

# CONDITION AND PERFORMANCE OF COMMERCIAL BANKS

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## Summary

Bank income rose again in the first quarter of 2003, as all major income categories—net income, net interest income, and noninterest income—remained near record levels. At national banks, return on assets and return on equity remained just below their all-time highs. In contrast to other recent quarters, however, when strong growth in interest income was the key factor, the biggest contributor this quarter was a decrease in provisions, reflecting improving credit quality at large banks.

**Table 1—Lower provisioning boosts net income**

National banks	Major income components (Change, \$ millions)			
	2001Q1–2002Q1	Percent change	2002Q1–2003Q1	Percent change
<b>Revenues:</b>				
Net interest income	5,279	17.8%	75	0.2%
Realized gains and losses on securities	-136	-29.1	793	n.m.
Noninterest income	1,149	4.6%	1,098	4.2%
<b>Expenses:</b>				
Provisioning	2,900	54.5%	-1,728	-21.0%
Noninterest expense	601	1.9%	1,633	5.0%
<b>Net income</b>	<b>2,077</b>	<b>18.2%</b>	<b>1,618</b>	<b>12.0%</b>

Loan growth continued, particularly in the housing sector, which still benefits from record-low interest rates. The income benefit to banks from the expanding housing-related demand for credit was largely offset by a decline in net interest margins. Risks for banks include the following: in the consumer sector, unemployment and high debt burdens; and in the business sector, continued weakness in manufacturing, financial services, airlines, and some other services.

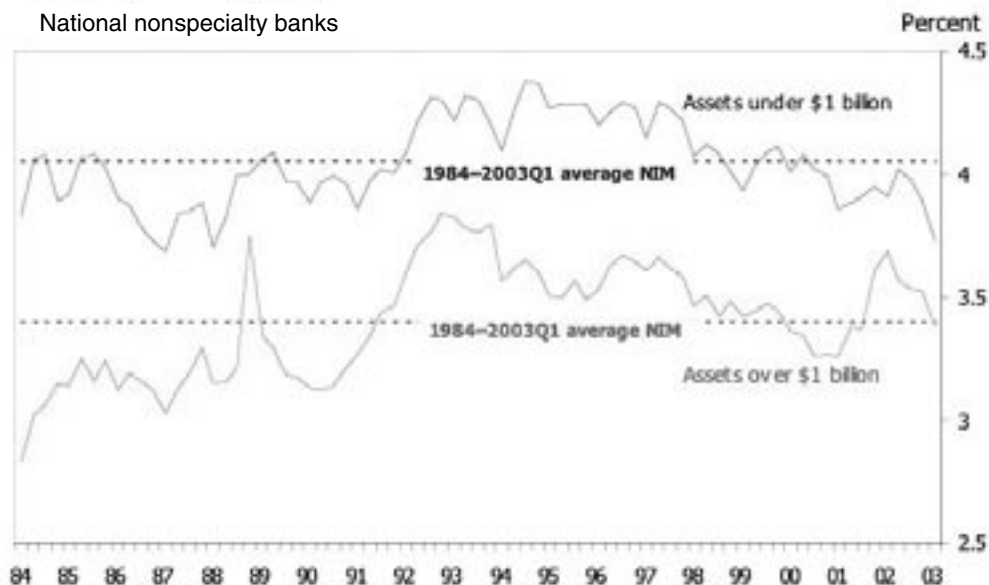
## Key Trends

In the first quarter of 2003, all major income categories showed improvement compared to the same quarter of 2002. This time, however, the largest boost to net income came from a decrease in provisions, rather than from an increase in net interest income. Noninterest income continued to rise moderately. Noninterest expense rose, with large banks accounting for nearly all of the increase.

Improvements in credit quality, particularly at large banks, led banks to reduce provisioning expenses. Provisions dropped below charge-offs. Even so, the ratio of reserves against loan losses to noncurrent loans rose, as the nonperforming ratio declined.

Loan quality improved particularly for residential real estate. Business real estate loans showed a slight deterioration. For commercial and industrial (C&I) loans, the noncurrent ratio (noncurrents to total loans in a category) declined from the first quarter of 2002, although the volume of non-current loans actually fell. Moreover, the C&I noncurrent ratio improved for loans made to U.S. customers. In contrast, the noncurrent ratio for C&I loans to foreign customers rose again, having more than doubled over the last five quarters. Weakness in foreign economies suggests continuing problems with these loans.

**Figure 1—Drop in margin hits net interest income (NIM)**



Loan volume continued to rise, driven by the hot market in residential real estate. Over the last five quarters, residential real estate loans have increased at an annual rate of 27 percent at national nonspecialty banks, compared with 5.8 percent for business real estate loans, and minus 1.6 percent for all other loans. Home equity lending has shown particular strength, rising by 23 percent in 2001, 38 percent in 2002, and 37 percent (year-over-year) in the first quarter of 2003. At the same time, credit card lending has slowed to just 2 percent in the first quarter of 2003, suggesting that some homeowners are using home equity loans to pay down credit card debt. The consumer sector, which has kept the economy afloat for the last two years, is showing signs of strain. Persistent unemployment manifests as a rising bankruptcy rate, which now stands at double the level of 10 years ago. This in turn generally leads to an increase in noncurrents and charge-offs for credit cards and other consumer loans.

Net interest margins (NIMs) declined, offsetting the increase in loan volume. NIMs declined at both small and large banks. At large banks (over \$1 billion in assets), NIMs had risen dramatically during 2001, coinciding with the sharp drop in short-term interest rates. As large net borrowers in the wholesale funds market, large banks were the big winners from the fall in short-term rates. By 2002, however, competitive pressures were squeezing NIMs, as some borrowers were able to negotiate more favorable terms with their lenders. For large banks, the substantial drop during the first quarter of 2003 returned NIMs to their average level over the last two decades.

In contrast, at small banks (under \$1 billion in assets), where NIMs had not risen as far during 2001, the recent decline has pushed NIMs to a 15-year low. NIMs fell for small banks in all regions and in all lines of business. Those small banks with the lowest NIMs have relatively low ratios of core deposits to assets, and the asset side of their balance sheets is skewed toward securities rather than loans.

Deposits continued to flow into banks, as is normal when other investments are not performing well. Deposits grew 10.9 percent year-over-year at large banks, compared with 8.3 percent at small banks. The increase in deposits led to expanded holdings of securities and to healthy loan growth. At large banks, securities on the books grew 19 percent year-over-year, at the same time that loans were growing 6.8 percent.

Large banks continued to displace small banks in the market for residential real estate loans. Until the last two years, the residential real estate portfolios of large and small banks had grown at about the same rate. That changed over the last two years. Large banks expanded their portfolios by 26 percent in 2002 and 29 percent (year-over-year) in the first quarter of 2003; at the same time, small banks have expanded by only about 5 percent annually. Large banks have apparently been able to use their economies of scale, more efficient technologies for the management of smaller transactions, along with their advantages in securitization and hedging to increase their presence in this market.

As large banks have been moving into residential real estate, small banks have been expanding into business lending. At small banks, C&I lending is increasing by about 5 percent annually (it is shrinking at large banks), and business real estate lending by over 15 percent.

**Figure 2—Some cities will lag behind the recovery. Metropolitan statistical areas not expecting recovery until 2005 or later.**



## CONDITION AND PERFORMANCE OF COMMERCIAL BANKS

Small banks face different challenges in different regions. In some cities, defense and other federal spending has propped up the local economy, pulling the area out of recession and improving prospects for local banks. But cities that rely on such industries as autos, machinery, furniture, telecoms, computers, aerospace, airlines, and financial services are still suffering from the effects of worldwide overcapacity and lack of demand. Among the 100 largest metropolitan statistical areas (MSAs), 18 are not expected to recover to their pre-recession employment peaks until 2005; another 23 are not expected to recover until 2006 or later; these 41 MSAs contain 324 small national banks.

**Key indicators, FDIC-insured national banks**  
**Annual 1999–2002, year-to-date through March 31, 2003, first quarter 2002, and first quarter 2003**  
**(Dollar figures in millions)**

	1999	2000	2001	2002	Preliminary 2003YTD	2002Q1	Preliminary 2003Q1
<b>Number of institutions reporting</b>	2,365	2,231	2,137	2,077	2,065	2,118	2,065
<b>Total employees (FTEs)</b>	983,212	948,665	966,538	993,469	991,873	972,505	991,873
<b>Selected income data (\$):</b>							
<b>Net income</b>	\$42,556	\$38,901	\$44,284	\$56,662	\$15,092	\$13,475	\$15,092
<b>Net interest income</b>	114,564	115,909	125,629	141,565	35,102	35,028	35,102
<b>Provision for loan losses</b>	15,554	20,565	28,970	32,643	6,495	8,223	6,495
<b>Noninterest income</b>	92,599	96,109	99,444	109,113	27,254	26,156	27,254
<b>Noninterest expense</b>	125,819	128,547	131,152	136,291	34,395	32,762	34,395
<b>Net operating income</b>	42,380	40,152	43,055	54,510	14,344	13,331	14,344
<b>Cash dividends declared</b>	30,016	32,327	27,743	41,747	10,085	13,266	10,085
<b>Net charge-offs to loan and lease reserve</b>	14,190	17,249	25,147	31,422	6,839	8,184	6,839
<b>Selected condition data (\$):</b>							
<b>Total assets</b>	3,271,277	3,414,367	3,635,296	3,908,036	4,001,717	3,570,650	4,001,717
<b>Total loans and leases</b>	2,128,023	2,227,122	2,272,839	2,447,837	2,463,822	2,265,916	2,463,822
<b>Reserve for losses</b>	37,689	40,025	45,576	48,369	48,353	47,852	48,353
<b>Securities</b>	537,319	502,300	575,933	653,159	689,415	571,681	689,415
<b>Other real estate owned</b>	1,572	1,553	1,794	2,072	2,078	1,858	2,078
<b>Noncurrent loans and leases</b>	20,822	27,164	34,589	38,170	36,842	35,628	36,842
<b>Total deposits</b>	2,154,231	2,250,402	2,384,413	2,565,769	2,635,915	2,348,679	2,635,915
<b>Domestic deposits</b>	1,776,084	1,827,064	2,001,253	2,168,879	2,231,407	1,979,950	2,231,407
<b>Equity capital</b>	277,947	293,714	340,734	371,684	376,372	343,964	376,372
<b>Off-balance-sheet derivatives</b>	12,077,568	15,502,911	20,549,785	25,953,462	28,802,626	21,845,782	28,802,626
<b>Performance ratios (annualized %):</b>							
<b>Return on equity</b>	15.55	13.69	13.88	15.84	16.14	15.72	16.14
<b>Return on assets</b>	1.35	1.18	1.26	1.51	1.53	1.50	1.53
<b>Net interest income to assets</b>	3.63	3.50	3.56	3.76	3.55	3.89	3.55
<b>Loss provision to assets</b>	0.49	0.62	0.82	0.87	0.66	0.91	0.66
<b>Net operating income to assets</b>	1.34	1.21	1.22	1.45	1.45	1.48	1.45
<b>Noninterest income to assets</b>	2.94	2.90	2.82	2.90	2.76	2.90	2.76
<b>Noninterest expense to assets</b>	3.99	3.88	3.72	3.62	3.48	3.64	3.48
<b>Loss provision to loans and leases</b>	0.76	0.95	1.28	1.38	1.06	1.45	1.06
<b>Net charge-offs to loans and leases</b>	0.70	0.80	1.11	1.33	1.11	1.44	1.11
<b>Loss provision to net charge-offs</b>	109.61	119.23	115.20	103.89	94.98	100.48	94.98
<b>Performance ratios (%):</b>							
<b>Percent of institutions unprofitable</b>	7.10	6.95	7.44	6.93	5.81	7.74	5.81
<b>Percent of institutions with earnings gains</b>	62.11	66.61	56.81	71.16	57.58	62.09	57.19
<b>Noninterest income to net operating revenue</b>	44.70	45.33	44.18	43.53	43.71	42.75	43.71
<b>Noninterest expense to net operating revenue</b>	60.73	60.63	58.27	54.37	55.16	53.55	55.16
<b>Condition ratios (%):</b>							
<b>Nonperforming assets to assets</b>	0.70	0.86	1.02	1.06	1.00	1.06	1.00
<b>Noncurrent loans to loans</b>	0.98	1.22	1.52	1.56	1.50	1.57	1.50
<b>Loss reserve to noncurrent loans</b>	181.00	147.34	131.76	126.72	131.25	134.31	131.25
<b>Loss reserve to loans</b>	1.77	1.80	2.01	1.98	1.96	2.11	1.96
<b>Equity capital to assets</b>	8.50	8.60	9.37	9.51	9.41	9.63	9.41
<b>Leverage ratio</b>	7.49	7.49	7.81	7.89	7.89	7.99	7.89
<b>Risk-based capital ratio</b>	11.70	11.84	12.61	12.68	12.85	12.88	12.85
<b>Net loans and leases to assets</b>	63.90	64.06	61.27	61.40	60.36	62.12	60.36
<b>Securities to assets</b>	16.43	14.71	15.84	16.71	17.23	16.01	17.23
<b>Appreciation in securities (% of par)</b>	-2.45	-0.01	0.48	2.12	1.97	0.15	1.97
<b>Residential mortgage assets to assets</b>	20.60	19.60	22.54	24.72	25.07	22.24	25.07
<b>Total deposits to assets</b>	65.85	65.91	65.59	65.65	65.87	65.78	65.87
<b>Core deposits to assets</b>	47.01	45.61	48.07	48.75	48.90	48.39	48.90
<b>Volatile liabilities to assets</b>	34.81	35.18	31.24	30.31	29.73	30.87	29.73

**Loan performance, FDIC-insured national banks**  
**Annual 1999–2002, year-to-date through March 31, 2003, first quarter 2002, and first quarter 2003**  
**(Dollar figures in millions)**

	1999	2000	2001	2002	Preliminary 2003YTD	2002Q1	Preliminary 2003Q1
<b>Percent of loans past due 30-89 days:</b>							
Total loans and leases	1.16	1.26	1.38	1.14	1.04	1.26	1.04
Loans secured by real estate (RE)	1.22	1.42	1.42	1.07	1.01	1.20	1.01
1-4 family residential mortgages	1.61	1.95	1.80	1.45	1.29	1.52	1.29
Home equity loans	0.77	1.07	0.98	0.62	0.52	0.64	0.52
Multifamily residential mortgages	0.69	0.59	0.75	0.40	0.56	0.64	0.56
Commercial RE loans	0.70	0.72	0.86	0.58	0.64	0.78	0.64
Construction RE loans	1.07	1.12	1.28	0.91	1.09	1.44	1.09
Commercial and industrial loans	0.71	0.71	0.95	0.76	0.75	1.03	0.75
Loans to individuals	2.36	2.40	2.39	2.16	1.82	1.99	1.82
Credit cards	2.53	2.50	2.51	2.57	2.14	2.36	2.14
Installment loans and other plans	2.24	2.31	2.65	2.08	1.82	1.94	1.82
All other loans and leases	0.50	0.58	0.84	0.56	0.55	0.90	0.55
<b>Percent of loans noncurrent:</b>							
Total loans and leases	0.98	1.22	1.52	1.56	1.50	1.57	1.50
Loans secured by real estate (RE)	0.87	0.93	1.05	0.97	0.98	1.09	0.98
1-4 family residential mortgages	0.91	1.06	1.05	1.02	0.99	1.20	0.99
Home equity loans	0.32	0.41	0.42	0.33	0.31	0.39	0.31
Multifamily residential mortgages	0.43	0.55	0.49	0.44	0.40	0.45	0.40
Commercial RE loans	0.84	0.77	1.03	1.05	1.17	1.05	1.17
Construction RE loans	0.63	0.82	1.15	1.03	0.98	1.13	0.98
Commercial and industrial loans	1.11	1.66	2.44	3.00	2.91	2.62	2.91
Loans to individuals	1.52	1.46	1.58	1.61	1.50	1.57	1.50
Credit cards	2.00	1.90	2.05	2.16	1.96	2.17	1.96
Installment loans and other plans	1.16	1.06	1.41	1.30	1.31	1.23	1.31
All other loans and leases	0.40	0.85	1.18	1.10	1.00	1.07	1.00
<b>Percent of loans charged-off, net:</b>							
Total loans and leases	0.70	0.80	1.11	1.33	1.11	1.44	1.11
Loans secured by real estate (RE)	0.10	0.12	0.26	0.19	0.15	0.20	0.15
1-4 family residential mortgages	0.14	0.14	0.32	0.17	0.16	0.18	0.16
Home equity loans	0.19	0.23	0.35	0.23	0.22	0.26	0.22
Multifamily residential mortgages	0.02	0.03	0.04	0.11	0.04	0.04	0.04
Commercial RE loans	0.03	0.07	0.18	0.17	0.09	0.22	0.09
Construction RE loans	0.03	0.05	0.15	0.19	0.13	0.18	0.13
Commercial and industrial loans	0.54	0.87	1.50	1.80	1.50	1.53	1.50
Loans to individuals	2.65	2.84	3.13	4.02	3.56	5.02	3.56
Credit cards	4.52	4.43	5.05	6.58	5.53	8.90	5.53
Installment loans and other plans	1.27	1.54	1.66	1.91	1.91	1.94	1.91
All other loans and leases	0.93	0.96	1.80	2.53	0.55	0.50	0.55
<b>Loans outstanding (\$):</b>							
Total loans and leases	\$2,128,023	\$2,227,122	\$2,272,839	\$2,447,837	\$2,463,822	\$2,265,916	\$2,463,822
Loans secured by real estate (RE)	853,141	892,140	976,138	1,139,550	1,160,866	966,516	1,160,866
1-4 family residential mortgages	433,807	443,002	472,719	573,974	578,256	452,662	578,256
Home equity loans	67,267	82,672	102,094	140,998	151,539	110,363	151,539
Multifamily residential mortgages	26,561	28,026	30,075	33,989	34,616	31,200	34,616
Commercial RE loans	214,145	221,267	236,484	253,402	257,864	239,854	257,864
Construction RE loans	71,578	76,899	91,484	95,407	96,515	90,523	96,515
Farmland loans	11,957	12,350	12,615	13,225	13,313	12,728	13,313
RE loans from foreign offices	27,825	27,923	30,668	28,556	28,763	29,186	28,763
Commercial and industrial loans	622,004	646,988	597,212	545,973	539,307	588,241	539,307
Loans to individuals	348,730	370,416	390,420	450,589	434,854	411,692	434,854
Credit cards*	147,275	176,425	167,079	209,936	191,950	187,551	191,950
Other revolving credit plans	na	na	29,259	33,243	32,682	29,690	32,682
Installment loans	201,455	193,991	194,082	207,410	210,222	194,452	210,222
All other loans and leases	306,041	319,144	311,001	314,174	331,333	302,294	331,333
Less: Unearned income	1,893	1,565	1,931	2,449	2,538	2,826	2,538

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

**Key indicators, FDIC-insured national banks by asset size**  
**First quarter 2002 and first quarter 2003**  
(Dollar figures in millions)

	Less than \$100M		\$100M to \$1B		\$1B to \$10B		Greater than \$10B	
	2002Q1	2003Q1	2002Q1	2003Q1	2002Q1	2003Q1	2002Q1	2003Q1
<b>Number of institutions reporting</b>	1,000	918	951	976	125	125	42	46
<b>Total employees (FTEs)</b>	23,355	21,442	94,490	93,728	107,415	94,139	747,245	782,564
<b>Selected income data (\$):</b>								
Net income	\$132	\$129	\$741	\$834	\$1,647	\$1,183	\$10,955	\$12,946
Net interest income	516	467	2,445	2,462	4,017	3,228	28,049	28,945
Provision for loan losses	31	25	192	184	582	420	7,419	5,865
Noninterest income	196	185	1,282	1,308	2,868	2,312	21,810	23,449
Noninterest expense	507	465	2,505	2,480	3,839	3,384	25,911	28,065
Net operating income	129	122	734	801	1,635	1,155	10,833	12,265
Cash dividends declared	80	53	358	585	570	1,049	12,259	8,398
Net charge-offs to loan and lease reserve	20	17	130	129	562	331	7,472	6,362
<b>Selected condition data (\$):</b>								
Total assets	52,563	49,496	250,748	264,451	403,612	377,890	2,863,728	3,309,881
Total loans and leases	31,210	28,901	155,780	163,116	257,676	229,740	1,821,251	2,042,065
Reserve for losses	441	411	2,237	2,386	4,547	3,450	40,628	42,106
Securities	13,103	12,223	61,931	66,472	85,216	81,836	411,431	528,884
Other real estate owned	74	83	256	293	225	229	1,303	1,473
Noncurrent loans and leases	366	376	1,585	1,672	2,599	2,281	31,077	32,513
Total deposits	44,278	41,682	203,499	214,165	260,324	245,626	1,840,578	2,134,441
Domestic deposits	44,278	41,682	202,976	214,057	258,005	242,822	1,474,691	1,732,846
Equity capital	5,929	5,728	25,376	26,798	41,608	40,637	271,050	303,209
Off-balance-sheet derivatives	17	48	1,252	4,601	35,875	19,116	21,939,705	29,062,853
<b>Performance ratios (annualized %):</b>								
Return on equity	8.92	9.09	11.81	12.54	16.32	11.85	16.14	17.16
Return on assets	1.01	1.05	1.19	1.28	1.65	1.27	1.51	1.58
Net interest income to assets	3.95	3.81	3.92	3.76	4.02	3.47	3.87	3.54
Loss provision to assets	0.24	0.21	0.31	0.28	0.58	0.45	1.02	0.72
Net operating income to assets	0.99	1.00	1.18	1.22	1.64	1.24	1.49	1.50
Noninterest income to assets	1.50	1.51	2.06	2.00	2.87	2.49	3.01	2.87
Noninterest expense to assets	3.87	3.79	4.02	3.79	3.84	3.64	3.57	3.43
Loss provision to loans and leases	0.40	0.35	0.49	0.45	0.93	0.75	1.62	1.15
Net charge-offs to loans and leases	0.26	0.24	0.33	0.32	0.90	0.59	1.63	1.25
Loss provision to net charge-offs	155.21	150.31	147.78	143.22	103.46	126.75	99.29	92.20
<b>Performance ratios (%):</b>								
Percent of institutions unprofitable	12.90	9.69	3.26	2.66	2.40	2.40	2.38	4.35
Percent of institutions with earnings gains	53.20	53.49	68.45	60.14	77.60	59.20	83.33	63.04
Nonint. income to net operating revenue	27.52	28.40	34.39	34.69	41.66	41.73	43.74	44.76
Nonint. expense to net operating revenue	71.14	71.32	67.21	65.79	55.76	61.08	51.97	53.57
<b>Condition ratios (%):</b>								
Nonperforming assets to assets	0.84	0.96	0.75	0.75	0.71	0.67	1.15	1.06
Noncurrent loans to loans	1.17	1.30	1.02	1.03	1.01	0.99	1.71	1.59
Loss reserve to noncurrent loans	120.31	109.38	141.09	142.67	174.93	151.25	130.73	129.51
Loss reserve to loans	1.41	1.42	1.44	1.46	1.76	1.50	2.23	2.06
Equity capital to assets	11.28	11.57	10.12	10.13	10.31	10.75	9.46	9.16
Leverage ratio	11.03	11.14	9.46	9.43	9.14	9.24	7.64	7.56
Risk-based capital ratio	18.19	18.44	15.02	15.00	14.92	15.63	12.43	12.38
Net loans and leases to assets	58.54	57.56	61.23	60.78	62.72	59.88	62.18	60.42
Securities to assets	24.93	24.70	24.70	25.14	21.11	21.66	14.37	15.98
Appreciation in securities (% of par)	0.54	2.15	0.51	2.22	0.37	2.43	0.04	1.86
Residential mortgage assets to assets	21.95	21.61	24.52	24.49	27.06	27.55	21.36	24.89
Total deposits to assets	84.24	84.21	81.16	80.98	64.50	65.00	64.27	64.49
Core deposits to assets	70.95	71.55	68.32	68.13	54.94	55.44	45.31	46.28
Volatile liabilities to assets	15.10	14.32	16.82	17.10	24.49	22.19	33.28	31.83



**Loan performance, FDIC-insured national banks by asset size**  
**First quarter 2002 and first quarter 2003**  
(Dollar figures in millions)

	Less than \$100M		\$100M to \$1B		\$1B to \$10B		Greater than \$10B	
	2002Q1	2003Q1	2002Q1	2003Q1	2002Q1	2003Q1	2002Q1	2003Q1
<b>Percent of loans past due 30-89 days:</b>								
<b>Total loans and leases</b>	1.56	1.61	1.22	1.22	1.23	1.04	1.26	1.02
<b>Loans secured by real estate (RE)</b>	1.33	1.45	1.02	1.08	0.98	0.88	1.27	1.02
1-4 family residential mortgages	1.50	1.80	1.28	1.43	1.05	1.23	1.63	1.28
Home equity loans	0.55	0.51	0.49	0.48	0.60	0.36	0.65	0.54
Multifamily residential mortgages	0.44	0.62	0.37	0.51	0.51	0.33	0.72	0.61
Commercial RE loans	1.10	1.08	0.78	0.84	0.77	0.58	0.77	0.60
Construction RE loans	1.62	1.43	1.21	1.13	1.48	0.86	1.47	1.12
<b>Commercial and industrial loans</b>	1.82	1.62	1.44	1.32	1.50	1.09	0.95	0.68
<b>Loans to individuals</b>	2.19	2.39	1.93	1.87	1.88	1.82	2.01	1.82
Credit cards	2.20	2.24	3.89	2.98	1.85	2.52	2.41	2.11
Installment loans and other plans	2.23	2.43	1.69	1.70	2.05	1.68	1.94	1.84
<b>All other loans and leases</b>	1.60	1.55	1.35	1.28	0.71	0.64	0.89	0.51
<b>Percent of loans noncurrent:</b>								
<b>Total loans and leases</b>	1.17	1.30	1.02	1.03	1.01	0.99	1.71	1.59
<b>Loans secured by real estate (RE)</b>	1.02	1.17	0.85	0.87	0.79	0.87	1.18	1.00
1-4 family residential mortgages	0.90	0.99	0.75	0.76	0.67	0.87	1.36	1.03
Home equity loans	0.54	0.39	0.34	0.19	0.40	0.28	0.39	0.32
Multifamily residential mortgages	0.87	1.00	0.46	0.37	0.43	0.48	0.45	0.38
Commercial RE loans	1.11	1.23	1.00	1.04	0.99	1.01	1.07	1.24
Construction RE loans	0.92	1.31	0.85	0.77	1.02	0.93	1.21	1.02
<b>Commercial and industrial loans</b>	1.85	1.98	1.60	1.59	1.54	1.48	2.78	3.13
<b>Loans to individuals</b>	0.82	0.83	0.95	0.93	1.31	1.08	1.65	1.57
Credit cards	1.89	1.72	4.03	3.26	1.98	2.15	2.17	1.93
Installment loans and other plans	0.78	0.81	0.52	0.50	0.84	0.79	1.39	1.47
<b>All other loans and leases</b>	1.37	1.51	1.22	1.36	0.53	0.58	1.11	1.01
<b>Percent of loans charged-off, net:</b>								
<b>Total loans and leases</b>	0.26	0.24	0.33	0.32	0.90	0.59	1.63	1.25
<b>Loans secured by real estate (RE)</b>	0.08	0.04	0.09	0.06	0.17	0.08	0.23	0.17
1-4 family residential mortgages	0.05	0.06	0.09	0.07	0.11	0.13	0.21	0.17
Home equity loans	0.02	-0.07	0.06	0.03	0.23	0.08	0.27	0.24
Multifamily residential mortgages	-0.02	0.03	0.03	0.01	0.02	0.05	0.04	0.04
Commercial RE loans	0.17	0.05	0.12	0.05	0.19	0.03	0.25	0.12
Construction RE loans	0.02	0.07	0.03	0.10	0.39	0.01	0.16	0.16
<b>Commercial and industrial loans</b>	0.44	0.65	0.35	0.45	0.91	0.93	1.66	1.62
<b>Loans to individuals</b>	0.88	0.72	1.69	1.67	3.08	2.20	5.56	3.79
Credit cards	4.14	3.53	6.86	6.67	5.25	5.80	9.49	5.50
Installment loans and other plans	0.72	0.62	0.87	0.71	1.32	1.09	2.17	2.14
<b>All other loans and leases</b>	0.18	0.16	0.22	0.27	0.18	0.39	0.54	0.57
<b>Loans outstanding (\$):</b>								
<b>Total loans and leases</b>	\$31,210	\$28,901	\$155,780	\$163,116	\$257,676	\$229,740	\$1,821,251	\$2,042,065
<b>Loans secured by real estate (RE)</b>	18,375	17,406	100,885	108,409	136,770	133,826	710,487	901,225
1-4 family residential mortgages	8,011	7,242	39,005	39,207	63,426	60,030	342,219	471,777
Home equity loans	474	484	4,550	5,633	8,946	10,322	96,392	135,101
Multifamily residential mortgages	446	441	3,779	4,058	5,095	4,905	21,880	25,211
Commercial RE loans	5,621	5,390	38,498	42,539	41,651	41,171	154,083	168,763
Construction RE loans	1,688	1,745	10,639	11,930	15,750	15,278	62,447	67,562
Farmland loans	2,135	2,104	4,411	5,041	1,773	1,671	4,409	4,497
RE loans from foreign offices	0	0	2	0	128	448	29,057	28,314
<b>Commercial and industrial loans</b>	5,270	4,768	27,693	27,347	48,007	42,779	507,270	464,413
<b>Loans to individuals</b>	4,050	3,496	18,092	17,964	50,521	33,988	339,029	379,407
Credit cards	178	122	2,289	2,869	22,298	7,636	162,786	181,323
Other revolving credit plans	67	50	367	345	2,079	1,023	27,177	31,264
Installment loans	3,805	3,323	15,435	14,750	26,144	25,329	149,067	166,820
<b>All other loans and leases</b>	3,562	3,268	9,301	9,584	22,456	19,242	266,974	299,239
<b>Less: Unearned income</b>	47	37	191	187	79	95	2,509	2,220

**Key indicators, FDIC-insured national banks by region**  
**First quarter 2003**  
**(Dollar figures in millions)**

	Northeast	Southeast	Central	Midwest	Southwest	West	All institutions
<b>Number of institutions reporting:</b>	230	241	408	426	589	171	2,065
<b>Total employees (FTEs)</b>	291,533	219,581	216,108	64,637	97,272	102,742	991,873
<b>Selected income data (\$):</b>							
Net income	\$4,278	\$3,347	\$3,432	\$1,068	\$1,023	\$1,945	\$15,092
Net interest income	10,139	7,524	7,794	2,723	2,638	4,284	35,102
Provision for loan losses	2,750	685	1,411	715	206	729	6,495
Noninterest income	9,547	5,024	5,304	2,357	1,808	3,214	27,254
Noninterest expense	10,728	7,229	6,976	2,829	2,891	3,741	34,395
Net operating income	4,136	3,124	3,137	1,043	972	1,933	14,344
Cash dividends declared	2,878	3,568	895	911	770	1,063	10,085
Net charge-offs to loan and lease reserve	3,220	791	1,297	660	176	695	6,839
<b>Selected condition data (\$):</b>							
Total assets	1,081,308	995,287	992,302	228,274	295,366	409,180	4,001,717
Total loans and leases	629,227	567,119	633,918	161,812	178,848	292,897	2,463,822
Reserve for losses	17,003	9,039	11,734	3,302	2,549	4,726	48,353
Securities	207,123	164,873	188,129	30,031	65,466	33,793	689,415
Other real estate owned	186	507	770	132	321	162	2,078
Noncurrent loans and leases	13,522	7,561	9,588	1,758	1,898	2,514	36,842
Total deposits	730,874	683,161	603,709	136,305	224,937	256,929	2,635,915
Domestic deposits	467,553	617,712	554,501	131,577	223,437	236,628	2,231,407
Equity capital	104,220	91,166	83,181	25,508	28,632	43,666	376,372
Off-balance-sheet derivatives	10,826,955	15,277,216	1,830,433	7,584	72,135	788,303	28,802,626
<b>Performance ratios (annualized %):</b>							
Return on equity	16.54	14.62	16.71	16.80	14.35	18.17	16.14
Return on assets	1.61	1.36	1.40	1.84	1.39	1.94	1.53
Net interest income to assets	3.82	3.06	3.18	4.69	3.59	4.28	3.55
Loss provision to assets	1.04	0.28	0.58	1.23	0.28	0.73	0.66
Net operating income to assets	1.56	1.27	1.28	1.79	1.32	1.93	1.45
Noninterest income to assets	3.59	2.04	2.16	4.06	2.46	3.21	2.76
Noninterest expense to assets	4.04	2.94	2.85	4.87	3.94	3.74	3.48
Loss provision to loans and leases	1.74	0.49	0.89	1.74	0.46	1.03	1.06
Net charge-offs to loans and leases	2.04	0.56	0.81	1.61	0.40	0.98	1.11
Loss provision to net charge-offs	85.40	86.56	108.75	108.21	117.55	104.92	94.98
<b>Performance ratios (%):</b>							
Percent of institutions unprofitable	6.96	9.54	4.41	4.46	5.26	7.60	5.81
Percent of institutions with earnings gains	63.91	65.98	55.39	51.88	53.14	67.25	57.19
Noninterest income to net operating revenue	48.50	40.04	40.50	46.40	40.66	42.87	43.71
Noninterest expense to net operating revenue	54.49	57.61	53.26	55.70	65.02	49.90	55.16
<b>Condition ratios (%):</b>							
Nonperforming assets to assets	1.33	0.81	1.08	0.83	0.75	0.66	1.00
Noncurrent loans to loans	2.15	1.33	1.51	1.09	1.06	0.86	1.50
Loss reserve to noncurrent loans	125.74	119.56	122.39	187.79	134.26	187.97	131.25
Loss reserve to loans	2.70	1.59	1.85	2.04	1.43	1.61	1.96
Equity capital to assets	9.64	9.16	8.38	11.17	9.69	10.67	9.41
Leverage ratio	8.36	7.05	7.37	9.90	8.06	8.63	7.89
Risk-based capital ratio	13.25	11.86	12.45	14.93	13.32	13.76	12.85
Net loans and leases to assets	56.62	56.07	62.70	69.44	59.69	70.43	60.36
Securities to assets	19.15	16.57	18.96	13.16	22.16	8.26	17.23
Appreciation in securities (% of par)	1.49	1.99	2.01	2.46	2.36	3.33	1.97
Residential mortgage assets to assets	15.18	30.66	27.84	23.35	29.15	28.92	25.07
Total deposits to assets	67.59	68.64	60.84	59.71	76.16	62.79	65.87
Core deposits to assets	35.96	56.42	50.49	53.10	64.25	47.53	48.90
Volatile liabilities to assets	42.63	22.59	25.84	22.62	20.54	33.04	29.73

**Loan performance, FDIC-insured national banks by region**  
**First quarter 2003**  
(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	1.04	0.72	1.26	1.26	1.10	1.01	1.04
Loans secured by real estate (RE)	0.89	0.79	1.46	0.77	1.04	0.80	1.01
1-4 family residential mortgages	1.04	1.05	2.11	0.74	1.33	0.90	1.29
Home equity loans	0.44	0.55	0.62	0.30	0.59	0.35	0.52
Multifamily residential mortgages	0.46	0.28	0.68	0.68	1.27	0.10	0.56
Commercial RE loans	0.58	0.45	0.85	0.70	0.72	0.56	0.64
Construction RE loans	0.78	0.31	1.56	1.14	1.06	1.51	1.09
Commercial and industrial loans	0.65	0.46	0.94	1.30	1.03	0.87	0.75
Loans to individuals	1.95	1.49	1.62	1.94	1.76	2.00	1.82
Credit cards	2.15	1.62	1.88	2.01	2.34	2.37	2.14
Installment loans and other plans	2.35	1.58	1.68	1.84	1.79	1.64	1.82
All other loans and leases	0.48	0.24	0.76	0.99	0.80	0.68	0.55
<b>Percent of loans noncurrent:</b>							
Total loans and leases	2.15	1.33	1.51	1.09	1.06	0.86	1.50
Loans secured by real estate (RE)	1.30	0.72	1.43	0.53	0.98	0.44	0.98
1-4 family residential mortgages	1.42	0.60	1.90	0.31	1.09	0.29	0.99
Home equity loans	0.25	0.23	0.43	0.29	0.36	0.18	0.31
Multifamily residential mortgages	0.32	0.31	0.41	0.14	0.93	0.32	0.40
Commercial RE loans	0.85	1.26	1.51	1.03	1.04	0.82	1.17
Construction RE loans	1.05	0.88	1.18	0.67	0.88	0.91	0.98
Commercial and industrial loans	3.62	3.27	2.63	1.40	1.50	2.06	2.91
Loans to individuals	2.25	0.58	0.71	1.62	0.68	1.41	1.50
Credit cards	2.01	1.28	1.62	1.87	1.85	2.04	1.96
Installment loans and other plans	3.76	0.60	0.56	1.00	0.65	0.30	1.31
All other loans and leases	1.18	1.12	0.74	1.17	1.15	0.47	1.00
<b>Percent of loans charged-off, net:</b>							
Total loans and leases	2.04	0.56	0.81	1.61	0.40	0.98	1.11
Loans secured by real estate (RE)	0.14	0.07	0.30	0.04	0.18	0.04	0.15
1-4 family residential mortgages	0.10	0.07	0.36	0.05	0.25	0.05	0.16
Home equity loans	0.05	0.16	0.42	0.10	0.20	0.10	0.22
Multifamily residential mortgages	0.02	0.00	0.03	0.01	0.25	0.00	0.04
Commercial RE loans	0.12	0.03	0.23	0.01	0.03	-0.00	0.09
Construction RE loans	-0.02	0.16	0.13	0.01	0.28	0.02	0.13
Commercial and industrial loans	1.91	1.45	1.42	0.88	0.68	1.33	1.50
Loans to individuals	4.97	1.24	1.98	4.14	1.15	3.98	3.56
Credit cards	5.79	3.98	4.92	5.34	4.25	5.25	5.53
Installment loans and other plans	3.66	1.22	1.38	0.61	1.02	1.46	1.91
All other loans and leases	0.57	0.54	0.62	0.31	0.40	0.38	0.55
<b>Loans outstanding (\$):</b>							
Total loans and leases	\$629,227	\$567,119	\$633,918	\$161,812	\$178,848	\$292,897	\$2,463,822
Loans secured by real estate (RE)	171,067	313,211	320,108	68,029	113,905	174,545	1,160,866
1-4 family residential mortgages	69,481	178,917	145,586	39,786	45,372	99,115	578,256
Home equity loans	28,690	33,384	51,968	4,440	11,956	21,102	151,539
Multifamily residential mortgages	3,946	7,342	13,703	1,740	3,452	4,433	34,616
Commercial RE loans	35,912	65,363	72,664	14,198	33,764	35,963	257,864
Construction RE loans	7,441	23,074	32,071	4,623	16,420	12,884	96,515
Farmland loans	525	1,869	3,689	3,242	2,941	1,047	13,313
RE loans from foreign offices	25,074	3,262	426	0	0	1	28,763
Commercial and industrial loans	164,098	128,788	143,105	23,574	35,100	44,642	539,307
Loans to individuals	172,577	55,973	82,348	54,128	19,516	50,312	434,854
Credit cards	104,759	415	13,961	39,306	773	32,735	191,950
Other revolving credit plans	20,478	2,902	4,833	526	611	3,332	32,682
Installment loans	47,340	52,655	63,554	14,297	18,131	14,245	210,222
All other loans and leases	123,561	69,259	88,447	16,108	10,460	23,497	331,333
Less: Unearned income	2,076	113	90	25	133	100	2,538

**Key indicators, FDIC-insured commercial banks**  
**Annual 1999–2002, year-to-date through March 31, 2003, first quarter 2002, and first quarter 2003**  
(Dollar figures in millions)

	1999	2000	2001	2002	Preliminary 2003YTD	2002Q1	Preliminary 2003Q1
<b>Number of institutions reporting</b>	8,580	8,316	8,079	7,887	7,864	8,005	7,864
<b>Total employees (FTEs)</b>	1,657,628	1,670,874	1,701,717	1,745,343	1,750,682	1,719,166	1,750,682
<b>Selected income data (\$):</b>							
<b>Net income</b>	\$71,507	\$70,945	\$73,966	\$89,926	\$24,942	\$21,711	\$24,942
<b>Net interest income</b>	192,149	203,964	215,138	236,840	59,388	58,416	59,388
<b>Provision for loan losses</b>	21,821	30,019	43,396	48,212	9,519	11,489	9,519
<b>Noninterest income</b>	144,403	153,377	157,030	172,008	44,458	41,399	44,458
<b>Noninterest expense</b>	204,220	216,117	222,295	233,058	59,288	56,045	59,288
<b>Net operating income</b>	71,273	72,534	71,138	85,615	23,520	21,355	23,520
<b>Cash dividends declared</b>	52,082	53,854	54,164	67,512	15,614	19,598	15,614
<b>Net charge-offs</b>	20,378	24,794	36,519	44,564	9,637	11,043	9,637
<b>Selected condition data (\$):</b>							
<b>Total assets</b>	5,735,175	6,244,536	6,551,692	7,076,562	7,196,354	6,486,733	7,196,354
<b>Total loans and leases</b>	3,491,755	3,819,569	3,889,482	4,158,343	4,192,058	3,886,420	4,192,058
<b>Reserve for losses</b>	58,772	64,149	72,311	77,033	77,445	74,985	77,445
<b>Securities</b>	1,046,534	1,078,986	1,171,921	1,334,224	1,381,537	1,178,409	1,381,537
<b>Other real estate owned</b>	2,796	2,912	3,565	4,162	4,311	3,808	4,311
<b>Noncurrent loans and leases</b>	33,006	42,945	54,908	60,563	58,895	57,074	58,895
<b>Total deposits</b>	3,831,062	4,179,572	4,377,573	4,689,522	4,778,446	4,338,126	4,778,446
<b>Domestic deposits</b>	3,175,473	3,472,905	3,748,067	4,031,489	4,125,638	3,734,604	4,125,638
<b>Equity capital</b>	479,668	530,601	593,868	647,670	659,184	601,334	659,184
<b>Off-balance-sheet derivatives</b>	34,819,179	40,571,148	45,326,156	56,078,916	61,423,425	46,667,359	61,423,425
<b>Performance ratios (annualized %):</b>							
<b>Return on equity</b>	15.30	14.01	13.12	14.50	15.27	14.53	15.27
<b>Return on assets</b>	1.31	1.19	1.15	1.33	1.40	1.33	1.40
<b>Net interest income to assets</b>	3.51	3.41	3.36	3.51	3.33	3.59	3.33
<b>Loss provision to assets</b>	0.40	0.50	0.68	0.71	0.53	0.71	0.53
<b>Net operating income to assets</b>	1.30	1.21	1.11	1.27	1.32	1.31	1.32
<b>Noninterest income to assets</b>	2.64	2.56	2.45	2.55	2.49	2.54	2.49
<b>Noninterest expense to assets</b>	3.73	3.61	3.47	3.45	3.32	3.44	3.32
<b>Loss provision to loans and leases</b>	0.66	0.82	1.13	1.21	0.91	1.18	0.91
<b>Net charge-offs to loans and leases</b>	0.61	0.67	0.95	1.12	0.92	1.14	0.92
<b>Loss provision to net charge-offs</b>	107.08	121.07	118.83	108.19	98.78	104.04	98.78
<b>Performance ratios (%):</b>							
<b>Percent of institutions unprofitable</b>	7.52	7.34	8.11	6.48	5.63	6.83	5.63
<b>Percent of institutions with earnings gains</b>	62.82	67.33	56.28	72.80	61.27	63.62	61.04
<b>Noninterest income to net operating revenue</b>	42.91	42.92	42.19	42.07	42.81	41.48	42.81
<b>Noninterest expense to net operating revenue</b>	60.68	60.48	59.73	57.00	57.09	56.15	57.09
<b>Condition ratios (%):</b>							
<b>Nonperforming assets to assets</b>	0.63	0.74	0.92	0.94	0.90	0.97	0.90
<b>Noncurrent loans to loans</b>	0.95	1.12	1.41	1.46	1.40	1.47	1.40
<b>Loss reserve to noncurrent loans</b>	178.06	149.37	131.70	127.19	131.50	131.38	131.50
<b>Loss reserve to loans</b>	1.68	1.68	1.86	1.85	1.85	1.93	1.85
<b>Equity capital to assets</b>	8.36	8.50	9.06	9.15	9.16	9.27	9.16
<b>Leverage ratio</b>	7.79	7.70	7.79	7.83	7.86	7.95	7.86
<b>Risk-based capital ratio</b>	12.15	12.12	12.71	12.78	12.98	12.98	12.98
<b>Net loans and leases to assets</b>	59.86	60.14	58.26	57.67	57.18	58.76	57.18
<b>Securities to assets</b>	18.25	17.28	17.89	18.85	19.20	18.17	19.20
<b>Appreciation in securities (% of par)</b>	-2.31	0.20	0.82	2.22	1.97	0.34	1.97
<b>Residential mortgage assets to assets</b>	20.78	20.20	21.64	23.29	23.80	21.60	23.80
<b>Total deposits to assets</b>	66.80	66.93	66.82	66.27	66.40	66.88	66.40
<b>Core deposits to assets</b>	46.96	46.39	48.73	48.68	48.96	49.04	48.96
<b>Volatile liabilities to assets</b>	34.94	34.98	31.46	31.41	30.67	31.48	30.67

**Loan performance, FDIC-insured commercial banks**  
**Annual 1999–2002, year-to-date through March 31, 2003, first quarter 2002, and first quarter 2003**  
**(Dollar figures in millions)**

	1999	2000	2001	2002	Preliminary 2003YTD	2002Q1	Preliminary 2003Q1
<b>Percent of loans past due 30-89 days:</b>							
Total loans and leases	1.14	1.26	1.37	1.17	1.11	1.26	1.11
Loans secured by real estate (RE)	1.09	1.26	1.31	1.08	1.06	1.16	1.06
1-4 family residential mortgages	1.43	1.72	1.67	1.48	1.33	1.44	1.33
Home equity loans	0.75	0.98	0.91	0.59	0.51	0.62	0.51
Multifamily residential mortgages	0.57	0.55	0.69	0.45	0.53	0.64	0.53
Commercial RE loans	0.69	0.74	0.90	0.68	0.79	0.85	0.79
Construction RE loans	0.98	1.06	1.21	0.89	1.10	1.23	1.10
Commercial and industrial loans	0.79	0.83	1.01	0.89	0.88	1.09	0.88
Loans to individuals	2.33	2.47	2.46	2.22	1.93	2.06	1.93
Credit cards	2.59	2.66	2.69	2.72	2.35	2.50	2.35
Installment loans and other plans	2.18	2.34	2.55	2.09	1.85	1.96	1.85
All other loans and leases	0.54	0.65	0.84	0.59	0.63	0.87	0.63
<b>Percent of loans noncurrent:</b>							
Total loans and leases	0.95	1.12	1.41	1.46	1.40	1.47	1.40
Loans secured by real estate (RE)	0.79	0.81	0.96	0.89	0.90	0.99	0.90
1-4 family residential mortgages	0.82	0.90	0.96	0.93	0.91	1.05	0.91
Home equity loans	0.33	0.37	0.39	0.31	0.29	0.36	0.29
Multifamily residential mortgages	0.41	0.44	0.43	0.37	0.36	0.43	0.36
Commercial RE loans	0.77	0.72	0.96	0.95	1.02	1.01	1.02
Construction RE loans	0.67	0.76	1.06	0.98	0.95	1.06	0.95
Commercial and industrial loans	1.18	1.66	2.41	2.92	2.80	2.62	2.80
Loans to individuals	1.42	1.41	1.48	1.51	1.42	1.48	1.42
Credit cards	2.06	2.01	2.12	2.24	2.10	2.25	2.10
Installment loans and other plans	1.04	0.98	1.21	1.14	1.12	1.10	1.12
All other loans and leases	0.39	0.69	0.96	1.01	0.98	0.90	0.98
<b>Percent of loans charged-off, net:</b>							
Total loans and leases	0.61	0.67	0.95	1.12	0.92	1.14	0.92
Loans secured by real estate (RE)	0.08	0.09	0.19	0.15	0.12	0.15	0.12
1-4 family residential mortgages	0.11	0.11	0.22	0.14	0.13	0.14	0.13
Home equity loans	0.15	0.18	0.27	0.19	0.19	0.20	0.19
Multifamily residential mortgages	0.02	0.03	0.04	0.08	0.03	0.04	0.03
Commercial RE loans	0.03	0.05	0.14	0.15	0.09	0.16	0.09
Construction RE loans	0.04	0.05	0.14	0.17	0.10	0.14	0.10
Commercial and industrial loans	0.58	0.81	1.43	1.76	1.39	1.47	1.39
Loans to individuals	2.32	2.43	2.73	3.34	3.04	3.92	3.04
Credit cards	4.46	4.39	5.12	6.38	5.68	8.00	5.68
Installment loans and other plans	1.04	1.18	1.29	1.46	1.44	1.48	1.44
All other loans and leases	1.02	0.92	1.64	2.32	0.46	0.45	0.46
<b>Loans outstanding (\$):</b>							
Total loans and leases	\$3,491,755	\$3,819,569	\$3,889,482	\$4,158,343	\$4,192,058	\$3,886,420	\$4,192,058
Loans secured by real estate (RE)	1,510,342	1,673,325	1,800,282	2,068,090	2,109,323	1,809,520	2,109,323
1-4 family residential mortgages	737,110	790,030	810,844	945,822	952,903	792,835	952,903
Home equity loans	102,339	127,694	154,157	214,650	228,675	166,311	228,675
Multifamily residential mortgages	53,168	60,406	64,129	71,939	73,917	65,816	73,917
Commercial RE loans	417,633	466,453	505,866	555,868	567,640	519,113	567,640
Construction RE loans	135,632	162,613	193,059	207,467	212,843	194,427	212,843
Farmland loans	31,902	34,096	35,532	38,064	38,747	36,021	38,747
RE loans from foreign offices	32,558	32,033	36,695	34,280	34,598	34,997	34,598
Commercial and industrial loans	969,257	1,051,992	981,059	911,841	906,515	963,317	906,515
Loans to individuals	558,520	606,716	629,885	703,739	684,477	646,719	684,477
Credit cards*	212,147	249,425	232,899	275,921	250,367	247,830	250,367
Other revolving credit plans	na	na	34,203	38,208	37,545	34,780	37,545
Installment loans	346,373	357,291	362,783	389,609	396,565	364,109	396,565
All other loans and leases	457,309	490,448	481,366	478,073	495,216	470,709	495,216
Less: Unearned income	3,673	2,912	3,110	3,399	3,474	3,845	3,474

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

**Key indicators, FDIC-insured commercial banks by asset size**  
**First quarter 2002 and first quarter 2003**  
(Dollar figures in millions)

	Less than \$100M		\$100M to \$1B		\$1B to \$10B		Greater than \$10B	
	2002Q1	2003Q1	2002Q1	2003Q1	2002Q1	2003Q1	2002Q1	2003Q1
<b>Number of institutions reporting</b>	4,437	4,114	3,178	3,337	310	330	80	83
<b>Total employees (FTEs)</b>	89,372	82,009	297,354	299,397	243,759	243,167	1,088,681	1,126,109
<b>Selected income data (\$):</b>								
<b>Net income</b>	\$548	\$535	\$2,478	\$2,784	\$3,294	\$3,100	\$15,390	\$18,524
<b>Net interest income</b>	2,140	1,977	8,165	8,373	8,627	8,222	39,484	40,815
<b>Provision for loan losses</b>	133	115	681	606	1,223	1,014	9,452	7,784
<b>Noninterest income</b>	526	578	3,124	3,146	5,435	5,075	32,314	35,659
<b>Noninterest expense</b>	1,837	1,783	7,092	7,202	7,958	7,785	39,159	42,517
<b>Net operating income</b>	537	510	2,503	2,682	3,238	2,995	15,077	17,332
<b>Cash dividends declared</b>	353	328	1,346	1,432	2,311	2,888	15,589	10,966
<b>Net charge-offs</b>	78	63	440	423	1,205	872	9,320	8,280
<b>Selected condition data (\$):</b>								
<b>Total assets</b>	221,194	209,910	821,197	882,036	896,294	940,913	4,548,047	5,163,495
<b>Total loans and leases</b>	134,816	126,759	533,362	568,749	559,411	566,159	2,658,831	2,930,391
<b>Reserve for losses</b>	1,958	1,877	7,837	8,513	10,228	9,509	54,962	57,545
<b>Securities</b>	53,918	50,094	188,108	203,405	213,961	233,218	722,422	894,819
<b>Other real estate owned</b>	327	336	976	1,221	633	640	1,872	2,114
<b>Noncurrent loans and leases</b>	1,561	1,589	5,282	5,722	6,144	6,146	44,086	45,438
<b>Total deposits</b>	187,753	177,464	671,130	720,808	610,273	638,446	2,868,969	3,241,727
<b>Domestic deposits</b>	187,753	177,464	669,480	719,516	600,183	628,358	2,277,188	2,600,300
<b>Equity capital</b>	23,998	23,460	79,816	86,939	90,171	97,299	407,349	451,486
<b>Off-balance-sheet derivatives</b>	48	126	4,788	8,767	72,031	69,213	46,762,527	61,810,527
<b>Performance ratios (annualized %):</b>								
<b>Return on equity</b>	9.16	9.17	12.54	12.97	14.92	12.95	15.15	16.52
<b>Return on assets</b>	1.00	1.03	1.22	1.28	1.48	1.33	1.34	1.45
<b>Net interest income to assets</b>	3.90	3.80	4.01	3.84	3.87	3.54	3.44	3.18
<b>Loss provision to assets</b>	0.24	0.22	0.33	0.28	0.55	0.44	0.82	0.61
<b>Net operating income to assets</b>	0.98	0.98	1.23	1.23	1.45	1.29	1.31	1.35
<b>Noninterest income to assets</b>	0.96	1.11	1.53	1.44	2.44	2.19	2.82	2.78
<b>Noninterest expense to assets</b>	3.34	3.43	3.48	3.30	3.57	3.35	3.41	3.32
<b>Loss provision to loans and leases</b>	0.40	0.37	0.51	0.43	0.88	0.73	1.42	1.06
<b>Net charge-offs to loans and leases</b>	0.23	0.20	0.33	0.30	0.87	0.62	1.40	1.13
<b>Loss provision to net charge-offs</b>	170.99	184.36	154.63	143.41	101.50	116.23	101.42	94.02
<b>Performance ratios (%):</b>								
<b>Percent of institutions unprofitable</b>	10.30	8.85	2.55	2.13	2.58	1.52	1.25	3.61
<b>Percent of institutions with earnings gains</b>	57.52	55.74	70.74	66.80	75.48	67.58	73.75	66.27
<b>Noninterest income to net operating revenue</b>	19.74	22.63	27.67	27.31	38.65	38.16	45.01	46.63
<b>Noninterest expense to net operating revenue</b>	68.88	69.78	62.82	62.52	56.59	58.55	54.54	55.60
<b>Condition ratios (%):</b>								
<b>Nonperforming assets to assets</b>	0.86	0.93	0.77	0.79	0.76	0.73	1.05	0.95
<b>Noncurrent loans to loans</b>	1.16	1.25	0.99	1.01	1.10	1.09	1.66	1.55
<b>Loss reserve to noncurrent loans</b>	125.43	118.12	148.37	148.78	166.47	154.73	124.67	126.64
<b>Loss reserve to loans</b>	1.45	1.48	1.47	1.50	1.83	1.68	2.07	1.96
<b>Equity capital to assets</b>	10.85	11.18	9.72	9.86	10.06	10.34	8.96	8.74
<b>Leverage ratio</b>	10.62	10.78	9.23	9.26	8.94	9.02	7.40	7.28
<b>Risk-based capital ratio</b>	17.05	17.32	14.20	14.23	14.14	14.52	12.42	12.38
<b>Net loans and leases to assets</b>	60.06	59.49	63.99	63.52	61.27	59.16	57.25	55.64
<b>Securities to assets</b>	24.38	23.86	22.91	23.06	23.87	24.79	15.88	17.33
<b>Appreciation in securities (% of par)</b>	0.48	2.16	0.52	2.18	0.30	2.04	0.29	1.89
<b>Residential mortgage assets to assets</b>	21.55	21.48	23.74	23.34	26.40	27.21	20.28	23.35
<b>Total deposits to assets</b>	84.88	84.54	81.73	81.72	68.09	67.85	63.08	62.78
<b>Core deposits to assets</b>	71.72	71.66	68.27	68.17	55.47	55.25	43.20	43.61
<b>Volatile liabilities to assets</b>	14.66	14.33	17.27	17.24	25.53	24.47	36.04	34.76

**Loan performance, FDIC-insured commercial banks by asset size**  
**First quarter 2002 and first quarter 2003**  
(Dollar figures in millions)

	Less than \$100M		\$100M to \$1B		\$1B to \$10B		Greater than \$10B	
	2002Q1	2003Q1	2002Q1	2003Q1	2002Q1	2003Q1	2002Q1	2003Q1
<b>Percent of loans past due 30-89 days:</b>								
Total loans and leases	1.73	1.82	1.29	1.28	1.26	1.17	1.23	1.04
Loans secured by real estate (RE)	1.50	1.60	1.09	1.13	0.99	0.97	1.21	1.02
1-4 family residential mortgages	1.73	1.95	1.39	1.55	1.09	1.11	1.52	1.30
Home equity loans	0.70	0.62	0.55	0.56	0.64	0.45	0.63	0.51
Multifamily residential mortgages	0.61	0.73	0.53	0.50	0.49	0.56	0.73	0.52
Commercial RE loans	1.20	1.30	0.85	0.87	0.88	0.89	0.80	0.65
Construction RE loans	1.61	1.33	1.17	1.11	1.26	1.14	1.23	1.07
Commercial and industrial loans	1.98	1.95	1.52	1.44	1.47	1.33	0.95	0.69
Loans to individuals	2.41	2.54	2.07	2.05	2.08	1.92	2.05	1.90
Credit cards	2.19	2.24	4.65	4.31	2.47	2.80	2.44	2.26
Installment loans and other plans	2.46	2.59	1.81	1.82	1.97	1.70	1.95	1.85
All other loans and leases	1.85	2.07	1.47	1.36	0.86	0.80	0.79	0.52
<b>Percent of loans noncurrent:</b>								
Total loans and leases	1.16	1.25	0.99	1.01	1.10	1.09	1.66	1.55
Loans secured by real estate (RE)	1.01	1.08	0.86	0.86	0.86	0.89	1.08	0.90
1-4 family residential mortgages	0.88	0.98	0.76	0.80	0.83	0.85	1.18	0.94
Home equity loans	0.33	0.29	0.33	0.24	0.38	0.30	0.36	0.30
Multifamily residential mortgages	0.70	0.90	0.52	0.46	0.39	0.34	0.40	0.31
Commercial RE loans	1.13	1.15	0.94	0.94	0.94	1.00	1.07	1.07
Construction RE loans	1.01	1.18	0.99	0.95	1.04	1.06	1.10	0.89
Commercial and industrial loans	1.74	1.86	1.47	1.51	1.79	1.84	2.93	3.16
Loans to individuals	0.95	0.99	0.88	0.99	1.18	0.99	1.63	1.54
Credit cards	1.64	1.36	3.29	3.83	2.11	2.21	2.24	2.05
Installment loans and other plans	0.94	1.00	0.61	0.64	0.71	0.61	1.30	1.31
All other loans and leases	1.26	1.52	1.24	1.30	0.76	0.90	0.88	0.94
<b>Percent of loans charged-off, net:</b>								
Total loans and leases	0.23	0.20	0.33	0.30	0.87	0.62	1.40	1.13
Loans secured by real estate (RE)	0.07	0.04	0.09	0.06	0.14	0.10	0.18	0.15
1-4 family residential mortgages	0.05	0.05	0.07	0.08	0.10	0.11	0.17	0.15
Home equity loans	0.02	0.03	0.04	0.03	0.16	0.14	0.23	0.21
Multifamily residential mortgages	0.04	0.04	0.06	0.03	0.06	0.03	0.03	0.03
Commercial RE loans	0.10	0.04	0.11	0.06	0.15	0.09	0.20	0.11
Construction RE loans	0.09	0.07	0.09	0.06	0.25	0.11	0.11	0.11
Commercial and industrial loans	0.46	0.42	0.50	0.52	1.41	0.94	1.64	1.62
Loans to individuals	0.75	0.69	1.59	1.61	2.84	2.44	4.54	3.34
Credit cards	3.78	3.32	7.54	8.18	5.67	6.30	8.43	5.56
Installment loans and other plans	0.66	0.62	0.83	0.75	1.22	1.12	1.70	1.64
All other loans and leases	0.19	0.22	0.26	0.31	0.40	0.42	0.47	0.48
<b>Loans outstanding (\$):</b>								
Total loans and leases	\$134,816	\$126,759	\$533,362	\$568,749	\$559,411	\$566,159	\$2,658,831	\$2,930,391
Loans secured by real estate (RE)	80,195	76,970	356,598	392,042	315,441	341,114	1,057,286	1,299,197
1-4 family residential mortgages	34,528	31,978	127,699	130,001	123,848	129,537	506,761	661,387
Home equity loans	2,271	2,317	16,100	20,063	19,233	24,448	128,707	181,847
Multifamily residential mortgages	1,840	1,761	12,538	14,494	13,891	14,952	37,547	42,711
Commercial RE loans	24,039	23,469	140,708	158,865	113,175	122,149	241,191	263,157
Construction RE loans	7,307	7,347	44,612	51,459	40,926	44,678	101,581	109,360
Farmland loans	10,210	10,099	14,905	17,130	4,034	4,287	6,873	7,231
RE loans from foreign offices	0	0	36	32	334	1,063	34,627	33,504
Commercial and industrial loans	23,101	21,426	93,834	96,139	113,843	108,544	732,539	680,406
Loans to individuals	16,437	14,265	56,477	53,197	92,853	80,659	480,951	536,356
Credit cards	434	344	6,130	6,007	33,278	20,194	207,989	223,822
Other revolving credit plans	280	233	1,553	1,540	3,653	2,439	29,294	33,333
Installment loans	15,722	13,688	48,794	45,650	55,923	58,027	243,669	279,201
All other loans and leases	15,228	14,203	27,036	27,940	37,734	36,315	390,711	416,759
Less: Unearned income	144	105	584	570	461	473	2,655	2,326

**Key indicators, FDIC-insured commercial banks by region**  
**First quarter 2003**  
**(Dollar figures in millions)**

	Northeast	Southeast	Central	Midwest	Southwest	West	All institutions
<b>Number of institutions reporting</b>	626	1,081	1,676	2,046	1,752	683	7,864
<b>Total employees (FTEs)</b>	530,484	411,856	340,039	118,188	176,012	174,103	1,750,682
<b>Selected income data (\$):</b>							
<b>Net income</b>	\$7,705	\$5,538	\$5,070	\$1,591	\$1,670	\$3,368	\$24,942
<b>Net interest income</b>	17,798	12,987	11,700	4,297	4,615	7,990	59,388
<b>Provision for loan losses</b>	4,026	1,188	1,768	864	338	1,334	9,519
<b>Noninterest income</b>	18,173	8,609	7,531	2,738	2,464	4,944	44,458
<b>Noninterest expense</b>	21,197	12,655	10,501	3,968	4,568	6,399	59,288
<b>Net operating income</b>	7,108	5,242	4,717	1,551	1,583	3,318	23,520
<b>Cash dividends declared</b>	4,123	6,167	1,602	1,246	1,056	1,419	15,614
<b>Net charge-offs</b>	4,428	1,357	1,585	773	268	1,226	9,637
<b>Selected condition data (\$):</b>							
<b>Total assets</b>	2,440,206	1,627,165	1,473,977	391,522	500,276	763,208	7,196,354
<b>Total loans and leases</b>	1,173,920	991,433	941,015	270,829	301,292	513,568	4,192,058
<b>Reserve for losses</b>	27,296	15,225	16,184	5,238	4,305	9,197	77,445
<b>Securities</b>	488,754	294,136	293,742	65,438	120,526	118,941	1,381,537
<b>Other real estate owned</b>	538	1,119	1,150	372	720	412	4,311
<b>Noncurrent loans and leases</b>	23,397	11,326	13,068	2,922	3,252	4,931	58,895
<b>Total deposits</b>	1,516,422	1,120,154	948,090	268,922	394,865	529,992	4,778,446
<b>Domestic deposits</b>	1,038,882	1,040,997	882,516	264,193	393,332	505,717	4,125,638
<b>Equity capital</b>	211,169	149,818	125,738	42,242	48,818	81,399	659,184
<b>Off-balance-sheet derivatives</b>	43,130,905	15,427,000	1,937,120	10,997	73,967	843,436	61,423,425
<b>Performance ratios (annualized %):</b>							
<b>Return on equity</b>	14.74	14.81	16.32	15.15	13.80	16.84	15.27
<b>Return on assets</b>	1.27	1.38	1.39	1.61	1.35	1.78	1.40
<b>Net interest income to assets</b>	2.94	3.23	3.21	4.35	3.72	4.23	3.33
<b>Loss provision to assets</b>	0.66	0.30	0.49	0.88	0.27	0.71	0.53
<b>Net operating income to assets</b>	1.17	1.30	1.29	1.57	1.28	1.76	1.32
<b>Noninterest income to assets</b>	3.00	2.14	2.07	2.77	1.99	2.62	2.49
<b>Noninterest expense to assets</b>	3.50	3.15	2.88	4.02	3.68	3.39	3.32
<b>Loss provision to loans and leases</b>	1.37	0.48	0.75	1.27	0.45	1.06	0.91
<b>Net charge-offs to loans and leases</b>	1.51	0.55	0.67	1.13	0.36	0.97	0.92
<b>Loss provision to net charge-offs</b>	90.93	87.58	111.52	111.75	126.38	108.83	98.78
<b>Performance ratios (%):</b>							
<b>Percent of institutions unprofitable</b>	7.67	8.23	3.94	3.67	5.94	8.93	5.63
<b>Percent of institutions with earnings gains</b>	66.61	66.70	63.19	55.33	55.71	72.47	61.04
<b>Noninterest income to net operating revenue</b>	50.52	39.86	39.16	38.92	34.81	38.22	42.81
<b>Noninterest expense to net operating revenue</b>	58.93	58.59	54.61	56.41	64.53	49.47	57.09
<b>Condition ratios (%):</b>							
<b>Nonperforming assets to assets</b>	1.03	0.77	0.99	0.84	0.80	0.71	0.90
<b>Noncurrent loans to loans</b>	1.99	1.14	1.39	1.08	1.08	0.96	1.40
<b>Loss reserve to noncurrent loans</b>	116.66	134.43	123.84	179.26	132.39	186.54	131.50
<b>Loss reserve to loans</b>	2.33	1.54	1.72	1.93	1.43	1.79	1.85
<b>Equity capital to assets</b>	8.65	9.21	8.53	10.79	9.76	10.67	9.16
<b>Leverage ratio</b>	7.39	7.50	7.73	9.69	8.52	8.96	7.86
<b>Risk-based capital ratio</b>	13.17	12.08	12.53	14.54	13.93	13.91	12.98
<b>Net loans and leases to assets</b>	46.99	59.99	62.74	67.84	59.36	66.09	57.18
<b>Securities to assets</b>	20.03	18.08	19.93	16.71	24.09	15.58	19.20
<b>Appreciation in securities (% of par)</b>	1.47	2.42	2.04	2.27	2.34	2.23	1.97
<b>Residential mortgage assets to assets</b>	18.09	28.73	26.63	21.77	27.86	24.46	23.80
<b>Total deposits to assets</b>	62.14	68.84	64.32	68.69	78.93	69.44	66.40
<b>Core deposits to assets</b>	34.47	56.51	52.54	60.49	65.67	55.38	48.96
<b>Volatile liabilities to assets</b>	44.31	22.33	26.02	18.91	19.80	26.98	30.67



**Loan performance, FDIC-insured commercial banks by region**  
**First quarter 2003**  
(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	1.10	0.89	1.23	1.43	1.30	1.06	1.11
Loans secured by real estate (RE)	1.04	0.87	1.35	1.06	1.21	0.85	1.06
1-4 family residential mortgages	1.23	1.13	1.89	1.00	1.58	1.03	1.33
Home equity loans	0.47	0.50	0.57	0.54	0.59	0.38	0.51
Multifamily residential mortgages	0.27	0.43	0.76	0.62	1.09	0.30	0.53
Commercial RE loans	0.82	0.67	0.96	1.01	0.88	0.56	0.79
Construction RE loans	1.17	0.69	1.43	1.14	1.17	1.37	1.10
Commercial and industrial loans	0.72	0.65	0.99	1.51	1.22	1.09	0.88
Loans to individuals	2.03	1.92	1.61	2.10	1.99	1.87	1.93
Credit cards	2.30	3.81	1.90	2.27	2.18	2.23	2.35
Installment loans and other plans	2.10	1.70	1.66	1.85	2.04	1.56	1.85
All other loans and leases	0.50	0.29	0.82	1.55	1.20	0.67	0.63
<b>Percent of loans noncurrent:</b>							
Total loans and leases	1.99	1.14	1.39	1.08	1.08	0.96	1.40
Loans secured by real estate (RE)	1.00	0.72	1.28	0.66	0.98	0.55	0.90
1-4 family residential mortgages	0.97	0.67	1.61	0.48	1.02	0.32	0.91
Home equity loans	0.23	0.24	0.40	0.31	0.36	0.19	0.29
Multifamily residential mortgages	0.21	0.30	0.45	0.43	0.84	0.23	0.36
Commercial RE loans	0.92	0.97	1.35	0.85	1.05	0.78	1.02
Construction RE loans	0.99	0.77	1.26	0.68	0.86	1.02	0.95
Commercial and industrial loans	4.00	2.57	2.34	1.47	1.51	2.06	2.80
Loans to individuals	1.99	0.93	0.66	1.61	0.75	1.28	1.42
Credit cards	2.19	2.62	1.63	2.02	1.63	1.95	2.10
Installment loans and other plans	2.12	0.69	0.54	0.90	0.73	0.33	1.12
All other loans and leases	1.09	0.95	0.75	1.25	1.45	0.69	0.98
<b>Percent of loans charged-off, net:</b>							
Total loans and leases	1.51	0.55	0.67	1.13	0.36	0.97	0.92
Loans secured by real estate (RE)	0.08	0.08	0.24	0.05	0.15	0.06	0.12
1-4 family residential mortgages	0.06	0.08	0.30	0.06	0.19	0.04	0.13
Home equity loans	0.05	0.16	0.35	0.15	0.18	0.07	0.19
Multifamily residential mortgages	0.01	0.01	0.02	0.03	0.23	-0.01	0.03
Commercial RE loans	0.08	0.06	0.19	0.01	0.06	0.08	0.09
Construction RE loans	0.02	0.08	0.10	0.12	0.20	0.08	0.10
Commercial and industrial loans	1.91	1.16	1.20	0.67	0.62	1.54	1.39
Loans to individuals	3.84	1.90	1.71	3.95	1.08	3.66	3.04
Credit cards	5.93	6.55	4.87	5.64	4.14	5.12	5.68
Installment loans and other plans	2.01	1.16	1.20	0.56	0.94	1.40	1.44
All other loans and leases	0.44	0.45	0.59	0.25	0.43	0.32	0.46
<b>Loans outstanding (\$):</b>							
Total loans and leases	\$1,173,920	\$991,433	\$941,015	\$270,829	\$301,292	\$513,568	\$4,192,058
Loans secured by real estate (RE)	402,714	580,703	499,470	133,881	194,406	298,148	2,109,323
1-4 family residential mortgages	196,264	273,388	212,207	61,368	74,847	134,829	952,903
Home equity loans	46,626	61,175	72,214	6,826	13,832	28,003	228,675
Multifamily residential mortgages	16,122	15,653	21,262	3,795	5,413	11,672	73,917
Commercial RE loans	91,341	152,928	132,510	37,211	64,358	89,292	567,640
Construction RE loans	20,622	69,060	51,382	12,565	28,899	30,316	212,843
Farmland loans	1,462	5,238	9,415	12,116	7,058	3,458	38,747
RE loans from foreign offices	30,277	3,262	479	0	0	580	34,598
Commercial and industrial loans	290,504	203,582	217,598	43,266	56,705	94,860	906,515
Loans to individuals	279,476	112,930	107,842	64,460	33,651	86,119	684,477
Credit cards	125,971	15,358	14,799	41,730	1,371	51,138	250,367
Other revolving credit plans	21,805	4,334	5,295	664	818	4,628	37,545
Installment loans	131,699	93,238	87,748	22,066	31,462	30,352	396,565
All other loans and leases	203,482	94,564	116,271	29,277	16,796	34,826	495,216
Less: Unearned income	2,255	346	167	55	266	386	3,474

## 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- to 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 a “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.