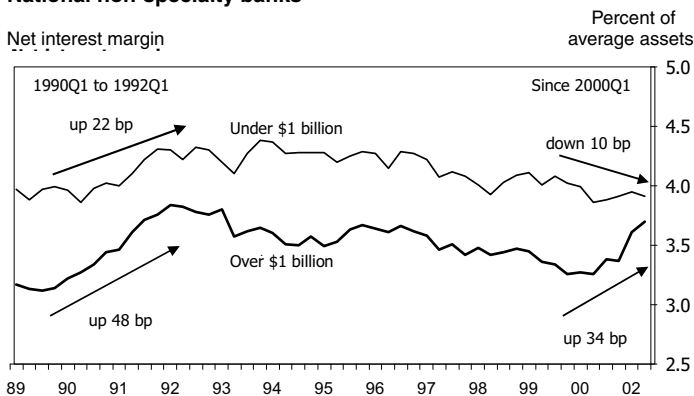


# Condition and Performance of Commercial Banks

## Summary

The same factors that drove bank performance at the end of 2001 continued in play in the first quarter of 2002. Most important, low short-term rates and wide spreads between short- and long-term rates boosted aggregate net interest margins and earnings. Assets also continued to grow, despite the sluggish economy. The result was record aggregate net income, in dollar terms, with return on equity approaching the record levels of the late 1990s. For national banks, return on equity rose both quarter-over-quarter and year-over-year. This performance stands in sharp contrast to the record decline in U.S. corporate profits in 2001.

**Figure 1—NIM rises for large banks, falls for small banks**  
National non-specialty banks



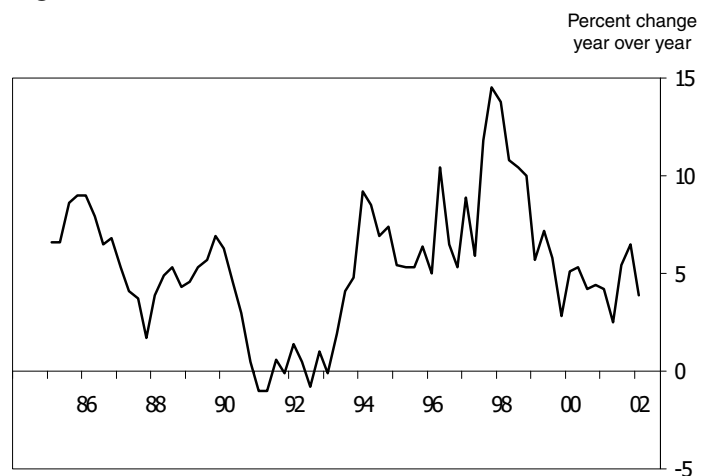
Not all banks have benefited from these favorable trends. Most of the advantages of the low-interest-rate environment have gone to large banks; they are large net borrowers in the wholesale funds market, and have therefore been the major beneficiaries of the drop in the cost of funds. In the first quarter of 2002, net interest margins (NIMs) continued to rise for large banks as a group but fell for small banks, continuing a two-year trend. Asset growth was also predominantly in the large banks.

Asset quality continued to deteriorate for both small and large banks, especially in the commercial and industrial (C&I) sector. Noncurrent loans showed further deterioration in all major categories at both large and small banks.

## Key Trends

Net interest income showed strong year-over-year growth in the first quarter, the result of widening net interest margins and growth in total assets. Growth in net interest income more than offset higher provisioning costs, resulting in a 19 percent increase in net income for the quarter, compared to the first quarter of 2001. In contrast, during the recession of 1990–91, asset growth was hardly discernible, and net income declined.

**Figure 2—Total assets of national banks**

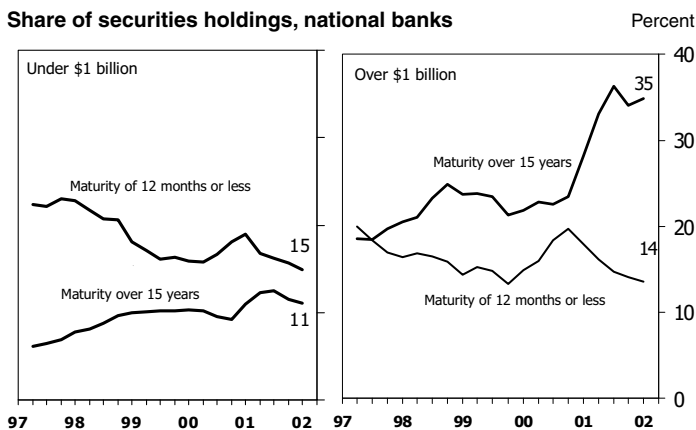


Net interest margins rose for the banking system as a whole, largely the result of low short-term interest rates. But while first-quarter NIM rose for large banks (over \$1 billion in assets), it fell for small banks (under \$1 billion in assets). Since the first quarter of 2000, large-bank NIM has risen by 34 basis points, and now stands close to the highest level since the data series began in 1984. Over the same two years, small-bank NIM has fallen by 10 basis points, and now stands at its lowest level since the recession year of 1991. During that earlier recession, NIM rose for both large and small banks, but a shrinking asset base led to only a modest rise in net interest income.

In contrast, bank assets continued to grow during the recent recession. Total assets rose over the last several quarters as new deposits flowed into banks. Some of this increase funded new loans. A modest increase in loan volume combined with a substantial boost in NIM contributed to significant gains in net interest income. An even larger share of new assets—and of the increase in net interest income—came from increased holding of securities, primarily at large banks.

In their securities portfolios, both small and large banks have moved toward longer maturities to take advantage of the steep yield curve. Since 1997, both small and large banks have roughly doubled their portfolio shares of securities with maturities over 15 years. Over the same period, both small and large banks have decreased their portfolio shares of securities with maturities of 12 months or less. This movement toward longer maturities raises interest income but also increases interest-rate risk. This lengthening of asset maturities, however, is accompanied by a significant increase in the use of interest-rate derivatives. This reduces interest-rate risk for the national banking system.

**Figure 3—Banks holding more long-term securities**

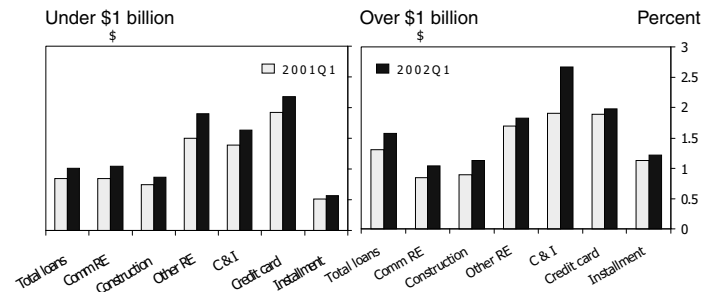


Asset quality continued to deteriorate during the first quarter across all classes of loans, for both small and large banks. Banks reported higher noncurrent ratios for commercial real estate and construction loans, and modestly higher noncurrent ratios for home mortgage loans. But as in recent quarters, the biggest problems are in the commercial and industrial (C&I) sector. Corporate profits fell dramatically in 2001 across the economy and have yet to show definitive signs of recovery. Profits of U.S. nonfinancial corporations fell 25 percent from 2000 to 2001, with some sectors chalking up double- and even triple-digit declines. This compares with no change in

profits during the recession years of 1990 and 1991. In 2001, Fortune 500 companies set a record for a one-year decline in aggregate profits. Eight companies accounted for three-fourths of the losses for the Fortune 500, although 100 of these 500 companies lost money. The result was more pressure on credit quality, particularly for large banks, which have most of the exposure to the large, troubled companies.

**Figure 4—Loan quality deteriorates in all major categories**

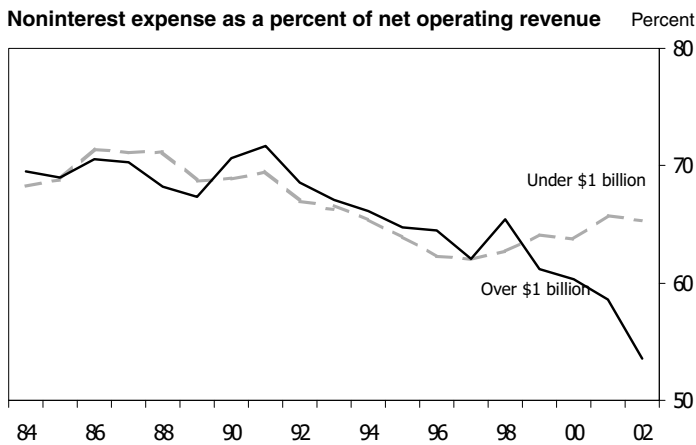
**Loans noncurrent, national non-specialty banks**



Since the beginning of the recession in early 2001, credit quality has held up better at small banks than at their larger counterparts. But this aggregate result conceals important differences among the smaller banks. For example, from the first quarter of 2001 to the first quarter of 2002, 8 percent of small banks, but only 2 percent of large banks, had noncurrent ratios above 3 percent (the long-term national average is about 1 percent). This probably contributed to the higher percentage of small banks with weak returns: in the first quarter, only 2 percent of large banks, but 8 percent of small banks, showed a return on assets of less than 0.5 percent (the long-term national average is also about 1 percent).

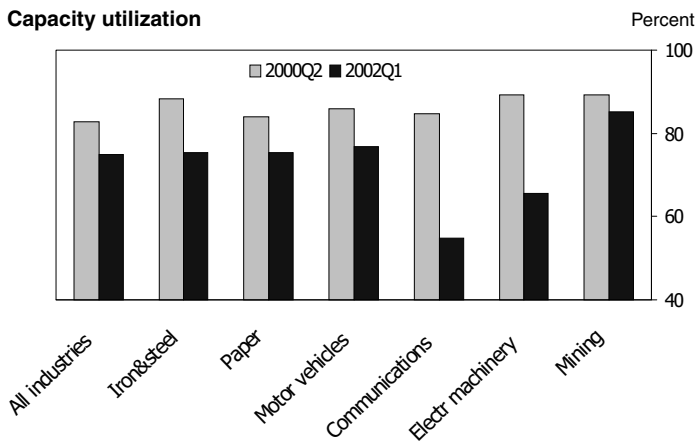
Since 1997, large banks have also had better success in reducing noninterest expense, which has declined as a fraction of net operating revenue for large banks, but has risen for small banks. Until 1998, noninterest expense account for about the same fraction of net operating revenues at both small and large banks. Since then the ratio has dropped from 65 percent to 54 percent for large banks, but has risen slightly for small banks. First-quarter results showed a further decline for large banks, although the results were distorted by a change in the accounting rules concerning the treatment of merger-related goodwill. Most conspicuous has been the difference in salary expense. Salaries now account for less than 25 percent of net operating revenue at large banks, compared to about 33 percent at small banks.

**Figure 5—Noninterest expense has fallen for large banks**



Overcapacity continues to be a problem in many sectors—both in the old economy (e.g., iron and steel, electrical machinery), and the new economy (e.g., telecommunications, computers), where capacity expanded rapidly during the investment boom of the 1990s. Even robust economic growth would not quickly soak up this excess capacity. The overhang of excess capacity is likely to hold down profits in many sectors and delay an improvement in credit quality.

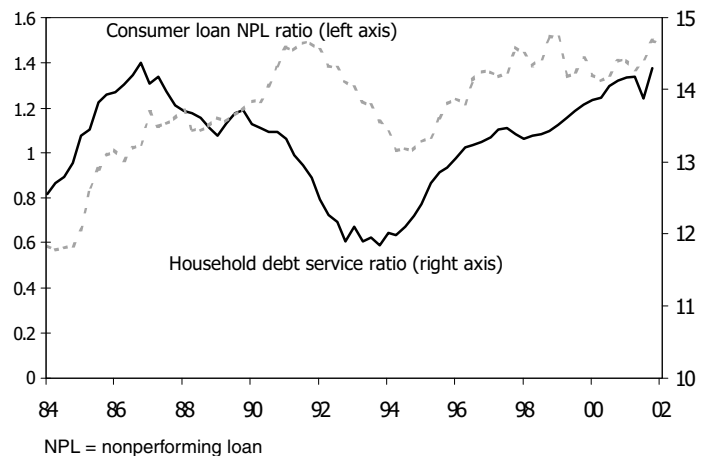
**Figure 6—Overcapacity continues in many sectors**



Community banks have less direct exposure to the weakest industries, because they are not an important source of loans for large manufacturers. Nonetheless, community banks remain exposed indirectly, as they serve the communities where many troubled firms are located. Community banks located in areas with a heavy tech or telecom presence may face particular problems. Most vulnerable are business-oriented community banks, those specializing in business loans, or loans for business real estate.

The consumer side remained strong through the recession, in contrast to the corporate side. Fueled by tax cuts and decreases in energy prices, consumer spending grew every quarter in 2001 and continues to grow in 2002. Another factor in the strong performance of the consumer sector has been the rapid appreciation in home prices. This has made consumers feel wealthier and more inclined to spend money. In some regions, home prices have risen substantially faster than household income; this is not sustainable in the long run. If a correction comes, it would dampen consumer sentiment in these regions, cutting into consumer spending. Household debt levels (the ratio of consumer plus mortgage debt to disposable income) rose steadily from early 1998 until the third quarter of 2001. Debt levels then eased off briefly as homeowners took advantages of 40-year lows in interest rates to refinance their mortgages (70 percent of mortgage originations in the fourth quarter of 2001 were refinancings). But debt levels have risen again and now stand at a 15-year high. The nonperforming ratio for consumer loans tends to move with the household debt service ratio, although with a one- or two-year lag. This suggests that consumer loan quality could deteriorate over the next year or two.

**Figure 7—Household debt service ratio near**



NPL = nonperforming loan

**Key indicators, FDIC-insured national banks**  
**Annual 1998–2001, year-to-date through March 31, 2002, first quarter 2001, and first quarter 2002**

(Dollar figures in millions)

	1998	1999	2000	2001	Preliminary 2002YTD	2001Q1	Preliminary 2002Q1
Number of institutions reporting . . . . .	2,456	2,364	2,230	2,137	2,118	2,201	2,118
Total employees (FTEs) . . . . .	974,871	983,186	948,652	966,538	973,383	966,697	973,383
<b>Selected income data (\$)</b>							
Net income . . . . .	\$37,608	\$42,591	\$38,959	\$44,349	\$13,514	\$11,396	\$13,514
Net interest income . . . . .	110,985	114,557	115,905	125,663	35,136	29,746	35,136
Provision for loan losses . . . . .	15,242	15,549	20,558	28,996	8,337	5,325	8,337
Noninterest income . . . . .	81,344	92,647	96,184	99,535	26,239	25,008	26,239
Noninterest expense . . . . .	122,604	125,807	128,535	131,145	32,781	32,159	32,781
Net operating income . . . . .	35,549	42,416	40,209	43,122	13,372	11,353	13,372
Cash dividends declared . . . . .	25,414	29,870	32,327	27,745	13,270	7,044	13,270
Net charge-offs to loan and lease reserve . . . . .	14,492	14,179	17,240	25,179	8,238	4,799	8,238
<b>Selected condition data (\$)</b>							
Total assets . . . . .	3,183,385	3,271,262	3,414,443	3,635,542	3,574,174	3,440,201	3,574,174
Total loans and leases . . . . .	2,015,585	2,127,927	2,227,071	2,272,752	2,268,128	2,251,529	2,268,128
Reserve for losses . . . . .	36,810	37,683	40,021	45,569	47,874	40,646	47,874
Securities . . . . .	516,120	537,316	502,297	576,012	572,595	487,106	572,595
Other real estate owned . . . . .	1,833	1,572	1,553	1,794	1,861	1,640	1,861
Noncurrent loans and leases . . . . .	19,513	20,815	27,161	34,579	35,639	29,404	35,639
Total deposits . . . . .	2,137,946	2,154,272	2,250,464	2,384,464	2,351,051	2,262,231	2,351,051
Domestic deposits . . . . .	1,785,856	1,776,126	1,827,126	2,001,303	1,982,322	1,871,697	1,982,322
Equity capital . . . . .	274,193	278,011	293,836	340,972	344,410	306,161	344,410
Off-balance-sheet derivatives . . . . .	10,953,514	12,077,568	15,502,911	20,291,557	21,529,752	16,522,210	21,529,752
<b>Performance ratios (annualized %)</b>							
Return on equity . . . . .	14.29	15.57	13.71	13.89	15.75	15.11	15.75
Return on assets . . . . .	1.24	1.35	1.18	1.26	1.50	1.32	1.50
Net interest income to assets . . . . .	3.67	3.63	3.50	3.56	3.90	3.45	3.90
Loss provision to assets . . . . .	0.50	0.49	0.62	0.82	0.92	0.62	0.92
Net operating income to assets . . . . .	1.18	1.35	1.21	1.22	1.48	1.32	1.48
Noninterest income to assets . . . . .	2.69	2.94	2.91	2.82	2.91	2.90	2.91
Noninterest expense to assets . . . . .	4.05	3.99	3.88	3.72	3.64	3.73	3.64
Loss provision to loans and leases . . . . .	0.79	0.76	0.95	1.28	1.47	0.95	1.47
Net charge-offs to loans and leases . . . . .	0.75	0.70	0.80	1.11	1.45	0.85	1.45
Loss provision to net charge-offs . . . . .	105.12	109.66	119.24	115.16	101.20	110.95	101.20
<b>Performance ratios (%)</b>							
Percent of institutions unprofitable . . . . .	5.94	7.06	6.91	7.25	7.41	6.45	7.41
Percent of institutions with earnings gains . . . . .	61.60	62.18	66.64	56.90	62.70	54.34	62.28
Noninterest income to net operating revenue . . . . .	42.29	44.71	45.35	44.20	42.75	45.67	42.75
Noninterest expense to net operating revenue . . . . .	63.75	60.72	60.60	58.24	53.41	58.73	53.41
<b>Condition ratios (%)</b>							
Nonperforming assets to assets . . . . .	0.68	0.70	0.86	1.02	1.06	0.91	1.06
Noncurrent loans to loans . . . . .	0.97	0.98	1.22	1.52	1.57	1.31	1.57
Loss reserve to noncurrent loans . . . . .	188.65	181.03	147.35	131.78	134.33	138.23	134.33
Loss reserve to loans . . . . .	1.83	1.77	1.80	2.01	2.11	1.81	2.11
Equity capital to assets . . . . .	8.61	8.50	8.61	9.38	9.64	8.90	9.64
Leverage ratio . . . . .	7.43	7.49	7.49	7.82	8.00	7.59	8.00
Risk-based capital ratio . . . . .	11.79	11.71	11.85	12.62	12.91	12.11	12.91
Net loans and leases to assets . . . . .	62.16	63.90	64.05	61.26	62.12	64.27	62.12
Securities to assets . . . . .	16.21	16.43	14.71	15.84	16.02	14.16	16.02
Appreciation in securities (% of par) . . . . .	0.82	-2.45	-0.01	0.48	0.15	0.80	0.15
Residential mortgage assets to assets . . . . .	20.41	20.60	19.60	22.54	22.25	20.53	22.25
Total deposits to assets . . . . .	67.16	65.85	65.91	65.59	65.78	65.76	65.78
Core deposits to assets . . . . .	49.72	47.01	45.61	48.07	48.39	46.60	48.39
Volatile liabilities to assets . . . . .	31.77	34.81	35.18	31.24	30.86	33.01	30.86

**Loan performance, FDIC-insured national banks**  
**Annual 1998–2001, year-to-date through March 31, 2002, first quarter 2001, and first quarter 2002**

(Dollar figures in millions)

	1998	1999	2000	2001	Preliminary 2002YTD	2001Q1	Preliminary 2002Q1
<b>Percent of loans past due 30–89 days</b>							
Total loans and leases	1.27	1.16	1.26	1.38	1.26	1.21	1.26
Loans secured by real estate (RE)	1.33	1.22	1.42	1.42	1.20	1.35	1.20
1–4 family residential mortgages	1.50	1.61	1.95	1.80	1.52	1.72	1.52
Home equity loans	0.97	0.77	1.07	0.98	0.64	0.88	0.64
Multifamily residential mortgages	0.94	0.69	0.59	0.75	0.64	0.70	0.64
Commercial RE loans	1.02	0.70	0.72	0.86	0.78	0.84	0.78
Construction RE loans	1.82	1.07	1.12	1.28	1.44	1.27	1.44
Commercial and industrial loans	0.81	0.71	0.71	0.95	1.03	0.72	1.03
Loans to individuals	2.44	2.36	2.40	2.39	1.99	2.11	1.99
Credit cards	2.52	2.53	2.50	2.51	2.36	2.46	2.36
Installment loans and other plans	2.37	2.24	2.31	2.65	1.95	2.04	1.95
All other loans and leases	0.46	0.50	0.58	0.84	0.90	0.75	0.90
<b>Percent of loans noncurrent</b>							
Total loans and leases	0.97	0.98	1.22	1.52	1.57	1.31	1.57
Loans secured by real estate (RE)	0.98	0.87	0.93	1.04	1.09	0.99	1.09
1–4 family residential mortgages	0.95	0.91	1.06	1.05	1.20	1.12	1.20
Home equity loans	0.41	0.32	0.41	0.42	0.38	0.43	0.38
Multifamily residential mortgages	0.88	0.43	0.55	0.49	0.45	0.41	0.45
Commercial RE loans	1.01	0.84	0.77	1.03	1.05	0.85	1.05
Construction RE loans	0.80	0.63	0.82	1.15	1.13	0.90	1.13
Commercial and industrial loans	0.86	1.11	1.66	2.44	2.62	1.88	2.62
Loans to individuals	1.59	1.52	1.46	1.58	1.57	1.48	1.57
Credit cards	2.06	2.00	1.89	2.05	2.17	2.15	2.17
Installment loans and other plans	1.19	1.16	1.06	1.41	1.23	1.11	1.23
All other loans and leases	0.31	0.40	0.85	1.18	1.07	0.84	1.07
<b>Percent of loans charged-off, net</b>							
Total loans and leases	0.75	0.70	0.80	1.11	1.45	0.85	1.45
Loans secured by real estate (RE)	0.05	0.10	0.12	0.26	0.20	0.15	0.20
1–4 family residential mortgages	0.07	0.14	0.14	0.32	0.18	0.14	0.18
Home equity loans	0.16	0.19	0.23	0.35	0.26	0.34	0.26
Multifamily residential mortgages	0.07	0.02	0.03	0.04	0.04	0.06	0.04
Commercial RE loans	–0.02	0.03	0.07	0.18	0.22	0.10	0.22
Construction RE loans	–0.01	0.03	0.05	0.15	0.18	0.12	0.18
Commercial and industrial loans	0.38	0.54	0.87	1.50	1.53	1.01	1.53
Loans to individuals	2.92	2.65	2.84	3.14	5.07	2.70	5.07
Credit cards	5.03	4.51	4.43	5.07	9.02	4.24	9.02
Installment loans and other plans	1.23	1.27	1.54	1.66	1.94	1.46	1.94
All other loans and leases	1.58	0.93	0.96	1.80	0.50	0.41	0.50
<b>Loans outstanding (\$)</b>							
Total loans and leases	\$2,015,585	\$2,127,927	\$2,227,071	\$2,272,752	\$2,268,128	\$2,251,529	\$2,268,128
Loans secured by real estate (RE)	764,944	853,141	892,140	976,116	967,965	918,890	967,965
1–4 family residential mortgages	381,597	433,807	443,002	472,710	453,456	457,319	453,456
Home equity loans	66,091	67,267	82,672	102,094	110,539	86,034	110,539
Multifamily residential mortgages	23,201	26,561	28,026	30,074	31,269	28,676	31,269
Commercial RE loans	200,469	214,145	221,267	236,473	240,213	224,093	240,213
Construction RE loans	56,261	71,578	76,899	91,482	90,578	83,017	90,578
Farmland loans	10,930	11,957	12,350	12,615	12,723	12,406	12,723
RE loans from foreign offices	26,396	27,825	27,923	30,668	29,186	27,344	29,186
Commercial and industrial loans	583,903	622,004	646,990	597,222	588,700	650,210	588,700
Loans to individuals	386,410	348,634	370,363	390,349	411,922	366,392	411,922
Credit cards*	176,408	147,179	176,372	166,998	187,475	152,596	187,475
Other revolving credit plans	NA	NA	NA	29,265	29,821	19,740	29,821
Installment loans	210,003	201,455	193,991	194,087	194,626	194,055	194,626
All other loans and leases	282,367	306,041	319,144	310,996	302,367	317,573	302,367
Less: Unearned income	2,039	1,893	1,565	1,931	2,826	1,536	2,826

\*Prior to March 2001, credit cards included "Other revolving credit plans."

**Key indicators, FDIC-insured national banks by asset size**  
**First quarter 2001 and first quarter 2002**

(Dollar figures in millions)

	Less than \$100M		\$100M to \$1B		\$1B to \$10B		Greater than \$10B	
	2001Q1	2002Q1	2001Q1	2002Q1	2001Q1	2002Q1	2001Q1	2002Q1
Number of institutions reporting . . . . .	1,072	999	954	951	134	126	41	42
Total employees (FTEs) . . . . .	25,774	23,351	94,738	94,490	117,509	108,297	728,676	747,245
<b>Selected income data (\$)</b>								
Net income . . . . .	\$146	\$133	\$814	\$741	\$1,499	\$1,684	\$8,937	\$10,955
Net interest income . . . . .	546	515	2,412	2,459	4,120	4,041	22,668	28,121
Provision for loan losses . . . . .	31	29	174	202	562	688	4,558	7,419
Noninterest income . . . . .	231	196	1,348	1,282	2,795	3,014	20,635	21,747
Noninterest expense . . . . .	554	507	2,439	2,511	4,122	3,844	25,044	25,919
Net operating income . . . . .	142	131	793	736	1,459	1,673	8,959	10,833
Cash dividends declared . . . . .	86	80	356	358	1,124	575	5,478	12,259
Net charge-offs to loan and lease reserve . . . . .	17	19	122	142	508	605	4,152	7,472
<b>Selected condition data (\$)</b>								
Total assets . . . . .	55,154	52,489	249,593	250,751	417,486	407,212	2,717,968	2,863,723
Total loans and leases . . . . .	32,722	31,195	156,032	155,693	266,130	259,989	1,796,644	1,821,251
Reserve for losses . . . . .	441	435	2,167	2,230	5,227	4,576	32,812	40,633
Securities . . . . .	13,375	13,101	59,028	62,006	86,104	86,057	328,600	411,431
Other real estate owned . . . . .	68	73	211	256	155	229	1,206	1,303
Noncurrent loans and leases . . . . .	321	366	1,343	1,587	2,729	2,608	25,011	31,077
Total deposits . . . . .	46,440	44,278	201,840	203,596	270,208	262,599	1,743,743	1,840,578
Domestic deposits . . . . .	46,440	44,278	201,583	203,073	267,988	260,280	1,355,687	1,474,691
Equity capital . . . . .	6,248	5,872	25,402	25,378	39,080	42,110	235,431	271,050
Off-balance-sheet derivatives . . . . .	62	28	2,959	1,252	39,613	35,875	16,670,121	21,623,665
<b>Performance ratios (annualized %)</b>								
Return on equity . . . . .	9.45	9.11	13.00	11.82	15.59	16.49	15.40	16.14
Return on assets . . . . .	1.07	1.02	1.31	1.19	1.43	1.67	1.31	1.51
Net interest income to assets . . . . .	4.01	3.95	3.89	3.95	3.94	4.01	3.33	3.88
Loss provision to assets . . . . .	0.23	0.22	0.28	0.32	0.54	0.68	0.67	1.02
Net operating income to assets . . . . .	1.04	1.00	1.28	1.18	1.40	1.66	1.31	1.49
Noninterest income to assets . . . . .	1.70	1.50	2.18	2.06	2.67	2.99	3.03	3.00
Noninterest expense to assets . . . . .	4.07	3.88	3.94	4.03	3.95	3.81	3.67	3.57
Loss provision to loans and leases . . . . .	0.38	0.37	0.45	0.52	0.85	1.09	1.01	1.62
Net charge-offs to loans and leases . . . . .	0.21	0.25	0.32	0.37	0.77	0.96	0.92	1.63
Loss provision to net charge-offs . . . . .	187.10	148.14	141.72	142.37	110.63	113.66	109.77	99.29
<b>Performance ratios (%)</b>								
Percent of institutions unprofitable . . . . .	9.98	12.51	3.25	3.05	2.99	1.59	0.00	2.38
Percent of institutions with earnings gains . . . . .	51.12	53.35	56.81	68.56	59.70	78.57	63.41	83.33
Nonint. income to net operating revenue . . . . .	29.72	27.58	35.85	34.27	40.42	42.72	47.65	43.61
Nonint. expense to net operating revenue . . . . .	71.34	71.28	64.87	67.13	59.62	54.48	57.83	51.98
<b>Condition ratios (%)</b>								
Nonperforming assets to assets . . . . .	0.71	0.84	0.62	0.75	0.70	0.71	0.98	1.15
Noncurrent loans to loans . . . . .	0.98	1.17	0.86	1.02	1.03	1.00	1.39	1.71
Loss reserve to noncurrent loans . . . . .	137.32	119.04	161.37	140.47	191.51	175.45	131.19	130.75
Loss reserve to loans . . . . .	1.35	1.40	1.39	1.43	1.96	1.76	1.83	2.23
Equity capital to assets . . . . .	11.33	11.19	10.18	10.12	9.36	10.34	8.66	9.46
Leverage ratio . . . . .	11.12	10.93	9.73	9.46	8.23	9.21	7.23	7.64
Risk-based capital ratio . . . . .	18.09	18.03	15.07	15.01	13.28	14.99	11.66	12.45
Net loans and leases to assets . . . . .	58.53	58.60	61.65	61.20	62.49	62.72	64.90	62.18
Securities to assets . . . . .	24.25	24.96	23.65	24.73	20.62	21.13	12.09	14.37
Appreciation in securities (% of par) . . . . .	1.32	0.54	1.37	0.51	0.90	0.38	0.65	0.04
Residential mortgage assets to assets . . . . .	21.62	21.98	24.09	24.51	26.10	27.15	19.33	21.36
Total deposits to assets . . . . .	84.20	84.36	80.87	81.19	64.72	64.49	64.16	64.27
Core deposits to assets . . . . .	70.74	71.06	67.19	68.35	54.28	54.96	43.04	45.29
Volatile liabilities to assets . . . . .	15.32	15.11	18.05	16.84	26.88	24.39	35.68	33.30

**Loan performance, FDIC-insured national banks by asset size**  
**First quarter 2001 and first quarter 2002**

(Dollar figures in millions)

	Less than \$100M		\$100M to \$1B		\$1B to \$10B		Greater than \$10B	
	2001Q1	2002Q1	2001Q1	2002Q1	2001Q1	2002Q1	2001Q1	2002Q1
<b>Percent of loans past due 30–89 days</b>								
Total loans and leases . . . . .	1.55	1.56	1.32	1.23	1.37	1.23	1.17	1.26
Loans secured by real estate (RE) . . . . .	1.33	1.33	1.12	1.02	1.10	0.99	1.44	1.27
1–4 family residential mortgages . . . . .	1.52	1.50	1.29	1.28	1.17	1.07	1.88	1.63
Home equity loans . . . . .	0.85	0.55	0.78	0.49	0.98	0.61	0.87	0.65
Multifamily residential mortgages . . . . .	0.72	0.44	0.83	0.37	0.83	0.50	0.64	0.72
Commercial RE loans . . . . .	0.97	1.09	0.90	0.80	0.91	0.77	0.80	0.77
Construction RE loans . . . . .	1.83	1.59	1.26	1.15	1.36	1.47	1.22	1.47
Commercial and industrial loans . . . . .	1.95	1.82	1.55	1.45	1.41	1.49	0.60	0.95
Loans to individuals . . . . .	2.03	2.20	1.97	1.96	2.06	1.88	2.13	2.01
Credit cards . . . . .	1.99	2.39	3.17	3.92	2.28	1.85	2.48	2.41
Installment loans and other plans . . . . .	2.07	2.23	1.78	1.72	2.00	2.06	2.08	1.94
All other loans and leases . . . . .	1.48	1.62	1.36	1.35	1.11	0.71	0.70	0.89
<b>Percent of loans noncurrent</b>								
Total loans and leases . . . . .	0.98	1.17	0.86	1.02	1.03	1.00	1.39	1.71
Loans secured by real estate (RE) . . . . .	0.83	1.02	0.72	0.86	0.75	0.79	1.09	1.18
1–4 family residential mortgages . . . . .	0.72	0.90	0.61	0.75	0.69	0.67	1.27	1.36
Home equity loans . . . . .	0.21	0.54	0.39	0.32	0.39	0.39	0.44	0.39
Multifamily residential mortgages . . . . .	0.37	0.87	0.53	0.47	0.58	0.42	0.35	0.45
Commercial RE loans . . . . .	0.97	1.11	0.82	1.03	0.84	0.99	0.85	1.07
Construction RE loans . . . . .	0.66	0.92	0.76	0.86	0.94	1.02	0.92	1.21
Commercial and industrial loans . . . . .	1.67	1.85	1.33	1.59	1.52	1.52	1.94	2.78
Loans to individuals . . . . .	0.64	0.82	0.86	0.94	1.38	1.30	1.56	1.65
Credit cards . . . . .	1.35	2.05	2.88	4.09	2.28	1.98	2.11	2.17
Installment loans and other plans . . . . .	0.62	0.78	0.48	0.52	0.71	0.83	1.28	1.39
All other loans and leases . . . . .	1.10	1.35	0.90	1.21	0.53	0.53	0.85	1.11
<b>Percent of loans charged-off, net</b>								
Total loans and leases . . . . .	0.21	0.25	0.32	0.37	0.77	0.96	0.92	1.63
Loans secured by real estate (RE) . . . . .	0.03	0.08	0.05	0.09	0.14	0.17	0.17	0.23
1–4 family residential mortgages . . . . .	0.04	0.05	0.07	0.09	0.11	0.11	0.15	0.21
Home equity loans . . . . .	0.00	0.02	0.07	0.06	0.91	0.23	0.28	0.27
Multifamily residential mortgages . . . . .	0.00	–0.02	0.00	0.03	0.01	0.02	0.08	0.04
Commercial RE loans . . . . .	0.01	0.17	0.05	0.12	0.05	0.19	0.13	0.25
Construction RE loans . . . . .	0.07	0.02	0.03	0.03	0.12	0.38	0.14	0.16
Commercial and industrial loans . . . . .	0.49	0.44	0.34	0.35	0.63	0.91	1.08	1.66
Loans to individuals . . . . .	0.67	0.82	1.54	1.96	2.42	3.39	2.88	5.56
Credit cards . . . . .	1.69	3.54	5.30	9.05	3.93	5.97	4.28	9.48
Installment loans and other plans . . . . .	0.63	0.70	0.71	0.87	1.06	1.31	1.65	2.17
All other loans and leases . . . . .	0.11	0.18	0.22	0.23	0.34	0.18	0.42	0.54
<b>Loans outstanding (\$)</b>								
Total loans and leases . . . . .	\$32,722	\$31,195	\$156,032	\$155,693	\$266,130	\$259,989	\$1,796,644	\$1,821,251
Loans secured by real estate (RE) . . . . .	18,961	18,369	97,576	100,813	136,952	138,297	665,401	710,487
1–4 family residential mortgages . . . . .	8,740	8,011	41,181	38,997	62,927	64,230	344,471	342,219
Home equity loans . . . . .	462	474	4,005	4,550	9,023	9,122	72,544	96,392
Multifamily residential mortgages . . . . .	411	446	3,467	3,771	4,882	5,172	19,916	21,880
Commercial RE loans . . . . .	5,465	5,618	35,201	38,453	42,293	42,059	141,135	154,083
Construction RE loans . . . . .	1,701	1,689	9,563	10,630	15,787	15,813	55,966	62,447
Farmland loans . . . . .	2,182	2,130	4,154	4,410	1,892	1,774	4,178	4,409
RE loans from foreign offices . . . . .	0	0	5	2	148	128	27,191	29,057
Commercial and industrial loans . . . . .	5,658	5,273	28,463	27,752	52,215	48,406	563,875	507,270
Loans to individuals . . . . .	4,456	4,035	20,593	18,019	58,613	50,838	282,730	339,029
Credit cards . . . . .	159	163	3,342	2,212	25,747	22,313	123,348	162,786
Other revolving credit plans . . . . .	74	67	431	370	1,839	2,208	17,396	27,177
Installment loans . . . . .	4,222	3,805	16,820	15,437	31,027	26,317	141,986	149,067
All other loans and leases . . . . .	3,707	3,565	9,620	9,300	18,462	22,527	285,784	266,974
Less: Unearned income . . . . .	60	47	220	191	111	79	1,145	2,509

## Key indicators, FDIC-insured national banks by region

### First quarter 2002

(Dollar figures in millions)

	Northeast	Southeast	Central	Midwest	Southwest	West	All institutions
Number of institutions reporting . . . . .	236	293	424	435	508	222	2,118
Total employees (FTEs) . . . . .	298,934	252,055	197,611	65,730	55,705	103,348	973,383
<b>Selected income data (\$)</b>							
Net income . . . . .	\$3,868	\$3,555	\$2,850	\$1,038	\$480	\$1,724	\$13,514
Net interest income . . . . .	10,617	8,534	7,385	2,786	1,542	4,272	35,136
Provision for loan losses . . . . .	4,212	1,025	1,382	717	135	866	8,337
Noninterest income . . . . .	10,202	5,556	4,458	2,200	617	3,207	26,239
Noninterest expense . . . . .	10,879	7,821	6,187	2,697	1,337	3,860	32,781
Net operating income . . . . .	3,805	3,486	2,820	1,027	487	1,746	13,372
Cash dividends declared . . . . .	5,385	6,343	706	425	192	220	13,270
Net charge-offs to loan and lease reserve . . . . .	4,126	1,038	1,454	725	97	798	8,238
<b>Selected condition data (\$)</b>							
Total assets . . . . .	980,717	1,012,152	833,816	223,920	155,717	367,851	3,574,174
Total loans and leases . . . . .	616,976	598,433	563,212	151,822	88,249	249,436	2,268,128
Reserve for losses . . . . .	17,320	10,294	10,771	2,915	1,380	5,194	47,874
Securities . . . . .	158,710	159,672	142,400	30,999	41,533	39,281	572,595
Other real estate owned . . . . .	266	722	458	101	130	185	1,861
Noncurrent loans and leases . . . . .	12,687	8,418	8,805	1,822	989	2,917	35,639
Total deposits . . . . .	668,147	694,799	507,752	130,037	126,308	224,008	2,351,051
Domestic deposits . . . . .	431,812	629,008	463,545	118,257	125,279	214,421	1,982,322
Equity capital . . . . .	95,725	97,659	72,312	22,884	15,007	40,825	344,410
Off-balance-sheet derivatives . . . . .	7,135,402	12,199,232	1,417,503	7,079	9,203	761,333	21,529,752
<b>Performance ratios (annualized %)</b>							
Return on equity . . . . .	16.29	14.35	15.79	18.72	12.88	17.29	15.75
Return on assets . . . . .	1.55	1.40	1.35	1.84	1.23	1.89	1.50
Net interest income to assets . . . . .	4.26	3.35	3.50	4.95	3.96	4.68	3.90
Loss provision to assets . . . . .	1.69	0.40	0.65	1.27	0.35	0.95	0.92
Net operating income to assets . . . . .	1.53	1.37	1.34	1.82	1.25	1.91	1.48
Noninterest income to assets . . . . .	4.10	2.18	2.11	3.91	1.58	3.51	2.91
Noninterest expense to assets . . . . .	4.37	3.07	2.93	4.79	3.43	4.23	3.64
Loss provision to loans and leases . . . . .	2.71	0.69	0.98	1.88	0.61	1.40	1.47
Net charge-offs to loans and leases . . . . .	2.66	0.70	1.03	1.90	0.44	1.29	1.45
Loss provision to net charge-offs . . . . .	102.09	98.76	95.06	98.88	139.15	108.44	101.20
<b>Performance ratios (%)</b>							
Percent of institutions unprofitable . . . . .	8.05	9.22	4.25	5.52	6.10	17.12	7.41
Percent of institutions with earnings gains . . . . .	70.76	68.60	66.98	60.23	55.71	54.95	62.28
Nonint. income to net operating revenue . . . . .	49.00	39.43	37.64	44.13	28.57	42.88	42.75
Nonint. expense to net operating revenue . . . . .	52.26	55.51	52.24	54.10	61.94	51.61	53.41
<b>Condition ratios (%)</b>							
Nonperforming assets to assets . . . . .	1.34	0.91	1.15	0.86	0.72	0.85	1.06
Noncurrent loans to loans . . . . .	2.06	1.41	1.56	1.20	1.12	1.17	1.57
Loss reserve to noncurrent loans . . . . .	136.52	122.28	122.34	159.97	139.42	178.05	134.33
Loss reserve to loans . . . . .	2.81	1.72	1.91	1.92	1.56	2.08	2.11
Equity capital to assets . . . . .	9.76	9.65	8.67	10.22	9.64	11.10	9.64
Leverage ratio . . . . .	8.26	7.65	7.34	9.04	8.38	8.92	8.00
Risk-based capital ratio . . . . .	13.14	12.58	12.22	13.58	13.98	14.02	12.91
Net loans and leases to assets . . . . .	61.14	58.11	66.25	66.50	55.79	66.40	62.12
Securities to assets . . . . .	16.18	15.78	17.08	13.84	26.67	10.68	16.02
Appreciation in securities (% of par) . . . . .	0.12	-0.27	0.28	0.88	0.48	0.65	0.15
Residential mortgage assets to assets . . . . .	14.17	26.15	25.22	21.60	27.37	24.58	22.25
Total deposits to assets . . . . .	68.13	68.65	60.89	58.07	81.11	60.90	65.78
Core deposits to assets . . . . .	36.32	55.17	49.34	48.46	67.99	51.42	48.39
Volatile liabilities to assets . . . . .	42.50	24.53	28.81	29.86	18.53	27.77	30.86



## Loan performance, FDIC-insured national banks by region

First quarter 2002

(Dollar figures in millions)

	Northeast	Southeast	Central	Midwest	Southwest	West	All institutions
<b>Percent of loans past due 30–89 days</b>							
Total loans and leases . . . . .	1.43	0.84	1.48	1.53	1.23	1.20	1.26
Loans secured by real estate (RE) . . . . .	1.12	0.97	1.67	1.01	1.07	1.01	1.20
1–4 family residential mortgages . . . . .	1.31	1.28	2.29	1.08	1.15	1.19	1.52
Home equity loans . . . . .	0.47	0.67	0.86	0.46	0.32	0.29	0.64
Multifamily residential mortgages . . . . .	0.39	0.46	0.83	0.20	0.49	0.99	0.64
Commercial RE loans . . . . .	0.71	0.53	1.15	0.88	0.83	0.62	0.78
Construction RE loans . . . . .	0.89	1.08	1.69	1.06	1.60	1.95	1.44
Commercial and industrial loans . . . . .	1.27	0.57	1.06	1.64	1.29	1.09	1.03
Loans to individuals . . . . .	2.21	1.35	1.91	2.16	1.64	2.07	1.99
Credit cards . . . . .	2.51	2.62	2.08	2.27	0.92	2.10	2.36
Installment loans and other plans . . . . .	2.39	1.42	2.05	2.01	1.75	2.40	1.95
All other loans and leases . . . . .	0.88	0.52	1.21	1.35	1.49	0.60	0.90
<b>Percent of loans noncurrent</b>							
Total loans and leases . . . . .	2.06	1.41	1.56	1.20	1.12	1.17	1.57
Loans secured by real estate (RE) . . . . .	1.39	0.84	1.51	0.66	0.88	0.70	1.09
1–4 family residential mortgages . . . . .	1.50	0.85	2.06	0.59	0.75	0.56	1.20
Home equity loans . . . . .	0.30	0.32	0.56	0.24	0.38	0.20	0.38
Multifamily residential mortgages . . . . .	0.25	0.48	0.45	0.45	0.69	0.48	0.45
Commercial RE loans . . . . .	0.84	1.01	1.40	0.88	1.06	0.76	1.05
Construction RE loans . . . . .	1.26	0.99	1.11	0.73	0.80	1.68	1.13
Commercial and industrial loans . . . . .	2.83	3.02	2.37	1.21	1.86	2.18	2.62
Loans to individuals . . . . .	2.29	0.45	0.80	1.74	0.66	1.64	1.57
Credit cards . . . . .	2.27	1.76	1.71	2.05	0.74	2.13	2.17
Installment loans and other plans . . . . .	3.23	0.46	0.68	0.99	0.70	0.62	1.23
All other loans and leases . . . . .	1.24	0.92	0.99	1.53	1.17	0.75	1.07
<b>Percent of loans charged-off, net</b>							
Total loans and leases . . . . .	2.66	0.70	1.03	1.90	0.44	1.29	1.45
Loans secured by real estate (RE) . . . . .	0.18	0.13	0.39	0.11	0.06	0.11	0.20
1–4 family residential mortgages . . . . .	0.10	0.15	0.42	0.07	0.04	0.03	0.18
Home equity loans . . . . .	0.07	0.20	0.48	0.17	0.11	0.10	0.26
Multifamily residential mortgages . . . . .	–0.01	0.01	0.11	–0.01	–0.01	0.00	0.04
Commercial RE loans . . . . .	0.13	0.09	0.50	0.25	0.09	0.10	0.22
Construction RE loans . . . . .	0.38	0.11	0.06	–0.03	0.01	0.62	0.18
Commercial and industrial loans . . . . .	1.48	1.65	1.71	0.86	0.90	1.38	1.53
Loans to individuals . . . . .	8.18	1.50	2.34	5.05	1.11	4.54	5.07
Credit cards . . . . .	11.59	7.25	5.64	6.82	2.20	5.77	9.02
Installment loans and other plans . . . . .	3.20	1.44	1.70	0.44	1.09	1.68	1.94
All other loans and leases . . . . .	0.57	0.17	0.76	0.15	0.30	0.71	0.50
<b>Loans outstanding (\$)</b>							
Total loans and leases . . . . .	\$616,976	\$598,433	\$563,212	\$151,822	\$88,249	\$249,436	\$2,268,128
Loans secured by real estate (RE) . . . . .	161,895	297,432	267,075	60,872	48,238	132,453	967,965
1–4 family residential mortgages . . . . .	69,006	148,565	119,036	34,730	18,344	63,776	453,456
Home equity loans . . . . .	20,252	32,503	38,341	3,806	1,256	14,382	110,539
Multifamily residential mortgages . . . . .	3,846	9,280	10,738	1,609	1,639	4,156	31,269
Commercial RE loans . . . . .	33,485	74,566	65,662	13,434	17,678	35,387	240,213
Construction RE loans . . . . .	8,819	26,564	29,810	4,236	7,665	13,485	90,578
Farmland loans . . . . .	482	2,789	3,473	3,058	1,655	1,265	12,723
RE loans from foreign offices . . . . .	26,004	3,165	15	0	0	1	29,186
Commercial and industrial loans . . . . .	187,680	163,700	142,770	24,666	22,705	47,178	588,700
Loans to individuals . . . . .	168,032	61,118	70,502	50,653	12,257	49,360	411,922
Credit cards . . . . .	104,877	587	11,024	36,270	291	34,425	187,475
Other revolving credit plans . . . . .	17,539	3,433	4,873	832	628	2,515	29,821
Installment loans . . . . .	45,615	57,098	54,605	13,551	11,338	12,420	194,626
All other loans and leases . . . . .	101,551	76,522	82,951	15,645	5,153	20,546	302,367
Less: Unearned income . . . . .	2,181	339	86	14	105	101	2,826

**Key indicators, FDIC-insured commercial banks**  
**Annual 1998–2001, year-to-date through March 31, 2002, first quarter 2001, and first quarter 2002**

(Dollar figures in millions)

	1998	1999	2000	2001	Preliminary 2002YTD	2001Q1	Preliminary 2002Q1
Number of institutions reporting . . . . .	8,773	8,579	8,315	8,080	8,005	8,238	8,005
Total employees (FTEs) . . . . .	1,626,978	1,657,602	1,670,861	1,705,135	1,722,872	1,683,014	1,722,872
<b>Selected income data (\$)</b>							
Net income . . . . .	\$61,784	\$71,543	\$71,002	\$74,232	\$21,732	\$19,836	\$21,732
Net interest income . . . . .	182,752	192,142	203,960	215,198	58,637	51,851	58,637
Provision for loan losses . . . . .	22,215	21,817	30,011	43,151	11,652	7,954	11,652
Noninterest income . . . . .	123,688	144,450	153,453	157,167	41,467	40,155	41,467
Noninterest expense . . . . .	194,131	204,208	216,104	222,337	56,145	55,058	56,145
Net operating income . . . . .	59,226	71,309	72,591	71,405	21,377	19,335	21,377
Cash dividends declared . . . . .	41,004	51,936	53,854	54,029	19,581	13,455	19,581
Net charge-offs to loan and lease reserve . . . . .	20,740	20,367	24,786	36,492	11,113	6,969	11,113
<b>Selected condition data (\$)</b>							
Total assets . . . . .	5,442,531	5,735,160	6,244,612	6,569,348	6,504,593	6,316,420	6,504,593
Total loans and leases . . . . .	3,238,287	3,491,659	3,819,545	3,895,658	3,893,313	3,831,342	3,893,313
Reserve for losses . . . . .	57,262	58,766	64,144	72,146	74,861	64,738	74,861
Securities . . . . .	979,855	1,046,530	1,078,983	1,179,695	1,185,913	1,049,095	1,185,913
Other real estate owned . . . . .	3,150	2,796	2,912	3,569	3,809	3,065	3,809
Noncurrent loans and leases . . . . .	31,253	32,999	42,942	55,018	57,198	46,115	57,198
Total deposits . . . . .	3,681,428	3,831,104	4,179,634	4,391,613	4,352,204	4,186,279	4,352,204
Domestic deposits . . . . .	3,109,395	3,175,515	3,472,968	3,762,107	3,748,683	3,515,184	3,748,683
Equity capital . . . . .	462,142	479,732	530,721	597,378	604,782	547,517	604,782
Off-balance-sheet derivatives . . . . .	33,007,227	34,819,179	40,571,148	45,057,985	46,331,935	43,951,066	46,331,935
<b>Performance ratios (annualized %)</b>							
Return on equity . . . . .	13.93	15.31	14.02	13.09	14.46	14.71	14.46
Return on assets . . . . .	1.19	1.31	1.19	1.15	1.33	1.26	1.33
Net interest income to assets . . . . .	3.51	3.51	3.41	3.35	3.59	3.30	3.59
Loss provision to assets . . . . .	0.43	0.40	0.50	0.67	0.71	0.51	0.71
Net operating income to assets . . . . .	1.14	1.30	1.21	1.11	1.31	1.23	1.31
Noninterest income to assets . . . . .	2.37	2.64	2.57	2.44	2.54	2.56	2.54
Noninterest expense to assets . . . . .	3.73	3.73	3.61	3.46	3.44	3.51	3.44
Loss provision to loans and leases . . . . .	0.72	0.66	0.82	1.12	1.20	0.83	1.20
Net charge-offs to loans and leases . . . . .	0.67	0.61	0.67	0.94	1.14	0.73	1.14
Loss provision to net charge-offs . . . . .	104.81	107.11	121.08	118.25	104.85	114.13	104.85
<b>Performance ratios (%)</b>							
Percent of institutions unprofitable . . . . .	6.11	7.51	7.34	7.88	6.75	6.97	6.75
Percent of institutions with earnings gains . . . . .	61.22	62.83	67.35	56.41	64.00	52.12	63.59
Nonint. income to net operating revenue . . . . .	40.36	42.92	42.93	42.21	41.42	43.64	41.42
Nonint. expense to net operating revenue . . . . .	63.35	60.67	60.46	59.71	56.09	59.84	56.09
<b>Condition ratios (%)</b>							
Nonperforming assets to assets . . . . .	0.65	0.63	0.74	0.92	0.97	0.79	0.97
Noncurrent loans to loans . . . . .	0.97	0.95	1.12	1.41	1.47	1.20	1.47
Loss reserve to noncurrent loans . . . . .	183.22	178.08	149.37	131.13	130.88	140.38	130.88
Loss reserve to loans . . . . .	1.77	1.68	1.68	1.85	1.92	1.69	1.92
Equity capital to assets . . . . .	8.49	8.36	8.50	9.09	9.30	8.67	9.30
Leverage ratio . . . . .	7.54	7.79	7.70	7.79	7.95	7.68	7.95
Risk-based capital ratio . . . . .	12.23	12.16	12.12	12.72	13.00	12.28	13.00
Net loans and leases to assets . . . . .	58.45	59.86	60.14	58.20	58.70	59.63	58.70
Securities to assets . . . . .	18.00	18.25	17.28	17.96	18.23	16.61	18.23
Appreciation in securities (% of par) . . . . .	1.07	-2.31	0.20	0.82	0.35	0.99	0.35
Residential mortgage assets to assets . . . . .	20.93	20.78	20.20	21.70	21.68	20.45	21.68
Total deposits to assets . . . . .	67.64	66.80	66.93	66.85	66.91	66.28	66.91
Core deposits to assets . . . . .	49.39	46.96	46.39	48.80	49.10	46.54	49.10
Volatile liabilities to assets . . . . .	31.68	34.94	34.97	31.38	31.42	34.09	31.42

**Loan performance, FDIC-insured commercial banks**  
**Annual 1998–2001, year-to-date through March 31, 2002, first quarter 2001, and first quarter 2002**

(Dollar figures in millions)

	1998	1999	2000	2001	Preliminary 2002YTD	2001Q1	Preliminary 2002Q1
<b>Percent of loans past due 30–89 days</b>							
Total loans and leases	1.26	1.14	1.26	1.37	1.26	1.23	1.26
Loans secured by real estate (RE)	1.26	1.09	1.26	1.31	1.16	1.23	1.16
1–4 family residential mortgages	1.44	1.43	1.72	1.67	1.44	1.51	1.44
Home equity loans	0.98	0.75	0.98	0.91	0.62	0.85	0.62
Multifamily residential mortgages	0.86	0.57	0.55	0.69	0.64	0.64	0.64
Commercial RE loans	0.99	0.69	0.74	0.90	0.85	0.87	0.85
Construction RE loans	1.50	0.98	1.06	1.21	1.23	1.24	1.23
Commercial and industrial loans	0.88	0.79	0.83	1.02	1.09	0.88	1.09
Loans to individuals	2.43	2.33	2.47	2.47	2.06	2.15	2.06
Credit cards	2.58	2.59	2.66	2.69	2.50	2.54	2.50
Installment loans and other plans	2.33	2.18	2.34	2.56	1.96	2.06	1.96
All other loans and leases	0.51	0.54	0.65	0.84	0.87	0.87	0.87
<b>Percent of loans noncurrent</b>							
Total loans and leases	0.97	0.95	1.12	1.41	1.47	1.20	1.47
Loans secured by real estate (RE)	0.91	0.79	0.81	0.96	1.00	0.87	1.00
1–4 family residential mortgages	0.88	0.82	0.90	0.96	1.05	0.94	1.05
Home equity loans	0.42	0.33	0.37	0.39	0.36	0.44	0.36
Multifamily residential mortgages	0.83	0.41	0.44	0.43	0.43	0.39	0.43
Commercial RE loans	0.95	0.77	0.72	0.96	1.01	0.79	1.01
Construction RE loans	0.81	0.67	0.76	1.06	1.06	0.86	1.06
Commercial and industrial loans	0.99	1.18	1.66	2.41	2.61	1.82	2.61
Loans to individuals	1.52	1.42	1.41	1.50	1.49	1.41	1.49
Credit cards	2.22	2.05	2.01	2.15	2.28	2.18	2.28
Installment loans and other plans	1.06	1.04	0.98	1.22	1.10	1.03	1.10
All other loans and leases	0.34	0.39	0.69	0.96	0.90	0.80	0.90
<b>Percent of loans charged-off, net</b>							
Total loans and leases	0.67	0.61	0.67	0.94	1.14	0.73	1.14
Loans secured by real estate (RE)	0.05	0.08	0.09	0.19	0.15	0.11	0.15
1–4 family residential mortgages	0.07	0.11	0.11	0.22	0.14	0.10	0.14
Home equity loans	0.14	0.15	0.18	0.27	0.21	0.26	0.21
Multifamily residential mortgages	0.05	0.02	0.03	0.04	0.04	0.03	0.04
Commercial RE loans	0.00	0.03	0.05	0.14	0.16	0.09	0.16
Construction RE loans	0.01	0.04	0.05	0.13	0.14	0.08	0.14
Commercial and industrial loans	0.42	0.58	0.81	1.43	1.45	0.90	1.45
Loans to individuals	2.69	2.32	2.43	2.72	3.98	2.44	3.98
Credit cards	5.19	4.45	4.39	5.11	8.19	4.44	8.19
Installment loans and other plans	1.04	1.04	1.18	1.28	1.47	1.17	1.47
All other loans and leases	1.55	1.02	0.92	1.64	0.45	0.38	0.45
<b>Loans outstanding (\$)</b>							
Total loans and leases	\$3,238,287	\$3,491,659	\$3,819,545	\$3,895,658	\$3,893,313	\$3,831,342	\$3,893,313
Loans secured by real estate (RE)	1,345,589	1,510,342	1,673,172	1,802,270	1,810,583	1,702,445	1,810,583
1–4 family residential mortgages	668,706	737,110	790,030	811,981	794,049	796,798	794,049
Home equity loans	96,647	102,339	127,541	154,303	166,492	130,158	166,492
Multifamily residential mortgages	43,242	53,168	60,406	64,135	65,859	61,160	65,859
Commercial RE loans	370,544	417,633	466,453	506,538	518,735	470,577	518,735
Construction RE loans	106,719	135,632	162,613	193,088	194,444	174,286	194,444
Farmland loans	29,096	31,902	34,096	35,529	36,007	34,359	36,007
RE loans from foreign offices	30,635	32,558	32,033	36,695	34,997	35,108	34,997
Commercial and industrial loans	898,556	969,257	1,051,055	983,539	966,844	1,045,525	966,844
Loans to individuals	570,863	558,424	606,663	631,647	649,241	597,496	649,241
Credit cards*	228,781	212,051	249,372	232,891	247,874	216,385	247,874
Other revolving credit plans	NA	NA	NA	34,332	35,047	24,256	35,047
Installment loans	342,081	346,373	357,291	364,424	366,319	356,855	366,319
All other loans and leases	427,397	457,309	491,566	481,312	470,490	488,666	470,490
Less: Unearned income	4,117	3,673	2,912	3,110	3,844	2,790	3,844

\*Prior to March 2001, credit cards included Other revolving credit plans.

**Key indicators, FDIC-insured commercial banks by asset size**  
**First quarter 2001 and first quarter 2002**

(Dollar figures in millions)

	Less than \$100M		\$100M to \$1B		\$1B to \$10B		Greater than \$10B	
	2001Q1	2002Q1	2001Q1	2002Q1	2001Q1	2002Q1	2001Q1	2002Q1
Number of institutions reporting . . . . .	4,759	4,437	3,087	3,177	312	310	80	81
Total employees (FTEs) . . . . .	96,899	89,362	290,536	297,223	247,293	243,759	1,048,286	1,092,528
<b>Selected income data (\$)</b>								
Net income . . . . .	\$566	\$551	\$2,425	\$2,480	\$3,011	\$3,314	\$13,833	\$15,387
Net interest income . . . . .	2,231	2,140	7,636	8,177	8,537	8,625	33,447	39,694
Provision for loan losses . . . . .	127	130	543	692	1,214	1,374	6,071	9,456
Noninterest income . . . . .	571	526	3,089	3,130	5,039	5,515	31,456	32,296
Noninterest expense . . . . .	1,948	1,837	6,793	7,099	7,936	7,852	38,381	39,357
Net operating income . . . . .	552	540	2,365	2,506	2,917	3,258	13,501	15,073
Cash dividends declared . . . . .	365	355	1,125	1,331	3,761	2,305	8,204	15,589
Net charge-offs to loan and lease reserve . . . . .	67	78	361	453	1,035	1,256	5,506	9,326
<b>Selected condition data (\$)</b>								
Total assets . . . . .	229,488	221,127	780,990	821,079	879,185	896,730	4,426,756	4,565,657
Total loans and leases . . . . .	139,943	134,806	505,865	533,156	563,778	559,491	2,621,756	2,665,861
Reserve for losses . . . . .	1,967	1,946	7,202	7,816	10,426	10,020	45,143	55,079
Securities . . . . .	54,171	53,917	171,932	188,157	189,085	213,961	633,907	729,878
Other real estate owned . . . . .	269	326	727	975	415	633	1,654	1,875
Noncurrent loans and leases . . . . .	1,409	1,565	4,368	5,289	5,857	6,219	34,482	44,125
Total deposits . . . . .	193,946	187,753	638,947	671,123	607,846	610,273	2,745,541	2,883,055
Domestic deposits . . . . .	193,945	187,753	637,147	669,472	595,575	600,183	2,088,517	2,291,274
Equity capital . . . . .	25,666	23,947	76,357	79,833	81,656	90,628	363,838	410,373
Off-balance-sheet derivatives . . . . .	140	58	7,627	4,864	79,228	70,982	44,265,570	46,428,077
<b>Performance ratios (annualized %)</b>								
Return on equity . . . . .	8.94	9.22	12.92	12.55	15.04	14.93	15.43	15.04
Return on assets . . . . .	1.00	1.00	1.26	1.22	1.37	1.49	1.26	1.34
Net interest income to assets . . . . .	3.94	3.90	3.95	4.01	3.89	3.87	3.04	3.45
Loss provision to assets . . . . .	0.22	0.24	0.28	0.34	0.55	0.62	0.55	0.82
Net operating income to assets . . . . .	0.97	0.98	1.22	1.23	1.33	1.46	1.23	1.31
Noninterest income to assets . . . . .	1.01	0.96	1.60	1.54	2.29	2.48	2.86	2.80
Noninterest expense to assets . . . . .	3.44	3.34	3.52	3.49	3.61	3.52	3.49	3.42
Loss provision to loans and leases . . . . .	0.37	0.39	0.43	0.52	0.86	0.99	0.93	1.41
Net charge-offs to loans and leases . . . . .	0.19	0.23	0.29	0.34	0.74	0.91	0.84	1.39
Loss provision to net charge-offs . . . . .	188.82	165.84	150.19	152.73	117.21	109.42	110.28	101.39
<b>Performance ratios (%)</b>								
Percent of institutions unprofitable . . . . .	10.34	10.19	2.36	2.49	2.56	2.26	1.25	2.47
Percent of institutions with earnings gains . . . . .	46.94	57.47	58.79	70.70	63.14	76.13	60.00	71.60
Nonint. income to net operating revenue . . . . .	20.39	19.72	28.80	27.68	37.12	39.00	48.47	44.86
Nonint. expense to net operating revenue . . . . .	69.51	68.90	63.34	62.79	58.46	55.53	59.14	54.67
<b>Condition ratios (%)</b>								
Nonperforming assets to assets . . . . .	0.73	0.86	0.65	0.77	0.72	0.77	0.83	1.05
Noncurrent loans to loans . . . . .	1.01	1.16	0.86	0.99	1.04	1.11	1.32	1.66
Loss reserve to noncurrent loans . . . . .	139.61	124.35	164.88	147.77	178.03	161.11	130.92	124.83
Loss reserve to loans . . . . .	1.41	1.44	1.42	1.47	1.85	1.79	1.72	2.07
Equity capital to assets . . . . .	11.18	10.83	9.78	9.72	9.29	10.11	8.22	8.99
Leverage ratio . . . . .	10.95	10.56	9.37	9.23	8.34	8.99	7.07	7.40
Risk-based capital ratio . . . . .	17.43	17.02	14.30	14.20	12.89	14.25	11.65	12.43
Net loans and leases to assets . . . . .	60.12	60.08	63.85	63.98	62.94	61.27	58.21	57.18
Securities to assets . . . . .	23.61	24.38	22.01	22.92	21.51	23.86	14.32	15.99
Appreciation in securities (% of par) . . . . .	1.33	0.48	1.37	0.52	0.95	0.30	0.88	0.31
Residential mortgage assets to assets . . . . .	21.14	21.55	23.32	23.73	25.42	26.39	18.91	20.39
Total deposits to assets . . . . .	84.51	84.91	81.81	81.74	69.14	68.06	62.02	63.15
Core deposits to assets . . . . .	71.04	71.74	67.72	68.31	55.14	55.44	39.83	43.31
Volatile liabilities to assets . . . . .	15.09	14.66	18.12	17.25	27.54	25.51	39.19	35.94

**Loan performance, FDIC-insured commercial banks by asset size**  
**First quarter 2001 and first quarter 2002**

(Dollar figures in millions)

	Less than \$100M		\$100M to \$1B		\$1B to \$10B		Greater than \$10B	
	2001Q1	2002Q1	2001Q1	2002Q1	2001Q1	2002Q1	2001Q1	2002Q1
<b>Percent of loans past due 30–89 days</b>								
Total loans and leases	1.77	1.74	1.37	1.29	1.34	1.26	1.16	1.23
Loans secured by real estate (RE)	1.53	1.50	1.18	1.09	1.04	1.00	1.28	1.21
1–4 family residential mortgages	1.77	1.73	1.38	1.40	1.10	1.09	1.62	1.52
Home equity loans	0.99	0.71	0.85	0.56	0.91	0.64	0.84	0.63
Multifamily residential mortgages	0.73	0.61	0.71	0.53	0.85	0.49	0.54	0.73
Commercial RE loans	1.22	1.20	0.92	0.85	0.88	0.89	0.80	0.80
Construction RE loans	1.42	1.59	1.46	1.15	1.27	1.26	1.13	1.23
Commercial and industrial loans	2.05	1.98	1.57	1.51	1.38	1.46	0.69	0.95
Loans to individuals	2.38	2.43	2.08	2.07	2.22	2.07	2.14	2.05
Credit cards	2.18	2.27	4.23	4.67	2.65	2.45	2.45	2.44
Installment loans and other plans	2.43	2.48	1.85	1.82	2.03	1.98	2.08	1.96
All other loans and leases	1.87	1.87	1.40	1.48	1.21	0.86	0.77	0.79
<b>Percent of loans noncurrent</b>								
Total loans and leases	1.01	1.16	0.86	0.99	1.04	1.11	1.32	1.66
Loans secured by real estate (RE)	0.87	1.02	0.71	0.87	0.79	0.86	0.95	1.08
1–4 family residential mortgages	0.78	0.89	0.65	0.76	0.78	0.83	1.07	1.18
Home equity loans	0.31	0.34	0.38	0.33	0.41	0.38	0.46	0.36
Multifamily residential mortgages	0.43	0.75	0.46	0.52	0.54	0.39	0.32	0.40
Commercial RE loans	0.97	1.13	0.73	0.95	0.81	0.94	0.80	1.07
Construction RE loans	0.78	1.01	0.84	1.01	0.92	1.04	0.85	1.10
Commercial and industrial loans	1.51	1.74	1.34	1.46	1.58	1.78	1.92	2.92
Loans to individuals	0.88	0.95	0.88	0.88	1.24	1.27	1.54	1.62
Credit cards	2.01	1.70	3.33	3.31	2.23	2.34	2.12	2.24
Installment loans and other plans	0.87	0.95	0.57	0.61	0.66	0.71	1.24	1.30
All other loans and leases	1.04	1.26	1.02	1.24	0.70	0.76	0.78	0.88
<b>Percent of loans charged-off, net</b>								
Total loans and leases	0.19	0.23	0.29	0.34	0.74	0.91	0.84	1.39
Loans secured by real estate (RE)	0.04	0.06	0.04	0.09	0.10	0.14	0.14	0.18
1–4 family residential mortgages	0.04	0.05	0.05	0.07	0.09	0.10	0.13	0.17
Home equity loans	0.04	0.02	0.07	0.04	0.52	0.16	0.24	0.24
Multifamily residential mortgages	0.11	0.05	0.02	0.05	-0.01	0.06	0.05	0.03
Commercial RE loans	0.05	0.10	0.05	0.11	0.06	0.15	0.13	0.20
Construction RE loans	0.08	0.09	0.02	0.10	0.12	0.25	0.09	0.11
Commercial and industrial loans	0.34	0.48	0.44	0.51	0.67	1.22	1.01	1.63
Loans to individuals	0.67	0.73	1.39	1.67	2.78	3.29	2.58	4.52
Credit cards	2.05	3.55	5.93	8.40	5.05	6.87	4.25	8.42
Installment loans and other plans	0.62	0.66	0.69	0.83	1.22	1.22	1.31	1.69
All other loans and leases	0.19	0.20	0.25	0.27	0.36	0.40	0.40	0.47
<b>Loans outstanding (\$)</b>								
Total loans and leases	\$139,943	\$134,806	\$505,865	\$533,156	\$563,778	\$559,491	\$2,621,756	\$2,665,861
Loans secured by real estate (RE)	81,030	80,135	328,834	356,014	305,442	314,848	987,140	1,059,586
1–4 family residential mortgages	36,870	34,530	130,176	127,641	127,617	123,848	502,135	508,030
Home equity loans	2,018	2,271	13,718	16,087	17,641	19,233	96,780	128,901
Multifamily residential mortgages	1,755	1,841	10,955	12,558	12,478	13,892	35,972	37,569
Commercial RE loans	22,771	23,984	122,577	140,210	104,527	112,580	220,702	241,961
Construction RE loans	7,267	7,310	37,658	44,582	38,730	40,927	90,632	101,625
Farmland loans	10,348	10,199	13,706	14,900	4,125	4,034	6,180	6,874
RE loans from foreign offices	0	0	44	36	324	334	34,739	34,627
Commercial and industrial loans	24,458	23,150	91,897	94,311	123,555	114,458	805,614	734,925
Loans to individuals	18,392	16,424	59,703	56,423	101,345	92,933	418,055	483,460
Credit cards	502	420	7,152	6,056	38,980	33,357	169,750	208,041
Other revolving credit plans	306	304	1,725	1,547	2,756	3,829	19,470	29,366
Installment loans	17,584	15,700	50,827	48,820	59,609	55,747	228,835	246,053
All other loans and leases	16,249	15,240	26,110	26,992	33,999	37,713	412,308	390,545
Less: Unearned income	187	144	679	584	563	461	1,361	2,655

## Key indicators, FDIC-insured commercial banks by region

### First quarter 2002

(Dollar figures in millions)

	Northeast	Southeast	Central	Midwest	Southwest	West	All institutions
Number of institutions reporting . . . . .	636	1,378	1,712	2,082	1,328	869	8,005
Total employees (FTEs) . . . . .	542,125	456,253	321,825	117,828	104,623	180,218	1,722,872
<b>Selected income data (\$)</b>							
Net income . . . . .	\$6,497	\$5,603	\$4,413	\$1,512	\$863	\$2,844	\$21,732
Net interest income . . . . .	18,133	14,203	11,322	4,259	2,751	7,969	58,637
Provision for loan losses . . . . .	5,452	1,730	1,797	877	216	1,580	11,652
Noninterest income . . . . .	17,888	8,961	6,483	2,552	985	4,598	41,467
Noninterest expense . . . . .	20,760	13,378	9,511	3,743	2,327	6,427	56,145
Net operating income . . . . .	6,293	5,451	4,363	1,493	863	2,913	21,377
Cash dividends declared . . . . .	7,421	8,621	1,454	799	337	949	19,581
Net charge-offs to loan and lease reserve . . . . .	5,330	1,547	1,817	837	150	1,432	11,113
<b>Selected condition data (\$)</b>							
Total assets . . . . .	2,224,880	1,616,851	1,297,689	372,613	276,485	716,076	6,504,593
Total loans and leases . . . . .	1,151,769	1,006,562	865,629	251,223	160,361	457,770	3,893,313
Reserve for losses . . . . .	26,857	16,287	15,350	4,557	2,393	9,417	74,861
Securities . . . . .	389,943	285,080	238,309	63,967	73,951	134,662	1,185,913
Other real estate owned . . . . .	571	1,384	799	279	324	452	3,809
Noncurrent loans and leases . . . . .	21,893	12,229	12,789	2,876	1,772	5,638	57,198
Total deposits . . . . .	1,413,472	1,125,060	839,973	251,843	226,599	495,257	4,352,204
Domestic deposits . . . . .	969,099	1,050,047	781,159	240,063	225,547	482,768	3,748,683
Equity capital . . . . .	196,273	153,419	113,450	37,508	26,802	77,331	604,782
Off-balance-sheet derivatives . . . . .	31,691,475	12,304,889	1,512,574	9,332	9,912	803,754	46,331,935
<b>Performance ratios (annualized %)</b>							
Return on equity . . . . .	13.32	14.51	15.65	16.47	13.06	15.08	14.46
Return on assets . . . . .	1.16	1.38	1.35	1.62	1.25	1.59	1.33
Net interest income to assets . . . . .	3.24	3.51	3.46	4.56	3.99	4.47	3.59
Loss provision to assets . . . . .	0.97	0.43	0.55	0.94	0.31	0.89	0.71
Net operating income to assets . . . . .	1.12	1.35	1.33	1.60	1.25	1.63	1.31
Noninterest income to assets . . . . .	3.19	2.21	1.98	2.73	1.43	2.58	2.54
Noninterest expense to assets . . . . .	3.71	3.30	2.91	4.01	3.38	3.60	3.44
Loss provision to loans and leases . . . . .	1.89	0.69	0.83	1.39	0.54	1.39	1.20
Net charge-offs to loans and leases . . . . .	1.85	0.62	0.84	1.33	0.38	1.26	1.14
Loss provision to net charge-offs . . . . .	102.28	111.82	98.93	104.83	143.38	110.37	104.85
<b>Performance ratios (%)</b>							
Percent of institutions unprofitable . . . . .	10.53	8.35	4.67	4.42	6.17	11.97	6.75
Percent of institutions with earnings gains . . . . .	66.82	67.13	68.46	62.34	57.23	58.69	63.59
Nonint. income to net operating revenue . . . . .	49.66	38.68	36.41	37.47	26.36	36.59	41.42
Nonint. expense to net operating revenue . . . . .	57.63	57.75	53.42	54.96	62.29	51.14	56.09
<b>Condition ratios (%)</b>							
Nonperforming assets to assets . . . . .	1.08	0.84	1.07	0.85	0.76	0.86	0.97
Noncurrent loans to loans . . . . .	1.90	1.21	1.48	1.14	1.11	1.23	1.47
Loss reserve to noncurrent loans . . . . .	122.68	133.18	120.03	158.42	135.03	167.02	130.88
Loss reserve to loans . . . . .	2.33	1.62	1.77	1.81	1.49	2.06	1.92
Equity capital to assets . . . . .	8.82	9.49	8.74	10.07	9.69	10.80	9.30
Leverage ratio . . . . .	7.48	7.93	7.73	9.13	8.66	9.05	7.95
Risk-based capital ratio . . . . .	13.06	12.53	12.44	13.71	14.31	14.22	13.00
Net loans and leases to assets . . . . .	50.56	61.25	65.52	66.20	57.13	62.61	58.70
Securities to assets . . . . .	17.53	17.63	18.36	17.17	26.75	18.81	18.23
Appreciation in securities (% of par) . . . . .	-0.11	0.73	0.31	0.77	0.52	0.64	0.35
Residential mortgage assets to assets . . . . .	16.57	25.66	24.56	20.90	26.11	22.01	21.68
Total deposits to assets . . . . .	63.53	69.58	64.73	67.59	81.96	69.16	66.91
Core deposits to assets . . . . .	35.10	56.61	52.37	57.72	67.83	57.99	49.10
Volatile liabilities to assets . . . . .	44.78	23.35	27.67	23.29	19.02	23.94	31.42

## Loan performance, FDIC-insured commercial banks by region

**First quarter 2002**

(Dollar figures in millions)

	Northeast	Southeast	Central	Midwest	Southwest	West	All institutions
<b>Percent of loans past due 30–89 days</b>							
Total loans and leases	1.30	0.97	1.47	1.57	1.33	1.20	1.26
Loans secured by real estate (RE)	1.11	0.98	1.56	1.12	1.16	0.97	1.16
1–4 family residential mortgages	1.24	1.31	2.07	1.19	1.33	1.13	1.44
Home equity loans	0.46	0.61	0.79	0.58	0.42	0.51	0.62
Multifamily residential mortgages	0.35	0.48	1.18	0.20	0.61	0.57	0.64
Commercial RE loans	0.81	0.69	1.19	0.97	0.88	0.66	0.85
Construction RE loans	0.92	0.88	1.56	1.07	1.50	1.65	1.23
Commercial and industrial loans	1.07	0.72	1.29	1.68	1.42	1.27	1.09
Loans to individuals	2.26	1.78	1.86	2.32	1.77	1.94	2.06
Credit cards	2.65	2.80	2.06	2.57	1.40	2.07	2.50
Installment loans and other plans	2.20	1.70	1.96	1.97	1.84	1.99	1.96
All other loans and leases	0.73	0.55	1.12	1.65	1.66	0.82	0.87
<b>Percent of loans noncurrent</b>							
Total loans and leases	1.90	1.21	1.48	1.14	1.11	1.23	1.47
Loans secured by real estate (RE)	1.11	0.81	1.34	0.77	0.93	0.77	1.00
1–4 family residential mortgages	1.09	0.85	1.66	0.66	0.83	0.59	1.05
Home equity loans	0.28	0.32	0.50	0.29	0.34	0.25	0.36
Multifamily residential mortgages	0.28	0.40	0.56	0.49	0.86	0.35	0.43
Commercial RE loans	1.00	0.89	1.33	0.93	1.01	0.84	1.01
Construction RE loans	1.15	0.88	1.25	0.82	0.87	1.29	1.06
Commercial and industrial loans	3.22	2.51	2.36	1.29	1.71	2.32	2.61
Loans to individuals	2.11	0.81	0.75	1.67	0.70	1.45	1.49
Credit cards	2.50	2.08	1.65	2.15	1.04	2.06	2.28
Installment loans and other plans	2.03	0.65	0.66	0.88	0.72	0.51	1.10
All other loans and leases	0.85	0.81	0.88	1.35	1.37	1.00	0.90
<b>Percent of loans charged-off, net</b>							
Total loans and leases	1.85	0.62	0.84	1.33	0.38	1.26	1.14
Loans secured by real estate (RE)	0.12	0.12	0.29	0.08	0.07	0.09	0.15
1–4 family residential mortgages	0.08	0.12	0.30	0.06	0.08	0.03	0.14
Home equity loans	0.06	0.19	0.38	0.14	0.14	0.06	0.21
Multifamily residential mortgages	0.01	0.01	0.12	0.02	-0.01	0.03	0.04
Commercial RE loans	0.09	0.11	0.35	0.12	0.08	0.09	0.16
Construction RE loans	0.22	0.08	0.12	0.09	0.03	0.29	0.14
Commercial and industrial loans	1.48	1.43	1.47	0.66	0.76	1.96	1.45
Loans to individuals	5.93	1.57	2.01	4.71	0.99	4.09	3.98
Credit cards	10.68	3.52	5.34	7.12	3.32	5.60	8.19
Installment loans and other plans	1.86	1.27	1.48	0.45	0.92	1.52	1.47
All other loans and leases	0.45	0.22	0.66	0.17	0.37	0.72	0.45
<b>Loans outstanding (\$)</b>							
Total loans and leases	\$1,151,769	\$1,006,562	\$865,629	\$251,223	\$160,361	\$457,770	\$3,893,313
Loans secured by real estate (RE)	371,143	546,854	433,605	118,584	91,622	248,775	1,810,583
1–4 family residential mortgages	182,900	239,618	184,756	55,479	33,874	97,422	794,049
Home equity loans	33,662	53,004	52,843	5,601	1,596	19,786	166,492
Multifamily residential mortgages	15,547	16,467	17,265	3,361	2,775	10,444	65,859
Commercial RE loans	85,628	158,097	122,011	32,525	34,996	85,478	518,735
Construction RE loans	20,712	69,488	47,824	10,493	14,333	31,594	194,444
Farmland loans	1,318	7,014	8,842	11,124	4,049	3,658	36,007
RE loans from foreign offices	31,376	3,165	64	0	0	391	34,997
Commercial and industrial loans	327,763	240,106	223,341	42,718	37,206	95,710	966,844
Loans to individuals	265,598	122,719	95,334	61,117	22,090	82,383	649,241
Credit cards	128,647	16,108	12,548	38,639	609	51,322	247,874
Other revolving credit plans	18,992	4,954	5,553	982	727	3,840	35,047
Installment loans	117,958	101,657	77,233	21,495	20,754	27,221	366,319
All other loans and leases	189,712	97,488	113,514	28,845	9,623	31,307	470,490
Less: Unearned income	2,448	605	166	40	181	404	3,844

# Glossary

## Data Sources

Data are from the Federal Financial Institutions Examination Council (FFIEC) Reports of Condition and Income (call reports) submitted by all FDIC-insured, national-chartered and state-chartered commercial banks and trust companies in the United States and its territories. Uninsured banks, savings banks, savings associations, and U.S. branches and agencies of foreign banks are excluded from these tables. 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.

The data are stored on and retrieved from the OCC's Integrated Banking Information System (IBIS), which is obtained from the FDIC's Research Information System (RIS) database.

## Computation Methodology

For performance ratios constructed by dividing an income statement (flow) item by a balance sheet (stock) item, the income item for the period was annualized (multiplied by the number of periods in a year) and divided by the average balance sheet item 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, prior period(s) balance sheet items of "acquired" institution(s) are included in balance sheet averages because the year-to-date income reported by the "acquirer" includes the year-to-date results of "acquired" institutions. No adjustments are made for "purchase accounting" mergers because the year-to-date income reported by the "acquirer" does not include the prior-to-merger results of "acquired" institutions.

## Definitions

**Commercial real estate loans**—loans secured by nonfarm nonresidential properties.

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

**Core deposits**—the sum of transaction deposits plus savings deposits plus small time deposits (under \$100,000).

**IBIS**—OCC's Integrated Banking Information System.

**Leverage ratio**—Tier 1 capital divided by adjusted tangible total assets.

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

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

**Net loans and leases to assets**—total loans and leases net of the reserve for losses.

**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).

**Net operating revenue**—the sum of net interest income plus noninterest income.

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

**Nonperforming assets**—the sum of noncurrent loans and leases plus noncurrent debt securities and other assets plus other real estate owned.

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

**Off-balance-sheet derivatives**—the notional value of futures and forwards, swaps, and options contracts; beginning March 31, 1995, new reporting detail permits the exclusion of spot foreign exchange contracts. For March 31, 1984 through December 31, 1985, only foreign exchange futures and forwards contracts were reported; beginning March 31, 1986, interest rate swaps contracts were reported; beginning March 31, 1990, banks began to report interest rate and other futures and forwards contracts, foreign exchange and other swaps contracts, and all types of option contracts.



**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.

**Percent of institutions unprofitable**—the percent of institutions with negative net income for the respective period.

**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.

**Reserve for losses**—the sum of the allowance for loan and lease losses plus the allocated transfer risk reserve.

**Residential mortgage assets**—the sum of 1–4 family residential mortgages plus mortgage-backed securities.

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

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

**Risk-based capital ratio**—total capital divided by risk-weighted assets.

**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.

**Securities**—excludes securities held in trading accounts. Effective March 31, 1994, with the full implementation of Financial Accounting Standard (FAS) 115, securities classified by banks as “held-to-maturity” are reported at their amortized cost, and securities classified as “available-for-sale” are reported at their current fair (market) values.

**Securities gains (losses)**—net pre-tax realized gains (losses) on held-to-maturity and available-for-sale securities.

**Total capital**—the sum of Tier 1 and Tier 2 capital. Tier 1 capital consists of common equity capital plus noncumulative perpetual preferred stock plus minority interest in consolidated subsidiaries less goodwill and other ineligible intangible assets. Tier 2 capital consists of subordinated debt plus intermediate-term preferred stock plus cumulative long-term preferred stock plus a portion of a bank’s allowance for loan and lease losses. The amount of eligible intangibles (including mortgage servicing rights) included in Tier 1 capital and the amount of the allowance included in Tier 2 capital are limited in accordance with supervisory capital regulations.

**Volatile liabilities**—the sum of large-denomination time deposits plus foreign-office deposits plus federal funds purchased plus securities sold under agreements to repurchase plus other borrowings. Beginning March 31, 1994, new reporting detail permits the exclusion of other borrowed money with original maturity of more than one year; previously, all other borrowed money was included. Also beginning March 31, 1994, the newly reported “trading liabilities less revaluation losses on assets held in trading accounts” is included.