Equity Markets

Sector analysis

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Asia

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JP Morgan-Bank One

Impact on Asia and HSBC

Banks

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JP Morgan Chase has agreed to buy Bank One for US$58bn in stock. The transaction confirms our view that US bank consolidation is proceeding apace. What impact should we expect on HSBC and in Asia?

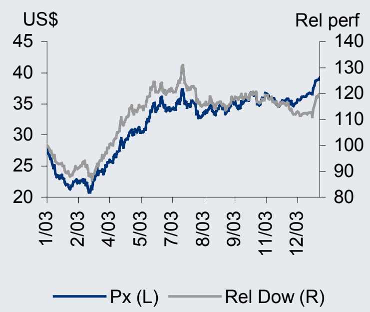
HSBC's consumer strategy validated. JP Morgan's purchase of Bank One is in no small part driven by the group's credit card operations; the combined company will be a strong No. 2 in the US behind Citibank. This focus on the consumer mirrors HSBC's acquisition of Household International last year – with valuations on card companies rising, it looks like even more of a shrewd deal.

HSBC will participate in US consolidation. With a weak US dollar and a consolidating industry, we believe that HSBC is even now intensively studying its acquisition options. We believe that a West Coast franchise – Wells and WAMU stand out as prime targets – would be the best fit for HSBC.

Room for a premium. HSBC's share price is high and its US$-based financials will be boosted by European business. Based on the bank's multiple, we believe that HSBC could pay a 20-40% premium for most US banks without it being dilutive.

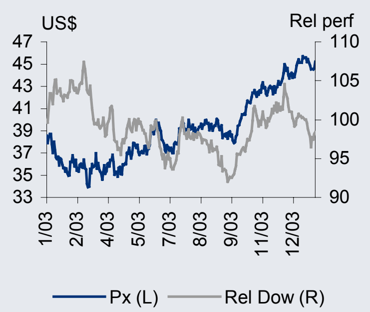
What about Citi? As the US markets consolidate, Citigroup – which is probably unable to make further American acquisitions on competition grounds – will be driven abroad to look for growth. Given the strong euro and the bank's strong brand name here, we believe that Asia is a better market for non-organic growth.

JP Morgan Chase & Co



Source: Datastream, ING

Bank One



Source: Datastream, ING

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Transaction

JP Morgan Chase (JPMC) reported last week that the company has agreed to purchase Chicago-based Bank One (ONE) – America's sixth-largest bank holding company – for approximately US$58bn. We expect this transaction to be approved and to be completed in 2Q04.

Fig 1 Transaction summary: JPMC-ONE (US$)

1.32	Shares of JPMC offered per ONE share
39.22	JPMC share price (14/1 close)
51.77	Deal value per ONE share
45.22	ONE share price (14/1 close)
14.5%	Premium (%)
2.58	P/BV (x)
18.49	PER 02 (x)
17.03	PER 03F (x)
15.34	PER 04F (x)

Source: Company data, Bloomberg, ING estimates

Based on the announced terms and pre-deal share prices, the JPMC-ONE deal is considerably more reasonably priced than the Bank of America-FleetBoston Financial (BOA-Fleet) combination announced earlier this month. Note that the premium is only 14.5% versus 41.6% for Fleet (although in fairness it should be noted that Bank One, like most other super-regionals, has run up considerably since the October announcement of the Fleet purchase) and that the announced P/BV (based on 3Q03 announced financials) was 2.58x versus 2.74x.

Fig 2 Transaction summary: BOA-Fleet (US$)

0.55	Shares of BOA offered per Fleet share
81.86	BOA share price (24/10 close)
45.02	Deal value per Fleet share
31.80	Fleet share price (24/10 close)
41.6%	Premium (%)
2.74	P/BV (x)
40.20	PER 02 (x)
18.38	PER 03 (x)
16.30	PER 04F (x)

Source: Company data, Bloomberg, ING estimates

The combined entity will have assets of just under US$1.1tr, ranking as the second-largest bank group in the US, behind Citigroup and just ahead of the combined BOA-Fleet when that merger is completed.

Its major strengths will be in corporate banking (both sides), consumer finance (the former Chase assets plus Bank One's First USA unit make the combined entity a close second to Citigroup in US credit card lending), derivatives and financial products (JP Morgan and Chase) and investment banking (JP Morgan).

Note that the group does not control a retail brokerage – an object of comment from rising CEO Jamie Dimon – although it does have a substantial retail money management arm. Including JPMC's JP Morgan Fleming AM and Banc One Investment Advisors, the merged group will have over US$700m in assets under management, not including the contribution of JPMC's 49% stake in American Century Investments.

With the merged JP Morgan effectively unable to make further US banking acquisitions due to antitrust limitations, a retail broking or securities acquisition may well be next.

Fig 3 JPMC-ONE: Pro forma summary balance sheet – 3Q03 (US$bn)

	JPMC	ONE	Pro forma
Interbank assets	125.8	13.7	139.6
Investment securities	64.6	73.6	138.2
Trading assets	230.5	18.7	249.2
Net loans	195.3	126.7	322.0
Total assets	792.7	290.0	1,082.7
Interbank liabilities	132.0	24.4	156.4
Total deposits	313.6	163.4	477.0
Trading liabilities	155.8	7.6	163.4
Debt and other borrowed money	73.6	48.4	122.1
Total liabilities	747.3	263.9	1,011.2
Minority interest	0.4	3.7	4.1
Total equity	45.0	22.4	67.4

Source: Company data, FFIEC

Fig 4 Top 20 US banking groups: Actual at 3Q03

Ranking	Group	Headquarters	Assets (US$m)
1	Citigroup	New York, NY	1,208.9
2	JP Morgan Chase	New York, NY	792.7
3	Bank of America	Charlotte, NC	736.9
4	Wells Fargo	San Francisco, CA	390.8
5	Wachovia	Charlotte, NC	388.8
6	Deutsche Bank USA	New York, NY	300.5
7	Bank One	Chicago, IL	290.0
8	FleetBoston	Boston, MA	196.5
9	US Bancorp	Minneapolis, MN	188.8
10	ABN Amro North America	Chicago, IL	147.0
11	Suntrust Banks	Atlanta, GA	126.7
12	HSBC North America	Buffalo, NY	121.8
13	National City Corporation	Cleveland, OH	121.1
14	Bank of New York	New York, NY	95.3
15	BB&T	Winston-Salem, NC	90.4
16	Fifth Third Bancorp	Cincinnati, OH	89.4
17	Keycorp	Cleveland, OH	83.9
18	State Street	Boston, MA	81.8
19	Citizens Financial	Providence, RI	72.8
20	PNC Financial	Pittsburgh, PA	72.3

Source: FFIEC

Fig 5 Top 20 US banking groups: Pro forma for announced transactions

Ranking	Group	Headquarters	Assets (US$m)
1	Citigroup	New York, NY	1,208.9
2	**JPMC-ONE**	New York, NY	1,082.7
3	**BOA-Fleet**	Charlotte, NC	933.4
4	Wells Fargo	San Francisco, CA	390.8
5	Wachovia	Charlotte, NC	388.8
6	Deutsche Bank USA	New York, NY	300.5
7	US Bancorp	Minneapolis, MN	188.8
8	ABN Amro North America	Chicago, IL	147.0
9	Suntrust Banks	Atlanta, GA	126.7
10	HSBC North America	Buffalo, NY	121.8
11	National City Corporation	Cleveland, OH	121.1
12	Bank of New York	New York, NY	95.3
13	BB&T	Winston-Salem, NC	90.4
14	Fifth Third Bancorp	Cincinnati, OH	89.4
15	Keycorp	Cleveland, OH	83.9
16	State Street	Boston, MA	81.8
17	Citizens Financial	Providence, RI	72.8
18	PNC Financial	Pittsburgh, PA	72.3
19	MBNA	Wilmington, DE	58.7
20	Comerica	Detroit, MI	55.2

Source: FFIEC

Rationale

What does JP Morgan Chase get from Bank One besides scale? Key factors in our view are as follows:

- **Network.** A branch banking platform and added customer base, both of which are difficult to acquire organically (see below). Stable retail deposits will add more predictability to earnings.
- **Additional credit card scale.** Bank One has been more aggressive and apparently more successful in running its credit card operations over the past several years. We expect the Bank One team to take over the combined platform and give Citi a run for its money.
- **New customers.** A fresh crop of corporate and middle-market customers to whom JPMC can sell treasury and derivative products.
- **Management succession.** Although claims by some that JP Morgan was enticed to buy ONE solely or primarily by the desire to acquire Jamie Dimon's services (the 55-billion dollar man?) are laughably overblown, his pending accession to what (given his comparatively young age) will presumably be a long tenure as CEO is a tremendous positive for the company.
- **Of course, cost savings.** Management is predicting over US$2bn in annual cost savings will result from the integration. Both Bank One and JPMC's (primarily Chase-Chemical) management teams have good track records in getting these savings – bet on the combined team to beat that initial estimate.

Geographic overlap

JP Morgan and Bank One have very little overlap, with the exception of Texas, where JPMC's 15.5% market share and 137 branches (mainly the former Texas Commerce Bank) will be bolstered by ONE's 6.6% market share and 218 branches. The combined 22% share will be almost double that of the No. 2 bank, BOA, which has 11.4% of the pie.

Fig 6 JPMC and ONE: Major markets at of June 2003

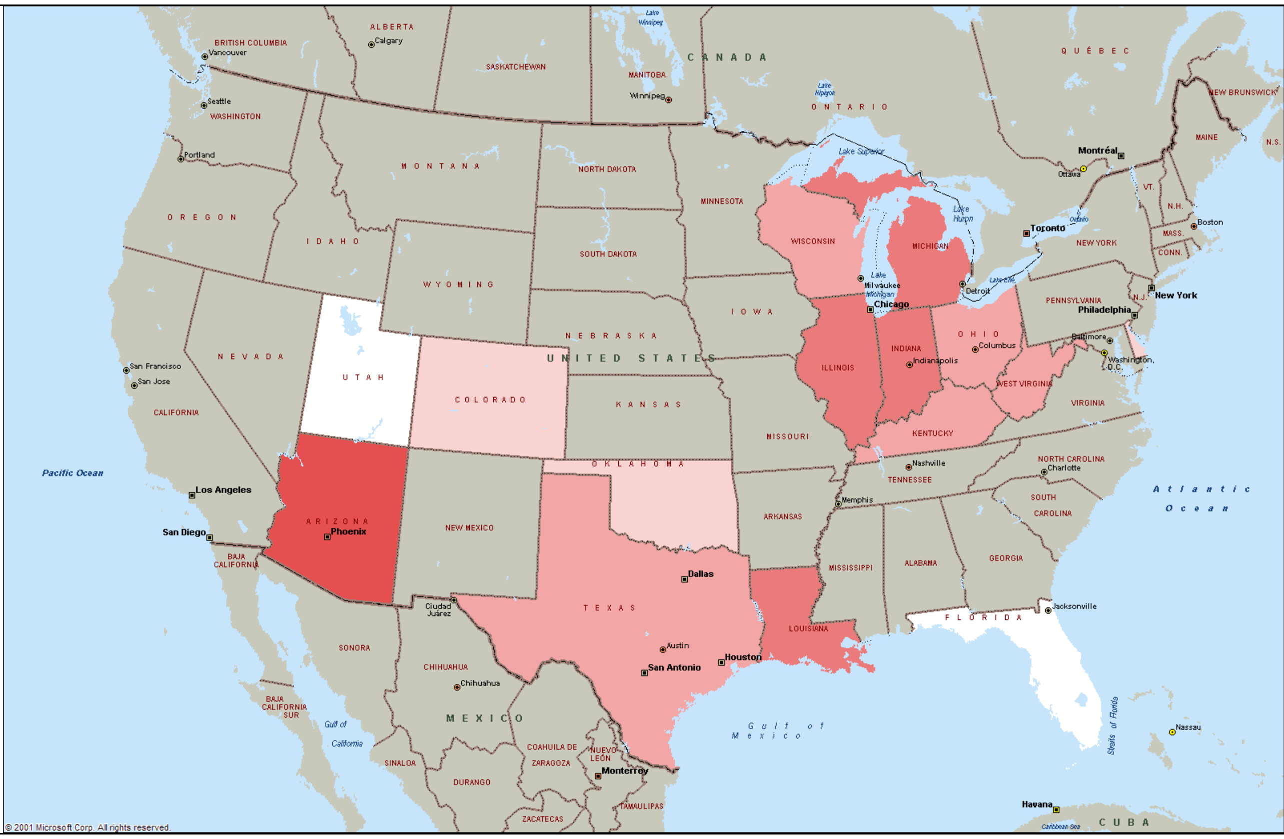
State	Branches	Deposits (US$m)	Market share (%)
JPMC			
NY	373	138.3	23.8
TX	137	46.1	15.5
DE	2	6.6	6.9
NJ	42	3.0	1.5
CT	32	2.2	3.1
ONE			
IL	238	44.8	15.9
TX	218	19.6	6.6
OH	266	19.2	9.1
MI	246	17.9	13.0
AZ	180	15.6	27.9
IN	172	10.4	13.0
LA	183	9.1	17.2
WI	78	4.9	5.1
KY	56	3.6	6.4
CO	65	3.0	5.0
DE	1	2.6	2.7
OK	35	2.2	4.9
WV	29	1.7	7.7
UT	26	1.7	2.0
FL	7	0.3	0.1

Source: FDIC, ING estimates

Fig 7 JP Morgan branch network and deposit share by state

Source: FDIC

Fig 8 Bank One branch network and deposit share by state



Source: FDIC

Implications for HSBC

HSBC (HSBA LN, 862p, HOLD, Target price: 795p) has an avowed ambition to become one of the top five banking groups in the US, but is still far away. Its main US banking subsidiary is currently ranked No. 12, with approximately one-tenth the asset size of Citigroup or the merged JPMC-ONE or BOA-Fleet. Even with the inclusion of additional Household assets (which are held not through the US bank but rather by a different arm of the top-tier holding company, HSBC USA, it would be roughly the same size as FleetBoston before its acquisition, and significantly smaller than Bank One.

In essence, HSBC is the size of the banks that are being bought, rather than the banks that are doing the buying.

Additionally, HSBC is very geographically concentrated and dependent on wholesale businesses – although again the Household purchase addresses both of these issues in part – which means that the bank has less presence at the critical retail banking level than other institutions of comparable size.

Finally, there is a sense (true or not) that the time is nigh for a final consolidation of the American banking sector that will cap a decade and a half of M&A activity. This last gasp will leave the US with a "barbell"-shaped banking sector, which has super-large banks on one end and thousands of small community banks on the other, but very little middle ground – the historic home of regional and super-regional banks, which would be the best targets for HSBC.

We do not consider Household's network a substitute for that of a bank – its branches are not generally suitable for transactional business nor do they attract the clientele that HSBC services do elsewhere.

Although these items do not add up of themselves to a dangerous future for HSBC in America, they do represent a cusp of activity where we believe that the group must actively and quickly consider its future strategy. Further contributing to the sense of timeliness is that the euro (and HSBC's GBP-denominated shares) are strong against the US dollar, making it potentially a good time to buy more US assets.

Is organic growth an option?

Organic growth is certainly an option, however:

- HSBC has shown little ability thus far to extend its reach outside of markets into which it has purchased entry (via the Marine Midland and Republic Bank NY – itself an acquisitor of several community banks – deals); and
- Data indicate[1] that in a mature banking market, de-novo branching is unlikely to be profitable unless the originator is already taking substantial share in its existing markets – in other words, unless management has a clear outperforming model in place.

Does HSBC have such a silver bullet? The answer seems to be no. Looking at the bank's performance in its three major metropolitan statistical areas (MSA) over the past five years, we see that the group has gained ground in only one of three markets – Buffalo/Niagara Falls.

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[1] Bank wonks are alerted to check out the provocative and convincing report on the subject: *De Novo Branching: Pathway to Profitable Growth?*, by James McCormick and Gordon Goetzmann of the First Manhattan Consulting Group (www.fmcg.com).

Fig 9 HSBC: US market share by MSA: 1999-2003 (%)

	2003*	2002	2001	2000	1999
Buffalo	36.58	34.85	35.99	28.84	28.00
Albany	4.07	4.29	5.37	5.86	5.07
New York	5.45	5.62	6.44	6.55	7.21

* As at 30 June 2003

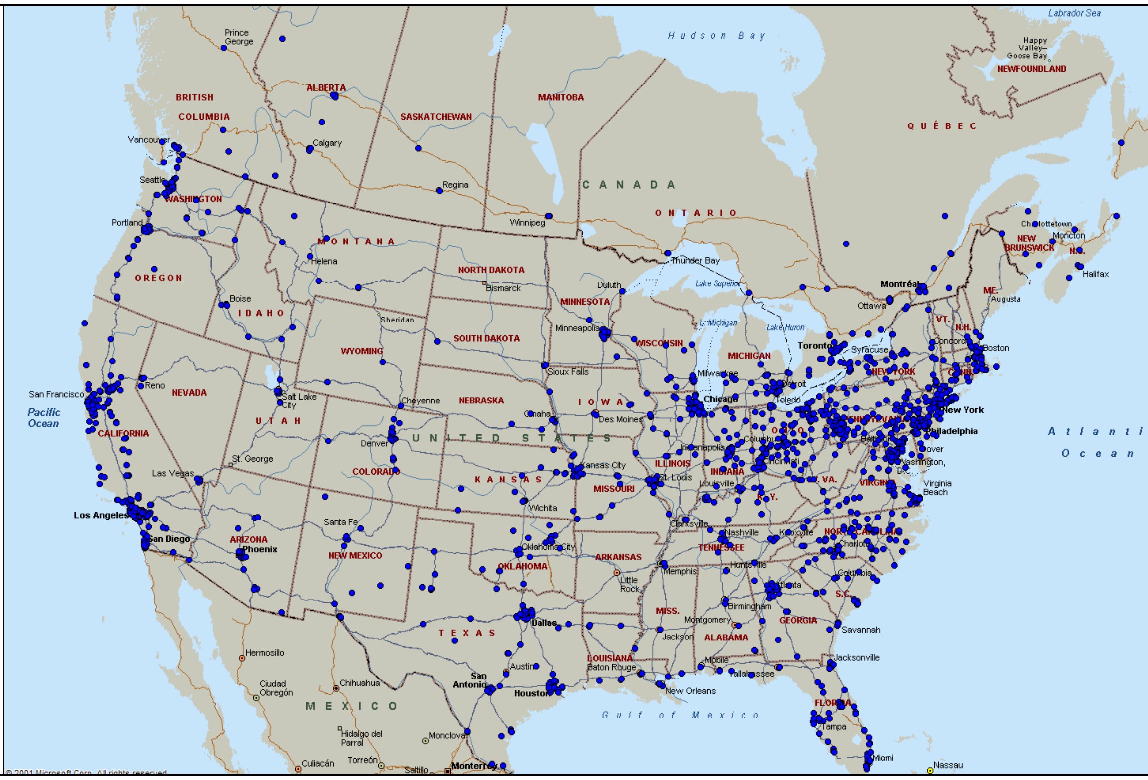
Source: FDIC, ING estimates

In this area, the bank has admirably built on the dominance of the former Marine Midland franchise to take share from competitor M&T Bank, gaining an 8.5% share over the past five years. However, almost all of this increase occurred in 2000; since then HSBC has gained less than a point of share.

Looking at the bank's penetration of the Albany and Metro New York MSAs, we can see that HSBC has steadily lost market position in both regions. While the case can be made that HSBC's (pro forma) New York market share in 1999 was bound to decline as the merger with Republic Bank became effective and overlapping branches were reduced to some degree, it is still difficult to present HSBC as a bank that has a consistent formula for acquiring customers in its existing branch platform, and thus the bank is unlikely to be able to profitably expand organically in any broad-based way.

Again, we do not see Household's network as being a tremendous help to HSBC in penetrating new markets for retail banking, as winning new customers for the bank will inevitably involve attracting deposit accounts – which value convenience of location more than do HI's lending clientele.

Fig 10 Household US and Canada branches



Source: Company data, ING

Who are the potential targets?

If HSBC is not to achieve its goals through organic growth, the question then becomes, "who might it buy?" We have identified 12 potential US banking targets in four geographic groups, but feel that the best fits for HSBC would be US Bancorp, WAMU, or Wells Fargo.

Fig 11 Target valuation summary

Bank	Ticker	Price (16-Jan-04)	Mkt cap (US$m)	PER (x) 2002	2003	2004F
HSBC	HSBA LN	862.50	169,990	19.34	19.09	17.06
Wells Fargo	WFC	57.19	96,767	17.93	15.64	13.96
Wachovia	WB	46.13	60,523	14.37	12.45	11.20
US Bancorp	USB	28.50	54,969	16.57	14.66	13.05
WAMU	WM	42.50	38,222	10.32	10.17	9.76
Suntrust	STI	72.69	20,493	15.18	14.31	13.03
BB&T	BBT	36.58	19,824	17.50	12.70	11.66
PNC	PNC	54.91	15,587	13.14	14.18	13.26
Key	KEY	30.29	12,616	14.22	13.34	12.33
Southtrust	SOTR	33.20	11,016	17.75	16.10	14.66
Comerica	CMA	56.61	9,907	14.98	14.59	12.93
Sovereign	SOV	24.51	7,170	18.57	16.94	15.15
Union Planters	UPC	31.24	5,891	12.25	13.34	12.11

Source: Bloomberg, ING estimates

Incremental expansion in the northeast

The easiest and least disruptive path for HSBC would be to fill in gaps and build on existing strength in the northeast. Wachovia (also a potential southern strategy) would add significant market share in New Jersey, Pennsylvania and Connecticut, as well as delivering Florida, Georgia, Virginia and the Carolinas. Wachovia also fits well with HSBC's wealth management strategy through its 62% ownership of Prudential Securities.

Either Key Bank (strong in upstate New York, Maine and Vermont, as well as Ohio, Oregon and Washington) or Sovereign[2] (decent but not leading franchises in Rhode Island, Massachusetts, New Jersey, Pennsylvania and Connecticut) would provide some incremental expansion, while PNC Financial would add larger shares of PA and NJ in addition to some assets further west.

Fig 12 Wachovia branch network

Source: FDIC

Fig 13 Key Bank branch network

Source: FDIC

[2] Disclosure: I have a long-term beneficial interest in Sovereign Bank shares.

Fig 14 Sovereign branch network

Source: FDIC

Fig 15 PNC branch network

Source: FDIC

It is worth considering that HSBC will potentially be competing for these franchises with Royal Bank of Scotland's Citizens Financial group, which also wants to expand and is also concentrated in the northeast – primarily in Rhode Island, New Hampshire Massachusetts and Pennsylvania.

Fig 16 Royal Bank of Scotland branch network

Source: FDIC

Westward ho!

Two banks without major eastern franchises are potential takeover targets; of these we believe that Comerica is both too small and too diffuse to make a good partner for HSBC, and will probably merge with one of the southern banks shown below.

US Bancorp is a much more interesting opportunity, and one that could give HSBC a nearly coast-to-coast network to build on, although its share in the southwest and California is fairly nominal. Note that USB is particularly strong along the northern US border, where HSBC's existing Canadian franchise could perhaps add some crossover appeal.

Fig 17 US Bancorp branch network

Source: FDIC

Fig 18 Comerica branch network

Source: FDIC

California dreamin'

We see the most compelling reasons for HSBC to be in the California market. First, the high proportion of Asian consumers and Pacific Rim-related businesses is a natural way for HSBC to leverage its existing Asian franchise and name recognition, and secondly, the group's focus on the Latin American market (Mexico and Brazil being two of HSBC's four focus markets for the years ahead) makes control of the cross-border remittance business (also a factor in Texas, among other states) a potentially lucrative add-on.

With BOA having bought a stake in Serfin to pursue the same goals, and Citi busy trying to connect subsidiary Banamex with the recently acquired Golden West Financial platform, it would seem to be a spur to HSBC's management not to fall behind.

WAMU could be an easier deal to accomplish due to its lower valuation amid fears of a slowdown in mortgage refinancing, but WFC also offers significant promise as not only a premium franchise but as a renowned innovator in retail banking techniques and a potential source of technology transfer to HSBC's businesses elsewhere.

Fig 19 Wells Fargo branch network

Source: FDIC

Fig 20 WAMU branch network

Source: FDIC

The solid south

Neither JPMC-ONE nor Citi has a substantial presence in the south, and the banks that are strong there tend to be exclusive to that region and not of national scale. BOA (through the old NationsBank franchise) is strong in the region, with substantial market shares in North Carolina (25.2%), Florida (20.2%), South Carolina (12.9%) and Georgia (12.4%), but has had well-publicised problems keeping its customers in the wake of the BOA-Nations merger.

Key franchises up for grabs and their strengths are Suntrust (Georgia, Florida, Virginia); Southtrust (Alabama, and less so Florida and Georgia); Union Planters (Tennessee, Mississippi); BB&T (West Virginia, the Carolinas, Kentucky); and Wachovia, as mentioned above.

The upside for HSBC would be expansion into a region with fewer large competitors; however, it is a less lucrative market for wealth management in general and one without the fast growth of the western US.

Fig 21 Southtrust branch network

Source: FDIC

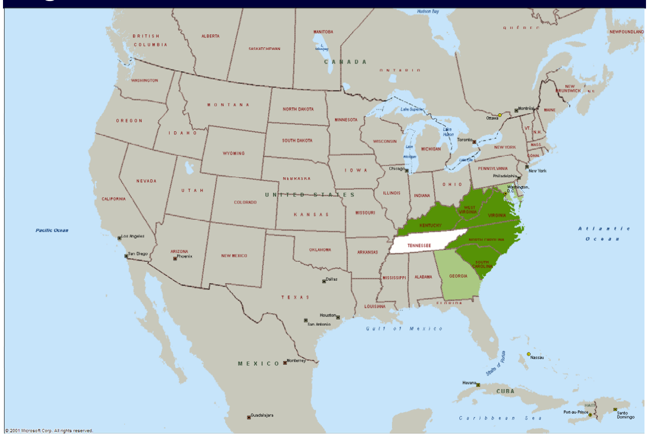
Fig 22 Suntrust branch network

Source: FDIC

Fig 23 Union Planters branch network

Source: FDIC

Fig 24 BB&T branch network



Source: FDIC

What should HSBC pay?

Well, as little as possible, of course ... but what *could* the group potentially pay without diluting earnings or expectations? The brief analysis below has assumed two major factors in the pricing decision; obviously without covering the US banking sector we can not make a detailed analysis of the individual merits and financial characteristics of each potential combination.

We assume cost savings of 8% of the targets' current non-interest expenses by end-2004. This is far below the 22% that JPMC is assuming for ONE (albeit with a longer time horizon), but we believe it is justified given that HSBC is a much smaller operation in the US and hence, has fewer overlapping operations to cut.

We also assume that the market would be indifferent to a deal with a 15x 2004F PER based on EPS adjusted for cost savings. This would be slightly accretive to HSBC's current 2004 consensus multiple of 17.1x.

Fig 25 Target valuations with cost savings

	Adj 2004F EPS (US$)	Adj 2004F PER (x)	Target at 15x PER (US$)	Premium (%)
Wells Fargo	4.94	11.59	74.04	29.5
Wachovia	5.10	9.04	76.54	65.9
US Bancorp	2.50	11.40	37.49	31.5
WAMU	4.92	8.63	73.87	73.8
Suntrust	6.72	10.82	100.74	38.6
BB&T	3.87	9.45	58.05	58.7
PNC	5.03	10.92	75.40	37.3
Key	3.05	9.92	45.81	51.2
Southtrust	2.62	12.67	39.31	18.4
Comerica	5.16	10.96	77.47	36.9
Sovereign	1.96	12.51	29.38	19.9
Union Planters	3.04	10.27	45.63	46.0

Source: Bloomberg, IBES, ING estimates

Fig 26 Market share by state: Hunters (30 June 2003)

	CITI	BOA-FLT	JPMC-ONE	JPM	ONE	HSBC	RBS	ABN
AL								
AR		5.8%						
AZ		20.3%	27.9%		27.9%			
CA	4.3%	21.6%				0.1%		
CO			5.0%		5.0%			
CT	1.2%	23.5%	3.1%	3.1%			3.8%	
DC	8.8%	17.0%						
DE	3.2%		9.6%	6.9%	2.7%		0.8%	
FL	2.0%	20.2%	0.1%		0.1%	0.3%		
GA		12.4%						
ID		4.6%						
IL	3.0%	1.5%	15.9%		15.9%			9.1%
IN			13.0%		13.0%			0.2%
IA		1.7%						
KS		6.5%						
KY			6.4%		6.4%			
LA			17.2%		17.2%			
MA		24.1%					11.1%	
MD	1.0%	17.3%						
ME		8.2%						
MI			13.0%		13.0%			15.7%
MO		10.8%						
MS								
MT								
NC		25.2%						
ND								
NE								
NH		6.1%					17.9%	
NJ	0.1%	18.0%	1.5%	1.5%			0.2%	
NM		16.0%						
NV	21.8%	19.0%						
NY	21.1%	5.4%	23.8%	23.8%		6.9%		
OH			9.1%		9.1%			
OK		5.0%	4.9%		4.9%			
OR		10.5%						
PA		1.3%					9.0%	
RI		24.3%					40.7%	
SC		12.9%						
SD	16.9%							
TN		6.9%						
TX		11.4%	22.1%	15.5%	6.6%			
UT			2.0%		2.0%			
VA	0.6%	10.4%						
VT								
WA		21.2%				0.1%		
WI			5.0%		5.0%			
WV			7.7%		7.7%			
WY								

Source: FDIC

Fig 27 Market share by state: Hunted (30 June 2003)

	USB	WFC	WAMU	CMA	KEY	WB	SOV	PNC	NAT CITY	BBT	5TH3RD	SOTR	STI	UPC
AL										0.1%		15.5%	0.7%	0.6%
AR	2.6%													1.6%
AZ	0.2%	20.2%	1.0%	1.0%										
CA	1.8%	15.8%	12.8%	3.3%										
CO	10.6%	18.0%	0.2%	1.0%	1.5%									
CT						7.7%	2.4%							
DC						21.9%				5.8%			10.7%	
DE						1.3%		2.1%						
FL			3.9%	0.1%		14.9%				0.4%	0.2%	3.9%	11.0%	1.6%
GA			0.3%			16.0%				4.4%		4.5%	14.1%	
ID	19.5%	25.3%	4.2%		5.0%									
IL	1.7%	0.1%							2.1%		2.3%			1.0%
IN	0.6%	1.8%			2.1%			0.4%	10.2%		6.5%			2.4%
IA	7.9%	14.4%												1.0%
KS	2.5%													
KY	6.3%							4.0%	9.6%	7.3%	6.5%			1.8%
LA														1.4%
MA							5.1%							
MD					0.5%	6.9%				4.4%			7.7%	
ME					14.3%									
MI		0.4%		15.6%	0.4%				7.0%		8.6%			
MO	19.3%													2.9%
MS												1.0%		7.5%
MT	7.1%	11.5%												
NC						27.4%				13.6%		0.6%		
ND	10.1%	11.8%												
NE	7.3%	9.6%												
NH							1.7%							
NJ			1.2%			10.3%	3.7%	7.8%						
NM		22.8%												
NV	5.5%	20.2%	2.5%											
NY			2.1%		1.3%	1.1%								
OH	6.3%				11.8%			0.9%	11.2%		12.1%			
OK														
OR	24.2%	11.8%	13.8%		7.1%									
PA						12.3%	3.1%	13.0%	5.3%					
RI							10.8%							
SC						18.6%				9.7%		0.9%	1.0%	
SD	3.9%	16.0%												
TN	2.0%									1.0%	0.1%	1.1%	7.8%	8.2%
TX		7.2%	2.8%	1.1%								0.7%		0.2%
UT	0.9%	6.3%	0.8%		0.8%									
VA						15.6%				7.8%		0.9%	9.4%	
VT					5.0%									
WA	11.0%	4.2%	18.6%	0.3%	5.8%									
WI	16.4%	2.4%												
WV										17.3%	0.2%			
WY	3.3%	12.6%												

Source: FDIC

Fig 28 Total deposits by state: 30 June 2003

By state: Alphabetical					By state: In order of deposits				
State	No. banks	No. branches	Deposits US$m	Deposits % total	State	No. banks	No. branches	Deposits US$m	Deposits % total
Alabama	176	1,431	60,279	1.2	California	345	6,309	612,449	11.9
Alaska	9	129	5,710	0.1	New York	231	4,655	580,745	11.3
Arizona	75	993	55,966	1.1	Texas	741	5,145	297,300	5.8
Arkansas	185	1,302	37,700	0.7	Illinois	815	4,167	281,785	5.5
California	345	6,309	612,449	11.9	Florida	352	4,732	268,174	5.2
Colorado	205	1,345	61,139	1.2	Ohio	328	3,915	210,982	4.1
Connecticut	77	1,175	69,643	1.4	Pennsylvania	302	4,606	208,049	4.1
Delaware	42	246	96,808	1.9	New Jersey	176	3,102	196,309	3.8
District of Columbia	25	193	15,637	0.3	Massachusetts	226	2,090	172,378	3.4
Florida	352	4,732	268,174	5.2	North Carolina	130	2,462	146,965	2.9
Georgia	359	2,476	124,882	2.4	Michigan	193	2,975	137,104	2.7
Hawaii	11	297	21,200	0.4	Virginia	172	2,429	129,719	2.5
Idaho	36	468	12,577	0.2	Georgia	359	2,476	124,882	2.4
Illinois	815	4,167	281,785	5.5	Minnesota	506	1,682	97,383	1.9
Indiana	228	2,215	80,342	1.6	Delaware	42	246	96,808	1.9
Iowa	443	1,519	52,087	1.0	Wisconsin	319	2,201	95,909	1.9
Kansas	397	1,461	44,901	0.9	Missouri	396	2,153	91,631	1.8
Kentucky	271	1,703	56,076	1.1	Tennessee	232	2,029	86,691	1.7
Louisiana	178	1,511	52,626	1.0	Utah	70	574	84,963	1.7
Maine	42	507	16,079	0.3	Washington	123	1,784	81,522	1.6
Maryland	149	1,689	77,851	1.5	Indiana	228	2,215	80,342	1.6
Massachusetts	226	2,090	172,378	3.4	Maryland	149	1,689	77,851	1.5
Michigan	193	2,975	137,104	2.7	Connecticut	77	1,175	69,643	1.4
Minnesota	506	1,682	97,383	1.9	Colorado	205	1,345	61,139	1.2
Mississippi	113	1,113	32,906	0.6	Alabama	176	1,431	60,279	1.2
Missouri	396	2,153	91,631	1.8	Kentucky	271	1,703	56,076	1.1
Montana	84	360	11,293	0.2	Arizona	75	993	55,966	1.1
Nebraska	286	970	31,548	0.6	Louisiana	178	1,511	52,626	1.0
Nevada	54	445	31,867	0.6	Iowa	443	1,519	52,087	1.0
New Hampshire	43	418	29,650	0.6	Kansas	397	1,461	44,901	0.9
New Jersey	176	3,102	196,309	3.8	South Carolina	112	1,261	44,881	0.9
New Mexico	68	486	16,744	0.3	Oklahoma	287	1,223	44,324	0.9
New York	231	4,655	580,745	11.3	Puerto Rico	13	553	40,263	0.8
North Carolina	130	2,462	146,965	2.9	Arkansas	185	1,302	37,700	0.7
North Dakota	112	412	10,986	0.2	Oregon	56	999	37,337	0.7
Ohio	328	3,915	210,982	4.1	Mississippi	113	1,113	32,906	0.6
Oklahoma	287	1,223	44,324	0.9	Nevada	54	445	31,867	0.6
Oregon	56	999	37,337	0.7	Nebraska	286	970	31,548	0.6
Pennsylvania	302	4,606	208,049	4.1	New Hampshire	43	418	29,650	0.6
Puerto Rico	13	553	40,263	0.8	West Virginia	92	642	22,345	0.4
Rhode Island	22	230	17,813	0.3	Hawaii	11	297	21,200	0.4
South Carolina	112	1,261	44,881	0.9	Rhode Island	22	230	17,813	0.3
South Dakota	100	444	15,716	0.3	New Mexico	68	486	16,744	0.3
Tennessee	232	2,029	86,691	1.7	Maine	42	507	16,079	0.3
Texas	741	5,145	297,300	5.8	South Dakota	100	444	15,716	0.3
Utah	70	574	84,963	1.7	District of Columbia	25	193	15,637	0.3
Vermont	24	265	8,797	0.2	Idaho	36	468	12,577	0.2
Virginia	172	2,429	129,719	2.5	Montana	84	360	11,293	0.2
Washington	123	1,784	81,522	1.6	North Dakota	112	412	10,986	0.2
West Virginia	92	642	22,345	0.4	Vermont	24	265	8,797	0.2
Wisconsin	319	2,201	95,909	1.9	Wyoming	51	204	7,793	0.2
Wyoming	51	204	7,793	0.2	Alaska	9	129	5,710	0.1
Totals	9,255	87,783	5,129,783	100.0	Totals	9,255	87,783	5,129,783	100.0

Source: FDIC

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