Quarterly Banking Profile Second Quarter 2008

INSURED INSTITUTION PERFORMANCE

- ***Industry Net Income Falls to $5 Billion***
- ***Quarterly Loss Provisions Surpass $50 Billion***
- ***Asset Quality Indicators Continue to Deteriorate***
- ***Industry Assets Post First Decline in Six Years***

Second-Quarter Earnings Are 87 Percent Below Year-Earlier Level

The continued downturn in the credit cycle, combined with lingering weakness in financial markets and falling asset values, had a pronounced negative effect on banking industry performance in the second quarter. Insured commercial banks and savings institutions reported net income of $5.0 billion for the second quarter of 2008. This is the second-lowest quarterly total since 1991 and is $31.8 billion (86.5 percent) less than the industry earned in the second quarter of 2007. Higher loan-loss provisions were the most significant factor in the earnings decline. Loss provisions totaled $50.2 billion, more than four times the $11.4 billion quarterly total of a year ago. Second-quarter provisions absorbed almost one-third (31.9 percent) of the industry's net operating revenue (net interest income plus total noninterest income), the highest proportion since the third quarter of 1989. A year ago, provisions absorbed only 7.3 percent of industry revenue. The average return on assets (ROA) in the second quarter was 0.15 percent, compared to 1.21 percent a year earlier. Large institutions as a group had more substantial earnings erosion than smaller institutions, but downward earnings pressure was widely evident across the industry. At institutions with assets greater than $1 billion, the average ROA in the second quarter was 0.10 percent, down from 1.23 percent a year ago. At institutions with less than $1 billion in assets, the average second-quarter ROA was 0.57 percent, compared to 1.10 percent in the second quarter of 2007. More than half of all insured institutions (56.4 percent) reported year-over-year declines in quarterly net income, and almost two out of every three institutions (62.1 percent) reported lower ROAs. Almost 18 percent of all insured institutions were unprofitable in the second quarter, compared to only 9.8 percent in the second quarter of 2007.

Market-Sensitive Revenues Remain Weak

Net operating revenue was only $772 million (0.5 percent) above the level of a year earlier, even though revaluations of certain assets and liabilities under fair value accounting provided a $7.9-billion boost to pretax earnings in the second quarter. Noninterest income of $60.8 billion was $7.4 billion (10.9 percent) lower than in the second quarter of 2007. The decline in noninterest income was attributable to lower trading income (down $5.5 billion, or 88.6 percent); smaller gains from sales of loans, foreclosed properties, and other assets (down $1.7

Chart 1

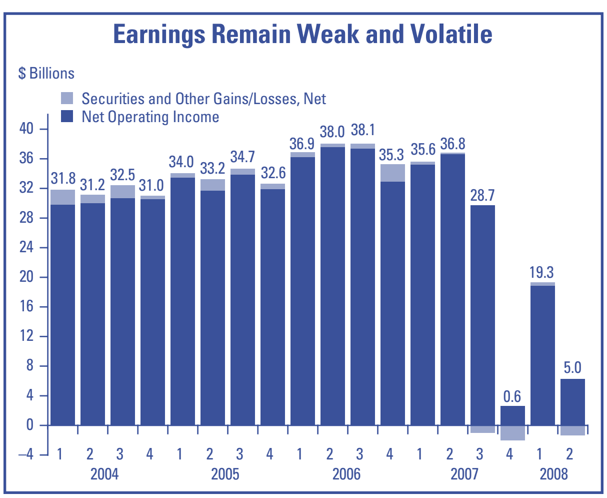
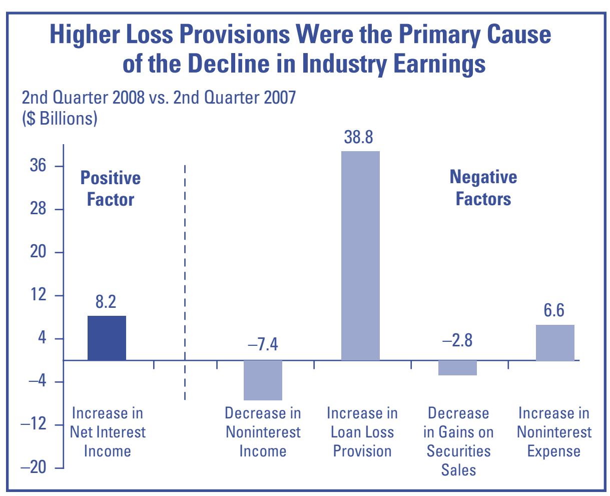


Chart 2



billion, or 41.2 percent); and lower income from securitization activities (down $1.5 billion, or 28.3 percent). In addition to the decline in noninterest income, securities sales yielded $2.3 billion in net losses in the second quarter, compared to $573 million in net gains a year earlier. Expenses for goodwill and other intangibles totaled $4.5 billion, more than double the $2.1 billion incurred by the industry in the second quarter of 2007. Net interest income was one of the few bright spots in industry revenues, rising by $8.2 billion (9.3 percent) over year-earlier levels. Servicing fee income increased by $1.9 billion (35.9 percent). Service charges on deposit accounts increased by $853 million (8.6 percent) at insured commercial banks and state-chartered savings banks.

Margins Show Little Change as Average Yields and Funding Costs Fall

The average net interest margin (NIM) improved slightly compared to the first quarter, from 3.33 percent to 3.37 percent. Improvements and declines were fairly evenly divided among insured institutions, with 46.9 percent reporting lower margins than in the first quarter, and 51.5 percent reporting improved NIMs. The relatively small change in quarterly NIM contrasted with declines of more than 50 basis points in both average asset yields and average funding costs between the two quarters. The average yield on interest-bearing assets fell from 6.27 percent in the first quarter to 5.76 percent in the second quarter, while the average interest expense to fund interest-bearing assets fell from 2.95 percent to 2.38 percent. The industry average NIM has remained within a 5 basis-point range during the last six quarters, as community bank margins have fallen by 21 basis points and margins for larger institutions have risen by 10 basis points.

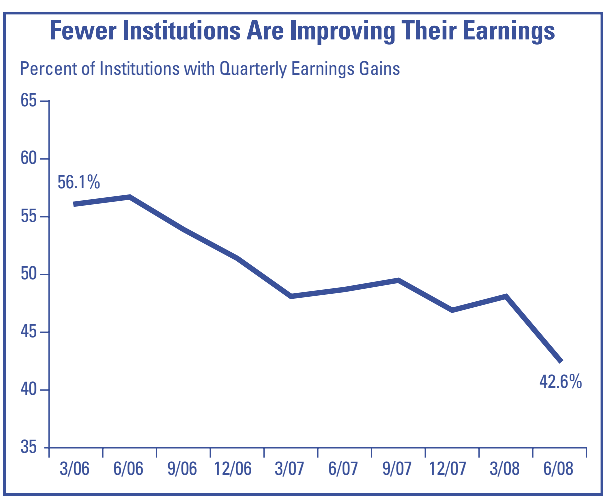
Net Charge-Off Rate Rises to Highest Level Since 1991

Loan losses registered a sizable jump in the second quarter, as loss rates on real estate loans increased sharply at many large lenders. Net charge-offs of loans and leases totaled $26.4 billion in the second quarter, almost triple the $8.9 billion that was charged off in the second quarter of 2007. The annualized net charge-off rate in the second quarter was 1.32 percent, compared to 0.49 percent a year earlier. This is the highest quarterly charge-off rate for the industry since the fourth quarter of 1991. At institutions with more than $1 billion in assets, the average charge-off rate in the second quarter was 1.46 percent, more than three times the 0.44 percent average for institutions with less than $1 billion in assets. Net charge-offs increased year-over-year for all major loan categories in the second quarter. Charge-offs of 1-4 family residential mortgage loans increased by $5.8 billion (821.9 percent), while charge-offs of real estate construction and land development loans rose by $3.2 billion (1,226.6 percent). Net charge-offs of home equity loans were $2.8 billion (632.7 percent) higher than a year earlier, charge-offs of loans to commercial and industrial (C&I) borrowers were up by $1.8 billion (127.5 percent), credit card charge-offs increased by $1.7 billion (47.4 percent), and charge-offs of other loans to individuals grew by $1.4 billion (70.3 percent).

Noncurrent Loan Rate Rises Above 2 Percent for the First Time Since 1993

The amount of loans and leases that were noncurrent (90 days or more past due or in nonaccrual status) rose for a ninth consecutive quarter, increasing by $26.7 billion (19.6 percent). This is the second-largest

Chart 3



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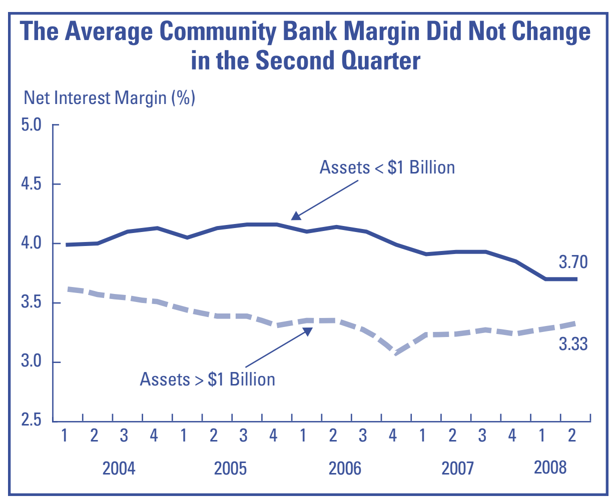


quarterly increase in noncurrent loans during the nine-quarter streak, after the $27.0-billion increase in the fourth quarter of 2007 when quarterly net charge-offs were $10 billion lower. All major loan categories registered increased levels of noncurrent loans in the second quarter. The amount of 1-4 family residential real estate loans that were noncurrent increased by $11.7 billion (21.2 percent) during the quarter, while noncurrent real estate construction and land development loans rose by $8.2 billion (27.2 percent). Large increases were also reported in loans secured by nonfarm nonresidential real estate properties (up $2.0 billion, or 19.6 percent), C&I loans (up $1.8 billion, or 15.0 percent), and home equity loans (up $1.7 billion, or 25.5 percent). At the end of June, the percentage of the industry's total loans and leases that were noncurrent stood at 2.04 percent, the highest level since the third quarter of 1993.

Large Boost in Reserves Does Not Quite Keep Pace with Noncurrent Loans

For the third consecutive quarter, insured institutions added almost twice as much in loan-loss provisions to their reserves for losses as they charged-off for bad loans. Provisions exceeded charge-offs by $23.8 billion in the second quarter, and industry reserves rose by $23.1 billion (19.1 percent). The industry's ratio of reserves to total loans and leases increased from 1.52 percent to 1.80 percent, its highest level since the middle of 1996. However, for the ninth consecutive quarter, increases in noncurrent loans surpassed growth in reserves, and the industry's "coverage ratio" fell very slightly, from 88.9 cents in reserves for every $1.00 in noncurrent loans, to 88.5 cents, a 15-year low for the ratio.

Capital Growth Slows Despite Cutbacks in Dividends

The industry added $10.6 billion to its total regulatory capital in the second quarter, the smallest quarterly increase since the fourth quarter of 2003. A majority of institutions (60.0 percent) reported declines in their total risk-based capital ratios during the quarter. More than half (50.9 percent) of the 4,056 institutions that paid dividends in the second quarter of 2007 reported smaller dividend payments in the second quarter of 2008, including 673 institutions that paid no quarterly dividend. Dividend payments in the second quarter totaled $17.7 billion, less than half the $40.9 billion insured institutions paid a year earlier. Even with reduced dividend payments, fewer than half of all institutions (45.5 percent) reported higher levels of retained earnings compared to a year ago. Less than one-fourth of the $23.1-billion increase in industry loan-loss reserves in the second quarter was included in regulatory capital because the amount of reserves in regulatory capital cannot exceed 1.25 percent of an institution's total risk-weighted assets, and a number of institutions now have reserves that exceed that limit. Despite the slowdown in capital growth and the erosion in capital ratios at many institutions, 98.4 percent of all institutions (accounting for 99.4 percent of total industry assets) met or exceeded the highest regulatory capital requirements at the end of June.

Reductions in Trading Accounts Cause Total Industry Assets to Decline

Total assets of insured institutions declined by $68.6 billion during the quarter, the first time since the first quarter of 2002 that industry assets have decreased, and the largest quarterly decline since the first quarter of 1991. The reduction in assets was driven by a few large

Chart 5

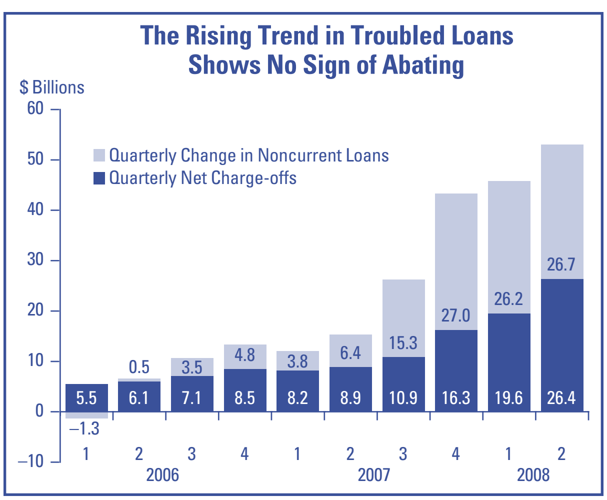
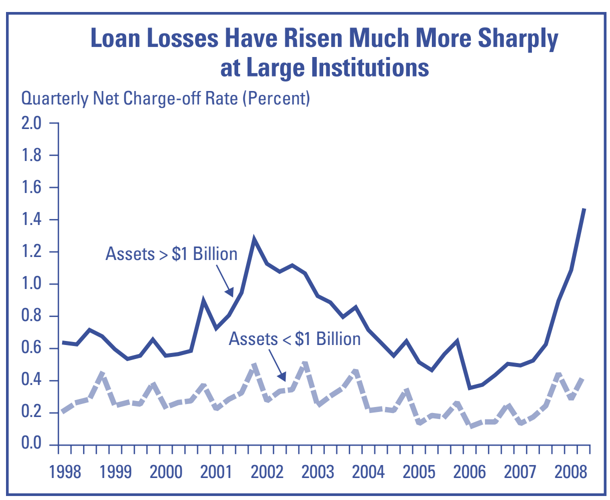


Chart 6



institutions, although almost 40 percent of all insured institutions reported lower assets at the end of June, compared to the end of March. Assets in trading accounts, which increased by $135.2 billion in the first quarter, declined by $118.9 billion (11.8 percent) in the second quarter. The industry's 1-4 family residential mortgage loans, which declined by $25.9 billion in the first quarter, fell by an additional $61.4 billion (2.8 percent) in the second quarter. Real estate construction and development loans registered their first quarterly decline since the first quarter of 1997, falling by $5.4 billion (0.9 percent). Total unused loan commitments declined by $145.9 billion (1.8 percent), while letters of credit increased by $28.9 billion (5.9 percent). Other real estate owned—properties acquired through foreclosure—increased by $3.5 billion (29.1 percent) during the quarter, to $15.6 billion at midyear.

Growth in Small Business Loans Slowed in the Last 12 Months

The annual data on loans to small businesses and farms that are reported as of each June 30 showed that total small business and farm loans increased by $25.3 billion (3.4 percent) during the 12 months ended June 30. In contrast, larger loans to businesses and farms increased by $249.4 billion (18.4 percent) during that period. In the June 2006 to June 2007 period, small business and farm loans increased by $55.2 billion (7.9 percent). These loans currently account for almost one-third (32.7 percent) of all business and farm loans to domestic borrowers.

Deposits Decline in Domestic Offices

Total deposits at insured institutions increased by only $6.9 billion (0.1 percent) in the second quarter, as the decline in industry assets reduced overall funding needs. Deposits in foreign offices increased by $46.8 billion (3.1 percent), while deposits in domestic offices fell by $39.8 billion (0.6 percent). In domestic offices, interest-sensitive deposits fell during the quarter, while interest-insensitive deposits grew. Domestic office time deposits declined by $50.6 billion (1.9 percent), while other domestic interest-bearing deposits fell by $19.6 billion (0.1 percent). Noninterest-bearing deposits in domestic offices rose by $30.4 billion (2.5 percent). Nondeposit liabilities declined by $66.1 billion (1.9 percent) during the quarter, due in large part to a $48.5-billion (11.9-percent) drop in liabilities in trading accounts.

Two More Banks Fail in the Second Quarter

The number of institutions filing quarterly financial reports fell to 8,451 at the end of the second quarter, down from 8,494 at the end of the first quarter. Twenty-four new charters were added during the second quarter, while 64 existing charters were merged into other institutions. Two insured institutions failed during the quarter, bringing the total for the first six months of 2008 to four failures. Three mutually owned savings banks, with combined assets of $1.1 billion, converted to stock ownership in the second quarter. The number of institutions on the FDIC's "Problem List" increased from 90 to 117 during the quarter. Assets of "problem" institutions increased from $26.3 billion to $78.3 billion.

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Chart 7

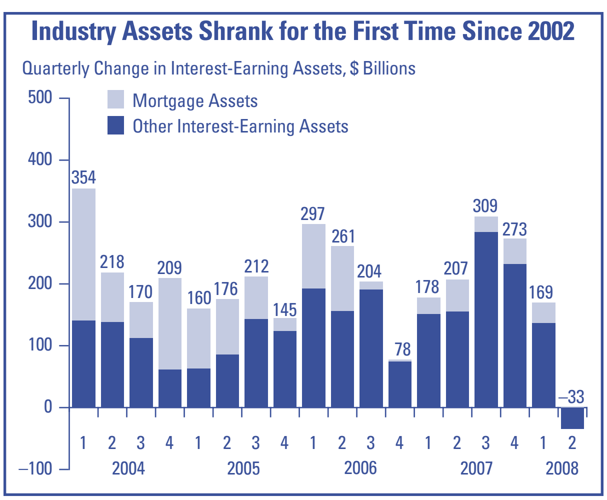

Chart 8

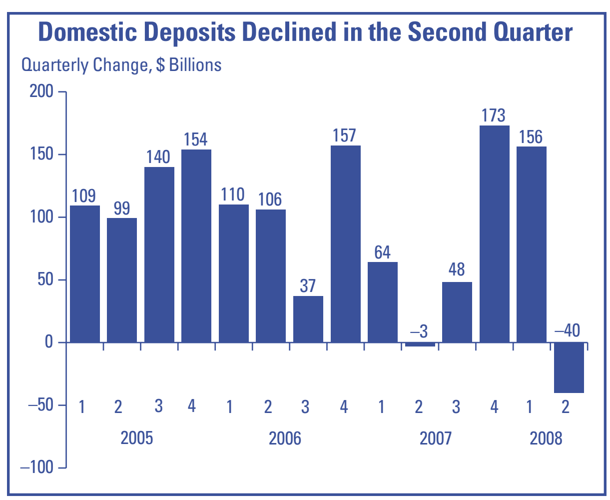

TABLE I-A. Selected Indicators, All FDIC-Insured Institutions*

	2008**	2007**	2007	2006	2005	2004	2003
Return on assets (%)	0.37	1.20	0.81	1.28	1.28	1.28	1.38
Return on equity (%)	3.58	11.45	7.76	12.30	12.43	13.20	15.05
Core capital (leverage) ratio (%)	7.89	8.21	7.97	8.22	8.25	8.11	7.88
Noncurrent assets plus other real estate owned to assets (%)	1.38	0.62	0.94	0.54	0.50	0.53	0.75
Net charge-offs to loans (%)	1.16	0.47	0.59	0.39	0.49	0.56	0.78
Asset growth rate (%)	8.48	6.38	9.89	9.04	7.63	11.37	7.58
Net interest margin (%)	3.35	3.32	3.29	3.31	3.47	3.52	3.73
Net operating income growth (%)	-65.03	-2.60	-27.56	8.53	11.43	3.99	16.38
Number of institutions reporting	8,451	8,614	8,534	8,680	8,833	8,976	9,181
Commercial banks	7,203	7,350	7,283	7,401	7,526	7,631	7,770
Savings institutions	1,248	1,264	1,251	1,279	1,307	1,345	1,411
Percentage of unprofitable institutions (%)	16.73	9.52	12.07	7.93	6.22	5.97	5.99
Number of problem institutions	117	61	76	50	52	80	116
Assets of problem institutions (in billions)	$78	$24	$22	$8	$7	$28	$30
Number of failed/assisted institutions	4	1	3	0	0	4	3

* Excludes insured branches of foreign banks (IBAs).
** Through June 30, ratios annualized where appropriate. Asset growth rates are for 12 months ending June 30.

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

(dollar figures in millions)	2nd Quarter 2008	1st Quarter 2008	2nd Quarter 2007	%Change 07:2-08:2
Number of institutions reporting	8,451	8,494	8,614	-1.9
Total employees (full-time equivalent)	2,204,185	2,212,753	2,220,907	-0.8
CONDITION DATA				
Total assets	$13,300,800	$13,369,409	$12,261,393	8.5
Loans secured by real estate	4,794,051	4,804,695	4,619,562	3.8
1-4 Family residential mortgages	2,154,163	2,215,541	2,207,433	-2.4
Nonfarm nonresidential	1,019,108	990,083	923,986	10.3
Construction and development	627,170	632,602	600,471	4.4
Home equity lines	646,890	624,920	576,717	12.2
Commercial & industrial loans	1,492,526	1,483,356	1,299,539	14.9
Loans to individuals	1,069,507	1,048,217	980,847	9.0
Credit cards	396,047	386,853	373,951	5.9
Farm loans	58,348	53,837	55,608	4.9
Other loans & leases	584,180	580,269	514,109	13.6
Less: Unearned income	2,513	2,455	3,068	-18.1
Total loans & leases	7,996,100	7,967,919	7,466,597	7.1
Less: Reserve for losses	144,259	121,116	81,225	77.6
Net loans and leases	7,851,841	7,846,802	7,385,373	6.3
Securities	2,017,381	1,953,038	1,977,442	2.0
Other real estate owned	18,910	15,643	7,995	136.5
Goodwill and other intangibles	481,434	469,176	435,892	10.4
All other assets	2,931,234	3,084,750	2,454,691	19.4
Total liabilities and capital	13,300,800	13,369,409	12,261,393	8.5
Deposits	8,572,675	8,565,762	8,035,595	6.7
Domestic office deposits	7,029,143	7,068,980	6,692,011	5.0
Foreign office deposits	1,543,532	1,496,782	1,343,583	14.9
Other borrowed funds	2,598,224	2,587,208	2,248,610	15.5
Subordinated debt	185,078	185,580	172,377	7.4
All other liabilities	593,314	669,917	525,712	12.9
Equity capital	1,351,510	1,360,943	1,279,099	5.7
Loans and leases 30-89 days past due	111,883	110,970	74,042	51.1
Noncurrent loans and leases	162,913	136,208	67,686	140.7
Restructured loans and leases	14,337	10,164	3,229	344.0
Direct and indirect investments in real estate	962	956	1,080	-11.0
Mortgage-backed securities	1,322,058	1,281,359	1,237,426	6.8
Earning assets	11,441,474	11,474,954	10,723,166	6.7
FHLB Advances	840,573	841,580	608,457	38.1
Unused loan commitments	8,158,474	8,304,383	8,086,534	0.9
Trust assets	21,727,938	20,924,568	21,020,489	3.4
Assets securitized and sold***	1,750,758	1,724,121	1,638,581	6.8
Notional amount of derivatives***	183,302,893	181,599,440	154,810,235	18.4

INCOME DATA	First Half 2008	First Half 2007	%Change	2nd Quarter 2008	2nd Quarter 2007	%Change 07:2-08:2
Total interest income	$343,177	$358,377	-4.2	$164,886	$182,527	-9.7
Total interest expense	152,034	183,746	-17.3	68,309	94,130	-27.4
Net interest income	191,143	174,631	9.5	96,577	88,397	9.3
Provision for loan and lease losses	87,352	20,546	325.2	50,151	11,363	341.3
Total noninterest income	121,307	130,467	-7.0	60,821	68,229	-10.9
Total noninterest expense	188,238	178,407	5.5	97,526	90,933	7.3
Securities gains (losses)	-1,054	2,155	N/M	-2,268	573	N/M
Applicable income taxes	11,088	35,013	-68.3	2,130	17,904	-88.1
Extraordinary gains, net	-496	-912	N/M	-364	-223	N/M
Net income	24,222	72,375	-66.5	4,959	36,776	-86.5
Net charge-offs	45,957	17,141	168.1	26,354	8,946	194.6
Cash dividends	31,688	67,014	-52.7	17,728	40,868	-56.6
Retained earnings	-7,467	5,362	N/M	-12,769	-4,092	N/M
Net operating income	25,118	71,832	-65.0	6,264	36,630	-82.9

*** Call Report filers only. N/M - Not Meaningful

TABLE III-A. Second Quarter 2008, All FDIC-Insured Institutions

TABLE III-A. Second Quarter 2008, All FDIC-Insured Institutions

		Asset Concentration Groups*								
SECOND QUARTER (The way it is...)	All Insured Institutions	Credit Card Banks	International Banks	Agricultural Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <$1 Billion	All Other <$1 Billion	All Other >$1 Billion
Number of institutions reporting	8,451	27	6	1,584	4,786	845	98	306	756	43
Commercial banks	7,203	23	6	1,579	4,281	218	78	278	705	35
Savings institutions	1,248	4	0	5	505	627	20	28	51	8
Total assets (in billions)	$13,300.8	$450.2	$2,980.5	$165.6	$5,359.5	$1,379.0	$71.3	$32.9	$99.2	$2,762.6
Commercial banks	11,426.2	431.1	2,980.5	165.2	4,799.4	227.9	32.9	29.8	86.7	2,672.5
Savings institutions	1,874.6	19.0	0.0	0.5	560.0	1,151.1	38.4	3.1	12.5	90.1
Total deposits (in billions)	8,572.7	150.5	1,844.5	132.6	3,707.3	806.5	58.8	23.6	81.3	1,767.6
Commercial banks	7,422.7	143.6	1,844.5	132.2	3,372.8	88.0	26.5	21.7	71.3	1,722.1
Savings institutions	1,150.0	6.9	0.0	0.4	334.5	718.5	32.4	1.9	10.0	45.5
Net income (in millions)	4,959	2,702	1,977	485	3,414	-5,017	148	159	251	841
Commercial banks	10,156	2,497	1,977	484	3,214	746	47	109	237	845
Savings institutions	-5,197	205	0	1	200	-5,763	101	50	14	-4
Performance Ratios (annualized,%)										
Yield on earning assets	5.76	11.86	5.21	6.38	5.95	5.96	6.71	4.76	6.03	4.86
Cost of funding earning assets	2.38	2.78	2.35	2.50	2.30	2.98	2.10	1.71	2.34	2.23
Net interest margin	3.37	9.08	2.86	3.87	3.65	2.98	4.61	3.04	3.68	2.63
Noninterest income to assets	1.83	8.40	1.83	0.67	1.58	0.92	2.19	13.85	0.96	1.62
Noninterest expense to assets	2.93	7.14	2.91	2.60	3.06	2.27	3.22	13.27	2.95	2.22
Loan and lease loss provision to assets	1.51	5.44	0.95	0.23	1.19	3.57	2.40	0.22	0.17	1.16
Net operating income to assets	0.19	2.00	0.29	1.17	0.26	-1.38	0.63	1.89	1.00	0.31
Pretax return on assets	0.21	3.60	0.29	1.39	0.50	-2.32	1.20	3.05	1.23	0.11
Return on assets	0.15	2.41	0.26	1.18	0.26	-1.46	0.82	1.90	1.02	0.12
Return on equity	1.46	10.73	3.38	10.63	2.25	-18.24	8.93	8.95	9.00	1.28
Net charge-offs to loans and leases	1.32	5.87	1.27	0.25	0.99	1.85	1.75	0.52	0.29	0.94
Loan and lease loss provision to net charge-offs	190.30	127.46	184.47	140.29	170.90	269.93	164.54	171.75	105.08	235.78
Efficiency ratio	59.13	42.43	68.59	61.21	59.29	61.58	49.11	79.86	67.52	56.22
% of unprofitable institutions	17.86	22.22	33.33	5.37	23.53	16.80	15.31	21.57	7.80	18.60
% of institutions with earnings gains	42.56	29.63	50.00	52.59	35.65	55.27	51.02	38.56	51.85	46.51
Structural Changes										
New Charters	24	0	0	1	7	0	0	16	0	0
Institutions absorbed by mergers	64	0	0	6	50	3	1	0	2	2
Failed Institutions	2	0	0	0	2	0	0	0	0	0
PRIOR SECOND QUARTERS (The way it was...)										
Return on assets (%) 2007	1.21	3.34	0.99	1.26	1.17	0.91	3.04	2.31	1.10	1.26
2005	1.28	3.18	0.71	1.35	1.35	1.22	1.40	1.60	1.09	1.37
2003	1.38	4.01	1.04	1.26	1.31	1.49	1.49	0.65	1.08	1.29
Net charge-offs to loans & leases (%) 2007	0.49	3.89	0.60	0.15	0.28	0.25	1.85	0.25	0.18	0.32
2005	0.42	4.18	0.66	0.15	0.21	0.09	1.11	0.40	0.34	0.17
2003	0.79	5.37	1.39	0.25	0.56	0.18	0.89	0.55	0.31	0.56

* See Table IV-A (page 8) for explanations.

TABLE III-A. Second Quarter 2008, All FDIC-Insured Institutions

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		Asset Size Distribution				Geographic Regions*					
SECOND QUARTER (The way it is...)	All Insured Institutions	Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	8,451	3,304	4,473	558	116	1,034	1,213	1,738	1,960	1,722	784
Commercial banks	7,203	2,939	3,756	424	84	540	1,069	1,434	1,853	1,595	712
Savings institutions	1,248	365	717	134	32	494	144	304	107	127	72
Total assets (in billions)	$13,300.8	$177.1	$1,333.4	$1,464.5	$10,325.7	$2,477.2	$3,396.9	$2,937.7	$990.5	$763.8	$2,734.7
Commercial banks	11,426.2	158.3	1,084.7	1,131.6	9,051.6	1,786.7	3,133.2	2,792.2	948.0	634.7	2,131.4
Savings institutions	1,874.6	18.8	248.7	332.9	1,274.2	690.5	263.8	145.4	42.5	129.1	603.3
Total deposits (in billions)	8,572.7	143.8	1,048.6	1,028.9	6,351.4	1,532.0	2,227.0	1,881.7	689.6	550.1	1,692.3
Commercial banks	7,422.7	129.5	864.9	796.4	5,631.8	1,072.2	2,061.0	1,778.7	660.0	475.7	1,375.1
Savings institutions	1,150.0	14.3	183.6	232.5	719.6	459.8	166.0	103.0	29.6	74.4	317.2
Net income (in millions)	4,959	260	1,862	964	1,873	4,735	1,374	824	2,265	1,121	-5,360
Commercial banks	10,156	220	1,688	651	7,597	3,957	2,698	796	2,266	1,212	-773
Savings institutions	-5,197	40	174	313	-5,724	778	-1,324	28	-1	-91	-4,586
Performance Ratios (annualized,%)											
Yield on earning assets	5.76	6.30	6.30	6.12	5.62	5.98	5.42	5.10	6.40	5.98	6.37
Cost of funding earning assets	2.38	2.45	2.62	2.50	2.33	2.42	2.45	2.31	2.04	2.28	2.51
Net interest margin	3.37	3.85	3.68	3.62	3.28	3.57	2.97	2.79	4.36	3.70	3.85
Noninterest income to assets	1.83	1.45	1.08	1.30	2.00	2.11	1.76	1.95	3.18	1.44	1.14
Noninterest expense to assets	2.93	3.92	3.19	3.04	2.86	2.97	2.61	2.91	3.92	3.24	2.86
Loan and lease loss provision to assets	1.51	0.31	0.53	1.06	1.71	1.03	1.48	1.19	1.64	0.80	2.44
Net operating income to assets	0.19	0.55	0.55	0.26	0.13	0.77	0.15	0.06	0.93	0.56	-0.52
Pretax return on assets	0.21	0.80	0.75	0.49	0.10	1.15	0.18	0.30	1.37	0.79	-1.25
Return on assets	0.15	0.59	0.56	0.27	0.07	0.76	0.16	0.11	0.92	0.59	-0.78
Return on equity	1.46	4.36	5.40	2.41	0.72	6.33	1.59	1.22	9.44	6.01	-7.90
Net charge-offs to loans and leases	1.32	0.28	0.45	0.97	1.54	1.33	1.14	1.27	1.31	0.64	1.79
Loan and lease loss provision to net charge-offs	190.30	175.85	166.52	156.74	195.09	138.35	211.80	176.72	183.33	187.30	215.60
Efficiency ratio	59.13	78.31	70.07	59.12	57.49	55.00	59.06	62.23	55.04	64.97	60.85
% of unprofitable institutions	17.86	22.28	14.40	16.85	30.17	17.89	32.15	14.33	12.09	11.32	32.27
% of institutions with earnings gains	42.56	42.77	43.24	39.25	26.72	50.39	26.05	47.07	45.66	46.92	30.48
Structural Changes											
New Charters	24	23	1	0	0	8	8	0	2	2	4
Institutions absorbed by mergers	64	26	29	8	1	8	19	15	7	11	4
Failed Institutions	2	1	0	1	0	0	0	0	1	1	0
PRIOR SECOND QUARTERS (The way it was...)											
Return on assets (%) 2007	1.21	0.85	1.14	1.11	1.25	1.04	1.25	1.05	1.54	1.15	1.41
2005	1.28	1.09	1.24	1.35	1.28	1.29	1.34	0.93	1.55	1.28	1.63
2003	1.38	0.89	1.19	1.50	1.41	1.25	1.39	1.34	1.57	1.41	1.64
Net charge-offs to loans & leases (%) 2007	0.49	0.14	0.18	0.33	0.57	0.84	0.26	0.37	0.63	0.23	0.59
2005	0.42	0.19	0.19	0.24	0.51	0.69	0.18	0.26	0.51	0.23	0.63
2003	0.79	0.30	0.31	0.65	0.94	1.14	0.57	0.68	1.05	0.39	0.70

* See Table IV-A (page 9) for explanations.

TABLE IV-A. First Half 2008, All FDIC-Insured Institutions

FIRST HALF (The way it is...)	All Insured Institutions	Asset Concentration Groups* Credit Card Banks	International Banks	Agricultural Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <$1 Billion	All Other <$1 Billion	All Other >$1 Billion
Number of institutions reporting	8,451	27	6	1,584	4,786	845	98	306	756	43
Commercial banks	7,203	23	6	1,579	4,281	218	78	278	705	35
Savings institutions	1,248	4	0	5	505	627	20	28	51	8
Total assets (in billions)	$13,300.8	$450.2	$2,980.5	$165.6	$5,359.5	$1,379.0	$71.3	$32.9	$99.2	$2,762.6
Commercial banks	11,426.2	431.1	2,980.5	165.2	4,799.4	227.9	32.9	29.8	86.7	2,672.5
Savings institutions	1,874.6	19.0	0.0	0.5	560.0	1,151.1	38.4	3.1	12.5	90.1
Total deposits (in billions)	8,572.7	150.5	1,844.5	132.6	3,707.3	806.5	58.8	23.6	81.3	1,767.6
Commercial banks	7,422.7	143.6	1,844.5	132.2	3,372.8	88.0	26.5	21.7	71.3	1,722.1
Savings institutions	1,150.0	6.9	0.0	0.4	334.5	718.5	32.4	1.9	10.0	45.5
Net income (in millions)	24,222	7,883	4,577	967	13,653	-5,737	370	387	499	1,622
Commercial banks	29,395	7,533	4,577	965	12,588	1,236	176	272	476	1,572
Savings institutions	-5,173	350	0	2	1,065	-6,973	195	115	24	50
Performance Ratios (annualized,%)										
Yield on earning assets	6.02	12.01	5.51	6.55	6.22	6.10	7.05	4.94	6.16	5.17
Cost of funding earning assets	2.67	3.18	2.64	2.69	2.56	3.24	2.38	1.87	2.49	2.55
Net interest margin	3.35	8.84	2.87	3.87	3.66	2.86	4.67	3.07	3.66	2.61
Noninterest income to assets	1.84	9.72	1.84	0.67	1.59	1.07	2.15	13.01	0.95	1.35
Noninterest expense to assets	2.85	6.70	2.83	2.61	2.98	2.29	3.17	12.03	2.95	2.15
Loan and lease loss provision to assets	1.32	5.29	0.96	0.20	1.03	2.73	2.08	0.15	0.15	1.03
Net operating income to assets	0.38	3.08	0.33	1.17	0.49	-0.82	0.88	2.29	0.99	0.27
Pretax return on assets	0.53	5.38	0.38	1.41	0.83	-1.35	1.56	3.55	1.23	0.15
Return on assets	0.37	3.50	0.31	1.19	0.52	-0.84	1.05	2.33	1.02	0.12
Return on equity	3.58	15.74	3.91	10.67	4.55	-10.27	11.36	10.89	9.00	1.23
Net charge-offs to loans and leases	1.16	5.38	1.20	0.21	0.85	1.50	1.72	0.39	0.22	0.78
Loan and lease loss provision to net charge-offs	190.07	132.95	192.95	147.35	171.46	255.72	143.42	152.78	126.49	248.95
Efficiency ratio	57.93	36.92	66.32	61.61	58.56	61.26	48.09	76.24	68.05	58.74
% of unprofitable institutions	16.73	11.11	16.67	4.29	22.17	16.92	14.29	19.93	7.41	16.28
% of institutions with earnings gains	44.95	44.44	50.00	57.51	38.15	52.31	53.06	43.79	53.31	37.21
Condition Ratios (%)										
Earning assets to total assets	86.02	78.78	81.81	91.47	87.78	91.30	93.88	87.42	91.57	84.95
Loss Allowance to:										
Loans and leases	1.80	5.37	2.07	1.28	1.51	2.05	1.98	1.44	1.20	1.44
Noncurrent loans and leases	88.55	233.60	120.04	95.85	72.88	65.63	217.38	150.22	108.47	92.38
Noncurrent assets plus other real estate owned to assets	1.38	1.67	0.76	1.07	1.67	2.55	0.80	0.28	0.79	0.91
Equity capital ratio	10.16	21.98	7.86	10.94	11.31	7.90	9.39	21.18	11.18	9.42
Core capital (leverage) ratio	7.89	14.42	6.21	10.13	8.82	7.83	9.13	18.23	10.91	6.60
Tier 1 risk-based capital ratio	10.10	13.78	8.64	13.51	10.28	12.88	10.80	39.80	17.72	8.69
Total risk-based capital ratio	12.86	16.34	12.56	14.57	12.53	14.80	12.84	40.66	18.84	11.88
Net loans and leases to deposits	91.59	205.78	64.31	82.57	100.53	119.90	100.66	32.59	67.64	80.94
Net loans to total assets	59.03	68.81	39.80	66.08	69.54	70.12	83.04	23.38	55.43	51.79
Domestic deposits to total assets	52.85	30.99	25.49	80.03	65.88	58.43	81.24	68.29	81.96	54.26
Structural Changes										
New Charters	62	0	0	1	17	1	0	43	0	0
Institutions absorbed by mergers	141	0	0	18	102	9	1	1	7	3
Failed Institutions	4	0	0	1	3	0	0	0	0	0
PRIOR FIRST HALVES (The way it was...)										
Number of institutions 2007	8,614	26	4	1,645	4,731	805	118	377	851	57
2005	8,868	29	6	1,731	4,545	953	118	422	1,005	59
2003	9,268	37	6	1,826	4,118	1,045	183	524	1,429	100
Total assets (in billions) 2007	$12,261.4	$395.0	$2,544.3	$155.6	$4,789.1	$1,551.0	$117.7	$42.4	$113.1	$2,553.3
2005	10,474.4	372.3	1,927.3	139.0	3,648.1	1,642.0	146.2	49.9	127.5	2,422.2
2003	8,923.3	294.1	1,429.3	127.7	3,122.3	1,407.6	379.6	64.6	195.2	1,902.9
Return on assets (%) 2007	1.20	3.58	0.96	1.22	1.15	0.91	2.54	2.23	1.07	1.27
2005	1.31	3.18	0.81	1.31	1.34	1.21	1.35	1.58	1.14	1.44
2003	1.38	3.79	1.06	1.24	1.32	1.51	1.53	0.95	1.08	1.27
Net charge-offs to loans & leases (%) 2007	0.47	3.84	0.58	0.15	0.25	0.24	1.86	0.23	0.16	0.31
2005	0.44	4.26	0.70	0.13	0.21	0.09	1.16	0.31	0.29	0.17
2003	0.80	5.36	1.42	0.20	0.56	0.18	0.90	0.45	0.28	0.58
Noncurrent assets plus OREO to assets (%) 2007	0.62	1.28	0.41	0.81	0.69	0.81	0.63	0.23	0.60	0.46
2005	0.48	1.17	0.53	0.68	0.48	0.41	0.44	0.26	0.60	0.37
2003	0.81	1.42	1.00	1.00	0.81	0.66	0.81	0.42	0.74	0.67
Equity capital ratio (%) 2007	10.43	23.96	7.64	11.13	10.68	10.22	13.73	20.98	11.10	10.39
2005	10.38	21.70	8.46	10.96	10.09	10.89	12.08	18.40	11.06	9.91
2003	9.09	17.13	7.08	10.87	9.39	9.01	8.58	15.34	11.04	8.51

*** Asset Concentration Group Definitions (Groups are hierarchical and mutually exclusive):**

Credit-card Lenders - Institutions whose credit-card loans plus securitized receivables exceed 50 percent of total assets plus securitized receivables.

International Banks - Banks with assets greater than $10 billion and more than 25 percent of total assets in foreign offices.

Agricultural Banks - Banks whose agricultural production loans, plus real estate loans secured by farmland, exceed 25 percent of their total loans and leases.

Commercial Lenders - Institutions whose commercial and industrial loans, plus real estate construction and development loans, plus loans secured by commercial real estate properties, exceed 25 percent of total assets.

Mortgage Lenders - Institutions whose residential mortgage loans, plus mortgage-backed securities, exceed 50 percent of total assets.

Consumer Lenders - Institutions whose residential mortgage loans, plus credit-card loans, plus other loans to individuals, exceed 50 percent of total assets.

Other Specialized < $1 Billion - Institutions with assets less than $1 billion, whose loans and leases are less than 40 percent of total assets.

All Other < $1 billion - Institutions with assets less than $1 billion that do not meet any of the definitions above, they have significant lending activity with no identified asset concentrations.

All Other > $1 billion - Institutions with assets greater than $1 billion that do not meet any of the definitions above, they have significant lending activity with no identified asset concentrations.

TABLE IV-A. First Half 2008, All FDIC-Insured Institutions

TABLE IV-A. First Half 2008, All FDIC-Insured Institutions

		Asset Size Distribution				Geographic Regions*					
FIRST HALF **(The way it is...)**	All Insured Institutions	Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	8,451	3,304	4,473	558	116	1,034	1,213	1,738	1,960	1,722	784
Commercial banks	7,203	2,939	3,756	424	84	540	1,069	1,434	1,853	1,595	712
Savings institutions	1,248	365	717	134	32	494	144	304	107	127	72
Total assets (in billions)	$13,300.8	$177.1	$1,333.4	$1,464.5	$10,325.7	$2,477.2	$3,396.9	$2,937.7	$990.5	$763.8	$2,734.7
Commercial banks	11,426.2	158.3	1,084.7	1,131.6	9,051.6	1,786.7	3,133.2	2,792.2	948.0	634.7	2,131.4
Savings institutions	1,874.6	18.8	248.7	332.9	1,274.2	690.5	263.8	145.4	42.5	129.1	603.3
Total deposits (in billions)	8,572.7	143.8	1,048.6	1,028.9	6,351.4	1,532.0	2,227.0	1,881.7	689.6	550.1	1,692.3
Commercial banks	7,422.7	129.5	864.9	796.4	5,631.8	1,072.2	2,061.0	1,778.7	660.0	475.7	1,375.1
Savings institutions	1,150.0	14.3	183.6	232.5	719.6	459.8	166.0	103.0	29.6	74.4	317.2
Net income (in millions)	24,222	592	4,431	3,635	15,563	11,095	4,047	6,249	5,595	2,837	-5,600
Commercial banks	29,395	492	4,004	3,118	21,780	9,379	5,792	6,059	5,588	2,797	-222
Savings institutions	-5,173	100	427	517	-6,217	1,715	-1,746	190	6	40	-5,379
Performance Ratios (annualized,%)											
Yield on earning assets	6.02	6.45	6.49	6.36	5.90	6.23	5.70	5.41	6.62	6.24	6.60
Cost of funding earning assets	2.67	2.59	2.81	2.73	2.64	2.70	2.73	2.59	2.35	2.54	2.80
Net interest margin	3.35	3.86	3.68	3.63	3.26	3.53	2.98	2.82	4.27	3.70	3.80
Noninterest income to assets	1.84	1.52	1.05	1.40	2.00	2.22	1.65	2.02	3.20	1.45	1.15
Noninterest expense to assets	2.85	3.92	3.14	2.97	2.77	2.91	2.54	2.71	3.83	3.17	2.89
Loan and lease loss provision to assets	1.32	0.28	0.43	0.93	1.51	1.01	1.29	1.11	1.39	0.69	2.01
Net operating income to assets	0.38	0.64	0.65	0.49	0.33	0.88	0.26	0.37	1.10	0.70	-0.25
Pretax return on assets	0.53	0.91	0.89	0.83	0.44	1.37	0.33	0.70	1.72	1.00	-0.69
Return on assets	0.37	0.68	0.68	0.51	0.30	0.90	0.24	0.43	1.15	0.76	-0.41
Return on equity	3.58	4.98	6.47	4.59	3.01	7.50	2.33	4.68	11.70	7.71	-4.10
Net charge-offs to loans and leases	1.16	0.24	0.37	0.83	1.35	1.23	0.95	1.05	1.23	0.55	1.58
Loan and lease loss provision to net charge-offs	190.07	180.89	165.23	159.14	194.39	145.07	219.97	196.42	164.96	188.57	200.41
Efficiency ratio	57.93	77.23	69.80	58.13	56.15	52.98	58.71	57.93	54.24	64.35	62.38
% of unprofitable institutions	16.73	21.49	13.28	14.16	26.72	18.09	30.83	13.69	9.64	10.92	30.36
% of institutions with earnings gains	44.95	46.37	44.91	41.22	24.14	50.58	26.22	48.33	50.66	50.41	32.78
Condition Ratios (%)											
Earning assets to total assets	86.02	91.71	91.65	90.51	84.56	86.09	85.62	85.48	86.31	89.59	85.93
Loss Allowance to:											
Loans and leases	1.80	1.29	1.25	1.49	1.96	1.77	1.65	1.80	1.79	1.34	2.16
Noncurrent loans and leases	88.55	87.48	71.74	67.51	94.79	117.41	81.76	85.38	83.15	78.43	87.30
Noncurrent assets plus other real estate owned to assets	1.38	1.20	1.57	1.77	1.30	0.92	1.43	1.26	1.69	1.35	1.74
Equity capital ratio	10.16	13.36	10.28	10.96	9.98	12.05	10.06	9.20	9.72	9.86	9.84
Core capital (leverage) ratio	7.89	13.18	9.83	9.32	7.34	8.74	6.90	7.23	7.98	8.85	8.76
Tier 1 risk-based capital ratio	10.10	19.13	12.98	11.73	9.37	11.97	8.72	8.94	9.37	11.18	11.58
Total risk-based capital ratio	12.86	20.16	14.08	13.09	12.56	14.09	11.58	12.01	12.07	12.86	14.72
Net loans and leases to deposits	91.59	77.61	89.34	98.97	91.08	90.38	92.67	81.97	96.00	91.12	100.32
Net loans to total assets	59.03	63.00	70.25	69.53	56.03	55.90	60.76	52.50	66.84	65.63	62.08
Domestic deposits to total assets	52.85	81.17	78.51	69.60	46.67	52.56	58.42	49.35	62.86	71.20	41.19
Structural Changes											
New Charters	62	61	1	0	0	15	22	0	3	9	13
Institutions absorbed by mergers	141	57	62	19	3	18	35	25	29	28	6
Failed Institutions	4	3	0	1	0	0	0	0	3	1	0
PRIOR FIRST HALVES **(The way it was...)**											
Number of institutions 2007	8,614	3,582	4,371	538	123	1,070	1,216	1,806	2,000	1,750	772
2005	8,868	3,996	4,266	492	114	1,109	1,214	1,897	2,079	1,812	757
2003	9,268	4,509	4,183	466	110	1,194	1,236	2,034	2,145	1,884	775
Total assets (in billions) 2007	$12,261.4	$189.8	$1,295.4	$1,410.7	$9,365.5	$2,261.8	$3,004.5	$2,830.9	$910.0	$674.4	$2,579.7
2005	10,474.4	207.5	1,209.8	1,351.2	7,705.9	2,729.8	2,579.4	2,426.9	765.4	570.0	1,402.8
2003	8,923.3	231.4	1,154.0	1,303.1	6,234.8	3,053.6	1,867.3	1,678.4	439.6	596.4	1,288.0
Return on assets (%) 2007	1.20	0.85	1.11	1.13	1.24	1.08	1.23	1.06	1.64	1.13	1.30
2005	1.31	1.07	1.23	1.34	1.32	1.28	1.40	0.97	1.61	1.28	1.63
2003	1.38	0.96	1.19	1.46	1.42	1.25	1.37	1.36	1.55	1.41	1.66
Net charge-offs to loans & leases (%) 2007	0.47	0.14	0.16	0.29	0.56	0.82	0.24	0.34	0.63	0.21	0.58
2005	0.44	0.15	0.18	0.24	0.54	0.72	0.19	0.29	0.55	0.21	0.63
2003	0.80	0.25	0.29	0.59	0.98	1.19	0.59	0.66	1.04	0.38	0.67
Noncurrent assets plus OREO to assets (%) 2007	0.62	0.81	0.75	0.67	0.59	0.58	0.42	0.63	1.10	0.66	0.68
2005	0.48	0.72	0.54	0.44	0.47	0.49	0.31	0.55	0.76	0.58	0.47
2003	0.81	0.93	0.74	0.66	0.84	0.87	0.66	0.95	0.79	0.79	0.68
Equity capital ratio (%) 2007	10.43	13.42	10.48	11.28	10.24	12.48	9.83	9.01	10.00	10.57	11.01
2005	10.38	12.16	10.29	10.86	10.26	10.70	10.00	9.30	10.83	9.64	12.34
2003	9.09	11.44	10.07	10.33	8.57	8.80	8.80	8.57	10.76	9.57	10.12

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

TABLE V-A. Loan Performance, All FDIC-Insured Institutions

TABLE V-A. Loan Performance, All FDIC-Insured Institutions

June 30, 2008	All Insured Institutions	Asset Concentration Groups* Credit Card Banks	International Banks	Agricultural Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <$1 Billion	All Other <$1 Billion	All Other >$1 Billion
Percent of Loans 30-89 Days Past Due										
All loans secured by real estate	1.59	2.24	2.40	1.27	1.35	1.87	0.90	1.11	1.63	1.58
Construction and development	2.01	0.00	1.19	2.78	2.10	2.68	2.86	1.30	1.65	1.08
Nonfarm nonresidential	0.72	0.00	0.61	1.09	0.76	0.61	0.53	0.84	1.37	0.41
Multifamily residential real estate	0.68	0.00	0.25	1.18	0.81	0.43	0.16	0.31	1.49	0.47
Home equity loans	1.05	2.41	1.07	0.53	0.81	1.55	0.73	0.41	0.81	1.14
Other 1-4 family residential	2.16	1.03	3.50	1.76	1.80	2.06	0.96	1.34	1.88	2.20
Commercial and industrial loans	0.77	3.27	0.42	1.61	0.78	0.89	1.29	0.94	1.64	0.74
Loans to individuals	1.96	2.40	1.84	1.97	1.96	1.55	1.95	1.52	2.15	1.54
Credit card loans	2.30	2.32	2.37	1.25	2.16	2.61	1.15	1.90	1.24	2.41
Other loans to individuals	1.76	2.89	1.61	2.02	1.92	0.86	2.23	1.48	2.17	1.40
All other loans and leases (including farm)	0.50	0.14	0.55	0.68	0.71	0.45	0.06	0.73	0.67	0.18
Total loans and leases	1.40	2.37	1.46	1.22	1.25	1.83	1.51	1.12	1.63	1.23
Percent of Loans Noncurrent**										
All real estate loans	2.70	1.96	2.70	1.64	2.68	3.26	0.89	1.06	1.16	2.35
Construction and development	6.08	0.00	4.12	6.72	5.93	8.73	4.35	1.53	3.19	6.74
Nonfarm nonresidential	1.18	0.00	0.61	1.49	1.15	1.03	1.27	0.89	1.23	1.49
Multifamily residential real estate	1.20	0.00	0.94	1.47	1.44	0.60	0.53	2.55	1.50	0.94
Home equity loans	1.31	2.15	0.90	0.42	0.89	2.76	0.44	0.14	0.37	1.36
Other 1-4 family residential	3.11	0.51	3.93	1.10	3.04	3.44	1.08	1.13	1.00	2.42
Commercial and industrial loans	0.90	3.00	0.45	1.50	1.02	1.19	0.72	1.20	1.48	0.78
Loans to individuals	1.46	2.36	1.94	0.77	0.83	1.17	0.97	0.46	0.77	0.69
Credit card loans	2.38	2.32	2.96	1.43	1.98	2.58	1.21	1.08	0.75	2.33
Other loans to individuals	0.91	2.57	1.51	0.73	0.64	0.24	0.88	0.41	0.77	0.43
All other loans and leases (including farm)	0.65	0.08	1.21	0.64	0.49	0.35	0.04	0.95	0.66	0.20
Total loans and leases	2.04	2.30	1.72	1.34	2.07	3.12	0.91	0.96	1.11	1.56
Percent of Loans Charged-off (net, YTD)										
All real estate loans	0.94	3.04	1.42	0.18	0.73	1.46	0.52	0.10	0.11	0.82
Construction and development	1.66	0.00	1.18	1.13	1.62	2.87	0.22	0.64	0.26	1.75
Nonfarm nonresidential	0.14	0.00	0.00	0.12	0.15	0.13	0.07	0.05	0.09	0.15
Multifamily residential real estate	0.17	0.00	0.02	0.12	0.21	0.07	0.13	0.10	0.01	0.22
Home equity loans	1.79	3.28	1.64	0.22	1.21	3.58	0.60	0.00	0.23	1.68
Other 1-4 family residential	0.98	1.03	1.79	0.10	0.68	1.23	0.50	0.02	0.10	0.67
Commercial and industrial loans	0.77	7.41	0.26	0.37	0.78	1.36	4.29	0.14	0.33	0.47
Loans to individuals	3.18	5.54	3.16	0.63	2.21	2.63	2.24	0.54	0.65	1.60
Credit card loans	5.12	5.38	4.09	3.88	5.50	5.63	3.54	2.63	1.71	5.16
Other loans to individuals	1.99	6.57	2.76	0.41	1.62	0.72	1.79	0.33	0.63	1.00
All other loans and leases (including farm)	0.28	0.01	0.05	0.00	0.55	0.33	0.09	2.30	0.00	0.34
Total loans and leases	1.16	5.38	1.20	0.21	0.85	1.50	1.72	0.39	0.22	0.78
Loans Outstanding (in billions)										
All real estate loans	$4,794.1	$1.7	$457.3	$62.8	$2,493.6	$921.8	$21.2	$4.3	$38.0	$793.3
Construction and development	627.2	0.0	9.8	6.0	523.5	24.7	0.8	0.4	2.7	59.3
Nonfarm nonresidential	1,019.1	0.0	23.7	17.5	801.0	39.8	0.9	1.3	9.1	125.5
Multifamily residential real estate	210.7	0.0	9.3	1.2	138.4	44.4	0.1	0.1	0.6	16.7
Home equity loans	646.9	1.5	100.7	1.2	275.6	111.3	10.5	0.1	1.4	144.6
Other 1-4 family residential	2,154.2	0.2	256.2	16.1	710.9	700.7	8.8	2.2	21.4	437.7
Commercial and industrial loans	1,492.5	35.5	309.1	15.9	779.8	18.0	3.4	1.2	6.1	323.6
Loans to individuals	1,069.5	271.7	232.3	6.6	301.1	41.6	34.8	1.5	7.2	172.8
Credit card loans	396.0	233.3	69.6	0.4	43.6	16.5	8.9	0.1	0.1	23.5
Other loans to individuals	673.5	38.4	162.7	6.2	257.5	25.2	25.9	1.3	7.1	149.3
All other loans and leases (including farm)	642.5	18.5	213.4	25.6	210.5	5.9	1.2	0.8	4.4	162.4
Total loans and leases	7,998.6	327.3	1,212.0	110.9	3,785.0	987.3	60.5	7.8	55.7	1,452.1
Memo: Other Real Estate Owned (in millions)										
All other real estate owned	18,910.1	-17.5	1,503.1	280.9	11,124.0	4,359.7	20.6	15.7	171.1	1,452.6
Construction and development	4,815.2	0.0	1.0	104.0	4,257.6	365.4	2.9	2.3	27.3	54.8
Nonfarm nonresidential	2,049.6	0.2	11.0	78.7	1,563.3	55.6	3.5	8.0	49.6	279.8
Multifamily residential real estate	555.4	0.0	1.0	12.7	373.2	58.1	0.0	0.0	24.8	85.5
1-4 family residential	9,869.2	3.6	898.1	63.8	4,004.1	3,790.9	13.3	5.6	64.4	1,025.5
Farmland	72.0	0.0	0.0	21.6	44.2	0.3	1.0	0.0	4.9	0.0
GNMA properties	1,391.5	0.0	399.0	0.2	877.2	108.2	0.0	0.0	0.1	6.8

* See Table IV-A (page 8) for explanations.

** 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.

TABLE V-A. Loan Performance, All FDIC-Insured Institutions
TABLE V-A. Loan Performance, All FDIC-Insured Institutions

		Asset Size Distribution				Geographic Regions*					
June 30, 2008	All Insured Institutions	Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate	1.59	1.59	1.29	1.18	1.75	1.08	1.68	1.69	1.18	1.38	2.00
Construction and development	2.01	2.11	2.08	2.01	1.98	1.92	1.87	2.39	1.61	1.60	2.52
Nonfarm nonresidential	0.72	1.27	0.98	0.74	0.55	0.76	0.62	1.03	0.69	0.61	0.52
Multifamily residential real estate	0.68	1.12	1.05	0.92	0.52	0.62	1.13	1.49	0.54	0.67	0.24
Home equity loans	1.05	0.76	0.80	0.71	1.10	0.61	1.26	0.84	0.96	0.64	1.35
Other 1-4 family residential	2.16	1.94	1.32	1.24	2.42	1.19	2.25	2.30	1.71	2.30	2.84
Commercial and industrial loans	0.77	1.49	1.16	0.91	0.70	1.10	0.80	0.80	0.90	0.69	0.46
Loans to individuals	1.96	2.33	1.75	1.97	1.97	2.19	1.84	1.68	2.50	1.44	1.89
Credit card loans	2.30	1.94	2.32	2.32	2.30	2.28	2.48	2.04	2.29	1.15	2.49
Other loans to individuals	1.76	2.33	1.71	1.76	1.76	2.05	1.76	1.57	2.65	1.50	1.49
All other loans and leases (including farm)	0.50	0.66	0.57	0.65	0.48	0.53	0.26	0.72	0.54	0.56	0.48
Total loans and leases	1.40	1.54	1.27	1.18	1.46	1.27	1.42	1.38	1.24	1.21	1.61
Percent of Loans Noncurrent**											
All real estate loans	2.70	1.65	1.97	2.67	2.90	1.52	2.78	3.14	3.12	2.14	3.22
Construction and development	6.08	3.76	5.29	7.01	6.03	4.45	5.85	7.28	5.21	3.79	8.82
Nonfarm nonresidential	1.18	1.57	1.21	1.05	1.22	1.58	1.00	1.73	0.96	0.84	0.69
Multifamily residential real estate	1.20	1.95	1.43	2.06	0.86	0.66	1.47	3.25	0.87	1.95	0.61
Home equity loans	1.31	0.70	0.67	0.76	1.40	0.68	1.76	0.91	1.09	0.39	1.75
Other 1-4 family residential	3.11	1.31	1.21	1.94	3.58	1.25	2.99	3.64	6.03	2.70	3.91
Commercial and industrial loans	0.90	1.51	1.24	1.05	0.84	1.29	0.77	0.91	0.95	0.91	0.77
Loans to individuals	1.46	0.95	0.63	1.10	1.53	1.91	0.76	0.98	1.52	0.56	1.93
Credit card loans	2.38	1.15	1.43	2.10	2.42	2.44	2.14	1.92	2.12	1.09	2.72
Other loans to individuals	0.91	0.94	0.58	0.48	0.97	1.07	0.58	0.67	1.06	0.44	1.40
All other loans and leases (including farm)	0.65	0.72	0.56	0.44	0.67	0.65	0.21	0.60	0.35	0.64	1.53
Total loans and leases	2.04	1.48	1.75	2.21	2.06	1.51	2.02	2.11	2.16	1.70	2.48
Percent of Loans Charged-off (net, YTD)											
All real estate loans	0.94	0.18	0.29	0.63	1.17	0.28	0.97	1.20	0.71	0.48	1.44
Construction and development	1.66	0.52	0.87	1.78	2.00	0.69	1.39	2.37	1.29	1.08	2.77
Nonfarm nonresidential	0.14	0.13	0.10	0.13	0.17	0.15	0.12	0.29	0.11	0.07	0.05
Multifamily residential real estate	0.17	0.03	0.10	0.32	0.14	0.05	0.39	0.47	0.05	0.20	0.06
Home equity loans	1.79	0.31	0.32	0.58	1.98	0.64	2.19	1.18	1.67	0.66	2.84
Other 1-4 family residential	0.98	0.14	0.18	0.41	1.18	0.25	0.86	1.44	0.46	0.41	1.63
Commercial and industrial loans	0.77	0.46	0.55	0.80	0.80	1.34	0.60	0.52	1.35	0.52	0.74
Loans to individuals	3.18	0.63	1.19	2.83	3.34	4.26	1.89	2.07	3.77	1.28	3.76
Credit card loans	5.12	2.01	7.33	5.12	5.10	5.20	5.74	4.79	5.72	3.31	4.89
Other loans to individuals	1.99	0.61	0.73	1.45	2.16	2.70	1.38	1.17	2.22	0.80	3.00
All other loans and leases (including farm)	0.28	0.08	0.30	0.68	0.26	0.18	0.41	0.35	0.24	0.40	0.10
Total loans and leases	1.16	0.24	0.37	0.83	1.35	1.23	0.95	1.05	1.23	0.55	1.58
Loans Outstanding (in billions)											
All real estate loans	$4,794.1	$76.6	$736.0	$749.7	$3,231.8	$825.3	$1,354.3	$858.8	$370.2	$342.6	$1,042.9
Construction and development	627.2	10.2	143.6	164.7	308.7	68.2	203.1	121.4	52.6	88.0	94.0
Nonfarm nonresidential	1,019.1	22.3	255.2	251.5	490.1	196.5	261.7	195.1	97.5	111.2	157.2
Multifamily residential real estate	210.7	1.9	29.1	44.1	135.7	51.2	33.2	30.5	10.2	7.7	77.8
Home equity loans	646.9	2.6	35.9	45.9	562.4	63.5	206.5	159.3	77.9	23.4	116.3
Other 1-4 family residential	2,154.2	30.8	243.1	228.8	1,651.6	441.1	629.6	334.3	112.4	101.4	535.4
Commercial and industrial loans	1,492.5	16.4	127.5	161.7	1,186.9	205.7	373.2	368.8	136.7	104.5	303.7
Loans to individuals	1,069.5	8.5	47.9	81.8	931.2	279.3	202.6	179.5	95.6	39.7	272.7
Credit card loans	396.0	0.1	3.3	31.5	361.1	172.3	22.7	43.5	41.6	7.7	108.3
Other loans to individuals	673.5	8.4	44.7	50.3	570.2	107.0	179.9	136.0	54.0	32.0	164.4
All other loans and leases (including farm)	642.5	11.6	37.7	41.0	552.1	99.5	169.0	163.7	71.7	21.5	117.2
Total loans and leases	7,998.6	113.1	949.1	1,034.3	5,902.1	1,409.8	2,099.2	1,570.8	674.2	508.3	1,736.4
Memo: Other Real Estate Owned (in millions)											
All other real estate owned	18,910.1	455.5	4,302.4	3,105.3	11,046.9	1,382.5	5,424.8	3,829.8	2,119.7	1,686.5	4,467.0
Construction and development	4,815.2	108.9	2,029.0	1,444.5	1,232.8	365.2	1,673.6	846.9	516.1	666.0	747.5
Nonfarm nonresidential	2,049.6	125.6	850.3	426.6	647.2	192.7	644.1	491.5	315.1	314.5	91.7
Multifamily residential real estate	555.4	13.2	195.7	97.3	249.1	56.3	152.7	128.3	67.0	67.4	83.6
1-4 family residential	9,869.2	195.0	1,192.4	1,119.1	7,362.6	731.9	2,897.7	1,656.0	675.2	567.9	3,340.4
Farmland	72.0	12.5	35.0	9.6	14.9	13.9	8.1	5.8	11.2	31.1	1.9
GNMA properties	1,391.5	0.7	1.1	10.7	1,378.9	15.8	50.6	701.8	536.0	39.9	47.4

* See Table IV-A (page 9) for explanations.

** 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.

TABLE VI-A. Derivatives, All FDIC-Insured Commercial Banks and State-Chartered Savings Banks

(dollar figures in millions; notional amounts unless otherwise indicated)	2nd Quarter 2008	1st Quarter 2008	4th Quarter 2007	3rd Quarter 2007	2nd Quarter 2007	%Change 07:2-08:2	Asset Size Distribution: Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion
ALL DERIVATIVE HOLDERS										
Number of institutions reporting derivatives	1,063	1,097	1,045	1,026	1,059	0.4	73	644	268	78
Total assets of institutions reporting derivatives	$10,101,476	$10,193,210	$9,827,071	$9,459,618	$9,147,957	10.4	$5,533	$278,064	$871,653	$8,946,226
Total deposits of institutions reporting derivatives	6,448,501	6,470,257	6,324,968	6,030,658	5,900,485	9.3	4,388	215,597	608,788	5,619,728
Total derivatives	183,302,893	181,599,440	166,116,969	174,574,410	154,810,235	18.4	219	16,818	97,175	183,188,681
Derivative Contracts by Underlying Risk Exposure										
Interest rate	144,933,417	141,879,078	129,490,821	138,720,253	123,336,016	17.5	207	16,491	89,140	144,827,579
Foreign exchange*	19,418,964	19,738,204	17,174,167	16,696,571	15,117,713	28.5	0	24	6,475	19,412,465
Equity	2,344,339	2,410,959	2,522,430	2,745,807	2,487,655	-5.8	12	159	1,038	2,343,130
Commodity & other (excluding credit derivatives)	1,137,363	1,129,778	1,066,704	1,015,444	951,725	19.5	0	2	323	1,137,039
Credit	15,468,809	16,441,421	15,862,846	15,396,335	12,917,125	19.8	0	143	198	15,468,469
Total	183,302,893	181,599,440	166,116,969	174,574,410	154,810,235	18.4	219	16,818	97,175	183,188,681
Derivative Contracts by Transaction Type										
Swaps	114,178,369	112,564,785	103,102,442	111,396,434	95,327,302	19.8	32	10,528	65,872	114,101,938
Futures & forwards	23,582,588	22,361,731	18,866,462	17,126,118	16,194,081	45.6	83	1,806	19,116	23,561,583
Purchased options	14,500,997	14,285,549	13,770,867	14,547,038	14,288,409	1.5	12	2,018	6,226	14,492,741
Written options	14,414,796	14,705,216	13,954,387	15,022,184	14,773,502	-2.4	92	2,314	5,492	14,406,897
Total	166,676,750	163,917,280	149,694,159	158,091,774	140,583,294	18.6	219	16,666	96,706	166,563,159
Fair Value of Derivative Contracts										
Interest rate contracts	75,935	62,580	20,076	30,716	20,006	279.6	1	23	-7	75,918
Foreign exchange contracts	32,017	9,670	7,980	3,119	5,661	465.6	0	0	-11	32,028
Equity contracts	-3,878	-2,426	9,485	-20,872	-24,473	N/M	0	4	30	-3,911
Commodity & other (excluding credit derivatives)	4,976	3,257	1,785	1,664	1,946	155.7	0	0	3	4,972
Credit derivatives as guarantor	-398,893	-474,045	-212,447	-104,120	-22,960	N/M	0	0	-15	-398,878
Credit derivatives as beneficiary	428,844	501,034	222,426	110,905	23,824	N/M	0	0	0	428,844
Derivative Contracts by Maturity**										
Interest rate contracts < 1 year	44,995,165	42,621,756	39,085,183	48,918,838	39,403,807	14.2	80	2,250	26,155	44,966,680
1-5 years	39,521,384	39,752,478	37,222,363	36,311,048	33,846,133	16.8	15	8,695	25,535	39,487,140
> 5 years	29,704,342	30,105,716	27,724,625	27,877,687	24,588,178	20.8	17	3,065	29,210	29,672,050
Foreign exchange contracts < 1 year	12,345,486	12,524,601	11,591,807	10,094,603	8,948,450	38.0	0	12	5,072	12,340,401
1-5 years	1,929,554	1,924,840	1,604,898	1,831,220	1,667,700	15.7	0	3	17	1,929,535
> 5 years	734,305	714,707	618,960	718,390	676,071	8.6	0	0	10	734,295
Equity contracts < 1 year	504,259	509,709	473,413	464,820	442,652	13.9	1	37	127	504,094
1-5 years	207,553	287,805	297,459	330,227	290,633	-28.6	4	42	440	207,067
> 5 years	76,297	39,960	70,485	70,134	62,916	21.3	0	0	19	76,278
Commodity & other contracts < 1 year	315,202	369,747	284,837	267,197	280,133	12.5	0	0	217	314,984
1-5 years	267,343	277,956	333,631	304,544	261,410	2.3	0	0	47	267,295
> 5 years	28,367	33,492	28,282	31,483	27,273	4.0	0	0	5	28,362
Risk-Based Capital: Credit Equivalent Amount										
Total current exposure to tier 1 capital (%)	57.6	67.1	45.4	38.0	30.7		0.2	0.4	1.7	66.9
Total potential future exposure to tier 1 capital (%)	118.4	122.6	110.1	114.7	113.5		0.1	0.4	0.9	137.7
Total exposure (credit equivalent amount) to tier 1 capital (%)	176.1	189.8	155.5	152.7	144.2		0.3	0.7	2.6	204.6
Credit losses on derivatives***	134.8	14.8	156.1	125.5	6.0	N/M	0.0	0.1	0.0	134.7
HELD FOR TRADING										
Number of institutions reporting derivatives	180	171	166	158	166	8.4	8	59	59	54
Total assets of institutions reporting derivatives	8,595,275	8,624,389	8,306,869	7,976,927	7,641,306	12.5	546	24,898	268,832	8,301,000
Total deposits of institutions reporting derivatives	5,500,997	5,466,765	5,354,982	5,081,807	4,917,882	11.9	399	19,537	187,367	5,293,695
Derivative Contracts by Underlying Risk Exposure										
Interest rate	142,264,744	139,169,342	127,128,959	136,071,674	120,820,783	17.7	6	542	32,916	142,231,280
Foreign exchange	18,166,799	18,413,342	16,483,116	15,489,462	13,683,371	32.8	0	1	5,812	18,160,986
Equity	2,333,148	2,402,414	2,515,192	2,729,758	2,481,730	-6.0	0	2	326	2,332,819
Commodity & other	1,134,781	1,128,387	1,065,818	1,014,757	951,236	19.3	0	0	200	1,134,581
Total	163,899,472	161,113,484	147,193,085	155,305,652	137,937,120	18.8	6	546	39,254	163,859,666
Trading Revenues: Cash & Derivative Instruments										
Interest rate	834	2,393	-2,531	1,624	3,056	-72.7	0	0	8	826
Foreign exchange	2,096	2,084	1,880	1,936	1,266	65.6	0	0	15	2,081
Equity	185	-18	217	-98	1,020	-81.9	0	0	0	185
Commodity & other (including credit derivatives)	-1,529	-3,206	-10,145	-803	937	N/M	0	0	-3	-1,526
Total trading revenues	1,585	1,252	-10,579	2,659	6,279	-74.8	0	0	20	1,566
Share of Revenue										
Trading revenues to gross revenues (%)	1.2	0.9	-7.7	1.8	4.2		0.0	-0.1	0.5	1.2
Trading revenues to net operating revenues (%)	21.4	12.1	-278.0	14.9	27.8		0.0	-0.7	4.3	22.6
HELD FOR PURPOSES OTHER THAN TRADING										
Number of institutions reporting derivatives	972	1,008	965	951	973	-0.1	65	593	242	72
Total assets of institutions reporting derivatives	9,804,983	9,909,002	9,660,622	9,299,269	8,967,564	9.3	4,988	256,877	784,161	8,758,958
Total deposits of institutions reporting derivatives	6,254,800	6,284,848	6,210,095	5,922,180	5,776,895	8.3	3,990	198,663	545,784	5,506,363
Derivative Contracts by Underlying Risk Exposure										
Interest rate	2,668,673	2,709,736	2,361,862	2,648,579	2,515,233	6.1	201	15,949	56,224	2,596,299
Foreign exchange	94,832	84,124	131,087	120,808	124,526	-23.8	0	14	393	94,426
Equity	11,191	8,545	7,238	16,048	5,926	88.8	12	156	713	10,310
Commodity & other	2,583	1,391	886	687	489	428.2	0	2	123	2,458
Total notional amount	2,777,279	2,803,796	2,501,073	2,786,122	2,646,174	5.0	213	16,121	57,452	2,703,493

All line items are reported on a quarterly basis.
* Include spot foreign exchange contracts. All other references to foreign exchange contracts in which notional values or fairvalues are reported exclude spot foreign exchange contracts.
** Derivative contracts subject to the risk-based capital requirements for derivatives.
*** The reporting of credit losses on derivatives is applicable to all banks filing the FFIEC 031 report form and to those banks filing the FFIEC 041 report form that have $300 million or more in total assets.

TABLE VII-A. Servicing, Securitization, and Asset Sales Activities
(All FDIC-Insured Commercial Banks and State-Chartered Savings Banks)

(dollar figures in millions)	2nd Quarter 2008	1st Quarter 2008	4th Quarter 2007	3rd Quarter 2007	2nd Quarter 2007	%Change 07:2-08:2	Asset Size Distribution: Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion
Assets Securitized and Sold with Servicing Retained or with Recourse or Other Seller-Provided Credit Enhancements										
Number of institutions reporting securitization activities	139	134	127	125	128	8.6	16	60	24	39
Outstanding Principal Balance by Asset Type										
1-4 family residential loans	$1,087,364	$1,068,680	$1,066,324	$1,033,487	$1,040,341	4.5	$35	$518	$8,785	$1,078,027
Home equity loans	7,822	8,341	9,353	9,894	10,640	-26.5	0	0	213	7,608
Credit card receivables	409,883	402,171	390,035	379,662	372,481	10.0	0	2,993	11,634	395,257
Auto loans	6,224	7,495	8,285	9,755	11,800	-47.3	0	0	252	5,972
Other consumer loans	28,870	27,787	28,542	29,386	27,396	5.4	0	0	0	28,869
Commercial and industrial loans	12,497	12,555	14,469	16,183	13,489	-7.4	0	58	5,231	7,207
All other loans, leases, and other assets*	198,099	197,091	193,875	184,941	162,434	22.0	15	313	420	197,351
Total securitized and sold	1,750,758	1,724,121	1,710,883	1,663,308	1,638,581	6.8	49	3,882	26,535	1,720,292
Maximum Credit Exposure by Asset Type										
1-4 family residential loans	7,121	7,120	7,020	6,874	6,535	9.0	6	82	15	7,017
Home equity loans	1,527	1,752	2,000	2,336	2,402	-36.4	0	0	8	1,519
Credit card receivables	24,855	21,412	19,629	19,120	18,711	32.8	0	267	694	23,894
Auto loans	352	405	380	426	555	-36.6	0	0	14	338
Other consumer loans	1,417	1,406	1,379	2,114	1,768	-19.9	0	0	0	1,417
Commercial and industrial loans	311	276	603	720	610	-49.0	0	24	112	174
All other loans, leases, and other assets	2,161	3,228	3,733	4,578	1,053	105.2	10	253	32	1,866
Total credit exposure	37,744	35,601	34,743	36,169	31,633	19.3	17	627	875	36,225
Total unused liquidity commitments provided to institution's own securitizations	1,902	2,944	4,686	5,095	5,667	-66.4	0	0	0	1,902
Securitized Loans, Leases, and Other Assets 30-89 Days Past Due (%)										
1-4 family residential loans	2.8	2.5	2.8	2.9	2.7		1.6	0.0	0.2	2.8
Home equity loans	0.6	0.7	0.8	0.7	0.6		0.0	0.0	2.0	0.6
Credit card receivables	2.1	2.2	2.2	2.1	1.9		0.0	1.2	1.5	2.1
Auto loans	2.2	1.9	2.4	1.9	1.6		0.0	0.0	0.8	2.3
Other consumer loans	2.7	2.5	3.1	2.8	2.8		0.0	0.0	0.0	2.7
Commercial and industrial loans	1.3	1.2	1.0	0.9	0.5		0.0	0.0	2.8	0.1
All other loans, leases, and other assets	0.3	0.1	0.1	0.1	0.1		0.0	0.0	0.0	0.3
Total loans, leases, and other assets	2.3	2.2	2.4	2.4	2.2		1.1	0.9	1.3	2.3
Securitized Loans, Leases, and Other Assets 90 Days or More Past Due (%)										
1-4 family residential loans	2.0	2.0	1.7	1.3	1.3		1.6	0.0	0.1	2.0
Home equity loans	0.7	0.7	0.5	0.4	0.3		0.0	0.0	1.1	0.7
Credit card receivables	2.1	2.1	1.9	1.7	1.6		0.0	1.0	1.3	2.1
Auto loans	0.3	0.3	0.4	0.2	0.2		0.0	0.0	0.1	0.3
Other consumer loans	2.4	2.3	2.4	2.1	2.1		0.0	0.0	0.0	2.4
Commercial and industrial loans	1.3	1.1	0.9	0.7	0.6		0.0	0.0	2.8	0.2
All other loans, leases, and other assets	0.2	0.2	0.1	0.1	0.2		0.0	0.0	0.0	0.2
Total loans, leases, and other assets	1.8	1.8	1.5	1.3	1.3		1.1	0.8	1.2	1.8
Securitized Loans, Leases, and Other Assets Charged-Off (net, YTD, annualized, %)										
1-4 family residential loans	0.1	0.0	0.1	0.0	0.0		0.0	0.0	2.6	0.1
Home equity loans	0.2	0.1	0.2	0.1	0.1		0.0	0.0	0.7	0.2
Credit card receivables	2.8	1.4	4.4	3.3	2.2		0.0	2.1	2.0	2.9
Auto loans	0.9	0.4	1.3	0.8	0.5		0.0	0.0	0.2	1.0
Other consumer loans	0.4	0.2	1.3	1.1	0.7		0.0	0.0	0.0	0.4
Commercial and industrial loans	1.9	0.8	2.0	1.2	0.7		0.0	0.0	4.5	0.0
All other loans, leases, and other assets	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0
Total loans, leases, and other assets	0.7	0.4	1.1	0.8	0.5		0.0	1.6	2.6	0.7
Seller's Interests in Institution's Own Securitizations - Carried as Loans										
Home equity loans	435	282	347	494	651	-33.2	0	0	0	435
Credit card receivables	82,604	73,418	86,748	77,451	73,405	12.5	0	252	4,211	78,140
Commercial and industrial loans	3,506	3,263	7,671	6,018	2,843	23.3	0	0	665	2,840
Seller's Interests in Institution's Own Securitizations - Carried as Securities										
Home equity loans	7	9	9	10	10	-30.0	0	0	0	7
Credit card receivables	403	377	436	374	327	23.2	0	10	393	0
Commercial and industrial loans	1	1	2	6	9	-88.9	0	0	0	1
Assets Sold with Recourse and Not Securitized										
Number of institutions reporting asset sales	771	759	759	747	737	4.6	148	472	106	45
Outstanding Principal Balance by Asset Type										
1-4 family residential loans	65,945	60,386	57,612	57,400	55,168	19.5	1,039	8,133	3,415	53,357
Home equity, credit card receivables, auto, and other consumer loans	1,718	1,886	637	775	603	184.9	0	28	3	1,686
Commercial and industrial loans	4,794	4,579	4,728	5,053	7,460	-35.7	0	173	66	4,555
All other loans, leases, and other assets	28,358	26,105	24,082	21,509	8,035	252.9	0	87	531	27,740
Total sold and not securitized	100,816	92,956	87,059	84,737	71,266	41.5	1,040	8,421	4,015	87,339
Maximum Credit Exposure by Asset Type										
1-4 family residential loans	14,696	14,070	14,780	15,885	14,551	1.0	137	1,466	2,036	11,057
Home equity, credit card receivables, auto, and other consumer loans	171	165	604	742	575	-70.3	0	5	2	164
Commercial and industrial loans	3,614	3,335	3,393	3,422	4,205	-14.1	0	156	66	3,391
All other loans, leases, and other assets	7,508	7,180	6,968	6,299	2,226	237.3	0	14	111	7,383
Total credit exposure	25,989	24,750	25,745	26,348	21,557	20.6	137	1,642	2,215	21,995
Support for Securitization Facilities Sponsored by Other Institutions										
Number of institutions reporting securitization facilities sponsored by others	47	48	48	50	50	-6.0	23	15	4	5
Total credit exposure	12,659	6,824	2,841	1,478	1,375	820.7	8	94	103	12,454
Total unused liquidity commitments	5,492	6,778	10,314	8,242	14,093	-61.0	0	0	0	5,492
Other										
Assets serviced for others**	3,900,984	3,801,655	3,798,682	3,648,511	3,570,238	9.3	3,608	66,320	104,149	3,726,906
Asset-backed commercial paper conduits										
Credit exposure to conduits sponsored by institutions and others	21,083	22,332	22,226	22,592	22,211	-5.1	2	0	257	20,824
Unused liquidity commitments to conduits sponsored by institutions and others	320,507	345,968	372,709	365,850	364,656	-12.1	0	0	0	320,507
Net servicing income (for the quarter)	7,246	3,532	2,718	3,635	5,330	35.9	52	139	224	6,830
Net securitization income (for the quarter)	3,837	5,136	5,006	5,812	5,355	-28.3	0	47	247	3,543
Total credit exposure to Tier 1 capital (%)***	7.5	6.6	6.4	6.5	5.6		0.7	1.8	2.4	9.6

* Line item titled "All other loans and all leases" for quarters prior to March 31, 2006.
** The amount of financial assets serviced for others, other than closed-end 1-4 family residential mortgages, is reported whenthese assets are greater than $10 million.
*** Total credit exposure includes the sum of the three line items titled "Total credit exposure" reported above.

INSURANCE FUND INDICATORS

■ *DIF Reserve Ratio Declines 18 Basis Points to 1.01 Percent*
■ *Insured Deposits Grow by 0.5 Percent in the Second Quarter*
■ *Two Insured Institutions Fail During the Second Quarter*

During the second quarter of 2008, total assets of the nation's 8,451 FDIC-insured commercial banks and savings institutions decreased by $68.6 billion (0.5 percent). During this period total deposits increased by $6.9 billion, foreign deposits increased by $46.8 billion, while deposits in domestic offices shrank by $39.8 billion. This was the largest one-quarter decrease in domestic deposits since the first quarter of 1999. Domestic time deposits greater than $100 thousand decreased by 5.1 percent ($63.9 billion) and saving deposits and interest bearing checking accounts decreased by 0.6 percent ($19.6 billion). Domestic time deposits less than $100 thousand increased by 1.0 percent ($13.3 billion) and domestic noninterest bearing deposits increased by 2.5 percent ($30.4 billion). For the 12 months ending June 30, total domestic deposits increased by 5.0 percent, with interest-bearing deposits rising by 5.2 percent and noninterest-bearing deposits rising by 4.5 percent. This was the strongest 12-month growth in noninterest-bearing deposits since the fourth quarter of 2005.

Over the past 12 months, the share of assets funded by domestic deposits declined from 55 percent to 53 percent. By contrast, over the same 12 months, foreign deposits as a percent of total assets rose from 11.0 percent to 11.6 percent, and Federal Home Loan Bank (FHLB) advances' share of asset funding increased from 5.0 percent to 6.3 percent. Foreign office deposits increased by 14.9 percent ($199.9 billion) and FHLB advances increased by 38.1 percent ($232.1 billion) over the 12 months ending June 30.

Although domestic deposits declined ($39.8 billion), estimated insured deposits (including U.S. branches of foreign banks) grew by 0.5 percent ($23.9 billion) during the second quarter of 2008. The decrease in domestic deposits was thus attributable to a drop in uninsured domestic deposits. Over the 12 months ending in June, insured deposits increased by 5.4 percent. For institutions reporting as of June 30, 2008, and March 31, 2008, insured deposits increased during the second quarter at 4,460 institutions (52.9 percent), decreased at 3,929 institutions (46.6 percent), and remained unchanged at 38 institutions.

The Deposit Insurance Fund (DIF) decreased by 14.4 percent ($7.6 billion) during the second quarter to $45,217 million (unaudited). Accrued assessment income added $640 million to the DIF during the second quarter. The fund received $1.6 billion from unrealized gains on available for sale securities and took in $395 million from interest on securities and other revenue, net of operating expenses. The reduction in the DIF came primarily from $10.2 billion in additional provisions for insurance losses. These included provisions for failures that have occurred so far in the third quarter.

The DIF's reserve ratio equaled 1.01 percent on June 30, 2008, 18 basis points lower than the previous quarter and 20 basis points lower than June 30 of last year. This was the lowest reserve ratio since March 31, 1995, when the reserve ratio for a combined BIF and SAIF stood at 0.98 percent.

Two FDIC-insured institutions with combined assets of $1.9 billion failed during the second quarter of 2008. At the time of failure, losses to the DIF were estimated at $216 million. For 2008 through June 30, four insured institutions with combined assets of $2.0 billion failed, at an estimated current cost to the DIF of $225 million.

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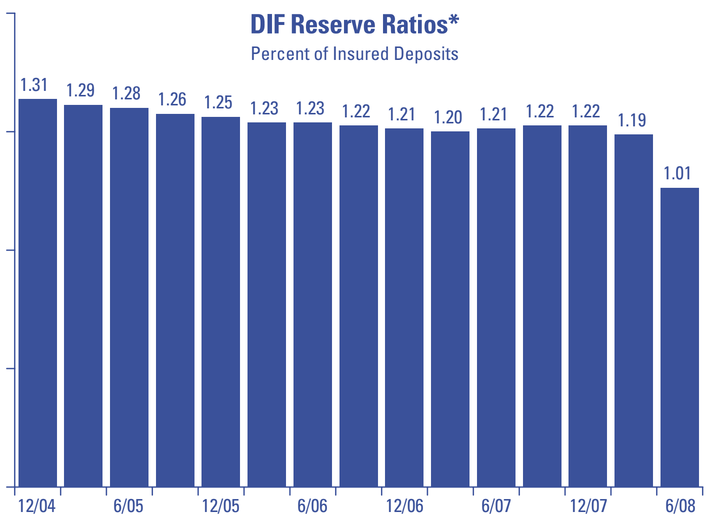
Table I-B. Insurance Fund Balances and Selected Indicators

(dollar figures in millions)	Deposit Insurance Fund										
	2nd Quarter 2008	1st Quarter 2008	4th Quarter 2007	3rd Quarter 2007	2nd Quarter 2007	1st Quarter 2007	4th Quarter 2006	3rd Quarter 2006	2nd Quarter 2006	1st Quarter 2006	4th Quarter 2005
Beginning Fund Balance*...........................	$52,843	$52,413	$51,754	$51,227	$50,745	$50,165	$49,992	$49,564	$49,193	$48,597	$48,373
Changes in Fund Balance:											
Assessments earned..................................	640	448	239	170	140	94	10	10	7	5	13
Interest earned on investment securities..........	651	618	585	640	748	567	476	622	665	478	675
Operating expenses....................................	256	238	262	243	248	239	248	237	242	224	252
Provision for insurance losses........................	10,221	525	39	132	-3	-73	49	-50	-6	-45	-19
All other income, net of expenses**.................	1	0	-2	24	1	4	5	1	12	349	4
Unrealized gain/(loss) on available-for-sale securities...	1,559	127	138	68	-162	81	-21	-18	-77	-57	-235
Total fund balance change............................	-7,626	430	659	527	482	580	173	428	371	596	224
Ending Fund Balance*................................	45,217	52,843	52,413	51,754	51,227	50,745	50,165	49,992	49,564	49,193	48,597
Percent change from four quarters earlier.......	-11.73	4.13	4.48	3.52	3.36	3.15	3.23	3.35	3.21	3.31	2.29
Reserve Ratio (%)......................................	1.01	1.19	1.22	1.22	1.21	1.20	1.21	1.22	1.23	1.23	1.25
Estimated Insured Deposits	4,462,426	4,438,501	4,291,750	4,242,607	4,235,043	4,245,267	4,153,786	4,100,013	4,040,353	4,001,906	3,890,941
Percent change from four quarters earlier.......	5.37	4.55	3.32	3.48	4.82	6.08	6.76	7.02	7.52	8.50	7.42
Assessment Base	7,074,094	7,017,114	7,053,232	6,880,932	6,821,489	6,801,523	6,594,750	6,439,326	6,386,864	6,272,505	6,177,429
Percent change from four quarters earlier.......	3.70	3.17	6.95	6.86	6.80	8.43	6.76	6.63	8.64	8.15	8.88
Number of institutions reporting.................	8,462	8,505	8,545	8,570	8,625	8,661	8,692	8,755	8,790	8,803	8,846



Deposit Insurance Fund Balance and Insured Deposits*
($ Millions)

	DIF Balance	DIF-Insured Deposits
12/04	47,507	3,622,059
3/05	47,617	3,688,562
6/05	48,023	3,757,728
9/05	48,373	3,830,950
12/05	48,597	3,890,941
3/06	49,193	4,001,906
6/06	49,564	4,040,353
9/06	49,992	4,100,013
12/06	50,165	4,153,786
3/07	50,745	4,245,267
6/07	51,227	4,235,043
9/07	51,754	4,242,607
12/07	52,413	4,291,750
3/08	52,843	4,438,501
6/08	45,217	4,462,426

Table II-B. Problem Institutions and Failed/Assisted Institutions

(dollar figures in millions)	2008***	2007***	2007	2006	2005	2004	2003
Problem Institutions							
Number of institutions................................	117	61	76	50	52	80	116
Total assets...	$78,343	$23,782	$22,189	$8,265	$6,607	$28,250	$29,917
Failed/Assisted Institutions							
Number of institutions................................	4	1	3	0	0	4	3
Total assets...	$2,020	$16	$2,615	$0	$0	$170	$947

* Prior to 2006, amounts represent sum of separate BIF and SAIF amounts.

** First Quarter 2006 includes previously escrowed revenue from SAIF-member exit fees.

*** Through June 30.

TABLE III-B. Estimated FDIC-Insured Deposits by Type of Institution

(dollar figures in millions) June 30, 2008	Number of Institutions	Total Assets	Domestic Deposits*	Est. Insured Deposits
Commercial Banks and Savings Institutions				
FDIC-Insured Commercial Banks	7,203	$11,426,172	$5,879,422	$3,549,976
FDIC-Supervised	4,744	1,951,115	1,431,841	984,855
OCC-Supervised	1,585	7,924,173	3,591,232	2,054,489
Federal Reserve-Supervised	874	1,550,883	856,349	510,632
FDIC-Insured Savings Institutions	1,248	1,874,628	1,149,720	907,677
OTS-Supervised Savings Institutions	829	1,567,216	940,411	743,811
FDIC-Supervised State Savings Banks	419	307,412	209,310	163,865
Total Commercial Banks and Savings Institutions	8,451	13,300,800	7,029,143	4,457,653
Other FDIC-Insured Institutions				
U.S. Branches of Foreign Banks	11	16,931	7,105	4,773
Total FDIC-Insured Institutions	8,462	13,317,731	7,036,248	4,462,426

* Excludes $1.54 trillion in foreign office deposits, which are uninsured.

TABLE IV-B. Distribution of Institutions and Assessment Base Among Risk Categories

Quarter Ending March 31, 2008

(dollar figures in billions) ***Risk Category***	Annual Rate in Basis Points	Number of Institutions	Percent of Total Institutions	Assessment Base	Percent of Total Assessment Base
I - Minimum	5	2,177	25.6	3,358	47.9
I - Middle	5.01- 6.00	2,818	33.1	2,000	28.5
I - Middle	6.01- 6.99	1,561	18.4	582	8.3
I - Maximum	7	1,358	16.0	458	6.5
II	10	491	5.8	593	8.5
III	28	90	1.1	16	0.2
IV	43	10	0.1	9	0.1

Note: Institutions are categorized based on supervisory ratings, debt ratings and financial data as of March 31, 2008.
Rates do not reflect the application of assessment credits. See notes to users for further information on risk categories and rates.

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.

Tables I-A through VIII-A.

The information presented in Tables I-A through V-A of the *FDIC Quarterly Banking Profile* is aggregated for all FDIC-insured institutions, both commercial banks and savings institutions. Tables VI-A (Derivatives) and VII-A (Servicing, Securitization, and Asset Sales Activities) aggregate information only for insured commercial banks and state-chartered savings banks that file quarterly Call Reports. Table VIII-A (Trust Services) aggregates Trust asset and income information collected annually from all FDIC-insured institutions. Some tables are arrayed by groups of FDIC-insured institutions based on predominant types of asset concentration, while other tables aggregate institutions by asset size and geographic region. Quarterly and full-year data are provided for selected indicators, including aggregate condition and income data, performance ratios, condition ratios, and structural changes, as well as past due, noncurrent, and charge-off information for loans outstanding and other assets.

Tables I-B through IV-B.

A separate set of tables (Tables I-B through IV-B) provides comparative quarterly data related to the Deposit Insurance Fund (DIF), problem institutions, failed/assisted institutions, estimated FDIC-insured deposits, as well as assessment rate information. Depository institutions that are not insured by the FDIC through the DIF 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 charters.

DATA SOURCES

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

COMPUTATION METHODOLOGY

Certain adjustments are made to the OTS *Thrift Financial Reports* to provide closer conformance with the reporting and accounting requirements of the FFIEC *Call Reports*. Parent institutions are required to file consolidated reports, while their subsidiary financial institutions are still required to file separate reports. Data from subsidiary institution reports are included in the *Quarterly Banking Profile* tables, which can lead to double-counting. No adjustments are made for any double-counting of subsidiary data.

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

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

ACCOUNTING CHANGES

FASB Statement No. 157 *Fair Value Measurements* issued in September 2006 and FASB Statement No. 159 *The Fair Value Option for Financial Assets and Financial Liabilities* issued in February 2007—both are effective in 2008 with early adoption permitted in 2007. FAS 157 clarifies fair value and establishes a framework for developing fair value estimates for the fair value measurements that are already required or permitted under other standards. Fair value continues to be used for derivatives, trading securities, and available-for-sale securities. Changes in fair value go through earnings for the derivatives and trading securities. Changes in the fair value of available-for-sale securities are reported in other comprehensive income. Available-for-sale securities and held-to-maturity debt securities are written down to fair value through earnings if impairment is other than temporary and mortgage loans held for sale are reported at the lower of cost or fair value. Loans held for investment are also subject to impairment but are written down based on the present value of discounted cash flows. FAS 159 allows banks to elect a fair value option when assets are recognized on the balance sheet and to report certain financial assets and liabilities at fair value with subsequent changes in fair value included in earnings. Existing eligible items can be fair-valued as early as January 2007 under FAS 159, if a bank adopts FAS 157.

FASB Statement 158 *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*—issued in September 2006 requires a bank to recognize in 2007 the funded status of its postretirement plans on its balance sheet. An overfunded plan is recognized as an asset and an underfunded plan is recognized as a liability. An adjustment is made to equity as accumulated other comprehensive income (AOCI) upon application of FAS 158, and AOCI is adjusted in subsequent periods as net periodic benefit costs are recognized in earnings.

FASB Statement No. 156 *Accounting for Servicing of Financial Assets*—issued in March 2006 and effective in 2007, requires all separately recognized servicing assets and liabilities to be initially measured at fair value and allows a bank the option to subsequently adjust that value by periodic revaluation and recognition of earnings or by periodic amortization to earnings.

FASB Statement No. 155 *Accounting for Certain Hybrid Financial Instruments*—issued in February 2006, requires bifurcation of certain derivatives embedded in interests in securitized financial assets and permits fair value measurement (i.e., a fair value option) for any hybrid financial instrument that contains an embedded derivative that would otherwise require bifurcation under FASB Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities* (FAS 133). In addition, FAS 155 clarifies which interest-only and principal-only strips are not subject to FAS 133.

Purchased Impaired Loans and Debt Securities—Statement of Position 03-3, *Accounting for Certain Loans or Debt Securities Acquired in a Transfer*. The SOP applies to loans and debt securities acquired in fiscal years beginning after December 15, 2004. In general, this Statement of Position applies to "purchased impaired loans and debt securities" (i.e., loans and debt securities that a bank has purchased, including those acquired in a purchase business combination, when it is probable, at the purchase date, that the bank will be unable to collect all contractually required payments receivable). Banks must follow Statement of Position 03-3 for Call Report purposes. The SOP does not apply to the loans that a bank has originated, prohibits "carrying over" or creation of valuation allowances in the initial accounting, and any subsequent valuation allowances reflect only those losses incurred by the investor after acquisition.

GNMA Buy-back Option—If an issuer of GNMA securities has the option to buy back the loans that collateralize the GNMA securities, when certain delinquency criteria are met, FASB Statement No. 140 requires that loans with this buy-back option must be brought back on the issuer's books as assets. The rebooking of GNMA loans is required regardless of whether the issuer intends to exercise the buy-back option. The banking agencies clarified in May 2005 that all GNMA loans that are rebooked because of delinquency should be reported as past due according to their contractual terms.

FASB Interpretation No. 46—The FASB issued Interpretation No. 46, *Consolidation of Variable Interest Entities*, in January 2003 and revised it in December 2003. Generally, banks with variable interests in variable interest entities created after December 31, 2003, must consolidate them. The timing of consolidation varies with certain situations with application as late as 2005. The assets and liabilities of a consolidated variable interest entity are reported on a line-by-line basis according to the asset and liability categories shown on the bank's balance sheet, as well as related income items. Most small banks are unlikely to have any "variable interests" in variable interest entities.

FASB Interpretation No. 48 on Uncertain Tax Positions
FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FIN 48), was issued in June 2006 as an interpretation of FASB Statement No. 109, *Accounting for Income Taxes*. Under FIN 48, the term "tax position" refers to "a position in a previously filed tax return or a position expected to be taken in a future tax return that is reflected in measuring current or deferred income tax assets and liabilities." FIN 48 further states that a "tax position can result in a permanent reduction of income taxes payable, a deferral of income taxes otherwise currently payable to future years, or a change in the expected realizability of deferred tax assets." As originally issued, FIN 48 was effective for fiscal years beginning after December 15, 2006. Banks must adopt FIN 48 for Call Report purposes in accordance with the interpretation's effective date except as follows. On January 23, 2008, the FASB decided to defer the effective date of FIN 48 for eligible nonpublic enterprises and to require those enterprises to adopt FIN 48 for annual periods beginning after December 15, 2007.

FASB Statement No. 123 (Revised 2004) and Share-Based Payments—requires all entities to recognize compensation expense in an amount equal to the fair value of share-based payments (e.g., stock options and restricted stock, granted to employees). As of January 2006 all banks must adopt FAS 123(R). The compensation cost is typically recognized over the vesting period with a corresponding credit to equity. The recording of the compensation cost also gives rise to a deferred tax asset.

FASB Statement No. 133 *Accounting for Derivative Instruments and Hedging Activities*—All banks must recognize derivatives as either assets or liabilities on the balance sheet, measured at fair value. A derivative may be specifically designated as a "fair value hedge," a "cash flow hedge," or a hedge of a foreign currency exposure. The accounting for changes in the value of a derivative (gains and losses) depends on the intended use of the derivative, its resulting designation, and the effectiveness of the hedge. Derivatives held for purposes other than trading are reported as "other assets" (positive fair values) or "other liabilities" (negative fair values). For a fair value hedge, the gain or loss is recognized in earnings and "effectively" offsets loss or gain on the hedged item attributable to the risk being hedged. Any ineffectiveness of the hedge could result in a net gain or loss on the income statement. Accumulated net gains (losses) on cash flow hedges are recorded on the balance sheet as "accumulated other comprehensive income" and the periodic change in the accumulated net gains (losses) for cash flow hedges is reflected directly in equity as the value of the derivative changes. FASB Statement No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities provides guidance on the circumstances in which a loan commitment must be accounted for as a derivative. Under Statement No. 149, loan commitments that relate to the origination of mortgage loans that will be held for sale, commonly referred to as interest rate lock commitments, must be accounted for as derivatives on the balance sheet by the issuer of the commitment.

DEFINITIONS (in alphabetical order)

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

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

Assessment base—assessable deposits consist of DIF deposits (deposits insured by the FDIC Deposit Insurance Fund) in banks' domestic offices with certain adjustments.

Assets securitized and sold—total outstanding principal balance of assets securitized and sold with servicing retained or other seller-provided credit enhancements.

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.

Credit enhancements—techniques whereby a company attempts to reduce the credit risk of its obligations. Credit enhancement may be provided by a third party (external credit enhancement) or by the originator (internal credit enhancement), and more than one type of enhancement may be associated with a given issuance.

Deposit Insurance Fund (DIF)—The Bank (BIF) and Savings Association (SAIF) Insurance Funds were merged in 2006 by the Federal Deposit Insurance Reform Act to form the DIF.

Derivatives notional amount—The notional, or contractual, amounts of derivatives represent the level of involvement in the types of derivatives transactions and are not a quantification of market risk or credit risk. Notional amounts represent the amounts used to calculate contractual cash flows to be exchanged.

Derivatives credit equivalent amount—the fair value of the derivative plus an additional amount for potential future credit exposure based on the notional amount, the remaining maturity and type of the contract.

Derivatives transaction types:

Futures and forward contracts—contracts 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—contracts 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—obligations 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.

Derivatives underlying risk exposure—the potential exposure characterized by the level of banks' concentration in particular underlying instruments, in general. Exposure can result from market risk, credit risk, and operational risk, as well as, interest rate risk.

Domestic deposits to total assets—total domestic office deposits as a percent of total assets on a consolidated basis.

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 total domestic deposits minus estimated uninsured deposits. Prior to March 31, 2008, insured deposits are total domestic deposits minus estimated uninsured deposits. Prior to 2006, the uninsured estimate is based on the excess amounts in accounts of over $100,000. Beginning June 30, 2006, the uninsured estimate also considers excess amounts in IRA accounts over $250,000. Beginning March 31, 2008, for institutions that file Call reports, insured deposits are total assessable deposits minus estimated uninsured deposits.

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

FHLB advances—all borrowings by FDIC insured institutions from the Federal Home Loan Bank System (FHLB), as reported by Call Report filers and by TFR filers.

Goodwill and other intangibles—intangible assets include servicing rights, purchased credit card relationships, and other identifiable intangible assets. Goodwill is the excess of the purchase price over the fair market value of the net assets acquired, less subsequent impairment adjustments. Other intangible assets are recorded at fair value, less subsequent quarterly amortization and impairment adjustments.

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.

Maximum credit exposure—the maximum contractual credit exposure remaining under recourse arrangements and other seller-provided credit enhancements provided by the reporting bank to securitizations.

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 loans to total assets—loans and lease financing receivables, net of unearned income, allowance and reserves, as a percent of total assets on a consolidated basis.

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

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

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

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

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

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

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

"Problem" institutions—federal regulators assign a composite rating to each financial institution, based upon an evaluation of financial and operational criteria. The rating is based on a scale of 1 to 5 in ascending order of supervisory concern. "Problem" institutions are those institutions with financial, operational, or managerial weaknesses that threaten their continued financial viability. Depending upon the degree of risk and supervisory concern, they are rated either a "4" or "5." The number and assets of "problem" institutions are based on FDIC composite ratings. Prior to March 31, 2008, for institutions whose primary federal regulator was the OTS, the OTS composite rating was used.

Recourse—an arrangement in which a bank retains, in form or in substance, any credit risk directly or indirectly associated with an asset it has sold (in accordance with generally accepted accounting principles) that exceeds a pro rata share of the bank's claim on the asset. If a bank has no claim on an asset it has sold, then the retention of any credit risk is recourse.

Reserves for losses—the allowance for loan and lease losses on a consolidated basis.

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.

Retained earnings—net income less cash dividends on common and preferred stock for the reporting period.

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-based capital groups—definition:

(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.

Risk Categories and Assessment Rate Schedule—The current risk categories and assessment rate schedule became effective January 1, 2007. Capital ratios and supervisory ratings distinguish one risk category from another. The following table shows the relationship of risk categories (I, II, III, IV) to capital and supervisory groups as well as the assessment rates (in basis points) for each risk category. Supervisory Group A generally includes institutions with CAMELS composite ratings of 1 or 2; Supervisory Group B generally includes institutions with a CAMELS composite rating of 3; and Supervisory Group C generally includes institutions with CAMELS composite ratings of 4 or 5. For purposes of risk-based assessment capital groups, undercapitalized includes institutions that are significantly or critically undercapitalized.

<table>
<tr><th rowspan="2">Capital Group</th><th colspan="3">Supervisory Group</th></tr>
<tr><th>A</th><th>B</th><th>C</th></tr>
<tr><td>1. Well Capitalized</td><td>I
5–7 bps</td><td rowspan="2">II
10 bps</td><td rowspan="2">III
28 bps</td></tr>
<tr><td>2. Adequately Capitalized</td><td></td></tr>
<tr><td>3. Undercapitalized</td><td colspan="2">III
28 bps</td><td>IV
43 bps</td></tr>
</table>

Assessment rates are 3 basis points above the base rate schedule. The FDIC may adjust rates up or down by 3 basis points from the base rate schedule without notice and comment, provided that any single adjustment from one quarter to the next cannot move rates more than 3 basis points.

For most institutions in Risk Category I, the assessment rate assigned will be based on a combination of financial ratios and CAMELS component ratings.

For large institutions in Risk Category I (generally those with at least $10 billion in assets) that have long-term debt issuer ratings, assessment rates will be determined by weighting CAMELS component ratings 50 percent and long-term debt issuer ratings 50 percent. For all large Risk Category I institutions, additional risk factors will be considered to determine whether assessment rates should be adjusted. This additional information includes market data, financial performance measures, considerations of the ability of an institution to withstand financial stress, and loss severity indicators. Any adjustment will be limited to no more than ½ basis point.

Beginning in 2007, each institution is assigned a risk-based rate for a quarterly assessment period near the end of the quarter following the assessment period. Payment will generally be due on the 30th day of the last month of the quarter following the assessment period. Supervisory rating changes will be effective for assessment purposes as of the examination transmittal date. For institutions with long-term debt issuer ratings, changes in ratings will be effective for assessment purposes as of the date the change was announced.

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.

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.

Seller's interest in institution's own securitizations—the reporting bank's ownership interest in loans and other assets that have been securitized, except an interest that is a form of recourse or other seller-provided credit enhancement. Seller's interests differ from the securities issued to investors by the securitization structure. The principal amount of a seller's interest is generally equal to the total principal amount of the pool of assets included in the securitization structure less the principal amount of those assets attributable to investors, i.e., in the form of securities issued to investors.

Subchapter S Corporation—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. This can have the effect of reducing institutions' reported taxes and increasing their after-tax earnings.

Trust assets—market value, or other reasonably available value of fiduciary and related assets, to include marketable securities, and other financial and physical assets. Common physical assets held in fiduciary accounts include real estate, equipment, collectibles, and household goods. Such fiduciary assets are not included in the assets of the financial institution.

Unearned income & contra accounts—unearned income for Call Report filers only.

Unused loan commitments—includes credit card lines, home equity lines, commitments to make loans for construction, loans secured by commercial real estate, and unused commitments to originate or purchase loans. (Excluded are commitments after June 2003 for originated mortgage loans held for sale, which are accounted for as derivatives on the balance sheet.)

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.