Quarterly Banking Profile

SECOND QUARTER 2003

- ***Gains On Sales Of Securities And Other Assets Propel Net Income To Record $30.2 Billion***
- ***Net Interest Margins Remain Under Pressure***
- ***Credit Quality Indicators Continue To Show Improvement***
- ***Asset Growth Sets New Quarterly Record***

Earnings, Profitability Remain at Record Levels

Low interest rates continued to stimulate loan demand, and a strengthening economy was evidenced by improving asset quality, as FDIC-insured institutions registered a second consecutive quarter of record profits. The low interest-rate environment enabled banks and thrifts to realize record gains on sales of securities and other assets, which provided a significant boost to industry results. Second-quarter net income totaled $30.2 billion, surpassing the earnings record of $29.4 billion set in the first quarter. Industry earnings were up by $3.0 billion (11.0 percent) over the second quarter of 2002. The industry's return on assets (ROA) remained at the record-high level of 1.38 percent registered in the first quarter. A year ago, the industry ROA was 1.37 percent. More than half of all institutions (57 percent) reported higher earnings than a year ago, while 47 percent had improved ROAs, and 55 percent reported quarterly ROAs of 1 percent or higher. Only 533 institutions reported a net loss for the quarter, down from 676 in the second quarter of 2002. This is the lowest number of unprofitable institutions since 496 reported net losses in the first quarter of 1998.

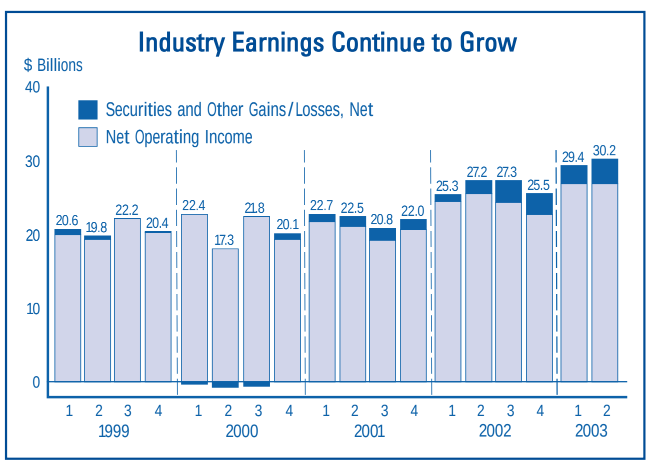
Asset Sales Gains Are Key to Growth in Profits

Insured institutions realized $4.9 billion in pretax gains on sales of securities and other assets in the second quarter, up from $3.7 billion in the first quarter. These and other nonrecurring gains accounted for all but $39 million of the $859-million improvement in industry net income. Increased noninterest revenues and net interest income and lower expenses for credit losses also contributed to the higher earnings. Noninterest income was $1.8 billion (3.8 percent) above the level of the first quarter, but was limited by a $1.3-billion decline in servicing fees. This decline reflected a reduction in the value of mortgage servicing assets caused by the high level of mortgage refinancing activity. Provisions for loan losses were $333 million (3.2 percent) lower than in the previous quarter. Net interest income was $656 million higher, but this was only a 0.9-percent increase. Net income from international operations was $335 million (16.0 percent) higher than in the first quarter.

Falling Short-Term Rates Continue to Pressure Net Interest Margins

The sluggish growth in net interest income was attributable to narrower net interest margins. The average margin fell to 3.74 percent in the second quarter, from 3.80 percent in the first quarter. This is the fifth quarter in a row that the industry's margin has declined, and it is now at the lowest level since the first quarter of 2001. As short-term interest rates moved lower, asset

Chart 1



yields declined faster than funding costs. Smaller institutions, with large proportions of core deposits in their liabilities, have experienced particular difficulties in passing along interest-rate decreases to their depositors in the current environment of very low short-term rates. Nevertheless, the average net interest margin at institutions with less than $100 million in assets improved slightly, to 4.10 percent, from 4.08 percent in the first quarter. Larger institutions' assets tend to reprice more quickly than assets at their smaller counterparts. At institutions with more than $100 million in assets, the average margin fell from 3.79 percent to 3.72 percent. More than half of all institutions – 51.4 percent – saw their net interest margins decline in the second quarter. A significant exception to the trend of narrowing margins was institutions that specialize in credit-card lending. Lower interest rates reduced their average funding costs, but the average yields of their assets increased during the quarter.

Credit Cards and Mortgages Are Most Profitable Business Lines

Institutions specializing in credit-card lending remained more than twice as profitable as the rest of the industry, while institutions with concentrations of residential mortgage assets continued to exhibit strong profitability. The average ROA at the industry's 36 credit-card lenders was 4.04 percent in the second quarter, up from 3.66 percent in the first quarter. The average net interest margin for this group was 8.91 percent in the second quarter, compared to 8.39 percent in the first quarter. Noninterest income growth also contributed to the improvement in profitability at credit-card lenders. Average ROA at the 1,044 institutions that specialize in mortgage lending was 1.50 percent in the second quarter, virtually unchanged from 1.49 percent in the previous quarter. Their profitability has been helped by higher gains on sales of securities and other assets. A year ago, the average ROA at mortgage lenders was 1.29 percent; while their ROA is up by 21 basis points, their core ROA, which excludes gains from securities and asset sales, is up by only 4 basis points, from 1.05 percent in the second quarter of 2002 to 1.09 percent in the most recent quarter.

C&I Loans Continue to Lead Improving Trend in Credit Quality

Banks and thrifts charged-off $10.2 billion in the second quarter, a decline of $118 million (1.1 percent) from the first quarter, and $1.0 billion (9.3 percent) less than they charged-off in the second quarter of 2002. The average net charge-off rate was 0.79 percent, the lowest level in two years. Net charge-offs of commercial and industrial (C&I) loans were $167 million lower than in the first quarter, as charge-offs of C&I loans to non-U.S. borrowers fell by $204 million. Commercial real estate loan charge-offs were $73 million higher, and real estate construction loan charge-offs increased by $25 million.

The industry's inventory of noncurrent loans – those that are 90 days or more past due or in nonaccrual status – declined by $2.3 billion (3.5 percent) in the second quarter. This is the largest quarterly decline

Chart 2

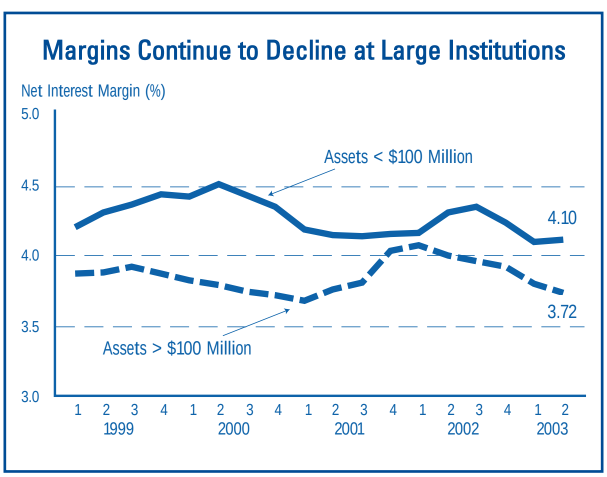
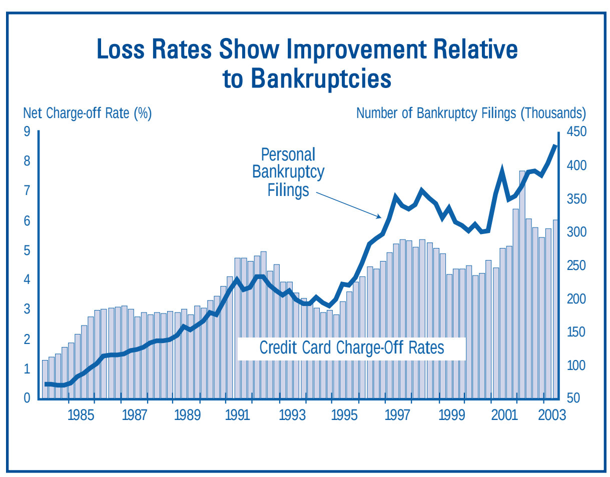


Chart 3



since the fourth quarter of 1994, and marks the third quarter in a row that noncurrent loans have fallen. During that time, they have been reduced by $4.1 billion (5.9 percent). The amount of C&I loans that were noncurrent declined by $1.4 billion (5.4 percent) in the second quarter, while noncurrent credit-card loans fell by $338 million (6.2 percent), and noncurrent residential mortgage loans fell by $382 million (2.7 percent).

Growth in Reserves and Capital Is Outstripped by Growth in Loans, Assets

Banks and thrifts increased their equity capital by $20.1 billion (2.5 percent) in the second quarter, but their capital ratios declined as this growth failed to keep pace with stronger asset growth. Regulatory capital ratios nevertheless remained near historic highs. The core capital (leverage) ratio fell by only one basis point, from 7.88 percent to 7.87 percent. The tier 1 risk-based capital ratio fell by three basis points, from an all-time high of 10.61 percent to 10.58 percent. The total risk-based capital ratio fell from the record level of 13.20 percent to 13.16 percent. Reserves for loan losses increased by only $7 million, but the reduction in noncurrent loans meant that the industry's "coverage ratio" improved from $1.28 in reserves for every $1.00 in noncurrent loans to $1.32, the highest level in two years. The industry's ratio of reserves to total loans fell, however (from 1.67 percent to 1.64 percent), because of strong loan growth.

Mortgage Asset Growth Remains Strong

Residential mortgage-related assets including home equity loans increased by $139 billion in the second quarter, after growing by $116 billion in the first quarter. Residential mortgage loans and home equity loans accounted for $86.6 billion (71.9 percent) of the $120.3-billion increase in total loans. The $52.3-billion increase in mortgage-backed securities represented 77.6 percent of the $67.4-billion increase in the industry's securities holdings. Growth in nonmortgage assets rose even more sharply, from a $53.7-billion increase in the first quarter to a $178.3-billion increase in the second quarter. Real estate loans other than residential mortgage and home equity loans accounted for 21.7 percent ($26.1 billion) of the growth in total loans. The $317-billion (3.7 percent) increase in total industry assets was the largest quarterly increase ever, easily eclipsing the previous record of $234 billion recorded in the third quarter of last year. The steepening yield curve prompted institutions to increase the share of longer-term assets in their portfolios; securities maturing in 5 years or more increased by $84.8 billion (13.5 percent) during the quarter, while securities maturing in less than 5 years declined by $17.4 billion.

Small C&I Loans Register First Annual Decline in 10 Years

C&I loans declined for the tenth consecutive quarter, falling by $14.9 billion (1.6 percent). As has been the case throughout this period of shrinkage, most of the decline was concentrated in a relatively

Chart 4

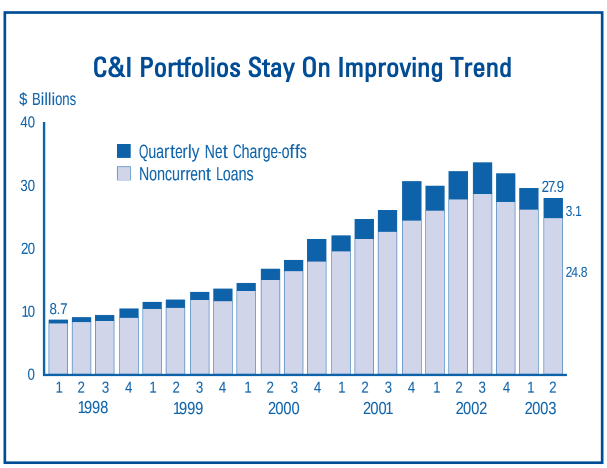
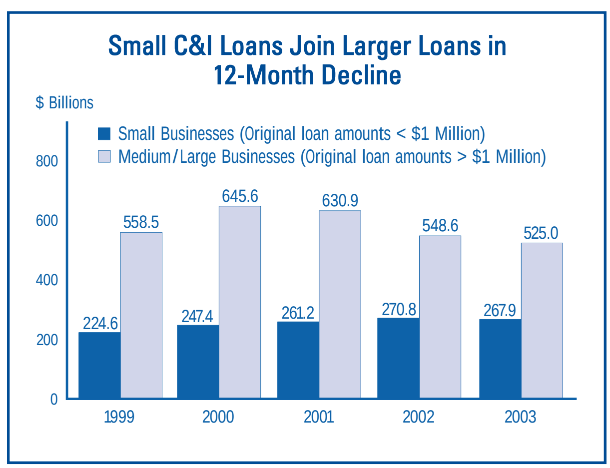


Chart 5



few large banks; if five banks are excluded, the rest of the industry would show a net increase in C&I loans in the second quarter. The June 30 reports filed by insured institutions provide an annual update of loans to small businesses. In the 12 months ended June 30, C&I loans in original amounts of $1 million or less declined by $2.9 billion (1.1 percent). During that period, total C&I loans fell by $41.2 billion (4.2 percent). The 12-month decline in small C&I loans was concentrated in larger banks; 3 banks had declines in excess of $1 billion each, and their combined reduction in small C&I loans totaled $6.2 billion. This is the first time in the 10 years that small business loan data have been collected under current definitions that total small C&I loans have registered a 12-month decline.

Deposit Growth Lags Behind Growth in Assets

Even though total deposits registered their third-highest quarterly increase ever1 during the second quarter, this growth ($165.9 billion, or 2.9 percent) failed to keep pace with the increase in industry assets. Demand deposits increased by $31.9 billion (5.5 percent). Brokered deposits had their largest quarterly decline ever, falling by $14.0 billion (4.6 percent). Nondeposit liabilities increased by $131.2 billion (6.1 percent), with short-term borrowings accounting for $76.0 billion (57.9 percent) of the increase. At commercial banks, savings deposits increased by $95.9 billion (4.2 percent), accounting for 78.6 percent of all domestic deposit growth at these institutions.

Mergers and New Charters Remain at Low Levels

The number of insured institutions reporting financial results declined from 9,314 to 9,267 during the second quarter. During the quarter, 66 institutions were absorbed by mergers, one more than in the first quarter. Through the first six months of 2002, there were 181 institutions absorbed by mergers. Twenty-four new charters were added during the second quarter, bringing the total for the first six months of 2003 to 50; in the same period of 2002, 43 new charters were added. The number of "Problem" institutions declined for the second consecutive quarter, falling from to 125 from 129 at the end of March. Assets of "Problem" institutions declined from $35 billion to $32 billion. During the quarter, five mutually-owned savings institutions, with assets of $734 million, converted to stock ownership.

[1] Total deposits increased by $183.0 billion in the 4th quarter of 1998, and by $176.5 billion in the 4th quarter of 2002.

Chart 6

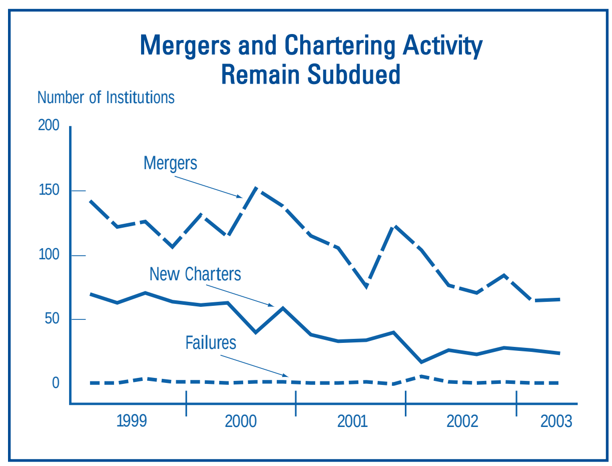


TABLE I-A. Selected Indicators, All FDIC-Insured Institutions*

	2003**	2002**	2002	2001	2000	1999	1998
Return on assets (%)	1.38	1.34	1.30	1.14	1.14	1.25	1.16
Return on equity (%)	15.04	14.64	14.14	12.98	13.53	14.71	13.50
Core capital (leverage) ratio (%)	7.87	8.03	7.87	7.78	7.71	7.80	7.59
Noncurrent assets plus other real estate owned to assets (%)	0.81	0.91	0.90	0.88	0.71	0.63	0.66
Net charge-offs to loans (%)	0.80	0.96	0.97	0.83	0.59	0.53	0.59
Asset growth rate (%)	10.99	5.28	7.20	5.46	8.40	5.40	8.05
Net interest margin (%)	3.76	4.03	3.96	3.78	3.78	3.90	3.91
Net operating income growth (%)	6.58	17.93	18.51	-0.81	1.75	19.72	3.02
Number of institutions reporting	9,267	9,466	9,354	9,614	9,905	10,222	10,464
Commercial banks	7,833	7,967	7,888	8,080	8,316	8,580	8,774
Savings institutions	1,434	1,499	1,466	1,534	1,589	1,642	1,690
Percentage of unprofitable institutions (%)	5.32	6.79	6.59	8.22	7.54	7.64	5.97
Number of problem institutions	125	136	136	114	94	79	84
Assets of problem institutions (in billions)	$32	$40	$39	$40	$24	$10	$11
Number of failed/assisted institutions	2	8	11	4	7	8	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 2003	1st Quarter 2003	2nd Quarter 2002	%Change 02:2-03:2
Number of institutions reporting	9,267	9,314	9,466	-2.1
Total employees (full-time equivalent)	2,088,614	2,029,746	2,009,898	3.9
CONDITION DATA				
Total assets	$8,922,869	$8,605,714	$8,039,040	11.0
Loans secured by real estate	3,038,321	2,925,664	2,627,941	15.6
1-4 Family residential mortgages	1,612,695	1,545,880	1,365,041	18.1
Commercial real estate	652,471	641,564	599,681	8.8
Construction and development	256,926	250,558	235,966	8.9
Home equity lines	295,862	276,091	223,711	32.3
Commercial & industrial loans	934,352	949,295	975,514	-4.2
Loans to individuals	764,172	753,102	728,754	4.9
Credit cards	269,845	265,952	267,749	0.8
Farm loans	46,255	44,677	48,126	-3.9
Other loans & leases	466,821	456,836	443,303	5.3
Less: Unearned income	3,589	3,622	3,988	-10.0
Total loans & leases	5,246,331	5,125,951	4,819,649	8.9
Less: reserve for losses	85,864	85,857	82,407	4.2
Net loans and leases	5,160,467	5,040,094	4,737,242	8.9
Securities	1,761,702	1,694,336	1,530,223	15.1
Other real estate owned	5,527	5,438	4,912	12.5
Goodwill and other intangibles	158,826	156,806	153,536	3.4
All other assets	1,836,347	1,709,041	1,613,128	13.8
Total liabilities and capital	8,922,869	8,605,714	8,039,040	11.0
Deposits	5,844,501	5,678,566	5,254,190	11.2
Domestic office deposits	5,166,438	5,025,755	4,613,285	12.0
Foreign office deposits	678,062	652,811	640,905	5.8
Other borrowed funds	1,671,561	1,590,696	1,529,634	9.3
Subordinated debt	102,826	100,507	97,016	6.0
All other liabilities	492,447	444,461	414,817	18.7
Equity capital	811,534	791,485	743,382	9.2
Loans and leases 30-89 days past due	52,099	55,423	53,556	-2.7
Noncurrent loans and leases	64,842	67,189	65,834	-1.5
Restructured loans and leases	3,312	2,928	3,315	-0.1
Direct and indirect investments in real estate	692	709	700	-1.1
Mortgage-backed securities	1,034,425	978,777	855,453	20.9
Earning assets	7,682,057	7,457,524	6,973,030	10.2
FHLB advances	453,436	448,827	442,050	2.6
Unused loan commitments	5,903,227	5,786,642	5,514,512	7.0
Trust assets	11,891,918	10,709,920	11,486,140	3.5
Assets securitized and sold***	880,763	850,160	879,997	0.1
Notional amount of derivatives***	66,477,306	61,914,959	50,875,478	30.7

INCOME DATA	First Half 2003	First Half 2002	%Change	2nd Quarter 2003	2nd Quarter 2002	%Change 02:2-03:2
Total interest income	$205,155	$217,191	-5.5	$102,565	$109,012	-5.9
Total interest expense	64,854	79,202	-18.1	31,972	39,980	-20.0
Net interest income	140,300	137,989	1.7	70,593	69,033	2.3
Provision for loan and lease losses	20,210	24,252	-16.7	9,962	11,996	-17.0
Total noninterest income	97,558	90,372	8.0	49,754	45,597	9.1
Total noninterest expense	137,216	128,411	6.9	70,194	64,634	8.6
Securities gains (losses)	8,548	3,667	133.1	4,871	2,312	110.7
Applicable income taxes	29,448	26,452	11.3	14,852	13,180	12.7
Extraordinary gains, net	1	38	-96.5	21	115	-81.7
Net income	59,533	52,952	12.4	30,232	27,245	11.0
From international operations	4,525	3,658	23.7	2,430	2,033	19.5
Net charge-offs	20,548	22,862	-10.1	10,242	11,287	-9.3
Cash dividends	42,124	37,344	12.8	24,585	16,197	51.8
Retained earnings	17,409	15,608	11.5	5,646	11,048	48.9
Net operating income	53,757	50,440	6.6	26,922	25,589	5.2

*** Commercial banks only.

TABLE III-A. Second Quarter 2003, All FDIC-Insured Institutions

		Asset Concentration Groups*								
SECOND QUARTER (The way it is...)	All Insured Institutions	International Banks	Agricultural Banks	Credit Card Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <$1 Billion	All Other <$1 Billion	All Other >$1 Billion
Number of institutions reporting	9,267	7	1,826	36	4,116	1,044	183	524	1,430	101
Commercial banks	7,833	7	1,821	34	3,772	257	138	446	1,274	84
Savings institutions	1,434	0	5	2	344	787	45	78	156	17
Total assets (in billions)	$8,922.9	$1,484.3	$127.7	$239.4	$3,117.3	$1,407.4	$379.6	$64.6	$195.5	$1,907.0
Commercial banks	7,485.0	1,484.3	127.2	235.1	2,891.2	383.0	330.3	47.9	159.5	1,826.5
Savings institutions	1,437.8	0.0	0.4	4.3	226.2	1,024.4	49.3	16.6	36.1	80.5
Total deposits (in billions)	5,844.5	856.2	105.2	79.8	2,261.3	850.1	198.9	49.0	159.9	1,284.1
Commercial banks	4,926.0	856.2	104.8	76.9	2,107.1	212.3	168.5	36.7	131.3	1,232.3
Savings institutions	918.5	0.0	0.4	2.9	154.2	637.8	30.4	12.4	28.6	51.9
Net income (in millions)	30,232	4,124	402	2,383	10,105	5,206	1,388	104	525	5,995
Commercial banks	25,517	4,124	401	2,364	9,312	1,793	1,229	57	458	5,780
Savings institutions	4,715	0	1	20	794	3,413	159	47	67	215
Performance Ratios (annualized,%)										
Yield on earning assets	5.43	4.96	6.00	11.13	5.60	5.27	6.05	4.43	5.74	4.66
Cost of funding earning assets	1.69	1.83	1.97	2.22	1.62	2.01	1.47	1.62	1.88	1.39
Net interest margin	3.74	3.13	4.03	8.91	3.98	3.25	4.59	2.80	3.86	3.27
Noninterest income to assets	2.27	3.24	0.72	12.39	1.64	1.27	2.43	5.57	1.03	2.14
Noninterest expense to assets	3.21	3.61	2.68	9.77	3.02	2.35	3.48	6.72	3.02	2.90
Loan and lease loss provision to assets	0.46	0.61	0.21	4.02	0.40	0.15	0.63	0.17	0.24	0.22
Net operating income to assets	1.23	0.98	1.23	4.04	1.21	1.09	1.47	0.56	1.00	1.20
Pretax return on assets	2.06	1.72	1.57	6.34	1.92	2.32	2.36	1.30	1.42	1.89
Return on assets	1.38	1.14	1.27	4.04	1.31	1.50	1.49	0.65	1.08	1.29
Return on equity	15.10	15.12	11.71	24.02	14.02	16.61	17.53	4.21	9.83	14.82
Net charge-offs to loans and leases	0.79	1.56	0.25	5.46	0.56	0.18	0.89	0.55	0.30	0.56
Loan and lease loss provision to net charge-offs	97.27	96.54	139.38	93.38	106.36	129.95	87.29	114.70	139.06	76.74
Efficiency ratio	57.14	62.46	60.37	46.72	56.71	55.29	53.63	81.33	65.75	58.24
% of unprofitable institutions	5.75	28.57	3.50	2.78	6.24	4.60	2.19	16.03	4.76	4.95
% of institutions with earnings gains	57.05	28.57	45.62	77.78	67.49	54.12	58.47	34.35	51.82	52.48
Structural Changes										
New Charters	24	0	0	0	4	2	0	18	0	0
Institutions absorbed by mergers	66	0	7	0	40	6	1	1	4	7
Failed Institutions	1	0	1	0	0	0	0	0	0	0
PRIOR SECOND QUARTERS (The way it was...)										
Return on assets (%) 2002	1.37	1.17	1.30	3.68	1.28	1.29	1.60	1.69	1.20	1.35
2000	0.98	0.99	1.35	2.16	0.92	0.90	1.20	1.99	1.17	0.63
1998	1.22	0.92	1.33	2.65	1.22	1.13	1.34	1.56	1.22	1.58
Net charge-offs to loans & leases (%) 2002	0.94	1.48	0.30	5.78	0.73	0.17	1.01	0.67	0.31	0.70
2000	0.51	0.47	0.19	3.68	0.41	0.11	0.13	0.37	0.25	0.51
1998	0.55	0.45	0.20	4.93	0.34	0.16	0.71	0.66	0.28	0.52

* See page 8 for explanations.

TABLE III-A. Second Quarter 2003, All FDIC-Insured Institutions

		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	9,267	4,509	4,182	466	110	1,194	1,236	2,034	2,145	1,884	774
Commercial banks	7,833	4,026	3,386	340	81	623	1,077	1,667	2,034	1,747	685
Savings institutions	1,434	483	796	126	29	571	159	367	111	137	89
Total assets (in billions)	$8,922.9	$231.4	$1,153.4	$1,303.1	$6,235.0	$3,053.9	$1,867.2	$1,678.2	$439.6	$596.5	$1,287.4
Commercial banks	7,485.0	206.3	896.8	968.2	5,413.8	2,540.6	1,743.2	1,539.9	394.2	505.1	762.0
Savings institutions	1,437.8	25.1	256.6	334.9	821.3	513.3	124.0	138.3	45.5	91.3	525.3
Total deposits (in billions)	5,844.5	193.5	925.8	874.4	3,850.7	1,920.5	1,252.0	1,113.0	303.0	448.8	807.1
Commercial banks	4,926.0	173.5	729.7	652.5	3,370.2	1,574.9	1,165.4	1,009.5	274.6	395.2	506.3
Savings institutions	918.5	20.0	196.1	221.8	480.6	345.6	86.7	103.5	28.4	53.6	300.7
Net income (in millions)	30,232	519	3,419	4,809	21,484	9,348	6,274	5,578	1,722	2,088	5,222
Commercial banks	25,517	451	2,842	3,683	18,541	7,830	5,948	5,134	1,626	1,657	3,322
Savings institutions	4,715	67	578	1,126	2,943	1,518	326	445	96	431	1,900
Performance Ratios (annualized,%)											
Yield on earning assets	5.43	5.99	5.86	5.58	5.28	5.25	5.38	5.26	6.30	5.63	5.70
Cost of funding earning assets	1.69	1.88	1.89	1.75	1.63	1.82	1.66	1.71	1.73	1.57	1.47
Net interest margin	3.74	4.10	3.97	3.83	3.65	3.43	3.72	3.55	4.57	4.05	4.23
Noninterest income to assets	2.27	1.46	1.35	2.18	2.50	2.65	2.09	1.89	2.67	2.00	2.13
Noninterest expense to assets	3.21	3.79	3.18	3.29	3.17	3.31	3.14	2.83	3.92	3.65	3.10
Loan and lease loss provision to assets	0.46	0.26	0.26	0.40	0.51	0.52	0.29	0.48	0.75	0.26	0.49
Net operating income to assets	1.23	0.84	1.12	1.32	1.25	1.12	1.26	1.16	1.49	1.28	1.43
Pretax return on assets	2.06	1.24	1.67	2.20	2.13	1.89	2.02	1.99	2.25	1.92	2.61
Return on assets	1.38	0.91	1.20	1.50	1.41	1.25	1.39	1.35	1.57	1.42	1.64
Return on equity	15.10	7.92	11.94	14.57	16.28	14.16	15.42	15.70	14.71	14.79	16.26
Net charge-offs to loans and leases	0.79	0.29	0.31	0.65	0.94	1.14	0.57	0.68	1.05	0.39	0.70
Loan and lease loss provision to net charge-offs	97.27	148.44	130.80	100.76	93.82	93.28	83.88	109.73	104.72	110.49	100.09
Efficiency ratio	57.14	72.49	63.19	57.10	55.59	58.83	58.70	54.28	56.16	63.95	51.94
% of unprofitable institutions	5.75	8.98	2.68	3.00	1.82	5.86	8.41	5.01	3.59	5.79	9.17
% of institutions with earnings gains	57.05	51.14	62.41	64.16	65.45	60.72	62.38	59.69	51.93	49.47	68.60
Structural Changes											
New Charters	24	21	3	0	0	2	5	0	1	5	11
Institutions absorbed by mergers	66	32	28	4	2	8	13	16	13	10	6
Failed Institutions	1	1	0	0	0	0	0	1	0	0	0
PRIOR SECOND QUARTERS (The way it was...)											
Return on assets (%) 2002	1.37	1.17	1.30	3.68	1.28	1.29	1.60	1.69	1.20	1.35	1.53
2000	0.98	0.99	1.35	2.16	0.92	0.90	1.20	1.99	1.17	0.63	1.32
1998	1.22	0.92	1.33	2.65	1.22	1.13	1.34	1.56	1.22	1.58	1.33
Net charge-offs to loans & leases (%) 2002	0.94	1.48	0.30	5.78	0.73	0.17	1.01	0.67	0.31	0.70	0.81
2000	0.51	0.47	0.19	3.68	0.41	0.11	0.13	0.37	0.25	0.51	0.62
1998	0.55	0.45	0.20	4.93	0.34	0.16	0.71	0.66	0.28	0.52	0.57

* See page 9 for explanations.

TABLE IV-A. First-Half 2003, All FDIC-Insured Institutions

		Asset Concentration Groups*								
FIRST HALF (The way it is...)	All Insured Institutions	International Banks	Agricultural Banks	Credit Card Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <$1 Billion	All Other <$1 Billion	All Other >$1 Billion
Number of institutions reporting	9,267	7	1,826	36	4,116	1,044	183	524	1,430	101
Commercial banks	7,833	7	1,821	34	3,772	257	138	446	1,274	84
Savings institutions	1,434	0	5	2	344	787	45	78	156	17
Total assets (in billions)	$8,922.9	$1,484.3	$127.7	$239.4	$3,117.3	$1,407.4	$379.6	$64.6	$195.5	$1,907.0
Commercial banks	7,485.0	1,484.3	127.2	235.1	2,891.2	383.0	330.3	47.9	159.5	1,826.5
Savings institutions	1,437.8	0.0	0.4	4.3	226.2	1,024.4	49.3	16.6	36.1	80.5
Total deposits (in billions)	5,844.5	856.2	105.2	79.8	2,261.3	850.1	198.9	49.0	159.9	1,284.1
Commercial banks	4,926.0	856.2	104.8	76.9	2,107.1	212.3	168.5	36.7	131.3	1,232.3
Savings institutions	918.5	0.0	0.4	2.9	154.2	637.8	30.4	12.4	28.6	51.9
Net income (in millions)	59,533	8,241	787	4,582	20,054	10,159	2,773	301	1,044	11,593
Commercial banks	50,395	8,241	785	4,546	18,535	3,522	2,457	210	913	11,186
Savings institutions	9,138	0	2	36	1,519	6,636	317	91	131	406
Performance Ratios (annualized,%)										
Yield on earning assets	5.50	5.05	6.04	10.86	5.68	5.38	6.10	4.48	5.84	4.72
Cost of funding earning assets	1.74	1.86	2.03	2.28	1.68	2.08	1.49	1.67	1.94	1.42
Net interest margin	3.76	3.19	4.01	8.58	4.00	3.30	4.61	2.81	3.90	3.31
Noninterest income to assets	2.26	3.22	0.70	11.92	1.63	1.26	2.51	5.49	1.01	2.11
Noninterest expense to assets	3.18	3.56	2.68	9.37	3.00	2.32	3.46	6.42	3.04	2.88
Loan and lease loss provision to assets	0.47	0.64	0.21	3.97	0.39	0.15	0.64	0.13	0.22	0.25
Net operating income to assets	1.24	1.01	1.21	3.84	1.23	1.13	1.50	0.86	1.01	1.19
Pretax return on assets	2.06	1.73	1.55	6.03	1.93	2.31	2.43	1.57	1.43	1.87
Return on assets	1.38	1.15	1.24	3.84	1.32	1.49	1.53	0.95	1.08	1.27
Return on equity	15.04	15.25	11.53	23.59	14.10	16.48	17.95	6.15	9.86	14.35
Net charge-offs to loans and leases	0.80	1.58	0.20	5.44	0.56	0.18	0.90	0.45	0.28	0.58
Loan and lease loss provision to net charge-offs	98.36	99.30	163.69	92.33	104.88	129.65	90.10	100.98	139.01	85.06
Efficiency ratio	56.52	61.18	60.85	46.52	56.39	54.10	52.75	78.99	65.83	57.73
% of unprofitable institutions	5.32	0.00	3.18	2.78	5.83	4.69	2.73	14.31	4.34	2.97
% of institutions with earnings gains	60.45	57.14	49.34	61.11	70.70	59.39	55.74	42.18	53.99	49.50
Condition Ratios(%)										
Earning assets to total assets	86.09	76.66	91.91	87.32	89.12	90.76	87.63	88.80	91.60	83.54
Loss allowance to:										
Loans and leases	1.64	2.45	1.52	4.96	1.57	0.76	1.18	1.60	1.35	1.66
Noncurrent loans and leases	132.42	103.13	106.69	271.96	147.88	85.99	128.42	157.37	122.39	133.80
Noncurrent assets plus other real estate owned to assets	0.81	1.00	1.00	1.53	0.81	0.66	0.81	0.42	0.74	0.67
Equity capital ratio	9.09	7.46	10.87	17.09	9.39	9.01	8.58	15.34	11.04	8.51
Core capital (leverage) ratio	7.87	6.51	10.11	16.54	8.17	7.57	7.13	13.83	10.26	7.07
Tier 1 risk-based capital ratio	10.58	9.23	14.73	14.70	9.97	12.90	8.79	29.76	17.00	9.65
Total risk-based capital ratio	13.16	12.65	15.87	17.28	12.25	14.71	12.47	30.95	18.14	12.63
Net loans and leases to deposits	88.30	67.48	74.03	225.34	90.35	107.45	153.48	34.43	67.81	73.05
Net loans to total assets	57.83	38.92	60.98	75.08	65.54	64.90	80.42	26.15	55.46	49.19
Domestic deposits to total assets	57.90	27.43	82.38	28.68	70.63	59.08	48.51	74.83	81.77	60.81
Structural Changes										
New Charters	50	0	1	0	12	2	0	35	0	0
Institutions absorbed by mergers	131	0	13	0	84	16	2	2	6	8
Failed Institutions	2	0	1	0	1	0	0	0	0	0
PRIOR FIRST HALVES (The way it was...)										
Number of institutions 2002	9,466	6	1,892	47	4,079	1,168	216	440	1,526	92
2000	10,102	7	2,086	61	3,929	1,325	315	521	1,776	82
1998	10,713	11	2,400	69	3,404	1,532	283	596	2,319	99
Total assets (in billions) 2002	$8,039.0	$1,294.8	$123.3	$299.4	$3,356.5	$1,191.9	$163.2	$48.4	$189.7	$1,371.8
2000	7,163.5	1,125.5	122.2	265.4	3,754.1	1,018.4	84.1	50.3	209.6	533.9
1998	6,229.5	1,445.7	123.7	210.7	2,539.8	967.4	84.4	61.1	281.2	515.5
Return on assets (%) 2002	1.34	0.99	1.28	3.44	1.30	1.29	1.52	1.31	1.19	1.33
2000	1.13	1.15	1.31	2.51	1.09	1.01	1.19	1.98	1.17	0.77
1998	1.22	0.88	1.30	2.61	1.27	1.10	1.31	1.63	1.22	1.49
Net charge-offs to loans & leases (%) 2002	0.96	1.49	0.24	6.42	0.67	0.16	1.04	0.51	0.28	0.76
2000	0.51	0.48	0.16	3.80	0.39	0.12	0.18	0.46	0.21	0.50
1998	0.55	0.47	0.15	4.84	0.33	0.17	0.69	0.70	0.24	0.55
Noncurrent assets plus OREO to assets (%) 2002	0.91	1.16	0.94	1.54	0.89	0.66	1.22	0.35	0.68	0.82
2000	0.65	0.68	0.76	1.42	0.65	0.46	0.97	0.28	0.56	0.57
1998	0.68	0.61	0.80	1.71	0.65	0.69	0.98	0.36	0.60	0.60
Equity capital ratio (%) 2002	9.25	7.20	10.82	15.64	9.62	9.10	8.56	17.54	10.53	8.46
2000	8.37	6.74	10.27	13.04	8.44	7.92	8.13	15.45	10.03	8.07
1998	8.66	6.46	10.89	14.95	9.05	8.70	8.81	14.52	10.22	8.14

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

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.

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

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 2003, All FDIC-Insured Institutions

FIRST HALF (The way it is...)	All Insured Institutions	Asset Size Distribution: Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	Geographic Regions*: New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	9,267	4,509	4,182	466	110	1,194	1,236	2,034	2,145	1,884	774
Commercial banks	7,833	4,026	3,386	340	81	623	1,077	1,667	2,034	1,747	685
Savings institutions	1,434	483	796	126	29	571	159	367	111	137	89
Total assets (in billions)	$8,922.9	$231.4	$1,153.4	$1,303.1	$6,235.0	$3,053.9	$1,867.2	$1,678.2	$439.6	$596.5	$1,287.4
Commercial banks	7,485.0	206.3	896.8	968.2	5,413.8	2,540.6	1,743.2	1,539.9	394.2	505.1	762.0
Savings institutions	1,437.8	25.1	256.6	334.9	821.3	513.3	124.0	138.3	45.5	91.3	525.3
Total deposits (in billions)	5,844.5	193.5	925.8	874.4	3,850.7	1,920.5	1,252.0	1,113.0	303.0	448.8	807.1
Commercial banks	4,926.0	173.5	729.7	652.5	3,370.2	1,574.9	1,165.4	1,009.5	274.6	395.2	506.3
Savings institutions	918.5	20.0	196.1	221.8	480.6	345.6	86.7	103.5	28.4	53.6	300.7
Net income (in millions)	59,533	1,101	6,704	9,220	42,507	18,478	12,167	11,015	3,408	4,111	10,355
Commercial banks	50,395	975	5,577	7,055	36,788	15,492	11,485	10,218	3,215	3,312	6,673
Savings institutions	9,138	126	1,127	2,166	5,719	2,986	683	797	193	799	3,681
Performance Ratios (annualized,%)											
Yield on earning assets	5.50	6.02	5.93	5.63	5.36	5.34	5.43	5.34	6.36	5.68	5.77
Cost of funding earning assets	1.74	1.94	1.95	1.80	1.67	1.87	1.69	1.76	1.77	1.61	1.53
Net interest margin	3.76	4.08	3.98	3.83	3.69	3.47	3.74	3.57	4.59	4.07	4.25
Noninterest income to assets	2.26	1.41	1.32	2.09	2.50	2.65	2.09	1.91	2.61	1.93	2.06
Noninterest expense to assets	3.18	3.70	3.17	3.22	3.15	3.29	3.13	2.84	3.87	3.59	3.00
Loan and lease loss provision to assets	0.47	0.23	0.25	0.39	0.53	0.55	0.30	0.48	0.78	0.27	0.49
Net operating income to assets	1.24	0.91	1.11	1.30	1.27	1.13	1.25	1.18	1.48	1.29	1.48
Pretax return on assets	2.06	1.30	1.66	2.16	2.14	1.90	2.02	1.99	2.21	1.90	2.62
Return on assets	1.38	0.97	1.19	1.46	1.41	1.25	1.37	1.35	1.55	1.41	1.65
Return on equity	15.04	8.47	11.84	14.20	16.26	14.17	15.03	15.69	14.66	14.71	16.39
Net charge-offs to loans and leases	0.80	0.24	0.29	0.59	0.98	1.19	0.59	0.66	1.04	0.38	0.67
Loan and lease loss provision to net charge-offs	98.36	156.30	138.62	107.90	94.06	92.73	84.29	112.06	108.60	116.48	104.56
Efficiency ratio	56.52	71.58	63.26	57.00	54.78	58.01	58.17	54.24	55.87	63.52	50.75
% of unprofitable institutions	5.32	8.87	2.10	0.86	0.91	5.44	8.17	4.57	3.08	5.25	8.91
% of institutions with earnings gains	60.45	54.93	65.54	66.31	68.18	62.98	66.50	62.98	55.10	53.66	71.58
Condition Ratios(%)											
Earning assets to total assets	86.09	91.56	91.68	90.87	83.86	83.13	84.94	88.21	90.23	89.83	88.91
Loss allowance to:											
Loans and leases	1.64	1.40	1.35	1.52	1.73	2.01	1.47	1.63	1.86	1.35	1.27
Noncurrent loans and leases	132.42	113.12	143.12	158.34	127.47	120.34	148.40	123.95	183.52	127.77	145.97
Noncurrent assets plus other real estate owned to assets	0.81	0.93	0.74	0.66	0.84	0.87	0.66	0.95	0.79	0.79	0.69
Equity capital ratio	9.09	11.44	10.07	10.33	8.57	8.80	8.80	8.58	10.76	9.57	10.12
Core capital (leverage) ratio	7.87	10.98	9.48	9.14	7.17	7.54	7.49	7.85	9.74	8.54	8.22
Tier 1 risk-based capital ratio	10.58	16.78	13.80	13.23	9.32	10.59	9.43	9.81	13.64	12.64	11.49
Total risk-based capital ratio	13.16	17.89	14.98	14.96	12.36	13.34	12.07	12.77	15.01	14.19	13.93
Net loans and leases to deposits	88.30	71.98	78.55	90.33	91.00	75.87	87.49	95.15	96.13	79.53	111.61
Net loans to total assets	57.83	60.21	63.05	60.61	56.20	47.71	58.66	63.10	66.26	59.84	69.97
Domestic deposits to total assets	57.90	83.66	80.15	66.36	51.06	46.66	62.78	61.90	67.82	74.99	60.96
Structural Changes											
New Charters	50	47	3	0	0	4	17	3	4	7	15
Institutions absorbed by mergers	131	61	61	7	2	21	20	30	24	18	18
Failed Institutions	2	1	1	0	0	0	0	1	0	0	1
PRIOR FIRST HALVES (The way it was...)											
Number of institutions 2002	9,466	4,918	4,002	446	100	1,235	1,245	2,086	2,192	1,923	785
2000	10,102	5,682	3,893	426	101	1,307	1,327	2,249	2,307	2,066	846
1998	10,713	6,372	3,812	447	82	1,378	1,360	2,411	2,434	2,263	867
Total assets (in billions) 2002	$8,039.0	$247.5	$1,083.4	$1,292.9	$5,415.2	$2,762.6	$1,614.6	$1,514.1	$420.5	$555.5	$1,171.6
2000	7,163.5	269.2	1,012.6	1,200.5	4,681.2	2,437.9	1,561.0	1,194.4	461.2	566.6	942.4
1998	6,229.5	296.9	982.1	1,272.8	3,677.8	2,258.2	1,042.9	1,016.6	372.7	530.3	1,008.8
Return on assets (%) 2002	1.34	1.02	1.16	1.39	1.38	1.20	1.35	1.34	1.57	1.43	1.53
2000	1.13	1.12	1.19	1.21	1.10	1.23	0.87	1.05	1.39	1.10	1.32
1998	1.22	1.18	1.27	1.41	1.14	1.14	1.16	1.25	1.43	1.26	1.33
Net charge-offs to loans & leases (%) 2002	0.96	0.26	0.31	0.70	1.20	1.47	0.67	0.75	1.21	0.39	0.81
2000	0.51	0.22	0.26	0.52	0.58	0.63	0.41	0.32	0.74	0.32	0.62
1998	0.55	0.19	0.27	0.86	0.54	0.76	0.41	0.36	0.67	0.36	0.57
Noncurrent assets plus OREO to assets (%) 2002	0.91	0.87	0.72	0.71	1.00	1.02	0.79	1.02	0.82	0.83	0.74
2000	0.65	0.69	0.57	0.61	0.67	0.70	0.63	0.62	0.57	0.66	0.58
1998	0.68	0.77	0.66	0.80	0.64	0.77	0.58	0.58	0.63	0.63	0.73
Equity capital ratio (%) 2002	9.25	11.28	10.03	9.96	8.83	8.84	9.36	8.82	10.17	9.77	10.01
2000	8.37	11.17	9.53	8.59	7.90	8.25	8.24	8.03	9.27	8.59	8.73
1998	8.66	11.12	9.94	9.59	7.80	7.86	9.47	8.71	9.22	9.09	9.12

*** 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
Altanta - 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

		Asset Concentration Groups*								
June 30, 2003	All Insured Institutions	International Banks	Agricultural Banks	Credit Card 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	0.90	1.34	1.22	0.90	0.76	1.00	0.85	1.12	1.44	0.91
Construction and development	0.86	2.42	1.32	0.16	0.79	1.04	2.30	0.83	1.87	0.57
Commercial real estate	0.62	0.77	1.23	0.00	0.64	0.43	0.50	0.85	1.14	0.46
Multifamily residential real estate	0.31	0.10	0.88	0.00	0.32	0.18	2.16	0.16	0.77	0.25
Home equity loans	0.42	0.53	0.61	0.71	0.40	0.21	0.27	0.40	0.50	0.74
Other 1-4 family residential	1.15	1.49	1.65	2.13	1.05	1.16	0.99	1.42	1.61	1.11
Commercial and industrial loans	0.87	0.58	1.91	1.78	1.01	0.82	0.78	1.47	1.95	0.63
Loans to individuals	1.85	1.81	2.30	2.48	1.57	1.29	1.91	1.97	2.10	1.49
Credit card loans	2.33	2.05	2.35	2.53	2.18	1.43	2.19	1.53	2.04	1.94
Other loans to individuals	1.58	1.63	2.30	1.29	1.50	1.28	1.88	2.02	2.11	1.42
All other loans and leases (including farm)	0.49	0.42	0.98	0.01	0.77	0.56	0.61	0.69	0.95	0.22
Total loans and leases	0.99	0.99	1.36	2.29	0.89	1.00	1.16	1.27	1.56	0.80
Percent of Loans Noncurrent**										
All real estate loans	0.84	1.42	1.24	0.48	0.80	0.88	0.56	0.91	1.03	0.79
Construction and development	0.92	2.90	1.63	0.02	0.78	1.22	0.85	2.39	2.00	1.25
Commercial real estate	1.00	1.84	1.46	0.17	0.89	1.12	1.02	1.17	1.31	1.31
Multifamily residential real estate	0.33	0.83	1.09	0.00	0.37	0.20	0.49	0.40	0.77	0.35
Home equity loans	0.24	0.14	0.28	0.24	0.25	0.13	0.13	0.15	0.26	0.47
Other 1-4 family residential	0.84	1.15	0.91	1.82	0.85	0.96	0.56	0.70	0.86	0.61
Commercial and industrial loans	2.65	4.79	2.21	1.58	1.94	1.80	1.92	2.03	1.95	2.99
Loans to individuals	1.30	2.18	0.88	1.98	0.66	0.45	1.22	0.76	0.82	0.67
Credit card loans	1.91	1.81	1.84	2.04	1.72	1.09	1.66	0.74	1.83	1.59
Other loans to individuals	0.97	2.47	0.85	0.61	0.54	0.38	1.17	0.76	0.76	0.53
All other loans and leases (including farm)	0.90	0.94	1.53	0.01	1.10	0.46	1.14	0.83	1.14	0.64
Total loans and leases	1.24	2.36	1.42	1.82	1.06	0.88	0.92	1.02	1.10	1.24
Percent of Loans Charged-off (net, YTD)										
All real estate loans	0.11	0.15	0.05	0.20	0.12	0.06	0.16	0.18	0.07	0.13
Construction and development	0.12	0.00	0.13	-0.37	0.09	0.15	0.15	0.12	0.13	0.24
Commercial real estate	0.11	-0.02	0.08	-0.02	0.12	0.18	0.04	0.58	0.12	0.06
Multifamily residential real estate	0.02	0.15	0.00	0.00	0.03	0.01	0.46	0.00	-0.39	-0.02
Home equity loans	0.17	0.06	0.06	0.13	0.14	0.07	0.33	-0.08	0.05	0.30
Other 1-4 family residential	0.10	0.05	0.07	0.64	0.15	0.05	0.13	0.04	0.07	0.13
Commercial and industrial loans	1.37	1.62	0.56	5.85	1.33	1.00	2.04	0.93	0.65	1.16
Loans to individuals	3.00	3.92	0.58	5.94	1.50	1.38	1.82	1.38	0.93	1.89
Credit card loans	5.83	4.79	3.59	6.07	5.18	3.11	8.66	5.49	4.52	8.59
Other loans to individuals	1.40	3.20	0.49	2.63	1.05	1.19	0.99	0.84	0.71	0.98
All other loans and leases (including farm)	0.43	0.37	0.17	0.00	0.63	0.77	0.89	0.44	0.35	0.28
Total loans and leases	0.80	1.60	0.20	5.40	0.60	0.20	0.90	0.50	0.30	0.60
Loans Outstanding (in billions)										
All real estate loans	$3,038.3	$117.5	$40.1	$10.6	$1,290.1	$821.1	$172.2	$12.0	$75.7	$499.0
Construction and development	256.9	1.6	1.8	0.2	185.9	22.4	7.0	0.9	4.3	32.8
Commercial real estate	652.5	7.8	9.2	0.3	451.6	49.4	22.2	3.2	17.5	91.2
Multifamily residential real estate	143.4	1.4	0.6	0.0	80.8	43.4	2.3	0.5	1.6	12.8
Home equity loans	295.9	10.1	0.6	8.4	130.4	59.1	34.7	0.5	3.1	49.0
Other 1-4 family residential	1,612.7	71.4	13.4	1.7	420.3	645.8	105.0	6.6	44.9	303.5
Commercial and industrial loans	934.4	157.9	11.6	8.1	463.5	35.4	32.3	2.0	11.8	211.8
Loans to individuals	764.2	146.8	6.9	165.0	187.3	47.4	94.0	2.5	16.1	98.2
Credit card loans	269.8	63.6	0.2	158.4	19.9	4.7	9.3	0.3	0.9	12.5
Other loans to individuals	494.3	83.2	6.7	6.6	167.3	42.7	84.6	2.2	15.2	85.7
All other loans and leases (including farm)	513.1	171.9	20.5	5.5	135.9	16.6	10.5	0.7	6.4	145.0
Total loans and leases	5,249.9	594.2	79.1	189.2	2,076.7	920.5	309.0	17.2	110.1	954.0
Memo: Other Real Estate Owned (in millions)										
All other real estate owned	5,527.3	305.7	147.8	8.0	2,638.9	1,141.4	244.7	82.4	234.4	724.1
Construction and development	670.0	0.0	8.7	0.0	446.5	139.7	1.8	2.0	24.4	46.9
Commercial real estate	1,958.1	92.4	57.7	1.1	1,170.3	124.1	22.2	76.8	93.5	320.0
Multifamily residential real estate	135.4	6.0	2.7	0.0	84.1	5.0	0.2	0.1	5.3	32.0
1-4 family residential	2,556.2	129.2	41.5	6.9	881.1	872.6	213.6	12.3	100.4	298.7
Farmland	109.0	0.0	37.2	0.0	48.8	1.7	7.1	0.5	10.9	2.8

* See 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

June 30, 2003	All Insured Institutions	Asset Size Distribution: Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	Geographic Regions*: New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate	0.90	1.40	0.90	0.70	0.93	0.90	0.77	1.15	0.85	1.01	0.78
Construction and development	0.86	1.24	0.92	0.80	0.82	0.79	0.56	1.14	0.95	0.87	1.00
Commercial real estate	0.62	1.04	0.69	0.64	0.53	0.60	0.50	0.84	0.79	0.71	0.39
Multifamily residential real estate	0.31	1.07	0.43	0.26	0.27	0.14	0.21	0.76	0.49	0.90	0.12
Home equity loans	0.42	0.63	0.46	0.36	0.42	0.41	0.45	0.49	0.59	0.43	0.24
Other 1-4 family residential	1.15	1.81	1.19	0.84	1.18	1.11	1.04	1.55	0.92	1.31	1.00
Commercial and industrial loans	0.87	1.83	1.35	1.19	0.71	0.70	0.59	1.13	1.39	1.18	0.91
Loans to individuals	1.85	2.54	2.00	1.92	1.80	1.91	1.90	1.61	2.06	1.64	1.84
Credit card loans	2.33	2.08	4.38	2.92	2.17	2.26	3.53	2.24	2.35	0.99	2.09
Other loans to individuals	1.58	2.55	1.71	1.40	1.56	1.65	1.50	1.48	1.63	1.76	1.58
All other loans and leases (including farm)	0.49	1.00	0.80	0.57	0.44	0.45	0.23	0.64	0.86	0.82	0.44
Total loans and leases	0.99	1.55	1.05	0.94	0.97	1.00	0.83	1.14	1.17	1.11	0.91
Percent of Loans Noncurrent**											
All real estate loans	0.84	1.10	0.83	0.79	0.84	0.85	0.62	1.19	0.70	1.00	0.71
Construction and development	0.92	1.26	0.99	0.89	0.88	1.01	0.64	1.24	0.83	0.79	1.09
Commercial real estate	1.00	1.17	0.93	1.01	1.04	0.88	0.86	1.35	0.96	1.13	0.83
Multifamily residential real estate	0.33	0.87	0.40	0.43	0.26	0.20	0.30	0.65	0.38	0.99	0.18
Home equity loans	0.24	0.35	0.22	0.23	0.25	0.20	0.20	0.35	0.32	0.31	0.15
Other 1-4 family residential	0.84	1.00	0.79	0.74	0.87	0.83	0.60	1.37	0.51	0.89	0.76
Commercial and industrial loans	2.65	1.86	1.46	1.80	3.00	3.67	2.45	2.35	1.42	1.50	1.84
Loans to individuals	1.30	0.97	0.89	0.95	1.42	1.90	0.89	0.68	1.45	0.65	1.03
Credit card loans	1.91	1.25	3.07	1.84	1.89	2.06	2.22	1.56	1.90	0.78	1.68
Other loans to individuals	0.97	0.97	0.62	0.49	1.12	1.79	0.57	0.50	0.78	0.63	0.37
All other loans and leases (including farm)	0.90	1.47	1.34	0.65	0.88	1.03	0.71	0.70	1.24	1.37	0.76
Total loans and leases	1.24	1.24	0.95	0.96	1.36	1.67	0.99	1.32	1.01	1.06	0.87
Percent of Loans Charged-off (net, YTD)											
All real estate loans	0.11	0.06	0.07	0.09	0.13	0.07	0.08	0.25	0.06	0.14	0.05
Construction and development	0.12	0.09	0.09	0.13	0.13	0.03	0.09	0.18	0.10	0.19	0.08
Commercial real estate	0.11	0.07	0.10	0.12	0.13	0.09	0.06	0.24	0.07	0.08	0.09
Multifamily residential real estate	0.02	0.08	0.01	0.03	0.02	0.00	0.01	0.03	0.03	0.13	0.02
Home equity loans	0.17	0.02	0.04	0.12	0.20	0.05	0.16	0.34	0.14	0.19	0.07
Other 1-4 family residential	0.10	0.06	0.06	0.08	0.11	0.04	0.08	0.27	0.06	0.15	0.04
Commercial and industrial loans	1.37	0.57	0.64	1.00	1.56	1.65	1.27	1.28	0.72	0.78	1.51
Loans to individuals	3.00	0.84	1.52	2.68	3.27	3.63	2.25	1.69	3.96	1.10	3.83
Credit card loans	5.83	4.91	7.65	6.53	5.69	5.78	8.10	4.73	5.89	2.58	5.74
Other loans to individuals	1.40	0.71	0.76	1.02	1.62	1.93	1.06	1.14	0.56	0.84	1.77
All other loans and leases (including farm)	0.43	0.27	0.32	0.35	0.45	0.46	0.30	0.52	0.34	0.41	0.37
Total loans and leases	0.80	0.20	0.30	0.60	1.00	1.20	0.60	0.70	1.00	0.40	0.70
Loans Outstanding (in billions)											
All real estate loans	$3,038.3	$89.9	$542.9	$529.2	$1,876.3	$671.9	$682.2	$609.8	$162.1	$239.8	$672.6
Construction and development	256.9	8.3	64.7	58.9	125.0	30.1	76.5	60.1	15.3	36.6	38.4
Commercial real estate	652.5	24.8	185.9	153.8	288.0	129.4	159.3	144.9	42.6	70.7	105.6
Multifamily residential real estate	143.4	2.1	23.9	33.9	83.4	36.8	18.2	27.0	5.2	6.4	49.7
Home equity loans	295.9	2.9	29.5	35.7	227.8	63.5	72.8	84.1	8.6	15.4	51.4
Other 1-4 family residential	1,612.7	41.6	220.8	241.3	1,109.1	380.7	346.7	283.5	77.9	100.6	423.3
Commercial and industrial loans	934.4	21.6	104.2	117.9	690.7	306.2	199.6	224.7	45.7	59.4	98.8
Loans to individuals	764.2	15.0	60.8	111.7	576.6	296.3	135.5	120.4	59.3	44.6	108.1
Credit card loans	269.8	0.4	6.6	38.3	224.5	125.7	26.5	20.4	35.9	6.6	54.7
Other loans to individuals	494.3	14.6	54.3	73.4	352.1	170.6	109.0	100.0	23.4	38.1	53.3
All other loans and leases (including farm)	513.1	14.8	29.9	43.8	424.5	214.9	94.9	122.0	29.9	18.2	33.3
Total loans and leases	5,249.9	141.4	737.9	802.5	3,568.1	1,489.3	1,112.1	1,076.8	296.9	362.1	912.8
Memo: Other Real Estate Owned (in millions)											
All other real estate owned	5,527.3	375.7	1,542.5	878.8	2,730.3	780.3	1,245.3	1,354.6	446.1	865.6	835.5
Construction and development	670.0	48.6	271.9	147.9	201.7	41.5	150.7	124.3	86.3	165.9	101.2
Commercial real estate	1,958.1	146.7	710.1	393.5	707.8	288.7	523.5	341.4	192.8	321.4	290.3
Multifamily residential real estate	135.4	11.8	39.5	31.4	52.8	9.5	39.4	26.4	8.0	38.7	13.5
1-4 family residential	2,556.2	141.4	473.4	299.4	1,642.0	337.4	520.8	850.7	136.8	309.7	400.7
Farmland	109.0	27.6	57.9	6.9	16.6	2.6	11.5	12.2	23.6	30.8	28.3

* See 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.

Insurance Fund Indicators

- ***BIF Reserve Ratio Climbs To 1.29 Percent***
- ***SAIF Reserve Ratio Rises To 1.38 Percent***
- ***One BIF-Member Institution Fails During Second Quarter***

Total assets of the 9,267 FDIC-insured commercial banks and savings institutions increased rapidly during the quarter. From March 31 to June 30, total assets increased by 3.7 percent, the fastest rate of growth since the fourth quarter of 1986. Over the last four quarters insured institution asset growth has averaged 2.7 percent. During the second quarter, total deposits of insured institutions increased by 2.9 percent ($166 billion). Deposits held in domestic offices grew by 2.8 percent ($141 billion), while foreign office deposits increased by 3.9 percent ($25 billion). All of the quarterly increase in domestic deposits came from accounts greater than $100 thousand. Deposits insured by the FDIC rose by 0.5 percent ($17 billion) during the second quarter to $3.4 trillion. On June 30, insured institutions funded 38 percent of their assets with insured deposits, down from the peak reached on June 30, 1992 when insured deposits funded 59 percent of the balance sheet. During the second three months of 2003, the combined balances of the Bank Insurance Fund (BIF) and the Savings Association Insurance Fund (SAIF) increased by 1.3 percent, to $44.9 billion (unaudited). The combined BIF and SAIF reserve ratio (fund balance as a percent of insured deposits) for all insured institutions increased one basis point to 1.31 percent.

Deposits insured by the BIF increased by 0.34 percent ($8.7 billion), after increasing in the first quarter by 0.13 percent. The Bank Insurance Fund grew by 1.3 percent ($418 million) during the second three months of 2003, ending the quarter with a balance of $32.8 billion. Because the growth of the BIF more than outweighed the growth of BIF-insured deposits, the BIF reserve ratio rose from 1.28 percent on March 31, 2003 to 1.29 percent on June 30, 2003. More than two-fifths of the increase to the BIF was attributable to lower estimated losses for actual and future bank failures ($133 million) and an increase in unrealized gains on securities available for sale ($38 million). From June 30, 2002 to June 30, 2003, higher unrealized gains on securities added $502 million to the BIF.

Deposits insured by the SAIF grew 0.9 percent in the second quarter of 2003, roughly the same rate as in the first quarter. The Savings Association Insurance Fund grew by $177 million during the second quarter, pushing the fund above $12 billion for the first time. The reserve ratio of the Savings Association Insurance Fund (SAIF) at the end of the second quarter was 1.38 percent, one basis point higher than three months earlier.

Only one FDIC insured institution failed during the second quarter of 2003, a small BIF-member commercial bank with assets of $35.5 million. The loss to the BIF is estimated to be $9.5 million. There were no failures of SAIF-member institutions during the second quarter. For the first six months of 2003, two BIF-member institutions failed with total assets of $1.1 billion and an estimated cost of $110 million. During this time no SAIF institutions failed.

Changes in Insurance Fund Balances

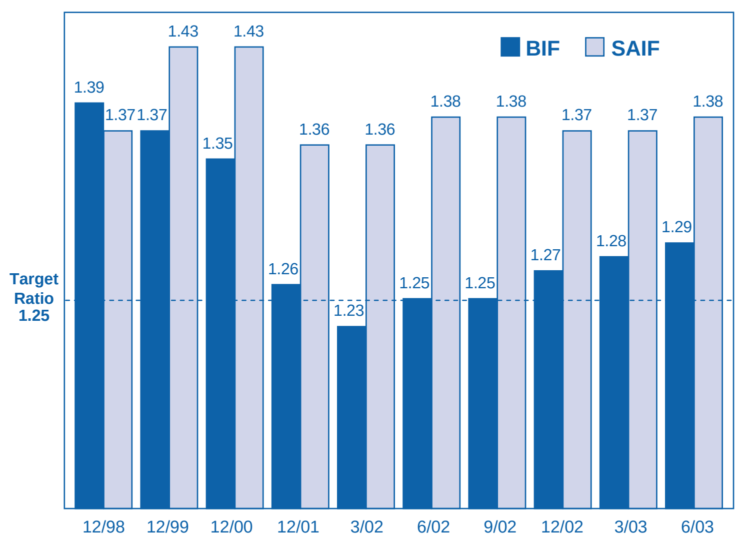
(dollar figures in millions)

	Bank Insurance Fund						Savings Association Insurance Fund					
	2nd Qtr. 2003	1st Qtr. 2003	4th Qtr. 2002	3rd Qtr. 2002	2nd Qtr. 2002	1st Qtr 2002	2nd Qtr. 2003	1st Qtr. 2003	4th Qtr. 2002	3rd Qtr. 2002	2nd Qtr. 2002	1st Qtr 2002
Beginning Fund Balance	**$32,382**	**$32,050**	**$31,383**	**$31,187**	**$30,697**	**$30,439**	**$11,906**	**$11,747**	**$11,586**	**$11,323**	**$11,049**	**$10,935**
Unrealized Gain (Loss) on Available-for-Sale Securities	38	103	-72	433	183	22	13	33	-26	147	61	10
Provision for Insurance Losses	-133	-6	-497	447	-19	-18	-45	-21	-70	-4	-79	-3
All Other Income, Net of Expenses	247	223	242	210	288	218	119	105	117	112	134	101
Total Fund Balance Change	418	332	667	196	490	258	177	159	161	263	274	114
Ending Fund Balance	**$32,800**	**$32,382**	**$32,050**	**$31,383**	**$31,187**	**$30,697**	**$12,083**	**$11,906**	**$11,747**	**$11,586**	**$11,323**	**$11,049**

TABLE I-B. Selected Insurance Fund Indicators*

(dollar figures in millions)	Preliminary 2nd Quarter 2003	1st Quarter 2003	2nd Quarter 2002	%Change 02:2-03:2
Bank Insurance Fund				
Reserve ratio (%)	1.29	1.28	1.25	3.2
Fund balance	$32,800	$32,382	$31,187	5.2
Estimated insured deposits	2,539,994	2,531,307	2,490,954	2.0
SAIF-member Oakars	100,082	97,380	87,667	14.2
BIF-members	2,439,912	2,433,927	2,403,287	1.5
Assessment base	4,081,153	3,959,752	3,633,064	12.3
SAIF-member Oakars	103,358	100,387	89,149	15.9
BIF-members	3,977,795	3,859,366	3,543,915	12.2
Savings Association Insurance Fund				
Reserve ratio (%)	1.38	1.37	1.38	0.0
Fund balance	$12,083	$11,906	$11,323	6.7
Estimated insured deposits	875,857	867,908	818,806	7.0
BIF-member Oakars	398,071	385,173	348,055	14.4
SAIF-member Sassers	92,550	92,613	92,349	0.2
Other SAIF members	385,237	390,122	378,403	1.8
Assessment base	1,042,243	1,015,246	924,028	12.8
BIF-member Oakars	403,653	389,712	350,707	15.1
SAIF-member Sassers	115,187	113,516	111,103	3.7
Other SAIF members	523,402	512,018	462,219	13.2

Insurance Fund Reserve Ratios*
Percent of Insured Deposits



Fund Balances and Insured Deposits*
($Millions)

	BIF Balance	BIF-Insured Deposits	SAIF Balance	SAIF-Insured Deposits
12/98	29,612	2,134,425	9,840	716,029
12/99	29,414	2,151,454	10,281	717,591
12/00	30,975	2,299,932	10,759	755,156
12/01	30,439	2,409,566	10,935	801,171
3/02	30,697	2,495,498	11,049	810,902
6/02	31,187	2,490,954	11,323	818,806
9/02	31,383	2,508,918	11,586	837,591
12/02	32,050	2,527,927	11,747	859,694
3/03	32,382	2,531,307	11,906	867,908
6/03	32,800	2,539,994	12,083	875,857

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

TABLE II-B. Closed / Assisted Institutions

(dollar figures in millions)	2003**	2002**	2002	2001	2000	1999	1998
BIF Members							
Number of institutions	2	7	10	3	6	7	3
Total assets	$1,088	$2,403	$2,508	$54	$378	$1,490	$371
SAIF Members							
Number of institutions	0	1	1	1	1	1	0
Total assets	$0	$50	$50	$2,200	$30	$71	$0

** Through June 30.

TABLE III-B. Selected Indicators, By Fund Membership*

(dollar figures in millions)	2003**	2002**	2002	2001	2000	1999	1998
BIF Members							
Number of institutions reporting	8,065	8,210	8,125	8,326	8,571	8,834	9,031
BIF-member Oakars	807	786	801	766	743	744	745
Other BIF-members	7,258	7,424	7,324	7,560	7,828	8,090	8,286
Total assets	$ 7,768,677	$6,976,319	$7,335,998	$6,857,295	$6,509,475	$5,980,168	$5,702,872
Total deposits	5,103,744	4,587,304	4,854,909	4,567,608	4,337,665	3,987,340	3,843,779
Net income	52,192	46,632	92,694	76,537	73,442	73,932	64,451
Return on assets (%)	1.39	1.36	1.32	1.14	1.18	1.29	1.18
Return on equity (%)	15.16	14.76	14.35	12.91	13.86	15.10	13.82
Noncurrent assets plus OREO to assets (%)	0.82	0.93	0.91	0.90	0.72	0.62	0.64
Number of problem institutions	111	111	116	90	74	66	68
Assets of problem institutions	$30,761	$32,026	$32,176	$31,881	$10,787	$4,450	$5,326
Number of failed/assisted institutions	2	7	10	3	6	7	3
Assets of failed/assisted institutions	$1,088	$2,403	$2,508	$54	$378	$1,490	$371
SAIF Members							
Number of institutions reporting	1,202	1,256	1,229	1,287	1,333	1,387	1,432
SAIF-member Oakars	136	134	133	130	123	123	116
Other SAIF-members	1,066	1,122	1,096	1,157	1,210	1,264	1,316
Total assets	$ 1,154,192	$1,062,721	$1,099,966	$1,011,737	$952,161	$903,532	$828,177
Total deposits	740,757	666,886	713,599	621,825	577,100	550,703	542,481
Net income	7,341	6,320	12,463	10,623	8,070	8,450	7,568
Return on assets (%)	1.30	1.20	1.17	1.11	0.89	0.99	0.98
Return on equity (%)	14.22	13.84	12.79	13.46	11.12	11.97	11.29
Noncurrent assets plus OREO to assets (%)	0.72	0.74	0.79	0.75	0.65	0.64	0.80
Number of problem institutions	14	25	20	24	20	13	16
Assets of problem institutions	$1,059	$7,673	$6,751	$7,923	$13,053	$5,524	$5,992
Number of failed/assisted institutions	0	1	1	1	1	1	0
Assets of failed/assisted institutions	$0	$50	$50	$2,200	$30	$71	$0

* Excludes insured branches of foreign banks (IBAs).
** Through June 30, ratios annualized where appropriate.

TABLE IV-B. Estimated FDIC-Insured Deposits by Fund Membership and Type of Institution

(dollar figures in millions)	Number of Institutions	Total Assets	Domestic Deposits*	Estimated Insured Deposits BIF	SAIF	Total
June 30, 2003						
Commercial Banks and Savings Institutions						
FDIC-Insured Commercial Banks	7,833	7,485,044	4,247,908	2,285,026	412,088	2,697,114
BIF-member	7,721	7,316,204	4,136,444	2,251,412	357,421	2,608,833
SAIF-member	112	168,840	111,464	33,614	54,667	88,281
FDIC-Supervised	4,833	1,346,698	992,386	631,473	86,212	717,685
OCC-Supervised	2,048	4,160,761	2,293,878	1,203,792	235,161	1,438,953
Federal Reserve-Supervised	952	1,977,585	961,644	449,761	90,715	540,476
FDIC-Insured Savings Institutions	1,434	1,437,825	918,531	253,848	463,770	717,618
OTS-Supervised Savings Institutions	946	1,072,251	661,383	118,718	397,387	516,105
BIF-member	42	150,974	78,393	55,235	12,150	67,385
SAIF-member	904	921,277	582,990	63,483	385,237	448,720
FDIC-Supervised State Savings Banks	488	365,574	257,148	135,130	66,383	201,513
BIF-member	302	301,499	211,185	132,145	28,500	160,645
SAIF-member	186	64,075	45,963	2,985	37,882	40,868
Total Commercial Banks and Savings Institutions	9,267	8,922,869	5,166,438	2,538,874	875,857	3,414,731
BIF-member	8,065	7,768,677	4,426,022	2,438,792	398,071	2,836,863
SAIF-member	1,202	1,154,192	740,416	100,082	477,787	577,869
Other FDIC-Insured Institutions						
U.S. Branches of Foreign Banks	15	10,728	5,233	1,120	0	1,120
Total FDIC-Insured Institutions	9,282	8,933,598	5,171,671	2,539,994	875,857	3,415,851

* Excludes $678 billion in foreign office deposits, which are uninsured.

TABLE V-B. Assessment Base Distribution and Rate Schedules

BIF Assessment Base Distribution
Assessable Deposits in Billions as of June 30, 2003
Supervisory and Capital Ratings for Second Semiannual Assessment Period, 2003

	Supervisory Risk Subgroup					
Capital Group	A		B		C	
1. Well-capitalized						
Number of institutions	7,413	91.7	472	5.8	87	1.1
Assessable deposit base	$3,927	96.2	$119	2.9	$20	0.5
2. Adequately capitalized						
Number of institutions	82	1.0	9	0.1	14	0.2
Assessable deposit base	$10	0.3	$1	0.0	$3	0.1
3. Undercapitalized						
Number of institutions	0	0.0	2	0.0	1	0.0
Assessable deposit base	$0	0.0	$0	0.0	$0	0.0

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

SAIF Assessment Base Distribution
Assessable Deposits in Billions as of June 30, 2003
Supervisory and Capital Ratings for Second Semiannual Assessment Period, 2003

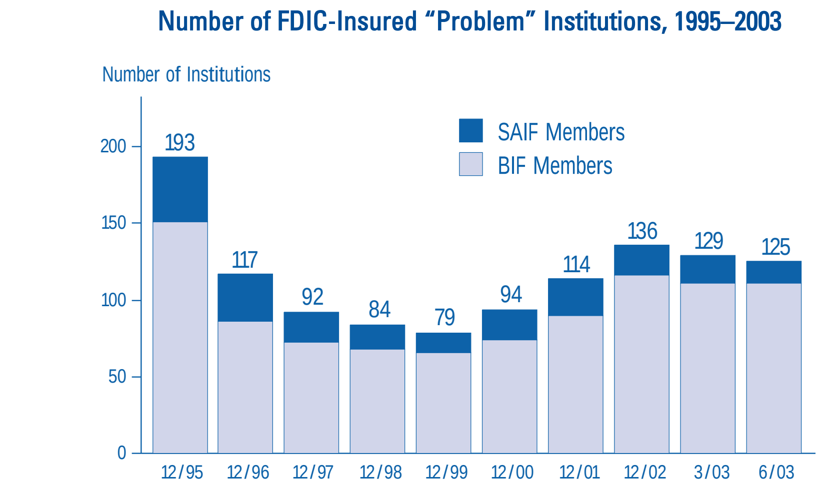
	Supervisory Risk Subgroup					
Capital Group	A		B		C	
1. Well-capitalized						
Number of institutions	1,099	91.4	82	6.8	13	1.1
Assessable deposit base	$1,005	96.4	$35	3.4	$1	0.1
2. Adequately capitalized						
Number of institutions	4	0.3	1	0.1	3	0.2
Assessable deposit base	$1	0.1	$0	0.0	$0	0.0
3. Undercapitalized						
Number of institutions	0	0.0	0	0.0	0	0.0
Assessable deposit base	$0	0.0	$0	0.0	$0	0.0

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

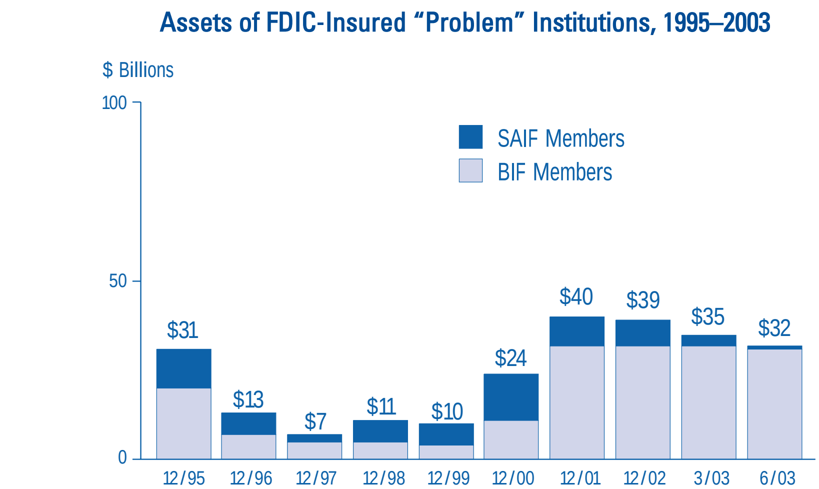
Assessment Rate Schedules
Second Semiannual 2003 Assessment Period
Cents Per $100 of Assessable Deposits

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

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



	12/95	12/96	12/97	12/98	12/99	12/00	12/01	12/02	3/03	6/03
SAIF Members	42	31	19	16	13	20	24	20	18	14
BIF Members	151	86	73	68	66	74	90	116	111	111



	12/95	12/96	12/97	12/98	12/99	12/00	12/01	12/02	3/03	6/03
SAIF Members	11	6	2	6	6	13	8	7	3	1
BIF Members	20	7	5	5	4	11	32	32	32	31

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 V-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. 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 V-B.

A separate set of tables(Tables I-B through V-B) provides quarterly and annual data related to the bank (BIF) and savings association (SAIF) insurance funds, closed/assisted institutions, and assessments.

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

DATA SOURCES

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

COMPUTATION METHODOLOGY

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

ACCOUNTING CHANGES

FASB Interpretation No. 45 — In November 2002, the FASB issued Interpretation No. 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others*. This interpretation clarifies that a guarantor is required to recognize, at the inception of a guarantee (financial standby letters of credit, performance standby letters of credit), a liability for the fair value of the obligation undertaken in issuing the guarantee. Banks apply the initial recognition and measurement provisions of Interpretation No. 45 on a prospective basis to guarantees issued or modified after December 31, 2002, irrespective of the bank's fiscal year end. A bank's previous accounting for guarantees issued prior to January 1, 2003, is not revised.

FASB Interpretation No. 46 — The FASB issued Interpretation No. 46, *Consolidation of Variable Interest Entities*, in January 2003. Most small banks are unlikely to have any "variable interests" in variable interest entities. Banks with variable interests in variable interest entities created after January 31, 2003, must apply the provisions of Interpretation No. 46 to those entities immediately. A bank that is a public company, or a subsidiary of a public company, and has a variable interest in a variable interest entity created before February 1, 2003, must apply the provisions of Interpretation No. 46 to that entity no later than the beginning of the first interim or annual reporting period beginning after June 15, 2003. A bank that is neither a public company nor a subsidiary of a public company, but has a variable interest in a variable interest entity created before February 15, 2003, must apply the provisions of Interpretation No. 46 to that entity no later than the end of the first annual reporting period beginning after June 15, 2003.

Goodwill and intangible assets — FAS 141 terminates the use of pooling-of-interest accounting for business combinations after 2001 and requires purchase accounting. Under FAS 142 amortization of goodwill is eliminated. Only intangible assets other than goodwill are amortized each quarter. In addition companies are required to test for impairment of both goodwill and other intangibles once each fiscal year. The year 2002, the first fiscal year affected by this accounting change, has been designated a transitional year and the amount of initial impairments are to be recorded as extraordinary losses on a "net of tax" basis (and not as noninterest expense). Subsequent annual review of intangibles and goodwill impairment may require additional noninterest expense recognition. FASB Statement No. 147 clarifies that acquisitions of financial institutions (except transactions between two or more mutual enterprises), including branch acquisitions that meet the definition of a business combination, should be accounted for by the purchase method under FASB Statement No. 141. This accounting standard includes transition provisions that apply to unidentifiable intangible assets previously accounted for in accordance with FASB Statement No. 72. If the transaction (such as a branch acquisition) in which an unidentifiable intangible asset arose does not meet the definition of a business combination, this intangible asset is not be reported as "Goodwill" on the Call Report balance sheet. Rather, this unidentifiable intangible asset is reported as "Other intangible assets," and must continue to be amortized and the amortization expense should be reported in the Call Report income statement.

FASB Statement No. 133 *Accounting for Derivative Instruments and Hedging Activities* — establishes new accounting and reporting standards. Derivatives were previously off-balance sheet items, but beginning in 2001 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.

Initial transition adjustments upon adoption of FAS 133 are reported as adjustments to net income in the income statement as extraordinary items. Upon implementing FAS 133, a bank may transfer any debt security categorized as held-to-maturity into the available-for-sale category or the trading category. Unrealized gains (losses) on transferred held-to-maturity debt securities on the date of initial application must be reflected as an adjustment to net income if transferred to the trading category or an adjustment to equity if transferred to the available-for-sale category.

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

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

DEFINITIONS (in alphabetical order)

All other assets — total cash, balances due from depository institutions, premises, fixed assets, direct investments in real estate, investment in unconsolidated subsidiaries, customers' liability on acceptances outstanding, assets held in trading accounts, federal funds sold, securities purchased with agreements to resell, 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 distribution — assessable deposits consist of BIF and SAIF deposits in banks' domestic offices with certain adjustments. Each institution's assessment depends on its assigned risk-based capital category and supervisory risk subgroup:

(Percent)	Total Risk-Based Capital *		Tier 1 Risk-Based Capital *		Tier 1 Leverage		Tangible Equity
Well-capitalized	≥10	*and*	≥6	*and*	≥5		-
Adequately capitalized	≥8	*and*	≥4	*and*	≥4		-
Undercapitalized	≥6	*and*	≥3	*and*	≥3		-
Significantly undercapitalized	<6	*or*	<3	*or*	<3	*and*	>2
Critically undercapitalized	-		-		-		< _2

*As a percentage of risk-weighted assets.

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

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

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

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

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

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

Derivatives (notional amount) — represents the sum of the following: interest-rate contracts (defined as the "notional" value of interest-rate swap, futures, forward and option contracts), foreign-exchange-rate contracts, commodity contracts and equity contracts (defined similarly to interest-rate contracts).

Futures and forward contracts — a contract in which the buyer agrees to purchase and the seller agrees to sell, at a specified future date, a specific quantity of an underlying variable or index at a specified price or yield. These contracts exist for a variety of variables or indices, (traditional agricultural or physical commodities, as well as currencies and interest rates). Futures contracts are standardized and are traded on organized exchanges which set limits on counterparty credit exposure. Forward contracts do not have standardized terms and are traded over the counter.

Option contracts — a contract in which the buyer acquires the right to buy from or sell to another party some specified amount of an underlying variable or index at a stated price (strike price) during a period or on a specified future date, in return for compensation (such as a fee or premium). The seller is obligated to purchase or sell the variable or index at the discretion of the buyer of the contract.

Swaps — an obligation between two parties to exchange a series of cash flows at periodic intervals (settlement dates), for a specified period. The cash flows of a swap are either fixed, or determined for each settlement date by multiplying the quantity (notional principal) of the underlying variable or index by specified reference rates or prices. Except for currency swaps, the notional principal is used to calculate each payment but is not exchanged.

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. While the uninsured estimate is calculated as the sum of the excess amounts in accounts over $100,000, beginning June 30, 2000 the amount of estimated uninsured deposits was adjusted to consider a financial institution's better estimate. Since March 31, 2002, all institutions provide a reasonable estimate of uninsured deposits from their systems and records.

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.

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

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

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

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

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

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

Net 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". For all BIF-member institutions, and for all SAIF-member institutions for which the FDIC is the primary federal regulator, FDIC composite ratings are used. For all SAIF-member institutions whose primary federal regulator is the OTS, the OTS composite rating is used.

Reserves for losses — the allowance for loan and lease losses on a consolidated basis. Between March 31, 2001 and March 31, 2003 reserves for losses did not include the allocated transfer risk reserve, which was netted from loans and leases.

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

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

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

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

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

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.

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.

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The ***FDIC Quarterly Banking Profile*** is available on-line by visiting the FDIC's website at www.fdic.gov. Comparable financial data for individual institutions can now be obtained from the FDIC's Institution Directory (I.D.) System on this web site.

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