



Quarterly Banking Profile

FOURTH QUARTER 2003

- **Industry Earnings Set Quarterly, Full-Year Records**
- **Lower Expenses for Bad Loans, Higher Noninterest Revenues Boost Industry Profits**
- **Net Interest Margins Stage Modest Rebound**
- **Assets of Insured Institutions Rise Above \$9 Trillion**

Net Income Continues to Set New Records

Led by rising income at credit-card lenders and large commercial banks, the 9,182 commercial banks and savings institutions insured by the FDIC reported record-high earnings in the fourth quarter of 2003, the fourth consecutive quarter that industry earnings have set a record. Net income totaled \$31.1 billion, an increase of \$755 million (2.5 percent) over the third quarter, and \$5.7 billion (22.3 percent) more than the industry earned in the fourth quarter of 2002. The average return on assets was 1.38 percent, up from 1.36 percent in the third quarter, and well above the 1.22 percent of a year earlier. The greatest improvement in profitability occurred at large institutions, whose earnings had been depressed by credit losses on loans to large corporate borrowers and by weakness in market-sensitive noninterest revenues. Fewer than half of all institutions (45.0 percent) reported an ROA of 1 percent or higher for the quarter. Slightly more than half (52.7 percent) reported increased net income compared to the fourth quarter of 2002, but only 45.4 percent reported higher quarterly ROAs. Net income from international operations was only \$1.1 billion in the fourth quarter, compared to \$1.7 billion in the third quarter and \$1.5 billion in the fourth quarter of 2002.

Core Earnings Provide Most of the Improvement in Profits

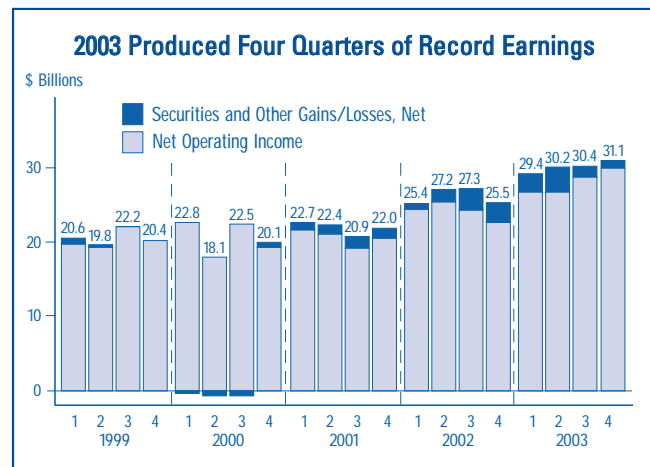
Gains on sales of securities and other assets declined for the second quarter in a row. These sales yielded only \$741 million in gains in the fourth quarter, compared to \$2.2 billion in the third quarter and \$4.1 billion in the

fourth quarter of 2002. Net operating (core) income, which excludes these gains and extraordinary items, was \$1.3 billion (4.4 percent) higher than in the third quarter, and was almost one-third more (\$7.5 billion, or 32.9 percent) than the industry earned in the fourth quarter of 2002.

Net Interest Income Registers Largest Quarterly Increase in Two Years

Net interest income increased by \$2.5 billion (3.6 percent) from the third quarter, as the average net interest margin improved from 3.65 percent to 3.75 percent, and as interest-bearing assets grew by \$156.8 billion (2.0 percent). This is the largest quarterly improvement in net interest income since the fourth quarter of 2001, when the industry posted a \$4.2-billion increase. Average asset yields increased by 5 basis points, from 5.19 percent to 5.24 percent, and the average cost of

Chart 1



funding interest-bearing assets fell by 5 basis points, from 1.54 percent to 1.49 percent. More than half (54.7 percent) of all insured institutions reported higher net interest margins in the fourth quarter than in the third quarter, but only about one in three (34.0 percent) reported higher margins compared to a year earlier. In the fourth quarter of 2002, the industry's net interest margin was 3.91 percent. The overall low level of margins is particularly problematic for profitability at smaller institutions, which obtain a larger share of their revenues from net interest income.

Servicing Income Shows Further Gains

Noninterest income grew strongly for the third quarter in a row, increasing by \$1.8 billion (3.5 percent), following increases of \$2.1 billion and \$1.8 billion in the third and second quarters, respectively. Servicing fees grew by \$1.2 billion (28.8 percent), thanks to increases in the values of mortgage servicing assets stemming from a drop-off in mortgage refinancing activity. Investment banking fees and commissions increased by \$434 million (17.3 percent). Trading revenue fell for a second consecutive quarter, declining by \$681 million (22.9 percent), after a \$314-million decline in the third quarter.

Loss Provisioning Maintains Favorable Trend

Provisions for loan losses registered a seasonal increase of \$550 million (6.6 percent) from the third quarter, but were \$5.0 billion (36.0 percent) less than the industry set aside in the fourth quarter of 2002. At \$8.8 billion, this is the lowest fourth-quarter provision since 1999, when fourth-quarter provisions totaled \$6.5 billion. Loss provisions for international operations were \$150 million (13.6 percent) higher than in the third quarter, but were down by \$348 million (21.7 percent) compared to the fourth quarter of 2002.

Credit-Card Lenders, Large Banks Have Biggest Earnings Improvement

The greatest improvements in profitability were registered by credit-card lenders and international banks, whose ROAs increased by 40 and 24 basis points, respectively. Credit-card lenders had strong growth in both net interest income and in noninterest revenues. These improvements outweighed higher expenses for loan losses. At international banks, rising asset yields also produced wider net interest margins, but the greatest boost to earnings came from lower loan-loss provisions. Mortgage lenders saw their noninterest income increase thanks to lower impairment charges on mortgage servicing rights, but declining asset yields produced narrower net interest margins, and average profitability for this group declined by 6 basis points.

Chart 2

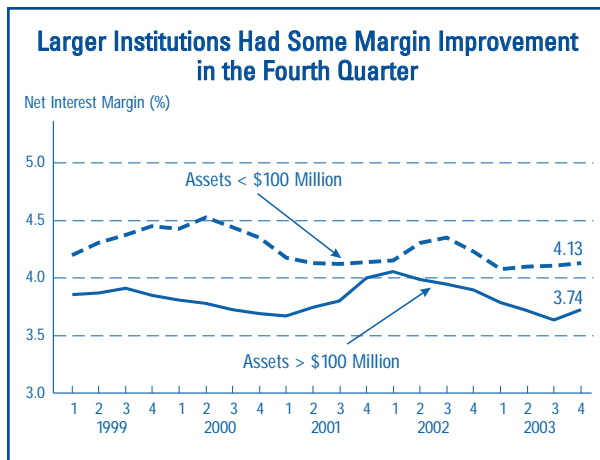
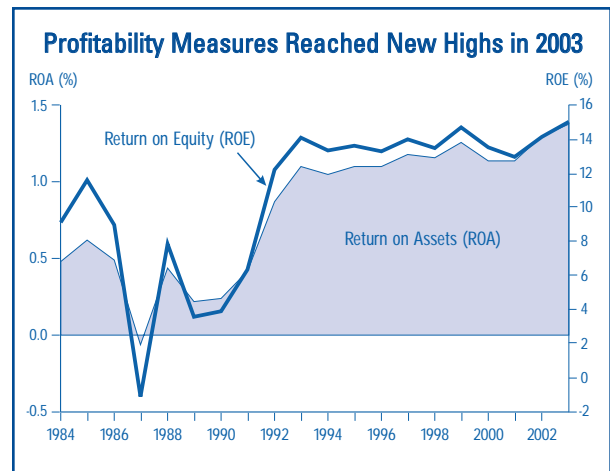


Chart 3



Full-Year Earnings Top \$120 Billion for the First Time

For the year, insured banks and thrifts earned a record \$120.6 billion, easily surpassing the previous record total of \$105.1 billion set in 2002. Well over half of all institutions—58.8 percent—reported higher earnings in 2003. Both the annual ROA and ROE reached all-time highs of 1.38 percent and 15.04 percent, respectively. The two main sources of earnings strength in 2003 were higher noninterest income (up \$18.9 billion, or 10.3 percent) and lower loan-loss provisions (down \$14.2 billion, or 27.6 percent). Much of this improvement was concentrated among larger commercial banks; fewer than half of all banks and thrifts (44.9 percent) reported higher ROAs in 2003. The full-year net interest margin of 3.73 percent was the lowest since 1990. But only 5.7 percent of insured institutions were unprofitable in 2003, the lowest proportion since 1997.

Asset-Quality Indicators Worsen in Consumer Portfolios

Net loan charge-offs had a seasonal increase of \$1.1 billion (11.2 percent) in the fourth quarter from the level of the third quarter, but were \$1.6 billion (13.1 percent) less than in the fourth quarter of 2002. The improvement reflected a \$1.9-billion (42.8-percent) decline in charge-offs of loans to commercial and industrial (C&I) borrowers compared to a year earlier. Charge-offs on leases also improved over year-earlier levels, declining by \$395 million (61.3

percent). In contrast, charge-offs of residential mortgage loans were \$477 million (93.7 percent) higher, and charge-offs of credit-card loans were \$455 million (11.6 percent) higher. The amount of loans that were noncurrent—90 days or more past due or in nonaccrual status—declined by \$1.3 billion (2.1 percent), thanks to a \$4.4-billion (18.9-percent) decline in noncurrent C&I loans. The amount of credit-card loans that were noncurrent registered a sizable increase during the fourth quarter, increasing by \$2.3 billion (44.0 percent). Most of this increase occurred in loans that became 90 days or more past due, which rose by \$2.0 billion (45.8 percent). The amount of credit-card loans that were 30-89 days past due increased by \$2.5 billion (41.0 percent) during the quarter.

Capital and Reserves Increase at Year-end

Total equity capital increased by \$14.2 billion (1.7 percent) in the fourth quarter, and the industry's equity-to-assets ratio improved from 9.13 percent to 9.15 percent. The risk-based capital ratios declined, because of growth of assets with higher risk weights during the quarter. Loss reserves increased by \$580 million (0.7 percent). This increase did not keep pace with the growth in total loans during the quarter, so the industry's reserve ratio (reserves as a percentage of loans) declined from 1.59 percent to 1.57 percent. However, the decline in noncurrent loans meant that the coverage ratio (reserves as a percentage of noncurrent loans) improved from 136.5 percent to 140.4 percent.

Chart 4

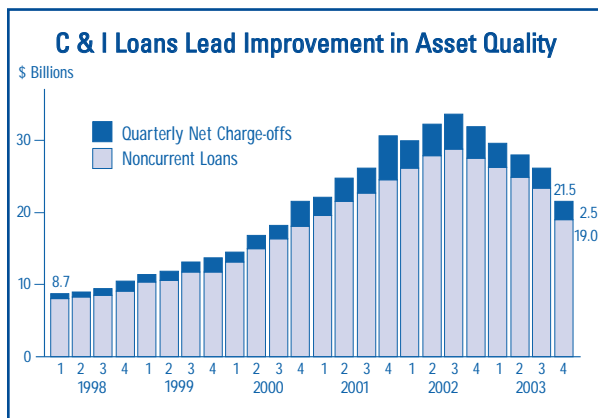
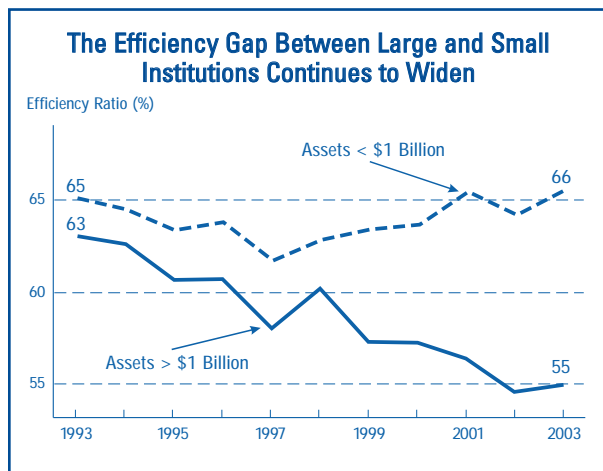


Chart 5



Credit-Card and Home Equity Loans Lead Asset Growth

Consumer loan demand remained strong in the fourth quarter. Industry assets rose by \$130.7 billion (1.5 percent), as credit-card loans increased by \$72.8 billion (27.3 percent) and home equity loans increased by \$31.2 billion (9.9 percent), accounting for more than three-quarters of the growth in total assets. Residential mortgage loans fell by \$43.4 billion (2.6 percent), but mortgage-backed securities increased by \$30.0 billion (3.6 percent). Overall, mortgage-related assets increased by \$21.7 billion during the fourth quarter, comprising 16.6 percent of the growth in total assets. For the full year, mortgage-related assets accounted for 40.1 percent of the increase in total industry assets. Commercial and industrial loans continued to decline, falling by \$9.2 billion (1.0 percent) during the fourth quarter. This is the twelfth consecutive quarter that C&I loans have declined. During that time, they have been reduced by \$163.6 billion (15.1 percent).

Deposit Growth Regains Some Momentum

After increasing by only \$6.4 billion in the third quarter, deposits at insured banks and thrifts increased by \$103.0 billion (1.8 percent) during the fourth quarter. Savings deposits at commercial banks grew by \$51.9 billion (2.3 percent), and deposits in banks' foreign offices increased by \$49.0

billion (7.1 percent). Savings institutions increased their Federal Home Loan Bank (FHLB) borrowings by \$11.8 billion (5.3 percent) during the quarter, while commercial banks' FHLB borrowings increased by only \$3.2 billion (1.3 percent).

Number of Institutions Falls Below 9,200

The number of insured institutions reporting financial results declined by 54 during the fourth quarter, from 9,236 to 9,182, bringing the total decline for the year to 172. There were 38 new institutions added during the quarter, while mergers absorbed 88 institutions. In the fourth quarter, nine mutually-owned savings institutions, with combined assets of \$3.9 billion, converted to stock ownership. For all of 2003, there were 119 new charters, with 275 institutions absorbed in mergers. One insured institution failed during the fourth quarter, bringing the total number of failures for the year to three. The number of institutions on the FDIC's "Problem List" ended the year at 116, the same number as at the end of September. Total assets of "problem" institutions declined slightly, from \$30.3 billion to \$29.9 billion. During the year, the number of "problem" institutions declined from 136 to 116, and assets of "problem" institutions fell from \$38.9 billion to \$29.9 billion.

Chart 6

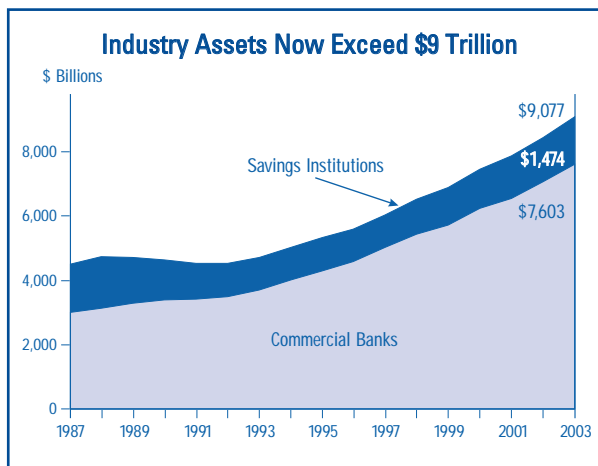


Chart 7

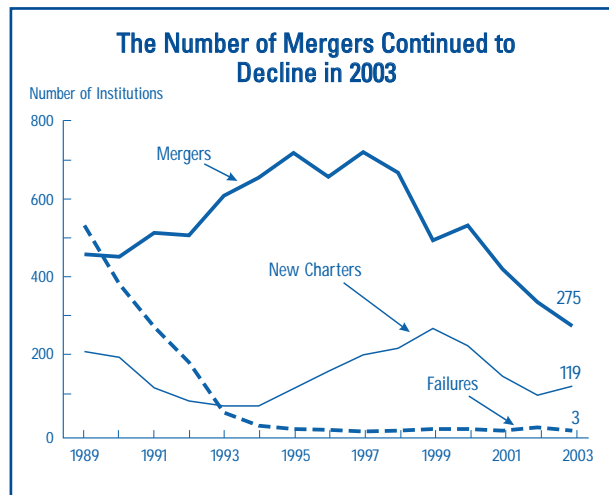


TABLE I-A. Selected Indicators, All FDIC-Insured Institutions*

	2003	2002	2001	2000	1999	1998	1997
Return on assets (%)	1.38	1.30	1.14	1.14	1.26	1.16	1.18
Return on equity (%)	15.04	14.14	12.97	13.53	14.71	13.50	14.03
Core capital (leverage) ratio (%)	7.88	7.87	7.78	7.71	7.80	7.59	7.62
Noncurrent assets plus							
other real estate owned to assets (%)	0.75	0.90	0.87	0.71	0.63	0.66	0.71
Net charge-offs to loans (%)	0.78	0.97	0.83	0.59	0.53	0.59	0.57
Asset growth rate (%)	7.59	7.21	5.44	8.41	5.40	8.05	7.80
Net interest margin (%)	3.73	3.96	3.78	3.77	3.89	3.91	4.04
Net operating income growth (%)	15.88	18.51	-0.84	1.71	19.75	3.02	13.37
Number of institutions reporting	9,182	9,354	9,614	9,904	10,222	10,464	10,923
Commercial banks	7,769	7,887	8,079	8,315	8,580	8,774	9,143
Savings institutions	1,413	1,467	1,535	1,589	1,642	1,690	1,780
Percentage of unprofitable institutions (%)	5.69	6.67	8.23	7.53	7.64	5.97	4.72
Number of problem institutions	116	136	114	94	79	84	92
Assets of problem institutions (in billions)	\$30	\$39	\$40	\$24	\$10	\$11	\$6
Number of failed/assisted institutions	3	11	4	7	8	3	1

* Excludes insured branches of foreign banks (IBAs)

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

(dollar figures in millions)	4th Quarter 2003	3rd Quarter 2003	4th Quarter 2002	%Change 02:4-03:4		
Number of institutions reporting	9,182	9,236	9,354	-1.8		
Total employees (full-time equivalent)	2,045,678	2,041,656	2,017,645	1.4		
CONDITION DATA						
Total assets	\$9,076,777	\$8,943,271	\$8,436,191	7.6		
Loans secured by real estate	3,143,051	3,124,993	2,849,764	10.3		
1-4 Family residential mortgages	1,610,710	1,653,979	1,513,206	6.4		
Commercial real estate	681,699	665,757	627,591	8.6		
Construction and development	272,172	263,685	244,889	11.1		
Home equity lines	346,087	314,876	256,453	35.0		
Commercial & industrial loans	922,332	931,550	953,645	-3.3		
Loans to individuals	848,307	772,282	772,452	9.8		
Credit cards	339,442	266,605	291,741	16.4		
Farm loans	46,783	46,672	47,327	-1.1		
Other loans & leases	476,897	461,338	433,684	10.0		
Less: Unearned income	3,004	2,980	3,549	-15.4		
Total loans & leases	5,434,365	5,333,854	5,053,323	7.5		
Less: Reserve for losses	85,532	84,949	85,235	0.3		
Net loans and leases	5,348,833	5,248,905	4,968,088	7.7		
Securities	1,770,762	1,702,215	1,633,432	8.4		
Other real estate owned	5,337	5,520	5,255	1.5		
Goodwill and other intangibles	189,456	170,395	153,101	23.7		
All other assets	1,762,389	1,816,237	1,676,314	5.1		
Total liabilities and capital	9,076,777	8,943,271	8,436,191	7.6		
Deposits	5,954,288	5,851,075	5,568,490	6.9		
Domestic office deposits	5,213,117	5,158,894	4,910,453	6.2		
Foreign office deposits	741,171	692,181	658,037	12.6		
Other borrowed funds	1,736,050	1,688,565	1,570,904	10.5		
Subordinated debt	107,404	103,666	98,554	9.0		
All other liabilities	448,234	483,407	422,031	6.2		
Equity capital	830,800	816,558	776,211	7.0		
Loans and leases 30-89 days past due	54,955	50,071	58,188	-5.6		
Noncurrent loans and leases	60,916	62,226	68,882	-11.6		
Restructured loans and leases	3,427	3,254	3,276	4.6		
Direct and indirect investments in real estate	731	727	712	2.7		
Mortgage-backed securities	981,998	948,043	912,466	7.6		
Earning assets	7,855,023	7,698,184	7,287,924	7.8		
FHLB advances	479,667	464,586	450,507	6.5		
Unused loan commitments	5,830,225	5,889,682	5,634,630	3.5		
Trust assets	12,984,784	11,777,852	11,008,281	18.0		
Assets securitized and sold**	871,721	897,019	910,660	-4.3		
Notional amount of derivatives**	71,369,157	67,788,459	56,292,849	26.8		
INCOME DATA						
	Full Year 2003	Full Year 2002	%Change	4th Quarter 2003	4th Quarter 2002	%Change 02:4-03:4
Total interest income	\$404,592	\$429,522	-5.8	\$101,580	\$106,586	-4.7
Total interest expense	122,626	152,899	-19.8	28,890	36,060	-19.9
Net interest income	281,967	276,623	1.9	72,689	70,527	3.1
Provision for loan and lease losses	37,262	51,498	-27.6	8,823	13,789	-36.0
Total noninterest income	202,644	183,723	10.3	53,626	47,509	12.9
Total noninterest expense	279,652	263,720	6.0	72,949	70,620	3.3
Securities gains (losses)	11,395	12,041	-5.4	741	4,127	-82.0
Applicable income taxes	58,881	52,014	13.2	14,555	12,260	18.7
Extraordinary gains, net	422	-49	N/M	398	-48	N/M
Net income	120,634	105,106	14.8	31,128	25,446	22.3
From international operations	7,329	5,964	22.9	1,067	1,465	-37.3
Net charge-offs	40,704	47,007	-13.4	10,637	12,238	-13.1
Cash dividends	90,529	75,460	20.0	28,135	20,327	38.4
Retained earnings	30,105	29,646	1.6	2,993	5,119	-41.5
Net operating income	112,456	97,042	15.9	30,168	22,706	32.9

** Commercial banks only.

N/M - Not Meaningful

FDIC Quarterly Banking Profile

TABLE III-A. Full Year 2003, All FDIC-Insured Institutions

FULL YEAR (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	9,182	36	6	1,765	4,250	1,033	158	530	1,313	91
Commercial banks	7,769	34	6	1,761	3,873	253	119	456	1,194	73
Savings institutions	1,413	2	0	4	377	780	39	74	119	18
Total assets (in billions)	\$9,076.8	\$348.4	\$1,447.9	\$129.0	\$2,922.9	\$1,658.3	\$146.7	\$60.9	\$172.5	\$2,190.1
Commercial banks	7,602.5	339.4	1,447.9	128.7	2,671.6	580.0	97.6	47.5	148.4	2,141.3
Savings institutions	1,474.3	9.0	0.0	0.3	251.3	1,078.2	49.1	13.5	24.1	48.8
Total deposits (in billions)	5,954.3	120.1	848.5	106.9	2,127.2	1,026.3	70.7	45.2	142.4	1,467.1
Commercial banks	5,028.9	115.3	848.5	106.6	1,958.2	365.2	40.0	35.0	122.9	1,437.3
Savings institutions	925.4	4.8	0.0	0.3	168.9	661.1	30.8	10.2	19.5	29.9
Net income (in millions)	120,634	12,506	15,351	1,514	36,320	22,265	1,860	1,114	1,788	27,916
Commercial banks	102,578	12,114	15,351	1,511	33,276	9,173	1,142	902	1,609	27,500
Savings institutions	18,056	392	0	3	3,044	13,093	718	212	179	416
Performance Ratios (%)										
Yield on earning assets	5.35	10.63	4.62	5.91	5.48	5.17	6.88	4.58	5.69	4.83
Cost of funding earning assets	1.62	2.35	1.64	1.89	1.56	1.81	1.97	1.50	1.83	1.38
Net interest margin	3.73	8.27	2.98	4.02	3.92	3.36	4.91	3.08	3.86	3.45
Noninterest income to assets	2.31	12.36	2.79	0.70	1.61	1.52	2.36	8.84	0.99	2.09
Noninterest expense to assets	3.19	9.19	3.23	2.73	2.99	2.58	3.45	9.29	2.98	2.88
Loan and lease loss provision to assets	0.43	3.80	0.44	0.21	0.35	0.12	1.39	0.25	0.26	0.23
Net operating income to assets	1.28	4.04	1.00	1.18	1.23	1.16	1.26	1.30	1.00	1.26
Pretax return on assets	2.05	6.41	1.59	1.48	1.87	2.15	2.08	2.57	1.37	1.97
Return on assets	1.38	4.08	1.08	1.21	1.29	1.38	1.31	1.82	1.06	1.33
Return on equity	15.04	24.84	15.00	11.19	13.99	15.08	17.56	11.43	10.05	14.64
Net charge-offs to loans and leases	0.78	5.22	1.37	0.27	0.46	0.18	2.08	1.21	0.38	0.62
Loan and lease loss provision to net charge-offs	91.54	97.10	79.35	125.88	114.37	96.80	82.59	74.22	119.74	67.41
Efficiency ratio	56.59	45.33	62.12	61.91	57.05	56.43	50.13	79.52	65.47	56.70
% of unprofitable institutions	5.69	2.78	0.00	2.55	6.82	5.03	3.16	12.08	4.80	2.20
% of institutions with earnings gains	58.75	63.89	66.67	51.22	67.93	50.92	57.59	40.00	52.78	59.34
Condition Ratios(%)										
Earning assets to total assets	86.54	84.51	78.17	91.59	90.04	89.84	91.94	88.04	91.77	84.11
Loss allowance to:										
Loans and leases	1.57	4.80	2.28	1.52	1.47	0.72	1.70	1.77	1.38	1.51
Noncurrent loans and leases	140.41	236.49	102.23	132.89	166.46	75.65	158.24	182.42	130.24	158.47
Noncurrent assets plus										
other real estate owned to assets	0.75	1.62	0.93	0.80	0.68	0.73	0.99	0.34	0.71	0.59
Equity capital ratio	9.15	16.04	7.39	10.64	9.24	9.10	7.30	16.74	10.44	8.87
Core capital (leverage) ratio	7.88	14.64	6.33	10.11	8.13	7.36	7.60	14.45	9.93	7.47
Tier 1 risk-based capital ratio	10.47	12.19	8.84	14.78	10.13	11.81	9.18	32.49	16.67	9.80
Total risk-based capital ratio	13.00	15.37	12.11	15.91	12.25	13.93	12.34	33.69	17.89	12.68
Net loans and leases to deposits	89.83	211.94	65.84	72.47	90.74	109.78	168.67	35.47	66.61	79.83
Net loans to total assets	58.93	73.04	38.58	60.03	66.04	67.94	81.32	26.30	54.97	53.48
Domestic deposits to total assets	57.43	30.28	25.32	82.83	70.77	60.14	48.10	73.05	82.49	59.86
Structural Changes										
New Charters	119	0	2	0	27	4	0	85	1	0
Institutions absorbed by mergers	275	1	27	1	163	38	4	2	14	25
Failed Institutions	3	0	1	0	1	1	0	0	0	0
PRIOR FULL YEARS (The way it was...)										
Number of institutions										
..... 2002	9,354	40	5	1,823	4,070	1,107	196	488	1,525	100
..... 2000	9,904	56	7	1,977	3,954	1,266	288	512	1,755	89
..... 1998	10,464	69	11	2,279	3,372	1,452	273	652	2,264	92
Total assets (in billions)										
..... 2002	\$8,436.2	\$299.3	\$1,273.5	\$123.8	\$2,960.4	\$1,342.3	\$166.5	\$60.1	\$197.4	\$2,013.0
..... 2000	7,462.9	295.1	1,229.5	120.4	3,823.3	1,000.2	87.8	50.8	205.4	650.5
..... 1998	6,531.1	258.0	1,443.9	125.0	2,786.3	1,078.6	81.4	67.9	270.4	419.6
Return on assets (%)										
..... 2002	1.30	3.61	0.74	1.24	1.30	1.32	1.35	1.08	1.14	1.33
..... 2000	1.14	3.00	1.06	1.22	1.12	0.96	1.09	1.42	1.13	0.91
..... 1998	1.16	2.88	0.60	1.20	1.29	1.05	1.25	1.70	1.13	1.40
Net charge-offs to loans & leases (%)										
..... 2002	0.97	6.12	1.77	0.29	0.65	0.20	1.07	1.36	0.35	0.81
..... 2000	0.59	3.72	0.51	0.23	0.50	0.11	0.49	1.62	0.28	0.62
..... 1998	0.59	4.35	0.58	0.24	0.36	0.19	0.65	0.83	0.35	0.60
Noncurrent assets plus										
OREO to assets (%)										
..... 2002	0.90	1.68	1.19	0.85	0.87	0.71	1.28	0.59	0.70	0.75
..... 2000	0.71	1.56	0.66	0.69	0.76	0.48	1.11	0.22	0.57	0.58
..... 1998	0.66	1.75	0.65	0.74	0.62	0.60	1.01	0.31	0.59	0.53
Equity capital ratio (%)										
..... 2002	9.20	15.49	7.14	10.76	9.36	9.08	7.35	17.18	10.62	9.10
..... 2000	8.49	12.25	6.73	10.43	8.66	8.28	7.94	16.15	10.30	7.90
..... 1998	8.52	13.51	6.71	10.60	8.79	8.30	8.50	14.23	10.01	8.07

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

TABLE III-A. Full Year 2003, All FDIC-Insured Institutions

FULL YEAR (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	9,182	4,390	4,211	471	110	1,173	1,227	2,011	2,133	1,867	771	
Commercial banks	7,769	3,911	3,434	341	83	612	1,071	1,650	2,020	1,732	684	
Savings institutions	1,413	479	777	130	27	561	156	361	113	135	87	
Total assets (in billions)	\$9,076.8	\$225.6	\$1,160.6	\$1,312.6	\$6,377.9	\$3,084.8	\$1,882.7	\$1,695.3	\$456.3	\$563.4	\$1,394.3	
Commercial banks	7,602.5	200.7	910.0	947.3	5,544.5	2,557.4	1,751.9	1,551.7	411.5	471.5	858.5	
Savings institutions	1,474.3	24.9	250.6	365.3	833.4	527.5	130.8	143.6	44.8	91.8	535.8	
Total deposits (in billions)	5,954.3	188.7	927.0	882.1	3,956.5	1,959.5	1,288.2	1,102.4	291.0	424.1	889.0	
Commercial banks	5,028.9	169.0	736.8	645.8	3,477.3	1,609.9	1,196.0	998.0	263.0	371.2	590.8	
Savings institutions	925.4	19.7	190.2	236.3	479.3	349.6	92.2	104.4	28.1	53.0	298.2	
Net income (in millions)	120,634	2,087	13,211	17,673	87,662	37,883	24,791	21,655	7,196	7,505	21,603	
Commercial banks	102,578	1,824	11,075	13,177	76,502	32,156	23,514	19,932	6,822	5,952	14,202	
Savings institutions	18,056	263	2,136	4,497	11,160	5,727	1,277	1,723	374	1,553	7,401	
Performance Ratios (%)												
Yield on earning assets	5.35	5.87	5.82	5.48	5.21	5.14	5.33	5.22	6.25	5.64	5.55	
Cost of funding earning assets	1.62	1.79	1.82	1.68	1.56	1.74	1.59	1.66	1.66	1.56	1.38	
Net interest margin	3.73	4.07	4.00	3.80	3.64	3.41	3.73	3.56	4.59	4.08	4.17	
Noninterest income to assets	2.31	1.43	1.46	1.93	2.58	2.68	2.15	1.94	2.73	1.90	2.21	
Noninterest expense to assets	3.19	3.71	3.33	3.10	3.17	3.27	3.17	2.86	3.90	3.56	3.08	
Loan and lease loss provision to assets	0.43	0.25	0.28	0.36	0.47	0.49	0.26	0.47	0.70	0.28	0.43	
Net operating income to assets	1.28	0.90	1.10	1.28	1.33	1.19	1.28	1.19	1.58	1.28	1.52	
Pretax return on assets	2.05	1.27	1.63	2.11	2.14	1.91	2.03	1.91	2.34	1.86	2.55	
Return on assets	1.38	0.95	1.18	1.42	1.42	1.27	1.38	1.31	1.63	1.37	1.62	
Return on equity	15.04	8.19	11.79	13.90	16.31	14.24	15.32	15.31	15.39	14.35	16.13	
Net charge-offs to loans and leases	0.78	0.30	0.36	0.53	0.93	1.15	0.55	0.71	1.09	0.40	0.58	
Loan and lease loss provision to net charge-offs	91.54	134.93	118.72	109.86	86.70	85.27	78.19	101.33	92.90	113.09	105.97	
Efficiency ratio	56.59	71.68	64.51	56.56	54.80	57.82	58.57	55.02	55.34	62.89	51.30	
% of unprofitable institutions	5.69	9.64	2.16	1.49	0.91	5.80	9.21	4.97	3.05	5.46	9.60	
% of institutions with earnings gains	58.75	52.82	63.76	66.88	68.18	60.95	65.77	57.48	54.95	54.04	69.39	
Condition Ratios (%)												
Earning assets to total assets	86.54	91.51	91.79	90.52	84.59	83.78	85.18	88.92	89.75	90.17	89.06	
Loss Allowance to:												
Loans and leases	1.57	1.40	1.33	1.49	1.65	1.93	1.33	1.54	2.12	1.34	1.25	
Noncurrent loans and leases	140.41	128.42	153.76	165.13	134.98	131.28	167.68	131.33	199.83	135.04	129.14	
Noncurrent assets plus												
other real estate owned to assets	0.75	0.83	0.68	0.62	0.78	0.78	0.56	0.86	0.84	0.76	0.76	
Equity capital ratio	9.15	11.49	10.06	10.35	8.66	9.05	8.78	8.49	10.59	9.61	10.04	
Core capital (leverage) ratio	7.88	11.11	9.50	9.16	7.19	7.74	7.41	7.86	9.01	8.69	8.14	
Tier 1 risk-based capital ratio	10.47	17.10	13.74	13.18	9.22	10.61	9.54	9.79	11.79	12.67	11.10	
Total risk-based capital ratio	13.00	18.21	14.96	14.87	12.16	13.29	12.11	12.66	13.51	14.08	13.46	
Net loans and leases to deposits	89.83	71.84	79.98	89.98	92.96	76.26	87.71	98.33	107.52	79.59	111.39	
Net loans to total assets	58.93	60.08	63.88	60.47	57.67	48.44	60.01	63.94	68.58	59.92	71.02	
Domestic deposits to total assets	57.43	83.62	79.78	66.43	50.59	46.19	63.78	59.84	63.78	75.02	61.63	
Structural Changes												
New Charters	119	115	3	1	0	9	36	7	13	20	34	
Institutions absorbed by mergers	275	121	122	26	6	48	42	58	44	43	40	
Failed Institutions	3	2	1	0	0	1	0	1	0	0	1	
PRIOR FULL YEARS (The way it was...)												
Number of institutions	2002	9,354	4,681	4,117	450	106	1,212	1,237	2,055	2,167	1,901	782
	2000	9,904	5,464	3,898	437	105	1,292	1,307	2,197	2,268	2,014	826
	1998	10,464	6,110	3,817	450	87	1,350	1,341	2,346	2,390	2,180	857
Total assets (in billions)	2002	\$8,436.2	\$237.9	\$1,124.8	\$1,279.0	\$5,794.5	\$2,893.0	\$1,711.1	\$1,572.1	\$440.1	\$581.5	\$1,238.3
	2000	7,462.9	262.1	1,018.5	1,199.1	4,983.2	2,580.7	1,570.8	1,255.4	461.9	561.2	1,032.9
	1998	6,531.1	288.6	972.0	1,259.8	4,010.6	2,282.7	1,141.4	1,065.4	413.2	548.8	1,079.6
Return on assets (%)	2002	1.30	1.00	1.16	1.44	1.31	1.11	1.34	1.29	1.58	1.41	1.58
	2000	1.14	0.95	1.15	1.20	1.14	1.23	1.02	1.02	1.33	1.04	1.23
	1998	1.16	1.09	1.21	1.41	1.07	1.05	1.29	1.20	1.45	1.18	1.08
Net charge-offs to loans & leases (%)	2002	0.97	0.32	0.41	0.69	1.18	1.45	0.71	0.77	1.19	0.44	0.81
	2000	0.59	0.37	0.27	0.59	0.67	0.67	0.61	0.39	0.76	0.37	0.67
	1998	0.59	0.28	0.36	0.83	0.59	0.79	0.44	0.39	0.68	0.43	0.64
Noncurrent assets plus												
OREO to assets (%)	2002	0.90	0.85	0.74	0.69	0.98	1.01	0.78	1.00	0.82	0.81	0.74
	2000	0.71	0.66	0.59	0.67	0.75	0.71	0.82	0.74	0.62	0.66	0.62
	1998	0.66	0.72	0.64	0.75	0.64	0.78	0.54	0.58	0.57	0.63	0.67
Equity capital ratio (%)	2002	9.20	11.29	10.06	10.06	8.76	8.85	9.37	8.58	10.33	9.60	9.98
	2000	8.49	11.33	9.82	8.94	7.96	8.31	8.61	7.98	9.48	8.78	8.75
	1998	8.52	11.13	9.84	9.36	7.76	8.13	9.17	8.42	8.80	8.73	8.58

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

FDIC Quarterly Banking Profile

TABLE IV-A. Fourth Quarter 2003, All FDIC-Insured Institutions

FOURTH QUARTER (The way it is...)	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	
Number of institutions reporting	9,182	36	6	1,765	4,250	1,033	158	530	1,313	91	
Commercial banks	7,769	34	6	1,761	3,873	253	119	456	1,194	73	
Savings institutions	1,413	2	0	4	377	780	39	74	119	18	
Total assets (in billions)	\$9,076.8	\$348.4	\$1,447.9	\$129.0	\$2,922.9	\$1,658.3	\$146.7	\$60.9	\$172.5	\$2,190.1	
Commercial banks	7,602.5	339.4	1,447.9	128.7	2,671.6	580.0	97.6	47.5	148.4	2,141.3	
Savings institutions	1,474.3	9.0	0.0	0.3	251.3	1,078.2	49.1	13.5	24.1	48.8	
Total deposits (in billions)	5,954.3	120.1	848.5	106.9	2,127.2	1,026.3	70.7	45.2	142.4	1,467.1	
Commercial banks	5,028.9	115.3	848.5	106.6	1,958.2	365.2	40.0	35.0	122.9	1,437.3	
Savings institutions	925.4	4.8	0.0	0.3	168.9	661.1	30.8	10.2	19.5	29.9	
Net income (in millions)	31,128	3,826	4,390	338	8,855	5,365	389	497	403	7,065	
Commercial banks	26,595	3,499	4,390	337	8,096	2,282	220	430	364	6,977	
Savings institutions	4,533	327	0	1	759	3,084	169	67	39	88	
Performance Ratios (annualized, %)											
Yield on earning assets	5.24	11.01	4.58	5.75	5.35	4.86	6.62	4.36	5.51	4.76	
Cost of funding earning assets	1.49	2.22	1.53	1.70	1.41	1.65	1.79	1.34	1.65	1.28	
Net interest margin	3.75	8.78	3.06	4.05	3.93	3.21	4.83	3.03	3.85	3.48	
Noninterest income to assets	2.39	13.28	2.95	0.70	1.50	1.73	2.39	9.14	0.95	2.06	
Noninterest expense to assets	3.25	9.27	3.29	2.93	2.97	2.62	3.43	9.45	3.09	2.99	
Loan and lease loss provision to assets	0.39	4.32	0.34	0.22	0.33	0.02	1.73	0.07	0.27	0.14	
Net operating income to assets	1.34	4.50	1.23	1.05	1.20	1.25	1.03	1.46	0.89	1.26	
Pretax return on assets	2.03	7.36	1.68	1.27	1.77	1.99	1.69	4.14	1.19	1.91	
Return on assets	1.38	4.65	1.22	1.06	1.22	1.28	1.07	3.28	0.94	1.31	
Return on equity	15.16	28.18	16.66	9.86	13.26	14.29	14.31	20.11	8.96	14.73	
Net charge-offs to loans and leases	0.79	5.31	1.36	0.43	0.48	0.13	2.76	0.52	0.45	0.56	
Loan and lease loss provision to net charge-offs	82.95	107.31	63.54	83.82	102.87	21.39	76.32	46.76	105.17	44.47	
Efficiency ratio	56.62	42.65	60.80	66.19	57.73	56.28	49.90	79.16	68.56	58.99	
% of unprofitable institutions	10.03	8.33	0.00	10.42	9.27	9.20	12.03	18.30	9.14	9.89	
% of institutions with earnings gains	52.66	63.89	83.33	54.33	55.44	43.37	37.97	48.30	52.02	49.45	
Structural Changes											
New Charters	38	0	1	0	9	1	0	27	0	0	
Institutions absorbed by mergers	88	1	9	0	47	16	0	0	3	12	
Failed Institutions	1	0	0	0	0	1	0	0	0	0	
PRIOR FOURTH QUARTERS (The way it was...)											
Return on assets (%)	2002	1.22	3.78	0.43	1.02	1.28	1.39	1.41	-0.80	1.02	1.22
.....	2000	1.09	3.21	0.93	0.96	1.09	0.86	1.01	1.22	0.99	0.85
.....	1998	1.05	3.34	0.41	0.95	1.27	0.79	1.11	1.32	0.99	1.09
Net charge-offs to loans & leases (%)	2002	0.98	5.36	1.73	0.45	0.66	0.29	1.15	2.33	0.51	0.90
.....	2000	0.81	3.93	0.68	0.39	0.78	0.13	0.92	0.50	0.37	0.69
.....	1998	0.64	4.33	0.52	0.43	0.47	0.19	0.76	0.83	0.45	0.60

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

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

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

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

Commercial Lenders - Institutions whose commercial and industrial loans, plus real estate construction and development loans, plus loans

secured by commercial real estate properties exceed 25 percent of total assets.

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

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

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

All Other < \$1 billion - Institutions with assets less than \$1 billion that do not meet any of the definitions above, they have significant lending

activity with no identified asset concentrations.

All Other > \$1 billion - Institutions with assets greater than \$1 billion that do not meet any of the definitions above, they have significant lending

activity with no identified asset concentrations.

TABLE IV-A. Fourth Quarter 2003, All FDIC-Insured Institutions

FOURTH 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	9,182	4,390	4,211	471	110	1,173	1,227	2,011	2,133	1,867	771
Commercial banks	7,769	3,911	3,434	341	83	612	1,071	1,650	2,020	1,732	684
Savings institutions	1,413	479	777	130	27	561	156	361	113	135	87
Total assets (in billions)	\$9,076.8	\$225.6	\$1,160.6	\$1,312.6	\$6,377.9	\$3,084.8	\$1,882.7	\$1,695.3	\$456.3	\$563.4	\$1,394.3
Commercial banks	7,602.5	200.7	910.0	947.3	5,544.5	2,557.4	1,751.9	1,551.7	411.5	471.5	858.5
Savings institutions	1,474.3	24.9	250.6	365.3	833.4	527.5	130.8	143.6	44.8	91.8	535.8
Total deposits (in billions)	5,954.3	188.7	927.0	882.1	3,956.5	1,959.5	1,288.2	1,102.4	291.0	424.1	889.0
Commercial banks	5,028.9	169.0	736.8	645.8	3,477.3	1,609.9	1,196.0	998.0	263.0	371.2	590.8
Savings institutions	925.4	19.7	190.2	236.3	479.3	349.6	92.2	104.4	28.1	53.0	298.2
Net income (in millions)	31,128	472	3,361	4,588	22,707	10,265	6,237	5,538	1,843	1,760	5,485
Commercial banks	26,595	410	2,851	3,364	19,970	8,855	5,953	4,931	1,755	1,390	3,711
Savings institutions	4,533	62	509	1,224	2,737	1,410	284	607	88	370	1,774
Performance Ratios (annualized, %)											
Yield on earning assets	5.24	5.75	5.65	5.35	5.11	5.06	5.27	5.05	6.21	5.47	5.38
Cost of funding earning assets	1.49	1.62	1.65	1.54	1.44	1.61	1.48	1.53	1.53	1.41	1.23
Net interest margin	3.75	4.13	4.00	3.81	3.67	3.45	3.79	3.51	4.68	4.07	4.16
Noninterest income to assets	2.39	1.45	1.41	2.04	2.67	2.80	2.04	1.99	2.96	1.63	2.53
Noninterest expense to assets	3.25	3.88	3.38	3.16	3.21	3.33	3.19	2.89	4.10	3.34	3.26
Loan and lease loss provision to assets	0.39	0.27	0.28	0.38	0.42	0.43	0.21	0.48	0.74	0.28	0.38
Net operating income to assets	1.34	0.81	1.04	1.30	1.42	1.32	1.27	1.18	1.62	1.22	1.64
Pretax return on assets	2.03	1.12	1.57	2.13	2.13	1.96	1.97	1.90	2.36	1.72	2.47
Return on assets	1.38	0.84	1.17	1.42	1.44	1.34	1.34	1.32	1.64	1.26	1.58
Return on equity	15.16	7.32	11.65	13.81	16.60	14.92	15.26	15.45	15.38	13.15	15.93
Net charge-offs to loans and leases	0.79	0.43	0.47	0.59	0.91	1.06	0.49	0.88	1.42	0.48	0.54
Loan and lease loss provision to net charge-offs ..	82.95	105.31	91.21	105.67	78.55	82.22	70.33	83.41	74.49	97.65	100.13
Efficiency ratio	56.62	73.82	66.03	56.40	54.59	57.25	59.61	55.27	55.57	62.40	51.70
% of unprofitable institutions	10.03	16.10	4.46	5.10	1.82	8.61	11.90	8.80	9.89	10.50	11.67
% of institutions with earnings gains	52.66	50.39	54.55	55.84	57.27	53.28	59.01	45.25	52.18	54.26	58.37
Structural Changes											
New Charters	38	38	0	0	0	2	10	2	4	8	12
Institutions absorbed by mergers	88	34	34	17	3	17	16	19	9	14	13
Failed Institutions	1	1	0	0	0	1	0	0	0	0	0
PRIOR FOURTH QUARTERS (The way it was...)											
Return on assets (%)	2002	1.22	0.84	0.99	1.47	1.22	0.95	1.27	1.17	1.57	1.36
.....	2000	1.09	0.74	1.05	1.02	1.14	1.22	1.03	0.93	1.26	0.89
.....	1998	1.05	0.81	1.13	1.27	0.98	1.00	1.34	1.03	1.42	1.04
Net charge-offs to loans & leases (%)	2002	0.98	0.47	0.54	0.66	1.17	1.36	0.81	0.79	1.21	0.56
.....	2000	0.81	0.41	0.37	0.75	0.94	0.79	1.16	0.53	0.85	0.53
.....	1998	0.64	0.43	0.45	0.88	0.62	0.81	0.49	0.51	0.75	0.58

*Regions:

New York - Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico
Rhode Island, Vermont, U.S. Virgin Islands

Atlanta - Alabama, Florida, Georgia, North Carolina, South Carolina, Virginia, West Virginia

Chicago - Illinois, Indiana, Kentucky, Michigan, Ohio, Wisconsin

Kansas City - Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota

Dallas - Arkansas, Colorado, Louisiana, Mississippi, New Mexico, Oklahoma, Tennessee, Texas

San Francisco - Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Pacific Islands, Utah, Washington, Wyoming

FDIC Quarterly Banking Profile

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

December 31, 2003	All Insured Institutions	Asset Concentration Groups*								
		Credit Card Banks	International Banks	Agricultural Banks	Commercial Lenders	Mortgage Lenders	Consumer Lenders	Other Specialized <\$1 Billion	All Other <\$1 Billion	All Other >\$1 Billion
Percent of Loans 30-89 Days Past Due										
All loans secured by real estate	0.89	0.72	1.55	1.15	0.77	0.99	0.86	1.43	1.51	0.77
Construction and development	0.71	0.00	4.61	1.17	0.72	0.68	0.70	1.66	1.18	0.41
Commercial real estate	0.56	0.28	1.51	1.01	0.56	0.46	0.66	0.88	1.14	0.42
Multifamily residential real estate	0.31	0.00	1.00	0.57	0.35	0.19	3.42	0.84	0.99	0.20
Home equity loans	0.39	0.60	0.39	0.69	0.41	0.24	0.04	0.35	0.59	0.59
Other 1-4 family residential	1.21	1.80	1.65	1.83	1.25	1.22	1.25	1.83	1.83	0.96
Commercial and industrial loans	0.74	1.63	0.81	1.55	0.88	0.54	1.93	1.69	1.47	0.36
Loans to individuals	2.07	2.60	2.41	2.32	1.66	1.18	1.99	2.58	2.45	1.57
Credit card loans	2.56	2.66	2.58	2.51	2.40	1.44	1.97	5.30	2.67	2.09
Other loans to individuals	1.74	1.84	2.30	2.31	1.59	1.15	2.00	2.32	2.44	1.47
All other loans and leases (including farm)	0.49	0.03	0.69	0.74	0.74	0.62	0.51	0.78	0.66	0.19
Total loans and leases	1.01	2.44	1.39	1.20	0.87	0.97	1.47	1.58	1.59	0.67
Percent of Loans Noncurrent**										
All real estate loans	0.83	0.40	1.30	1.03	0.75	0.97	1.20	0.85	1.02	0.63
Construction and development	0.73	0.01	2.22	1.15	0.63	0.91	1.29	1.17	1.76	0.86
Commercial real estate	0.89	0.56	1.92	1.22	0.83	0.91	1.28	0.85	1.35	0.96
Multifamily residential real estate	0.29	0.00	0.63	1.00	0.33	0.19	0.29	0.54	0.95	0.22
Home equity loans	0.21	0.21	0.12	0.19	0.22	0.13	0.16	0.21	0.24	0.32
Other 1-4 family residential	0.96	1.76	1.06	0.96	0.92	1.15	1.66	0.88	0.87	0.52
Commercial and industrial loans	2.05	1.28	4.23	1.87	1.40	1.30	2.06	1.61	1.64	2.18
Loans to individuals	1.46	2.18	2.59	0.87	0.63	0.29	0.76	1.12	0.89	0.73
Credit card loans	2.18	2.24	2.43	1.89	1.50	1.03	1.67	4.93	2.16	1.88
Other loans to individuals	0.97	1.34	2.69	0.84	0.54	0.23	0.57	0.75	0.81	0.52
All other loans and leases (including farm)	0.66	0.00	0.61	1.06	0.81	0.79	2.07	0.78	0.86	0.56
Total loans and leases	1.12	2.03	2.23	1.15	0.88	0.95	1.07	0.97	1.06	0.95
Percent of Loans Charged-off (net, YTD)										
All real estate loans	0.13	0.17	0.13	0.09	0.13	0.06	0.99	0.08	0.10	0.19
Construction and development	0.13	-0.21	0.41	0.20	0.11	0.14	-0.04	0.13	0.28	0.19
Commercial real estate	0.12	0.00	0.04	0.16	0.14	0.08	0.07	0.04	0.13	0.09
Multifamily residential real estate	0.02	0.08	0.15	0.17	0.02	0.01	0.65	0.04	0.04	0.00
Home equity loans	0.18	0.18	0.04	0.09	0.15	0.06	0.74	-0.01	0.05	0.27
Other 1-4 family residential	0.13	0.23	0.04	0.09	0.15	0.05	1.40	0.10	0.08	0.20
Commercial and industrial loans	1.25	5.62	1.66	0.74	0.99	0.77	3.34	0.72	0.90	1.34
Loans to individuals	2.96	5.70	3.07	0.73	1.40	1.38	2.91	6.37	1.19	1.50
Credit card loans	5.61	5.78	4.92	4.00	4.85	2.78	8.24	24.84	5.81	4.94
Other loans to individuals	1.43	4.73	2.13	0.63	1.07	1.26	1.71	0.80	0.90	0.92
All other loans and leases (including farm)	0.40	0.00	0.38	0.00	0.58	0.41	1.25	0.44	0.74	0.34
Total loans and leases	0.80	5.20	1.40	0.30	0.50	0.20	2.10	1.20	0.40	0.60
Loans Outstanding (in billions)										
All real estate loans	\$3,143.1	\$13.2	\$115.9	\$41.0	\$1,263.2	\$986.8	\$52.4	\$11.1	\$66.3	\$593.1
Construction and development	272.2	0.2	1.8	2.0	193.1	30.1	1.9	0.9	3.6	38.7
Commercial real estate	681.7	0.3	8.1	9.8	456.5	71.2	7.0	3.1	15.5	110.1
Multifamily residential real estate	151.9	0.0	1.3	0.7	86.0	47.3	0.6	0.4	1.3	14.2
Home equity loans	346.1	11.1	12.3	0.7	126.0	104.1	13.7	0.5	2.8	75.0
Other 1-4 family residential	1,610.7	1.5	65.8	13.2	379.1	732.5	28.8	5.9	39.2	344.7
Commercial and industrial loans	922.3	9.6	143.7	11.3	420.2	70.1	8.9	1.9	10.3	246.4
Loans to individuals	848.3	241.1	165.5	6.5	169.2	61.4	57.8	2.3	13.6	130.9
Credit card loans	339.4	224.7	62.9	0.2	15.4	5.3	10.2	0.2	0.8	19.7
Other loans to individuals	508.9	16.4	102.6	6.3	153.8	56.2	47.5	2.1	12.8	111.1
All other loans and leases (including farm)	523.7	3.4	147.9	19.9	107.5	16.5	2.4	1.0	6.1	219.0
Total loans and leases	5,437.4	267.3	573.0	78.7	1,960.1	1,134.9	121.4	16.3	96.3	1,189.3
Memo: Other Real Estate Owned (in millions)										
All other real estate owned	5,336.8	7.3	288.6	134.3	2,614.9	1,266.7	157.7	38.2	196.0	633.2
Construction and development	685.0	0.0	0.0	8.1	499.5	107.7	2.2	1.4	19.5	46.7
Commercial real estate	1,822.4	0.2	72.4	53.4	1,140.3	196.8	7.2	18.7	74.8	258.6
Multifamily residential real estate	119.1	0.0	4.0	4.0	89.8	3.4	0.2	1.3	4.8	11.7
1-4 family residential	2,490.5	7.1	125.2	39.7	834.9	954.4	147.7	14.9	88.7	277.9
Farmland	109.1	0.0	0.0	29.1	53.8	6.8	0.7	1.9	8.3	8.5

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

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

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

December 31, 2003	All Insured Institutions	Asset Size Distribution				Geographic Regions*					
		Less than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	Greater than \$10 Billion	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate	0.89	1.36	0.91	0.68	0.93	0.85	0.77	1.11	0.77	1.09	0.84
Construction and development	0.71	0.90	0.76	0.67	0.69	0.84	0.45	0.90	0.59	0.84	0.76
Commercial real estate	0.56	0.96	0.61	0.55	0.49	0.55	0.49	0.73	0.58	0.74	0.32
Multifamily residential real estate	0.31	0.69	0.50	0.20	0.30	0.13	0.34	0.80	0.41	0.55	0.14
Home equity loans	0.39	0.57	0.37	0.37	0.39	0.38	0.40	0.46	0.52	0.46	0.27
Other 1-4 family residential	1.21	1.97	1.37	0.90	1.22	1.03	1.08	1.65	1.02	1.59	1.17
Commercial and industrial loans	0.74	1.54	1.10	1.00	0.61	0.69	0.53	0.83	1.06	1.08	0.74
Loans to individuals	2.07	2.69	2.24	2.31	2.01	2.17	1.95	1.86	2.58	1.74	1.96
Credit card loans	2.56	2.18	4.85	3.58	2.39	2.45	3.29	3.11	2.98	1.01	2.23
Other loans to individuals	1.74	2.71	1.86	1.63	1.71	1.92	1.64	1.57	1.66	1.89	1.60
All other loans and leases (including farm)	0.49	0.71	0.70	0.43	0.47	0.63	0.19	0.44	0.46	0.74	0.67
Total loans and leases	1.01	1.46	1.03	0.92	1.01	1.08	0.81	1.05	1.20	1.15	0.98
Percent of Loans Noncurrent**											
All real estate loans	0.83	0.97	0.78	0.74	0.87	0.76	0.55	1.20	0.65	0.97	0.87
Construction and development	0.73	0.86	0.84	0.74	0.66	0.73	0.55	0.99	0.75	0.68	0.74
Commercial real estate	0.89	1.06	0.83	0.90	0.91	0.79	0.72	1.26	0.76	1.05	0.71
Multifamily residential real estate	0.29	0.55	0.42	0.39	0.20	0.17	0.20	0.65	0.53	0.90	0.11
Home equity loans	0.21	0.22	0.18	0.21	0.21	0.17	0.16	0.31	0.29	0.20	0.15
Other 1-4 family residential	0.96	1.00	0.80	0.77	1.03	0.77	0.57	1.57	0.57	1.01	1.12
Commercial and industrial loans	2.05	1.71	1.28	1.46	2.29	3.10	1.66	1.82	1.20	1.26	1.35
Loans to individuals	1.46	1.02	0.85	1.16	1.56	2.04	0.88	0.75	2.02	0.62	1.21
Credit card loans	2.18	1.48	2.60	2.39	2.15	2.33	2.17	1.97	2.59	0.75	1.82
Other loans to individuals	0.97	1.01	0.60	0.51	1.10	1.78	0.58	0.48	0.71	0.59	0.44
All other loans and leases (including farm)	0.66	1.00	1.02	0.73	0.62	0.71	0.66	0.46	0.74	1.33	0.90
Total loans and leases	1.12	1.09	0.86	0.90	1.22	1.47	0.79	1.17	1.06	0.99	0.97
Percent of Loans Charged-off (net, YTD)											
All real estate loans	0.13	0.08	0.08	0.10	0.16	0.07	0.10	0.34	0.08	0.14	0.05
Construction and development	0.13	0.12	0.11	0.16	0.13	0.06	0.10	0.23	0.11	0.15	0.08
Commercial real estate	0.12	0.10	0.10	0.15	0.12	0.07	0.09	0.23	0.09	0.11	0.11
Multifamily residential real estate	0.02	0.08	0.04	0.01	0.01	0.01	0.02	0.03	0.03	0.11	0.00
Home equity loans	0.18	0.05	0.05	0.12	0.20	0.05	0.13	0.37	0.16	0.21	0.07
Other 1-4 family residential	0.13	0.08	0.07	0.07	0.16	0.04	0.09	0.47	0.06	0.15	0.04
Commercial and industrial loans	1.25	0.79	0.75	0.94	1.38	1.54	1.10	1.22	0.77	0.82	1.18
Loans to individuals	2.96	0.94	2.11	2.51	3.16	3.60	2.18	1.85	4.22	1.19	3.23
Credit card loans	5.61	3.81	10.47	5.70	5.45	5.75	7.30	5.17	6.22	2.45	4.70
Other loans to individuals	1.43	0.85	0.86	1.05	1.60	1.90	1.06	1.21	0.62	0.95	1.70
All other loans and leases (including farm)	0.40	0.33	0.43	0.45	0.40	0.44	0.28	0.48	0.30	0.55	0.30
Total loans and leases	0.80	0.30	0.40	0.50	0.90	1.20	0.50	0.70	1.10	0.40	0.60
Loans Outstanding (in billions)											
All real estate loans	\$3,143.1	\$89.2	\$557.4	\$554.0	\$1,942.4	\$712.7	\$710.1	\$609.0	\$162.1	\$227.8	\$721.4
Construction and development	272.2	8.8	70.6	64.4	128.4	32.5	81.3	62.1	16.4	37.2	42.7
Commercial real estate	681.7	25.1	197.0	165.4	294.2	137.0	162.9	150.8	45.5	71.5	114.1
Multifamily residential real estate	151.9	2.2	25.3	37.5	86.9	38.8	19.0	28.4	5.4	6.3	54.0
Home equity loans	346.1	3.0	32.0	40.0	271.1	73.6	84.4	92.1	9.3	13.8	72.8
Other 1-4 family residential	1,610.7	40.2	213.8	240.4	1,116.4	397.5	354.6	265.2	72.6	87.7	433.1
Commercial and industrial loans	922.3	20.6	105.0	118.0	678.7	285.6	200.5	216.0	46.2	58.9	115.0
Loans to individuals	848.3	14.0	59.7	98.8	675.8	333.3	134.4	126.1	74.8	41.1	138.5
Credit card loans	339.4	0.4	7.4	34.3	297.3	153.8	25.5	23.4	52.0	7.2	77.5
Other loans to individuals	508.9	13.7	52.2	64.5	378.5	179.5	109.0	102.7	22.8	34.0	61.0
All other loans and leases (including farm)	523.7	13.8	29.9	35.4	444.7	193.8	100.4	149.9	36.6	14.6	28.3
Total loans and leases	5,437.4	137.6	752.0	806.2	3,741.6	1,525.4	1,145.5	1,101.1	319.8	342.4	1,003.3
Memo: Other Real Estate Owned (in millions)											
All other real estate owned	5,336.8	352.9	1,420.2	894.1	2,669.5	695.9	1,082.0	1,425.3	426.8	885.1	821.7
Construction and development	685.0	49.6	253.2	200.6	181.6	29.1	137.5	193.6	89.5	177.1	58.3
Commercial real estate	1,822.4	135.9	620.8	371.6	694.1	197.9	440.6	360.6	164.6	356.9	301.9
Multifamily residential real estate	119.1	10.8	43.0	36.7	28.5	7.5	14.0	35.5	6.9	46.6	8.6
1-4 family residential	2,490.5	136.1	443.4	282.0	1,629.0	343.3	476.3	823.1	145.5	275.7	426.7
Farmland	109.1	20.7	61.2	6.4	20.7	2.5	15.3	13.3	21.8	29.8	26.4

* 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

- **BIF Reserve Ratio Ends Year at 1.32 Percent, Unchanged from Previous Quarter**
- **BIF Unrealized Gains on Securities \$576 Million Lower Than Previous Year**
- **Rapid Deposit Growth Causes SAIF Reserve Ratio to Decline 3 Basis Points**
- **Three BIF-Member Institutions Fail During Year**

Insured deposits rose by 1.0 percent during the fourth quarter, bringing the growth rate for the full year to 2.0 percent. Full year growth was lower than the previous year's 5.4 percent rise, and was the smallest increase since 1999 when insured deposits increased by 0.7 percent. Insured deposits at the 9,182 banks and thrifts institutions rose by \$67 billion during 2003.

Deposits insured by the Bank Insurance Fund (BIF) grew by 0.5 percent during the fourth quarter and by 1.2 percent for the full year, exceeding \$2.5 trillion at year-end. On December 31, 2003, the balance of the BIF was \$33.8 billion (unaudited), \$320 million higher than three months earlier. This was the smallest quarterly increase to the fund since the third quarter of 2002, when it rose by \$196 million. More than three fourths of the increase (\$246 million) came from reducing reserves previously set aside for future estimated failure costs. Between year end 2002 and year end 2003, the BIF balance increased by \$1.7 billion, the largest full year increase in eight years. More than half of the fund's annual increase (\$928 million) came from reducing reserves previously set aside for future estimated failure costs. Interest rate volatility during 2003 caused the BIF to record a small unrealized loss on available for sale securities which reduced the fund by \$10 million. This was a big change from the previous year when unrealized gains on securities boosted the BIF by \$566 million. From September 30 to December 31 2003, unrealized losses on securities decreased the fund by \$106 million, during the preceding nine months unrealized gains on securities increased the BIF by \$96 million.

The reserve ratio for the Bank Insurance Fund ended 2003 at 1.32 percent, unchanged from the previous quarter, and five basis points higher than twelve months earlier. As of year-end 2003, the BIF reserve ratio would change roughly one basis point for every \$255 million

change in the BIF fund balance or every \$19.2 billion movement in the amount of deposits insured by the BIF.

SAIF insured deposits increased by 2.8 percent (\$24.4 billion) during the fourth quarter, ending 2003 at \$896 billion. This was the strongest quarterly growth since the fourth quarter of 2002 when SAIF-insured deposits increased by 3.1 percent. For SAIF-member institutions, insured deposits grew at 543 institutions, decreased at 617 institutions and remained unchanged at 22 institutions. SAIF insured deposits of BIF-member institutions (Oakars) increased by \$9.7 billion (2.4 percent) during the quarter, while SAIF insured deposits of SAIF-member institutions increased by \$14.7 billion (3.1 percent).

On December 31, 2003, the Savings Association Insurance Fund (SAIF) was \$12.2 billion, \$54 million higher than three months earlier. This was the smallest quarterly increase in the SAIF since the third quarter of 2001 when the fund increased by \$23 million. SAIF growth was limited by a \$37 million unrealized loss on securities and a \$10 million provision for future estimated insurance losses. Rapid insured deposit growth outstripped the growth in the fund, causing the SAIF reserve ratio to decline three basis points during the fourth quarter of 2003 to 1.37 percent.

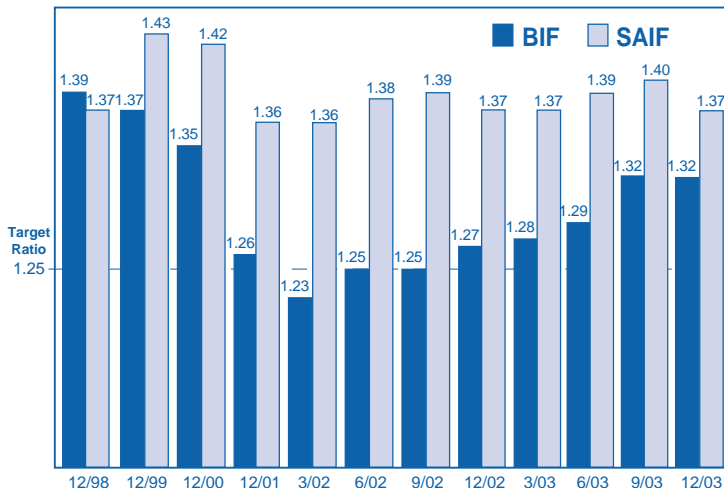
Only one FDIC-insured institution failed during the fourth quarter of 2003; a small BIF-member savings bank. At the time of failure, this institution had \$9 million in assets and an estimated failure cost of \$1 million. For all of 2003, three FDIC-insured institutions failed; all were BIF members with assets of \$1.1 billion and an estimated failure cost of \$103 million. Three failures is the smallest number since 1998 when three BIF-member institutions with \$371 million in assets failed at an estimated cost of \$230 million.

Changes in Insurance Fund Balances																
<i>(dollar figures in millions)</i>																
	Bank Insurance Fund								Savings Association Insurance Fund							
	4th Qtr. 2003	3rd Qtr. 2003	2nd Qtr. 2003	1st Qtr. 2003	4th Qtr. 2002	3rd Qtr. 2002	2nd Qtr. 2002	1st Qtr. 2002	4th Qtr. 2003	3rd Qtr. 2003	2nd Qtr. 2003	1st Qtr. 2003	4th Qtr. 2002	3rd Qtr. 2002	2nd Qtr. 2002	
Beginning Fund Balance	\$33,462	\$32,800	\$32,382	\$32,050	\$31,383	\$31,187	\$30,697		\$12,186	\$12,083	\$11,906	\$11,747	\$11,586	\$11,323	\$11,049	
Unrealized Gain (Loss) on																
Available-For-Sale Securities	-106	-45	38	103	-72	433	183		-37	-16	13	33	-26	147	61	
Provision for Insurance Losses	-246	-543	-133	-6	-497	447	-19		10	-26	-45	-21	-70	-4	-79	
All Other Income, Net of Expenses	180	164	247	223	242	210	288		101	93	119	105	117	112	134	
Total Fund Balance Change	320	662	418	332	667	196	490		54	103	177	159	161	263	274	
Ending Fund Balance	\$33,782	\$33,462	\$32,800	\$32,382	\$32,050	\$31,383	\$31,187		\$12,240	\$12,186	\$12,083	\$11,906	\$11,747	\$11,586	\$11,323	

TABLE I-B. Selected Insurance Fund Indicators*

(dollar figures in millions)	Preliminary 4th Quarter 2003	3rd Quarter 2003	4th Quarter 2002	%Change 02:4-03:4
Bank Insurance Fund				
Reserve ratio (%).....	1.32	1.32	1.27	4.2
Fund Balance	33,782	33,462	32,050	5.4
Estimated insured deposits	2,554,624	2,542,822	2,524,474	1.2
SAIF-member Oakars.....	100,209	101,784	92,591	8.2
BIF-members	2,454,416	2,441,038	2,431,883	0.9
Assessment base	4,139,287	4,085,878	3,867,049	7.0
SAIF-member Oakars.....	103,802	105,508	94,976	9.3
BIF-members	4,035,485	3,980,371	3,772,073	7.0
Savings Association Insurance Fund				
Reserve ratio (%)	1.37	1.40	1.37	-0.1
Fund Balance	12,240	12,186	11,747	4.2
Estimated insured deposits	896,493	872,121	859,205	4.3
BIF-member Oakars	405,665	395,970	373,406	8.6
SAIF-member Sassadors	95,017	94,607	92,106	3.2
Other SAIF members	395,811	381,545	393,693	0.5
Assessment base	1,042,729	1,059,287	989,267	5.4
BIF-member Oakars	408,372	400,062	377,329	8.2
SAIF-member Sassadors	119,680	119,147	113,210	5.7
Other SAIF members	514,678	540,077	498,727	3.2

Insurance Fund Reserve Ratios*
Percent of Insured Deposits



Fund Balances and Insured Deposits*
(\$Millions)

	BIF Balance	BIF-Insured Deposits	SAIF Balance	SAIF-Insured Deposits
12/98	29,612	2,134,425	9,840	716,029
12/99	29,414	2,151,454	10,281	717,591
12/00	30,975	2,299,932	10,759	755,156
12/01	30,439	2,409,566	10,935	801,171
3/02	30,697	2,495,498	11,049	810,902
6/02	31,187	2,490,954	11,323	818,806
9/02	31,383	2,513,160	11,586	833,029
12/02	32,050	2,524,474	11,747	859,205
3/03	32,282	2,531,307	11,906	867,908
6/03	32,800	2,547,109	12,083	871,477
9/03	33,462	2,542,822	12,186	872,121
12/03	33,782	2,554,624	12,240	896,493

* A reserve ratio is the fund balance as a percentage of estimated insured deposits. As with other Call Report items, prior periods may reflect adjustments. As a result, prior period reserve ratios may differ from previously reported values. Only year end fund balances are audited by GAO. Fund balances for the most recent period are unaudited. BIF-insured deposit totals include U.S. branches of foreign banks.

TABLE II-B. Closed/Assisted Institutions

(dollar figures in millions)	2003	2002	2001	2000	1999	1998	1997
BIF Members							
Number of institutions	3	10	3	6	7	3	1
Total assets	\$1,097	\$2,508	\$54	\$378	\$1,490	\$371	\$27
SAIF Members							
Number of institutions	0	1	1	1	1	0	0
Total assets	\$0	\$50	\$2,200	\$30	\$71	\$0	\$0

FDIC Quarterly Banking Profile

TABLE III-B. Selected Indicators, By Fund Membership*

(dollar figures in millions)	2003	2002	2001	2000	1999	1998	1997
BIF Members							
Number of institutions reporting	7,996	8,125	8,327	8,572	8,835	9,032	9,406
BIF-member Oakars	764	801	766	743	744	745	778
Other BIF-members	7,232	7,324	7,561	7,829	8,091	8,287	8,628
Total assets	\$7,899,294	\$7,336,225	\$6,857,472	\$6,510,744	\$5,980,127	\$5,702,872	\$5,292,758
Total deposits	5,210,272	4,854,891	4,567,604	4,337,661	3,987,336	3,843,779	3,614,414
Net income	106,315	92,644	76,500	73,430	73,952	64,451	61,506
Return on assets (%)	1.40	1.32	1.14	1.18	1.29	1.18	1.22
Return on equity (%)	15.21	14.34	12.91	13.86	15.11	13.82	14.43
Noncurrent assets plus OREO to assets (%)	0.76	0.91	0.89	0.72	0.62	0.64	0.67
Number of problem institutions	102	116	90	74	66	68	73
Assets of problem institutions	\$29	\$32,176	\$31,881	\$10,787	\$4,450	\$5,326	\$4,598
Number of failed/assisted institutions	3	10	3	6	7	3	1
Assets of failed/assisted institutions	\$1,097	\$2,508	\$54	\$378	\$1,490	\$371	\$27
SAIF Members							
Number of institutions reporting	1,186	1,229	1,287	1,332	1,387	1,432	1,517
SAIF-member Oakars	143	133	130	122	123	116	112
Other SAIF-members	1,043	1,096	1,157	1,210	1,264	1,316	1,405
Total assets	\$1,177,483	\$1,099,965	\$1,011,736	\$952,154	\$903,532	\$828,177	\$751,960
Total deposits	744,016	713,599	621,824	577,100	550,703	542,481	511,386
Net income	14,319	12,462	10,623	8,071	8,450	7,568	6,443
Return on assets (%)	1.25	1.17	1.11	0.89	0.99	0.98	0.94
Return on equity (%)	13.86	12.79	13.46	11.12	11.97	11.29	11.11
Noncurrent assets plus OREO to assets (%)	0.69	0.79	0.75	0.65	0.64	0.80	0.99
Number of problem institutions	14	20	24	20	13	16	19
Assets of problem institutions	\$1	\$6,751	\$7,923	\$13,053	\$5,524	\$5,992	\$1,662
Number of failed/assisted institutions	0	1	1	1	1	0	0
Assets of failed/assisted institutions	\$0	\$50	\$2,200	\$30	\$71	\$0	\$0

* Excludes insured branches of foreign banks (IBAs).

TABLE IV-B. Estimated FDIC-Insured Deposits by Fund Membership and Type of Institution

(dollar figures in millions) December 31, 2003	Number of Institutions	Total Assets	Domestic Deposits*	Estimated Insured Deposits		
				BIF	SAIF	Total
Commercial Banks and Savings Institutions						
FDIC-Insured Commercial Banks	7,769	7,602,489	4,287,695	2,296,170	418,350	2,714,520
BIF-member	7,657	7,425,742	4,172,956	2,261,718	362,403	2,624,121
SAIF-member	112	176,747	114,739	34,452	55,947	90,400
FDIC-Supervised	4,833	1,397,161	1,035,203	642,905	89,760	732,665
OCC-Supervised	2,001	4,292,331	2,322,051	1,226,761	238,123	1,464,884
Federal Reserve-Supervised	935	1,912,997	930,440	426,504	90,467	516,971
FDIC-Insured Savings Institutions	1,413	1,474,288	925,423	257,491	478,143	735,635
OTS-Supervised Savings Institutions	928	1,102,420	662,974	117,955	408,015	525,969
BIF-member	40	169,199	82,852	55,779	12,204	67,983
SAIF-member	888	933,221	580,122	62,176	395,811	457,987
FDIC-Supervised State Savings Banks	485	371,868	262,449	139,537	70,129	209,665
BIF-member	299	304,353	213,756	135,956	31,059	167,015
SAIF-member	186	67,515	48,693	3,581	39,070	42,651
Total Commercial Banks and Savings Institutions	9,182	9,076,777	5,213,117	2,553,662	896,493	3,450,155
BIF-member	7,996	7,899,294	4,469,564	2,453,453	405,665	2,859,118
SAIF-member	1,186	1,177,483	743,554	100,209	490,829	591,037
Other FDIC-Insured Institutions						
U.S. Branches of Foreign Banks	14	10,129	4,855	963	0	963
Total FDIC-Insured Institutions	9,196	9,086,906	5,217,972	2,554,624	896,493	3,451,117

* Excludes \$741 billion in foreign office deposits, which are uninsured.

TABLE V-B. Assessment Base Distribution and Rate Schedule

BIF Assessment Base Distribution
Assessable Deposits in Billions as of December 31, 2003
Supervisory and Capital Ratings for First Semiannual Assessment Period, 2004

Capital Group	Supervisory Risk Subgroup					
	A		B		C	
1. Well-capitalized						
Number of institutions	7,357	92.0%	468	5.9%	81	1.0%
Assessable deposit base	\$3,988	96.4%	\$119	2.9%	\$20	0.5%
2. Adequately capitalized						
Number of institutions	64	0.8%	9	0.1%	9	0.1%
Assessable deposit base	\$10	0.2%	\$1	0.0%	\$1	0.0%
3. Undercapitalized						
Number of institutions	2	0.0%	0	0.0%	6	0.1%
Assessable deposit base	\$0	0.0%	\$0	0.0%	\$0	0.0%

NOTE: "Number" reflects the number of SAIF members; "Base" reflects the SAIF-assessable deposits held by both BIF and SAIF members.

Institutions are categorized based on capitalization and a supervisory subgroup rating, which is generally determined by on-site examinations.

SAIF Assessment Base Distribution
Assessable Deposits in Billions as of December 31, 2003
Supervisory and Capital Ratings for First Semiannual Assessment Period, 2004

Capital Group	Supervisory Risk Subgroup					
	A		B		C	
1. Well-capitalized						
Number of institutions	1,099	92.7%	67	5.6%	13	1.1%
Assessable deposit base	\$1,008	96.7%	\$32	3.1%	\$1	0.1%
2. Adequately capitalized						
Number of institutions	3	0.3%	2	0.2%	1	0.1%
Assessable deposit base	\$1	0.1%	\$0	0.0%	\$0	0.0%
3. Undercapitalized						
Number of institutions	1	0.1%	0	0.0%	0	0.0%
Assessable deposit base	\$0	0.0%	\$0	0.0%	\$0	0.0%

NOTE: "Number" reflects the number of SAIF members; "Base" reflects the SAIF-assessable deposits held by both BIF and SAIF members.

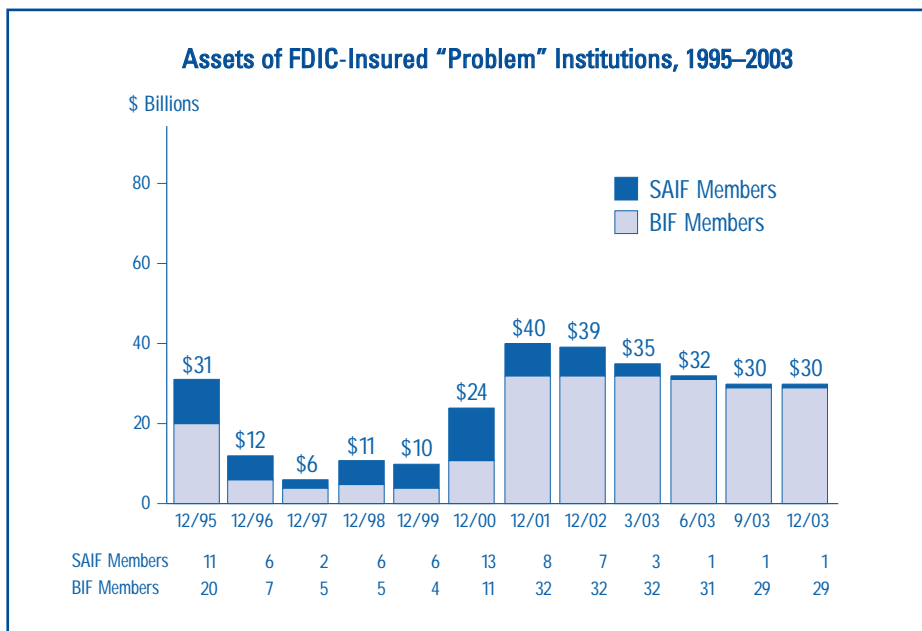
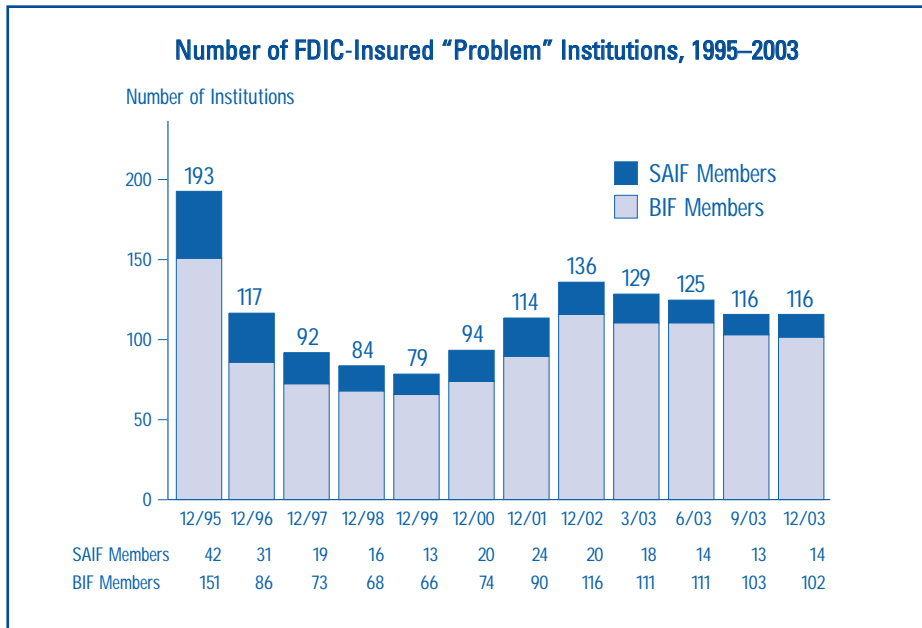
Institutions are categorized based on capitalization and a supervisory subgroup rating, which is generally determined by on-site examinations.

Assessment Rate Schedule
First Semiannual 2004 Assessment Period
Cents per \$100 of Assessable Deposits

Capital Group	Supervisory Risk Subgroup		
	A	B	C
1. Well-capitalized	0	3	17
2. Adequately capitalized	3	10	24
3. Undercapitalized	10	24	27

Note: Rates for the BIF and the SAIF are set separately by the FDIC.

Currently, the rate schedules are identical.



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 V-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. 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 V-B.

A separate set of tables (Tables I-B through V-B) provides quarterly and annual data related to the bank (BIF) and savings association (SAIF) insurance funds, closed/assisted institutions, and assessments.

Summary balance-sheet and earnings data are provided for commercial banks and savings institutions according to insurance fund membership. BIF-member institutions may acquire SAIF-insured deposits, resulting in institutions with some deposits covered by both insurance funds. Also, SAIF members may acquire BIF-insured deposits. The insurance fund membership does not necessarily reflect which fund insures the largest percentage of an institution's deposits. Therefore, the BIF-member and the SAIF-member tables each include deposits from both insurance funds. Depository institutions that are not insured by the FDIC through either the BIF or SAIF 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 charter.

DATA SOURCES

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

COMPUTATION METHODOLOGY

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

All asset and liability figures used in calculating performance ratios represent average amounts for the period (beginning-of-period amount plus end-of-period amount plus any interim periods, divided by the total number of periods). For "pooling-of-interest" mergers, the assets of the acquired institution(s) are included in average assets since the year-to-date income includes the results of all merged institutions. No adjustments are made for "purchase accounting" mergers. Growth rates represent the percentage change over a 12-month period in totals for institutions in the base period to totals for institutions in the current period.

All data are collected and presented based on the location of each reporting institution's main office. Reported data may include assets and liabilities located outside of the reporting institution's home state.

ACCOUNTING CHANGES

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

FASB Interpretation No. 46 — The FASB issued Interpretation No. 46, *Consolidation of Variable Interest Entities*, in January 2003. Most small banks are unlikely to have any "variable interests" in variable interest entities. Banks with variable interests in variable interest entities created after January 31, 2003, must apply the provisions of Interpretation No. 46 to those entities immediately. As announced in FASB Staff Position No. FIN 46-6 on October 9, 2003, a bank that is a public company, or a subsidiary of a public company, and has a variable interest in a variable interest entity created before February 1, 2003, must apply the provisions of Interpretation No. 46 to that entity no later than the beginning of the first interim or annual reporting period beginning after December 15, 2003. A bank that is neither a public company nor a subsidiary of a public company, but has a variable interest in a variable interest entity created before February 15, 2003, must apply the provisions of Interpretation No. 46 to that entity no later than the end of the first annual reporting period beginning after June 15, 2003. 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 balance sheet.

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

FASB Statement No. 133 Accounting for Derivative Instruments and Hedging Activities — establishes new accounting and reporting standards. Derivatives were previously off-balance sheet items, but beginning in 2001 all banks must recognize derivatives as either assets or liabilities on the balance sheet, measured at fair value. A

derivative may be specifically designated as a “fair value hedge,” a “cash flow hedge,” or a hedge of a foreign currency exposure. The accounting for changes in the value of a derivative (gains and losses) depends on the intended use of the derivative, its resulting designation, and the effectiveness of the hedge. Derivatives held for purposes other than trading are reported as “other assets” (positive fair values) or “other liabilities” (negative fair values). For a fair value hedge, the gain or loss is recognized in earnings and “effectively” offsets loss or gain on the hedged item attributable to the risk being hedged. Any ineffectiveness of the hedge could result in a net gain or loss on the income statement. Accumulated net gains (losses) on cash flow hedges are recorded on the balance sheet as “accumulated other comprehensive income” and the periodic change in the accumulated net gains (losses) for cash flow hedges is reflected directly in equity as the value of the derivative changes.

Initial transition adjustments upon adoption of FAS 133 are reported as adjustments to net income in the income statement as extraordinary items. Upon implementing FAS 133, a bank may transfer any debt security categorized as held-to-maturity into the available-for-sale category or the trading category. Unrealized gains (losses) on transferred held-to-maturity debt securities on the date of initial application must be reflected as an adjustment to net income if transferred to the trading category or an adjustment to equity if transferred to the available-for-sale category.

Subchapter S Corporations — The Small Business Job Protection Act of 1996 changed the Internal Revenue Code to allow financial institutions to elect Subchapter S corporation status, beginning in 1997. 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. Its taxable income flows through to its shareholders in proportion to their stock ownership, and the shareholders generally pay federal income taxes on their share of this taxable income. This can have the effect of reducing institutions’ reported taxes and increasing their after-tax earnings.

The election of Subchapter S status may result in an increase in shareholders’ personal tax liability. Therefore, some S corporations may increase the amount of earnings distributed as dividends to compensate for higher personal taxes.

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 distribution — assessable deposits consist of BIF and SAIF deposits in banks’ domestic offices with certain adjustments. Each institution’s assessment depends on its assigned risk-based capital category and supervisory risk subgroup:

(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.

For purpose of BIF and SAIF assessments, risk-based assessment rules combine the three lowest capital rating categories into a single “undercapitalized” group. Supervisory risk subgroup assignments are based on supervisory ratings. Generally, the strongest institutions (those rated 1 or 2) are in subgroup A, those rated 3 are in subgroup B, and those rated 4 or 5 are in subgroup C.

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

BIF-insured deposits (estimated) — the portion of estimated insured deposits that is insured by the BIF. For SAIF-member “Oakar” institutions, it represents the adjusted attributable amount acquired from BIF members.

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.

Derivatives (notional amount) — represents the sum of the following: interest-rate contracts (defined as the “notional” value of interest-rate swap, futures, forward and option contracts), foreign-exchange-rate contracts, commodity contracts and equity contracts (defined similarly to interest-rate contracts).

Futures and forward contracts — a contract 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 — a contract 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 — an obligation 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.

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. While the uninsured estimate is calculated as the sum of the excess amounts in accounts over \$100,000, beginning June 30, 2000 the amount of

estimated uninsured deposits was adjusted to consider a financial institution's better estimate. Since March 31, 2002, all institutions provide a reasonable estimate of uninsured deposits from their systems and records.

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

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

Goodwill and other intangibles — intangible assets include servicing rights, purchased credit card relationships and other identifiable intangible assets.

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.

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

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

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

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

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

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

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

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

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

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

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

"Problem" institutions — federal regulators assign a composite rating to each financial institution, based upon an evaluation of financial and operational criteria. The rating is based on a scale of 1 to 5 in ascending order of supervisory concern. "Problem" institutions are those institutions with financial, operational, or managerial weaknesses that threaten their continued financial viability. Depending upon the degree of risk and supervisory concern, they are rated either a "4" or "5". For all BIF-member institutions, and for all SAIF-member institutions for which the FDIC is the primary federal regulator, FDIC composite ratings are used. For all SAIF-member institutions whose primary federal regulator is the OTS, the OTS composite rating is used.

Reserves for losses — the allowance for loan and lease losses on a consolidated basis. Between March 31, 2001 and March 31, 2003 reserves for losses did not include the allocated transfer risk reserve, which was netted from loans and leases.

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

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

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

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

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

SAIF-insured deposits (estimated) — the portion of estimated insured deposits that is insured by the SAIF. For BIF-member "Oakar" institutions, it represents the adjusted attributable amount acquired from SAIF members.

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.

Troubled real estate asset rate — noncurrent real estate loans plus other real estate owned as a percent of total real estate loans and other real estate owned.

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.

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.

The **FDIC Quarterly Banking Profile** is published quarterly by the Division of Insurance and Research of the Federal Deposit Insurance Corporation. Single copy subscriptions of the **FDIC Quarterly Banking Profile** can be obtained through the FDIC Public Information Center, 801 17th Street, NW, Washington, DC 20434; Telephone (202) 416-6940 or (877) 275-3342; or Email: publicinfo@fdic.gov.

The **FDIC Quarterly Banking Profile** is available on-line by visiting the FDIC's website at www.fdic.gov. Comparable financial data for individual institutions can now be obtained from the FDIC's Institution Directory (I.D.) System on this web site.

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