



Quarterly Banking Profile

Second Quarter 2009

INSURED INSTITUTION PERFORMANCE

- ***Higher Loss Provisions Lead to a \$3.7 Billion Net Loss***
- ***More Than One in Four Institutions Are Unprofitable***
- ***Charge-Offs and Noncurrent Loans Continue to Rise***
- ***Net Interest Margins Show Modest Improvement***
- ***Industry Assets Decline by \$238 Billion***

The Industry Posts a Net Loss for the Quarter

Burdened by costs associated with rising levels of troubled loans and falling asset values, FDIC-insured commercial banks and savings institutions reported an aggregate net loss of \$3.7 billion in the second quarter of 2009. Increased expenses for bad loans were chiefly responsible for the industry's loss. Insured institutions added \$66.9 billion in loan-loss provisions to their reserves during the quarter, an increase of \$16.5 billion (32.8 percent) compared to the second quarter of 2008. Quarterly earnings were also adversely affected by writedowns of asset-backed commercial paper, and by higher assessments for deposit insurance. Almost two out of every three institutions (64.4 percent) reported lower quarterly earnings than a year ago, and more than one in four (28.3 percent) reported a net loss for the quarter. A year ago, the industry reported a quarterly profit of \$4.7 billion, and fewer than one in five institutions (18 percent) were unprofitable. The average return on assets (ROA) was -0.11 percent, compared to 0.14 percent in the second quarter of 2008.

Noninterest Income Grows 10.6 Percent Year-Over-Year

In addition to the \$16.5-billion increase in loss provisions, the industry reported a \$3.3 billion increase in extraordinary losses and a \$1.7 billion (1.7 percent) year-over-year increase in noninterest expenses. The extraordinary losses stemmed from asset-backed commercial paper writedowns, while the increased noninterest expenses primarily reflected higher deposit insurance assessments. These negative factors were partially offset by higher noninterest income (up \$6.5 billion, or 10.6 percent), increased net interest income (up \$3.4 billion, or 3.5 percent), and a \$1.5-billion reduction in realized losses on securities and other assets. Gains on asset sales (up \$4.5 billion), increased trading revenue (up \$4.5 billion), and higher servicing fees (up \$3.6 billion) were the largest contributors to the year-over-year improvement in noninterest income.

Margins Improve at a Majority of Institutions

Average net interest margins (NIMs) improved slightly from first quarter levels, as average funding costs fell more rapidly than average asset yields. The average margin increased to 3.48 percent from 3.39 percent in the first quarter and 3.37 percent in the second quarter of 2008. The consecutive-quarter improvement was relatively broad-based: more than half (56.5 percent) of all institutions reported higher NIMs than in the first quarter. However, the year-over-year improvement was concentrated among larger institutions. Only 45.3 percent of insured institutions reported year-over-year NIM improvement. Despite the widening in margins, net interest income growth has been limited by recent shrinkage in earning asset portfolios. Interest-earning assets declined by \$149.6 billion during the second quarter, following a \$163.7 billion decline in the first quarter. In the 12 months ended June 30, the industry's earning assets increased by only \$18.3 billion (0.2 percent).

Net Charge-Off Rate Sets a Quarterly Record

Net charge-offs continued to rise, propelling the quarterly net charge-off rate to a record high. Insured institutions charged-off \$48.9 billion in the second quarter, compared to \$26.4 billion a year earlier. The annualized net charge-off rate in the second quarter was 2.55 percent, eclipsing the previous quarterly record of 1.95 percent reached in the fourth quarter of 2008. The \$22.5 billion (85.3 percent) year-over-year increase in net charge-offs was led by loans to commercial and industrial (C&I) borrowers, which increased by \$5.3 billion (165.0 percent). Net charge-offs of credit card loans were \$4.6 billion (84.5 percent) higher than a year

earlier, and the annualized net charge-off rate on credit card loans reached a record 9.95 percent in the second quarter. Net charge-offs of real estate construction and development loans were up by \$4.2 billion (117.0 percent), and charge-offs of loans secured by 1-4 family residential properties were \$4.0 billion (41.1 percent) higher than a year ago.

Noncurrent Loan Rate Rises to Record Level

The amount of loans and leases that were noncurrent (90 days or more past due or in nonaccrual status) increased for a 13th consecutive quarter, and the percentage of total loans and leases that were noncurrent reached a new record. Noncurrent loans and leases increased by \$41.4 billion (14.3 percent) during the second quarter, led by 1-4 family residential mortgages (up \$15.4 billion, or 12.7 percent), real estate construction and development loans (up \$10.2 billion, or 16.6 percent), and loans secured by nonfarm nonresidential real estate properties (up \$7.1 billion, or 29.2 percent). Noncurrent home equity loans and junior lien mortgages fell for the first time in three years, declining by \$1.7 billion and \$1.5 billion, respectively. Noncurrent levels rose in all other major loan categories. Although the increase in total noncurrent loans was almost one-third smaller than the \$59.7 billion increase in the first quarter, the average noncurrent rate on all loans and leases rose from 3.76 percent to 4.35 percent. This is the highest level for the noncurrent rate in the 26 years that insured institutions have reported noncurrent loan data. On a more positive note, loans that were 30-89 days past due declined by \$16.7 billion (10.6 percent). This is the largest quarterly decline in dollar terms in the 26 years that these data have been reported, and the largest percentage decline since the first quarter of 2004, when 30-89 day past due loans were one-third the current level. The decline in past due loans occurred across all major loan categories, but real estate loans accounted for 83.5 percent (\$13.9 billion) of the total improvement. Restructured loans and leases that were in compliance with their modified terms increased by \$13.7 billion (41.6 percent) at commercial and savings banks that file Call reports, as restructured 1-4 family residential real estate loans rose by \$10.2 billion (55.4 percent).

Institutions Continue to Add to Reserves

The industry's reserves for loan losses increased by \$16.8 billion (8.6 percent) during the second quarter, as loss provisions of \$66.9 billion exceeded net charge-offs of \$48.9 billion. The ratio of reserves to total loans and leases set another new record, rising from 2.51 percent to 2.77 percent. However, the pace of reserve building fell short of the rise in noncurrent loans, and the industry's ratio of reserves to noncurrent loans fell from 66.8 percent to 63.5 percent, the lowest level since the third quarter of 1991.

Overall Capital Levels Register Improvement

Equity capital increased by \$32.5 billion (2.4 percent), raising the industry's equity-to-assets ratio from 10.13 percent to 10.56 percent, the highest level since March 31, 2007. Average regulatory capital ratios increased as well. The leverage capital ratio increased from 8.02 percent to 8.25 percent, while the total risk-based capital ratio rose from 13.42 percent to 13.76 percent. However, fewer than half of all institutions reported increases in their regulatory capital ratios. Only 43.2 percent reported increased leverage capital ratios, and 47.0 percent had increased total risk-based capital ratios. Insured institutions paid \$6.2 billion in dividends in the quarter, about two-thirds less than the \$17.7 billion in dividends paid in the second quarter of 2008.

Industry Assets Decline for a Second Consecutive Quarter

Total assets declined by \$238.1 billion (1.8 percent), following a \$303.2-billion decline in the first quarter. Loans and leases accounted for more than half of the decline (\$125.5 billion, or 52.7 percent of the total), while the industry's balances at Federal Reserve banks fell by \$99.4 billion (a 20.4 percent decline). As was the case in the first quarter, much of the decline in industry assets was concentrated at a few large institutions. More than 57 percent of institutions increased their assets during the second quarter, and a similar majority increased their loan balances. Among the loan categories registering the largest declines during the quarter were C&I loans (down \$67.7 billion, or 4.7 percent), 1-4 family residential mortgage loans (down \$33.2 billion, or 1.6 percent), and real estate construction and development loans (down \$31.0 billion, or 5.5 percent). Assets in trading accounts declined by \$65.5 billion (7.9 percent). The industry's total securities holdings increased by \$130.6 billion (5.9 percent).

Small Business Loan Balances Declined Over the Past 12 Months

Annual data on loans to small businesses and farms indicate that the industry's balances of these loans experienced shrinkage during the twelve months ended June 30 while loans to larger borrowers had a slight

increase. Small C&I, agricultural, and nonresidential real estate loans¹ declined by \$14.8 billion (1.9 percent) between June 30, 2008 and June 30, 2009, compared to an increase of \$2.2 billion (0.1 percent) in larger business and farm loans.

Institutions Reduce Their Reliance on Nondeposit Funding Sources

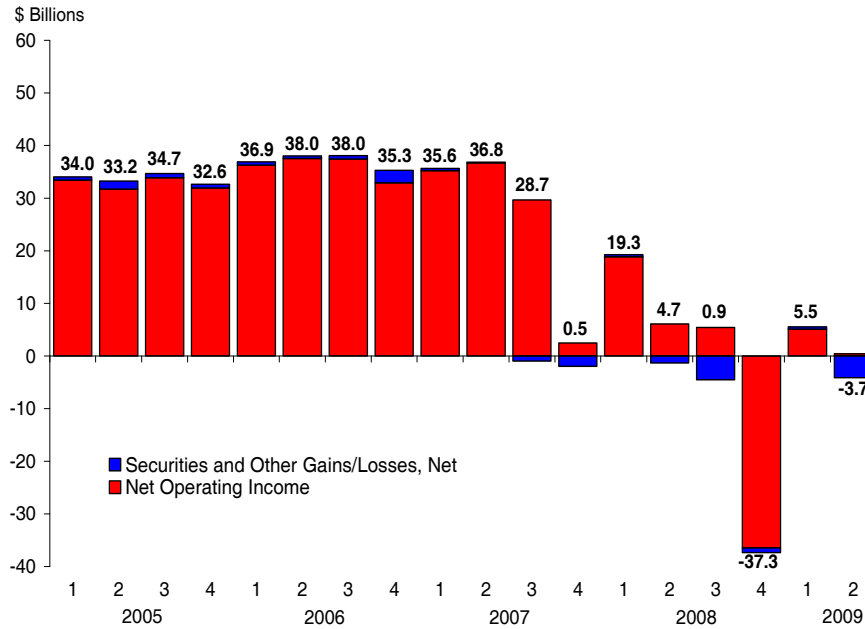
In contrast to the decline in industry assets, total deposits of insured institutions increased by \$66.7 billion (0.7 percent). Deposits in foreign offices accounted for more than three quarters (\$51.0 billion, or 76.5 percent) of the increase in deposits. Domestic office deposits increased by only \$15.7 billion (0.2 percent), as deposits in large denomination (> \$250,000) noninterest-bearing transaction accounts increased by \$42.0 billion (4.9 percent), and deposits in interest-bearing accounts fell by \$16.9 billion. Nondeposit liabilities declined by \$337.3 billion (10.6 percent), as trading liabilities fell by \$85.0 billion (23.7 percent), and FHLB advances dropped by \$62.2 billion (8.9 percent). At the end of June, deposits funded 67.8 percent of the industry's assets, the highest proportion since March 1998.

“Problem List” Expands to 15-Year High

The number of insured commercial banks and savings institutions reporting financial results fell to 8,195 in the quarter, down from 8,247 reporters in the first quarter. Thirty-nine institutions were merged into other institutions during the quarter, twenty-four institutions failed, and there were twelve new charters added. During the quarter, the number of institutions on the FDIC's "Problem List" increased from 305 to 416, and the combined assets of "problem" institutions rose from \$220.0 billion to \$299.8 billion. This is the largest number of "problem" institutions since June 30, 1994, and the largest amount of assets on the list since December 31, 1993.

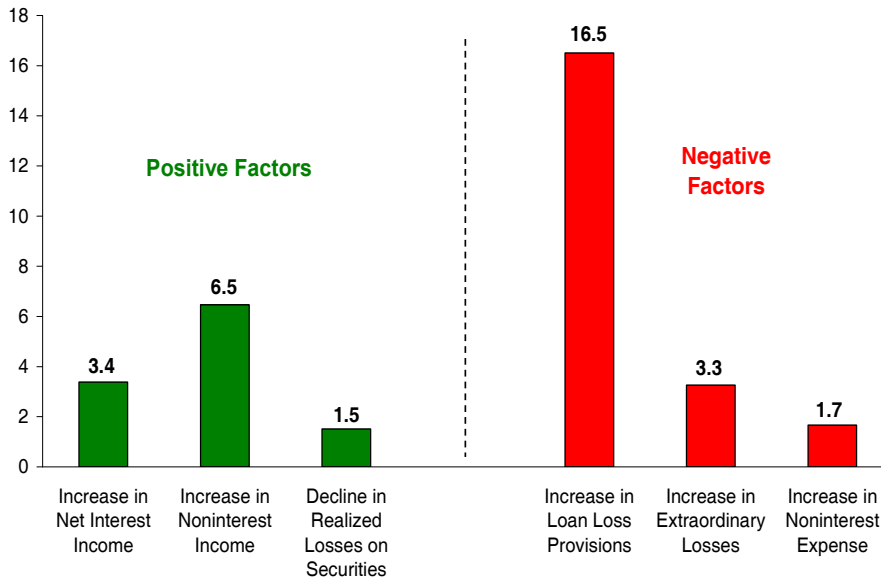
¹ C&I loans with original amounts of \$1 million or less, loans secured by nonfarm nonresidential real estate with original amounts of \$1 million or less, real estate loans secured by farmland with original amounts of \$500 thousand or less, and agricultural production loans with original amounts of \$500 thousand or less.

The Industry Posted Its Second Quarterly Loss in the Past 18 Years



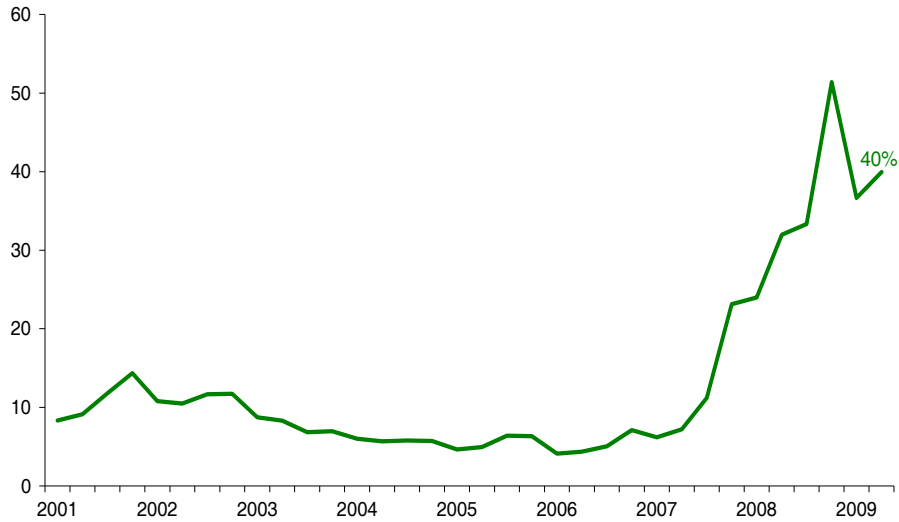
Higher Loss Provisions Still Weigh Heavily on Industry Earnings

2nd Quarter 2009 vs. 2nd Quarter 2008
(\$ Billions)



Provision Expenses Have Been Growing in Significance for Two Years

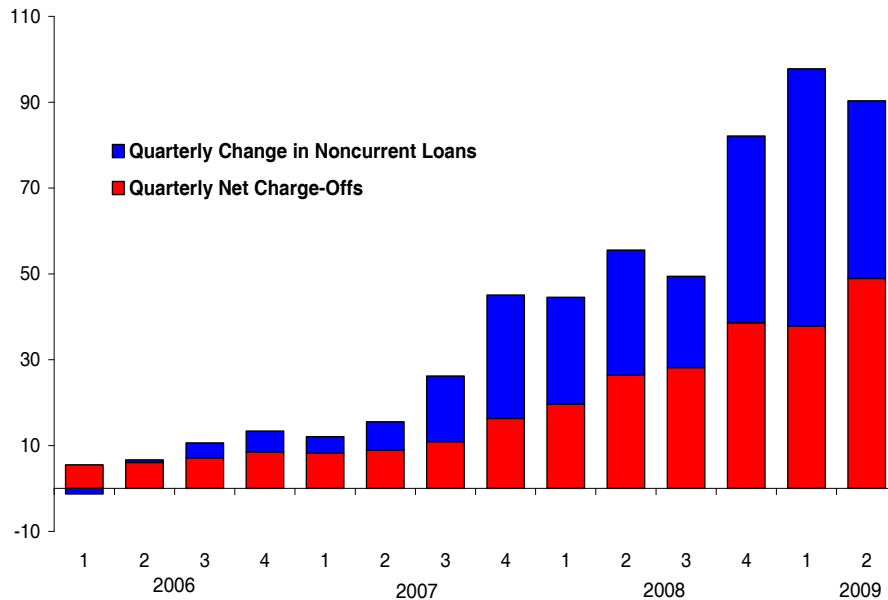
Loan Loss Provisions
Percent of Quarterly Net Operating Revenue*



* Net operating revenue equals net interest income plus total noninterest income

Troubled Loans Increased at a Slower Rate in the Second Quarter

\$ Billions

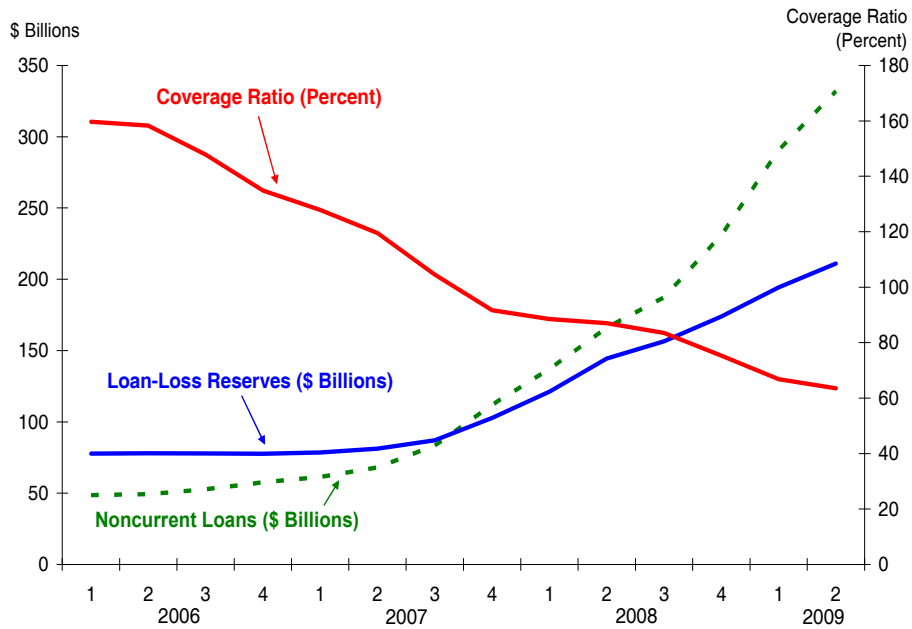




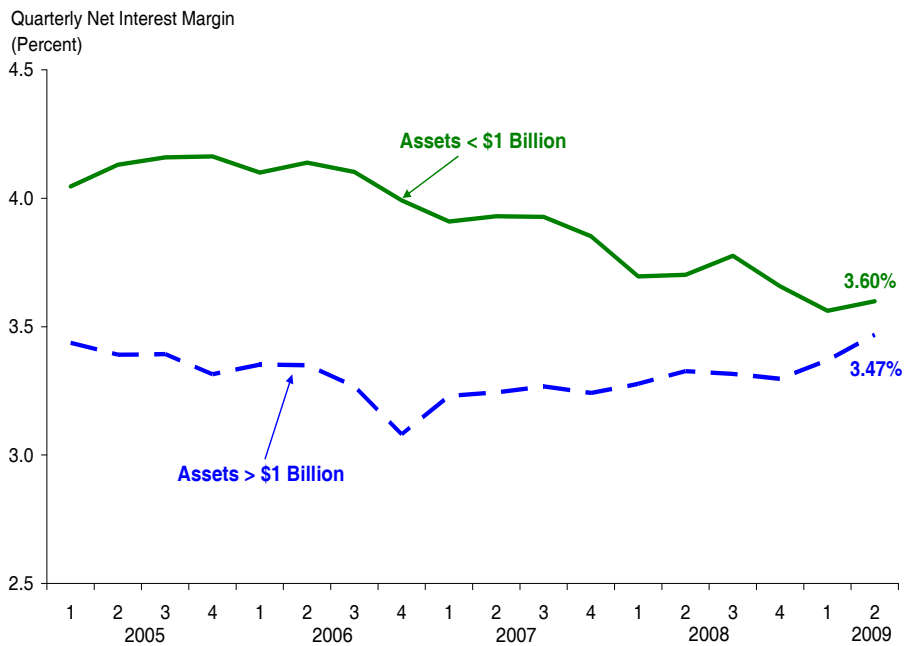
Quarterly Banking Profile

Second Quarter 2009

Noncurrent Loan Growth Is Outpacing Growth in Reserves

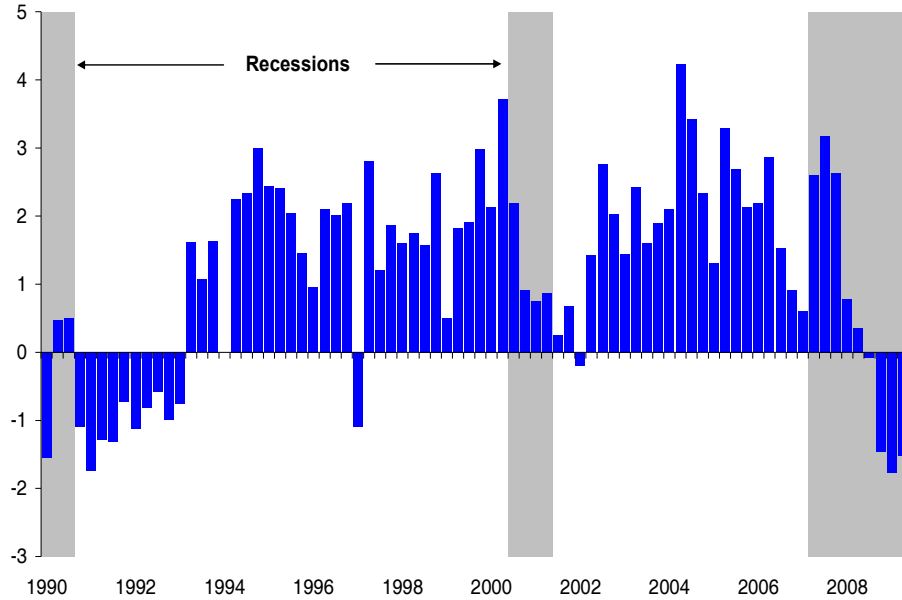


Margins Improved Slightly in the Second Quarter



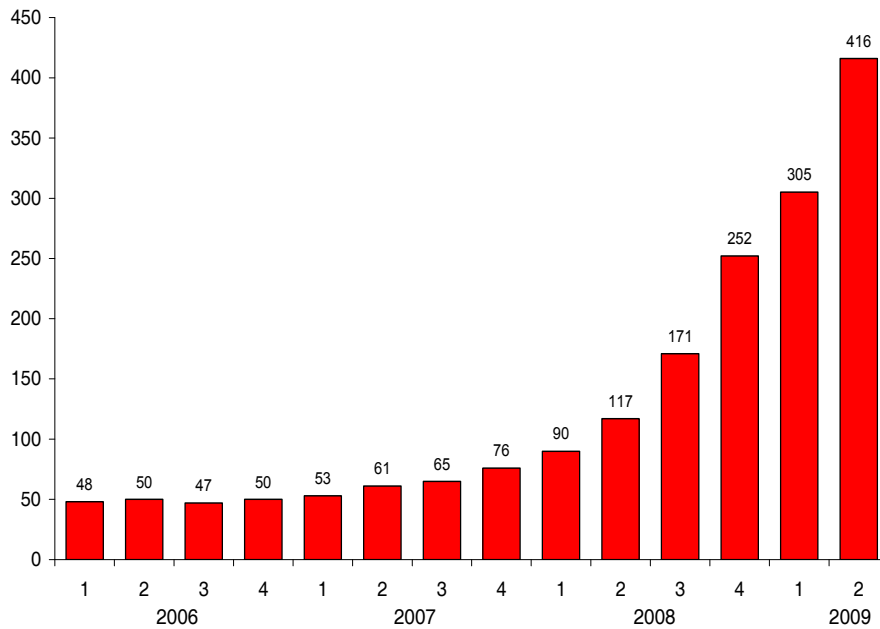
Quarterly Percent Change in Total Loans and Leases

All FDIC-Insured Institutions
(Percent)



The Number of "Problem" Institutions Is at a 15-Year High

Number of Insured Institutions on the FDIC's "Problem List"



Quarterly Banking Profile

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

	2009**	2008**	2008	2007	2006	2005	2004
Return on assets (%)	0.04	0.36	0.04	0.81	1.28	1.28	1.28
Return on equity (%)	0.38	3.55	0.37	7.75	12.30	12.43	13.20
Core capital (leverage) ratio (%)	8.25	7.89	7.47	7.97	8.22	8.25	8.11
Noncurrent assets plus							
other real estate owned to assets (%)	2.77	1.40	1.89	0.95	0.54	0.50	0.53
Net charge-offs to loans (%)	2.24	1.16	1.29	0.59	0.39	0.49	0.56
Asset growth rate (%)	0.01	8.47	6.20	9.89	9.04	7.63	11.37
Net interest margin (%)	3.43	3.35	3.18	3.29	3.31	3.47	3.52
Net operating income growth (%)	-74.96	-65.31	-90.42	-27.58	8.53	11.39	3.99
Number of institutions reporting	8,195	8,451	8,305	8,534	8,680	8,833	8,976
Commercial banks	6,995	7,203	7,086	7,283	7,401	7,526	7,631
Savings institutions	1,200	1,248	1,219	1,251	1,279	1,307	1,345
Percentage of unprofitable institutions (%)	26.94	16.99	24.67	12.08	7.94	6.22	5.97
Number of problem institutions	416	117	252	76	50	52	80
Assets of problem institutions (in billions)	\$300	\$78	\$159	\$22	\$8	\$7	\$28
Number of failed institutions	24	4	25	3	0	0	4
Number of assisted institutions	0	0	5	0	0	0	0

* Excludes insured branches of foreign banks (IBAs)

** Through June 30, ratios annualized where appropriate. Asset growth rates are for 12 months ending June 30.

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

(dollar figures in millions)	2nd Quarter 2009	1st Quarter 2009	2nd Quarter 2008	%Change 08Q2-09Q2
Number of institutions reporting	8,195	8,247	8,451	-3.0
Total employees (full-time equivalent)	2,092,896	2,114,672	2,203,854	-5.0
CONDITION DATA				
Total assets	\$13,301,455	\$13,539,556	\$13,300,518	0.0
Loans secured by real estate	4,651,381	4,700,666	4,794,433	-3.0
1-4 Family residential mortgages	2,012,095	2,045,299	2,154,127	-6.6
Nonfarm nonresidential	1,086,525	1,076,902	1,019,215	6.6
Construction and development	535,760	566,721	626,520	-14.5
Home equity lines	672,882	674,196	646,905	4.0
Commercial & industrial loans	1,364,911	1,432,578	1,489,931	-8.4
Loans to individuals	1,037,110	1,046,382	1,069,473	-3.0
Credit cards	398,233	403,071	396,041	0.6
Farm loans	58,350	56,136	58,426	-0.1
Other loans & leases	516,334	500,616	586,289	-11.9
Less: Unearned income	2,903	2,480	2,515	15.4
Total loans & leases	7,625,183	7,733,899	7,996,037	-4.6
Less: Reserve for losses	210,973	194,211	144,412	46.1
Net loans and leases	7,414,210	7,539,687	7,851,624	-5.6
Securities	2,336,756	2,206,202	2,017,365	15.8
Other real estate owned	33,963	29,707	18,901	79.7
Goodwill and other intangibles	431,459	415,140	481,432	-10.4
All other assets	3,085,068	3,348,819	2,931,196	5.2
Total liabilities and capital	13,301,455	13,539,556	13,300,518	0.0
Deposits	9,020,606	8,953,913	8,572,675	5.2
Domestic office deposits	7,554,674	7,538,992	7,029,143	7.5
Foreign office deposits	1,465,932	1,414,921	1,543,532	-5.0
Other borrowed funds	2,162,917	2,417,352	2,597,860	-16.7
Subordinated debt	168,126	170,929	185,078	-9.2
All other liabilities	527,613	607,637	593,682	-11.1
Equity capital	1,422,192	1,389,725	1,351,224	5.3
Loans and leases 30-89 days past due	141,216	157,920	110,799	27.5
Noncurrent loans and leases	332,040	290,619	166,067	99.9
Restructured loans and leases	46,516	32,853	18,865	146.6
Mortgage-backed securities	1,365,603	1,313,146	1,322,214	3.3
Earning assets	11,459,081	11,608,632	11,440,781	0.2
FHLB Advances	634,488	696,696	840,543	-24.5
Unused loan commitments	6,307,212	6,620,592	8,147,556	-22.6
Trust assets	17,502,519	16,271,324	21,409,065	-18.2
Assets securitized and sold	1,865,634	1,884,227	1,747,262	6.8
Notional amount of derivatives***	204,956,755	203,388,080	183,302,532	11.8
INCOME DATA				
Total interest income	\$280,368	\$343,169	\$138,698	-18.3
Total interest expense	81,460	152,034	38,741	-46.4
Net interest income	198,907	191,136	99,957	3.5
Provision for loan and lease losses	127,731	87,580	66,876	32.8
Total noninterest income	136,118	121,485	67,454	10.6
Total noninterest expense	196,675	188,419	99,379	1.7
Securities gains (losses)	884	-1,084	-796	N/M
Applicable income taxes	4,819	11,027	292	-85.9
Extraordinary gains, net	-3,654	-498	-3,625	N/M
Net income	2,613	24,012	-3,712	N/M
Net charge-offs	86,464	46,012	48,897	85.3
Cash dividends	13,483	31,718	6,246	-64.8
Retained earnings	-10,871	-7,706	-9,958	N/M
Net operating income	6,244	24,939	424	-93.0

*** Call Report filers only.

N/M - Not Meaningful

Quarterly Banking Profile

TABLE III-A. Second Quarter 2009, All FDIC-Insured Institutions

SECOND QUARTER (The way it is...)	Asset Concentration Groups*										
	All Insured Institutions	Credit Card Banks	International Banks	Agricultural Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <\$1 Billion	All Other <\$1 Billion	All Other >\$1 Billion	
Number of institutions reporting	8,195	24	5	1,551	4,637	809	81	294	742	52	
Commercial banks	6,995	20	5	1,546	4,150	223	64	262	685	40	
Savings institutions	1,200	4	0	5	487	586	17	32	57	12	
Total assets (in billions)	\$13,301.5	\$484.8	\$3,204.0	\$170.1	\$5,947.3	\$933.2	\$86.3	\$36.0	\$101.7	\$2,338.1	
Commercial banks	11,895.1	462.5	3,204.0	169.7	5,447.0	241.0	43.5	30.4	88.2	2,208.7	
Savings institutions	1,406.4	22.3	0.0	0.5	500.2	692.2	42.7	5.6	13.5	129.3	
Total deposits (in billions)	9,020.6	163.7	1,996.8	137.5	4,400.5	554.6	71.5	27.3	83.7	1,585.1	
Commercial banks	8,077.2	151.1	1,996.8	137.1	4,058.4	101.0	34.0	23.8	73.0	1,501.9	
Savings institutions	943.4	12.5	0.0	0.4	342.1	453.6	37.5	3.5	10.7	83.2	
Net income (in millions)	-3,712	-873	-4,296	336	-2,429	1,299	119	110	188	1,833	
Commercial banks	-3,694	-1,087	-4,296	337	-1,786	893	56	64	186	1,939	
Savings institutions	-18	214	0	-1	-643	406	63	46	2	-105	
Performance Ratios (annualized,%)											
Yield on earning assets	4.83	11.83	3.92	5.69	5.08	5.13	5.84	3.87	5.42	3.78	
Cost of funding earning assets	1.35	1.39	0.99	1.79	1.48	1.89	1.74	1.18	1.68	1.18	
Net interest margin	3.48	10.44	2.93	3.90	3.60	3.24	4.10	2.68	3.74	2.61	
Noninterest income to assets	2.01	4.84	1.78	0.64	1.87	0.97	3.14	8.03	0.89	2.52	
Noninterest expense to assets	2.96	5.86	2.73	2.84	3.28	1.95	3.16	8.49	3.07	2.22	
Loan and lease loss provision to assets	1.99	8.69	1.76	0.50	1.86	1.12	2.52	0.18	0.33	1.82	
Net operating income to assets	0.01	-0.92	-0.10	0.76	-0.16	0.57	0.56	1.20	0.76	0.43	
Pretax return on assets	-0.10	-1.08	-0.71	0.93	-0.13	0.90	1.32	1.82	0.90	0.38	
Return on assets	-0.11	-0.73	-0.54	0.79	-0.16	0.56	0.57	1.21	0.75	0.30	
Return on equity	-1.07	-3.03	-6.36	7.14	-1.56	6.13	6.07	7.51	6.55	2.91	
Net charge-offs to loans and leases	2.55	10.78	3.07	0.60	2.04	1.27	2.85	0.71	0.49	2.30	
Loan and lease loss provision to net charge-offs	136.77	111.26	151.96	127.12	131.55	134.42	111.19	103.31	119.29	172.40	
Efficiency ratio	57.07	41.06	63.68	65.68	61.91	48.56	44.73	80.75	70.72	46.81	
% of unprofitable institutions	28.30	41.67	40.00	11.48	37.57	21.76	16.05	22.79	15.50	30.77	
% of institutions with earnings gains	34.72	29.17	40.00	38.68	31.16	45.36	40.74	34.35	36.66	34.62	
Structural Changes											
New Charters	12	0	0	1	2	0	0	7	0	2	
Institutions absorbed by mergers	39	0	0	2	33	1	0	0	2	1	
Failed Institutions	24	0	0	1	20	1	0	0	2	0	
PRIOR SECOND QUARTERS (The way it was...)											
Return on assets (%)	2008	0.14	2.39	0.26	1.17	0.24	-1.46	0.82	1.82	0.99	0.12
.....	2006	1.34	4.64	1.01	1.31	1.33	1.07	1.79	2.76	1.02	1.29
.....	2004	1.31	4.08	0.68	1.27	1.36	1.21	1.54	1.28	1.10	1.33
Net charge-offs to loans & leases (%)	2008	1.32	5.87	1.27	0.26	1.00	1.82	1.75	0.66	0.29	0.94
.....	2006	0.35	3.43	0.59	0.17	0.17	0.13	0.92	0.56	0.18	0.19
.....	2004	0.58	5.08	0.99	0.18	0.32	0.11	1.15	0.41	0.29	0.31

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

Quarterly Banking Profile

TABLE III-A. Second Quarter 2009, All FDIC-Insured Institutions

SECOND QUARTER (The way it is...)	All Insured Institutions	Asset Size Distribution				Geographic Regions*						
		Less than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	Greater than \$10 Billion	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco	
Number of institutions reporting	8,195	3,010	4,487	582	116	996	1,164	1,685	1,914	1,680	756	
Commercial banks	6,995	2,682	3,780	445	88	524	1,025	1,387	1,812	1,558	689	
Savings institutions	1,200	328	707	137	28	472	139	298	102	122	67	
Total assets (in billions)	\$13,301.5	\$165.1	\$1,348.6	\$1,501.3	\$10,286.5	\$2,458.4	\$3,495.1	\$3,124.3	\$1,063.1	\$777.5	\$2,383.0	
Commercial banks	11,895.1	147.8	1,101.1	1,158.0	9,488.3	1,749.0	3,345.2	2,975.8	1,014.9	651.5	2,158.8	
Savings institutions	1,406.4	17.4	247.5	343.3	798.2	709.4	149.9	148.5	48.2	126.0	224.3	
Total deposits (in billions)	9,020.6	136.3	1,090.2	1,119.4	6,674.7	1,514.1	2,505.6	2,059.2	783.3	587.1	1,571.3	
Commercial banks	8,077.2	122.9	900.8	863.7	6,189.9	1,022.0	2,395.0	1,951.1	747.7	503.8	1,457.6	
Savings institutions	943.4	13.4	189.4	255.7	484.8	492.0	110.5	108.1	35.6	83.3	113.7	
Net income (in millions)	-3,712	29	-266	-2,800	-675	-3,331	-413	1,532	2,019	494	-4,013	
Commercial banks	-3,694	4	-155	-2,741	-801	-3,530	-200	1,779	2,036	528	-4,305	
Savings institutions	-18	25	-110	-59	126	199	-212	-247	-17	-34	293	
Performance Ratios (annualized,%)												
Yield on earning assets	4.83	5.64	5.54	5.18	4.66	5.22	4.58	4.20	5.65	5.08	5.18	
Cost of funding earning assets	1.35	1.81	1.97	1.84	1.18	1.50	1.33	1.19	1.14	1.49	1.48	
Net interest margin	3.48	3.82	3.57	3.34	3.49	3.73	3.25	3.01	4.51	3.60	3.69	
Noninterest income to assets	2.01	1.28	1.00	1.34	2.25	1.86	2.22	2.29	3.30	1.52	1.08	
Noninterest expense to assets	2.96	3.88	3.31	3.31	2.86	2.93	2.77	2.98	4.11	3.31	2.63	
Loan and lease loss provision to assets	1.99	0.70	1.04	1.87	2.16	1.92	2.08	1.68	1.69	1.21	2.76	
Net operating income to assets	0.01	0.06	-0.08	-0.75	0.13	0.10	0.02	0.12	0.89	0.19	-0.69	
Pretax return on assets	-0.10	0.19	-0.07	-0.81	-0.01	-0.48	-0.05	0.33	1.24	0.30	-1.09	
Return on assets	-0.11	0.07	-0.08	-0.75	-0.03	-0.54	-0.05	0.19	0.76	0.25	-0.68	
Return on equity	-1.07	0.55	-0.79	-7.02	-0.25	-4.34	-0.44	2.30	7.33	2.56	-6.42	
Net charge-offs to loans and leases	2.55	0.89	1.10	2.17	2.89	2.90	2.25	2.38	2.54	1.32	3.36	
Loan and lease loss provision to net charge-offs ..	136.77	125.49	135.64	126.39	138.33	122.59	154.45	136.69	100.00	140.83	144.33	
Efficiency ratio	57.07	80.91	75.89	68.28	53.35	55.43	53.22	59.67	55.33	67.17	59.43	
% of unprofitable institutions	28.30	27.14	27.75	34.88	46.55	28.41	52.92	23.03	19.28	17.14	49.60	
% of institutions with earnings gains	34.72	39.80	32.34	28.01	28.45	34.94	24.57	38.16	35.84	38.81	30.42	
Structural Changes												
New Charters	12	10	0	1	1	0	6	2	0	3	1	
Institutions absorbed by mergers	39	12	22	4	1	9	7	6	9	7	1	
Failed Institutions	24	3	17	3	1	1	8	4	3	1	7	
PRIOR SECOND QUARTERS (The way it was...)												
Return on assets (%)	2008	0.14	0.57	0.53	0.25	0.07	0.76	0.16	0.11	0.91	0.59	-0.79
.....	2006	1.34	1.02	1.26	1.34	1.36	1.28	1.32	1.09	1.63	1.29	1.78
.....	2004	1.31	0.98	1.17	1.46	1.32	1.08	1.40	1.36	1.53	1.31	1.59
Net charge-offs to loans & leases (%)	2008	1.32	0.30	0.47	1.00	1.53	1.30	1.14	1.27	1.31	0.65	1.80
.....	2006	0.35	0.15	0.15	0.20	0.42	0.56	0.15	0.23	0.37	0.22	0.54
.....	2004	0.58	0.23	0.23	0.45	0.68	0.85	0.32	0.41	0.76	0.39	0.61

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

Quarterly Banking Profile

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

June 30, 2009	All Insured Institutions	Asset Concentration Groups*								
		Credit Card Banks	International Banks	Agricultural Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <\$1 Billion	All Other <\$1 Billion	All Other >\$1 Billion
Percent of Loans 30-89 Days Past Due										
All loans secured by real estate	2.16	1.41	3.30	1.29	1.87	2.16	1.23	1.61	1.84	2.48
Construction and development	2.86	0.00	2.56	3.02	2.96	3.94	2.48	2.09	1.98	1.78
Nonfarm nonresidential	1.17	0.00	0.72	1.23	1.21	1.29	1.99	0.95	1.41	0.84
Multifamily residential real estate	1.22	0.00	0.83	1.08	1.37	1.31	0.03	1.17	2.01	0.62
Home equity loans	1.24	1.96	1.79	0.59	0.93	1.41	1.11	0.33	1.13	1.37
Other 1-4 family residential	2.98	1.73	4.90	1.82	2.50	2.25	1.21	2.07	2.15	3.59
Commercial and industrial loans	0.91	4.55	0.49	1.74	0.99	0.82	1.31	1.31	1.62	0.55
Loans to individuals	2.43	3.00	2.22	2.06	2.38	1.68	2.22	1.54	2.24	1.93
Credit card loans	2.84	2.88	3.29	2.46	2.46	3.09	1.42	1.86	1.98	2.82
Other loans to individuals	2.17	3.88	1.80	2.04	2.37	1.31	2.45	1.53	2.24	1.69
All other loans and leases (including farm)	0.55	0.01	0.47	0.74	0.72	0.15	0.39	0.90	0.78	0.43
Total loans and leases	1.85	2.82	2.15	1.27	1.68	2.09	1.82	1.52	1.78	1.82
Percent of Loans Noncurrent**										
All real estate loans	5.64	2.13	7.76	2.11	5.43	4.39	1.46	2.88	1.98	6.49
Construction and development	13.45	0.00	9.01	8.76	13.76	16.30	6.16	7.50	5.74	11.98
Nonfarm nonresidential	2.88	0.00	3.20	2.49	2.77	2.80	1.43	2.09	2.39	4.24
Multifamily residential real estate	3.13	0.00	2.39	1.76	3.52	2.35	1.21	3.01	1.97	2.19
Home equity loans	1.73	1.84	1.82	0.76	1.31	1.94	0.72	0.47	0.88	2.64
Other 1-4 family residential	6.79	2.81	12.07	1.43	5.94	4.42	1.98	2.87	1.57	8.16
Commercial and industrial loans	2.79	5.05	4.83	2.18	2.20	1.53	0.60	2.56	1.86	2.55
Loans to individuals	2.20	3.67	2.81	0.95	1.33	1.24	1.61	0.68	0.79	1.03
Credit card loans	3.56	3.56	4.63	3.40	3.11	3.66	1.64	2.30	1.40	3.07
Other loans to individuals	1.35	4.45	2.10	0.81	1.01	0.61	1.60	0.61	0.77	0.48
All other loans and leases (including farm)	1.52	0.02	2.52	0.78	1.12	0.30	0.13	0.83	1.04	1.70
Total loans and leases	4.35	3.41	5.64	1.75	4.21	4.16	1.46	2.34	1.76	4.50
Percent of Loans Charged-off (net, YTD)										
All real estate loans	1.73	1.90	2.71	0.33	1.57	1.03	1.37	0.31	0.29	2.34
Construction and development	4.42	0.00	1.46	2.15	4.51	5.01	2.50	1.09	0.95	4.71
Nonfarm nonresidential	0.50	0.00	0.35	0.33	0.53	0.65	0.13	0.12	0.22	0.31
Multifamily residential real estate	0.81	0.00	0.43	0.15	0.97	0.85	0.00	0.94	0.19	0.36
Home equity loans	2.70	0.00	3.18	0.35	1.95	3.18	1.84	0.72	0.47	3.91
Other 1-4 family residential	1.50	2.78	3.42	0.22	1.05	0.76	0.85	0.21	0.25	1.94
Commercial and industrial loans	2.13	14.35	2.48	1.12	1.81	1.18	4.79	0.56	0.71	1.31
Loans to individuals	5.26	9.89	4.41	0.94	3.35	3.24	3.22	2.36	0.93	2.66
Credit card loans	8.77	9.26	7.22	8.20	9.37	9.58	5.31	13.57	4.05	7.33
Other loans to individuals	2.99	14.30	3.21	0.51	2.28	1.52	2.55	0.41	0.84	1.50
All other loans and leases (including farm)	1.06	0.01	1.30	0.00	1.11	0.81	1.46	1.85	0.40	1.03
Total loans and leases	2.24	9.57	2.73	0.47	1.74	1.13	2.72	0.81	0.42	2.04
Loans Outstanding (in billions)										
All real estate loans	\$4,651.4	\$0.2	\$590.7	\$65.4	\$2,741.4	\$562.4	\$21.1	\$5.5	\$40.5	\$624.2
Construction and development	535.8	0.0	12.0	4.7	452.6	12.8	0.7	0.5	2.7	49.7
Nonfarm nonresidential	1,086.5	0.0	33.5	18.4	910.9	29.6	0.9	1.7	9.8	81.6
Multifamily residential real estate	213.5	0.0	40.7	1.3	144.5	12.2	0.1	0.2	0.7	13.7
Home equity loans	672.9	0.0	143.4	1.3	332.3	38.4	10.4	0.2	1.6	145.3
Other 1-4 family residential	2,012.1	0.1	312.1	17.3	850.6	468.4	9.0	2.6	22.8	329.2
Commercial and industrial loans	1,364.9	30.7	249.7	15.3	801.5	12.7	5.1	1.2	5.7	243.1
Loans to individuals	1,037.1	282.3	187.9	6.4	337.2	25.8	42.2	1.5	6.6	147.3
Credit card loans	398.2	247.3	53.1	0.4	51.4	5.3	9.4	0.1	0.2	31.0
Other loans to individuals	638.9	35.0	134.8	6.1	285.8	20.4	32.8	1.4	6.4	116.3
All other loans and leases (including farm)	574.7	36.5	168.1	25.5	245.0	4.8	1.2	0.5	4.2	88.8
Total loans and leases (plus unearned income)	7,628.1	349.6	1,196.4	112.6	4,125.2	605.7	69.6	8.6	57.0	1,103.4
Memo: Other Real Estate Owned (in millions)										
All other real estate owned	33,963.3	-29.7	2,452.0	498.7	25,602.3	2,741.2	40.7	46.2	311.5	2,300.5
Construction and development	13,467.7	0.0	19.0	176.5	11,910.8	903.8	17.0	13.8	75.5	351.4
Nonfarm nonresidential	4,837.1	0.2	128.0	140.2	4,199.5	103.9	3.5	13.3	87.3	161.2
Multifamily residential real estate	1,579.6	0.0	42.4	22.4	1,358.9	34.0	0.7	0.0	22.0	99.2
1-4 family residential	11,486.8	0.1	1,548.6	119.7	6,536.5	1,437.0	18.8	17.9	119.4	1,688.7
Farmland	173.8	0.0	0.0	39.3	124.7	1.0	0.7	1.1	7.0	0.0
GNMA properties	2,303.5	0.0	580.0	0.6	1,461.2	261.4	0.0	0.0	0.2	0.1

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

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

Quarterly Banking Profile

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

June 30, 2009	All Insured Institutions	Asset Size Distribution				Geographic Regions*					
		Less than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$5 Billion	Greater than \$5 Billion	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate	2.16	1.75	1.67	1.50	2.44	1.43	2.45	2.41	1.43	1.73	2.68
Construction and development	2.86	2.28	2.61	2.59	3.12	2.40	2.68	3.57	2.61	2.21	3.66
Nonfarm nonresidential	1.17	1.51	1.39	1.11	1.08	1.17	1.20	1.41	1.02	0.92	1.13
Multifamily residential real estate	1.22	1.10	1.53	1.47	1.06	0.95	1.32	1.21	0.82	1.41	1.58
Home equity loans	1.24	0.95	0.89	0.75	1.31	0.60	1.30	1.39	1.22	0.80	1.46
Other 1-4 family residential	2.98	2.17	1.76	1.55	3.41	1.58	3.58	3.41	1.67	2.66	3.66
Commercial and industrial loans	0.91	1.91	1.44	1.01	0.83	1.29	0.78	0.97	1.26	0.82	0.64
Loans to individuals	2.43	2.48	2.00	2.07	2.48	2.94	2.49	2.00	2.91	1.66	2.03
Credit card loans	2.84	3.03	2.78	1.90	2.89	3.07	2.60	2.62	2.96	1.26	2.71
Other loans to individuals	2.17	2.47	1.94	2.14	2.19	2.72	2.46	1.83	2.87	1.76	1.63
All other loans and leases (including farm)	0.55	0.71	0.65	0.95	0.51	0.44	0.37	0.71	0.66	0.61	0.63
Total loans and leases	1.85	1.71	1.61	1.46	1.97	1.66	2.00	1.94	1.50	1.50	2.03
Percent of Loans Noncurrent**											
All real estate loans	5.64	2.69	3.64	5.10	6.32	3.41	6.25	6.80	5.89	3.82	6.13
Construction and development	13.45	8.00	10.79	15.24	13.84	12.15	12.99	16.61	12.55	7.40	18.88
Nonfarm nonresidential	2.88	2.69	2.38	2.53	3.33	2.91	3.21	3.55	2.49	1.64	2.58
Multifamily residential real estate	3.13	2.54	2.89	4.08	2.88	1.93	4.43	4.01	1.91	3.15	2.46
Home equity loans	1.73	1.11	1.08	1.03	1.84	0.74	2.27	1.62	2.01	0.59	1.32
Other 1-4 family residential	6.79	1.95	2.42	3.38	8.13	2.95	7.44	9.35	9.80	4.80	6.76
Commercial and industrial loans	2.79	2.51	2.10	2.31	2.95	2.70	2.15	2.56	2.06	1.64	4.98
Loans to individuals	2.20	1.11	0.89	1.17	2.36	3.23	1.38	1.44	2.13	0.71	2.67
Credit card loans	3.56	3.06	2.42	1.72	3.67	3.93	2.72	3.24	3.02	1.34	3.97
Other loans to individuals	1.35	1.08	0.77	0.98	1.44	1.98	0.96	0.95	1.40	0.55	1.92
All other loans and leases (including farm)	1.52	0.87	0.88	0.72	1.65	1.09	0.91	2.12	0.62	0.96	2.90
Total loans and leases	4.35	2.36	3.20	4.21	4.61	3.14	4.58	5.00	4.07	3.03	5.08
Percent of Loans Charged-off (net, YTD)											
All real estate loans	1.73	0.59	0.82	1.62	2.00	0.69	2.03	1.98	1.61	1.06	2.35
Construction and development	4.42	2.67	2.82	5.44	4.65	2.85	3.98	5.26	3.47	2.93	8.18
Nonfarm nonresidential	0.50	0.38	0.33	0.56	0.57	0.43	0.42	0.83	0.46	0.29	0.51
Multifamily residential real estate	0.81	0.43	0.51	1.09	0.79	0.62	0.94	0.99	0.39	0.92	0.76
Home equity loans	2.70	0.75	0.63	0.98	2.99	0.82	3.57	1.98	3.46	1.26	3.45
Other 1-4 family residential	1.50	0.34	0.49	0.77	1.80	0.48	1.69	1.95	1.06	0.54	2.26
Commercial and industrial loans	2.13	1.46	1.38	1.96	2.24	3.12	1.33	1.79	2.41	1.09	3.34
Loans to individuals	5.26	1.37	1.77	3.32	5.63	8.12	3.55	3.26	6.57	1.78	5.11
Credit card loans	8.77	12.71	9.89	6.73	8.87	9.45	8.32	7.83	10.33	4.55	7.70
Other loans to individuals	2.99	0.89	1.14	2.07	3.26	5.73	2.12	1.89	3.43	1.09	3.49
All other loans and leases (including farm)	1.06	0.00	0.62	1.00	1.11	0.61	0.75	1.02	0.57	1.05	2.34
Total loans and leases	2.24	0.75	0.93	1.78	2.56	2.55	1.97	2.00	2.34	1.13	3.01
Loans Outstanding (in billions)											
All real estate loans	\$4,651.4	\$71.7	\$734.8	\$755.1	\$3,089.8	\$812.1	\$1,343.7	\$984.7	\$403.0	\$347.9	\$760.1
Construction and development	535.8	7.5	117.3	138.4	272.6	63.8	186.6	97.8	46.4	75.5	65.8
Nonfarm nonresidential	1,086.5	21.8	267.1	271.9	525.7	204.1	289.3	206.8	109.1	121.1	156.2
Multifamily residential real estate	213.5	2.0	31.4	45.5	134.6	54.1	38.2	62.3	11.8	9.9	37.2
Home equity loans	672.9	2.4	39.6	51.1	579.8	71.8	231.7	200.7	80.3	24.9	63.5
Other 1-4 family residential	2,012.1	29.2	247.7	233.2	1,502.0	413.3	578.3	399.9	133.9	105.0	381.7
Commercial and industrial loans	1,364.9	14.0	122.2	151.3	1,077.4	177.9	382.7	314.0	135.3	101.3	253.7
Loans to individuals	1,037.1	7.4	44.5	83.0	902.2	269.2	232.6	177.1	92.3	38.8	227.1
Credit card loans	398.2	0.1	3.2	21.5	373.5	172.3	55.9	38.0	41.4	7.9	82.8
Other loans to individuals	638.9	7.3	41.3	61.5	528.7	96.9	176.8	139.1	50.9	30.9	144.3
All other loans and leases (including farm)	574.7	11.0	38.4	37.4	487.8	78.8	158.5	132.5	81.5	22.2	101.1
Total loans and leases (plus unearned income)	7,628.1	104.2	939.9	1,026.8	5,557.2	1,338.0	2,117.6	1,608.4	712.1	510.1	1,341.9
Memo: Other Real Estate Owned (in millions)											
All other real estate owned	33,963.3	874.1	9,466.1	8,094.8	15,528.3	2,209.1	10,665.0	8,510.8	4,194.4	3,438.4	4,945.5
Construction and development	13,467.7	304.9	4,846.7	4,211.9	4,104.3	660.2	4,575.9	2,435.4	1,507.9	1,680.8	2,607.5
Nonfarm nonresidential	4,837.1	227.9	1,827.6	1,378.8	1,402.8	462.7	1,380.1	1,030.4	678.8	693.0	592.2
Multifamily residential real estate	1,579.6	20.9	318.0	744.1	496.6	90.0	414.3	711.2	91.5	100.4	172.1
1-4 family residential	11,486.8	299.3	2,358.8	1,598.5	7,230.3	947.2	4,081.6	3,232.7	945.8	887.6	1,391.9
Farmland	173.8	20.5	107.1	30.3	15.8	16.5	28.3	26.2	35.2	60.9	6.8
GNMA properties	2,303.5	0.7	8.8	132.0	2,161.9	21.3	185.2	1,071.1	935.4	15.8	74.7

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

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

INSURANCE FUND INDICATORS

- ***DIF Reserve Ratio Declines 5 Basis Points to 0.22 Percent***
- ***Insured Deposit Growth Was Flat in Second Quarter***
- ***24 Institutions Failed during Second Quarter***
- ***5-Basis-Point Special Assessment Levied on Industry Assets***

During the second quarter of 2009, total assets of the nation's 8,195 FDIC-insured commercial banks and savings institutions decreased by 1.8 percent (\$238.1 billion). During this period, total deposits increased by 0.7 percent (\$66.7 billion), foreign office deposits increased by 3.6 percent (\$51.0 billion), and domestic office deposits increased by 0.2 percent (\$15.7 billion). Domestic non-interest-bearing deposits increased by 2.3 percent (\$32.6 billion) and savings deposits and interest bearing checking accounts increased by 2.8 percent (\$92.9 billion), while domestic time deposits decreased by 4.0 percent (\$109.8 billion). For the 12 months ending June 30, total domestic deposits grew by 7.5 percent (\$525.5 billion), as interest-bearing deposits increased by 4.7 percent (\$274.3 billion) and non-interest-bearing deposits rose by 20.5 percent (\$251.3 billion). Over the past year, the share of assets funded by domestic deposits increased from 52.8 percent to 56.8 percent. In contrast, over the same 12 months, Federal Home Loan Bank (FHLB) advances as a share of asset funding declined from 6.3 percent to 4.8 percent and foreign deposits' share of assets declined from 11.6 percent to 11.0 percent. FHLB advances decreased by 24.5 percent (\$206.1 billion) and foreign office deposits decreased by 5.0 percent (\$77.6 billion) over the 12 months ending June 30.

Beginning in the second quarter of 2009, brokered deposits that exceed 10 percent of an institution's domestic deposits are included in the metrics used to price an institution's deposit insurance.¹ Brokered deposits decreased by 5.8 percent (\$45.2 billion) during the second quarter, the largest quarterly decline since the first quarter of 2005, when brokered deposits decreased by 9.6 percent. At mid-year 2009, 46 percent (3,758) of FDIC-insured banks and thrifts used brokered deposits to fund a portion of their balance sheet, and roughly 40 percent (1,488) of these institutions had brokered deposits that exceeded 10 percent of their domestic deposits. Insured institutions began itemizing reciprocal brokered deposits² on their reports of condition beginning June 30, 2009; 1,352 institutions reported \$34.2 billion in reciprocal brokered deposits, amounting to 4.7 percent of total outstanding brokered deposits.

Estimated insured deposits at all FDIC-insured institutions (based on the \$100,000 coverage limit) decreased by 0.3 percent during the second quarter of 2009 but increased 7.8 percent during the past four quarters combined. For institutions existing as of March 31, 2009, and June 30, 2009, insured deposits increased during the second quarter at 4,724 institutions (58 percent), decreased at 3,419 institutions (42 percent), and remained unchanged at 40 institutions.

On May 20, 2009, the President signed the Helping Families Save Their Homes Act of 2009, which extended the temporary deposit insurance coverage limit increase to \$250,000 (from the permanent limit of \$100,000 for deposits other than retirement accounts) through the end of 2013. The legislation also eliminated the provision in the Emergency Economic Stabilization Act of 2008 that prevented the FDIC from considering this temporary increase in deposit insurance coverage for purposes of setting deposit insurance assessments. Starting on

¹ For an institution in Risk Category I, the initial base assessment rate depends, in part, on the institution's adjusted brokered deposit ratio. This ratio will exceed zero if an institution's brokered deposits are greater than 10 percent of its domestic deposits and its total assets are more than 40 percent greater than they were four years previously. Certain reciprocal brokered deposits are excluded from the calculation of the adjusted brokered deposit ratio. For an institution in any other risk category, the initial base assessment rate is increased if the institution's ratio of brokered deposits to domestic deposits is greater than 10 percent, regardless of the rate of growth of assets. Reciprocal brokered deposits are included in the amount of brokered deposits for purposes of computing this ratio.

² Reciprocal brokered deposits are deposits that an insured depository institution receives through a deposit placement network on a reciprocal basis, such that: (1) For any deposit received, the institution (as agent for depositors) places the same amount with other insured depository institutions through the network; and (2) each member of the network sets the interest rate to be paid on the entire amount of funds it places with other network members.

Quarterly Banking Profile

September 30, 2009, insured deposit estimates will be based on the increased insurance coverage limit of \$250,000.

On June 30, 2009, a special assessment was imposed on all insured banks and thrifts. For 8,106 institutions, with assets of \$9.3 trillion, the special assessment was 5 basis points of each institution's assets minus Tier 1 capital; 89 other institutions, with assets of \$4.0 trillion, had their special assessment capped at 10 basis points of their second quarter assessment base.

The Deposit Insurance Fund (DIF) decreased by \$2.6 billion (20.3 percent) during the second quarter to \$10.4 billion (unaudited). Accrued assessment income from the regular and the special assessment increased the fund by \$9.1 billion. Interest earned, combined with realized gains on securities and debt guarantee surcharges from the Temporary Liquidity Guarantee Program added \$1.1 billion to the fund. Unrealized losses on available-for-sale securities combined with operating expenses reduced the fund by \$1.3 billion.

The reduction in the DIF was primarily due to an \$11.6 billion increase in loss provisions for bank failures. Twenty-four insured institutions with combined assets of \$26.4 billion failed during the second quarter of 2009, the largest number of quarterly failures since the fourth quarter of 1992, when 42 insured institutions failed. For 2009 through the end of the second quarter, 45 insured institutions with combined assets of \$35.9 billion failed at an estimated current cost to the DIF of \$10.5 billion.

The DIF's reserve ratio was 0.22 percent on June 30, 2009, down from 0.27 percent at March 31, 2009, and 1.01 percent one year ago. The June figure is the lowest reserve ratio for the combined bank and thrift insurance fund since March 31, 1993, when the reserve ratio was 0.06 percent. All else being equal, an increase in insured deposits, will reduce the reserve ratio.

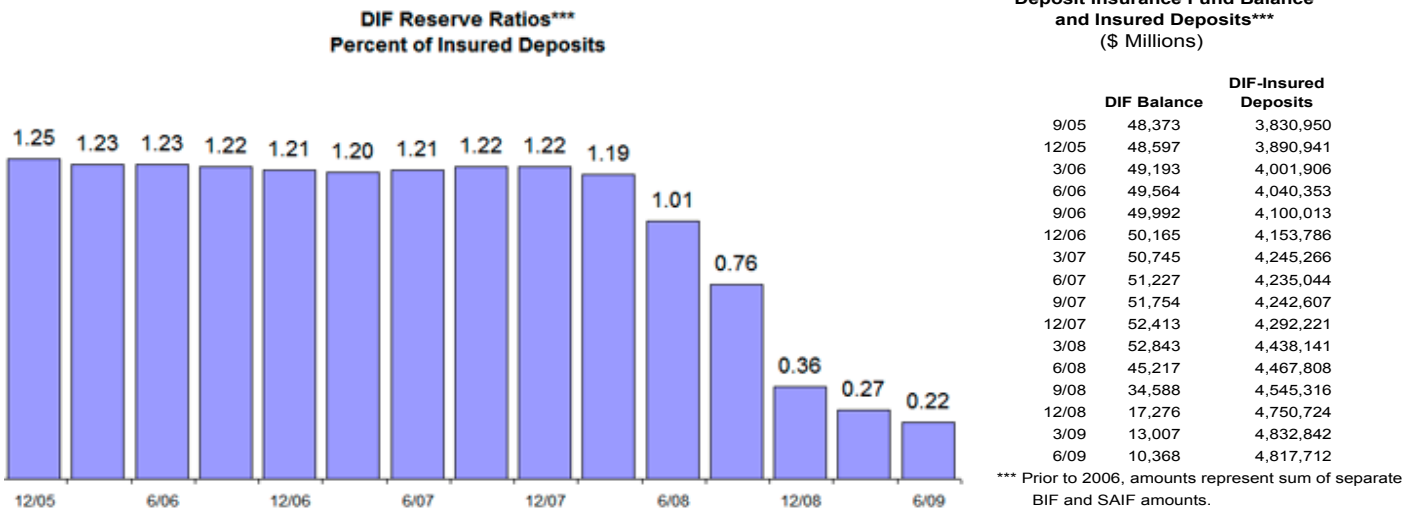
Quarterly Banking Profile

Table I-B. Insurance Fund Balances and Selected Indicators

(dollar figures in millions)	Deposit Insurance Fund													
	2nd Quarter 2009*	1st Quarter 2009*	4th Quarter 2008	3rd Quarter 2008	2nd Quarter 2008	1st Quarter 2008	4th Quarter 2007	3rd Quarter 2007	2nd Quarter 2007	1st Quarter 2007	4th Quarter 2006	3rd Quarter 2006	2nd Quarter 2006	
Beginning Fund Balance	\$13,007	\$17,276	\$34,588	\$45,217	\$52,843	\$52,413	\$51,754	\$51,227	\$50,745	\$50,165	\$49,992	\$49,564	\$49,193	
Changes in Fund Balance:														
Assessments earned.....	9,095	2,615	996	881	640	448	239	170	140	94	10	10	7	
Interest earned on investment securities.....	240	212	277	526	651	618	585	640	748	567	476	622	665	
Realized Gain on Sale of Investments.....	521	136	302	473	0	0	0	0	0	0	0	0	0	
Operating expenses.....	298	266	290	249	256	238	262	243	248	239	248	237	242	
Provision for insurance losses.....	11,615	6,637	19,163	11,930	10,221	525	39	132	-3	-73	49	-50	-6	
All other income, net of expenses.....	375	2	15	16	1	0	-2	24	1	4	5	1	12	
Unrealized gain/(loss) on available-for-sale securities.....	-957	-331	551	-346	1,559	127	138	68	-162	81	-21	-18	-77	
Total fund balance change.....	-2,639	-4,269	-17,312	-10,629	-7,626	430	659	527	482	580	173	428	371	
Ending Fund Balance	10,368	13,007	17,276	34,588	45,217	52,843	52,413	51,754	51,227	50,745	50,165	49,992	49,564	
Percent change from four quarters earlier.....	-77.07	-75.39	-67.04	-33.17	-11.73	4.13	4.48	3.52	3.36	3.15	3.23	3.35	3.21	
Reserve Ratio (%)	0.22	0.27	0.36	0.76	1.01	1.19	1.22	1.22	1.21	1.20	1.21	1.22	1.23	
Estimated Insured Deposits**	4,817,712	4,832,842	4,750,724	4,545,316	4,467,808	4,438,141	4,292,221	4,242,607	4,235,044	4,245,266	4,153,786	4,100,013	4,040,353	
Percent change from four quarters earlier.....	7.83	8.89	10.68	7.13	5.50	4.54	3.33	3.48	4.82	6.08	6.76	7.02	7.52	
Domestic Deposits	7,561,458	7,546,973	7,505,409	7,230,328	7,036,248	7,076,718	6,921,687	6,747,998	6,698,886	6,702,598	6,640,105	6,484,372	6,446,868	
Percent change from four quarters earlier.....	7.46	6.65	8.43	7.15	5.04	5.58	4.24	4.07	3.91	5.71	6.59	6.76	8.68	
Number of institutions reporting	8,205	8,257	8,315	8,394	8,462	8,505	8,545	8,570	8,625	8,661	8,692	8,755	8,790	

* For 2009, preliminary unaudited fund data, which are subject to change.

** The Emergency Economic Stabilization Act of 2008 directs the FDIC not to consider the temporary coverage increase to \$250,000 in setting assessments. Therefore, we do not include the additional insured deposits in calculating the fund reserve ratio, which guides our assessment planning, from fourth quarter 2008 through the second quarter of 2009. The Helping Families Save Their Home Act of 2009 eliminated the prohibition against the FDIC's taking the temporary increase into account when setting assessments. Beginning in the third quarter of 2009 estimates of insured deposits will include the temporary coverage increase to \$250,000.



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

Table II-B. Problem Institutions and Failed/Assisted Institutions

(dollar figures in millions)	2009****	2008****	2008	2007	2006	2005	2004
Problem Institutions							
Number of institutions.....	416	117	252	76	50	52	80
Total assets.....	\$299,837	\$78,343	\$159,405	\$22,189	\$8,265	\$6,607	\$28,250
Failed Institutions							
Number of institutions.....	45	4	25	3	0	0	4
Total assets.....	\$35,868	\$2,020	\$371,945	\$2,615	\$0	\$0	\$170
Assisted Institutions****							
Number of institutions.....	0	0	5	0	0	0	0
Total assets.....	\$0	\$0	\$1,306,042	0	0	0	0

**** Five institutions under the same holding company received assistance under a systemic risk determination.

***** Through June 30.

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

<i>(dollar figures in millions)</i> June 30, 2009	Number of Institutions	Total Assets	Domestic Deposits*	Est. Insured Deposits
Commercial Banks and Savings Institutions				
FDIC-Insured Commercial Banks	6,995	\$11,895,077	\$6,611,400	\$4,054,368
FDIC-Supervised	4,632	2,009,048	1,511,377	1,079,959
OCC-Supervised	1,505	8,177,336	4,138,412	2,399,642
Federal Reserve-Supervised	858	1,708,693	961,611	574,767
FDIC-Insured Savings Institutions	1,200	1,406,377	943,274	758,921
OTS-Supervised Savings Institutions	793	1,098,694	722,687	586,779
FDIC-Supervised State Savings Banks	407	307,683	220,587	172,142
Total Commercial Banks and Savings Institutions	8,195	13,301,455	7,554,674	4,813,289
Other FDIC-Insured Institutions				
U.S. Branches of Foreign Banks	10	28,162	6,783	4,423
Total FDIC-Insured Institutions	8,205	13,329,617	7,561,458	4,817,712

* Excludes \$1.47 trillion in foreign office deposits, which are uninsured.

Table IV-B. Distribution of Institutions and Domestic Deposits Among Risk Categories

Quarter Ending March 31, 2009

(dollar figures in billions)

Risk Category	Annual Rate in Basis Points	Number of Institutions	Percent of Total Institutions	Domestic Deposits	Percent of Total Domestic Deposits
I - Minimum	12	1,331	16.1	1,478	19.6
I - Middle	12.01- 13.00	1,840	22.3	1,641	21.7
I - Middle	13.01- 13.99	1,489	18.0	1,055	14.0
I - Maximum	14	2,343	28.4	909	12.0
II	17	905	11.0	2,268	30.0
III	35	273	3.3	160	2.1
IV	50	76	0.9	38	0.5

Note: Institutions are categorized based on supervisory ratings, debt ratings and financial data as of March 31, 2009.

Rates do not reflect the application of assessment credits. See notes to users for further information on risk categories and rates.

TEMPORARY LIQUIDITY GUARANTEE PROGRAM

- **Transaction Account Guarantee Program Extended to June 30, 2010**
- **Debt Guarantee Program Extended to October 31, 2009**
- **More Than 600,000 Additional Transaction Accounts Receive Full Coverage**
- **\$339 Billion in Debt Outstanding in Program**

FDIC Responds to Market Disruptions with TLGP

The FDIC Board approved the Temporary Liquidity Guarantee Program (TLGP)¹ on October 13, 2008, as major disruptions in credit markets blocked access to liquidity for financial institutions. The TLGP improved access to liquidity by fully guaranteeing non-interest-bearing transaction deposit accounts above \$250,000, regardless of dollar amount, in the Transaction Account Guarantee Program, and by guaranteeing eligible senior unsecured debt issued by eligible institutions in the Debt Guarantee Program.

Although financial markets have improved significantly since the TLGP was implemented, portions of the industry are still suffering from recent economic turmoil. To facilitate the orderly phase-out of the TLGP, and to continue access to FDIC guarantees where they are needed, the FDIC Board has extended both components of the program.

A final rule extending the Transaction Account Guarantee component of the TLGP by six months, to June 30, 2010, was adopted on August 26, 2009. Entities currently participating in the Transaction Account Guarantee Program will have an opportunity to opt out of the extended program. Depository institutions that remain in the extended program will be subject to increased fees that are adjusted to reflect the institution's risk.²

On March 17, 2009, the Board of Directors of the FDIC voted to extend the deadline for issuance of guaranteed debt from June 30, 2009, to October 31, 2009, and extended the expiration date of the guarantee to the earlier of maturity of the debt or December 31, 2012, from June 30, 2012. The FDIC imposed a surcharge on debt issued with a maturity of one year or more beginning in the second quarter of 2009.³

All insured depository institutions are eligible to participate in the Transaction Account Guarantee Program. Institutions eligible for participation in the Debt Guarantee Program include insured depository institutions, U.S. bank holding companies, certain U.S. savings and loan holding companies, and other affiliates of insured depository institutions that the FDIC designates as eligible entities.

Program Funded by Industry Fees and Assessments

The TLGP does not rely on taxpayer funding or the Deposit Insurance Fund. Both components of the program are paid for by direct user fees. Institutions participating in the Transaction Account Guarantee Program provide customers full coverage on non-interest-bearing transaction accounts for an annual fee of 10 basis points through year-end 2009. Fees for qualifying non-interest-bearing transaction accounts guaranteed between January 1, 2010, and June 30, 2010, will be based on the participating entity's risk category assignment under the FDIC's risk-based premium system. Annualized fees will be either 15, 20, or 25 basis points, depending on an institution's risk category.

Fees for participation in the Debt Guarantee Program depend on the maturity of debt issued and range from 50 to 100 basis points (annualized). A surcharge will be imposed on debt issued with a maturity of one year or greater after April 1, 2009. For debt that is not issued under the extension, that is, debt that is issued on or before June 30, 2009, and matures on or before June 30, 2012, surcharges will be 10 basis points (annualized) on debt issued by insured depository institutions and 20 basis points (annualized) on debt issued by other

¹ The FDIC invoked the systemic risk exception pursuant to section 141 of the Federal Deposit Improvement Act of 1991, 12 U.S.C 1823(c)(4) on October 13, 2008. For further information on the TLGP, see

<http://www.fdic.gov/regulations/resources/TLGP/index.html>

² See <http://www.fdic.gov/news/board/Aug26no4.pdf>

³ See <http://www.fdic.gov/news/board/Mar1709rule.pdf>

participating entities. For debt issued under the extension, that is, debt issued after June 30, 2009, or debt that matures after June 30, 2012, surcharges will be 25 basis points (annualized) on debt issued by insured depository institutions and 50 basis points (annualized) on debt issued by other participating entities. As of June 30, 2009, a total of \$8.7 billion in fees had been assessed under the Debt Guarantee Program.

A Majority of Eligible Entities Have Chosen to Participate in the TLGP

More than 86 percent of FDIC-insured institutions have opted in to the Transaction Account Guarantee Program, and more than half of all eligible entities have opted in to the Debt Guarantee Program. Lists of institutions that opted out of the guarantee programs are posted at <http://www.fdic.gov/regulations/resources/TLGP/optout.html>.

\$700 Billion in Transaction Accounts over \$250,000 Guaranteed

According to second quarter 2009 Call and Thrift Financial Reports, insured institutions reported 655,427 non-interest-bearing transaction accounts over \$250,000, an increase of 12 percent compared with first quarter 2009. These deposit accounts totaled \$900 billion, of which \$736 billion was guaranteed under the Transaction Account Guarantee Program. More than 5,800 FDIC-insured institutions reported non-interest-bearing transaction accounts over \$250,000 in value.

Debt Outstanding Represents 43 Percent of Total Cap on Issuers' Guaranteed Debt

The amount of FDIC-guaranteed debt that can be issued by each eligible entity, or its "cap," is based on the amount of its senior unsecured debt outstanding as of September 30, 2008, that matures on or before June 30, 2009. Eligible entities may issue debt up to 125 percent of that outstanding amount. The cap for FDIC-insured institutions that had no outstanding short-term senior unsecured debt other than Fed funds is set at 2 percent of liabilities as of September 30, 2008. Total debt outstanding at quarter end represented 43 percent of issuing entities' total cap.

\$339 Billion in FDIC-Guaranteed Debt Was Outstanding at June 30, 2009

Ninety-seven financial entities—64 insured depository institutions and 33 bank and thrift holding companies and nonbank affiliates—had \$339 billion in guaranteed debt outstanding at the end of the second quarter. Some banking groups issued FDIC-guaranteed debt at both the subsidiary and holding company level, but most guaranteed debt was issued by holding companies or nonbank affiliates of depository institutions. Bank and thrift holding companies and nonbank affiliates issued 82 percent of FDIC-guaranteed debt outstanding at June 30, 2009.

Debt outstanding at June 30 had longer terms at issuance, compared with debt outstanding at year-end. Only 17 percent of debt outstanding matures in 180 days or less, compared with 49 percent at year-end; and 62 percent matures more than two years after issuance, compared with 39 percent at December 31, 2008. Among types of debt instruments, almost three-quarters, 74 percent, was in medium-term notes, compared with 44 percent at year-end. The share of outstanding debt in commercial paper fell to 15 percent from 43 percent at year-end.

Quarterly Banking Profile

Table I-C. Participation in Temporary Liquidity Guarantee Program

June 30, 2009	Total Eligible Entities	Number Opting In	Percent Opting In
Transaction Account Guarantee Program			
Depository Institutions with Assets <= \$10 Billion	8,087	6,992	86.5%
Depository Institutions with Assets > \$10 Billion	117	109	93.2%
Total Depository Institutions *	8,204	7,101	86.6%
Debt Guarantee Program			
Depository Institutions with Assets <= \$10 Billion	8,087	4,356	53.9%
Depository Institutions with Assets > \$10 Billion	117	108	92.3%
Total Depository Institutions *	8,204	4,464	54.4%
Bank and Thrift Holding Companies and Non-Insured Affiliates	6,324	3,574	56.5%
All Entities	14,528	8,038	55.3%

* Depository institutions include insured branches of foreign banks (IBAs).

Table II-C. Cap on FDIC-Guaranteed Debt for Opt-In Entities

June 30, 2009 (dollar figures in millions)	Opt-In Entities with Senior Unsecured Debt Outstanding at 9/30/2008			Opt-In Depository Institutions with no Senior Unsecured Debt at 9/30/2008		Total Entities	Total Initial Cap
	Number	Debt Amount as of 9/30/2008	Initial Cap	Number	2% Liabilities as of 9/30/2008		
Depository Institutions with Assets <= \$10 Billion *	116	\$3,532	\$4,415	4,240	\$33,336	4,356	\$37,751
Depository Institutions with Assets > \$10 Billion *	44	295,879	369,849	64	28,988	108	398,837
Bank and Thrift Holding Companies, Non-Insured Affiliates	88	398,008	497,511	3,486	N/A	3,574	497,511
Total	248	697,420	871,775	7,790	62,324	8,083	934,099

* Depository institutions include insured branches of foreign banks (IBAs).

N/A - Not applicable

Table III-C. Transaction Account Guarantee Program

(dollar figures in millions)	December 31, 2008	March 31, 2009	June 30, 2009	% Change 09Q1-09Q2
Number of Non-Interest-Bearing Transaction Accounts over \$250,000	526,158	584,839	655,427	12.1%
Amount in Non-Interest-Bearing Transaction Accounts over \$250,000	\$853,671	\$858,023	\$899,982	4.9%
Amount Guaranteed	\$722,132	\$711,813	\$736,125	3.4%

Table IV-C. Debt Outstanding in Guarantee Program

June 30, 2009 (dollar figures in millions)	Number	Debt Outstanding	Cap ¹ for Group	Debt Outstanding Share of Cap
Insured Depository Institutions				
Assets <= \$10 Billion	44	1,635	3,059	53.5%
Assets > \$10 Billion	20	59,691	314,778	19.0%
Bank and Thrift Holding Companies, Non-Insured Affiliates	33	277,712	471,205	58.9%
All Issuers	97	339,038	789,042	43.0%

¹ The amount of FDIC-guaranteed debt that can be issued by each eligible entity, or its "cap," is based on the amount of senior unsecured debt outstanding as of September 30, 2008. The cap for a depository institution with no senior unsecured debt outstanding at September 30, 2008, is set at 2 percent of total liabilities. See <http://www2.fdic.gov/qbp/2008dec/tlqp2c.html> for more information.

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Table V-C. Fees Assessed Under TLGP

	Debt Guarantee Program			Transaction Account Guarantee Program*
	Total Fees Assessed	Surcharges	Total Fee Amount	Fees Collected
(dollar figures in millions)				
Fourth Quarter 2008.....	\$3,437		\$3,437	
First Quarter 2009.....	3,433		3,433	90
Second Quarter 2009.....	1,413	385	1,797	179
Total.....	\$8,283	\$385	\$8,667	\$269

*Pro-rated payment in arrears

Table VI-C. Term at Issuance of Debt Instruments Outstanding

June 30, 2009 (dollar figures in millions)	Commercial Paper	Interbank Eurodollar Deposits	Medium Term Notes	Other Interbank Deposits	Other Senior Unsecured Debt	Other Term Notes	All Debt	Share by Term
Term at Issuance								
90 days or less	24,390	35	0	134	0	794	25,353	7.5%
91 - 180 days	24,134	528	0	1,812	480	5,330	32,283	9.5%
181 - 364 days	2,608	22	3,400	1,587	1	2,371	9,988	2.9%
1 - 2 years	0	3	56,341	37	0	4,790	61,172	18.0%
Over 2 - 3 years	0	0	70,697	0	3,352	5,991	80,039	23.6%
Over 3 years	1	0	120,235	4	3,713	6,251	130,203	38.4%
Total	51,133	588	250,673	3,573	7,545	25,527	339,038	
Share of Total	15.1%	0.2%	73.9%	1.1%	2.2%	7.5%		

Notes to Users

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

Tables I-A through VIII-A.

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

Tables I-B through IV-B.

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

DATA SOURCES

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

COMPUTATION METHODOLOGY

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

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

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

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

ACCOUNTING CHANGES

Other-Than-Temporary Impairment

When the fair value of an investment in a debt or equity security is less than its cost basis, the impairment is either temporary or other-than-temporary. To determine whether the impairment is other-than-temporary, an institution must apply other pertinent guidance such as paragraph 16 of FASB Statement No. 115, *Accounting for Certain Investments in Debt and Equity Securities*; FASB Staff Position (FSP) FAS 115-1 and FAS 124-1, *The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments*; FSP FAS 115-2 and FAS 124-2, *Recognition and Presentation of Other-Than-Temporary Impairments*; paragraph 6 of Accounting Principles Board Opinion No. 18, *The Equity Method of Accounting for Investments in Common Stock*; Emerging Issues Task Force (EITF) Issue No. 99-20, *Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests That Continue to Be Held by a Transferor in Securitized Financial Assets*; and FSP EITF 99-20-1, *Amendments to the Impairment Guidance of EITF Issue No. 99-20*.

Under FSP FAS 115-2 and FAS 124-2 issued on April 9, 2009, if the present value of cash flows expected to be collected on a debt security is less than its amortized cost basis, a credit loss exists. In this situation, if an institution does not intend to sell the security and it is not more likely than not that the institution will be required to sell the debt security before recovery of its amortized cost basis less any current-period credit loss, an other-than-temporary impairment has occurred. The amount of the total other-than-temporary impairment related to the credit loss must be recognized in earnings, but the amount of the total impairment related to other factors must be recognized in other comprehensive income, net of applicable taxes. Although the debt security would be written down to its fair value, its new amortized cost basis is the previous amortized cost basis less the other-than-temporary impairment recognized in earnings. In addition, if an institution intends to sell a debt security whose fair value is less than its amortized costs basis or it is more likely than not that the institution will be required to sell the debt security before recovery of its amortized cost basis, an other-than-temporary impairment has occurred and the entire difference between the security's amortized cost basis and its fair value must be recognized in earnings.

For any debt security held at the beginning of the interim period in which FSP FAS 115-2 and FAS 124-2 is adopted for which an other-than-temporary impairment loss has been previously recognized, if an institution does not intend to sell such a debt security and it is not more likely than not that the institution will be required to sell the debt security before recovery of its amortized cost basis, the institution should recognize the cumulative effect of initially applying the FSP as an adjustment to the interim period's opening balance of retained earnings, net of applicable taxes, with

a corresponding adjustment to accumulated other comprehensive income. The cumulative effect on retained earnings must be calculated by comparing the present value of the cash flows expected to be collected on the debt security with the security's amortized cost basis as of the beginning of the interim period of adoption.

FSP FAS 115-2 and FAS 124-2 are effective for interim and annual reporting periods ending after June 15, 2009. Early adoption of this FSP is permitted for periods ending after March 15, 2009, if certain conditions are met. Institutions are expected to adopt FSP FAS 115-2 and 124-2 for regulatory reporting purposes in accordance with the FSP's effective date.

Extended Net Operating Loss Carryback Period for Small Businesses

The American Recovery and Reinvestment Act of 2009, which was enacted on February 17, 2009, permits qualifying small businesses, including FDIC-insured institutions, to elect a net operating loss carryback period of three, four, or five years instead of the usual carryback period of two years for any tax year ending in 2008 or, at the small business's election, any tax year beginning in 2008. Under generally accepted accounting principles, institutions may not record the effect of this tax change in their balance sheets and income statements for financial and regulatory reporting purposes until the period in which the law was enacted, i.e., the first quarter of 2009.

Business Combinations and Noncontrolling (Minority) Interests

In December 2007, the FASB issued Statement No. 141 (Revised), *Business Combinations* (FAS 141(R)), and Statement No. 160, *Noncontrolling Interests in Consolidated Financial Statements* (FAS 160). Under FAS 141(R), all business combinations, including combinations of mutual entities, are to be accounted for by applying the acquisition method. FAS 160 defines a noncontrolling interest, also called a minority interest, as the portion of equity in an institution's subsidiary not attributable, directly or indirectly, to the parent institution. FAS 160 requires an institution to clearly present in its consolidated financial statements the equity ownership in and results of its subsidiaries that are attributable to the noncontrolling ownership interests in these subsidiaries. FAS 141(R) applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. Similarly, FAS 160 is effective for fiscal years beginning on or after December 15, 2008. Thus, for institutions with calendar year fiscal years, these two accounting standards take effect in 2009. Beginning in March 2009, Institution equity capital and Noncontrolling interests are separately reported in arriving at Total equity capital.

FASB Statement No. 157 Fair Value Measurements issued in September 2006 and FASB Statement No. 159 The Fair Value Option for Financial Assets and Financial Liabilities issued in February 2007 – both are effective in 2008 with early adoption permitted in 2007. FAS 157 defines fair value and establishes a framework for developing fair value estimates for the fair value measurements that are already required or permitted under other standards. FASB FSP 157-4, issued in April 2009, provides additional guidance for estimating fair value in accordance with FAS 157 when the volume and level of activity for the asset or liability have significantly decreased. The FSP also includes guidance on identifying circumstances that indicate a transaction is not orderly. The FSP is effective for interim and annual reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009.

Fair value continues to be used for derivatives, trading securities, and available-for-sale securities. Changes in fair value go through earnings for trading securities and most derivatives. Changes in the fair value of available-for-sale securities are reported in other comprehensive income. Available-for-sale securities and held-to-maturity debt securities are written down to fair value if impairment is other than temporary and loans held for sale are reported at the lower of cost or fair value.

FAS 159 allows institutions to report certain financial assets and liabilities at fair value with subsequent changes in fair value included in earnings. In general, an institution may elect the fair value option for an eligible financial asset or liability when it first recognizes the instrument on its balance sheet or enters into an eligible firm commitment.

FASB Statement No. 158 Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans – issued in September 2006 requires a bank to recognize in 2007, and subsequently, the funded status of its postretirement plans on its balance sheet. An overfunded plan is recognized as an asset and an underfunded plan is recognized as a liability. An adjustment is made to equity as accumulated other comprehensive income (AOCI) upon application of FAS 158, and AOCI is adjusted in subsequent periods as net periodic benefit costs are recognized in earnings.

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

FASB Statement No. 155 Accounting for Certain Hybrid Financial Instruments – issued in February 2006, requires bifurcation of certain derivatives embedded in interests in securitized financial assets and permits fair value measurement (i.e., a fair value option) for any hybrid financial instrument that contains an embedded derivative that would otherwise require bifurcation under FASB Statement No. 133,

(FAS 133). In addition, FAS 155 clarifies which interest-only and principal-only strips are not subject to FAS 133.

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

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

past due according to their contractual terms.

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

FASB Interpretation No. 48 on Uncertain Tax Positions – FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FIN 48), was issued in June 2006 as an interpretation of FASB Statement No. 109, *Accounting for Income Taxes*. Under FIN 48, the term "tax position" refers to "a position in a previously filed tax return or a position expected to be taken in a future tax return that is reflected in measuring current or deferred income tax assets and liabilities." FIN 48 further states that a "tax position can result in a permanent reduction of income taxes payable, a deferral of income taxes otherwise currently payable to future years, or a change in the expected realizability of deferred tax assets." FIN 48 was originally issued effective for fiscal years beginning after December 15, 2006. Banks must adopt FIN 48 for Call Report purposes in accordance with the interpretation's effective date except as follows. On December 31, 2008, the FASB decided to defer the effective date of FIN 48 for eligible nonpublic enterprises and to require those enterprises to adopt FIN 48 for annual periods beginning after December 15, 2008. A nonpublic enterprise under certain conditions is eligible for deferral, even if it opted to issue interim or quarterly financial information in 2007 under earlier guidance that reflected the adoption of FIN 48.

FASB Statement No. 123 (Revised 2004) and Share-Based Payments - refer to previously published Quarterly Banking Profile notes: <http://www2.fdic.gov/qbp/2008dec/qbpnot.html>

FASB Statement No. 133 Accounting for Derivative Instruments and Hedging Activities - refer to previously published Quarterly Banking Profile notes: <http://www2.fdic.gov/qbp/2008dec/qbpnot.html>

DEFINITIONS (in alphabetical order)

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

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

Assessment base – assessable deposits consist of DIF deposits (deposits insured by the FDIC Deposit Insurance Fund) in banks' domestic offices with certain adjustments).

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

Capital Purchase Program (CPP) – As announced in October 2008 under the TARP, the Treasury Department purchase of noncumulative perpetual preferred stock and related warrants that is treated as Tier 1 capital for regulatory capital purposes is included in

"Total equity capital." Such warrants to purchase common stock or noncumulative preferred stock issued by publicly-traded banks are reflected as well in "Surplus." Warrants to purchase common stock or noncumulative preferred stock of not-publicly-traded bank stock classified in a bank's balance sheet as "Other liabilities."

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

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

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

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

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

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

Derivatives credit equivalent amount – the fair value of the derivative plus an additional amount for potential future credit exposure based on the notional amount, the remaining maturity and type of the contract.

Derivatives transaction types:

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

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

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

Derivatives underlying risk exposure – the potential exposure characterized by the level of banks' concentration in particular underlying instruments, in general. Exposure can result from market

risk, credit risk, and operational risk, as well as, interest rate risk.

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

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

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

Estimated insured deposits – in general, insured deposits are total domestic deposits minus estimated uninsured deposits. Beginning March 31, 2008, for institutions that file Call reports, insured deposits are total assessable deposits minus estimated uninsured deposits.

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

Fair Value – the valuation of various assets and liabilities on the balance sheet—including trading assets and liabilities, available-for-sale securities, loans held for sale, assets and liabilities accounted for under the fair value option, and foreclosed assets—involves the use of fair values. During periods of market stress, the fair values of some financial instruments and nonfinancial assets may decline.

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

Goodwill and other intangibles – intangible assets include servicing rights, purchased credit card relationships, and other identifiable intangible assets. Goodwill is the excess of the purchase price over the fair market value of the net assets acquired, less subsequent impairment adjustments. Other intangible assets are recorded at fair value, less subsequent quarterly amortization and impairment adjustments.

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

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

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

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

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

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

Net interest margin – the difference between interest and dividends earned on interest-bearing assets and interest paid to depositors and other creditors, expressed as a percentage of average earning assets.

No adjustments are made for interest income that is tax exempt.

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

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

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

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

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

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

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

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

“Problem” institutions – federal regulators assign a composite rating to each financial institution, based upon an evaluation of financial and operational criteria. The rating is based on a scale of 1 to 5 in ascending order of supervisory concern. “Problem” institutions are those institutions with financial, operational, or managerial weaknesses that threaten their continued financial viability. Depending upon the degree of risk and supervisory concern, they are rated either a “4” or “5.” The number and assets of “problem” institutions are based on FDIC composite ratings. Prior to March 31, 2008, for institutions whose primary federal regulator was the OTS, the OTS composite rating was used.

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

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

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

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

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

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

Risk-based capital groups – definition:

(Percent)	Total Risk-Based Capital *	Tier 1 Risk-Based Capital *	Tier 1 Leverage	Tangible Equity
Well-capitalized	≥10	and ≥6	and ≤5	–
Adequately capitalized	≥8	and ≥4	and ≤4	–
Undercapitalized	≥6	and ≥3	and ≤3	–
Significantly undercapitalized	<6	or <3	or <3	and >2
Critically undercapitalized	–	–	–	≤2

*As a percentage of risk-weighted assets.

Risk Categories and Assessment Rate Schedule – The current risk categories became effective January 1, 2007. Capital ratios and supervisory ratings distinguish one risk category from another. The following table shows the relationship of risk categories (I, II, III, IV) to capital and supervisory groups as well as the initial base assessment rates (in basis points), effective April 1, 2009 for each risk category. Supervisory Group A generally includes institutions with CAMELS composite ratings of 1 or 2; Supervisory Group B generally includes institutions with a CAMELS composite rating of 3; and Supervisory Group C generally includes institutions with CAMELS composite ratings of 4 or 5. For purposes of risk-based assessment capital groups, undercapitalized includes institutions that are significantly or critically undercapitalized.

Capital Category	Supervisory Group		
	A	B	C
1. Well Capitalized	I 12 – 16 bps	II 22 bps	III 32 bps
2. Adequately Capitalized	II 22 bps		
3. Undercapitalized		III 32 bps	IV 45 bps

Effective April 1, 2009, the initial base assessment rates are 12 to 45 basis points. An institution's total assessment rate may be less than or greater than its initial base assessment rate as a result of additional risk adjustments.

The base assessment rates for most institutions in Risk Category I are based on a combination of financial ratios and CAMELS component ratings (the financial ratios method).

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

Effective April 1, 2009, the FDIC introduced three possible adjustments to an institution's initial base assessment rate: (1) a

decrease of up to 5 basis points for long-term unsecured debt and, for small institutions, a portion of Tier 1 capital; (2) an increase not to exceed 50 percent of an institution's assessment rate before the increase for secured liabilities in excess of 25 percent of domestic deposits; and (3) for non-Risk Category I institutions, an increase not to exceed 10 basis points for brokered deposits in excess of 10 percent of domestic deposits. After applying all possible adjustments, minimum and maximum total base assessment rates for each risk category are as follows:

Total Base Assessment Rates*				
	Risk Category I	Risk Category II	Risk Category III	Risk Category IV
Initial base assessment rate	12 – 16	22	32	45
Unsecured debt adjustment	-5 – 0	-5 – 0	-5 – 0	-5 – 0
Secured liability adjustment	0 – 8	0 – 11	0 – 16	0 – 22.5
Brokered deposit adjustment	–	0 – 10	0 – 10	0 – 10
Total base assessment rate	7 – 24.0	17 – 43.0	27 – 58.0	40 – 77.5

*All amounts for all risk categories are in basis points annually. Total base rates that are not the minimum or maximum rate will vary between these rates.

Beginning in 2007, each institution is assigned a risk-based rate for a quarterly assessment period near the end of the quarter following the assessment period. Payment is generally due on the 30th day of the last month of the quarter following the assessment period. Supervisory rating changes are effective for assessment purposes as of the examination transmittal date. For institutions with long-term debt issuer ratings, changes in ratings are effective for assessment purposes as of the date the change was announced.

Special Assessment – On May 22, 2009, the FDIC board approved a final rule that imposed a 5 basis point special assessment as of June 30, 2009. The special assessment was levied on each insured depository institution's assets minus its Tier 1 capital as reported in its report of condition as of June 30, 2009. The special assessment will be collected September 30, 2009, at the same time that the risk-based assessment for the second quarter of 2009 is collected. The special assessment for any institution was capped at 10 basis points of the institution's assessment base for the second quarter of 2009 risk-based assessment.

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 200 percent. A conversion factor is used to assign a balance sheet equivalent amount for selected off-balance-sheet accounts.

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

Securities gains (losses) – realized gains (losses) on held-to-maturity and available-for-sale securities, before adjustments for income taxes. Thrift Financial Report (TFR) filers also include gains (losses) on the sales of assets held for sale.

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

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

Temporary Liquidity Guarantee Program (TLGP) – was approved by the FDIC Board on October 13, 2008. The TLGP was designed to help relieve the crisis in the credit markets by giving banks access to liquidity during a time of global financial distress. Participation in the TLGP is voluntary. The TLGP has two components:

Transaction Account Guarantee Program provides a full guarantee of non-interest-bearing deposit transaction accounts above \$250,000, at depository institutions that elected to participate in the program. The guarantee is in effect until December 31, 2009.

Debt Guarantee Program provides a full guarantee of senior unsecured debt¹ issued by eligible institutions after October 14, 2008. Initially, debt issued before June 30, 2009, and maturing on or before June 30, 2012, could be guaranteed. On March 17, 2009, the deadline for issuance under the program was extended to October 31, 2009, and the expiration of the guarantee was set at the earlier of maturity of the debt or December 31, 2012. Institutions eligible for participation in the debt guarantee program include insured depository institutions, U.S. bank holding companies, certain U.S. savings and loan holding companies, and other affiliates of an insured depository institution that the FDIC designates as eligible entities.

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

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

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

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

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

¹ Senior unsecured debt generally includes term Federal funds purchased, promissory notes, commercial paper, unsubordinated unsecured notes, certificates of deposit (CDs) standing to the credit of a bank, and U.S. dollar denominated bank deposits owed to an insured depository institution.