

*Quarterly
Journal*

CONDITION AND PERFORMANCE
OF COMMERCIAL BANKS

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Net income increased at national banks in the third quarter of 2005, on the strength of a sharp gain in noninterest income. Provisioning expenses rose for the first time in 13 quarters, holding down the expansion in earnings.

Earnings remained high, particularly at national banks. Return on equity (ROE) stood at 15.2 percent, adjusted for the effects of recent mergers. This is near the historical peak, though slightly off from the level of a year ago. ROE at state-chartered banks, at 13.1 percent, also remained near its historical peak.

Table 1 provides some detail on changes in the major income and expense items for national banks. Net interest income grew by 1 percent year-over-year, as continued weakness in net interest margins nearly offset growth in the loan book. Net interest margins at national banks have now fallen for 12 of the last 13 quarters. On the other hand, the residential lending book experienced a fourteenth straight quarter of double-digit percentage increases.

Table 1—Noninterest income up sharply; provision rises

National banks	Major income components (Change, \$ millions)			
	2003Q3-04Q3	% change	2004Q3-05Q3	% change
Revenues				
Net interest income	3,426	8.8%	551	1.3%
Real gains/losses sec	661	n.m.	-1,045	n.m.
Noninterest income	-972	-3.0%	7,290	23.0%
Expenses				
Provisioning	-269	-5.2%	1,461	29.5%
Noninterest expense	3,713	9.2%	2,874	6.5%
Net income	428	2.4%	1,221	6.8%

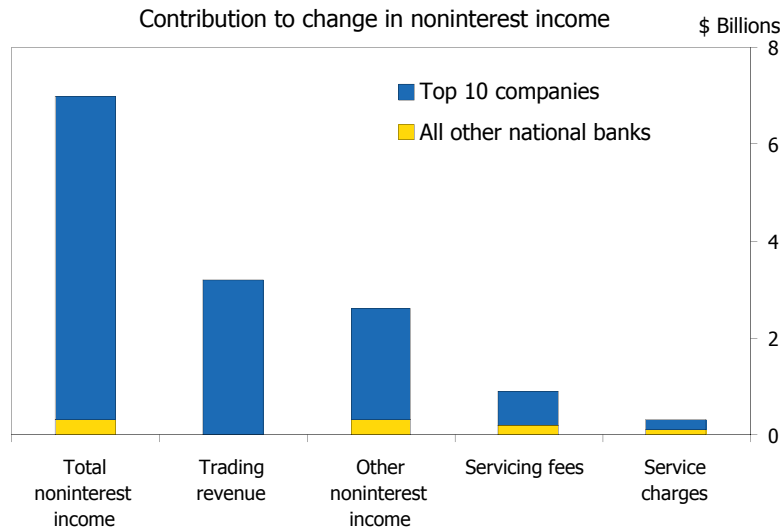
Source: Integrated Banking Information System (OCC)

Data are merger adjusted and held constant for banks operating as of September 30, 2005.

CONDITION AND PERFORMANCE OF COMMERCIAL BANKS

In the third quarter, the major contributor to growth in net income was noninterest income; within this category, trading income did particularly well, with servicing fees and service charges making smaller contributions. In contrast to many other categories of noninterest income, however, trading income tends to be volatile, as it depends on swings in trading volume in securities markets. Moreover, nearly all of the growth in trading income occurred at large banks, as Figure 1 indicates. As a result, it may be difficult for large institutions to maintain their earnings performance if such gains do not recur.

Figure 1—Volatile component accounts for large share on noninterest income growth



Source: Integrated Banking Information System (OCC)

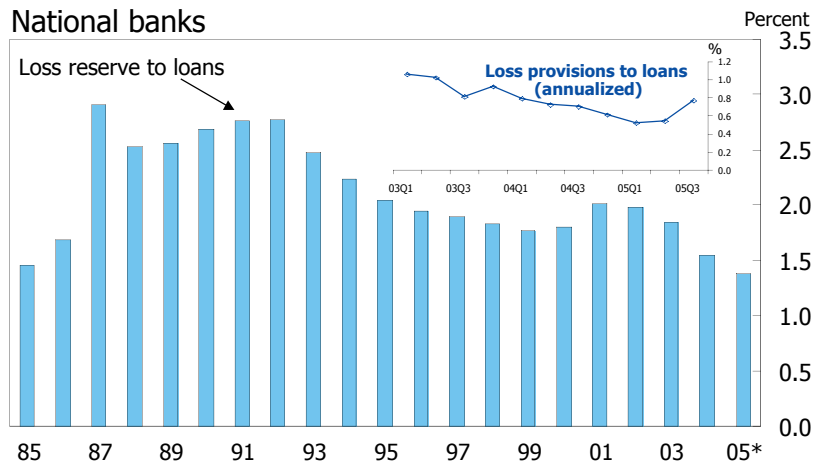
Data are merger adjusted and held constant for banks operating as of September 30, 2005. Quarterly change 2004Q3-2005Q3.

CONDITION AND PERFORMANCE OF COMMERCIAL BANKS

Loan loss provisions rose during the third quarter, snapping a string of 12 consecutive quarterly declines (where the change is measured year-over-year). This reversed a six-quarter drop in loss provisions to loans. It was not enough, however, to halt the decline of loan loss reserves to loans (Figure 2).

The key factor behind the lower provisioning expenses has been loan performance, and loan quality remained very strong. Noncurrent loans in the aggregate now stand at an all-time low (data series begins in 1984). Commercial real estate loans and construction loans have also reached all-time lows. In all other major loan categories except credit cards, noncurrents now stand below their 20-year medians.

Figure 2—Reserves continue to shrink relative to loans



Source: Integrated Banking Information System (OCC)

*2005 data as of September 30, 2005. All other data as of year-end.

Key indicators, FDIC-insured national banks
Annual 2001--2004, year-to-date through September 30, 2005, third quarter 2004, and third quarter 2005
(Dollar figures in millions)

	2001	2002	2003	2004	Preliminary 2005YTD	2004Q3	Preliminary 2005Q3
Number of institutions reporting	2,138	2,077	1,999	1,907	1,846	1,936	1,846
Total employees (FTEs)	966,545	993,469	1,000,493	1,143,384	1,170,569	1,066,167	1,170,569
Selected income data (\$)							
Net income	\$44,072	\$56,435	\$62,994	\$67,550	\$56,799	\$17,782	\$19,318
Net interest income	125,344	141,324	143,148	159,212	127,666	40,143	43,058
Provision for loan losses	28,921	32,606	24,005	18,638	14,987	5,093	6,412
Noninterest income	99,922	109,473	116,158	127,280	111,750	28,884	39,084
Noninterest expense	131,704	136,793	144,938	170,832	140,535	39,086	47,046
Net operating income	42,842	54,292	60,624	65,269	56,339	16,894	19,221
Cash dividends declared	27,783	41,757	45,049	33,034	33,086	9,474	13,336
Net charge-offs	25,107	31,372	26,968	21,904	16,009	4,980	6,200
Selected condition data (\$)							
Total assets	3,634,967	3,908,117	4,292,229	5,602,044	5,946,140	4,846,508	5,946,140
Total loans and leases	2,269,240	2,445,180	2,630,591	3,166,736	3,375,428	2,949,222	3,375,428
Reserve for losses	45,537	48,333	48,623	48,964	46,640	48,187	46,640
Securities	576,550	653,702	753,642	908,054	937,653	799,516	937,653
Other real estate owned	1,799	2,075	1,941	1,529	1,626	1,622	1,626
Noncurrent loans and leases	34,261	38,164	34,876	29,604	27,621	28,558	27,621
Total deposits	2,384,414	2,565,771	2,786,714	3,581,425	3,760,487	3,119,953	3,760,487
Domestic deposits	2,001,243	2,168,876	2,322,009	2,848,726	3,012,881	2,554,456	3,012,881
Equity capital	340,582	371,329	390,492	557,841	585,626	505,719	585,626
Off-balance-sheet derivatives	20,549,785	25,953,772	31,554,693	86,319,461	96,992,909	39,677,915	96,992,909
Performance ratios (annualized %)							
Return on equity	13.81	15.78	16.47	13.83	13.11	14.99	13.22
Return on assets	1.25	1.50	1.53	1.27	1.31	1.49	1.31
Net interest income to assets	3.55	3.75	3.47	3.00	2.94	3.36	2.93
Loss provision to assets	0.82	0.87	0.58	0.35	0.34	0.43	0.44
Net operating income to assets	1.21	1.44	1.47	1.23	1.30	1.42	1.31
Noninterest income to assets	2.83	2.91	2.82	2.40	2.57	2.42	2.66
Noninterest expense to assets	3.74	3.63	3.51	3.22	3.23	3.27	3.20
Loss provision to loans and leases	1.28	1.38	0.95	0.62	0.61	0.70	0.77
Net charge-offs to loans and leases	1.11	1.33	1.07	0.73	0.65	0.69	0.74
Loss provision to net charge-offs	115.19	103.93	89.01	85.09	93.61	102.27	103.42
Performance ratios (%)							
Percent of institutions unprofitable	7.48	6.93	5.60	5.35	4.82	5.79	5.47
Percent of institutions with earnings gains	56.83	71.21	55.93	62.77	62.30	62.29	61.92
Nonint. income to net operating revenue	44.36	43.65	44.80	44.43	46.68	41.84	47.58
Nonint. expense to net operating revenue	58.47	54.54	55.89	59.63	58.70	56.62	57.27
Condition ratios (%)							
Nonperforming assets to assets	1.01	1.06	0.89	0.57	0.50	0.63	0.50
Noncurrent loans to loans	1.51	1.56	1.33	0.93	0.82	0.97	0.82
Loss reserve to noncurrent loans	132.91	126.65	139.42	165.39	168.86	168.73	168.86
Loss reserve to loans	2.01	1.98	1.85	1.55	1.38	1.63	1.38
Equity capital to assets	9.37	9.50	9.10	9.96	9.85	10.43	9.85
Leverage ratio	7.81	7.88	7.70	7.30	7.35	7.50	7.35
Risk-based capital ratio	12.59	12.66	12.65	12.25	12.02	12.37	12.02
Net loans and leases to assets	61.18	61.33	60.15	55.65	55.98	59.86	55.98
Securities to assets	15.86	16.73	17.56	16.21	15.77	16.50	15.77
Appreciation in securities (% of par)	0.47	2.12	0.88	0.55	-0.55	0.71	-0.55
Residential mortgage assets to assets	22.55	24.72	24.44	23.52	23.67	24.08	23.67
Total deposits to assets	65.60	65.65	64.92	63.93	63.24	64.38	63.24
Core deposits to assets	48.08	48.74	48.03	43.83	42.99	46.02	42.99
Volatile liabilities to assets	31.24	30.31	30.57	33.90	35.68	32.35	35.68

Loan performance, FDIC-insured national banks
Annual 2001--2004, year-to-date through September 30, 2005, third quarter 2004, and third quarter 2005
(Dollar figures in millions)

	2001	2002	2003	2004	Preliminary 2005YTD	2004Q3	Preliminary 2005Q3
Percent of loans past due 30-89 days							
Total loans and leases	1.38	1.14	1.02	0.87	0.87	0.87	0.87
Loans secured by real estate (RE)	1.42	1.07	0.91	0.75	0.76	0.77	0.76
1- to 4-family residential mortgages	1.84	1.45	1.30	1.05	1.01	1.11	1.01
Home equity loans	0.79	0.61	0.45	0.39	0.46	0.37	0.46
Multifamily residential mortgages	0.82	0.42	0.54	0.39	0.42	0.48	0.42
Commercial RE loans	0.85	0.58	0.47	0.44	0.50	0.44	0.50
Construction RE loans	1.28	0.91	0.66	0.61	0.58	0.63	0.58
Commercial and industrial loans	0.94	0.76	0.63	0.56	0.59	0.54	0.59
Loans to individuals	2.38	2.15	2.08	1.84	1.83	1.87	1.83
Credit cards	2.52	2.57	2.48	2.21	2.31	2.24	2.31
Installment loans and other plans	2.62	2.07	1.95	1.67	1.60	1.71	1.60
All other loans and leases	0.84	0.55	0.34	0.31	0.33	0.23	0.33
Percent of loans noncurrent							
Total loans and leases	1.51	1.56	1.33	0.93	0.82	0.97	0.82
Loans secured by real estate (RE)	1.05	0.97	0.95	0.68	0.74	0.73	0.74
1- to 4-family residential mortgages	1.06	1.02	1.14	0.86	0.99	0.94	0.99
Home equity loans	0.38	0.32	0.24	0.18	0.21	0.16	0.21
Multifamily residential mortgages	0.54	0.48	0.45	0.42	0.42	0.33	0.42
Commercial RE loans	1.02	1.05	0.97	0.71	0.67	0.79	0.67
Construction RE loans	1.15	1.03	0.71	0.45	0.43	0.54	0.43
Commercial and industrial loans	2.44	3.00	2.19	1.22	0.86	1.35	0.86
Loans to individuals	1.49	1.60	1.78	1.66	1.35	1.62	1.35
Credit cards	2.05	2.16	2.24	2.03	1.91	1.92	1.91
Installment loans and other plans	1.24	1.30	1.55	1.46	0.99	1.50	0.99
All other loans and leases	1.19	1.11	0.74	0.39	0.29	0.39	0.29
Percent of loans charged-off, net							
Total loans and leases	1.11	1.33	1.07	0.73	0.65	0.69	0.74
Loans secured by real estate (RE)	0.26	0.19	0.21	0.08	0.06	0.08	0.06
1- to 4-family residential mortgages	0.32	0.17	0.24	0.08	0.06	0.08	0.06
Home equity loans	0.35	0.23	0.23	0.10	0.09	0.10	0.09
Multifamily residential mortgages	0.04	0.11	0.03	0.04	0.05	0.03	0.04
Commercial RE loans	0.16	0.17	0.13	0.05	0.05	0.07	0.05
Construction RE loans	0.15	0.19	0.14	0.04	0.02	0.04	0.02
Commercial and industrial loans	1.50	1.80	1.35	0.43	0.15	0.32	0.11
Loans to individuals	3.13	4.02	3.45	3.14	3.07	3.07	3.57
Credit cards	5.06	6.58	5.48	5.14	4.62	4.81	4.62
Installment loans and other plans	1.66	1.91	1.81	1.51	1.74	1.50	2.70
All other loans and leases	0.58	0.83	0.58	0.15	0.17	0.10	0.38
Loans outstanding (\$)							
Total loans and leases	\$2,269,240	\$2,445,180	\$2,630,591	\$3,166,736	\$3,375,428	\$2,949,222	\$3,375,428
Loans secured by real estate (RE)	976,090	1,139,259	1,254,981	1,572,071	1,725,495	1,452,951	1,725,495
1- to 4-family residential mortgages	472,678	573,667	605,100	745,212	816,966	672,764	816,966
Home equity loans	102,129	141,056	192,703	294,919	326,737	266,115	326,737
Multifamily residential mortgages	30,075	33,968	35,652	39,942	44,256	39,051	44,256
Commercial RE loans	236,489	253,427	269,936	301,691	320,858	295,196	320,858
Construction RE loans	91,436	95,360	104,218	128,631	157,226	122,593	157,226
Farmland loans	12,615	13,225	13,614	14,678	15,569	14,719	15,569
RE loans from foreign offices	30,668	28,556	33,758	46,998	43,883	42,512	43,883
Commercial and industrial loans	597,304	546,053	500,005	580,788	649,128	534,392	649,128
Loans to individuals	389,940	450,515	527,968	615,506	610,208	565,035	610,208
Credit cards+A27	166,628	209,892	250,870	300,097	275,685	277,566	275,685
Other revolving credit plans	29,258	33,243	32,883	34,258	34,956	33,421	34,956
Installment loans	194,054	207,381	244,215	281,151	299,567	254,048	299,567
All other loans and leases	307,851	311,803	349,521	400,595	392,529	398,881	392,529
Less: Unearned income	1,944	2,449	1,884	2,224	1,931	2,038	1,931

Key indicators, FDIC-insured national banks by asset size
Third quarter 2004 and third quarter 2005
(Dollar figures in millions)

	Less than \$100M		\$100M to \$1B		\$1B to \$10B		Greater than \$10B	
	2004Q3	2005Q3	2004Q3	2005Q3	2004Q3	2005Q3	2004Q3	2005Q3
Number of institutions reporting	795	711	966	961	127	127	48	47
Total employees (FTEs)	18,393	16,011	90,014	88,655	86,128	83,739	871,632	982,164
Selected income data (\$)								
Net income	\$121	\$109	\$875	\$893	\$1,299	\$1,301	\$15,487	\$17,015
Net interest income	423	390	2,531	2,539	3,031	3,007	34,158	37,121
Provision for loan losses	24	16	163	142	210	212	4,695	6,042
Noninterest income	164	144	1,213	1,325	2,186	2,312	25,321	35,304
Noninterest expense	410	375	2,397	2,507	3,081	3,180	33,198	40,983
Net operating income	119	110	869	892	1,291	1,292	14,615	16,927
Cash dividends declared	55	58	501	534	559	1,168	8,359	11,575
Net charge-offs	18	10	112	92	162	175	4,688	5,923
Selected condition data (\$)								
Total assets	44,124	39,795	267,795	269,469	365,322	354,377	4,169,267	5,282,499
Total loans and leases	26,377	23,724	171,957	174,240	224,425	225,392	2,526,463	2,952,072
Reserve for losses	380	335	2,378	2,226	2,997	2,785	42,432	41,294
Securities	11,427	10,665	65,393	61,146	88,332	72,851	634,364	792,991
Other real estate owned	74	53	254	235	192	123	1,101	1,215
Noncurrent loans and leases	298	250	1,353	1,241	1,507	1,357	25,401	24,772
Total deposits	36,658	33,051	215,901	217,523	244,952	244,145	2,622,443	3,265,769
Domestic deposits	36,636	33,036	215,479	217,275	242,356	241,103	2,059,986	2,521,467
Equity capital	5,245	4,643	27,414	28,269	40,197	38,140	432,863	514,574
Off-balance-sheet derivatives	18	21	2,535	4,164	19,340	17,426	40,077,653	97,719,244
Performance ratios (annualized %)								
Return on equity	9.47	9.40	13.05	12.75	13.43	13.67	15.34	13.24
Return on assets	1.11	1.11	1.32	1.34	1.44	1.49	1.51	1.30
Net interest income to assets	3.87	3.95	3.82	3.82	3.35	3.45	3.33	2.84
Loss provision to assets	0.22	0.16	0.25	0.21	0.23	0.24	0.46	0.46
Net operating income to assets	1.09	1.12	1.31	1.34	1.43	1.48	1.42	1.29
Noninterest income to assets	1.50	1.45	1.83	1.99	2.42	2.65	2.47	2.70
Noninterest expense to assets	3.75	3.80	3.62	3.77	3.41	3.65	3.23	3.14
Loss provision to loans and leases	0.38	0.28	0.39	0.33	0.38	0.38	0.76	0.83
Net charge-offs to loans and leases	0.28	0.18	0.26	0.21	0.29	0.31	0.76	0.81
Loss provision to net charge-offs	136.46	156.01	145.97	154.47	129.55	121.64	100.15	102.00
Performance ratios (%)								
Percent of institutions unprofitable	10.44	9.42	2.28	3.02	3.15	2.36	6.25	4.26
Percent of institutions with earnings gains	57.99	57.10	65.22	63.68	69.29	75.59	56.25	61.70
Nonint. income to net operating revenue	27.87	26.92	32.39	34.29	41.90	43.46	42.57	48.75
Nonint. expense to net operating revenue	69.78	70.30	64.04	64.88	59.06	59.79	55.81	56.59
Condition ratios (%)								
Nonperforming assets to assets	0.85	0.76	0.60	0.55	0.47	0.42	0.65	0.50
Noncurrent loans to loans	1.13	1.05	0.79	0.71	0.67	0.60	1.01	0.84
Loss reserve to noncurrent loans	127.80	133.92	175.79	179.33	198.90	205.24	167.05	166.70
Loss reserve to loans	1.44	1.41	1.38	1.28	1.34	1.24	1.68	1.40
Equity capital to assets	11.89	11.67	10.24	10.49	11.00	10.76	10.38	9.74
Leverage ratio	11.59	11.69	9.49	9.65	9.22	9.00	7.16	7.08
Risk-based capital ratio	18.87	19.12	14.71	14.67	15.18	13.37	11.96	11.77
Net loans and leases to assets	58.92	58.78	63.32	63.83	60.61	62.82	59.58	55.10
Securities to assets	25.90	26.80	24.42	22.69	24.18	20.56	15.22	15.01
Appreciation in securities (% of par)	0.51	-0.89	0.76	-0.67	1.04	-0.71	0.66	-0.52
Residential mortgage assets to assets	20.68	20.61	23.13	21.84	26.86	24.49	23.93	23.73
Total deposits to assets	83.08	83.05	80.62	80.72	67.05	68.89	62.90	61.82
Core deposits to assets	70.57	70.11	67.64	66.31	57.16	56.30	43.40	40.71
Volatile liabilities to assets	14.95	15.73	17.74	19.01	23.35	26.53	34.26	37.30

Loan performance, FDIC-insured national banks by asset size
Third quarter 2004 and third quarter 2005
(Dollar figures in millions)

	Less than \$100M		\$100M to \$1B		\$1B to \$10B		Greater than \$10B	
	2004Q3	2005Q3	2004Q3	2005Q3	2004Q3	2005Q3	2004Q3	2005Q3
Percent of loans past due 30-89 days								
Total loans and leases	1.24	1.23	0.85	0.82	0.61	0.76	0.89	0.88
Loans secured by real estate (RE)	1.13	1.13	0.72	0.71	0.47	0.52	0.80	0.78
1- to 4-family residential mortgages	1.60	1.61	1.04	1.05	0.61	0.66	1.15	1.03
Home equity loans	0.53	0.48	0.33	0.38	0.23	0.29	0.38	0.47
Multifamily residential mortgages	0.18	0.85	0.55	0.42	0.26	0.32	0.52	0.44
Commercial RE loans	0.91	0.88	0.56	0.52	0.35	0.50	0.43	0.48
Construction RE loans	1.08	0.88	0.70	0.78	0.58	0.48	0.62	0.57
Commercial and industrial loans	1.49	1.39	0.95	1.02	0.86	1.40	0.48	0.50
Loans to individuals	2.25	2.27	1.80	1.60	1.31	1.11	1.89	1.86
Credit cards	2.01	1.91	3.33	2.88	2.99	1.85	2.22	2.31
Installment loans and other plans	2.28	2.33	1.52	1.48	1.14	1.03	1.75	1.63
All other loans and leases	0.51	0.64	0.54	0.54	0.37	0.54	0.22	0.32
Percent of loans noncurrent								
Total loans and leases	1.13	1.05	0.79	0.71	0.67	0.60	1.01	0.84
Loans secured by real estate (RE)	0.97	0.95	0.69	0.68	0.58	0.54	0.75	0.76
1- to 4-family residential mortgages	0.98	0.92	0.66	0.70	0.51	0.55	0.99	1.04
Home equity loans	0.27	0.30	0.14	0.18	0.15	0.18	0.17	0.21
Multifamily residential mortgages	0.60	1.00	0.51	0.49	0.29	0.24	0.31	0.44
Commercial RE loans	1.11	1.17	0.78	0.74	0.82	0.74	0.78	0.63
Construction RE loans	0.72	0.58	0.69	0.63	0.43	0.37	0.53	0.41
Commercial and industrial loans	1.97	1.68	1.19	1.00	1.05	0.87	1.38	0.85
Loans to individuals	0.87	0.82	0.82	0.58	0.64	0.50	1.68	1.40
Credit cards	1.20	1.15	2.62	1.73	2.52	1.37	1.91	1.92
Installment loans and other plans	0.87	0.83	0.46	0.45	0.38	0.35	1.64	1.06
All other loans and leases	1.06	0.98	0.73	0.56	0.45	0.47	0.37	0.27
Percent of loans charged-off, net								
Total loans and leases	0.28	0.18	0.26	0.21	0.29	0.31	0.76	0.81
Loans secured by real estate (RE)	0.09	0.05	0.06	0.06	0.05	0.08	0.08	0.06
1- to 4-family residential mortgages	0.07	0.04	0.07	0.08	0.07	0.08	0.08	0.05
Home equity loans	0.10	0.04	0.05	0.02	0.03	0.09	0.10	0.09
Multifamily residential mortgages	0.00	0.17	0.00	0.16	0.07	0.12	0.02	0.00
Commercial RE loans	0.12	0.07	0.05	0.04	0.02	0.10	0.08	0.04
Construction RE loans	0.03	0.05	0.07	0.04	0.10	0.04	0.02	0.01
Commercial and industrial loans	0.65	0.51	0.44	0.30	0.69	0.63	0.28	0.06
Loans to individuals	0.86	0.59	1.58	1.24	1.23	1.13	3.20	3.73
Credit cards	2.86	1.91	6.57	5.88	4.03	2.59	4.80	4.64
Installment loans and other plans	0.82	0.55	0.54	0.62	0.85	0.85	1.60	2.90
All other loans and leases	0.22	0.02	0.15	0.49	0.22	0.58	0.10	0.38
Loans outstanding (\$)								
Total loans and leases	\$26,377	\$23,724	\$171,957	\$174,240	\$224,425	\$225,392	\$2,526,463	\$2,952,072
Loans secured by real estate (RE)	16,334	14,761	119,386	124,044	143,027	148,042	1,174,204	1,438,648
1- to 4-family residential mortgages	6,424	5,913	38,814	38,623	52,253	48,789	575,274	723,641
Home equity loans	546	471	7,346	6,920	11,601	11,836	246,622	307,510
Multifamily residential mortgages	412	356	4,155	4,105	5,777	7,265	28,707	32,530
Commercial RE loans	5,110	4,626	47,750	48,875	50,143	49,553	192,194	217,803
Construction RE loans	1,828	1,538	15,502	19,377	20,761	27,098	84,503	109,212
Farmland loans	2,015	1,856	5,817	6,141	1,891	2,612	4,996	4,959
RE loans from foreign offices	0	0	2	2	601	890	41,908	42,992
Commercial and industrial loans	4,157	3,688	27,251	26,887	45,573	47,003	457,412	571,549
Loans to individuals	2,854	2,471	15,959	13,951	18,628	21,027	527,594	572,759
Credit cards+A27	57	58	2,786	1,624	2,410	3,424	272,312	270,578
Other revolving credit plans	39	54	336	414	1,192	1,117	31,855	33,371
Installment loans	2,758	2,359	12,837	11,913	15,026	16,485	223,427	268,810
All other loans and leases	3,053	2,823	9,527	9,519	17,321	9,461	368,980	370,725
Less: Unearned income	22	19	167	162	123	141	1,726	1,609

Key indicators, FDIC-insured national banks by region
Third quarter 2005
(Dollar figures in millions)

	Northeast	Southeast	Central	Midwest	Southwest	West	All institutions
Number of institutions reporting	207	215	356	382	542	144	1,846
Total employees (FTEs)	318,682	265,633	300,321	163,514	79,022	43,397	1,170,569
Selected income data (\$)							
Net income	\$4,577	\$5,567	\$4,557	\$2,568	\$610	\$1,438	\$19,318
Net interest income	10,568	11,090	9,950	5,521	2,138	3,791	43,058
Provision for loan losses	2,966	284	939	590	339	1,294	6,412
Noninterest income	11,888	7,038	11,232	5,546	1,104	2,276	39,084
Noninterest expense	12,921	9,698	13,317	6,517	2,083	2,510	47,046
Net operating income	4,520	5,534	4,526	2,583	610	1,449	19,221
Cash dividends declared	2,904	3,361	1,822	1,691	357	3,201	13,336
Net charge-offs	3,121	441	790	681	87	1,079	6,200
Selected condition data (\$)							
Total assets	1,379,844	1,707,013	1,809,684	545,936	241,660	262,003	5,946,140
Total loans and leases	760,801	921,383	942,341	404,226	151,767	194,912	3,375,428
Reserve for losses	13,487	8,508	11,887	5,440	1,951	5,367	46,640
Securities	244,555	362,923	192,776	55,308	50,159	31,933	937,653
Other real estate owned	142	546	505	179	210	43	1,626
Noncurrent loans and leases	7,644	3,437	8,653	4,630	1,172	2,085	27,621
Total deposits	901,276	1,120,327	1,034,617	379,299	187,229	137,740	3,760,487
Domestic deposits	506,560	982,572	850,935	355,961	184,025	132,829	3,012,881
Equity capital	146,130	163,661	164,122	59,602	22,514	29,598	585,626
Off-balance-sheet derivatives	23,071,790	24,726,754	48,194,793	891,475	62,638	45,460	96,992,909
Performance ratios (annualized %)							
Return on equity	12.54	13.61	11.18	17.34	10.90	18.87	13.22
Return on assets	1.33	1.32	1.02	1.91	1.02	2.22	1.31
Net interest income to assets	3.07	2.63	2.23	4.11	3.59	5.86	2.93
Loss provision to assets	0.86	0.07	0.21	0.44	0.57	2.00	0.44
Net operating income to assets	1.31	1.31	1.02	1.92	1.03	2.24	1.31
Noninterest income to assets	3.46	1.67	2.52	4.13	1.86	3.52	2.66
Noninterest expense to assets	3.76	2.30	2.99	4.85	3.50	3.88	3.20
Loss provision to loans and leases	1.55	0.13	0.41	0.59	0.91	2.68	0.77
Net charge-offs to loans and leases	1.63	0.20	0.34	0.68	0.23	2.23	0.74
Loss provision to net charge-offs	95.04	64.40	118.86	86.65	387.71	119.86	103.42
Performance ratios (%)							
Percent of institutions unprofitable	5.80	8.37	4.78	3.40	4.98	9.72	5.47
Percent of institutions with earnings gains	60.39	70.23	55.34	58.38	64.02	69.44	61.92
Nonint. income to net operating revenue	52.94	38.82	53.02	50.11	34.06	37.52	47.58
Nonint. expense to net operating revenue	57.54	53.50	62.87	58.89	64.24	41.37	57.27
Condition ratios (%)							
Nonperforming assets to assets	0.56	0.24	0.52	0.89	0.57	0.82	0.50
Noncurrent loans to loans	1.00	0.37	0.92	1.15	0.77	1.07	0.82
Loss reserve to noncurrent loans	176.45	247.52	137.38	117.50	166.43	257.45	168.86
Loss reserve to loans	1.77	0.92	1.26	1.35	1.29	2.75	1.38
Equity capital to assets	10.59	9.59	9.07	10.92	9.32	11.30	9.85
Leverage ratio	7.97	6.67	6.71	8.48	8.30	9.54	7.35
Risk-based capital ratio	13.98	10.91	11.22	12.48	12.75	12.94	12.02
Net loans and leases to assets	54.16	53.48	51.42	73.05	61.99	72.34	55.98
Securities to assets	17.72	21.26	10.65	10.13	20.76	12.19	15.77
Appreciation in securities (% of par)	-0.11	-1.03	-0.44	0.88	-1.05	-0.72	-0.55
Residential mortgage assets to assets	14.82	36.18	18.48	26.39	24.14	18.57	23.67
Total deposits to assets	65.32	65.63	57.17	69.48	77.48	52.57	63.24
Core deposits to assets	29.01	51.21	39.44	56.34	59.34	44.71	42.99
Volatile liabilities to assets	46.36	31.22	37.14	21.03	26.84	37.05	35.68

Loan performance, FDIC-insured national banks by region
Third quarter 2005
(Dollar figures in millions)

	Northeast	Southeast	Central	Midwest	Southwest	West	All institutions
Percent of loans past due 30-89 days							
Total loans and leases	1.08	0.57	0.82	0.94	1.10	1.39	0.87
Loans secured by real estate (RE)	0.84	0.60	0.89	0.73	0.85	0.76	0.76
1- to 4-family residential mortgages	1.02	0.80	1.27	0.99	1.10	1.32	1.01
Home equity loans	0.39	0.47	0.45	0.52	0.52	0.14	0.46
Multifamily residential mortgages	0.12	0.34	0.55	0.14	1.12	0.61	0.42
Commercial RE loans	0.48	0.32	0.70	0.43	0.75	0.36	0.50
Construction RE loans	0.44	0.27	0.85	0.68	0.79	0.47	0.58
Commercial and industrial loans	0.69	0.38	0.47	0.72	1.39	0.86	0.59
Loans to individuals	1.99	1.44	1.21	2.20	2.16	2.36	1.83
Credit cards	2.23	0.99	1.71	2.96	2.02	2.45	2.31
Installment loans and other plans	2.11	1.54	1.08	1.42	2.26	2.14	1.60
All other loans and leases	0.20	0.12	0.64	0.28	1.26	0.29	0.33
Percent of loans noncurrent							
Total loans and leases	1.00	0.37	0.92	1.15	0.77	1.07	0.82
Loans secured by real estate (RE)	0.69	0.30	1.03	1.33	0.74	0.41	0.74
1- to 4-family residential mortgages	0.51	0.30	1.64	2.28	1.15	0.45	0.99
Home equity loans	0.13	0.16	0.24	0.29	0.19	0.04	0.21
Multifamily residential mortgages	0.34	0.37	0.49	0.72	0.36	0.11	0.42
Commercial RE loans	0.70	0.47	0.96	0.67	0.70	0.47	0.67
Construction RE loans	0.54	0.26	0.60	0.36	0.53	0.36	0.43
Commercial and industrial loans	0.92	0.56	1.12	0.63	1.02	0.65	0.86
Loans to individuals	1.77	0.76	0.62	1.38	0.42	2.00	1.35
Credit cards	1.92	0.70	1.39	2.15	1.17	2.08	1.91
Installment loans and other plans	1.96	0.81	0.35	0.53	0.39	1.78	0.99
All other loans and leases	0.16	0.23	0.41	0.39	0.66	0.34	0.29
Percent of loans charged-off, net							
Total loans and leases	1.63	0.20	0.34	0.68	0.23	2.23	0.74
Loans secured by real estate (RE)	0.04	0.03	0.11	0.05	0.06	0.03	0.06
1- to 4-family residential mortgages	0.04	0.02	0.13	0.03	0.08	0.06	0.06
Home equity loans	0.03	0.06	0.12	0.14	0.13	0.01	0.09
Multifamily residential mortgages	0.00	0.00	0.05	0.13	0.17	0.00	0.04
Commercial RE loans	0.01	0.06	0.10	-0.02	0.02	0.01	0.05
Construction RE loans	-0.05	0.04	0.01	0.04	0.02	0.01	0.02
Commercial and industrial loans	-0.13	0.09	0.07	0.48	0.42	0.76	0.11
Loans to individuals	5.22	0.65	1.59	3.09	0.95	5.36	3.57
Credit cards	4.13	2.56	3.75	4.85	3.37	5.99	4.62
Installment loans and other plans	6.52	0.62	0.78	0.93	0.80	0.97	2.70
All other loans and leases	-0.04	0.90	0.31	0.44	0.46	0.12	0.38
Loans outstanding (\$)							
Total loans and leases	\$760,801	\$921,383	\$942,341	\$404,226	\$151,767	\$194,912	\$3,375,428
Loans secured by real estate (RE)	243,055	578,754	488,932	238,552	97,918	78,285	1,725,495
1- to 4-family residential mortgages	114,040	311,542	216,389	112,593	30,436	31,968	816,966
Home equity loans	28,853	101,708	121,858	59,182	9,533	5,603	326,737
Multifamily residential mortgages	6,795	11,632	15,399	4,436	2,221	3,771	44,256
Commercial RE loans	42,386	98,689	84,607	38,888	31,452	24,836	320,858
Construction RE loans	11,996	49,070	44,921	18,750	21,569	10,920	157,226
Farmland loans	793	1,900	4,279	4,703	2,707	1,187	15,569
RE loans from foreign offices	38,192	4,213	1,479	0	0	0	43,883
Commercial and industrial loans	160,167	161,870	203,967	59,966	33,264	29,893	649,128
Loans to individuals	243,177	70,776	137,223	68,556	13,512	76,965	610,208
Credit cards	132,546	958	37,221	36,897	749	67,313	275,685
Other revolving credit plans	20,887	4,036	5,017	2,587	549	1,881	34,956
Installment loans	89,743	65,782	94,985	29,072	12,214	7,771	299,567
All other loans and leases	115,770	110,280	112,281	37,176	7,160	9,862	392,529
Less: Unearned income	1,368	297	62	24	87	93	1,931

Key indicators, FDIC-insured commercial banks
Annual 2001--2004, year-to-date through September 30, 2005, third quarter 2004, and third quarter 2005
(Dollar figures in millions)

	2001	2002	2003	2004	Preliminary 2005YTD	2004Q3	Preliminary 2005Q3
Number of institutions reporting	8,080	7,888	7,770	7,631	7,541	7,660	7,541
Total employees (FTEs)	1,701,721	1,745,614	1,759,517	1,814,999	1,856,293	1,806,846	1,856,293
Selected income data (\$)							
Net income	\$73,730	\$89,670	\$102,463	\$104,174	\$87,218	\$27,725	\$29,776
Net interest income	214,654	236,602	239,986	249,602	201,481	65,326	68,568
Provision for loan losses	43,337	48,187	34,832	26,097	19,551	6,712	8,159
Noninterest income	158,034	172,350	186,528	183,909	153,428	45,831	53,692
Noninterest expense	223,223	233,560	245,989	257,525	207,009	65,555	69,996
Net operating income	70,902	85,373	98,216	101,590	86,691	26,709	29,772
Cash dividends declared	54,228	67,536	77,838	55,686	49,277	14,413	19,097
Net charge-offs	36,474	44,529	37,928	29,107	20,176	6,766	7,702
Selected condition data (\$)							
Total assets	6,552,336	7,076,676	7,601,172	8,413,850	8,903,605	8,244,957	8,903,605
Total loans and leases	3,884,328	4,156,070	4,428,827	4,904,482	5,265,929	4,815,220	5,265,929
Reserve for losses	72,273	76,994	77,146	73,502	70,981	75,200	70,981
Securities	1,172,540	1,334,826	1,456,307	1,551,273	1,584,036	1,494,868	1,584,036
Other real estate owned	3,569	4,165	4,218	3,373	3,327	3,659	3,327
Noncurrent loans and leases	54,581	60,548	52,949	42,077	39,652	43,919	39,652
Total deposits	4,377,558	4,689,852	5,035,056	5,593,169	5,917,027	5,406,587	5,917,027
Domestic deposits	3,748,042	4,031,815	4,293,884	4,727,277	5,014,276	4,586,727	5,014,276
Equity capital	593,621	647,340	691,900	850,335	899,409	821,627	899,409
Off-balance-sheet derivatives	45,325,982	56,208,857	71,098,970	87,872,811	98,783,602	84,205,235	98,783,602
Performance ratios (annualized %)							
Return on equity	13.08	14.46	15.31	13.74	13.19	14.17	13.29
Return on assets	1.15	1.33	1.40	1.30	1.34	1.36	1.35
Net interest income to assets	3.35	3.50	3.27	3.12	3.10	3.21	3.11
Loss provision to assets	0.68	0.71	0.47	0.33	0.30	0.33	0.37
Net operating income to assets	1.11	1.26	1.34	1.27	1.33	1.31	1.35
Noninterest income to assets	2.46	2.55	2.54	2.30	2.36	2.25	2.44
Noninterest expense to assets	3.48	3.46	3.35	3.22	3.18	3.22	3.18
Loss provision to loans and leases	1.12	1.21	0.82	0.56	0.51	0.57	0.63
Net charge-offs to loans and leases	0.95	1.12	0.89	0.63	0.53	0.57	0.59
Loss provision to net charge-offs	118.82	108.21	91.84	89.66	96.90	99.21	105.93
Performance ratios (%)							
Percent of institutions unprofitable	8.13	6.64	6.01	5.87	5.83	5.61	5.68
Percent of institutions with earnings gains	56.27	72.68	59.19	64.85	64.79	62.95	62.23
Nonint. income to net operating revenue	42.40	42.14	43.73	42.42	43.23	41.23	43.92
Nonint. expense to net operating revenue	59.90	57.11	57.67	59.40	58.33	58.97	57.25
Condition ratios (%)							
Nonperforming assets to assets	0.92	0.94	0.77	0.55	0.49	0.59	0.49
Noncurrent loans to loans	1.41	1.46	1.20	0.86	0.75	0.91	0.75
Loss reserve to noncurrent loans	132.41	127.16	145.70	174.68	179.01	171.23	179.01
Loss reserve to loans	1.86	1.85	1.74	1.50	1.35	1.56	1.35
Equity capital to assets	9.06	9.15	9.10	10.11	10.10	9.97	10.10
Leverage ratio	7.78	7.82	7.85	7.82	7.93	7.80	7.93
Risk-based capital ratio	12.70	12.76	12.75	12.61	12.43	12.62	12.43
Net loans and leases to assets	58.18	57.64	57.25	57.42	58.35	57.49	58.35
Securities to assets	17.89	18.86	19.16	18.44	17.79	18.13	17.79
Appreciation in securities (% of par)	0.82	2.22	0.84	0.43	-0.58	0.57	-0.58
Residential mortgage assets to assets	21.64	23.29	23.28	23.33	23.70	23.00	23.70
Total deposits to assets	66.81	66.27	66.24	66.48	66.46	65.57	66.46
Core deposits to assets	48.72	48.68	48.63	47.56	46.71	47.38	46.71
Volatile liabilities to assets	31.45	31.41	30.95	31.67	33.13	32.18	33.13

Loan performance, FDIC-insured commercial banks
Annual 2001--2004, year-to-date through September 30, 2005, third quarter 2004, and third quarter 2005
(Dollar figures in millions)

	2001	2002	2003	2004	Preliminary 2005YTD	2004Q3	Preliminary 2005Q3
Percent of loans past due 30-89 days							
Total loans and leases	1.37	1.17	1.02	0.86	0.83	0.86	0.83
Loans secured by real estate (RE)	1.32	1.08	0.90	0.73	0.72	0.73	0.72
1- to 4-family residential mortgages	1.69	1.49	1.29	1.05	0.99	1.05	0.99
Home equity loans	0.79	0.59	0.45	0.37	0.44	0.37	0.44
Multifamily residential mortgages	0.73	0.46	0.48	0.36	0.41	0.41	0.41
Commercial RE loans	0.90	0.68	0.56	0.49	0.52	0.52	0.52
Construction RE loans	1.23	0.89	0.69	0.58	0.58	0.58	0.58
Commercial and industrial loans	1.01	0.89	0.72	0.64	0.63	0.64	0.63
Loans to individuals	2.46	2.22	2.08	1.82	1.75	1.83	1.75
Credit cards	2.70	2.72	2.53	2.24	2.22	2.28	2.22
Installment loans and other plans	2.54	2.08	1.93	1.62	1.56	1.63	1.56
All other loans and leases	0.84	0.58	0.48	0.38	0.35	0.35	0.35
Percent of loans noncurrent							
Total loans and leases	1.41	1.46	1.20	0.86	0.75	0.91	0.75
Loans secured by real estate (RE)	0.96	0.89	0.86	0.65	0.66	0.69	0.66
1- to 4-family residential mortgages	0.97	0.93	1.00	0.82	0.91	0.86	0.91
Home equity loans	0.37	0.30	0.24	0.18	0.21	0.17	0.21
Multifamily residential mortgages	0.46	0.38	0.38	0.35	0.35	0.31	0.35
Commercial RE loans	0.96	0.94	0.90	0.69	0.63	0.77	0.63
Construction RE loans	1.06	0.98	0.70	0.44	0.39	0.51	0.39
Commercial and industrial loans	2.41	2.93	2.10	1.17	0.88	1.43	0.88
Loans to individuals	1.43	1.51	1.53	1.46	1.20	1.39	1.20
Credit cards	2.12	2.24	2.22	2.00	1.86	1.92	1.86
Installment loans and other plans	1.12	1.14	1.14	1.12	0.82	1.09	0.82
All other loans and leases	0.97	1.01	0.66	0.40	0.31	0.41	0.31
Percent of loans charged-off, net							
Total loans and leases	0.95	1.12	0.89	0.63	0.53	0.57	0.59
Loans secured by real estate (RE)	0.19	0.15	0.17	0.08	0.06	0.08	0.06
1- to 4-family residential mortgages	0.22	0.14	0.19	0.08	0.06	0.08	0.06
Home equity loans	0.27	0.19	0.20	0.10	0.10	0.10	0.10
Multifamily residential mortgages	0.04	0.08	0.03	0.04	0.04	0.06	0.06
Commercial RE loans	0.13	0.15	0.13	0.07	0.05	0.07	0.06
Construction RE loans	0.14	0.17	0.14	0.05	0.03	0.05	0.03
Commercial and industrial loans	1.43	1.76	1.26	0.50	0.22	0.41	0.20
Loans to individuals	2.73	3.34	3.04	2.81	2.68	2.64	3.04
Credit cards	5.12	6.38	5.57	5.01	4.48	4.72	4.47
Installment loans and other plans	1.29	1.46	1.45	1.28	1.39	1.22	2.05
All other loans and leases	0.54	0.77	0.53	0.21	0.19	0.14	0.38
Loans outstanding (\$)							
Total loans and leases	\$3,884,328	\$4,156,070	\$4,428,827	\$4,904,482	\$5,265,929	\$4,815,220	\$5,265,929
Loans secured by real estate (RE)	1,800,224	2,068,149	2,272,837	2,624,849	2,921,130	2,545,414	2,921,130
1- to 4-family residential mortgages	810,779	945,706	994,151	1,083,211	1,206,844	1,066,001	1,206,844
Home equity loans	154,191	214,722	284,511	398,896	436,965	375,178	436,965
Multifamily residential mortgages	64,131	71,934	79,678	87,913	96,376	85,379	96,376
Commercial RE loans	505,882	555,990	602,724	667,093	721,563	651,518	721,563
Construction RE loans	193,014	207,451	231,514	290,051	363,521	273,818	363,521
Farmland loans	35,533	38,066	40,699	44,620	47,240	43,957	47,240
RE loans from foreign offices	36,695	34,280	39,559	53,066	48,622	49,565	48,622
Commercial and industrial loans	981,133	910,810	869,490	908,453	988,202	889,573	988,202
Loans to individuals	629,405	703,659	770,479	838,736	831,363	806,335	831,363
Credit cards	232,448	275,877	315,996	371,421	338,934	339,962	338,934
Other revolving credit plans	34,202	38,209	37,556	39,158	40,324	38,368	40,324
Installment loans	362,755	389,573	416,927	428,156	452,105	428,005	452,105
All other loans and leases	476,689	476,854	518,890	535,652	528,111	576,946	528,111
Less: Unearned income	3,123	3,401	2,870	3,208	3,020	3,048	3,020

Key indicators, FDIC-insured commercial banks by asset size
Third quarter 2004 and third quarter 2005
(Dollar figures in millions)

	Less than \$100M		\$100M to \$1B		\$1B to \$10B		Greater than \$10B	
	2004Q3	2005Q3	2004Q3	2005Q3	2004Q3	2005Q3	2004Q3	2005Q3
Number of institutions reporting	3,754	3,523	3,459	3,552	360	380	87	86
Total employees (FTEs)	73,302	67,612	295,643	298,324	232,175	234,690	1,205,726	1,255,667
Selected income data (\$)								
Net income	\$526	\$491	\$2,991	\$3,354	\$3,563	\$3,534	\$20,645	\$22,397
Net interest income	1,885	1,814	8,956	9,649	8,516	8,992	45,969	48,113
Provision for loan losses	108	87	580	538	639	596	5,384	6,938
Noninterest income	487	466	3,216	3,355	5,080	4,926	37,048	44,945
Noninterest expense	1,606	1,564	7,543	7,958	7,805	8,038	48,601	52,436
Net operating income	520	495	2,971	3,328	3,527	3,515	19,691	22,433
Cash dividends declared	220	239	1,216	1,439	1,441	2,709	11,536	14,710
Net charge-offs	77	48	387	328	557	472	5,745	6,855
Selected condition data (\$)								
Total assets	194,589	184,186	928,181	982,498	971,679	1,022,592	6,150,507	6,714,330
Total loans and leases	120,957	115,937	622,480	671,389	618,073	669,454	3,453,710	3,809,150
Reserve for losses	1,760	1,645	8,649	8,784	9,039	8,643	55,752	51,909
Securities	48,305	43,858	207,269	200,946	233,749	222,731	1,005,544	1,116,501
Other real estate owned	303	239	1,129	998	566	436	1,661	1,653
Noncurrent loans and leases	1,266	1,067	4,822	4,496	4,605	4,044	33,226	30,044
Total deposits	161,852	152,238	749,445	796,172	668,394	719,681	3,826,896	4,248,936
Domestic deposits	161,830	152,224	748,144	794,447	658,342	709,926	3,018,411	3,357,679
Equity capital	22,757	22,000	93,309	99,412	106,162	109,442	599,398	668,554
Off-balance-sheet derivatives	95	124	6,123	9,467	62,977	73,479	84,781,655	99,501,000
Performance ratios (annualized %)								
Return on equity	9.46	8.99	13.18	13.67	13.93	12.99	14.56	13.42
Return on assets	1.09	1.08	1.31	1.38	1.49	1.40	1.36	1.35
Net interest income to assets	3.91	3.99	3.91	3.98	3.55	3.57	3.03	2.89
Loss provision to assets	0.23	0.19	0.25	0.22	0.27	0.24	0.35	0.42
Net operating income to assets	1.08	1.09	1.30	1.37	1.47	1.39	1.30	1.35
Noninterest income to assets	1.01	1.02	1.40	1.38	2.12	1.95	2.44	2.70
Noninterest expense to assets	3.33	3.44	3.29	3.28	3.26	3.19	3.20	3.15
Loss provision to loans and leases	0.37	0.31	0.38	0.33	0.42	0.36	0.63	0.74
Net charge-offs to loans and leases	0.26	0.17	0.25	0.20	0.37	0.29	0.67	0.73
Loss provision to net charge-offs	141.07	182.35	150.14	163.82	114.68	126.31	93.73	101.22
Performance ratios (%)								
Percent of institutions unprofitable	9.24	9.62	1.99	2.17	2.78	2.63	4.60	2.33
Percent of institutions with earnings gains	58.55	54.61	66.78	68.41	72.50	73.95	60.92	67.44
Nonint. income to net operating revenue	20.54	20.42	26.42	25.80	37.36	35.39	44.63	48.30
Nonint. expense to net operating revenue	67.72	68.60	61.97	61.20	57.41	57.75	58.54	56.35
Condition ratios (%)								
Nonperforming assets to assets	0.81	0.71	0.64	0.56	0.54	0.44	0.58	0.48
Noncurrent loans to loans	1.05	0.92	0.77	0.67	0.75	0.60	0.96	0.79
Loss reserve to noncurrent loans	139.03	154.09	179.38	195.36	196.27	213.71	167.80	172.78
Loss reserve to loans	1.46	1.42	1.39	1.31	1.46	1.29	1.61	1.36
Equity capital to assets	11.70	11.94	10.05	10.12	10.93	10.70	9.75	9.96
Leverage ratio	11.41	11.94	9.48	9.68	9.44	9.37	7.16	7.34
Risk-based capital ratio	17.98	18.45	14.15	14.02	14.41	13.37	11.98	11.92
Net loans and leases to assets	61.26	62.05	66.13	67.44	62.68	64.62	55.25	55.96
Securities to assets	24.82	23.81	22.33	20.45	24.06	21.78	16.35	16.63
Appreciation in securities (% of par)	0.62	-0.76	0.81	-0.55	0.70	-0.76	0.48	-0.55
Residential mortgage assets to assets	20.55	19.78	22.02	20.54	25.83	23.82	22.77	24.25
Total deposits to assets	83.18	82.65	80.74	81.04	68.79	70.38	62.22	63.28
Core deposits to assets	70.53	69.15	67.12	65.38	56.25	54.97	42.27	42.11
Volatile liabilities to assets	14.98	16.04	18.26	20.19	25.12	27.99	35.95	36.27

Loan performance, FDIC-insured commercial banks by asset size
Third quarter 2004 and third quarter 2005
(Dollar figures in millions)

	Less than \$100M		\$100M to \$1B		\$1B to \$10B		Greater than \$10B	
	2004Q3	2005Q3	2004Q3	2005Q3	2004Q3	2005Q3	2004Q3	2005Q3
Percent of loans past due 30-89 days								
Total loans and leases	1.25	1.25	0.86	0.84	0.74	0.71	0.86	0.83
Loans secured by real estate (RE)	1.13	1.17	0.72	0.73	0.54	0.53	0.77	0.74
1- to 4-family residential mortgages	1.70	1.69	1.14	1.13	0.78	0.71	1.06	0.99
Home equity loans	0.52	0.56	0.38	0.42	0.34	0.39	0.37	0.45
Multifamily residential mortgages	0.41	0.60	0.47	0.56	0.28	0.29	0.45	0.41
Commercial RE loans	0.87	0.98	0.58	0.58	0.42	0.47	0.50	0.48
Construction RE loans	0.82	0.92	0.55	0.62	0.51	0.55	0.61	0.56
Commercial and industrial loans	1.52	1.36	1.02	1.01	0.92	1.06	0.51	0.49
Loans to individuals	2.38	2.40	1.94	1.86	1.91	1.41	1.80	1.76
Credit cards	2.52	1.99	4.62	3.85	3.10	1.45	2.20	2.23
Installment loans and other plans	2.41	2.45	1.65	1.72	1.59	1.47	1.61	1.52
All other loans and leases	0.55	0.60	0.52	0.51	0.48	0.46	0.33	0.33
Percent of loans noncurrent								
Total loans and leases	1.05	0.92	0.77	0.67	0.75	0.60	0.96	0.79
Loans secured by real estate (RE)	0.92	0.81	0.68	0.60	0.65	0.53	0.70	0.70
1- to 4-family residential mortgages	0.99	0.93	0.72	0.69	0.70	0.66	0.90	0.97
Home equity loans	0.21	0.23	0.19	0.22	0.19	0.21	0.17	0.21
Multifamily residential mortgages	0.46	0.76	0.53	0.41	0.20	0.20	0.29	0.39
Commercial RE loans	0.97	0.86	0.76	0.65	0.80	0.62	0.75	0.60
Construction RE loans	0.68	0.47	0.54	0.43	0.49	0.37	0.49	0.38
Commercial and industrial loans	1.65	1.47	1.17	1.03	1.12	0.93	1.51	0.83
Loans to individuals	0.97	0.90	0.83	0.73	0.80	0.53	1.49	1.30
Credit cards	1.53	1.28	3.07	2.16	1.91	1.12	1.90	1.89
Installment loans and other plans	0.97	0.91	0.56	0.60	0.43	0.36	1.25	0.90
All other loans and leases	0.99	0.79	0.76	0.56	0.61	0.53	0.35	0.26
Percent of loans charged-off, net								
Total loans and leases	0.26	0.17	0.25	0.20	0.37	0.29	0.67	0.73
Loans secured by real estate (RE)	0.08	0.04	0.06	0.06	0.09	0.08	0.08	0.06
1- to 4-family residential mortgages	0.09	0.05	0.08	0.08	0.09	0.07	0.08	0.06
Home equity loans	0.07	0.04	0.05	0.05	0.14	0.10	0.10	0.10
Multifamily residential mortgages	0.05	0.07	0.07	0.05	0.04	0.06	0.07	0.07
Commercial RE loans	0.09	0.05	0.07	0.05	0.09	0.10	0.06	0.04
Construction RE loans	0.08	0.03	0.04	0.04	0.08	0.04	0.04	0.02
Commercial and industrial loans	0.60	0.37	0.52	0.37	0.64	0.53	0.35	0.11
Loans to individuals	0.86	0.72	1.41	1.29	1.80	1.24	2.84	3.35
Credit cards	3.13	2.30	6.96	6.01	4.20	2.69	4.70	4.53
Installment loans and other plans	0.83	0.70	0.71	0.80	0.96	0.77	1.32	2.37
All other loans and leases	0.23	0.11	0.24	0.25	0.24	0.42	0.13	0.39
Loans outstanding (\$)								
Total loans and leases	\$120,957	\$115,937	\$622,480	\$671,389	\$618,073	\$669,454	\$3,453,710	\$3,809,150
Loans secured by real estate (RE)	75,490	72,901	446,037	492,800	407,377	452,934	1,616,511	1,902,495
1- to 4-family residential mortgages	29,233	27,593	132,681	137,039	129,242	128,084	774,844	914,128
Home equity loans	2,621	2,497	26,149	26,398	32,744	35,166	313,664	372,904
Multifamily residential mortgages	1,694	1,617	16,438	17,620	21,606	26,192	45,641	50,947
Commercial RE loans	23,258	22,503	180,847	195,763	153,848	169,811	293,565	333,486
Construction RE loans	8,407	8,725	69,815	94,257	62,988	85,123	132,607	175,416
Farmland loans	10,276	9,966	20,074	21,693	5,970	7,600	7,637	7,980
RE loans from foreign offices	0	0	33	29	978	958	48,554	47,634
Commercial and industrial loans	19,019	18,283	97,975	102,143	114,157	123,459	658,422	744,318
Loans to individuals	12,178	11,027	49,141	45,492	59,803	62,005	685,213	712,839
Credit cards	189	190	5,611	4,225	15,658	14,524	318,504	319,994
Other revolving credit plans	162	206	1,438	1,514	2,598	2,376	34,170	36,229
Installment loans	11,827	10,631	42,092	39,753	41,547	45,105	332,539	356,616
All other loans and leases	14,348	13,791	29,898	31,410	37,251	31,642	495,450	451,268
Less: Unearned income	77	66	571	599	515	585	1,886	1,770

Key indicators, FDIC-insured commercial banks by region

Third quarter 2005

(Dollar figures in millions)

	Northeast	Southeast	Central	Midwest	Southwest	West	All institutions
Number of institutions reporting	585	1,075	1,552	1,967	1,682	680	7,541
Total employees (FTEs)	466,461	460,444	423,473	221,107	165,672	119,136	1,856,293
Selected income data (\$)							
Net income	\$6,898	\$8,301	\$6,334	\$3,253	\$1,372	\$3,619	\$29,776
Net interest income	15,914	17,634	14,296	7,393	4,564	8,766	68,568
Provision for loan losses	3,407	791	1,117	693	540	1,611	8,159
Noninterest income	16,932	11,508	13,217	6,031	1,907	4,097	53,692
Noninterest expense	19,286	16,098	16,967	7,887	4,094	5,664	69,996
Net operating income	6,947	8,280	6,300	3,269	1,372	3,603	29,772
Cash dividends declared	4,513	4,939	2,733	2,032	702	4,178	19,097
Net charge-offs	3,598	882	978	752	186	1,306	7,702
Selected condition data (\$)							
Total assets	2,149,659	2,470,081	2,342,568	739,545	491,704	710,048	8,903,605
Total loans and leases	1,151,080	1,452,618	1,305,278	542,773	308,966	505,213	5,265,929
Reserve for losses	18,886	15,021	16,254	7,366	4,095	9,359	70,981
Securities	482,531	495,926	291,961	92,762	111,449	109,406	1,584,036
Other real estate owned	286	990	912	391	567	181	3,327
Noncurrent loans and leases	10,537	6,285	11,311	5,607	2,364	3,548	39,652
Total deposits	1,422,175	1,668,385	1,431,320	531,500	390,293	473,353	5,917,027
Domestic deposits	929,754	1,507,898	1,218,314	508,162	386,857	463,291	5,014,276
Equity capital	228,027	245,117	214,430	79,489	47,706	84,641	899,409
Off-balance-sheet derivatives	24,366,032	24,945,621	48,354,754	894,962	64,995	157,238	98,783,602
Performance ratios (annualized %)							
Return on equity	12.12	13.58	11.90	16.48	11.59	17.08	13.29
Return on assets	1.29	1.36	1.10	1.78	1.13	2.06	1.35
Net interest income to assets	2.97	2.89	2.47	4.05	3.77	5.00	3.11
Loss provision to assets	0.64	0.13	0.19	0.38	0.45	0.92	0.37
Net operating income to assets	1.30	1.36	1.09	1.79	1.13	2.06	1.35
Noninterest income to assets	3.16	1.88	2.29	3.31	1.57	2.34	2.44
Noninterest expense to assets	3.60	2.63	2.94	4.33	3.38	3.23	3.18
Loss provision to loans and leases	1.19	0.22	0.35	0.52	0.71	1.30	0.63
Net charge-offs to loans and leases	1.25	0.25	0.30	0.56	0.24	1.05	0.59
Loss provision to net charge-offs	94.67	89.73	114.19	92.24	290.10	123.34	105.93
Performance ratios (%)							
Percent of institutions unprofitable	7.69	8.28	4.57	2.85	5.83	10.15	5.68
Percent of institutions with earnings gains	60.85	73.77	58.57	55.36	61.30	75.74	62.23
Nonint. income to net operating revenue	51.55	39.49	48.04	44.93	29.46	31.85	43.92
Nonint. expense to net operating revenue	58.72	55.24	61.67	58.76	63.27	44.03	57.25
Condition ratios (%)							
Nonperforming assets to assets	0.50	0.30	0.53	0.81	0.60	0.53	0.49
Noncurrent loans to loans	0.92	0.43	0.87	1.03	0.77	0.70	0.75
Loss reserve to noncurrent loans	179.24	239.01	143.70	131.38	173.22	263.74	179.01
Loss reserve to loans	1.64	1.03	1.25	1.36	1.33	1.85	1.35
Equity capital to assets	10.61	9.92	9.15	10.75	9.70	11.92	10.10
Leverage ratio	8.17	7.22	7.24	8.84	8.76	10.43	7.93
Risk-based capital ratio	14.01	11.36	11.53	12.81	13.42	13.57	12.43
Net loans and leases to assets	52.67	58.20	55.03	72.40	62.00	69.83	58.35
Securities to assets	22.45	20.08	12.46	12.54	22.67	15.41	17.79
Appreciation in securities (% of par)	-0.44	-0.86	-0.55	0.25	-0.78	-0.53	-0.58
Residential mortgage assets to assets	19.89	33.00	19.18	23.99	23.92	17.31	23.70
Total deposits to assets	66.16	67.54	61.10	71.87	79.38	66.66	66.46
Core deposits to assets	33.37	52.42	43.51	58.87	62.39	54.26	46.71
Volatile liabilities to assets	44.41	29.23	34.37	20.35	23.98	28.04	33.13

Loan performance, FDIC-insured commercial banks by region
Third quarter 2005
(Dollar figures in millions)

	Northeast	Southeast	Central	Midwest	Southwest	West	All institutions
Percent of loans past due 30-89 days							
Total loans and leases	0.98	0.62	0.79	0.93	1.13	0.86	0.83
Loans secured by real estate (RE)	0.76	0.60	0.84	0.76	0.95	0.47	0.72
1- to 4-family residential mortgages	0.96	0.84	1.20	1.04	1.27	0.82	0.99
Home equity loans	0.36	0.43	0.45	0.54	0.55	0.21	0.44
Multifamily residential mortgages	0.17	0.39	0.58	0.41	1.18	0.21	0.41
Commercial RE loans	0.52	0.39	0.67	0.53	0.80	0.32	0.52
Construction RE loans	0.56	0.36	0.77	0.75	0.89	0.45	0.58
Commercial and industrial loans	0.68	0.47	0.52	0.79	1.33	0.72	0.63
Loans to individuals	1.94	1.53	1.21	2.16	2.22	1.88	1.75
Credit cards	2.18	2.18	1.71	2.95	1.82	2.21	2.22
Installment loans and other plans	1.98	1.52	1.10	1.49	2.31	1.28	1.56
All other loans and leases	0.25	0.17	0.60	0.35	0.94	0.28	0.35
Percent of loans noncurrent							
Total loans and leases	0.92	0.43	0.87	1.03	0.77	0.70	0.75
Loans secured by real estate (RE)	0.66	0.37	0.94	1.13	0.71	0.34	0.66
1- to 4-family residential mortgages	0.62	0.41	1.48	2.00	0.95	0.37	0.91
Home equity loans	0.15	0.16	0.26	0.30	0.20	0.10	0.21
Multifamily residential mortgages	0.18	0.44	0.50	0.56	0.47	0.07	0.35
Commercial RE loans	0.65	0.47	0.88	0.68	0.73	0.40	0.63
Construction RE loans	0.59	0.26	0.55	0.39	0.47	0.27	0.39
Commercial and industrial loans	0.98	0.59	1.06	0.77	1.05	0.83	0.88
Loans to individuals	1.65	0.81	0.59	1.33	0.57	1.41	1.20
Credit cards	1.95	1.44	1.38	2.17	1.02	1.87	1.86
Installment loans and other plans	1.55	0.76	0.36	0.55	0.57	0.47	0.82
All other loans and leases	0.18	0.23	0.42	0.42	0.76	0.37	0.31
Percent of loans charged-off, net							
Total loans and leases	1.25	0.25	0.30	0.56	0.24	1.05	0.59
Loans secured by real estate (RE)	0.03	0.05	0.11	0.06	0.08	0.02	0.06
1- to 4-family residential mortgages	0.03	0.04	0.13	0.03	0.12	0.04	0.06
Home equity loans	0.03	0.07	0.13	0.15	0.12	0.02	0.10
Multifamily residential mortgages	-0.01	0.18	0.03	0.11	0.10	0.00	0.06
Commercial RE loans	0.02	0.06	0.13	0.02	0.07	0.01	0.06
Construction RE loans	0.00	0.04	0.01	0.06	0.04	0.03	0.03
Commercial and industrial loans	0.00	0.20	0.12	0.44	0.47	0.53	0.20
Loans to individuals	4.72	1.09	1.45	2.90	0.91	3.64	3.04
Credit cards	4.26	4.05	3.75	4.87	3.08	5.08	4.47
Installment loans and other plans	5.22	0.63	0.74	0.87	0.80	0.58	2.05
All other loans and leases	0.05	0.86	0.31	0.31	0.41	0.39	0.38
Loans outstanding (\$)							
Total loans and leases	\$1,151,080	\$1,452,618	\$1,305,278	\$542,773	\$308,966	\$505,213	\$5,265,929
Loans secured by real estate (RE)	462,015	947,226	716,258	327,753	207,721	260,157	2,921,130
1- to 4-family residential mortgages	209,535	437,551	286,317	136,633	64,029	72,779	1,206,844
Home equity loans	48,587	146,074	149,100	63,483	12,942	16,779	436,965
Multifamily residential mortgages	18,592	21,161	26,133	7,341	4,890	18,258	96,376
Commercial RE loans	110,526	201,275	161,994	71,099	73,539	103,129	721,563
Construction RE loans	33,295	128,109	80,130	33,659	44,240	44,089	363,521
Farmland loans	1,999	6,080	11,074	15,537	8,081	4,469	47,240
RE loans from foreign offices	39,481	6,977	1,511	0	0	653	48,622
Commercial and industrial loans	226,086	238,294	288,920	84,270	58,565	92,067	988,202
Loans to individuals	302,499	132,017	163,806	77,864	27,380	127,796	831,363
Credit cards	157,744	16,445	38,251	38,590	1,323	86,581	338,934
Other revolving credit plans	22,020	6,179	5,750	2,777	789	2,809	40,324
Installment loans	122,735	109,393	119,805	36,497	25,268	38,407	452,105
All other loans and leases	162,040	135,596	136,442	52,942	15,356	25,735	528,111
Less: Unearned income	1,560	516	148	55	200	541	3,020

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—the 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.

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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

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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.