

## INSURED INSTITUTION PERFORMANCE

- **Asset-Quality Problems Continue to Depress Earnings**
- **Net Income of \$1.7 Billion Is Second-Lowest Since 1990**
- **Loan-Loss Rate Rises to 17-Year High**
- **Net Interest Margins Register Improvement**
- **Nine Failures Are Highest Quarterly Total in 15 Years**

### More Institutions Report Declining Earnings, Quarterly Losses

Troubled assets continued to mount at insured commercial banks and savings institutions in the third quarter of 2008, placing a growing burden on industry earnings. Expenses for credit losses topped \$50 billion for a second consecutive quarter, absorbing one-third of the industry's net operating revenue (net interest income plus total noninterest income). Third quarter net income totaled \$1.7 billion, a decline of \$27.0 billion (94.0 percent) from the third quarter of 2007. The industry's quarterly return on assets (ROA) fell to 0.05 percent, compared to 0.92 percent a year earlier. This is the second-lowest quarterly ROA reported by the industry in the past 18 years. Evidence of a deteriorating operating environment was widespread. A majority of institutions (58.4 percent) reported year-over-year declines in quarterly net income, and an even larger proportion (64.0 percent) had lower quarterly ROAs. The erosion in profitability has thus far been greater for larger institutions. The median ROA at institutions with assets greater than \$1 billion has fallen from 1.03 percent to 0.56 percent since the third quarter

of 2007, while at community banks (institutions with assets less than \$1 billion) the median ROA has declined from 0.97 percent to 0.72 percent. Almost one in every four institutions (24.1 percent) reported a net loss for the quarter, the highest percentage in any quarter since the fourth quarter of 1990, and the highest percentage in a third quarter in the 24 years that all insured institutions have reported quarterly earnings.

### Lower Asset Values Add to the Downward Pressure on Earnings

Loan-loss provisions totaled \$50.5 billion in the quarter, more than three times the \$16.8 billion of a year earlier. Total noninterest income was \$905 million (1.5 percent) lower than in the third quarter of 2007. Securitization income declined by \$1.9 billion (33.0 percent), as reduced demand in secondary markets limited new securitization activity. Gains on sales of assets other than loans declined by \$1.0 billion (78.7 percent) year-over-year, and losses on sales of real estate acquired through foreclosure rose by \$518 million (588 percent). Among the few categories of noninterest income that showed

Chart 1

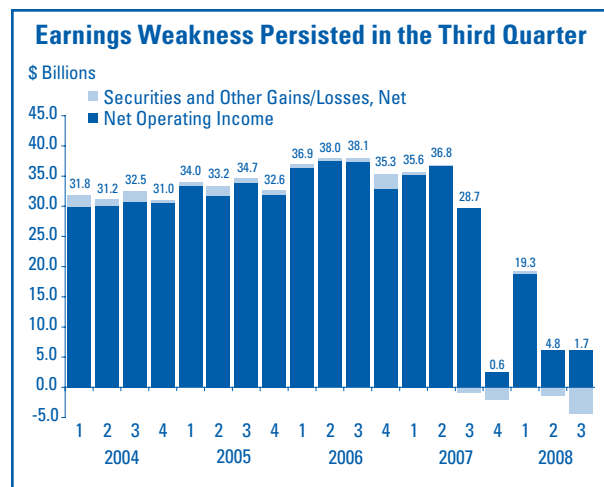


Chart 2



improvement, loan sales produced net gains of \$166 million in the third quarter, compared to \$1.2 billion in net losses a year earlier, and trading revenue was up by \$2.8 billion (129.2 percent). Sales of securities and other assets yielded net losses of \$7.6 billion in the third quarter, compared to gains of \$77 million in the third quarter of 2007. Expenses for impairment of goodwill and other intangible asset expenses were \$1.8 billion (58.6 percent) higher than a year ago.

### Margin Improvement Provides a Boost to Net Interest Income

One of the few relatively bright spots in third quarter results was net interest income, which was \$4.4 billion (4.9 percent) higher than a year ago. The average net interest margin (NIM) in the third quarter was 3.37 percent, unchanged from the second quarter but up from 3.35 percent in the third quarter of 2007. Two out of every three institutions reported margin improvement over second-quarter levels, but more than half of all insured institutions (54 percent) reported lower NIMs than in the third quarter of 2007. The year-over-year improvement in the industry's NIM was concentrated among larger institutions. Higher margins helped offset sluggish growth in interest-earning assets. Earning assets increased by only \$52.3 billion (0.5 percent) during the quarter, after shrinking by \$33.6 billion (0.3 percent) in the second quarter. Over the 12 months ended September 30, the industry's interest-earning assets were up by only 4.2 percent, the lowest 12-month growth rate in more than six years.

### Loan Losses Continue to Mount

The industry reported year-over-year growth in net charge-offs for the seventh consecutive quarter. Net charge-offs totaled \$27.9 billion in the quarter, an increase of \$17.0 billion (156.4 percent) from a year earlier. Two-thirds of the increase in charge-offs consisted of loans secured by real estate. Charge-offs of closed-end first and second lien mortgage loans were \$4.6 billion (423 percent) higher than in the third quarter of 2007, while charged-off real estate construction and development (C&D) loans were up by \$3.9 billion (744 percent). Charge-offs of home equity lines of credit were \$2.1 billion (306 percent) higher. Charge-offs of loans to commercial and industrial (C&I) borrowers increased by \$2.3 billion (139 percent), credit card loan charge-offs rose by \$1.5 billion (37.4 percent), and charge-offs of other loans to individuals were \$1.7 billion (76.4 percent) higher. The quarterly net charge-off rate in the third quarter was 1.42 percent, up from 1.32 percent in the second quarter and 0.57 percent in the third quarter of 2007. This is the highest quarterly net charge-off rate for the industry since 1991. The failure of Washington Mutual on September 25 meant that a significant amount of charge-off activity was not reflected in the reported industry totals for the quarter.<sup>1</sup>

### Growth in Reported Noncurrent Loans Remains High

The amount of loans and leases that were noncurrent (90 days or more past due or in nonaccrual status) increased

<sup>1</sup> Under purchase accounting rules that apply to bank mergers, income and expenses that have been booked by an acquired institution are reset to zero as of the date when a change in ownership occurs. Income and expenses that have been incurred prior to that date are reflected in adjustments to the assets, equity capital, and reserves of the acquired institution.

Chart 3

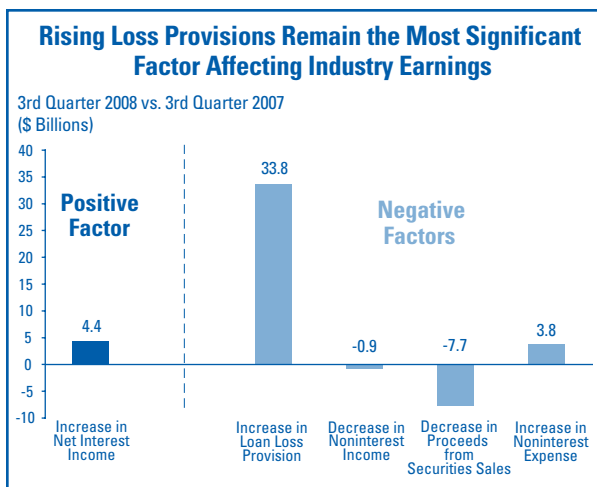
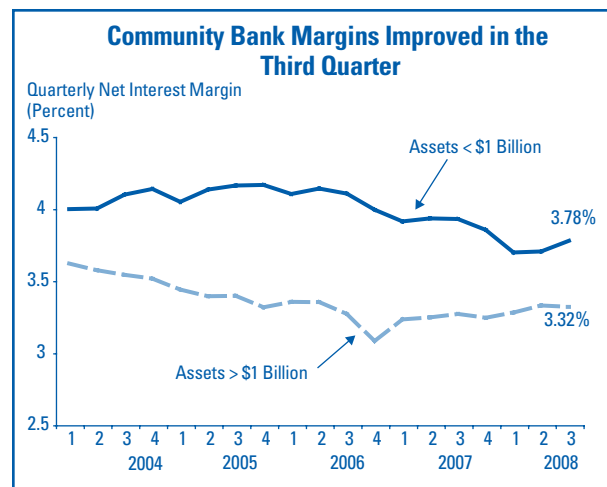


Chart 4



to \$184.3 billion at the end of September. This is \$21.4 billion (13.1 percent) more than insured institutions reported as of June 30 and is up by \$101.2 billion (122 percent) over the past 12 months. The percentage of total loans and leases that were noncurrent rose from 2.04 percent to 2.31 percent during the quarter and is now at the highest level since the third quarter of 1993. The growth in noncurrent loans during the quarter was led by closed-end first and second lien mortgage loans, where noncurrents rose by \$9.6 billion (14.3 percent). Noncurrent real estate C&D loans increased by \$6.9 billion (18.1 percent), while noncurrent loans secured by nonfarm nonresidential properties rose by \$2.2 billion (18.1 percent). Noncurrent C&I loans were up by \$1.8 billion (13.7 percent) during the quarter.

### Reserve Coverage of Noncurrent Loans Declines

Loan-loss reserves increased by \$11.7 billion (8.1 percent) during the quarter, the smallest quarterly growth in reserves since the third quarter of 2007. The industry's ratio of reserves to total loans and leases increased from 1.81 percent to 1.95 percent, its highest level since the first quarter of 1995. However, reserve growth did not keep pace with the growth in noncurrent loans, and the "coverage ratio" of reserves to noncurrent loans fell from 89 cents in reserves for every \$1.00 of noncurrent loans to 85 cents. This is the tenth consecutive quarter that the industry's coverage ratio has fallen; it is now at its lowest level since the first quarter of 1993.

### Failure-Related Restructuring Contributes to a Decline in Reported Capital

Total equity capital fell by \$44.2 billion (3.3 percent) during the third quarter. A \$14.6-billion decline in other

comprehensive income, driven primarily by unrealized losses on securities held for sale, was a significant factor in the reduction in equity, but most of the decline stemmed from the accounting effect of the failure of Washington Mutual Bank (WaMu).<sup>2</sup> The WaMu failure had a similar effect on the reported industry totals for tier 1 capital and total risk-based capital, which declined by \$33.6 billion and \$35.3 billion, respectively. Unlike equity capital, these regulatory capital amounts are not affected by changes in unrealized gains or losses on available-for-sale securities. Almost half of all institutions (48.5 percent) reported declines in their leverage capital ratios during the quarter, and slightly more than half (51.2 percent) reported declines in their total risk-based capital ratios. Many institutions reduced their dividends to preserve capital; of the 3,761 institutions that paid dividends in the third quarter of 2007, more than half (57.4 percent) paid lower dividends in the third quarter of 2008, including 20.7 percent that paid no dividends. Third quarter dividends totaled \$11.0 billion, a \$16.9-billion (60.7-percent) decline from a year ago.

### Liquidity Program Provides a Boost to Asset Growth

Total assets of insured institutions increased by \$273.2 billion (2.1 percent) in the third quarter, led by growth in balances at Federal Reserve banks (up \$146.8 billion, or

<sup>2</sup> Prior to September 25, 2008, Washington Mutual FSB of Park City, Utah, an insured institution with \$46 billion in assets and \$29 billion in equity capital, was directly owned by Washington Mutual Bank of Henderson, Nevada. Under accounting rules, the subsidiary institution's assets and liabilities were included in the consolidated financial data reported by the parent institution, resulting in double-reporting of some of the subsidiary's financial data. The direct ownership relationship ended with the failure of the parent institution during the third quarter, at which point the subsidiary institution's financial data were no longer double-reported.

Chart 5

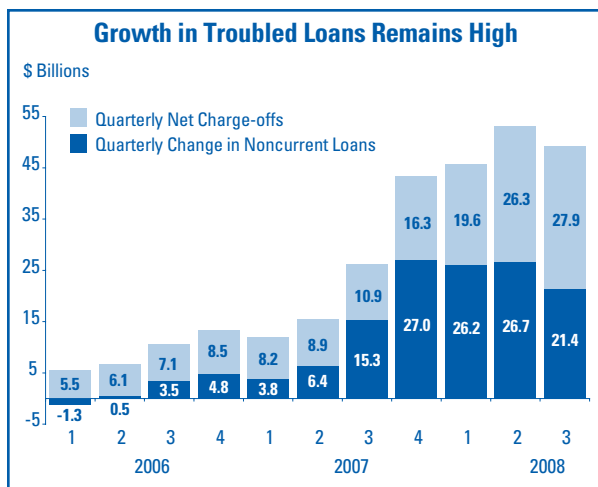
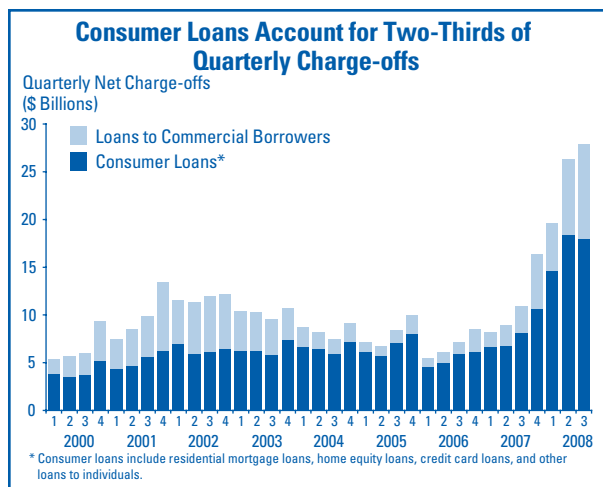


Chart 6



505 percent) and a \$74.6-billion increase in asset-backed commercial paper holdings. A number of large banks experienced sizable deposit inflows during the quarter and elected to place a large share of these funds with Federal Reserve banks. The increase in holdings of commercial paper was attributable to the creation of a special lending facility—the Asset-Backed Commercial Paper Money Market Mutual Fund Liquidity Facility (AMLF)—by the Federal Reserve aimed at providing liquidity to money market mutual funds (MMFs) by funding bank purchases of asset-backed commercial paper from the MMFs.<sup>3</sup>

Loans in categories experiencing the greatest credit-quality problems shrank in the third quarter. Residential mortgage loans declined by \$52.1 billion (2.4 percent), while real estate C&D loans fell by \$10.2 billion (1.6 percent). One of the few loan categories showing significant growth was real estate loans secured by nonfarm nonresidential properties, which increased by \$24.4 billion (2.4 percent). Unused loan commitments declined by \$298.1 billion (3.7 percent) during the quarter. The decline was led by a reduction in unused credit card lines, which fell by \$122.8 billion (2.6 percent).

### Discount Window Borrowings Fuel a Surge in Nondeposit Liabilities

Nondeposit liabilities increased by \$162.5 billion (4.8 percent) in the third quarter, as insured institutions increased their borrowings from the Federal Reserve's Discount Window (which was used to fund the AMLF), as well as their advances from Federal Home Loan Banks.

<sup>3</sup> On September 19, the Federal Reserve instituted the Asset-Backed Commercial Paper Money Market Mutual Fund Liquidity Facility (AMLF) to restore liquidity to the market for commercial paper, and help money market mutual funds meet redemptions.

Securities sold under repurchase agreements registered strong growth, rising by \$64.2 billion (11.2 percent). Total deposits increased by \$154.8 billion (1.8 percent), as noninterest-bearing deposits in domestic offices rose by \$175.7 billion (14.4 percent). The growth in deposits was concentrated in a few large banks. Deposits in foreign offices declined by \$38 billion (2.5 percent).

### Nine Failures in Third Quarter Include Washington Mutual Bank

The number of insured commercial banks and savings institutions fell to 8,384 in the third quarter, down from 8,451 at midyear. During the quarter, 73 institutions were absorbed in mergers, and 9 institutions failed. This is the largest number of failures in a quarter since the third quarter of 1993, when 16 insured institutions failed. Among the failures was Washington Mutual Bank, an insured savings institution with \$307 billion in assets and the largest insured institution to fail in the FDIC's 75-year history. There were 21 new institutions chartered in the third quarter, the smallest number of new charters in a quarter since 17 new charters were added in the first quarter of 2002. Four insured savings institutions, with combined assets of \$1.0 billion, converted from mutual ownership to stock ownership in the third quarter. The number of insured institutions on the FDIC's "Problem List" increased from 117 to 171, and the assets of "problem" institutions rose from \$78.3 billion to \$115.6 billion during the quarter. This is the first time since the middle of 1994 that assets of "problem" institutions have exceeded \$100 billion.

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Chart 7

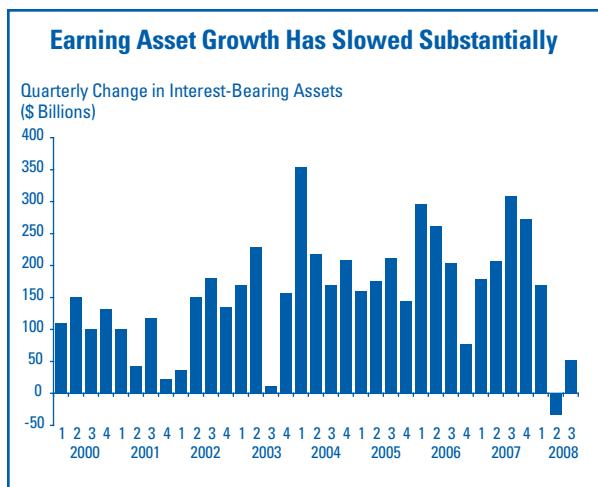
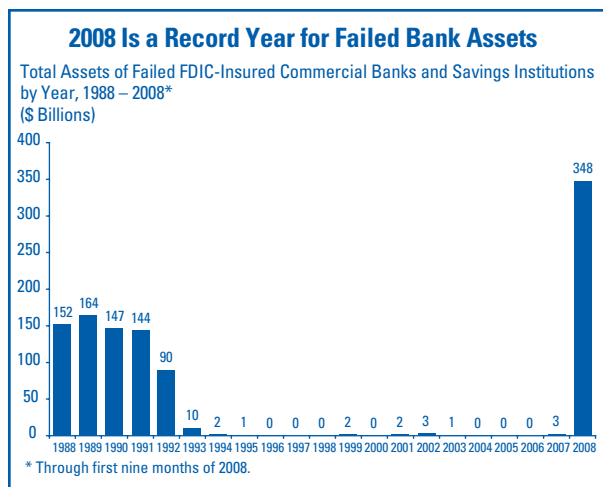


Chart 8



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

	2008**	2007**	2007	2006	2005	2004	2003
Return on assets (%).....	0.33	1.10	0.81	1.28	1.28	1.28	1.38
Return on equity (%).....	3.85	10.49	7.75	12.30	12.43	13.20	15.05
Core capital (leverage) ratio (%).....	7.81	8.14	7.97	8.22	8.25	8.11	7.88
Noncurrent assets plus other real estate owned to assets (%).....	1.54	0.73	0.94	0.54	0.50	0.53	0.75
Net charge-offs to loans (%).....	1.18	0.50	0.59	0.39	0.49	0.56	0.78
Asset growth rate (%).....	6.83	8.10	9.89	9.04	7.63	11.37	7.58
Net interest margin (%).....	3.33	3.31	3.29	3.31	3.47	3.52	3.73
Net operating income growth (%).....	-62.87	-9.21	-27.57	8.53	11.43	3.99	16.38
Number of institutions reporting.....	8,384	8,559	8,534	8,680	8,833	8,976	9,181
Commercial banks.....	7,146	7,303	7,283	7,401	7,526	7,631	7,770
Savings institutions.....	1,238	1,256	1,251	1,279	1,307	1,345	1,411
Percentage of unprofitable institutions (%).....	21.00	10.33	12.07	7.93	6.22	5.97	5.99
Number of problem institutions.....	171	65	76	50	52	80	116
Assets of problem institutions (in billions).....	\$116	\$19	\$22	\$8	\$7	\$28	\$30
Number of failed/assisted institutions.....	13	2	3	0	0	4	3

\* Excludes insured branches of foreign banks (IBAs).

\*\* Through September 30, ratios annualized where appropriate. Asset growth rates are for 12 months ending September 30.

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

(dollar figures in millions)	3rd Quarter 2008	2nd Quarter 2008	3rd Quarter 2007	%Change 07Q3-08Q3		
Number of institutions reporting.....	8,384	8,451	8,559	-2.0		
Total employees (full-time equivalent).....	2,170,671	2,203,883	2,220,522	-2.2		
<b>CONDITION DATA</b>						
Total assets.....	\$13,573,691	\$13,300,540	\$12,706,161	6.8		
Loans secured by real estate.....	4,750,985	4,794,248	4,701,346	1.1		
1-4 Family residential mortgages.....	2,102,080	2,154,173	2,238,180	-6.1		
Nonfarm nonresidential.....	1,043,393	1,018,988	939,556	11.1		
Construction and development.....	617,055	627,283	616,538	0.1		
Home equity lines.....	652,119	646,903	591,372	10.3		
Commercial & industrial loans.....	1,503,737	1,492,357	1,388,441	8.3		
Loans to individuals.....	1,082,731	1,069,479	1,013,355	6.8		
Credit cards.....	411,627	396,045	384,506	7.1		
Farm loans.....	59,656	58,284	56,166	6.2		
Other loans & leases.....	595,646	584,210	546,851	8.9		
Less: Unearned income.....	2,739	2,513	2,237	22.4		
Total loans & leases.....	7,990,015	7,996,065	7,703,922	3.7		
Less: Reserve for losses.....	156,065	144,383	87,037	79.3		
Net loans and leases.....	7,833,950	7,851,682	7,616,885	2.8		
Securities.....	2,025,534	2,017,391	1,989,103	1.8		
Other real estate owned.....	22,966	18,902	9,818	133.9		
Goodwill and other intangibles.....	484,178	481,438	461,068	5.0		
All other assets.....	3,207,062	2,931,127	2,629,288	22.0		
Total liabilities and capital.....	13,573,691	13,300,540	12,706,161	6.8		
Deposits.....	8,727,485	8,572,643	8,180,226	6.7		
Domestic office deposits.....	7,221,963	7,029,111	6,739,817	7.2		
Foreign office deposits.....	1,505,522	1,543,532	1,440,409	4.5		
Other borrowed funds.....	2,732,570	2,598,234	2,454,148	11.3		
Subordinated debt.....	176,833	185,078	177,469	-0.4		
All other liabilities.....	629,706	593,306	567,141	11.0		
Equity capital.....	1,307,097	1,351,279	1,327,177	-1.5		
Loans and leases 30-89 days past due.....	121,587	110,814	92,558	31.4		
Noncurrent loans and leases.....	184,269	162,895	83,024	121.9		
Restructured loans and leases.....	14,846	14,499	4,123	260.1		
Direct and indirect investments in real estate.....	910	972	1,081	-15.9		
Mortgage-backed securities.....	1,260,945	1,322,210	1,217,755	3.5		
Earning assets.....	11,493,605	11,441,334	11,032,330	4.2		
FHLB Advances.....	911,465	840,543	770,419	18.3		
Unused loan commitments.....	7,860,609	8,158,701	8,301,846	-5.3		
Trust assets.....	19,948,345	21,750,102	21,501,132	-7.2		
Assets securitized and sold***.....	1,906,828	1,750,710	1,663,308	14.6		
Notional amount of derivatives***.....	177,103,186	183,303,064	174,574,544	1.4		
<b>INCOME DATA</b>						
	First Three Qtrs 2008	First Three Qtrs 2007	%Change	3rd Quarter 2008	3rd Quarter 2007	%Change 07Q3-08Q3
Total interest income.....	\$487,019	\$542,106	-10.2	\$159,097	\$188,077	-15.4
Total interest expense.....	207,949	278,586	-25.4	63,787	97,215	-34.4
Net interest income.....	279,070	263,520	5.9	95,310	90,862	4.9
Provision for loan and lease losses.....	124,517	37,208	234.7	50,548	16,785	201.2
Total noninterest income.....	175,521	187,130	-6.2	58,218	59,123	-1.5
Total noninterest expense.....	274,323	265,254	3.4	93,920	90,162	4.2
Securities gains (losses).....	-8,037	2,325	N/M	-7,592	77	N/M
Applicable income taxes.....	15,679	48,084	-67.4	717	13,407	-94.7
Extraordinary gains, net.....	534	-1,917	N/M	975	-995	N/M
Net income.....	32,569	100,513	-67.6	1,726	28,714	-94.0
Net charge-offs.....	68,559	27,937	145.4	27,892	10,879	156.4
Cash dividends.....	42,592	94,397	-54.9	10,979	27,914	-60.7
Retained earnings.....	-10,023	6,116	N/M	-9,253	800	N/M
Net operating income.....	37,457	100,869	-62.9	6,135	29,678	-79.3

\*\*\* Call Report filers only.

N/M - Not Meaningful

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

THIRD QUARTER (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.....	8,384	26	4	1,587	4,811	826	101	297	692	40
Commercial banks.....	7,146	22	4	1,582	4,300	213	81	271	643	30
Savings institutions.....	1,238	4	0	5	511	613	20	26	49	10
Total assets (in billions).....	\$13,573.7	\$467.9	\$3,263.3	\$168.0	\$6,078.2	\$1,058.6	\$72.4	\$35.9	\$94.8	\$2,334.6
Commercial banks.....	12,050.4	448.4	3,263.3	167.5	5,560.7	225.7	34.3	30.3	83.2	2,236.9
Savings institutions.....	1,523.3	19.5	0.0	0.5	517.5	832.9	38.1	5.6	11.6	97.7
Total deposits (in billions).....	8,727.5	167.8	1,989.4	133.5	4,226.5	600.4	59.5	26.4	77.0	1,447.0
Commercial bank.....	7,778.5	158.8	1,989.4	133.2	3,894.6	88.2	27.5	22.6	68.0	1,396.3
Savings institutions.....	949.0	8.9	0.0	0.4	331.9	512.2	32.0	3.8	9.0	50.7
Net income (in millions).....	1,726	451	3,702	424	-1,677	-3,100	165	12	151	1,599
Commercial banks.....	8,284	377	3,702	423	25	711	145	-19	164	2,756
Savings institutions.....	-6,558	74	0	1	-1,703	-3,811	21	31	-13	-1,157
<b>Performance Ratios (annualized,%)</b>										
Yield on earning assets.....	5.63	12.12	4.84	6.36	5.91	5.84	6.80	4.63	6.07	4.41
Cost of funding earning assets.....	2.26	2.84	2.15	2.36	2.27	2.85	2.00	1.57	2.19	1.96
Net interest margin.....	3.37	9.28	2.69	4.00	3.64	2.99	4.80	3.07	3.88	2.45
Noninterest income to assets.....	1.76	6.73	2.02	0.67	1.44	0.55	1.74	11.00	0.98	1.78
Noninterest expense to assets.....	2.83	6.91	2.48	2.66	3.03	2.08	3.05	11.78	3.01	2.16
Loan and lease loss provision to assets.....	1.53	6.78	1.37	0.35	1.38	2.36	1.70	0.16	0.30	0.83
Net operating income to assets.....	0.19	0.23	0.36	1.12	0.14	-1.10	0.96	0.86	1.00	0.52
Pretax return on assets.....	0.07	0.63	0.44	1.21	-0.15	-1.18	1.43	0.88	0.79	0.50
Return on assets.....	0.05	0.39	0.49	1.01	-0.11	-1.17	0.93	0.13	0.64	0.28
Return on equity.....	0.53	1.84	6.59	9.21	-1.03	-15.07	9.99	0.67	5.70	3.17
Net charge-offs to loans and leases.....	1.42	6.24	1.44	0.41	1.21	1.03	2.00	0.43	0.34	1.11
Loan and lease loss provision to net charge-offs.....	181.23	148.52	222.42	125.78	163.75	327.66	100.68	152.18	155.69	165.61
Efficiency ratio.....	57.98	45.45	58.16	60.69	61.16	61.53	48.69	79.11	65.96	54.01
% of unprofitable institutions.....	24.08	19.23	0.00	8.63	31.03	24.94	13.86	20.88	12.86	32.50
% of institutions with earnings gains.....	40.71	23.08	50.00	55.39	32.16	53.27	48.51	42.42	50.87	30.00
<b>Structural Changes</b>										
New Charters.....	21	0	0	1	5	1	0	14	0	0
Institutions absorbed by mergers.....	73	0	2	6	57	3	1	0	1	3
Failed Institutions.....	9	0	0	0	7	2	0	0	0	0
<b>PRIOR THIRD QUARTERS (The way it was...)</b>										
Return on assets (%)..... 2007	0.92	4.07	0.69	1.30	0.99	0.31	1.17	2.20	1.07	0.81
..... 2005	1.31	3.16	1.02	1.33	1.39	1.03	1.76	1.78	1.12	1.31
..... 2003	1.36	4.25	1.02	1.25	1.28	1.33	1.68	1.47	1.06	1.33
Net charge-offs to loans and leases (%)..... 2007	0.57	3.98	0.77	0.26	0.32	0.42	1.04	0.32	0.22	0.42
..... 2005	0.51	4.28	1.19	0.16	0.23	0.10	1.39	0.18	0.20	0.26
..... 2003	0.73	4.80	1.40	0.29	0.47	0.19	1.34	2.47	0.37	0.48

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

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

THIRD QUARTER (The way it is...)	All Insured Institutions	Asset Size Distribution				Geographic Regions*					
		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.....	8,384	3,240	4,470	560	114	1,027	1,197	1,721	1,943	1,719	777
Commercial banks.....	7,146	2,882	3,755	425	84	535	1,056	1,419	1,837	1,592	707
Savings institutions.....	1,238	358	715	135	30	492	141	302	106	127	70
Total assets (in billions).....	\$13,573.7	\$174.9	\$1,338.3	\$1,475.0	\$10,585.5	\$2,689.6	\$3,427.8	\$3,324.7	\$1,009.2	\$770.8	\$2,351.5
Commercial banks.....	12,050.4	156.4	1,088.3	1,137.1	9,668.7	1,994.0	3,164.1	3,178.0	964.5	636.0	2,113.7
Savings institutions.....	1,523.3	18.5	250.1	337.9	916.8	695.6	263.7	146.7	44.7	134.8	237.8
Total deposits (in billions).....	8,727.5	141.7	1,053.3	1,047.1	6,485.3	1,652.4	2,235.6	2,105.0	708.7	551.0	1,474.8
Commercial banks.....	7,778.5	127.6	869.2	812.8	5,968.8	1,197.2	2,076.0	2,001.3	677.9	473.0	1,353.1
Savings institutions.....	949.0	14.1	184.1	234.3	516.4	455.2	159.7	103.7	30.7	78.0	121.6
Net income (in millions).....	1,726	128	43	-1,924	3,479	226	2,307	830	1,322	361	-3,320
Commercial banks.....	8,284	150	301	-434	8,267	2,093	2,437	1,413	1,340	801	200
Savings institutions.....	-6,558	-21	-258	-1,490	-4,788	-1,867	-130	-583	-18	-440	-3,520
<b>Performance Ratios (annualized,%)</b>											
Yield on earning assets.....	5.63	6.28	6.25	5.86	5.49	5.87	5.47	4.89	6.41	6.04	6.09
Cost of funding earning assets.....	2.26	2.30	2.50	2.30	2.21	2.24	2.41	2.14	1.98	2.19	2.36
Net interest margin.....	3.37	3.98	3.75	3.56	3.28	3.63	3.07	2.75	4.43	3.86	3.73
Noninterest income to assets.....	1.76	0.99	1.06	0.62	2.02	1.91	1.85	1.78	2.20	1.35	1.38
Noninterest expense to assets.....	2.83	3.68	3.29	2.78	2.77	2.93	2.56	2.74	3.83	3.29	2.68
Loan and lease loss provision to assets.....	1.53	0.46	0.74	1.12	1.70	1.45	1.39	1.39	1.42	1.01	2.19
Net operating income to assets.....	0.19	0.40	0.34	-0.16	0.21	0.33	0.40	0.07	0.57	0.32	-0.33
Pretax return on assets.....	0.07	0.37	0.08	-0.56	0.16	0.20	0.31	0.01	0.73	0.31	-0.68
Return on assets.....	0.05	0.30	0.01	-0.52	0.14	0.03	0.27	0.11	0.53	0.19	-0.56
Return on equity.....	0.53	2.24	0.13	-4.72	1.42	0.30	2.68	1.20	5.45	1.91	-6.34
Net charge-offs to loans and leases.....	1.42	0.42	0.69	1.04	1.63	1.49	1.28	1.32	1.60	0.84	1.79
Loan and lease loss provision to net charge-offs....	181.23	172.09	149.53	155.34	186.46	176.41	177.60	195.67	130.65	180.81	197.72
Efficiency ratio.....	57.98	79.15	69.99	65.49	55.29	55.41	55.82	60.42	61.85	64.54	56.74
% of unprofitable institutions.....	24.08	24.75	23.09	26.61	31.58	31.65	40.27	20.05	14.82	15.76	39.64
% of institutions with earnings gains.....	40.71	45.19	39.26	30.00	22.81	40.21	22.97	45.67	48.38	46.02	26.77
<b>Structural Changes</b>											
New Charters.....	21	16	3	1	1	3	6	1	1	5	5
Institutions absorbed by mergers.....	73	21	47	3	2	10	18	19	15	9	2
Failed Institutions.....	9	0	4	3	2	0	3	0	1	0	5
<b>PRIOR THIRD QUARTERS (The way it was...)</b>											
Return on assets (%).....2007	0.92	0.79	1.03	1.18	0.87	0.89	0.75	0.90	1.61	1.14	0.88
.....2005	1.31	1.08	1.27	1.34	1.32	1.24	1.35	1.08	1.73	1.18	1.60
.....2003	1.36	1.01	1.17	1.34	1.41	1.24	1.40	1.21	1.77	1.34	1.66
Net charge-offs to loans and leases (%).....2007	0.57	0.26	0.24	0.42	0.66	0.92	0.29	0.44	0.74	0.29	0.76
.....2005	0.51	0.16	0.18	0.23	0.64	0.97	0.27	0.29	0.54	0.25	0.59
.....2003	0.73	0.30	0.37	0.49	0.87	1.10	0.50	0.65	0.85	0.38	0.60

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

**TABLE IV-A. First Three Quarters 2008, All FDIC-Insured Institutions**

FIRST THREE QUARTERS (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.....	8,384	26	4	1,587	4,811	826	101	297	692	40
Commercial banks.....	7,146	22	4	1,582	4,300	213	81	271	643	30
Savings institutions.....	1,238	4	0	5	511	613	20	26	49	10
<b>Total assets (in billions).....</b>	<b>\$13,573.7</b>	<b>\$467.9</b>	<b>\$3,263.3</b>	<b>\$168.0</b>	<b>\$6,078.2</b>	<b>\$1,058.6</b>	<b>\$72.4</b>	<b>\$35.9</b>	<b>\$94.8</b>	<b>\$2,334.6</b>
Commercial banks.....	12,050.4	448.4	3,263.3	167.5	5,560.7	225.7	34.3	30.3	83.2	2,236.9
Savings institutions.....	1,523.3	19.5	0.0	0.5	517.5	832.9	38.1	5.6	11.6	97.7
Total deposits (in billions).....	8,727.5	167.8	1,989.4	133.5	4,226.5	600.4	59.5	26.4	77.0	1,447.0
Commercial banks.....	7,778.5	158.8	1,989.4	133.2	3,894.6	88.2	27.5	22.6	68.0	1,396.3
Savings institutions.....	949.0	8.9	0.0	0.4	331.9	512.2	32.0	3.8	9.0	50.7
Net income (in millions).....	32,569	8,309	6,912	1,395	10,596	-2,295	530	413	625	6,083
Commercial banks.....	38,123	7,908	6,912	1,392	11,587	1,938	317	272	624	7,172
Savings institutions.....	-5,555	401	0	3	-991	-4,233	213	141	0	-1,089
<b>Performance Ratios (annualized,%)</b>										
Yield on earning assets.....	5.81	11.99	5.27	6.48	6.06	5.34	6.94	4.71	6.16	4.80
Cost of funding earning assets.....	2.48	3.05	2.48	2.57	2.47	2.75	2.24	1.73	2.39	2.29
Net interest margin.....	3.33	8.94	2.80	3.91	3.59	2.59	4.71	2.97	3.77	2.51
Noninterest income to assets.....	1.80	8.69	1.72	0.67	1.52	0.62	1.97	11.30	0.96	1.76
Noninterest expense to assets.....	2.81	6.75	2.58	2.62	2.96	1.74	3.09	10.98	2.97	2.26
Loan and lease loss provision to assets.....	1.27	5.78	1.13	0.25	1.19	1.50	1.95	0.13	0.23	0.80
Net operating income to assets.....	0.38	2.10	0.29	1.15	0.32	-0.28	0.90	1.79	0.99	0.53
Pretax return on assets.....	0.49	3.76	0.32	1.34	0.38	-0.22	1.51	2.53	1.09	0.55
Return on assets.....	0.33	2.43	0.31	1.13	0.24	-0.29	1.00	1.56	0.89	0.36
Return on equity.....	3.35	11.14	4.16	10.15	2.18	-3.72	10.90	7.72	7.87	4.00
Net charge-offs to loans and leases.....	1.18	5.64	1.28	0.28	0.97	0.74	1.81	0.43	0.29	0.88
Loan and lease loss provision to net charge-offs.....	181.62	138.96	204.12	135.53	176.61	290.78	127.77	123.77	144.23	196.58
Efficiency ratio.....	57.70	39.47	63.39	61.25	60.02	56.89	48.08	76.27	67.03	56.63
% of unprofitable institutions.....	21.00	7.69	25.00	5.29	27.85	23.37	11.88	18.18	9.39	25.00
% of institutions with earnings gains.....	40.73	34.62	50.00	55.64	32.45	47.82	49.50	44.78	52.75	42.50
<b>Condition Ratios (%)</b>										
Earning assets to total assets.....	84.68	79.29	79.91	91.62	86.90	91.60	93.18	88.43	91.55	82.38
Loss Allowance to:										
Loans and leases.....	1.95	5.84	2.36	1.28	1.70	1.65	1.97	1.33	1.22	1.48
Noncurrent loans and leases.....	84.69	248.14	104.00	91.62	70.75	57.38	211.15	146.05	96.94	83.19
Noncurrent assets plus other real estate owned to assets.....	1.54	1.73	1.09	1.15	1.92	2.30	0.82	0.28	0.92	0.85
Equity capital ratio.....	9.63	20.86	7.13	11.07	10.67	7.99	9.15	19.55	11.20	8.61
Core capital (leverage) ratio.....	7.81	13.82	6.79	10.18	8.03	7.79	8.97	17.64	10.97	6.84
Tier 1 risk-based capital ratio.....	9.79	13.09	8.30	13.49	9.42	14.03	10.44	38.13	17.83	9.71
Total risk-based capital ratio.....	12.54	15.60	12.18	14.55	11.90	15.01	12.51	39.03	18.92	12.63
Net loans and leases to deposits.....	89.76	193.28	68.53	84.31	98.98	120.74	100.08	31.52	68.91	69.44
Net loans to total assets.....	57.71	69.30	41.78	67.02	68.82	68.49	82.22	23.15	55.96	43.04
Domestic deposits to total assets.....	53.21	33.01	31.03	79.49	66.04	56.66	81.12	69.92	81.14	49.14
<b>Structural Changes</b>										
New Charters.....	83	0	0	2	22	2	0	57	0	0
Institutions absorbed by mergers.....	214	0	2	24	159	12	2	1	8	6
Failed Institutions.....	13	0	0	1	10	2	0	0	0	0
<b>PRIOR FIRST THREE QUARTERS (The way it was...)</b>										
Number of institutions.....2007	8,559	28	4	1,634	4,739	780	120	376	821	57
.....2005	8,858	29	4	1,733	4,557	928	125	420	992	70
.....2003	9,236	36	6	1,821	4,167	1,024	166	522	1,391	103
Total assets (in billions).....2007	\$12,706.2	\$423.5	\$2,644.0	\$157.3	\$5,054.4	\$1,454.1	\$95.8	\$40.1	\$111.4	\$2,725.5
.....2005	10,700.7	359.9	1,838.9	143.0	3,667.4	1,677.1	109.2	47.7	128.6	2,729.0
.....2003	8,943.1	308.8	1,427.9	129.5	3,095.8	1,588.5	191.9	62.2	192.1	1,946.3
Return on assets (%).....2007	1.10	3.81	0.87	1.25	1.09	0.73	1.40	2.37	1.04	1.09
.....2005	1.31	3.19	0.88	1.32	1.36	1.12	1.70	1.73	1.12	1.36
.....2003	1.38	3.93	1.05	1.25	1.30	1.44	1.54	1.36	1.09	1.31
Net charge-offs to loans & leases (%).....2007	0.50	3.90	0.65	0.19	0.28	0.29	0.97	0.30	0.17	0.35
.....2005	0.47	4.27	0.88	0.15	0.22	0.10	1.46	0.29	0.27	0.20
.....2003	0.78	5.12	1.41	0.24	0.52	0.19	1.42	1.44	0.31	0.56
Noncurrent assets plus OREO to assets (%).....2007	0.73	1.34	0.51	0.81	0.81	1.09	0.53	0.26	0.64	0.54
.....2005	0.50	1.36	0.48	0.68	0.48	0.57	0.54	0.25	0.57	0.37
.....2003	0.77	1.34	0.98	0.95	0.79	0.64	0.88	0.36	0.74	0.61
Equity capital ratio (%).....2007	10.45	23.17	7.78	11.32	10.86	9.44	11.89	19.54	11.58	10.55
.....2005	10.25	22.07	8.23	10.86	10.21	10.67	9.58	19.26	10.83	9.66
.....2003	9.13	17.03	7.27	10.81	9.42	8.79	7.49	15.92	10.57	8.75

**\*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 Three Quarters 2008, All FDIC-Insured Institutions

FIRST THREE QUARTERS (The way it is...)	All Insured Institutions	Asset Size Distribution				Geographic Regions*					
		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
<b>Number of institutions reporting.....</b>	<b>8,384</b>	<b>3,240</b>	<b>4,470</b>	<b>560</b>	<b>114</b>	<b>1,027</b>	<b>1,197</b>	<b>1,721</b>	<b>1,943</b>	<b>1,719</b>	<b>777</b>
Commercial banks.....	7,146	2,882	3,755	425	84	535	1,056	1,419	1,837	1,592	707
Savings institutions.....	1,238	358	715	135	30	492	141	302	106	127	70
<b>Total assets (in billions).....</b>	<b>\$13,573.7</b>	<b>\$174.9</b>	<b>\$1,338.3</b>	<b>\$1,475.0</b>	<b>\$10,585.5</b>	<b>\$2,689.6</b>	<b>\$3,427.8</b>	<b>\$3,324.7</b>	<b>\$1,009.2</b>	<b>\$770.8</b>	<b>\$2,351.5</b>
Commercial banks.....	12,050.4	156.4	1,088.3	1,137.1	9,668.7	1,994.0	3,164.1	3,178.0	964.5	636.0	2,113.7
Savings institutions.....	1,523.3	18.5	250.1	337.9	916.8	695.6	263.7	146.7	44.7	134.8	237.8
<b>Total deposits (in billions).....</b>	<b>8,727.5</b>	<b>141.7</b>	<b>1,053.3</b>	<b>1,047.1</b>	<b>6,485.3</b>	<b>1,652.4</b>	<b>2,235.6</b>	<b>2,105.0</b>	<b>708.7</b>	<b>551.0</b>	<b>1,474.8</b>
Commercial banks.....	7,778.5	127.6	869.2	812.8	5,968.8	1,197.2	2,076.0	2,001.3	677.9	473.0	1,353.1
Savings institutions.....	949.0	14.1	184.1	234.3	516.4	455.2	159.7	103.7	30.7	78.0	121.6
<b>Net income (in millions).....</b>	<b>32,569</b>	<b>616</b>	<b>4,395</b>	<b>2,335</b>	<b>25,222</b>	<b>11,278</b>	<b>7,931</b>	<b>7,061</b>	<b>6,889</b>	<b>3,188</b>	<b>-3,779</b>
Commercial banks.....	38,123	644	4,178	3,265	30,037	11,463	8,269	7,454	6,913	3,588	437
Savings institutions.....	-5,555	-28	217	-930	-4,815	-185	-338	-392	-25	-399	-4,216
<b>Performance Ratios (annualized,%)</b>											
Yield on earning assets.....	5.81	6.36	6.40	6.14	5.67	6.08	5.47	5.18	6.53	6.18	6.40
Cost of funding earning assets.....	2.48	2.48	2.70	2.57	2.44	2.53	2.51	2.41	2.22	2.42	2.61
Net interest margin.....	3.33	3.89	3.70	3.57	3.23	3.55	2.96	2.77	4.32	3.76	3.79
Noninterest income to assets.....	1.80	1.04	1.10	1.22	1.98	2.10	1.64	1.92	2.86	1.42	1.22
Noninterest expense to assets.....	2.81	3.63	3.22	2.97	2.72	2.90	2.46	2.69	3.83	3.22	2.81
Loan and lease loss provision to assets.....	1.27	0.34	0.55	0.92	1.44	1.16	1.19	1.20	1.40	0.80	1.71
Net operating income to assets.....	0.38	0.50	0.55	0.32	0.37	0.68	0.37	0.26	0.92	0.57	-0.04
Pretax return on assets.....	0.49	0.61	0.61	0.40	0.49	0.96	0.43	0.45	1.38	0.77	-0.30
<b>Return on assets.....</b>	<b>0.33</b>	<b>0.48</b>	<b>0.45</b>	<b>0.21</b>	<b>0.33</b>	<b>0.60</b>	<b>0.31</b>	<b>0.31</b>	<b>0.94</b>	<b>0.57</b>	<b>-0.21</b>
Return on equity.....	3.35	3.58	4.30	1.90	3.45	5.09	3.04	3.47	9.54	5.75	-2.37
<b>Net charge-offs to loans and leases.....</b>	<b>1.18</b>	<b>0.30</b>	<b>0.49</b>	<b>0.85</b>	<b>1.37</b>	<b>1.31</b>	<b>0.98</b>	<b>1.14</b>	<b>1.36</b>	<b>0.65</b>	<b>1.48</b>
Loan and lease loss provision to net charge-offs.....	181.62	177.88	158.47	157.47	185.64	157.79	197.51	196.39	151.17	185.24	186.59
Efficiency ratio.....	57.70	78.65	69.81	61.13	55.38	53.80	57.23	58.74	56.57	64.37	60.20
% of unprofitable institutions.....	21.00	22.90	19.42	21.43	27.19	28.14	36.42	17.55	11.73	12.97	36.42
% of institutions with earnings gains.....	40.73	44.26	39.51	33.57	23.68	40.21	23.14	43.93	48.43	47.59	27.03
<b>Condition Ratios (%)</b>											
Earning assets to total assets.....	84.68	91.85	91.73	90.21	82.89	82.90	84.35	84.70	86.30	89.89	84.73
Loss Allowance to:											
Loans and leases.....	1.95	1.32	1.28	1.54	2.15	1.93	1.76	2.01	1.88	1.47	2.39
Noncurrent loans and leases.....	84.69	79.21	64.59	62.19	91.76	114.98	73.64	79.44	77.46	71.69	92.95
<b>Noncurrent assets plus other real estate owned to assets.....</b>	<b>1.54</b>	<b>1.40</b>	<b>1.81</b>	<b>2.04</b>	<b>1.43</b>	<b>0.98</b>	<b>1.67</b>	<b>1.56</b>	<b>1.90</b>	<b>1.63</b>	<b>1.75</b>
<b>Equity capital ratio.....</b>	<b>9.63</b>	<b>13.15</b>	<b>10.19</b>	<b>10.89</b>	<b>9.33</b>	<b>10.92</b>	<b>10.15</b>	<b>8.56</b>	<b>9.67</b>	<b>9.87</b>	<b>8.80</b>
Core capital (leverage) ratio.....	7.81	12.99	9.79	9.24	7.23	8.71	6.93	7.76	8.02	8.83	7.78
Tier 1 risk-based capital ratio.....	9.79	18.68	12.95	11.62	8.98	11.81	8.92	8.82	9.44	11.24	10.12
Total risk-based capital ratio.....	12.54	19.73	14.07	13.00	12.16	13.87	11.88	11.86	12.12	12.99	13.18
Net loans and leases to deposits.....	89.76	78.75	89.59	98.12	88.68	86.34	91.80	83.35	95.17	92.04	96.21
Net loans to total assets.....	57.71	63.81	70.52	69.66	54.33	53.04	59.87	52.77	66.83	65.79	60.34
Domestic deposits to total assets.....	53.21	81.03	78.58	70.23	47.17	53.05	58.13	50.11	64.26	70.71	40.11
<b>Structural Changes</b>											
New Charters.....	83	77	4	1	1	18	28	1	4	14	18
Institutions absorbed by mergers.....	214	78	109	22	5	28	53	44	44	37	8
Failed Institutions.....	13	3	4	4	2	0	3	0	4	1	5
<b>PRIOR FIRST THREE QUARTERS (The way it was...)</b>											
Number of institutions..... 2007	8,559	3,513	4,391	539	116	1,046	1,215	1,793	1,990	1,740	775
..... 2005	8,858	3,943	4,294	503	118	1,113	1,219	1,890	2,074	1,806	756
..... 2003	9,236	4,464	4,190	469	113	1,188	1,231	2,027	2,141	1,878	771
<b>Total assets (in billions)..... 2007</b>	<b>\$12,706.2</b>	<b>\$186.1</b>	<b>\$1,296.7</b>	<b>\$1,408.2</b>	<b>\$9,815.2</b>	<b>\$2,382.1</b>	<b>\$3,195.9</b>	<b>\$2,796.4</b>	<b>\$931.5</b>	<b>\$659.4</b>	<b>\$2,740.9</b>
..... 2005	10,700.7	205.8	1,225.7	1,365.9	7,903.2	2,755.9	2,635.3	2,494.5	784.1	585.0	1,445.8
..... 2003	8,943.1	229.1	1,159.8	1,289.6	6,264.7	3,039.0	1,858.6	1,653.8	445.3	592.6	1,353.9
<b>Return on assets (%)..... 2007</b>	<b>1.10</b>	<b>0.84</b>	<b>1.06</b>	<b>1.09</b>	<b>1.12</b>	<b>1.00</b>	<b>1.05</b>	<b>1.01</b>	<b>1.63</b>	<b>1.15</b>	<b>1.16</b>
..... 2005	1.31	1.08	1.24	1.34	1.32	1.27	1.38	1.01	1.65	1.25	1.62
..... 2003	1.38	0.97	1.20	1.35	1.43	1.25	1.38	1.31	1.62	1.39	1.65
<b>Net charge-offs to loans &amp; leases (%).. 2007</b>	<b>0.50</b>	<b>0.18</b>	<b>0.19</b>	<b>0.35</b>	<b>0.59</b>	<b>0.86</b>	<b>0.25</b>	<b>0.37</b>	<b>0.66</b>	<b>0.23</b>	<b>0.64</b>
..... 2005	0.47	0.16	0.18	0.22	0.58	0.81	0.22	0.29	0.54	0.23	0.61
..... 2003	0.78	0.26	0.32	0.52	0.95	1.17	0.56	0.66	0.97	0.38	0.64
<b>Noncurrent assets plus OREO to assets (%)..... 2007</b>	<b>0.73</b>	<b>0.87</b>	<b>0.89</b>	<b>0.83</b>	<b>0.69</b>	<b>0.66</b>	<b>0.54</b>	<b>0.78</b>	<b>1.19</b>	<b>0.78</b>	<b>0.80</b>
..... 2005	0.50	0.71	0.54	0.50	0.49	0.46	0.31	0.54	0.80	0.73	0.58
..... 2003	0.77	0.91	0.73	0.64	0.81	0.84	0.60	0.96	0.74	0.78	0.64
<b>Equity capital ratio (%)..... 2007</b>	<b>10.45</b>	<b>13.68</b>	<b>10.57</b>	<b>11.38</b>	<b>10.23</b>	<b>12.43</b>	<b>10.14</b>	<b>9.09</b>	<b>10.13</b>	<b>10.39</b>	<b>10.58</b>
..... 2005	10.25	12.26	10.26	10.57	10.14	10.63	9.86	9.18	10.67	9.57	12.12
..... 2003	9.13	11.44	10.03	10.48	8.60	8.96	8.83	8.64	10.79	9.64	9.74

\* 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**

September 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
<b>Percent of Loans 30-89 Days Past Due</b>										
All loans secured by real estate.....	1.78	3.23	2.55	1.28	1.53	2.02	1.13	1.04	1.68	1.96
Construction and development.....	2.34	0.00	1.72	2.72	2.39	4.46	1.34	1.05	1.75	0.91
Nonfarm nonresidential.....	0.78	0.00	0.57	1.23	0.78	0.79	1.25	0.71	1.38	0.67
Multifamily residential real estate.....	0.76	0.00	0.28	1.70	0.91	0.88	10.49	0.27	1.24	0.40
Home equity loans.....	1.17	3.48	1.36	0.86	0.90	1.57	0.90	0.33	0.84	1.45
Other 1-4 family residential.....	2.45	1.38	3.71	1.75	2.12	2.07	1.25	1.34	1.99	2.76
Commercial and industrial loans.....	0.69	3.63	0.32	1.60	0.72	0.76	1.50	1.11	1.61	0.50
Loans to individuals.....	2.22	2.66	2.06	2.03	2.24	1.34	1.87	1.63	2.29	1.72
Credit card loans.....	2.50	2.52	2.55	1.49	2.37	2.70	1.38	2.01	2.58	2.73
Other loans to individual.....	2.04	3.60	1.82	2.06	2.23	1.00	2.04	1.60	2.28	1.50
All other loans and leases (including farm).....	0.40	0.11	0.23	0.50	0.63	0.48	0.13	1.10	0.76	0.25
Total loans and leases.....	1.52	2.60	1.63	1.19	1.36	1.95	1.56	1.16	1.68	1.40
<b>Percent of Loans Noncurrent**</b>										
All real estate loans.....	3.12	2.22	3.54	1.69	3.19	3.04	0.90	0.97	1.35	2.74
Construction and development.....	7.30	0.00	3.81	6.91	7.34	11.25	4.15	2.16	3.12	6.43
Nonfarm nonresidential.....	1.36	0.00	0.56	1.68	1.39	1.42	1.30	0.95	1.53	1.30
Multifamily residential real estate.....	1.47	0.00	0.56	1.19	1.80	1.15	3.36	2.40	2.13	1.04
Home equity loans.....	1.19	2.42	1.37	0.40	0.96	1.16	0.53	0.58	0.48	1.63
Other 1-4 family residential.....	3.64	0.62	5.36	1.19	3.58	3.09	1.04	0.82	1.17	3.22
Commercial and industrial loans.....	1.01	3.10	0.55	1.75	1.09	0.83	0.71	1.54	1.58	0.95
Loans to individuals.....	1.50	2.44	1.85	0.76	0.93	0.70	1.00	0.49	0.75	0.67
Credit card loans.....	2.35	2.36	2.55	1.47	2.07	2.44	1.26	1.05	1.26	2.50
Other loans to individuals.....	0.98	2.98	1.51	0.71	0.76	0.27	0.92	0.43	0.73	0.28
All other loans and leases (including farm).....	0.71	0.03	1.35	0.64	0.48	0.40	0.10	0.29	0.73	0.21
Total loans and leases.....	2.31	2.35	2.27	1.40	2.40	2.88	0.93	0.91	1.25	1.78
<b>Percent of Loans Charged-off (net, YTD)</b>										
All real estate loans.....	0.91	3.15	1.49	0.22	0.87	0.71	0.61	0.17	0.13	0.96
Construction and development.....	2.04	0.00	0.95	1.29	2.04	4.15	0.15	0.38	0.36	1.63
Nonfarm nonresidential.....	0.16	0.00	0.03	0.18	0.17	0.13	0.14	0.12	0.10	0.14
Multifamily residential real estate.....	0.26	0.00	0.02	0.51	0.31	0.28	0.11	0.04	0.12	0.10
Home equity loans.....	1.55	3.38	1.62	0.22	1.30	1.77	0.89	0.08	0.24	2.09
Other 1-4 family residential.....	0.86	1.34	1.93	0.12	0.79	0.52	0.40	0.19	0.13	0.74
Commercial and industrial loans.....	0.86	7.91	0.39	0.58	0.84	0.32	4.24	0.05	0.42	0.48
Loans to individuals.....	3.29	5.79	3.03	0.75	2.31	1.87	2.33	1.19	0.86	1.76
Credit card loan.....	5.24	5.56	4.06	4.53	5.42	6.35	3.47	6.13	3.81	5.69
Other loans to individuals.....	2.11	7.29	2.56	0.50	1.83	0.74	1.95	0.31	0.75	0.91
All other loans and leases (including farm).....	0.34	0.01	0.12	0.00	0.55	0.78	0.22	1.11	0.50	0.37
Total loans and leases.....	1.18	5.64	1.28	0.28	0.97	0.74	1.81	0.43	0.29	0.88
<b>Loans Outstanding (in billions)</b>										
All real estate loans.....	\$4,751.0	\$1.8	\$638.0	\$64.6	\$2,753.1	\$686.1	\$21.0	\$5.0	\$37.3	\$544.0
Construction and development.....	617.1	0.0	14.2	6.1	537.3	18.8	0.5	0.4	2.7	37.1
Nonfarm nonresidential.....	1,043.4	0.0	33.8	18.0	873.0	30.9	1.1	1.5	8.8	76.3
Multifamily residential real estate.....	205.2	0.0	40.6	1.2	137.1	13.2	0.1	0.1	0.7	12.1
Home equity loans.....	652.1	1.6	143.2	1.2	316.7	56.4	10.1	0.1	1.4	121.3
Other 1-4 family residential.....	2,102.1	0.2	353.6	17.0	841.3	565.9	9.1	2.7	21.0	291.4
Commercial and industrial loans.....	1,503.7	35.3	300.5	15.8	895.9	16.5	3.3	1.2	5.5	229.7
Loans to individuals.....	1,082.7	284.8	242.4	6.8	353.6	29.1	35.2	1.5	6.9	122.6
Credit card loans.....	411.6	247.3	80.7	0.4	46.9	5.8	8.8	0.1	0.2	21.4
Other loans to individuals.....	671.1	37.5	161.7	6.3	306.7	23.3	26.4	1.4	6.6	101.2
All other loans and leases (including farm).....	655.3	22.5	216.1	26.9	254.5	5.5	1.4	0.7	4.1	123.6
Total loans and leases.....	7,992.8	344.4	1,397.1	114.1	4,257.1	737.2	60.9	8.4	53.7	1,019.9
<b>Memo: Other Real Estate Owned (in millions)</b>										
All other real estate owned.....	22,966.4	-20.3	3,610.9	337.0	14,494.8	3,167.0	24.1	20.5	202.3	1,130.1
Construction and development.....	6,630.9	0.0	5.0	132.6	5,937.5	412.0	3.4	3.7	41.4	95.2
Nonfarm nonresidential.....	2,406.9	0.2	40.0	93.6	2,007.1	49.1	5.3	6.4	55.8	149.5
Multifamily residential real estate.....	734.6	0.0	19.0	15.2	590.5	40.3	0.0	0.3	23.5	45.9
1-4 family residential.....	11,500.8	2.8	2,934.9	70.7	4,927.5	2,630.8	14.9	9.8	76.4	833.0
Farmland.....	77.1	0.0	0.0	24.4	46.4	0.4	0.6	0.7	4.5	0.0
GNMA properties.....	1,474.4	0.0	430.0	0.4	979.1	57.6	0.0	0.0	0.8	6.5

\* 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

September 30, 2008	All Insured Institutions	Asset Size Distribution				Geographic Regions*					
		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
<b>Percent of Loans 30–89 Days Past Due</b>											
All loans secured by real estate.....	1.78	1.58	1.39	1.29	2.00	1.17	1.90	1.96	1.33	1.54	2.32
Construction and development.....	2.34	2.13	2.40	2.28	2.36	1.89	1.84	3.01	2.55	1.80	3.36
Nonfarm nonresidential.....	0.78	1.20	0.98	0.74	0.67	0.92	0.66	0.99	0.72	0.68	0.63
Multifamily residential real estate.....	0.76	1.04	1.16	0.99	0.59	0.54	0.93	0.85	0.64	0.87	0.80
Home equity loans.....	1.17	0.79	0.81	0.80	1.22	0.66	1.47	1.10	1.01	0.69	1.25
Other 1-4 family residential.....	2.45	2.03	1.46	1.43	2.77	1.29	2.70	2.74	1.77	2.64	3.21
Commercial and industrial loans.....	0.69	1.55	1.18	0.92	0.59	1.09	0.47	0.69	0.93	0.64	0.58
Loans to individuals.....	2.22	2.46	1.94	2.06	2.24	2.50	2.30	1.97	2.79	1.62	1.88
Credit card loans.....	2.50	2.06	2.56	2.45	2.50	2.56	2.77	2.45	2.48	1.33	2.43
Other loans to individuals.....	2.04	2.47	1.90	1.87	2.06	2.39	2.24	1.77	3.04	1.69	1.56
All other loans and leases (including farm).....	0.40	0.50	0.51	0.59	0.38	0.43	0.23	0.53	0.55	0.60	0.31
Total loans and leases.....	1.52	1.52	1.35	1.27	1.59	1.37	1.54	1.56	1.38	1.32	1.74
<b>Percent of Loans Noncurrent**</b>											
All real estate loans.....	3.12	1.88	2.24	3.01	3.38	1.79	3.31	3.65	3.52	2.63	3.52
Construction and development.....	7.30	5.07	6.26	7.96	7.49	5.86	7.14	8.74	5.73	4.89	10.18
Nonfarm nonresidential.....	1.36	1.78	1.35	1.32	1.37	1.61	1.31	1.84	1.18	0.99	0.88
Multifamily residential real estate.....	1.47	1.93	1.73	2.47	1.05	0.76	1.92	1.34	2.60	0.88	0.88
Home equity loans.....	1.19	0.72	0.71	0.83	1.25	0.71	1.45	1.23	1.19	0.43	0.97
Other 1-4 family residential.....	3.64	1.39	1.36	2.17	4.25	1.52	3.72	4.58	7.00	3.23	4.07
Commercial and industrial loans.....	1.01	1.81	1.38	1.09	0.95	1.35	0.89	1.04	1.15	1.02	0.82
Loans to individuals.....	1.50	0.96	0.69	1.05	1.58	2.03	0.87	1.04	1.61	0.59	1.85
Credit card loans.....	2.35	1.23	1.53	2.13	2.37	2.51	2.29	1.79	2.07	1.16	2.63
Other loans to individuals.....	0.98	0.96	0.62	0.53	1.05	1.21	0.67	0.73	1.21	0.45	1.39
All other loans and leases (including farm).....	0.71	0.61	0.57	0.57	0.73	0.50	0.20	0.65	0.37	0.63	1.95
Total loans and leases.....	2.31	1.67	1.98	2.47	2.34	1.68	2.39	2.53	2.42	2.05	2.57
<b>Percent of Loans Charged-off (net, YTD)</b>											
All real estate loans.....	0.91	0.22	0.40	0.69	1.10	0.31	0.96	1.30	0.84	0.59	1.17
Construction and development.....	2.04	0.73	1.35	2.05	2.39	1.01	1.91	2.81	1.47	1.32	3.13
Nonfarm nonresidential.....	0.16	0.16	0.13	0.13	0.20	0.19	0.15	0.29	0.13	0.11	0.05
Multifamily residential real estate.....	0.26	0.29	0.24	0.39	0.21	0.09	0.40	0.47	0.13	0.38	0.18
Home equity loans.....	1.55	0.31	0.34	0.61	1.72	0.66	1.91	1.24	1.97	0.71	1.87
Other 1-4 family residential.....	0.86	0.15	0.20	0.44	1.03	0.23	0.75	1.52	0.57	0.51	1.28
Commercial and industrial loans.....	0.86	0.63	0.69	0.79	0.89	1.47	0.67	0.55	1.37	0.63	0.90
Loans to individuals.....	3.29	0.70	1.32	2.63	3.46	4.49	2.09	2.20	4.03	1.31	3.64
Credit card loans.....	5.24	2.47	7.51	5.08	5.23	5.38	5.74	4.54	5.99	3.25	5.02
Other loans to individuals.....	2.11	0.68	0.84	1.51	2.29	3.01	1.60	1.37	2.44	0.85	2.82
All other loans and leases (including farm).....	0.34	0.11	0.36	0.65	0.32	0.22	0.49	0.35	0.33	0.42	0.24
Total loans and leases.....	1.18	0.30	0.49	0.85	1.37	1.31	0.98	1.14	1.36	0.65	1.48
<b>Loans Outstanding (in billions)</b>											
All real estate loans.....	\$4,751.0	\$77.0	\$743.9	\$763.1	\$3,167.0	\$843.8	\$1,341.4	\$1,046.0	\$373.6	\$347.1	\$799.0
Construction and development.....	617.1	9.6	139.5	160.6	307.4	68.7	200.0	124.2	51.9	87.7	84.6
Nonfarm nonresidential.....	1,043.4	22.9	260.2	258.9	501.4	200.4	268.3	207.9	101.1	114.5	151.1
Multifamily residential real estate.....	205.2	1.9	30.1	45.2	128.0	52.9	34.0	62.2	10.4	8.2	37.4
Home equity loans.....	652.1	2.7	37.2	48.7	563.5	67.6	212.3	203.9	79.3	23.9	65.1
Other 1-4 family residential.....	2,102.1	31.0	247.4	234.5	1,589.2	449.3	607.5	429.7	110.8	101.7	403.0
Commercial and industrial loans.....	1,503.7	15.9	126.1	164.1	1,197.6	211.2	386.0	372.4	140.6	105.2	288.3
Loans to individuals.....	1,082.7	8.3	47.2	79.2	947.9	290.0	200.2	197.7	100.7	40.3	253.8
Credit card loans.....	411.6	0.1	3.3	25.8	382.4	181.6	24.7	58.4	46.3	7.8	92.9
Other loans to individuals.....	671.1	8.2	43.9	53.4	565.6	108.4	175.4	139.4	54.4	32.5	161.0
All other loans and leases (including farm).....	655.3	11.9	39.2	37.8	566.5	110.1	162.2	174.4	72.5	22.4	113.7
Total loans and leases.....	7,992.8	113.1	956.4	1,044.2	5,879.0	1,455.1	2,089.8	1,790.6	687.4	514.9	1,454.9
<b>Memo: Other Real Estate Owned (in millions)</b>											
All other real estate owned.....	22,966.4	555.3	5,297.2	4,150.7	12,963.2	1,613.8	6,859.9	6,384.8	2,514.4	1,995.9	3,597.6
Construction and development.....	6,630.9	146.8	2,737.6	2,035.8	1,710.7	442.5	2,339.3	1,097.8	757.2	824.5	1,169.7
Nonfarm nonresidential.....	2,406.9	159.0	963.5	526.1	758.3	232.3	661.5	660.6	350.0	370.4	132.1
Multifamily residential real estate.....	734.6	18.3	192.5	253.1	270.7	60.8	187.4	276.7	67.6	54.8	87.4
1-4 family residential.....	11,500.8	215.4	1,365.2	1,309.2	8,611.0	841.1	3,616.5	3,620.7	732.3	672.3	2,017.8
Farmland.....	77.1	15.2	39.2	11.3	11.3	10.7	11.4	9.7	11.5	31.7	2.2
GNMA properties.....	1,474.4	1.1	0.9	16.0	1,456.4	17.7	55.8	720.4	597.5	42.4	40.6

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

(dollar figures in millions; notional amounts unless otherwise indicated)	3rd Quarter 2008	2nd Quarter 2008	1st Quarter 2008	4th Quarter 2007	3rd Quarter 2007	%Change 07Q3-08Q3	Asset Size Distribution			
							Less Than \$100 Million	\$100 Million To \$1 Billion	\$1 Billion To \$10 Billion	Greater Than \$10 Billion
<b>ALL DERIVATIVE HOLDERS</b>										
Number of institutions reporting derivatives.....	1,066	1,065	1,099	1,045	1,026	3.9	81	640	266	79
Total assets of institutions reporting derivatives.....	\$10,713,332	\$10,102,137	\$10,194,206	\$9,827,098	\$9,459,618	13.3	\$5,802	\$278,136	\$853,648	\$9,575,746
Total deposits of institutions reporting derivatives.....	6,795,048	6,449,005	6,471,046	6,324,979	6,030,658	12.7	4,570	216,179	609,402	5,964,897
Total derivatives.....	177,103,186	183,303,064	181,599,670	166,117,135	174,574,544	1.4	167	17,389	81,009	177,004,621
<b>Derivative Contracts by Underlying Risk Exposure</b>										
Interest rate.....	137,205,229	144,933,428	141,879,217	129,490,988	138,720,387	-1.1	150	16,813	69,307	137,118,960
Foreign exchange*.....	19,729,818	19,418,964	19,738,204	17,174,167	16,696,571	18.2	5	34	10,092	19,719,686
Equity.....	2,785,996	2,344,339	2,410,959	2,522,430	2,745,807	1.5	12	157	1,029	2,784,798
Commodity & other (excluding credit derivatives).....	1,233,751	1,137,524	1,129,869	1,066,704	1,015,444	21.5	0	194	339	1,233,218
Credit.....	16,148,392	15,468,809	16,441,421	15,862,846	15,396,335	4.9	0	191	242	16,147,960
Total.....	177,103,186	183,303,064	181,599,670	166,117,135	174,574,544	1.4	167	17,389	81,009	177,004,621
<b>Derivative Contracts by Transaction Type</b>										
Swaps.....	108,289,172	114,178,240	112,564,785	103,102,442	111,396,480	-2.8	14	10,386	50,269	108,228,502
Futures & forwards.....	24,483,661	23,582,769	22,361,892	18,866,619	17,126,206	43.0	67	2,162	16,024	24,465,407
Purchased options.....	13,485,926	14,501,116	14,285,549	13,770,867	14,547,038	-7.3	10	2,081	7,082	13,476,753
Written options.....	13,450,076	14,414,797	14,705,284	13,954,396	15,022,184	-10.5	71	2,546	7,010	13,440,449
Total.....	159,708,834	166,676,922	163,917,510	149,694,325	158,091,908	1.0	162	17,176	80,385	159,611,111
<b>Fair Value of Derivative Contracts</b>										
Interest rate contracts.....	27,297	75,935	62,573	20,075	30,716	-11.1	1	15	660	26,622
Foreign exchange contracts.....	15,054	32,017	9,670	7,980	3,119	382.7	0	0	1	15,054
Equity contracts.....	3,742	-3,878	-2,426	9,485	-20,872	N/M	0	2	21	3,719
Commodity & other (excluding credit derivatives).....	3,175	5,063	3,346	1,785	1,664	90.8	0	100	1	3,075
Credit derivatives as guarantor.....	-566,034	-398,893	-474,045	-212,447	-104,120	443.6	0	0	-26	-566,008
Credit derivatives as beneficiary.....	603,935	428,844	501,034	222,426	110,905	444.6	0	1	-1	603,934
<b>Derivative Contracts by Maturity**</b>										
Interest rate contracts.....										
..... < 1 year	40,399,684	44,995,175	42,621,752	39,085,340	48,918,972	-17.4	63	2,509	15,701	40,381,411
..... 1-5 years	37,760,921	39,521,394	39,752,478	37,222,363	36,311,048	4.0	12	8,156	25,065	37,727,688
..... > 5 years	28,784,955	29,704,342	30,105,716	27,224,625	27,877,687	3.3	0	3,997	21,292	28,760,266
Foreign exchange contracts.....										
..... < 1 year	12,664,219	12,345,486	12,524,601	11,591,807	10,094,603	25.5	0	10	7,502	12,656,707
..... 1-5 years	1,787,926	1,929,554	1,924,840	1,604,898	1,831,220	-2.4	0	3	26	1,787,897
..... > 5 years	676,656	734,305	714,707	618,960	718,390	-5.8	0	0	10	676,646
Equity contracts.....										
..... < 1 year	508,748	504,258	509,709	473,413	464,820	9.5	1	41	126	508,580
..... 1-5 years	332,908	207,513	287,805	297,459	303,227	0.8	4	42	422	332,439
..... > 5 years	81,967	76,283	39,960	70,485	70,134	16.9	0	0	19	81,948
Commodity & other contracts.....										
..... < 1 year	294,036	315,202	369,747	284,837	267,197	10.0	0	0	263	293,773
..... 1-5 years	288,860	267,344	277,956	333,631	304,544	-5.1	0	65	22	288,773
..... > 5 years	88,822	28,367	33,492	28,282	31,483	182.1	0	0	0	88,822
<b>Risk-Based Capital: Credit Equivalent Amount</b>										
Total current exposure to tier 1 capital (%).....	60.4	57.7	67.2	45.4	38.0		0.1	0.4	1.8	69.5
Total potential future exposure to tier 1 capital (%).....	122.5	118.5	122.7	110.1	114.7		0.1	0.4	0.8	141.3
Total exposure (credit equivalent amount) to tier 1 capital (%).....	182.9	176.2	189.9	155.5	152.7		0.2	0.8	2.5	210.8
<b>Credit losses on derivatives***</b> .....	227.0	135.0	15.0	156.0	125.0	81.6	0.0	1.0	0.0	226.0
<b>HELD FOR TRADING</b>										
Number of institutions reporting derivatives.....	182	181	170	166	158	15.2	8	58	62	54
Total assets of institutions reporting derivatives.....	9,226,469	8,596,550	8,622,322	8,306,873	7,976,927	15.7	531	27,332	288,951	8,909,655
Total deposits of institutions reporting derivatives.....	5,850,572	5,501,876	5,465,449	5,354,982	5,081,807	15.1	386	21,361	207,048	5,621,777
<b>Derivative Contracts by Underlying Risk Exposure</b>										
Interest rate.....	134,667,695	142,264,570	139,169,279	127,128,959	136,071,674	-1.0	7	773	28,482	134,638,433
Foreign exchange.....	18,396,293	18,166,799	18,413,342	16,483,116	15,489,462	18.8	0	0	9,400	18,386,893
Equity.....	2,773,712	2,333,148	2,402,414	2,515,192	2,729,758	1.6	0	3	303	2,773,406
Commodity & other.....	1,230,649	1,134,781	1,128,387	1,065,818	1,014,757	21.3	0	0	228	1,230,421
Total.....	157,068,350	163,899,297	161,113,422	147,193,085	155,305,652	1.1	7	777	38,413	157,029,153
<b>Trading Revenues: Cash &amp; Derivative Instruments</b>										
Interest rate.....	950	1,503	1,724	-2,531	1,624	-41.5	0	-1	9	942
Foreign exchange.....	3,090	2,096	2,084	1,880	1,936	59.6	0	0	17	3,073
Equity.....	-923	185	-18	217	-98	841.8	0	0	0	-923
Commodity & other (including credit derivatives).....	3,305	-1,944	-2,791	-10,145	-803	N/M	0	0	1	3,304
Total trading revenues.....	6,422	1,839	998	-10,579	2,659	141.5	0	-1	27	6,396
<b>Share of Revenue</b>										
Trading revenues to gross revenues (%).....	4.6	1.3	0.7	-7.7	1.8		0.0	-0.2	0.6	4.8
Trading revenues to net operating revenues (%).....	66.3	24.8	9.7	-278.0	14.9		0.0	-1.5	9.9	68.3
<b>HELD FOR PURPOSES OTHER THAN TRADING</b>										
Number of institutions reporting derivatives.....	968	973	1,011	965	951	1.8	72	585	238	73
Total assets of institutions reporting derivatives.....	10,394,145	9,804,368	9,912,089	9,660,650	9,299,269	11.8	5,214	251,908	747,924	9,389,099
Total deposits of institutions reporting derivatives.....	6,587,322	6,254,425	6,286,953	6,210,106	5,922,180	11.2	4,139	195,425	532,895	5,854,862
<b>Derivative Contracts by Underlying Risk Exposure</b>										
Interest rate.....	2,537,534	2,668,858	2,709,938	2,362,029	2,648,713	-4.2	143	16,039	40,825	2,480,527
Foreign exchange.....	87,565	94,832	84,124	131,087	120,808	-27.5	0	12	311	87,243
Equity.....	12,284	11,191	8,545	7,238	16,048	-23.5	12	154	725	11,392
Commodity & other.....	3,101	2,743	1,482	886	687	351.4	0	194	111	2,797
Total notional amount.....	2,640,484	2,777,625	2,804,088	2,501,240	2,786,256	-5.2	155	16,400	41,972	2,581,958

All line items are reported on a quarterly basis. N/M - Not Meaningful  
 \*Include spot foreign exchange contracts. All other references to foreign exchange contracts in which notional values or fair values 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)

	3rd Quarter 2008	2nd Quarter 2008	1st Quarter 2008	4th Quarter 2007	3rd Quarter 2007	%Change 07Q3-08Q3	Asset Size Distribution			
							Less Than \$100 Million	\$100 Million To \$1 Billion	\$1 Billion To \$10 Billion	Greater Than \$10 Billion
(dollar figures in millions)										
<b>Assets Securitized and Sold with Servicing Retained or with Recourse or Other Seller-Provided Credit Enhancements</b>										
Number of institutions reporting securitization activities.....	133	135	134	127	125	6.4	15	57	24	37
<b>Outstanding Principal Balance by Asset Type.....</b>										
1-4 family residential loans.....	\$1,217,806	\$1,087,331	\$1,068,703	\$1,056,363	\$1,033,487	17.8	\$64	\$452	\$1,856	\$1,215,435
Home equity loans.....	6,880	7,822	8,341	9,353	9,894	-30.5	0	0	210	6,670
Credit card receivables.....	417,832	409,883	402,171	390,035	379,662	10.1	0	3,308	11,953	402,570
Auto loans.....	13,742	6,224	7,495	8,285	9,755	40.9	0	0	218	13,524
Other consumer loans.....	28,090	28,870	27,787	28,542	29,386	-4.4	0	0	0	28,090
Commercial and industrial loans.....	11,080	12,491	12,555	14,469	16,183	-31.5	0	4	4,892	6,184
All other loans, leases, and other assets*.....	211,398	198,089	197,091	193,875	184,941	14.3	43	48	296	211,010
Total securitized and sold.....	1,906,828	1,750,710	1,724,143	1,700,921	1,663,308	14.6	107	3,812	19,425	1,883,483
<b>Maximum Credit Exposure by Asset Type</b>										
1-4 family residential loans.....	7,515	7,121	7,019	6,913	6,874	9.3	3	74	11	7,426
Home equity loans.....	1,347	1,527	1,752	2,000	2,336	-42.3	0	0	6	1,341
Credit card receivables.....	24,039	23,129	21,412	19,629	19,120	25.7	0	370	1,038	22,630
Auto loans.....	447	352	405	380	426	4.9	0	0	13	434
Other consumer loans.....	1,428	1,417	1,406	1,379	2,114	-32.5	0	0	0	1,428
Commercial and industrial loans.....	170	311	276	603	720	-76.4	1	27	73	69
All other loans, leases, and other assets.....	954	2,161	3,228	3,733	4,578	-79.2	12	255	9	679
Total credit exposure.....	35,901	36,017	35,499	34,636	36,169	-0.7	16	727	1,151	34,008
Total unused liquidity commitments provided to institution's own securitizations.....	1,273	1,902	2,944	4,686	5,095	-75.0	0	0	0	1,273
<b>Securitized Loans, Leases, and Other Assets 30-89 Days Past Due (%)</b>										
1-4 family residential loans.....	3.8	2.8	2.5	2.8	2.9		0.7	0.0	1.3	3.8
Home equity loans.....	1.3	0.6	0.7	0.8	0.7		0.0	0.0	2.3	1.3
Credit card receivables.....	2.5	2.1	2.2	2.2	2.1		0.0	1.5	1.7	2.5
Auto loans.....	2.1	2.2	1.9	2.4	1.9		0.0	0.0	1.1	2.1
Other consumer loans.....	3.2	2.7	2.5	3.1	2.8		0.0	0.0	0.0	3.2
Commercial and industrial loans.....	1.6	1.3	1.2	1.0	0.9		0.0	0.0	3.4	0.2
All other loans, leases, and other assets.....	0.2	0.3	0.1	0.1	0.1		0.0	0.0	0.0	0.2
Total loans, leases, and other assets.....	3.0	2.3	2.2	2.4	2.4		0.4	1.3	2.1	3.1
<b>Securitized Loans, Leases, and Other Assets 90 Days or More Past Due (%)</b>										
1-4 family residential loans.....	3.2	2.0	2.0	1.6	1.3		1.2	0.0	0.7	3.2
Home equity loans.....	0.7	0.7	0.7	0.5	0.4		0.0	0.0	1.2	0.7
Credit card receivables.....	2.1	2.1	2.1	1.9	1.7		0.0	1.2	1.4	2.2
Auto loans.....	0.2	0.3	0.3	0.4	0.2		0.0	0.0	0.1	0.2
Other consumer loans.....	2.9	2.4	2.3	2.4	2.1		0.0	0.0	0.0	2.9
Commercial and industrial loans.....	1.5	1.3	1.1	0.9	0.7		0.0	0.0	3.0	0.2
All other loans, leases, and other assets.....	0.2	0.2	0.2	0.1	0.1		0.0	0.0	0.0	0.2
Total loans, leases, and other assets.....	2.6	1.8	1.8	1.5	1.3		0.7	1.0	1.7	2.6
<b>Securitized Loans, Leases, and Other Assets Charged-Off (net, YTD, annualized, %)</b>										
1-4 family residential loans.....	0.3	0.1	0.0	0.1	0.0		0.0	0.0	0.1	0.3
Home equity loans.....	0.4	0.2	0.1	0.2	0.1		0.0	0.0	1.1	0.3
Credit card receivables.....	4.4	2.8	1.4	4.4	3.3		0.0	2.9	3.0	4.4
Auto loans.....	1.3	0.9	0.4	1.3	0.8		0.0	0.0	0.3	1.3
Other consumer loans.....	0.6	0.4	0.2	1.3	1.1		0.0	0.0	0.0	0.6
Commercial and industrial loans.....	3.6	1.9	0.8	2.0	1.2		0.0	0.0	7.9	0.2
All other loans, leases, and other assets.....	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.1	0.0
Total loans, leases, and other assets.....	1.2	0.7	0.4	1.1	0.8		0.0	2.5	3.8	1.2
<b>Seller's Interests in Institution's Own Securitizations—Carried as Loans</b>										
Home equity loans.....	166	435	282	347	494	-66.4	0	0	0	166
Credit card receivables.....	98,826	82,604	73,418	86,748	77,451	27.6	0	223	4,230	94,373
Commercial and industrial loans.....	636	3,506	3,263	7,671	6,018	-89.4	0	0	594	42
<b>Seller's Interests in Institution's Own Securitizations—Carried as Securities</b>										
Home equity loans.....	6	7	9	9	10	-40.0	0	0	0	6
Credit card receivables.....	623	403	377	436	374	66.6	0	7	617	0
Commercial and industrial loans.....	15	1	1	2	6	150.0	0	0	0	15
<b>Assets Sold with Recourse and Not Securitized</b>										
Number of institutions reporting asset sales.....	784	771	759	759	747	5.0	150	479	109	46
<b>Outstanding Principal Balance by Asset Type.....</b>										
1-4 family residential loans.....	68,676	65,952	60,386	57,612	57,400	19.6	1,037	8,629	3,431	55,580
Home equity, credit card receivables, auto, and other consumer loans.....	1,606	1,718	1,886	637	775	107.2	1	30	62	1,513
Commercial and industrial loans.....	7,314	4,794	4,579	4,728	5,053	44.7	0	174	14	7,125
All other loans, leases, and other assets.....	41,501	28,358	26,105	24,082	21,509	92.9	0	79	457	40,966
Total sold and not securitized.....	119,097	100,822	92,956	87,059	84,737	40.5	1,038	8,912	3,963	105,183
<b>Maximum Credit Exposure by Asset Type</b>										
1-4 family residential loans.....	15,702	14,674	14,070	14,780	15,885	-1.2	130	1,436	1,958	12,179
Home equity, credit card receivables, auto, and other consumer loans.....	198	171	165	604	742	-73.3	1	11	60	126
Commercial and industrial loans.....	6,180	3,614	3,335	3,393	3,422	80.6	0	155	14	6,011
All other loans, leases, and other assets.....	11,517	7,508	7,180	6,968	6,299	82.8	0	13	99	11,405
Total credit exposure.....	33,597	25,967	24,750	25,745	26,348	27.5	131	1,615	2,131	29,721
<b>Support for Securitization Facilities Sponsored by Other Institutions</b>										
Number of institutions reporting securitization facilities sponsored by others.....	50	48	49	49	50	0.0	24	18	3	5
Total credit exposure.....	18,464	12,668	6,825	2,843	1,478	1149.3	9	72	48	18,335
Total unused liquidity commitments.....	3,531	5,492	6,778	10,314	8,242	-57.2	0	0	0	3,531
<b>Other</b>										
Assets serviced for others**.....	5,528,813	3,921,890	3,813,285	3,798,682	3,648,511	51.5	3,587	66,084	107,977	5,351,164
Asset-backed commercial paper conduits.....										
Credit exposure to conduits sponsored by institutions and others.....	20,830	21,083	22,332	22,226	22,592	-7.8	2	1	236	20,591
Unused liquidity commitments to conduits sponsored by institutions and others.....	293,183	320,507	345,968	372,709	365,850	-19.9	0	27	0	293,156
Net servicing income (for the quarter).....	4,110	7,280	3,532	2,718	3,635	13.1	7	183	225	3,695
Net securitization income (for the quarter).....	3,892	3,836	5,137	5,008	5,812	-33.0	0	60	213	3,619
Total credit exposure to Tier 1 capital (%)***.....	9.00	7.30	6.60	6.40	6.50		0.70	1.90	2.50	11.80

\*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 when these assets are greater than \$10 million.

\*\*\*Total credit exposure includes the sum of the three line items titled "Total credit exposure" reported above.

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## INSURANCE FUND INDICATORS

- **Insured Deposits Grow by 1.8 Percent, Up from the Prior Quarter's 0.6 Percent Growth Rate**
- **DIF Reserve Ratio Declines 25 Basis Points to 0.76 Percent**
- **Nine Institutions Failed During the Third Quarter**
- **Changes Proposed for Risk-Based Assessments**

Total assets of the nation's 8,384 FDIC-insured commercial banks and savings institutions increased by \$273.2 billion (2.1 percent) during the third quarter of 2008. Fifty-seven percent of the quarter's asset growth was funded by deposits, as noninterest-bearing deposits increased by 13.7 percent (\$176.8 billion), while interest-bearing deposits decreased by 0.3 percent (\$21.9 billion). Domestic office deposits of banks and thrifts increased by 2.7 percent (\$192.9 billion), and foreign office deposits decreased by 2.5 percent (\$38.0 billion).

Estimated insured deposits rose by 1.8 percent (\$78.6 billion) in the third quarter of 2008, and by 7.1 percent over the past four quarters. The third-quarter increase was up from the previous quarter's 0.6 percent growth rate. For institutions existing as of June 30, 2008, and September 30, 2008, insured deposits increased during the third quarter at 4,820 institutions (58 percent), decreased at 3,508 institutions (42 percent), and remained unchanged at 35 institutions.

The Deposit Insurance Fund (DIF) decreased by 23.5 percent (\$10.6 billion) during the third quarter to \$34,588 million (unaudited). Accrued assessment income increased the fund by \$881 million. Interest earned, combined with realized and unrealized gains (losses) on securities, added \$653 million to the insurance fund. Operating and other expenses, net of other revenue, reduced the fund by \$233 million. The reduction in the DIF was primarily due to an \$11.9 billion increase in loss provisions for bank failures. The DIF's reserve ratio equaled 0.76 percent on September 30, 2008, down from 1.01 percent at June 30, 2008, and 1.22 percent one year ago. The September figure is the lowest reserve ratio for the combined bank and thrift insurance fund since June 30, 1994, when the reserve ratio was 0.74 percent. Nine FDIC-insured institutions with combined assets of \$346 billion failed during the third quarter of 2008, the largest number of quarterly failures since the third quarter of 1993 when 16 insured institutions failed.

The failure of Washington Mutual Bank on September 25, 2008, which reported assets of \$307 billion on its last quarterly financial report, was the largest single failure in the FDIC's history. For 2008 through September 30, thirteen insured institutions with combined assets of \$348 billion failed, at an estimated current cost to the DIF of \$11.0 billion.

### Restoration Plan

Recent bank failures significantly increased the Deposit Insurance Fund's losses, resulting in a decline in the reserve ratio. As of September 30, 2008, the reserve ratio stood at 0.76 percent, down from 1.01 percent at June 30 and 1.19 percent at March 31. The Federal Deposit Insurance Reform Act of 2005 (the Reform Act) requires that the FDIC's Board of Directors adopt a restoration plan when the Deposit Insurance Fund reserve ratio falls below 1.15 percent or is expected to within six months. Absent extraordinary circumstances, the restoration plan must provide that the reserve ratio increase to at least 1.15 percent no later than five years after the plan's establishment. The FDIC Board adopted a restoration plan on October 7.

As part of the restoration plan, and in conjunction with it, the FDIC Board also authorized publication of a notice of proposed rule making (NPR) that would raise assessment rates and make other changes to the assessment system. The other changes are primarily to ensure that riskier institutions will bear a greater share of the proposed increase in assessments.

### Rates for the First Quarter of 2009

The FDIC proposed raising the current assessment rates uniformly by 7 basis points for the first quarter 2009 assessment period. Assessment rates for the first quarter of 2009 would range from 12 to 50 basis points. Institutions in the lowest risk category—Risk Category I—would pay between 12 and 14 basis points.

## Changes to Risk-Based Assessments Effective the Second Quarter of 2009

### *Range of assessment rates*

Currently, risk-based assessment rates range between 5 and 43 basis points—5 to 7 basis points for Risk Category I. Effective April 1, 2009, the proposal would widen the range of rates overall and within Risk Category I. Initial base assessment rates would range between 10 and 45 basis points—10 to 14 basis points for Risk Category I. The initial base rates for risk categories II, III, and IV would be 20, 30, and 45 basis points, respectively. An institution's total base assessment rate may be less than or greater than its initial base rate as a result of additional proposed risk adjustments (discussed below).

### *Large Risk Category I institutions*

Under the current rules, the pricing method for most large institutions (generally, those with more than \$10 billion in assets) in Risk Category I relies on average CAMELS component ratings and long-term debt issuer ratings from credit agencies. Under the proposal, effective April 1, 2009, the assessment rate for a large institution would depend on (1) long-term debt ratings, (2) the weighted average CAMELS component rating, and (3) the rate determined from the financial ratios method, the method used for smaller banks. Each of the three components would receive a one-third weight.

### *Brokered deposits*

For institutions in Risk Category I, the financial ratios method would include a new financial ratio that may increase the rate of an institution relying significantly on brokered deposits to fund rapid asset growth. This would only apply to institutions with brokered deposits of more than 10 percent of domestic deposits and cumulative asset growth of more than 20 percent over the last four years, adjusted for mergers and acquisitions. Like the other financial ratios used to determine rates in Risk Category I, a small change in the value of the new ratio may lead to only a small rate change, and it would not cause an institution's rate to fall outside of the 10-14 basis point initial range.

For institutions in risk categories II, III, or IV, the FDIC proposes to increase an institution's assessment rate above its initial rate if its ratio of brokered deposits to domestic deposits is greater than 10 percent, regardless of the rate of asset growth. Such an increase would be capped at 10 basis points.

### *Secured liabilities*

For institutions in any risk category, assessment rates would rise above initial rates for institutions relying significantly on secured liabilities. Assessment rates would increase for institutions with a ratio of secured liabilities to domestic deposits of greater than 15 percent, with a maximum increase of 50 percent above the rate before such adjustment.

Secured liabilities generally include repurchase agreements, Federal Home Loan Bank advances, secured Federal Funds purchased, and other secured borrowings.

### *Unsecured debt and Tier I capital*

Institutions would receive a lower rate if they have long-term unsecured debt, including senior unsecured and subordinated debt with a remaining maturity of one year or more.

For a large institution, the rate reduction would be determined by multiplying the institution's long-term unsecured debt as a percentage of domestic deposits by 20 basis points. The maximum allowable rate reduction would be 2 basis points.

For a small institution, this adjustment would treat a certain amount of Tier 1 capital similarly to unsecured debt. The amount of qualifying Tier 1 capital would be the sum of one-half of the amount between 10 percent and 15 percent of adjusted average assets and the full amount of Tier 1 capital exceeding 15 percent of adjusted average assets.

### *Summary of base rate determination*

The minimum and maximum initial base assessment rates, range of possible rate adjustments, and minimum and maximum total base rates are as follows:

	Risk Category I	Risk Category II	Risk Category III	Risk Category IV
Initial base assessment rate	10 – 14	20	30	45
Unsecured debt adjustment	-2 – 0	-2 – 0	-2 – 0	-2 – 0
Secured liability adjustment	0 – 7	0 – 10	0 – 15	0 – 22.5
Brokered deposit adjustment		0 – 10	0 – 10	0 – 10
Total base assessment rate	8 – 21	18 – 40	28 – 55	43 – 77.5

**Base rates and actual rates**

The NPR recommended that actual rates equal the proposed base rates. The FDIC would continue to have the authority to adopt actual rates that were higher or lower than total base assessment rates without the necessity of further notice-and-comment rulemaking, provided that: (1) the Board could not increase or decrease rates from one quarter to the next by more

than 3 basis points without further notice-and-comment rulemaking; and (2) cumulative increases and decreases could not be more than 3 basis points higher or lower than the total base rates without further notice-and-comment rulemaking.

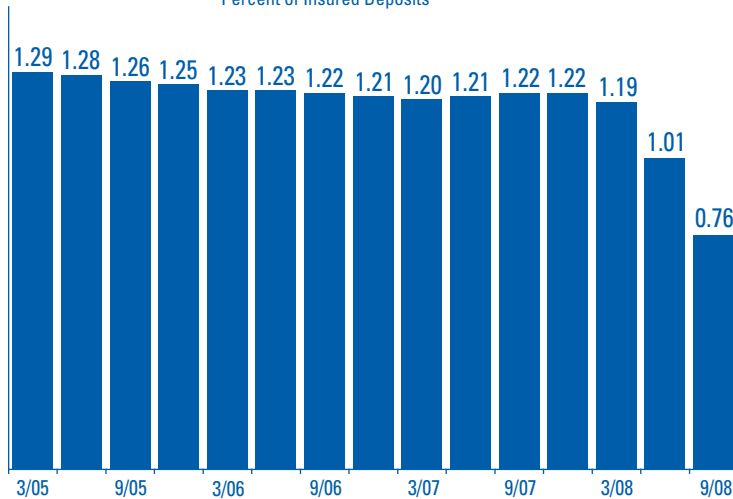
*Author: Kevin Brown, Sr. Financial Analyst  
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Table I-B. Insurance Fund Balances and Selected Indicators

(dollar figures in millions)	Deposit Insurance Fund										
	3rd Quarter 2008	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
<b>Beginning Fund Balance*</b> .....	\$45,217	\$52,843	\$52,413	\$51,754	\$51,227	\$50,745	\$50,165	\$49,992	\$49,564	\$49,193	\$48,597
<b>Changes in Fund Balance:</b>											
Assessments earned.....	881	640	448	239	170	140	94	10	10	7	5
Interest earned on investment securities.....	526	651	618	585	640	748	567	476	622	665	478
Realized gains on sale of investments.....	473	0	0	0	0	0	0	0	0	0	0
Operating expenses.....	249	256	238	262	243	248	239	248	237	242	224
Provision for insurance losses.....	11,930	10,221	525	39	132	-3	-73	49	-50	-6	-45
All other income, net of expenses**.....	16	1	0	-2	24	1	4	5	1	12	349
Unrealized gain/(loss) on available-for-sale securities.....	-346	1,559	127	138	68	-162	81	-21	-18	-77	-57
Total fund balance change.....	-10,629	-7,626	430	659	527	482	580	173	428	371	596
<b>Ending Fund Balance*</b> .....	34,588	45,217	52,843	52,413	51,754	51,227	50,745	50,165	49,992	49,564	49,193
Percent change from four quarters earlier.....	-33.17	-11.73	4.13	4.48	3.52	3.36	3.15	3.23	3.35	3.21	3.31
<b>Reserve Ratio (%)</b> .....	0.76	1.01	1.19	1.22	1.22	1.21	1.20	1.21	1.22	1.23	1.23
<b>Estimated Insured Deposits***</b> .....	4,543,752	4,465,139	4,437,034	4,291,700	4,242,607	4,235,044	4,245,267	4,153,786	4,100,013	4,404,353	4,001,906
Percent change from four quarters earlier.....	7.10	5.43	4.52	3.32	3.48	4.82	6.08	6.76	7.02	7.52	8.50
<b>Domestic Deposits****</b> .....	7,230,058	7,036,217	7,076,691	6,921,656	6,747,998	6,698,886	6,702,598	6,640,105	6,484,372	6,446,868	6,340,783
Percent change from four quarters earlier.....	7.14	5.04	5.58	4.24	4.07	3.91	5.71	6.59	6.76	8.68	8.70
<b>Number of institutions reporting</b> .....	8,394	8,462	8,505	8,545	8,570	8,625	8,661	8,692	8,755	8,790	8,803

DIF Reserve Ratios\*  
Percent of Insured Deposits



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

	DIF Balance	DIF-Insured Deposits
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	4,235,044
9/07	51,754	4,242,607
12/07	52,413	4,291,700
3/08	52,843	4,437,034
6/08	45,217	4,465,139
9/08	34,588	4,543,752

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

(dollar figures in millions)	2008*****	2007*****	2007	2006	2005	2004	2003
<b>Problem Institutions</b>							
Number of institutions.....	171	65	76	50	52	80	116
Total assets.....	\$115,639	\$18,515	\$22,189	\$8,265	\$6,607	\$28,250	\$29,917
<b>Failed/Assisted Institutions</b>							
Number of institutions.....	13	2	3	0	0	4	3
Total assets.....	\$347,569	\$2,490	\$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.

\*\*\* The Emergency Economic Stabilization Act of 2008 directs the FDIC not to consider the temporary coverage increase to \$250,000 in setting assessments. Therefore, we do not include the additional insured deposits in calculating the fund reserve ratio, which guides our assessment planning. If Congress were to decide to leave the \$250,000 coverage level in place indefinitely, however, it would be necessary to account for the increase in insured deposits to determine the appropriate level of the fund.

\*\*\*\* Domestic deposits differ from Table II-A due to inclusion of insured branches of foreign banks.

\*\*\*\*\* Through September 30.

**Table III-B. Estimated FDIC-Insured Deposits by Type of Institution***(dollar figures in millions)*

September 30, 2008	Number of Institutions	Total Assets	Domestic Deposits*	Est. Insured Deposits
<b>Commercial Banks and Savings Institutions</b>				
FDIC-Insured Commercial Banks .....	7,146	\$12,050,414	\$6,273,276	\$3,777,203
FDIC-Supervised .....	4,715	1,911,907	1,397,631	1,000,214
OCC-Supervised.....	1,556	8,334,895	3,882,905	2,257,327
Federal Reserve-Supervised.....	875	1,803,611	992,740	519,662
FDIC-Insured Savings Institutions .....	1,238	1,523,277	948,687	761,547
OTS-Supervised Savings Institutions.....	819	1,217,637	740,193	595,575
FDIC-Supervised State Savings Banks.....	419	305,640	208,494	165,972
<b>Total Commercial Banks and Savings Institutions.....</b>	<b>8,384</b>	<b>13,573,691</b>	<b>7,221,963</b>	<b>4,538,750</b>
<b>Other FDIC-Insured Institutions</b>				
U.S. Branches of Foreign Banks.....	10	39,459	8,095	5,002
<b>Total FDIC-Insured Institutions.....</b>	<b>8,394</b>	<b>13,613,150</b>	<b>7,230,058</b>	<b>4,543,752</b>

\* Excludes \$1.51 trillion in foreign office deposits, which are uninsured.

**Table IV-B. Distribution of Institutions and Domestic Deposits Among Risk Categories****Quarter Ending June 30, 2008***(dollar figures in billions)*

Risk Category	Annual Rate in Basis Points	Number of Institutions	Percent of Total Institutions	Domestic Deposits	Percent of Total Assessment Base
I - Minimum.....	5	2,038	24.1	2,684	38.2
I - Middle .....	5.01- 6.00	2,633	31.1	2,192	31.2
I - Middle .....	6.01- 6.99	1,587	18.8	702	10.0
I - Maximum .....	7	1,478	17.5	504	7.2
II.....	10	590	7.0	897	12.7
III.....	28	122	1.4	27	0.4
IV .....	43	14	0.2	29	0.4

Note: Institutions are categorized based on supervisory ratings, debt ratings and financial data as of June 30, 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

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. Additionally, 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*.

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 No. 158 *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans***—issued in September 2006 requires a bank to recognize in 2007, and subsequently, 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 non-interest income. This ratio measures the proportion of net operating revenues that are absorbed by overhead expenses, so that a lower value indicates greater efficiency.

**Estimated insured deposits**—in general, insured deposits are total domestic deposits minus estimated uninsured deposits. 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 non-accrual 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.

Capital Group	Supervisory Group		
	A	B	C
1. Well Capitalized	I 5–7 bps	II 10 bps	III 28 bps
2. Adequately Capitalized			
3. Undercapitalized		III 28 bps	IV 43 bps

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 200 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.