Quarterly Banking Profile

THIRD QUARTER 2003

- ***Industry Ekes Out Another Quarterly Earnings Record***
- ***Lower Loss Provisions, Higher Noninterest Income Offset Sharp Drop in Gains on Sales of Securities and Other Assets***
- ***Net Interest Margin Falls to 12-Year Low***
- ***Domestic Deposits Register First Decline in Over Four Years***

Net Income Sets a Record for Third Consecutive Quarter

Commercial banks and savings institutions insured by the FDIC reported record-high earnings in the third quarter of 2003, the third consecutive quarter that industry earnings have set a record. Net income totaled $30.4 billion, an increase of $147 million (0.5 percent) from the second quarter, and $3.1 billion (11.3 percent) more than the industry earned in the third quarter of 2002. The average return on assets was 1.36 percent, compared to 1.38 percent in the second quarter, and 1.34 percent a year earlier. More than half of all institutions (55.3 percent) reported an ROA of 1 percent or higher for the quarter. Slightly more than half reported increased net income compared to the second quarter (50.8 percent), and a similar proportion (50.7 percent) reported higher net income than in the third quarter of 2002.

Nonrecurring Gains are Sharply Lower Than in Second Quarter

Noninterest income growth was a major source of earnings strength, and lower expenses for loan-loss provisions also helped lift profits. The improvement in earnings was held down by reduced gains on sales of securities and other assets, and by lower net interest income. Net operating income, which does not include gains from securities sales and other nonrecurring items, was $2.0 billion (7.4 percent) higher than in the second quarter, and was $4.5 billion (18.3 percent) more than in the third quarter of 2002.

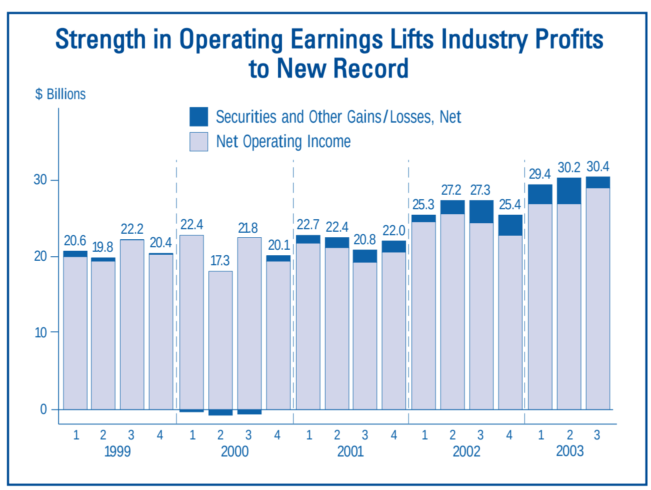
Consumer Business Lines Continue to Exhibit Strength

As has been the case in recent quarters, earnings strength was most evident at institutions with concentrations of consumer-related assets. The average ROA at credit-card lenders rose to 4.18 percent, from 4.04 percent in the second quarter. At other consumer lenders, the average ROA rose from 1.49 percent to 1.68 percent. An exception was mortgage lenders, whose average ROA fell from 1.50 percent to 1.34 percent, mainly because of sharply lower gains on sales of securities and other assets.

Servicing Income Rebounds With Rise in Interest Rates

Rising interest rates caused a decline in the market values of fixed-rate securities in the third quarter, and reduced the gains realized on securities sales, which were $2.7 billion (55.8 percent) lower than in the

Chart 1



second quarter. The increase in rates also had a dampening effect on loan demand, especially for mortgage refinancings, and the reduced volume of lending activity contributed to a $390 million (0.6 percent) decline in net interest income. However, the prospect of reduced refinancing activity had a positive effect on the value of mortgage servicing rights, and servicing income rose by $3.2 billion (281 percent) compared to the second quarter. The industry also registered a $1.0-billion (20.2-percent) rise in securitization income, and a $2.2-billion (57.0-percent) increase in gains on loan sales. These improvements helped lift total noninterest income by $2.1 billion (4.3 percent). The industry's bottom line was also helped by lower expenses. Provisions for loan losses were $1.7 billion (17.1 percent) lower than in the second quarter, and noninterest expenses were only $355 million (0.5 percent) higher.

Small Institutions Register Slight Improvement in Margins

The increase in medium- and long-term interest rates affected the net interest margins of large and small institutions differently. More than half of all banks and thrifts with less than $100 million in assets—52.5 percent—reported improved net interest margins in the third quarter, whereas only about a third of institutions with more than $1 billion in assets—35.2 percent—reported margin improvement. Average asset yields declined more sharply at large institutions than at smaller ones. The reductions in net interest margins at larger institutions caused the industry's margin to fall by 9 basis points, from 3.74 percent to 3.65 percent. This is the lowest level reported by the industry since the first quarter of 1991.

C&I Loans Remain at Forefront of Asset Quality Improvement

The improving trend in asset quality that began late last year continued through the third quarter, as both noncurrent loans and net charge-offs declined. Net charge-offs were $684 million (6.7 percent) lower than in the second quarter, and were $2.4 billion (20.3 percent) below the level of a year ago. Charge-offs of commercial and industrial (C&I) loans fell by $423 million (13.4 percent) from the second quarter, accounting for 62 percent of the improvement in total net charge-offs. Compared to the third quarter of 2002, C&I charge-offs were down by $2.2 billion (44.2 percent), representing 88.6 percent of the improvement in all net charge-offs. Net charge-offs on credit-card loans declined by $363 million (9.0 percent) from the second quarter, and were $306 million (7.7 percent) lower than a year earlier. The only loan category that had a significant increase in charge-offs was loans to foreign governments, where net charge-offs rose by $133 million.

Chart 2

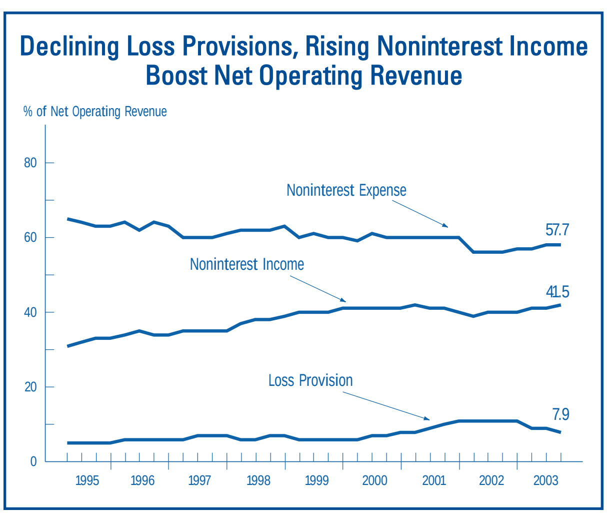
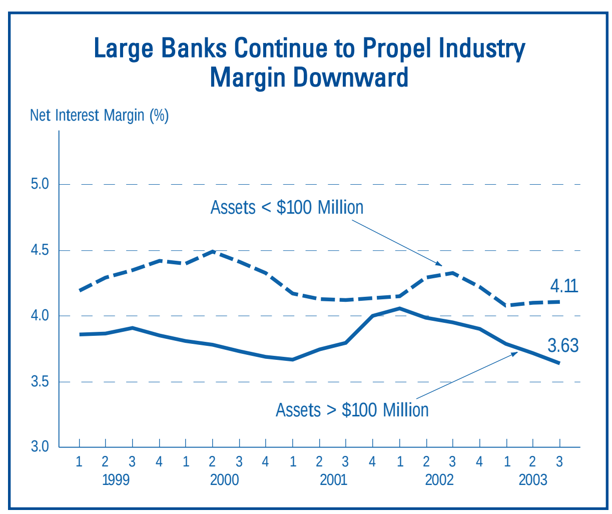


Chart 3



Noncurrent Rate Falls to Two-Year Low

Noncurrent loans declined for the fourth quarter in a row, falling by $2.6 billion (4.0 percent). Compared to the level of a year ago, noncurrent loans are down by $6.7 billion (9.7 percent). Noncurrent C&I loans fell by $1.4 billion (5.7 percent) during the quarter, and have fallen by $5.3 billion (18.5 percent) in the past 12 months. As with net charge-offs, improvements in C&I loans have accounted for the majority of the improvement in total noncurrent loans. At the end of September, the percent of total loans that were noncurrent stood at 1.17 percent, the lowest level since midyear 2001.

Coverage Ratio Improves Despite Decline in Loss Reserves

Total loan-loss provisions fell short of total net charge-offs for the third quarter in a row, contributing to a $991-million (1.2-percent) decline in the industry's loss reserves. The ratio of reserves to total loans declined from 1.64 percent to 1.59 percent during the quarter. This is the lowest level for this ratio in more than 2 years (it was 1.55 percent at the end of the second quarter of 2001). In contrast, the industry's "coverage ratio" increased to $1.36 in reserves for every $1.00 of noncurrent loans, from $1.33 at midyear, thanks to the decline in noncurrent loans.

Regulatory Capital Ratios Hit New Highs

Total equity capital increased by only $5.0 billion (0.6 percent) during the quarter, the smallest quarterly increase since the third quarter of 1999. The main reason that equity growth slowed was depreciation in the market values of institutions' available-for-sale securities, caused by rising interest rates. Under Generally Accepted Accounting Principles (GAAP), changes in the values of these securities are reflected in equity capital. At midyear, commercial banks' available-for-sale securities contained about $26 billion in unrealized gains; at the end of the third quarter, this figure had declined to $14 billion. Even with the small increase in equity capital, the industry's equity-to-assets ratio registered a modest improvement, from 9.10 percent to 9.13 percent. Because regulatory capital definitions do not include adjustments for unrealized gains in securities portfolios, two of the industry's three regulatory capital ratios—tier 1 risk-based capital and total risk-based capital—rose to record-high levels during the quarter.

Shrinkage in Mortgage-Backed Securities Limits Asset Growth

Assets of insured banks and thrifts increased by only $22.2 billion (0.2 percent) in the third quarter, the smallest increase in the last 6 quarters. The industry's portfolio of loans grew by $87 billion (1.7 percent), but securities holdings fell by $59.6 billion (3.4 percent). Residential mortgage loans increased by $40.6 billion (2.5 percent), and home equity loans grew by $19.5 billion (6.6 percent), but both

Chart 4

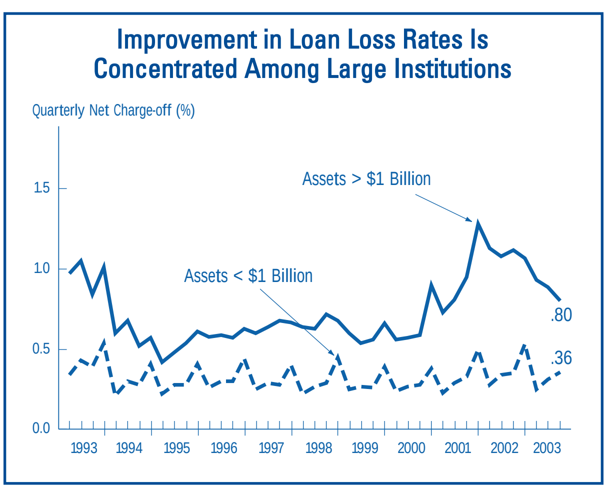
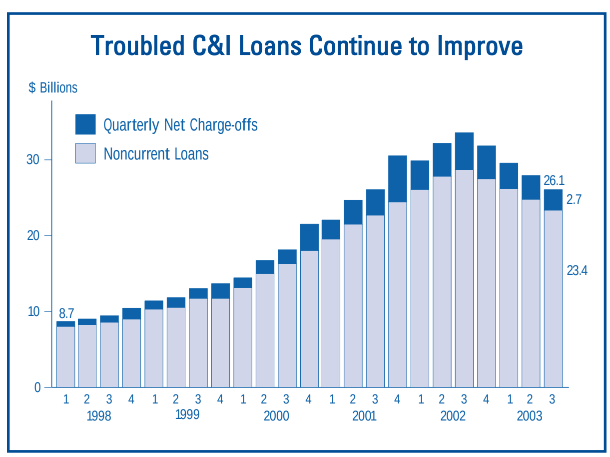


Chart 5



increases were below the levels of the previous quarter. Mortgage-backed securities declined by $86.2 billion (8.3 percent). C&I loans declined for an eleventh consecutive quarter, but the $2.7-billion decline was the smallest quarterly drop during this period of shrinkage.

Savings Deposits Continue to Grow

Domestic deposits declined for the first time since the first quarter of 1999, falling by $7.7 billion (0.1 percent). Most of the decrease occurred in demand deposits, which declined by $46.2 billion (7.5 percent). At banks filing Call Reports, savings deposits increased by $52.8 billion (2.3 percent). Deposits in foreign offices increased by $14.1 billion (2.1 percent), and nondeposit liabilities rose by $10.8 billion (0.5 percent). Most of the growth in nondeposit liabilities consisted of short-term borrowings.

Industry Contraction is Smallest in 17 Years

The number of insured banks and thrifts filing quarterly financial reports declined by 31 in the third quarter. This is the smallest quarterly reduction in reporting institutions since 1986. There were no failures during the third quarter. Mergers absorbed 57 institutions, and 31 new institutions were chartered during the quarter. Two mutual savings banks, with total assets of $494 million, converted to stock ownership. The number of institutions on the FDIC's "Problem List" declined from 129 to 116 during the quarter, and total assets of "problem" institutions fell from $32.2 billion to $30.3 billion.

Chart 6

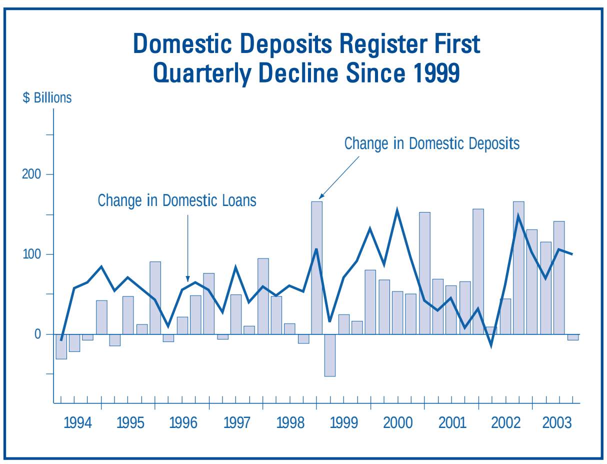


Chart 7

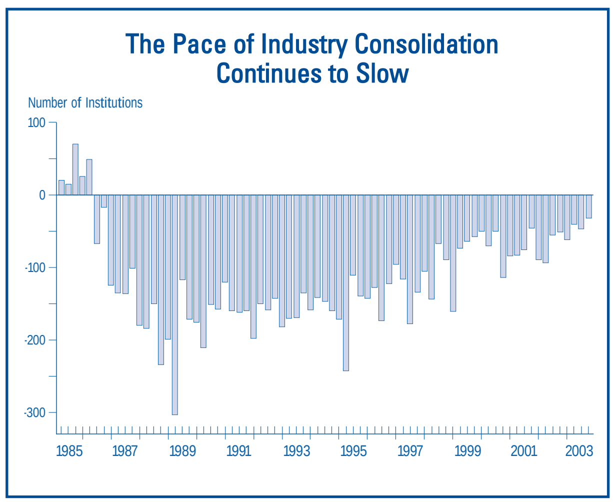


TABLE I-A. Selected Indicators, All FDIC-Insured Institutions*

	2003**	2002**	2002	2001	2000	1999	1998
Return on assets (%)	1.37	1.34	1.30	1.14	1.14	1.25	1.16
Return on equity (%)	15.00	14.60	14.14	12.97	13.53	14.71	13.50
Core capital (leverage) ratio (%)	7.87	8.01	7.87	7.78	7.71	7.80	7.59
Noncurrent assets plus other real estate owned to assets (%)	0.77	0.92	0.90	0.88	0.71	0.63	0.66
Net charge-offs to loans (%)	0.77	0.97	0.97	0.83	0.59	0.53	0.59
Asset growth rate (%)	8.13	5.44	7.20	5.44	8.41	5.40	8.05
Net interest margin (%)	3.72	4.00	3.96	3.78	3.77	3.89	3.91
Net operating income growth (%)	10.37	21.37	18.52	-0.84	1.72	19.75	3.02
Number of institutions reporting	9,237	9,415	9,354	9,614	9,905	10,222	10,464
Commercial banks	7,812	7,931	7,887	8,079	8,316	8,580	8,774
Savings institutions	1,425	1,484	1,467	1,535	1,589	1,642	1,690
Percentage of unprofitable institutions	5.42	6.45	6.65	8.22	7.54	7.64	5.97
Number of problem institutions	116	146	136	114	94	79	84
Assets of problem institutions (in billions)	$30	$42	$39	$40	$24	$10	$11
Number of failed/assisted institutions	2	9	11	4	7	8	3

* Excludes insured branches of foreign banks (IBAs)

** Through September 30, ratios annualized where appropriate. Asset growth rates are for 12 months ending September 30.

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

(dollar figures in millions)	3rd Quarter 2003	2nd Quarter 2003	3rd Quarter 2002	%Change 02:3-03:3
Number of institutions reporting	9,237	9,268	9,415	-1.9
Total employees (full-time equivalent)	2,041,607	2,088,817	2,003,419	1.9
CONDITION DATA				
Total assets	$8,945,735	$8,923,525	$8,272,909	8.1
Loans secured by real estate	3,124,930	3,038,924	2,744,470	13.9
1-4 Family residential mortgages	1,653,989	1,613,371	1,445,421	14.4
Commercial real estate	665,661	652,598	611,419	8.9
Construction and development	263,687	257,067	243,651	8.2
Home equity lines	314,880	295,363	240,180	31.1
Commercial & industrial loans	931,532	934,187	962,022	-3.2
Loans to individuals	772,344	764,088	753,567	2.5
Credit cards	266,643	269,883	281,829	-5.4
Farm loans	46,672	46,257	48,181	-3.1
Other loans & leases	461,393	467,054	448,139	3.0
Less: Unearned income	2,980	3,589	3,789	-21.4
Total loans & leases	5,333,891	5,246,919	4,952,589	7.7
Less: Reserve for losses	84,931	85,922	83,858	1.3
Net loans and leases	5,248,960	5,160,997	4,868,731	7.8
Securities	1,702,171	1,761,751	1,589,424	7.1
Other real estate owned	5,514	5,519	5,040	9.4
Goodwill and other intangibles	170,393	158,822	145,739	16.9
All other assets	1,818,697	1,836,435	1,663,976	9.3
Total liabilities and capital	8,945,735	8,923,525	8,272,909	8.1
Deposits	5,851,069	5,844,704	5,391,969	8.5
Domestic office deposits	5,158,888	5,166,616	4,778,981	7.9
Foreign office deposits	692,181	678,088	612,988	12.9
Other borrowed funds	1,690,761	1,671,935	1,576,969	7.2
Subordinated debt	103,666	102,826	95,992	8.0
All other liabilities	483,630	492,456	444,819	8.7
Equity capital	816,608	811,604	763,160	7.0
Loans and leases 30-89 days past due	50,106	52,098	55,055	-9.0
Noncurrent loans and leases	62,227	64,811	68,900	-9.7
Restructured loans and leases	3,333	3,286	3,364	-0.9
Direct and indirect investments in real estate	727	694	696	4.5
Mortgage-backed securities	948,242	1,034,398	901,709	5.2
Earning assets	7,700,560	7,682,627	7,152,756	7.7
FHLB Advances	464,511	454,136	452,528	2.6
Unused loan commitments	5,891,861	5,903,541	5,582,066	5.5
Trust assets	11,792,873	11,891,679	10,534,152	11.9
Assets securitized and sold***	896,072	878,692	904,270	-0.9
Notional amount of derivatives***	67,789,253	66,477,267	53,714,908	26.2

INCOME DATA	First Three Qtrs 2003	First Three Qtrs 2002	%Change	3rd Quarter 2003	3rd Quarter 2002	%Change 02:3-03:3
Total interest income	$304,424	$325,970	-6.6	$99,758	$109,174	-8.6
Total interest expense	94,303	118,352	-20.3	29,572	39,299	-24.8
Net interest income	210,121	207,618	1.2	70,187	69,874	0.5
Provision for loan and lease losses	28,474	37,777	-24.6	8,268	13,527	-38.9
Total noninterest income	149,291	136,511	9.4	51,869	46,204	12.3
Total noninterest expense	207,388	194,116	6.8	70,516	65,904	7.0
Securities gains (losses)	10,690	8,003	33.6	2,153	4,342	-50.4
Applicable income taxes	44,464	40,056	11.0	15,065	13,644	10.4
Extraordinary gains, net	19	-2	N/M	17	-41	N/M
Net income	89,794	80,180	12.0	30,376	27,305	11.3
From international operations	6,263	4,500	39.2	1,737	842	106.3
Net charge-offs	30,101	34,865	-13.7	9,565	12,004	-20.3
Cash dividends	62,499	55,363	12.9	20,447	18,034	13.4
Retained earnings	27,295	24,817	10.0	9,929	9,270	7.1
Net operating income	82,556	74,800	10.4	28,905	24,432	18.3

*** Commercial banks only.

N/M - Not Meaningful

TABLE III-A. Third Quarter 2003, All FDIC-Insured Institutions

		Asset Concentration Groups*								
THIRD QUARTER ***(The way it is...)***	All Insured Institutions	International Banks	Agricultural Banks	Credit Card Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <$1 Billion	All Other <$1 Billion	All Other >$1 Billion
Number of institutions reporting	9,237	7	1,821	35	4,166	1,024	166	523	1,392	103
Commercial banks	7,812	7	1,816	33	3,812	239	127	445	1,249	84
Savings institutions	1,425	0	5	2	354	785	39	78	143	19
Total assets (in billions)	$8,945.7	$1,483.9	$129.5	$252.8	$3,095.7	$1,588.7	$191.9	$62.2	$192.2	$1,948.9
Commercial banks	7,474.3	1,483.9	128.9	248.7	2,811.4	568.0	144.0	46.3	160.7	1,882.3
Savings institutions	1,471.4	0.0	0.6	4.1	284.3	1,020.7	47.9	15.9	31.5	66.5
Total deposits (in billions)	5,851.1	853.0	106.6	79.2	2,242.5	965.9	106.1	46.5	157.3	1,293.9
Commercial banks	4,916.6	853.0	106.1	76.9	2,051.8	338.5	75.8	34.3	132.1	1,248.0
Savings institutions	934.5	0.0	0.4	2.3	190.7	627.4	30.3	12.2	25.2	46.0
Net income (in millions)	30,376	4,163	405	2,566	9,965	5,216	816	232	499	6,514
Commercial banks	25,813	4,163	404	2,538	9,062	2,058	579	174	443	6,393
Savings institutions	4,563	0	1	28	903	3,158	237	58	56	121
Performance Ratios (annualized, %)										
Yield on earning assets	5.19	4.45	5.91	10.64	5.41	5.11	6.22	4.50	5.56	4.50
Cost of funding earning assets	1.54	1.57	1.83	1.97	1.49	1.78	1.50	1.49	1.73	1.29
Net interest margin	3.65	2.87	4.08	8.68	3.92	3.32	4.71	3.01	3.83	3.21
Noninterest income to assets	2.32	3.00	0.71	12.06	1.67	1.52	2.49	8.20	1.01	2.28
Noninterest expense to assets	3.16	3.22	2.70	9.34	2.98	2.66	3.36	8.55	3.01	2.86
Loan and lease loss provision to assets	0.37	0.39	0.24	3.80	0.35	0.12	0.93	0.24	0.23	0.13
Net operating income to assets	1.29	1.06	1.24	4.18	1.27	1.09	1.61	1.43	0.98	1.31
Pretax return on assets	2.03	1.69	1.55	6.55	1.87	2.08	2.64	2.19	1.36	1.98
Return on assets	1.36	1.11	1.26	4.18	1.29	1.34	1.68	1.49	1.04	1.33
Return on equity	14.92	14.75	11.59	24.66	13.69	14.91	22.86	9.32	9.87	15.31
Net charge-offs to loans and leases	0.72	1.52	0.29	4.83	0.47	0.19	1.34	2.47	0.37	0.48
Loan and lease loss provision to net charge-offs	86.44	63.14	129.93	98.50	110.60	95.05	87.34	34.88	112.90	55.11
Efficiency ratio	56.77	60.45	60.19	45.57	56.63	58.81	49.05	77.61	66.10	56.68
% of unprofitable institutions	6.55	0.00	4.12	2.86	6.91	6.74	6.02	14.91	5.46	7.77
% of institutions with earnings gains	50.67	85.71	44.26	60.00	60.83	40.63	54.22	33.08	42.10	46.60
Structural Changes										
New Charters	31	0	0	0	6	1	0	23	1	0
Institutions absorbed by mergers	57	1	5	0	36	6	2	0	4	6
Failed Institutions	0	0	0	0	0	0	0	0	0	0
PRIOR THIRD QUARTERS ***(The way it was...)***										
Return on assets (%) 2002	1.34	0.65	1.38	3.76	1.31	1.37	1.18	1.60	1.22	1.51
2000	1.21	1.03	1.29	3.59	1.17	0.87	1.16	1.03	1.16	1.32
1998	1.15	0.24	1.26	3.20	1.37	1.20	1.44	1.94	1.17	1.44
Net charge-offs to loans & leases (%) 2002	0.98	2.17	0.30	5.35	0.68	0.15	1.29	0.42	0.34	0.86
2000	0.53	0.37	0.21	3.69	0.43	0.11	0.26	1.50	0.25	0.65
1998	0.63	0.87	0.24	4.50	0.33	0.21	0.64	0.23	0.36	0.49

* See page 8 for explanations.

TABLE III-A. Third Quarter 2003, All FDIC-Insured Institutions

		Asset Size Distribution				Geographic Regions*					
THIRD QUARTER ***(The way it is...)***	All Insured Institutions	Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	9,237	4,465	4,190	470	112	1,188	1,231	2,028	2,141	1,878	771
Commercial banks	7,812	3,985	3,404	339	84	621	1,075	1,663	2,029	1,741	683
Savings institutions	1,425	480	786	131	28	567	156	365	112	137	88
Total assets (in billions)	$8,945.7	$229.1	$1,159.9	$1,299.7	$6,257.2	$3,041.5	$1,858.6	$1,653.7	$445.3	$592.6	$1,353.9
Commercial banks	7,474.3	204.1	907.8	946.5	5,415.9	2,521.5	1,730.4	1,515.1	400.4	501.0	806.1
Savings institutions	1,471.4	24.9	252.0	353.2	841.3	520.0	128.3	138.7	45.0	91.7	547.9
Total deposits (in billions)	5,851.1	191.4	930.9	867.7	3,861.0	1,912.0	1,241.9	1,092.7	300.6	451.2	852.7
Commercial banks	4,916.6	171.7	737.8	636.5	3,370.6	1,563.9	1,151.1	990.8	272.1	397.1	541.5
Savings institutions	934.5	19.8	193.1	231.2	490.4	348.1	90.8	101.9	28.5	54.1	311.2
Net income (in millions)	30,376	582	3,374	4,417	22,003	9,289	6,497	5,153	1,960	1,986	5,492
Commercial banks	25,813	518	2,835	3,338	19,121	7,846	6,179	4,806	1,867	1,579	3,536
Savings institutions	4,563	64	538	1,079	2,882	1,443	318	348	92	407	1,956
Performance Ratios (annualized, %)											
Yield on earning assets	5.19	5.85	5.72	5.29	5.03	4.89	5.11	5.16	6.10	5.45	5.56
Cost of funding earning assets	1.54	1.74	1.75	1.60	1.48	1.62	1.50	1.60	1.58	1.45	1.36
Net interest margin	3.65	4.11	3.97	3.70	3.56	3.26	3.61	3.57	4.52	4.00	4.20
Noninterest income to assets	2.32	1.33	1.50	1.93	2.59	2.57	2.30	1.93	2.78	2.10	2.22
Noninterest expense to assets	3.16	3.56	3.31	3.08	3.13	3.14	3.18	2.88	3.85	3.68	3.06
Loan and lease loss provision to assets	0.37	0.26	0.28	0.32	0.40	0.40	0.22	0.43	0.50	0.26	0.44
Net operating income to assets	1.29	0.97	1.11	1.25	1.35	1.16	1.32	1.21	1.73	1.27	1.54
Pretax return on assets	2.03	1.33	1.63	2.04	2.13	1.84	2.08	1.79	2.56	1.83	2.63
Return on assets	1.36	1.02	1.17	1.37	1.41	1.22	1.40	1.24	1.77	1.34	1.66
Return on equity	14.92	8.90	11.68	13.13	16.36	13.74	15.85	14.36	16.45	13.93	16.69
Net charge-offs to loans and leases	0.72	0.30	0.37	0.48	0.86	1.09	0.50	0.64	0.85	0.38	0.60
Loan and lease loss provision to net charge-offs	86.44	140.96	117.64	110.11	80.10	75.88	72.40	104.21	85.96	113.13	102.83
Efficiency ratio	56.77	69.63	63.97	56.87	55.10	58.05	58.36	56.30	54.75	63.05	50.69
% of unprofitable institutions	6.55	10.08	3.27	3.40	1.79	7.66	9.34	5.87	4.20	6.39	9.08
% of institutions with earnings gains	50.67	46.36	54.15	58.09	60.71	50.93	55.89	49.75	47.13	47.50	61.87
Structural Changes											
New Charters	31	30	0	1	0	3	9	2	5	5	7
Institutions absorbed by mergers	57	25	29	2	1	11	6	8	11	11	10
Failed Institutions	0	0	0	0	0	0	0	0	0	0	0
PRIOR THIRD QUARTERS ***(The way it was...)***											
Return on assets (%) 2002	1.34	1.11	1.23	1.54	1.33	1.10	1.38	1.30	1.64	1.44	1.75
2000	1.21	1.00	1.15	1.35	1.20	1.28	1.28	1.00	1.31	1.08	1.21
1998	1.15	1.21	1.22	1.52	1.00	0.93	1.48	1.33	1.44	1.28	0.95
Net charge-offs to loans & leases (%) 2002	0.98	0.31	0.36	0.76	1.21	1.51	0.73	0.80	1.15	0.42	0.77
2000	0.53	0.21	0.29	0.54	0.60	0.63	0.46	0.38	0.67	0.34	0.67
1998	0.63	0.23	0.30	0.91	0.64	0.85	0.45	0.35	0.69	0.37	0.79

* See page 9 for explanations.

TABLE IV-A. First Three Quarters 2003, All FDIC-Insured Institutions

		Asset Concentration Groups*								
FIRST THREE QUARTERS ***(The way it is...)***	All Insured Institutions	International Banks	Agricultural Banks	Credit Card Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <$1 Billion	All Other <$1 Billion	All Other >$1 Billion
Number of institutions reporting	9,237	7	1,821	35	4,166	1,024	166	523	1,392	103
Commercial banks	7,812	7	1,816	33	3,812	239	127	445	1,249	84
Savings institutions	1,425	0	5	2	354	785	39	78	143	19
Total assets (in billions)	$8,945.7	$1,483.9	$129.5	$252.8	$3,095.7	$1,588.7	$191.9	$62.2	$192.2	$1,948.9
Commercial banks	7,474.3	1,483.9	128.9	248.7	2,811.4	568.0	144.0	46.3	160.7	1,882.3
Savings institutions	1,471.4	0.0	0.6	4.1	284.3	1,020.7	47.9	15.9	31.5	66.5
Total deposits (in billions)	5,851.1	853.0	106.6	79.2	2,242.5	965.9	106.1	46.5	157.3	1,293.9
Commercial banks	4,916.6	853.0	106.1	76.9	2,051.8	338.5	75.8	34.3	132.1	1,248.0
Savings institutions	934.5	0.0	0.4	2.3	190.7	627.4	30.3	12.2	25.2	46.0
Net income (in millions)	89,794	12,522	1,201	7,112	29,713	16,148	2,166	631	1,539	18,761
Commercial banks	76,113	12,522	1,198	7,048	26,951	6,695	1,617	474	1,354	18,255
Savings institutions	13,681	0	4	65	2,763	9,452	549	157	185	505
Performance Ratios (annualized, %)										
Yield on earning assets	5.39	4.81	6.01	10.71	5.59	5.30	6.42	4.67	5.72	4.69
Cost of funding earning assets	1.67	1.75	1.96	2.16	1.63	1.90	1.66	1.60	1.87	1.39
Net interest margin	3.72	3.06	4.04	8.55	3.97	3.40	4.76	3.07	3.85	3.30
Noninterest income to assets	2.28	3.14	0.70	11.84	1.62	1.46	2.26	7.99	1.00	2.19
Noninterest expense to assets	3.17	3.44	2.68	9.27	2.98	2.55	3.33	8.41	2.97	2.87
Loan and lease loss provision to assets	0.44	0.55	0.22	3.87	0.38	0.15	0.96	0.32	0.23	0.22
Net operating income to assets	1.26	1.03	1.22	3.93	1.24	1.13	1.50	1.29	1.01	1.24
Pretax return on assets	2.05	1.73	1.55	6.16	1.91	2.23	2.39	2.11	1.44	1.94
Return on assets	1.37	1.14	1.25	3.93	1.31	1.43	1.54	1.36	1.09	1.31
Return on equity	15.00	15.12	11.60	23.98	13.91	15.73	20.71	8.47	10.32	14.77
Net charge-offs to loans and leases	0.77	1.53	0.24	5.17	0.52	0.19	1.42	1.44	0.31	0.56
Loan and lease loss provision to net charge-offs	94.60	87.31	152.12	94.00	107.12	113.47	85.98	79.11	128.50	77.19
Efficiency ratio	56.59	60.82	60.50	46.16	56.37	56.31	50.13	77.34	65.24	57.01
% of unprofitable institutions	5.42	0.00	2.75	2.86	6.27	5.27	3.61	13.58	3.88	3.88
% of institutions with earnings gains	57.63	57.14	46.84	60.00	68.92	52.34	61.45	36.14	49.93	50.49
Condition Ratios (%)										
Earning assets to total assets	86.08	77.85	91.76	88.26	89.63	88.91	91.90	89.82	91.76	82.49
Loss Allowance to:										
Loans and leases	1.59	2.30	1.54	4.51	1.55	0.73	1.62	1.81	1.37	1.62
Noncurrent loans and leases	136.49	99.37	115.98	272.04	152.57	88.68	163.93	171.68	124.55	148.34
Noncurrent assets plus other real estate owned to assets	0.77	0.99	0.95	1.41	0.79	0.64	0.88	0.36	0.74	0.61
Equity capital ratio	9.13	7.67	10.81	16.84	9.42	8.80	7.49	15.93	10.56	8.73
Core capital (leverage) ratio	7.87	6.79	10.22	16.85	8.18	7.15	7.21	14.24	9.94	7.15
Tier 1 risk-based capital ratio	10.66	9.50	14.75	14.84	10.10	11.82	10.18	32.37	16.61	9.79
Total risk-based capital ratio	13.22	12.84	15.90	17.42	12.33	14.05	12.98	33.56	17.84	12.76
Net loans and leases to deposits	89.71	68.98	74.92	246.08	91.57	111.13	142.04	35.48	67.75	76.14
Net loans to total assets	58.68	39.66	61.67	77.08	66.33	67.57	78.54	26.53	55.45	50.55
Domestic deposits to total assets	57.67	27.00	82.31	26.30	70.14	58.66	52.45	73.98	81.67	60.45
Structural Changes										
New Charters	81	0	1	0	18	3	0	58	1	0
Institutions absorbed by mergers	187	1	18	0	116	22	4	2	10	14
Failed Institutions	2	0	1	0	1	0	0	0	0	0
PRIOR FIRST THREE QUARTERS ***(The way it was...)***										
Number of institutions 2002	9,415	5	1,877	41	4,081	1,159	206	453	1,495	98
2000	9,989	7	2,045	58	3,947	1,309	304	507	1,731	81
1998	10,624	11	2,371	68	3,416	1,502	312	608	2,246	90
Total assets (in billions) 2002	$8,272.9	$1,232.2	$124.7	$291.0	$3,394.2	$1,279.6	$168.3	$49.0	$192.5	$1,541.3
2000	7,269.5	1,165.0	120.9	277.5	3,781.1	1,000.0	78.3	50.6	208.1	587.9
1998	6,327.5	1,450.8	125.2	242.1	2,602.8	1,004.8	94.5	60.4	274.9	471.9
Return on assets (%) 2002	1.34	0.85	1.31	3.55	1.30	1.34	1.40	1.39	1.19	1.40
2000	1.16	1.10	1.31	2.92	1.12	0.99	1.19	1.56	1.17	0.92
1998	1.20	0.66	1.28	2.74	1.30	1.14	1.38	1.73	1.21	1.47
Net charge-offs to loans & leases (%) 2002	0.97	1.78	0.26	6.07	0.67	0.16	1.12	0.47	0.30	0.86
2000	0.51	0.44	0.18	3.68	0.40	0.12	0.20	1.98	0.23	0.55
1998	0.58	0.60	0.20	4.41	0.33	0.18	0.65	0.50	0.33	0.55
Noncurrent assets plus OREO to assets (%) 2002	0.92	1.28	0.93	1.61	0.88	0.68	1.34	0.36	0.70	0.80
2000	0.67	0.66	0.76	1.51	0.70	0.48	0.95	0.30	0.56	0.45
1998	0.67	0.61	0.81	1.62	0.62	0.65	0.99	0.35	0.63	0.59
Equity capital ratio (%) 2002	9.22	7.26	11.04	15.39	9.53	8.82	7.78	16.73	10.90	8.87
2000	8.55	6.92	10.48	12.60	8.62	8.12	7.99	15.78	10.14	8.61
1998	8.73	6.49	11.02	14.14	9.13	8.72	8.98	14.06	10.42	8.39

***Asset Concentration Group Definitions (Groups are hierarchical and mutually exclusive)**

International Banks - Banks with assets greater than $10 billion and more than 25 percent of total assets in foreign offices.

Agricultural Banks - Banks whose agricultural production loans plus real estate loans secured by farmland exceed 25 percent of their total loans and leases.

Credit-card Lenders - Institutions whose credit-card loans plus securitized receivables exceed 50 percent of total assets plus securitized receivables.

Commercial Lenders - Institutions whose commercial and industrial loans, plus real estate construction and development loans, plus loans secured by commercial real estate properties exceed 25 percent of total assets.

Mortgage Lenders - Institutions whose residential mortgage loans, plus mortgage-backed securities, exceed 50 percent of total assets.

Consumer Lenders - Institutions whose residential mortgage loans, plus credit-card loans, plus other loans to individuals, exceed 50 percent of total assets.

Other Specialized < $1 Billion - Institutions with assets less than $1 billion, whose loans and leases are less than 40 percent of total assets.

All Other < $1 billion - Institutions with assets less than $1 billion that do not meet any of the definitions above, they have significant lending activity with no identified asset concentrations.

All Other > $1 billion - Institutions with assets greater than $1 billion that do not meet any of the definitions above, they have significant lending activity with no identified asset concentrations.

TABLE IV-A. First Three Quarters 2003, All FDIC-Insured Institutions

		Asset Size Distribution				Geographic Regions*					
FIRST THREE QUARTERS (The way it is...)	All Insured Institutions	Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	9,237	4,465	4,190	470	112	1,188	1,231	2,028	2,141	1,878	771
Commercial banks	7,812	3,985	3,404	339	84	621	1,075	1,663	2,029	1,741	683
Savings institutions	1,425	480	786	131	28	567	156	365	112	137	88
Total assets (in billions)	$8,945.7	$229.1	$1,159.9	$1,299.7	$6,257.2	$3,041.5	$1,858.6	$1,653.7	$445.3	$592.6	$1,353.9
Commercial banks	7,474.3	204.1	907.8	946.5	5,415.9	2,521.5	1,730.4	1,515.1	400.4	501.0	806.1
Savings institutions	1,471.4	24.9	252.0	353.2	841.3	520.0	128.3	138.7	45.0	91.7	547.9
Total deposits (in billions)	5,851.1	191.4	930.9	867.7	3,861.0	1,912.0	1,241.9	1,092.7	300.6	451.2	852.7
Commercial banks	4,916.6	171.7	737.8	636.5	3,370.6	1,563.9	1,151.1	990.8	272.1	397.1	541.5
Savings institutions	934.5	19.8	193.1	231.2	490.4	348.1	90.8	101.9	28.5	54.1	311.2
Net income (in millions)	89,794	1,641	10,125	12,896	65,132	27,742	18,601	16,141	5,362	6,084	15,864
Commercial banks	76,113	1,444	8,487	9,589	56,593	23,321	17,604	15,003	5,076	4,880	10,229
Savings institutions	13,681	196	1,638	3,307	8,539	4,420	997	1,138	286	1,205	5,635
Performance Ratios (annualized, %)											
Yield on earning assets	5.39	5.95	5.87	5.46	5.26	5.18	5.34	5.29	6.26	5.61	5.68
Cost of funding earning assets	1.67	1.87	1.88	1.72	1.61	1.79	1.63	1.71	1.71	1.56	1.46
Net interest margin	3.72	4.09	3.99	3.74	3.65	3.39	3.71	3.58	4.56	4.05	4.21
Noninterest income to assets	2.28	1.34	1.46	1.84	2.56	2.63	2.17	1.92	2.66	1.99	2.11
Noninterest expense to assets	3.17	3.62	3.29	3.07	3.16	3.25	3.15	2.86	3.86	3.62	3.00
Loan and lease loss provision to assets	0.44	0.24	0.27	0.34	0.49	0.50	0.28	0.46	0.68	0.27	0.47
Net operating income to assets	1.26	0.91	1.12	1.22	1.31	1.15	1.28	1.19	1.56	1.28	1.50
Pretax return on assets	2.05	1.30	1.67	2.02	2.16	1.89	2.04	1.92	2.33	1.88	2.61
Return on assets	1.37	0.98	1.20	1.36	1.42	1.24	1.38	1.31	1.62	1.39	1.65
Return on equity	15.00	8.45	11.95	13.20	16.41	14.03	15.30	15.25	15.25	14.45	16.45
Net charge-offs to loans and leases	0.77	0.26	0.32	0.52	0.94	1.16	0.56	0.65	0.97	0.38	0.64
Loan and lease loss provision to net charge-offs	94.60	153.55	131.38	107.85	89.80	87.37	80.67	109.54	102.18	115.46	103.96
Efficiency ratio	56.59	70.97	63.59	57.46	54.76	58.03	58.23	54.96	55.49	63.33	50.62
% of unprofitable institutions	5.42	9.09	2.00	2.13	0.89	5.98	8.61	4.59	3.22	5.17	8.43
% of institutions with earnings gains	57.63	52.00	62.65	64.68	64.29	60.10	64.01	59.42	52.45	50.75	70.04
Condition Ratios (%)											
Earning assets to total assets	86.08	91.59	91.86	90.69	83.85	83.64	84.37	88.31	90.51	89.82	88.10
Loss Allowance to:											
Loans and leases	1.59	1.42	1.37	1.47	1.67	1.94	1.42	1.64	1.77	1.38	1.23
Noncurrent loans and leases	136.49	116.76	147.13	159.01	132.02	122.18	160.25	125.16	189.77	133.42	152.15
Noncurrent assets plus other real estate owned to assets	0.77	0.91	0.73	0.65	0.80	0.84	0.60	0.96	0.74	0.78	0.64
Equity capital ratio	9.13	11.44	10.03	10.49	8.59	8.96	8.83	8.65	10.79	9.64	9.74
Core capital (leverage) ratio	7.87	11.09	9.47	9.19	7.17	7.71	7.47	7.73	9.94	8.53	7.95
Tier 1 risk-based capital ratio	10.66	17.02	13.80	13.48	9.40	10.74	9.53	9.80	14.04	12.80	11.36
Total risk-based capital ratio	13.22	18.13	15.03	15.16	12.40	13.47	12.15	12.72	15.44	14.34	13.76
Net loans and leases to deposits	89.71	72.12	79.11	90.34	93.00	76.75	90.00	97.22	100.66	78.20	110.95
Net loans to total assets	58.68	60.28	63.49	60.31	57.38	48.25	60.13	64.23	67.94	59.54	69.88
Domestic deposits to total assets	57.67	83.57	80.14	66.06	50.81	46.43	62.54	61.20	66.27	75.86	61.13
Structural Changes											
New Charters	81	77	3	1	0	7	26	5	9	12	22
Institutions absorbed by mergers	187	86	89	9	3	32	26	38	35	29	27
Failed Institutions	2	1	1	0	0	0	0	1	0	0	1
PRIOR FIRST THREE QUARTERS (The way it was...)											
Number of institutions 2002	9,415	4,809	4,059	441	106	1,222	1,249	2,067	2,180	1,910	787
2000	9,989	5,558	3,902	428	101	1,304	1,320	2,221	2,277	2,035	832
1998	10,624	6,305	3,791	447	81	1,363	1,358	2,389	2,422	2,226	866
Total assets (in billions) 2002	$8,272.9	$243.9	$1,113.3	$1,256.3	$5,659.5	$2,826.3	$1,667.5	$1,561.4	$429.8	$569.2	$1,218.7
2000	7,269.5	264.6	1,019.3	1,215.6	4,770.1	2,489.3	1,565.9	1,227.6	450.5	549.2	986.9
1998	6,327.5	295.2	978.9	1,295.6	3,757.8	2,274.0	1,083.7	1,007.1	397.9	535.5	1,029.4
Return on assets (%) 2002	1.34	1.05	1.18	1.45	1.36	1.17	1.36	1.33	1.59	1.43	1.60
2000	1.16	1.06	1.18	1.26	1.14	1.24	1.01	1.04	1.36	1.10	1.28
1998	1.20	1.19	1.25	1.47	1.09	1.07	1.27	1.27	1.44	1.26	1.21
Net charge-offs to loans & leases (%) 2002	0.97	0.28	0.33	0.74	1.19	1.48	0.69	0.77	1.19	0.40	0.79
2000	0.51	0.22	0.27	0.53	0.58	0.63	0.42	0.34	0.73	0.32	0.64
1998	0.58	0.22	0.28	0.87	0.58	0.79	0.42	0.36	0.66	0.37	0.65
Noncurrent assets plus OREO to assets (%) 2002	0.92	0.87	0.75	0.73	1.00	1.05	0.79	1.04	0.87	0.84	0.72
2000	0.67	0.69	0.59	0.64	0.70	0.70	0.69	0.67	0.60	0.66	0.59
1998	0.67	0.77	0.67	0.77	0.62	0.76	0.55	0.60	0.64	0.63	0.68
Equity capital ratio (%) 2002	9.22	11.42	10.05	10.08	8.78	8.92	9.42	8.62	10.32	9.76	9.79
2000	8.55	11.34	9.70	8.90	8.06	8.46	8.44	8.18	9.46	8.78	8.84
1998	8.73	11.32	10.04	9.70	7.86	8.03	9.42	8.93	9.19	9.17	8.98

* Regions:
New York - Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico Rhode Island, Vermont, U.S. Virgin Islands
Altanta - Alabama, Florida, Georgia, North Carolina, South Carolina, Virginia, West Virginia
Chicago - Illinois, Indiana, Kentucky, Michigan, Ohio, Wisconsin
Kansas City - Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota
Dallas - Arkansas, Colorado, Louisiana, Mississippi, New Mexico, Oklahoma, Tennessee, Texas
San Francisco - Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Pacific Islands, Utah, Washington, Wyoming

TABLE V-A. Loan Performance, All FDIC-Insured Institutions

September 30, 2003	All Insured Institutions	Asset Concentration Groups* International Banks	Agricultural Banks	Credit Card Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <$1 Billion	All Other <$1 Billion	All Other >$1 Billion
Percent of Loans 30-89 Days Past Due										
All loans secured by real estate	0.85	1.23	1.11	0.81	0.72	0.91	0.86	1.20	1.30	0.87
Construction and development	0.79	2.00	1.22	0.69	0.74	1.13	1.09	1.36	1.48	0.60
Commercial real estate	0.57	0.75	1.16	0.10	0.57	0.47	0.65	0.86	1.05	0.44
Multifamily residential real estate	0.32	0.15	0.70	0.29	0.34	0.22	2.52	0.39	0.90	0.36
Home equity loans	0.41	0.51	0.54	0.52	0.40	0.25	0.21	0.27	0.65	0.67
Other 1-4 family residential	1.09	1.36	1.66	2.43	1.03	1.06	1.02	1.48	1.48	1.08
Commercial and industrial loans	0.75	0.51	1.71	1.52	0.90	0.58	1.12	1.68	1.53	0.51
Loans to individuals	1.85	2.02	2.26	2.38	1.54	1.09	1.99	2.29	2.16	1.55
Credit card loans	2.33	2.26	2.27	2.44	2.20	1.39	2.08	3.20	2.51	1.98
Other loans to individuals	1.60	1.89	2.25	1.16	1.46	1.07	1.97	2.13	2.15	1.49
All other loans and leases (including farm)	0.46	0.41	0.63	0.00	0.73	0.81	0.52	0.37	1.13	0.23
Total loans and leases	0.94	1.06	1.17	2.03	0.84	0.90	1.28	1.37	1.44	0.77
Percent of Loans Noncurrent**										
All real estate loans	0.81	1.23	1.17	0.46	0.78	0.81	0.89	0.92	1.03	0.72
Construction and development	0.87	2.59	1.35	0.02	0.75	1.09	1.60	1.56	1.77	1.09
Commercial real estate	0.96	2.27	1.38	0.15	0.86	1.00	1.83	0.93	1.32	1.17
Multifamily residential real estate	0.31	0.73	1.21	0.00	0.32	0.22	0.17	0.41	0.79	0.39
Home equity loans	0.23	0.14	0.25	0.19	0.24	0.14	0.21	0.10	0.25	0.38
Other 1-4 family residential	0.83	0.95	0.99	1.96	0.87	0.89	0.92	0.94	0.87	0.58
Commercial and industrial loans	2.51	4.79	2.19	1.30	1.86	1.48	2.25	1.77	1.86	2.62
Loans to individuals	1.29	2.34	0.88	1.96	0.62	0.34	0.78	1.18	0.84	0.68
Credit card loans	1.93	1.95	1.76	2.02	1.57	1.04	1.75	3.22	2.06	1.67
Other loans to individuals	0.95	2.56	0.86	0.51	0.51	0.28	0.59	0.82	0.78	0.53
All other loans and leases (including farm)	0.71	0.60	1.33	0.00	1.08	0.67	1.33	0.88	1.09	0.46
Total loans and leases	1.17	2.31	1.33	1.66	1.01	0.82	0.99	1.05	1.10	1.09
Percent of Loans Charged-off (net, YTD)										
All real estate loans	0.11	0.14	0.07	0.17	0.12	0.06	0.29	0.05	0.08	0.14
Construction and development	0.12	0.55	0.19	-0.25	0.09	0.15	0.07	0.15	0.26	0.22
Commercial real estate	0.12	-0.03	0.11	-0.02	0.13	0.21	0.03	0.00	0.10	0.08
Multifamily residential real estate	0.02	0.19	0.11	0.11	0.02	0.01	0.91	0.00	0.03	0.00
Home equity loans	0.16	0.04	0.08	0.13	0.14	0.07	0.48	-0.04	0.05	0.27
Other 1-4 family residential	0.09	0.04	0.07	0.45	0.14	0.04	0.29	0.07	0.06	0.13
Commercial and industrial loans	1.30	1.68	0.62	5.49	1.24	0.96	2.51	0.64	0.68	1.08
Loans to individuals	2.94	3.34	0.72	5.76	1.45	1.46	2.79	8.08	1.02	1.69
Credit card loans	5.71	4.67	3.77	5.91	5.02	2.92	8.44	25.31	5.10	7.37
Other loans to individuals	1.41	2.50	0.63	2.43	1.01	1.34	1.59	0.82	0.82	0.93
All other loans and leases (including farm)	0.44	0.43	0.00	0.00	0.60	0.65	0.49	0.29	0.58	0.34
Total loans and leases	0.80	1.50	0.20	5.20	0.50	0.20	1.40	1.40	0.30	0.60
Loans Outstanding (in billions)										
All real estate loans	$3,124.9	$127.4	$41.6	$11.9	$1,317.5	$946.7	$74.5	$11.5	$74.9	$518.8
Construction and development	263.7	1.6	2.1	0.2	191.6	26.8	1.9	0.8	4.2	34.5
Commercial real estate	665.7	7.3	9.9	0.3	463.3	63.3	6.9	3.1	17.4	94.1
Multifamily residential real estate	147.6	1.4	0.7	0.1	84.3	43.9	0.6	0.5	1.6	14.6
Home equity loans	314.9	11.1	0.7	9.6	133.5	84.6	13.4	0.5	3.2	58.3
Other 1-4 family residential	1,654.0	79.8	13.6	1.8	423.5	726.6	51.5	6.3	44.4	306.5
Commercial and industrial loans	931.5	156.6	11.5	9.4	447.6	61.1	13.2	2.1	11.5	218.6
Loans to individuals	772.3	169.2	6.9	164.0	191.5	56.2	57.0	2.3	15.3	109.8
Credit card loans	266.6	60.7	0.2	156.6	20.3	4.6	9.3	0.4	0.7	13.9
Other loans to individuals	505.7	108.6	6.7	7.4	171.2	51.7	47.7	2.0	14.6	95.9
All other loans and leases (including farm)	508.1	150.4	21.0	18.7	130.3	17.4	8.5	0.9	6.5	154.5
Total loans and leases	5,336.9	603.6	81.1	204.1	2,086.8	1,081.4	153.3	16.8	108.2	1,001.6
Memo: Other Real Estate Owned (in millions)										
All other real estate owned	5,513.8	286.6	151.6	7.2	2,668.5	1,196.7	162.4	34.9	225.1	780.7
Construction and development	691.8	0.0	11.3	0.0	432.4	147.3	2.1	2.1	25.2	71.5
Commercial real estate	1,967.6	92.4	61.3	0.2	1,226.4	127.1	13.3	15.5	89.7	341.6
Multifamily residential real estate	128.3	6.0	2.6	0.0	76.7	5.4	0.2	0.5	4.4	32.5
1-4 family residential	2,516.2	108.2	41.3	7.0	876.2	912.6	145.5	16.6	95.4	313.5
Farmland	108.2	0.0	35.2	0.0	50.0	6.5	1.4	0.3	10.5	4.3

* See page 8 for explanations.

** 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.

TABLE V-A. Loan Performance, All FDIC-Insured Institutions

September 30, 2003	All Insured Institutions	Asset Size Distribution				Geographic Regions*					
		Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate	0.85	1.29	0.85	0.68	0.87	0.80	0.73	1.09	0.76	1.02	0.77
Construction and development	0.79	1.10	0.86	0.74	0.76	0.68	0.53	1.01	0.69	0.91	0.98
Commercial real estate	0.57	0.97	0.64	0.58	0.48	0.52	0.45	0.77	0.62	0.74	0.38
Multifamily residential real estate	0.32	0.70	0.44	0.34	0.27	0.16	0.23	0.68	0.52	0.87	0.18
Home equity loans	0.41	0.57	0.42	0.35	0.42	0.38	0.43	0.49	0.49	0.49	0.27
Other 1-4 family residential	1.09	1.75	1.16	0.83	1.10	0.96	1.00	1.50	0.92	1.32	0.99
Commercial and industrial loans	0.75	1.65	1.23	1.01	0.61	0.64	0.60	0.87	1.21	1.05	0.77
Loans to individuals	1.85	2.50	1.97	1.89	1.81	1.94	1.78	1.73	2.31	1.64	1.67
Credit card loans	2.33	2.38	4.17	3.01	2.21	2.34	3.08	2.51	2.81	1.01	1.84
Other loans to individuals	1.60	2.51	1.70	1.52	1.56	1.67	1.50	1.58	1.65	1.76	1.47
All other loans and leases (including farm)	0.46	0.97	0.55	0.47	0.43	0.43	0.24	0.62	0.49	0.65	0.52
Total loans and leases	0.94	1.44	0.98	0.87	0.93	0.95	0.79	1.07	1.06	1.08	0.87
Percent of Loans Noncurrent**											
All real estate loans	0.81	1.07	0.82	0.80	0.80	0.81	0.58	1.21	0.65	0.98	0.66
Construction and development	0.87	1.00	0.96	0.86	0.82	0.90	0.67	1.22	0.79	0.69	0.92
Commercial real estate	0.96	1.17	0.88	0.97	0.99	0.88	0.81	1.32	0.79	1.08	0.76
Multifamily residential real estate	0.31	0.74	0.42	0.37	0.24	0.21	0.24	0.64	0.44	0.85	0.14
Home equity loans	0.23	0.27	0.22	0.23	0.23	0.19	0.18	0.35	0.34	0.31	0.13
Other 1-4 family residential	0.83	1.06	0.81	0.80	0.84	0.79	0.55	1.46	0.52	0.96	0.73
Commercial and industrial loans	2.51	1.92	1.44	1.63	2.84	3.65	2.18	2.26	1.32	1.40	1.57
Loans to individuals	1.29	1.01	0.88	0.84	1.41	1.90	0.84	0.69	1.56	0.68	0.98
Credit card loans	1.93	1.51	2.97	1.84	1.91	2.13	2.17	1.64	2.16	0.80	1.54
Other loans to individuals	0.95	1.00	0.62	0.52	1.08	1.74	0.55	0.51	0.78	0.66	0.34
All other loans and leases (including farm)	0.71	1.27	1.25	0.74	0.65	0.76	0.46	0.71	0.77	1.43	0.75
Total loans and leases	1.17	1.21	0.93	0.93	1.26	1.59	0.88	1.31	0.93	1.04	0.81
Percent of Loans Charged-off (net, YTD)											
All real estate loans	0.11	0.07	0.07	0.10	0.12	0.07	0.09	0.25	0.07	0.13	0.05
Construction and development	0.12	0.11	0.09	0.12	0.14	0.05	0.09	0.18	0.12	0.17	0.08
Commercial real estate	0.12	0.07	0.08	0.15	0.15	0.07	0.07	0.27	0.07	0.10	0.11
Multifamily residential real estate	0.02	0.11	0.03	0.00	0.02	0.01	0.02	0.03	0.02	0.09	0.01
Home equity loans	0.16	0.06	0.04	0.11	0.18	0.04	0.14	0.30	0.15	0.20	0.06
Other 1-4 family residential	0.09	0.07	0.07	0.08	0.10	0.04	0.08	0.26	0.06	0.14	0.03
Commercial and industrial loans	1.30	0.63	0.68	0.94	1.47	1.61	1.17	1.23	0.71	0.77	1.36
Loans to individuals	2.94	0.85	1.87	2.37	3.19	3.55	2.18	1.77	3.82	1.11	3.70
Credit card loans	5.71	4.34	9.89	6.69	5.49	5.71	7.68	5.04	5.79	2.50	5.45
Other loans to individuals	1.41	0.76	0.81	0.93	1.62	1.90	1.04	1.16	0.58	0.86	1.84
All other loans and leases (including farm)	0.44	0.32	0.40	0.39	0.45	0.49	0.32	0.50	0.30	0.51	0.38
Total loans and leases	0.80	0.30	0.30	0.50	0.90	1.20	0.60	0.70	1.00	0.40	0.60
Loans Outstanding (in billions)											
All real estate loans	$3,124.9	$89.7	$551.4	$542.4	$1,941.4	$705.1	$704.0	$616.0	$163.8	$237.6	$698.5
Construction and development	263.7	8.6	68.2	60.5	126.4	31.1	78.6	61.3	15.9	37.3	39.5
Commercial real estate	665.7	24.9	193.0	157.0	290.8	132.6	161.2	147.5	43.9	72.9	107.6
Multifamily residential real estate	147.6	2.2	24.8	35.4	85.2	37.4	18.9	27.7	5.2	6.5	51.9
Home equity loans	314.9	2.9	30.7	37.4	243.9	67.5	76.5	87.0	8.9	15.9	59.0
Other 1-4 family residential	1,654.0	40.8	216.2	246.4	1,150.5	403.9	359.5	282.2	77.2	95.1	436.1
Commercial and industrial loans	931.5	20.9	104.8	117.8	687.9	299.9	197.7	218.8	45.9	59.8	109.4
Loans to individuals	772.3	14.6	60.3	96.4	601.0	298.7	133.9	125.2	55.2	43.3	116.1
Credit card loans	266.6	0.3	6.6	23.8	235.9	122.6	24.2	20.6	31.3	6.6	61.3
Other loans to individuals	505.7	14.3	53.7	72.6	365.1	176.1	109.6	104.6	23.9	36.6	54.8
All other loans and leases (including farm)	508.1	14.9	30.7	39.4	423.0	194.6	98.5	120.1	43.2	17.4	34.3
Total loans and leases	5,336.9	140.2	747.3	796.1	3,653.4	1,498.3	1,134.1	1,080.1	308.1	358.0	958.3
Memo: Other Real Estate Owned (in millions)											
All other real estate owned	5,513.8	374.2	1,475.4	981.6	2,682.6	750.3	1,210.3	1,376.5	437.4	889.6	849.6
Construction and development	691.8	53.5	250.0	167.6	220.8	36.6	131.7	151.2	91.1	184.1	97.1
Commercial real estate	1,967.6	150.2	664.3	486.5	666.6	276.6	496.4	354.7	181.1	345.2	313.6
Multifamily residential real estate	128.3	11.5	39.1	29.6	48.2	9.5	40.6	20.9	8.7	39.9	8.7
1-4 family residential	2,516.2	134.8	463.9	301.6	1,615.8	320.5	529.6	837.2	135.0	291.4	402.5
Farmland	108.2	24.5	59.1	7.3	17.3	1.9	13.7	12.8	22.9	29.9	27.0

* See page 9 for explanations.

** 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.

Insurance Fund Indicators

- ***Third Quarter Deposit Growth Is Flat***
- ***BIF Reserve Ratio Rises 2 Basis Points to 1.31 Percent***
- ***SAIF Reserve Ratio Increases 1 Basis Point to 1.40 Percent***

Total deposits held by insured institutions increased by only 0.1 percent ($6.4 billion) during the third quarter, as domestic deposits decreased by 0.15 percent ($7.7 billion), and foreign office deposits increased by 2.1 percent ($14.1 billion). The domestic deposit decline was driven by decreased demand deposits (–$46.2 billion) and time deposits under $100 thousand (–$18.0 billion). These decreases were partially offset by increases in money market deposit accounts (+$41.9 billion) and other savings deposits (+$8.9 billion). During the first nine months of 2003, deposits held by insured institutions rose by 5.1 percent ($282.6 billion), as domestic deposits increased by 5.1 percent ($248.4 billion), and foreign office deposits grew by 5.2 percent ($34.1 billion).

Deposits insured by the FDIC decreased by 0.1 percent ($3.1 billion) during the third quarter of 2003. This was the first decrease since the first quarter of 1999 when insured deposits dropped by 0.7 percent ($19.4 billion). Deposits insured by the Bank Insurance Fund (BIF) totaled $2.5 trillion on September 30, 2003, unchanged from the previous quarter. During the third quarter, the BIF increased by 2.0 percent ($662 million) to $33.46 billion (unaudited). More than four fifths of the increase to the BIF ($543 million) came from reducing reserves previously set aside for future estimated failure costs. The BIF was reduced $45 million by unrealized losses on available-for-sale securities, and was increased by $164 million (net of expenses) from interest on securities, insurance assessments, and other revenue. The increase to the BIF and the flat deposit growth pushed the reserve ratio of the Bank Insurance Fund to 1.31 percent, two basis points higher than the previous quarter, 6 basis points higher than the previous year, and the largest year-to year increase in 24 quarters.

Deposits insured by the Savings Association Insurance Fund (SAIF) decreased by 0.45 percent in the third quarter to $867.6 billion. This was the first quarterly decrease in SAIF-insured deposits since the second quarter of 1999. The balance of the SAIF was $12.19 billion (unaudited) on September 30, 2003, up $103 million during the quarter. The reserve ratio of the SAIF was 1.40 percent at the end of the third quarter, one basis point higher than three months earlier.

There were no failures of FDIC insured institutions during the third quarter of 2003. During the first nine months of 2003, two institutions failed; both were BIF-members. At the time of failure these institutions had $1.1 billion in assets with estimated loss to the insurance fund of $100 million.

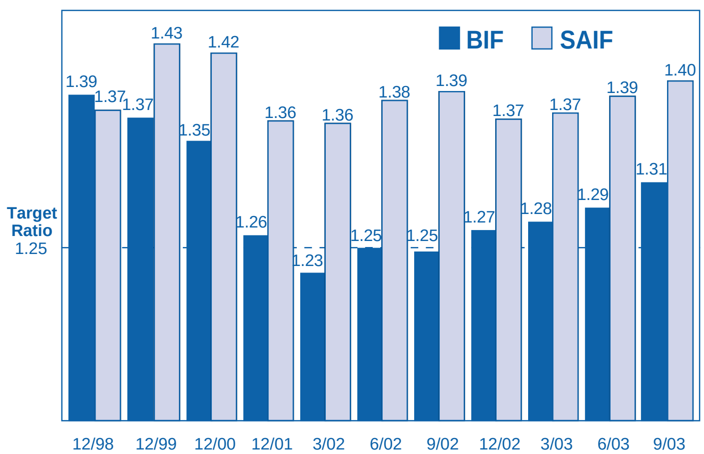
Changes in Insurance Fund Balances

(dollar figures in millions)	Bank Insurance Fund							Savings Association Insurance Fund						
	3rd Qtr. 2003	2nd Qtr. 2003	1st Qtr. 2003	4th Qtr. 2002	3rd Qtr. 2002	2nd Qtr. 2002	1st Qtr. 2002	3rd Qtr. 2003	2nd Qtr. 2003	1st Qtr. 2003	4th Qtr. 2002	3rd Qtr. 2002	2nd Qtr. 2002	1st Qtr. 2002
Beginning Fund Balance	**$32,800**	**$32,382**	**$32,050**	**$31,383**	**$31,187**	**$30,697**	**$30,439**	**$12,083**	**$11,906**	**$11,747**	**$11,586**	**$11,323**	**$11,049**	**$10,935**
Unrealized Gain (Loss) on Available-For-Sale Securities	–45	38	103	–72	433	183	22	–16	13	33	–26	147	61	10
Provision for Insurance Losses	–543	–133	–6	–497	447	–19	–18	–26	–45	–21	–70	–4	–79	–3
All Other Income, Net of Expenses	164	247	223	242	210	288	218	93	119	105	117	112	134	101
Total Fund Balance Change	662	418	332	667	196	490	258	103	177	159	161	263	274	114
Ending Fund Balance	**$33,462**	**$32,800**	**$32,382**	**$32,050**	**$31,383**	**$31,187**	**$30,697**	**$12,186**	**$12,083**	**$11,906**	**$11,747**	**$11,586**	**$11,323**	**$11,049**

TABLE I-B. Selected Insurance Fund Indicators*

(dollar figures in millions)	3rd Quarter 2003	2nd Quarter 2003	3rd Quarter 2002	%Change 02:3-03:3
Bank Insurance Fund				
Reserve ratio (%)	1.31	1.29	1.25	5.2
Fund Balance	$33,462	32,800	31,383	6.6
Estimated insured deposits	2,547,889	2,547,109	2,513,160	1.4
SAIF-member Oakars	102,116	100,398	90,087	13.4
BIF-members	2,445,773	2,446,711	2,423,073	0.9
Assessment base	4,090,423	4,085,149	3,769,397	8.5
SAIF-member Oakars	105,840	103,674	91,770	15.3
BIF-members	3,984,583	3,981,475	3,677,627	8.3
Savings Association Insurance Fund				
Reserve ratio (%)	1.40	1.39	1.39	1.0
Fund Balance	$12,186	12,083	11,586	5.2
Estimated insured deposits	867,562	871,477	833,029	4.1
BIF-member Oakars	391,866	393,601	354,919	10.4
SAIF-member Sassers	94,310	92,550	93,067	1.3
Other SAIF members	381,386	385,326	385,042	-0.9
Assessment base	1,054,730	1,037,914	954,539	10.5
BIF-member Oakars	395,959	399,185	359,793	10.1
SAIF-member Sassers	118,850	115,187	113,860	4.4
Other SAIF members	539,922	523,542	480,887	12.3

Insurance Fund Reserve Ratios*
Percent of Insured Deposits



Fund Balances and Insured Deposits*
($Millions)

	BIF Balance	BIF-Insured Deposits	SAIF Balance	SAIF-Insured Deposits
12/98	29,612	2,134,425	9,840	716,029
12/99	29,414	2,151,454	10,281	717,591
12/00	30,975	2,299,932	10,759	755,156
12/01	30,439	2,409,566	10,935	801,171
3/02	30,697	2,495,498	11,049	810,902
6/02	31,187	2,490,954	11,323	818,806
9/02	31,383	2,513,160	11,586	833,029
12/02	32,050	2,527,927	11,747	859,694
3/03	32,282	2,531,307	11,906	867,908
6/03	32,800	2,547,109	12,083	871,477
9/03	33,462	2,547,889	12,186	867,562

* 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. Only year end fund balances are audited by GAO. Fund balances for the most recent period are unaudited. BIF-insured deposit totals include U.S. branches of foreign banks.

TABLE II-B. Closed / Assisted Institutions

(dollar figures in millions)	2003**	2002**	2002	2001	2000	1999	1998
BIF Members							
Number of institutions	2	7	10	3	6	7	3
Total assets	$1088	$2403	$2508	$54	$378	$1490	$371
SAIF Members							
Number of institutions	0	1	1	1	1	1	0
Total assets	$0	$50	$50	$2200	$30	$71	$0

** Through September 30.

TABLE III-B. Selected Indicators, By Fund Membership*

(dollar figures in millions)	2003**	2002**	2002	2001	2000	1999	1998
BIF Members							
Number of institutions reporting	8,043	8,171	8,125	8,326	8,571	8,834	9,031
BIF-member Oakars	806	790	801	766	743	744	745
Other BIF-members	7,237	7,381	7,324	7,560	7,828	8,090	8286
Total assets	$7,758,900	$7,186,677	$7,335,938	$6,857,284	$6,510,744	$5,980,128	$5,702,872
Total deposits	5,095,393	4,700,106	4,854,895	4,567,608	4,337,665	3,987,340	3,843,779
Net income	78,809	70,484	92,655	76,500	73,430	73,948	64,451
Return on assets (%)	1.39	1.36	1.32	1.14	1.18	1.29	1.18
Return on equity (%)	15.12	14.70	14.34	12.91	13.86	15.11	13.82
Noncurrent assets plus OREO to assets (%)	0.78	0.95	0.91	0.90	0.72	0.62	0.64
Number of problem institutions	103	123	116	90	74	66	68
Assets of problem institutions	$29,371	$34,500	$32,176	$31,881	$10,787	$4,450	$5,326
Number of failed/assisted institutions	2	8	10	3	6	7	3
Assets of failed/assisted institutions	$1,088	$2,413	$2,508	$54	$378	$1,490	$371
SAIF Members							
Number of institutions reporting	1,194	1,244	1,229	1,287	1,333	1,387	1,432
SAIF-member Oakars	138	133	133	130	123	123	116
Other SAIF-members	1,056	1,111	1,096	1,157	1,210	1,264	1316
Total assets	$1,186,834	$1,086,232	$1,099,966	$1,011,737	$952,161	$903,532	$828,177
Total deposits	755,677	691,863	713,599	621,825	577,100	550,703	542,481
Net income	10,985	9,696	12,463	10,623	8,070	8,450	7,568
Return on assets (%)	1.28	1.22	1.17	1.11	0.89	0.99	0.98
Return on equity (%)	14.18	13.93	12.79	13.46	11.12	11.97	11.29
Noncurrent assets plus OREO to assets (%)	0.71	0.74	0.79	0.75	0.65	0.64	0.80
Number of problem institutions	13	23	20	24	20	13	16
Assets of problem institutions	$933	$7,551	$6,751	$7,923	$13,053	$5,524	$5,992
Number of failed/assisted institutions	0	1	1	1	1	1	0
Assets of failed/assisted institutions	$0	$50	$50	$2,200	$30	$71	$0

* Excludes insured branches of foreign banks (IBAs).
** Through September 30, ratios annualized where appropriate

TABLE IV-B. Estimated FDIC-Insured Deposits by Fund Membership and Type of Institution

(dollar figures in millions) **September 30, 2003**	Number of Institutions	Total Assets	Domestic Depostis*	Estimated Insured Deposits BIF	SAIF	Total
Commercial Banks and Savings Institutions						
FDIC-Insured Commercial Banks	7,812	7,474,311	4,224,399	2,281,571	409,569	2,691,141
BIF-member	7,700	7,300,861	4,109,980	2,247,158	354,501	2,601,660
SAIF-member	112	173,450	114,419	34,413	55,068	89,481
FDIC-Supervised	4,832	1,346,239	995,177	626,537	86,484	713,021
OCC-Supervised	2,031	4,202,114	2,295,687	1,218,563	234,787	1,453,350
Federal Reserve-Supervised	949	1,925,959	933,535	436,471	88,298	524,769
FDIC-Insured Savings Institutions	1,425	1,471,423	934,489	265,062	457,993	723,055
OTS-Supervised Savings Institutions	936	1,101,886	673,376	125,012	388,983	513,995
BIF-member	42	156,082	80,274	60,323	7,597	67,920
SAIF-member	894	945,804	593,102	64,689	381,386	446,075
FDIC-Supervised State Savings Banks	489	369,537	261,112	140,050	69,010	209,060
BIF-member	301	301,958	213,369	137,036	29,768	166,804
SAIF-member	188	67,579	47,743	3,014	39,242	42,256
Total Commercial Banks and Savings Institutions	9,237	8,945,735	5,158,888	2,546,633	867,562	3,414,196
BIF-member	8,043	7,758,900	4,403,623	2,444,517	391,866	2,836,383
SAIF-member	1,194	1,186,834	755,265	102,116	475,696	577,812
Other FDIC-Insured Institutions						
U.S. Branches of Foreign Banks	15	9,925	5,205	1,256	0	1,256
Total FDIC-Insured Institutions	9,252	8,955,659	5,164,093	2,547,889	867,562	3,415,452

* Excludes $692 billion in foreign office deposits, which are uninsured.

TABLE V-B. Assessment Base Distribution and Rate Schedule

BIF Assessment Base Distribution
Assessable Deposits in Billions as of September 30, 2003
Supervisory and Capital Ratings for First Semiannual Assessment Period, 2004

Capital Group	Supervisory Risk Subgroup					
	A		B		C	
1. Well-capitalized						
Number of institutions	7,400	91.8	470	5.8	82	1.0
Assessable deposit base	$3,939	96.3	$119	2.9	$18	0.4
2. Adequately capitalized						
Number of institutions	82	1.0	8	0.1	13	0.2
Assessable deposit base	$11	0.3	$1	0.0	$2	0.1
3. Undercapitalized						
Number of institutions	0	0.0	2	0.0	1	0.0
Assessable deposit base	$0	0.0	$0	0.0	$0	0.0

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.

SAIF Assessment Base Distribution
Assessable Deposits in Billions as of September 30, 2003
Supervisory and Capital Ratings for First Semiannual Assessment Period, 2004

Capital Group	Supervisory Risk Subgroup					
	A		B		C	
1. Well-capitalized						
Number of institutions	1,092	91.5	81	6.8	13	1.1
Assessable deposit base	$1,019	96.6	$34	3.2	$1	0.1
2. Adequately capitalized						
Number of institutions	4	0.3	1	0.1	3	0.3
Assessable deposit base	$1	0.1	$0	0.0	$0	0.0
3. Undercapitalized						
Number of institutions	0	0.0	0	0.0	0	0.0
Assessable deposit base	$0	0.0	$0	0.0	$0	0.0

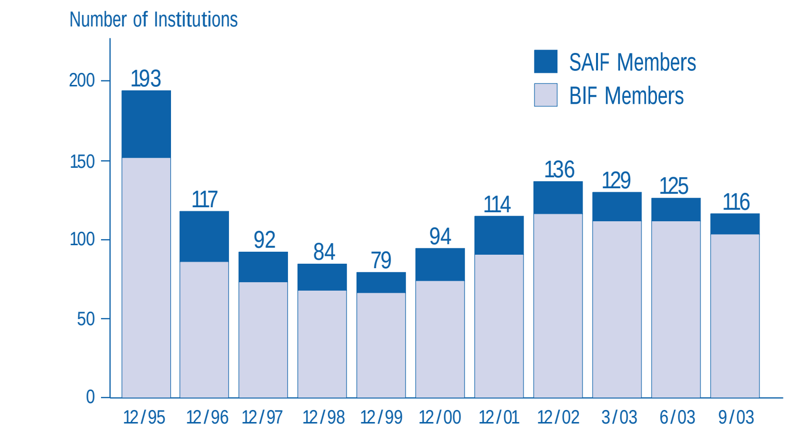
NOTE: "Number" reflects the number of SAIF members; "Base" reflects the SAIF-assessable deposits held by both BIF and SAIF members. Institutions are categorized based on capitalization and a supervisory subgroup rating, which is generally determined by on-site examinations.

Assessment Rate Schedule
First Semiannual 2004 Assessment Period
Cents per $100 of Assessable Deposits

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

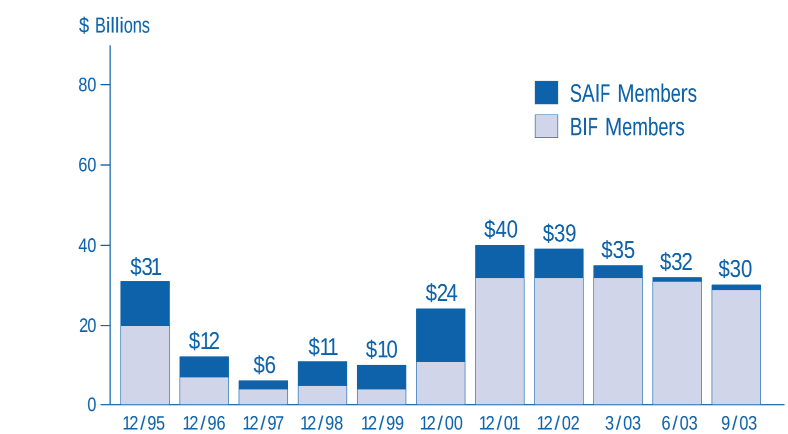
NOTE: Rates for the BIF and the SAIF are set separately by the FDIC. Currently, the rate schedules are identical.

Number of FDIC-Insured "Problem" Institutions, 1995–2003



	12/95	12/96	12/97	12/98	12/99	12/00	12/01	12/02	3/03	6/03	9/03
SAIF Members	42	31	19	16	13	20	24	20	18	14	13
BIF Members	151	86	73	68	66	74	90	116	111	111	103

Assets of FDIC-Insured "Problem" Institutions, 1995–2003



	12/95	12/96	12/97	12/98	12/99	12/00	12/01	12/02	3/03	6/03	9/03
SAIF Members	11	6	2	6	6	13	8	7	3	1	1
BIF Members	20	7	5	5	4	11	32	32	32	31	29

Notes To Users

This publication contains financial data and other information for depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). These notes are an integral part of this publication and provide information regarding the comparability of source data and reporting differences over time.

Tables I-A through V-A.

The information presented in Tables I-A through V-A of the *FDIC Quarterly Banking Profile* is aggregated for all FDIC-insured Institutions, both commercial banks and savings institutions. Some tables are arrayed by groups of FDIC-insured institutions based on predominant types of asset concentration, while other tables aggregate institutions by asset size and geographic region. Quarterly and full-year data are provided for selected indicators, including aggregate condition and income data, performance ratios, condition ratios and structural changes, as well as past due, noncurrent and charge-off information for loans outstanding and other assets.

Tables I-B through V-B.

A separate set of tables(Tables I-B through V-B) provides quarterly and annual data related to the bank (BIF) and savings association (SAIF) insurance funds, closed/assisted institutions, and assessments.

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.

ACCOUNTING CHANGES

FASB Interpretation No. 45 — In November 2002, the FASB issued Interpretation No. 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others*. This interpretation clarifies that a guarantor is required to recognize, at the inception of a guarantee (financial standby letters of credit, performance standby letters of credit), a liability for the fair value of the obligation undertaken in issuing the guarantee. Banks apply the initial recognition and measurement provisions of Interpretation No. 45 on a prospective basis to guarantees issued or modified after December 31, 2002, irrespective of the bank's fiscal year end. A bank's previous accounting for guarantees issued prior to January 1, 2003, is not revised.

FASB Interpretation No. 46 — The FASB issued Interpretation No. 46, *Consolidation of Variable Interest Entities*, in January 2003. Most small banks are unlikely to have any "variable interests" in variable interest entities. Banks with variable interests in variable interest entities created after January 31, 2003, must apply the provisions of Interpretation No. 46 to those entities immediately. A bank that is a public company, or a subsidiary of a public company, and has a variable interest in a variable interest entity created before February 1, 2003, must apply the provisions of Interpretation No. 46 to that entity no later than the beginning of the first interim or annual reporting period beginning after September 15, 2003. A bank that is neither a public company nor a subsidiary of a public company, but has a variable interest in a variable interest entity created before February 15, 2003, must apply the provisions of Interpretation No. 46 to that entity no later than the end of the first annual reporting period beginning after June 15, 2003.

Goodwill and intangible assets — FAS 141 terminates the use of pooling-of-interest accounting for business combinations after 2001 and requires purchase accounting. Under FAS 142 amortization of goodwill is eliminated. Only intangible assets other than goodwill are amortized each quarter. In addition companies are required to test for impairment of both goodwill and other intangibles once each fiscal year. The year 2002, the first fiscal year affected by this accounting change, has been designated a transitional year and the amount of initial impairments are to be recorded as extraordinary losses on a "net of tax" basis (and not as noninterest expense). Subsequent annual review of intangibles and goodwill impairment may require additional noninterest expense recognition. FASB Statement No. 147 clarifies that acquisitions of financial institutions (except transactions between two or more mutual enterprises), including branch acquisitions that meet the definition of a business combination, should be accounted for by the purchase method under FASB Statement No. 141. This accounting standard includes transition provisions that apply to unidentifiable intangible assets previously accounted for in accordance with FASB Statement No. 72. If the transaction (such as a branch acquisition) in which an unidentifiable intangible asset arose does not meet the definition of a business combination, this intangible asset is not be reported as "Goodwill" on the Call Report balance sheet. Rather, this unidentifiable intangible asset is reported as "Other intangible assets," and must continue to be amortized and the amortization expense should be reported in the Call Report income statement.

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.

Assets securitized and sold — total outstanding principal balance of assets sold and securitized with servicing retained or other seller-provided credit enhancements.

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.

Domestic deposits to total assets — total domestic office deposits as a percent of total assets on a consolidated basis.

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 total domestic deposits minus estimated uninsured deposits. While 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 was adjusted to consider a financial institution's better estimate. Since March 31, 2002, all institutions provide a reasonable estimate of uninsured deposits from their systems and records.

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 and 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 loans to total assets — loans and lease financing receivables, net of unearned income, allowance and reserves, as a percent of total assets on a consolidated basis.

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. Between March 31, 2001 and March 31, 2003 reserves for losses did not include the allocated transfer risk reserve, which was 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.

Retained earnings — net income less cash dividends on common and preferred stock for the reporting period.

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.

Trust assets — market value, or other reasonably available value of fiduciary and related assets, to include marketable securities, and other financial and physical assets. Common physical assets held in fiduciary accounts include real estate, equipment, collectibles, and household goods. Such fiduciary assets are not included in the assets of the financial institution.

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.

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The ***FDIC Quarterly Banking Profile*** is available on-line by visiting the FDIC's website at www.fdic.gov. Comparable financial data for individual institutions can now be obtained from the FDIC's Institution Directory (I.D.) System on this web site.

Chairman	Donald E. Powell
Director, Division of Insurance and Research	Arthur J. Murton
Media Inquiries	(202) 898-6993
Authors	Don Inscoe Associate Director, Statistics Branch (202) 898-3940
	Kevin Brown (202) 898-6817
	Ross Waldrop (202) 898-3951