

FDIC Quarterly

Quarterly Banking Profile:

First Quarter 2008

Highlights:

- *Industry Earnings Decline 46 Percent from Year-Earlier Level*
- *Loss Provisions Absorb a Higher Share of Revenue*
- *Troubled Loans Accumulate in Real Estate Portfolios*
- *Lending Growth Slows*
- *Fourth Quarter 2007 Earnings Are Revised Below \$1 Billion*

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FDIC Quarterly

2008, Volume 2, Number 2

Quarterly Banking Profile: First Quarter 2008

FDIC-insured commercial banks and savings institutions reported net income of \$19.3 billion in the first quarter of 2008, a decline of \$16.3 billion from the \$35.6 billion that the industry earned in the first quarter of 2007. Insured institutions set aside \$37.1 billion in loan-loss provisions during the quarter, as the asset quality of real estate portfolios continued to deteriorate. The average return on assets (ROA) was 0.59 percent, falling from 1.20 percent in the first quarter of 2007. *See page 1.*

Insurance Fund Indicators

Insured deposits increased 3.3 percent in the first quarter, and the Deposit Insurance Fund reserve ratio fell to 1.19 percent. Two institutions failed during the quarter. *See page 14.*

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INSURED INSTITUTION PERFORMANCE

- **Industry Earnings Decline 46 Percent from Year-Earlier Level**
- **Loss Provisions Absorb a Higher Share of Revenue**
- **Troubled Loans Accumulate in Real Estate Portfolios**
- **Lending Growth Slows**
- **Fourth Quarter 2007 Earnings Are Revised Below \$1 Billion**

Real Estate Troubles Hold Down Earnings

Deteriorating asset quality concentrated in real estate loan portfolios continued to take a toll on the earnings performance of many insured institutions in first quarter 2008. Higher loss provisions were the primary reason that industry earnings for the quarter totaled only \$19.3 billion, compared to \$35.6 billion a year earlier. FDIC-insured commercial banks and savings institutions set aside \$37.1 billion in loan-loss provisions during the quarter, more than four times the \$9.2 billion set aside in first quarter 2007. Provisions absorbed 24 percent of the industry's net operating revenue (net interest income plus total noninterest income) in the quarter, compared to only 6 percent in the first quarter of 2007. The average return on assets (ROA) was 0.59 percent, falling from 1.20 percent in first quarter 2007. The first quarter's ROA is the second-lowest since fourth quarter 1991. The downward trend in profitability was relatively broad: slightly more than half of all insured institutions (50.4 percent) reported year-over-year declines in quarterly earnings. However, the brunt of the earnings decline was borne by larger institutions. Almost two out of every three institutions with more than \$10 billion in assets (62.4 percent) reported lower net income in the first quarter, and four large institutions accounted for more than half of the \$16.3-billion decline in industry net income.

Restatements Shrink Fourth Quarter 2007 Profits Substantially

Industry earnings for the fourth quarter of 2007 were previously reported as \$5.8 billion, but sizable restatements by a few institutions caused fourth quarter net income to decline to \$646 million. This is the lowest quarterly net income for the industry since insured institutions posted an aggregate net loss in the fourth quarter of 1990. After the restatements, the fourth quarter 2007 industry ROA was reduced to 0.02 percent. Most of the restatements stemmed from increased charges for goodwill impairment. The writedowns of goodwill reduced the industry's equity capital, based on Generally Accepted Accounting Principles (GAAP), by approximately \$4.7 billion (0.3 percent) from the amount originally reported, but they had no effect on regulatory capital levels, since goodwill is not included in capital for regulatory purposes.

Market-Sensitive Revenues Remain Weak at Large Institutions

In addition to the sharp increase in loan-loss provisions, lower noninterest income also contributed to the decline in industry earnings in the first quarter. Noninterest revenues fell on a year-over-year basis for a second consecutive quarter, declining by \$1.7 billion (2.8 percent). Income

Chart 1

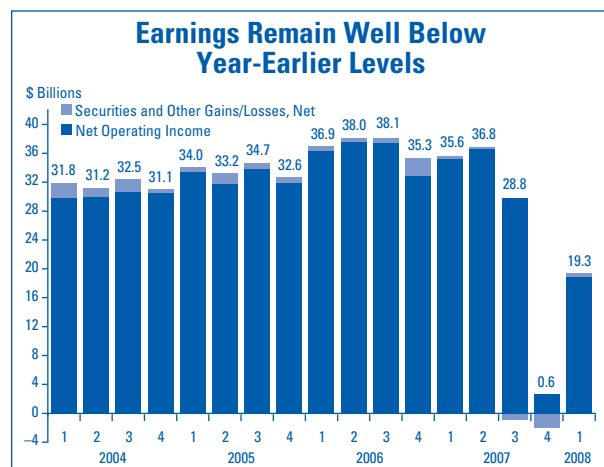
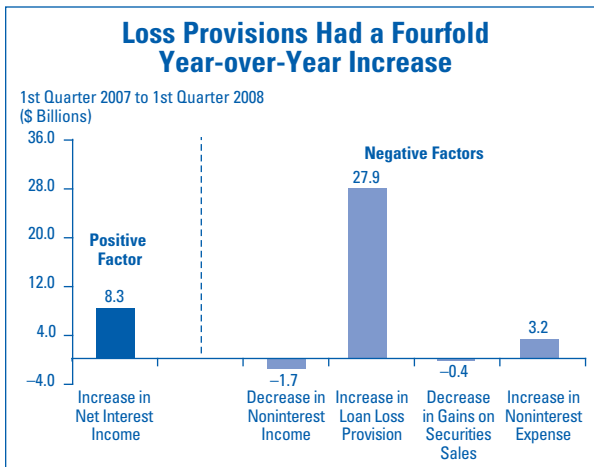


Chart 2



from trading was \$4.8 billion (67.8 percent) lower than in first quarter 2007, while sales of loans yielded \$1.7 billion in losses compared to \$2.0 billion in gains a year earlier. Sales of real estate acquired through foreclosure (OREO), which produced \$3 million in gains a year ago, resulted in losses of \$310 million in the first quarter. Other market-related sources of noninterest income, such as investment banking fees and venture capital revenue, were also lower than a year ago. In contrast, noninterest revenues that were based on transactional activities registered gains. Income from fiduciary activities was up by \$867 million (12.7 percent), while income from service charges on deposit accounts rose by \$862 million (9.4 percent). Revaluations of certain assets and liabilities under recently adopted fair value accounting¹ reduced first quarter noninterest income by \$1.2 billion. Fewer than one in three institutions reported year-over-year declines in noninterest income because the weakness in market-sensitive revenues primarily affected large institutions. Noninterest expense growth was relatively benign; total noninterest expense rose by \$3.2 billion (3.7 percent) year-over-year. Net interest income was \$8.3 billion (9.6 percent) above the level of a year earlier, as interest-earning asset growth remained relatively strong and net interest margins improved slightly at large institutions.

Interest Rate Environment Squeezes Community Bank Margins

The industry's net interest margin in the first quarter was 3.33 percent, compared to 3.32 percent in both the fourth and first quarters of 2007. However, margins fell at most institutions, with 70 percent reporting declines from fourth-quarter 2007 levels and 61 percent reporting declines compared to first-quarter 2007 levels. The average margin at community banks—institutions with less than \$1 billion in total assets—fell to 3.70 percent, the

lowest level since fourth quarter 1988. Community banks' funding costs did not reprice downward as rapidly as larger institutions' when short-term interest rates declined, owing to the larger share of retail deposits in community banks' liabilities, the low level of interest rates, and the relative sharpness of the rate decline. Retail deposits typically reprice more slowly and their rates generally have a higher floor than other short-term liabilities. Margins improved at larger institutions because their short-term nondeposit borrowings repriced downward more quickly with the decline in market interest rates.

Charge-Off Rate Climbs to Five-Year High

Insured institutions charged off \$19.6 billion (net) during the first quarter, an increase of \$11.4 billion (139.1 percent) over the first quarter of 2007. This is the second consecutive quarter of very high net charge-offs—fourth-quarter charge-offs totaled \$16.4 billion. The annualized net charge-off rate in the first quarter rose to 0.99 percent, more than double the 0.45 percent rate of a year earlier and the highest quarterly net charge-off rate since the fourth quarter of 2001. Loss rates were higher at larger institutions. The average net charge-off rate at institutions with more than \$1 billion in assets was 1.09 percent, more than three and a half times the 0.29 percent average rate at institutions with assets less than \$1 billion. Industry net charge-offs were higher year-over-year in all major loan categories, but the largest increases were in residential real estate loans and in real estate construction and development loans. Net charge-offs of home equity lines of credit were \$2.0 billion (614.7 percent) higher than in the first quarter of 2007, while charge-offs of closed-end junior lien mortgages increased by \$1.3 billion (1,019.1 percent), and first lien mortgage charge-offs were up by \$2.3 billion (542.5 percent). Charge-offs of real estate construction and development loans increased by \$1.6 billion (1,508.2 percent), and commercial and industrial (C&I) loan charge-offs rose by \$1.4 billion

¹ See *Accounting Changes in Notes To Users*.

Chart 3

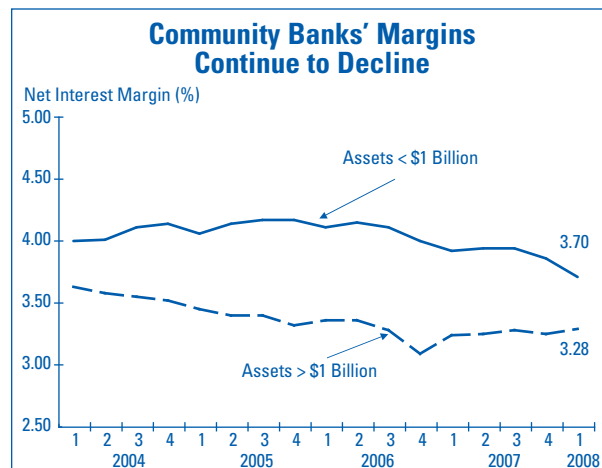
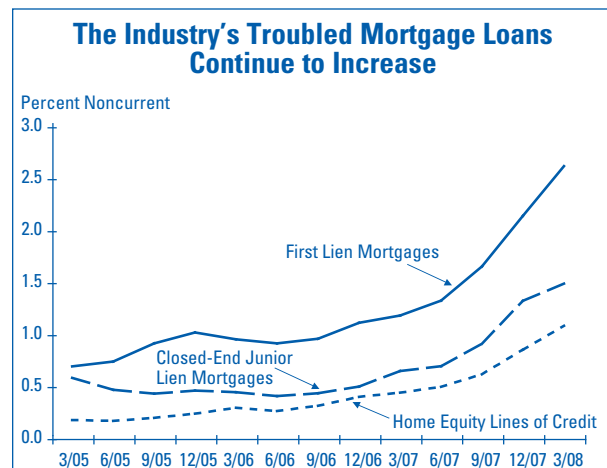


Chart 4



(130.7 percent). Charge-offs of credit card loans and other loans to individuals were higher as well (up \$1.1 billion and \$1.2 billion, respectively).

Noncurrent Loan Growth Remains High

Even with the heightened level of charge-offs, the amount of loans and leases that were noncurrent (90 days or more past due or in nonaccrual status) rose by \$26.0 billion (23.6 percent) in the first quarter, following a \$27.0-billion increase in the fourth quarter of 2007. Loans secured by real estate accounted for close to 90 percent of the total increase, but almost all major loan categories registered higher noncurrent levels. The amount of real estate construction and development loans that were noncurrent increased by \$9.5 billion (47.2 percent) during the quarter, while noncurrent loans secured by 1-4 family residential properties other than home equity lines of credit increased by \$9.3 billion (20.2 percent). Noncurrent real estate loans secured by nonfarm nonresidential properties increased by \$2.2 billion (28.5 percent), and noncurrent home equity lines of credit rose by \$1.5 billion (29.5 percent). Noncurrent C&I loans increased by \$2.4 billion (24.9 percent). During the quarter, the percentage of total loans and leases that were noncurrent rose from 1.39 percent to 1.71 percent, the highest noncurrent rate for the industry since the first quarter of 1994. At institutions with assets greater than \$1 billion, the average noncurrent rate at the end of the quarter was 1.74 percent. At smaller institutions, the average rate was 1.52 percent. More than half of all insured institutions—52.2 percent—saw their noncurrent rates rise during the first quarter. Restructured loans and leases (which are current under modified terms) increased by \$4.0 billion (57.6 percent) during the quarter, but almost half of the increase was caused by banks including restructured 1-4 family residential real estate loans for the first time. These restructured loans added

\$1.8 billion to the total amount of restructured loans at the end of the first quarter.

Reserve Coverage Loses Ground

Insured institutions continued to build their loan-loss reserves in the first quarter. They added \$37.1 billion in loss provisions to their reserves, which was \$17.5 billion more than was subtracted from reserves by charge-offs. The increased loss provisions were the main reason that reserves increased by \$18.5 billion (18.1 percent) during the quarter, to \$120.9 billion. The industry's ratio of loss reserves to total loans and leases increased from 1.30 percent to 1.52 percent, the highest level since the first quarter of 2004. However, the growth in loss reserves was outstripped by the rise in noncurrent loans, and the industry's "coverage ratio" fell for the eighth consecutive quarter, to 89 cents in reserves for every \$1.00 of noncurrent loans from 93 cents at the end of 2007. This is the lowest level for the coverage ratio since the first quarter of 1993.

Institutions Cut Dividends to Preserve Capital

Capital levels benefited from a reduction in dividend payments by many institutions during the quarter. Of the 3,776 insured institutions that paid common stock dividends in the first quarter of 2007, almost half (48 percent) paid lower dividends in the first quarter of 2008, including 666 institutions that paid no dividends. Insured institutions paid \$14.0 billion in total dividends in the first quarter, down \$12.2 billion (46.5 percent) from a year earlier. Retained earnings (net income after dividends) totaled \$5.3 billion, down \$4.1 billion (43.6 percent) from a year earlier despite the lower dividend payments. Slightly more than half of all institutions (51.8 percent) reported year-over-year declines in retained earnings. Total regulatory capital increased by \$25.5 billion (2.0 percent) in the first quarter, as tier 1 capital rose by \$15.0 billion (1.5 percent) and tier 2 capital increased by \$10.5 billion (4.1 percent). All of

Chart 5

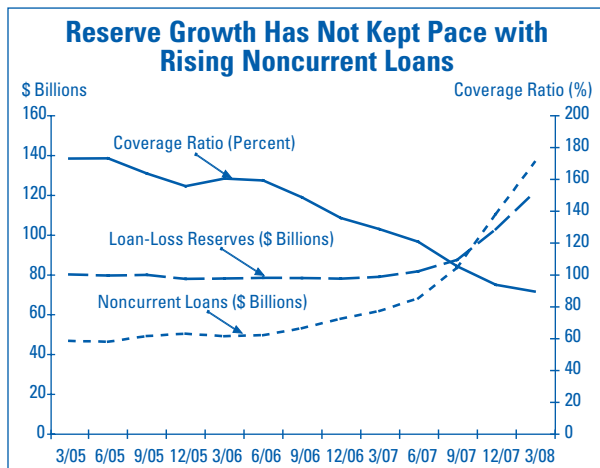
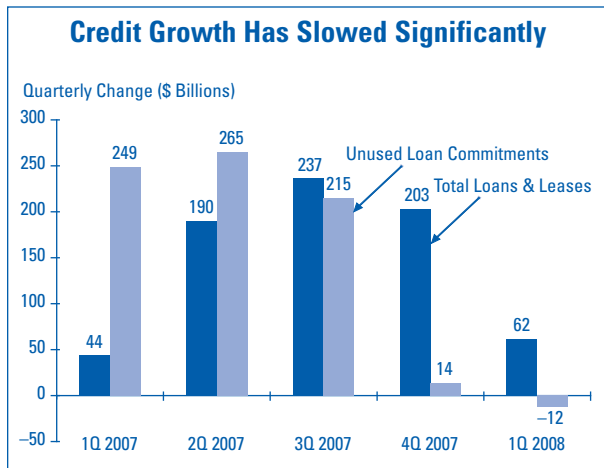


Chart 6



the increase in tier 2 capital consisted of higher loan-loss reserves. The industry's core capital (leverage) ratio declined from 7.97 percent to 7.87 percent during the quarter. The tier 1 risk-based capital ratio slipped slightly from 10.11 percent to 10.10 percent, while the total risk-based capital ratio increased from 12.78 percent to 12.83 percent. Ninety-nine percent of all insured institutions continued to meet or exceed the highest regulatory capital standards as of the end of the first quarter. Equity capital increased by \$13.5 billion in the quarter. The relatively low level of retained earnings and a sharp increase in unrealized losses on available-for-sale securities were the chief reasons for the modest rise in equity. Other comprehensive income, which includes unrealized losses on securities, reduced equity capital by \$12.1 billion in the first quarter.

Growth in Credit Slows

Total assets increased by \$335.4 billion (2.6 percent) in the first quarter, even as loan growth slowed. Trading assets increased by \$135.2 billion (15.4 percent), with much of the growth occurring in foreign offices of large banks. Total loans and leases increased by just \$61.4 billion (0.8 percent) during the quarter. Loans secured by real estate rose by \$20.5 billion (0.4 percent), the smallest quarterly increase since the first quarter of 2003. Loans secured by 1-4 family residential properties declined for the first time since the fourth quarter of 2003, falling by \$26.5 billion (1.2 percent). Real estate construction and development loans grew by \$2.7 billion (0.4 percent), the smallest quarterly increase since the fourth quarter of 2002. C&I loan growth remained relatively strong; loans to C&I borrowers increased by \$45.5 billion (3.2 percent) in the quarter. Unused loan commitments declined by \$12.3 billion (0.1 percent) during the quarter, with commitments to fund real estate construction and commercial real estate loans declining by \$18.8 billion (6.2 percent), and commitments to extend credit under home equity lines falling by \$10.3 billion (1.4 percent).

Interest-Bearing Retail Deposits Post Strong Growth

Deposits at insured institutions increased by \$150.4 billion (1.8 percent) during the quarter. Deposits in foreign offices declined for the first time in three and a half years, falling by \$5.8 billion (0.4 percent). Domestic interest-bearing deposits other than time deposits (mostly savings deposits and interest-bearing checking deposits) accounted for more than three-quarters of the growth in total deposits, increasing by \$116.7 billion (3.7 percent). Nondeposit liabilities increased by \$171.6 billion (5.2 percent), led by securities sold under repurchase agreements (up \$65.0 billion, or 12.6 percent) and trading liabilities (up \$63.2 billion, or 18.5 percent).

"Problem List" Continues to Grow

The number of insured commercial banks and savings institutions reporting financial results declined from 8,534 to 8,494 during the first quarter. Thirty-eight new charters were added, while 77 charters were absorbed by mergers and 2 institutions failed. Eighty-two insured institutions with combined assets of \$13.1 billion converted to Subchapter S corporations during the first quarter. At the end of March, almost 30 percent of all insured institutions were Subchapter S corporations. During the quarter, two mutually owned insured savings institutions with combined assets of \$1.3 billion converted to stock ownership. The number of institutions on the FDIC's "Problem List" increased from 76 to 90 in the first quarter. Total assets of "problem" institutions rose from \$22.2 billion to \$26.3 billion. This is the sixth consecutive quarter that the number of "problem" institutions has increased, from a historic low of 47 institutions at the end of third quarter 2006. The current level represents the largest number of institutions on the list since third quarter 2004, when there were 95 "problem" institutions.

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Chart 7

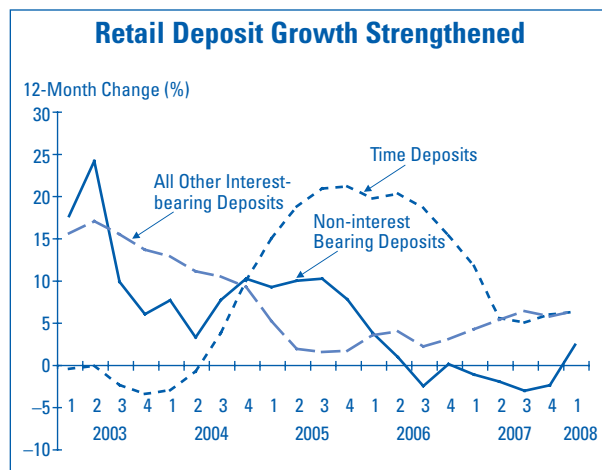


Chart 8

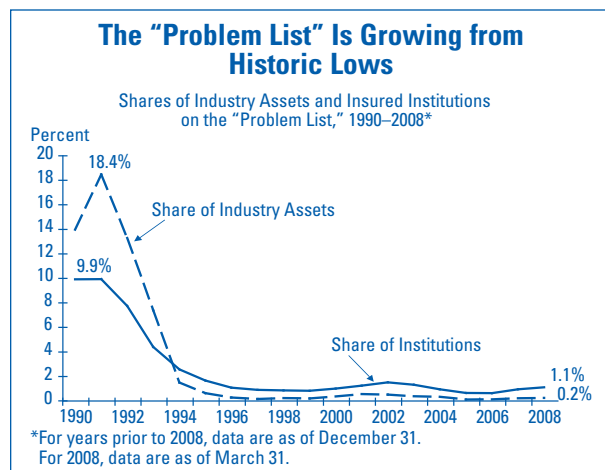


TABLE I-A. Selected Indicators, All FDIC-Insured Institutions*

| | 2008** | 2007** | 2007 | 2006 | 2005 | 2004 | 2003 |
|--|--------|--------|--------|-------|-------|-------|-------|
| Return on assets (%) | 0.59 | 1.20 | 0.81 | 1.28 | 1.28 | 1.28 | 1.38 |
| Return on equity (%) | 5.72 | 11.33 | 7.76 | 12.30 | 12.43 | 13.20 | 15.05 |
| Core capital (leverage) ratio (%) | 7.87 | 8.24 | 7.97 | 8.22 | 8.25 | 8.11 | 7.88 |
| Noncurrent assets plus | | | | | | | |
| other real estate owned to assets (%) | 1.14 | 0.57 | 0.94 | 0.54 | 0.50 | 0.53 | 0.75 |
| Net charge-offs to loans (%) | 0.99 | 0.45 | 0.59 | 0.39 | 0.49 | 0.56 | 0.78 |
| Asset growth rate (%) | 11.58 | 6.89 | 9.89 | 9.04 | 7.64 | 11.36 | 7.58 |
| Net interest margin (%) | 3.33 | 3.32 | 3.29 | 3.31 | 3.47 | 3.52 | 3.73 |
| Net operating income growth (%) | -46.31 | -2.86 | -27.49 | 8.53 | 11.39 | 4.02 | 16.39 |
| Number of institutions reporting | 8,494 | 8,649 | 8,534 | 8,680 | 8,833 | 8,976 | 9,181 |
| Commercial banks | 7,240 | 7,379 | 7,283 | 7,401 | 7,526 | 7,631 | 7,770 |
| Savings institutions | 1,254 | 1,270 | 1,251 | 1,279 | 1,307 | 1,345 | 1,411 |
| Percentage of unprofitable institutions (%) | 13.92 | 9.03 | 12.00 | 7.93 | 6.22 | 5.97 | 5.99 |
| Number of problem institutions | 90 | 53 | 76 | 50 | 52 | 80 | 116 |
| Assets of problem institutions (in billions) | \$26 | \$21 | \$22 | \$8 | \$7 | \$28 | \$30 |
| Number of failed/assisted institutions | 2 | 1 | 3 | 0 | 0 | 4 | 3 |

* Excludes insured branches of foreign banks (IBAs)

** Through March 31, ratios annualized where appropriate. Asset growth rates are for 12 months ending March 31.

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

| (dollar figures in millions) | 1st Quarter 2008 | 4th Quarter 2007 | 1st Quarter 2007 | %Change 07:1-08:1 |
|--|---------------------|---------------------|---------------------|----------------------|
| Number of institutions reporting | 8,494 | 8,534 | 8,649 | -1.8 |
| Total employees (full-time equivalent) | 2,212,766 | 2,214,965 | 2,223,383 | -0.5 |
| CONDITION DATA | | | | |
| Total assets | \$13,369,496 | \$13,034,074 | \$11,982,420 | 11.6 |
| Loans secured by real estate | 4,801,958 | 4,781,449 | 4,536,611 | 5.8 |
| 1-4 Family residential mortgages | 2,214,941 | 2,241,472 | 2,185,504 | 1.3 |
| Nonfarm nonresidential | 988,732 | 968,754 | 905,478 | 9.2 |
| Construction and development | 631,818 | 629,152 | 582,253 | 8.5 |
| Home equity lines | 625,216 | 611,389 | 556,795 | 12.3 |
| Commercial & industrial loans | 1,485,856 | 1,440,369 | 1,250,196 | 18.8 |
| Loans to individuals | 1,048,411 | 1,058,468 | 946,249 | 10.8 |
| Credit cards | 386,854 | 421,818 | 354,163 | 9.2 |
| Farm loans | 53,886 | 56,786 | 52,874 | 1.9 |
| Other loans & leases | 580,232 | 571,756 | 494,049 | 17.4 |
| Less: Unearned income | 2,457 | 2,312 | 2,288 | 7.4 |
| Total loans & leases | 7,967,887 | 7,906,516 | 7,277,691 | 9.5 |
| Less: Reserve for losses | 120,908 | 102,400 | 78,439 | 54.1 |
| Net loans and leases | 7,846,980 | 7,804,116 | 7,199,252 | 9.0 |
| Securities | 1,953,078 | 1,954,183 | 1,972,366 | -1.0 |
| Other real estate owned | 15,671 | 12,142 | 6,971 | 124.8 |
| Goodwill and other intangibles | 469,049 | 461,627 | 423,534 | 10.7 |
| All other assets | 3,084,718 | 2,801,979 | 2,380,296 | 29.6 |
| Total liabilities and capital | 13,369,496 | 13,034,074 | 11,982,420 | 11.6 |
| Deposits | 8,565,738 | 8,415,353 | 7,895,367 | 8.5 |
| Domestic office deposits | 7,069,007 | 6,912,778 | 6,695,092 | 5.6 |
| Foreign office deposits | 1,496,732 | 1,502,575 | 1,200,276 | 24.7 |
| Other borrowed funds | 2,587,215 | 2,517,409 | 2,174,409 | 19.0 |
| Subordinated debt | 185,583 | 185,393 | 165,328 | 12.3 |
| All other liabilities | 669,947 | 568,373 | 479,758 | 39.6 |
| Equity capital | 1,361,012 | 1,347,546 | 1,267,557 | 7.4 |
| Loans and leases 30-89 days past due | 111,029 | 107,920 | 70,520 | 57.4 |
| Noncurrent loans and leases | 136,037 | 110,030 | 61,293 | 121.9 |
| Restructured loans and leases | 10,899 | 6,914 | 2,862 | 280.8 |
| Direct and indirect investments in real estate | 956 | 1,097 | 1,033 | -7.5 |
| Mortgage-backed securities | 1,281,306 | 1,236,040 | 1,226,924 | 4.4 |
| Earning assets | 11,475,127 | 11,305,681 | 10,515,851 | 9.1 |
| FHLB Advances | 841,532 | 808,941 | 607,579 | 38.5 |
| Unused loan commitments | 8,304,038 | 8,316,328 | 7,822,039 | 6.2 |
| Trust assets | 20,936,709 | 21,863,464 | 20,205,834 | 3.6 |
| Assets securitized and sold*** | 1,724,123 | 1,784,676 | 1,669,276 | 3.3 |
| Notional amount of derivatives*** | 181,599,195 | 166,120,761 | 145,070,582 | 25.2 |
| INCOME DATA | | | | |
| Total interest income | \$724,866 | \$643,488 | \$178,610 | 1.4 |
| Total interest expense | 372,143 | 313,353 | 83,899 | -6.5 |
| Net interest income | 352,723 | 330,136 | 94,711 | 9.6 |
| Provision for loan and lease losses | 69,034 | 29,545 | 37,120 | 303.9 |
| Total noninterest income | 233,069 | 240,431 | 60,554 | -2.8 |
| Total noninterest expense | 367,034 | 332,307 | 90,881 | 3.7 |
| Securities gains (losses) | -1,362 | 1,969 | 1,222 | -22.9 |
| Applicable income taxes | 46,490 | 68,081 | 9,009 | -47.4 |
| Extraordinary gains, net | -1,735 | 2,669 | -130 | 81.1 |
| Net income | 100,137 | 145,273 | 19,347 | -45.7 |
| Net charge-offs | 44,111 | 27,016 | 63.3 | 139.1 |
| Cash dividends | 110,345 | 93,446 | 14,009 | -46.5 |
| Retained earnings | -10,208 | 51,826 | 5,338 | -43.6 |
| Net operating income | 102,548 | 141,418 | 18,922 | -46.3 |

*** Call Report filers only.

N/M - Not Meaningful

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

| FIRST QUARTER (The way it is...) | All Insured Institutions | Asset Concentration Groups* | | | | | | | | |
|--|-----------------------------|-----------------------------|------------------------|-----------------------|-----------------------|---------------------|---------------------|--------------------------------------|---------------------------|---------------------------|
| | | Credit Card Banks | International Banks | Agricultural Banks | Commercial Lenders | Mortgage Lenders | Consumer Lenders | Other Specialized <\$1 Billion | All Other <\$1 Billion | All Other >\$1 Billion |
| Number of institutions reporting | 8,494 | 26 | 6 | 1,550 | 4,749 | 807 | 102 | 364 | 838 | 52 |
| Commercial banks | 7,240 | 23 | 6 | 1,545 | 4,251 | 195 | 78 | 331 | 770 | 41 |
| Savings institutions | 1,254 | 3 | 0 | 5 | 498 | 612 | 24 | 33 | 68 | 11 |
| Total assets (in billions) | \$13,369.5 | \$448.5 | \$3,085.6 | \$158.0 | \$5,271.1 | \$1,363.3 | \$66.4 | \$39.1 | \$113.0 | \$2,824.5 |
| Commercial banks | 11,494.7 | 431.0 | 3,085.6 | 157.5 | 4,717.1 | 212.6 | 28.6 | 33.7 | 96.5 | 2,732.3 |
| Savings institutions | 1,874.7 | 17.6 | 0.0 | 0.4 | 554.0 | 1,150.8 | 37.8 | 5.5 | 16.5 | 92.2 |
| Total deposits (in billions) | 8,565.7 | 155.3 | 1,868.4 | 127.8 | 3,668.2 | 781.7 | 54.5 | 28.9 | 92.7 | 1,788.3 |
| Commercial banks | 7,433.4 | 151.0 | 1,868.4 | 127.4 | 3,338.2 | 83.9 | 21.9 | 25.0 | 79.6 | 1,737.9 |
| Savings institutions | 1,132.4 | 4.2 | 0.0 | 0.4 | 330.0 | 697.7 | 32.6 | 3.9 | 13.1 | 50.4 |
| Net income (in millions) | 19,347 | 5,189 | 2,600 | 466 | 10,197 | -720 | 211 | 209 | 284 | 911 |
| Commercial banks | 19,302 | 5,049 | 2,600 | 466 | 9,324 | 480 | 117 | 141 | 272 | 855 |
| Savings institutions | 45 | 140 | 0 | 1 | 873 | -1,200 | 95 | 68 | 13 | 56 |
| Performance Ratios (%) | | | | | | | | | | |
| Yield on earning assets | 6.28 | 12.22 | 5.74 | 6.71 | 6.50 | 6.25 | 7.49 | 5.19 | 6.29 | 5.47 |
| Cost of funding earning assets | 2.95 | 3.58 | 2.91 | 2.87 | 2.83 | 3.52 | 2.58 | 2.12 | 2.68 | 2.86 |
| Net interest margin | 3.33 | 8.64 | 2.83 | 3.84 | 3.67 | 2.73 | 4.90 | 3.07 | 3.61 | 2.61 |
| Noninterest income to assets | 1.84 | 11.06 | 1.83 | 0.66 | 1.58 | 1.22 | 2.19 | 10.29 | 0.92 | 1.12 |
| Noninterest expense to assets | 2.76 | 6.29 | 2.71 | 2.61 | 2.88 | 2.30 | 3.25 | 9.68 | 2.93 | 2.11 |
| Loan and lease loss provision to assets | 1.13 | 5.14 | 0.95 | 0.17 | 0.85 | 1.89 | 1.87 | 0.11 | 0.14 | 0.89 |
| Net operating income to assets | 0.57 | 4.16 | 0.37 | 1.17 | 0.73 | -0.26 | 1.15 | 2.13 | 0.97 | 0.25 |
| Pretax return on assets | 0.86 | 7.18 | 0.47 | 1.42 | 1.15 | -0.39 | 1.97 | 3.29 | 1.23 | 0.21 |
| Return on assets | 0.59 | 4.60 | 0.35 | 1.20 | 0.78 | -0.21 | 1.30 | 2.18 | 1.02 | 0.13 |
| Return on equity | 5.72 | 20.59 | 4.44 | 10.66 | 6.87 | -2.57 | 14.31 | 10.74 | 9.00 | 1.36 |
| Net charge-offs to loans and leases | 0.99 | 4.97 | 1.13 | 0.14 | 0.70 | 1.15 | 1.78 | 0.23 | 0.17 | 0.64 |
| Loan and lease loss provision to net charge-offs | 189.35 | 138.90 | 202.29 | 184.24 | 172.68 | 231.27 | 121.83 | 187.06 | 143.45 | 262.33 |
| Efficiency ratio | 56.73 | 32.15 | 64.01 | 62.03 | 57.75 | 60.86 | 47.23 | 73.91 | 68.72 | 61.82 |
| % of unprofitable institutions | 13.92 | 7.69 | 16.67 | 3.42 | 17.46 | 16.98 | 9.80 | 26.10 | 5.73 | 13.46 |
| % of institutions with earnings gains | 48.23 | 53.85 | 66.67 | 60.52 | 42.91 | 50.06 | 52.94 | 43.96 | 55.25 | 42.31 |
| Condition Ratios (%) | | | | | | | | | | |
| Earning assets to total assets | 85.83 | 78.88 | 81.90 | 91.80 | 87.79 | 91.61 | 94.58 | 89.48 | 91.92 | 83.95 |
| Loss allowance to: | | | | | | | | | | |
| Loans and leases | 1.52 | 4.95 | 1.75 | 1.31 | 1.36 | 1.31 | 1.75 | 1.37 | 1.19 | 1.13 |
| Noncurrent loans and leases | 88.88 | 222.70 | 112.56 | 103.49 | 77.12 | 54.97 | 209.06 | 146.56 | 114.53 | 90.28 |
| Noncurrent assets plus | | | | | | | | | | |
| other real estate owned to assets | 1.14 | 1.61 | 0.68 | 0.98 | 1.41 | 1.97 | 0.73 | 0.28 | 0.74 | 0.70 |
| Equity capital ratio | 10.18 | 22.86 | 7.57 | 11.22 | 11.36 | 8.09 | 9.01 | 19.97 | 11.33 | 9.61 |
| Core capital (leverage) ratio | 7.87 | 15.33 | 6.07 | 10.17 | 8.82 | 7.92 | 8.89 | 18.01 | 10.78 | 6.55 |
| Tier 1 risk-based capital ratio | 10.10 | 14.89 | 8.49 | 13.68 | 10.18 | 12.98 | 10.49 | 39.32 | 17.66 | 8.77 |
| Total risk-based capital ratio | 12.83 | 17.65 | 12.37 | 14.74 | 12.42 | 14.95 | 12.56 | 40.31 | 18.77 | 11.81 |
| Net loans and leases to deposits | 91.61 | 199.86 | 65.82 | 79.75 | 99.63 | 123.11 | 100.60 | 32.27 | 67.14 | 81.73 |
| Net loans to total assets | 58.69 | 69.18 | 39.86 | 64.49 | 69.33 | 70.59 | 82.64 | 23.82 | 55.10 | 51.75 |
| Domestic deposits to total assets | 52.87 | 32.42 | 25.93 | 80.86 | 66.25 | 57.28 | 80.80 | 71.01 | 82.08 | 54.82 |
| Structural Changes | | | | | | | | | | |
| New Charters | 38 | 0 | 0 | 0 | 10 | 1 | 0 | 27 | 0 | 0 |
| Institutions absorbed by mergers | 77 | 0 | 0 | 12 | 52 | 6 | 0 | 1 | 5 | 1 |
| Failed Institutions | 2 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| PRIOR FIRST QUARTERS (The way it was...) | | | | | | | | | | |
| Number of institutions | 2007 8,649 | 26 | 4 | 1,617 | 4,719 | 798 | 115 | 403 | 906 | 61 |
| 2005 | 8,931 | 28 | 5 | 1,698 | 4,489 | 971 | 134 | 459 | 1,079 | 68 |
| 2003 | 9,313 | 41 | 5 | 1,800 | 4,100 | 1,072 | 172 | 500 | 1,524 | 99 |
| Total assets (in billions) | 2007 \$11,982.4 | \$407.2 | \$2,435.7 | \$149.0 | \$4,757.5 | \$1,507.4 | \$99.4 | \$45.7 | \$119.5 | \$2,461.0 |
| 2005 | 10,286.4 | 363.7 | 1,875.5 | 135.1 | 3,466.7 | 1,582.0 | 110.9 | 54.5 | 137.0 | 2,561.0 |
| 2003 | 8,605.7 | 289.3 | 1,275.2 | 121.7 | 3,054.1 | 1,418.3 | 366.0 | 59.1 | 201.9 | 1,820.2 |
| Return on assets (%) | 2007 1.20 | 3.84 | 0.93 | 1.19 | 1.15 | 0.91 | 1.77 | 2.03 | 0.99 | 1.25 |
| 2005 | 1.34 | 3.22 | 0.92 | 1.28 | 1.32 | 1.20 | 1.52 | 1.52 | 1.17 | 1.48 |
| 2003 | 1.39 | 3.59 | 1.08 | 1.23 | 1.32 | 1.53 | 1.57 | 1.23 | 1.13 | 1.25 |
| Net charge-offs to loans & leases (%) | 2007 0.45 | 3.86 | 0.57 | 0.14 | 0.23 | 0.21 | 1.43 | 0.18 | 0.17 | 0.31 |
| 2005 | 0.47 | 4.39 | 0.76 | 0.13 | 0.22 | 0.10 | 1.49 | 0.22 | 0.21 | 0.18 |
| 2003 | 0.81 | 5.49 | 1.51 | 0.15 | 0.55 | 0.18 | 0.90 | 0.36 | 0.25 | 0.61 |
| Noncurrent assets plus | | | | | | | | | | |
| OREO to assets (%) | 2007 0.57 | 1.32 | 0.41 | 0.78 | 0.62 | 0.67 | 0.55 | 0.18 | 0.59 | 0.45 |
| 2005 | 0.50 | 1.26 | 0.54 | 0.71 | 0.49 | 0.41 | 0.52 | 0.30 | 0.56 | 0.42 |
| 2003 | 0.86 | 1.54 | 1.10 | 0.97 | 0.86 | 0.68 | 0.81 | 0.63 | 0.72 | 0.76 |
| Equity capital ratio (%) | 2007 10.58 | 24.50 | 7.67 | 10.87 | 11.33 | 10.15 | 10.25 | 20.27 | 11.26 | 9.75 |
| 2005 | 10.26 | 21.96 | 8.17 | 10.78 | 9.95 | 10.83 | 11.10 | 17.09 | 10.79 | 9.97 |
| 2003 | 9.20 | 16.59 | 7.20 | 10.78 | 9.36 | 9.01 | 8.45 | 16.06 | 10.57 | 8.97 |

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

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

| | All Insured Institutions | Asset Size Distribution | | | | Geographic Regions* | | | | | | |
|--|--------------------------|-------------------------|------------------------------|-----------------------------|---------------------------|---------------------|------------------|------------------|------------------|----------------|------------------|------------------|
| | | Less than \$100 Million | \$100 Million to \$1 Billion | \$1 Billion to \$10 Billion | Greater than \$10 Billion | New York | Atlanta | Chicago | Kansas City | Dallas | San Francisco | |
| FIRST QUARTER | | | | | | | | | | | | |
| (The way it is...) | | | | | | | | | | | | |
| Number of institutions reporting | 8,494 | 3,347 | 4,481 | 549 | 117 | 1,035 | 1,223 | 1,752 | 1,969 | 1,731 | 784 | |
| Commercial banks | 7,240 | 2,975 | 3,761 | 419 | 85 | 539 | 1,078 | 1,446 | 1,861 | 1,604 | 712 | |
| Savings institutions | 1,254 | 372 | 720 | 130 | 32 | 496 | 145 | 306 | 108 | 127 | 72 | |
| Total assets (in billions) | \$13,369.5 | \$178.0 | \$1,334.3 | \$1,438.2 | \$10,419.0 | \$2,477.4 | \$3,423.6 | \$2,963.1 | \$1,001.6 | \$749.0 | \$2,754.8 | |
| Commercial banks | 11,494.7 | 159.0 | 1,085.2 | 1,111.3 | 9,139.2 | 1,788.4 | 3,155.2 | 2,815.2 | 958.5 | 623.7 | 2,153.7 | |
| Savings institutions | 1,874.7 | 19.0 | 249.1 | 326.9 | 1,279.7 | 689.0 | 268.3 | 147.8 | 43.2 | 125.4 | 601.1 | |
| Total deposits (in billions) | 8,565.7 | 144.7 | 1,055.8 | 1,012.4 | 6,352.9 | 1,539.1 | 2,205.7 | 1,880.2 | 713.7 | 548.2 | 1,678.8 | |
| Commercial banks | 7,433.4 | 130.3 | 870.6 | 782.4 | 5,650.0 | 1,079.4 | 2,039.3 | 1,775.4 | 683.5 | 475.5 | 1,380.3 | |
| Savings institutions | 1,132.4 | 14.4 | 185.2 | 230.0 | 702.8 | 459.7 | 166.5 | 104.8 | 30.2 | 72.7 | 298.5 | |
| Net income (in millions) | 19,347 | 323 | 2,635 | 2,710 | 13,679 | 6,370 | 2,702 | 5,425 | 3,485 | 1,721 | -356 | |
| Commercial banks | 19,302 | 262 | 2,378 | 2,503 | 14,159 | 5,430 | 3,104 | 5,262 | 3,473 | 1,593 | 439 | |
| Savings institutions | 45 | 61 | 257 | 207 | -480 | 940 | -402 | 162 | 12 | 129 | -795 | |
| Performance Ratios (annualized, %) | | | | | | | | | | | | |
| Yield on earning assets | 6.28 | 6.63 | 6.67 | 6.58 | 6.17 | 6.48 | 5.99 | 5.69 | 6.82 | 6.49 | 6.81 | |
| Cost of funding earning assets | 2.95 | 2.75 | 3.00 | 2.96 | 2.94 | 2.99 | 3.00 | 2.86 | 2.65 | 2.80 | 3.08 | |
| Net interest margin | 3.33 | 3.88 | 3.67 | 3.62 | 3.23 | 3.49 | 2.98 | 2.83 | 4.16 | 3.69 | 3.73 | |
| Noninterest income to assets | 1.84 | 1.57 | 1.02 | 1.52 | 1.99 | 2.32 | 1.52 | 2.08 | 3.20 | 1.45 | 1.14 | |
| Noninterest expense to assets | 2.76 | 3.97 | 3.07 | 2.92 | 2.67 | 2.85 | 2.45 | 2.48 | 3.71 | 3.09 | 2.90 | |
| Loan and lease loss provision to assets | 1.13 | 0.24 | 0.33 | 0.76 | 1.29 | 0.99 | 1.08 | 1.02 | 1.15 | 0.57 | 1.56 | |
| Net operating income to assets | 0.57 | 0.68 | 0.76 | 0.73 | 0.53 | 0.98 | 0.38 | 0.68 | 1.30 | 0.84 | 0.00 | |
| Pretax return on assets | 0.86 | 0.98 | 1.04 | 1.19 | 0.79 | 1.58 | 0.49 | 1.11 | 2.11 | 1.23 | -0.14 | |
| Return on assets | 0.59 | 0.74 | 0.80 | 0.76 | 0.53 | 1.04 | 0.32 | 0.75 | 1.40 | 0.94 | -0.05 | |
| Return on equity | 5.72 | 5.29 | 7.61 | 6.86 | 5.30 | 8.64 | 3.09 | 8.18 | 14.36 | 9.46 | -0.52 | |
| Net charge-offs to loans and leases | 0.99 | 0.20 | 0.30 | 0.68 | 1.16 | 1.14 | 0.76 | 0.84 | 1.12 | 0.45 | 1.38 | |
| Loan and lease loss provision to net charge-offs | 189.35 | 191.73 | 155.03 | 159.54 | 193.65 | 152.69 | 230.76 | 226.59 | 147.22 | 188.80 | 179.41 | |
| Efficiency ratio | 56.73 | 77.17 | 69.24 | 57.31 | 54.78 | 51.07 | 58.38 | 53.74 | 52.83 | 63.81 | 64.41 | |
| % of unprofitable institutions | 13.92 | 20.11 | 9.64 | 9.29 | 22.22 | 17.87 | 25.10 | 11.59 | 7.01 | 8.84 | 25.00 | |
| % of institutions with earnings gains | 48.23 | 47.09 | 49.48 | 47.72 | 35.90 | 48.21 | 29.76 | 52.57 | 57.75 | 51.36 | 36.61 | |
| Condition Ratios (%) | | | | | | | | | | | | |
| Earning assets to total assets | 85.83 | 91.95 | 91.92 | 90.70 | 84.27 | 85.41 | 84.97 | 85.48 | 86.82 | 90.13 | 86.12 | |
| Loss Allowance to: | | | | | | | | | | | | |
| Loans and leases | 1.52 | 1.30 | 1.20 | 1.39 | 1.59 | 1.68 | 1.34 | 1.56 | 1.50 | 1.25 | 1.65 | |
| Noncurrent loans and leases | 88.88 | 93.25 | 78.32 | 75.63 | 92.68 | 123.82 | 85.93 | 85.07 | 78.98 | 80.45 | 81.56 | |
| Noncurrent assets plus other real estate owned to assets | 1.14 | 1.10 | 1.33 | 1.43 | 1.07 | 0.81 | 1.08 | 1.09 | 1.51 | 1.21 | 1.40 | |
| Equity capital ratio | 10.18 | 13.79 | 10.52 | 11.14 | 9.94 | 12.10 | 10.20 | 9.06 | 9.73 | 9.88 | 9.88 | |
| Core capital (leverage) ratio | 7.87 | 13.49 | 9.90 | 9.39 | 7.30 | 8.75 | 6.97 | 7.13 | 7.90 | 8.79 | 8.70 | |
| Tier 1 risk-based capital ratio | 10.10 | 19.68 | 13.11 | 11.91 | 9.32 | 11.95 | 8.82 | 8.81 | 9.55 | 11.14 | 11.52 | |
| Total risk-based capital ratio | 12.83 | 20.72 | 14.21 | 13.23 | 12.48 | 14.02 | 11.61 | 11.87 | 12.27 | 12.84 | 14.64 | |
| Net loans and leases to deposits | 91.61 | 75.58 | 87.62 | 96.92 | 91.79 | 88.63 | 94.20 | 81.85 | 95.62 | 89.25 | 100.92 | |
| Net loans to total assets | 58.69 | 61.45 | 69.33 | 68.22 | 55.97 | 55.06 | 60.69 | 51.94 | 68.13 | 65.32 | 61.50 | |
| Domestic deposits to total assets | 52.87 | 81.29 | 79.01 | 69.69 | 46.72 | 53.26 | 58.07 | 49.55 | 64.41 | 72.37 | 40.15 | |
| Structural Changes | | | | | | | | | | | | |
| New Charters | 38 | 38 | 0 | 0 | 0 | 7 | 14 | 0 | 1 | 7 | 9 | |
| Institutions absorbed by mergers | 77 | 31 | 33 | 11 | 2 | 10 | 16 | 10 | 22 | 17 | 2 | |
| Failed Institutions | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | |
| PRIOR FIRST QUARTERS | | | | | | | | | | | | |
| (The way it was...) | | | | | | | | | | | | |
| Number of institutions | 2007 | 8,649 | 3,597 | 4,397 | 536 | 119 | 1,087 | 1,222 | 1,818 | 2,007 | 1,742 | 773 |
| | 2005 | 8,931 | 4,053 | 4,285 | 480 | 113 | 1,118 | 1,220 | 1,932 | 2,089 | 1,824 | 748 |
| | 2003 | 9,313 | 4,613 | 4,135 | 456 | 109 | 1,201 | 1,243 | 2,046 | 2,159 | 1,892 | 772 |
| Total assets (in billions) | 2007 | \$11,982.4 | \$189.6 | \$1,298.2 | \$1,420.9 | \$9,073.7 | \$2,204.1 | \$2,948.8 | \$2,778.8 | \$863.4 | \$662.8 | \$2,524.5 |
| | 2005 | 10,286.4 | 210.1 | 1,207.8 | 1,324.5 | 7,544.1 | 2,843.6 | 2,274.0 | 2,423.0 | 762.9 | 618.5 | 1,364.4 |
| | 2003 | 8,605.7 | 235.8 | 1,138.2 | 1,292.0 | 5,939.7 | 2,938.4 | 1,749.1 | 1,608.2 | 437.1 | 591.7 | 1,281.3 |
| Return on assets (%) | 2007 | 1.20 | 0.85 | 1.08 | 1.14 | 1.23 | 1.13 | 1.22 | 1.07 | 1.75 | 1.11 | 1.20 |
| | 2005 | 1.34 | 1.04 | 1.21 | 1.34 | 1.36 | 1.31 | 1.44 | 1.01 | 1.67 | 1.28 | 1.64 |
| | 2003 | 1.39 | 1.02 | 1.19 | 1.33 | 1.45 | 1.26 | 1.36 | 1.40 | 1.53 | 1.39 | 1.64 |
| Net charge-offs to loans & leases (%) | 2007 | 0.45 | 0.15 | 0.13 | 0.25 | 0.55 | 0.81 | 0.22 | 0.31 | 0.63 | 0.19 | 0.57 |
| | 2005 | 0.47 | 0.12 | 0.15 | 0.27 | 0.57 | 0.71 | 0.22 | 0.32 | 0.58 | 0.20 | 0.63 |
| | 2003 | 0.81 | 0.19 | 0.27 | 0.49 | 1.03 | 1.24 | 0.62 | 0.63 | 1.04 | 0.37 | 0.65 |
| Noncurrent assets plus OREO to assets (%) | 2007 | 0.57 | 0.77 | 0.67 | 0.58 | 0.55 | 0.55 | 0.36 | 0.60 | 1.08 | 0.63 | 0.61 |
| | 2005 | 0.50 | 0.74 | 0.54 | 0.48 | 0.49 | 0.52 | 0.32 | 0.51 | 0.78 | 0.59 | 0.52 |
| | 2003 | 0.86 | 0.92 | 0.76 | 0.69 | 0.92 | 0.94 | 0.76 | 0.98 | 0.82 | 0.83 | 0.72 |
| Equity capital ratio (%) | 2007 | 10.58 | 13.24 | 10.50 | 11.24 | 10.43 | 12.73 | 10.04 | 9.13 | 10.57 | 10.60 | 10.92 |
| | 2005 | 10.26 | 11.85 | 10.08 | 10.74 | 10.16 | 11.29 | 8.49 | 9.24 | 10.55 | 10.80 | 12.48 |
| | 2003 | 9.20 | 11.35 | 10.02 | 10.09 | 8.76 | 8.88 | 9.22 | 8.60 | 10.61 | 9.60 | 9.97 |

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

TABLE IV-A. Full Year 2007, All FDIC-Insured Institutions

| | All Insured Institutions | Asset Concentration Groups* | | | | | | | | |
|--|--------------------------|-----------------------------|---------------------|--------------------|--------------------|------------------|------------------|--------------------------------|------------------------|------------------------|
| | | Credit Card Banks | International Banks | Agricultural Banks | Commercial Lenders | Mortgage Lenders | Consumer Lenders | Other Specialized <\$1 Billion | All Other <\$1 Billion | All Other >\$1 Billion |
| Number of institutions reporting | 8,534 | 27 | 5 | 1,591 | 4,772 | 784 | 109 | 374 | 816 | 56 |
| Commercial banks | 7,283 | 23 | 5 | 1,586 | 4,278 | 181 | 84 | 332 | 752 | 42 |
| Savings institutions | 1,251 | 4 | 0 | 5 | 494 | 603 | 25 | 42 | 64 | 14 |
| Total assets (in billions) | \$13,034.1 | \$479.3 | \$2,784.3 | \$157.5 | \$4,619.0 | \$1,328.1 | \$94.9 | \$37.9 | \$110.5 | \$3,422.7 |
| Commercial banks | 11,176.1 | 437.9 | 2,784.3 | 157.1 | 4,158.8 | 211.2 | 41.7 | 29.5 | 95.4 | 3,260.2 |
| Savings institutions | 1,857.9 | 41.4 | 0.0 | 0.4 | 460.2 | 1,116.9 | 53.1 | 8.4 | 15.0 | 162.4 |
| Total deposits (in billions) | 8,415.4 | 153.6 | 1,706.1 | 128.2 | 3,269.5 | 737.8 | 71.7 | 26.7 | 90.3 | 2,231.4 |
| Commercial banks | 7,309.8 | 143.2 | 1,706.1 | 127.8 | 2,966.8 | 78.6 | 27.9 | 21.1 | 78.5 | 2,159.9 |
| Savings institutions | 1,105.5 | 10.4 | 0.0 | 0.3 | 302.8 | 659.2 | 43.8 | 5.6 | 11.8 | 71.5 |
| Net income (in millions) | 100,137 | 14,974 | 14,893 | 1,796 | 37,035 | 383 | 1,178 | 943 | 1,108 | 27,828 |
| Commercial banks | 97,773 | 13,383 | 14,893 | 1,792 | 35,816 | 1,793 | 792 | 622 | 1,017 | 27,664 |
| Savings institutions | 2,364 | 1,591 | 0 | 4 | 1,219 | -1,410 | 385 | 322 | 90 | 164 |
| Performance Ratios (%) | | | | | | | | | | |
| Yield on earning assets | 6.75 | 13.19 | 6.23 | 7.15 | 6.88 | 6.54 | 7.61 | 5.48 | 6.56 | 6.23 |
| Cost of funding earning assets | 3.47 | 4.63 | 3.64 | 3.18 | 3.29 | 3.92 | 3.35 | 2.45 | 2.86 | 3.30 |
| Net interest margin | 3.29 | 8.56 | 2.59 | 3.96 | 3.59 | 2.62 | 4.26 | 3.04 | 3.70 | 2.94 |
| Noninterest income to assets | 1.89 | 10.49 | 1.97 | 0.68 | 1.26 | 0.93 | 2.53 | 11.07 | 1.03 | 1.88 |
| Noninterest expense to assets | 2.98 | 8.47 | 2.83 | 2.69 | 2.78 | 2.47 | 3.54 | 9.87 | 3.05 | 2.74 |
| Loan and lease loss provision to assets | 0.56 | 3.72 | 0.59 | 0.18 | 0.39 | 0.62 | 1.03 | 0.09 | 0.14 | 0.34 |
| Net operating income to assets | 0.83 | 3.25 | 0.57 | 1.20 | 0.88 | 0.06 | 1.23 | 2.54 | 1.01 | 0.90 |
| Pretax return on assets | 1.19 | 5.24 | 0.75 | 1.44 | 1.23 | 0.19 | 1.97 | 3.85 | 1.26 | 1.27 |
| Return on assets | 0.81 | 3.36 | 0.58 | 1.20 | 0.84 | 0.03 | 1.26 | 2.56 | 1.03 | 0.88 |
| Return on equity | 7.76 | 14.68 | 7.44 | 10.81 | 7.69 | 0.31 | 11.60 | 12.90 | 9.06 | 8.31 |
| Net charge-offs to loans and leases | 0.59 | 3.95 | 0.76 | 0.22 | 0.35 | 0.40 | 0.87 | 0.29 | 0.22 | 0.39 |
| Loan and lease loss provision to net charge-offs | 156.50 | 126.17 | 176.05 | 118.64 | 155.82 | 218.15 | 144.02 | 122.69 | 109.22 | 161.24 |
| Efficiency ratio | 59.49 | 45.34 | 66.95 | 61.99 | 59.46 | 61.12 | 52.87 | 71.00 | 68.49 | 60.54 |
| % of unprofitable institutions | 12.00 | 7.41 | 0.00 | 3.21 | 14.90 | 14.67 | 10.09 | 25.13 | 4.53 | 5.36 |
| % of institutions with earnings gains | 48.59 | 55.56 | 40.00 | 60.78 | 46.56 | 32.14 | 48.62 | 44.65 | 54.41 | 44.64 |
| Condition Ratios (%) | | | | | | | | | | |
| Earning assets to total assets | 86.74 | 80.85 | 83.66 | 91.04 | 88.46 | 92.35 | 91.25 | 88.20 | 91.62 | 85.08 |
| Loss Allowance to: | | | | | | | | | | |
| Loans and leases | 1.30 | 4.16 | 1.46 | 1.28 | 1.24 | 0.89 | 1.21 | 1.33 | 1.17 | 0.93 |
| Noncurrent loans and leases | 93.07 | 207.47 | 105.13 | 122.51 | 93.45 | 47.59 | 61.56 | 171.54 | 124.62 | 80.25 |
| Noncurrent assets plus | | | | | | | | | | |
| other real estate owned to assets | 0.94 | 1.54 | 0.66 | 0.83 | 1.07 | 1.52 | 1.64 | 0.23 | 0.65 | 0.68 |
| Equity capital ratio | 10.34 | 21.27 | 8.01 | 11.17 | 11.00 | 8.38 | 12.62 | 20.01 | 11.46 | 10.32 |
| Core capital (leverage) ratio | 7.97 | 14.57 | 6.38 | 10.31 | 8.47 | 7.88 | 9.86 | 18.53 | 11.05 | 7.43 |
| Tier 1 risk-based capital ratio | 10.11 | 13.12 | 8.59 | 13.69 | 9.72 | 12.94 | 11.32 | 40.92 | 18.14 | 9.86 |
| Total risk-based capital ratio | 12.78 | 15.73 | 12.50 | 14.74 | 11.81 | 14.95 | 13.11 | 41.95 | 19.24 | 12.78 |
| Net loans and leases to deposits | 92.74 | 229.49 | 71.46 | 80.83 | 98.52 | 126.69 | 105.79 | 33.55 | 68.77 | 81.83 |
| Net loans to total assets | 59.87 | 73.56 | 43.79 | 65.78 | 69.74 | 70.38 | 79.96 | 23.66 | 56.25 | 53.35 |
| Domestic deposits to total assets | 53.04 | 29.58 | 26.68 | 81.38 | 68.19 | 55.49 | 74.62 | 68.18 | 81.78 | 53.35 |
| Structural Changes | | | | | | | | | | |
| New Charters | 181 | 1 | 0 | 5 | 49 | 5 | 0 | 120 | 1 | 0 |
| Institutions absorbed by mergers | 321 | 1 | 0 | 24 | 254 | 12 | 2 | 2 | 7 | 19 |
| Failed Institutions | 3 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 1 |
| PRIOR FULL YEARS | | | | | | | | | | |
| (The way it was...) | | | | | | | | | | |
| Number of institutions | 2006 | 8,680 | 26 | 4 | 1,634 | 4,713 | 817 | 123 | 411 | 895 |
| ..... | 2004 | 8,976 | 34 | 5 | 1,731 | 4,423 | 990 | 132 | 466 | 1,120 |
| ..... | 2002 | 9,354 | 40 | 5 | 1,823 | 4,070 | 1,107 | 196 | 488 | 1,525 |
| Total assets (in billions) | 2006 | \$11,861.5 | \$408.4 | \$2,337.2 | \$149.2 | \$4,904.7 | \$1,445.0 | \$109.9 | \$42.2 | \$119.6 |
| ..... | 2004 | 10,105.9 | 383.0 | 1,881.3 | 138.7 | 3,301.4 | 1,503.6 | 104.1 | 52.0 | 143.3 |
| ..... | 2002 | 8,435.7 | 299.3 | 1,273.1 | 123.8 | 2,960.6 | 1,342.0 | 166.5 | 60.2 | 197.4 |
| Return on assets (%) | 2006 | 1.28 | 4.19 | 1.01 | 1.23 | 1.28 | 0.94 | 1.75 | 1.54 | 1.04 |
| ..... | 2004 | 1.28 | 4.03 | 0.76 | 1.22 | 1.29 | 1.18 | 1.66 | 1.68 | 1.10 |
| ..... | 2002 | 1.30 | 3.60 | 0.74 | 1.24 | 1.30 | 1.31 | 1.35 | 1.08 | 1.14 |
| Net charge-offs to loans & leases (%) | 2006 | 0.39 | 3.48 | 0.48 | 0.17 | 0.22 | 0.15 | 1.40 | 0.42 | 0.20 |
| ..... | 2004 | 0.56 | 4.66 | 0.91 | 0.22 | 0.30 | 0.12 | 1.57 | 0.59 | 0.29 |
| ..... | 2002 | 0.97 | 6.12 | 1.77 | 0.29 | 0.65 | 0.20 | 1.07 | 1.36 | 0.35 |
| Noncurrent assets plus | | | | | | | | | | |
| OREO to assets (%) | 2006 | 0.54 | 1.37 | 0.40 | 0.67 | 0.55 | 0.56 | 0.85 | 0.20 | 0.56 |
| ..... | 2004 | 0.53 | 1.50 | 0.57 | 0.68 | 0.51 | 0.43 | 0.53 | 0.31 | 0.59 |
| ..... | 2002 | 0.90 | 1.68 | 1.19 | 0.85 | 0.87 | 0.71 | 1.28 | 0.59 | 0.75 |
| Equity capital ratio (%) | 2006 | 10.52 | 22.88 | 7.75 | 10.73 | 11.16 | 9.91 | 14.16 | 21.12 | 10.97 |
| ..... | 2004 | 10.28 | 20.54 | 8.05 | 10.78 | 10.10 | 10.55 | 11.36 | 17.47 | 10.79 |
| ..... | 2002 | 9.20 | 15.48 | 7.14 | 10.76 | 9.36 | 9.07 | 7.35 | 17.18 | 10.62 |

***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. Full Year 2007, All FDIC-Insured Institutions

| | All Insured Institutions | Asset Size Distribution | | | | Geographic Regions* | | | | | |
|--|--------------------------|-------------------------|------------------------------|-----------------------------|---------------------------|---------------------|-----------|-----------|-------------|---------|---------------|
| | | Less than \$100 Million | \$100 Million to \$1 Billion | \$1 Billion to \$10 Billion | Greater than \$10 Billion | New York | Atlanta | Chicago | Kansas City | Dallas | San Francisco |
| Number of institutions reporting | 8,534 | 3,440 | 4,424 | 551 | 119 | 1,042 | 1,221 | 1,763 | 1,987 | 1,743 | 778 |
| Commercial banks | 7,283 | 3,065 | 3,705 | 427 | 86 | 548 | 1,076 | 1,455 | 1,880 | 1,618 | 706 |
| Savings institutions | 1,251 | 375 | 719 | 124 | 33 | 494 | 145 | 308 | 107 | 125 | 72 |
| Total assets (in billions) | \$13,034.1 | \$181.9 | \$1,308.9 | \$1,422.2 | \$10,121.2 | \$2,439.6 | \$3,329.6 | \$2,842.5 | \$977.9 | \$738.6 | \$2,705.9 |
| Commercial banks | 11,176.1 | 162.9 | 1,060.9 | 1,114.7 | 8,837.7 | 1,759.5 | 3,061.0 | 2,685.6 | 935.2 | 621.1 | 2,113.7 |
| Savings institutions | 1,857.9 | 19.0 | 248.0 | 307.5 | 1,283.5 | 680.1 | 268.6 | 156.9 | 42.7 | 117.5 | 592.2 |
| Total deposits (in billions) | 8,415.4 | 148.1 | 1,039.2 | 1,009.7 | 6,218.3 | 1,512.9 | 2,185.1 | 1,828.3 | 691.1 | 547.1 | 1,650.9 |
| Commercial banks | 7,309.8 | 133.8 | 854.1 | 793.6 | 5,528.4 | 1,066.5 | 2,024.7 | 1,717.8 | 661.1 | 476.6 | 1,363.2 |
| Savings institutions | 1,105.5 | 14.3 | 185.1 | 216.1 | 690.0 | 446.4 | 160.4 | 110.5 | 30.0 | 70.5 | 287.7 |
| Net income (in millions) | 100,137 | 1,299 | 12,192 | 13,103 | 73,543 | 17,488 | 25,236 | 23,441 | 13,273 | 7,083 | 13,617 |
| Commercial banks | 97,773 | 1,261 | 10,603 | 11,182 | 74,727 | 16,541 | 26,289 | 22,932 | 13,087 | 6,242 | 12,681 |
| Savings institutions | 2,364 | 38 | 1,589 | 1,922 | -1,185 | 946 | -1,053 | 509 | 186 | 840 | 935 |
| Performance Ratios (%) | | | | | | | | | | | |
| Yield on earning assets | 6.75 | 6.95 | 7.14 | 7.06 | 6.65 | 6.81 | 6.56 | 6.07 | 7.61 | 7.14 | 7.25 |
| Cost of funding earning assets | 3.47 | 2.91 | 3.29 | 3.37 | 3.52 | 3.45 | 3.47 | 3.34 | 3.26 | 3.28 | 3.73 |
| Net interest margin | 3.29 | 4.04 | 3.86 | 3.69 | 3.13 | 3.36 | 3.09 | 2.73 | 4.34 | 3.86 | 3.52 |
| Noninterest income to assets | 1.89 | 1.22 | 1.13 | 1.43 | 2.07 | 2.17 | 1.53 | 2.04 | 3.36 | 1.37 | 1.55 |
| Noninterest expense to assets | 2.98 | 3.78 | 3.14 | 2.84 | 2.97 | 3.17 | 2.59 | 2.76 | 4.21 | 3.19 | 3.02 |
| Loan and lease loss provision to assets | 0.56 | 0.22 | 0.27 | 0.45 | 0.62 | 0.67 | 0.38 | 0.39 | 0.85 | 0.33 | 0.82 |
| Net operating income to assets | 0.83 | 0.73 | 0.96 | 1.02 | 0.79 | 0.81 | 0.85 | 0.86 | 1.44 | 1.00 | 0.54 |
| Pretax return on assets | 1.19 | 0.96 | 1.29 | 1.44 | 1.15 | 1.19 | 1.18 | 1.26 | 2.09 | 1.34 | 0.79 |
| Return on assets | 0.81 | 0.74 | 0.97 | 0.96 | 0.77 | 0.77 | 0.81 | 0.86 | 1.46 | 1.01 | 0.53 |
| Return on equity | 7.76 | 5.30 | 9.27 | 8.54 | 7.50 | 6.24 | 7.85 | 9.59 | 14.26 | 9.85 | 4.89 |
| Net charge-offs to loans and leases | 0.59 | 0.24 | 0.25 | 0.42 | 0.68 | 0.90 | 0.33 | 0.46 | 0.78 | 0.30 | 0.76 |
| Loan and lease loss provision to net charge-offs | 156.50 | 147.94 | 152.97 | 152.86 | 157.15 | 130.36 | 184.53 | 155.08 | 154.10 | 165.15 | 167.28 |
| Efficiency ratio | 59.49 | 76.17 | 66.14 | 57.65 | 58.57 | 56.89 | 59.88 | 61.13 | 57.71 | 64.15 | 59.57 |
| % of unprofitable institutions | 12.00 | 18.37 | 7.66 | 6.72 | 13.45 | 16.22 | 18.26 | 11.57 | 6.39 | 8.38 | 19.92 |
| % of institutions with earnings gains | 48.59 | 49.59 | 48.92 | 44.10 | 28.57 | 36.66 | 38.08 | 46.51 | 55.01 | 58.52 | 47.17 |
| Condition Ratios (%) | | | | | | | | | | | |
| Earning assets to total assets | 86.74 | 91.70 | 91.80 | 90.51 | 85.47 | 86.67 | 86.11 | 86.00 | 86.55 | 89.91 | 87.56 |
| Loss Allowance to: | | | | | | | | | | | |
| Loans and leases | 1.30 | 1.28 | 1.18 | 1.31 | 1.31 | 1.52 | 1.07 | 1.30 | 1.39 | 1.17 | 1.38 |
| Noncurrent loans and leases | 93.07 | 106.92 | 96.32 | 95.20 | 92.05 | 121.39 | 92.01 | 84.98 | 81.63 | 92.68 | 87.82 |
| Noncurrent assets plus other real estate owned to assets | 0.94 | 0.96 | 1.07 | 1.09 | 0.90 | 0.76 | 0.81 | 0.94 | 1.37 | 1.00 | 1.09 |
| Equity capital ratio | 10.34 | 13.73 | 10.50 | 11.35 | 10.12 | 12.06 | 10.30 | 9.23 | 9.75 | 10.22 | 10.24 |
| Core capital (leverage) ratio | 7.97 | 13.53 | 9.95 | 9.42 | 7.40 | 8.67 | 7.06 | 7.17 | 8.08 | 8.87 | 9.02 |
| Tier 1 risk-based capital ratio | 10.11 | 19.66 | 13.18 | 11.94 | 9.31 | 11.85 | 8.93 | 8.79 | 9.45 | 11.12 | 11.56 |
| Total risk-based capital ratio | 12.78 | 20.69 | 14.28 | 13.26 | 12.39 | 13.91 | 11.64 | 11.72 | 12.18 | 12.78 | 14.63 |
| Net loans and leases to deposits | 92.74 | 76.64 | 87.97 | 96.32 | 93.33 | 90.83 | 93.25 | 84.18 | 97.15 | 89.06 | 102.65 |
| Net loans to total assets | 59.87 | 62.40 | 69.85 | 68.39 | 57.34 | 56.32 | 61.19 | 54.14 | 68.66 | 65.98 | 62.63 |
| Domestic deposits to total assets | 53.04 | 81.40 | 79.28 | 70.34 | 46.70 | 52.94 | 58.32 | 50.45 | 63.54 | 73.21 | 40.04 |
| Structural Changes | | | | | | | | | | | |
| New Charters | 181 | 174 | 5 | 2 | 0 | 22 | 53 | 16 | 12 | 33 | 45 |
| Institutions absorbed by mergers | 321 | 114 | 167 | 31 | 9 | 74 | 45 | 77 | 48 | 46 | 31 |
| Failed Institutions | 3 | 2 | 0 | 1 | 0 | 1 | 1 | 1 | 0 | 0 | 0 |
| PRIOR FULL YEARS (The way it was...) | | | | | | | | | | | |
| Number of institutions | 2006 8,680 | 3,632 | 4,399 | 530 | 119 | 1,092 | 1,218 | 1,826 | 2,018 | 1,753 | 773 |
| ..... | 2004 8,976 | 4,093 | 4,286 | 480 | 117 | 1,129 | 1,219 | 1,951 | 2,094 | 1,834 | 749 |
| ..... | 2002 9,354 | 4,680 | 4,118 | 450 | 106 | 1,212 | 1,237 | 2,055 | 2,167 | 1,901 | 782 |
| Total assets (in billions) | 2006 \$11,861.5 | \$189.9 | \$1,290.0 | \$1,397.5 | \$8,984.1 | \$2,215.8 | \$2,911.4 | \$2,746.2 | \$859.8 | \$652.3 | \$2,476.1 |
| ..... | 2004 10,105.9 | 211.7 | 1,199.6 | 1,317.0 | 7,377.6 | 2,855.0 | 2,177.1 | 2,387.5 | 768.2 | 603.1 | 1,315.1 |
| ..... | 2002 8,435.7 | 237.8 | 1,124.9 | 1,279.1 | 5,793.9 | 2,892.6 | 1,711.2 | 1,572.0 | 440.1 | 581.5 | 1,238.3 |
| Return on assets (%) | 2006 1.28 | 0.92 | 1.16 | 1.22 | 1.31 | 1.27 | 1.31 | 1.10 | 1.76 | 1.23 | 1.29 |
| ..... | 2004 1.28 | 1.00 | 1.19 | 1.45 | 1.27 | 1.37 | 1.34 | 0.88 | 1.55 | 1.26 | 1.60 |
| ..... | 2002 1.30 | 0.99 | 1.16 | 1.44 | 1.31 | 1.11 | 1.32 | 1.28 | 1.58 | 1.41 | 1.58 |
| Net charge-offs to loans & leases (%) | 2006 0.39 | 0.18 | 0.16 | 0.20 | 0.47 | 0.72 | 0.19 | 0.28 | 0.55 | 0.21 | 0.43 |
| ..... | 2004 0.56 | 0.28 | 0.27 | 0.39 | 0.65 | 0.88 | 0.31 | 0.41 | 0.74 | 0.27 | 0.60 |
| ..... | 2002 0.97 | 0.32 | 0.41 | 0.69 | 1.18 | 1.45 | 0.71 | 0.77 | 1.19 | 0.44 | 0.81 |
| Noncurrent assets plus OREO to assets (%) | 2006 0.54 | 0.73 | 0.59 | 0.52 | 0.53 | 0.51 | 0.33 | 0.57 | 1.05 | 0.62 | 0.56 |
| ..... | 2004 0.53 | 0.74 | 0.56 | 0.51 | 0.53 | 0.58 | 0.35 | 0.55 | 0.81 | 0.61 | 0.51 |
| ..... | 2002 0.90 | 0.85 | 0.74 | 0.69 | 0.98 | 1.01 | 0.78 | 1.00 | 0.82 | 0.81 | 0.74 |
| Equity capital ratio (%) | 2006 10.52 | 13.01 | 10.39 | 10.97 | 10.42 | 12.47 | 10.05 | 9.07 | 10.64 | 10.42 | 10.92 |
| ..... | 2004 10.28 | 11.82 | 10.19 | 10.89 | 10.15 | 11.21 | 8.74 | 9.36 | 10.62 | 10.78 | 12.10 |
| ..... | 2002 9.20 | 11.28 | 10.06 | 10.06 | 8.76 | 8.85 | 9.38 | 8.57 | 10.34 | 9.60 | 9.98 |

* 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

| March 31, 2008 | All Insured Institutions | Asset Concentration Groups* | | | | | | | | |
|--|--------------------------|-----------------------------|---------------------|--------------------|--------------------|------------------|------------------|--------------------------------|------------------------|------------------------|
| | | Credit Card Banks | International Banks | Agricultural Banks | Commercial Lenders | Mortgage Lenders | Consumer Lenders | Other Specialized <\$1 Billion | All Other <\$1 Billion | All Other >\$1 Billion |
| Percent of Loans 30-89 Days Past Due | | | | | | | | | | |
| All loans secured by real estate | 1.61 | 2.46 | 2.15 | 1.59 | 1.51 | 1.76 | 0.93 | 1.21 | 1.71 | 1.42 |
| Construction and development | 2.47 | 0.00 | 3.78 | 3.50 | 2.54 | 3.04 | 2.14 | 2.58 | 2.04 | 1.39 |
| Nonfarm nonresidential | 0.81 | 0.00 | 0.36 | 1.29 | 0.88 | 0.69 | 1.26 | 0.79 | 1.45 | 0.38 |
| Multifamily residential real estate | 0.75 | 0.00 | 0.98 | 1.70 | 0.88 | 0.38 | 0.00 | 0.78 | 1.24 | 0.44 |
| Home equity loans | 1.16 | 2.46 | 1.08 | 0.74 | 0.91 | 1.75 | 0.77 | 0.23 | 0.85 | 1.24 |
| Other 1-4 family residential | 1.96 | 2.67 | 2.93 | 1.91 | 1.80 | 1.87 | 0.99 | 1.33 | 1.91 | 1.82 |
| Commercial and industrial loans | 0.73 | 3.16 | 0.33 | 1.92 | 0.87 | 0.96 | 1.31 | 1.47 | 1.72 | 0.42 |
| Loans to individuals | 1.92 | 2.41 | 1.96 | 2.11 | 1.78 | 1.38 | 1.64 | 1.94 | 2.11 | 1.52 |
| Credit card loans | 2.29 | 2.35 | 2.40 | 1.18 | 2.02 | 2.35 | 1.16 | 3.00 | 1.22 | 2.30 |
| Other loans to individuals | 1.71 | 2.81 | 1.77 | 2.18 | 1.74 | 0.78 | 1.81 | 1.80 | 2.14 | 1.39 |
| All other loans and leases (including farm) | 0.46 | 0.05 | 0.28 | 1.17 | 0.72 | 0.56 | 0.36 | 1.07 | 0.84 | 0.31 |
| Total loans and leases | 1.39 | 2.32 | 1.30 | 1.57 | 1.36 | 1.73 | 1.36 | 1.35 | 1.70 | 1.11 |
| Percent of Loans Noncurrent** | | | | | | | | | | |
| All real estate loans | 2.19 | 2.05 | 2.33 | 1.46 | 2.25 | 2.48 | 0.63 | 0.97 | 1.09 | 1.77 |
| Construction and development | 4.71 | 0.00 | 2.84 | 5.47 | 4.57 | 8.11 | 2.42 | 2.93 | 2.53 | 4.89 |
| Nonfarm nonresidential | 1.02 | 0.00 | 0.64 | 1.41 | 1.00 | 0.91 | 1.10 | 0.60 | 1.29 | 1.17 |
| Multifamily residential real estate | 0.98 | 0.00 | 0.38 | 1.53 | 1.20 | 0.47 | 1.60 | 2.98 | 1.26 | 0.94 |
| Home equity loans | 1.08 | 2.18 | 0.93 | 0.52 | 0.76 | 1.83 | 0.23 | 0.07 | 0.31 | 1.26 |
| Other 1-4 family residential | 2.49 | 0.78 | 3.33 | 1.04 | 2.70 | 2.59 | 0.92 | 0.88 | 0.92 | 1.74 |
| Commercial and industrial loans | 0.79 | 2.82 | 0.47 | 1.55 | 0.87 | 1.14 | 0.81 | 1.35 | 1.33 | 0.65 |
| Loans to individuals | 1.47 | 2.35 | 2.06 | 0.75 | 0.81 | 1.01 | 0.97 | 0.60 | 0.72 | 0.71 |
| Credit card loans | 2.38 | 2.35 | 3.07 | 1.13 | 1.81 | 2.26 | 1.29 | 1.09 | 1.08 | 2.29 |
| Other loans to individuals | 0.94 | 2.36 | 1.64 | 0.72 | 0.64 | 0.25 | 0.86 | 0.53 | 0.71 | 0.45 |
| All other loans and leases (including farm) | 0.57 | 0.03 | 1.00 | 0.75 | 0.44 | 0.34 | 0.07 | 0.56 | 0.68 | 0.17 |
| Total loans and leases | 1.71 | 2.22 | 1.55 | 1.27 | 1.76 | 2.39 | 0.83 | 0.93 | 1.04 | 1.25 |
| Percent of Loans Charged-off (net, YTD) | | | | | | | | | | |
| All real estate loans | 0.73 | 2.94 | 1.26 | 0.09 | 0.56 | 1.09 | 0.47 | 0.04 | 0.08 | 0.59 |
| Construction and development | 1.10 | 0.00 | 1.18 | 0.38 | 1.02 | 2.13 | 0.33 | -0.02 | 0.39 | 1.43 |
| Nonfarm nonresidential | 0.10 | 0.00 | 0.00 | 0.09 | 0.11 | 0.13 | -0.01 | -0.01 | 0.06 | 0.08 |
| Multifamily residential real estate | 0.14 | 0.00 | 0.07 | 0.02 | 0.20 | 0.05 | 0.11 | -0.01 | 0.02 | 0.05 |
| Home equity loans | 1.54 | 3.05 | 1.49 | 0.22 | 1.20 | 2.90 | 0.33 | 0.69 | 0.11 | 1.25 |
| Other 1-4 family residential | 0.76 | 2.08 | 1.56 | 0.09 | 0.56 | 0.89 | 0.70 | 0.04 | 0.07 | 0.46 |
| Commercial and industrial loans | 0.67 | 6.65 | 0.29 | 0.30 | 0.65 | 1.11 | 4.50 | 0.02 | 0.22 | 0.41 |
| Loans to individuals | 3.07 | 5.16 | 3.08 | 0.51 | 2.17 | 2.50 | 2.33 | 0.76 | 0.62 | 1.66 |
| Credit card loans | 4.83 | 5.06 | 3.88 | 2.96 | 5.31 | 5.35 | 3.48 | 2.70 | 2.78 | 4.65 |
| Other loans to individuals | 1.96 | 5.80 | 2.73 | 0.34 | 1.60 | 0.71 | 1.90 | 0.47 | 0.55 | 1.15 |
| All other loans and leases (including farm) | 0.24 | 0.01 | 0.08 | 0.00 | 0.39 | 0.23 | 0.05 | 1.06 | 0.00 | 0.35 |
| Total loans and leases | 0.99 | 4.97 | 1.13 | 0.14 | 0.70 | 1.15 | 1.78 | 0.23 | 0.17 | 0.64 |
| Loans Outstanding (in billions) | | | | | | | | | | |
| All real estate loans | \$4,802.0 | \$1.6 | \$463.9 | \$58.9 | \$2,449.4 | \$912.4 | \$19.8 | \$6.0 | \$43.5 | \$846.5 |
| Construction and development | 631.8 | 0.0 | 9.8 | 5.6 | 526.0 | 25.3 | 0.6 | 0.5 | 3.1 | 60.8 |
| Nonfarm nonresidential | 988.7 | 0.0 | 22.9 | 16.3 | 770.2 | 38.2 | 0.7 | 1.8 | 10.3 | 128.3 |
| Multifamily residential real estate | 207.1 | 0.0 | 12.1 | 1.0 | 131.8 | 43.4 | 0.1 | 0.1 | 0.8 | 17.6 |
| Home equity loans | 625.2 | 1.5 | 98.3 | 1.1 | 263.0 | 110.2 | 9.9 | 0.2 | 1.5 | 139.7 |
| Other 1-4 family residential | 2,214.9 | 0.1 | 263.4 | 15.1 | 716.2 | 694.3 | 8.3 | 3.1 | 24.7 | 489.6 |
| Commercial and industrial loans | 1,485.9 | 36.4 | 333.9 | 14.8 | 759.0 | 17.9 | 3.3 | 1.3 | 6.8 | 312.5 |
| Loans to individuals | 1,048.4 | 263.8 | 231.5 | 6.2 | 300.0 | 39.0 | 32.2 | 1.5 | 8.3 | 165.8 |
| Credit card loans | 386.9 | 226.8 | 68.7 | 0.4 | 44.0 | 14.9 | 8.4 | 0.2 | 0.3 | 23.3 |
| Other loans to individuals | 661.6 | 37.1 | 162.8 | 5.8 | 256.0 | 24.1 | 23.8 | 1.3 | 8.0 | 142.6 |
| All other loans and leases (including farm) | 634.1 | 24.6 | 222.9 | 23.3 | 197.6 | 5.9 | 0.6 | 0.7 | 4.5 | 154.0 |
| Total loans and leases | 7,970.3 | 326.4 | 1,252.3 | 103.3 | 3,705.9 | 975.2 | 55.9 | 9.5 | 63.0 | 1,478.8 |
| Memo: Other Real Estate Owned (in millions) | | | | | | | | | | |
| All other real estate owned | 15,670.8 | -21.4 | 1,380.2 | 233.9 | 9,024.9 | 3,569.3 | 17.1 | 20.4 | 182.3 | 1,264.0 |
| Construction and development | 3,225.0 | 0.0 | 1.0 | 77.3 | 2,775.7 | 296.2 | 1.1 | 3.8 | 28.0 | 42.0 |
| Nonfarm nonresidential | 1,890.1 | 1.2 | 12.0 | 69.4 | 1,496.1 | 61.7 | 3.3 | 12.2 | 54.0 | 180.4 |
| Multifamily residential real estate | 449.1 | 0.0 | 0.0 | 12.0 | 324.0 | 14.2 | 0.0 | 0.0 | 28.0 | 70.8 |
| 1-4 family residential | 8,560.1 | 2.5 | 750.2 | 54.3 | 3,515.0 | 3,182.9 | 12.4 | 4.1 | 68.0 | 970.7 |
| Farmland | 60.7 | 0.0 | 0.0 | 20.9 | 34.5 | 0.3 | 0.3 | 0.4 | 4.3 | 0.0 |
| GNMA properties | 1,313.2 | 0.0 | 410.0 | 0.0 | 875.8 | 27.4 | 0.0 | 0.0 | 0.0 | 0.0 |

* 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

| March 31, 2008 | All Insured Institutions | Asset Size Distribution | | | | Geographic Regions* | | | | | |
|--|--------------------------|-------------------------|------------------------------|-----------------------------|---------------------------|---------------------|-----------|---------|-------------|---------|---------------|
| | | Less than \$100 Million | \$100 Million to \$1 Billion | \$1 Billion to \$10 Billion | Greater than \$10 Billion | New York | Atlanta | Chicago | Kansas City | Dallas | San Francisco |
| Percent of Loans 30-89 Days Past Due | | | | | | | | | | | |
| All loans secured by real estate | 1.61 | 1.74 | 1.46 | 1.33 | 1.70 | 1.09 | 1.59 | 1.88 | 1.23 | 1.61 | 1.96 |
| Construction and development | 2.47 | 1.99 | 2.33 | 2.52 | 2.53 | 1.99 | 2.15 | 3.55 | 1.57 | 2.01 | 3.05 |
| Nonfarm nonresidential | 0.81 | 1.45 | 1.08 | 0.77 | 0.66 | 0.94 | 0.61 | 1.19 | 0.80 | 0.87 | 0.48 |
| Multifamily residential real estate | 0.75 | 1.57 | 1.08 | 0.92 | 0.62 | 0.46 | 0.76 | 2.06 | 0.50 | 0.94 | 0.45 |
| Home equity loans | 1.16 | 0.83 | 0.92 | 0.77 | 1.21 | 0.76 | 1.31 | 0.93 | 1.17 | 0.69 | 1.51 |
| Other 1-4 family residential | 1.96 | 2.10 | 1.51 | 1.27 | 2.11 | 1.10 | 1.95 | 2.15 | 1.49 | 2.35 | 2.63 |
| Commercial and industrial loans | 0.73 | 1.70 | 1.36 | 0.95 | 0.62 | 1.10 | 0.52 | 0.83 | 0.99 | 0.79 | 0.49 |
| Loans to individuals | 1.92 | 2.44 | 1.74 | 1.94 | 1.93 | 2.16 | 1.67 | 1.69 | 2.39 | 1.48 | 1.91 |
| Credit card loans | 2.29 | 1.77 | 2.34 | 2.32 | 2.29 | 2.29 | 2.39 | 2.14 | 2.33 | 1.13 | 2.38 |
| Other loans to individuals | 1.71 | 2.45 | 1.70 | 1.72 | 1.70 | 1.95 | 1.58 | 1.54 | 2.43 | 1.56 | 1.61 |
| All other loans and leases (including farm) | 0.46 | 1.10 | 0.88 | 0.67 | 0.40 | 0.39 | 0.38 | 0.61 | 0.55 | 0.95 | 0.24 |
| Total loans and leases | 1.39 | 1.72 | 1.44 | 1.29 | 1.40 | 1.25 | 1.32 | 1.48 | 1.27 | 1.40 | 1.56 |
| Percent of Loans Noncurrent** | | | | | | | | | | | |
| All real estate loans | 2.19 | 1.52 | 1.70 | 2.16 | 2.32 | 1.28 | 2.06 | 2.71 | 2.62 | 1.99 | 2.55 |
| Construction and development | 4.71 | 3.26 | 4.28 | 5.14 | 4.75 | 3.66 | 4.63 | 5.53 | 4.05 | 3.49 | 6.07 |
| Nonfarm nonresidential | 1.02 | 1.42 | 1.07 | 0.93 | 1.02 | 1.26 | 0.87 | 1.53 | 0.85 | 0.80 | 0.58 |
| Multifamily residential real estate | 0.98 | 1.49 | 1.27 | 1.84 | 0.64 | 0.46 | 1.07 | 3.00 | 0.75 | 1.56 | 0.49 |
| Home equity loans | 1.08 | 0.70 | 0.64 | 0.68 | 1.14 | 0.66 | 1.31 | 0.88 | 0.89 | 0.40 | 1.47 |
| Other 1-4 family residential | 2.49 | 1.25 | 1.09 | 1.72 | 2.81 | 1.08 | 2.04 | 3.28 | 4.52 | 2.44 | 3.20 |
| Commercial and industrial loans | 0.79 | 1.53 | 1.16 | 0.95 | 0.73 | 1.30 | 0.60 | 0.77 | 0.98 | 0.68 | 0.69 |
| Loans to individuals | 1.47 | 0.94 | 0.62 | 1.14 | 1.55 | 1.88 | 0.82 | 0.98 | 1.44 | 0.60 | 1.97 |
| Credit card loans | 2.38 | 1.06 | 1.52 | 2.28 | 2.40 | 2.45 | 2.26 | 2.00 | 2.09 | 1.24 | 2.63 |
| Other loans to individuals | 0.94 | 0.94 | 0.55 | 0.49 | 1.01 | 0.97 | 0.64 | 0.65 | 0.96 | 0.45 | 1.55 |
| All other loans and leases (including farm) | 0.57 | 0.75 | 0.60 | 0.55 | 0.56 | 0.58 | 0.19 | 0.59 | 0.31 | 0.55 | 1.25 |
| Total loans and leases | 1.71 | 1.40 | 1.53 | 1.83 | 1.72 | 1.35 | 1.56 | 1.84 | 1.90 | 1.55 | 2.02 |
| Percent of Loans Charged-off (net, YTD) | | | | | | | | | | | |
| All real estate loans | 0.73 | 0.14 | 0.22 | 0.48 | 0.90 | 0.23 | 0.71 | 0.90 | 0.67 | 0.37 | 1.14 |
| Construction and development | 1.10 | 0.31 | 0.65 | 1.27 | 1.25 | 0.43 | 0.99 | 1.21 | 0.86 | 0.81 | 2.05 |
| Nonfarm nonresidential | 0.10 | 0.13 | 0.07 | 0.11 | 0.12 | 0.14 | 0.06 | 0.22 | 0.07 | 0.06 | 0.02 |
| Multifamily residential real estate | 0.14 | -0.01 | 0.07 | 0.40 | 0.08 | 0.04 | 0.24 | 0.52 | 0.05 | 0.16 | 0.04 |
| Home equity loans | 1.54 | 0.31 | 0.27 | 0.48 | 1.71 | 0.58 | 1.74 | 1.05 | 1.87 | 0.52 | 2.37 |
| Other 1-4 family residential | 0.76 | 0.12 | 0.15 | 0.33 | 0.90 | 0.21 | 0.60 | 1.17 | 0.47 | 0.32 | 1.30 |
| Commercial and industrial loans | 0.67 | 0.37 | 0.42 | 0.66 | 0.71 | 1.27 | 0.49 | 0.43 | 1.13 | 0.43 | 0.67 |
| Loans to individuals | 3.07 | 0.57 | 1.17 | 2.76 | 3.21 | 3.98 | 1.92 | 1.98 | 3.59 | 1.24 | 3.69 |
| Credit card loans | 4.83 | 1.93 | 7.32 | 4.73 | 4.82 | 4.84 | 5.47 | 4.60 | 5.25 | 3.26 | 4.72 |
| Other loans to individuals | 1.96 | 0.55 | 0.70 | 1.62 | 2.12 | 2.51 | 1.44 | 1.08 | 2.26 | 0.77 | 3.00 |
| All other loans and leases (including farm) | 0.24 | 0.06 | 0.24 | 0.29 | 0.24 | 0.17 | 0.43 | 0.21 | 0.20 | 0.31 | 0.10 |
| Total loans and leases | 0.99 | 0.20 | 0.30 | 0.68 | 1.16 | 1.14 | 0.76 | 0.84 | 1.12 | 0.45 | 1.38 |
| Loans Outstanding (in billions) | | | | | | | | | | | |
| All real estate loans | \$4,802.0 | \$75.3 | \$728.0 | \$725.3 | \$3,273.4 | \$809.3 | \$1,391.5 | \$855.3 | \$394.3 | \$333.3 | \$1,018.3 |
| Construction and development | 631.8 | 10.3 | 148.2 | 164.3 | 308.9 | 67.1 | 206.0 | 122.2 | 52.6 | 88.1 | 95.8 |
| Nonfarm nonresidential | 988.7 | 21.8 | 249.8 | 239.2 | 477.9 | 188.5 | 258.6 | 191.2 | 92.7 | 106.2 | 151.4 |
| Multifamily residential real estate | 207.1 | 1.7 | 28.2 | 42.2 | 134.9 | 49.2 | 31.0 | 29.9 | 9.4 | 7.3 | 80.2 |
| Home equity loans | 625.2 | 2.5 | 34.3 | 43.2 | 545.2 | 60.0 | 199.7 | 154.9 | 76.2 | 22.1 | 112.2 |
| Other 1-4 family residential | 2,214.9 | 30.2 | 239.3 | 222.4 | 1,723.0 | 439.8 | 675.3 | 339.3 | 144.6 | 99.2 | 516.8 |
| Commercial and industrial loans | 1,485.9 | 16.1 | 125.8 | 155.6 | 1,188.2 | 204.0 | 361.6 | 362.5 | 129.3 | 102.8 | 325.6 |
| Loans to individuals | 1,048.4 | 8.5 | 47.7 | 78.9 | 913.3 | 275.8 | 192.2 | 176.2 | 95.1 | 39.4 | 269.6 |
| Credit card loans | 386.9 | 0.1 | 3.3 | 28.8 | 354.7 | 169.4 | 21.3 | 43.2 | 40.6 | 7.3 | 105.2 |
| Other loans to individuals | 661.6 | 8.3 | 44.4 | 50.2 | 558.7 | 106.4 | 170.9 | 133.1 | 54.6 | 32.2 | 164.5 |
| All other loans and leases (including farm) | 634.1 | 11.0 | 35.4 | 35.7 | 552.1 | 98.5 | 161.3 | 169.6 | 74.2 | 20.1 | 110.3 |
| Total loans and leases | 7,970.3 | 110.9 | 936.8 | 995.6 | 5,927.1 | 1,387.7 | 2,106.7 | 1,563.6 | 692.9 | 495.6 | 1,723.9 |
| Memo: Other Real Estate Owned (in millions) | | | | | | | | | | | |
| All other real estate owned | 15,670.8 | 397.4 | 3,373.1 | 2,304.3 | 9,596.0 | 1,201.0 | 4,120.9 | 3,472.8 | 1,954.6 | 1,399.9 | 3,521.5 |
| Construction and development | 3,225.0 | 87.2 | 1,424.8 | 943.4 | 769.6 | 210.9 | 1,099.0 | 605.8 | 376.5 | 504.0 | 428.8 |
| Nonfarm nonresidential | 1,890.1 | 123.2 | 763.5 | 363.9 | 639.5 | 251.4 | 481.2 | 469.3 | 282.3 | 318.1 | 87.8 |
| Multifamily residential real estate | 449.1 | 9.7 | 147.5 | 115.3 | 176.6 | 54.2 | 129.5 | 144.9 | 47.1 | 31.7 | 41.7 |
| 1-4 family residential | 8,560.1 | 163.3 | 1,006.3 | 870.1 | 6,520.3 | 657.3 | 2,360.4 | 1,666.5 | 662.6 | 490.8 | 2,722.5 |
| Farmland | 60.7 | 14.1 | 28.1 | 8.2 | 10.4 | 11.1 | 5.4 | 6.7 | 7.8 | 27.8 | 1.9 |
| GNMA properties | 1,313.2 | 0.2 | 4.4 | 6.1 | 1,302.5 | 9.4 | 47.5 | 580.4 | 579.4 | 27.5 | 68.9 |

* 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

| | 1st Quarter 2008 | 4th Quarter 2007 | 3rd Quarter 2007 | 2nd Quarter 2007 | 1st Quarter 2007 | %Change 07:1-08:1 | Asset Size Distribution | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------------|------------------------------------|-----------------------------------|------------------------------|
| | | | | | | | Less than \$100 Million | \$100 Million to \$1 Billion | \$1 Billion to \$10 Billion | Greater than \$10 Billion |
| (dollar figures in millions; notional amounts unless otherwise indicated) | | | | | | | | | | |
| ALL DERIVATIVE HOLDERS | | | | | | | | | | |
| Number of institutions reporting derivatives | 1,093 | 1,044 | 1,026 | 1,059 | 1,057 | 3.4 | 72 | 672 | 269 | 80 |
| Total assets of institutions reporting derivatives | \$10,192,270 | \$9,826,616 | \$9,459,619 | \$9,147,957 | \$8,873,356 | 14.9 | \$5,299 | \$286,886 | \$846,204 | \$9,053,881 |
| Total deposits of institutions reporting derivatives | 6,469,560 | 6,324,701 | 6,030,658 | 5,900,485 | 5,750,763 | 12.5 | 4,181 | 224,215 | 596,073 | 5,645,090 |
| Total derivatives | 181,599,195 | 166,120,761 | 174,581,925 | 154,810,235 | 145,070,582 | 25.2 | 168 | 19,499 | 92,568 | 181,486,961 |
| Derivative Contracts by Underlying Risk Exposure | | | | | | | | | | |
| Interest rate | 141,878,832 | 129,488,054 | 138,717,531 | 123,336,016 | 116,751,443 | 21.5 | 135 | 19,145 | 84,948 | 141,774,604 |
| Foreign exchange* | 19,738,204 | 17,174,160 | 16,696,567 | 15,117,713 | 14,167,853 | 39.3 | 22 | 48 | 5,940 | 19,732,194 |
| Equity | 2,410,959 | 2,522,430 | 2,745,807 | 2,487,655 | 2,180,725 | 10.6 | 10 | 171 | 1,013 | 2,409,765 |
| Commodity & other (excluding credit derivatives) | 1,129,778 | 1,073,116 | 1,025,685 | 951,725 | 840,505 | 34.4 | 0 | 1 | 475 | 1,129,302 |
| Credit | 16,441,421 | 15,863,002 | 15,396,335 | 12,917,125 | 11,130,056 | 47.7 | 0 | 134 | 191 | 16,441,096 |
| Total | 181,599,195 | 166,120,761 | 174,581,925 | 154,810,235 | 145,070,582 | 25.2 | 168 | 19,499 | 92,568 | 181,486,961 |
| Derivative Contracts by Transaction Type | | | | | | | | | | |
| Swaps | 112,564,785 | 103,100,905 | 111,395,368 | 95,327,302 | 88,014,320 | 27.9 | 25 | 10,592 | 58,860 | 112,495,307 |
| Futures & forwards | 22,361,721 | 18,868,676 | 17,130,268 | 16,194,081 | 15,307,483 | 46.1 | 65 | 2,638 | 19,870 | 22,339,148 |
| Purchased options | 14,285,714 | 13,772,286 | 14,552,366 | 14,288,409 | 14,737,701 | -3.1 | 12 | 2,639 | 6,739 | 14,276,324 |
| Written options | 14,704,816 | 13,955,935 | 15,021,291 | 14,773,502 | 14,601,704 | 0.7 | 66 | 3,458 | 6,342 | 14,694,950 |
| Total | 163,917,035 | 149,697,803 | 158,099,293 | 140,583,294 | 132,661,208 | 23.6 | 168 | 19,326 | 91,812 | 163,805,728 |
| Fair Value of Derivative Contracts | | | | | | | | | | |
| Interest rate contracts | 45,259 | 33,895 | 30,716 | 20,006 | 24,424 | 85.3 | 0 | 39 | -50 | 45,271 |
| Foreign exchange contracts | 5,827 | 6,568 | 3,119 | 5,661 | 74,088 | -92.1 | 0 | 0 | -21 | 5,848 |
| Equity contracts | -19,806 | -18,941 | -20,872 | -24,473 | -18,499 | N/M | 0 | 8 | 38 | -19,852 |
| Commodity & other (excluding credit derivatives) | 2,242 | 1,422 | 1,664 | 1,946 | 22,530 | -90.0 | 0 | 0 | 1 | 2,241 |
| Credit derivatives as guarantor | -474,045 | -212,447 | -104,120 | -22,960 | 9,032 | N/M | 0 | 0 | -18 | -474,027 |
| Credit derivatives as beneficiary | 501,034 | 222,426 | 110,905 | 23,824 | -9,668 | N/M | 0 | 0 | 18 | 501,017 |
| Derivative Contracts by Maturity** | | | | | | | | | | |
| Interest rate contracts | | | | | | | | | | |
| < 1 year | 42,621,616 | 39,085,061 | 48,918,705 | 39,403,807 | 32,457,723 | 31.3 | 40 | 2,723 | 26,679 | 42,592,173 |
| 1-5 years | 39,752,478 | 37,222,183 | 36,310,944 | 33,846,133 | 33,802,189 | 17.6 | 13 | 9,497 | 21,206 | 39,721,762 |
| > 5 years | 30,106,011 | 27,722,187 | 27,875,202 | 24,588,178 | 24,684,534 | 22.0 | 12 | 3,055 | 28,700 | 30,074,243 |
| Foreign exchange contracts | | | | | | | | | | |
| < 1 year | 12,524,602 | 11,591,807 | 10,094,603 | 8,948,450 | 8,372,488 | 49.6 | 22 | 7 | 4,214 | 12,520,359 |
| 1-5 years | 1,924,840 | 1,604,898 | 1,831,220 | 1,667,700 | 1,571,241 | 22.5 | 0 | 3 | 26 | 1,924,811 |
| > 5 years | 714,707 | 618,960 | 718,390 | 676,071 | 624,415 | 14.5 | 0 | 10 | 10 | 714,697 |
| Equity contracts | | | | | | | | | | |
| < 1 year | 509,709 | 473,413 | 464,820 | 442,652 | 397,237 | 28.3 | 0 | 27 | 116 | 509,566 |
| 1-5 years | 287,805 | 297,459 | 330,227 | 290,633 | 243,913 | 18.0 | 4 | 64 | 423 | 287,314 |
| > 5 years | 39,960 | 70,485 | 70,134 | 62,916 | 74,332 | -46.2 | 0 | 1 | 24 | 39,933 |
| Commodity & other contracts | | | | | | | | | | |
| < 1 year | 369,747 | 288,125 | 278,442 | 280,133 | 271,647 | 36.1 | 0 | 0 | 384 | 369,362 |
| 1-5 years | 277,956 | 337,075 | 308,298 | 261,410 | 200,458 | 38.7 | 0 | 0 | 45 | 277,912 |
| > 5 years | 33,492 | 26,387 | 27,617 | 27,273 | 23,931 | 40.0 | 0 | 0 | 5 | 33,487 |
| Risk-Based Capital: Credit Equivalent Amount | | | | | | | | | | |
| Total current exposure to tier 1 capital (%) | 70.7 | 45.6 | 38.0 | 30.7 | 28.3 | | 0.3 | 0.6 | 2.4 | 81.9 |
| Total potential future exposure to tier 1 capital (%) | 119.0 | 109.9 | 114.7 | 113.5 | 106.9 | | 0.1 | 0.4 | 0.9 | 138.2 |
| Total exposure (credit equivalent amount) to tier 1 capital (%) | 189.8 | 155.5 | 152.7 | 144.2 | 135.2 | | 0.4 | 1.0 | 3.3 | 220.1 |
| Credit losses on derivatives*** | 14.8 | 156.1 | 125.5 | 6.0 | -3.1 | N/M | 0.0 | 0.3 | 0.0 | 14.5 |
| HELD FOR TRADING | | | | | | | | | | |
| Number of institutions reporting derivatives | 171 | 165 | 158 | 166 | 155 | 10.3 | 10 | 50 | 58 | 53 |
| Total assets of institutions reporting derivatives | 8,627,137 | 8,306,553 | 7,976,927 | 7,641,306 | 7,389,464 | 16.7 | 629 | 23,524 | 256,783 | 8,346,201 |
| Total deposits of institutions reporting derivatives | 5,468,260 | 5,354,716 | 5,081,807 | 4,917,882 | 4,770,607 | 14.6 | 481 | 18,444 | 177,649 | 5,271,686 |
| Derivative Contracts by Underlying Risk Exposure | | | | | | | | | | |
| Interest rate | 139,169,246 | 127,126,330 | 136,068,952 | 120,820,783 | 114,003,897 | 22.1 | 8 | 456 | 32,983 | 139,135,799 |
| Foreign exchange | 18,413,342 | 16,483,116 | 15,489,462 | 13,683,371 | 12,769,131 | 44.2 | 0 | 2 | 5,018 | 18,408,322 |
| Equity | 2,402,414 | 2,515,192 | 2,729,758 | 2,481,730 | 2,176,282 | 10.4 | 0 | 4 | 329 | 2,402,081 |
| Commodity & other | 1,128,387 | 1,072,230 | 1,024,998 | 951,236 | 840,237 | 34.3 | 0 | 0 | 374 | 1,128,012 |
| Total | 161,113,388 | 147,196,868 | 155,313,171 | 137,937,120 | 129,789,547 | 24.1 | 8 | 462 | 38,704 | 161,074,214 |
| Trading Revenues: Cash & Derivative Instruments | | | | | | | | | | |
| Interest rate | 2,393 | -2,531 | 1,624 | 3,056 | 2,296 | 4.2 | 0 | -1 | 24 | 2,371 |
| Foreign exchange | 2,084 | 1,880 | 1,936 | 1,266 | 1,919 | 8.6 | 0 | 0 | 9 | 2,075 |
| Equity | -18 | 217 | -98 | 1,020 | 1,759 | N/M | 0 | 0 | 0 | -19 |
| Commodity & other (including credit derivatives) | -3,206 | -10,145 | -803 | 937 | 1,046 | N/M | 0 | 0 | 0 | -3,206 |
| Total trading revenues | 1,252 | -10,579 | 2,659 | 6,279 | 7,020 | -82.2 | 0 | -1 | 33 | 1,221 |
| Share of Revenue | | | | | | | | | | |
| Trading revenues to gross revenues (%) | 0.9 | -7.7 | 1.8 | 4.2 | 4.9 | | 0.0 | -0.3 | 0.7 | 0.9 |
| Trading revenues to net operating revenues (%) | 12.1 | -277.3 | 14.9 | 27.8 | 33.2 | | 0.0 | -3.0 | 5.6 | 12.6 |
| HELD FOR PURPOSES OTHER THAN TRADING | | | | | | | | | | |
| Number of institutions reporting derivatives | 1,004 | 964 | 951 | 973 | 971 | 3.4 | 63 | 626 | 241 | 74 |
| Total assets of institutions reporting derivatives | 9,905,331 | 9,659,273 | 9,299,270 | 8,967,564 | 8,637,674 | 14.7 | 4,724 | 265,374 | 764,070 | 8,871,163 |
| Total deposits of institutions reporting derivatives | 6,282,654 | 6,209,186 | 5,922,180 | 5,776,895 | 5,583,083 | 12.5 | 3,744 | 207,265 | 536,325 | 5,535,319 |
| Derivative Contracts by Underlying Risk Exposure | | | | | | | | | | |
| Interest rate | 2,709,587 | 2,361,724 | 2,648,579 | 2,515,233 | 2,747,545 | -1.4 | 127 | 18,689 | 51,965 | 2,638,805 |
| Foreign exchange | 84,124 | 131,087 | 120,808 | 124,526 | 119,405 | -29.5 | 22 | 8 | 358 | 83,735 |
| Equity | 8,545 | 7,238 | 16,048 | 5,926 | 4,443 | 92.3 | 10 | 167 | 684 | 7,684 |
| Commodity & other | 1,391 | 886 | 687 | 489 | 268 | 419.0 | 0 | 0 | 101 | 1,290 |
| Total notional amount | 2,803,647 | 2,500,935 | 2,786,122 | 2,646,174 | 2,871,661 | -2.4 | 160 | 18,864 | 53,108 | 2,731,514 |

All line items are reported on a quarterly basis.

*Include spot foreign exchange contracts. All other references to foreign exchange contracts in which notional values or 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.

Quarterly Banking Profile

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

| (dollar figures in millions) | 1st Quarter 2008 | 4th Quarter 2007 | 3rd Quarter 2007 | 2nd Quarter 2007 | 1st Quarter 2007 | %Change 07:1-08:1 | Asset Size Distribution | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------------|------------------------------------|-----------------------------------|------------------------------|
| | | | | | | | Less than \$100 Million | \$100 Million to \$1 Billion | \$1 Billion to \$10 Billion | Greater than \$10 Billion |
| Assets Securitized and Sold with Servicing Retained or with Recourse or Other Seller-Provided Credit Enhancements | | | | | | | | | | |
| Number of institutions reporting securitization activities | 135 | 127 | 125 | 128 | 128 | 5.5 | 16 | 57 | 23 | 39 |
| Outstanding Principal Balance by Asset Type | | | | | | | | | | |
| 1-4 family residential loans | \$1,068,680 | \$1,139,383 | \$1,110,884 | \$1,118,504 | \$1,087,482 | -1.7 | \$36 | \$476 | \$8,841 | \$1,059,327 |
| Home equity loans | 8,341 | 9,353 | 9,894 | 10,640 | 9,339 | -10.7 | 0 | 0 | 160 | 8,181 |
| Credit card receivables | 402,171 | 390,035 | 379,662 | 372,481 | 367,796 | 9.3 | 0 | 2,848 | 11,548 | 387,775 |
| Auto loans | 7,495 | 9,019 | 10,433 | 12,547 | 14,132 | -47.0 | 0 | 0 | 269 | 7,226 |
| Other consumer loans | 27,787 | 28,542 | 29,386 | 27,396 | 27,737 | 0.2 | 0 | 0 | 2 | 27,785 |
| Commercial and industrial loans | 12,556 | 14,469 | 16,183 | 13,489 | 12,385 | 1.4 | 0 | 59 | 5,304 | 7,193 |
| All other loans, leases, and other assets* | 197,091 | 193,875 | 184,941 | 162,434 | 150,404 | 31.0 | 10 | 323 | 541 | 196,218 |
| Total securitized and sold | 1,724,123 | 1,784,676 | 1,741,383 | 1,717,491 | 1,669,276 | 3.3 | 46 | 3,706 | 26,667 | 1,693,704 |
| Maximum Credit Exposure by Asset Type | | | | | | | | | | |
| 1-4 family residential loans | 7,120 | 7,020 | 6,874 | 6,535 | 5,955 | 19.6 | 12 | 78 | 117 | 6,913 |
| Home equity loans | 1,752 | 2,000 | 2,336 | 2,402 | 2,354 | -25.6 | 0 | 0 | 8 | 1,745 |
| Credit card receivables | 21,412 | 19,629 | 19,120 | 18,711 | 17,685 | 21.1 | 0 | 143 | 844 | 20,425 |
| Auto loans | 405 | 380 | 426 | 555 | 628 | -35.5 | 0 | 0 | 21 | 385 |
| Other consumer loans | 1,406 | 1,379 | 2,114 | 1,768 | 1,861 | -24.4 | 0 | 0 | 0 | 1,406 |
| Commercial and industrial loans | 276 | 603 | 720 | 610 | 658 | -58.1 | 0 | 21 | 84 | 171 |
| All other loans, leases, and other assets | 3,228 | 3,733 | 4,578 | 1,053 | 1,052 | 206.8 | 10 | 260 | 32 | 2,926 |
| Total credit exposure | 35,601 | 34,743 | 36,169 | 31,633 | 30,193 | 17.9 | 22 | 503 | 1,106 | 33,970 |
| Total unused liquidity commitments provided to institution's own securitizations | 2,944 | 4,686 | 5,095 | 5,667 | 6,116 | -51.9 | 0 | 0 | 0 | 2,944 |
| Securitized Loans, Leases, and Other Assets 30-89 Days Past Due (%) | | | | | | | | | | |
| 1-4 family residential loans | 2.5 | 2.7 | 2.7 | 2.6 | 2.1 | | 0.0 | 0.1 | 8.2 | 2.5 |
| Home equity loans | 0.7 | 0.8 | 0.7 | 0.6 | 0.7 | | 0.0 | 0.0 | 2.4 | 0.7 |
| Credit card receivables | 2.2 | 2.2 | 2.2 | 1.9 | 1.9 | | 0.0 | 1.2 | 1.5 | 2.3 |
| Auto loans | 1.9 | 2.5 | 2.0 | 1.7 | 1.5 | | 0.0 | 0.0 | 0.7 | 1.9 |
| Other consumer loans | 2.5 | 3.1 | 2.8 | 2.8 | 2.4 | | 0.0 | 0.0 | 0.0 | 2.5 |
| Commercial and industrial loans | 1.2 | 1.0 | 0.9 | 0.5 | 0.6 | | 0.0 | 0.0 | 2.8 | 0.1 |
| All other loans, leases, and other assets | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | | 0.0 | 0.0 | 0.1 | 0.1 |
| Total loans, leases, and other assets | 2.2 | 2.3 | 2.3 | 2.1 | 1.9 | | 0.0 | 0.9 | 4.0 | 2.1 |
| Securitized Loans, Leases, and Other Assets 90 Days or More Past Due (%) | | | | | | | | | | |
| 1-4 family residential loans | 2.0 | 1.6 | 1.2 | 1.2 | 1.1 | | 7.4 | 0.0 | 28.4 | 1.8 |
| Home equity loans | 0.7 | 0.5 | 0.4 | 0.3 | 0.4 | | 0.0 | 0.0 | 1.5 | 0.7 |
| Credit card receivables | 2.1 | 1.9 | 1.7 | 1.6 | 1.8 | | 0.0 | 1.1 | 1.4 | 2.1 |
| Auto loans | 0.3 | 0.4 | 0.2 | 0.2 | 0.2 | | 0.0 | 0.0 | 0.1 | 0.3 |
| Other consumer loans | 2.3 | 2.4 | 2.1 | 2.1 | 2.0 | | 0.0 | 0.0 | 0.0 | 2.3 |
| Commercial and industrial loans | 1.1 | 0.9 | 0.7 | 0.6 | 0.5 | | 0.0 | 0.0 | 2.5 | 0.1 |
| All other loans, leases, and other assets | 0.2 | 0.2 | 0.1 | 0.2 | 0.1 | | 0.0 | 0.0 | 0.0 | 0.2 |
| Total loans, leases, and other assets | 1.8 | 1.5 | 1.2 | 1.2 | 1.2 | | 5.8 | 0.9 | 10.5 | 1.7 |
| Securitized Loans, Leases, and Other Assets Charged-Off (net, YTD, annualized, %) | | | | | | | | | | |
| 1-4 family residential loans | 0.0 | 0.1 | 0.1 | 0.0 | 0.0 | | 0.0 | 0.0 | 1.2 | 0.0 |
| Home equity loans | 0.1 | 0.2 | 0.1 | 0.1 | 0.1 | | 0.0 | 0.0 | 0.4 | 0.1 |
| Credit card receivables | 1.4 | 4.4 | 3.3 | 2.2 | 1.1 | | 0.0 | 1.1 | 1.0 | 1.4 |
| Auto loans | 0.4 | 1.2 | 0.8 | 0.5 | 0.3 | | 0.0 | 0.0 | 0.1 | 0.4 |
| Other consumer loans | 0.2 | 1.3 | 1.1 | 0.7 | 0.4 | | 0.0 | 0.0 | 0.0 | 0.2 |
| Commercial and industrial loans | 0.9 | 2.0 | 1.2 | 0.7 | 0.4 | | 0.0 | 0.0 | 2.0 | 0.0 |
| All other loans, leases, and other assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | 0.0 | 0.0 | 0.0 | 0.0 |
| Total loans, leases, and other assets | 0.4 | 1.1 | 0.8 | 0.5 | 0.3 | | 0.0 | 0.8 | 1.2 | 0.3 |
| Seller's Interests in Institution's Own Securitizations - Carried as Loans | | | | | | | | | | |
| Home equity loans | 282 | 347 | 494 | 651 | 671 | -58.0 | 0 | 0 | 0 | 282 |
| Credit card receivables | 73,418 | 86,748 | 77,451 | 73,405 | 61,569 | 19.2 | 0 | 215 | 3,868 | 69,335 |
| Commercial and industrial loans | 3,263 | 7,671 | 6,018 | 2,843 | 2,863 | 14.0 | 0 | 0 | 774 | 2,489 |
| Seller's Interests in Institution's Own Securitizations - Carried as Securities | | | | | | | | | | |
| Home equity loans | 9 | 9 | 10 | 10 | 10 | -10.0 | 0 | 0 | 0 | 9 |
| Credit card receivables | 377 | 436 | 374 | 327 | 281 | 34.2 | 0 | 23 | 353 | 0 |
| Commercial and industrial loans | 1 | 2 | 6 | 9 | 1 | 0.0 | 0 | 0 | 0 | 1 |
| Assets Sold with Recourse and Not Securitized | | | | | | | | | | |
| Number of institutions reporting asset sales | 758 | 758 | 748 | 738 | 731 | 3.7 | 148 | 460 | 106 | 44 |
| Outstanding Principal Balance by Asset Type | | | | | | | | | | |
| 1-4 family residential loans | 60,378 | 57,611 | 57,400 | 55,168 | 55,723 | 8.4 | 951 | 7,357 | 3,045 | 49,026 |
| Home equity, credit card receivables, auto, and other consumer loans | 1,886 | 637 | 775 | 603 | 1,906 | -1.0 | 1 | 23 | 3 | 1,860 |
| Commercial and industrial loans | 4,579 | 4,728 | 5,302 | 7,708 | 8,198 | -44.1 | 0 | 160 | 83 | 4,336 |
| All other loans, leases, and other assets | 26,105 | 24,082 | 21,509 | 8,035 | 8,103 | 222.2 | 2 | 93 | 519 | 25,491 |
| Total sold and not securitized | 92,949 | 87,058 | 84,986 | 71,515 | 73,931 | 25.7 | 954 | 7,633 | 3,650 | 80,713 |
| Maximum Credit Exposure by Asset Type | | | | | | | | | | |
| 1-4 family residential loans | 14,088 | 14,779 | 15,885 | 14,551 | 13,831 | 1.9 | 129 | 1,437 | 2,177 | 10,345 |
| Home equity, credit card receivables, auto, and other consumer loans | 165 | 604 | 742 | 575 | 1,871 | -91.2 | 0 | 5 | 2 | 158 |
| Commercial and industrial loans | 3,335 | 3,393 | 3,671 | 4,453 | 4,543 | -26.6 | 0 | 157 | 83 | 3,095 |
| All other loans, leases, and other assets | 7,204 | 6,968 | 6,299 | 2,226 | 2,260 | 218.8 | 1 | 14 | 127 | 7,062 |
| Total credit exposure | 24,793 | 25,744 | 26,597 | 21,805 | 22,504 | 10.2 | 132 | 1,612 | 2,388 | 20,661 |
| Support for Securitization Facilities Sponsored by Other Institutions | | | | | | | | | | |
| Number of institutions reporting securitization facilities sponsored by others | 48 | 48 | 50 | 50 | 47 | 2.1 | 23 | 15 | 4 | 6 |
| Total credit exposure | 6,824 | 2,841 | 1,478 | 1,375 | 1,348 | 406.2 | 7 | 108 | 107 | 6,602 |
| Total unused liquidity commitments | 6,778 | 10,314 | 8,242 | 14,093 | 5,827 | 16.3 | 0 | 0 | 0 | 6,778 |
| Other | | | | | | | | | | |
| Assets serviced for others** | 3,800,630 | 3,798,672 | 3,648,511 | 3,570,238 | 3,496,710 | 8.7 | 3,646 | 65,140 | 103,590 | 3,628,254 |
| Asset-backed commercial paper conduits | | | | | | | | | | |
| Credit exposure to conduits sponsored by institutions and others | 22,332 | 22,226 | 22,592 | 22,211 | 21,404 | 4.3 | 2 | 0 | 370 | 21,960 |
| Unused liquidity commitments to conduits sponsored by institutions and others | 345,968 | 372,709 | 365,850 | 364,656 | 327,395 | 5.7 | 0 | 0 | 0 | 345,968 |
| Net servicing income (for the quarter) | 3,539 | 2,718 | 3,635 | 5,330 | 3,600 | -1.7 | 64 | 119 | 114 | 3,241 |
| Net securitization income (for the quarter) | 5,136 | 5,006 | 5,812 | 5,355 | 4,964 | 3.5 | 0 | 54 | 280 | 4,802 |
| Total credit exposure to Tier 1 capital (%)** | 6.7 | 6.4 | 6.5 | 5.7 | 5.7 | | 0.7 | 1.7 | 2.8 | 8.4 |

*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

INSURANCE FUND INDICATORS

- **Insured Deposits Grow by 3.3 Percent in the First Quarter**
- **DIF Reserve Ratio Declines 3 Basis Points to 1.19 Percent**
- **Two Insured Institutions Fail During the First Quarter**

During the first quarter of 2008, total assets of the nation's 8,494 FDIC-insured commercial banks and savings institutions increased by \$335.4 billion (2.6 percent). Total deposits, which increased by \$150.4 billion, funded about 45 percent of this asset growth. Domestic deposits grew by 2.3 percent (\$156.2 billion) during the quarter, while deposits in foreign offices declined by \$5.8 billion (0.4 percent).¹ Three-quarters of the growth in domestic deposits consisted of interest-bearing non-time deposits (savings deposits and interest bearing checking deposits), which tend to be retail accounts. Domestic time deposits increased by 1.0 percent, while other domestic interest-bearing deposits increased by 3.7 percent and domestic non-interest bearing deposits increased by 1.2 percent. During the year ending March 31, total domestic deposits increased by 5.6 percent, with interest-bearing deposits rising by 6.3 percent and noninterest-bearing deposits rising by 2.3 percent.

Over the past year, the share of assets funded by domestic deposits declined from 56 percent to 53 percent. By contrast, over the same 12 months, foreign deposits as a percent of total assets rose from 10.0 percent to 11.2 percent. Federal Home Loan Bank (FHLB) advances' share of asset funding increased from 5.1 percent to 6.3 percent. From March 31, 2007, to March 31, 2008, foreign office deposits increased by 24.7 percent (\$296.5 billion) and FHLB advances increased by 38.5 percent (\$234.0 billion). Estimated insured deposits (including U.S. branches of foreign banks) increased by 3.3 percent (\$140.5 billion) during the first quarter of 2008. This was the largest one-quarter increase in insured deposits since quarterly reporting was adopted in 1991. For the most recent 12-month period, insured deposits increased by 4.4 percent. For institutions reporting as of March 31, 2008, and December 31, 2007, insured deposits increased during the first quarter at 6,375 institutions

¹ During the first quarter, the reported assessment base declined 0.3 percent even as domestic deposits increased by 2.3 percent. This decline resulted from a change in the way that many large institutions calculate their assessment base. Beginning March 31, 2008, institutions with assets of \$1 billion or more must report their assessable deposits based on daily average balances, rather than quarter-end amounts. During 2007, institutions with assets greater than \$1 billion had a choice of reporting their assessable deposits based on either daily average balances or quarter-end amounts. Prior to 2007, all insured institutions derived their assessment base from quarter-end amounts. Institutions with assets less than \$1 billion have the option to report daily average balances.

(75 percent), decreased at 2,039 institutions (24 percent), and remained unchanged at 42 institutions.

While first quarter insured deposit growth primarily reflects the strong quarterly growth in domestic deposits, a change in reporting instructions on the Call Report also contributed to the quarterly increase in insured deposits. Effective March 31, 2008, the amounts of estimated uninsured and insured deposits for institutions that file the Call Reports must equal total end-of-quarter assessable deposits. Prior to 2008, estimated uninsured and insured deposits were derived from domestic deposits as reported on the balance sheet. Estimated insured deposits now include certain items that are not included in domestic deposits on the balance sheet, such as insured accrued and unpaid interest and insured deposits of consolidated subsidiaries. For the second quarter, institutions filing the Thrift Financial Reports will adopt the same change.

The Deposit Insurance Fund (DIF) increased by 0.8 percent (\$430 million) during the first quarter to \$52,843 million. Accrued assessment income added \$448 million to the DIF during the first quarter. The fund received \$127 million from unrealized gains on available for sale securities and took in \$380 million from interest on securities and other revenue, net of operating expenses. The DIF was reduced by \$525 million in additional provisions for insurance losses.

The DIF's reserve ratio equaled 1.19 percent on March 31, 2008, which was 3 basis points lower than the previous quarter. Strong insured deposit growth and an increase in loss provisions were the primary factors contributing to the decline. Over the past four quarters, the DIF reserve ratio declined from 1.20 percent to 1.19 percent.

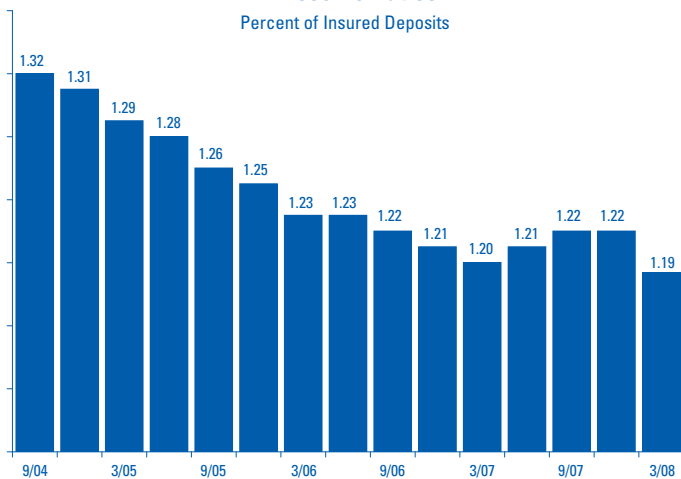
Two FDIC-insured institutions with combined assets of \$70 million failed during the first quarter of 2008. At the time of failure, losses to the DIF were estimated at \$8.6 million. During the 12 months ending March 31, 2008, four insured institutions with combined assets of \$2.4 billion failed, at an estimated current cost to the DIF of \$177 million.

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TABLE I-B. Insurance Fund Balances and Selected Indicators

| (dollar figures in millions) | Deposit Insurance Fund | | | | | | | | | |
|--|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 1st Quarter 2008 | 4th Quarter 2007 | 3rd Quarter 2007 | 2nd Quarter 2007 | 1st Quarter 2007 | 4th Quarter 2006 | 3rd Quarter 2006 | 2nd Quarter 2006 | 1st Quarter 2006 | 4th Quarter 2005 |
| Beginning Fund Balance* | \$52,413 | \$51,754 | \$51,227 | \$50,745 | \$50,165 | \$49,992 | \$49,564 | \$49,193 | \$48,597 | \$48,373 |
| Changes in Fund Balance: | | | | | | | | | | |
| Assessments earned..... | 448 | 239 | 170 | 140 | 94 | 10 | 10 | 7 | 5 | 13 |
| Interest earned on investment securities..... | 618 | 585 | 640 | 748 | 567 | 476 | 622 | 665 | 478 | 675 |
| Operating expenses..... | 238 | 262 | 243 | 248 | 239 | 248 | 237 | 242 | 224 | 252 |
| Provision for insurance losses..... | 525 | 39 | 132 | -3 | -73 | 49 | -50 | -6 | -45 | -19 |
| All other income, net of expenses**..... | 0 | -2 | 24 | 1 | 4 | 5 | 1 | 12 | 349 | 4 |
| Unrealized gain/(loss) on available-for-sale securities..... | 127 | 138 | 68 | -162 | 81 | -21 | -18 | -77 | -57 | -235 |
| Total fund balance change..... | 430 | 659 | 527 | 482 | 580 | 173 | 428 | 371 | 596 | 224 |
| Ending Fund Balance* | 52,843 | 52,413 | 51,754 | 51,227 | 50,745 | 50,165 | 49,992 | 49,564 | 49,193 | 48,597 |
| Percent change from four quarters earlier..... | 4.13 | 4.48 | 3.52 | 3.36 | 3.15 | 3.23 | 3.35 | 3.21 | 3.31 | 2.29 |
| Reserve Ratio (%) | 1.19 | 1.22 | 1.22 | 1.21 | 1.2 | 1.21 | 1.22 | 1.23 | 1.23 | 1.25 |
| Estimated Insured Deposits | 4,431,868 | 4,291,370 | 4,242,540 | 4,234,876 | 4,245,154 | 4,153,764 | 4,100,013 | 4,040,353 | 4,001,906 | 3,890,941 |
| Percent change from four quarters earlier..... | 4.4 | 3.31 | 3.48 | 4.81 | 6.08 | 6.75 | 7.02 | 7.52 | 8.50 | 7.42 |
| Assessment Base | 7,030,220 | 7,052,010 | 6,880,933 | 6,821,489 | 6,801,523 | 6,594,750 | 6,439,326 | 6,386,864 | 6,272,505 | 6,177,429 |
| Percent change from four quarters earlier..... | 3.36 | 6.93 | 6.86 | 6.8 | 8.43 | 6.76 | 6.63 | 6.64 | 8.15 | 8.88 |
| Number of institutions reporting | 8,505 | 8,545 | 8,570 | 8,625 | 8,661 | 8,692 | 8,755 | 8,790 | 8,803 | 8,846 |

DIF Reserve Ratios*
Percent of Insured Deposits



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

| | DIF Balance | DIF-Insured Deposits |
|-------|-------------|----------------------|
| 9/04 | 46,990 | 3,559,489 |
| 12/04 | 47,507 | 3,622,068 |
| 3/05 | 47,617 | 3,688,562 |
| 6/05 | 48,023 | 3,757,728 |
| 9/05 | 48,373 | 3,830,950 |
| 12/05 | 48,597 | 3,890,941 |
| 3/06 | 49,193 | 4,001,906 |
| 6/06 | 49,564 | 4,040,353 |
| 9/06 | 49,992 | 4,100,013 |
| 12/06 | 50,165 | 4,153,764 |
| 3/07 | 50,745 | 4,245,154 |
| 6/07 | 51,227 | 4,234,876 |
| 9/07 | 51,754 | 4,242,540 |
| 12/07 | 52,413 | 4,291,370 |
| 3/08 | 52,843 | 4,431,868 |

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

| (dollar figures in millions) | 2008*** | 2007*** | 2007 | 2006 | 2005 | 2004 | 2003 |
|-------------------------------------|----------|----------|----------|---------|---------|----------|----------|
| Problem Institutions | | | | | | | |
| Number of institutions..... | 90 | 53 | 76 | 50 | 52 | 80 | 116 |
| Total assets..... | \$26,311 | \$21,445 | \$22,189 | \$8,265 | \$6,607 | \$28,250 | \$29,917 |
| Failed/Assisted Institutions | | | | | | | |
| Number of institutions..... | 2 | 1 | 3 | 0 | 0 | 4 | 3 |
| Total assets..... | \$70 | \$15 | \$2,345 | \$0 | \$0 | \$166 | \$1,097 |

* Prior to 2006, amounts represent sum of separate BIF and SAIF amounts.
 ** First Quarter 2006 includes previously escrowed revenue from SAIF-member exit fees.
 *** Through March 31.

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

(dollar figures in millions)

March 31, 2008

| | Number of Institutions | Total Assets | Domestic Deposits* | Est. Insured Deposits |
|--|------------------------|-------------------|--------------------|-----------------------|
| Commercial Banks and Savings Institutions | | | | |
| FDIC-Insured Commercial Banks | 7,240 | 11,494,748 | 5,937,063 | 3,540,634 |
| FDIC-Supervised | 4,753 | 1,903,836 | 1,397,608 | 957,581 |
| OCC-Supervised | 1,612 | 8,041,324 | 3,685,705 | 2,075,721 |
| Federal Reserve-Supervised | 875 | 1,549,589 | 853,751 | 507,332 |
| FDIC-Insured Savings Institutions | 1,254 | 1,874,748 | 1,131,943 | 886,226 |
| OTS-Supervised Savings Institutions | 831 | 1,568,908 | 921,357 | 723,071 |
| FDIC-Supervised State Savings Banks | 423 | 305,840 | 210,587 | 163,155 |
| Total Commercial Banks and Savings Institutions | 8,494 | 13,369,496 | 7,069,007 | 4,426,860 |
| Other FDIC-Insured Institutions | | | | |
| U.S. Branches of Foreign Banks | 11 | 19,415 | 7,748 | 5,008 |
| Total FDIC-Insured Institutions | 8,505 | 13,388,911 | 7,076,755 | 4,431,868 |

* Excludes \$1.50 trillion in foreign office deposits, which are uninsured.

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

Quarter Ending December 31, 2007

(dollar figures in billions)

| Risk Category | Annual Rate in Basis Points | Number of Institutions | Percent of Total Institutions | Assessment Base | Percent of Total Assessment Base |
|-------------------|-----------------------------|------------------------|-------------------------------|-----------------|----------------------------------|
| I - Minimum | 5 | 2,405 | 28.1 | 3,633 | 51.5 |
| I - Middle | 5.01- 6.00 | 3,028 | 35.4 | 2,294 | 32.5 |
| I - Middle | 6.01- 6.99 | 1,475 | 17.3 | 509 | 7.2 |
| I - Maximum | 7 | 1,105 | 12.9 | 394 | 5.6 |
| II | 10 | 450 | 5.3 | 202 | 2.9 |
| III | 28 | 75 | 0.9 | 19 | 0.3 |
| IV | 43 | 7 | 0.1 | 2 | 0.0 |

Note: Institutions are categorized based on supervisory ratings, debt ratings and financial data as of December 31, 2007.

Rates do not reflect the application of assessment credits. See notes to users for further information on risk categories and rates.

Notes To Users

This publication contains financial data and other information for depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). These notes are an integral part of this publication and provide information regarding the comparability of source data and reporting differences over time.

Tables I-A through VIII-A.

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

Tables I-B through IV-B.

A separate set of tables (Tables I-B through IV-B) provides comparative quarterly data related to the Deposit Insurance Fund (DIF), problem institutions, failed/assisted institutions, estimated FDIC-insured deposits, as well as assessment rate information. Depository institutions that are not insured by the FDIC through the DIF are not included in the *FDIC Quarterly Banking Profile*. U.S. branches of institutions headquartered in foreign countries and non-deposit trust companies are not included unless otherwise indicated. Efforts are made to obtain financial reports for all active institutions. However, in some cases, final financial reports are not available for institutions that have closed or converted their charters.

DATA SOURCES

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

COMPUTATION METHODOLOGY

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

All asset and liability figures used in calculating performance ratios represent average amounts for the period (beginning-of-period amount plus end-of-period amount plus any interim

periods, divided by the total number of periods). For "pooling-of-interest" mergers, the assets of the acquired institution(s) are included in average assets since the year-to-date income includes the results of all merged institutions. No adjustments are made for "purchase accounting" mergers. Growth rates represent the percentage change over a 12-month period in totals for institutions in the base period to totals for institutions in the current period.

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

ACCOUNTING CHANGES

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

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

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

FASB Statement No. 155, Accounting for Certain Hybrid Financial Instruments—issued in February 2006, requires bifurcation of certain derivatives embedded in interests in securitized financial assets and permits fair value measurement (i.e., a fair value

option) for any hybrid financial instrument that contains an embedded derivative that would otherwise require bifurcation under FASB Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities* (FAS 133). In addition, FAS 155 clarifies which interest-only and principal-only strips are not subject to FAS 133.

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

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

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

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

FASB Statement No. 123 (Revised 2004) and Share-Based Payments—requires all entities to recognize compensation expense in an amount equal to the fair value of share-based payments, e.g., stock options and restricted stock, granted to

employees. As of January 2006 all banks must adopt FAS 123(R). The compensation cost is typically recognized over the vesting period with a corresponding credit to equity. The recording of the compensation cost also gives rise to a deferred tax asset.

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

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

DEFINITIONS (in alphabetical order)

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

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

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

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

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

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

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

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

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

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

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

Derivatives transaction types:

Futures and forward contracts—contracts in which the buyer agrees to purchase and the seller agrees to sell, at a specified future date, a specific quantity of an underlying variable or index at a specified price or yield. These contracts exist for a variety of variables or indices, (traditional agricultural or physical commodities, as well as currencies and interest rates). Futures contracts are standardized and are traded on organized exchanges which set limits on

counterparty credit exposure. Forward contracts do not have standardized terms and are traded over the counter.

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

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

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

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

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

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

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

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

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

Goodwill and other intangibles—intangible assets include servicing rights, purchased credit card relationships and other identifiable intangible assets. Goodwill is the excess of the purchase price over the fair market value of the net assets acquired.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Problem” institutions—federal regulators assign a composite rating to each financial institution, based upon an evaluation of financial and operational criteria. The rating is based on a scale of 1 to 5 in ascending order of supervisory concern. “Problem” institutions are those institutions with financial, operational, or managerial weaknesses that threaten their

continued financial viability. Depending upon the degree of risk and supervisory concern, they are rated either a “4” or “5.” The number and assets of “problem” institutions are based on FDIC composite ratings. Prior to March 31, 2008, for institutions whose primary federal regulator was the OTS, the OTS composite rating was used.

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

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

Restructured loans and leases—loan and lease financing receivables with terms restructured from the original contract. Excludes restructured loans and leases that are not in compliance with the modified terms.

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

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

Return on equity—net income (including gains or losses on securities and extraordinary items) as a percentage of average total equity capital.

Risk-based capital groups—definition:

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

*As a percentage of risk-weighted assets.

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

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

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

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

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

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

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

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

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

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

Subchapter S Corporation—A Subchapter S corporation is treated as a pass-through entity, similar to a partnership, for federal income tax purposes. It is generally not subject to any federal income taxes at the corporate level. This can have the effect of reducing institutions' reported taxes and increasing their after-tax earnings.

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

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

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

Volatile liabilities—the sum of large-denomination time deposits, foreign-office deposits, federal funds purchased, securities sold under agreements to repurchase, and other borrowings.

Yield on earning assets—total interest, dividend and fee income earned on loans and investments as a percentage of average earning assets.