The FDIC Quarterly Banking Profile

Donna Tanoue, Chairman

First Quarter 2000

COMMERCIAL BANKING PERFORMANCE — FIRST QUARTER 2000

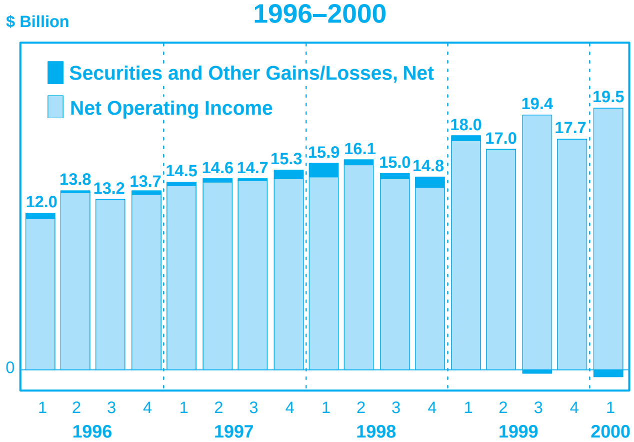
- ***Industry Earnings Surpass $19.5 Billion***
- ***Commercial Loan Charge-Offs And Delinquencies Rise***
- ***Commercial Real Estate Lending Accelerates***
- ***"Problem" Banks Rise To Highest Level In 11 Quarters***

A strong economy and significant market-related gains helped propel commercial bank earnings to a new record in the first quarter of 2000. However, changes in the composition of banks' assets, liabilities and revenues may leave them more vulnerable to changes in the economy. Insured commercial banks reported $19.5 billion in net income for the quarter, an increase of $1.6 billion (8.8 percent) over the first quarter of 1999. Industry earnings were $125 million above the previous quarterly record, set in the third quarter of 1999. The average return on assets (ROA) rose to 1.35 percent from 1.32 percent a year ago. Almost two-thirds (61.8 percent) of all commercial banks recorded an ROA of 1 percent or more in the first quarter, while 59.0 percent had a higher ROA than in the first quarter of 1999.

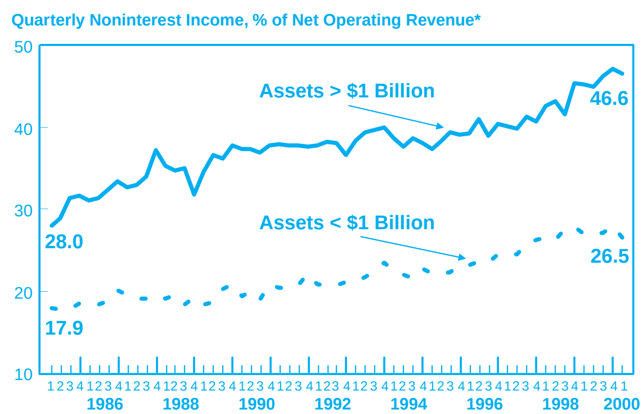
While average profitability increased for the entire industry, the frequency of improvement was greatest among smaller banks. Almost 60 percent — 59.5 percent — of all commercial banks with less than $1 billion in assets had higher ROAs than a year ago, while only 49.6 percent of banks with assets of $1 billion or more showed an increase. The average ROA at banks with less than $1 billion in assets rose to 1.29 percent from 1.25 percent a year ago. The improvement in average profitability reflected a higher proportion of banks operating as Subchapter S corporations (see *Notes to Users*, p. 21). Strong growth in noninterest income, especially at large banks, continues to make the greatest contribution to the improvement in industry earnings. First-quarter earnings also benefited from relatively slow growth in noninterest expenses, due in part to the absence of the large charges related to mergers and restructurings that have characterized many past quarters. Growth in loan-loss provisions was moderate.

Noninterest income of $38.4 billion was $3.7 billion (10.6 percent) higher than a year ago. All cat-

QUARTERLY NET INCOME, 1996–2000



NONINTEREST INCOME AS A PERCENTAGE OF NET OPERATING REVENUE,* 1985–2000



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

FDIC

Division of Research & Statistics

Don Inscoe
Associate Director
Statistics Branch
(202) 898-3940

Tim Critchfield
(202) 898-8557

Jim McFadyen
(202) 898-7027

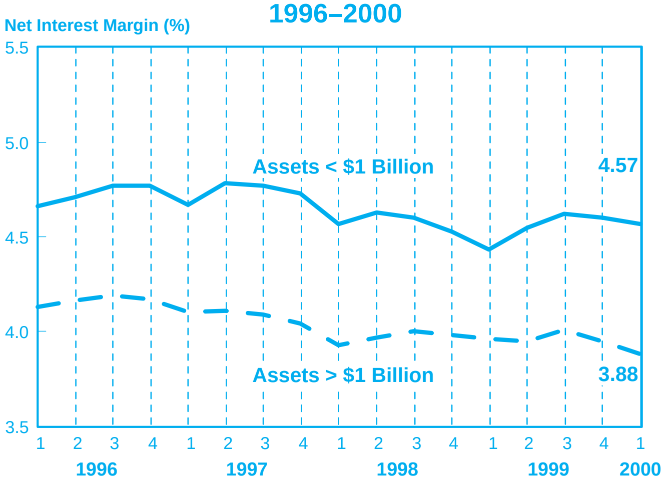
Ross Waldrop
(202) 898-3951

Requests for copies of and subscriptions to the FDIC Quarterly Banking Profile should be made through the FDIC's Public Information Center, 801 17th Street, NW, Washington, DC 20434; telephone (202) 416-6940 or (800) 276-6003; or Email: publicinfo@fdic.gov.

Also available on the Internet at www.fdic.gov. Comparable financial data for individual institutions can now be obtained from the FDIC's Institution Directory (I.D.) System on this Web site.

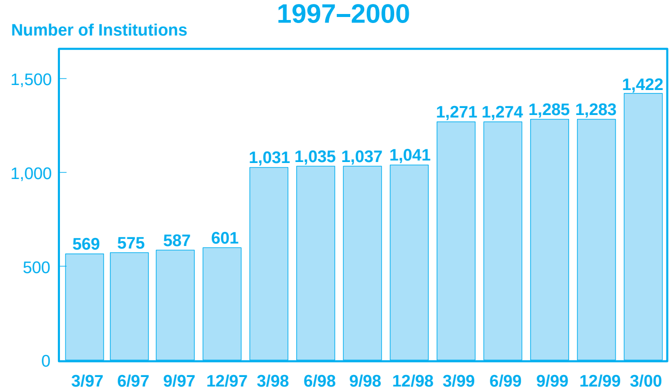
egories of noninterest income registered strong growth. Fiduciary income was up by $707 million (14.8 percent), while service charges on deposit accounts were $493 million (9.7 percent) higher. Other fee income was up by $1.7 billion (11.8 percent). Banks' revenue from trading activities rose by $262 million (7.3 percent), while all other noninterest income increased by $499 million (7.5 percent). As evidence of the strength that equity markets enjoyed during part of the first quarter, venture capital gains contributed over $1.3 billion to noninterest revenues during the quarter. These gains, as well as much of banks' trading revenues and some of their fiduciary income, are highly sensitive to conditions in financial markets and are more volatile than other revenues. Net interest income was $2.7 billion (5.7 percent) higher than in the first quarter of 1999. Higher interest rates caused a negative $1.3-billion swing in banks' proceeds from securities sales compared to a year ago. In the first quarter, securities sales produced a net loss of $730 million; a year ago, securities sales produced a net gain of $565 million. Noninterest expenses were $2.3 billion (4.6 percent) higher, while provisions for loan losses increased by $365 million (6.7 percent).

QUARTERLY NET INTEREST MARGINS, 1996–2000



Average net interest margins improved at small banks but declined at large banks compared to a year ago. The industry's margin of 4.00 percent was down from the 4.05 percent average of a year ago. The average margin at banks with less than $1 billion in assets was 4.57 percent, compared to 4.43 percent a year ago. At banks with more than $1 billion in assets, the average margin was 3.88 percent, down from 3.96 percent a year ago. More than two-thirds (67.8 percent) of all commercial banks with less than $1 billion in assets had higher net interest margins than a year ago, while fewer than half (47.0 percent) of commercial banks with more than $1 billion in assets reported higher margins. In an environment of rising interest rates, larger banks had greater increases in their average funding expenses than smaller institutions.

NUMBER OF SUBCHAPTER S CORPORATIONS, 1997–2000

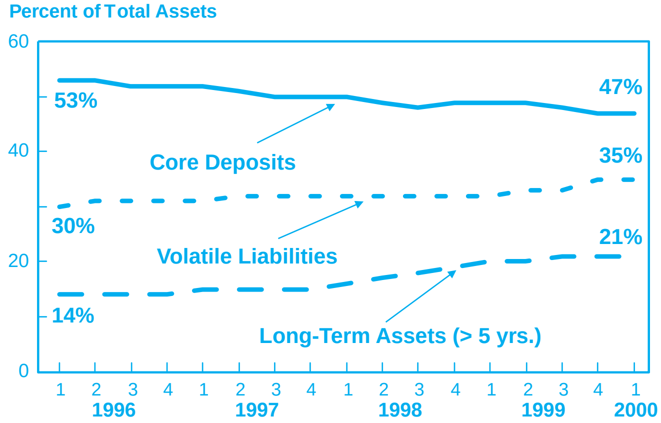


The number of commercial banks operating as Subchapter S corporations increased from 1,283 to 1,422 during the quarter. The average quarterly ROA at these banks was 1.75 percent, and their average ROE was 19.36 percent. For all other commercial banks with assets of less than $1 billion (99.6 percent of banks operating as Subchapter S corporations have less than $1 billion in assets), the average ROA was 1.24 percent, and the average ROE was 12.72 percent. At the end of March, 17.6 percent of all commercial banks with less than $1 billion in assets were Subchapter S corporations.

Noncurrent commercial and industrial loans (those that were 90 days or more past due or in nonaccrual status) rose slightly, despite a higher level of net charge-offs. During the quarter, noncurrent commercial and industrial loans increased by $1.4 billion, and another $1.3 billion was charged off. The noncurrent rate on banks' commercial and industrial loans rose from 1.18 percent to 1.28 percent. This is the highest level for this rate since the third quarter of 1994. A year ago, the noncurrent rate was 1.10 percent. The annualized net charge-off rate on commercial and industrial loans was 0.52 percent, up from 0.44 percent a year earlier. The average noncurrent rate on all loans and leases was 0.97 percent at the end of March, below the 0.99 percent rate of a year ago. The average net charge-off rate of 0.57 percent was down from 0.62 percent in the first quarter of 1999. The amount of real estate loans that were noncurrent rose by $497 million during the quarter, but the noncurrent rate remained unchanged at 0.79 percent, because of growth in banks' real estate loans. A year ago, the noncurrent rate on real estate loans was 0.88 percent. The net charge-off rate on credit-card loans was 4.56 percent, down from 4.93 percent a year ago, but slightly above the 4.51 percent rate in the fourth quarter of 1999.

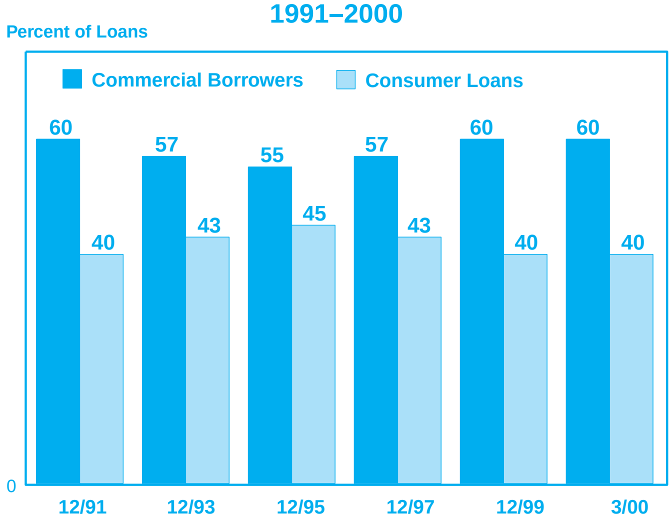
Asset growth remained robust, as a growing econo-

RECENT TRENDS IN COMMERCIAL BANKS' BALANCE SHEETS, 1996–2000



my continues to support strong loan demand. Changes in the composition of commercial bank assets and liabilities continue to point to rising vulnerability to higher interest rates and a weaker economy. The share of assets that mature or reprice at intervals of 5 years or longer continues to increase at the same time that the share of commercial bank funding that comprises stable, lower-cost core deposits declines and the share of more volatile, short-term liabilities rises. The proportion of commercial banks' loans that is in categories that represent concentrated credit risk (loans to commercial borrowers that have relatively large balances at risk, so that a relatively small number of defaults can impair a bank's capital or income) remains at the highest level since 1991.

CREDIT RISK DIVERSIFICATION, 1991–2000



Commercial bank assets increased by $112.4 billion in the first quarter, led by strong loan growth. Total loans increased by $77.1 billion. Commercial and industrial loans increased by $30.6 billion, while residential mortgage loans rose by $18.2 billion and commercial real estate loans were up by $15.9 billion. Assets in trading accounts grew by $24.4 billion, and fed funds sold increased by $22.4 billion. The strongest growth rates were registered by construction and development loans, loans secured by multifamily residential properties, home mortgage loans, and loans secured by commercial real estate properties. Growth rates for these loans have been rising for the past 12 months or longer.

The share of asset funding provided by deposits fell for the eighth time in the last nine quarters, to 72.4 percent. This declining trend has been almost continuous since 1991, when deposits funded 84 percent of commercial bank assets. Deposits in domestic offices increased by $63.6 billion during the quarter, while foreign office deposits declined by $16.1 billion. The growth in domestic deposits occurred in interest-bearing time and savings deposits. Demand deposits declined by $8.5 billion. Volatile liabilities, which include interest-sensitive deposits and short-term nondeposit borrowings, increased by $39.9 billion during the quarter. Fed funds purchased accounted for $35.2 billion of this increase. Commercial banks' FHLB advances increased by $6.4 billion.

Equity capital increased by $12.0 billion, the largest quarterly increase since the second quarter of 1998. The increase would have been larger but for a $2.0-billion decline in the value of banks' available-for-sale securities. The industry's equity-capital-to-assets ratio rose slightly during the quarter, from 8.37 percent to 8.41 percent. A year ago, the ratio was 8.68 percent, but during the intervening 12 months, the value of banks' available-for-sale securities declined by $17.6 billion, accounting for the erosion in the equity ratio. The core capital ratio, which is not affected by changes in the values of securities holdings, remained unchanged at 7.80 percent during the quarter, up from 7.68 percent a year ago. Banks' reserves for credit losses increased by $1.1 billion in the first quarter, but the ratio of reserves to loans remained at 1.68 percent, a 13-year low. During the past 12 months, reserves have increased by only 3.5 percent. The "coverage ratio" fell to $1.73 in reserves for every $1.00 in noncurrent loans, its lowest level since the first quarter of 1996.

The number of insured commercial banks declined by 62 during the first quarter. There were 56 new commercial bank charters, while 118 commercial banks were absorbed by mergers and 1 insured commercial bank failed. The number of insured commercial banks on the FDIC's "Problem List" increased from 66 to 72 during the quarter. This is the largest number of "problem" banks since mid-year 1997. Assets of "problem" banks increased from $4.5 billion to $5.2 billion.

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

	2000*	1999*	1999	1998	1997	1996	1995
Return on assets (%)	1.35	1.32	1.31	1.19	1.23	1.19	1.17
Return on equity (%)	16.08	15.40	15.32	13.93	14.69	14.45	14.66
Core capital (leverage) ratio (%)	7.80	7.68	7.80	7.54	7.56	7.64	7.61
Noncurrent assets plus other real estate owned to assets (%)	0.65	0.67	0.63	0.65	0.66	0.75	0.85
Net charge-offs to loans (%)	0.57	0.62	0.61	0.67	0.64	0.58	0.49
Asset growth rate (%)	8.04	5.92	5.37	8.53	9.54	6.16	7.53
Net interest margin (%)	4.00	4.05	4.07	4.07	4.21	4.27	4.29
Net operating income growth (%)	13.60	18.54	20.46	2.27	12.47	6.43	7.48
Number of institutions reporting	8,518	8,722	8,580	8,774	9,142	9,527	9,940
Percentage of unprofitable institutions (%)	6.41	6.08	7.39	6.12	4.85	4.28	3.55
Number of problem institutions	72	64	66	69	71	82	144
Assets of problem institutions (in billions)	$5	$5	$4	$5	$5	$5	$17
Number of failed/assisted institutions	1	1	7	3	1	5	6

* Through March 31, ratios annualized where appropriate. Asset growth rates are for 12 months ending March 31.

TABLE II-A. Aggregate Condition and Income Data, FDIC-Insured Commercial Banks

(dollar figures in millions)	Preliminary 1st Quarter 2000	4th Quarter 1999	1st Quarter 1999	%Change 99:1-00:1
Number of institutions reporting	8,518	8,580	8,722	-2.3
Total employees (full-time equivalent)	1,648,952	1,657,518	1,619,878	1.8
CONDITION DATA				
Total assets	$5,847,134	$5,734,747	$5,411,797	8.0
Loans secured by real estate	1,561,354	1,509,986	1,346,665	15.9
Commercial & industrial loans	1,001,637	970,999	921,574	8.7
Loans to individuals	556,487	558,348	548,611	1.4
Farm loans	43,380	45,276	43,953	-1.3
Other loans & leases	408,762	410,307	394,142	3.7
Less: Unearned income	3,253	3,671	3,849	-15.5
Total loans & leases	3,568,368	3,491,245	3,251,097	9.8
Less: Reserve for losses	59,885	58,823	57,884	3.5
Net loans and leases	3,508,482	3,432,421	3,193,213	9.9
Securities	1,057,255	1,046,349	995,651	6.2
Other real estate owned	2,763	2,794	3,138	-11.9
Goodwill and other intangibles	101,317	98,045	83,342	21.6
All other assets	1,177,317	1,155,138	1,136,453	3.6
Total liabilities and capital	5,847,134	5,734,747	5,411,797	8.0
Noninterest-bearing deposits	708,243	703,302	667,342	6.1
Interest-bearing deposits	3,170,048	3,127,473	2,969,997	6.7
Other borrowed funds	1,089,155	1,048,827	937,128	16.2
Subordinated debt	78,934	76,450	73,363	7.6
All other liabilities	308,970	298,922	294,364	5.0
Equity capital	491,784	479,774	469,603	4.7
Loans and leases 30-89 days past due	39,798	39,725	39,045	1.9
Noncurrent loans and leases	34,593	33,005	32,218	7.4
Restructured loans and leases	1,133	1,146	1,530	-26.0
Direct and indirect investments in real estate	280	279	518	-46.0
1-4 Family residential mortgages	863,067	839,154	748,790	15.3
Mortgage-backed securities	461,879	454,463	455,884	1.3
Earning assets	5,046,782	4,947,384	4,674,403	8.0
Long-term assets (5+ years)	1,222,097	1,181,048	1,060,785	15.2
Volatile liabilities	2,043,738	2,003,856	1,751,445	16.7
Foreign office deposits	639,489	655,589	574,726	11.3
FHLB Advances (Source: FHFB)	160,810	155,407	108,141	48.7
Unused loan commitments	4,064,084	3,969,652	3,734,026	8.8
Off-balance-sheet derivatives	38,121,432	34,883,824	33,198,467	14.8

INCOME DATA	Full Year 1999	Full Year 1998	%Change	Preliminary 1st Quarter 2000	1st Quarter 1999	%Change 99:1-00:1
Total interest income	$367,327	$362,023	1.5	$100,347	$90,249	11.2
Total interest expense	175,127	179,266	-2.3	50,268	42,866	17.3
Net interest income	192,200	182,757	5.2	50,079	47,383	5.7
Provision for credit losses	21,807	22,218	-1.9	5,781	5,416	6.7
Total noninterest income	144,408	123,700	16.7	38,416	34,733	10.6
Total noninterest expense	204,157	194,117	5.2	51,945	49,641	4.6
Securities gains (losses)	181	3,127	-94.2	-730	565	N/M
Applicable income taxes	39,396	31,957	23.3	10,506	9,624	9.2
Extraordinary gains, net	169	507	-66.7	17	-34	149.0
Net income	71,599	61,799	15.9	19,549	17,966	8.8
Net charge-offs	20,361	20,730	-1.8	5,043	4,998	0.9
Cash dividends	51,930	41,004	26.6	11,568	9,203	25.7
Net operating income	71,365	59,245	20.5	20,013	17,618	13.6

N/M - Not meaningful

TABLE III-A. First Quarter 2000, FDIC-Insured Commercial Banks

		Asset Size Distribution				Geographic Distribution by Region					
						East			West		
FIRST QUARTER Preliminary (The way it is…)	All Institutions	Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	North-east	South-east	Central	Mid-west	South-west	West
Number of institutions reporting	8,518	5,093	3,046	300	79	675	1,429	1,847	2,195	1,443	929
Total assets (in billions)	$5,847.1	$238.7	$761.3	$858.9	$3,988.2	$2,012.8	$1,556.1	$997.3	$396.9	$315.2	$568.9
Total deposits (in billions)	3,878.3	202.8	620.6	581.0	2,473.9	1,246.9	1,043.0	667.5	277.9	250.5	392.5
Net income (in millions)	19,549	682	2,509	3,320	13,038	7,049	5,258	2,969	1,394	875	2,004
% of unprofitable institutions	6.4	9.6	1.5	2.0	3.8	8.4	10.1	5.7	3.4	5.2	9.6
% of institutions with earnings gains	68.6	66.9	71.6	70.7	60.8	67.7	69.5	65.9	68.0	69.3	73.7
Performance ratios (annualized, %)											
Yield on earning assets	8.02	8.17	8.29	8.36	7.88	7.86	7.91	7.93	8.39	7.92	8.85
Cost of funding earning assets	4.02	3.64	3.70	3.91	4.13	4.26	3.91	4.23	3.90	3.49	3.50
Net interest margin	4.00	4.53	4.58	4.45	3.75	3.60	4.00	3.70	4.50	4.43	5.36
Noninterest income to earning assets	3.07	1.23	1.78	3.02	3.47	4.31	2.49	2.01	2.65	1.53	3.54
Noninterest expense to earning assets	4.15	3.88	3.95	4.21	4.20	4.72	3.73	3.34	4.07	3.66	5.20
Credit loss provision to assets	0.40	0.21	0.28	0.48	0.41	0.43	0.28	0.34	0.57	0.26	0.69
Net operating income to assets	1.38	1.13	1.34	1.60	1.36	1.41	1.37	1.22	1.49	1.25	1.57
Return on assets	1.35	1.15	1.33	1.56	1.32	1.40	1.36	1.21	1.42	1.12	1.44
Return on equity	16.08	10.66	14.35	17.29	16.61	17.91	15.88	15.17	16.07	13.03	14.16
Net charge-offs to loans and leases	0.57	0.16	0.31	0.68	0.62	0.76	0.39	0.34	0.83	0.34	0.86
Credit loss provision to net charge-offs	114.69	209.91	138.53	111.74	111.48	107.59	109.96	150.27	100.66	131.48	119.95
Efficiency ratio	56.77	66.87	61.12	54.28	56.05	57.87	55.28	56.96	55.44	59.59	55.90
Condition Ratios (%)											
Earning assets to total assets	86.31	92.03	91.73	89.90	84.16	82.75	86.83	89.99	90.61	89.01	86.57
Loss allowance to:											
Loans and leases	1.68	1.42	1.45	1.86	1.70	1.93	1.52	1.37	1.70	1.32	2.10
Noncurrent loans and leases	173.12	148.95	184.63	217.10	164.35	150.28	176.66	174.10	209.83	151.03	242.94
Noncurrent assets plus other real estate owned to assets	0.65	0.69	0.59	0.59	0.67	0.73	0.61	0.57	0.59	0.59	0.66
Equity capital ratio	8.41	10.80	9.30	9.00	7.97	7.95	8.55	7.93	8.79	8.64	10.12
Core capital (leverage) ratio	7.80	11.04	9.32	8.47	7.17	7.42	7.73	7.67	8.37	8.29	8.94
Tier 1 risk-based capital ratio	9.57	16.70	13.14	11.15	8.37	9.54	9.06	9.13	10.52	11.67	10.26
Total risk-based capital ratio	12.25	17.81	14.32	13.00	11.51	12.51	11.75	11.86	12.65	13.58	12.54
Net loans and leases to deposits	90.46	69.92	77.52	92.12	95.01	83.05	95.62	99.15	93.77	72.41	94.72
Structural Changes (YTD)											
New Charters	56	54	1	1	0	6	17	16	8	3	6
Banks absorbed by mergers	118	37	59	20	2	10	40	28	21	10	9
Failed banks	1	0	1	0	0	0	0	0	1	0	0
PRIOR FIRST QUARTERS (The way it was…)											
Number of institutions……1999	8,722	5,375	2,957	317	73	684	1,440	1,897	2,252	1,502	947
……1997	9,450	6,146	2,900	331	73	739	1,565	2,082	2,393	1,671	1,000
……1995	10,242	7,123	2,725	331	63	830	1,697	2,237	2,566	1,828	1,084
Total assets (in billions)……1999	$5,411.8	$250.5	$727.3	$901.4	$3,532.5	$1,924.3	$1,206.5	$873.6	$371.7	$302.8	$732.9
……1997	4,641.5	277.2	710.9	995.4	2,658.0	1,755.1	828.1	727.3	304.0	337.2	689.7
……1995	4,116.1	310.3	667.8	1,077.0	2,060.9	1,597.9	682.0	665.0	261.3	306.6	603.3
Return on assets (%)……1999	1.32	1.09	1.30	1.71	1.24	1.32	1.26	1.36	1.52	1.06	1.41
……1997	1.25	1.21	1.32	1.29	1.23	1.19	1.31	1.27	1.33	1.23	1.32
……1995	1.10	1.17	1.23	1.29	0.94	0.93	1.12	1.15	1.41	1.10	1.32
Net charge-offs to loans & leases (%)											
……1999	0.62	0.18	0.34	0.82	0.65	0.84	0.44	0.40	0.70	0.44	0.70
……1997	0.58	0.17	0.35	0.96	0.52	0.66	0.43	0.42	0.71	0.31	0.80
……1995	0.38	0.15	0.31	0.50	0.37	0.58	0.23	0.21	0.41	0.16	0.37
Noncurrent assets plus											
OREO to assets (%)……1999	0.67	0.75	0.64	0.69	0.67	0.76	0.59	0.58	0.62	0.68	0.70
……1997	0.73	0.80	0.74	0.83	0.69	0.82	0.63	0.58	0.67	0.61	0.87
……1995	0.99	0.88	0.91	0.90	1.07	1.24	0.73	0.65	0.67	0.66	1.28
Equity capital ratio (%)……1999	8.68	11.07	9.60	9.79	8.04	7.94	9.20	8.57	8.92	8.93	9.66
……1997	8.41	10.62	9.66	9.04	7.60	7.48	8.22	8.55	10.00	9.47	9.62
……1995	7.88	10.22	9.21	8.32	6.86	7.25	7.97	8.14	8.75	8.44	8.46

TABLE IV-A. Full Year 1999, FDIC-Insured Commercial Banks

		Asset Size Distribution				Geographic Distribution by Region					
						East			West		
	All Institutions	Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	Northeast	Southeast	Central	Midwest	Southwest	West
Number of institutions reporting	8,580	5,156	3,030	318	76	678	1,450	1,858	2,205	1,456	933
Total assets (in billions)	$5,734.7	$242.4	$754.6	$915.2	$3,822.5	$2,009.6	$1,531.6	$952.0	$389.6	$314.2	$537.7
Total deposits (in billions)	3,830.8	205.9	611.6	624.7	2,388.6	1,267.7	1,018.0	639.5	275.6	248.4	381.5
Net income (in millions)	71,599	2,376	9,697	12,851	46,675	23,451	19,237	11,661	5,542	3,481	8,228
% of unprofitable institutions	7.4	10.6	2.6	1.3	1.3	10.2	12.8	5.2	3.3	6.6	12.2
% of institutions with earnings gains	62.9	57.0	71.1	76.1	77.6	68.4	65.7	63.2	59.6	58.2	68.8
Performance Ratios (%)											
Yield on earning assets	7.78	7.93	8.08	7.98	7.65	7.66	7.67	7.60	8.16	7.59	8.64
Cost of funding earning assets	3.71	3.50	3.49	3.56	3.81	4.00	3.62	3.76	3.60	3.23	3.21
Net interest margin	4.07	4.43	4.59	4.42	3.84	3.67	4.05	3.84	4.56	4.36	5.42
Noninterest income to earning assets	3.06	1.45	1.82	2.93	3.47	4.09	2.50	2.26	2.73	1.61	3.66
Noninterest expense to earning assets	4.32	4.05	3.96	4.25	4.44	4.84	3.93	3.66	4.14	3.76	5.34
Credit loss provision to assets	0.40	0.32	0.33	0.48	0.40	0.42	0.32	0.29	0.58	0.30	0.67
Net operating income to assets	1.30	1.01	1.33	1.50	1.27	1.24	1.27	1.27	1.52	1.17	1.63
Return on assets	1.31	1.01	1.35	1.48	1.28	1.24	1.29	1.28	1.48	1.15	1.64
Return on equity	15.32	9.02	14.13	16.02	15.97	15.76	14.73	15.44	16.78	13.16	15.51
Net charge-offs to loans and leases	0.61	0.37	0.36	0.68	0.66	0.79	0.45	0.37	0.76	0.46	0.95
Credit loss provision to net charge-offs	107.10	144.01	146.01	113.27	99.82	100.32	111.84	117.68	113.48	114.24	104.74
Efficiency ratio	58.67	68.02	60.86	55.75	58.47	60.61	57.58	58.60	55.45	61.26	56.12
Condition Ratios (%)											
Earning assets to total assets	86.27	91.17	91.25	89.76	84.14	83.00	86.91	89.36	90.35	88.82	86.74
Loss allowance to:											
Loans and leases	1.68	1.42	1.46	1.82	1.71	1.93	1.53	1.37	1.69	1.32	2.16
Noncurrent loans and leases	178.22	157.74	193.56	220.94	168.20	152.73	186.50	182.96	214.54	144.12	252.35
Noncurrent assets plus											
other real estate owned to assets	0.63	0.65	0.58	0.58	0.66	0.71	0.58	0.55	0.60	0.61	0.67
Equity capital ratio	8.37	10.68	9.25	9.09	7.87	7.71	8.60	8.02	8.84	8.53	10.30
Core capital (leverage) ratio	7.80	10.88	9.21	8.49	7.14	7.54	7.57	7.69	8.46	8.19	8.87
Tier 1 risk-based capital ratio	9.50	16.64	13.19	11.01	8.22	9.40	8.98	9.11	10.56	11.67	10.23
Total risk-based capital ratio	12.17	17.74	14.38	12.93	11.37	12.42	11.61	11.82	12.72	13.59	12.46
Net loans and leases to deposits	89.60	69.59	77.65	91.16	93.98	81.03	96.46	98.75	95.02	71.94	92.02
Structural Changes											
New charters	231	221	8	1	1	30	89	34	22	23	33
Banks absorbed by mergers	417	221	164	27	5	45	104	73	84	68	43
Failed banks	7	4	2	1	0	1	3	0	0	2	1
PRIOR FULL YEARS											
(The way it was…)											
Number of institutions 1998	8,774	5,409	2,973	321	71	693	1,445	1,904	2,265	1,517	950
1996	9,527	6,203	2,926	325	73	743	1,577	2,109	2,401	1,683	1,014
1994	10,451	7,259	2,800	328	64	834	1,741	2,272	2,622	1,857	1,125
Total assets (in billions) 1998	$5,442.5	$252.4	$726.8	$921.8	$3,541.6	$1,922.3	$1,211.5	$889.3	$376.5	$304.7	$738.2
1996	4,578.3	280.0	713.5	1,002.4	2,582.5	1,730.7	805.4	716.8	297.2	334.4	693.8
1994	4,010.5	315.9	682.9	1,072.3	1,939.4	1,545.0	646.1	659.6	262.3	304.6	593.0
Return on assets (%) 1998	1.19	1.14	1.31	1.52	1.08	1.06	1.30	1.25	1.50	1.13	1.11
1996	1.19	1.16	1.28	1.31	1.12	1.10	1.22	1.21	1.43	1.22	1.24
1994	1.15	1.12	1.19	1.31	1.06	1.07	1.18	1.13	1.46	1.12	1.24
Net charge-offs to loans & leases (%)											
1998	0.67	0.31	0.40	1.02	0.65	0.91	0.43	0.44	0.74	0.43	0.87
1996	0.58	0.27	0.42	0.89	0.52	0.63	0.45	0.44	0.70	0.35	0.79
1994	0.50	0.25	0.37	0.54	0.57	0.75	0.27	0.29	0.46	0.16	0.58
Noncurrent assets plus											
OREO to assets (%) 1998	0.65	0.71	0.62	0.71	0.64	0.78	0.55	0.56	0.57	0.59	0.67
1996	0.75	0.77	0.74	0.85	0.71	0.84	0.68	0.57	0.65	0.61	0.88
1994	1.01	0.86	0.92	0.90	1.13	1.28	0.72	0.66	0.68	0.67	1.33
Equity capital ratio (%) 1998	8.49	10.95	9.52	9.46	7.85	7.80	9.10	8.27	8.72	8.83	9.29
1996	8.20	10.54	9.44	8.77	7.38	7.36	8.48	8.43	8.74	8.74	9.22
1994	7.78	9.83	8.79	7.94	7.01	7.33	7.84	7.87	8.43	8.15	8.33

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

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

		Asset Size Distribution				Geographical Distribution by Region					
						East			West		
March 31, 2000	All Institutions	Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	North-east	South-east	Central	Mid-west	South-west	West
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate	1.08	1.33	0.98	0.89	1.16	1.08	1.17	1.08	1.11	1.18	0.80
Construction and development	1.27	1.17	1.07	1.19	1.41	0.97	0.99	1.99	1.62	1.27	1.11
Commercial real estate	0.79	1.00	0.74	0.78	0.80	0.86	0.66	0.89	0.87	1.01	0.70
Multifamily residential real estate	0.58	0.85	0.50	0.50	0.62	0.55	0.43	0.95	0.51	0.63	0.41
Home equity loans	0.77	0.68	0.65	0.69	0.81	0.65	0.72	1.13	0.65	0.66	0.45
Other 1-4 Family residential	1.27	1.60	1.23	0.94	1.36	1.20	1.54	1.02	1.18	1.35	0.90
Commercial and industrial loans*	0.89	1.88	1.39	1.35	0.66	0.52	0.74	1.13	1.66	1.47	1.29
Loans to individuals	2.06	2.10	1.86	2.16	2.06	2.31	1.95	1.99	2.13	1.43	1.84
Credit card loans	2.36	2.40	3.34	2.56	2.23	2.53	2.62	1.82	2.46	1.11	1.93
Other loans to individuals	1.88	2.09	1.58	1.83	1.95	2.10	1.75	2.01	1.83	1.44	1.71
All other loans and leases (including farm)	0.56	N/A	N/A	1.00	0.55	0.47	0.31	0.92	0.68	0.41	0.77
Memo: Commercial RE loans not secured by RE	0.71	1.20	0.55	0.42	0.74	0.17	0.74	0.50	0.96	0.64	1.88
Percent of Loans Noncurrent**											
All real estate loans	0.79	0.78	0.62	0.71	0.88	0.98	0.81	0.73	0.63	0.82	0.58
Construction and development	0.73	0.58	0.56	0.80	0.79	1.07	0.74	0.68	0.57	0.74	0.66
Commercial real estate	0.77	0.77	0.65	0.78	0.84	0.97	0.72	0.82	0.64	0.91	0.60
Multifamily residential real estate	0.39	0.53	0.43	0.47	0.34	0.32	0.42	0.48	0.31	0.25	0.41
Home equity loans	0.34	0.26	0.31	0.34	0.35	0.36	0.25	0.49	0.30	0.34	0.23
Other 1-4 Family residential	0.82	0.69	0.60	0.69	0.93	0.86	0.95	0.72	0.58	0.73	0.59
Commercial and industrial loans*	1.28	1.39	1.20	1.07	1.26	1.54	1.15	1.04	1.06	1.39	1.32
Loans to individuals	1.35	0.76	0.84	1.10	1.54	2.15	0.83	0.71	1.20	0.47	1.13
Credit card loans	1.98	1.29	2.63	1.73	2.02	2.34	1.68	1.17	1.89	0.76	1.61
Other loans to individuals	0.97	0.74	0.50	0.58	1.22	1.96	0.57	0.65	0.57	0.46	0.38
All other loans and leases (including farm)	0.42	N/A	N/A	0.58	0.42	0.39	0.38	0.51	0.43	0.44	0.49
Memo: Commercial RE loans not secured by RE	0.36	0.90	0.16	0.38	0.36	0.08	0.55	0.34	0.20	0.36	0.57
Percent of Loans Charged-off (net, annual)											
All real estate loans	0.07	0.03	0.02	0.07	0.09	0.07	0.08	0.08	0.11	0.04	0.03
Construction and development	0.02	0.03	0.00	0.05	0.01	0.01	0.03	0.02	0.01	0.01	0.02
Commercial real estate	0.04	0.02	0.01	0.03	0.06	0.05	0.03	0.06	0.03	0.03	0.02
Multifamily residential real estate	-0.04	0.03	0.01	0.02	-0.07	-0.12	-0.01	-0.01	-0.03	0.03	0.00
Home equity loans	0.16	0.03	0.05	0.17	0.18	0.09	0.17	0.21	0.19	0.48	0.12
Other 1-4 Family residential	0.10	0.04	0.04	0.09	0.12	0.07	0.10	0.09	0.21	0.05	0.11
Commercial and industrial loans*	0.52	0.22	0.27	0.48	0.56	0.57	0.46	0.38	0.50	0.55	0.84
Loans to individuals	2.36	0.59	1.77	2.62	2.48	2.82	1.74	1.40	3.42	0.89	3.01
Credit card loans	4.56	3.36	7.91	4.60	4.31	4.50	3.94	4.23	6.52	2.83	4.16
Other loans to individuals	1.03	0.47	0.55	0.98	1.21	1.17	1.06	0.99	0.58	0.82	1.16
All other loans and leases (including farm)	0.17	N/A	N/A	0.22	0.18	0.08	0.19	0.21	0.18	0.10	0.53
Memo: Commercial RE loans not secured by RE	0.01	0.10	0.66	0.02	-0.01	0.08	-0.02	0.01	0.01	0.02	-0.07
Loans Outstanding (in billions)											
All real estate loans	$1,561.4	$82.7	$310.7	$289.2	$878.7	$343.7	$525.0	$309.5	$117.1	$85.9	$180.1
Construction and development	142.4	6.6	32.5	30.9	72.5	14.5	53.4	27.2	12.5	11.4	23.5
Commercial real estate	433.5	23.3	113.7	94.4	202.2	72.9	131.5	91.9	34.5	32.6	70.2
Multifamily residential real estate	57.3	1.8	10.6	11.3	33.6	15.0	15.3	12.0	3.7	2.7	8.6
Home equity loans	108.1	1.9	13.0	17.3	75.9	24.6	36.5	27.5	5.8	1.2	12.3
Other 1-4 Family residential	755.0	38.4	127.9	131.5	457.2	186.6	279.0	142.9	50.4	34.5	61.7
Commercial and industrial loans	1,001.6	24.7	88.7	116.0	772.2	330.3	273.1	192.3	63.3	48.8	93.8
Loans to individuals	556.5	19.9	64.1	109.3	363.2	203.9	117.6	77.4	50.0	33.4	74.2
Credit card loans	207.5	0.7	10.4	48.9	147.5	100.5	27.5	9.1	23.7	1.3	45.4
Other loans to individuals	349.0	19.2	53.7	60.4	215.7	103.4	90.2	68.3	26.3	32.1	28.8
All other loans and leases (including farm)	452.1	16.8	25.5	31.4	378.5	179.3	97.8	92.1	34.7	16.1	32.2
Memo: Commercial RE loans not secured by RE	36.5	0.2	1.1	2.7	32.6	10.5	12.6	4.7	2.6	1.3	4.8
Memo: Other Real Estate Owned (in millions)											
All other real estate owned	$2,762.8	$265.8	$663.8	$401.3	$1,431.9	$788.2	$795.4	$364.3	$198.6	$245.9	$370.5
Construction and development	208.4	25.8	91.3	33.8	57.5	39.9	82.2	21.1	16.1	16.1	32.9
Commercial real estate	1,221.7	116.3	302.8	192.0	610.6	336.9	339.5	132.5	80.8	128.2	203.8
Multifamily residential real estate	45.5	6.6	20.1	15.2	3.6	9.6	7.0	9.4	4.5	4.5	10.4
1-4 Family residential	1,025.5	85.9	221.7	153.7	564.3	213.3	359.0	191.4	71.4	77.6	112.8
Farmland	73.6	31.2	27.8	5.6	9.0	2.3	7.6	9.8	25.7	19.4	8.7
Other real estate owned in foreign offices	188.1	0.0	0.0	1.0	187.0	186.1	0.0	0.0	0.0	0.0	2.0

* Includes "All other loans" for institutions under $1 billion in asset size.

N/A - Not Available

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

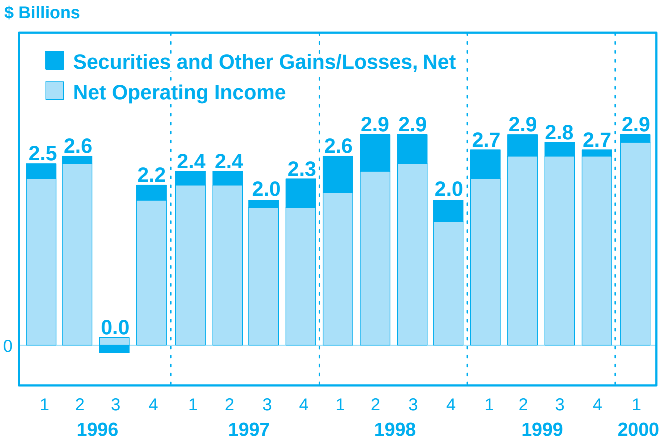
SAVINGS INSTITUTION PERFORMANCE—FIRST QUARTER, 2000

- ***Earnings Of $2.9 Billion Are Second Highest Quarterly Total***
- ***Rising Interest Rates Reduce Securities Portfolio Values***
- ***Profitability At Smaller Institutions Continues To Decline***

FDIC-insured savings institutions had earnings of $2.9 billion for the first quarter, the second highest quarterly earnings ever reported. This quarter's earnings were just $12 million lower than the record set in the third quarter of 1998. Earnings were $259 million (10 percent) higher than in the first quarter of 1999, helped by increased noninterest income, up by $324 million (14 percent), and higher net interest income, up by $225 million (3 percent). Noninterest expenses of $6.1 billion were only $34 million (1 percent) higher than a year ago, and loan-loss provisions were only $25 million (6 percent) higher. Income taxes were $189 million lower than in the first quarter of 1999 mostly due to a tax benefit realized by one large institution.[1] The industry's earnings improvement was limited by a decline in gains on the sales of securities, which were $429 million (71 percent) lower than in the first quarter of 1999. Net operating income, which excludes gains on the sales of securities and extraordinary gains, was a record $2.8 billion this quarter, up by $537 million (24 percent) over last year's first quarter.

[1] California Federal Bank, of San Francisco, California, recognized a $161.7-million tax benefit from a deferred tax asset during the first quarter.

QUARTERLY NET INCOME, 1996–2000

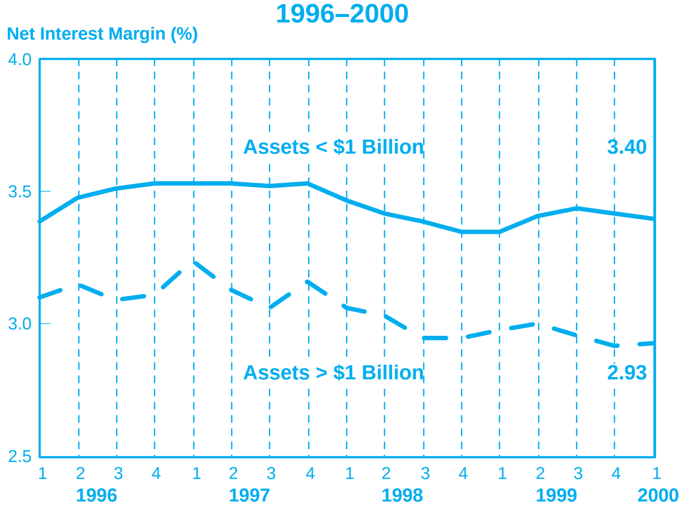


Total earnings improved from a year ago at 58 percent of savings institutions. The average return on assets (ROA) was 1.03 percent, up from 0.98 percent in the first quarter of 1999. Only the largest size group, those savings institutions with more than $5 billion in assets, reported higher average profitability, with an ROA of 1.12 percent, up from 0.97 percent a year ago. More than 8 percent of savings institutions reported losses for the quarter compared with 6 percent in the first quarter of 1999. Just 26 percent of savings institutions, representing approximately half of total industry assets, achieved an ROA of over 1 percent in the first quarter.

Higher overhead expenses continue to adversely affect the profitability of small thrifts. Institutions with less than $100 million in assets reported an average ROA of 0.56 percent in the first quarter, down from 0.66 percent a year ago. Their noninterest expenses averaged 3.90 percent of earning assets, up from 3.52 percent in the same quarter last year. Over half (54 percent) of savings institutions in this group showed increases in their overhead expense ratios. Although the average net interest margin improved to 3.46 percent from 3.33 percent a year ago, noninterest expenses absorbed a higher proportion of their revenues. The efficiency ratio — noninterest expense as a percent of net interest income plus noninterest income — worsened to 79 percent from 77 percent in the first quarter of 1999. Over 15 percent of the institutions in this asset size group were unprofitable, but more than one out of every ten small thrifts is three years old or less and start-up costs tend to depress earnings.

Rising interest rates lifted both asset yields and the cost of funding earning assets by the same amount (9 basis points) during the first quarter, leaving net interest margins unchanged at 3.04 percent. For savings institutions with less than $1 billion in assets, the cost of funding earning assets rose faster than asset yields (by 4 basis points compared to 1 basis point). As a result, net interest margins declined at these institutions from 3.42 percent in the fourth quarter of 1999 to 3.40 percent this quarter. Larger savings institutions, with assets over $1 billion, showed a slight improvement in net interest margins from 2.92 percent in the fourth quarter to 2.93 percent this quarter. For these larger institutions, asset yields rose (by 12 basis points) slightly faster than the cost of funding earning assets (up by 11 basis points).

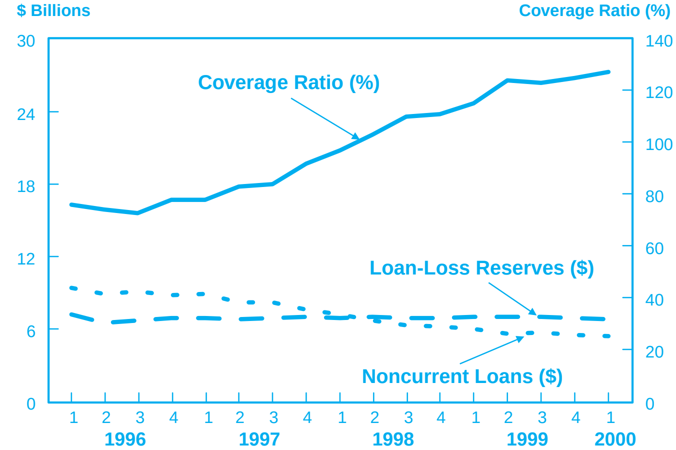
QUARTERLY NET INTEREST MARGINS, 1996–2000



During the first quarter, reserves declined by $32 million, while noncurrent loans declined (for the twelfth consecutive quarter) by $105 million. This resulted in an increase in the coverage ratio — loan loss reserves to noncurrent loans — from 125 percent to 127 percent, the highest level recorded since all thrifts began reporting noncurrent loans in 1990. The proportion of savings institutions' loans that were noncurrent fell to a record low of 0.70 percent, from 0.73 percent at the end of 1999. Net charge-offs were $52 million higher than last year, mostly due to lower recoveries on multifamily mortgages. The annualized net charge-off rate rose to 0.18 percent of loans from 0.16 percent a year ago.

Industry assets grew by $7.3 billion in the first quarter as thrifts shifted resources into home mortgages. Holdings of home mortgages increas-

COVERAGE RATIO* AND RESERVE LEVELS, 1996–2000

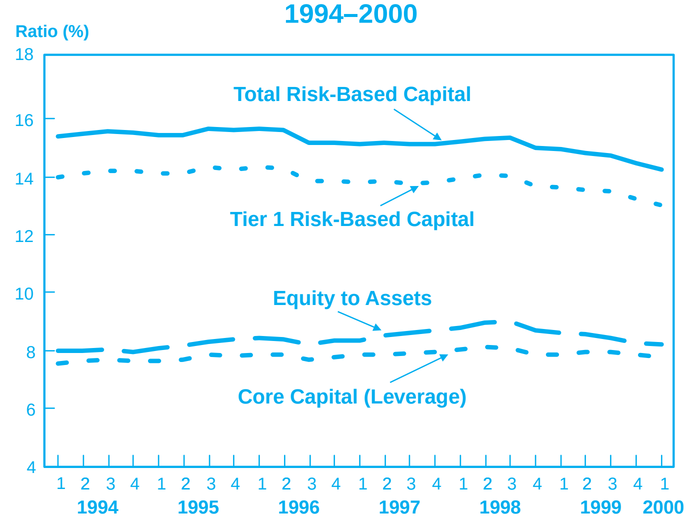


*Loan-loss reserves to noncurrent loans.

ed by $6.8 billion while multifamily mortgages declined by $1.7 billion. Securities declined by $9.2 billion.

The industry funded first-quarter asset growth with nearly equal proportions of deposits, up by $4.2 billion, and other borrowed funds, up by $4.1 billion. The increase in other borrowed funds consisted mainly of a $3.2-billion increase in Federal Home Loan Bank advances. Equity capital for the industry declined by $201 million during the quarter. Rising interest rates reduced the value of securities holdings, and a $387-million decline in the value of available-for-sale securities contributed to the decline in capital. Earnings retained by the industry, at $1.5 billion, helped limit the decline. The decline in capital, combined with

RISK-BASED CAPITAL RATIOS, 1994–2000



growth in industry assets, caused the aggregate capital ratio to decline from 8.27 percent to 8.20 percent.

Structural changes in the first quarter included the migration of 12 thrifts, with $21.8 billion in assets, to the commercial banking industry. Commercial banks absorbed 9 thrifts with $19.6 billion in assets in mergers. One of these mergers involved the consolidation of a thrift charter with $14.3 billion in assets into a commercial bank affiliate. Another 3 thrifts, with $2.2 billion in assets, converted their charters to commercial bank charters. In the first quarter 9 institutions were added to the industry: 5 de novo institutions, 2 uninsured institutions that became insured, and 2 commercial banks that converted to thrift charters. Within the industry, mergers reduced the number of thrifts by 5. One insured savings institution failed during the first quarter. There were 8 thrifts with $873 million in assets that converted from mutual to stock ownership during the first quarter. The number of "problem" institutions rose to 15 from 13 at the end of 1999, but assets of "problem" institutions declined from $5.5 billion to $5.3 billion.

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

	2000**	1999**	1999	1998	1997	1996	1995
Return on assets (%)	1.03	0.98	1.00	1.01	0.93	0.70	0.77
Return on equity (%)	12.53	11.36	11.72	11.35	10.84	8.40	9.40
Core capital (leverage) ratio (%)	7.79	7.87	7.86	7.85	7.95	7.76	7.80
Noncurrent assets plus other real estate owned to assets (%)	0.57	0.68	0.58	0.72	0.95	1.09	1.20
Net charge-offs to loans (%)	0.18	0.16	0.17	0.22	0.25	0.32	0.34
Asset growth rate (%)	4.18	6.68	5.57	6.06	-0.21	0.25	1.70
Net interest margin	3.04	3.08	3.10	3.10	3.23	3.22	3.09
Net operating income growth (%)	23.53	7.61	16.59	7.70	20.07	-13.99	13.81
Number of institutions reporting	1,633	1,668	1,641	1,689	1,780	1,925	2,030
Percentage of unprofitable institutions (%)	8.27	6.00	8.29	5.27	4.10	12.05	5.86
Number of problem institutions	15	16	13	15	21	35	49
Assets of problem institutions (in billions)	$5	$5	$6	$6	$2	$7	$14
Number of failed/assisted institutions	1	0	1	0	0	1	2

** Through March 31, ratios annualized where appropriate. Asset growth rates are for 12 months ending March 31.

TABLE II-B. Aggregate Condition and Income Data, FDIC-Insured Savings Institutions

(dollar figures in millions)	Preliminary 1st Quarter 2000	4th Quarter 1999	1st Quarter 1999	%Change 99:1-00:1
Number of institutions reporting	1,633	1,641	1,668	-2.1
Total employees (full-time equivalent)	244,711	244,009	240,336	1.8
CONDITION DATA				
Total assets	$1,156,195	$1,148,934	$1,109,761	4.2
Loans secured by real estate	679,459	670,868	646,503	5.1
1-4 Family Residential	539,437	532,685	518,762	4.0
Multifamily residential property	53,935	55,596	54,228	-0.5
Commercial real estate	55,422	53,487	49,033	13.0
Construction, development, and land	30,665	29,100	24,480	25.3
Commercial & industrial loans	29,416	27,067	22,381	31.4
Loans to individuals	59,590	59,179	54,068	10.2
Other loans & leases	4,666	4,780	3,625	28.7
Less: Unearned income & contra accounts***	199	205	179	11.3
Total loans & leases	772,933	761,689	726,400	6.4
Less: Reserve for losses	6,875	6,907	6,979	-1.5
Net loans & leases	766,058	754,781	719,421	6.5
Securities	282,289	291,451	287,916	-2.0
Other real estate owned	1,152	1,124	1,529	-24.7
Goodwill and other intangibles	15,311	14,813	14,809	3.4
All other assets	91,385	86,765	86,085	6.2
Total liabilities and capital	1,156,195	1,148,934	1,109,761	4.2
Deposits	711,960	707,261	699,203	1.8
Other borrowed funds	331,384	327,243	291,648	13.6
Subordinated debt	3,018	3,019	3,066	-1.5
All other liabilities	15,063	16,440	20,149	-25.2
Equity capital	94,770	94,971	95,696	-1.0
Loans and leases 30-89 days past due	6,288	6,723	6,768	-7.1
Noncurrent loans and leases	5,429	5,535	6,046	-10.2
Restructured loans and leases	1,637	1,680	2,307	-29.0
Direct and indirect investments in real estate	656	642	588	11.5
Mortgage-backed securities	218,288	221,742	222,661	-2.0
Earning assets	1,073,936	1,065,737	1,035,630	3.7
FHLB Advances (Source: TFR and FHFB)	235,345	231,465	185,098	27.1
Unused loan commitments	203,387	176,038	189,703	7.2

INCOME DATA	Full Year 1999	Full Year 1998	%Change	Preliminary 1st Quarter 2000	1st Quarter 1999	%Change 99:1-00:1
Total interest income	$74,239	$71,085	4.4	$20,005	$18,424	8.6
Total interest expense	42,902	41,902	2.4	11,946	10,590	12.8
Net interest income	31,336	29,183	7.4	8,059	7,833	2.9
Provision for credit losses***	1,563	1,772	-11.8	421	396	6.3
Total noninterest income	9,790	9,200	6.4	2,653	2,329	13.9
Total noninterest expense	24,009	23,570	1.9	6,136	6,102	0.6
Securities gains (losses)	1,436	2,458	-41.6	172	600	-71.4
Applicable income taxes	6,125	5,269	16.2	1,389	1,578	-12.0
Extraordinary gains, net	5	-83	N/M	6	-3	N/M
Net income	10,871	10,148	7.1	2,943	2,684	9.7
Net charge-offs	1,195	1,459	-18.1	343	291	17.9
Cash dividends	6,101	6,566	-7.1	1,448	1,075	34.7
Net operating income	9,890	8,482	16.6	2,818	2,281	23.5

*1995 data do not include Resolution Trust Corporation conservatorships. Excludes one self-liquidating institution. N/M - Not Meaningful

*** For TFR filers, includes only loan and lease loss provisions.

TABLE III-B. First Quarter 2000, FDIC-Insured Savings Institutions

		Asset Size Distribution				Geographic Distribution by Region					
						East			West		
		Less	$100 Million	$1 Billion	Greater						
FIRST QUARTER Preliminary	All	than $100	to	to	than $5	North-	South-		Mid-	South-	
(The way it is…)	Institutions	Million	$1 Billion	$5 Billion	Billion	east	east	Central	west	west	West
Number of institutions reporting	1,633	651	835	112	35	635	222	421	127	115	113
Total assets (in billions)	$1,156.2	$32.6	$244.4	$226.4	$652.8	$388.7	$79.0	$174.7	$42.2	$78.6	$393.0
Total deposits (in billions)	712.0	25.8	184.0	143.8	358.4	263.3	54.6	120.0	26.4	45.4	202.2
Net income (in millions)	2,943.1	45.8	496.8	545.7	1,854.8	972.0	152.1	424.1	88.3	190.2	1,116.5
% of unprofitable institutions	8.3	15.2	4.0	2.7	0.0	4.7	10.8	10.7	15.0	7.8	7.1
% of institutions with earnings gains	57.5	55.3	58.4	57.1	77.1	63.1	56.8	51.1	55.1	57.4	54.0
Performance ratios (annualized, %)											
Yield on earning assets	7.55	7.47	7.54	7.71	7.51	7.45	7.85	7.78	7.49	7.92	7.42
Cost of funding earning assets	4.51	4.01	4.14	4.51	4.68	4.13	4.56	4.59	4.63	4.80	4.76
Net interest margin	3.04	3.46	3.39	3.20	2.83	3.32	3.30	3.19	2.87	3.12	2.66
Noninterest income to earning assets	1.00	1.43	0.69	0.94	1.12	0.83	1.40	1.45	0.85	1.18	0.88
Noninterest expense to earning assets	2.32	3.90	2.73	2.44	2.04	2.44	3.15	2.71	2.17	2.62	1.82
Credit loss provision to assets*	0.15	0.08	0.10	0.27	0.13	0.10	0.29	0.33	0.11	0.28	0.06
Net operating income to assets	0.99	0.55	0.77	0.90	1.12	0.96	0.73	0.93	0.86	0.94	1.12
Return on assets	1.03	0.56	0.82	0.98	1.15	1.01	0.79	0.98	0.85	0.98	1.15
Return on equity	12.53	4.49	7.91	11.76	16.07	10.74	8.59	11.33	8.79	12.06	17.62
Net charge-offs to loans and leases	0.18	0.07	0.08	0.38	0.15	0.10	0.22	0.32	0.10	0.26	0.16
Credit loss provision to net charge-offs*	122.67	183.77	170.51	103.32	128.23	155.24	189.30	135.50	148.56	152.23	58.50
Efficiency ratio	55.46	79.20	65.93	57.24	49.19	56.21	66.39	56.82	56.73	59.94	49.72
Condition Ratios (%)											
Earning assets to total assets	92.89	94.01	93.95	93.18	92.33	92.65	93.19	91.71	93.63	92.76	93.53
Loss allowance to:											
Loans and leases	0.89	0.72	0.84	0.98	0.88	0.99	0.82	0.76	0.63	0.83	0.92
Noncurrent loans and leases	126.63	92.13	135.40	91.17	148.47	123.33	130.05	102.75	124.09	82.95	164.26
Noncurrent assets plus											
other real estate owned to assets	0.57	0.64	0.52	0.92	0.46	0.60	0.57	0.67	0.52	0.85	0.44
Noncurrent RE loans to RE loans	0.68	0.74	0.61	1.08	0.56	0.83	0.58	0.66	0.47	1.02	0.55
Equity capital ratio	8.20	12.56	10.35	8.26	7.15	9.42	9.01	8.61	9.56	8.11	6.51
Core capital (leverage) ratio	7.79	12.38	10.14	7.99	6.62	8.72	8.85	7.96	8.92	8.12	6.42
Tier 1 risk-based capital ratio	13.03	22.96	17.30	12.87	11.08	14.55	14.45	12.48	16.10	12.03	11.35
Total risk-based capital ratio	14.26	23.93	18.43	14.02	12.38	15.87	15.93	13.69	16.85	13.12	12.50
Gross real estate assets to gross assets	77.33	69.39	71.72	74.10	80.95	71.04	72.03	74.16	78.59	66.51	88.06
Gross 1-4 family mortgages to gross assets	46.37	49.84	46.69	41.71	47.70	41.15	46.21	55.22	51.89	34.19	49.49
Net loans and leases to deposits	107.60	84.44	90.65	106.25	118.50	91.67	101.18	111.10	113.81	121.39	124.09
Structural Changes											
New Charters	5	5	0	0	0	4	0	0	1	0	0
Thrifts absorbed by mergers	13	5	5	2	1	5	1	6	1	0	0
Failed Thrifts	1	1	0	0	0	0	1	0	0	0	0
PRIOR FIRST QUARTERS****											
(The way it was…)											
Number of institutions 1999	1,668	690	835	108	35	648	232	432	127	116	113
1997	1,887	825	904	124	34	713	277	493	143	124	137
1995	2,118	973	981	132	32	778	333	538	160	139	170
Total assets (in billions) 1999	$1,109.8	$35.7	$242.0	$215.0	$617.1	$366.1	$67.2	$178.1	$38.5	$72.0	$387.9
1997	1,022.2	42.8	267.7	260.4	451.3	336.3	64.6	176.8	50.7	61.6	332.3
1995	1,013.8	49.2	280.6	285.2	398.7	330.3	82.6	165.2	54.0	71.7	310.0
Return on assets (%) 1999	0.98	0.66	0.96	1.11	0.97	0.92	1.01	1.08	0.75	1.08	1.00
1997	0.96	0.76	0.95	1.11	0.89	0.98	0.89	1.01	1.10	1.07	0.87
1995	0.69	0.76	0.76	0.57	0.71	0.88	0.82	0.82	0.99	0.77	0.31
Net charge-offs to loans & leases (%)											
1999	0.16	0.08	0.08	0.47	0.10	0.09	0.24	0.31	0.12	0.20	0.14
1997	0.27	0.07	0.11	0.48	0.27	0.27	0.46	0.24	0.04	0.43	0.25
1995	0.30	0.07	0.14	0.32	0.44	0.36	0.10	0.09	0.25	0.16	0.45
Noncurrent assets plus											
OREO to assets (%)*** 1999	0.68	0.77	0.64	1.01	0.58	0.73	0.62	0.70	0.53	0.95	0.60
1997	1.10	0.90	0.96	1.35	1.05	1.29	0.99	0.66	0.70	1.06	1.23
1995	1.33	1.07	1.18	1.48	1.36	1.78	1.00	0.51	0.65	1.25	1.52
Equity capital ratio (%) 1999	8.62	12.13	10.79	9.11	7.40	9.74	10.03	9.20	10.28	8.29	6.96
1997	8.35	11.44	9.88	8.46	7.09	9.17	9.46	8.71	8.64	8.12	7.13
1995	8.06	10.24	9.19	8.14	6.95	8.73	8.69	8.76	8.16	7.00	7.05

* For TFR filers, includes only loan and lease loss provisions.

**1995 data do not include Resolution Trust Corporation conservatorships. Excludes one self-liquidating institution.

*** Beginning with June 1996, TFR filers report noncurrent loans net of specific reserves. Accordingly, specific reserves have been subtracted from loan-loss reserves, beginning with June 1996, to make the ratio more closely comparable to prior periods.

TABLE IV-B. Full Year 1999, FDIC-Insured Savings Institutions

		Asset Size Distribution				Geographic Distribution by Region					
						East			West		
	All Institutions	Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $5 Billion	Greater than $5 Billion	North-east	South-east	Central	Mid-west	South west	West
Number of institutions reporting	1,641	664	830	113	34	637	224	427	126	115	112
Total assets (in billions)	$1,148.9	$33.7	$244.9	$230.3	$640.0	$384.2	$76.0	$188.2	$41.4	$76.3	$383.0
Total deposits (in billions)	707.3	26.7	183.3	146.0	351.3	258.5	52.5	127.1	26.1	44.4	198.6
Net income (in millions)	10,870.8	205.3	1,995.0	2,276.4	6,394.1	3,737.8	539.0	1,751.5	323.7	816.5	3,702.3
% of unprofitable institutions	8.3	15.1	3.7	4.4	0.0	5.0	10.3	11.0	9.5	11.3	8.0
% of institutions with earnings gains	52.8	42.9	57.5	69.0	79.4	61.1	51.3	45.4	39.7	51.3	53.6
Performance Ratios (%)											
Yield on earning assets	7.33	7.29	7.41	7.50	7.25	7.26	7.56	7.50	7.38	7.65	7.21
Cost of funding earning assets	4.24	3.93	3.99	4.19	4.37	3.95	4.23	4.37	4.41	4.42	4.41
Net interest margin	3.10	3.36	3.41	3.31	2.88	3.31	3.33	3.13	2.97	3.22	2.80
Noninterest income to earning assets	0.97	1.10	0.73	0.98	1.05	0.84	1.19	1.23	0.76	1.25	0.89
Noninterest expense to earning assets	2.37	3.45	2.82	2.54	2.07	2.48	3.11	2.66	2.32	2.76	1.91
Credit loss provision to assets*	0.14	0.09	0.11	0.27	0.12	0.10	0.26	0.24	0.11	0.26	0.10
Net operating income to assets	0.91	0.54	0.74	0.89	1.00	0.93	0.65	0.84	0.76	1.02	0.96
Return on assets	1.00	0.62	0.85	1.04	1.06	1.02	0.78	0.98	0.83	1.14	1.02
Return on equity	11.72	4.92	8.00	11.90	14.37	10.63	7.91	10.92	8.34	13.77	14.85
Net charge-offs to loans and leases	0.17	0.09	0.10	0.29	0.15	0.11	0.24	0.22	0.15	0.27	0.16
Credit loss provision to net charge-offs*	130.79	147.26	154.65	144.89	114.70	155.25	155.45	150.06	108.73	137.47	92.73
Efficiency ratio	56.44	76.79	67.17	57.56	50.24	57.45	68.02	58.61	60.44	60.62	49.97
Condition Ratios (%)											
Earning assets to total assets	92.76	93.46	93.44	92.72	92.47	92.59	92.74	91.55	93.33	92.08	93.60
Loss allowance to:											
Loans and leases	0.91	0.74	0.85	1.13	0.86	1.00	0.84	0.81	0.63	0.81	0.94
Noncurrent loans and leases	124.80	89.83	130.35	102.36	139.58	115.84	138.98	111.38	125.78	86.32	155.61
Noncurrent assets plus											
other real estate owned to assets	0.58	0.65	0.54	0.90	0.47	0.62	0.56	0.63	0.49	0.80	0.48
Noncurrent RE loans to RE loans	0.71	0.78	0.62	1.14	0.60	0.89	0.58	0.68	0.47	0.91	0.58
Equity capital ratio	8.27	12.50	10.34	8.56	7.15	9.52	9.33	8.48	9.67	8.19	6.55
Core capital (leverage) ratio	7.86	12.31	10.08	8.20	6.64	8.90	9.12	7.77	8.99	8.16	6.42
Tier 1 risk-based capital ratio	13.24	23.04	17.37	13.09	11.27	15.12	14.98	12.64	16.42	12.10	11.20
Total risk-based capital ratio	14.48	24.04	18.51	14.42	12.52	16.47	16.50	13.87	17.19	13.17	12.36
Gross real estate assets to gross assets	77.37	69.18	71.61	73.20	81.50	71.61	71.20	73.54	78.19	65.85	88.44
Gross 1-4 family mortgages to gross assets	46.08	49.64	46.59	39.49	48.07	40.82	45.77	52.07	51.89	34.71	50.11
Net loans and leases to deposits	106.72	84.05	90.73	103.18	118.26	90.78	100.12	107.94	112.13	120.58	124.61
Structural Changes											
New charters	38	36	2	0	0	8	9	13	2	3	3
Thrifts absorbed by mergers	80	32	41	5	2	24	19	24	4	8	1
Failed Thrifts	1	1	0	0	0	0	1	0	0	0	0
PRIOR FULL YEARS (The way it was…)											
Number of institutions……1998	1,689	701	843	111	34	656	233	442	125	120	113
……1996	1,925	845	919	125	36	730	278	500	145	129	143
……1994	2,152	996	992	133	31	786	343	547	160	141	175
Total assets (in billions)……1998	$1,088.4	$36.2	$245.0	$220.5	$586.7	$360.2	$66.4	$176.1	$36.7	$70.6	$378.5
……1996	1028.3	43.7	270.1	258.3	456.2	345.4	63.2	175.8	50.3	78.3	315.3
……1994	1008.6	50.4	286.0	292.2	379.9	330.9	82.1	155.5	53.1	70.8	316.1
Return on assets (%)……1998	1.01	0.77	0.89	1.08	1.04	0.97	0.93	0.97	0.92	1.19	1.05
……1996	0.70	0.44	0.66	0.82	0.69	0.84	0.52	0.70	0.56	1.57	0.40
……1994	0.66	0.79	0.77	0.82	0.43	0.89	0.84	0.76	0.40	0.97	0.30
Net charge-offs to loans & leases (%)											
……1998	0.22	0.08	0.15	0.27	0.24	0.16	0.54	0.20	0.10	0.42	0.19
……1996	0.32	0.10	0.17	0.33	0.43	0.32	0.38	0.14	0.15	0.32	0.44
……1994	0.51	0.10	0.23	0.49	0.79	0.49	0.16	0.11	0.15	0.29	0.86
Noncurrent assets plus											
OREO to assets (%)**……1998	0.72	0.77	0.69	1.03	0.61	0.79	0.66	0.69	0.54	0.87	0.66
……1996	1.09	0.96	0.99	1.25	1.08	1.26	0.99	0.65	0.67	1.11	1.25
……1994	1.38	1.08	1.24	1.47	1.46	1.83	1.07	0.50	0.61	1.37	1.56
Equity capital ratio (%)……1998	8.68	12.32	10.74	9.03	7.47	9.80	10.16	9.16	9.64	8.20	7.14
……1996	8.34	11.40	9.95	8.29	7.13	9.12	9.44	8.69	8.71	8.10	7.09
……1994	7.93	9.94	9.02	8.10	6.70	8.51	8.59	8.75	7.71	7.01	6.97

* For TFR filers, includes only loan and lease loss provisions.

** Beginning with June 1996, TFR filers report noncurrent loans net of specific reserves. Accordingly, specific reserves have been subtracted from loan-loss reserves, beginning with June 1996, to make the ratio more closely comparable to prior periods.

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

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

Central - Illinois, Indiana, Kentucky, Michigan, Ohio, Wisconsin

Midwest - Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota

Southwest - Arkansas, Louisiana, New Mexico, Oklahoma, Texas

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

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

March 31, 2000	All Institutions	Asset Size Distribution: Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $5 Billion	Greater than $5 Billion	Geographical Distribution by Region: East: North-east	South-east	Central	West: Mid-west	South-west	West
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate	0.75	1.53	0.89	0.79	0.63	0.73	0.86	0.79	1.03	0.95	0.65
Construction, development, and land	1.21	2.00	1.41	1.36	0.89	0.91	1.17	1.52	2.29	0.78	1.52
Commercial real estate	0.69	1.24	0.77	0.84	0.44	0.82	0.82	0.67	0.89	0.77	0.29
Multifamily residential real estate	0.24	0.59	0.47	0.22	0.18	0.27	1.13	0.46	0.24	0.44	0.15
Home equity loans	0.44	0.56	0.70	0.35	0.34	0.63	0.32	0.48	0.45	0.05	0.16
Other 1-4 Family residential	0.79	1.59	0.92	0.83	0.69	0.76	0.84	0.80	0.98	1.09	0.73
Commercial and industrial loans	1.23	2.39	1.39	1.33	1.00	0.77	1.64	2.65	1.81	0.81	1.46
Loans to individuals	1.42	1.99	1.47	1.41	1.39	1.26	2.06	1.67	1.21	0.70	1.84
Credit card loans	1.38	0.77	1.67	2.98	1.13	1.27	3.25	1.57	2.54	0.51	2.44
Other loans to individuals	1.44	2.03	1.47	1.14	1.53	1.26	1.88	1.73	1.15	0.85	1.72
Percent of Loans Noncurrent*											
All real estate loans	0.68	0.74	0.61	1.08	0.56	0.83	0.58	0.66	0.47	1.02	0.55
Construction, development, and land	0.73	1.13	1.05	0.96	0.31	0.69	0.88	1.11	1.16	0.16	0.95
Commercial real estate	0.86	0.78	0.69	1.28	0.67	1.11	0.62	0.61	0.47	0.82	0.59
Multifamily residential real estate	0.34	0.89	0.34	0.63	0.22	0.48	0.43	0.53	0.13	2.37	0.11
Home equity loans	0.21	0.11	0.21	0.23	0.21	0.27	0.09	0.27	0.11	0.02	0.14
Other 1-4 Family residential	0.71	0.72	0.60	1.17	0.62	0.85	0.56	0.67	0.43	1.22	0.61
Commercial and industrial loans	1.18	1.83	0.95	1.37	1.12	0.80	1.08	1.79	1.64	1.90	1.22
Loans to individuals	0.73	0.87	0.57	0.91	0.69	0.56	0.82	1.10	0.38	0.61	0.56
Credit card loans	1.26	0.92	0.89	2.76	1.05	1.10	2.64	1.22	1.60	0.98	1.78
Other loans to individuals	0.55	0.87	0.56	0.60	0.50	0.47	0.53	1.03	0.32	0.33	0.31
Percent of Loans Charged-off (net, annual)											
All real estate loans	0.03	0.01	0.03	0.05	0.03	0.03	0.02	0.08	0.05	-0.01	0.03
Construction, development, and land	0.06	-0.04	0.07	0.16	0.00	-0.04	-0.03	0.32	0.02	0.07	0.03
Commercial real estate	0.00	0.01	0.03	0.05	-0.07	-0.01	-0.04	0.09	0.09	0.00	-0.03
Multifamily residential real estate	-0.05	-0.02	0.01	-0.03	-0.08	0.01	-0.02	0.02	0.12	0.23	-0.12
Home equity loans	0.09	0.01	0.04	0.16	0.09	0.08	0.20	0.03	0.48	0.08	0.07
Other 1-4 Family residential	0.04	0.02	0.03	0.05	0.05	0.03	0.03	0.07	0.03	-0.05	0.06
Commercial and industrial loans	0.43	0.75	0.43	0.73	0.24	0.13	1.81	0.57	0.50	0.26	0.49
Loans to individuals	1.74	0.46	0.71	3.57	1.42	0.93	0.99	2.14	0.63	1.37	4.58
Credit card loans	3.85	1.09	3.43	13.43	2.42	2.71	2.04	2.66	6.06	1.93	19.67
Other loans to individuals	1.02	0.44	0.58	1.83	0.84	0.62	0.81	1.83	0.37	0.91	1.31
Loans Outstanding (in billions)											
All real estate loans	$679.5	$19.8	$151.1	$132.6	$375.9	$208.6	$46.4	$114.1	$27.0	$41.6	$241.8
Construction, development, and land	30.7	1.0	8.7	8.5	12.4	6.0	4.8	5.0	1.9	7.8	5.3
Commercial real estate	55.2	1.8	18.7	16.0	18.6	26.2	4.0	6.6	2.3	4.8	11.3
Multifamily residential real estate	53.9	0.6	8.8	12.9	31.7	15.4	0.9	5.4	0.9	1.9	29.4
Home equity loans	19.6	0.4	5.0	4.4	9.7	7.6	1.9	4.8	0.6	0.6	4.1
Other 1-4 Family residential	519.8	15.9	109.8	90.6	303.5	153.4	34.8	92.2	21.4	26.5	191.5
Commercial and industrial loans	29.4	0.7	6.6	7.7	14.5	14.3	2.7	3.9	1.1	3.6	3.7
Loans to individuals	59.6	1.4	10.0	12.8	35.3	19.2	6.4	14.8	2.1	10.1	7.0
Credit card loans	15.0	0.0	0.4	1.9	12.6	2.8	0.9	5.7	0.1	4.4	1.2
Other loans to individuals	44.6	1.4	9.6	11.0	22.7	16.4	5.5	9.2	2.0	5.7	5.8
Memo: Other Real Estate Owned (in millions)**											
All other real estate owned	$1,151.9	$35.3	$228.4	$419.9	$468.3	$358.2	$100.1	$189.0	$67.2	$113.7	$323.6
Construction, development, and land	157.3	4.4	26.0	24.6	102.3	15.5	70.3	17.6	21.3	4.8	27.7
Commercial real estate	285.7	7.3	57.9	162.9	57.5	128.3	9.7	40.4	21.9	38.3	47.0
Multifamily residential real estate	76.2	0.2	16.7	44.2	15.1	23.4	1.8	9.0	0.2	24.1	17.6
1-4 Family residential	676.1	23.9	131.7	201.9	318.6	204.8	38.1	124.0	26.3	48.3	234.5
Troubled Real Estate Asset Rates* (% of total RE assets)**											
All real estate loans	0.85	0.92	0.76	1.40	0.69	1.00	0.79	0.83	0.72	1.29	0.68
Construction, development, and land	1.23	1.56	1.35	1.25	1.12	0.95	2.31	1.46	2.24	0.22	1.46
Commercial real estate	1.37	1.18	0.99	2.28	0.98	1.59	0.87	1.21	1.43	1.60	1.01
Multifamily residential real estate	0.48	0.93	0.53	0.97	0.26	0.63	0.63	0.70	0.15	3.57	0.17
1-4 family residential	0.82	0.85	0.70	1.33	0.71	0.95	0.64	0.78	0.54	1.38	0.72

* Noncurrent loan rates represent the percentage of loans in each category that are past due 90 days or more or that are in nonaccrual status.
** TFR filers report "All other real estate owned" net of valuation allowances, while individual categories of OREO are reported gross.
*** Noncurrent real estate loans plus other real estate owned as a percent of total real estate loans plus OREO.

- ***BIF Reverses Recent Losses But Its Reserve Ratio Falls To 1.35 Percent***
- ***SAIF Remains Unchanged At 1.44 Percent Of Insured Deposits***
- ***One BIF Member And One SAIF Member Fail In The First Quarter***

After declining for three consecutive quarters, the Bank Insurance Fund (BIF) grew to $29.7 billion (unaudited) as of March 31, 2000. This was $325 million higher than the revised year-end 1999 balance of $29.4 billion, but the fund still lagged below the March 1999 balance of $29.9 billion. Despite the first-quarter growth of the fund (1.1 percent), BIF-insured deposits grew at a faster rate (1.9 percent), and the BIF reserve ratio fell to 1.35 percent of estimated insured deposits on March 31, from 1.37 percent at year-end and 1.41 percent in March 1999. Though still well above the statutory minimum of 1.25 percent, the BIF reserve ratio is at its lowest level since June 1997. The Savings Association Insurance Fund (SAIF) also grew during the first quarter of 2000, rising by $154 million (1.5 percent) to $10.4 billion (unaudited). This rate of growth kept pace with the growth of SAIF-insured deposits, and the SAIF reserve ratio, at 1.44 percent, was unchanged from year-end.

Two FDIC-insured institutions failed during the first quarter of 2000. These included one BIF member, with total assets of $113 million, and one SAIF member, with total assets of $30 million. The failures are expected to cost the BIF and the SAIF approximately $19 million and $1 million, respectively.

The total assets of the 10,171 FDIC-insured institutions surpassed $7 trillion for the first time during the first quarter of 2000, reaching $7.012 trillion as of March 31, 2000. This represented growth of 1.7 percent during the first quarter and 7.4 percent since March 1999. Assets grew by $119 billion during the first three months of 2000, the majority of which was funded by domestic deposit growth, up $69 billion. Foreign-office deposits, on the other hand, declined by $16 billion. Asset growth also was funded by increases in federal funds purchased and reverse repurchase agreements, up $37 billion, and Federal Home Loan Bank advances, up $9 billion.

Total insured deposits increased by $51 billion, or 1.8 percent, during the first three months of 2000. However, despite this increase, insured institutions in general continue to pursue alternative funding sources. As a result, insured deposits fell to 52.5 percent of domestic liabilities, a downward trend which dates back to early 1992, when the ratio topped 70 percent. As seen in the chart below, reliance on insured deposits has declined for large and small institutions alike, but there is a sharp distinction between size categories. On average, institutions with total assets of less than $1 billion still rely predominantly (74.8 percent) on retail deposits for funding, whereas for larger institutions this proportion has fallen well below half (46.7 percent).

INSURED DEPOSITS AS A PERCENTAGE OF DOMESTIC LIABILITIES, 1990–2000

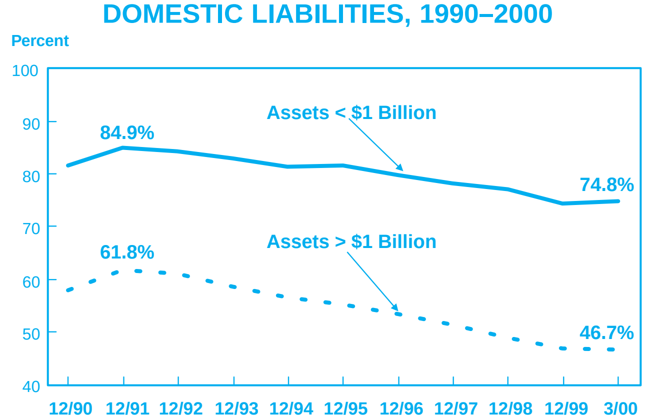


TABLE I-C. Selected Indicators, FDIC-Insured Institutions*

(dollar figures in millions)	2000**	1999**	1999	1998	1997	1996	1995
Number of institutions reporting	10,151	10,390	10,221	10,463	10,922	11,452	11,970
Total assets	$ 7,003,329	$6,521,557	$6,883,681	$6,530,891	$6,041,136	$5,606,608	$5,338,418
Total deposits	4,590,251	4,336,540	4,538,036	4,386,298	4,125,862	3,925,058	3,769,480
Number of problem institutions	87	80	79	84	92	117	193
Assets of problem institutions (in billions)	$10	$10	$10	$11	$6	$12	$31
Number of failed/assisted institutions…2		1	8	3	1	6	8
Assets of failed/assisted institutions (in billions)	$0.15	$0.01	$1.56	$0.37	$0.03	$0.22	$1.21

** As of March 31.

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

(dollar figures in millions)	Preliminary 1st Quarter 2000	4th Quarter 1999	1st Quarter 1999	%Change 99:1-00:1
Number of institutions reporting	10,151	10,221	10,390	-2.3
Total employees (full-time equivalent)	1,893,663	1,901,527	1,860,214	1.8
CONDITION DATA				
Total assets	$7,003,330	$6,883,682	$6,521,557	7.4
Loans secured by real estate	2,240,814	2,180,853	1,993,168	12.4
1-4 Family residential	1,402,504	1,371,840	1,267,552	10.6
Home equity loans	127,681	121,329	112,414	13.6
Multifamily residential property	111,209	108,731	99,694	11.6
Commercial real estate	488,667	470,855	429,526	13.8
Construction, development, and land	173,079	164,721	136,404	26.9
Other real estate loans	65,355	64,707	59,992	8.9
Commercial & industrial loans	1,031,052	998,066	943,955	9.2
Loans to individuals	616,077	617,527	602,679	2.2
Credit cards & related plans	222,440	227,334	220,345	1.0
Other loans & leases	456,809	460,363	441,721	3.4
Less: Unearned income & contra accounts	3,452	3,876	4,027	-14.3
Total loans & leases	4,341,301	4,252,933	3,977,496	9.1
Less: Reserve for losses	66,761	65,731	64,862	2.9
Net loans and leases	4,274,540	4,187,203	3,912,634	9.2
Securities	1,339,544	1,337,800	1,283,567	4.4
Other real estate owned	3,915	3,918	4,667	-16.1
Goodwill and other intangibles	116,628	112,858	98,151	18.8
All other assets	1,268,703	1,241,904	1,222,538	3.8
Total liabilities and capital	7,003,330	6,883,682	6,521,557	7.4
Deposits	4,590,251	4,538,036	4,336,541	5.9
Other borrowed funds	1,420,539	1,376,070	1,228,776	15.6
Subordinated debt	81,952	79,469	76,429	7.2
All other liabilities	324,033	315,362	314,513	3.0
Equity capital	586,554	574,745	565,299	3.8
Loans and leases 30-89 days past due	46,086	46,449	45,813	0.6
Noncurrent loans and leases	40,022	38,540	38,264	4.6
Restructured loans and leases	2,770	2,826	3,836	-27.8
Direct and indirect investments in real estate	936	921	1,107	-15.5
Mortgage-backed securities	680,167	676,205	678,545	0.2
Earning assets	6,120,718	6,013,122	5,710,032	7.2
FHLB Advances (Source: TFR and FHFB)	396,155	386,872	293,239	35.1
Unused loan commitments	4,267,471	4,145,690	3,923,730	8.8

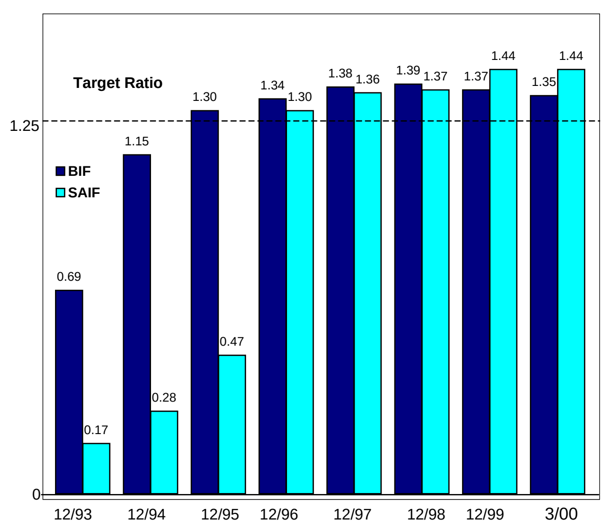
INCOME DATA	Full Year 1999	Full Year 1998	%Change	Preliminary 1st Quarter 2000	1st Quarter 1999	%Change 99:1-00:1
Total interest income	$441,566	$433,108	2.0	$120,352	$108,673	10.7
Total interest expense	218,029	221,168	-1.4	62,214	53,457	16.4
Net interest income	223,537	211,940	5.5	58,138	55,216	5.3
Provision for credit losses	23,370	23,990	-2.6	6,203	5,813	6.7
Total noninterest income	154,198	132,900	16.0	41,069	37,062	10.8
Total noninterest expense	228,166	217,686	4.8	58,081	55,742	4.2
Securities gains (losses)	1,617	5,585	-71.0	-559	1,166	N/M
Applicable income taxes	45,520	37,226	22.3	11,895	11,201	6.2
Extraordinary gains, net	174	424	-59.0	22	-37	N/M
Net income	82,470	71,947	14.6	22,492	20,650	8.9

* Excludes insured branches of foreign banks (IBAs) and institutions in RTC conservatorship (the last of which ended in 1995). N/M - Not meaningful

TABLE III-C. Selected Insurance Fund Indicators*

(dollar figures in millions)	Preliminary 1st Quarter 2000	4th Quarter 1999	1st Quarter 1999	%Change 99:1-00:1
Bank Insurance Fund				
Reserve ratio (%)	1.35	1.37	1.41	-4.4
Fund balance (unaudited)	$29,739	$29,414	$29,852	-0.4
Estimated insured deposits	2,194,918	2,153,519	2,123,564	3.4
SAIF-member Oakars	47,108	43,378	39,906	18.0
BIF-members	2,147,810	2,110,141	2,083,658	3.1
Assessment base	3,089,701	3,034,397	2,939,584	5.1
SAIF-member Oakars	48,780	45,110	42,445	14.9
BIF-members	3,040,921	2,989,287	2,897,139	5.0
Savings Association Insurance Fund				
Reserve ratio (%)	1.44	1.44	1.41	2.1
Fund balance (unaudited)	$10,435	$10,281	$9,937	5.0
Estimated insured deposits	724,992	715,531	707,143	2.5
BIF-member Oakars	280,873	266,680	261,381	7.5
SAIF-member Sassers	72,179	70,660	66,472	8.6
Other SAIF members	371,940	378,191	379,290	-1.9
Assessment base	784,119	768,510	750,597	4.5
BIF-member Oakars	281,376	267,249	261,787	7.5
SAIF-member Sassers	83,303	80,797	73,746	13.0
Other SAIF members	419,440	420,464	415,064	1.1

Insurance Fund Reserve Ratios*
Percent of Insured Deposits



Fund Balances and Insured Deposits*
($ Millions)

	BIF Balance	BIF-Insured Deposits	SAIF Balance	SAIF-Insured Deposits
12/93	13,122	1,905,245	1,157	697,885
12/94	21,848	1,895,258	1,937	693,610
12/95	25,454	1,951,693	3,358	711,897
12/96	26,854	2,007,042	8,888	683,403
12/97	28,293	2,056,558	9,368	689,915
12/98	29,612	2,134,425	9,840	716,029
3/99	29,852	2,123,564	9,937	707,143
6/99	29,831	2,128,188	10,066	704,934
9/99	29,499	2,132,292	10,205	707,565
12/99	29,414	2,153,519	10,281	715,531
3/00	29,739	2,194,918	10,435	724,992

* A reserve ratio is the fund balance as a percentage of estimated insured deposits. As with other Call Report items, prior periods may reflect adjustments. As a result, prior period reserve ratios may differ from previously reported values. Fund balances in 2000 are unaudited. BIF-insured deposit totals include U.S. branches of foreign banks.

TABLE IV-C. Closed/Assisted Institutions

(dollar figures in millions)	2000*	1999*	1999	1998	1997	1996	1995
BIF Members							
Number of institutions	1	1	7	3	1	5	6
Total assets	$113	$12	$1,424	$370	$26	$183	$753
SAIF Members							
Number of institutions	1	0	1	0	0	1	2
Total assets	$30	$0	$63	$0	$0	$35	$456

* Through March 31.

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

(dollar figures in millions)	2000**	1999**	1999	1998	1997	1996	1995
BIF Members							
Number of institutions reporting	8,771	8,976	8,834	9,031	9,404	9,823	10,243
BIF-member Oakars	721	738	732	745	778	793	807
Other BIF-members	8,050	8,238	8,102	8,286	8,626	9,030	9,436
Total assets	$ 6,095,467	$5,677,609	$5,980,132	$5,702,714	$5,285,411	$4,857,761	$4,577,897
Total deposits	4,034,514	3,797,585	3,987,333	3,843,816	3,611,453	3,404,203	3,225,649
Net income	20,151	18,589	74,009	64,349	61,462	54,483	50,779
Return on assets (%)	1.33	1.30	1.30	1.18	1.22	1.17	1.15
Return on equity (%)	15.84	15.14	15.12	13.81	14.44	14.14	14.32
Noncurrent assets plus OREO to assets (%)	0.63	0.66	0.62	0.64	0.67	0.77	0.89
Number of problem institutions	72	64	66	68	73	86	151
Assets of problem institutions	$5,143	$4,652	$4,450	$5,326	$4,598	$6,624	$20,166
Number of failed/assisted institutions……1……		1	7	3	1	5	6
Assets of failed/assisted institutions	$113	$12	$1,424	$370	$26	$183	$753
SAIF Members							
Number of institutions reporting	1,380	1,414	1,387	1,432	1,518	1,629	1,727
SAIF-member Oakars	121	115	121	116	112	94	77
Other SAIF-members	1,259	1,299	1,266	1,316	1,406	1,535	1,650
Total assets	$907,862	$843,947	$903,548	$828,177	$755,724	$748,847	$760,520
Total deposits	555,736	538,955	550,703	542,481	514,408	520,854	543,831
Net income	2,340	2,060	8,460	7,597	6,485	4,883	5,584
Return on assets (%)	1.04	0.99	0.99	0.98	0.94	0.67	0.76
Return on equity (%)	13.10	11.77	11.99	11.34	11.13	8.07	9.47
Noncurrent assets plus OREO to assets (%)	0.63	0.76	0.64	0.80	0.98	1.07	1.12
Number of problem institutions	15	16	13	16	19	31	42
Assets of problem institutions	$5,325	$5,122	$5,524	$5,992	$1,662	$5,548	$10,864
Number of failed/assisted institutions……1……		0	1	0	0	1	2
Assets of failed/assisted institutions	$30	$0	$63	$0	$0	$35	$456

* Excludes insured branches of foreign banks (IBAs) and institutions in RTC conservatorship (the last of which ended in 1995).

** Through March 31, ratios annualized where appropriate.

TABLE VI-C. Estimated FDIC-Insured Deposits by Fund Membership and Type of Institution

(dollar figures in millions)	Number of Institutions	Total Assets	Domestic Deposits*	Estimated Insured Deposits BIF	SAIF	Total
March 31, 2000						
Commercial Banks and Savings Institutions						
FDIC-Insured Commercial Banks	8,518	$5,847,134	$3,238,803	$1,993,438	$287,960	2,281,398
BIF-member	8,406	5,759,461	3,177,576	1,978,125	253,484	2,231,609
SAIF-member	112	87,673	61,226	15,313	34,476	49,789
FDIC-Supervised	5,196	1,060,699	775,466	515,233	66,775	582,008
OCC-Supervised	2,327	3,301,994	1,785,510	1,096,400	164,822	1,261,222
Federal Reserve-Supervised	995	1,484,442	677,826	381,805	56,363	438,168
FDIC-Insured Savings Institutions	1,633	1,156,195	711,960	200,159	437,032	637,190
OTS-Supervised Savings Institutions	1,097	868,744	514,250	77,467	381,339	458,805
BIF-member	42	109,023	61,831	46,982	9,399	56,381
SAIF-member	1,055	759,720	452,419	30,485	371,940	402,424
FDIC-Supervised State Savings Banks	536	287,452	197,710	122,692	55,693	178,385
BIF-member	323	226,983	155,678	121,382	17,990	139,372
SAIF-member	213	60,469	42,032	1,310	37,703	39,013
Total Commercial Banks and Savings Institutions	10,151	7,003,330	3,950,763	2,193,597	724,992	2,918,588
BIF-member	8,771	6,095,467	3,395,085	2,146,489	280,873	2,427,361
SAIF-member	1,380	907,862	555,677	47,108	444,119	491,227
Other FDIC-Insured Institutions						
U.S. Branches of Foreign Banks	20	9,151	3,681	1,322	0	1,322
Total FDIC-Insured Institutions	10,171	7,012,481	3,954,444	2,194,918	724,992	2,919,910

Excludes $639 billion in foreign office deposits, which are uninsured.

TABLE VII-C. Assessment Base Distribution and Rate Schedules

BIF Assessment Base Distribution
Assessable Deposits in Millions as of March 31, 2000
Supervisory and Capital Ratings for Second Semiannual Assessment Period, 2000

	Supervisory Risk Subgroup					
Capital Group	A		B		C	
1. Well-capitalized						
Number of institutions	8,160	92.8%	364	4.1%	60	0.7%
Assessable deposit base	$2,993,055	96.9%	$60,498	2.0%	$6,802	0.2%
2. Adequately capitalized						
Number of institutions	171	1.9%	14	0.2%	11	0.1%
Assessable deposit base	$25,596	0.8%	$1,547	0.1%	$1,168	0.0%
3. Undercapitalized						
Number of institutions	2	0.0%	0	0.0%	9	0.1%
Assessable deposit base	$86	0.0%	$0	0.0%	$672	0.0%

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

SAIF Assessment Base Distribution
Assessable Deposits in Millions as of March 31, 2000
Supervisory and Capital Ratings for Second Semiannual Assessment Period, 2000

	Supervisory Risk Subgroup					
Capital Group	A		B		C	
1. Well-capitalized						
Number of institutions	1,242	90.0%	91	6.6 %	14	1.0%
Assessable deposit base	$749,637	95.6%	$22,260	2.8 %	$3,861	0.5%
2. Adequately capitalized						
Number of institutions	21	1.5%	8	0.6 %	3	0.2%
Assessable deposit base	$4,004	0.5%	$2,007	0.3 %	$2,255	0.3%
3. Undercapitalized						
Number of institutions	0	0.0%	0	0.0 %	1	0.1%
Assessable deposit base	$0	0.0%	$0	0.0 %	$96	0.0%

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

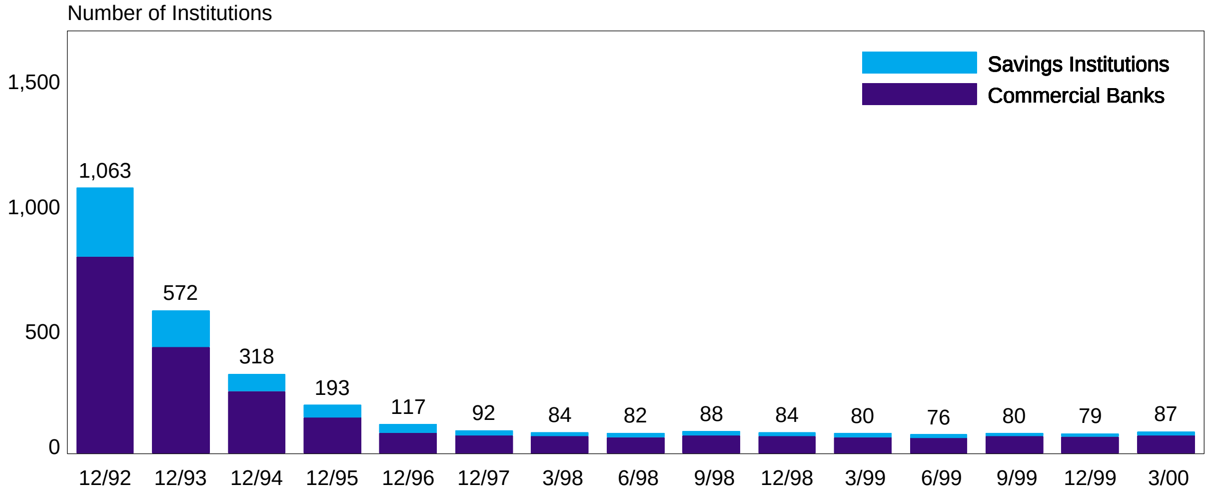
Assessment Rate Schedules
Second Semiannual 2000 Assessment Period
Cents Per $100 of Assessable Deposits

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

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

Number of FDIC-Insured "Problem" Institutions

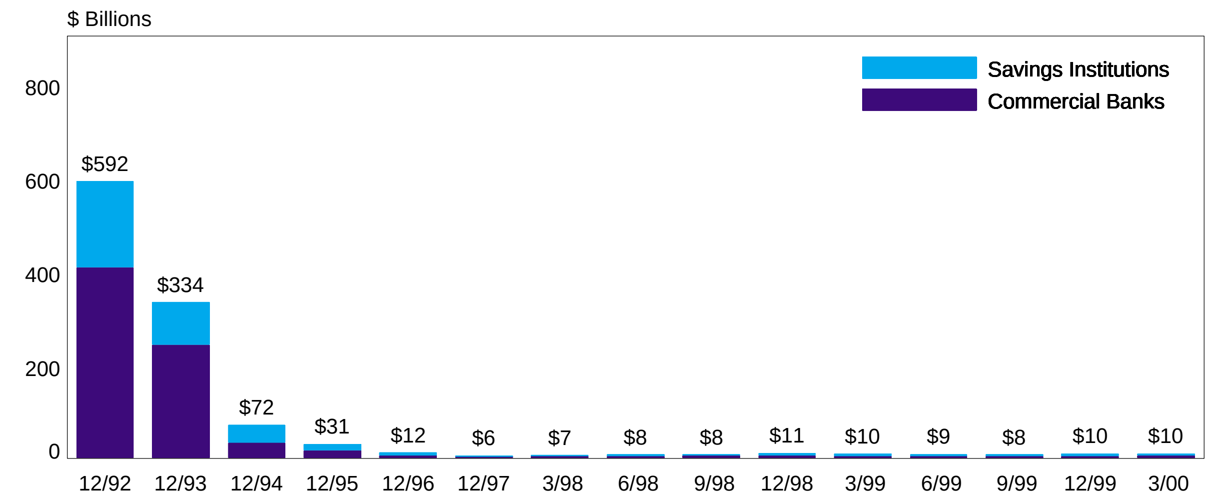
1992 - 2000



	12/92	12/93	12/94	12/95	12/96	12/97	3/98	6/98	9/98	12/98	3/99	6/99	9/99	12/99	3/00
Savings Institutions	276	146	71	49	35	21	16	18	18	15	16	14	11	13	15
Commercial Banks	787	426	247	144	82	71	68	64	70	69	64	62	69	66	72

Assets of FDIC-Insured "Problem" Institutions

1992 - 2000



	12/92	12/93	12/94	12/95	12/96	12/97	3/98	6/98	9/98	12/98	3/99	6/99	9/99	12/99	3/00
Savings Institutions	184	92	39	14	7	2	2	3	3	6	5	4	4	6	5
Commercial Banks	408	242	33	17	5	5	5	5	5	5	5	5	4	4	5

NOTES TO USERS

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

FDIC-Insured Commercial Banks
(Tables I-A through V-A.)

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

FDIC-Insured Savings Institutions
(Tables I-B through V-B.)

This section covers savings institutions insured by either BIF or SAIF that operate under state or federal banking codes applicable to thrift institutions, 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
(Tables I-C through VII-C.)

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

DATA SOURCES

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

COMPUTATION METHODOLOGY

Certain adjustments are made to the OTS *Thrift Financial Reports* to provide closer conformance with the reporting and accounting requirements of the FFIEC *Call Reports*. 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.

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, 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)

All other assets — total cash, balances due from depository institutions, premises, fixed assets, direct investments in real estate, investment in unconsolidated subsidiaries, customers' liability on acceptances outstanding, assets held in trading accounts, federal funds sold, securities purchased with agreements to resell, and other assets.

All other liabilities — bank's liability on acceptances, limited-life preferred stock, allowance for estimated off-balance sheet credit losses, and other liabilities.

Assessment base 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	***and***	≥6	***and***	≥5		—
Adequately capitalized	≥8	***and***	≥4	***and***	≥4		—
Undercapitalized	≥6	***and***	≥3	***and***	≥3		—
Significantly undercapitalized	<6	***or***	<3	***or***	<3	***and***	>2
Critically undercapitalized	—		—		—		≤2

*As a percentage of risk-weighted assets.

For purpose of BIF and SAIF assessments, risk-based assessment rules combine the last three capital rating categories into a single "undercapitalized" group. 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.

BIF-insured deposits (estimated) — the portion of estimated insured deposits that is insured by the BIF. For SAIF-member "Oakar" institutions, it represents the adjusted attributable amount acquired from BIF members.

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

Core capital — common equity capital plus noncumulative perpetual preferred stock plus minority interest in consolidated subsidiaries, less goodwill and other ineligible intangible assets. The amount of eligible intangibles (including servicing rights) included in core capital is limited in accordance with supervisory capital regulations.

Cost of funding earning assets — total interest expense paid on deposits and other borrowed money as a percentage of average earning assets.

Direct and indirect investments in real estate — excludes loans secured by real estate and property acquired through foreclosure.

Earning assets — all loans and other investments that earn interest or dividend income.

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

Estimated insured deposits — estimated amount of insured deposits (account balances less than $100,000). The sum of all deposit balances in accounts of less than $100,000 plus the number of accounts with balances greater than $100,000 multiplied by $100,000.

Failed/assisted institutions — an institution fails when regulators take control of the institution, placing the assets and liabilities into a bridge bank, conservatorship, receivership, or another healthy institution. This action may require the FDIC to provide funds to cover losses. An institution is defined as "assisted" when the institution remains open and receives some insurance funds in order to continue operating.

FHLB advances — all borrowings by FDIC insured institutions from the Federal Home Loan Bank System (FHLB) as furnished by the Federal Housing Finance Board (FHFB) for *Call* filers and reported by *TFR* filers.

Goodwill and other intangibles — intangible assets include servicing rights, purchased credit card relationships and other identifiable intangible assets.

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

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

Long-term assets (5+ years) — loans and debt securities with remaining maturities or repricing intervals of over five years.

Mortgage-backed securities — certificates of participation in pools of residential mortgages and collateralized mortgage obligations issued or guaranteed by government-sponsored or private enterprises. Also, see "Securities", below.

Net charge-offs — total loans and leases charged off (removed from balance sheet because of uncollectibility), less amounts recovered on loans and leases previously charged off.

Net interest margin — the difference between interest and dividends earned on interest-bearing assets and interest paid to depositors and other creditors, expressed as a percentage of average earning assets. No adjustments are made for interest income that is tax exempt.

Net operating income — income excluding discretionary transactions such as gains (or losses) on the sale of investment securities and extraordinary items. Income taxes subtracted from operating income have been adjusted to exclude the portion applicable to securities gains (or losses).

Noncurrent assets — the sum of loans, leases, debt securities and other assets that are 90 days or more past due, or in nonaccrual status.

Noncurrent loans & leases — the sum of loans and leases 90 days or more past due, and loans and leases in nonaccrual status.

Number of institutions reporting — the number of institutions that actually filed a financial report.

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 borrowed funds — federal funds purchased, securities sold with agreements to repurchase, demand notes issued to the U.S. Treasury, FHLB advances, other borrowed money, mortgage indebtedness, obligations under capitalized leases and trading liabilities, less revaluation losses on assets held in trading accounts.

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

Percent of institutions with earnings gains — the percent of institutions that increased their net income (or decreased their losses) compared to the same period a year earlier.

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

Reserves for losses — the allowance for loan and lease losses 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.

Restructured loans and leases — loan and lease financing receivables with terms restructured from the original contract. Excludes restructured loans and leases that are not in compliance with the modified terms.

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

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

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

SAIF-insured deposits (estimated) — the portion of estimated insured deposits that is insured by the SAIF. For BIF-member "Oakar" institutions, it represents the adjusted attributable amount acquired from SAIF members.

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

Securities gains (losses) — realized gains (losses) on held-to-maturity and available-for-sale securities, before adjustments for income taxes. Thrift Financial Report (TFR) filers also include gains (losses) on the sales of assets held for sale.

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

Unearned income & contra accounts — unearned income and loans-in-process for TFR filers. Beginning March 31 1997, TFR filers net the unearned income and the loans-in-process against each loan balance, leaving just the unearned income on loans reported by Call Report filers.

Unused loan commitments — includes credit card lines, home equity lines, commitments to make loans for construction, loans secured by commercial real estate, and unused commitments to originate or purchase loans.

Volatile liabilities — the sum of large-denomination time deposits, foreign-office deposits, federal funds purchased, securities sold under agreements to repurchase, and other borrowings.

Yield on earning assets — total interest, dividend and fee income earned on loans and investments as a percentage of average earning assets.