



Quarterly Banking Profile

SECOND QUARTER 2004

- **Industry Earnings Fall for First Time in Six Quarters**
- **Net Income of \$31.2 Billion Is Second-Highest Ever**
- **Lower Gains on Securities Sales, Higher Noninterest Expenses Hold Down Profits**
- **Loan Growth Sets New Quarterly Record**
- **C&I Loans Increase for First Time in More than 3 Years**

Profits Fall Short of a New Record

Strengthening loan demand boosted earnings at a majority of institutions during the second quarter, but higher expenses at a few large banks caused total industry income to register a slight decline. Insured commercial banks and savings institutions earned \$31.2 billion in the second quarter of 2004, up \$986 million (3.3 percent) from a year earlier. This was \$656 million (2.1 percent) less than they earned in the first quarter, but it still represented the second-highest quarterly earnings total ever for the industry. A decline of \$954 million (36.7 percent) in gains on sales of securities and other assets, and a \$3.2-billion (4.3 percent) increase in noninterest expenses were the main reasons that earnings failed to set a new record. The average return on assets (ROA) was 1.31 percent, compared to 1.38 percent in the first quarter. Almost 60 percent of the 9,079 institutions reported higher net income, while 55 percent had higher ROAs. More than half of all institutions — 53 percent — had ROAs of 1 percent or higher for the quarter.

A Majority of Institutions Report Improved Margins

Rising interest rates reduced the market values of fixed-rate securities, contributing to the decline in gains on securities sales from first-quarter levels. However, higher rates also increased the values of loan servicing assets, contributing to a \$1.7-billion (55.0-percent) increase in servicing income. Another boost to earnings came from a \$1.7-billion (2.3 percent) improvement in net interest income that was made possible by a \$218.1-billion (2.7-percent) increase in interest-earning assets. A majority of institutions (52 percent) reported improved net interest margins in the second quarter, but narrower margins at larger institutions caused the industry average to fall by 4 basis points, from 3.68 percent to 3.64 percent.

Lower Loss Expenses Lift International Earnings

Net income from international operations registered strong improvement for a second consecutive quarter, increasing by \$1.2 billion (43.7 percent), after growing by \$1.7 billion (155.1 percent) in the first quarter. Lower provisions for loan losses in international portfolios (down \$696 million, or 51.3 percent) contributed to the increase in earnings. International operations provided 12.5 percent of the industry's total net income in the second quarter, compared to 8.5 percent in the first quarter.

Loss Provisions for Domestic Operations Increase

Loan-loss provisions declined for the fifth time in the last six quarters. The \$211-million (2.8-percent) decrease was entirely attributable to the lower provisions for banks' international operations. Domestic loan-loss provisions were \$485 million (7.8 percent) higher than in the first quarter, but were \$2.1 billion (23.7 percent) less than in the second quarter of 2003.

Noncurrent Loan Rate Falls to Historic Low

Asset-quality indicators continued the improving trend that began five quarters ago. Noncurrent loans declined by \$4.2 billion (7.6 percent), led by a \$2.2-billion (13.1-percent) decline in noncurrent loans to commercial and industrial (C&I) borrowers. An \$898-million (6.5-percent) decline in noncurrent residential mortgage loans also contributed to the improvement. The percentage of loans that were noncurrent fell from 1.00 percent to 0.89 percent during the quarter. This is the lowest level for this ratio in the 20 years that insured institutions have reported noncurrent loan data. During the last six quarters, total noncurrent loans have declined by \$17.4 billion (25.2 percent).

Lower Losses on Foreign Loans Lead Decline in Charge-offs

Net charge-offs totaled \$8.2 billion in the quarter, \$601 million (6.8 percent) lower than in the first quarter. This is the lowest level for charge-offs since the first quarter of 2001. Net charge-offs of C&I loans were \$247 million (15.4 percent) lower, thanks to a \$422-million decline in charge-offs on loans to foreign C&I borrowers. Net charge-offs of non-credit card consumer loans were down by \$168 million (10.0 percent) during the quarter.

Coverage Ratio Improves for Sixth Consecutive Quarter

For a sixth consecutive quarter, the industry set aside less in loss provisions than it charged off, as large banks continued to reduce their loss reserves. The industry's total reserves declined by \$145 million (0.2 percent) during the second quarter, and the ratio of reserves to total loans fell from 1.52 percent to 1.45 percent. Despite the drop in reserves, the decline in noncurrent loans during the quarter caused the industry's "coverage ratio" to increase from \$1.51 in reserves for every \$1.00 in noncurrent loans to \$1.63.

Merger-related Goodwill Boosts Equity Capital

Equity capital registered strong growth in the second quarter, increasing by \$31.1 billion (3.5 percent), after growing by \$55.3 billion (6.7 percent) in the first quarter. Much of the increase was attributable to an increase in merger-related goodwill. Tangible equity capital grew by \$14.6 billion (2.0 percent). Because regulatory capital excludes goodwill, the growth in industry assets caused slight declines in the industry's regulatory capital ratios, even as the equity-to-assets ratio increased from 9.45 percent to 9.50 percent. A \$24.7-billion decline in other comprehensive income, reflecting a drop in unrealized gains on available-for-sale securities driven by higher interest rates, limited the increase in equity.

Real Estate Loan Growth Remains Strong

Total loans and leases increased by a record-breaking \$234.6 billion (4.2 percent) during the quarter, eclipsing the previous quarterly record of \$161.6 billion, set in the second quarter of 2000. Strong growth was registered in both residential and commercial real estate loans. Home equity loans increased by \$39.3 billion (10.4 percent); residential mortgage loans increased by \$70.3 billion (4.2 percent); commercial real estate loans increased by \$18.6 billion

(2.7 percent); and real estate construction and development loans grew by \$14.0 billion (4.9 percent). C&I loans, which had declined in each of the previous 13 quarters, increased by \$16.7 billion (1.8 percent).

Small Business Loans Are Up Over Past 12 Months

Data reported annually as of June 30 showed that loans to small businesses increased over the previous 12 months by \$8.7 billion (3.3 percent). During the 12 months between June 2002 and June 2003, small C&I loans showed a net decline of \$3.0 billion, owing to reductions in the small-business portfolios of a few large banks. In contrast, during the latest 12-month period, the industry's C&I loans to larger borrowers (original amounts of greater than \$1 million) declined by \$10.7 billion (2.0 percent). Loans to small commercial real estate borrowers had much stronger growth, increasing by \$20.6 billion (7.3 percent). However, the growth in these loans, which, like the small C&I loans, consist of loans with original amounts of \$1 million or less, has lagged behind the rate of growth in larger commercial real estate loans (up 12.1 percent in the 12 months ended June 30). Small agricultural production loans (original amounts of less than \$500,000) fell for the third consecutive 12-month period (by \$1.0 billion, or 3.2 percent), and for the fifth time in the last six years. Small agricultural loans secured by farmland (amounts less than \$500,000) increased during the 12 months ended June 30, but at a rate well below that for larger farmland loans (3.6 percent growth, versus a 22.3 percent increase).

Higher Interest Rates Cause Securities Portfolios to Depreciate

The industry's securities holdings declined by \$33.5 billion in the second quarter. It is likely that lower market values for securities classified as "available for sale" were responsible for all of the decline. At insured commercial banks, the market value of their available-for-sale securities declined by \$23.0 billion during the quarter, while the book value of these securities increased by \$12.1 billion (savings institutions that file Thrift Financial Reports do not report the book value of their available-for-sale securities). Since available-for-sale securities are reported at market value, and 90 percent of all the industry's securities are designated as available for sale, this shift in valuation could easily have accounted for the entire decline reported by the industry.

Brokered Deposits Register Strong Growth

Total deposits increased by \$156.6 billion (2.6 percent) in the quarter, but this growth failed to keep pace with the increase in industry assets. The share of industry assets that is funded by deposits fell from 65.34 percent to 65.12 percent. This is the lowest level since the third quarter of 2001, and the second-lowest level ever recorded by the industry. Deposits in foreign offices grew by \$47.7 billion (6.1 percent), while deposits in domestic offices increased by \$108.9 billion (2.0 percent). Interest-bearing deposits accounted for more than three-quarters of the growth in domestic deposits (\$83.0 billion), with brokered deposits accounting for more than one-quarter of the increase (\$29.3 billion).

"Problem List" Declines by Twelve Institutions

The number of insured institutions reporting financial results declined from 9,116 to 9,079 during the second quarter. There were 30 new charters added during the quarter, while 63 institutions were absorbed by mergers and one insured institution failed. Seven insured savings institutions with \$5.8 billion in assets converted from mutual to stock ownership. The number of institutions on the FDIC's "Problem List" fell from 114 to 102 during the quarter. Total assets of "problem" institutions declined from \$29.9 billion to \$25.9 billion.

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

	2004**	2003**	2003	2002	2001	2000	1999
Return on assets (%)	1.33	1.38	1.38	1.30	1.14	1.14	1.26
Return on equity (%)	14.21	15.07	15.03	14.12	12.97	13.53	14.71
Core capital (leverage) ratio (%)	8.05	7.87	7.88	7.86	7.78	7.71	7.80
Noncurrent assets plus							
other real estate owned to assets (%)	0.60	0.81	0.75	0.90	0.87	0.71	0.63
Net charge-offs to loans (%)	0.60	0.80	0.78	0.97	0.83	0.59	0.53
Asset growth rate (%)	8.13	11.00	7.58	7.20	5.44	8.41	5.40
Net interest margin (%)	3.61	3.76	3.73	3.96	3.78	3.77	3.89
Net operating income growth (%)	9.67	6.86	15.90	18.36	-0.85	1.71	19.73
Number of institutions reporting	9,079	9,268	9,181	9,354	9,614	9,904	10,222
Commercial banks	7,691	7,833	7,770	7,888	8,080	8,315	8,580
Savings institutions	1,388	1,435	1,411	1,466	1,534	1,589	1,642
Percentage of unprofitable institutions (%)	5.57	5.37	5.95	6.67	8.24	7.53	7.64
Number of problem institutions	102	125	116	136	114	94	79
Assets of problem institutions (in billions)	\$26	\$32	\$30	\$39	\$40	\$24	\$10
Number of failed/assisted institutions	4	2	3	11	4	7	8

* Excludes insured branches of foreign banks (IBAs)

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

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

(dollar figures in millions)	2nd Quarter 2004	1st Quarter 2004	2nd Quarter 2003	%Change 03:2-04:2
Number of institutions reporting	9,079	9,116	9,268	-2.0
Total employees (full-time equivalent)	2,147,255	2,131,256	2,088,837	2.8
CONDITION DATA				
Total assets	\$9,648,587	\$9,377,108	\$8,923,215	8.1
Loans secured by real estate	3,428,629	3,274,535	3,038,842	12.8
1-4 Family residential mortgages	1,744,067	1,673,737	1,613,282	8.1
Commercial real estate	718,195	699,610	652,696	10.0
Construction and development	299,370	285,419	256,977	16.5
Home equity lines	415,806	376,494	295,360	40.8
Commercial & industrial loans	926,576	909,912	933,654	-0.8
Loans to individuals	846,111	831,488	764,024	10.7
Credit cards	322,832	313,517	269,861	19.6
Farm loans	47,289	44,140	46,256	2.2
Other loans & leases	537,618	491,351	470,613	14.2
Less: Unearned income	3,067	2,918	3,589	-14.6
Total loans & leases	5,783,157	5,548,508	5,249,800	10.2
Less: Reserve for losses	84,136	84,281	85,925	-2.1
Net loans and leases	5,699,021	5,464,228	5,163,875	10.4
Securities	1,874,343	1,907,839	1,762,635	6.3
Other real estate owned	4,955	5,265	5,520	-10.2
Goodwill and other intangibles	240,383	188,936	158,825	51.4
All other assets	1,829,885	1,810,840	1,832,361	-0.1
Total liabilities and capital	9,648,587	9,377,108	8,923,215	8.1
Deposits	6,283,642	6,127,074	5,844,729	7.5
Domestic office deposits	5,456,170	5,347,252	5,166,641	5.6
Foreign office deposits	827,472	779,822	678,088	22.0
Other borrowed funds	1,937,495	1,812,576	1,671,452	15.9
Subordinated debt	110,615	107,196	102,826	7.6
All other liabilities	399,783	444,301	492,644	-18.8
Equity capital	917,053	885,960	811,564	13.0
Loans and leases 30-89 days past due	46,787	47,409	52,099	-10.2
Noncurrent loans and leases	51,509	55,746	64,828	-20.5
Restructured loans and leases	2,448	2,538	3,294	-25.7
Direct and indirect investments in real estate	770	1,921	675	14.0
Mortgage-backed securities	1,073,485	1,103,082	1,034,763	3.7
Earning assets	8,426,862	8,208,801	7,686,088	9.6
FHLB Advances	532,524	521,794	454,972	17.0
Unused loan commitments	6,188,233	6,112,129	5,895,020	5.0
Trust assets	13,863,824	13,657,825	11,862,313	16.9
Assets securitized and sold***	863,545	863,550	826,713	4.5
Notional amount of derivatives***	81,705,016	77,244,109	66,584,881	22.7

INCOME DATA	First Half 2004	First Half 2003	%Change	2nd Quarter 2004	2nd Quarter 2003	%Change 03:2-04:2
Total interest income	\$205,086	\$205,120	0.0	\$105,102	\$102,539	2.5
Total interest expense	58,135	64,852	-10.4	29,642	31,971	-7.3
Net interest income	146,951	140,268	4.8	75,460	70,568	6.9
Provision for loan and lease losses	14,831	20,227	-26.7	7,367	9,975	-26.1
Total noninterest income	104,209	97,736	6.6	53,635	49,746	7.8
Total noninterest expense	148,451	137,156	8.2	76,939	70,193	9.6
Securities gains (losses)	4,187	8,545	-51.0	1,646	4,868	-66.2
Applicable income taxes	30,120	29,523	2.0	15,279	14,836	3.0
Extraordinary gains, net	214	1	N/M	28	21	34.0
Net income	62,159	59,644	4.2	31,184	30,198	3.3
From international operations	6,588	4,525	45.6	3,905	2,430	60.7
Net charge-offs	16,603	20,554	-19.2	8,174	10,250	-20.3
Cash dividends	31,862	42,114	-24.3	18,314	24,588	-25.5
Retained earnings	30,297	17,530	72.8	12,870	5,610	129.4
Net operating income	59,078	53,870	9.7	30,042	26,890	11.7

*** Commercial banks only.

N/M - Not Meaningful

TABLE III-A. Second Quarter 2004, All FDIC-Insured Institutions

SECOND 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	9,079	36	6	1,775	4,351	995	145	489	1,195	87
Commercial banks	7,691	32	6	1,770	3,950	243	115	420	1,086	69
Savings institutions	1,388	4	0	5	401	752	30	69	109	18
Total assets (in billions)	\$9,648.6	\$334.5	\$1,554.5	\$135.7	\$3,031.3	\$1,401.7	\$160.8	\$57.1	\$155.6	\$2,817.4
Commercial banks	8,048.4	326.3	1,554.5	135.2	2,726.3	322.8	108.4	43.4	135.8	2,695.6
Savings institutions	1,600.2	8.2	0.0	0.5	305.0	1,078.9	52.3	13.7	19.8	121.8
Total deposits (in billions)	6,283.6	102.1	923.5	110.3	2,202.3	818.9	79.8	43.0	127.9	1,875.9
Commercial banks	5,326.5	99.8	923.5	109.9	2,004.4	179.0	46.3	32.6	111.9	1,819.1
Savings institutions	957.2	2.2	0.0	0.4	197.9	639.9	33.5	10.4	15.9	56.8
Net income (in millions)	31,184	3,411	2,582	431	10,178	4,114	613	183	428	9,245
Commercial banks	26,646	3,196	2,582	430	9,204	1,321	451	150	389	8,924
Savings institutions	4,538	215	0	1	974	2,793	162	33	38	322
Performance Ratios (annualized,%)										
Yield on earning assets	5.07	11.14	4.38	5.62	5.26	4.87	6.37	4.21	5.34	4.47
Cost of funding earning assets	1.43	2.09	1.57	1.56	1.34	1.69	1.73	1.30	1.50	1.21
Net interest margin	3.64	9.04	2.81	4.05	3.93	3.18	4.63	2.92	3.84	3.26
Noninterest income to assets	2.26	11.03	3.07	0.70	1.64	1.11	2.63	6.55	1.13	2.02
Noninterest expense to assets	3.24	8.99	4.14	2.71	2.93	2.33	3.62	7.12	3.13	2.78
Loan and lease loss provision to assets	0.31	3.70	0.26	0.16	0.25	0.07	0.85	0.08	0.15	0.11
Net operating income to assets	1.27	3.91	0.66	1.27	1.38	1.07	1.51	1.30	1.06	1.25
Pretax return on assets	1.96	6.29	0.98	1.57	1.99	1.85	2.42	1.95	1.44	2.01
Return on assets	1.31	4.09	0.68	1.27	1.36	1.21	1.54	1.29	1.10	1.33
Return on equity	13.87	22.96	9.30	11.92	14.47	13.76	19.37	7.83	10.44	13.43
Net charge-offs to loans and leases	0.58	5.11	0.99	0.18	0.32	0.11	1.15	0.41	0.29	0.31
Loan and lease loss provision to net charge-offs ..	90.13	96.17	68.73	145.14	113.91	93.06	90.20	77.18	91.61	64.80
Efficiency ratio	58.54	45.60	76.29	60.77	55.95	57.14	52.38	76.21	66.87	56.56
% of unprofitable institutions	6.01	8.33	16.67	2.99	6.67	5.73	3.45	16.56	4.35	4.60
% of institutions with earnings gains	55.42	69.44	83.33	58.20	58.97	44.82	50.34	46.83	51.05	51.72
Structural Changes										
New Charters	30	0	0	2	6	1	0	21	0	0
Institutions absorbed by mergers	63	0	0	3	41	6	1	2	4	6
Failed Institutions	1	0	0	0	1	0	0	0	0	0
PRIOR SECOND QUARTERS (The way it was...)										
Return on assets (%) 2003	1.38	4.01	1.04	1.26	1.31	1.49	1.49	0.65	1.08	1.29
..... 2001	1.18	2.81	0.90	1.21	1.20	1.07	1.14	1.33	1.05	1.00
..... 1999	1.21	3.74	0.63	1.24	1.31	1.07	1.32	1.36	1.19	1.46
Net charge-offs to loans & leases (%) 2003	0.79	5.37	1.39	0.25	0.56	0.18	0.89	0.55	0.31	0.56
..... 2001	0.72	4.01	0.65	0.23	0.60	0.16	1.02	0.38	0.34	0.75
..... 1999	0.49	4.10	0.44	0.26	0.38	0.14	0.39	0.20	0.26	0.21

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

TABLE III-A. Second Quarter 2004, All FDIC-Insured Institutions

SECOND QUARTER (The way it is...)	All Insured Institutions	Asset Size Distribution				Geographic Regions*					
		Less than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	Greater than \$10 Billion	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Number of institutions reporting	9,079	4,278	4,217	468	116	1,148	1,229	1,990	2,120	1,846	746
Commercial banks	7,691	3,819	3,444	342	86	601	1,077	1,629	2,011	1,713	660
Savings institutions	1,388	459	773	126	30	547	152	361	109	133	86
Total assets (in billions)	\$9,648.6	\$221.4	\$1,172.1	\$1,293.6	\$6,961.4	\$3,326.2	\$2,041.3	\$1,701.9	\$760.2	\$578.1	\$1,240.9
Commercial banks	8,048.4	197.8	923.6	934.2	5,992.8	2,767.3	1,900.8	1,552.2	715.2	484.3	628.6
Savings institutions	1,600.2	23.6	248.6	359.4	968.6	558.9	140.5	149.6	45.1	93.8	612.3
Total deposits (in billions)	6,283.6	184.2	936.5	868.2	4,294.8	2,082.6	1,396.3	1,122.6	530.7	430.9	720.6
Commercial banks	5,326.5	165.7	747.6	634.4	3,778.8	1,724.3	1,301.0	1,017.4	502.3	379.6	402.0
Savings institutions	957.2	18.6	188.8	233.8	516.0	358.3	95.3	105.3	28.4	51.3	318.6
Net income (in millions)	31,184	543	3,379	4,683	22,579	8,799	7,018	5,827	2,863	1,868	4,810
Commercial banks	26,646	497	2,886	3,369	19,894	7,226	6,617	5,341	2,780	1,475	3,207
Savings institutions	4,538	45	493	1,314	2,686	1,573	401	486	83	393	1,603
Performance Ratios (annualized,%)											
Yield on earning assets	5.07	5.59	5.53	5.19	4.94	4.83	4.97	4.91	5.66	5.29	5.57
Cost of funding earning assets	1.43	1.49	1.54	1.44	1.40	1.54	1.48	1.43	1.17	1.32	1.28
Net interest margin	3.64	4.10	3.98	3.75	3.54	3.29	3.50	3.48	4.49	3.97	4.29
Noninterest income to assets	2.26	1.26	1.29	1.95	2.51	2.73	1.99	1.97	2.85	1.61	1.79
Noninterest expense to assets	3.24	3.56	3.17	3.05	3.28	3.62	2.95	2.86	3.98	3.24	2.81
Loan and lease loss provision to assets	0.31	0.22	0.21	0.31	0.33	0.32	0.20	0.23	0.52	0.27	0.47
Net operating income to assets	1.27	0.96	1.14	1.35	1.28	1.07	1.26	1.35	1.55	1.27	1.51
Pretax return on assets	1.96	1.27	1.60	2.19	2.00	1.61	2.08	2.03	2.27	1.74	2.51
Return on assets	1.31	0.99	1.17	1.48	1.32	1.08	1.39	1.37	1.53	1.31	1.59
Return on equity	13.87	8.45	11.63	13.97	14.49	11.54	16.49	15.85	14.74	13.67	13.29
Net charge-offs to loans and leases	0.58	0.23	0.24	0.44	0.68	0.85	0.32	0.41	0.77	0.39	0.61
Loan and lease loss provision to net charge-offs ...	90.13	160.81	133.91	113.44	83.34	78.11	104.31	84.78	94.29	110.95	106.09
Efficiency ratio	58.54	70.25	63.67	55.47	57.97	63.83	57.72	56.06	57.04	61.62	48.80
% of unprofitable institutions	6.01	9.98	2.47	2.56	2.59	6.71	8.54	5.88	3.58	6.28	7.37
% of institutions with earnings gains	55.42	52.99	56.49	64.32	70.69	51.66	63.55	46.18	56.18	57.10	66.22
Structural Changes											
New Charters	30	29	1	0	0	4	13	4	3	2	4
Institutions absorbed by mergers	63	18	29	16	0	22	9	10	9	5	8
Failed Institutions	1	1	0	0	0	0	0	0	0	0	1
PRIOR SECOND QUARTERS (The way it was...)											
Return on assets (%)2003	1.38	0.89	1.20	1.50	1.41	1.25	1.39	1.34	1.57	1.41	1.64
..... 2001	1.18	0.92	1.11	1.20	1.20	1.15	1.23	0.98	1.33	1.23	1.36
..... 1999	1.21	1.02	1.20	1.54	1.12	0.99	1.26	1.25	1.53	1.31	1.39
Net charge-offs to loans & leases (%) 2003	0.79	0.30	0.31	0.65	0.94	1.14	0.57	0.68	1.05	0.39	0.70
..... 2001	0.72	0.26	0.30	0.77	0.82	0.81	0.63	0.62	0.95	0.40	0.85
..... 1999	0.49	0.22	0.28	0.60	0.52	0.60	0.45	0.29	0.67	0.36	0.51

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

TABLE IV-A. First Half 2004, All FDIC-Insured Institutions

FIRST HALF (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	9,079	36	6	1,775	4,351	995	145	489	1,195	87
Commercial banks	7,691	32	6	1,770	3,950	243	115	420	1,086	69
Savings institutions	1,388	4	0	5	401	752	30	69	109	18
Total assets (in billions)	\$9,648.6	\$334.5	\$1,554.5	\$135.7	\$3,031.3	\$1,401.7	\$160.8	\$57.1	\$155.6	\$2,817.4
Commercial banks	8,048.4	326.3	1,554.5	135.2	2,726.3	322.8	108.4	43.4	135.8	2,695.6
Savings institutions	1,600.2	8.2	0.0	0.5	305.0	1,078.9	52.3	13.7	19.8	121.8
Total deposits (in billions)	6,283.6	102.1	923.5	110.3	2,202.3	818.9	79.8	43.0	127.9	1,875.9
Commercial banks	5,326.5	99.8	923.5	109.9	2,004.4	179.0	46.3	32.6	111.9	1,819.1
Savings institutions	957.2	2.2	0.0	0.4	197.9	639.9	33.5	10.4	15.9	56.8
Net income (in millions)	62,159	6,658	6,704	850	19,827	8,104	1,249	383	847	17,537
Commercial banks	53,065	6,257	6,704	848	17,842	2,515	874	305	777	16,944
Savings institutions	9,094	401	0	2	1,985	5,589	375	78	71	593
Performance Ratios (annualized,%)										
Yield on earning assets	5.04	11.03	4.40	5.60	5.27	4.88	6.54	4.25	5.36	4.35
Cost of funding earning assets	1.43	2.10	1.56	1.58	1.35	1.72	1.75	1.31	1.52	1.19
Net interest margin	3.61	8.93	2.84	4.02	3.92	3.16	4.79	2.94	3.83	3.16
Noninterest income to assets	2.23	11.09	3.09	0.69	1.56	1.18	2.57	6.50	1.12	1.94
Noninterest expense to assets	3.18	9.01	3.82	2.71	2.94	2.34	3.55	7.06	3.13	2.71
Loan and lease loss provision to assets	0.32	3.78	0.29	0.15	0.25	0.08	0.94	0.07	0.16	0.08
Net operating income to assets	1.27	3.80	0.87	1.24	1.31	1.08	1.55	1.33	1.05	1.21
Pretax return on assets	1.98	6.13	1.31	1.55	1.95	1.87	2.49	2.03	1.43	1.95
Return on assets	1.33	3.97	0.89	1.26	1.35	1.22	1.58	1.36	1.10	1.29
Return on equity	14.21	22.99	12.22	11.81	14.34	13.84	20.21	8.24	10.39	13.44
Net charge-offs to loans and leases	0.60	5.07	1.13	0.15	0.31	0.12	1.29	0.50	0.27	0.29
Loan and lease loss provision to net charge-offs	89.33	98.65	65.32	164.48	117.25	93.80	88.77	53.56	104.85	54.25
Efficiency ratio	57.97	45.86	70.13	61.44	56.79	56.75	50.80	76.13	67.04	57.32
% of unprofitable institutions	5.57	5.56	0.00	2.48	6.41	5.43	4.14	15.13	3.60	4.60
% of institutions with earnings gains	56.21	66.67	66.67	57.13	60.24	45.53	56.55	47.65	52.30	54.02
Condition Ratios(%)										
Earning assets to total assets	87.34	85.03	82.20	92.03	90.15	91.99	91.33	89.15	91.72	84.38
Loss Allowance to:										
Loans and leases	1.45	4.80	2.06	1.50	1.42	0.57	1.56	1.64	1.38	1.28
Noncurrent loans and leases	163.34	281.46	113.46	138.30	193.27	78.18	181.44	179.15	144.88	185.39
Noncurrent assets plus										
other real estate owned to assets	0.60	1.34	0.75	0.80	0.59	0.58	0.79	0.32	0.64	0.43
Equity capital ratio	9.50	18.02	7.18	10.52	9.34	8.65	7.99	16.27	10.38	10.23
Core capital (leverage) ratio	8.05	15.98	6.20	10.16	8.29	7.49	7.94	14.49	10.15	7.81
Tier 1 risk-based capital ratio	10.88	14.52	8.80	14.58	10.21	12.78	9.54	32.93	17.12	10.70
Total risk-based capital ratio	13.33	17.80	12.37	15.71	12.30	14.08	12.34	34.21	18.33	13.44
Net loans and leases to deposits	90.70	236.17	65.17	76.59	92.73	122.02	163.16	34.39	67.05	79.93
Net loans to total assets	59.07	72.07	38.71	62.25	67.37	71.29	80.98	25.92	55.09	53.22
Domestic deposits to total assets	56.55	26.71	26.00	81.28	70.10	57.10	49.55	73.36	82.11	59.55
Structural Changes										
New Charters	57	0	0	2	13	3	0	37	2	0
Institutions absorbed by mergers	154	0	0	10	96	11	13	5	9	10
Failed Institutions	4	0	0	0	3	0	0	0	1	0
PRIOR FIRST HALVES (The way it was...)										
Number of institutions										
..... 2003	9,268	37	6	1,826	4,118	1,045	183	524	1,429	100
..... 2001	9,747	61	6	1,960	4,008	1,234	257	457	1,679	85
..... 1999	10,328	62	11	2,250	3,579	1,393	287	596	2,064	86
Total assets (in billions)										
..... 2003	\$8,923.2	\$294.1	\$1,429.3	\$127.7	\$3,122.3	\$1,407.6	\$379.6	\$64.6	\$195.2	\$1,902.9
..... 2001	7,635.9	335.7	1,187.9	120.6	3,799.3	1,082.0	140.5	46.5	200.9	722.4
..... 1999	6,594.8	211.0	1,414.6	124.1	2,930.2	1,069.6	78.1	59.2	248.6	459.4
Return on assets (%)										
..... 2003	1.38	3.79	1.06	1.24	1.32	1.51	1.53	0.95	1.08	1.27
..... 2001	1.20	2.82	1.02	1.20	1.20	1.04	1.06	1.60	1.05	0.97
..... 1999	1.23	3.46	0.84	1.21	1.29	1.03	1.33	1.57	1.39	1.40
Net charge-offs to loans & leases (%)										
..... 2003	0.80	5.36	1.42	0.20	0.56	0.18	0.90	0.45	0.28	0.58
..... 2001	0.68	3.86	0.60	0.20	0.56	0.14	1.08	0.48	0.27	0.71
..... 1999	0.51	4.18	0.46	0.19	0.39	0.13	0.54	0.20	0.26	0.43
Noncurrent assets plus										
OREO to assets (%)										
..... 2003	0.81	1.42	1.00	1.00	0.81	0.66	0.81	0.42	0.74	0.67
..... 2001	0.79	1.40	0.74	0.86	0.84	0.54	1.22	0.27	0.62	0.62
..... 1999	0.64	1.48	0.64	0.89	0.63	0.52	1.04	0.31	0.57	0.51
Equity capital ratio (%)										
..... 2003	9.09	17.13	7.08	10.87	9.40	9.01	8.58	15.34	11.04	8.51
..... 2001	8.72	12.07	6.69	10.79	9.07	8.28	7.75	17.87	10.37	8.08
..... 1999	8.53	14.61	6.99	10.50	8.73	8.23	8.90	13.66	10.15	7.77

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

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

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

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

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

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

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

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

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

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

TABLE IV-A. First Half 2004, All FDIC-Insured Institutions

FIRST HALF (The way it is...)	All Insured Institutions	Asset Size Distribution				Geographic Regions*						
		Less than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	Greater than \$10 Billion	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco	
Number of institutions reporting	9,079	4,278	4,217	468	116	1,148	1,229	1,990	2,120	1,846	746	
Commercial banks	7,691	3,819	3,444	342	86	601	1,077	1,629	2,011	1,713	660	
Savings institutions	1,388	459	773	126	30	547	152	361	109	133	86	
Total assets (in billions)	\$9,648.6	\$221.4	\$1,172.1	\$1,293.6	\$6,961.4	\$3,326.2	\$2,041.3	\$1,701.9	\$760.2	\$578.1	\$1,240.9	
Commercial banks	8,048.4	197.8	923.6	934.2	5,992.8	2,767.3	1,900.8	1,552.2	715.2	484.3	628.6	
Savings institutions	1,600.2	23.6	248.6	359.4	968.6	558.9	140.5	149.6	45.1	93.8	612.3	
Total deposits (in billions)	6,283.6	184.2	936.5	868.2	4,294.8	2,082.6	1,396.3	1,122.6	530.7	430.9	720.6	
Commercial banks	5,326.5	165.7	747.6	634.4	3,778.8	1,724.3	1,301.0	1,017.4	502.3	379.6	402.0	
Savings institutions	957.2	18.6	188.8	233.8	516.0	358.3	95.3	105.3	28.4	51.3	318.6	
Net income (in millions)	62,159	1,090	6,687	9,239	45,143	18,354	13,423	11,659	5,664	3,755	9,304	
Commercial banks	53,065	992	5,691	6,642	39,739	15,160	12,680	10,689	5,493	2,961	6,082	
Savings institutions	9,094	98	996	2,597	5,404	3,193	743	970	171	794	3,223	
Performance Ratios (annualized,%)												
Yield on earning assets	5.04	5.58	5.55	5.19	4.90	4.69	5.05	4.91	5.75	5.32	5.55	
Cost of funding earning assets	1.43	1.51	1.56	1.45	1.40	1.51	1.48	1.45	1.17	1.33	1.31	
Net interest margin	3.61	4.08	3.99	3.74	3.50	3.18	3.56	3.47	4.58	3.99	4.23	
Noninterest income to assets	2.23	1.23	1.28	1.89	2.49	2.68	1.98	1.95	2.72	1.57	1.86	
Noninterest expense to assets	3.18	3.53	3.18	3.04	3.20	3.40	3.03	2.87	3.93	3.23	2.80	
Loan and lease loss provision to assets	0.32	0.20	0.21	0.29	0.35	0.33	0.17	0.25	0.58	0.24	0.50	
Net operating income to assets	1.27	0.97	1.13	1.33	1.29	1.11	1.24	1.30	1.51	1.26	1.52	
Pretax return on assets	1.98	1.28	1.61	2.17	2.03	1.71	2.03	2.02	2.25	1.78	2.49	
Return on assets	1.33	1.00	1.17	1.48	1.34	1.15	1.36	1.37	1.52	1.33	1.58	
Return on equity	14.21	8.54	11.64	14.04	14.98	12.42	15.94	16.00	14.77	13.92	13.85	
Net charge-offs to loans and leases	0.60	0.20	0.24	0.41	0.72	0.86	0.34	0.42	0.84	0.36	0.63	
Loan and lease loss provision to net charge-offs	89.33	162.47	133.46	112.93	83.09	78.19	85.42	90.47	96.65	110.50	107.88	
Efficiency ratio	57.97	70.63	63.80	56.27	57.00	61.85	58.89	56.21	56.61	61.85	48.26	
% of unprofitable institutions	5.57	9.68	1.87	2.56	0.86	5.75	9.11	5.33	3.16	5.36	7.51	
% of institutions with earnings gains	56.21	53.55	57.62	64.32	69.83	55.57	65.01	45.73	56.42	57.69	66.35	
Condition Ratios(%)												
Earning assets to total assets	87.34	91.84	91.89	91.11	85.73	84.94	86.83	89.14	88.07	90.29	90.31	
Loss Allowance to:												
Loans and leases	1.45	1.40	1.31	1.38	1.50	1.76	1.23	1.45	1.63	1.29	1.17	
Noncurrent loans and leases	163.34	128.35	172.09	180.96	160.47	151.70	203.40	151.93	215.32	153.26	144.74	
Noncurrent assets plus												
other real estate owned to assets	0.60	0.83	0.62	0.55	0.60	0.61	0.42	0.73	0.63	0.67	0.65	
Equity capital ratio	9.50	11.50	9.90	10.48	9.19	9.65	8.32	8.56	10.28	9.49	11.91	
Core capital (leverage) ratio	8.05	11.38	9.55	9.40	7.43	7.64	7.14	7.85	8.30	8.71	10.46	
Tier 1 risk-based capital ratio	10.88	17.35	13.60	13.36	9.83	10.66	9.60	9.79	10.66	12.48	14.78	
Total risk-based capital ratio	13.33	18.46	14.81	14.93	12.68	13.49	11.99	12.59	12.71	13.82	16.63	
Net loans and leases to deposits	90.70	73.13	81.50	92.73	93.04	76.79	85.28	98.66	102.29	81.79	125.78	
Net loans to total assets	59.07	60.86	65.12	62.24	57.40	48.08	58.33	65.08	71.41	60.96	73.04	
Domestic deposits to total assets	56.55	83.21	79.76	66.40	49.96	45.39	62.48	60.14	67.27	74.28	56.97	
Structural Changes												
New Charters	57	56	1	0	0	6	25	5	5	7	9	
Institutions absorbed by mergers	154	52	70	30	2	34	16	23	29	22	30	
Failed Institutions	4	4	0	0	0	2	1	0	0	0	1	
PRIOR FIRST HALVES (The way it was...)												
Number of institutions	2003	9,268	4,509	4,183	466	110	1,194	1,236	2,034	2,145	1,884	775
..... 2001	9,747	5,288	3,923	436	100	1,272	1,293	2,145	2,240	1,982	815	
..... 1999	10,328	5,984	3,807	443	94	1,329	1,328	2,311	2,370	2,139	851	
Total assets (in billions)	2003	\$8,923.2	\$231.4	\$1,154.0	\$1,303.1	\$6,234.8	\$3,053.5	\$1,867.3	\$1,678.4	\$439.6	\$596.4	\$1,288.0
..... 2001	7,635.9	258.6	1,043.9	1,238.8	5,094.5	2,655.4	1,574.5	1,334.8	448.9	511.0	1,111.3	
..... 1999	6,594.8	282.1	978.2	1,213.7	4,120.8	2,283.6	1,158.8	1,081.2	413.8	560.0	1,097.4	
Return on assets (%)	2003	1.38	0.96	1.19	1.46	1.42	1.25	1.37	1.36	1.55	1.41	1.66
..... 2001	1.20	0.94	1.11	1.22	1.22	1.15	1.17	1.00	1.27	1.21	1.53	
..... 1999	1.23	1.03	1.27	1.44	1.18	1.12	1.24	1.27	1.49	1.23	1.33	
Net charge-offs to loans & leases (%)	2003	0.80	0.25	0.29	0.59	0.98	1.19	0.59	0.66	1.04	0.38	0.67
..... 2001	0.68	0.22	0.27	0.69	0.79	0.78	0.60	0.59	0.87	0.35	0.79	
..... 1999	0.51	0.19	0.27	0.62	0.56	0.64	0.45	0.33	0.66	0.36	0.53	
Noncurrent assets plus												
OREO to assets (%)	2003	0.81	0.93	0.74	0.66	0.84	0.87	0.66	0.95	0.79	0.79	0.68
..... 2001	0.79	0.78	0.66	0.73	0.83	0.76	0.86	0.85	0.75	0.77	0.67	
..... 1999	0.64	0.74	0.60	0.66	0.63	0.72	0.57	0.59	0.60	0.65	0.60	
Equity capital ratio (%)	2003	9.09	11.44	10.07	10.33	8.57	8.80	8.80	8.58	10.76	9.57	10.12
..... 2001	8.72	11.37	9.98	9.25	8.19	8.41	9.06	8.15	9.78	9.34	8.93	
..... 1999	8.53	11.00	9.74	9.38	7.82	8.12	8.95	8.49	8.86	8.64	8.79	

* Regions:

New York - Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico

Rhode Island, Vermont, U.S. Virgin Islands

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

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

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

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

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

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

June 30, 2004	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	0.70	0.51	0.90	1.04	0.61	0.73	1.01	1.11	1.28	0.69
Construction and development	0.63	0.00	3.23	1.19	0.64	0.67	0.74	1.13	1.25	0.43
Commercial real estate	0.49	0.15	2.67	1.01	0.48	0.40	0.31	0.68	1.08	0.36
Multifamily residential real estate	0.26	0.00	0.64	0.29	0.30	0.12	0.09	0.56	0.81	0.32
Home equity loans	0.34	0.42	0.18	0.62	0.34	0.29	0.45	0.40	0.47	0.35
Other 1-4 family residential	0.91	1.35	0.79	1.53	0.92	0.84	1.46	1.41	1.48	0.94
Commercial and industrial loans	0.68	2.26	0.60	1.47	0.81	0.87	1.24	1.47	1.51	0.39
Loans to individuals	1.72	2.31	1.88	2.16	1.37	0.98	1.46	2.22	2.19	1.36
Credit card loans	2.25	2.36	2.27	2.36	2.01	1.36	1.66	3.63	2.05	1.87
Other loans to individuals	1.39	1.75	1.68	2.15	1.30	0.93	1.42	2.11	2.20	1.27
All other loans and leases (including farm)	0.33	0.00	0.36	0.69	0.64	0.47	0.39	0.46	0.62	0.15
Total loans and leases	0.81	2.13	0.94	1.10	0.72	0.75	1.22	1.27	1.38	0.61
Percent of Loans Noncurrent**										
All real estate loans	0.67	0.25	0.96	0.99	0.65	0.73	1.00	0.80	0.92	0.56
Construction and development	0.60	0.32	3.30	0.97	0.52	1.19	0.95	1.30	0.85	0.57
Commercial real estate	0.81	0.35	1.90	1.14	0.77	0.74	1.19	0.79	1.32	0.82
Multifamily residential real estate	0.27	0.00	1.77	0.97	0.28	0.17	0.72	0.40	1.13	0.27
Home equity loans	0.18	0.15	0.09	0.15	0.19	0.14	0.24	0.43	0.22	0.18
Other 1-4 family residential	0.75	1.23	0.72	0.88	0.78	0.80	1.32	0.78	0.80	0.57
Commercial and industrial loans	1.61	1.34	3.62	1.79	1.10	1.37	1.54	1.62	1.55	1.38
Loans to individuals	1.29	1.87	2.42	0.78	0.57	0.50	0.55	0.89	0.79	0.65
Credit card loans	1.86	1.93	1.99	1.97	1.37	1.04	1.43	3.23	1.81	1.70
Other loans to individuals	0.94	1.20	2.65	0.74	0.48	0.43	0.36	0.70	0.73	0.48
All other loans and leases (including farm)	0.44	0.00	0.41	0.98	0.61	0.52	2.79	0.81	0.65	0.34
Total loans and leases	0.89	1.70	1.81	1.09	0.73	0.73	0.86	0.91	0.95	0.69
Percent of Loans Charged-off (net, YTD)										
All real estate loans	0.07	0.10	0.04	0.05	0.10	0.04	0.25	0.03	0.08	0.07
Construction and development	0.04	0.00	0.00	0.02	0.06	0.02	-0.21	-0.16	0.01	0.02
Commercial real estate	0.07	0.00	-0.32	0.08	0.09	0.04	0.15	0.00	0.12	0.03
Multifamily residential real estate	0.03	0.00	0.15	0.13	0.05	-0.01	-0.03	0.00	0.02	0.02
Home equity loans	0.12	0.10	0.00	0.03	0.15	0.05	0.33	0.11	0.05	0.12
Other 1-4 family residential	0.07	0.05	0.02	0.07	0.13	0.04	0.27	0.06	0.08	0.07
Commercial and industrial loans	0.62	4.28	0.72	0.35	0.59	0.55	2.14	0.29	0.49	0.46
Loans to individuals	2.88	5.52	3.32	0.59	1.26	1.28	2.24	3.20	1.08	1.35
Credit card loans	5.51	5.61	5.59	4.09	4.65	2.74	6.80	21.31	6.43	4.96
Other loans to individuals	1.23	4.28	2.02	0.48	0.91	1.07	1.29	1.51	0.73	0.72
All other loans and leases (including farm)	0.20	0.00	0.10	0.00	0.40	0.10	0.50	0.10	0.20	0.10
Total loans and leases	0.60	5.10	1.10	0.10	0.30	0.10	1.30	0.50	0.30	0.30
Loans Outstanding (in billions)										
All real estate loans	\$3,428.6	\$16.1	\$130.2	\$45.9	\$1,371.0	\$915.5	\$61.9	\$10.4	\$60.6	\$817.0
Construction and development	299.4	0.0	1.8	2.6	214.1	21.0	1.7	0.9	3.2	54.1
Commercial real estate	718.2	0.1	7.2	11.7	487.7	44.5	7.3	3.0	14.5	142.1
Multifamily residential real estate	160.7	0.0	1.4	0.8	93.1	44.0	0.6	0.4	1.1	19.1
Home equity loans	415.8	14.5	14.8	0.8	143.1	76.8	17.0	0.4	2.7	145.6
Other 1-4 family residential	1,744.1	1.4	70.5	14.0	410.0	728.3	35.0	5.6	35.4	443.8
Commercial and industrial loans	926.6	6.1	142.2	12.4	426.9	27.9	10.3	1.8	9.1	289.8
Loans to individuals	846.1	223.8	166.2	6.6	167.2	53.2	58.6	2.0	11.4	157.1
Credit card loans	322.8	206.9	58.5	0.2	17.1	6.3	10.3	0.2	0.6	22.7
Other loans to individuals	523.3	16.9	107.6	6.4	150.0	46.8	48.4	1.9	10.8	134.4
All other loans and leases (including farm)	584.9	7.3	177.3	20.9	107.7	8.5	1.5	0.8	5.8	255.2
Total loans and leases	5,786.2	253.2	615.9	85.8	2,072.8	1,005.0	132.3	15.1	87.0	1,519.1
Memo: Other Real Estate Owned (in millions)										
All other real estate owned	4,954.8	7.9	184.7	147.4	2,580.2	808.4	135.6	28.3	163.1	899.3
Construction and development	584.8	0.0	0.0	8.9	455.6	66.0	1.7	1.4	14.4	36.8
Commercial real estate	1,684.3	0.4	15.4	61.0	1,158.3	80.8	6.0	12.3	61.8	288.3
Multifamily residential real estate	121.3	0.0	0.0	2.0	95.2	3.1	0.2	1.1	2.1	17.6
1-4 family residential	2,367.4	7.4	104.3	43.2	824.0	658.7	127.3	12.8	78.5	511.1
Farmland	103.9	0.0	0.0	32.3	50.7	0.0	0.5	0.6	6.6	13.1

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

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

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

June 30, 2004	All Insured Institutions	Asset Size Distribution				Geographic Regions*					
		Less than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	Greater than \$10 Billion	New York	Atlanta	Chicago	Kansas City	Dallas	San Francisco
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate	0.70	1.19	0.77	0.49	0.72	0.63	0.60	0.91	0.72	0.86	0.63
Construction and development	0.63	0.88	0.69	0.52	0.65	0.71	0.38	0.86	0.61	0.74	0.71
Commercial real estate	0.49	0.85	0.58	0.42	0.45	0.58	0.34	0.68	0.49	0.61	0.26
Multifamily residential real estate	0.26	0.66	0.38	0.25	0.22	0.18	0.24	0.56	0.50	0.56	0.10
Home equity loans	0.34	0.59	0.41	0.40	0.32	0.28	0.31	0.42	0.38	0.39	0.20
Other 1-4 family residential	0.91	1.65	1.07	0.59	0.92	0.70	0.88	1.30	1.03	1.20	0.82
Commercial and industrial loans	0.68	1.55	1.04	1.00	0.54	0.59	0.52	0.72	0.75	0.88	1.03
Loans to individuals	1.72	2.36	1.84	2.05	1.66	1.79	1.69	1.54	2.00	1.42	1.63
Credit card loans	2.25	2.16	4.08	3.49	2.09	2.18	3.10	2.80	2.55	0.80	1.89
Other loans to individuals	1.39	2.36	1.57	1.32	1.35	1.50	1.39	1.26	1.29	1.56	1.24
All other loans and leases (including farm)	0.33	0.73	0.59	0.42	0.30	0.37	0.13	0.39	0.31	0.72	0.36
Total loans and leases	0.81	1.31	0.88	0.73	0.80	0.82	0.67	0.87	0.88	0.92	0.80
Percent of Loans Noncurrent**											
All real estate loans	0.67	0.98	0.68	0.65	0.67	0.60	0.43	1.02	0.57	0.81	0.70
Construction and development	0.60	0.89	0.64	0.58	0.58	0.68	0.34	0.85	0.77	0.61	0.61
Commercial real estate	0.81	1.08	0.75	0.84	0.81	0.79	0.55	1.16	0.87	0.91	0.62
Multifamily residential real estate	0.27	0.62	0.49	0.30	0.19	0.18	0.27	0.64	0.61	0.77	0.05
Home equity loans	0.18	0.23	0.22	0.23	0.16	0.14	0.13	0.27	0.21	0.18	0.09
Other 1-4 family residential	0.75	0.97	0.69	0.64	0.77	0.56	0.49	1.30	0.46	0.85	0.87
Commercial and industrial loans	1.61	1.72	1.20	1.23	1.73	2.42	1.26	1.34	1.07	1.08	1.18
Loans to individuals	1.29	0.95	0.76	0.98	1.38	1.84	0.82	0.65	1.45	0.55	1.11
Credit card loans	1.86	1.41	2.64	2.12	1.82	1.99	1.88	1.79	2.22	0.62	1.53
Other loans to individuals	0.94	0.93	0.54	0.40	1.07	1.74	0.60	0.40	0.45	0.53	0.47
All other loans and leases (including farm)	0.44	1.07	0.80	0.55	0.40	0.49	0.37	0.34	0.39	1.14	0.71
Total loans and leases	0.89	1.09	0.76	0.76	0.93	1.16	0.61	0.95	0.76	0.84	0.80
Percent of Loans Charged-off (net, YTD)											
All real estate loans	0.07	0.06	0.05	0.06	0.08	0.04	0.06	0.16	0.07	0.15	0.03
Construction and development	0.04	0.07	0.05	0.04	0.04	0.01	0.02	0.07	0.06	0.10	0.00
Commercial real estate	0.07	0.06	0.06	0.07	0.08	0.02	0.06	0.13	0.08	0.11	0.04
Multifamily residential real estate	0.03	0.04	0.08	0.03	0.02	0.03	0.01	0.10	0.02	0.20	-0.01
Home equity loans	0.12	0.09	0.05	0.12	0.13	0.02	0.13	0.22	0.12	0.18	0.03
Other 1-4 family residential	0.07	0.07	0.05	0.06	0.08	0.03	0.06	0.19	0.06	0.19	0.03
Commercial and industrial loans	0.62	0.47	0.48	0.54	0.66	0.56	0.55	0.53	0.55	0.75	1.17
Loans to individuals	2.88	0.77	1.64	2.57	3.07	3.47	1.69	1.75	4.16	1.02	3.44
Credit card loans	5.51	3.04	9.04	5.60	5.42	5.64	5.71	5.00	6.79	2.21	4.75
Other loans to individuals	1.23	0.71	0.75	0.95	1.35	1.77	0.80	1.01	0.65	0.77	1.42
All other loans and leases (including farm)	0.15	0.13	0.24	0.18	0.14	0.11	0.12	0.22	0.12	0.33	0.17
Total loans and leases	0.60	0.20	0.20	0.40	0.70	0.90	0.30	0.40	0.80	0.40	0.60
Loans Outstanding (in billions)											
All real estate loans	\$3,428.6	\$88.9	\$579.8	\$572.1	\$2,187.9	\$792.5	\$764.5	\$634.8	\$315.6	\$239.3	\$681.9
Construction and development	299.4	9.0	78.1	71.0	141.3	34.7	93.7	64.6	27.0	40.5	38.9
Commercial real estate	718.2	25.2	204.7	171.3	317.1	144.1	170.7	156.0	71.7	75.1	100.5
Multifamily residential real estate	160.7	2.1	26.0	37.7	94.8	42.1	19.3	28.4	8.2	6.4	56.2
Home equity loans	415.8	3.2	34.0	43.7	334.9	88.3	99.6	103.9	59.9	16.7	47.4
Other 1-4 family residential	1,744.1	39.2	217.0	241.9	1,246.0	441.7	372.7	271.2	134.3	89.5	434.7
Commercial and industrial loans	926.6	20.5	107.1	121.7	677.3	287.2	194.4	220.1	77.1	61.7	86.2
Loans to individuals	846.1	13.5	56.5	84.7	691.4	330.2	136.4	121.4	89.7	41.0	127.4
Credit card loans	322.8	0.3	6.0	28.6	287.9	141.4	24.1	22.4	50.6	7.5	76.8
Other loans to individuals	523.3	13.2	50.5	56.1	403.5	188.9	112.3	99.0	39.0	33.5	50.6
All other loans and leases (including farm)	584.9	13.9	30.6	38.4	502.1	219.7	110.7	147.7	69.6	15.2	22.0
Total loans and leases	5,786.2	136.8	774.0	816.9	4,058.6	1,629.6	1,205.9	1,124.0	552.0	357.2	917.5
Memo: Other Real Estate Owned (in millions)											
All other real estate owned	4,954.8	325.0	1,369.1	839.8	2,420.9	592.0	968.5	1,342.7	580.7	875.6	595.3
Construction and development	584.8	39.8	234.9	179.6	130.6	23.2	131.2	143.2	62.6	179.5	45.2
Commercial real estate	1,684.3	123.0	629.0	348.7	583.5	159.5	359.0	382.5	233.5	360.7	189.1
Multifamily residential real estate	121.3	8.0	40.5	37.1	35.6	2.7	20.5	42.4	11.1	37.2	7.4
1-4 family residential	2,367.4	129.3	414.9	269.6	1,553.7	306.3	442.3	760.4	248.8	273.4	336.3
Farmland	103.9	25.2	51.1	7.7	20.0	3.3	17.1	14.9	26.4	25.8	16.5

* 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.

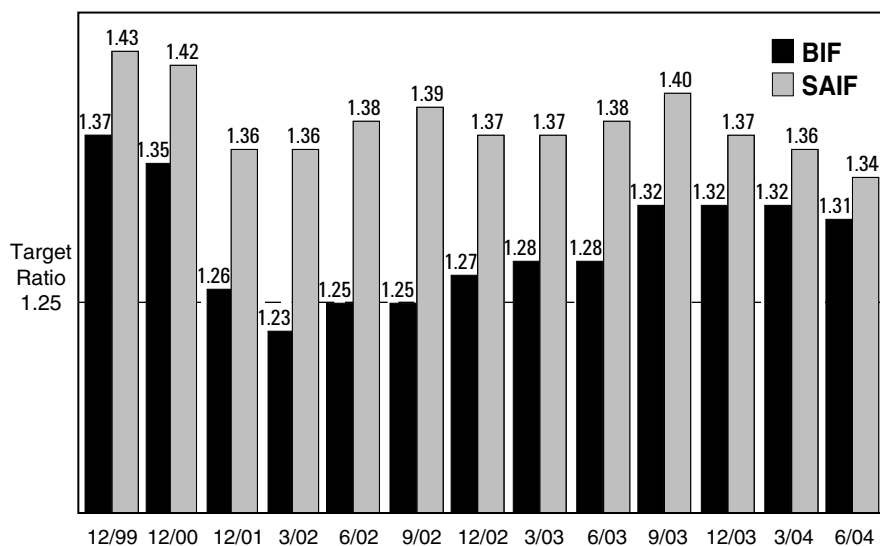
Changes in Insurance Fund Balances													
<i>(dollar figures in millions)</i>	Bank Insurance Fund						Savings Association Insurance Fund						
	2nd Qtr.	1st Qtr.	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.	2nd Qtr.	1st Qtr.	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.	
	2004	2004	2003	2003	2003	2003	2004	2004	2003	2003	2003	2003	
Beginning Fund Balance	\$34,164	\$33,782	\$33,462	\$32,800	\$32,382	\$32,050	12,394	\$12,240	\$12,186	\$12,083	\$11,906	\$11,747	
Unrealized Gain (Loss) on													
Available-For-Sale Securities	-332	175	-106	-45	38	103	-109	59	-37	-16	13	33	
Provision for Insurance Losses	-32	-37	-246	-543	-133	-6	-2	1	10	-26	-45	-21	
All Other Income, Net of Expenses	246	170	180	164	247	223	124	96	101	93	119	105	
Total Fund Balance Change	-54	382	320	662	418	332	17	154	54	103	177	159	
Ending Fund Balance	\$34,110	\$34,164	\$33,782	\$33,462	\$32,800	\$32,382	12,411	\$12,394	\$12,240	\$12,186	\$12,083	\$11,906	

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

	Preliminary 2nd Quarter 2004	1st Quarter 2004	2nd Quarter 2003	%Change 03:6-04:6
Bank Insurance Fund				
Reserve ratio (%).....	1.31	1.32	1.28	2.2
Fund Balance	\$34,110	\$34,164	\$32,800	4.0
Estimated insured deposits	2,607,472	2,586,469	2,562,053	1.8
SAIF-member Oakars.....	101,734	101,745	101,462	0.3
BIF-members	2,505,738	2,484,724	2,460,590	1.8
Assessment base	4,331,729	4,231,981	4,079,573	6.2
SAIF-member Oakars.....	105,516	105,001	104,021	1.4
BIF-members	4,226,213	4,126,980	3,975,552	6.3
Savings Association Insurance Fund				
Reserve ratio (%)	1.34	1.36	1.38	-2.8
Fund Balance	\$12,411	\$12,394	\$12,083	2.7
Estimated insured deposits	926,198	914,475	876,305	5.7
BIF-member Oakars	426,763	419,049	399,328	6.9
SAIF-member Sassadors	91,950	94,557	92,489	-0.6
Other SAIF members	407,485	400,869	384,488	6.0
Assessment base	1,097,945	1,075,770	1,043,437	5.2
BIF-member Oakars	430,868	423,082	404,932	6.4
SAIF-member Sassadors	117,593	120,319	115,782	1.6
Other SAIF members	549,484	532,369	522,723	5.1

Insurance Fund Reserve Ratios*

Percent of Insured Deposits

**Fund Balances and Insured Deposits***

(\$Millions)

	BIF Balance	BIF-Insured Deposits	SAIF Balance	SAIF-Insured Deposits
12/99	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	32,382	2,531,307	11,906	867,908
6/03	32,800	2,562,053	12,083	876,305
9/03	33,462	2,542,822	12,186	872,121
12/03	33,782	2,554,624	12,240	896,493
3/04	34,164	2,586,469	12,394	914,475
6/04	34,110	2,607,472	12,411	926,198

* 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)*

	2004**	2003**	2003	2002	2001	2000	1999
BIF Members							
Number of institutions	3	2	3	10	3	6	7
Total assets	\$151	\$1,088	\$1,097	\$2,508	\$54	\$378	\$1,490
SAIF Members							
Number of institutions	1	0	0	1	1	1	1
Total assets	\$15	\$0	\$0	\$50	\$2,200	\$30	\$71

TABLE III-B. Selected Indicators, By Fund Membership**(dollar figures in millions)*

	2004**	2003**	2003	2002	2001	2000	1999
BIF Members							
Number of institutions reporting	7,913	8,078	7,996	8,125	8,327	8,572	8,835
BIF-member Oakars	764	775	764	801	766	743	744
Other BIF-members	7,149	7,303	7,233	7,324	7,561	7,829	8,091
Total assets	\$8,375,778	\$7,768,253	\$7,897,760	\$7,335,568	\$6,857,458	\$6,510,744	\$5,980,127
Total deposits	5,513,199	5,103,376	5,210,292	4,854,908	4,567,603	4,337,661	3,987,336
Net income	55,448	52,306	106,183	92,507	76,488	73,430	73,952
Return on assets (%)	1.37	1.39	1.40	1.32	1.14	1.18	1.29
Return on equity (%)	14.80	15.20	15.21	14.32	12.91	13.86	15.11
Noncurrent assets plus OREO to assets (%)	0.61	0.82	0.76	0.91	0.89	0.72	0.62
Number of Problem Institutions	93	111	102	116	90	74	66
Assets of problem institutions	\$25,145	\$30,761	\$28,812	\$32,176	\$31,881	\$10,787	\$4,450
Number of failed/assisted institutions	3	2	3	10	3	6	7
Assets of failed/assisted institutions	\$150	\$1,088	\$1,097	\$2,508	\$54	\$378	\$1,490
SAIF Members							
Number of institutions reporting	1,166	1,204	1,186	1,229	1,287	1,332	1,387
SAIF-member Oakars	141	142	143	133	130	122	123
Other SAIF-members	1,025	1,062	1,043	1,096	1,157	1,210	1,264
Total assets	\$1,272,809	\$1,154,962	\$1,177,458	\$1,099,966	\$1,011,736	\$952,154	\$903,532
Total deposits	770,443	741,353	744,022	713,599	621,824	577,100	550,703
Net income	6,710.29	7,338.58	14,307.47	12,462.08	10,622.94	8,070.68	8,450.49
Return on assets (%)	1.11	1.30	1.25	1.17	1.11	0.89	0.99
Return on equity (%)	10.72	14.21	13.85	12.79	13.46	11.12	11.97
Noncurrent assets plus OREO to assets (%)	0.54	0.72	0.69	0.79	0.75	0.65	0.64
Number of problem institutions	9	14	14	20	24	20	13
Assets of problem institutions	\$755	\$1,059	\$1,105	\$6,751	\$7,923	\$13,053	\$5,524
Number of failed/assisted institutions	1	0	0	1	1	1	1
Assets of failed/assisted institutions	\$15	\$0	\$0	\$50	\$2,200	\$30	\$71

* 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)*

June 30, 2004

(dollar figures in millions) June 30, 2004	Number of Institutions	Total Assets	Domestic Deposits*	Estimated Insured Deposits		
				BIF	SAIF	Total
Commercial Banks and Savings Institutions						
FDIC-Insured Commercial Banks	7,691	8,048,367	4,499,012	2,347,638	436,835	2,784,472
BIF-member	7,582	7,879,567	4,390,952	2,317,278	383,112	2,700,390
SAIF-member	109	168,799	108,060	30,360	53,723	84,083
FDIC-Supervised	4,800	1,454,936	1,070,202	649,106	97,041	746,147
OCC-Supervised	1,960	4,596,494	2,444,170	1,256,875	253,424	1,510,299
Federal Reserve-Supervised	931	1,996,938	984,640	441,657	86,369	528,026
FDIC-Insured Savings Institutions	1,388	1,600,221	957,158	258,860	489,363	748,223
OTS-Supervised Savings Institutions	910	1,225,479	697,002	125,897	418,327	544,224
BIF-member	41	190,764	83,320	58,091	10,842	68,933
SAIF-member	869	1,034,716	613,682	67,805	407,485	475,290
FDIC-Supervised State Savings Banks	478	374,741	260,156	132,963	71,036	203,999
BIF-member	290	305,447	212,067	129,394	32,809	162,203
SAIF-member	188	69,294	48,089	3,569	38,227	41,796
Total Commercial Banks and Savings Institutions	9,079	9,648,587	5,456,170	2,606,497	926,198	3,532,695
BIF-member	7,913	8,375,778	4,686,339	2,504,763	426,763	2,931,526
SAIF-member	1,166	1,272,809	769,831	101,734	499,435	601,169
Other FDIC-Insured Institutions						
U.S. Branches of Foreign Banks	13	11,225	4,970	975	0	975
Total FDIC-Insured Institutions	9,092	9,659,812	5,461,140	2,607,472	926,198	3,533,670

* Excludes \$827 billion in foreign office deposits, which are uninsured.

TABLE V-B. Assessment Base Distribution and Rate Schedules

BIF Assessment Base Distribution

Assessable Deposits in Billions as of June 30, 2004

Supervisory and Capital Ratings for Second Semiannual Assessment Period, 2004

Capital Group	Supervisory Risk Subgroup					
	A		B		C	
1. Well-capitalized						
Number of institutions	7,343	92.6%	421	5.3%	84	1.1%
Assessable deposit base	\$4,048	93.3%	\$46	1.1%	\$16	0.4%
2. Adequately capitalized						
Number of institutions	60	0.8%	4	0.1%	10	0.1%
Assessable deposit base	\$222	5.1%	\$1	0.0%	\$1	0.0%
3. Undercapitalized						
Number of institutions	2	0.0%	0	0.0%	2	0.0%
Assessable deposit base	\$0	0.0%	\$0	0.0%	\$1	0.0%

NOTE: "Number" reflects the number of BIF members; "Base" reflects the BIF-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. Capital group and supervisory risk subgroup assignments are made as of September 30 of the previous year for the first semiannual assessment period and March 31 of the current year for the second semiannual assessment period.

SAIF Assessment Base Distribution

Assessable Deposits in Billions as of June 30, 2004

Supervisory and Capital Ratings for Second Semiannual Assessment Period, 2004

Capital Group	Supervisory Risk Subgroup					
	A		B		C	
1. Well-capitalized						
Number of institutions	1,082	92.8%	65	5.6%	9	0.8%
Assessable deposit base	\$1,081	98.5%	\$13	1.2%	\$1	0.1%
2. Adequately capitalized						
Number of institutions	7	0.6%	2	0.2%	0	0.0%
Assessable deposit base	\$2	0.2%	\$0	0.0%	\$0	0.0%
3. Undercapitalized						
Number of institutions	0	0.0%	0	0.0%	1	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. Capital group and supervisory risk subgroup assignments are made as of September 30 of the previous year for the first semiannual assessment period and March 31 of the current year for the second semiannual assessment period.

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

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

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



Quarterly Banking Profile

SECOND QUARTER 2004

Chart 1

Industry Earnings Fail to Set New Record

\$ Billion

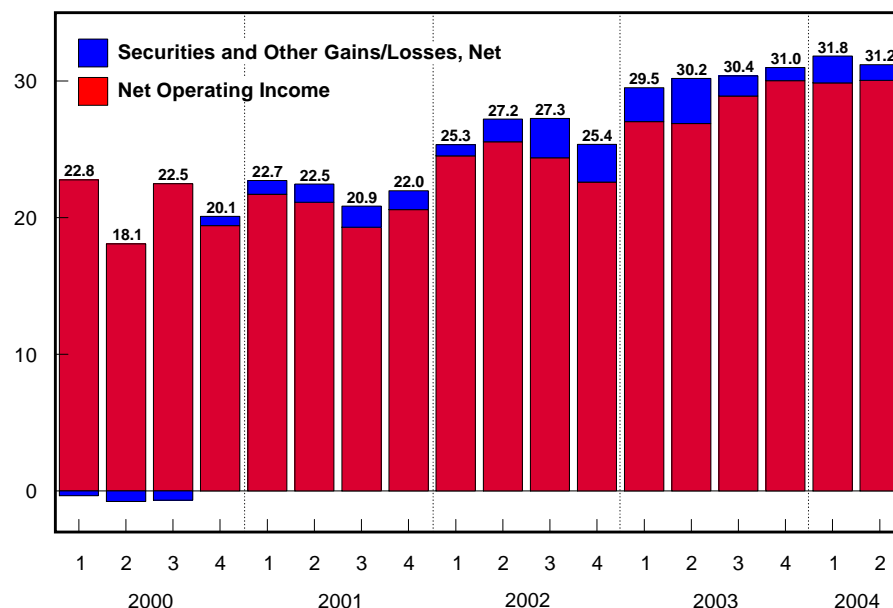
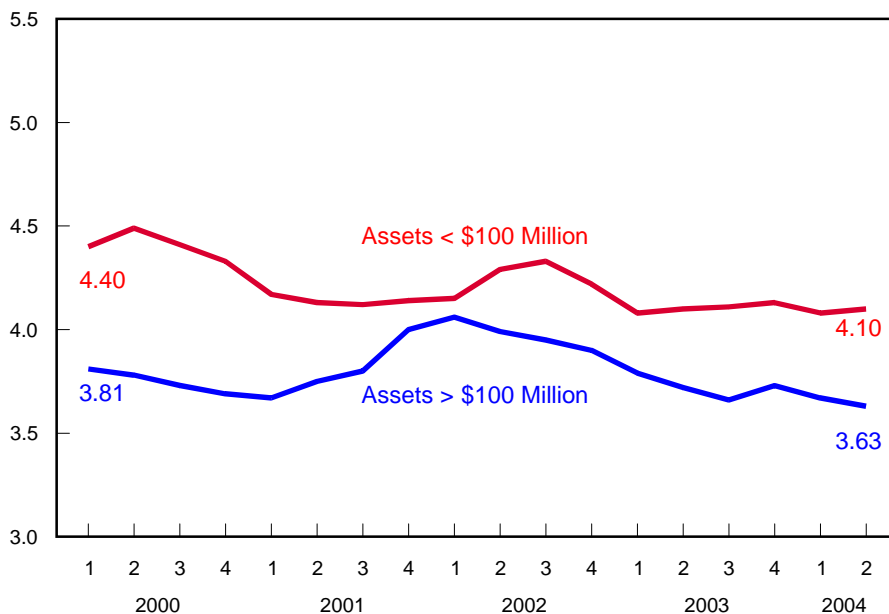


Chart 2

Margins Continue to Decline at Larger Institutions

Net Interest Margin



Quarterly Banking Profile

SECOND QUARTER 2004

Chart 3 Growth in Home Equity Loans Continues to Accelerate

Quarterly Change (\$ Billions)

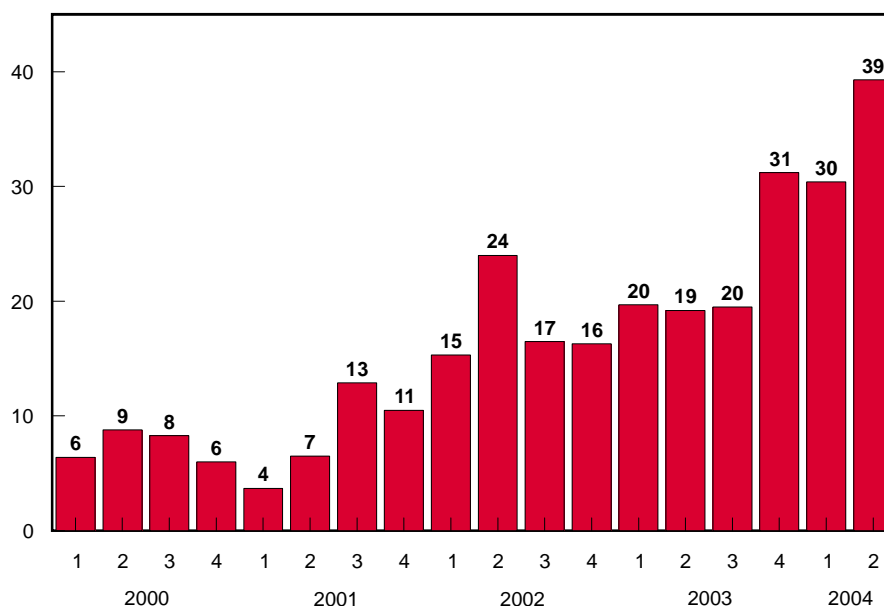
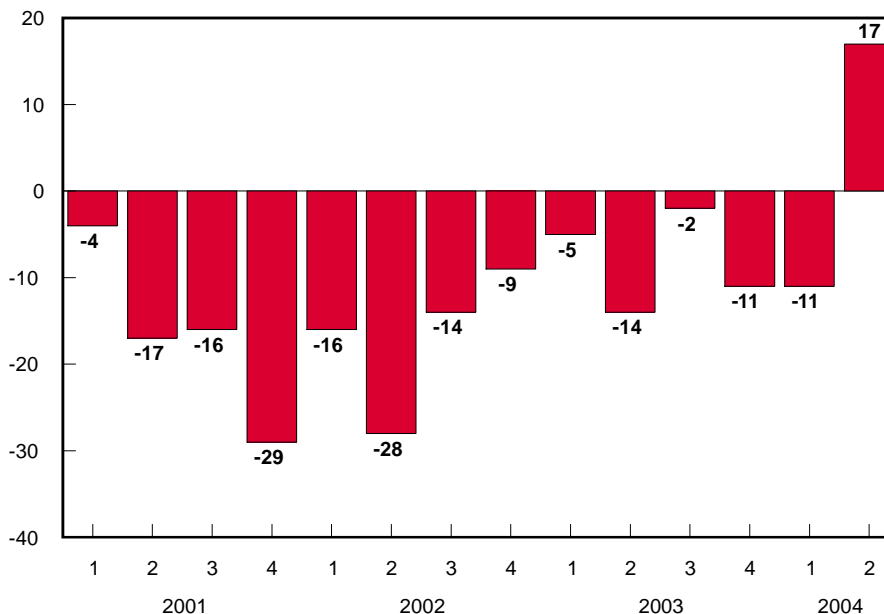


Chart 4 C&I Loans Register First Increase in 14 Quarters

Quarterly Change (\$ Billions)



Quarterly Banking Profile

SECOND QUARTER 2004

Chart 5 Small Business Loans Grew During Past 12 Months,
While Larger Loans Declined

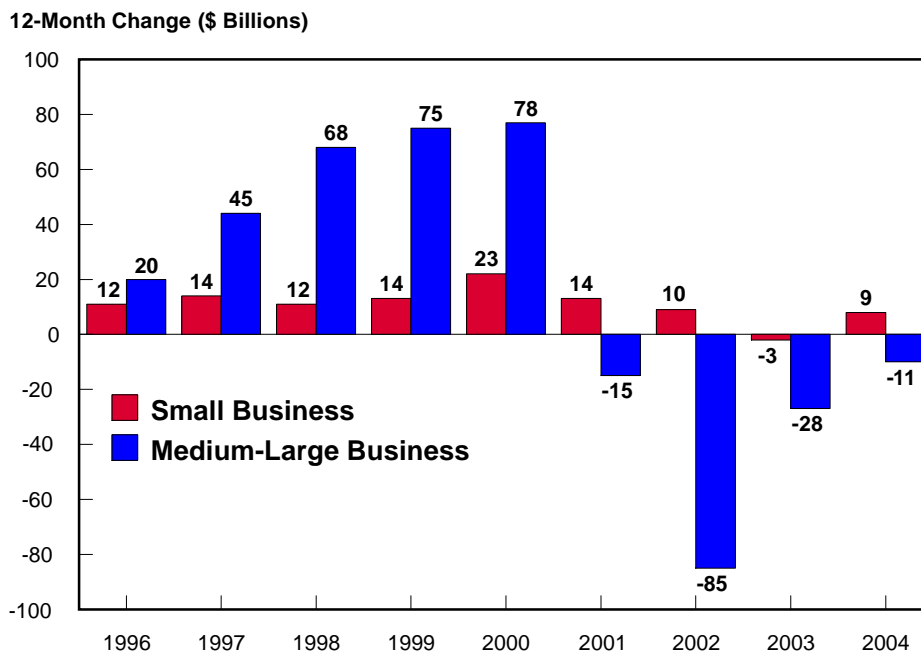
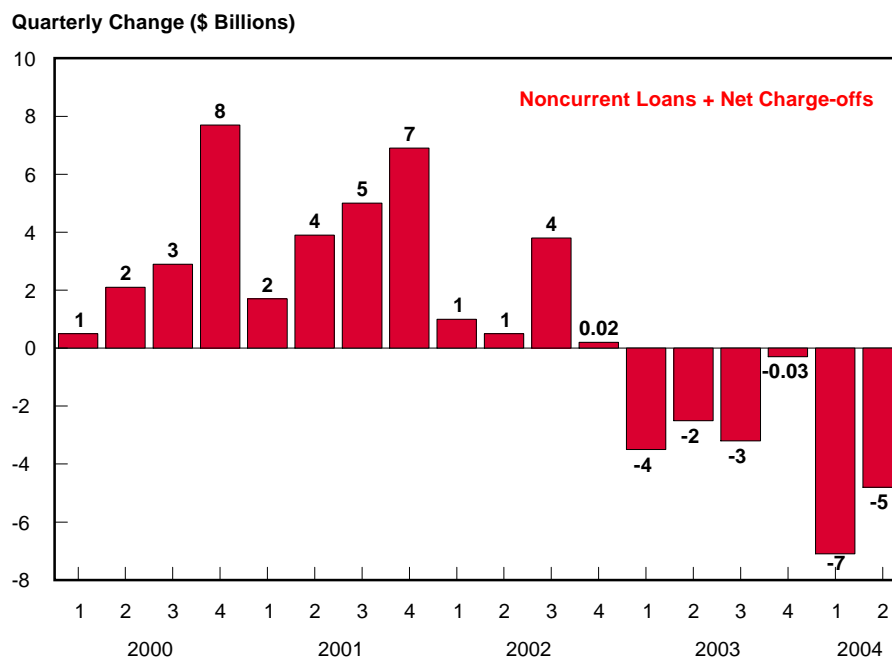


Chart 6 Asset Quality Indicators Improve
for 6th Consecutive Quarter





Quarterly Banking Profile

SECOND QUARTER 2004

Chart 7

The Industry's Noncurrent Loan Rate Fell to a 20-Year Low

Percent Noncurrent

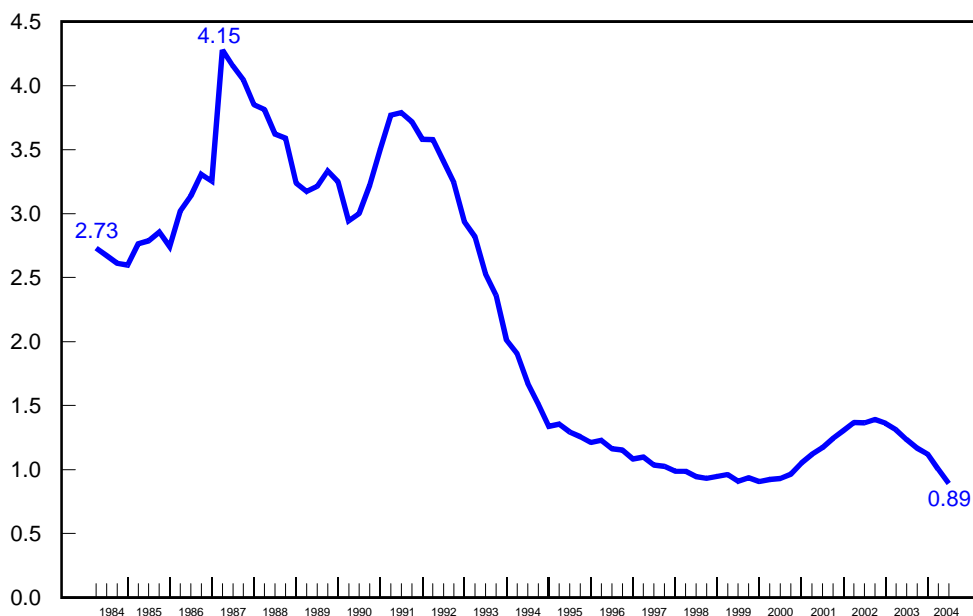


Chart 8

Mergers Continue to Reduce the Number of Institutions

Quarterly Change in the Number of Institutions

