

FDIC Quarterly Banking Profile

SECOND QUARTER 2005

- **Lower Noninterest Income, Higher Expenses Hold Down Industry Earnings**
- **Net Income Of \$33.1 Billion Is Second-Highest Quarterly Total Ever**
- **Net Interest Margins Decline At Large Institutions, Improve At Smaller Institutions**
- **Commercial And Industrial Loan Growth Continues To Gain Momentum**
- **Improving Trend In Asset Quality Persists, As Level Of Troubled Loans Reaches New Low**

Weaker Results at Large Banks Produce a Decline in Industry Profits

Lower servicing fee income, lower trading revenue, and a large charge for litigation settlement expenses led to a decline in the net income earned by insured institutions in the second quarter. The 8,868 commercial banks and savings institutions insured by the FDIC reported net income of \$33.1 billion, a decline of \$1.1 billion (3.3 percent) from the record quarterly total in the first quarter. Industry earnings still represented the second-best quarterly performance ever reported, and were \$2.0 billion (6.3 percent) above the level of the second quarter of 2004. The quarter-to-quarter decline was caused by lower earnings at a few large banks; for the industry as a whole, almost two out of every three institutions (62 percent) reported higher net income than in the first quarter, but five of the ten largest insured institutions saw their earnings decline. Servicing fees were \$2.2 billion (43.9 percent) lower than in the first quarter, while trading revenue fell by \$1.9 billion (43.3 percent). Noninterest expenses rose by \$2.2 billion (2.9 percent) from the first quarter, including a \$1.2-billion charge for litigation settlement costs. On the positive side, sales of securities and other assets yielded \$2.3 billion in gains, compared to \$845 million in the first quarter and \$1.6 billion in the second quarter of 2004. Strong growth in interest-earning assets produced a \$672-million (0.9-percent) increase in net interest income. Loan-loss provision expenses were \$434 million (7.0 percent) higher than in the first quarter, but were still \$722 million (9.8 percent) below the level of a year earlier. The industry's return on assets (ROA) fell to 1.28 percent in the second quarter, from 1.35 percent in the first quarter and 1.31 percent in the second quarter of 2004. More than half of all institutions (58 percent) had quarterly ROAs of 1 percent or better, and only 5.6 percent of insured institutions reported a net loss for the quarter.

Rising Funding Costs Erode Margins at Larger Institutions

Short-term interest rates rose during the second quarter, with different results at large and smaller institutions. Large institutions rely more heavily on short-term borrowings to fund their assets, and their funding costs increase more than other institutions' when short rates rise. At institutions with more than \$10 billion in assets, the average net interest margin declined by 9 basis points in the second quarter. At all other institutions, funding costs did not rise as rapidly as asset yields, and the average margin improved by 7 basis points. However, the 114 insured commercial banks and savings institutions with more than \$10 billion in assets hold almost three quarters of all industry assets (73.6 percent), so the decline in their margins caused a 4 basis-point decline in the overall industry margin. At 3.49 percent, the industry margin is at its lowest level since the third quarter of 1990.

Loan Losses Continue Trending Downward

Insured banks and thrifts charged-off \$6.7 billion in the second quarter, a decline of \$493 million (6.9 percent) from the first quarter, and \$1.5 billion (18.2 percent) less than they charged-off in the second quarter of 2004. This is the smallest amount of loan losses in a quarter since the third quarter of 2000, and the quarterly net charge-off rate of 0.42 percent is the lowest since the first quarter of 1995. The drop in loan losses from first-quarter levels stemmed from improvements in consumer loan portfolios. Net charge-offs of credit-card loans were \$343 million (7.9 percent) lower than in the first quarter, and net charge-offs of other nonmortgage loans to individuals were \$127 million (8.5 percent) lower. No loan categories had significant increases in net charge-offs. Compared to the second quarter of 2004, charge-offs of loans to commercial and industrial borrowers registered the greatest improvement, a \$633-million (46.9-percent) decline.

Noncurrent Loans Decline for Eleventh Consecutive Quarter

The amount of loans that were noncurrent (90 days or more past due or in nonaccrual status) declined by \$427 million (0.9 percent) during the second quarter. This is the eleventh quarter in a row that noncurrent loans have declined. They are now \$23.1 billion (33.5 percent) below the most recent peak level of \$68.9 billion, reached in the third quarter of 2002. At midyear, noncurrent loans and leases represented 0.71 percent of all loans and leases, the lowest level registered since insured banks and thrifts began reporting noncurrent loan data in 1984, and the fifth quarter in a row that this ratio has set a new record low. Noncurrent C&I loans fell by \$678 million (6.5 percent) during the quarter. Noncurrent credit-card loans declined by \$354 million (5.5 percent), and noncurrent commercial real estate loans dropped by \$225 million (4.3 percent). The amount of residential mortgage loans that were noncurrent increased by \$1.1 billion (8.9 percent), with all of the growth occurring at two institutions.

Reserve Ratio Falls to 19-year Low

The industry's reserves for loan losses declined for the sixth quarter in a row and the seventh time in the past eight quarters, as large banks added fewer dollars to reserves in loss provisions than they took out in charge-offs. The \$652-million decline in reserves, combined with a \$204-billion increase in loans, caused the industry's ratio of reserves to total loans to drop from 1.28 percent to 1.23 percent. This is the lowest level for this ratio since the first quarter of 1986. Since reaching an all-time high of \$85.9 billion two years ago, the industry's reserves for loan losses have fallen by \$6.9 billion (8.0 percent). The main impetus behind the downward trend in reserves has been the steady improvement in asset quality, particularly at larger banks. As the reserve ratio has fallen, the industry's "coverage ratio" of reserves to noncurrent loans has improved. At midyear, insured institutions had \$1.73 in reserves for every \$1.00 of noncurrent loans, the highest level for this ratio in six years.

Retained Earnings, Securities Appreciation Boost Equity Capital

Equity capital increased by \$30.6 billion (2.9 percent) during the second quarter, as the industry's equity capital ratio reached its highest level — 10.38 percent of total assets — since 1938. Retained earnings of \$14.8 billion were \$2.0 billion (15.6 percent) above the level of a year ago, and were the largest contributor to the capital increase. An \$11.6-billion increase in unrealized gains on securities held for sale, caused by higher market values in institutions' fixed-rate securities portfolios, was another major contributor to equity growth. The improvement in equity capital was widespread. Almost two out of every three institutions (63.3 percent) reported increases in their equity capital ratios during the second quarter.

Loan Growth Is Second-highest Quarterly Total Ever

Strong demand in construction lending, residential real estate, and C&I loans helped the industry grow its total loan portfolio by \$204 billion (3.3 percent). This is the second-largest quarterly increase ever, after the \$235-billion increase in total loans and leases in the second quarter of 2004. Residential mortgage loans increased by \$65.8 billion (3.5 percent) during the quarter, while home equity lines of credit grew by \$25.9 billion (5.1 percent). C&I loans grew by a record \$42.4 billion (4.2 percent), and real estate construction and development loans were up by \$30.1 billion (8.4 percent). Data reported by insured commercial banks show that a large share of the recent growth in residential mortgage loans has consisted of adjustable-rate mortgages (ARMs), although the last two quarters have seen a shift toward fixed-rate mortgages. During the second quarter, ARMs accounted for 47.9 percent (\$16.4 billion) of the

increase in residential mortgage loans at commercial banks. Over the last four quarters, almost two-thirds (65.4 percent) of the increase in residential mortgage loans at commercial banks has come from ARMs. Annual data on loans to small businesses and farms reported as of each June 30 show that lending to larger borrowers outstripped lending to smaller borrowers during the past 12 months. Between June 30 2004 and June 30 2005, C&I loans in amounts of \$1 million or less increased by 3.7 percent, while larger C&I loans grew by 17.6 percent. Commercial real estate loans of less than \$1 million increased by 4.7 percent, while larger commercial real estate loans grew by 11.8 percent. Agricultural production loans and real estate loans secured by farmland in amounts of \$500 thousand or less were up by 2.6 percent, while larger loans to agricultural borrowers rose by 9.5 percent.

Deposit Growth Fails to Keep Pace with Increase in Loans

Total deposits of insured institutions increased by \$112.2 billion (1.7 percent) during the quarter, while nondeposit liabilities grew by \$45.2 billion (1.8 percent). The industry's loan-to-deposit ratio rose from 91.2 percent to 92.7 percent, its highest level since the first quarter of 2001. For a second consecutive quarter, insured (smaller denomination) deposits in domestic offices grew by a larger amount than uninsured (large denomination) deposits. Prior to this year, uninsured deposit growth had exceeded growth in insured deposits in 10 of the previous 11 quarters.

Merger Produces First Trillion-dollar Bank

The number of FDIC-insured commercial banks and savings institutions reporting financial results declined by 63 in the second quarter. During the quarter, 44 new charters were added, while 105 insured institutions were absorbed into other institutions. One of these mergers, between Bank of America and Fleet Bank, resulted in the first FDIC-insured institution with more than \$1 trillion in total assets (their parent holding companies merged in 2004). As of June 30, Bank of America reported total assets of \$1.048 trillion. No institutions failed during the second quarter. It has now been more than four quarters since the last failure of an FDIC-insured bank or thrift. This is the longest interval without a bank failure since the 15-month period from August 1996 through October 1997. Four mutually-owned savings institutions, with total assets of \$2.1 billion, converted to stock ownership in the second quarter. The number of institutions on the FDIC's "Problem List" continued to decline, dropping from 80 to 74, while assets of "problem" institutions declined from \$28.2 billion to \$21.7 billion. The number of "problem" institutions at midyear is the lowest total reached in the 36 years for which these data are available.

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

| | 2005** | 2004** | 2004 | 2003 | 2002 | 2001 | 2000 |
|--|--------|--------|-------|-------|-------|-------|-------|
| Return on assets (%) | 1.31 | 1.33 | 1.29 | 1.38 | 1.30 | 1.14 | 1.14 |
| Return on equity (%) | 12.68 | 14.21 | 13.27 | 15.04 | 14.11 | 12.96 | 13.53 |
| Core capital (leverage) ratio (%) | 8.26 | 8.05 | 8.12 | 7.88 | 7.86 | 7.78 | 7.71 |
| Noncurrent assets plus | | | | | | | |
| other real estate owned to assets (%) | 0.48 | 0.60 | 0.53 | 0.75 | 0.90 | 0.87 | 0.71 |
| Net charge-offs to loans (%) | 0.44 | 0.60 | 0.56 | 0.78 | 0.97 | 0.83 | 0.59 |
| Asset growth rate (%) | 8.56 | 8.13 | 11.34 | 7.58 | 7.20 | 5.44 | 8.41 |
| Net interest margin (%) | 3.51 | 3.61 | 3.53 | 3.73 | 3.96 | 3.78 | 3.77 |
| Net operating income growth (%) | 10.57 | 9.62 | 4.35 | 15.99 | 18.45 | -0.98 | 1.71 |
| Number of institutions reporting | 8,868 | 9,078 | 8,975 | 9,181 | 9,354 | 9,614 | 9,904 |
| Commercial banks | 7,549 | 7,694 | 7,630 | 7,770 | 7,888 | 8,080 | 8,315 |
| Savings institutions | 1,319 | 1,384 | 1,345 | 1,411 | 1,466 | 1,534 | 1,589 |
| Percentage of unprofitable institutions (%) | 5.49 | 5.57 | 5.93 | 5.98 | 6.67 | 8.24 | 7.53 |
| Number of problem institutions | 74 | 102 | 80 | 116 | 136 | 114 | 94 |
| Assets of problem institutions (in billions) | \$22 | \$26 | \$28 | \$30 | \$39 | \$40 | \$24 |
| Number of failed/assisted institutions | 0 | 4 | 4 | 3 | 11 | 4 | 7 |

* Excludes insured branches of foreign banks (IBAs)

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

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

| (dollar figures in millions) | 2nd Quarter 2005 | 1st Quarter 2005 | 2nd Quarter 2004 | %Change 04:2-05:2 | |
|--|---------------------|---------------------|---------------------|----------------------|-------|
| Number of institutions reporting | 8,868 | 8,931 | 9,078 | -2.3 | |
| Total employees (full-time equivalent) | 2,130,247 | 2,104,618 | 2,100,293 | 1.4 | |
| CONDITION DATA | | | | | |
| Total assets | \$10,474,300 | \$10,286,342 | \$9,648,545 | 8.6 | |
| Loans secured by real estate | 3,932,209 | 3,787,736 | 3,429,330 | 14.7 | |
| 1-4 Family residential mortgages | 1,952,586 | 1,886,828 | 1,744,027 | 12.0 | |
| Commercial real estate | 782,252 | 767,066 | 718,676 | 8.8 | |
| Construction and development | 389,200 | 359,079 | 299,498 | 30.0 | |
| Home equity lines | 533,792 | 507,924 | 415,792 | 28.4 | |
| Commercial & industrial loans | 1,043,129 | 1,000,769 | 926,083 | 12.6 | |
| Loans to individuals | 907,669 | 907,814 | 846,060 | 7.3 | |
| Credit cards | 366,447 | 364,060 | 322,799 | 13.5 | |
| Farm loans | 48,338 | 45,437 | 47,281 | 2.2 | |
| Other loans & leases | 476,847 | 462,329 | 537,411 | -11.3 | |
| Less: Unearned income | 3,083 | 3,077 | 3,067 | 0.5 | |
| Total loans & leases | 6,405,108 | 6,201,009 | 5,783,099 | 10.8 | |
| Less: Reserve for losses | 79,068 | 79,719 | 83,999 | -5.9 | |
| Net loans and leases | 6,326,040 | 6,121,289 | 5,699,100 | 11.0 | |
| Securities | 1,889,406 | 1,888,517 | 1,874,571 | 0.8 | |
| Other real estate owned | 4,091 | 4,243 | 4,957 | -17.5 | |
| Goodwill and other intangibles | 322,357 | 325,904 | 240,387 | 34.1 | |
| All other assets | 1,932,405 | 1,946,388 | 1,829,530 | 5.6 | |
| Total liabilities and capital | 10,474,300 | 10,286,342 | 9,648,545 | 8.6 | |
| Deposits | 6,820,943 | 6,708,778 | 6,290,153 | 8.4 | |
| Domestic office deposits | 5,925,774 | 5,827,158 | 5,462,523 | 8.5 | |
| Foreign office deposits | 895,168 | 881,620 | 827,631 | 8.2 | |
| Other borrowed funds | 2,016,257 | 1,957,427 | 1,931,627 | 4.4 | |
| Subordinated debt | 123,091 | 122,515 | 110,532 | 11.4 | |
| All other liabilities | 427,115 | 441,311 | 399,169 | 7.0 | |
| Equity capital | 1,086,893 | 1,056,310 | 917,063 | 18.5 | |
| Loans and leases 30-89 days past due | 48,151 | 49,474 | 46,751 | 3.0 | |
| Noncurrent loans and leases | 45,816 | 46,243 | 51,502 | -11.0 | |
| Restructured loans and leases | 3,152 | 2,537 | 2,442 | 29.1 | |
| Direct and indirect investments in real estate | 908 | 872 | 775 | 17.2 | |
| Mortgage-backed securities | 1,141,359 | 1,142,360 | 1,073,556 | 6.3 | |
| Earning assets | 9,142,099 | 8,967,337 | 8,426,852 | 8.5 | |
| FHLB Advances | 584,883 | 545,788 | 534,878 | 9.3 | |
| Unused loan commitments | 6,681,216 | 6,484,647 | 6,184,712 | 8.0 | |
| Trust assets | 15,538,921 | 15,160,390 | 13,904,030 | 11.8 | |
| Assets securitized and sold*** | 971,240 | 916,206 | 863,539 | 12.5 | |
| Notional amount of derivatives*** | 96,943,486 | 91,861,153 | 81,711,649 | 18.6 | |
| INCOME DATA | | | | | |
| Total interest income | \$246,419 | \$205,044 | \$126,753 | \$105,085 | 20.6 |
| Total interest expense | 89,127 | 58,132 | 47,678 | 29,640 | 60.9 |
| Net interest income | 157,291 | 146,912 | 79,075 | 75,445 | 4.8 |
| Provision for loan and lease losses | 12,809 | 14,793 | 6,625 | 7,347 | -9.8 |
| Total noninterest income | 109,691 | 104,204 | 54,408 | 53,624 | 1.5 |
| Total noninterest expense | 157,000 | 148,480 | 79,734 | 76,967 | 3.6 |
| Securities gains (losses) | 3,100 | 4,187 | 2,256 | 1,645 | 37.2 |
| Applicable income taxes | 32,921 | 30,115 | 16,255 | 15,272 | 6.4 |
| Extraordinary gains, net | 12 | 214 | 7 | 28 | -76.2 |
| Net income | 67,364 | 62,128 | 33,131 | 31,155 | 6.3 |
| From international operations | 5,520 | 6,588 | 3,105 | 3,905 | -20.5 |
| Net charge-offs | 13,856 | 16,575 | 6,684 | 8,174 | -18.2 |
| Cash dividends | 33,652 | 31,879 | 18,295 | 18,322 | -0.1 |
| Retained earnings | 33,712 | 30,249 | 14,836 | 12,834 | 15.6 |
| Net operating income | 65,287 | 59,048 | 31,646 | 30,014 | 5.4 |

*** Call Report filers only.

TABLE III-A. Second Quarter 2005, All FDIC-Insured Institutions

| SECOND 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 | 8,868 | 29 | 6 | 1,731 | 4,546 | 953 | 118 | 422 | 1,004 | 59 | |
| Commercial banks | 7,549 | 26 | 6 | 1,726 | 4,128 | 238 | 91 | 372 | 914 | 48 | |
| Savings institutions | 1,319 | 3 | 0 | 5 | 418 | 715 | 27 | 50 | 90 | 11 | |
| Total assets (in billions) | \$10,474.3 | \$372.3 | \$1,927.3 | \$139.0 | \$3,648.1 | \$1,642.0 | \$146.2 | \$49.9 | \$127.3 | \$2,422.2 | |
| Commercial banks | 8,724.6 | 361.4 | 1,927.3 | 138.5 | 3,258.5 | 417.0 | 89.9 | 40.3 | 107.5 | 2,384.3 | |
| Savings institutions | 1,749.7 | 10.9 | 0.0 | 0.6 | 389.6 | 1,225.0 | 56.3 | 9.6 | 19.8 | 37.9 | |
| Total deposits (in billions) | 6,820.9 | 115.5 | 1,171.4 | 112.1 | 2,632.0 | 946.1 | 84.1 | 36.6 | 104.0 | 1,619.1 | |
| Commercial banks | 5,794.7 | 114.0 | 1,171.4 | 111.7 | 2,377.6 | 251.6 | 50.1 | 29.5 | 88.5 | 1,600.5 | |
| Savings institutions | 1,026.2 | 1.5 | 0.0 | 0.4 | 254.5 | 694.5 | 34.0 | 7.2 | 15.5 | 18.6 | |
| Net income (in millions) | 33,131 | 2,925 | 3,403 | 466 | 12,163 | 4,897 | 530 | 200 | 346 | 8,202 | |
| Commercial banks | 27,988 | 2,811 | 3,403 | 465 | 11,021 | 1,412 | 318 | 146 | 310 | 8,102 | |
| Savings institutions | 5,144 | 113 | 0 | 1 | 1,141 | 3,485 | 212 | 54 | 36 | 100 | |
| Performance Ratios (annualized,%) | | | | | | | | | | | |
| Yield on earning assets | 5.60 | 11.40 | 4.89 | 6.02 | 5.79 | 5.21 | 6.76 | 4.63 | 5.62 | 5.19 | |
| Cost of funding earning assets | 2.11 | 2.98 | 2.31 | 1.90 | 1.93 | 2.33 | 2.53 | 1.57 | 1.76 | 1.95 | |
| Net interest margin | 3.49 | 8.43 | 2.57 | 4.13 | 3.86 | 2.87 | 4.23 | 3.06 | 3.86 | 3.24 | |
| Noninterest income to assets | 2.10 | 10.24 | 2.66 | 0.69 | 1.50 | 1.14 | 2.15 | 6.92 | 1.19 | 1.97 | |
| Noninterest expense to assets | 3.07 | 9.06 | 3.59 | 2.72 | 2.85 | 2.11 | 2.91 | 7.22 | 3.20 | 2.66 | |
| Loan and lease loss provision to assets | 0.26 | 3.49 | 0.21 | 0.13 | 0.17 | 0.06 | 0.80 | 0.02 | 0.18 | 0.04 | |
| Net operating income to assets | 1.22 | 2.98 | 0.69 | 1.35 | 1.34 | 1.04 | 1.35 | 1.57 | 1.07 | 1.30 | |
| Pretax return on assets | 1.90 | 4.92 | 1.02 | 1.65 | 1.96 | 1.87 | 2.16 | 2.43 | 1.39 | 2.09 | |
| Return on assets | 1.28 | 3.18 | 0.71 | 1.35 | 1.35 | 1.22 | 1.40 | 1.61 | 1.09 | 1.36 | |
| Return on equity | 12.35 | 14.56 | 8.41 | 12.39 | 13.46 | 11.22 | 10.73 | 8.80 | 9.97 | 13.83 | |
| Net charge-offs to loans and leases | 0.42 | 4.18 | 0.66 | 0.14 | 0.21 | 0.09 | 1.11 | 0.38 | 0.33 | 0.17 | |
| Loan and lease loss provision to net charge-offs .. | 99.12 | 112.25 | 76.97 | 142.27 | 117.58 | 93.42 | 96.19 | 25.39 | 95.38 | 43.31 | |
| Efficiency ratio | 58.22 | 49.39 | 73.32 | 60.03 | 56.21 | 55.40 | 49.31 | 73.42 | 67.19 | 55.10 | |
| % of unprofitable institutions | 5.55 | 6.90 | 0.00 | 2.20 | 6.29 | 5.98 | 1.69 | 15.64 | 3.88 | 3.39 | |
| % of institutions with earnings gains | 64.19 | 51.72 | 33.33 | 57.94 | 72.37 | 57.29 | 55.08 | 45.73 | 53.78 | 64.41 | |
| Structural Changes | | | | | | | | | | | |
| New Charters | 44 | 0 | 0 | 0 | 18 | 2 | 0 | 24 | 0 | 0 | |
| Institutions absorbed by mergers | 105 | 0 | 0 | 4 | 64 | 7 | 0 | 1 | 0 | 29 | |
| Failed Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| PRIOR SECOND QUARTERS (The way it was...) | | | | | | | | | | | |
| Return on assets (%) | 2004 | 1.31 | 4.08 | 0.68 | 1.27 | 1.36 | 1.21 | 1.54 | 1.28 | 1.10 | 1.33 |
| | 2002 | 1.37 | 3.68 | 1.17 | 1.30 | 1.28 | 1.28 | 1.60 | 1.69 | 1.20 | 1.35 |
| | 2000 | 0.98 | 2.16 | 0.99 | 1.35 | 0.92 | 0.90 | 1.20 | 1.99 | 1.17 | 0.63 |
| Net charge-offs to loans & leases (%) | 2004 | 0.58 | 5.08 | 0.99 | 0.18 | 0.32 | 0.11 | 1.15 | 0.41 | 0.29 | 0.31 |
| | 2002 | 0.94 | 5.78 | 1.48 | 0.30 | 0.73 | 0.17 | 1.00 | 0.67 | 0.31 | 0.70 |
| | 2000 | 0.51 | 3.68 | 0.47 | 0.19 | 0.41 | 0.11 | 0.13 | 0.37 | 0.25 | 0.51 |

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

TABLE III-A. Second Quarter 2005, All FDIC-Insured Institutions

| | 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 |
| SECOND QUARTER | | | | | | | | | | | |
| (The way it is...) | | | | | | | | | | | |
| Number of institutions reporting | 8,868 | 3,996 | 4,266 | 492 | 114 | 1,109 | 1,214 | 1,897 | 2,079 | 1,812 | 757 |
| Commercial banks | 7,549 | 3,571 | 3,524 | 370 | 84 | 586 | 1,069 | 1,557 | 1,973 | 1,686 | 678 |
| Savings institutions | 1,319 | 425 | 742 | 122 | 30 | 523 | 145 | 340 | 106 | 126 | 79 |
| Total assets (in billions) | \$10,474.3 | \$207.5 | \$1,209.7 | \$1,351.2 | \$7,705.9 | \$2,729.8 | \$2,579.4 | \$2,426.9 | \$765.3 | \$570.0 | \$1,402.8 |
| Commercial banks | 8,724.6 | 185.7 | 968.0 | 992.5 | 6,578.4 | 2,142.7 | 2,418.8 | 2,279.1 | 721.0 | 478.7 | 684.3 |
| Savings institutions | 1,749.7 | 21.8 | 241.7 | 358.7 | 1,127.5 | 587.1 | 160.6 | 147.8 | 44.3 | 91.3 | 718.5 |
| Total deposits (in billions) | 6,820.9 | 170.9 | 964.5 | 921.4 | 4,764.1 | 1,784.9 | 1,735.6 | 1,516.2 | 547.0 | 424.9 | 812.2 |
| Commercial banks | 5,794.7 | 154.2 | 782.6 | 691.1 | 4,166.8 | 1,408.4 | 1,630.6 | 1,412.1 | 518.9 | 374.4 | 450.4 |
| Savings institutions | 1,026.2 | 16.7 | 181.9 | 230.3 | 597.3 | 376.6 | 105.0 | 104.1 | 28.2 | 50.6 | 361.8 |
| Net income (in millions) | 33,131 | 560 | 3,705 | 4,478 | 24,388 | 8,666 | 8,458 | 5,622 | 2,963 | 1,798 | 5,624 |
| Commercial banks | 27,988 | 484 | 3,188 | 3,485 | 20,830 | 7,010 | 8,096 | 5,319 | 2,876 | 1,522 | 3,165 |
| Savings institutions | 5,144 | 76 | 517 | 992 | 3,558 | 1,656 | 361 | 304 | 87 | 276 | 2,459 |
| Performance Ratios (annualized,%) | | | | | | | | | | | |
| Yield on earning assets | 5.60 | 5.99 | 6.07 | 5.81 | 5.47 | 5.69 | 5.29 | 5.10 | 6.29 | 5.94 | 6.28 |
| Cost of funding earning assets | 2.11 | 1.77 | 1.95 | 2.03 | 2.16 | 2.25 | 2.03 | 2.16 | 1.82 | 1.94 | 2.09 |
| Net interest margin | 3.49 | 4.22 | 4.12 | 3.78 | 3.31 | 3.43 | 3.26 | 2.94 | 4.46 | 4.01 | 4.19 |
| Noninterest income to assets | 2.10 | 1.36 | 1.22 | 1.67 | 2.33 | 2.52 | 1.77 | 1.98 | 2.82 | 1.50 | 1.92 |
| Noninterest expense to assets | 3.07 | 3.65 | 3.15 | 3.07 | 3.04 | 3.29 | 2.58 | 3.11 | 4.10 | 3.23 | 2.86 |
| Loan and lease loss provision to assets | 0.26 | 0.19 | 0.20 | 0.20 | 0.28 | 0.38 | 0.09 | 0.09 | 0.38 | 0.17 | 0.57 |
| Net operating income to assets | 1.22 | 1.07 | 1.22 | 1.23 | 1.22 | 1.23 | 1.26 | 0.91 | 1.53 | 1.26 | 1.47 |
| Pretax return on assets | 1.90 | 1.43 | 1.69 | 2.01 | 1.93 | 1.91 | 2.02 | 1.32 | 2.29 | 1.73 | 2.53 |
| Return on assets | 1.28 | 1.09 | 1.24 | 1.35 | 1.27 | 1.29 | 1.32 | 0.93 | 1.55 | 1.28 | 1.63 |
| Return on equity | 12.35 | 9.02 | 12.13 | 12.44 | 12.47 | 12.09 | 13.30 | 10.00 | 14.50 | 13.33 | 13.10 |
| Net charge-offs to loans and leases | 0.42 | 0.18 | 0.19 | 0.23 | 0.51 | 0.69 | 0.18 | 0.26 | 0.51 | 0.23 | 0.63 |
| Loan and lease loss provision to net charge-offs | 99.12 | 166.50 | 157.98 | 127.19 | 92.07 | 98.95 | 86.53 | 60.59 | 102.07 | 123.36 | 121.46 |
| Efficiency ratio | 58.22 | 69.27 | 62.42 | 58.87 | 57.17 | 57.89 | 54.91 | 67.44 | 59.20 | 62.59 | 48.85 |
| % of unprofitable institutions | 5.55 | 9.83 | 1.97 | 3.05 | 0.00 | 6.40 | 8.07 | 4.01 | 3.70 | 5.68 | 8.85 |
| % of institutions with earnings gains | 64.19 | 57.81 | 68.96 | 74.19 | 65.79 | 64.29 | 73.06 | 62.05 | 57.96 | 64.07 | 72.52 |
| Structural Changes | | | | | | | | | | | |
| New Charters | 44 | 39 | 3 | 1 | 1 | 6 | 10 | 4 | 6 | 6 | 12 |
| Institutions absorbed by mergers | 105 | 32 | 61 | 8 | 4 | 14 | 19 | 38 | 19 | 12 | 3 |
| Failed Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PRIOR SECOND QUARTERS | | | | | | | | | | | |
| (The way it was...) | | | | | | | | | | | |
| Return on assets (%) | 2004 | 1.31 | 0.98 | 1.17 | 1.46 | 1.32 | 1.08 | 1.40 | 1.36 | 1.53 | 1.31 |
| ..... | 2002 | 1.37 | 1.06 | 1.20 | 1.38 | 1.42 | 1.25 | 1.35 | 1.35 | 1.60 | 1.50 |
| ..... | 2000 | 0.98 | 1.14 | 1.20 | 1.08 | 0.90 | 1.12 | 0.41 | 0.92 | 1.45 | 1.12 |
| Net charge-offs to loans & leases (%) | 2004 | 0.58 | 0.23 | 0.23 | 0.45 | 0.68 | 0.85 | 0.32 | 0.41 | 0.76 | 0.39 |
| ..... | 2002 | 0.94 | 0.31 | 0.35 | 0.73 | 1.16 | 1.40 | 0.72 | 0.73 | 1.21 | 0.39 |
| ..... | 2000 | 0.51 | 0.27 | 0.27 | 0.52 | 0.58 | 0.63 | 0.43 | 0.31 | 0.74 | 0.33 |

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

TABLE IV-A. First Half 2005, All FDIC-Insured Institutions

| FIRST HALF (The way it is...) | All Insured Institutions | Asset Concentration Groups* | | | | | | | | |
|--|-----------------------------|-----------------------------|------------------------|-----------------------|-----------------------|---------------------|---------------------|-----------------------------|---------------------------|---------------------------|
| | | Credit Card Banks | International Banks | Agricultural Banks | Commercial Lenders | Mortgage Lenders | Consumer Lenders | Specialized <\$1 Billion | All Other <\$1 Billion | All Other >\$1 Billion |
| Number of institutions reporting | 8,868 | 29 | 6 | 1,731 | 4,546 | 953 | 118 | 422 | 1,004 | 59 |
| Commercial banks | 7,549 | 26 | 6 | 1,726 | 4,128 | 238 | 91 | 372 | 914 | 48 |
| Savings institutions | 1,319 | 3 | 0 | 5 | 418 | 715 | 27 | 50 | 90 | 11 |
| Total assets (in billions) | \$10,474.3 | \$372.3 | \$1,927.3 | \$139.0 | \$3,648.1 | \$1,642.0 | \$146.2 | \$49.9 | \$127.3 | \$2,422.2 |
| Commercial banks | 8,724.6 | 361.4 | 1,927.3 | 138.5 | 3,258.5 | 417.0 | 89.9 | 40.3 | 107.5 | 2,384.3 |
| Savings institutions | 1,749.7 | 10.9 | 0.0 | 0.6 | 389.6 | 1,225.0 | 56.3 | 9.6 | 19.8 | 37.9 |
| Total deposits (in billions) | 6,820.9 | 115.5 | 1,171.4 | 112.1 | 2,632.0 | 946.1 | 84.1 | 36.6 | 104.0 | 1,619.1 |
| Commercial banks | 5,794.7 | 114.0 | 1,171.4 | 111.7 | 2,377.6 | 251.6 | 50.1 | 29.5 | 88.5 | 1,600.5 |
| Savings institutions | 1,026.2 | 1.5 | 0.0 | 0.4 | 254.5 | 694.5 | 34.0 | 7.2 | 15.5 | 18.6 |
| Net income (in millions) | 67,364 | 5,905 | 7,785 | 903 | 23,720 | 9,565 | 1,010 | 393 | 723 | 17,360 |
| Commercial banks | 57,439 | 5,745 | 7,785 | 901 | 21,622 | 2,730 | 556 | 294 | 648 | 17,157 |
| Savings institutions | 9,925 | 160 | 0 | 2 | 2,098 | 6,834 | 454 | 98 | 75 | 204 |
| Performance Ratios (annualized,%) | | | | | | | | | | |
| Yield on earning assets | 5.50 | 11.03 | 4.82 | 5.89 | 5.68 | 5.08 | 6.81 | 4.54 | 5.55 | 5.10 |
| Cost of funding earning assets | 1.99 | 2.78 | 2.22 | 1.81 | 1.82 | 2.19 | 2.44 | 1.50 | 1.69 | 1.82 |
| Net interest margin | 3.51 | 8.25 | 2.60 | 4.08 | 3.85 | 2.90 | 4.37 | 3.04 | 3.86 | 3.29 |
| Noninterest income to assets | 2.13 | 10.12 | 2.80 | 0.68 | 1.48 | 1.14 | 2.04 | 6.85 | 1.25 | 2.03 |
| Noninterest expense to assets | 3.05 | 9.05 | 3.46 | 2.71 | 2.85 | 2.09 | 2.89 | 7.18 | 3.23 | 2.67 |
| Loan and lease loss provision to assets | 0.25 | 3.22 | 0.22 | 0.13 | 0.17 | 0.06 | 0.88 | 0.04 | 0.15 | 0.03 |
| Net operating income to assets | 1.27 | 2.99 | 0.85 | 1.31 | 1.32 | 1.07 | 1.31 | 1.54 | 1.12 | 1.39 |
| Pretax return on assets | 1.95 | 4.96 | 1.19 | 1.60 | 1.94 | 1.86 | 2.07 | 2.39 | 1.44 | 2.20 |
| Return on assets | 1.31 | 3.19 | 0.81 | 1.31 | 1.34 | 1.21 | 1.35 | 1.59 | 1.14 | 1.45 |
| Return on equity | 12.68 | 14.92 | 9.67 | 12.05 | 13.37 | 11.12 | 9.96 | 8.62 | 10.40 | 14.65 |
| Net charge-offs to loans and leases | 0.44 | 4.26 | 0.70 | 0.13 | 0.21 | 0.09 | 1.16 | 0.30 | 0.29 | 0.17 |
| Loan and lease loss provision to net charge-offs | 92.44 | 100.40 | 72.79 | 155.03 | 118.38 | 93.57 | 101.42 | 53.76 | 89.25 | 32.26 |
| Efficiency ratio | 57.35 | 50.18 | 68.55 | 60.66 | 56.43 | 54.51 | 48.68 | 73.90 | 67.09 | 54.24 |
| % of unprofitable institutions | 5.49 | 6.90 | 0.00 | 2.08 | 6.40 | 5.67 | 2.54 | 15.64 | 3.19 | 5.08 |
| % of institutions with earnings gains | 64.49 | 62.07 | 33.33 | 59.68 | 72.66 | 57.61 | 51.69 | 45.26 | 52.69 | 55.93 |
| Condition Ratios(%) | | | | | | | | | | |
| Earning assets to total assets | 87.28 | 82.02 | 82.59 | 92.28 | 89.72 | 91.78 | 86.90 | 88.33 | 91.93 | 84.56 |
| Loss Allowance to: | | | | | | | | | | |
| Loans and leases | 1.23 | 4.34 | 1.56 | 1.42 | 1.23 | 0.48 | 1.52 | 1.48 | 1.28 | 1.02 |
| Noncurrent loans and leases | 172.58 | 273.74 | 130.60 | 157.80 | 203.68 | 94.16 | 276.94 | 188.05 | 145.90 | 162.68 |
| Noncurrent assets plus | | | | | | | | | | |
| other real estate owned to assets | 0.48 | 1.17 | 0.53 | 0.68 | 0.48 | 0.41 | 0.44 | 0.26 | 0.60 | 0.37 |
| Equity capital ratio | 10.38 | 21.70 | 8.46 | 10.97 | 10.09 | 10.89 | 12.08 | 18.41 | 11.06 | 9.91 |
| Core capital (leverage) ratio | 8.26 | 17.03 | 6.46 | 10.57 | 8.50 | 9.31 | 8.50 | 15.56 | 10.73 | 6.86 |
| Tier 1 risk-based capital ratio | 10.82 | 15.94 | 8.73 | 14.79 | 10.11 | 15.83 | 10.84 | 35.66 | 17.84 | 9.09 |
| Total risk-based capital ratio | 13.18 | 18.52 | 12.18 | 15.90 | 12.13 | 17.27 | 12.75 | 36.81 | 19.07 | 11.72 |
| Net loans and leases to deposits | 92.74 | 228.28 | 68.50 | 79.38 | 95.24 | 123.12 | 129.38 | 34.58 | 68.28 | 80.72 |
| Net loans to total assets | 60.40 | 70.81 | 41.63 | 64.02 | 68.72 | 70.94 | 74.42 | 25.42 | 55.74 | 53.95 |
| Domestic deposits to total assets | 56.57 | 27.18 | 30.19 | 80.65 | 70.02 | 57.19 | 56.81 | 71.95 | 81.64 | 58.38 |
| Structural Changes | | | | | | | | | | |
| New Charters | 77 | 0 | 0 | 1 | 24 | 4 | 0 | 47 | 1 | 0 |
| Institutions absorbed by mergers | 182 | 3 | 0 | 11 | 116 | 11 | 0 | 5 | 5 | 32 |
| Failed Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PRIOR FIRST HALVES (The way it was...) | | | | | | | | | | |
| Number of institutions | 2004 9,078 | 36 | 6 | 1,775 | 4,350 | 997 | 144 | 488 | 1,195 | 87 |
| ..... | 2002 9,466 | 47 | 6 | 1,892 | 4,079 | 1,168 | 216 | 440 | 1,526 | 92 |
| ..... | 2000 10,102 | 61 | 7 | 2,086 | 3,929 | 1,325 | 315 | 521 | 1,776 | 82 |
| Total assets (in billions) | 2004 \$9,648.5 | \$334.4 | \$1,554.5 | \$135.7 | \$3,031.1 | \$1,402.0 | \$160.7 | \$57.1 | \$155.6 | \$2,817.4 |
| ..... | 2002 8,039.0 | 299.4 | 1,294.8 | 123.3 | 3,356.5 | 1,191.8 | 163.2 | 48.4 | 189.7 | 1,371.8 |
| ..... | 2000 7,163.6 | 265.4 | 1,125.5 | 122.2 | 3,754.2 | 1,018.4 | 84.2 | 50.3 | 209.6 | 533.9 |
| Return on assets (%) | 2004 1.33 | 3.97 | 0.89 | 1.26 | 1.35 | 1.22 | 1.58 | 1.36 | 1.10 | 1.29 |
| ..... | 2002 1.34 | 3.44 | 0.99 | 1.28 | 1.30 | 1.29 | 1.52 | 1.31 | 1.19 | 1.33 |
| ..... | 2000 1.13 | 2.51 | 1.15 | 1.31 | 1.09 | 1.01 | 1.19 | 1.98 | 1.17 | 0.77 |
| Net charge-offs to loans & leases (%) | 2004 0.60 | 5.03 | 1.13 | 0.15 | 0.32 | 0.12 | 1.29 | 0.50 | 0.27 | 0.29 |
| ..... | 2002 0.96 | 6.42 | 1.49 | 0.24 | 0.67 | 0.16 | 1.04 | 0.51 | 0.28 | 0.76 |
| ..... | 2000 0.51 | 3.80 | 0.48 | 0.16 | 0.39 | 0.12 | 0.18 | 0.46 | 0.21 | 0.50 |
| Noncurrent assets plus | | | | | | | | | | |
| OREO to assets (%) | 2004 0.60 | 1.33 | 0.75 | 0.80 | 0.59 | 0.58 | 0.79 | 0.30 | 0.64 | 0.43 |
| ..... | 2002 0.91 | 1.54 | 1.16 | 0.94 | 0.89 | 0.66 | 1.22 | 0.35 | 0.68 | 0.82 |
| ..... | 2000 0.65 | 1.42 | 0.68 | 0.76 | 0.65 | 0.46 | 0.97 | 0.28 | 0.56 | 0.57 |
| Equity capital ratio (%) | 2004 9.50 | 18.01 | 7.18 | 10.52 | 9.35 | 8.65 | 7.99 | 16.25 | 10.38 | 10.23 |
| ..... | 2002 9.25 | 15.64 | 7.20 | 10.82 | 9.62 | 9.10 | 8.56 | 17.55 | 10.53 | 8.46 |
| ..... | 2000 8.37 | 13.04 | 6.74 | 10.27 | 8.44 | 7.92 | 8.13 | 15.45 | 10.03 | 8.07 |

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

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

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

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

Commercial Lenders - Institutions whose commercial and industrial loans, plus real estate construction and development loans, plus loans

secured by commercial real estate properties exceed 25 percent of total assets.

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

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

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

All Other < \$1 billion - Institutions with assets less than \$1 billion that do not meet any of the definitions above, they have significant lending

activity with no identified asset concentrations.

All Other > \$1 billion - Institutions with assets greater than \$1 billion that do not meet any of the definitions above, they have significant lending

activity with no identified asset concentrations.

TABLE IV-A. First Half 2005, All FDIC-Insured Institutions

| FIRST HALF (The way it is...) | All Insured Institutions | Asset Size Distribution | | | | Geographic Regions* | | | | | |
|---|--------------------------------|-------------------------------|------------------------------|-----------------------------------|---------------------------------|---------------------|-----------|-----------|----------------|---------|------------------|
| | | Less than \$100 Million | 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 | 8,868 | 3,996 | 4,266 | 492 | 114 | 1,109 | 1,214 | 1,897 | 2,079 | 1,812 | 757 |
| Commercial banks | 7,549 | 3,571 | 3,524 | 370 | 84 | 586 | 1,069 | 1,557 | 1,973 | 1,686 | 678 |
| Savings institutions | 1,319 | 425 | 742 | 122 | 30 | 523 | 145 | 340 | 106 | 126 | 79 |
| Total assets (in billions) | \$10,474.3 | \$207.5 | \$1,209.7 | \$1,351.2 | \$7,705.9 | \$2,729.8 | \$2,579.4 | \$2,426.9 | \$765.3 | \$570.0 | \$1,402.8 |
| Commercial banks | 8,724.6 | 185.7 | 968.0 | 992.5 | 6,578.4 | 2,142.7 | 2,418.8 | 2,279.1 | 721.0 | 478.7 | 684.3 |
| Savings institutions | 1,749.7 | 21.8 | 241.7 | 358.7 | 1,127.5 | 587.1 | 160.6 | 147.8 | 44.3 | 91.3 | 718.5 |
| Total deposits (in billions) | 6,820.9 | 170.9 | 964.5 | 921.4 | 4,764.1 | 1,784.9 | 1,735.6 | 1,516.2 | 547.0 | 424.9 | 812.2 |
| Commercial banks | 5,794.7 | 154.2 | 782.6 | 691.1 | 4,166.8 | 1,408.4 | 1,630.6 | 1,412.1 | 518.9 | 374.4 | 450.4 |
| Savings institutions | 1,026.2 | 16.7 | 181.9 | 230.3 | 597.3 | 376.6 | 105.0 | 104.1 | 28.2 | 50.6 | 361.8 |
| Net income (in millions) | 67,364 | 1,090 | 7,266 | 8,783 | 50,225 | 17,080 | 17,698 | 11,705 | 6,170 | 3,555 | 11,156 |
| Commercial banks | 57,439 | 954 | 6,265 | 6,841 | 43,378 | 13,875 | 16,877 | 11,131 | 6,059 | 2,979 | 6,518 |
| Savings institutions | 9,925 | 136 | 1,000 | 1,942 | 6,847 | 3,205 | 821 | 574 | 112 | 576 | 4,638 |
| Performance Ratios (annualized,%) | | | | | | | | | | | |
| Yield on earning assets | 5.50 | 5.85 | 5.93 | 5.65 | 5.38 | 5.54 | 5.27 | 5.04 | 6.16 | 5.77 | 6.10 |
| Cost of funding earning assets | 1.99 | 1.69 | 1.85 | 1.91 | 2.03 | 2.12 | 1.92 | 2.08 | 1.71 | 1.81 | 1.94 |
| Net interest margin | 3.51 | 4.16 | 4.08 | 3.74 | 3.35 | 3.42 | 3.35 | 2.96 | 4.45 | 3.96 | 4.16 |
| Noninterest income to assets | 2.13 | 1.31 | 1.22 | 1.67 | 2.38 | 2.54 | 1.80 | 2.03 | 2.95 | 1.50 | 1.93 |
| Noninterest expense to assets | 3.05 | 3.61 | 3.15 | 3.06 | 3.02 | 3.31 | 2.62 | 3.01 | 4.10 | 3.19 | 2.80 |
| Loan and lease loss provision to assets | 0.25 | 0.17 | 0.18 | 0.20 | 0.27 | 0.37 | 0.07 | 0.10 | 0.39 | 0.18 | 0.55 |
| Net operating income to assets | 1.27 | 1.05 | 1.20 | 1.23 | 1.29 | 1.23 | 1.33 | 1.00 | 1.60 | 1.26 | 1.52 |
| Pretax return on assets | 1.95 | 1.39 | 1.68 | 1.99 | 2.00 | 1.90 | 2.11 | 1.41 | 2.38 | 1.73 | 2.56 |
| Return on assets | 1.31 | 1.07 | 1.23 | 1.34 | 1.32 | 1.28 | 1.41 | 0.97 | 1.61 | 1.28 | 1.63 |
| Return on equity | 12.68 | 8.82 | 12.01 | 12.39 | 12.96 | 12.11 | 14.01 | 10.48 | 15.11 | 13.42 | 13.17 |
| Net charge-offs to loans and leases | 0.44 | 0.15 | 0.18 | 0.24 | 0.54 | 0.72 | 0.19 | 0.29 | 0.54 | 0.21 | 0.63 |
| Loan and lease loss provision to net charge-offs | 92.44 | 181.88 | 154.45 | 122.46 | 85.52 | 91.76 | 63.80 | 63.21 | 98.48 | 133.81 | 116.22 |
| Efficiency ratio | 57.35 | 69.79 | 62.87 | 58.96 | 55.94 | 58.32 | 54.49 | 64.28 | 58.20 | 62.31 | 47.77 |
| % of unprofitable institutions | 5.49 | 9.81 | 1.95 | 2.24 | 0.88 | 6.13 | 8.65 | 3.95 | 3.66 | 5.02 | 9.51 |
| % of institutions with earnings gains | 64.49 | 58.68 | 68.59 | 74.80 | 70.18 | 64.20 | 74.30 | 61.36 | 59.11 | 63.19 | 74.90 |
| Condition Ratios(%) | | | | | | | | | | | |
| Earning assets to total assets | 87.28 | 92.09 | 91.84 | 90.90 | 85.80 | 86.72 | 86.18 | 85.98 | 87.69 | 90.06 | 91.29 |
| Loss Allowance to: | | | | | | | | | | | |
| Loans and leases | 1.23 | 1.36 | 1.23 | 1.20 | 1.24 | 1.45 | 1.06 | 1.22 | 1.38 | 1.18 | 1.13 |
| Noncurrent loans and leases | 172.58 | 147.08 | 190.46 | 207.47 | 165.42 | 168.64 | 233.78 | 142.41 | 145.45 | 164.39 | 197.67 |
| Noncurrent assets plus | | | | | | | | | | | |
| other real estate owned to assets | 0.48 | 0.72 | 0.54 | 0.44 | 0.47 | 0.49 | 0.31 | 0.55 | 0.76 | 0.58 | 0.47 |
| Equity capital ratio | 10.38 | 12.16 | 10.29 | 10.86 | 10.26 | 10.70 | 10.00 | 9.30 | 10.83 | 9.64 | 12.34 |
| Core capital (leverage) ratio | 8.26 | 12.02 | 9.80 | 9.48 | 7.69 | 8.41 | 7.28 | 7.36 | 8.82 | 8.72 | 10.75 |
| Tier 1 risk-based capital ratio | 10.82 | 18.00 | 13.54 | 12.84 | 9.90 | 11.79 | 9.35 | 9.06 | 10.78 | 12.36 | 14.61 |
| Total risk-based capital ratio | 13.18 | 19.09 | 14.70 | 14.18 | 12.64 | 14.43 | 11.59 | 11.84 | 12.95 | 13.70 | 16.35 |
| Net loans and leases to deposits | 92.74 | 75.14 | 84.18 | 95.61 | 94.56 | 83.61 | 86.29 | 90.01 | 102.01 | 83.55 | 130.28 |
| Net loans to total assets | 60.40 | 61.88 | 67.11 | 65.20 | 58.46 | 54.67 | 58.07 | 56.23 | 72.91 | 62.29 | 75.43 |
| Domestic deposits to total assets | 56.57 | 82.36 | 79.62 | 67.55 | 50.34 | 47.59 | 61.22 | 53.75 | 67.77 | 74.08 | 57.19 |
| Structural Changes | | | | | | | | | | | |
| New Charters | 77 | 71 | 4 | 1 | 1 | 9 | 20 | 8 | 8 | 12 | 20 |
| Institutions absorbed by mergers | 182 | 81 | 94 | 19 | 8 | 29 | 27 | 56 | 28 | 28 | 14 |
| Failed Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PRIOR FIRST HALVES (The way it was...) | | | | | | | | | | | |
| Number of institutions | 2004 9,078 | 4,277 | 4,217 | 468 | 116 | 1,148 | 1,228 | 1,990 | 2,120 | 1,846 | 746 |
| | 2002 9,466 | 4,918 | 4,002 | 446 | 100 | 1,235 | 1,245 | 2,086 | 2,192 | 1,923 | 785 |
| | 2000 10,102 | 5,682 | 3,893 | 426 | 101 | 1,307 | 1,327 | 2,249 | 2,307 | 2,066 | 846 |
| Total assets (in billions) | 2004 \$9,648.5 | \$221.4 | \$1,172.2 | \$1,293.6 | \$6,961.4 | \$3,326.1 | \$2,041.3 | \$1,701.8 | \$760.3 | \$578.1 | \$1,240.8 |
| | 2002 8,039.0 | 247.5 | 1,083.4 | 1,292.9 | 5,415.2 | 2,762.6 | 1,614.6 | 1,514.1 | 420.5 | 555.5 | 1,171.6 |
| | 2000 7,163.6 | 269.2 | 1,012.6 | 1,200.5 | 4,681.3 | 2,437.9 | 1,561.0 | 1,194.6 | 461.2 | 566.6 | 942.4 |
| Return on assets (%) | 2004 1.33 | 0.99 | 1.17 | 1.47 | 1.34 | 1.15 | 1.37 | 1.37 | 1.52 | 1.33 | 1.58 |
| | 2002 1.34 | 1.02 | 1.16 | 1.39 | 1.38 | 1.20 | 1.35 | 1.34 | 1.57 | 1.43 | 1.53 |
| | 2000 1.13 | 1.12 | 1.19 | 1.21 | 1.10 | 1.23 | 0.87 | 1.05 | 1.39 | 1.10 | 1.32 |
| Net charge-offs to loans & leases (%) | 2004 0.60 | 0.20 | 0.23 | 0.41 | 0.72 | 0.86 | 0.34 | 0.42 | 0.82 | 0.36 | 0.63 |
| | 2002 0.96 | 0.26 | 0.31 | 0.70 | 1.20 | 1.47 | 0.68 | 0.75 | 1.21 | 0.39 | 0.81 |
| | 2000 0.51 | 0.22 | 0.26 | 0.52 | 0.58 | 0.63 | 0.41 | 0.32 | 0.74 | 0.32 | 0.62 |
| Noncurrent assets plus | | | | | | | | | | | |
| OREO to assets (%) | 2004 0.60 | 0.83 | 0.62 | 0.55 | 0.60 | 0.61 | 0.42 | 0.73 | 0.63 | 0.67 | 0.65 |
| | 2002 0.91 | 0.87 | 0.72 | 0.71 | 1.00 | 1.02 | 0.79 | 1.02 | 0.82 | 0.83 | 0.74 |
| | 2000 0.65 | 0.69 | 0.57 | 0.61 | 0.67 | 0.70 | 0.63 | 0.62 | 0.57 | 0.66 | 0.58 |
| Equity capital ratio (%) | 2004 9.50 | 11.49 | 9.90 | 10.49 | 9.19 | 9.65 | 8.32 | 8.56 | 10.28 | 9.49 | 11.91 |
| | 2002 9.25 | 11.28 | 10.03 | 9.96 | 8.82 | 8.84 | 9.36 | 8.82 | 10.17 | 9.77 | 10.01 |
| | 2000 8.37 | 11.17 | 9.53 | 8.59 | 7.90 | 8.25 | 8.24 | 8.03 | 9.27 | 8.59 | 8.73 |

* 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

| June 30, 2005 | All Insured Institutions | Asset Concentration Groups* | | | | | | | | |
|--|--------------------------|-----------------------------|---------------------|--------------------|--------------------|------------------|------------------|--------------------------------|------------------------|------------------------|
| | | Credit Card Banks | International Banks | Agricultural Banks | Commercial Lenders | Mortgage Lenders | Consumer Lenders | Other Specialized <\$1 Billion | All Other <\$1 Billion | All Other >\$1 Billion |
| Percent of Loans 30-89 Days Past Due | | | | | | | | | | |
| All loans secured by real estate | 0.67 | 0.85 | 0.81 | 1.01 | 0.58 | 0.73 | 1.04 | 1.01 | 1.16 | 0.66 |
| Construction and development | 0.56 | 0.00 | 1.08 | 1.31 | 0.49 | 0.93 | 1.11 | 0.50 | 0.96 | 0.58 |
| Commercial real estate | 0.45 | 0.00 | 0.99 | 0.92 | 0.45 | 0.44 | 0.27 | 0.52 | 0.89 | 0.29 |
| Multifamily residential real estate | 0.24 | 0.00 | 0.83 | 0.33 | 0.28 | 0.12 | 0.29 | 0.48 | 0.38 | 0.30 |
| Home equity loans | 0.37 | 0.65 | 0.43 | 0.45 | 0.33 | 0.31 | 0.31 | 0.43 | 0.56 | 0.43 |
| Other 1-4 family residential | 0.89 | 2.97 | 0.81 | 1.61 | 0.92 | 0.84 | 1.45 | 1.44 | 1.39 | 0.88 |
| Commercial and industrial loans | 0.57 | 1.84 | 0.38 | 1.39 | 0.68 | 0.47 | 0.98 | 1.18 | 1.32 | 0.37 |
| Loans to individuals | 1.55 | 2.00 | 1.69 | 2.17 | 1.25 | 0.90 | 1.27 | 2.04 | 1.95 | 1.24 |
| Credit card loans | 1.97 | 2.06 | 1.96 | 2.19 | 1.79 | 1.36 | 1.19 | 2.95 | 2.51 | 1.84 |
| Other loans to individuals | 1.26 | 1.38 | 1.51 | 2.17 | 1.19 | 0.83 | 1.29 | 1.96 | 1.92 | 1.14 |
| All other loans and leases (including farm) | 0.35 | 0.20 | 0.30 | 0.59 | 0.49 | 0.40 | 0.17 | 0.52 | 0.50 | 0.25 |
| Total loans and leases | 0.75 | 1.88 | 0.80 | 1.05 | 0.65 | 0.73 | 1.13 | 1.14 | 1.24 | 0.62 |
| Percent of Loans Noncurrent** | | | | | | | | | | |
| All real estate loans | 0.59 | 0.15 | 1.08 | 0.81 | 0.56 | 0.50 | 0.40 | 0.79 | 0.85 | 0.63 |
| Construction and development | 0.42 | 0.00 | 0.95 | 0.43 | 0.38 | 0.55 | 0.55 | 1.03 | 0.79 | 0.43 |
| Commercial real estate | 0.65 | 1.46 | 1.40 | 1.04 | 0.61 | 0.63 | 0.64 | 1.01 | 1.20 | 0.60 |
| Multifamily residential real estate | 0.24 | 0.00 | 0.55 | 0.61 | 0.27 | 0.07 | 0.14 | 0.79 | 0.89 | 0.52 |
| Home equity loans | 0.17 | 0.11 | 0.25 | 0.20 | 0.17 | 0.15 | 0.05 | 0.19 | 0.19 | 0.17 |
| Other 1-4 family residential | 0.72 | 0.57 | 1.20 | 0.76 | 0.80 | 0.56 | 0.52 | 0.67 | 0.68 | 0.84 |
| Commercial and industrial loans | 0.93 | 1.04 | 1.52 | 1.53 | 0.81 | 0.76 | 0.81 | 0.99 | 1.38 | 0.68 |
| Loans to individuals | 1.21 | 1.74 | 2.00 | 0.77 | 0.50 | 0.37 | 0.63 | 0.67 | 0.69 | 0.70 |
| Credit card loans | 1.66 | 1.78 | 1.63 | 1.54 | 1.20 | 1.02 | 0.95 | 0.46 | 2.03 | 1.48 |
| Other loans to individuals | 0.90 | 1.29 | 2.26 | 0.74 | 0.42 | 0.27 | 0.53 | 0.69 | 0.63 | 0.56 |
| All other loans and leases (including farm) | 0.36 | 0.05 | 0.15 | 0.79 | 0.47 | 0.61 | 0.52 | 0.57 | 0.76 | 0.44 |
| Total loans and leases | 0.71 | 1.58 | 1.20 | 0.90 | 0.60 | 0.51 | 0.55 | 0.79 | 0.88 | 0.63 |
| Percent of Loans Charged-off (net, YTD) | | | | | | | | | | |
| All real estate loans | 0.05 | 0.12 | 0.10 | 0.04 | 0.06 | 0.04 | 0.09 | 0.05 | 0.09 | 0.03 |
| Construction and development | 0.03 | 0.00 | 0.03 | 0.02 | 0.03 | 0.05 | 0.01 | 0.15 | 0.03 | 0.02 |
| Commercial real estate | 0.05 | 2.58 | 0.11 | 0.05 | 0.06 | 0.03 | 0.03 | 0.06 | 0.18 | -0.02 |
| Multifamily residential real estate | 0.02 | 0.00 | 0.51 | 0.10 | 0.02 | 0.00 | -0.01 | 0.19 | 0.18 | -0.01 |
| Home equity loans | 0.08 | 0.13 | 0.14 | 0.06 | 0.10 | 0.04 | 0.15 | 0.04 | 0.06 | 0.07 |
| Other 1-4 family residential | 0.05 | 0.01 | 0.07 | 0.07 | 0.09 | 0.04 | 0.09 | 0.03 | 0.04 | 0.03 |
| Commercial and industrial loans | 0.28 | 2.73 | 0.08 | 0.42 | 0.38 | 0.12 | 2.54 | 0.54 | 0.49 | 0.08 |
| Loans to individuals | 2.45 | 4.70 | 2.65 | 0.51 | 1.00 | 1.22 | 1.90 | 1.27 | 1.10 | 1.08 |
| Credit card loans | 4.45 | 4.83 | 3.90 | 3.97 | 3.72 | 3.36 | 4.55 | 3.96 | 8.60 | 3.39 |
| Other loans to individuals | 1.06 | 3.12 | 1.79 | 0.37 | 0.70 | 0.89 | 1.12 | 0.67 | 0.57 | 0.64 |
| All other loans and leases (including farm) | 0.10 | 0.00 | -0.10 | 0.00 | 0.30 | 0.50 | 0.10 | 0.30 | 0.40 | 0.20 |
| Total loans and leases | 0.40 | 4.30 | 0.70 | 0.10 | 0.20 | 0.10 | 1.20 | 0.30 | 0.30 | 0.20 |
| Loans Outstanding (in billions) | | | | | | | | | | |
| All real estate loans | \$3,932.2 | \$16.4 | \$219.2 | \$49.5 | \$1,692.9 | \$1,079.4 | \$43.3 | \$8.9 | \$50.3 | \$772.3 |
| Construction and development | 389.2 | 0.0 | 6.9 | 3.5 | 291.8 | 25.2 | 1.6 | 0.8 | 3.0 | 56.4 |
| Commercial real estate | 782.3 | 0.0 | 19.5 | 12.7 | 558.3 | 53.2 | 3.2 | 2.6 | 12.0 | 120.8 |
| Multifamily residential real estate | 180.5 | 0.0 | 2.2 | 0.9 | 105.7 | 53.2 | 1.0 | 0.3 | 0.9 | 16.5 |
| Home equity loans | 533.8 | 14.9 | 46.2 | 0.9 | 190.7 | 109.1 | 10.7 | 0.4 | 2.2 | 158.7 |
| Other 1-4 family residential | 1,952.6 | 1.4 | 104.7 | 14.5 | 521.8 | 838.0 | 26.7 | 4.7 | 28.9 | 411.9 |
| Commercial and industrial loans | 1,043.1 | 8.8 | 200.6 | 12.8 | 514.6 | 42.8 | 8.1 | 1.6 | 7.5 | 246.3 |
| Loans to individuals | 907.7 | 243.5 | 202.5 | 6.5 | 196.8 | 42.4 | 55.9 | 1.7 | 9.7 | 148.5 |
| Credit card loans | 366.4 | 224.0 | 81.6 | 0.2 | 19.8 | 5.9 | 12.8 | 0.1 | 0.5 | 21.6 |
| Other loans to individuals | 541.2 | 19.6 | 120.9 | 6.3 | 177.0 | 36.5 | 43.1 | 1.6 | 9.3 | 126.9 |
| All other loans and leases (including farm) | 525.2 | 6.9 | 194.0 | 21.5 | 135.1 | 5.9 | 3.2 | 0.7 | 4.4 | 153.4 |
| Total loans and leases | 6,408.2 | 275.6 | 816.3 | 90.3 | 2,539.4 | 1,170.6 | 110.6 | 12.9 | 72.0 | 1,320.6 |
| Memo: Other Real Estate Owned (in millions) | | | | | | | | | | |
| All other real estate owned | 4,090.7 | -0.6 | 201.0 | 132.6 | 2,165.7 | 822.2 | 32.8 | 25.2 | 128.9 | 582.9 |
| Construction and development | 479.4 | 0.0 | 2.0 | 7.0 | 328.0 | 55.9 | 1.2 | 3.4 | 11.7 | 70.2 |
| Commercial real estate | 1,268.0 | 0.0 | 11.0 | 54.2 | 971.1 | 68.6 | 5.9 | 13.0 | 48.8 | 95.3 |
| Multifamily residential real estate | 131.8 | 0.0 | 0.0 | 6.7 | 54.8 | 8.1 | 0.2 | 0.2 | 7.9 | 53.9 |
| 1-4 family residential | 2,078.0 | 1.1 | 131.0 | 38.8 | 780.9 | 689.4 | 23.9 | 8.1 | 55.3 | 349.5 |
| Farmland | 68.0 | 0.0 | 0.0 | 25.9 | 33.3 | 0.5 | 1.8 | 0.5 | 5.5 | 0.5 |

* 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

| June 30, 2005 | All Insured Institutions | Asset Size Distribution | | | | Geographic Regions* | | | | | |
|--|--------------------------|-------------------------|------------------------|-----------------------------|---------------------------|---------------------|---------|---------|-------------|---------|---------------|
| | | Less than \$100 Million | Million to \$1 Billion | \$1 Billion to \$10 Billion | Greater than \$10 Billion | New York | Atlanta | Chicago | Kansas City | Dallas | San Francisco |
| Percent of Loans 30-89 Days Past Due | | | | | | | | | | | |
| All loans secured by real estate | 0.67 | 1.17 | 0.70 | 0.43 | 0.71 | 0.72 | 0.58 | 0.79 | 0.76 | 0.70 | 0.57 |
| Construction and development | 0.56 | 0.79 | 0.62 | 0.40 | 0.59 | 0.59 | 0.45 | 0.69 | 0.75 | 0.50 | 0.49 |
| Commercial real estate | 0.45 | 0.92 | 0.54 | 0.39 | 0.39 | 0.49 | 0.35 | 0.62 | 0.44 | 0.51 | 0.29 |
| Multifamily residential real estate | 0.24 | 0.55 | 0.40 | 0.21 | 0.21 | 0.14 | 0.34 | 0.49 | 0.33 | 0.55 | 0.12 |
| Home equity loans | 0.37 | 0.60 | 0.43 | 0.35 | 0.37 | 0.34 | 0.36 | 0.40 | 0.52 | 0.35 | 0.23 |
| Other 1-4 family residential | 0.89 | 1.63 | 0.98 | 0.53 | 0.92 | 0.91 | 0.80 | 1.09 | 1.09 | 1.04 | 0.75 |
| Commercial and industrial loans | 0.57 | 1.38 | 1.03 | 0.82 | 0.44 | 0.50 | 0.39 | 0.59 | 0.75 | 0.81 | 0.77 |
| Loans to individuals | 1.55 | 2.26 | 1.69 | 1.48 | 1.54 | 1.70 | 1.35 | 1.20 | 1.80 | 1.26 | 1.73 |
| Credit card loans | 1.97 | 1.67 | 3.28 | 2.25 | 1.93 | 1.91 | 2.27 | 1.57 | 2.28 | 0.64 | 2.16 |
| Other loans to individuals | 1.26 | 2.27 | 1.53 | 1.17 | 1.22 | 1.50 | 1.19 | 1.08 | 1.32 | 1.45 | 1.06 |
| All other loans and leases (including farm) | 0.35 | 0.67 | 0.51 | 0.43 | 0.32 | 0.38 | 0.19 | 0.44 | 0.37 | 0.57 | 0.30 |
| Total loans and leases | 0.75 | 1.25 | 0.80 | 0.59 | 0.76 | 0.86 | 0.58 | 0.76 | 0.88 | 0.77 | 0.75 |
| Percent of Loans Noncurrent** | | | | | | | | | | | |
| All real estate loans | 0.59 | 0.81 | 0.58 | 0.50 | 0.61 | 0.54 | 0.37 | 0.92 | 0.97 | 0.68 | 0.40 |
| Construction and development | 0.42 | 0.55 | 0.45 | 0.38 | 0.42 | 0.55 | 0.31 | 0.55 | 0.41 | 0.43 | 0.37 |
| Commercial real estate | 0.65 | 0.84 | 0.66 | 0.65 | 0.62 | 0.61 | 0.47 | 0.93 | 0.68 | 0.75 | 0.48 |
| Multifamily residential real estate | 0.24 | 0.41 | 0.35 | 0.24 | 0.21 | 0.15 | 0.47 | 0.47 | 0.57 | 0.66 | 0.03 |
| Home equity loans | 0.17 | 0.25 | 0.19 | 0.20 | 0.16 | 0.12 | 0.13 | 0.24 | 0.21 | 0.15 | 0.11 |
| Other 1-4 family residential | 0.72 | 0.90 | 0.61 | 0.53 | 0.77 | 0.52 | 0.41 | 1.33 | 1.66 | 0.83 | 0.47 |
| Commercial and industrial loans | 0.93 | 1.47 | 1.01 | 0.93 | 0.91 | 1.07 | 0.65 | 1.08 | 0.78 | 0.97 | 0.95 |
| Loans to individuals | 1.21 | 0.88 | 0.66 | 0.64 | 1.31 | 1.81 | 0.79 | 0.56 | 1.29 | 0.49 | 1.18 |
| Credit card loans | 1.66 | 0.99 | 1.87 | 1.30 | 1.68 | 1.74 | 1.51 | 1.18 | 2.07 | 0.48 | 1.69 |
| Other loans to individuals | 0.90 | 0.88 | 0.54 | 0.37 | 1.02 | 1.88 | 0.67 | 0.36 | 0.49 | 0.49 | 0.39 |
| All other loans and leases (including farm) | 0.36 | 0.91 | 0.66 | 0.59 | 0.30 | 0.21 | 0.37 | 0.40 | 0.50 | 0.77 | 0.43 |
| Total loans and leases | 0.71 | 0.92 | 0.64 | 0.58 | 0.75 | 0.86 | 0.45 | 0.86 | 0.95 | 0.72 | 0.57 |
| Percent of Loans Charged-off (net, YTD) | | | | | | | | | | | |
| All real estate loans | 0.05 | 0.05 | 0.04 | 0.05 | 0.06 | 0.04 | 0.04 | 0.11 | 0.05 | 0.06 | 0.03 |
| Construction and development | 0.03 | 0.06 | 0.02 | 0.04 | 0.02 | 0.03 | 0.02 | 0.04 | 0.02 | 0.04 | 0.01 |
| Commercial real estate | 0.05 | 0.05 | 0.04 | 0.06 | 0.04 | 0.03 | 0.02 | 0.11 | 0.03 | 0.05 | 0.03 |
| Multifamily residential real estate | 0.02 | 0.17 | 0.03 | 0.01 | 0.01 | 0.02 | 0.01 | 0.04 | 0.03 | 0.04 | 0.00 |
| Home equity loans | 0.08 | 0.04 | 0.05 | 0.07 | 0.09 | 0.02 | 0.07 | 0.15 | 0.11 | 0.09 | 0.03 |
| Other 1-4 family residential | 0.05 | 0.06 | 0.04 | 0.04 | 0.06 | 0.03 | 0.04 | 0.11 | 0.04 | 0.07 | 0.05 |
| Commercial and industrial loans | 0.28 | 0.36 | 0.42 | 0.39 | 0.23 | 0.15 | 0.16 | 0.23 | 0.37 | 0.36 | 0.87 |
| Loans to individuals | 2.45 | 0.61 | 1.19 | 1.55 | 2.66 | 3.09 | 1.30 | 1.37 | 2.95 | 0.91 | 3.45 |
| Credit card loans | 4.45 | 1.97 | 6.56 | 3.26 | 4.50 | 4.40 | 4.25 | 3.55 | 4.96 | 1.82 | 4.96 |
| Other loans to individuals | 1.06 | 0.59 | 0.61 | 0.86 | 1.15 | 1.79 | 0.68 | 0.71 | 0.63 | 0.64 | 1.07 |
| All other loans and leases (including farm) | 0.10 | 0.07 | 0.23 | 0.24 | 0.08 | -0.01 | 0.19 | 0.13 | 0.05 | 0.28 | 0.07 |
| Total loans and leases | 0.40 | 0.20 | 0.20 | 0.20 | 0.50 | 0.70 | 0.20 | 0.30 | 0.50 | 0.20 | 0.60 |
| Loans Outstanding (in billions) | | | | | | | | | | | |
| All real estate loans | \$3,932.2 | \$85.6 | \$628.7 | \$644.1 | \$2,573.8 | \$786.2 | \$993.1 | \$780.7 | \$348.3 | \$244.8 | \$779.0 |
| Construction and development | 389.2 | 9.2 | 103.0 | 96.0 | 181.1 | 43.6 | 129.0 | 83.7 | 35.0 | 47.0 | 51.0 |
| Commercial real estate | 782.3 | 24.3 | 219.5 | 192.5 | 346.0 | 152.8 | 197.1 | 169.3 | 75.0 | 76.2 | 111.8 |
| Multifamily residential real estate | 180.5 | 2.0 | 26.3 | 43.3 | 109.0 | 47.9 | 22.9 | 30.6 | 8.7 | 6.2 | 64.3 |
| Home equity loans | 533.8 | 3.1 | 35.6 | 50.7 | 444.4 | 78.1 | 161.7 | 141.8 | 70.3 | 17.0 | 64.9 |
| Other 1-4 family residential | 1,952.6 | 37.0 | 223.0 | 253.5 | 1,439.1 | 422.3 | 471.0 | 342.9 | 144.0 | 90.4 | 482.1 |
| Commercial and industrial loans | 1,043.1 | 19.1 | 111.0 | 135.5 | 777.5 | 250.0 | 245.1 | 291.8 | 85.4 | 61.0 | 109.8 |
| Loans to individuals | 907.7 | 11.9 | 52.2 | 81.0 | 762.6 | 321.6 | 141.9 | 167.2 | 82.2 | 38.3 | 156.5 |
| Credit card loans | 366.4 | 0.2 | 4.5 | 23.1 | 338.6 | 159.4 | 20.9 | 40.6 | 41.7 | 8.9 | 94.9 |
| Other loans to individuals | 541.2 | 11.7 | 47.6 | 57.9 | 424.0 | 162.2 | 121.0 | 126.6 | 40.5 | 29.4 | 61.6 |
| All other loans and leases (including farm) | 525.2 | 13.6 | 30.8 | 31.6 | 449.1 | 158.3 | 134.2 | 141.9 | 50.0 | 15.4 | 25.4 |
| Total loans and leases | 6,408.2 | 130.2 | 822.6 | 892.3 | 4,563.0 | 1,516.1 | 1,514.3 | 1,381.7 | 565.9 | 359.4 | 1,070.8 |
| Memo: Other Real Estate Owned (in millions) | | | | | | | | | | | |
| All other real estate owned | 4,090.7 | 284.9 | 1,179.6 | 702.3 | 1,923.9 | 419.0 | 858.3 | 1,142.9 | 453.9 | 743.6 | 473.0 |
| Construction and development | 479.4 | 30.4 | 185.0 | 130.9 | 133.1 | 18.0 | 121.0 | 90.4 | 46.9 | 172.4 | 30.7 |
| Commercial real estate | 1,268.0 | 111.7 | 533.6 | 288.2 | 334.4 | 118.9 | 269.4 | 298.9 | 159.0 | 298.3 | 123.4 |
| Multifamily residential real estate | 131.8 | 7.7 | 51.6 | 31.7 | 40.8 | 4.6 | 52.6 | 28.3 | 11.4 | 28.4 | 6.5 |
| 1-4 family residential | 2,078.0 | 115.3 | 374.6 | 244.8 | 1,343.3 | 213.2 | 405.3 | 716.8 | 221.9 | 218.4 | 302.4 |
| Farmland | 68.0 | 20.2 | 35.4 | 9.0 | 3.3 | 1.7 | 4.4 | 8.9 | 15.3 | 26.3 | 11.4 |

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

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

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

| (dollar figures in millions; notional amounts unless otherwise indicated) | 2nd Quarter 2005 | 1st Quarter 2005 | 4th Quarter 2004 | 3rd Quarter 2004 | 2nd Quarter 2004 | %Change 04:2-05:2 | Asset Size Distribution | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------------|------------------------------------|-----------------------------------|---------------------------------|------------|
| | | | | | | | Less Than \$100 Million | \$100 Million To \$1 Billion | \$1 Billion To \$10 Billion | Greater Than \$10 Billion | |
| ALL DERIVATIVE HOLDERS | | | | | | | | | | | |
| Number of institutions reporting derivatives | 859 | 781 | 764 | 760 | 730 | 17.7 | 62 | 495 | 219 | 83 | |
| Total assets of institutions reporting derivatives | \$7,432,045 | \$7,269,987 | \$7,109,132 | \$6,977,653 | \$6,801,340 | 9.3 | \$4,213 | \$200,161 | \$700,985 | \$6,526,687 | |
| Total deposits of institutions reporting derivatives | 4,831,478 | 4,713,732 | 4,608,663 | 4,476,601 | 4,405,583 | 9.7 | 3,416 | 155,798 | 497,937 | 4,174,327 | |
| Total derivatives | 96,943,486 | 91,861,153 | 88,305,537 | 84,866,083 | 81,711,649 | 18.6 | 181 | 9,842 | 71,759 | 96,861,703 | |
| Derivative Contracts by Underlying Risk Exposure | | | | | | | | | | | |
| Interest rate | 81,860,897 | 77,989,806 | 75,531,820 | 73,022,158 | 70,613,322 | 15.9 | 142 | 9,427 | 62,010 | 81,789,318 | |
| Foreign exchange* | 9,383,991 | 9,251,143 | 9,026,107 | 8,573,528 | 8,437,269 | 11.2 | 0 | 11 | 5,242 | 9,378,739 | |
| Equity | 1,194,866 | 1,174,583 | 1,112,283 | 1,043,460 | 928,065 | 28.7 | 39 | 310 | 1,607 | 1,192,910 | |
| Commodity & other (excluding credit derivatives) | 398,589 | 321,361 | 288,606 | 289,200 | 247,167 | 61.3 | 0 | 7 | 94 | 398,488 | |
| Credit | 4,105,143 | 3,124,260 | 2,346,722 | 1,937,738 | 1,485,825 | 176.3 | 0 | 88 | 2,806 | 4,102,249 | |
| Total | 96,943,486 | 91,861,153 | 88,305,537 | 84,866,083 | 81,711,649 | 18.6 | 181 | 9,842 | 71,759 | 96,861,703 | |
| Derivative Contracts by Transaction Type | | | | | | | | | | | |
| Swaps | 60,921,599 | 58,335,659 | 56,416,576 | 52,914,550 | 49,704,580 | 22.6 | 33 | 3,736 | 39,856 | 60,877,974 | |
| Futures & forwards | 11,919,719 | 11,634,985 | 11,370,492 | 11,375,932 | 12,257,551 | -2.8 | 42 | 2,375 | 10,319 | 11,906,984 | |
| Purchased options | 9,428,232 | 8,785,659 | 8,873,314 | 9,065,008 | 8,733,019 | 8.0 | 15 | 1,534 | 7,290 | 9,419,392 | |
| Written options | 9,837,802 | 9,242,869 | 8,879,551 | 8,927,236 | 8,858,553 | 11.1 | 91 | 2,108 | 11,061 | 9,824,541 | |
| Total | 92,107,351 | 87,999,172 | 85,539,933 | 82,282,726 | 79,553,703 | 15.8 | 181 | 9,753 | 68,526 | 92,028,891 | |
| Fair Value of Derivative Contracts | | | | | | | | | | | |
| Interest rate contracts | 20,911 | 28,403 | 26,867 | 24,184 | 20,892 | 0.1 | 1 | -13 | -170 | 21,093 | |
| Foreign exchange contracts | 828 | 1,415 | -1,379 | -628 | 419 | 97.6 | 0 | 0 | 13 | 815 | |
| Equity contracts | -2,268 | -1,521 | -1,308 | 4,029 | 5,502 | NM | 1 | -2 | 5 | -2,272 | |
| Commodity & other (excluding credit derivatives) | 1,257 | 3,551 | 1,941 | 1,458 | 1,747 | -28.0 | 0 | 0 | 19 | 1,238 | |
| Credit derivatives as guarantor | -847 | 6,821 | 15,680 | 9,856 | 6,801 | NM | 0 | 0 | 0 | -847 | |
| Credit derivatives as beneficiary | 2,497 | -5,937 | -15,124 | -8,895 | -6,191 | NM | 0 | -1 | -9 | 2,507 | |
| Derivative Contracts by Maturity** | | | | | | | | | | | |
| Interest rate contracts | < 1 year | 17,138,071 | 15,560,325 | 15,919,774 | 16,212,404 | 15,820,368 | 8.3 | 46 | 2,989 | 15,368 | 17,119,668 |
| | 1-5 years | 26,722,873 | 26,568,782 | 25,893,298 | 24,310,740 | 22,508,242 | 18.7 | 15 | 3,216 | 18,258 | 26,701,384 |
| | > 5 years | 18,113,547 | 17,381,274 | 16,491,764 | 15,364,195 | 14,378,070 | 26.0 | 5 | 1,140 | 15,826 | 18,096,576 |
| Foreign exchange contracts | < 1 year | 5,318,532 | 5,192,310 | 5,348,729 | 4,862,841 | 4,873,138 | 9.1 | 0 | 7 | 3,442 | 5,315,083 |
| | 1-5 years | 1,313,066 | 1,314,144 | 1,286,372 | 1,250,835 | 1,158,345 | 13.4 | 0 | 1 | 229 | 1,312,836 |
| | > 5 years | 684,755 | 691,433 | 760,131 | 644,084 | 627,794 | 9.1 | 0 | 0 | 0 | 684,755 |
| Equity contracts | < 1 year | 342,334 | 275,704 | 272,658 | 237,624 | 215,242 | 59.0 | 0 | 25 | 182 | 342,127 |
| | 1-5 years | 952,801 | 892,602 | 735,736 | 646,479 | 572,170 | 66.5 | 23 | 138 | 482 | 952,158 |
| | > 5 years | 166,107 | 173,442 | 139,858 | 86,222 | 92,170 | 80.2 | 0 | 0 | 36 | 166,071 |
| Commodity & other contracts | < 1 year | 154,314 | 128,653 | 107,032 | 101,318 | 90,627 | 70.3 | 0 | 0 | 28 | 154,286 |
| | 1-5 years | 480,423 | 299,126 | 237,581 | 212,627 | 137,607 | 249.1 | 0 | 4 | 21 | 480,398 |
| | > 5 years | 81,626 | 55,119 | 42,450 | 32,281 | 38,603 | 111.4 | 0 | 0 | 30 | 81,596 |
| Risk-Based Capital: Credit Equivalent Amount | | | | | | | | | | | |
| Total current exposure to tier 1 capital (%) | 37.6 | 38.5 | 44.0 | 37.5 | 36.0 | | 0.6 | 0.2 | 0.5 | 43.8 | |
| Total potential future exposure to tier 1 capital (%) | 76.5 | 80.4 | 76.2 | 73.5 | 69.5 | | 0.5 | 0.3 | 0.7 | 89.3 | |
| Total exposure (credit equivalent amount) to tier 1 capital (%) | 114.1 | 118.8 | 120.2 | 111.0 | 105.4 | | 1.1 | 0.5 | 1.2 | 133.1 | |
| Credit losses on derivatives*** | 14.0 | 1.0 | 5.0 | 92.0 | 35.0 | -60.0 | 0.0 | 0.0 | 0.0 | 14.0 | |
| HELD FOR TRADING | | | | | | | | | | | |
| Number of institutions reporting derivatives | 120 | 120 | 117 | 124 | 110 | 9.1 | 4 | 32 | 36 | 48 | |
| Total assets of institutions reporting derivatives | 5,911,925 | 5,873,516 | 5,687,896 | 5,564,219 | 5,406,890 | 9.3 | 192 | 15,304 | 175,988 | 5,720,441 | |
| Total deposits of institutions reporting derivatives | 3,795,347 | 3,764,610 | 3,689,571 | 3,577,651 | 3,508,637 | 8.2 | 149 | 11,690 | 120,702 | 3,662,806 | |
| Derivative Contracts by Underlying Risk Exposure | | | | | | | | | | | |
| Interest rate | 79,451,914 | 75,576,666 | 73,012,099 | 70,526,446 | 68,139,293 | 16.6 | 2 | 201 | 9,005 | 79,442,707 | |
| Foreign exchange | 8,554,016 | 8,412,594 | 8,506,865 | 7,833,447 | 7,689,888 | 11.2 | 0 | 8 | 3,952 | 8,550,056 | |
| Equity | 1,192,086 | 1,170,944 | 1,109,519 | 1,040,859 | 925,470 | 28.8 | 0 | 35 | 1,079 | 1,190,973 | |
| Commodity & other | 398,536 | 321,329 | 288,574 | 289,138 | 247,105 | 61.3 | 0 | 1 | 47 | 398,488 | |
| Total | 89,596,552 | 85,481,533 | 82,917,057 | 79,689,890 | 77,001,756 | 16.4 | 2 | 244 | 14,082 | 89,582,224 | |
| Trading Revenues: Cash & Derivative Instruments | | | | | | | | | | | |
| Interest rate | 350 | 1,634 | 880 | -449 | 182 | 92.3 | 0 | 0 | 3 | 346 | |
| Foreign exchange | 1,301 | 1,699 | 1,274 | 1,162 | 1,570 | -17.1 | 0 | 0 | 7 | 1,294 | |
| Equity | 130 | 887 | 348 | 485 | 494 | -73.7 | 0 | 0 | 1 | 130 | |
| Commodity & other (including credit derivatives) | 166 | 212 | -307 | 24 | 405 | -59.0 | 0 | 0 | 0 | 166 | |
| Total trading revenues | 1,947 | 4,432 | 2,194 | 1,222 | 2,650 | -26.5 | 0 | 0 | 11 | 1,936 | |
| Share of Revenue | | | | | | | | | | | |
| Trading revenues to gross revenues (%) | 2.0 | 4.5 | 2.4 | 1.5 | 3.2 | | 0.0 | 0.0 | 0.4 | 2.0 | |
| Trading revenues to net operating revenues (%) | 11.7 | 22.5 | 13.5 | 7.9 | 17.3 | | 0.0 | 0.0 | 2.3 | 12.0 | |
| HELD FOR PURPOSES OTHER THAN TRADING | | | | | | | | | | | |
| Number of institutions reporting derivatives | 799 | 725 | 713 | 702 | 682 | 17.2 | 58 | 461 | 199 | 81 | |
| Total assets of institutions reporting derivatives | 7,306,311 | 7,084,830 | 6,998,688 | 6,798,200 | 6,694,954 | 9.1 | 4,021 | 185,322 | 631,975 | 6,484,992 | |
| Total deposits of institutions reporting derivatives | 4,731,106 | 4,583,022 | 4,519,394 | 4,371,932 | 4,321,991 | 9.5 | 3,268 | 143,908 | 446,166 | 4,137,764 | |
| Derivative Contracts by Underlying Risk Exposure | | | | | | | | | | | |
| Interest rate | 2,408,983 | 2,413,140 | 2,519,721 | 2,495,712 | 2,474,029 | -2.6 | 140 | 9,227 | 53,005 | 2,346,611 | |
| Foreign exchange | 98,984 | 100,828 | 100,360 | 94,461 | 75,261 | 31.5 | 0 | 2 | 863 | 98,120 | |
| Equity | 2,780 | 3,639 | 2,764 | 2,600 | 2,596 | 7.1 | 39 | 275 | 528 | 1,937 | |
| Commodity & other | 53,091 | 32,000 | 32,000 | 62,000 | 62,329 | -14.8 | 0 | 5,525 | 47,566 | 0 | |
| Total notional amount | 2,510,800 | 2,517,639 | 2,622,877 | 2,592,835 | 2,551,948 | -1.6 | 179 | 9,509 | 54,444 | 2,446,668 | |

All line items are reported on a quarterly basis.

*Includes 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.

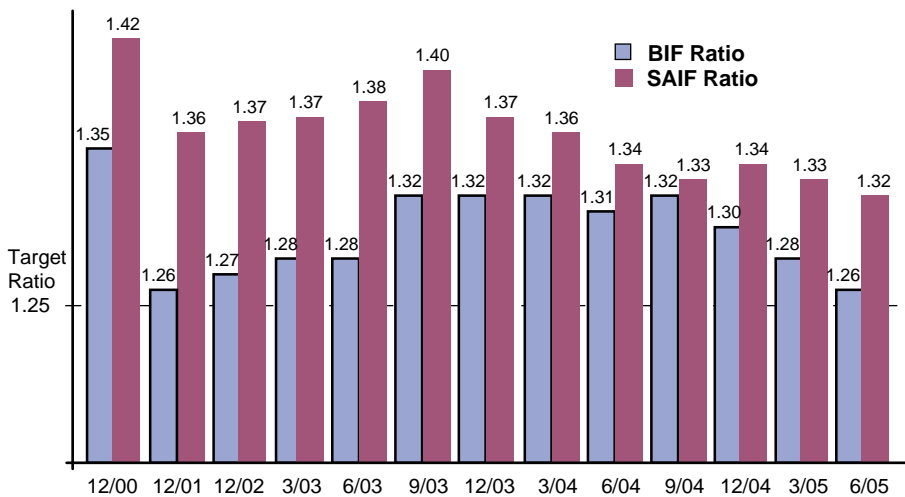
TABLE I-B. Selected Insurance Fund Indicators*

(dollar figures in millions)

| | Preliminary 2nd Quarter 2005 | 1st Quarter 2005 | 2nd Quarter 2004 | %Change 04:06-05:06 |
|---|------------------------------------|---------------------|---------------------|------------------------|
| Bank Insurance Fund | | | | |
| Reserve ratio (%)..... | 1.26 | 1.28 | 1.31 | -3.5 |
| Fund Balance | \$35,094 | \$34,824 | \$34,110 | 2.9 |
| Estimated insured deposits | 2,777,086 | 2,724,389 | 2,605,707 | 6.6 |
| SAIF-member Oakars..... | 108,364 | 107,295 | 101,778 | 6.5 |
| BIF-members | 2,668,721 | 2,617,094 | 2,503,929 | 6.6 |
| Assessment base | 4,664,856 | 4,608,573 | 4,325,495 | 7.8 |
| SAIF-member Oakars..... | 131,348 | 128,179 | 105,560 | 24.4 |
| BIF-members | 4,533,507 | 4,480,395 | 4,219,935 | 7.4 |
| Savings Association Insurance Fund | | | | |
| Reserve ratio (%) | 1.32 | 1.33 | 1.34 | -1.5 |
| Fund Balance | \$12,929 | \$12,793 | \$12,411 | 4.2 |
| Estimated insured deposits | 980,417 | 965,445 | 926,769 | 5.8 |
| BIF-member Oakars | 445,608 | 434,350 | 427,195 | 4.3 |
| SAIF-member Sassadors | 88,011 | 94,472 | 92,056 | -4.4 |
| Other SAIF members | 446,799 | 436,623 | 407,518 | 9.6 |
| Assessment base | 1,213,700 | 1,190,752 | 1,098,340 | 10.5 |
| BIF-member Oakars | 472,342 | 455,332 | 431,301 | 9.5 |
| SAIF-member Sassadors | 117,148 | 123,183 | 117,578 | -0.4 |
| Other SAIF members | 624,210 | 612,237 | 549,461 | 13.6 |

Insurance Fund Reserve Ratios*

Percent of Insured Deposits



Fund Balances and Insured Deposits*

(\$Millions)

| | BIF Balance | BIF-Insured Deposits | SAIF Balance | SAIF-Insured Deposits |
|-------|----------------|-------------------------|-----------------|--------------------------|
| 12/00 | 30,975 | 2,299,932 | 10,759 | 755,156 |
| 12/01 | 30,439 | 2,409,566 | 10,935 | 801,171 |
| 3/02 | 30,697 | 2,495,498 | 11,049 | 810,902 |
| 6/02 | 31,187 | 2,490,954 | 11,323 | 818,806 |
| 9/02 | 31,383 | 2,513,160 | 11,586 | 833,029 |
| 12/02 | 32,050 | 2,524,474 | 11,747 | 859,205 |
| 3/03 | 32,382 | 2,531,307 | 11,906 | 867,908 |
| 6/03 | 32,800 | 2,562,053 | 12,083 | 876,305 |
| 9/03 | 33,462 | 2,541,540 | 12,186 | 872,777 |
| 12/03 | 33,782 | 2,556,288 | 12,240 | 896,123 |
| 3/04 | 34,164 | 2,585,283 | 12,394 | 914,182 |
| 6/04 | 34,110 | 2,605,707 | 12,411 | 926,769 |
| 9/04 | 34,467 | 2,611,916 | 12,523 | 943,666 |
| 12/04 | 34,787 | 2,677,355 | 12,720 | 951,217 |
| 3/05 | 34,824 | 2,724,389 | 12,793 | 965,445 |
| 6/05 | 35,094 | 2,777,086 | 12,929 | 980,417 |

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

TABLE II-B. Closed/Assisted Institutions

(dollar figures in millions)

| | 2005** | 2004** | 2004 | 2003 | 2002 | 2001 | 2000 |
|------------------------------|--------|--------|-------|---------|---------|---------|-------|
| BIF Members | | | | | | | |
| Number of institutions | 0 | 3 | 3 | 3 | 10 | 3 | 6 |
| Total assets | \$0 | \$151 | \$151 | \$1,097 | \$2,508 | \$54 | \$378 |
| SAIF Members | | | | | | | |
| Number of institutions | 0 | 1 | 1 | 0 | 1 | 1 | 1 |
| Total assets | \$0 | \$15 | \$15 | \$0 | \$50 | \$2,200 | \$30 |

**Through June 30.

| Changes in Insurance Fund Balances | | | | | | | | | | | | | | |
|---|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------------------|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|
| <i>(dollar figures in millions)</i> | Bank Insurance Fund | | | | | | | Savings Association Insurance Fund | | | | | | |
| | 2nd Qtr. | 1st Qtr. | 4th Qtr. | 3rd Qtr. | 2nd Qtr. | 1st Qtr. | 4th Qtr. | 2nd Qtr. | 1st Qtr. | 4th Qtr. | 3rd Qtr. | 2nd Qtr. | 1st Qtr. | 4th Qtr. |
| | 2005 | 2005 | 2004 | 2004 | 2004 | 2004 | 2003 | 2005 | 2005 | 2004 | 2004 | 2004 | 2004 | 2003 |
| Beginning Fund Balance | \$34,824 | \$34,787 | \$34,467 | \$34,110 | \$34,164 | \$33,782 | \$33,462 | \$12,793 | \$12,720 | \$12,523 | \$12,411 | 12,394 | \$12,240 | \$12,186 |
| Unrealized Gain (Loss) on | | | | | | | | | | | | | | |
| Available-For-Sale Securities | -53 | -127 | -32 | 77 | -332 | 175 | -106 | -18 | -41 | -10 | 24 | -109 | 59 | -37 |
| Provision for Insurance Losses | -46 | -6 | -136 | -64 | -32 | -37 | -246 | -10 | -14 | -95 | 24 | -2 | 1 | 10 |
| All Other Income, Net of Expenses | 277 | 158 | 216 | 216 | 246 | 170 | 180 | 144 | 100 | 112 | 112 | 124 | 96 | 101 |
| Total Fund Balance Change | 270 | 37 | 320 | 357 | -54 | 382 | 320 | 136 | 73 | 197 | 112 | 17 | 154 | 54 |
| Ending Fund Balance | \$35,094 | \$34,824 | \$34,787 | \$34,467 | \$34,110 | \$34,164 | \$33,782 | \$12,929 | \$12,793 | \$12,720 | \$12,523 | 12,411 | \$12,394 | \$12,240 |

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

| (dollar figures in millions) | 2005** | 2004** | 2004 | 2003 | 2002 | 2001 | 2000 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| BIF Members | | | | | | | |
| Number of institutions reporting | 7,765 | 7,913 | 7,839 | 7,995 | 8,125 | 8,327 | 8,572 |
| BIF-member Oakars | 762 | 764 | 773 | 766 | 801 | 766 | 743 |
| Other BIF-members | 7,003 | 7,149 | 7,066 | 7,229 | 7,324 | 7,561 | 7,829 |
| Total assets | \$9,027,190 | \$8,375,745 | \$8,744,042 | \$7,897,822 | \$7,335,634 | \$6,857,373 | \$6,510,744 |
| Total deposits | 5,956,765 | 5,519,710 | 5,773,579 | 5,216,328 | 4,854,908 | 4,567,603 | 4,337,661 |
| Net income | 59,185 | 55,434 | 109,119 | 106,206 | 92,455 | 76,388 | 73,430 |
| Return on assets (%) | 1.33 | 1.37 | 1.32 | 1.40 | 1.32 | 1.14 | 1.18 |
| Return on equity (%) | 13.11 | 14.79 | 13.81 | 15.21 | 14.31 | 12.89 | 13.86 |
| Noncurrent assets plus OREO to assets (%) ... | 0.49 | 0.61 | 0.54 | 0.76 | 0.91 | 0.89 | 0.72 |
| Number of problem institutions | 61 | 93 | 69 | 102 | 116 | 90 | 74 |
| Assets of problem institutions | \$19,360 | \$25,145 | \$27,161 | \$28,812 | \$32,176 | \$31,881 | \$10,787 |
| Number of failed/assisted institutions | 0 | 3 | 3 | 3 | 10 | 3 | 6 |
| Assets of failed/assisted institutions | \$0 | \$150 | \$151 | \$1,097 | \$2,508 | \$54 | \$378 |
| SAIF Members | | | | | | | |
| Number of institutions reporting | 1,116 | 1,166 | 1,136 | 1,186 | 1,229 | 1,287 | 1,332 |
| SAIF-member Oakars | 144 | 141 | 149 | 146 | 133 | 130 | 122 |
| Other SAIF-members | 972 | 1,025 | 987 | 1,040 | 1,096 | 1,157 | 1,210 |
| Total assets | \$1,447,110 | \$1,272,800 | \$1,360,813 | \$1,177,455 | \$1,099,965 | \$1,011,736 | \$952,154 |
| Total deposits | 864,177 | 770,444 | 810,621 | 744,022 | 713,599 | 621,824 | 577,100 |
| Net income | 8,179 | 6,694 | 13,741 | 14,307 | 12,462 | 10,623 | 8,071 |
| Return on assets (%) | 1.16 | 1.10 | 1.09 | 1.25 | 1.17 | 1.11 | 0.89 |
| Return on equity (%) | 10.27 | 10.69 | 10.14 | 13.84 | 12.79 | 13.46 | 11.12 |
| Noncurrent assets plus OREO to assets (%) ... | 0.45 | 0.53 | 0.50 | 0.69 | 0.79 | 0.75 | 0.65 |
| Number of problem institutions | 13 | 9 | 11 | 14 | 20 | 24 | 20 |
| Assets of problem institutions | \$2,388 | \$755 | \$1,089 | \$1,105 | \$6,751 | \$7,923 | \$13,053 |
| Number of failed/assisted institutions | 0 | 1 | 1 | 0 | 1 | 1 | 1 |
| Assets of failed/assisted institutions | \$0 | \$15 | \$15 | \$0 | \$50 | \$2,200 | \$30 |

*IBAs are included in these numbers.

**Through June 30, ratios annualized where appropriate.

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

| (dollar figures in millions) June 30, 2005 | Number of Institutions | Total Assets | Domestic Deposits* | Estimated Insured Deposits | | |
|--|---------------------------|-------------------|-----------------------|----------------------------|----------------|------------------|
| | | | | BIF | SAIF | Total |
| Commercial Banks and Savings Institutions | | | | | | |
| FDIC-Insured Commercial Banks | 7,549 | 8,724,590 | 4,899,529 | 2,518,343 | 470,549 | 2,988,892 |
| BIF-member | 7,438 | 8,529,026 | 4,780,467 | 2,482,864 | 417,676 | 2,900,539 |
| SAIF-member | 111 | 195,564 | 119,062 | 35,479 | 52,874 | 88,352 |
| FDIC-Supervised | 4,779 | 1,624,584 | 1,191,265 | 703,753 | 103,707 | 807,460 |
| OCC-Supervised | 1,864 | 5,821,502 | 2,943,236 | 1,429,392 | 278,634 | 1,708,026 |
| Federal Reserve-Supervised | 906 | 1,278,504 | 765,028 | 385,197 | 88,208 | 473,406 |
| FDIC-Insured Savings Institutions | 1,319 | 1,749,709 | 1,026,246 | 257,582 | 509,868 | 767,450 |
| OTS-Supervised Savings Institutions | 870 | 1,433,330 | 802,463 | 137,623 | 458,118 | 595,741 |
| BIF-member | 43 | 241,734 | 101,215 | 66,535 | 11,319 | 77,854 |
| SAIF-member | 827 | 1,191,596 | 701,249 | 71,088 | 446,799 | 517,887 |
| FDIC-Supervised State Savings Banks | 449 | 316,379 | 223,782 | 119,959 | 51,750 | 171,709 |
| BIF-member | 271 | 256,430 | 180,933 | 118,162 | 16,613 | 134,775 |
| SAIF-member | 178 | 59,949 | 42,849 | 1,797 | 35,137 | 36,934 |
| Total Commercial Banks and Savings Institutions | 8,868 | 10,474,300 | 5,925,774 | 2,775,925 | 980,417 | 3,756,342 |
| BIF-member | 7,752 | 9,027,190 | 5,062,615 | 2,667,561 | 445,608 | 3,113,168 |
| SAIF-member | 1,116 | 1,447,110 | 863,159 | 108,364 | 534,810 | 643,174 |
| Other FDIC-Insured Institutions | | | | | | |
| U.S. Branches of Foreign Banks | 13 | 10,543 | 5,968 | 1,161 | 0 | 1,161 |
| Total FDIC-Insured Institutions | 8,881 | 10,484,843 | 5,931,742 | 2,777,086 | 980,417 | 3,757,503 |

* Excludes \$895 billion in foreign office deposits, which are uninsured.

TABLE V-B. Assessment Base Distribution and Rate Schedules

BIF Assessment Base Distribution

Assessable Deposits in Billions as of June 30, 2005

Supervisory and Capital Ratings for Second Semiannual Assessment Period, 2005

| Capital Group | Supervisory Risk Subgroup | | | | | |
|-------------------------------|---------------------------|-------|------|------|------|------|
| | A | | B | | C | |
| 1. Well-capitalized | | | | | | |
| Number of institutions | 7,301 | 94.0% | 352 | 4.5% | 47 | 0.6% |
| Assessable deposit base | \$4,570 | 98.0% | \$72 | 1.5% | \$13 | 0.3% |
| 2. Adequately capitalized | | | | | | |
| Number of institutions | 50 | 0.6% | 5 | 0.1% | 7 | 0.1% |
| Assessable deposit base | \$8 | 0.2% | \$1 | 0.0% | \$0 | 0.0% |
| 3. Undercapitalized | | | | | | |
| Number of institutions | 0 | 0.0% | 0 | 0.0% | 3 | 0.0% |
| Assessable deposit base | \$0 | 0.0% | \$0 | 0.0% | \$0 | 0.0% |

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

SAIF Assessment Base Distribution

Assessable Deposits in Billions as of June 30, 2005

Supervisory and Capital Ratings for Second Semiannual Assessment Period, 2005

| Capital Group | Supervisory Risk Subgroup | | | | | |
|-------------------------------|---------------------------|-------|------|------|-----|------|
| | A | | B | | C | |
| 1. Well-capitalized | | | | | | |
| Number of institutions | 1,039 | 93.1% | 60 | 5.4% | 11 | 1.0% |
| Assessable deposit base | \$1,190 | 98.1% | \$21 | 1.7% | \$2 | 0.2% |
| 2. Adequately capitalized | | | | | | |
| Number of institutions | 4 | 0.4% | 1 | 0.1% | 0 | 0.0% |
| Assessable deposit base | \$0 | 0.0% | \$0 | 0.0% | \$0 | 0.0% |
| 3. Undercapitalized | | | | | | |
| Number of institutions | 0 | 0.0% | 0 | 0.0% | 1 | 0.1% |
| Assessable deposit base | \$0 | 0.0% | \$0 | 0.0% | \$0 | 0.0% |

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

Assessment Rate Schedule

Second Semiannual 2005 Assessment Period

Cents per \$100 of Assessable Deposits

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

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

Quarterly Banking Profile

Second Quarter 2005

Chart 1 Lower Operating Income Outweighs Higher Securities Gains

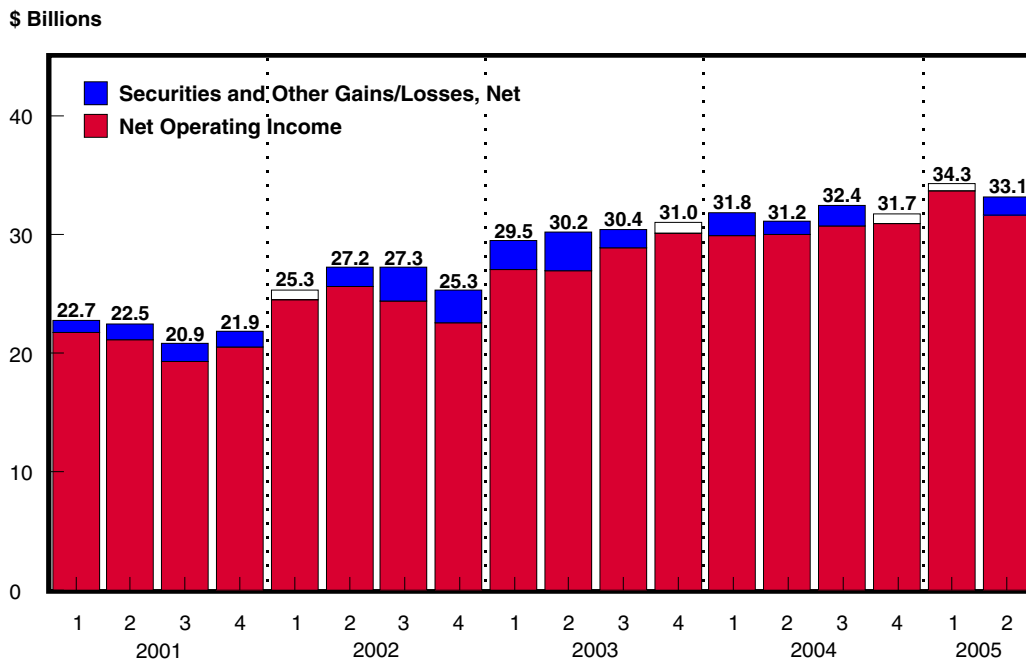
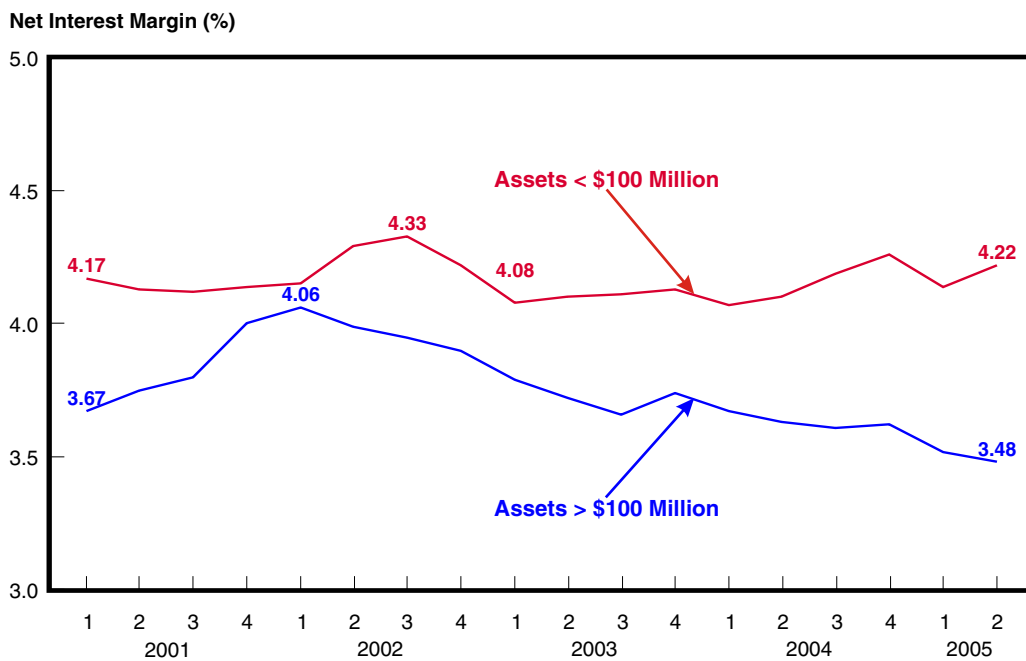


Chart 2 Smaller Institutions' Margin Advantage Grows



Quarterly Banking Profile

Second Quarter 2005

Chart 3

Net Interest Income Drives Improvement in Earnings

2nd Quarter 2005 vs 2nd Quarter 2004 (\$ Billions)

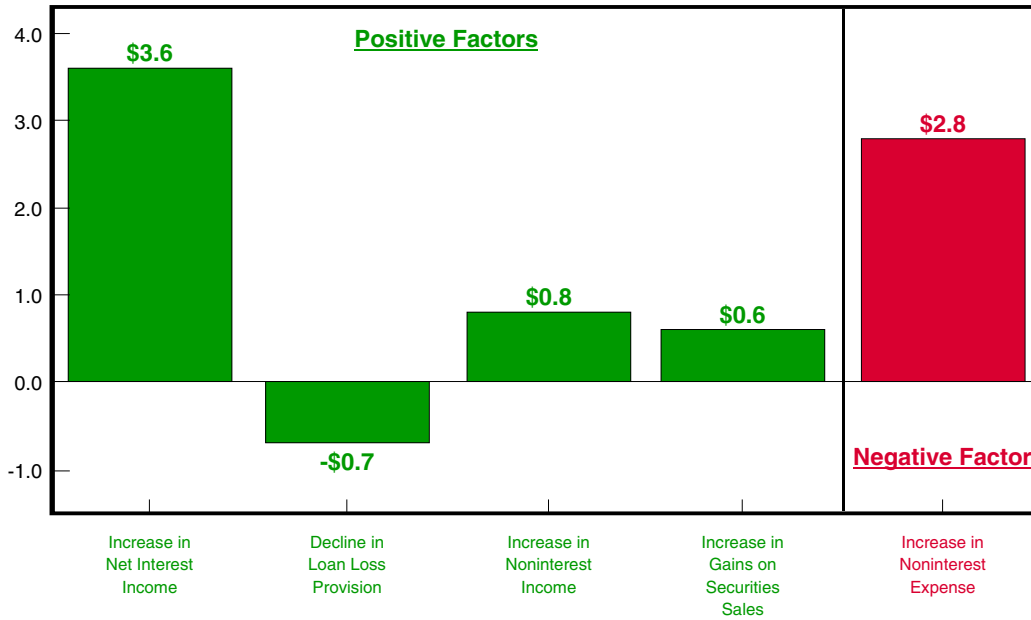
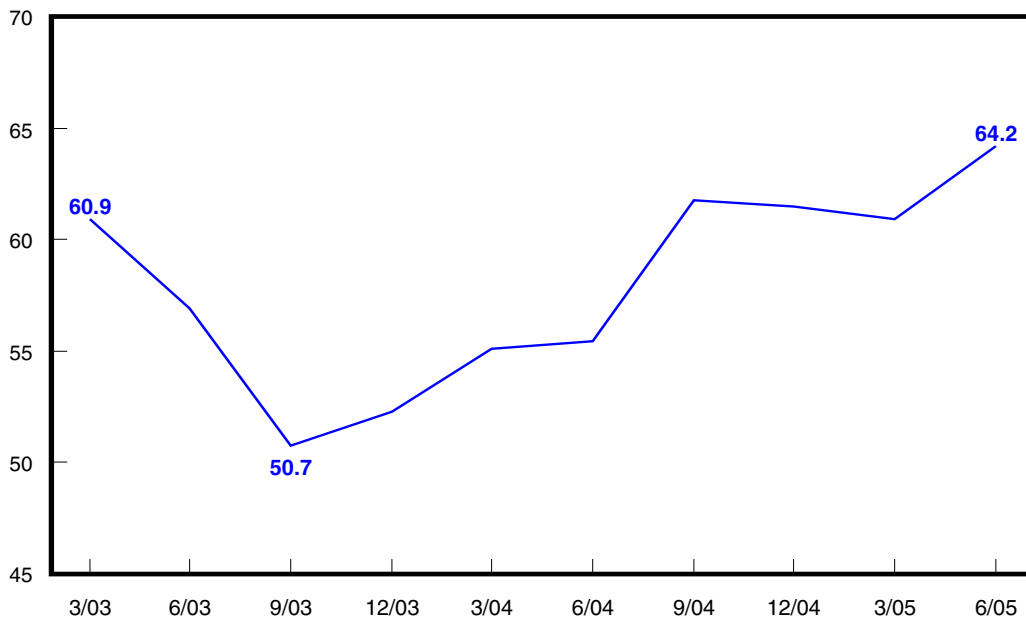


Chart 4

Improved Margins Translate Into Higher Earnings at Many Institutions

Percent of Institutions with Quarterly Earnings Gains



Quarterly Banking Profile

Second Quarter 2005

Chart 5

Growth in Both Components of Net Operating Revenue Has Been Slowing

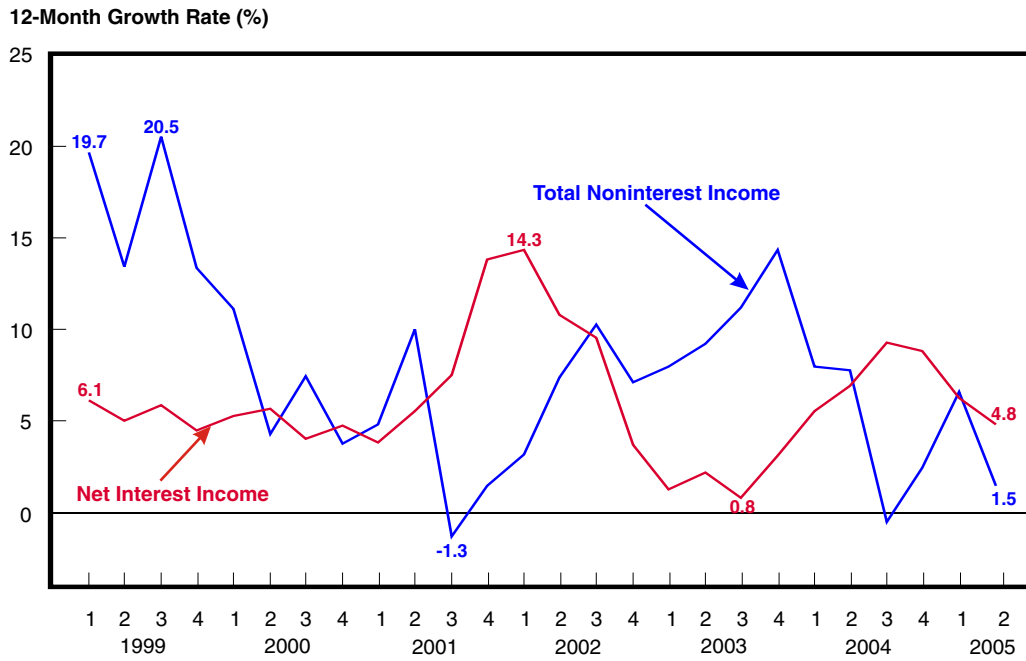
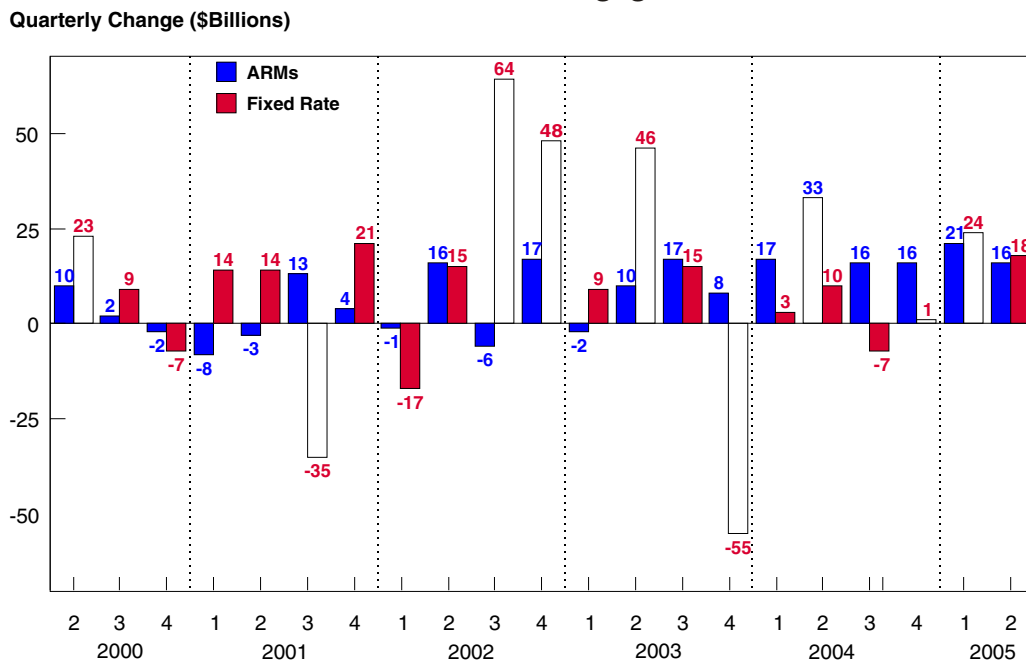


Chart 6

Adjustable-Rate Loans Comprise a Growing Share of Commercial Banks' Mortgage Portfolios



Quarterly Banking Profile

Second Quarter 2005

Chart 7

Lending to Large C&I Customers Picks Up After Four Years of Shrinkage

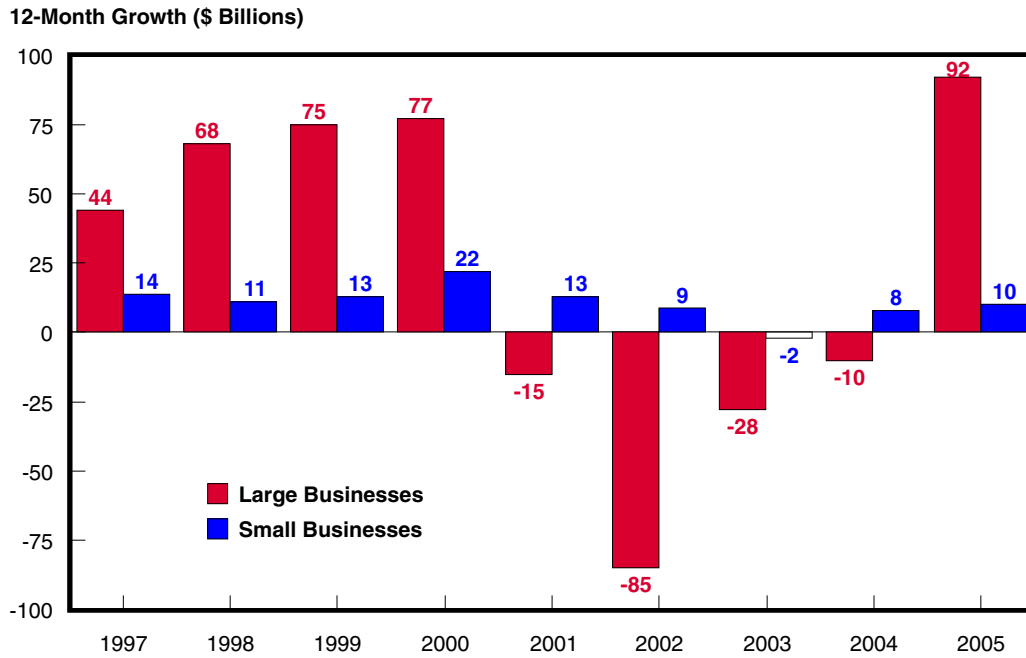


Chart 8

Institutions are Relying More on Smaller Deposits

