Click on a title to view an individual graph

HIGHLIGHTS -- SECOND QUARTER, 2001

- **HIGHER GAINS ON SECURITIES SALES HELP SUPPORT INDUSTRY EARNINGS**
  Commercial banks earned $19.2 billion in the second quarter, an increase of $4.5 billion (30.9 percent) over their earnings in the second quarter of 2000. A year ago, large expenses related to restructurings and asset-quality problems at a few large banks depressed industry earnings. The absence of comparable expenses in the second quarter of 2001 accounted for most of the improvement in industry earnings. Sales of securities during the quarter resulted in gains totaling $861 million, in contrast with a year earlier, when securities sales produced $1.0 billion in losses. The industry's return on assets (ROA) was 1.21 percent, up from 0.99 percent in the second quarter of 2000.

- **SMALL BANKS CONTINUE TO EXPERIENCE MARGIN PRESSURES**
  As short-term interest rates fell during the second quarter, the industry's net interest margin improved, ending a stretch of six consecutive quarterly declines. At banks with less than $100 million, however, margins continued to decline. Larger banks have a higher proportion of liabilities that reprice quickly when interest rates fall, while smaller banks have larger proportions of retail deposits that do not reprice as quickly. As a result, the average yields on small banks' investments declined more rapidly than the cost of funding those investments, causing their net interest margins to narrow. The narrower margins meant lower profitability for many small banks, since they obtain a larger share of their earnings from net interest income than larger banks.

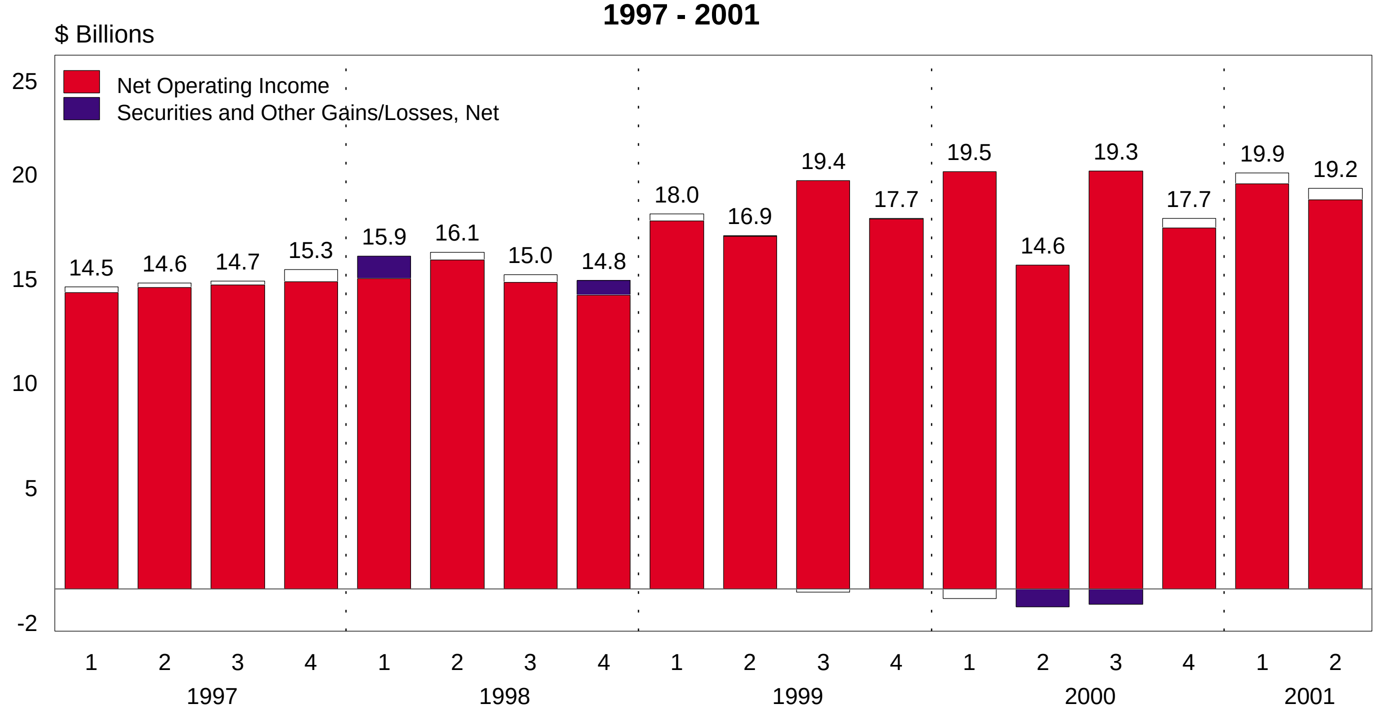
- **ASSET-QUALITY PROBLEMS INCREASE IN LOANS TO COMMERCIAL BORROWERS, CREDIT- CARD LOANS**
  Loan charge-offs and noncurrent loans both increased during the second quarter. Banks charged-off $7.9 billion in bad loans during the quarter, an increase of $2.6 billion (50 percent) from the level of the second quarter of 2000. Even with the higher level of charge-offs, the amount of noncurrent loans (loans 90 days or more or in nonaccrual status) increased by $2.7 billion (5.8 percent) during the quarter. Over the past 12 months, noncurrent loans are up by $12.1 billion (33.1 percent). More than half of the increase in charge-offs and noncurrent loans occurred in loans to commercial and industrial borrowers, particularly at larger banks. Only one out of every three banks reported higher levels of troubled commercial loans, but these banks accounted for more than three-quarters of all commercial and industrial loans held by commercial banks. Net charge-offs on banks' credit-card loans totaled $2.8 billion in the second quarter, an increase of $592 million (26.5 percent) compared to the second quarter of 2000.

- **SECOND-QUARTER EARNINGS OF $3.4 BILLION WERE THE HIGHEST QUARTERLY REPORT EVER FOR SAVINGS INSTITUTIONS**
  Earnings surpassed the previous record of $3.0 billion set in the third quarter of 1998. The industry’s ROA was 1.06 percent, up from 0.95 percent in the first quarter and 0.95 percent a year ago. A decline in short-term interest rates lifted the industry’s net interest margins by 12 basis points to 3.15 percent. Gains on sales of assets were up 30 percent to over $1 billion. Most small thrifts were unable to lower their cost of funding earning assets as fast as their yields fell and their net interest margins declined this quarter. Asset quality deteriorated slightly as noncurrent loans rose by $393 million (6 percent) and net charge-offs increased by $33 million (6 percent). As a result, provision expenses were $32 million higher (5 percent). Equity capital rose to 8.51 percent of assets from 8.47 percent last quarter.

- **SAIF RESERVE RATIO HAS SHARPEST DECLINE SINCE FUND RECAPITALIZATION**
  Increased provision for future insurance losses caused the Savings Insurance Fund (SAIF) to shrink $181 million in the second quarter of 2001. The shrinkage of SAIF plus modest insured deposit growth caused the SAIF reserve ratio to decline from 1.43 percent on March 31, to 1.40 percent on June 30. This was the largest drop since the recapitalization of SAIF in 1996. Deposits insured by the Bank Insurance fund (BIF) increased by 0.5 percent ($11.1 billion) during the quarter following a first quarter rise of 3.1 percent. The BIF grew by 0.8 percent ($255 million) during the second quarter of 2001, ending the quarter with a balance of $31.68 billion (unaudited). The growth of BIF more than offset the increase in BIF-insured deposits, and the reserve ratio rose from 1.32 percent on March 31, to 1.33 percent on June 30. One insured institution – a BIF member commercial bank with assets of $9.5 million failed during the second quarter.

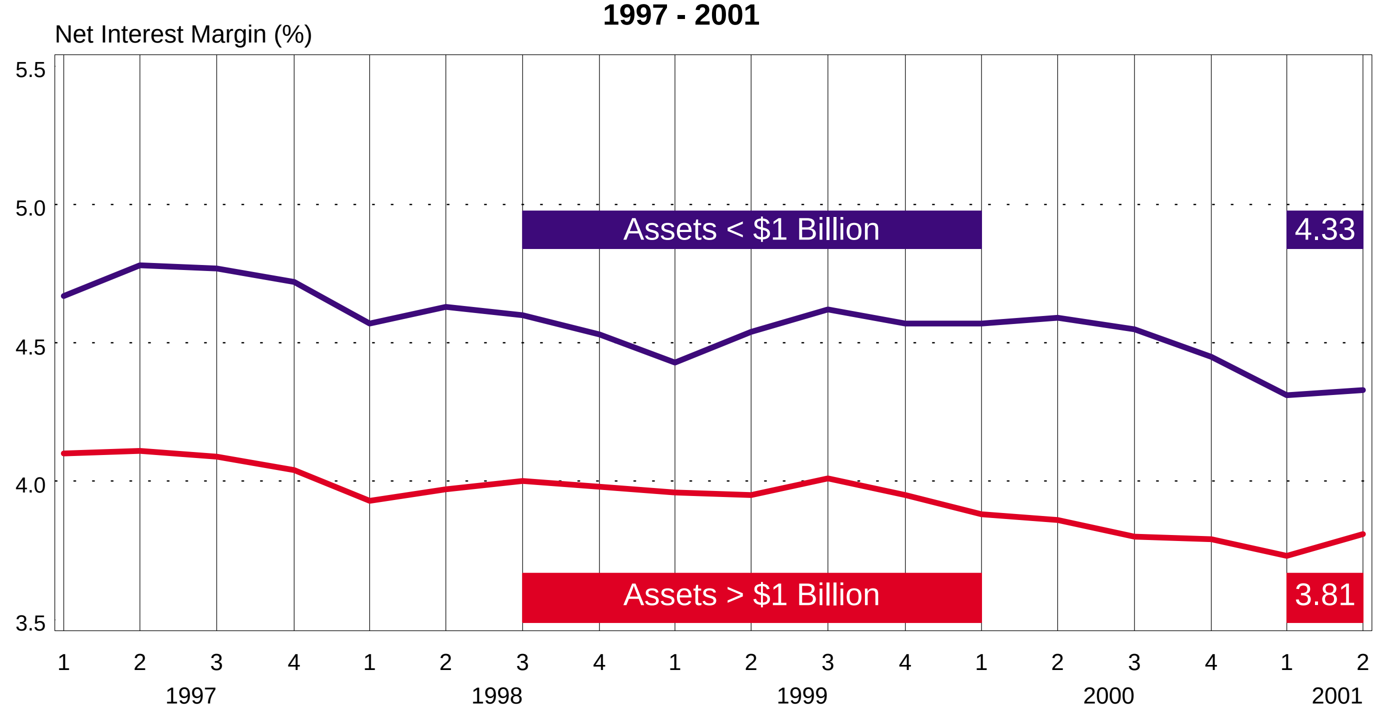
Quarterly Net Income

1997 - 2001



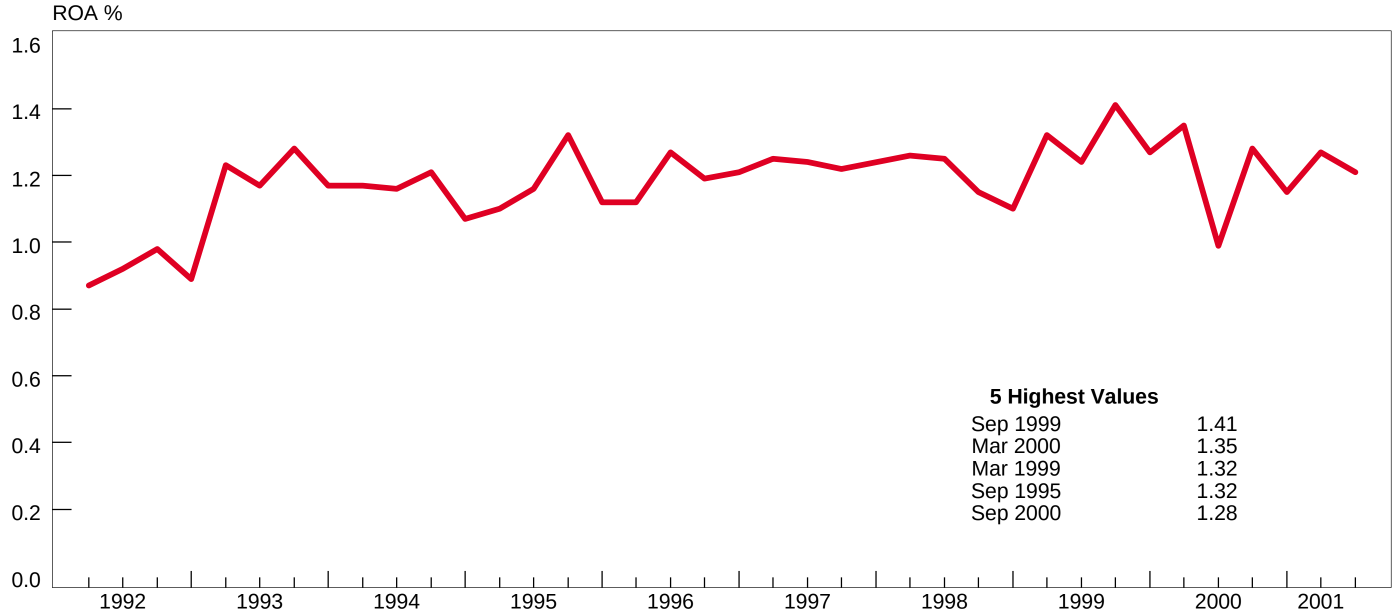
Quarterly Net Interest Margins, Annualized

1997 - 2001



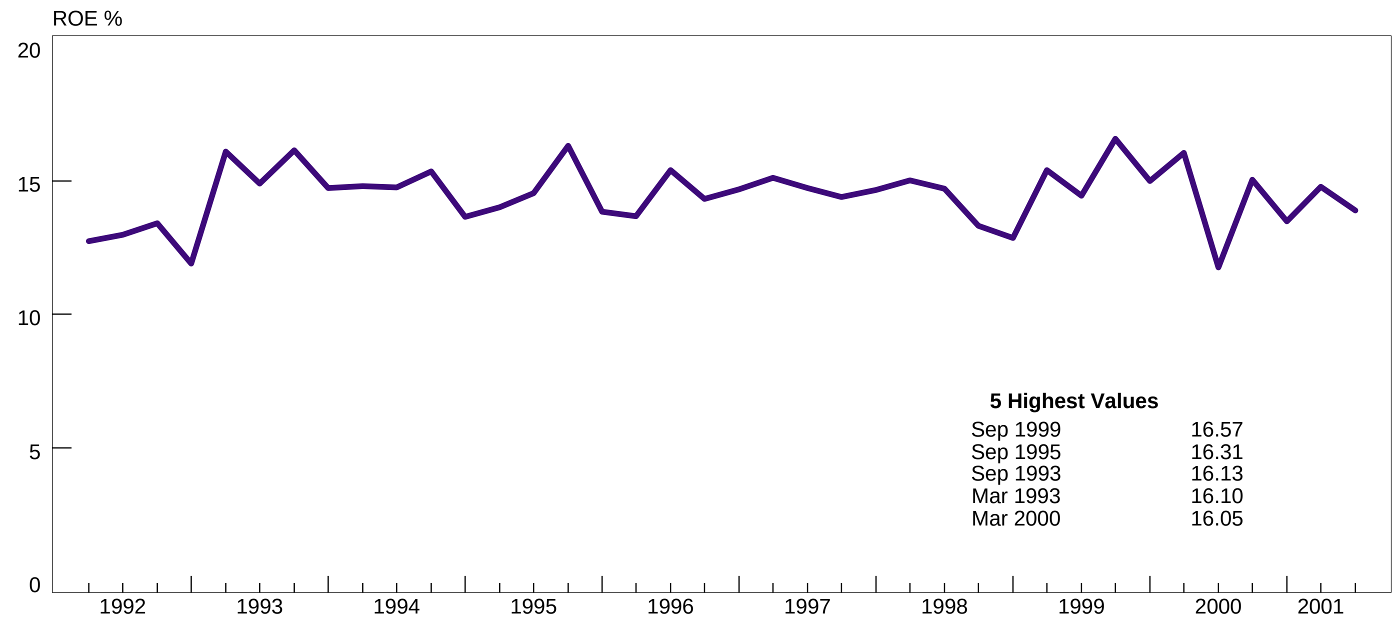
Quarterly Return on Assets (ROA), Annualized

1992 - 2001



Quarterly Return on Equity (ROE), Annualized

1992 - 2001



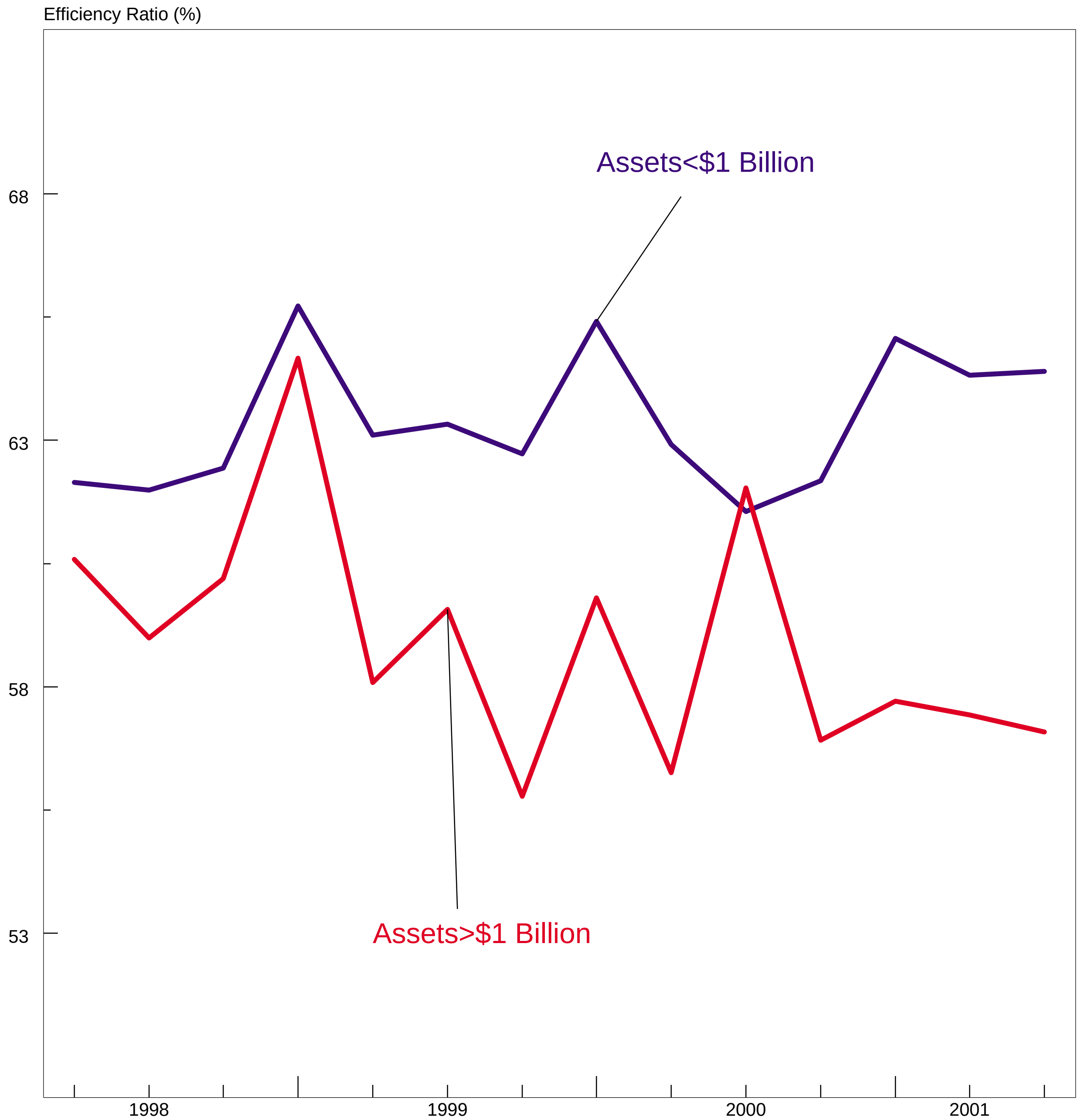
Quarterly Return on Risk-Weighted Assets (RWA),* and RWA to Total Assets

1994 - 2001

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

Quarterly Efficiency Ratios*

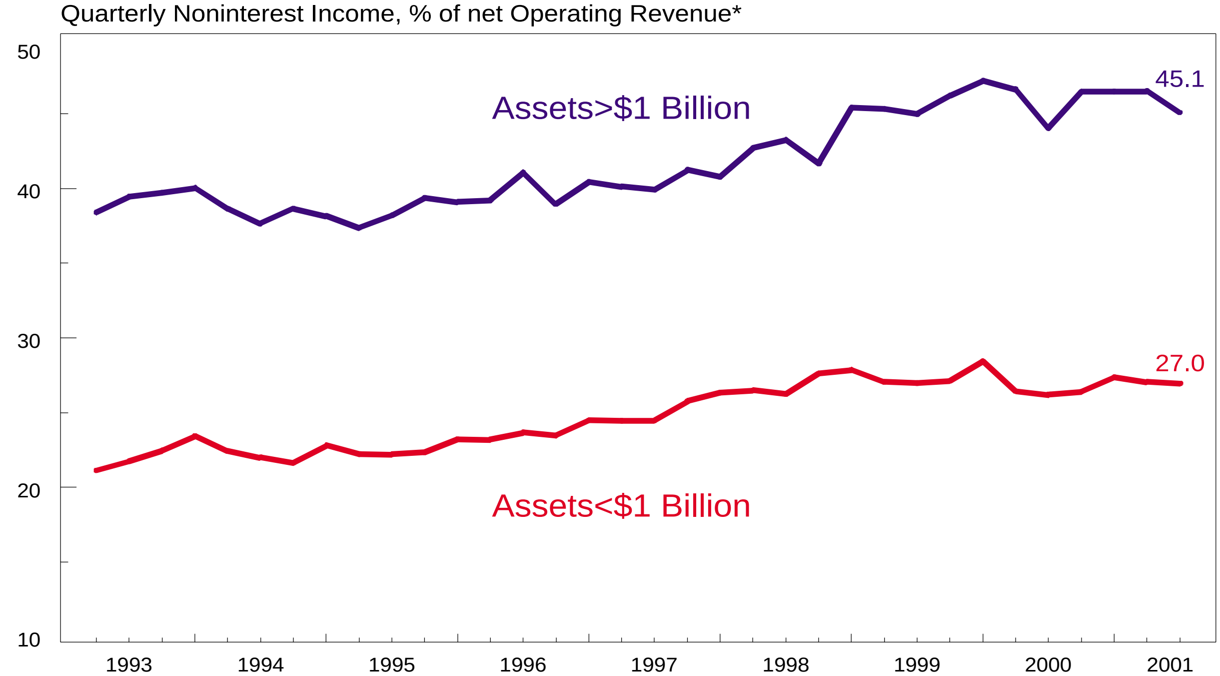
1998 - 2001



Assets<$1 Billion	**61.65**	**61.49**	**61.94**	**65.23**	**62.61**	**62.83**	**62.22**	**64.91**	**62.42**	**61.06**	**61.68**	**64.57**	**63.82**	**63.90**
Assets>$1 Billion	**60.08**	**58.49**	**59.69**	**64.17**	**57.59**	**59.07**	**55.28**	**59.30**	**55.76**	**61.53**	**56.41**	**57.21**	**56.93**	**56.58**
Total	**60.38**	**59.05**	**60.11**	**64.35**	**58.42**	**59.71**	**56.43**	**60.22**	**56.82**	**61.45**	**57.23**	**58.32**	**57.94**	**57.67**

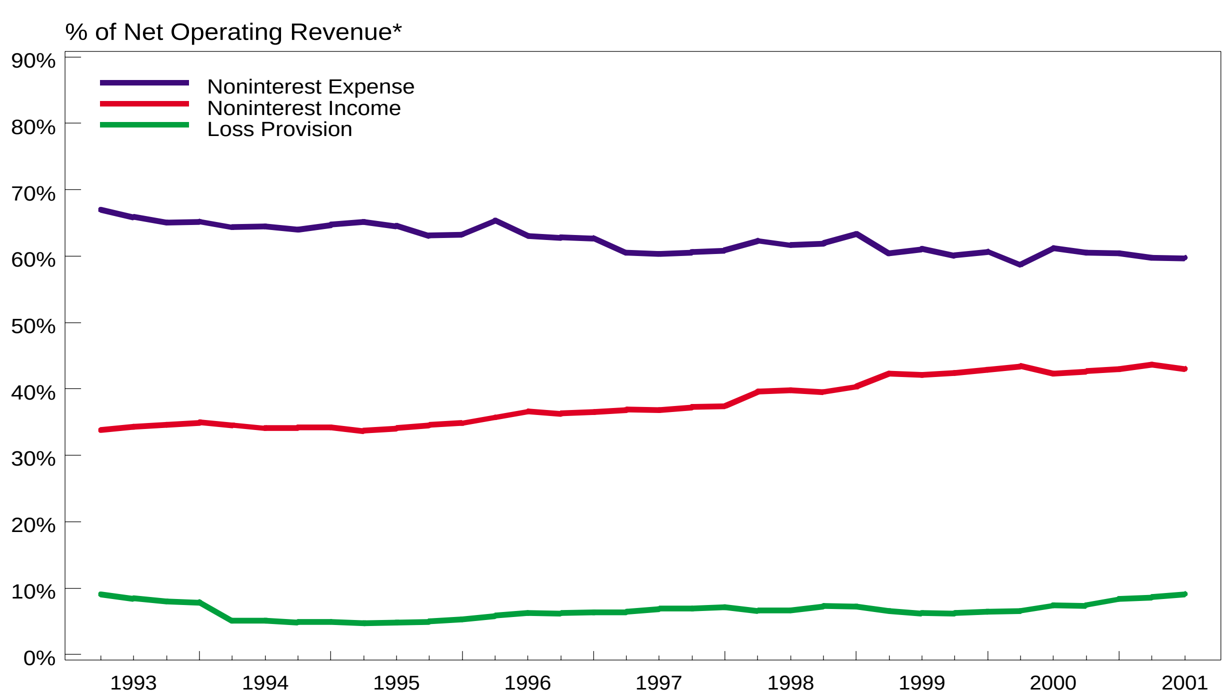
*Noninterest expense less amortization of intangible assets as a percent of net interest income plus noninterest income.

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



*Net operating revenue equals net interest income plus noninterest income.

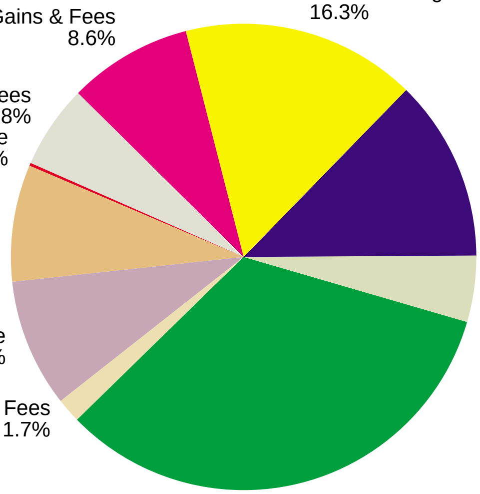
Trends in Commercial Bank Income & Expenses
1993 - 2001



*Net operating revenue equals net interest income plus total noninterest income.

Composition of Noninterest Income

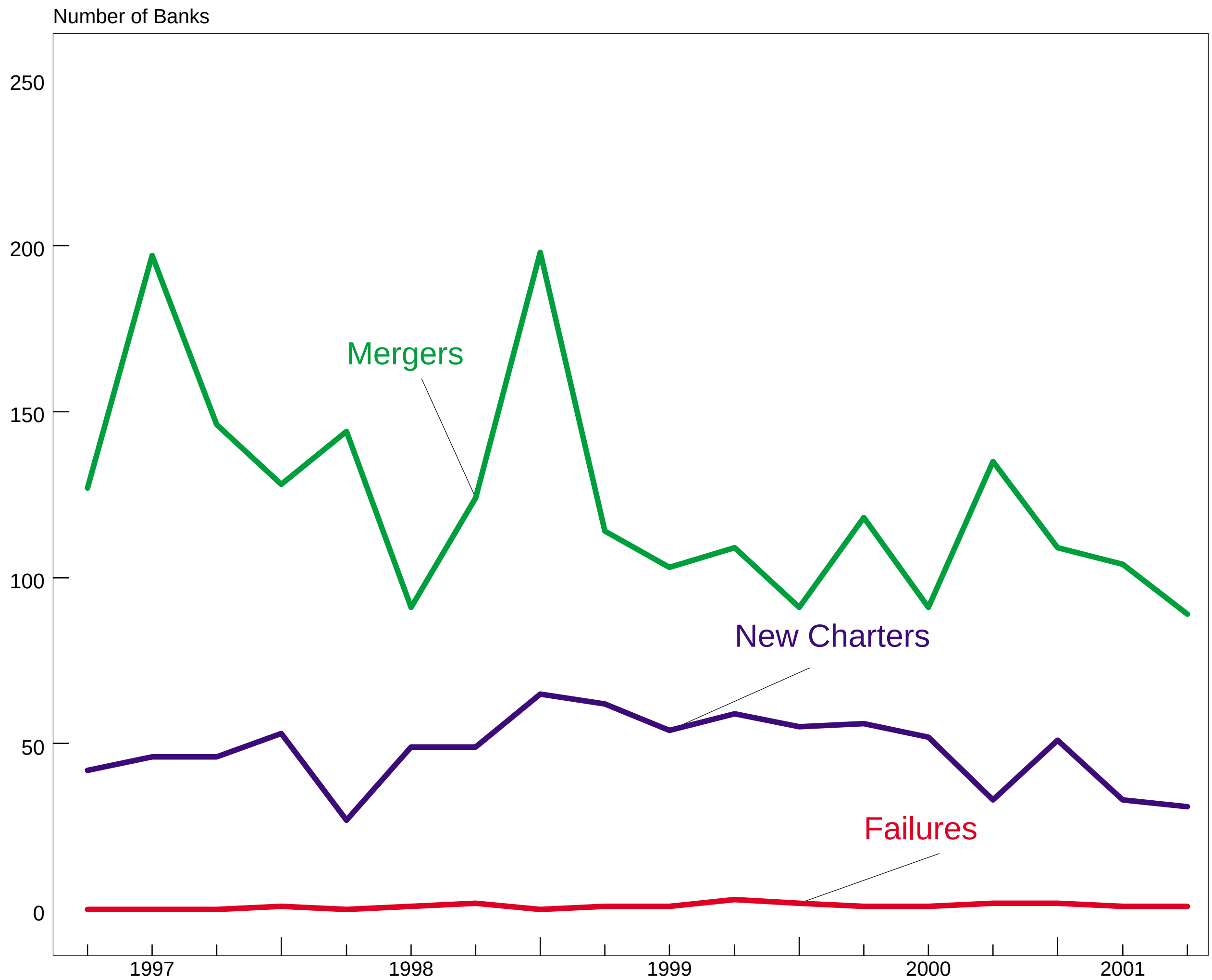
First Half 2001



Noninterest Income Source	Noninterest Income $ Millions	Number of Banks Reporting Non-Zero Balances	Percent of All Banks
Fiduciary Income	$10,093	1,581	19.1%
Service Charges on Deposit Accounts	$12,892	7,993	96.7%
Trading Gains & Fees	$6,809	156	1.9%
Investment Banking/Brokerage Fees	$4,572	2,059	24.9%
Venture Capital Revenue	$177	50	0.6%
Net Servicing Fees	$6,409	1,647	19.9%
Net Securitization Income	$7,024	98	1.2%
Insurance Commissions & Fees	$1,355	3,597	43.5%
Net Gains On Asset Sales			
Net Gains On Loan Sales	$1,992	1,583	19.1%
Net Gains On OREO Sales	$22	1,492	18.0%
Net Gains On Sales Of Other Assets	$1,617	1,605	19.4%
Other Noninterest Income	$26,270	8,015	96.9%
Total Noninterest Income	$79,231	8,138	98.4%

Changes in the Number of FDIC-Insured Commercial Banks

Quarterly, 1997 - 2001

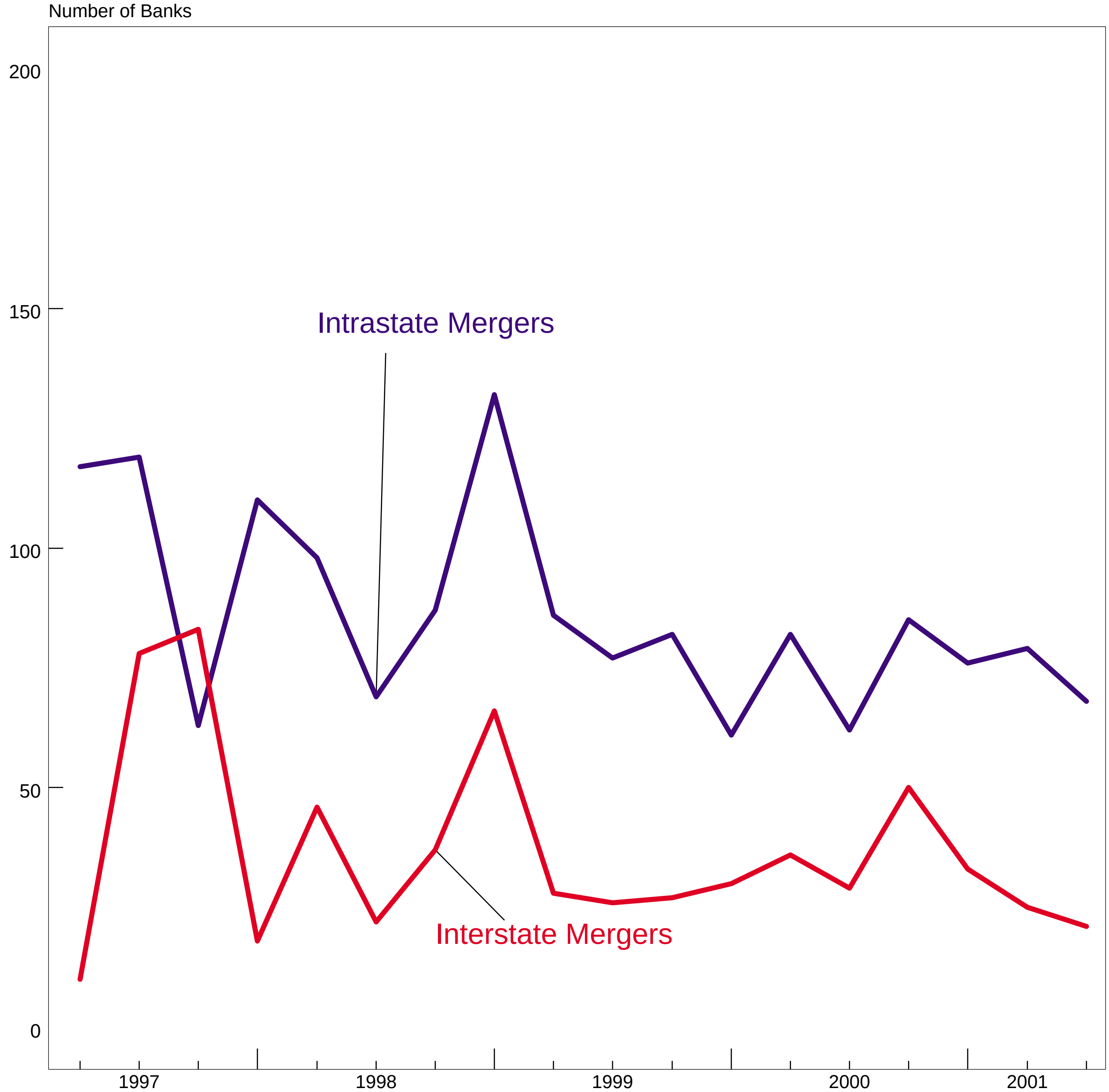


New Charters	42	46	46	53	27	49	49	65	62	54	59	55	56	52	33	51	33	31
Mergers	127	197	146	128	144	91	124	198	114	103	109	91	118	91	135	109	104	89
Failures	0	0	0	1	0	1	2	0	1	1	3	2	1	1	2	2	1	1
Other Changes, Net*	8	9	6	4	-2	3	4	-3	1	2	0	-3	-1	1	2	-1	-4	-1
No. of Banks at end of quarter	9,450	9,308	9,214	9,142	9,023	8,983	8,910	8,774	8,722	8,674	8,621	8,580	8,516	8,477	8,375	8,314	8,238	8,178
Net Change during quarter	-77	-142	-94	-72	-119	-40	-73	-136	-52	-48	-53	-41	-64	-39	-102	-61	-76	-60

* Includes charter conversions, voluntary liquidations, adjustments for open-bank assistance transactions and other changes.

Bank Mergers: Interstate vs. Intrastate

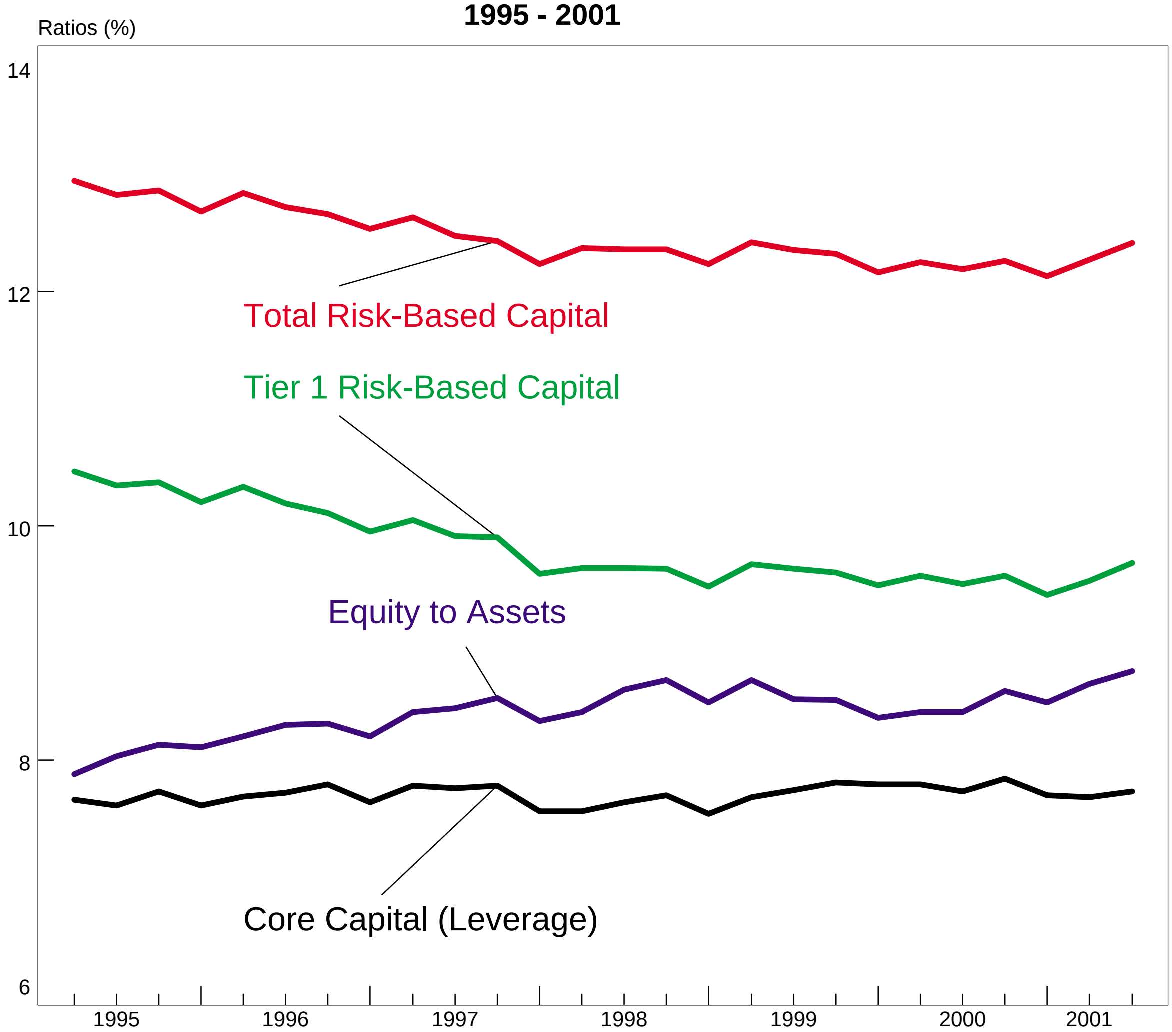
Quarterly, 1997 - 2001



Intrastate Mergers	**117**	**119**	**63**	**110**	**98**	**69**	**87**	**132**	**86**	**77**	**82**	**61**	**82**	**62**	**85**	**76**	**79**	**68**
Interstate Mergers	**10**	**78**	**83**	**18**	**46**	**22**	**37**	**66**	**28**	**26**	**27**	**30**	**36**	**29**	**50**	**33**	**25**	**21**

Capital Ratios

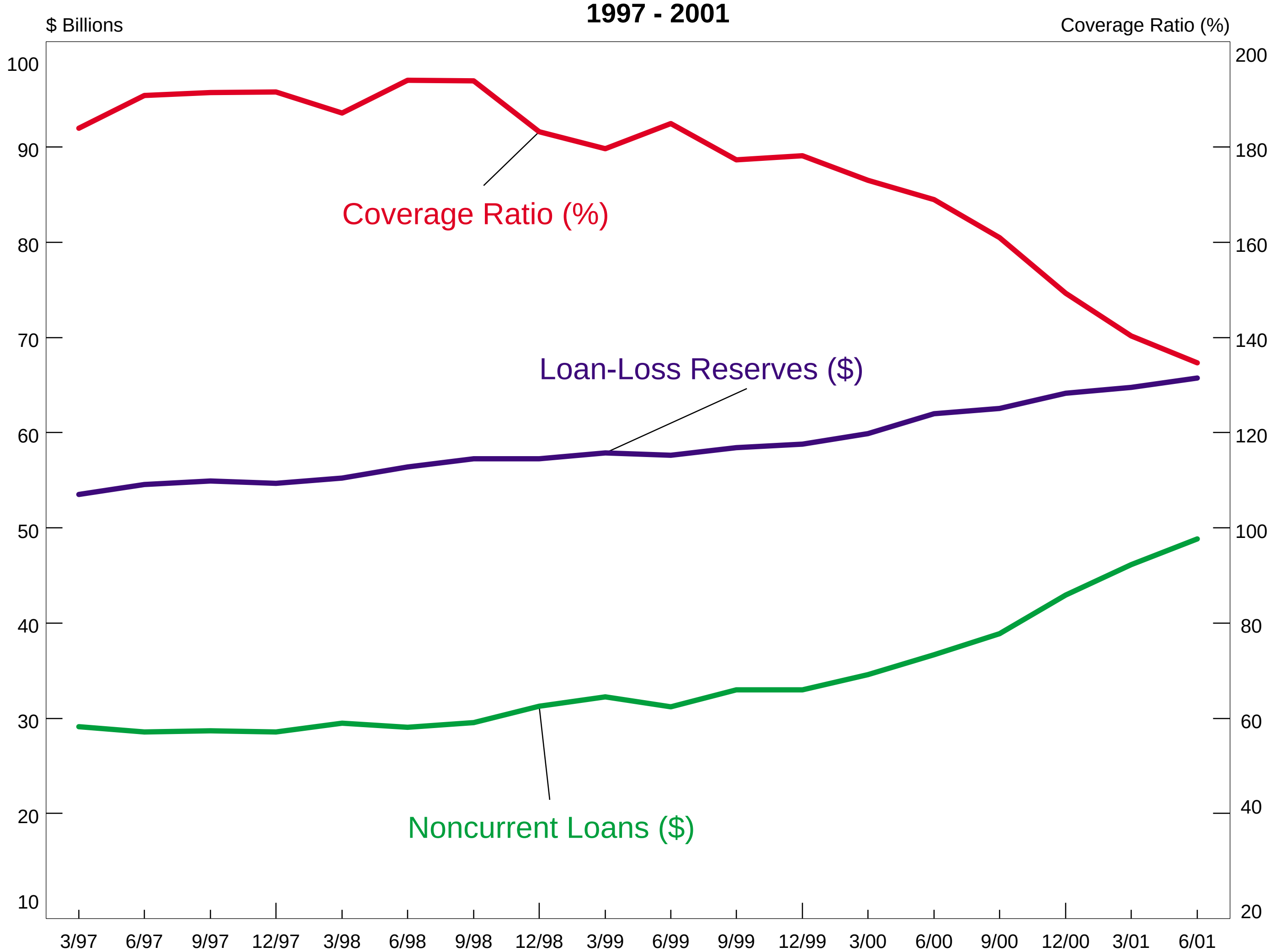
1995 - 2001



	12/95	12/96	12/97	12/98	12/99	12/00	6/01
Total Risk-Based Capital	**12.68**	**12.53**	**12.23**	**12.23**	**12.16**	**12.13**	**12.41**
Tier 1 Risk-Based Capital	**10.20**	**9.95**	**9.59**	**9.48**	**9.49**	**9.41**	**9.68**
Equity to Assets	**8.11**	**8.20**	**8.33**	**8.49**	**8.36**	**8.49**	**8.76**
Core Capital (Leverage)	**7.61**	**7.64**	**7.56**	**7.54**	**7.79**	**7.70**	**7.73**

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	48.8

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	65.7

Coverage Ratio (%)

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

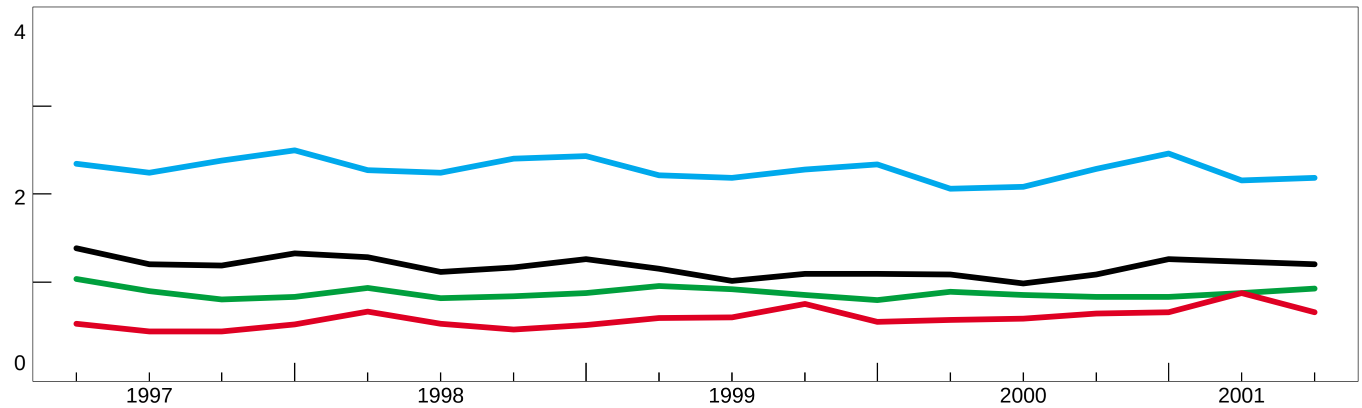
*Loan-loss reserves to noncurrent loans.

Loan Quality

1997 - 2001

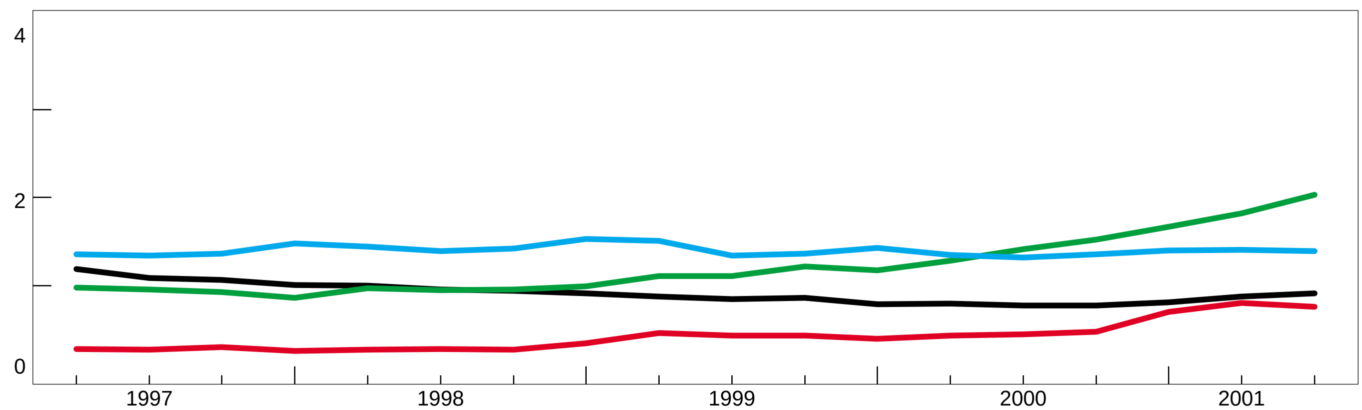
30-89 Day Past Due Loans

Percent of Loans



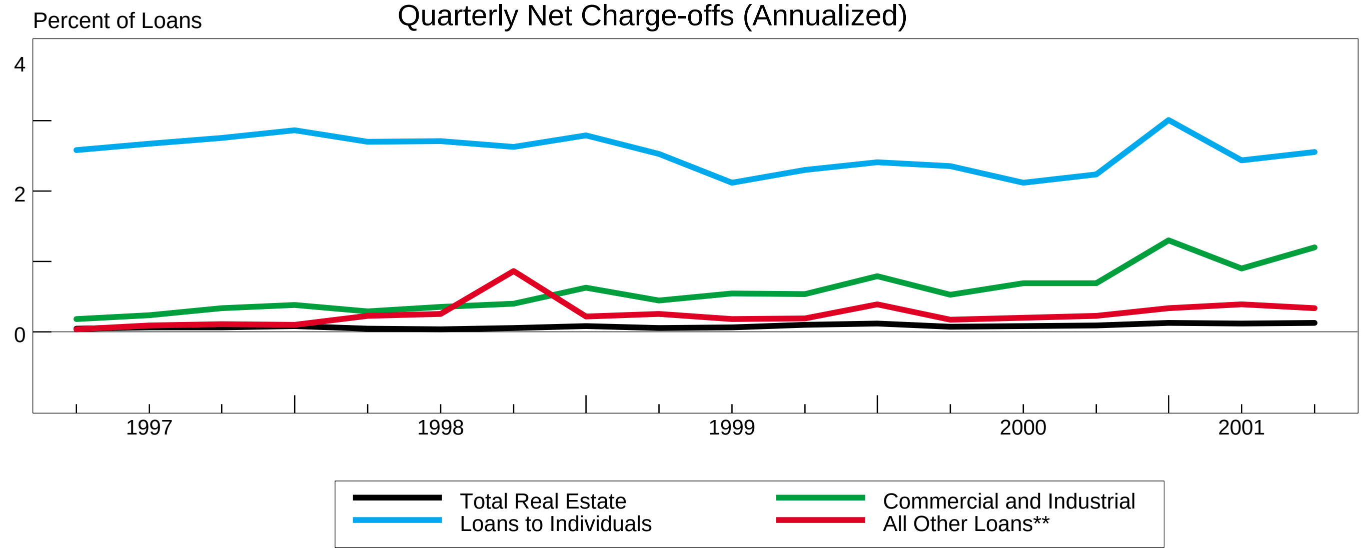
Noncurrent Loans*

Percent of Loans



Quarterly Net Charge-offs (Annualized)

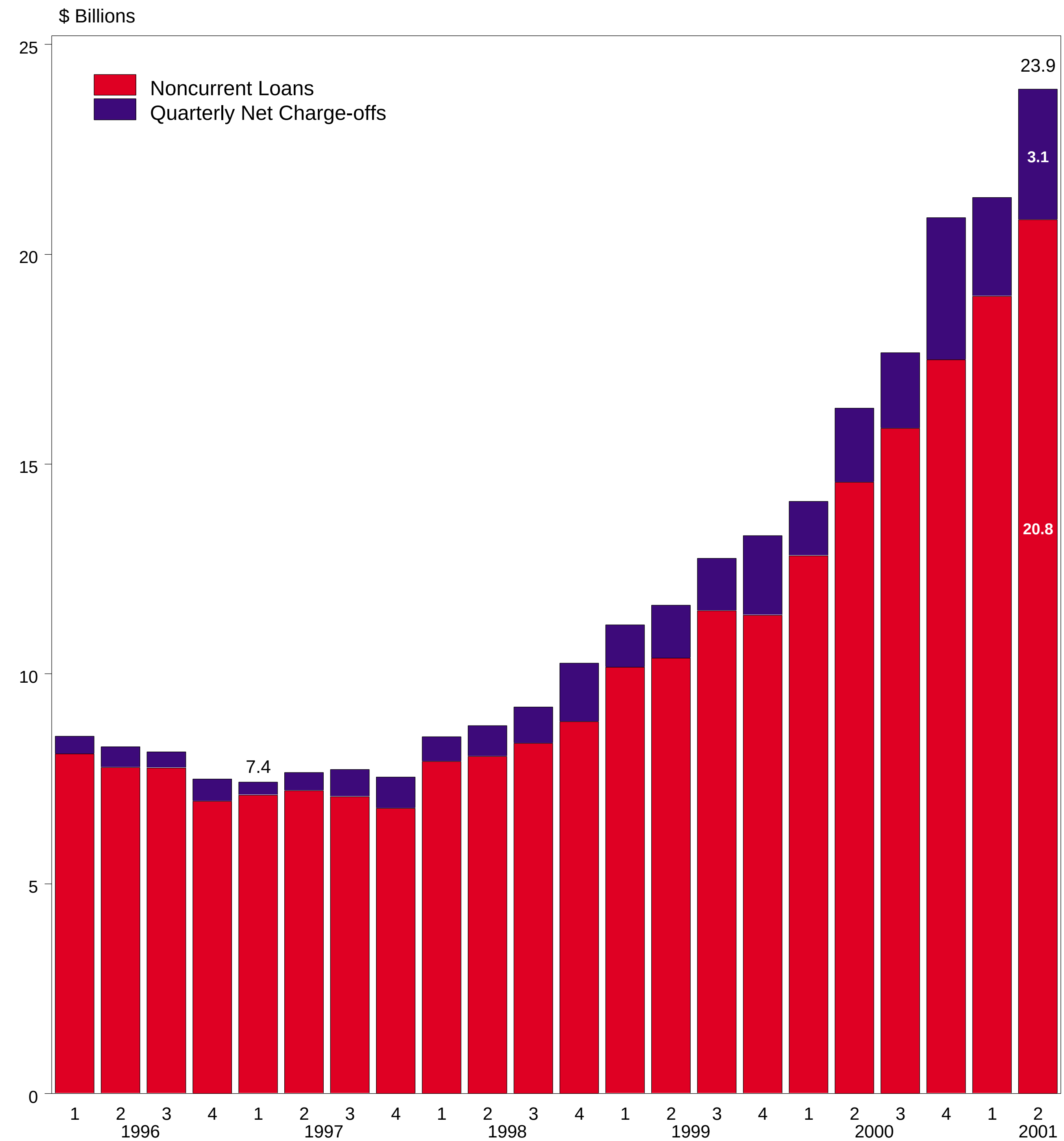
Percent of Loans



*Loans past due 90 or more days or in nonaccrual status.
**Includes loans to foreign governments, depository institutions and lease receivables.

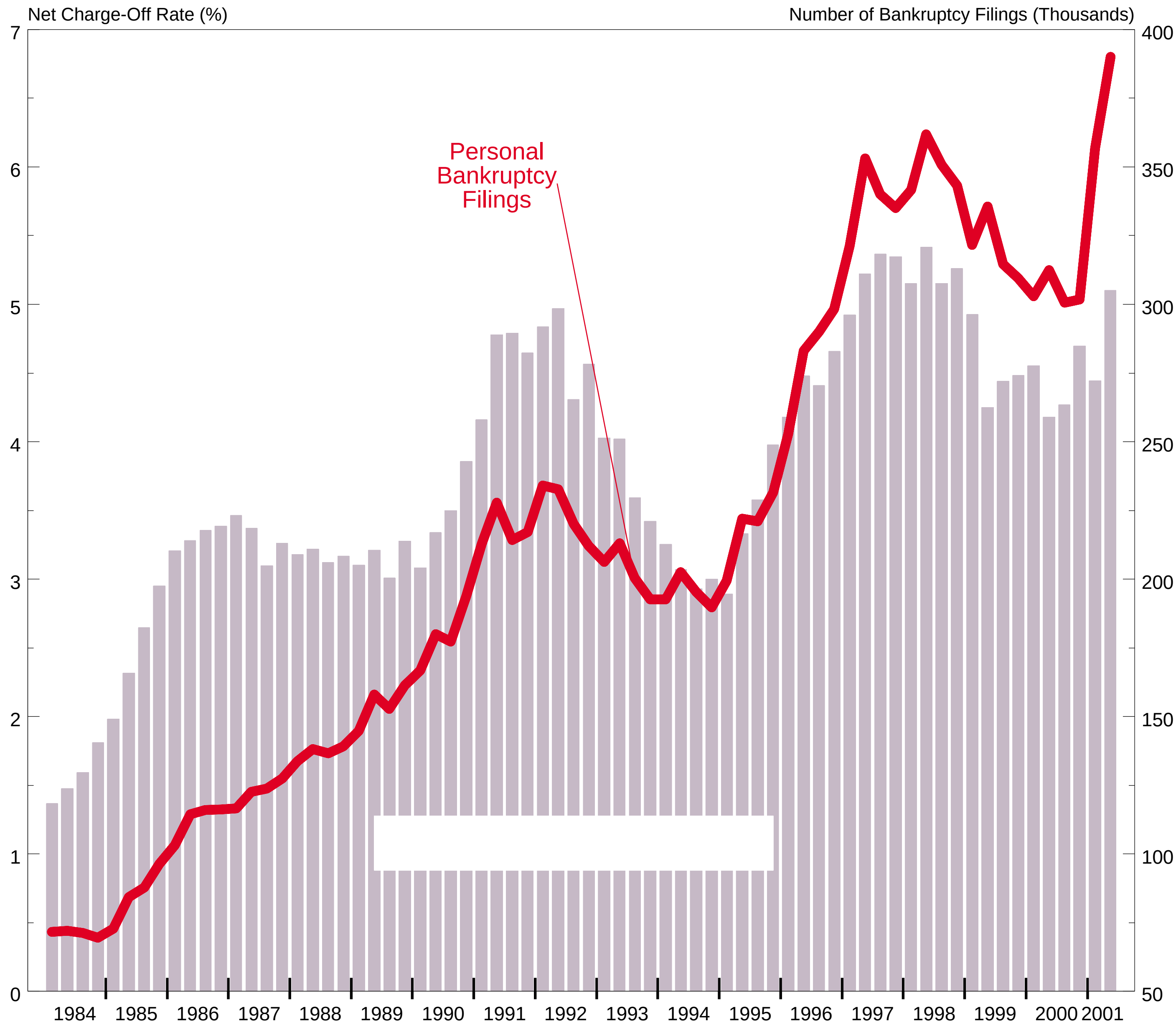
Credit Quality of Commercial Banks' C&I Loans

1996 - 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

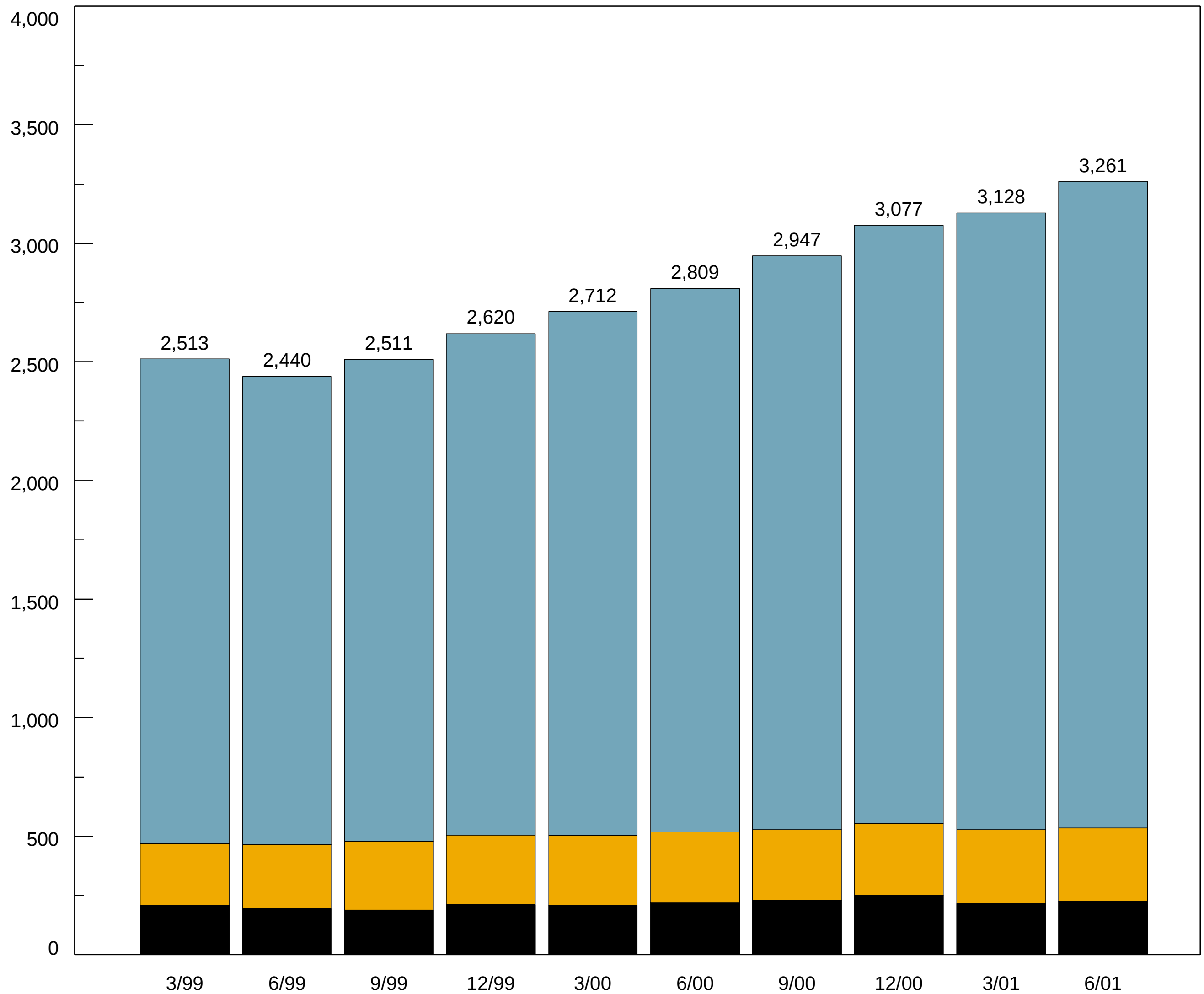
Credit Card Loss Rates and Personal Bankruptcy Filings

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
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	5.10	390,064

Expansion of Credit Card Lines

1999 - 2001



Loans outstanding ($ Billions)

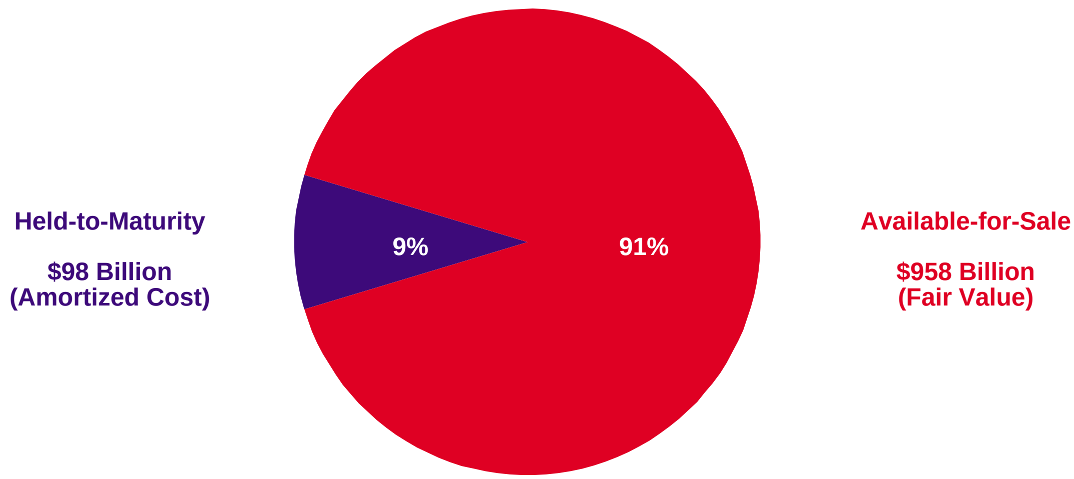
	3/99	6/99	9/99	12/99	3/00	6/00	9/00	12/00	3/01	6/01
Held on-balance-sheet *	208.0	192.9	189.3	212.1	207.6	219.0	228.7	249.4	216.4	226.3
Securitized & sold **	260.2	271.8	287.2	292.5	294.0	298.7	298.3	303.7	311.2	308.3
Unused commitments **	2,044.4	1,975.0	2,034.7	2,115.6	2,210.6	2,291.6	2,420.2	2,523.9	2,600.8	2,726.5
Total	2,512.6	2,439.7	2,511.3	2,620.2	2,712.2	2,809.3	2,947.2	3,076.9	3,128.4	3,261.2

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

** Off-balance-sheet

Total Securities*

June 30, 2001



Total Securities*

June 30, 2001

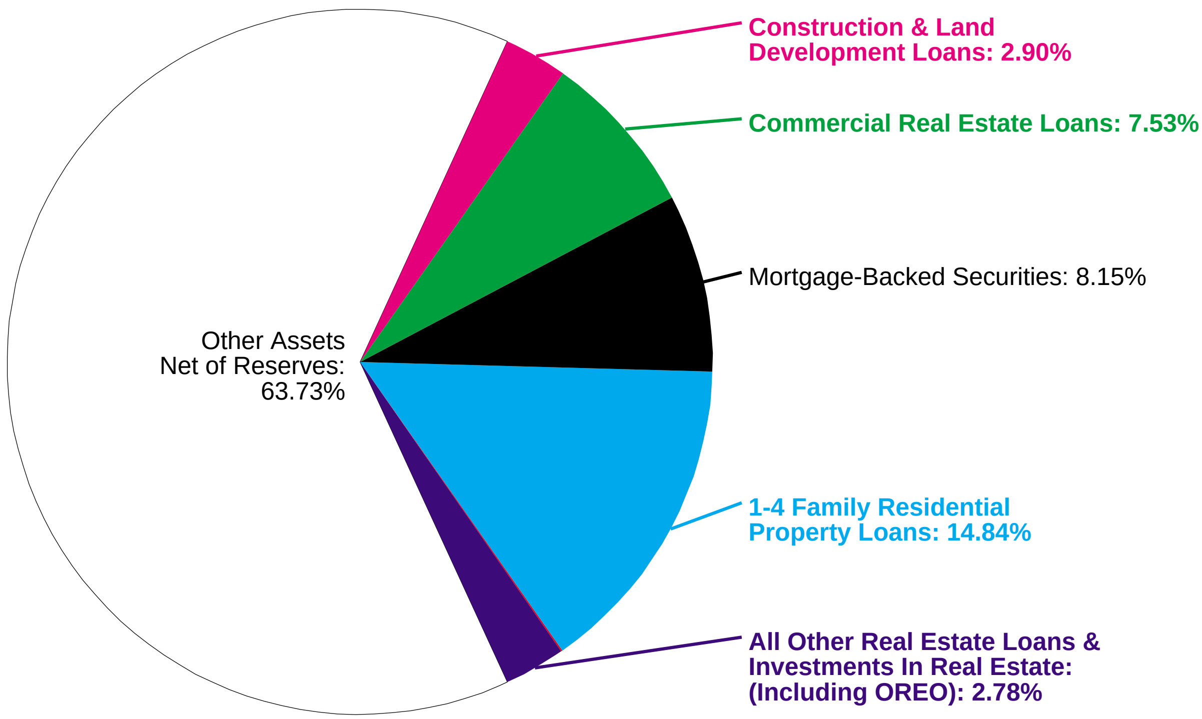
($ Millions)

	Held-to-Maturity		Available-for-Sale			
	Amortized Cost	Fair Value to Amortized Cost (%)	Fair Value	Fair Value to Amortized Cost (%)	Total Securities	Fair Value to Amortized Cost (%)
U.S. Government Obligations						
U.S. Treasury	$5,652	101.4	$49,364	99.5	$55,016	99.7
U.S. Government Agencies	1,113	101.2	3,430	100.4	4,543	100.6
Government Sponsored Enterprises	28,500	100.6	154,813	101.1	183,313	101.0
Mortgage Pass-through Securities	17,145	101.1	313,153	100.1	330,298	100.1
Collateralized Mortgage Obligations	16,211	101.0	171,829	100.6	188,040	100.6
State, County, Municipal Obligations	22,872	102.3	71,142	102.3	94,014	102.3
Asset Backed Securities	633	100.2	77,766	100.7	78,399	100.7
Other Debt Securities	5,952	99.7	99,015	102.7	104,967	116.7
Equity Securities	**	**	17,657	108.2	17,657	108.2
Total Securities	$98,077	101.2	$958,170	100.6	$1,056,247	100.7
Memoranda***						
Structured Notes	2,184		2,177			99.7

* 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.

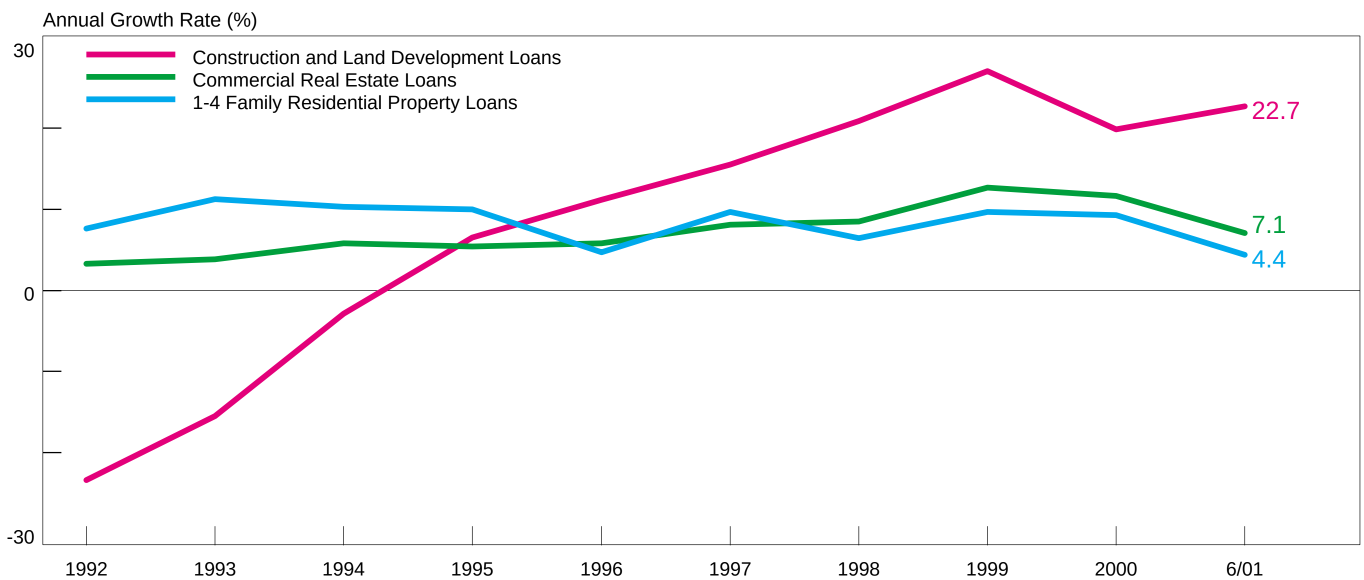
Real Estate Assets as a Percent of Total Assets

June 30, 2001



Real Estate Loan Growth Rates*

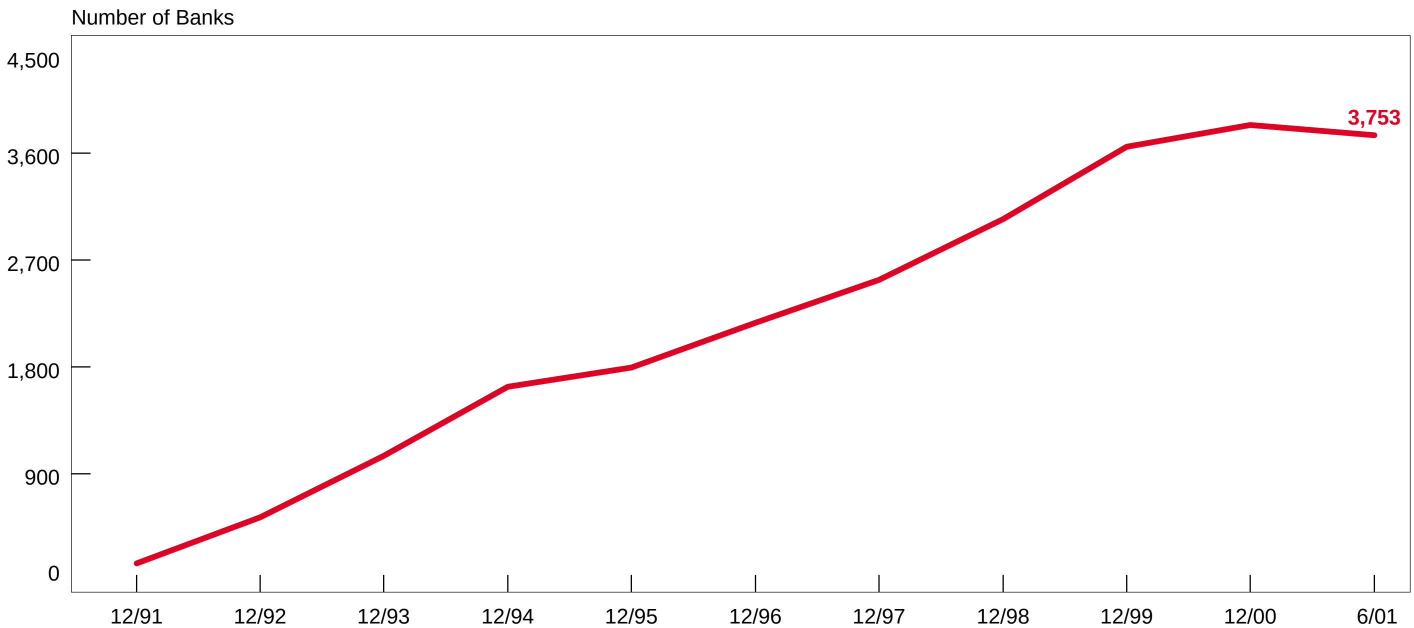
1992 - 2001



* Growth rate for most recent twelve-month period.

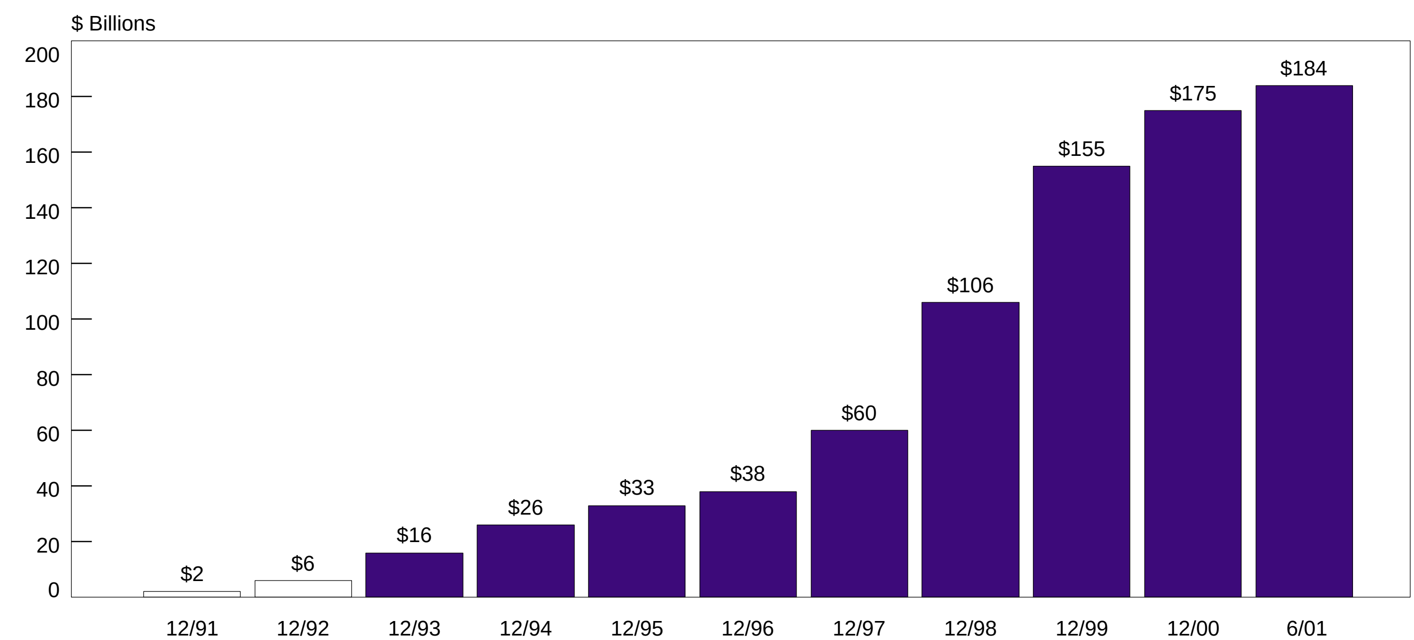
Number of Commercial Banks with FHLB Advances*

1991 - 2001



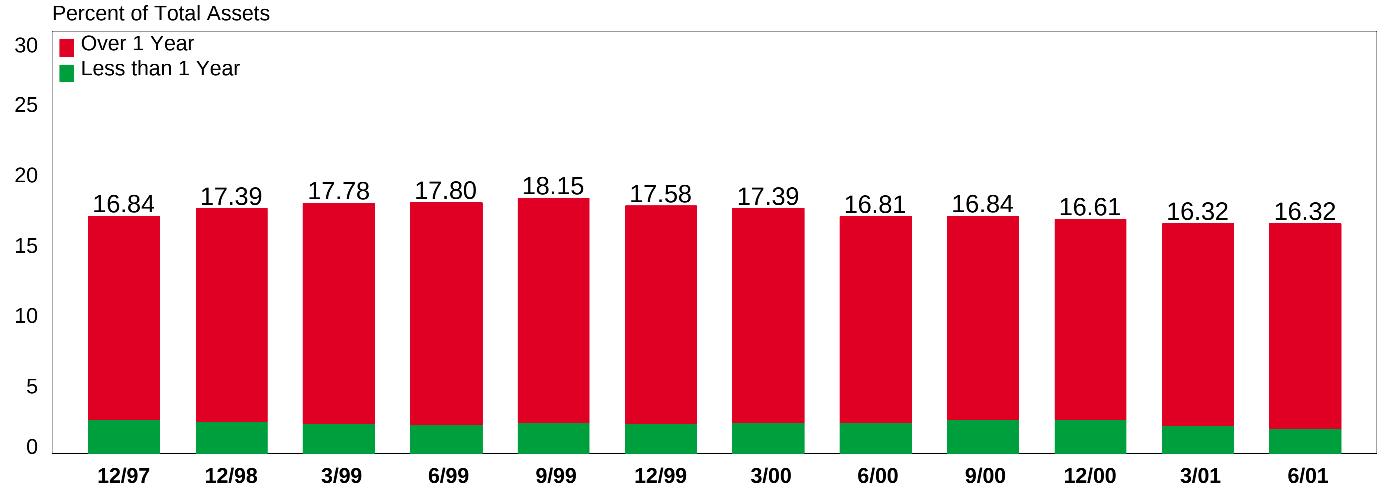
Amount of FHLB Advances Outstanding*

1991 - 2001



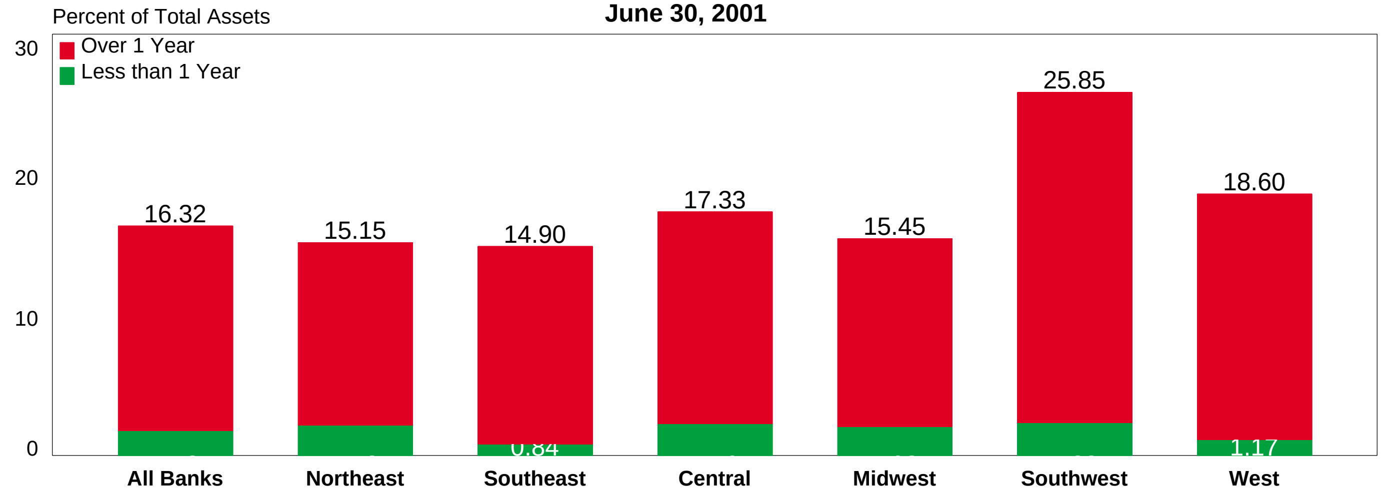
* Source: Call Report and FHFB prior to 3/31/01.

Debt Securities by Maturity or Repricing Frequency . . .



. . . and by Region

June 30, 2001



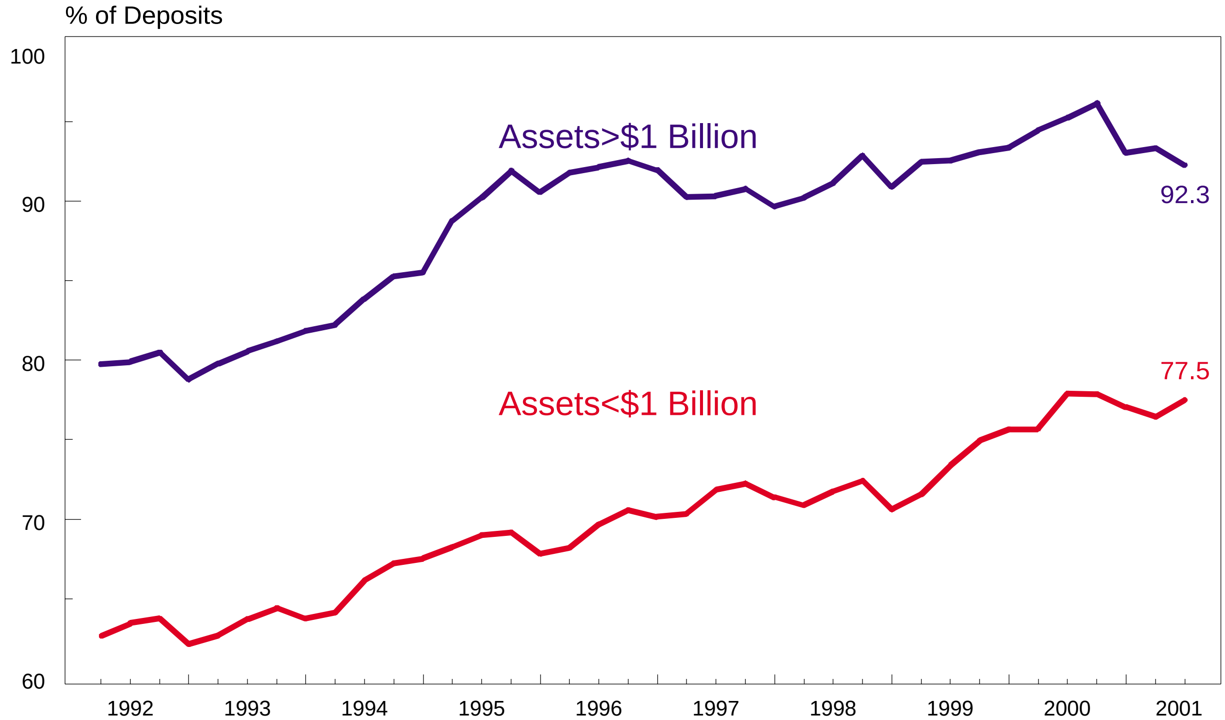
Total Securities (Debt and Equity)

($ Billions)

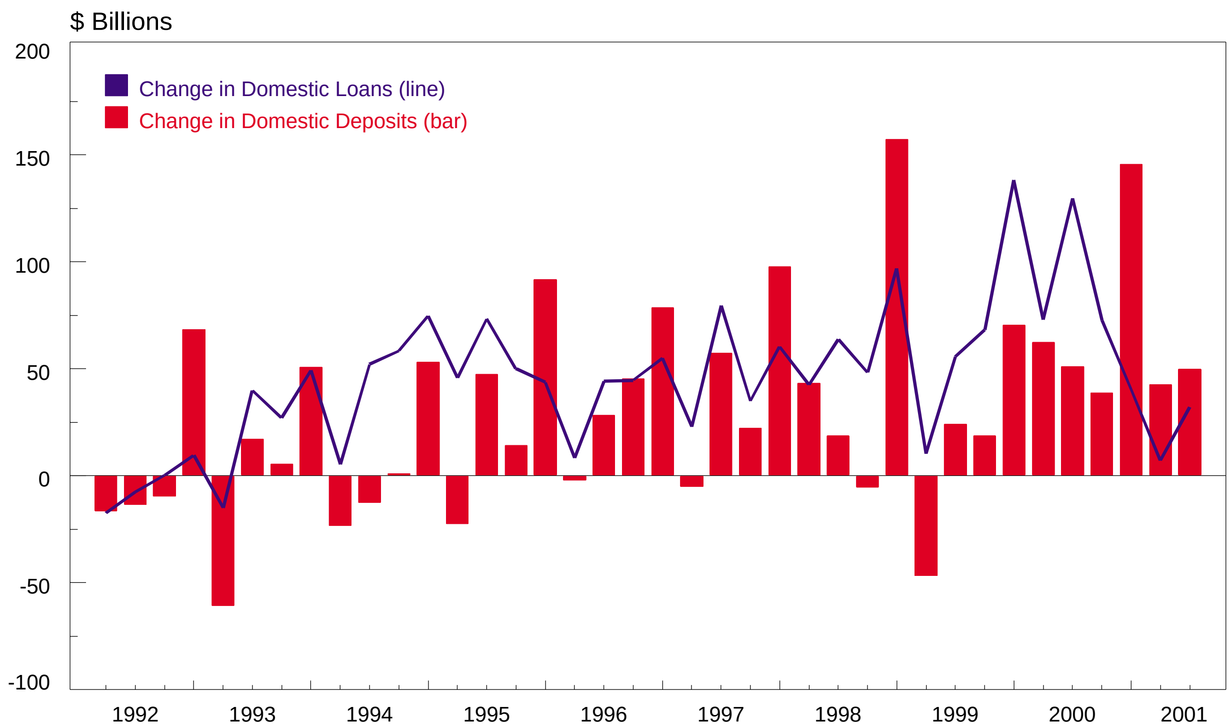
	6/99	9/99	12/99	3/00	6/00	9/00	12/00	3/01	6/01
U.S. Government Obligations:									
U.S. Treasury	118	115	113	109	102	94	76	56	55
U.S. Agencies	6	5	5	5	5	5	5	6	5
Government Sponsored Enterprises	194	200	203	214	219	229	225	204	183
Mortgage Pass-through Securities	282	285	285	286	285	284	296	317	330
Collateralized Mortgage Obligations	164	170	170	175	168	166	175	178	188
State, County, Municipal Obligations	88	89	89	89	90	90	93	94	94
Asset Backed Securities	*	*	*	*	*	*	*	71	78
Other Debt Securities	*	*	*	*	*	*	*	107	105
Equity Securities	33	34	37	39	40	40	41	18	18
Total Securities	$1,007	$1,036	$1,047	$1,057	$1,047	$1,062	$1,079	$1,049	$1,056

* Not reported prior to 3/01

Net Loans and Leases to Deposits
(Domestic and Foreign)
1992 - 2001



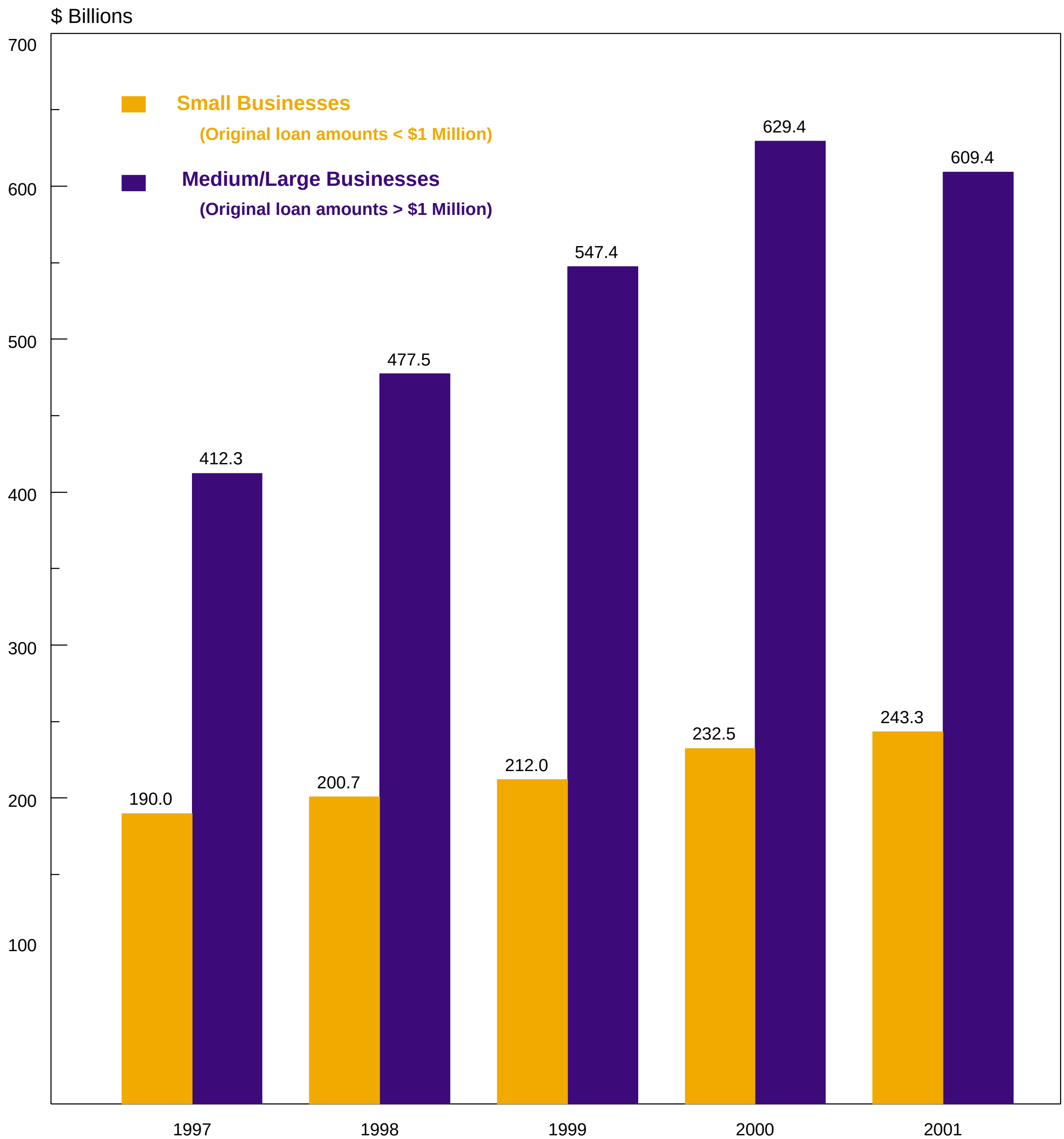
Quarterly Change in Domestic Loans vs Domestic Deposits
1992 - 2001



Commercial and Industrial Loans to Small Businesses

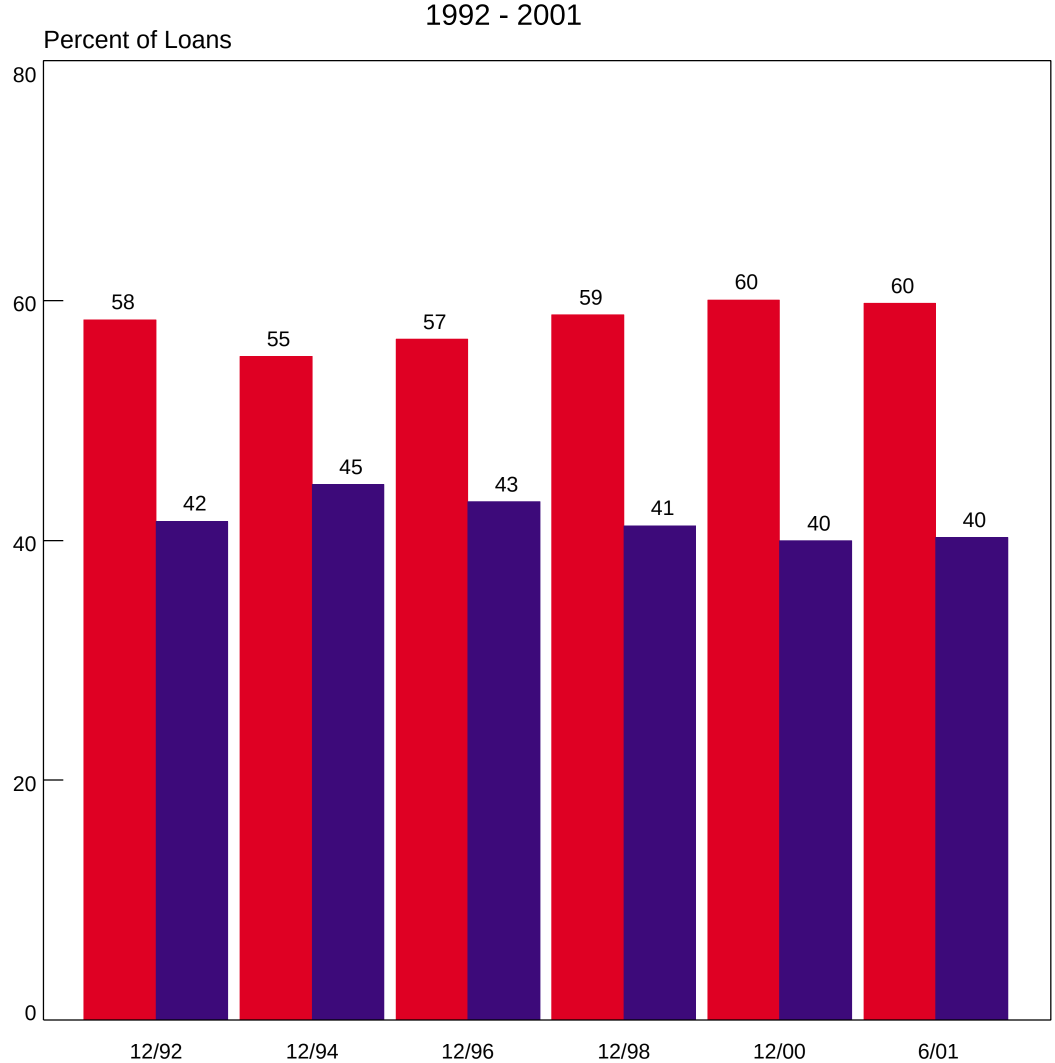
1997 - 2001

As of June 30



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	$2,295	$2,308
Consumer Loans	849	1,056	1,218	1,336	1,527	1,554

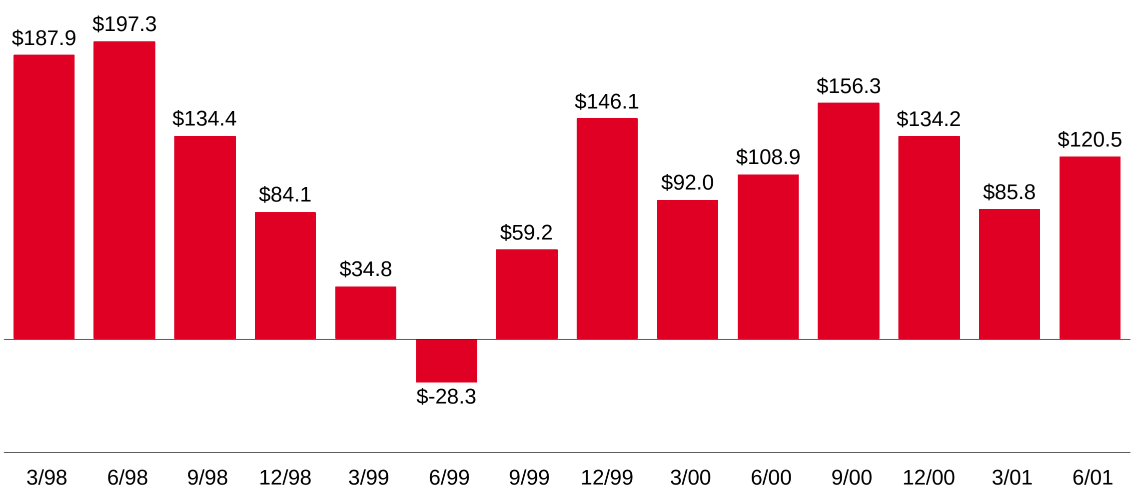
Loans to Commercial Borrowers (Credit Risk Concentrated) - These are loans that can have relatively large balances at risk to a single borrower. A single loan may represent a significant portion of an institution's capital or income. Therefore, a relatively small number of defaults could impair an institution's 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 second quarter of 2001, commercial real estate loans increased by $10.4 billion and 1-4 family loans increased by $16.6 billion, while credit card loans increased by $9.9 billion.

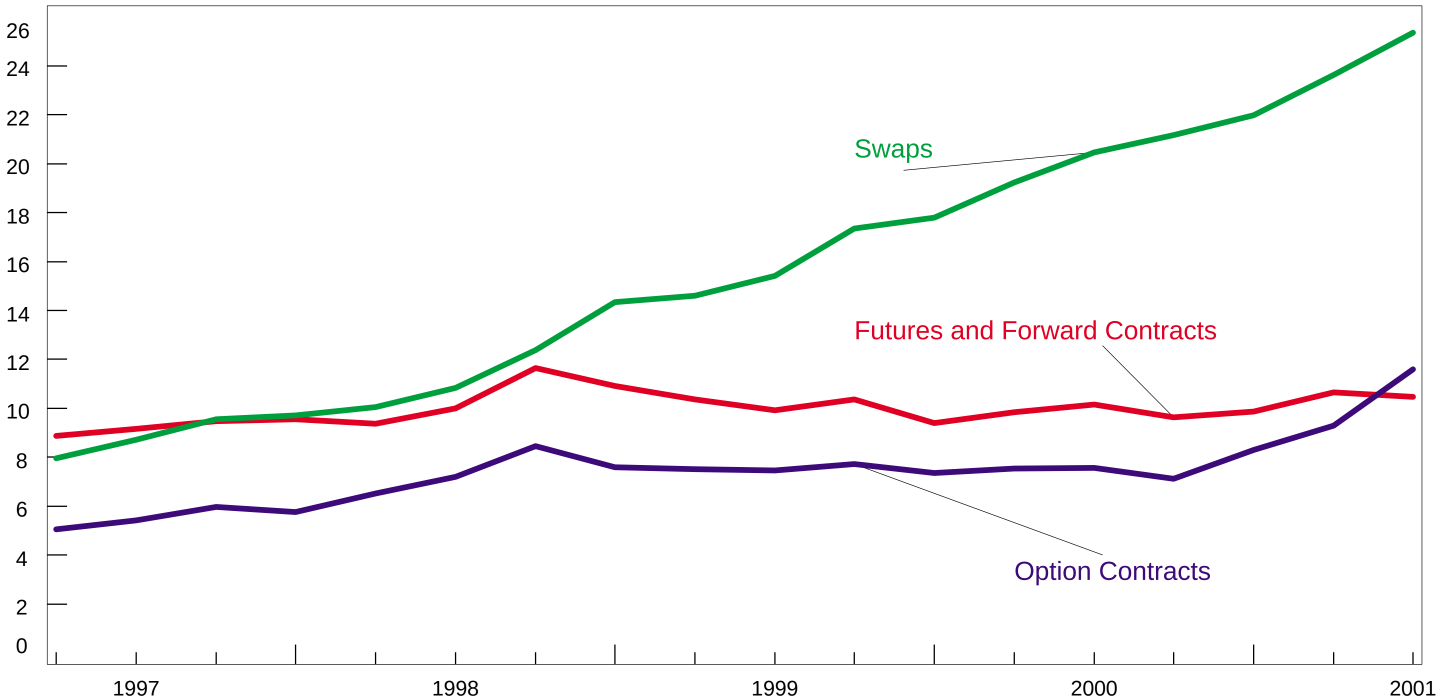
Quarterly Change in Unused Loan Commitments
($ Billions)



In the second quarter of 2001, unused credit card commitments increased by $125.7 billion, while unused commitments for loans to businesses decreased by $21.5 billion.

Derivatives

1997 - 2001 (Notional Amounts)

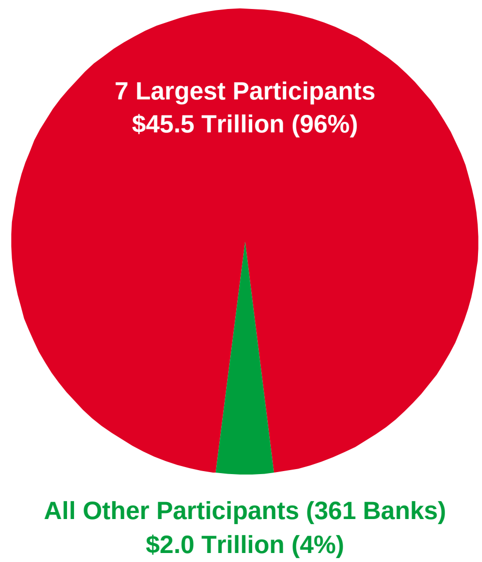


	12/97	12/98	12/99	12/00	3/01	6/01
Total Derivatives	$25,011	$32,863	$34,533	$40,145	$43,569	$47,422
(Notional Amounts, in billions of dollars)						
Futures and Forward Contracts	**9,551**	**10,924**	**9,390**	**9,877**	**10,651**	**10,459**
Interest rate contracts	4,083	5,521	5,096	5,302	5,612	5,803
Foreign exchange rate contracts	5,359	5,308	4,175	4,425	4,885	4,507
Other futures and forwards*	109	95	119	150	154	149
Option Contracts	**5,754**	**7,592**	**7,361**	**8,301**	**9,279**	**11,602**
Interest rate options	3,985	5,679	5,795	6,744	7,585	9,681
Foreign currency options	1,457	1,393	965	775	893	1,129
Other option contracts*	312	520	601	782	800	792
Swaps	**9,706**	**14,347**	**17,781**	**21,968**	**23,640**	**25,360**
Interest rate swaps	9,020	13,592	16,884	20,920	22,527	24,147
Foreign exchange rate swaps	614	686	774	899	971	1,054
Other swaps*	73	69	123	148	141	160
Memoranda						
Spot Foreign Exchange Contracts	317	375	66	189	410	440
Credit Derivatives	55	144	287	426	352	351
Number of banks reporting derivatives	461	447	418	401	395	368
Replacement cost of interest rate and foreign exchange rate contracts **	355	471	361	449	544	521

* 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.

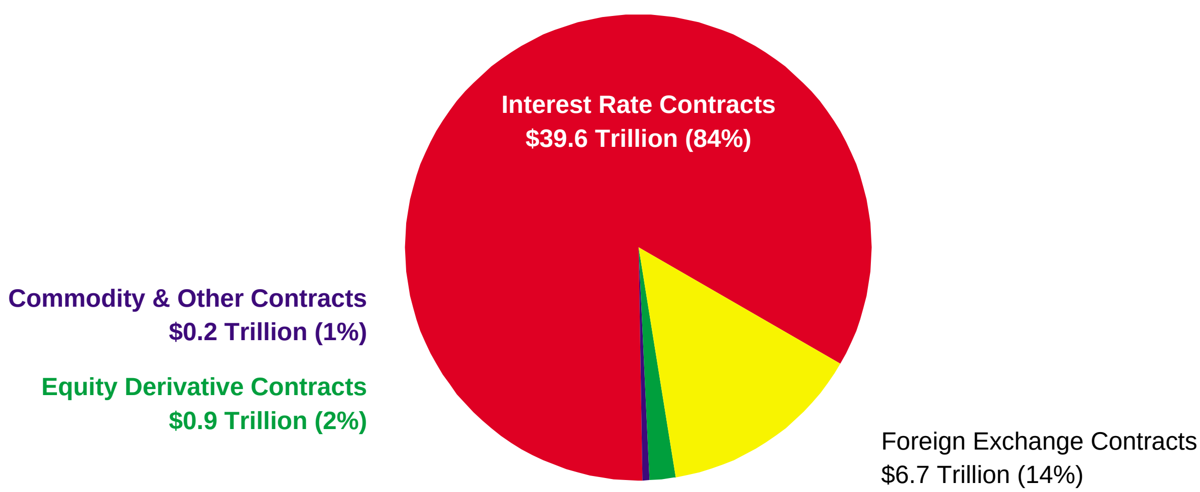
Concentration of Derivatives*

Notional Amounts
June 30, 2001



Composition of Derivatives*

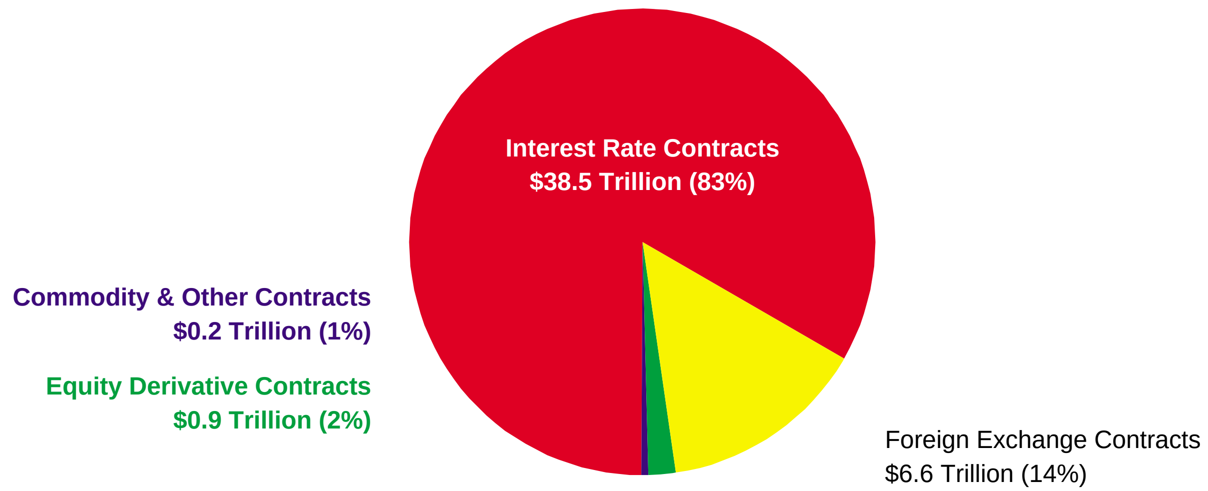
Notional Amounts
June 30, 2001



*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 $398 billion for the seven largest participants and $42 billion for all others are not included.

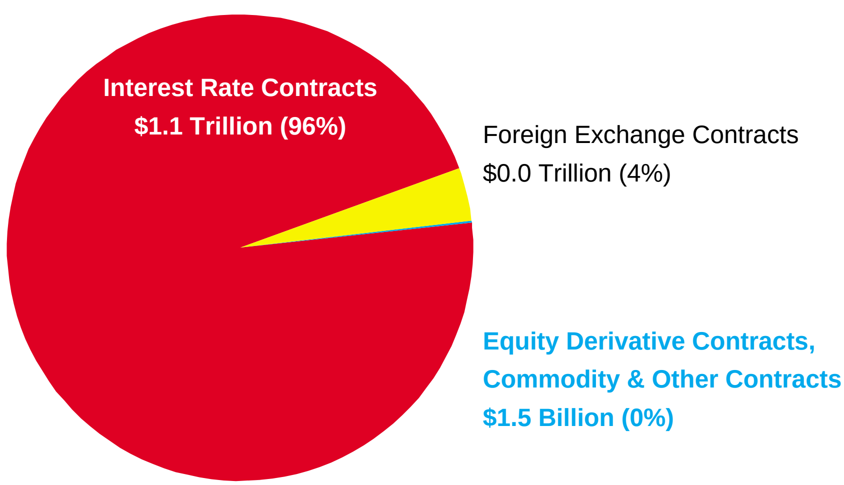
Purpose of Derivatives*
Held for Trading

Notional Amounts
June 30, 2001



Not Held for Trading

Notional Amounts
June 30, 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 $440 billion are not included.

Positions of Derivatives
Gross Fair Values

June 30, 2001
($ Millions)

Held for Trading

99 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
Seven Largest Participants						
Gross positive fair value	358,011	138,145	33,387	18,137	547,680	14,611
Gross negative fair value	339,741	142,474	35,128	15,725	533,069	
All other participants						
Gross positive fair value	7,037	6,185	831	1,735	15,788	543
Gross negative fair value	6,627	5,957	790	1,871	15,245	
Total						
Gross positive fair value	365,048	144,330	34,218	19,871	563,467	15,154
Gross negative fair value	346,369	148,431	35,918	17,596	548,314	

Held for Purposes Other than Trading

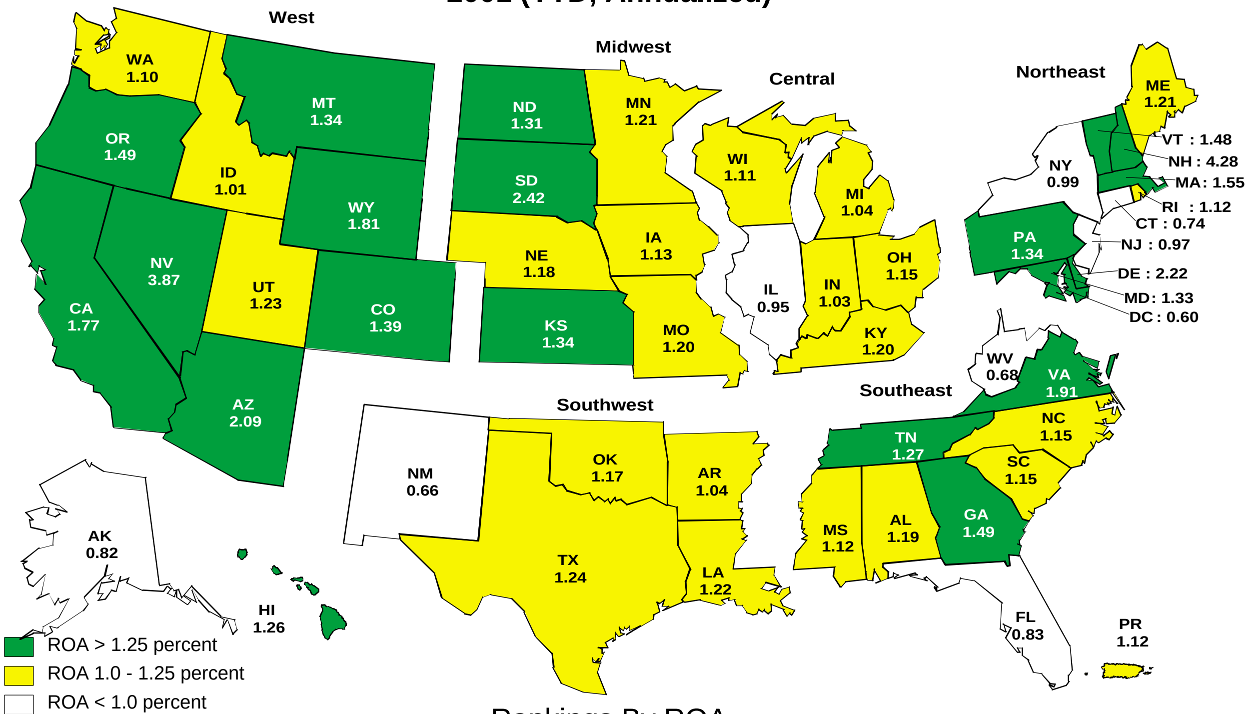
310 Banks Held Derivative Contracts for Purposes Other than Trading

7 Largest Participants Held 67% of Total (Notional Amount)

	Interest Rate	Foreign Exchange	Equity Derivatives	Commodity & Other	Total	Net
Seven Largest Participants						
Gross positive fair value	6,181	655	77	0	6,912	2,350
Gross negative fair value	4,218	266	79	0	4,562	
All other participants						
Gross positive fair value	4,466	197	36	0	4,699	1,683
Gross negative fair value	2,719	272	25	0	3,016	
Total						
Gross positive fair value	10,647	852	113	0	11,612	4,034
Gross negative fair value	6,937	537	103	0	7,578	

Return On Assets (ROA)

2001 (YTD, Annualized)



Rankings By ROA

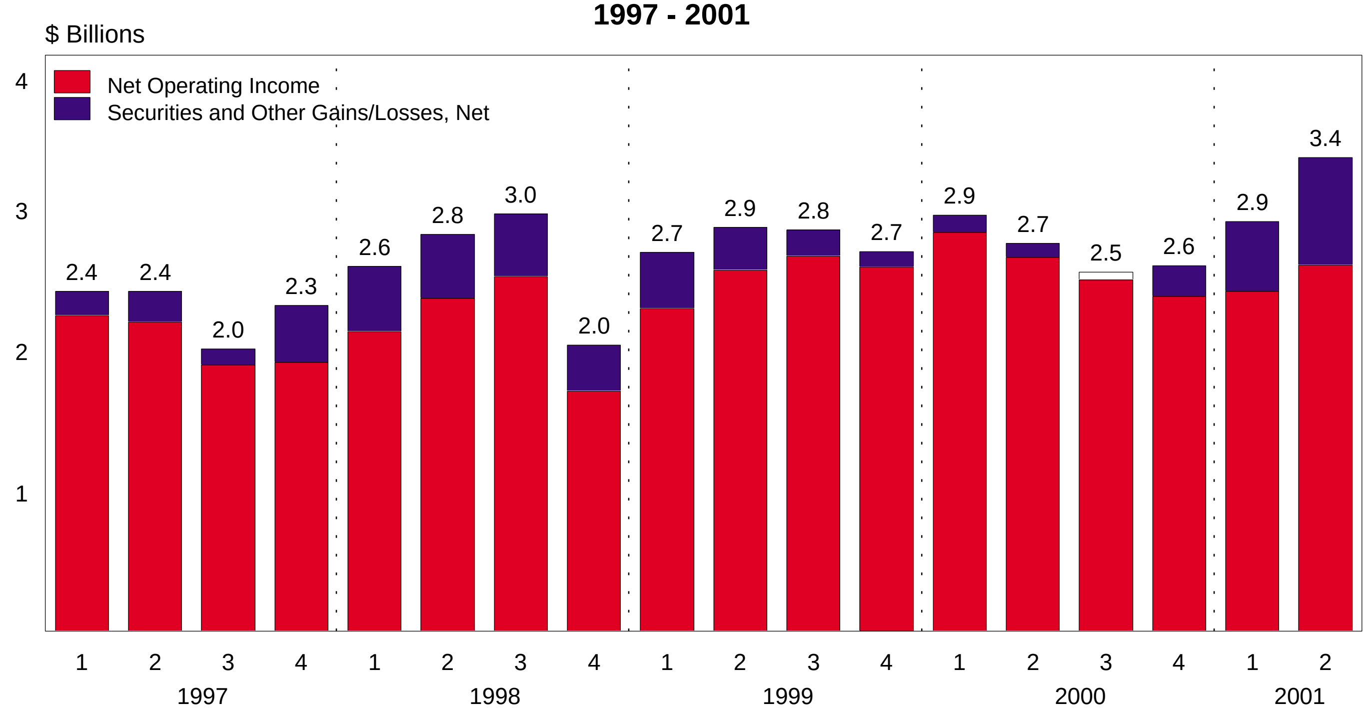
		No. of Inst. as of 6/30/01	YTD 2001	YTD 2000	Change*
1	New Hampshire	15	4.28	2.74	154
2	Nevada	32	3.87	3.63	24
3	South Dakota	93	2.42	2.52	(10)
4	Delaware	33	2.22	1.21	101
5	Arizona	43	2.09	0.88	121
6	Virginia	144	1.91	1.74	17
7	Wyoming	46	1.81	2.28	(47)
8	California	300	1.77	1.31	46
9	Massachusetts	42	1.55	1.08	47
10	Georgia	331	1.49	1.48	1
11	Oregon	42	1.49	1.12	37
12	Vermont	18	1.48	1.49	(1)
13	Colorado	180	1.39	1.11	28
14	Kansas	376	1.34	1.43	(9)
15	Montana	83	1.34	1.31	3
16	Pennsylvania	182	1.34	1.42	(8)
17	Maryland	72	1.33	1.33	0
18	North Dakota	107	1.31	1.34	(3)
19	Tennessee	194	1.27	1.28	(1)
20	Hawaii	8	1.26	0.93	33
21	Texas	693	1.24	1.10	14
22	Utah	57	1.23	2.04	(81)
23	Louisiana	144	1.22	1.02	20
24	Maine	15	1.21	1.22	(1)
25	Minnesota	486	1.21	1.41	(20)
26	Kentucky	231	1.20	1.25	(5)
27	Missouri	354	1.20	1.36	(16)

		No. of Inst. as of 6/30/01	YTD 2001	YTD 2000	Change*
28	Alabama	157	1.19	1.18	1
29	Nebraska	276	1.18	1.20	(2)
30	Oklahoma	284	1.17	1.12	5
31	North Carolina	77	1.15	0.65	50
32	Ohio	206	1.15	1.29	(14)
33	South Carolina	75	1.15	1.19	(4)
34	Iowa	426	1.13	1.19	(6)
35	Mississippi	101	1.12	1.22	(10)
36	Rhode Island	7	1.12	1.58	(46)
37	Puerto Rico	12	1.12	1.03	9
38	Wisconsin	286	1.11	0.90	21
39	Washington	76	1.10	1.39	(29)
40	Arkansas	183	1.04	1.14	(10)
41	Michigan	163	1.04	1.43	(39)
42	Indiana	155	1.03	0.87	16
43	Idaho	17	1.01	1.13	(12)
44	New York	145	0.99	1.23	(24)
45	New Jersey	80	0.97	1.17	(20)
46	Illinois	703	0.95	0.76	19
47	Florida	262	0.83	1.12	(29)
48	Alaska	6	0.82	1.66	(84)
49	Connecticut	25	0.74	1.73	(99)
50	West Virginia	71	0.68	0.92	(24)
51	New Mexico	52	0.66	0.72	(6)
52	District of Col.	6	0.60	0.72	(12)
	U.S. and Terr.	8,178	1.24	1.16	8

*YTD 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.

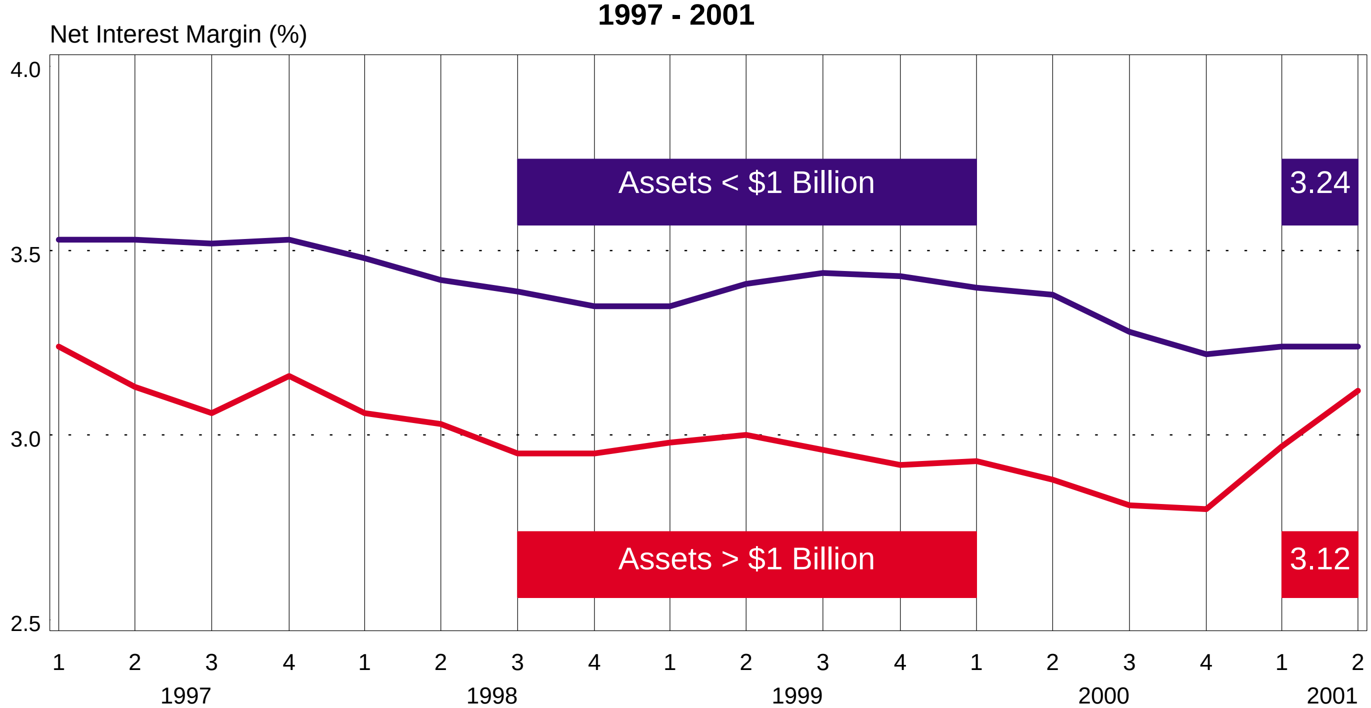
Quarterly Net Income

1997 - 2001



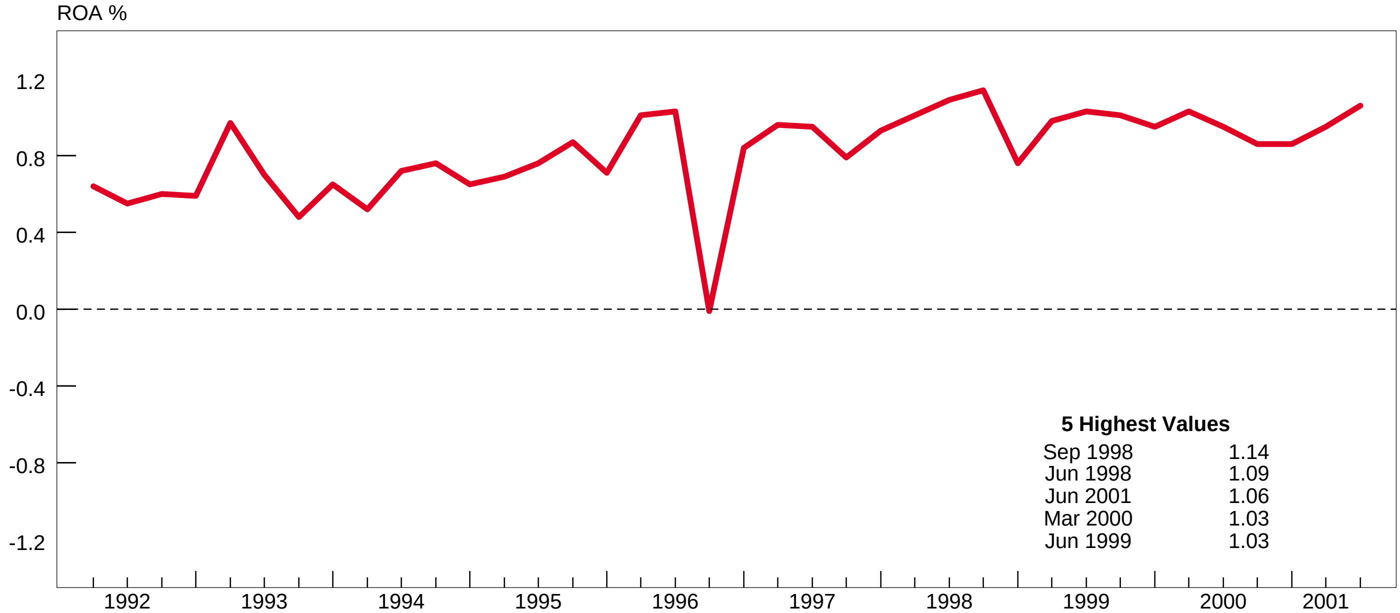
Quarterly Net Interest Margins, Annualized

1997 - 2001



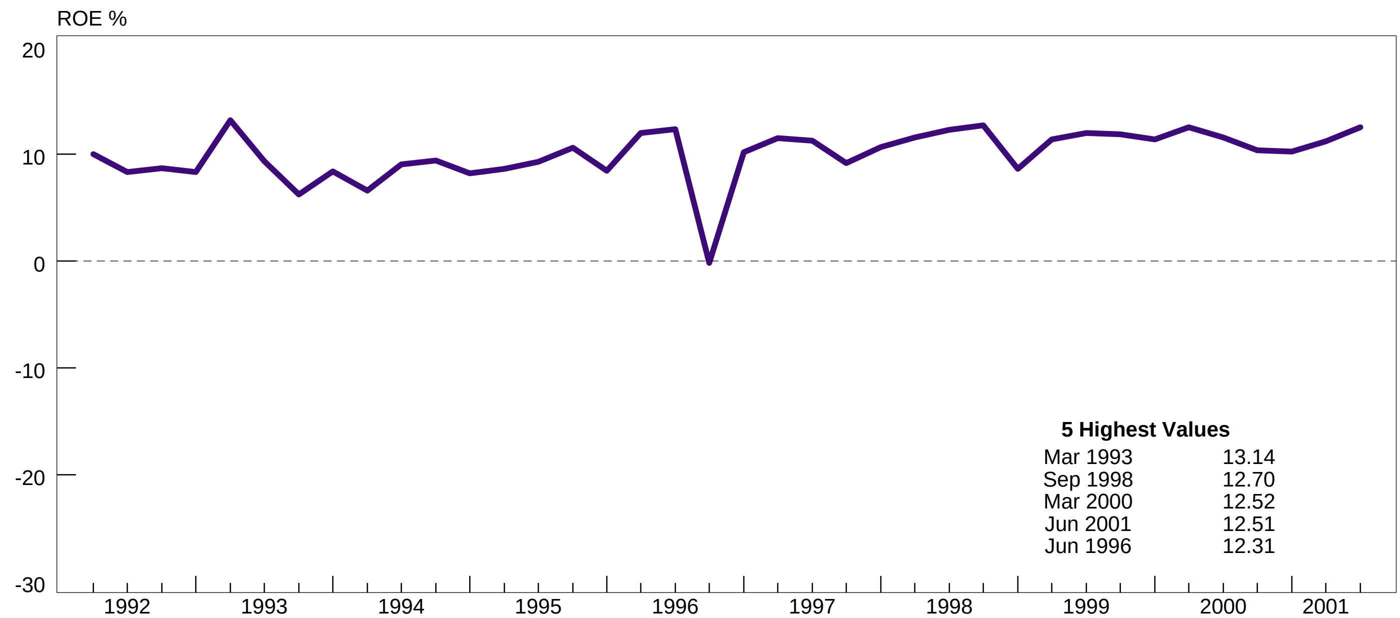
Quarterly Return on Assets (ROA), Annualized

1992 - 2001



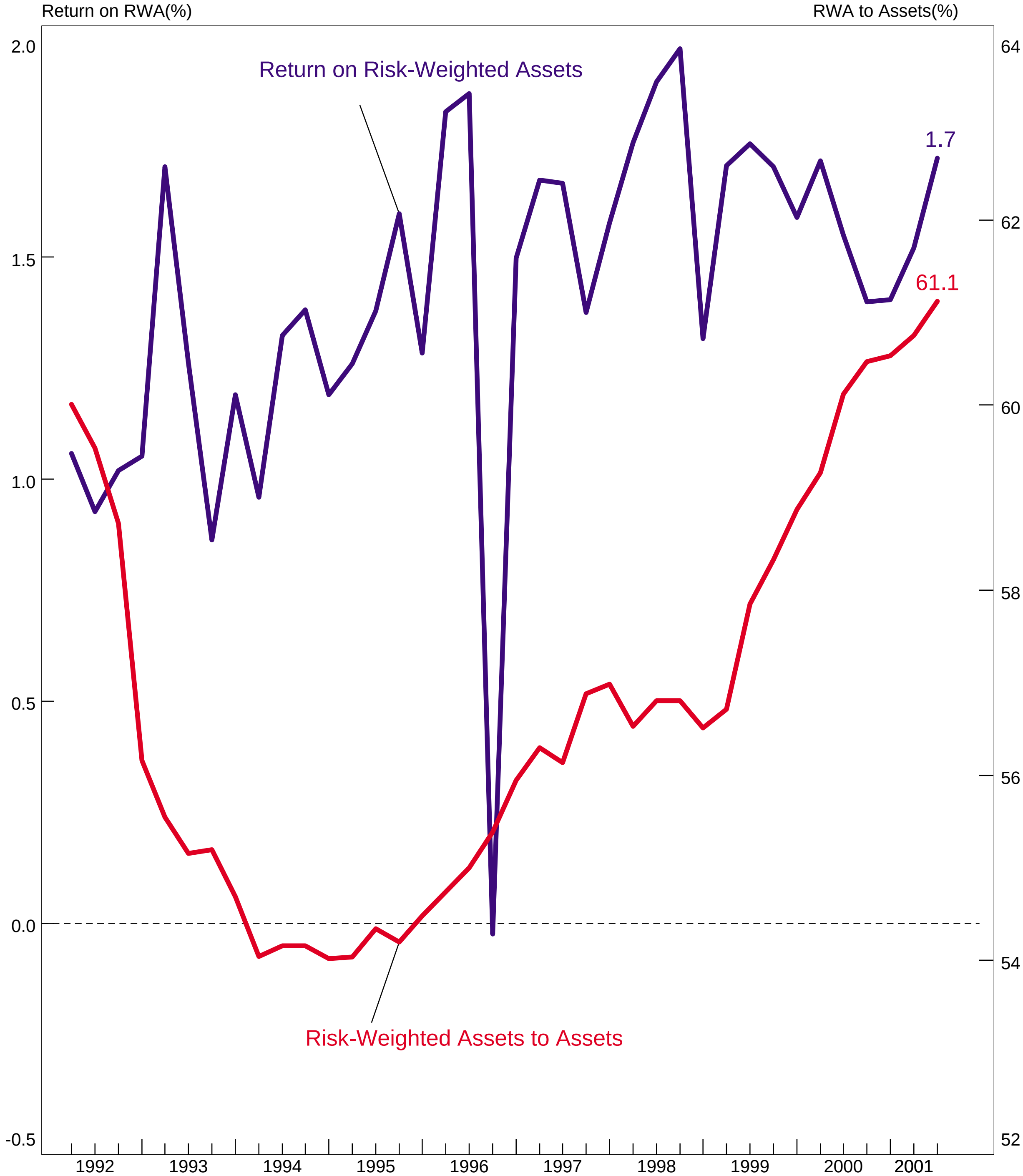
Quarterly Return on Equity (ROE), Annualized

1992 - 2001



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

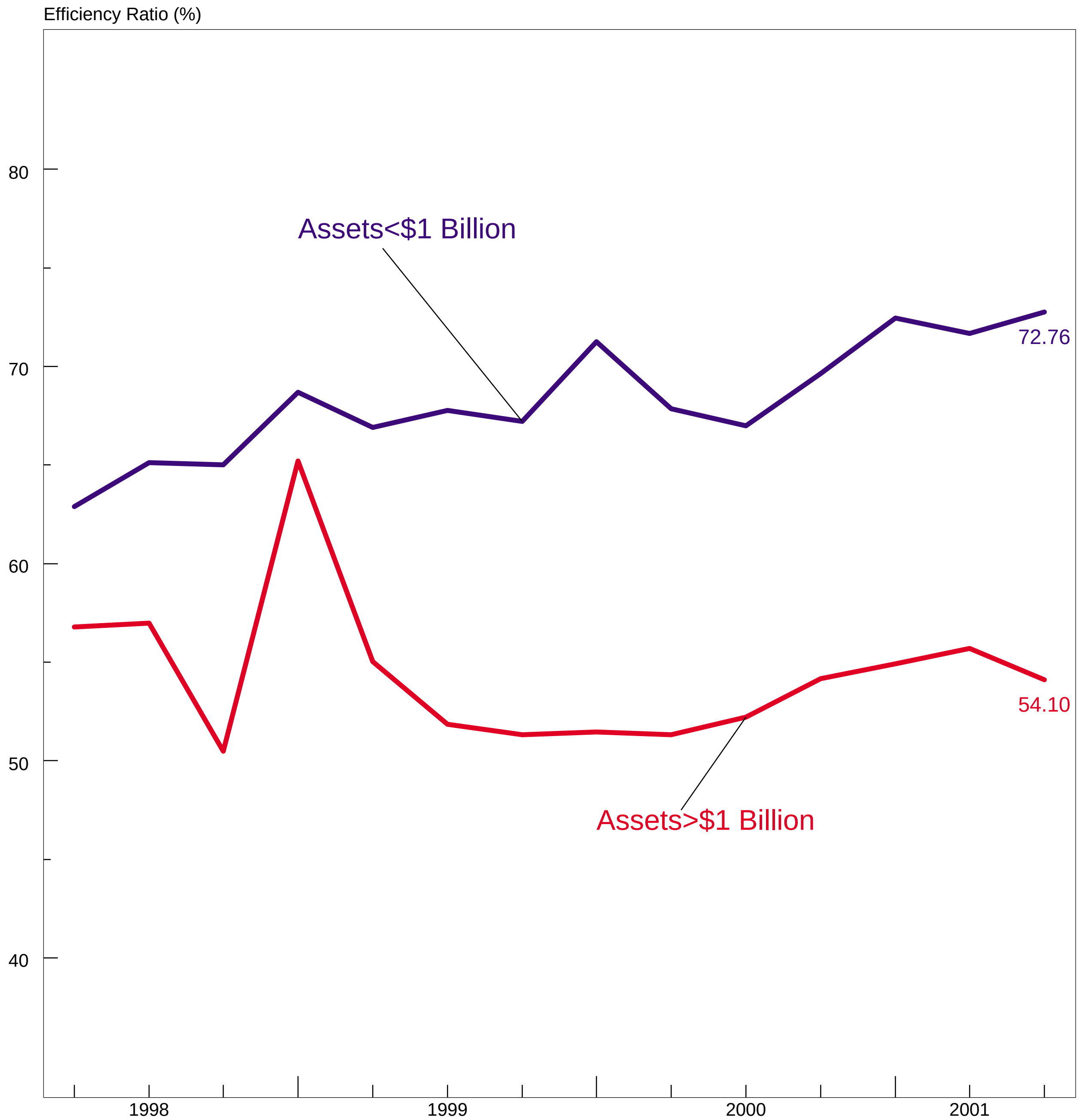
1992 - 2001



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

Quarterly Efficiency Ratios*

1998 - 2001

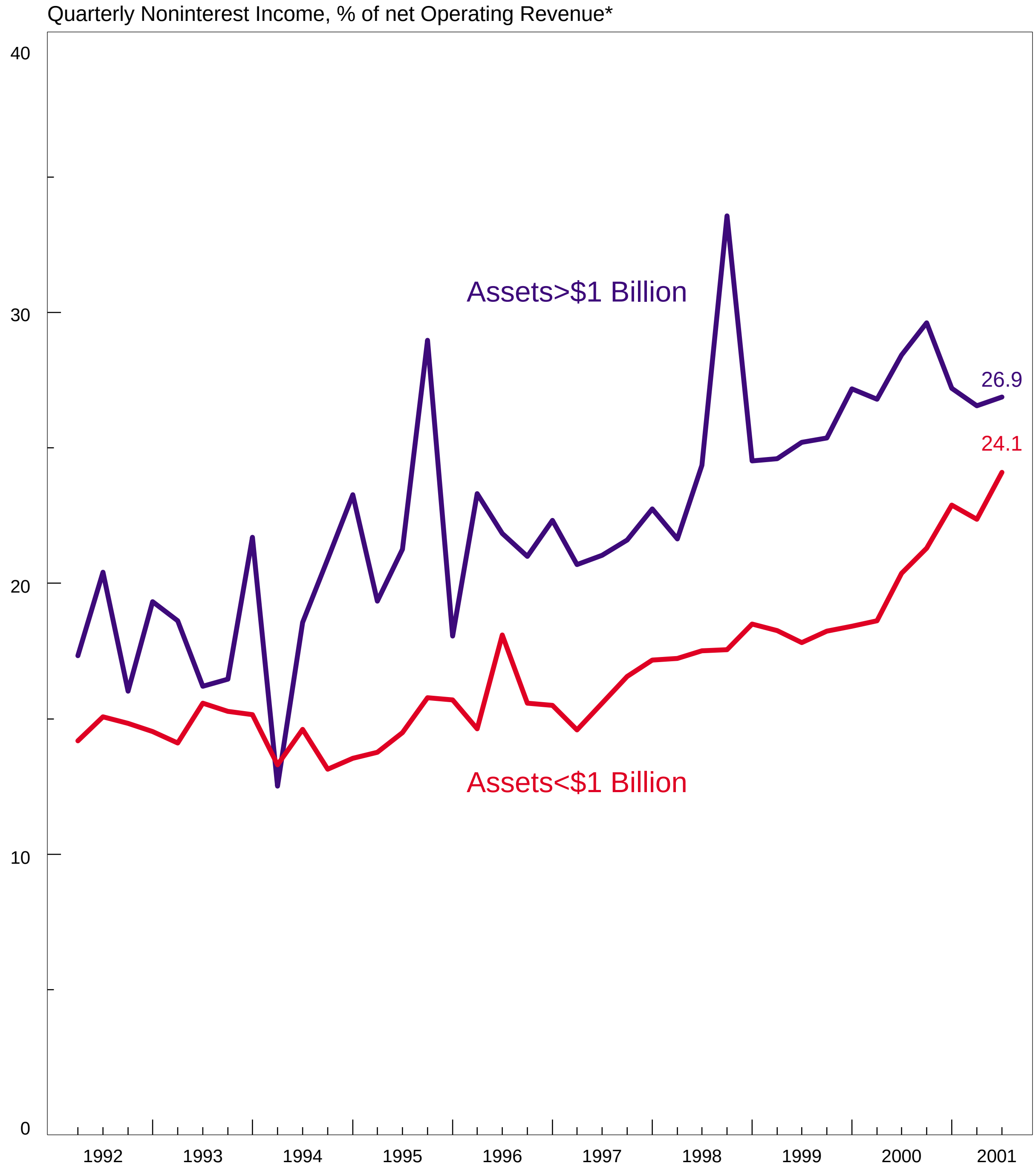


Assets<$1 Billion	**62.88**	**65.13**	**65.01**	**68.70**	**66.91**	**67.77**	**67.22**	**71.24**	**67.85**	**66.99**	**69.64**	**72.45**	**71.68**	**72.76**
Assets>$1 Billion	**56.77**	**56.99**	**50.47**	**65.20**	**55.02**	**51.84**	**51.31**	**51.46**	**51.32**	**52.22**	**54.16**	**54.92**	**55.70**	**54.10**
Total	**58.62**	**59.31**	**54.29**	**66.15**	**58.13**	**55.89**	**55.38**	**56.50**	**55.46**	**55.92**	**57.94**	**59.20**	**59.50**	**58.34**

* 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*

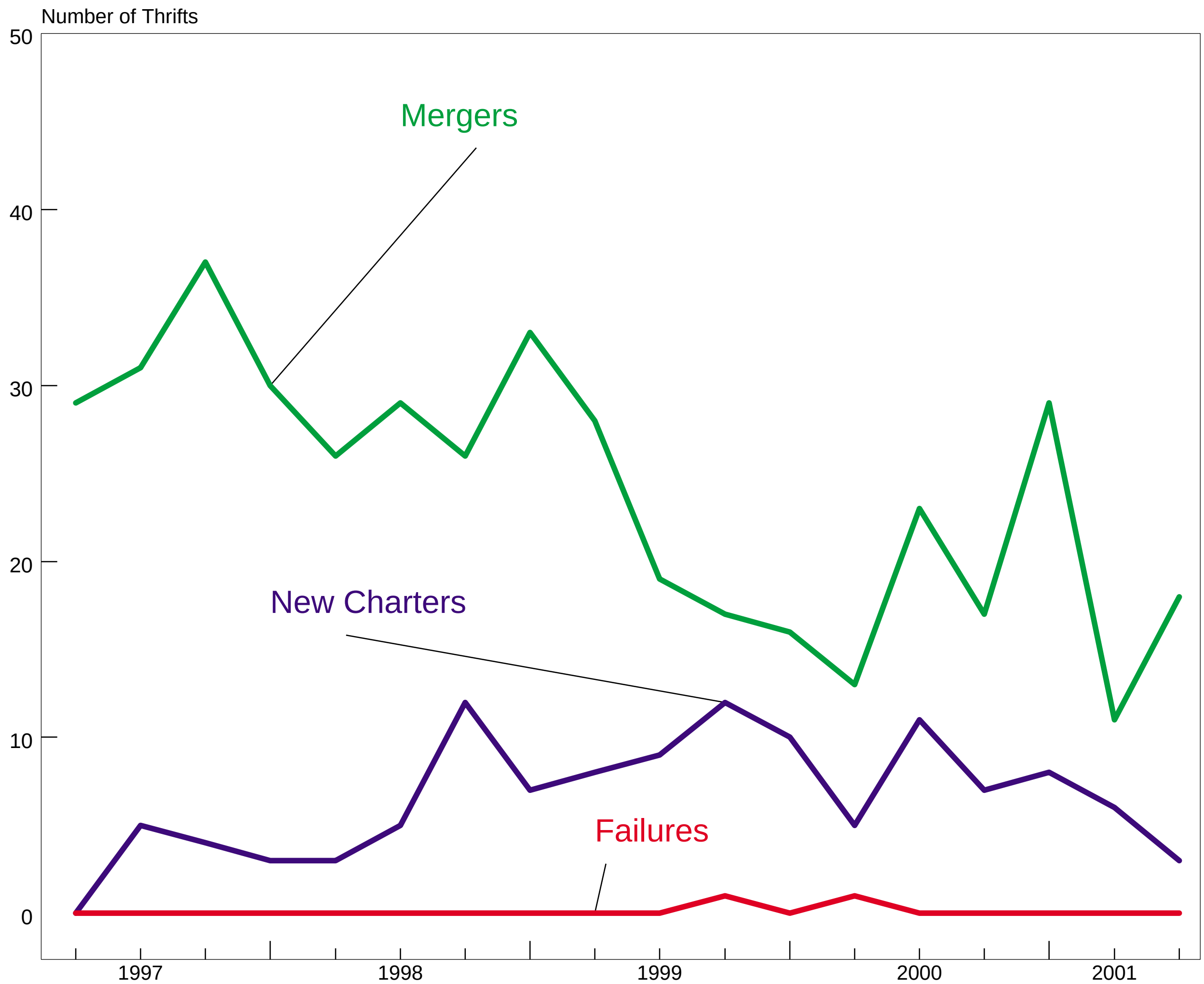
1992 - 2001



*Net operating revenue equals net interest income plus noninterest income.

Changes in the Number of FDIC-Insured Savings Institutions

Quarterly, 1997 - 2001

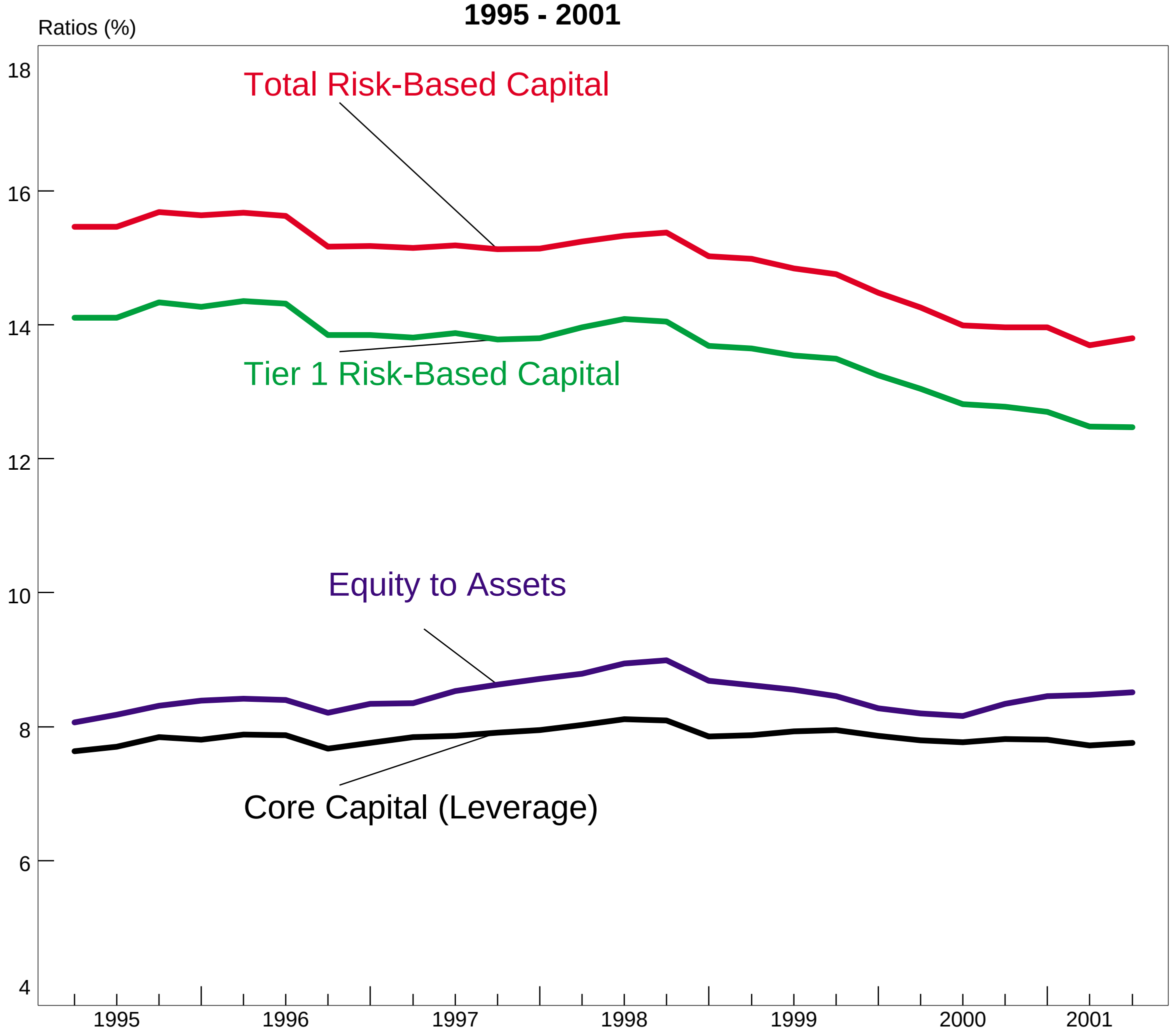


New Charters	0	5	4	3	3	5	12	7	8	9	12	10	5	11	7	8	6	3
Mergers	29	31	37	30	26	29	26	33	28	19	17	16	13	23	17	29	11	18
Failures	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0
Other Changes, Net*	-9	-9	-6	-6	-1	-3	-2	2	-1	-5	2	-2	3	1	-1	-2	-1	0
No. of Thrifts at end of quarter	1,887	1,852	1,813	1,780	1,756	1,729	1,713	1,689	1,668	1,653	1,649	1,641	1,635	1,624	1,613	1,590	1,584	1,569
Net Change during quarter	-38	-35	-39	-33	-24	-27	-16	-24	-21	-15	-4	-8	-6	-11	-11	-23	-6	-15

* Includes charter conversions, voluntary liquidations, adjustments for open-bank assistance transactions and other changes.

Capital Ratios

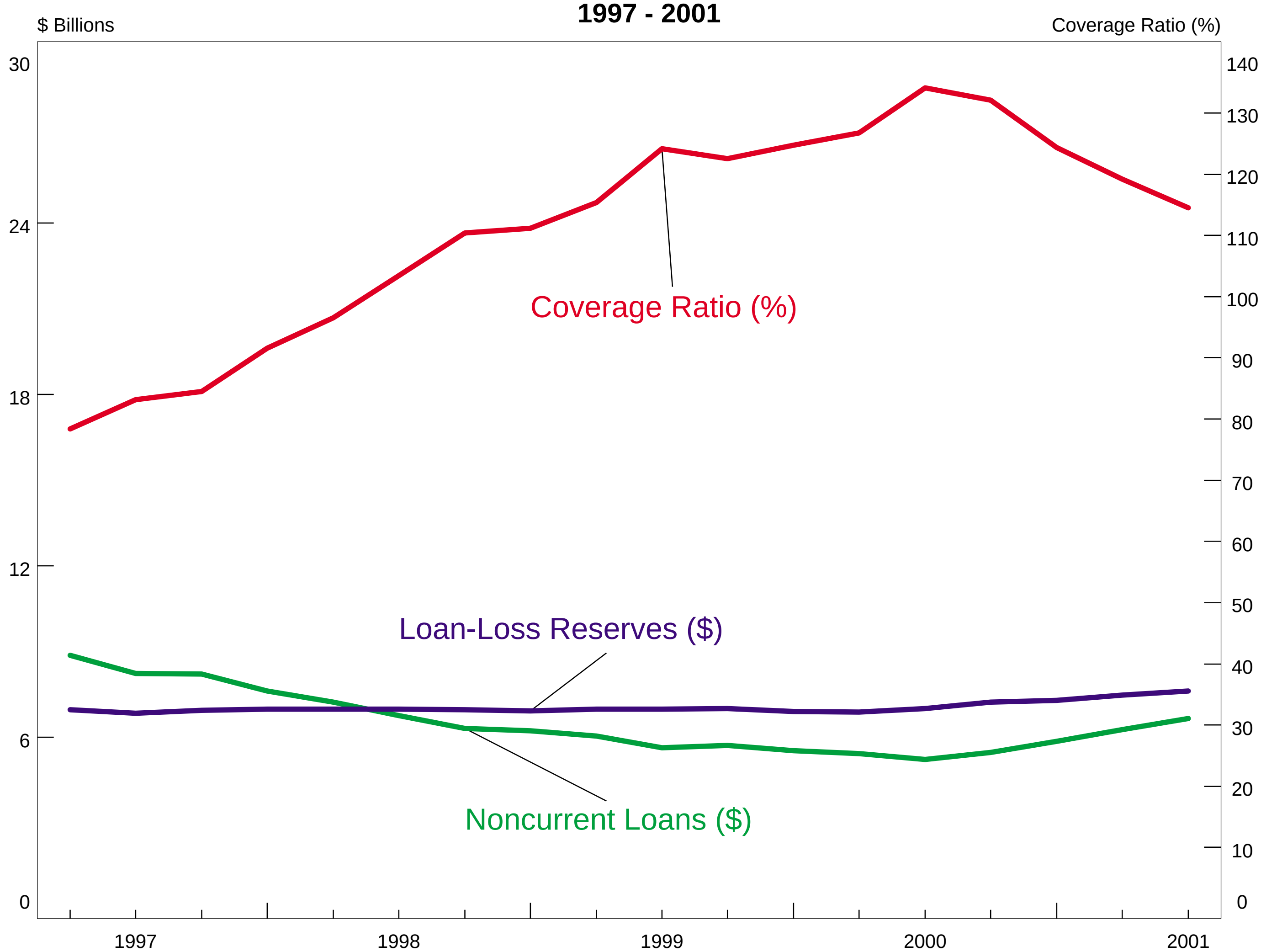
1995 - 2001



	12/95	12/96	12/97	12/98	12/99	12/00	6/01
Total Risk-Based Capital	**15.63**	**15.17**	**15.14**	**15.02**	**14.48**	**13.96**	**13.80**
Tier 1 Risk-Based Capital	**14.27**	**13.85**	**13.80**	**13.68**	**13.24**	**12.70**	**12.47**
Equity to Assets	**8.39**	**8.34**	**8.71**	**8.68**	**8.27**	**8.45**	**8.51**
Core Capital (Leverage)	**7.80**	**7.76**	**7.95**	**7.85**	**7.86**	**7.80**	**7.76**

Reserve Coverage Ratio*

1997 - 2001



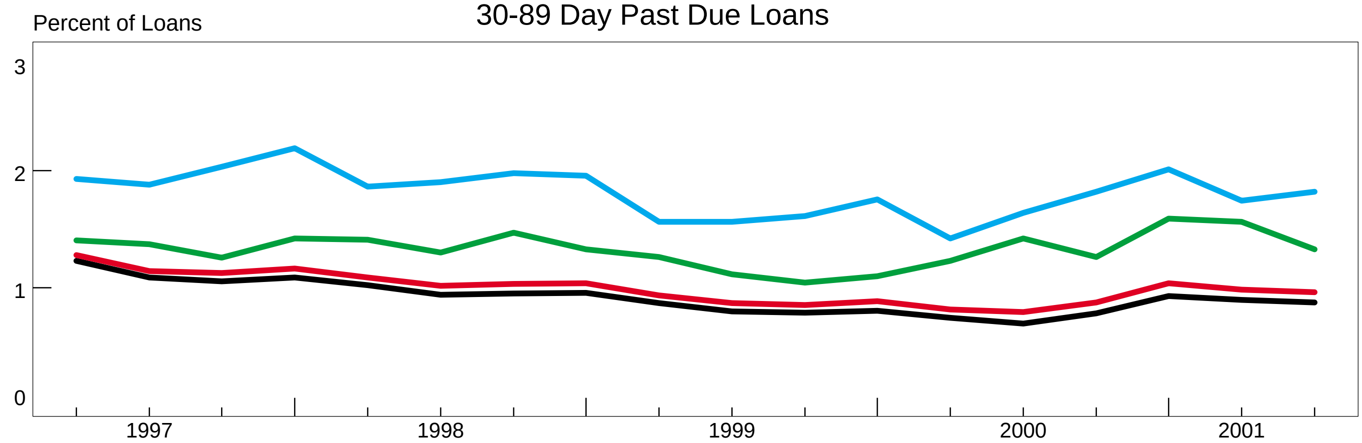
Noncurrent Loans ($ Billions)	8.9	8.2	8.2	7.6	7.2	6.8	6.3	6.2	6.0	5.6	5.7	5.5	5.4	5.2	5.5	5.9	6.3	6.7
Loan-Loss Reserves ($ Billions)	7.0	6.8	6.9	7.0	7.0	7.0	7.0	6.9	7.0	7.0	7.0	6.9	6.9	7.0	7.2	7.3	7.5	7.6
Coverage Ratio (%)	78	83	84	92	97	103	110	111	115	124	123	125	127	134	132	124	119	115

*Loan-loss reserves to noncurrent loans.

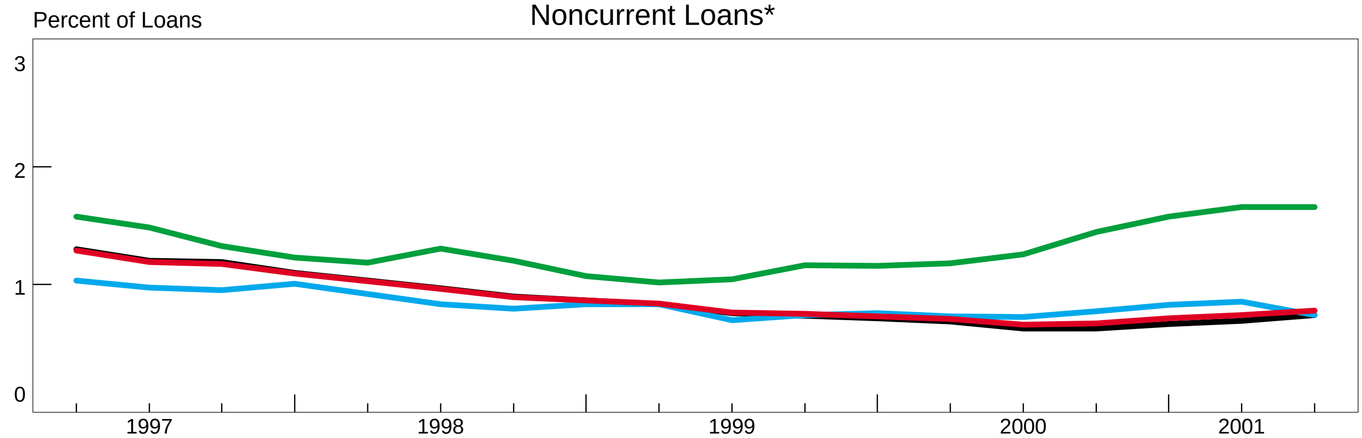
Loan Quality

1997 - 2001

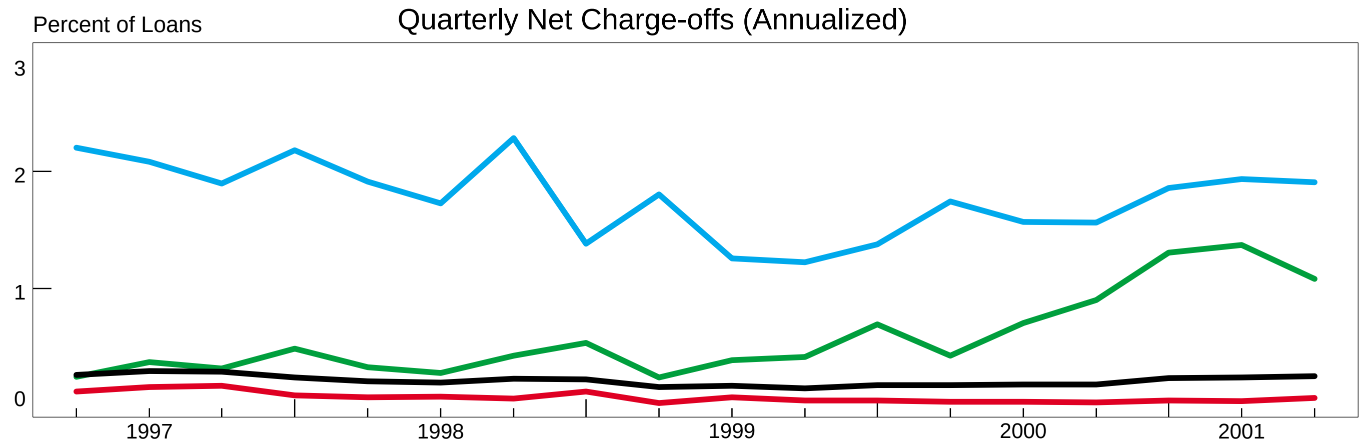
30-89 Day Past Due Loans



Noncurrent Loans*



Quarterly Net Charge-offs (Annualized)

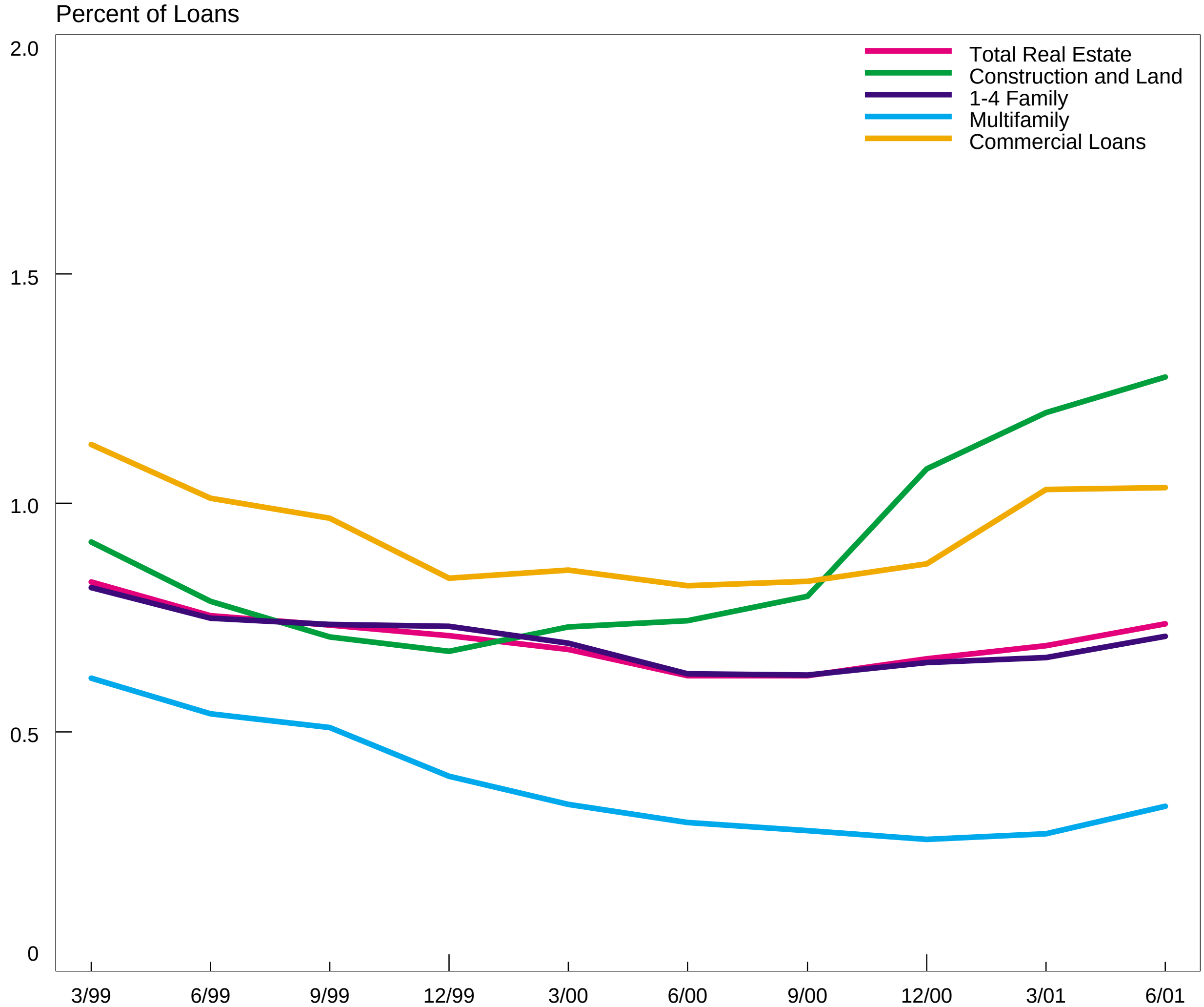


Total Real Estate
Loans to Individuals
Commercial and Industrial
Total Loans

*Loans past due 90 or more days or in nonaccrual status.

Noncurrent Real Estate Loan Rates by Type*

1999 - 2001

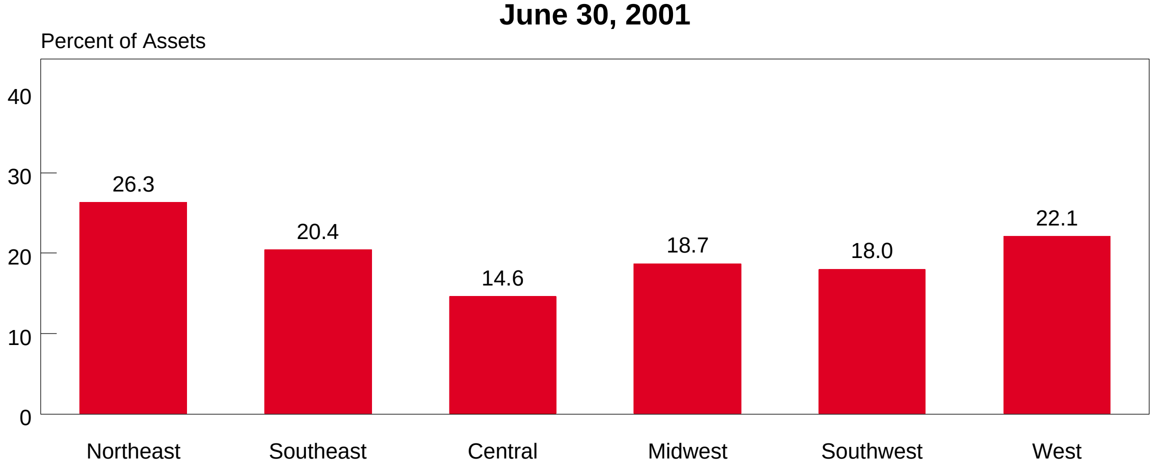


Construction and Land	**0.92**	**0.78**	**0.71**	**0.68**	**0.73**	**0.74**	**0.80**	**1.08**	**1.20**	**1.28**
1-4 Family	**0.82**	**0.75**	**0.73**	**0.73**	**0.69**	**0.63**	**0.62**	**0.65**	**0.66**	**0.71**
Multifamily	**0.62**	**0.54**	**0.51**	**0.40**	**0.34**	**0.30**	**0.28**	**0.27**	**0.28**	**0.34**
Commercial	**1.13**	**1.01**	**0.97**	**0.84**	**0.85**	**0.82**	**0.83**	**0.87**	**1.03**	**1.03**
Total	**0.83**	**0.75**	**0.73**	**0.71**	**0.68**	**0.62**	**0.62**	**0.66**	**0.69**	**0.74**

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

Total Securities* as a Percent of Assets

June 30, 2001



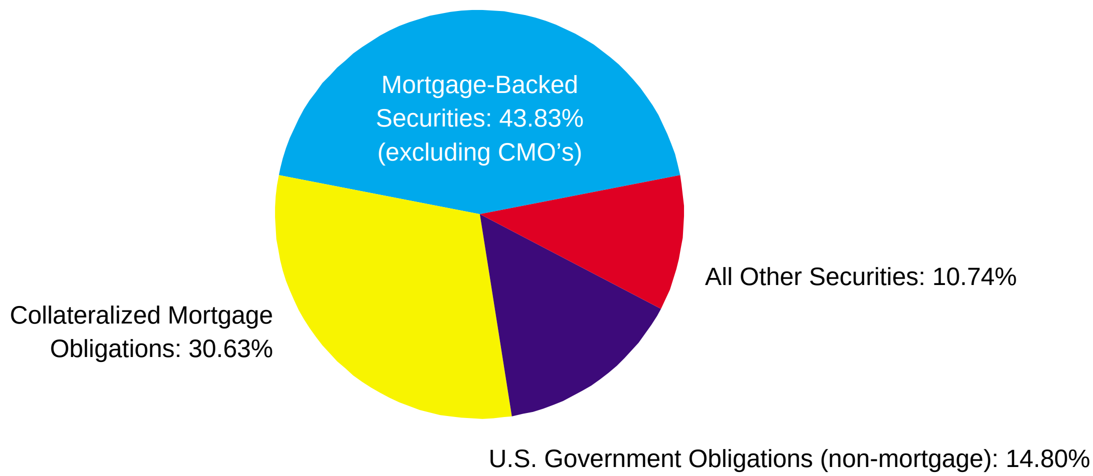
Total Securities*

($ Billions)

	6/99	9/99	12/99	3/00	6/00	9/00	12/00	3/01	6/01
U.S. Government Obligations (non-mortgage)	$41	$42	$41	$41	$40	$39	$40	$41	$41
Mortgage-Backed Securities (excluding CMO's)	125	122	122	117	116	115	118	122	122
Collateralized Mortgage Obligations	96	91	99	102	95	93	95	89	86
All Other Securities	28	28	28	23	28	28	29	28	30
Total Securities	290	284	291	283	279	276	282	280	279
Securities as a Percent of Assets	25.78%	24.82%	25.37%	24.45%	23.64%	22.96%	23.16%	22.27%	21.91%
Memoranda:									
Amortized Cost of Total Held-to-Maturity Sec.	94	89	95	92	95	93	94	72	70
Fair Value of Total Available-for-Sale Sec.	197	194	197	191	184	182	188	208	209

Total Securities*

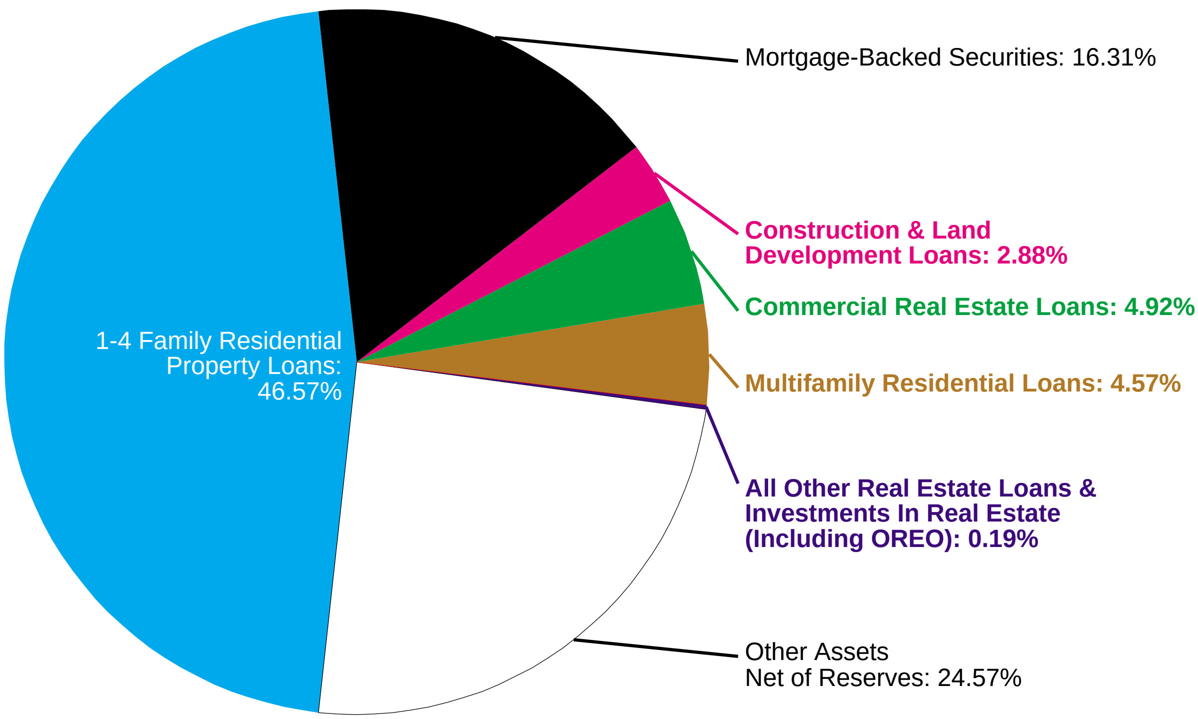
June 30, 2001



*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".

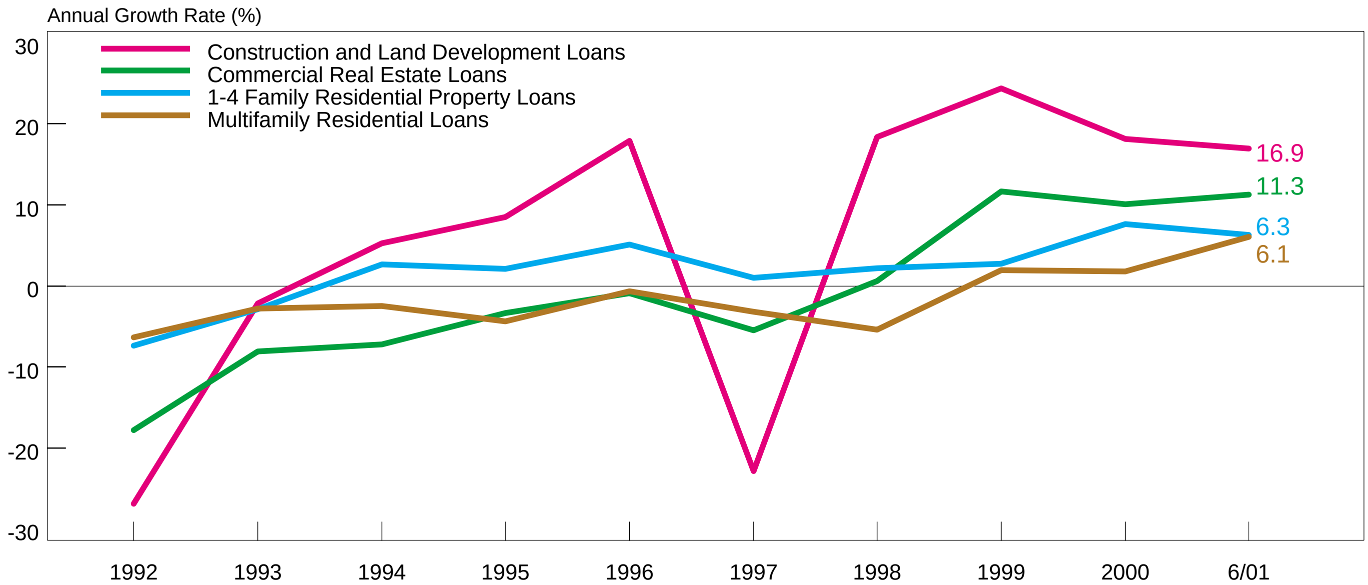
Real Estate Assets as a Percent of Total Assets

June 30, 2001



Real Estate Loan Growth Rates*

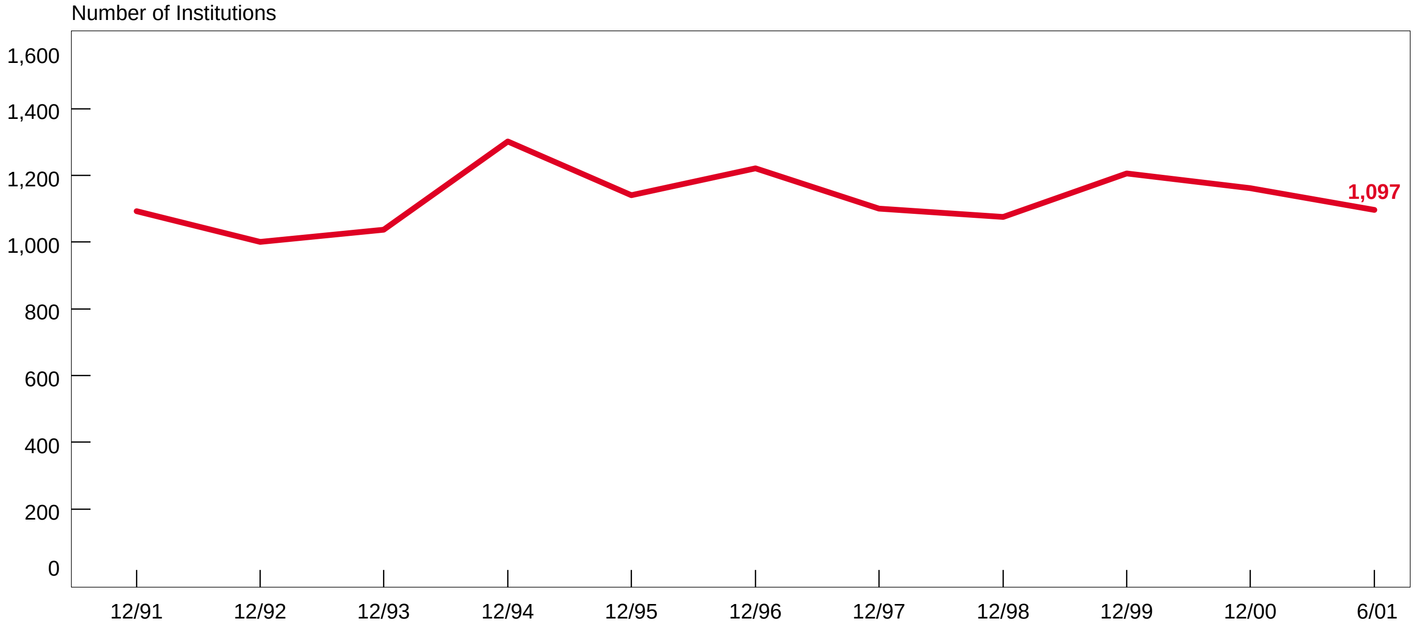
1992 - 2001



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

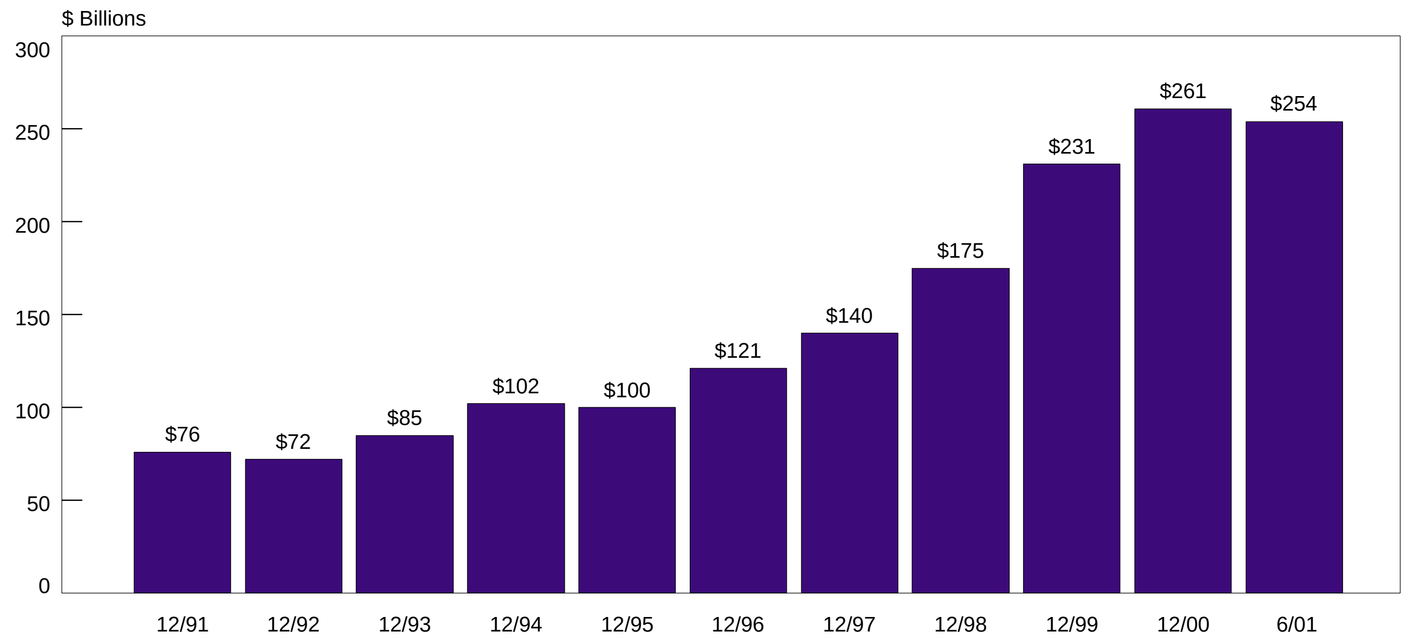
Number of Savings Institutions with FHLB Advances*

1991 - 2001



Amount of FHLB Advances Outstanding*

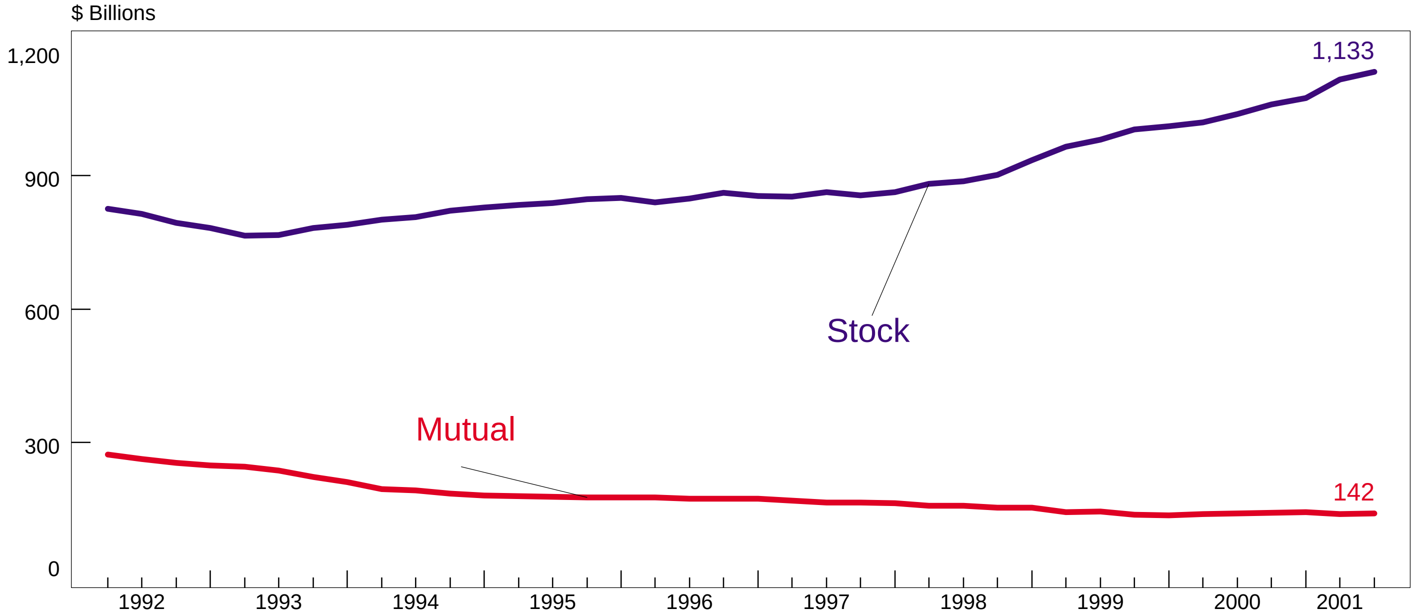
1991 - 2001



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

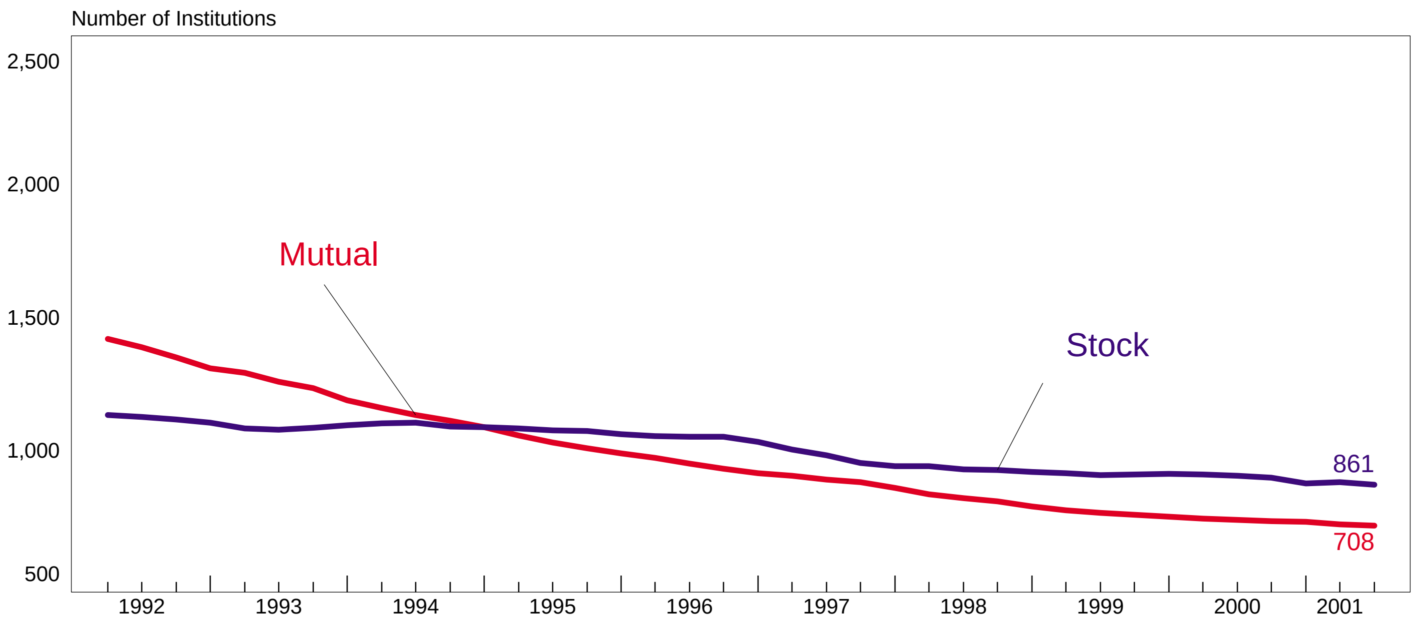
Assets of Mutual and Stock Savings Institutions

1992 - 2001



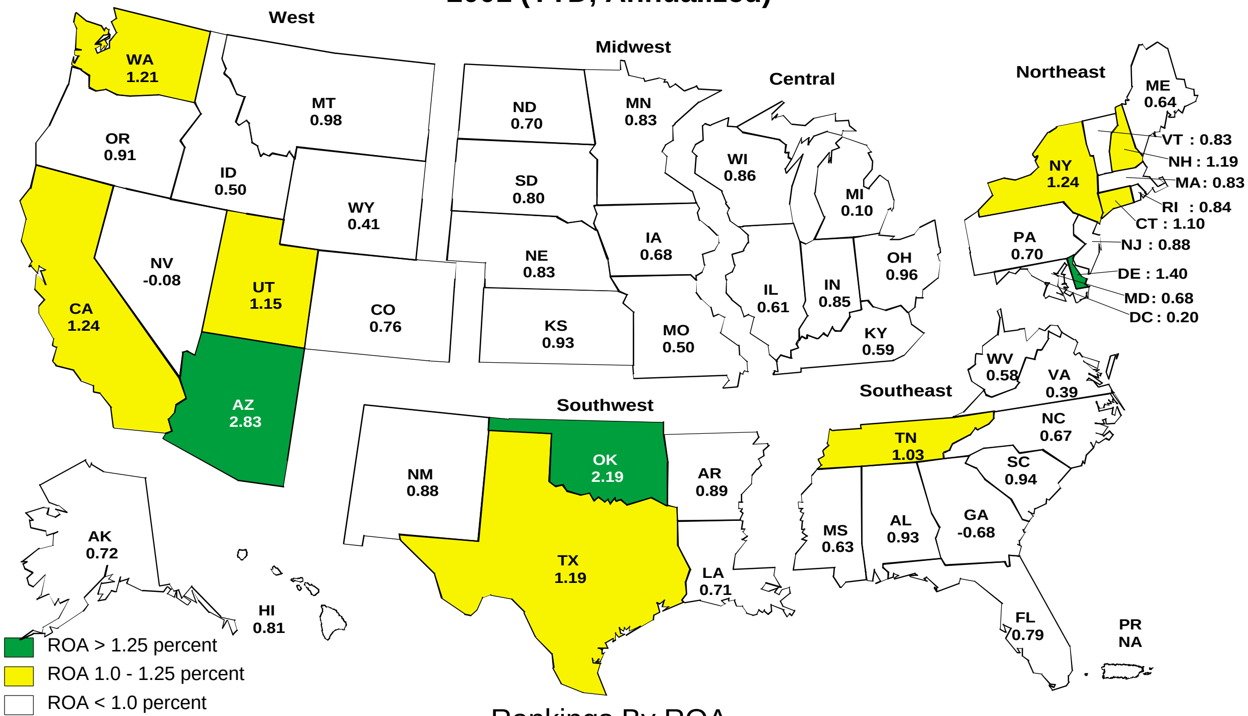
Number of Mutual and Stock Savings Institutions

1992 - 2001



Return on Assets (ROA)

2001 (YTD, Annualized)



Rankings By ROA

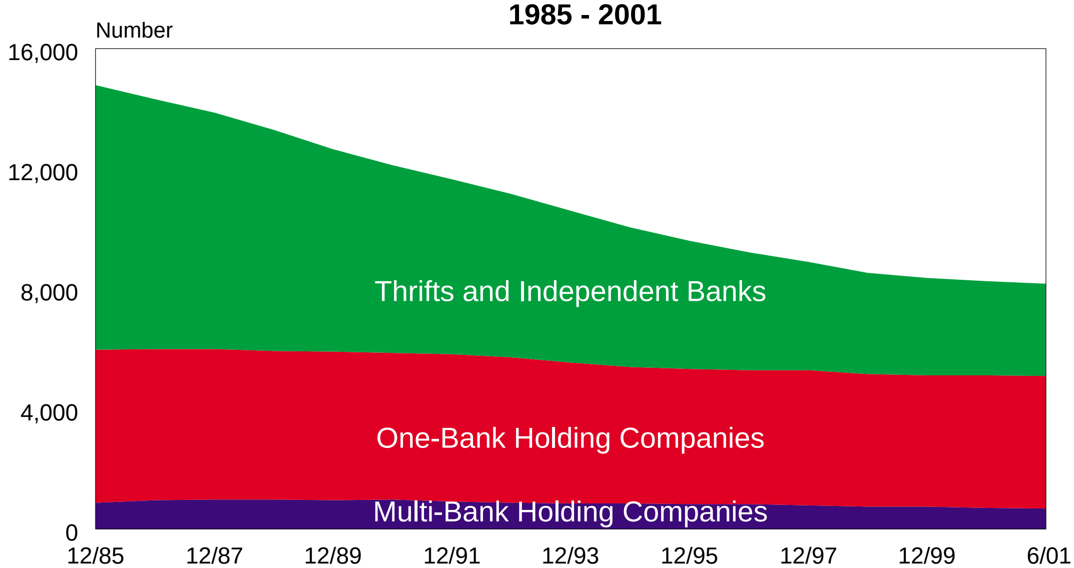
Rank	State	No. of Inst. as of 6/30/01	YTD 2001	YTD 2000	Change*
1	Arizona	4	2.83	1.08	175
2	Oklahoma	8	2.19	1.98	21
3	Delaware	6	1.40	1.58	(18)
4	California	45	1.24	1.12	12
5	New York	79	1.24	1.11	13
6	Washington	23	1.21	0.87	34
7	New Hampshire	19	1.19	0.95	24
8	Texas	49	1.19	0.92	27
9	Utah	5	1.15	0.83	32
10	Connecticut	45	1.10	1.08	2
11	Tennessee	24	1.03	1.02	1
12	Montana	4	0.98	0.84	14
13	Ohio	125	0.96	1.00	(4)
14	South Carolina	28	0.94	0.89	5
15	Alabama	12	0.93	1.03	(10)
16	Kansas	17	0.93	0.89	4
17	Oregon	5	0.91	0.79	12
18	Arkansas	9	0.89	0.96	(7)
19	New Jersey	70	0.88	1.02	(14)
20	New Mexico	10	0.88	0.84	4
21	Wisconsin	41	0.86	0.71	15
22	Indiana	66	0.85	0.89	(4)
23	Rhode Island	6	0.84	1.28	(44)
24	Massachusetts	185	0.83	0.96	(13)
25	Minnesota	23	0.83	0.73	10
26	Nebraska	15	0.83	0.80	3
27	Vermont	5	0.83	0.81	2

Rank	State	No. of Inst. as of 6/30/01	YTD 2001	YTD 2000	Change*
28	Hawaii	2	0.81	0.74	7
29	South Dakota	4	0.80	2.90	(210)
30	Florida	46	0.79	0.67	12
31	Colorado	10	0.76	0.83	(7)
32	Alaska	2	0.72	0.67	5
33	Louisiana	33	0.71	0.77	(6)
34	North Dakota	3	0.70	0.65	5
35	Pennsylvania	116	0.70	0.57	13
36	Iowa	24	0.68	0.83	(15)
37	Maryland	60	0.68	0.85	(17)
38	North Carolina	42	0.67	0.80	(13)
39	Maine	25	0.64	0.75	(11)
40	Mississippi	8	0.63	0.05	58
41	Illinois	116	0.61	1.49	(88)
42	Kentucky	32	0.59	0.81	(22)
43	West Virginia	7	0.58	0.84	(26)
44	Idaho	3	0.50	0.94	(44)
45	Missouri	37	0.50	0.62	(12)
46	Wyoming	4	0.41	0.72	(31)
47	Virginia	18	0.39	0.65	(26)
48	District of Col.	1	0.20	0.50	(30)
49	Michigan	21	0.10	0.62	(52)
50	Nevada	2	(0.08)	1.22	(130)
51	Georgia	23	(0.68)	0.28	(96)
52	Puerto Rico	0	NA	NA	NM
	U.S. and Terr.	1,569	1.01	0.99	2

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

Number of FDIC-Insured Banking Organizations

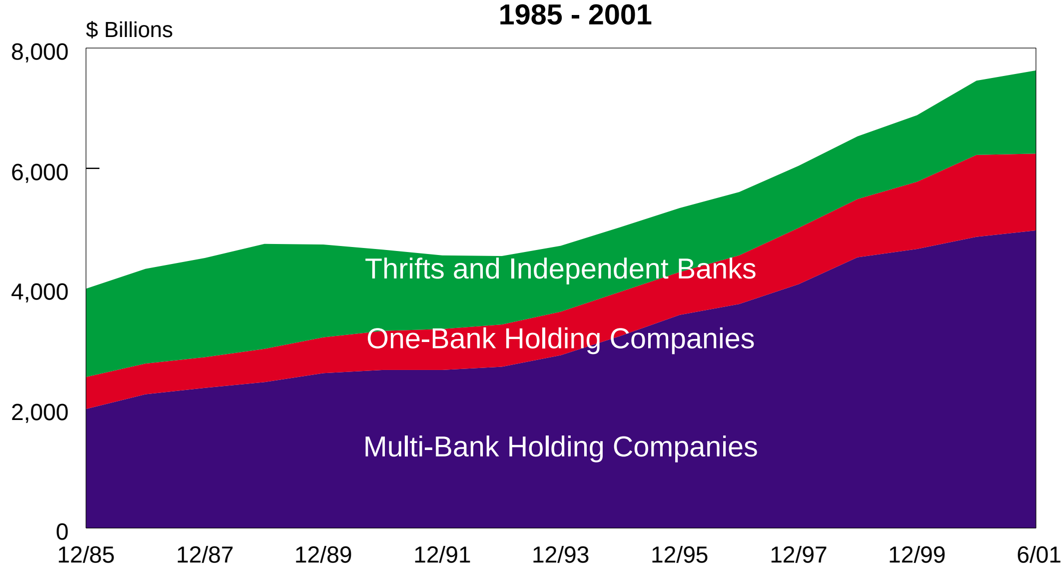
1985 - 2001



	12/85	12/87	12/89	12/91	12/93	12/95	12/97	12/99	6/01
Thrifts* and Indpt Banks	8,803	7,881	6,747	5,818	5,065	4,260	3,613	3,229	3,073
One-Bank Holding Co.'s	5,093	4,997	4,952	4,907	4,684	4,508	4,483	4,387	4,414
Multi-Bank Holding Co.'s	877	982	957	920	851	822	792	736	680
Total	14,773	13,860	12,656	11,645	10,600	9,590	8,888	8,352	8,167

Assets of FDIC-Insured Banking Organizations

1985 - 2001

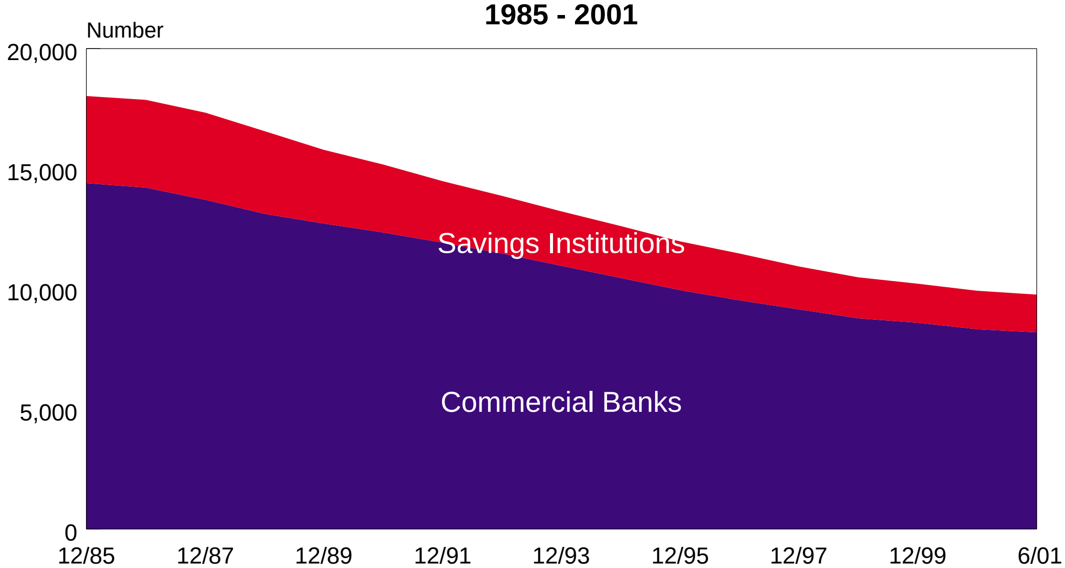


	12/85	12/87	12/89	12/91	12/93	12/95	12/97	12/99	6/01
Thrifts* and Indpt Banks	1,475	1,648	1,547	1,225	1,096	1,071	1,034	1,106	1,387
One-Bank Holding Co.'s	536	513	600	684	731	714	934	1,125	1,288
Multi-Bank Holding Co.'s	1,982	2,341	2,580	2,635	2,880	3,554	4,073	4,653	4,960
Total	3,993	4,502	4,727	4,544	4,707	5,338	6,041	6,884	7,635

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

Number of FDIC-Insured Institutions

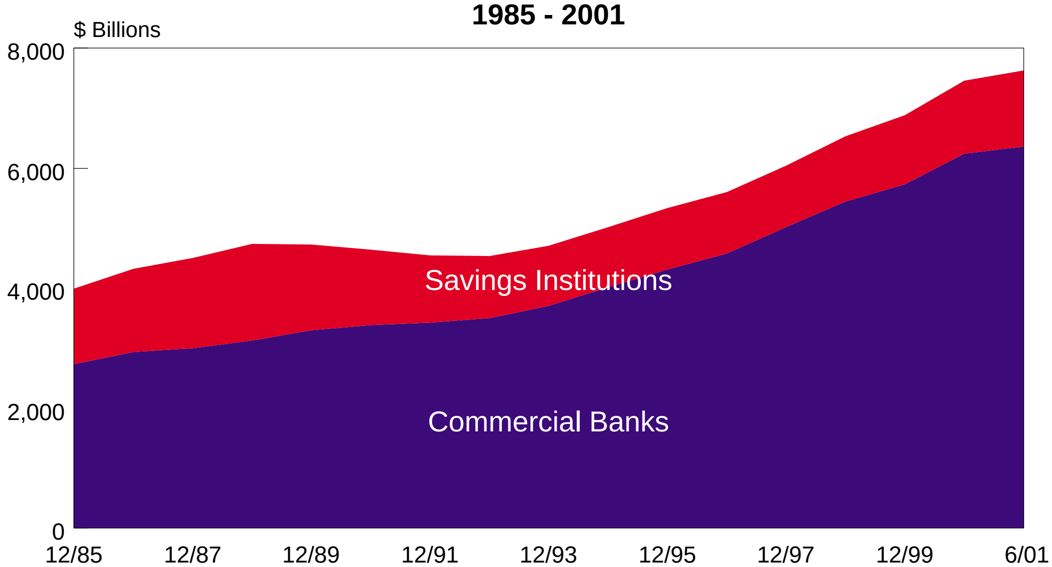
1985 - 2001



	12/85	12/87	12/89	12/91	12/93	12/95	12/97	12/99	6/01
Savings Institutions	3,626	3,622	3,087	2,561	2,262	2,030	1,780	1,642	1,569
Commercial Banks	14,407	13,703	12,709	11,921	10,958	9,940	9,142	8,579	8,178
Total	18,033	17,325	15,796	14,482	13,220	11,970	10,922	10,221	9,747

Assets of FDIC-Insured Institutions

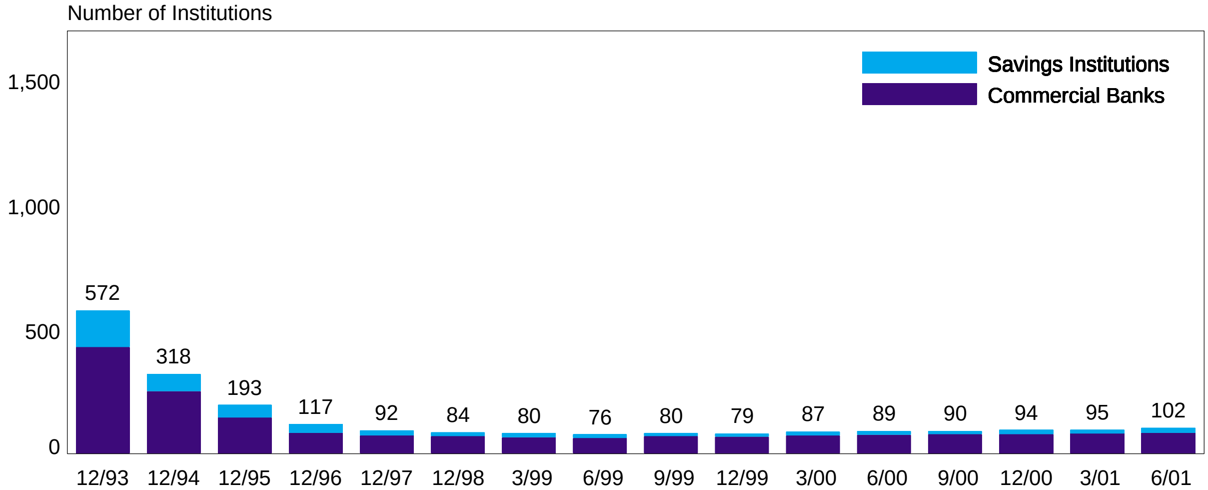
1985 - 2001



	12/85	12/87	12/89	12/91	12/93	12/95	12/97	12/99	6/01
Savings Institutions	1,263	1,502	1,428	1,113	1,001	1,026	1,026	1,149	1,275
Commercial Banks	2,731	3,000	3,299	3,431	3,706	4,313	5,015	5,735	6,360
Total	3,993	4,502	4,727	4,544	4,707	5,338	6,041	6,884	7,635

Number of FDIC-Insured "Problem" Institutions

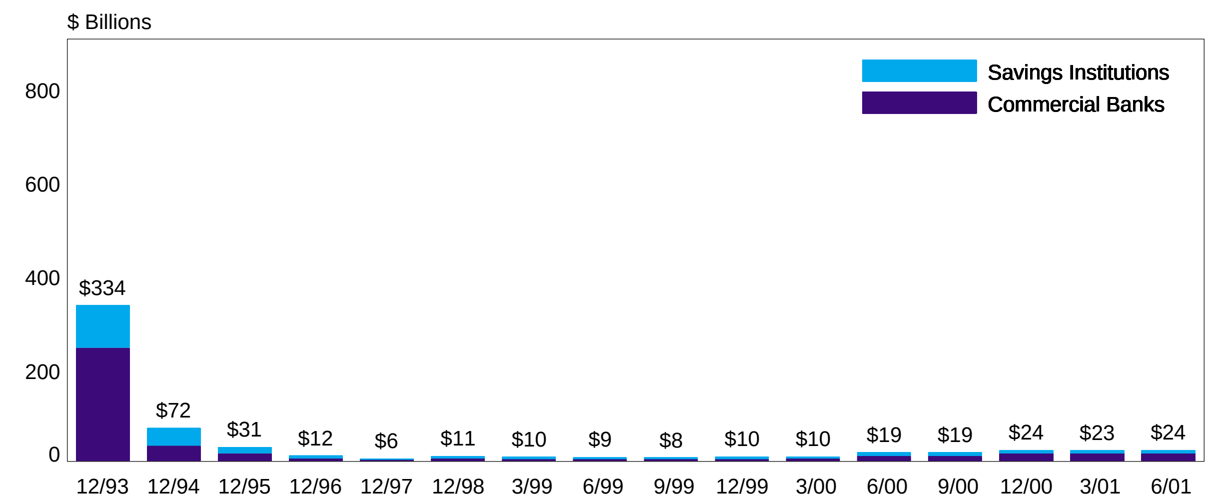
1993 - 2001



Savings Institutions	146	71	49	35	21	15	16	14	11	13	15	16	15	18	17	22
Commercial Banks	426	247	144	82	71	69	64	62	69	66	72	73	75	76	78	80

Assets of FDIC-Insured "Problem" Institutions

1993 - 2001



Savings Institutions	92	39	14	7	2	6	5	4	4	6	5	8	7	7	6	7
Commercial Banks	242	33	17	5	5	5	5	5	4	4	5	11	12	17	17	17

Capital Category Distribution

June 30, 2001

BIF-Member Institutions

	Institutions		Assets	
	Number of	Percent of Total	In Billions	Percent of Total
Well Capitalized	8,228	97.6%	$6,598.5	99.4%
Adequately Capitalized	196	2.3%	$40.4	0.6%
Undercapitalized	3	0.0%	$0.6	0.0%
Significantly Undercapitalized	0	0.0%	$0.0	0.0%
Critically Undercapitalized	3	0.0%	$1.7	0.0%

SAIF-Member Institutions

	Institutions		Assets	
	Number of	Percent of Total	In Billions	Percent of Total
Well Capitalized	1,280	97.2%	$978.3	98.5%
Adequately Capitalized	35	2.7%	$13.2	1.3%
Undercapitalized	1	0.1%	$0.3	0.0%
Significantly Undercapitalized	0	0.0%	$0.0	0.0%
Critically Undercapitalized	1	0.1%	$1.8	0.2%

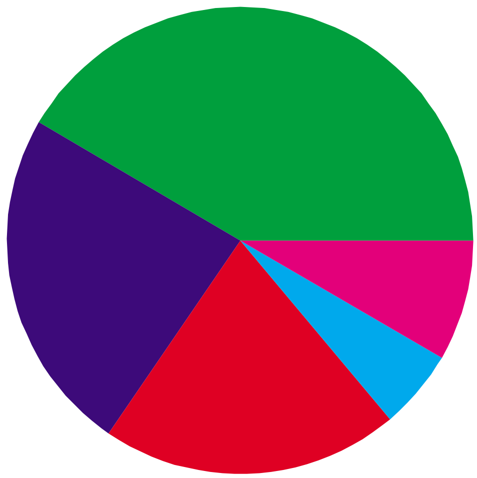
Note: Excludes U.S. branches of foreign banks. Of the institutions categorized as critically undercapitalized, one institution with assets of $1.8 billion was placed under FDIC conservatorship.

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

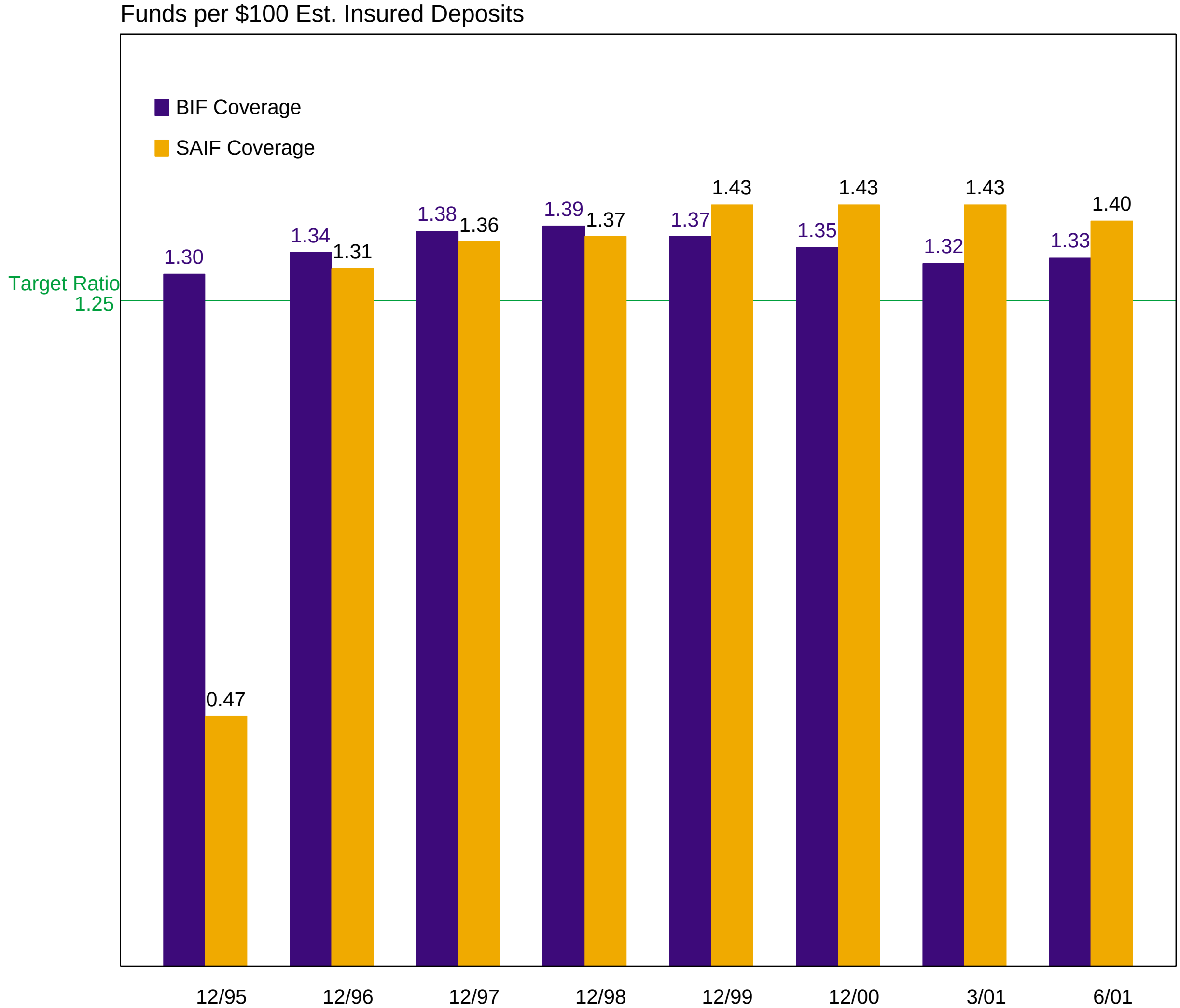


($ Billions)	6/30/00	6/30/01	% Change
Insured Deposits (estimated)	2,976	3,155	6.0
BIF - Insured	2,238	2,382	6.4
SAIF - Insured	731	773	5.8
Uninsured Deposits	1,714	1,866	8.9
In Foreign Offices	685	680	-0.7
Other Borrowed Funds*	1,477	1,501	1.6
All Other Liabilities	396	448	13.1
Subordinated Debt	85	93	9.4
Equity Capital	600	666	11.0
Total Liabilities and Equity Capital	7,162	7,635	6.6

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

Insurance Fund Reserve Ratios

December 31, 1995 - June 30, 2001

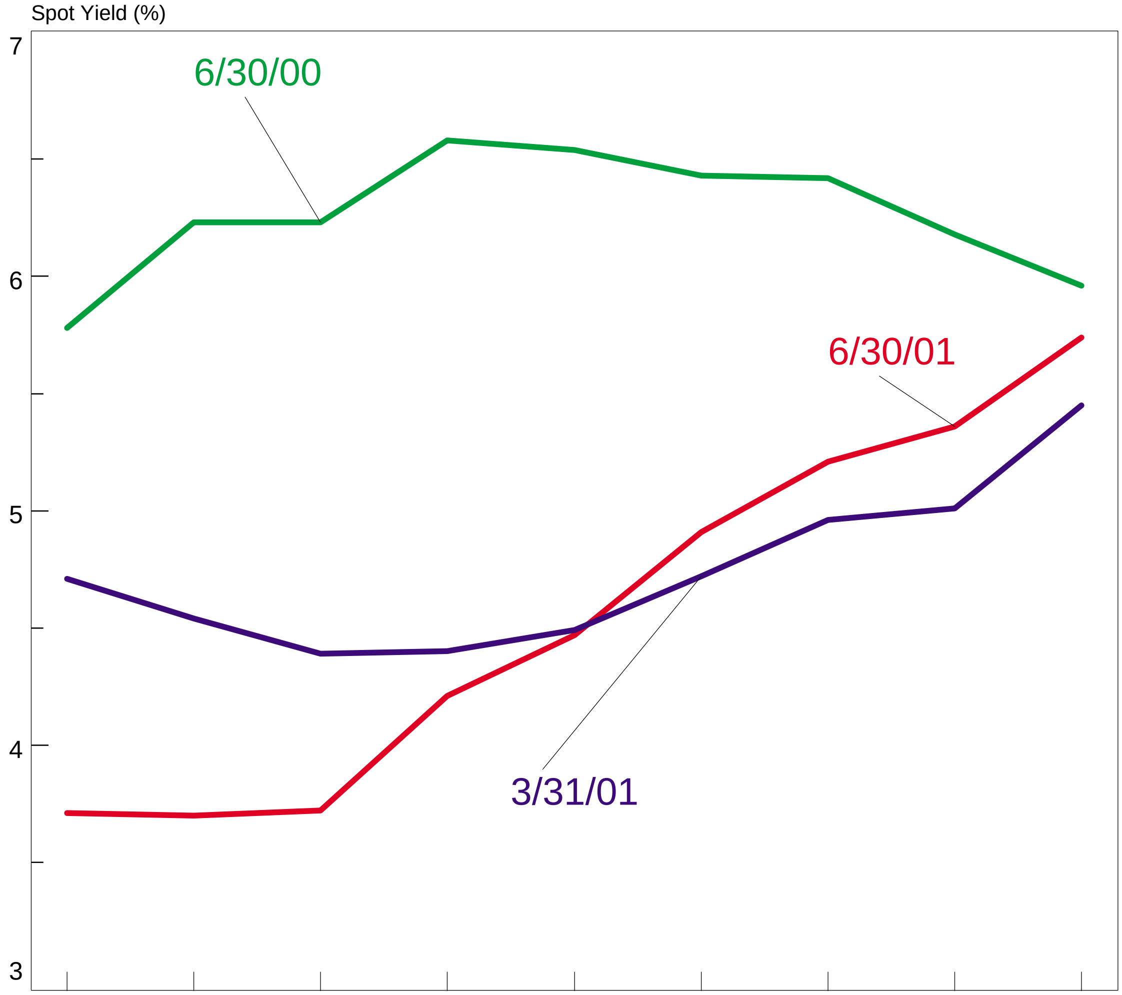


($ Billions)								
BIF								
Fund Balance	25.5	26.9	28.3	29.6	29.4	31.0	31.4	31.7
Est. Insured Deposits	1,951.7	2,007.0	2,056.6	2,134.4	2,151.5	2,300.5	2,372.1	2,383.2
SAIF								
Fund Balance	3.4	8.9	9.4	9.8	10.3	10.8	11.0	10.8
Est. Insured Deposits	711.9	683.4	689.9	716.0	717.6	754.6	767.7	772.9

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

June 30, 2000 - June 30, 2001



Maturity	3-Month	6-Month	1 Year	2 Year	3 Year	5 Year	7 Year	10 Year	30 Year
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
9/30/00	6.27	6.36	6.12	6.15	6.08	6.00	6.03	5.86	5.78
6/30/00	5.78	6.23	6.23	6.58	6.54	6.43	6.42	6.18	5.96

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, except for one self-liquidating institution primarily funded by the FSLIC Resolution Fund (FRF). Savings institutions in Resolution Trust Corporation conservatorships, are also 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 noninterest 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