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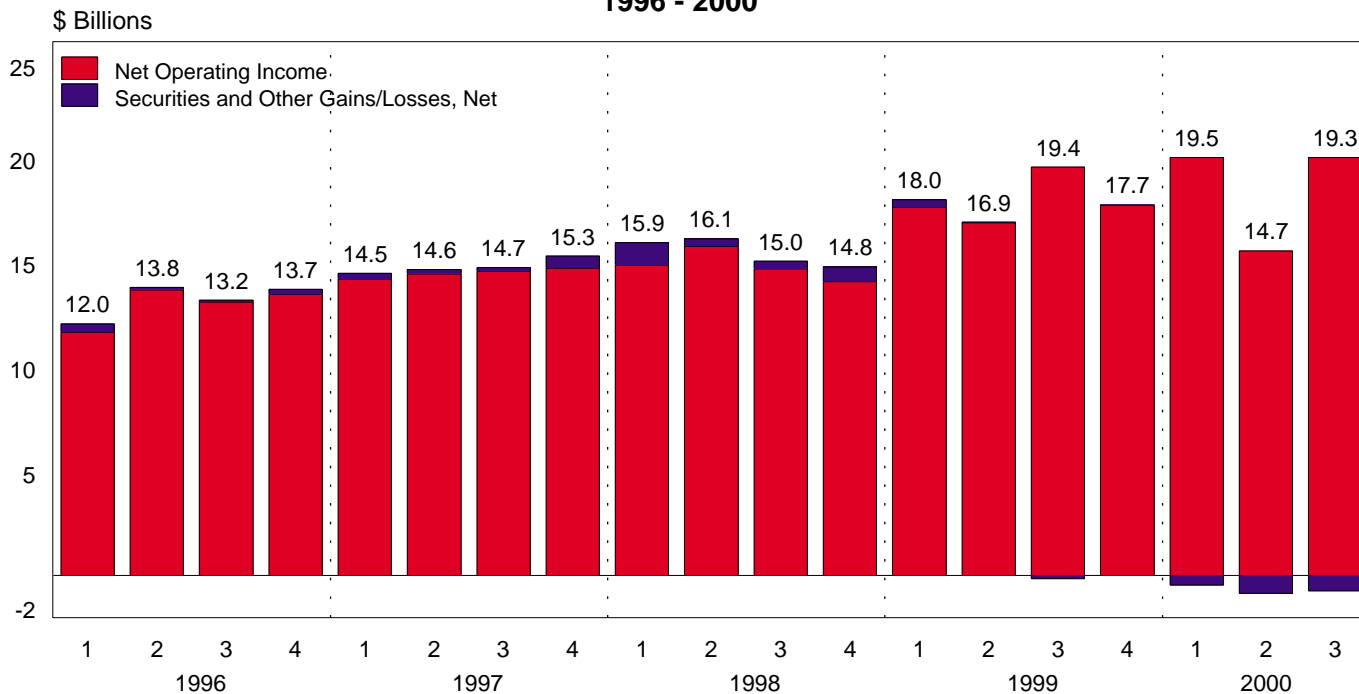
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## HIGHLIGHTS -- THIRD QUARTER, 2000

- **ABSENT LARGE-BANK CHARGES, QUARTERLY EARNINGS RETURN TO MORE NORMAL LEVEL**  
Commercial banks' profits rebounded from their second-quarter decline, as the industry earned \$19.3 billion in the third quarter. This represented a \$4.6-billion (31.6-percent) improvement from the second quarter, but third-quarter results were slightly below the level of a year earlier, when net income totaled \$19.4 billion. Higher expenses for loan-loss provisions and larger losses on sales of securities compared to a year ago were the main causes of the earnings decline. The industry ROA for the quarter was 1.28 percent, up from 0.99 percent in the second quarter, but well below the all-time high of 1.41 percent registered in the third quarter of 1999.
- **EARNINGS FOR FIRST THREE QUARTERS REMAIN BELOW THE LEVEL OF A YEAR AGO**  
Through the first three quarters of 2000, commercial banks earned \$53.4 billion, a decline of \$777 million (1.4 percent) from the same period of 1999. Securities sales so far this year have yielded \$2.5 billion in losses, in contrast to the \$510 million in gains produced by securities sales during the first three quarters of 1999. Earnings in 2000 have also been held down by higher loan-loss provisions, which are up \$4.1 billion (25.9 percent) from the level of a year ago. Loss provisions absorbed 7.4 percent of the industry's net operating revenues, compared to 6.3 percent in the first nine months of 1999. The average ROA for the first three quarters of 2000 was 1.20 percent; in the same period of 1999, the industry ROA was 1.32 percent.
- **TROUBLED COMMERCIAL LOANS CONTINUE TO RISE AT LARGE BANKS**  
The amount of loans to commercial and industrial borrowers that were noncurrent -- 90 days or more past due or in nonaccrual status -- rose during the quarter, as did the amount that were charged-off. Commercial and industrial loans accounted for \$1.3 billion of the \$2.2-billion increase in noncurrent loans during the third quarter, and \$1.8 billion (31.8 percent) of the \$5.7 billion in net charge-offs taken during the quarter. Noncurrent commercial and industrial loans are up by \$4.3 billion (37.7 percent) over the past 12 months, while commercial and industrial loan net charge-offs are \$1.3 billion (38.6 percent) higher than in the first three quarters of 1999.
- **INSURED SAVINGS INSTITUTIONS REPORT DECLINE IN EARNINGS**  
Savings institutions reported net income of \$2.6 billion in the third quarter, down from \$2.7 billion in the second quarter and \$2.8 billion in the third quarter of 1999. The industry's quarterly ROA was 0.86 percent, compared to 0.95 percent in the previous quarter and 1.00 percent a year ago. Narrower net interest margins and higher overhead expenses were the main reasons for the lower earnings. Almost one out of every 10 savings institutions (9.8 percent) was unprofitable in the third quarter. Through the first three quarters of 2000, industry earnings are \$117 million (1.4 percent) below the level of a year ago. The average ROA for the first nine months was 0.94 percent, compared to 1.01 percent for the first nine months of 1999.
- **BIF AND SAIF RESERVE RATIOS BOTH RISE IN THE THIRD QUARTER**  
Growth in the Bank Insurance Fund (BIF) and the Savings Association Insurance Fund (SAIF) during the third quarter more than kept pace with relatively strong increases in the deposits insured by the FDIC. As a result, the BIF reserve ratio rose by 2 basis points from June 30 to September 30, closing the quarter at 1.36 percent; and the SAIF reserve ratio also increased by 2 basis points during the three-month period and stood at 1.45 percent at quarter-end. In the third quarter, two-thirds of insured-deposit growth was attributable to brokered deposits, which generally pass through full insurance coverage to individual participants. For the first three quarters of 2000, four BIF members and one SAIF member failed, with failed-institution assets totaling \$224 million and \$30 million, respectively.

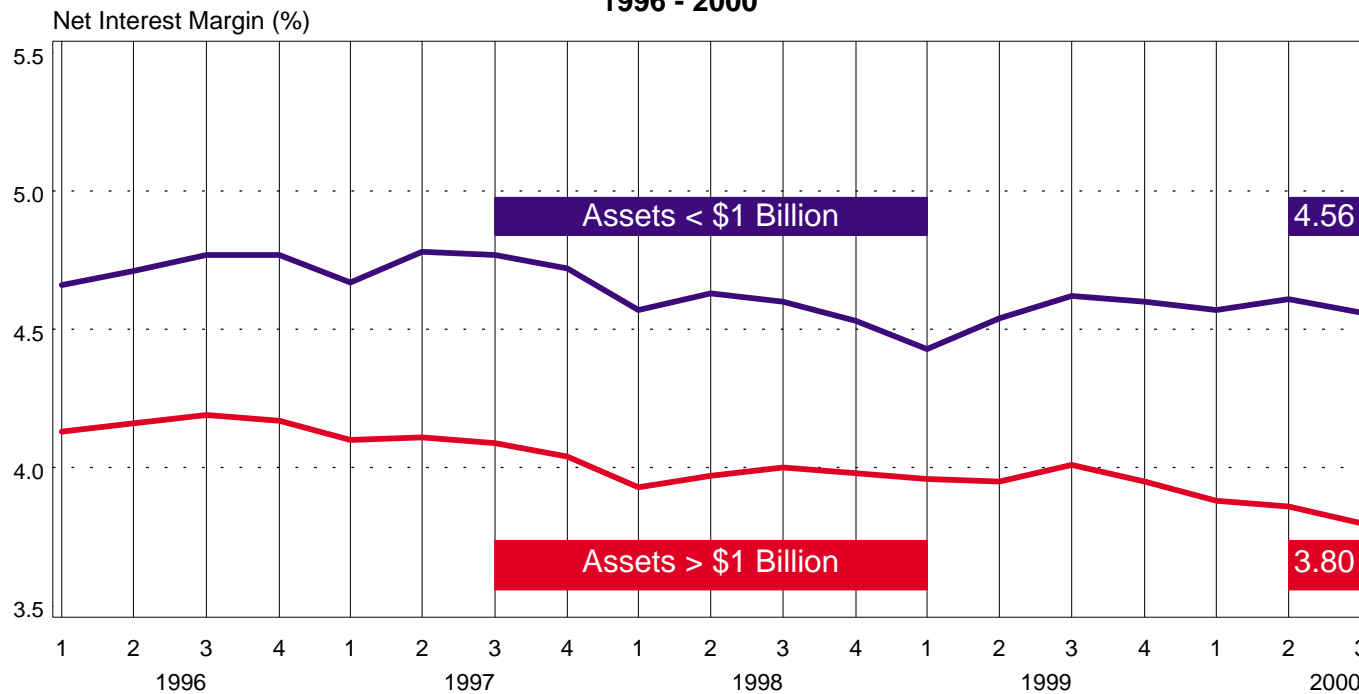
## Quarterly Net Income

1996 - 2000



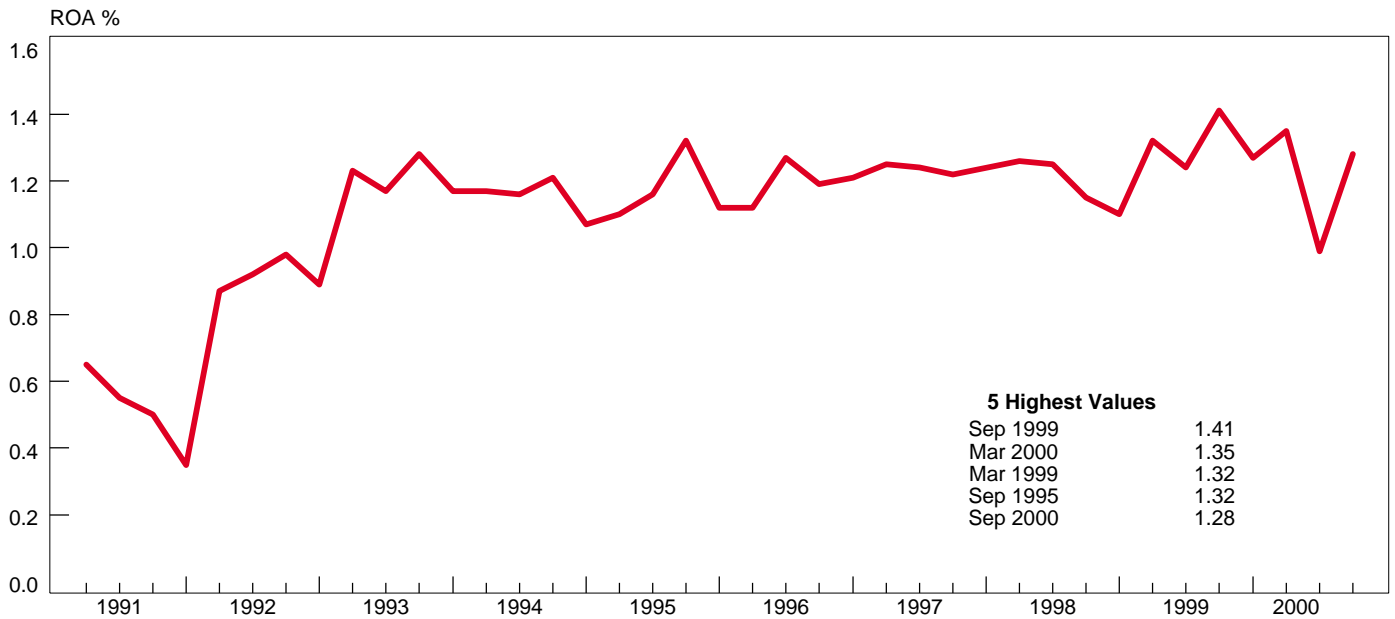
## Quarterly Net Interest Margins, Annualized

1996 - 2000



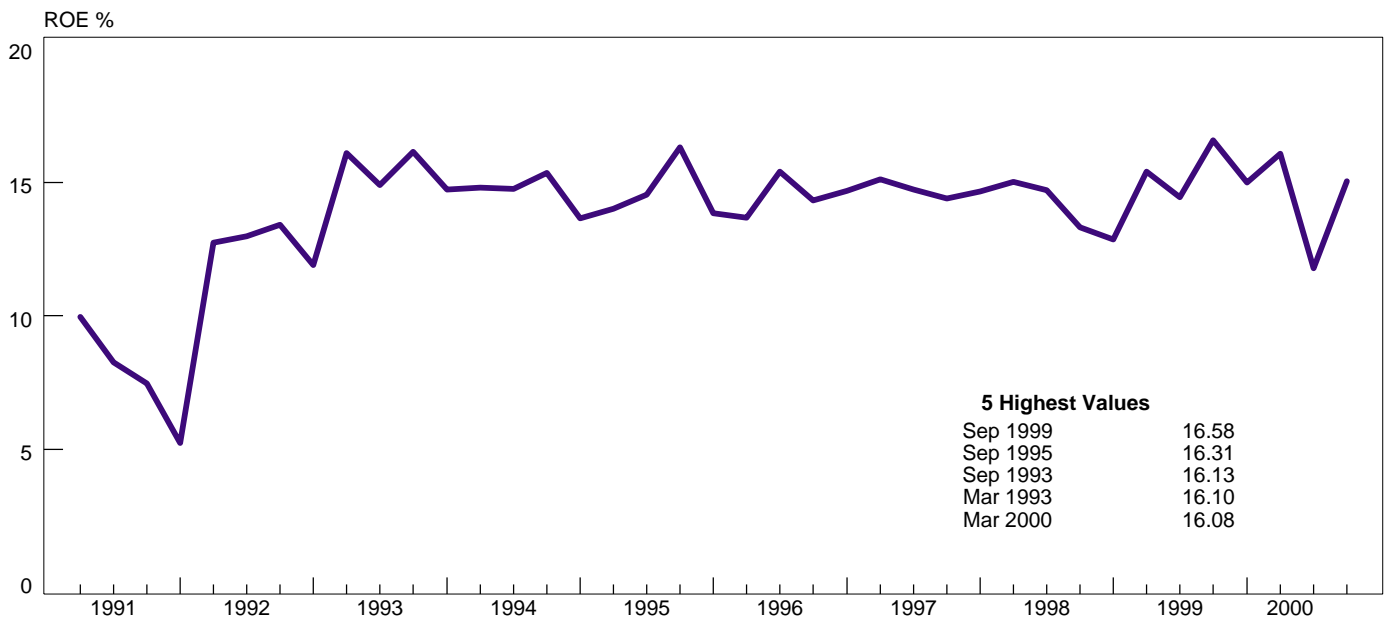
## Quarterly Return on Assets (ROA), Annualized

1991 - 2000



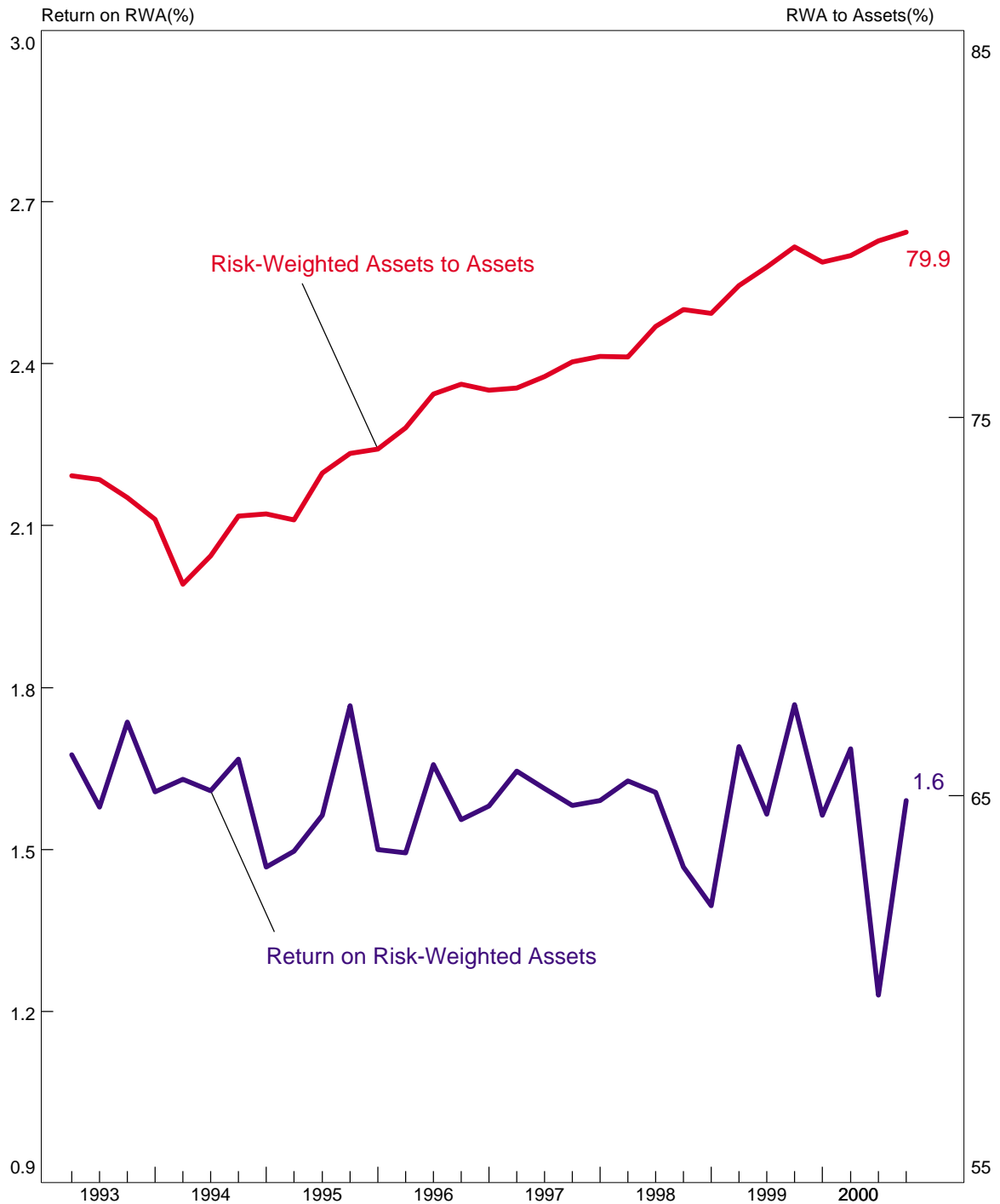
## Quarterly Return on Equity (ROE), Annualized

1991 - 2000



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

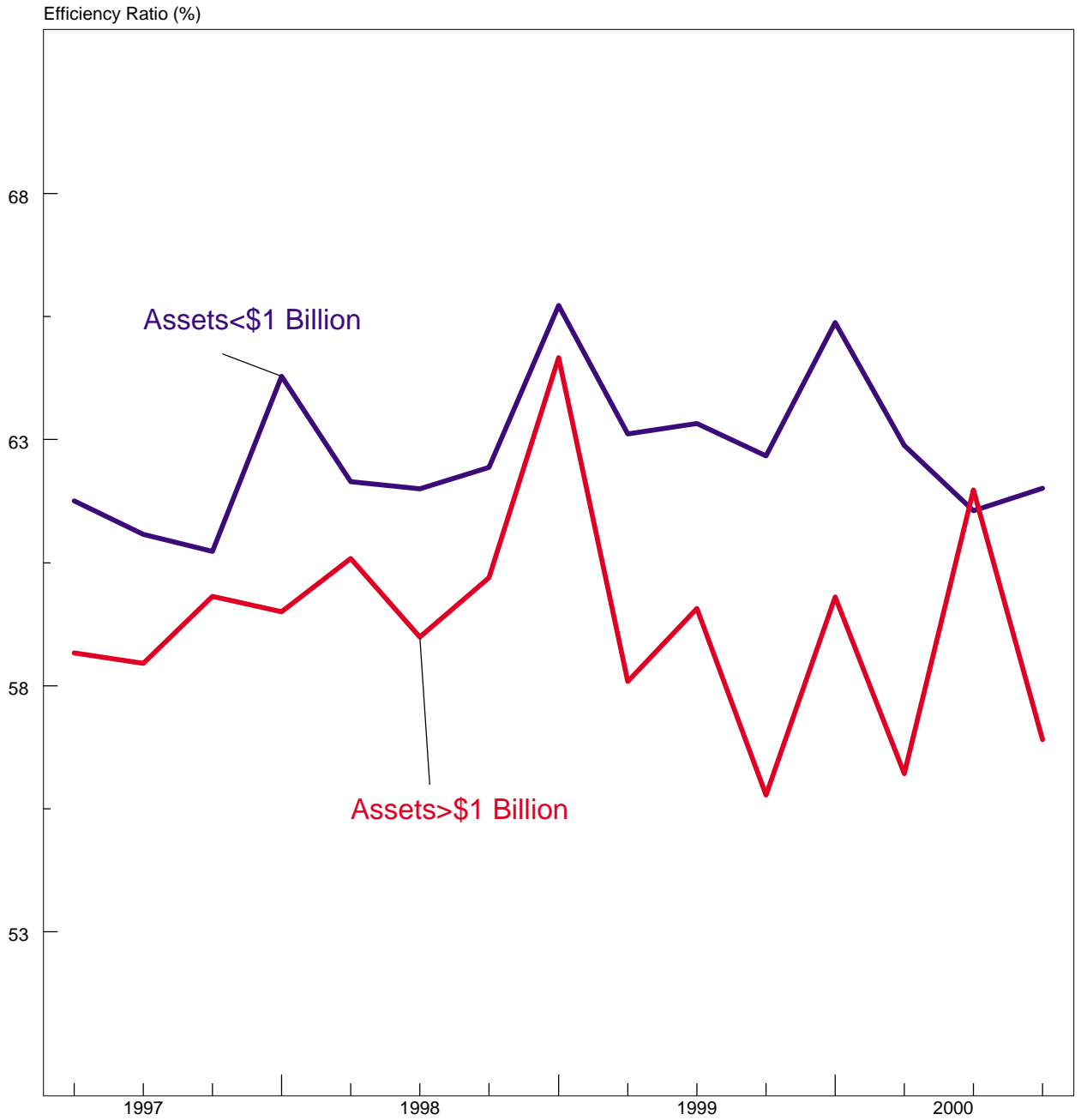
1993 - 2000



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

## Quarterly Efficiency Ratios\*

1997 - 2000

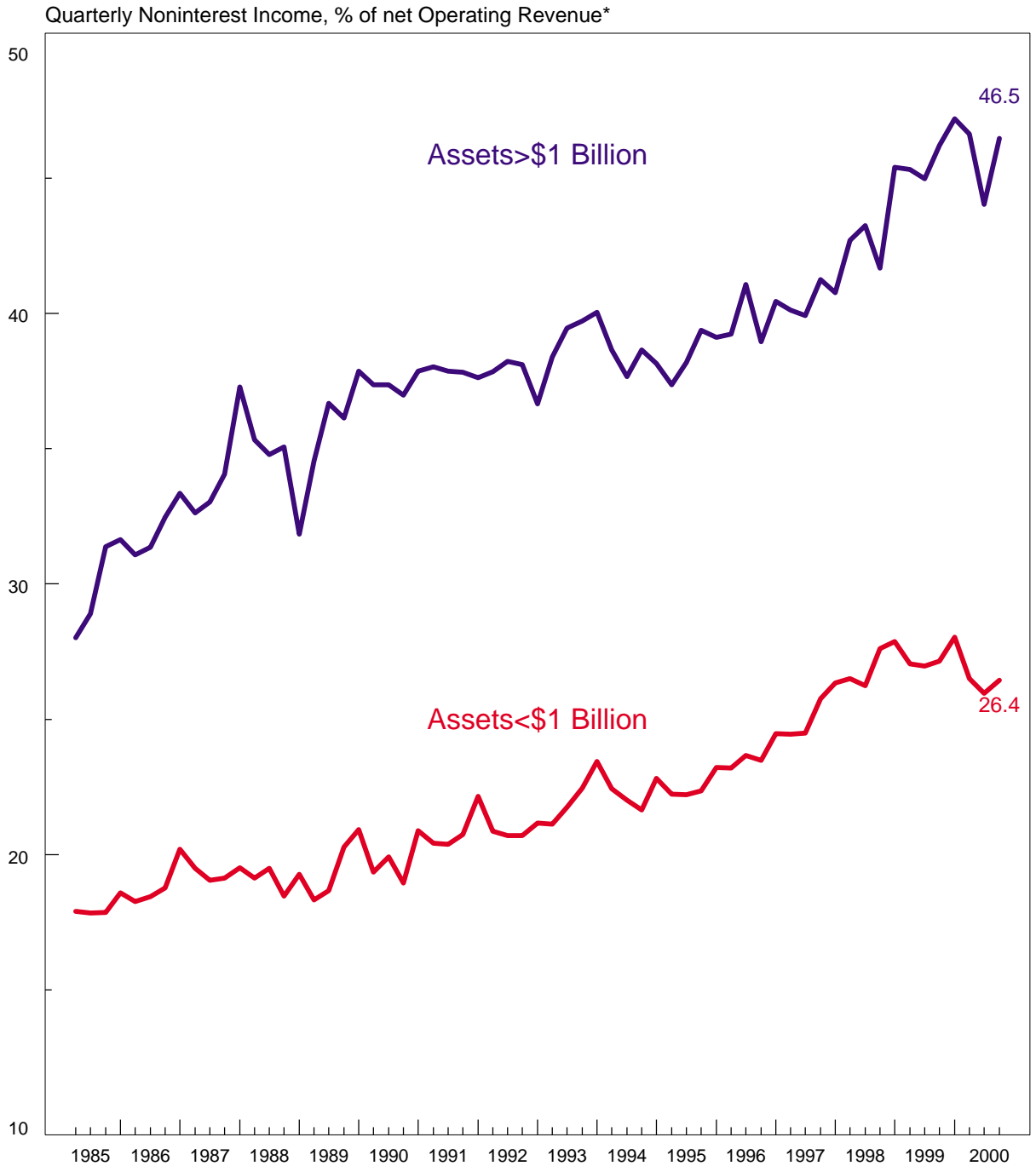


<b>Assets &lt; \$1 Billion</b>	61.26	60.58	60.23	63.79	61.65	61.50	61.94	65.23	62.62	62.83	62.17	64.88	62.38	61.06	61.51
<b>Assets &gt; \$1 Billion</b>	58.17	57.95	59.32	59.00	60.08	58.49	59.69	64.17	57.59	59.07	55.28	59.30	55.71	61.48	56.40
<b>Total</b>	58.82	58.49	59.50	59.96	60.38	59.06	60.12	64.35	58.43	59.71	56.43	60.21	56.77	61.41	57.20

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

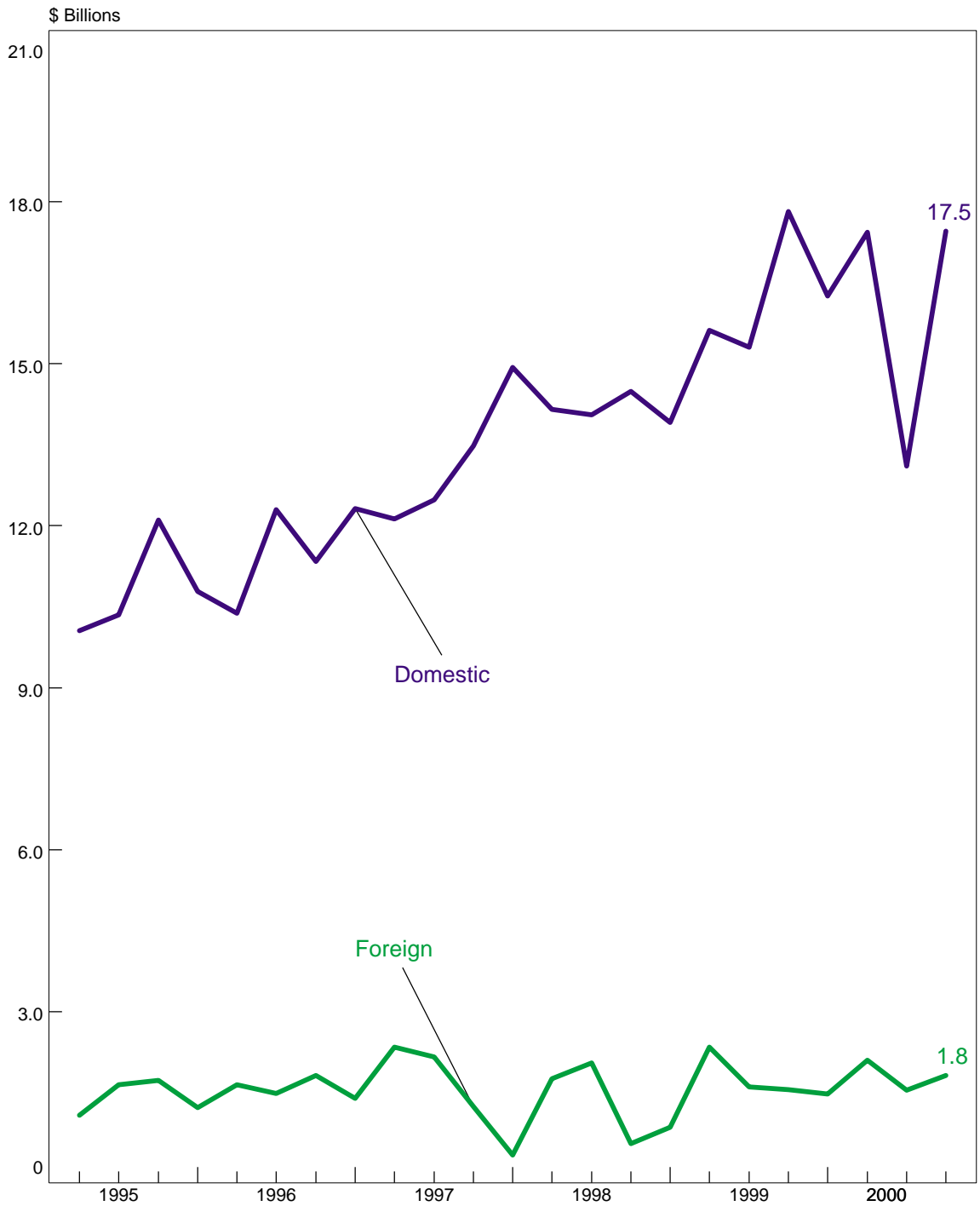
# Noninterest Income as a Percentage of Net Operating Revenue\*

1985 - 2000



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

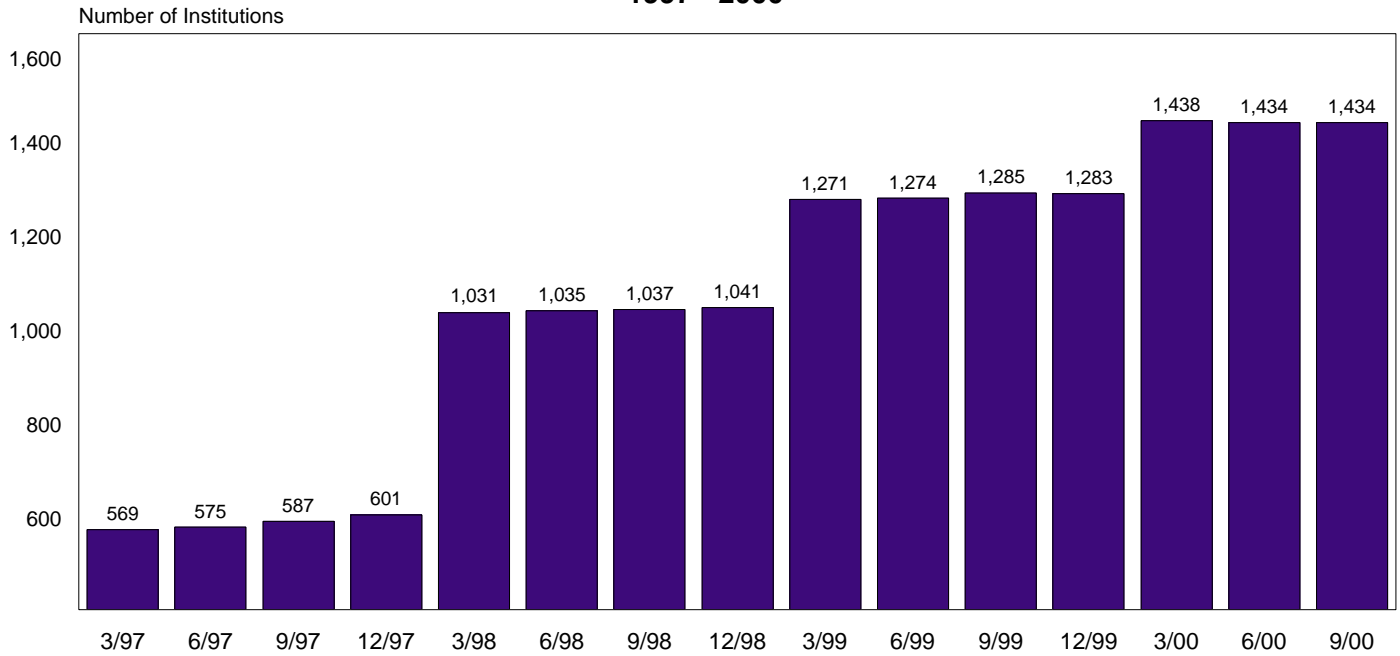
# Net Income from Domestic and Foreign Operations 1995 - 2000





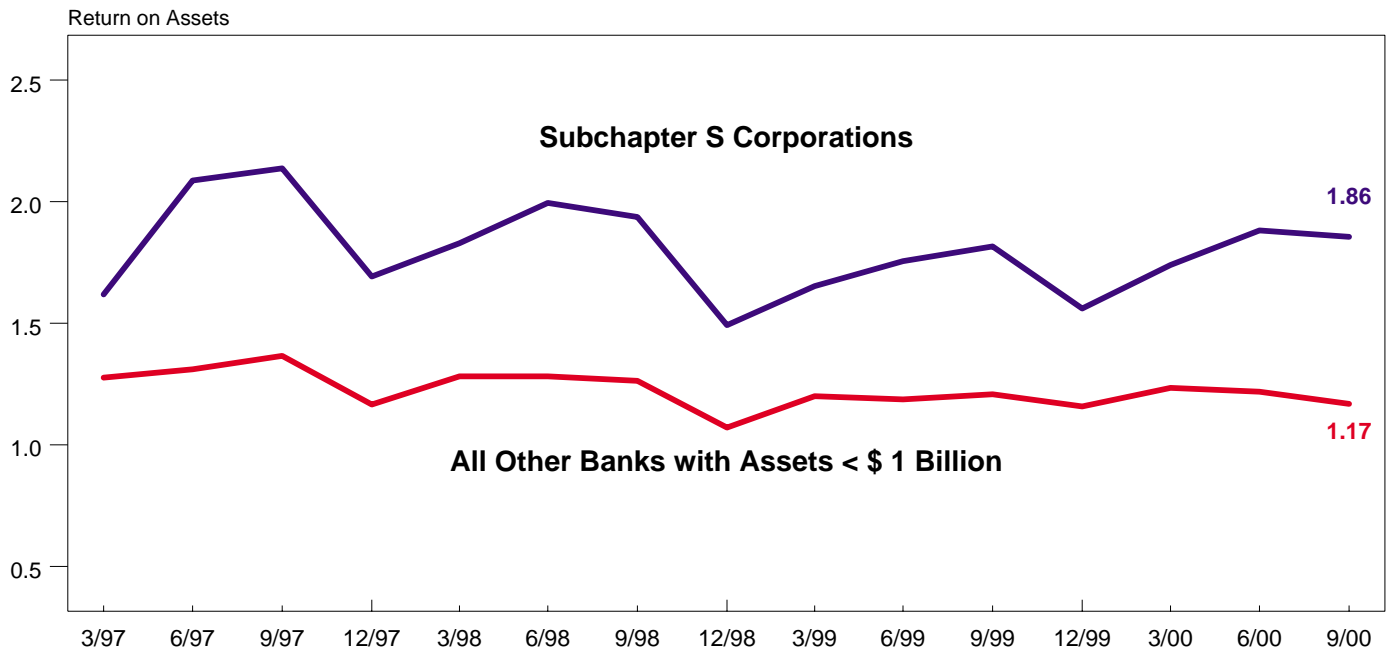
## Number of Subchapter S Corporations

1997 - 2000

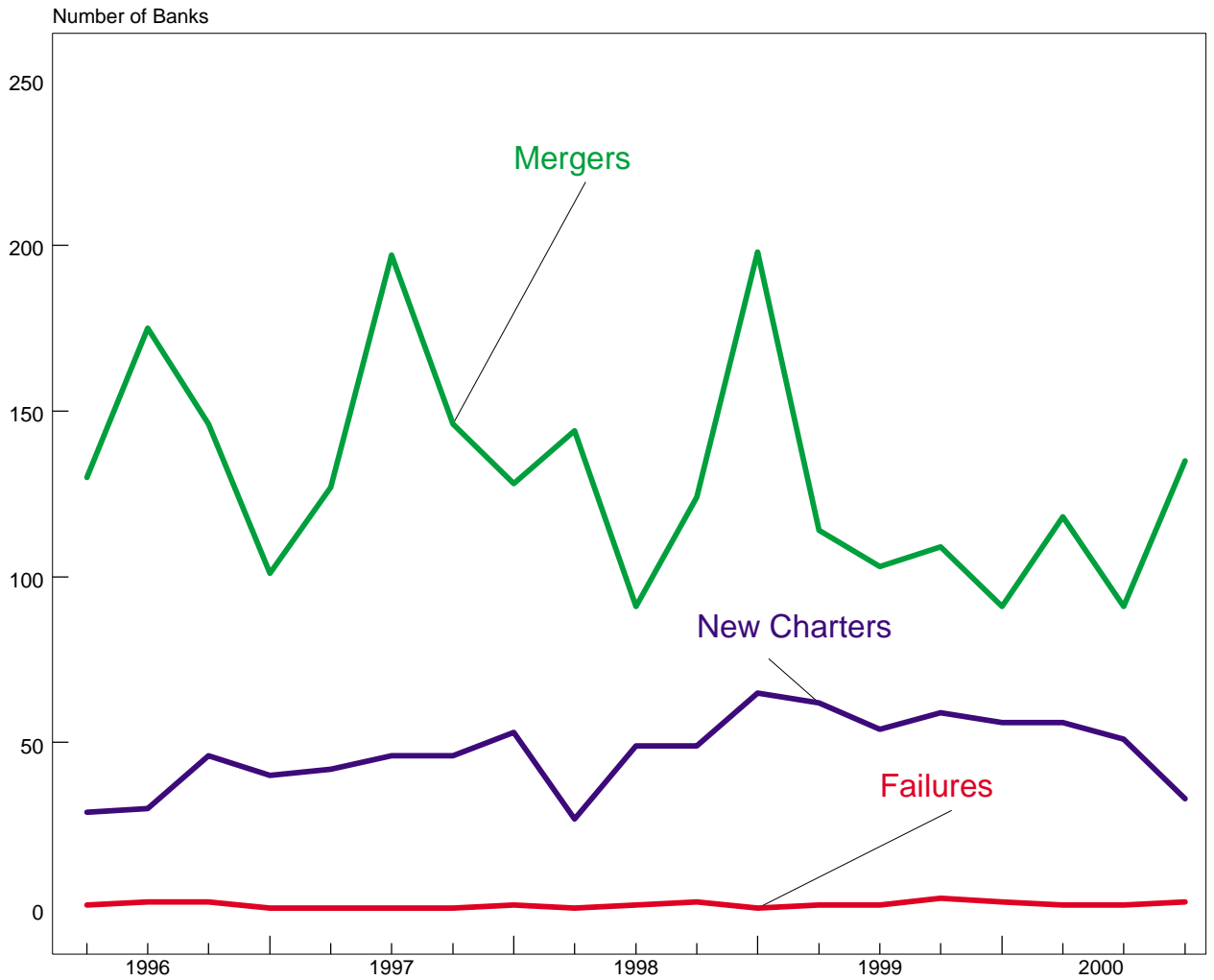


## Return on Assets of Subchapter S Corporations vs. Other Banks

1997 - 2000



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

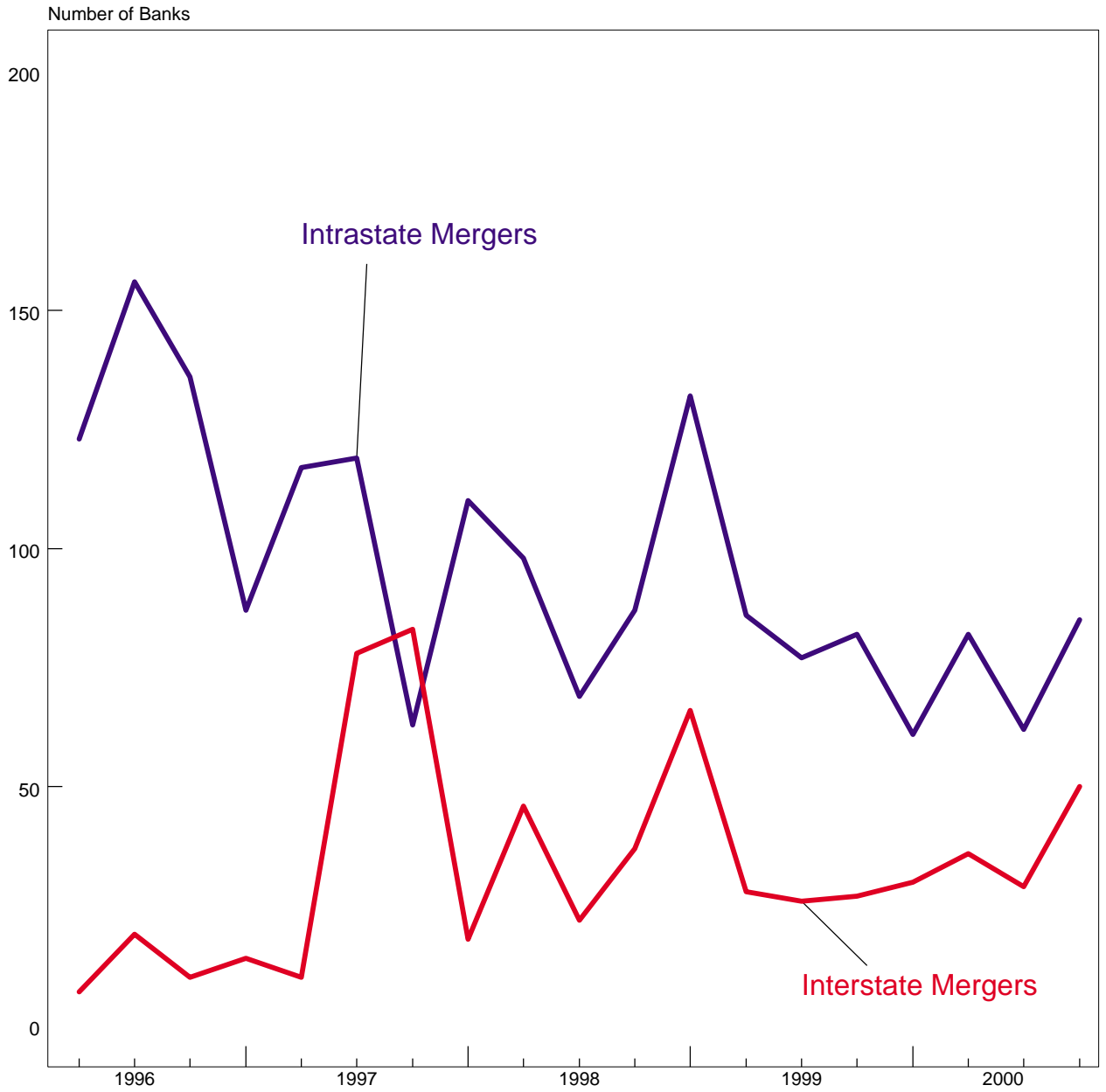


<b>New Charters</b>	29	30	46	40	42	46	46	53	27	49	49	65	62	54	59	56	56	51	33
<b>Mergers</b>	130	175	146	101	127	197	146	128	144	91	124	198	114	103	109	91	118	91	135
<b>Failures</b>	1	2	2	0	0	0	0	1	0	1	2	0	1	1	3	2	1	1	2
Other Changes, Net*	0	-1	-2	2	8	9	6	4	-2	3	4	-3	1	2	0	-4	0	1	2
No. of Banks at end 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	8,375
Net Change during quarter	-102	-148	-104	-59	-77	-142	-94	-72	-119	-40	-73	-136	-52	-48	-53	-41	-63	-40	-102

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

## Bank Mergers: Interstate vs. Intrastate

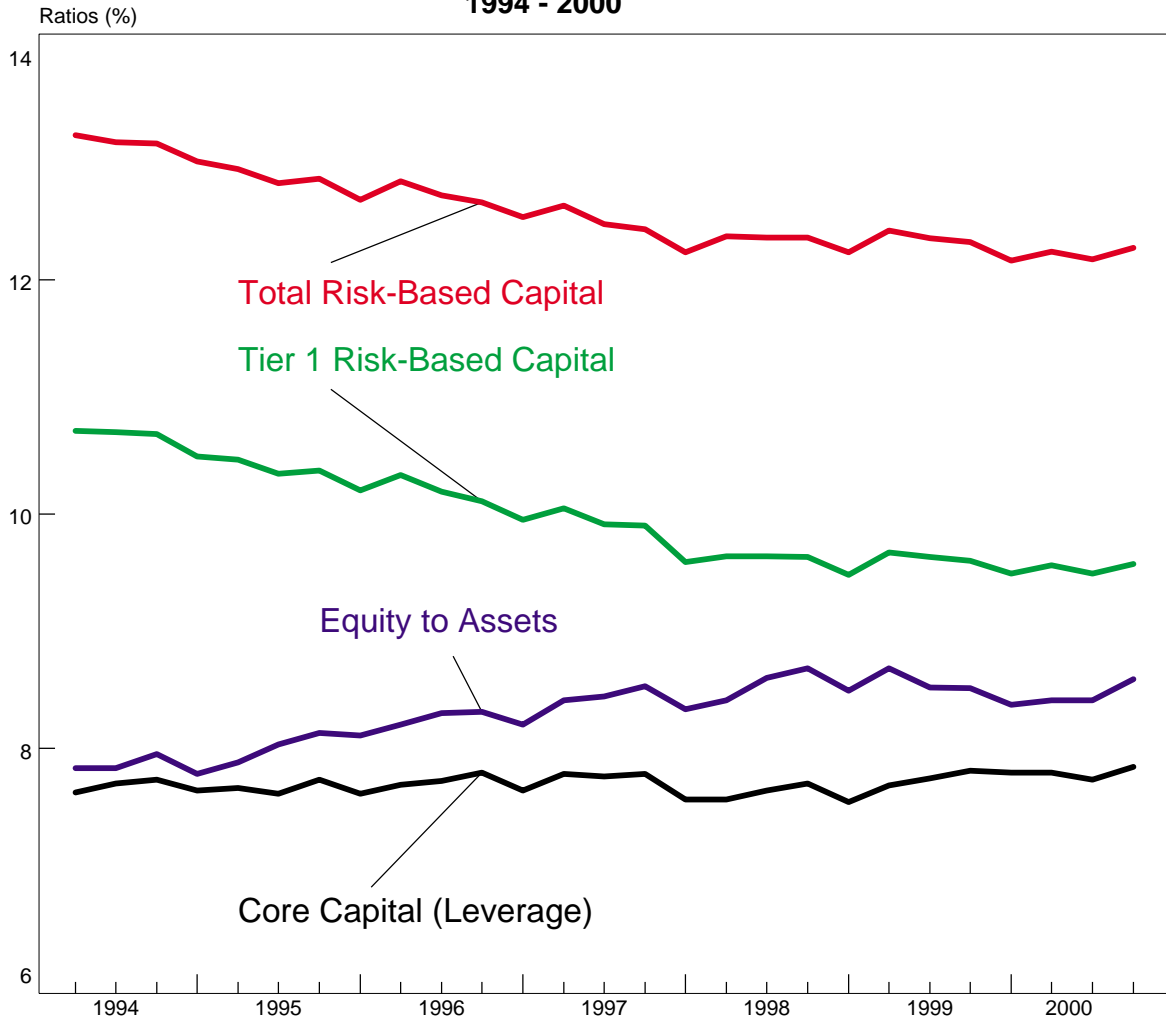
### Quarterly, 1996 - 2000



<b>Intrastate Mergers</b>	123	156	136	87	117	119	63	110	98	69	87	132	86	77	82	61	82	62	85
<b>Interstate Mergers</b>	7	19	10	14	10	78	83	18	46	22	37	66	28	26	27	30	36	29	50

# Capital Ratios

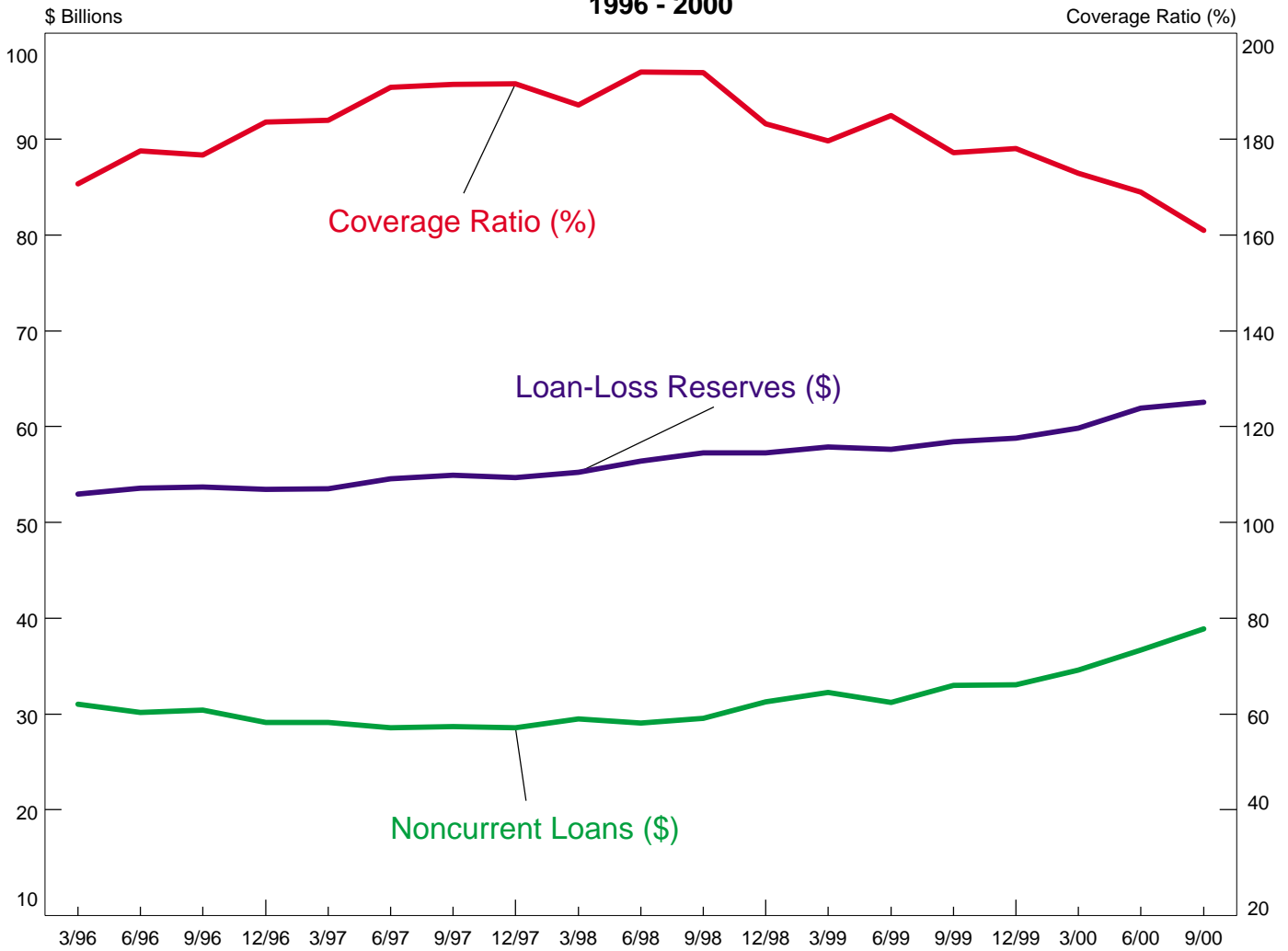
1994 - 2000



	12/94	12/95	12/96	12/97	12/98	12/99	9/00
<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>12.27</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>9.57</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>8.59</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>7.84</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 36.7 38.9

## 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 58.4 58.8 59.8 61.9 62.5

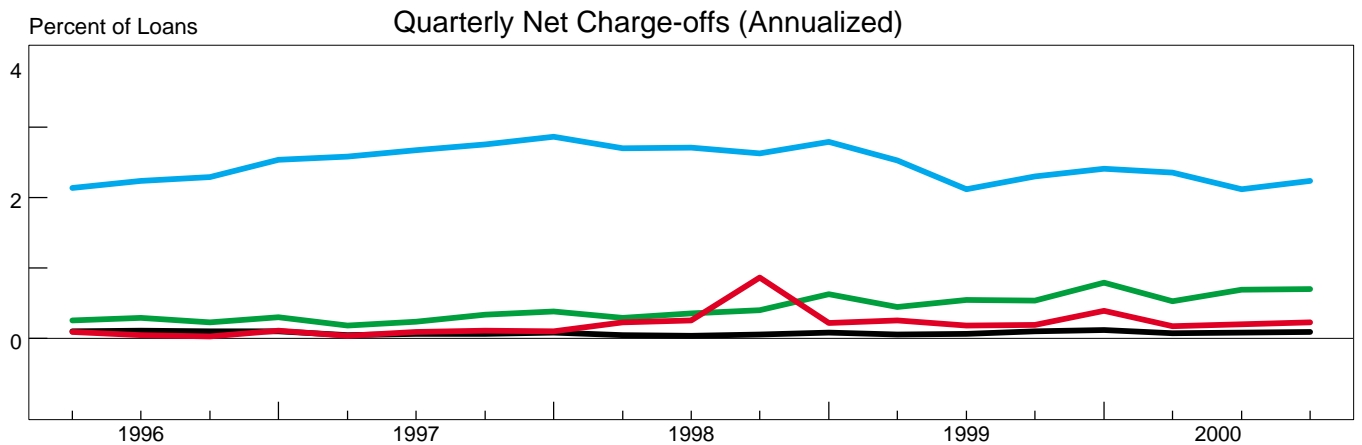
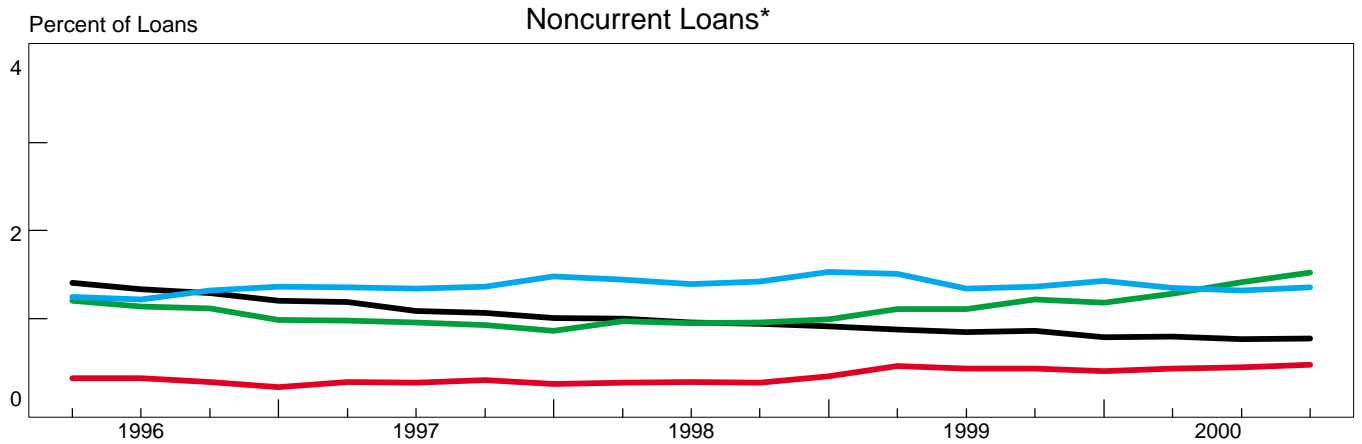
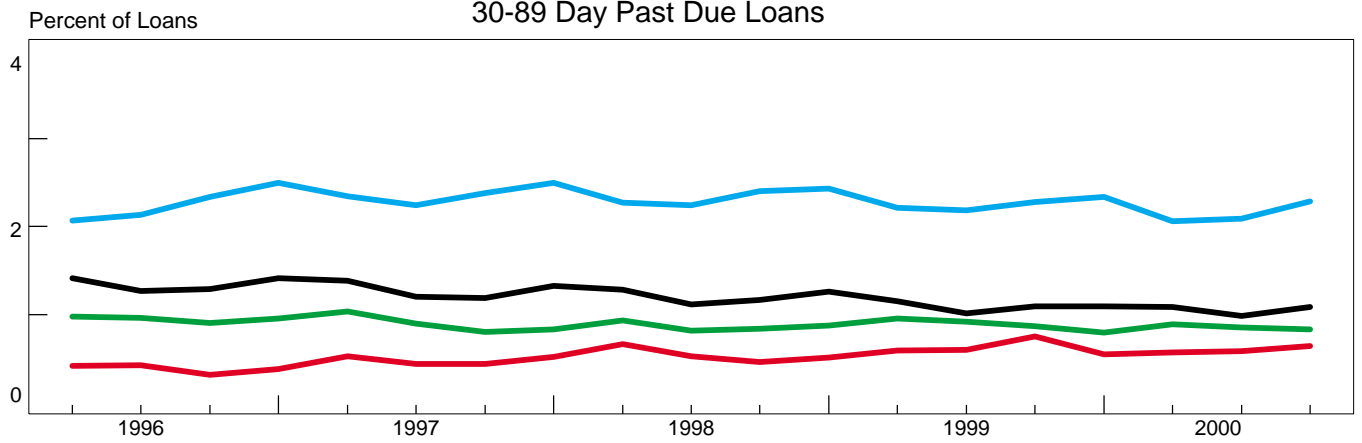
## Coverage Ratio (%)

171 178 177 184 184 191 191 192 187 194 194 183 180 185 177 178 173 169 161

\*Loan-loss reserves to noncurrent loans.

# Loan Quality

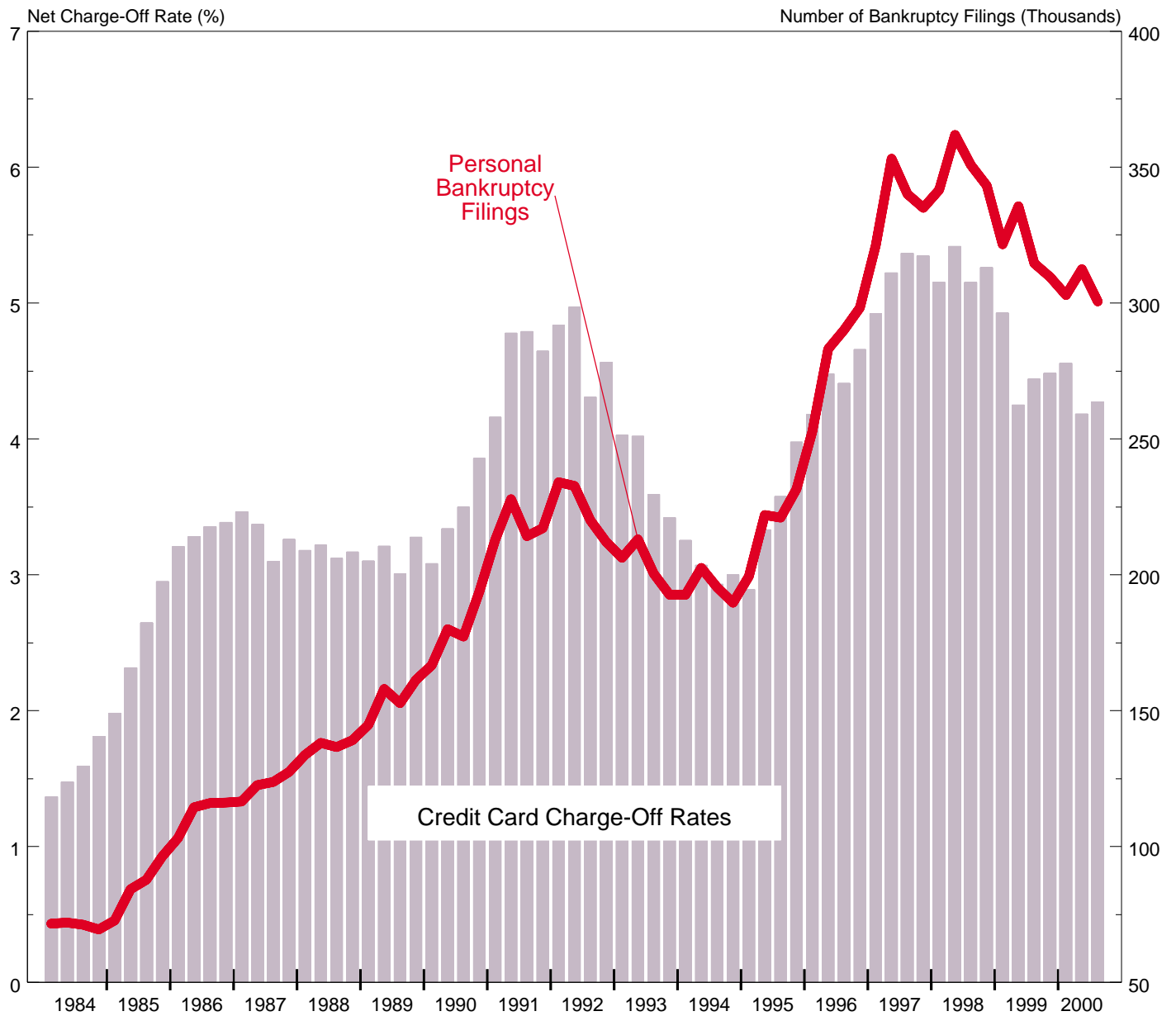
1996 - 2000



\*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

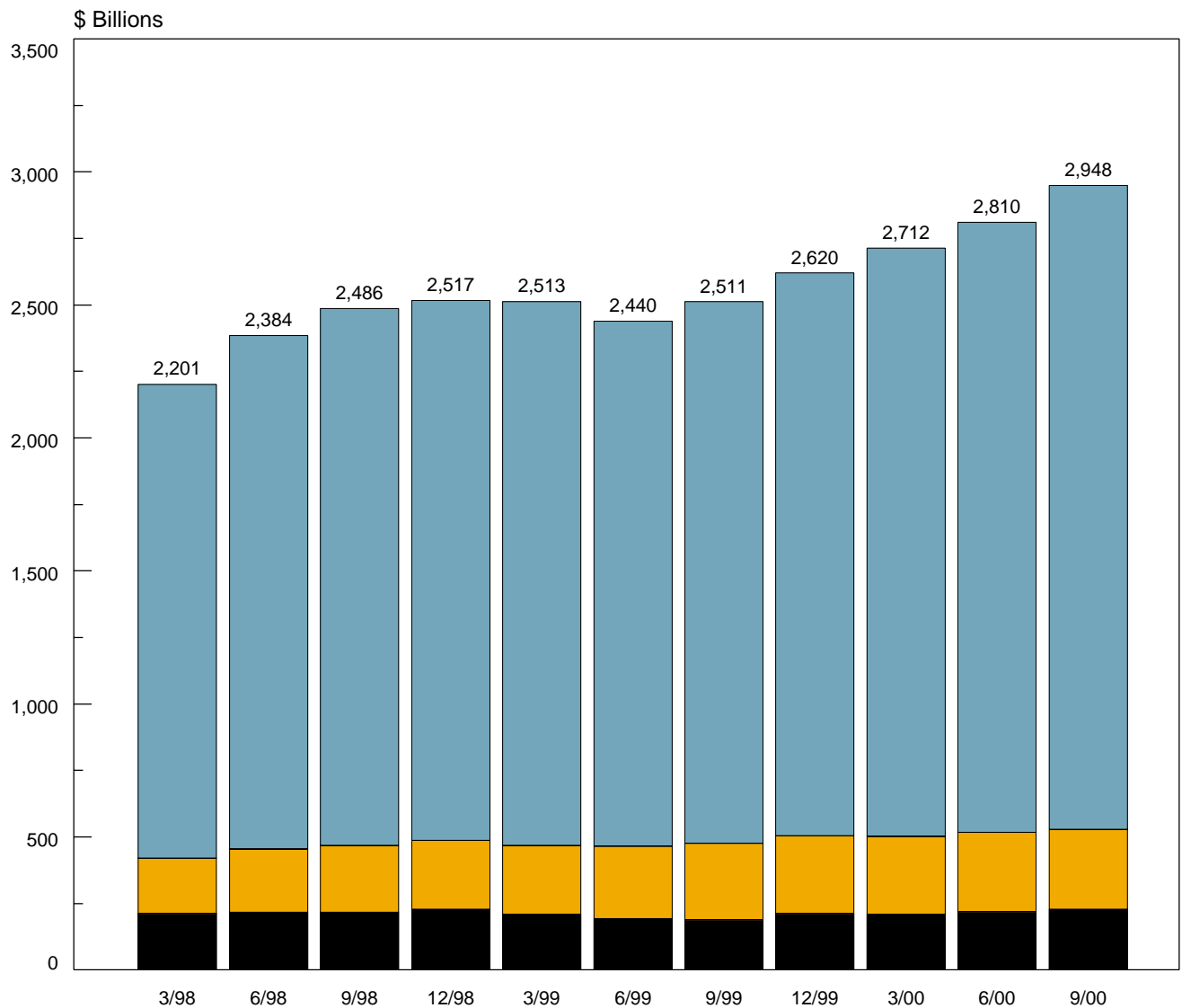
Date	Net Charge-Off Rate	Number of Bankruptcy Filings
3/31/84	1.37	71,697
6/30/84	1.48	71,955
9/30/84	1.59	71,201
12/31/84	1.81	69,554
3/31/85	1.98	72,887
6/30/85	2.31	84,243
9/30/85	2.65	87,727
12/31/85	2.95	96,376
3/31/86	3.21	103,088
6/30/86	3.28	114,384
9/30/86	3.35	116,037
12/31/86	3.38	116,204
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	4.44	314,564
12/31/99	4.48	309,614
3/31/00	4.56	302,879
6/30/00	4.18	312,486
9/30/00	4.27	300,507



## Expansion of Credit Card Lines

1998 - 2000

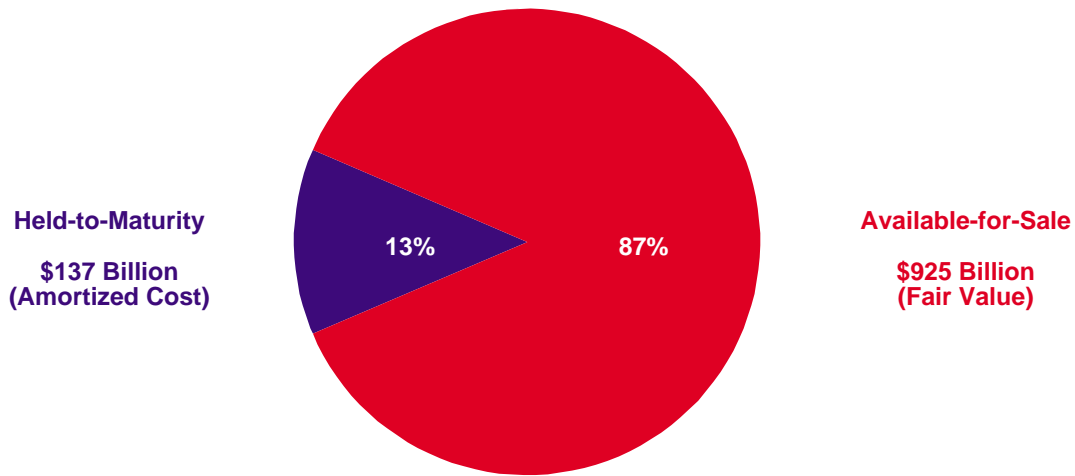


### Loans outstanding (\$ Billions)

■ Held on-balance-sheet	211.7	216.8	216.0	228.8	208.0	192.9	189.3	212.0	207.4	218.8	228.7
■ Securitized & sold *	209.2	238.6	252.5	258.7	260.2	271.8	287.2	292.5	294.0	298.7	298.3
■ 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	2,210.6	2,292.1	2,420.7
<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>2,511.3</b>	<b>2,620.1</b>	<b>2,712.1</b>	<b>2,809.6</b>	<b>2,947.7</b>

\* Off-balance-sheet

**Total Securities\***  
September 30, 2000



**Total Securities\***  
September 30, 2000  
(\$ Millions)

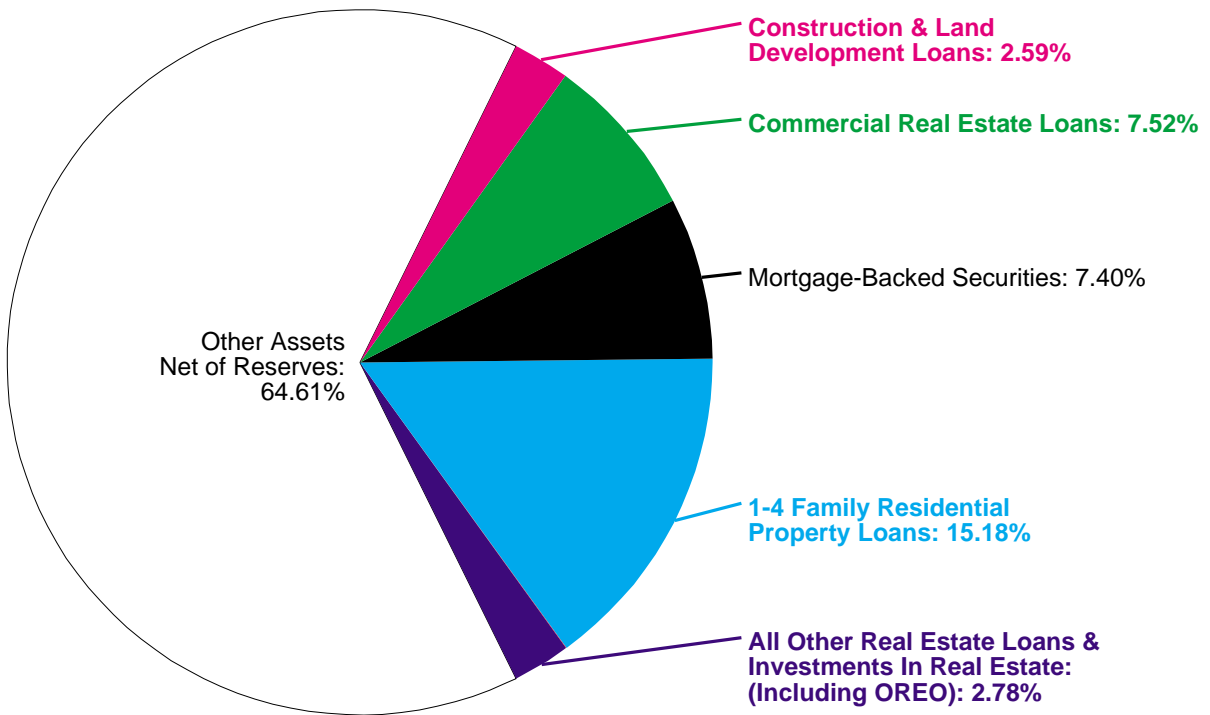
	Held-to-Maturity		Available-for-Sale		Total Securities	Fair Value to Amortized Cost (%)
	Amortized Cost	Fair Value to Amortized Cost (%)	Fair Value	Fair Value to Amortized Cost (%)		
U.S. Government Obligations						
U.S. Treasury	\$7,230	99.9	\$87,120	97.4	\$94,351	97.6
U.S. Agencies	44,305	97.9	189,236	98.5	233,541	98.4
Mortgage Pass-through Securities	24,895	98.9	258,482	97.9	283,378	97.9
Collateralized Mortgage Obligations	23,644	97.7	141,940	98.1	165,584	98.1
State, County, Municipal Obligations	28,934	100.2	61,432	99.7	90,367	99.9
Other Debt Securities	7,517	98.3	146,574	99.4	154,091	99.3
Equity Securities	**	**	39,848	104.7	39,848	104.7
<b>Total Securities</b>	<b>\$136,527</b>	<b>98.7</b>	<b>\$924,633</b>	<b>98.6</b>	<b>\$1,061,160</b>	<b>98.6</b>
Memoranda***						
Structured Notes	2,631		2,515			95.6

\* Excludes trading account assets.

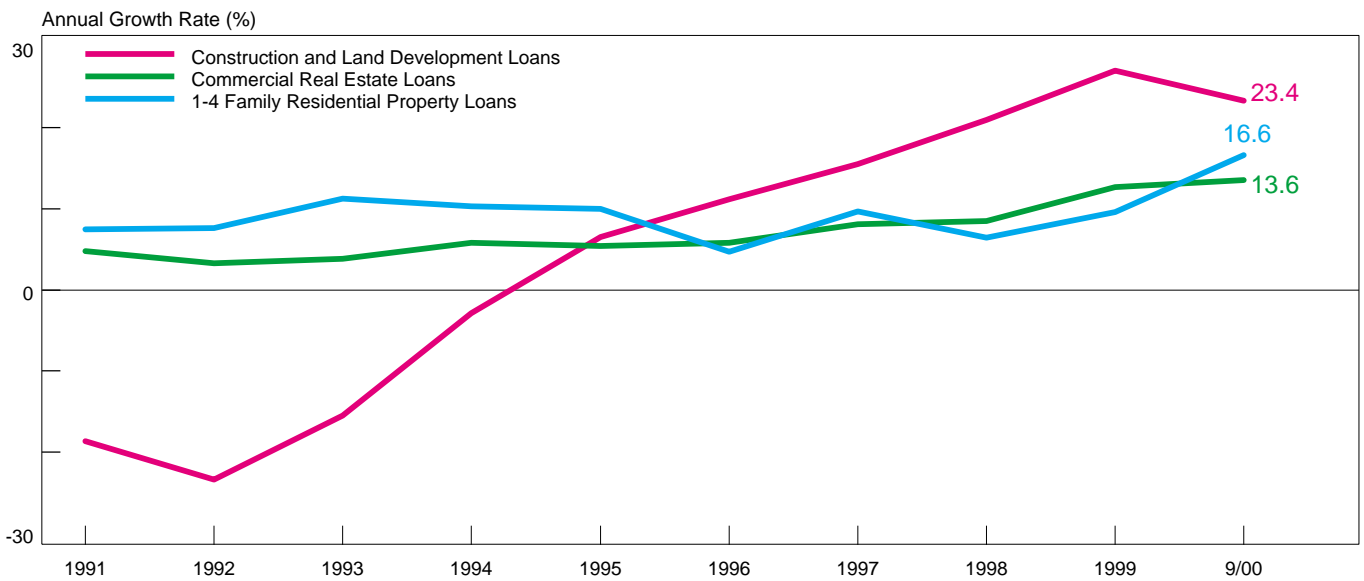
\*\* Equity Securities are classified as 'Available-for-Sale'.

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

## Real Estate Assets as a Percent of Total Assets September 30, 2000



## Real Estate Loan Growth Rates\* 1991 - 2000



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

## Mutual Fund and Annuity Sales\*

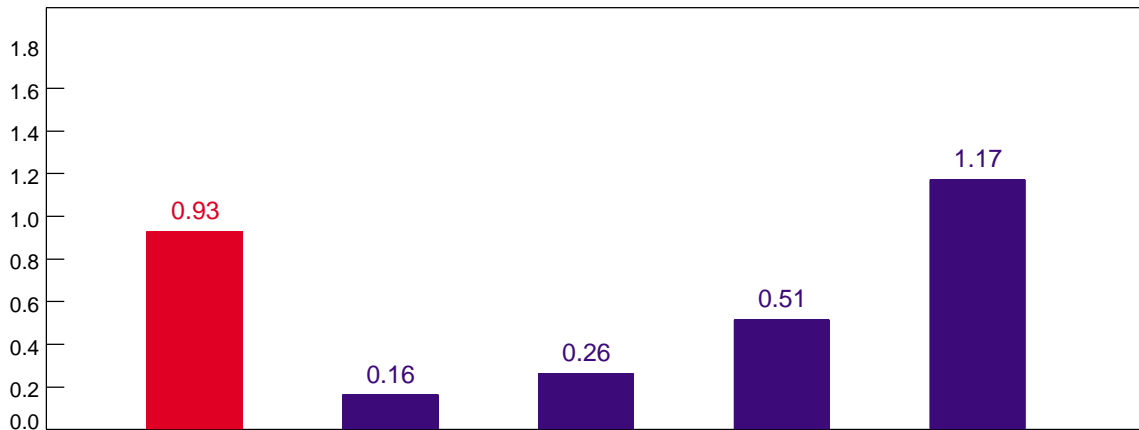
1999 - 2000

Quarterly Sales (\$ Millions)	9/99	12/99	3/00	6/00	9/00
Money Market Funds	\$464,563	\$566,774	\$611,650	\$577,272	\$573,302
Debt Securities Funds	5,258	5,925	6,617	4,527	3,882
Equity Securities	19,948	25,380	36,646	30,675	25,743
Other Mutual Funds	2,345	2,828	3,299	2,863	2,161
Annuities	5,477	5,195	5,613	6,105	5,621
Proprietary Mutual Fund and Annuity Sales included above	452,497	556,651	606,950	567,779	561,958

\* 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\*\*

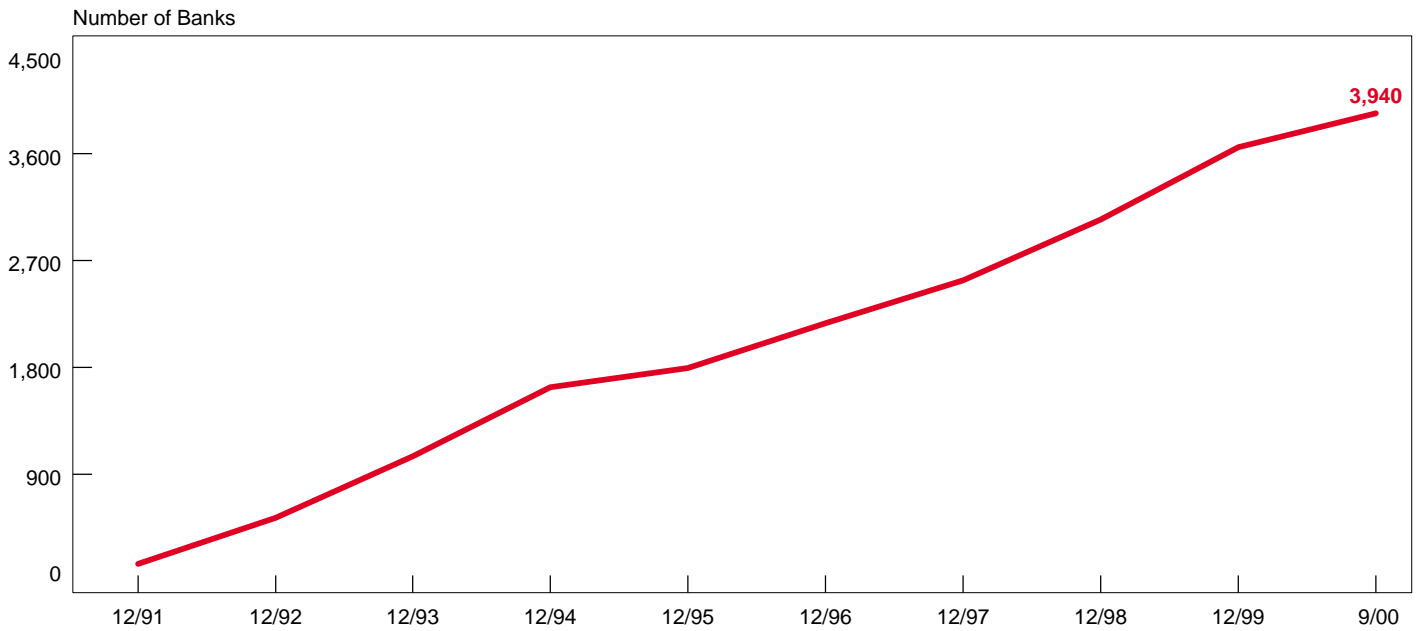


(\$ Millions)	All Banks	Under \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	Over \$10 Billion
Mutual Fund and Annuity Fee Income	<b>\$3,990</b>	<b>\$24</b>	<b>\$137</b>	<b>\$323</b>	<b>\$3,506</b>
Gross Operating Income	<b>\$429,388</b>	<b>\$14,870</b>	<b>\$52,242</b>	<b>\$62,792</b>	<b>\$299,484</b>
Number of Banks Reporting These Fees	<b>2,058</b>	<b>601</b>	<b>1,190</b>	<b>197</b>	<b>70</b>
Percent of Banks Reporting These Fees	<b>24.6%</b>	<b>12.2%</b>	<b>38.8%</b>	<b>65.4%</b>	<b>85.4%</b>

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

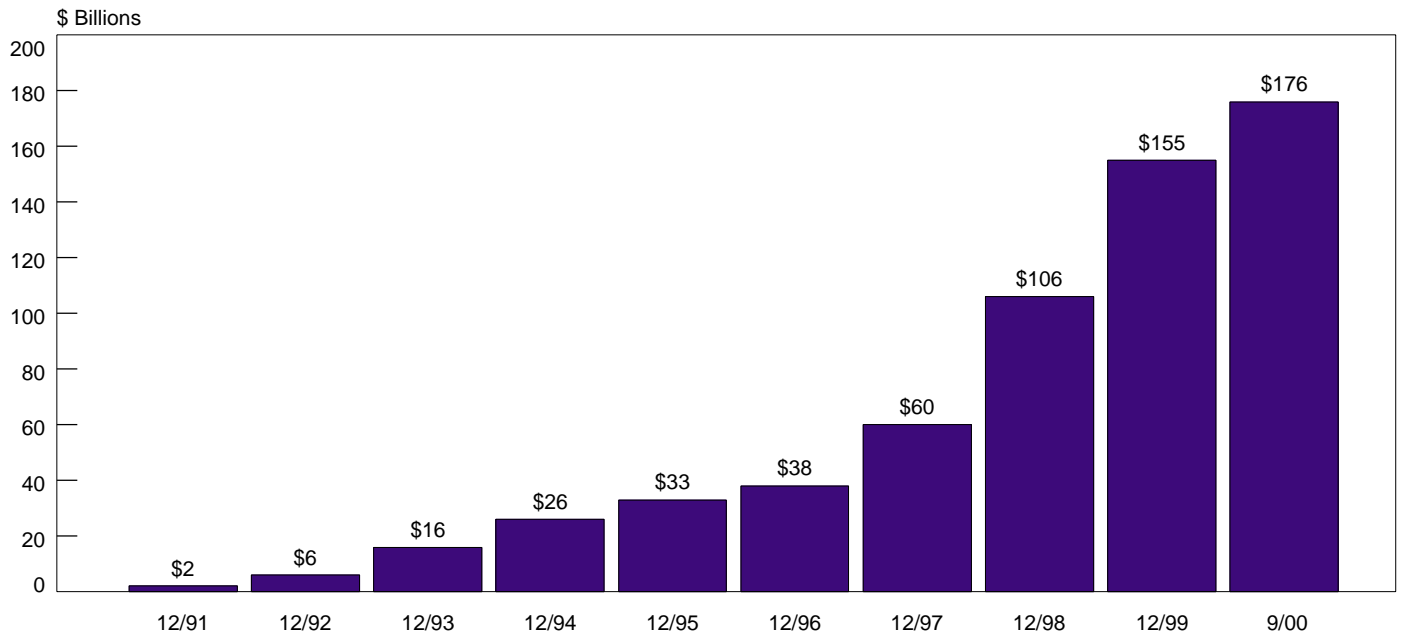
## Number of Commercial Banks with FHLB Advances\*

1991 - 2000



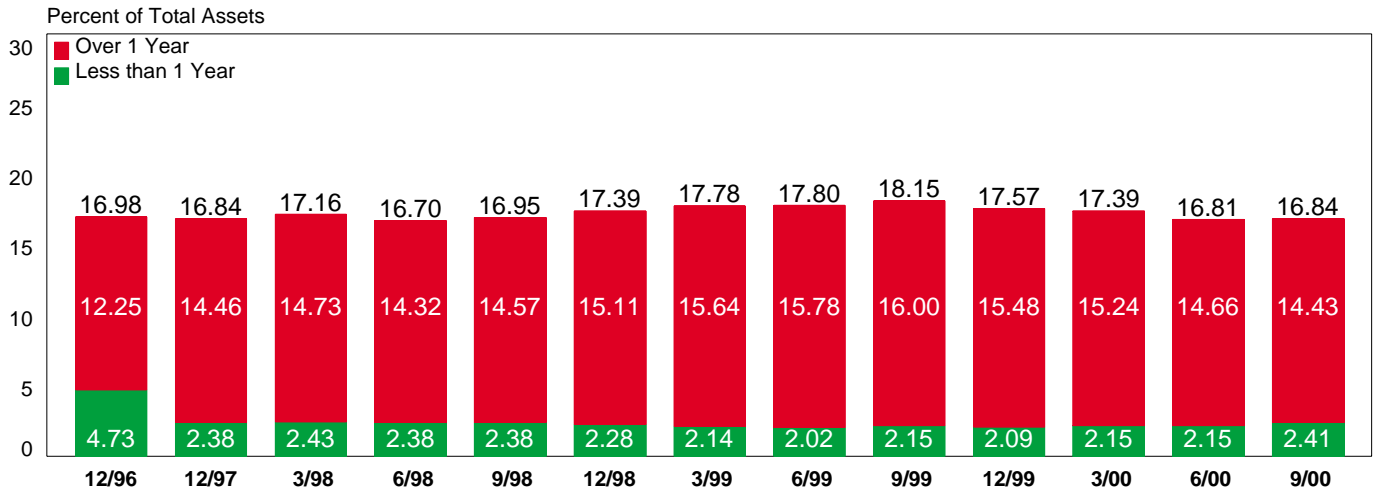
## Amount of FHLB Advances Outstanding\*

1991 - 2000

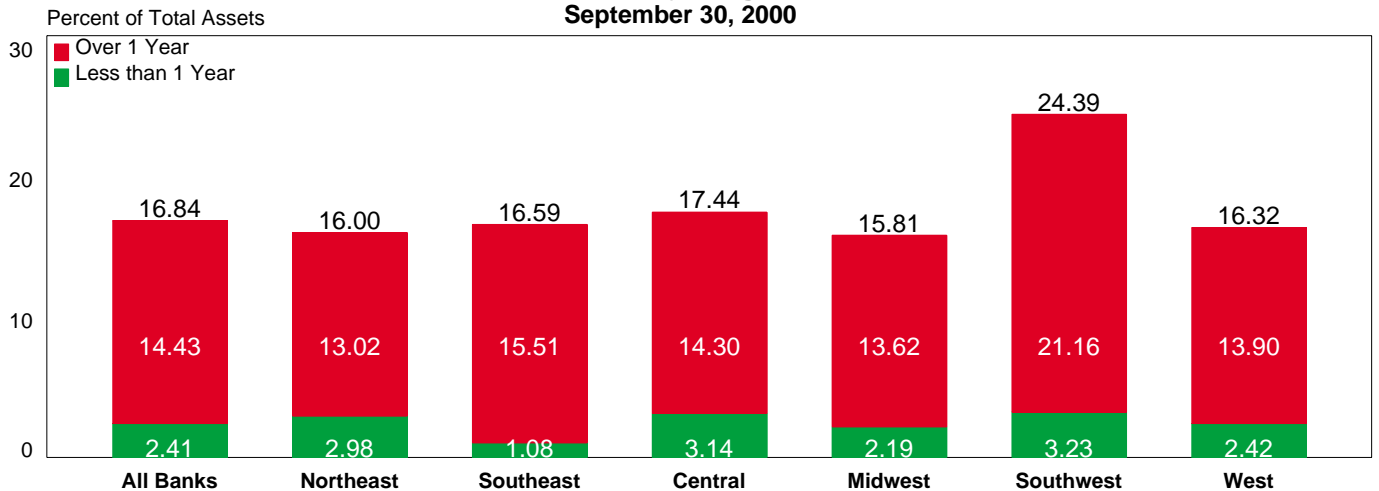


\* Source: FHFB

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



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



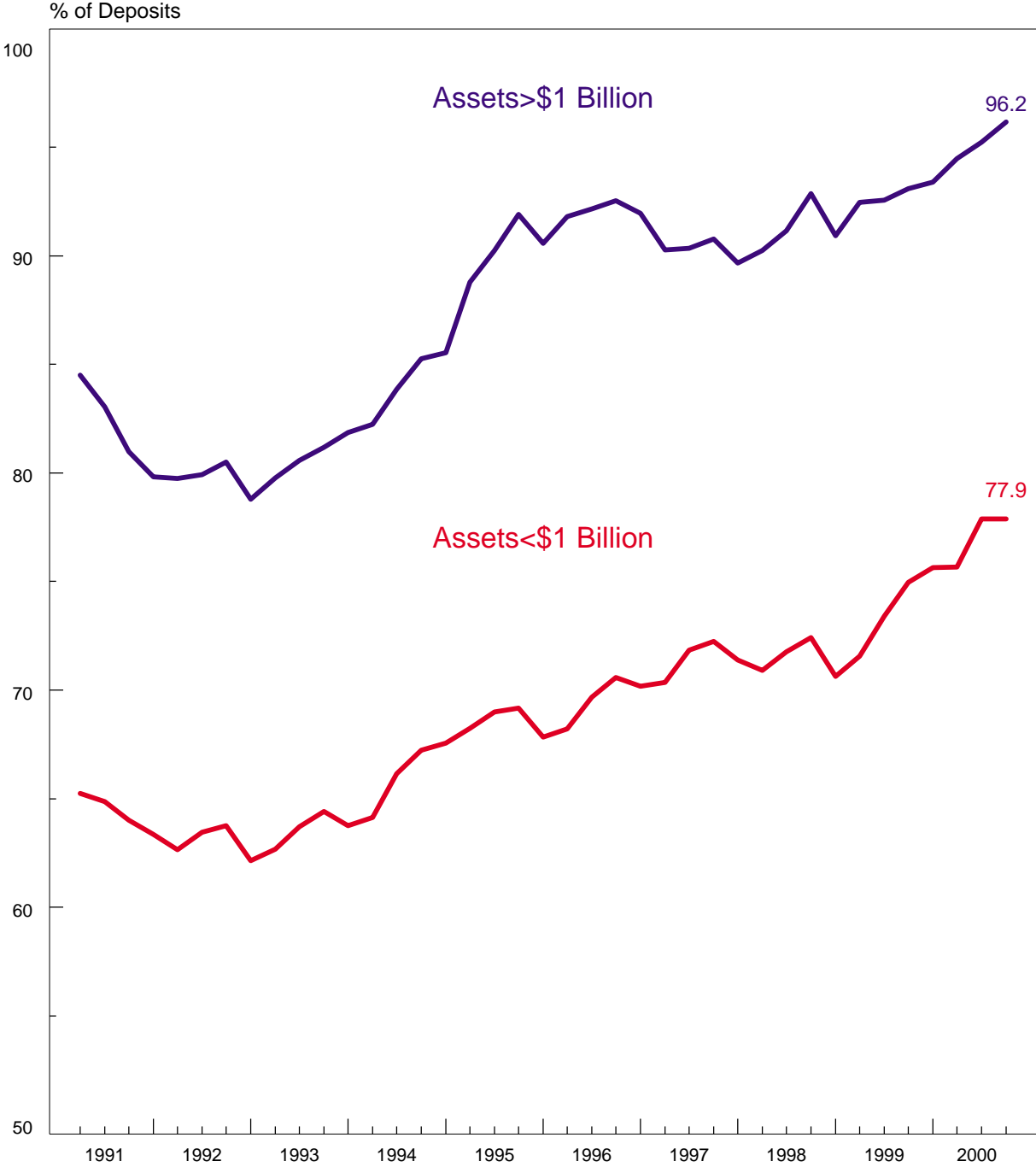
## Total Securities (Debt and Equity) (\$ Billions)

	9/98	12/98	3/99	6/99	9/99	12/99	3/00	6/00	9/00
U.S. Government Obligations:	\$286	\$287	\$317	\$318	\$320	\$321	\$328	\$326	\$328
U.S. Treasury	125	116	129	118	115	113	109	102	94
U.S. Agencies	162	171	188	199	205	208	218	224	234
Mortgage Pass-through Securities	277	311	291	282	285	285	286	285	283
Collateralized Mortgage Obligations	156	159	164	164	170	170	175	168	166
State, County, Municipal Obligations	84	87	88	88	89	89	89	90	90
Other Debt Securities	90	103	102	123	138	145	139	138	154
Equity Securities	<u>29</u>	<u>32</u>	<u>32</u>	<u>33</u>	<u>34</u>	<u>37</u>	<u>39</u>	<u>40</u>	<u>40</u>
Total Securities	\$923	\$980	\$996	\$1,007	\$1,036	\$1,046	\$1,056	\$1,047	\$1,061
Memoranda									
Fair Value of High-risk Mortgage Securities	5	7	*	*	*	*	*	*	*
Fair Value of Structured Notes	6	5	4	4	4	4	3	3	3

\* Not reported after 12/31/98.

# Net Loans and Leases to Deposits

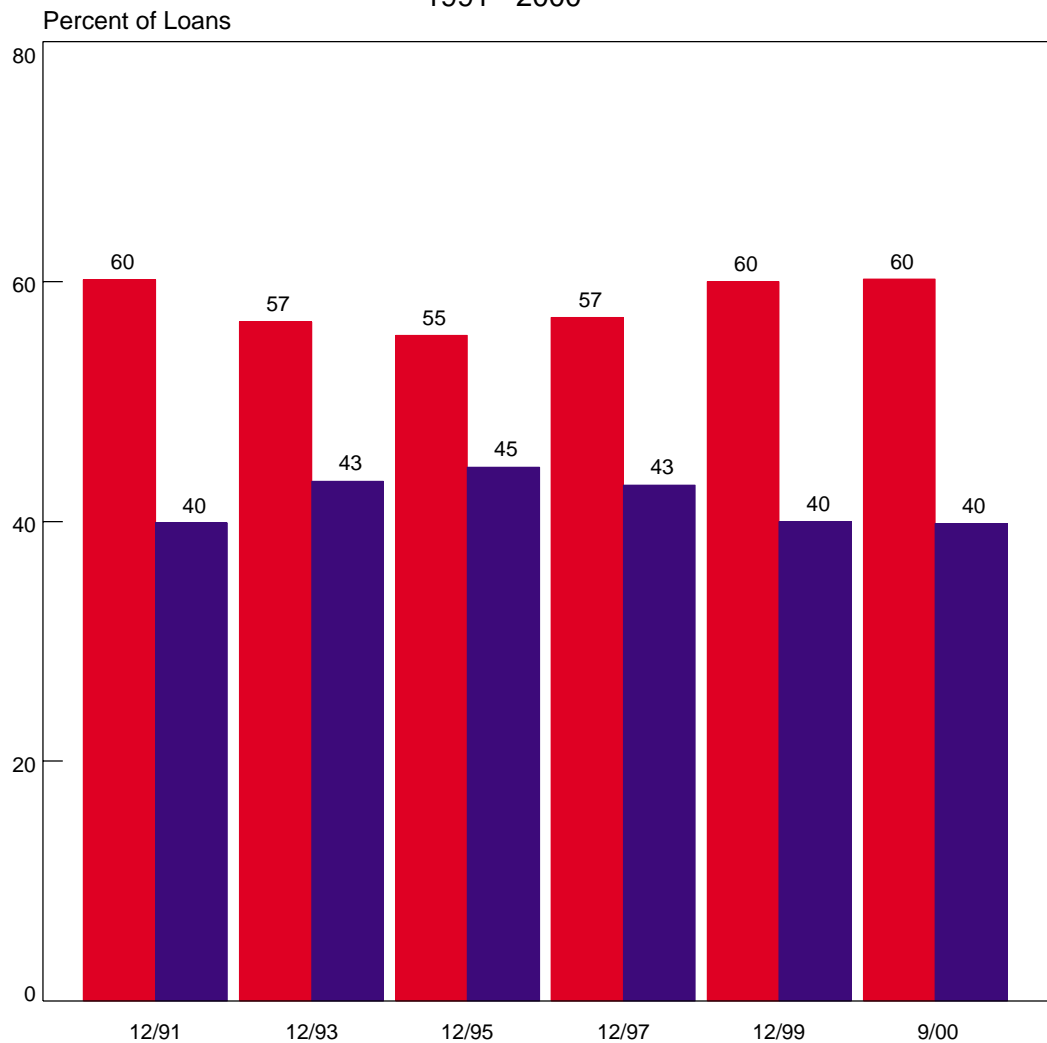
1991 - 2000



## Credit Risk Diversification

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

1991 - 2000



#### Loans (\$ Billions):

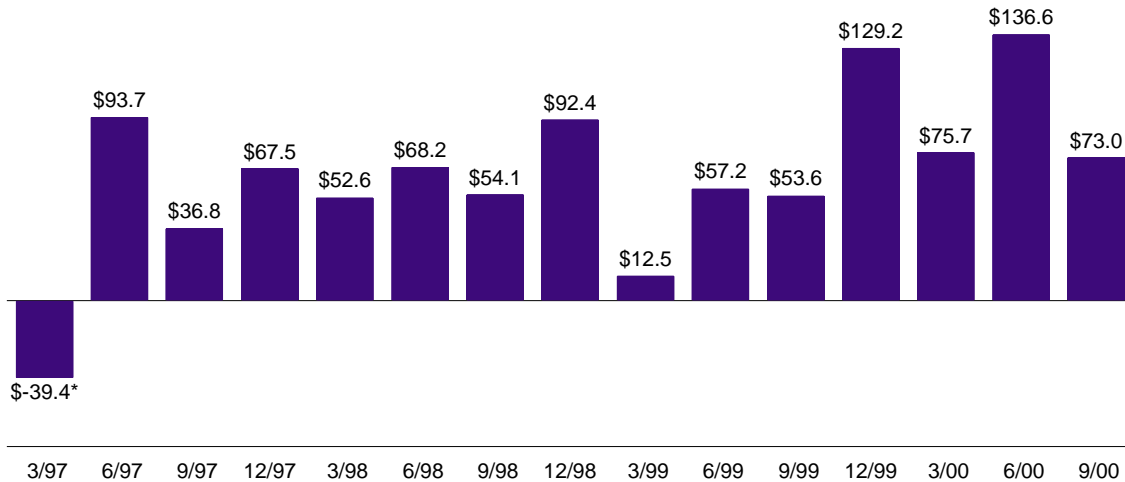
■ Commercial Borrowers	\$1,241	\$1,222	\$1,447	\$1,695	\$2,097	\$2,275
■ Consumer Loans	823	935	1,161	1,280	1,398	1,505

**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.



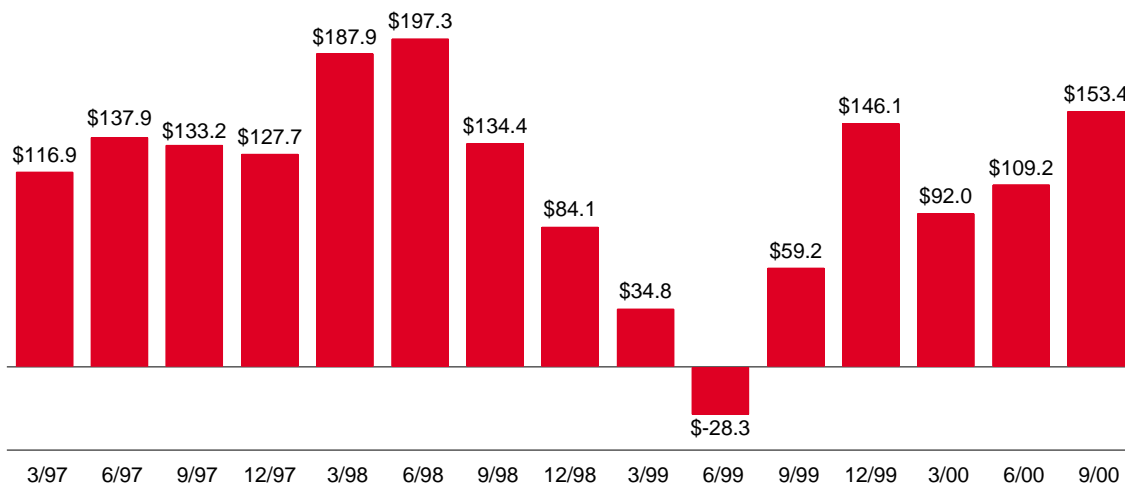
## Quarterly Change in Reported Loans Outstanding (\$ Billions)



\*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 third quarter of 2000, 1-4 family loans increased by \$16.8 billion, credit card loans increased by \$16.3 billion, and commercial and industrial loans increased by \$9.9 billion.

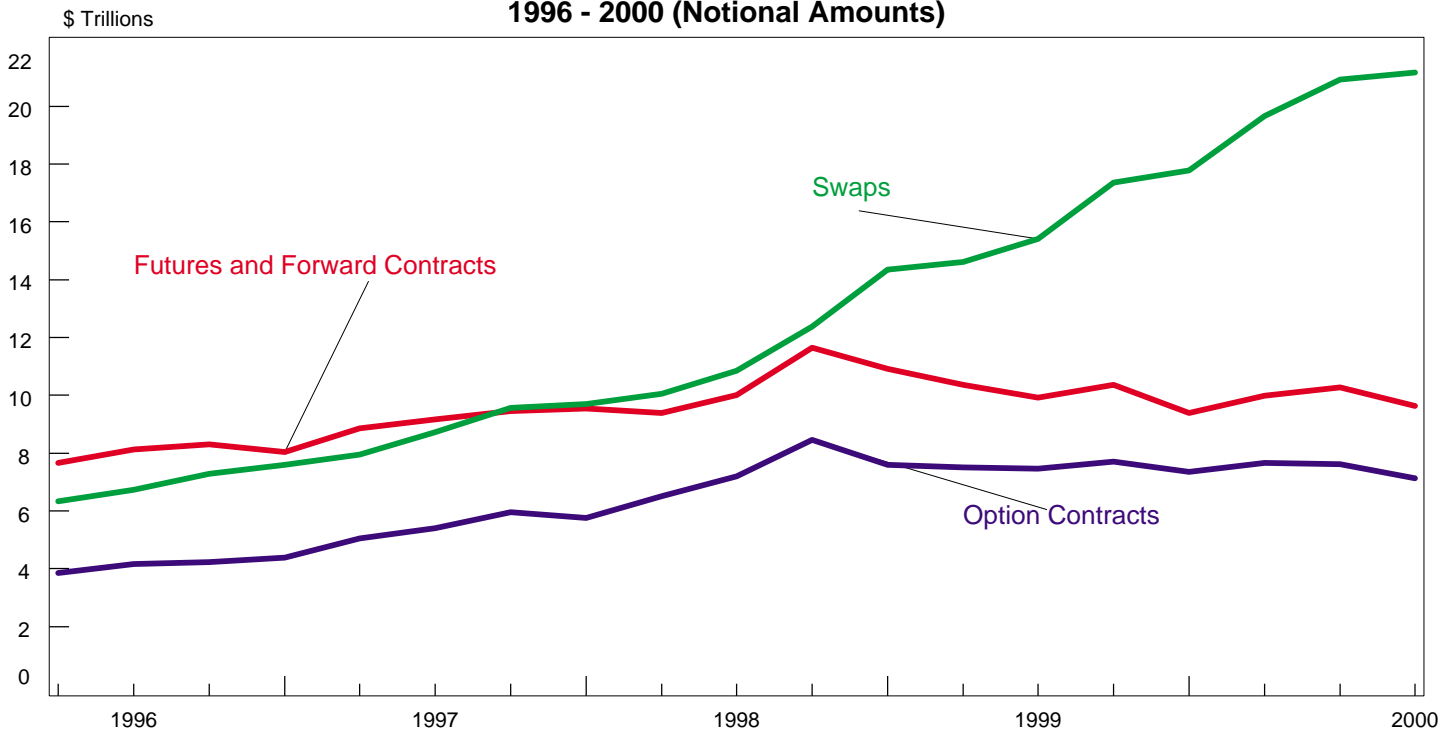
## Quarterly Change in Unused Loan Commitments (\$ Billions)



In the third quarter of 2000, unused credit card commitments increased by \$128.6 billion while unused commitments for loans to businesses increased by \$22.2 billion.

## Off-Balance-Sheet Derivatives

1996 - 2000 (Notional Amounts)



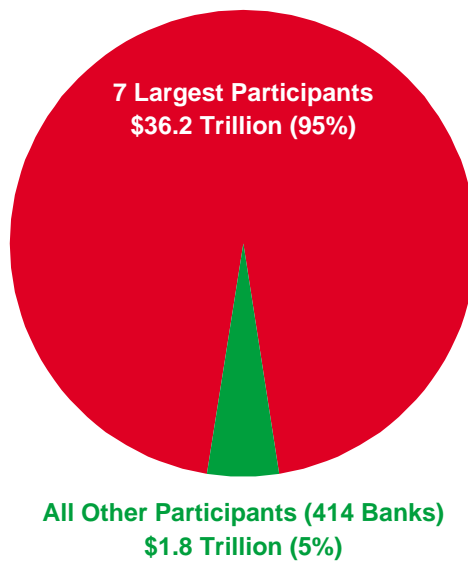
	12/96	12/97	12/98	12/99	3/00	6/00	9/00
Total Derivatives (off-balance-sheet) (Notional Amounts, in billions of dollars)	\$20,035	\$25,009	\$32,861	\$34,531	\$37,324	\$38,820	\$37,934
<b>Futures and Forward Contracts</b>	<b>8,041</b>	<b>9,551</b>	<b>10,924</b>	<b>9,390</b>	<b>9,989</b>	<b>10,265</b>	<b>9,643</b>
Interest rate contracts	3,201	4,083	5,521	5,096	5,495	5,454	5,152
Foreign exchange rate contracts	4,739	5,359	5,308	4,175	4,380	4,685	4,357
Other futures and forwards*	102	109	95	119	115	126	134
<b>Option Contracts</b>	<b>4,393</b>	<b>5,754</b>	<b>7,592</b>	<b>7,361</b>	<b>7,669</b>	<b>7,625</b>	<b>7,127</b>
Interest rate options	3,156	3,985	5,679	5,795	5,992	5,995	5,577
Foreign currency options	1,033	1,457	1,393	965	939	888	820
Other option contracts*	204	312	520	601	738	742	730
<b>Swaps</b>	<b>7,601</b>	<b>9,705</b>	<b>14,345</b>	<b>17,780</b>	<b>19,666</b>	<b>20,930</b>	<b>21,164</b>
Interest rate swaps	7,069	9,018	13,590	16,882	18,674	19,866	20,150
Foreign exchange rate swaps	471	614	686	774	822	890	857
Other swaps*	61	73	69	123	169	174	157
Memoranda							
Spot Foreign Exchange Contracts	262	317	375	66	490	382	438
Credit Derivatives	NA	55	144	287	302	362	379
Number of banks reporting derivatives	484	460	447	417	390	413	421
Replacement cost of interest rate and foreign exchange rate contracts **	246	355	471	361	361	344	354

\* 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.

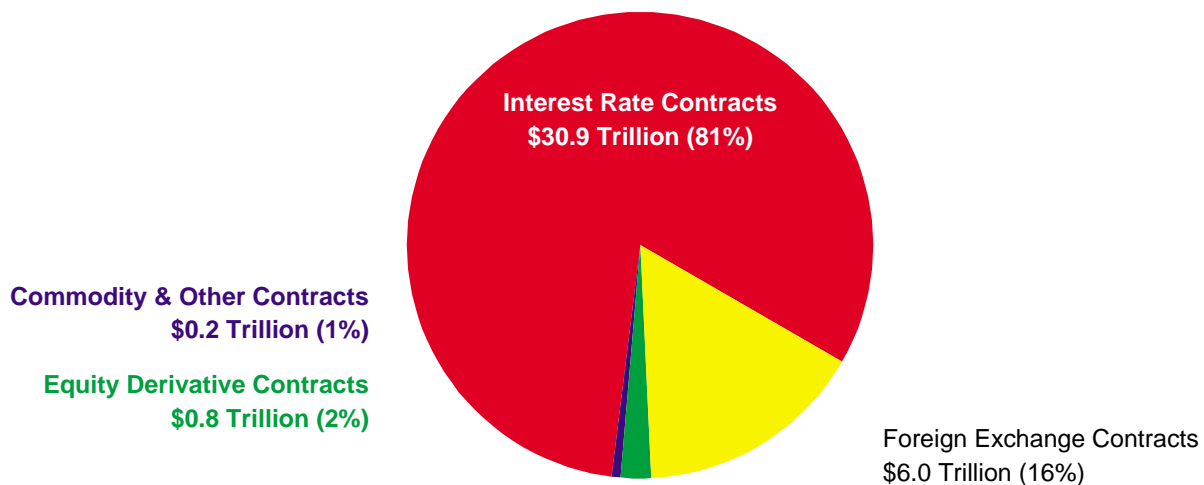
## Concentration of Off-Balance-Sheet Derivatives\*

Notional Amounts  
September 30, 2000



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

Notional Amounts  
September 30, 2000

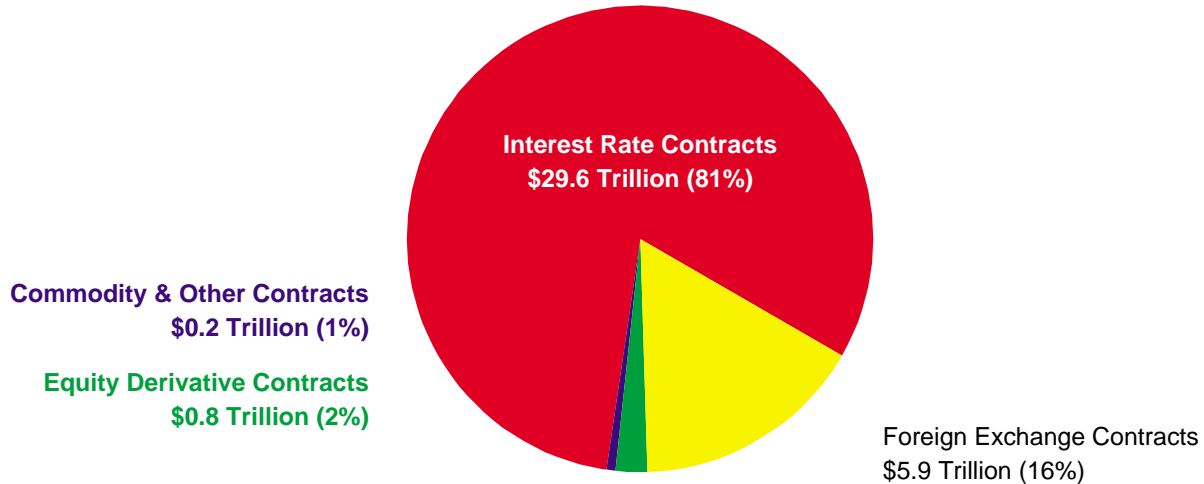


\*Amounts do not represent either the net market position or the credit exposure of banks' off-balance-sheet derivative activities. They represent the gross value of all contracts written. Spot foreign exchange contracts of \$403 billion for the seven largest participants and \$35 billion for all others are not included.

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

Notional Amounts

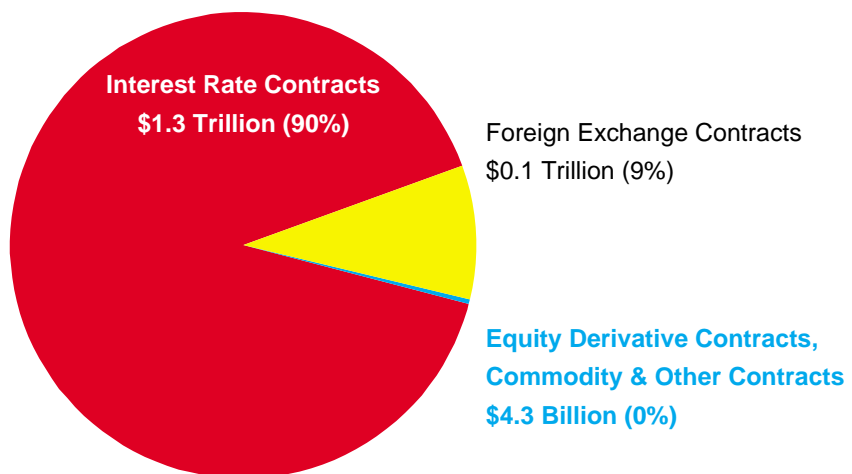
September 30, 2000



## Not Held for Trading

Notional Amounts

September 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 \$438 billion are not included.

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

September 30, 2000

(\$ Millions)

### Held for Trading

103 Banks Held Derivative Contracts for Trading

(Marked to Market)

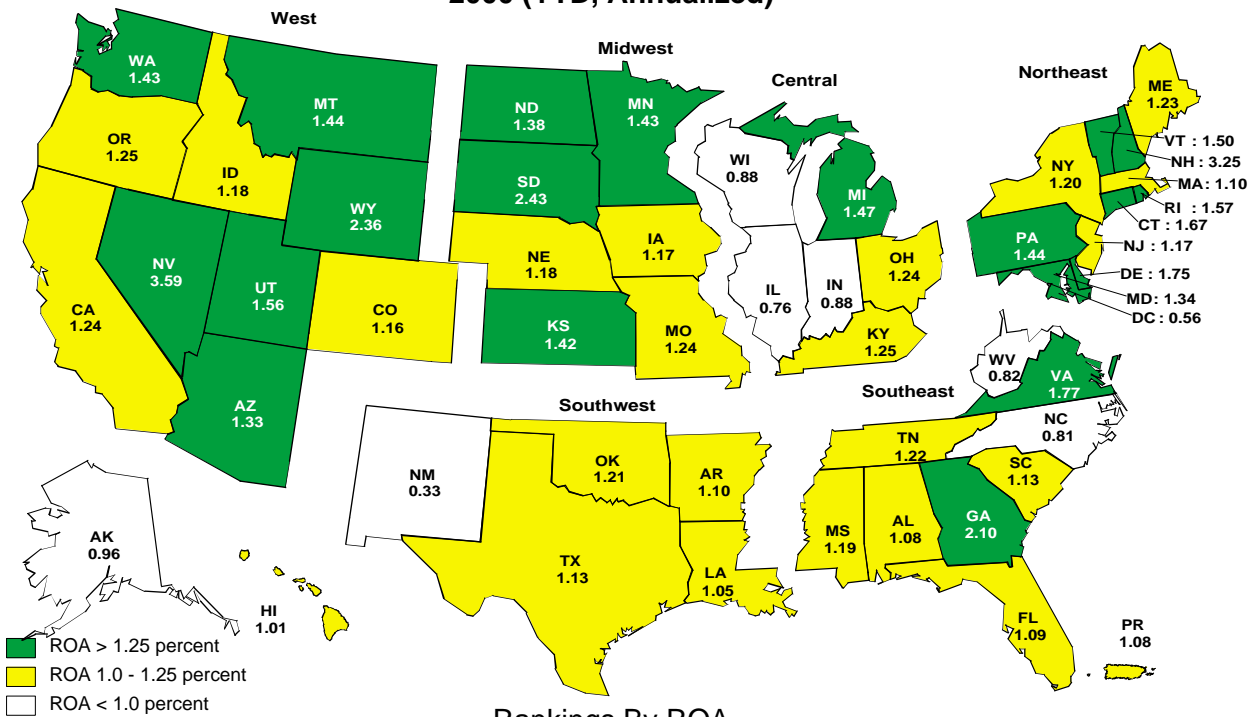
	Interest Rate	Foreign Exchange	Equity Derivatives	Commodity & Other	Total	Net
<b>Seven Largest Participants</b>						
Gross positive fair value	212,031	122,415	34,816	21,016	390,279	7,617
Gross negative fair value	211,146	116,402	36,961	18,154	382,662	
<b>All other participants</b>						
Gross positive fair value	4,800	6,243	1,642	1,475	14,160	590
Gross negative fair value	4,305	6,042	1,660	1,563	13,570	
<b>Total</b>						
Gross positive fair value	216,831	128,658	36,458	22,491	404,438	8,206
Gross negative fair value	215,450	122,444	38,622	19,716	396,232	

### Held for Purposes Other than Trading

386 Banks Held Derivative Contracts for Purposes Other than Trading

	Interest Rate	Foreign Exchange	Equity Derivatives	Commodity & Other	Total	Net
<b>Marked to Market</b>						
Gross positive fair value	1,130	464	106	0	1,701	401
Gross negative fair value	1,077	163	59	1	1,300	
<b>Not Marked to Market</b>						
Gross positive fair value	6,256	452	163	33	6,904	(368)
Gross negative fair value	6,213	970	3	87	7,273	
<b>Total</b>						
Gross positive fair value	7,387	915	269	34	8,605	32
Gross negative fair value	7,290	1,133	62	87	8,573	

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



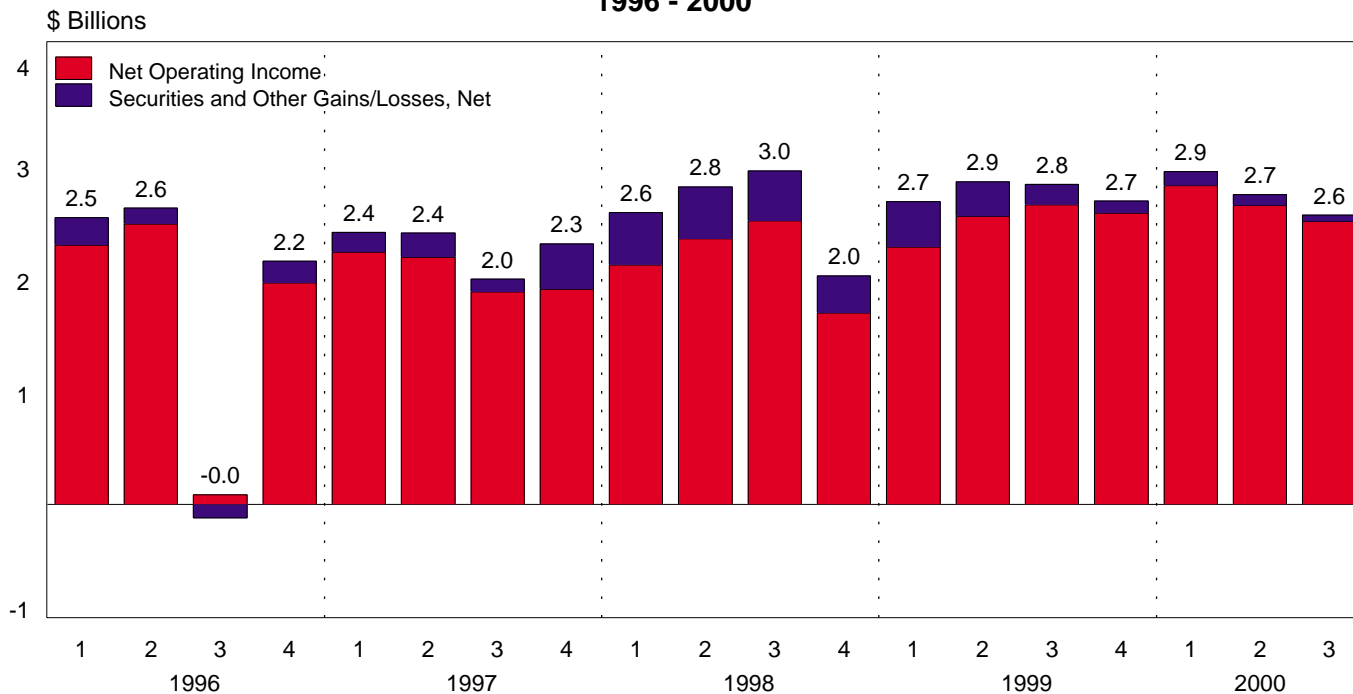
### Rankings By ROA

	No. of Inst. as of 9/30/00	YTD 2000	YTD 1999	Change*		No. of Inst. as of 9/30/00	YTD 2000	YTD 1999	Change*
1 Nevada	30	3.59	3.59	0	28 Oklahoma	292	1.21	1.13	8
2 New Hampshire	16	3.25	3.97	(72)	29 New York	150	1.20	0.97	23
3 South Dakota	98	2.43	2.56	(13)	30 Mississippi	97	1.19	1.33	(14)
4 Wyoming	48	2.36	2.20	16	31 Idaho	17	1.18	1.19	(1)
5 Georgia	338	2.10	1.84	26	32 Nebraska	279	1.18	1.33	(15)
6 Virginia	148	1.77	1.76	1	33 Iowa	434	1.17	1.20	(3)
7 Delaware	32	1.75	3.26	(151)	34 New Jersey	77	1.17	1.24	(7)
8 Connecticut	23	1.67	1.32	35	35 Colorado	185	1.16	1.52	(36)
9 Rhode Island	7	1.57	1.58	(1)	36 South Carolina	78	1.13	1.35	(22)
10 Utah	54	1.56	2.54	(98)	37 Texas	725	1.13	1.24	(11)
11 Vermont	18	1.50	0.66	84	38 Arkansas	188	1.10	1.15	(5)
12 Michigan	168	1.47	1.62	(15)	39 Massachusetts	44	1.10	1.21	(11)
13 Montana	85	1.44	1.52	(8)	40 Florida	267	1.09	1.14	(5)
14 Pennsylvania	190	1.44	1.31	13	41 Alabama	158	1.08	1.24	(16)
15 Minnesota	492	1.43	1.65	(22)	42 Puerto Rico	12	1.08	1.22	(14)
16 Washington	81	1.43	1.36	7	43 Louisiana	150	1.05	1.14	(9)
17 Kansas	376	1.42	1.22	20	44 Hawaii	8	1.01	0.97	4
18 North Dakota	111	1.38	1.64	(26)	45 Alaska	6	0.96	1.71	(75)
19 Maryland	75	1.34	1.29	5	46 Indiana	153	0.88	1.66	(78)
20 Arizona	42	1.33	2.77	(144)	47 Wisconsin	316	0.88	1.23	(35)
21 Kentucky	245	1.25	1.31	(6)	48 West Virginia	78	0.82	1.14	(32)
22 Oregon	43	1.25	1.52	(27)	49 North Carolina	72	0.81	1.23	(42)
23 California	310	1.24	1.25	(1)	50 Illinois	711	0.76	0.95	(19)
24 Missouri	361	1.24	1.17	7	51 District of Col.	6	0.56	0.68	(12)
25 Ohio	215	1.24	1.43	(19)	52 New Mexico	51	0.33	1.29	(96)
26 Maine	16	1.23	1.21	2					
27 Tennessee	193	1.22	1.34	(12)	U.S. and Terr.	8,375	1.20	1.32	(12)

\*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.

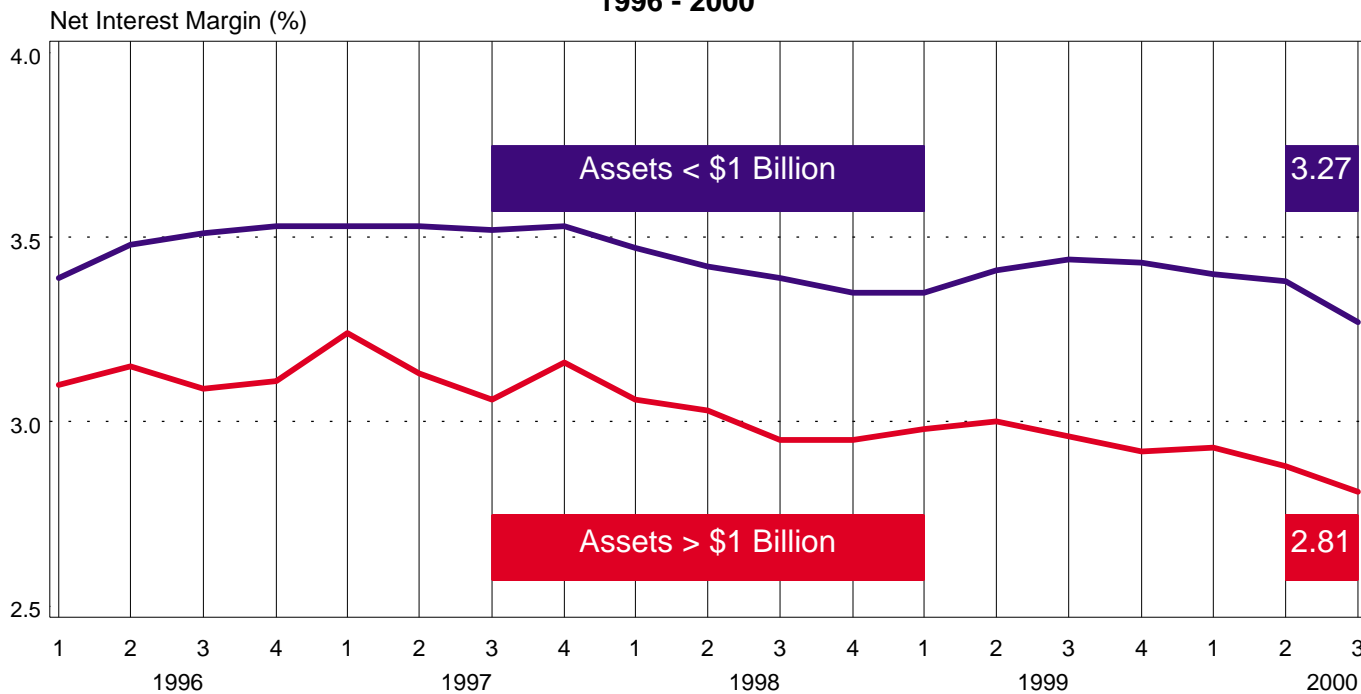
## Quarterly Net Income

1996 - 2000



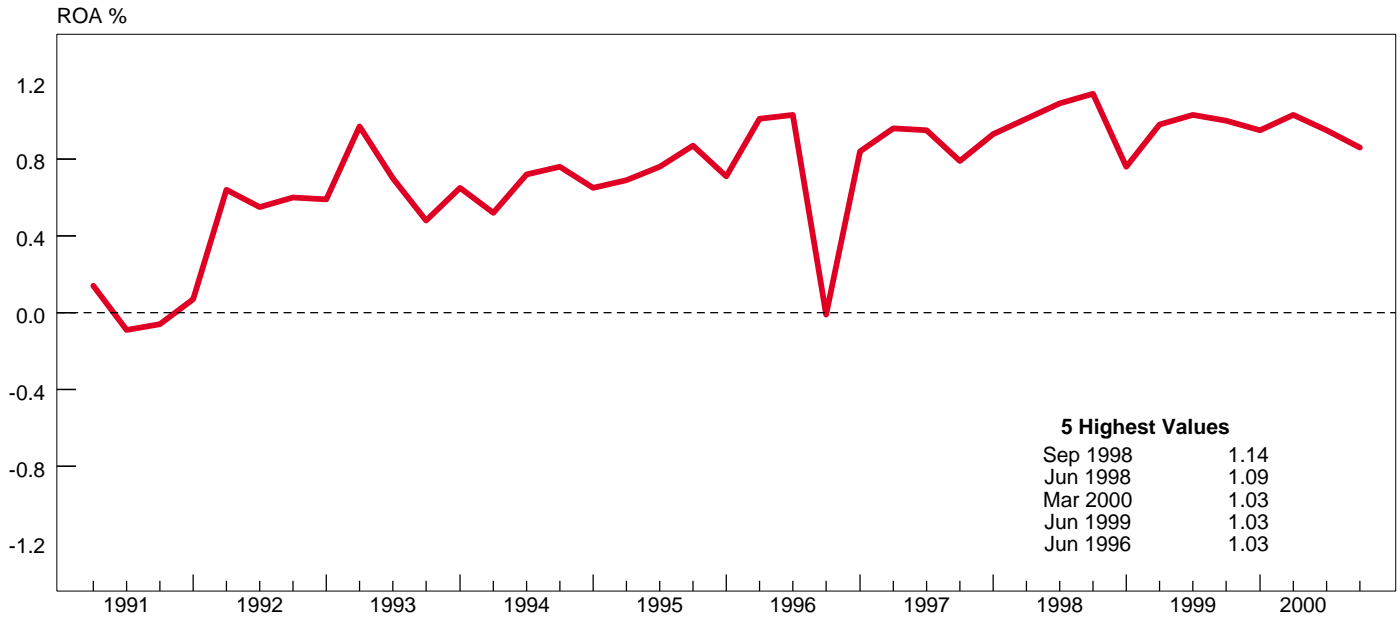
## Quarterly Net Interest Margins, Annualized

1996 - 2000



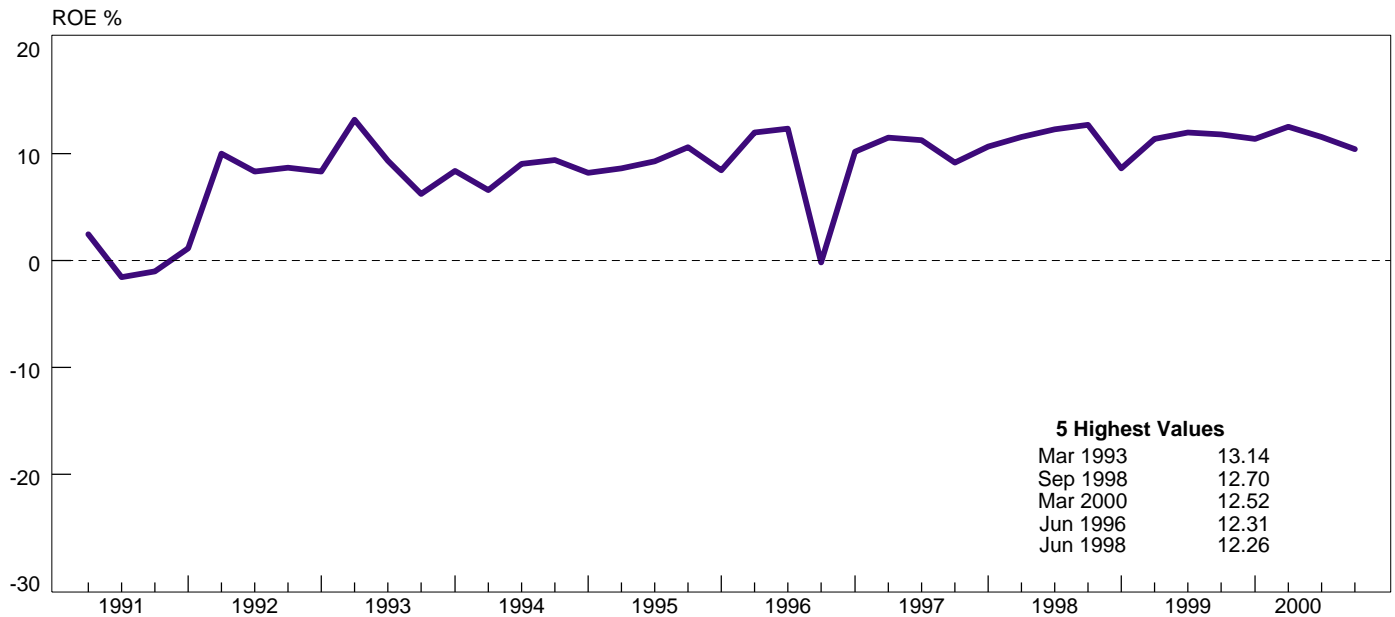
## Quarterly Return on Assets (ROA), Annualized

1991 - 2000



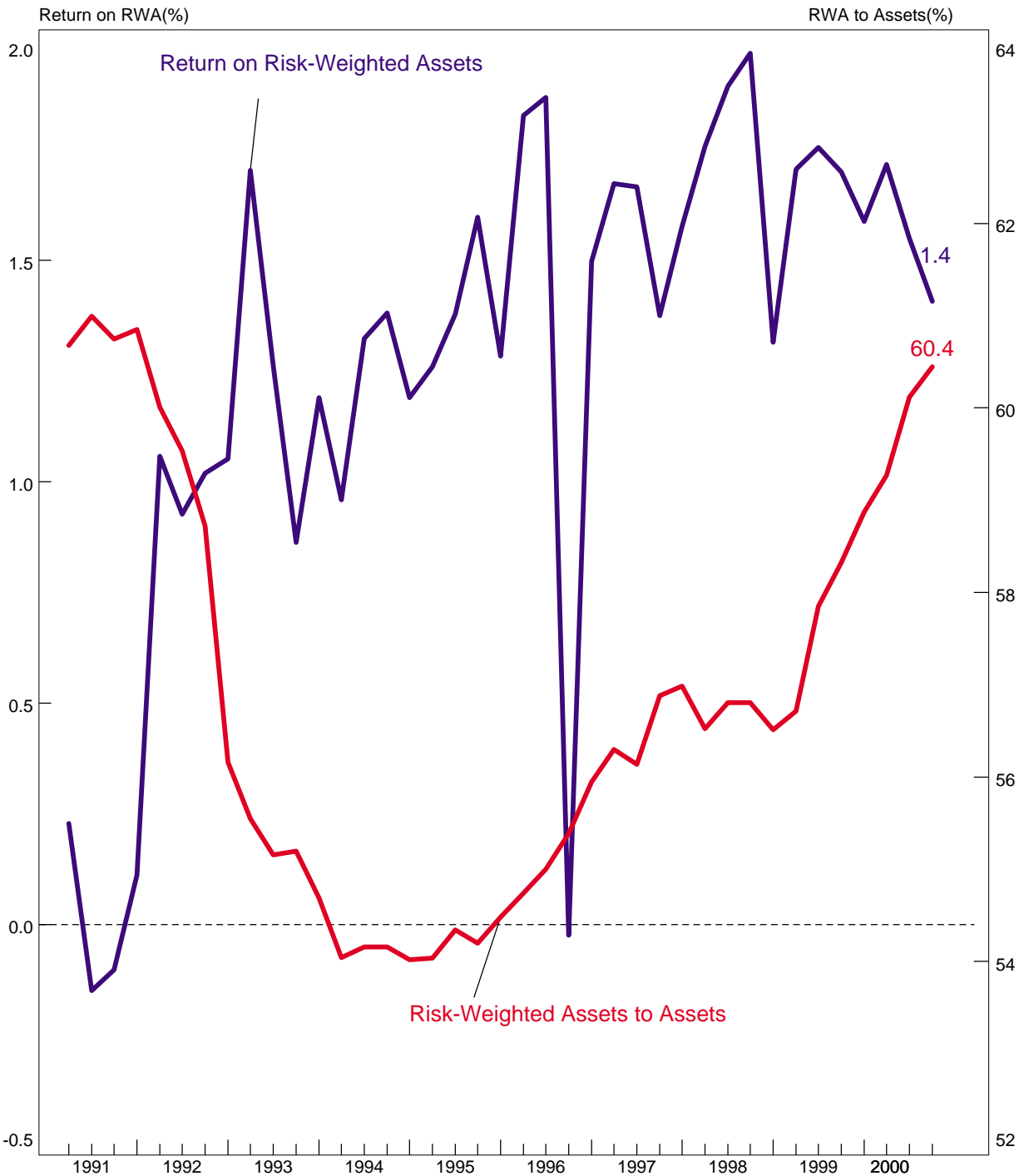
## Quarterly Return on Equity (ROE), Annualized

1991 - 2000





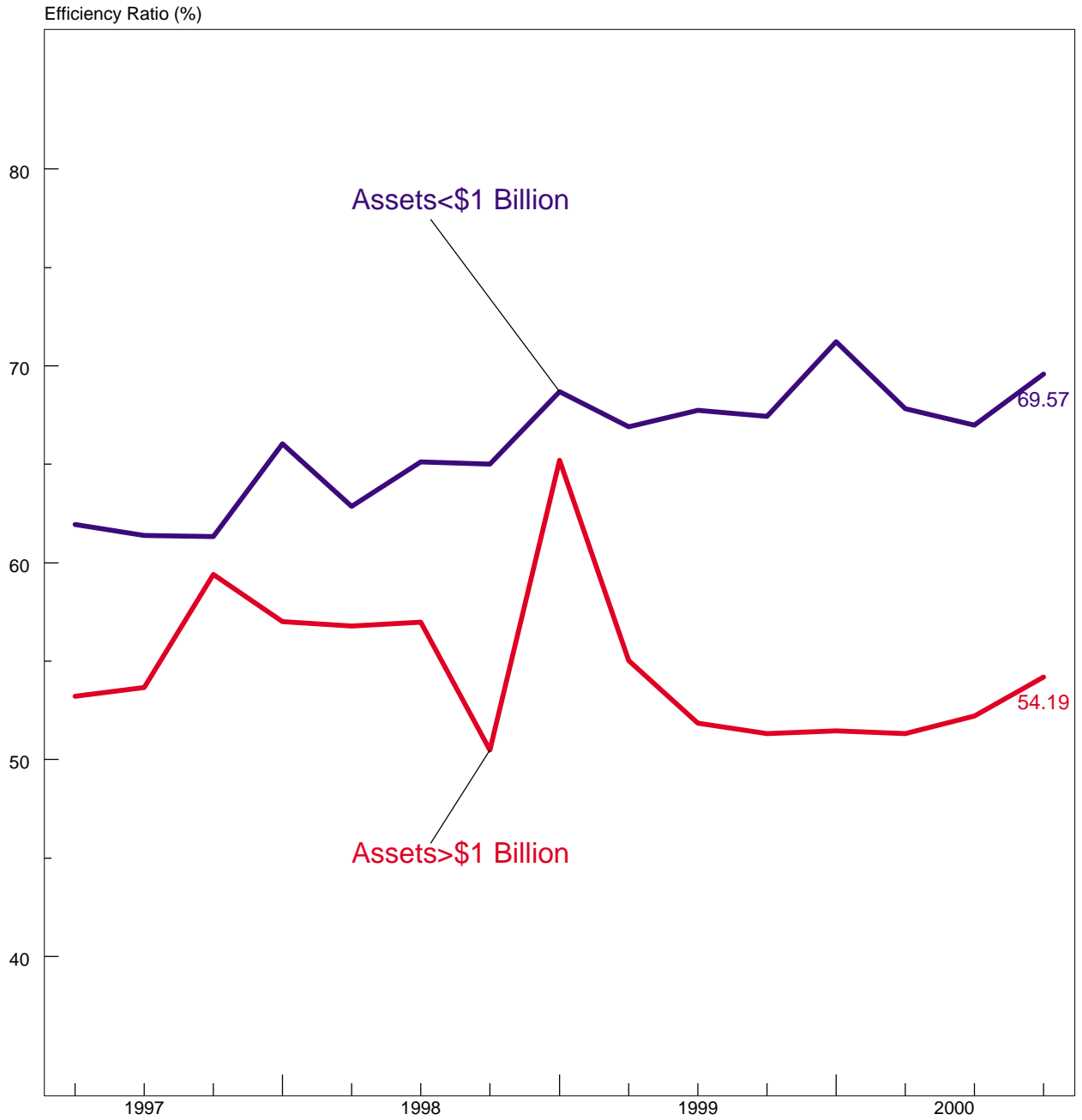
## Quarterly Return on Risk-Weighted Assets (RWA)\* and RWA to Total Assets 1991 - 2000



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

## Quarterly Efficiency Ratios\*

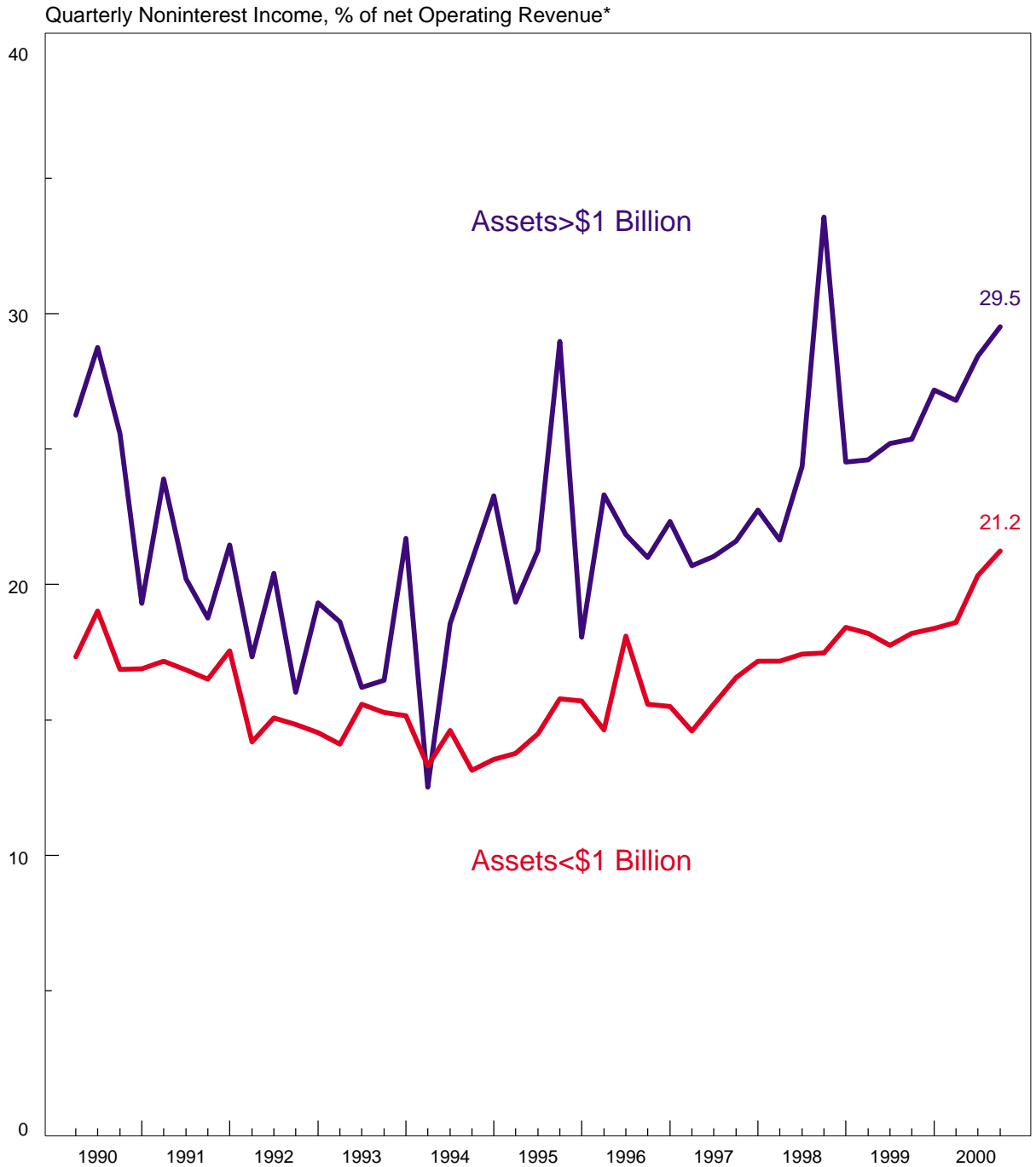
1997 - 2000



\* 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\*

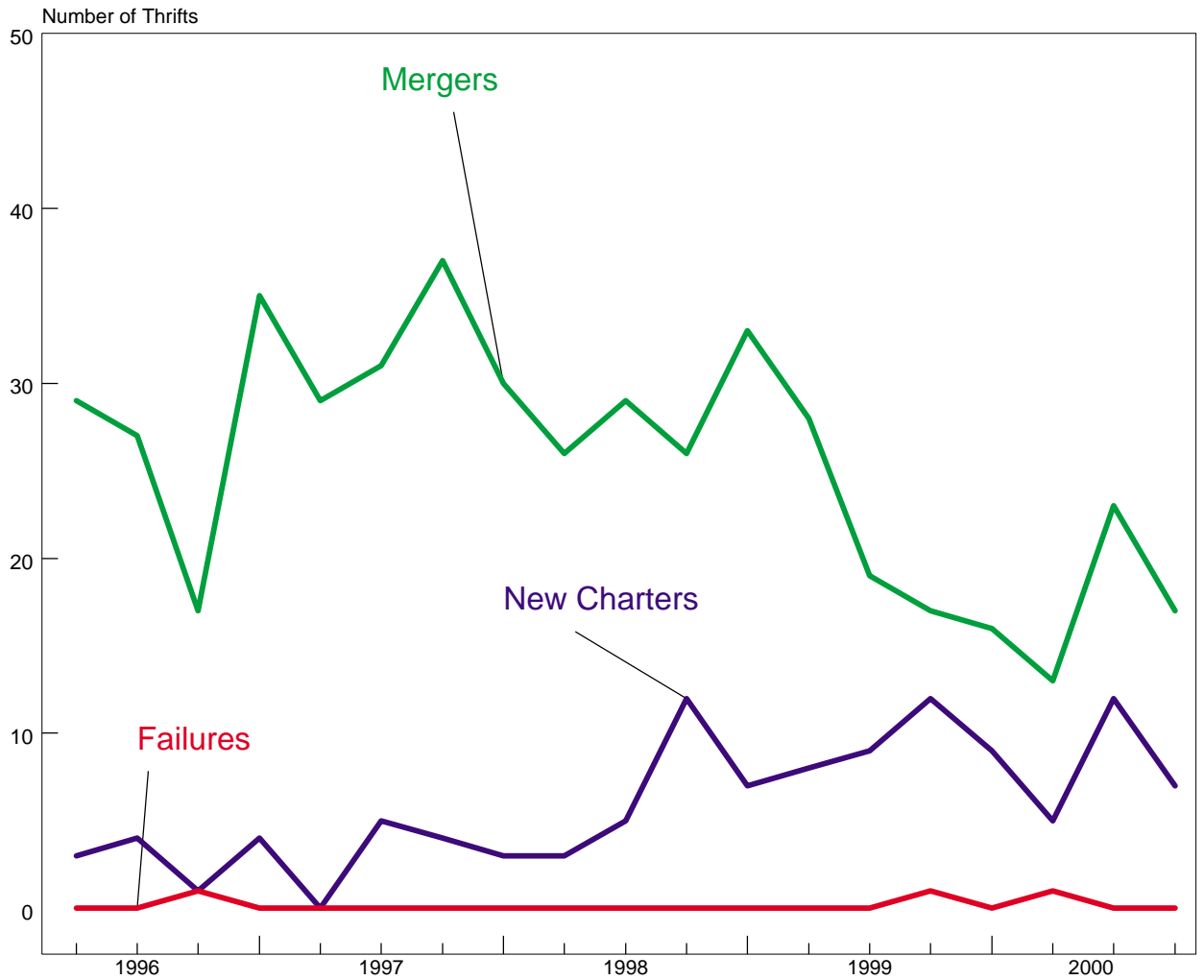
1990 - 2000



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

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

### Quarterly, 1996 - 2000

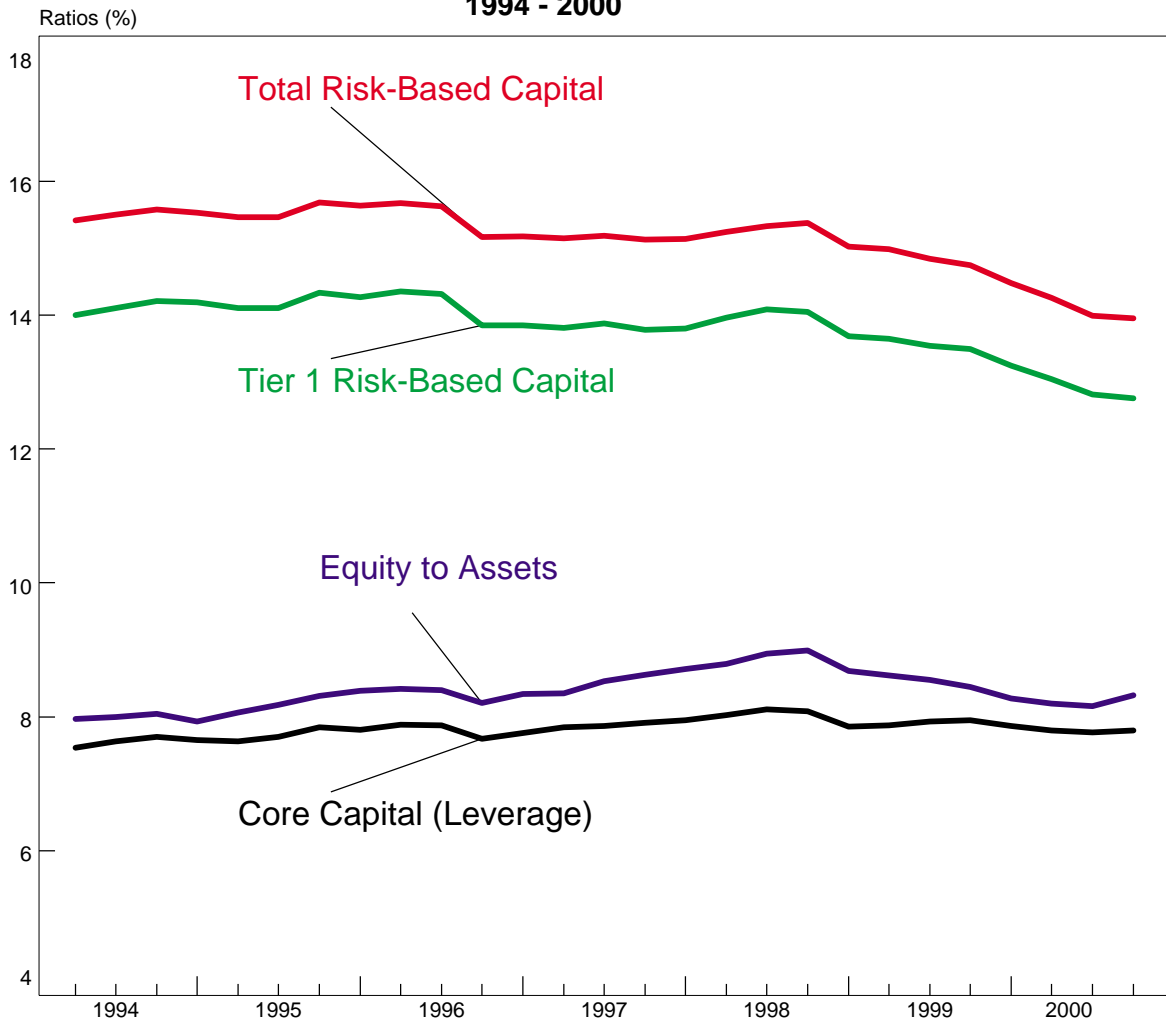


<b>New Charters</b>	3	4	1	4	0	5	4	3	3	5	12	7	8	9	12	9	5	12	7
<b>Mergers</b>	29	27	17	35	29	31	37	30	26	29	26	33	28	19	17	16	13	23	17
<b>Failures</b>	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0
Other Changes, Net*	1	-2	-1	-6	-9	-9	-6	-6	-1	-3	-2	2	-1	-5	2	-1	2	1	-1
No. of Thrifts at end of quarter	2,005	1,980	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	1,613
Net Change during quarter	-25	-25	-18	-37	-38	-35	-39	-33	-24	-27	-16	-24	-21	-15	-4	-8	-7	-10	-11

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

## Capital Ratios

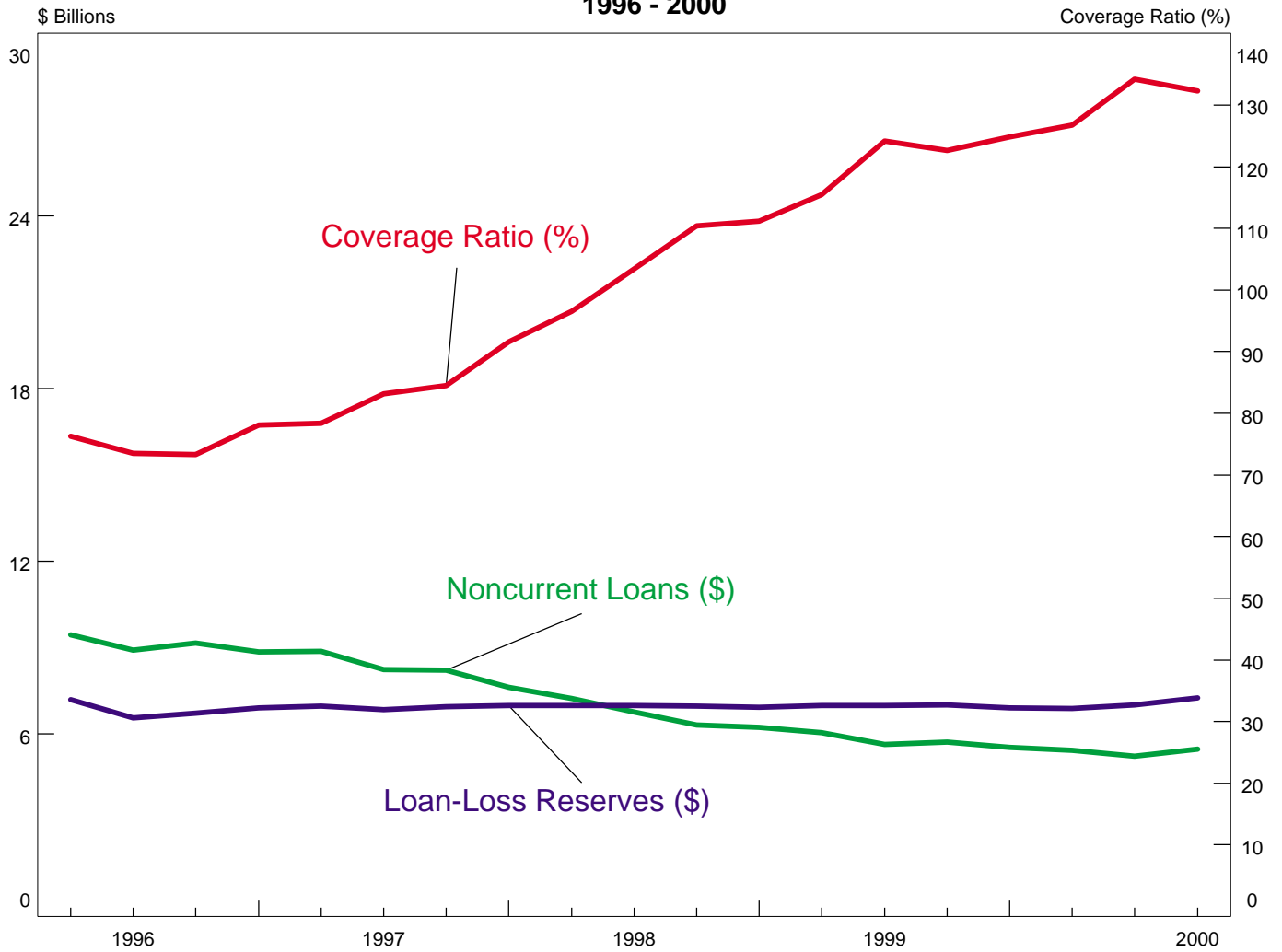
1994 - 2000



	12/94	12/95	12/96	12/97	12/98	12/99	9/00
<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>13.95</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>12.76</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>8.32</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>7.79</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 5.5

## 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 7.2

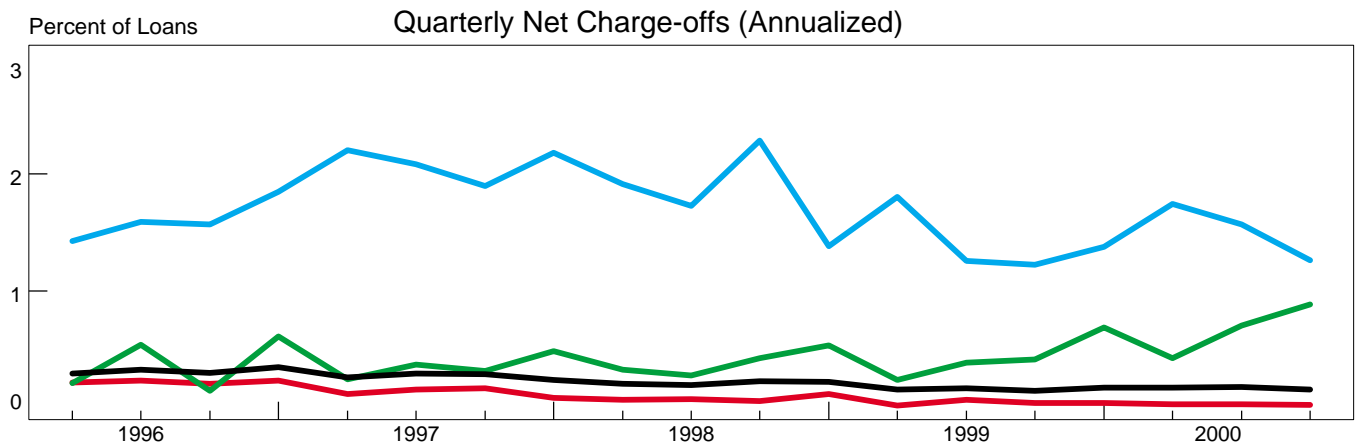
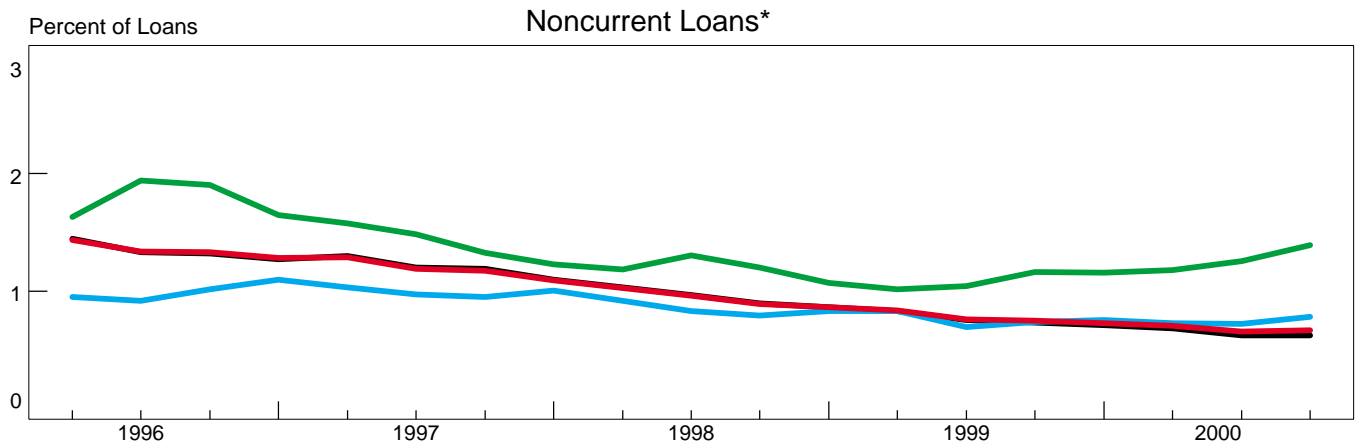
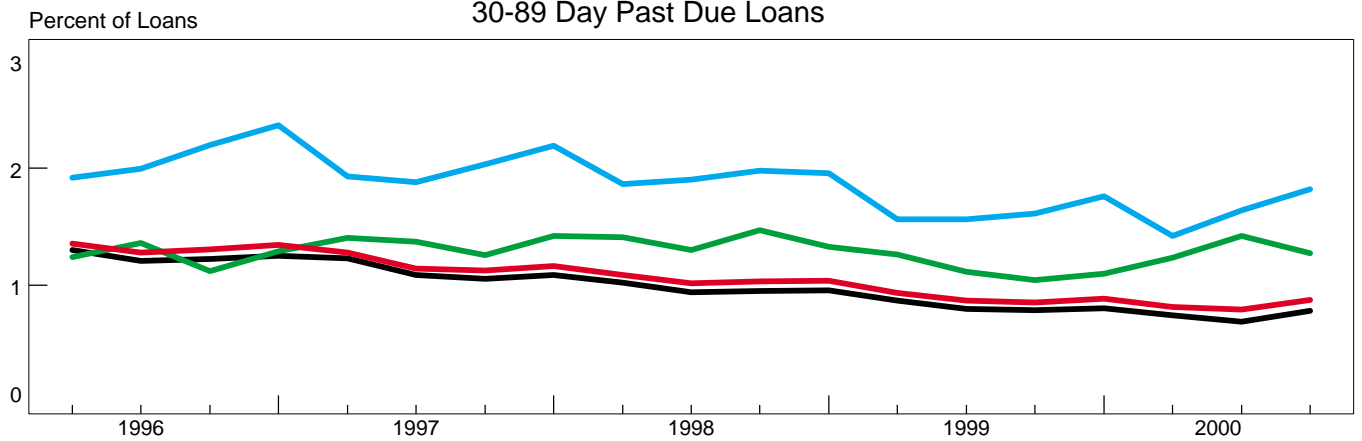
## Coverage Ratio (%)

76 74 73 78 78 83 84 92 97 103 110 111 115 124 123 125 127 134 132

\*Loan-loss reserves to noncurrent loans.

# Loan Quality

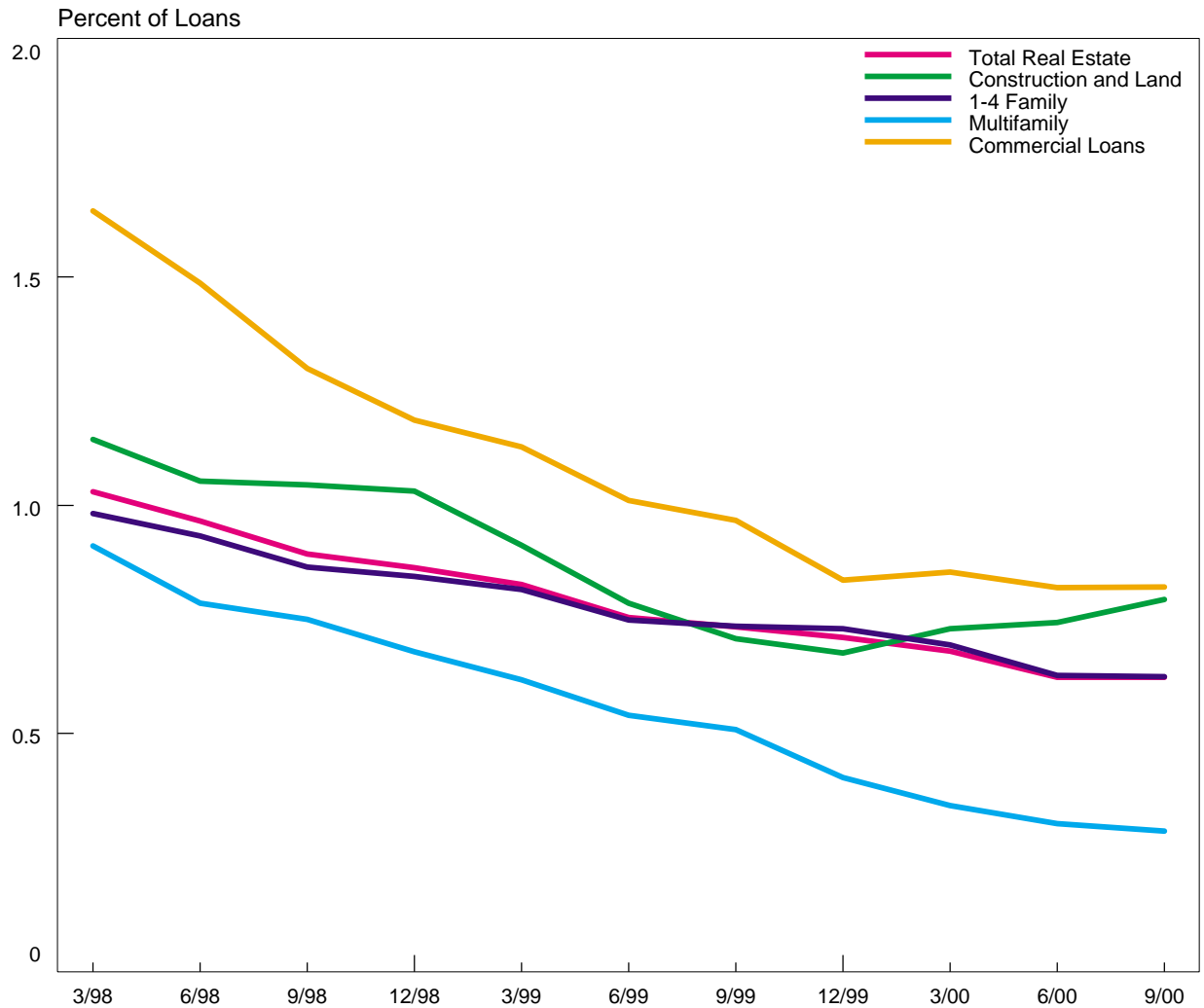
1996 - 2000



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

## Noncurrent Real Estate Loan Rates by Type\*

1998 - 2000



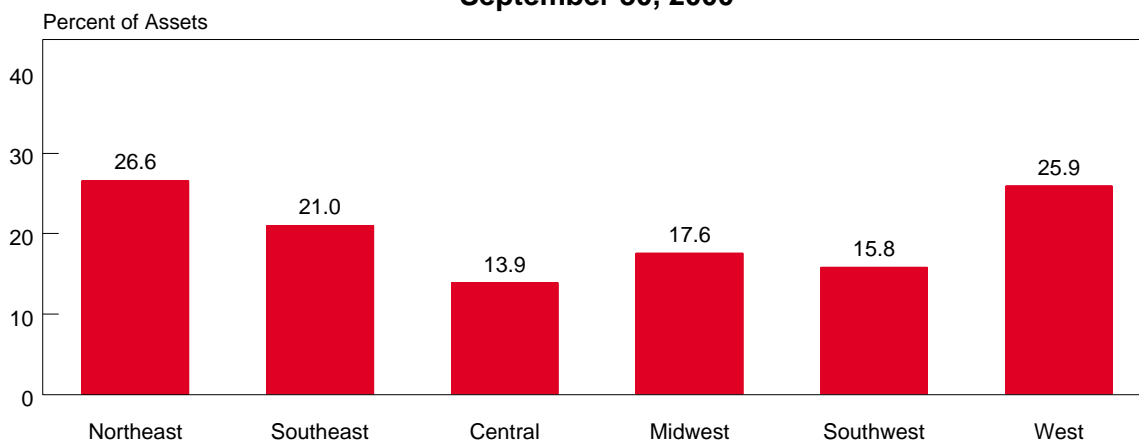
<b>Construction and Land</b>	<b>1.14</b>	<b>1.05</b>	<b>1.04</b>	<b>1.03</b>	<b>0.91</b>	<b>0.79</b>	<b>0.71</b>	<b>0.68</b>	<b>0.73</b>	<b>0.74</b>	<b>0.79</b>
<b>1-4 Family</b>	<b>0.98</b>	<b>0.93</b>	<b>0.86</b>	<b>0.84</b>	<b>0.82</b>	<b>0.75</b>	<b>0.73</b>	<b>0.73</b>	<b>0.69</b>	<b>0.63</b>	<b>0.62</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>0.29</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>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>	<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

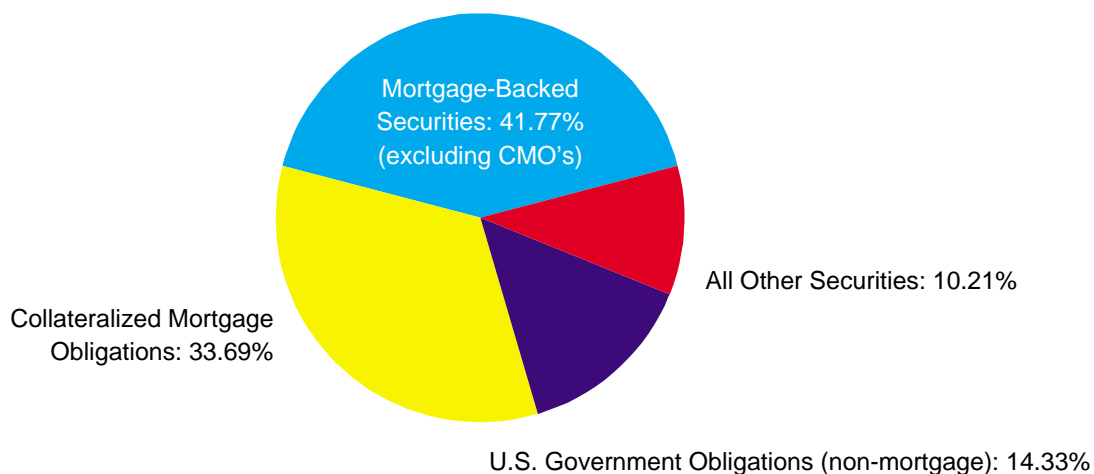
September 30, 2000



### Total Securities\* (\$ Billions)

	9/98	12/98	3/99	6/99	9/99	12/99	3/00	6/00	9/00
U.S. Government Obligations (non-mortgage)	\$39	\$37	\$40	\$41	\$42	\$41	\$41	\$40	\$40
Mortgage-Backed Securities (excluding CMO's)	119	119	125	125	123	122	117	116	116
Collateralized Mortgage Obligations	74	89	98	96	91	99	102	95	93
All Other Securities	<u>24</u>	<u>25</u>	<u>26</u>	<u>28</u>	<u>28</u>	<u>28</u>	<u>23</u>	<u>28</u>	<u>28</u>
<b>Total Securities</b>	<b>255</b>	<b>270</b>	<b>288</b>	<b>290</b>	<b>284</b>	<b>291</b>	<b>283</b>	<b>279</b>	<b>277</b>
Securities as a Percent of Assets	24.14%	24.76%	25.94%	25.78%	24.82%	25.37%	24.45%	23.64%	22.98%
Memoranda:									
Amortized Cost of Total Held-to-Maturity Sec.	94	90	92	94	89	95	93	95	94
Fair Value of Total Available-for-Sale Sec.	161	179	196	197	194	197	191	184	183

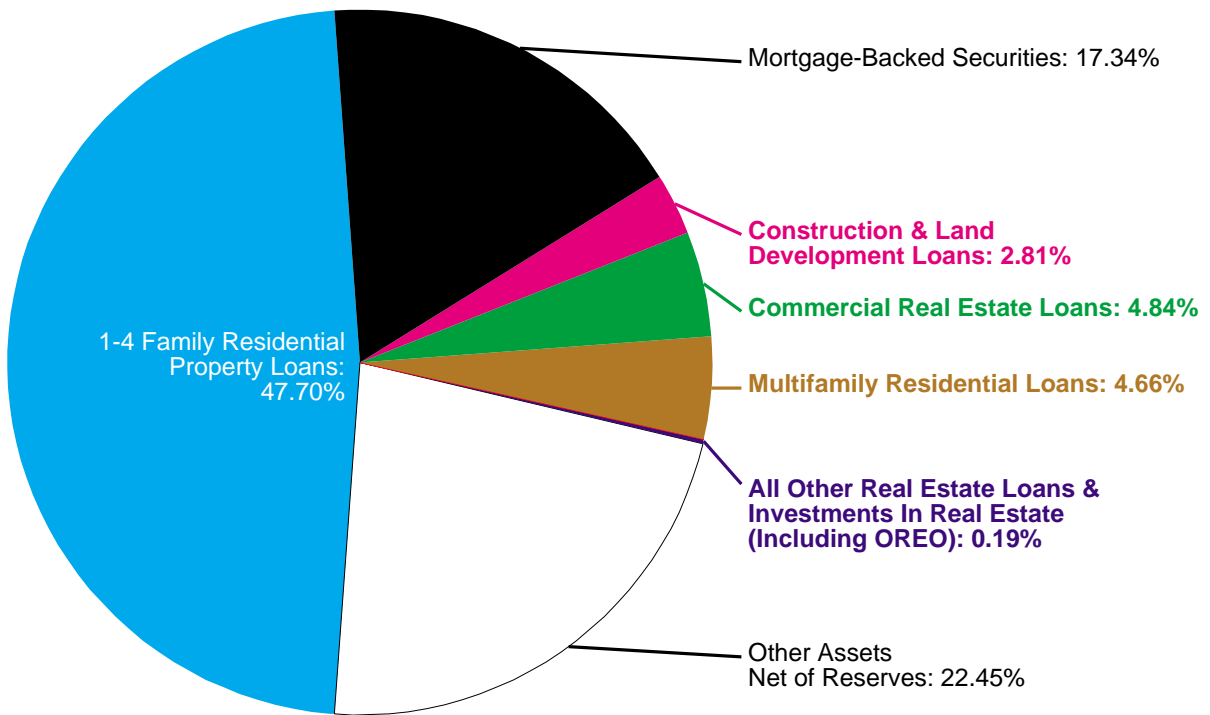
### Total Securities\* September 30, 2000



\*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".

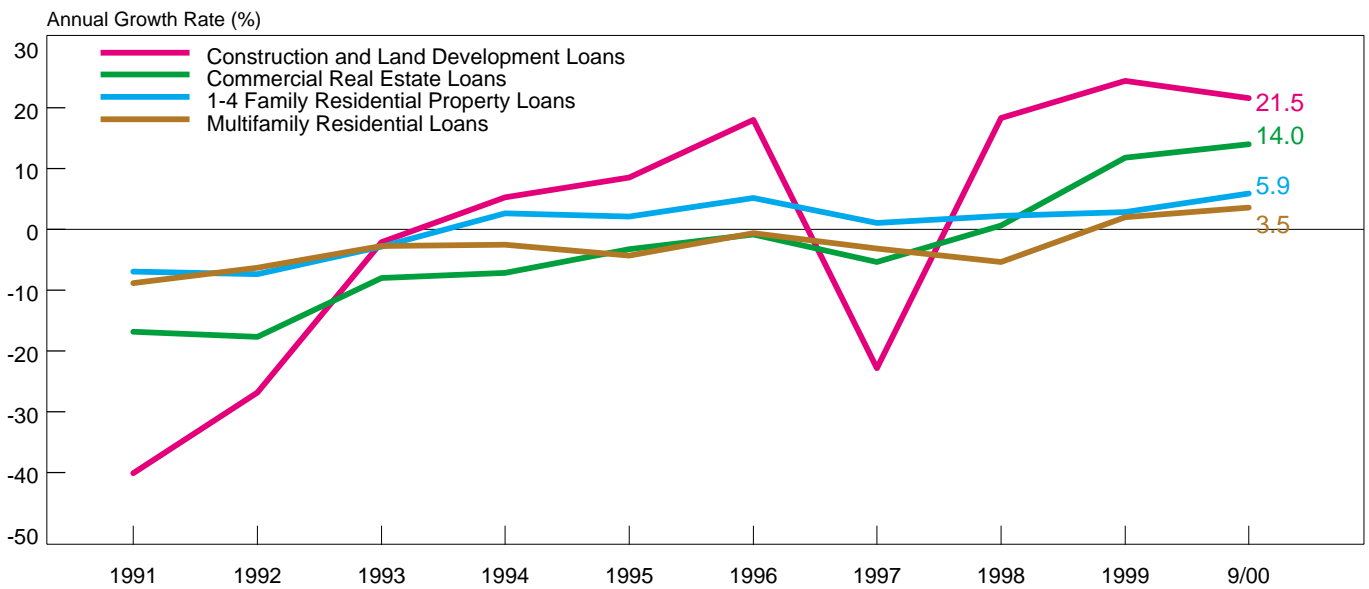
## Real Estate Assets as a Percent of Total Assets

September 30, 2000



## Real Estate Loan Growth Rates\*

1991 - 2000



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

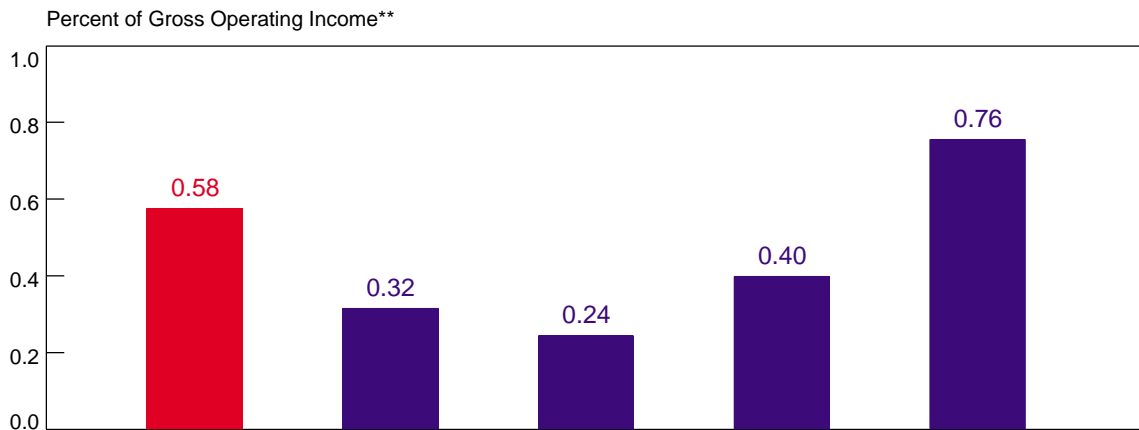
## Mutual Fund and Annuity Sales\*

1999 - 2000

Quarterly Sales (\$ Millions)	9/99	12/99	3/00	6/00	9/00
Money Market Funds	\$ 501	\$ 651	\$ 1,167	\$ 1,068	\$ 1,070
Debt Securities Funds	535	461	380	365	376
Equity Securities	631	572	575	538	488
Other Mutual Funds	335	348	455	329	266
Annuities	1,665	1,656	1,784	1,929	1,826
Proprietary Mutual Fund and Annuity Sales included above	700	895	1,171	978	960

\*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

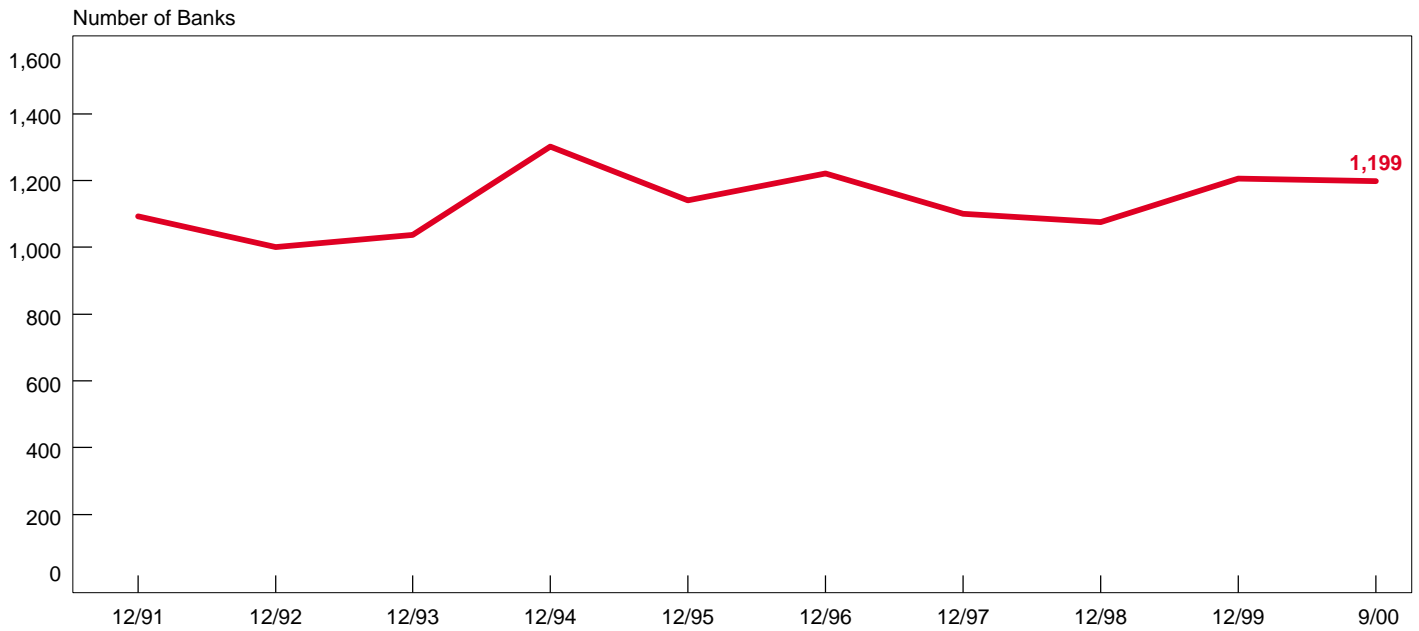


(\$ Millions)	All Institutions	Under \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$5 Billion	Over \$5 Billion
Mutual Fund and Annuity Fee Income	<b>\$408</b>	<b>\$7</b>	<b>\$35</b>	<b>\$52</b>	<b>\$315</b>
Gross Operating Income	<b>\$70,948</b>	<b>\$2,125</b>	<b>\$14,147</b>	<b>\$12,947</b>	<b>\$41,730</b>
Number of Institutions Reporting These Fees	<b>360</b>	<b>27</b>	<b>240</b>	<b>65</b>	<b>28</b>
Percent of Institutions Reporting These Fees	<b>22.3%</b>	<b>4.3%</b>	<b>28.8%</b>	<b>60.2%</b>	<b>73.7%</b>

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

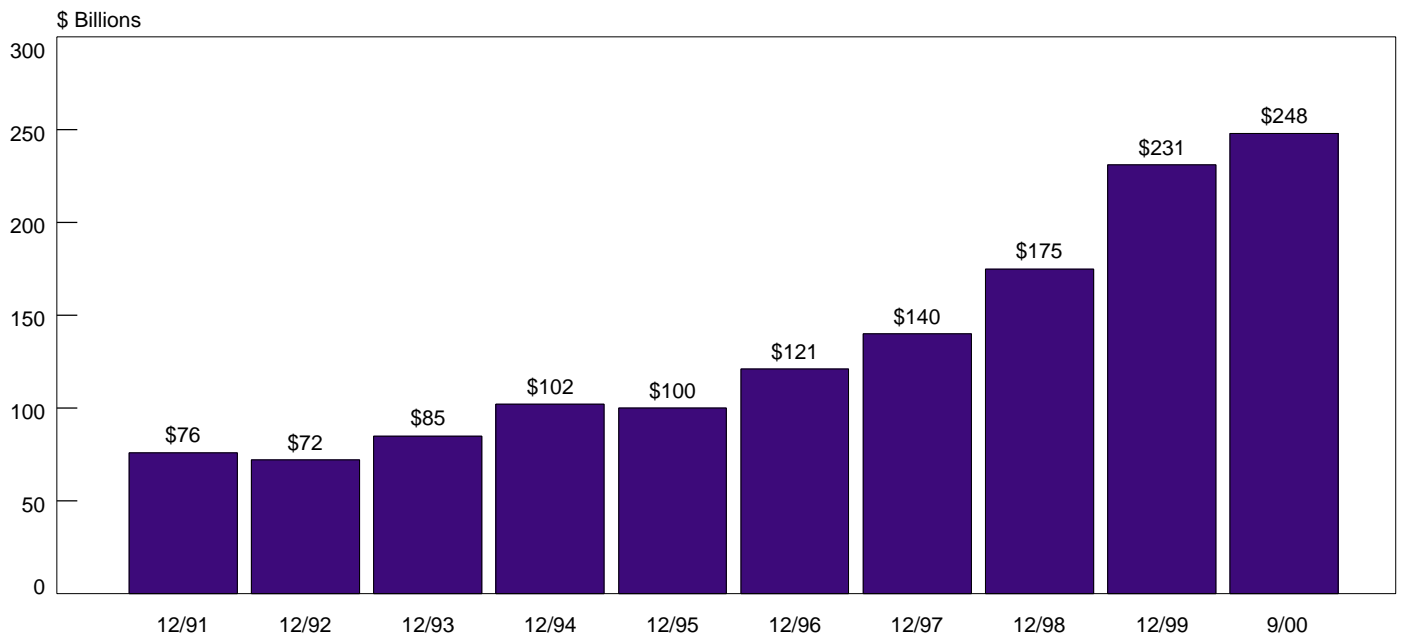
## Number of Savings Institutions with FHLB Advances\*

1991 - 2000



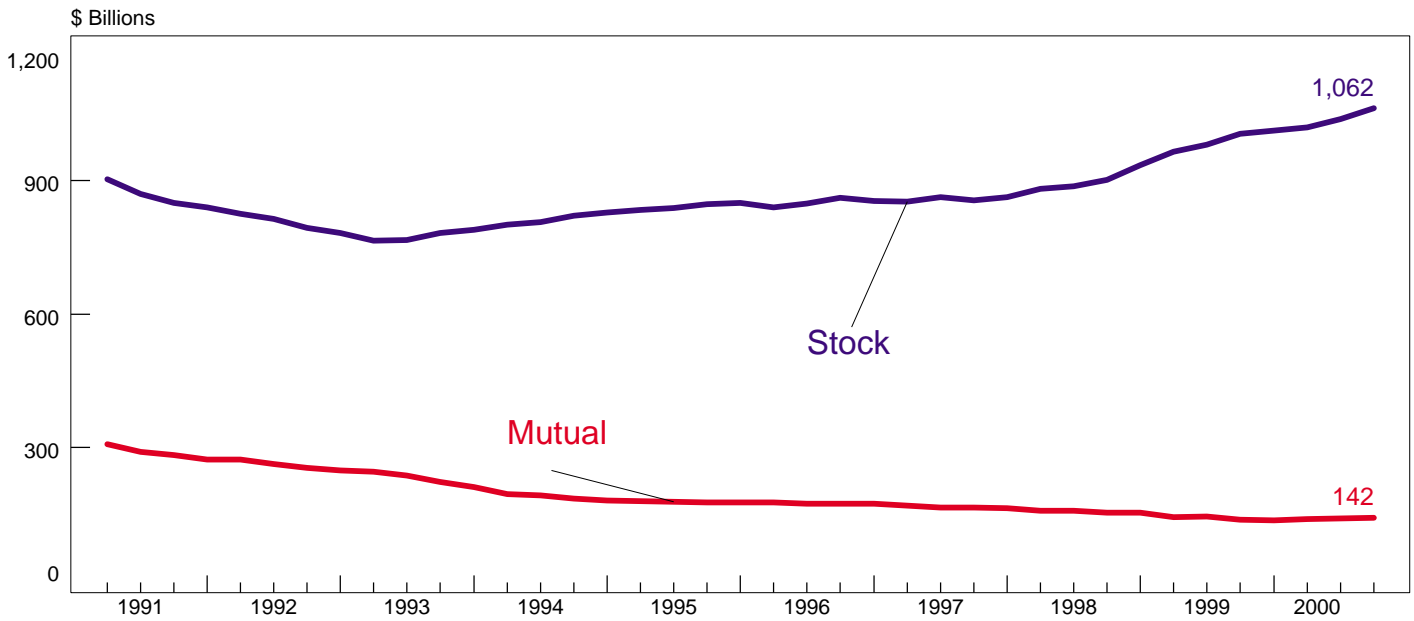
## Amount of FHLB Advances Outstanding\*

1991 - 2000

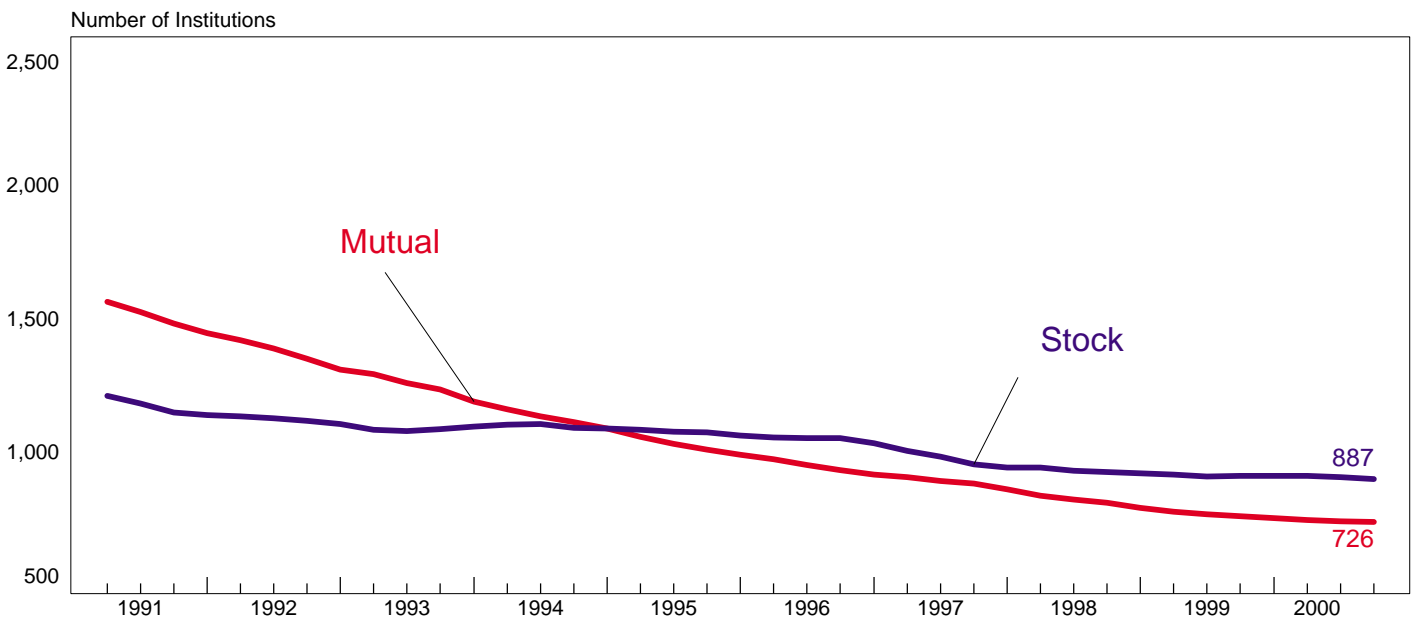


\* Source: FHFB

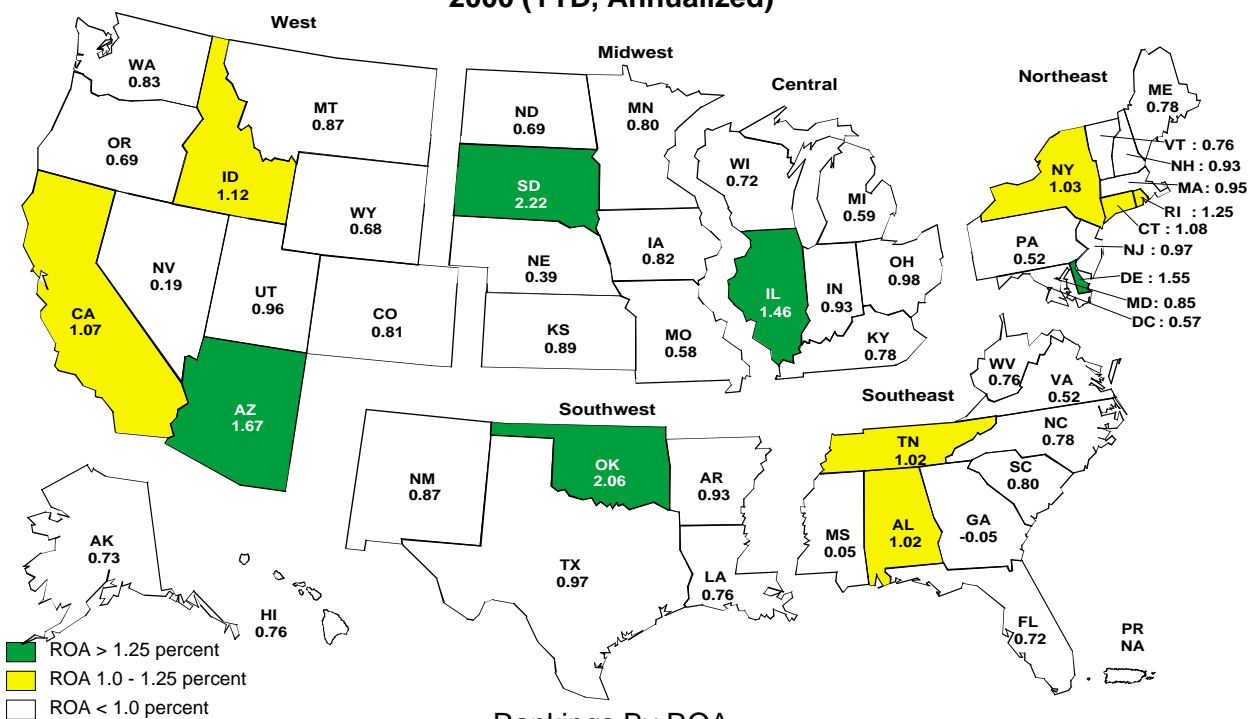
## Assets of Mutual and Stock Savings Institutions 1991 - 2000



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



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



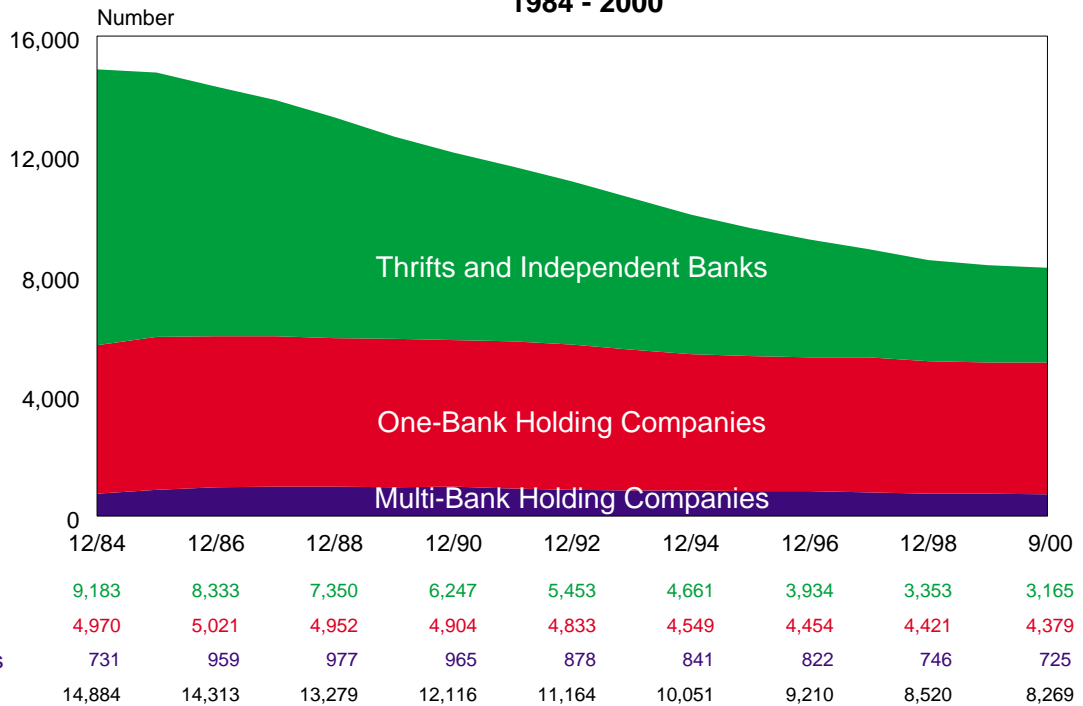
### Rankings By ROA

	No. of Inst. as of 9/30/00	YTD 2000	YTD 1999	Change*		No. of Inst. as of 9/30/00	YTD 2000	YTD 1999	Change*
1 South Dakota	4	2.22	1.07	115	28 Minnesota	21	0.80	0.69	11
2 Oklahoma	9	2.06	2.05	1	29 South Carolina	30	0.80	1.10	(30)
3 Arizona	4	1.67	1.21	46	30 Kentucky	34	0.78	1.00	(22)
4 Delaware	6	1.55	1.51	4	31 Maine	26	0.78	1.00	(22)
5 Illinois	117	1.46	1.36	10	32 North Carolina	44	0.78	0.88	(10)
6 Rhode Island	6	1.25	1.31	(6)	33 Hawaii	2	0.76	0.69	7
7 Idaho	2	1.12	0.95	17	34 Louisiana	33	0.76	0.83	(7)
8 Connecticut	48	1.08	1.08	0	35 Vermont	5	0.76	0.82	(6)
9 California	48	1.07	1.00	7	36 West Virginia	7	0.76	0.97	(21)
10 New York	84	1.03	1.07	(4)	37 Alaska	2	0.73	0.78	(5)
11 Alabama	12	1.02	0.90	12	38 Florida	45	0.72	0.75	(3)
12 Tennessee	25	1.02	1.13	(11)	39 Wisconsin	39	0.72	0.77	(5)
13 Ohio	131	0.98	1.11	(13)	40 North Dakota	4	0.69	0.89	(20)
14 New Jersey	71	0.97	1.04	(7)	41 Oregon	5	0.69	0.60	9
15 Texas	49	0.97	1.10	(13)	42 Wyoming	4	0.68	0.88	(20)
16 Utah	5	0.96	4.23	(327)	43 Michigan	24	0.59	0.62	(3)
17 Massachusetts	186	0.95	0.93	2	44 Missouri	40	0.58	0.67	(9)
18 Arkansas	10	0.93	0.94	(1)	45 District of Col.	1	0.57	0.46	11
19 Indiana	68	0.93	0.93	0	46 Pennsylvania	119	0.52	0.88	(36)
20 New Hampshire	19	0.93	1.09	(16)	47 Virginia	19	0.52	0.76	(24)
21 Kansas	17	0.89	0.98	(9)	48 Nebraska	15	0.39	0.79	(40)
22 Montana	5	0.87	0.82	5	49 Nevada	2	0.19	0.26	(7)
23 New Mexico	10	0.87	1.27	(40)	50 Mississippi	8	0.05	0.72	(67)
24 Maryland	64	0.85	0.91	(6)	51 Georgia	24	(0.05)	0.74	(79)
25 Washington	23	0.83	1.16	(33)	52 Puerto Rico	0	NA	NA	NM
26 Iowa	25	0.82	0.82	0					
27 Colorado	10	0.81	1.18	(37)	U.S. and Terr.	1,613	0.94	1.01	(7)

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

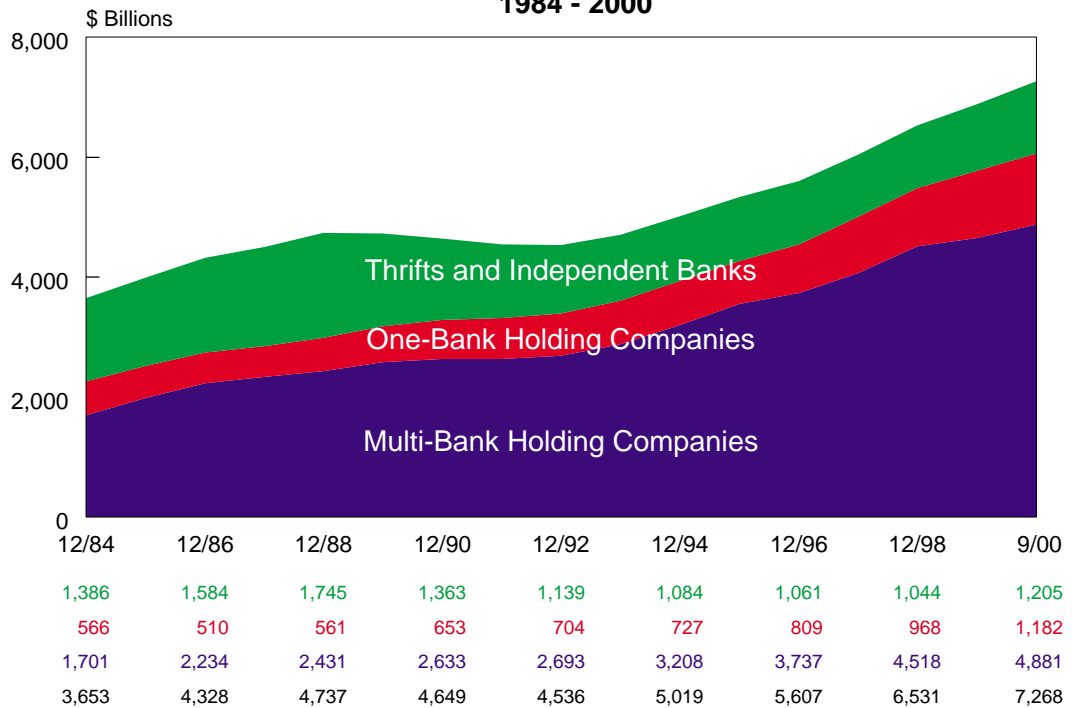
## Number of FDIC-Insured Banking Organizations

1984 - 2000



## Assets of FDIC-Insured Banking Organizations

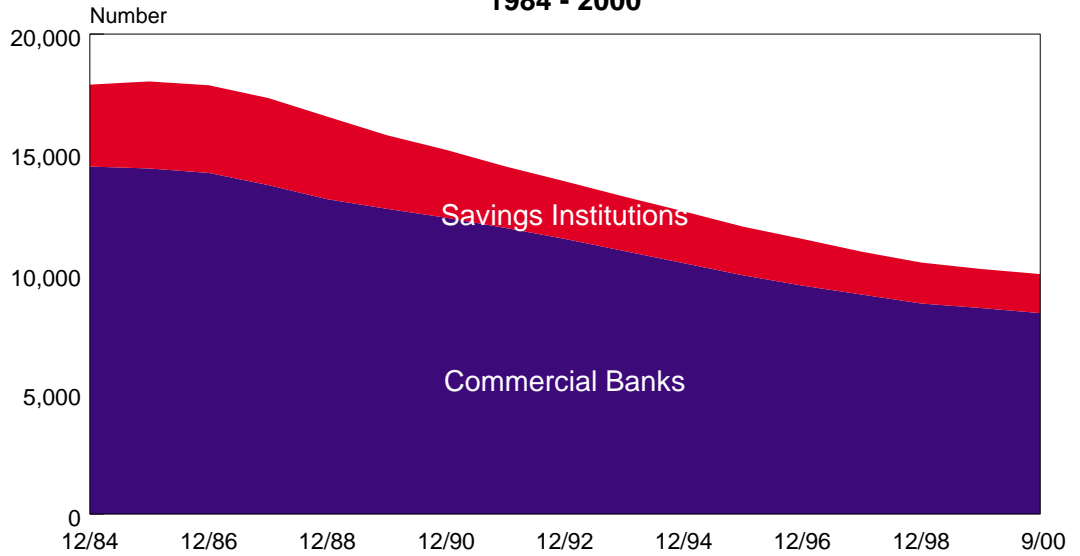
1984 - 2000



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

## Number of FDIC-Insured Institutions

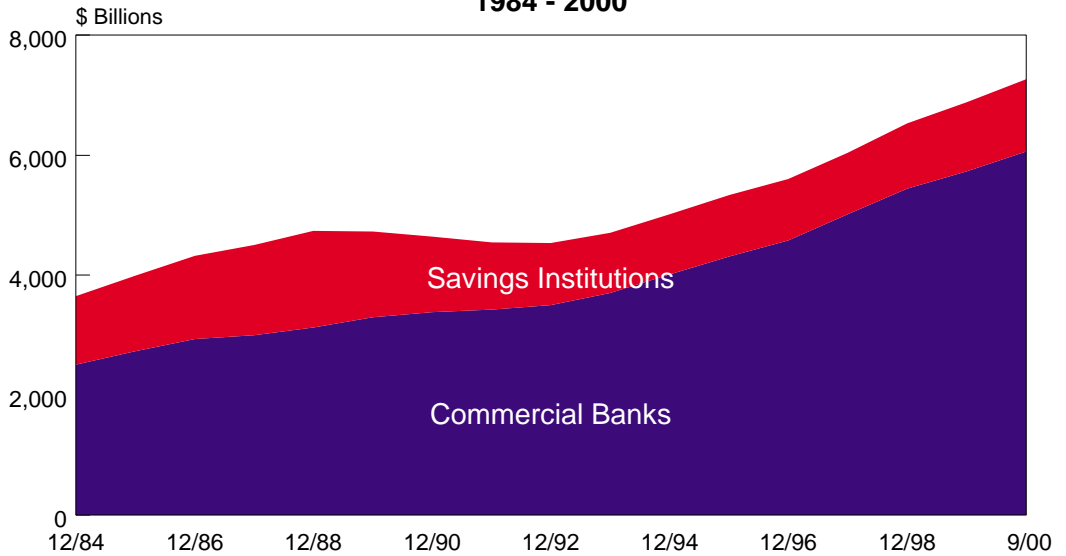
1984 - 2000



Savings Institutions	3,418	3,677	3,438	2,815	2,390	2,152	1,926	1,689	1,613
Commercial Banks	14,482	14,199	13,123	12,343	11,462	10,451	9,527	8,774	8,375
Total	17,900	17,876	16,561	15,158	13,852	12,603	11,453	10,463	9,988

## Assets of FDIC-Insured Institutions

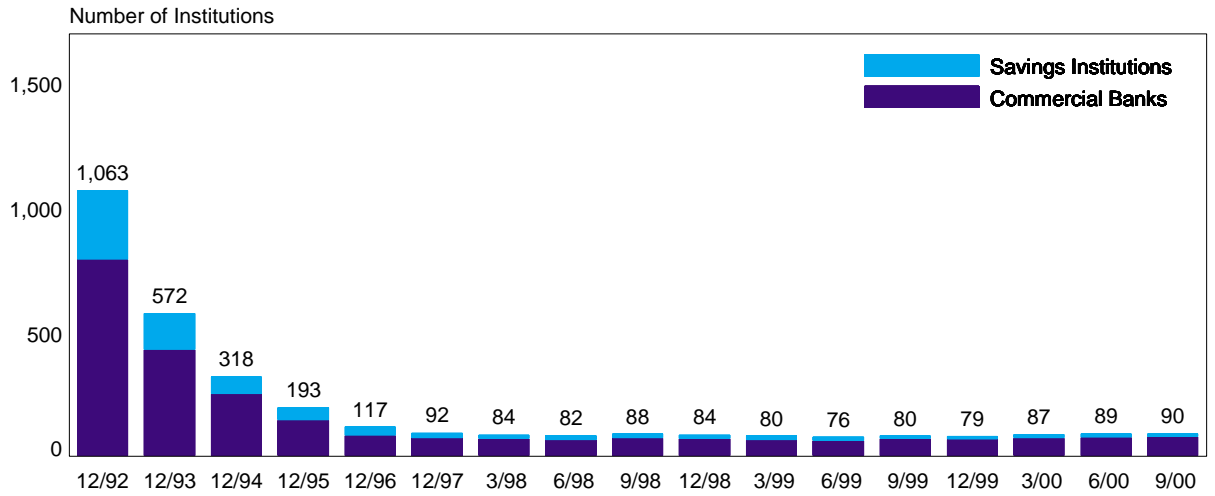
1984 - 2000



Savings Institutions	1,144	1,387	1,606	1,259	1,030	1,009	1,029	1,088	1,204
Commercial Banks	2,509	2,941	3,131	3,389	3,506	4,011	4,578	5,443	6,064
Total	3,653	4,328	4,737	4,649	4,536	5,019	5,607	6,531	7,268

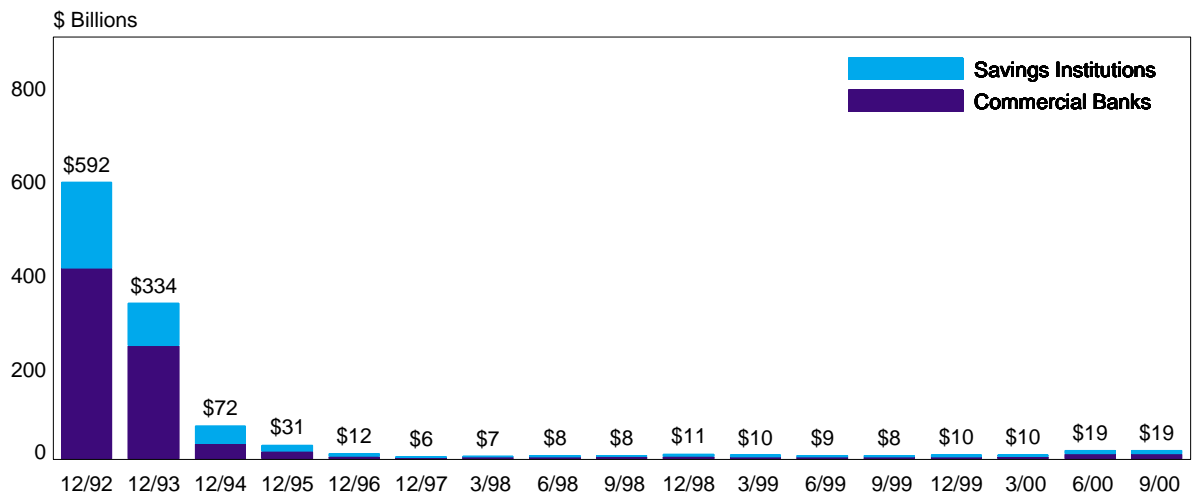


## Number of FDIC-Insured "Problem" Institutions 1992 - 2000



Savings Institutions	276	146	71	49	35	21	16	18	18	15	16	14	11	13	15	16	15
Commercial Banks	787	426	247	144	82	71	68	64	70	69	64	62	69	66	72	73	75

## 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	7
Commercial Banks	408	242	33	17	5	5	5	5	5	5	5	5	4	4	5	11	12

## Capital Category Distribution

September 30, 2000

### BIF-Member Institutions

	Institutions		Assets	
	Number of	Percent of Total	In Billions	Percent of Total
Well Capitalized	8,427	97.7%	\$6,264.5	99.1%
Adequately Capitalized	193	2.2%	\$54.5	0.9%
Undercapitalized	6	0.1%	\$1.0	0.0%
Significantly Undercapitalized	2	0.0%	\$0.0	0.0%
Critically Undercapitalized	1	0.0%	\$0.0	0.0%

### SAIF-Member Institutions

	Institutions		Assets	
	Number of	Percent of Total	In Billions	Percent of Total
Well Capitalized	1,323	97.4%	\$934.6	98.6%
Adequately Capitalized	33	2.4%	\$13.2	1.4%
Undercapitalized	2	0.1%	\$0.5	0.1%
Significantly Undercapitalized	1	0.1%	\$0.0	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.

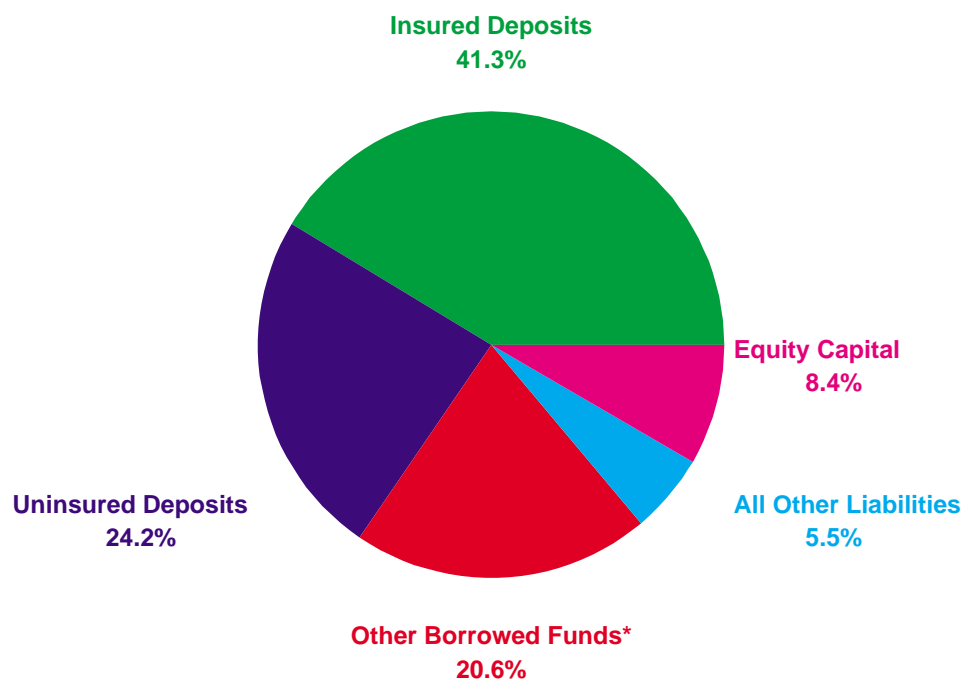
### Capital Category Definitions

	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



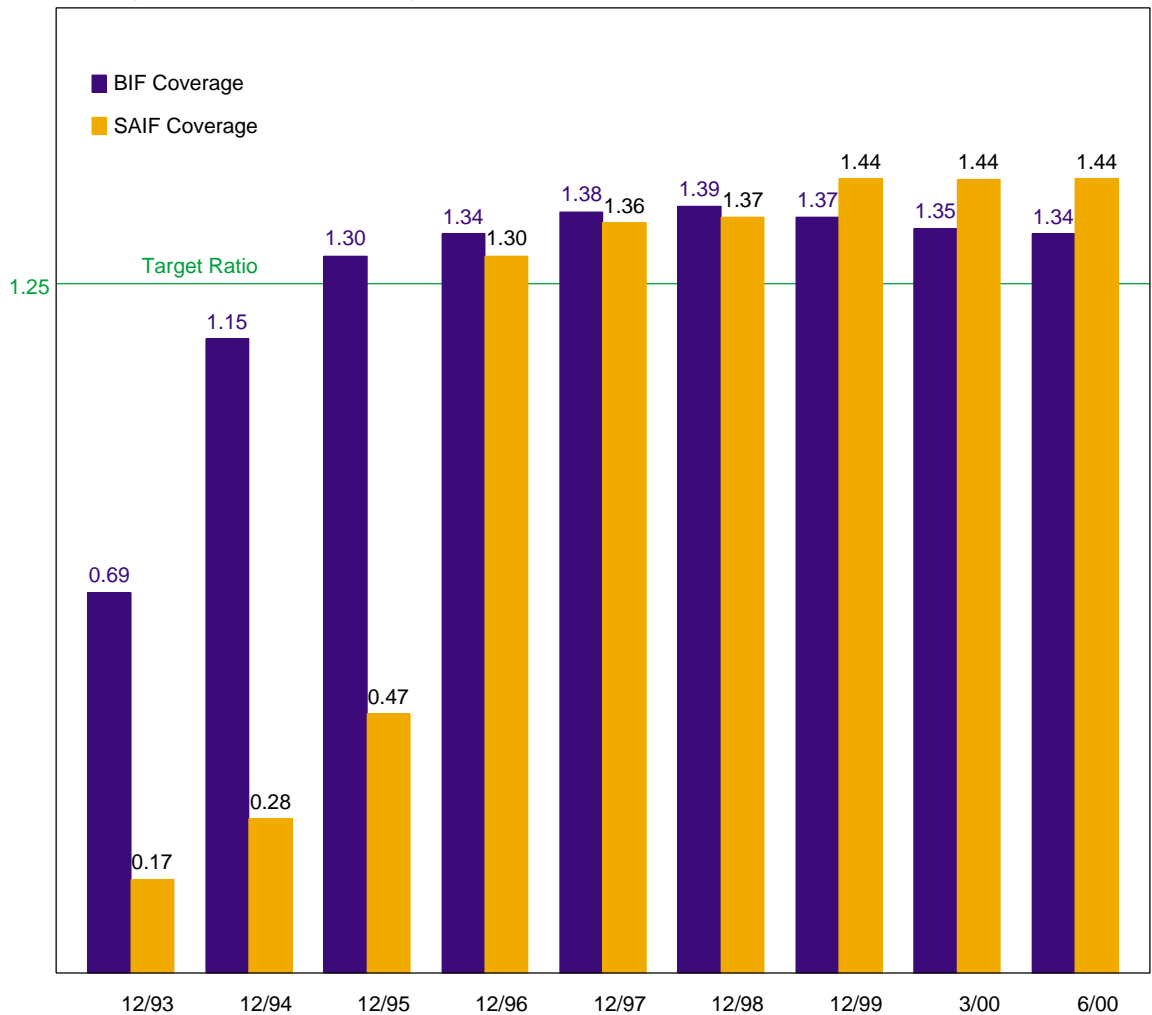
(\$ Billions)	9/30/99	9/30/00	% Change
<b>Insured Deposits (estimated)</b>	<b>2,839</b>	<b>3,026</b>	<b>6.6</b>
BIF - Insured	2,132	**	**
SAIF - Insured	708	**	**
<b>Uninsured Deposits</b>	<b>1,566</b>	<b>1,723</b>	<b>10.0</b>
In Foreign Offices	603	694	15.1
<b>Other Borrowed Funds*</b>	<b>1,303</b>	<b>1,482</b>	<b>13.7</b>
<b>All Other Liabilities</b>	<b>382</b>	<b>416</b>	<b>8.9</b>
Subordinated Debt	79	87	10.1
<b>Equity Capital</b>	<b>565</b>	<b>621</b>	<b>9.9</b>
<b>Total Liabilities and Equity Capital</b>	<b>6,656</b>	<b>7,268</b>	<b>9.2</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

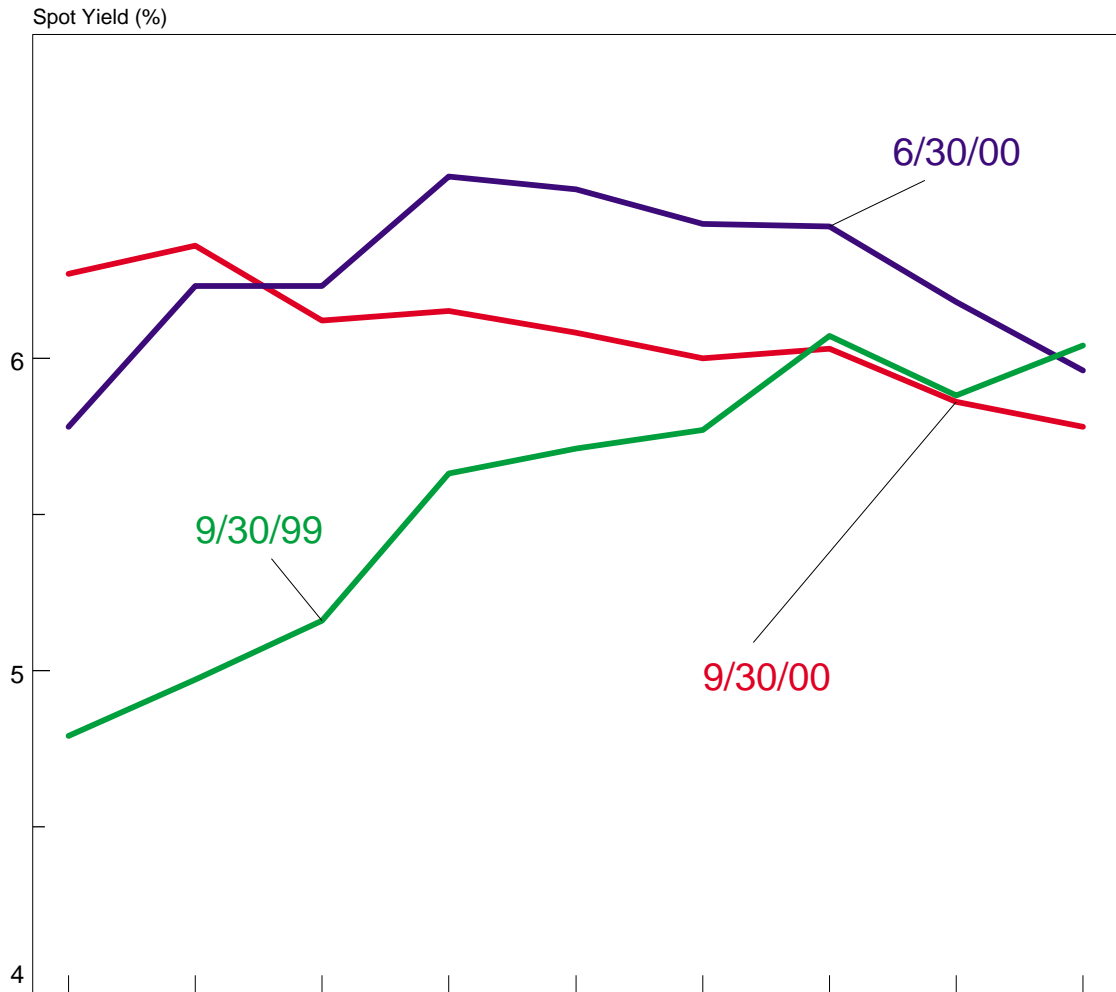
SAIF

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

September 30, 1999 - September 30, 2000



Maturity	3-Month	6-Month	1 Year	2 Year	3 Year	5 Year	7 Year	10 Year	30 Year
9/30/00	6.27	6.36	6.12	6.15	6.08	6.00	6.03	5.86	5.78
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

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