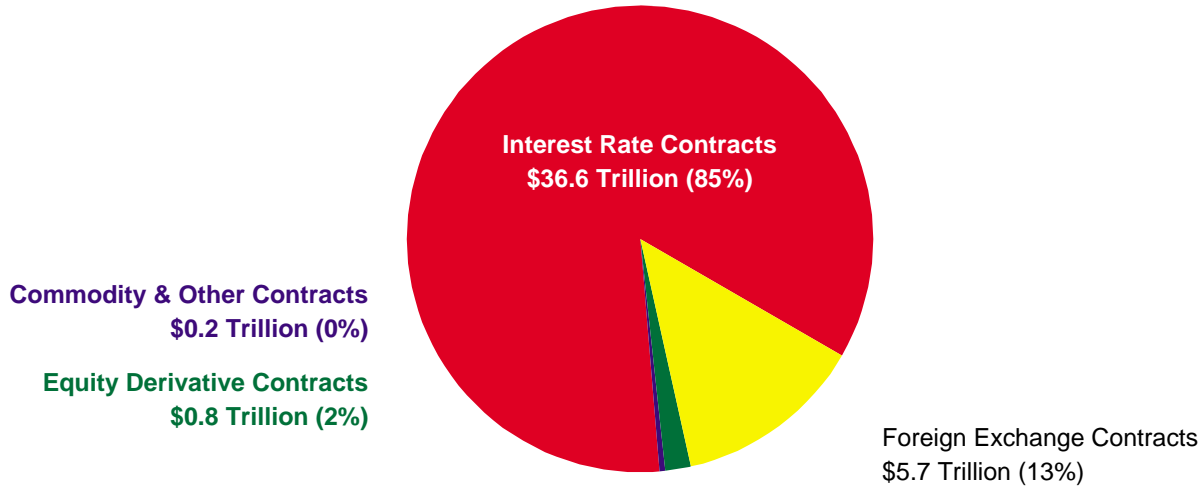


\*Amounts do not represent either the net market position or the credit exposure of banks' derivative activities. They represent the gross value of all contracts written. Spot foreign exchange contracts of \$84 billion for the seven largest participants and \$26 billion for all others are not included.

## Purpose of Derivatives\* Held for Trading

### Notional Amounts

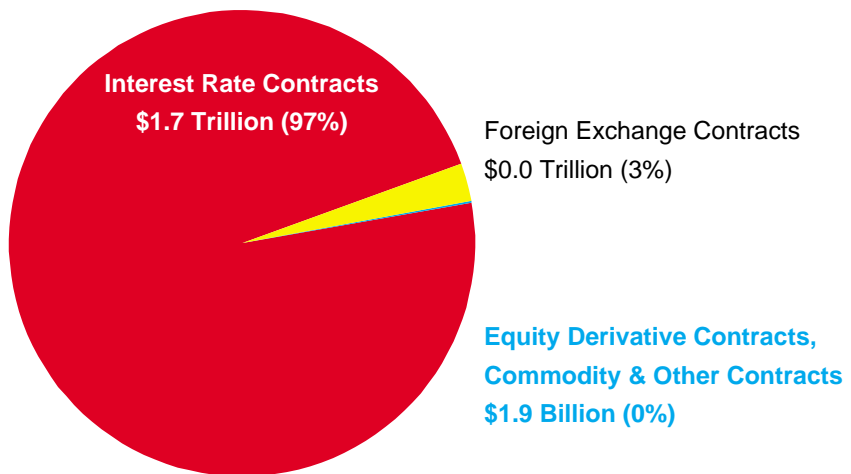
December 31, 2001



## Not Held for Trading

### Notional Amounts

December 31, 2001



\* Notional amounts do not represent either the net market position or the credit exposure of banks' derivative activities. They represent the gross value of all contracts written. Spot foreign exchange contracts of \$111 billion are not included.

## Positions of Derivatives Gross Fair Values

December 31, 2001  
(\$ Millions)

### Held for Trading

95 Banks Held Derivative Contracts for Trading

7 Largest Participants Held 97% of Total (Notional Amount)

(Marked to Market)

	Interest Rate	Foreign Exchange	Equity Derivatives	Commodity & Other	Total	Net
<b>Seven Largest Participants</b>						
Gross positive fair value	443,837	122,384	30,342	12,602	609,164	25,376
Gross negative fair value	423,655	119,952	29,463	10,718	583,788	
<b>All other participants</b>						
Gross positive fair value	9,512	5,694	649	671	16,526	552
Gross negative fair value	8,262	6,162	878	673	15,975	
<b>Total</b>						
Gross positive fair value	453,350	128,078	30,990	13,273	625,691	25,928
Gross negative fair value	431,917	126,113	30,342	11,391	599,763	

### Held for Purposes Other than Trading

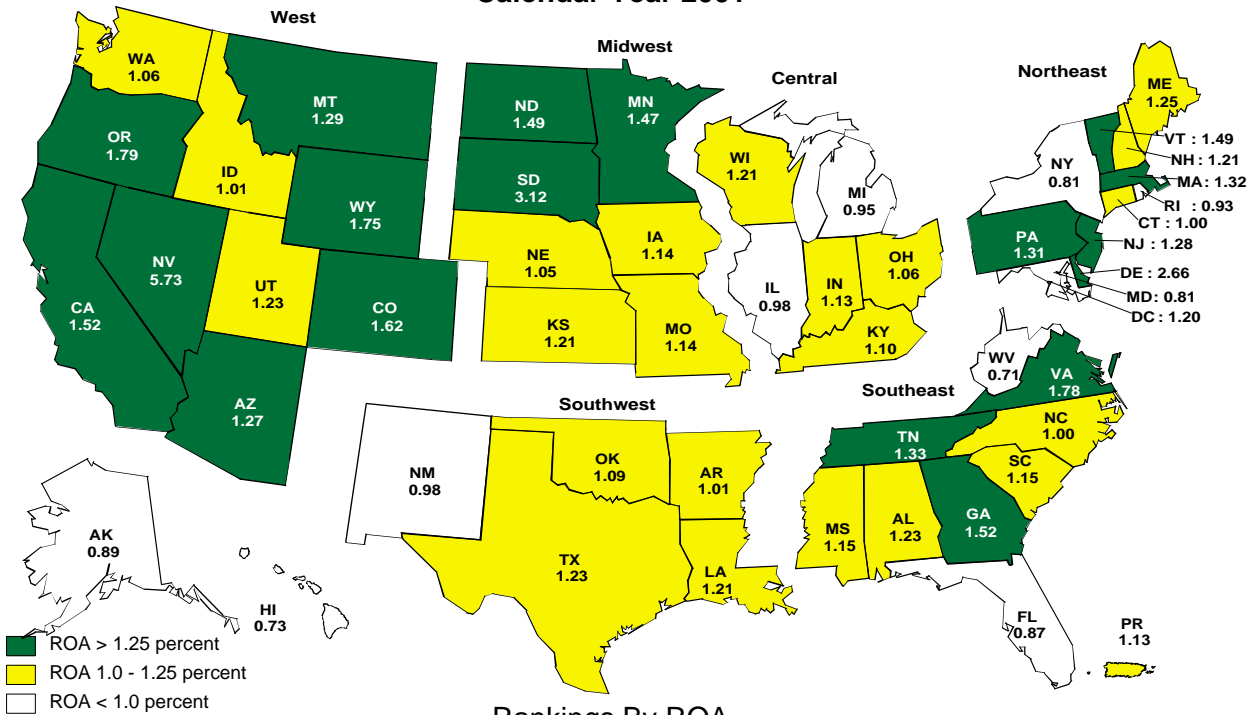
313 Banks Held Derivative Contracts for Purposes Other than Trading

7 Largest Participants Held 70% of Total (Notional Amount)

	Interest Rate	Foreign Exchange	Equity Derivatives	Commodity & Other	Total	Net
<b>Seven Largest Participants</b>						
Gross positive fair value	8,892	813	23	0	9,728	3,581
Gross negative fair value	5,832	290	26	0	6,148	
<b>All other participants</b>						
Gross positive fair value	7,109	205	97	0	7,412	1,142
Gross negative fair value	5,595	544	130	0	6,269	
<b>Total</b>						
Gross positive fair value	16,002	1,018	120	0	17,140	4,723
Gross negative fair value	11,427	834	156	0	12,417	

# Return On Assets (ROA)

Calendar Year 2001



## Rankings By ROA

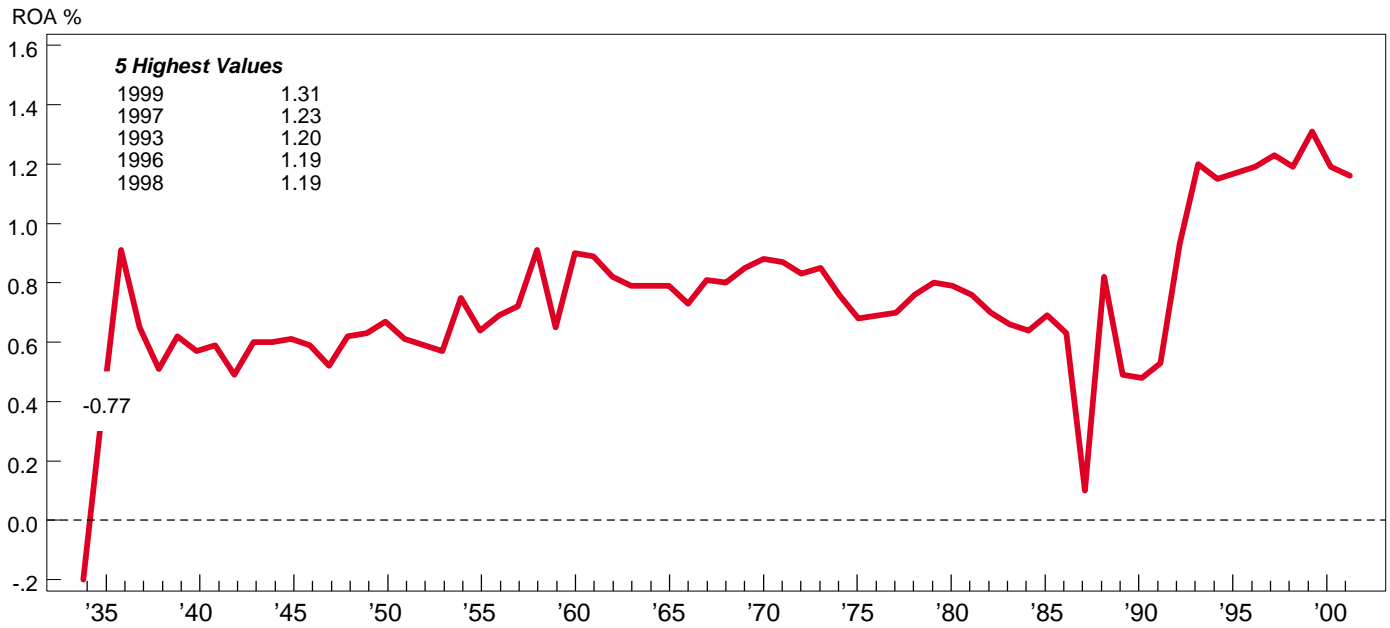
	No. of Inst. as of 12/31/01	2001	2000	Change*		No. of Inst. as of 12/31/01	2001	2000	Change*
1 Nevada	34	5.73	3.52	221	28 Mississippi	99	1.15	1.10	5
2 South Dakota	93	3.12	2.35	77	29 South Carolina	77	1.15	1.13	2
3 Delaware	33	2.66	2.01	65	30 Iowa	417	1.14	1.11	3
4 Oregon	33	1.79	1.23	56	31 Missouri	351	1.14	1.20	(6)
5 Virginia	138	1.78	1.80	(2)	32 Indiana	154	1.13	0.89	24
6 Wyoming	45	1.75	2.26	(51)	33 Puerto Rico	12	1.13	1.04	9
7 Colorado	176	1.62	1.25	37	34 Kentucky	230	1.10	1.13	(3)
8 California	301	1.52	1.17	35	35 Oklahoma	282	1.09	1.07	2
9 Georgia	324	1.52	1.95	(43)	36 Ohio	202	1.06	1.30	(24)
10 North Dakota	104	1.49	1.36	13	37 Washington	76	1.06	1.25	(19)
11 Vermont	18	1.49	1.48	1	38 Nebraska	275	1.05	1.21	(16)
12 Minnesota	481	1.47	1.44	3	39 Arkansas	178	1.01	1.01	0
13 Tennessee	189	1.33	1.16	17	40 Idaho	17	1.01	1.08	(7)
14 Massachusetts	43	1.32	1.10	22	41 Connecticut	25	1.00	1.48	(48)
15 Pennsylvania	181	1.31	1.46	(15)	42 North Carolina	75	1.00	0.84	16
16 Montana	82	1.29	1.37	(8)	43 Illinois	692	0.98	0.68	30
17 New Jersey	81	1.28	1.13	15	44 New Mexico	53	0.98	0.46	52
18 Arizona	43	1.27	1.29	(2)	45 Michigan	162	0.95	1.40	(45)
19 Maine	15	1.25	1.20	5	46 Rhode Island	8	0.93	1.61	(68)
20 Alabama	158	1.23	1.10	13	47 Alaska	6	0.89	1.02	(13)
21 Texas	686	1.23	1.01	22	48 Florida	260	0.87	0.99	(12)
22 Utah	55	1.23	1.45	(22)	49 Maryland	74	0.81	1.30	(49)
23 Kansas	373	1.21	1.37	(16)	50 New York	140	0.81	1.15	(34)
24 Louisiana	143	1.21	0.91	30	51 Hawaii	8	0.73	1.04	(31)
25 New Hampshire	15	1.21	3.53	(232)	52 West Virginia	72	0.71	0.77	(6)
26 Wisconsin	281	1.21	0.80	41					
27 District of Col.	4	1.20	0.39	81	U.S. and Terr.	8,080	1.16	1.19	(3)

\*ROA minus ROA for the same period one year ago equals change in basis points. Basis point=1/100 of a percent.

Results for four of the states with the highest ROAs (SD, NV, DE, & NH) were significantly influenced by the presence of large credit card operations.

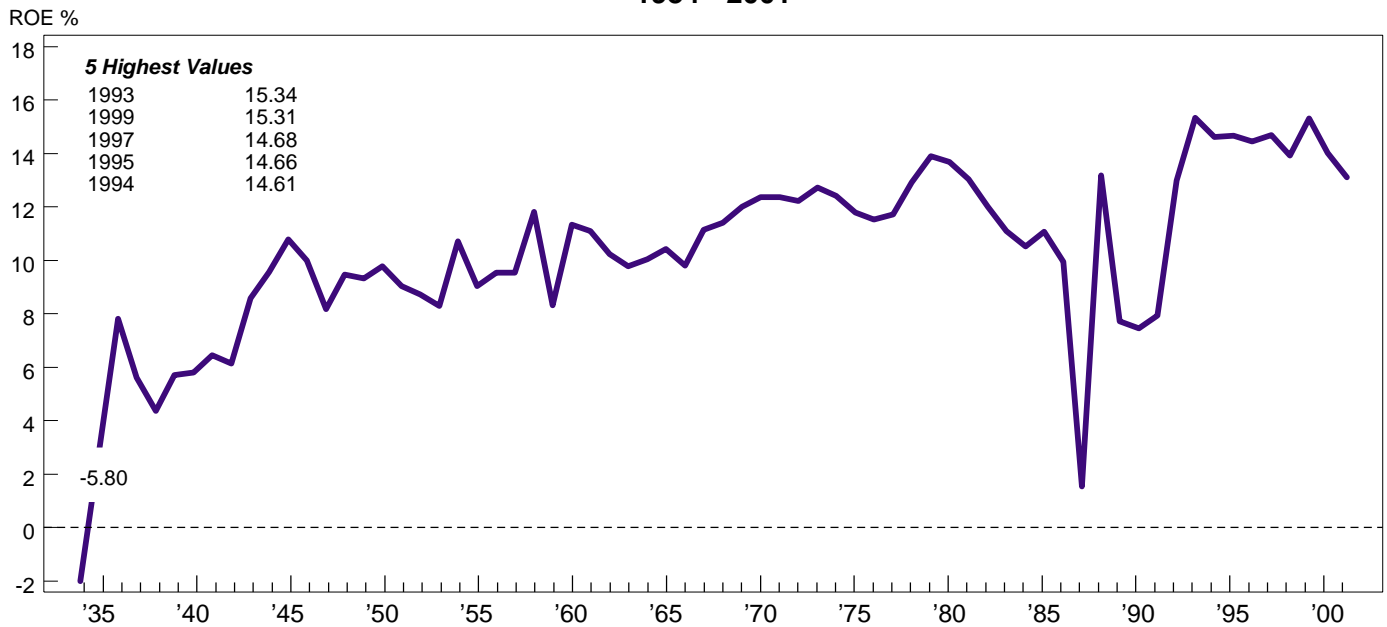
## Annual Return on Assets (ROA)

1934 - 2001



## Annual Return on Equity (ROE)

1934 - 2001



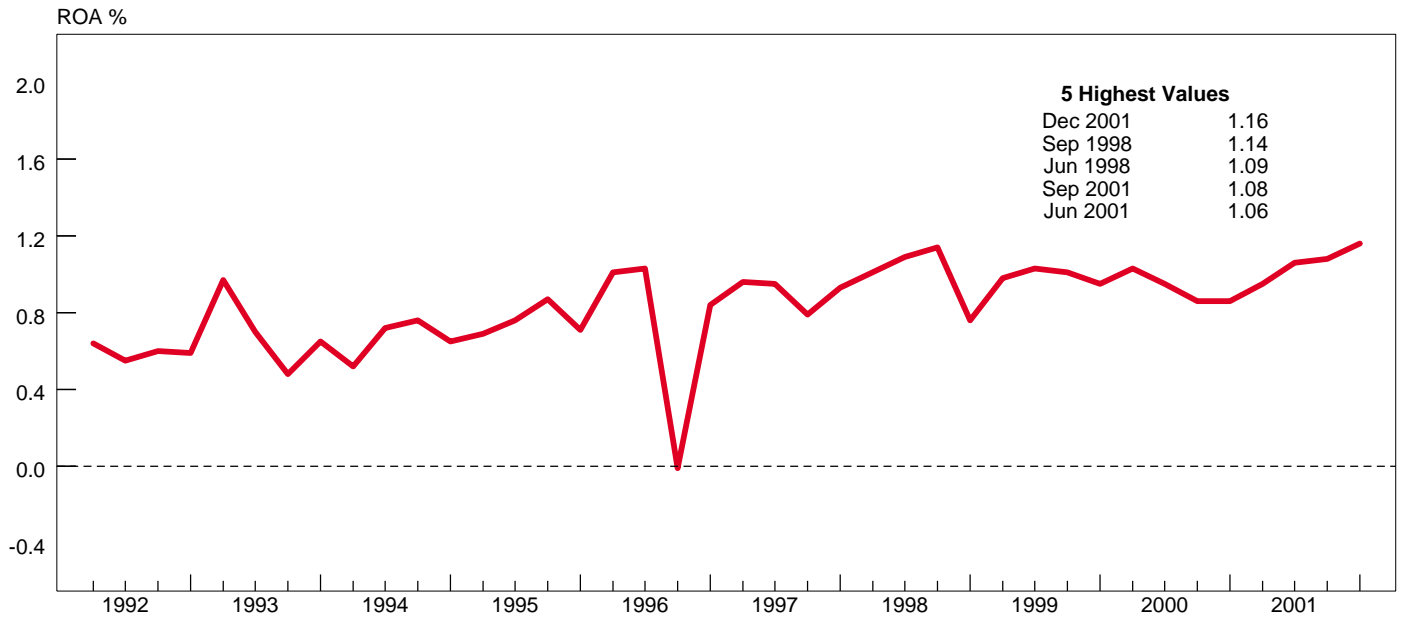
**Annual Return on Assets (ROA) and  
Equity (ROE), and Net Income  
1934 - 2001**

Year	ROA (Percent)	ROE (Percent)	Net Income (\$ Millions)
2001	1.16	13.10	74,310
2000	1.19	14.02	71,009
1999	1.31	15.31	71,545
1998	1.19	13.93	61,784
1997	1.23	14.68	59,156
1996	1.19	14.45	52,350
1995	1.17	14.66	48,745
1994	1.15	14.61	44,622
1993	1.20	15.34	43,035
1992	0.93	12.98	31,987
1991	0.53	7.94	17,935
1990	0.48	7.46	15,991
1989	0.49	7.71	15,575
1988	0.82	13.19	24,812
1987	0.10	1.55	2,803
1986	0.63	9.94	17,418
1985	0.69	11.07	17,977
1984	0.64	10.52	15,500
1983	0.66	11.09	14,931
1982	0.70	12.02	14,844
1981	0.76	13.04	14,722
1980	0.79	13.68	14,010
1979	0.80	13.91	12,839
1978	0.76	12.91	10,758
1977	0.70	11.72	8,881
1976	0.69	11.53	7,844
1975	0.68	11.79	7,257
1974	0.76	12.42	7,092
1973	0.85	12.73	6,580
1972	0.83	12.23	5,654
1971	0.87	12.37	5,236
1970	0.88	12.36	4,837
1969	0.85	12.01	4,335
1968	0.80	11.40	3,792

Year	ROA (Percent)	ROE (Percent)	Net Income (\$ Millions)
1967	0.81	11.15	3,456
1966	0.73	9.81	2,857
1965	0.79	10.43	2,861
1964	0.79	10.04	2,602
1963	0.79	9.78	2,393
1962	0.82	10.24	2,348
1961	0.89	11.11	2,374
1960	0.90	11.33	2,257
1959	0.65	8.31	1,553
1958	0.91	11.82	2,082
1957	0.72	9.55	1,578
1956	0.69	9.53	1,476
1955	0.64	9.03	1,320
1954	0.75	10.72	1,473
1953	0.57	8.30	1,070
1952	0.59	8.73	1,067
1951	0.61	9.04	1,047
1950	0.67	9.79	1,072
1949	0.63	9.33	968
1948	0.62	9.48	941
1947	0.52	8.18	775
1946	0.59	10.00	894
1945	0.61	10.79	894
1944	0.60	9.56	736
1943	0.60	8.59	623
1942	0.49	6.13	426
1941	0.59	6.46	436
1940	0.57	5.80	383
1939	0.62	5.71	370
1938	0.51	4.37	281
1937	0.65	5.61	357
1936	0.91	7.81	490
1935	0.36	2.82	174
1934	(0.77)	(5.80)	(357)

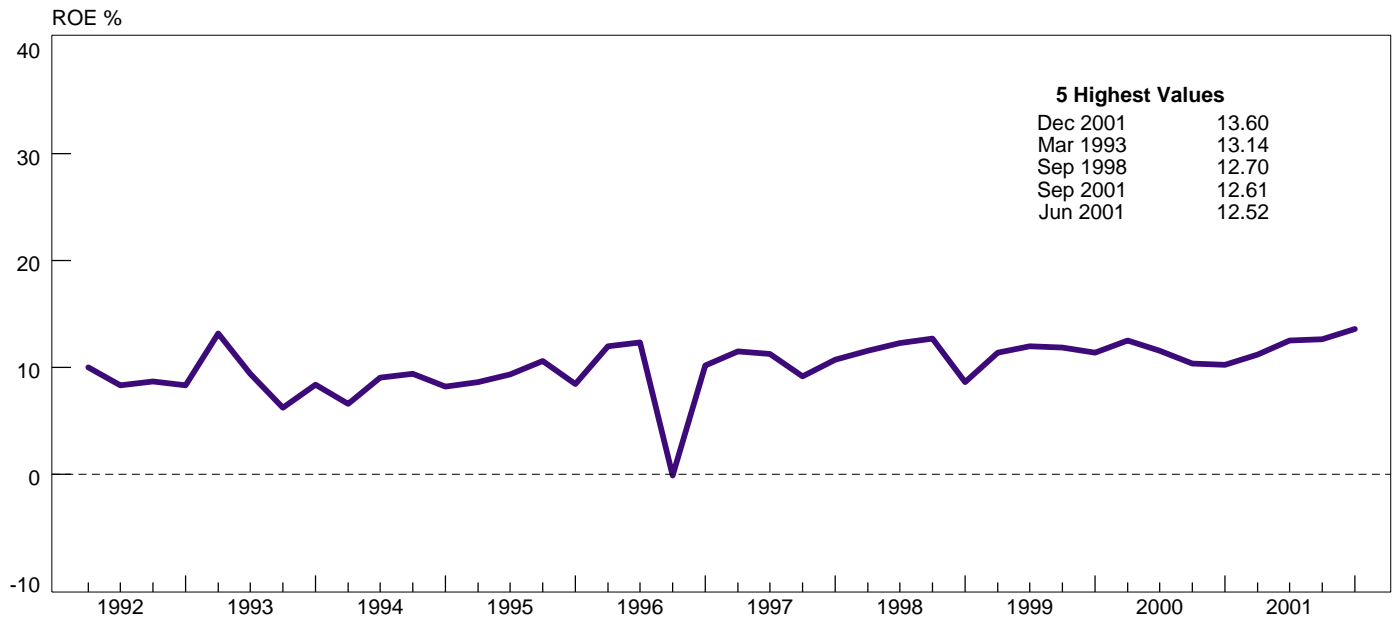
## Quarterly Return on Assets (ROA), Annualized

1992 - 2001



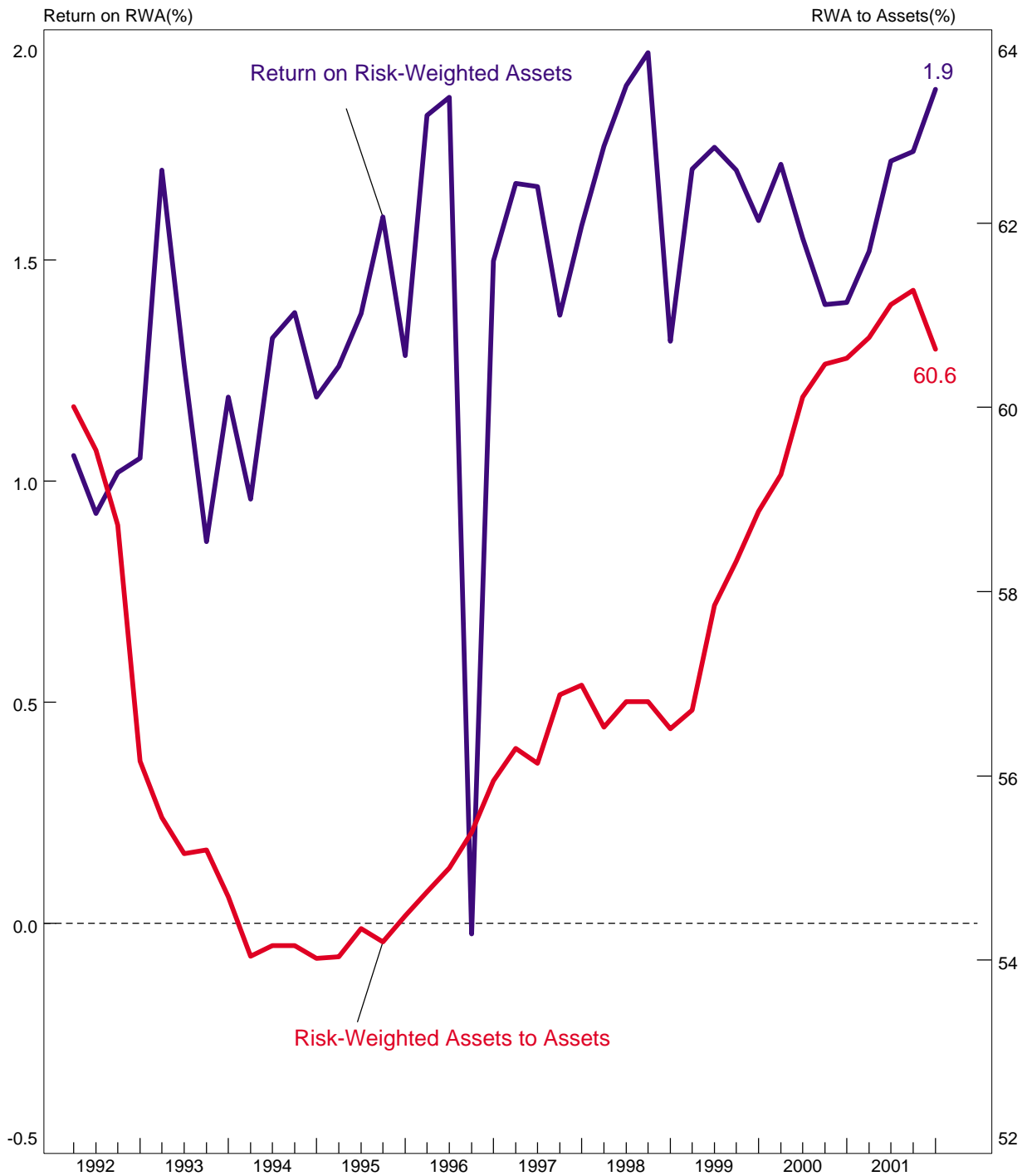
## Quarterly Return on Equity (ROE), Annualized

1992 - 2001





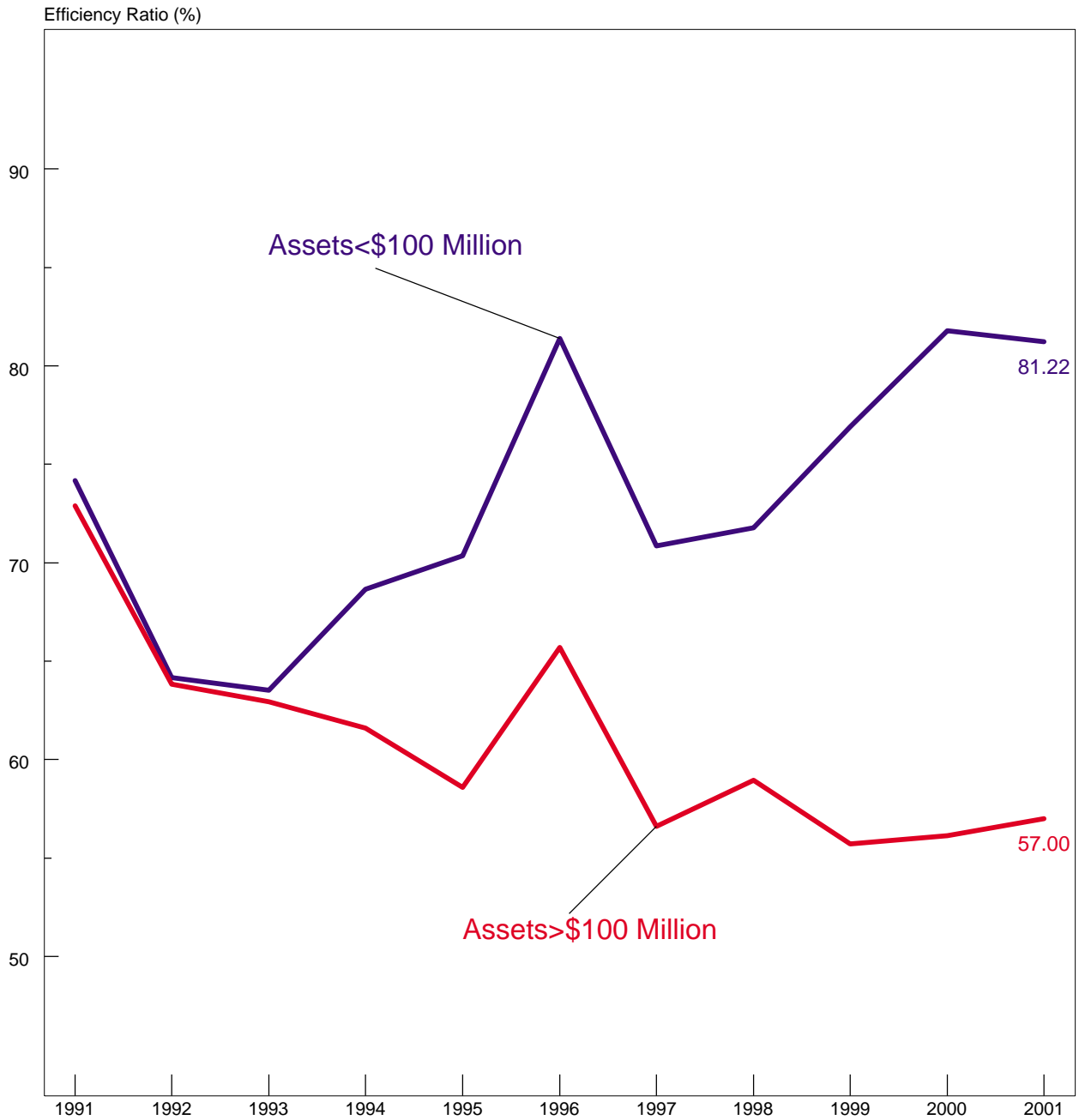
## Quarterly Return on Risk-Weighted Assets (RWA)\* and RWA to Total Assets 1992 - 2001



\* Assets weighted according to risk categories used in regulatory capital computations.

# Annual Efficiency Ratios

1991 - 2001



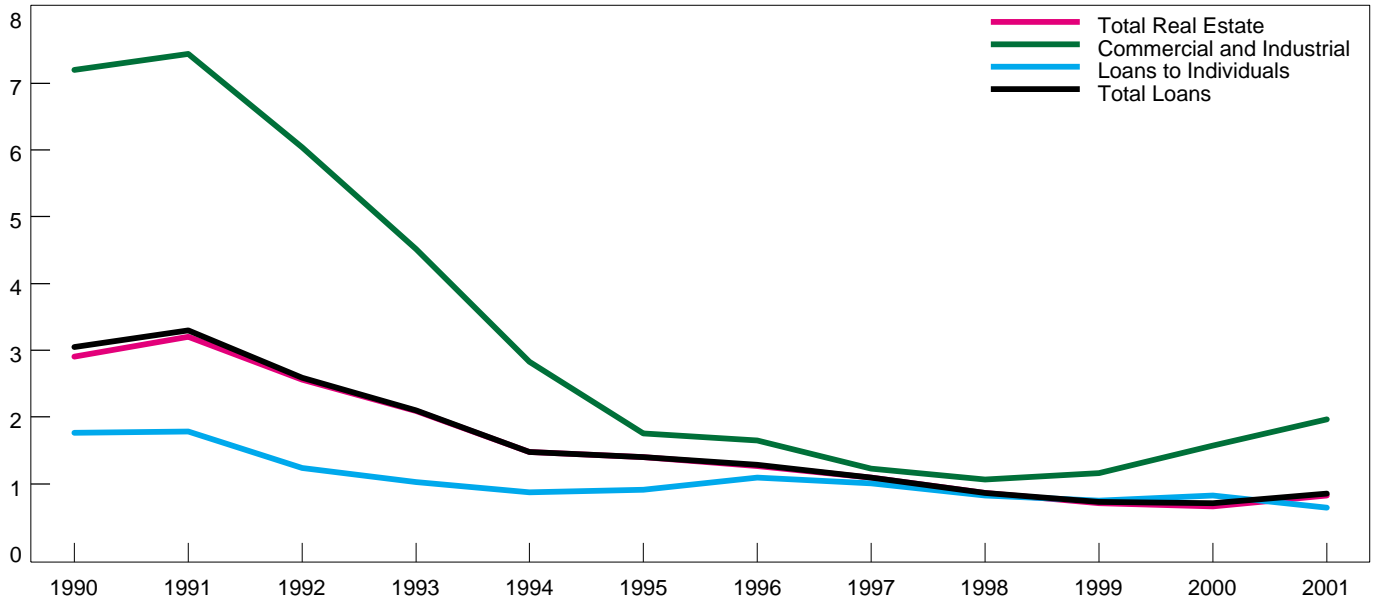
<b>Assets &lt;\$100 Million</b>	<b>74.18</b>	<b>64.16</b>	<b>63.52</b>	<b>68.66</b>	<b>70.36</b>	<b>81.40</b>	<b>70.86</b>	<b>71.76</b>	<b>76.90</b>	<b>81.78</b>	<b>81.22</b>
<b>Assets &gt;\$100 Million</b>	<b>72.89</b>	<b>63.84</b>	<b>62.94</b>	<b>61.60</b>	<b>58.59</b>	<b>65.69</b>	<b>56.60</b>	<b>58.94</b>	<b>55.71</b>	<b>56.13</b>	<b>57.00</b>
<b>Total</b>	<b>72.96</b>	<b>63.86</b>	<b>62.97</b>	<b>61.99</b>	<b>59.17</b>	<b>66.39</b>	<b>57.25</b>	<b>59.42</b>	<b>56.42</b>	<b>57.11</b>	<b>57.79</b>

\* Noninterest expense less amortization of intangible assets as a percent of net interest income plus noninterest income.

## Noncurrent Loan Rates at Year-end

1990 - 2001

Percent of Loans

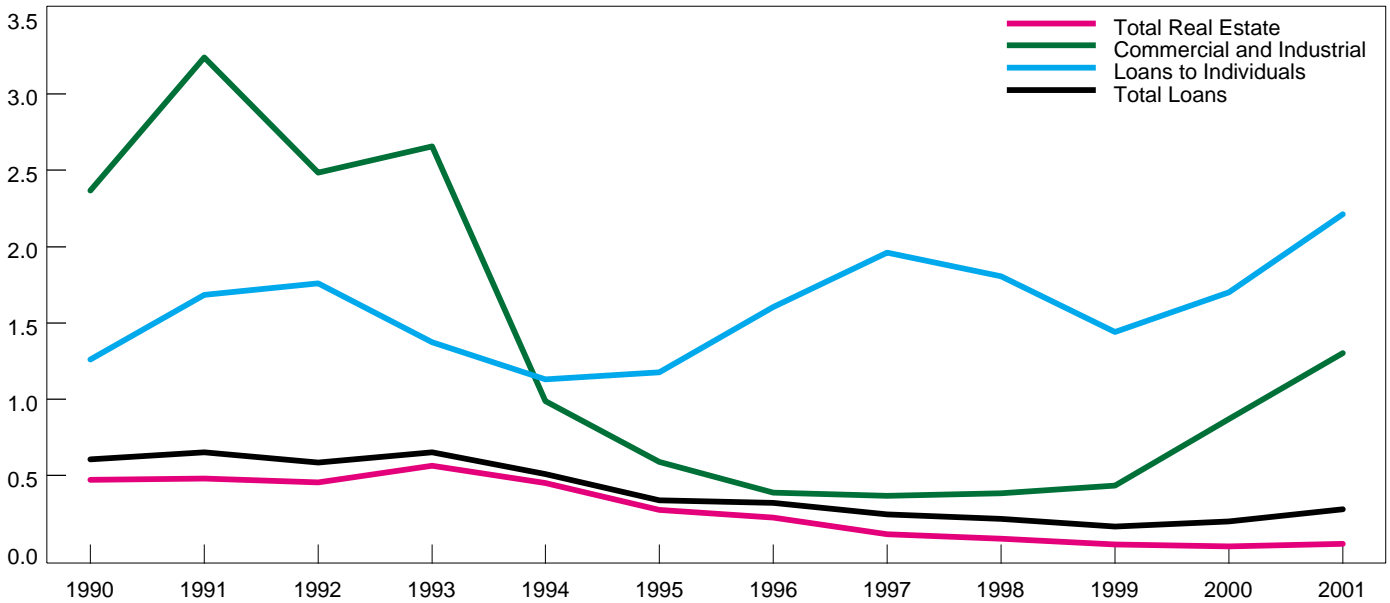


Note: Noncurrent loan rates represent the percentage of loans that are past due 90 days or more or in nonaccrual status.

## Annual Net Charge-off Rates on Loans

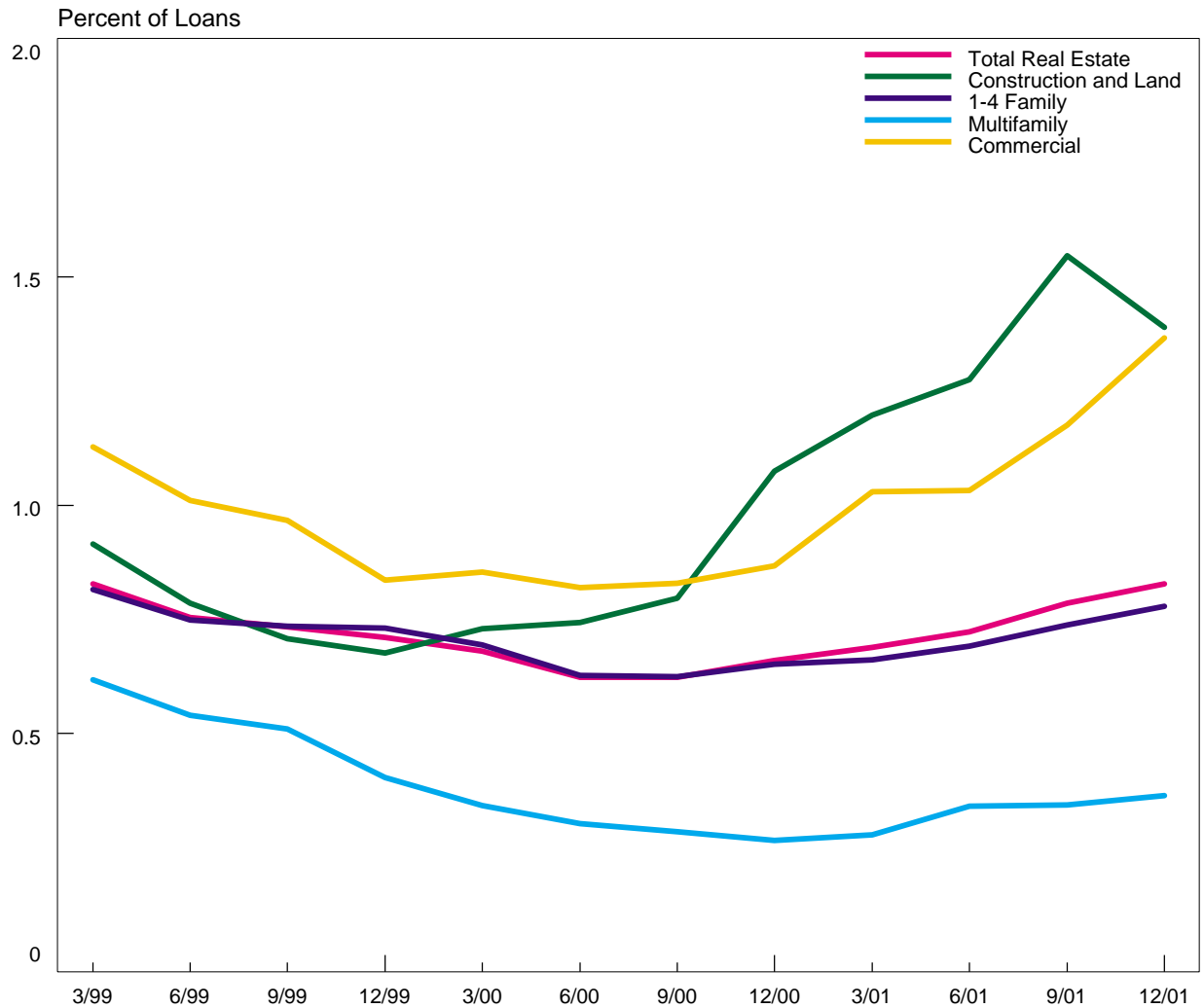
1990 - 2001

Percent of Loans



## Noncurrent Real Estate Loan Rates by Type\*

1999 - 2001



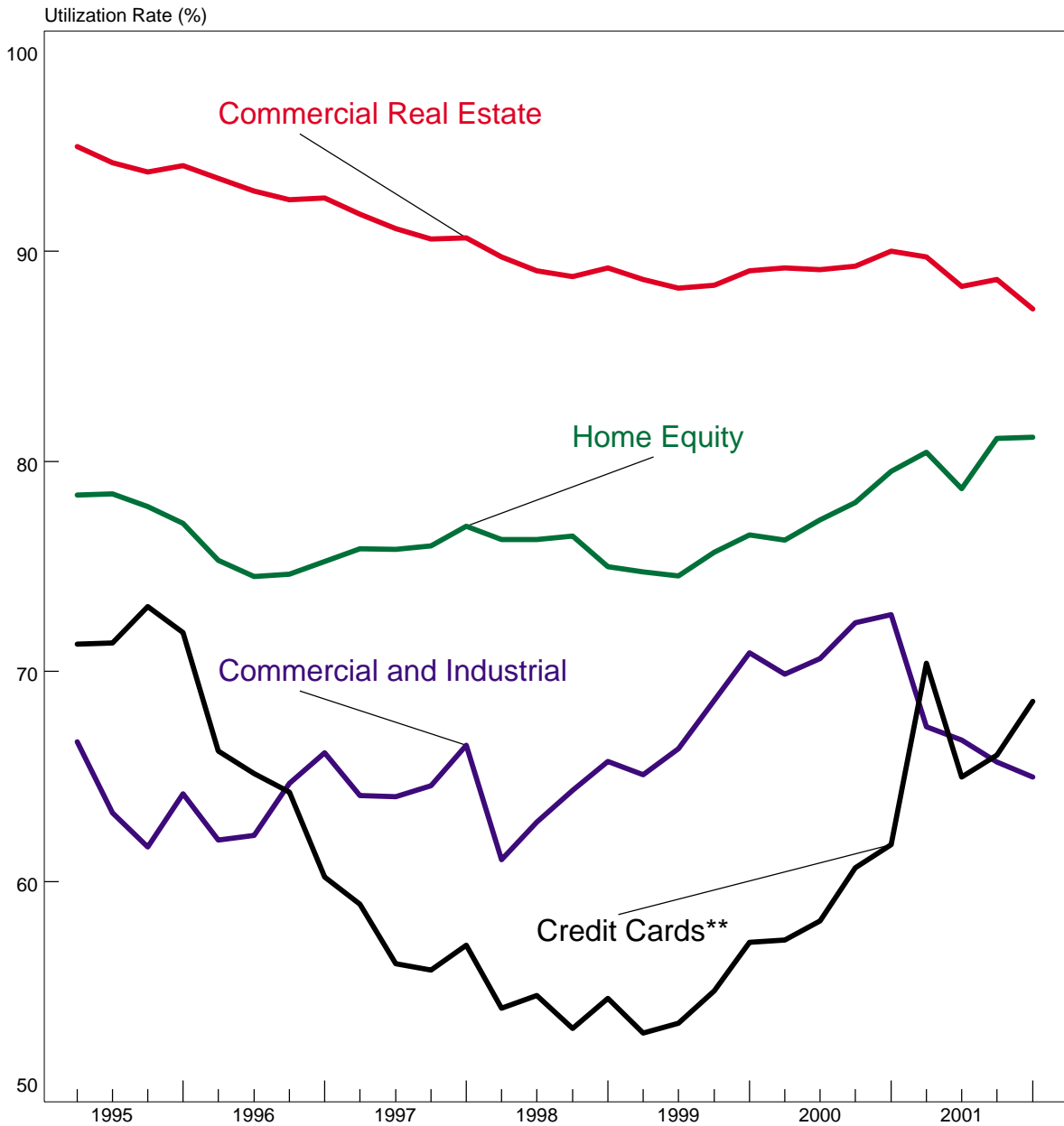
**Construction**

<b>and Land</b>	0.92	0.78	0.71	0.68	0.73	0.74	0.80	1.08	1.20	1.28	1.55	1.39
<b>1-4 Family</b>	0.82	0.75	0.73	0.73	0.69	0.63	0.62	0.65	0.66	0.69	0.74	0.78
<b>Multifamily</b>	0.62	0.54	0.51	0.40	0.34	0.30	0.28	0.27	0.28	0.34	0.34	0.36
<b>Commercial</b>	1.13	1.01	0.97	0.84	0.85	0.82	0.83	0.87	1.03	1.03	1.18	1.37
<b>Total</b>	0.83	0.75	0.73	0.71	0.68	0.62	0.62	0.66	0.69	0.72	0.78	0.83

\*Noncurrent loan rates represent the percentage of loans in each category that are past due 90 days or more or in nonaccrual status.

## Utilization Rates of Loan Commitments\*

1995 - 2001

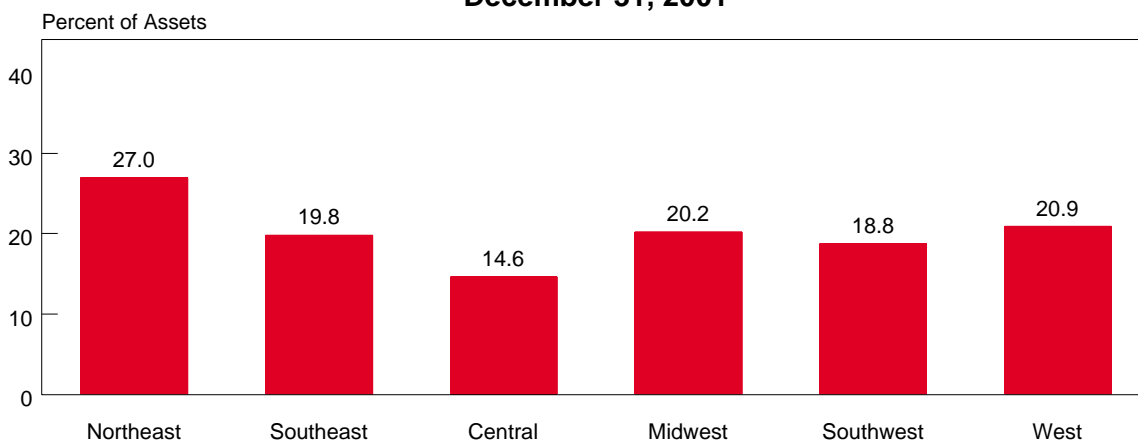


\* Utilization rates represent outstanding loan amounts as a percentage of unused loan commitments plus outstanding loan amounts.

\*\* Includes on-balance-sheet loans and off-balance-sheet securitized receivables. For 1st, 2nd, and 4th quarter Call data before 1996, loans securitized and sold are estimated using amounts reported as of 9/30.

## Total Securities\* as a Percent of Assets

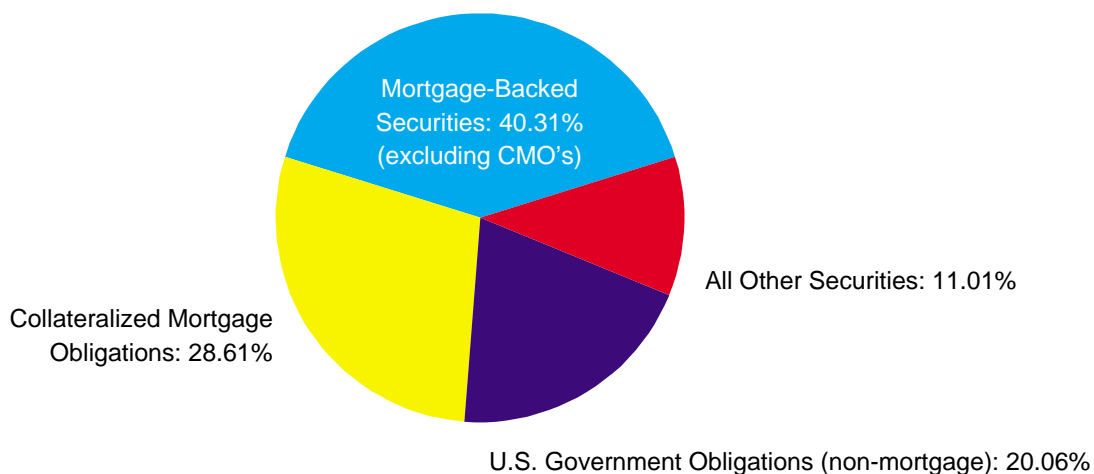
December 31, 2001



## Total Securities\* (\$ Billions)

	12/99	3/00	6/00	9/00	12/00	3/01	6/01	9/01	12/01
U.S. Government Obligations (non-mortgage)	\$41	\$41	\$40	\$39	\$40	\$41	\$41	\$37	\$57
Mortgage-Backed Securities (excluding CMO's)	122	117	116	115	118	122	122	122	115
Collateralized Mortgage Obligations	99	102	95	93	95	89	86	85	82
All Other Securities	<u>28</u>	<u>23</u>	<u>28</u>	<u>28</u>	<u>29</u>	<u>28</u>	<u>30</u>	<u>32</u>	<u>31</u>
Total Securities	291	283	279	276	282	280	279	276	285
Securities as a Percent of Assets	25	24	24	23	23	22	22	21	22
Memoranda:									
Amortized Cost of Total Held-to-Maturity Sec.	95	92	95	93	94	72	71	68	68
Fair Value of Total Available-for-Sale Sec.	197	191	184	182	188	208	208	208	218

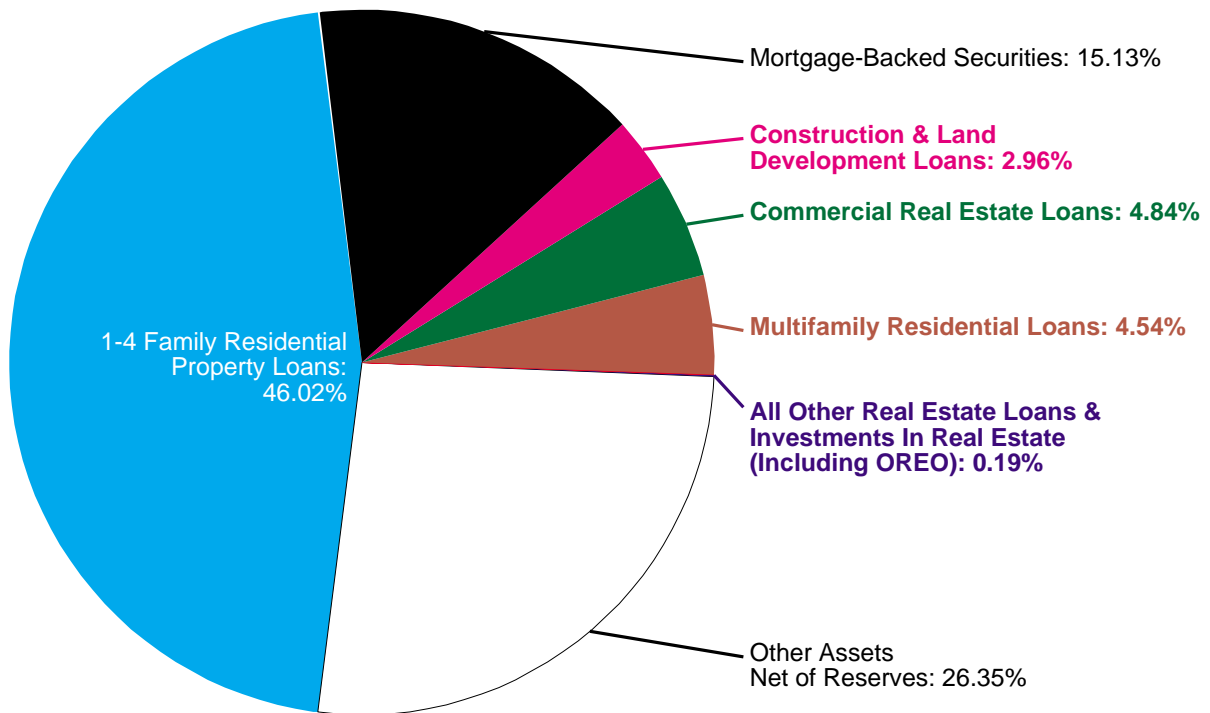
## Total Securities\* December 31, 2001



\*Excludes trading account assets for savings institutions filing a Call Report. Trading account assets for savings institutions filing a TFR are netted out of "All Other Securities".

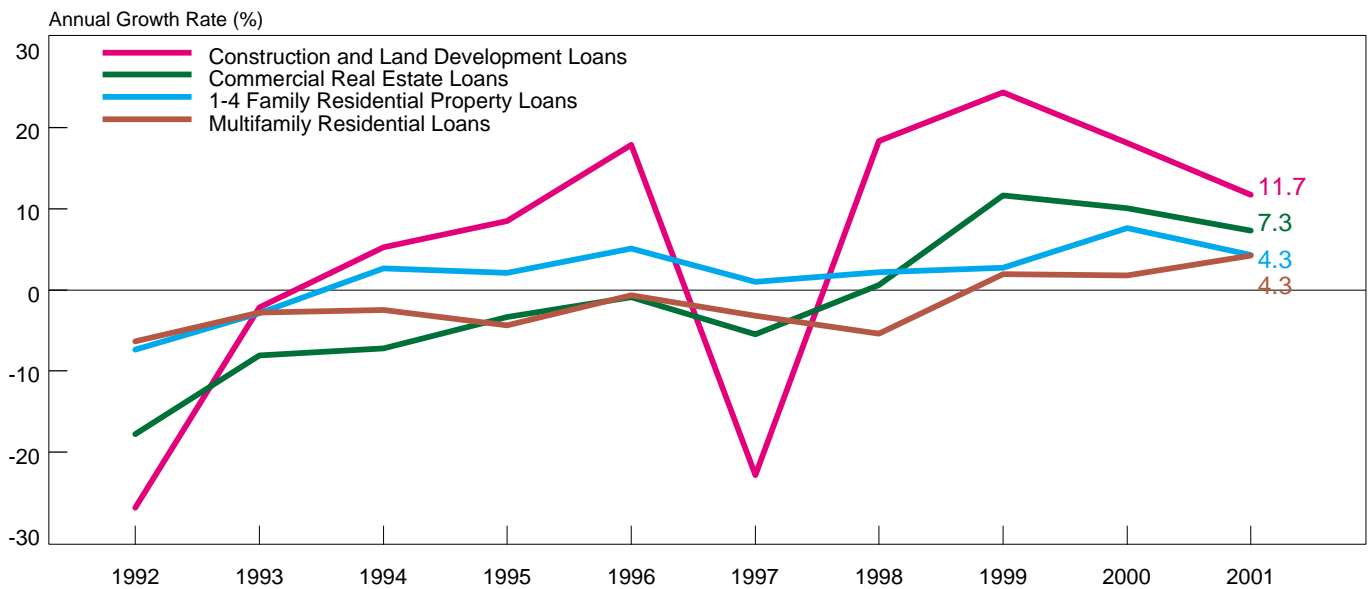
## Real Estate Assets as a Percent of Total Assets

December 31, 2001



## Real Estate Loan Growth Rates\*

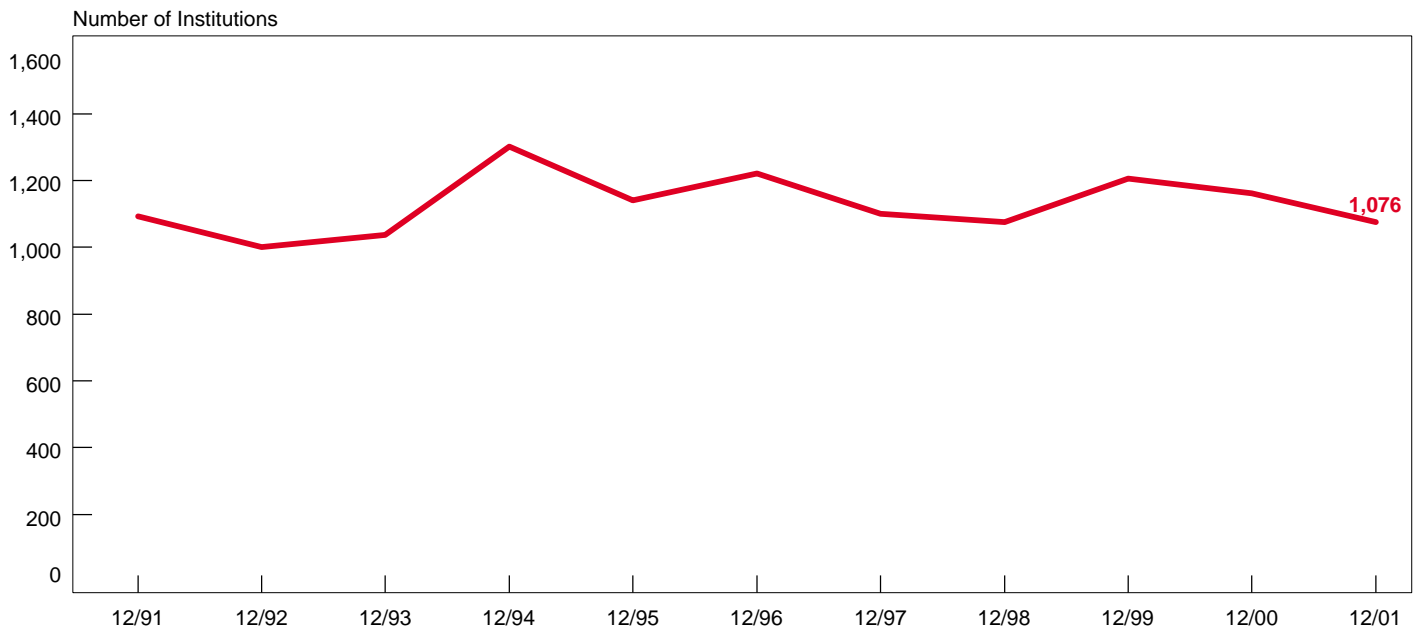
1992 - 2001



\*Beginning in March 1997, TFR filers report balances net of loans in process.

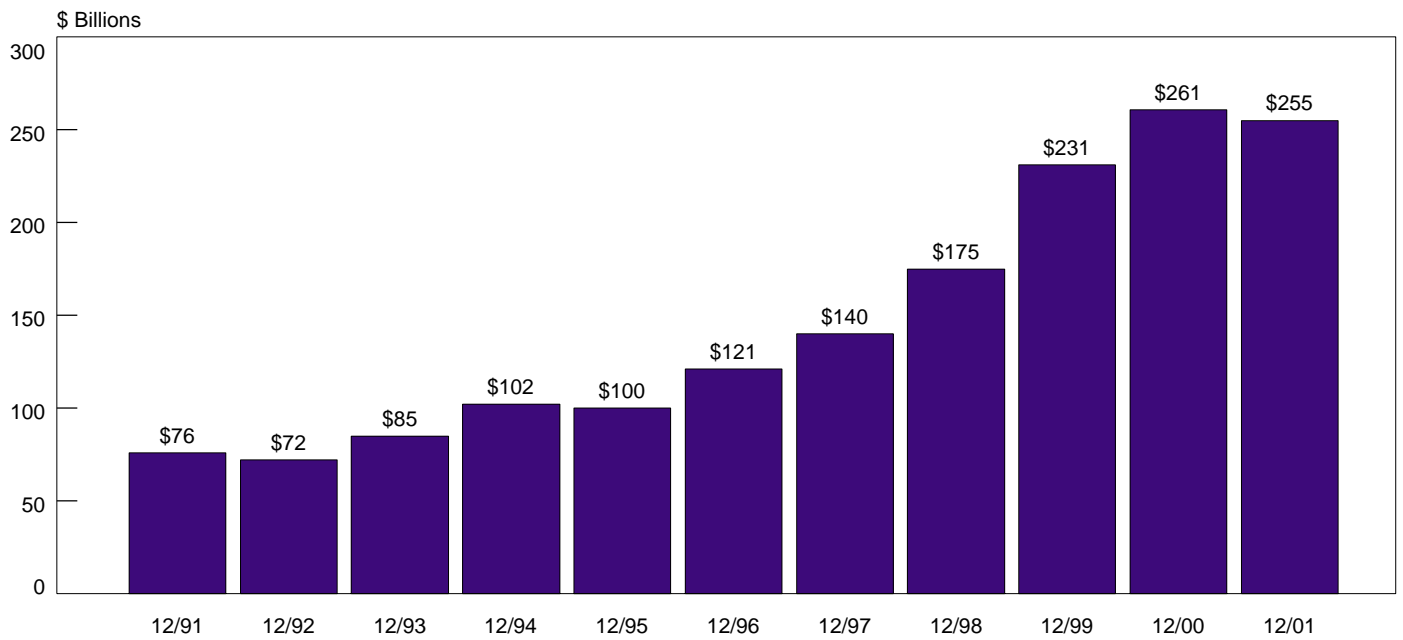
## Number of Savings Institutions with FHLB Advances\*

1991 - 2001



## Amount of FHLB Advances Outstanding\*

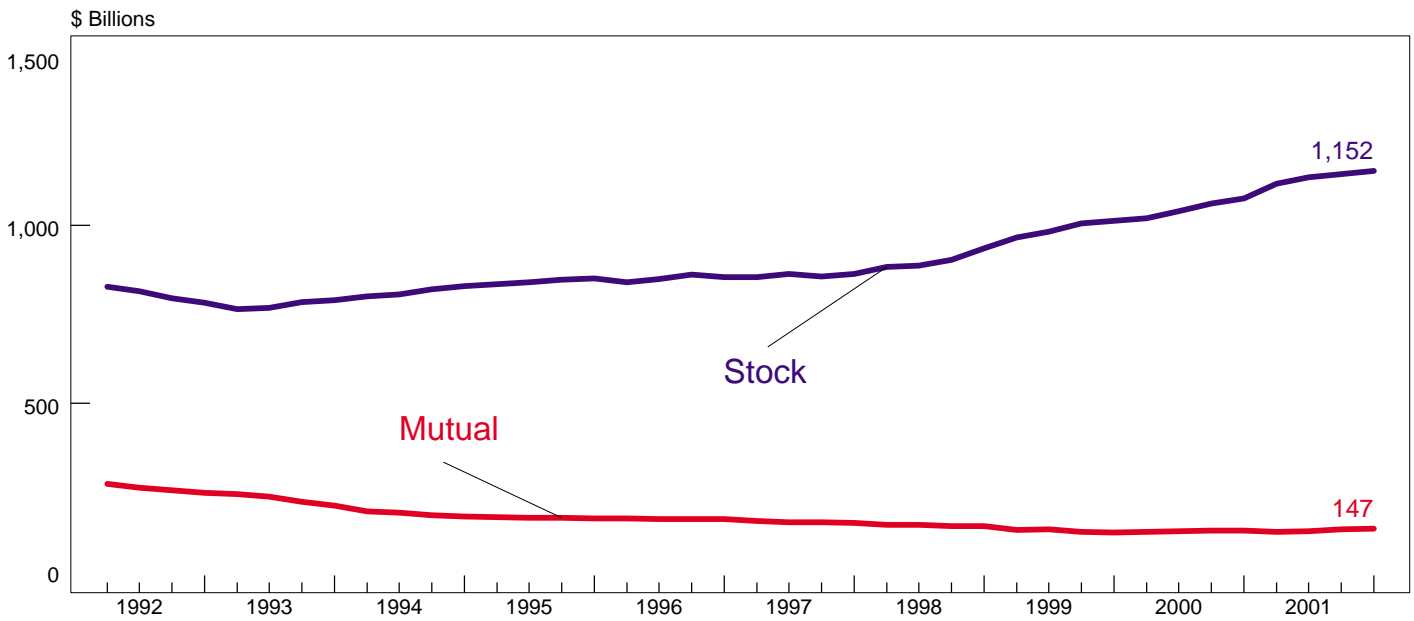
1991 - 2001



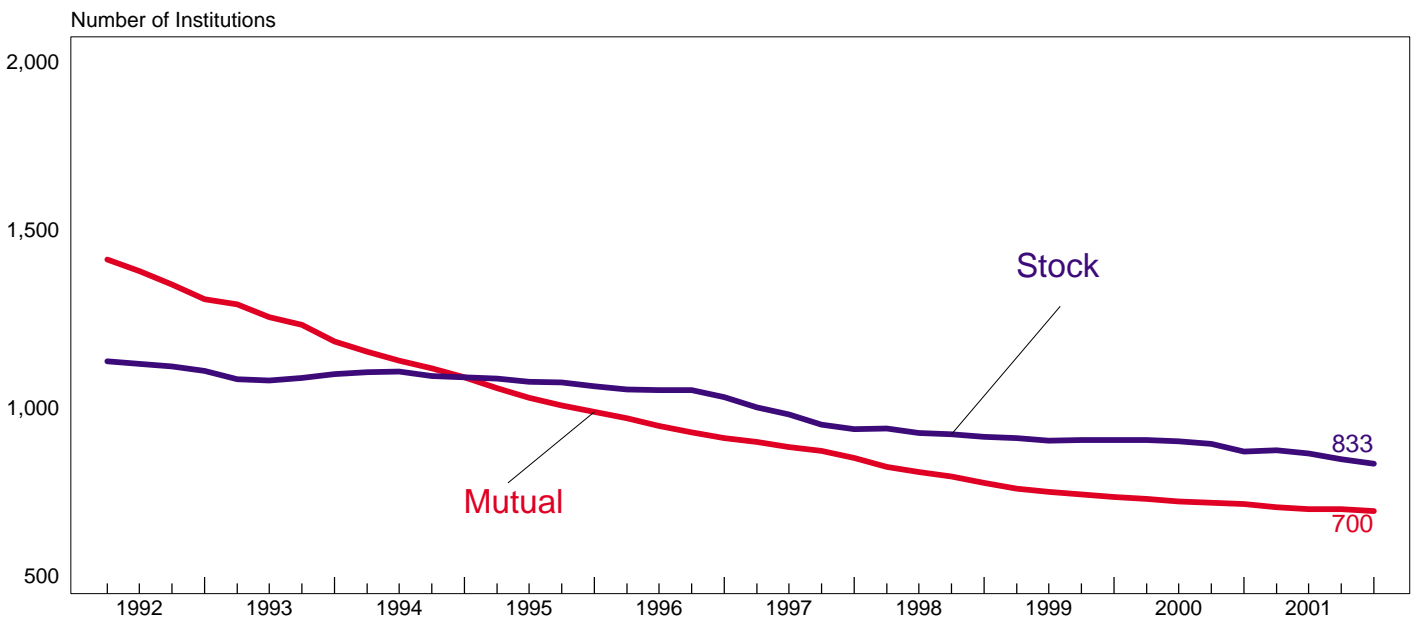
\* Source: TFR and Call Reports, FHFB prior to 3/31/01.



## Assets of Mutual and Stock Savings Institutions 1992 - 2001

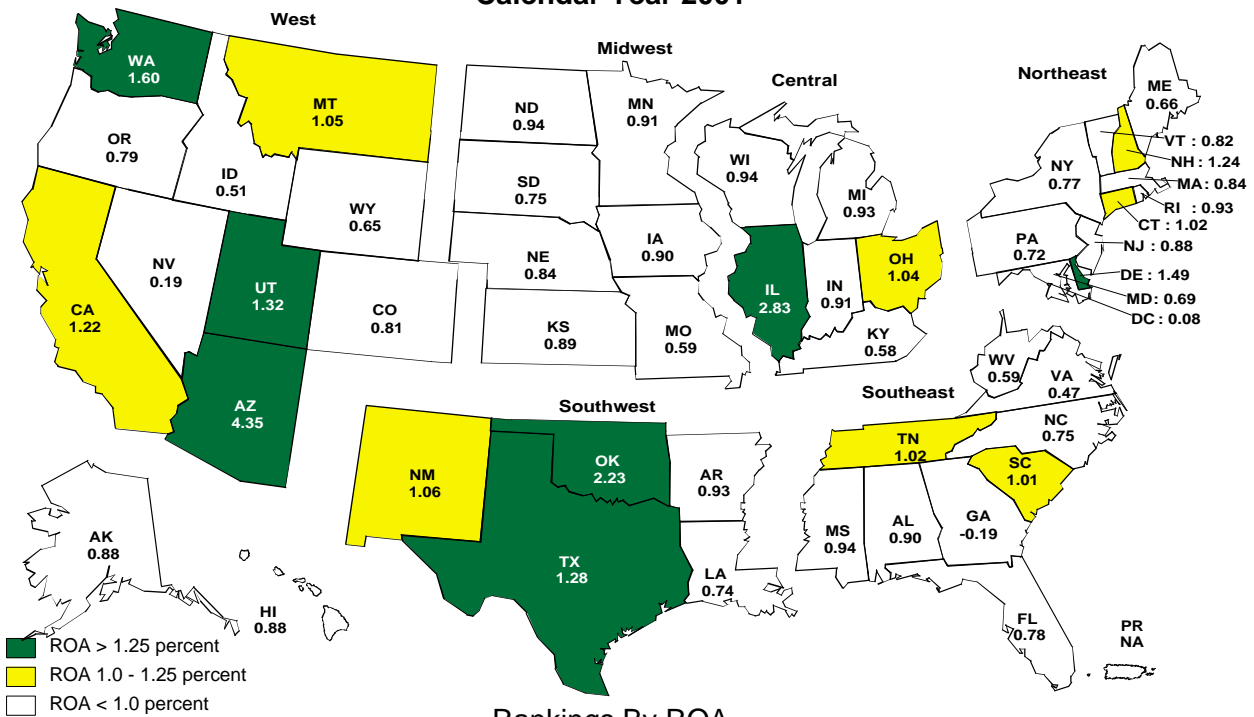


## Number of Mutual and Stock Savings Institutions 1992 - 2001



# Return on Assets (ROA)

Calendar Year 2001

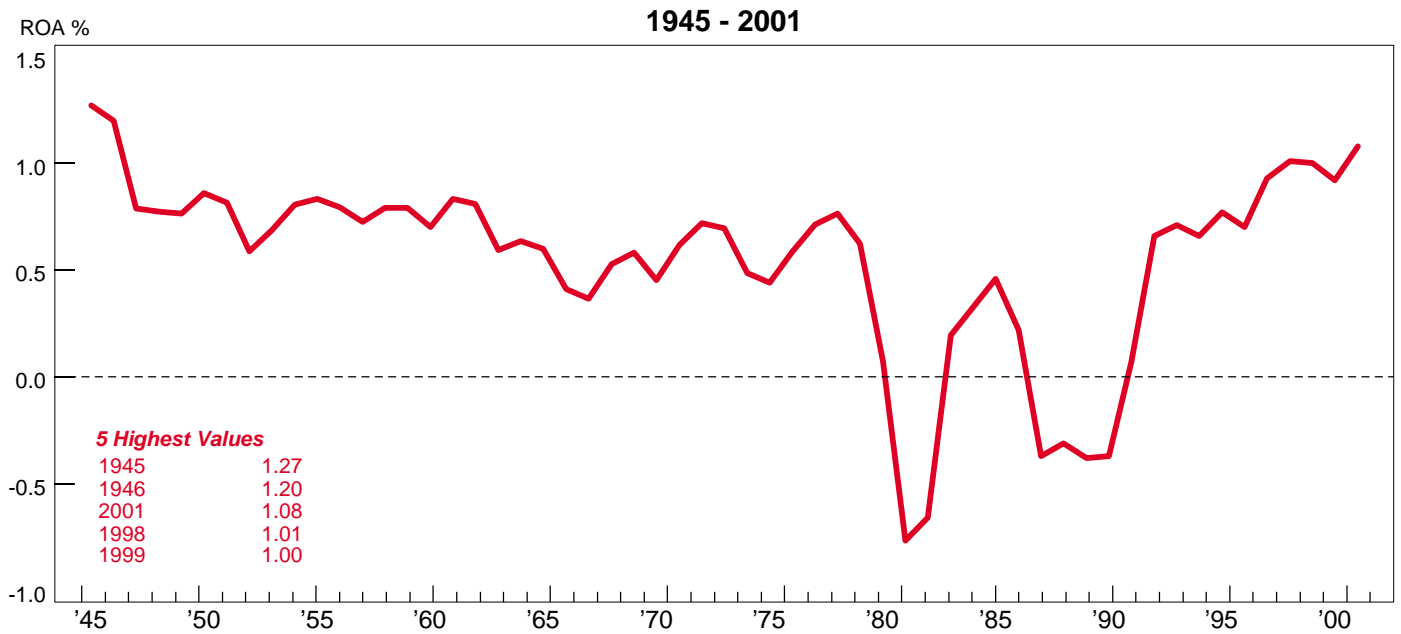


## Rankings By ROA

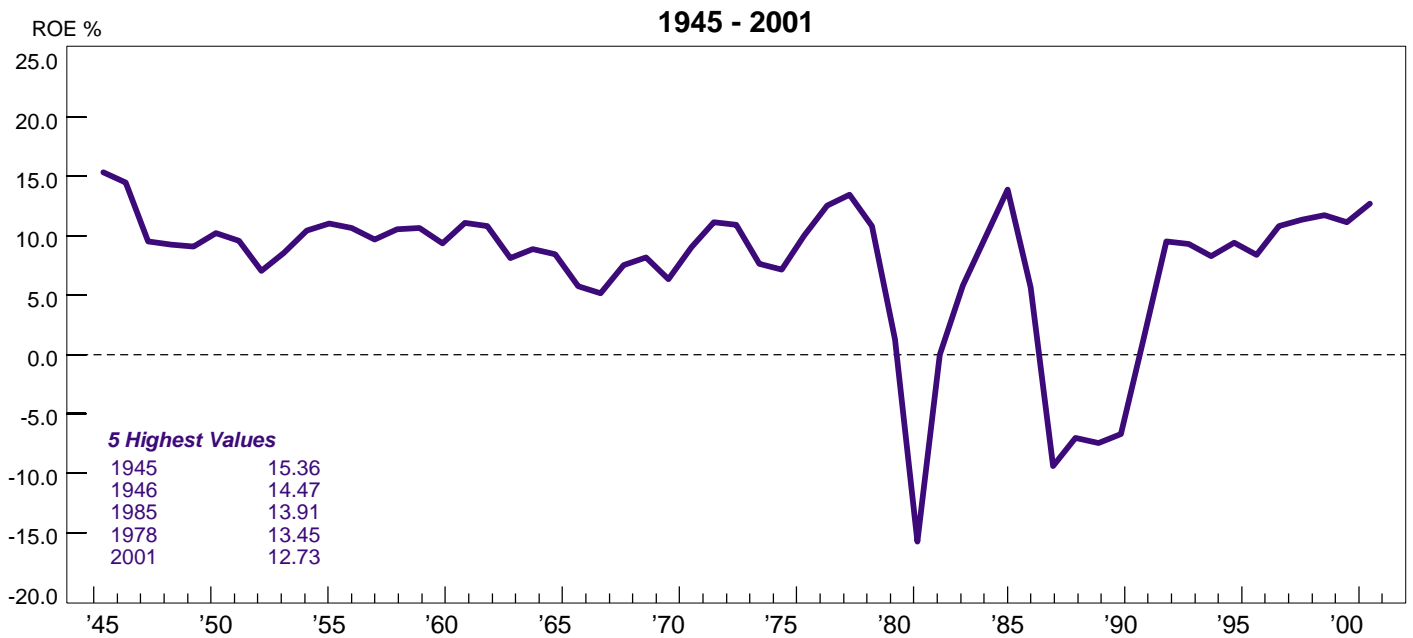
	No. of Inst. as of 12/31/01	2001	2000	Change*		No. of Inst. as of 12/31/01	2001	2000	Change*
1 Arizona	3	4.35	2.19	216	28 Hawaii	2	0.88	0.76	12
2 Illinois	114	2.83	1.36	147	29 New Jersey	71	0.88	0.96	(8)
3 Oklahoma	7	2.23	2.15	8	30 Massachusetts	182	0.84	0.92	(8)
4 Washington	22	1.60	0.86	74	31 Nebraska	15	0.84	0.04	80
5 Delaware	7	1.49	1.34	15	32 Vermont	5	0.82	0.74	8
6 Utah	4	1.32	1.16	16	33 Colorado	10	0.81	0.77	4
7 Texas	49	1.28	0.99	29	34 Oregon	5	0.79	0.69	10
8 New Hampshire	19	1.24	0.93	31	35 Florida	45	0.78	0.69	9
9 California	42	1.22	1.06	16	36 New York	79	0.77	1.00	(23)
10 New Mexico	10	1.06	0.88	18	37 North Carolina	40	0.75	0.76	(1)
11 Montana	4	1.05	0.85	20	38 South Dakota	4	0.75	1.87	(112)
12 Ohio	122	1.04	0.98	6	39 Louisiana	32	0.74	0.73	1
13 Connecticut	44	1.02	1.08	(6)	40 Pennsylvania	113	0.72	0.48	24
14 Tennessee	24	1.02	1.00	2	41 Maryland	59	0.69	0.82	(13)
15 South Carolina	26	1.01	0.88	13	42 Maine	24	0.66	0.75	(9)
16 Mississippi	8	0.94	0.08	86	43 Wyoming	4	0.65	0.63	2
17 North Dakota	3	0.94	0.77	17	44 Missouri	36	0.59	0.60	(1)
18 Wisconsin	41	0.94	0.76	18	45 West Virginia	7	0.59	0.65	(6)
19 Arkansas	9	0.93	0.88	5	46 Kentucky	28	0.58	0.71	(13)
20 Michigan	19	0.93	0.53	40	47 Idaho	3	0.51	0.99	(48)
21 Rhode Island	7	0.93	1.29	(36)	48 Virginia	16	0.47	0.49	(2)
22 Indiana	63	0.91	0.84	7	49 Nevada	2	0.19	(0.40)	59
23 Minnesota	23	0.91	0.80	11	50 District of Col.	1	0.08	0.42	(34)
24 Alabama	12	0.90	0.98	(8)	51 Georgia	23	(0.19)	(0.18)	(1)
25 Iowa	24	0.90	0.77	13	52 Puerto Rico	0	NA	NA	NM
26 Kansas	17	0.89	0.90	(1)					
27 Alaska	2	0.88	0.75	13	U.S. and Terr.	1,533	1.08	0.92	16

\*ROA minus ROA for the same period one year ago equals change in basis points. Basis point = 1/100 of a percent.

## Annual Return on Assets (ROA)



## Annual Return on Equity (ROE)



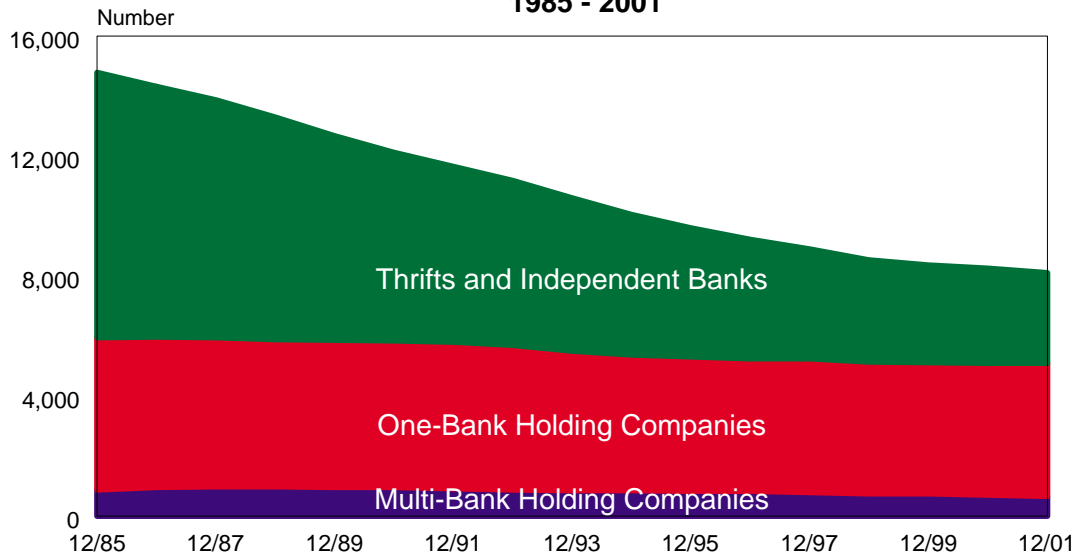
## Annual Returns on Assets (ROA) Equity (ROE), and Net Income 1945 - 2001

Year	ROA (Percent)	ROE (Percent)	Net Income (\$ Millions)
2001	1.08	12.73	13,296
2000	0.92	11.14	10,705
1999	1.00	11.73	10,875
1998	1.01	11.35	10,149
1997	0.93	10.84	8,789
1996	0.70	8.41	7,025
1995	0.77	9.40	7,619
1994	0.66	8.28	6,362
1993	0.71	9.32	6,844
1992	0.66	9.51	6,692
1991	0.07	1.23	838
1990	(0.37)	(6.68)	(4,723)
1989	(0.38)	(7.44)	(5,582)
1988	(0.31)	(7.04)	(4,727)
1987	(0.37)	(9.38)	(5,341)
1986	0.22	5.62	2,836
1985	0.46	13.91	5,531
1983	0.19	5.81	1,797
1982	(0.65)	0.00	(5,499)
1981	(0.76)	(15.73)	(6,078)
1980	0.07	1.28	534
1979	0.62	10.82	4,270
1978	0.76	13.45	4,727
1977	0.71	12.54	3,881
1976	0.58	9.98	2,758
1975	0.44	7.16	1,814
1974	0.48	7.61	1,800
1973	0.69	10.94	2,374

Year	ROA (Percent)	ROE (Percent)	Net Income (\$ Millions)
1972	0.72	11.11	2,167
1971	0.61	9.04	1,594
1970	0.45	6.36	1,041
1969	0.58	8.16	1,253
1968	0.52	7.50	1,073
1967	0.36	5.15	695
1966	0.41	5.72	733
1965	0.59	8.44	1,008
1964	0.63	8.88	976
1963	0.59	8.10	818
1962	0.80	10.80	988
1961	0.83	11.07	907
1960	0.70	9.36	679
1959	0.79	10.64	684
1958	0.79	10.56	607
1957	0.72	9.67	495
1956	0.79	10.64	486
1955	0.83	11.02	449
1954	0.80	10.41	380
1953	0.68	8.56	282
1952	0.58	7.02	210
1951	0.81	9.57	256
1950	0.86	10.21	240
1949	0.76	9.07	191
1948	0.77	9.27	177
1947	0.78	9.50	165
1946	1.20	14.47	224
1945	1.27	15.36	206

## Number of FDIC-Insured Banking Organizations

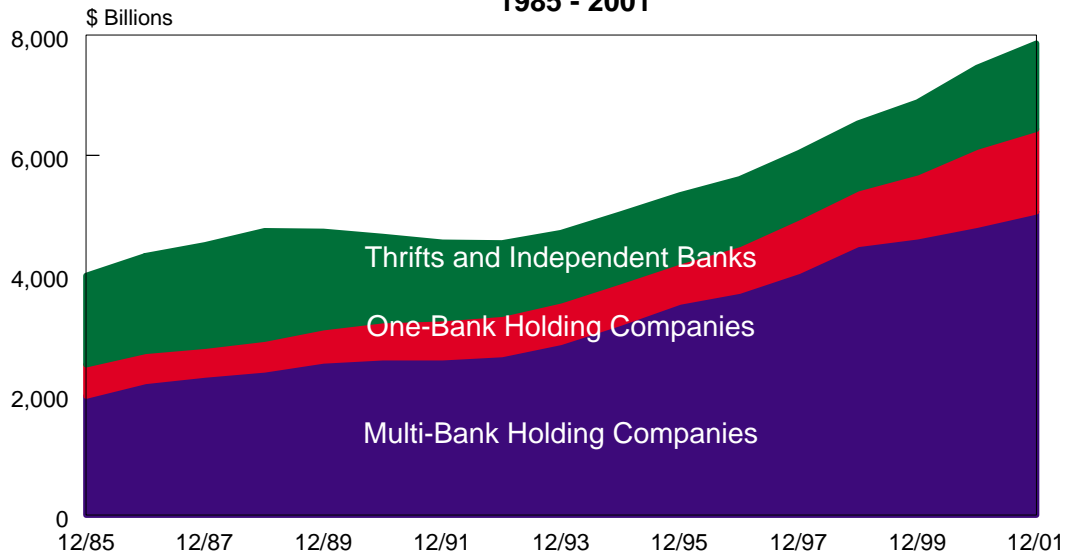
1985 - 2001



	12/85	12/87	12/89	12/91	12/93	12/95	12/97	12/99	12/01
Thrifts* and Indpt Banks	8,816	7,927	6,789	5,853	5,092	4,284	3,635	3,250	3,005
One-Bank Holding Co.'s	5,078	4,962	4,917	4,872	4,656	4,481	4,461	4,368	4,444
Multi-Bank Holding Co.'s	878	977	954	921	852	823	792	736	654
<b>Total</b>	<b>14,772</b>	<b>13,866</b>	<b>12,660</b>	<b>11,646</b>	<b>10,600</b>	<b>9,588</b>	<b>8,888</b>	<b>8,354</b>	<b>8,103</b>

## Assets of FDIC-Insured Banking Organizations

1985 - 2001

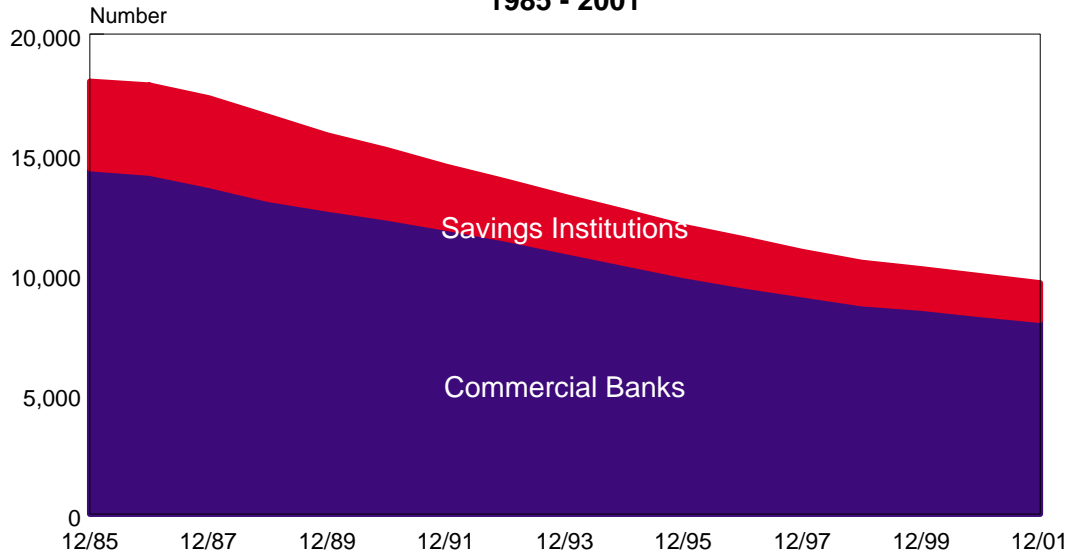


	12/85	12/87	12/89	12/91	12/93	12/95	12/97	12/99	12/01
Thrifts* and Indpt Banks	1,482	1,681	1,594	1,266	1,131	1,115	1,074	1,172	1,435
One-Bank Holding Co.'s	529	486	561	648	696	670	901	1,070	1,374
Multi-Bank Holding Co.'s	1,982	2,335	2,572	2,630	2,880	3,554	4,066	4,643	5,060
<b>Total</b>	<b>3,993</b>	<b>4,502</b>	<b>4,727</b>	<b>4,544</b>	<b>4,707</b>	<b>5,338</b>	<b>6,041</b>	<b>6,884</b>	<b>7,868</b>

\* Includes thrifts owned by unitary thrift holding companies or multi-thrift holding companies.

## Number of FDIC-Insured Institutions

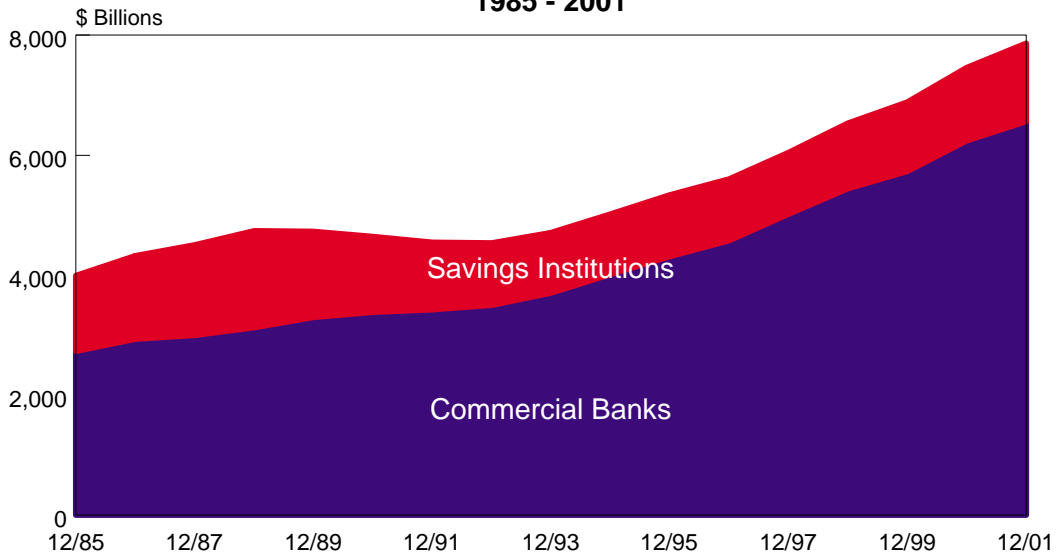
1985 - 2001



Savings Institutions	3,626	3,622	3,087	2,561	2,262	2,030	1,780	1,642	1,533
Commercial Banks	14,407	13,703	12,709	11,921	10,958	9,940	9,142	8,579	8,080
Total	18,033	17,325	15,796	14,482	13,220	11,970	10,922	10,221	9,613

## Assets of FDIC-Insured Institutions

1985 - 2001



Savings Institutions	1,263	1,502	1,428	1,113	1,001	1,026	1,026	1,149	1,299
Commercial Banks	2,731	3,000	3,299	3,431	3,706	4,313	5,015	5,735	6,569
Total	3,993	4,502	4,727	4,544	4,707	5,338	6,041	6,884	7,868

## Capital Category Distribution

December 31, 2001

### BIF-Member Institutions

	Institutions		Assets	
	Number of	Percent of Total	In Billions	Percent of Total
Well Capitalized	8,134	97.7%	\$6,781.2	98.9%
Adequately Capitalized	171	2.1%	\$70.1	1.0%
Undercapitalized	14	0.2%	\$2.5	0.0%
Significantly Undercapitalized	3	0.0%	\$0.9	0.0%
Critically Undercapitalized	4	0.0%	\$1.8	0.0%

### SAIF-Member Institutions

	Institutions		Assets	
	Number of	Percent of Total	In Billions	Percent of Total
Well Capitalized	1,260	97.9%	\$1,002.7	99.1%
Adequately Capitalized	22	1.7%	\$6.7	0.7%
Undercapitalized	5	0.4%	\$2.4	0.2%
Significantly Undercapitalized	0	0.0%	\$0.0	0.0%
Critically Undercapitalized	0	0.0%	\$0.0	0.0%

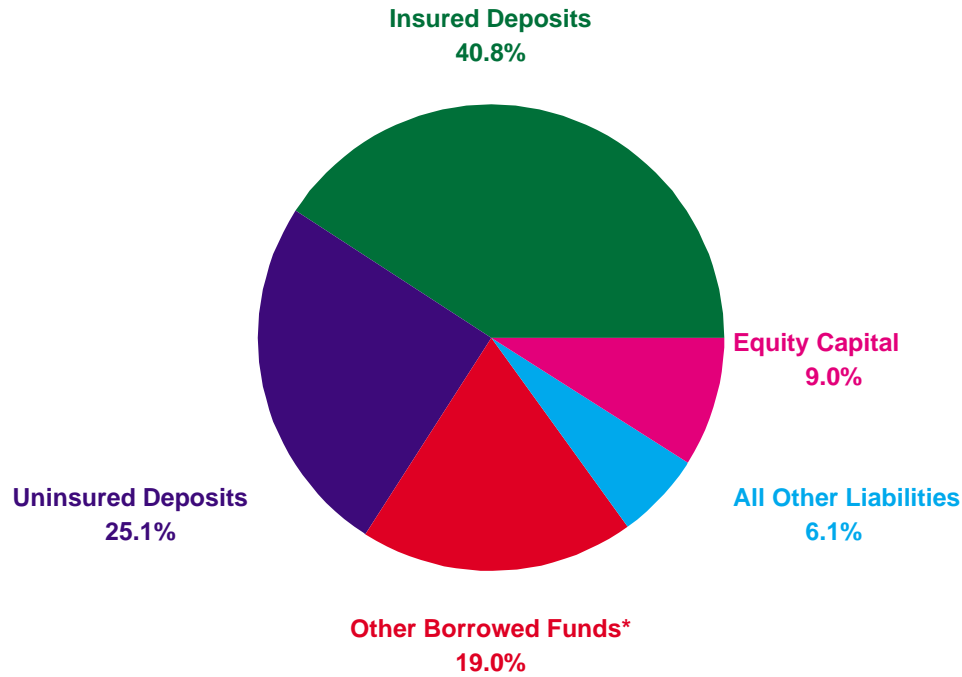
Note: Excludes U.S. branches of foreign banks.

### Capital Category Definitions

	Total Risk-Based Capital*		Tier 1 Risk-Based Capital*		Tier 1 Leverage		Tangible Equity
Well Capitalized	>=10%	and	>=6%	and	>=5%		--
Adequately Capitalized	>=8%	and	>=4%	and	>=4%		--
Undercapitalized	>=6%	and	>=3%	and	>=3%		--
Significantly Undercapitalized	<6%	or	<3%	or	<3%	and	>2%
Critically Undercapitalized	--		--		--		<=2%

\* As a percentage of risk-weighted assets.

## Total Liabilities and Equity Capital



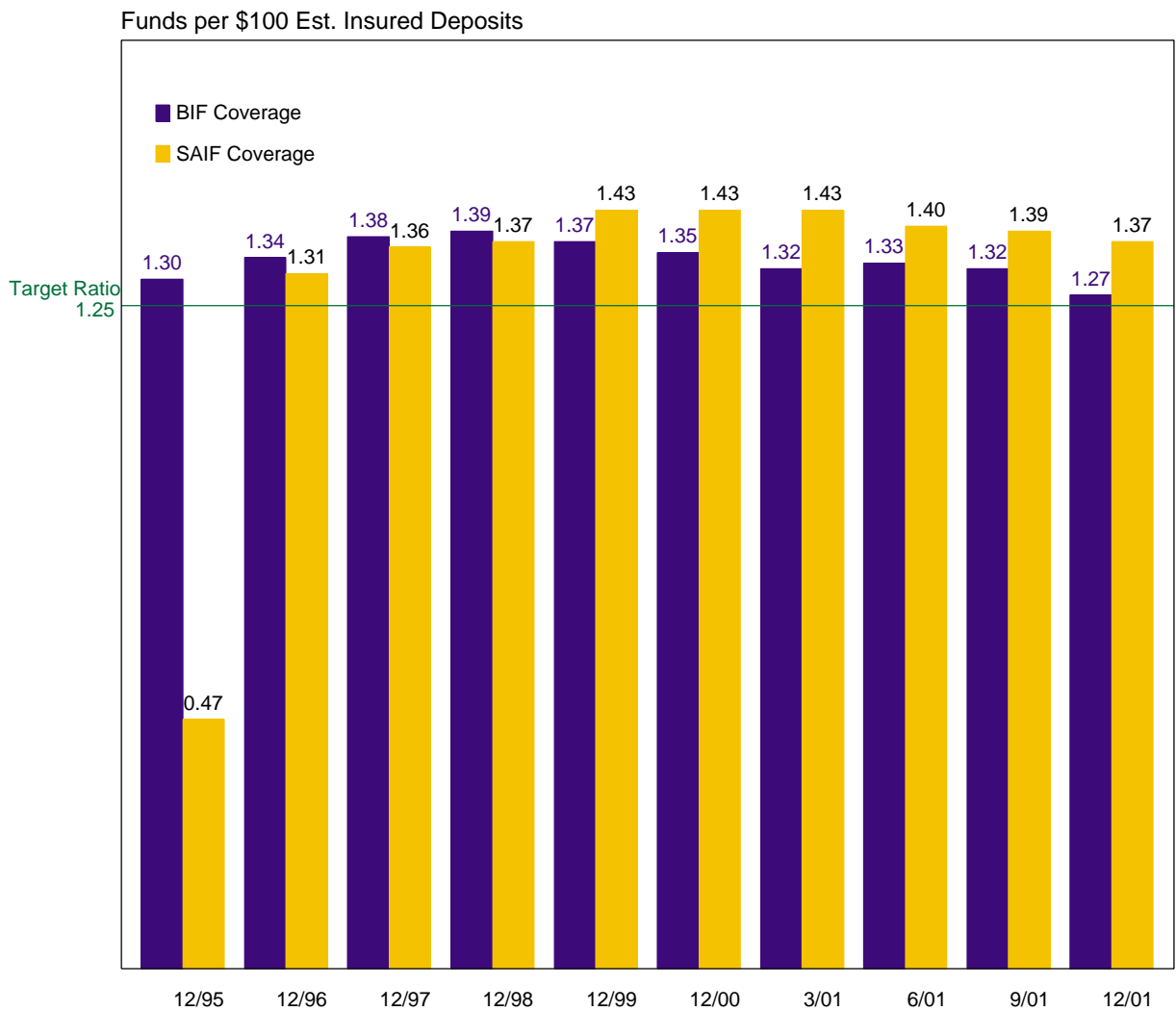
(\$ Billions)	12/31/00	12/31/01	% Change
<b>Insured Deposits (estimated)</b>	<b>3,054</b>	<b>3,214</b>	<b>5.2</b>
BIF - Insured	2,298	2,408	4.8
SAIF - Insured	755	802	6.2
<b>Uninsured Deposits</b>	<b>1,861</b>	<b>1,976</b>	<b>6.2</b>
In Foreign Offices	707	630	-10.9
<b>Other Borrowed Funds*</b>	<b>1,467</b>	<b>1,495</b>	<b>1.9</b>
<b>All Other Liabilities</b>	<b>447</b>	<b>477</b>	<b>6.7</b>
Subordinated Debt	90	99	10.0
<b>Equity Capital</b>	<b>634</b>	<b>707</b>	<b>11.5</b>
<b>Total Liabilities and Equity Capital</b>	<b>7,462</b>	<b>7,868</b>	<b>5.4</b>

\* Other borrowed funds include federal funds purchased, securities sold under agreement to repurchase, FHLB and FRB borrowings and other indebtedness.



## Insurance Fund Reserve Ratios

### December 31, 1995 - December 31, 2001



**(\$ Billions)**

**BIF**

Fund Balance	25.5	26.9	28.3	29.6	29.4	31.0	31.4	31.7	31.8	30.6
Est. Insured Deposits	1,951.7	2,007.0	2,056.6	2,134.4	2,151.5	2,299.9	2,372.1	2,382.8	2,403.9	2,408.9

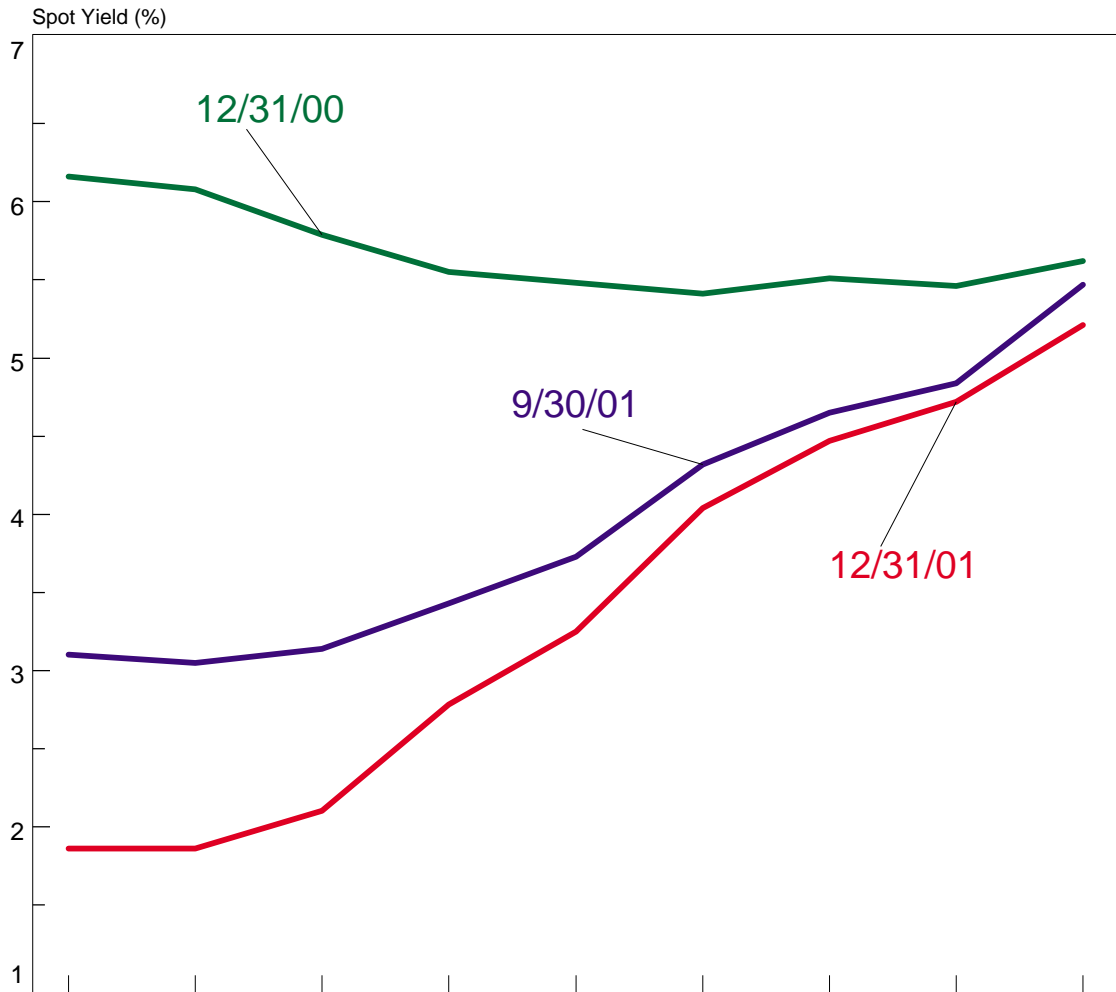
**SAIF**

Fund Balance	3.4	8.9	9.4	9.8	10.3	10.8	11.0	10.8	10.8	11.0
Est. Insured Deposits	711.9	683.4	689.9	716.0	717.6	755.2	767.7	772.1	778.9	801.8

Note: Includes insured branches of foreign banks. 2001 fund balances are unaudited. Insured deposits for prior periods may reflect adjustments.

# U.S. Treasury Yield Curve

December 31, 2000 - December 31, 2001



Maturity	3-Month	6-Month	1 Year	2 Year	3 Year	5 Year	7 Year	10 Year	30 Year
12/31/01	1.86	1.86	2.10	2.78	3.25	4.04	4.47	4.72	5.21
9/30/01	3.10	3.05	3.14	3.43	3.73	4.32	4.65	4.84	5.47
6/30/01	3.71	3.70	3.72	4.21	4.47	4.91	5.21	5.36	5.74
3/31/01	4.71	4.54	4.39	4.40	4.49	4.72	4.96	5.01	5.45
12/31/00	6.16	6.08	5.79	5.55	5.48	5.41	5.51	5.46	5.62

Source: Federal Reserve's H.15 Statistical Release. The quarterly average rates shown above represent a 3-month average of the monthly average rates published by the Federal Reserve.

## NOTES TO USERS

This publication contains financial data and other information for depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). These notes are an integral part of this publication and provide information regarding the comparability of source data and reporting differences over time. The information presented in the *FDIC Quarterly Banking Profile* is divided into the following groups of institutions:

### FDIC-Insured Commercial Banks

This section covers commercial banks insured by the FDIC either through the Bank Insurance Fund (BIF) or through the Savings Association Insurance Fund (SAIF). These institutions are regulated by and submit financial reports to one of the three federal commercial bank regulators (the Board of Governors of the Federal Reserve System, the FDIC or the Office of the Comptroller of the Currency).

### FDIC-Insured Savings Institutions

This section covers savings institutions insured by either BIF or SAIF that operate under state or federal banking codes applicable to thrift institutions. Savings institutions in conservatorships, are excluded from these tables while in conservatorship, where applicable. The institutions covered in this section are regulated by and submit financial reports to one of two Federal regulators the FDIC or the Office of Thrift Supervision (OTS).

### FDIC-Insured Institutions by Insurance Fund

Summary balance-sheet and earnings data are provided for commercial banks and savings institutions according to insurance fund membership. BIF-member institutions may acquire SAIF-insured deposits, resulting in institutions with some deposits covered by both insurance funds. Also, SAIF members may acquire BIF-insured deposits. The insurance fund membership does not necessarily reflect which fund insures the largest percentage of an institution's deposits. Therefore, the BIF-member and the SAIF-member tables each include deposits from both insurance funds. Depository institutions that are not insured by the FDIC through either the BIF or SAIF are not included in the *FDIC Quarterly Banking Profile*. U.S. branches of institutions headquartered in foreign countries and non-deposit trust companies are not included unless otherwise indicated. Efforts are made to obtain financial reports for all active institutions. However, in some cases, final financial reports are not available for institutions that have closed or converted their charter.

### DATA SOURCES

The financial information appearing in this publication is obtained primarily from the Federal Financial Institutions Examination Council (FFIEC) *Call Reports* and the OTS *Thrift Financial Reports* submitted by all FDIC-insured depository institutions. This information is stored on and retrieved from the FDIC's Research Information System (RIS) data base.

### COMPUTATION METHODOLOGY

Certain adjustments are made to the OTS *Thrift Financial Reports* to provide closer conformance with the reporting and accounting requirements of the FFIEC *Call Reports*. Parent institutions are required to file consolidated reports, while their

subsidiary financial institutions are still required to file separate reports. Data from subsidiary institution reports are included in the *Quarterly Banking Profile* tables, which can lead to double-counting. No adjustments are made for any double-counting of subsidiary data.

All asset and liability figures used in calculating performance ratios represent average amounts for the period (beginning-of-period amount plus end-of-period amount plus any interim periods, divided by the total number of periods). For "pooling-of-interest" mergers, the assets of the acquired institution(s) are included in average assets since the year-to-date income includes the results of all merged institutions. No adjustments are made for "purchase accounting" mergers. Growth rates represent the percentage change over a 12-month period in totals for institutions in the base period to totals for institutions in the current period.

All data are collected and presented based on the location of each reporting institution's main office. Reported data may include assets and liabilities located outside of the reporting institution's home state. In addition, institutions may change their charters, resulting in an inter-industry migration, e.g., savings institutions can convert to commercial banks or commercial banks may convert to savings institutions. These situations can affect state and regional statistics.

### RECENT ACCOUNTING CHANGES

**FASB Statement No. 133 *Accounting for Derivative Instruments and Hedging Activities*** — establishes new accounting and reporting standards. Derivatives were previously off-balance sheet items, but beginning in 2001 all banks must recognize derivatives as either assets or liabilities on the balance sheet, measured at fair value. A derivative may be specifically designated as a "fair value hedge," a "cash flow hedge," or a hedge of a foreign currency exposure. The accounting for changes in the value of a derivative (gains and losses) depends on the intended use of the derivative, its resulting designation, and the effectiveness of the hedge. Derivatives held for purposes other than trading are reported as "other assets" (positive fair values) or "other liabilities" (negative fair values). For a fair value hedge, the gain or loss is recognized in earnings and "effectively" offsets loss or gain on the hedged item attributable to the risk being hedged. Any ineffectiveness of the hedge could result in a net gain or loss on the income statement. Accumulated net gains (losses) on cash flow hedges are recorded on the balance sheet as "accumulated other comprehensive income" and the periodic change in the accumulated net gains (losses) for cash flow hedges is reflected directly in equity as the value of the derivative changes.

Initial transition adjustments upon adoption of FAS 133 are reported as adjustments to net income in the income statement as extraordinary items. Upon implementing FAS 133, a bank may transfer any debt security categorized as held-to-maturity into the available-for-sale category or the trading category. Unrealized gains (losses) on transferred held-to-maturity debt securities on the date of initial application must be reflected as an adjustment to net income if transferred to the trading category or an adjustment to equity if transferred to the available-for-sale category.

**Subchapter S Corporations** –The Small Business Job Protection Act of 1996 changed the Internal Revenue Code to allow financial institutions to elect Subchapter S corporation status, beginning in 1997. A Subchapter S corporation is treated as a pass-through entity, similar to a partnership, for federal income tax purposes. It is generally not subject to any federal income taxes at the corporate level. Its taxable income flows through to its shareholders in proportion to their stock ownership, and the shareholders generally pay federal income taxes on their share of this taxable income. This can have the effect of reducing institutions' reported taxes and increasing their after-tax earnings.

The election of Subchapter S status may result in an increase in shareholders' personal tax liability. Therefore, some S corporations may increase the amount of earnings distributed as dividends to compensate for higher personal taxes.

#### DEFINITIONS (in alphabetical order)

**BIF-insured deposits** (estimated) – the amount of deposits in accounts of less than \$100,000 insured by the BIF. For SAIF-member "Oakar" institutions, it represents the adjusted attributable amount acquired from BIF members.

**Construction and development loans** – includes loans for all property types under construction, as well as loans for land acquisition and development.

**Derivative contracts, gross fair values (positive/negative)** – are reported separately and represent the amount at which a contract could be exchanged in a transaction between willing parties, other than in a forced or liquidation sale. If a quoted market price is available for a contract, the fair value reported for that contract is calculated using this market price. If quoted market prices are not available, the reporting banks use the best estimate of fair value based on quoted market prices of similar contracts or on valuation techniques such as discounted cash flows. This information is reported only by banks with assets greater than \$100 million.

**Derivatives (notional amount)** – represents the sum of the following: interest-rate contracts (defined as the "notional" value of interest-rate swap, futures, forward and option contracts), foreign-exchange-rate contracts, commodity contracts and equity contracts (defined similarly to interest-rate contracts).

**Futures and forward contracts** – a contract in which the buyer agrees to purchase and the seller agrees to sell, at a specified future date, a specific quantity of an underlying variable or index at a specified price or yield. These contracts exist for a variety of variables or indices, (traditional agricultural or physical commodities, as well as currencies and interest rates). Futures contracts are standardized and are traded on organized exchanges which set limits on counterparty credit exposure. Forward contracts do not have standardized terms and are traded over the counter.

**Option contracts** – a contract in which the buyer acquires the right to buy from or sell to another party some specified amount of an underlying variable or index at a stated price (strike price) during a period or on a specified future date, in return for compensation (such as a fee or premium). The seller is obligated to purchase or sell the variable or index at the discretion of the buyer of the contract.

**Swaps** – an obligation between two parties to exchange a series of cash flows at periodic intervals (settlement dates),

for a specified period. The cash flows of a swap are either fixed, or determined for each settlement date by multiplying the quantity (notional principal) of the underlying variable or index by specified reference rates or prices. Except for currency swaps, the notional principal is used to calculate each payment but is not exchanged.

**Efficiency Ratio** – Noninterest expense less amortization of intangible assets as a percent of net interest income plus non-interest income. This ratio measures the proportion of net operating revenues that are absorbed by overhead expenses, so that a lower value indicates greater efficiency.

**Loans secured by real estate** – includes home equity loans, junior liens secured by 1-4 family residential properties and all other loans secured by real estate.

**Loans to individuals** – includes outstanding credit card balances and other secured and unsecured consumer loans.

**Mortgage-backed securities** – certificates of participation in pools of residential mortgages and collateralized mortgage obligations issued or guaranteed by government-sponsored or private enterprises. Also, see "Securities", below.

**Net charge-offs** – total loans and leases charged off (removed from balance sheet because of uncollectibility), less amounts recovered on loans and leases previously charged off.

**Net interest margin** – the difference between interest and dividends earned on interest-bearing assets and interest paid to depositors and other creditors, expressed as a percentage of average earning assets. No adjustments are made for interest income that is tax exempt.

**Net operating income** – income excluding discretionary transactions such as gains (or losses) on the sale of investment securities and extraordinary items. Income taxes subtracted from operating income have been adjusted to exclude the portion applicable to securities gains (or losses).

**Noncurrent assets** – the sum of loans, leases, debt securities and other assets that are 90 days or more past due, or in nonaccrual status.

**Noncurrent loans & leases** – the sum of loans and leases 90 days or more past due, and loans and leases in nonaccrual status.

**Other real estate owned** – primarily foreclosed property. Direct and indirect investments in real estate ventures are excluded. The amount is reflected net of valuation allowances. For institutions that file a *Thrift Financial Report (TFR)*, the valuation allowance subtracted also includes allowances for other repossessed assets. Also, for *TFR* filers the components of other real estate owned are reported gross of valuation allowances.

**"Problem" institutions** – federal regulators assign a composite rating to each financial institution, based upon an evaluation of financial and operational criteria. The rating is based on a scale of 1 to 5 in ascending order of supervisory concern. "Problem" institutions are those institutions with financial, operational, or managerial weaknesses that threaten their continued financial viability. Depending upon the degree of risk and supervisory concern, they are rated either a "4" or "5". For all BIF-member institutions, and for all SAIF-member institutions

for which the FDIC is the primary federal regulator, FDIC composite ratings are used. For all SAIF-member institutions whose primary federal regulator is the OTS, the OTS composite rating is used.

**Reserves for losses** – the allowance for loan and lease losses on a consolidated basis. Prior to March 31, 2001 reserves for losses included the allocated transfer risk reserve, which is no longer included as part of the loss reserve, but netted from loans and leases.

**Return on assets** – net income (including gains or losses on securities and extraordinary items) as a percentage of average total assets. The basic yardstick of bank profitability.

**Return on equity** – net income (including gains or losses on securities and extraordinary items) as a percentage of average total equity capital.

**Risk-weighted assets** – assets adjusted for risk-based capital definitions which include on-balance-sheet as well as off-balance-sheet items multiplied by risk-weights that range

from zero to 100 percent. A conversion factor is used to assign a balance sheet equivalent amount for selected off-balance-sheet accounts.

**SAIF-insured deposits (estimated)** – the amount of deposits in accounts of less than \$100,000 insured by the SAIF. For BIF-member “Oakar” institutions, it represents the adjusted attributable amount acquired from SAIF members.

**Securities** – excludes securities held in trading accounts. Banks’ securities portfolios consist of securities designated as “held-to-maturity”, which are reported at amortized cost (book value), and securities designated as “available-for-sale”, reported at fair (market) value.

**Troubled real estate asset rate** – noncurrent real estate loans plus other real estate owned as a percent of total real estate loans and other real estate owned.

## REGIONS

**Northeast** — Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico, Rhode Island, Vermont, U.S. Virgin Islands

**Southeast** — Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia

**Central** — Illinois, Indiana, Kentucky, Michigan, Ohio, Wisconsin

**Midwest** — Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota

**Southwest** — Arkansas, Louisiana, New Mexico, Oklahoma, Texas

**West** — Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, Oregon, Pacific Islands, Utah, Washington, Wyoming