The FDIC Quarterly Banking Profile

Donna Tanoue, Chairman

First Quarter 2001

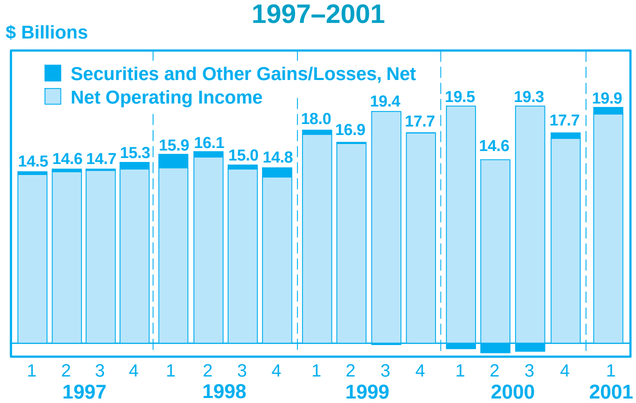
COMMERCIAL BANK PERFORMANCE — FIRST QUARTER, 2001

- *Gains On Securities Sales Lift Industry Profits To New Record, Despite Decline In Operating Earnings*
- *Troubled Commercial & Industrial Loans Continue To Grow*
- *Narrower Net Interest Margins Hurt Small-Bank Profits*
- *Loans Register Smallest Quarterly Increase In Four Years*

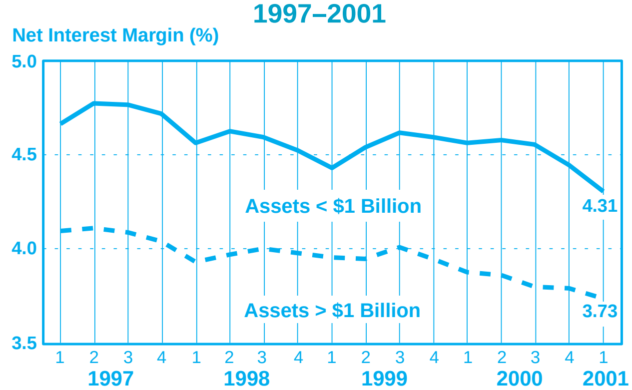
Insured commercial banks earned a record $19.9 billion in the first quarter, surpassing the previous record of $19.5 billion, set a year earlier. The higher profits were made possible by a $1.9-billion improvement in banks' proceeds from securities sales. Sales of securities in the quarter yielded gains of $1.2 billion, whereas a year ago, when interest rates were higher, securities sales produced net losses totaling $730 million. The average return on assets for the quarter was 1.27 percent, down from 1.35 percent in the first quarter of 2000. A majority of commercial banks—53.6 percent—reported lower ROAs in the first quarter, compared to a year ago. More than half (55.8 percent) of all commercial banks reported an ROA of 1 percent or higher for the first quarter.

Excluding nonrecurring items such as the gains on securities sales, banks' net operating income was $586 million (2.9 percent) lower than a year ago.

QUARTERLY NET INCOME, 1997–2001



QUARTERLY NET INTEREST MARGINS, 1997–2001



Narrower net interest margins have meant slower growth in net interest income, while a less-robust economy and lackluster stock market have contributed to a slowdown in growth in noninterest revenues. Provisions for loan losses continue to rise, particularly at large banks, in response to increasing levels of troubled loans to commercial borrowers. Net interest income was up by only 3.5 percent ($1.7 billion), even though interest-earning assets were 7.9 percent higher. Noninterest income was 4.5 percent ($1.7 billion) above the level of a year ago, down from the 6.2-percent growth rate registered in 2000. Banks set aside $7.9 billion in loan-loss provisions during the quarter, a $2.1-billion (36.4-percent) increase over the first quarter of 2000. Loss provisions absorbed 8.6 percent of commercial banks' net operating revenue (net interest income plus total noninterest income) in the first quarter, up from 6.6 percent a year earlier.

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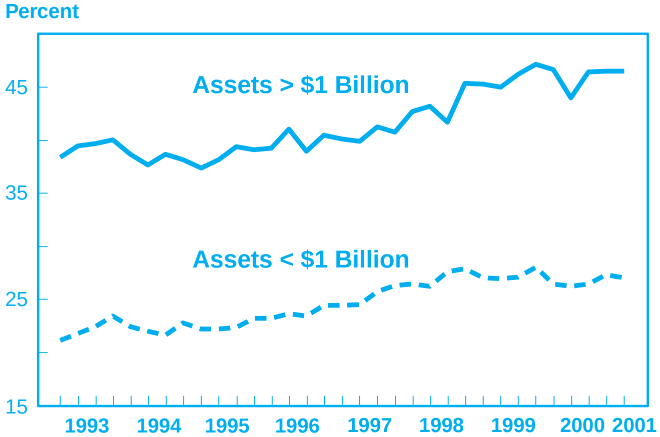
NONINTEREST INCOME AS A PERCENTAGE OF NET OPERATING REVENUE*, 1993–2001

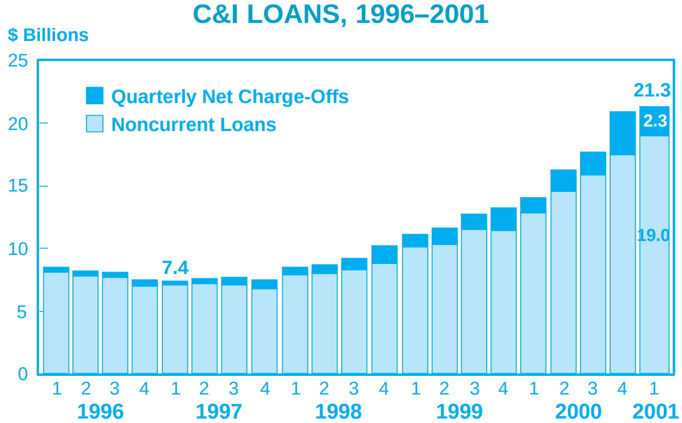


* Net operating revenue equals net interest income plus noninterest income.

In an environment of falling short-term interest rates, the industry's net interest margin declined for the sixth consecutive quarter, to 3.83 percent. This is its lowest level since the first quarter of 1987. The average cost of funding interest-earning assets declined by 28 basis points, but the average yield on interest-earning assets fell by 35 basis points. Margin erosion was greatest at small banks. While the industry's margin declined by 7 basis points, the average margin for banks with less than $100 million fell by 18 basis points, and the margin for banks with assets between $100 million and $1 billion declined by 13 basis points.

Loan losses continued to rise in the first quarter. Banks charged-off $7.0 billion in bad loans during the quarter, an increase of $1.9 billion (38.1 percent) from the same quarter in 2000. Commercial and industrial loans accounted for more than half (54.8 percent) of the increase in net charge-offs. The annualized net charge-off rate on banks' commercial and industrial loans rose to 0.90 percent, from 0.52 percent a year earlier. The deterioration was concentrated among larger banks. Only one out of every three banks (33.6 percent) reported a higher net charge-off rate on their C&I loans in the first quarter, but these banks held 67.4 percent of the industry's C&I loans.

CREDIT QUALITY OF COMMERCIAL BANKS' C&I LOANS, 1996–2001



Even with the increase in charge-off activity, noncurrent loans—loans 90 days or more past due or in nonaccrual status—continued to increase as well. Total noncurrent loans increased by $3.2 billion (7.4 percent) during the quarter. Noncurrent commercial and industrial loans increased by $1.5 billion (8.7 percent), while noncurrent 1-4 family mortgage loans rose by $389 million (5.4 percent), and noncurrent real estate construction and development loans were up by $261 million (21.2 percent). Among the other loan categories, noncurrent loans were up by $997 million. Noncurrent levels were higher in home equity loans, leases, and "all other" loans, which include loans to finance securities purchases. At the end of the quarter, 1.2 percent of all loans held by commercial banks were noncurrent. This is the highest level since the third quarter of 1995. The noncurrent rate for commercial and industrial loans rose to 1.82 percent at the end of the quarter, a seven-year high.

Banks' reserves for losses increased by only $575 million (0.9 percent) during the quarter. This was enough growth to keep pace with sluggish loan growth, but it fell short of the increase in noncurrent loans. The industry's reserves represented 1.69 percent of total loans at the end of the quarter, up slightly from 1.68 percent at the beginning of the quarter. However, the industry's "coverage ratio" fell from $1.49 in reserves for every $1.00 of noncurrent loans to $1.40 during the quarter. It is now at its lowest level since the first quarter of 1994. A year ago, banks held $1.73 in reserves for every $1.00 in noncurrent loans.

Equity capital registered strong growth during the quarter, increasing by $16.8 billion (3.2 percent). An important part of the increase—$4.5 billion—came from the newly-reported item "Accumulated other comprehensive income," which includes both unrealized gains on available-for-sale securities and net gains and losses on cash flow hedges.[1] The industry's ratio of equity capital to assets rose from 8.49 percent to 8.66 percent during the quarter, but the core capital (leverage) ratio used by regulators dipped slightly, to 7.68 percent from 7.70 percent, because changes in other comprehensive income are not reflected in regulatory capital.

[1]Reporting of gains/losses on cash flow hedges is in accordance with FASB Statement No. 133.

Asset growth slowed for the second consecutive quarter, but remained strong by historical standards. For the twelve months ending March 31, total assets of commercial banks grew by 8.0 percent. Loan growth experienced a somewhat greater slowdown, as total loans registered their smallest quarterly increase (up $11.6 billion) in four years, and commercial and industrial loans declined for the first time since the third quarter of 1993. Home mortgage loans increased by $9.3 billion (1.0 percent) during the quarter. Overnight loans (federal funds) rose strongly for the second consecutive quarter, increasing by $47.3 billion (16.9 percent).

Deposits at commercial banks increased by only $6.8 billion during the quarter, the smallest quarterly rise in two years. The composition of banks' deposits underwent greater change, however. Deposits in foreign offices declined by $35.6 billion, while domestic office deposits grew by $42.4 billion. Domestic demand deposits registered a seasonal decline of $41.6 billion, while domestic savings deposits increased by $86.0 billion. This was the second consecutive quarter that savings deposits grew strongly. In the fourth quarter of last year, they were up by $69.6 billion. Brokered deposits continued to grow, with a significant boost from the sweeping of brokerage accounts into insured deposits at banks affiliated with brokerage firms. These sweep accounts increased by roughly $24 billion during the quarter, with $20 billion of the increase fully insured.

The number of insured commercial banks reporting financial results fell by 78 banks during the first quarter, from 8,315 to 8,237. There were 34 new charters, while 104 banks were absorbed by mergers, and one insured commercial bank failed. The number of commercial banks on the FDIC's "Problem List" increased from 76 to 78 during the quarter. Total assets of "problem" banks remained unchanged at $17 billion.

NUMBER OF SUBCHAPTER S CORPORATIONS, 1997–2001

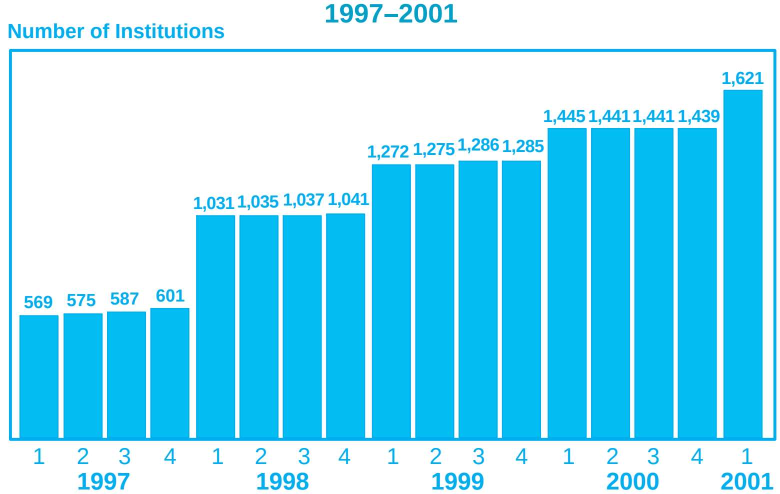


TABLE I-A. Selected Indicators, FDIC-Insured Commercial Banks

	2001*	2000*	2000	1999	1998	1997	1996
Return on assets (%)	1.27	1.35	1.19	1.31	1.19	1.23	1.19
Return on equity (%)	14.78	16.05	14.04	15.31	13.93	14.68	14.45
Core capital (leverage) ratio (%)	7.68	7.79	7.70	7.79	7.54	7.56	7.64
Noncurrent assets plus other real estate owned to assets (%)	0.79	0.65	0.74	0.63	0.65	0.66	0.75
Net charge-offs to loans (%)	0.73	0.57	0.67	0.61	0.67	0.64	0.58
Asset growth rate (%)	7.96	8.01	8.78	5.38	8.53	9.54	6.16
Net interest margin (%)	3.83	4.00	3.95	4.07	4.07	4.21	4.27
Net operating income growth (%)	-2.94	13.38	1.84	20.41	2.24	12.46	6.43
Number of institutions reporting	8,237	8,516	8,314	8,581	8,774	9,142	9,527
Percentage of unprofitable institutions (%)	6.86	6.49	7.23	7.48	6.11	4.85	4.28
Number of problem institutions	78	72	76	66	69	71	82
Assets of problem institutions (in billions)	$17	$5	$17	$4	$5	$5	$5
Number of failed/assisted institutions	1	1	6	7	3	1	5

* Through March 31, ratios annualized where appropriate. Asset growth rates are for 12 months ending March 31.

TABLE II-A. Aggregate Condition and Income Data, FDIC-Insured Commercial Banks

(dollar figures in millions)	Preliminary 1st Quarter 2001	4th Quarter 2000	1st Quarter 2000	%Change 00:1-01:1
Number of institutions reporting	8,237	8,314	8,516	-3.3
Total employees (full-time equivalent)	1,681,725	1,669,625	1,648,826	2.0
CONDITION DATA				
Total assets	$6,310,814	$6,239,080	$5,845,520	8.0
Loans secured by real estate	1,699,384	1,670,663	1,561,389	8.8
Commercial & industrial loans	1,045,503	1,050,638	1,000,927	4.5
Loans to individuals	597,505	609,724	556,694	7.3
Farm loans	46,238	48,077	43,370	6.6
Other loans & leases	442,289	440,334	408,810	8.2
Less: Unearned income	2,774	2,915	3,252	-14.7
Total loans & leases	3,828,145	3,816,522	3,567,939	7.3
Less: Reserve for losses	64,665	64,090	59,861	8.0
Net loans and leases	3,763,480	3,752,432	3,508,078	7.3
Securities	1,047,974	1,077,765	1,056,607	-0.8
Other real estate owned	3,053	2,904	2,765	10.4
Goodwill and other intangibles	103,545	102,705	101,313	2.2
All other assets	1,392,762	1,303,274	1,176,759	18.4
Total liabilities and capital	6,310,814	6,239,080	5,845,520	8.0
Noninterest-bearing deposits	721,932	755,867	708,693	1.9
Interest-bearing deposits	3,461,791	3,421,076	3,168,636	9.3
Other borrowed funds	1,143,225	1,107,309	1,088,771	5.0
Subordinated debt	90,522	87,043	78,934	14.7
All other liabilities	347,103	338,306	308,940	12.4
Equity capital	546,240	529,478	491,546	11.1
Loans and leases 30-89 days past due	47,254	47,925	39,805	18.7
Noncurrent loans and leases	46,090	42,922	34,603	33.2
Restructured loans and leases	1,218	1,312	1,131	7.7
Direct and indirect investments in real estate	274	294	309	-11.3
1-4 Family residential mortgages	926,030	916,687	862,503	7.4
Mortgage-backed securities	493,838	470,477	461,316	7.0
Earning assets	5,442,740	5,376,078	5,045,706	7.9
Long-term assets (5+ years)	1,159,384	1,186,146	1,220,915	-5.0
Volatile liabilities	2,151,197	2,182,263	2,043,489	5.3
Foreign office deposits	671,096	706,666	639,489	4.9
FHLB Advances (Source: FHFB, Call Reports)	184,528	175,337	161,052	14.6
Unused loan commitments	4,550,840	4,464,705	4,066,086	11.9
Derivatives	44,331,767	40,760,447	37,397,352	18.5

INCOME DATA	Full Year 2000	Full Year 1999	%Change	Preliminary 1st Quarter 2001	1st Quarter 2000	%Change 00:1-01:1
Total interest income	$428,115	$367,358	16.5	$109,606	$100,384	9.2
Total interest expense	224,290	175,151	28.1	57,793	50,308	14.9
Net interest income	203,825	192,207	6.0	51,813	50,076	3.5
Provision for loan and lease losses	29,955	21,815	37.3	7,938	5,819	36.4
Total noninterest income	153,435	144,403	6.3	40,150	38,438	4.5
Total noninterest expense	215,963	204,216	5.8	54,991	51,993	5.8
Securities gains (losses)	-2,285	180	N/M	1,171	-730	N/M
Applicable income taxes	37,983	39,376	-3.5	9,990	10,488	-4.8
Extraordinary gains, net	-32	169	N/M	-335	17	N/M
Net income	71,042	71,551	-0.7	19,878	19,501	1.9
Net charge-offs	24,761	20,361	21.6	6,968	5,047	38.1
Cash dividends	53,816	51,937	3.6	13,450	11,535	16.6
Net operating income	72,631	71,317	1.8	19,379	19,965	-2.9

N/M - Not meaningful

TABLE III-A. First Quarter 2001, FDIC-Insured Commercial Banks

		Asset Size Distribution				Geographic Distribution by Region					
						East			West		
		Less	$100 Million	$1 Billion	Greater						
FIRST QUARTER Preliminary	All	than $100	to	to	than $10	North-	South-		Mid-	South-	
(The way it is…)	Institutions	Million	$1 Billion	$10 Billion	Billion	east	east	Central	west	west	West
Number of institutions reporting	8,237	4,759	3,088	311	79	656	1,420	1,767	2,133	1,365	896
Total assets (in billions)	$6,310.8	$229.5	$781.1	$884.1	$4,416.2	$2,237.5	$1,598.7	$1,126.4	$414.3	$262.5	$671.4
Total deposits (in billions)	4,183.7	193.9	639.0	612.4	2,738.3	1,392.4	1,079.9	745.2	288.0	214.4	463.8
Net income (in millions)	19,878	566	2,434	3,040	13,839	6,585	4,687	3,075	1,311	761	3,459
% of unprofitable institutions	6.9	10.3	2.2	2.6	1.3	9.6	10.2	6.0	4.1	5.1	10.4
% of institutions with earnings gains	52.9	48.2	59.0	64.0	60.8	59.3	51.4	54.0	48.6	51.9	60.5
Performance ratios (annualized, %)											
Yield on earning assets	8.11	8.34	8.39	8.50	7.96	7.88	7.96	8.02	8.50	8.20	9.03
Cost of funding earning assets	4.27	4.06	4.07	4.16	4.35	4.47	4.13	4.41	4.20	3.84	3.98
Net interest margin	3.83	4.29	4.32	4.34	3.61	3.41	3.83	3.61	4.30	4.37	5.04
Noninterest income to earning assets	2.97	1.10	1.74	2.55	3.40	3.86	2.41	1.87	2.77	1.55	4.12
Noninterest expense to earning assets	4.07	3.74	3.84	4.02	4.14	4.55	3.71	3.24	4.36	3.87	4.72
Loan and lease loss provision to assets	0.51	0.22	0.27	0.55	0.55	0.48	0.41	0.47	0.68	0.27	0.88
Net operating income to assets	1.24	0.97	1.23	1.33	1.23	1.17	1.15	1.04	1.20	1.13	2.05
Return on assets	1.27	1.00	1.26	1.38	1.26	1.19	1.17	1.10	1.26	1.17	2.09
Return on equity	14.78	8.94	12.96	15.10	15.51	14.88	13.26	13.88	12.99	12.34	21.00
Net charge-offs to loans and leases	0.73	0.20	0.28	0.73	0.84	0.86	0.57	0.58	0.86	0.33	1.11
Loan and lease loss provision to net charge-offs	113.92	178.94	148.58	117.03	110.25	108.72	108.45	119.04	116.44	139.01	123.00
Efficiency ratio	57.93	69.06	62.45	56.28	57.04	60.68	57.49	57.71	59.70	63.09	49.63
Condition Ratios (%)											
Earning assets to total assets	86.24	91.97	91.61	89.66	84.31	83.13	86.43	89.66	89.74	89.80	86.92
Loss allowance to:											
Loans and leases	1.69	1.40	1.42	1.84	1.72	1.85	1.52	1.53	1.62	1.41	2.13
Noncurrent loans and leases	140.30	139.00	164.53	178.75	130.75	129.65	128.79	139.55	170.55	141.46	190.42
Noncurrent assets plus											
other real estate owned to assets	0.79	0.73	0.65	0.72	0.83	0.77	0.85	0.80	0.70	0.68	0.78
Equity capital ratio	8.66	11.19	9.78	9.29	8.20	8.02	8.98	7.98	9.88	9.60	10.02
Core capital (leverage) ratio	7.68	10.96	9.37	8.33	7.07	7.22	7.66	7.57	8.31	8.64	8.67
Tier 1 risk-based capital ratio	9.53	16.35	13.14	11.05	8.43	9.46	9.10	8.85	10.76	12.62	10.30
Total risk-based capital ratio	12.28	17.44	14.29	12.86	11.65	12.37	11.89	11.83	12.95	14.04	12.79
Net loans and leases to deposits	89.96	71.14	78.05	90.98	93.84	80.16	96.67	101.21	96.07	70.65	90.77
Structural Changes (YTD)											
New Charters	34	33	1	0	0	5	7	7	6	1	8
Banks absorbed by mergers	104	41	49	11	3	11	18	33	16	14	12
Failed banks	1	1	0	0	0	1	0	0	0	0	0
PRIOR FIRST QUARTERS											
(The way it was…)											
Number of institutions……2000	8,516	5,091	3,047	299	79	674	1,429	1,848	2,195	1,442	928
……1998	9,023	5,742	2,918	298	65	708	1,480	1,970	2,309	1,579	977
……1996	9,838	6,582	2,835	349	72	785	1,640	2,158	2,471	1,743	1,041
Total assets (in billions)……2000	$5,845.5	$238.6	$761.8	$857.0	$3,988.2	$2,010.8	$1,556.1	$997.8	$396.9	$315.2	$568.8
……1998	5,109.1	263.8	729.0	899.7	3,216.6	1,894.1	1,017.0	813.7	336.7	363.3	684.2
……1996	4,308.4	295.7	692.1	1,081.2	2,239.4	1,620.2	750.5	689.4	284.5	327.5	636.2
Return on assets (%)……2000	1.35	1.14	1.33	1.55	1.32	1.40	1.36	1.21	1.42	1.12	1.44
……1998	1.26	1.19	1.37	1.72	1.11	1.19	1.16	1.32	1.48	1.21	1.41
……1996	1.12	1.21	1.30	1.28	0.97	0.90	1.18	1.17	1.37	1.28	1.35
Net charge-offs to loans & leases (%)											
……2000	0.57	0.17	0.31	0.68	0.62	0.76	0.39	0.34	0.83	0.34	0.86
……1998	0.62	0.17	0.28	1.04	0.61	0.89	0.37	0.37	0.72	0.33	0.77
……1996	0.55	0.17	0.34	0.86	0.49	0.68	0.42	0.39	0.64	0.24	0.68
Noncurrent assets plus											
OREO to assets (%)……2000	0.65	0.69	0.59	0.60	0.67	0.73	0.61	0.57	0.59	0.59	0.66
……1998	0.67	0.75	0.66	0.76	0.65	0.77	0.58	0.60	0.65	0.55	0.71
……1996	0.86	0.85	0.82	0.88	0.87	1.02	0.67	0.67	0.70	0.64	1.07
Equity capital ratio (%)……2000	8.41	10.79	9.30	8.99	7.97	7.95	8.55	7.93	8.79	8.63	10.12
……1998	8.41	10.88	9.61	9.58	7.61	7.44	8.71	8.60	9.12	8.71	9.92
……1996	8.20	10.42	9.41	8.85	7.22	7.65	8.38	8.50	8.86	8.60	8.57

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

TABLE IV-A. Full Year 2000, FDIC-Insured Commercial Banks

		Asset Size Distribution				Geographic Distribution by Region					
						East			West		
	All Institutions	Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	North-east	South-east	Central	Mid-west	South-west	West
Number of institutions reporting	8,314	4,839	3,080	313	82	665	1,426	1,792	2,144	1,383	904
Total assets (in billions)	$6,239.1	$231.1	$773.5	$884.1	$4,350.3	$2,180.9	$1,610.9	$1,072.4	$419.0	$302.3	$653.6
Total deposits (in billions)	4,176.9	194.8	632.9	621.6	2,727.6	1,371.4	1,096.1	730.2	290.7	241.3	447.2
Net income (in millions)	71,042	2,203	9,391	10,852	48,596	27,126	16,630	10,649	5,643	2,832	8,161
% of unprofitable institutions	7.2	10.8	1.8	4.5	7.3	10.1	12.1	5.8	3.7	6.1	10.5
% of institutions with earnings gains	67.5	65.2	71.9	65.8	48.8	68.7	68.0	64.5	65.7	69.3	73.7
Performance Ratios (%)											
Yield on earning assets	8.29	8.41	8.52	8.48	8.20	8.08	8.17	8.22	8.70	8.31	9.16
Cost of funding earning assets	4.34	3.87	4.00	4.20	4.47	4.52	4.25	4.56	4.24	3.84	3.94
Net interest margin	3.95	4.54	4.52	4.28	3.73	3.56	3.92	3.66	4.46	4.47	5.22
Noninterest income to earning assets	2.97	1.22	1.75	2.56	3.39	3.99	2.50	1.89	2.79	1.43	3.64
Noninterest expense to earning assets	4.18	3.89	3.91	3.97	4.30	4.62	3.92	3.35	4.17	3.73	5.15
Credit loss provision to assets	0.50	0.35	0.33	0.56	0.53	0.44	0.45	0.44	0.63	0.49	0.90
Net operating income to assets	1.22	1.01	1.29	1.31	1.19	1.28	1.12	1.07	1.44	1.05	1.44
Return on assets	1.19	1.00	1.28	1.28	1.16	1.30	1.05	1.03	1.42	0.97	1.38
Return on equity	14.04	9.02	13.55	14.47	14.41	16.35	12.33	12.88	15.41	10.99	13.60
Net charge-offs to loans and leases	0.67	0.41	0.33	0.70	0.75	0.79	0.61	0.40	0.83	0.43	1.01
Credit loss provision to net charge-offs	120.97	142.85	152.85	126.51	116.57	104.91	111.56	163.37	112.45	189.52	133.32
Efficiency ratio	58.42	67.01	61.48	56.10	58.00	59.17	58.74	58.78	55.62	61.44	55.84
Condition Ratios (%)											
Earning assets to total assets	86.17	91.78	91.59	89.47	84.23	83.15	86.34	89.49	89.82	89.04	86.69
Loss allowance to:											
Loans and leases	1.68	1.39	1.41	1.76	1.73	1.84	1.51	1.48	1.59	1.54	2.13
Noncurrent loans and leases	149.32	154.09	176.70	190.58	139.13	139.49	130.72	146.06	195.13	171.87	208.53
Noncurrent assets plus other real estate owned to assets	0.74	0.67	0.61	0.64	0.79	0.73	0.82	0.74	0.61	0.62	0.73
Equity capital ratio	8.49	11.07	9.59	8.98	8.05	8.00	8.61	7.91	9.49	8.93	9.89
Core capital (leverage) ratio	7.70	11.00	9.28	8.35	7.11	7.48	7.49	7.57	8.25	8.21	8.65
Tier 1 risk-based capital ratio	9.41	16.33	12.91	11.00	8.30	9.53	8.89	8.81	10.45	11.42	10.00
Total risk-based capital ratio	12.13	17.43	14.07	12.80	11.49	12.47	11.64	11.65	12.60	13.27	12.39
Net loans and leases to deposits	89.84	71.84	78.64	88.63	93.99	81.51	95.07	98.24	96.83	74.41	92.58
Structural Changes											
New charters	192	189	2	1	0	18	67	35	23	13	36
Banks absorbed by mergers	453	193	207	47	6	35	108	104	99	59	48
Failed banks	6	5	1	0	0	0	1	1	2	0	2
PRIOR FULL YEARS (The way it was…)											
Number of institutions 1999	8,581	5,156	3,031	318	76	678	1,450	1,859	2,205	1,456	933
1997	9,142	5,853	2,922	301	66	714	1,525	1,998	2,329	1,600	976
1995	9,940	6,658	2,861	346	75	794	1,659	2,178	2,487	1,773	1,049
Total assets (in billions) 1999	$5,735.2	$242.4	$755.1	$915.2	$3,822.5	$2,009.6	$1,531.6	$952.5	$389.6	$314.3	$537.7
1997	5,014.9	267.8	727.7	902.7	3,116.7	1,893.9	946.9	804.8	335.0	355.9	678.4
1995	4,312.7	297.9	696.7	1,052.8	2,265.2	1,625.6	737.7	695.2	287.5	326.4	640.3
Return on assets (%) 1999	1.31	1.01	1.34	1.48	1.28	1.24	1.29	1.28	1.48	1.15	1.63
1997	1.23	1.18	1.33	1.36	1.18	1.14	1.23	1.29	1.43	1.22	1.35
1995	1.17	1.18	1.24	1.27	1.10	1.02	1.19	1.15	1.50	1.20	1.41
Net charge-offs to loans & leases (%)											
1999	0.61	0.37	0.36	0.68	0.66	0.79	0.45	0.37	0.76	0.47	0.95
1997	0.64	0.28	0.36	1.08	0.58	0.73	0.46	0.50	0.82	0.38	0.83
1995	0.49	0.24	0.37	0.69	0.46	0.64	0.32	0.31	0.54	0.24	0.62
Noncurrent assets plus OREO to assets (%) 1999	0.63	0.66	0.58	0.58	0.66	0.72	0.58	0.55	0.60	0.61	0.67
1997	0.66	0.71	0.65	0.77	0.63	0.73	0.59	0.58	0.69	0.52	0.72
1995	0.85	0.78	0.80	0.82	0.89	1.03	0.64	0.63	0.64	0.62	1.09
Equity capital ratio (%) 1999	8.37	10.68	9.24	9.09	7.87	7.71	8.60	8.02	8.84	8.53	10.29
1997	8.33	10.81	9.62	9.16	7.58	7.33	8.87	8.35	9.06	8.65	9.82
1995	8.11	10.42	9.39	8.57	7.19	7.61	8.23	8.30	8.70	8.52	8.53

TABLE V-A. Loan Performance, FDIC-Insured Commercial Banks

		Asset Size Distribution				Geographical Distribution by Region					
						East			West		
March 31, 2001	All Institutions	Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	North-east	South-east	Central	Mid-west	South-west	West
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate	1.23	1.53	1.19	1.04	1.29	1.15	1.31	1.35	1.10	1.29	1.03
Construction and development	1.24	1.42	1.46	1.24	1.14	1.16	1.08	1.43	1.26	1.46	1.33
Commercial real estate	0.87	1.23	0.92	0.88	0.80	0.89	0.76	1.02	0.98	1.07	0.71
Multifamily residential real estate	0.64	0.73	0.72	0.86	0.54	0.33	0.63	0.92	0.83	0.95	0.61
Home equity loans	0.85	1.00	0.85	0.95	0.83	0.66	0.73	1.16	0.76	0.70	0.88
Other 1-4 Family residential	1.51	1.77	1.39	1.11	1.62	1.28	1.79	1.61	1.07	1.40	1.23
Commercial and industrial loans	0.88	2.05	1.57	1.38	0.68	0.61	0.63	1.16	1.57	1.42	1.23
Loans to individuals	2.15	2.38	2.08	2.22	2.14	2.47	1.94	1.93	2.24	1.80	1.91
Credit card loans	2.54	2.16	4.21	2.65	2.45	2.85	2.62	1.56	2.54	1.44	2.05
Other loans to individuals	1.93	2.39	1.79	1.95	1.92	2.13	1.74	1.97	2.00	1.81	1.68
All other loans and leases (including farm)	0.87	1.87	1.40	1.20	0.77	0.67	0.43	1.29	1.95	1.63	0.96
Memo: Commercial RE loans not secured by RE	0.71	0.48	0.56	0.90	0.69	0.39	0.33	1.04	3.17	0.05	0.73
Percent of Loans Noncurrent*											
All real estate loans	0.87	0.87	0.71	0.78	0.95	0.93	0.91	0.98	0.62	0.80	0.67
Construction and development	0.86	0.77	0.83	0.89	0.86	1.21	0.78	0.92	1.01	0.73	0.73
Commercial real estate	0.79	0.98	0.73	0.80	0.80	0.79	0.75	0.96	0.64	0.85	0.68
Multifamily residential real estate	0.39	0.43	0.46	0.54	0.32	0.31	0.39	0.49	0.31	0.33	0.45
Home equity loans	0.44	0.31	0.38	0.41	0.46	0.31	0.24	0.86	0.33	0.40	0.32
Other 1-4 Family residential	0.95	0.78	0.65	0.78	1.08	0.86	1.15	1.05	0.50	0.76	0.64
Commercial and industrial loans	1.82	1.51	1.33	1.58	1.92	1.90	2.06	1.60	1.20	1.62	1.82
Loans to individuals	1.41	0.88	0.88	1.24	1.54	2.15	0.85	0.65	1.31	0.61	1.36
Credit card loans	2.18	2.00	3.32	2.22	2.12	2.59	1.79	0.95	1.97	1.01	1.88
Other loans to individuals	0.97	0.85	0.55	0.63	1.15	1.77	0.57	0.62	0.79	0.60	0.47
All other loans and leases (including farm)	0.80	1.04	1.02	0.70	0.78	0.68	0.75	0.76	1.19	1.17	1.17
Memo: Commercial RE loans not secured by RE	0.47	0.30	0.32	0.28	0.51	0.40	0.69	0.69	0.26	0.19	0.17
Percent of Loans Charged-off (net, annual)											
All real estate loans	0.12	0.04	0.04	0.10	0.15	0.09	0.11	0.17	0.19	0.04	0.06
Construction and development	0.11	0.08	0.02	0.12	0.14	0.04	0.15	0.19	0.12	0.03	-0.02
Commercial real estate	0.10	0.04	0.05	0.06	0.16	0.03	0.09	0.15	0.23	0.03	0.10
Multifamily residential real estate	0.03	0.11	0.02	-0.02	0.05	0.00	0.07	0.05	0.08	0.02	-0.03
Home equity loans	0.25	0.04	0.07	0.51	0.23	0.25	0.26	0.25	0.26	0.24	0.23
Other 1-4 Family residential	0.10	0.04	0.05	0.09	0.13	0.08	0.10	0.18	0.16	0.04	0.03
Commercial and industrial loans	0.90	0.35	0.43	0.67	1.00	0.71	0.97	0.90	1.07	0.66	1.30
Loans to individuals	2.43	0.72	1.38	2.78	2.57	2.94	1.90	1.39	2.70	0.86	3.24
Credit card loans	4.44	2.02	5.92	5.04	4.25	4.70	4.15	4.34	4.49	1.93	4.15
Other loans to individuals	1.17	0.67	0.68	1.22	1.30	1.27	1.18	1.05	1.00	0.82	1.47
All other loans and leases (including farm)	0.38	0.19	0.24	0.35	0.40	0.19	0.20	0.63	0.37	0.29	1.36
Memo: Commercial RE loans not secured by RE	0.32	2.48	1.23	0.23	0.28	0.73	0.18	0.08	0.23	0.48	0.02
Loans Outstanding (in billions)											
All real estate loans	$1,699.4	$81.0	$328.4	$308.7	$981.3	$362.4	$549.1	$364.3	$131.1	$84.1	$208.4
Construction and development	173.7	7.3	37.6	39.9	88.9	16.9	63.7	36.8	14.5	12.8	29.1
Commercial real estate	469.3	22.7	122.2	104.9	219.5	79.2	143.7	103.6	36.7	30.8	75.3
Multifamily residential real estate	61.0	1.8	10.9	12.5	35.8	15.3	16.8	13.5	4.0	2.4	8.9
Home equity loans	130.1	2.0	13.7	18.2	96.2	26.8	44.1	36.8	7.7	1.4	13.4
Other 1-4 Family residential	795.9	36.9	130.2	128.8	500.0	191.6	271.0	165.0	57.6	33.1	77.7
Commercial and industrial loans	1,045.5	24.5	92.3	123.5	805.2	348.8	273.6	220.4	64.0	37.1	101.7
Loans to individuals	597.5	18.4	59.8	101.8	417.6	223.8	130.9	87.6	49.0	23.1	83.3
Credit card loans	216.5	0.5	7.2	39.1	169.8	104.0	29.9	8.0	21.4	0.7	52.5
Other loans to individuals	381.0	17.9	52.6	62.7	247.8	119.8	101.0	79.5	27.5	22.4	30.8
All other loans and leases (including farm)	488.5	16.3	26.1	34.2	411.9	203.3	107.2	93.9	37.3	9.6	37.3
Memo: Commercial RE loans not secured by RE	37.1	0.3	1.3	4.2	31.2	11.5	10.5	5.6	2.5	0.6	6.4
Memo: Other Real Estate Owned (in millions)											
All other real estate owned	$3,053.1	$268.5	$726.3	$409.5	$1,648.8	$746.3	$1,059.1	$464.8	$236.1	$240.8	$305.9
Construction and development	259.9	27.9	124.4	45.9	61.8	42.0	108.1	39.4	19.0	27.1	24.3
Commercial real estate	1,348.3	120.2	301.3	187.6	739.2	325.5	511.5	152.0	95.7	109.4	154.2
Multifamily residential real estate	67.3	6.5	26.0	9.8	25.0	14.9	12.0	11.3	4.7	4.1	20.3
1-4 Family residential	1,120.8	89.7	240.2	160.8	630.1	192.5	412.6	253.6	83.5	80.5	98.2
Farmland	85.2	24.2	34.2	4.6	22.1	1.5	14.9	8.5	33.2	19.7	7.3
Other real estate owned in foreign offices	171.5	0.0	0.2	0.7	170.6	169.9	0.0	0.0	0.0	0.0	1.6

* Noncurrent loan rates represent the percentage of loans in each category that are past due 90 days or more or that are in nonaccrual status. N/A - Not Available

SAVINGS INSTITUTION PERFORMANCE—FIRST QUARTER, 2001

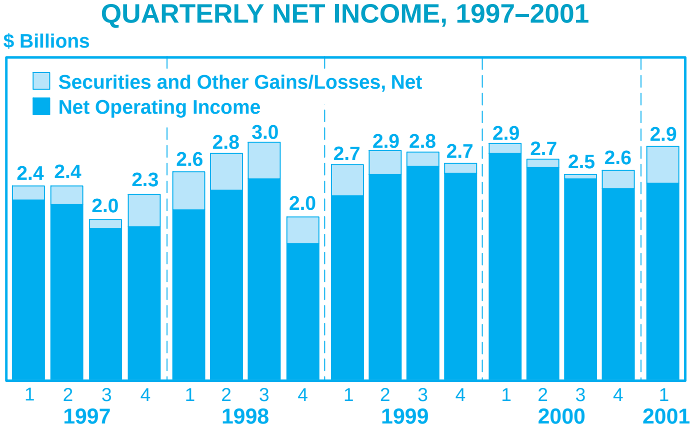
- *Earnings Of $2.9 Billion Fell Just Below Year-Ago Level*
- *Gains On Sales Of Mortgages And Securities Limit Earnings Decline*
- *Deposit Growth Of $27 Billion Is Strongest Since 1988*
- *Noncurrent Commercial Loan Rates Rise*

FDIC-insured savings institutions earned $2.9 billion in the first quarter, $35 million less than in the first quarter of 2000. The average return on assets (ROA) was 0.95 percent for the first quarter, down from 1.03 percent a year ago. A dramatic increase in gains on sales of assets gave a boost to first quarter earnings. These gains were $761 million in the first quarter, more than double fourth-quarter gains of $333 million and 4.5 times the gains of $170 million reported in the first quarter of last year. Gains on sales reported by savings associations usually are dominated by gains on securities sales. However, during periods of low or declining interest rates such as during the first quarter, asset sales are likely to include a higher than usual proportion of mortgage loans because of the larger volume of mortgage originations and refinancings.

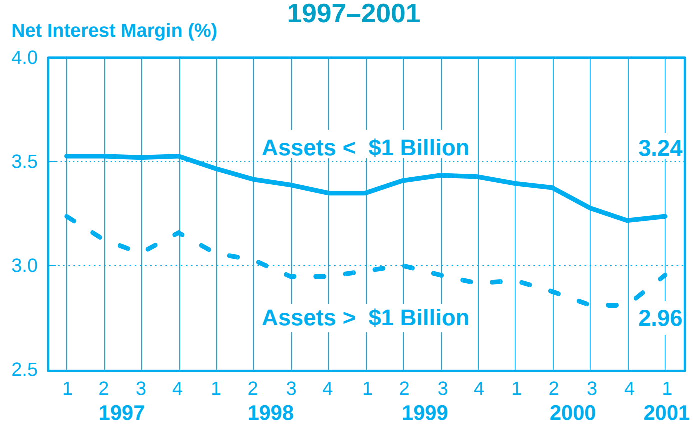
Net operating income, which excludes gains on asset sales and any other extraordinary gains was $378 million (13 percent) lower than a year ago. Net operating income as a percent of assets was 0.80 percent, down from 0.99 percent a year ago. Higher noninterest expenses, up $962 million (16 percent), and increased provisions for loan losses, which were $223 million (53 percent) higher, were the primary causes of the decline. Provisions for loan losses were 137 percent of net charge-offs in the first quarter, up from 123 percent a year ago. Over 10 percent of savings institutions reported losses for the first quarter, up from 8 percent a year ago.

Thrifts' net interest margins benefited from falling short-term interest rates in the first quarter. Net interest margins rose by 13 basis points to 3.03 percent from the ten-year low of 2.90 percent in the fourth quarter of last year. The cost of funding earning assets fell faster (down 21 basis points) than the yield on earning assets (down 9 basis points). The West Region showed a sharp increase in margins, up 28 basis points, with a 6-basis-point improvement in asset yields while the cost of funding earning assets declined 22 basis points.

QUARTERLY NET INCOME, 1997–2001



QUARTERLY NET INTEREST MARGINS, 1997–2001

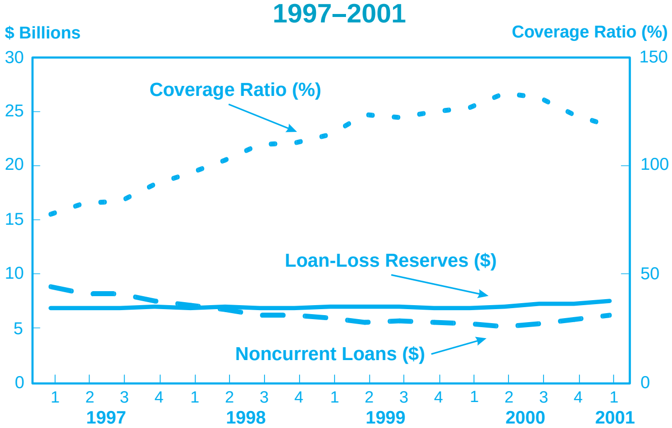


Almost all small savings institutions (99 percent) with assets of less than $100 million reported lower profitability in the first quarter than a year ago. Several specialized thrifts in this size group began operations over the past year and 8 have noninterest income that exceeds earning assets. Without these specialists, the remaining institutions with less than $100 million in assets reported an average annualized ROA of 0.39 percent, compared to 0.46 percent a year ago.

Most small thrifts rely heavily on net interest margins and the average margin for this group was 3.27 percent, 18 basis points lower compared to last year's first quarter and 7 basis points lower than in the fourth quarter. If the specialists are included, profitability was higher with an ROA of 0.62 percent this year compared to 0.56 percent last year. Profitability peaked in mid-1993 for this group when their average ROA was 1.13 percent and the average net interest margin was also at a peak of 3.89 percent. Small thrifts are heavily dependent on net interest income for profitability. Over 18 percent of small thrifts reported losses in the first quarter, up from 16 percent last year.

Deterioration in loans to commercial borrowers during the quarter raised the industry's overall noncurrent rate. Noncurrent loans were 0.74 percent of total loans at the end of the first quarter, up by 3 basis points from year-end. Noncurrent loans rose by $426 million during the first quarter, while reserves increased by only $174 million, resulting in a decline in the coverage ratio of loan loss reserves to noncurrent loans from $1.24 to $1.19 in reserves for each dollar of noncurrent loans. The noncurrent rate for commercial real estate loans rose 16 basis points to 1.03 percent, the rate for construction and land loans increased 12 basis points to 1.19 percent, and the rate for commercial & industrial loans increased 10 basis points to 1.67 percent. Together these three categories of loans account for only 16 percent of total loans, but their annual growth rates range from 12 to 22 percent, which is well above overall loan growth of 10 percent. In retail loans, the noncurrent rate for credit cards rose 17 basis points to 1.72 percent.

COVERAGE RATIO* AND RESERVE LEVELS, 1997–2001



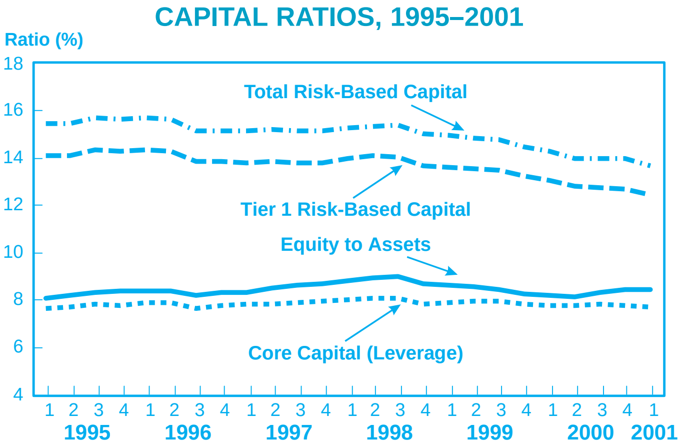
* Loan-loss reserves to noncurrent loans.

Net charge-offs on loans increased by 37 percent to $469 million from $343 million a year ago. Net charge-offs as a percentage of average loans was an annualized 0.23 percent in the first quarter, up from 0.18 percent a year ago. Two-thirds of the increase in net charge-offs was due to increases in commercial & industrial loan charge-offs at a few large thrifts. The commercial & industrial loan charge-off rate was an annualized 1.36 percent in the first quarter, up from 0.43 percent a year ago.

Asset growth was strong, up by $37.8 billion (3.1 percent) during the quarter, and home mortgages accounted for much of the increase, rising by $12.2 billion. Securities holdings declined by $2.6 billion led by mortgage-backed securities, which declined by $1.2 billion. In addition, some institutions transferred securities from held-to-maturity (HTM) to available-for-sale classification. FAS 133 allowed this transfer without tainting the remaining HTM securities. Securities classified as HTM declined by $22 billion, while AFS securities increased by $20 billion. Deposits were up by $27 billion (4 percent), funding much of the first quarter's asset growth. This was the largest quarterly increase in deposits since 1988. Deposits were up 7 percent ($51.9 billion) from a year ago. In contrast, borrowings from the Federal Home Loan Banks were down slightly, $1.7 billion in the first quarter, but up by $19 billion (8 percent[1]) from a year ago.

Equity capital increases did not contribute to regulatory core capital. Equity capital rose by $3.4 billion in the first quarter to 8.47 percent of assets, up from 8.45 percent at the beginning of the quarter. Because of a few large merger transactions that used the purchase method of accounting, goodwill and other intangibles rose by $2.2 billion. The unrealized gain on all AFS securities rose by $1.2 billion partly due to the $20-

[1] FHLB advances are overstated beginning in the fourth quarter of 2000 by approximately $5 billion because one parent institution included a subsidiary thrift's advances in their own TFR. The percentage change from a year ago would be 8 percent instead of 10 percent without the double counting of the $5 billion.



billion increase in AFS securities and partly due to lower interest rates. Since core capital excludes intangible assets and the change in the value of AFS securities, the core capital (leverage) ratio declined from 7.79 percent to 7.72 percent of average tangible assets.

Mergers continue to reduce the number of thrifts, but at a slower pace than last year. There were 1,584 thrifts in the industry at the end of the first quarter, a net decline of 6 institutions. Mergers reduced the count of institutions by 11 this quarter, which was fewer than were absorbed in any quarter in 2000. Commercial banks accounted for 7 of these transactions. Also, 3 thrifts converted their charter to a commercial bank charter, while 2 commercial banks converted to thrift charters. No thrifts failed in the first quarter. There were 6 new institutions that began operations in the quarter. Other changes include mutual to stock ownership conversions by 10 institutions with $7.4 billion in assets. The number of thrifts considered “problem” institutions fell during the quarter from 18 with assets of $7.1 billion at year-end to 17 with assets of $6.1 billion.

TABLE I-B. Selected Indicators, FDIC-Insured Savings Institutions

	2001*	2000*	2000	1999	1998	1997	1996
Return on assets (%)	0.95	1.03	0.92	1.00	1.01	0.93	0.70
Return on equity (%)	11.19	12.52	11.14	11.73	11.34	10.84	8.41
Core capital (leverage) ratio (%)	7.72	7.79	7.79	7.86	7.85	7.95	7.76
Noncurrent assets plus other real estate owned to assets (%)	0.58	0.57	0.56	0.58	0.72	0.95	1.09
Net charge-offs to loans (%)	0.23	0.18	0.20	0.17	0.22	0.25	0.32
Asset growth rate (%)	8.81	4.32	6.39	5.52	6.06	-0.28	0.32
Net interest margin	3.03	3.04	2.96	3.10	3.10	3.23	3.22
Net operating income growth (%)	-13.38	23.66	3.47	16.64	7.68	19.98	-13.92
Number of institutions reporting	1,584	1,635	1,590	1,640	1,689	1,780	1,926
Percentage of unprofitable institutions (%)	10.16	8.50	8.43	8.23	5.27	4.10	12.05
Number of problem institutions	17	15	18	13	15	12	35
Assets of problem institutions (in billions)	$6	$5	$7	$6	$6	$2	$7
Number of failed/assisted institutions	0	1	1	1	0	0	1

* Through March 31, ratios annualized where appropriate. Asset growth rates are for 12 months ending March 31.

TABLE II-B. Aggregate Condition and Income Data, FDIC-Insured Savings Institutions

(dollar figures in millions)	Preliminary 1st Quarter 2001	4th Quarter 2000	1st Quarter 2000	%Change 00:1-01:1
Number of institutions reporting	1,584	1,590	1,635	-3.1
Total employees (full-time equivalent)	251,635	244,991	244,992	2.7
CONDITION DATA				
Total assets	$1,259,704	$1,221,876	$1,157,728	8.8
Loans secured by real estate	743,038	725,384	680,302	9.2
1-4 Family Residential	586,215	574,033	540,120	8.5
Multifamily residential property	58,125	56,769	53,929	7.8
Commercial real estate	62,285	59,750	55,555	12.1
Construction, development, and land	36,413	34,832	30,699	18.6
Commercial & industrial loans	35,828	34,409	29,355	22.1
Loans to individuals	65,618	65,274	59,572	10.2
Other loans & leases	6,441	6,035	4,666	38.0
Less: Unearned income & contra accounts**	195	200	200	-2.7
Total loans & leases	850,730	830,902	773,695	10.0
Less: Reserve for losses	7,497	7,322	6,885	8.9
Net loans & leases	843,234	823,580	766,810	10.0
Securities	280,567	283,198	283,042	-0.9
Other real estate owned	1,010	1,005	1,152	-12.3
Goodwill and other intangibles	19,185	17,020	15,319	25.2
All other assets	115,707	97,074	91,405	26.6
Total liabilities and capital	1,259,704	1,221,876	1,157,728	8.8
Deposits	764,875	737,877	712,937	7.3
Other borrowed funds	363,760	359,652	331,797	9.6
Subordinated debt	3,166	3,123	3,018	4.9
All other liabilities	21,221	17,964	15,070	40.8
Equity capital	106,683	103,261	94,905	12.4
Loans and leases 30-89 days past due	8,375	8,612	6,282	33.3
Noncurrent loans and leases	6,309	5,883	5,432	16.2
Restructured loans and leases	1,389	1,393	1,638	-15.2
Direct and indirect investments in real estate	628	620	655	-4.2
Mortgage-backed securities	212,190	213,426	218,848	-3.0
Earning assets	1,161,856	1,131,101	1,075,445	8.0
FHLB Advances (Source: TFR, FHFB, Call Reports)	259,697	261,423	235,701	10.2
Unused loan commitments	274,459	247,580	203,649	34.8

INCOME DATA	Full Year 2000	Full Year 1999	%Change	Preliminary 1st Quarter 2001	1st Quarter 2000	%Change 00:1-01:1
Total interest income	$84,136	$74,203	13.4	$22,411	$20,030	11.9
Total interest expense	52,224	42,880	21.8	13,813	11,960	15.5
Net interest income	31,912	31,323	1.9	8,597	8,070	6.5
Provision for loan and lease losses	2,039	1,563	30.5	645	422	52.8
Total noninterest income	11,410	9,789	16.6	2,965	2,654	11.7
Total noninterest expense	25,589	23,993	6.7	7,104	6,142	15.7
Securities gains (losses)	793	1,437	-44.8	761	170	348.4
Applicable income taxes	5,742	6,125	-6.3	1,631	1,390	17.3
Extraordinary gains, net	-3	5	N/M	-34	6	N/M
Net income	10,742	10,875	-1.2	2,910	2,945	-1.2
Net charge-offs	1,553	1,195	30.0	469	343	36.8
Cash dividends	5,884	6,100	-3.5	1,186	1,473	-19.5
Net operating income	10,236	9,893	3.5	2,443	2,821	-13.4

N/M - Not Meaningful

TABLE III-B. First Quarter 2001, FDIC-Insured Savings Institutions

		Asset Size Distribution				Geographic Distribution by Region					
						East			West		
FIRST QUARTER Preliminary (The way it is…)	All Institutions	Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $5 Billion	Greater than $5 Billion	North-east	South-east	Central	Mid-west	South-west	West
Number of institutions reporting	1,584	618	822	102	42	623	210	405	123	108	115
Total assets (in billions)	$1,259.7	$31.4	$251.6	$197.1	$779.6	$412.9	$88.8	$188.5	$42.8	$68.1	$458.5
Total deposits (in billions)	764.9	24.7	190.2	134.3	415.6	278.2	61.8	129.3	27.6	40.2	227.8
Net income (in millions)	2,909.6	48.0	444.0	348.5	2,069.0	972.6	121.4	317.1	78.9	191.2	1,228.4
% of unprofitable institutions	10.2	18.3	4.7	6.9	4.8	8.7	12.9	11.4	12.2	9.3	7.8
% of institutions with earnings gains	47.5	39.0	51.1	59.8	71.4	45.1	48.6	46.7	47.2	50.0	59.1
Performance ratios (annualized, %)											
Yield on earning assets	7.89	7.73	7.71	7.89	7.96	7.60	7.95	8.20	7.59	8.32	7.98
Cost of funding earning assets	4.86	4.42	4.48	4.78	5.03	4.33	5.15	5.07	4.93	5.03	5.18
Net interest margin	3.03	3.31	3.23	3.11	2.93	3.27	2.80	3.13	2.65	3.28	2.80
Noninterest income to earning assets	1.04	2.53	0.74	0.88	1.13	0.92	1.65	1.30	0.81	1.21	0.93
Noninterest expense to earning assets	2.50	4.83	2.79	2.63	2.27	2.61	3.20	3.22	2.29	2.74	1.95
Loan and lease loss provision to assets	0.21	0.12	0.11	0.16	0.26	0.13	0.62	0.40	0.12	0.30	0.11
Net operating income to assets	0.80	0.50	0.65	0.70	0.88	0.86	0.35	0.38	0.63	1.09	0.97
Return on assets	0.95	0.62	0.72	0.72	1.09	0.96	0.56	0.68	0.74	1.14	1.11
Return on equity	11.19	4.76	6.79	8.17	14.58	9.67	6.58	8.06	7.96	13.96	15.73
Net charge-offs to loans and leases	0.23	0.09	0.10	0.25	0.27	0.20	0.32	0.44	0.12	0.24	0.14
Loan and lease loss provision to net charge-offs	137.30	212.52	163.40	91.50	144.20	105.27	277.13	120.82	134.09	194.23	122.35
Efficiency ratio	59.47	82.38	69.55	64.45	53.53	59.41	71.28	71.11	64.50	60.19	50.53
Condition Ratios (%)											
Earning assets to total assets	92.23	93.79	93.66	92.11	91.74	92.04	93.42	90.96	92.89	93.17	92.50
Loss allowance to:											
Loans and leases	0.88	0.72	0.85	0.99	0.87	0.97	0.89	0.89	0.66	0.93	0.82
Noncurrent loans and leases	118.82	87.14	126.54	98.16	125.63	135.10	130.44	97.98	89.07	76.24	129.52
Noncurrent assets plus other real estate owned to assets	0.58	0.65	0.53	0.86	0.52	0.52	0.60	0.78	0.76	0.89	0.49
Noncurrent RE loans to RE loans	0.69	0.79	0.65	0.97	0.63	0.68	0.60	0.76	0.72	1.31	0.62
Equity capital ratio	8.47	12.91	10.55	8.82	7.53	9.89	8.53	8.46	9.31	8.16	7.15
Core capital (leverage) ratio	7.72	12.52	10.02	8.13	6.68	8.78	8.18	7.80	8.58	8.13	6.52
Tier 1 risk-based capital ratio	12.47	22.86	16.86	12.71	10.68	14.05	13.02	12.13	14.80	12.53	10.82
Total risk-based capital ratio	13.68	23.91	17.90	13.76	11.99	15.37	14.48	13.43	15.61	13.45	11.92
Gross real estate assets to gross assets	75.50	68.20	70.56	74.58	77.62	70.65	70.11	71.83	77.44	61.25	84.36
Gross 1-4 family mortgages to gross assets	46.25	48.55	45.01	38.66	48.48	41.24	44.91	51.06	49.39	28.42	51.42
Net loans and leases to deposits	110.24	84.31	89.61	99.49	124.70	93.28	99.58	107.13	110.83	110.26	135.56
Structural Changes (YTD)											
New Charters	6	5	1	0	0	1	1	1	0	1	2
Thrifts absorbed by mergers	11	3	5	2	1	4	0	1	3	1	2
Failed Thrifts	0	0	0	0	0	0	0	0	0	0	0
PRIOR FIRST QUARTERS (The way it was…)											
Number of institutions…2000	1,635	653	834	113	35	635	223	420	127	116	114
…1998	1,756	743	862	115	36	680	249	458	130	117	122
…1996	2,005	896	951	124	34	747	299	516	151	135	157
Total assets (in billions)…2000	$1,157.7	$32.7	$244.0	$228.3	$652.8	$390.4	$79.3	$174.2	$42.2	$78.6	$393.0
…1998	1,040.3	39.0	256.4	220.4	524.5	347.0	66.8	174.0	34.5	62.1	356.0
…1996	1,016.4	46.1	279.1	256.6	434.6	346.5	69.7	169.5	51.5	78.9	300.3
Return on assets (%)…2000	1.03	0.56	0.82	0.98	1.15	1.01	0.78	0.98	0.85	0.98	1.15
…1998	1.01	0.79	0.99	1.06	1.02	1.00	0.88	0.98	1.00	1.36	1.00
…1996	1.01	0.70	0.89	1.10	1.06	1.01	0.88	0.92	0.90	2.62	0.69
Net charge-offs to loans & leases (%)											
…2000	0.18	0.07	0.08	0.38	0.15	0.10	0.22	0.32	0.10	0.26	0.16
…1998	0.21	0.11	0.10	0.33	0.22	0.16	0.36	0.19	0.17	0.45	0.20
…1996	0.30	0.08	0.17	0.28	0.42	0.27	0.33	0.11	0.12	0.24	0.46
Noncurrent assets plus											
OREO to assets (%)*…2000	0.57	0.64	0.52	0.91	0.46	0.60	0.57	0.68	0.52	0.85	0.44
…1998	0.89	0.84	0.78	1.23	0.80	1.00	0.81	0.65	0.60	1.09	0.90
…1996	1.23	1.03	0.98	1.46	1.28	1.42	1.33	0.58	0.63	1.16	1.47
Equity capital ratio (%)…2000	8.20	12.56	10.35	8.26	7.15	9.41	9.01	8.61	9.56	8.11	6.52
…1998	8.79	12.01	10.48	8.95	7.66	9.71	10.15	9.21	9.35	8.74	7.40
…1996	8.42	10.78	9.79	8.46	7.27	8.98	9.45	9.16	8.61	7.75	7.27

* Beginning with June 1996, TFR filers report noncurrent loans net of specific reserves. Accordingly, specific reserves have been subtracted from loan-loss reserves, beginning with June 1996, to make the ratio more closely comparable to prior periods.

TABLE IV-B. Full Year 2000, FDIC-Insured Savings Institutions

		Asset Size Distribution				Geographic Distribution by Region					
						East			West		
	All Institutions	Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $5 Billion	Greater than $5 Billion	North-east	South-east	Central	Mid-west	South-west	West
Number of institutions reporting	1,590	626	817	107	40	626	211	405	125	110	113
Total assets (in billions)	$1,221.9	$31.1	$244.9	$207.5	$738.4	$400.0	$85.9	$181.8	$42.9	$84.5	$426.8
Total deposits (in billions)	737.9	24.1	184.6	139.9	389.3	273.6	58.2	123.5	27.2	47.5	207.9
Net income (in millions)	10,741.7	166.6	1,784.8	1,794.9	6,995.4	3,461.1	461.2	1,639.5	224.1	845.7	4,110.2
% of unprofitable institutions	8.4	16.0	3.7	2.8	2.5	5.8	12.8	9.6	12.0	5.5	9.7
% of institutions with earnings gains	58.1	55.0	60.2	58.9	62.5	61.7	55.0	56.8	54.4	53.6	57.5
Performance Ratios (%)											
Yield on earning assets	7.80	7.72	7.66	7.95	7.81	7.65	8.00	8.11	7.72	8.27	7.70
Cost of funding earning assets	4.84	4.25	4.38	4.78	5.05	4.35	4.98	4.99	4.99	5.20	5.15
Net interest margin	2.96	3.47	3.28	3.18	2.77	3.31	3.01	3.12	2.73	3.07	2.56
Noninterest income to earning assets	1.06	2.40	0.70	1.04	1.13	0.84	1.29	1.73	0.81	1.23	0.92
Noninterest expense to earning assets	2.37	4.82	2.71	2.59	2.09	2.56	3.08	2.97	2.31	2.56	1.78
Credit loss provision to assets	0.18	0.10	0.12	0.26	0.17	0.12	0.38	0.41	0.17	0.25	0.07
Net operating income to assets	0.88	0.53	0.72	0.83	0.97	0.88	0.50	0.84	0.62	1.02	0.97
Return on assets	0.92	0.56	0.76	0.90	1.00	0.90	0.59	0.94	0.53	1.06	1.02
Return on equity	11.14	4.23	7.32	10.25	13.83	9.26	6.69	11.02	5.61	13.13	15.33
Net charge-offs to loans and leases	0.20	0.06	0.09	0.36	0.19	0.14	0.31	0.37	0.16	0.22	0.14
Credit loss provision to net charge-offs*	131.30	245.65	184.12	108.00	133.63	136.91	176.14	146.04	143.13	162.19	76.30
Efficiency ratio	57.11	81.53	67.26	59.83	51.12	58.84	70.78	59.69	63.59	58.55	49.35
Condition Ratios (%)											
Earning assets to total assets	92.57	93.85	93.93	92.68	92.03	92.29	93.61	90.99	92.78	92.47	93.29
Loss allowance to:											
Loans and leases	0.88	0.71	0.83	1.01	0.87	0.99	0.79	0.87	0.65	0.86	0.84
Noncurrent loans and leases	124.46	88.33	127.00	96.06	139.36	135.53	114.93	100.54	87.64	81.51	154.70
Noncurrent assets plus other real estate owned to assets	0.56	0.64	0.53	0.89	0.48	0.54	0.62	0.75	0.71	0.84	0.42
Noncurrent RE loans to RE loans	0.66	0.76	0.63	1.05	0.56	0.70	0.64	0.74	0.74	1.04	0.53
Equity capital ratio	8.45	13.10	10.53	8.84	7.46	10.02	8.50	8.49	9.35	8.00	6.96
Core capital (leverage) ratio	7.79	12.74	10.12	8.13	6.72	8.89	8.23	7.77	8.65	7.94	6.59
Tier 1 risk-based capital ratio	12.69	23.14	16.98	12.70	10.90	14.22	13.34	12.00	14.95	11.76	11.33
Total risk-based capital ratio	13.95	24.19	18.09	13.87	12.25	15.65	14.83	13.32	15.73	12.88	12.43
Gross real estate assets to gross assets	76.50	69.07	71.27	73.23	79.46	70.10	72.31	72.62	78.09	64.63	87.17
Gross 1-4 family mortgages to gross assets	46.69	49.71	46.41	39.04	48.81	41.71	45.67	53.11	50.72	32.31	51.28
Net loans and leases to deposits	111.61	86.96	91.17	101.60	126.44	93.07	102.73	111.06	114.23	121.74	136.18
Structural Changes											
New charters	31	29	2	0	0	14	4	5	5	0	3
Thrifts absorbed by mergers	82	28	41	12	1	24	18	26	6	4	4
Failed Thrifts	1	1	0	0	0	0	1	0	0	0	0
PRIOR FULL YEARS**											
(The way it was…)											
Number of institutions 1999	1,640	664	829	113	34	636	225	426	126	115	112
1997	1,780	765	858	122	35	687	253	462	134	118	126
1995	2,030	910	959	130	31	754	305	522	153	137	159
Total assets (in billions) 1999	$1,148.5	$33.7	$244.4	$230.3	$640.0	$383.9	$76.2	$187.7	$41.4	$76.3	$383.0
1997	1026.2	39.9	250.4	239.7	496.1	342.8	64.8	174.2	33.6	64.0	346.8
1995	1025.7	46.7	278.5	281.3	419.2	352.3	70.9	169.9	52.2	74.9	305.6
Return on assets (%) 1999	1.00	0.62	0.86	1.04	1.06	1.02	0.78	0.99	0.83	1.14	1.02
1997	0.93	0.75	0.95	1.06	0.87	1.00	0.84	0.90	1.01	1.00	0.86
1995	0.77	0.67	0.80	0.84	0.72	0.88	0.87	0.85	0.98	1.05	0.51
Net charge-offs to loans & leases (%)											
1999	0.17	0.09	0.10	0.29	0.15	0.11	0.24	0.22	0.15	0.27	0.16
1997	0.25	0.10	0.17	0.35	0.26	0.22	0.47	0.24	0.07	0.46	0.22
1995	0.34	0.14	0.17	0.38	0.45	0.39	0.14	0.14	0.18	0.23	0.47
Noncurrent assets plus											
OREO to assets (%)*** 1999	0.58	0.65	0.54	0.90	0.47	0.62	0.56	0.63	0.49	0.80	0.48
1997	0.95	0.87	0.82	1.31	0.84	1.12	0.86	0.67	0.57	1.10	0.94
1995	1.20	1.00	0.99	1.39	1.24	1.40	1.14	0.53	0.61	1.21	1.46
Equity capital ratio (%) 1999	8.27	12.50	10.34	8.56	7.15	9.52	9.33	8.48	9.67	8.19	6.55
1997	8.71	11.91	10.49	8.73	7.54	9.62	10.12	9.20	9.44	8.33	7.29
1995	8.39	10.73	9.84	8.54	7.06	9.05	9.50	9.07	8.48	7.60	7.17

* For TFR filers, includes only loan and lease loss provisions.

** 1995 data do not include Resolution Trust Corporation conservatorships. Excludes one self-liquidating institution.

*** Beginning with June 1996, TFR filers report noncurrent loans net of specific reserves. Accordingly, specific reserves have been subtracted from loan-loss reserves, beginning with June 1996, to make the ratio more closely comparable to prior periods.

TABLE V-B. Loan Performance, FDIC-Insured Savings Institutions

March 31, 2001	All Institutions	Asset Size Distribution: Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $5 Billion	Greater than $5 Billion	Geographical Distribution by Region: East: North-east	South-east	Central	West: Mid-west	South-west	West
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate	0.90	1.67	1.04	0.85	0.83	0.84	0.90	0.98	1.52	1.70	0.77
Construction, development, and land	1.44	1.71	1.53	1.66	1.23	1.18	1.47	1.33	2.47	2.28	0.89
Commercial real estate	0.76	1.39	0.93	0.88	0.48	0.69	0.79	1.04	1.12	1.78	0.38
Multifamily residential real estate	0.25	1.32	0.44	0.44	0.10	0.28	0.69	0.57	0.17	2.06	0.11
Home equity loans	0.40	0.84	0.60	0.42	0.30	0.45	0.24	0.63	0.36	0.00	0.23
Other 1-4 Family residential	0.96	1.74	1.08	0.84	0.92	0.93	0.88	1.00	1.60	1.53	0.89
Commercial and industrial loans	1.55	2.20	2.14	1.36	1.38	1.20	1.87	2.27	2.38	1.52	1.60
Loans to individuals	1.74	2.22	1.67	1.32	1.83	1.73	2.67	1.78	1.51	0.73	2.02
Credit card loans	1.81	0.68	2.65	2.04	1.76	1.88	4.28	2.15	2.33	0.59	1.66
Other loans to individuals	1.74	2.36	1.60	1.31	1.87	1.73	2.30	1.55	1.46	0.86	2.11
Percent of Loans Noncurrent*											
All real estate loans	0.69	0.79	0.65	0.97	0.63	0.68	0.60	0.76	0.72	1.31	0.62
Construction, development, and land	1.19	0.97	1.19	1.12	1.26	0.83	0.95	1.37	1.98	1.28	1.28
Commercial real estate	1.02	1.04	0.93	1.29	0.91	0.91	0.94	1.07	1.30	1.23	1.13
Multifamily residential real estate	0.28	0.69	0.28	0.53	0.17	0.28	0.28	0.37	0.10	5.07	0.10
Home equity loans	0.18	0.19	0.18	0.31	0.14	0.20	0.07	0.30	0.15	0.02	0.08
Other 1-4 Family residential	0.68	0.76	0.60	0.99	0.65	0.70	0.56	0.75	0.56	1.14	0.64
Commercial and industrial loans	1.67	1.58	1.29	2.10	1.64	1.33	1.21	2.64	2.03	2.70	1.47
Loans to individuals	0.85	0.96	0.59	0.68	0.94	0.61	1.01	1.54	0.44	0.49	0.42
Credit card loans	1.72	0.56	1.01	1.14	1.79	1.52	2.94	2.35	1.07	0.78	0.85
Other loans to individuals	0.56	1.00	0.55	0.67	0.51	0.47	0.56	1.04	0.40	0.22	0.39
Percent of Loans Charged-off (net, annual)											
All real estate loans	0.04	0.03	0.02	0.08	0.03	0.05	0.02	0.05	0.05	-0.01	0.03
Construction, development, and land	0.04	0.14	0.01	0.11	0.01	0.03	0.01	0.02	0.15	-0.03	0.12
Commercial real estate	0.07	0.01	0.04	0.20	0.01	0.10	0.00	0.06	0.13	0.03	0.01
Multifamily residential real estate	0.00	-0.11	0.02	0.00	-0.01	0.02	0.00	0.02	-0.14	0.00	-0.01
Home equity loans	0.08	0.04	0.01	0.10	0.10	0.12	0.16	0.08	0.04	0.07	-0.01
Other 1-4 Family residential	0.04	0.02	0.02	0.07	0.04	0.04	0.02	0.05	0.04	-0.01	0.03
Commercial and industrial loans	1.36	0.53	0.69	0.86	1.84	1.11	2.18	0.84	0.57	0.38	2.63
Loans to individuals	1.70	0.61	0.86	1.90	1.91	1.15	1.46	3.03	0.90	0.90	1.61
Credit card loans	3.61	0.78	2.96	3.57	3.68	3.59	4.32	5.27	5.26	1.26	3.19
Other loans to individuals	1.04	0.60	0.63	1.84	0.97	0.76	0.84	1.59	0.65	0.55	1.42
Loans Outstanding (in billions)											
All real estate loans	$743.0	$18.7	$153.3	$117.4	$453.6	$224.9	$50.5	$115.7	$27.5	$31.3	$293.1
Construction, development, and land	36.4	1.1	9.6	9.8	15.9	7.2	5.3	5.6	2.0	6.6	9.6
Commercial real estate	62.0	1.7	20.6	16.5	23.2	29.5	4.1	7.7	3.1	3.9	13.7
Multifamily residential real estate	58.1	0.5	9.0	14.4	34.3	16.7	1.0	5.5	1.1	1.2	32.6
Home equity loans	24.1	0.5	5.7	4.0	13.9	8.5	2.3	6.0	0.6	0.8	6.0
Other 1-4 Family residential	562.1	14.9	108.2	72.7	366.3	162.9	37.9	90.9	20.6	18.7	231.1
Commercial and industrial loans	35.8	0.7	7.3	7.6	20.2	16.6	3.4	4.7	1.1	3.2	6.9
Loans to individuals	65.6	1.5	10.8	8.7	44.5	17.9	7.9	17.2	2.1	10.0	10.5
Credit card loans	16.5	0.1	1.1	0.3	15.1	2.5	1.5	6.6	0.1	4.9	1.0
Other loans to individuals	48.6	1.4	9.6	8.4	29.2	15.3	6.4	10.5	2.0	5.1	9.3
Memo: Other Real Estate Owned (in millions)**											
All other real estate owned	$1,010.5	$31.8	$186.7	$341.3	$450.7	$278.6	$108.2	$190.1	$96.8	$64.6	$272.2
Construction, development, and land	164.8	3.4	23.2	40.3	98.0	10.1	56.8	13.3	46.4	8.3	30.0
Commercial real estate	242.5	4.8	46.6	150.3	40.9	118.1	11.2	32.8	24.1	26.2	30.2
Multifamily residential real estate	31.1	0.7	10.4	16.6	3.3	5.9	0.9	9.2	0.4	9.6	5.1
1-4 Family residential	586.8	23.3	109.9	140.8	312.7	150.1	40.4	135.8	28.5	20.9	211.1
Troubled Real Estate Asset Rates* (% of total RE assets)**											
All real estate loans	0.83	0.95	0.77	1.25	0.73	0.81	0.82	0.92	1.06	1.51	0.71
Construction, development, and land	1.64	1.28	1.42	1.52	1.87	0.97	1.99	1.60	4.17	1.41	1.58
Commercial real estate	1.42	1.35	1.15	2.20	1.09	1.31	1.21	1.50	2.06	1.91	1.36
Multifamily residential real estate	0.33	0.82	0.39	0.64	0.18	0.31	0.37	0.53	0.14	5.84	0.11
1-4 family residential	0.76	0.89	0.68	1.14	0.71	0.76	0.63	0.86	0.68	1.20	0.72

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

** TFR filers report "All other real estate owned" net of valuation allowances, while individual categories of OREO are reported gross.

*** Noncurrent real estate loans plus other real estate owned as a percent of total real estate loans plus OREO.

- ***Insured-Deposit Growth Maintains Momentum In First Quarter***
- ***BIF Reserve Ratio Falls To 1.32 Percent; SAIF Remains At 1.43 Percent***
- ***Only One Insured Institution Fails During The First Quarter***

FDIC-insured deposits increased by 2.8 percent in the first three months of 2001, continuing the strong growth of 2000, during which insured deposits grew by 6.5 percent. In the 10 years since banks and thrifts began reporting insured deposits on a quarterly basis, this was the largest first-quarter growth they have reported, exceeding the 1.8-percent increase reported in the first quarter of last year. Deposits insured by the Bank Insurance Fund (BIF) rose 3.1 percent during the first quarter of 2001, after a 7-percent increase in 2000, and those insured by the Savings Association Insurance Fund (SAIF) grew 1.7 percent, after gaining 4.9 percent in 2000.

A significant factor in the growth of insured deposits since last year has been the conversions by at least two banking organizations of brokerage-originated cash management funds to FDIC-insured accounts at brokerage-affiliated banks. Over the last four quarters, these "sweeps" have accounted for an estimated $56.6-billion increase in insured deposits, including $20.4 billion in the first quarter of 2001. Largely as a result of this activity, fully insured brokered deposits nearly doubled over the last four quarters, rising $88 billion. The conversions added an estimated $54.3 billion in BIF-insured deposits (30 percent of the total BIF increase) and $2.3 billion in SAIF-insured deposits (6 percent of the total SAIF increase).

The BIF grew by 1.5 percent during the first three months of 2001, ending the first quarter with a balance of $31.43 billion. Because the fund's growth did not keep pace with the growth of BIF-insured deposits, the reserve ratio fell from 1.35 percent at year-end to 1.32 percent on March 31.[1] Insured-deposit growth attributable to the conversion transactions described above lowered the BIF reserve ratio by 1 basis point in the first quarter and by 3 basis points since the programs began last year.

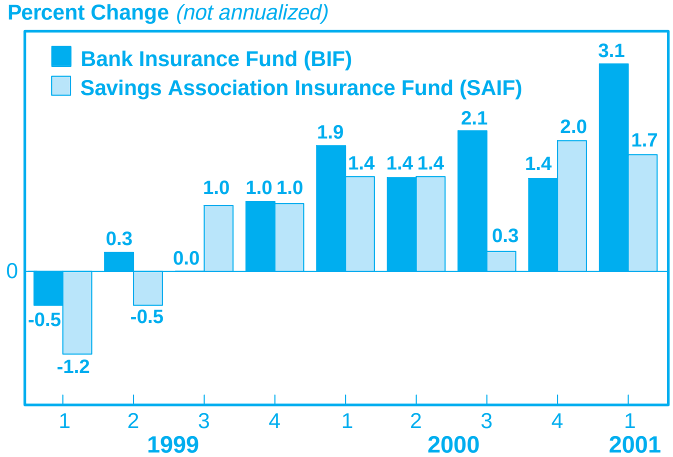
The SAIF totaled $10.97 billion on March 31, having grown by 2 percent since year-end. The fund's reserve ratio was unchanged, at 1.43 percent of estimated insured deposits. Insured-deposit growth due to the brokerage conversions has had less of an impact on the reserve ratio of the SAIF, causing a decline of approximately one-half of a basis point.

The rapid growth of insured deposits in the first quarter countered a long-term decline in the use of insured deposits as the primary funding alternative for most banks and thrifts. As a percentage of domestic liabilities, insured deposits, on average, had declined from 70 percent in 1992 to 51.7 percent at the end of 2000. As of March 31, 2001, insured deposits increased to 52.1 percent of domestic liabilities.

Only one FDIC-insured institution failed during the first quarter of 2000, a BIF-member commercial bank with total assets of $17 million. The loss to the BIF is estimated at $100,000.

QUARTERLY CHANGES IN INSURED DEPOSITS, 1999–2001

Percent Change *(not annualized)*



[1]The actual one-quarter decline in the BIF reserve ratio was closer to 2 basis points, falling from 1.34646 percent to 1.32497 percent, or 2.15 basis points.

TABLE I-C. Selected Indicators, FDIC-Insured Institutions*

(dollar figures in millions)	2001**	2000**	2000	1999	1998	1997	1996
Number of institutions reporting	9,821	10,151	9,904	10,221	10,463	10,922	11,453
Total assets	$ 7,570,518	$7,003,248	$7,460,955	$6,883,699	$6,530,950	$6,041,128	$5,607,333
Total deposits	4,948,598	4,590,267	4,914,819	4,538,088	4,386,298	4,125,862	3,925,059
Number of problem institutions	95	87	94	79	84	92	117
Assets of problem institutions (in billions)	$24	$10	$24	$10	$11	$6	$12
Number of failed/assisted institutions	1	2	7	8	3	1	6
Assets of failed/assisted institutions (in billions)	$0.02	$0.15	$0.41	$1.56	$0.37	$0.03	$0.22

** As of March 31.

TABLE II-C. Aggregate Condition and Income Data, All FDIC-Insured Institutions*

(dollar figures in millions)	Preliminary 1st Quarter 2001	4th Quarter 2000	1st Quarter 2000	%Change 00:1-01:1
Number of institutions reporting	9,821	9,904	10,151	-3.3
Total employees (full-time equivalent)	1,933,360	1,914,616	1,893,818	2.1
CONDITION DATA				
Total assets	$7,570,518	$7,460,955	$7,003,248	8.1
Loans secured by real estate	2,442,422	2,396,047	2,241,691	9.0
1-4 Family residential	1,512,245	1,490,720	1,402,623	7.8
Home equity loans	154,241	150,603	127,686	20.8
Multifamily residential property	119,085	116,975	111,206	7.1
Commercial real estate	531,256	524,999	489,324	8.6
Construction, development, and land	210,122	196,970	173,176	21.3
Other real estate loans	69,714	66,383	65,363	6.7
Commercial & industrial loans	1,081,331	1,085,046	1,030,281	5.0
Loans to individuals	663,124	674,998	616,266	7.6
Credit cards & related plans	233,072	265,931	222,613	4.7
Other loans & leases	494,968	494,447	456,847	8.3
Less: Unearned income & contra accounts	2,969	3,114	3,452	-14.0
Total loans & leases	4,678,876	4,647,424	4,341,633	7.8
Less: Reserve for losses	72,162	71,412	66,746	8.1
Net loans and leases	4,606,713	4,576,012	4,274,887	7.8
Securities	1,328,541	1,360,963	1,339,649	-0.8
Other real estate owned	4,064	3,908	3,917	3.8
Goodwill and other intangibles	122,731	119,725	116,632	5.2
All other assets	1,508,469	1,400,347	1,268,164	18.9
Total liabilities and capital	7,570,518	7,460,955	7,003,248	8.1
Deposits	4,948,598	4,914,819	4,590,267	7.8
Other borrowed funds	1,506,985	1,466,961	1,420,569	6.1
Subordinated debt	93,689	90,166	81,952	14.3
All other liabilities	368,324	356,270	324,010	13.7
Equity capital	652,922	632,740	586,451	11.3
Loans and leases 30-89 days past due	55,629	56,537	46,087	20.7
Noncurrent loans and leases	52,399	48,805	40,035	30.9
Restructured loans and leases	2,607	2,705	2,769	-5.8
Direct and indirect investments in real estate	902	914	964	-6.5
Mortgage-backed securities	706,028	683,902	680,164	3.8
Earning assets	6,604,596	6,507,179	6,121,151	7.9
FHLB Advances (Source: TFR, FHFB, Call Reports)	444,225	436,760	396,753	12.0
Unused loan commitments	4,825,299	4,712,286	4,269,735	13.0

INCOME DATA	Full Year 2000	Full Year 1999	%Change	Preliminary 1st Quarter 2001	1st Quarter 2000	%Change 00:1-01:1
Total interest income	$512,252	$441,561	16.0	$132,017	$120,414	9.6
Total interest expense	276,515	218,031	26.8	71,607	62,269	15.0
Net interest income	235,737	223,530	5.5	60,410	58,146	3.9
Provision for loan and lease losses	31,994	23,378	36.9	8,583	6,241	37.5
Total noninterest income	164,845	154,193	6.9	43,114	41,092	4.9
Total noninterest expense	241,552	228,209	5.8	62,095	58,135	6.8
Securities gains (losses)	-1,492	1,617	N/M	1,932	-560	N/M
Applicable income taxes	43,725	45,501	-3.9	11,621	11,879	-2.2
Extraordinary gains, net	-35	174	N/M	-370	23	N/M
Net income	81,783	82,426	-0.8	22,788	22,446	1.5

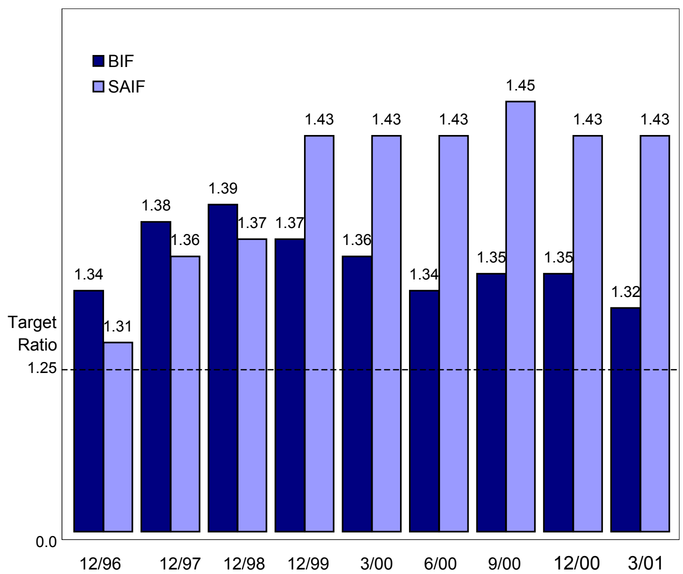
* Excludes insured branches of foreign banks (IBAs).

N/M - Not meaningful

TABLE III-C. Selected Insurance Fund Indicators*

(dollar figures in millions)	Preliminary 1st Quarter 2001	4th Quarter 2000	1st Quarter 2000	%Change 00:1-01:1
Bank Insurance Fund				
Reserve ratio (%)	1.32	1.35	1.36	-2.9
Fund balance (unaudited)	31,426	30,975	29,739	5.7
Estimated insured deposits	2,371,830	2,300,470	2,191,733	8.2
SAIF-member Oakars	60,693	58,935	47,945	26.6
BIF-members	2,311,137	2,241,536	2,143,788	7.8
Assessment base	3,363,903	3,326,092	3,086,393	9.0
SAIF-member Oakars	61,606	59,887	48,864	26.1
BIF-members	3,302,297	3,266,205	3,037,529	8.7
Savings Association Insurance Fund				
Reserve ratio (%)	1.43	1.43	1.43	0.0
Fund balance (unaudited)	10,973	10,759	10,435	5.2
Estimated insured deposits	767,739	754,633	727,695	5.5
BIF-member Oakars	312,416	309,852	284,412	9.8
SAIF-member Sassers	70,453	68,336	71,769	-1.8
Other SAIF members	384,870	376,445	371,514	3.6
Assessment base	846,313	823,300	787,616	7.5
BIF-member Oakars	313,018	310,700	284,937	9.9
SAIF-member Sassers	86,612	82,851	83,665	3.5
Other SAIF members	446,683	429,749	419,014	6.6

Insurance Fund Reserve Ratios*
Percent of Insured Deposits



Fund Balances and Insured Deposits
($Millions)

	BIF Balance	BIF-Insured Deposits	SAIF Balance	SAIF-Insured Deposits
12/96	26,854	2,007,042	8,888	683,403
12/97	28,293	2,056,558	9,368	689,915
12/98	29,612	2,134,425	9,840	716,029
12/99	29,414	2,151,454	10,281	717,591
3/00	29,739	2,191,733	10,435	727,695
6/00	29,780	2,222,349	10,538	737,962
9/00	30,555	2,269,166	10,706	740,165
12/00	30,975	2,300,470	10,759	754,633
3/01	31,426	2,371,830	10,973	767,739

* A reserve ratio is the fund balance as a percentage of estimated insured deposits. As with other Call Report items, prior periods may reflect adjustments. As a result, prior period reserve ratios may differ from previously reported values. Fund balances in 2001 are unaudited. BIF-insured deposit totals include U.S. branches of foreign banks.

TABLE IV-C. Closed/Assisted Institutions

(dollar figures in millions)	2001**	2000**	2000	1999	1998	1997	1996
BIF Members							
Number of institutions	1	1	6	7	3	1	5
Total assets	$17	$113	$378	$1,490	$371	$27	$186
SAIF Members							
Number of institutions	0	1	1	1	0	0	1
Total assets	$0	$30	$30	$71	$0	$0	$34

** Through March 31.

TABLE V-C. Selected Indicators, By Fund Membership*

(dollar figures in millions)	2001**	2000**	2000	1999	1998	1997	1996
BIF Members							
Number of institutions reporting	8,491	8,571	8,771	8,834	9,031	9,404	9,823
BIF-member Oakars	750	739	756	744	745	778	793
Other BIF-members	7,741	8,032	7,815	8,090	8,286	8,626	9,030
Total assets	$ 6,589,822	$6,095,413	$6,508,796	$5,980,167	$5,702,773	$5,285,403	$4,857,761
Total deposits	4,350,071	4,034,528	4,337,720	3,987,385	3,843,816	3,611,453	3,404,204
Net income	20,605	20,109	73,714	73,975	64,334	61,459	54,483
Return on assets (%)	1.26	1.33	1.18	1.30	1.18	1.22	1.17
Return on equity (%)	14.62	15.81	13.92	15.11	13.81	14.44	14.14
Noncurrent assets plus OREO to assets (%)	0.77	0.63	0.72	0.62	0.64	0.67	0.77
Number of problem institutions	75	72	74	66	68	73	86
Assets of problem institutions	$12,754	$5,143	$10,787	$4,450	$5,326	$4,598	$6,624
Number of failed/assisted institutions	1	1	6	7	3	1	5
Assets of failed/assisted institutions	$17	$113	$378	$1,490	$371	$27	$182
SAIF Members							
Number of institutions reporting	1,330	1,333	1,380	1,387	1,432	1,518	1,629
SAIF-member Oakars	124	125	123	123	116	112	94
Other SAIF-members	1,206	1,255	1,210	1,264	1,316	1,406	1,535
Total assets	$980,695	$907,835	$952,160	$903,531	$828,177	$755,724	$749,573
Total deposits	598,527	555,738	577,099	550,703	542,481	514,409	520,855
Net income	2,183	2,338	8,069	8,450	7,598	6,486	4,892
Return on assets (%)	0.91	1.04	0.89	0.99	0.98	0.94	0.67
Return on equity (%)	11.15	13.09	11.12	11.97	11.34	11.13	8.08
Noncurrent assets plus OREO to assets (%)	0.67	0.63	0.65	0.64	0.80	0.98	1.07
Number of problem institutions	20	15	20	13	16	19	31
Assets of problem institutions	$10,835	$5,325	$13,053	$5,524	$5,992	$1,662	$5,548
Number of failed/assisted institutions	0	1	1	1	0	0	1
Assets of failed/assisted institutions	$0	$30	$30	$71	$0	$0	$35

* Excludes insured branches of foreign banks (IBAs).
** Through March 31, ratios annualized where appropriate.

TABLE VI-C. Estimated FDIC-Insured Deposits by Fund Membership and Type of Institution

(dollar figures in millions)	Number of Institutions	Total Assets	Domestic Deposits*	Estimated Insured Deposits		
				BIF	SAIF	Total
March 31, 2001						
Commercial Banks and Savings Institutions						
FDIC-Insured Commercial Banks	8,237	6,310,814	3,512,628	2,153,661	313,259	2,466,920
BIF-member	8,130	6,219,695	3,447,934	2,137,582	278,939	2,416,521
SAIF-member	107	91,119	64,694	16,079	34,320	50,398
FDIC-Supervised	5,055	1,203,688	897,371	599,697	76,123	675,820
OCC-Supervised	2,202	3,440,296	1,871,767	1,140,559	172,776	1,313,335
Federal Reserve-Supervised	980	1,666,830	743,489	413,405	64,360	477,765
FDIC-Insured Savings Institutions	1,584	1,259,704	764,875	216,899	454,480	671,379
OTS-Supervised Savings Institutions	1,059	958,295	556,358	89,274	397,245	486,519
BIF-member	39	130,081	66,033	47,968	12,375	60,343
SAIF-member	1,020	828,213	490,325	41,306	384,870	426,176
FDIC-Supervised State Savings Banks	525	301,409	208,516	127,625	57,235	184,860
BIF-member	322	240,046	165,056	124,317	21,102	145,419
SAIF-member	203	61,363	43,460	3,308	36,133	39,441
Total Commercial Banks and Savings Institutions	9,821	7,570,518	4,277,502	2,370,560	767,739	3,138,299
BIF-member	8,491	6,589,822	3,679,023	2,309,867	312,416	2,622,283
SAIF-member	1,330	980,695	598,479	60,693	455,323	516,016
Other FDIC-Insured Institutions						
U.S. Branches of Foreign Banks	19	9,189	3,759	1,271	0	1,271
Total FDIC-Insured Institutions	9,840	7,579,707	4,281,261	2,371,830	767,739	3,139,570

* Excludes $671 billion in foreign office deposits, which are uninsured.

TABLE VII-C. Assessment Base Distribution and Rate Schedules

BIF Assessment Base Distribution
Assessable Deposits in Millions as of March 31, 2001
Supervisory and Capital Ratings for Second Semiannual Assessment Period, 2001

	Supervisory Risk Subgroup					
Capital Group	A		B		C	
1. Well-capitalized						
Number of institutions	7,860	92.4	398	4.7	54	0.6
Assessable deposit base	$3,237,649	96.2	$82,856	2.5	$5,845	0.2
2. Adequately capitalized						
Number of institutions	150	1.8	22	0.3	8	0.1
Assessable deposit base	$30,198	0.9	$2,202	0.1	$2,042	0.1
3. Undercapitalized						
Number of institutions	13	0.2	0	0.0	5	0.1
Assessable deposit base	$2,168	0.1	$0	0.0	$943	0.0

Note: "Number" reflects the number of BIF members; "Base" reflects the BIF-assessable deposits held by both BIF and SAIF members. Institutions are categorized based on capitalization and a supervisory subgroup rating, which is generally determined by on-site examinations.

SAIF Assessment Base Distribution
Assessable Deposits in Millions as of March 31, 2001
Supervisory and Capital Ratings for Second Semiannual Assessment Period, 2001

	Supervisory Risk Subgroup					
Capital Group	A		B		C	
1. Well-capitalized						
Number of institutions	1,178	88.6	106	8.0	14	1.1
Assessable deposit base	$797,399	94.2	$30,325	3.6	$2,473	0.3
2. Adequately capitalized						
Number of institutions	11	0.8	8	0.6	8	0.6
Assessable deposit base	$6,380	0.8	$2,644	0.3	$5,173	0.6
3. Undercapitalized						
Number of institutions	1	0.1	1	0.1	3	0.2
Assessable deposit base	< $100	0.0	<$100	0.0	$1,810	0.2

Note: "Number" reflects the number of SAIF members; "Base" reflects the SAIF-assessable deposits held by both BIF and SAIF members. Institutions are categorized based on capitalization and a supervisory subgroup rating, which is generally determined by on-site examinations.

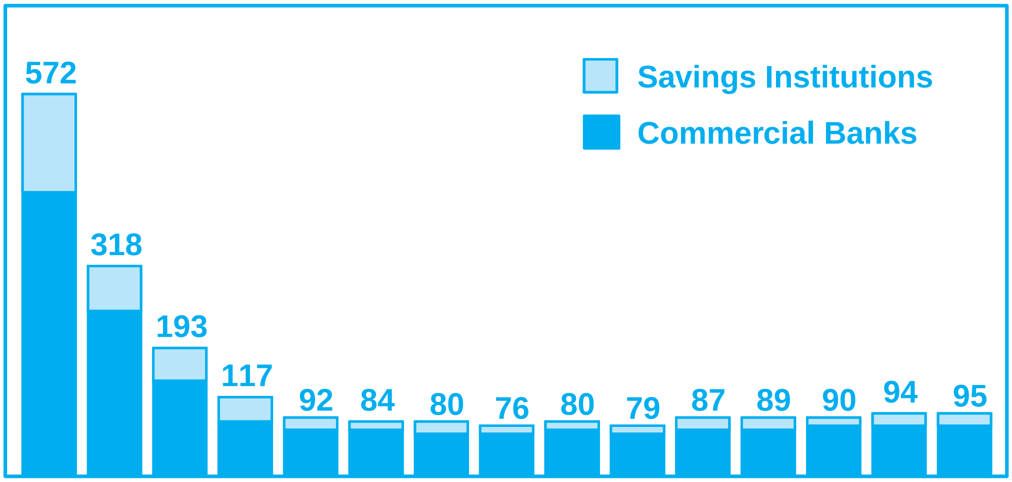
Assessment Rate Schedules
Second Semiannual 2001 Assessment Period
Cents Per $100 of Assessable Deposits

	Supervisory Risk Subgroup		
Capital Group	A	B	C
1. Well Capitalized	0	3	17
2. Adequately Capitalized	3	10	24
3. Undercapitalized	10	24	27

Note: Rates for the BIF and the SAIF are set separately by the FDIC.
Currently, the rate schedules are identical.

NUMBER OF FDIC-INSURED “PROBLEM” INSTITUTIONS, 1993–2001

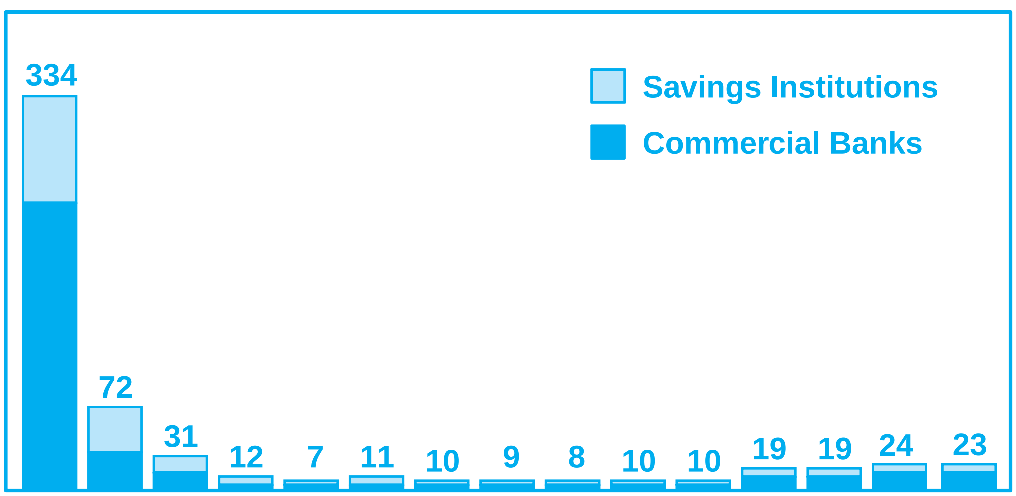
Number of Institutions



	12/93	12/94	12/95	12/96	12/97	12/98	3/99	6/99	9/99	12/99	3/00	6/00	9/00	12/00	3/01
Savings Institutions	146	71	49	35	21	15	16	14	11	13	15	16	15	18	17
Commercial Banks	426	247	144	82	71	69	64	62	69	66	72	73	75	76	78

ASSETS OF FDIC-INSURED “PROBLEM” INSTITUTIONS, 1993–2001

$ Billions



	12/93	12/94	12/95	12/96	12/97	12/98	3/99	6/99	9/99	12/99	3/00	6/00	9/00	12/00	3/01
Savings Institutions	92	39	14	7	2	6	5	4	4	6	5	8	7	7	6
Commercial Banks	242	33	17	5	5	5	5	5	4	4	5	11	12	17	17

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 (Tables I-A through V-A.)

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 (Tables I-B through V-B.)

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 (Tables I-C through VII-C.)

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.

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)

All other assets — total cash, balances due from depository institutions, premises, fixed assets, direct investments in real estate, investment in unconsolidated subsidiaries, customers' liability on acceptances outstanding, assets held in trading accounts, federal funds sold, securities purchased with agreements to resell, fair market value of derivatives, and other assets.

All other liabilities — bank's liability on acceptances, limited-life preferred stock, allowance for estimated off-balance sheet credit losses, fair market value of derivatives, and other liabilities.

Assessment base distribution — assessable deposits consist of BIF and SAIF deposits in banks' domestic offices with certain adjustments. Each institution's assessment depends on its assigned risk-based capital category and supervisory risk subgroup:

(Percent)	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.

For purpose of BIF and SAIF assessments, risk-based assessment rules combine the three lowest capital rating categories into a single "undercapitalized" group. Supervisory risk subgroup assignments are based on supervisory ratings. Generally, the strongest institutions (those rated 1 or 2) are in subgroup A, those rated 3 are in subgroup B, and those rated 4 or 5 are in subgroup C.

BIF-insured deposits (estimated) — the portion of estimated insured deposits that is 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.

Core capital — common equity capital plus noncumulative perpetual preferred stock plus minority interest in consolidated subsidiaries, less goodwill and other ineligible intangible assets. The amount of eligible intangibles (including servicing rights) included in core capital is limited in accordance with supervisory capital regulations.

Cost of funding earning assets — total interest expense paid on deposits and other borrowed money as a percentage of average earning assets.

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.

Direct and indirect investments in real estate — excludes loans secured by real estate and property acquired through foreclosure.

Earning assets — all loans and other investments that earn interest or dividend income.

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.

Estimated insured deposits — in general, insured deposits are estimated to be total domestic deposits minus estimated uninsured deposits. The uninsured estimate is calculated as the sum of the excess amounts in accounts over $100,000. Beginning June 30, 2000 the amount of estimated uninsured deposits is adjusted to consider a financial institution's estimate, where the institution reports that it has a better method or procedure for calculating uninsured deposits.

Failed/assisted institutions — an institution fails when regulators take control of the institution, placing the assets and liabilities into a bridge bank, conservatorship, receivership, or another healthy institution. This action may require the FDIC to provide funds to cover losses. An institution is defined as "assisted" when the institution remains open and receives some insurance funds in order to continue operating.

FHLB advances — all borrowings by FDIC insured institutions from the Federal Home Loan Bank System (FHLB), as reported by Call Report filers (or as furnished by the Federal Housing Finance Board (FHFB) for *Call* filers prior to 2001) and as reported by *TFR* filers.

Goodwill and other intangibles — intangible assets include servicing rights, purchased credit card relationships and other identifiable intangible assets.

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.

Long-term assets (5+ years) — loans and debt securities with remaining maturities or repricing intervals of over five years.

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.

Number of institutions reporting — the number of institutions that actually filed a financial report.

Other borrowed funds — federal funds purchased, securities sold with agreements to repurchase, demand notes issued to the U.S. Treasury, FHLB advances, other borrowed money, mortgage indebtedness, obligations under capitalized leases and trading liabilities, less revaluation losses on assets held in trading accounts.

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.

Percent of institutions with earnings gains — the percent of institutions that increased their net income (or decreased their losses) compared to the same period a year earlier.

"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.

Restructured loans and leases — loan and lease financing receivables with terms restructured from the original contract. Excludes restructured loans and leases that are not in compliance with the modified terms.

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 portion of estimated insured deposits that is 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.

Securities gains (losses) — realized gains (losses) on held-to-maturity and available-for-sale securities, before adjustments for income taxes. Thrift Financial Report (TFR) filers also include gains (losses) on the sales of assets held for sale.

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.

Unearned income & contra accounts — unearned income for Call Report filers only.

Unused loan commitments — includes credit card lines, home equity lines, commitments to make loans for construction, loans secured by commercial real estate, and unused commitments to originate or purchase loans.

Volatile liabilities — the sum of large-denomination time deposits, foreign-office deposits, federal funds purchased, securities sold under agreements to repurchase, and other borrowings.

Yield on earning assets — total interest, dividend and fee income earned on loans and investments as a percentage of average earning assets.