# 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.

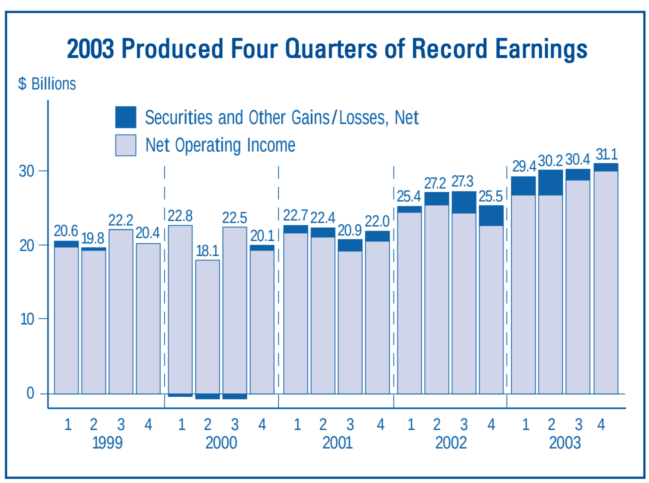
## Core Earnings Provide Most of the Improvement in Profits

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.

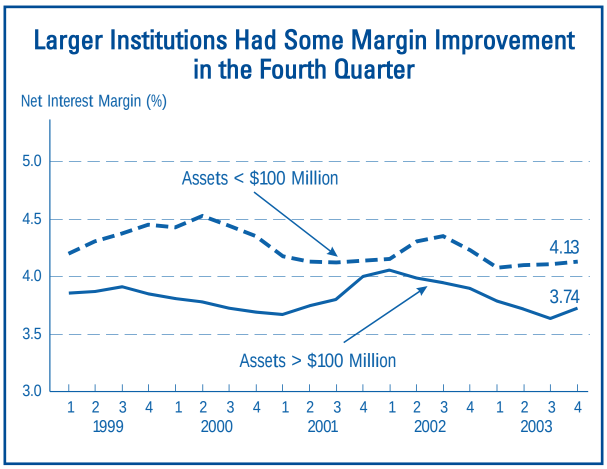
## Loss Provisioning Maintains Favorable Trend

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

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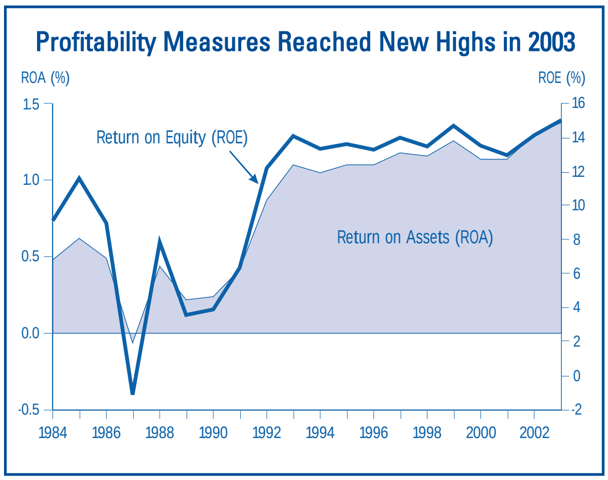


## Full-Year Earnings Top $120 Billion for the First Time

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

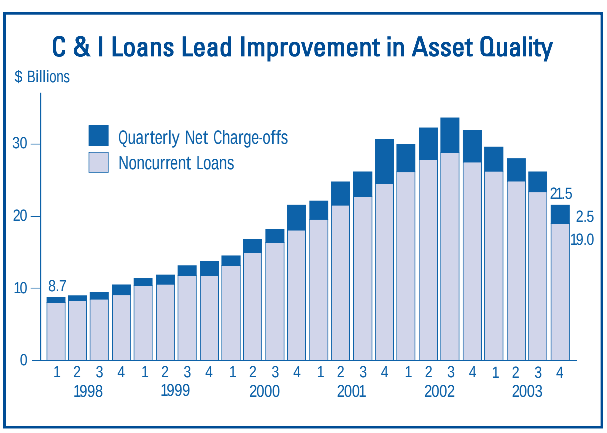
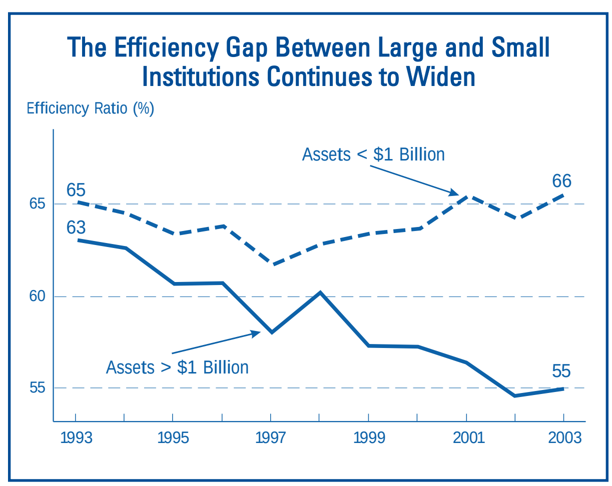



Chart 5



## 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

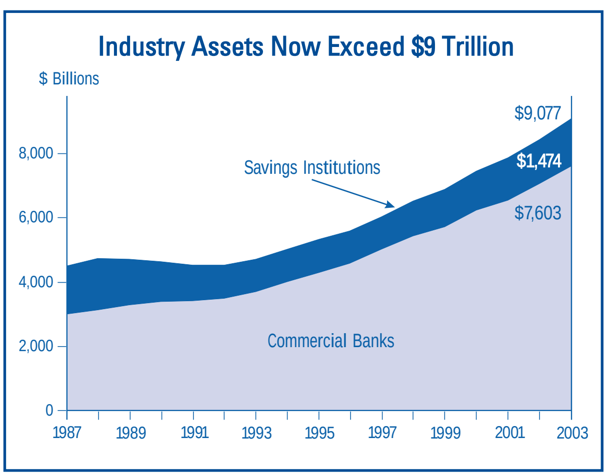
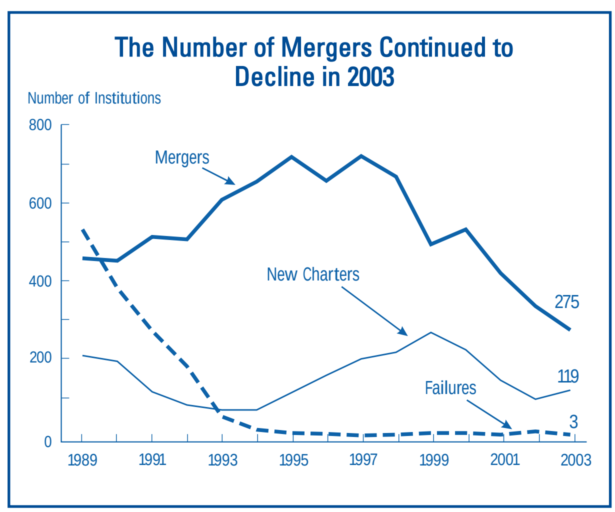



Chart 7



## 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

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

| | | Asset Concentration Groups* | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **FULL YEAR** ***(The way it is...)*** | 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 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: Less than $100 Million | $100 Million to $1 Billion | $1 Billion to $10 Billion | Greater than $10 Billion | Geographic Regions*: 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.

## 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 persent 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: Less than $100 Million | $100 Million to $1 Billion | $1 Billion to $10 Billion | Greater than $10 Billion | Geographic Regions*: 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 | 1.66 |
| 2000 | 1.09 | 0.74 | 1.05 | 1.02 | 1.14 | 1.22 | 1.03 | 0.93 | 1.26 | 0.89 | 1.10 |
| 1998 | 1.05 | 0.81 | 1.13 | 1.27 | 0.98 | 1.00 | 1.34 | 1.03 | 1.42 | 1.04 | 0.73 |
| 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 | 0.86 |
| 2000 | 0.81 | 0.41 | 0.37 | 0.75 | 0.94 | 0.79 | 1.16 | 0.53 | 0.85 | 0.53 | 0.77 |
| 1998 | 0.64 | 0.43 | 0.45 | 0.88 | 0.62 | 0.81 | 0.49 | 0.51 | 0.75 | 0.58 | 0.61 |

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

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

| 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

| | | Asset Size Distribution | | | | Geographic Regions* | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| December 31, 2003 | All Insured Institutions | 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.

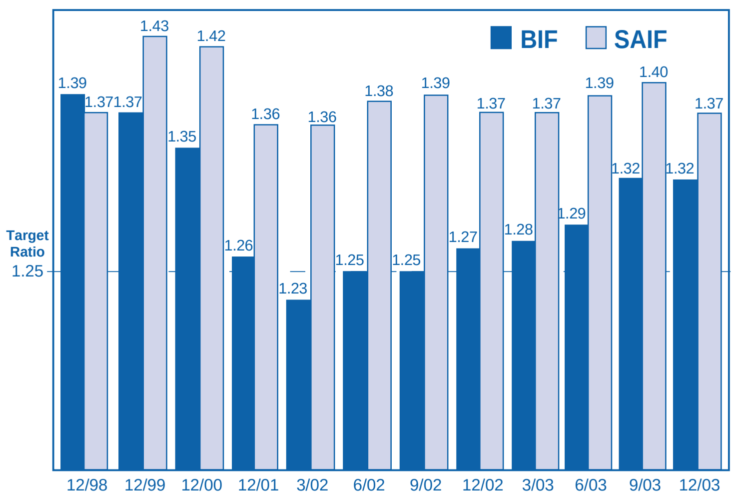
### Changes in Insurance Fund Balances

| *(dollar figures in millions)* | 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 | 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 Sassers | 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 Sassers | 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 |

## 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 Depostis* | 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

| | Supervisory Risk Subgroup | | | | | |
|---|---|---|---|---|---|---|
| **Capital Group** | **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

| | Supervisory Risk Subgroup | | | | | |
|---|---|---|---|---|---|---|
| **Capital Group** | **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% |

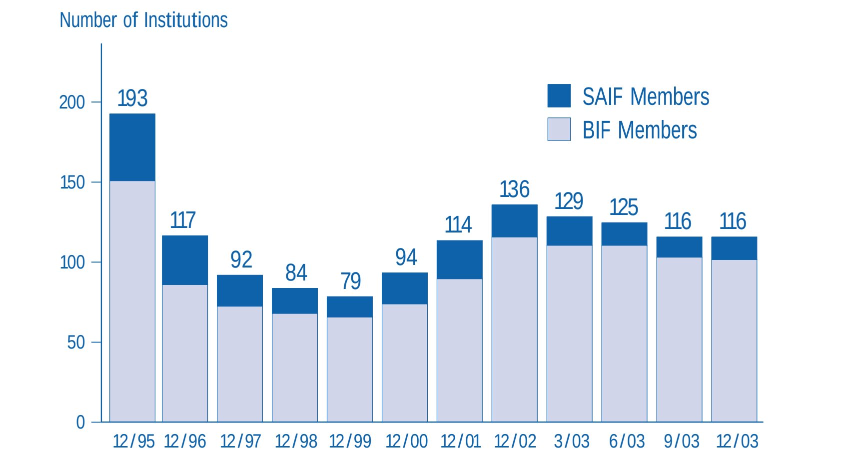
NOTE: "Number" reflects the number of SAIF members; "Base" reflects the SAIF-assessable deposits held by both BIF and SAIF members.
Institutions are categorized based on capitalization and a supervisory subgroup rating, which is generally determined by on-site examinations.

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

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

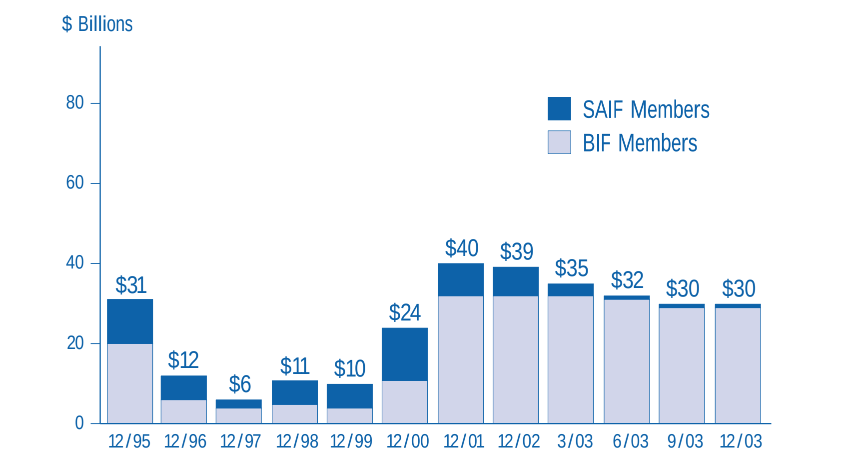
Note: Rates for the BIF and the SAIF are set separately by the FDIC.
Currently, the rate schedules are identical.

## Number of FDIC-Insured "Problem" Institutions, 1995–2003




| | 12/95 | 12/96 | 12/97 | 12/98 | 12/99 | 12/00 | 12/01 | 12/02 | 3/03 | 6/03 | 9/03 | 12/03 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAIF Members | 42 | 31 | 19 | 16 | 13 | 20 | 24 | 20 | 18 | 14 | 13 | 14 |
| BIF Members | 151 | 86 | 73 | 68 | 66 | 74 | 90 | 116 | 111 | 111 | 103 | 102 |

## Assets of FDIC-Insured "Problem" Institutions, 1995–2003




| | 12/95 | 12/96 | 12/97 | 12/98 | 12/99 | 12/00 | 12/01 | 12/02 | 3/03 | 6/03 | 9/03 | 12/03 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SAIF Members | 11 | 6 | 2 | 6 | 6 | 13 | 8 | 7 | 3 | 1 | 1 | 1 |
| BIF Members | 20 | 7 | 5 | 5 | 4 | 11 | 32 | 32 | 32 | 31 | 29 | 29 |

## 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 be reported as "Goodwill" on the Call Report balance sheet. Rather, this unidentifiable intangible asset is reported as "Other intangible assets," and must continue to be amortized and the amortization expense should be reported in the Call Report income statement.

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

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|---|---|
| Chairman | Donald E. Powell |
| Director, Division of Insurance and Research | Arthur J. Murton |
| Media Inquiries | (202) 898-6993 |

Authors

Don Inscoe
Associate Director, Statistics Branch
(202) 898-3940

Kevin Brown
(202) 898-6817

Ross Waldrop
(202) 898-3951

Attention:
Chief Executive Officer