

# Quarterly Banking Profile First Quarter 2007

- **Industry Reports Year-Over-Year Earnings Decline**
- **Rising Loan Loss Provisions Reduce Profits at Larger Institutions**
- **Net Interest Margins Decline at Small Institutions, Rise at Large Banks**
- **Loan Growth Slows for Fourth Consecutive Quarter**
- **Mortgage Assets Decline for Second Quarter in a Row**

## Profits Are Lower at Many Institutions

Higher credit expenses at large institutions and narrower net interest margins at smaller institutions exerted downward pressure on earnings of FDIC-insured institutions in the first quarter of 2007. The industry reported total net income of \$36.0 billion in the quarter, the fourth-highest quarterly amount ever, but it was \$912 million (2.5 percent) less than the earnings posted in the first quarter of 2006. This is the largest year-over-year decline in quarterly earnings since the first quarter of 2001. A significant part of the decrease was attributable to a change in the way that earnings were reported in the aftermath of a large corporate restructuring, but lower operating results at a number of institutions also contributed to the earnings drop. Evidence of pressure on earnings was widespread, as a majority of institutions (50.3 percent) reported lower quarterly net income. Narrower net interest margins had a negative effect on earnings of smaller banks and thrifts, while higher expenses for bad loans were more significant for large banks. More than two out of every three institutions — 67.9 percent — reported lower net interest margins than a year ago, but only 36.6 percent of all institutions reported

higher provisions for loan losses. Among institutions with more than \$10 billion in assets, 73 percent raised their loss provisions. The average ROA for the quarter was 1.21 percent, down from 1.34 percent in the first quarter of 2006, as 59 percent of all institutions saw their quarterly ROAs decline. This is the lowest first-quarter ROA for the industry since 2001.

## Increased Costs Contribute to Earnings Decline

Reflecting an erosion in asset quality, provisions for loan losses totaled \$9.2 billion in the first quarter, an increase of \$3.2 billion (54.6 percent) from a year earlier. Noninterest expenses were up by \$3.0 billion (3.6 percent), as several large banks reported higher payroll expenses. These higher costs were partially offset by increased net interest income (up \$3.3 billion, or 4.0 percent), higher noninterest income (up \$1.2 billion, or 1.9 percent), and gains on sales of securities and other assets (up \$852 million, or 127.0 percent). Lower revenues from securitization and servicing activities limited the year-over-year improvement in noninterest income.

Chart 1

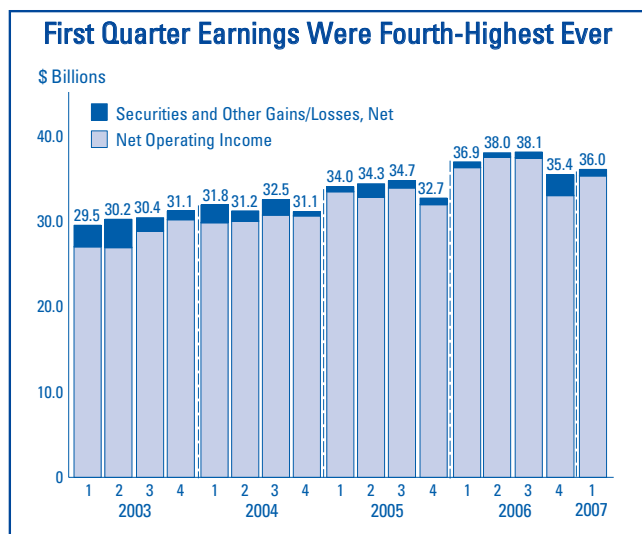
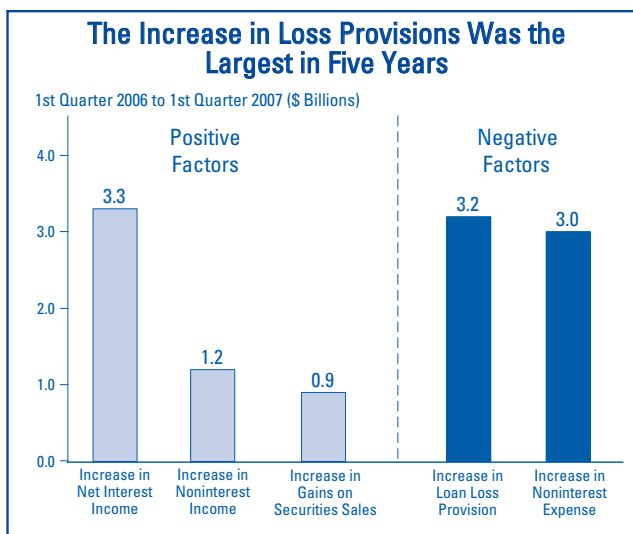


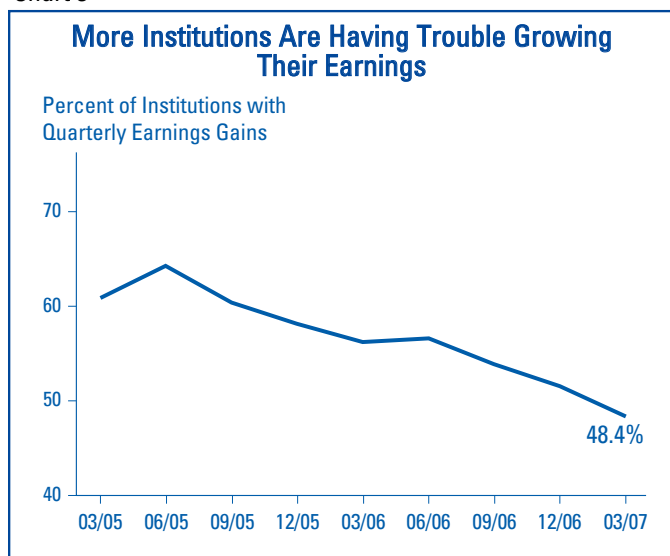
Chart 2



## Margins Fall to Sixteen-Year Low at Smaller Institutions

A combination of stable interest rates and a flat yield curve had different effects on margins at small and large institutions in the first quarter. The industry's net interest margin (NIM) was 3.32 percent in the first quarter, above the 3.20 percent average in the fourth quarter of 2006, but below the 3.46 percent average in the first quarter of 2006. The first consecutive-quarter margin improvement in the last seven quarters was concentrated among larger institutions. At institutions with more than \$10 billion in assets, average asset yields increased and average funding costs declined from fourth-quarter levels, lifting net interest margins. At institutions with assets between \$1 billion and \$10 billion, average asset yields increased, but so did average funding costs. Nevertheless, the improvement in yields outweighed the rise in funding costs, and this group saw its average margin increase as well. At institutions with less than \$1 billion in assets, however, average asset yields were lower than in the fourth quarter, while average funding costs were higher, so average margins were down. The 3.91 percent average margin for institutions with less than \$1 billion in assets was the lowest level for this group in 16 years. Compared to a year ago, average margins were lower for all size groups. Because of the narrower margins, net interest income in the first quarter was up by only 4.0 percent from a year earlier, even though interest-earning assets grew by 7.3 percent. At many institutions, narrower margins contributed to lower profitability. Among institutions that reported year-over-year declines in quarterly ROA, 84 percent also reported declines in net interest margins. At institutions reporting year-over-year declines in quarterly NIMs, 72 percent also had lower ROAs.

Chart 3



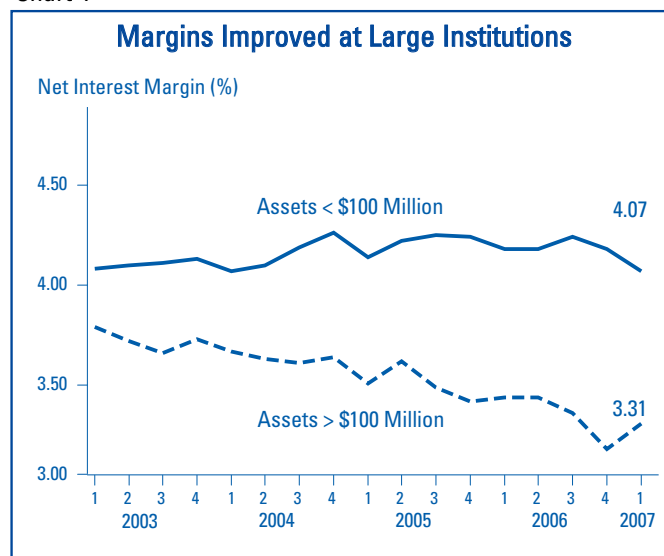
## Rising Loss Provisions Stay Ahead of Increase in Loan Losses

The \$9.2 billion that the industry set aside in provisions for loan losses during the first quarter was slightly below the \$9.8 billion set aside in the fourth quarter of 2006, but the \$3.2-billion year-over-year increase was the largest since the first quarter of 2002. Loss provisions exceeded net charge-offs by \$1.1 billion (13.1 percent), the fifth quarter in a row that provisions have exceeded loan losses. Net charge-offs totaled \$8.1 billion, an increase of \$2.7 billion (48.4 percent) from the first quarter of 2006. Charge-offs were higher in most loan categories. Net charge-offs of credit card loans rebounded from an unusually low level a year ago, increasing by \$850 million (29.2 percent). Similarly, net charge-offs of other loans to individuals were \$754 million (60.0 percent) higher than a year earlier. Net charge-offs of loans to commercial and industrial (C&I) borrowers increased by \$470 million (78.6 percent), and net charge-offs of 1-4 family residential mortgage loans were up by \$268 million (93.2 percent).

## Noncurrent Rate Climbs for Third Consecutive Quarter

Since reaching a cyclical low of 0.70 percent at the middle of last year, the percent of insured institutions' loans that are noncurrent (90 days or more past due or in nonaccrual status) has risen in each succeeding quarter. At the end of March, the noncurrent rate stood at 0.83 percent, its highest level in two and a half years. During the quarter, noncurrent loans increased by \$4.0 billion (7.0 percent). Noncurrent levels increased in most loan categories during the first quarter, with

Chart 4



the largest increases occurring in real estate loans. Noncurrent residential mortgage loans increased by \$1.7 billion (7.3 percent), while noncurrent construction and development loans rose by \$1.5 billion (36.1 percent). The rising trend in noncurrent loans was fairly widespread; almost half of all institutions (45.7 percent) saw their noncurrent loans increase in the first quarter. The percentage of 1-4 family residential mortgage loans that were noncurrent rose from 1.05 percent to 1.13 percent during the quarter. This is the highest noncurrent rate for residential mortgage loans since midyear 1994.

## Reserve Ratio Registers First Increase in Five Years

Insured institutions set aside \$1.1 billion more in loss provisions than they charged off during the quarter, contributing to a \$993-million (1.3-percent) increase in loan-loss reserves. This is the largest increase in loss reserves since the fourth quarter of 2002. The increase in reserves caused the industry's ratio of reserves to total loans to move up slightly from 1.07 percent to 1.08 percent during the quarter. This is the first increase in the industry's reserve ratio since the first quarter of 2002; the current level is the second-lowest the ratio has been since 1985. The increase in reserves failed to keep pace with growth in noncurrent loans, and the industry's "coverage ratio" of loss reserves to noncurrent loans fell from \$1.37 in reserves for every \$1.00 in noncurrent loans to \$1.30 during the quarter. This is the fourth consecutive quarter that the coverage ratio has fallen. It is now at its lowest level since March 2003.

## Dividend Surge Limits Growth in Equity

Insured institutions paid \$26.2 billion in dividends in the quarter, an increase of \$7.3 billion (38.7 percent) from the first quarter of 2006, as a few large institutions reported sizable dividend increases. Retained earnings totaled only \$9.8 billion for the quarter, \$8.2 billion (45.5 percent) less than a year earlier. Partly as a result of the lower retained earnings, total equity capital increased by only \$19.7 billion, less than half the \$44.5-billion increase in equity capital that the industry registered a year ago. This increase (the smallest in the last six quarters) was enough to raise the industry's equity-to-assets ratio from 10.52 percent to 10.58 percent. Average equity ratios increased for all size groups of insured institutions during the quarter. The industry's regulatory capital ratios remained largely unchanged, as levels rose slightly at smaller institutions and declined slightly at larger institutions. The divergence between the improvement in the equity capital ratio and the lack of improvement in regulatory capital ratios is due to an increase in the riskiness of industry assets that is reflected in some regulatory capital ratios, as well as the fact that one-fourth of the increase in equity consisted of goodwill, which is not included in regulatory capital.

## Slower Asset Growth Is Centered in Real Estate

A slower growth environment prevailed in the first quarter, as total assets increased by \$120.8 billion (1.0 percent), higher than the \$106.7-billion increase in the fourth quarter of 2006, but still the second-smallest increase in industry assets in the last fourteen quarters. During the twelve months ended March 31, assets of insured institutions grew by 6.9-

Chart 5

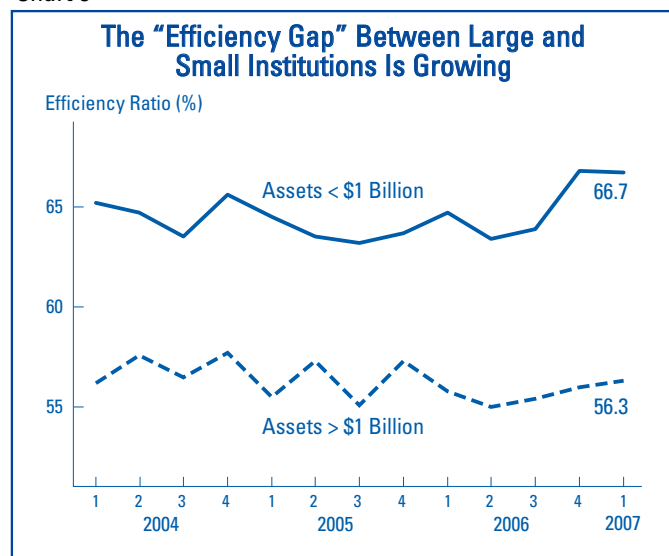
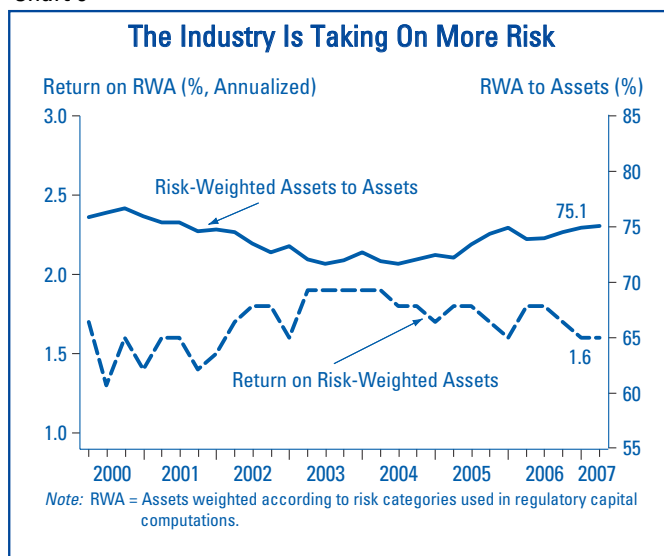


Chart 6



percent, the slowest 12-month growth rate in four and a half years. The slowdown in asset growth has been led by slower loan growth. Total loans and leases increased by \$43.8 billion (0.6 percent) during the quarter, the smallest quarterly increase since the first quarter of 2002. Some categories of real estate loans experienced shrinkage during the quarter, while growth in other categories slowed. Institutions' residential mortgage loans declined for the first time in thirteen quarters, falling by \$6.5 billion (0.3 percent), home equity lines dropped by \$2.6 billion (0.5 percent), and real estate loans secured by multifamily residential properties declined by \$1.1 billion (0.6 percent). Real estate construction and development loans grew by \$16.8 billion, but this was the smallest quarterly increase for these loans since the second quarter of 2004. Mortgage-backed securities declined for the third quarter in a row, falling by \$40 million. For the second quarter in a row, total mortgage assets of insured institutions (mortgage loans plus mortgage-backed securities) declined. Loans to commercial and industrial (C&I) borrowers were one of the few loan categories that had strong growth during the quarter, increasing by \$35.1 billion (2.9 percent). Loans to individuals other than credit cards also grew strongly, rising by \$20.9 billion (3.7 percent), with most of the growth occurring at a few large lenders. Fed funds sold and securities purchased under agreements to resell increased by \$57.4 billion (10.2 percent).

### Interest-Bearing Deposit Growth Is Strong

Total deposits grew by \$70.0 billion (0.9 percent), the smallest quarterly increase since the third quarter of 2003. Domestic deposit growth was slightly stronger; deposits in domestic offices increased by \$63.3 billion (1.0 percent), as strong

growth in interest-bearing accounts outweighed a \$43.8-billion (3.6-percent) decline in noninterest-bearing deposits. Among the interest-bearing deposits, time deposits increased by only \$16.4 billion (0.7 percent), while other interest-bearing deposits were up by \$90.8 billion (3.1 percent). Nondeposit liabilities increased by \$31.1 billion (1.1 percent) during the quarter, with most of the growth occurring in short-term borrowings. Borrowings from Federal Home Loan Banks declined by \$14.4 billion (2.3 percent), after falling by \$11.7 billion (1.8 percent) in the fourth quarter of 2006.

### Insured Bank Failure Is First Since Mid-Year 2004

At the end of March, there were 8,650 FDIC-insured commercial banks and savings institutions reporting financial results, a net decline of 31 institutions compared with the number reporting at the end of 2006. There were 41 new reporters added during the first quarter, while 72 institutions were absorbed by mergers. One FDIC-insured commercial bank, with \$15.3 million in assets, failed during the quarter. It was the first failure of an FDIC-insured institution since June 25, 2004, the longest period without a failure in the history of the FDIC. The number of institutions on the FDIC's "Problem List" increased from 50 to 53 during the first quarter, and assets of "problem" institutions rose from \$8.3 billion to \$21.4 billion. During the quarter, two insured savings institutions, with combined assets of \$1.6 billion, converted from mutual to stock ownership.

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Chart 7

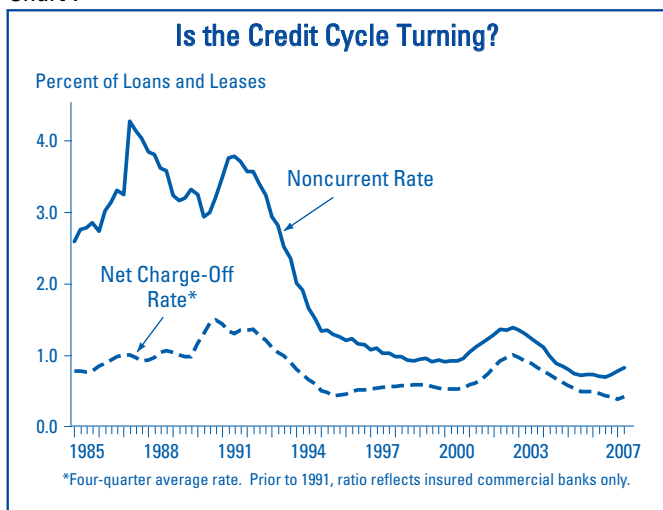
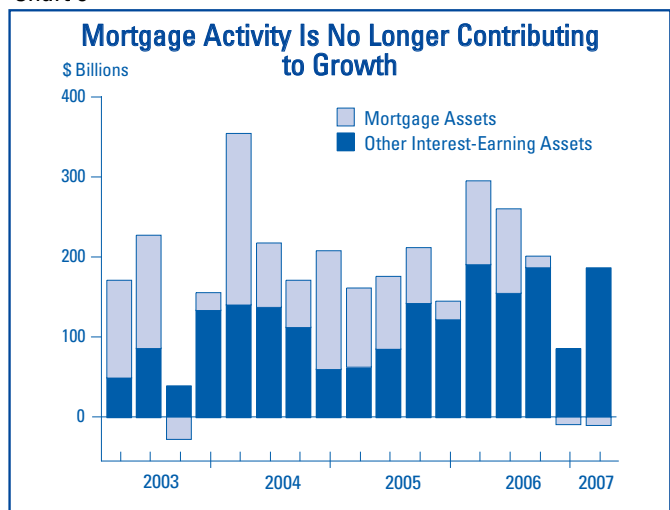


Chart 8



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

|                                                    | 2007** | 2006** | 2006  | 2005  | 2004  | 2003  | 2002  |
|----------------------------------------------------|--------|--------|-------|-------|-------|-------|-------|
| Return on assets (%) .....                         | 1.21   | 1.34   | 1.28  | 1.30  | 1.28  | 1.38  | 1.30  |
| Return on equity (%) .....                         | 11.44  | 12.95  | 12.31 | 12.73 | 13.20 | 15.05 | 14.08 |
| Core capital (leverage) ratio (%) .....            | 8.23   | 8.27   | 8.23  | 8.25  | 8.11  | 7.88  | 7.86  |
| Noncurrent assets plus                             |        |        |       |       |       |       |       |
| other real estate owned to assets (%) .....        | 0.56   | 0.48   | 0.53  | 0.50  | 0.53  | 0.75  | 0.90  |
| Net charge-offs to loans (%) .....                 | 0.45   | 0.32   | 0.39  | 0.50  | 0.56  | 0.78  | 0.97  |
| Asset growth rate (%) .....                        | 6.88   | 8.98   | 9.03  | 7.65  | 11.35 | 7.58  | 7.20  |
| Net interest margin (%) .....                      | 3.32   | 3.46   | 3.31  | 3.50  | 3.54  | 3.73  | 3.96  |
| Net operating income growth (%) .....              | -2.70  | 8.47   | 8.56  | 11.43 | 4.02  | 16.39 | 17.58 |
| Number of institutions reporting .....             | 8,650  | 8,790  | 8,681 | 8,833 | 8,976 | 9,181 | 9,354 |
| Commercial banks .....                             | 7,380  | 7,491  | 7,402 | 7,526 | 7,631 | 7,770 | 7,888 |
| Savings institutions .....                         | 1,270  | 1,299  | 1,279 | 1,307 | 1,345 | 1,411 | 1,466 |
| Percentage of unprofitable institutions (%) .....  | 8.87   | 6.61   | 7.83  | 6.22  | 5.96  | 5.99  | 6.67  |
| Number of problem institutions .....               | 53     | 48     | 50    | 52    | 80    | 116   | 136   |
| Assets of problem institutions (in billions) ..... | \$21   | \$5    | \$8   | \$7   | \$28  | \$30  | \$39  |
| Number of failed/assisted institutions .....       | 1      | 0      | 0     | 0     | 4     | 3     | 11    |

\* Excludes insured branches of foreign banks (IBAs)

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

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

| (dollar figures in millions)                         | 1st Quarter<br>2007 | 4th Quarter<br>2006 | 1st Quarter<br>2006 | %Change<br>06:1-07:1 |
|------------------------------------------------------|---------------------|---------------------|---------------------|----------------------|
| Number of institutions reporting .....               | 8,650               | 8,681               | 8,790               | -1.6                 |
| Total employees (full-time equivalent) .....         | 2,223,402           | 2,206,645           | 2,172,999           | 2.3                  |
| <b>CONDITION DATA</b>                                |                     |                     |                     |                      |
| Total assets .....                                   | \$11,981,168        | \$11,860,318        | \$11,209,794        | 6.9                  |
| Loans secured by real estate .....                   | 4,535,981           | 4,507,842           | 4,255,516           | 6.6                  |
| 1-4 Family residential mortgages .....               | 2,169,287           | 2,175,795           | 2,101,766           | 3.2                  |
| Nonfarm nonresidential .....                         | 921,233             | 904,408             | 842,433             | 9.4                  |
| Construction and development .....                   | 582,067             | 565,289             | 486,842             | 19.6                 |
| Home equity lines .....                              | 556,741             | 559,301             | 530,738             | 4.9                  |
| Commercial & industrial loans .....                  | 1,250,160           | 1,215,100           | 1,125,652           | 11.1                 |
| Loans to individuals .....                           | 945,365             | 955,256             | 923,569             | 2.4                  |
| Credit cards .....                                   | 354,169             | 384,980             | 358,627             | -1.2                 |
| Farm loans .....                                     | 52,813              | 54,258              | 49,243              | 7.3                  |
| Other loans & leases .....                           | 494,960             | 503,031             | 513,196             | -3.6                 |
| Less: Unearned income .....                          | 2,286               | 2,397               | 3,344               | -31.7                |
| Total loans & leases .....                           | 7,276,995           | 7,233,090           | 6,863,831           | 6.0                  |
| Less: Reserve for losses .....                       | 78,636              | 77,643              | 77,661              | 1.3                  |
| Net loans and leases .....                           | 7,198,359           | 7,155,447           | 6,786,169           | 6.1                  |
| Securities .....                                     | 1,969,447           | 1,980,445           | 1,956,166           | 0.7                  |
| Other real estate owned .....                        | 6,961               | 6,060               | 5,117               | 36.0                 |
| Goodwill and other intangibles .....                 | 423,495             | 413,443             | 380,790             | 11.2                 |
| All other assets .....                               | 2,382,905           | 2,304,923           | 2,081,551           | 14.5                 |
| Total liabilities and capital .....                  | 11,981,168          | 11,860,318          | 11,209,794          | 6.9                  |
| Deposits .....                                       | 7,895,117           | 7,825,158           | 7,318,770           | 7.9                  |
| Domestic office deposits .....                       | 6,694,491           | 6,631,123           | 6,330,959           | 5.7                  |
| Foreign office deposits .....                        | 1,200,626           | 1,194,036           | 987,811             | 21.5                 |
| Other borrowed funds .....                           | 2,174,410           | 2,121,122           | 2,118,169           | 2.7                  |
| Subordinated debt .....                              | 165,323             | 160,547             | 135,458             | 22.0                 |
| All other liabilities .....                          | 478,431             | 505,347             | 474,159             | 0.9                  |
| Equity capital .....                                 | 1,267,887           | 1,248,144           | 1,163,238           | 9.0                  |
| Loans and leases 30-89 days past due .....           | 70,479              | 71,751              | 56,325              | 25.1                 |
| Noncurrent loans and leases .....                    | 60,541              | 56,575              | 48,604              | 24.6                 |
| Restructured loans and leases .....                  | 3,241               | 2,713               | 3,301               | -1.8                 |
| Direct and indirect investments in real estate ..... | 1,036               | 1,091               | 1,102               | -5.9                 |
| Mortgage-backed securities .....                     | 1,195,617           | 1,195,657           | 1,188,249           | 0.6                  |
| Earning assets .....                                 | 10,513,998          | 10,336,160          | 9,795,063           | 7.3                  |
| FHLB Advances .....                                  | 606,501             | 620,909             | 598,302             | 1.4                  |
| Unused loan commitments .....                        | 7,821,527           | 7,572,885           | 7,297,380           | 7.2                  |
| Trust assets .....                                   | 19,937,320          | 19,285,909          | 17,431,010          | 14.4                 |
| Assets securitized and sold*** .....                 | 1,661,338           | 1,310,787           | 964,366             | 72.3                 |
| Notional amount of derivatives*** .....              | 146,084,457         | 132,181,371         | 111,086,862         | 31.5                 |
| <b>INCOME DATA</b>                                   |                     |                     |                     |                      |
| Total interest income .....                          | \$643,500           | \$522,044           | \$176,349           | 16.2                 |
| Total interest expense .....                         | 313,360             | 205,035             | 89,766              | 31.1                 |
| Net interest income .....                            | 330,140             | 317,009             | 86,583              | 4.0                  |
| Provision for loan and lease losses .....            | 29,465              | 29,748              | 9,193               | 54.6                 |
| Total noninterest income .....                       | 240,481             | 223,389             | 62,233              | 1.9                  |
| Total noninterest expense .....                      | 332,305             | 317,304             | 87,661              | 3.6                  |
| Securities gains (losses) .....                      | 2,010               | 4,929               | 1,523               | 127.0                |
| Applicable income taxes .....                        | 68,133              | 64,616              | 17,141              | -3.2                 |
| Extraordinary gains, net .....                       | 2,663               | 252                 | -353                | NM                   |
| Net income .....                                     | 145,391             | 133,910             | 35,990              | -2.5                 |
| Net charge-offs .....                                | 26,825              | 31,591              | 8,130               | 48.4                 |
| Cash dividends .....                                 | 93,436              | 73,172              | 26,163              | 38.7                 |
| Retained earnings .....                              | 51,955              | 60,738              | 9,827               | -45.5                |
| Net operating income .....                           | 141,504             | 130,352             | 35,290              | -2.7                 |

\*\*\* Call Report filers only.

NM - Not Meaningful

**TABLE III-A. First Quarter 2007, All FDIC-Insured Institutions**

| FIRST QUARTER<br>(The way it is...)                               | All Insured<br>Institutions | Asset Concentration Groups* |                        |                       |                       |                     |                     |                                      |                           |                           |
|-------------------------------------------------------------------|-----------------------------|-----------------------------|------------------------|-----------------------|-----------------------|---------------------|---------------------|--------------------------------------|---------------------------|---------------------------|
|                                                                   |                             | Credit Card<br>Banks        | International<br>Banks | Agricultural<br>Banks | Commercial<br>Lenders | Mortgage<br>Lenders | Consumer<br>Lenders | Other<br>Specialized<br><\$1 Billion | All Other<br><\$1 Billion | All Other<br>>\$1 Billion |
| Number of institutions reporting .....                            | 8,650                       | 27                          | 4                      | 1,617                 | 4,720                 | 796                 | 116                 | 404                                  | 905                       | 61                        |
| Commercial banks .....                                            | 7,380                       | 24                          | 4                      | 1,612                 | 4,260                 | 161                 | 87                  | 363                                  | 822                       | 47                        |
| Savings institutions .....                                        | 1,270                       | 3                           | 0                      | 5                     | 460                   | 635                 | 29                  | 41                                   | 83                        | 14                        |
| Total assets (in billions) .....                                  | \$11,981.2                  | \$407.8                     | \$2,435.7              | \$149.0               | \$4,758.0             | \$1,506.9           | \$99.5              | \$45.7                               | \$119.1                   | \$2,459.5                 |
| Commercial banks .....                                            | 10,133.8                    | 392.5                       | 2,435.7                | 148.5                 | 4,276.7               | 288.7               | 47.4                | 37.6                                 | 101.2                     | 2,405.6                   |
| Savings institutions .....                                        | 1,847.3                     | 15.3                        | 0.0                    | 0.5                   | 481.3                 | 1,218.2             | 52.1                | 8.2                                  | 17.9                      | 53.9                      |
| Total deposits (in billions) .....                                | 7,895.1                     | 110.1                       | 1,435.9                | 122.4                 | 3,417.6               | 956.4               | 77.2                | 33.1                                 | 98.2                      | 1,644.3                   |
| Commercial banks .....                                            | 6,722.5                     | 107.3                       | 1,435.9                | 122.0                 | 3,123.5               | 173.8               | 35.3                | 27.1                                 | 84.0                      | 1,613.7                   |
| Savings institutions .....                                        | 1,172.6                     | 2.8                         | 0.0                    | 0.4                   | 294.0                 | 782.5               | 41.9                | 6.1                                  | 14.2                      | 30.7                      |
| Net income (in millions) .....                                    | 35,990                      | 3,844                       | 5,564                  | 443                   | 13,959                | 3,438               | 437                 | 230                                  | 284                       | 7,791                     |
| Commercial banks .....                                            | 31,514                      | 3,698                       | 5,564                  | 442                   | 12,714                | 685                 | 284                 | 149                                  | 265                       | 7,713                     |
| Savings institutions .....                                        | 4,476                       | 146                         | 0                      | 1                     | 1,245                 | 2,753               | 153                 | 82                                   | 19                        | 78                        |
| Performance Ratios (%)                                            |                             |                             |                        |                       |                       |                     |                     |                                      |                           |                           |
| Yield on earning assets .....                                     | 6.77                        | 12.51                       | 6.04                   | 7.01                  | 7.04                  | 6.56                | 8.27                | 5.54                                 | 6.42                      | 6.18                      |
| Cost of funding earning assets .....                              | 3.45                        | 4.34                        | 3.57                   | 3.10                  | 3.31                  | 3.85                | 3.24                | 2.38                                 | 2.79                      | 3.29                      |
| Net interest margin .....                                         | 3.32                        | 8.17                        | 2.46                   | 3.91                  | 3.73                  | 2.71                | 5.03                | 3.15                                 | 3.63                      | 2.89                      |
| Noninterest income to assets .....                                | 2.09                        | 9.61                        | 2.55                   | 0.65                  | 1.45                  | 0.92                | 2.47                | 8.46                                 | 0.80                      | 2.34                      |
| Noninterest expense to assets .....                               | 2.94                        | 7.95                        | 2.97                   | 2.66                  | 2.79                  | 2.04                | 3.46                | 8.21                                 | 2.86                      | 2.82                      |
| Loan and lease loss provision to assets .....                     | 0.31                        | 2.61                        | 0.38                   | 0.15                  | 0.20                  | 0.16                | 1.06                | 0.06                                 | 0.09                      | 0.14                      |
| Net operating income to assets .....                              | 1.18                        | 3.47                        | 0.89                   | 1.20                  | 1.21                  | 0.77                | 1.70                | 1.99                                 | 0.94                      | 1.26                      |
| Pretax return on assets .....                                     | 1.78                        | 5.71                        | 1.36                   | 1.43                  | 1.72                  | 1.40                | 2.74                | 3.08                                 | 1.20                      | 1.88                      |
| Return on assets .....                                            | 1.21                        | 3.70                        | 0.93                   | 1.19                  | 1.18                  | 0.91                | 1.79                | 2.05                                 | 0.96                      | 1.27                      |
| Return on equity .....                                            | 11.44                       | 15.38                       | 12.10                  | 11.05                 | 10.46                 | 9.07                | 17.38               | 10.02                                | 8.61                      | 12.97                     |
| Net charge-offs to loans and leases .....                         | 0.45                        | 3.86                        | 0.57                   | 0.14                  | 0.22                  | 0.21                | 1.43                | 0.18                                 | 0.15                      | 0.31                      |
| Loan and lease loss provision to net charge-offs ...              | 113.08                      | 92.66                       | 153.20                 | 164.43                | 131.43                | 108.01              | 95.49               | 160.04                               | 104.93                    | 85.56                     |
| Efficiency ratio .....                                            | 57.56                       | 46.22                       | 62.88                  | 62.08                 | 57.55                 | 59.01               | 48.35               | 72.16                                | 68.81                     | 57.51                     |
| % of unprofitable institutions .....                              | 8.87                        | 11.11                       | 0.00                   | 3.90                  | 9.32                  | 13.57               | 7.76                | 22.52                                | 5.75                      | 1.64                      |
| % of institutions with earnings gains .....                       | 48.38                       | 37.04                       | 50.00                  | 52.26                 | 51.55                 | 26.26               | 40.52               | 43.81                                | 47.40                     | 54.10                     |
| Condition Ratios(%)                                               |                             |                             |                        |                       |                       |                     |                     |                                      |                           |                           |
| Earning assets to total assets .....                              | 87.75                       | 77.92                       | 85.98                  | 92.31                 | 88.92                 | 91.52               | 92.68               | 89.06                                | 92.07                     | 85.88                     |
| Loss allowance to:                                                |                             |                             |                        |                       |                       |                     |                     |                                      |                           |                           |
| Loans and leases .....                                            | 1.08                        | 3.86                        | 1.09                   | 1.36                  | 1.13                  | 0.50                | 1.43                | 1.32                                 | 1.21                      | 0.73                      |
| Noncurrent loans and leases .....                                 | 129.89                      | 212.73                      | 126.57                 | 130.62                | 149.58                | 59.67               | 209.78              | 201.00                               | 142.43                    | 94.97                     |
| Noncurrent assets plus<br>other real estate owned to assets ..... | 0.56                        | 1.32                        | 0.40                   | 0.79                  | 0.61                  | 0.67                | 0.55                | 0.18                                 | 0.59                      | 0.45                      |
| Equity capital ratio .....                                        | 10.58                       | 24.48                       | 7.67                   | 10.87                 | 11.33                 | 10.15               | 10.25               | 20.27                                | 11.14                     | 9.76                      |
| Core capital (leverage) ratio .....                               | 8.23                        | 15.94                       | 6.04                   | 10.38                 | 9.03                  | 8.12                | 9.73                | 18.56                                | 10.86                     | 7.20                      |
| Tier 1 risk-based capital ratio .....                             | 10.52                       | 15.02                       | 8.11                   | 14.04                 | 10.56                 | 13.08               | 11.68               | 43.55                                | 17.91                     | 9.62                      |
| Total risk-based capital ratio .....                              | 12.99                       | 18.14                       | 11.58                  | 15.13                 | 12.77                 | 14.77               | 12.62               | 44.56                                | 19.06                     | 12.18                     |
| Net loans and leases to deposits .....                            | 91.17                       | 259.80                      | 72.70                  | 79.58                 | 95.91                 | 108.17              | 98.87               | 30.50                                | 67.30                     | 79.44                     |
| Net loans to total assets .....                                   | 60.08                       | 70.17                       | 42.86                  | 65.38                 | 68.89                 | 68.65               | 76.72               | 22.08                                | 55.48                     | 53.11                     |
| Domestic deposits to total assets .....                           | 55.88                       | 24.95                       | 28.03                  | 82.15                 | 69.26                 | 63.41               | 76.33               | 70.20                                | 82.43                     | 54.10                     |
| Structural Changes                                                |                             |                             |                        |                       |                       |                     |                     |                                      |                           |                           |
| New Charters .....                                                | 41                          | 1                           | 0                      | 1                     | 12                    | 0                   | 0                   | 27                                   | 0                         | 0                         |
| Institutions absorbed by mergers .....                            | 72                          | 1                           | 0                      | 8                     | 53                    | 4                   | 1                   | 1                                    | 1                         | 3                         |
| Failed Institutions .....                                         | 1                           | 0                           | 0                      | 0                     | 0                     | 1                   | 0                   | 0                                    | 0                         | 0                         |
| PRIOR FIRST QUARTERS<br>(The way it was...)                       |                             |                             |                        |                       |                       |                     |                     |                                      |                           |                           |
| Number of institutions .....                                      | 2006                        | 8,790                       | 30                     | 4                     | 1,647                 | 4,629               | 864                 | 120                                  | 436                       | 59                        |
| .....                                                             | 2004                        | 9,116                       | 34                     | 6                     | 1,730                 | 4,278               | 1,026               | 140                                  | 519                       | 87                        |
| .....                                                             | 2002                        | 9,521                       | 48                     | 6                     | 1,852                 | 4,031               | 1,201               | 214                                  | 463                       | 95                        |
| Total assets (in billions) .....                                  | 2006                        | \$11,209.8                  | \$370.2                | \$1,972.3             | \$140.3               | \$3,844.9           | \$1,745.6           | \$98.6                               | \$50.0                    | \$128.6                   |
| .....                                                             | 2004                        | 9,377.2                     | 332.3                  | 1,492.8               | 127.7                 | 2,898.5             | 1,396.0             | 506.3                                | 58.8                      | 168.0                     |
| .....                                                             | 2002                        | 7,823.5                     | 299.3                  | 1,210.8               | 118.5                 | 3,579.5             | 1,191.1             | 151.4                                | 49.5                      | 198.3                     |
| Return on assets (%) .....                                        | 2006                        | 1.34                        | 4.57                   | 1.16                  | 1.26                  | 1.35                | 1.05                | 2.19                                 | -1.31                     | 1.06                      |
| .....                                                             | 2004                        | 1.38                        | 3.93                   | 1.12                  | 1.27                  | 1.33                | 1.17                | 1.52                                 | 1.38                      | 1.10                      |
| .....                                                             | 2002                        | 1.29                        | 3.22                   | 0.82                  | 1.25                  | 1.34                | 1.31                | 1.44                                 | -2.16                     | 1.15                      |
| Net charge-offs to loans & leases (%) .....                       | 2006                        | 0.32                        | 2.95                   | 0.53                  | 0.09                  | 0.17                | 0.11                | 0.95                                 | 0.16                      | 0.12                      |
| .....                                                             | 2004                        | 0.64                        | 5.17                   | 1.30                  | 0.12                  | 0.31                | 0.12                | 0.71                                 | 0.70                      | 0.24                      |
| .....                                                             | 2002                        | 0.98                        | 7.09                   | 1.49                  | 0.20                  | 0.62                | 0.16                | 1.10                                 | 0.67                      | 0.24                      |
| Noncurrent assets plus<br>OREO to assets (%) .....                | 2006                        | 0.48                        | 1.17                   | 0.42                  | 0.67                  | 0.49                | 0.55                | 0.51                                 | 0.23                      | 0.53                      |
| .....                                                             | 2004                        | 0.67                        | 1.45                   | 0.85                  | 0.85                  | 0.65                | 0.57                | 0.91                                 | 0.36                      | 0.68                      |
| .....                                                             | 2002                        | 0.92                        | 1.73                   | 1.14                  | 0.91                  | 0.92                | 0.68                | 1.24                                 | 0.34                      | 0.70                      |
| Equity capital ratio (%) .....                                    | 2006                        | 10.38                       | 27.22                  | 7.95                  | 10.81                 | 10.29               | 10.81               | 9.63                                 | 19.39                     | 11.04                     |
| .....                                                             | 2004                        | 9.45                        | 17.58                  | 7.41                  | 10.81                 | 9.51                | 9.07                | 8.90                                 | 16.60                     | 10.77                     |
| .....                                                             | 2002                        | 9.22                        | 14.83                  | 7.57                  | 10.56                 | 9.62                | 8.83                | 8.41                                 | 16.30                     | 10.25                     |

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

## TABLE III-A. First Quarter 2007, All FDIC-Insured Institutions

| FIRST QUARTER<br>(The way it is...)                    | All<br>Insured<br>Institutions | Asset Size Distribution       |                                    |                                   |                                 | Geographic Regions* |           |           |                |         |                  |           |
|--------------------------------------------------------|--------------------------------|-------------------------------|------------------------------------|-----------------------------------|---------------------------------|---------------------|-----------|-----------|----------------|---------|------------------|-----------|
|                                                        |                                | Less<br>than<br>\$100 Million | \$100 Million<br>to<br>\$1 Billion | \$1 Billion<br>to<br>\$10 Billion | Greater<br>than \$10<br>Billion | New York            | Atlanta   | Chicago   | Kansas<br>City | Dallas  | San<br>Francisco |           |
| Number of institutions reporting .....                 | 8,650                          | 3,598                         | 4,397                              | 536                               | 119                             | 1,089               | 1,221     | 1,818     | 2,007          | 1,742   | 773              |           |
| Commercial banks .....                                 | 7,380                          | 3,212                         | 3,672                              | 408                               | 88                              | 575                 | 1,076     | 1,500     | 1,902          | 1,622   | 705              |           |
| Savings institutions .....                             | 1,270                          | 386                           | 725                                | 128                               | 31                              | 514                 | 145       | 318       | 105            | 120     | 68               |           |
| Total assets (in billions) .....                       | \$11,981.2                     | \$189.6                       | \$1,298.2                          | \$1,420.9                         | \$9,072.4                       | \$2,202.7           | \$2,948.7 | \$2,778.8 | \$863.5        | \$662.8 | \$2,524.8        |           |
| Commercial banks .....                                 | 10,133.8                       | 169.8                         | 1,052.3                            | 1,083.2                           | 7,828.5                         | 1,563.4             | 2,680.3   | 2,625.2   | 825.7          | 556.8   | 1,882.5          |           |
| Savings institutions .....                             | 1,847.3                        | 19.8                          | 245.9                              | 337.6                             | 1,244.0                         | 639.2               | 268.5     | 153.6     | 37.7           | 106.0   | 642.3            |           |
| Total deposits (in billions) .....                     | 7,895.1                        | 155.7                         | 1,046.9                            | 1,027.4                           | 5,665.0                         | 1,405.6             | 1,979.6   | 1,738.2   | 636.8          | 507.2   | 1,627.8          |           |
| Commercial banks .....                                 | 6,722.5                        | 140.6                         | 860.3                              | 790.3                             | 4,931.3                         | 972.6               | 1,804.6   | 1,627.3   | 610.8          | 441.4   | 1,265.9          |           |
| Savings institutions .....                             | 1,172.6                        | 15.1                          | 186.6                              | 237.2                             | 733.7                           | 433.0               | 175.0     | 110.9     | 26.0           | 65.8    | 361.9            |           |
| Net income (in millions) .....                         | 35,990                         | 402                           | 3,506                              | 4,052                             | 28,030                          | 6,077               | 9,065     | 7,429     | 3,776          | 1,825   | 7,818            |           |
| Commercial banks .....                                 | 31,514                         | 373                           | 3,104                              | 3,461                             | 24,576                          | 5,065               | 8,501     | 7,191     | 3,704          | 1,577   | 5,475            |           |
| Savings institutions .....                             | 4,476                          | 29                            | 402                                | 591                               | 3,454                           | 1,012               | 564       | 238       | 71             | 248     | 2,343            |           |
| Performance Ratios (annualized, %)                     |                                |                               |                                    |                                   |                                 |                     |           |           |                |         |                  |           |
| Yield on earning assets .....                          | 6.77                           | 6.96                          | 7.10                               | 7.02                              | 6.68                            | 6.83                | 6.58      | 6.23      | 7.56           | 7.09    | 7.19             |           |
| Cost of funding earning assets .....                   | 3.45                           | 2.89                          | 3.21                               | 3.35                              | 3.51                            | 3.45                | 3.44      | 3.41      | 3.17           | 3.26    | 3.63             |           |
| Net interest margin .....                              | 3.32                           | 4.07                          | 3.89                               | 3.67                              | 3.17                            | 3.37                | 3.14      | 2.82      | 4.39           | 3.84    | 3.55             |           |
| Noninterest income to assets .....                     | 2.09                           | 1.21                          | 1.16                               | 1.47                              | 2.34                            | 2.24                | 1.82      | 2.15      | 3.43           | 1.35    | 1.94             |           |
| Noninterest expense to assets .....                    | 2.94                           | 3.69                          | 3.13                               | 2.86                              | 2.91                            | 3.11                | 2.63      | 2.81      | 4.24           | 3.14    | 2.82             |           |
| Loan and lease loss provision to assets .....          | 0.31                           | 0.16                          | 0.16                               | 0.25                              | 0.34                            | 0.44                | 0.11      | 0.21      | 0.51           | 0.17    | 0.49             |           |
| Net operating income to assets .....                   | 1.18                           | 0.85                          | 1.08                               | 1.14                              | 1.21                            | 1.08                | 1.22      | 1.06      | 1.74           | 1.11    | 1.19             |           |
| Pretax return on assets .....                          | 1.78                           | 1.10                          | 1.47                               | 1.71                              | 1.85                            | 1.64                | 1.84      | 1.60      | 2.50           | 1.48    | 1.88             |           |
| Return on assets .....                                 | 1.21                           | 0.86                          | 1.09                               | 1.15                              | 1.24                            | 1.10                | 1.24      | 1.08      | 1.75           | 1.11    | 1.25             |           |
| Return on equity .....                                 | 11.44                          | 6.47                          | 10.43                              | 10.31                             | 11.91                           | 8.73                | 12.31     | 11.80     | 16.53          | 10.59   | 11.44            |           |
| Net charge-offs to loans and leases .....              | 0.45                           | 0.14                          | 0.13                               | 0.25                              | 0.55                            | 0.81                | 0.22      | 0.31      | 0.62           | 0.19    | 0.55             |           |
| Loan and lease loss provision to net charge-offs ..... | 113.08                         | 186.87                        | 170.95                             | 149.69                            | 107.27                          | 96.19               | 85.15     | 122.44    | 113.39         | 140.67  | 136.90           |           |
| Efficiency ratio .....                                 | 57.56                          | 74.40                         | 65.58                              | 58.35                             | 56.03                           | 57.65               | 56.84     | 59.77     | 57.25          | 64.63   | 54.44            |           |
| % of unprofitable institutions .....                   | 8.87                           | 15.20                         | 4.55                               | 3.17                              | 2.52                            | 13.31               | 12.20     | 8.75      | 6.03           | 5.40    | 12.81            |           |
| % of institutions with earnings gains .....            | 48.38                          | 46.66                         | 49.83                              | 48.51                             | 46.22                           | 34.80               | 47.91     | 43.34     | 49.38          | 58.96   | 53.69            |           |
| Condition Ratios(%)                                    |                                |                               |                                    |                                   |                                 |                     |           |           |                |         |                  |           |
| Earning assets to total assets .....                   | 87.75                          | 92.26                         | 92.14                              | 91.11                             | 86.51                           | 87.05               | 87.26     | 87.67     | 87.13          | 89.70   | 88.75            |           |
| Loss Allowance to:                                     |                                |                               |                                    |                                   |                                 |                     |           |           |                |         |                  |           |
| Loans and leases .....                                 | 1.08                           | 1.31                          | 1.18                               | 1.17                              | 1.04                            | 1.40                | 0.88      | 1.17      | 1.16           | 1.12    | 0.95             |           |
| Noncurrent loans and leases .....                      | 129.89                         | 131.07                        | 146.86                             | 155.84                            | 122.91                          | 153.69              | 172.26    | 120.87    | 88.51          | 133.30  | 114.26           |           |
| Noncurrent assets plus                                 |                                |                               |                                    |                                   |                                 |                     |           |           |                |         |                  |           |
| other real estate owned to assets .....                | 0.56                           | 0.77                          | 0.67                               | 0.57                              | 0.54                            | 0.55                | 0.36      | 0.60      | 1.07           | 0.63    | 0.58             |           |
| Equity capital ratio .....                             | 10.58                          | 13.24                         | 10.50                              | 11.24                             | 10.44                           | 12.73               | 10.04     | 9.13      | 10.57          | 10.59   | 10.94            |           |
| Core capital (leverage) ratio .....                    | 8.23                           | 13.17                         | 10.05                              | 9.46                              | 7.66                            | 9.09                | 7.38      | 7.36      | 8.58           | 8.76    | 9.16             |           |
| Tier 1 risk-based capital ratio .....                  | 10.52                          | 19.42                         | 13.52                              | 12.36                             | 9.66                            | 12.50               | 9.31      | 9.02      | 10.10          | 12.01   | 11.91            |           |
| Total risk-based capital ratio .....                   | 12.99                          | 20.49                         | 14.64                              | 13.64                             | 12.53                           | 14.61               | 11.72     | 11.78     | 12.78          | 13.33   | 14.65            |           |
| Net loans and leases to deposits .....                 | 91.17                          | 75.05                         | 84.90                              | 93.62                             | 92.34                           | 88.95               | 91.60     | 85.70     | 96.77          | 79.95   | 99.73            |           |
| Net loans to total assets .....                        | 60.08                          | 61.63                         | 68.46                              | 67.70                             | 57.66                           | 56.76               | 61.50     | 53.61     | 71.37          | 61.18   | 64.30            |           |
| Domestic deposits to total assets .....                | 55.88                          | 82.11                         | 80.52                              | 71.68                             | 49.32                           | 56.64               | 59.92     | 52.31     | 68.70          | 75.66   | 44.84            |           |
| Structural Changes                                     |                                |                               |                                    |                                   |                                 |                     |           |           |                |         |                  |           |
| New Charters .....                                     | 41                             | 37                            | 3                                  | 1                                 | 0                               | 7                   | 12        | 4         | 2              | 7       | 9                |           |
| Institutions absorbed by mergers .....                 | 72                             | 30                            | 35                                 | 7                                 | 0                               | 11                  | 8         | 13        | 13             | 17      | 10               |           |
| Failed Institutions .....                              | 1                              | 1                             | 0                                  | 0                                 | 0                               | 1                   | 0         | 0         | 0              | 0       | 0                |           |
| PRIOR FIRST QUARTERS<br>(The way it was...)            |                                |                               |                                    |                                   |                                 |                     |           |           |                |         |                  |           |
| Number of institutions .....                           | 2006                           | 8,790                         | 3,826                              | 4,334                             | 511                             | 1,106               | 1,225     | 1,863     | 2,055          | 1,783   | 758              |           |
| .....                                                  | 2004                           | 9,116                         | 4,300                              | 4,238                             | 465                             | 1,162               | 1,231     | 1,996     | 2,122          | 1,853   | 752              |           |
| .....                                                  | 2002                           | 9,521                         | 5,000                              | 3,982                             | 437                             | 1,238               | 1,255     | 2,097     | 2,202          | 1,940   | 789              |           |
| Total assets (in billions) .....                       | 2006                           | \$11,209.8                    | \$199.0                            | \$1,259.4                         | \$1,395.6                       | \$8,355.8           | \$2,866.2 | \$2,759.4 | \$2,604.0      | \$819.6 | \$620.7          | \$1,539.9 |
| .....                                                  | 2004                           | 9,377.2                       | 221.9                              | 1,169.4                           | 1,282.1                         | 6,703.9             | 3,186.8   | 1,995.6   | 1,700.3        | 738.8   | 571.0            | 1,184.9   |
| .....                                                  | 2002                           | 7,823.5                       | 250.0                              | 1,068.7                           | 1,261.3                         | 5,243.6             | 2,651.7   | 1,571.3   | 1,468.8        | 415.6   | 545.6            | 1,170.6   |
| Return on assets (%) .....                             | 2006                           | 1.34                          | 0.95                               | 1.11                              | 1.30                            | 1.39                | 1.29      | 1.33      | 1.10           | 1.59    | 1.31             | 1.71      |
| .....                                                  | 2004                           | 1.38                          | 1.00                               | 1.17                              | 1.48                            | 1.41                | 1.32      | 1.32      | 1.38           | 1.52    | 1.35             | 1.57      |
| .....                                                  | 2002                           | 1.29                          | 0.98                               | 0.99                              | 1.42                            | 1.34                | 1.16      | 1.35      | 1.23           | 1.54    | 1.36             | 1.48      |
| Net charge-offs to loans & leases (%) .....            | 2006                           | 0.32                          | 0.12                               | 0.12                              | 0.18                            | 0.39                | 0.47      | 0.16      | 0.23           | 0.35    | 0.16             | 0.52      |
| .....                                                  | 2004                           | 0.64                          | 0.19                               | 0.22                              | 0.44                            | 0.78                | 0.96      | 0.36      | 0.43           | 0.90    | 0.34             | 0.66      |
| .....                                                  | 2002                           | 0.98                          | 0.22                               | 0.29                              | 0.68                            | 1.24                | 1.54      | 0.64      | 0.78           | 1.21    | 0.39             | 0.78      |
| Noncurrent assets plus                                 |                                |                               |                                    |                                   |                                 |                     |           |           |                |         |                  |           |
| OREO to assets (%) .....                               | 2006                           | 0.48                          | 0.69                               | 0.52                              | 0.44                            | 0.48                | 0.39      | 0.31      | 0.53           | 0.84    | 0.68             | 0.60      |
| .....                                                  | 2004                           | 0.67                          | 0.84                               | 0.66                              | 0.59                            | 0.68                | 0.69      | 0.46      | 0.79           | 0.88    | 0.75             | 0.59      |
| .....                                                  | 2002                           | 0.92                          | 0.85                               | 0.73                              | 0.75                            | 1.00                | 0.98      | 0.83      | 1.04           | 0.83    | 0.84             | 0.80      |
| Equity capital ratio (%) .....                         | 2006                           | 10.38                         | 12.29                              | 10.28                             | 10.78                           | 10.28               | 11.15     | 9.77      | 9.02           | 10.48   | 10.19            | 12.36     |
| .....                                                  | 2004                           | 9.45                          | 11.73                              | 10.18                             | 10.71                           | 9.00                | 9.13      | 8.58      | 8.74           | 10.44   | 9.64             | 12.07     |
| .....                                                  | 2002                           | 9.22                          | 11.03                              | 9.85                              | 9.75                            | 8.88                | 8.96      | 9.35      | 8.80           | 9.95    | 9.56             | 9.75      |

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

**TABLE IV-A. Full-Year 2006, All FDIC-Insured Institutions**

|                                                                       | All Insured Institutions | Asset Concentration Groups* |                     |                    |                    |                  |                  |                                |                        |                        |
|-----------------------------------------------------------------------|--------------------------|-----------------------------|---------------------|--------------------|--------------------|------------------|------------------|--------------------------------|------------------------|------------------------|
|                                                                       |                          | Credit Card Banks           | International Banks | Agricultural Banks | Commercial Lenders | Mortgage Lenders | Consumer Lenders | Other Specialized <\$1 Billion | All Other <\$1 Billion | All Other >\$1 Billion |
| <b>Number of institutions reporting</b> .....                         | <b>8,681</b>             | <b>26</b>                   | <b>4</b>            | <b>1,634</b>       | <b>4,712</b>       | <b>817</b>       | <b>124</b>       | <b>412</b>                     | <b>895</b>             | <b>57</b>              |
| Commercial banks .....                                                | 7,402                    | 24                          | 4                   | 1,628              | 4,246              | 177              | 95               | 370                            | 815                    | 43                     |
| Savings institutions .....                                            | 1,279                    | 2                           | 0                   | 6                  | 466                | 640              | 29               | 42                             | 80                     | 14                     |
| <b>Total assets (in billions)</b> .....                               | <b>\$11,860.3</b>        | <b>\$408.4</b>              | <b>\$2,337.2</b>    | <b>\$149.2</b>     | <b>\$4,904.9</b>   | <b>\$1,445.0</b> | <b>\$109.9</b>   | <b>\$42.2</b>                  | <b>\$119.5</b>         | <b>\$2,344.0</b>       |
| Commercial banks .....                                                | 10,090.4                 | 406.6                       | 2,337.2             | 148.7              | 4,415.5            | 312.7            | 41.4             | 34.7                           | 103.1                  | 2,290.5                |
| Savings institutions .....                                            | 1,769.9                  | 1.8                         | 0.0                 | 0.5                | 489.4              | 1,132.2          | 68.6             | 7.5                            | 16.5                   | 53.5                   |
| <b>Total deposits (in billions)</b> .....                             | <b>7,825.2</b>           | <b>107.8</b>                | <b>1,417.0</b>      | <b>122.2</b>       | <b>3,517.8</b>     | <b>915.3</b>     | <b>76.3</b>      | <b>29.9</b>                    | <b>97.6</b>            | <b>1,541.2</b>         |
| Commercial banks .....                                                | 6,731.4                  | 107.1                       | 1,417.0             | 121.7              | 3,226.0            | 207.4            | 31.1             | 24.5                           | 84.6                   | 1,512.1                |
| Savings institutions .....                                            | 1,093.8                  | 0.8                         | 0.0                 | 0.4                | 291.9              | 707.9            | 45.3             | 5.4                            | 13.1                   | 29.1                   |
| <b>Net income (in millions)</b> .....                                 | <b>145,391</b>           | <b>15,616</b>               | <b>22,388</b>       | <b>1,765</b>       | <b>60,211</b>      | <b>13,000</b>    | <b>1,967</b>     | <b>673</b>                     | <b>1,218</b>           | <b>28,553</b>          |
| Commercial banks .....                                                | 128,365                  | 15,529                      | 22,388              | 1,759              | 55,087             | 3,147            | 997              | 283                            | 1,134                  | 28,041                 |
| Savings institutions .....                                            | 17,026                   | 87                          | 0                   | 6                  | 5,124              | 9,853            | 970              | 390                            | 84                     | 512                    |
| <b>Performance Ratios (%)</b>                                         |                          |                             |                     |                    |                    |                  |                  |                                |                        |                        |
| Yield on earning assets .....                                         | 6.45                     | 12.84                       | 5.60                | 6.83               | 6.73               | 5.82             | 8.84             | 5.39                           | 6.21                   | 6.06                   |
| Cost of funding earning assets .....                                  | 3.14                     | 4.01                        | 3.34                | 2.79               | 3.00               | 3.31             | 3.31             | 2.28                           | 2.49                   | 3.08                   |
| Net interest margin .....                                             | 3.31                     | 8.82                        | 2.26                | 4.04               | 3.74               | 2.51             | 5.52             | 3.11                           | 3.72                   | 2.99                   |
| Noninterest income to assets .....                                    | 2.12                     | 11.19                       | 2.31                | 0.68               | 1.52               | 1.24             | 2.49             | 8.62                           | 1.06                   | 2.20                   |
| Noninterest expense to assets .....                                   | 2.93                     | 8.72                        | 2.77                | 2.73               | 2.78               | 2.14             | 4.67             | 8.76                           | 3.05                   | 2.72                   |
| Loan and lease loss provision to assets .....                         | 0.26                     | 2.65                        | 0.23                | 0.16               | 0.18               | 0.12             | 1.43             | 0.17                           | 0.12                   | 0.09                   |
| Net operating income to assets .....                                  | 1.25                     | 4.19                        | 0.90                | 1.24               | 1.30               | 0.84             | 0.94             | 1.42                           | 1.04                   | 1.26                   |
| Pretax return on assets .....                                         | 1.88                     | 6.52                        | 1.39                | 1.49               | 1.85               | 1.45             | 2.71             | 2.50                           | 1.30                   | 1.92                   |
| <b>Return on assets</b> .....                                         | <b>1.28</b>              | <b>4.19</b>                 | <b>1.01</b>         | <b>1.23</b>        | <b>1.28</b>        | <b>0.94</b>      | <b>1.75</b>      | <b>1.50</b>                    | <b>1.04</b>            | <b>1.26</b>            |
| Return on equity .....                                                | 12.31                    | 16.81                       | 12.45               | 11.48              | 11.77              | 10.40            | 14.23            | 6.92                           | 9.61                   | 12.98                  |
| <b>Net charge-offs to loans and leases</b> .....                      | <b>0.39</b>              | <b>3.48</b>                 | <b>0.48</b>         | <b>0.17</b>        | <b>0.22</b>        | <b>0.15</b>      | <b>1.40</b>      | <b>0.40</b>                    | <b>0.20</b>            | <b>0.22</b>            |
| Loan and lease loss provision to net charge-offs .....                | 109.84                   | 107.62                      | 104.20              | 134.88             | 124.31             | 111.42           | 126.51           | 158.15                         | 108.32                 | 78.88                  |
| Efficiency ratio .....                                                | 56.82                    | 44.97                       | 63.77               | 61.75              | 56.32              | 59.24            | 60.75            | 68.91                          | 67.87                  | 56.27                  |
| % of unprofitable institutions .....                                  | 7.83                     | 3.85                        | 0.00                | 2.63               | 8.93               | 9.91             | 6.45             | 22.33                          | 3.69                   | 1.75                   |
| % of institutions with earnings gains .....                           | 55.52                    | 76.92                       | 75.00               | 53.06              | 63.65              | 27.29            | 50.81            | 45.87                          | 46.82                  | 64.91                  |
| <b>Condition Ratios (%)</b>                                           |                          |                             |                     |                    |                    |                  |                  |                                |                        |                        |
| Earning assets to total assets .....                                  | 87.15                    | 75.96                       | 85.33               | 91.55              | 88.55              | 91.14            | 91.26            | 88.19                          | 91.67                  | 84.81                  |
| Loss Allowance to:                                                    |                          |                             |                     |                    |                    |                  |                  |                                |                        |                        |
| Loans and leases .....                                                | 1.07                     | 3.82                        | 1.03                | 1.34               | 1.11               | 0.49             | 1.82             | 1.42                           | 1.22                   | 0.74                   |
| Noncurrent loans and leases .....                                     | 137.24                   | 201.53                      | 121.83              | 154.84             | 164.45             | 70.71            | 176.03           | 193.48                         | 150.09                 | 92.46                  |
| <b>Noncurrent assets plus other real estate owned to assets</b> ..... | <b>0.53</b>              | <b>1.37</b>                 | <b>0.40</b>         | <b>0.67</b>        | <b>0.54</b>        | <b>0.56</b>      | <b>0.85</b>      | <b>0.20</b>                    | <b>0.56</b>            | <b>0.45</b>            |
| <b>Equity capital ratio</b> .....                                     | <b>10.52</b>             | <b>22.88</b>                | <b>7.75</b>         | <b>10.73</b>       | <b>11.16</b>       | <b>9.91</b>      | <b>14.16</b>     | <b>21.10</b>                   | <b>10.98</b>           | <b>9.78</b>            |
| Core capital (leverage) ratio .....                                   | 8.23                     | 15.33                       | 6.04                | 10.35              | 9.02               | 7.94             | 12.94            | 18.87                          | 10.83                  | 7.20                   |
| Tier 1 risk-based capital ratio .....                                 | 10.52                    | 12.62                       | 8.27                | 13.95              | 10.49              | 12.78            | 16.01            | 44.64                          | 17.81                  | 9.95                   |
| Total risk-based capital ratio .....                                  | 12.98                    | 15.74                       | 11.85               | 15.04              | 12.68              | 14.43            | 17.00            | 45.75                          | 18.98                  | 12.46                  |
| Net loans and leases to deposits .....                                | 91.44                    | 262.66                      | 72.36               | 79.81              | 95.41              | 110.39           | 112.67           | 30.80                          | 68.05                  | 79.23                  |
| Net loans to total assets .....                                       | 60.33                    | 69.35                       | 43.87               | 65.33              | 68.43              | 69.93            | 78.22            | 21.81                          | 55.58                  | 52.09                  |
| Domestic deposits to total assets .....                               | 55.91                    | 22.85                       | 29.54               | 81.86              | 68.75              | 63.26            | 68.22            | 69.11                          | 81.64                  | 52.80                  |
| <b>Structural Changes</b>                                             |                          |                             |                     |                    |                    |                  |                  |                                |                        |                        |
| New Charters .....                                                    | 191                      | 0                           | 0                   | 3                  | 50                 | 2                | 2                | 128                            | 5                      | 1                      |
| Institutions absorbed by mergers .....                                | 342                      | 3                           | 5                   | 32                 | 266                | 11               | 1                | 4                              | 9                      | 11                     |
| Failed Institutions .....                                             | 0                        | 0                           | 0                   | 0                  | 0                  | 0                | 0                | 0                              | 0                      | 0                      |
| <b>PRIOR FULL YEARS (The way it was...)</b>                           |                          |                             |                     |                    |                    |                  |                  |                                |                        |                        |
| Number of institutions .....                                          | 2005                     | 8,833                       | 33                  | 4                  | 1,685              | 4,617            | 887              | 125                            | 425                    | 62                     |
| .....                                                                 | 2003                     | 9,181                       | 36                  | 6                  | 1,767              | 4,254            | 1,033            | 157                            | 529                    | 91                     |
| .....                                                                 | 2001                     | 9,614                       | 56                  | 5                  | 1,875              | 3,967            | 1,242            | 228                            | 477                    | 101                    |
| <b>Total assets (in billions)</b> .....                               | <b>2005</b>              | <b>\$10,878.2</b>           | <b>\$359.1</b>      | <b>\$1,851.2</b>   | <b>\$142.3</b>     | <b>\$4,257.3</b> | <b>\$1,655.1</b> | <b>\$117.3</b>                 | <b>\$47.7</b>          | <b>\$2,319.6</b>       |
| .....                                                                 | 2003                     | 9,075.3                     | 348.4               | 1,448.0            | 129.5              | 2,923.8          | 1,657.6          | 146.6                          | 61.1                   | 2,189.3                |
| .....                                                                 | 2001                     | 7,869.1                     | 334.7               | 1,176.3            | 120.1              | 3,539.1          | 1,178.8          | 140.8                          | 49.7                   | 1,126.7                |
| <b>Return on assets (%)</b> .....                                     | <b>2005</b>              | <b>1.30</b>                 | <b>2.90</b>         | <b>0.86</b>        | <b>1.27</b>        | <b>1.37</b>      | <b>1.07</b>      | <b>1.55</b>                    | <b>2.19</b>            | <b>1.41</b>            |
| .....                                                                 | 2003                     | 1.38                        | 4.08                | 1.10               | 1.20               | 1.28             | 1.38             | 1.31                           | 1.85                   | 1.34                   |
| .....                                                                 | 2001                     | 1.14                        | 2.89                | 0.84               | 1.12               | 1.12             | 1.05             | 1.29                           | 1.84                   | 1.09                   |
| <b>Net charge-offs to loans &amp; leases (%)</b> .....                | <b>2005</b>              | <b>0.50</b>                 | <b>4.64</b>         | <b>0.87</b>        | <b>0.18</b>        | <b>0.23</b>      | <b>0.12</b>      | <b>1.44</b>                    | <b>0.26</b>            | <b>0.25</b>            |
| .....                                                                 | 2003                     | 0.78                        | 5.22                | 1.40               | 0.28               | 0.46             | 0.18             | 2.09                           | 1.22                   | 0.38                   |
| .....                                                                 | 2001                     | 0.83                        | 4.52                | 0.88               | 0.36               | 0.68             | 0.19             | 1.39                           | 0.50                   | 0.33                   |
| <b>Noncurrent assets plus OREO to assets (%)</b> .....                | <b>2005</b>              | <b>0.50</b>                 | <b>1.32</b>         | <b>0.46</b>        | <b>0.61</b>        | <b>0.48</b>      | <b>0.56</b>      | <b>0.51</b>                    | <b>0.24</b>            | <b>0.39</b>            |
| .....                                                                 | 2003                     | 0.75                        | 1.63                | 0.93               | 0.81               | 0.68             | 0.73             | 0.99                           | 0.33                   | 0.71                   |
| .....                                                                 | 2001                     | 0.87                        | 1.54                | 1.00               | 0.81               | 0.92             | 0.65             | 1.30                           | 0.31                   | 0.66                   |
| <b>Equity capital ratio (%)</b> .....                                 | <b>2005</b>              | <b>10.28</b>                | <b>21.51</b>        | <b>8.30</b>        | <b>10.54</b>       | <b>10.83</b>     | <b>9.39</b>      | <b>10.11</b>                   | <b>19.47</b>           | <b>10.83</b>           |
| .....                                                                 | 2003                     | 9.15                        | 16.04               | 7.39               | 10.64              | 9.24             | 9.10             | 7.30                           | 16.74                  | 10.45                  |
| .....                                                                 | 2001                     | 8.98                        | 13.12               | 7.51               | 10.47              | 9.46             | 8.25             | 7.60                           | 17.56                  | 10.37                  |

\*Asset Concentration Group Definitions (Groups are hierarchical and mutually exclusive):

Credit-card Lenders - Institutions whose credit-card loans plus securitized receivables exceed 50 percent of total assets plus securitized receivables.

International Banks - Banks with assets greater than \$10 billion and more than 25 percent of total assets in foreign offices.

Agricultural Banks - Banks whose agricultural production loans plus real estate loans secured by farmland exceed 25 percent of the total loans and leases.

Commercial Lenders - Institutions whose commercial and industrial loans, plus real estate construction and development loans, plus loans secured by commercial real estate properties exceed 25 percent of total assets.

Mortgage Lenders - Institutions whose residential mortgage loans, plus mortgage-backed securities, exceed 50 percent of total assets.

Consumer Lenders - Institutions whose residential mortgage loans, plus credit-card loans, plus other loans to individuals, exceed 50 percent of total assets.

Other Specialized < \$1 Billion - Institutions with assets less than \$1 billion, whose loans and leases are less than 40 percent of total assets.

All Other < \$1 billion - Institutions with assets less than \$1 billion that do not meet any of the definitions above, they have significant lending activity with no identified asset concentrations.

All Other > \$1 billion - Institutions with assets greater than \$1 billion that do not meet any of the definitions above, they have significant lending activity with no identified asset concentrations.

**TABLE IV-A. Full-Year 2006, All FDIC-Insured Institutions**

|                                                        | All Insured Institutions | Asset Size Distribution |                              |                             |                           | Geographic Regions* |           |           |             |         |               |           |
|--------------------------------------------------------|--------------------------|-------------------------|------------------------------|-----------------------------|---------------------------|---------------------|-----------|-----------|-------------|---------|---------------|-----------|
|                                                        |                          | Less than \$100 Million | \$100 Million to \$1 Billion | \$1 Billion to \$10 Billion | Greater than \$10 Billion | New York            | Atlanta   | Chicago   | Kansas City | Dallas  | San Francisco |           |
| Number of institutions reporting .....                 | 8,681                    | 3,633                   | 4,399                        | 530                         | 119                       | 1,093               | 1,218     | 1,826     | 2,018       | 1,753   | 773           |           |
| Commercial banks .....                                 | 7,402                    | 3,246                   | 3,662                        | 406                         | 88                        | 575                 | 1,074     | 1,567     | 1,914       | 1,629   | 703           |           |
| Savings institutions .....                             | 1,279                    | 387                     | 737                          | 124                         | 31                        | 518                 | 144       | 319       | 104         | 124     | 70            |           |
| Total assets (in billions) .....                       | \$11,860.3               | \$189.9                 | \$1,290.0                    | \$1,397.7                   | \$8,982.7                 | \$2,214.5           | \$2,911.4 | \$2,746.2 | \$859.8     | \$652.3 | \$2,476.1     |           |
| Commercial banks .....                                 | 10,090.4                 | 170.4                   | 1,039.6                      | 1,076.4                     | 7,804.1                   | 1,575.7             | 2,749.9   | 2,593.9   | 822.8       | 547.1   | 1,800.9       |           |
| Savings institutions .....                             | 1,769.9                  | 19.6                    | 250.4                        | 321.3                       | 1,178.6                   | 638.8               | 161.4     | 152.3     | 37.0        | 105.1   | 675.2         |           |
| Total deposits (in billions) .....                     | 7,825.2                  | 155.9                   | 1,035.6                      | 992.4                       | 5,641.3                   | 1,395.9             | 1,966.9   | 1,746.9   | 627.5       | 494.3   | 1,593.7       |           |
| Commercial banks .....                                 | 6,731.4                  | 141.0                   | 847.5                        | 767.6                       | 4,975.3                   | 972.8               | 1,859.9   | 1,639.0   | 602.8       | 429.9   | 1,226.9       |           |
| Savings institutions .....                             | 1,093.8                  | 14.9                    | 188.1                        | 224.8                       | 666.0                     | 423.0               | 107.0     | 107.8     | 24.7        | 64.5    | 366.8         |           |
| Net income (in millions) .....                         | 145,391                  | 1,694                   | 14,492                       | 16,287                      | 112,919                   | 27,447              | 36,194    | 29,212    | 14,741      | 7,669   | 30,129        |           |
| Commercial banks .....                                 | 128,365                  | 1,546                   | 12,277                       | 13,726                      | 100,816                   | 21,975              | 34,881    | 28,029    | 14,444      | 6,530   | 22,506        |           |
| Savings institutions .....                             | 17,026                   | 148                     | 2,214                        | 2,561                       | 12,103                    | 5,471               | 1,313     | 1,182     | 297         | 1,139   | 7,623         |           |
| Performance Ratios (%)                                 |                          |                         |                              |                             |                           |                     |           |           |             |         |               |           |
| Yield on earning assets .....                          | 6.45                     | 6.62                    | 6.91                         | 6.73                        | 6.33                      | 6.50                | 6.46      | 5.97      | 7.50        | 6.75    | 6.51          |           |
| Cost of funding earning assets .....                   | 3.14                     | 2.51                    | 2.88                         | 3.05                        | 3.21                      | 3.14                | 3.19      | 3.20      | 2.92        | 2.82    | 3.18          |           |
| Net interest margin .....                              | 3.31                     | 4.11                    | 4.02                         | 3.69                        | 3.12                      | 3.35                | 3.26      | 2.76      | 4.58        | 3.93    | 3.33          |           |
| Noninterest income to assets .....                     | 2.12                     | 1.18                    | 1.24                         | 1.40                        | 2.38                      | 2.41                | 1.90      | 2.11      | 3.26        | 1.42    | 1.88          |           |
| Noninterest expense to assets .....                    | 2.93                     | 3.62                    | 3.20                         | 2.78                        | 2.89                      | 3.06                | 2.63      | 2.77      | 4.23        | 3.19    | 2.79          |           |
| Loan and lease loss provision to assets .....          | 0.26                     | 0.18                    | 0.18                         | 0.18                        | 0.28                      | 0.46                | 0.13      | 0.17      | 0.37        | 0.15    | 0.33          |           |
| Net operating income to assets .....                   | 1.25                     | 0.91                    | 1.15                         | 1.22                        | 1.27                      | 1.21                | 1.32      | 1.09      | 1.76        | 1.20    | 1.20          |           |
| Pretax return on assets .....                          | 1.88                     | 1.18                    | 1.58                         | 1.80                        | 1.95                      | 1.88                | 1.96      | 1.59      | 2.62        | 1.63    | 1.92          |           |
| Return on assets .....                                 | 1.28                     | 0.92                    | 1.16                         | 1.22                        | 1.31                      | 1.27                | 1.31      | 1.10      | 1.77        | 1.23    | 1.30          |           |
| Return on equity .....                                 | 12.31                    | 7.04                    | 11.27                        | 11.44                       | 12.75                     | 10.45               | 13.27     | 12.16     | 16.29       | 12.05   | 12.00         |           |
| Net charge-offs to loans and leases .....              | 0.39                     | 0.18                    | 0.16                         | 0.20                        | 0.46                      | 0.72                | 0.19      | 0.28      | 0.55        | 0.21    | 0.42          |           |
| Loan and lease loss provision to net charge-offs ..... | 109.84                   | 163.60                  | 166.21                       | 135.23                      | 104.15                    | 111.71              | 108.89    | 110.55    | 95.93       | 110.96  | 114.01        |           |
| Efficiency ratio .....                                 | 56.82                    | 72.66                   | 63.62                        | 57.16                       | 55.48                     | 54.65               | 54.55     | 60.00     | 57.23       | 63.70   | 56.18         |           |
| % of unprofitable institutions .....                   | 7.83                     | 13.60                   | 3.96                         | 2.08                        | 0.84                      | 11.07               | 11.82     | 6.68      | 4.61        | 5.31    | 13.84         |           |
| % of institutions with earnings gains .....            | 55.52                    | 50.59                   | 58.60                        | 62.45                       | 61.34                     | 40.53               | 66.34     | 43.87     | 52.97       | 65.89   | 70.38         |           |
| Condition Ratios (%)                                   |                          |                         |                              |                             |                           |                     |           |           |             |         |               |           |
| Earning assets to total assets .....                   | 87.15                    | 91.82                   | 91.85                        | 90.66                       | 85.83                     | 86.53               | 86.72     | 86.52     | 85.96       | 89.37   | 88.74         |           |
| Loss Allowance to:                                     |                          |                         |                              |                             |                           |                     |           |           |             |         |               |           |
| Loans and leases .....                                 | 1.07                     | 1.31                    | 1.16                         | 1.16                        | 1.04                      | 1.41                | 0.89      | 1.15      | 1.16        | 1.11    | 0.90          |           |
| Noncurrent loans and leases .....                      | 137.24                   | 137.82                  | 163.44                       | 170.67                      | 128.28                    | 163.72              | 190.09    | 125.88    | 88.95       | 134.99  | 121.70        |           |
| Noncurrent assets plus                                 |                          |                         |                              |                             |                           |                     |           |           |             |         |               |           |
| other real estate owned to assets .....                | 0.53                     | 0.73                    | 0.59                         | 0.52                        | 0.52                      | 0.51                | 0.33      | 0.57      | 1.05        | 0.62    | 0.53          |           |
| Equity capital ratio .....                             | 10.52                    | 13.01                   | 10.39                        | 10.98                       | 10.42                     | 12.49               | 10.05     | 9.07      | 10.64       | 10.42   | 10.92         |           |
| Core capital (leverage) ratio .....                    | 8.23                     | 12.99                   | 9.99                         | 9.37                        | 7.69                      | 8.99                | 7.49      | 7.24      | 8.76        | 8.69    | 9.23          |           |
| Tier 1 risk-based capital ratio .....                  | 10.52                    | 19.20                   | 13.49                        | 12.27                       | 9.68                      | 12.31               | 9.36      | 8.99      | 10.09       | 11.99   | 12.05         |           |
| Total risk-based capital ratio .....                   | 12.98                    | 20.27                   | 14.62                        | 13.56                       | 12.53                     | 14.38               | 11.67     | 11.79     | 12.81       | 13.29   | 14.82         |           |
| Net loans and leases to deposits .....                 | 91.44                    | 75.29                   | 85.42                        | 94.39                       | 92.48                     | 89.41               | 91.41     | 85.25     | 96.75       | 80.88   | 101.24        |           |
| Net loans to total assets .....                        | 60.33                    | 61.80                   | 68.57                        | 67.02                       | 58.08                     | 56.36               | 61.75     | 54.23     | 70.61       | 61.30   | 65.16         |           |
| Domestic deposits to total assets .....                | 55.91                    | 82.07                   | 80.18                        | 70.39                       | 49.62                     | 55.71               | 59.88     | 52.99     | 68.42       | 74.99   | 45.29         |           |
| Structural Changes                                     |                          |                         |                              |                             |                           |                     |           |           |             |         |               |           |
| New Charters .....                                     | 191                      | 183                     | 4                            | 4                           | 0                         | 22                  | 70        | 17        | 12          | 19      | 51            |           |
| Institutions absorbed by mergers .....                 | 342                      | 135                     | 165                          | 31                          | 11                        | 37                  | 78        | 70        | 71          | 48      | 38            |           |
| Failed Institutions .....                              | 0                        | 0                       | 0                            | 0                           | 0                         | 0                   | 0         | 0         | 0           | 0       | 0             |           |
| PRIOR FULL YEARS<br>(The way it was...)                |                          |                         |                              |                             |                           |                     |           |           |             |         |               |           |
| Number of institutions .....                           | 2005                     | 8,833                   | 3,864                        | 4,339                       | 512                       | 1,110               | 1,227     | 1,874     | 2,070       | 1,791   | 761           |           |
| .....                                                  | 2003                     | 9,181                   | 4,390                        | 4,210                       | 471                       | 1,173               | 1,227     | 2,011     | 2,133       | 1,866   | 771           |           |
| .....                                                  | 2001                     | 9,614                   | 5,063                        | 4,006                       | 444                       | 1,263               | 1,273     | 2,108     | 2,216       | 1,955   | 799           |           |
| Total assets (in billions) .....                       | 2005                     | \$10,878.2              | \$200.8                      | \$1,247.5                   | \$1,393.2                 | \$8,036.7           | \$2,768.2 | \$2,683.9 | \$2,505.8   | \$803.6 | \$607.7       | \$1,508.9 |
| .....                                                  | 2003                     | 9,075.3                 | 225.7                        | 1,160.5                     | 1,312.6                   | 6,376.5             | 3,084.8   | 1,882.6   | 1,693.8     | 456.3   | 563.3         | 1,394.3   |
| .....                                                  | 2001                     | 7,869.1                 | 251.2                        | 1,070.7                     | 1,272.5                   | 5,274.7             | 2,703.4   | 1,586.7   | 1,492.9     | 406.4   | 543.3         | 1,136.4   |
| Return on assets (%) .....                             | 2005                     | 1.30                    | 1.00                         | 1.24                        | 1.29                      | 1.31                | 1.22      | 1.42      | 1.00        | 1.62    | 1.19          | 1.60      |
| .....                                                  | 2003                     | 1.38                    | 0.95                         | 1.18                        | 1.41                      | 1.43                | 1.28      | 1.38      | 1.31        | 1.63    | 1.37          | 1.62      |
| .....                                                  | 2001                     | 1.14                    | 0.85                         | 1.08                        | 1.26                      | 1.14                | 1.01      | 1.11      | 1.07        | 1.42    | 1.25          | 1.46      |
| Net charge-offs to loans & leases (%) .....            | 2005                     | 0.50                    | 0.20                         | 0.19                        | 0.24                      | 0.61                | 0.81      | 0.24      | 0.33        | 0.56    | 0.24          | 0.70      |
| .....                                                  | 2003                     | 0.78                    | 0.31                         | 0.36                        | 0.54                      | 0.94                | 1.16      | 0.54      | 0.72        | 1.09    | 0.40          | 0.58      |
| .....                                                  | 2001                     | 0.83                    | 0.33                         | 0.35                        | 0.83                      | 0.96                | 1.02      | 0.75      | 0.79        | 0.80    | 0.43          | 0.80      |
| Noncurrent assets plus                                 |                          |                         |                              |                             |                           |                     |           |           |             |         |               |           |
| OREO to assets (%) .....                               | 2005                     | 0.50                    | 0.68                         | 0.52                        | 0.44                      | 0.50                | 0.44      | 0.30      | 0.54        | 0.86    | 0.73          | 0.59      |
| .....                                                  | 2003                     | 0.75                    | 0.83                         | 0.69                        | 0.62                      | 0.78                | 0.78      | 0.56      | 0.86        | 0.84    | 0.76          | 0.76      |
| .....                                                  | 2001                     | 0.87                    | 0.81                         | 0.70                        | 0.72                      | 0.95                | 0.89      | 0.86      | 0.99        | 0.77    | 0.79          | 0.76      |
| Equity capital ratio (%) .....                         | 2005                     | 10.28                   | 12.16                        | 10.21                       | 10.68                     | 10.18               | 10.54     | 9.80      | 9.23        | 10.45   | 10.17         | 12.40     |
| .....                                                  | 2003                     | 9.15                    | 11.49                        | 10.05                       | 10.35                     | 8.66                | 9.05      | 8.78      | 8.49        | 10.59   | 9.60          | 10.05     |
| .....                                                  | 2001                     | 8.98                    | 11.08                        | 9.85                        | 9.49                      | 8.58                | 8.77      | 9.62      | 8.47        | 8.93    | 9.38          | 9.12      |

**\* Regions:**

New York - Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico  
Rhode Island, Vermont, U.S. Virgin Islands  
Atlanta - Alabama, Florida, Georgia, North Carolina, South Carolina, Virginia, West Virginia  
Chicago - Illinois, Indiana, Kentucky, Michigan, Ohio, Wisconsin  
Kansas City - Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota  
Dallas - Arkansas, Colorado, Louisiana, Mississippi, New Mexico, Oklahoma, Tennessee, Texas  
San Francisco - Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Pacific Islands, Utah, Washington, Wyoming

**TABLE V-A. Loan Performance, All FDIC-Insured Institutions**

| March 31, 2007                                    | All Insured Institutions | Asset Concentration Groups* |                     |                    |                    |                  |                  |                                |                        |                        |
|---------------------------------------------------|--------------------------|-----------------------------|---------------------|--------------------|--------------------|------------------|------------------|--------------------------------|------------------------|------------------------|
|                                                   |                          | Credit Card Banks           | International Banks | Agricultural Banks | Commercial Lenders | Mortgage Lenders | Consumer Lenders | Other Specialized <\$1 Billion | All Other <\$1 Billion | All Other >\$1 Billion |
| Percent of Loans 30-89 Days Past Due              |                          |                             |                     |                    |                    |                  |                  |                                |                        |                        |
| All loans secured by real estate .....            | 0.96                     | 2.43                        | 1.39                | 1.36               | 0.89               | 1.02             | 0.63             | 1.21                           | 1.45                   | 0.80                   |
| Construction and development .....                | 1.08                     | 0.00                        | 2.50                | 2.08               | 1.05               | 1.49             | 0.82             | 1.16                           | 1.30                   | 0.85                   |
| Nonfarm nonresidential .....                      | 0.58                     | 0.00                        | 0.99                | 1.14               | 0.60               | 0.42             | 0.72             | 1.17                           | 1.19                   | 0.33                   |
| Multifamily residential real estate .....         | 0.49                     | 0.00                        | 0.31                | 0.78               | 0.66               | 0.16             | 0.00             | 1.23                           | 0.65                   | 0.28                   |
| Home equity loans .....                           | 0.69                     | 2.48                        | 0.73                | 0.66               | 0.59               | 0.83             | 0.36             | 0.57                           | 0.64                   | 0.73                   |
| Other 1-4 family residential .....                | 1.21                     | 2.39                        | 1.69                | 1.74               | 1.20               | 1.12             | 0.79             | 1.29                           | 1.67                   | 1.00                   |
| Commercial and industrial loans .....             | 0.63                     | 2.57                        | 0.42                | 1.70               | 0.67               | 0.72             | 1.26             | 2.01                           | 1.58                   | 0.44                   |
| Loans to individuals .....                        | 1.62                     | 1.96                        | 1.78                | 1.97               | 1.35               | 1.03             | 1.43             | 1.87                           | 2.07                   | 1.52                   |
| Credit card loans .....                           | 1.91                     | 1.99                        | 1.88                | 1.13               | 1.87               | 1.49             | 1.42             | 2.75                           | 1.17                   | 1.83                   |
| Other loans to individuals .....                  | 1.44                     | 1.74                        | 1.74                | 2.02               | 1.27               | 0.80             | 1.43             | 1.75                           | 2.10                   | 1.46                   |
| All other loans and leases (including farm) ..... | 0.64                     | 0.07                        | 0.80                | 1.31               | 0.75               | 0.63             | 0.12             | 0.73                           | 0.80                   | 0.31                   |
| Total loans and leases .....                      | 0.97                     | 1.84                        | 1.13                | 1.44               | 0.87               | 1.01             | 1.14             | 1.38                           | 1.50                   | 0.77                   |
| Percent of Loans Noncurrent**                     |                          |                             |                     |                    |                    |                  |                  |                                |                        |                        |
| All real estate loans .....                       | 0.89                     | 2.08                        | 1.10                | 1.04               | 0.83               | 0.85             | 0.35             | 0.63                           | 0.87                   | 1.00                   |
| Construction and development .....                | 0.95                     | 0.00                        | 1.03                | 1.93               | 0.91               | 1.38             | 0.91             | 0.76                           | 1.40                   | 1.01                   |
| Nonfarm nonresidential .....                      | 0.62                     | 0.00                        | 0.63                | 1.31               | 0.61               | 0.70             | 0.54             | 0.68                           | 1.17                   | 0.48                   |
| Multifamily residential real estate .....         | 0.60                     | 0.00                        | 0.36                | 0.61               | 0.79               | 0.25             | 0.11             | 1.54                           | 1.45                   | 0.37                   |
| Home equity loans .....                           | 0.44                     | 2.00                        | 0.36                | 0.37               | 0.39               | 0.62             | 0.05             | 0.09                           | 0.35                   | 0.45                   |
| Other 1-4 family residential .....                | 1.13                     | 2.21                        | 1.35                | 0.87               | 1.14               | 0.91             | 0.50             | 0.57                           | 0.72                   | 1.41                   |
| Commercial and industrial loans .....             | 0.62                     | 1.97                        | 0.41                | 1.60               | 0.64               | 0.73             | 1.06             | 1.19                           | 1.20                   | 0.54                   |
| Loans to individuals .....                        | 1.17                     | 1.99                        | 1.56                | 0.70               | 0.65               | 0.56             | 0.81             | 0.49                           | 0.60                   | 0.60                   |
| Credit card loans .....                           | 1.93                     | 2.07                        | 1.99                | 1.06               | 1.65               | 1.27             | 1.30             | 1.03                           | 1.04                   | 1.70                   |
| Other loans to individuals .....                  | 0.71                     | 1.41                        | 1.38                | 0.68               | 0.51               | 0.21             | 0.65             | 0.42                           | 0.59                   | 0.38                   |
| All other loans and leases (including farm) ..... | 0.23                     | 0.02                        | 0.15                | 0.77               | 0.33               | 0.28             | 0.05             | 0.40                           | 0.58                   | 0.14                   |
| Total loans and leases .....                      | 0.83                     | 1.82                        | 0.86                | 1.04               | 0.75               | 0.84             | 0.68             | 0.66                           | 0.85                   | 0.77                   |
| Percent of Loans Charged-off (net, YTD)           |                          |                             |                     |                    |                    |                  |                  |                                |                        |                        |
| All real estate loans .....                       | 0.10                     | 1.57                        | 0.21                | 0.04               | 0.09               | 0.09             | 0.14             | 0.03                           | 0.05                   | 0.08                   |
| Construction and development .....                | 0.07                     | 0.00                        | 0.00                | 0.12               | 0.08               | 0.10             | 0.27             | -0.01                          | 0.08                   | 0.03                   |
| Nonfarm nonresidential .....                      | 0.04                     | 0.00                        | 0.05                | 0.07               | 0.04               | 0.01             | 0.01             | 0.03                           | 0.05                   | 0.01                   |
| Multifamily residential real estate .....         | 0.02                     | 0.00                        | 0.00                | 0.00               | 0.03               | 0.00             | 0.00             | 0.00                           | 0.05                   | 0.06                   |
| Home equity loans .....                           | 0.24                     | 1.95                        | 0.26                | 0.10               | 0.22               | 0.28             | 0.13             | 0.63                           | 0.08                   | 0.22                   |
| Other 1-4 family residential .....                | 0.10                     | 0.86                        | 0.22                | 0.07               | 0.13               | 0.07             | 0.16             | 0.02                           | 0.05                   | 0.05                   |
| Commercial and industrial loans .....             | 0.35                     | 3.96                        | 0.07                | 0.48               | 0.29               | 0.28             | 3.11             | 0.27                           | 0.30                   | 0.33                   |
| Loans to individuals .....                        | 2.43                     | 4.17                        | 2.66                | 0.59               | 1.18               | 2.72             | 1.87             | 0.51                           | 0.53                   | 1.53                   |
| Credit card loans .....                           | 4.07                     | 4.23                        | 3.14                | 3.15               | 3.56               | 6.54             | 3.62             | 2.35                           | 3.94                   | 3.75                   |
| Other loans to individuals .....                  | 1.38                     | 3.68                        | 2.45                | 0.43               | 0.83               | 0.54             | 1.27             | 0.26                           | 0.43                   | 1.07                   |
| All other loans and leases (including farm) ..... | 0.12                     | 0.00                        | -0.02               | 0.00               | 0.25               | 0.30             | 0.32             | 0.43                           | 0.00                   | 0.15                   |
| Total loans and leases .....                      | 0.45                     | 3.86                        | 0.57                | 0.14               | 0.22               | 0.21             | 1.42             | 0.18                           | 0.15                   | 0.31                   |
| Loans Outstanding (in billions)                   |                          |                             |                     |                    |                    |                  |                  |                                |                        |                        |
| All real estate loans .....                       | \$4,536.0                | \$2.3                       | \$446.4             | \$55.1             | \$2,227.2          | \$958.8          | \$24.4           | \$6.3                          | \$47.6                 | \$767.9                |
| Construction and development .....                | 582.1                    | 0.0                         | 8.3                 | 5.1                | 485.5              | 26.0             | 0.6              | 0.5                            | 3.2                    | 52.8                   |
| Nonfarm nonresidential .....                      | 921.2                    | 0.0                         | 24.0                | 14.7               | 702.1              | 44.0             | 2.1              | 1.8                            | 11.4                   | 121.2                  |
| Multifamily residential real estate .....         | 192.0                    | 0.0                         | 11.2                | 1.0                | 115.7              | 47.4             | 0.2              | 0.1                            | 0.8                    | 15.5                   |
| Home equity loans .....                           | 556.7                    | 1.3                         | 88.0                | 0.9                | 201.3              | 94.1             | 8.6              | 0.2                            | 1.7                    | 160.6                  |
| Other 1-4 family residential .....                | 2,169.3                  | 1.0                         | 269.0               | 14.7               | 687.0              | 746.8            | 12.8             | 3.5                            | 27.3                   | 407.3                  |
| Commercial and industrial loans .....             | 1,250.2                  | 24.5                        | 249.3               | 14.1               | 673.9              | 26.3             | 7.2              | 1.3                            | 6.9                    | 246.7                  |
| Loans to individuals .....                        | 945.4                    | 243.9                       | 184.9               | 6.4                | 243.6              | 49.6             | 45.0             | 1.7                            | 8.1                    | 162.1                  |
| Credit card loans .....                           | 354.2                    | 215.5                       | 53.3                | 0.4                | 30.5               | 16.5             | 10.9             | 0.2                            | 0.2                    | 26.6                   |
| Other loans to individuals .....                  | 591.2                    | 28.5                        | 131.5               | 6.0                | 213.1              | 33.1             | 34.0             | 1.5                            | 7.9                    | 135.5                  |
| All other loans and leases (including farm) ..... | 547.8                    | 26.8                        | 175.4               | 23.2               | 171.9              | 5.1              | 1.0              | 0.9                            | 4.3                    | 139.2                  |
| Total loans and leases .....                      | 7,279.3                  | 297.6                       | 1,056.0             | 98.7               | 3,316.5            | 1,039.8          | 77.5             | 10.2                           | 66.9                   | 1,315.9                |
| Memo: Other Real Estate Owned (in millions)       |                          |                             |                     |                    |                    |                  |                  |                                |                        |                        |
| All other real estate owned .....                 | 6,961.1                  | -6.4                        | 698.1               | 145.0              | 3,710.2            | 1,345.8          | 21.5             | 13.7                           | 132.0                  | 901.1                  |
| Construction and development .....                | 688.1                    | 0.0                         | 1.0                 | 15.9               | 574.6              | 61.7             | 0.4              | 0.5                            | 16.3                   | 17.8                   |
| Nonfarm nonresidential .....                      | 1,188.3                  | 0.1                         | 6.0                 | 53.5               | 953.3              | 59.9             | 6.6              | 8.4                            | 54.3                   | 46.3                   |
| Multifamily residential real estate .....         | 367.6                    | 0.0                         | 2.0                 | 5.2                | 330.9              | 8.8              | 0.2              | 0.0                            | 5.8                    | 14.7                   |
| 1-4 family residential .....                      | 3,590.8                  | 1.0                         | 256.1               | 42.5               | 1,595.1            | 1,186.5          | 14.3             | 4.2                            | 53.0                   | 438.1                  |
| Farmland .....                                    | 66.8                     | 0.0                         | 0.0                 | 27.6               | 33.0               | 0.0              | 0.2              | 0.6                            | 2.6                    | 2.6                    |

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

\*\* Noncurrent loan rates represent the percentage of loans in each category that are past due 90 days or more or that are in nonaccrual status.

**TABLE V-A. Loan Performance, All FDIC-Insured Institutions**

| March 31, 2007                                    | All Insured Institutions | Asset Size Distribution |                              |                             |                           | Geographic Regions* |           |         |             |         |               |
|---------------------------------------------------|--------------------------|-------------------------|------------------------------|-----------------------------|---------------------------|---------------------|-----------|---------|-------------|---------|---------------|
|                                                   |                          | Less than \$100 Million | \$100 Million to \$1 Billion | \$1 Billion to \$10 Billion | Greater than \$10 Billion | New York            | Atlanta   | Chicago | Kansas City | Dallas  | San Francisco |
| Percent of Loans 30-89 Days Past Due              |                          |                         |                              |                             |                           |                     |           |         |             |         |               |
| All loans secured by real estate .....            | 0.96                     | 1.43                    | 1.02                         | 0.76                        | 0.99                      | 0.75                | 0.84      | 1.17    | 0.94        | 1.08    | 1.07          |
| Construction and development .....                | 1.08                     | 1.08                    | 1.20                         | 1.03                        | 1.05                      | 0.95                | 0.76      | 1.74    | 1.17        | 0.93    | 1.05          |
| Nonfarm nonresidential .....                      | 0.58                     | 1.13                    | 0.81                         | 0.52                        | 0.47                      | 0.67                | 0.40      | 0.81    | 0.65        | 0.73    | 0.35          |
| Multifamily residential real estate .....         | 0.49                     | 0.97                    | 0.74                         | 0.87                        | 0.29                      | 0.27                | 0.59      | 1.48    | 0.46        | 0.64    | 0.18          |
| Home equity loans .....                           | 0.69                     | 0.90                    | 0.70                         | 0.61                        | 0.70                      | 0.59                | 0.72      | 0.68    | 0.77        | 0.52    | 0.69          |
| Other 1-4 family residential .....                | 1.21                     | 1.87                    | 1.20                         | 0.82                        | 1.25                      | 0.82                | 1.09      | 1.38    | 1.18        | 1.73    | 1.42          |
| Commercial and industrial loans .....             | 0.63                     | 1.63                    | 1.12                         | 0.86                        | 0.52                      | 0.88                | 0.43      | 0.71    | 0.94        | 0.85    | 0.43          |
| Loans to individuals .....                        | 1.62                     | 2.31                    | 1.58                         | 1.56                        | 1.62                      | 1.84                | 1.29      | 1.44    | 2.06        | 1.38    | 1.61          |
| Credit card loans .....                           | 1.91                     | 1.68                    | 2.43                         | 1.71                        | 1.92                      | 2.02                | 1.94      | 1.81    | 1.85        | 1.14    | 1.84          |
| Other loans to individuals .....                  | 1.44                     | 2.32                    | 1.49                         | 1.49                        | 1.42                      | 1.55                | 1.19      | 1.32    | 2.23        | 1.43    | 1.48          |
| All other loans and leases (including farm) ..... | 0.64                     | 1.28                    | 0.91                         | 0.68                        | 0.60                      | 0.67                | 0.50      | 0.67    | 0.52        | 0.91    | 0.80          |
| Total loans and leases .....                      | 0.97                     | 1.51                    | 1.06                         | 0.83                        | 0.97                      | 0.98                | 0.79      | 1.06    | 1.06        | 1.06    | 1.02          |
| Percent of Loans Noncurrent**                     |                          |                         |                              |                             |                           |                     |           |         |             |         |               |
| All real estate loans .....                       | 0.89                     | 0.99                    | 0.79                         | 0.76                        | 0.94                      | 0.73                | 0.56      | 1.24    | 1.69        | 0.91    | 0.84          |
| Construction and development .....                | 0.95                     | 1.19                    | 1.12                         | 0.96                        | 0.86                      | 1.48                | 0.68      | 1.31    | 1.13        | 0.68    | 0.82          |
| Nonfarm nonresidential .....                      | 0.62                     | 1.07                    | 0.74                         | 0.62                        | 0.53                      | 0.72                | 0.39      | 0.95    | 0.69        | 0.61    | 0.40          |
| Multifamily residential real estate .....         | 0.60                     | 1.08                    | 0.63                         | 0.88                        | 0.49                      | 0.24                | 0.43      | 1.73    | 0.39        | 1.23    | 0.40          |
| Home equity loans .....                           | 0.44                     | 0.39                    | 0.39                         | 0.46                        | 0.44                      | 0.36                | 0.41      | 0.48    | 0.52        | 0.23    | 0.47          |
| Other 1-4 family residential .....                | 1.13                     | 0.96                    | 0.73                         | 0.81                        | 1.23                      | 0.71                | 0.63      | 1.68    | 3.41        | 1.54    | 1.01          |
| Commercial and industrial loans .....             | 0.62                     | 1.32                    | 1.00                         | 0.80                        | 0.53                      | 0.97                | 0.40      | 0.64    | 0.81        | 0.77    | 0.49          |
| Loans to individuals .....                        | 1.17                     | 0.87                    | 0.62                         | 0.65                        | 1.25                      | 1.66                | 0.63      | 0.76    | 1.16        | 0.48    | 1.46          |
| Credit card loans .....                           | 1.93                     | 0.91                    | 2.13                         | 1.36                        | 1.97                      | 2.26                | 1.69      | 1.65    | 1.52        | 0.93    | 1.79          |
| Other loans to individuals .....                  | 0.71                     | 0.87                    | 0.47                         | 0.37                        | 0.77                      | 0.63                | 0.48      | 0.48    | 0.85        | 0.39    | 1.26          |
| All other loans and leases (including farm) ..... | 0.23                     | 0.76                    | 0.55                         | 0.39                        | 0.18                      | 0.12                | 0.14      | 0.26    | 0.28        | 0.70    | 0.27          |
| Total loans and leases .....                      | 0.83                     | 1.00                    | 0.80                         | 0.75                        | 0.85                      | 0.91                | 0.51      | 0.97    | 1.31        | 0.84    | 0.83          |
| Percent of Loans Charged-off (net, YTD)           |                          |                         |                              |                             |                           |                     |           |         |             |         |               |
| All real estate loans .....                       | 0.10                     | 0.06                    | 0.04                         | 0.05                        | 0.12                      | 0.05                | 0.06      | 0.19    | 0.12        | 0.07    | 0.10          |
| Construction and development .....                | 0.07                     | 0.11                    | 0.06                         | 0.08                        | 0.08                      | 0.09                | 0.07      | 0.11    | 0.08        | 0.08    | 0.01          |
| Nonfarm nonresidential .....                      | 0.04                     | 0.05                    | 0.03                         | 0.00                        | 0.06                      | 0.03                | 0.03      | 0.10    | -0.01       | 0.04    | 0.00          |
| Multifamily residential real estate .....         | 0.02                     | 0.03                    | 0.05                         | 0.06                        | 0.01                      | 0.00                | -0.05     | 0.16    | 0.00        | 0.01    | 0.01          |
| Home equity loans .....                           | 0.24                     | 0.06                    | 0.07                         | 0.19                        | 0.26                      | 0.13                | 0.17      | 0.29    | 0.36        | 0.21    | 0.27          |
| Other 1-4 family residential .....                | 0.10                     | 0.08                    | 0.05                         | 0.06                        | 0.12                      | 0.05                | 0.05      | 0.24    | 0.12        | 0.06    | 0.12          |
| Commercial and industrial loans .....             | 0.35                     | 0.43                    | 0.29                         | 0.38                        | 0.35                      | 0.65                | 0.23      | 0.21    | 0.75        | 0.21    | 0.32          |
| Loans to individuals .....                        | 2.43                     | 0.44                    | 0.94                         | 1.82                        | 2.60                      | 3.30                | 1.31      | 1.30    | 2.77        | 1.01    | 3.21          |
| Credit card loans .....                           | 4.07                     | 3.93                    | 5.56                         | 3.02                        | 4.11                      | 4.28                | 4.15      | 3.27    | 4.09        | 2.65    | 4.12          |
| Other loans to individuals .....                  | 1.38                     | 0.37                    | 0.46                         | 1.35                        | 1.50                      | 1.53                | 0.83      | 0.65    | 1.52        | 0.68    | 2.65          |
| All other loans and leases (including farm) ..... | 0.12                     | 0.03                    | 0.18                         | 0.27                        | 0.11                      | 0.12                | 0.21      | 0.13    | 0.04        | 0.29    | 0.03          |
| Total loans and leases .....                      | 0.45                     | 0.14                    | 0.13                         | 0.25                        | 0.55                      | 0.81                | 0.22      | 0.31    | 0.62        | 0.19    | 0.55          |
| Loans Outstanding (in billions)                   |                          |                         |                              |                             |                           |                     |           |         |             |         |               |
| All real estate loans .....                       | \$4,536.0                | \$79.3                  | \$696.5                      | \$720.6                     | \$3,039.7                 | \$756.1             | \$1,237.4 | \$870.5 | \$356.1     | \$280.5 | \$1,035.4     |
| Construction and development .....                | 582.1                    | 10.7                    | 140.5                        | 154.0                       | 276.9                     | 61.1                | 190.6     | 119.8   | 47.1        | 74.0    | 89.6          |
| Nonfarm nonresidential .....                      | 921.2                    | 22.1                    | 237.1                        | 221.3                       | 440.7                     | 174.6               | 243.2     | 195.4   | 82.8        | 85.6    | 139.7         |
| Multifamily residential real estate .....         | 192.0                    | 1.8                     | 27.1                         | 40.9                        | 122.2                     | 50.0                | 22.8      | 30.6    | 8.7         | 6.3     | 73.5          |
| Home equity loans .....                           | 556.7                    | 2.6                     | 33.1                         | 44.3                        | 476.7                     | 53.1                | 175.6     | 152.1   | 71.5        | 19.0    | 85.5          |
| Other 1-4 family residential .....                | 2,169.3                  | 32.6                    | 233.4                        | 247.9                       | 1,655.4                   | 413.5               | 587.5     | 356.4   | 128.8       | 86.4    | 596.7         |
| Commercial and industrial loans .....             | 1,250.2                  | 17.3                    | 119.2                        | 145.0                       | 968.7                     | 178.3               | 293.2     | 329.3   | 105.5       | 73.0    | 270.9         |
| Loans to individuals .....                        | 945.4                    | 9.5                     | 50.8                         | 75.2                        | 809.9                     | 253.7               | 168.2     | 168.2   | 92.4        | 40.2    | 222.7         |
| Credit card loans .....                           | 354.2                    | 0.2                     | 4.7                          | 21.4                        | 328.0                     | 159.6               | 21.2      | 40.7    | 43.1        | 6.6     | 83.0          |
| Other loans to individuals .....                  | 591.2                    | 9.3                     | 46.1                         | 53.8                        | 482.0                     | 94.1                | 147.1     | 127.5   | 49.3        | 33.6    | 139.7         |
| All other loans and leases (including farm) ..... | 547.8                    | 12.4                    | 33.5                         | 33.2                        | 468.7                     | 80.3                | 131.0     | 139.4   | 69.6        | 16.6    | 110.9         |
| Total loans and leases .....                      | 7,279.3                  | 118.5                   | 899.9                        | 973.9                       | 5,287.0                   | 1,268.3             | 1,829.9   | 1,507.3 | 623.5       | 410.3   | 1,640.0       |
| Memo: Other Real Estate Owned (in millions)       |                          |                         |                              |                             |                           |                     |           |         |             |         |               |
| All other real estate owned .....                 | 6,961.1                  | 267.5                   | 1,472.4                      | 834.6                       | 4,386.6                   | 506.3               | 1,390.5   | 2,003.9 | 1,129.7     | 760.8   | 1,169.7       |
| Construction and development .....                | 688.1                    | 34.9                    | 337.6                        | 192.9                       | 122.8                     | 41.9                | 224.6     | 114.6   | 108.9       | 170.6   | 27.5          |
| Nonfarm nonresidential .....                      | 1,188.3                  | 100.9                   | 548.9                        | 227.3                       | 311.2                     | 108.5               | 278.4     | 293.6   | 177.0       | 270.0   | 60.8          |
| Multifamily residential real estate .....         | 367.6                    | 8.8                     | 46.6                         | 37.2                        | 275.0                     | 4.5                 | 251.0     | 61.3    | 16.0        | 25.5    | 9.4           |
| 1-4 family residential .....                      | 3,590.8                  | 111.2                   | 497.3                        | 358.7                       | 2,623.6                   | 334.3               | 607.7     | 1,035.4 | 429.7       | 236.7   | 946.9         |
| Farmland .....                                    | 66.8                     | 11.8                    | 36.0                         | 15.8                        | 3.2                       | 5.2                 | 3.0       | 5.7     | 15.6        | 35.0    | 2.2           |

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

\*\* Noncurrent loan rates represent the percentage of loans in each category that are past due 90 days or more or that are in nonaccrual status.

**TABLE VI-A. Derivatives, All FDIC-Insured Commercial Banks and State-Chartered Savings Banks**

| (dollar figures in millions;<br>notional amounts unless otherwise indicated) | 1st Quarter<br>2007 | 4th Quarter<br>2006 | 3rd Quarter<br>2006 | 2nd Quarter<br>2006 | 1st Quarter<br>2006 | %Change<br>06:1-07:1 | Asset Size Distribution    |                                    |                                   |                                 |            |
|------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------------|------------------------------------|-----------------------------------|---------------------------------|------------|
|                                                                              |                     |                     |                     |                     |                     |                      | Less than<br>\$100 Million | \$100 Million<br>to<br>\$1 Billion | \$1 Billion<br>to<br>\$10 Billion | Greater<br>than<br>\$10 Billion |            |
| ALL DERIVATIVE HOLDERS                                                       |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |            |
| Number of institutions reporting derivatives .....                           | 1,050               | 1,014               | 1,013               | 992                 | 981                 | 7.0                  | 74                         | 639                                | 252                               | 85                              |            |
| Total assets of institutions reporting derivatives .....                     | \$8,861,789         | \$8,832,645         | \$8,409,669         | \$8,276,558         | \$8,025,662         | 10.4                 | \$5,142                    | \$273,101                          | \$784,998                         | \$7,798,548                     |            |
| Total deposits of institutions reporting derivatives .....                   | 5,742,345           | 5,749,612           | 5,429,994           | 5,403,746           | 5,251,640           | 9.3                  | 4,130                      | 218,248                            | 575,849                           | 4,944,117                       |            |
| Total derivatives .....                                                      | 146,084,457         | 132,181,371         | 127,106,508         | 120,205,407         | 111,086,862         | 31.5                 | 135                        | 16,649                             | 94,115                            | 145,973,557                     |            |
| Derivative Contracts by Underlying Risk Exposure                             |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |            |
| Interest rate .....                                                          | 118,592,547         | 107,433,612         | 103,198,718         | 98,738,848          | 92,291,252          | 28.5                 | 119                        | 16,248                             | 88,600                            | 118,487,580                     |            |
| Foreign exchange* .....                                                      | 14,167,866          | 12,564,207          | 12,226,835          | 12,256,709          | 11,248,488          | 26.0                 | 0                          | 133                                | 3,850                             | 14,163,883                      |            |
| Equity .....                                                                 | 2,317,685           | 2,270,942           | 2,218,658           | 1,902,399           | 1,420,814           | 63.1                 | 15                         | 236                                | 1,006                             | 2,316,427                       |            |
| Commodity & other (excluding credit derivatives) .....                       | 840,594             | 893,310             | 1,558,264           | 738,026             | 653,859             | 28.6                 | 0                          | 3                                  | 336                               | 840,254                         |            |
| Credit .....                                                                 | 10,165,765          | 9,019,299           | 7,904,034           | 6,569,425           | 5,472,449           | 85.8                 | 0                          | 29                                 | 323                               | 10,165,413                      |            |
| Total .....                                                                  | 146,084,457         | 132,181,371         | 127,106,508         | 120,205,407         | 111,086,862         | 31.5                 | 135                        | 16,649                             | 94,115                            | 145,973,557                     |            |
| Derivative Contracts by Transaction Type                                     |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |            |
| Swaps .....                                                                  | 88,006,829          | 81,339,522          | 77,555,615          | 74,448,925          | 68,849,645          | 27.8                 | 21                         | 6,669                              | 65,910                            | 87,934,230                      |            |
| Futures & forwards .....                                                     | 15,307,229          | 14,881,672          | 14,482,742          | 13,788,776          | 13,044,998          | 17.3                 | 45                         | 2,311                              | 13,883                            | 15,290,991                      |            |
| Purchased options .....                                                      | 15,737,388          | 12,944,822          | 13,301,414          | 12,367,870          | 11,579,154          | 35.9                 | 16                         | 5,278                              | 7,620                             | 15,724,473                      |            |
| Written options .....                                                        | 15,587,925          | 13,332,188          | 12,945,812          | 12,081,029          | 11,202,378          | 39.1                 | 53                         | 2,266                              | 5,786                             | 15,579,821                      |            |
| Total .....                                                                  | 134,639,371         | 122,498,203         | 118,285,583         | 112,686,600         | 104,676,175         | 28.6                 | 135                        | 16,524                             | 93,198                            | 134,529,514                     |            |
| Fair Value of Derivative Contracts                                           |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |            |
| Interest rate contracts .....                                                | 24,440              | 23,299              | 22,719              | 21,194              | 20,308              | 20.3                 | 0                          | -1                                 | 7                                 | 24,434                          |            |
| Foreign exchange contracts .....                                             | 74,087              | 5,324               | 4,144               | 4,641               | 4,012               | NM                   | 0                          | 0                                  | -25                               | 74,113                          |            |
| Equity contracts .....                                                       | -18,823             | -17,845             | -13,526             | -9,364              | -10,632             | 77.0                 | 1                          | 9                                  | 53                                | -18,885                         |            |
| Commodity & other (excluding credit derivatives) .....                       | 22,532              | 2,658               | 2,562               | 2,806               | 2,769               | 713.7                | 0                          | 0                                  | 2                                 | 22,530                          |            |
| Credit derivatives as guarantor .....                                        | 9,033               | 31,583              | 14,671              | 7,311               | 10,228              | -11.7                | 0                          | 0                                  | 0                                 | 9,033                           |            |
| Credit derivatives as beneficiary .....                                      | -9,677              | -32,745             | -14,819             | -8,992              | -9,223              | 4.9                  | 0                          | 0                                  | 0                                 | -9,677                          |            |
| Derivative Contracts by Maturity**                                           |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |            |
| Interest rate contracts .....                                                | < 1 year            | 33,255,881          | 29,551,704          | 26,615,326          | 22,679,708          | 20,701,316           | 60.6                       | 41                                 | 3,054                             | 23,763                          | 33,229,023 |
| .....                                                                        | 1-5 years           | 33,802,007          | 31,385,572          | 30,872,307          | 31,161,579          | 29,322,655           | 15.3                       | 3                                  | 7,807                             | 26,548                          | 33,767,649 |
| .....                                                                        | > 5 years           | 24,684,519          | 23,273,615          | 22,518,236          | 22,835,007          | 21,145,459           | 16.7                       | 17                                 | 2,791                             | 30,628                          | 24,651,083 |
| Foreign exchange contracts .....                                             | < 1 year            | 8,372,499           | 7,690,210           | 6,687,566           | 7,473,995           | 6,279,115            | 33.3                       | 0                                  | 20                                | 2,652                           | 8,369,828  |
| .....                                                                        | 1-5 years           | 1,571,245           | 1,415,846           | 1,573,062           | 1,240,609           | 1,455,181            | 8.0                        | 0                                  | 9                                 | 27                              | 1,571,210  |
| .....                                                                        | > 5 years           | 624,415             | 592,897             | 767,427             | 518,618             | 721,164              | -13.4                      | 0                                  | 7                                 | 10                              | 624,398    |
| Equity contracts .....                                                       | < 1 year            | 397,234             | 341,346             | 333,262             | 334,732             | 288,762              | 37.6                       | 1                                  | 17                                | 189                             | 397,026    |
| .....                                                                        | 1-5 years           | 236,576             | 220,856             | 296,151             | 219,638             | 200,405              | 18.0                       | 7                                  | 89                                | 422                             | 236,058    |
| .....                                                                        | > 5 years           | 74,332              | 44,858              | 53,988              | 44,457              | 34,279               | 116.8                      | 0                                  | 0                                 | 43                              | 74,290     |
| Commodity & other contracts .....                                            | < 1 year            | 271,647             | 235,107             | 496,634             | 230,213             | 214,997              | 26.3                       | 0                                  | 0                                 | 192                             | 271,454    |
| .....                                                                        | 1-5 years           | 200,533             | 272,314             | 274,378             | 177,869             | 149,315              | 34.3                       | 0                                  | 3                                 | 120                             | 200,410    |
| .....                                                                        | > 5 years           | 23,955              | 21,581              | 14,486              | 10,426              | 7,324                | 227.1                      | 0                                  | 0                                 | 24                              | 23,931     |
| Risk-Based Capital: Credit Equivalent Amount                                 |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |            |
| Total current exposure to tier 1 capital (%) .....                           | 22.2                | 29.2                | 28.6                | 33.6                | 32.8                |                      | 0.3                        | 0.3                                | 1.5                               | 25.8                            |            |
| Total potential future exposure to tier 1 capital (%) .....                  | 113.1               | 97.7                | 99.0                | 90.2                | 87.7                |                      | 0.2                        | 0.3                                | 1.0                               | 132.4                           |            |
| Total exposure (credit equivalent amount) to tier 1 capital (%) .....        | 135.3               | 126.9               | 127.6               | 123.8               | 120.5               |                      | 0.5                        | 0.6                                | 2.4                               | 158.2                           |            |
| Credit losses on derivatives*** .....                                        | -2.9                | -25.1               | -19.3               | -3.3                | 3.6                 | NM                   | 0.0                        | 0.6                                | 0.2                               | -3.7                            |            |
| HELD FOR TRADING                                                             |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |            |
| Number of institutions reporting derivatives .....                           | 151                 | 147                 | 147                 | 149                 | 148                 | 2.0                  | 5                          | 40                                 | 50                                | 56                              |            |
| Total assets of institutions reporting derivatives .....                     | 7,381,546           | 7,223,466           | 6,927,469           | 6,808,697           | 6,585,433           | 12.1                 | 354                        | 17,015                             | 228,498                           | 7,135,678                       |            |
| Total deposits of institutions reporting derivatives .....                   | 4,765,635           | 4,712,044           | 4,435,577           | 4,399,031           | 4,260,458           | 11.9                 | 280                        | 13,846                             | 157,985                           | 4,593,523                       |            |
| Derivative Contracts by Underlying Risk Exposure                             |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |            |
| Interest rate .....                                                          | 115,845,677         | 104,691,811         | 100,299,894         | 96,221,190          | 89,810,085          | 29.0                 | 7                          | 200                                | 36,174                            | 115,809,296                     |            |
| Foreign exchange .....                                                       | 12,769,140          | 11,788,411          | 11,207,259          | 11,206,773          | 10,214,072          | 25.0                 | 0                          | 15                                 | 2,998                             | 12,766,127                      |            |
| Equity .....                                                                 | 2,313,326           | 2,266,778           | 2,214,881           | 1,898,493           | 1,416,918           | 63.3                 | 0                          | 5                                  | 427                               | 2,312,894                       |            |
| Commodity & other .....                                                      | 840,345             | 893,087             | 1,558,095           | 737,910             | 649,704             | 29.3                 | 0                          | 0                                  | 301                               | 840,045                         |            |
| Total .....                                                                  | 131,768,488         | 119,640,087         | 115,280,129         | 110,064,365         | 102,090,779         | 29.1                 | 7                          | 220                                | 39,899                            | 131,728,362                     |            |
| Trading Revenues: Cash & Derivative Instruments                              |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |            |
| Interest rate .....                                                          | 2,404               | 1,146               | 546                 | 1,665               | 1,242               | 93.6                 | 0                          | 0                                  | 13                                | 2,391                           |            |
| Foreign exchange .....                                                       | 1,831               | 1,613               | 1,355               | 2,672               | 2,311               | -20.8                | 0                          | 0                                  | 7                                 | 1,824                           |            |
| Equity .....                                                                 | 1,732               | 1,214               | 1,827               | 100                 | 1,801               | -3.8                 | 0                          | 0                                  | 0                                 | 1,732                           |            |
| Commodity & other (including credit derivatives) .....                       | 175                 | -111                | 789                 | 272                 | 313                 | -44.1                | 0                          | 0                                  | 0                                 | 175                             |            |
| Total trading revenues .....                                                 | 6,142               | 3,861               | 4,517               | 4,710               | 5,666               | 8.4                  | 0                          | 0                                  | 21                                | 6,122                           |            |
| Share of Revenue                                                             |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |            |
| Trading revenues to gross revenues (%) .....                                 | 4.3                 | 2.9                 | 3.4                 | 3.6                 | 4.6                 |                      | 0.0                        | -0.1                               | 0.4                               | 4.4                             |            |
| Trading revenues to net operating revenues (%) .....                         | 28.9                | 19.6                | 20.7                | 21.6                | 26.8                |                      | 0.0                        | -0.4                               | 3.3                               | 29.7                            |            |
| HELD FOR PURPOSES OTHER THAN TRADING                                         |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |            |
| Number of institutions reporting derivatives .....                           | 967                 | 935                 | 933                 | 920                 | 905                 | 6.9                  | 67                         | 595                                | 224                               | 81                              |            |
| Total assets of institutions reporting derivatives .....                     | 8,632,061           | 8,603,028           | 8,224,981           | 8,123,920           | 7,863,162           | 9.8                  | 4,631                      | 253,250                            | 694,953                           | 7,679,227                       |            |
| Total deposits of institutions reporting derivatives .....                   | 5,578,243           | 5,588,316           | 5,304,128           | 5,299,416           | 5,138,716           | 8.6                  | 3,735                      | 201,980                            | 512,881                           | 4,859,646                       |            |
| Derivative Contracts by Underlying Risk Exposure                             |                     |                     |                     |                     |                     |                      |                            |                                    |                                   |                                 |            |
| Interest rate .....                                                          | 2,746,870           | 2,741,801           | 2,898,823           | 2,517,658           | 2,481,166           | 10.7                 | 112                        | 16,048                             | 52,426                            | 2,678,284                       |            |
| Foreign exchange .....                                                       | 119,405             | 111,928             | 102,685             | 100,555             | 96,178              | 24.2                 | 0                          | 21                                 | 259                               | 119,126                         |            |
| Equity .....                                                                 | 4,359               | 4,164               | 3,777               | 3,906               | 3,896               | 11.9                 | 15                         | 231                                | 579                               | 3,533                           |            |
| Commodity & other .....                                                      | 249                 | 223                 | 169                 | 116                 | 4,155               | -94.0                | 0                          | 3                                  | 36                                | 210                             |            |
| Total notional amount .....                                                  | 2,870,882           | 2,858,117           | 3,005,455           | 2,622,234           | 2,585,396           | 11.0                 | 128                        | 16,303                             | 53,299                            | 2,801,152                       |            |

All line items are reported on a quarterly basis.

\*Include spot foreign exchange contracts. All other references to foreign exchange contracts in which notional values or fair values are reported exclude spot foreign exchange contracts.

\*\* Derivative contracts subject to the risk-based capital requirements for derivatives.

\*\*\* The reporting of credit losses on derivatives is applicable to all banks filing the FFIEC 031 report form and to those banks filing the FFIEC 041 report form that have \$300 million or in more total assets.

# Quarterly Banking Profile

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

| (dollar figures in millions)                                                                                             | 1st Quarter<br>2007 | 4th<br>Quarter<br>2006 | 3rd<br>Quarter<br>2006 | 2nd<br>Quarter<br>2006 | 1st Quarter<br>2006 | %Change<br>06:1-07:1 | Asset Size Distribution    |                                    |                                   |                                 |
|--------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------|------------------------|------------------------|---------------------|----------------------|----------------------------|------------------------------------|-----------------------------------|---------------------------------|
|                                                                                                                          |                     |                        |                        |                        |                     |                      | Less than<br>\$100 Million | \$100 Million<br>to<br>\$1 Billion | \$1 Billion<br>to<br>\$10 Billion | Greater<br>than<br>\$10 Billion |
| <b>Assets Securitized and Sold with Servicing Retained or with Recourse or Other Seller-Provided Credit Enhancements</b> |                     |                        |                        |                        |                     |                      |                            |                                    |                                   |                                 |
| Number of institutions reporting securitization activities                                                               | 127                 | 121                    | 119                    | 120                    | 116                 | 9.5                  | 17                         | 46                                 | 21                                | 43                              |
| <b>Outstanding Principal Balance by Asset Type</b>                                                                       |                     |                        |                        |                        |                     |                      |                            |                                    |                                   |                                 |
| 1-4 family residential loans                                                                                             | \$1,079,891         | \$738,996              | \$453,900              | \$417,800              | \$392,412           | 175.2                | \$91                       | \$148                              | \$1,544                           | \$1,078,108                     |
| Home equity loans                                                                                                        | 9,339               | 8,905                  | 9,257                  | 9,632                  | 10,768              | -13.3                | 0                          | 0                                  | 479                               | 8,860                           |
| Credit card receivables                                                                                                  | 367,796             | 362,467                | 422,983                | 403,434                | 402,214             | -8.6                 | 0                          | 6,279                              | 6,675                             | 354,842                         |
| Auto loans                                                                                                               | 14,132              | 16,263                 | 16,781                 | 16,865                 | 16,304              | -13.3                | 0                          | 0                                  | 399                               | 13,733                          |
| Other consumer loans                                                                                                     | 27,737              | 28,673                 | 25,753                 | 24,414                 | 22,165              | 25.1                 | 0                          | 8                                  | 0                                 | 27,730                          |
| Commercial and industrial loans                                                                                          | 12,039              | 10,543                 | 8,404                  | 10,582                 | 10,703              | 12.5                 | 0                          | 31                                 | 4,465                             | 7,542                           |
| All other loans, leases, and other assets*                                                                               | 150,404             | 144,939                | 136,330                | 121,506                | 109,800             | 37.0                 | 2                          | 93                                 | 1,232                             | 149,077                         |
| Total securitized and sold                                                                                               | 1,661,338           | 1,310,787              | 1,073,407              | 1,004,034              | 964,366             | 72.3                 | 93                         | 6,559                              | 14,794                            | 1,639,893                       |
| <b>Maximum Credit Exposure by Asset Type</b>                                                                             |                     |                        |                        |                        |                     |                      |                            |                                    |                                   |                                 |
| 1-4 family residential loans                                                                                             | 6,037               | 6,627                  | 4,619                  | 4,336                  | 4,160               | 45.1                 | 1                          | 2                                  | 17                                | 6,017                           |
| Home equity loans                                                                                                        | 2,368               | 2,332                  | 2,358                  | 2,358                  | 2,387               | -0.8                 | 0                          | 0                                  | 21                                | 2,347                           |
| Credit card receivables                                                                                                  | 17,685              | 19,182                 | 25,084                 | 24,495                 | 23,214              | -23.8                | 0                          | 440                                | 168                               | 17,077                          |
| Auto loans                                                                                                               | 628                 | 724                    | 813                    | 806                    | 798                 | -21.3                | 0                          | 0                                  | 16                                | 612                             |
| Other consumer loans                                                                                                     | 1,861               | 1,882                  | 1,653                  | 1,619                  | 1,612               | 15.4                 | 0                          | 0                                  | 0                                 | 1,861                           |
| Commercial and industrial loans                                                                                          | 311                 | 348                    | 407                    | 455                    | 464                 | -33.0                | 0                          | 0                                  | 82                                | 229                             |
| All other loans, leases, and other assets                                                                                | 1,052               | 997                    | 761                    | 727                    | 777                 | 35.4                 | 1                          | 25                                 | 51                                | 974                             |
| Total credit exposure                                                                                                    | 29,942              | 32,093                 | 35,695                 | 34,796                 | 33,411              | -10.4                | 2                          | 468                                | 356                               | 29,116                          |
| Total unused liquidity commitments provided to institution's own securitizations                                         | 6,119               | 6,872                  | 7,323                  | 9,359                  | 10,867              | -43.7                | 4                          | 0                                  | 0                                 | 6,116                           |
| <b>Securitized Loans, Leases, and Other Assets 30-89 Days Past Due (%)</b>                                               |                     |                        |                        |                        |                     |                      |                            |                                    |                                   |                                 |
| 1-4 family residential loans                                                                                             | 2.11                | 3.03                   | 2.45                   | 2.07                   | 1.75                |                      | 0.00                       | 0.06                               | 0.80                              | 2.11                            |
| Home equity loans                                                                                                        | 0.70                | 0.74                   | 0.72                   | 0.58                   | 0.49                |                      | 0.00                       | 0.00                               | 1.63                              | 0.65                            |
| Credit card receivables                                                                                                  | 1.91                | 1.98                   | 2.04                   | 1.92                   | 2.01                |                      | 0.00                       | 2.36                               | 0.71                              | 1.93                            |
| Auto loans                                                                                                               | 1.45                | 1.69                   | 1.31                   | 1.14                   | 1.06                |                      | 0.00                       | 0.00                               | 0.72                              | 1.47                            |
| Other consumer loans                                                                                                     | 2.42                | 3.02                   | 3.03                   | 2.62                   | 2.54                |                      | 0.00                       | 0.00                               | 0.00                              | 2.42                            |
| Commercial and industrial loans                                                                                          | 0.66                | 0.71                   | 1.17                   | 1.23                   | 1.22                |                      | 0.00                       | 0.00                               | 1.52                              | 0.16                            |
| All other loans, leases, and other assets                                                                                | 0.15                | 0.21                   | 0.23                   | 0.13                   | 0.11                |                      | 0.00                       | 0.00                               | 0.15                              | 0.15                            |
| Total loans, leases, and other assets                                                                                    | 1.87                | 2.38                   | 1.98                   | 1.75                   | 1.66                |                      | 0.00                       | 2.26                               | 0.95                              | 1.88                            |
| <b>Securitized Loans, Leases, and Other Assets 90 Days or More Past Due (%)</b>                                          |                     |                        |                        |                        |                     |                      |                            |                                    |                                   |                                 |
| 1-4 family residential loans                                                                                             | 1.08                | 1.17                   | 0.90                   | 1.13                   | 1.07                |                      | 0.00                       | 0.00                               | 0.33                              | 1.08                            |
| Home equity loans                                                                                                        | 0.35                | 0.50                   | 0.31                   | 0.31                   | 0.30                |                      | 0.00                       | 0.00                               | 1.01                              | 0.32                            |
| Credit card receivables                                                                                                  | 1.78                | 1.72                   | 1.60                   | 1.61                   | 1.61                |                      | 0.00                       | 1.69                               | 0.59                              | 1.80                            |
| Auto loans                                                                                                               | 0.16                | 0.26                   | 0.18                   | 0.16                   | 0.17                |                      | 0.00                       | 0.00                               | 0.10                              | 0.16                            |
| Other consumer loans                                                                                                     | 2.03                | 2.11                   | 2.13                   | 2.14                   | 2.13                |                      | 0.00                       | 0.00                               | 0.00                              | 2.03                            |
| Commercial and industrial loans                                                                                          | 0.55                | 0.66                   | 0.76                   | 0.88                   | 0.94                |                      | 0.00                       | 0.00                               | 1.22                              | 0.16                            |
| All other loans, leases, and other assets                                                                                | 0.14                | 0.18                   | 0.20                   | 0.15                   | 0.14                |                      | 0.00                       | 0.00                               | 0.08                              | 0.14                            |
| Total loans, leases, and other assets                                                                                    | 1.15                | 1.21                   | 1.10                   | 1.20                   | 1.19                |                      | 0.00                       | 1.62                               | 0.71                              | 1.15                            |
| <b>Securitized Loans, Leases, and Other Assets Charged-Off (net, YTD, annualized, %)</b>                                 |                     |                        |                        |                        |                     |                      |                            |                                    |                                   |                                 |
| 1-4 family residential loans                                                                                             | 0.01                | 0.04                   | 0.05                   | 0.03                   | 0.02                |                      | 0.00                       | 0.00                               | 0.01                              | 0.01                            |
| Home equity loans                                                                                                        | 0.21                | 0.25                   | 0.19                   | 0.12                   | 0.06                |                      | 0.00                       | 0.00                               | 3.24                              | 0.05                            |
| Credit card receivables                                                                                                  | 1.12                | 3.80                   | 2.86                   | 1.90                   | 0.89                |                      | 0.00                       | 1.19                               | 0.53                              | 1.13                            |
| Auto loans                                                                                                               | 0.26                | 0.68                   | 0.45                   | 0.27                   | 0.23                |                      | 0.00                       | 0.00                               | 0.10                              | 0.26                            |
| Other consumer loans                                                                                                     | 0.38                | 1.49                   | 1.20                   | 0.71                   | 0.45                |                      | 0.00                       | 0.00                               | 0.00                              | 0.38                            |
| Commercial and industrial loans                                                                                          | 0.36                | 1.33                   | 1.17                   | 0.82                   | 0.44                |                      | 0.00                       | 0.00                               | 0.99                              | -0.01                           |
| All other loans, leases, and other assets                                                                                | 0.01                | -0.01                  | -0.01                  | 0.00                   | 0.00                |                      | 0.00                       | 0.00                               | 0.02                              | 0.01                            |
| Total loans, leases, and other assets                                                                                    | 0.27                | 1.13                   | 1.19                   | 0.81                   | 0.40                |                      | 0.00                       | 1.14                               | 0.65                              | 0.26                            |
| <b>Seller's Interests in Institution's Own Securitizations - Carried as Loans</b>                                        |                     |                        |                        |                        |                     |                      |                            |                                    |                                   |                                 |
| Home equity loans                                                                                                        | 671                 | 869                    | 728                    | 650                    | 586                 | 14.5                 | 0                          | 0                                  | 8                                 | 663                             |
| Credit card receivables                                                                                                  | 61,569              | 75,225                 | 68,885                 | 82,533                 | 72,954              | -15.6                | 0                          | 335                                | 4,405                             | 56,829                          |
| Commercial and industrial loans                                                                                          | 2,863               | 2,596                  | 2,891                  | 3,284                  | 2,523               | 13.5                 | 0                          | 0                                  | 961                               | 1,902                           |
| <b>Seller's Interests in Institution's Own Securitizations - Carried as Securities</b>                                   |                     |                        |                        |                        |                     |                      |                            |                                    |                                   |                                 |
| Home equity loans                                                                                                        | 10                  | 10                     | 11                     | 12                     | 12                  | -16.7                | 0                          | 0                                  | 0                                 | 10                              |
| Credit card receivables                                                                                                  | 281                 | 322                    | 184                    | 137                    | 72                  | 290.3                | 0                          | 35                                 | 246                               | 0                               |
| Commercial and industrial loans                                                                                          | 1                   | 5                      | 0                      | 0                      | 0                   | 0.0                  | 0                          | 0                                  | 0                                 | 1                               |
| <b>Assets Sold with Recourse and Not Securitized</b>                                                                     |                     |                        |                        |                        |                     |                      |                            |                                    |                                   |                                 |
| Number of institutions reporting asset sales                                                                             | 726                 | 715                    | 708                    | 698                    | 691                 | 5.1                  | 168                        | 421                                | 94                                | 43                              |
| <b>Outstanding Principal Balance by Asset Type</b>                                                                       |                     |                        |                        |                        |                     |                      |                            |                                    |                                   |                                 |
| 1-4 family residential loans                                                                                             | 56,074              | 56,102                 | 56,002                 | 54,319                 | 53,866              | 4.1                  | 940                        | 6,552                              | 2,294                             | 46,289                          |
| Home equity, credit card receivables, auto, and other consumer loans                                                     | 1,904               | 708                    | 115                    | 124                    | 902                 | 111.1                | 2                          | 28                                 | 12                                | 1,862                           |
| Commercial and industrial loans                                                                                          | 8,198               | 6,668                  | 6,781                  | 6,184                  | 6,112               | 34.1                 | 16                         | 87                                 | 324                               | 7,770                           |
| All other loans, leases, and other assets                                                                                | 8,103               | 6,981                  | 7,403                  | 12,998                 | 16,607              | -51.2                | 2                          | 47                                 | 195                               | 7,859                           |
| Total sold and not securitized                                                                                           | 74,278              | 70,458                 | 70,302                 | 73,625                 | 77,487              | -4.1                 | 960                        | 6,714                              | 2,825                             | 63,779                          |
| <b>Maximum Credit Exposure by Asset Type</b>                                                                             |                     |                        |                        |                        |                     |                      |                            |                                    |                                   |                                 |
| 1-4 family residential loans                                                                                             | 14,185              | 13,537                 | 13,698                 | 12,167                 | 11,987              | 18.3                 | 60                         | 1,373                              | 1,490                             | 11,262                          |
| Home equity, credit card receivables, auto, and other consumer loans                                                     | 1,868               | 663                    | 47                     | 64                     | 485                 | 285.2                | 2                          | 7                                  | 6                                 | 1,852                           |
| Commercial and industrial loans                                                                                          | 4,543               | 4,499                  | 4,479                  | 4,272                  | 4,132               | 9.9                  | 16                         | 56                                 | 324                               | 4,146                           |
| All other loans, leases, and other assets                                                                                | 2,428               | 2,530                  | 2,502                  | 2,161                  | 2,678               | -9.3                 | 2                          | 16                                 | 92                                | 2,317                           |
| Total credit exposure                                                                                                    | 23,024              | 21,229                 | 20,726                 | 18,663                 | 19,281              | 19.4                 | 81                         | 1,453                              | 1,913                             | 19,577                          |
| <b>Support for Securitization Facilities Sponsored by Other Institutions</b>                                             |                     |                        |                        |                        |                     |                      |                            |                                    |                                   |                                 |
| Number of institutions reporting securitization facilities sponsored by others                                           | 47                  | 47                     | 48                     | 46                     | 45                  | 4.4                  | 22                         | 14                                 | 3                                 | 8                               |
| Total credit exposure                                                                                                    | 1,348               | 1,135                  | 958                    | 853                    | 897                 | 50.3                 | 6                          | 122                                | 69                                | 1,150                           |
| Total unused liquidity commitments                                                                                       | 5,827               | 6,257                  | 5,066                  | 4,251                  | 4,651               | 25.3                 | 0                          | 0                                  | 0                                 | 5,827                           |
| <b>Other</b>                                                                                                             |                     |                        |                        |                        |                     |                      |                            |                                    |                                   |                                 |
| Assets serviced for others**                                                                                             | 3,494,590           | 3,392,152              | 3,072,169              | 2,836,997              | 2,647,319           | 32.0                 | 7,388                      | 69,259                             | 91,471                            | 3,326,473                       |
| Asset-backed commercial paper conduits                                                                                   |                     |                        |                        |                        |                     |                      |                            |                                    |                                   |                                 |
| Credit exposure to conduits sponsored by institutions and others                                                         | 21,404              | 20,714                 | 19,244                 | 19,293                 | 17,503              | 22.3                 | 2                          | 83                                 | 1                                 | 21,318                          |
| Unused liquidity commitments to conduits sponsored by institutions and others                                            | 327,395             | 306,435                | 294,329                | 286,363                | 288,086             | 13.6                 | 0                          | 0                                  | 0                                 | 327,395                         |
| Net servicing income (for the quarter)                                                                                   | 3,600               | 2,161                  | 3,381                  | 4,262                  | 4,693               | -23.3                | 46                         | 172                                | 134                               | 3,249                           |
| Net securitization income (for the quarter)                                                                              | 5,051               | 2,407                  | 6,832                  | 6,225                  | 6,705               | -24.7                | 0                          | 211                                | 156                               | 4,684                           |
| Total credit exposure to Tier 1 capital (%)***                                                                           | 5.7                 | 5.8                    | 6.1                    | 5.9                    | 6.0                 |                      | 0.4                        | 1.6                                | 1.8                               | 7.5                             |

\*Line item titled "All other loans and all leases" for quarters prior to March 31, 2006.

\*\*The amount of financial assets serviced for others, other than closed-end 1-4 family residential mortgages, is reported when these assets are greater than \$10 million

\*\*\*Total credit exposure includes the sum of the three line items titled "Total credit exposure" reported above.

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## Insurance Fund Indicators

- **Insured Deposits Grow by 2.0 Percent, Up from the Prior Quarter's 1.3 Percent Growth Rate**
- **DIF Reserve Ratio Declines 1 Basis Point to 1.20 Percent**
- **Risk-based Assessment Changes Became Effective January 1, 2007**
- **One Institution Fails During First Quarter**

Total assets of the nation's 8,650 FDIC-insured commercial banks and savings institutions increased by \$120.8 billion (1.0 percent) during the first quarter of 2007. Fifty-eight percent of the quarter's asset growth was funded by deposits, as interest-bearing deposits increased by 1.8 percent (\$115.5 billion), while noninterest-bearing deposits decreased by 3.6 percent (\$45.5 billion). Domestic office deposits increased by 1.0 percent (\$63.4 billion), and foreign office deposits increased by 0.6 percent (\$6.6 billion).

Estimated insured deposits rose by 2.0 percent (\$84 billion) during the first three months of 2007, after a 6.7 percent rise for all of 2006. The first-quarter increase was up from the previous quarter's 1.3 percent growth rate. For institutions existing as of December 31, 2006 and March 31, 2007, insured deposits increased during the first quarter at 6,151 institutions (71 percent), decreased at 2,409 institutions (28 percent), and remained unchanged at 49 institutions.

The Deposit Insurance Fund (DIF) increased by 1.2 percent (\$580 million) during the first quarter to \$50,745 million (unaudited). Accrued assessment income added \$94 million to the DIF during the quarter. This amount was determined by subtracting \$820 million in estimated credits used from \$914 million in gross assessment revenue. Approximately 83 percent of all FDIC-insured institutions have credits to offset either some or all of their first quarter assessments. The DIF increased \$81 million from unrealized gains on available-for-sale securities, \$73 million from a decrease in provisions for insurance losses, and \$332 million (net of expenses) from interest on securities and other revenue.

The DIF's growth was not enough to offset the increase in insured deposits, and the reserve ratio decreased from 1.21 percent on December 31, 2006 to 1.20 percent on March 31, 2007. Since the beginning of 2006, the DIF reserve ratio has dropped five basis points, from 1.25 percent to 1.20 percent.

On February 2, 2007, the FDIC had its first institution failure since June of 2004, ending ten consecutive quarters without a failure, the longest time span on record.

## Changes to Risk-Based Assessments from the Reform Legislation

On February 8, 2006, the President signed the Federal Deposit Insurance Reform Act of 2005 (the Reform Act) into law. The Federal Deposit Insurance Reform Conforming Amendments Act of 2005 was signed into law on February 15, 2006 and contains necessary technical and conforming changes to implement deposit insurance requirements. All final rules implementing changes to risk-based assessments were adopted by the FDIC Board by early November of 2006, and generally became effective January 1, 2007.

### *New Risk Categories and Assessment Rate Schedule*

The previous nine risk categories (the risk-based assessment matrix) are consolidated into four categories to better align them with their respective historical failure and loss experience. Capital ratios and supervisory ratings will continue to distinguish one risk category from another. The following table shows the translation of the old nine-cell matrix to the new risk categories as well as the initial assessment rates (in basis points) for each new risk category. In this table, Supervisory Group A generally includes institutions with CAMELS composite ratings of 1 or 2; Supervisory Group B generally includes institutions with a CAMELS composite rating of 3; and Supervisory Group C generally includes institutions with CAMELS composite ratings of 4 or 5.

These initial assessment rates are effective beginning January 1, 2007 and are 3 basis points above the base rate schedule adopted in the final rule. The FDIC may adjust rates up or down by 3 basis points from the base rate schedule without notice and comment, provided

**Risk Categories and Assessment Rate Schedule**  
Effective January 1, 2007

| Effective January 1, 2007 |                   |              |               |
|---------------------------|-------------------|--------------|---------------|
| Capital Category          | Supervisory Group |              |               |
|                           | A                 | B            | C             |
| 1. Well Capitalized       | I<br>5-7 bps      | II<br>10 bps | III<br>28 bps |
| 2. Adequately Capitalized |                   |              |               |
| 3. Undercapitalized       | III<br>28 bps     |              | IV<br>43 bps  |

that any single adjustment from one quarter to the next cannot move rates more than 3 basis points.

***Determining Risk-Based Assessment Rates for Institutions in Risk Category I***

The spread between the lowest and highest risk-based assessment rates in Risk Category I is 2 basis points. For most institutions in Risk Category I – all but insured branches of foreign banks and institutions that have at least \$10 billion in assets and a long-term debt issuer rating – the assessment rate assigned will be based on a combination of financial ratios and CAMELS component ratings. Rates determined from these risk measures were derived from a model that relates them to the historical frequency of CAMELS downgrades to ‘3’ or worse in the succeeding year.

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

***Operational Changes to the Assessment System***

Insured depository institutions will no longer be assigned a risk-based assessment for a semiannual period before the start of the semiannual period. Instead, beginning in 2007, each institution will be assigned a

risk-based rate for a quarterly assessment period near the end of the quarter following the assessment period. Payment will generally be due on the 30th day of the last month of the quarter following the assessment period.

Supervisory rating changes will be effective for assessment purposes as of the examination transmittal date. For institutions with long-term debt issuer ratings, changes in ratings will be effective for assessment purposes as of the date the change was announced.

The assessment base will be based on the average daily deposits for banks with \$1 billion or more in assets, effective no later than March 31, 2008. Until then, any existing institution may choose whether to have its assessment base determined from quarter-end or average daily deposits. Thereafter, an institution with less than \$1 billion in assets may continue to choose to have its assessment base determined from quarter-end or average daily deposits. However, once an institution elects to report average daily deposits, it must continue to do so thereafter. The standard float deduction that had been used to determine the assessment base has been eliminated effective the first quarter of 2007.

***Assessment Credits***

Congress awarded an aggregate assessment credit of \$4.7 billion that has been distributed among all eligible insured depository institutions. An eligible insured depository institution is one that was in existence on December 31, 1996 and that paid assessments before that date (or is the successor to such an institution). Each institution’s credit amount was based on the ratio of the institution’s assessment base (plus its predecessors’ assessment bases, if any) on December 31, 1996 to the combined total of all eligible insured depository institution assessment bases. The FDIC will apply whatever credits an institution has available to its quarterly assessment, subject to certain statutory limitations. Credits do not expire.

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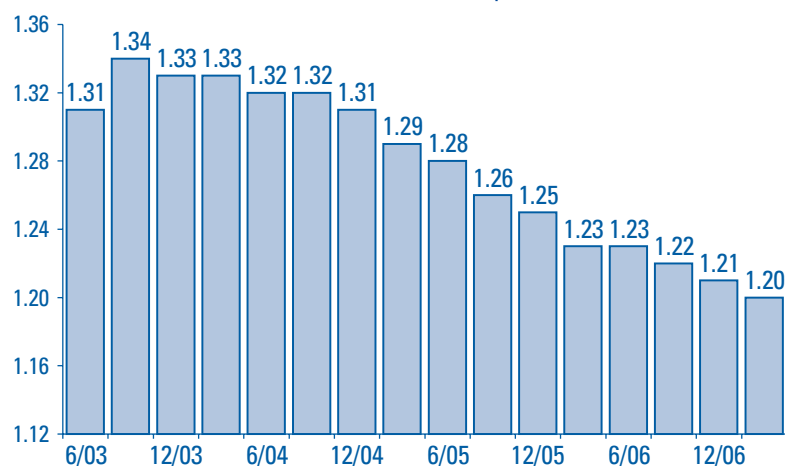
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**TABLE I-B. Insurance Fund Balances and Selected Indicators**
*(dollar figures in millions)*

|                                                              | Deposit Insurance Fund |                  |                  |                  |                  |                  |                  |                  |
|--------------------------------------------------------------|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                                              | 1st Quarter 2007       | 4th Quarter 2006 | 3rd Quarter 2006 | 2nd Quarter 2006 | 1st Quarter 2006 | 4th Quarter 2005 | 3rd Quarter 2005 | 2nd Quarter 2005 |
| <b>Beginning Fund Balance*</b> .....                         | \$50,165               | \$49,992         | \$49,564         | \$49,193         | \$48,597         | \$48,373         | \$48,023         | \$47,617         |
| <b>Changes in Fund Balance:</b>                              |                        |                  |                  |                  |                  |                  |                  |                  |
| Assessments earned.....                                      | 94                     | 10               | 10               | 7                | 5                | 13               | 20               | 14               |
| Interest earned on investment securities.....                | 567                    | 476              | 622              | 665              | 478              | 675              | 536              | 657              |
| Operating expenses.....                                      | 239                    | 248              | 237              | 242              | 224              | 252              | 227              | 254              |
| Provision for insurance losses.....                          | -73                    | 49               | -50              | -6               | -45              | -19              | -65              | -57              |
| All other income, net of expenses**.....                     | 4                      | 5                | 1                | 12               | 349              | 4                | 3                | 4                |
| Unrealized gain/(loss) on available-for-sale securities..... | 81                     | -21              | -18              | -77              | -57              | -235             | -47              | -72              |
| Total fund balance change.....                               | 580                    | 173              | 428              | 371              | 596              | 224              | 350              | 406              |
| <b>Ending Fund Balance*</b> .....                            | 50,745                 | 50,165           | 49,992           | 49,564           | 49,193           | 48,597           | 48,373           | 48,023           |
| Percent change from four quarters earlier.....               | 3.15                   | 3.23             | 3.35             | 3.21             | 3.31             | 2.29             | 2.94             | 3.23             |
| <b>Reserve Ratio (%)</b> .....                               | 1.20                   | 1.21             | 1.22             | 1.23             | 1.23             | 1.25             | 1.26             | 1.28             |
| <b>Estimated Insured Deposits</b> .....                      | 4,237,269              | 4,152,909        | 4,099,424        | 4,040,211        | 4,001,921        | 3,890,874        | 3,830,898        | 3,757,728        |
| Percent change from four quarters earlier.....               | 5.88                   | 6.73             | 7.01             | 7.52             | 8.50             | 7.42             | 7.62             | 6.40             |
| <b>Assessment Base</b> .....                                 | 6,803,266              | 6,595,293        | 6,439,293        | 6,386,880        | 6,272,524        | 6,177,373        | 6,038,813        | 5,878,968        |
| Percent change from four quarters earlier.....               | 8.46                   | 6.77             | 6.63             | 8.64             | 8.15             | 8.87             | 9.47             | 8.36             |
| <b>Number of institutions reporting</b> .....                | 8,662                  | 8,693            | 8,755            | 8,790            | 8,803            | 8,845            | 8,870            | 8,881            |

**DIF Reserve Ratio\***  
Percent of Insured Deposits



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

|       | DIF Balance | DIF-Insured Deposits |
|-------|-------------|----------------------|
| 6/03  | 44,883      | 3,438,360            |
| 9/03  | 45,648      | 3,414,317            |
| 12/03 | 46,022      | 3,452,503            |
| 3/04  | 46,558      | 3,499,469            |
| 6/04  | 46,521      | 3,531,806            |
| 9/04  | 46,990      | 3,559,489            |
| 12/04 | 47,507      | 3,622,068            |
| 3/05  | 47,617      | 3,688,562            |
| 6/05  | 48,023      | 3,757,728            |
| 9/05  | 48,373      | 3,830,898            |
| 12/05 | 48,597      | 3,890,874            |
| 3/06  | 49,193      | 4,001,921            |
| 6/06  | 49,564      | 4,040,211            |
| 9/06  | 49,992      | 4,099,424            |
| 12/06 | 50,165      | 4,152,909            |
| 3/07  | 50,745      | 4,237,269            |

**TABLE II-B. Problem Institutions and Failed/Assisted Institutions**
*(dollar figures in millions)*

|                                     | 2007***  | 2006*** | 2006    | 2005    | 2004     | 2003     | 2002     |
|-------------------------------------|----------|---------|---------|---------|----------|----------|----------|
| <b>Problem Institutions</b>         |          |         |         |         |          |          |          |
| Number of institutions.....         | 53       | 48      | 50      | 52      | 80       | 116      | 136      |
| Total assets.....                   | \$21,445 | \$5,416 | \$8,265 | \$6,607 | \$28,250 | \$29,917 | \$38,927 |
| <b>Failed/Assisted Institutions</b> |          |         |         |         |          |          |          |
| Number of institutions.....         | 1        | 0       | 0       | 0       |          |          | 1        |
| Total assets.....                   | \$15     | \$0     | \$0     | \$0     | \$166    | \$1,097  | \$2,558  |

\* Prior to 2006, amounts represent sum of separate BIF and SAIF amounts.

\*\* First Quarter 2006 includes previously escrowed revenue from SAIF-member exit fees.

\*\*\* Through March 31.

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

(dollar figures in millions)

March 31, 2007

|                                                                  | Number of<br>Institutions | Total<br>Assets   | Domestic<br>Deposits* | Est. Insured<br>Deposits |
|------------------------------------------------------------------|---------------------------|-------------------|-----------------------|--------------------------|
| <b>Commercial Banks and Savings Institutions</b>                 |                           |                   |                       |                          |
| FDIC-Insured Commercial Banks .....                              | 7,380                     | 10,133,829        | 5,522,318             | 3,325,503                |
| FDIC-Supervised .....                                            | 4,783                     | 1,882,524         | 1,411,780             | 946,052                  |
| OCC-Supervised .....                                             | 1,705                     | 6,848,249         | 3,281,580             | 1,871,203                |
| Federal Reserve-Supervised .....                                 | 892                       | 1,403,056         | 828,958               | 508,249                  |
| FDIC-Insured Savings Institutions .....                          | 1,270                     | 1,847,339         | 1,172,174             | 906,291                  |
| OTS-Supervised Savings Institutions .....                        | 837                       | 1,543,349         | 955,830               | 738,426                  |
| FDIC-Supervised State Savings Banks .....                        | 433                       | 303,991           | 216,344               | 167,864                  |
| <b>Total Commercial Banks and<br/>Savings Institutions .....</b> | <b>8,650</b>              | <b>11,981,168</b> | <b>6,694,491</b>      | <b>4,231,794</b>         |
| <b>Other FDIC-Insured Institutions</b>                           |                           |                   |                       |                          |
| U.S. Branches of Foreign Banks .....                             | 12                        | 17,076            | 7,506                 | 5,474                    |
| <b>Total FDIC-Insured Institutions .....</b>                     | <b>8,662</b>              | <b>11,998,244</b> | <b>6,701,998</b>      | <b>4,237,269</b>         |

\*Excludes \$1,201 billion in foreign office deposits, which are uninsured.

**TABLE IV-B. Assessment Base Distribution and Rate Schedules**

Table IV-B, which shows the distribution of institutions and assessment bases among risk categories, is not included in this edition of the Quarterly Banking Profile. As a result of final regulations implementing the Federal Deposit Insurance Reform Act of 2005, insured depository institutions will no longer be assigned a risk-based assessment rate for a semiannual period before the start of the semiannual period. Instead, beginning in 2007, each institution will be assigned a risk-based rate for a quarterly assessment period near the end of the following quarter. The next edition will present a revised Table IV-B, which will show the distribution of institutions and assessment bases among the new risk categories adopted in the regulations for the quarter ending March 31, 2007.

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## Notes To Users

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

### Tables I-A through VIII-A.

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

### Tables I-B through IV-B.

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

## DATA SOURCES

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

## COMPUTATION METHODOLOGY

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

All asset and liability figures used in calculating performance ratios represent average amounts for the period (beginning-of-period amount plus end-of-period amount plus any interim periods, divided by the total number of periods). For "pooling-of-interest" mergers, the assets of the acquired institution(s) are included in average assets since the year-to-date income includes the results of all merged institutions. No adjustments are made for "purchase accounting" mergers.

Growth rates represent the percentage change over a 12-month period in totals for institutions in the base period to totals for institutions in the current period.

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

## ACCOUNTING CHANGES

**FASB Statement No. 157 *Fair Value Measurements* issued in September 2006 and FASB Statement No. 159 *The Fair Value Option for Financial Assets and Financial Liabilities* issued in February 2007** – both are effective in 2008 with early adoption permitted in 2007. FAS 157 defines a fair value measurement framework, while FAS 159 allows banks to elect a fair value option when assets are recognized on the balance sheet and to report certain financial assets and liabilities at fair value with subsequent changes in fair value included in earnings. Existing eligible items can be fair-valued as early as January 2007 under FAS 159, if a bank adopts FAS 157.

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

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

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

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

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

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

## **FASB Statement No. 123 (Revised 2004) and Share-Based Payments**

– requires all entities to recognize compensation expense in an amount equal to the fair value of share-based payments, e.g., stock options and restricted stock, granted to employees. As of January 2006 all banks must adopt FAS 123(R). The compensation cost is typically recognized over the vesting period with a corresponding credit to equity. The recording of the compensation cost also gives rise to a deferred tax asset.

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

## **FASB Statement No. 133 Accounting for Derivative Instruments and Hedging Activities**

– All banks must recognize derivatives as either assets or liabilities on the balance sheet, measured at fair value. A derivative may be specifically designated as a "fair value hedge," a "cash flow hedge," or a hedge of a foreign currency exposure. The accounting for changes in the value of a derivative (gains and losses) depends on the

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

## **DEFINITIONS (in alphabetical order)**

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

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

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

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

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

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

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

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

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

**Derivatives credit equivalent amount** – the fair value of the derivative plus an additional amount for potential future credit exposure based

on the notional amount, the remaining maturity and type of the contract.

**Derivatives transaction types:**

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

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

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

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

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

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

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

**Estimated insured deposits** – in general, insured deposits are total domestic deposits minus estimated uninsured deposits. Prior to June 30, 2000 the uninsured estimate is calculated as the sum of the excess amounts in accounts over \$100,000. Beginning June 30, 2000 the amount of estimated uninsured deposits is adjusted to consider a financial institution's own estimate of uninsured deposits when such an estimate is reported. Beginning in 2006 the uninsured deposits estimate also considers IRA accounts over \$250,000.

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

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

**Goodwill and other intangibles** – intangible assets include servicing rights, purchased credit card relationships and other identifiable

intangible assets. Goodwill is the excess of the purchase price over the fair market value of the net assets acquired.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

threaten their continued financial viability. Depending upon the degree of risk and supervisory concern, they are rated either a “4” or “5”. For all insured commercial banks and for insured savings banks for which the FDIC is the primary federal regulator, FDIC composite ratings are used. For all institutions whose primary federal regulator is the OTS, the OTS composite rating is used.

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

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

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

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

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

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

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

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

**Securities gains (losses)** – realized gains (losses) on held-to-maturity and available-for-sale securities, before adjustments for income taxes.

Thrift Financial Report (TFR) filers also include gains (losses) on the sales of assets held for sale.

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

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

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

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

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

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

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