



HOST STATE LOAN-TO-DEPOSIT RATIOS

FIL-41-2003
May 22, 2003

TO: CHIEF EXECUTIVE OFFICER (also of interest to Compliance Officer)
SUBJECT: 2003 Host State Loan-to-Deposit Ratios
Summary: *The federal banking agencies have issued the host state loan-to-deposit ratios for 2003.*

Section 109 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (Riegle-Neal Act) prohibits any bank from establishing or acquiring a branch outside of its home state primarily for the purpose of deposit production. Pursuant to the Gramm-Leach-Bliley Act of 1999, this prohibition applies to any bank branch controlled by an out-of-state bank holding company. As part of the test for compliance with Section 109, a bank's statewide loan-to-deposit ratio is compared to the appropriate host state's loan-to-deposit ratio.

The Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Board, and the Office of the Comptroller of the Currency have issued the 2003 host state loan-to-deposit ratios that the agencies will use to determine compliance with Section 109. Attached is the joint press release dated May 22, 2003, that announces the host state loan-to-deposit ratios for 2003.

For more information, please contact Louise Kotoshirodo Kramer, Policy Analyst in the FDIC's Division of Supervision and Consumer Protection, at (202) 898-6615.

This Financial Institution Letter (FIL) supersedes FIL-70-2002, dated June 24, 2002. FDIC Financial Institution Letters may be accessed from the FDIC's Web site at <http://www.fdic.gov/news/news/financial/2003/index.html>.

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Director

Attachment: [Banking Agencies Issue Host State Loan-to-Deposit Ratios](#)
Distribution: FDIC-Supervised Banks (Commercial and Savings)