

**Click on a title to view an individual graph**

|  |    |  |    |
|--|----|--|----|
| <b>Highlights</b> .....  | 1  | Positions of Off-Balance-Sheet<br>Derivatives .....                  | 29 |
| <b>FDIC-Insured Commercial Banks</b>   |    | Return on Assets by State .....                                      | 30 |
| Quarterly Net Income and Margins .....   | 2  | <b>FDIC-Insured Savings Institutions</b>                             |    |
| Quarterly Return on Assets and Equity .....  | 3  | Quarterly Net Income and Margins .....                               | 31 |
| Quarterly Return on<br>Risk-Weighted Assets .....                                      | 4  | Quarterly Return on Assets and Equity .....                          | 32 |
| Quarterly Efficiency Ratios .....  | 5  | Quarterly Return<br>on Risk-Weighted Assets .....                    | 33 |
| Noninterest Income as a Percentage<br>of Net Operating Revenue .....                   | 6  | Quarterly Efficiency Ratios .....                                    | 34 |
| Net Income from Domestic<br>and Foreign Operations .....                               | 7  | Noninterest Income as a Percentage<br>of Net Operating Revenue ..... | 35 |
| Number and Return on Assets<br>of Subchapter S Corporations .....                      | 8  | Changes in Number of<br>FDIC-Insured Savings Institutions .....      | 36 |
| Changes in Number of<br>FDIC-Insured Commercial Banks .....                            | 9  | Capital Ratios .....   | 37 |
| Bank Mergers: Interstate vs. Intrastate .....  | 10 | Reserve Coverage Ratio .....   | 38 |
| Capital Ratios .....   | 11 | Loan Quality .....   | 39 |
| Reserve Coverage Ratio .....   | 12 | Noncurrent Real Estate Loans by Type .....                           | 40 |
| Loan Quality .....   | 13 | Total Securities by Category .....                                   | 41 |
| Credit Card Loss Rates and<br>Personal Bankruptcy Filings .....                        | 14 | Real Estate Assets by Type .....                                     | 42 |
| Credit Card Loss Rates and<br>Personal Bankruptcy Filings Table .....                  | 15 | Mutual Fund and Annuity Sales<br>and Related Fee Income .....        | 43 |
| Expansion of Credit Card Lines .....   | 16 | Number and Amount of<br>Institutions with FHLB Advances .....        | 44 |
| Total Securities by Category .....   | 17 | Assets and Number of Mutual and<br>Stock Savings Institutions .....  | 45 |
| Real Estate Assets by Type .....   | 18 | Return on Assets by State .....                                      | 46 |
| Mutual Fund and Annuity Sales<br>and Related Fee Income .....                          | 19 | <b>All FDIC-Insured Institutions</b>                                 |    |
| Number and Amount of<br>Banks with FHLB Advances .....                                 | 20 | Number and Assets of FDIC-Insured<br>Banking Organizations .....     | 47 |
| Debt Securities by Maturity and Region<br>and Total Securities (Debt and Equity) ..... | 21 | Number and Assets of<br>FDIC-Insured Institutions .....              | 48 |
| Net Loans and Leases to Deposits .....   | 22 | .....  |    |
| Commercial and Industrial<br>Loans to Small Businesses .....                           | 23 | Number and Assets of FDIC-Insured<br>"Problem" Institutions .....    | 50 |
| Credit Risk Diversification .....  | 24 | .....  |    |
| Quarterly Change in Loans Outstanding<br>and Unused Loan Commitments .....             | 25 | Capital Category Distribution .....                                  | 52 |
| Off-Balance-Sheet Derivatives .....  | 26 | Total Liabilities and Equity Capital .....                           | 53 |
| Concentration and Composition of<br>Off-Balance-Sheet Derivatives .....                | 27 | Insurance Fund Reserve Ratios<br>and Insured Deposits .....          | 54 |
| Purpose of Off-Balance-Sheet<br>Derivatives .....                                      | 28 | U.S. Treasury Yield Curve .....                                      | 55 |
|  |    | <b>Notes to Users</b> .....  | 56 |

## **HIGHLIGHTS -- 2<sup>ND</sup> QUARTER AND FIRST HALF 2000**

- **COMMERCIAL BANKS' QUARTERLY EARNINGS DIP TO 3-YEAR LOW**

Large expenses related to corporate restructurings and credit quality problems at several large banks led to a \$2.2-billion (13.2-percent) decline in industry earnings in the second quarter. Commercial banks reported net income of \$14.7 billion in the quarter, the lowest quarterly total since the second quarter of 1997. The return on assets (ROA) fell to 0.99 percent, the first time since the fourth quarter of 1992 that it has been below 1.00 percent. Despite the poor aggregate results, earnings problems were concentrated among a few large banks. About two out of every three commercial banks (65.6 percent) had a quarterly ROA of 1 percent or better, and a majority of banks (57.0 percent) reported improved ROAs compared to a year ago. For the first half of the year, commercial banks' profits totaled \$34.2 billion, a decline of \$665 million (1.9 percent) from a year earlier. The average ROA for the first six months was 1.17 percent, compared to an average of 1.28 percent a year ago.
- **COMMERCIAL LOANS SHOW FURTHER SIGNS OF WEAKNESS**

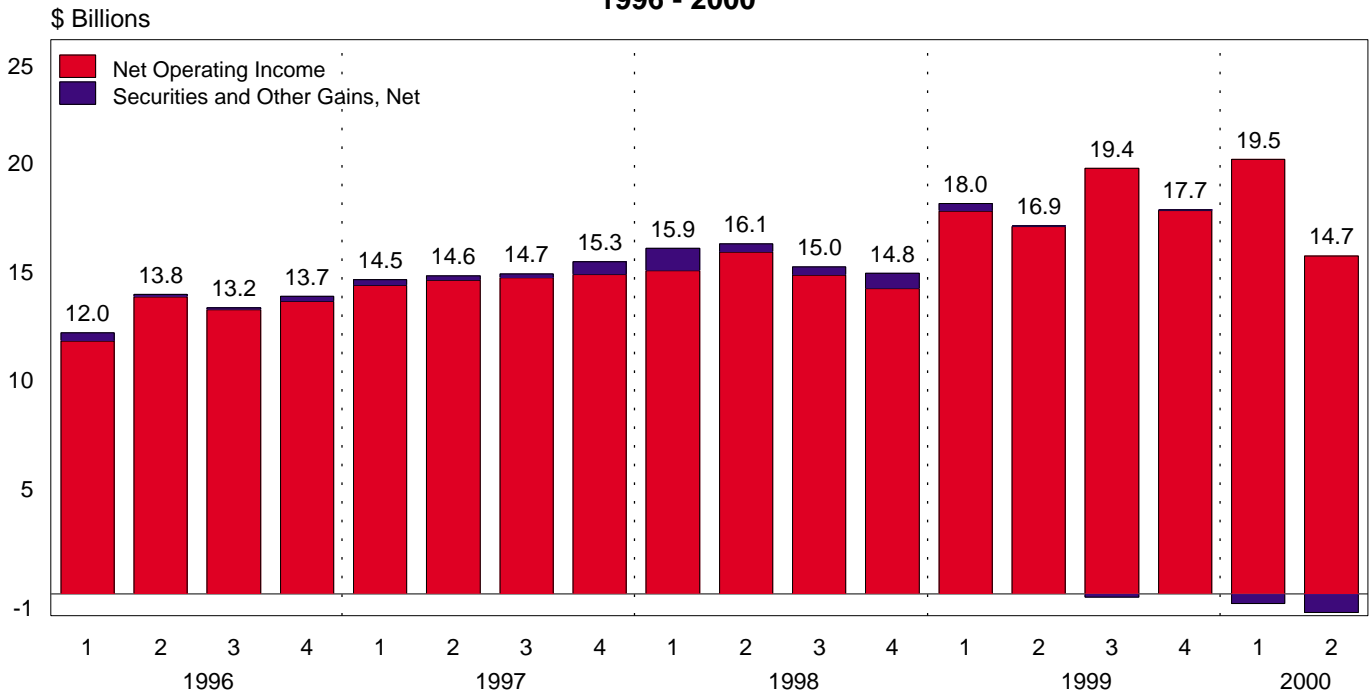
Asset-quality indicators for the industry's portfolio of loans to commercial and industrial borrowers worsened during the second quarter, but most of the deterioration occurred at larger banks. Commercial and industrial (C&I) loans at smaller banks actually showed some improvement. The industry's annualized net charge-off rate on C&I loans rose to 0.67 percent, from 0.54 percent a year ago. At commercial banks with assets of \$1 billion or more, the average net charge-off rate increased from 0.53 percent a year ago to 0.68 percent. At banks with less than \$1 billion in assets, the net charge-off rate fell from 0.62 percent to 0.58 percent. Similar disparate trends were evident in the percent of C&I loans that were noncurrent (90 days or more past due or in nonaccrual status). The noncurrent rate of C&I loans at larger banks rose from 1.24 percent to 1.38 percent during the quarter, while at smaller banks, the noncurrent rate remained unchanged at 1.59 percent.
- **NET INTEREST MARGIN DECLINES TO LOWEST LEVEL SINCE 1990**

Short-term interest rates rose and longer-term interest rates declined during the second quarter. At larger banks, average funding costs rose more rapidly than average asset yields, producing narrower net interest margins. Funding costs rose more slowly at smaller banks, which have larger proportions of core deposits. The industry's net interest margin declined slightly, to 3.99 percent, down from 4.00 percent in the first quarter. This is the first time since the fourth quarter of 1990 that the industry's net interest margin has been below 4.00 percent.
- **EARNINGS OF SAVINGS INSTITUTIONS DECLINE TO \$2.8 BILLION**

Higher loan-loss provisions and lower net interest margins caused a drop in thrifts' quarterly earnings, but higher noninterest income helped limit the decline. Insured savings institutions earned \$2.8 billion in the second quarter, a \$106-million (3.7 percent) decline from their profits in the second quarter of 1999. Provisions for credit losses were \$169 million (42.4 percent) higher than in the second quarter of 1999, while net interest income was up by only \$16 million (0.2 percent). The industry's noninterest revenues were up by \$441 million (18.0 percent). The average ROA for the second quarter was 0.95 percent, down from 1.03 percent a year earlier. Through the first six months of 2000, thrifts earned \$5.7 billion, up \$127 million (2.3 percent) from the same period of 1999. The average ROA for the first half of this year was 0.99 percent, down from 1.01 percent a year ago.

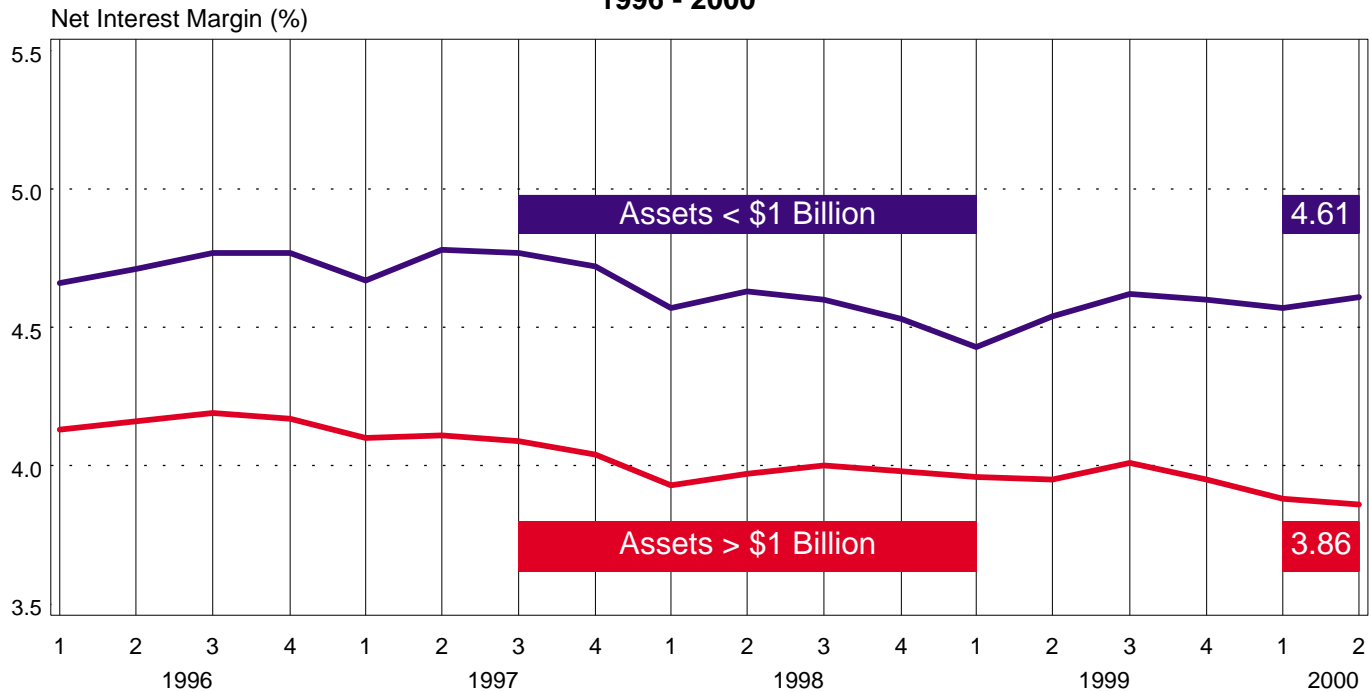
## Quarterly Net Income

1996 - 2000



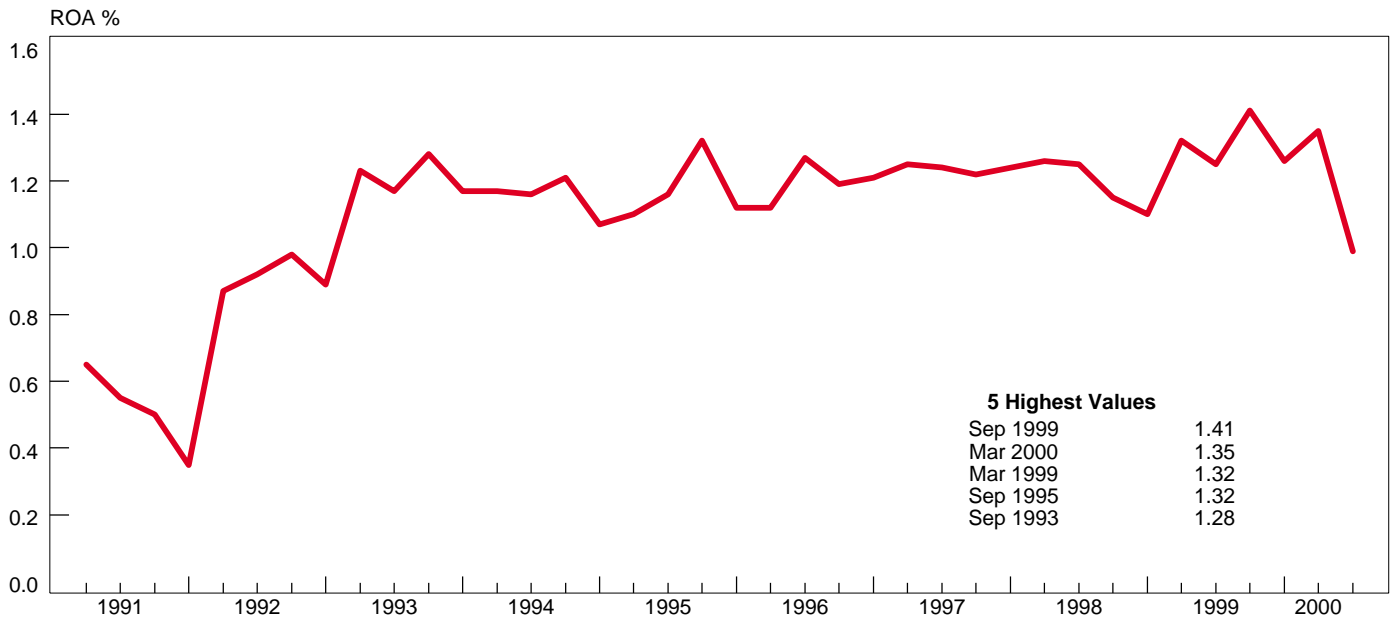
## Quarterly Net Interest Margins, Annualized

1996 - 2000



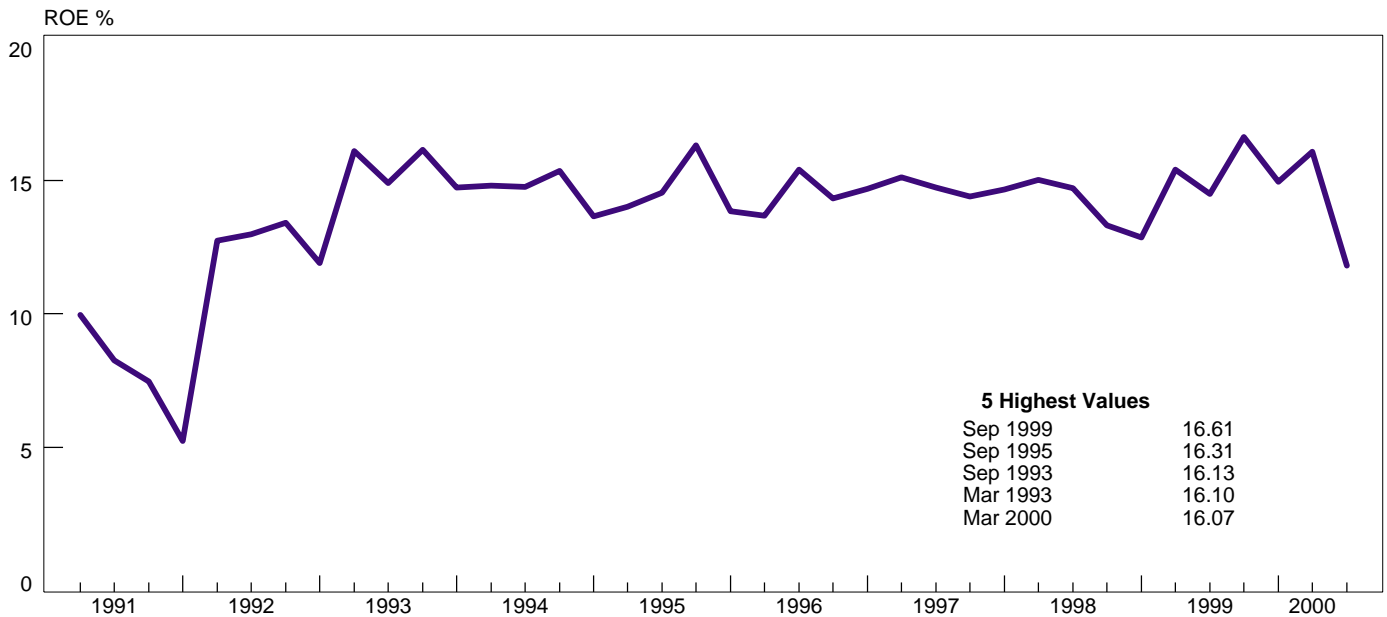
## Quarterly Return on Assets (ROA), Annualized

1991 - 2000



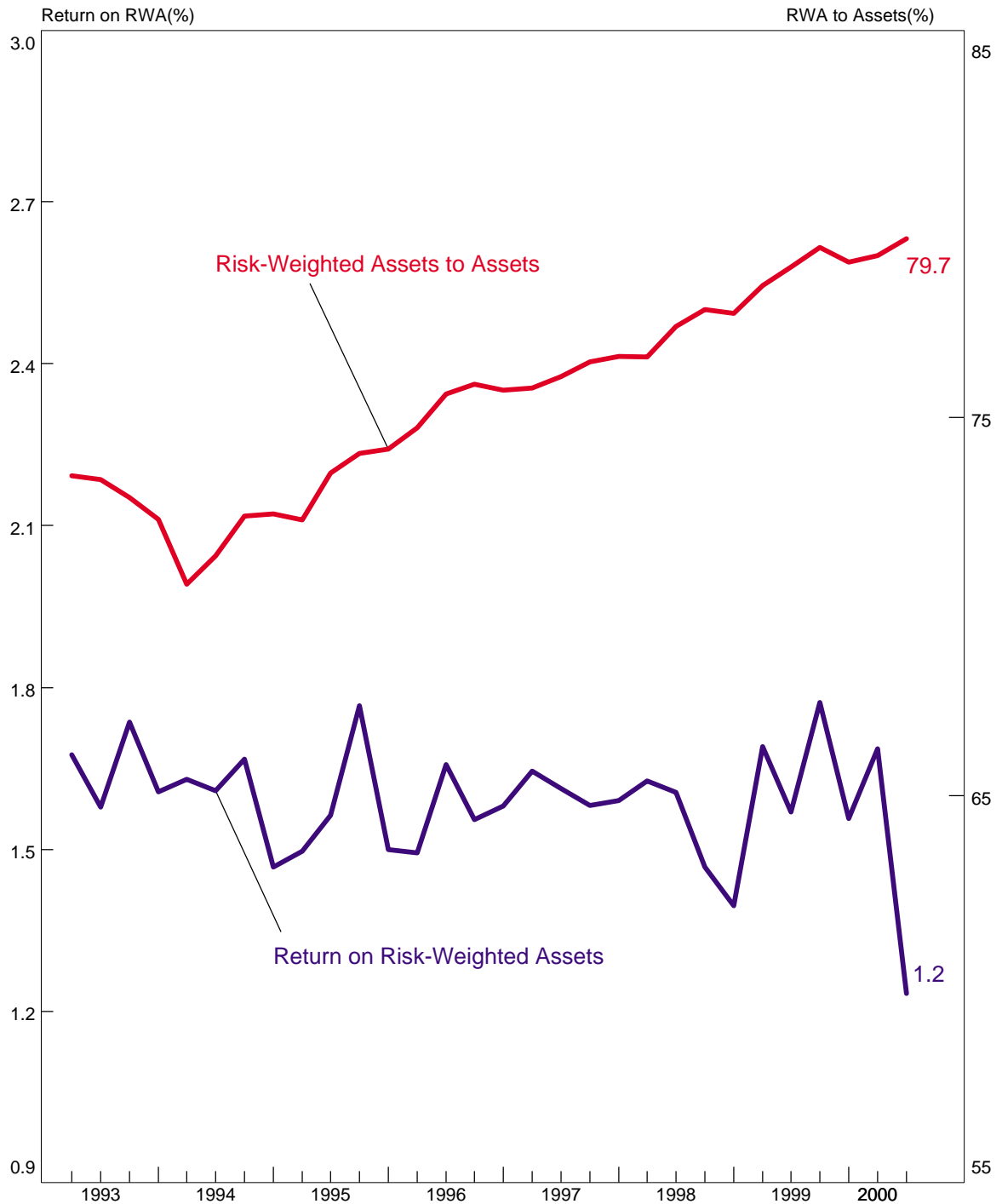
## Quarterly Return on Equity (ROE), Annualized

1991 - 2000



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

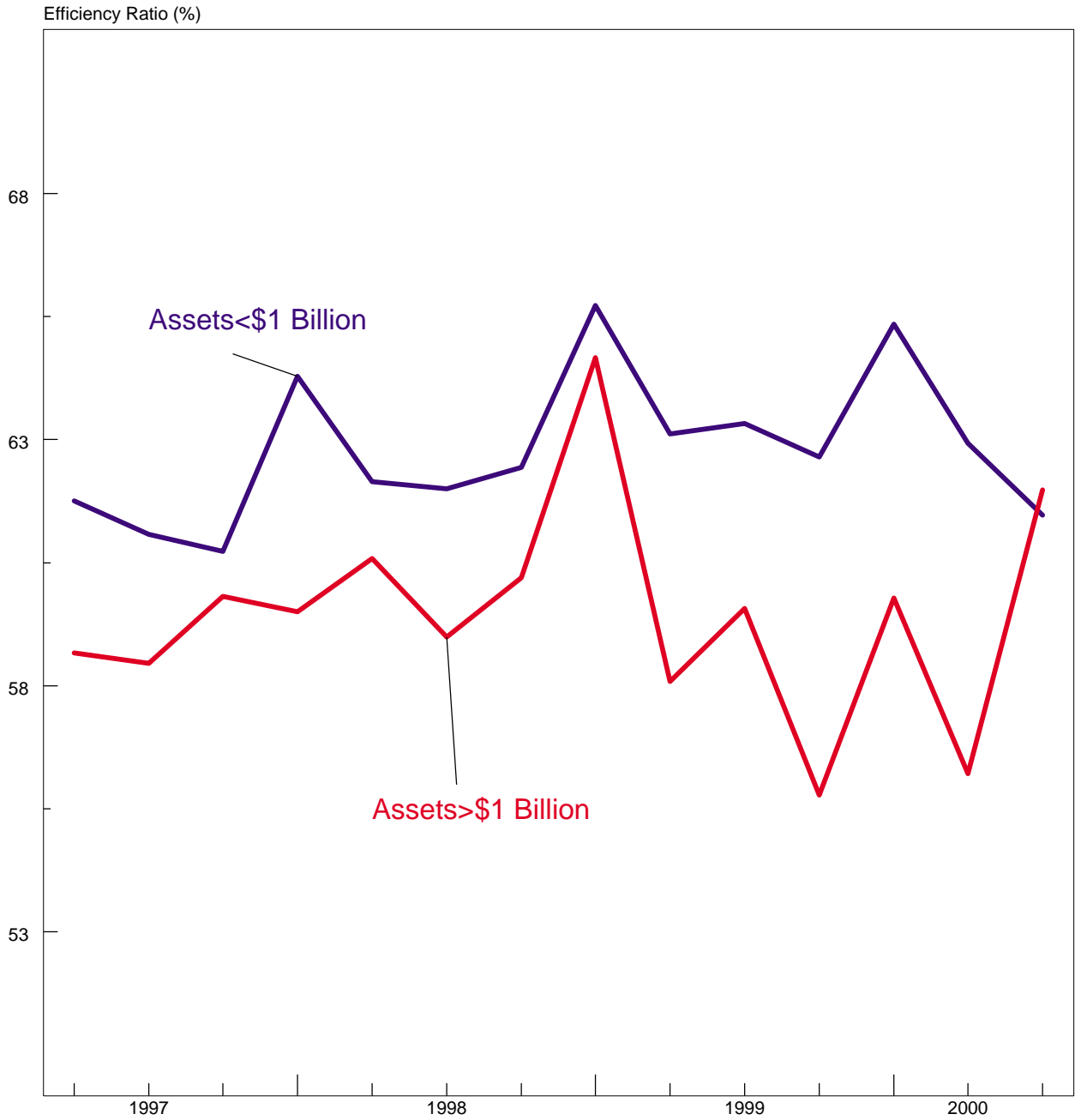
1993 - 2000



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

## Quarterly Efficiency Ratios\*

1997 - 2000

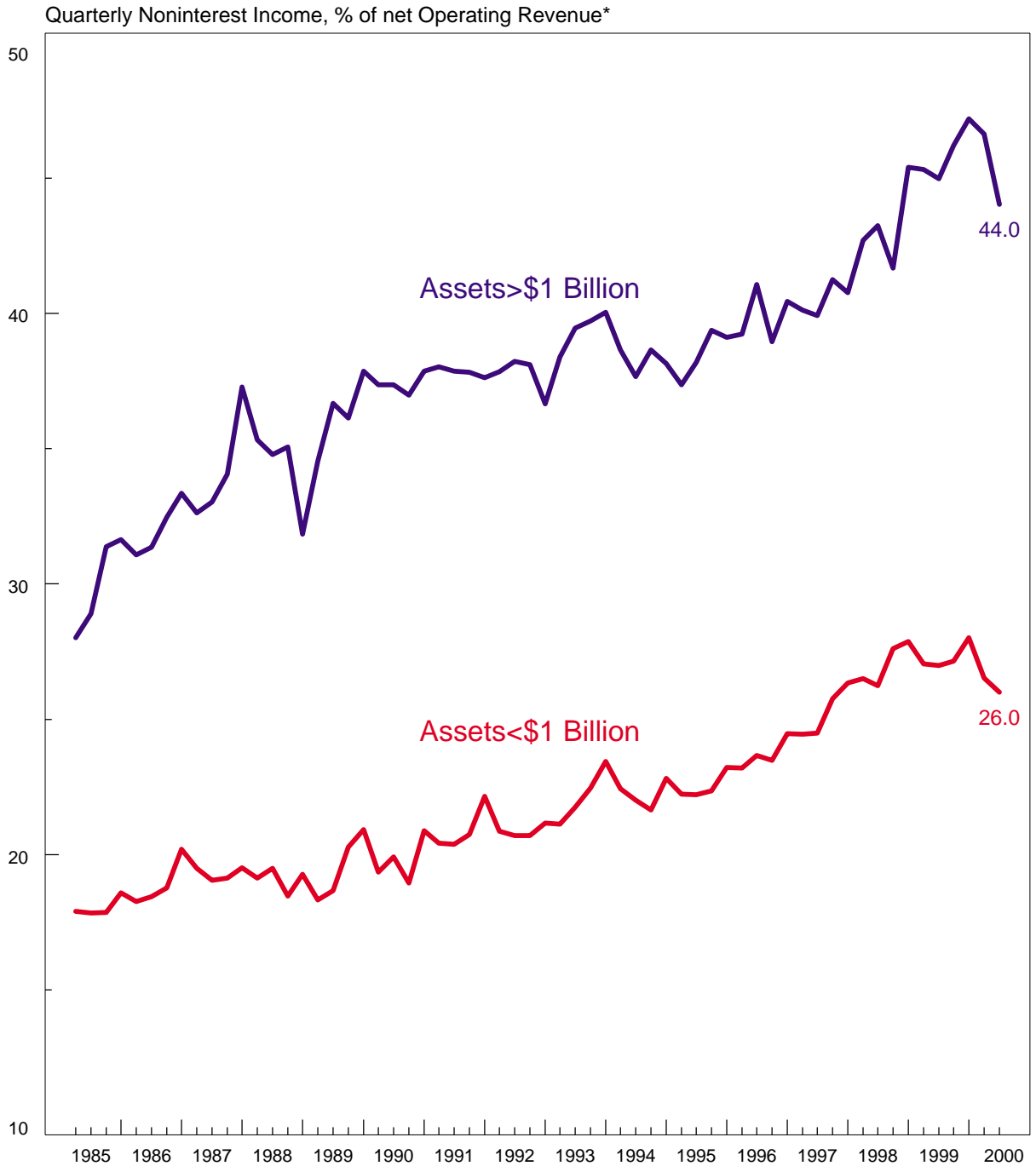


|                                |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Assets &lt; \$1 Billion</b> | 61.26 | 60.58 | 60.23 | 63.79 | 61.65 | 61.50 | 61.94 | 65.23 | 62.62 | 62.83 | 62.15 | 64.85 | 62.43 | 60.96 |
| <b>Assets &gt; \$1 Billion</b> | 58.17 | 57.95 | 59.32 | 59.00 | 60.08 | 58.49 | 59.69 | 64.17 | 57.59 | 59.07 | 55.28 | 59.28 | 55.71 | 61.48 |
| <b>Total</b>                   | 58.82 | 58.49 | 59.50 | 59.96 | 60.38 | 59.06 | 60.12 | 64.35 | 58.43 | 59.71 | 56.42 | 60.19 | 56.78 | 61.40 |

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

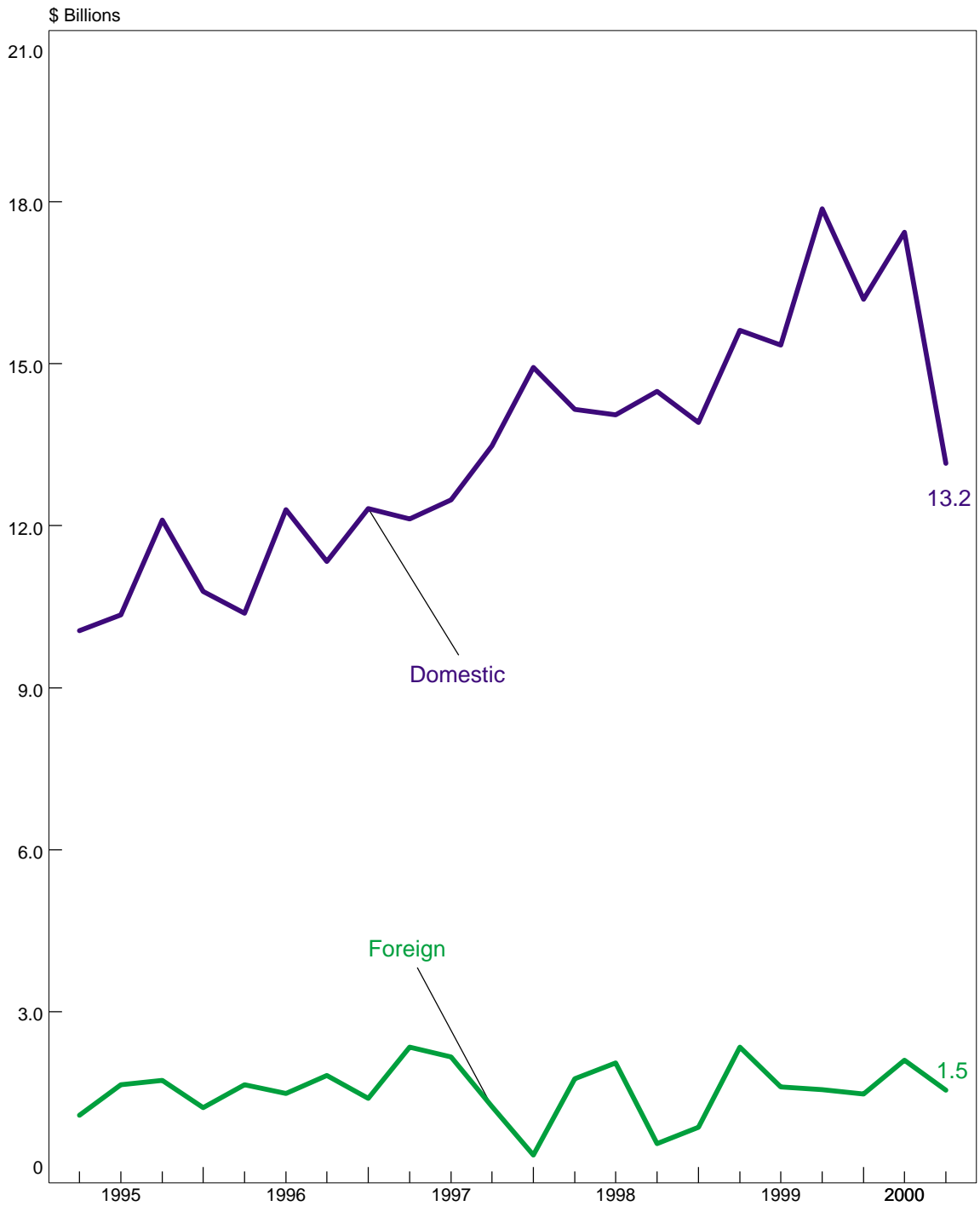
# Noninterest Income as a Percentage of Net Operating Revenue\*

1985 - 2000



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

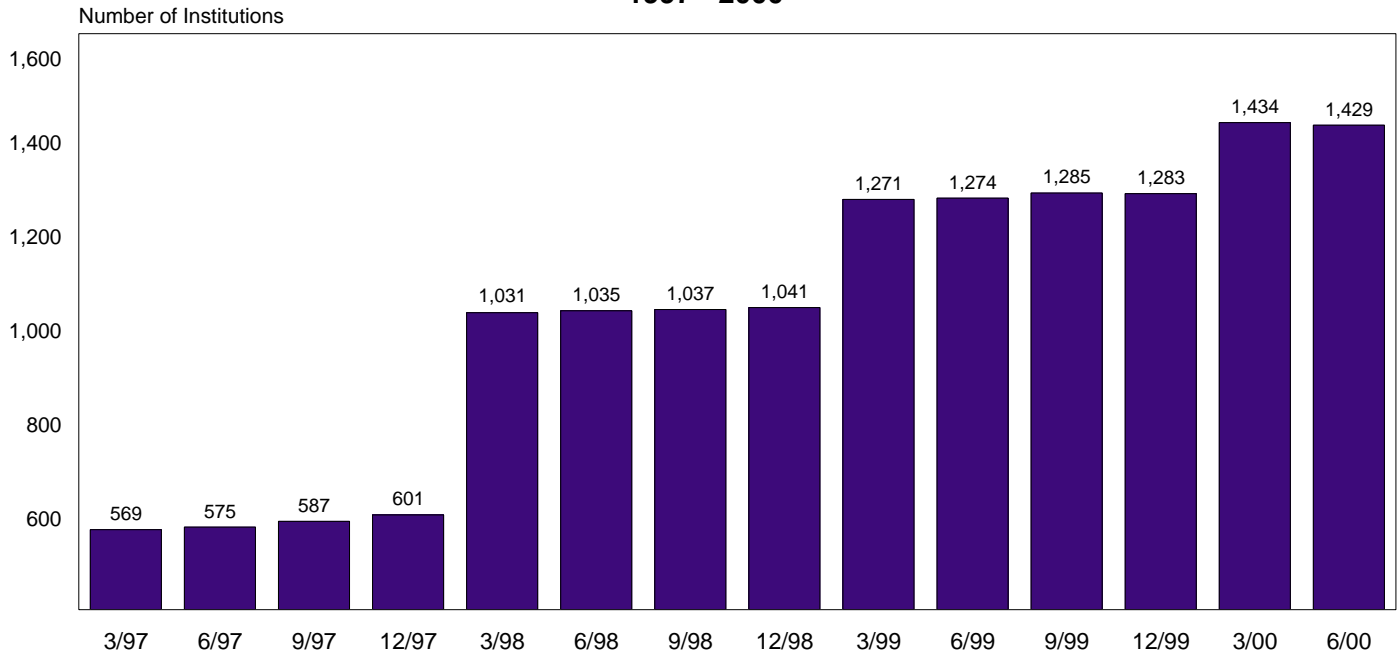
# Net Income from Domestic and Foreign Operations 1995 - 2000





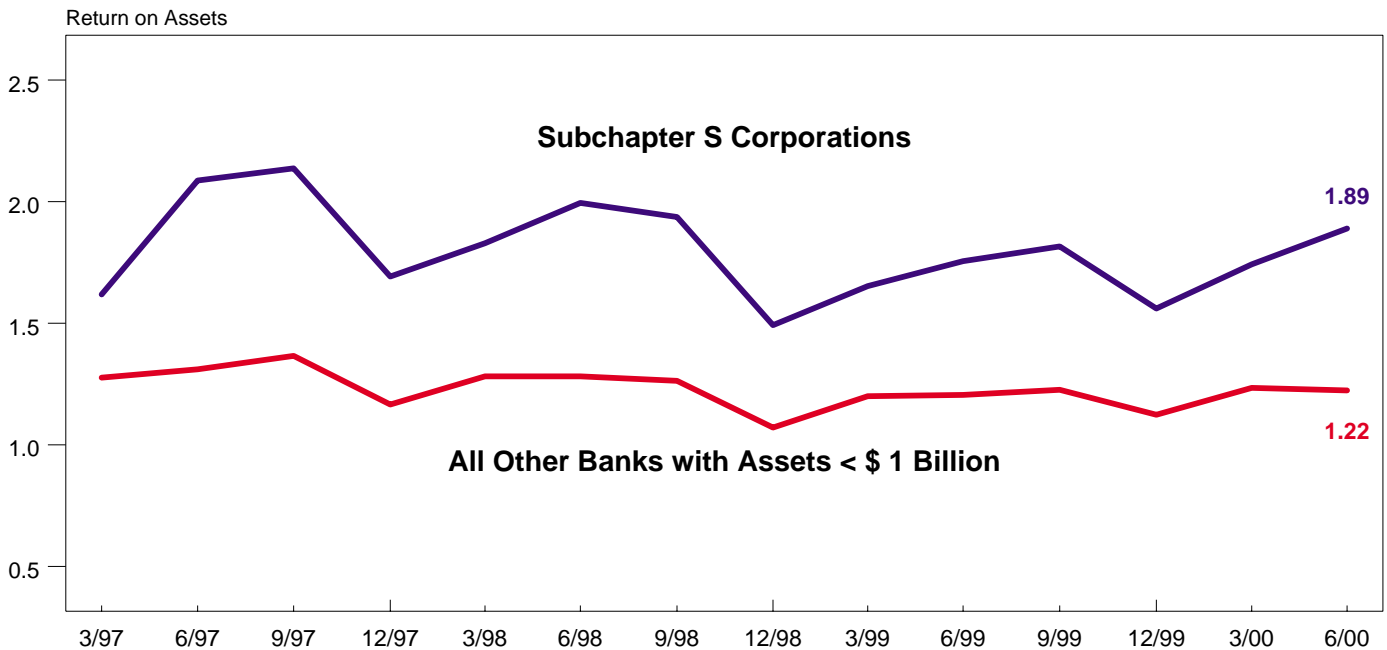
## Number of Subchapter S Corporations

1997 - 2000

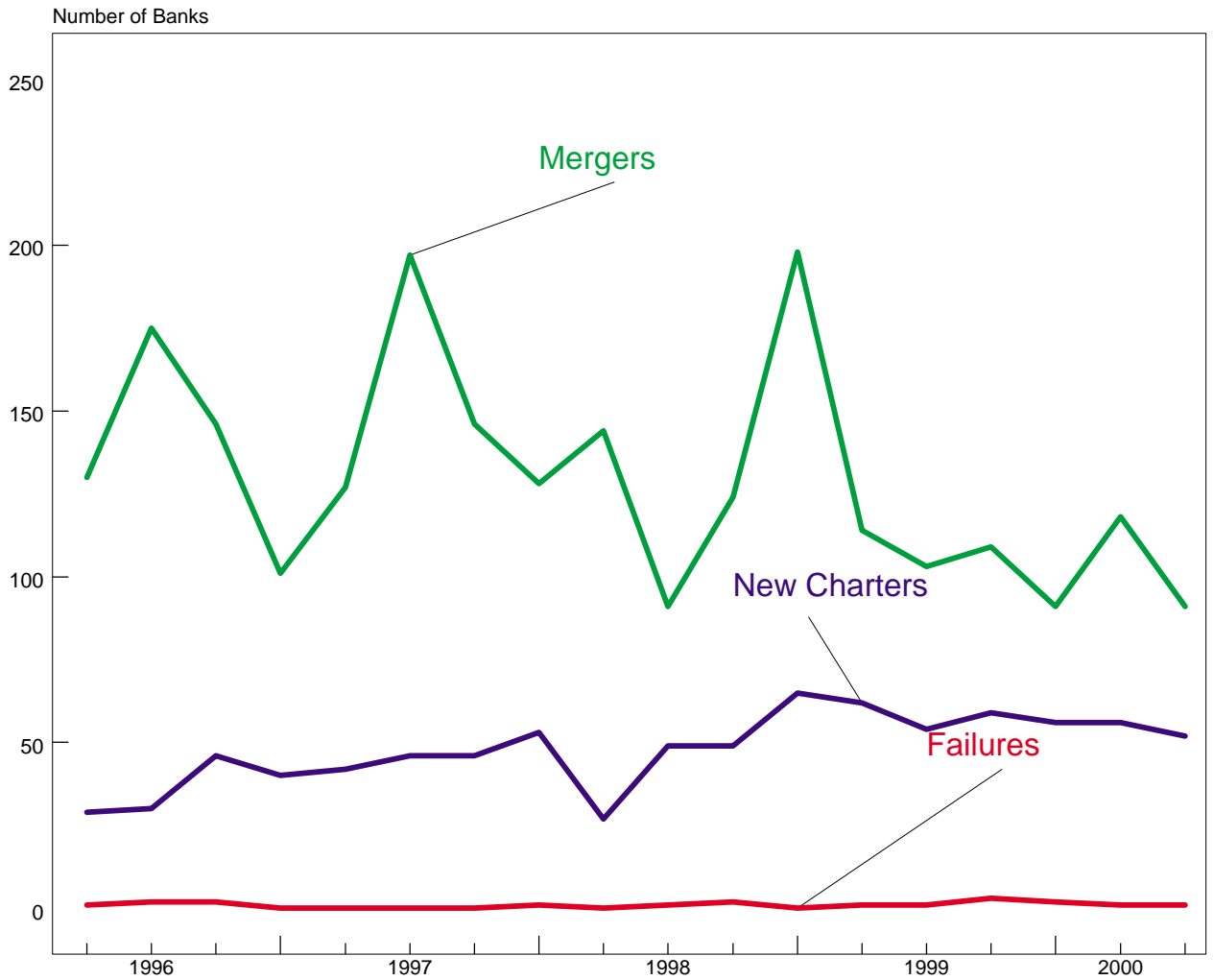


## Return on Assets of Subchapter S Corporations vs. Other Banks

1997 - 2000



## Changes in the Number of FDIC-Insured Commercial Banks Quarterly, 1996 - 2000

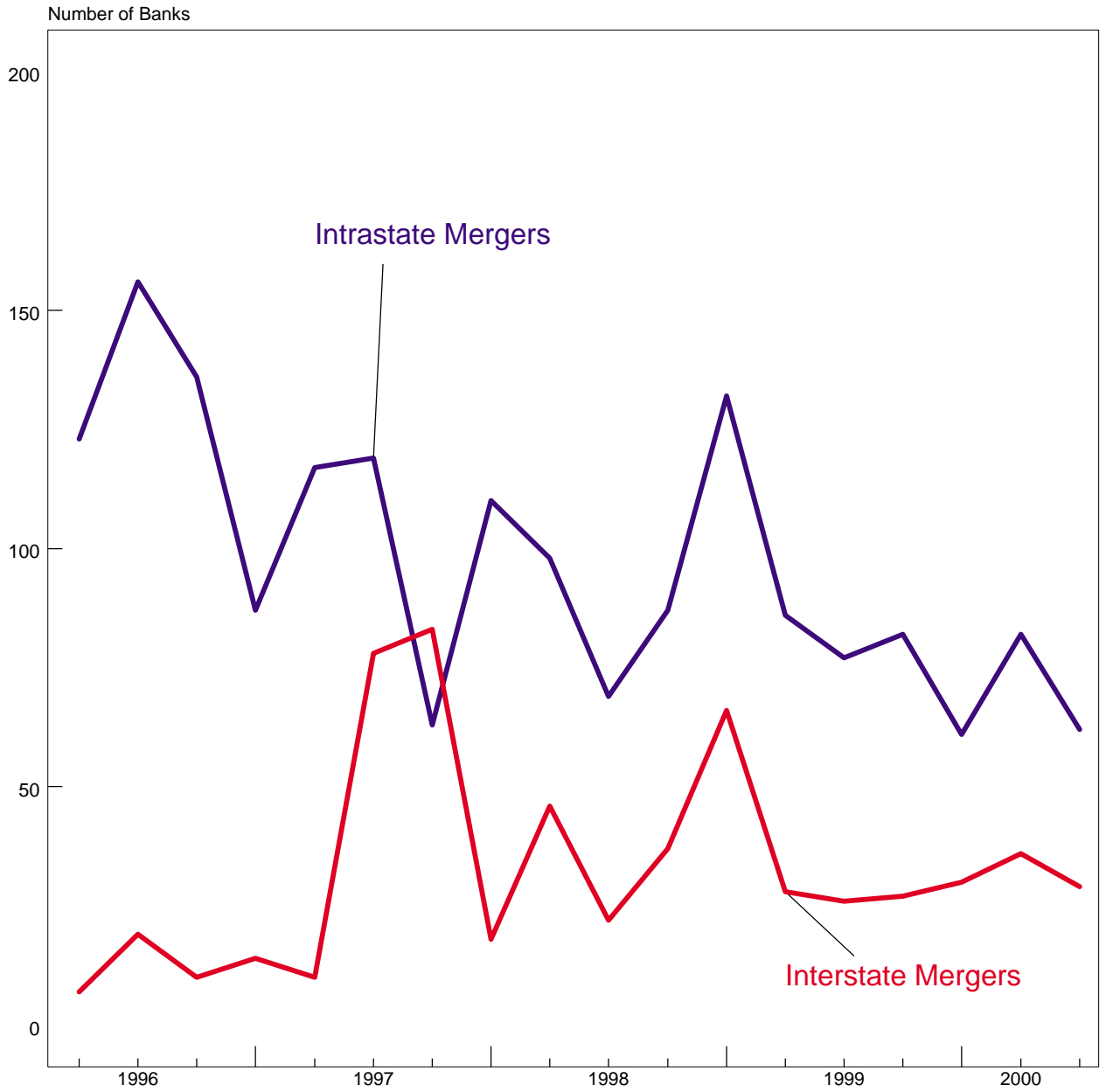


|                                |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>New Charters</b>            | 29    | 30    | 46    | 40    | 42    | 46    | 46    | 53    | 27    | 49    | 49    | 65    | 62    | 54    | 59    | 56    | 56    | 52    |
| <b>Mergers</b>                 | 130   | 175   | 146   | 101   | 127   | 197   | 146   | 128   | 144   | 91    | 124   | 198   | 114   | 103   | 109   | 91    | 118   | 91    |
| <b>Failures</b>                | 1     | 2     | 2     | 0     | 0     | 0     | 0     | 1     | 0     | 1     | 2     | 0     | 1     | 1     | 3     | 2     | 1     | 1     |
| Other Changes, Net*            | 0     | -1    | -2    | 2     | 8     | 9     | 6     | 4     | -2    | 3     | 4     | -3    | 1     | 2     | 0     | -4    | 0     | 0     |
| No. of Banks at end of quarter | 9,838 | 9,690 | 9,586 | 9,527 | 9,450 | 9,308 | 9,214 | 9,142 | 9,023 | 8,983 | 8,910 | 8,774 | 8,722 | 8,674 | 8,621 | 8,580 | 8,517 | 8,477 |
| Net Change during quarter      | -102  | -148  | -104  | -59   | -77   | -142  | -94   | -72   | -119  | -40   | -73   | -136  | -52   | -48   | -53   | -41   | -63   | -40   |

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

## Bank Mergers: Interstate vs. Intrastate

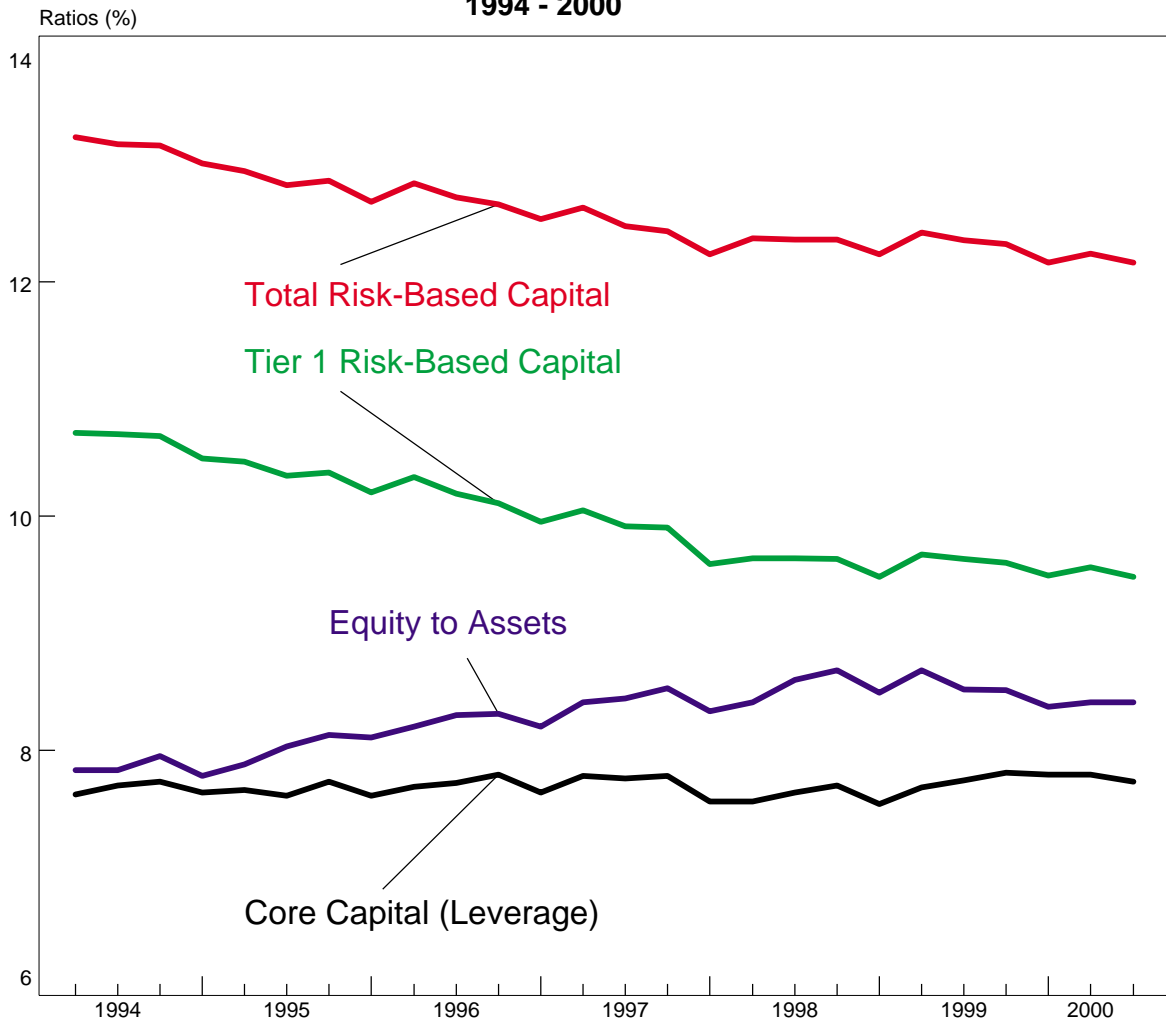
### Quarterly, 1996 - 2000



|                           |     |     |     |    |     |     |    |     |    |    |    |     |    |    |    |    |    |    |
|---------------------------|-----|-----|-----|----|-----|-----|----|-----|----|----|----|-----|----|----|----|----|----|----|
| <b>Intrastate Mergers</b> | 123 | 156 | 136 | 87 | 117 | 119 | 63 | 110 | 98 | 69 | 87 | 132 | 86 | 77 | 82 | 61 | 82 | 62 |
| <b>Interstate Mergers</b> | 7   | 19  | 10  | 14 | 10  | 78  | 83 | 18  | 46 | 22 | 37 | 66  | 28 | 26 | 27 | 30 | 36 | 29 |

# Capital Ratios

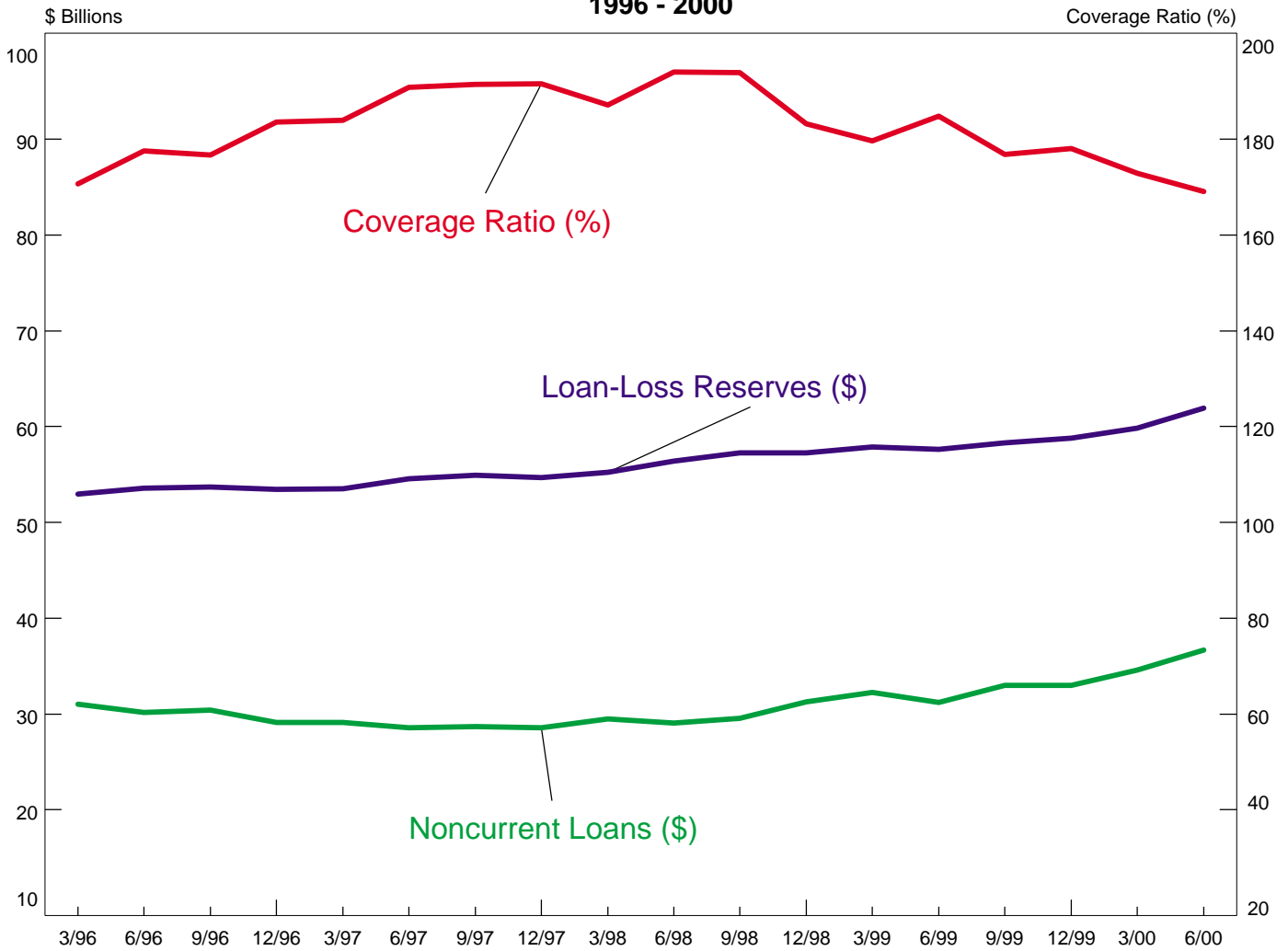
1994 - 2000



|                                  | 12/94        | 12/95        | 12/96        | 12/97        | 12/98        | 12/99        | 6/00         |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Total Risk-Based Capital</b>  | <b>13.01</b> | <b>12.68</b> | <b>12.53</b> | <b>12.23</b> | <b>12.23</b> | <b>12.16</b> | <b>12.16</b> |
| <b>Tier 1 Risk-Based Capital</b> | <b>10.49</b> | <b>10.20</b> | <b>9.95</b>  | <b>9.59</b>  | <b>9.48</b>  | <b>9.49</b>  | <b>9.48</b>  |
| <b>Equity to Assets</b>          | <b>7.78</b>  | <b>8.11</b>  | <b>8.20</b>  | <b>8.33</b>  | <b>8.49</b>  | <b>8.37</b>  | <b>8.41</b>  |
| <b>Core Capital (Leverage)</b>   | <b>7.64</b>  | <b>7.61</b>  | <b>7.64</b>  | <b>7.56</b>  | <b>7.54</b>  | <b>7.79</b>  | <b>7.73</b>  |

# Reserve Coverage Ratio\*

1996 - 2000



## Noncurrent Loans (\$ Billions)

31.0 30.2 30.4 29.1 29.1 28.6 28.7 28.5 29.5 29.1 29.5 31.3 32.2 31.2 33.0 33.0 34.6 36.6

## Loan-Loss Reserves (\$ Billions)

53.0 53.6 53.7 53.5 53.5 54.5 54.9 54.7 55.2 56.4 57.3 57.3 57.9 57.6 58.3 58.8 59.8 61.9

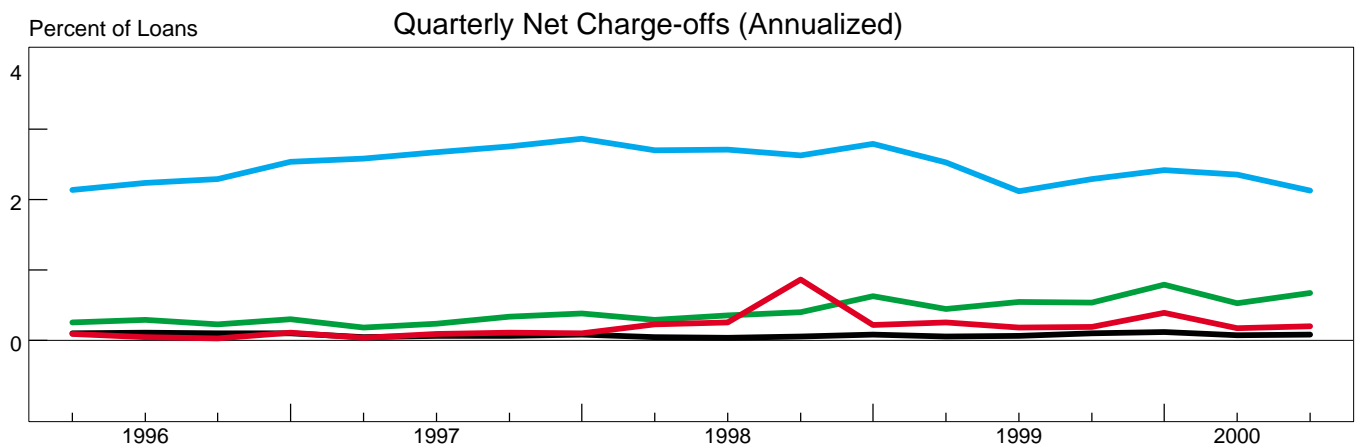
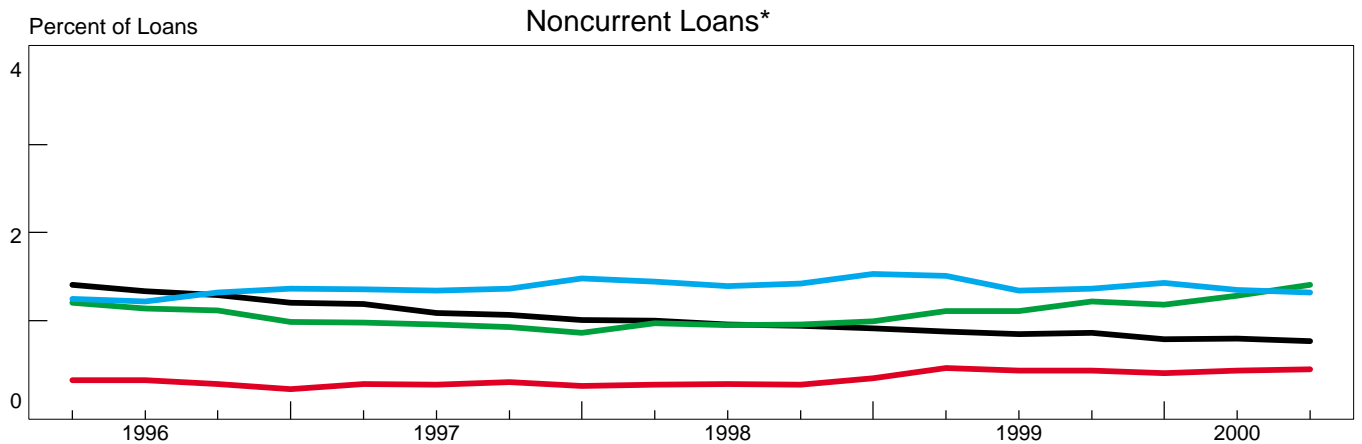
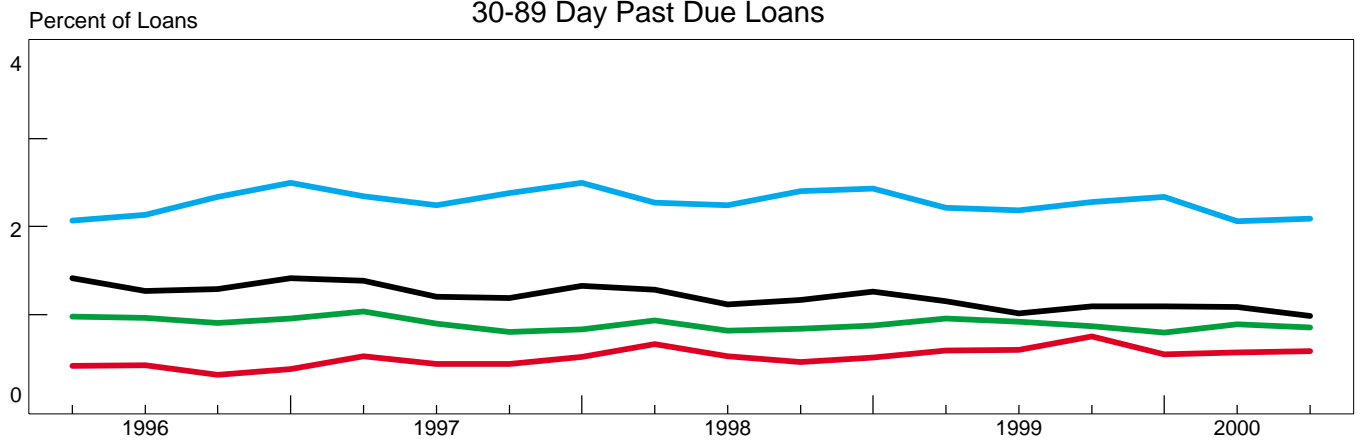
## Coverage Ratio (%)

171 178 177 184 184 191 191 192 187 194 194 183 180 185 177 178 173 169

\*Loan-loss reserves to noncurrent loans.

# Loan Quality

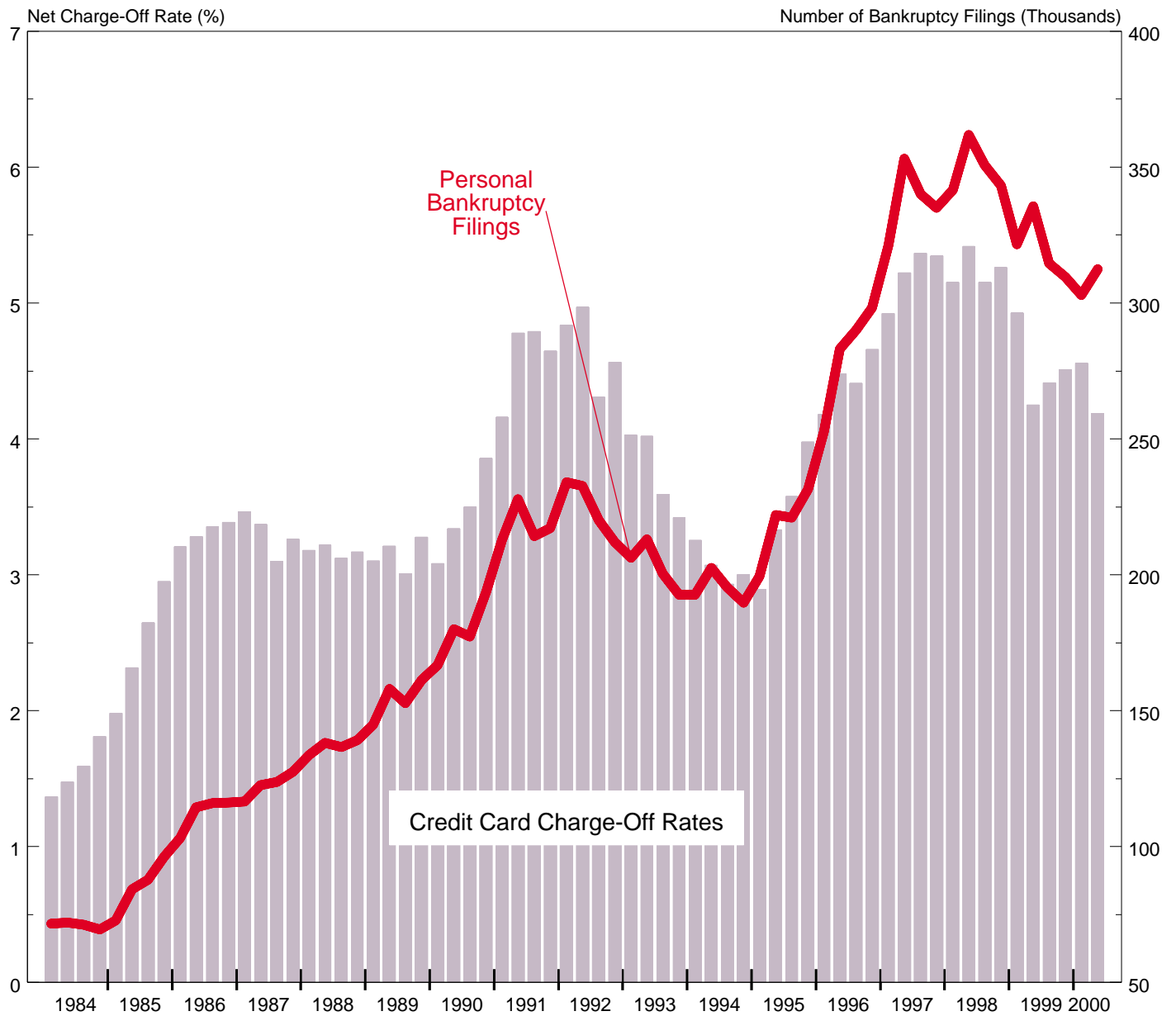
1996 - 2000



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

\*\*Includes loans to foreign governments, depository institutions and lease receivables.

## Credit Card Loss Rates and Personal Bankruptcy Filings 1984 - 2000



Sources: Bankruptcies - Administrative Office of the United States Courts  
 Charge-Off Rates - Commercial Bank Call Reports

## Credit Card Loss Rates and Personal Bankruptcy Filings 1984 - 2000

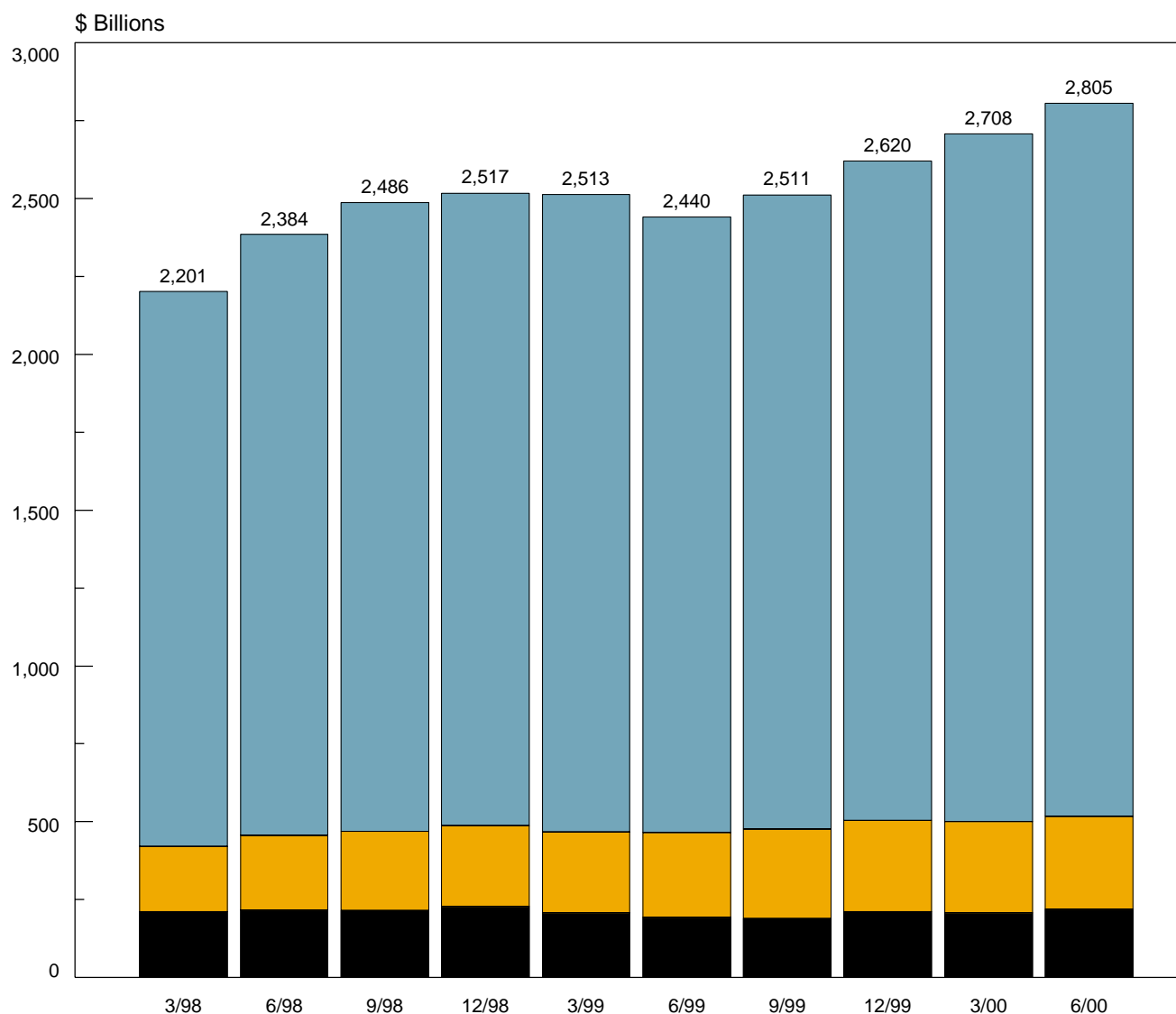
| Date     | Net Charge-Off Rate | Number of Bankruptcy Filings |
|----------|---------------------|------------------------------|
| 3/31/84  | 1.37                | 71,697                       |
| 6/30/84  | 1.48                | 71,955                       |
| 9/30/84  | 1.59                | 71,201                       |
| 12/31/84 | 1.81                | 69,554                       |
| 3/31/85  | 1.98                | 72,887                       |
| 6/30/85  | 2.31                | 84,243                       |
| 9/30/85  | 2.65                | 87,727                       |
| 12/31/85 | 2.95                | 96,376                       |
| 3/31/86  | 3.21                | 103,088                      |
| 6/30/86  | 3.28                | 114,384                      |
| 9/30/86  | 3.35                | 116,037                      |
| 12/31/86 | 3.38                | 116,204                      |
| 3/31/87  | 3.46                | 116,578                      |
| 6/30/87  | 3.37                | 122,689                      |
| 9/30/87  | 3.10                | 123,868                      |
| 12/31/87 | 3.26                | 127,409                      |
| 3/31/88  | 3.18                | 133,712                      |
| 6/30/88  | 3.22                | 138,245                      |
| 9/30/88  | 3.12                | 136,561                      |
| 12/31/88 | 3.17                | 139,215                      |
| 3/31/89  | 3.10                | 144,711                      |
| 6/30/89  | 3.21                | 157,955                      |
| 9/30/89  | 3.01                | 152,696                      |
| 12/31/89 | 3.28                | 161,404                      |
| 3/31/90  | 3.08                | 166,694                      |
| 6/30/90  | 3.34                | 179,943                      |
| 9/30/90  | 3.50                | 177,351                      |
| 12/31/90 | 3.86                | 193,872                      |
| 3/31/91  | 4.16                | 212,913                      |
| 6/30/91  | 4.78                | 227,853                      |
| 9/30/91  | 4.79                | 214,174                      |
| 12/31/91 | 4.64                | 217,160                      |

| Date     | Net Charge-Off Rate | Number of Bankruptcy Filings |
|----------|---------------------|------------------------------|
| 3/31/92  | 4.84                | 233,973                      |
| 6/30/92  | 4.97                | 232,657                      |
| 9/30/92  | 4.31                | 220,021                      |
| 12/31/92 | 4.57                | 212,112                      |
| 3/31/93  | 4.03                | 206,271                      |
| 6/30/93  | 4.02                | 212,982                      |
| 9/30/93  | 3.59                | 200,329                      |
| 12/31/93 | 3.42                | 192,617                      |
| 3/31/94  | 3.25                | 192,707                      |
| 6/30/94  | 3.07                | 202,596                      |
| 9/30/94  | 2.93                | 195,308                      |
| 12/31/94 | 3.00                | 189,695                      |
| 3/31/95  | 2.89                | 199,503                      |
| 6/30/95  | 3.33                | 222,086                      |
| 9/30/95  | 3.58                | 220,945                      |
| 12/31/95 | 3.98                | 231,603                      |
| 3/31/96  | 4.18                | 252,761                      |
| 6/30/96  | 4.48                | 283,170                      |
| 9/30/96  | 4.41                | 290,111                      |
| 12/31/96 | 4.66                | 298,244                      |
| 3/31/97  | 4.92                | 321,242                      |
| 6/30/97  | 5.22                | 353,177                      |
| 9/30/97  | 5.37                | 340,059                      |
| 12/31/97 | 5.34                | 335,032                      |
| 3/31/98  | 5.15                | 341,708                      |
| 6/30/98  | 5.42                | 361,908                      |
| 9/30/98  | 5.15                | 350,859                      |
| 12/31/98 | 5.26                | 343,220                      |
| 3/31/99  | 4.93                | 321,604                      |
| 6/30/99  | 4.25                | 335,578                      |
| 9/30/99  | 4.41                | 314,564                      |
| 12/31/99 | 4.51                | 309,614                      |
| 3/31/00  | 4.56                | 302,879                      |
| 6/30/00  | 4.19                | 312,486                      |



## Expansion of Credit Card Lines

1998 - 2000



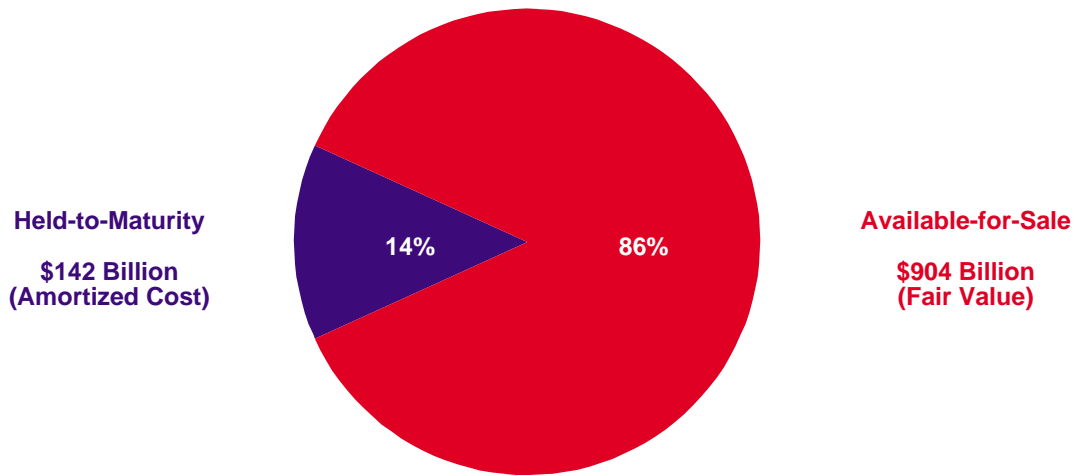
### Loans outstanding (\$ Billions)

|                         |                |                |                |                |                |                |                |                |                |                |
|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| ■ Held on-balance-sheet | 211.7          | 216.8          | 216.0          | 228.8          | 208.0          | 193.0          | 189.3          | 212.0          | 207.4          | 218.9          |
| ■ Securitized & sold *  | 209.2          | 238.6          | 252.5          | 258.7          | 260.2          | 271.8          | 287.2          | 292.5          | 293.1          | 297.7          |
| ■ Unused commitments *  | 1,780.2        | 1,928.6        | 2,017.7        | 2,029.4        | 2,044.4        | 1,975.0        | 2,034.7        | 2,115.6        | 2,207.3        | 2,288.8        |
| <b>Total</b>            | <b>2,201.2</b> | <b>2,384.0</b> | <b>2,486.2</b> | <b>2,516.9</b> | <b>2,512.6</b> | <b>2,439.7</b> | <b>2,511.2</b> | <b>2,620.1</b> | <b>2,707.8</b> | <b>2,805.4</b> |

\* Off-balance-sheet

## Total Securities\*

June 30, 2000



## Total Securities\*

June 30, 2000

(\$ Millions)

|                                      | Held-to-Maturity |                                  | Available-for-Sale |                                  | Total Securities   | Fair Value to Amortized Cost (%) |
|--------------------------------------|------------------|----------------------------------|--------------------|----------------------------------|--------------------|----------------------------------|
|                                      | Amortized Cost   | Fair Value to Amortized Cost (%) | Fair Value         | Fair Value to Amortized Cost (%) |                    |                                  |
| U.S. Government Obligations          |                  |                                  |                    |                                  |                    |                                  |
| U.S. Treasury                        | \$7,587          | 99.5                             | \$94,530           | 97.0                             | \$102,117          | 97.2                             |
| U.S. Agencies                        | 46,885           | 97.1                             | 177,078            | 97.3                             | 223,963            | 97.3                             |
| Mortgage Pass-through Securities     | 26,217           | 98.0                             | 258,293            | 96.5                             | 284,510            | 96.6                             |
| Collateralized Mortgage Obligations  | 24,601           | 96.7                             | 143,582            | 97.1                             | 168,183            | 97.0                             |
| State, County, Municipal Obligations | 29,710           | 99.3                             | 60,444             | 98.7                             | 90,154             | 98.9                             |
| Other Debt Securities                | 7,105            | 96.6                             | 130,795            | 99.0                             | 137,900            | 98.9                             |
| Equity Securities                    | **               | **                               | 39,700             | 104.9                            | 39,700             | 104.9                            |
| <b>Total Securities</b>              | <b>\$142,106</b> | <b>97.7</b>                      | <b>\$904,423</b>   | <b>97.7</b>                      | <b>\$1,046,529</b> | <b>97.7</b>                      |
| Memoranda***                         |                  |                                  |                    |                                  |                    |                                  |
| Structured Notes                     | 2,933            |                                  | 2,780              |                                  |                    | 94.8                             |

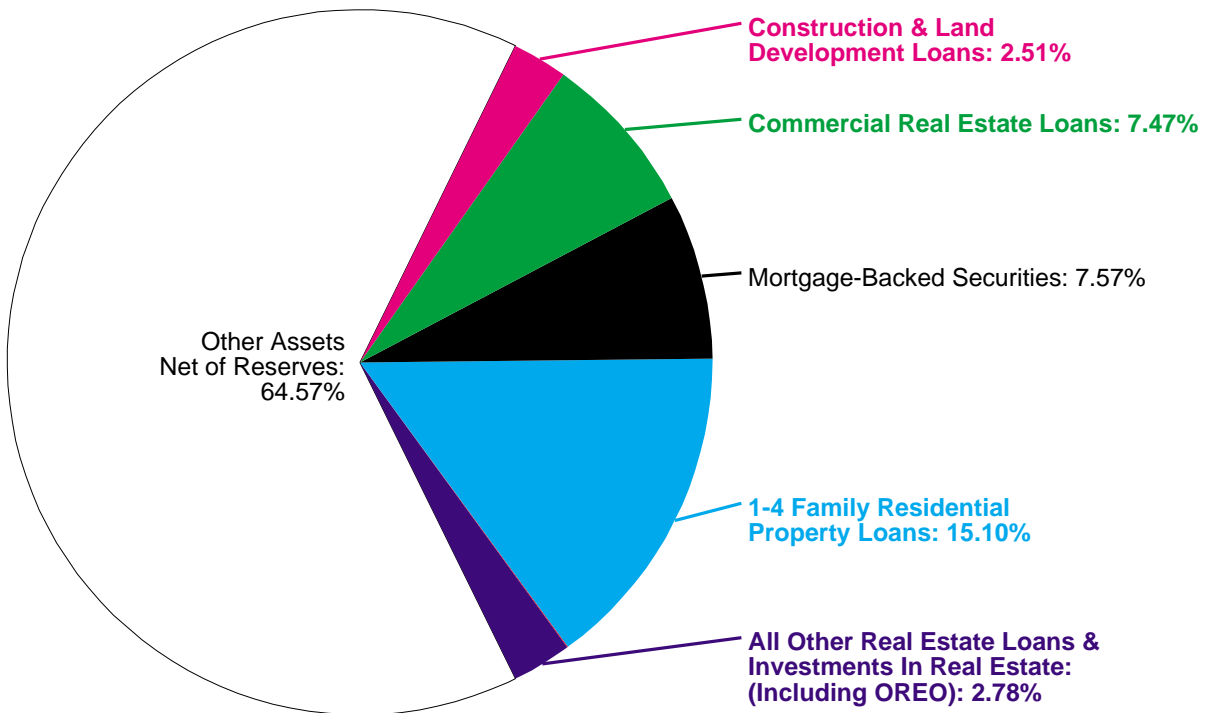
\* Excludes trading account assets.

\*\* Equity Securities are classified as 'Available-for-Sale'.

\*\*\* Structured notes are included in the 'Held-to-Maturity' or 'Available-for-Sale' accounts.

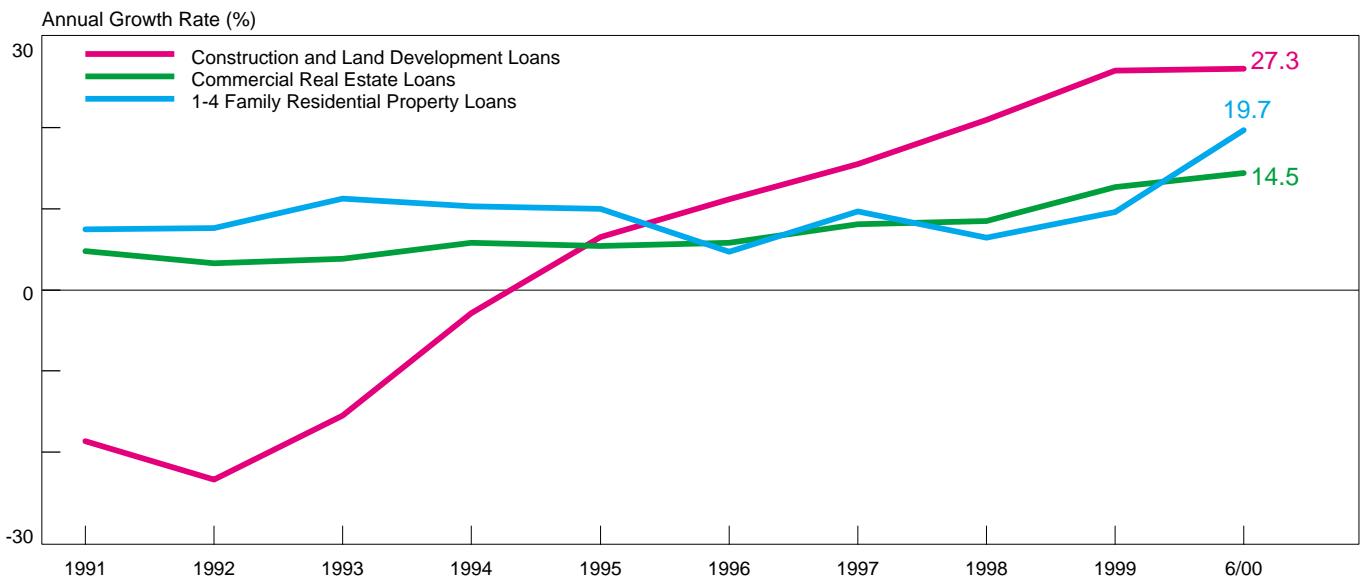
## Real Estate Assets as a Percent of Total Assets

June 30, 2000



## Real Estate Loan Growth Rates\*

1991 - 2000



\* Growth rate for most recent twelve-month period.

## Mutual Fund and Annuity Sales\*

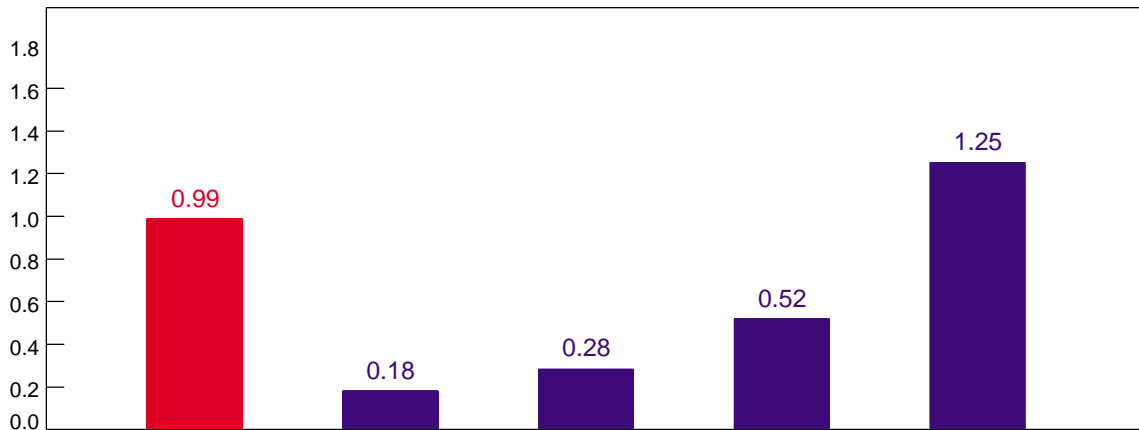
1999 - 2000

| Quarterly Sales (\$ Millions)                            | 6/99      | 9/99      | 12/99     | 3/00      | 6/00      |
|--|-----------|-----------|-----------|-----------|-----------|
| Money Market Funds                                       | \$445,238 | \$465,853 | \$566,774 | \$611,611 | \$577,229 |
| Debt Securities Funds                                    | 6,791     | 5,258     | 5,925     | 6,617     | 4,526     |
| Equity Securities  | 18,576    | 19,948    | 25,380    | 36,646    | 30,675    |
| Other Mutual Funds                                       | 2,573     | 2,345     | 2,828     | 3,299     | 2,862     |
| Annuities  | 5,254     | 5,477     | 5,195     | 5,613     | 6,105     |
| Proprietary Mutual Fund and Annuity Sales included above | 439,126   | 452,497   | 556,651   | 606,950   | 567,779   |

\* Domestic office sales of proprietary, private label and third-party funds and annuities. Does not reflect redemptions.

## Fee Income from Sales and Service of Mutual Funds and Annuities 2000 YTD

Percent of Gross Operating Income\*\*

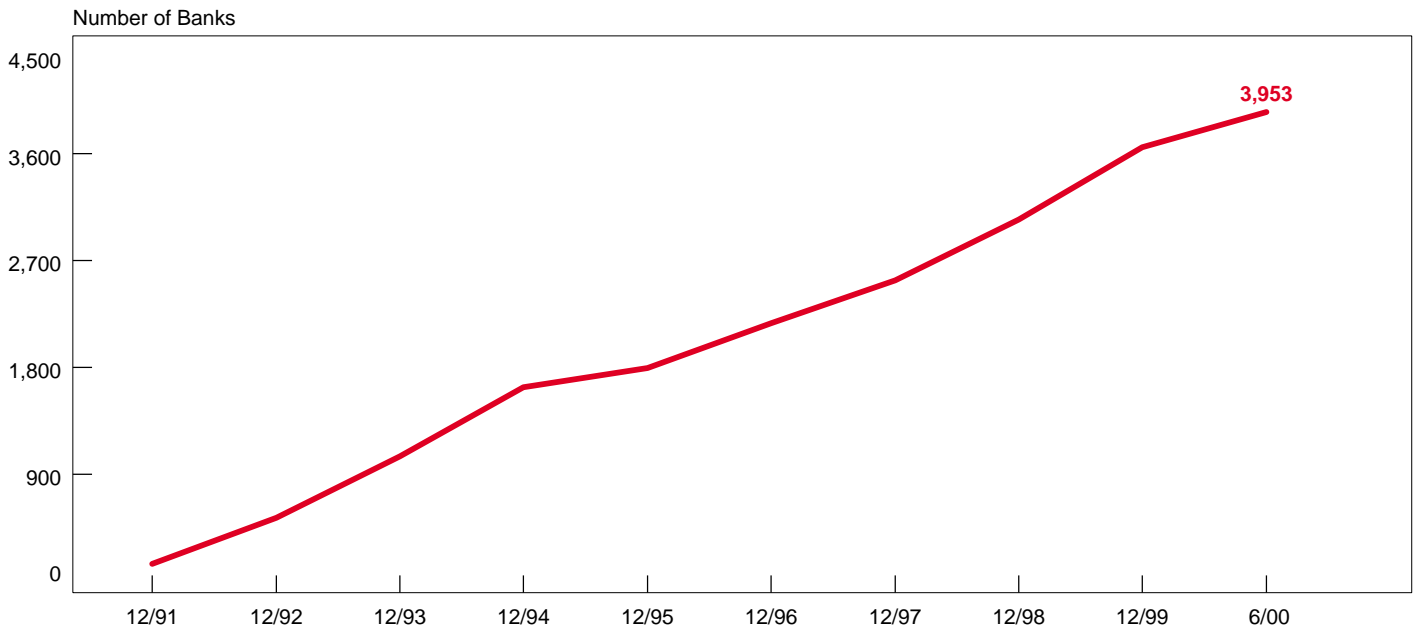


| (\$ Millions)                         | All Banks        | Under \$100 Million | \$100 Million to \$1 Billion | \$1 Billion to \$10 Billion | Over \$10 Billion |
|---------------------------------------|------------------|---------------------|------------------------------|-----------------------------|-------------------|
| Mutual Fund and Annuity Fee Income    | <b>\$2,767</b>   | <b>\$18</b>         | <b>\$97</b>                  | <b>\$211</b>                | <b>\$2,441</b>    |
| Gross Operating Income                | <b>\$280,294</b> | <b>\$10,257</b>     | <b>\$34,434</b>              | <b>\$40,597</b>             | <b>\$195,006</b>  |
| Number of Banks Reporting These Fees  | <b>2,047</b>     | <b>602</b>          | <b>1,178</b>                 | <b>196</b>                  | <b>71</b>         |
| Percent of Banks Reporting These Fees | <b>24.1%</b>     | <b>11.9%</b>        | <b>38.5%</b>                 | <b>65.6%</b>                | <b>86.6%</b>      |

\*\*Gross operating income is the total of interest income and noninterest income.

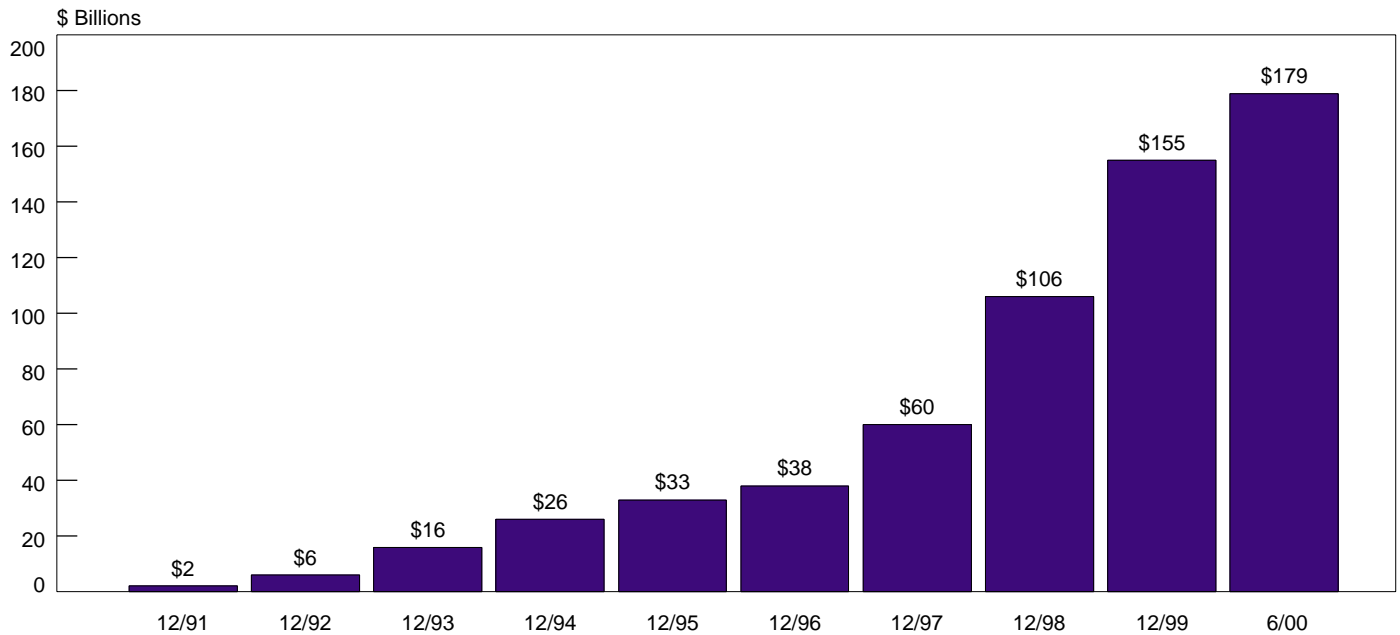
## Number of Commercial Banks with FHLB Advances\*

1991 - 2000



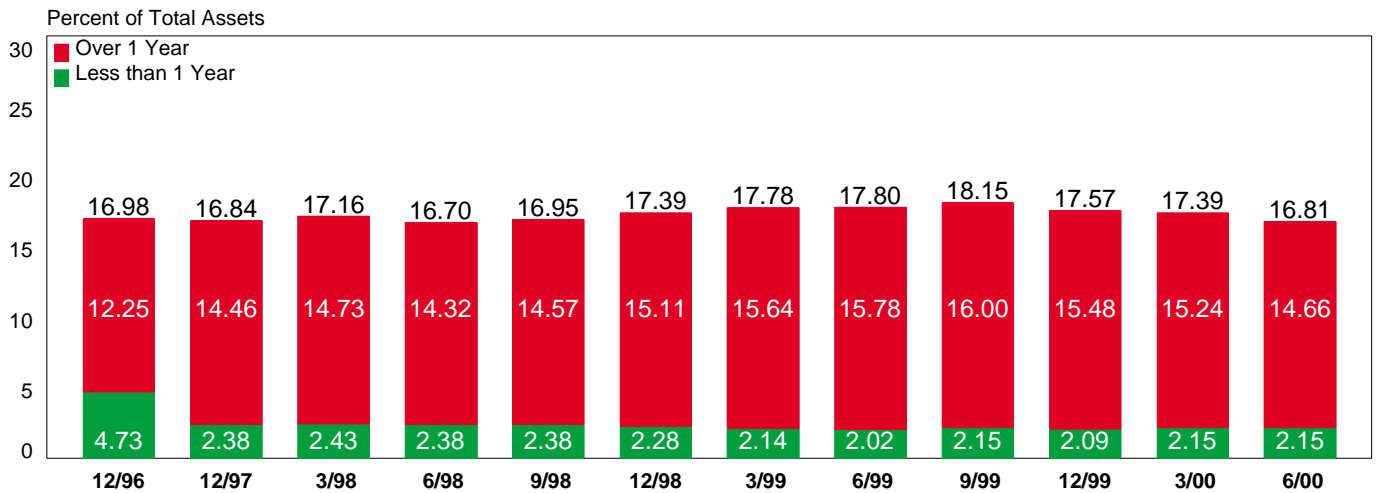
## Amount of FHLB Advances Outstanding\*

1991 - 2000

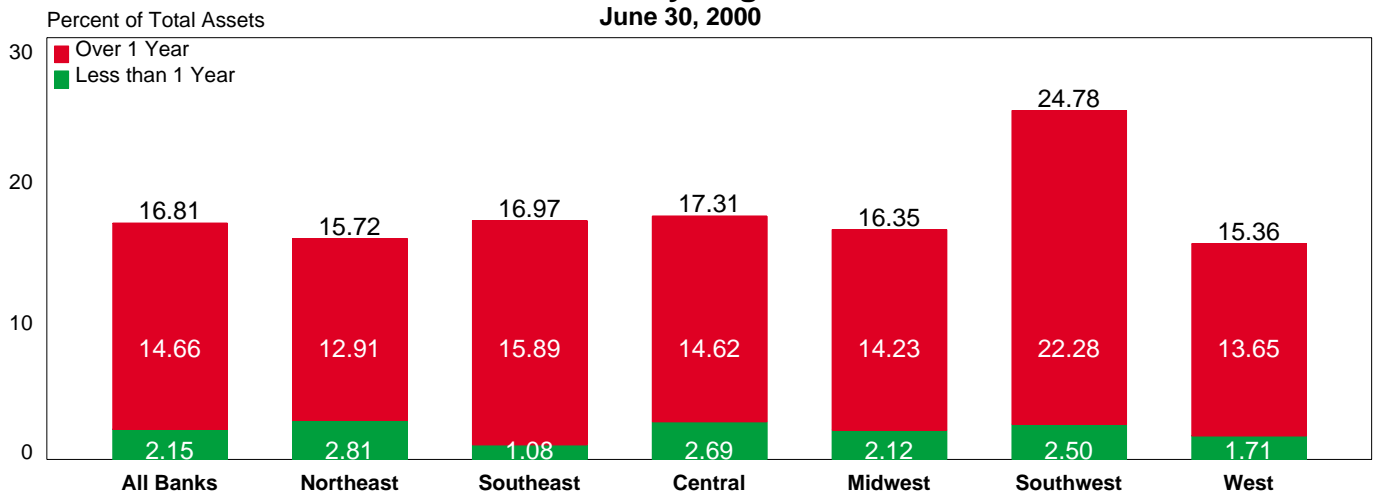


\* Source: FHFB

## Debt Securities by Maturity or Repricing Frequency . . .



## . . . and by Region June 30, 2000



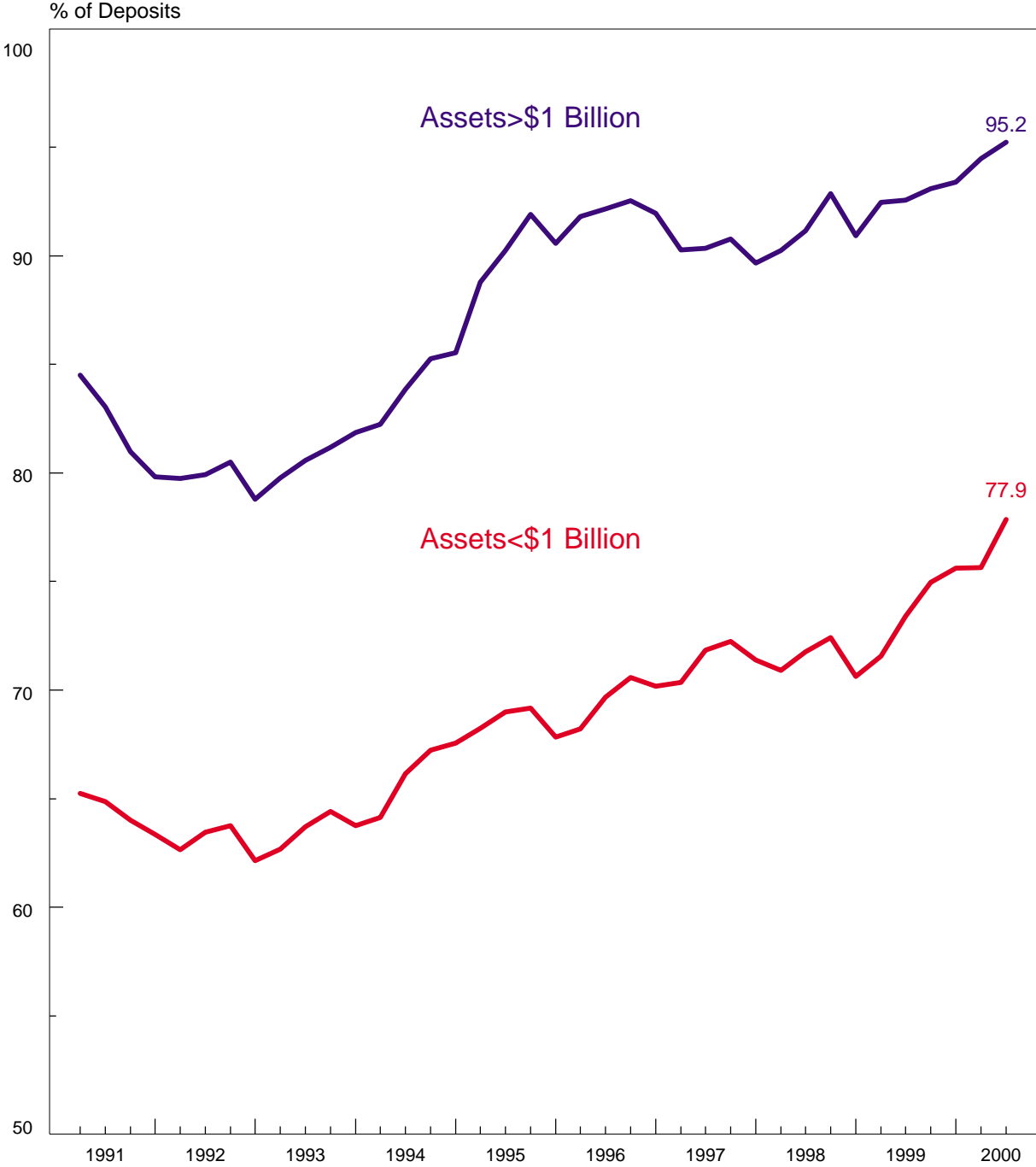
## Total Securities (Debt and Equity) (\$ Billions)

|   | 6/98         | 9/98         | 12/98        | 3/99         | 6/99           | 9/99           | 12/99          | 3/00           | 6/00           |
|---|--------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|
| U.S. Government Obligations:                | \$309        | \$286        | \$287        | \$317        | \$318          | \$320          | \$321          | \$328          | \$326          |
| U.S. Treasury                               | 150          | 125          | 116          | 129          | 118            | 115            | 113            | 109            | 102            |
| U.S. Agencies                               | 159          | 162          | 171          | 188          | 199            | 205            | 208            | 218            | 224            |
| Mortgage Pass-through Securities            | 252          | 277          | 311          | 291          | 282            | 285            | 285            | 286            | 285            |
| Collateralized Mortgage Obligations         | 141          | 156          | 159          | 164          | 164            | 170            | 170            | 175            | 168            |
| State, County, Municipal Obligations        | 80           | 84           | 87           | 88           | 88             | 89             | 89             | 89             | 90             |
| Other Debt Securities                       | 84           | 90           | 103          | 102          | 123            | 138            | 145            | 139            | 138            |
| Equity Securities                           | <u>28</u>    | <u>29</u>    | <u>32</u>    | <u>32</u>    | <u>33</u>      | <u>34</u>      | <u>37</u>      | <u>39</u>      | <u>40</u>      |
| <b>Total Securities</b>                     | <b>\$894</b> | <b>\$923</b> | <b>\$980</b> | <b>\$996</b> | <b>\$1,007</b> | <b>\$1,036</b> | <b>\$1,046</b> | <b>\$1,056</b> | <b>\$1,047</b> |
| Memoranda                                   |              |              |              |              |                |                |                |                |                |
| Fair Value of High-risk Mortgage Securities | 3            | 5            | 7            | *            | *              | *              | *              | *              | *              |
| Fair Value of Structured Notes              | 8            | 6            | 5            | 4            | 4              | 4              | 4              | 3              | 3              |

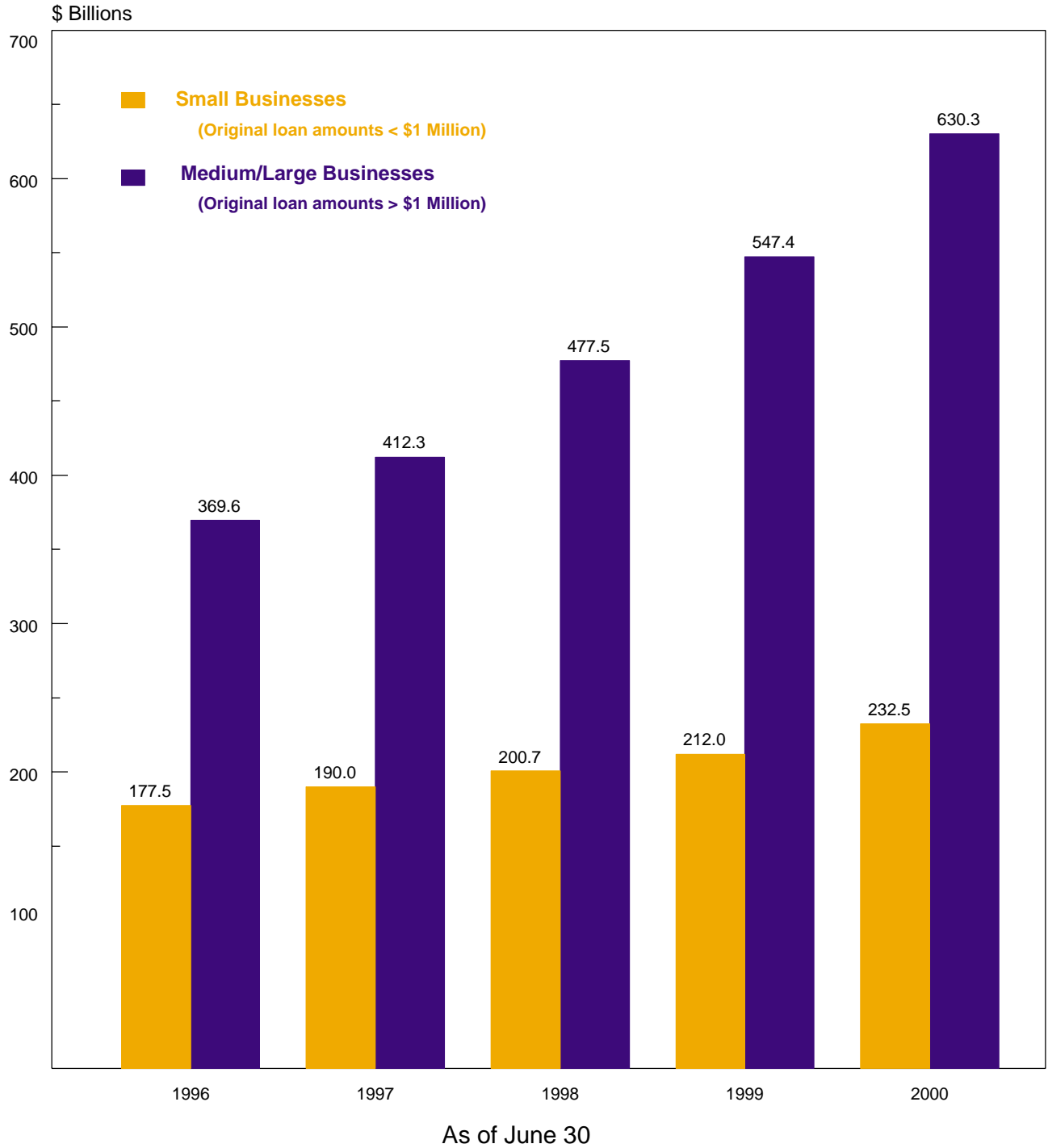
\* Not reported after 12/31/98.

# Net Loans and Leases to Deposits

1991 - 2000



# Commercial and Industrial Loans to Small Businesses 1996 - 2000

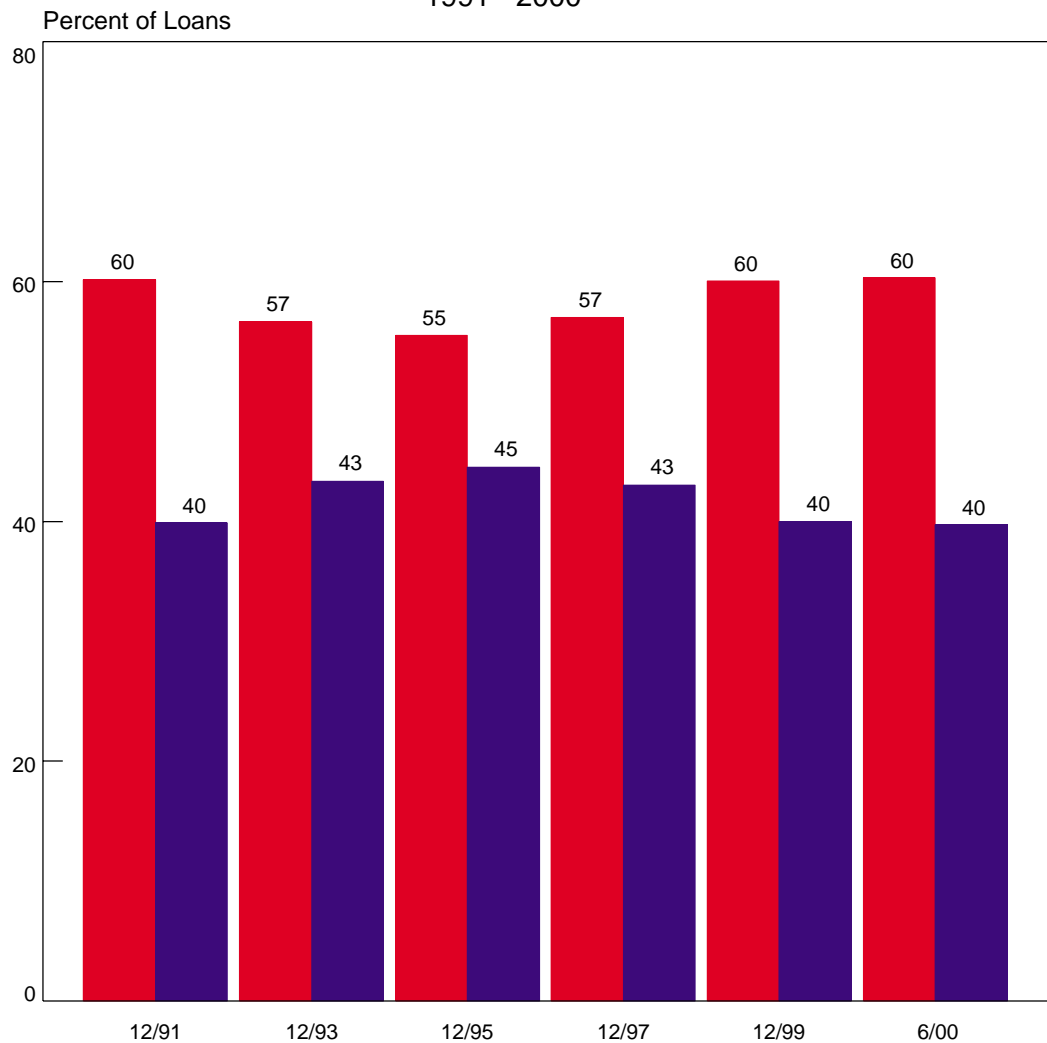




## Credit Risk Diversification

### Consumer Loans versus Loans to Commercial Borrowers (as a Percent of Total Loans)

1991 - 2000



#### Loans (\$ Billions):

|                        |         |         |         |         |         |         |
|------------------------|---------|---------|---------|---------|---------|---------|
| ■ Commercial Borrowers | \$1,241 | \$1,222 | \$1,447 | \$1,695 | \$2,097 | \$2,235 |
| ■ Consumer Loans       | 823     | 935     | 1,161   | 1,280   | 1,398   | 1,472   |

**Loans to Commercial Borrowers (Credit Risk Concentrated)** - These are loans that can have relatively large balances at risk to a single borrower. A single loan may represent a significant portion of an institution's capital or income. Therefore, a relatively small number of defaults could impair an institution's capital or income. These loans include commercial and industrial loans, commercial real estate, construction loans, and agricultural loans.

**Consumer Loans (Credit Risk Diversified)** - These are loans that typically have relatively small balances spread among a large number of borrowers. A number of defaults are likely but typically do not impair an institution's capital or income. These loans include consumer and credit card loans, 1-4 family residential mortgages and home equity loans.

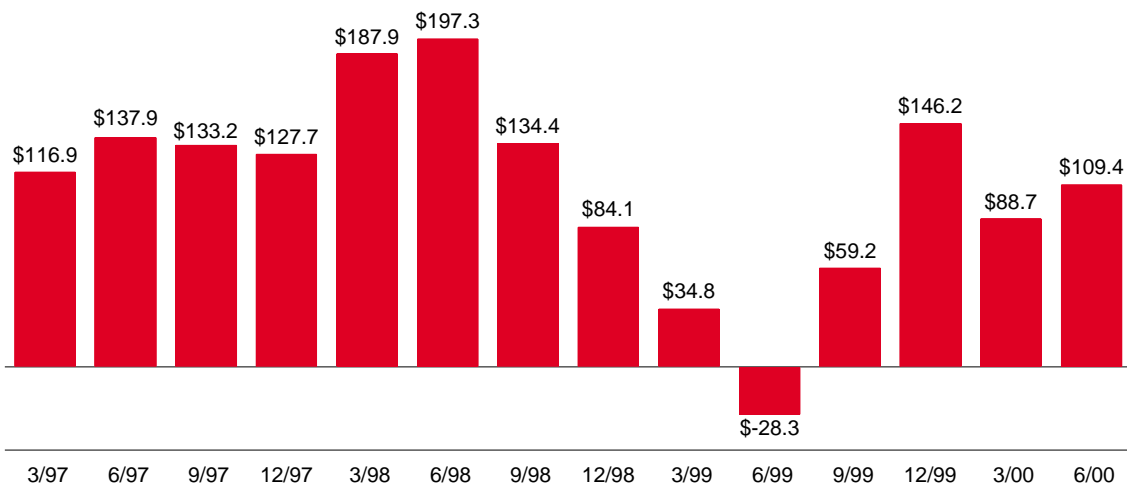
## Quarterly Change in Reported Loans Outstanding (\$ Billions)



\*In the first quarter of 1997, reporting changes resulted in a \$61.7 billion decline in foreign office loans. Loans in domestic offices increased by \$23.2 billion during the quarter.

In the second quarter of 2000, 1-4 family loans increased by \$41.5 billion, commercial and industrial loans increased by \$33.5 billion, and credit card loans increased by \$11.4 billion.

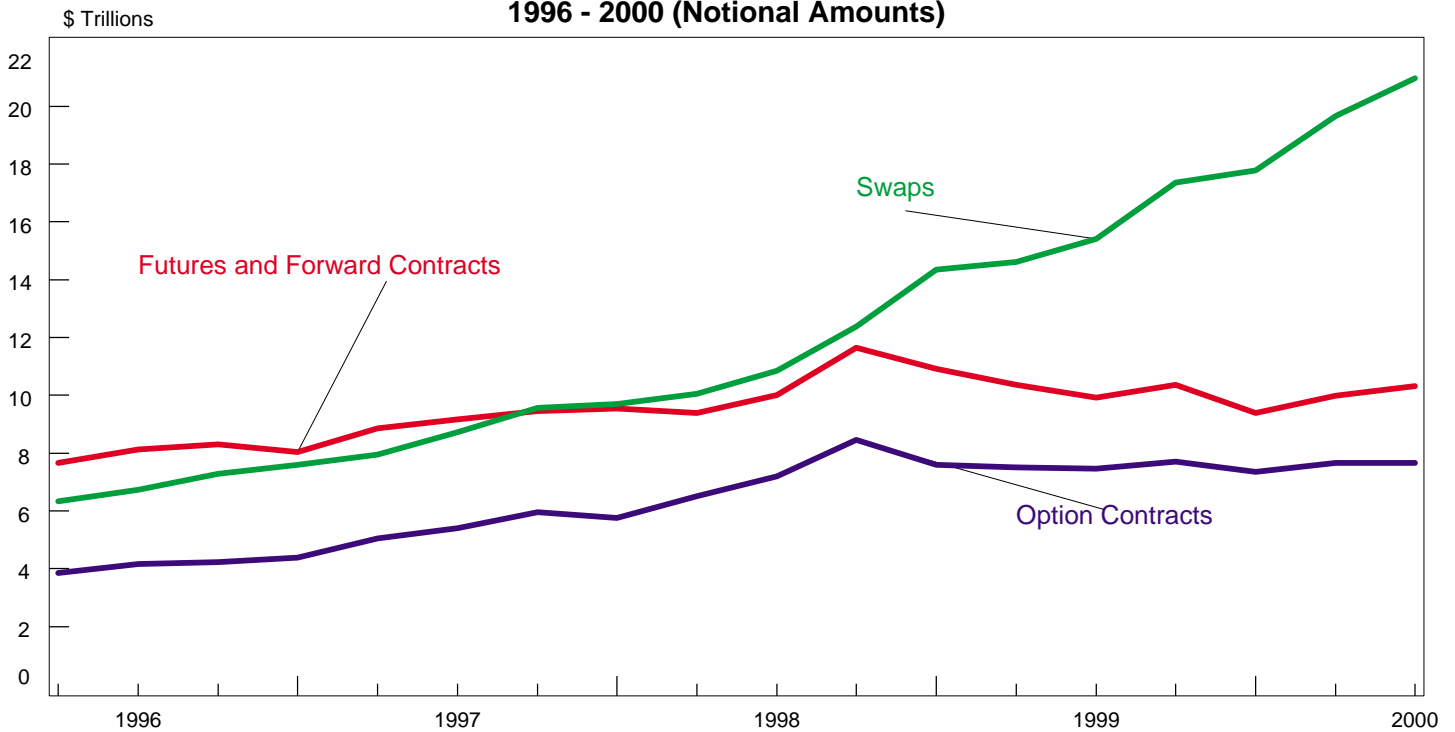
## Quarterly Change in Unused Loan Commitments (\$ Billions)



In the second quarter of 2000, unused credit card commitments increased by \$81.4 billion while unused commitments for loans to businesses increased by \$11.7 billion.

## Off-Balance-Sheet Derivatives

1996 - 2000 (Notional Amounts)



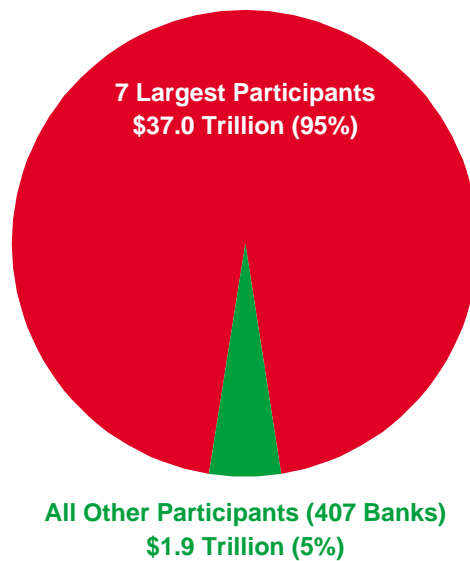
|  | 12/96        | 12/97        | 12/98         | 12/99         | 3/00          | 6/00          |
|--|--------------|--------------|---------------|---------------|---------------|---------------|
| <b>Total Derivatives (off-balance-sheet)</b><br>(Notional Amounts, in billions of dollars) | \$20,035     | \$25,009     | \$32,861      | \$34,531      | \$37,324      | \$38,940      |
| <b>Futures and Forward Contracts</b>   | <b>8,041</b> | <b>9,551</b> | <b>10,924</b> | <b>9,390</b>  | <b>9,989</b>  | <b>10,327</b> |
| Interest rate contracts  | 3,201        | 4,083        | 5,521         | 5,096         | 5,495         | 5,519         |
| Foreign exchange rate contracts  | 4,739        | 5,359        | 5,308         | 4,175         | 4,380         | 4,683         |
| Other futures and forwards*  | 102          | 109          | 95            | 119           | 115           | 126           |
| <b>Option Contracts</b>  | <b>4,393</b> | <b>5,754</b> | <b>7,591</b>  | <b>7,361</b>  | <b>7,669</b>  | <b>7,657</b>  |
| Interest rate options  | 3,156        | 3,985        | 5,679         | 5,795         | 5,992         | 6,004         |
| Foreign currency options   | 1,033        | 1,457        | 1,393         | 965           | 939           | 897           |
| Other option contracts*  | 204          | 312          | 520           | 601           | 738           | 755           |
| <b>Swaps</b>   | <b>7,601</b> | <b>9,705</b> | <b>14,345</b> | <b>17,780</b> | <b>19,666</b> | <b>20,957</b> |
| Interest rate swaps  | 7,069        | 9,018        | 13,590        | 16,882        | 18,674        | 19,905        |
| Foreign exchange rate swaps  | 471          | 614          | 686           | 774           | 822           | 886           |
| Other swaps*   | 61           | 73           | 69            | 123           | 169           | 166           |
| <b>Memoranda</b>   |              |              |               |               |               |               |
| Spot Foreign Exchange Contracts  | 262          | 317          | 375           | 66            | 490           | 382           |
| Credit Derivatives   | NA           | 55           | 144           | 287           | 302           | 362           |
| Number of banks reporting derivatives  | 484          | 460          | 447           | 417           | 390           | 414           |
| Replacement cost of interest rate and foreign exchange rate contracts **                   | 246          | 355          | 471           | 361           | 361           | 344           |

\* Not reported by banks with less than \$300 million in assets.

\*\* Reflects replacement cost of interest rate and foreign exchange contracts covered by risk-based-capital requirements. Does not include foreign exchange rate contracts with an original maturity of 14 days or less or futures contracts.

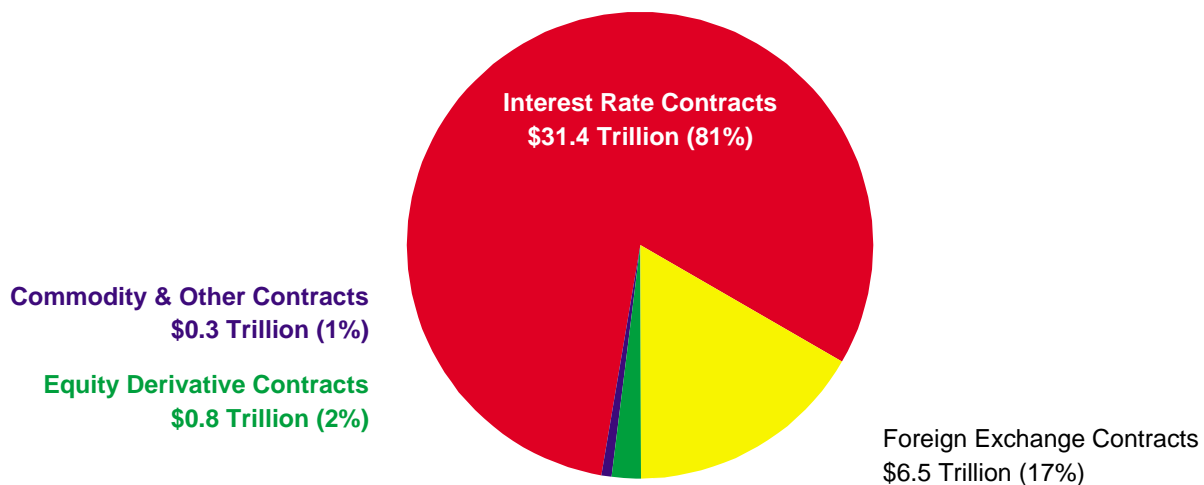
## Concentration of Off-Balance-Sheet Derivatives\*

Notional Amounts  
June 30, 2000



## Composition of Off-Balance-Sheet Derivatives\*

Notional Amounts  
June 30, 2000

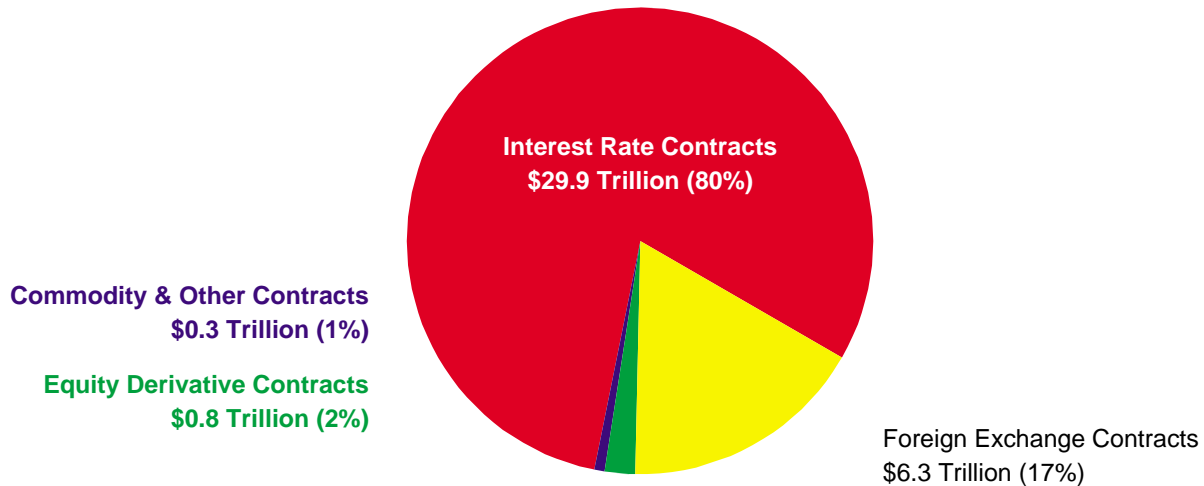


\*Amounts do not represent either the net market position or the credit exposure of banks' off-balance-sheet derivative activities. They represent the gross value of all contracts written. Spot foreign exchange contracts of \$350 billion for the seven largest participants and \$33 billion for all others are not included.

## Purpose of Off-Balance-Sheet Derivatives\* Held for Trading

Notional Amounts

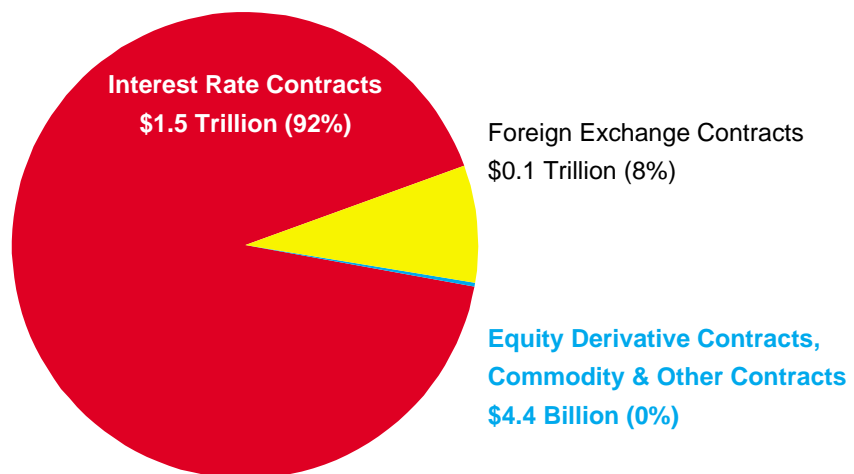
June 30, 2000



## Not Held for Trading

Notional Amounts

June 30, 2000



\* Notional amounts do not represent either the net market position or the credit exposure of banks' off-balance-sheet derivative activities. They represent the gross value of all contracts written. Spot foreign exchange contracts of \$382 billion are not included.

## Positions of Off-Balance-Sheet Derivatives Gross Fair Values

June 30, 2000  
(\$ Millions)

### Held for Trading

104 Banks Held Derivative Contracts for Trading

(Marked to Market)

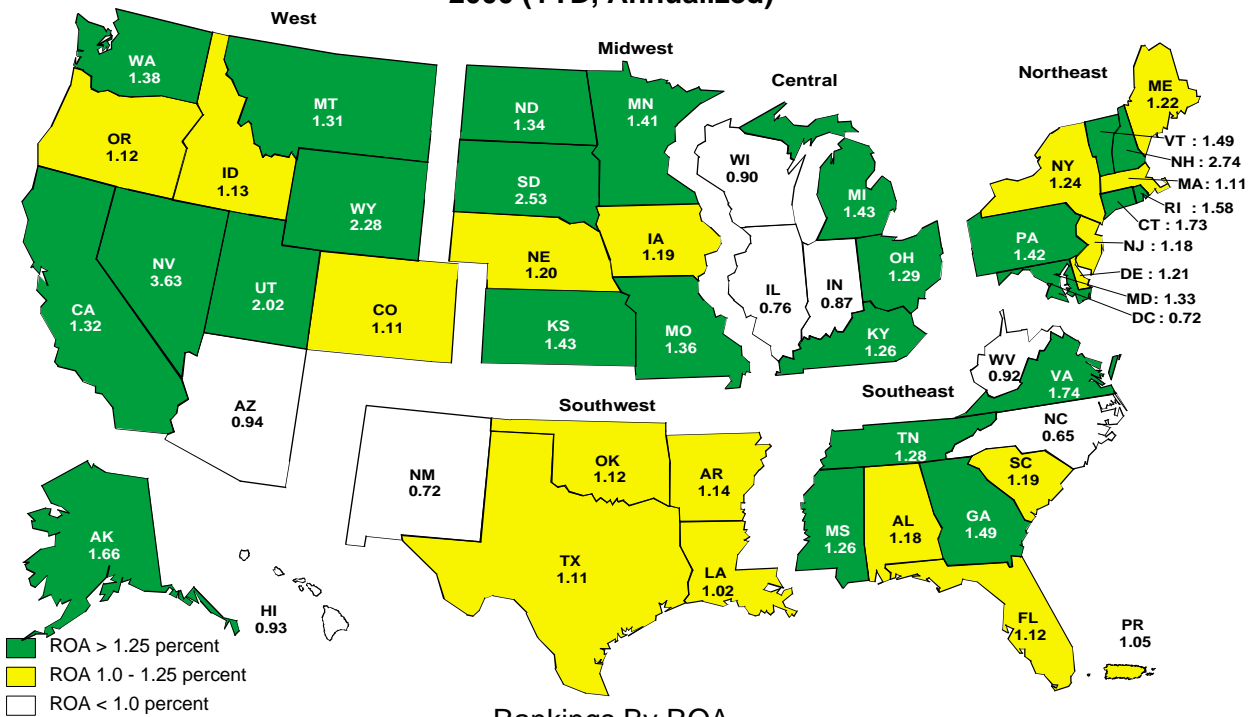
|                                   | Interest<br>Rate | Foreign<br>Exchange | Equity<br>Derivatives | Commodity<br>& Other | Total   | Net   |
|-----------------------------------|------------------|---------------------|-----------------------|----------------------|---------|-------|
| <b>Seven Largest Participants</b> |                  |                     |                       |                      |         |       |
| Gross positive fair value         | 219,665          | 105,737             | 56,230                | 15,287               | 396,920 | 9,443 |
| Gross negative fair value         | 215,360          | 101,988             | 55,420                | 14,707               | 387,476 |       |
| <b>All other participants</b>     |                  |                     |                       |                      |         |       |
| Gross positive fair value         | 5,657            | 5,252               | 1,307                 | 2,733                | 14,949  | 131   |
| Gross negative fair value         | 5,799            | 4,933               | 1,255                 | 2,830                | 14,818  |       |
| <b>Total</b>                      |                  |                     |                       |                      |         |       |
| Gross positive fair value         | 225,322          | 110,989             | 57,537                | 18,020               | 411,868 | 9,574 |
| Gross negative fair value         | 221,159          | 106,921             | 56,675                | 17,538               | 402,294 |       |

### Held for Purposes Other than Trading

390 Banks Held Derivative Contracts for Purposes Other than Trading

|                             | Interest<br>Rate | Foreign<br>Exchange | Equity<br>Derivatives | Commodity<br>& Other | Total  | Net     |
|-----------------------------|------------------|---------------------|-----------------------|----------------------|--------|---------|
| <b>Marked to Market</b>     |                  |                     |                       |                      |        |         |
| Gross positive fair value   | 1,651            | 269                 | 108                   | 0                    | 2,028  | 520     |
| Gross negative fair value   | 1,340            | 108                 | 58                    | 2                    | 1,508  |         |
| <b>Not Marked to Market</b> |                  |                     |                       |                      |        |         |
| Gross positive fair value   | 5,404            | 482                 | 160                   | 31                   | 6,077  | (3,935) |
| Gross negative fair value   | 9,208            | 748                 | 10                    | 47                   | 10,013 |         |
| <b>Total</b>                |                  |                     |                       |                      |        |         |
| Gross positive fair value   | 7,056            | 751                 | 268                   | 31                   | 8,106  | (3,415) |
| Gross negative fair value   | 10,548           | 856                 | 68                    | 49                   | 11,521 |         |

## Return On Assets (ROA) 2000 (YTD, Annualized)



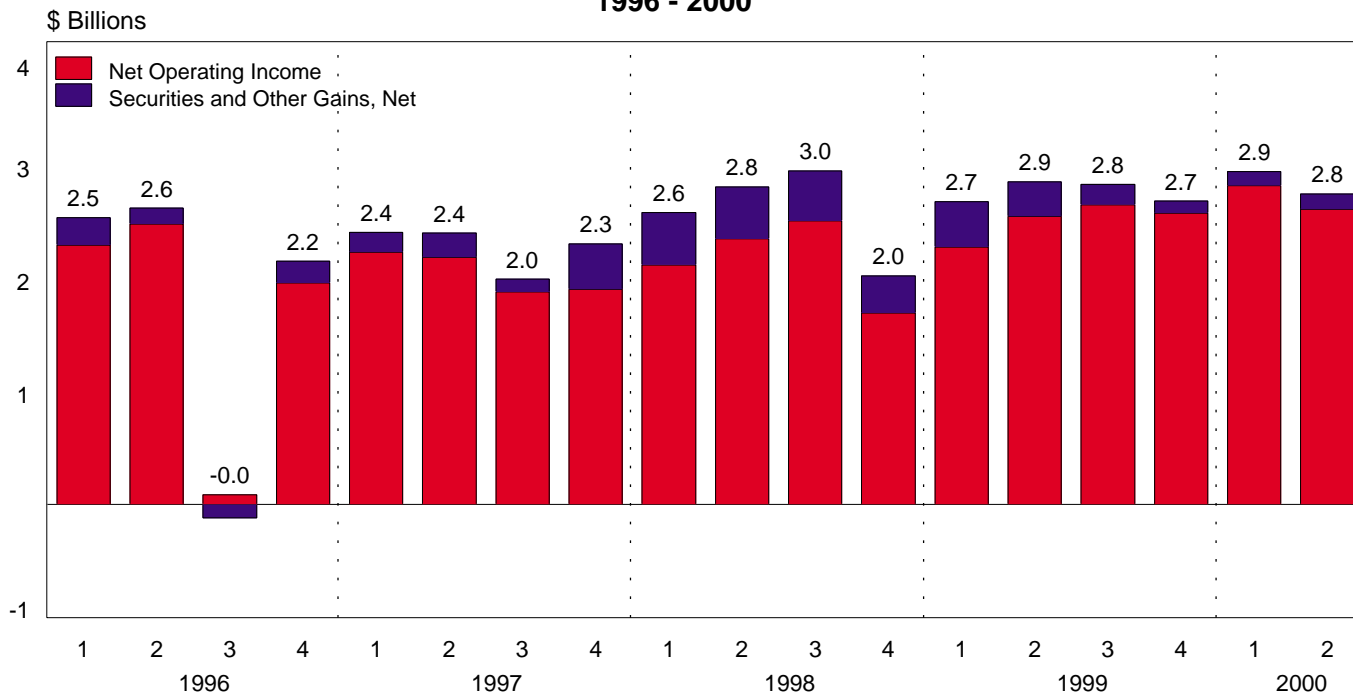
### Rankings By ROA

|                 | No. of Inst.<br>as of 6/30/00 | YTD 2000 | YTD 1999 | Change* |                     | No. of Inst.<br>as of 6/30/00 | YTD 2000 | YTD 1999 | Change* |
|-----------------|-------------------------------|----------|----------|---------|---------------------|-------------------------------|----------|----------|---------|
| 1 Nevada        | 30                            | 3.63     | 3.04     | 59      | 28 Delaware         | 32                            | 1.21     | 3.34     | (213)   |
| 2 New Hampshire | 17                            | 2.74     | 4.21     | (147)   | 29 Nebraska         | 289                           | 1.20     | 1.33     | (13)    |
| 3 South Dakota  | 100                           | 2.53     | 2.99     | (46)    | 30 Iowa             | 442                           | 1.19     | 1.20     | (1)     |
| 4 Wyoming       | 50                            | 2.28     | 2.07     | 21      | 31 South Carolina   | 79                            | 1.19     | 1.40     | (21)    |
| 5 Utah          | 54                            | 2.02     | 2.63     | (61)    | 32 Alabama          | 158                           | 1.18     | 1.26     | (8)     |
| 6 Virginia      | 148                           | 1.74     | 1.77     | (3)     | 33 New Jersey       | 77                            | 1.18     | 1.28     | (10)    |
| 7 Connecticut   | 22                            | 1.73     | 1.40     | 33      | 34 Arkansas         | 194                           | 1.14     | 1.19     | (5)     |
| 8 Alaska        | 6                             | 1.66     | 1.67     | (1)     | 35 Idaho            | 17                            | 1.13     | 1.10     | 3       |
| 9 Rhode Island  | 6                             | 1.58     | 1.57     | 1       | 36 Florida          | 264                           | 1.12     | 1.12     | 0       |
| 10 Georgia      | 343                           | 1.49     | 1.65     | (16)    | 37 Oklahoma         | 295                           | 1.12     | 1.09     | 3       |
| 11 Vermont      | 18                            | 1.49     | 0.21     | 128     | 38 Oregon           | 44                            | 1.12     | 1.49     | (37)    |
| 12 Kansas       | 375                           | 1.43     | 1.24     | 19      | 39 Colorado         | 187                           | 1.11     | 1.48     | (37)    |
| 13 Michigan     | 173                           | 1.43     | 1.66     | (23)    | 40 Massachusetts    | 44                            | 1.11     | 1.19     | (8)     |
| 14 Pennsylvania | 192                           | 1.42     | 1.21     | 21      | 41 Texas            | 736                           | 1.11     | 1.20     | (9)     |
| 15 Minnesota    | 500                           | 1.41     | 1.64     | (23)    | 42 Puerto Rico      | 12                            | 1.10     | 1.23     | (18)    |
| 16 Washington   | 83                            | 1.38     | 1.30     | 8       | 43 Louisiana        | 153                           | 1.02     | 1.13     | (11)    |
| 17 Missouri     | 363                           | 1.36     | 1.34     | 2       | 44 Arizona          | 45                            | 0.94     | 2.61     | (167)   |
| 18 North Dakota | 111                           | 1.34     | 1.76     | (42)    | 45 Hawaii           | 9                             | 0.93     | 1.05     | (12)    |
| 19 Maryland     | 76                            | 1.33     | 1.23     | 10      | 46 West Virginia    | 79                            | 0.92     | 1.14     | (22)    |
| 20 California   | 316                           | 1.32     | 1.24     | 8       | 47 Wisconsin        | 317                           | 0.90     | 1.33     | (43)    |
| 21 Montana      | 85                            | 1.31     | 1.47     | (16)    | 48 Indiana          | 154                           | 0.87     | 1.83     | (96)    |
| 22 Ohio         | 218                           | 1.29     | 1.39     | (10)    | 49 Illinois         | 721                           | 0.76     | 0.98     | (22)    |
| 23 Tennessee    | 194                           | 1.28     | 1.31     | (3)     | 50 District of Col. | 6                             | 0.72     | 0.71     | 1       |
| 24 Kentucky     | 250                           | 1.26     | 1.28     | (2)     | 51 New Mexico       | 52                            | 0.72     | 1.25     | (53)    |
| 25 Mississippi  | 99                            | 1.26     | 1.34     | (8)     | 52 North Carolina   | 71                            | 0.65     | 1.18     | (53)    |
| 26 New York     | 149                           | 1.24     | 0.81     | 43      |                     |                               |          |          |         |
| 27 Maine        | 16                            | 1.22     | 1.15     | 7       | U.S. and Terr.      | 8,477                         | 1.17     | 1.28     | (11)    |

\*YTD ROA minus ROA for the same period one year ago equals change in basis points. Basis point=1/100 of a percent.  
Results for four of the states with the highest ROAs (SD, NV, DE, & NH) were significantly influenced by the presence of large credit card operations.

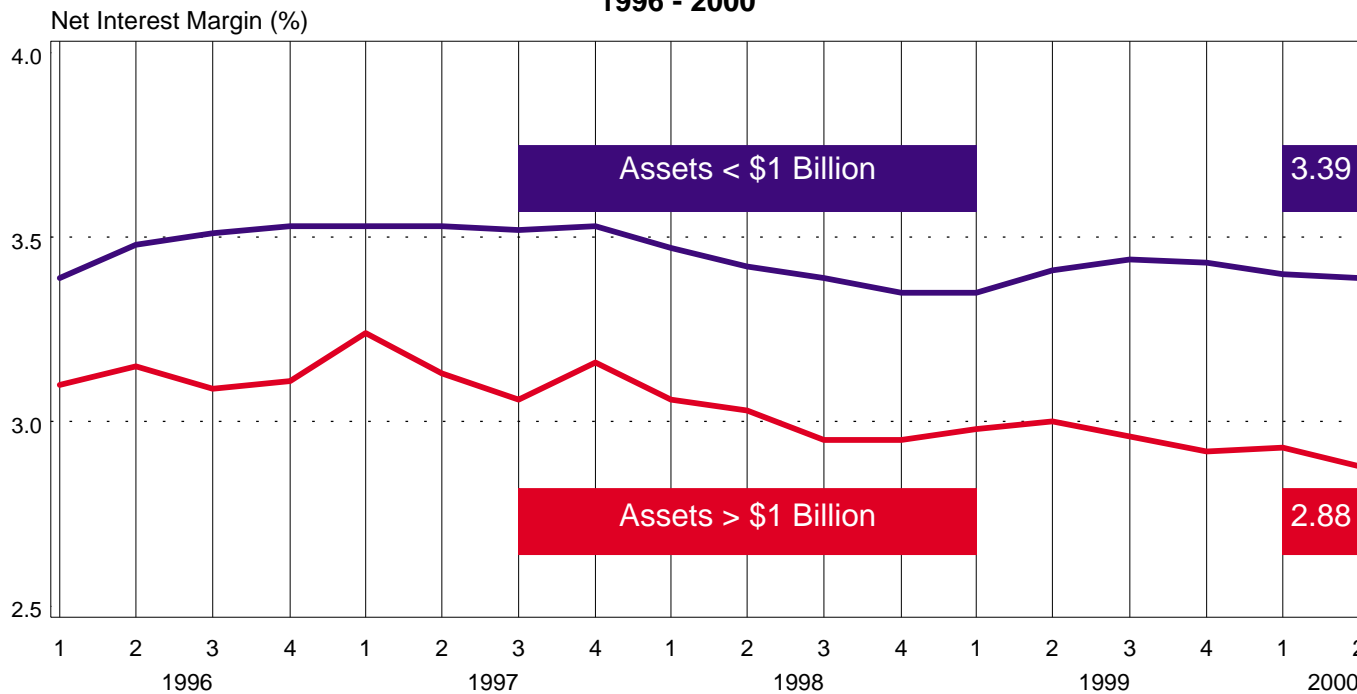
## Quarterly Net Income

1996 - 2000



## Quarterly Net Interest Margins, Annualized

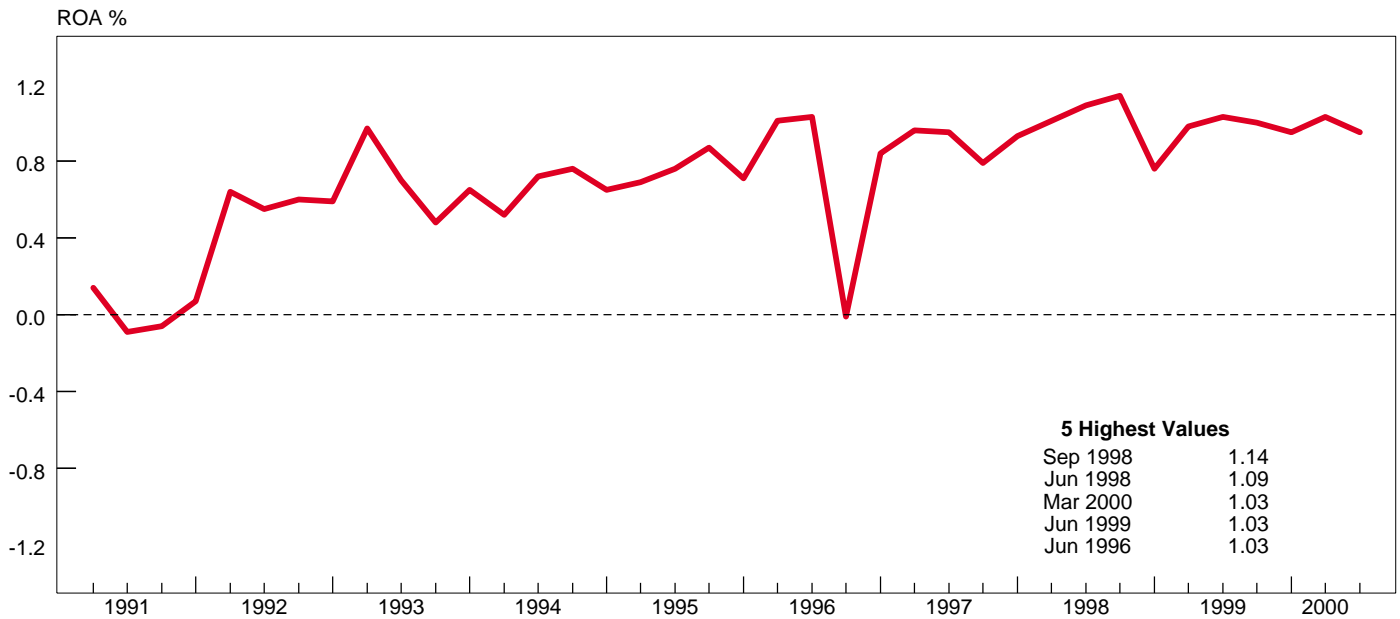
1996 - 2000





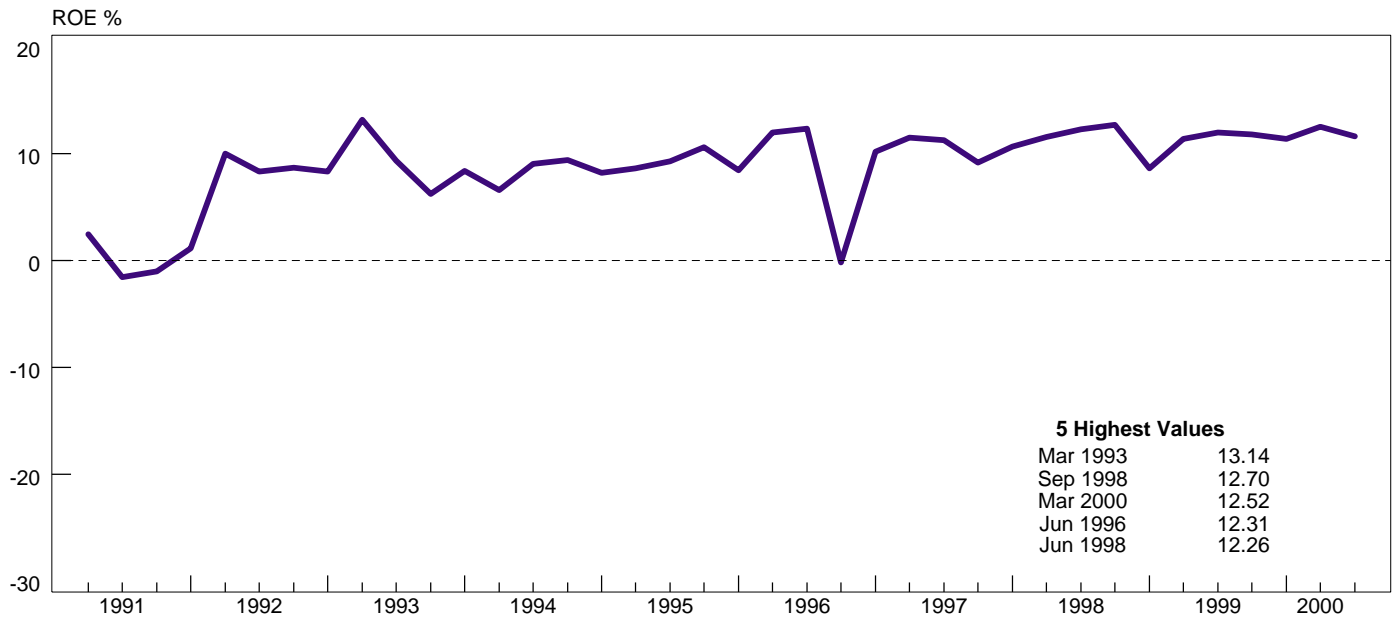
## Quarterly Return on Assets (ROA), Annualized

1991 - 2000

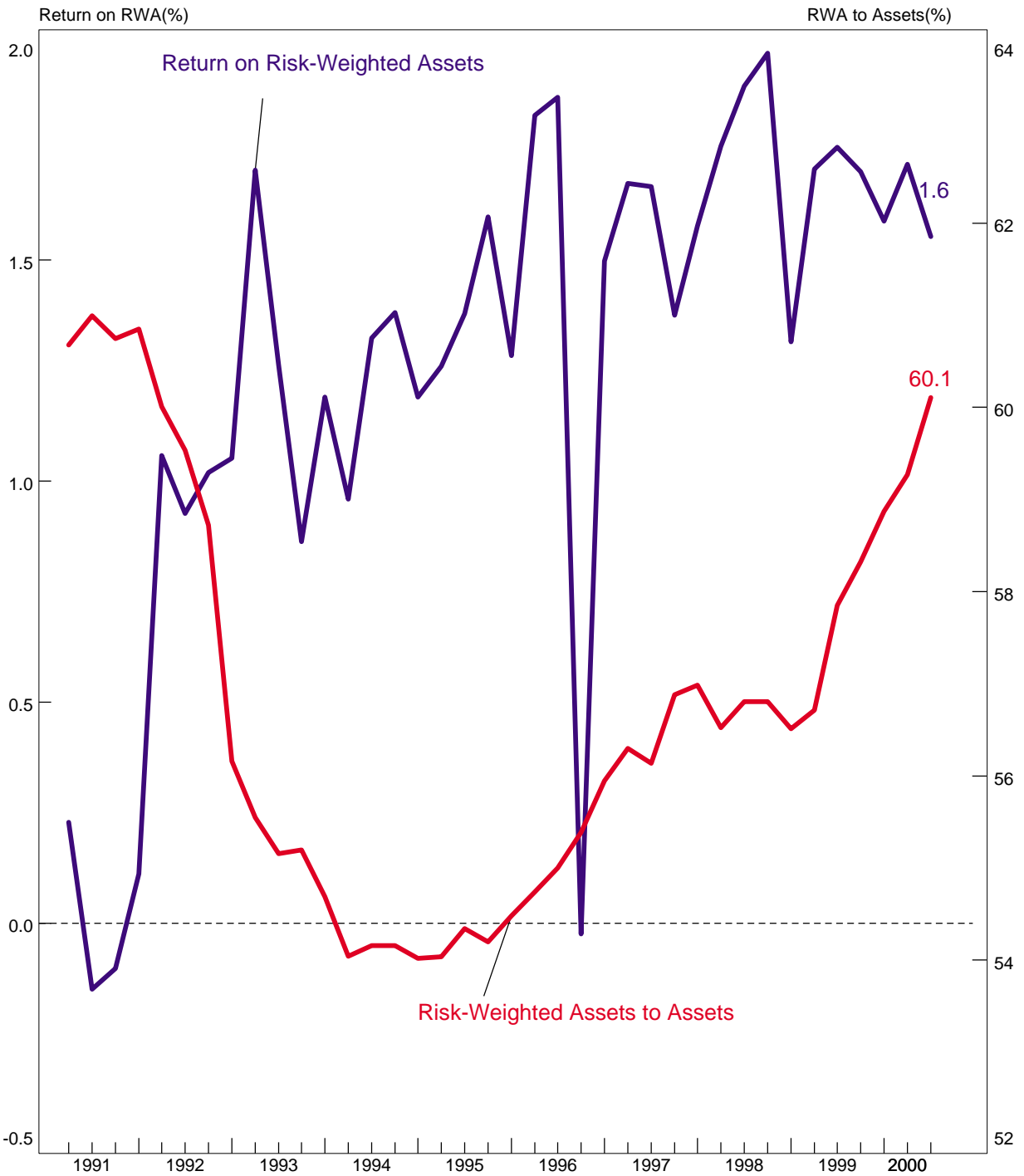


## Quarterly Return on Equity (ROE), Annualized

1991 - 2000



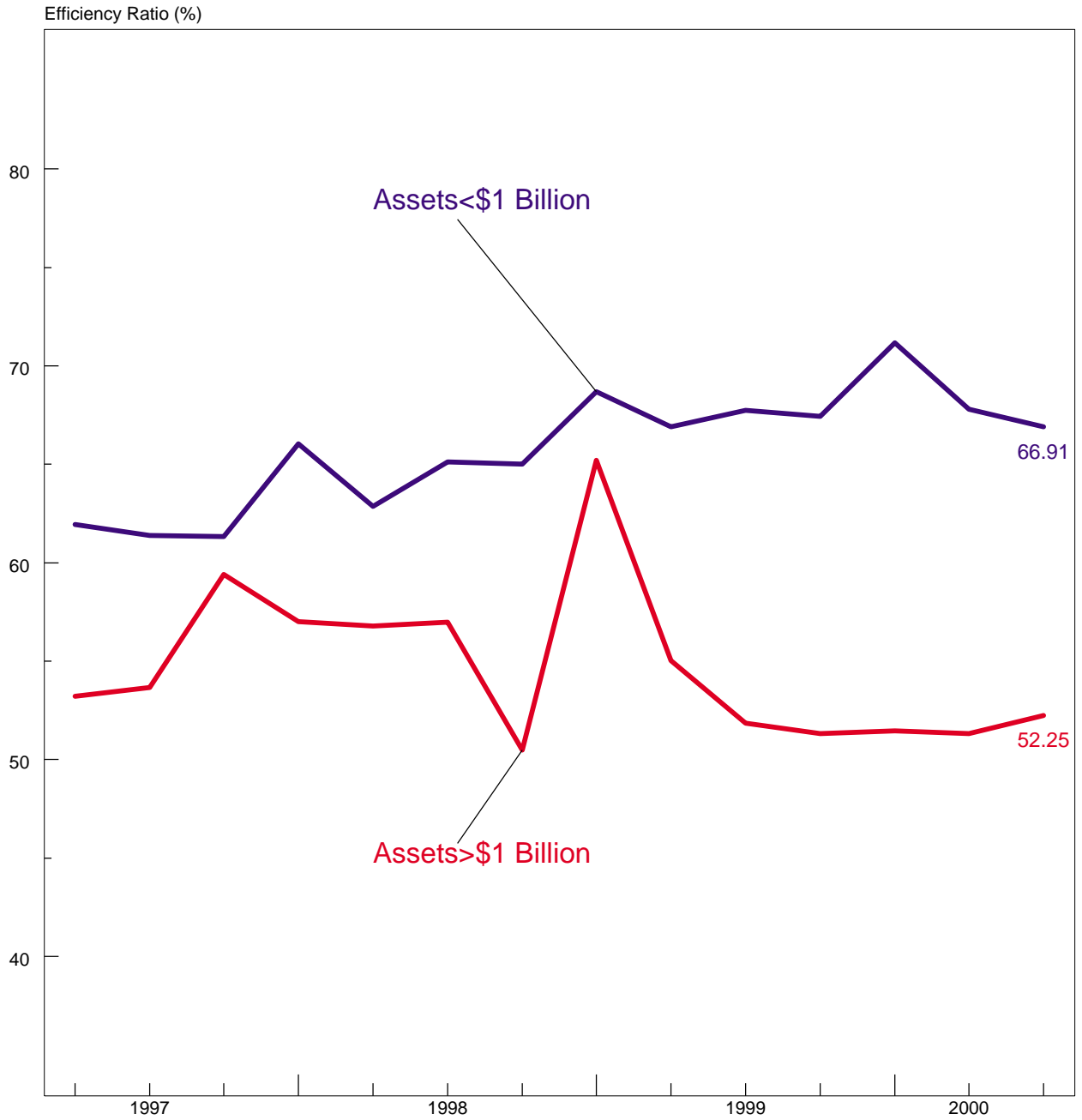
## Quarterly Return on Risk-Weighted Assets (RWA)\* and RWA to Total Assets 1991 - 2000



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

## Quarterly Efficiency Ratios\*

1997 - 2000

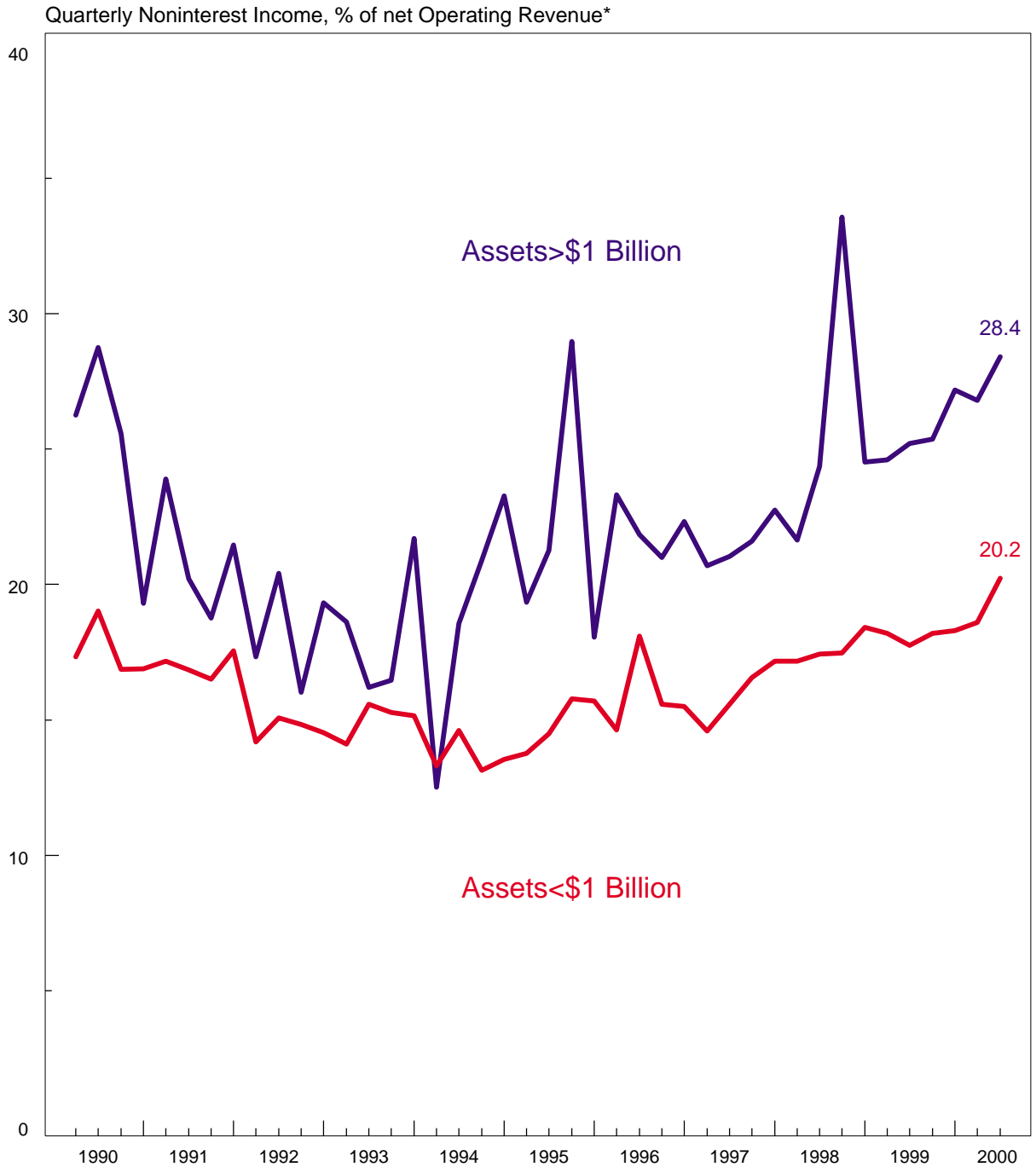


|                               |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Assets &lt;\$1 Billion</b> | 61.95 | 61.39 | 61.33 | 66.03 | 62.86 | 65.12 | 65.00 | 68.69 | 66.89 | 67.75 | 67.43 | 71.17 | 67.80 | 66.91 |
| <b>Assets &gt;\$1 Billion</b> | 53.20 | 53.66 | 59.39 | 57.01 | 56.77 | 56.99 | 50.47 | 65.20 | 55.02 | 51.84 | 51.31 | 51.46 | 51.32 | 52.25 |
| <b>Total</b>                  | 55.92 | 56.07 | 59.99 | 59.73 | 58.62 | 59.30 | 54.28 | 66.15 | 58.13 | 55.89 | 55.44 | 56.48 | 55.45 | 55.92 |

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

# Noninterest Income as a Percentage of Net Operating Revenue\*

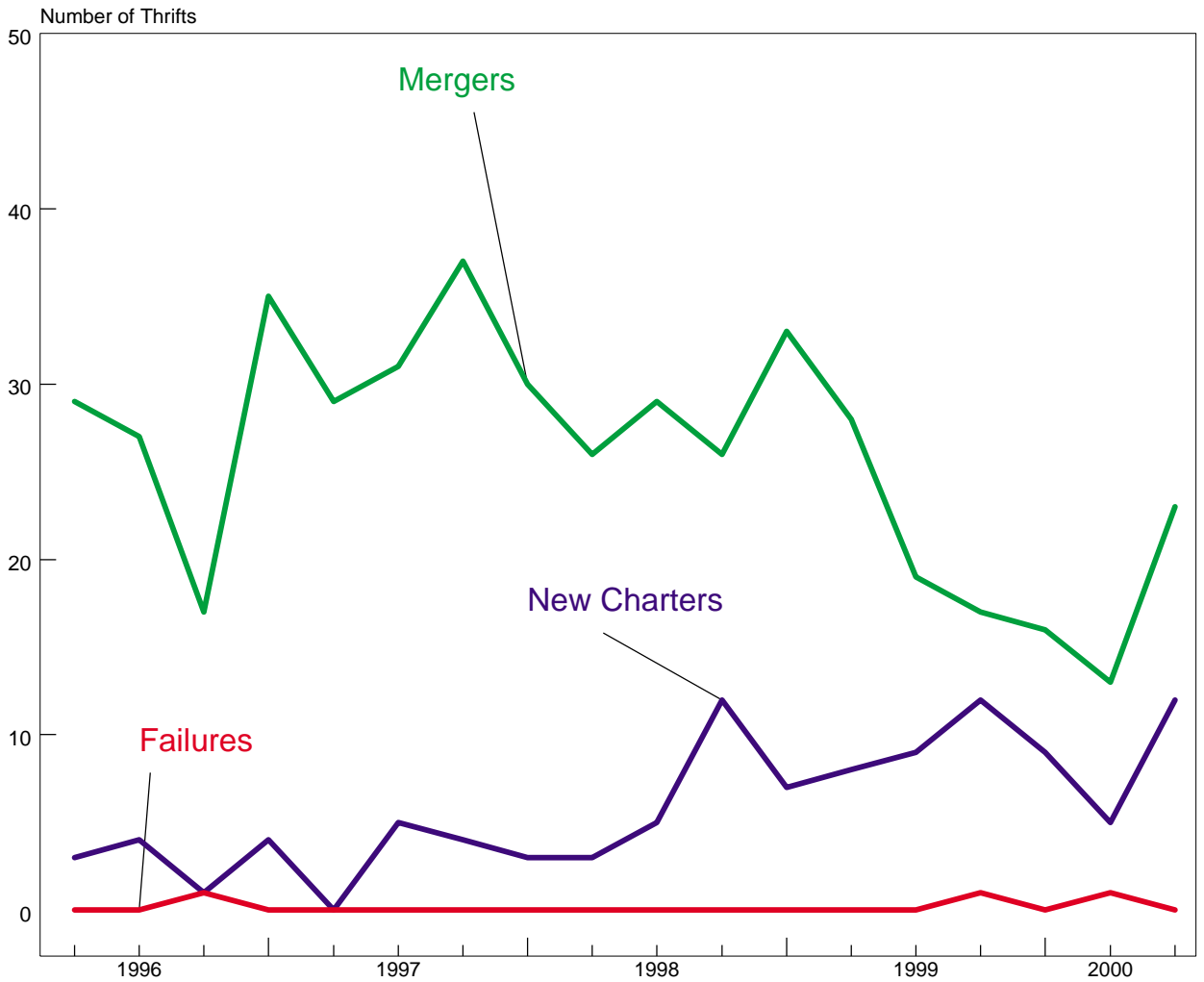
1990 - 2000



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

## Changes in the Number of FDIC-Insured Savings Institutions

### Quarterly, 1996 - 2000

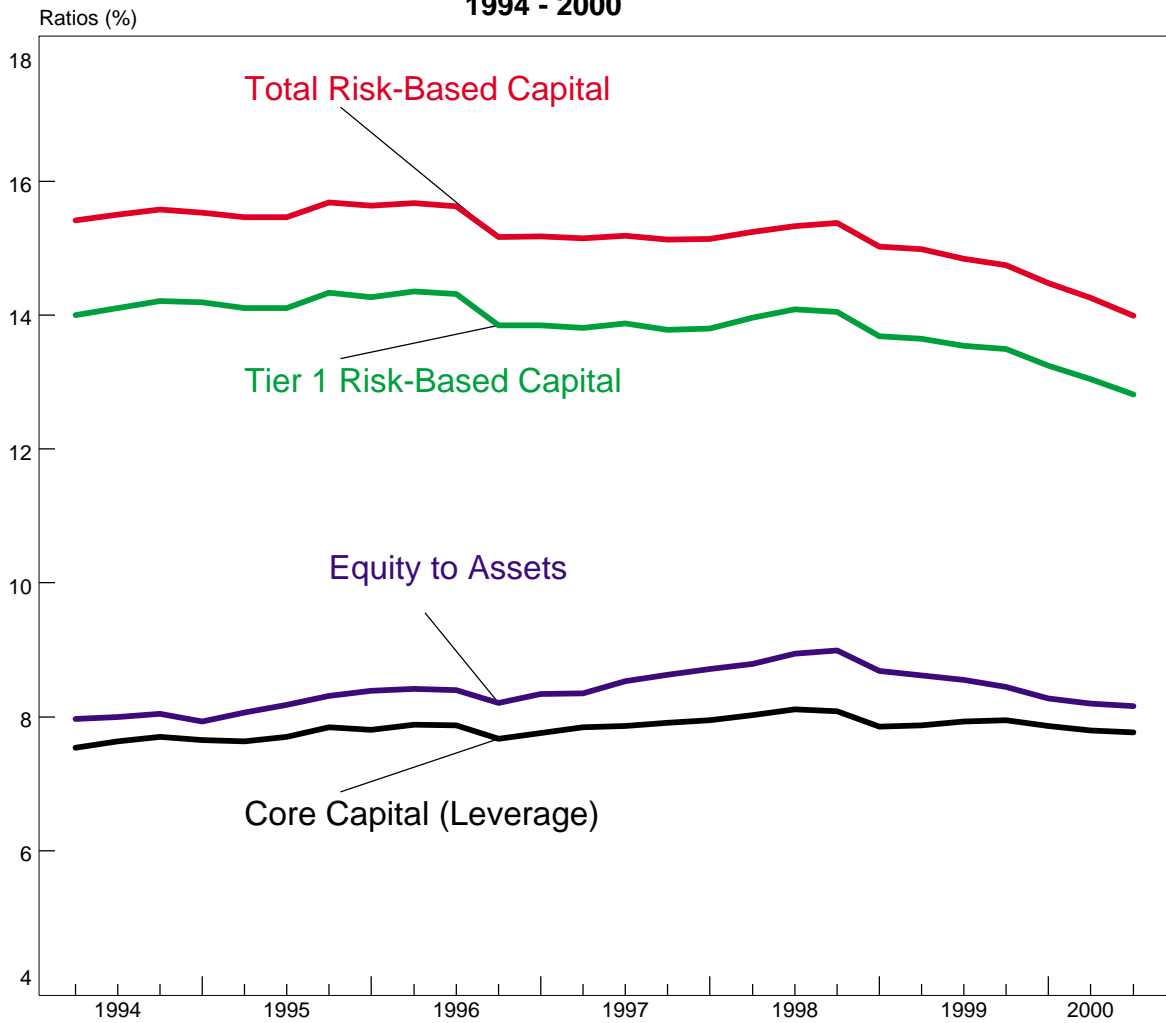


|                                  |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>New Charters</b>              | 3     | 4     | 1     | 4     | 0     | 5     | 4     | 3     | 3     | 5     | 12    | 7     | 8     | 9     | 12    | 9     | 5     | 12    |
| <b>Mergers</b>                   | 29    | 27    | 17    | 35    | 29    | 31    | 37    | 30    | 26    | 29    | 26    | 33    | 28    | 19    | 17    | 16    | 13    | 23    |
| <b>Failures</b>                  | 0     | 0     | 1     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 1     | 0     | 1     | 0     |
| Other Changes, Net*              | 1     | -2    | -1    | -6    | -9    | -9    | -6    | -6    | -1    | -3    | -2    | 2     | -1    | -5    | 2     | -1    | 2     | 1     |
| No. of Thrifts at end of quarter | 2,005 | 1,980 | 1,962 | 1,925 | 1,887 | 1,852 | 1,813 | 1,780 | 1,756 | 1,729 | 1,713 | 1,689 | 1,668 | 1,653 | 1,649 | 1,641 | 1,634 | 1,624 |
| Net Change during quarter        | -25   | -25   | -18   | -37   | -38   | -35   | -39   | -33   | -24   | -27   | -16   | -24   | -21   | -15   | -4    | -8    | -7    | -10   |

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

## Capital Ratios

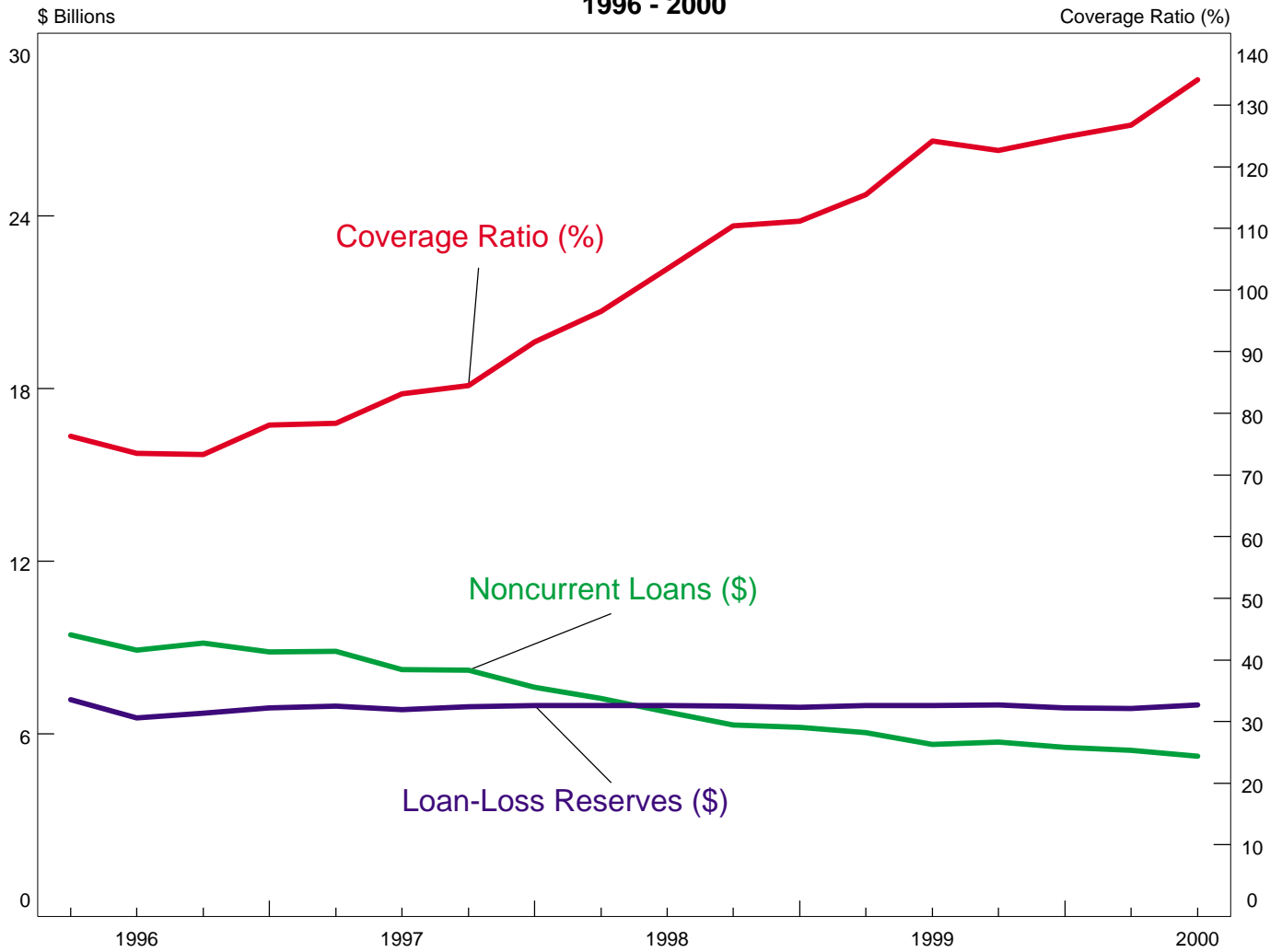
1994 - 2000



|                                  | 12/94        | 12/95        | 12/96        | 12/97        | 12/98        | 12/99        | 6/00         |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Total Risk-Based Capital</b>  | <b>15.53</b> | <b>15.63</b> | <b>15.17</b> | <b>15.14</b> | <b>15.02</b> | <b>14.48</b> | <b>13.99</b> |
| <b>Tier 1 Risk-Based Capital</b> | <b>14.19</b> | <b>14.27</b> | <b>13.85</b> | <b>13.80</b> | <b>13.68</b> | <b>13.24</b> | <b>12.81</b> |
| <b>Equity to Assets</b>          | <b>7.93</b>  | <b>8.39</b>  | <b>8.34</b>  | <b>8.71</b>  | <b>8.68</b>  | <b>8.27</b>  | <b>8.16</b>  |
| <b>Core Capital (Leverage)</b>   | <b>7.65</b>  | <b>7.80</b>  | <b>7.76</b>  | <b>7.95</b>  | <b>7.85</b>  | <b>7.86</b>  | <b>7.77</b>  |

# Reserve Coverage Ratio\*

1996 - 2000



## Noncurrent Loans (\$ Billions)

9.4 8.9 9.2 8.8 8.9 8.2 8.2 7.6 7.2 6.8 6.3 6.2 6.0 5.6 5.7 5.5 5.4 5.2

## Loan-Loss Reserves (\$ Billions)

7.2 6.6 6.7 6.9 7.0 6.8 6.9 7.0 7.0 7.0 7.0 6.9 7.0 7.0 7.0 6.9 6.9 7.0

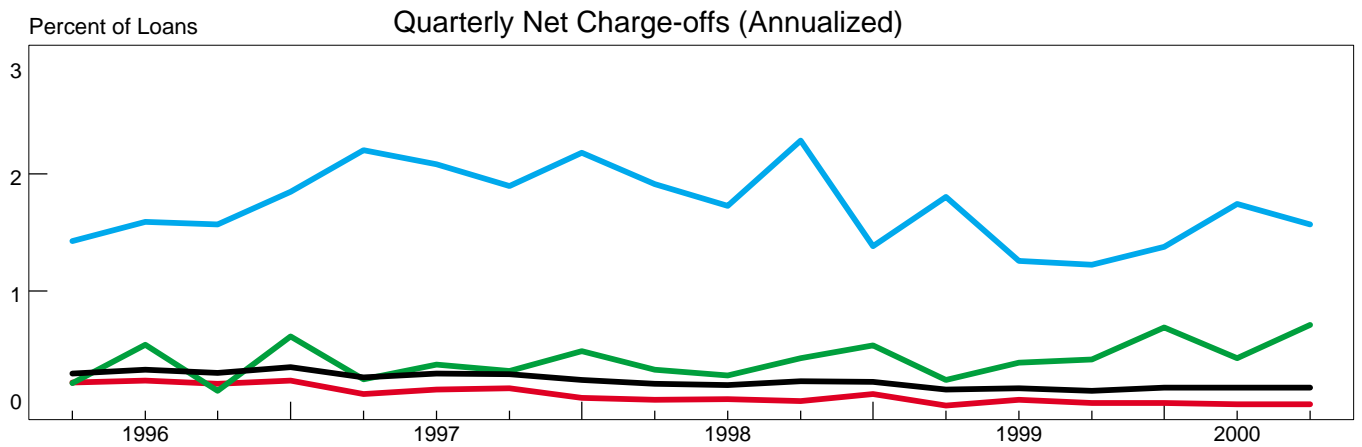
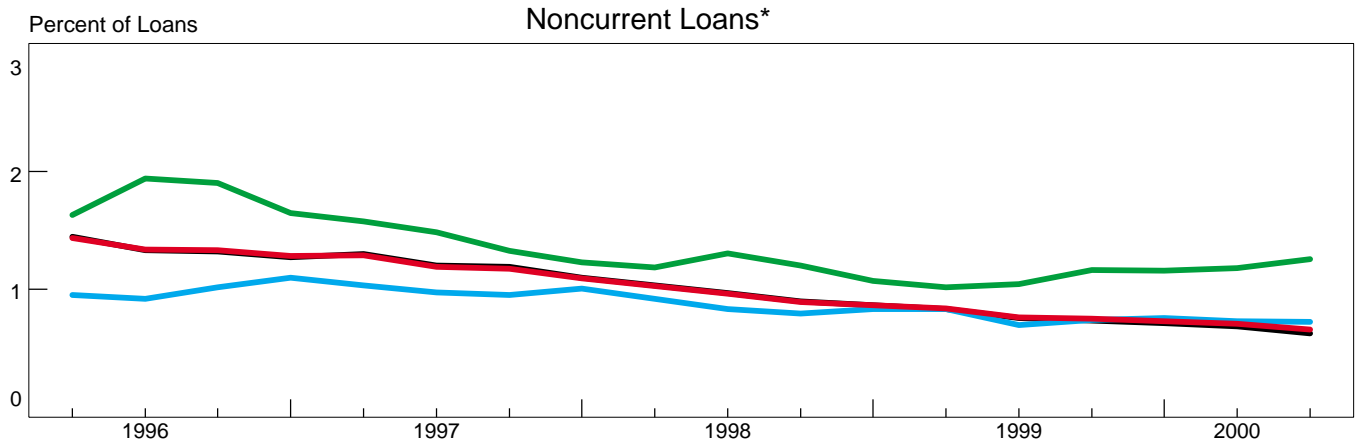
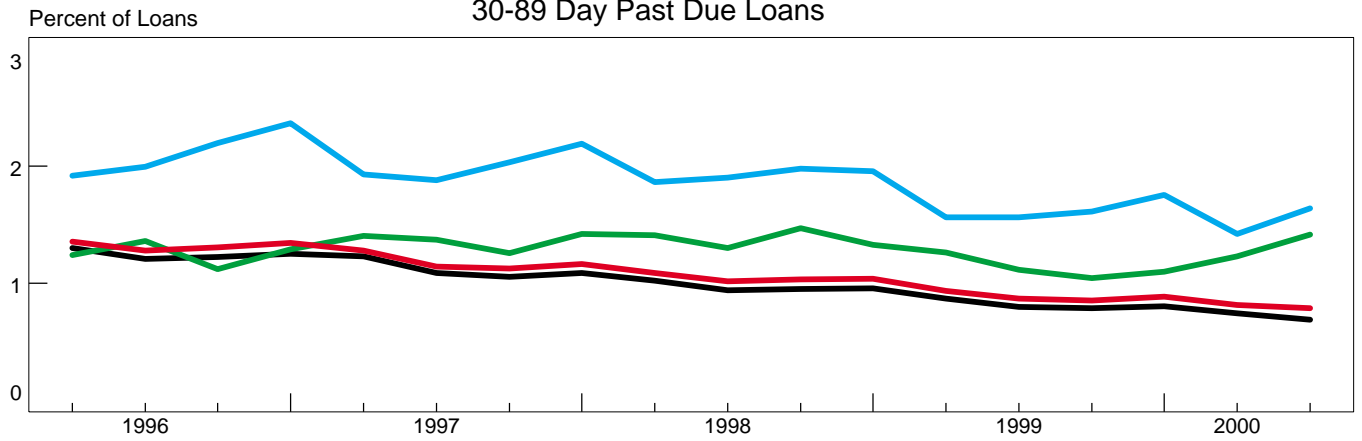
## Coverage Ratio (%)

76 74 73 78 78 83 84 92 97 103 110 111 115 124 123 125 127 134

\*Loan-loss reserves to noncurrent loans.

# Loan Quality

1996 - 2000

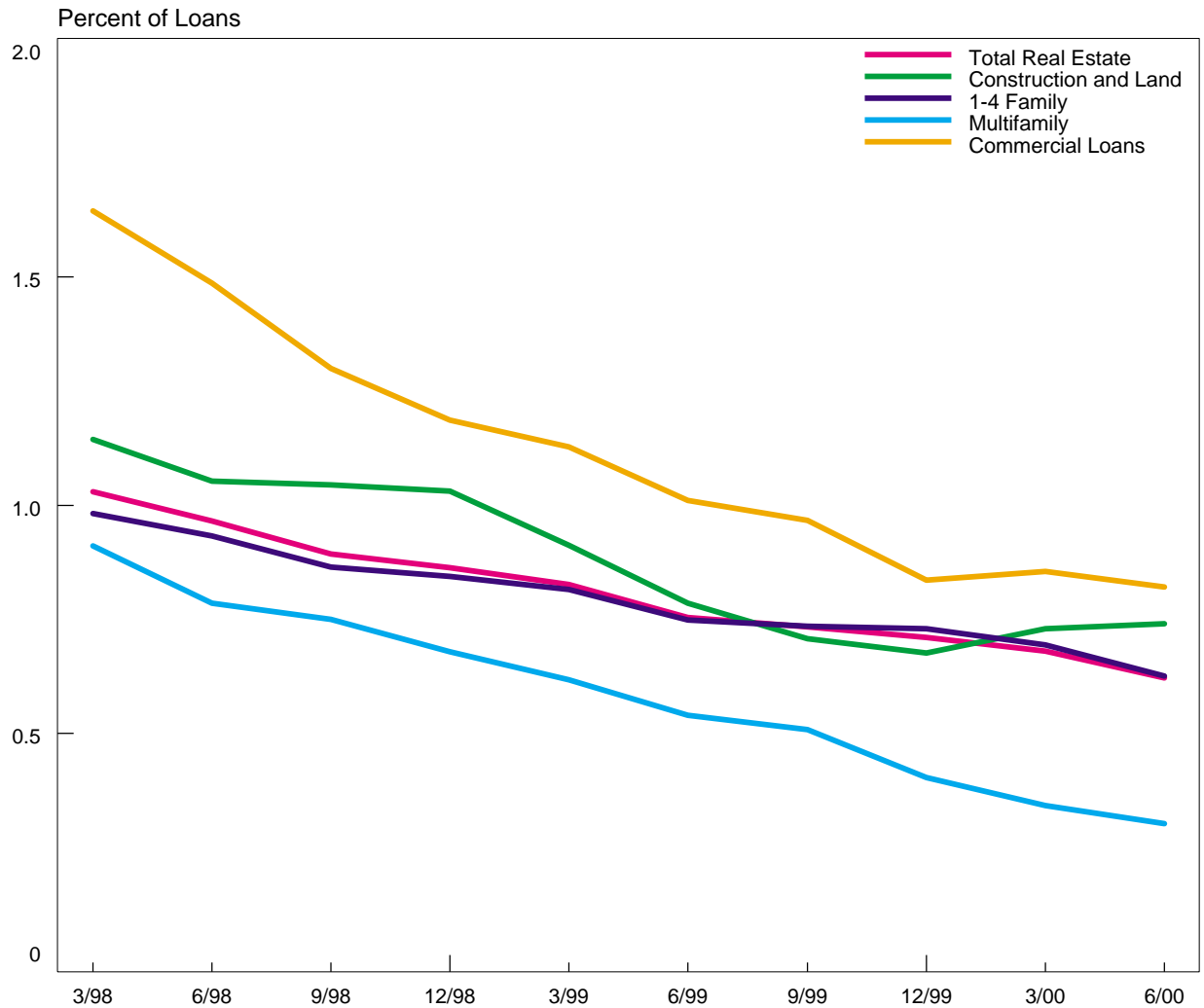


\*Loans past due 90 or more days or in nonaccrual status.



## Noncurrent Real Estate Loan Rates by Type\*

1998 - 2000

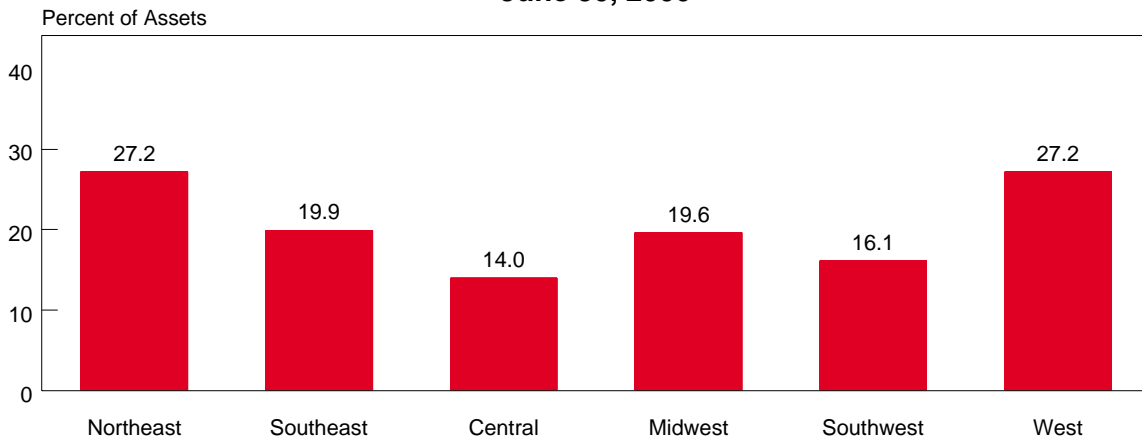


|                              |             |             |             |             |             |             |             |             |             |             |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Construction and Land</b> | <b>1.14</b> | <b>1.05</b> | <b>1.04</b> | <b>1.03</b> | <b>0.91</b> | <b>0.79</b> | <b>0.71</b> | <b>0.68</b> | <b>0.73</b> | <b>0.74</b> |
| <b>1-4 Family</b>            | <b>0.98</b> | <b>0.93</b> | <b>0.86</b> | <b>0.84</b> | <b>0.82</b> | <b>0.75</b> | <b>0.73</b> | <b>0.73</b> | <b>0.69</b> | <b>0.63</b> |
| <b>Multifamily</b>           | <b>0.91</b> | <b>0.79</b> | <b>0.75</b> | <b>0.68</b> | <b>0.62</b> | <b>0.54</b> | <b>0.51</b> | <b>0.40</b> | <b>0.34</b> | <b>0.30</b> |
| <b>Commercial</b>            | <b>1.65</b> | <b>1.49</b> | <b>1.30</b> | <b>1.19</b> | <b>1.13</b> | <b>1.01</b> | <b>0.97</b> | <b>0.84</b> | <b>0.85</b> | <b>0.82</b> |
| <b>Total</b>                 | <b>1.03</b> | <b>0.96</b> | <b>0.89</b> | <b>0.86</b> | <b>0.83</b> | <b>0.75</b> | <b>0.73</b> | <b>0.71</b> | <b>0.68</b> | <b>0.62</b> |

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

## Total Securities\* as a Percent of Assets

June 30, 2000

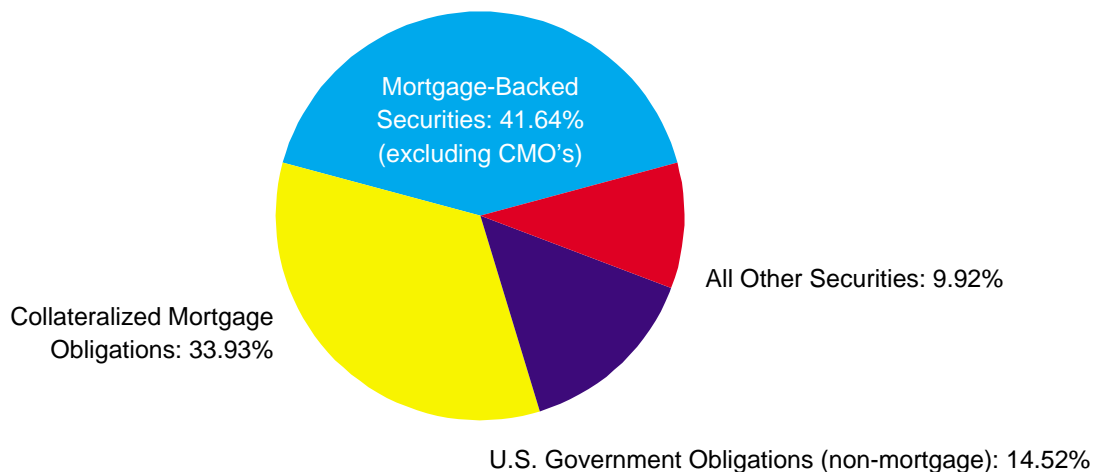


## Total Securities\* (\$ Billions)

|   | 6/98      | 9/98      | 12/98     | 3/99      | 6/99      | 9/99      | 12/99     | 3/00      | 6/00      |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| U.S. Government Obligations (non-mortgage)    | \$43      | \$39      | \$37      | \$40      | \$41      | \$42      | \$41      | \$41      | \$40      |
| Mortgage-Backed Securities (excluding CMO's)  | 123       | 119       | 119       | 125       | 125       | 123       | 122       | 117       | 116       |
| Collateralized Mortgage Obligations           | 65        | 74        | 89        | 98        | 96        | 91        | 99        | 102       | 94        |
| All Other Securities                          | <u>22</u> | <u>24</u> | <u>25</u> | <u>26</u> | <u>28</u> | <u>28</u> | <u>28</u> | <u>23</u> | <u>28</u> |
| Total Securities                              | 252       | 255       | 270       | 288       | 290       | 284       | 291       | 283       | 278       |
| Securities as a Percent of Assets             | 24.12%    | 24.14%    | 24.76%    | 25.94%    | 25.78%    | 24.82%    | 25.37%    | 24.45%    | 23.61%    |
| Memoranda:                                    |           |           |           |           |           |           |           |           |           |
| Amortized Cost of Total Held-to-Maturity Sec. | 98        | 94        | 90        | 92        | 94        | 89        | 95        | 93        | 95        |
| Fair Value of Total Available-for-Sale Sec.   | 154       | 161       | 179       | 196       | 197       | 194       | 197       | 191       | 184       |

## Total Securities\*

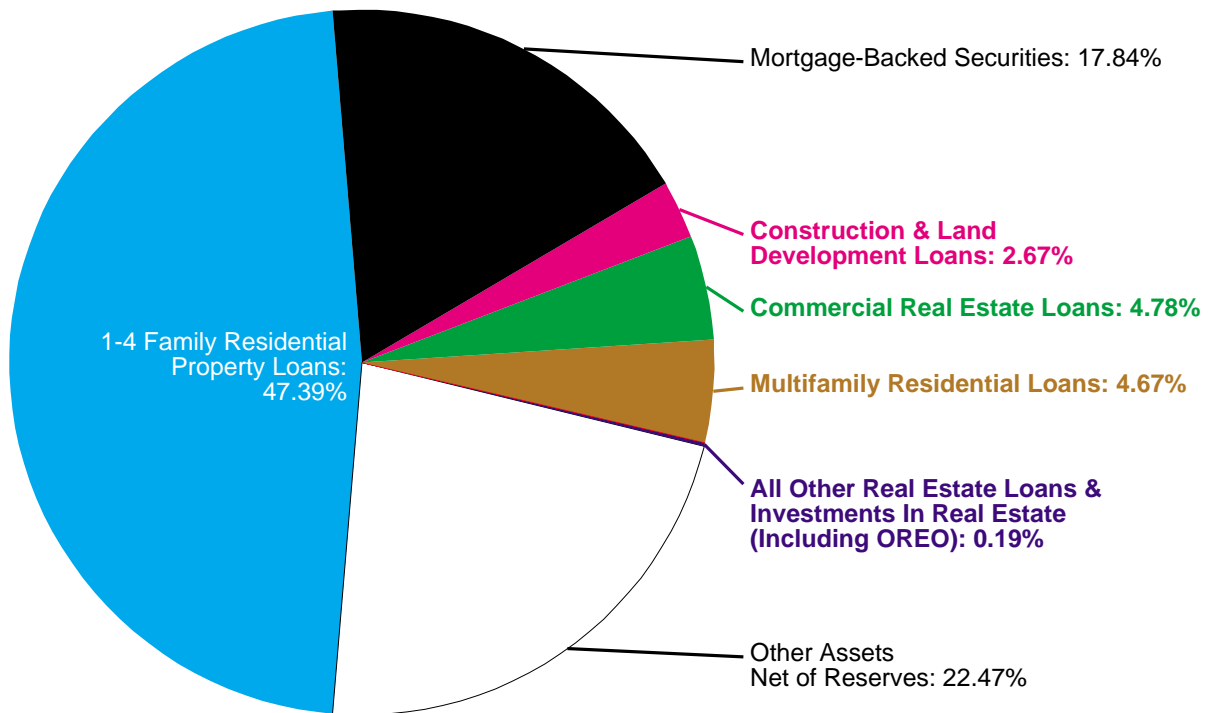
June 30, 2000



\*Excludes trading account assets for savings institutions filing a Call Report. Trading account assets for savings institutions filing a TFR are netted out of "All Other Securities".

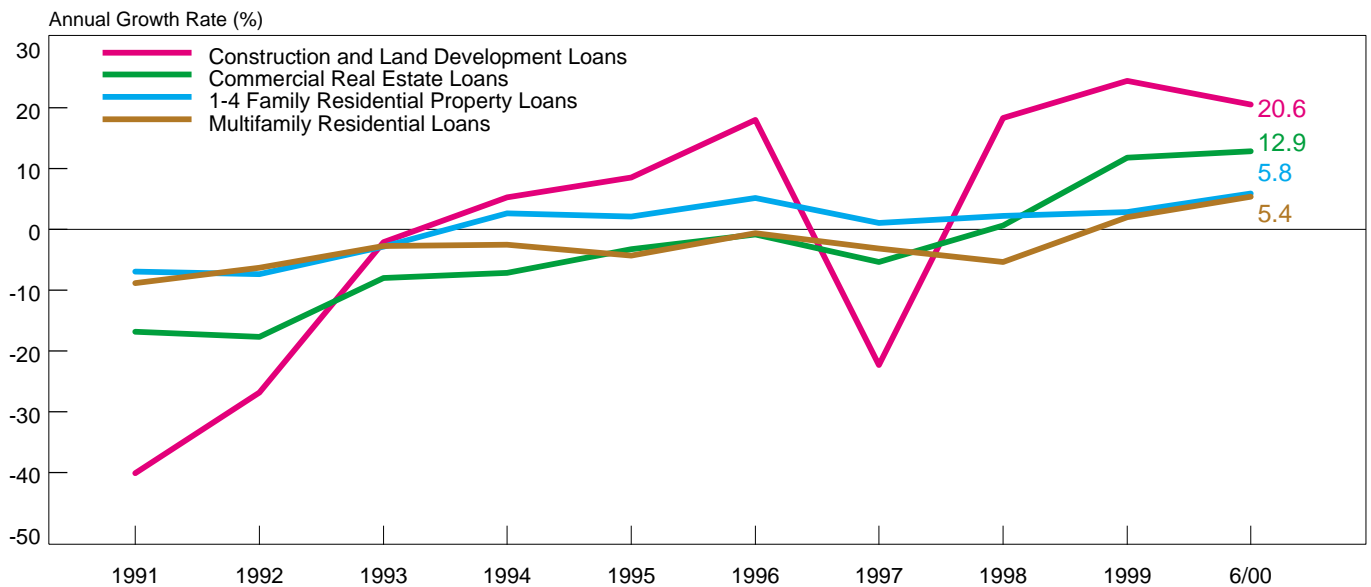
## Real Estate Assets as a Percent of Total Assets

June 30, 2000



## Real Estate Loan Growth Rates\*

1991 - 2000



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

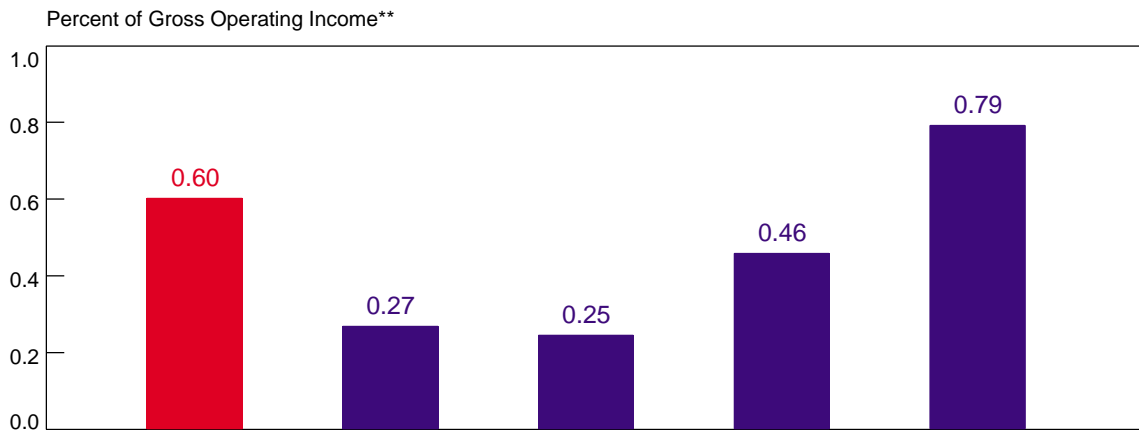
## Mutual Fund and Annuity Sales\*

1999 - 2000

| Quarterly Sales (\$ Millions)                            | 6/99   | 9/99   | 12/99  | 3/00     | 6/00     |
|--|--------|--------|--------|----------|----------|
| Money Market Funds                                       | \$ 474 | \$ 501 | \$ 651 | \$ 1,167 | \$ 1,068 |
| Debt Securities Funds                                    | 741    | 535    | 461    | 380      | 365      |
| Equity Securities  | 827    | 631    | 572    | 575      | 538      |
| Other Mutual Funds                                       | 346    | 335    | 348    | 455      | 329      |
| Annuities  | 1,545  | 1,665  | 1,656  | 1,784    | 1,929    |
| Proprietary Mutual Fund and Annuity Sales included above | 868    | 700    | 895    | 1,171    | 978      |

\*Domestic office sales of proprietary, private label and third-party funds and annuities. Does not reflect redemptions.

## Fee Income from Sales and Service of Mutual Funds and Annuities 2000 YTD

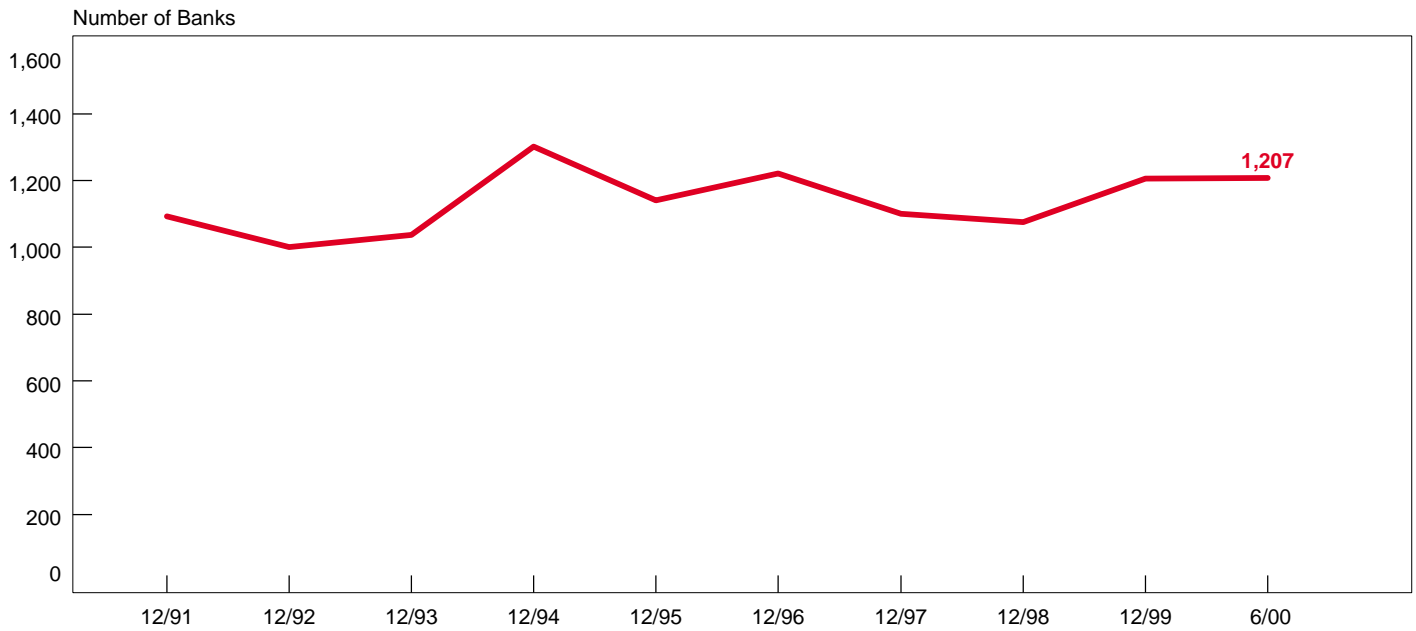


| (\$ Millions)                                | All Institutions | Under \$100 Million | \$100 Million to \$1 Billion | \$1 Billion to \$5 Billion | Over \$5 Billion |
|--|------------------|---------------------|------------------------------|----------------------------|------------------|
| Mutual Fund and Annuity Fee Income           | <b>\$277</b>     | <b>\$4</b>          | <b>\$23</b>                  | <b>\$41</b>                | <b>\$210</b>     |
| Gross Operating Income                       | <b>\$46,028</b>  | <b>\$1,342</b>      | <b>\$9,402</b>               | <b>\$8,838</b>             | <b>\$26,446</b>  |
| Number of Institutions Reporting These Fees  | <b>348</b>       | <b>28</b>           | <b>229</b>                   | <b>66</b>                  | <b>25</b>        |
| Percent of Institutions Reporting These Fees | <b>21.4%</b>     | <b>4.4%</b>         | <b>27.4%</b>                 | <b>59.5%</b>               | <b>71.4%</b>     |

\*\*Gross operating income is the total of interest income and noninterest income.

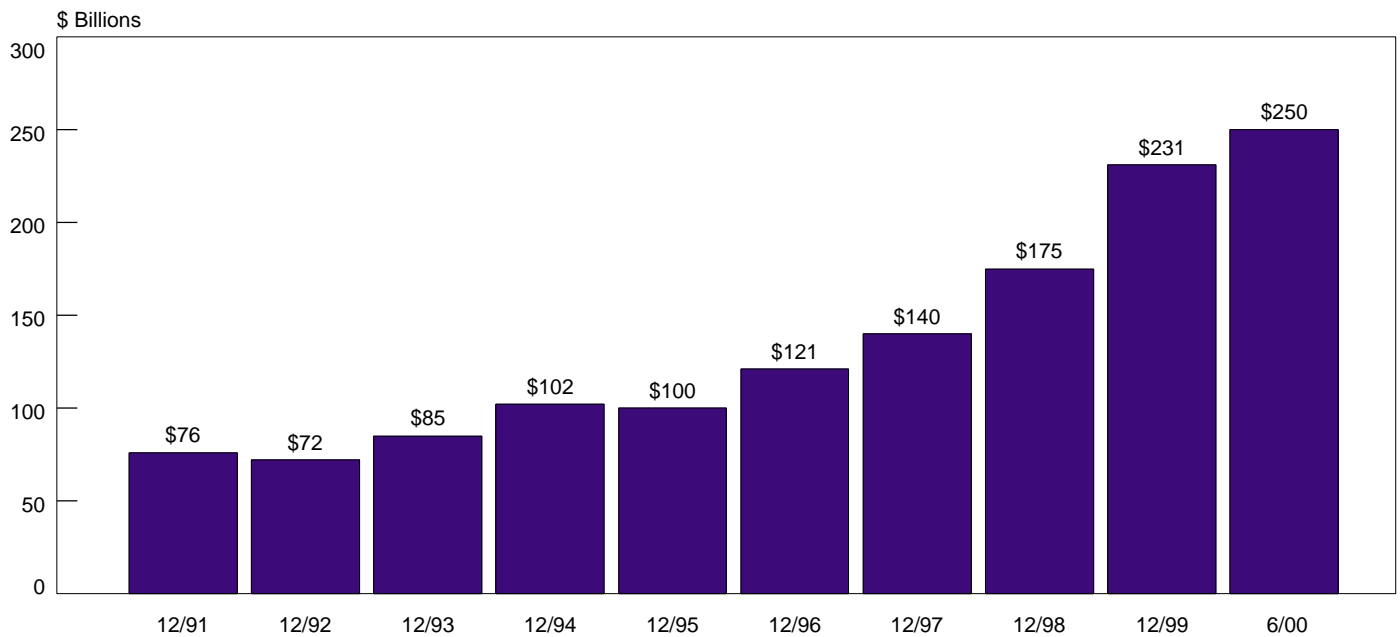
## Number of Savings Institutions with FHLB Advances\*

1991 - 2000



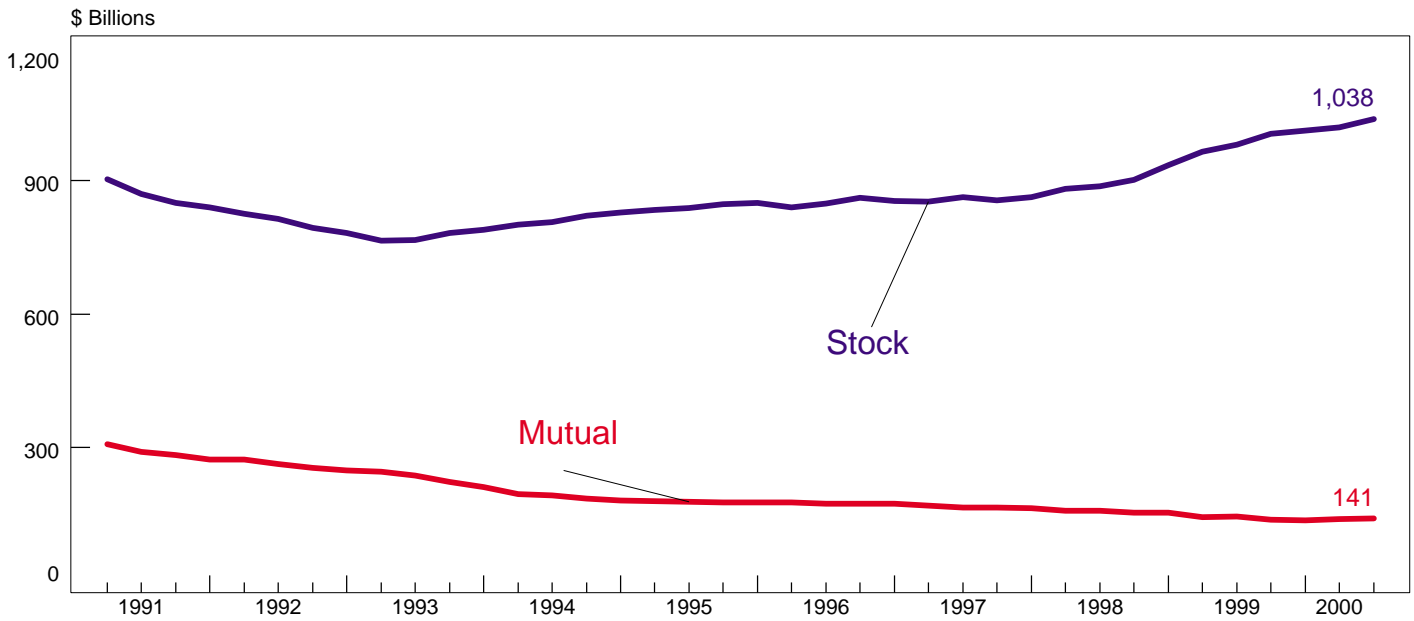
## Amount of FHLB Advances Outstanding\*

1991 - 2000

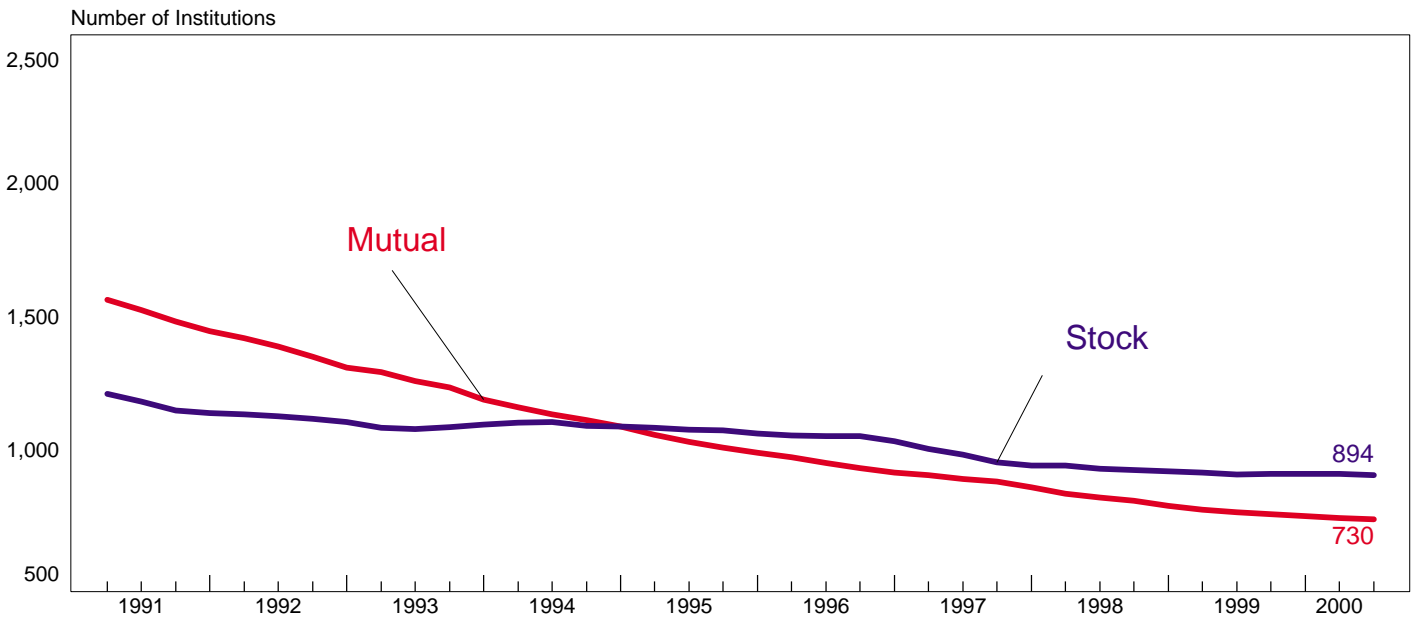


\* Source: FHFB

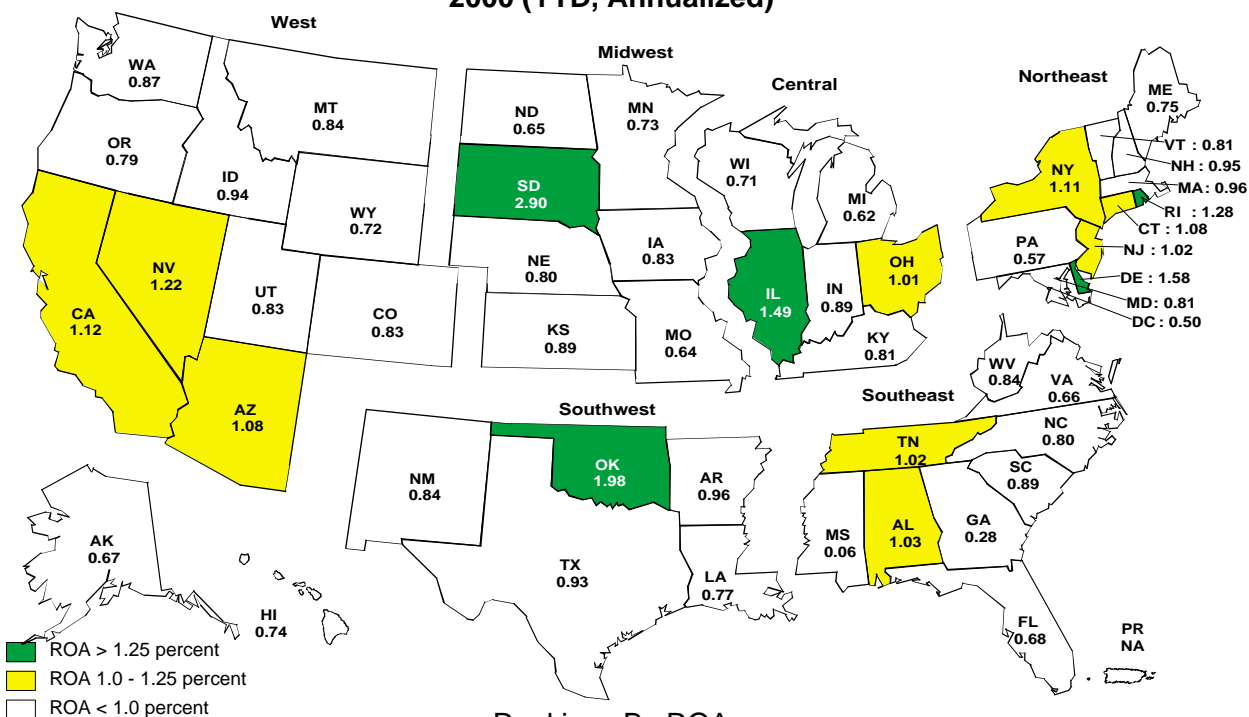
## Assets of Mutual and Stock Savings Institutions 1991 - 2000



## Number of Mutual and Stock Savings Institutions 1991 - 2000



## Return on Assets (ROA) 2000 (YTD, Annualized)



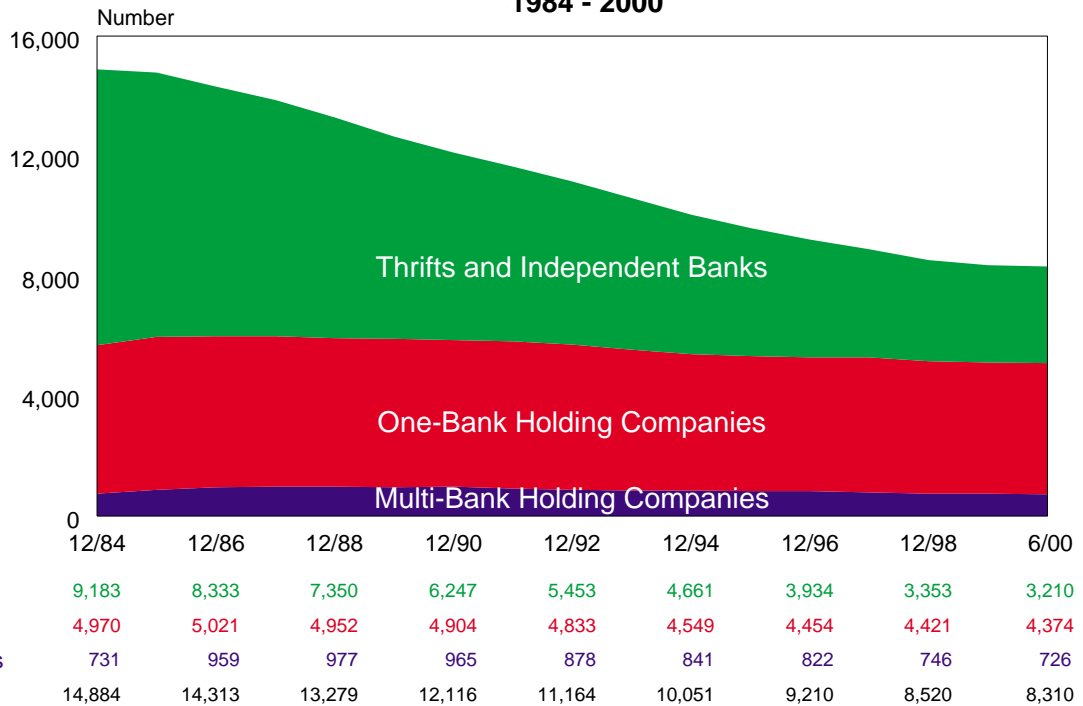
### Rankings By ROA

|                   | No. of Inst.<br>as of 6/30/00 | YTD 2000 | YTD 1999 | Change* |                     | No. of Inst.<br>as of 6/30/00 | YTD 2000 | YTD 1999 | Change* |
|-------------------|-------------------------------|----------|----------|---------|---------------------|-------------------------------|----------|----------|---------|
| 1 South Dakota    | 4                             | 2.90     | 1.03     | 187     | 28 Iowa             | 25                            | 0.83     | 0.78     | 5       |
| 2 Oklahoma        | 10                            | 1.98     | 2.14     | (16)    | 29 Utah             | 5                             | 0.83     | 5.40     | (457)   |
| 3 Delaware        | 5                             | 1.58     | 1.44     | 14      | 30 Kentucky         | 34                            | 0.81     | 0.81     | 0       |
| 4 Illinois        | 118                           | 1.49     | 1.41     | 8       | 31 Maryland         | 66                            | 0.81     | 0.88     | (7)     |
| 5 Rhode Island    | 6                             | 1.28     | 1.24     | 4       | 32 Vermont          | 5                             | 0.81     | 0.84     | (3)     |
| 6 Nevada          | 2                             | 1.22     | 0.32     | 90      | 33 Nebraska         | 15                            | 0.80     | 0.78     | 2       |
| 7 California      | 46                            | 1.12     | 1.00     | 12      | 34 North Carolina   | 44                            | 0.80     | 0.80     | 0       |
| 8 New York        | 85                            | 1.11     | 0.99     | 12      | 35 Oregon           | 5                             | 0.79     | 0.72     | 7       |
| 9 Arizona         | 4                             | 1.08     | 1.48     | (40)    | 36 Louisiana        | 33                            | 0.77     | 0.82     | (5)     |
| 10 Connecticut    | 48                            | 1.08     | 1.07     | 1       | 37 Maine            | 27                            | 0.75     | 0.94     | (19)    |
| 11 Alabama        | 12                            | 1.03     | 0.88     | 15      | 38 Hawaii           | 3                             | 0.74     | 0.69     | 5       |
| 12 New Jersey     | 72                            | 1.02     | 1.05     | (3)     | 39 Minnesota        | 22                            | 0.73     | 0.68     | 5       |
| 13 Tennessee      | 25                            | 1.02     | 1.13     | (11)    | 40 Wyoming          | 4                             | 0.72     | 0.87     | (15)    |
| 14 Ohio           | 130                           | 1.01     | 1.15     | (14)    | 41 Wisconsin        | 40                            | 0.71     | 0.76     | (5)     |
| 15 Arkansas       | 10                            | 0.96     | 0.90     | 6       | 42 Florida          | 46                            | 0.68     | 0.73     | (5)     |
| 16 Massachusetts  | 185                           | 0.96     | 0.94     | 2       | 43 Alaska           | 2                             | 0.67     | 0.68     | (1)     |
| 17 New Hampshire  | 19                            | 0.95     | 1.15     | (20)    | 44 Virginia         | 20                            | 0.66     | 0.92     | (26)    |
| 18 Idaho          | 2                             | 0.94     | 0.91     | 3       | 45 North Dakota     | 4                             | 0.65     | 0.89     | (24)    |
| 19 Texas          | 50                            | 0.93     | 1.08     | (15)    | 46 Missouri         | 40                            | 0.64     | 0.74     | (10)    |
| 20 Indiana        | 70                            | 0.89     | 0.94     | (5)     | 47 Michigan         | 24                            | 0.62     | 0.65     | (3)     |
| 21 Kansas         | 17                            | 0.89     | 0.98     | (9)     | 48 Pennsylvania     | 118                           | 0.57     | 0.87     | (30)    |
| 22 South Carolina | 30                            | 0.89     | 1.11     | (22)    | 49 District of Col. | 1                             | 0.50     | 0.48     | 2       |
| 23 Washington     | 23                            | 0.87     | 1.13     | (26)    | 50 Georgia          | 25                            | 0.28     | 1.18     | (90)    |
| 24 Montana        | 5                             | 0.84     | 0.79     | 5       | 51 Mississippi      | 8                             | 0.06     | 0.77     | (71)    |
| 25 New Mexico     | 10                            | 0.84     | 1.28     | (44)    | 52 Puerto Rico      | 0                             | NA       | NA       | NM      |
| 26 West Virginia  | 7                             | 0.84     | 0.82     | 2       |                     |                               |          |          |         |
| 27 Colorado       | 10                            | 0.83     | 1.15     | (32)    | U.S. and Terr.      | 1,624                         | 0.99     | 1.01     | (2)     |

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

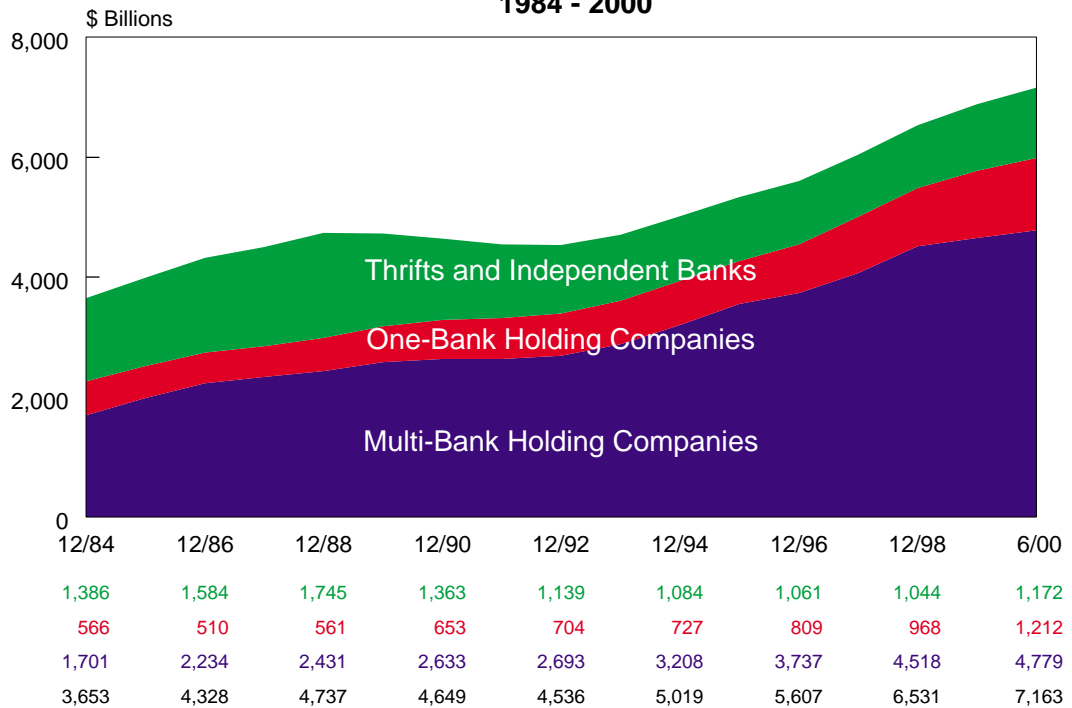
## Number of FDIC-Insured Banking Organizations

1984 - 2000



## Assets of FDIC-Insured Banking Organizations

1984 - 2000

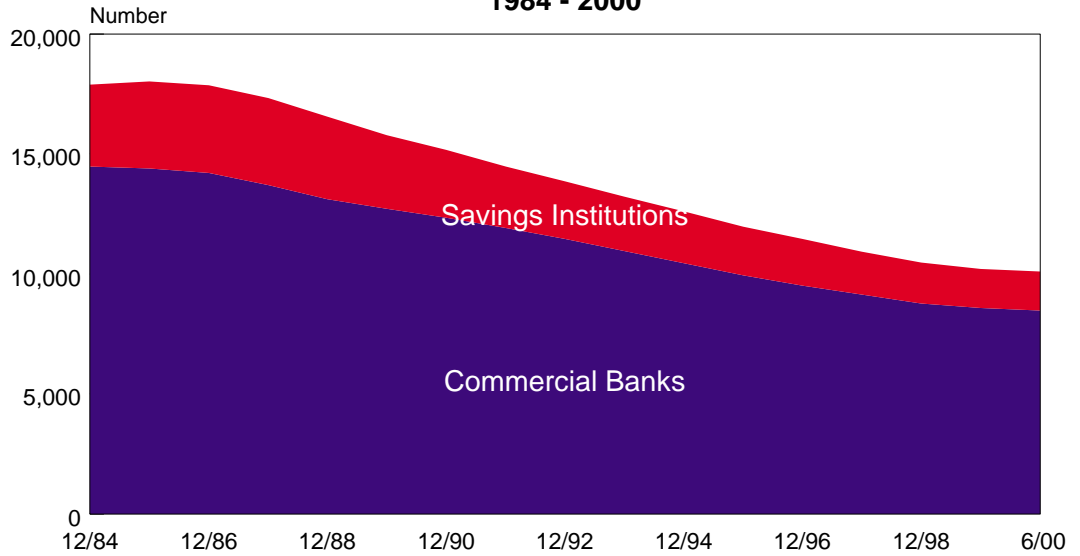


\* Includes thrifts owned by unitary thrift holding companies or multi-thrift holding companies.



## Number of FDIC-Insured Institutions

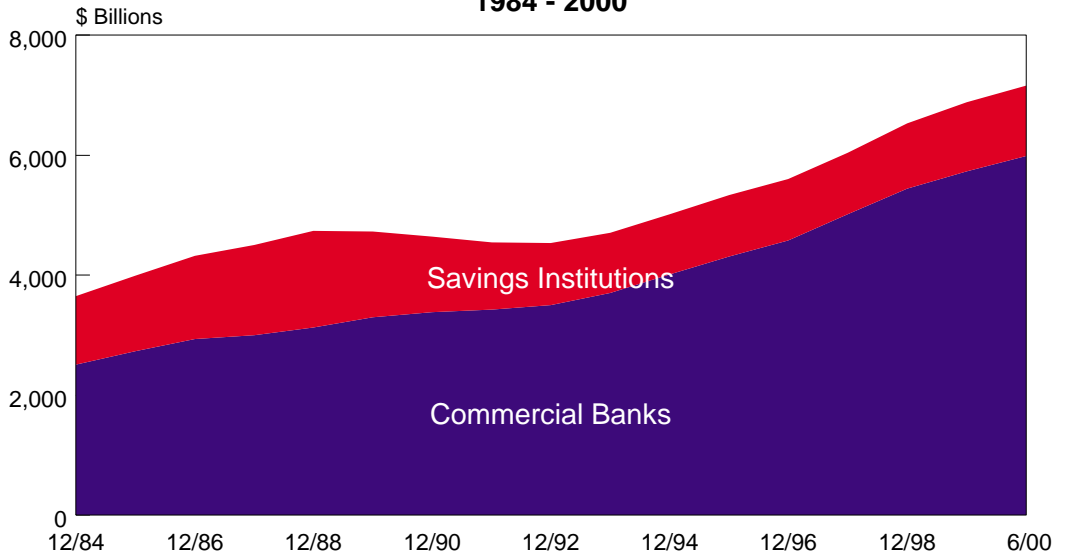
1984 - 2000



|                      |        |        |        |        |        |        |        |        |        |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Savings Institutions | 3,418  | 3,677  | 3,438  | 2,815  | 2,390  | 2,152  | 1,926  | 1,689  | 1,624  |
| Commercial Banks     | 14,482 | 14,199 | 13,123 | 12,343 | 11,462 | 10,451 | 9,527  | 8,774  | 8,477  |
| Total                | 17,900 | 17,876 | 16,561 | 15,158 | 13,852 | 12,603 | 11,453 | 10,463 | 10,101 |

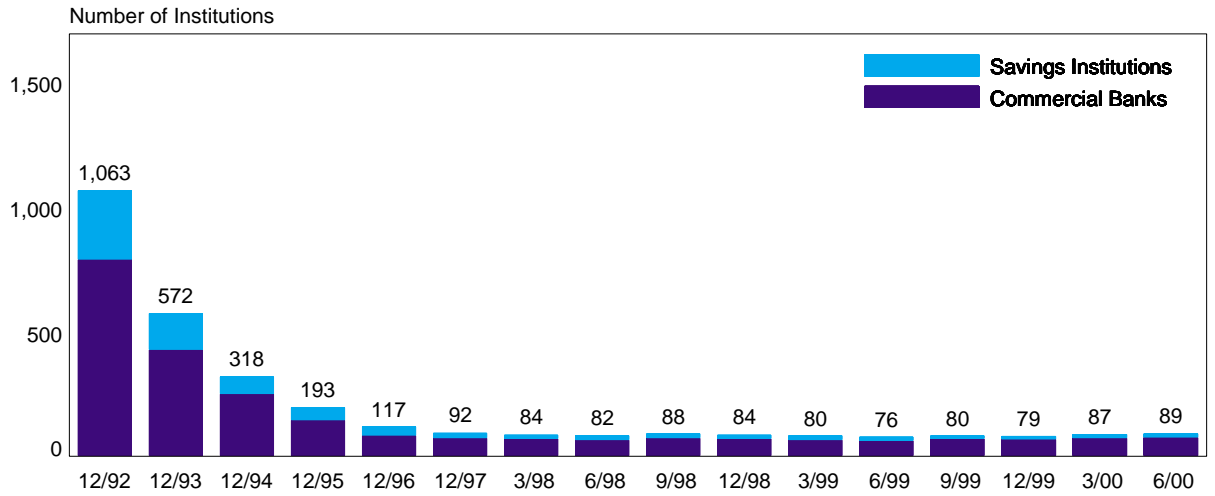
## Assets of FDIC-Insured Institutions

1984 - 2000



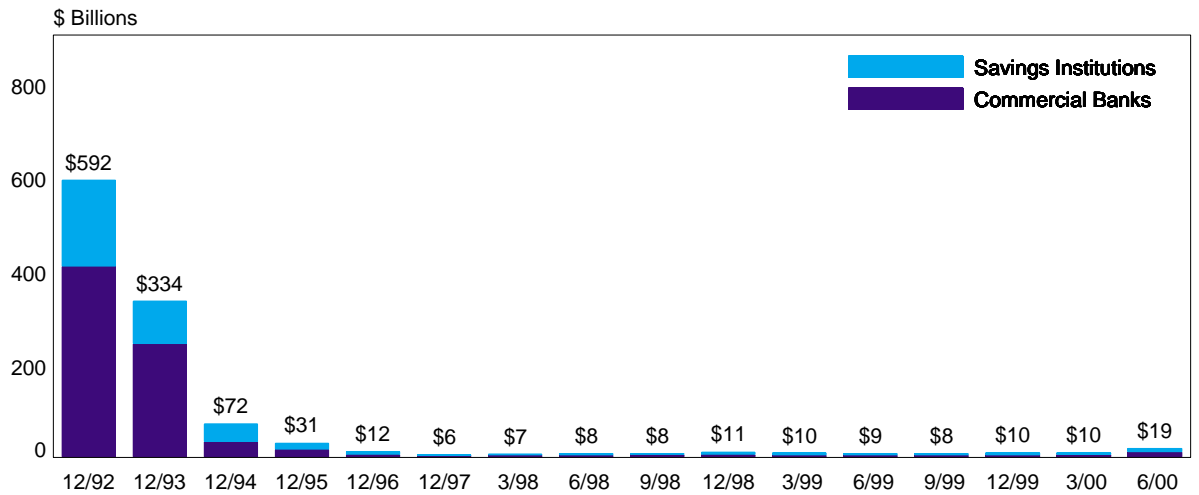
|                      |       |       |       |       |       |       |       |       |       |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Savings Institutions | 1,144 | 1,387 | 1,606 | 1,259 | 1,030 | 1,009 | 1,029 | 1,088 | 1,179 |
| Commercial Banks     | 2,509 | 2,941 | 3,131 | 3,389 | 3,506 | 4,011 | 4,578 | 5,443 | 5,983 |
| Total                | 3,653 | 4,328 | 4,737 | 4,649 | 4,536 | 5,019 | 5,607 | 6,531 | 7,163 |

## Number of FDIC-Insured "Problem" Institutions 1992 - 2000



|                      |     |     |     |     |    |    |    |    |    |    |    |    |    |    |    |    |
|----------------------|-----|-----|-----|-----|----|----|----|----|----|----|----|----|----|----|----|----|
| Savings Institutions | 276 | 146 | 71  | 49  | 35 | 21 | 16 | 18 | 18 | 15 | 16 | 14 | 11 | 13 | 15 | 16 |
| Commercial Banks     | 787 | 426 | 247 | 144 | 82 | 71 | 68 | 64 | 70 | 69 | 64 | 62 | 69 | 66 | 72 | 73 |

## Assets of FDIC-Insured "Problem" Institutions 1992 - 2000



|                      |     |     |    |    |   |   |   |   |   |   |   |   |   |   |   |    |
|----------------------|-----|-----|----|----|---|---|---|---|---|---|---|---|---|---|---|----|
| Savings Institutions | 184 | 92  | 39 | 14 | 7 | 2 | 2 | 3 | 3 | 6 | 5 | 4 | 4 | 6 | 5 | 8  |
| Commercial Banks     | 408 | 242 | 33 | 17 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 4 | 4 | 5 | 11 |

## Capital Category Distribution

June 30, 2000

### BIF-Member Institutions

|                                | Institutions |                  | Assets      |                  |
|--------------------------------|--------------|------------------|-------------|------------------|
|                                | Number of    | Percent of Total | In Billions | Percent of Total |
| Well Capitalized               | 8,494        | 97.3%            | \$6,190.1   | 99.3%            |
| Adequately Capitalized         | 226          | 2.6%             | \$42.1      | 0.7%             |
| Undercapitalized               | 8            | 0.1%             | \$0.5       | 0.0%             |
| Significantly Undercapitalized | 3            | 0.0%             | \$0.1       | 0.0%             |
| Critically Undercapitalized    | 2            | 0.0%             | \$0.0       | 0.0%             |

### SAIF-Member Institutions

|                                | Institutions |                  | Assets      |                  |
|--------------------------------|--------------|------------------|-------------|------------------|
|                                | Number of    | Percent of Total | In Billions | Percent of Total |
| Well Capitalized               | 1,336        | 97.7%            | \$920.0     | 98.9%            |
| Adequately Capitalized         | 30           | 2.2%             | \$9.8       | 1.1%             |
| Undercapitalized               | 0            | 0.0%             | \$0.0       | 0.0%             |
| Significantly Undercapitalized | 2            | 0.1%             | \$0.1       | 0.0%             |
| Critically Undercapitalized    | 0            | 0.0%             | \$0.0       | 0.0%             |

Note: These tables are based solely on Call Report data and do not reflect supervisory upgrades or downgrades. Of the two institutions categorized as critically undercapitalized, one institution with assets of \$26 million failed.

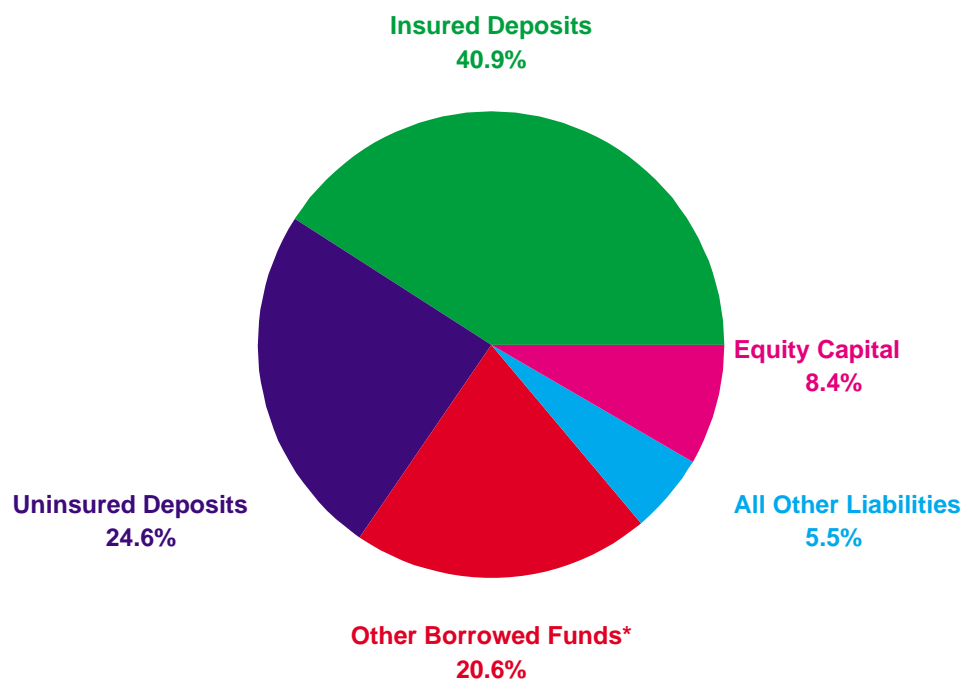
### Capital Category Definitions

|                                | Total Risk-Based Capital* |     | Tier 1 Risk-Based Capital* |     | Tier 1 Leverage |     | Tangible Equity |
|--------------------------------|---------------------------|-----|----------------------------|-----|-----------------|-----|-----------------|
| Well Capitalized               | >=10%                     | and | >=6%                       | and | >=5%            |     | --              |
| Adequately Capitalized         | >=8%                      | and | >=4%                       | and | >=4%            |     | --              |
| Undercapitalized               | >=6%                      | and | >=3%                       | and | >=3%            |     | --              |
| Significantly Undercapitalized | <6%                       | or  | <3%                        | or  | <3%             | and | >2%             |
| Critically Undercapitalized    | --                        |     | --                         |     | --              |     | <=2%            |

\* As a percentage of risk-weighted assets.

Note: Standards vary in some instances for the strongest institutions, those anticipating growth, and those subject to supervisory agreements or directives.

## Total Liabilities and Equity Capital



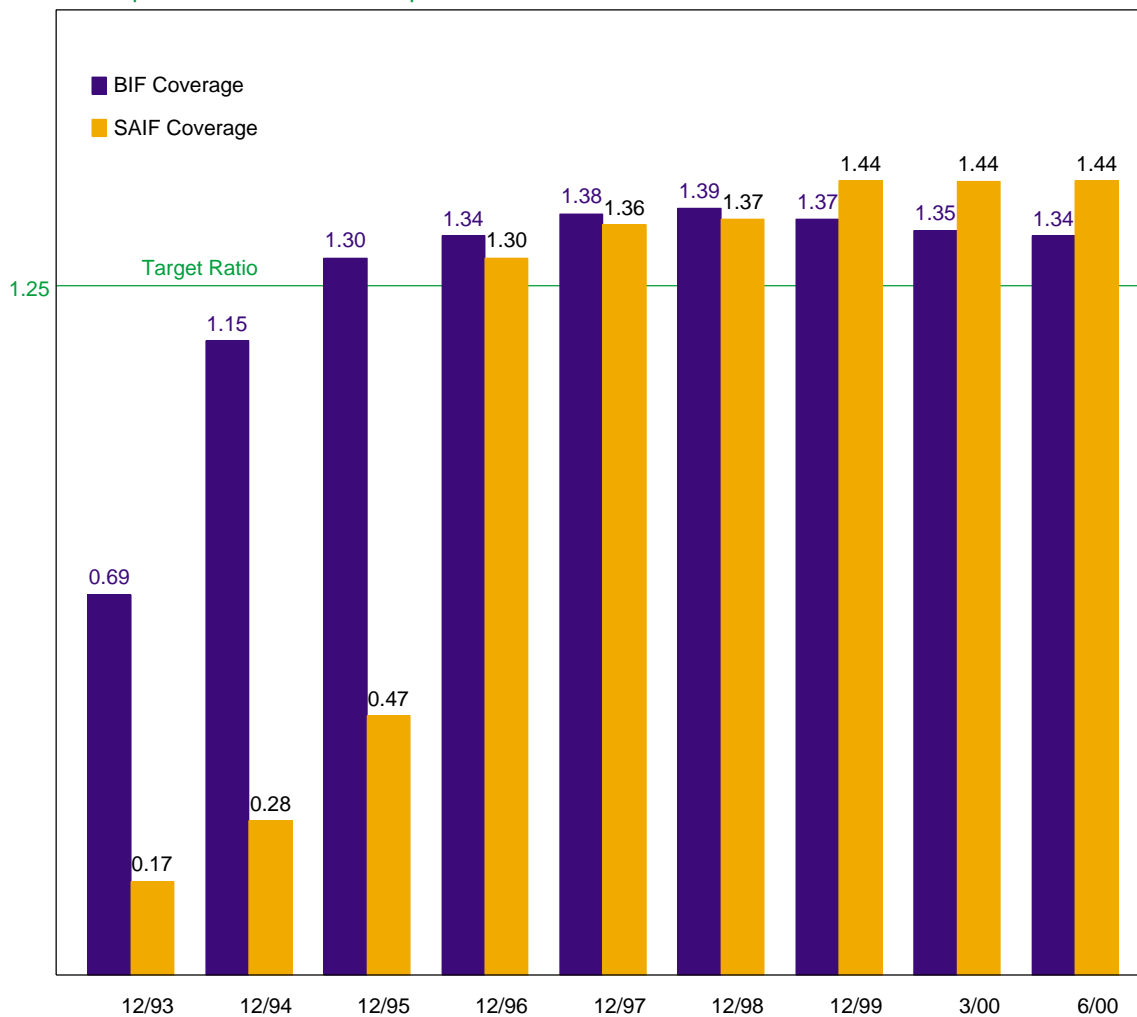
| (\$ Billions)                               | 6/30/99      | 6/30/00      | % Change    |
|---|--------------|--------------|-------------|
| <b>Insured Deposits (estimated)</b>         | <b>2,832</b> | <b>2,930</b> | <b>3.5</b>  |
| BIF - Insured                               | 2,128        | 2,221        | 4.4         |
| SAIF - Insured                              | 704          | 731          | 3.9         |
| <b>Uninsured Deposits</b>                   | <b>1,548</b> | <b>1,760</b> | <b>13.7</b> |
| In Foreign Offices                          | 594          | 685          | 15.3        |
| <b>Other Borrowed Funds*</b>                | <b>1,275</b> | <b>1,477</b> | <b>15.8</b> |
| <b>All Other Liabilities</b>                | <b>377</b>   | <b>396</b>   | <b>5.0</b>  |
| Subordinated Debt                           | 78           | 85           | 9.0         |
| <b>Equity Capital</b>                       | <b>562</b>   | <b>600</b>   | <b>6.8</b>  |
| <b>Total Liabilities and Equity Capital</b> | <b>6,595</b> | <b>7,163</b> | <b>8.6</b>  |

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

# Insurance Fund Reserve Ratios

December 31, 1993 - June 30, 2000

Funds per \$100 Est. Insured Deposits



(\$ Billions)

BIF

|                       |         |         |         |         |         |         |         |         |         |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Fund Balance          | 13.1    | 21.8    | 25.5    | 26.9    | 28.3    | 29.6    | 29.4    | 29.7    | 29.8    |
| Est. Insured Deposits | 1,905.2 | 1,895.3 | 1,952.0 | 2,007.4 | 2,055.9 | 2,134.4 | 2,153.5 | 2,194.9 | 2,222.8 |

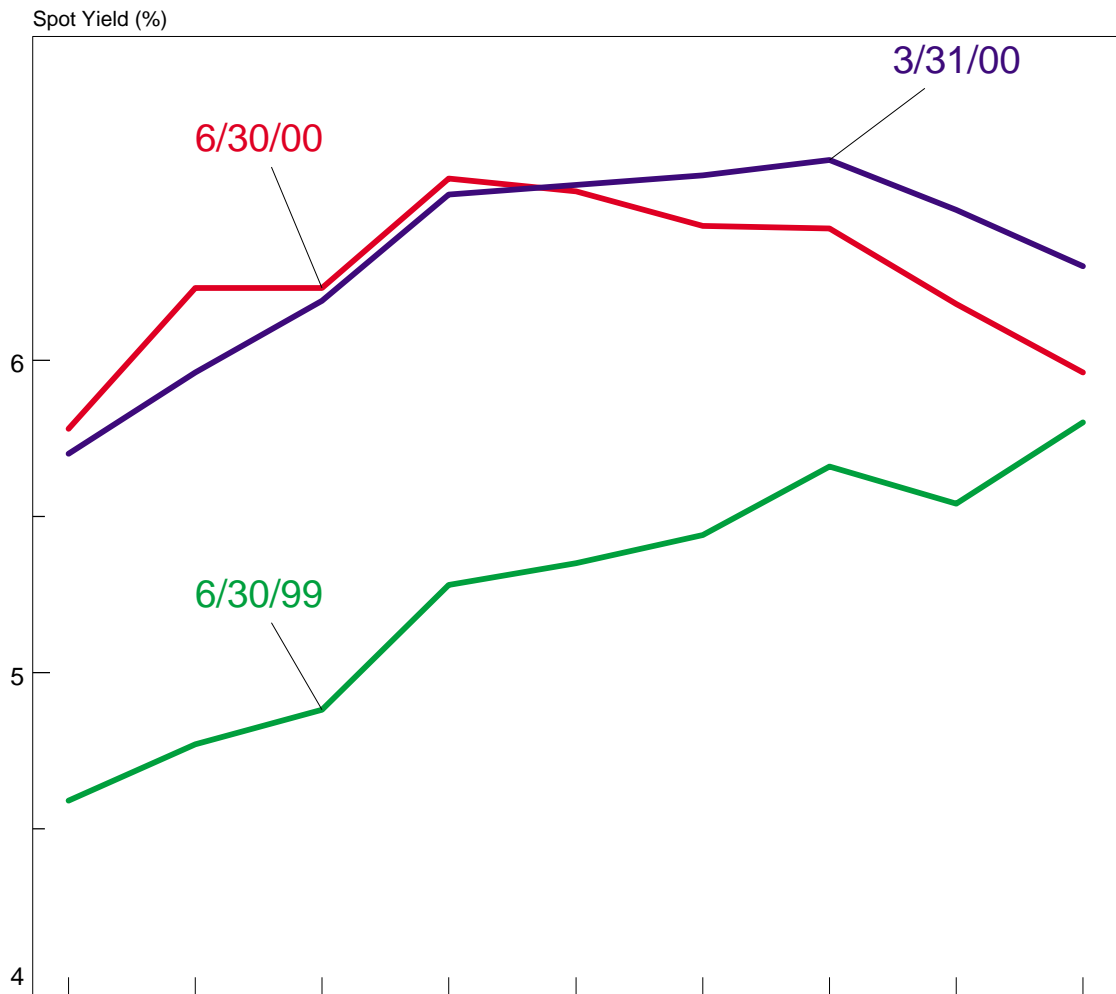
SAIF

|                       |       |       |       |       |       |       |       |       |       |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Fund Balance          | 1.2   | 1.9   | 3.4   | 8.9   | 9.4   | 9.8   | 10.3  | 10.4  | 10.5  |
| Est. Insured Deposits | 697.9 | 693.6 | 711.9 | 683.1 | 690.1 | 716.0 | 715.5 | 725.0 | 730.8 |

Note: Includes insured branches of foreign banks. 2000 fund balances are unaudited. Insured deposits for prior periods may reflect adjustments.

# U.S. Treasury Yield Curve

June 30, 1999 - June 30, 2000



| Maturity | 3-Month | 6-Month | 1 Year | 2 Year | 3 Year | 5 Year | 7 Year | 10 Year | 30 Year |
|----------|---------|---------|--------|--------|--------|--------|--------|---------|---------|
| 6/30/00  | 5.78    | 6.23    | 6.23   | 6.58   | 6.54   | 6.43   | 6.42   | 6.18    | 5.96    |
| 3/31/00  | 5.70    | 5.96    | 6.19   | 6.53   | 6.56   | 6.59   | 6.64   | 6.48    | 6.30    |
| 12/31/99 | 5.20    | 5.44    | 5.61   | 5.94   | 6.00   | 6.06   | 6.29   | 6.14    | 6.25    |
| 9/30/99  | 4.79    | 4.97    | 5.16   | 5.63   | 5.71   | 5.77   | 6.07   | 5.88    | 6.04    |
| 6/30/99  | 4.59    | 4.77    | 4.88   | 5.28   | 5.35   | 5.44   | 5.66   | 5.54    | 5.80    |

Source: Federal Reserve's H.15 Statistical Release. The quarterly average rates shown above represent a 3-month average of the monthly average rates published by the Federal Reserve.

## NOTES TO USERS

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

### FDIC-Insured Commercial Banks

This section covers commercial banks insured by the FDIC either through the Bank Insurance Fund (BIF) or through the Savings Association Insurance Fund (SAIF). These institutions are regulated by and submit financial reports to one of the three federal commercial bank regulators (the Board of Governors of the Federal Reserve System, the FDIC or the Office of the Comptroller of the Currency).

### FDIC-Insured Savings Institutions

This section covers savings institutions insured by either BIF or SAIF that operate under state or federal banking codes applicable to thrift institutions, except for one self-liquidating institution primarily funded by the FSLIC Resolution Fund (FRF). Savings institutions in Resolution Trust Corporation conservatorships, are also excluded from these tables while in conservatorship, where applicable. The institutions covered in this section are regulated by and submit financial reports to one of two Federal regulators – the FDIC or the Office of Thrift Supervision (OTS).

### FDIC-Insured Institutions by Insurance Fund

Summary balance-sheet and earnings data are provided for commercial banks and savings institutions according to insurance fund membership. BIF-member institutions may acquire SAIF-insured deposits, resulting in institutions with some deposits covered by both insurance funds. Also, SAIF members may acquire BIF-insured deposits. The insurance fund membership does not necessarily reflect which fund insures the largest percentage of an institution's deposits. Therefore, the BIF-member and the SAIF-member tables each include deposits from both insurance funds. Depository institutions that are not insured by the FDIC through either the BIF or SAIF are not included in the *FDIC Quarterly Banking Profile*. U.S. branches of institutions headquartered in foreign countries and non-deposit trust companies are not included unless otherwise indicated. Efforts are made to obtain financial reports for all active institutions. However, in some cases, final financial reports are not available for institutions that have closed or converted their charter.

### DATA SOURCES

The financial information appearing in this publication is obtained primarily from the Federal Financial Institutions Examination Council (FFIEC) *Call Reports* and the OTS *Thrift Financial Reports* submitted by all FDIC-insured depository institutions. This information is stored on and retrieved from the FDIC's Research Information System (RIS) data base.

### COMPUTATION METHODOLOGY

Certain adjustments are made to the OTS *Thrift Financial Reports* to provide closer conformance with the reporting and accounting requirements of the FFIEC *Call Reports*. Beginning in March 1997, both *Thrift Financial Reports* and *Call Reports*

are completed on a fully consolidated basis. Previously, the consolidation of subsidiary depository institutions was prohibited. Now, parent institutions are required to file consolidated reports, while their subsidiary financial institutions are still required to file separate reports. Data from subsidiary institution reports are included in the *Quarterly Banking Profile* tables, which can lead to double-counting. No adjustments are made for any double-counting of subsidiary data.

All asset and liability figures used in calculating performance ratios represent average amounts for the period (beginning-of-period amount plus end-of-period amount plus any interim periods, divided by the total number of periods). For "pooling-of-interest" mergers, the assets of the acquired institution(s) are included in average assets since the year-to-date income includes the results of all merged institutions. No adjustments are made for "purchase accounting" mergers. Growth rates represent the percentage change over a 12-month period in totals for institutions in the base period to totals for institutions in the current period.

All data are collected and presented based on the location of each reporting institution's main office. Reported data may include assets and liabilities located outside of the reporting institution's home state. In addition, institutions may change their charters, resulting in an inter-industry migration, e.g., savings institutions can convert to commercial banks or commercial banks may convert to savings institutions. These situations can affect state and regional statistics.

### RECENT ACCOUNTING CHANGES

**Adoption of GAAP Reporting** – Effective with the March 31, 1997 *Call Reports*, generally accepted accounting principles (GAAP) were adopted as the reporting basis for the balance sheet, income statement and supporting schedules. New reporting instructions for 1997 and 1998 changed the amounts reported for a number of items used in the *Quarterly Banking Profile*, so that comparability with prior periods may be affected. Among the items most significantly affected by the new reporting rules are: loans & leases, reserve for losses, loss provisions, goodwill and other intangibles, all other assets and equity capital (see definitions below). More information on changes to the *Call Report* in March 1997 and in March 1998 is contained in Financial Institution Letters FIL-27-97 and FIL-28-98, which are available through the FDIC World Wide Web site at [www.fdic.gov](http://www.fdic.gov), or from the FDIC Public Information Center, 801 17th Street, NW, Washington, DC 20434; telephone (800) 276-6003. Information on changes to the March 31, 1997 *Thrift Financial Reports* is available from the Office of Thrift Supervision, 1700 G Street, NW, Washington, DC 20552; telephone (202) 906-5900.

**Subchapter S Corporations** –The Small Business Job Protection Act of 1996 changed the Internal Revenue Code to allow financial institutions to elect Subchapter S corporation status, beginning in 1997. A Subchapter S corporation is treated as a pass-through entity, similar to a partnership, for federal income tax purposes. It is generally not subject to any federal income taxes at the corporate level. Its taxable income flows through to its shareholders in proportion to their stock ownership, and the shareholders generally pay federal income taxes on their share of this taxable income. This can have the effect of reducing institutions' reported taxes and increasing their after-tax earnings.

The election of Subchapter S status may result in an increase in shareholders' personal tax liability. Therefore, some S corporations may increase the amount of earnings distributed as dividends to compensate for higher personal taxes.

## DEFINITIONS (in alphabetical order)

**BIF-insured deposits** (estimated) – the amount of deposits in accounts of less than \$100,000 insured by the BIF. For SAIF-member “Oakar” institutions, it represents the adjusted attributable amount acquired from BIF members.

**Capital category distribution** – each institution's capital category is calculated or estimated from its financial report and does not reflect supervisory upgrades or downgrades:

| (Percent)                      | Total Risk-Based Capital* |            | Tier 1 Risk-Based Capital* |            | Tier 1 Leverage |            | Tangible Equity |
|--------------------------------|---------------------------|------------|----------------------------|------------|-----------------|------------|-----------------|
| Well-capitalized               | ≥10                       | <b>and</b> | ≥6                         | <b>and</b> | ≥5              |            | —               |
| Adequately capitalized         | ≥8                        | <b>and</b> | ≥4                         | <b>and</b> | ≥4              |            | —               |
| Undercapitalized               | ≥6                        | <b>and</b> | ≥3                         | <b>and</b> | ≥3              |            | —               |
| Significantly undercapitalized | <6                        | <b>or</b>  | <3                         | <b>or</b>  | <3              | <b>and</b> | >2              |
| Critically undercapitalized    | —                         |            | —                          |            | —               |            | ≤2              |

\*As a percentage of risk-weighted assets.

For purpose of BIF and SAIF assessments, risk-based assessment rules combine the last three capital rating categories into a single “undercapitalized” category. Supervisory risk subgroup assignments are based on supervisory ratings. 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.

**Construction and development loans** – includes loans for all property types under construction, as well as loans for land acquisition and development.

**Derivative contracts, gross fair values (positive/negative)** – are reported separately and represent the amount at which a contract could be exchanged in a transaction between willing parties, other than in a forced or liquidation sale. If a quoted market price is available for a contract, the fair value reported for that contract is calculated using this market price. If quoted market prices are not available, the reporting banks use the best estimate of fair value based on quoted market prices of similar contracts or on valuation techniques such as discounted cash flows. This information is reported only by banks with assets greater than \$100 million.

**Efficiency Ratio** – Noninterest expense less amortization of intangible assets as a percent of net interest income plus non-interest income. This ratio measures the proportion of net operating revenues that are absorbed by overhead expenses, so that a lower value indicates greater efficiency.

**Loans secured by real estate** – includes home equity loans, junior liens secured by 1-4 family residential properties and all other loans secured by real estate.

**Loans to individuals** – includes outstanding credit card balances and other secured and unsecured consumer loans.

**Mortgage-backed securities** – certificates of participation in pools of residential mortgages and collateralized mortgage obli-

gations 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.

**Off-balance-sheet derivatives** – 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.

**Other real estate owned** – primarily foreclosed property. Direct and indirect investments in real estate ventures are excluded. The amount is reflected net of valuation allowances. For institutions that file a *Thrift Financial Report (TFR)*, the valuation allowance subtracted also includes allowances for other repossessed assets. Also, for *TFR* filers the components of other real estate owned are reported gross of valuation allowances.



**“Problem” institutions** – federal regulators assign a composite rating to each financial institution, based upon an evaluation of financial and operational criteria. The rating is based on a scale of 1 to 5 in ascending order of supervisory concern. “Problem” institutions are those institutions with financial, operational, or managerial weaknesses that threaten their continued financial viability. Depending upon the degree of risk and supervisory concern, they are rated either a “4” or “5”. For all BIF-member institutions, and for all SAIF-member institutions for which the FDIC is the primary federal regulator, FDIC composite ratings are used. For all SAIF-member institutions whose primary federal regulator is the OTS, the OTS composite rating is used.

**Reserves for losses** – the allowance for loan and lease losses and the allocated transfer risk reserve on a consolidated basis. Prior to March 31, 1997, institutions filing a *Thrift Financial Report (TFR)* included specific reserves, while *Call Report* filers included only general valuation allowances. Beginning March 31, 1997, *TFR* reporters net these specific reserves against each loan balance. Also beginning March 31, 1997, the allowance for off-balance-sheet credit exposures was moved to “Other liabilities”; previously, it had been included in the general valuation allowance.

**Return on assets** – net income (including gains or losses on securities and extraordinary items) as a percentage of average total assets. The basic yardstick of bank profitability.

**Return on equity** – net income (including gains or losses on securities and extraordinary items) as a percentage of average total equity capital.

**Risk-weighted assets** – assets adjusted for risk-based capital definitions which include on-balance-sheet as well as off-balance-sheet items multiplied by risk-weights that range from zero to 100 percent. A conversion factor is used to assign a balance sheet equivalent amount for selected off-balance-sheet accounts.

**SAIF-insured deposits (estimated)** – the amount of deposits in accounts of less than \$100,000 insured by the SAIF. For BIF-member “Oakar” institutions, it represents the adjusted attributable amount acquired from SAIF members.

**Securities** – excludes securities held in trading accounts. Banks’ securities portfolios consist of securities designated as “held-to-maturity”, which are reported at amortized cost (book value), and securities designated as “available-for-sale”, reported at fair (market) value.

**Troubled real estate asset rate** – noncurrent real estate loans plus other real estate owned as a percent of total real estate loans and other real estate owned.

## REGIONS

**Northeast** — Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico, Rhode Island, Vermont, U.S. Virgin Islands

**Southeast** — Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia

**Central** — Illinois, Indiana, Kentucky, Michigan, Ohio, Wisconsin

**Midwest** — Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota

**Southwest** — Arkansas, Louisiana, New Mexico, Oklahoma, Texas

**West** — Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, Oregon, Pacific Islands, Utah, Washington, Wyoming