



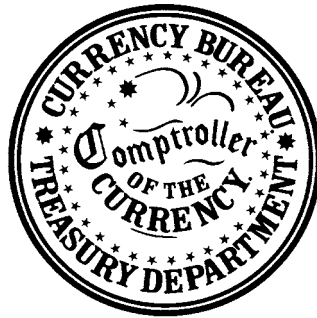
Comptroller of the Currency
Administrator of National Banks

*Quarterly
Journal*

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Quarterly Journal



Office of the Comptroller of the Currency
Administrator of National Banks

Julie L. Williams
Comptroller of the Currency (Acting)

Volume 24, Number 2

June 2005
(First quarter data)

CONTENTS

| | Page |
|--|------|
| Condition and Performance of Commercial Banks _____ | 1 |
| Recent Licensing Decisions _____ | 34 |
| Appeals Process _____ | 37 |
| Speeches and Congressional Testimony _____ | 40 |
| <p>January 12, Acting Comptroller Williams Urges New Approach to Disclosures to Enhance Consumer Protection [www.occ.treas.gov/ftp/release/2005-1a.pdf]</p> <p>January 18, Acting Comptroller Williams Issues Statement Regarding FDIC Proposal to Expand Special Examination Authority [www.occ.treas.gov/ftp/release/2005-4a.pdf]</p> <p>February 10, Acting Chief Counsel Addresses Bank Secrecy Act and Anti-Money-Laundering Compliance [www.occ.treas.gov/ftp/release/2005-13a.pdf]</p> <p>March 11, Acting Comptroller Williams Tells Bankers Regulatory Burden Relief Should be a National Priority Lending Practices [www.occ.treas.gov/ftp/release/2005-29a.pdf]</p> <p>March 14, Acting Comptroller Williams Tells International Bankers of Challenges Ahead, OCC Commitment to Integrity of Basel Rulemaking Process [www.occ.treas.gov/ftp/release/2005-30a.pdf]</p> <p>March 21, Acting Comptroller Williams Highlights Changes in Retail Credit Products and Risks; Stresses Need for Lenders to Adjust Techniques for Measuring and Monitoring Risk in Retail Loan Portfolios [www.occ.treas.gov/ftp/release/2005-34a.pdf]</p> | |
| Interpretations _____ | 41 |
| <p><i>February [www.occ.treas.gov/interp/feb05/intfeb05.htm]</i></p> <p>1013, January 7, 2005, letter concludes that bank may buy and sell, for its own account, exchange-traded units of beneficial interest in gold [www.occ.treas.gov/interp/feb05/int1013.pdf]</p> <p>1014, January 10, 2005, letter concludes that it is legally permissible for national banks to become members of the Government Securities Division of the Fixed Income Clearing Corporation and participate in its loss allocation system [www.occ.treas.gov/interp/feb05/int1014.pdf]</p> | |

1015, January 11, 2005, letter concludes that part 34 and the OCC's past preemption opinions preempt section 24-4.5-3-402 of the Indiana Code when originating subordinate lien mortgages [www.occ.treas.gov/interp/feb05/int1015.pdf]

1016, January 14, 2005, letter concludes that neither 12 CFR 34.4 nor the National Bank Act preempts application of the state laws at issue here to loans simply because they were purchased and held by national banks acting as trustees in connection with issuance of mortgage-backed securities [www.occ.treas.gov/interp/feb05/int1016.pdf]

1017, January 28, 2005, letter concludes that interest-bearing negotiable order of withdrawal (NOW) accounts may be established at national banks for the purpose of receiving and holding qualified trust funds deposited under the Pennsylvania Supreme Court's Interest on Trusts Account Program for the Minor Judiciary [www.occ.treas.gov/interp/feb05/int1017.pdf]

March [www.occ.treas.gov/interp/mar05/intmar05.htm]

1018, February 10, 2005, letter concludes that national bank may enter into equity derivatives transactions with certain of its affiliates and subsidiaries that mirror the affiliates' and subsidiaries' transactions with their customers, and may hedge this risks of those transactions in the same manner as it hedges the risks of its existing derivatives business, provided the bank's examiner-in-charge has no supervisory objection [www.occ.treas.gov/interp/mar05/int1018.pdf]

1019, February 10, 2005, letter concludes that national bank may offer agricultural loans with payments that vary based on changes in commodity prices [www.occ.treas.gov/interp/mar05/int1019.pdf]

1020, February 8, 2005, letter concludes that national bank directors may meet the qualifying shares requirement under 12 USC section 72 by purchasing trust preferred stock [www.occ.treas.gov/interp/mar05/int1020.pdf]

1021, February 17, 2005, letter concludes that fixed rate annuities purchased by a national bank are, in substance, debt obligations of the issuing insurance company [www.occ.treas.gov/interp/mar05/int1021.pdf]

1022, February 15, 2005, letter states that it is permissible for national banks to participate in a group to self-insure group members' workers' compensation obligations [www.occ.treas.gov/interp/mar05/int1022.pdf]

1023, February 24, 2005, letter states that it is permissible for bank to provide consulting and advisory services to deposit customers who hire independent messenger or courier services to transport banking items to and from the bank [www.occ.treas.gov/interp/mar05/int1023.pdf]

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|---|----|
| Mergers _____ | 45 |
| Financial Performance of National Banks _____ | 52 |
| Index _____ | 67 |

Quarterly Journal

ABOUT THE OCC

About the Office of the Comptroller of the Currency

June 2005

Comptroller (Acting) _____ Julie L. Williams

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Background

The Office of the Comptroller of the Currency (OCC) was established in 1863 as a bureau of the Department of the Treasury. The OCC is headed by the Comptroller, who is appointed by the President, with the advice and consent of the Senate, for a five-year term.

The OCC regulates national banks by its power to:

- Examine the banks;
- Approve or deny applications for new charters, branches, capital, or other changes in corporate or banking structure;
- Take supervisory actions against banks that do not conform to laws and regulations or that otherwise engage in unsound banking practices, including removal of officers, negotiation of agreements to change existing banking practices, and issuance of cease and desist orders; and
- Issue rules and regulations concerning banking practices and governing bank lending and investment practices and corporate structure.

The OCC divides the United States into four geographical districts, with each headed by a deputy comptroller.

The OCC is funded through assessments on the assets of national banks, and federal branches and agencies. Under the International Banking Act of 1978, the OCC regulates federal branches and agencies of foreign banks in the United States.

The Comptroller (Acting)

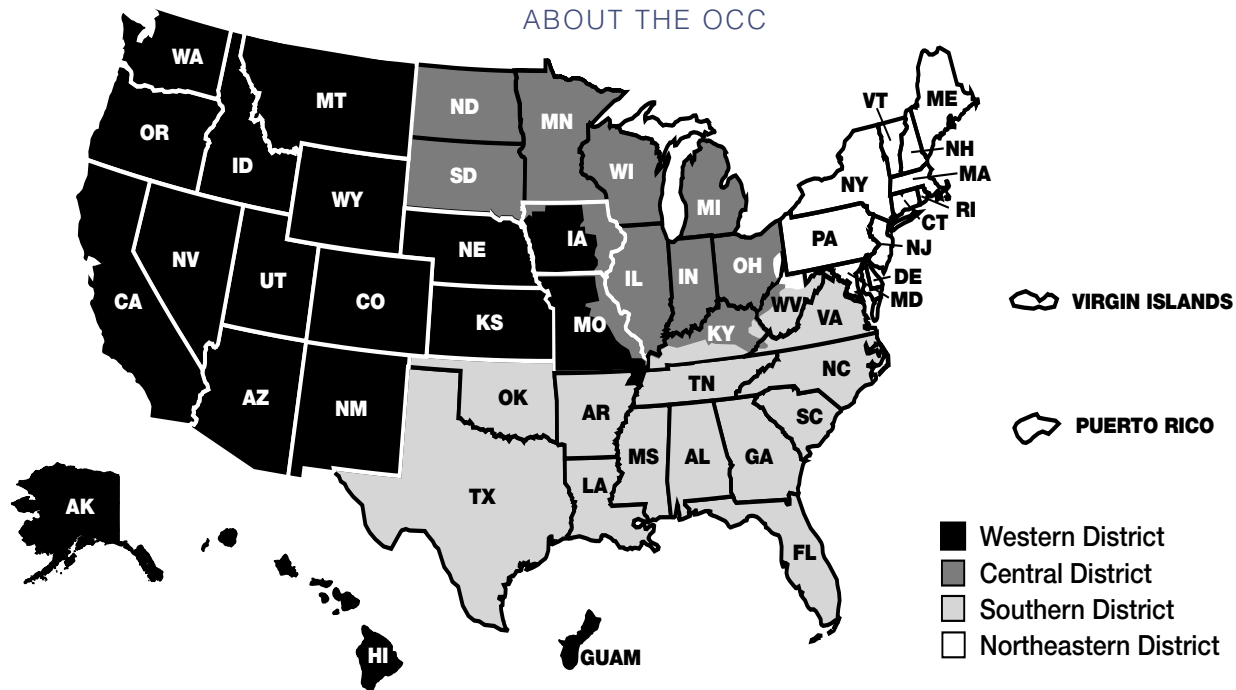
Julie L. Williams became Acting Comptroller on October 14, 2004, succeeding John D. Hawke, Jr. at the end of his term of office. Ms. Williams was initially appointed Chief Counsel of the Office of the Comptroller of the Currency in June 1994, with responsibility for all of the agency's legal activities, including legal advisory services to banks and examiners, enforcement and compliance activities, litigation, legislative initiatives, and regulation of securities and corporate practices of national banks. As the agency's statutory "First Deputy," she previously served as Acting Comptroller from April 6, 1998 through December 8, 1998, before Mr. Hawke was sworn in as the 28th Comptroller of the Currency. As Chief Counsel, Ms. Williams also supervised the Licensing Department and the Community Affairs Department, and served as a member of the OCC's Executive Committee. In her current position, Ms. Williams leads the Executive Committee in providing policy and strategic direction to the agency.

Ms. Williams joined the OCC in May 1993 as Deputy Chief Counsel with responsibility for special legislative and regulatory projects. Before joining the OCC, Ms. Williams served in a variety of positions at the Office of Thrift Supervision and its predecessor agency, the Federal Home Loan Bank Board, culminating in a position as Senior Deputy Chief Counsel at the OTS from 1991 to 1993. Ms. Williams joined the Bank Board in 1983, after working as an attorney with the law firm of Fried, Frank, Harris, Shriver & Kampelman in Washington, D.C. from 1975 to 1983.

Ms. Williams is the author of *National Banks and the Dual Banking System* (Comptroller of the Currency, 2003) and *Savings Institutions: Mergers, Acquisitions and Conversions* (Law Journal Seminars-Press, 1988), and has published numerous articles on the regulation of depository institutions, financial services, securities and corporate law matters. She was awarded a B.A. in 1971 from Goddard College, Plainfield, Vermont, and a J.D. in 1975 from Antioch School of Law, Washington, D.C., where she was first in her class.

The *Quarterly Journal* is the journal of record for the most significant actions and policies of the Office of the Comptroller of the Currency. It is published four times a year. The *Quarterly Journal* includes policy statements, decisions on banking structure, selected speeches and congressional testimony, material released in the interpretive letters series, statistical data, and other information of interest to the administration of national banks. We welcome your comments and suggestions. Please send to Rebecca Miller, Senior Writer-Editor, by fax to (202) 874-5263 or by e-mail to quarterlyjournal@occ.treas.gov. Subscriptions to the new electronic *Quarterly Journal Library* CD-ROM are available for \$50 a year by writing to Publications-QJ, Comptroller of the Currency, Attn: Accounts Receivable, MS 4-8, 250 E St., SW, Washington, DC 20219. The *Quarterly Journal* continues to be available on the Web at www.occ.treas.gov/qj/qj.htm.

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June 2005

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(revised July 2005)

Notice to Customers Making Payment by Check

Authorization to convert your check: If you present a check to make your payment, your check will be converted into an electronic fund transfer. “Electronic fund transfer” is the term used to refer to the process in which a business or government agency electronically instructs your financial institution to transfer funds from your account to its account, rather than processing your paper check. **By presenting your signed check to the OCC, you authorize the agency to copy the check and to use the account information from the check to make an electronic fund transfer from your account for the same amount as the check.** If the electronic fund transfer cannot be processed for technical reasons, you authorize the OCC to process the copy of your check.

Insufficient funds: The electronic fund transfer from your account will usually occur within 24 hours, which is faster than a check is normally processed. Therefore, make sure sufficient funds are available in your checking account when you send your check to the OCC. If the electronic fund transfer cannot be completed because of insufficient funds, the OCC may attempt the transfer two additional times.

Transaction information: The electronic fund transfer from your account will be on the account statement you receive from your financial institution. However, the transfer may be in a different place on your statement than the place where your check entries normally appear. For example, it may appear under “**other withdrawals**” or “**other transactions.**” You will not receive your original check back from your financial institution. For security reasons, the OCC will destroy your original check, but it will keep a copy of the check for record keeping.

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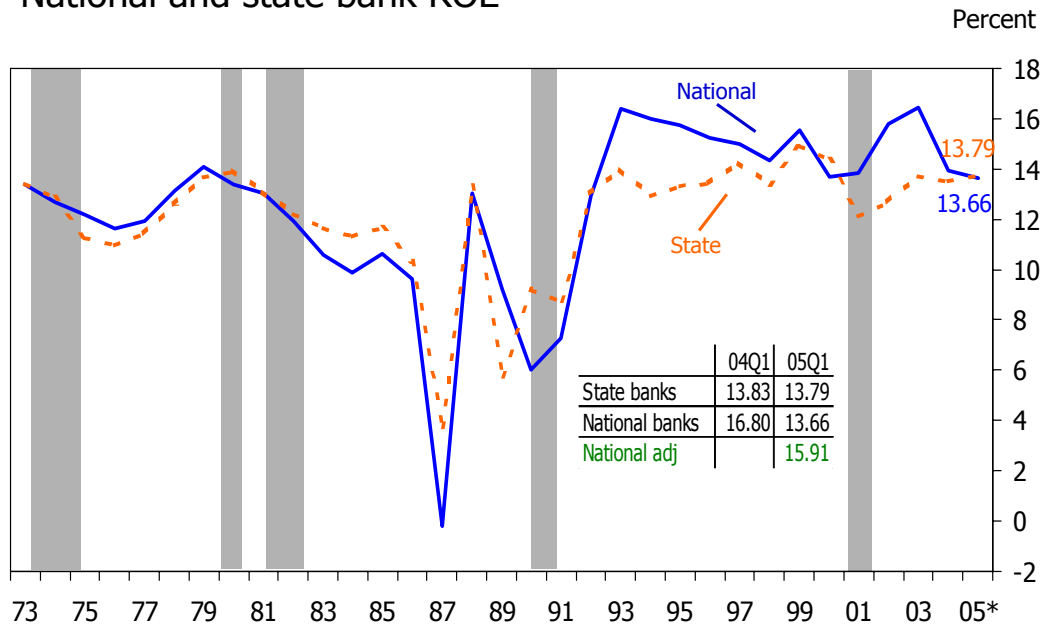
CONDITION AND PERFORMANCE
OF COMMERCIAL BANKS

CONDITION AND PERFORMANCE OF COMMERCIAL BANKS

Bank Condition Summary

- Bank earnings remain strong
- Volume growth continues to be critical
 - Residential RE is key to loan growth
- High asset quality essential to sustaining earnings performance

Earnings remain strong National and state bank ROE



Source: Integrated Banking Information System (OCC)

* 2005 data as of March 31, 2005. All other data as of year-end. Shaded areas represent periods of recession. 2005-Q1 ROE reflects adjustments equity affected by pushdown accounting treatment of recent mergers.

Noninterest income rise and lower expenses support income growth

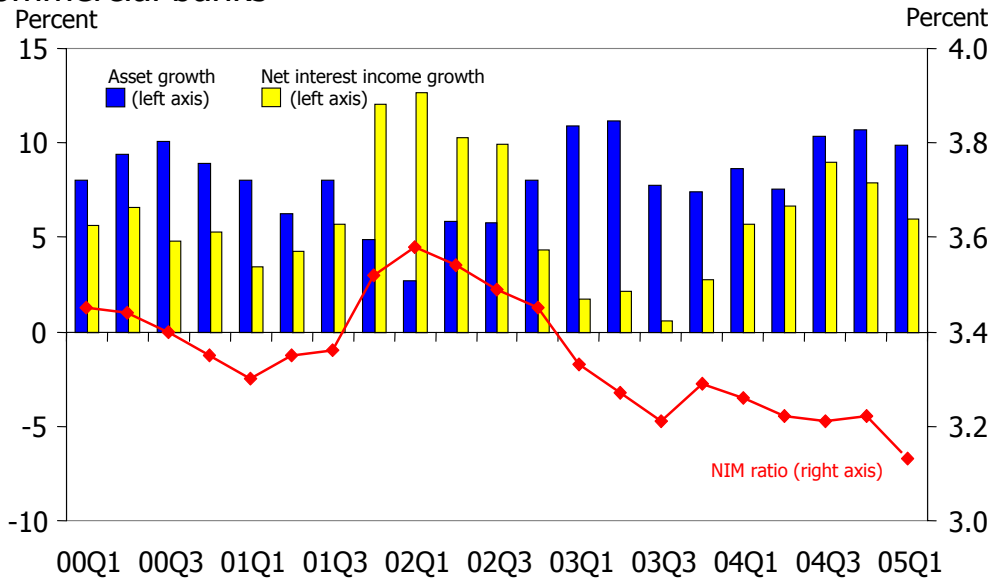
National banks

| | Major income components (Change, \$ millions) | | | |
|-----------------------|--|----------|-------------|----------|
| | 2003Q1-04Q1 | % Change | 2004Q1-05Q1 | % Change |
| Revenues | | | | |
| Net interest income | 2,411 | 6.2% | 1,511 | 3.6% |
| Real gains/losses sec | -377 | n.m. | -1,456 | n.m. |
| Noninterest income | 2,290 | 7.3% | 3,453 | 10.5% |
| Expenses | | | | |
| Provisioning | -2,108 | -29.6% | -783 | -15.8% |
| Noninterest expense | 4,188 | 10.6% | 2,603 | 5.9% |
| Net income | 1,579 | 9.4% | 1,305 | 6.9% |

Source: Integrated Banking Information System (OCC)

Data are merger adjusted and held constant for banks operating as of March 31, 2005.

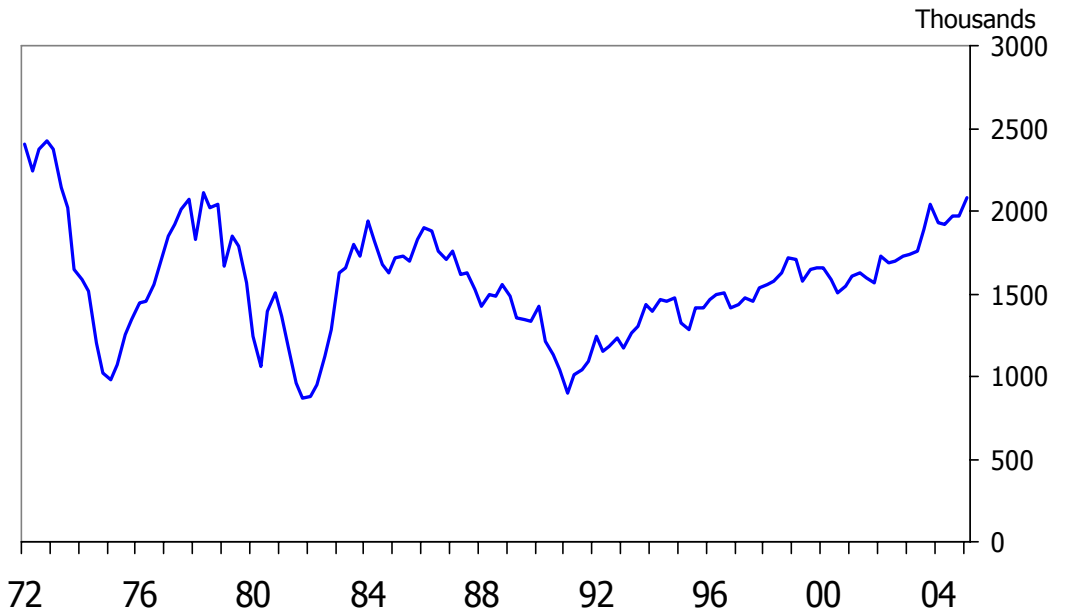
Weakness in margin means that strong asset growth is needed to support net interest income Commercial banks



Source: Integrated Banking Information System (OCC)

Growth calculated from the year-ago quarter.

Housing starts reach recent peak

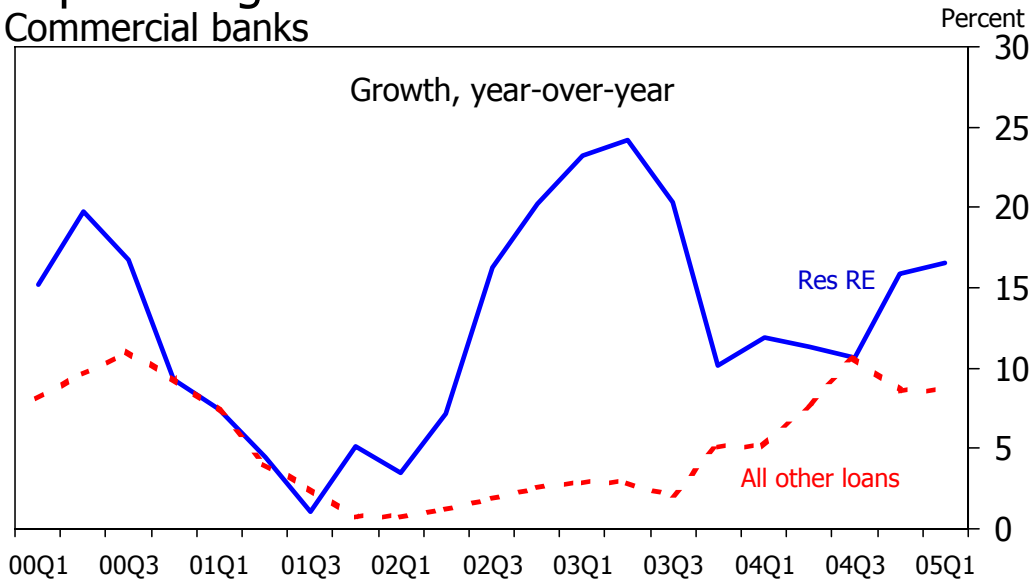


Source: Census Bureau/Haver Analytics

Quarterly data through March 2005. New privately-owned units, seasonally adjusted at annual rate.

Residential real estate remains the most important growth source

Commercial banks



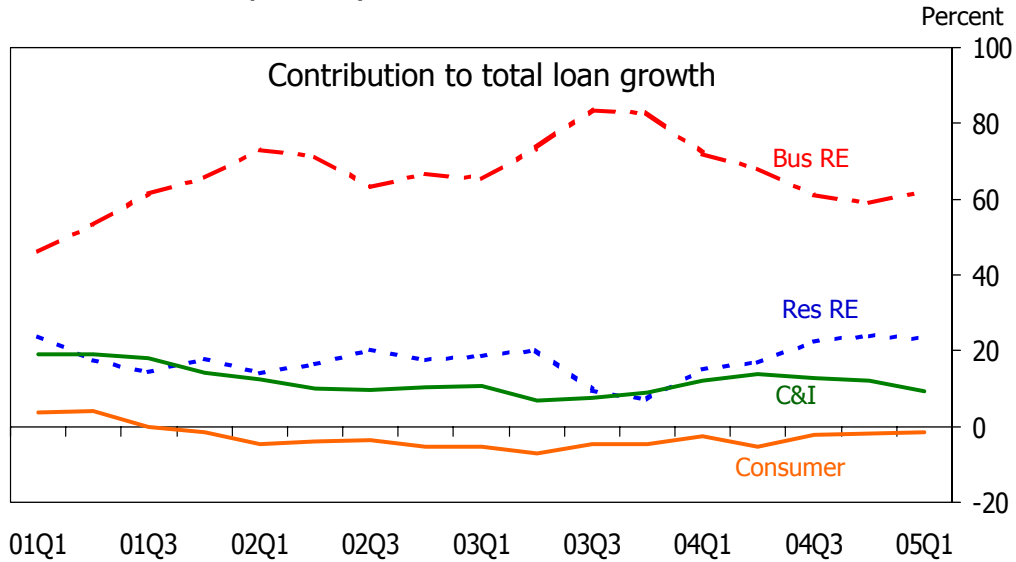
Source: Integrated Banking Information System (OCC)

Growth calculated from the same quarter a year ago.
Residential RE is 1-4 family and home equity.

6

Business real estate (RE) growth is the key driver for small banks

National non-specialty banks under \$1 billion



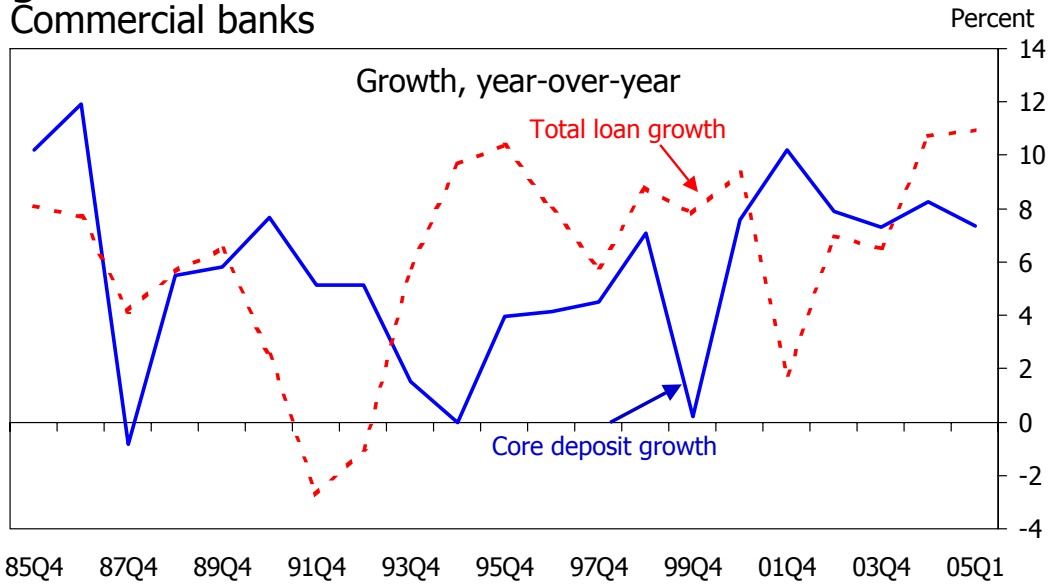
Source: Integrated Banking Information System (OCC)

Quarterly data through March 2005. Business RE is CRE, construction and multi-family lending. Residential RE is 1-4 family and home equity.

7

Robust loan demand outstrips core deposit growth

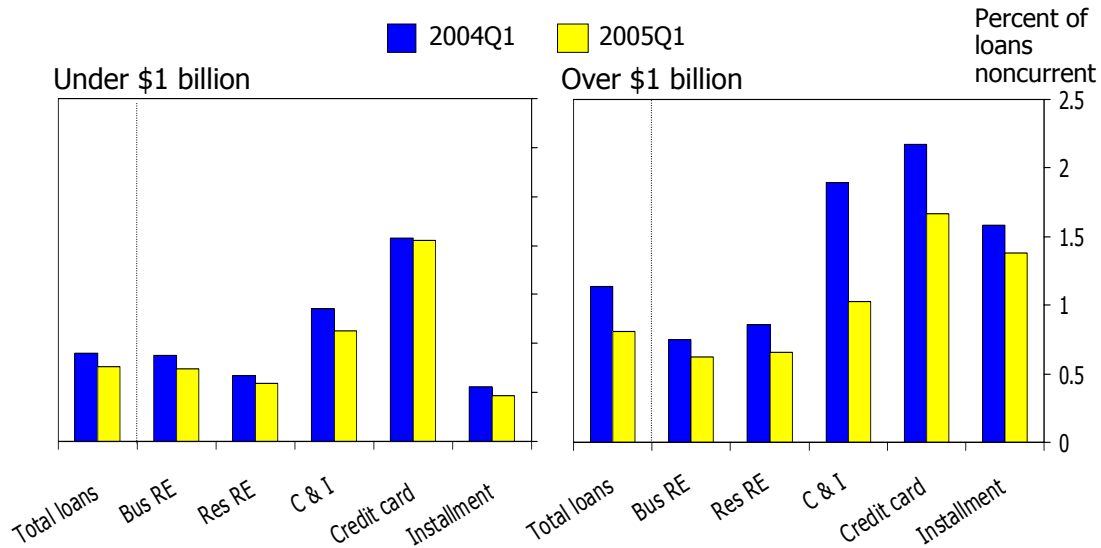
Commercial banks



Source: Integrated Banking Information System (OCC)

Quarterly data through March 2005. Growth calculated from the same quarter a year ago.

Continued improvement in large bank C&I (commercial and industrial) noncurrent loans National non-specialty banks

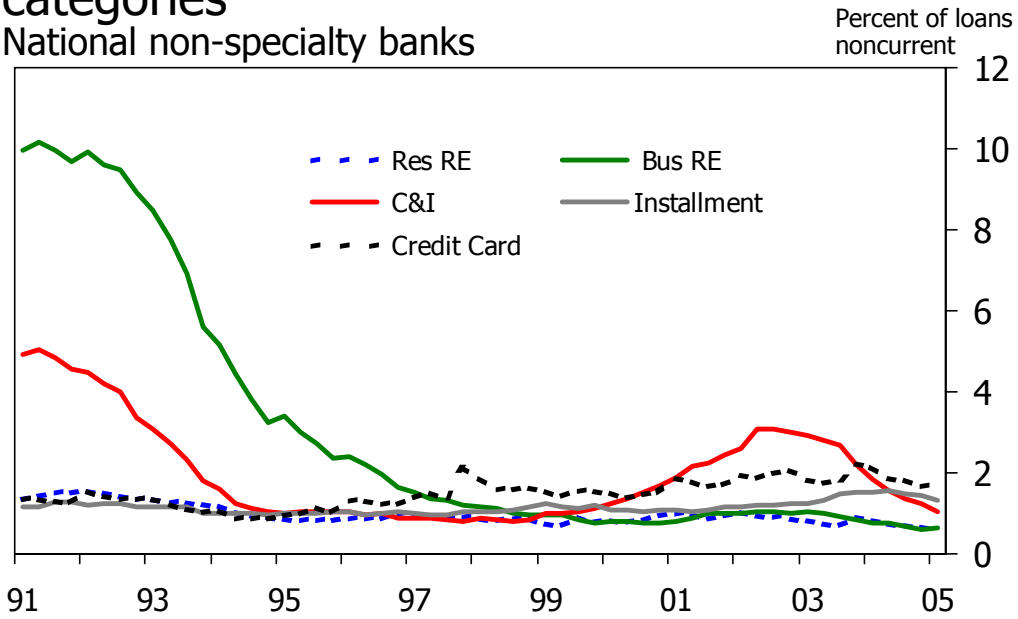


Source: Integrated Banking Information System (OCC)

Noncurrent loans as a percent of loans in respective category; non-specialty category excludes credit card and trust banks. Business RE is CRE, construction and multi-family lending. Residential RE is 1-4 family and home equity.

Noncurrent ratio near historic lows for all loan categories

National non-specialty banks



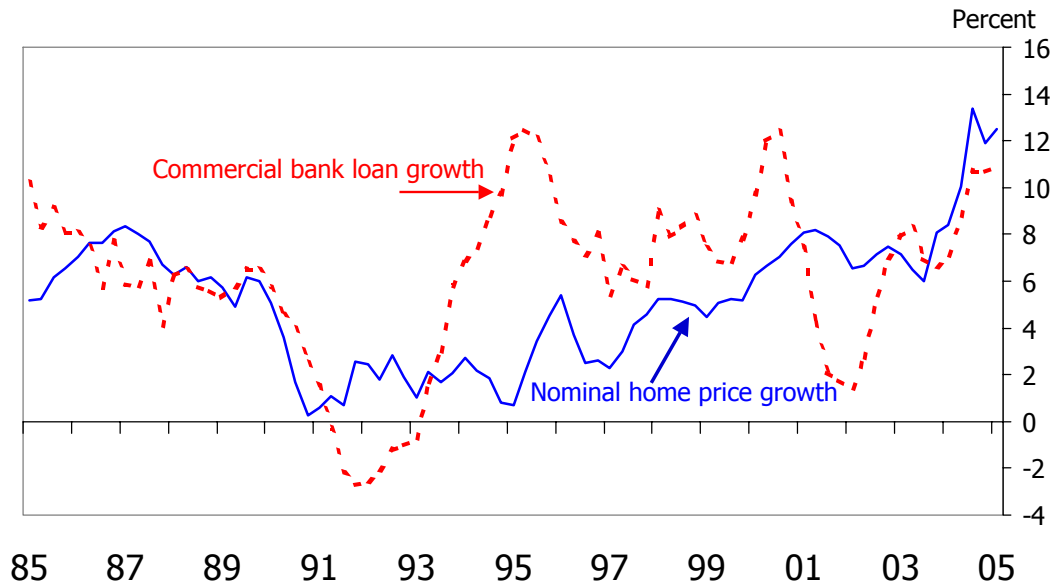
Source: Integrated Banking Information System (OCC)

Quarterly data through March 2005. Noncurrent loans as a percent of loans in respective category; non-specialty category excludes credit card and trust banks. Business RE is CRE, construction and multi-family lending. Residential RE is 1-4 family and home equity.¹⁰

Possible risks

- Cooling off in housing markets has accompanied slower loan growth
- Past regional housing price declines have lingered
- Credit quality problems in housing have spilled over to other loan types

Volume growth likely to fall off sharply if home prices and economy weakens



Source: Integrated Banking Information System (OCC); OFHEO/Haver Analytics

Quarterly data through March 2005. Growth calculated from the same quarter a year ago.

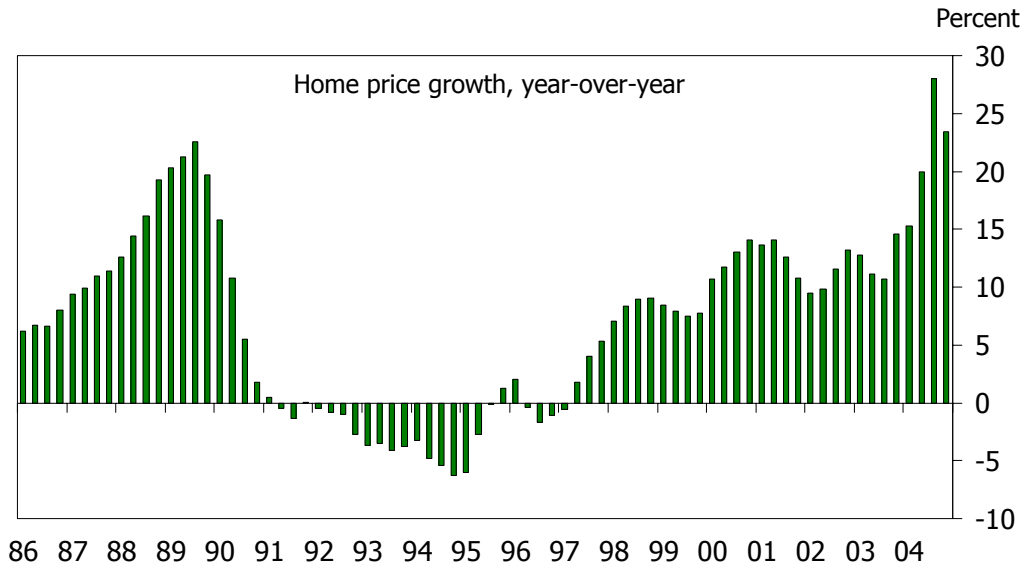
Past major regional home price declines have lasted for a while and been associated with weak economies

| MSA (Home price peak) | Home price | | Employment | |
|-----------------------------|-------------------------------|----------------------------------|---------------------------|--|
| | Price Decline: Peak to Trough | Time to climb back to price peak | Job losses peak to trough | Time required to climb back to original job peak |
| Boston (88:4) | 7.2% | 6 yrs | 12.7% | 8 yrs |
| New York (89:1) | 10.0 | 11 | 10.9 | 11 |
| Los Angeles (90:3) | 21.4 | 11 | 10.0 | 8 |
| San Francisco (90:1) | 3.8 | 7 | 7.3 | 6 |
| Houston (84:1) | 23.1 | 7 | 8.3 | 3 |
| National | No decline | -- | -- | -- |

Source: National Association of Realtors, Bureau of Labor Statistics/Haver Analytics

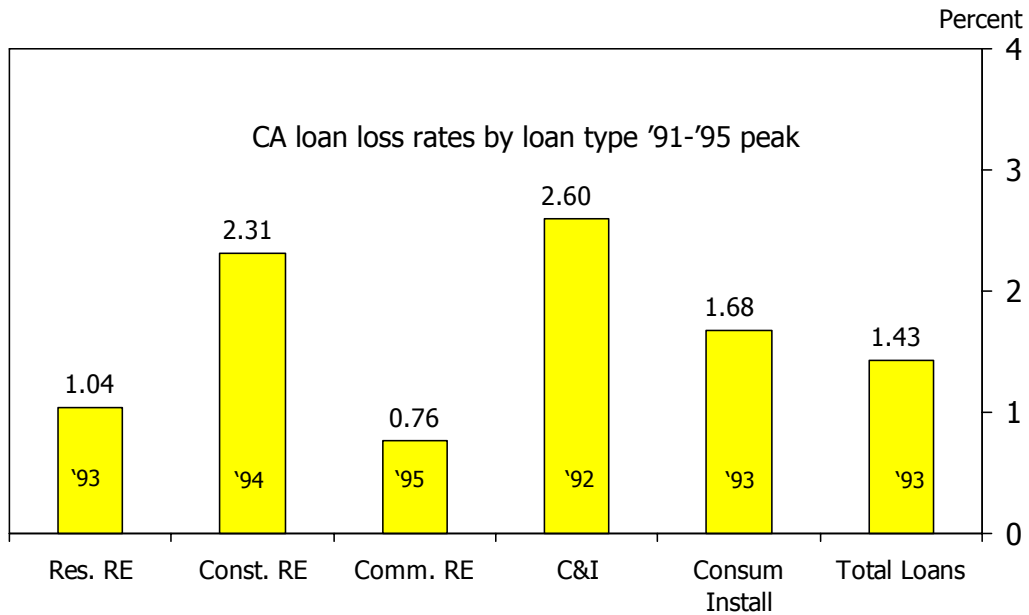
Home price peak is the quarter in which peak occurred.

California experienced multiple-year home price decline in the 1990s



Source: OFHEO/Haver Analytics

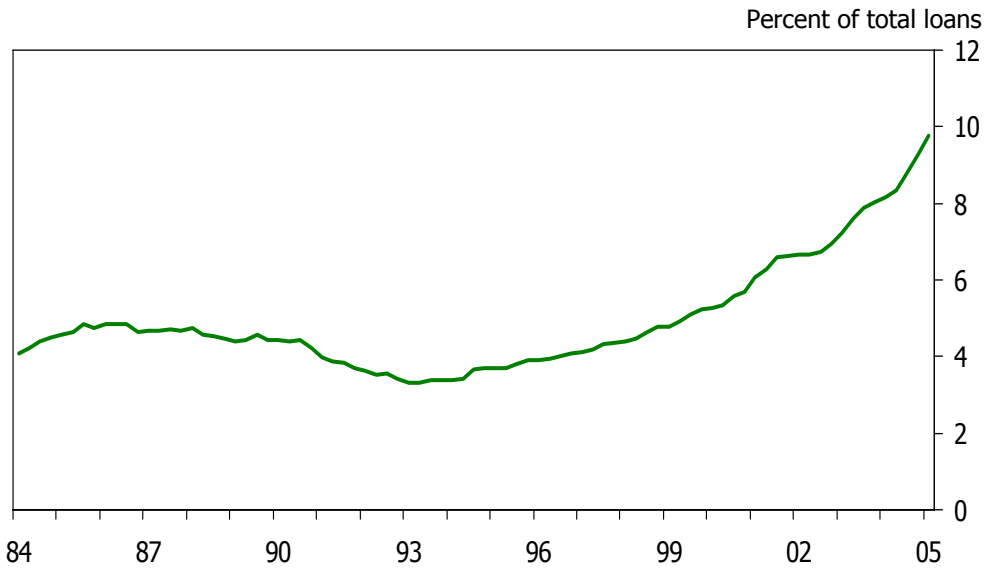
California's nonresidential loan book hit hard Commercial banks under \$1 billion



Source: Integrated Banking Information System (OCC)

Construction exposure expands at small banks

Construction loans at commercial banks under \$1 billion



Source: Integrated Banking Information System (OCC)

Quarterly data through March 2005.

Bank Condition Summary

- Bank earnings remain strong
- Volume growth continues to be critical
 - Residential RE is key to loan growth
- High asset quality essential to sustaining earnings performance

CONDITION AND PERFORMANCE OF COMMERCIAL BANKS

Key indicators, FDIC-insured national banks
Annual 2001-2004, year-to-date through March 31, 2005, first quarter 2004, and first quarter 2005
(Dollar figures in millions)

| | 2001 | 2002 | 2003 | 2004 | Preliminary 2005YTD | 2004Q1 | Preliminary 2005Q1 |
|---|------------|------------|------------|------------|------------------------|------------|-----------------------|
| Number of institutions reporting | 2,138 | 2,077 | 1,999 | 1,906 | 1,896 | 1,969 | 1,896 |
| Total employees (FTEs) | 966,545 | 993,469 | 1,000,493 | 1,142,946 | 1,164,583 | 1,069,669 | 1,164,583 |
| Selected income data (\$) | | | | | | | |
| Net income | \$44,172 | \$56,484 | \$62,995 | \$68,086 | \$19,711 | \$16,673 | \$19,711 |
| Net interest income | 125,366 | 141,377 | 143,148 | 159,215 | 42,997 | 38,335 | 42,997 |
| Provision for loan losses | 28,921 | 32,613 | 24,011 | 18,687 | 4,222 | 5,240 | 4,222 |
| Noninterest income | 100,094 | 109,531 | 116,164 | 127,313 | 37,074 | 28,896 | 37,074 |
| Noninterest expense | 131,736 | 136,822 | 144,938 | 170,819 | 46,324 | 38,240 | 46,324 |
| Net operating income | 42,943 | 54,341 | 60,625 | 65,717 | 19,803 | 15,915 | 19,803 |
| Cash dividends declared | 27,783 | 41,757 | 45,049 | 33,037 | 8,809 | 7,002 | 8,809 |
| Net charge-offs | 25,107 | 31,381 | 26,973 | 21,938 | 5,179 | 6,039 | 5,179 |
| Selected condition data (\$) | | | | | | | |
| Total assets | 3,635,053 | 3,908,025 | 4,292,228 | 5,601,529 | 5,783,752 | 4,436,035 | 5,783,752 |
| Total loans and leases | 2,269,248 | 2,445,291 | 2,630,614 | 3,166,990 | 3,235,624 | 2,664,252 | 3,235,624 |
| Reserve for losses | 45,537 | 48,338 | 48,627 | 48,994 | 47,638 | 47,731 | 47,638 |
| Securities | 576,550 | 653,702 | 753,642 | 908,069 | 933,528 | 855,125 | 933,528 |
| Other real estate owned | 1,799 | 2,075 | 1,941 | 1,530 | 1,563 | 1,891 | 1,563 |
| Noncurrent loans and leases | 34,261 | 38,166 | 34,876 | 29,606 | 27,959 | 31,264 | 27,959 |
| Total deposits | 2,384,414 | 2,565,771 | 2,786,714 | 3,581,416 | 3,669,061 | 2,892,425 | 3,669,061 |
| Domestic deposits | 2,001,243 | 2,168,876 | 2,322,009 | 2,848,717 | 2,937,055 | 2,382,797 | 2,937,055 |
| Equity capital | 340,657 | 371,434 | 390,492 | 557,993 | 579,338 | 403,287 | 579,338 |
| Off-balance-sheet derivatives | 20,549,785 | 25,953,772 | 31,554,693 | 86,319,427 | 89,390,904 | 34,043,863 | 89,390,904 |
| Performance ratios (annualized %) | | | | | | | |
| Return on equity | 13.84 | 15.79 | 16.47 | 13.95 | 13.66 | 16.80 | 13.66 |
| Return on assets | 1.25 | 1.50 | 1.53 | 1.28 | 1.38 | 1.53 | 1.38 |
| Net interest income to assets | 3.56 | 3.76 | 3.47 | 3.00 | 3.00 | 3.51 | 3.00 |
| Loss provision to assets | 0.82 | 0.87 | 0.58 | 0.35 | 0.29 | 0.48 | 0.29 |
| Net operating income to assets | 1.22 | 1.44 | 1.47 | 1.24 | 1.38 | 1.46 | 1.38 |
| Noninterest income to assets | 2.84 | 2.91 | 2.82 | 2.40 | 2.59 | 2.65 | 2.59 |
| Noninterest expense to assets | 3.74 | 3.63 | 3.51 | 3.22 | 3.23 | 3.50 | 3.23 |
| Loss provision to loans and leases | 1.28 | 1.38 | 0.95 | 0.62 | 0.52 | 0.79 | 0.52 |
| Net charge-offs to loans and leases | 1.11 | 1.33 | 1.07 | 0.73 | 0.64 | 0.91 | 0.64 |
| Loss provision to net charge-offs | 115.19 | 103.93 | 89.02 | 85.18 | 81.51 | 86.77 | 81.51 |
| Performance ratios (%) | | | | | | | |
| Percent of institutions unprofitable | 7.48 | 6.93 | 5.60 | 5.30 | 4.69 | 5.54 | 4.69 |
| Percent of institutions with earnings gains | 56.83 | 71.21 | 55.93 | 63.12 | 59.34 | 56.58 | 58.91 |
| Nonint. income to net operating revenue | 44.40 | 43.65 | 44.80 | 44.43 | 46.30 | 42.98 | 46.30 |
| Nonint. expense to net operating revenue | 58.43 | 54.53 | 55.89 | 59.62 | 57.85 | 56.88 | 57.85 |
| Condition ratios (%) | | | | | | | |
| Nonperforming assets to assets | 1.01 | 1.06 | 0.89 | 0.57 | 0.52 | 0.77 | 0.52 |
| Noncurrent loans to loans | 1.51 | 1.56 | 1.33 | 0.93 | 0.86 | 1.17 | 0.86 |
| Loss reserve to noncurrent loans | 132.91 | 126.65 | 139.43 | 165.49 | 170.38 | 152.67 | 170.38 |
| Loss reserve to loans | 2.01 | 1.98 | 1.85 | 1.55 | 1.47 | 1.79 | 1.47 |
| Equity capital to assets | 9.37 | 9.50 | 9.10 | 9.96 | 10.02 | 9.09 | 10.02 |
| Leverage ratio | 7.81 | 7.88 | 7.70 | 7.31 | 7.35 | 7.64 | 7.35 |
| Risk-based capital ratio | 12.60 | 12.66 | 12.65 | 12.26 | 12.43 | 12.65 | 12.43 |
| Net loans and leases to assets | 61.17 | 61.33 | 60.15 | 55.66 | 55.12 | 58.98 | 55.12 |
| Securities to assets | 15.86 | 16.73 | 17.56 | 16.21 | 16.14 | 19.28 | 16.14 |
| Appreciation in securities (% of par) | 0.47 | 2.12 | 0.88 | 0.55 | -0.53 | 1.71 | -0.53 |
| Residential mortgage assets to assets | 22.55 | 24.72 | 24.44 | 23.46 | 23.55 | 25.80 | 23.55 |
| Total deposits to assets | 65.60 | 65.65 | 64.92 | 63.94 | 63.44 | 65.20 | 63.44 |
| Core deposits to assets | 48.08 | 48.75 | 48.03 | 43.83 | 43.50 | 47.82 | 43.50 |
| Volatile liabilities to assets | 31.23 | 30.31 | 30.57 | 33.90 | 34.57 | 31.04 | 34.57 |

CONDITION AND PERFORMANCE OF COMMERCIAL BANKS

Loan performance, FDIC-insured national banks
Annual 2001-2004, year-to-date through March 31, 2005, first quarter 2004, and first quarter 2005
(Dollar figures in millions)

| | 2001 | 2002 | 2003 | 2004 | Preliminary 2005YTD | 2004Q1 | Preliminary 2005Q1 |
|---|-------------|-------------|-------------|-------------|------------------------|-------------|-----------------------|
| Percent of loans past due 30-89 days | | | | | | | |
| Total loans and leases | 1.38 | 1.14 | 1.02 | 0.87 | 0.83 | 0.88 | 0.83 |
| Loans secured by real estate (RE) | 1.42 | 1.07 | 0.91 | 0.75 | 0.73 | 0.79 | 0.73 |
| 1- to 4-family residential mortgages | 1.84 | 1.45 | 1.30 | 1.05 | 0.92 | 1.06 | 0.92 |
| Home equity loans | 0.79 | 0.61 | 0.45 | 0.39 | 0.37 | 0.36 | 0.37 |
| Multifamily residential mortgages | 0.82 | 0.42 | 0.54 | 0.39 | 0.62 | 0.33 | 0.62 |
| Commercial RE loans | 0.85 | 0.58 | 0.47 | 0.44 | 0.54 | 0.52 | 0.54 |
| Construction RE loans | 1.28 | 0.91 | 0.66 | 0.61 | 0.72 | 0.73 | 0.72 |
| Commercial and industrial loans | 0.94 | 0.76 | 0.63 | 0.56 | 0.53 | 0.57 | 0.53 |
| Loans to individuals | 2.38 | 2.15 | 2.08 | 1.84 | 1.64 | 1.77 | 1.64 |
| Credit cards | 2.52 | 2.57 | 2.48 | 2.21 | 1.97 | 2.14 | 1.97 |
| Installment loans and other plans | 2.62 | 2.07 | 1.95 | 1.67 | 1.52 | 1.65 | 1.52 |
| All other loans and leases | 0.84 | 0.55 | 0.34 | 0.31 | 0.46 | 0.35 | 0.46 |
| Percent of loans noncurrent | | | | | | | |
| Total loans and leases | 1.51 | 1.56 | 1.33 | 0.93 | 0.86 | 1.17 | 0.86 |
| Loans secured by real estate (RE) | 1.05 | 0.97 | 0.95 | 0.68 | 0.68 | 0.87 | 0.68 |
| 1- to 4-family residential mortgages | 1.06 | 1.02 | 1.14 | 0.86 | 0.84 | 1.06 | 0.84 |
| Home equity loans | 0.38 | 0.32 | 0.24 | 0.18 | 0.18 | 0.22 | 0.18 |
| Multifamily residential mortgages | 0.54 | 0.48 | 0.45 | 0.42 | 0.47 | 0.38 | 0.47 |
| Commercial RE loans | 1.02 | 1.05 | 0.97 | 0.71 | 0.73 | 0.88 | 0.73 |
| Construction RE loans | 1.15 | 1.03 | 0.71 | 0.44 | 0.49 | 0.62 | 0.49 |
| Commercial and industrial loans | 2.44 | 3.00 | 2.19 | 1.22 | 1.03 | 1.85 | 1.03 |
| Loans to individuals | 1.49 | 1.60 | 1.78 | 1.66 | 1.49 | 1.71 | 1.49 |
| Credit cards | 2.05 | 2.16 | 2.24 | 2.03 | 1.82 | 2.14 | 1.82 |
| Installment loans and other plans | 1.24 | 1.30 | 1.55 | 1.46 | 1.36 | 1.54 | 1.36 |
| All other loans and leases | 1.19 | 1.11 | 0.74 | 0.39 | 0.39 | 0.54 | 0.39 |
| Percent of loans charged-off, net | | | | | | | |
| Total loans and leases | 1.11 | 1.33 | 1.07 | 0.73 | 0.64 | 0.91 | 0.64 |
| Loans secured by real estate (RE) | 0.26 | 0.19 | 0.21 | 0.08 | 0.07 | 0.11 | 0.07 |
| 1- to 4-family residential mortgages | 0.32 | 0.17 | 0.24 | 0.08 | 0.07 | 0.14 | 0.07 |
| Home equity loans | 0.35 | 0.23 | 0.23 | 0.10 | 0.09 | 0.15 | 0.09 |
| Multifamily residential mortgages | 0.04 | 0.11 | 0.03 | 0.04 | 0.03 | 0.01 | 0.03 |
| Commercial RE loans | 0.16 | 0.17 | 0.13 | 0.05 | 0.03 | 0.04 | 0.03 |
| Construction RE loans | 0.15 | 0.19 | 0.14 | 0.04 | 0.06 | 0.05 | 0.06 |
| Commercial and industrial loans | 1.50 | 1.80 | 1.35 | 0.44 | 0.18 | 0.71 | 0.18 |
| Loans to individuals | 3.13 | 4.02 | 3.45 | 3.14 | 2.95 | 3.56 | 2.95 |
| Credit cards | 5.06 | 6.58 | 5.48 | 5.15 | 4.77 | 5.80 | 4.77 |
| Installment loans and other plans | 1.66 | 1.91 | 1.81 | 1.51 | 1.34 | 1.62 | 1.34 |
| All other loans and leases | 1.75 | 2.49 | 1.75 | 0.46 | 0.12 | 0.18 | 0.12 |
| Loans outstanding (\$) | | | | | | | |
| Total loans and leases | \$2,269,248 | \$2,445,291 | \$2,630,614 | \$3,166,990 | \$3,235,624 | \$2,664,252 | \$3,235,624 |
| Loans secured by real estate (RE) | 976,094 | 1,139,263 | 1,254,981 | 1,572,071 | 1,630,684 | 1,298,019 | 1,630,684 |
| 1- to 4-family residential mortgages | 472,680 | 573,669 | 605,100 | 745,212 | 763,550 | 614,971 | 763,550 |
| Home equity loans | 102,131 | 141,058 | 192,703 | 294,919 | 312,742 | 212,656 | 312,742 |
| Multifamily residential mortgages | 30,075 | 33,968 | 35,652 | 39,942 | 41,844 | 35,480 | 41,844 |
| Commercial RE loans | 236,489 | 253,427 | 269,936 | 301,700 | 309,388 | 277,361 | 309,388 |
| Construction RE loans | 91,437 | 95,361 | 104,218 | 128,622 | 141,755 | 109,133 | 141,755 |
| Farmland loans | 12,615 | 13,225 | 13,614 | 14,678 | 14,850 | 13,950 | 14,850 |
| RE loans from foreign offices | 30,668 | 28,556 | 33,758 | 46,998 | 46,554 | 34,469 | 46,554 |
| Commercial and industrial loans | 597,301 | 546,050 | 500,005 | 580,240 | 624,063 | 502,928 | 624,063 |
| Loans to individuals | 389,947 | 450,604 | 527,991 | 615,760 | 605,307 | 509,683 | 605,307 |
| Credit cards | 166,628 | 209,971 | 250,893 | 300,351 | 275,893 | 230,622 | 275,893 |
| Other revolving credit plans | 29,258 | 33,243 | 32,883 | 34,258 | 33,683 | 31,370 | 33,683 |
| Installment loans | 194,060 | 207,390 | 244,215 | 281,151 | 295,731 | 247,691 | 295,731 |
| All other loans and leases | 307,851 | 311,822 | 349,521 | 401,143 | 377,543 | 355,461 | 377,543 |
| Less: Unearned income | 1,944 | 2,449 | 1,884 | 2,224 | 1,973 | 1,840 | 1,973 |

CONDITION AND PERFORMANCE OF COMMERCIAL BANKS

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

| | Less than \$100M | | \$100M to \$1B | | \$1B to \$10B | | Greater than \$10B | |
|---|------------------|--------|----------------|---------|---------------|---------|--------------------|------------|
| | 2004Q1 | 2005Q1 | 2004Q1 | 2005Q1 | 2004Q1 | 2005Q1 | 2004Q1 | 2005Q1 |
| Number of institutions reporting | 824 | 747 | 984 | 979 | 116 | 125 | 45 | 45 |
| Total employees (FTEs) | 19,374 | 16,695 | 134,240 | 90,057 | 84,701 | 86,344 | 831,354 | 971,487 |
| Selected income data (\$) | | | | | | | | |
| Net income | \$117 | \$111 | \$878 | \$920 | \$1,262 | \$1,300 | \$14,416 | \$17,380 |
| Net interest income | 425 | 397 | 2,519 | 2,526 | 3,055 | 3,070 | 32,336 | 37,003 |
| Provision for loan losses | 21 | 15 | 151 | 131 | 311 | 209 | 4,757 | 3,867 |
| Noninterest income | 183 | 134 | 1,368 | 1,274 | 2,192 | 2,244 | 25,152 | 33,422 |
| Noninterest expense | 445 | 377 | 2,564 | 2,444 | 3,072 | 3,156 | 32,159 | 40,347 |
| Net operating income | 112 | 110 | 851 | 911 | 1,235 | 1,301 | 13,718 | 17,481 |
| Cash dividends declared | 75 | 82 | 345 | 462 | 970 | 659 | 5,612 | 7,606 |
| Net charge-offs | 14 | 7 | 136 | 88 | 261 | 172 | 5,627 | 4,913 |
| Selected condition data (\$) | | | | | | | | |
| Total assets | 45,315 | 41,457 | 273,510 | 272,861 | 346,243 | 358,002 | 3,770,967 | 5,111,432 |
| Total loans and leases | 26,377 | 24,341 | 171,920 | 175,311 | 213,978 | 226,544 | 2,251,977 | 2,809,428 |
| Reserve for losses | 387 | 356 | 2,427 | 2,285 | 3,161 | 2,987 | 41,757 | 42,010 |
| Securities | 11,740 | 11,283 | 68,940 | 65,501 | 86,442 | 75,946 | 688,003 | 780,798 |
| Other real estate owned | 73 | 57 | 284 | 252 | 202 | 159 | 1,332 | 1,095 |
| Noncurrent loans and leases | 319 | 254 | 1,529 | 1,273 | 1,788 | 1,395 | 27,629 | 25,037 |
| Total deposits | 37,786 | 34,822 | 220,318 | 221,403 | 229,984 | 245,245 | 2,404,337 | 3,167,590 |
| Domestic deposits | 37,772 | 34,809 | 220,174 | 221,163 | 227,250 | 241,907 | 1,897,601 | 2,439,176 |
| Equity capital | 5,443 | 4,776 | 28,124 | 27,754 | 37,828 | 38,170 | 331,892 | 508,639 |
| Off-balance-sheet derivatives | 22 | 10 | 3,024 | 3,052 | 22,011 | 14,770 | 34,433,303 | 90,068,037 |
| Performance ratios (annualized %) | | | | | | | | |
| Return on equity | 8.71 | 9.26 | 12.72 | 13.33 | 13.38 | 13.83 | 17.68 | 13.71 |
| Return on assets | 1.04 | 1.07 | 1.30 | 1.36 | 1.47 | 1.46 | 1.56 | 1.37 |
| Net interest income to assets | 3.77 | 3.84 | 3.72 | 3.73 | 3.55 | 3.46 | 3.49 | 2.92 |
| Loss provision to assets | 0.19 | 0.14 | 0.22 | 0.19 | 0.36 | 0.24 | 0.51 | 0.31 |
| Net operating income to assets | 0.99 | 1.06 | 1.26 | 1.35 | 1.43 | 1.46 | 1.48 | 1.38 |
| Noninterest income to assets | 1.63 | 1.30 | 2.02 | 1.88 | 2.55 | 2.53 | 2.72 | 2.64 |
| Noninterest expense to assets | 3.95 | 3.65 | 3.78 | 3.61 | 3.57 | 3.55 | 3.47 | 3.19 |
| Loss provision to loans and leases | 0.33 | 0.24 | 0.35 | 0.30 | 0.59 | 0.37 | 0.85 | 0.55 |
| Net charge-offs to loans and leases | 0.22 | 0.11 | 0.32 | 0.20 | 0.50 | 0.31 | 1.00 | 0.70 |
| Loss provision to net charge-offs | 150.76 | 221.82 | 110.39 | 148.54 | 119.16 | 121.75 | 84.54 | 78.72 |
| Performance ratios (%) | | | | | | | | |
| Percent of institutions unprofitable | 10.44 | 8.70 | 1.93 | 1.94 | 2.59 | 4.00 | 2.22 | 0.00 |
| Percent of institutions with earnings gains | 51.21 | 53.28 | 59.76 | 60.98 | 63.79 | 72.00 | 66.67 | 71.11 |
| Nonint. income to net operating revenue | 30.14 | 25.23 | 35.19 | 33.52 | 41.78 | 42.23 | 43.75 | 47.46 |
| Nonint. expense to net operating revenue | 73.19 | 70.95 | 65.98 | 64.32 | 58.54 | 59.39 | 55.94 | 57.29 |
| Condition ratios (%) | | | | | | | | |
| Nonperforming assets to assets | 0.87 | 0.75 | 0.66 | 0.56 | 0.58 | 0.44 | 0.79 | 0.52 |
| Noncurrent loans to loans | 1.21 | 1.04 | 0.89 | 0.73 | 0.84 | 0.62 | 1.23 | 0.89 |
| Loss reserve to noncurrent loans | 121.04 | 139.79 | 158.72 | 179.53 | 176.84 | 214.05 | 151.14 | 167.80 |
| Loss reserve to loans | 1.47 | 1.46 | 1.41 | 1.30 | 1.48 | 1.32 | 1.85 | 1.50 |
| Equity capital to assets | 12.01 | 11.52 | 10.28 | 10.17 | 10.93 | 10.66 | 8.80 | 9.95 |
| Leverage ratio | 11.56 | 11.47 | 9.41 | 9.57 | 9.31 | 8.78 | 7.31 | 7.10 |
| Risk-based capital ratio | 19.28 | 18.97 | 14.79 | 14.76 | 15.26 | 13.56 | 12.24 | 12.20 |
| Net loans and leases to assets | 57.36 | 57.86 | 61.97 | 63.41 | 60.89 | 62.45 | 58.61 | 54.14 |
| Securities to assets | 25.91 | 27.22 | 25.21 | 24.01 | 24.97 | 21.21 | 18.24 | 15.28 |
| Appreciation in securities (% of par) | 1.58 | -1.14 | 1.80 | -0.88 | 2.01 | -0.85 | 1.67 | -0.46 |
| Residential mortgage assets to assets | 20.94 | 20.84 | 23.38 | 22.57 | 27.30 | 26.63 | 25.90 | 23.41 |
| Total deposits to assets | 83.38 | 84.00 | 80.55 | 81.14 | 66.42 | 68.50 | 63.76 | 61.97 |
| Core deposits to assets | 70.92 | 71.24 | 67.70 | 67.61 | 56.39 | 57.46 | 45.32 | 41.01 |
| Volatile liabilities to assets | 14.37 | 14.67 | 17.47 | 17.95 | 23.43 | 24.96 | 32.93 | 36.29 |

CONDITION AND PERFORMANCE OF COMMERCIAL BANKS

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

| | Less than \$100M | | \$100M to \$1B | | \$1B to \$10B | | Greater than \$10B | |
|---|------------------|----------|----------------|-----------|---------------|-----------|--------------------|-------------|
| | 2004Q1 | 2005Q1 | 2004Q1 | 2005Q1 | 2004Q1 | 2005Q1 | 2004Q1 | 2005Q1 |
| Percent of loans past due 30-89 days | | | | | | | | |
| Total loans and leases | 1.45 | 1.46 | 0.96 | 0.89 | 0.83 | 0.75 | 0.87 | 0.83 |
| Loans secured by real estate (RE) | 1.31 | 1.31 | 0.84 | 0.79 | 0.73 | 0.68 | 0.78 | 0.72 |
| 1- to 4-family residential mortgages | 1.63 | 1.70 | 1.17 | 1.14 | 0.97 | 0.97 | 1.05 | 0.90 |
| Home equity loans | 0.52 | 0.72 | 0.42 | 0.33 | 0.27 | 0.24 | 0.36 | 0.37 |
| Multifamily residential mortgages | 0.80 | 1.04 | 0.42 | 0.60 | 0.55 | 0.32 | 0.27 | 0.68 |
| Commercial RE loans | 1.19 | 0.97 | 0.68 | 0.60 | 0.61 | 0.44 | 0.44 | 0.54 |
| Construction RE loans | 1.12 | 1.04 | 0.73 | 0.85 | 0.72 | 0.90 | 0.72 | 0.65 |
| Commercial and industrial loans | 1.59 | 1.69 | 1.07 | 1.07 | 0.97 | 0.92 | 0.49 | 0.46 |
| Loans to individuals | 2.19 | 2.29 | 1.73 | 1.45 | 1.38 | 0.91 | 1.79 | 1.67 |
| Credit cards | 1.74 | 1.72 | 3.13 | 2.41 | 2.23 | 1.58 | 2.13 | 1.97 |
| Installment loans and other plans | 2.24 | 2.35 | 1.48 | 1.36 | 1.07 | 0.84 | 1.70 | 1.57 |
| All other loans and leases | 1.23 | 1.21 | 0.86 | 0.79 | 0.28 | 0.61 | 0.33 | 0.44 |
| Percent of loans noncurrent | | | | | | | | |
| Total loans and leases | 1.21 | 1.04 | 0.89 | 0.73 | 0.84 | 0.62 | 1.23 | 0.89 |
| Loans secured by real estate (RE) | 1.03 | 0.91 | 0.80 | 0.67 | 0.74 | 0.56 | 0.89 | 0.69 |
| 1- to 4-family residential mortgages | 0.93 | 0.85 | 0.72 | 0.63 | 0.89 | 0.49 | 1.10 | 0.87 |
| Home equity loans | 0.27 | 0.27 | 0.19 | 0.16 | 0.20 | 0.16 | 0.22 | 0.18 |
| Multifamily residential mortgages | 0.65 | 0.89 | 0.46 | 0.40 | 0.47 | 0.36 | 0.34 | 0.50 |
| Commercial RE loans | 1.21 | 1.08 | 0.92 | 0.79 | 0.80 | 0.80 | 0.89 | 0.69 |
| Construction RE loans | 0.82 | 0.57 | 0.77 | 0.62 | 0.49 | 0.40 | 0.62 | 0.49 |
| Commercial and industrial loans | 2.00 | 1.73 | 1.26 | 1.04 | 1.14 | 0.88 | 1.96 | 1.04 |
| Loans to individuals | 0.90 | 0.81 | 0.90 | 0.60 | 0.95 | 0.43 | 1.80 | 1.56 |
| Credit cards | 1.91 | 0.91 | 3.01 | 2.14 | 2.39 | 1.31 | 2.11 | 1.82 |
| Installment loans and other plans | 0.86 | 0.82 | 0.49 | 0.41 | 0.36 | 0.29 | 1.72 | 1.48 |
| All other loans and leases | 1.36 | 1.06 | 0.89 | 0.72 | 0.57 | 0.61 | 0.52 | 0.37 |
| Percent of loans charged-off, net | | | | | | | | |
| Total loans and leases | 0.22 | 0.11 | 0.32 | 0.20 | 0.50 | 0.31 | 1.00 | 0.70 |
| Loans secured by real estate (RE) | 0.05 | 0.01 | 0.05 | 0.04 | 0.07 | 0.05 | 0.13 | 0.07 |
| 1- to 4-family residential mortgages | 0.04 | 0.07 | 0.06 | 0.06 | 0.15 | 0.05 | 0.15 | 0.07 |
| Home equity loans | 0.08 | 0.08 | 0.03 | 0.04 | 0.05 | 0.06 | 0.16 | 0.09 |
| Multifamily residential mortgages | 0.00 | 0.03 | 0.01 | 0.08 | -0.13 | -0.01 | 0.03 | 0.03 |
| Commercial RE loans | 0.02 | -0.03 | 0.04 | 0.02 | 0.04 | 0.07 | 0.05 | 0.03 |
| Construction RE loans | 0.20 | 0.04 | 0.05 | 0.04 | 0.02 | 0.05 | 0.06 | 0.07 |
| Commercial and industrial loans | 0.46 | 0.31 | 0.26 | 0.32 | 0.59 | 0.59 | 0.76 | 0.13 |
| Loans to individuals | 0.83 | 0.48 | 2.39 | 1.35 | 2.44 | 1.39 | 3.69 | 3.07 |
| Credit cards | 3.74 | 1.63 | 9.23 | 7.61 | 5.41 | 1.56 | 5.77 | 4.79 |
| Installment loans and other plans | 0.70 | 0.46 | 0.97 | 0.46 | 1.13 | 1.36 | 1.71 | 1.38 |
| All other loans and leases | 0.12 | 0.03 | 0.19 | 0.22 | 0.12 | 0.23 | 0.19 | 0.12 |
| Loans outstanding (\$) | | | | | | | | |
| Total loans and leases | \$26,377 | \$24,341 | \$171,920 | \$175,311 | \$213,978 | \$226,544 | \$2,251,977 | \$2,809,428 |
| Loans secured by real estate (RE) | 16,229 | 15,260 | 117,593 | 124,335 | 127,562 | 145,681 | 1,036,635 | 1,345,408 |
| 1- to 4-family residential mortgages | 6,596 | 6,034 | 38,699 | 38,978 | 47,807 | 51,460 | 521,869 | 667,079 |
| Home equity loans | 493 | 519 | 6,876 | 7,675 | 10,131 | 12,389 | 195,157 | 292,159 |
| Multifamily residential mortgages | 419 | 357 | 4,387 | 4,313 | 4,749 | 6,514 | 25,925 | 30,660 |
| Commercial RE loans | 5,105 | 4,801 | 47,670 | 49,597 | 45,128 | 49,327 | 179,457 | 205,662 |
| Construction RE loans | 1,661 | 1,620 | 14,293 | 17,775 | 17,494 | 23,471 | 75,684 | 98,889 |
| Farmland loans | 1,955 | 1,930 | 5,666 | 5,994 | 1,593 | 1,889 | 4,736 | 5,037 |
| RE loans from foreign offices | 0 | 0 | 3 | 2 | 660 | 630 | 33,806 | 45,922 |
| Commercial and industrial loans | 4,260 | 3,846 | 28,299 | 27,695 | 41,557 | 47,944 | 428,812 | 544,579 |
| Loans to individuals | 3,060 | 2,483 | 16,646 | 14,446 | 28,365 | 21,898 | 461,613 | 566,480 |
| Credit cards | 132 | 58 | 2,799 | 1,678 | 8,446 | 3,267 | 219,246 | 270,889 |
| Other revolving credit plans | 37 | 43 | 338 | 344 | 944 | 1,157 | 30,051 | 32,140 |
| Installment loans | 2,892 | 2,382 | 13,509 | 12,424 | 18,975 | 17,474 | 212,315 | 263,451 |
| All other loans and leases | 2,853 | 2,771 | 9,561 | 9,000 | 16,597 | 11,196 | 326,451 | 354,576 |
| Less: Unearned income | 25 | 19 | 179 | 165 | 102 | 175 | 1,533 | 1,614 |

CONDITION AND PERFORMANCE OF COMMERCIAL BANKS

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

| | Northeast | Southeast | Central | Midwest | Southwest | West | All institutions |
|---|------------|------------|------------|---------|-----------|---------|------------------|
| Number of institutions reporting | 208 | 222 | 369 | 390 | 557 | 150 | 1,896 |
| Total employees (FTEs) | 346,599 | 233,578 | 293,072 | 159,470 | 92,311 | 39,553 | 1,164,583 |
| Selected income data (\$) | | | | | | | |
| Net income | \$5,305 | \$5,381 | \$4,113 | \$2,541 | \$915 | \$1,456 | \$19,711 |
| Net interest income | 11,888 | 9,707 | 9,971 | 5,428 | 2,464 | 3,538 | 42,997 |
| Provision for loan losses | 1,731 | 94 | 434 | 682 | 111 | 1,169 | 4,222 |
| Noninterest income | 12,052 | 5,906 | 10,210 | 5,343 | 1,281 | 2,281 | 37,074 |
| Noninterest expense | 14,388 | 8,288 | 12,750 | 6,216 | 2,329 | 2,354 | 46,324 |
| Net operating income | 5,255 | 4,941 | 4,684 | 2,543 | 925 | 1,455 | 19,803 |
| Cash dividends declared | 2,455 | 1,284 | 1,444 | 2,978 | 302 | 347 | 8,809 |
| Net charge-offs | 2,283 | 210 | 811 | 736 | 91 | 1,048 | 5,179 |
| Selected condition data (\$) | | | | | | | |
| Total assets | 1,525,786 | 1,447,402 | 1,733,231 | 533,868 | 293,721 | 249,745 | 5,783,752 |
| Total loans and leases | 844,582 | 749,128 | 876,256 | 398,205 | 180,621 | 186,830 | 3,235,624 |
| Reserve for losses | 15,602 | 7,377 | 11,827 | 5,750 | 2,168 | 4,914 | 47,638 |
| Securities | 255,554 | 339,489 | 193,288 | 53,552 | 59,567 | 32,077 | 933,528 |
| Other real estate owned | 174 | 275 | 578 | 202 | 281 | 54 | 1,563 |
| Noncurrent loans and leases | 9,634 | 3,452 | 7,290 | 4,332 | 1,268 | 1,983 | 27,959 |
| Total deposits | 999,596 | 950,349 | 1,008,352 | 365,325 | 216,916 | 128,522 | 3,669,061 |
| Domestic deposits | 608,064 | 829,657 | 815,885 | 345,410 | 214,154 | 123,884 | 2,937,055 |
| Equity capital | 178,452 | 116,472 | 159,326 | 57,718 | 35,576 | 31,793 | 579,338 |
| Off-balance-sheet derivatives | 20,452,173 | 22,028,046 | 46,089,387 | 720,544 | 59,441 | 41,314 | 89,390,904 |
| Performance ratios (annualized %) | | | | | | | |
| Return on equity | 11.84 | 18.73 | 10.37 | 17.49 | 10.44 | 18.79 | 13.66 |
| Return on assets | 1.39 | 1.53 | 0.96 | 1.89 | 1.27 | 2.35 | 1.38 |
| Net interest income to assets | 3.11 | 2.76 | 2.32 | 4.05 | 3.42 | 5.71 | 3.00 |
| Loss provision to assets | 0.45 | 0.03 | 0.10 | 0.51 | 0.15 | 1.89 | 0.29 |
| Net operating income to assets | 1.37 | 1.41 | 1.09 | 1.90 | 1.28 | 2.35 | 1.38 |
| Noninterest income to assets | 3.15 | 1.68 | 2.37 | 3.98 | 1.78 | 3.68 | 2.59 |
| Noninterest expense to assets | 3.76 | 2.36 | 2.96 | 4.63 | 3.23 | 3.80 | 3.23 |
| Loss provision to loans and leases | 0.81 | 0.05 | 0.20 | 0.68 | 0.25 | 2.52 | 0.52 |
| Net charge-offs to loans and leases | 1.07 | 0.11 | 0.37 | 0.74 | 0.20 | 2.26 | 0.64 |
| Loss provision to net charge-offs | 75.85 | 44.63 | 53.58 | 92.61 | 121.87 | 111.53 | 81.51 |
| Performance ratios (%) | | | | | | | |
| Percent of institutions unprofitable | 4.81 | 6.31 | 4.88 | 1.54 | 4.49 | 10.67 | 4.69 |
| Percent of institutions with earnings gains | 60.10 | 66.67 | 49.32 | 58.46 | 58.89 | 70.67 | 58.91 |
| Nonint. income to net operating revenue | 50.34 | 37.83 | 50.59 | 49.60 | 34.21 | 39.20 | 46.30 |
| Nonint. expense to net operating revenue | 60.10 | 53.08 | 63.18 | 57.70 | 62.19 | 40.45 | 57.85 |
| Condition ratios (%) | | | | | | | |
| Nonperforming assets to assets | 0.66 | 0.27 | 0.47 | 0.85 | 0.53 | 0.83 | 0.52 |
| Noncurrent loans to loans | 1.14 | 0.46 | 0.83 | 1.09 | 0.70 | 1.06 | 0.86 |
| Loss reserve to noncurrent loans | 161.94 | 213.69 | 162.24 | 132.73 | 170.96 | 247.86 | 170.38 |
| Loss reserve to loans | 1.85 | 0.98 | 1.35 | 1.44 | 1.20 | 2.63 | 1.47 |
| Equity capital to assets | 11.70 | 8.05 | 9.19 | 10.81 | 12.11 | 12.73 | 10.02 |
| Leverage ratio | 7.84 | 6.63 | 6.60 | 8.14 | 8.27 | 10.98 | 7.35 |
| Risk-based capital ratio | 13.72 | 11.25 | 11.77 | 12.51 | 12.78 | 15.03 | 12.43 |
| Net loans and leases to assets | 54.33 | 51.25 | 49.87 | 73.51 | 60.76 | 72.84 | 55.12 |
| Securities to assets | 16.75 | 23.46 | 11.15 | 10.03 | 20.28 | 12.84 | 16.14 |
| Appreciation in securities (% of par) | -0.24 | -0.67 | -0.96 | 1.33 | -1.22 | -0.58 | -0.53 |
| Residential mortgage assets to assets | 15.57 | 37.06 | 19.12 | 24.99 | 24.89 | 20.27 | 23.55 |
| Total deposits to assets | 65.51 | 65.66 | 58.18 | 68.43 | 73.85 | 51.46 | 63.44 |
| Core deposits to assets | 32.88 | 50.90 | 40.25 | 56.10 | 58.03 | 43.98 | 43.50 |
| Volatile liabilities to assets | 41.87 | 32.58 | 35.37 | 21.00 | 25.18 | 35.95 | 34.57 |

CONDITION AND PERFORMANCE OF COMMERCIAL BANKS

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

| | Northeast | Southeast | Central | Midwest | Southwest | West | All institutions |
|---|-----------|-----------|-----------|-----------|-----------|-----------|------------------|
| Percent of loans past due 30-89 days | | | | | | | |
| Total loans and leases | 0.95 | 0.53 | 0.83 | 0.89 | 0.80 | 1.34 | 0.83 |
| Loans secured by real estate (RE) | 0.74 | 0.57 | 0.85 | 0.70 | 0.74 | 0.94 | 0.73 |
| 1- to 4-family residential mortgages | 0.78 | 0.78 | 1.10 | 0.92 | 0.95 | 1.52 | 0.92 |
| Home equity loans | 0.39 | 0.34 | 0.38 | 0.38 | 0.45 | 0.13 | 0.37 |
| Multifamily residential mortgages | 0.85 | 0.14 | 0.82 | 0.57 | 0.51 | 0.60 | 0.62 |
| Commercial RE loans | 0.65 | 0.33 | 0.70 | 0.59 | 0.58 | 0.35 | 0.54 |
| Construction RE loans | 0.51 | 0.31 | 1.08 | 0.90 | 0.75 | 0.98 | 0.72 |
| Commercial and industrial loans | 0.41 | 0.28 | 0.61 | 0.80 | 0.82 | 0.94 | 0.53 |
| Loans to individuals | 1.84 | 1.30 | 1.14 | 1.82 | 1.41 | 2.06 | 1.64 |
| Credit cards | 1.92 | 1.45 | 1.52 | 2.25 | 1.66 | 2.14 | 1.97 |
| Installment loans and other plans | 2.12 | 1.38 | 1.06 | 1.33 | 1.46 | 1.87 | 1.52 |
| All other loans and leases | 0.42 | 0.19 | 0.75 | 0.36 | 0.60 | 0.32 | 0.46 |
| Percent of loans noncurrent | | | | | | | |
| Total loans and leases | 1.14 | 0.46 | 0.83 | 1.09 | 0.70 | 1.06 | 0.86 |
| Loans secured by real estate (RE) | 0.57 | 0.36 | 0.86 | 1.17 | 0.68 | 0.41 | 0.68 |
| 1- to 4-family residential mortgages | 0.41 | 0.38 | 1.16 | 2.10 | 0.74 | 0.39 | 0.84 |
| Home equity loans | 0.13 | 0.12 | 0.25 | 0.20 | 0.20 | 0.04 | 0.18 |
| Multifamily residential mortgages | 0.22 | 0.65 | 0.48 | 0.75 | 0.49 | 0.12 | 0.47 |
| Commercial RE loans | 0.72 | 0.52 | 1.04 | 0.66 | 0.76 | 0.48 | 0.73 |
| Construction RE loans | 0.45 | 0.34 | 0.59 | 0.55 | 0.60 | 0.46 | 0.49 |
| Commercial and industrial loans | 1.24 | 0.75 | 1.22 | 0.66 | 0.86 | 0.77 | 1.03 |
| Loans to individuals | 2.15 | 0.72 | 0.58 | 1.40 | 0.43 | 1.96 | 1.49 |
| Credit cards | 1.76 | 1.31 | 1.30 | 2.10 | 1.22 | 2.07 | 1.82 |
| Installment loans and other plans | 3.16 | 0.76 | 0.33 | 0.49 | 0.40 | 1.49 | 1.36 |
| All other loans and leases | 0.37 | 0.36 | 0.36 | 0.52 | 0.72 | 0.43 | 0.39 |
| Percent of loans charged-off, net | | | | | | | |
| Total loans and leases | 1.07 | 0.11 | 0.37 | 0.74 | 0.20 | 2.26 | 0.64 |
| Loans secured by real estate (RE) | 0.05 | 0.03 | 0.13 | 0.05 | 0.08 | 0.03 | 0.07 |
| 1- to 4-family residential mortgages | 0.04 | 0.03 | 0.16 | 0.03 | 0.10 | 0.05 | 0.07 |
| Home equity loans | 0.04 | 0.04 | 0.16 | 0.10 | 0.13 | 0.01 | 0.09 |
| Multifamily residential mortgages | 0.00 | 0.00 | 0.06 | 0.01 | 0.05 | 0.01 | 0.03 |
| Commercial RE loans | 0.03 | 0.01 | 0.08 | -0.04 | 0.08 | 0.02 | 0.03 |
| Construction RE loans | 0.04 | 0.02 | 0.10 | 0.14 | 0.04 | 0.01 | 0.06 |
| Commercial and industrial loans | 0.01 | 0.06 | 0.22 | 0.48 | 0.20 | 0.88 | 0.18 |
| Loans to individuals | 3.51 | 0.73 | 1.59 | 3.29 | 0.99 | 5.28 | 2.95 |
| Credit cards | 4.51 | 2.46 | 3.65 | 4.99 | 5.20 | 5.76 | 4.77 |
| Installment loans and other plans | 2.28 | 0.71 | 0.84 | 0.72 | 0.76 | 1.97 | 1.34 |
| All other loans and leases | 0.04 | 0.24 | 0.13 | 0.00 | 0.45 | 0.05 | 0.12 |
| Loans outstanding (\$) | | | | | | | |
| Total loans and leases | \$844,582 | \$749,128 | \$876,256 | \$398,205 | \$180,621 | \$186,830 | \$3,235,624 |
| Loans secured by real estate (RE) | 302,367 | 466,413 | 432,944 | 232,614 | 119,631 | 76,715 | 1,630,684 |
| 1- to 4-family residential mortgages | 138,318 | 254,014 | 197,518 | 102,331 | 37,706 | 33,663 | 763,550 |
| Home equity loans | 57,599 | 75,255 | 94,948 | 66,049 | 13,712 | 5,178 | 312,742 |
| Multifamily residential mortgages | 7,098 | 8,689 | 14,766 | 4,604 | 3,126 | 3,562 | 41,844 |
| Commercial RE loans | 47,174 | 80,829 | 81,013 | 40,034 | 36,132 | 24,207 | 309,388 |
| Construction RE loans | 11,514 | 42,772 | 39,682 | 15,056 | 23,164 | 9,567 | 141,755 |
| Farmland loans | 928 | 1,876 | 3,834 | 4,540 | 3,135 | 538 | 14,850 |
| RE loans from foreign offices | 39,735 | 2,978 | 1,184 | 0 | 2,657 | 0 | 46,554 |
| Commercial and industrial loans | 174,053 | 134,293 | 193,040 | 56,497 | 38,116 | 28,065 | 624,063 |
| Loans to individuals | 246,169 | 59,549 | 137,832 | 74,872 | 14,850 | 72,035 | 605,307 |
| Credit cards | 131,981 | 567 | 36,725 | 43,304 | 756 | 62,561 | 275,893 |
| Other revolving credit plans | 20,088 | 3,678 | 5,123 | 2,492 | 589 | 1,713 | 33,683 |
| Installment loans | 94,100 | 55,304 | 95,984 | 29,075 | 13,505 | 7,762 | 295,731 |
| All other loans and leases | 123,387 | 89,170 | 112,504 | 34,247 | 8,135 | 10,100 | 377,543 |
| Less: Unearned income | 1,394 | 297 | 63 | 24 | 111 | 84 | 1,973 |

CONDITION AND PERFORMANCE OF COMMERCIAL BANKS

Key indicators, FDIC-insured commercial banks
Annual 2001-2004, year-to-date through March 31, 2005, first quarter 2004, and first quarter 2005
(Dollar figures in millions)

| | 2001 | 2002 | 2003 | 2004 | Preliminary 2005YTD | 2004Q1 | Preliminary 2005Q1 |
|---|------------|------------|------------|------------|------------------------|------------|-----------------------|
| Number of institutions reporting | 8,080 | 7,888 | 7,770 | 7,630 | 7,598 | 7,714 | 7,598 |
| Total employees (FTEs) | 1,701,721 | 1,745,614 | 1,759,517 | 1,814,491 | 1,826,275 | 1,837,501 | 1,826,275 |
| Selected income data (\$) | | | | | | | |
| Net income | \$73,830 | \$89,722 | \$102,463 | \$104,631 | \$29,504 | \$27,262 | \$29,504 |
| Net interest income | 214,676 | 236,656 | 239,987 | 249,615 | 66,544 | 62,789 | 66,544 |
| Provision for loan losses | 43,337 | 48,195 | 34,837 | 26,219 | 5,505 | 6,992 | 5,505 |
| Noninterest income | 158,206 | 172,408 | 186,535 | 184,005 | 50,432 | 47,640 | 50,432 |
| Noninterest expense | 223,254 | 233,587 | 245,992 | 257,600 | 67,760 | 64,632 | 67,760 |
| Net operating income | 71,002 | 85,425 | 98,216 | 101,958 | 29,516 | 26,212 | 29,516 |
| Cash dividends declared | 54,228 | 67,536 | 77,838 | 55,681 | 14,130 | 12,669 | 14,130 |
| Net charge-offs | 36,474 | 44,538 | 37,933 | 29,154 | 6,489 | 8,043 | 6,489 |
| Selected condition data (\$) | | | | | | | |
| Total assets | 6,552,421 | 7,076,584 | 7,601,170 | 8,413,084 | 8,589,293 | 7,817,996 | 8,589,293 |
| Total loans and leases | 3,884,336 | 4,156,181 | 4,428,850 | 4,904,746 | 4,980,110 | 4,489,424 | 4,980,110 |
| Reserve for losses | 72,273 | 76,999 | 77,151 | 73,525 | 71,327 | 75,953 | 71,327 |
| Securities | 1,172,540 | 1,334,826 | 1,456,312 | 1,551,287 | 1,585,071 | 1,576,281 | 1,585,071 |
| Other real estate owned | 3,569 | 4,165 | 4,218 | 3,373 | 3,363 | 4,152 | 3,363 |
| Noncurrent loans and leases | 54,578 | 60,550 | 52,949 | 42,079 | 39,862 | 48,619 | 39,862 |
| Total deposits | 4,377,558 | 4,689,852 | 5,035,056 | 5,592,812 | 5,704,751 | 5,180,819 | 5,704,751 |
| Domestic deposits | 3,748,042 | 4,031,815 | 4,293,884 | 4,726,920 | 4,823,131 | 4,400,997 | 4,823,131 |
| Equity capital | 593,696 | 647,448 | 691,903 | 850,265 | 866,094 | 715,244 | 866,094 |
| Off-balance-sheet derivatives | 45,325,982 | 56,208,607 | 71,098,899 | 87,872,661 | 91,115,075 | 76,524,556 | 91,115,075 |
| Performance ratios (annualized %) | | | | | | | |
| Return on equity | 13.09 | 14.47 | 15.31 | 13.80 | 13.70 | 15.51 | 13.70 |
| Return on assets | 1.15 | 1.33 | 1.40 | 1.31 | 1.39 | 1.42 | 1.39 |
| Net interest income to assets | 3.35 | 3.50 | 3.27 | 3.12 | 3.13 | 3.26 | 3.13 |
| Loss provision to assets | 0.68 | 0.71 | 0.48 | 0.33 | 0.26 | 0.36 | 0.26 |
| Net operating income to assets | 1.11 | 1.26 | 1.34 | 1.28 | 1.39 | 1.36 | 1.39 |
| Noninterest income to assets | 2.47 | 2.55 | 2.54 | 2.30 | 2.37 | 2.47 | 2.37 |
| Noninterest expense to assets | 3.48 | 3.46 | 3.35 | 3.22 | 3.18 | 3.36 | 3.18 |
| Loss provision to loans and leases | 1.12 | 1.21 | 0.82 | 0.56 | 0.44 | 0.63 | 0.44 |
| Net charge-offs to loans and leases | 0.95 | 1.12 | 0.89 | 0.63 | 0.52 | 0.72 | 0.52 |
| Loss provision to net charge-offs | 118.82 | 108.21 | 91.84 | 89.93 | 84.84 | 86.93 | 84.84 |
| Performance ratios (%) | | | | | | | |
| Percent of institutions unprofitable | 8.13 | 6.64 | 6.01 | 5.81 | 5.07 | 5.29 | 5.07 |
| Percent of institutions with earnings gains | 56.27 | 72.68 | 59.19 | 65.02 | 62.10 | 56.82 | 61.61 |
| Nonint. income to net operating revenue | 42.43 | 42.15 | 43.73 | 42.43 | 43.11 | 43.14 | 43.11 |
| Nonint. expense to net operating revenue | 59.87 | 57.10 | 57.67 | 59.41 | 57.93 | 58.53 | 57.93 |
| Condition ratios (%) | | | | | | | |
| Nonperforming assets to assets | 0.92 | 0.94 | 0.77 | 0.55 | 0.51 | 0.69 | 0.51 |
| Noncurrent loans to loans | 1.41 | 1.46 | 1.20 | 0.86 | 0.80 | 1.08 | 0.80 |
| Loss reserve to noncurrent loans | 132.42 | 127.17 | 145.71 | 174.73 | 178.94 | 156.22 | 178.94 |
| Loss reserve to loans | 1.86 | 1.85 | 1.74 | 1.50 | 1.43 | 1.69 | 1.43 |
| Equity capital to assets | 9.06 | 9.15 | 9.10 | 10.11 | 10.08 | 9.15 | 10.08 |
| Leverage ratio | 7.78 | 7.83 | 7.85 | 7.83 | 7.88 | 7.87 | 7.88 |
| Risk-based capital ratio | 12.70 | 12.77 | 12.75 | 12.62 | 12.76 | 12.75 | 12.76 |
| Net loans and leases to assets | 58.18 | 57.64 | 57.25 | 57.43 | 57.15 | 56.45 | 57.15 |
| Securities to assets | 17.89 | 18.86 | 19.16 | 18.44 | 18.45 | 20.16 | 18.45 |
| Appreciation in securities (% of par) | 0.82 | 2.22 | 0.84 | 0.43 | -0.65 | 1.59 | -0.65 |
| Residential mortgage assets to assets | 21.64 | 23.30 | 23.28 | 23.29 | 23.73 | 24.16 | 23.73 |
| Total deposits to assets | 66.81 | 66.27 | 66.24 | 66.48 | 66.42 | 66.27 | 66.42 |
| Core deposits to assets | 48.72 | 48.68 | 48.63 | 47.56 | 47.29 | 48.40 | 47.29 |
| Volatile liabilities to assets | 31.45 | 31.41 | 30.95 | 31.68 | 32.22 | 31.39 | 32.22 |

CONDITION AND PERFORMANCE OF COMMERCIAL BANKS

Loan performance, FDIC-insured commercial banks
Annual 2001-2004, year-to-date through March 31, 2005, first quarter 2004, and first quarter 2005
(Dollar figures in millions)

| | 2001 | 2002 | 2003 | 2004 | Preliminary 2005YTD | 2004Q1 | Preliminary 2005Q1 |
|---|-------------|-------------|-------------|-------------|------------------------|-------------|-----------------------|
| Percent of loans past due 30-89 days | | | | | | | |
| Total loans and leases | 1.37 | 1.17 | 1.02 | 0.86 | 0.83 | 0.88 | 0.83 |
| Loans secured by real estate (RE) | 1.31 | 1.08 | 0.90 | 0.73 | 0.73 | 0.78 | 0.73 |
| 1- to 4-family residential mortgages | 1.69 | 1.49 | 1.29 | 1.05 | 0.95 | 1.03 | 0.95 |
| Home equity loans | 0.79 | 0.59 | 0.45 | 0.37 | 0.36 | 0.35 | 0.36 |
| Multifamily residential mortgages | 0.72 | 0.46 | 0.48 | 0.36 | 0.58 | 0.35 | 0.58 |
| Commercial RE loans | 0.90 | 0.68 | 0.56 | 0.49 | 0.59 | 0.60 | 0.59 |
| Construction RE loans | 1.21 | 0.89 | 0.69 | 0.58 | 0.66 | 0.68 | 0.66 |
| Commercial and industrial loans | 1.01 | 0.89 | 0.72 | 0.64 | 0.63 | 0.70 | 0.63 |
| Loans to individuals | 2.46 | 2.22 | 2.08 | 1.82 | 1.59 | 1.70 | 1.59 |
| Credit cards | 2.70 | 2.72 | 2.53 | 2.24 | 1.94 | 2.14 | 1.94 |
| Installment loans and other plans | 2.54 | 2.08 | 1.93 | 1.62 | 1.46 | 1.54 | 1.46 |
| All other loans and leases | 0.84 | 0.58 | 0.48 | 0.38 | 0.50 | 0.45 | 0.50 |
| Percent of loans noncurrent | | | | | | | |
| Total loans and leases | 1.41 | 1.46 | 1.20 | 0.86 | 0.80 | 1.08 | 0.80 |
| Loans secured by real estate (RE) | 0.96 | 0.89 | 0.86 | 0.65 | 0.64 | 0.79 | 0.64 |
| 1- to 4-family residential mortgages | 0.97 | 0.93 | 1.00 | 0.82 | 0.79 | 0.93 | 0.79 |
| Home equity loans | 0.37 | 0.30 | 0.24 | 0.18 | 0.18 | 0.22 | 0.18 |
| Multifamily residential mortgages | 0.46 | 0.38 | 0.38 | 0.35 | 0.35 | 0.35 | 0.35 |
| Commercial RE loans | 0.96 | 0.94 | 0.90 | 0.69 | 0.70 | 0.84 | 0.70 |
| Construction RE loans | 1.06 | 0.98 | 0.70 | 0.44 | 0.46 | 0.63 | 0.46 |
| Commercial and industrial loans | 2.41 | 2.93 | 2.10 | 1.17 | 1.03 | 1.91 | 1.03 |
| Loans to individuals | 1.43 | 1.51 | 1.53 | 1.46 | 1.31 | 1.44 | 1.31 |
| Credit cards | 2.12 | 2.24 | 2.22 | 2.00 | 1.78 | 2.09 | 1.78 |
| Installment loans and other plans | 1.12 | 1.14 | 1.14 | 1.12 | 1.06 | 1.11 | 1.06 |
| All other loans and leases | 0.97 | 1.01 | 0.66 | 0.40 | 0.40 | 0.53 | 0.40 |
| Percent of loans charged-off, net | | | | | | | |
| Total loans and leases | 0.95 | 1.12 | 0.89 | 0.63 | 0.52 | 0.72 | 0.52 |
| Loans secured by real estate (RE) | 0.19 | 0.15 | 0.17 | 0.08 | 0.06 | 0.10 | 0.06 |
| 1- to 4-family residential mortgages | 0.22 | 0.14 | 0.19 | 0.08 | 0.07 | 0.11 | 0.07 |
| Home equity loans | 0.27 | 0.19 | 0.20 | 0.10 | 0.09 | 0.14 | 0.09 |
| Multifamily residential mortgages | 0.04 | 0.08 | 0.03 | 0.04 | 0.02 | 0.02 | 0.02 |
| Commercial RE loans | 0.13 | 0.15 | 0.13 | 0.07 | 0.04 | 0.06 | 0.04 |
| Construction RE loans | 0.14 | 0.17 | 0.14 | 0.05 | 0.04 | 0.05 | 0.04 |
| Commercial and industrial loans | 1.43 | 1.76 | 1.26 | 0.50 | 0.23 | 0.69 | 0.23 |
| Loans to individuals | 2.73 | 3.34 | 3.04 | 2.81 | 2.60 | 3.03 | 2.60 |
| Credit cards | 5.12 | 6.38 | 5.57 | 5.02 | 4.60 | 5.63 | 4.60 |
| Installment loans and other plans | 1.29 | 1.46 | 1.45 | 1.28 | 1.12 | 1.30 | 1.12 |
| All other loans and leases | 1.61 | 2.30 | 1.60 | 0.62 | 0.14 | 0.19 | 0.14 |
| Loans outstanding (\$) | | | | | | | |
| Total loans and leases | \$3,884,336 | \$4,156,181 | \$4,428,850 | \$4,904,746 | \$4,980,110 | \$4,489,424 | \$4,980,110 |
| Loans secured by real estate (RE) | 1,800,228 | 2,068,153 | 2,272,850 | 2,624,802 | 2,718,066 | 2,347,432 | 2,718,066 |
| 1- to 4-family residential mortgages | 810,781 | 945,708 | 994,156 | 1,083,208 | 1,127,459 | 1,014,013 | 1,127,459 |
| Home equity loans | 154,193 | 214,724 | 284,511 | 398,895 | 414,006 | 308,870 | 414,006 |
| Multifamily residential mortgages | 64,131 | 71,934 | 79,678 | 87,915 | 89,231 | 81,186 | 89,231 |
| Commercial RE loans | 505,882 | 555,990 | 602,724 | 667,070 | 683,160 | 618,007 | 683,160 |
| Construction RE loans | 193,014 | 207,452 | 231,510 | 290,040 | 310,628 | 242,993 | 310,628 |
| Farmland loans | 35,533 | 38,066 | 40,699 | 44,609 | 45,112 | 41,477 | 45,112 |
| RE loans from foreign offices | 36,695 | 34,280 | 39,572 | 53,066 | 48,469 | 40,886 | 48,469 |
| Commercial and industrial loans | 981,130 | 910,808 | 869,257 | 907,936 | 944,511 | 864,599 | 944,511 |
| Loans to individuals | 629,412 | 703,748 | 770,358 | 839,005 | 817,015 | 750,039 | 817,015 |
| Credit cards | 232,448 | 275,957 | 316,014 | 371,687 | 337,180 | 292,437 | 337,180 |
| Other revolving credit plans | 34,202 | 38,209 | 37,556 | 39,159 | 38,327 | 35,821 | 38,327 |
| Installment loans | 362,762 | 389,582 | 416,788 | 428,160 | 441,508 | 421,781 | 441,508 |
| All other loans and leases | 476,689 | 476,873 | 519,254 | 536,210 | 503,440 | 530,130 | 503,440 |
| Less: Unearned income | 3,123 | 3,401 | 2,870 | 3,207 | 2,923 | 2,776 | 2,923 |

CONDITION AND PERFORMANCE OF COMMERCIAL BANKS

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

| | Less than \$100M | | \$100M to \$1B | | \$1B to \$10B | | Greater than \$10B | |
|---|------------------|---------|----------------|---------|---------------|---------|--------------------|------------|
| | 2004Q1 | 2005Q1 | 2004Q1 | 2005Q1 | 2004Q1 | 2005Q1 | 2004Q1 | 2005Q1 |
| Number of institutions reporting | 3,831 | 3,617 | 3,464 | 3,536 | 335 | 361 | 84 | 84 |
| Total employees (FTEs) | 75,504 | 69,587 | 351,295 | 297,465 | 226,171 | 230,476 | 1,184,531 | 1,228,747 |
| Selected income data (\$) | | | | | | | | |
| Net income | \$495 | \$486 | \$2,872 | \$3,102 | \$3,399 | \$3,415 | \$20,496 | \$22,501 |
| Net interest income | 1,859 | 1,806 | 8,706 | 9,178 | 8,145 | 8,545 | 44,079 | 47,017 |
| Provision for loan losses | 88 | 78 | 540 | 446 | 755 | 481 | 5,609 | 4,500 |
| Noninterest income | 478 | 431 | 3,228 | 3,111 | 4,942 | 4,689 | 38,994 | 42,201 |
| Noninterest expense | 1,648 | 1,553 | 7,572 | 7,679 | 7,440 | 7,694 | 47,971 | 50,833 |
| Net operating income | 479 | 484 | 2,797 | 3,076 | 3,302 | 3,394 | 19,634 | 22,562 |
| Cash dividends declared | 307 | 324 | 1,383 | 1,493 | 1,772 | 1,463 | 9,207 | 10,850 |
| Net charge-offs | 56 | 35 | 407 | 268 | 677 | 442 | 6,903 | 5,745 |
| Selected condition data (\$) | | | | | | | | |
| Total assets | 197,573 | 187,610 | 921,672 | 962,684 | 911,528 | 974,382 | 5,787,223 | 6,464,617 |
| Total loans and leases | 119,012 | 115,594 | 604,014 | 649,421 | 569,896 | 626,298 | 3,196,502 | 3,588,797 |
| Reserve for losses | 1,775 | 1,678 | 8,741 | 8,584 | 9,023 | 8,699 | 56,414 | 52,366 |
| Securities | 49,368 | 46,880 | 212,672 | 208,534 | 227,822 | 225,327 | 1,086,420 | 1,104,330 |
| Other real estate owned | 320 | 273 | 1,195 | 1,059 | 635 | 483 | 2,002 | 1,548 |
| Noncurrent loans and leases | 1,346 | 1,112 | 5,188 | 4,404 | 5,033 | 4,174 | 37,052 | 30,172 |
| Total deposits | 166,091 | 157,310 | 747,887 | 783,153 | 623,981 | 678,080 | 3,642,859 | 4,086,207 |
| Domestic deposits | 166,077 | 157,297 | 746,694 | 781,358 | 614,961 | 668,223 | 2,873,265 | 3,216,253 |
| Equity capital | 22,730 | 21,671 | 92,426 | 95,000 | 99,476 | 104,771 | 500,612 | 644,652 |
| Off-balance-sheet derivatives | 155 | 86 | 8,106 | 7,705 | 68,855 | 58,853 | 77,147,149 | 91,786,052 |
| Performance ratios (annualized %) | | | | | | | | |
| Return on equity | 8.82 | 8.97 | 12.68 | 13.14 | 13.92 | 13.21 | 16.65 | 14.03 |
| Return on assets | 1.01 | 1.04 | 1.26 | 1.30 | 1.51 | 1.42 | 1.44 | 1.40 |
| Net interest income to assets | 3.80 | 3.87 | 3.82 | 3.85 | 3.61 | 3.54 | 3.10 | 2.93 |
| Loss provision to assets | 0.18 | 0.17 | 0.24 | 0.19 | 0.33 | 0.20 | 0.39 | 0.28 |
| Net operating income to assets | 0.98 | 1.04 | 1.23 | 1.29 | 1.46 | 1.41 | 1.38 | 1.41 |
| Noninterest income to assets | 0.98 | 0.92 | 1.42 | 1.31 | 2.19 | 1.94 | 2.74 | 2.63 |
| Noninterest expense to assets | 3.37 | 3.33 | 3.33 | 3.22 | 3.30 | 3.19 | 3.37 | 3.17 |
| Loss provision to loans and leases | 0.30 | 0.27 | 0.36 | 0.28 | 0.54 | 0.31 | 0.71 | 0.50 |
| Net charge-offs to loans and leases | 0.19 | 0.12 | 0.27 | 0.17 | 0.48 | 0.29 | 0.87 | 0.64 |
| Loss provision to net charge-offs | 155.69 | 224.48 | 132.73 | 166.37 | 111.50 | 108.97 | 81.26 | 78.33 |
| Performance ratios (%) | | | | | | | | |
| Percent of institutions unprofitable | 8.77 | 9.07 | 1.88 | 1.39 | 1.19 | 2.22 | 3.57 | 0.00 |
| Percent of institutions with earnings gains | 53.54 | 55.63 | 59.47 | 66.29 | 64.18 | 73.13 | 67.86 | 72.62 |
| Nonint. income to net operating revenue | 20.44 | 19.26 | 27.05 | 25.32 | 37.76 | 35.43 | 46.94 | 47.30 |
| Nonint. expense to net operating revenue | 70.53 | 69.46 | 63.45 | 62.49 | 56.86 | 58.14 | 57.75 | 56.98 |
| Condition ratios (%) | | | | | | | | |
| Nonperforming assets to assets | 0.85 | 0.74 | 0.69 | 0.57 | 0.63 | 0.48 | 0.70 | 0.50 |
| Noncurrent loans to loans | 1.13 | 0.96 | 0.86 | 0.68 | 0.88 | 0.67 | 1.16 | 0.84 |
| Loss reserve to noncurrent loans | 131.87 | 151.00 | 168.48 | 194.90 | 179.28 | 208.39 | 152.26 | 173.56 |
| Loss reserve to loans | 1.49 | 1.45 | 1.45 | 1.32 | 1.58 | 1.39 | 1.76 | 1.46 |
| Equity capital to assets | 11.50 | 11.55 | 10.03 | 9.87 | 10.91 | 10.75 | 8.65 | 9.97 |
| Leverage ratio | 11.09 | 11.52 | 9.40 | 9.48 | 9.45 | 9.31 | 7.26 | 7.31 |
| Risk-based capital ratio | 17.88 | 18.23 | 14.25 | 14.03 | 14.65 | 13.73 | 12.10 | 12.29 |
| Net loans and leases to assets | 59.34 | 60.72 | 64.59 | 66.57 | 61.53 | 63.38 | 54.26 | 54.70 |
| Securities to assets | 24.99 | 24.99 | 23.07 | 21.66 | 24.99 | 23.13 | 18.77 | 17.08 |
| Appreciation in securities (% of par) | 1.69 | -1.04 | 1.84 | -0.83 | 1.66 | -0.92 | 1.53 | -0.54 |
| Residential mortgage assets to assets | 20.73 | 20.36 | 22.26 | 21.47 | 26.32 | 25.61 | 24.24 | 23.88 |
| Total deposits to assets | 84.07 | 83.85 | 81.14 | 81.35 | 68.45 | 69.59 | 62.95 | 63.21 |
| Core deposits to assets | 71.51 | 70.84 | 67.72 | 66.79 | 55.87 | 55.97 | 43.35 | 42.39 |
| Volatile liabilities to assets | 14.16 | 14.89 | 17.51 | 18.95 | 24.79 | 26.60 | 35.22 | 35.54 |

CONDITION AND PERFORMANCE OF COMMERCIAL BANKS

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

| | Less than \$100M | | \$100M to \$1B | | \$1B to \$10B | | Greater than \$10B | |
|---|------------------|-----------|----------------|-----------|---------------|-----------|--------------------|-------------|
| | 2004Q1 | 2005Q1 | 2004Q1 | 2005Q1 | 2004Q1 | 2005Q1 | 2004Q1 | 2005Q1 |
| Percent of loans past due 30-89 days | | | | | | | | |
| Total loans and leases | 1.50 | 1.45 | 0.98 | 0.92 | 0.88 | 0.74 | 0.84 | 0.81 |
| Loans secured by real estate (RE) | 1.33 | 1.31 | 0.86 | 0.83 | 0.72 | 0.63 | 0.74 | 0.70 |
| 1- to 4-family residential mortgages | 1.76 | 1.77 | 1.30 | 1.23 | 0.91 | 0.87 | 0.97 | 0.89 |
| Home equity loans | 0.50 | 0.64 | 0.42 | 0.38 | 0.35 | 0.33 | 0.34 | 0.36 |
| Multifamily residential mortgages | 0.71 | 0.80 | 0.50 | 0.63 | 0.35 | 0.42 | 0.27 | 0.62 |
| Commercial RE loans | 1.08 | 1.02 | 0.68 | 0.66 | 0.71 | 0.52 | 0.47 | 0.54 |
| Construction RE loans | 0.99 | 0.93 | 0.65 | 0.72 | 0.65 | 0.70 | 0.69 | 0.59 |
| Commercial and industrial loans | 1.74 | 1.61 | 1.10 | 1.10 | 1.05 | 0.86 | 0.56 | 0.50 |
| Loans to individuals | 2.26 | 2.28 | 1.80 | 1.53 | 1.69 | 1.28 | 1.68 | 1.61 |
| Credit cards | 1.95 | 2.07 | 3.92 | 2.38 | 2.41 | 1.44 | 2.08 | 1.96 |
| Installment loans and other plans | 2.30 | 2.32 | 1.58 | 1.51 | 1.43 | 1.29 | 1.52 | 1.44 |
| All other loans and leases | 1.38 | 1.32 | 0.94 | 0.90 | 0.39 | 0.61 | 0.40 | 0.44 |
| Percent of loans noncurrent | | | | | | | | |
| Total loans and leases | 1.13 | 0.96 | 0.86 | 0.68 | 0.88 | 0.67 | 1.16 | 0.84 |
| Loans secured by real estate (RE) | 0.99 | 0.83 | 0.76 | 0.61 | 0.78 | 0.60 | 0.79 | 0.65 |
| 1- to 4-family residential mortgages | 0.97 | 0.91 | 0.78 | 0.66 | 0.86 | 0.67 | 0.96 | 0.83 |
| Home equity loans | 0.24 | 0.21 | 0.22 | 0.19 | 0.24 | 0.19 | 0.22 | 0.18 |
| Multifamily residential mortgages | 0.48 | 0.50 | 0.54 | 0.44 | 0.39 | 0.21 | 0.26 | 0.37 |
| Commercial RE loans | 1.12 | 0.90 | 0.80 | 0.69 | 0.87 | 0.72 | 0.82 | 0.68 |
| Construction RE loans | 0.81 | 0.50 | 0.69 | 0.43 | 0.70 | 0.49 | 0.56 | 0.46 |
| Commercial and industrial loans | 1.75 | 1.48 | 1.27 | 1.01 | 1.33 | 0.98 | 2.10 | 1.03 |
| Loans to individuals | 0.95 | 0.90 | 0.87 | 0.63 | 0.86 | 0.54 | 1.56 | 1.42 |
| Credit cards | 1.68 | 1.13 | 3.27 | 2.12 | 1.88 | 1.14 | 2.08 | 1.81 |
| Installment loans and other plans | 0.95 | 0.91 | 0.58 | 0.52 | 0.41 | 0.36 | 1.28 | 1.21 |
| All other loans and leases | 1.19 | 1.00 | 0.97 | 0.74 | 0.66 | 0.63 | 0.47 | 0.34 |
| Percent of loans charged-off, net | | | | | | | | |
| Total loans and leases | 0.19 | 0.12 | 0.27 | 0.17 | 0.48 | 0.29 | 0.87 | 0.64 |
| Loans secured by real estate (RE) | 0.05 | 0.04 | 0.05 | 0.03 | 0.09 | 0.05 | 0.11 | 0.07 |
| 1- to 4-family residential mortgages | 0.07 | 0.07 | 0.06 | 0.06 | 0.11 | 0.06 | 0.13 | 0.07 |
| Home equity loans | 0.06 | 0.03 | 0.04 | 0.04 | 0.12 | 0.08 | 0.15 | 0.10 |
| Multifamily residential mortgages | 0.04 | 0.01 | 0.07 | 0.03 | -0.03 | 0.00 | 0.02 | 0.02 |
| Commercial RE loans | 0.04 | 0.04 | 0.04 | 0.02 | 0.08 | 0.05 | 0.06 | 0.03 |
| Construction RE loans | 0.12 | 0.03 | 0.05 | 0.02 | 0.06 | 0.06 | 0.05 | 0.05 |
| Commercial and industrial loans | 0.32 | 0.25 | 0.43 | 0.35 | 0.56 | 0.46 | 0.75 | 0.17 |
| Loans to individuals | 0.89 | 0.50 | 1.87 | 1.09 | 2.53 | 1.52 | 3.22 | 2.83 |
| Credit cards | 3.14 | 2.06 | 10.48 | 6.70 | 5.47 | 2.97 | 5.54 | 4.65 |
| Installment loans and other plans | 0.84 | 0.48 | 0.75 | 0.54 | 1.15 | 1.04 | 1.40 | 1.21 |
| All other loans and leases | 0.10 | 0.06 | 0.24 | 0.22 | 0.20 | 0.20 | 0.19 | 0.13 |
| Loans outstanding (\$) | | | | | | | | |
| Total loans and leases | \$119,012 | \$115,594 | \$604,014 | \$649,421 | \$569,896 | \$626,298 | \$3,196,502 | \$3,588,797 |
| Loans secured by real estate (RE) | 74,124 | 73,295 | 428,769 | 474,346 | 361,446 | 416,238 | 1,483,093 | 1,754,187 |
| 1- to 4-family residential mortgages | 29,393 | 28,042 | 129,950 | 136,158 | 119,528 | 124,664 | 735,143 | 838,595 |
| Home equity loans | 2,379 | 2,617 | 23,888 | 27,563 | 27,641 | 34,678 | 254,962 | 349,148 |
| Multifamily residential mortgages | 1,699 | 1,567 | 16,688 | 17,318 | 18,263 | 22,711 | 44,536 | 47,635 |
| Commercial RE loans | 23,080 | 22,703 | 176,793 | 191,098 | 137,417 | 156,905 | 280,718 | 312,454 |
| Construction RE loans | 7,607 | 8,362 | 62,278 | 81,227 | 52,603 | 69,762 | 120,505 | 151,277 |
| Farmland loans | 9,965 | 10,004 | 19,139 | 20,950 | 5,099 | 6,505 | 7,274 | 7,653 |
| RE loans from foreign offices | 0 | 0 | 35 | 32 | 895 | 1,013 | 39,955 | 47,425 |
| Commercial and industrial loans | 19,545 | 18,520 | 97,882 | 101,510 | 105,197 | 117,607 | 641,975 | 706,875 |
| Loans to individuals | 12,582 | 11,105 | 49,353 | 45,384 | 68,546 | 61,964 | 619,558 | 698,562 |
| Credit cards | 269 | 172 | 5,663 | 3,617 | 21,456 | 15,365 | 265,048 | 318,026 |
| Other revolving credit plans | 161 | 167 | 1,434 | 1,399 | 2,011 | 2,363 | 32,215 | 34,399 |
| Installment loans | 12,152 | 10,765 | 42,255 | 40,368 | 45,079 | 44,237 | 322,295 | 346,137 |
| All other loans and leases | 12,843 | 12,743 | 28,547 | 28,725 | 35,148 | 31,038 | 453,592 | 430,934 |
| Less: Unearned income | 81 | 69 | 537 | 544 | 441 | 549 | 1,717 | 1,761 |

CONDITION AND PERFORMANCE OF COMMERCIAL BANKS

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

| | Northeast | Southeast | Central | Midwest | Southwest | West | All institutions |
|---|------------|------------|------------|---------|-----------|---------|------------------|
| Number of institutions reporting | 589 | 1,074 | 1,588 | 1,983 | 1,697 | 667 | 7,598 |
| Total employees (FTEs) | 492,511 | 409,780 | 420,582 | 215,496 | 176,633 | 111,273 | 1,826,275 |
| Selected income data (\$) | | | | | | | |
| Net income | \$7,760 | \$7,747 | \$5,814 | \$3,184 | \$1,649 | \$3,349 | \$29,504 |
| Net interest income | 17,037 | 15,379 | 14,284 | 7,193 | 4,720 | 7,931 | 66,544 |
| Provision for loan losses | 2,002 | 447 | 640 | 765 | 218 | 1,433 | 5,505 |
| Noninterest income | 16,851 | 9,751 | 12,180 | 5,818 | 1,992 | 3,840 | 50,432 |
| Noninterest expense | 20,481 | 13,960 | 16,438 | 7,549 | 4,214 | 5,117 | 67,760 |
| Net operating income | 7,660 | 7,331 | 6,361 | 3,185 | 1,653 | 3,324 | 29,516 |
| Cash dividends declared | 3,988 | 2,874 | 2,402 | 3,494 | 624 | 747 | 14,130 |
| Net charge-offs | 2,699 | 539 | 1,022 | 807 | 154 | 1,268 | 6,489 |
| Selected condition data (\$) | | | | | | | |
| Total assets | 2,273,006 | 2,119,647 | 2,278,950 | 719,182 | 530,572 | 667,936 | 8,589,293 |
| Total loans and leases | 1,209,364 | 1,210,680 | 1,241,358 | 527,444 | 326,778 | 464,485 | 4,980,110 |
| Reserve for losses | 21,107 | 13,261 | 16,477 | 7,623 | 4,169 | 8,690 | 71,327 |
| Securities | 490,062 | 467,198 | 299,733 | 92,184 | 121,369 | 114,525 | 1,585,071 |
| Other real estate owned | 331 | 721 | 1,037 | 431 | 638 | 205 | 3,363 |
| Noncurrent loans and leases | 12,598 | 5,856 | 10,109 | 5,257 | 2,468 | 3,575 | 39,862 |
| Total deposits | 1,493,746 | 1,431,676 | 1,415,189 | 513,360 | 410,535 | 440,245 | 5,704,751 |
| Domestic deposits | 1,011,054 | 1,288,126 | 1,191,382 | 493,445 | 407,722 | 431,402 | 4,823,131 |
| Equity capital | 257,741 | 179,927 | 209,679 | 76,416 | 59,120 | 83,212 | 866,094 |
| Off-balance-sheet derivatives | 21,720,124 | 22,226,317 | 46,233,285 | 723,652 | 61,009 | 150,688 | 91,115,075 |
| Performance ratios (annualized %) | | | | | | | |
| Return on equity | 12.02 | 17.41 | 11.17 | 16.55 | 11.32 | 16.42 | 13.70 |
| Return on assets | 1.36 | 1.50 | 1.03 | 1.77 | 1.26 | 2.02 | 1.39 |
| Net interest income to assets | 2.99 | 2.97 | 2.53 | 3.99 | 3.62 | 4.79 | 3.13 |
| Loss provision to assets | 0.35 | 0.09 | 0.11 | 0.42 | 0.17 | 0.87 | 0.26 |
| Net operating income to assets | 1.34 | 1.42 | 1.13 | 1.77 | 1.27 | 2.01 | 1.39 |
| Noninterest income to assets | 2.95 | 1.89 | 2.16 | 3.23 | 1.53 | 2.32 | 2.37 |
| Noninterest expense to assets | 3.59 | 2.70 | 2.91 | 4.19 | 3.23 | 3.09 | 3.18 |
| Loss provision to loans and leases | 0.66 | 0.15 | 0.21 | 0.58 | 0.27 | 1.24 | 0.44 |
| Net charge-offs to loans and leases | 0.89 | 0.18 | 0.33 | 0.61 | 0.19 | 1.10 | 0.52 |
| Loss provision to net charge-offs | 74.19 | 82.89 | 62.63 | 94.88 | 141.32 | 112.98 | 84.84 |
| Performance ratios (%) | | | | | | | |
| Percent of institutions unprofitable | 6.96 | 7.73 | 3.46 | 3.08 | 4.60 | 10.04 | 5.07 |
| Percent of institutions with earnings gains | 63.33 | 70.67 | 57.81 | 57.54 | 59.63 | 71.66 | 61.61 |
| Nonint. income to net operating revenue | 49.73 | 38.80 | 46.02 | 44.72 | 29.67 | 32.62 | 43.11 |
| Nonint. expense to net operating revenue | 60.44 | 55.55 | 62.11 | 58.02 | 62.79 | 43.47 | 57.93 |
| Condition ratios (%) | | | | | | | |
| Nonperforming assets to assets | 0.58 | 0.32 | 0.50 | 0.79 | 0.59 | 0.57 | 0.51 |
| Noncurrent loans to loans | 1.04 | 0.48 | 0.81 | 1.00 | 0.76 | 0.77 | 0.80 |
| Loss reserve to noncurrent loans | 167.55 | 226.45 | 162.99 | 145.02 | 168.95 | 243.10 | 178.94 |
| Loss reserve to loans | 1.75 | 1.10 | 1.33 | 1.45 | 1.28 | 1.87 | 1.43 |
| Equity capital to assets | 11.34 | 8.49 | 9.20 | 10.63 | 11.14 | 12.46 | 10.08 |
| Leverage ratio | 8.00 | 7.16 | 7.14 | 8.53 | 8.64 | 10.97 | 7.88 |
| Risk-based capital ratio | 13.90 | 11.60 | 11.95 | 12.85 | 13.41 | 14.81 | 12.76 |
| Net loans and leases to assets | 52.28 | 56.49 | 53.75 | 72.28 | 60.80 | 68.24 | 57.15 |
| Securities to assets | 21.56 | 22.04 | 13.15 | 12.82 | 22.88 | 17.15 | 18.45 |
| Appreciation in securities (% of par) | -0.56 | -0.66 | -0.96 | 0.36 | -1.03 | -0.55 | -0.65 |
| Residential mortgage assets to assets | 20.08 | 33.46 | 19.79 | 23.12 | 24.96 | 18.36 | 23.73 |
| Total deposits to assets | 65.72 | 67.54 | 62.10 | 71.38 | 77.38 | 65.91 | 66.42 |
| Core deposits to assets | 35.80 | 52.45 | 44.50 | 59.23 | 61.70 | 55.16 | 47.29 |
| Volatile liabilities to assets | 41.18 | 30.17 | 32.93 | 19.89 | 23.08 | 26.32 | 32.22 |

CONDITION AND PERFORMANCE OF COMMERCIAL BANKS

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

| | Northeast | Southeast | Central | Midwest | Southwest | West | All institutions |
|---|-------------|-------------|-------------|-----------|-----------|-----------|------------------|
| Percent of loans past due 30-89 days | | | | | | | |
| Total loans and leases | 0.94 | 0.61 | 0.82 | 0.94 | 0.92 | 0.94 | 0.83 |
| Loans secured by real estate (RE) | 0.80 | 0.59 | 0.83 | 0.77 | 0.84 | 0.61 | 0.73 |
| 1- to 4-family residential mortgages | 0.90 | 0.82 | 1.09 | 0.98 | 1.19 | 1.00 | 0.95 |
| Home equity loans | 0.37 | 0.33 | 0.37 | 0.40 | 0.43 | 0.24 | 0.36 |
| Multifamily residential mortgages | 0.64 | 0.37 | 0.83 | 0.66 | 0.60 | 0.28 | 0.58 |
| Commercial RE loans | 0.74 | 0.41 | 0.71 | 0.72 | 0.65 | 0.38 | 0.59 |
| Construction RE loans | 0.60 | 0.44 | 0.90 | 0.82 | 0.73 | 0.70 | 0.66 |
| Commercial and industrial loans | 0.51 | 0.44 | 0.64 | 0.90 | 0.91 | 0.96 | 0.63 |
| Loans to individuals | 1.79 | 1.43 | 1.14 | 1.81 | 1.62 | 1.68 | 1.59 |
| Credit cards | 1.91 | 2.13 | 1.52 | 2.25 | 1.66 | 1.97 | 1.94 |
| Installment loans and other plans | 1.95 | 1.38 | 1.08 | 1.39 | 1.67 | 1.14 | 1.46 |
| All other loans and leases | 0.42 | 0.22 | 0.75 | 0.61 | 0.77 | 0.43 | 0.50 |
| Percent of loans noncurrent | | | | | | | |
| Total loans and leases | 1.04 | 0.48 | 0.81 | 1.00 | 0.76 | 0.77 | 0.80 |
| Loans secured by real estate (RE) | 0.61 | 0.39 | 0.83 | 1.03 | 0.71 | 0.42 | 0.64 |
| 1- to 4-family residential mortgages | 0.58 | 0.43 | 1.09 | 1.84 | 0.75 | 0.37 | 0.79 |
| Home equity loans | 0.15 | 0.13 | 0.25 | 0.21 | 0.20 | 0.09 | 0.18 |
| Multifamily residential mortgages | 0.14 | 0.49 | 0.51 | 0.55 | 0.45 | 0.05 | 0.35 |
| Commercial RE loans | 0.70 | 0.52 | 0.94 | 0.67 | 0.81 | 0.55 | 0.70 |
| Construction RE loans | 0.53 | 0.31 | 0.62 | 0.55 | 0.54 | 0.35 | 0.46 |
| Commercial and industrial loans | 1.28 | 0.73 | 1.16 | 0.77 | 0.95 | 0.97 | 1.03 |
| Loans to individuals | 1.96 | 0.79 | 0.56 | 1.35 | 0.55 | 1.36 | 1.31 |
| Credit cards | 1.81 | 1.49 | 1.31 | 2.12 | 1.14 | 1.83 | 1.78 |
| Installment loans and other plans | 2.47 | 0.70 | 0.35 | 0.51 | 0.54 | 0.42 | 1.06 |
| All other loans and leases | 0.35 | 0.34 | 0.37 | 0.56 | 0.98 | 0.60 | 0.40 |
| Percent of loans charged-off, net | | | | | | | |
| Total loans and leases | 0.89 | 0.18 | 0.33 | 0.61 | 0.19 | 1.10 | 0.52 |
| Loans secured by real estate (RE) | 0.04 | 0.04 | 0.12 | 0.05 | 0.07 | 0.02 | 0.06 |
| 1- to 4-family residential mortgages | 0.03 | 0.04 | 0.15 | 0.04 | 0.10 | 0.04 | 0.07 |
| Home equity loans | 0.03 | 0.06 | 0.15 | 0.12 | 0.13 | 0.01 | 0.09 |
| Multifamily residential mortgages | 0.00 | 0.02 | 0.05 | 0.01 | 0.03 | 0.00 | 0.02 |
| Commercial RE loans | 0.02 | 0.02 | 0.08 | -0.01 | 0.05 | 0.02 | 0.04 |
| Construction RE loans | 0.01 | 0.02 | 0.07 | 0.15 | 0.04 | 0.01 | 0.04 |
| Commercial and industrial loans | 0.07 | 0.13 | 0.29 | 0.41 | 0.25 | 0.55 | 0.23 |
| Loans to individuals | 3.34 | 1.13 | 1.43 | 3.13 | 0.88 | 3.73 | 2.60 |
| Credit cards | 4.56 | 3.50 | 3.66 | 5.08 | 4.45 | 5.07 | 4.60 |
| Installment loans and other plans | 1.97 | 0.68 | 0.78 | 0.65 | 0.70 | 0.85 | 1.12 |
| All other loans and leases | 0.06 | 0.24 | 0.16 | 0.01 | 0.39 | 0.12 | 0.14 |
| Loans outstanding (\$) | | | | | | | |
| Total loans and leases | \$1,209,364 | \$1,210,680 | \$1,241,358 | \$527,444 | \$326,778 | \$464,485 | \$4,980,110 |
| Loans secured by real estate (RE) | 507,811 | 776,481 | 657,290 | 315,620 | 221,473 | 239,391 | 2,718,066 |
| 1- to 4-family residential mortgages | 229,717 | 360,494 | 269,699 | 125,144 | 70,180 | 72,225 | 1,127,459 |
| Home equity loans | 75,866 | 112,944 | 122,775 | 70,059 | 16,793 | 15,569 | 414,006 |
| Multifamily residential mortgages | 19,044 | 16,405 | 25,039 | 7,336 | 5,722 | 15,684 | 89,231 |
| Commercial RE loans | 111,463 | 172,801 | 157,664 | 70,494 | 75,582 | 95,155 | 683,160 |
| Construction RE loans | 28,686 | 105,458 | 70,460 | 27,592 | 42,412 | 36,020 | 310,628 |
| Farmland loans | 2,035 | 5,401 | 10,434 | 14,996 | 8,127 | 4,120 | 45,112 |
| RE loans from foreign offices | 40,999 | 2,978 | 1,217 | 0 | 2,657 | 618 | 48,469 |
| Commercial and industrial loans | 236,804 | 203,613 | 280,317 | 79,669 | 62,175 | 81,934 | 944,511 |
| Loans to individuals | 300,425 | 119,126 | 165,526 | 83,776 | 28,447 | 119,716 | 817,015 |
| Credit cards | 154,270 | 18,391 | 37,691 | 44,834 | 1,335 | 80,659 | 337,180 |
| Other revolving credit plans | 21,016 | 5,509 | 5,725 | 2,633 | 815 | 2,629 | 38,327 |
| Installment loans | 125,139 | 95,225 | 122,110 | 36,309 | 26,297 | 36,428 | 441,508 |
| All other loans and leases | 165,906 | 111,948 | 138,371 | 48,432 | 14,903 | 23,880 | 503,440 |
| Less: Unearned income | 1,583 | 488 | 145 | 52 | 220 | 436 | 2,923 |

Glossary

Data Sources

Data are from the Federal Financial Institutions Examination Council (FFIEC) Reports of Condition and Income (call reports) submitted by all FDIC-insured, national-chartered and state-chartered commercial banks and trust companies in the United States and its territories. Uninsured banks, savings banks, savings associations, and U.S. branches and agencies of foreign banks are excluded from these tables. All data are collected and presented based on the location of each reporting institution's main office. Reported data may include assets and liabilities located outside of the reporting institution's home state.

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

Computation Methodology

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

Definitions

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

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

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

IBIS—the OCC's Integrated Banking Information System.

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

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

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

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

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

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

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

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

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

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

Other real estate owned—primarily foreclosed property. Direct and indirect investments in real estate ventures are excluded. The amount is reflected net of valuation allowances.

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

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

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

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

CONDITION AND PERFORMANCE OF COMMERCIAL BANKS

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

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

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

Risk-weighted assets—assets adjusted for risk-based capital definitions which include on-balance-sheet as well as off-balance-sheet items multiplied by risk weights that range from zero to 100 percent.

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

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

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

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

*Quarterly
Journal*

RECENT LICENSING
DECISIONS

RECENT LICENSING DECISIONS

Cases Published during January, February, and March 2005

CRA Decisions

On December 21, 2004, the OCC approved the application to merge SouthTrust Bank, Birmingham, AL, into Wachovia Bank, National Association, Charlotte, NC. The OCC received a comment from a community organization that expressed Community Reinvestment Act (CRA) compliance concerns and it requested that the OCC conduct a public hearing. Based on each bank's CRA record of performance, the OCC found approval consistent with the CRA. In addition, the OCC carefully considered whether to hold a public hearing but determined not to conduct a hearing as the general standard to hold a public hearing under 12 CFR 5.11 was not met. [CRA Decision No. 125.]

On February 15, 2005, the OCC conditionally approved the application of First American Bank, SSB, Bryan, TX, (FAB) to convert to a national bank with the title Citibank Texas, National Association to be located in Dallas, TX. The application stated that immediately after converting to a national bank, Citibank Texas will be acquired by Citigroup, Inc., New York, NY. The OCC received a comment from a community organization raising CRA compliance concerns and it requested that the OCC conduct a public hearing. Based on Citibank's CRA record of performance including an "outstanding" rating in its most recent CRA performance evaluation, the OCC found approval was not inconsistent with the CRA. In addition, the OCC carefully considered whether to hold a public hearing but determined not to conduct a hearing as the general standard to hold a public hearing under 12 CFR 5.11 was not met. This application was subject to conditions including that the resulting bank, Citibank Texas, shall take all steps necessary to ensure that the commitments set forth in the December 29, 2004, letter from FAB to the OCC are fully adopted and timely implemented. [Conditional Approval No. 676]

Capital

On December 27, 2004, the OCC conditionally approved the application of Borrego Springs Bank, National Association, La Mesa, CA, to elect the corporate governance provisions of Delaware law and complete a reverse stock split in accordance with those provisions. This represents the first OCC approval of a reverse stock split conducted under Delaware corporate governance

RECENT LICENSING DECISIONS

procedures. This approval was subject to conditions requiring the bank: to elect corporate governance provisions of Delaware law, provide for dissenters' rights comparable to those found in relevant statutes, pay the cost of any appraisal that may occur if any shareholders dissent, and pay for binding arbitration by an independent third party to appraise the stock if the appropriate court(s) decline to accept jurisdiction of an appraisal action. [Conditional Approval No. 670]

Branches

On December 17, 2004, the OCC conditionally approved the application of Commerce Bank, N.A., Cherry Hill, NJ, to establish a branch at 2 Wall Street, New York, NY. The building in which the branch will be established is eligible for listing in the National Register of Historic Places. The New York state historic preservation officer determined that the bank's plans for establishing the branch would have an adverse effect on the building. Accordingly, a memorandum of agreement was entered into by the bank, the New York state historic preservation officer, and the OCC to mitigate the adverse effects of the proposal. This conditional approval was subject to the condition that the bank carry out the measures listed under the stipulations section of the memorandum of understanding and shall remain in effect until all measures are satisfactorily implemented. [Conditional Approval No. 669]

On January 14, 2005, the OCC conditionally approved the application of Eagle National Bank, Doral, FL, to establish a branch in Medley, FL. This conditional approval was subject to the condition that the bank achieves substantial compliance with the consent order dated December 20, 2004, before the branch opens for business. [Conditional Approval No. 673]

*Quarterly
Journal*

APPEALS PROCESS

APPEALS PROCESS

Appeal of the Composite CAMELSI Rating

Background

A bank formally appealed the composite CAMELSI (capital, asset quality, management, earnings, liquidity, sensitivity to market risk, and information technology) rating of 3 assigned at the most recent examination and asked the ombudsman to restore the composite rating to 2.

Discussion

The basis of the appeal is the most recent safety and soundness examination in which the bank's composite rating was downgraded from 2 to 3. The bank did not dispute all of the examination conclusions and stated that the primary conflict with the supervisory office was the difference in computing the impact of a 3-percent shock to the agency step-up bonds held in its portfolio. According to the appeal, the supervisory office's computations did not consider the step-up features and thus produced an unfavorable result regarding earnings at risk and interest rate risk (IRR) management. The appeal further states that the bank's computations were done by Bloomberg, resulting in a more favorable outcome than those produced by the supervisory office.

The supervisory office stated that the board of directors was advised, as far back as 1998, about the need to improve its IRR management systems and controls. The supervisory office further stated that neither management nor the board demonstrated sufficient knowledge of step-up bond features and the impact to earnings at risk. As such, this made it difficult for them to assess the aggregate level of IRR. Additionally, weak earnings performance and deficiencies in risk management of information technology also factored into the composite downgrade.

Conclusion

The ombudsman acknowledged that the bank's risk exposure resulting from a 3-percent shock to the agency step-up bonds, as computed by the supervisory office and Bloomberg, was not an absolute. However, the bank's risk management processes relative to IRR did not provide management with the assurances that it could withstand significant fluctuations associated with this product. Additionally, the ombudsman's review noted a combination of weaknesses in the areas of IRR and information technology that reflected a need for enhanced supervision by the board and management.

APPEALS PROCESS

The ombudsman opined that the conclusions reached by the supervisory office were well supported by the facts at the time of the examination and met the definition of a composite 3 bank as prescribed by the Uniform Financial Institutions Rating System.

*Quarterly
Journal*

SPEECHES AND
CONGRESSIONAL TESTIMONY

SPEECHES AND CONGRESSIONAL TESTIMONY

January 12, Acting Comptroller Williams Urges New Approach to Disclosures to Enhance Consumer Protection [www.occ.treas.gov/ftp/release/2005-1a.pdf]

January 18, Acting Comptroller Williams Issues Statement Regarding FDIC Proposal to Expand Special Examination Authority [www.occ.treas.gov/ftp/release/2005-4a.pdf]

February 10, Acting Chief Counsel Addresses Bank Secrecy Act and Anti-Money-Laundering Compliance [www.occ.treas.gov/ftp/release/2005-13a.pdf]

March 11, Acting Comptroller Williams Tells Bankers Regulatory Burden Relief Should be a National Priority Lending Practices [www.occ.treas.gov/ftp/release/2005-29a.pdf]

March 14, Acting Comptroller Williams Tells International Bankers of Challenges Ahead, OCC Commitment to Integrity of Basel Rulemaking Process [www.occ.treas.gov/ftp/release/2005-30a.pdf]

March 21, Acting Comptroller Williams Highlights Changes in Retail Credit Products and Risks; Stresses Need for Lenders to Adjust Techniques for Measuring and Monitoring Risk in Retail Loan Portfolios [www.occ.treas.gov/ftp/release/2005-34a.pdf]

*Quarterly
Journal*

INTERPRETATIONS

INTERPRETATIONS

February [www.occ.treas.gov/interp/feb05/intfeb05.htm]

1013, January 7, 2005, letter concludes that bank may buy and sell, for its own account, exchange-traded units of beneficial interest in gold [www.occ.treas.gov/interp/feb05/int1013.pdf]

1014, January 10, 2005, letter concludes that it is legally permissible for national banks to become members of the Government Securities Division of the Fixed Income Clearing Corporation and participate in its loss allocation system [www.occ.treas.gov/interp/feb05/int1014.pdf]

1015, January 11, 2005, letter concludes that part 34 and the OCC's past preemption opinions preempt section 24-4.5-3-402 of the Indiana Code when originating subordinate lien mortgages [www.occ.treas.gov/interp/feb05/int1015.pdf]

1016, January 14, 2005, letter concludes that neither 12 CFR 34.4 nor the National Bank Act preempts application of the state laws at issue here to loans simply because they were purchased and held by national banks acting as trustees in connection with issuance of mortgage-backed securities [www.occ.treas.gov/interp/feb05/int1016.pdf]

1017, January 28, 2005, letter concludes that interest-bearing negotiable order of withdrawal (NOW) accounts may be established at national banks for the purpose of receiving and holding qualified trust funds deposited under the Pennsylvania Supreme Court's Interest on Trusts Account Program for the Minor Judiciary [www.occ.treas.gov/interp/feb05/int1017.pdf]

March [www.occ.treas.gov/interp/mar05/intmar05.htm]

1018, February 10, 2005, letter concludes that national bank may enter into equity derivatives transactions with certain of its affiliates and subsidiaries that mirror the affiliates' and subsidiaries' transactions with their customers, and may hedge this risks of those transactions in the same manner as it hedges the risks of its existing derivatives business, provided the bank's examiner-in-charge has no supervisory objection [www.occ.treas.gov/interp/mar05/int1018.pdf]

1019, February 10, 2005, letter concludes that national bank may offer agricultural loans with payments that vary based on changes in commodity prices [www.occ.treas.gov/interp/mar05/int1019.pdf]

1020, February 8, 2005, letter concludes that national bank directors may meet the qualifying shares requirement under 12 USC section 72 by purchasing trust preferred stock [www.occ.treas.gov/interp/mar05/int1020.pdf]

1021, February 17, 2005, letter concludes that fixed rate annuities purchased by a national bank are, in substance, debt obligations of the issuing insurance company [www.occ.treas.gov/interp/mar05/int1021.pdf]

1022, February 15, 2005, letter states that it is permissible for national banks to participate in a group to self-insure group members' workers' compensation obligations [www.occ.treas.gov/interp/mar05/int1022.pdf]

1023, February 24, 2005, letter states that it is permissible for bank to provide consulting and advisory services to deposit customers who hire independent messenger or courier services to transport banking items to and from the bank [www.occ.treas.gov/interp/mar05/int1023.pdf]

*Quarterly
Journal*

MERGERS

MERGERS—JANUARY 1 TO MARCH 31, 2005

| | Page |
|---|------|
| Nonaffiliated mergers (mergers consummated involving two or more nonaffiliated operating banks) _____ | 46 |
| Nonaffiliated mergers—thrift (mergers consummated involving nonaffiliated national banks and savings and loan associations) _____ | 47 |
| Affiliated mergers (mergers consummated involving affiliated operating banks) _____ | 48 |
| Affiliated merger—thrift (merger consummated involving affiliated national bank and savings and loan association) _____ | 50 |

MERGERS

Mergers—January 1 to March 31, 2005

Most transactions in this section do not have accompanying decisions. In those cases, the OCC reviewed the competitive effects of the proposals by using its standard procedures for determining whether the transaction has minimal or no adverse competitive effects. The OCC found the proposals satisfied its criteria for transactions that clearly had no or minimal adverse competitive effects. In addition, the Attorney General either filed no report on the proposed transaction or found that the proposal would not have a significantly adverse effect on competition.

Nonaffiliated mergers (mergers consummated involving two or more nonaffiliated operating banks), from January 1 to March 31, 2005

| Title and location (charter number) | Total assets |
|---|-----------------|
| Alabama | |
| MidSouth Bank, National Association, Dothan (010102) _____ | 193,002,000 |
| and Union Bank of Florida, Lauderhill, Florida _____ | 83,000,000 |
| merged on February 10, 2005 under the title of MidSouth Bank, National Association, Dothan (010102) _____ | 193,002,000 |
| California | |
| Community National Bank, Escondido (018686) _____ | 501,681,000 |
| and Cuyamaca Bank, National Association, Santee, California (023610) _____ | 112,783,000 |
| merged on October 1, 2004 under the title of Community National Bank, Escondido (018686) _____ | 623,867,000 |
| Connecticut | |
| Webster Bank, National Association, Waterbury (024469) _____ | 16,980,972,000 |
| and State Bank of Howards Grove, Howards Grove, Wisconsin _____ | 156,746,000 |
| merged on February 28, 2005 under the title of Webster Bank, National Association, Waterbury (024469) _____ | 17,057,649,000 |
| New Jersey | |
| Valley National Bank, Passaic (015790) _____ | 10,591,134,000 |
| and Shrewsbury State Bank, Shrewsbury, New Jersey _____ | 424,085,000 |
| merged on March 31, 2005 under the title of Valley National Bank, Passaic (015790) _____ | 11,099,154,000 |
| New York | |
| Alliance Bank, National Association, Syracuse (001090) _____ | 859,662,000 |
| and HSBC New York Trust Company, New York, New York _____ | 1,000 |
| merged on February 18, 2005 under the title of Alliance Bank, National Association, Syracuse (001090) _____ | 859,662,000 |
| North Carolina | |
| Wachovia Bank, National Association, Charlotte (000001) _____ | 380,236,000,000 |
| and SouthTrust Bank, Birmingham, Alabama _____ | 53,663,000,000 |
| merged on January 3, 2005 under the title of Wachovia Bank, National Association, Charlotte (000001) _____ | 428,995,000,000 |
| Ohio | |
| Steel Valley Bank, National Association, Dillonvale (014011) _____ | 37,500,000 |
| and AB Interim Bank, National Association, Dillonvale, Ohio (024572) _____ | 25,000 |
| merged on January 3, 2005 under the title of Steel Valley Bank, National Association, Dillonvale (014011) _____ | 35,700,000 |
| Texas | |
| The City National Bank of Sulphur Springs, Sulphur Springs (003989) _____ | 188,000 |
| and The First State Bank, Hawkins, Texas _____ | 39,000 |
| merged on February 26, 2004 under the title of The City National Bank of Sulphur Springs, Sulphur Springs (003989) _____ | 188,000 |
| First National Bank of Huntsville, Huntsville (004208) _____ | 225,144,000 |
| and The National Bank of Madisonville, Madisonville, Texas (020650) _____ | 39,582,000 |
| merged on October 15, 2004 under the title of First National Bank of Huntsville, Huntsville (004208) _____ | 260,241,000 |
| First National Bank of Abilene, Abilene (004166) _____ | 744,342,000 |
| and The Peoples State Bank, Clyde, Texas _____ | 115,413,000 |
| merged on February 1, 2005 under the title of First National Bank of Abilene, Abilene (004166) _____ | 8,460,562,000 |

MERGERS

Nonaffiliated merger—thrift (merger consummated involving nonaffiliated national bank and savings and loan association), from January 1 to March 31, 2005

| Title and location (charter number) | Total |
|--|----------------|
| Maine | |
| Banknorth, National Association, Portland (024096) _____ | 29,277,702,000 |
| and Boston Federal Savings Bank, Burlington, Massachusetts _____ | 1,697,683,000 |
| merged on January 21, 2005, under the title of Banknorth, National Association, Portland (024096) _____ | 31,112,118,000 |

MERGERS

Affiliated mergers (mergers consummated involving affiliated operating banks), from January 1 to March 31, 2005

| Title and location (charter number) | Total |
|--|-----------------|
| Arizona | |
| Bank of America, National Association (USA), Phoenix (022106) | 39,355,307,000 |
| and Fleet Bank (RI), National Association, Providence, Rhode Island (023536) | 8,567,439,000 |
| merged on March 1, 2005, under the title of Bank of America, National Association (USA), Phoenix (022106) | 48,509,386,000 |
| Arkansas | |
| The First National Bank of De Queen, De Queen (005929) | 118,670,000 |
| and First National Bank of Howard County, Dierks, Arkansas (017950) | 39,298,000 |
| and Citizens National Bank of Nashville, Nashville, Arkansas (017945) | 45,781,000 |
| merged on January 20, 2005, under the title of The First National Bank of De Queen, De Queen (005929) | 203,749,000 |
| Delaware | |
| HSBC Bank USA, National Association, Wilmington (024522) | 126,908,000,000 |
| and Bermuda (New York) Limited, New York, New York 93 | |
| merged on March 1, 2005, under the title of Bank of HSBC Bank USA, National Association, Wilmington (024522) | 127,001,000,000 |
| Florida | |
| Citizens & Peoples Bank, National Association, Pensacola (023416) | 122,481,000 |
| and First Gulf Bank, Gulf Shores, Alabama | 303,530,000 |
| merged on March 18, 2005, under the title of First Gulf Bank, National Association, Pensacola (023416) | 426,011,000 |
| Indiana | |
| The Randolph County Bank National Association, Winchester (024487) | 94,007,000 |
| and The Union County National Bank of Liberty, Liberty, Indiana (002007) | 194,361,000 |
| merged on January 1, 2005, under the title of United Communities National Bank, Winchester (024487) | 288,368,000 |
| Maine | |
| The First National Bank of Damariscotta, Damariscotta (000446) | 611,739,000 |
| and The First National Bank of Bar Harbor, Bar Harbor, Maine (003941) | 227,569,000 |
| merged on January 14, 2005, under the title of The First National Bank of Damariscotta, Damariscotta (000446) | 839,308,000 |
| Minnesota | |
| Heritage Bank, National Association, Spicer (015401) | 116,397,000 |
| and Farmers' State Bank of Raymond, Raymond, Minnesota | 23,854,000 |
| merged on October 8, 2004, under the title of Heritage Bank, National Association, Spicer (015401) | 140,251,000 |
| Mississippi | |
| Community Bank, National Association, Southaven (024579) | 28,237,000 |
| and Community Bank, Indianola, National Association, Indianola, Mississippi (024580) | 247,419,000 |
| merged on January 24, 2005, under the title of Community Bank, National Association, Southaven (024579) | 275,656,000 |
| Nebraska | |
| American National Bank, Omaha (015435) | 994,855,000 |
| and Peoples National Bank, Council Bluffs, Iowa (017128) | 355,024,000 |
| merged on February 21, 2005, under the title of American National Bank, Omaha (015435) | 1,342,778,000 |
| Ohio | |
| National City Bank, Cleveland (000786) | 47,666,649,000 |
| and The Provident Bank, Cincinnati, Ohio | 16,481,188,000 |
| merged on March 4, 2005, under the title of National City Bank, Cleveland (000786) | 65,740,433,000 |
| FFSB National Bank, Zanesville (024563) | 258,437,000 |
| and Century National Bank, Zanesville, Ohio (023106) | 526,525,000 |
| merged on December 31, 2004, under the title of Century National Bank, Zanesville (024563) | 810,623,000 |

MERGERS

Affiliated mergers (mergers consummated involving affiliated operating banks), from January 1 to March 31, 2005 (continued)

| Title and location (charter number) | Total |
|---|-----------------|
| First Financial Bank, National Association, Hamilton (000056) _____ | 1,327,194,000 |
| and Heritage Community Bank, Columbus, Indiana _____ | 189,967,000 |
| merged on March 18, 2005, under the title of First Financial Bank, National Association, Hamilton (000056) _____ | 2,011,487,000 |
| Pennsylvania | |
| First National Bank of Pennsylvania, Greenville (000249) _____ | 4,983,452,000 |
| and NorthSide Bank, Pittsburgh, Pennsylvania _____ | 516,398,000 |
| merged on February 18, 2005, under the title of First National Bank of Pennsylvania, Greenville (000249) _____ | 5,650,864,000 |
| Rhode Island | |
| Fleet National Bank, Providence (000200) _____ | 209,561,316,000 |
| and Fleet Maine, National Association, South Portland, Maine (022818) _____ | 48,375,000 |
| merged on March 18, 2005, under the title of Fleet National Bank, Providence (000200) _____ | 209,566,691,000 |
| Texas | |
| Southwest Bank of Texas National Association, Houston (017479) _____ | 6,104,000,000 |
| and Klein Bank, Spring, Texas _____ | 581,000 |
| merged on October 1, 2004, under the title of Southwest Bank of Texas National Association, Houston (017479) _____ | 6,104,000,000 |
| First Financial Bank, National Association, Stephenville (023147) _____ | 211,952,000 |
| and First National Bank, Glen Rose, Texas (013170) _____ | 47,318,000 |
| merged on December 1, 2004, under the title of First Financial Bank, National Association, Stephenville (023147) _____ | 258,580,000 |
| Wisconsin | |
| The Baraboo National Bank, Baraboo (014397) _____ | 420,003,000 |
| and Northwoods State Bank, Rhinelander, Wisconsin _____ | 85,125,000 |
| merged on March 11, 2005, under the title of The Baraboo National Bank, Baraboo (014397) _____ | 505,128,000 |

MERGERS

Affiliated mergers—thrift (mergers consummated involving affiliated national banks and savings and loan associations), from January 1 to March 31, 2005

| Title and location (charter number) | Total assets |
|--|----------------|
| Ohio | |
| The Park National Bank, Newark (009179) _____ | 1,639,118,000 |
| and First Clermont Bank, Milford, Ohio _____ | 202,427,000 |
| merged on January 3, 2005, under the title of The Park National Bank, Newark (009179) _____ | 1,870,505,000 |
| Wisconsin | |
| Associated Bank, National Association, Green Bay (023695) _____ | 12,965,008,000 |
| and First Federal Capital Bank, La Crosse, Wisconsin _____ | 3,704,162,000 |
| merged on February 18, 2005, under the title of Associated Bank, National Association, Green Bay (023695) _____ | 17,015,988,000 |

*Quarterly
Journal*

FINANCIAL PERFORMANCE
OF NATIONAL BANKS

FINANCIAL PERFORMANCE OF NATIONAL BANKS

Contents

| | Page |
|--|------|
| Assets, liabilities, and capital accounts of national banks, March 31, 2004, and March 31, 2005 _____ | 53 |
| Quarterly income and expenses of national banks, first quarter 2004 and first quarter 2005 _____ | 54 |
| Year-to-date income and expenses of national banks, through March 31, 2004, and through March 31, 2005 _____ | 55 |
| Assets of national banks by asset size, March 31, 2005 _____ | 56 |
| Past-due and nonaccrual loans and leases of national banks by asset size, March 31, 2005 _____ | 57 |
| Liabilities of national banks by asset size, March 31, 2005 _____ | 58 |
| Off-balance-sheet items of national banks by asset size, March 31, 2005 _____ | 59 |
| Quarterly income and expenses of national banks by asset size, first quarter 2005 _____ | 60 |
| Year-to-date income and expenses of national banks by asset size, through March 31, 2005 _____ | 61 |
| Quarterly net loan and lease losses of national banks by asset size, first quarter 2005 _____ | 62 |
| Year-to-date net loan and lease losses of national banks by asset size, through March 31, 2005 _____ | 63 |
| Number of national banks by state and asset size, March 31, 2005 _____ | 64 |
| Total assets of national banks by state and asset size, March 31, 2005 _____ | 65 |

FINANCIAL PERFORMANCE OF NATIONAL BANKS

Assets, liabilities, and capital accounts of national banks
March 31, 2004 and March 31, 2005
(Dollar figures in millions)

| | March 31, 2004 | March 31, 2005 | Change March 31, 2004- March 31, 2005 fully consolidated | |
|--|---|---|---|----------------|
| | Consolidated foreign and domestic | Consolidated foreign and domestic | Amount | Percent |
| Number of institutions | 1,969 | 1,896 | (73) | (3.71) |
| Total assets | \$4,436,035 | \$5,783,752 | \$1,347,717 | 30.38 |
| Cash and balances due from depositories | 203,610 | 256,873 | 53,263 | 26.16 |
| Noninterest-bearing balances, currency and coin | 136,355 | 166,693 | 30,338 | 22.25 |
| Interest bearing balances | 67,255 | 90,180 | 22,925 | 34.09 |
| Securities | 855,125 | 933,528 | 78,403 | 9.17 |
| Held-to-maturity securities, amortized cost | 26,498 | 38,002 | 11,503 | 43.41 |
| Available-for-sale securities, fair value | 828,627 | 895,526 | 66,899 | 8.07 |
| Federal funds sold and securities purchased | 161,128 | 332,186 | 171,058 | 106.16 |
| Net loans and leases | 2,616,520 | 3,187,985 | 571,465 | 21.84 |
| Total loans and leases | 2,664,252 | 3,235,624 | 571,372 | 21.45 |
| Loans and leases, gross | 2,666,091 | 3,237,597 | 571,505 | 21.44 |
| Less: Unearned income | 1,840 | 1,973 | 134 | 7.26 |
| Less: Reserve for losses | 47,731 | 47,638 | (93) | (0.20) |
| Assets held in trading account | 208,039 | 483,741 | 275,703 | 132.52 |
| Other real estate owned | 1,891 | 1,563 | (328) | (17.34) |
| Intangible assets | 108,515 | 233,750 | 125,236 | 115.41 |
| All other assets | 281,207 | 354,125 | 72,918 | 25.93 |
| Total liabilities and equity capital | 4,436,035 | 5,783,752 | 1,347,717 | 30.38 |
| Deposits in domestic offices | 2,382,797 | 2,937,055 | 554,258 | 23.26 |
| Deposits in foreign offices | 509,628 | 732,006 | 222,378 | 43.64 |
| Total deposits | 2,892,425 | 3,669,061 | 776,636 | 26.85 |
| Noninterest-bearing deposits | 576,398 | 722,397 | 145,998 | 25.33 |
| Interest-bearing deposits | 2,316,026 | 2,946,664 | 630,638 | 27.23 |
| Federal funds purchased and securities sold | 288,855 | 430,705 | 141,850 | 49.11 |
| Other borrowed money | 497,368 | 536,661 | 39,293 | 7.90 |
| Trading liabilities less revaluation losses | 30,248 | 130,740 | 100,492 | 332.23 |
| Subordinated notes and debentures | 71,666 | 95,236 | 23,570 | 32.89 |
| All other liabilities | 252,188 | 342,013 | 89,825 | 35.62 |
| Trading liabilities revaluation losses | 94,753 | 134,062 | 39,310 | 41.49 |
| Other | 157,435 | 207,950 | 50,515 | 32.09 |
| Total equity capital | 403,287 | 579,338 | 176,051 | 43.65 |
| Perpetual preferred stock | 2,645 | 3,309 | 664 | 25.09 |
| Common stock | 12,047 | 13,892 | 1,844 | 15.31 |
| Surplus | 212,334 | 364,176 | 151,842 | 71.51 |
| Retained earnings and other comprehensive income | 178,816 | 189,802 | 10,986 | 6.14 |
| Other equity capital components | (75) | (176) | (101) | NM |

NM indicates calculated percent change is not meaningful.

FINANCIAL PERFORMANCE OF NATIONAL BANKS

 Quarterly income and expenses of national banks
 First quarter 2004 and first quarter 2005
 (Dollar figures in millions)

| | First quarter 2004 | First quarter 2005 | Change First quarter 2004- first quarter 2005 fully consolidated | |
|--|-----------------------------------|-----------------------------------|--|-----------------|
| | Consolidated foreign and domestic | Consolidated foreign and domestic | Amount | Percent |
| Number of institutions | 1,969 | 1,896 | (73) | (3.71) |
| Net income | \$16,673 | \$19,711 | \$3,038 | 18.22 |
| Net interest income | 38,335 | 42,997 | 4,662 | 12.16 |
| Total interest income | 51,244 | 65,636 | 14,392 | 28.09 |
| On loans | 39,482 | 48,387 | 8,905 | 22.56 |
| From lease financing receivables | 1,330 | 1,384 | 54 | 4.03 |
| On balances due from depositories | 342 | 773 | 431 | 126.19 |
| On securities | 8,132 | 10,263 | 2,131 | 26.21 |
| From assets held in trading account | 987 | 2,908 | 1,921 | 194.65 |
| On federal funds sold and securities repurchased | 652 | 1,477 | 825 | 126.44 |
| Less: Interest expense | 12,909 | 22,640 | 9,730 | 75.38 |
| On deposits | 8,174 | 13,642 | 5,468 | 66.90 |
| Of federal funds purchased and securities sold | 1,039 | 2,604 | 1,565 | 150.65 |
| On demand notes and other borrowed money* | 2,954 | 5,143 | 2,189 | 74.09 |
| On subordinated notes and debentures | 742 | 1,250 | 508 | 68.53 |
| Less: Provision for losses | 5,240 | 4,222 | (1,018) | (19.43) |
| Noninterest income | 28,896 | 37,074 | 8,178 | 28.30 |
| From fiduciary activities | 2,363 | 3,186 | 823 | 34.82 |
| Service charges on deposits | 5,239 | 5,546 | 308 | 5.87 |
| Trading revenue | 1,608 | 4,159 | 2,550 | 158.59 |
| From interest rate exposures | 416 | 1,587 | 1,171 | 281.46 |
| From foreign exchange exposures | 875 | 1,513 | 637 | 72.80 |
| From equity security and index exposures | 233 | 848 | 615 | NM |
| From commodity and other exposures | 83 | 211 | 128 | NM |
| Investment banking brokerage fees | 1,369 | 2,024 | 656 | 47.90 |
| Venture capital revenue | 25 | 198 | 173 | NM |
| Net servicing fees | 3,439 | 3,517 | 79 | 2.29 |
| Net securitization income | 3,835 | 4,545 | 711 | 18.53 |
| Insurance commissions and fees | 601 | 626 | 25 | 4.16 |
| Insurance and reinsurance underwriting income | 127 | 141 | 15 | 11.51 |
| Income from other insurance activities | 474 | 485 | 10 | 2.20 |
| Net gains on asset sales | 1,415 | 1,162 | (253) | (17.88) |
| Sales of loans and leases | 1,238 | 981 | (258) | (20.80) |
| Sales of other real estate owned | 20 | 24 | 4 | 21.00 |
| Sales of other assets(excluding securities) | 156 | 156 | 0 | 0.11 |
| Other noninterest income | 9,002 | 12,110 | 3,108 | 34.52 |
| Gains/losses on securities | 1,125 | (172) | (1,297) | (115.29) |
| Less: Noninterest expense | 38,240 | 46,324 | 8,084 | 21.14 |
| Salaries and employee benefits | 15,811 | 20,838 | 5,027 | 31.80 |
| Of premises and fixed assets | 4,299 | 6,102 | 1,802 | 41.92 |
| Goodwill impairment losses | 1 | 2 | 1 | 229.46 |
| Amortization expense and impairment losses | 1,195 | 1,471 | 276 | 23.05 |
| Other noninterest expense | 16,934 | 17,912 | 977 | 5.77 |
| Less: Taxes on income before extraordinary items | 8,202 | 9,637 | 1,434 | 17.49 |
| Income/loss from extraordinary items, net of income taxes | (0) | (5) | (5) | NM |
| Memoranda: | | | | |
| Net operating income | 15,915 | 19,803 | 3,887 | 24.43 |
| Income before taxes and extraordinary items | 24,876 | 29,353 | 4,477 | 18.00 |
| Income net of taxes before extraordinary items | 16,674 | 19,716 | 3,042 | 18.25 |
| Cash dividends declared | 7,002 | 8,809 | 1,807 | 25.81 |
| Net charge-offs to loan and lease reserve | 6,039 | 5,179 | (859) | (14.23) |
| Charge-offs to loan and lease reserve | 7,707 | 6,885 | (822) | (10.67) |
| Less: Recoveries credited to loan and lease reserve | 1,669 | 1,706 | 37 | 2.24 |

* Includes mortgage indebtedness

NM indicates calculated percent change is not meaningful.

FINANCIAL PERFORMANCE OF NATIONAL BANKS

 Year-to-date income and expenses of national banks
 Through March 31, 2004 and through March 31, 2005
 (Dollar figures in millions)

| | March 31, 2004 | March 31, 2005 | Change March 31, 2004- March 31, 2005 fully consolidated | |
|--|---|---|---|-----------------|
| | Consolidated foreign and domestic | Consolidated foreign and domestic | Amount | Percent |
| Number of institutions | 1,969 | 1,896 | (73) | (3.71) |
| Net income | \$16,673 | \$19,711 | \$3,038 | 18.22 |
| Net interest income | 38,335 | 42,997 | 4,662 | 12.16 |
| Total interest income | 51,244 | 65,636 | 14,392 | 28.09 |
| On loans | 39,482 | 48,387 | 8,905 | 22.56 |
| From lease financing receivables | 1,330 | 1,384 | 54 | 4.03 |
| On balances due from depositories | 342 | 773 | 431 | 126.19 |
| On securities | 8,132 | 10,263 | 2,131 | 26.21 |
| From assets held in trading account | 987 | 2,908 | 1,921 | 194.65 |
| On federal funds sold and securities repurchased | 652 | 1,477 | 825 | 126.44 |
| Less: Interest expense | 12,909 | 22,640 | 9,730 | 75.38 |
| On deposits | 8,174 | 13,642 | 5,468 | 66.90 |
| Of federal funds purchased and securities sold | 1,039 | 2,604 | 1,565 | 150.65 |
| On demand notes and other borrowed money* | 2,954 | 5,143 | 2,189 | 74.09 |
| On subordinated notes and debentures | 742 | 1,250 | 508 | 68.53 |
| Less: Provision for losses | 5,240 | 4,222 | (1,018) | (19.43) |
| Noninterest income | 28,896 | 37,074 | 8,178 | 28.30 |
| From fiduciary activities | 2,363 | 3,186 | 823 | 34.82 |
| Service charges on deposits | 5,239 | 5,546 | 308 | 5.87 |
| Trading revenue | 1,608 | 4,159 | 2,550 | 158.59 |
| From interest rate exposures | 416 | 1,587 | 1,171 | 281.46 |
| From foreign exchange exposures | 875 | 1,513 | 637 | 72.80 |
| From equity security and index exposures | 233 | 848 | 615 | NM |
| From commodity and other exposures | 83 | 211 | 128 | NM |
| Investment banking brokerage fees | 1,369 | 2,024 | 656 | 47.90 |
| Venture capital revenue | 25 | 198 | 173 | NM |
| Net servicing fees | 3,439 | 3,517 | 79 | 2.29 |
| Net securitization income | 3,835 | 4,545 | 711 | 18.53 |
| Insurance commissions and fees | 601 | 626 | 25 | 4.16 |
| Insurance and reinsurance underwriting income | 127 | 141 | 15 | 11.51 |
| Income from other insurance activities | 474 | 485 | 10 | 2.20 |
| Net gains on asset sales | 1,415 | 1,162 | (253) | (17.88) |
| Sales of loans and leases | 1,238 | 981 | (258) | (20.80) |
| Sales of other real estate owned | 20 | 24 | 4 | 21.00 |
| Sales of other assets(excluding securities) | 156 | 156 | 0 | 0.11 |
| Other noninterest income | 9,002 | 12,110 | 3,108 | 34.52 |
| Gains/losses on securities | 1,125 | (172) | (1,297) | (115.29) |
| Less: Noninterest expense | 38,240 | 46,324 | 8,084 | 21.14 |
| Salaries and employee benefits | 15,811 | 20,838 | 5,027 | 31.80 |
| Of premises and fixed assets | 4,299 | 6,102 | 1,802 | 41.92 |
| Goodwill impairment losses | 1 | 2 | 1 | 229.46 |
| Amortization expense and impairment losses | 1,195 | 1,471 | 276 | 23.05 |
| Other noninterest expense | 16,934 | 17,912 | 977 | 5.77 |
| Less: Taxes on income before extraordinary items | 8,202 | 9,637 | 1,434 | 17.49 |
| Income/loss from extraordinary items, net of income taxes | (0) | (5) | (5) | NM |
| Memoranda: | | | | |
| Net operating income | 15,915 | 19,803 | 3,887 | 24.43 |
| Income before taxes and extraordinary items | 24,876 | 29,353 | 4,477 | 18.00 |
| Income net of taxes before extraordinary items | 16,674 | 19,716 | 3,042 | 18.25 |
| Cash dividends declared | 7,002 | 8,809 | 1,807 | 25.81 |
| Net charge-offs to loan and lease reserve | 6,039 | 5,179 | (859) | (14.23) |
| Charge-offs to loan and lease reserve | 7,707 | 6,885 | (822) | (10.67) |
| Less: Recoveries credited to loan and lease reserve | 1,669 | 1,706 | 37 | 2.24 |

* Includes mortgage indebtedness

NM indicates calculated percent change is not meaningful.

FINANCIAL PERFORMANCE OF NATIONAL BANKS

Assets of national banks by asset size
March 31, 2005
 (Dollar figures in millions)

| | All national banks | National banks | | | | Memoranda: All commercial banks |
|--|--------------------|-------------------------|------------------------------|-----------------------------|---------------------------|---------------------------------|
| | | Less than \$100 million | \$100 million to \$1 billion | \$1 billion to \$10 billion | Greater than \$10 billion | |
| Number of institutions reporting | 1,896 | 747 | 979 | 125 | 45 | 7,598 |
| Total assets | \$5,783,752 | \$41,457 | \$272,861 | \$358,002 | \$5,111,432 | \$8,589,293 |
| Cash and balances due from | 256,873 | 2,268 | 11,011 | 14,392 | 229,202 | 390,965 |
| Securities | 933,528 | 11,283 | 65,501 | 75,946 | 780,798 | 1,585,071 |
| Federal funds sold and securities purchased | 332,186 | 1,979 | 8,118 | 18,085 | 304,005 | 409,985 |
| Net loans and leases | 3,187,985 | 23,985 | 173,025 | 223,557 | 2,767,418 | 4,908,782 |
| Total loans and leases | 3,235,624 | 24,341 | 175,311 | 226,544 | 2,809,428 | 4,980,110 |
| Loans and leases, gross | 3,237,597 | 24,360 | 175,476 | 226,719 | 2,811,042 | 4,983,033 |
| Less: Unearned income | 1,973 | 19 | 165 | 175 | 1,614 | 2,923 |
| Less: Reserve for losses | 47,638 | 356 | 2,285 | 2,987 | 42,010 | 71,327 |
| Assets held in trading account | 483,741 | 2 | 42 | 222 | 483,476 | 512,581 |
| Other real estate owned | 1,563 | 57 | 252 | 159 | 1,095 | 3,363 |
| Intangible assets | 233,750 | 143 | 2,700 | 9,239 | 221,668 | 285,040 |
| All other assets | 354,125 | 1,740 | 12,211 | 16,403 | 323,770 | 493,505 |
| Gross loans and leases by type: | | | | | | |
| Loans secured by real estate | 1,630,684 | 15,260 | 124,335 | 145,681 | 1,345,408 | 2,718,066 |
| 1- to 4-family residential mortgages | 763,550 | 6,034 | 38,978 | 51,460 | 667,079 | 1,127,459 |
| Home equity loans | 312,742 | 519 | 7,675 | 12,389 | 292,159 | 414,006 |
| Multifamily residential mortgages | 41,844 | 357 | 4,313 | 6,514 | 30,660 | 89,231 |
| Commercial RE loans | 309,388 | 4,801 | 49,597 | 49,327 | 205,662 | 683,160 |
| Construction RE loans | 141,755 | 1,620 | 17,775 | 23,471 | 98,889 | 310,628 |
| Farmland loans | 14,850 | 1,930 | 5,994 | 1,889 | 5,037 | 45,112 |
| RE loans from foreign offices | 46,554 | 0 | 2 | 630 | 45,922 | 48,469 |
| Commercial and industrial loans | 624,063 | 3,846 | 27,695 | 47,944 | 544,579 | 944,511 |
| Loans to individuals | 605,307 | 2,483 | 14,446 | 21,898 | 566,480 | 817,015 |
| Credit cards | 275,893 | 58 | 1,678 | 3,267 | 270,889 | 337,180 |
| Other revolving credit plans | 33,683 | 43 | 344 | 1,157 | 32,140 | 38,327 |
| Installment loans | 295,731 | 2,382 | 12,424 | 17,474 | 263,451 | 441,508 |
| All other loans and leases | 377,543 | 2,771 | 9,000 | 11,196 | 354,576 | 503,440 |
| Securities by type: | | | | | | |
| U.S. Treasury securities | 29,771 | 492 | 2,245 | 3,338 | 23,696 | 56,525 |
| Mortgage-backed securities | 598,804 | 2,607 | 22,617 | 43,862 | 529,718 | 910,687 |
| Pass-through securities | 464,224 | 2,041 | 16,048 | 24,103 | 422,031 | 622,949 |
| Collateralized mortgage obligations | 134,579 | 566 | 6,568 | 19,759 | 107,686 | 287,738 |
| Other securities | 271,693 | 8,179 | 40,302 | 28,164 | 195,048 | 542,754 |
| Other U.S. government securities | 89,595 | 5,966 | 25,115 | 16,112 | 42,401 | 271,963 |
| State and local government securities | 54,519 | 1,848 | 12,319 | 7,712 | 32,639 | 113,641 |
| Other debt securities | 121,058 | 225 | 2,046 | 3,654 | 115,132 | 142,998 |
| Equity securities | 6,522 | 140 | 822 | 684 | 4,876 | 14,153 |
| Memoranda: | | | | | | |
| Agricultural production loans | 19,000 | 2,332 | 5,261 | 1,999 | 9,409 | 45,273 |
| Pledged securities | 435,244 | 4,449 | 32,617 | 43,519 | 354,659 | 775,052 |
| Book value of securities | 938,450 | 11,402 | 66,055 | 76,546 | 784,447 | 1,594,668 |
| Available-for-sale securities | 900,448 | 9,759 | 57,502 | 67,280 | 765,908 | 1,467,459 |
| Held-to-maturity securities | 38,002 | 1,644 | 8,554 | 9,266 | 18,539 | 127,209 |
| Market value of securities | 933,454 | 11,272 | 65,475 | 75,894 | 780,814 | 1,584,300 |
| Available-for-sale securities | 895,526 | 9,639 | 56,948 | 66,681 | 762,259 | 1,457,861 |
| Held-to-maturity securities | 37,928 | 1,633 | 8,527 | 9,213 | 18,555 | 126,438 |

FINANCIAL PERFORMANCE OF NATIONAL BANKS

Past-due and nonaccrual loans and leases of national banks by asset size
March 31, 2005
(Dollar figures in millions)

| | All national banks | National banks | | | | Memoranda: All commercial banks |
|---|--------------------|-------------------------|------------------------------|-----------------------------|---------------------------|---------------------------------|
| | | Less than \$100 million | \$100 million to \$1 billion | \$1 billion to \$10 billion | Greater than \$10 billion | |
| Number of institutions reporting | 1,896 | 747 | 979 | 125 | 45 | 7,598 |
| Loans and leases past due 30-89 days | \$26,798 | \$356 | \$1,565 | \$1,695 | \$23,183 | \$41,286 |
| Loans secured by real estate | 11,828 | 200 | 988 | 985 | 9,655 | 19,865 |
| 1- to 4-family residential mortgages | 7,055 | 103 | 443 | 498 | 6,012 | 10,744 |
| Home equity loans | 1,152 | 4 | 26 | 29 | 1,094 | 1,503 |
| Multifamily residential mortgages | 257 | 4 | 26 | 21 | 207 | 516 |
| Commercial RE loans | 1,672 | 46 | 299 | 218 | 1,108 | 4,009 |
| Construction RE loans | 1,023 | 17 | 151 | 210 | 644 | 2,053 |
| Farmland loans | 134 | 26 | 42 | 9 | 56 | 440 |
| RE loans from foreign offices | 534 | 0 | 0 | 0 | 534 | 601 |
| Commercial and industrial loans | 3,302 | 65 | 297 | 442 | 2,498 | 5,965 |
| Loans to individuals | 9,931 | 57 | 209 | 199 | 9,466 | 12,959 |
| Credit cards | 5,433 | 1 | 40 | 52 | 5,340 | 6,534 |
| Installment loans and other plans | 4,498 | 56 | 169 | 147 | 4,126 | 6,425 |
| All other loans and leases | 1,737 | 34 | 71 | 69 | 1,564 | 2,496 |
| Loans and leases past due 90+ days | 10,895 | 58 | 284 | 249 | 10,305 | 13,815 |
| Loans secured by real estate | 3,774 | 29 | 164 | 96 | 3,485 | 5,069 |
| 1- to 4-family residential mortgages | 3,328 | 15 | 69 | 54 | 3,190 | 3,972 |
| Home equity loans | 112 | 0 | 4 | 5 | 103 | 177 |
| Multifamily residential mortgages | 20 | 0 | 5 | 5 | 11 | 44 |
| Commercial RE loans | 182 | 4 | 61 | 22 | 95 | 510 |
| Construction RE loans | 95 | 1 | 15 | 10 | 68 | 256 |
| Farmland loans | 25 | 8 | 10 | 1 | 7 | 95 |
| RE loans from foreign offices | 12 | 0 | 0 | 0 | 12 | 16 |
| Commercial and industrial loans | 495 | 9 | 52 | 95 | 339 | 889 |
| Loans to individuals | 6,504 | 8 | 53 | 49 | 6,394 | 7,606 |
| Credit cards | 4,671 | 1 | 32 | 25 | 4,613 | 5,438 |
| Installment loans and other plans | 1,833 | 8 | 21 | 24 | 1,781 | 2,169 |
| All other loans and leases | 122 | 11 | 15 | 8 | 88 | 251 |
| Nonaccrual loans and leases | 16,990 | 197 | 989 | 1,147 | 14,658 | 25,935 |
| Loans secured by real estate | 7,257 | 109 | 669 | 714 | 5,765 | 12,360 |
| 1- to 4-family residential mortgages | 3,058 | 36 | 178 | 200 | 2,643 | 4,939 |
| Home equity loans | 452 | 1 | 8 | 15 | 428 | 588 |
| Multifamily residential mortgages | 177 | 3 | 12 | 19 | 143 | 264 |
| Commercial RE loans | 2,081 | 47 | 332 | 373 | 1,329 | 4,267 |
| Construction RE loans | 604 | 8 | 94 | 85 | 417 | 1,168 |
| Farmland loans | 158 | 13 | 45 | 22 | 78 | 373 |
| RE loans from foreign offices | 727 | 0 | 0 | 0 | 727 | 761 |
| Commercial and industrial loans | 5,933 | 57 | 236 | 328 | 5,311 | 8,859 |
| Loans to individuals | 2,533 | 12 | 33 | 45 | 2,443 | 3,061 |
| Credit cards | 345 | 0 | 3 | 18 | 324 | 561 |
| Installment loans and other plans | 2,188 | 12 | 30 | 27 | 2,119 | 2,500 |
| All other loans and leases | 1,341 | 19 | 50 | 60 | 1,213 | 1,767 |

FINANCIAL PERFORMANCE OF NATIONAL BANKS

Liabilities of national banks by asset size
March 31, 2005
 (Dollar figures in millions)

| | All national banks | National banks | | | | Memoranda: All commercial banks |
|--|--------------------|-------------------------|------------------------------|-----------------------------|---------------------------|---------------------------------|
| | | Less than \$100 million | \$100 million to \$1 billion | \$1 billion to \$10 billion | Greater than \$10 billion | |
| Number of institutions reporting | 1,896 | 747 | 979 | 125 | 45 | 7,598 |
| Total liabilities and equity capital | 5,783,752 | 41,457 | 272,861 | 358,002 | 5,111,432 | 8,589,293 |
| Deposits in domestic offices | 2,937,055 | 34,809 | 221,163 | 241,907 | 2,439,176 | 4,823,131 |
| Deposits in foreign offices | 732,006 | 13 | 240 | 3,338 | 728,414 | 881,620 |
| Total deposits | 3,669,061 | 34,822 | 221,403 | 245,245 | 3,167,590 | 5,704,751 |
| Noninterest bearing | 722,397 | 6,124 | 37,992 | 45,762 | 632,518 | 1,071,983 |
| Interest bearing | 2,946,664 | 28,698 | 183,410 | 199,483 | 2,535,073 | 4,632,768 |
| Federal funds purchased and securities sold | 430,705 | 398 | 7,036 | 32,853 | 390,418 | 614,265 |
| Other borrowed funds | 536,661 | 1,179 | 14,057 | 33,594 | 487,830 | 748,624 |
| Trading liabilities less revaluation losses | 130,740 | 0 | 5 | 0 | 130,735 | 131,156 |
| Subordinated notes and debentures | 95,236 | 1 | 224 | 1,332 | 93,679 | 114,368 |
| All other liabilities | 342,013 | 282 | 2,382 | 6,808 | 332,541 | 410,034 |
| Equity capital | 579,338 | 4,776 | 27,754 | 38,170 | 508,639 | 866,094 |
| Total deposits by depositor: | | | | | | |
| Individuals and corporations | 2,927,070 | 21,101 | 151,126 | 194,414 | 2,560,428 | 4,516,846 |
| U.S., state, and local governments | 136,114 | 3,180 | 18,118 | 15,903 | 98,913 | 250,938 |
| Depositories in the U.S. | 58,589 | 496 | 3,380 | 2,771 | 51,943 | 89,436 |
| Foreign banks and governments | 194,752 | 1 | 326 | 432 | 193,992 | 216,219 |
| Domestic deposits by depositor: | | | | | | |
| Individuals and corporations | 2,400,062 | 21,091 | 151,107 | 191,372 | 2,036,492 | 3,864,656 |
| U.S., state, and local governments | 136,114 | 3,180 | 18,118 | 15,903 | 98,913 | 250,938 |
| Depositories in the U.S. | 35,649 | 496 | 3,380 | 2,624 | 29,149 | 59,457 |
| Foreign banks and governments | 13,110 | 1 | 105 | 282 | 12,721 | 17,249 |
| Foreign deposits by depositor: | | | | | | |
| Individuals and corporations | 527,007.575 | 11 | 19 | 3,041 | 523,937 | 652,190 |
| Depositories in the U.S. | 22940.098 | 0 | 0 | 147 | 22,793 | 29,979 |
| Foreign banks and governments | 181,642 | 0 | 221 | 150 | 181,271 | 198,970 |
| Deposits in domestic offices by type: | | | | | | |
| Transaction deposits | 422,275 | 11,376 | 54,848 | 37,225 | 318,826 | 742,371 |
| Demand deposits | 321,249 | 6,030 | 31,765 | 27,471 | 255,983 | 534,787 |
| Savings deposits | 1,742,037 | 8,429 | 77,697 | 131,140 | 1,524,771 | 2,629,092 |
| Money market deposit accounts | 1294823.886 | 4,418 | 43,943 | 98,446 | 1,148,016 | 1,928,502 |
| Other savings deposits | 447212.69 | 4,010 | 33,754 | 32,694 | 376,755 | 700,590 |
| Time deposits | 772,743 | 15,005 | 88,617 | 73,542 | 595,579 | 1,451,667 |
| Small time deposits | 351,365 | 9,730 | 51,928 | 37,336 | 252,370 | 690,065 |
| Large time deposits | 421,378 | 5,275 | 36,689 | 36,206 | 343,209 | 761,603 |

FINANCIAL PERFORMANCE OF NATIONAL BANKS

Off-balance-sheet items of national banks by asset size
March 31, 2005
(Dollar figures in millions)

| | All national banks | National banks | | | | Memoranda: All commercial banks |
|--|--------------------|-------------------------|------------------------------|-----------------------------|---------------------------|---------------------------------|
| | | Less than \$100 million | \$100 million to \$1 billion | \$1 billion to \$10 billion | Greater than \$10 billion | |
| Number of institutions reporting | 1,896 | 747 | 979 | 125 | 45 | 7,598 |
| Unused commitments | \$4,475,637 | \$58,049 | \$139,672 | \$660,837 | \$3,617,080 | \$5,689,814 |
| Home equity lines | 319,536 | 362 | 6,385 | 11,326 | 301,462 | 416,872 |
| Credit card lines | 2,799,600 | 54,254 | 103,443 | 595,289 | 2,046,614 | 3,339,162 |
| Commercial RE, construction and land | 140,664 | 953 | 10,829 | 18,915 | 109,967 | 260,794 |
| All other unused commitments | 1,215,838 | 2,481 | 19,015 | 35,307 | 1,159,036 | 1,672,986 |
| Letters of credit: | | | | | | |
| Standby letters of credit | 264,764 | 109 | 1,872 | 5,292 | 257,492 | 344,595 |
| Financial letters of credit | 225,992 | 65 | 1,186 | 3,961 | 220,780 | 297,217 |
| Performance letters of credit | 38,772 | 44 | 686 | 1,331 | 36,712 | 47,378 |
| Commercial letters of credit | 23,330 | 22 | 209 | 567 | 22,533 | 27,390 |
| Securities lent | 487,783 | 47 | 23 | 2,075 | 485,638 | 1,257,117 |
| Spot foreign exchange contracts | 694,966 | 0 | 2 | 132 | 694,832 | 737,621 |
| Credit derivatives (notional value) | | | | | | |
| Reporting bank is the guarantor | 1,484,923 | 0 | 0 | 22 | 1,484,901 | 1,486,326 |
| Reporting bank is the beneficiary | 1,627,997 | 0 | 40 | 0 | 1,627,957 | 1,637,907 |
| Derivative contracts (notional value) | 89,390,904 | 10 | 3,050 | 14,638 | 89,373,205 | 91,115,075 |
| Futures and forward contracts | 10,954,615 | 0 | 1,164 | 2,543 | 10,950,907 | 11,633,913 |
| Interest rate contracts | 6,888,230 | 0 | 1,152 | 1,713 | 6,885,364 | 6,986,146 |
| Foreign exchange contracts | 3,926,588 | 0 | 8 | 830 | 3,925,750 | 4,507,771 |
| All other futures and forwards | 139,797 | 0 | 3 | 0 | 139,794 | 139,996 |
| Option contracts | 17,614,517 | 5 | 791 | 2,961 | 17,610,760 | 18,027,131 |
| Interest rate contracts | 14,648,983 | 3 | 742 | 1,977 | 14,646,261 | 15,024,566 |
| Foreign exchange contracts | 1,857,529 | 0 | 0 | 959 | 1,856,571 | 1,881,639 |
| All other options | 1,108,005 | 2 | 49 | 26 | 1,107,928 | 1,120,927 |
| Swaps | 57,708,852 | 5 | 1,055 | 9,112 | 57,698,680 | 58,329,798 |
| Interest rate contracts | 55,420,382 | 5 | 1,041 | 9,086 | 55,410,249 | 55,971,340 |
| Foreign exchange contracts | 2,082,824 | 0 | 0 | 0 | 2,082,824 | 2,123,524 |
| All other swaps | 205,647 | 0 | 14 | 25 | 205,608 | 234,933 |
| Memoranda: Derivatives by purpose | | | | | | |
| Contracts held for trading | 84,064,519 | 0 | 92 | 3,388 | 84,061,038 | 85,481,393 |
| Contracts not held for trading | 2,213,465 | 10 | 2,918 | 11,228 | 2,199,309 | 2,509,449 |
| Memoranda: Derivatives by position | | | | | | |
| Held for trading--positive fair value | 1,182,479 | 0 | 0 | 15 | 1,182,464 | 1,196,956 |
| Held for trading--negative fair value | 1,150,032 | 0 | 0 | 12 | 1,150,020 | 1,164,570 |
| Not for trading--positive fair value | 14,214 | 0 | 13 | 55 | 14,146 | 16,405 |
| Not for trading--negative fair value | 14,370 | 0 | 22 | 100 | 14,248 | 16,998 |

FINANCIAL PERFORMANCE OF NATIONAL BANKS

 Quarterly income and expenses of national banks by asset size
 First quarter 2005
 (Dollar figures in millions)

| | All national banks | National banks | | | | Memoranda: All commercial banks |
|---|--------------------|-------------------------|------------------------------|-----------------------------|---------------------------|---------------------------------|
| | | Less than \$100 million | \$100 million to \$1 billion | \$1 billion to \$10 billion | Greater than \$10 billion | |
| Number of institutions reporting | 1,896 | 747 | 979 | 125 | 45 | 7,598 |
| Net income | \$19,711 | \$111 | \$920 | \$1,300 | \$17,380 | \$29,504 |
| Net interest income | 42,997 | 397 | 2,526 | 3,070 | 37,003 | 66,544 |
| Total interest income | 65,636 | 538 | 3,529 | 4,422 | 57,147 | 100,074 |
| On loans | 48,387 | 416 | 2,824 | 3,447 | 41,700 | 74,540 |
| From lease financing receivables | 1,384 | 3 | 14 | 60 | 1,307 | 1,898 |
| On balances due from depositories | 773 | 5 | 18 | 23 | 727 | 1,221 |
| On securities | 10,263 | 99 | 604 | 741 | 8,819 | 16,357 |
| From assets held in trading account | 2,908 | 0 | 0 | 2 | 2,906 | 3,162 |
| On fed. funds sold & securities repurchased | 1,477 | 12 | 51 | 119 | 1,295 | 1,922 |
| Less: Interest expense | 22,640 | 141 | 1,003 | 1,352 | 20,144 | 33,530 |
| On deposits | 13,642 | 127 | 833 | 839 | 11,843 | 21,297 |
| Of federal funds purchased & securities sold | 2,604 | 2 | 36 | 193 | 2,373 | 3,772 |
| On demand notes & other borrowed money* | 5,143 | 12 | 130 | 303 | 4,698 | 6,988 |
| On subordinated notes and debentures | 1,250 | 0 | 3 | 17 | 1,230 | 1,473 |
| Less: Provision for losses | 4,222 | 15 | 131 | 209 | 3,867 | 5,505 |
| Noninterest income | 37,074 | 134 | 1,274 | 2,244 | 33,422 | 50,432 |
| From fiduciary activities | 3,186 | 12 | 148 | 468 | 2,558 | 5,877 |
| Service charges on deposits | 5,546 | 43 | 306 | 307 | 4,891 | 7,878 |
| Trading revenue | 4,159 | (0) | 1 | 10 | 4,147 | 4,449 |
| From interest rate exposures | 1,587 | 0 | 1 | 7 | 1,578 | 1,644 |
| From foreign exchange exposures | 1,513 | 0 | 0 | 2 | 1,511 | 1,699 |
| From equity security and index exposures | 848 | 0 | 0 | 0 | 848 | 888 |
| From commodity and other exposures | 211 | 0 | 0 | 0 | 211 | 212 |
| Investment banking brokerage fees | 2,024 | 1 | 19 | 41 | 1,963 | 2,479 |
| Venture capital revenue | 198 | 0 | (0) | (0) | 199 | 198 |
| Net servicing fees | 3,517 | 28 | 93 | 121 | 3,275 | 4,232 |
| Net securitization income | 4,545 | 0 | 120 | 28 | 4,398 | 5,640 |
| Insurance commissions and fees | 626 | 9 | 22 | 39 | 556 | 1,053 |
| Insurance and reinsurance underwriting income | 141 | 0 | 0 | 3 | 138 | 178 |
| Income from other insurance activities | 485 | 9 | 22 | 36 | 418 | 875 |
| Net gains on asset sales | 1,162 | 4 | 70 | 532 | 556 | 1,855 |
| Sales of loans and leases | 981 | 2 | 62 | 502 | 414 | 1,614 |
| Sales of other real estate owned | 24 | 0 | 2 | 9 | 13 | 48 |
| Sales of other assets(excluding securities) | 156 | 1 | 6 | 21 | 128 | 192 |
| Other noninterest income | 12,110 | 38 | 493 | 699 | 10,880 | 16,771 |
| Gains/losses on securities | (172) | 0 | 13 | (3) | (182) | (73) |
| Less: Noninterest expense | 46,324 | 377 | 2,444 | 3,156 | 40,347 | 67,760 |
| Salaries and employee benefits | 20,838 | 196 | 1,194 | 1,398 | 18,050 | 30,959 |
| Of premises and fixed assets | 6,102 | 48 | 299 | 332 | 5,422 | 8,773 |
| Goodwill impairment losses | 2 | 2 | 0 | 0 | 0 | 4 |
| Amortization expense and impairment losses | 1,471 | 1 | 25 | 104 | 1,341 | 1,701 |
| Other noninterest expense | 17,912 | 131 | 924 | 1,322 | 15,534 | 26,324 |
| Less: Taxes on income before extraord. items | 9,637 | 30 | 318 | 647 | 8,642 | 14,139 |
| Income/loss from extraord. items, net of taxes | (5) | 1 | 0 | 1 | (7) | 4 |
| Memoranda: | | | | | | |
| Net operating income | 19,803 | 110 | 911 | 1,301 | 17,481 | 29,516 |
| Income before taxes and extraordinary items | 29,353 | 140 | 1,238 | 1,946 | 26,029 | 43,638 |
| Income net of taxes before extraordinary items | 19,716 | 110 | 920 | 1,299 | 17,387 | 29,499 |
| Cash dividends declared | 8,809 | 82 | 462 | 659 | 7,606 | 14,130 |
| Net loan and lease losses | 5,179 | 7 | 88 | 172 | 4,913 | 6,489 |
| Charge-offs to loan and lease reserve | 6,885 | 14 | 126 | 256 | 6,490 | 8,727 |
| Less: Recoveries credited to loan & lease resv. | 1,706 | 7 | 38 | 84 | 1,577 | 2,238 |

* Includes mortgage indebtedness

FINANCIAL PERFORMANCE OF NATIONAL BANKS

 Year-to-date income and expenses of national banks by asset size
 Through March 31, 2005
 (Dollar figures in millions)

| | All national banks | National banks | | | | Memoranda: All commercial banks |
|---|--------------------|-------------------------|------------------------------|-----------------------------|---------------------------|---------------------------------|
| | | Less than \$100 million | \$100 million to \$1 billion | \$1 billion to \$10 billion | Greater than \$10 billion | |
| Number of institutions reporting | 1,896 | 747 | 979 | 125 | 45 | 7,598 |
| Net income | \$19,711 | \$111 | \$920 | \$1,300 | \$17,380 | \$29,504 |
| Net interest income | 42,997 | 397 | 2,526 | 3,070 | 37,003 | 66,544 |
| Total interest income | 65,636 | 538 | 3,529 | 4,422 | 57,147 | 100,074 |
| On loans | 48,387 | 416 | 2,824 | 3,447 | 41,700 | 74,540 |
| From lease financing receivables | 1,384 | 3 | 14 | 60 | 1,307 | 1,898 |
| On balances due from depositories | 773 | 5 | 18 | 23 | 727 | 1,221 |
| On securities | 10,263 | 99 | 604 | 741 | 8,819 | 16,357 |
| From assets held in trading account | 2,908 | 0 | 0 | 2 | 2,906 | 3,162 |
| On fed. funds sold & securities repurchased | 1,477 | 12 | 51 | 119 | 1,295 | 1,922 |
| Less: Interest expense | 22,640 | 141 | 1,003 | 1,352 | 20,144 | 33,530 |
| On deposits | 13,642 | 127 | 833 | 839 | 11,843 | 21,297 |
| Of federal funds purchased & securities sold | 2,604 | 2 | 36 | 193 | 2,373 | 3,772 |
| On demand notes & other borrowed money* | 5,143 | 12 | 130 | 303 | 4,698 | 6,988 |
| On subordinated notes and debentures | 1,250 | 0 | 3 | 17 | 1,230 | 1,473 |
| Less: Provision for losses | 4,222 | 15 | 131 | 209 | 3,867 | 5,505 |
| Noninterest income | 37,074 | 134 | 1,274 | 2,244 | 33,422 | 50,432 |
| From fiduciary activities | 3,186 | 12 | 148 | 468 | 2,558 | 5,877 |
| Service charges on deposits | 5,546 | 43 | 306 | 307 | 4,891 | 7,878 |
| Trading revenue | 4,159 | (0) | 1 | 10 | 4,147 | 4,449 |
| From interest rate exposures | 1,587 | 0 | 1 | 7 | 1,578 | 1,644 |
| From foreign exchange exposures | 1,513 | 0 | 0 | 2 | 1,511 | 1,699 |
| From equity security and index exposures | 848 | 0 | 0 | 0 | 848 | 888 |
| From commodity and other exposures | 211 | 0 | 0 | 0 | 211 | 212 |
| Investment banking brokerage fees | 2,024 | 1 | 19 | 41 | 1,963 | 2,479 |
| Venture capital revenue | 198 | 0 | (0) | (0) | 199 | 198 |
| Net servicing fees | 3,517 | 28 | 93 | 121 | 3,275 | 4,232 |
| Net securitization income | 4,545 | 0 | 120 | 28 | 4,398 | 5,640 |
| Insurance commissions and fees | 626 | 9 | 22 | 39 | 556 | 1,053 |
| Insurance and reinsurance underwriting income | 141 | 0 | 0 | 3 | 138 | 178 |
| Income from other insurance activities | 485 | 9 | 22 | 36 | 418 | 875 |
| Net gains on asset sales | 1,162 | 4 | 70 | 532 | 556 | 1,855 |
| Sales of loans and leases | 981 | 2 | 62 | 502 | 414 | 1,614 |
| Sales of other real estate owned | 24 | 0 | 2 | 9 | 13 | 48 |
| Sales of other assets(excluding securities) | 156 | 1 | 6 | 21 | 128 | 192 |
| Other noninterest income | 12,110 | 38 | 493 | 699 | 10,880 | 16,771 |
| Gains/losses on securities | (172) | 0 | 13 | (3) | (182) | (73) |
| Less: Noninterest expense | 46,324 | 377 | 2,444 | 3,156 | 40,347 | 67,760 |
| Salaries and employee benefits | 20,838 | 196 | 1,194 | 1,398 | 18,050 | 30,959 |
| Of premises and fixed assets | 6,102 | 48 | 299 | 332 | 5,422 | 8,773 |
| Goodwill impairment losses | 2 | 2 | 0 | 0 | 0 | 4 |
| Amortization expense and impairment losses | 1,471 | 1 | 25 | 104 | 1,341 | 1,701 |
| Other noninterest expense | 17,912 | 131 | 924 | 1,322 | 15,534 | 26,324 |
| Less: Taxes on income before extraord. items | 9,637 | 30 | 318 | 647 | 8,642 | 14,139 |
| Income/loss from extraord. items, net of taxes | (5) | 1 | 0 | 1 | (7) | 4 |
| Memoranda: | | | | | | |
| Net operating income | 19,803 | 110 | 911 | 1,301 | 17,481 | 29,516 |
| Income before taxes and extraordinary items | 29,353 | 140 | 1,238 | 1,946 | 26,029 | 43,638 |
| Income net of taxes before extraordinary items | 19,716 | 110 | 920 | 1,299 | 17,387 | 29,499 |
| Cash dividends declared | 8,809 | 82 | 462 | 659 | 7,606 | 14,130 |
| Net loan and lease losses | 5,179 | 7 | 88 | 172 | 4,913 | 6,489 |
| Charge-offs to loan and lease reserve | 6,885 | 14 | 126 | 256 | 6,490 | 8,727 |
| Less: Recoveries credited to loan & lease resv. | 1,706 | 7 | 38 | 84 | 1,577 | 2,238 |

* Includes mortgage indebtedness

FINANCIAL PERFORMANCE OF NATIONAL BANKS

Quarterly net loan and lease losses of national banks by asset size
First quarter 2005
 (Dollar figures in millions)

| | All national banks | National banks | | | | Memoranda: All commercial banks |
|--|--------------------|-------------------------|------------------------------|-----------------------------|---------------------------|---------------------------------|
| | | Less than \$100 million | \$100 million to \$1 billion | \$1 billion to \$10 billion | Greater than \$10 billion | |
| Number of institutions reporting | 1,896 | 747 | 979 | 125 | 45 | 7,598 |
| Net charge-offs to loan and lease reserve | \$5,179 | \$7 | \$88 | \$172 | \$4,913 | \$6,489 |
| Loans secured by real estate | 271 | 1 | 12 | 20 | 240 | 403 |
| 1- to 4-family residential mortgages | 131 | 1 | 6 | 7 | 118 | 192 |
| Home equity loans | 71 | 0 | 1 | 2 | 68 | 94 |
| Multifamily residential mortgages | 3 | 0 | 1 | (0) | 2 | 4 |
| Commercial RE loans | 26 | (0) | 2 | 8 | 16 | 61 |
| Construction RE loans | 21 | 0 | 2 | 3 | 16 | 33 |
| Farmland loans | 2 | (0) | 1 | 0 | 2 | 2 |
| RE loans from foreign offices | 18 | 0 | 0 | 0 | 18 | 17 |
| Commercial and industrial loans | 274 | 3 | 22 | 70 | 178 | 530 |
| Loans to individuals | 4,516 | 3 | 49 | 75 | 4,388 | 5,377 |
| Credit cards | 3,433 | 0 | 35 | 13 | 3,385 | 4,056 |
| Installment loans and other plans | 1,083 | 3 | 15 | 62 | 1,003 | 1,321 |
| All other loans and leases | 118 | 0 | 5 | 6 | 107 | 179 |
| Charge-offs to loan and lease reserve | 6,885 | 14 | 126 | 256 | 6,490 | 8,727 |
| Loans secured by real estate | 385 | 2 | 19 | 27 | 338 | 572 |
| 1- to 4-family residential mortgages | 178 | 1 | 9 | 9 | 160 | 258 |
| Home equity loans | 90 | 0 | 1 | 3 | 87 | 119 |
| Multifamily residential mortgages | 3 | 0 | 1 | 0 | 2 | 5 |
| Commercial RE loans | 58 | 0 | 5 | 12 | 41 | 115 |
| Construction RE loans | 27 | 0 | 2 | 4 | 21 | 44 |
| Farmland loans | 3 | 0 | 1 | 0 | 2 | 5 |
| RE loans from foreign offices | 25 | 0 | 0 | 0 | 25 | 26 |
| Commercial and industrial loans | 754 | 5 | 32 | 93 | 624 | 1,130 |
| Loans to individuals | 5,507 | 6 | 66 | 121 | 5,314 | 6,688 |
| Credit cards | 4,080 | 0 | 40 | 39 | 4,000 | 4,871 |
| Installment loans and other plans | 1,427 | 5 | 26 | 82 | 1,313 | 1,817 |
| All other loans and leases | 239 | 1 | 10 | 14 | 214 | 337 |
| Recoveries credited to loan and lease reserve | 1,706 | 7 | 38 | 84 | 1,577 | 2,238 |
| Loans secured by real estate | 114 | 1 | 7 | 8 | 98 | 169 |
| 1- to 4-family residential mortgages | 47 | 0 | 3 | 2 | 42 | 66 |
| Home equity loans | 20 | 0 | 0 | 1 | 19 | 25 |
| Multifamily residential mortgages | 1 | 0 | 0 | 0 | 0 | 1 |
| Commercial RE loans | 32 | 1 | 3 | 4 | 24 | 53 |
| Construction RE loans | 6 | 0 | 1 | 1 | 5 | 11 |
| Farmland loans | 1 | 0 | 0 | 0 | 0 | 3 |
| RE loans from foreign offices | 7 | 0 | 0 | 0 | 7 | 9 |
| Commercial and industrial loans | 481 | 2 | 10 | 23 | 446 | 600 |
| Loans to individuals | 991 | 3 | 17 | 45 | 926 | 1,312 |
| Credit cards | 647 | 0 | 5 | 25 | 616 | 815 |
| Installment loans and other plans | 344 | 3 | 11 | 20 | 310 | 496 |
| All other loans and leases | 121 | 1 | 5 | 8 | 107 | 159 |

FINANCIAL PERFORMANCE OF NATIONAL BANKS

Year-to-date net loan and lease losses of national banks by asset size
Through March 31, 2005
 (Dollar figures in millions)

| | All national banks | National banks | | | | Memoranda: All commercial banks |
|--|--------------------|-------------------------|------------------------------|-----------------------------|---------------------------|---------------------------------|
| | | Less than \$100 million | \$100 million to \$1 billion | \$1 billion to \$10 billion | Greater than \$10 billion | |
| Number of institutions reporting | 1,896 | 747 | 979 | 125 | 45 | 7,598 |
| Net charge-offs to loan and lease reserve | 5,179 | 7 | 88 | 172 | 4,913 | 6,489 |
| Loans secured by real estate | 271 | 1 | 12 | 20 | 240 | 403 |
| 1- to 4-family residential mortgages | 131 | 1 | 6 | 7 | 118 | 192 |
| Home equity loans | 71 | 0 | 1 | 2 | 68 | 94 |
| Multifamily residential mortgages | 3 | 0 | 1 | (0) | 2 | 4 |
| Commercial RE loans | 26 | (0) | 2 | 8 | 16 | 61 |
| Construction RE loans | 21 | 0 | 2 | 3 | 16 | 33 |
| Farmland loans | 2 | (0) | 1 | 0 | 2 | 2 |
| RE loans from foreign offices | 18 | 0 | 0 | 0 | 18 | 17 |
| Commercial and industrial loans | 274 | 3 | 22 | 70 | 178 | 530 |
| Loans to individuals | 4,516 | 3 | 49 | 75 | 4,388 | 5,377 |
| Credit cards | 3,433 | 0 | 35 | 13 | 3,385 | 4,056 |
| Installment loans and other plans | 1,083 | 3 | 15 | 62 | 1,003 | 1,321 |
| All other loans and leases | 118 | 0 | 5 | 6 | 107 | 179 |
| Charge-offs to loan and lease reserve | 6,885 | 14 | 126 | 256 | 6,490 | 8,727 |
| Loans secured by real estate | 385 | 2 | 19 | 27 | 338 | 572 |
| 1- to 4-family residential mortgages | 178 | 1 | 9 | 9 | 160 | 258 |
| Home equity loans | 90 | 0 | 1 | 3 | 87 | 119 |
| Multifamily residential mortgages | 3 | 0 | 1 | 0 | 2 | 5 |
| Commercial RE loans | 58 | 0 | 5 | 12 | 41 | 115 |
| Construction RE loans | 27 | 0 | 2 | 4 | 21 | 44 |
| Farmland loans | 3 | 0 | 1 | 0 | 2 | 5 |
| RE loans from foreign offices | 25 | 0 | 0 | 0 | 25 | 26 |
| Commercial and industrial loans | 754 | 5 | 32 | 93 | 624 | 1,130 |
| Loans to individuals | 5,507 | 6 | 66 | 121 | 5,314 | 6,688 |
| Credit cards | 4,080 | 0 | 40 | 39 | 4,000 | 4,871 |
| Installment loans and other plans | 1,427 | 5 | 26 | 82 | 1,313 | 1,817 |
| All other loans and leases | 239 | 1 | 10 | 14 | 214 | 337 |
| Recoveries credited to loan and lease reserve | 1,706 | 7 | 38 | 84 | 1,577 | 2,238 |
| Loans secured by real estate | 114 | 1 | 7 | 8 | 98 | 169 |
| 1- to 4-family residential mortgages | 47 | 0 | 3 | 2 | 42 | 66 |
| Home equity loans | 20 | 0 | 0 | 1 | 19 | 25 |
| Multifamily residential mortgages | 1 | 0 | 0 | 0 | 0 | 1 |
| Commercial RE loans | 32 | 1 | 3 | 4 | 24 | 53 |
| Construction RE loans | 6 | 0 | 1 | 1 | 5 | 11 |
| Farmland loans | 1 | 0 | 0 | 0 | 0 | 3 |
| RE loans from foreign offices | 7 | 0 | 0 | 0 | 7 | 9 |
| Commercial and industrial loans | 481 | 2 | 10 | 23 | 446 | 600 |
| Loans to individuals | 991 | 3 | 17 | 45 | 926 | 1,312 |
| Credit cards | 647 | 0 | 5 | 25 | 616 | 815 |
| Installment loans and other plans | 344 | 3 | 11 | 20 | 310 | 496 |
| All other loans and leases | 121 | 1 | 5 | 8 | 107 | 159 |

FINANCIAL PERFORMANCE OF NATIONAL BANKS

**Number of national banks by state and asset size
March 31, 2005**

| | All national banks | National banks | | | | Memoranda: All commercial banks |
|-------------------------|--------------------|-------------------------|------------------------------|-----------------------------|---------------------------|------------------------------------|
| | | Less than \$100 million | \$100 million to \$1 billion | \$1 billion to \$10 billion | Greater than \$10 billion | |
| All institutions | 1,896 | 747 | 979 | 125 | 45 | 7,598 |
| Alabama | 22 | 11 | 10 | 0 | 1 | 149 |
| Alaska | 2 | 1 | 0 | 1 | 0 | 5 |
| Arizona | 15 | 4 | 6 | 4 | 1 | 47 |
| Arkansas | 41 | 11 | 28 | 2 | 0 | 160 |
| California | 72 | 19 | 39 | 12 | 2 | 261 |
| Colorado | 46 | 20 | 23 | 3 | 0 | 165 |
| Connecticut | 9 | 1 | 6 | 1 | 1 | 23 |
| Delaware | 9 | 0 | 4 | 2 | 3 | 28 |
| District of Columbia | 4 | 1 | 3 | 0 | 0 | 5 |
| Florida | 63 | 8 | 49 | 6 | 0 | 258 |
| Georgia | 53 | 15 | 37 | 1 | 0 | 325 |
| Hawaii | 1 | 0 | 1 | 0 | 0 | 5 |
| Idaho | 1 | 0 | 1 | 0 | 0 | 14 |
| Illinois | 156 | 56 | 92 | 6 | 2 | 643 |
| Indiana | 31 | 6 | 18 | 6 | 1 | 136 |
| Iowa | 45 | 19 | 25 | 1 | 0 | 393 |
| Kansas | 94 | 61 | 29 | 4 | 0 | 355 |
| Kentucky | 42 | 17 | 24 | 1 | 0 | 209 |
| Louisiana | 14 | 3 | 9 | 1 | 1 | 137 |
| Maine | 3 | 0 | 1 | 1 | 1 | 15 |
| Maryland | 10 | 1 | 8 | 1 | 0 | 67 |
| Massachusetts | 11 | 2 | 8 | 1 | 0 | 37 |
| Michigan | 22 | 8 | 13 | 0 | 1 | 154 |
| Minnesota | 111 | 62 | 45 | 3 | 1 | 457 |
| Mississippi | 19 | 6 | 11 | 2 | 0 | 92 |
| Missouri | 44 | 21 | 19 | 3 | 1 | 341 |
| Montana | 14 | 11 | 3 | 0 | 0 | 77 |
| Nebraska | 67 | 46 | 19 | 2 | 0 | 251 |
| Nevada | 7 | 1 | 1 | 4 | 1 | 36 |
| New Hampshire | 4 | 1 | 1 | 1 | 1 | 13 |
| New Jersey | 21 | 0 | 13 | 5 | 3 | 75 |
| New Mexico | 14 | 4 | 7 | 3 | 0 | 48 |
| New York | 54 | 10 | 36 | 7 | 1 | 131 |
| North Carolina | 5 | 0 | 3 | 0 | 2 | 74 |
| North Dakota | 12 | 6 | 4 | 2 | 0 | 99 |
| Ohio | 78 | 31 | 35 | 5 | 7 | 178 |
| Oklahoma | 82 | 40 | 40 | 1 | 1 | 267 |
| Oregon | 3 | 1 | 1 | 1 | 0 | 38 |
| Pennsylvania | 72 | 17 | 43 | 9 | 3 | 162 |
| Rhode Island | 3 | 2 | 0 | 0 | 1 | 7 |
| South Carolina | 25 | 8 | 15 | 2 | 0 | 77 |
| South Dakota | 17 | 6 | 8 | 1 | 2 | 87 |
| Tennessee | 30 | 7 | 19 | 1 | 3 | 189 |
| Texas | 311 | 159 | 137 | 15 | 0 | 639 |
| Utah | 7 | 2 | 3 | 0 | 2 | 62 |
| Vermont | 8 | 2 | 6 | 0 | 0 | 14 |
| Virginia | 38 | 6 | 29 | 2 | 1 | 125 |
| Washington | 13 | 7 | 6 | 0 | 0 | 77 |
| West Virginia | 16 | 8 | 7 | 1 | 0 | 66 |
| Wisconsin | 40 | 13 | 25 | 1 | 1 | 268 |
| Wyoming | 15 | 6 | 9 | 0 | 0 | 41 |
| U.S. territories | 0 | 0 | 0 | 0 | 0 | 16 |

FINANCIAL PERFORMANCE OF NATIONAL BANKS

Total assets of national banks by state and asset size

March 31, 2005

(Dollar figures in millions)

| | All national banks | National banks | | | | Memoranda: All commercial banks |
|-------------------------|--------------------|-------------------------|------------------------------|-----------------------------|---------------------------|---------------------------------|
| | | Less than \$100 million | \$100 million to \$1 billion | \$1 billion to \$10 billion | Greater than \$10 billion | |
| All institutions | \$5,783,752 | \$41,457 | \$272,861 | \$358,002 | \$5,111,432 | \$8,589,293 |
| Alabama | 23,005 | 725 | 2,290 | 0 | 19,990 | 178,577 |
| Alaska | 2,196 | 70 | 0 | 2,126 | 0 | 3,510 |
| Arizona | 64,803 | 130 | 2,556 | 7,773 | 54,344 | 69,228 |
| Arkansas | 10,086 | 621 | 7,143 | 2,321 | 0 | 39,459 |
| California | 107,165 | 1,146 | 10,262 | 33,223 | 62,534 | 286,637 |
| Colorado | 11,608 | 1,025 | 6,112 | 4,471 | 0 | 38,046 |
| Connecticut | 22,675 | 98 | 2,084 | 3,292 | 17,201 | 24,331 |
| Delaware | 294,148 | 0 | 1,129 | 7,511 | 285,508 | 338,160 |
| District of Columbia | 657 | 89 | 568 | 0 | 0 | 718 |
| Florida | 31,625 | 583 | 12,943 | 18,099 | 0 | 86,648 |
| Georgia | 15,860 | 822 | 8,082 | 6,956 | 0 | 217,489 |
| Hawaii | 440 | 0 | 440 | 0 | 0 | 26,554 |
| Idaho | 309 | 0 | 309 | 0 | 0 | 4,389 |
| Illinois | 139,374 | 3,181 | 24,783 | 19,627 | 91,784 | 311,835 |
| Indiana | 54,154 | 354 | 7,766 | 17,593 | 28,442 | 86,519 |
| Iowa | 9,667 | 1,145 | 6,848 | 1,675 | 0 | 46,025 |
| Kansas | 18,190 | 3,284 | 8,740 | 6,166 | 0 | 45,650 |
| Kentucky | 15,584 | 1,152 | 4,770 | 9,661 | 0 | 48,964 |
| Louisiana | 32,792 | 144 | 2,193 | 8,264 | 22,191 | 55,301 |
| Maine | 30,266 | 0 | 889 | 1,064 | 28,314 | 33,827 |
| Maryland | 2,972 | 31 | 1,683 | 1,259 | 0 | 37,553 |
| Massachusetts | 9,718 | 111 | 1,879 | 7,729 | 0 | 157,595 |
| Michigan | 41,486 | 398 | 3,065 | 0 | 38,022 | 186,280 |
| Minnesota | 30,822 | 3,280 | 9,697 | 5,008 | 12,837 | 60,407 |
| Mississippi | 12,348 | 371 | 2,899 | 9,078 | 0 | 42,548 |
| Missouri | 29,900 | 1,287 | 6,047 | 9,891 | 12,675 | 86,303 |
| Montana | 1,459 | 629 | 830 | 0 | 0 | 14,402 |
| Nebraska | 14,287 | 2,236 | 4,344 | 7,707 | 0 | 30,862 |
| Nevada | 26,677 | 52 | 136 | 9,011 | 17,478 | 54,741 |
| New Hampshire | 14,888 | 58 | 222 | 1,614 | 12,994 | 17,270 |
| New Jersey | 61,959 | 0 | 3,759 | 13,321 | 44,878 | 105,852 |
| New Mexico | 6,670 | 236 | 1,682 | 4,752 | 0 | 12,861 |
| New York | 716,892 | 635 | 13,054 | 18,610 | 684,592 | 1,022,145 |
| North Carolina | 1,294,980 | 0 | 1,971 | 0 | 1,293,009 | 1,429,011 |
| North Dakota | 6,630 | 303 | 1,540 | 4,787 | 0 | 14,729 |
| Ohio | 1,454,673 | 1,762 | 11,628 | 12,742 | 1,428,540 | 1,545,293 |
| Oklahoma | 25,527 | 2,143 | 9,131 | 1,958 | 12,295 | 47,997 |
| Oregon | 7,624 | 50 | 219 | 7,356 | 0 | 21,926 |
| Pennsylvania | 156,911 | 1,095 | 14,230 | 26,797 | 114,790 | 203,137 |
| Rhode Island | 213,117 | 61 | 0 | 0 | 213,056 | 228,532 |
| South Carolina | 9,421 | 640 | 4,059 | 4,722 | 0 | 38,848 |
| South Dakota | 424,373 | 218 | 3,113 | 5,635 | 415,407 | 435,207 |
| Tennessee | 106,760 | 546 | 7,391 | 1,403 | 97,419 | 135,159 |
| Texas | 87,928 | 8,305 | 36,155 | 43,468 | 0 | 159,200 |
| Utah | 34,730 | 97 | 532 | 0 | 34,101 | 152,920 |
| Vermont | 1,583 | 120 | 1,463 | 0 | 0 | 6,551 |
| Virginia | 68,047 | 296 | 9,006 | 7,637 | 51,107 | 149,522 |
| Washington | 2,113 | 373 | 1,740 | 0 | 0 | 27,223 |
| West Virginia | 4,464 | 494 | 1,733 | 2,237 | 0 | 19,553 |
| Wisconsin | 27,959 | 754 | 7,821 | 1,461 | 17,924 | 100,060 |
| Wyoming | 2,230 | 305 | 1,925 | 0 | 0 | 5,341 |
| U.S. territories | 0 | 0 | 0 | 0 | 0 | 98,400 |

Quarterly Journal

INDEX

INDEX

A

Affiliated mergers:

For quarter, **48**

Affiliated mergers—thrift:

For quarter, **50**

Appeals process, **37**

Assets, liabilities, and capital accounts of national banks (financial table), **53**

Assets of national banks by asset size (financial table), **56**

Assets, total, of national banks by state and asset size (financial table), **65**

C

Commercial banks:

Condition and performance of, **1**

Number of commercial banks by state, **64**

Off-balance-sheet items, **59**

Past-due and nonaccrual loans and leases, **57**

Quarterly income and expenses, **60**

Quarterly net loan and lease losses, **62**

Total assets, **56**

Total assets by state, **65**

Total liabilities, **58**

Year-to-date income and expenses, **61**

Year-to-date net loan and lease losses, **63**

Condition and performance of commercial banks, **1**

Congressional testimony, speeches and, **40**

Condition of the banking industry press briefing, **1**

D

Decisions, recent licensing, **34**

F

Financial performance of national banks (tables), **52**

I

Interpretations, **41**

K

Key indicators, FDIC-insured commercial banks (condition tables):

Annual 2001-2004, year-to-date through quarter, **24**

By asset size, **26**

By region, **28**

Key indicators, FDIC-insured national banks (condition tables):

Annual 2001-2004, year-to-date through quarter, **18**

By asset size, **20**

By region, **22**

L

Liabilities of national banks by asset size (financial table), **58**

Licensing decisions, recent, **34**

Loan performance, FDIC-insured commercial banks (condition tables):

Annual 2001-2004, year-to-date through quarter, **25**

By asset size, **27**

By region, **29**

Loan performance, FDIC-insured national banks (condition tables):

Annual 2001-2004, year-to-date through quarter, **19**

By asset size, **21**

By region, **23**

M

Mergers:

Affiliated, (involving affiliated operating banks), for quarter, **48**

Affiliated, —thrift (mergers consummated involving affiliated national banks and savings and loan associations), for quarter, **50**

Nonaffiliated, (involving two or more nonaffiliated operating banks), for quarter, **46**

Nonaffiliated, —thrift (involving nonaffiliated national bank and savings and loan association), for quarter, **47**

N

Nonaffiliated mergers:

For quarter, **46**

Nonaffiliated mergers—thrift:

For quarter, **47**

Number of national banks by state and asset size (financial table), **64**

O

Off-balance-sheet items of national banks by asset size (financial table), **59**

Office of the Comptroller of the Currency:

 Interpretations, **41**

 Speeches and congressional testimony, **40**

Ombudsman, appeals process, **37**

P

Past-due and nonaccrual loans and leases of national banks by asset size (financial table), **57**

Press briefing, condition of the banking industry, **1**

Q

Quarterly income and expenses of national banks by asset size (financial table), **60**

Quarterly income and expenses of national banks (financial table), **54**

Quarterly net loan and lease losses of national banks by asset size (financial table), **62**

R

Recent licensing decisions, **34**

S

Speeches and congressional testimony, **40**

T

Tables, on the financial performance of national banks, **52**

Testimony, congressional, speeches and, **40**

Total assets of national banks by state and asset size (financial table), **65**

W

Williams, Julie L., Acting Comptroller:

 Biography, **vi**

Y

Year-to-date income and expenses of national banks by asset size (financial table), **61**

Year-to-date income and expenses of national banks (financial table), **55**

Year-to-date net loan and lease losses of national banks by asset size (financial table), **63**