The FDIC Quarterly Banking Profile

Donald E. Powell, Chairman

First Quarter 2002

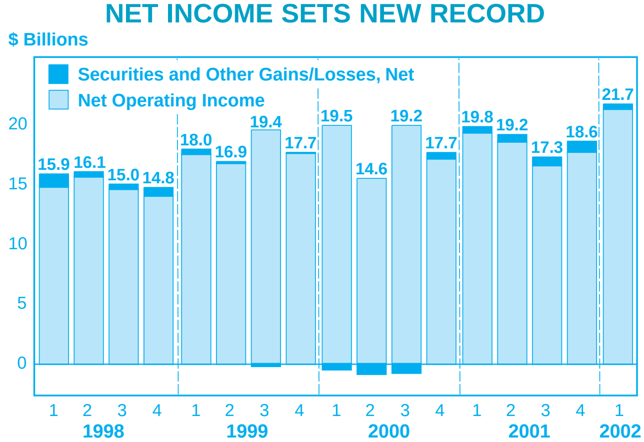
COMMERCIAL BANK PERFORMANCE — FIRST QUARTER 2002

- *Bank Earnings Rise To New Record Of $21.7 Billion*
- *Net Interest Margin Improvement At Large Banks Gives Lift To Profits*
- *Asset-Quality Weaknesses Continue To Grow*
- *Contraction In Industry's Loan Portfolio Is First In Five Years*

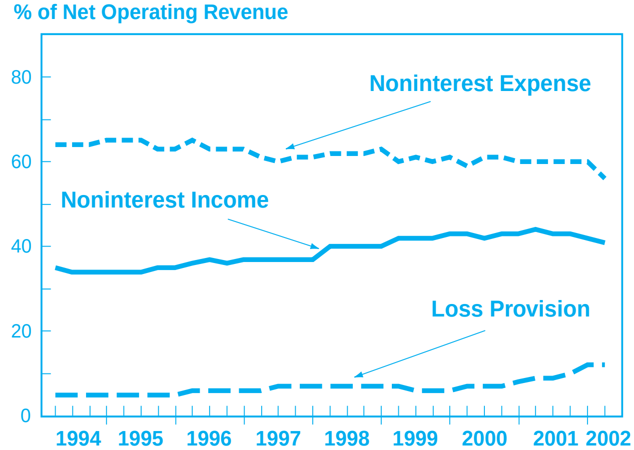
Industry Earnings Surpass $20-Billion Mark For First Time

Wider net interest margins at large banks, combined with slow growth in noninterest expenses, helped propel commercial bank profits to a record $21.7 billion in the first quarter. Banks achieved the record results despite the drag on earnings from rising expenses for loan losses and lower gains on sales of securities. This is the first time that the industry's quarterly earnings have surpassed $20 billion, and easily eclipses the previous record of $19.8 billion, set in the first quarter of last year. While the largest improvements in profitability occurred at large banks, the trend toward improvement was relatively widespread. A majority of banks (55.1 percent) reported higher returns on assets (ROAs) than in the first quarter of 2001, almost two-thirds of all banks (64.0 percent) reported higher net income than a year ago, and only 6.7 percent of all banks reported quarterly losses, compared to 7.0 percent a year earlier. The quarter's ROA of 1.33 percent is the third-highest quarterly ROA ever reported by the industry.

NET INCOME SETS NEW RECORD



NONINTEREST EXPENSES ABSORB A SMALLER SHARE OF NET OPERATING REVENUE



Net Interest Income Growth Is Key to Earnings Strength

Net income was $1.9 billion (9.6 percent) higher than a year earlier, largely because of a $6.8-billion (13.1-percent) rise in net interest income. Noninterest income grew by only $1.3 billion (3.3 percent), but this growth outstripped the $1.1-billion (2.0-percent) rise in noninterest expenses. Extraordinary losses were $213 million (64.0 percent) lower than a year ago, giving a boost to pre-tax earnings. Among the items that held down earnings, provisions for loan losses were up by $3.7 billion (46.5 percent),

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and gains on securities sales were $481 million (41.1 percent) lower than in the first quarter of 2001. Net income from banks' international operations was $584 million (26.4 percent) lower than a year ago.

Market-Sensitive Revenues Exhibit Weakness

Noninterest income was boosted by higher securitization income (up $1.1 billion, or 30.1 percent), increased service charges on deposit accounts (up $867 million, or 14.1 percent), higher servicing fees (up $682 million, or 23.9 percent), and increased gains on loan sales (up $849 million, or 87.5 percent). The 3.3-percent increase in noninterest revenues compared to a year ago was an improvement over the two previous quarters, but was modest by historical standards. Noninterest income growth was slowed by lower market-sensitive revenues, including trading revenues (down $834 million, or 20.9 percent from a year ago), investment banking income (down $103 million, or 4.7 percent), and venture capital revenue (down $101 million, or 73.2 percent). Proceeds from sales of non-loan assets were $1.1 billion lower than in the first quarter of 2001.

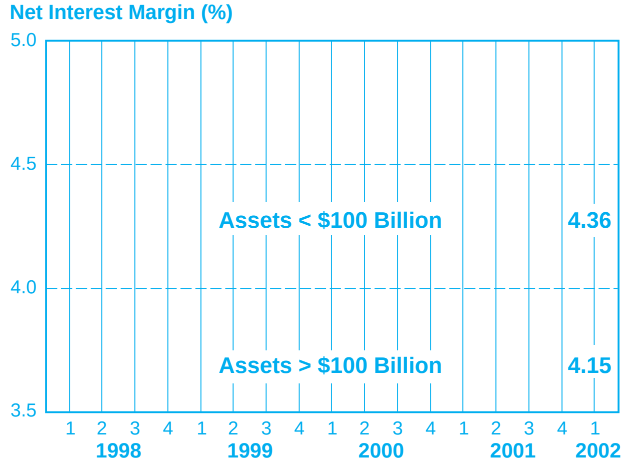
Net Interest Margin Reaches Highest Level in More than Four Years

The industry's net interest margin rose to 4.19 percent in the first quarter, from 4.15 percent in the fourth quarter and 3.83 percent in the first quarter of last year. This is the highest margin since the third quarter of 1997. Back then, however, average margins at banks with less than $100 million in assets were more than 50 basis points higher than they are now (4.78 percent, vs. 4.26 percent), while margins at banks with more than $10 billion in assets were almost 30 basis points lower (3.84 percent vs. 4.12 percent). Slightly more than half of all banks (52.1 percent) reported higher margins than a year ago. While the industry's margin has improved in each of the last four quarters, by a total of 36 basis points, the average margin at banks with less than $100 million in assets has remained flat.

C&I Loans, Credit Cards Lead Rise in Loan Losses

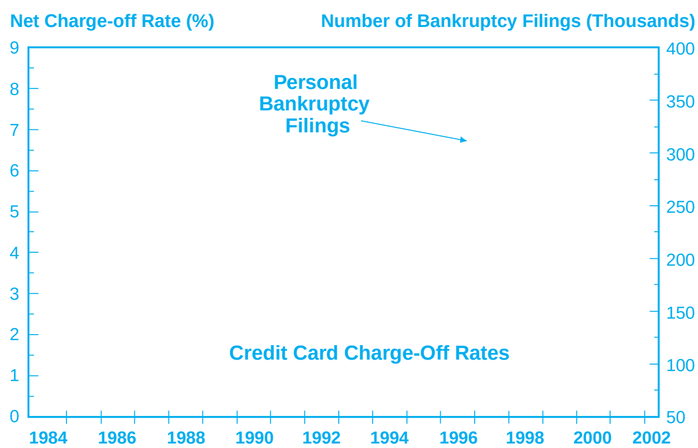
Net charge-offs totaled $11.1 billion in the first quarter, down from $12.8 billion in the fourth quarter, but $4.1 billion (59.5 percent) higher than a year ago. Credit-card charge-offs were higher than charge-offs of commercial and industrial (C&I) loans, but losses on credit cards were inflated by one-time charges related to restructurings and loan sales.

GAP BETWEEN LARGE AND SMALL BANK MARGINS CONTINUES TO NARROW



Losses on commercial and industrial loans continued to increase; C&I charge-offs were $1.2 billion (49.2 percent) above the level of a year ago. Charge-offs of C&I loans to non-U.S. borrowers rose by $243 million (160.9 percent). Charge-offs of credit-card loans jumped sharply in the first quarter, to $4.9 billion, from $3.5 billion in the fourth quarter and $2.6 billion in the first quarter of 2001. Three out of four specialized credit-card lenders registered increases in charge-offs. Consumer loans other than credit cards had a $391-million (36.2-percent) increase in charge-offs, while charge-offs of leases were $143 million (72.6 percent) higher than a year ago. Other loan categories (real estate construction loans, residential mortgages, commercial real estate loans, loans to depository institutions) had modest increases in charge-offs compared to year-earlier levels. Fewer than half of all banks — 47.4 percent — reported higher overall net charge-off rates in the first quarter than in the first quarter of 2001.

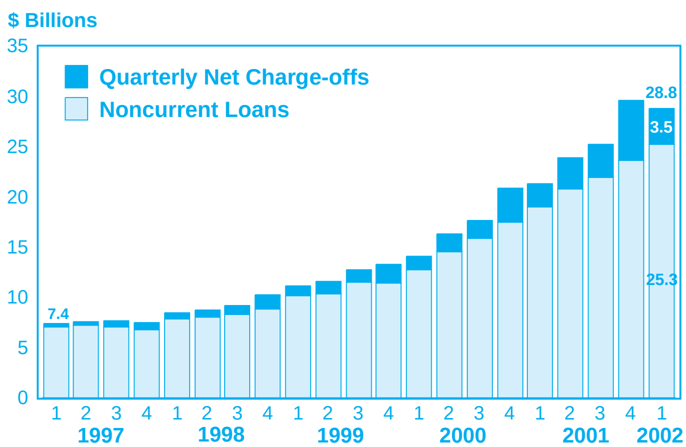
CREDIT CARD LOSS RATES AND PERSONAL BANKRUPTCY FILINGS STAY ON RECORD PACE



Noncurrent Loans to Non-U.S. Borrowers Increased During the Quarter

Noncurrent loans continued to increase, led by growth in noncurrent C&I loans. Noncurrent C&I loans increased by $1.6 billion during the quarter, representing almost three-quarters of the $2.2-billion increase in total noncurrent loans. Non-U.S. C&I customers accounted for $921 million — more than half — of this increase. Roughly one out of three banks (31.9 percent) reported an increase in noncurrent C&I loans during the quarter, but these banks collectively held more than two-thirds (69.5 percent) of the industry's total C&I loans. At the end of March, 2.61 percent of banks' C&I loans were noncurrent, the highest level since the middle of 1993. C&I loans now comprise 44.2 percent of all noncurrent loans at commercial banks, compared to 41.2 percent a year ago and 42.9 percent at the beginning of the quarter. The largest relative increase in noncurrent loans during the quarter occurred in loans to foreign governments and official institutions, which rose from $31 million to $325 million (948 percent), as the noncurrent rate rose from 0.42 percent to 5.08 percent.

C&I LOAN CHARGE-OFFS DECLINE, BUT NONCURRENT C&I LOANS ARE STILL GROWING



Reserves Keep Pace With Noncurrent Loans

Banks' reserves continued to grow strongly during the first quarter, increasing by $2.7 billion, following a $3.9-billion increase in the fourth quarter. The industry's ratio of reserves to loans increased for the sixth consecutive quarter, from 1.85 percent to 1.92 percent. However, the increase in noncurrent loans during the quarter meant that the industry's "coverage ratio" remained unchanged at $1.31 in reserves for every $1.00 of noncurrent loans. Equity capital increased by $7.4 billion, the smallest increase since the third quarter of 1999, but a $64.8-billion decline in commercial bank assets during the quarter helped the industry's equity-to-assets ratio rise from 9.09 percent to 9.30 percent. Retained earnings fell to $2.2 billion from $6.4 billion a year earlier, as banks paid a record $19.6 billion in dividends in the first quarter.

Loans Decline for First Time in Five Years

The decline in assets in the first quarter was mainly the result of a seasonal decline in balances due from depository institutions at a few large banks, but it received reinforcement from the first quarterly decline in total loans since the first quarter of 1997. A majority of banks had increases in both loans and assets during the quarter. The industry's holdings of C&I loans fell by $16.7 billion during the quarter (including a $9.2-billion decline in loans to non-U.S. borrowers), the fifth consecutive quarter that C&I loans have declined. During this time, C&I loans have dropped by $84.2 billion (8.0 percent). Other loan categories that registered declines during the first quarter include: residential mortgage loans, down $18.0 billion, consumer loans other than credit cards, down $4.8 billion, and agricultural production loans, down $2.7 billion. Growth in construction loans slowed for the fourth quarter in a row. The 0.7-percent increase in the first quarter was the smallest since the fourth quarter of 1994. Mortgage-backed securities increased by a modest $2.3 billion during the quarter, while U.S. Treasury securities ended a string of 11 consecutive quarterly declines, growing by $5.6 billion in the first quarter.

Savings Deposits Continue to Grow Strongly

With lower levels of assets and with equity providing a higher share of funding, total deposits of commercial banks declined by $39.4 billion during the quarter. The share of total asset funding that is provided by deposits remained unchanged at 66.9 percent. Deposits in foreign offices fell by $26.0 billion, while domestic deposits declined by $13.4 billion. In domestic offices, demand deposits declined by $81.1 billion, time deposits fell by $17.2 billion, and savings deposits increased by $84.8 billion.

The number of insured commercial banks reporting financial results declined from 8,080 to 8,005 during the first quarter. There were 17 new charters added during the quarter, while 86 banks were absorbed into other institutions through mergers. Six insured commercial banks failed in the first quarter, the largest number of bank failures in a quarter since the third quarter of 1994. The number of commercial banks on the FDIC's "Problem List" increased from 95 to 102 in the quarter, and assets of "problem" banks rose from $36 billion to $37 billion.

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

	2002*	2001*	2001	2000	1999	1998	1997
Return on assets (%)	1.33	1.26	1.15	1.19	1.31	1.19	1.23
Return on equity (%)	14.46	14.71	13.09	14.02	15.31	13.93	14.68
Core capital (leverage) ratio (%)	7.95	7.68	7.79	7.70	7.79	7.54	7.56
Noncurrent assets plus other real estate owned to assets (%)	0.97	0.79	0.92	0.74	0.63	0.65	0.66
Net charge-offs to loans (%)	1.14	0.73	0.94	0.67	0.61	0.67	0.64
Asset growth rate (%)	2.98	8.06	5.20	8.88	5.38	8.53	9.54
Net interest margin (%)	4.19	3.83	3.90	3.95	4.07	4.07	4.21
Net operating income growth (%)	10.56	-3.12	-1.63	1.80	20.40	2.24	12.46
Number of institutions reporting	8,005	8,238	8,080	8,315	8,579	8,773	9,142
Percentage of unprofitable institutions (%)	6.75	6.97	7.88	7.34	7.51	6.11	4.85
Number of problem institutions	102	78	95	76	66	69	71
Assets of problem institutions (in billions)	$37	$17	$36	$17	$4	$5	$5
Number of failed/assisted institutions	6	1	3	6	7	3	1

* 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 2002	4th Quarter 2001	1st Quarter 2001	%Change 01:1-02:1
Number of institutions reporting	8,005	8,080	8,238	-2.8
Total employees (full-time equivalent)	1,722,872	1,705,135	1,683,014	2.4
CONDITION DATA				
Total assets	$6,504,593	$6,569,348	$6,316,420	3.0
Loans secured by real estate	1,810,583	1,802,270	1,702,445	6.4
Commercial & industrial loans	966,844	983,539	1,045,525	-7.5
Loans to individuals	649,241	631,647	597,496	8.7
Farm loans	45,084	47,912	46,213	-2.4
Other loans & leases	425,406	433,400	442,453	-3.9
Less: Unearned income	3,844	3,110	2,790	37.8
Total loans & leases	3,893,313	3,895,658	3,831,342	1.6
Less: Reserve for losses	74,861	72,146	64,738	15.6
Net loans and leases	3,818,452	3,823,513	3,766,604	1.4
Securities	1,185,913	1,179,695	1,049,095	13.0
Other real estate owned	3,809	3,569	3,065	24.3
Goodwill and other intangibles	131,801	122,418	100,855	30.7
All other assets	1,364,613	1,440,154	1,396,800	-2.3
Total liabilities and capital	6,504,593	6,569,348	6,316,420	3.0
Noninterest-bearing deposits	805,659	873,152	722,748	11.5
Interest-bearing deposits	3,546,548	3,518,460	3,463,531	2.4
Other borrowed funds	1,135,547	1,130,498	1,144,609	-0.8
Subordinated debt	92,983	95,317	90,525	2.7
All other liabilities	319,076	354,543	347,489	-8.2
Equity capital	604,782	597,378	547,517	10.5
Loans and leases 30-89 days past due	49,063	53,287	47,281	3.8
Noncurrent loans and leases	57,198	55,018	46,115	24.0
Restructured loans and leases	1,881	1,551	1,148	63.9
Direct and indirect investments in real estate	259	264	277	-6.6
1-4 Family residential mortgages	960,541	966,285	926,956	3.6
Mortgage-backed securities	615,947	613,609	494,613	24.5
Earning assets	5,619,844	5,598,715	5,447,182	3.2
Long-term assets (5+ years)	1,324,888	1,342,549	1,160,815	14.1
Volatile liabilities	2,043,638	2,061,737	2,152,994	-5.1
Foreign office deposits	603,522	629,506	671,096	-10.1
FHLB Advances	204,013	198,761	179,619	13.6
Unused loan commitments	5,066,678	4,828,884	4,549,139	11.4
Derivatives	46,503,980	45,168,844	44,352,565	4.9

INCOME DATA	Full Year 2001	Full Year 2000	%Change	Preliminary 1st Quarter 2002	1st Quarter 2001	%Change 01:1-02:1
Total interest income	$402,913	$428,448	-6.0	$88,983	$109,695	-18.9
Total interest expense	187,715	224,488	-16.4	30,346	57,844	-47.5
Net interest income	215,198	203,960	5.5	58,637	51,851	13.1
Provision for loan and lease losses	43,151	30,011	43.8	11,652	7,954	46.5
Total noninterest income	157,167	153,453	2.4	41,467	40,155	3.3
Total noninterest expense	222,337	216,104	2.9	56,145	55,058	2.0
Securities gains (losses)	4,475	-2,283	N/M	690	1,171	-41.1
Applicable income taxes	36,872	37,981	-2.9	11,144	9,997	11.5
Extraordinary gains, net	-248	-32	N/M	-120	-333	N/M
Net income	74,232	71,002	4.6	21,732	19,836	9.6
Net charge-offs	36,492	24,786	47.2	11,113	6,969	59.5
Cash dividends	54,029	53,854	0.3	19,581	13,455	45.5
Net operating income	71,405	72,591	-1.6	21,377	19,335	10.6

N/M - Not meaningful

TABLE III-A. First Quarter 2002, FDIC-Insured Commercial Banks

		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 $10 Billion	Greater than $10 Billion	North-east	South-east	Central	Mid-west	South-west	West
Number of institutions reporting	8,005	4,437	3,177	310	81	636	1,378	1,712	2,082	1,328	869
Total assets (in billions)	$6,504.6	$221.1	$821.1	$896.7	$4,565.7	$2,224.9	$1,616.9	$1,297.7	$372.6	$276.5	$716.1
Total deposits (in billions)	4,352.2	187.8	671.1	610.3	2,883.1	1,413.5	1,125.1	840.0	251.8	226.6	495.3
Net income (in millions)	21,732	551	2,480	3,314	15,387	6,497	5,603	4,413	1,512	863	2,844
% of unprofitable institutions	6.7	10.2	2.5	2.3	2.5	10.5	8.3	4.7	4.4	6.2	12.0
% of institutions with earnings gains	64.0	58.1	70.9	76.5	71.6	67.5	67.6	68.8	62.8	57.5	59.0
Performance ratios (annualized, %)											
Yield on earning assets	6.35	6.88	6.87	6.55	6.18	6.18	6.28	6.16	7.29	6.51	6.80
Cost of funding earning assets	2.17	2.62	2.48	2.24	2.07	2.27	2.16	2.25	2.24	2.07	1.72
Net interest margin	4.19	4.26	4.39	4.31	4.12	3.91	4.12	3.91	5.05	4.44	5.08
Noninterest income to earning assets	2.96	1.05	1.68	2.76	3.35	3.86	2.60	2.24	3.03	1.59	2.93
Noninterest expense to earning assets	4.01	3.65	3.81	3.92	4.08	4.48	3.88	3.28	4.44	3.76	4.10
Loan and lease loss provision to assets	0.71	0.24	0.34	0.62	0.82	0.97	0.43	0.55	0.94	0.31	0.89
Net operating income to assets	1.31	0.98	1.23	1.46	1.31	1.12	1.35	1.33	1.60	1.25	1.63
Pretax return on assets	2.01	1.30	1.72	2.24	2.06	1.80	2.04	2.01	2.37	1.74	2.52
Return on assets	1.33	1.00	1.22	1.49	1.34	1.16	1.38	1.35	1.62	1.25	1.59
Return on equity	14.46	9.22	12.55	14.93	15.04	13.32	14.51	15.65	16.47	13.06	15.08
Net charge-offs to loans and leases	1.14	0.23	0.34	0.91	1.39	1.85	0.62	0.84	1.33	0.38	1.26
Loan and lease loss provision to net charge-offs	104.85	165.84	152.73	109.42	101.39	102.28	111.82	98.93	104.83	143.38	110.37
Efficiency ratio	54.98	68.66	62.33	54.52	53.41	56.55	56.35	52.44	53.71	61.70	50.27
Condition Ratios (%)											
Earning assets to total assets	86.40	91.81	91.65	90.23	84.44	83.59	85.90	88.87	90.50	90.38	88.10
Loss allowance to:											
Loans and leases	1.92	1.44	1.47	1.79	2.07	2.33	1.62	1.77	1.81	1.49	2.06
Noncurrent loans and leases	130.88	124.35	147.77	161.11	124.83	122.68	133.18	120.03	158.42	135.03	167.02
Noncurrent assets plus other real estate owned to assets	0.97	0.86	0.77	0.77	1.05	1.08	0.84	1.07	0.85	0.76	0.86
Equity capital ratio	9.30	10.83	9.72	10.11	8.99	8.82	9.49	8.74	10.07	9.69	10.80
Core capital (leverage) ratio	7.95	10.56	9.23	8.99	7.40	7.48	7.93	7.73	9.13	8.66	9.05
Tier 1 risk-based capital ratio	10.16	15.91	13.00	12.31	9.12	10.02	9.63	9.34	12.32	12.83	11.49
Total risk-based capital ratio	13.00	17.02	14.20	14.25	12.43	13.06	12.53	12.44	13.71	14.31	14.22
Net loans and leases to deposits	87.74	70.76	78.28	90.04	90.56	79.58	88.02	101.23	97.94	69.71	90.53
Structural Changes (YTD)											
New Charters	17	16	1	0	0	2	7	0	1	2	5
Banks absorbed by mergers	86	30	42	11	1	13	24	9	14	12	12
Failed banks	6	4	1	1	0	0	2	2	0	1	1
PRIOR FIRST QUARTERS ***(The way it was…)***											
Number of institutions 2001	8,238	4,759	3,087	312	80	655	1,420	1,767	2,133	1,365	898
1999	8,721	5,374	2,957	317	73	684	1,440	1,897	2,252	1,502	946
1997	9,450	6,146	2,900	331	73	739	1,565	2,082	2,393	1,671	1,000
Total assets (in billions) 2001	$6,316.4	$229.5	$781.0	$879.2	$4,426.8	$2,237.4	$1,599.7	$1,126.5	$414.3	$262.5	$676.0
1999	5,411.8	250.5	727.4	901.4	3,532.5	1,924.2	1,206.5	873.6	371.7	302.8	732.9
1997	4,641.5	277.2	710.9	995.4	2,658.0	1,755.1	828.1	727.3	304.0	337.2	689.7
Return on assets (%) 2001	1.26	1.00	1.26	1.37	1.26	1.19	1.16	1.10	1.26	1.17	2.08
1999	1.32	1.09	1.30	1.71	1.24	1.32	1.25	1.36	1.52	1.06	1.41
1997	1.25	1.21	1.32	1.29	1.23	1.19	1.31	1.27	1.33	1.23	1.32
Net charge-offs to loans & leases (%)											
2001	0.73	0.19	0.29	0.74	0.84	0.86	0.57	0.58	0.86	0.33	1.10
1999	0.62	0.18	0.34	0.82	0.65	0.84	0.44	0.40	0.70	0.44	0.70
1997	0.58	0.17	0.35	0.96	0.52	0.66	0.43	0.42	0.71	0.31	0.80
Noncurrent assets plus OREO to assets (%) 2001	0.79	0.73	0.65	0.72	0.83	0.77	0.85	0.80	0.70	0.68	0.78
1999	0.67	0.75	0.64	0.69	0.67	0.76	0.59	0.58	0.62	0.68	0.70
1997	0.73	0.80	0.74	0.83	0.69	0.82	0.63	0.58	0.67	0.61	0.87
Equity capital ratio (%) 2001	8.67	11.18	9.78	9.29	8.22	8.02	9.03	7.98	9.88	9.60	10.01
1999	8.68	11.06	9.60	9.78	8.04	7.94	9.20	8.57	8.92	8.93	9.66
1997	8.41	10.62	9.66	9.04	7.60	7.48	8.22	8.55	10.00	9.47	9.62

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 2001, 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	8,080	4,486	3,194	320	80	651	1,392	1,721	2,094	1,342	880
Total assets (in billions)	$6,569.3	$221.6	$819.8	$915.5	$4,612.4	$2,259.3	$1,634.0	$1,321.6	$363.7	$276.7	$714.1
Total deposits (in billions)	4,391.6	187.7	668.4	625.0	2,910.5	1,432.7	1,127.4	860.7	253.9	226.1	491.0
Net income (in millions)	74,232	1,883	9,282	11,513	51,554	23,693	18,247	13,267	5,005	3,088	10,933
% of unprofitable institutions	7.9	11.7	3.2	3.1	1.3	10.6	12.9	6.0	4.3	6.2	12.8
% of institutions with earnings gains	56.4	49.3	65.0	69.1	62.5	65.6	55.6	60.0	55.2	50.2	56.3
Performance Ratios (%)											
Yield on earning assets	7.29	7.83	7.90	7.76	7.06	6.96	7.20	7.31	8.03	7.62	8.05
Cost of funding earning assets	3.40	3.61	3.54	3.45	3.35	3.50	3.31	3.52	3.51	3.21	3.06
Net interest margin	3.90	4.22	4.36	4.31	3.71	3.46	3.89	3.79	4.51	4.41	4.99
Noninterest income to earning assets	2.85	1.11	1.71	2.62	3.19	3.66	2.45	2.05	2.88	1.58	3.22
Noninterest expense to earning assets	4.03	3.74	3.87	4.02	4.07	4.36	3.87	3.40	4.33	3.89	4.44
Loan and lease loss provision to assets	0.67	0.32	0.38	0.66	0.74	0.74	0.51	0.73	0.66	0.33	0.87
Net operating income to assets	1.11	0.87	1.16	1.26	1.08	1.01	1.09	0.98	1.46	1.11	1.56
Pretax return on assets	1.73	1.17	1.68	2.02	1.71	1.61	1.67	1.51	2.17	1.62	2.51
Return on assets	1.15	0.90	1.19	1.31	1.13	1.05	1.13	1.03	1.49	1.16	1.63
Return on equity	13.09	7.95	12.19	13.77	13.43	12.74	12.21	12.35	16.48	12.12	15.95
Net charge-offs to loans and leases	0.94	0.35	0.42	1.03	1.06	1.20	0.74	0.80	0.87	0.45	1.24
Loan and lease loss provision to net charge-offs	118.25	149.94	140.52	101.60	119.45	120.80	105.66	133.82	112.91	125.88	110.58
Efficiency ratio	57.73	69.65	62.85	55.78	56.83	59.37	58.66	56.09	57.59	63.32	52.14
Condition Ratios (%)											
Earning assets to total assets	85.22	91.38	91.15	89.48	83.03	82.09	84.28	88.11	90.44	89.40	87.69
Loss allowance to:											
Loans and leases	1.85	1.42	1.44	1.79	1.97	2.12	1.61	1.76	1.72	1.43	2.07
Noncurrent loans and leases	131.13	129.46	152.35	167.54	123.48	124.98	125.42	120.58	165.99	136.40	174.60
Noncurrent assets plus other real estate owned to assets	0.92	0.81	0.73	0.73	1.00	0.97	0.88	1.04	0.77	0.72	0.81
Equity capital ratio	9.09	10.89	9.67	9.75	8.77	8.60	9.73	8.45	8.92	9.48	10.34
Core capital (leverage) ratio	7.79	10.62	9.17	8.74	7.23	7.24	7.99	7.60	8.48	8.57	8.83
Tier 1 risk-based capital ratio	9.90	15.85	12.87	11.83	8.86	9.74	9.76	9.02	11.32	12.56	10.83
Total risk-based capital ratio	12.72	16.95	14.05	13.77	12.17	12.70	12.64	12.15	13.01	14.09	13.52
Net loans and leases to deposits	87.06	71.09	78.56	88.73	89.69	79.25	88.06	99.43	94.64	70.08	89.82
Structural Changes											
New charters	128	123	4	0	1	17	37	19	14	8	33
Banks absorbed by mergers	356	159	163	25	9	35	73	97	60	44	47
Failed banks	3	3	0	0	0	1	0	1	0	1	0
PRIOR FULL YEARS (The way it was…)											
Number of institutions 2000	8,315	4,837	3,081	314	83	664	1,426	1,792	2,144	1,383	906
1998	8,773	5,408	2,973	321	71	693	1,445	1,904	2,265	1,517	949
1996	9,527	6,203	2,926	325	73	743	1,577	2,109	2,401	1,683	1,014
Total assets (in billions) 2000	6,244.6	230.9	773.6	879.4	4,360.7	2,180.8	1,611.9	1,072.4	419.0	302.3	658.2
1998	5,442.5	252.3	726.8	921.8	3,541.6	1,922.3	1,211.4	889.3	376.5	304.7	738.3
1996	4,578.3	280.0	713.5	1,002.4	2,582.5	1,730.7	805.4	716.8	297.2	334.4	693.8
Return on assets (%) 2000	1.19	1.00	1.28	1.28	1.16	1.30	1.05	1.03	1.42	0.97	1.38
1998	1.19	1.13	1.31	1.52	1.08	1.06	1.30	1.25	1.50	1.13	1.11
1996	1.19	1.16	1.28	1.31	1.12	1.10	1.22	1.21	1.43	1.22	1.24
Net charge-offs to loans & leases (%)											
2000	0.67	0.41	0.33	0.70	0.75	0.79	0.61	0.40	0.83	0.43	1.00
1998	0.67	0.31	0.40	1.02	0.65	0.91	0.43	0.44	0.74	0.43	0.87
1996	0.58	0.27	0.42	0.89	0.52	0.63	0.45	0.44	0.70	0.35	0.79
Noncurrent assets plus											
OREO to assets (%) 2000	0.74	0.67	0.61	0.64	0.79	0.74	0.82	0.74	0.61	0.62	0.73
1998	0.65	0.71	0.62	0.71	0.64	0.78	0.55	0.56	0.57	0.59	0.67
1996	0.75	0.77	0.74	0.85	0.71	0.84	0.68	0.57	0.65	0.61	0.88
Equity capital ratio (%) 2000	8.50	11.06	9.59	8.98	8.07	8.00	8.66	7.91	9.49	8.93	9.87
1998	8.49	10.95	9.52	9.46	7.85	7.80	9.10	8.27	8.72	8.83	9.29
1996	8.20	10.54	9.44	8.77	7.38	7.36	8.48	8.43	8.74	8.74	9.22

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

		Asset Size Distribution				Geographical Distribution by Region					
						East			West		
March 31, 2002	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	1.16	1.50	1.09	1.00	1.21	1.11	0.98	1.56	1.12	1.16	0.97
Construction and development	1.23	1.59	1.15	1.26	1.23	0.92	0.88	1.56	1.07	1.50	1.65
Commercial real estate	0.85	1.20	0.85	0.89	0.80	0.81	0.69	1.19	0.97	0.88	0.66
Multifamily residential real estate	0.64	0.61	0.53	0.49	0.73	0.35	0.48	1.18	0.20	0.61	0.57
Home equity loans	0.62	0.71	0.56	0.64	0.63	0.46	0.61	0.79	0.58	0.42	0.51
Other 1-4 Family residential	1.44	1.73	1.40	1.09	1.52	1.24	1.31	2.07	1.19	1.33	1.13
Commercial and industrial loans	1.09	1.98	1.51	1.46	0.95	1.07	0.72	1.29	1.68	1.42	1.27
Loans to individuals	2.06	2.43	2.07	2.07	2.05	2.26	1.78	1.86	2.32	1.77	1.94
Credit card loans	2.50	2.27	4.67	2.45	2.44	2.65	2.80	2.06	2.57	1.40	2.07
Other loans to individuals	1.79	2.43	1.76	1.85	1.75	1.90	1.63	1.83	1.89	1.78	1.74
All other loans and leases (including farm)	0.87	1.87	1.48	0.86	0.79	0.73	0.55	1.12	1.65	1.66	0.82
Total loans and leases	1.26	1.73	1.29	1.26	1.23	1.30	0.97	1.47	1.57	1.33	1.20
Memo: Commercial RE loans not secured by RE	1.15	0.50	0.79	1.26	1.16	0.30	1.01	1.52	3.17	1.61	1.96
Percent of Loans Noncurrent*											
All real estate loans	1.00	1.02	0.87	0.86	1.08	1.11	0.81	1.34	0.77	0.93	0.77
Construction and development	1.06	1.01	1.01	1.04	1.10	1.15	0.88	1.25	0.82	0.87	1.29
Commercial real estate	1.01	1.13	0.95	0.94	1.07	1.00	0.89	1.33	0.93	1.01	0.84
Multifamily residential real estate	0.43	0.75	0.52	0.39	0.40	0.28	0.40	0.56	0.49	0.86	0.35
Home equity loans	0.36	0.34	0.33	0.38	0.36	0.28	0.32	0.50	0.29	0.34	0.25
Other 1-4 Family residential	1.05	0.89	0.76	0.83	1.18	1.09	0.85	1.66	0.66	0.83	0.59
Commercial and industrial loans	2.61	1.74	1.46	1.78	2.92	3.22	2.51	2.36	1.29	1.71	2.32
Loans to individuals	1.49	0.95	0.88	1.27	1.62	2.11	0.81	0.75	1.67	0.70	1.45
Credit card loans	2.28	1.70	3.31	2.34	2.24	2.50	2.08	1.65	2.15	1.04	2.06
Other loans to individuals	1.01	0.93	0.59	0.66	1.16	1.75	0.62	0.62	0.84	0.69	0.45
All other loans and leases (including farm)	0.90	1.26	1.24	0.76	0.88	0.85	0.81	0.88	1.35	1.37	1.00
Total loans and leases	1.47	1.16	0.99	1.11	1.65	1.90	1.21	1.48	1.14	1.10	1.23
Memo: Commercial RE loans not secured by RE	0.73	0.58	0.16	0.60	0.77	0.09	1.15	1.36	1.02	0.29	0.33
Percent of Loans Charged-off (net, annualized)											
All real estate loans	0.15	0.06	0.09	0.14	0.18	0.12	0.12	0.29	0.08	0.07	0.09
Construction and development	0.14	0.09	0.10	0.25	0.11	0.22	0.08	0.12	0.09	0.03	0.29
Commercial real estate	0.16	0.10	0.11	0.15	0.20	0.09	0.11	0.35	0.12	0.08	0.09
Multifamily residential real estate	0.04	0.05	0.05	0.06	0.03	0.01	0.01	0.12	0.02	-0.01	0.03
Home equity loans	0.21	0.02	0.04	0.16	0.24	0.06	0.19	0.38	0.14	0.14	0.06
Other 1-4 Family residential	0.14	0.05	0.07	0.10	0.17	0.08	0.12	0.30	0.06	0.08	0.03
Commercial and industrial loans	1.45	0.48	0.51	1.22	1.63	1.48	1.43	1.47	0.66	0.76	1.96
Loans to individuals	3.98	0.73	1.67	3.29	4.52	5.93	1.57	2.01	4.71	0.99	4.09
Credit card loans	8.19	3.55	8.40	6.87	8.42	10.68	3.52	5.34	7.12	3.32	5.60
Other loans to individuals	1.47	0.66	0.83	1.22	1.69	1.86	1.27	1.48	0.45	0.92	1.52
All other loans and leases (including farm)	0.45	0.20	0.27	0.40	0.47	0.45	0.22	0.66	0.17	0.37	0.72
Total loans and leases	1.14	0.23	0.34	0.91	1.39	1.84	0.62	0.84	1.33	0.38	1.26
Memo: Commercial RE loans not secured by RE	0.12	1.13	0.07	0.21	0.11	0.13	0.20	0.02	0.05	0.30	0.03
Loans Outstanding (in billions)											
All real estate loans	$1,810.6	$80.1	$356.0	$314.8	$1,059.6	$371.1	$546.9	$433.6	$118.6	$91.6	$248.8
Construction and development	194.4	7.3	44.6	40.9	101.6	20.7	69.5	47.8	10.5	14.3	31.6
Commercial real estate	518.7	24.0	140.2	112.6	242.0	85.6	158.1	122.0	32.5	35.0	85.5
Multifamily residential real estate	65.9	1.8	12.6	13.9	37.6	15.5	16.5	17.3	3.4	2.8	10.4
Home equity loans	166.5	2.3	16.1	19.2	128.9	33.7	53.0	52.8	5.6	1.6	19.8
Other 1-4 Family residential	794.0	34.5	127.6	123.8	508.0	182.9	239.6	184.8	55.5	33.9	97.4
Commercial and industrial loans	966.8	23.2	94.3	114.5	734.9	327.8	240.1	223.3	42.7	37.2	95.7
Loans to individuals	649.2	16.4	56.4	92.9	483.5	265.6	122.7	95.3	61.1	22.1	82.4
Credit card loans	247.9	0.4	6.1	33.4	208.0	128.6	16.1	12.5	38.6	0.6	51.3
Other loans to individuals	401.4	16.0	50.4	59.6	275.4	137.0	106.6	82.8	22.5	21.5	31.1
All other loans and leases (including farm)	470.5	15.2	27.0	37.7	390.5	189.7	97.5	113.5	28.8	9.6	31.3
Total loans and leases	3,897.2	134.9	533.7	560.0	2,668.5	1,154.2	1,007.2	865.8	251.3	160.5	458.2
Memo: Commercial RE loans not secured by RE	41.5	0.3	1.5	3.5	36.3	11.8	11.7	8.9	0.9	0.6	7.5
Memo: Other Real Estate Owned (in millions)											
All other real estate owned	$3,809.0	$325.9	$974.6	$633.4	$1,875.1	$570.7	$1,383.9	$798.7	$279.3	$324.2	$452.1
Construction and development	360.7	35.2	172.2	67.2	86.1	51.9	127.6	55.5	34.1	47.6	44.0
Commercial real estate	1,821.0	146.9	413.2	337.4	923.5	263.3	749.8	255.6	114.5	160.4	277.3
Multifamily residential real estate	64.6	8.0	37.0	10.2	9.5	9.4	13.4	15.4	13.7	5.0	7.8
1-4 Family residential	1,380.1	111.2	308.5	213.0	747.5	141.8	479.5	461.0	97.7	90.4	109.7
Farmland	76.7	24.6	42.3	4.2	5.5	2.0	13.6	11.2	19.2	20.8	9.8
Other real estate owned in foreign offices	105.9	0.0	1.4	1.5	103.0	102.3	0.0	0.0	0.0	0.0	3.6

*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, 2002

- ***Earnings In The First Quarter Were Down Slightly, To $3.6 Billion***
- ***Rising Net Interest Income Kept Earnings Strong***
- ***Net Charge-Offs And Noncurrent Loans Continue To Creep Up***
- ***Assets Of "Problem" Thrifts Rise Sharply To $15 Billion***

Earnings Improved Over Year-Ago Results

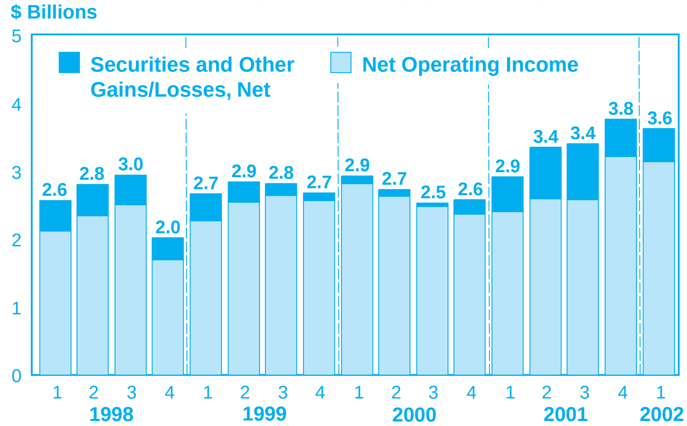
Earnings of FDIC-insured savings institutions declined to $3.6 billion from record earnings of $3.8 billion in the fourth quarter, but were $715 million higher (24 percent) than in the first quarter of 2001. Fourth quarter earnings received a boost from the settlement with the owners of a failed thrift that was placed in conservatorship.[1] In the first quarter this conservatorship realized a loss of $370 million from the sale of 62 percent of its assets. Without this loss industry earnings would have set another quarterly record. Fewer than 8 percent of savings institutions reported losses in the first quarter, down from over 10 percent a year ago. The average return on assets (ROA) was 1.11 this quarter, down from 1.18 percent in the fourth quarter, but up from 0.95 percent a year ago.

Earnings Gains Were Widespread

Earnings improved from a year ago at over 72 percent of savings institutions. With an improvement in net interest margins over the past year, net interest income grew by 23 percent or $1.9 billion from the first quarter of 2001. Factors that limited first-quarter results included provision expenses for loan losses, which were $119 million (17 percent) higher than a year ago, as asset quality deteriorated. Growth in noninterest income was weak, up by only $10 million from a year ago. Noninterest expenses were up more strongly, rising by $513 million (7 percent). Gains on the sales of securities were $174 million lower than in the first quarter of last year. Profitability improved in every size group and region except where the FDIC conservatorship's loss was included (the $100 million to $1 billion size group and the Central Region).

[1] Superior Federal Bank, FSB in Hinsdale, Illinois operates as a conservatorship under FDIC control. This conservatorship was created from a failed thrift in July of 2001. The former owners of this institution reached a settlement with the FDIC in the fall of 2001 and provided cash and a note to cover some of the losses expected from this failure. Fourth quarter earnings included $450 million from this conservatorship, which were primarily proceeds from this settlement.

EARNINGS WERE DOWN SLIGHTLY, BUT REMAIN AHEAD OF YEAR-AGO LEVELS



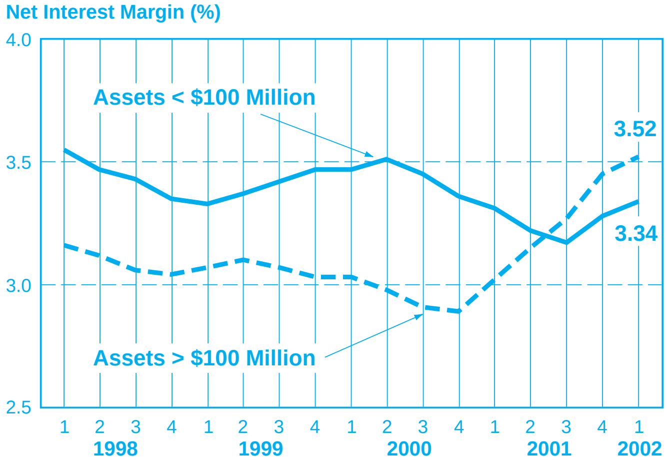
Net Interest Margins Help Sustain Earnings

During the first quarter the industry's net interest margin expanded by 8 basis points to 3.52 percent, the highest level since early 1993 and 49 basis points higher than a year ago. Thrifts enjoyed a rapid decline in the cost of funding earning assets, down 44 basis points during the first quarter, while the yield on earning assets also fell, down 36 basis points. All size groups reported improved net interest margins, but institutions with assets of $1 billion to $5 billion had the smallest increase, up 2 basis points, primarily because their asset yields were down sharply, by 45 basis points. This quarter was the third quarter in a row where thrifts with less than $100 million in assets reported a lower net interest margins, at 3.34 percent, than the rest of the industry, at 3.52 percent.

Profitability at Most Small Thrifts Improved

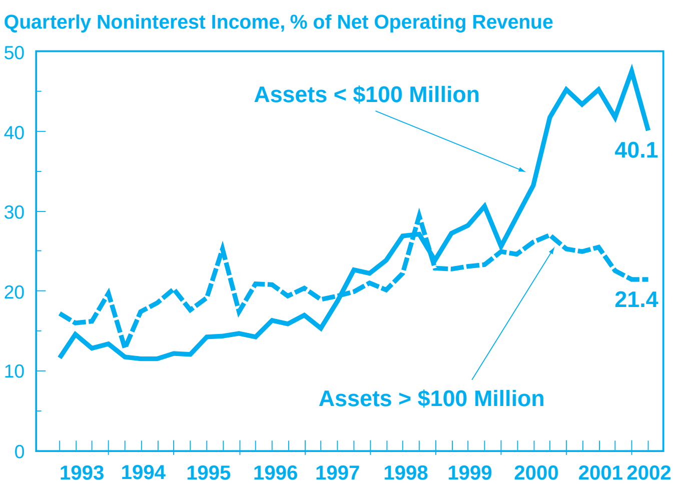
Earnings improved at small thrifts with less than $100 million in assets primarily because of improved net interest margins and lower operating costs. These thrifts reported an average ROA of

NET INTEREST MARGIN IMPROVED FOR BOTH SMALL AND LARGE THRIFTS



0.82 percent, up from 0.61 percent a year ago. Noninterest income for these thrifts was 2.23 percent of earning assets, down from 2.54 percent a year ago, while noninterest expenses were 4.34 percent, down from 4.87 percent a year ago. A few specialty thrifts derive over 90 percent of their revenue from noninterest income, and without these 11 institutions the remaining 551 small thrifts still showed improved profitability, with an average ROA of 0.56 percent, up from 0.42 percent a year ago. While noninterest income contributed much less to revenue for these 551 thrifts (0.80 percent of earning assets) they were able to reduce operating costs. Noninterest expense was 3.34 percent of earning assets for these non-specialty thrifts, significantly lower than 3.63 percent a year ago, with 54 percent of the group reporting lower expense rates.

FEE INCOME CONTRIBUTED LESS TO IMPROVED PROFITABILITY THAN NET INTEREST MARGINS



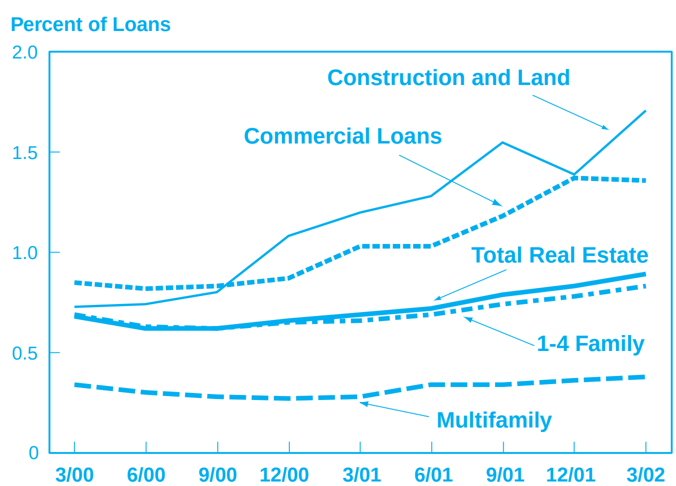
Net Charge-offs Increased Slightly From Year-ago Levels

Net charge-offs increased 12 percent ($61 million) from the first quarter of 2001, while the rate rose slightly, to 0.26 percent of loans from 0.25 percent as loans increased. Net charge-offs on real estate loans were 2 basis points higher than a year ago, primarily because of a 2-basis-point increase in the net charge-off rate on residential mortgages and a 7-basis-point increase in the net charge-off rate for real estate construction loans. Net charge-offs for commercial & industrial (C&I) loans also increased by 2 basis points to 1.39 percent of these loans. The net charge-off rate for loans to individuals actually declined a basis point to 1.92 percent because of lower net charge-offs on credit card loans, which fell 60 basis points to 3.91 percent.

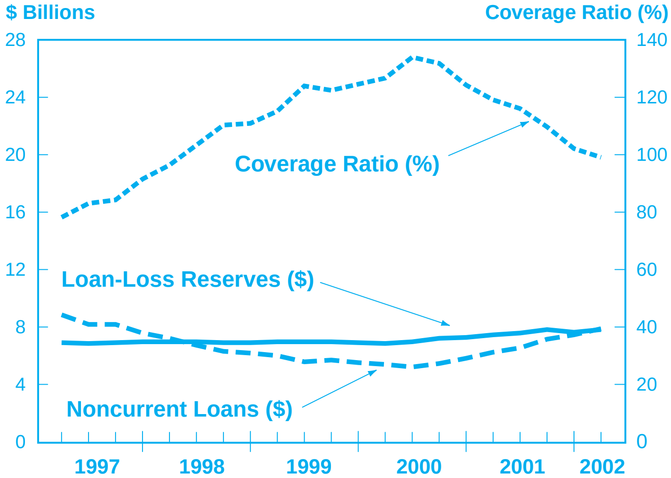
Noncurrent Loans Continue to Rise

Noncurrent loans rose $430 million during the first quarter to $7.9 billion or 0.92 percent of loans. A year ago noncurrent loans were $1.6 billion lower, amounting to 0.74 percent of loans. While noncurrent real estate construction loans jumped sharply in the first quarter, noncurrent home mortgages have shown a slower rise over the last four quarters. The noncurrent rate for home mortgages rose 5 basis points in the first quarter to 0.83 percent, or 17 basis points higher than a year ago. The noncurrent rate for real-estate construction loans rose 32 basis points during the quarter to 1.71 percent, which was 51 basis points higher than a year ago. The noncurrent rate for C&I loans rose 24 basis points to 2.21 percent, which was 55 basis points higher than a year ago.

NONCURRENT REAL ESTATE CONSTRUCTION LOANS ROSE RAPIDLY



NONCURRENT LOAN GROWTH EXCEEDS RESERVE GROWTH



Loan Loss Reserves Failed to Keep Pace with the Rise in Noncurrent Loans

Loan loss provisions exceeded net charge-offs by $232 million, contributing to a $205-million increase in loan loss reserves. However, the increase in reserves was less than the $430-million increase in noncurrent loans, causing a decline in the coverage ratio—loan loss reserves to noncurrent loans. The coverage ratio fell to 99 cents in loan loss reserves for every dollar of noncurrent loans from $1.02 at the end of 2001. This was the first time since early 1998 that this ratio has been below $1.00.

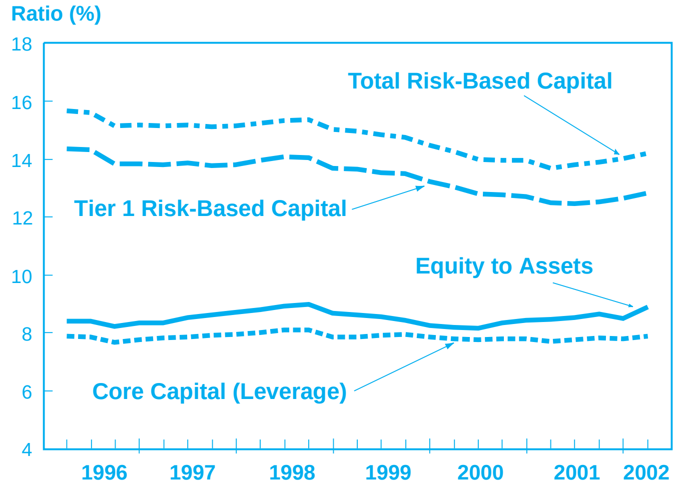
Industry Assets Grew to Over $1.3 Trillion

Industry assets grew $18.6 billion in the first quarter with strong growth in securities, up $17.2 billion (6 percent). Home mortgages declined by $14.8 billion for the industry during the first quarter, with 817 savings institutions (54 percent) reporting a decline in this category. Goodwill and other intangible assets increased by $4.9 billion because of a large merger transaction that accounted for 88 percent of the increase.[2] Funding continued to shift towards deposits in the first quarter. Deposits grew by $22.3 billion, while other borrowed funds fell by $10.2 billion. Federal Home Loan Bank advances declined by $15.2 billion.

Capital Levels Improved For All Capital Ratios

Equity capital rose $6.9 billion to $117.2 billion or 8.89 percent of assets. Core capital, which does not generally include goodwill, increased by $2.0 billion and reached 7.89 percent of average assets from 7.80 percent at year-end. With a slight rise in interest rates during the first quarter, the value of available-for-sale (AFS) securities declined by $784 million. This decline limited the rise in equity capital, but did not affect core capital.

CAPITAL IMPROVED WITH STRONG EARNINGS



Problem Bank Assets Rise Sharply

There were 1,515 savings institutions at the end of March 2002, which was a decline of 18 from the year-end level of 1,533. There were 18 mergers in the first quarter. Consolidation within the industry involved 12 savings institutions with $31.9 billion in assets and commercial banks absorbed 6 other savings institutions with $2.6 billion in assets. Another 2 institutions, with assets of $1.7 billion, converted their charters to commercial bank charters. There were 2 new institutions added during the first quarter: a de novo charter and a credit union, with $42 million in assets, that converted to a state-chartered savings bank with mutual ownership. Three savings institutions with $595 million in assets converted from mutual ownership to stock ownership during the quarter. One of these simultaneously merged with another institution. No savings institutions failed during the first quarter, the second consecutive quarter without a failure for the industry. The number of "problem" thrifts increased slightly to 22 from 19 at the end of last year. Assets of "problem" thrifts increased dramatically, rising to $15.0 billion from $3.7 billion. Assets of "problem" thrifts have not been this high since 1994.

[2] Washington Mutual Bank FA of Stockton, California absorbed The Dime Savings Bank of New York, FSB of New York, New York with assets of $28 billion at the end of 2001.

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

	2002*	2001*	2001	2000	1999	1998	1997
Return on assets (%)	1.11	0.95	1.09	0.92	1.00	1.01	0.93
Return on equity (%)	12.83	11.27	12.76	11.14	11.73	11.35	10.84
Core capital (leverage) ratio (%)	7.89	7.72	7.80	7.80	7.86	7.85	7.95
Noncurrent assets plus other real estate owned to assets (%)	0.68	0.58	0.66	0.56	0.58	0.72	0.95
Net charge-offs to loans (%)	0.26	0.25	0.28	0.20	0.17	0.22	0.25
Asset growth rate (%)	5.01	8.43	6.76	5.99	5.52	6.06	-0.28
Net interest margin	3.52	3.03	3.23	2.96	3.10	3.10	3.23
Net operating income growth (%)	30.91	-14.67	7.35	3.05	16.62	7.71	19.98
Number of institutions reporting	1,515	1,584	1,533	1,589	1,642	1,690	1,780
Percentage of unprofitable institutions (%)	7.79	10.23	8.22	8.56	8.28	5.27	4.10
Number of problem institutions	22	17	19	18	13	15	12
Assets of problem institutions (in billions)	$15	$6	$4	$7	$6	$6	$2
Number of failed/assisted institutions	0	0	1	1	1	0	0

* 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 2002	4th Quarter 2001	1st Quarter 2001	%Change 01:1-02:1
Number of institutions reporting	1,515	1,533	1,584	-4.4
Total employees (full-time equivalent)	271,246	262,438	250,548	8.3
CONDITION DATA				
Total assets	$1,318,307	$1,299,694	$1,255,374	5.0
Loans secured by real estate	746,275	758,414	740,482	0.8
1-4 Family Residential	583,132	597,892	585,254	-0.4
Multifamily residential property	59,705	58,991	57,926	3.1
Commercial real estate	65,708	63,157	61,424	7.0
Construction, development, and land	37,731	38,375	35,878	5.2
Commercial & industrial loans	38,447	36,734	35,336	8.8
Loans to individuals	68,905	69,407	65,611	5.0
Other loans & leases	6,789	6,984	6,403	6.0
Less: Unearned income & contra accounts	158	166	180	-12.1
Total loans & leases	860,258	871,373	847,652	1.5
Less: Reserve for losses	7,856	7,651	7,467	5.2
Net loans & leases	852,402	863,722	840,185	1.5
Securities	302,319	285,117	279,510	8.2
Other real estate owned	1,065	1,050	998	6.8
Goodwill and other intangibles	26,207	21,347	19,271	36.0
All other assets	136,313	128,458	115,410	18.1
Total liabilities and capital	1,318,307	1,299,694	1,255,374	5.0
Deposits	820,109	797,825	762,198	7.6
Other borrowed funds	355,191	365,411	362,381	-2.0
Subordinated debt	3,747	3,910	3,166	18.4
All other liabilities	22,038	22,250	21,200	4.0
Equity capital	117,221	110,297	106,428	10.1
Loans and leases 30-89 days past due	8,737	9,496	8,348	4.7
Noncurrent loans and leases	7,904	7,474	6,258	26.3
Restructured loans and leases	1,622	1,644	1,388	16.9
Direct and indirect investments in real estate	429	423	625	-31.3
Mortgage-backed securities	198,157	196,511	211,451	-6.3
Earning assets	1,205,156	1,192,572	1,157,739	4.1
FHLB Advances	238,513	253,741	258,604	-7.8
Unused loan commitments	316,465	320,184	275,343	14.9

INCOME DATA	Full Year 2001	Full Year 2000	%Change	Preliminary 1st Quarter 2002	1st Quarter 2001	%Change 01:1-02:1
Total interest income	$83,907	$83,780	0.2	$19,445	$22,341	-13.0
Total interest expense	47,296	52,018	-9.1	8,922	13,762	-35.2
Net interest income	36,611	31,762	15.3	10,523	8,579	22.7
Provision for loan and lease losses	2,804	2,033	37.9	802	683	17.5
Total noninterest income	11,731	11,381	3.1	2,962	2,952	0.3
Total noninterest expense	28,725	25,479	12.7	7,591	7,078	7.3
Securities gains (losses)	4,257	799	432.5	655	830	-21.0
Applicable income taxes	7,318	5,723	27.9	2,158	1,641	31.5
Extraordinary gains, net	-401	-3	N/M	49	-35	N/M
Net income	13,350	10,705	24.7	3,637	2,923	24.5
Net charge-offs	2,312	1,550	49.2	570	509	11.9
Cash dividends	6,477	5,861	10.5	1,554	1,185	31.1
Net operating income	10,945	10,195	7.4	3,151	2,407	30.9

N/M - Not Meaningful

TABLE III-B. First Quarter 2002, 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	1,515	562	805	103	45	601	197	385	120	107	105
Total assets (in billions)	$1,318.3	$28.8	$247.6	$192.2	$849.7	$426.9	$96.9	$170.2	$43.0	$75.4	$506.0
Total deposits (in billions)	820.1	23.0	188.0	136.0	473.1	287.3	70.1	121.9	26.8	42.4	271.5
Net income (in millions)	3,637	58	162	534	2,883	1,209	195	159	91	268	1,716
% of unprofitable institutions	7.8	14.6	4.1	1.9	2.2	6.8	8.6	10.4	9.2	4.7	3.8
% of institutions with earnings gains	72.2	65.7	75.3	77.7	86.7	72.0	76.6	71.2	64.2	68.2	81.9
Performance ratios (annualized, %)											
Yield on earning assets	6.50	6.55	6.64	6.56	6.45	6.48	6.81	6.91	6.69	6.35	6.33
Cost of funding earning assets	2.98	3.21	3.13	3.06	2.92	3.00	3.57	3.52	3.40	2.70	2.68
Net interest margin	3.52	3.34	3.51	3.50	3.53	3.49	3.24	3.38	3.29	3.65	3.65
Noninterest income to earning assets	0.99	2.23	0.46	0.88	1.13	0.85	1.75	0.76	0.91	1.20	1.02
Noninterest expense to earning assets	2.54	4.34	3.06	2.70	2.28	2.41	3.36	3.17	2.79	2.79	2.21
Loan and lease loss provision to assets	0.25	0.11	0.15	0.14	0.30	0.15	0.68	0.40	0.16	0.38	0.18
Net operating income to assets	0.97	0.66	0.24	0.98	1.18	1.06	0.53	-0.01	0.73	1.26	1.27
Pretax return on assets	1.78	1.24	0.76	1.62	2.12	1.77	1.27	1.10	1.30	1.74	2.15
Return on assets	1.11	0.82	0.26	1.13	1.37	1.15	0.82	0.37	0.84	1.44	1.36
Return on equity	12.83	6.60	2.54	12.23	17.24	11.88	9.64	4.10	9.46	16.88	17.63
Net charge-offs to loans and leases	0.26	0.13	0.15	0.17	0.32	0.19	0.69	0.43	0.20	0.39	0.16
Loan and lease loss provision to net charge-offs	140.80	135.50	142.46	121.70	142.93	127.85	141.07	125.91	120.91	155.14	164.81
Efficiency ratio	55.55	77.67	76.45	60.73	48.19	54.38	67.02	75.93	65.59	57.33	46.80
Condition Ratios (%)											
Earning assets to total assets	91.42	93.87	93.33	92.69	90.49	92.56	93.33	92.03	92.68	93.02	89.53
Loss allowance to:											
Loans and leases	0.91	0.77	0.88	1.06	0.89	0.97	1.04	0.82	0.78	1.08	0.87
Noncurrent loans and leases	99.39	79.50	113.20	102.97	95.81	125.99	112.53	88.60	114.50	67.44	90.79
Noncurrent assets plus other real estate owned to assets	0.68	0.78	0.60	0.83	0.67	0.52	0.74	0.79	0.68	1.09	0.70
Noncurrent RE loans to RE loans	0.89	0.94	0.72	0.95	0.92	0.70	0.68	0.96	0.64	1.89	0.94
Equity capital ratio	8.89	12.39	10.31	9.21	8.29	9.70	8.56	9.38	8.96	8.53	8.16
Core capital (leverage) ratio	7.89	12.07	9.89	8.54	7.01	8.76	8.44	8.26	8.43	8.40	6.81
Tier 1 risk-based capital ratio	12.83	21.80	16.34	13.63	11.35	14.52	12.92	11.98	14.70	13.41	11.47
Total risk-based capital ratio	14.19	22.84	17.40	14.73	12.87	15.80	14.38	13.31	15.82	14.39	12.96
Gross real estate assets to gross assets	71.32	67.69	69.79	73.06	71.49	71.94	65.25	71.00	74.61	61.13	73.31
Gross 1-4 family mortgages to gross assets	43.97	46.34	41.92	35.98	46.29	39.24	38.93	47.83	43.95	25.43	50.39
Net loans and leases to deposits	103.94	81.21	86.06	91.90	115.61	88.93	94.17	100.57	108.08	107.25	122.93
Structural Changes (YTD)											
New Charters	1	1	0	0	0	0	1	0	0	0	0
Thrifts absorbed by mergers	18	4	12	1	1	9	4	3	1	0	1
Failed Thrifts	0	0	0	0	0	0	0	0	0	0	0
PRIOR FIRST QUARTERS (The way it was…)											
Number of institutions 2001	1,584	620	822	100	42	626	209	405	123	108	113
1999	1,669	691	835	108	35	648	232	432	127	116	114
1997	1,887	825	904	124	34	713	277	493	143	124	137
Total assets (in billions) 2001	$1,255.4	$31.5	$251.6	$192.6	$779.6	$413.2	$88.8	$188.5	$42.8	$68.1	$453.9
1999	1,109.8	35.7	242.0	215.0	617.1	366.1	67.2	178.1	38.5	72.0	388.0
1997	1,022.2	42.8	267.7	260.4	451.3	336.3	64.6	176.8	50.7	61.6	332.3
Return on assets (%) 2001	0.95	0.61	0.71	0.77	1.09	0.98	0.56	0.68	0.75	1.15	1.11
1999	0.98	0.66	0.96	1.11	0.97	0.92	1.01	1.08	0.75	1.08	1.00
1997	0.96	0.76	0.95	1.11	0.89	0.98	0.89	1.01	1.10	1.07	0.87
Net charge-offs to loans & leases (%)											
2001	0.25	0.07	0.10	0.25	0.30	0.20	0.32	0.56	0.12	0.23	0.14
1999	0.16	0.08	0.08	0.47	0.10	0.09	0.24	0.31	0.12	0.20	0.14
1997	0.27	0.07	0.11	0.48	0.27	0.27	0.46	0.24	0.04	0.43	0.25
Noncurrent assets plus OREO to assets (%)* 2001	0.58	0.65	0.53	0.85	0.52	0.52	0.60	0.76	0.76	0.89	0.48
1999	0.68	0.77	0.64	1.01	0.58	0.73	0.62	0.70	0.53	0.95	0.60
1997	1.10	0.90	0.96	1.35	1.05	1.29	0.99	0.66	0.70	1.06	1.23
Equity capital ratio (%) 2001	8.48	12.94	10.55	8.88	7.53	9.91	8.53	8.46	9.31	8.16	7.14
1999	8.62	12.14	10.79	9.11	7.40	9.74	10.03	9.20	10.28	8.29	6.96
1997	8.35	11.44	9.88	8.46	7.09	9.17	9.46	8.71	8.64	8.12	7.13

* 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 2001, 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	1,533	576	812	101	44	611	201	387	122	107	105
Total assets (in billions)	$1,299.7	$29.5	$251.4	$191.1	$827.7	$444.3	$95.1	$170.3	$43.2	$73.4	$473.4
Total deposits (in billions)	797.8	23.5	190.4	132.2	451.7	293.8	66.5	120.5	26.7	42.1	248.2
Net income (in millions)	13,350	182	1,830	2,134	9,204	3,600	546	2,303	348	915	5,638
% of unprofitable institutions	8.2	16.1	3.3	5.0	2.3	7.0	9.0	9.6	11.5	7.5	5.7
% of institutions with earnings gains	55.6	45.8	59.1	72.3	81.8	49.6	58.2	56.8	59.0	57.9	75.2
Performance Ratios (%)											
Yield on earning assets	7.41	7.32	7.37	7.37	7.44	7.17	7.58	7.92	7.42	7.58	7.39
Cost of funding earning assets	4.18	4.10	4.08	4.08	4.23	3.87	4.61	4.58	4.50	4.13	4.21
Net interest margin	3.23	3.21	3.29	3.29	3.20	3.30	2.97	3.34	2.91	3.45	3.18
Noninterest income to earning assets	1.04	2.67	0.84	1.27	0.98	0.95	1.69	1.87	0.95	1.34	0.65
Noninterest expense to earning assets	2.54	4.82	2.91	2.73	2.29	2.54	3.43	3.17	2.52	2.95	2.06
Loan and lease loss provision to assets	0.23	0.14	0.15	0.15	0.27	0.14	0.56	0.42	0.22	0.33	0.16
Net operating income to assets	0.89	0.48	0.67	1.10	0.93	0.92	0.37	1.04	0.67	1.14	0.90
Pretax return on assets	1.68	1.06	1.13	1.66	1.88	1.45	0.95	2.05	1.26	1.59	1.97
Return on assets	1.09	0.64	0.76	1.20	1.18	0.86	0.61	1.43	0.83	1.31	1.25
Return on equity	12.76	5.06	7.22	12.96	15.55	8.75	7.22	16.80	9.11	15.56	17.35
Net charge-offs to loans and leases	0.28	0.14	0.14	0.17	0.35	0.18	0.46	0.69	0.20	0.35	0.16
Loan and lease loss provision to net charge-offs	121.24	158.16	154.85	131.81	115.40	121.67	174.74	81.20	154.05	141.99	148.56
Efficiency ratio	57.73	81.22	69.57	58.53	52.60	57.25	72.80	60.04	63.78	60.74	52.22
Condition Ratios (%)											
Earning assets to total assets	91.76	93.82	93.39	91.86	91.16	92.01	93.34	91.34	92.51	93.24	91.06
Loss allowance to:											
Loans and leases	0.88	0.76	0.87	1.04	0.85	0.94	0.96	0.77	0.75	1.02	0.84
Noncurrent loans and leases	102.37	76.77	113.15	108.99	98.78	126.17	118.35	90.58	103.07	69.05	94.34
Noncurrent assets plus											
other real estate owned to assets	0.66	0.78	0.60	0.79	0.64	0.53	0.69	0.75	0.73	1.04	0.67
Noncurrent RE loans to RE loans	0.83	0.95	0.71	0.94	0.83	0.68	0.65	0.91	0.68	1.72	0.87
Equity capital ratio	8.49	12.47	10.44	9.32	7.56	9.67	8.45	8.82	8.92	8.53	7.22
Core capital (leverage) ratio	7.80	12.09	9.96	8.62	6.80	8.61	8.35	8.39	8.35	8.38	6.58
Tier 1 risk-based capital ratio	12.66	21.79	16.58	13.52	10.99	14.01	12.71	12.61	14.45	13.11	11.14
Total risk-based capital ratio	14.01	22.83	17.64	14.58	12.51	15.30	14.14	13.96	15.53	14.06	12.63
Gross real estate assets to gross assets	73.15	68.39	70.60	73.61	73.98	71.74	67.59	72.09	76.30	60.78	77.59
Gross 1-4 family mortgages to gross assets	45.73	47.64	43.05	38.00	48.26	41.05	41.94	49.88	45.96	26.97	52.27
Net loans and leases to deposits	108.26	82.94	87.65	96.42	121.73	94.10	100.72	104.28	111.17	109.18	128.49
Structural Changes											
New charters	17	13	3	1	0	6	2	5	1	1	2
Thrifts absorbed by mergers	65	17	40	6	2	22	10	18	5	2	8
Failed Thrifts	1	0	0	1	0	0	0	1	0	0	0
PRIOR FULL YEARS (The way it was…)											
Number of institutions……2000	1,589	627	817	105	40	627	211	405	125	110	111
……1998	1,690	702	843	111	34	656	233	442	125	120	114
……1996	1,926	845	920	125	36	730	278	500	145	129	144
Total assets (in billions)……2000	$1,217.3	$31.1	$244.9	$202.9	$738.4	$400.0	$85.9	$181.8	$42.9	$84.5	$422.2
……1998	1088.4	36.3	245.0	220.5	586.7	360.2	66.4	176.1	36.7	70.6	378.5
……1996	1029.0	43.7	270.8	258.3	456.2	345.4	63.2	175.8	50.3	78.3	316.0
Return on assets (%)……2000	0.92	0.54	0.76	0.90	1.00	0.90	0.59	0.94	0.53	1.06	1.02
……1998	1.01	0.77	0.89	1.08	1.04	0.97	0.93	0.97	0.92	1.19	1.05
……1996	0.70	0.44	0.66	0.82	0.69	0.84	0.52	0.70	0.56	1.57	0.40
Net charge-offs to loans & leases (%)											
……2000	0.20	0.06	0.09	0.36	0.19	0.14	0.31	0.37	0.16	0.22	0.14
……1998	0.22	0.08	0.15	0.27	0.24	0.16	0.54	0.20	0.10	0.42	0.19
……1996	0.32	0.10	0.17	0.33	0.43	0.32	0.38	0.14	0.15	0.32	0.44
Noncurrent assets plus											
OREO to assets (%)……2000	0.56	0.64	0.53	0.89	0.48	0.54	0.62	0.75	0.71	0.84	0.42
……1998	0.72	0.77	0.69	1.03	0.61	0.79	0.66	0.69	0.54	0.87	0.66
……1996	1.09	0.96	0.99	1.25	1.08	1.26	0.99	0.65	0.67	1.11	1.24
Equity capital ratio (%)……2000	8.45	13.14	10.53	8.86	7.46	10.02	8.50	8.49	9.35	8.00	6.95
……1998	8.68	12.33	10.74	9.03	7.47	9.80	10.16	9.16	9.64	8.20	7.14
……1996	8.34	11.40	9.94	8.29	7.13	9.12	9.44	8.69	8.71	8.10	7.09

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

March 31, 2002	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	0.96	1.76	0.99	0.82	0.95	0.73	0.96	1.32	1.32	1.32	0.93
Construction, development, and land	1.22	2.06	1.31	1.02	1.21	0.69	1.18	1.78	1.06	1.23	1.37
Commercial real estate	0.76	1.31	0.82	0.85	0.60	0.64	1.32	1.21	1.44	1.34	0.24
Multifamily residential real estate	0.24	1.29	0.39	0.21	0.21	0.17	0.50	0.45	0.40	0.42	0.23
Home equity loans	0.26	0.47	0.37	0.27	0.22	0.28	0.34	0.55	0.38	0.04	0.05
Other 1-4 Family residential	1.08	1.85	1.09	0.94	1.07	0.84	0.95	1.43	1.43	1.47	1.09
Commercial and industrial loans	1.43	2.50	1.87	1.08	1.36	1.30	2.25	1.75	2.36	0.81	1.25
Loans to individuals	1.50	2.22	1.68	1.33	1.47	1.47	2.05	1.08	1.56	0.82	2.04
Credit card loans	1.62	1.89	2.59	0.96	1.55	1.68	3.83	1.13	3.19	0.63	1.67
Other loans to individuals	1.47	2.27	1.57	1.36	1.45	1.45	1.44	1.06	1.45	1.02	2.09
Total loans and leases	1.02	1.82	1.08	0.87	1.00	0.81	1.24	1.28	1.38	1.16	0.98
Percent of Loans Noncurrent*											
All real estate loans	0.89	0.94	0.72	0.95	0.92	0.70	0.68	0.96	0.64	1.89	0.94
Construction, development, and land	1.71	1.50	1.15	1.41	2.18	1.28	0.96	1.54	0.89	1.70	2.86
Commercial real estate	1.36	1.27	0.89	1.50	1.68	0.98	1.06	1.31	0.78	3.56	1.72
Multifamily residential real estate	0.38	0.83	0.36	1.16	0.11	0.27	0.37	0.68	0.42	10.73	0.05
Home equity loans	0.13	0.19	0.13	0.30	0.09	0.17	0.16	0.27	0.08	0.01	0.03
Other 1-4 Family residential	0.87	0.87	0.72	0.74	0.94	0.70	0.64	0.96	0.62	1.13	0.99
Commercial and industrial loans	2.21	1.66	1.95	2.90	2.09	1.67	3.62	2.42	1.83	2.29	2.50
Loans to individuals	0.60	0.98	0.67	0.63	0.56	0.67	0.97	0.47	0.50	0.45	0.42
Credit card loans	1.12	0.78	1.08	1.08	1.13	1.66	2.64	0.44	1.17	0.68	0.90
Other loans to individuals	0.43	1.00	0.61	0.61	0.31	0.51	0.40	0.48	0.45	0.23	0.39
Total loans and leases	0.92	0.97	0.77	1.03	0.93	0.77	0.92	0.92	0.68	1.60	0.96
Percent of Loans Charged-off (net, annualized)											
All real estate loans	0.06	0.04	0.06	0.05	0.05	0.03	0.06	0.16	0.06	0.03	0.04
Construction, development, and land	0.11	0.01	0.05	0.08	0.16	0.06	0.17	0.04	-0.01	-0.03	0.28
Commercial real estate	0.03	0.03	0.09	0.03	-0.01	0.04	0.00	0.14	0.18	0.01	-0.06
Multifamily residential real estate	-0.01	-0.02	-0.01	0.09	-0.05	-0.03	0.25	0.16	0.03	0.00	-0.04
Home equity loans	0.06	0.03	0.00	0.07	0.08	0.03	0.22	0.11	0.13	0.07	0.02
Other 1-4 Family residential	0.06	0.05	0.07	0.05	0.06	0.04	0.03	0.17	0.04	0.06	0.05
Commercial and industrial loans	1.39	0.58	0.74	0.92	1.79	1.01	3.14	1.12	0.76	2.10	1.18
Loans to individuals	1.92	1.00	1.03	0.90	2.32	1.48	2.49	2.12	1.60	0.97	2.50
Credit card loans	3.91	3.86	3.25	1.97	4.01	4.76	6.89	3.99	9.37	1.42	3.88
Other loans to individuals	1.27	0.90	0.71	0.85	1.54	0.95	0.94	1.13	1.04	0.49	2.39
Total loans and leases	0.26	0.13	0.15	0.17	0.32	0.19	0.69	0.43	0.20	0.39	0.16
Loans Outstanding (in billions)											
All real estate loans	$746.3	$16.8	$145.1	$108.7	$475.7	$222.7	$49.5	$101.5	$25.7	$32.2	$314.6
Construction, development, and land	37.7	1.1	10.2	8.5	17.8	8.0	5.8	5.8	1.9	7.2	9.0
Commercial real estate	65.4	1.7	21.6	17.7	24.4	29.5	4.5	8.3	3.6	4.5	15.0
Multifamily residential real estate	59.7	0.5	8.7	12.8	37.7	16.7	1.2	5.5	1.2	1.1	34.0
Home equity loans	32.5	0.5	6.7	4.6	20.7	9.1	2.8	7.1	0.8	1.1	11.5
Other 1-4 Family residential	550.7	12.9	97.7	65.1	375.0	159.4	35.2	74.8	18.2	18.2	244.9
Commercial and industrial loans	38.4	0.8	7.3	7.4	23.0	17.0	4.3	3.8	1.3	3.6	8.4
Loans to individuals	68.9	1.2	10.3	9.0	48.4	15.8	12.5	16.0	2.1	9.8	12.8
Credit card loans	16.7	0.0	1.3	0.4	15.0	2.3	3.2	5.4	0.1	4.8	0.8
Other loans to individuals	51.9	1.2	8.9	8.5	33.3	13.3	9.3	10.5	1.9	4.9	11.8
Total loans and leases	860.4	18.9	163.3	126.4	551.9	258.1	66.7	123.6	29.2	46.0	336.7
Memo: Other Real Estate Owned (in millions)**											
All other real estate owned	$1,065.1	$39.8	$207.9	$284.4	$533.0	$245.8	$104.6	$207.2	$93.0	$83.1	$331.4
Construction, development, and land	146.3	4.8	25.2	30.9	85.4	10.6	40.1	10.1	48.0	15.7	21.8
Commercial real estate	282.1	6.7	48.8	155.1	71.5	128.3	15.5	36.8	13.9	29.7	57.9
Multifamily residential real estate	31.5	2.4	8.0	19.7	1.3	3.4	3.0	9.2	1.3	13.6	1.0
1-4 Family residential	614.8	26.3	127.5	83.7	377.4	107.7	47.0	151.3	30.9	24.5	253.5
Troubled Real Estate Asset Rates* (% of total RE assets)**											
All real estate loans	1.03	1.17	0.87	1.20	1.03	0.81	0.89	1.16	0.99	2.15	1.04
Construction, development, and land	2.09	1.92	1.40	1.77	2.65	1.41	1.64	1.71	3.29	1.92	3.09
Commercial real estate	1.79	1.69	1.11	2.37	1.98	1.41	1.39	1.75	1.16	4.16	2.11
Multifamily residential real estate	0.43	1.35	0.45	1.31	0.12	0.29	0.62	0.85	0.52	11.82	0.05
1-4 family residential	0.93	1.04	0.80	0.83	0.99	0.74	0.72	1.08	0.76	1.19	1.04

* 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.

ALL FDIC-INSURED INSTITUTIONS

- ***Reporting Change Boosts Growth in Estimated Insured Deposits***
- ***BIF Reserve Ratio Falls Below 1.25 Percent, For the First Time Since 1995***
- ***SAIF Reserve Ratio Remains Unchanged***
- ***Six BIF Member Institutions Fail During Quarter***

Total assets and deposits of the nation's 9,538 insured institutions shrank slightly in the first three months of 2002. During this period, deposits insured by the FDIC increased by 2.6 percent ($82.9 billion) to $3.3 trillion. This was the largest quarterly rise since the first quarter of 2001, when total insured deposits increased by 2.8 percent. The combined balances of the Bank Insurance Fund (BIF) and the Savings Association Insurance Fund (SAIF) increased by 0.3 percent during the quarter, ending at $41.75 billion (unaudited). The joint BIF and SAIF reserve ratio (fund balances as a percent of insured deposits) for all insured institutions equaled 1.27 percent on March 31.

In the first quarter of 2002 deposits insured by the BIF grew by 3.1 percent ($75 billion), reaching $2.48 trillion. Nearly two-thirds of the first quarter's deposit growth was due to a reporting change for institutions filing Call reports[1]. Institutions that file the Call report are predominantly BIF-member institutions, so the impact of this change was concentrated in the growth of BIF insured deposits.

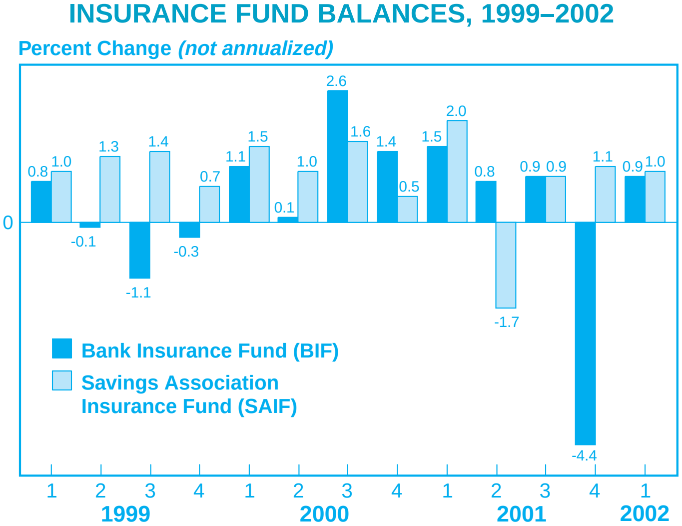
The Bank Insurance Fund (BIF) grew by 0.9 percent ($258 million) during the first three months of 2002, ending the quarter with a balance of $30.7 billion (unaudited). Because the BIF growth did not keep pace with the growth of BIF-insured deposits, the reserve ratio fell from 1.26 percent to 1.24 percent on March 31. This is the first time that the BIF reserve ratio has fallen below the Statutory "Designated Reserve Ratio" (DRR) of 1.25 percent since the BIF was recapitalized in 1995. The FDIC is required to maintain a BIF balance of at least 1.25 percent of BIF-insured deposits (the DRR). If the BIF falls below the DRR, the FDIC must collect premiums sufficient to restore the shortfall within a year after the higher premiums are set, or it must collect premiums of at least 23 basis points. The FDIC Board of Directors has the option to increase insurance premiums by as much as 5 basis points at any one time. Larger increases require the Board to solicit public comment. Deposit insurance premiums are only changed on June 30 (July 1) and December 31 (January 1) assessment dates and insured institutions must be notified 45 days in advance of an assessment increase. As a result, deposit insurance premiums would not be increased for a DRR shortfall prior to December 31, 2002 (January 1 – June 30, 2003 assessment period). The FDIC has until the middle of November 2002 to notify institutions of an assessment increase for the first semiannual assessment period of 2003. If the DRR for BIF climbs above 1.25 percent during the second quarter of 2002 (June 30, 2002 financials) then increased assessment rates for BIF would not be necessary.

Deposits insured by the SAIF grew 1.0 percent in the first quarter of 2002, following a 3.0 percent rise in the fourth quarter. The reserve ratio of the Savings Association Insurance Fund (SAIF) was 1.36 at the end of first quarter 2002, unchanged from three months earlier. The balance of the SAIF was $11.05 billion (unaudited) on March 31, up $114 million during the quarter.

Six BIF insured institutions failed during the first quarter 2002, the largest number since the third quarter of 1994, when eight BIF institutions and one SAIF-insured institution failed. The six institutions that failed in the first quarter of 2002 were all commercial banks, with combined assets of $2.1 billion. All of the insured deposits in these six institutions were insured by the BIF. Losses to the BIF were estimated at $644 million when these institutions failed. During the same period no SAIF member institution failed.

Among insured institutions whose brokerage affiliates sweep cash management accounts into FDIC-insured accounts, insured brokered deposits increased by $1.3 billion during the quarter. All of the increase was at BIF member institutions. During the same period, fully-insured brokered deposits declined by 2.6 percent for all BIF member institutions, and increased by 6.7 percent at SAIF member institutions.

QUARTERLY PERCENTAGE CHANGE IN INSURANCE FUND BALANCES, 1999–2002



[1] Starting in March 2002 all institutions filing the Call Report are required to report estimated uninsured deposits. Prior to March 2002 reporting estimated uninsured deposits was voluntary for these institutions. If uninsured deposits were not reported then they were estimated using a simple formula ((Amount of domestic deposits >$100K) less (Number of deposit accounts >$100 times $100K)). An institution's insured deposits are estimated by subtracting estimated uninsured deposits from total domestic deposits.

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

(dollar figures in millions)	2002**	2001**	2001	2000	1999	1998	1997
Number of institutions reporting	9,520	9,822	9,613	9,904	10,221	10,463	10,922
Total assets	$ 7,822,900	7,571,793	7,869,042	7,461,959	6,883,685	6,530,951	6,041,128
Total deposits	5,172,313	4,948,478	5,189,438	4,914,827	4,538,085	4,386,298	4,125,862
Number of problem institutions	124	95	114	94	79	84	92
Assets of problem institutions (in billions)	$52	$24	$40	$24	$10	$11	$6
Number of failed/assisted institutions	6	1	4	7	8	3	1
Assets of failed/assisted institutions (in billions)	$2.14	$0.02	$2.25	$0.41	$1.56	$0.37	$0.03

** As of March 31.

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

(dollar figures in millions)	Preliminary 1st Quarter 2002	4th Quarter 2001	1st Quarter 2001	%Change 01:1-02:1
Number of institutions reporting	9,520	9,613	9,822	-3.1
Total employees (full-time equivalent)	1,994,118	1,967,573	1,933,562	3.1
CONDITION DATA				
Total assets	$7,822,900	$7,869,042	$7,571,793	3.3
Loans secured by real estate	2,556,858	2,560,684	2,442,927	4.7
1-4 Family residential	1,543,673	1,564,177	1,512,210	2.1
Home equity loans	198,946	184,315	154,238	29.0
Multifamily residential property	125,563	123,126	119,086	5.4
Commercial real estate	584,171	569,433	531,700	9.9
Construction, development, and land	232,175	231,463	210,164	10.5
Other real estate loans	71,276	72,486	69,768	2.2
Commercial & industrial loans	1,005,291	1,020,273	1,080,861	-7.0
Loans to individuals	718,146	701,054	663,107	8.3
Credit cards & related plans	264,526	250,299	232,922	13.6
Other loans & leases	477,278	488,296	495,069	-3.6
Less: Unearned income & contra accounts	4,002	3,276	2,970	34.8
Total loans & leases	4,753,571	4,767,031	4,678,994	1.6
Less: Reserve for losses	82,717	79,796	72,205	14.6
Net loans and leases	4,670,855	4,687,235	4,606,789	1.4
Securities	1,488,232	1,464,812	1,328,606	12.0
Other real estate owned	4,874	4,619	4,063	20.0
Goodwill and other intangibles	158,008	143,765	120,126	31.5
All other assets	1,500,926	1,568,612	1,512,210	-0.7
Total liabilities and capital	7,822,900	7,869,042	7,571,793	3.3
Deposits	5,172,313	5,189,438	4,948,478	4.5
Other borrowed funds	1,490,738	1,495,909	1,506,990	-1.1
Subordinated debt	96,731	99,227	93,692	3.2
All other liabilities	341,114	376,793	368,690	-7.5
Equity capital	722,004	707,675	653,945	10.4
Loans and leases 30-89 days past due	57,800	62,783	55,629	3.9
Noncurrent loans and leases	65,102	62,492	52,373	24.3
Restructured loans and leases	3,503	3,195	2,535	38.2
Direct and indirect investments in real estate	688	687	902	-23.7
Mortgage-backed securities	814,104	810,120	706,064	15.3
Earning assets	6,825,000	6,791,287	6,604,921	3.3
FHLB Advances	442,526	452,502	438,223	1.0
Unused loan commitments	5,383,143	5,149,068	4,824,483	11.6

INCOME DATA	Full Year 2001	Full Year 2000	%Change	Preliminary 1st Quarter 2002	1st Quarter 2001	%Change 01:1-02:1
Total interest income	$486,820	$512,228	-5.0	$108,428	$132,036	-17.9
Total interest expense	235,010	276,506	-15.0	39,268	71,606	-45.2
Net interest income	251,810	235,723	6.8	69,160	60,430	14.4
Provision for loan and lease losses	45,955	32,043	43.4	12,455	8,637	44.2
Total noninterest income	168,897	164,834	2.5	44,429	43,107	3.1
Total noninterest expense	251,062	241,583	3.9	63,736	62,136	2.6
Securities gains (losses)	8,732	-1,484	N/M	1,345	2,001	-32.8
Applicable income taxes	44,190	43,704	1.1	13,302	11,638	14.3
Extraordinary gains, net	-649	-35	N/M	-71	-368	N/M
Net income	87,583	81,707	7.2	25,369	22,759	11.5

* Excludes insured branches of foreign banks (IBAs).

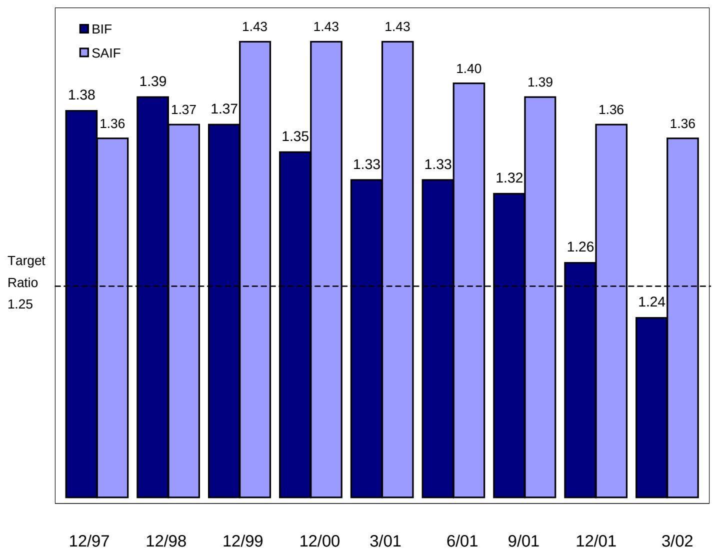
N/M - Not meaningful

TABLE III-C. Selected Insurance Fund Indicators*

(dollar figures in millions)	Preliminary 1st Quarter 2002	4th Quarter 2001	1st Quarter 2001	%Change 01:1-02:1
Bank Insurance Fund				
Reserve ratio (%)…………	1.24	1.26	1.33	-7.3
Fund balance (unaudited)…………	$30,697	$30,439	$31,426	-2.4
Estimated insured deposits…………	2,483,357	2,408,350	2,371,197	4.7
SAIF-member Oakars…………	80,816	65,829	60,596	33.4
BIF-members…………	2,402,542	2,342,520	2,310,600	4.0
Assessment base…………	3,591,079	3,584,364	3,363,409	6.8
SAIF-member Oakars…………	82,237	67,120	61,510	33.7
BIF-members…………	3,508,842	3,517,243	3,301,900	6.3
Savings Association Insurance Fund				
Reserve ratio (%)…………	1.36	1.36	1.43	-5.1
Fund balance (unaudited)…………	$11,049	$10,935	$10,973	0.7
Estimated insured deposits…………	810,202	802,358	768,580	5.4
BIF-member Oakars…………	340,285	346,901	313,163	8.7
SAIF-member Sassers…………	78,634	73,463	70,549	11.5
Other SAIF members…………	391,283	381,994	384,868	1.7
Assessment base…………	911,951	897,783	847,061	7.7
BIF-member Oakars…………	342,067	349,058	313,765	9.0
SAIF-member Sassers…………	94,784	92,384	86,656	9.4
Other SAIF members…………	475,101	456,341	446,640	6.4

Insurance Fund Reserve Ratios*

Percent of Insured Deposits



Fund Balances and Insured Deposits*

($Millions)

	BIF Balance	BIF-Insured Deposits	SAIF Balance	SAIF-Insured Deposits
12/97	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
12/00	30,975	2,299,932	10,759	755,156
3/01	31,426	2,371,197	10,973	768,580
6/01	31,681	2,382,801	10,792	772,091
9/01	31,834	2,403,880	10,815	778,880
12/01	30,439	2,408,350	10,935	802,358
3/02	30,697	2,483,357	11,049	810,202

* 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. BIF-insured deposit totals include U.S. branches of foreign banks.

TABLE IV-C. Closed/Assisted Institutions

(dollar figures in millions)	2002**	2001**	2001	2000	1999	1998	1997
BIF Members							
Number of institutions…………	6	1	3	6	7	3	1
Total assets…………	$2,137	$17	$54	$378	$1,490	$371	$27
SAIF Members							
Number of institutions…………	0	0	1	1	1	0	0
Total assets…………	$0	$0	$2,200	$30	$71	$0	$0

** Through March 31.

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

(dollar figures in millions)	2002**	2001**	2001	2000	1999	1998	1997
BIF Members							
Number of institutions reporting	8,247	8,491	8,326	8,571	8,834	9,031	9,404
BIF-member Oakars	766	739	763	743	744	745	778
Other BIF-members	7,481	7,752	7,563	7,828	8,090	8,286	8,626
Total assets	$ 6,763,862	6,591,070	6,857,207	6,509,798	5,980,153	5,702,774	5,285,403
Total deposits	4,514,607	4,349,925	4,567,597	4,337,727	3,987,382	3,843,816	3,611,453
Net income	22,581	20,579	76,944	73,637	73,968	64,335	61,459
Return on assets (%)	1.33	1.26	1.15	1.18	1.30	1.18	1.22
Return on equity (%)	14.44	14.58	12.98	13.90	15.11	13.81	14.44
Noncurrent assets plus OREO to assets (%)	0.94	0.77	0.90	0.72	0.62	0.64	0.67
Number of problem institutions	98	75	90	74	66	68	73
Assets of problem institutions	$32,695	$12,754	$31,881	$10,787	$4,450	$5,326	$4,598
Number of failed/assisted institutions 6		1	3	6	7	3	1
Assets of failed/assisted institutions	$2,137	$17	$54	$378	$1,490	$371	$27
SAIF Members							
Number of institutions reporting	1,273	1,331	1,287	1,333	1,387	1,432	1,518
SAIF-member Oakars	133	125	130	123	123	116	112
Other SAIF-members	1,140	1,206	1,157	1,210	1,264	1,316	1,406
Total assets	$ 1,059,037	980,723	1,011,834	952,161	903,532	828,177	755,724
Total deposits	657,706	598,552	621,841	577,100	550,703	542,481	514,409
Net income	2,788	2,179	10,639	8,070	8,450	7,598	6,486
Return on assets (%)	1.06	0.91	1.11	0.89	0.99	0.98	0.94
Return on equity (%)	12.53	11.13	13.48	11.12	11.97	11.34	11.13
Noncurrent assets plus OREO to assets (%)	0.76	0.67	0.75	0.65	0.64	0.80	0.98
Number of problem institutions	26	20	24	20	13	16	19
Assets of problem institutions	$19,027	$10,835	$7,923	$13,053	$5,524	$5,992	$1,662
Number of failed/assisted institutions 0		0	1	1	1	0	0
Assets of failed/assisted institutions	$0	$0	$2,200	$30	$71	$0	$0

* 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, 2002						
Commercial Banks and Savings Institutions						
FDIC-Insured Commercial Banks	8,005	6,504,593	3,748,683	2,262,479	348,994	2,611,473
BIF-member	7,896	6,396,950	3,674,915	2,244,733	307,385	2,552,118
SAIF-member	109	107,643	73,768	17,746	41,609	59,355
FDIC-Supervised	4,932	1,223,860	918,438	620,680	75,937	696,617
OCC-Supervised	2,118	3,574,174	1,982,322	1,189,911	197,275	1,402,042
Federal Reserve-Supervised	955	1,706,559	847,922	437,032	75,782	512,814
FDIC-Insured Savings Institutions	1,515	1,318,307	820,109	234,616	461,208	695,824
OTS-Supervised Savings Institutions	1,007	1,006,211	599,460	106,718	399,401	506,119
BIF-member	38	115,706	59,263	46,031	8,118	54,148
SAIF-member	969	890,505	540,197	60,687	391,283	451,971
FDIC-Supervised State Savings Banks	508	312,096	220,649	127,898	61,807	189,706
BIF-member	313	251,206	177,020	125,516	24,783	150,299
SAIF-member	195	60,890	43,629	2,382	37,025	39,407
Total Commercial Banks and Savings Institutions	9,520	7,822,900	4,568,792	2,482,240	810,202	3,307,298
BIF-member	8,247	6,763,862	3,911,198	2,401,424	340,285	2,741,709
SAIF-member	1,273	1,059,037	657,594	80,816	469,917	550,733
Other FDIC-Insured Institutions						
U.S. Branches of Foreign Banks	18	9,442	4,528	1,118	0	1,118
Total FDIC-Insured Institutions	9,538	7,832,341	4,573,320	2,483,357	810,202	3,293,560

* Excludes $604 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, 2002
Supervisory and Capital Ratings for Second Semiannual Assessment Period, 2002

	Supervisory Risk Subgroup					
Capital Group	A		B		C	
1. Well-capitalized						
Number of institutions	7,565	91.5	437	5.3	96	1.2
Assessable deposit base	$3,464,955	96.5	$71,685	2.0	$25,910	0.7
2. Adequately capitalized						
Number of institutions	132	1.6	14	0.2	10	0.1
Assessable deposit base	$23,873	0.7	$1,306	0.0	$1,270	0.0
3. Undercapitalized						
Number of institutions	4	0.0	0	0.0	7	0.1
Assessable deposit base	$592	0.0	$0	0.0	$1,487	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, 2002
Supervisory and Capital Ratings for Second Semiannual Assessment Period, 2002

	Supervisory Risk Subgroup					
Capital Group	A		B		C	
1. Well-capitalized						
Number of institutions	1,153	90.6	80	6.3	17	1.3
Assessable deposit base	$869,880	95.4	$33,721	3.7	$5,674	0.6
2. Adequately capitalized						
Number of institutions	8	0.6	6	0.5	7	0.5
Assessable deposit base	$1,703	0.2	$493	0.1	$406	0.0
3. Undercapitalized						
Number of institutions	0	0.0	0	0.0	2	0.2
Assessable deposit base	$0	0.0	$0	0.0	$74	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.

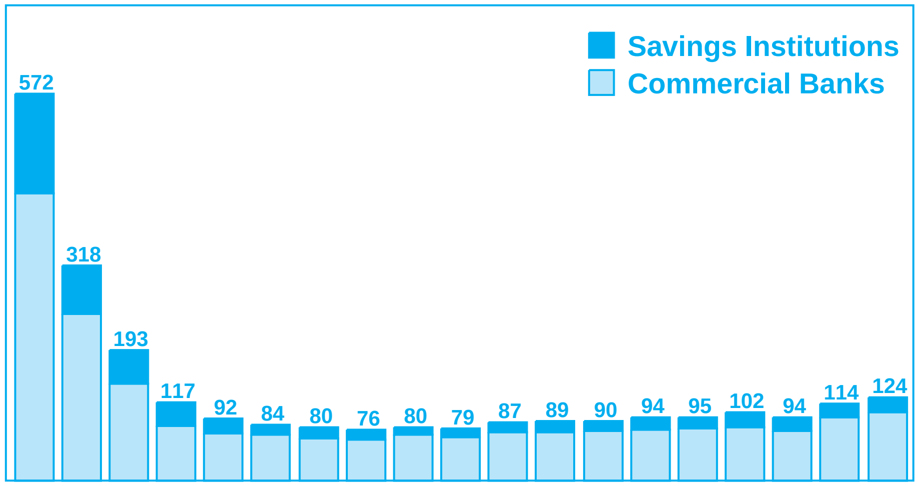
Assessment Rate Schedules
Second Semiannual 2002 Assessment Period
Cents Per $100 of Assessable Deposits

	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, 1993–2002

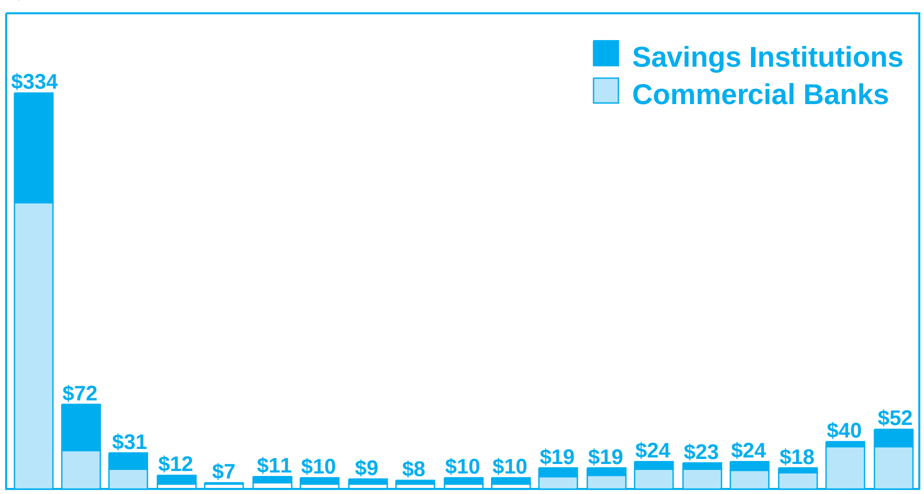
Number of Institutions



	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	6/01	9/01	12/01	3/02
Savings Institutions	146	71	49	35	21	15	16	14	11	13	15	16	15	18	17	22	20	19	22
Commercial Banks	426	247	144	82	71	69	64	62	69	66	72	73	75	76	78	80	74	95	102

ASSETS OF FDIC-INSURED “PROBLEM” INSTITUTIONS, 1993–2002

$ 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	6/01	9/01	12/01	3/02
Savings Institutions	92	39	14	7	2	6	5	4	4	6	5	8	7	7	6	7	4	4	15
Commercial Banks	242	33	17	5	5	5	5	5	4	4	5	11	12	17	17	17	14	36	37

NOTES TO USERS

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

FDIC-Insured Commercial Banks (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. Savings institutions in conservatorships are excluded from these tables while in conservatorship, where applicable. The institutions covered in this section are regulated by and submit financial reports to one of two Federal regulators — the FDIC or the Office of Thrift Supervision (OTS).

FDIC-Insured Institutions by Insurance Fund (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

Goodwill and intangible assets — FAS 141 terminates the use of pooling-of-interest accounting 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. 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 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 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.