The FDIC Quarterly Banking Profile

Donna Tanoue, Chairman

Fourth Quarter 2000

COMMERCIAL BANK PERFORMANCE—FOURTH QUARTER, 2000

- *Commercial Banks Earn $17.8 Billion In 4th Quarter*
- *Loan-Loss Provisions Up Sharply At A Few Large Banks*
- *Full-Year Earnings Fall For First Time In Nine Years*
- *Most Banks Report Higher Profits*
- *Net Interest Margin Declines To Ten-Year Low*

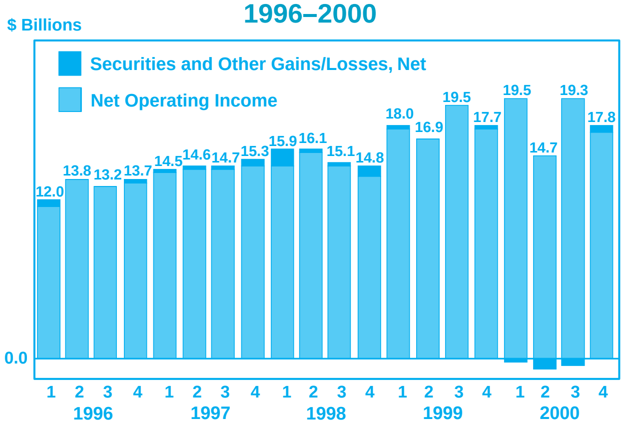
Insured commercial banks reported $17.8 billion in net income in the fourth quarter of 2000, an increase of $91 million (0.5 percent) over industry earnings in the fourth quarter of 1999. The slight gain was made possible by a $471-million improvement in results from sales of securities. In the fourth quarter, securities sales produced pretax net gains totaling $196 million; a year ago, securities sales resulted in $275 million in net losses. The decline in the industry's net operating income (which excludes proceeds from securities sales and extraordinary items) stemmed from rising expenses for loan-loss provisions at a number of large banks and a slowdown in growth of banks' noninterest income.

Banks' provisions for loan losses rose to $9.5 billion in the fourth quarter, an increase of $3.4 billion (54.7 percent) from the level of a year earlier. This is the largest quarterly loss provision since the fourth quarter of 1991. It absorbed 10.4 percent of the industry's net operating revenue (net interest income plus total noninterest income) in the quarter. In the fourth quarter of 1999, loss provisions absorbed 7.0 percent of net operating revenue. Earnings were helped by slower growth in overhead costs—noninterest expenses were only $484 million (0.9 percent) higher than a year ago—but were penalized by a slowdown in noninterest income growth. Noninterest revenues were only $643 million (1.7 percent) higher than in the fourth quarter of 1999, mainly because of a lack of growth in fee income.

The average return on assets (ROA) was 1.16 percent in the fourth quarter, down from 1.27 percent a year ago. Slightly more than half (50.5 percent) of all banks reported a quarterly ROA of 1 percent or higher, and 53.6 percent reported a higher ROA compared to a year earlier.

Net interest margins declined for the fifth consecutive quarter. Asset yields increased only for the largest size group of banks (assets greater than $10 billion), while funding costs rose for all asset-size groups. At 3.90 percent, the industry's net interest margin was only 3 basis points lower than in the third quarter. A year ago, it was 4.08 percent. The current level represents the lowest quarterly net interest margin since the second quarter of 1988. Despite the margin decline, net interest income was $2.6 billion (5.3 percent) higher than a year ago, because of an 8.7-percent increase in the industry's interest-earning assets over the past 12 months.

QUARTERLY NET INCOME, 1996–2000



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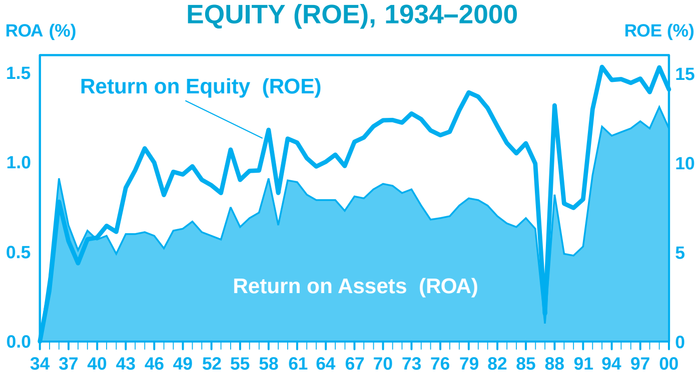
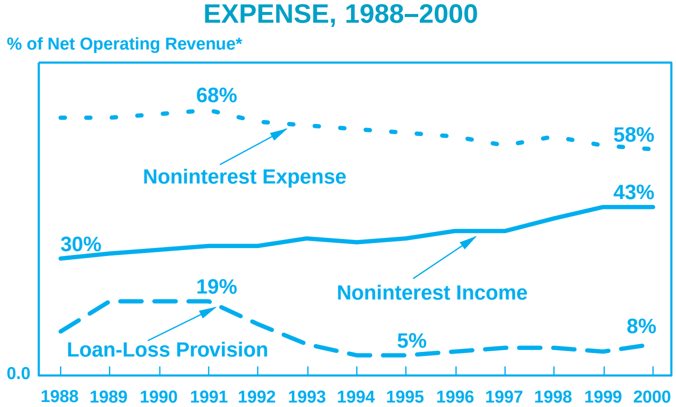
ANNUAL RETURN ON ASSETS (ROA) AND EQUITY (ROE), 1934–2000



Commercial banks' string of eight consecutive years of record earnings came to an end in 2000, as full-year net income of $71.2 billion fell $380 million (0.5 percent) short of 1999's total. Net operating income, which excludes proceeds from sales of securities and extraordinary items, was actually $1.4 billion (2.0 percent) higher in 2000 than in 1999. But securities sales in 2000 produced net losses of $2.3 billion, compared to $181 million in net *gains* in 1999, as higher interest rates reduced the values of banks' fixed-rate securities holdings. The industry's earnings decline was mostly attributable to problems at a few large banks. More than two out of every three commercial banks (67.9 percent) reported higher earnings than in 1999, and a majority (53.5 percent) reported higher full-year ROAs.

Sharply higher loan-loss provisions had a significant effect on industry earnings in 2000. For the full year, loss provisions totaled $29.3 billion, an increase of $7.4 billion (34.1 percent) over 1999. There has not been a larger annual increase in loss provisioning by the industry since 1988-89. Industry earnings were also hurt by sluggish growth in noninterest income. After posting double-digit growth rates in each of the previous four years, noninterest revenues increased by only 5.8 percent in 2000. On the positive side, noninterest expenses increased at a slower rate (5.7 percent) in 2000, despite some large individual

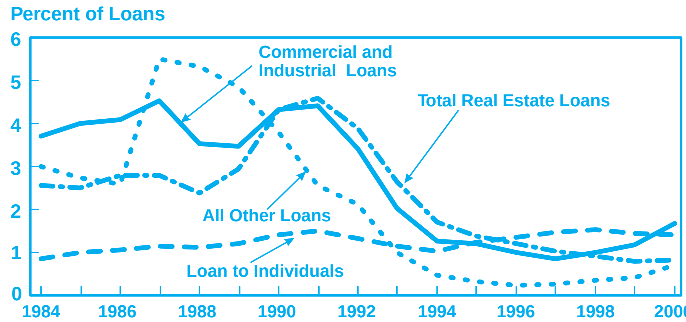
TRENDS IN COMMERCIAL BANK INCOME AND EXPENSE, 1988–2000



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

restructuring expenses. The industry's full-year net interest margin declined for the seventh time in the last eight years, falling below 4 percent for the first time since 1990. Net interest income increased by 6.0 percent over 1999, as an 8.7-percent rise in interest-earning assets outweighed the declining net interest margin. The industry's net interest margin of 3.95 percent in 2000 was the lowest level since 1990. The full-year ROA of 1.19 percent was down from the record 1.31 percent registered in 1999, but it extended the industry's streak of consecutive years with an ROA above 1 percent to eight. Almost 60 percent of the 8,315 commercial banks reporting year-end results posted an ROA of 1 percent or higher in 2000.

NONCURRENT LOAN RATES, 1984–2000

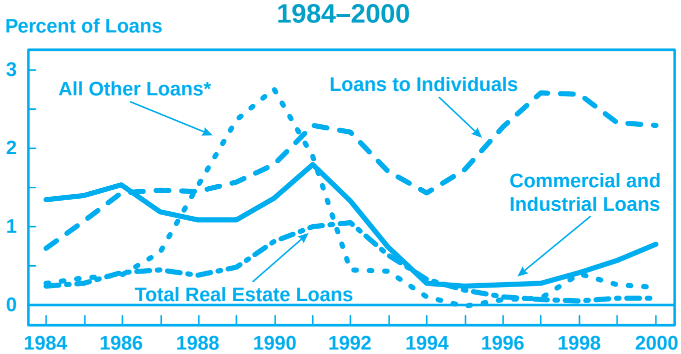


Note: Noncurrent loan rates represent the percentage of loans that are past due 90 days or more or in nonaccrual status.

The amount of commercial banks' loans that were noncurrent—90 days or more past due or in nonaccrual status—rose by $4.1 billion (10.5 percent) in the fourth quarter. This quarterly increase is the largest since the first quarter of 1991. The percentage of banks' loans that were noncurrent rose from 1.03 percent to 1.12 percent during the quarter. Loans to commercial and industrial borrowers accounted for the largest portion of the increase. Noncurrent commercial and industrial loans (C&I loans) increased by $1.6 billion, and the noncurrent rate on banks' C&I loans rose from 1.52 percent to 1.67 percent, the highest it has been since the first quarter of 1994. Noncurrent loans in the "all other loans" category, which includes loans for purchasing and carrying securities, more than doubled in the fourth quarter. The amount of "all other loans" that were noncurrent increased from $764 million to $1.7 billion, and the noncurrent rate rose from 0.59 percent to 1.31 percent. Noncurrent loans increased in most other loan categories as well during the fourth quarter, but not to the degree seen in C&I loans. During the full year, noncurrent loans increased by $9.9 billion (30.0 percent). Commercial and industrial loans accounted for $6.1 billion (61.4 percent) of the increase. The rising trend in troubled C&I loans was not especially broad-based. During 2000, slightly more than one in three commercial banks (38.8 percent) reported an increase in the percentage of their C&I loans that were noncurrent. However, these banks account for more than three-quarters (77.9 percent) of all the commercial and industrial loans held by the banking industry.

Banks charged-off $7.7 billion in bad loans in the fourth quarter, a 27.1-percent ($1.6 billion) increase over the fourth quarter of 1999. C&I loans accounted for $3.0 billion (39.2 percent) of the quarter's charge-offs. This was the highest level for C&I charge-offs in nine years (since the fourth quarter of 1991). A year ago, banks charged-off $1.9 billion in C&I loans. The annualized net charge-off rate on C&I loans rose to 1.15 percent, from 0.79 percent a year ago. The only other loan category where the net charge-of rate showed a significant increase was home equity loans. The net charge-off rate was 0.24 percent in the fourth quarter, up from 0.16 percent in the fourth quarter of 1999. Almost all other loan categories had minor increases in their net charge-off rates compared to a year earlier, except for credit-card loans. The net charge-off rate on credit-card loans in the fourth quarter was 4.35 percent, down from 4.48 percent a year earlier.

ANNUAL NET CHARGE-OFF RATES ON LOANS, 1984–2000



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

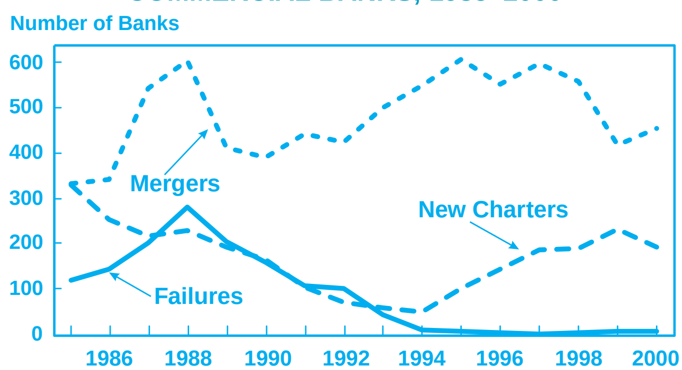
Loan growth slowed in the fourth quarter, as banks' holdings of residential mortgage loans declined and C&I loans registered their smallest quarterly increase in seven years. Loans secured by 1-4 family residential properties fell by $4.2 billion during the quarter; if home equity loans are excluded, all other 1-4 family residential loans declined by $8.8 billion. Commercial and industrial loans increased by $3.9 billion, the smallest quarterly change since the third quarter of 1993. Of the major loan categories, only credit card loans showed normal seasonal growth. Credit-card loans increased by $20.7 billion (9.1 percent) during the quarter.

Banks' domestic deposits rose strongly in the fourth quarter. Brokered deposit growth continued to be propelled by the sweeping of cash management accounts into insured deposit accounts at banks affiliated with brokerage firms. Brokered deposits rose by $26.9 billion (16.1 percent) during the quarter, and were up by $95.2 billion (96.6 percent) over the last 12 months. Two banks accounted for 63.9 percent of the quarterly increase and 51.2 percent of the annual growth in brokered deposits. Demand deposits increased by $41.6 billion (8.5 percent) during the fourth quarter.

Equity capital increased by $8.4 billion (1.6 percent) in the fourth quarter. The rise was made possible by a $9.5-billion increase in unrealized gains on banks' available-for-sale securities. During the quarter, dividends paid by the industry exceeded net income by $801 million, so there was no contribution to equity from retained earnings. The increase in equity did not keep pace with growth in total assets, and the industry's equity-to-assets ratio declined from 8.59 percent to 8.49 percent. A year ago, the ratio stood at 8.37 percent.

Banks increased their loss reserves by $1.5 billion in the fourth quarter. Except for the $2.1-billion increase in reserves in the second quarter, this is the largest quarterly addition to reserves since the fourth quarter of 1990. It lifted the industry's ratio of reserves to loans from 1.66 percent to 1.68 percent. However, because of the large increase in noncurrent loans, the industry's "coverage ratio" declined to $1.49 in reserves for every $1.00 of noncurrent loans from $1.61 at the end of the third quarter. This is the lowest level for the coverage ratio since the middle of 1994.

CHANGES IN THE NUMBER OF FDIC-INSURED COMMERCIAL BANKS, 1985–2000



The number of insured commercial banks reporting financial results fell from 8,376 to 8,315 in the fourth quarter. There were 51 new charters, while 109 banks were merged into other institutions, and two banks failed. During the year, the number of commercial banks declined by 265. There were 192 new charters in 2000. Mergers absorbed 453 banks, and 6 insured commercial banks failed. At the end of the year, there were 76 commercial banks on the FDIC's "Problem List," up from 75 at the beginning of the quarter and 66 at the beginning of the year. The combined assets of these "Problem" banks totaled $17 billion at year-end, compared to $14 billion at the beginning of the quarter, and $4 billion at the beginning of the year.

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

	2000	1999	1998	1997	1996	1995	1994
Return on assets (%)	1.19	1.31	1.19	1.23	1.19	1.17	1.15
Return on equity (%)	14.07	15.31	13.93	14.68	14.45	14.66	14.61
Core capital (leverage) ratio (%)	7.71	7.79	7.54	7.56	7.64	7.61	7.64
Noncurrent assets plus other real estate owned to assets (%)	0.74	0.63	0.65	0.66	0.75	0.85	1.01
Net charge-offs to loans (%)	0.64	0.61	0.67	0.64	0.58	0.49	0.50
Asset growth rate (%)	8.79	5.37	8.53	9.54	6.16	7.53	8.21
Net interest margin (%)	3.95	4.07	4.07	4.21	4.27	4.29	4.36
Net operating income growth (%)	2.02	20.42	2.24	12.46	6.43	7.48	16.18
Number of institutions reporting	8,315	8,580	8,774	9,142	9,527	9,940	10,451
Percentage of unprofitable institutions (%)	7.06	7.47	6.11	4.85	4.28	3.55	3.98
Number of problem institutions	76	66	69	71	82	144	247
Assets of problem institutions (in billions)	$17	$4	$5	$5	$5	$17	$33
Number of failed/assisted institutions	6	7	3	1	5	6	11

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

(dollar figures in millions)	Preliminary 4th Quarter 2000	3rd Quarter 2000	4th Quarter 1999	%Change 99:4-00:4
Number of institutions reporting	8,315	8,376	8,580	-3.1
Total employees (full-time equivalent)	1,662,335	1,654,929	1,657,535	0.3
CONDITION DATA				
Total assets	$6,238,713	$6,064,073	$5,734,761	8.8
Loans secured by real estate	1,670,278	1,659,388	1,510,036	10.6
Commercial & industrial loans	1,048,248	1,044,305	970,986	8.0
Loans to individuals	609,713	584,294	558,351	9.2
Farm loans	48,078	47,331	45,276	6.2
Other loans & leases	442,789	444,833	410,307	7.9
Less: Unearned income	2,915	3,046	3,671	-20.6
Total loans & leases	3,816,191	3,777,104	3,491,285	9.3
Less: Reserve for losses	64,054	62,540	58,770	9.0
Net loans and leases	3,752,138	3,714,565	3,432,515	9.3
Securities	1,077,668	1,061,168	1,046,343	3.0
Other real estate owned	2,905	2,819	2,795	3.9
Goodwill and other intangibles	102,703	104,511	98,042	4.8
All other assets	1,303,299	1,181,011	1,155,066	12.8
Total liabilities and capital	6,238,713	6,064,073	5,734,761	8.8
Noninterest-bearing deposits	765,893	704,979	703,381	8.9
Interest-bearing deposits	3,410,682	3,314,619	3,127,446	9.1
Other borrowed funds	1,107,232	1,127,335	1,048,828	5.6
Subordinated debt	87,043	84,510	76,450	13.9
All other liabilities	338,280	311,452	298,935	13.2
Equity capital	529,583	521,177	479,722	10.4
Loans and leases 30-89 days past due	47,936	43,201	39,701	20.7
Noncurrent loans and leases	42,911	38,851	32,996	30.0
Restructured loans and leases	1,311	1,748	1,146	14.4
Direct and indirect investments in real estate	293	316	279	5.2
1-4 Family residential mortgages	916,383	920,554	839,199	9.2
Mortgage-backed securities	470,469	448,966	454,463	3.5
Earning assets	5,375,687	5,254,621	4,947,473	8.7
Long-term assets (5+ years)	1,186,292	1,177,561	1,181,056	0.4
Volatile liabilities	2,182,480	2,166,119	2,003,859	8.9
Foreign office deposits	706,666	694,207	655,589	7.8
FHLB Advances (Source: FHFB)	174,742	175,003	155,407	12.4
Unused loan commitments	4,465,709	4,330,673	3,974,072	12.4
Off-balance-sheet derivatives	40,758,689	38,750,721	34,883,794	16.8

INCOME DATA	Preliminary Full Year 2000	Full Year 1999	%Change	Preliminary 4th Quarter 2000	4th Quarter 1999	%Change 99:4-00:4
Total interest income	$427,985	$367,322	16.5	$112,401	$97,179	15.7
Total interest expense	224,195	175,129	28.0	60,571	47,935	26.4
Net interest income	203,790	192,193	6.0	51,830	49,244	5.3
Provision for credit losses	29,254	21,814	34.1	9,491	6,134	54.7
Total noninterest income	152,751	144,400	5.8	39,429	38,786	1.7
Total noninterest expense	215,753	204,196	5.7	55,263	54,779	0.9
Securities gains (losses)	-2,285	181	N/M	196	-275	N/M
Applicable income taxes	38,043	39,377	-3.4	8,835	9,315	-5.2
Extraordinary gains, net	-30	169	N/M	-46	202	N/M
Net income	71,176	71,556	-0.5	17,821	17,730	0.5
Net charge-offs	23,613	20,360	16.0	7,658	6,027	27.1
Cash dividends	53,798	51,933	3.6	18,622	16,344	13.9
Net operating income	72,762	71,321	2.0	17,366	17,707	-1.9

N/M - Not meaningful

TABLE III-A. Full Year 2000, FDIC-Insured Commercial Banks

		Asset Size Distribution				Geographic Distribution by Region					
						East			West		
FULL YEAR 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	8,315	4,842	3,078	313	82	665	1,425	1,791	2,144	1,384	906
Total assets (in billions)	$6,238.7	$231.2	$773.0	$884.1	$4,350.4	$2,181.0	$1,610.8	$1,071.9	$419.0	$302.3	$653.7
Total deposits (in billions)	4,176.6	194.9	632.5	621.6	2,727.6	1,371.4	1,096.0	729.8	290.7	241.4	447.3
Net income (in millions)	71,176	2,220	9,396	10,927	48,633	27,186	16,692	10,652	5,637	2,839	8,170
% of unprofitable institutions	7.1	10.6	1.8	4.2	7.3	10.1	11.8	5.7	3.5	5.9	10.4
% of institutions with earnings gains	67.8	65.4	72.1	65.8	48.8	68.9	68.5	64.4	65.9	69.8	73.7
Performance ratios (%)											
Yield on earning assets	8.29	8.41	8.52	8.48	8.20	8.08	8.17	8.22	8.70	8.31	9.15
Cost of funding earning assets	4.34	3.87	4.00	4.20	4.46	4.52	4.25	4.56	4.24	3.84	3.93
Net interest margin	3.95	4.54	4.51	4.28	3.73	3.56	3.92	3.66	4.46	4.47	5.22
Noninterest income to earning assets	2.96	1.22	1.75	2.56	3.38	3.99	2.46	1.89	2.79	1.43	3.63
Noninterest expense to earning assets	4.18	3.89	3.91	3.96	4.29	4.62	3.91	3.35	4.17	3.73	5.14
Credit loss provision to assets	0.49	0.35	0.33	0.56	0.51	0.44	0.40	0.44	0.63	0.48	0.90
Net operating income to assets	1.22	1.01	1.29	1.32	1.19	1.28	1.12	1.07	1.44	1.05	1.44
Return on assets	1.19	1.01	1.28	1.29	1.16	1.31	1.05	1.03	1.42	0.98	1.38
Return on equity	14.07	9.09	13.56	14.57	14.42	16.38	12.37	12.89	15.40	11.02	13.61
Net charge-offs to loans and leases	0.64	0.40	0.33	0.68	0.71	0.79	0.50	0.40	0.83	0.43	1.01
Credit loss provision to net charge-offs	123.88	141.75	152.66	129.76	119.62	104.92	122.84	163.35	112.40	189.04	133.31
Efficiency ratio	58.48	66.97	61.48	55.94	58.11	59.10	59.09	58.77	55.65	61.42	55.83
Condition Ratios (%)											
Earning assets to total assets	86.17	91.78	91.59	89.47	84.23	83.15	86.34	89.49	89.82	89.05	86.69
Loss allowance to:											
Loans and leases	1.68	1.38	1.41	1.76	1.73	1.84	1.51	1.48	1.59	1.54	2.13
Noncurrent loans and leases	149.27	153.28	177.13	190.11	139.13	139.56	130.69	146.06	195.23	171.36	207.96
Noncurrent assets plus other real estate owned to assets	0.74	0.67	0.61	0.64	0.79	0.73	0.82	0.74	0.61	0.62	0.73
Equity capital ratio	8.49	11.08	9.60	8.99	8.05	8.00	8.61	7.91	9.50	8.93	9.89
Core capital (leverage) ratio	7.71	11.01	9.28	8.36	7.11	7.48	7.50	7.57	8.25	8.21	8.65
Tier 1 risk-based capital ratio	9.42	16.34	12.96	11.01	8.30	9.53	8.91	8.81	10.45	11.42	10.01
Total risk-based capital ratio	12.13	17.44	14.12	12.81	11.48	12.47	11.66	11.64	12.60	13.27	12.39
Net loans and leases to deposits	89.84	71.86	78.63	88.64	93.99	81.52	95.07	98.24	96.84	74.41	92.59
Structural Changes											
New Charters	192	189	2	1	0	18	67	35	23	13	36
Banks absorbed by mergers	453	193	207	47	6	35	108	104	99	59	48
Failed banks	6	5	1	0	0	0	1	1	2	0	2
PRIOR FULL YEARS (The way it was…)											
Number of institutions 1999	8,580	5,156	3,030	318	76	678	1,450	1,858	2,205	1,456	933
1997	9,142	5,853	2,922	301	66	714	1,525	1,998	2,329	1,600	976
1995	9,940	6,658	2,861	346	75	794	1,659	2,178	2,487	1,773	1,049
Total assets (in billions) 1999	$5,734.8	$242.4	$754.7	$915.2	$3,822.5	$2,009.6	$1,531.6	$952.0	$389.6	$314.2	$537.7
1997	5,014.9	267.8	727.7	902.7	3,116.7	1,893.9	946.9	804.8	335.0	355.9	678.4
1995	4,312.7	297.9	696.7	1,052.8	2,265.2	1,625.6	737.7	695.2	287.5	326.4	640.3
Return on assets (%) 1999	1.31	1.01	1.34	1.48	1.28	1.24	1.29	1.28	1.48	1.15	1.63
1997	1.23	1.18	1.33	1.36	1.18	1.14	1.23	1.29	1.43	1.22	1.35
1995	1.17	1.18	1.24	1.27	1.10	1.02	1.19	1.15	1.50	1.20	1.41
Net charge-offs to loans & leases (%) 1999	0.61	0.37	0.36	0.68	0.66	0.79	0.45	0.37	0.76	0.47	0.95
1997	0.64	0.28	0.36	1.08	0.58	0.73	0.46	0.50	0.82	0.38	0.83
1995	0.49	0.24	0.37	0.69	0.46	0.64	0.32	0.31	0.54	0.24	0.62
Noncurrent assets plus OREO to assets (%) 1999	0.63	0.66	0.58	0.58	0.66	0.72	0.58	0.55	0.60	0.61	0.67
1997	0.66	0.71	0.65	0.77	0.63	0.73	0.59	0.58	0.69	0.52	0.72
1995	0.85	0.78	0.80	0.82	0.89	1.03	0.64	0.63	0.64	0.62	1.09
Equity capital ratio (%) 1999	8.37	10.68	9.24	9.09	7.87	7.71	8.60	8.02	8.84	8.53	10.29
1997	8.33	10.81	9.62	9.16	7.58	7.33	8.87	8.35	9.06	8.65	9.82
1995	8.11	10.42	9.39	8.57	7.19	7.61	8.23	8.30	8.70	8.52	8.53

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

TABLE IV-A. Fourth Quarter 2000, FDIC-Insured Commercial Banks

		Asset Size Distribution				Geographic Distribution by Region					
						East			West		
FOURTH 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	8,315	4,842	3,078	313	82	665	1,425	1,791	2,144	1,384	906
Total assets (in billions)	$6,238.7	$231.2	$773.0	$884.1	$4,350.4	$2,181.0	$1,610.8	$1,071.9	$419.0	$302.3	$653.7
Total deposits (in billions)	4,176.6	194.9	632.5	621.6	2,727.6	1,371.4	1,096.0	729.8	290.7	241.4	447.3
Net income (in millions)	17,821.1	453.5	2,275.2	2,415.7	12,676.8	7,052.0	4,316.4	2,512.7	1,424.6	533.8	1,981.5
% of unprofitable institutions	12.2	17.7	4.5	6.1	7.3	11.6	15.5	9.3	11.9	12.2	14.2
% of institutions with earnings gains	55.8	52.3	61.0	57.5	58.5	62.1	55.2	56.1	51.0	57.2	60.7
Performance Ratios (annualized, %)											
Yield on earning assets	8.46	8.62	8.69	8.67	8.36	8.29	8.32	8.38	8.95	8.53	9.17
Cost of funding earning assets	4.56	4.15	4.25	4.43	4.67	4.75	4.45	4.72	4.48	4.09	4.21
Net interest margin	3.90	4.47	4.44	4.24	3.69	3.54	3.86	3.65	4.47	4.44	4.97
Noninterest income to earning assets	2.97	1.27	1.80	2.47	3.40	4.02	2.42	1.89	2.89	1.45	3.61
Noninterest expense to earning assets	4.16	4.18	3.96	4.05	4.22	4.64	3.74	3.37	4.34	3.83	5.07
Credit loss provision to assets	0.62	0.35	0.41	0.72	0.65	0.48	0.56	0.62	0.69	0.92	1.05
Net operating income to assets	1.13	0.80	1.19	1.12	1.14	1.30	1.00	0.94	1.37	0.70	1.24
Return on assets	1.16	0.80	1.19	1.11	1.18	1.32	1.07	0.95	1.38	0.72	1.25
Return on equity	13.57	7.17	12.50	12.31	14.54	16.31	12.55	11.82	14.53	7.96	12.42
Net charge-offs to loans and leases	0.81	0.43	0.44	0.81	0.90	0.92	0.73	0.55	0.92	0.66	1.15
Credit loss provision to net charge-offs	123.91	130.29	140.89	138.47	119.32	97.80	116.69	166.66	108.88	229.48	139.01
Efficiency ratio	58.63	71.89	62.51	58.16	57.45	59.65	57.41	59.19	57.02	63.18	56.77
Structural Changes (QTR)											
New charters	51	51	0	0	0	3	18	7	4	6	13
Banks absorbed by mergers	109	45	55	8	1	6	23	26	16	22	16
Failed banks	2	2	0	0	0	0	0	1	0	0	1
PRIOR FOURTH QUARTERS (The way it was…)											
Return on assets (%) 1999	1.27	0.85	1.31	1.42	1.25	1.21	1.29	1.25	1.44	0.98	1.51
1997	1.24	0.99	1.26	1.55	1.16	1.13	1.06	1.37	1.57	1.17	1.47
1995	1.12	1.05	1.20	1.27	1.04	0.96	1.18	1.09	1.42	1.22	1.35
Net charge-offs to loans & leases (%)											
1999	0.71	0.44	0.48	0.80	0.75	0.88	0.59	0.43	0.80	0.60	0.99
1997	0.69	0.44	0.47	1.21	0.60	0.81	0.54	0.54	0.83	0.51	0.84
1995	0.62	0.39	0.52	0.92	0.52	0.75	0.48	0.45	0.67	0.38	0.75

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

		Asset Size Distribution				Geographical Distribution by Region					
						East			West		
December 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	1.26	1.42	1.03	0.97	1.42	1.22	1.44	1.37	1.00	1.17	0.86
Construction and development	1.06	1.20	1.07	0.86	1.14	0.77	0.85	1.66	1.08	1.09	1.00
Commercial real estate	0.74	1.08	0.70	0.74	0.72	0.81	0.64	0.88	0.83	0.89	0.54
Multifamily residential real estate	0.55	0.80	0.51	0.48	0.58	0.45	0.57	0.81	0.57	0.67	0.32
Home equity loans	0.98	0.75	0.69	1.04	1.02	0.76	0.78	1.40	0.81	0.88	1.09
Other 1-4 Family residential	1.72	1.85	1.43	1.21	1.92	1.51	2.17	1.69	1.15	1.51	1.15
Commercial and industrial loans*	0.83	1.53	1.31	1.17	0.64	0.57	0.66	1.07	1.38	1.29	1.13
Loans to individuals	2.46	2.62	2.39	2.54	2.45	2.66	2.44	2.57	2.30	1.92	2.17
Credit card loans	2.66	1.87	3.79	2.90	2.57	3.03	2.97	1.39	2.43	1.44	2.12
Other loans to individuals	2.32	2.65	2.14	2.33	2.33	2.27	2.26	2.74	2.14	1.94	2.27
All other loans and leases (including farm)	0.65	N/A	N/A	1.03	0.66	0.65	0.48	0.92	0.65	0.49	0.55
Memo: Commercial RE loans not secured by RE	0.67	1.42	0.70	0.59	0.67	0.57	0.34	1.76	0.71	0.66	0.42
Percent of Loans Noncurrent**											
All real estate loans	0.81	0.75	0.64	0.70	0.91	0.86	0.89	0.87	0.55	0.76	0.58
Construction and development	0.76	0.64	0.75	0.77	0.76	0.80	0.78	0.82	0.77	0.76	0.60
Commercial real estate	0.72	0.83	0.64	0.71	0.76	0.71	0.71	0.83	0.62	0.83	0.61
Multifamily residential real estate	0.44	0.34	0.40	0.38	0.48	0.25	0.57	0.50	0.42	0.23	0.51
Home equity loans	0.37	0.26	0.31	0.38	0.38	0.30	0.22	0.65	0.29	0.33	0.33
Other 1-4 Family residential	0.90	0.71	0.60	0.72	1.05	0.85	1.12	0.97	0.46	0.70	0.53
Commercial and industrial loans*	1.67	1.21	1.20	1.39	1.73	1.74	1.87	1.44	1.22	1.48	1.69
Loans to individuals	1.40	0.87	0.87	1.15	1.56	2.09	0.98	0.72	1.16	0.58	1.27
Credit card loans	2.01	0.96	2.57	1.98	1.99	2.42	2.06	0.82	1.54	0.64	1.63
Other loans to individuals	0.98	0.86	0.57	0.65	1.17	1.76	0.60	0.70	0.72	0.58	0.48
All other loans and leases (including farm)	0.69	N/A	N/A	0.60	0.74	0.51	0.88	0.81	0.55	0.66	0.99
Memo: Commercial RE loans not secured by RE	0.51	1.10	0.40	0.20	0.54	0.40	0.94	0.60	0.15	1.14	0.07
Percent of Loans Charged-off (net)											
All real estate loans	0.09	0.06	0.05	0.09	0.11	0.09	0.09	0.11	0.12	0.09	0.06
Construction and development	0.05	0.09	0.04	0.08	0.05	0.04	0.04	0.05	0.10	0.07	0.06
Commercial real estate	0.05	0.07	0.04	0.05	0.06	0.03	0.05	0.10	0.03	0.08	0.02
Multifamily residential real estate	0.02	0.06	0.03	0.01	0.02	-0.02	0.02	0.03	-0.04	0.02	0.12
Home equity loans	0.18	0.08	0.04	0.15	0.21	0.13	0.17	0.29	0.20	0.32	0.06
Other 1-4 Family residential	0.10	0.06	0.06	0.12	0.11	0.09	0.10	0.10	0.19	0.09	0.10
Commercial and industrial loans*	0.77	0.47	0.54	0.84	0.77	0.68	0.83	0.56	0.65	0.82	1.40
Loans to individuals	2.30	1.65	1.34	2.43	2.44	2.74	1.81	1.26	3.17	0.95	2.92
Credit card loans	4.30	19.77	5.34	5.08	4.02	4.37	3.81	4.11	5.64	3.52	3.82
Other loans to individuals	1.03	0.70	0.63	0.96	1.17	1.14	1.14	0.87	0.55	0.85	1.25
All other loans and leases (including farm)	0.23	N/A	N/A	0.33	0.24	0.13	0.23	0.31	0.27	0.12	0.60
Memo: Commercial RE loans not secured by RE	0.09	0.98	0.89	0.02	0.07	0.17	0.10	0.04	0.07	0.02	-0.01
Loans Outstanding (in billions)											
All real estate loans	$1,670.3	$81.6	$324.8	$308.5	$955.4	$360.0	$543.3	$347.0	$131.0	$91.4	$197.6
Construction and development	162.1	6.9	35.5	37.0	82.7	16.9	60.4	32.0	13.8	12.1	26.8
Commercial real estate	465.5	22.9	120.0	105.7	216.9	79.4	141.1	99.5	36.8	34.5	74.2
Multifamily residential real estate	60.2	1.7	10.9	12.3	35.2	15.5	16.3	12.8	4.0	2.6	8.9
Home equity loans	127.5	2.0	13.8	19.3	92.3	27.0	43.1	34.4	7.5	1.9	13.5
Other 1-4 Family residential	788.9	37.8	130.9	129.6	490.6	191.3	272.8	159.7	58.3	36.5	70.3
Commercial and industrial loans	1,048.2	24.6	91.7	123.9	808.1	348.0	279.6	210.5	64.3	44.8	101.0
Loans to individuals	609.7	19.1	62.0	98.2	430.4	229.1	129.6	79.1	52.4	32.3	87.1
Credit card loans	249.4	0.7	9.3	36.8	202.5	116.6	33.7	10.1	28.0	1.3	59.8
Other loans to individuals	360.3	18.4	52.6	61.4	227.9	112.5	95.9	69.1	24.4	31.0	27.4
All other loans and leases (including farm)	490.9	16.9	26.8	30.9	416.4	202.8	106.1	91.4	38.4	14.2	37.9
Memo: Commercial RE loans not secured by RE	33.4	0.2	1.1	3.1	29.1	11.2	8.6	4.8	2.4	0.7	5.7
Memo: Other Real Estate Owned (in millions)											
All other real estate owned	$2,904.6	$258.6	$679.6	$408.1	$1,558.3	$750.7	$966.3	$415.5	$236.6	$236.5	$298.9
Construction and development	216.6	19.8	101.1	41.7	53.9	40.7	93.8	22.8	16.2	20.8	22.4
Commercial real estate	1,320.8	120.7	299.8	192.9	707.4	362.1	447.4	145.5	93.3	112.8	159.7
Multifamily residential real estate	54.1	6.4	24.8	10.1	12.9	14.8	9.5	6.1	6.0	9.8	8.0
1-4 Family residential	1,056.9	84.6	226.0	157.1	589.1	162.5	405.1	232.8	82.2	75.0	99.4
Farmland	85.3	27.1	27.6	5.2	25.4	1.6	10.6	8.3	39.0	18.0	7.8
Other real estate owned in foreign offices	170.8	0.0	0.2	1.1	169.5	169.1	0.0	0.0	0.0	0.0	1.7

* 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.

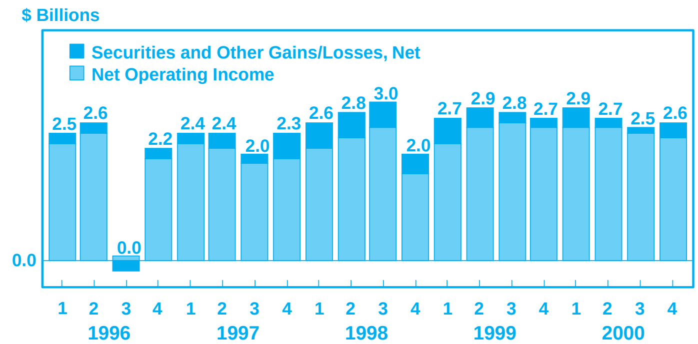
SAVINGS INSTITUTION PERFORMANCE—FOURTH QUARTER, 2000

- ***Higher Loss Provisions, Lower Net Interest Margins Produce Decline In Full-Year Earnings***
- ***Fourth-Quarter Earnings Of $2.6 Billion Are 3 Percent Lower Than A Year Ago***
- ***Rising Securities Values Boost Capital In The Fourth Quarter***
- ***Noncurrent Real Estate Loan Rates Rise For First Time Since 1996***

FDIC-insured savings institutions reported earnings of $2.6 billion for the fourth quarter, up $49 million from the third quarter and $90 million (3 percent) lower than a year ago. During the fourth quarter noninterest income fell $214 million, but this was mostly offset by gains on the sales of securities which rose $208 million. Growth in earning assets led to an improvement in net interest income of $84 million even though net interest margins were lower. The average return on assets (ROA) held steady from last quarter at 0.86 percent, which was the lowest level since the fourth quarter of 1998. A year ago, fourth quarter ROA was 0.95 percent. Noninterest expenses were $497 million (8 percent) higher than in the fourth quarter of 1999 and provisions for loan losses were $144 million (34 percent) higher. Improvements in the gains on sales of securities, up $186 million, helped offset the rise in operating expenses from last year's fourth quarter. Only 23 percent of savings institutions reported an ROA of 1.00 percent or better in the fourth quarter of 2000 and almost 12 percent reported losses.

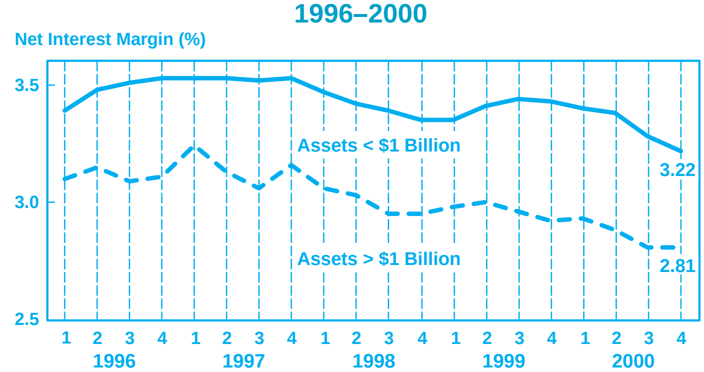
Full-year earnings of $10.7 billion were just $126 million lower than the record earnings of 1999, and mark the third year in a row that industry earnings have been over $10 billion. The average ROA was 0.92 percent, down from 1.00 percent in 1999. Increased noninterest expenses, up $1.6 billion, negated improvements in noninterest income, which were also up $1.6 billion. Growth in earning assets boosted net interest income, which increased $596 million. For the full year, gains on the sales of securities were $650 million (45 percent) lower than in 1999. Provisions for loan losses were $467 million (30 percent) higher in 2000. Net charge-offs, at 0.20 percent of loans, were $349 million (29 percent) higher than in 1999, but provisions for loan losses exceeded these charges by over 30 percent in both years.

QUARTERLY NET INCOME, 1996–2000



An inverted yield curve continued to put downward pressure on thrifts' net interest margins, but the decline in margins slowed during the fourth quarter. The cost of funding earning assets rose 4 basis points, while the yield on earning assets rose just 2 basis points, resulting in a 2 basis point decline in net interest margins. The Northeast Region reported no change in margins and the West Region reported a 5 basis point improvement in margins. The middle regions of the country reported declines in margins because of sharply higher funding costs, up 8 to 14 basis points. Small thrifts, with less than $100 million in assets, mirrored the central portion of the country with their cost of funds rising 12 basis points, leading to a decline in their margins of 8 basis points.

QUARTERLY NET INTEREST MARGINS, 1996–2000

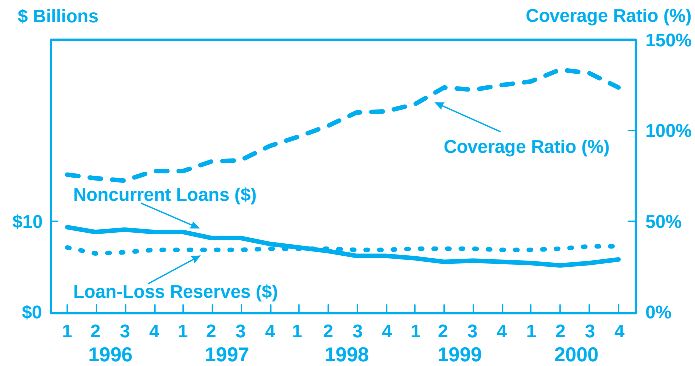


Profitability declined at a majority of small savings institutions with assets of less than $100 million in the fourth quarter, compared to a year ago, but the average ROA for the group rose, thanks to higher earnings at a few specialized institutions. The average ROA was 0.67 percent for small savings institutions in the fourth quarter, up from 0.44 percent in the fourth quarter of 1999. Higher noninterest income, primarily due to a few new thrifts, lifted profitability in the fourth quarter, but lower net interest margins and operating expenses limited the improvement.

The full-year average ROA for small savings institutions with assets less than $100 million was 0.56 percent, down from 0.62 percent in 1999. Operating efficiency worsened as operating expenses absorbed a larger portion of revenues. The efficiency ratio was 81.4 percent for 2000, compared with 76.8 percent in 1999. Noninterest expenses were 4.81 percent of earning assets, up from 3.45 percent in 1999. For the full year, the relative contribution from noninterest income was nearly double the level reported in 1999, reaching 2.39 percent of earning assets. The emergence of a few specialty small thrifts that were part of large holding companies was responsible for much of this increase. Excluding these specialist which rank as the top 6 institutions by improvements in noninterest income, the remaining small institutions had an aggregate average ROA of 0.34 percent for 2000, down from 0.53 percent in 1999. Thus the gap in profitability with the rest of the industry has widened during the year for most small savings institutions. Over 20 percent of small thrifts were unprofitable in the fourth quarter and 16 percent reported losses for the full year.

Noncurrent loans—those loans past due by 90 days or more or that are in nonaccrual status—increased $397 million (7 percent) during the fourth quarter. Noncurrent home mortgages accounted for 40 percent of this increase, rising $158 million. The noncurrent rate on home mortgages rose by 3 basis points during the quarter, to 0.65 percent. About one-quarter of the increase in total noncurrent loans came from real estate construction and land loans, up $103 million. The noncurrent rate for these loans rose from 0.80 percent to 1.07 percent during the quarter. The noncurrent rate for all real estate loans rose from 0.62 percent to 0.66 percent, the first increase since 1996. The noncurrent rate for all loans rose for the second quarter in a row, to 0.71 percent from 0.67 percent. The previous increase in the noncurrent rate was caused by nonmortgage loans; in the fourth quarter mortgages joined the trend. A $78-million increase in loan loss reserves was not enough to prevent a decline in the coverage ratio—loan loss reserves to noncurrent loans—from $1.32 in reserves for each dollar of noncurrent loans to $1.24 at year end.

COVERAGE RATIO* AND RESERVE LEVELS, 1996–2000



* Loan-loss reserves to noncurrent loans.

Thrifts reported higher levels of delinquent loans, those 30-89 days past due, at the end of the fourth quarter. The delinquency rate on construction and land loans increased 20 basis points to 1.42 percent and the delinquency rate on home mortgages rose 17 basis points to 1.01 percent. The percent of commercial & industrial loans that were delinquent rose 33 basis points to 1.59 percent, and the delinquency rate on loans to individuals rose 19 basis points to 2.01 percent. The industry has not seen levels this high since the end of 1998, and while many of these loans may eventually return to current status, the increase in delinquencies may lead to higher noncurrent loan levels in future quarters.

The thrift industry grew by $18.5 billion during the fourth quarter despite a small ($233-million) decline in home mortgages. Home equity loans rose by $1.4 billion during the fourth quarter and commercial real estate loans increased by $1.1 billion. Commercial & industrial loans rose by $1.3

billion and loans to individuals increased $2.1 billion. Thrifts' securities portfolios rose by $6.9 billion during the fourth quarter partly due to appreciation in available-for-sale securities. Deposits grew faster during the fourth quarter (up $8.7 billion) than other borrowed funds (up $5.2 billion). In spite of this recent increase, deposits contributed only 66 percent of all liabilities at the end of the year, the lowest level on record.

Equity capital rose by $3.2 billion primarily due to the rise in the value of available-for-sale (AFS) securities during the fourth quarter. The aggregate unrealized loss on AFS securities amounted to $1.4 billion at the beginning of the fourth quarter, but improvements in securities markets, due to falling medium and long-term interest rates, caused the value of these securities to rise to an unrealized gain of $559 million, for a total improvement of $1.9 billion for the quarter. These gains helped lift equity capital to 8.47 percent of assets at year-end, up from 8.33 percent at the end of the third quarter. The core capital (leverage) ratio is not affected by changes in the value of securities and remained unchanged at 7.81 percent of average assets.

The number of thrifts in the industry fell below 1,600 for the first time since 1935. At year-end 2000 there were 1,590 thrifts reporting financial results. During the fourth quarter 8 new institutions started operations and 2 noninsured institutions became FDIC-insured thrifts. Mergers reduced the count of charters by 29 as 20 institutions with $7.7 billion in assets were absorbed by commercial banks and 9 institutions with $8.7 billion were absorbed by other thrifts. One institution voluntarily relinquished its charter and ceased operations during the fourth quarter. Beyond these changes, 3 thrifts with $705 million in assets converted to stock ownership from mutual ownership. Savings institutions considered "problem" cases due to examination ratings rose from 15 to 18 at year-end. The assets of these "problem" institutions declined from $7.3 billion to $7.1 billion at year-end.

CAPITAL RATIOS, 1994–2000

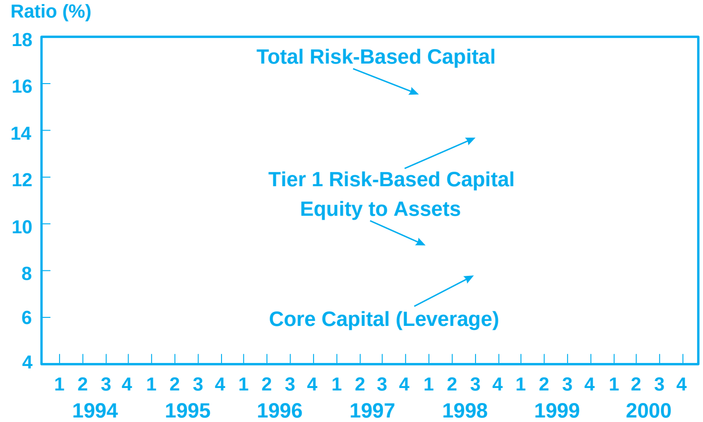


TABLE I-B. Selected Indicators, FDIC-Insured Savings Institutions*

	2000	1999	1998	1997	1996	1995	1994
Return on assets (%)	0.92	1.00	1.01	0.93	0.70	0.77	0.66
Return on equity (%)	11.14	11.72	11.34	10.84	8.41	9.40	8.28
Core capital (leverage) ratio (%)	7.81	7.86	7.85	7.95	7.76	7.80	7.65
Noncurrent assets plus other real estate owned to assets (%)	0.56	0.58	0.72	0.95	1.09	1.20	1.38
Net charge-offs to loans (%)	0.20	0.17	0.22	0.25	0.32	0.34	0.51
Asset growth rate (%)	6.41	5.57	6.06	-0.28	0.32	1.70	0.77
Net interest margin	2.96	3.10	3.10	3.23	3.22	3.09	3.34
Net operating income growth (%)	3.55	16.61	7.68	19.98	-13.92	13.81	22.24
Number of institutions reporting	1,590	1,641	1,689	1,780	1,926	2,030	2,152
Percentage of unprofitable institutions (%)	8.36	8.29	5.27	4.10	12.05	5.86	6.97
Number of problem institutions	18	13	15	12	35	49	71
Assets of problem institutions (in billions)	$7	$6	$6	$2	$7	$14	$39
Number of failed/assisted institutions	1	1	0	0	1	2	4

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

(dollar figures in millions)	Preliminary 4th Quarter 2000	3rd Quarter 2000	4th Quarter 1999	%Change 99:4-00:4
Number of institutions reporting	1,590	1,612	1,641	-3.1
Total employees (full-time equivalent)	244,999	245,128	244,035	0.4
CONDITION DATA				
Total assets	$1,222,635	$1,204,148	$1,148,934	6.4
Loans secured by real estate	725,735	723,224	670,868	8.2
1-4 Family Residential	574,341	574,574	532,680	7.8
Multifamily residential property	56,797	56,150	55,595	2.2
Commercial real estate	59,765	58,669	53,495	11.7
Construction, development, and land	34,832	33,832	29,097	19.7
Commercial & industrial loans	34,420	33,112	27,067	27.2
Loans to individuals	65,286	63,172	59,179	10.3
Other loans & leases	6,036	5,630	4,780	26.3
Less: Unearned income & contra accounts**	199	202	205	-2.9
Total loans & leases	831,278	824,936	761,689	9.1
Less: Reserve for losses	7,324	7,248	6,908	6.0
Net loans & leases	823,954	817,688	754,781	9.2
Securities	283,684	276,754	291,451	-2.7
Other real estate owned	1,003	1,071	1,124	-10.8
Goodwill and other intangibles	17,021	16,678	14,813	14.9
All other assets	96,973	91,956	86,765	11.8
Total liabilities and capital	1,222,635	1,204,148	1,148,934	6.4
Deposits	738,234	729,552	707,261	4.4
Other borrowed funds	359,745	354,498	327,243	9.9
Subordinated debt	3,123	2,848	3,019	3.4
All other liabilities	17,975	16,896	16,440	9.3
Equity capital	103,558	100,354	94,971	9.0
Loans and leases 30-89 days past due	8,614	7,210	6,724	28.1
Noncurrent loans and leases	5,885	5,488	5,535	6.3
Restructured loans and leases	1,393	1,521	1,680	-17.1
Direct and indirect investments in real estate	621	641	642	-3.4
Mortgage-backed securities	213,826	208,828	221,742	-3.57
Earning assets	1,131,960	1,116,987	1,065,737	6.2
FHLB Advances (Source: TFR and FHFB)	261,495	247,512	231,465	13.0
Unused loan commitments	247,552	247,544	176,039	40.6

INCOME DATA	Preliminary Full Year 2000	Full Year 1999	%Change	Preliminary 4th Quarter 2000	4th Quarter 1999	%Change 99:4-00:4
Total interest income	$84,180	$74,240	13.4	$22,351	$19,612	14.0
Total interest expense	52,246	42,902	21.8	14,216	11,616	22.4
Net interest income	31,934	31,338	1.9	8,135	7,996	1.7
Provision for credit losses**	2,030	1,563	29.9	569	425	33.9
Total noninterest income	11,385	9,793	16.3	2,847	2,656	7.2
Total noninterest expense	25,588	24,013	6.6	6,736	6,239	8.0
Securities gains (losses)	786	1,436	-45.3	326	140	132.6
Applicable income taxes	5,739	6,125	-6.3	1,419	1,452	-2.3
Extraordinary gains, net	-3	5	N/M	13	9	44.1
Net income	10,745	10,871	-1.2	2,596	2,686	-3.3
Net charge-offs	1,544	1,195	29.2	483	336	43.8
Cash dividends	5,889	6,102	-3.5	1,460	2,117	-31.0
Net operating income	10,241	9,890	3.6	2,382	2,578	-7.6

* Data between 1994 and 1995 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. Full Year 2000, FDIC-Insured Savings Institutions

		Asset Size Distribution				Geographic Distribution by Region					
						East			West		
		Less	$100 Million	$1 Billion	Greater						
FULL YEAR 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	1,590	624	819	107	40	626	212	406	125	109	112
Total assets (in billions)	$1,222.6	$30.9	$245.5	$207.8	$738.4	$400.0	$86.1	$182.5	$42.9	$84.5	$426.7
Total deposits (in billions)	738.2	24.0	185.1	139.9	389.3	273.6	58.3	123.8	27.2	47.5	207.9
Net income (in millions)	10,744.6	167.5	1,807.0	1,774.7	6,995.4	3,477.6	462.4	1,623.8	224.2	840.4	4,116.3
% of unprofitable institutions	8.4	16.0	3.5	2.8	2.5	5.6	12.7	9.4	12.0	6.4	9.8
% of institutions with earnings gains	58.4	55.1	60.6	58.9	62.5	62.1	55.2	56.9	54.4	53.2	58.0
Performance ratios (%)											
Yield on earning assets	7.80	7.72	7.67	7.95	7.81	7.65	8.00	8.11	7.72	8.27	7.70
Cost of funding earning assets	4.84	4.25	4.38	4.77	5.05	4.35	4.98	4.99	4.99	5.20	5.15
Net interest margin	2.96	3.47	3.28	3.18	2.77	3.31	3.01	3.13	2.73	3.07	2.56
Noninterest income to earning assets	1.06	2.39	0.70	1.02	1.13	0.84	1.29	1.71	0.81	1.23	0.92
Noninterest expense to earning assets	2.37	4.81	2.70	2.59	2.09	2.56	3.08	2.97	2.31	2.56	1.78
Credit loss provision to assets*	0.17	0.10	0.12	0.26	0.17	0.12	0.38	0.41	0.17	0.25	0.07
Net operating income to assets	0.88	0.53	0.72	0.82	0.97	0.88	0.50	0.84	0.62	1.01	0.98
Return on assets	0.92	0.56	0.77	0.89	1.00	0.90	0.59	0.93	0.53	1.06	1.02
Return on equity	11.14	4.26	7.40	10.11	13.83	9.30	6.70	10.85	5.61	13.06	15.36
Net charge-offs to loans and leases	0.20	0.06	0.09	0.36	0.19	0.14	0.30	0.37	0.16	0.22	0.14
Credit loss provision to net charge-offs*	131.47	241.15	190.64	107.48	133.63	138.75	176.21	145.57	143.13	161.87	76.05
Efficiency ratio	57.12	81.42	67.17	59.96	51.12	58.81	70.75	59.82	63.59	58.54	49.32
Condition Ratios (%)											
Earning assets to total assets	92.58	93.84	93.92	92.77	92.03	92.29	93.58	91.09	92.78	92.47	93.29
Loss allowance to:											
Loans and leases	0.88	0.71	0.83	1.01	0.87	0.99	0.79	0.86	0.65	0.86	0.84
Noncurrent loans and leases	124.44	87.93	127.13	95.92	139.36	135.57	114.92	100.39	87.64	81.62	154.65
Noncurrent assets plus											
other real estate owned to assets	0.56	0.65	0.53	0.89	0.48	0.54	0.62	0.75	0.71	0.84	0.42
Noncurrent RE loans to RE loans	0.66	0.76	0.63	1.05	0.56	0.70	0.64	0.73	0.74	1.04	0.53
Equity capital ratio	8.47	13.10	10.53	8.95	7.46	10.03	8.49	8.61	9.35	7.99	6.96
Core capital (leverage) ratio	7.81	12.73	10.11	8.23	6.72	8.89	8.23	7.87	8.65	7.94	6.59
Tier 1 risk-based capital ratio	12.70	23.16	16.95	12.80	10.90	14.18	13.33	12.17	14.95	11.76	11.33
Total risk-based capital ratio	13.96	24.21	18.06	13.96	12.25	15.61	14.83	13.48	15.74	12.88	12.43
Gross real estate assets to gross assets	76.51	69.05	71.27	73.33	79.46	70.10	72.30	72.76	78.09	64.64	87.17
Gross 1-4 family mortgages to gross assets	46.69	49.75	46.43	38.99	48.81	41.70	45.68	53.06	50.72	32.33	51.28
Net loans and leases to deposits	111.61	86.86	91.20	101.60	126.44	93.07	102.74	111.05	114.23	121.78	136.18
Structural Changes											
New Charters	31	29	2	0	0	14	4	5	5	0	3
Thrifts absorbed by mergers	82	28	41	12	1	24	18	26	6	4	4
Failed Thrifts	1	1	0	0	0	0	1	0	0	0	0
PRIOR FULL YEARS**											
(The way it was…)											
Number of institutions 1999	1,641	664	830	113	34	636	225	427	126	115	112
1997	1,780	765	858	122	35	687	253	462	134	118	126
1995	2,030	910	959	130	31	754	305	522	153	137	159
Total assets (in billions) 1999	$1,148.9	$33.7	$244.9	$230.3	$640.0	$383.9	$76.2	$188.2	$41.4	$76.3	$383.0
1997	1,026.2	39.9	250.4	239.7	496.1	342.8	64.8	174.2	33.6	64.0	346.8
1995	1,025.7	46.7	278.5	281.3	419.2	352.3	70.9	169.9	52.2	74.9	305.6
Return on assets (%) 1999	1.00	0.62	0.85	1.04	1.06	1.02	0.78	0.98	0.83	1.14	1.02
1997	0.93	0.75	0.95	1.06	0.87	1.00	0.84	0.90	1.01	1.00	0.86
1995	0.77	0.67	0.80	0.84	0.72	0.88	0.87	0.85	0.98	1.05	0.51
Net charge-offs to loans & leases (%)											
1999	0.17	0.09	0.10	0.29	0.15	0.11	0.24	0.22	0.15	0.27	0.16
1997	0.25	0.10	0.17	0.35	0.26	0.22	0.47	0.24	0.07	0.46	0.22
1995	0.34	0.14	0.17	0.38	0.45	0.39	0.14	0.14	0.18	0.23	0.47
Noncurrent assets plus											
OREO to assets (%)*** 1999	0.58	0.65	0.54	0.90	0.47	0.62	0.56	0.63	0.49	0.80	0.48
1997	0.95	0.87	0.82	1.31	0.84	1.12	0.86	0.67	0.57	1.10	0.94
1995	1.20	1.00	0.99	1.39	1.24	1.40	1.14	0.53	0.61	1.21	1.46
Equity capital ratio (%) 1999	8.27	12.50	10.34	8.56	7.15	9.52	9.33	8.48	9.67	8.19	6.55
1997	8.71	11.91	10.49	8.73	7.54	9.62	10.12	9.20	9.44	8.33	7.29
1995	8.39	10.73	9.84	8.54	7.06	9.05	9.50	9.07	8.48	7.60	7.17

* 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. FOURTH Quarter 2000, FDIC-Insured Savings Institutions

		Asset Size Distribution				Geographic Distribution by Region					
						East			West		
FOURTH QUARTER Preliminary (The way it is…)	All Institutions	Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $5 Billion	Greater than $5 Billion	North-east	South-east	Central	Mid-west	South-west	West
Number of institutions reporting	1,590	624	819	107	40	626	212	406	125	109	112
Total assets (in billions)	$1,222.6	$30.9	$245.5	$207.8	$738.4	$400.0	$86.1	$182.5	$42.9	$84.5	$426.7
Total deposits (in billions)	738.2	24.0	185.1	139.9	389.3	273.6	58.3	123.8	27.2	47.5	207.9
Net income (in millions)	2,596.4	51.3	416.6	404.3	1,724.2	814.1	107.0	379.8	11.9	227.1	1,056.6
% of unprofitable institutions	11.7	20.0	6.6	5.6	2.5	8.9	17.5	13.8	13.6	9.2	8.9
% of institutions with earnings gains	50.1	45.7	52.3	55.1	62.5	51.1	53.3	47.3	44.8	45.9	58.9
Performance Ratios (annualized, %)											
Yield on earning assets	7.98	7.90	7.83	8.08	8.01	7.79	8.13	8.27	7.88	8.48	7.92
Cost of funding earning assets	5.08	4.53	4.62	4.98	5.28	4.49	5.32	5.26	5.30	5.48	5.39
Net interest margin	2.90	3.37	3.21	3.10	2.73	3.29	2.82	3.01	2.59	3.00	2.53
Noninterest income to earning assets	1.02	2.82	0.72	1.14	1.00	0.84	1.35	1.61	0.79	1.25	0.84
Noninterest expense to earning assets	2.41	5.06	2.81	2.75	2.06	2.70	3.18	3.07	2.58	2.54	1.65
Credit loss provision to assets*	0.19	0.14	0.14	0.24	0.19	0.14	0.40	0.42	0.24	0.21	0.08
Net operating income to assets	0.79	0.58	0.62	0.74	0.87	0.79	0.37	0.64	0.31	1.03	0.94
Return on assets	0.86	0.67	0.69	0.79	0.94	0.82	0.51	0.84	0.11	1.10	1.00
Return on equity	10.23	5.13	6.54	8.86	12.81	8.26	5.95	9.80	1.19	13.64	14.70
Net charge-offs to loans and leases	0.23	0.09	0.11	0.39	0.24	0.17	0.39	0.46	0.17	0.21	0.16
Credit loss provision to net charge-offs*	117.92	219.88	183.54	90.76	118.72	127.82	146.66	119.65	189.08	149.59	73.78
Efficiency ratio	59.24	80.88	70.42	63.03	52.50	62.09	75.70	64.75	74.58	58.68	47.29
Structural Changes (QTR)											
New charters	8	8	0	0	0	2	2	3	1	0	0
Thrifts absorbed by mergers	29	5	19	5	0	8	6	9	3	1	2
Failed Thrifts	0	0	0	0	0	0	0	0	0	0	0
PRIOR FOURTH QUARTERS** (The way it was…)											
Return on assets (%) 1999	0.95	0.44	0.72	1.02	1.04	1.05	0.59	0.80	0.87	1.06	0.98
1997	0.93	0.59	0.89	1.12	0.89	1.00	0.64	0.65	0.98	1.35	0.97
1995	0.71	0.66	0.81	0.76	0.61	0.83	0.84	0.64	0.79	1.37	0.41
Net charge-offs to loans & leases (%)											
1999	0.18	0.10	0.13	0.31	0.16	0.14	0.27	0.18	0.14	0.43	0.15
1997	0.25	0.08	0.22	0.38	0.21	0.23	0.47	0.24	0.12	0.68	0.16
1995	0.34	0.13	0.21	0.39	0.42	0.41	0.12	0.14	0.17	0.30	0.45

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

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

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

December 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	East: South-east	East: Central	West: Mid-west	West: South-west	West: West
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate	0.93	1.85	1.08	1.01	0.81	0.83	1.08	1.06	1.84	1.20	0.79
Construction, development, and land	1.42	1.97	1.37	1.71	1.23	1.00	1.21	1.78	4.00	1.39	0.97
Commercial real estate	0.70	1.38	0.83	0.86	0.39	0.56	1.39	0.97	1.75	0.70	0.38
Multifamily residential real estate	0.29	0.98	0.38	0.53	0.15	0.20	2.43	0.65	0.41	0.68	0.17
Home equity loans	0.45	0.63	0.61	0.38	0.40	0.60	0.24	0.61	0.45	0.01	0.23
Other 1-4 Family residential	1.01	1.97	1.18	1.07	0.90	0.95	1.05	1.07	1.75	1.30	0.91
Commercial and industrial loans	1.59	2.13	1.66	1.73	1.43	1.18	1.86	2.63	2.00	1.28	2.04
Loans to individuals	2.01	2.56	1.77	1.79	2.11	2.01	3.05	1.99	1.71	0.86	2.59
Credit card loans	1.80	0.63	1.79	3.90	1.62	1.78	3.84	2.33	2.48	0.67	1.83
Other loans to individuals	2.08	2.69	1.76	1.51	2.38	2.05	2.89	1.78	1.67	1.04	2.70
Percent of Loans Noncurrent*											
All real estate loans	0.66	0.76	0.63	1.05	0.56	0.70	0.64	0.73	0.74	1.04	0.53
Construction, development, and land	1.07	1.13	1.12	1.37	0.86	0.69	1.18	1.60	3.03	0.21	1.45
Commercial real estate	0.86	0.79	0.78	1.43	0.48	1.00	0.83	0.99	0.82	0.90	0.47
Multifamily residential real estate	0.27	0.61	0.35	0.54	0.13	0.31	0.25	0.34	0.16	2.59	0.09
Home equity loans	0.18	0.12	0.19	0.24	0.16	0.22	0.13	0.27	0.07	0.02	0.09
Other 1-4 Family residential	0.67	0.76	0.61	1.05	0.60	0.71	0.59	0.72	0.55	1.23	0.58
Commercial and industrial loans	1.57	1.84	1.19	1.65	1.63	1.32	1.33	1.92	1.46	2.80	1.25
Loans to individuals	0.82	0.90	0.54	0.69	0.92	0.64	0.75	1.55	0.44	0.48	0.43
Credit card loans	1.55	0.28	0.74	1.62	1.58	1.40	1.55	2.45	0.97	0.71	0.76
Other loans to individuals	0.57	0.95	0.53	0.57	0.57	0.51	0.59	1.01	0.41	0.26	0.39
Percent of Loans Charged-off											
All real estate loans	0.04	0.02	0.03	0.07	0.03	0.03	0.04	0.06	0.05	0.04	0.03
Construction, development, and land	0.07	0.04	0.12	0.09	0.03	0.00	0.06	0.21	0.03	0.02	0.12
Commercial real estate	0.02	-0.01	0.04	0.07	-0.04	0.02	0.02	0.05	0.06	0.01	0.00
Multifamily residential real estate	-0.03	0.01	0.01	-0.01	-0.04	0.01	-0.01	0.04	0.00	0.06	-0.07
Home equity loans	0.10	0.07	0.05	0.08	0.12	0.12	0.11	0.06	0.12	0.12	0.08
Other 1-4 Family residential	0.04	0.01	0.02	0.08	0.04	0.03	0.04	0.05	0.05	0.04	0.05
Commercial and industrial loans	0.84	0.16	0.60	1.41	0.68	0.54	2.65	0.97	2.08	0.20	0.82
Loans to individuals	1.70	0.55	0.66	2.74	1.71	1.00	1.22	2.53	0.76	0.99	3.25
Credit card loans	3.96	0.70	2.97	14.26	3.14	2.95	3.82	4.40	5.30	1.62	13.04
Other loans to individuals	0.90	0.54	0.54	1.35	0.88	0.66	0.76	1.30	0.52	0.46	1.51
Loans Outstanding (in billions)											
All real estate loans	$725.7	$18.8	$152.4	$121.7	$432.8	$218.8	$49.5	$115.7	$28.0	$43.4	$270.3
Construction, development, and land	34.8	1.1	9.1	9.5	15.3	6.9	5.0	5.3	2.1	8.6	6.8
Commercial real estate	59.5	1.7	19.8	16.9	21.0	27.9	3.9	7.3	3.0	5.3	12.1
Multifamily residential real estate	56.8	0.5	8.7	13.7	33.9	16.0	1.0	5.6	1.0	2.0	31.2
Home equity loans	23.1	0.5	5.6	4.0	13.1	8.2	2.2	5.8	0.6	0.8	5.6
Other 1-4 Family residential	551.2	15.0	109.1	77.6	349.5	159.8	37.3	91.7	21.2	26.7	214.5
Commercial and industrial loans	34.4	0.7	7.0	8.8	17.9	16.6	3.2	4.4	1.1	4.1	5.0
Loans to individuals	65.3	1.5	10.3	11.8	41.7	19.5	7.4	16.5	2.1	10.6	9.3
Credit card loans	16.6	0.1	0.5	1.4	14.6	2.8	1.2	6.2	0.1	5.1	1.2
Other loans to individuals	48.7	1.4	9.7	10.5	27.1	16.8	6.1	10.3	2.0	5.5	8.1
Memo: Other Real Estate Owned (in millions)**											
All other real estate owned	$1,003.3	$30.4	$193.8	$336.2	$442.9	$295.1	$115.7	$172.5	$74.8	$91.8	$253.5
Construction, development, and land	153.4	3.4	33.6	31.4	85.0	12.0	64.9	13.8	22.9	11.3	28.5
Commercial real estate	239.7	5.0	49.0	143.0	42.7	112.4	12.8	25.8	28.3	31.3	29.1
Multifamily residential real estate	37.5	0.3	10.2	18.0	9.1	7.0	0.1	9.1	0.0	11.1	10.2
1-4 Family residential	589.2	22.0	105.0	150.5	311.8	169.8	39.1	124.7	25.8	39.3	190.4
Troubled Real Estate Asset Rates* (% of total RE assets)**											
All real estate loans	0.80	0.92	0.76	1.32	0.66	0.83	0.88	0.88	1.00	1.25	0.62
Construction, development, and land	1.50	1.45	1.48	1.69	1.40	0.86	2.44	1.85	4.06	0.34	1.86
Commercial real estate	1.27	1.08	1.02	2.29	0.68	1.39	1.15	1.33	1.75	1.57	0.72
Multifamily residential real estate	0.33	0.67	0.46	0.67	0.16	0.35	0.26	0.50	0.16	3.13	0.12
1-4 family residential	0.75	0.88	0.68	1.20	0.67	0.79	0.67	0.82	0.65	1.34	0.65

* 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.

- ***FDIC-Insured Deposits Surpass $3 Trillion in 2000***
- ***Insured-Deposit Growth Rate For 2000 Is Highest Since 1986***
- ***One Fourth-Quarter Failure Brings Annual Total To Seven***

Deposits insured by the FDIC moved past the $3 trillion level in 2000, to $3.05 trillion, despite the number of insured institutions (including IBAs) falling below the 10,000 mark for the first time. Insured deposits rose by 1.5 percent in the final three months of 2000, bringing the growth rate for the full year to 6.5 percent. This is the highest annual growth rate for federally insured deposits since 1986, when deposits insured by the FDIC and the Federal Savings and Loan Insurance Corporation (FSLIC) increased by 8 percent. Insured deposits reported by the 9,924 FDIC member institutions rose by $185 billion in 2000, including a $73-billion increase (81 percent) in insured brokered deposits. About half of this latter amount was attributable to two insured banks whose brokerage affiliate sweeps cash management account balances into FDIC-insured bank accounts.

Deposits insured by the Bank Insurance Fund (BIF) grew rapidly both in the fourth quarter (1.4 percent) and for the full year (7 percent), reaching $2.3 trillion by year-end. This was the highest annual growth rate for BIF-insured deposits since 1989. The BIF balance was $31 billion (unaudited) at year-end 2000, or 1.35 percent of estimated insured deposits. The fund was bolstered during the year by reductions in reserves previously set aside for estimated failure costs. As of year-end 1999, the fund's reserve ratio was 1.37 percent.

The reserve ratio of the Savings Association Insurance Fund (SAIF) was 1.44 percent at year-end 2000, up from 1.43 percent at year-end 1999, adjusted to reflect subsequent reporting amendments to insured deposits. The balance of the SAIF was $10.9 billion (unaudited) on December 31, 2000. SAIF-insured deposits were $753 billion on this date, having grown 1.7 percent during the fourth quarter and 4.9 percent for the year. The annual growth rate was the highest since the inception of the SAIF in 1989.

Despite the relatively rapid growth of insured deposits, insured institutions continued to rely increasingly on other funding alternatives. Measured as a percentage of domestic liabilities, insured deposits continued a steady, nine-year decline, falling to 51.7 percent at the end of 2000, compared to 52.6 percent a year earlier and 70 percent in 1992. At year-end 2000, the ratio was 46.4 percent for institutions with total assets greater than $1 billion, and 74 percent for smaller institutions.

Only one FDIC-insured institution failed during the fourth quarter, a BIF member with total assets of $93 million. For all of 2000, the seven failures included six BIF members, with total assets of $378 million, and one SAIF member, with total assets of $30 million. Losses for the seven failures are estimated at $40 million. In 1999, there were eight insured-institution failures, with total assets of $1.5 billion and estimated losses of $839 million.

PERCENTAGE CHANGE IN INSURED DEPOSITS, 1990–2000

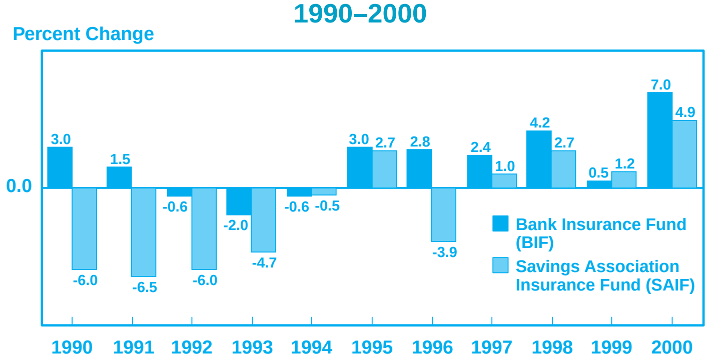


TABLE I-C. Selected Indicators, FDIC-Insured Institutions*

(dollar figures in millions)	2000	1999	1998	1997	1996	1995	1994
Number of institutions reporting………………………….	9,905	10,221	10,463	10,922	11,453	11,970	12,603
Total assets………………………………………………	$ 7,461,347	$6,883,696	$6,530,947	$6,041,127	$5,607,333	$5,338,419	$5,019,086
Total deposits……………………………………………	4,914,809	4,538,088	4,386,298	4,125,862	3,925,059	3,769,481	3,611,619
Number of problem institutions………………………….	94	79	84	92	117	193	318
Assets of problem institutions (in billions)…………….	$24	$10	$11	$6	$12	$31	$73
Number of failed/assisted institutions………………….	7	8	3	1	6	8	15
Assets of failed/assisted institutions (in billions)………	$0.44	$1.56	$0.37	$0.03	$0.22	$1.21	$1.57

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

(dollar figures in millions)	Preliminary 4th Quarter 2000	3rd Quarter 2000	4th Quarter 1999	%Change 99:4-00:4
Number of institutions reporting……………………………………	9,905	9,988	10,221	-3.1
Total employees (full-time equivalent)……………………………	1,907,334	1,900,057	1,901,570	0.3
CONDITION DATA				
Total assets……………………………………………………………	$7,461,347	$7,268,221	$6,883,696	8.4
Loans secured by real estate……………………………………	2,396,013	2,382,612	2,180,903	9.9
1-4 Family residential……………………………………………	1,490,725	1,495,128	1,371,879	8.7
Home equity loans……………………………………………	150,629	144,639	121,333	24.1
Multifamily residential property…………………………………	116,975	116,209	108,729	7.6
Commercial real estate…………………………………………	524,971	514,458	470,863	11.5
Construction, development, and land…………………………	196,963	191,107	164,723	19.6
Other real estate loans…………………………………………	66,380	65,710	64,709	2.6
Commercial & industrial loans	1,082,668	1,077,417	998,053	8.5
Loans to individuals………………………………………………	674,999	647,466	617,530	9.3
Credit cards & related plans……………………………………	265,939	244,980	227,348	17.0
Other loans & leases………………………………………………	496,904	497,794	460,363	7.9
Less: Unearned income & contra accounts…………………	3,114	3,248	3,876	-19.7
Total loans & leases………………………………………………	4,647,469	4,602,040	4,252,974	9.3
Less: Reserve for losses…………………………………………	71,378	69,788	65,678	8.7
Net loans and leases…………………………………………………	4,576,091	4,532,252	4,187,296	9.3
Securities………………………………………………………………	1,361,352	1,337,922	1,337,794	1.8
Other real estate owned……………………………………………	3,908	3,891	3,920	-0.3
Goodwill and other intangibles……………………………………	119,724	121,189	112,855	6.1
All other assets………………………………………………………	1,400,272	1,272,967	1,241,830	12.8
Total liabilities and capital…………………………………………	7,461,347	7,268,221	6,883,696	8.4
Deposits…………………………………………………………………	4,914,809	4,749,150	4,538,088	8.3
Other borrowed funds………………………………………………	1,466,977	1,481,834	1,376,071	6.6
Subordinated debt……………………………………………………	90,166	87,359	79,469	13.5
All other liabilities……………………………………………………	356,256	328,347	315,375	13.0
Equity capital…………………………………………………………	633,140	621,531	574,693	10.2
Loans and leases 30-89 days past due……………………………	56,550	50,411	46,424	21.8
Noncurrent loans and leases………………………………………	48,796	44,339	38,531	26.6
Restructured loans and leases……………………………………	2,704	3,269	2,826	-4.3
Direct and indirect investments in real estate……………………	914	958	921	-0.8
Mortgage-backed securities…………………………………………	684,294	657,795	676,205	1.2
Earning assets…………………………………………………………	6,507,648	6,371,607	6,013,210	8.2
FHLB Advances (Source: TFR and FHFB)…………………………	436,236	422,515	386,872	12.8
Unused loan commitments…………………………………………	4,713,261	4,578,217	4,150,111	13.6

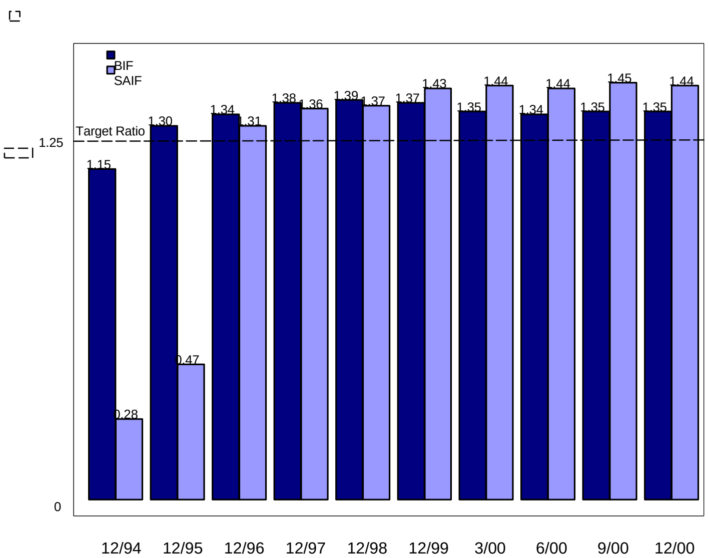
INCOME DATA	Preliminary Full Year 2000	Full Year 1999	%Change	Preliminary 4th Quarter 2000	4th Quarter 1999	%Change 99:4-00:4
Total interest income…………………………………	$512,166	$441,561	16.0	$134,753	$116,791	15.4
Total interest expense…………………………………	276,441	218,031	26.8	74,787	59,551	25.6
Net interest income…………………………………	235,724	223,530	5.5	59,965	57,240	4.8
Provision for credit losses……………………………	31,284	23,377	33.8	10,060	6,558	53.4
Total noninterest income………………………………	164,136	154,193	6.4	42,275	41,442	2.0
Total noninterest expense……………………………	241,340	228,209	5.8	61,999	61,018	1.6
Securities gains (losses)………………………………	-1,499	1,617	N/M	522	-135	N/M
Applicable income taxes………………………………	43,783	45,502	-3.8	10,254	10,767	-4.8
Extraordinary gains, net………………………………	-33	174	N/M	-32	211	N/M
Net income……………………………………………	81,920	82,426	-0.6	20,418	20,416	0.0

* 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 4th Quarter 2000	3rd Quarter 2000	4th Quarter 1999	%Change 99:4-00:4
Bank Insurance Fund				
Reserve ratio (%)	1.35	1.35	1.37	-1.5
Fund balance (unaudited)	$30,983	$30,555	$29,414	4.7
Estimated insured deposits	2,301,604	2,269,166	2,151,454	7.0
SAIF-member Oakars	58,506	57,357	43,856	33.4
BIF-members	2,243,097	2,211,808	2,107,598	6.4
Assessment base	3,326,745	3,186,328	3,031,237	9.7
SAIF-member Oakars	59,459	58,329	44,904	32.4
BIF-members	3,267,286	3,127,999	2,986,334	9.4
Savings Association Insurance Fund				
Reserve ratio (%)	1.44	1.45	1,43	1.0
Fund balance (unaudited)	$10,858	$10,706	$10,281	5.6
Estimated insured deposits	752,756	740,165	717,591	4.9
BIF-member Oakars	308,771	291,811	269,218	14.7
SAIF-member Sassers	67,204	73,294	70,442	-4.6
Other SAIF members	376,782	375,060	377,932	-0.3
Assessment base	822,610	806,573	771,274	6.7
BIF-member Oakars	309,590	292,237	269,807	14.7
SAIF-member Sassers	82,970	87,042	81,263	2.1
Other SAIF members	430,050	427,294	420,205	2.3

Insurance Fund Reserve Ratios*
Percent of Insured Deposits



Fund Balances and Insured Deposits*
($Millions)

	BIF Balance	BIF-Insured Deposits	SAIF Balance	SAIF-Insured Deposits
12/94	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
12/99	29,414	2,151,454	10,281	717,591
3/00	29,739	2,196,283	10,435	723,534
6/00	29,780	2,222,349	10,538	737,962
9/00	30,555	2,269,166	10,706	740,165
12/00	30,983	2,301,604	10,858	752,756

* 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	1998	1997	1996	1995	1994
BIF Members							
Number of institutions	6	7	3	1	5	6	13
Total assets	$378	$1,490	$371	$27	$186	$758	$1,432
SAIF Members							
Number of institutions	1	1	0	0	1	2	2
Total assets	$30	$71	$0	$0	$34	$456	$137

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

(dollar figures in millions)	2000	1999	1998	1997	1996	1995	1994
BIF Members							
Number of institutions reporting	8,572	8,834	9,031	9,404	9,823	10,243	10,760
BIF-member Oakars	757	744	745	778	793	807	719
Other BIF-members	7,815	8,090	8,286	8,626	9,030	9,436	10,041
Total assets	$ 6,508,960	$5,980,164	$5,702,769	$5,285,403	$4,857,761	$4,577,898	$4,248,300
Total deposits	4,337,722	3,987,385	3,843,816	3,611,453	3,404,204	3,225,650	3,062,718
Net income	73,864	73,977	64,334	61,459	54,483	50,780	46,882
Return on assets (%)	1.19	1.30	1.18	1.22	1.17	1.15	1.14
Return on equity (%)	13.94	15.11	13.81	14.44	14.14	14.32	14.43
Noncurrent assets plus OREO to assets (%)	0.72	0.62	0.64	0.67	0.77	0.89	1.06
Number of problem institutions	74	66	68	73	86	151	264
Assets of problem institutions	$10,787	$4,450	$5,326	$4,598	$6,624	$20,166	$42,311
Number of failed/assisted institutions	6	7	3	1	5	6	13
Assets of failed/assisted institutions	$378	$1,490	$371	$27	$182	$753	$1,392
SAIF Members							
Number of institutions reporting	1,333	1,387	1,432	1,518	1,629	1,727	1,843
SAIF-member Oakars	124	123	116	112	94	77	55
Other SAIF-members	1,209	1,264	1,316	1,406	1,535	1,650	1,788
Total assets	$952,387	$903,531	$828,177	$755,724	$749,573	$760,521	$770,785
Total deposits	577,087	550,703	542,481	514,409	520,855	543,831	548,901
Net income	8,056	8,450	7,598	6,486	4,892	5,584	4,102
Return on assets (%)	0.89	0.99	0.98	0.94	0.67	0.76	0.56
Return on equity (%)	11.09	11.97	11.34	11.13	8.08	9.47	7.16
Noncurrent assets plus OREO to assets (%)	0.65	0.64	0.80	0.98	1.07	1.12	1.23
Number of problem institutions	20	13	16	19	31	42	54
Assets of problem institutions	$13,053	$5,524	$5,992	$1,662	$5,548	$10,864	$30,336
Number of failed/assisted institutions	1	1	0	0	1	2	2
Assets of failed/assisted institutions	$30	$71	$0	$0	$35	$426	$129

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

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

(dollar figures in millions)	Number of	Total	Domestic	Estimated Insured Deposits		
	Institutions	Assets	Deposits*	BIF	SAIF	Total
December 31, 2000						
Commercial Banks and Savings Institutions						
FDIC-Insured Commercial Banks	8,315	6,238,713	3,469,908	2,086,796	311,627	2,398,423
BIF-member	8,212	6,151,000	3,407,720	2,071,604	278,245	2,349,849
SAIF-member	103	87,713	62,188	15,192	33,382	48,573
FDIC-Supervised	5,093	1,179,489	872,733	584,013	74,306	658,319
OCC-Supervised	2,231	3,414,579	1,827,210	1,092,752	167,703	1,260,456
Federal Reserve-Supervised	991	1,644,645	769,966	410,031	69,617	479,648
FDIC-Insured Savings Institutions	1,590	1,222,635	738,234	213,372	441,129	654,501
OTS-Supervised Savings Institutions	1,067	933,972	538,115	88,205	388,698	476,903
BIF-member	39	127,440	64,511	47,758	11,917	59,675
SAIF-member	1,028	806,532	473,603	40,447	376,782	417,229
FDIC-Supervised State Savings Banks	523	288,663	200,119	125,167	52,431	177,598
BIF-member	321	230,521	158,939	122,299	18,609	140,908
SAIF-member	202	58,142	41,180	2,868	33,822	36,690
Total Commercial Banks and Savings Institutions	9,905	7,461,347	4,208,143	2,300,168	752,756	3,052,924
BIF-member	8,572	6,508,960	3,631,171	2,241,661	308,771	2,550,432
SAIF-member	1,333	952,387	576,972	58,506	443,986	502,492
Other FDIC-Insured Institutions						
U.S. Branches of Foreign Banks	19	8,753	3,801	1,436	0	1,436
Total FDIC-Insured Institutions	9,924	7,470,101	4,211,943	2,301,604	752,756	3,054,360

* Excludes $707 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 December 31, 2000
Supervisory and Capital Ratings for First Semiannual Assessment Period, 2001

	Supervisory Risk Subgroup					
Capital Group	A		B		C	
1. Well-capitalized						
Number of institutions	7,965	92.7	383	4.5	55	0.6
Assessable deposit base	$3,230,062	97.1	$58,703	1.8	$6,526	0.2
2. Adequately capitalized						
Number of institutions	157	1.8	15	0.2	7	0.1
Assessable deposit base	$26,998	0.8	$3,038	0.1	$564	0.0
3. Undercapitalized						
Number of institutions	3	0.0	2	0.0	4	0.0
Assessable deposit base	$493	0.0	$221	0.0	$141	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 December 31, 2000
Supervisory and Capital Ratings for First Semiannual Assessment Period, 2001

	Supervisory Risk Subgroup					
Capital Group	A		B		C	
1. Well-capitalized						
Number of institutions	1,184	88.8	102	7.7	15	1.1
Assessable deposit base	$777,245	94.5	$26,900	3.3	$7,299	0.9
2. Adequately capitalized						
Number of institutions	15	1.1	10	0.8	4	0.3
Assessable deposit base	$4,497	0.5	$2,339	0.3	$3,951	0.5
3. Undercapitalized						
Number of institutions	1	0.1	0	0.0	2	0.2
Assessable deposit base	$11	0.0	$0	0.0	$368	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.

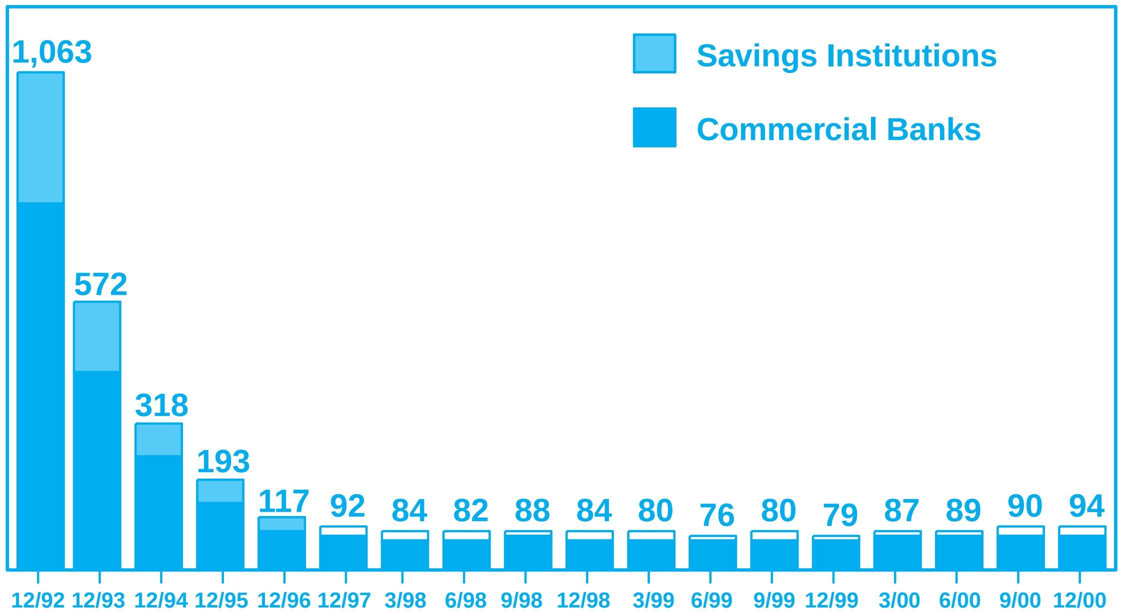
Assessment Rate Schedules
First Semiannual 2001 Assessment Period
Cents Per $100 of Assessable Deposits

	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

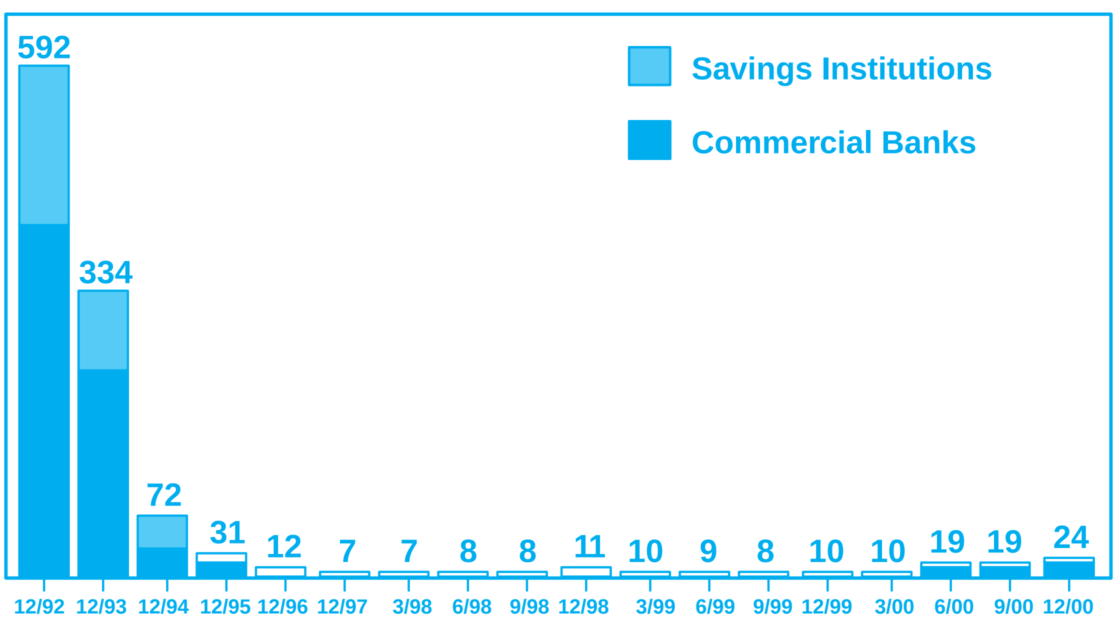
Number of Institutions



	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	6/00	9/00	12/00
Savings Institutions	276	146	49	71	35	21	16	18	18	15	16	14	11	13	15	16	15	18
Commercial Banks	787	426	144	247	82	71	68	64	70	69	64	62	69	66	72	73	75	76

ASSETS OF FDIC-INSURED “PROBLEM” INSTITUTIONS, 1992–2000

$ Billions



	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	6/00	9/00	12/00
Savings Institutions	184	92	39	14	7	2	2	3	3	6	5	4	4	6	5	8	7	7
Commercial Banks	408	242	33	17	5	5	5	5	5	5	5	5	4	4	5	11	12	17

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 — assessable deposits consist of BIF and SAIF deposits in banks' domestic offices with certain adjustments. Each institution's assessment depends on its assigned risk-based capital category and supervisory risk subgroup:

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

*As a percentage of risk-weighted assets.

For purpose of BIF and SAIF assessments, risk-based assessment rules combine the three lowest capital rating categories into a single "undercapitalized" group. Supervisory risk subgroup assignments are based on supervisory ratings. Generally, the strongest institutions (those rated 1 or 2) are in subgroup A, those rated 3 are in subgroup B, and those rated 4 or 5 are in subgroup C.

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

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

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

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

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

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

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

Estimated insured deposits — in general, insured deposits are estimated to be total domestic deposits minus estimated uninsured deposits. The uninsured estimate is calculated as the sum of the excess amounts in accounts over $100,000. Beginning June 30, 2000 the amount of estimated uninsured deposits is adjusted to consider a financial institution's estimate, where the institution reports that it has a better method or procedure for calculating uninsured deposits.

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

FHLB advances — all borrowings by FDIC insured institutions from the Federal Home Loan Bank System (FHLB) as 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.