Quarterly Banking Profile Fourth Quarter 2010

INSURED INSTITUTION PERFORMANCE

- ***Banks Earned $21.7 Billion in Fourth Quarter as Recovery Continues***
- ***Full-Year Net Income of $87.5 Billion Is Highest Since 2007***
- ***Asset Quality Improves for Third Consecutive Quarter***
- ***Institutions Set Aside Half as Much for Loan Losses as a Year Earlier***
- ***157 Insured Institutions Failed during 2010***

Fourth Quarter Earnings Contrast Favorably with Year-Earlier Net Loss

Lower expenses for troubled loans continued to boost the earnings of insured commercial banks and savings institutions in fourth quarter 2010. The 7,657 institutions filing year-end reports posted quarterly net income of $21.7 billion, a substantial improvement over the $1.8 billion net loss in fourth quarter 2009 and the second-highest quarterly total reported since second quarter 2007. The greatest year-over-year improvement in earnings occurred at the largest banks, but almost two out of every three institutions (62 percent) reported better net income than a year ago. One in four institutions reported a net loss in the fourth quarter, an improvement from a year ago when more than one in three (35 percent) were unprofitable.

Provisions Fall to Lowest Level in More than Three Years

Insured institutions set aside $31.6 billion in provisions for loan losses in the fourth quarter, almost 50 percent less than the $62.9 billion they set aside a year earlier. This is the smallest quarterly loss provision for the industry since third quarter 2007. Much of the year-over-year reduction in provisions was concentrated among some of the largest banks. Seven large institutions accounted for more than half of the $31.3 billion reduction. However, a majority of insured institutions (54 percent) reduced their provisions in the fourth quarter compared to a year ago.

Chart 1

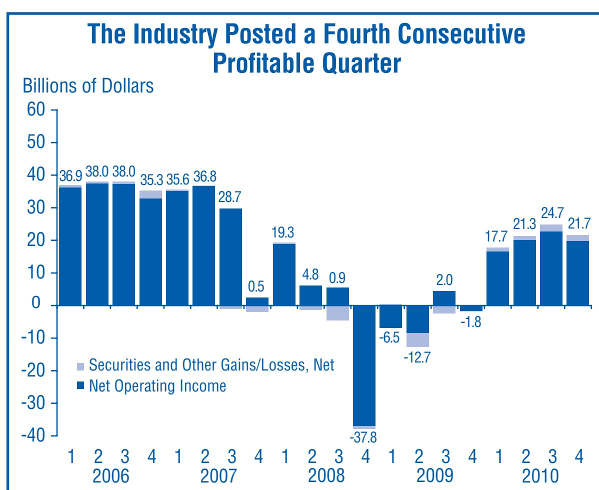
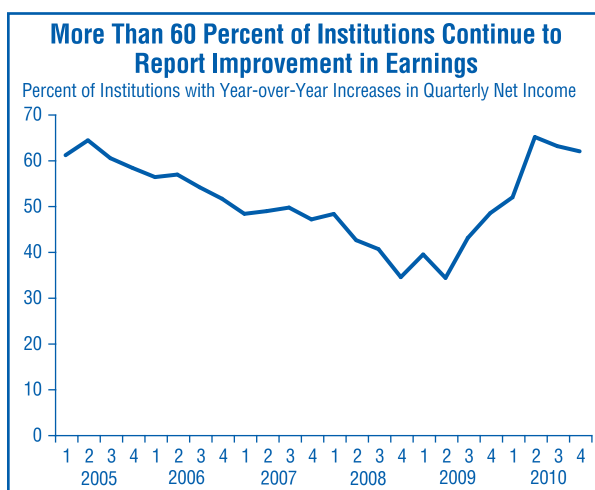


Chart 2



Note to Readers: Amended financial reports resulted in large changes to industry earnings totals for three different quarters. First quarter 2009 net income declined from a previously reported $7.6 billion profit to a $6.5 billion net loss; second quarter 2009 net income declined from a $3.7 billion net loss to a $12.7 billion net loss; and third quarter 2010 net income increased from a $14.5 billion profit to a $24.7 billion profit. Full year 2009 net income declined from a $12.5 billion profit to a $10.6 billion net loss. Most of the revisions resulted from changes in expenses for goodwill impairment at one large institution.

Revenue Growth Slows

Revenue growth was sluggish in the fourth quarter. Net operating revenue (net interest income plus total noninterest income) was $163.6 billion, only $2.8 billion (1.7 percent) higher than a year earlier and $2.1 billion (1.3 percent) less than in third quarter 2010. This is the second-smallest year-over-year increase in quarterly net operating revenue in the past two years (after the $911 million year-over-year increase in second quarter 2010). Despite the small size of the aggregate increase, revenues were up at almost two-thirds of all institutions (62.4 percent).

Fee Income Declines

Among the notable areas of noninterest revenue weakness, service charge income on deposit accounts at banks filing Call Reports was $2.1 billion (20.7 percent) lower than a year earlier. This is the second consecutive quarter that deposit account fees have declined by 20 percent or more from the prior year. Asset servicing income was $2.2 billion (32.3 percent) lower, and securitization income was down by $1.5 billion (90.7 percent). Both declines were primarily the result of changes in accounting rules that affected financial reporting in 2010.[1] The new accounting rules also were responsible for much of the $7.5 billion (7.5 percent) year-over-year increase in quarterly net interest income. A majority of institutions (59.8 percent) reported higher net interest margins than a year ago, but fourth quarter margins were lower than third quarter margins at 55 percent of institutions.

[1] See FASB Statements 166 and 167 in *Notes to Users.*

Higher Asset Values Contribute to Income Improvement

The industry's bottom line also benefited from improvement in asset values. Gains on sales of loans and other assets totaled $4 billion in the fourth quarter, more than three times the $1.3 billion in gains that sales produced in fourth quarter 2009. Realized gains on securities totaled $2.3 billion, compared to $5 million in realized losses a year earlier.

Full-Year Earnings Represent Sharp Improvement from Revised 2009 Loss

Full-year 2010 net income totaled $87.5 billion, compared to a revised net loss of $10.6 billion in 2009. This is the highest full-year earnings total for the industry since 2007. More than two out of every three institutions (67.5 percent) reported higher earnings in 2010 than in 2009. The proportion of unprofitable institutions fell from 30.6 percent in 2009 to 21 percent in 2010. This is the first time in six years that the percentage of institutions reporting full-year net losses has declined. The largest factor in the improvement in the industry's net income was a $92.6 billion (37.1 percent) reduction in loan-loss provisions. The second-largest source of improvement was a $28.7 billion decline in charges for goodwill impairment.[2] An additional contribution came from realized gains on securities and other assets, which were $10.8 billion higher. The improvement in full-year earnings was limited by increased income taxes, which were $32.2 billion higher than in 2009. Overall net operating revenue growth was relatively weak in 2010. The $10.8 billion (1.6 percent) increase was the second-

[2] Amendments to prior financial reports received from one large institution resulted in a $10.4 billion reduction in expenses for goodwill impairment in third quarter 2010 and $20.3 billion in increased expenses for goodwill impairment in the first two quarters of 2009.

Chart 3

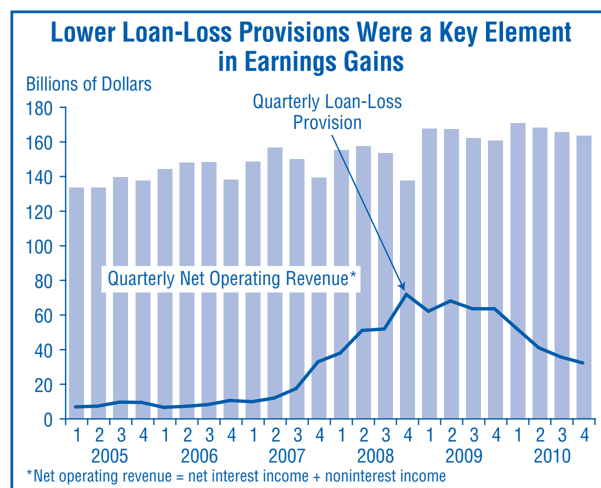
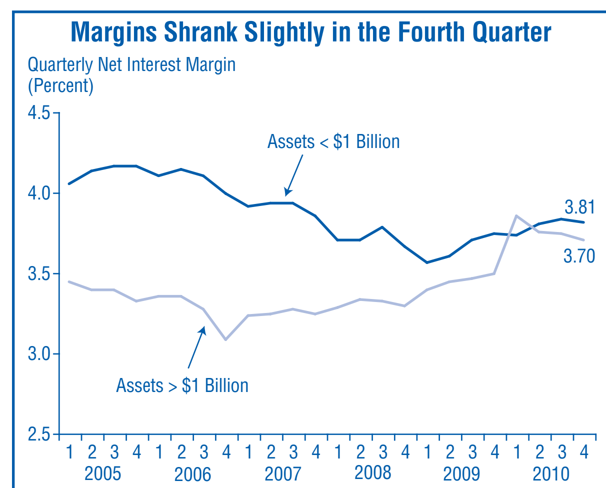


Chart 4



worst year-over-year change in the past 16 years, after the $20.4 billion decline registered in 2008. Noninterest income from service charges on deposit accounts was $5.5 billion (13.1 percent) lower than in 2009. This is the first time in the 69 years that these data have been collected that full-year service charge income has declined. Insured institutions paid $53.9 billion in dividends in 2010, an increase of $6.7 billion (14.3 percent) over 2009, but less than half the annual record of $110.3 billion paid in 2007. Retained earnings totaled $33.6 billion, marking the first year since 2006 that the industry as a whole has reported internal capital growth.

Loan Losses Continue to Decline Across Most Major Categories

Net loan and lease charge-offs (NCOs) totaled $41.9 billion in the fourth quarter, a decline of $13 billion (23.7 percent) compared to fourth quarter 2009. With the exception of credit cards (which reflected the application of new accounting rules in 2010), almost all major loan categories posted year-over-year declines in quarterly charge-offs. Real estate construction and development loan charge-offs were $4.2 billion lower, while charge-offs of commercial and industrial (C&I) loans were down by $4 billion. Closed-end one-to-four family residential real estate NCOs were $3.1 billion lower, and home equity line of credit NCOs fell by $1.5 billion. NCOs of nonfarm nonresidential real estate loans were only $101 million higher than a year earlier. Reported credit card NCOs were $2.9 billion higher due to the inclusion in 2010 of NCOs on securitized credit card balances that were not included in prior years. Even with the reporting change, the year-over-year increase in quarterly credit card NCOs was the smallest in two years. On a consecutive-quarter basis, credit card NCOs have fallen in each of the past three quarters.

Nonperforming Asset Balances Fall for Third Consecutive Quarter

The amount of loan and lease balances that were noncurrent (90 days or more past due or in nonaccrual status) fell for a third consecutive quarter, declining by $17.9 billion (4.7 percent). Noncurrent balances declined in all major loan categories, led by real estate construction loans (down $7.4 billion), C&I loans (down $3.2 billion), multifamily residential real estate loans (down $2.1 billion), and closed-end one-to-four family residential real estate loans (down $2 billion). The industry's inventory of other real estate owned (primarily property acquired through foreclosure) declined for the first time since fourth quarter 2005, falling by $374 million. At the end of 2010, noncurrent assets and other real estate owned represented 3.11 percent of total industry assets, the lowest share since the end of third quarter 2009.

Reserve Balances Shrink as Loss Provisions Trail Net Charge-Offs

Reserves for loan and lease losses declined for a third consecutive quarter, falling by $11.1 billion (4.6 percent), as net charge-offs of $41.9 billion exceeded loss provisions of $31.6 billion. Four large banks accounted for more than half of the decline in industry reserves, as more than a third of all institutions (39.4 percent) reduced their loss reserve balances in the fourth quarter. However, owing to the decline in noncurrent loans, the industry's "coverage ratio" of reserves to noncurrent loans and leases remained essentially unchanged from the previous quarter, at 64.2 percent. More than half of all institutions (52.3 percent) increased their coverage ratios in the fourth quarter, while 39.3 percent reported coverage ratio declines.

Chart 5

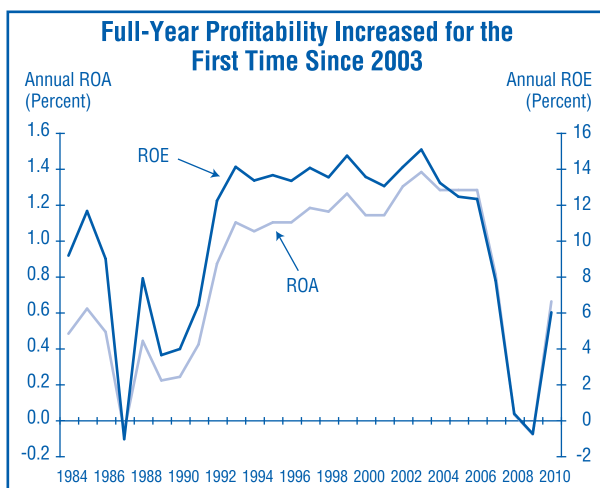
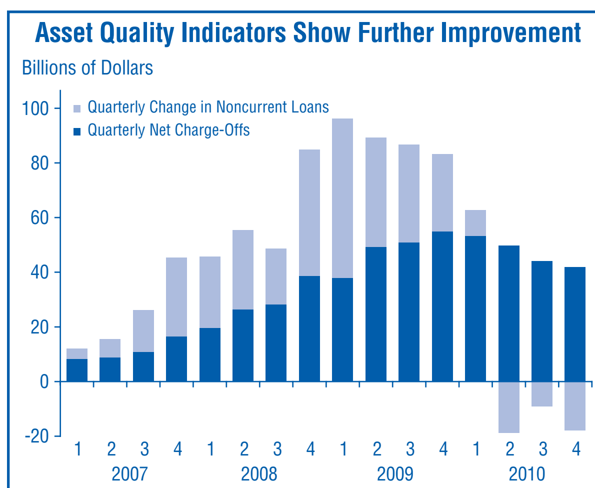


Chart 6



Tier 1 Capital Posts Small Increase

Equity capital fell by $8.5 billion (0.6 percent) in the fourth quarter, the first quarterly decline since fourth quarter 2008. The drop was caused by a $16.2 billion (71.9 percent) decline in unrealized gains on securities held for sale. In contrast, insured institution Tier 1 leverage capital, which is not affected by changes in securities values, increased by $3.4 billion (0.3 percent). Total regulatory capital declined by $616 million, reflecting the reduction in loan-loss reserves in the fourth quarter. At the end of 2010, almost 96 percent of all insured institutions, representing more than 99 percent of all insured institution assets, met or exceeded the minimum requirements of the highest regulatory capital category, according to the calculations used for purposes of Prompt Corrective Action.

Loan Balances Decline at a Majority of Institutions

Total assets of insured institutions declined by $51.8 billion (0.4 percent) in the fourth quarter. Assets in trading accounts fell by $43.1 billion (5.6 percent), while total loan and lease balances dropped by $13.6 billion (0.2 percent). The largest reductions in loan portfolios occurred in real estate construction and development loans, where balances fell by $32.5 billion (9.2 percent); non-credit card consumer loans (down $29 billion, or 4.9 percent); and home equity lines of credit, where drawn balances shrank by $11 billion (1.7 percent). Securities portfolios rose by $26.1 billion (1 percent), as institution holdings of mortgage-backed securities increased by $42.7 billion (3 percent). Among loan categories that posted increases during the quarter, credit cards had a seasonal increase of $18.1 billion (2.6 percent); one-to-four family residential mortgage loans increased for the second quarter in a row, rising by $17 billion (0.9 percent); and C&I loans also posted a second consecutive quarterly increase, rising by $11.8 billion (1 percent). Loan balances fell at almost 60 percent of insured institutions in the fourth quarter.

Deposit Growth Remains Strong

Deposits grew strongly for a second consecutive quarter, rising by $149.3 billion (1.6 percent), after a $132.7 billion (1.5 percent) increase in the third quarter. Noninterest-bearing deposits in domestic offices increased by $81.6 billion (5.1 percent). Nondeposit liabilities fell by $200.4 billion (7.8 percent), as Federal Home Loan Bank advances declined by $15.9 billion (4 percent), other secured borrowings dropped by $64.9 billion (14.3 percent), and liabilities in trading accounts fell by $30.2 billion (9.5 percent). At year end, deposits funded 70.7 percent of total industry assets, the highest proportion since the end of first quarter 1996.

Failures Reached an 18-Year High in 2010

The number of insured institutions reporting quarterly financial results fell from 7,761 to 7,657 in the fourth quarter. Thirty insured institutions failed during the quarter and an additional 73 were absorbed in mergers. There were three new charters added in the quarter. For all of 2010, mergers absorbed 197 institutions, while 157 insured commercial banks and savings institutions failed. This is the largest annual number of bank failures since 1992, when 181 institutions failed. Only 11 new reporters were added during 2010, the smallest annual total in the FDIC's 77-year history. The number of institutions on the FDIC's "Problem List" increased from 860 to 884 in the fourth quarter. Total assets of "problem" institutions increased from $379 billion to $390 billion.

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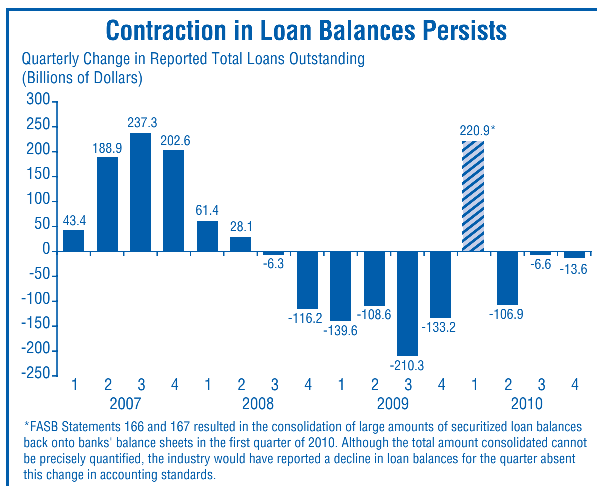
Chart 7



*FASB Statements 166 and 167 resulted in the consolidation of large amounts of securitized loan balances back onto banks' balance sheets in the first quarter of 2010. Although the total amount consolidated cannot be precisely quantified, the industry would have reported a decline in loan balances for the quarter absent this change in accounting standards.

Chart 8

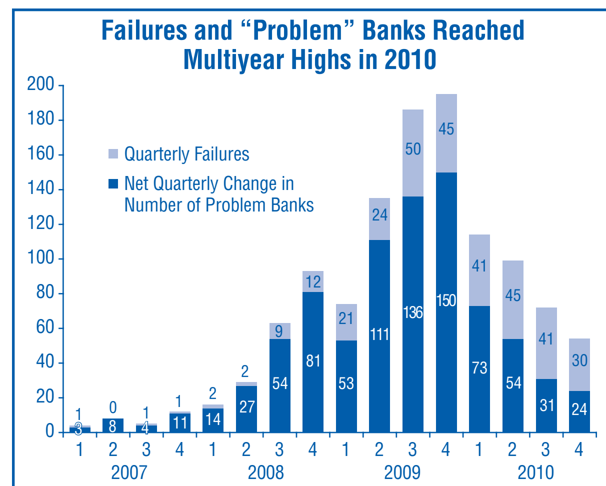


TABLE I-A. Selected Indicators, All FDIC-Insured Institutions*

	2010	2009	2008	2007	2006	2005	2004
Return on assets (%)	0.66	-0.08	0.03	0.81	1.28	1.28	1.28
Return on equity (%)	5.99	-0.77	0.35	7.75	12.30	12.43	13.20
Core capital (leverage) ratio (%)	8.90	8.62	7.47	7.97	8.22	8.24	8.11
Noncurrent assets plus other real estate owned to assets (%)	3.11	3.36	1.91	0.95	0.54	0.50	0.53
Net charge-offs to loans (%)	2.54	2.52	1.29	0.59	0.39	0.49	0.56
Asset growth rate (%)	1.79	-5.45	6.19	9.88	9.03	7.64	11.37
Net interest margin (%)	3.76	3.47	3.16	3.29	3.31	3.47	3.52
Net operating income growth (%)	1,440.82	-163.94	-90.71	-27.59	8.52	11.40	3.99
Number of institutions reporting	7,657	8,012	8,305	8,534	8,680	8,833	8,976
Commercial banks	6,529	6,839	7,086	7,283	7,401	7,526	7,631
Savings institutions	1,128	1,173	1,219	1,251	1,279	1,307	1,345
Percentage of unprofitable institutions (%)	21.01	30.79	24.89	12.09	7.94	6.22	5.97
Number of problem institutions	884	702	252	76	50	52	80
Assets of problem institutions (in billions)	$390	$403	$159	$22	$8	$7	$28
Number of failed institutions	157	140	25	3	0	0	4
Number of assisted institutions	0	8	5	0	0	0	0

* Excludes insured branches of foreign banks (IBAs).

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

(dollar figures in millions)	4th Quarter 2010	3rd Quarter 2010	4th Quarter 2009	%Change 09Q4-10Q4
Number of institutions reporting	7,657	7,761	8,012	-4.4
Total employees (full-time equivalent)	2,086,357	2,042,030	2,062,950	1.1
CONDITION DATA				
Total assets	$13,321,383	$13,373,219	$13,087,156	1.8
Loans secured by real estate	4,266,621	4,302,278	4,462,265	-4.4
1-4 family residential mortgages	1,897,556	1,880,546	1,915,796	-1.0
Nonfarm nonresidential	1,070,654	1,072,714	1,091,197	-1.9
Construction and development	321,556	354,077	450,747	-28.7
Home equity lines	636,903	647,919	661,564	-3.7
Commercial & industrial loans	1,186,440	1,174,667	1,222,394	-2.9
Loans to individuals	1,317,851	1,328,862	1,058,115	24.5
Credit cards	702,016	683,911	421,488	66.6
Farm loans	59,336	58,893	59,535	-0.3
Other loans & leases	547,811	526,601	483,258	13.4
Less: Unearned income	2,439	2,127	3,765	-35.2
Total loans & leases	7,375,620	7,389,175	7,281,801	1.3
Less: Reserve for losses	230,762	241,899	228,464	1.0
Net loans and leases	7,144,858	7,147,276	7,053,337	1.3
Securities	2,667,707	2,641,584	2,500,420	6.7
Other real estate owned	52,802	53,177	41,202	28.2
Goodwill and other intangibles	393,853	384,171	408,038	-3.5
All other assets	3,062,163	3,147,011	3,084,158	-0.7
Total liabilities and capital	13,321,383	13,373,219	13,087,156	1.8
Deposits	9,422,943	9,273,670	9,226,774	2.1
Domestic office deposits	7,873,120	7,738,082	7,696,799	2.3
Foreign office deposits	1,549,823	1,535,588	1,529,974	1.3
Other borrowed funds	1,717,604	1,866,211	1,782,253	-3.6
Subordinated debt	146,833	150,823	156,947	-6.4
All other liabilities	520,341	568,154	476,291	9.2
Total equity capital (includes minority interests)	1,513,661	1,514,363	1,444,891	4.8
Bank equity capital	1,486,801	1,495,318	1,424,381	4.4
Loans and leases 30-89 days past due	118,767	124,253	140,214	-15.3
Noncurrent loans and leases	359,558	377,460	395,957	-9.2
Restructured loans and leases	87,540	79,947	58,133	50.6
Mortgage-backed securities	1,482,687	1,439,947	1,395,254	6.3
Earning assets	11,555,789	11,547,679	11,267,455	2.6
FHLB Advances	386,476	402,398	533,216	-27.5
Unused loan commitments	5,658,126	6,062,386	5,965,767	-5.2
Trust assets	19,327,408	18,591,198	18,115,615	6.7
Assets securitized and sold**	983,028	1,012,556	1,392,540	-29.4
Notional amount of derivatives**	232,211,601	236,386,429	215,449,008	7.8

INCOME DATA	Full Year 2010	Full Year 2009	%Change	4th Quarter 2010	4th Quarter 2009	%Change 09Q4-10Q4
Total interest income	$536,907	$541,132	-0.8	$131,884	$131,054	0.6
Total interest expense	106,839	145,458	-26.6	24,818	31,473	-21.2
Net interest income	430,068	395,675	8.7	107,065	99,581	7.5
Provision for loan and lease losses	156,901	249,501	-37.1	31,621	62,884	-49.7
Total noninterest income	236,795	260,368	-9.1	56,492	61,194	-7.7
Total noninterest expense	392,664	405,269	-3.1	103,819	98,728	5.2
Securities gains (losses)	9,138	-1,627	N/M	2,273	-5	N/M
Applicable income taxes	37,834	5,677	566.5	8,642	697	1,139.5
Extraordinary gains, net	-450	-3,787	88.1	59	-162	N/M
Total net income (includes minority interests)	88,152	-9,818	N/M	21,808	-1,702	N/M
Bank net income	87,498	-10,619	N/M	21,656	-1,836	N/M
Net charge-offs	187,150	188,825	-0.9	41,923	54,969	-23.7
Cash dividends	53,926	47,189	14.3	23,304	13,768	69.3
Retained earnings	33,572	-57,808	N/M	-1,649	-15,604	89.4
Net operating income	81,554	-6,082	N/M	19,849	-1,710	N/M

** Call Report filers only.

N/M - Not Meaningful.

TABLE III-A. Full Year 2010, All FDIC-Insured Institutions

		Asset Concentration Groups*								
FULL YEAR (The way it is...)	All Insured Institutions	Credit Card Banks	International Banks	Agricultural Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <$1 Billion	All Other <$1 Billion	All Other >$1 Billion
Number of institutions reporting	7,657	22	4	1,559	4,087	716	73	315	813	68
Commercial banks	6,529	18	4	1,555	3,640	182	59	287	730	54
Savings institutions	1,128	4	0	4	447	534	14	28	83	14
Total assets (in billions)	$13,321.4	$705.2	$3,038.1	$199.9	$4,098.8	$788.9	$114.4	$43.1	$132.3	$4,200.8
Commercial banks	12,067.6	677.8	3,038.1	199.3	3,632.2	235.3	49.7	37.5	109.3	4,088.4
Savings institutions	1,253.8	27.4	0.0	0.5	466.6	553.6	64.7	5.6	23.0	112.5
Total deposits (in billions)	9,422.9	297.2	2,009.5	165.9	3,147.8	543.9	91.1	33.6	110.3	3,023.7
Commercial banks	8,514.3	281.4	2,009.5	165.5	2,822.3	132.2	38.2	29.5	91.8	2,943.9
Savings institutions	908.7	15.8	0.0	0.4	325.5	411.7	52.9	4.1	18.5	79.8
Bank net income (in millions)	87,498	12,041	21,828	1,920	10,077	5,332	1,430	623	936	33,311
Commercial banks	79,166	10,940	21,828	1,917	7,599	2,702	923	363	989	31,905
Savings institutions	8,332	1,101	0	3	2,478	2,629	508	259	-53	1,406
Performance Ratios (%)										
Yield on earning assets	4.70	13.57	3.42	5.22	4.89	4.36	5.80	3.79	4.98	3.96
Cost of funding earning assets	0.93	1.48	0.71	1.30	1.13	1.34	1.37	0.98	1.24	0.67
Net interest margin	3.76	12.09	2.71	3.93	3.76	3.02	4.43	2.81	3.73	3.28
Noninterest income to assets	1.79	2.98	2.00	0.65	1.28	0.76	1.88	6.64	1.03	2.18
Noninterest expense to assets	2.97	4.63	2.82	2.69	3.05	1.78	2.78	7.23	3.26	2.92
Loan and lease loss provision to assets	1.19	6.32	0.62	0.46	1.23	0.75	1.29	0.22	0.38	0.88
Net operating income to assets	0.62	1.76	0.64	0.97	0.19	0.67	1.28	1.28	0.69	0.79
Pretax return on assets	0.95	2.73	0.95	1.13	0.39	1.08	2.01	1.94	0.86	1.14
Return on assets	0.66	1.81	0.72	0.99	0.25	0.69	1.28	1.48	0.72	0.80
Return on equity	5.99	11.81	8.08	8.92	2.18	6.97	11.93	9.10	6.41	6.70
Net charge-offs to loans and leases	2.54	10.83	2.29	0.58	1.89	1.14	2.31	0.64	0.56	1.87
Loan and lease loss provision to net charge-offs	83.84	69.06	75.96	122.11	95.62	109.93	74.31	124.35	118.94	91.43
Efficiency ratio	57.22	31.89	65.16	62.60	64.40	49.17	44.95	77.77	70.01	57.26
% of unprofitable institutions	21.01	9.09	0.00	6.67	30.49	15.64	5.48	14.29	11.07	8.82
% of institutions with earnings gains	67.52	100.00	75.00	66.07	68.46	72.49	83.56	50.48	64.82	75.00
Condition Ratios (%)										
Earning assets to total assets	86.75	88.78	84.36	91.61	88.76	93.53	96.17	90.97	91.73	84.21
Loss allowance to:										
Loans and leases	3.13	8.19	3.96	1.56	2.46	1.44	2.50	1.84	1.51	2.70
Noncurrent loans and leases	64.18	372.36	62.79	85.19	56.78	33.65	173.47	87.79	68.61	43.73
Noncurrent assets plus other real estate owned to assets	3.11	1.90	2.38	1.61	3.72	2.92	1.22	0.81	1.69	3.48
Equity capital ratio	11.16	14.96	8.93	10.87	11.44	10.06	11.02	16.32	11.04	12.04
Core capital (leverage) ratio	8.90	12.75	6.96	9.93	9.63	9.38	10.52	14.68	10.58	8.69
Tier 1 risk-based capital ratio	12.71	14.24	11.87	13.99	12.62	19.17	14.15	34.62	17.75	11.81
Total risk-based capital ratio	15.29	16.91	15.03	15.14	14.62	20.23	15.32	35.66	18.89	14.95
Net loans and leases to deposits	75.82	188.43	50.17	74.86	86.26	84.64	92.75	33.84	65.80	69.73
Net loans to total assets	53.63	79.42	33.18	62.15	66.25	58.35	73.86	26.41	54.85	50.19
Domestic deposits to total assets	59.10	37.92	33.27	83.03	75.38	68.85	79.51	76.71	83.37	60.98
Structural Changes										
New charters	11	0	0	0	6	1	0	2	0	2
Institutions absorbed by mergers	197	0	0	35	119	28	0	0	6	9
Failed institutions	157	0	0	3	143	6	1	1	2	1
PRIOR FULL YEARS (The way it was...)										
Number of institutions 2009	8,012	23	4	1,568	4,453	766	83	289	770	56
2007	8,534	27	5	1,592	4,773	784	109	373	815	56
2005	8,833	33	4	1,685	4,617	886	125	425	995	63
Total assets (in billions) 2009	$13,087.2	$501.6	$3,107.1	$182.0	$4,546.9	$810.1	$96.5	$38.1	$116.1	$3,688.8
2007	13,033.9	479.2	2,784.4	157.5	4,619.0	1,328.1	94.9	37.8	110.4	3,422.7
2005	10,879.3	359.1	1,851.2	142.3	4,257.3	1,647.2	117.3	47.7	128.7	2,328.5
Return on assets (%) 2009	-0.08	-4.50	0.08	0.81	-0.42	0.65	0.33	0.74	0.80	0.51
2007	0.81	3.35	0.58	1.20	0.83	0.03	1.26	2.56	1.03	0.88
2005	1.28	2.90	0.86	1.27	1.36	1.07	1.55	2.18	1.09	1.34
Net charge-offs to loans & leases (%) 2008	2.52	9.77	3.07	0.65	2.02	1.24	2.74	0.78	0.54	2.19
2006	0.59	3.95	0.77	0.22	0.35	0.40	0.87	0.29	0.22	0.39
2004	0.49	4.64	0.87	0.18	0.23	0.12	1.44	0.26	0.23	0.24
Noncurrent assets plus OREO to assets (%) 2009	3.36	2.40	2.75	1.55	3.87	3.17	1.45	0.69	1.34	3.66
2007	0.95	1.54	0.68	0.83	1.10	1.52	1.64	0.23	0.65	0.68
2005	0.50	1.32	0.46	0.61	0.48	0.56	0.51	0.24	0.54	0.39
Equity capital ratio (%) 2009	10.88	21.50	8.75	10.95	10.48	9.48	11.15	17.74	11.27	11.95
2007	10.34	21.26	8.01	11.17	11.00	8.38	12.62	19.98	11.46	10.32
2005	10.28	21.51	8.30	10.55	10.83	9.40	10.11	19.47	10.83	9.52

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

TABLE III-A. Full Year 2010, All FDIC-Insured Institutions

		Asset Size Distribution				Geographic Regions*					
FULL YEAR (The way it is...)	All Insured Institutions	Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	7,657	2,622	4,368	560	107	948	1,022	1,602	1,825	1,601	659
Commercial banks	6,529	2,325	3,694	424	86	492	905	1,320	1,728	1,484	600
Savings institutions	1,128	297	674	136	21	456	117	282	97	117	59
Total assets (in billions)	$13,321.4	$148.5	$1,291.7	$1,431.7	$10,449.5	$2,695.0	$2,930.6	$2,950.5	$1,686.4	$789.3	$2,269.5
Commercial banks	12,067.6	131.9	1,058.6	1,090.4	9,786.6	2,027.0	2,807.3	2,825.2	1,635.6	694.9	2,077.7
Savings institutions	1,253.8	16.5	233.1	341.3	662.9	667.9	123.4	125.3	50.8	94.4	191.8
Total deposits (in billions)	9,422.9	125.2	1,068.7	1,102.4	7,126.6	1,809.1	2,128.2	2,033.9	1,245.4	637.6	1,568.7
Commercial banks	8,514.3	112.0	884.0	841.9	6,676.3	1,338.0	2,036.0	1,939.9	1,206.2	561.4	1,432.8
Savings institutions	908.7	13.2	184.7	260.5	450.3	471.1	92.2	94.0	39.2	76.2	135.9
Bank net income (in millions)	87,498	479	4,236	3,423	79,361	20,501	10,987	17,909	14,232	5,499	18,370
Commercial banks	79,166	465	3,550	2,015	73,137	16,381	10,909	18,061	14,004	4,729	15,081
Savings institutions	8,332	14	686	1,408	6,224	4,120	78	-152	227	769	3,289
Performance Ratios (%)											
Yield on earning assets	4.70	5.18	5.17	4.90	4.60	5.40	4.39	3.80	5.77	4.90	4.55
Cost of funding earning assets	0.93	1.30	1.38	1.24	0.82	1.12	0.88	0.79	0.82	1.00	1.03
Net interest margin	3.76	3.89	3.79	3.65	3.77	4.28	3.51	3.01	4.95	3.91	3.52
Noninterest income to assets	1.79	1.28	0.97	1.27	1.97	1.67	1.65	2.02	2.28	1.39	1.61
Noninterest expense to assets	2.97	3.90	3.21	2.95	2.93	2.86	2.91	3.03	3.51	3.19	2.62
Loan and lease loss provision to assets	1.19	0.53	0.82	1.16	1.24	1.42	1.23	0.88	1.77	0.85	0.93
Net operating income to assets	0.62	0.29	0.27	0.21	0.72	0.75	0.30	0.52	0.88	0.66	0.79
Pretax return on assets	0.95	0.42	0.47	0.50	1.08	1.13	0.56	0.83	1.27	0.92	1.16
Return on assets	0.66	0.33	0.33	0.24	0.77	0.77	0.37	0.61	0.86	0.70	0.81
Return on equity	5.99	2.72	3.23	2.17	6.87	6.23	3.26	6.92	7.43	6.65	7.00
Net charge-offs to loans and leases	2.54	0.77	1.08	1.79	2.93	3.57	2.42	2.02	2.88	1.27	2.29
Loan and lease loss provision to net charge-offs	83.84	113.70	114.07	101.19	80.20	71.54	90.32	90.03	90.00	102.77	79.57
Efficiency ratio	57.22	80.51	71.49	62.12	54.82	51.17	61.13	64.64	50.72	64.27	55.07
% of unprofitable institutions	21.01	22.04	20.44	22.32	12.15	15.30	42.95	19.41	14.30	13.62	35.66
% of institutions with earnings gains	67.52	62.97	69.55	71.07	77.57	75.63	64.38	68.60	66.58	62.59	72.69
Condition Ratios (%)											
Earning assets to total assets	86.75	91.11	91.59	90.63	85.55	87.33	84.50	86.50	87.48	90.35	87.47
Loss allowance to:											
Loans and leases	3.13	1.70	1.88	2.26	3.49	3.30	3.07	3.15	3.47	2.18	3.06
Noncurrent loans and leases	64.18	65.13	52.74	50.44	67.33	93.53	50.67	57.57	64.54	58.92	71.87
Noncurrent assets plus other real estate owned to assets	3.11	2.37	3.43	3.62	3.02	2.14	3.93	2.98	4.25	3.14	2.54
Equity capital ratio	11.16	11.75	10.21	11.24	11.26	12.59	11.62	8.72	11.34	10.57	12.11
Core capital (leverage) ratio	8.90	11.32	9.70	9.85	8.63	9.89	8.29	7.17	9.13	9.51	10.35
Tier 1 risk-based capital ratio	12.71	17.77	14.16	14.47	12.24	14.42	11.51	10.71	11.29	13.63	15.89
Total risk-based capital ratio	15.29	18.89	15.38	15.80	15.16	16.70	14.67	13.91	13.77	15.34	17.56
Net loans and leases to deposits	75.82	70.10	78.05	80.62	74.85	80.42	75.41	66.84	89.15	77.67	71.40
Net loans to total assets	53.63	59.11	64.58	62.08	51.05	53.99	54.76	46.08	65.84	62.74	49.35
Domestic deposits to total assets	59.10	84.33	82.66	76.44	53.45	59.39	63.90	54.42	67.97	80.30	44.68
Structural Changes											
New charters	11	2	2	6	1	2	3	1	2	2	1
Institutions absorbed by mergers	197	69	108	18	2	22	44	17	43	52	19
Failed institutions	157	36	102	18	1	14	56	25	18	7	37
PRIOR FULL YEARS (The way it was...)											
Number of institutions 2009	8,012	2,848	4,492	565	107	986	1,121	1,647	1,879	1,660	719
2007	8,534	3,440	4,424	551	119	1,043	1,221	1,763	1,986	1,742	779
2005	8,833	3,864	4,339	512	118	1,110	1,227	1,874	2,070	1,791	761
Total assets (in billions) 2009	$13,087.2	$158.9	$1,354.4	$1,461.6	$10,112.3	$2,567.4	$3,427.4	$2,934.4	$1,145.6	$784.9	$2,227.5
2007	13,033.9	181.9	1,308.8	1,422.0	10,121.2	2,441.0	3,329.6	2,842.5	976.3	738.3	2,706.3
2005	10,879.3	200.8	1,247.6	1,394.3	8,036.7	2,769.2	2,683.9	2,505.8	803.7	607.7	1,508.9
Return on assets (%) 2009	-0.08	-0.05	-0.10	-0.36	-0.04	-0.83	-0.01	0.18	0.77	0.35	-0.25
2007	0.81	0.74	0.97	0.96	0.77	0.77	0.81	0.86	1.46	1.00	0.52
2005	1.28	0.99	1.24	1.28	1.29	1.21	1.36	0.99	1.62	1.19	1.60
Net charge-offs to loans & leases (%) 2008	2.52	0.88	1.25	1.90	2.87	2.76	2.29	2.36	2.40	1.34	3.44
2006	0.59	0.24	0.25	0.42	0.68	0.90	0.33	0.47	0.78	0.30	0.77
2004	0.49	0.20	0.19	0.24	0.60	0.80	0.23	0.33	0.56	0.24	0.70
Noncurrent assets plus OREO to assets (%) 2009	3.36	2.24	3.29	3.58	3.36	2.33	4.16	3.20	4.28	3.04	3.19
2007	0.95	0.96	1.07	1.09	0.92	0.81	0.81	0.94	1.37	1.00	1.12
2005	0.50	0.69	0.52	0.44	0.50	0.44	0.30	0.54	0.86	0.73	0.59
Equity capital ratio (%) 2009	10.88	11.96	9.86	10.73	11.03	12.53	11.66	8.59	10.70	10.30	11.11
2007	10.34	13.73	10.49	11.34	10.12	12.06	10.30	9.23	9.74	10.22	10.24
2005	10.28	12.16	10.20	10.66	10.18	10.53	9.80	9.23	10.45	10.17	12.40

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

TABLE IV-A. Fourth Quarter 2010, All FDIC-Insured Institutions

		Asset Concentration Groups*								
FOURTH QUARTER (The way it is...)	All Insured Institutions	Credit Card Banks	International Banks	Agricultural Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <$1 Billion	All Other <$1 Billion	All Other >$1 Billion
Number of institutions reporting	7,657	22	4	1,559	4,087	716	73	315	813	68
Commercial banks	6,529	18	4	1,555	3,640	182	59	287	730	54
Savings institutions	1,128	4	0	4	447	534	14	28	83	14
Total assets (in billions)	$13,321.4	$705.2	$3,038.1	$199.9	$4,098.8	$788.9	$114.4	$43.1	$132.3	$4,200.8
Commercial banks	12,067.6	677.8	3,038.1	199.3	3,632.2	235.3	49.7	37.5	109.3	4,088.4
Savings institutions	1,253.8	27.4	0.0	0.5	466.6	553.6	64.7	5.6	23.0	112.5
Total deposits (in billions)	9,422.9	297.2	2,009.5	165.9	3,147.8	543.9	91.1	33.6	110.3	3,023.7
Commercial banks	8,514.3	281.4	2,009.5	165.5	2,822.3	132.2	38.2	29.5	91.8	2,943.9
Savings institutions	908.7	15.8	0.0	0.4	325.5	411.7	52.9	4.1	18.5	79.8
Bank net income (in millions)	21,656	4,847	4,593	435	2,568	1,219	416	131	233	7,213
Commercial banks	19,474	4,565	4,593	434	1,584	704	284	28	216	7,067
Savings institutions	2,181	282	0	1	984	516	132	103	17	146
Performance Ratios (annualized, %)										
Yield on earning assets	4.57	12.05	3.32	5.13	4.85	4.24	5.64	3.50	4.84	3.88
Cost of funding earning assets	0.86	1.26	0.73	1.18	1.02	1.23	1.19	0.87	1.13	0.61
Net interest margin	3.71	10.79	2.60	3.95	3.83	3.00	4.45	2.64	3.71	3.27
Noninterest income to assets	1.69	2.83	1.86	0.68	1.33	0.34	1.90	7.03	1.10	2.00
Noninterest expense to assets	3.11	4.75	2.92	2.85	3.26	1.34	2.94	7.65	3.22	3.13
Loan and lease loss provision to assets	0.95	3.60	0.60	0.48	1.10	0.85	0.87	0.31	0.44	0.67
Net operating income to assets	0.60	2.72	0.46	0.87	0.19	0.60	1.45	0.90	0.69	0.69
Pretax return on assets	0.91	4.10	0.69	0.98	0.43	0.99	2.32	1.81	0.85	0.93
Return on assets	0.65	2.77	0.60	0.88	0.25	0.62	1.44	1.19	0.71	0.69
Return on equity	5.81	18.72	6.68	7.92	2.18	6.19	13.28	7.29	6.29	5.71
Net charge-offs to loans and leases	2.27	7.68	2.25	0.71	1.96	1.04	2.10	0.75	0.72	1.59
Loan and lease loss provision to net charge-offs	75.43	54.20	76.44	105.79	82.75	138.88	55.22	156.64	108.39	82.46
Efficiency ratio	61.36	36.02	71.56	65.52	65.79	41.88	47.03	79.23	71.13	63.81
% of unprofitable institutions	25.09	13.64	0.00	14.05	32.35	20.67	12.33	24.76	16.36	13.24
% of institutions with earnings gains	61.77	95.45	75.00	58.88	64.47	61.45	69.86	48.25	57.81	58.82
Structural Changes										
New charters	3	0	0	0	1	0	0	1	0	1
Institutions absorbed by mergers	73	0	0	17	28	27	0	0	1	0
Failed institutions	30	0	0	0	28	2	0	0	0	0
PRIOR FOURTH QUARTERS (The way it was...)										
Return on assets (%) 2009	-0.06	0.58	0.29	0.54	-0.84	0.65	0.32	1.25	0.73	0.29
2007	0.01	2.01	-0.20	1.07	0.23	-1.97	0.62	2.08	0.92	0.32
2005	1.21	2.16	0.79	1.12	1.32	1.02	1.35	3.75	0.96	1.30
Net charge-offs to loans & leases (%) 2009	3.00	9.50	3.59	1.04	2.59	1.34	2.66	0.77	0.84	2.80
2007	0.84	4.24	1.09	0.32	0.62	0.67	1.03	0.26	0.38	0.55
2005	0.60	6.16	0.86	0.26	0.29	0.19	1.67	0.36	0.32	0.30

*** 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 the 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. Fourth Quarter 2010, All FDIC-Insured Institutions

		Asset Size Distribution				Geographic Regions*					
FOURTH QUARTER (The way it is...)	All Insured Institutions	Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	7,657	2,622	4,368	560	107	948	1,022	1,602	1,825	1,601	659
Commercial banks	6,529	2,325	3,694	424	86	492	905	1,320	1,728	1,484	600
Savings institutions	1,128	297	674	136	21	456	117	282	97	117	59
Total assets (in billions)	$13,321.4	$148.5	$1,291.7	$1,431.7	$10,449.5	$2,695.0	$2,930.6	$2,950.5	$1,686.4	$789.3	$2,269.5
Commercial banks	12,067.6	131.9	1,058.6	1,090.4	9,786.6	2,027.0	2,807.3	2,825.2	1,635.6	694.9	2,077.7
Savings institutions	1,253.8	16.5	233.1	341.3	662.9	667.9	123.4	125.3	50.8	94.4	191.8
Total deposits (in billions)	9,422.9	125.2	1,068.7	1,102.4	7,126.6	1,809.1	2,128.2	2,033.9	1,245.4	637.6	1,568.7
Commercial banks	8,514.3	112.0	884.0	841.9	6,676.3	1,338.0	2,036.0	1,939.9	1,206.2	561.4	1,432.8
Savings institutions	908.7	13.2	184.7	260.5	450.3	471.1	92.2	94.0	39.2	76.2	135.9
Bank net income (in millions)	21,656	11	502	581	20,561	6,215	1,132	4,144	4,256	1,173	4,735
Commercial banks	19,474	13	297	273	18,891	4,963	1,105	4,287	4,226	1,006	3,888
Savings institutions	2,181	-2	204	308	1,671	1,252	28	-143	30	167	847
Performance Ratios (annualized, %)											
Yield on earning assets	4.57	5.06	5.05	4.84	4.46	5.08	4.32	3.72	5.59	4.83	4.52
Cost of funding earning assets	0.86	1.17	1.25	1.11	0.77	1.05	0.75	0.76	0.75	0.90	0.96
Net interest margin	3.71	3.89	3.80	3.73	3.69	4.03	3.57	2.96	4.84	3.93	3.56
Noninterest income to assets	1.69	1.29	1.06	1.34	1.83	1.69	1.40	2.05	2.32	0.93	1.43
Noninterest expense to assets	3.11	4.12	3.38	3.16	3.06	2.97	3.27	3.15	3.62	2.80	2.78
Loan and lease loss provision to assets	0.95	0.63	0.92	1.13	0.93	0.92	1.04	0.89	1.34	0.85	0.69
Net operating income to assets	0.60	0.01	0.11	0.14	0.72	0.95	0.03	0.42	1.07	0.59	0.79
Pretax return on assets	0.91	0.11	0.29	0.44	1.06	1.27	0.26	0.76	1.51	0.83	1.10
Return on assets	0.65	0.03	0.16	0.16	0.79	0.92	0.15	0.56	1.02	0.59	0.83
Return on equity	5.81	0.26	1.51	1.44	6.98	7.32	1.33	6.32	8.91	5.58	6.94
Net charge-offs to loans and leases	2.27	0.98	1.30	1.95	2.50	2.96	2.16	1.95	2.51	1.40	2.10
Loan and lease loss provision to net charge-offs	75.43	105.85	107.20	91.44	70.62	55.73	85.78	95.04	78.13	94.64	65.29
Efficiency ratio	61.36	84.56	73.24	63.72	59.39	55.14	69.88	67.24	52.65	61.74	60.46
% of unprofitable institutions	25.09	29.29	23.17	22.68	13.08	20.25	45.69	22.10	19.84	20.17	33.84
% of institutions with earnings gains	61.77	55.87	64.40	66.25	75.70	62.03	59.39	64.61	59.34	59.96	69.35
Structural Changes											
New charters	3	1	0	2	0	1	0	0	2	0	0
Institutions absorbed by mergers	73	18	52	3	0	8	7	4	13	35	6
Failed institutions	30	9	20	1	0	3	12	3	5	1	6
PRIOR FOURTH QUARTERS (The way it was...)											
Return on assets (%) 2009	-0.06	-0.50	-0.67	-0.55	0.10	0.17	-0.44	0.06	0.79	0.17	-0.38
2007	0.01	0.44	0.68	0.60	-0.16	0.12	0.10	0.60	0.98	0.55	-1.26
2005	1.21	0.80	1.25	1.18	1.22	1.09	1.30	0.96	1.49	1.11	1.58
Net charge-offs to loans & leases (%) 2009	3.00	1.23	1.98	2.42	3.32	2.96	2.78	2.98	2.71	1.61	4.28
2007	0.84	0.37	0.46	0.63	0.95	1.00	0.56	0.75	1.11	0.51	1.13
2005	0.60	0.31	0.26	0.28	0.73	0.89	0.26	0.44	0.61	0.33	0.95

*** 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

December 31, 2010	All Insured Institutions	Asset Concentration Groups*								
		Credit Card Banks	International Banks	Agricultural Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <$1 Billion	All Other <$1 Billion	All Other >$1 Billion
Percent of Loans 30-89 Days Past Due										
All loans secured by real estate	1.94	1.73	2.88	1.04	1.48	1.69	1.27	1.67	1.82	2.42
Construction and development	1.97	0.00	1.16	1.09	1.92	2.61	0.72	1.78	1.50	2.19
Nonfarm nonresidential	1.05	0.00	0.80	1.06	1.06	1.37	0.36	1.09	1.30	1.00
Multifamily residential real estate	1.10	0.00	0.61	0.58	1.11	1.11	0.04	2.12	0.62	1.62
Home equity loans	1.19	2.02	1.68	0.80	0.89	0.76	1.17	0.72	0.84	1.26
Other 1-4 family residential	2.84	1.93	4.41	1.81	2.17	1.80	1.64	2.13	2.30	3.48
Commercial and industrial loans	0.68	2.90	0.49	1.12	0.74	0.83	1.08	0.99	1.34	0.48
Loans to individuals	1.95	1.98	2.02	1.87	1.81	1.19	1.65	2.06	2.31	2.06
Credit card loans	1.93	1.94	2.49	1.29	1.27	2.03	1.06	1.50	1.34	1.95
Other loans to individuals	1.98	2.85	1.78	1.88	1.89	1.08	1.92	2.12	2.33	2.08
All other loans and leases (including farm)	0.38	0.01	0.30	0.37	0.51	1.19	0.47	0.84	0.45	0.41
Total loans and leases	1.61	1.97	1.82	0.94	1.31	1.65	1.52	1.59	1.73	1.82
Percent of Loans Noncurrent**										
All real estate loans	7.04	5.67	10.25	2.34	5.47	4.51	2.03	2.41	2.50	9.62
Construction and development	16.01	0.00	14.15	9.33	16.12	12.95	2.72	5.78	7.37	17.06
Nonfarm nonresidential	4.28	0.00	5.92	3.00	4.05	4.02	3.14	2.56	2.71	5.14
Multifamily residential real estate	3.74	0.00	3.00	2.53	3.99	2.40	7.20	0.78	3.30	4.05
Home equity loans	1.91	3.93	2.27	1.04	1.55	1.04	1.12	0.76	0.70	2.19
Other 1-4 family residential	9.44	7.61	16.87	1.62	5.09	4.77	2.50	2.05	2.00	13.69
Commercial and industrial loans	2.46	2.46	4.56	2.13	2.22	1.68	0.72	1.89	2.16	1.80
Loans to individuals	1.77	2.25	1.94	0.68	1.29	0.66	1.25	0.88	0.85	1.31
Credit card loans	2.21	2.22	2.23	0.60	2.05	2.03	1.15	1.06	0.71	2.57
Other loans to individuals	1.27	3.08	1.79	0.68	1.18	0.50	1.30	0.86	0.85	0.99
All other loans and leases (including farm)	1.13	0.02	1.61	0.61	1.20	0.82	0.05	1.61	0.71	0.82
Total loans and leases	4.87	2.20	6.30	1.83	4.33	4.29	1.43	2.10	2.19	6.17
Percent of Loans Charged-off (net, YTD)										
All real estate loans	1.96	5.23	2.74	0.56	2.00	1.02	1.84	0.48	0.47	2.06
Construction and development	5.45	0.00	2.70	3.06	6.24	4.35	1.84	1.32	1.96	3.86
Nonfarm nonresidential	1.22	0.00	1.46	0.72	1.31	0.67	0.74	0.40	0.42	1.06
Multifamily residential real estate	1.24	0.00	1.23	0.59	1.34	0.68	3.62	0.82	0.89	1.05
Home equity loans	2.64	6.82	2.72	0.77	1.47	2.74	2.53	0.36	0.51	3.51
Other 1-4 family residential	1.62	5.28	3.47	0.36	1.39	0.84	1.29	0.40	0.34	1.60
Commercial and industrial loans	1.75	14.35	1.45	1.30	1.66	1.31	5.19	1.03	1.06	1.03
Loans to individuals	6.07	11.01	3.54	0.65	1.95	4.39	2.26	0.96	0.79	3.01
Credit card loans	10.08	10.95	6.47	1.98	7.26	17.43	5.10	3.92	2.40	8.44
Other loans to individuals	2.05	12.02	2.41	0.61	1.24	1.32	1.03	0.66	0.76	1.58
All other loans and leases (including farm)	0.62	0.01	0.55	0.00	1.03	0.45	2.69	0.99	0.43	0.53
Total loans and leases	2.54	10.83	2.28	0.58	1.89	1.14	2.29	0.64	0.56	1.87
Loans Outstanding (in billions)										
All real estate loans	$4,266.6	$0.1	$497.9	$75.1	$1,912.0	$437.3	$23.2	$8.0	$54.9	$1,258.2
Construction and development	321.6	0.0	7.3	4.4	217.4	8.0	0.5	0.6	3.4	80.0
Nonfarm nonresidential	1,070.7	0.0	28.8	21.9	752.6	28.3	2.0	2.6	14.0	220.4
Multifamily residential real estate	214.8	0.0	38.5	1.8	128.1	9.2	0.4	0.2	1.3	35.3
Home equity loans	636.9	0.0	116.3	1.6	203.1	35.5	10.2	0.2	2.5	267.4
Other 1-4 family residential	1,897.6	0.0	256.4	19.7	577.5	355.1	10.1	3.9	30.0	644.9
Commercial and industrial loans	1,186.4	29.4	194.4	15.9	535.9	12.2	4.1	1.5	7.0	386.1
Loans to individuals	1,317.9	562.9	161.0	6.3	201.0	15.2	59.7	1.5	7.0	303.4
Credit card loans	702.0	537.8	55.4	0.1	26.1	1.6	18.4	0.2	0.1	62.2
Other loans to individuals	615.8	25.1	105.5	6.2	174.8	13.5	41.3	1.3	6.9	241.2
All other loans and leases (including farm)	607.1	17.7	197.1	28.8	135.8	2.5	0.3	0.7	4.8	219.5
Total loans and leases (plus unearned income)	7,378.1	610.0	1,050.5	126.2	2,784.6	467.1	87.2	11.6	73.7	2,167.1
Memo: Other Real Estate Owned (in millions)										
All other real estate owned	52,802.3	-18.8	4,513.8	879.8	31,482.8	2,971.8	91.5	101.6	607.9	12,171.9
Construction and development	18,182.7	0.0	5.0	327.2	15,226.1	426.1	18.4	35.2	174.9	1,969.9
Nonfarm nonresidential	10,232.6	0.0	159.0	279.3	7,669.3	209.7	28.2	32.6	170.3	1,684.1
Multifamily residential real estate	2,606.3	0.0	799.0	34.1	1,187.6	43.1	8.1	3.3	26.5	504.6
1-4 family residential	14,049.8	0.2	1,311.8	165.1	6,490.8	1,677.6	36.6	28.8	222.1	4,116.7
Farmland	411.3	0.0	0.0	73.8	296.9	8.5	0.3	1.7	13.7	16.3
GNMA properties	7,113.1	0.0	2,031.0	0.2	593.8	607.6	0.0	0.0	0.3	3,880.3

* 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

December 31, 2010	All Insured Institutions	Asset Size Distribution: Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	Geographic Regions*: New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate	1.94	1.75	1.52	1.30	2.18	1.55	2.12	1.90	2.36	1.69	1.91
Construction and development	1.97	1.69	1.91	1.84	2.06	2.47	1.71	2.10	2.24	1.68	1.89
Nonfarm nonresidential	1.05	1.48	1.29	0.97	0.95	1.15	1.17	1.11	0.84	1.04	0.84
Multifamily residential real estate	1.10	1.50	1.13	1.15	1.07	1.13	1.29	0.95	1.49	1.09	0.90
Home equity loans	1.19	0.87	0.87	0.84	1.24	0.70	1.44	1.32	1.11	1.02	1.02
Other 1-4 family residential	2.84	2.37	1.92	1.68	3.18	1.90	3.00	2.81	3.91	2.56	3.01
Commercial and industrial loans	0.68	1.39	1.16	0.79	0.60	1.03	0.53	0.75	0.81	0.76	0.38
Loans to individuals	1.95	2.37	1.89	1.99	1.95	1.93	2.12	1.65	2.46	1.42	1.67
Credit card loans	1.93	1.74	2.17	2.05	1.93	1.81	2.00	1.69	2.41	0.94	1.86
Other loans to individuals	1.98	2.38	1.87	1.97	1.98	2.39	2.19	1.64	2.54	1.67	1.50
All other loans and leases (including farm)	0.38	0.49	0.41	0.50	0.37	0.38	0.30	0.51	0.53	0.41	0.13
Total loans and leases	1.61	1.61	1.44	1.25	1.69	1.52	1.72	1.51	1.96	1.44	1.41
Percent of Loans Noncurrent**											
All real estate loans	7.04	3.08	4.07	5.36	8.20	4.80	8.83	7.98	8.20	4.80	5.78
Construction and development	16.01	10.34	13.04	16.94	16.99	17.83	17.29	14.80	15.22	11.03	20.47
Nonfarm nonresidential	4.28	3.34	3.42	4.14	4.82	3.85	4.81	4.42	4.44	3.10	4.75
Multifamily residential real estate	3.74	3.52	3.39	4.11	3.70	2.67	5.68	4.00	3.18	4.54	3.56
Home equity loans	1.91	1.33	1.31	1.98	1.95	1.27	1.93	1.87	2.79	1.26	1.56
Other 1-4 family residential	9.44	2.32	2.86	4.08	11.46	4.89	11.97	12.81	12.07	4.98	6.75
Commercial and industrial loans	2.46	2.55	2.38	2.61	2.44	2.57	1.75	2.65	2.23	1.62	3.60
Loans to individuals	1.77	1.00	0.83	1.24	1.84	2.07	1.45	1.44	2.11	0.70	1.71
Credit card loans	2.21	0.99	1.58	1.94	2.22	2.19	2.23	2.48	2.44	0.93	2.02
Other loans to individuals	1.27	1.00	0.77	0.99	1.34	1.59	1.01	1.15	1.56	0.58	1.44
All other loans and leases (including farm)	1.13	0.72	0.86	1.15	1.15	0.37	0.56	1.19	0.88	1.18	2.53
Total loans and leases	4.87	2.60	3.56	4.47	5.18	3.52	6.05	5.47	5.37	3.69	4.25
Percent of Loans Charged-off (net, YTD)											
All real estate loans	1.96	0.71	1.00	1.81	2.25	1.16	2.56	2.15	1.86	1.28	2.24
Construction and development	5.45	3.37	3.57	6.07	5.96	5.50	6.34	6.35	3.95	3.35	6.25
Nonfarm nonresidential	1.22	0.64	0.68	1.30	1.47	0.99	1.44	1.62	0.81	0.72	1.53
Multifamily residential real estate	1.24	0.94	0.92	1.39	1.27	0.81	1.71	1.40	0.80	1.26	1.45
Home equity loans	2.64	0.84	0.75	1.25	2.89	0.87	3.69	1.99	3.56	1.56	2.46
Other 1-4 family residential	1.62	0.42	0.64	1.02	1.90	0.81	1.80	2.00	1.56	0.94	2.43
Commercial and industrial loans	1.75	1.47	1.59	1.57	1.80	2.75	1.32	1.74	1.83	1.09	1.70
Loans to individuals	6.07	0.87	1.42	2.44	6.49	9.69	4.09	2.62	7.96	1.87	3.62
Credit card loans	10.08	3.85	7.20	7.11	10.18	11.31	9.16	7.53	12.45	3.76	5.73
Other loans to individuals	2.05	0.83	1.04	0.98	2.24	4.26	1.54	1.33	1.82	0.97	2.24
All other loans and leases (including farm)	0.62	0.00	0.58	0.78	0.62	0.36	0.44	0.89	0.65	0.59	0.65
Total loans and leases	2.54	0.77	1.08	1.79	2.92	3.57	2.42	2.02	2.88	1.27	2.28
Loans Outstanding (in billions)											
All real estate loans	$4,266.6	$61.8	$663.5	$668.4	$2,873.0	$825.0	$1,034.6	$824.9	$635.8	$346.6	$599.8
Construction and development	321.6	4.5	71.3	74.5	171.2	47.0	99.2	52.0	45.8	48.7	28.9
Nonfarm nonresidential	1,070.7	18.4	260.6	271.1	520.6	224.5	235.6	193.7	150.4	124.5	142.1
Multifamily residential real estate	214.8	1.9	31.1	43.1	138.7	61.4	29.9	63.1	19.7	9.5	31.2
Home equity loans	636.9	2.0	36.7	48.6	549.6	89.7	182.8	159.4	112.6	23.4	69.0
Other 1-4 family residential	1,897.6	26.7	230.0	219.0	1,421.9	396.6	477.3	341.9	282.4	128.3	271.0
Commercial and industrial loans	1,186.4	11.5	108.3	135.6	931.1	182.2	281.3	243.6	171.0	91.1	217.3
Loans to individuals	1,317.9	6.2	39.5	73.2	1,199.0	405.0	225.4	182.9	227.9	45.4	231.2
Credit card loans	702.0	0.1	2.5	19.0	680.4	317.9	80.7	40.7	141.9	15.7	105.1
Other loans to individuals	615.8	6.1	37.0	54.1	518.6	87.2	144.7	142.2	86.0	29.7	126.1
All other loans and leases (including farm)	607.1	9.8	39.2	33.0	525.1	92.7	114.6	152.4	115.5	23.3	108.6
Total loans and leases (plus unearned income)	7,378.1	89.3	850.5	910.2	5,528.1	1,505.0	1,655.8	1,403.8	1,150.2	506.4	1,156.9
Memo: Other Real Estate Owned (in millions)											
All other real estate owned	52,802.3	1,170.1	13,917.7	10,976.6	26,737.9	4,577.7	14,737.0	10,973.4	9,797.7	5,982.3	6,734.3
Construction and development	18,182.7	395.4	6,574.3	5,627.2	5,585.9	1,244.8	5,838.2	2,459.5	3,114.8	3,024.2	2,501.2
Nonfarm nonresidential	10,232.6	359.4	3,635.4	2,610.1	3,627.7	1,112.8	2,265.2	2,116.4	1,977.8	1,344.8	1,415.6
Multifamily residential real estate	2,606.3	40.6	487.6	393.3	1,684.8	221.0	469.0	471.8	363.4	148.0	933.0
1-4 family residential	14,049.8	342.3	2,951.2	2,150.8	8,605.5	1,716.9	4,171.0	2,865.9	2,768.1	1,278.0	1,250.0
Farmland	411.3	32.2	222.5	114.8	41.7	13.0	64.7	72.0	78.2	131.1	52.3
GNMA properties	7,113.1	0.5	47.9	81.3	6,983.4	249.9	1,928.9	2,988.2	1,495.6	56.3	394.3

* 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)	4th Quarter 2010	3rd Quarter 2010	2nd Quarter 2010	1st Quarter 2010	4th Quarter 2009	% Change 09Q4-10Q4	Asset Size Distribution: Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion
ALL DERIVATIVE HOLDERS										
Number of institutions reporting derivatives	1,167	1,207	1,158	1,148	1,129	3.4	95	702	290	80
Total assets of institutions reporting derivatives	$10,833,465	$10,888,637	$10,650,415	$10,746,074	$10,547,632	2.7	$6,738	$287,915	$849,907	$9,688,905
Total deposits of institutions reporting derivatives	7,544,151	7,402,157	7,248,575	7,281,782	7,341,133	2.8	5,684	234,414	660,847	6,643,206
Total derivatives	232,211,601	236,386,429	225,427,590	218,715,022	215,449,008	7.8	207	19,995	72,683	232,118,716
Derivative Contracts by Underlying Risk Exposure										
Interest rate	193,499,288	196,549,809	188,613,987	182,641,534	181,454,493	6.6	201	19,591	68,862	193,410,634
Foreign exchange*	22,002,926	22,531,799	20,245,402	19,202,392	17,299,787	27.2	0	49	2,998	21,999,879
Equity	1,363,760	1,679,128	1,615,062	1,570,974	1,685,227	-19.1	5	109	627	1,363,019
Commodity & other (excluding credit derivatives)	1,195,150	1,153,316	1,076,212	941,687	978,922	22.1	0	22	159	1,194,969
Credit	14,150,478	14,472,378	13,876,928	14,358,435	14,030,580	0.9	0	225	38	14,150,215
Total	232,211,601	236,386,429	225,427,590	218,715,022	215,449,008	7.8	207	19,995	72,683	232,118,716
Derivative Contracts by Transaction Type										
Swaps	149,258,058	146,953,909	141,420,345	136,333,735	139,137,539	7.3	27	9,498	47,495	149,201,038
Futures & forwards	35,712,257	39,643,697	36,793,865	34,747,283	29,651,792	20.4	78	4,967	13,210	35,694,001
Purchased options	16,174,116	16,911,328	15,399,619	15,759,306	15,986,712	1.2	21	733	4,517	16,168,845
Written options	15,904,185	16,697,372	15,898,210	15,910,886	15,897,582	0.0	82	4,571	7,261	15,892,271
Total	217,048,615	220,206,306	209,512,039	202,751,210	200,673,626	8.2	207	19,770	72,483	216,956,155
Fair Value of Derivative Contracts										
Interest rate contracts	92,053	107,170	98,102	94,739	97,184	-5.3	0	4	266	91,783
Foreign exchange contracts	12,340	-7,464	-4,874	1,329	9,511	29.7	0	0	-3	12,344
Equity contracts	-2,126	-1,777	311	-849	1,236	N/M	0	3	7	-2,136
Commodity & other (excluding credit derivatives)	-1,068	-721	-503	1,064	1,661	N/M	0	4	2	-1,074
Credit derivatives as guarantor	-68,238	-131,313	-222,427	-121,494	-161,114	-57.6	0	0	1	-68,239
Credit derivatives as beneficiary	82,769	150,796	242,490	141,389	189,531	-56.3	0	3	-3	82,769
Derivative Contracts by Maturity**										
Interest rate contracts < 1 year	90,842,744	90,918,718	89,000,799	84,010,725	81,236,262	11.8	46	6,461	13,611	90,822,626
1-5 years	33,496,837	35,138,751	33,347,773	33,334,968	33,970,247	-1.4	16	5,584	24,838	33,466,398
> 5 years	24,306,848	24,550,151	23,099,484	24,121,171	26,373,563	-7.8	28	2,472	16,478	24,287,870
Foreign exchange contracts < 1 year	14,467,374	13,362,678	11,959,585	11,092,119	10,416,223	38.9	0	46	2,049	14,465,278
1-5 years	2,432,756	2,582,310	2,356,096	2,440,019	2,448,723	-0.7	0	2	52	2,432,702
> 5 years	1,289,279	1,431,627	1,306,940	1,329,332	1,345,678	-4.2	0	0	170	1,289,109
Equity contracts < 1 year	296,198	352,002	326,743	320,739	312,066	-5.1	1	12	64	296,121
1-5 years	190,861	217,579	205,295	220,454	227,854	-16.2	0	48	266	190,546
> 5 years	84,629	86,713	80,595	84,000	81,647	3.7	0	1	13	84,615
Commodity & other contracts < 1 year	382,507	311,897	324,203	287,660	261,429	46.3	0	7	74	382,425
1-5 years	239,847	241,288	207,019	177,250	223,654	7.2	0	5	43	239,800
> 5 years	26,176	33,836	30,459	31,220	34,250	-23.6	0	0	0	26,176
Risk-Based Capital: Credit Equivalent Amount										
Total current exposure to tier 1 capital (%)	41.3	48.4	44.9	41.2	45.9		0.0	0.6	1.3	46.6
Total potential future exposure to tier 1 capital (%)	84.0	82.8	82.9	88.9	83.3		0.1	0.2	0.5	95.0
Total exposure (credit equivalent amount) to tier 1 capital (%)	125.2	131.1	127.7	130.2	129.2		0.1	0.7	1.8	141.6
Credit losses on derivatives***	668.0	555.0	259.0	100.0	767.0	-12.9	0.0	0.0	44.0	624.0
HELD FOR TRADING										
Number of institutions reporting derivatives	196	200	189	195	197	-0.5	9	71	58	58
Total assets of institutions reporting derivatives	8,969,145	9,001,853	8,882,957	8,949,291	8,873,915	1.1	626	32,072	240,573	8,695,874
Total deposits of institutions reporting derivatives	6,279,418	6,139,846	6,078,628	6,095,318	6,145,572	2.2	518	25,747	187,698	6,065,456
Derivative Contracts by Underlying Risk Exposure										
Interest rate	191,773,882	194,576,807	186,774,376	180,761,592	179,606,768	6.8	14	1,354	15,315	191,757,199
Foreign exchange	20,853,441	20,699,946	18,086,768	17,462,757	16,439,507	26.8	0	0	2,092	20,851,349
Equity	1,357,525	1,672,913	1,608,817	1,563,707	1,677,767	-19.1	0	0	126	1,357,398
Commodity & other	1,184,245	1,145,723	1,070,966	934,851	974,849	21.5	0	0	71	1,184,174
Total	215,169,093	218,095,389	207,540,928	200,722,908	198,698,891	8.3	14	1,354	17,605	215,150,120
Trading Revenues: Cash & Derivative Instruments										
Interest rate	1,447	4,198	155	304	707	104.7	0	0	66	1,381
Foreign exchange	1,891	-1,066	4,299	3,906	671	181.8	0	0	2	1,888
Equity	335	371	378	965	144	132.6	0	0	-2	337
Commodity & other (including credit derivatives)	-233	574	1,878	3,004	417	N/M	0	0	9	-242
Total trading revenues	3,440	4,077	6,710	8,178	1,940	77.3	0	0	75	3,365
Share of Revenue										
Trading revenues to gross revenues (%)	2.9	3.4	5.5	6.6	1.6		0.0	0.0	2.5	2.9
Trading revenues to net operating revenues (%)	28.6	26.7	46.3	74.0	108.1		0.0	0.0	32.2	28.5
HELD FOR PURPOSES OTHER THAN TRADING										
Number of institutions reporting derivatives	1,055	1,085	1,045	1,032	1,008	4.7	86	639	254	76
Total assets of institutions reporting derivatives	10,473,165	10,535,161	10,261,893	10,324,307	10,191,444	2.8	6,112	260,500	728,957	9,477,597
Total deposits of institutions reporting derivatives	7,330,160	7,198,569	7,015,215	7,035,314	7,098,321	3.3	5,166	212,378	563,976	6,548,639
Derivative Contracts by Underlying Risk Exposure										
Interest rate	1,725,406	1,973,002	1,839,611	1,879,942	1,847,725	-6.6	187	18,237	53,547	1,653,435
Foreign exchange	136,977	124,108	120,010	134,258	115,478	18.6	0	49	743	136,185
Equity	6,235	6,214	6,244	7,268	7,459	-16.4	5	108	501	5,620
Commodity & other	10,905	7,593	5,246	6,835	4,073	167.7	0	22	88	10,795
Total notional amount	1,879,522	2,110,917	1,971,111	2,028,303	1,974,735	-4.8	192	18,416	54,879	1,806,035

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)

(dollar figures in millions)	4th Quarter 2010	3rd Quarter 2010	2nd Quarter 2010	1st Quarter 2010	4th Quarter 2009	% Change 09Q4-10Q4	Asset Size Distribution: Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion
Assets Sold and Securitized with Servicing Retained or with Recourse or Other Seller-Provided Credit Enhancements										
Number of institutions reporting securitization activities	139	136	126	126	141	-1.4	21	69	21	28
Outstanding Principal Balance by Asset Type										
1-4 family residential loans	$768,341	$776,031	$774,791	$778,241	$784,748	-2.1	$375	$699	$2,538	$764,728
Home equity loans	0	0	0	15	5,947	-100.0	0	0	0	0
Credit card receivables	13,748	14,320	15,452	16,133	363,486	-96.2	0	781	0	12,967
Auto loans	298	329	486	600	7,182	-95.9	0	0	49	249
Other consumer loans	4,234	4,333	5,021	5,610	24,692	-82.9	0	0	0	4,234
Commercial and industrial loans	4,014	7,339	3,796	4,127	7,649	-47.5	0	10	30	3,973
All other loans, leases, and other assets*	192,394	210,204	206,675	192,853	198,835	-3.2	1	38	118	192,238
Total securitized and sold	983,028	1,012,556	1,006,221	997,578	1,392,540	-29.4	376	1,528	2,735	978,388
Maximum Credit Exposure by Asset Type										
1-4 family residential loans	4,683	4,834	4,953	5,166	5,868	-20.2	2	46	55	4,580
Home equity loans	0	0	0	14	1,023	-100.0	0	0	0	0
Credit card receivables	609	574	664	730	134,193	-99.5	0	220	0	389
Auto loans	5	6	6	6	637	-99.2	0	0	5	0
Other consumer loans	185	207	245	237	1,410	-86.9	0	0	0	185
Commercial and industrial loans	9	16	94	95	225	-96.0	0	0	0	9
All other loans, leases, and other assets	439	1,142	248	257	287	53.0	0	4	0	435
Total credit exposure	5,930	6,779	6,210	6,506	143,643	-95.9	2	269	60	5,599
Total unused liquidity commitments provided to institution's own securitizations	208	211	166	162	387	-46.3	1	0	1	207
Securitized Loans, Leases, and Other Assets 30-89 Days Past Due (%)										
1-4 family residential loans	5.8	6.0	5.7	6.0	6.8		3.4	0.1	2.2	5.8
Home equity loans	0.0	0.0	0.0	0.0	1.3		0.0	0.0	0.0	0.0
Credit card receivables	1.1	1.2	1.5	1.5	2.7		0.0	2.4	0.0	1.0
Auto loans	1.6	1.4	1.2	1.2	2.3		0.0	0.0	1.3	1.6
Other consumer loans	3.8	3.4	3.7	3.3	3.9		0.0	0.0	0.0	3.8
Commercial and industrial loans	0.0	0.0	0.2	0.3	2.3		0.0	16.4	0.0	0.0
All other loans, leases, and other assets	1.1	1.5	2.6	2.2	3.5		0.0	0.0	0.1	1.1
Total loans, leases, and other assets	4.8	5.0	5.0	5.1	5.2		3.4	1.4	2.1	4.8
Securitized Loans, Leases, and Other Assets 90 Days or More Past Due (%)										
1-4 family residential loans	10.1	11.5	11.8	13.1	12.2		2.4	0.1	3.9	10.2
Home equity loans	0.0	0.0	0.0	0.0	2.0		0.0	0.0	0.0	0.0
Credit card receivables	0.5	0.5	0.7	0.8	3.0		0.0	3.2	0.0	0.4
Auto loans	0.3	0.3	0.2	0.3	0.2		0.0	0.0	0.1	0.4
Other consumer loans	2.9	2.9	2.7	2.7	3.6		0.0	0.0	0.0	2.9
Commercial and industrial loans	0.0	0.0	0.1	0.1	1.0		0.0	0.0	0.0	0.0
All other loans, leases, and other assets	7.3	9.8	8.5	7.5	4.3		55.2	0.0	0.8	7.4
Total loans, leases, and other assets	9.4	10.9	10.9	11.7	8.3		2.5	1.7	3.6	9.4
Securitized Loans, Leases, and Other Assets Charged-off (net, YTD, annualized, %)										
1-4 family residential loans	1.2	0.9	0.6	0.3	1.5		0.0	0.0	0.0	1.2
Home equity loans	0.0	0.0	0.0	0.0	1.8		0.0	0.0	0.0	0.0
Credit card receivables	7.9	6.2	4.2	2.2	10.2		0.0	11.4	0.0	7.6
Auto loans	1.4	0.9	0.4	0.3	2.5		0.0	0.0	0.2	1.6
Other consumer loans	1.8	1.4	0.9	0.4	1.0		0.0	0.0	0.0	1.8
Commercial and industrial loans	0.0	0.0	0.0	0.0	13.9		0.0	0.0	0.0	0.0
All other loans, leases, and other assets	0.4	0.2	0.0	0.0	0.1		0.0	0.0	0.0	0.4
Total loans, leases, and other assets	1.1	0.9	0.6	0.3	3.6		0.0	5.8	0.0	1.1
Seller's Interests in Institution's Own Securitizations - Carried as Loans										
Home equity loans	0	0	0	0	316	-100.0	0	0	0	0
Credit card receivables	7,350	6,073	5,088	4,831	62,235	-88.2	0	55	0	7,295
Commercial and industrial loans	2	2	3	4	894	-99.8	0	2	0	0
Seller's Interests in Institution's Own Securitizations - Carried as Securities										
Home equity loans	0	0	0	0	1	-100.0	0	0	0	0
Credit card receivables	0	0	0	0	789	-100.0	0	0	0	0
Commercial and industrial loans	0	0	0	0	0	0.0	0	0	0	0
Assets Sold with Recourse and Not Securitized										
Number of institutions reporting asset sales	854	847	835	819	827	3.3	164	530	119	41
Outstanding Principal Balance by Asset Type										
1-4 family residential loans	64,187	60,984	62,747	62,207	66,988	-4.2	1,260	13,519	6,072	43,335
Home equity, credit card receivables, auto, and other consumer loans	1,455	41	41	40	908	60.2	0	7	18	1,429
Commercial and industrial loans	379	445	537	669	2,654	-85.7	1	57	21	300
All other loans, leases, and other assets	53,860	52,950	52,435	48,635	48,736	10.5	9	83	316	53,453
Total sold and not securitized	119,881	114,420	115,760	111,551	119,286	0.5	1,270	13,666	6,427	98,517
Maximum Credit Exposure by Asset Type										
1-4 family residential loans	15,609	14,996	14,196	13,705	16,536	-5.6	168	2,218	3,537	9,686
Home equity, credit card receivables, auto, and other consumer loans	132	20	21	21	100	32.0	0	4	3	125
Commercial and industrial loans	90	77	77	62	1,934	-95.3	1	46	21	22
All other loans, leases, and other assets	13,115	12,899	12,749	10,429	10,391	26.2	3	59	10	13,043
Total credit exposure	28,947	27,991	27,043	24,217	28,961	0.0	173	2,327	3,571	22,877
Support for Securitization Facilities Sponsored by Other Institutions										
Number of institutions reporting securitization facilities sponsored by others	163	154	128	79	58	181.0	27	84	37	15
Total credit exposure	29,571	28,311	9,259	6,445	4,297	588.2	26	249	146	29,150
Total unused liquidity commitments	514	504	418	846	545	-5.7	0	0	0	514
Other										
Assets serviced for others**	5,782,925	5,891,882	5,956,566	5,995,635	6,011,088	-3.8	4,443	86,185	100,910	5,591,386
Asset-backed commercial paper conduits										
Credit exposure to conduits sponsored by institutions and others	10,009	11,649	10,699	10,653	15,953	-37.3	5	0	61	9,943
Unused liquidity commitments to conduits sponsored by institutions and others	61,339	82,137	83,062	87,156	170,373	-64.0	0	0	1,222	60,117
Net servicing income (for the quarter)	4,657	3,097	3,576	5,164	6,876	-32.3	36	155	242	4,225
Net securitization income (for the quarter)	150	164	156	13	1,615	-90.7	1	5	10	135
Total credit exposure to Tier 1 capital (%)***	5.5	5.4	3.7	3.3	15.9		1.20	2.30	2.70	6.50

* 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.

TABLE VIII-A. Trust Services (All FDIC-Insured Institutions)

(dollar figures in millions)	All Insured Institutions					Asset Size Distribution			
	Dec 31 2010	Dec 31 2009	Dec 31 2008	Dec 31 2007	% Change 2009-2010	Less Than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater Than $10 Billion
Number of institutions reporting	7,657	8,012	8,305	8,534	-4.4	2,622	4,368	560	107
Number of institutions with fiduciary powers	2,183	2,243	2,320	2,410	-2.7	404	1,365	338	76
Commercial banks	2,012	2,063	2,126	2,216	-2.5	386	1,273	285	68
Savings institutions	171	180	194	194	-5.0	18	92	53	8
Number of institutions exercising fiduciary powers	1,632	1,675	1,723	1,785	-2.6	254	1,027	283	68
Commercial banks	1,499	1,534	1,571	1,633	-2.3	238	959	241	61
Savings institutions	133	141	152	152	-5.7	16	68	42	7
Number of institutions reporting fiduciary activity	1,556	1,593	1,634	1,695	-2.3	235	981	274	66
Commercial banks	1,427	1,456	1,488	1,552	-2.0	219	916	233	59
Savings institutions	129	137	146	143	-5.8	16	65	41	7
Fiduciary and related assets - managed assets									
Personal trust and agency accounts	620,727	611,854	616,799	800,662	1.5	9,210	60,597	67,793	483,126
Noninterest-bearing deposits*	7,356	4,705	16	-53	N/M	22	770	63	6,500
Interest-bearing deposits*	27,460	27,687	11,909	11,549	-0.8	365	5,509	6,017	15,569
U.S. Treasury and U.S. government agency obligations*	112,932	115,292	26,760	31,633	-2.0	1,621	6,903	18,259	86,149
State, county and municipal obligations*	191,758	197,910	65,278	67,110	-3.1	1,939	11,673	24,257	153,888
Money market mutual funds*	102,875	156,309	56,914	51,260	-34.2	1,852	6,610	14,018	80,395
Other short-term obligations*	221,933	236,104	9,722	21,935	-6.0	54	112	2,522	219,245
Other notes and bonds*	382,693	412,098	23,322	25,486	-7.1	1,757	12,384	14,982	353,570
Common and preferred stocks*	2,051,666	2,062,207	348,324	522,943	-0.5	163,445	117,071	131,960	1,639,191
Real estate mortgages*	4,477	2,263	1,565	1,529	97.8	26	298	384	3,770
Real estate*	41,095	42,314	36,045	33,942	-2.9	754	6,602	4,598	29,140
Miscellaneous assets*	90,761	105,653	37,113	33,305	-14.1	19,943	7,772	6,929	56,117
Employee benefit and retirement-related trust and agency accounts: **									
Employee benefit - defined contribution**	368,116	364,923	283,179	328,898	0.9	73,774	37,240	11,574	245,528
Employee benefit - defined benefit**	612,512	679,194	691,568	1,060,288	-9.8	53,943	10,550	17,778	530,241
Other employee benefit and retirement-related accounts**	214,839	187,187	330,034	414,627	14.8	9,516	10,433	14,208	180,682
Corporate trust and agency accounts**	20,294	17,912	27,834	25,165	13.3	10	645	7,283	12,356
Investment management and investment advisory agency accounts**	1,174,311	1,275,688	1,228,758	1,544,249	-7.9	53,796	48,252	90,508	981,755
Other fiduciary accounts**	224,490	232,373	164,799	235,080	-3.4	2,356	8,081	14,339	199,714
Total managed fiduciary accounts:									
Assets	3,235,289	3,369,131	3,342,971	4,408,969	-4.0	202,606	175,798	223,483	2,633,403
Number of accounts	1,354,280	1,379,517	1,439,103	1,523,997	-1.8	96,334	188,185	226,858	842,903
Fiduciary and related assets - nonmanaged assets									
Personal trust and agency accounts	253,258	242,320	307,018	355,356	4.5	3,994	13,475	31,674	204,115
Employee benefit and retirement-related trust and agency accounts:									
Employee benefit - defined contribution	2,089,148	1,911,303	1,606,669	1,822,997	9.3	713,411	25,124	132,008	1,218,605
Employee benefit - defined benefit	4,450,368	4,052,565	3,990,826	5,333,411	9.8	8,381	33,341	68,640	4,340,005
Other employee benefit and retirement-related accounts	1,527,022	1,287,793	1,544,038	2,098,523	18.6	698,920	12,315	52,328	763,459
Corporate trust and agency accounts	3,805,202	3,919,706	3,887,788	4,428,561	-2.9	1,726	13,350	568,669	3,221,457
Other fiduciary accounts	3,967,121	3,332,797	2,595,184	3,360,231	19.0	2,779	17,872	24,710	3,921,760
Total nonmanaged fiduciary accounts:									
Assets	16,092,119	14,746,484	13,931,523	17,399,080	9.1	1,429,212	115,478	878,029	13,669,399
Number of accounts	13,183,957	14,686,535	18,671,945	16,446,703	-10.2	9,184,609	336,760	253,270	3,409,318
Custody and safekeeping accounts:									
Assets	67,840,740	56,876,762	50,499,372	58,167,543	19.3	21,423	835,708	563,882	66,419,728
Number of accounts	10,155,337	9,839,109	10,676,228	11,327,070	3.2	52,778	7,896,347	293,721	1,912,491
Fiduciary and related services income									
Personal trust and agency accounts	4,306	4,580	4,894	5,766	-6.0	67	285	455	3,498
Retirement-related trust and agency accounts:									
Employee benefit - defined contribution	1,129	1,176	1,095	1,183	-4.0	203	59	215	652
Employee benefit - defined benefit	1,461	1,450	1,997	1,803	0.8	163	51	42	1,205
Other employee benefit and retirement-related accounts	974	991	1,004	1,036	-1.7	35	67	108	764
Corporate trust and agency accounts	1,730	2,080	2,529	2,439	-16.8	0	19	344	1,366
Investment management agency accounts	4,748	4,136	4,450	4,155	14.8	289	233	520	3,706
Other fiduciary accounts	2,044	1,851	2,161	2,151	10.4	3	31	12	1,998
Custody and safekeeping accounts	8,188	6,920	8,337	8,165	18.3	12	273	496	7,408
Other fiduciary and related services income	2,071	2,308	3,272	2,424	-10.3	10	63	102	1,896
Total gross fiduciary and related services income	26,817	25,690	30,017	29,281	4.4	787	1,201	2,313	22,516
Less: Expenses	20,077	19,243	20,564	20,587	4.3	751	845	1,851	16,630
Less: Net losses from fiduciary and related services	242	574	944	364	-57.8	1	1	6	234
Plus: Intracompany income credits for fiduciary and related services	2,983	2,770	3,497	4,549	7.7	0	33	360	2,589
Net fiduciary and related services income	9,311	8,446	11,728	12,714	10.2	29	267	798	8,217
Collective investment funds and common trust funds (market value)									
Domestic equity funds	291,222	260,074	220,444	352,834	12.0	15,823	1,640	10,637	263,122
International/global equity funds	128,949	110,116	94,391	182,128	17.1	7,647	3,925	2,992	114,386
Stock/bond blend funds	95,007	90,245	127,218	215,849	5.3	10,677	278	2,018	82,034
Taxable bond funds	199,794	171,755	159,443	160,339	16.3	8,956	45,979	3,832	141,027
Municipal bond funds	6,154	7,127	7,029	8,328	-13.7	51	430	674	5,000
Short-term investments/money market funds	213,954	251,756	249,266	336,721	-15.0	2,029	7,789	589	203,547
Specialty/other funds	89,392	95,044	97,791	121,568	-5.9	31,023	2,099	3,445	52,826
Total collective investment funds	1,024,472	986,117	955,583	1,377,767	3.9	76,204	62,139	24,186	861,942

* After 2008, includes personal trust and agency accounts, investment management agency accounts, employee benefit accounts, retirement-related accounts, and all other managed asset accounts.

** After 2008, included in managed assets, above.

N/M - Not Meaningful

INSURANCE FUND INDICATORS

- ***Insured Deposits Grow by 14.7 Percent Due Primarily to Temporary Change in Coverage for Certain Deposits***
- ***DIF Reserve Ratio Rises Three Basis Points to -0.12 Percent***
- ***30 Institutions Fail during Fourth Quarter***
- ***Final Rule Adopted in December 2010 Sets the Designated Reserve Ratio at 2 Percent***
- ***Final Rule Adopted in February 2011 Establishes a New Assessment Base, Changes Assessment Rates and Deposit Insurance Fund Dividend Provisions, and Revises Risk-Based Pricing for All Large Insured Depository Institutions***

Total assets of the nation's 7,657 FDIC-insured commercial banks and savings institutions decreased by 0.4 percent ($51.8 billion) during fourth quarter 2010. Total deposits increased by 1.6 percent ($149.3 billion), domestic office deposits increased by 1.7 percent ($135.0 billion), and foreign office deposits increased by 0.9 percent ($14.2 billion). Domestic noninterest-bearing deposits increased by 5.1 percent ($81.8 billion) and savings deposits and interest bearing checking accounts increased by 4.1 percent ($167.2 billion), while domestic time deposits decreased by 5.4 percent ($113.9 billion). For all of 2010, total domestic deposits grew by 2.3 percent ($176.3 billion), with domestic noninterest-bearing deposits rising by 8.8 percent ($136.9 billion) and domestic interest-bearing deposits increasing by 0.6 percent ($39.4 billion).

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank), enacted July 21, 2010, provides temporary unlimited deposit insurance coverage for noninterest-bearing transaction accounts from December 31, 2010, through December 31, 2012, regardless of the balance in the account and the ownership capacity of the funds. The unlimited coverage is available to all depositors, including consumers, businesses, and government entities. The coverage is separate from, and in addition to, the insurance coverage provided for a depositor's other accounts held at an FDIC-insured bank. Beginning December 31, 2010, the entire balances of noninterest-bearing transaction accounts will be included in estimated insured deposits used to calculate the Deposit Insurance Fund (DIF) reserve ratio.

Primarily as a result of the coverage change, estimated insured deposits at all FDIC-insured institutions increased sharply—by $799.4 billion (14.7 percent)—in fourth quarter 2010. For institutions existing at the start and end of the fourth quarter, insured deposits increased during the quarter at 5,591 institutions (73 percent), decreased at 2,033 institutions (27 percent), and remained unchanged at 30 institutions.

The DIF balance increased by $657 million during the fourth quarter to -$7.4 billion (unaudited), the fourth consecutive quarterly increase following seven quarters of decline. The increased amount included $3.5 billion from accrued assessment income and $87 million from interest on securities and other revenue. Additional loss provisions of $2.4 billion offset much of the boost to the fund from revenue. Unrealized losses on available-for-sale securities and operating expenses also reduced the fund by $482 million.

The DIF's reserve ratio was -0.12 percent on December 31, 2010, up from -0.15 percent at September 30, 2010, and up from -0.39 percent one year earlier. Thirty FDIC-insured institutions with combined assets of $8.8 billion failed during fourth quarter 2010. For all of 2010, 157 insured institutions with combined assets of $92.1 billion failed.

Changes to Deposit Insurance Fund Management and Risk-Based Assessments

On December 14, 2010, the FDIC Board of Directors (Board) adopted a final rule increasing the Designated Reserve Ratio (DRR) of the DIF to 2 percent of estimated insured deposits, using new authority provided by Dodd-Frank. On February 7, 2011, the Board adopted a final rule, effective April 1, 2011, that redefines the deposit insurance assessment base as required by Dodd-Frank, changes assessment rates adjustments and DIF dividend rules, finalizes new assessment rate schedules, and revises the risk-based assessment system for large insured depository institutions (generally, those institutions with at least $10 billion in total assets).

Designated Reserve Ratio

The FDIC must set a DRR each year. Dodd-Frank raised the minimum DRR to 1.35 percent from 1.15 percent of estimated insured deposits. It also removed the upper limit (formerly 1.5 percent) on the DRR. In December 2010, the Board adopted a final rule setting the DRR at 2 percent. The FDIC views this target as a long-term minimum goal for the fund. An analysis conducted by FDIC staff found that a 2 percent target would significantly improve the chances that the FDIC could maintain stable, moderate insurance assessment rates through economic or banking cycles while also maintaining a positive DIF balance even during a serious economic or banking downturn.

Change in the Assessment Base

Dodd-Frank required the FDIC to amend its regulations to define the assessment base as average consolidated total assets minus average tangible equity, rather than total domestic deposits (the assessment base, with minor adjustments, that has been in place since 1935). The final rule requires that all insured depository institutions report average daily balances of consolidated total assets during the quarter. However, existing institutions with assets of less than $1 billion may report average weekly balances, unless they choose to report daily averages. Once an institution reports using daily averages, however, it would have to continue to do so. Under the final rule, Tier 1 capital is the measure for tangible equity. Institutions will report the average of month-end balances of Tier 1 capital, but existing institutions with less than $1 billion in average consolidated total assets could report the end-of-quarter amount of Tier 1 capital. As allowed by Dodd-Frank, the final rule deducts low-risk, liquid assets from the assessment base for banker's banks and custodial banks.[1]

Table 1 compares the distribution of the current and estimated new assessment bases by institution asset size, using data as of December 31, 2010. The new assessment base, which will take effect April 1, 2011, will require collection of some data not yet available. The table therefore provides only an estimate of what the assessment base would be if it were in effect as of December 31, 2010.

Dodd-Frank requires that, for at least five years, the FDIC must make available to the public the reserve ratio and the DRR using both estimated insured deposits and the new assessment base. As explained in the footnotes to Table 1, the new assessment base will require some changes in reporting, so only an estimate is available at this time. As of December 31, 2010, the FDIC reserve ratio would have been -0.06 percent using the new assessment base (compared to -0.12 percent using estimated insured deposits), and the 2 percent DRR based on estimated insured deposits would have been 1.0 percent using the estimated new assessment base.

Adjustments to Assessment Rates

The current assessment rate schedule incorporates adjustments for types of funding that either pose heightened risk to the DIF or that help offset risk to the DIF. Because the magnitude of these adjustments is calibrated to a domestic deposit assessment base, the final rule recalibrates the unsecured debt and brokered deposit adjustments, and eliminates the secured liability adjustment.[2] The final rule also adds a depository institution debt adjustment for institutions that hold the long-term unsecured debt of other insured depository

[1] A banker's bank could deduct the sum of its average balances due from Federal Reserve Banks (reserve balances) plus its average federal funds sold. The amount of this deduction, however, could not exceed the sum of the bank's average deposit liabilities from commercial banks and other depository institutions in the United States plus its average federal funds purchased. Funds resulting from government capital infusion programs, FDIC stock ownership, and employee compensation plan stock ownership will not disqualify a bank from being considered a banker's bank. The final rule defines a custodial bank as an insured depository institution having previous calendar year-end fiduciary account and custody and safekeeping account assets of at least $50 billion or an insured depository institution deriving at least 50 percent of its revenue from fiduciary accounts and custody and safekeeping accounts over the previous calendar year. Low-risk assets would be assets with a Basel risk weighting of 0 percent, regardless of maturity, plus 50 percent of those assets with a Basel risk weighting of 20 percent, again regardless of maturity, subject to the limitation that the value of these assets could not exceed the daily or weekly average value of those deposits classified as transaction accounts and identified by the institution as being directly linked to a fiduciary or custody and safekeeping account.

[2] The final rule changes the assessment rate reduction for long-term unsecured liabilities so that the effect of the assessment system on an institution's cost of borrowing long-term unsecured debt will remain unchanged. The final rule changes the cap on the adjustment from 5 basis points to the lesser of 5 basis points or 50 percent of an institution's initial base assessment rate to ensure that no institution's assessment rate is zero or close to zero. In addition, the final rule removes Qualified Tier 1 capital from the definition of long-term unsecured liabilities for small institutions, since it is already deducted from the assessment base. The final rule also eliminates debt that is redeemable within one year of the reporting date from qualifying as long-term, since such a redemption option negates the benefit to the DIF of long-term debt. The final rule retains the brokered deposit adjustment of 25 basis points times the ratio of brokered deposits in excess of 10 percent of domestic deposits to the new assessment base. For small institutions, the adjustment would continue to apply only to institutions in Risk Categories II, III, and IV. For large institutions, the final rule provides an exemption from the adjustment for institutions that are well-capitalized and have a composite CAMELS rating of 1 or 2. The final rule maintains the 10 basis points cap on the brokered deposit adjustment.

Table 1: Distribution of the Assessment Base for FDIC-Insured Commercial Banks and Savings Institutions by Asset Size ($ Billions)*

Data as of December 31, 2010

Asset Size	Number of Institutions	Percent of Total Institutions	Current Assessment Base**	Percent of Current Base	Estimated New Assessment Base***	Percent of Estimated New Base
Less than $1 Billion	6,990	91.3%	1,195	15.2%	1,305	10.7%
$1 - $10 Billion	560	7.3%	1,100	14.0%	1,298	10.6%
$10 - $50 Billion	70	0.9%	896	11.4%	1,217	9.9%
$50 - $100 Billion	18	0.2%	763	9.7%	1,088	8.9%
Over $100 Billion	19	0.2%	3,913	49.7%	7,331	59.9%
Total	7,657	100.0%	7,867	100.0%	12,239	100.0%

* Excludes ten insured U.S. branches of foreign banks.
** The current assessment base is derived from domestic deposits.
*** The estimates are derived from average quarterly assets as reported on the Call Report or Thrift Financial Report for December 31, 2010. Institutions currently report their quarterly average assets as an average of either daily or weekly amounts. The estimates also rely on quarter-end Tier 1 capital as reported for December 31. In addition, the estimated amounts do not account for the adjustments permitted for banker's banks or custodial banks.

Table 2: Initial and Total Base Assessment Rates*

	Risk Category I	Risk Category II	Risk Category III	Risk Category IV	Large and Highly Complex Institutions
Initial base assessment rate	5–9	14	23	35	5–35
Unsecured debt adjustment**	-4.5–0	-5–0	-5–0	-5–0	-5–0
Brokered deposit adjustment	—	0–10	0–10	0–10	0–10
Total Base Assessment Rate	2.5–9	9–24	18–33	30–45	2.5–45

* Total base assessment rates do not include the depository institution debt adjustment.
** The unsecured debt adjustment could not exceed the lesser of 5 basis points or 50 percent of an institution's initial base assessment rate (IBAR). Thus, for example, an institution with an IBAR of 5 basis points would have a maximum unsecured debt adjustment of 2.5 basis points and could not have a total base assessment rate lower than 2.5 basis points.

institutions above a certain threshold.[3] These changes should more accurately reflect the risk that these funding sources pose to the DIF.

Dividends

To increase the probability that the fund reserve ratio will reach a level sufficient to withstand a future crisis, the final rule suspends dividends indefinitely, consistent with the FDIC's long-term, comprehensive plan for fund management. In lieu of dividends, the final rule would adopt progressively lower assessment rate schedules when the reserve ratio exceeds 2 percent and 2.5 percent, as discussed below.

Assessment Rate Schedules

The final rule adopts the assessment rate schedules, shown in Table 2 above. Initial and total base assessment rates become effective April 1, 2011.[4]

This rate schedule should result in approximately the same assessment revenue that the FDIC would otherwise have collected using the assessment rate schedule under the Restoration Plan adopted by the Board on October 19, 2010.

Effective beginning the quarter after the fund reserve ratio first meets or exceeds 1.15 percent, initial base assessment rates would range from 3 basis points to 30 basis points. Under these rates, the average assessment rate would approximately equal the long-term moderate, steady assessment rate—5.3 basis points—that

[3] The final rule creates a new adjustment (the Depository Institution Debt Adjustment) that applies a 50 basis point charge to every dollar of long-term unsecured debt held by an insured depository institution that was issued by another insured depository institution. This adjustment is intended to offset the benefit received by institutions that issue long-term, unsecured liabilities when those liabilities are held by other insured depository institutions, since the risk of this debt remains in the banking system. Under the final rule, however, the FDIC will exclude the first 3 percent of an institution's Tier 1 capital from the amount of debt reported when calculating the adjustment.

[4] The final rule would allow the Board to adopt actual rates that are higher or lower than total base assessment rates without the necessity of further notice-and-comment rulemaking, provided that the Board could not increase or decrease rates from one quarter to the next by more than 2 basis points (down from 3 basis points in the current rule), and cumulative increases and decreases could not be more than 2 basis points (down from 3 basis points in the current rule) higher or lower than the total base assessment rates.

would have been needed to maintain a positive fund balance throughout past crises.

The final rule also sets out two assessment rate schedules that would take effect without further action by the Board when the fund reserve ratio meets or exceeds 2 percent and 2.5 percent. Historical analysis by FDIC staff revealed that reducing the 5.3 basis point weighted average assessment rate by 25 percent when the reserve ratio reached 2 percent and by 50 percent when the reserve ratio reached 2.5 percent would have allowed the fund to remain positive during prior banking crises and would have successfully limited rate volatility.

Large Bank Pricing

The final rule eliminates risk categories for large institutions.[5] In addition, as required by Dodd-Frank, the final rule no longer uses long-term debt issuer ratings to calculate assessment rates for large institutions. The new large bank pricing rule combines CAMELS ratings and certain forward-looking financial measures into two scorecards—one for most large institutions and another for the remaining very large institutions that are structurally and operationally complex or that pose unique challenges and risks in case of failure (highly complex institutions).[6] The FDIC retains its ability to take additional information into account to make a limited adjustment to an institution's total score (the large bank adjustment), which will be used to determine an institution's initial base assessment rate.

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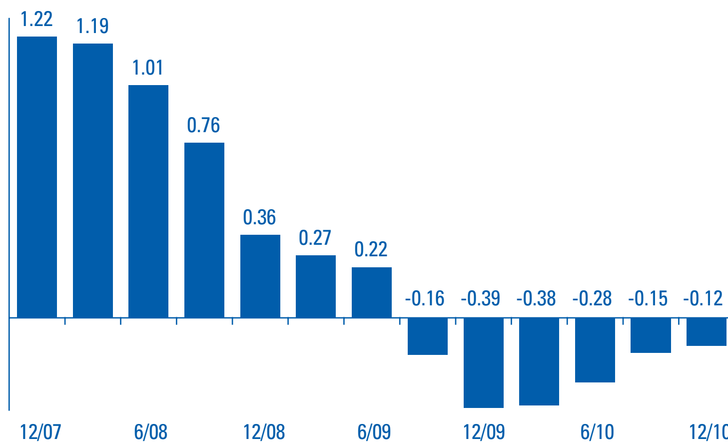
[5] Generally, these are institutions with at least $10 billion in assets.
[6] In general, a highly complex institution is an institution (other than a credit card bank) with more than $50 billion in total assets that is controlled by a parent or intermediate parent company with more than $500 billion in total assets or a processing bank or trust company with total fiduciary assets of $500 billion or more.

Table I-B. Insurance Fund Balances and Selected Indicators

	Deposit Insurance Fund*												
(dollar figures in millions)	4th Quarter 2010	3rd Quarter 2010	2nd Quarter 2010	1st Quarter 2010	4th Quarter 2009	3rd Quarter 2009	2nd Quarter 2009	1st Quarter 2009	4th Quarter 2008	3rd Quarter 2008	2nd Quarter 2008	1st Quarter 2008	4th Quarter 2007
Beginning Fund Balance	-$8,009	-$15,247	-$20,717	-$20,862	-$8,243	$10,368	$13,007	$17,276	$34,588	$45,217	$52,843	$52,413	$51,754
Changes in Fund Balance:													
Assessments earned	3,498	3,592	3,242	3,278	3,042	2,965	9,095	2,615	996	881	640	448	239
Interest earned on investment securities	39	40	64	62	76	176	240	212	277	526	651	618	585
Realized gain on sale of investments	0	0	0	0	0	732	521	136	302	473	0	0	0
Operating expenses	452	414	382	345	379	328	298	266	290	249	256	238	262
Provision for insurance losses	2,446	-3,763	-2,552	3,021	17,766	21,694	11,615	6,637	19,163	11,930	10,221	525	39
All other income, net of expenses	48	94	55	22	2,721	308	375	2	15	16	1	0	-2
Unrealized gain/(loss) on available-for-sale securities	-30	163	-61	149	-313	-770	-957	-331	551	-346	1,559	127	138
Total fund balance change	657	7,238	5,470	145	-12,619	-18,611	-2,639	-4,269	-17,312	-10,629	-7,626	430	659
Ending Fund Balance	-7,352	-8,009	-15,247	-20,717	-20,862	-8,243	10,368	13,007	17,276	34,588	45,217	52,843	52,413
Percent change from four quarters earlier	NM	NM	NM	NM	NM	NM	-77.07	-75.39	-67.04	-33.17	-11.73	4.13	4.48
Reserve Ratio (%)	-0.12	-0.15	-0.28	-0.38	-0.39	-0.16	0.22	0.27	0.36	0.76	1.01	1.19	1.22
Estimated Insured Deposits**	6,221,127	5,421,701	5,437,753	5,472,251	5,407,733	5,315,912	4,817,784	4,831,749	4,750,783	4,545,198	4,468,087	4,438,256	4,292,211
Percent change from four quarters earlier	15.04	1.99	12.87	13.26	13.83	16.96	7.83	8.87	10.68	7.13	5.50	4.55	3.33
Domestic Deposits	7,887,730	7,753,382	7,681,261	7,702,420	7,705,329	7,561,309	7,561,998	7,546,999	7,505,409	7,230,328	7,036,267	7,076,719	6,921,678
Percent change from four quarters earlier	2.37	2.54	1.58	2.06	2.66	4.58	7.47	6.65	8.43	7.15	5.04	5.58	4.24
Number of institutions reporting	7,667	7,771	7,840	7,944	8,022	8,109	8,205	8,257	8,315	8,394	8,462	8,505	8,545

DIF Reserve Ratios
Percent of Insured Deposits



Deposit Insurance Fund Balance and Insured Deposits
($ Millions)

	DIF Balance	DIF-Insured Deposits
12/07	$52,413	$4,292,211
3/08	52,843	4,438,256
6/08	45,217	4,468,087
9/08	34,588	4,545,198
12/08	17,276	4,750,783
3/09	13,007	4,831,749
6/09	10,368	4,817,784
9/09	-8,243	5,315,912
12/09	-20,862	5,407,733
3/10	-20,717	5,472,251
6/10	-15,247	5,437,753
9/10	-8,009	5,421,701
12/10	-7,352	6,221,127

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

(dollar figures in millions)	2010	2009	2008	2007	2006	2005	2004
Problem Institutions							
Number of institutions	884	702	252	76	50	52	80
Total assets	$390,017	$402,782	$159,405	$22,189	$8,265	$6,607	$28,250
Failed Institutions							
Number of institutions	157	140	25	3	0	0	4
Total assets	$92,085	$169,709	$371,945	$2,615	$0	$0	$170
Assisted Institutions***							
Number of institutions	0	8	5	0	0	0	0
Total assets	$0	$1,917,482	$1,306,042	0	0	0	0

* Quarterly financial statement results are unaudited. NM - Not meaningful

** Beginning in the third quarter of 2009, estimates of insured deposits are based on a $250,000 general coverage limit. The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) temporarily provides unlimited coverage for noninterest bearing transaction accounts for two years beginning December 31, 2010. Beginning in the fourth quarter of 2010, estimates of insured deposits include the entire balance of noninterest bearing transaction accounts.

*** Assisted institutions represent five institutions under a single holding company that received assistance in 2008, and eight institutions under a different single holding company that received assistance in 2009.

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

(dollar figures in millions)

December 31, 2010	Number of Institutions	Total Assets	Domestic Deposits*	Est. Insured Deposits
Commercial Banks and Savings Institutions				
FDIC-Insured Commercial Banks	6,529	$12,067,603	$6,964,671	$5,396,467
FDIC-Supervised	4,317	1,938,319	1,471,937	1,196,616
OCC-Supervised	1,383	8,432,251	4,463,256	3,415,813
Federal Reserve-Supervised	829	1,697,034	1,029,478	784,038
FDIC-Insured Savings Institutions	1,128	1,253,780	908,449	811,092
OTS-Supervised Savings Institutions	730	933,026	671,611	600,521
FDIC-Supervised State Savings Banks	398	320,754	236,838	210,571
Total Commercial Banks and Savings Institutions	7,657	13,321,383	7,873,120	6,207,559
Other FDIC-Insured Institutions				
U.S. Branches of Foreign Banks	10	30,475	14,611	13,568
Total FDIC-Insured Institutions	7,667	13,351,857	7,887,730	6,221,127

* Excludes $1.5 trillion in foreign office deposits, which are uninsured.

Table IV-B. Distribution of Institutions and Domestic Deposits Among Risk Categories

Quarter Ending September 30, 2010

(dollar figures in billions)

	Annual Rate in Basis Points*	Number of Institutions	Percent of Total Institutions	Domestic Deposits	Percent of Total Domestic Deposits
Risk Category I	7.00-12.00	1,813	23.33	$715	9.22
	12.01- 14.00	1,502	19.33	1,669	21.52
	14.01- 15.99	1,784	22.96	1,909	24.62
	16.00-24.00	364	4.68	432	5.57
Risk Category II	17.00-22.00	1,196	15.39	2,276	29.35
	22.01-43.00	244	3.14	452	5.83
Risk Category III	27.00-32.00	538	6.92	172	2.22
	32.01-58.00	149	1.92	74	0.95
Risk Category IV	40.00-45.00	137	1.76	42	0.54
	45.01-77.50	44	0.57	13	0.17

Note: Institutions are categorized based on supervisory ratings, debt ratings and financial data as of September 30, 2010.
* See 12 CFR Part 327 for factors determining risk categories and risk based assessment rates.

TEMPORARY LIQUIDITY GUARANTEE PROGRAM

- ***Debt Guarantee Program Ended October 31, 2009***
- ***Transaction Account Guarantee Program Ended December 31, 2010***
- ***All Noninterest-Bearing Transaction Deposit Accounts Insured under Dodd-Frank Reform Bill***
- ***$267 Billion Outstanding in Debt Guarantee Program***

FDIC Responds to Market Disruptions with TLGP

The FDIC Board of Directors (Board) approved the Temporary Liquidity Guarantee Program (TLGP) on October 13, 2008, as major disruptions in credit markets blocked access to liquidity for financial institutions.[1] The TLGP improved access to liquidity through two programs: the Transaction Account Guarantee Program (TAGP), which fully guarantees noninterest-bearing transaction deposit accounts above $250,000, regardless of dollar amount; and the Debt Guarantee Program (DGP), which guarantees eligible senior unsecured debt issued by eligible institutions.

All insured depository institutions were eligible to participate in the TAGP. Institutions eligible to participate in the DGP were insured depository institutions, U.S. bank holding companies, certain U.S. savings and loan holding companies, and other affiliates of insured depository institutions that the FDIC designated as eligible entities.

FDIC Extends Guarantee Programs

Although financial markets improved significantly in the first half of 2009, portions of the industry were still affected by the recent economic turmoil. To facilitate the orderly phase-out of the TLGP, and to continue access to FDIC guarantees where they were needed, the Board extended both the DGP and TAGP.

On March 17, 2009, the Board voted to extend the deadline for issuance of guaranteed debt from June 30, 2009, to October 31, 2009, and to extend the expiration date of the guarantee to the earlier of maturity of the debt or December 31, 2012, from June 30, 2012. The Board adopted a final rule on October 20, 2009, that allowed the DGP to expire on October 31, 2009.[2]

A final rule extending the TAGP six months, to June 30, 2010, was adopted on August 26, 2009. On June 22, 2010, the Board adopted a final rule extending the TAGP for another six months, through December 31, 2010.

Noninterest-Bearing Transaction Accounts Fully Insured under Dodd-Frank Reform Bill

According to the Dodd-Frank Wall Street Reform and Consumer Protection Act, noninterest-bearing transaction accounts at all FDIC-insured institutions will be fully insured for two years. This amendment became effective on December 31, 2010. Coverage of noninterest-bearing transaction accounts is separate from the regular insurance limit of $250,000. Assessments for noninterest-bearing transaction accounts will be included in the regular assessments for insured institutions.[3]

Program Funded by Industry Fees and Assessments

The TLGP did not rely on taxpayer funding or the Deposit Insurance Fund. Both the TAGP and the DGP were paid for by direct user fees. As of March 31, 2010, fees totaling $10.4 billion had been assessed under the DGP. A total of $1.1 billion in fees had been collected under the TAGP by December 31, 2010.

A Majority of Eligible Entities Chose to Participate in the TLGP

About 74 percent of FDIC-insured institutions opted in to the TAGP extension through December 31, 2010. More than half of all eligible entities opted in to the DGP. Lists of institutions that opted out of the guarantee programs are posted at http://www.fdic.gov/regulations/resources/TLGP/optout.html.

[1] The FDIC invoked the systemic risk exception pursuant to section 141 of the Federal Deposit Improvement Act of 1991, 12 U.S.C 1823(c)(4) on October 13, 2008. For further information on the TLGP, see http://www.fdic.gov/regulations/resources/TLGP/index.html.

[2] See http://www.fdic.gov/regulations/laws/federal/2009/09finalAD37Oct23.pdf.

[3] See http://www.fdic.gov/regulations/reform/summary.html.

$114 Billion in Transaction Accounts over $250,000 Guaranteed

According to fourth quarter 2010 Call and Thrift Financial Reports, insured institutions participating in the TAGP reported an average of 198,361 noninterest-bearing transaction accounts over $250,000 during the quarter. The average deposit balances in these accounts totaled $164 billion, of which $114 billion was guaranteed under the TAGP. More than 5,100 FDIC-insured institutions reported TAGP accounts.[4]

$267 Billion in FDIC-Guaranteed Debt Was Outstanding at December 31, 2010

Sixty-six financial entities—39 insured depository institutions and 27 bank and thrift holding companies and nonbank affiliates—had $267 billion in guaranteed debt outstanding at the end of fourth quarter 2010. Some banking groups issued FDIC-guaranteed debt at both the subsidiary and holding company level, but most guaranteed debt was issued by holding companies or nonbank affiliates of depository institutions. Bank and thrift holding companies and nonbank affiliates issued 85 percent of FDIC-guaranteed debt outstanding at December 31, 2010.

Debt outstanding at December 31, 2010, had longer terms at issuance, compared with debt outstanding at year-end 2008. Over 90 percent matures more than two years after issuance, compared with 39 percent at December 31, 2008. Among types of debt instruments, 92 percent was in medium-term notes, compared with 44 percent at year-end 2008. The share of outstanding debt in commercial paper fell to 0 percent from 43 percent at year-end 2008.

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[4] Insured institutions participating in the TAGP reported the average daily amount in TAGP accounts and the average daily number of TAGP accounts in their September 30, 2010, and December 31, 2010, Call and Thrift Financial Reports.

Table I-C. Participation in Temporary Liquidity Guarantee Program

December 31, 2010	Total Eligible Entities	Number Opting In	Percent Opting In
Transaction Account Guarantee Program Extension to December 31, 2010			
Depository Institutions with Assets <= $10 Billion	7,558	5,631	74.5%
Depository Institutions with Assets > $10 Billion	108	33	30.6%
Total Depository Institutions*	7,666	5,664	73.9%
Debt Guarantee Program			
Depository Institutions with Assets <= $10 Billion	7,558	3,954	52.3%
Depository Institutions with Assets > $10 Billion	108	95	88.0%
Total Depository Institutions*	7,666	4,049	52.8%
Bank and Thrift Holding Companies and Non-Insured Affiliates	5,992	3,363	56.1%
All Entities	13,658	7,412	54.3%

* Depository institutions include insured branches of foreign banks (IBAs).

Table II-C. Cap on FDIC-Guaranteed Debt for Opt-In Entities

December 31, 2010 (dollar figures in millions)	Opt-In Entities with Senior Unsecured Debt Outstanding at 9/30/2008			Opt-In Depository Institutions with no Senior Unsecured Debt at 9/30/2008			
	Number	Debt Amount as of 9/30/2008	Initial Cap	Number	2% Liabilities as of 9/30/2008	Total Entities	Total Initial Cap
Depository Institutions with Assets <= $10 Billion*	109	$3,362	$4,203	3,845	$29,372	3,954	$33,574
Depository Institutions with Assets > $10 Billion*	39	269,228	336,535	56	23,320	95	359,855
Bank and Thrift Holding Companies, Noninsured Affiliates	81	397,714	497,143	3,282	N/A	3,363	497,143
Total	229	670,305	837,881	7,183	52,692	7,412	890,572

* Depository institutions include insured branches of foreign banks (IBAs).

N/A - Not applicable

Table III-C. Transaction Account Guarantee Program

(dollar figures in millions)	Dec. 31, 2009	Mar. 31, 2010	June 30, 2010	Sep. 30, 2010*	Dec. 31, 2010*	% Change 10Q3-10Q4
Number of Noninterest-Bearing Transaction Accounts over $250,000	687,854	308,911	320,164	183,533	198,361	8.1%
Amount in Noninterest-Bearing Transaction Accounts over $250,000	$1,006,463	$355,492	$344,473	$155,200	$163,837	5.6%
Amount Guaranteed	$834,499	$278,265	$264,432	$109,317	$114,247	4.5%

*Banks participating in TAGP reported daily averages for the amount in and number of noninterest-transaction accounts over $250,000 in their September 30 and December 31, 2010, Call and Thrift Financial Reports.

Table IV-C. Debt Outstanding in Guarantee Program

December 31, 2010 (dollar figures in millions)	Number	Debt Outstanding	Cap* for Group	Debt Outstanding Share of Cap
Insured Depository Institutions				
Assets <= $10 Billion	27	$1,586	$1,665	95.3%
Assets > $10 Billion	12	37,566	106,317	35.3%
Bank and Thrift Holding Companies, Noninsured Affiliates	27	227,915	386,223	59.0%
All Issuers	66	267,066	494,205	54.0%

* The amount of FDIC-guaranteed debt that can be issued by each eligible entity, or its “cap,” is based on the amount of senior unsecured debt outstanding as of September 30, 2008. The cap for a depository institution with no senior unsecured debt outstanding at September 30, 2008, is set at 2 percent of total liabilities. See http://www2.fdic.gov/qbp/2008dec/tlgp2c.html for more information.

Table V-C. Fees Assessed Under TLGP

(dollar figures in millions)	Debt Guarantee Program			Transaction Account Guarantee Program*
	Total Fees Assessed	Surcharges	Total Fee Amount	Fees Collected
Fourth Quarter 2008	$3,437		$3,437	
First Quarter 2009	3,433		3,433	90
Second Quarter 2009	1,413	385	1,797	179
Third Quarter 2009	691	280	971	182
Fourth Quarter 2009	503	207	709	188
First Quarter 2010**	14		14	207
Second Quarter 2010				115
Third Quarter 2010				111
Fourth Quarter 2010				48
Total	$9,491	$872	$10,363	$1,120

* Prorated payment in arrears
** A review of data systems led us to recognize a nominal fee amount that had been dropped in error from previously reported amounts.

Table VI-C. Term at Issuance of Debt Instruments Outstanding

December 31, 2010 (dollar figures in millions)	Commercial Paper	Interbank Eurodollar Deposits	Medium Term Notes	Other Interbank Deposits	Other Senior Unsecured Debt	Other Term Note	All Debt	*Share by Term*
Term at Issuance								
90 days or less	$0	$0	$0	$0	$0	$0	$0	*0.0%*
91-180 days	0	0	0	0	0	0	0	*0.0%*
181-364 days	0	0	0	0	0	0	0	*0.0%*
1-2 years	0	0	24,400	0	0	16	24,416	*9.1%*
Over 2-3 years	0	0	80,447	0	3,352	6,002	89,801	*33.6%*
Over 3 years	0	0	139,982	4	3,713	9,151	152,849	*57.2%*
Total	**0**	**0**	**244,829**	**4**	**7,064**	**15,170**	**267,066**	
Share of Total	*0.0%*	*0.0%*	*91.7%*	*0.0%*	*2.6%*	*5.7%*		

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) *Consolidated Reports of Condition and Income* (*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

Extended Net Operating Loss Carryback Period – The Worker, Homeownership, and Business Assistance Act of 2009, which was enacted on November 6, 2009, permits banks and other businesses, excluding those banking organizations that received capital from the U.S. Treasury under the Troubled Asset Relief Program, to elect a net operating loss carryback period of three, four, or five years instead of the usual carryback period of two years for any one tax year ending after December 31, 2007, and beginning before January 1, 2010. For calendar year banks, this extended carryback period applies to either the 2008 or 2009 tax year. The amount of the net operating loss that can be carried back to the fifth carryback year is limited to 50 percent of the available taxable income for that fifth year, but this limit does not apply to other carryback years.

Under generally accepted accounting principles, banks may not record the effects of this tax change in their balance sheets and income statements for financial and regulatory reporting purposes until the period in which the law was enacted, i.e., the fourth quarter of 2009. Therefore, banks should recognize the effects of this fourth quarter 2009 tax law change on their current and deferred tax assets and liabilities, including valuation allowances for deferred tax assets, in their Call Reports for December 31, 2009. Banks should not amend their Call Reports for prior quarters for the effects of the extended net operating loss carryback period.

The American Recovery and Reinvestment Act of 2009, which was enacted on February 17, 2009, permits qualifying small businesses, including FDIC-insured institutions, to elect a net operating loss carryback period of three, four, or five years instead of the usual carryback period of two years for any tax year ending in 2008 or, at the small business's election, any tax year beginning in 2008. Under generally accepted accounting principles, institutions may not record the effect of this tax change in their balance sheets and income statements for financial and regulatory reporting purposes until the period in which the law was enacted, i.e., the first quarter of 2009.

Troubled Debt Restructurings – Many institutions are restructuring or modifying the terms of loans to provide payment relief for those borrowers who have suffered deterioration in their financial condition. Such loan restructurings may include, but are not limited to, reductions in principal or accrued interest, reductions in interest rates, and extensions of the maturity date. Modifications may be executed at the original contractu-

al interest rate on the loan, a current market interest rate, or a below-market interest rate. Many of these loan modifications meet the definition of a troubled debt restructuring (TDR).

The TDR accounting and reporting standards are set forth in ASC Subtopic 310-40, Receivables—Troubled Debt Restructurings by Creditors (formerly FASB Statement No. 15, "Accounting by Debtors and Creditors for Troubled Debt Restructurings," as amended). This guidance specifies that a restructuring of a debt constitutes a TDR if, at the date of restructuring, the creditor for economic or legal reasons related to a debtor's financial difficulties grants a concession to the debtor that it would not otherwise consider.

In the Call Report, until a loan that is a TDR is paid in full or otherwise settled, sold, or charged off, it must be reported in the appropriate loan category, as well as identified as a performing TDR loan, if it is in compliance with its modified terms. If a TDR is not in compliance with its modified terms, it is reported as a past due and nonaccrual loan in the appropriate loan category, as well as distinguished from other past due and nonaccrual loans. To be considered in compliance with its modified terms, a loan that is a TDR must not be in nonaccrual status and must be current or less than 30 days past due on its contractual principal and interest payments under the modified repayment terms. A loan restructured in a TDR is an impaired loan. Thus, all TDRs must be measured for impairment in accordance with ASC Subtopic 310-10, Receivables—Overall (formerly FASB Statement No. 114, "Accounting by Creditors for Impairment of a Loan," as amended), and the Call report Glossary entry for "Loan Impairment."

Accounting for Loan Participations – Amended ASC Topic 860 (formerly FAS 166) modified the criteria that must be met in order for a transfer of a portion of a financial asset, such as a loan participation, to qualify for sale accounting. These changes apply to transfers of loan participations on or after the effective date of amended ASC Topic 860 (discussed above), including advances under lines of credit that are transferred on or after the effective date of amended ASC Topic 860 even if the line of credit agreements were entered into before this effective date. Therefore, banks with a calendar year fiscal year must account for transfers of loan participations on or after January 1, 2010, in accordance with amended ASC Topic 860. In general, loan participations transferred before the effective date of amended ASC Topic 860 (January 1, 2010, for calendar year banks) are not affected by this new accounting standard. Therefore, loan participations transferred before the effective date of amended ASC Topic 860 that were properly accounted for as sales under former FASB Statement No. 140 will continue to be reported as having been sold.

Under amended ASC Topic 860, if a transfer of a portion of an entire financial asset meets the definition of a "participating interest," then the transferor (normally the lead lender) must evaluate whether the transfer meets all of the conditions in this accounting standard to qualify for sale accounting.

Other-Than-Temporary Impairment – When the fair value of an investment in a debt or equity security is less than its cost basis, the impairment is either temporary or other-than-temporary. To determine whether the impairment is other-than-temporary, an institution must apply other pertinent guidance in ASC Topic 320 , Investments-Debt and Equity Securities—Overall; ASC Subtopic 325-20, Investments-Other—Cost Method Investments; and ASC Subtopic 325-40, Investments-Other—Beneficial Interests in Securitized Financial Assets (formerly paragraph 16 of FASB Statement No. 115, *Accounting for Certain Investments in Debt and Equity Securities)*; FASB Staff Position (FSP) FAS 115-1 and FAS 124-1, *The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments*; FSP FAS 115-2 and FAS 124-2, *Recognition and Presentation of Other-Than-Temporary Impairments*; paragraph 6 of Accounting Principles Board Opinion No. 18, *The Equity Method of Accounting for Investments in Common Stock*; Emerging Issues Task Force (EITF) Issue No. 99-20, *Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests That Continue to Be Held by a Transferor in Securitized Financial Assets*; and FSP EITF 99-20-1, *Amendments to the Impairment Guidance of EITF Issue No. 99-20*. Under ASC Topic 320, if an institution intends to sell a debt security or it is more likely than not that it will be required to sell the debt security before recovery of its amortized cost basis, an other-than-temporary impairment has occurred and the entire difference between the security's amortized cost basis and its fair value at the balance sheet date must be recognized in earnings. In these cases, the fair value of the debt security would become its new amortized cost basis. In addition, under ASC Topic 320, if the present value of cash flows expected to be collected on a debt security is less than its amortized cost basis, a credit loss exists. In this situation, if an institution does not intend to sell the security and it is not more likely than not that the institution will be required to sell the debt security before recovery of its amortized cost basis less any current-period credit loss, an other-than-temporary impairment has occurred. The amount of the total other-than-temporary impairment related to the credit loss must be recognized in earnings, but the amount of the total impairment related to other factors must be recognized in other comprehensive income, net of applicable taxes.

ASC Topic 805 (formerly Business Combinations and Noncontrolling (Minority) Interests) – In December 2007, the FASB issued Statement No. 141 (Revised), *Business Combinations* FAS 141(R)), and Statement No. 160, *Noncontrolling Interests in Consolidated Financial Statements* (FAS 160). Under FAS 141(R), all business combinations, including combinations of mutual entities, are to be accounted for by applying the acquisition method. FAS 160 defines a noncontrolling interest, also called a minority interest, as the portion of equity in an institution's subsidiary not attributable, directly or indirectly, to the parent institution. FAS 160 requires an institution to clearly present in its consolidated financial statements the equity ownership in and results of its subsidiaries that are attributable to the noncontrolling ownership interests in these subsidiaries. FAS 141(R) applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. Similarly, FAS 160 is effective for fiscal years beginning on or after December 15, 2008. Thus, for institutions with calendar year fiscal years, these two accounting standards take effect in 2009. Beginning in March 2009, Institution equity capital and Noncontrolling interests are separately reported in arriving at Total equity capital and Net income.

ASC Topic 820 (formerly FASB Statement No. 157 *Fair Value Measurements* issued in September 2006) and ASC Topic 825 (formerly 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 defines 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. FASB FSP 157-4, issued in April 2009, provides additional guidance for estimating fair value in accordance with FAS 157 when the volume and level of activity for the asset or liability have significantly decreased. The FSP also includes guidance on identifying circumstances that indicate a transaction is not orderly. The FSP is effective for interim and annual reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009.

Fair value continues to be used for derivatives, trading securities, and available-for-sale securities. Changes in fair value go through earnings for trading securities and most derivatives. 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 if impairment is other than temporary and loans held for sale are reported at the lower of cost or fair value.

FAS 159 allows institutions to report certain financial assets and liabilities at fair value with subsequent changes in fair value included in earnings. In general, an institution may elect the fair value option for an eligible financial asset or liability when it first recognizes the instrument on its balance sheet or enters into an eligible firm commitment.

ASC Topic 715 (formerly 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.

ASC Topic 860 (formerly 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.

ASC Topic 815 (formerly 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 – ASC Topic 310 (formerly 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, ASC Topic 860 (formerly 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.

ASC Topics 860 & 810 (formerly FASB Statements 166 & 167) – In June 2009, the FASB issued Statement No. 166, *Accounting for Transfers of Financial Assets* (FAS 166), and Statement No. 167, *Amendments to FASB Interpretation* No. 46(R) (FAS 167), which change the way entities account for securitizations and special purpose entities. FAS 166 revised FASB Statement No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*, by eliminating the concept of a "qualifying special-purpose entity," creating the concept of a "participating interest," changing the requirements for derecognizing financial assets, and requiring additional disclosures. FAS 167 revised FASB Interpretation No. 46(R), *Consolidation of Variable Interest Entities*, by changing how a bank or other company determines when an entity that is insufficiently capitalized or is not controlled through voting or similar rights, i.e., a "variable interest entity" (VIE), should be consolidated. Under FAS 167, a bank must perform a qualitative assessment to determine whether its variable interest or interests give it a controlling financial interest in a VIE. If a bank's variable interest or interests provide it with the power to direct the most significant activities of the VIE, and the right to receive benefits or the obligation to absorb losses that could potentially be significant to the VIE, the bank is the primary beneficiary of, and therefore must consolidate, the VIE.

Both FAS 166 and FAS 167 take effect as of the beginning of each bank's first annual reporting period that begins after November 15, 2009, for interim periods therein, and for interim and annual reporting periods thereafter (i.e., as of January 1, 2010, for banks with a calendar year fiscal year). Earlier application is prohibited. Banks are expected to adopt FAS 166 and FAS 167 for Call Report purposes in accordance with the effective date of these two standards. Also, FAS 166 has modified the criteria that must be met in order for a transfer of a portion of a financial asset, such as a loan participation, to qualify for sale accounting. These changes apply to transfers of loan participations on or after the effective date of FAS 166. Therefore, banks with a calendar year fiscal year must account for transfers of loan participations on or after January 1, 2010, in accordance with FAS 166. In general, loan participations transferred before the effective date of FAS 166 (January 1, 2010, for calendar year banks) are not affected by this new accounting standard and pre-FAS 166 participations that were properly accounted for as sales under FASB Statement No. 140 will continue to be reported as having been sold.

ASC Topic 740 (formerly 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." FIN 48 was originally issued 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 December 31, 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, 2008. A nonpublic enterprise under certain conditions is eligible for deferral, even if it opted to issue interim or quarterly financial information in 2007 under earlier guidance that reflected the adoption of FIN 48.

ASC Topic 718 (formerly FASB Statement No. 123 (Revised 2004) and Share-Based Payments – refer to previously published Quarterly Banking Profile notes: http://www2.fdic.gov/qbp/2008dec/qbpnot.html

ASC Topic 815 (formerly FASB Statement No. 133 *Accounting for Derivative Instruments and Hedging Activities*) – refer to previously published Quarterly Banking Profile notes: http://www2.fdic.gov/qbp/2008dec/qbpnot.html

Accounting Standards Codification – In June 2009, the FASB issued Statement No. 168, *The FASB Accounting Standards CodificationTM and the Hierarchy of Generally Accepted Accounting Principles* (FAS 168), to establish the FASB Codification as the single source of authoritative nongovernmental U.S. generally accepted accounting principles (U.S. GAAP). The FASB Codification reorganizes existing U.S. accounting and reporting standards issued by the FASB and other related private-sector standard setters, and all guidance contained in the FASB Codification carries an equal level of authority. All previously existing accounting standards documents are superseded as described in FAS 168. All other accounting literature not included in the FASB Codification is nonauthoritative. The FASB Codification can be accessed at http://asc.fasb.org/. The FASB Codification is effective for interim and annual periods ending after September 15, 2009. This is an FFIEC reference guide at http://www.ffiec.gov/pdf/ffiec_forms/CodificationIntroduction_201006.pdf.

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, prepaid deposit insurance assessments, 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.

Capital Purchase Program (CPP) – As announced in October 2008 under the TARP, the Treasury Department purchase of noncumulative perpetual preferred stock and related warrants that is treated as Tier 1 capital for regulatory capital purposes is included in "Total equity capital." Such warrants to purchase common stock or noncumulative preferred stock issued by publicly-traded banks are reflected as well in "Surplus." Warrants to purchase common stock or noncumulative preferred stock of not-publicly-traded bank stock classified in a bank's balance sheet as "Other liabilities."

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

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

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

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

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

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

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

Derivatives transaction types:

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

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

The seller is obligated to purchase or sell the variable or index at the discretion of the buyer of the contract.

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

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

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

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

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

Estimated insured deposits – in general, insured deposits are total domestic deposits minus estimated uninsured deposits. Beginning March 31, 2008, for institutions that file Call reports, insured deposits are total assessable deposits minus estimated uninsured deposits. Beginning September 30, 2009, insured deposits include deposits in accounts of $100,000 to $250,000 that are covered by a temporary increase in the FDIC's standard maximum deposit insurance amount (SMDIA).

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 assistance in order to continue operating.

Fair Value – the valuation of various assets and liabilities on the balance sheet—including trading assets and liabilities, available-for-sale securities, loans held for sale, assets and liabilities accounted for under the fair value option, and foreclosed assets—involves the use of fair values. During periods of market stress, the fair values of some financial instruments and nonfinancial assets may decline.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

New charters – insured institutions filing quarterly financial reports for the first time.

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 – bank net income (including gains or losses on securities and extraordinary items) as a percentage of average total (consolidated) assets. The basic yardstick of bank profitability.

Return on equity – bank 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 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 initial base assessment rates (in basis points), effective April 1, 2009, for each risk category. Supervisory Group A generally includes institutions with CAMELS composite ratings of 1 or 2; Supervisory Group B generally includes institutions with a CAMELS composite rating of 3; and Supervisory Group C generally includes institutions with CAMELS composite ratings of 4 or 5. For purposes of risk-based assessment capital groups, undercapitalized includes institutions that are significantly or critically undercapitalized.

<table>
<tr><th rowspan="2">Capital Category</th><th colspan="3">Supervisory Group</th></tr>
<tr><th>A</th><th>B</th><th>C</th></tr>
<tr><td>1. Well Capitalized</td><td>I
12–16 bps</td><td rowspan="2">II
22 bps</td><td rowspan="2">III
32 bps</td></tr>
<tr><td>2. Adequately Capitalized</td><td>II
22 bps</td></tr>
<tr><td>3. Undercapitalized</td><td colspan="2">III
32 bps</td><td>IV
45 bps</td></tr>
</table>

Effective April 1, 2009, the initial base assessment rates are 12 to 45 basis points. An institution's total assessment rate may be less than or greater than its initial base assessment rate as a result of additional risk adjustments.

The base assessment rates for most institutions in Risk Category I are based on a combination of financial ratios and CAMELS component ratings (the financial ratios method).

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 are determined by equally weighting the institution's CAMELS component ratings, long-term debt issuer ratings, and the financial ratios method assessment rate. For all large Risk Category I institutions, additional risk factors are 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 is limited to no more than one basis point.

Effective April 1, 2009, the FDIC introduced three possible adjustments to an institution's initial base assessment rate: (1) a decrease of up to 5 basis points for long-term unsecured debt and, for small institutions, a portion of Tier 1 capital; (2) an increase not to exceed 50 percent of an institution's assessment rate before the increase for secured liabilities in excess of 25 percent of domestic deposits; and (3) for non-Risk Category I institutions, an increase not to exceed 10 basis points for brokered deposits in excess of 10 percent of domestic deposits. After applying all possible adjustments, minimum and maximum total base assessment rates for each risk category are as follows:

Total Base Assessment Rates*

	Risk Category I	Risk Category II	Risk Category III	Risk Category IV
Initial base assessment rate	12–16	22	32	45
Unsecured debt adjustment	-5–0	-5–0	-5–0	-5–0
Secured liability adjustment	0–8	0–11	0–16	0–22.5
Brokered deposit adjustment	–	0–10	0–10	0–10
Total base assessment rate	7–24.0	17–43.0	27–58.0	40–77.5

*All amounts for all risk categories are in basis points annually. Total base rates that are not the minimum or maximum rate will vary between these rates.

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 is generally due on the 30th day of the last month of the quarter following the assessment period. Supervisory rating changes are effective for assessment purposes as of the examination transmittal date. For institutions with long-term debt issuer ratings, changes in ratings are effective for assessment purposes as of the date the change was announced.

Special Assessment – On May 22, 2009, the FDIC board approved a final rule that imposed a 5 basis point special assessment as of June 30, 2009. The special assessment was

levied on each insured depository institution's assets minus its Tier 1 capital as reported in its report of condition as of June 30, 2009. The special assessment was collected September 30, 2009, at the same time that the risk-based assessment for the second quarter of 2009 was collected. The special assessment for any institution was capped at 10 basis points of the institution's assessment base for the second quarter of 2009 risk-based assessment.

Prepaid Deposit Insurance Assessments – In November 2009, the FDIC Board of Directors adopted a final rule requiring insured depository institutions (except those that are exempted) to prepay their quarterly risk-based deposit insurance assessments for the fourth quarter of 2009, and for all of 2010, 2011, and 2012, on December 30, 2009. Each institution's regular risk-based deposit insurance assessment for the third quarter of 2009, which is paid in arrears, also is payable on December 30, 2009.

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.

Temporary Liquidity Guarantee Program (TLGP) – was approved by the FDIC Board on October 13, 2008. The TLGP was designed to help relieve the crisis in the credit markets by giving banks access to liquidity during a time of global financial distress. Participation in the TLGP is voluntary. The TLGP has two components:

Transaction Account Guarantee Program (TAGP) provides a full guarantee of non-interest-bearing deposit transaction accounts above $250,000, at depository institutions that elected to participate in the program. On August 26, 2009, the FDIC Board voted to extend the TAGP six months beyond its original expiration date to June 30, 2010. On April 13, 2010 the FDIC Board adopted an interim rule extending the TAG program for six months through December 31, 2010, with a possibility of an additional 12-month extension, through December 31, 2011. (Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) provides temporary unlimited insurance coverage to noninterest-bearing transaction accounts at all FDIC-insured institutions. The separate coverage for these accounts becomes effective on December 31, 2010, and ends on December 31, 2012.)

Debt Guarantee Program (DGP) provides a full guarantee of senior unsecured debt[1] issued by eligible institutions after October 14, 2008. Initially, debt issued before June 30, 2009, and maturing on or before June 30, 2012, could be guaranteed. On March 17, 2009, the deadline for issuance under the program was extended to October 31, 2009, and the expiration of the guarantee was set at the earlier of maturity of the debt or December 31, 2012. Institutions eligible for participation in the debt guarantee program include insured depository institutions, U.S. bank holding companies, certain U.S. savings and loan holding companies, and other affiliates of an insured depository institution that the FDIC designates as eligible entities. The FDIC Board adopted a final rule on October 20, 2009, that established a limited six-month emergency guarantee facility upon expiration of the DGP.

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.

[1] Senior unsecured debt generally includes term Federal funds purchased, promissory notes, commercial paper, unsubordinated unsecured notes, certificates of deposit (CDs) standing to the credit of a bank, and U.S. dollar denominated bank deposits owed to an insured depository institution.