The FDIC Quarterly Banking Profile

Andrew C. Hove, Jr., Chairman

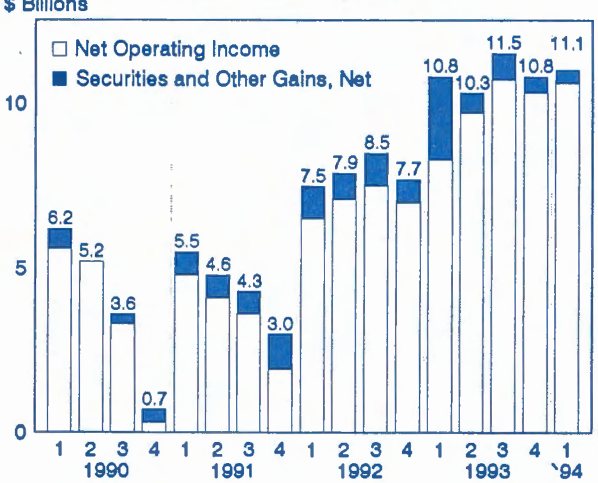
First Quarter, 1994

INSURED COMMERCIAL BANK PERFORMANCE — FIRST QUARTER, 1994

- ***Commercial Banks Earn $11.1 Billion In First Quarter***
- ***Improved Asset Quality Lifts Core Earnings As Credit Losses Fall To Nine-Year Low***
- ***Loans To Commercial Borrowers Grow Throughout U.S.***
- ***No Banks Fail During The Quarter***

Insured commercial banks reported net income of $11.1 billion for the first quarter of 1994. Earnings were below the record $11.5 billion earned in the third quarter of last year, but they represent an increase of $254 million from first-quarter 1993 earnings. The year-to-year improvement in net income was achieved despite one-time accounting changes that added $1.8 billion in extraordinary gains to earnings a year ago, and a $436-million decline in large banks' foreign exchange trading income. Net operating income reached a new quarterly record of $10.72 billion, slightly above the $10.69 billion registered in the third quarter of last year. Lower loan-loss provisions and overhead expenses, as well as increased noninterest income, were the main factors responsible for the record operating profits. The average return on assets for the quarter was 1.17 percent, down slightly from 1.18 percent in the previous quarter, and 1.23 percent a year earlier. Fewer than one bank in twenty was unprofitable in the first quarter, but a majority of smaller banks saw their earnings decline from a year ago.

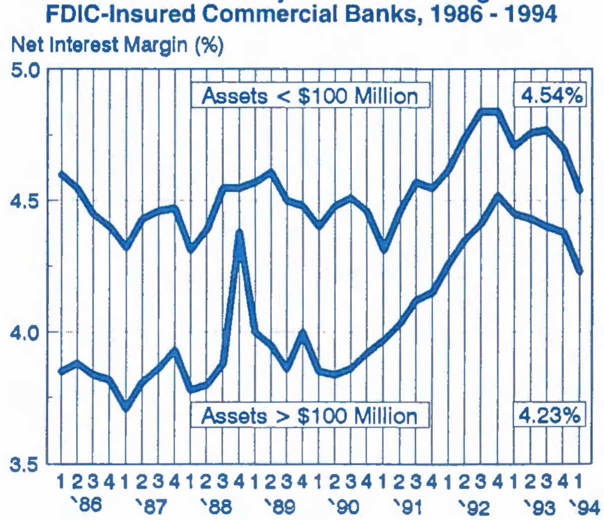
Chart A — Quarterly Net Income of FDIC-Insured Commercial Banks, 1990 - 1994



Loan-loss provisions fell for the sixth consecutive quarter, as banks set aside $2.7 billion in the first quarter to cover future credit losses. This was $2 billion less than a year ago, providing the single largest year-to-year boost to industry earnings. Total noninterest expense of $34.6 billion was $2.1 billion lower than in the previous quarter, and $429 million below the level of a year ago. This is the first time since banks began reporting quarterly earnings in 1983 that the industry has registered a year-to-year decline in noninterest expense. The decline was primarily due to reduced losses at banks in the Northeast and West regions on sales of loans and foreclosed properties.

Noninterest income continued to expand in the first quarter, although the rate of increase slowed. Reduced gains on foreign exchange trading were largely responsible for the slowdown. Banks earned $18.6 billion in noninterest income in the first quarter, an increase of 5.5 percent over the first quarter of 1993. In contrast, noninterest income grew at a 14.2 percent rate last year. Net interest income was $527 million higher in the first quarter than a year earlier, due to an increase of 6.7 percent in interest-earning assets. Net interest margins narrowed for the fifth consecutive quarter, as asset yields declined more rapidly than average funding costs. The average net interest margin in the first quarter was 4.26 percent, the lowest level since the third quarter of 1991. The decline in both average yields and funding costs came despite two 25 basis-point increases in the target fed funds rate during the quarter.

Chart B — Quarterly Net Interest Margins of FDIC-Insured Commercial Banks, 1986 - 1994



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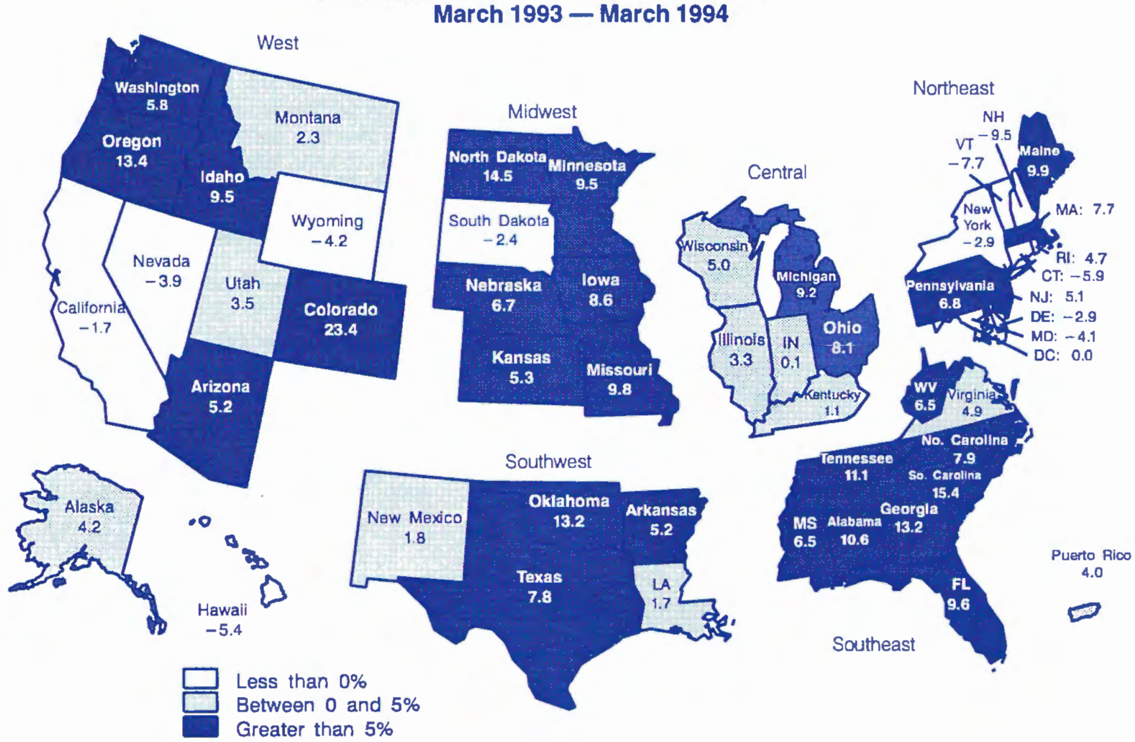
Noncurrent loans at commercial banks declined for the twelfth consecutive quarter, to $40.3 billion, a reduction of $2.4 billion from the previous quarter, and $18.6 billion less than a year ago. Noncurrent loans are now less than half the peak level of $83.3 billion reported at the end of the first quarter of 1991, and are at their lowest level since the end of 1982. Inventories of foreclosed properties also continued to decline, falling for the sixth consecutive quarter, to $15 billion. Although the greatest improvements in asset quality occurred at banks in the Northeast and West regions, banks in other areas of the U.S. also reported reduced levels of troubled assets. The rapid pace of asset quality improvement has resulted in lower loan losses and enabled the industry to cut its provisions for future losses. The $2.7 billion provision in the first quarter was the lowest quarterly total since the first quarter of 1984, when banks set aside $2.1 billion. The $2.6 billion in net loan charge-offs taken in the first quarter was the lowest amount since banks charged off $2.2 billion in the first quarter of 1985.

Total assets grew by $137 billion in the first quarter, with much of the growth consisting of a $99-billion increase in banks' trading account assets. This increase stemmed from changes in accounting for the on-balance-sheet amounts associated with certain off-balance-sheet derivatives contracts (FASB Interpretation 39; see Notes to Users, p. 18). Banks' securities holdings grew by $19 billion in the first quarter. A new accounting rule (FASB Statement 115) affecting the reported value of over half of all securities held by banks meant that the amount of securities reported at the end of the first quarter was $309 million less than would have been reported under the old rules. The only loan categories exhibiting strong growth were commercial and industrial loans, which increased by $10.6 billion, and consumer installment loans, which grew by $5.7 billion. The growth in commercial and industrial loans was the largest quarterly increase since the fourth quarter of 1986, and marks the second consecutive quarter that commercial lending has shown strong growth. In both the first quarter and the fourth quarter of 1993, commercial and industrial loans have increased in all regions. Real estate loans registered only nominal growth of $104 million during the quarter, as banks' holdings of residential mortgage loans declined by $1.4 billion, and loans for construction and land development fell by $2.4 billion. Only real estate loans secured by commercial properties showed any significant growth during the quarter, increasing by $2.6 billion (1 percent). Other assets increased by $10.4 billion as a result of an increase in accounts receivable related to sales of securities.

Equity capital increased by $4.2 billion during the first quarter, the smallest quarterly increase since the fourth quarter of 1991, when equity grew by $1.4 billion. Retained earnings of $4.9 billion were 25 percent less than a year ago, as dividend payments to shareholders rose by 44 percent, to $6.2 billion. Loan-loss reserves grew slightly from year-end levels, but ended the quarter $1.7 billion lower than a year earlier. The industry's "coverage ratio" continues to set new records, as noncurrent loans decline. At the end of the first quarter, banks held $1.31 in reserves for every dollar of noncurrent loans. High coverage levels have prompted a growing number of banks to take negative loan-loss provisions, and put some reserves back into earnings. A year ago, 301 banks reported negative loss provisions totaling $50.6 million; in the first quarter, 347 banks took negative loss provisions totaling $167.3 million.

At the end of March, there were 10,840 commercial banks reporting financial results, a net decline of 118 from the end of 1993, and 490 fewer banks than reported a year earlier. There were 127 mergers, accounting for almost all of the reduction in the number of commercial banks in the first quarter, since no commercial banks failed. This is the first time since the second quarter of 1978 that no commercial banks have failed in a quarter. There were 11 new charters issued. The number of banks on the FDIC's "Problem List" fell for the ninth consecutive quarter, to 383, while the combined assets of "problem" banks declined for the eighth consecutive quarter, to $53 billion.

Commercial and Industrial Loan Growth Rates*
March 1993 — March 1994



*Growth rates reflect adjustments for the consolidation of one DC bank with $3.4 billion in assets into a bank domiciled in Maryland

TABLE I-A. Selected Indicators, FDIC-Insured Commercial Banks

	1994*	1993*	1993	1992	1991	1990	1989
Return on assets (%)	1.17	1.23	1.20	0.93	0.53	0.48	0.49
Return on equity (%)	14.82	16.10	15.37	12.99	7.94	7.45	7.71
Core capital (leverage) ratio (%)	7.62	7.49	7.66	7.20	6.49	6.17	6.09
Noncurrent assets plus other real estate owned to assets (%)	1.46	2.42	1.61	2.54	3.02	2.94	2.30
Net charge-offs to loans (%)	0.48	0.85	0.84	1.27	1.59	1.43	1.16
Asset growth rate (%)	9.39	2.26	5.72	2.18	1.21	2.73	5.38
Net operating income growth (%)	28.92	26.99	35.66	92.44	-0.63	2.53	-38.70
Number of institutions reporting	10,840	11,330	10,958	11,462	11,921	12,343	12,709
Percentage of unprofitable institutions	4.21	5.16	4.71	6.85	11.59	13.44	12.50
Number of problem institutions	383	671	426	787	1,016	1,012	1,092
Assets of problem institutions (in billions)	$53	$377	$242	$408	$528	$342	$188
Number of failed/assisted institutions	0	8	42	100	108	159	206

*Through March 31, ratios annualized where appropriate. Asset growth rates are for 12 months ending March 31.

TABLE II-A. Aggregate Condition and Income Data, FDIC-Insured Commercial Banks

(dollar figures in millions)	Preliminary 1st Quarter 1994	4th Quarter 1993	1st Quarter 1993	%Change 93:1-94:1
Number of institutions reporting	10,840	10,958	11,330	-4.3
Total employees (full-time equivalent)	1,488,488	1,493,500	1,467,874	1.4
CONDITION DATA				
Total assets	$3,843,219	$3,705,953	$3,513,464	9.4
Loans secured by real estate	922,952	922,857	869,835	6.1
Commercial & industrial loans	549,423	538,835	532,234	3.2
Loans to individuals	421,793	419,004	381,779	10.5
Farm loans	36,007	37,134	33,158	8.6
Other loans & leases	238,793	238,396	214,276	11.4
Less: Unearned income	6,199	6,744	8,227	-24.7
Total loans & leases	2,162,768	2,149,481	2,023,057	6.9
Less: Reserve for losses	52,903	52,737	54,619	-3.1
Net loans & leases	2,109,865	2,096,744	1,968,438	7.2
Securities	855,602	836,590	802,376	**
Other real estate owned	14,987	16,255	25,181	-40.5
Goodwill and other intangibles	18,406	18,027	16,187	13.7
All other assets	844,359	738,336	701,282	**
Total liabilities and capital	3,843,219	3,705,953	3,513,464	9.4
Noninterest-bearing deposits	549,512	571,822	490,586	12.0
Interest-bearing deposits	2,207,368	2,182,260	2,164,923	2.0
Other borrowed funds	538,319	497,834	430,461	**
Subordinated debt	37,227	37,372	34,446	8.1
All other liabilities	209,998	120,079	119,458	**
Equity capital	300,795	296,587	273,590	**
Loans and leases 30-89 days past due	29,324	28,667	34,084	-14.0
Noncurrent loans and leases	40,345	42,706	58,907	-31.5
Restructured loans and leases	6,219	10,176	11,141	-44.2
Direct and indirect investments in real estate	611	543	475	28.5
1-4 Family residential mortgages	514,413	515,816	464,878	10.5
Mortgage-backed securities	331,720	336,803	323,103	**
Earning assets	3,312,275	3,290,602	3,104,627	6.7
Long-term assets (5+ years)	533,809	527,439	510,772	4.5
Volatile liabilities	1,043,137	N/M	N/M	**
Foreign office deposits	355,877	329,997	304,439	16.9
Unused loan commitments	1,536,464	1,456,376	1,297,478	18.4
Off-balance-sheet derivatives	13,916,661	11,875,428	9,769,406	42.5

INCOME DATA	Full Year 1993	Full Year 1992	%Change	Preliminary 1st Qtr 1994	1st Qtr 1993	%Change 93:1-94:1
Total interest income	$245,090	$255,224	-4.0	$60,576	$61,196	-1.0
Total interest expense	105,758	121,803	-13.2	25,423	26,569	-4.3
Net interest income	139,332	133,421	4.4	35,153	34,626	1.5
Provision for loan losses	16,767	26,043	-35.6	2,728	4,746	-42.5
Total noninterest income	74,965	65,645	14.2	18,636	17,669	5.5
Total noninterest expense	139,660	130,963	6.6	34,611	35,040	-1.2
Securities gains (losses)	3,061	4,007	-23.6	559	992	-43.6
Applicable income taxes	19,874	14,484	37.2	5,910	4,492	31.6
Extraordinary gains, net	2,058	409	403.0	(36)	1,798	N/M
Net income	43,116	31,992	34.8	11,062	10,808	2.4
Net charge-offs	17,495	25,646	-31.8	2,599	4,321	-39.9
Cash dividends	22,021	14,129	55.9	6,209	4,300	44.4
Net operating income	38,850	28,638	35.7	10,720	8,315	28.9

**New accounting rules and/or reporting detail became effective March 31, 1994. See Notes to Users, pp. 18-19.   N/M - Not meaningful

TABLE III-A. First Quarter 1994, FDIC-Insured Commercial Banks

		Asset Size Distribution				Geographic Distribution by Region					
						East			West		
FIRST QUARTER Preliminary ***(The way it is . . .)***	All Institutions	Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	North-east	South-east	Central	Mid-west	South-west	West
Number of institutions reporting	10,840	7,674	2,787	325	54	870	1,806	2,383	2,687	1,920	1,174
Total assets (in billions)	$3,843.2	$330.7	$682.1	$1,062.4	$1,768.0	$1,497.4	$608.2	$625.9	$250.6	$296.8	$564.4
Total deposits (in billions)	2,756.9	290.2	576.9	774.5	1,115.3	944.2	459.7	466.5	197.4	245.4	443.7
Net income (in millions)	11,062	942	2,027	3,799	4,295	4,054	1,801	1,804	894	897	1,613
% of unprofitable institutions	4.2	4.8	2.9	1.5	0.0	5.4	3.9	2.9	2.7	3.5	11.2
% of institutions with earnings gains	46.0	44.5	47.6	64.6	64.8	51.1	51.1	44.0	44.7	38.6	53.3
Performance Ratios (annualized, %)											
Yield on earning assets	7.34	7.30	7.21	7.33	7.42	7.87	6.96	6.98	7.27	6.56	7.29
Cost of funding earning assets	3.08	2.76	2.62	2.60	3.68	3.96	2.68	2.75	2.71	2.37	2.27
Net interest margin	4.26	4.54	4.59	4.73	3.74	3.92	4.28	4.23	4.56	4.19	5.02
Noninterest income to earning assets	2.26	1.18	1.42	2.56	2.65	2.89	1.70	1.59	2.35	1.74	2.31
Noninterest expense to earning assets	4.19	3.85	3.90	4.44	4.23	4.34	3.87	3.70	4.31	3.98	4.81
Net operating income to assets	1.14	1.12	1.16	1.40	0.96	1.07	1.16	1.14	1.37	1.20	1.14
Return on assets	1.17	1.14	1.19	1.43	1.01	1.12	1.20	1.17	1.42	1.22	1.15
Return on equity	14.82	11.64	13.54	17.44	14.40	15.35	14.97	14.40	16.37	14.67	13.32
Net charge-offs to loans and leases	0.48	0.13	0.27	0.68	0.50	0.74	0.24	0.28	0.41	0.07	0.58
Loan loss provision to net charge-offs	104.98	206.59	133.31	104.15	94.61	101.63	113.88	143.01	122.62	102.35	86.73
Condition Ratios (%)											
Loss allowance to:											
Loans and leases	2.45	1.74	1.86	2.52	2.77	2.97	1.88	1.89	2.00	1.84	2.89
Noncurrent loans and leases	131.13	134.22	125.71	147.13	123.78	115.15	166.69	165.59	157.59	165.73	122.40
Noncurrent assets plus other real estate owned to assets	1.46	1.02	1.24	1.35	1.69	1.90	0.98	0.87	0.97	0.84	1.97
Equity capital ratio	7.83	9.87	8.86	8.27	6.78	7.12	7.99	8.07	8.72	8.30	8.60
Core capital (leverage) ratio	7.62	9.82	8.75	7.94	6.56	7.03	7.81	7.98	8.61	8.01	7.92
Net loans and leases to deposits	76.53	59.04	66.70	82.29	82.17	80.42	77.87	77.93	72.42	56.84	78.10
Growth Rates (year-to-year, %)											
Assets	9.4	-	-	-	-	12.6	9.3	9.0	6.8	4.9	5.4
Equity capital	*	-	-	-	-	*	*	*	*	*	*
Net interest income	1.5	-	-	-	-	1.3	3.1	0.8	7.2	1.2	-0.9
Net income	2.4	-	-	-	-	6.8	12.4	-2.7	9.2	-32.3	13.9
Noncurrent assets plus other real estate owned	-34.2	-	-	-	-	-35.4	-34.2	-29.2	-13.4	-34.9	-36.9
Net charge-offs	-39.9	-	-	-	-	-42.3	-36.2	-42.0	-21.5	-63.2	-35.3
Loan loss provision	-42.5	-	-	-	-	-39.1	-50.2	-43.4	-30.6	-68.8	-48.1
PRIOR FIRST QUARTERS ***(The way it was . . .)***											
Number of institutions 1993	11,330	8,215	2,741	322	52	911	1,877	2,497	2,762	2,008	1,275
1991	12,249	9,178	2,702	323	46	1,053	1,942	2,697	2,937	2,157	1,463
1989	13,004	10,187	2,446	329	42	1,090	1,944	2,905	3,078	2,491	1,496
Total assets (in billions) 1993	$3,513.5	$344.8	$669.3	$1,004.4	$1,495.0	$1,329.6	$556.4	$574.3	$234.7	$283.0	$535.5
1991	3,351.1	359.1	652.9	1,050.5	1,288.6	1,266.5	506.5	544.6	225.6	264.0	543.9
1989	3,149.7	375.2	578.7	987.3	1,208.5	1,261.5	448.3	506.1	202.7	258.5	472.6
Return on assets (%) 1993	1.23	1.28	1.26	1.26	1.19	1.15	1.16	1.28	1.38	1.90	1.05
1991	0.65	1.16	0.83	0.65	0.43	0.39	0.60	0.92	1.09	0.62	0.91
1989	0.93	0.92	0.96	0.94	0.91	0.87	0.99	1.09	1.25	0.12	1.16
Net charge-offs to loans & leases (%)											
1993	0.85	0.29	0.43	0.94	1.09	1.33	0.42	0.52	0.58	0.21	0.91
1991	1.20	0.46	0.74	1.54	1.31	1.58	0.94	0.70	0.92	1.24	1.14
1989	0.74	0.54	0.60	0.81	0.79	0.61	0.42	0.61	0.95	1.68	0.96
Noncurrent assets plus OREO to assets (%) 1993	2.42	1.38	1.69	2.08	3.22	3.32	1.63	1.34	1.20	1.35	3.28
1991	3.23	1.78	2.11	3.09	4.32	4.80	2.39	1.77	1.58	2.77	2.73
1989	2.23	1.94	1.76	1.51	3.13	2.46	1.14	1.21	1.62	4.69	2.65
Equity capital ratio (%) 1993	7.79	9.66	8.54	8.05	6.84	7.03	7.81	8.18	8.85	8.13	8.58
1991	6.66	9.05	7.84	6.66	5.39	5.91	7.14	7.26	7.94	6.71	6.78
1989	6.41	8.92	7.52	6.40	5.11	5.99	6.98	6.91	7.89	5.86	6.13

*New accounting rules and/or reporting detail became effective March 31, 1994. See Notes to Users, pp. 18-19.

REGIONS: ***Northeast*** - Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico, Rhode Island, Vermont, U.S. Virgin Islands
Southeast - Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia
Central - Illinois, Indiana, Kentucky, Michigan, Ohio, Wisconsin
Midwest - Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota
Southwest - Arkansas, Louisiana, New Mexico, Oklahoma, Texas
West - Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, Oregon, Pacific Islands, Utah, Washington, Wyoming

TABLE IV-A. Full Year 1993, FDIC-Insured Commercial Banks

		Asset Size Distribution				Geographic Distribution by Region					
						East			West		
	All Institutions	Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	North-east	South-east	Central	Mid-west	South-west	West
Number of institutions reporting	10,958	7,788	2,788	327	55	878	1,818	2,412	2,706	1,937	1,207
Total assets (in billions)	$3,706.0	$335.0	$677.0	$1,063.5	$1,630.5	$1,399.7	$594.5	$612.4	$251.3	$293.8	$554.3
Total deposits (in billions)	2,754.1	294.5	576.4	782.9	1,100.3	940.7	456.1	468.5	200.0	246.1	442.5
Net income (in millions)	43,116	3,738	7,666	13,448	18,264	15,208	6,774	7,607	3,503	3,963	6,060
% of unprofitable institutions	4.7	4.9	4.1	5.8	0.0	9.3	5.0	3.1	1.8	2.5	14.2
% of institutions with earnings gains	66.7	63.3	74.5	80.1	85.5	78.1	73.6	69.2	58.1	63.4	68.0
Performance Ratios (%)											
Yield on earning assets	7.74	7.67	7.58	7.54	7.97	8.29	7.37	7.39	7.54	6.93	7.73
Cost of funding earning assets	3.34	2.98	2.85	2.74	4.04	4.31	2.87	2.95	2.97	2.57	2.46
Net interest margin	4.40	4.69	4.73	4.80	3.93	3.98	4.49	4.43	4.57	4.36	5.27
Noninterest income to earning assets	2.37	1.12	1.45	2.59	2.90	2.94	1.72	1.79	2.56	1.73	2.54
Noninterest expense to earning assets	4.41	3.91	4.05	4.63	4.54	4.60	4.01	3.88	4.37	4.20	5.11
Net operating income to assets	1.09	1.06	1.09	1.24	0.99	0.94	1.15	1.21	1.38	1.14	1.08
Return on assets	1.20	1.15	1.17	1.32	1.16	1.12	1.20	1.29	1.44	1.39	1.12
Return on equity	15.37	11.75	13.60	16.32	16.60	15.70	15.19	15.88	16.47	17.12	12.94
Net charge-offs to loans and leases	0.84	0.35	0.51	0.92	1.02	1.27	0.43	0.51	0.61	0.28	0.96
Loan loss provision to net charge-offs	95.84	122.70	118.44	106.69	82.80	89.20	116.43	120.46	113.82	45.26	93.88
Condition Ratios (%)											
Loss allowance to:											
Loans and leases	2.45	1.74	1.86	2.48	2.82	3.00	1.90	1.87	1.94	1.83	2.86
Noncurrent loans and leases	123.49	132.51	122.89	139.87	114.44	110.02	155.00	157.14	152.01	159.83	111.32
Noncurrent assets plus other real estate owned to assets	1.61	1.05	1.29	1.42	1.97	2.15	1.08	0.93	0.99	0.92	2.19
Equity capital ratio	8.00	9.77	8.74	8.13	7.25	7.48	8.02	8.12	8.68	8.26	8.74
Core capital (leverage) ratio	7.66	9.73	8.58	7.81	6.75	7.24	7.75	7.94	8.45	7.79	7.87
Net loans and leases to deposits	76.13	58.94	66.24	81.43	82.15	79.96	77.03	76.77	71.98	56.79	79.04
Growth Rates (year-to-year, %)											
Assets	5.7	-	-	-	-	7.0	8.1	5.3	3.8	4.0	2.3
Equity capital	12.6	-	-	-	-	15.5	14.1	8.8	6.9	17.5	9.5
Net interest income	4.4	-	-	-	-	3.7	5.8	3.9	7.0	7.0	3.0
Net income	34.8	-	-	-	-	44.2	29.1	31.1	14.8	29.1	41.7
Noncurrent assets plus other real estate owned	-33.1	-	-	-	-	-35.1	-28.0	-27.7	-13.2	-36.5	-35.3
Net charge-offs	-31.8	-	-	-	-	-27.8	-44.9	-44.8	-17.2	-54.6	-25.7
Loan loss provision	-35.6	-	-	-	-	-33.6	-39.6	-39.2	-18.6	-76.9	-33.8
PRIOR FULL YEARS (The way it was . . .)											
Number of institutions 1992	11,462	8,292	2,790	329	51	922	1,892	2,521	2,791	2,047	1,289
1990	12,343	9,254	2,715	325	49	1,070	1,958	2,717	2,954	2,179	1,465
1988	13,123	10,292	2,468	323	40	1,080	1,945	2,927	3,109	2,557	1,505
Total assets (in billions) 1992	$3,505.5	$346.0	$680.1	$1,034.1	$1,445.3	$1,307.6	$550.0	$581.5	$242.0	$282.6	$541.7
1990	$3,389.5	$359.6	$655.6	$1,044.4	$1,330.0	$1,290.5	$507.8	$551.7	$231.2	$267.6	$540.8
1988	$3,130.8	$378.6	$592.8	$996.9	$1,162.4	$1,243.4	$439.9	$506.2	$210.1	$261.6	$469.6
Return on assets (%) 1992	0.93	1.04	1.01	1.02	0.81	0.81	0.99	1.02	1.30	1.12	0.82
1990	0.48	0.70	0.76	0.35	0.38	0.03	0.61	0.82	0.98	0.46	0.92
1988	0.82	0.64	0.74	0.77	0.96	0.98	0.97	1.06	0.87	-0.73	0.83
Net charge-offs to loans & leases (%) 1992	1.27	0.56	0.75	1.38	1.57	1.77	0.83	0.96	0.78	0.67	1.30
1990	1.43	0.72	0.85	1.37	1.88	2.03	0.90	0.90	0.99	1.39	1.16
1988	1.00	0.89	0.78	1.05	1.10	0.83	0.63	0.73	1.31	2.43	1.26
Noncurrent assets plus OREO to assets (%) 1992	2.54	1.37	1.71	2.15	3.50	3.55	1.62	1.35	1.18	1.50	3.46
1990	2.94	1.71	1.99	2.82	3.85	4.37	2.04	1.58	1.43	2.72	2.53
1988	2.14	1.91	1.72	1.53	2.96	2.35	1.02	1.15	1.52	4.55	2.65
Equity capital ratio (%) 1992	7.51	9.38	8.20	7.69	6.62	6.93	7.60	7.86	8.43	7.31	8.17
1990	6.45	8.98	7.67	6.33	5.26	5.65	7.02	7.04	7.67	6.51	6.65
1988	6.28	8.72	7.23	6.15	5.10	5.93	6.93	6.75	7.45	5.67	5.90

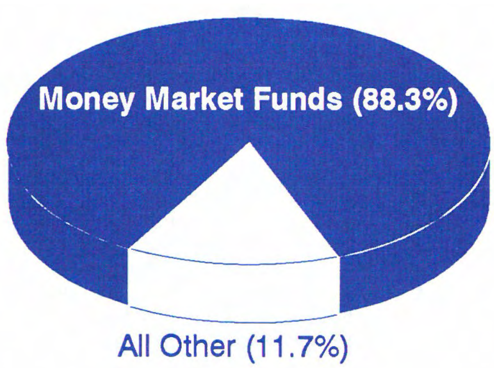
TABLE V-A. Real Estate Loan Performance and Other Real Estate Owned, FDIC-Insured Commercial Banks

March 31, 1994	All Institutions	Asset Size Distribution: Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	Geographic Distribution by Region: East: North-east	South-east	Central	West: Mid-west	South-west	West
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate	1.60	1.60	1.42	1.55	1.78	2.05	1.16	1.35	1.20	1.37	1.84
Construction and development	2.52	1.27	1.89	2.38	3.45	3.39	0.95	2.10	1.36	1.48	4.16
Commercial real estate	1.83	1.34	1.36	1.87	2.42	2.80	1.02	1.32	1.49	1.16	2.20
Multifamily residential real estate	1.71	1.31	1.32	1.96	1.89	2.39	0.96	1.45	0.87	0.68	2.41
1-4 Family residential*	1.47	1.83	1.48	1.31	1.49	1.72	1.35	1.40	0.98	1.53	1.46
Home equity loans	0.80	1.26	0.86	0.74	0.80	1.01	0.63	0.59	0.58	1.44	0.76
Commercial RE loans not secured by real estate	1.78	1.47	1.29	1.12	2.13	2.23	0.64	1.39	5.36	0.28	1.83
Percent of Loans Noncurrent**											
All real estate loans	2.54	1.24	1.63	2.38	3.73	3.99	1.41	1.34	1.40	1.45	3.44
Construction and development	7.51	1.55	3.44	6.18	13.48	11.96	2.70	3.89	2.01	1.23	13.71
Commercial real estate	3.82	1.58	2.27	3.70	6.28	6.47	2.37	1.81	2.88	2.29	4.49
Multifamily residential real estate	3.60	1.71	2.24	2.64	6.35	7.04	1.49	1.36	2.44	1.26	4.45
1-4 Family residential*	1.16	0.94	0.96	1.13	1.39	1.67	0.75	0.86	0.55	0.91	1.49
Home equity loans	0.77	0.95	0.70	0.60	0.93	1.31	0.40	0.38	0.26	0.74	0.57
Commercial RE loans not secured by real estate	4.44	1.94	1.53	2.06	5.88	9.20	3.05	1.71	2.80	0.57	2.06
Percent of Loans Charged-off (net, annualized)											
All real estate loans	0.32	0.05	0.13	0.24	0.61	0.76	0.08	0.14	0.03	-0.04	0.31
Construction and development	0.80	0.08	0.33	0.61	1.51	2.13	0.00	1.09	-0.03	-0.07	0.40
Commercial real estate	0.57	0.06	0.17	0.39	1.34	1.49	0.18	0.14	0.13	-0.07	0.46
Multifamily residential real estate	0.48	0.12	0.28	0.44	0.80	1.31	0.07	0.20	-0.34	-0.26	0.59
1-4 Family residential*	0.11	0.04	0.08	0.09	0.18	0.26	0.03	0.03	0.03	0.00	0.14
Home equity loans	0.24	0.15	0.10	0.12	0.41	0.22	0.06	0.04	0.02	0.04	0.56
Commercial RE loans not secured by real estate	0.71	0.47	-0.06	0.08	1.05	1.45	0.00	-0.01	-0.10	-0.17	0.69
Total Loans Outstanding (in billions)											
All real estate loans	$923.0	$97.7	$225.0	$281.6	$318.6	$269.8	$193.8	$159.8	$60.8	$64.4	$174.4
Construction and development	64.0	6.0	15.2	21.6	21.2	16.1	15.5	9.9	3.4	4.9	14.3
Commercial real estate	270.3	26.8	76.3	90.6	76.5	73.7	57.9	49.9	16.2	20.2	52.3
Multifamily residential real estate	29.7	2.3	8.3	9.8	9.2	7.9	5.8	5.8	2.1	2.0	6.0
1-4 Family residential*	442.5	49.3	105.3	130.7	157.2	124.4	98.8	76.2	30.3	33.9	78.9
Home equity loans	71.9	2.5	13.0	26.3	30.2	26.1	12.2	12.4	2.3	0.8	18.1
Commercial RE loans not secured by real estate	16.5	0.3	1.4	4.4	10.5	5.4	2.4	2.1	0.6	0.8	5.3
Other Real Estate Owned (in millions)											
All other real estate owned	$14,987	$1,086	$2,608	$3,122	$8,172	$7,856	$1,835	$1,197	$569	$907	$2,624
Construction and development	3,038	153	624	1,021	1,240	1,218	526	264	115	147	768
Commercial real estate	7,744	513	1,244	1,493	4,495	4,131	935	676	342	548	1,111
Multifamily residential real estate	949	50	131	133	636	676	48	56	18	22	129
1-4 Family residential	2,163	293	543	436	890	937	297	172	63	132	562
Farmland	213	76	66	30	42	21	29	22	31	58	54
Other real estate owned in foreign offices	880	0	0	9	870	873	0	7	0	0	0

*Excludes home equity loans.

**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.

Mutual Fund and Annuity Sales
First Quarter, 1994*



Sales ($ Billions)	
Money Market Funds	$97.7
Debt Securities Funds	5.1
Equity Securities Funds	4.4
Other Mutual Funds	1.7
Annuities	1.8
	$110.7

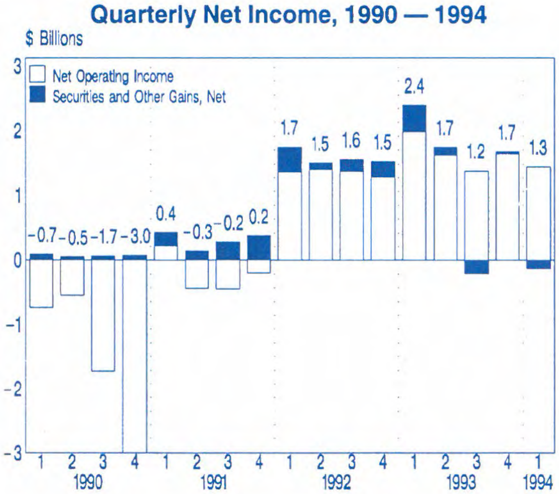
*Domestic office sales of proprietary, private label and third-party funds and annuities.

SAVINGS INSTITUTION PERFORMANCE — FIRST QUARTER, 1994

- ***Savings Institutions Earn $1.3 Billion In The First Quarter***
- ***Balance-Sheet Restructurings Reduce Profits***
- ***Industry Assets Fall Below $1 Trillion For First Time Since 1983***
- ***No Savings Institutions Fail, For Second Consecutive Quarter***

Private-sector savings institutions earned $1.3 billion in the first quarter of 1994, for an annualized return on assets (ROA) of 0.52 percent. Net income was $365 million below the amount earned in the previous quarter, and was $1.1 billion less than savings institutions reported in the first quarter of 1993, when one-time accounting gains and other extraordinary items contributed $304 million to earnings. The contributions to earnings from lower loan-loss provisions, reduced overhead expense and higher net interest income were negated by large losses related to balance-sheet restructurings by a few large institutions. Average profitability was virtually unchanged from the previous quarter at institutions with less than $5 billion in assets. Losses and reduced income at several institutions with assets above $5 billion caused a decline in that group's average ROA to -0.07 percent, from 0.49 percent in the fourth quarter of 1993. Over 94 percent of all savings institutions were profitable in the first quarter.

Quarterly Net Income, 1990 — 1994

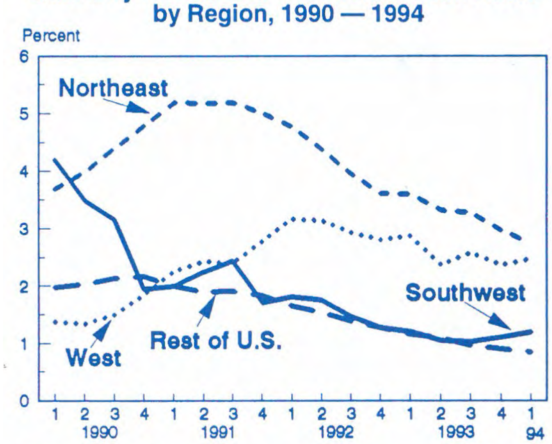


First-quarter earnings benefited from a $264-million decline from the previous quarter in provisions for future loan losses. Noninterest expense fell by $301 million, while net interest income was $65 million higher. Despite these improvements, the industry's net income was pulled down by an $824-million decline in noninterest income and a $148-million drop in extraordinary gains (from a $12-million extraordinary loss in the fourth quarter of 1993 to a $160-million loss). A large share of these declines can be traced to balance-sheet restructuring losses of $411 million announced by two of the twenty largest thrifts. Another "top 20" institution announced balance-sheet restructuring losses that added $136 million to the industry's noninterest expense.[1]

The average net interest margin was 3.41 percent, almost unchanged from the 3.39 percent of the fourth quarter of 1993, but down from 3.51 percent a year ago. A decline in average asset yields from the previous quarter was offset by a similar drop in average funding costs. The declines in average yields and funding costs occurred despite the two increases in interest rates in the first quarter. On average, margins narrowed slightly at smaller institutions, as their asset yields fell more sharply than their funding costs. Larger thrifts were able to limit the decline in their average asset yields as their funding costs fell. Institutions in the Northeast region actually saw their margins increase, as their average asset yield remained at the level of the previous quarter.

Improvements in asset quality strengthened the industry's balance sheet. Troubled assets — noncurrent assets plus other real estate owned (OREO) — fell from 2.10 percent of total industry assets to 1.96 percent during the quarter. This marks the first time that troubled assets have fallen below the 2 percent level since savings institutions began uniform reporting of noncurrent assets in 1990. A year ago, troubled assets represented 3.02 percent of all industry assets. The annualized ratio of net loan charge-offs to loans and leases was 0.51 percent in the first quarter, the lowest level since the first quarter of 1990. Net charge-offs of $792 million contributed to the $571-million decline in noncurrent loans during the quarter. Other real estate owned fell by $876 million during the quarter.

Quarterly Noncurrent Real Estate Loan Rates* by Region, 1990 — 1994



*Loans secured by real estate past due 90 days or more or in nonaccrual status as a percent of total real estate loans.

Noncurrent real estate loans fell to 2.05 percent of total real estate loans from 2.09 percent at the end of the last quarter and 2.55 percent a year ago.[2] Institutions in the Northeast and West regions continue to have the highest noncurrent real estate loan rates, at 2.75 and 2.47 percent, respectively. For the rest of the U.S., the average noncurrent rate is 0.89 percent. A year ago, noncurrent real estate loans in

[1] Each of the three institutions accounted for its restructuring differently. One restructuring charge reduced noninterest income by $280 million, another increased noninterest expense by $136 million, and the third increased extraordinary losses by $131 million. The restructurings included asset and goodwill write-downs to facilitate asset sales, and the termination of high-cost swaps and borrowings.

[2] At the end of the first quarter, noncurrent real estate loans accounted for 94 percent of all noncurrent loans at FDIC-insured savings institutions.

the Northeast region averaged 3.60 percent of total real estate loans; in the West region, the average was 2.88 percent. Although the Northeast region still has the higher noncurrent rate, it has enjoyed more rapid improvement with lower loan charge-offs over the past twelve months than the West region. Net charge-offs of real estate loans averaged 0.47 percent at Northeast region thrifts in the first quarter; for institutions in the West region, the average was 0.69 percent.

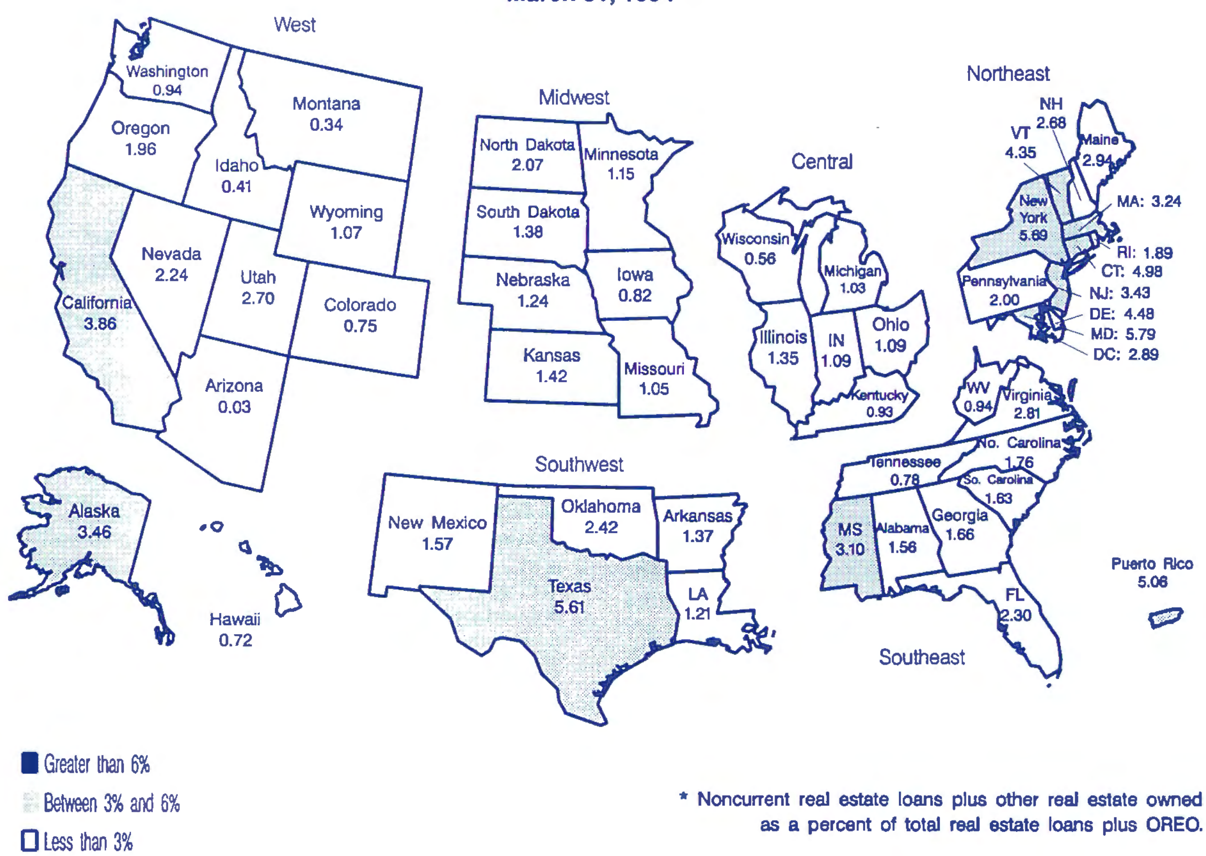
Improvement in the industry's balance sheet is reflected in stronger reserve coverage and higher capital ratios. Net loan charge-offs were $204 million (20 percent) lower than in the previous quarter, and were less than loan-loss provisions plus other additions to reserves. The resulting $175-million increase in reserves, combined with the $571-million reduction in noncurrent loans, raised the industry's "coverage ratio" in the first quarter from 65 cents in reserves for every dollar of noncurrent loans to 69 cents. A year earlier, savings institutions held only 53 cents in reserves for every dollar of noncurrent loans. The industry has improved its "coverage ratio" in every quarter since the fourth quarter of 1990. Equity capital grew by $971 million during the quarter, raising the average core capital "leverage" ratio to 7.55 percent at the end of March. This is the fourteenth consecutive quarterly improvement in this ratio.

Total savings institution assets fell below $1 trillion for the first time since 1983, and the number of institutions reporting fell to 2,240 from 2,262 at the end of 1993. Both the number and assets of savings institutions continue to decline, primarily as a result of mergers with commercial banks. Seventeen savings institutions with $7 billion in assets either were acquired by commercial banks or switched to commercial bank charters in the first quarter. Savings institutions acquired nine Resolution Trust conservatorships with $555 million in assets, and four commercial banks with $485 million in assets. Seven savings institutions were acquired by other thrifts, accounting for the rest of the decline in the number of institutions. During the quarter, twenty-eight mutual savings institutions with $18 billion in assets converted to stock organizations. Mutuals now account for 48 percent of all savings institutions and hold 20 percent of the industry's assets.

Total real estate loans fell by $12 billion in the first quarter due to an $11-billion drop in home mortgages. Mortgage-backed securities increased by $7 billion to $206 billion, and now represent 21 percent of all thrift assets. This shift in the asset mix is partially explained by a $3.7-billion securitization of home mortgages by one large institution in the first quarter. This one securitization accounted for over half of the increase in mortgage-backed securities and over a third of the decline in home mortgage loans within the industry.

The first quarter of 1994 marks the second quarter in a row in which no failures of insured savings institutions occurred. The number of "problem" savings institutions continues to shrink. At the end of March, there were 118 "problem" institutions with $89 billion in assets, compared to the end of 1993 when there were 146 institutions with assets of $92 billion.

Troubled Real Estate Asset Rates*
March 31, 1994



* Noncurrent real estate loans plus other real estate owned as a percent of total real estate loans plus OREO.

TABLE I-B. Selected Indicators, FDIC-Insured Savings Institutions*

	1994**	1993**	1993	1992	1991	1990
Return on assets (%)	0.52	0.94	0.70	0.66	0.07	-0.38
Return on equity (%)	6.63	12.87	9.27	9.53	1.20	-6.82
Core capital (leverage) ratio (%)	7.55	7.02	7.48	6.77	5.54	4.62
Noncurrent assets plus other real estate owned to assets (%)	1.96	3.02	2.10	3.07	3.96	3.98
Net charge-offs to loans (%)	0.51	0.55	0.64	0.59	0.65	0.60
Asset growth rate (%)	-1.28	-8.15	-2.85	-7.44	-11.61	-11.79
Net operating income growth (%)	-27.39	45.72	10.51	N/M	N/M	N/M
Number of institutions	2,240	2,352	2,262	2,390	2,561	2,815
Percentage of unprofitable institutions	5.67	4.51	5.79	7.66	18.51	30.12
Number of problem institutions	118	255	146	276	410	480
Assets of problem institutions (in billions)	$89	$167	$92	$184	$291	$298
Number of failed/assisted institutions	0	3	8	81	163	223

**Through March 31, ratios annualized where appropriate. Asset growth rates are for 12 months ending March 31.

TABLE II-B. Aggregate Condition and Income Data, FDIC-Insured Savings Institutions*

(dollar figures in millions)	Preliminary 1st Quarter 1994	4th Quarter 1993	1st Quarter 1993	%Change 93:1-94:1
Number of institutions reporting	2,240	2,262	2,352	-4.8
Total employees (full-time equivalent)	284,947	286,592	285,996	-0.4
CONDITION DATA				
Total assets	$996,694	$1,000,806	$1,009,582	-1.3
Loans secured by real estate	583,349	595,445	606,447	-3.8
1-4 Family residential	444,881	455,772	463,891	-3.8
Multifamily residential property	64,051	64,282	65,047	-1.5
Commercial real estate	55,654	56,365	59,088	-5.8
Construction, development and land	18,763	19,025	18,421	1.9
Commercial & industrial loans	9,735	10,096	10,803	-9.9
Loans to individuals	36,894	37,571	35,905	2.8
Other loans & leases	1,328	1,208	1,309	1.4
Less: Unearned income & contra accounts	9,702	9,262	9,164	5.9
Total loans & leases	621,604	635,057	645,300	-3.7
Less: Reserve for losses	8,833	8,658	8,746	1.0
Net loans & leases	612,770	626,399	636,555	-3.7
Securities	286,517	275,782	264,820	***
Other real estate owned	6,796	7,672	13,953	-51.3
Goodwill and other intangibles	5,759	5,978	7,017	-17.9
All other assets	84,851	84,974	87,238	***
Total liabilities and capital	996,694	1,000,806	1,009,582	-1.3
Deposits	766,338	774,153	800,844	-4.3
Other borrowed funds	135,674	134,015	119,643	***
Subordinated debt	2,537	2,533	2,630	-3.5
All other liabilities	12,739	11,669	11,310	***
Equity capital	79,407	78,436	75,154	***
Loans and leases 30-89 days past due	10,467	9,941	11,628	-10.0
Noncurrent loans and leases	12,722	13,293	16,549	-23.1
Restructured loans and leases	9,402	10,298	15,253	-38.4
Direct and indirect investments in real estate	712	751	1,152	-38.2
Mortgage-backed securities	205,802	198,654	188,651	***
Earning assets	927,479	930,120	932,723	-0.6
FHLB Advances (TFR filers only)	75,190	76,035	68,235	10.2
Unused loan commitments	96,248	95,394	79,060	21.7

INCOME DATA	Full Year 1993	Full Year 1992	%Change	Preliminary 1st Qtr 1994	1st Qtr 1993	%Change 93:1-94:1
Total interest income	$66,146	$77,974	-15.2	$15,930	$17,605	-9.5
Total interest expense	34,561	46,054	-25.0	8,045	9,426	-14.7
Net interest income	31,584	31,920	-1.1	7,886	8,179	-3.6
Provision for loan losses	4,318	5,189	-16.8	746	928	-19.6
Total noninterest income	7,901	8,078	-2.2	1,424	1,987	-28.3
Total noninterest expense	24,879	25,307	-1.7	6,110	6,244	-2.1
Securities gains (losses)	405	687	-41.1	39	139	-71.6
Applicable income taxes	3,866	3,767	2.6	1,029	1,049	-1.9
Extraordinary gains, net	39	301	-87.0	(160)	304	N/M
Net income	6,867	6,724	2.1	1,304	2,389	-45.4
Net charge-offs	3,985	3,903	2.1	792	884	-10.3
Cash dividends	2,278	2,106	8.2	563	649	-13.3
Net operating income	6,532	5,911	10.5	1,436	1,978	-27.4

*Excludes institutions in Resolution Trust Corporation conservatorship and one self-liquidating institution. N/M - Not meaningful

***New accounting rules and/or reporting detail became effective March 31, 1994. See Notes to Users, pp.18-19.

TABLE III-B. First Quarter 1994, FDIC-Insured Savings Institutions*

		Asset Size Distribution				Geographic Distribution by Region					
		Less	$100 Million	$1 Billion	Greater	East			West		
FIRST QUARTER Preliminary	All	than $100	to	to	than $5	North-	South-		Mid-	South-	
(The way it is . . .)	Institutions	Million	$1 Billion	$5 Billion	Billion	east	east	Central	west	west	West
Number of institutions reporting	2,240	1,031	1,037	144	28	823	356	565	165	146	185
Total assets (in billions)	$996.7	$52.3	$298.1	$306.7	$339.6	$338.4	$84.1	$150.4	$52.2	$57.2	$314.4
Total deposits (in billions)	766.3	45.5	248.4	227.9	244.6	274.3	66.7	117.7	38.9	37.1	231.6
Net income (in millions)	1,303.6	110.6	621.0	630.9	(59.0)	735.2	166.8	205.7	114.1	152.6	(70.7)
% of unprofitable institutions	5.7	5.5	5.3	6.9	17.9	5.5	5.9	2.7	3.6	4.8	17.8
% of institutions with earnings gains	37.2	35.4	36.9	51.4	42.9	37.4	39.0	37.9	30.3	37.7	36.8
Performance Ratios (annualized, %)											
Yield on earning assets	6.89	7.14	7.04	6.88	6.72	6.94	6.97	7.03	6.81	6.63	6.80
Cost of funding earning assets	3.48	3.47	3.43	3.46	3.53	3.23	3.60	3.63	3.79	3.69	3.55
Net interest margin	3.41	3.67	3.61	3.42	3.18	3.72	3.37	3.40	3.02	2.94	3.24
Noninterest income to earning assets	0.62	0.66	0.70	0.82	0.34	0.61	0.74	0.65	0.84	1.22	0.42
Noninterest expense to earning assets	2.64	2.88	2.76	2.56	2.56	2.67	2.60	2.49	2.23	2.47	2.79
Net operating income to assets	0.58	0.84	0.84	0.84	0.08	0.86	0.86	0.89	0.95	1.06	-0.09
Return on assets	0.52	0.85	0.84	0.83	-0.07	0.87	0.79	0.55	0.89	1.07	-0.09
Return on equity	6.63	9.00	9.60	10.58	-0.98	10.79	9.63	6.37	11.23	14.93	-1.21
Net charge-offs to loans and leases	0.51	0.08	0.20	0.62	0.73	0.52	0.25	0.11	0.16	0.34	0.78
Loan loss provision to net charge-offs	94.15	151.39	123.70	81.22	95.27	74.88	69.88	100.21	87.69	75.49	107.96
Condition Ratios (%)											
Loss allowance to:											
Loans and leases	1.42	0.90	1.24	1.54	1.55	1.66	1.20	0.85	0.82	0.91	1.64
Noncurrent loans and leases	69.43	60.62	75.49	77.40	61.98	60.23	97.14	112.31	126.16	77.03	67.15
Noncurrent assets plus other real estate owned to assets	1.96	1.33	1.62	2.07	2.25	2.45	1.31	0.67	0.74	1.86	2.44
Noncurrent RE loans to RE loans	2.05	1.42	1.61	2.02	2.51	2.75	1.18	0.73	0.64	1.19	2.47
Equity capital ratio	7.97	9.49	8.81	7.86	7.10	8.18	8.36	8.63	7.88	7.22	7.46
Core capital (leverage) ratio	7.55	9.41	8.63	7.49	6.37	7.99	8.12	8.36	7.35	6.77	6.70
Gross real estate assets to gross assets	78.47	71.73	73.92	78.38	83.60	73.87	77.95	79.41	77.59	76.48	83.61
Gross 1-4 family mortgages to gr. assets	43.82	50.10	43.59	37.50	48.76	39.45	46.20	47.35	44.44	28.49	48.94
Net loans and leases to deposits	79.96	73.92	73.37	76.82	90.71	70.21	78.66	78.15	78.96	66.59	95.12
Growth Rates (year-to-year, %)											
Assets	-1.3	-	-	-	-	3.0	-15.0	-0.3	4.8	1.4	-3.3
Equity capital	**	-	-	-	-	**	**	**	**	**	**
Net interest income	-3.6	-	-	-	-	-0.2	-17.6	-4.0	-4.1	-0.3	-3.3
Net income	-45.4	-	-	-	-	-12.7	3.3	-46.1	-16.0	-56.2	-113.6
Noncurrent assets plus other real estate owned	-36.0	-	-	-	-	-31.1	-50.7	-28.8	-34.1	-51.2	-36.4
Net charge-offs	-10.3	-	-	-	-	-23.7	-47.1	-15.2	22.4	-22.8	6.7
Loan loss provision	-19.6	-	-	-	-	-44.7	-61.6	-58.7	-9.0	-22.9	13.0
PRIOR FIRST QUARTERS											
(The way it was . . .)											
Number of institutions 1993	2,352	1,095	1,081	149	27	845	401	582	174	152	198
1992	2,528	1,168	1,153	175	32	895	449	617	187	161	219
1991	2,750	1,292	1,229	196	33	961	504	657	198	183	247
Total assets (in billions) 1993	$1,009.6	$55.3	$311.9	$314.8	$327.6	$328.5	$99.0	$150.8	$49.9	$56.4	$325.1
1992	1,099.1	58.6	331.5	354.1	354.9	374.9	116.0	156.0	49.7	61.2	341.3
1991	1,209.5	63.6	357.7	400.0	388.3	402.6	139.1	164.7	51.5	72.5	379.1
Return on assets (%) 1993	0.94	1.03	1.01	1.08	0.73	1.02	0.65	1.02	1.10	2.37	0.64
1992	0.63	0.76	0.69	0.71	0.49	0.42	0.71	0.83	0.76	1.64	0.56
1991	0.14	0.24	0.23	0.14	0.03	-0.18	0.20	0.45	0.58	0.25	0.24
Net charge-offs to loans & leases (%)											
1993	0.55	0.15	0.24	0.58	0.85	0.68	0.40	0.14	0.13	0.46	0.69
1992	0.57	0.27	0.42	0.67	0.67	0.88	0.45	0.24	0.43	0.32	0.48
1991	0.58	0.27	0.51	0.79	0.49	0.98	0.55	0.21	0.30	0.61	0.36
Noncurrent assets plus											
OREO to assets (%) 1993	3.02	1.77	2.38	2.92	3.94	3.67	2.25	0.94	1.17	3.86	3.71
1992	3.87	2.26	2.94	4.11	4.75	4.88	3.07	1.36	1.47	6.66	4.01
1991	4.15	2.49	3.53	4.97	4.15	5.10	3.74	1.38	1.82	13.91	2.95
Equity capital ratio (%) 1993	7.44	8.67	7.95	7.39	6.81	7.50	7.72	8.09	7.29	6.64	7.17
1992	6.44	7.83	6.95	6.34	5.84	6.49	6.39	7.05	5.84	5.67	6.35
1991	5.72	7.33	6.48	5.33	5.17	6.17	5.51	6.28	4.87	3.32	5.66

*Excludes institutions in Resolution Trust Corporation conservatorship and one self-liquidating institution.

**New accounting rules and/or reporting detail became effective March 31, 1994. See Notes to Users, pp.18-19.

TABLE IV-B. Full Year 1993, FDIC-Insured Savings Institutions*

		Asset Size Distribution				Geographic Distribution by Region					
						East			West		
	All Institutions	Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $5 Billion	Greater than $5 Billion	North-east	South-east	Central	Mid-west	South-west	West
Number of institutions reporting	2,262	1,048	1,040	146	28	826	367	568	166	147	188
Total assets (in billions)	$1,000.8	$53.4	$298.8	$306.8	$341.8	$336.6	$89.1	$150.8	$50.9	$56.9	$316.5
Total deposits (in billions)	774.2	46.4	249.5	231.0	247.3	275.4	70.6	118.2	38.8	37.4	233.8
Net income (in millions)	6,867.0	526.4	2,748.3	1,865.4	1,726.9	2,205.1	632.9	1,410.1	482.3	929.7	1,206.9
% of unprofitable institutions	5.8	4.9	5.6	12.3	14.3	5.9	8.2	2.8	1.8	1.4	16.5
% of institutions with earnings gains	69.2	66.1	73.0	65.8	60.7	77.0	67.6	66.2	65.7	62.6	55.3
Performance Ratios (%)											
Yield on earning assets	7.28	7.62	7.52	7.17	7.13	7.28	7.39	7.51	7.39	6.84	7.21
Cost of funding earning assets	3.81	3.81	3.78	3.73	3.89	3.52	3.95	3.97	4.18	3.89	3.91
Net interest margin	3.48	3.81	3.73	3.44	3.24	3.76	3.44	3.55	3.20	2.95	3.30
Noninterest income to earning assets	0.87	0.72	0.88	0.89	0.87	0.68	0.92	0.79	0.87	1.77	0.94
Noninterest expense to earning assets	2.74	2.79	2.87	2.77	2.59	2.90	2.79	2.55	2.42	2.60	2.73
Net operating income to assets	0.67	0.95	0.86	0.68	0.44	0.64	0.76	0.99	0.94	1.44	0.34
Return on assets	0.70	1.00	0.94	0.62	0.52	0.67	0.73	0.96	0.98	1.65	0.39
Return on equity	9.27	11.25	11.45	8.31	7.53	8.76	9.58	11.60	13.07	24.39	5.34
Net charge-offs to loans and leases	0.64	0.15	0.29	0.50	1.10	0.66	0.33	0.11	0.15	0.27	1.00
Loan loss provision to net charge-offs	108.35	166.29	146.10	118.11	95.67	94.11	128.70	221.65	132.20	101.26	109.45
Condition Ratios (%)											
Loss allowance to:											
Loans and leases	1.36	0.89	1.23	1.54	1.41	1.66	1.23	0.84	0.83	0.87	1.48
Noncurrent loans and leases	65.13	57.51	71.85	75.00	55.86	56.11	91.26	107.84	108.72	80.65	62.85
Noncurrent assets plus other real estate owned to assets	2.10	1.39	1.74	2.16	2.45	2.72	1.48	0.72	0.83	2.26	2.44
Noncurrent RE loans to RE loans	2.09	1.49	1.67	2.06	2.53	2.97	1.28	0.73	0.76	1.11	2.37
Equity capital ratio	7.84	9.33	8.61	7.71	7.04	8.00	7.97	8.53	7.90	7.12	7.42
Core capital (leverage) ratio	7.48	9.24	8.44	7.36	6.48	7.82	7.76	8.28	7.48	6.69	6.81
Gross real estate assets to gross assets	78.78	72.43	74.70	78.18	83.89	74.25	77.56	80.09	78.50	76.27	83.80
Gross 1-4 family mortgages to gr. assets	44.74	50.77	44.52	38.38	49.71	40.50	46.48	47.81	45.32	29.68	49.94
Net loans and leases to deposits	80.91	74.70	74.40	77.16	92.15	71.06	79.16	78.28	77.94	69.77	96.66
Growth Rates (year-to-year, %)											
Assets	-2.9	-	-	-	-	-1.3	-18.2	0.2	3.0	-7.4	-0.7
Equity capital	5.5	-	-	-	-	8.7	-12.9	8.3	15.4	4.2	5.8
Net interest income	-1.1	-	-	-	-	0.5	-19.5	3.5	6.5	6.8	-0.7
Net income	2.1	-	-	-	-	9.8	-25.3	6.2	-10.3	0.3	12.2
Noncurrent assets plus other real estate owned	-33.6	-	-	-	-	-29.5	-50.1	-27.2	-31.0	-46.7	-32.8
Net charge-offs	2.1	-	-	-	-	-30.5	-31.4	-43.5	-30.1	-19.9	58.5
Loan loss provision	-16.8	-	-	-	-	-29.9	-43.8	-21.7	-29.5	-52.6	-0.2
PRIOR FULL YEARS (The way it was . . .)											
Number of institutions 1992	2,390	1,109	1,094	158	29	852	416	590	176	154	202
1991	2,561	1,184	1,166	182	29	909	459	620	187	163	223
1990	2,815	1,322	1,252	205	36	982	521	666	203	188	255
Total assets (in billions) 1992	$1,030.2	$55.9	$316.2	$325.3	$332.7	$341.2	$109.0	$150.5	$49.5	$61.4	$318.7
1991	$1,113.0	$58.9	$334.5	$380.9	$338.7	$377.1	$122.2	$155.0	$49.7	$63.5	$345.4
1990	$1,259.2	$64.4	$364.8	$424.4	$405.6	$411.2	$151.9	$172.2	$55.7	$77.5	$390.7
Return on assets (%) 1992	0.66	0.86	0.81	0.68	0.46	0.60	0.77	0.90	1.12	1.55	0.34
1991	0.07	0.34	0.24	0.05	-0.11	-0.39	0.09	0.51	0.58	0.54	0.21
1990	-0.38	0.05	-0.22	-0.58	-0.38	-0.79	-0.52	0.24	0.04	-0.07	-0.28
Net charge-offs to loans & leases (%)											
1992	0.59	0.23	0.37	0.67	0.76	0.89	0.38	0.20	0.21	0.34	0.60
1991	0.65	0.30	0.50	0.84	0.66	1.12	0.58	0.21	0.28	0.41	0.45
1990	0.60	0.25	0.57	0.73	0.57	0.91	0.60	0.24	0.35	0.77	0.46
Noncurrent assets plus OREO to assets (%) 1992	3.07	1.79	2.35	3.12	3.92	3.80	2.43	0.99	1.24	3.92	3.60
1991	3.96	2.25	3.13	4.57	4.40	5.13	3.65	1.38	1.61	7.44	3.65
1990	3.98	2.37	3.48	4.91	3.72	4.85	3.96	1.37	2.55	13.21	2.60
Equity capital ratio (%) 1992	7.22	8.47	7.71	7.12	6.62	7.26	7.48	7.89	7.05	6.32	6.96
1991	6.17	7.78	6.79	5.85	5.62	6.19	6.02	6.87	5.47	4.62	6.26
1990	5.36	7.27	6.34	4.94	4.62	6.09	4.87	6.38	4.42	3.04	4.93

*Excludes institutions in Resolution Trust Corporation conservatorship and one self-liquidating institution.

TABLE V-B. Real Estate Loan Performance and Other Real Estate Owned, FDIC-Insured Savings Institutions*

March 31, 1994	All Institutions	Asset Size Distribution: Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $5 Billion	Greater than $5 Billion	Geographic Distribution by Region: East: North-east	South-east	Central	West: Mid-west	South-west	West
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate	1.64	2.19	1.53	1.45	1.79	1.83	1.40	1.07	1.31	1.36	1.86
Construction, development and land	1.28	1.10	1.11	1.78	0.94	2.48	1.16	0.82	0.96	0.50	1.03
Commercial real estate	2.47	2.06	2.07	2.21	3.37	2.32	2.06	1.16	2.43	1.76	3.23
Multifamily residential real estate	1.84	2.08	1.83	2.10	1.67	1.65	1.26	0.99	1.26	1.45	2.12
1-4 Family residential	1.53	2.27	1.45	1.21	1.69	1.74	1.34	1.08	1.23	1.41	1.65
Percent of Loans Noncurrent**											
All real estate loans	2.05	1.42	1.61	2.02	2.51	2.75	1.18	0.73	0.64	1.19	2.47
Construction, development and land	3.64	1.63	2.93	5.89	2.63	7.68	2.44	1.36	0.95	0.73	4.79
Commercial real estate	4.42	2.76	3.94	4.76	4.96	5.47	2.53	2.09	2.57	2.39	4.71
Multifamily residential real estate	3.26	3.71	2.65	3.74	3.19	4.88	1.88	1.08	0.84	2.09	3.22
1-4 Family residential	1.51	1.17	1.06	1.14	2.16	1.91	0.85	0.56	0.45	1.06	1.97
Percent of Loans Charged-off (net, annualized)											
All real estate loans	0.45	0.07	0.18	0.55	0.64	0.47	0.20	0.09	0.11	0.25	0.69
Construction, development and land	0.50	0.11	0.17	0.99	0.85	1.12	0.23	0.04	0.82	-0.01	0.68
Commercial real estate	1.36	0.24	0.54	1.97	1.93	1.30	1.27	0.71	0.60	2.79	1.60
Multifamily residential real estate	1.09	0.39	0.69	1.15	1.24	0.84	0.46	0.38	0.51	0.14	1.39
1-4 Family residential	0.24	0.03	0.07	0.22	0.42	0.27	0.05	0.02	0.02	0.04	0.42
Total Loans Outstanding (in billions)											
All real estate loans	$583.3	$32.3	$174.7	$159.4	$217.0	$177.3	$50.6	$88.4	$27.9	$22.1	$217.0
Construction, development and land	18.8	1.6	9.3	5.5	2.5	4.2	3.9	3.7	0.9	2.0	4.1
Commercial real estate	55.7	2.7	20.3	17.4	15.2	23.1	5.1	5.5	2.1	1.7	18.2
Multifamily residential real estate	64.1	1.3	12.5	19.5	30.8	14.7	1.7	6.8	1.4	1.4	38.1
1-4 Family residential	444.9	26.7	132.7	117.0	168.5	135.3	39.9	72.5	23.5	17.0	156.6
Other Real Estate Owned (in millions)***											
All other real estate owned	$6,796	$193	$1,803	$2,798	$2,002	$2,912	$445	$305	$183	$770	$2,181
Construction, development and land	1,809	27	532	1,060	189	870	143	38	20	369	369
Commercial real estate	2,254	59	688	848	660	943	199	167	100	228	617
Multifamily residential real estate	1,287	25	249	605	408	424	18	49	48	182	567
1-4 Family residential	2,336	104	575	583	1,075	901	137	101	44	78	1,075
Troubled Real Estate Asset Rates**** (% of total RE assets)**											
All real estate loans	3.17	2.01	2.61	3.71	3.40	4.32	2.04	1.07	1.29	4.52	3.45
Construction, development and land	12.12	3.32	8.20	21.19	9.59	23.62	5.86	2.35	3.20	15.98	12.74
Commercial real estate	8.14	4.82	7.09	9.18	8.91	9.18	6.18	5.00	7.05	14.02	7.83
Multifamily residential real estate	5.17	5.55	4.55	6.64	4.45	7.55	2.90	1.79	4.09	13.35	4.64
1-4 Family residential	2.02	1.55	1.49	1.63	2.78	2.56	1.19	0.70	0.63	1.51	2.64

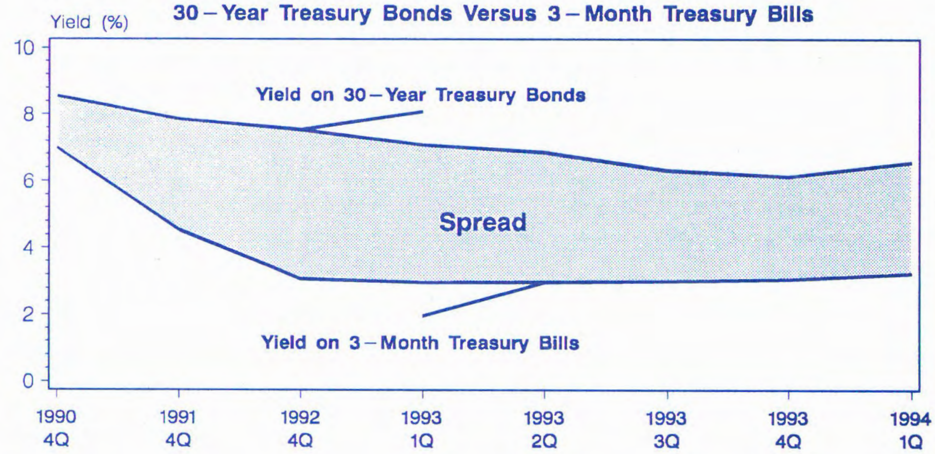
*Excludes institutions in Resolution Trust Corporation conservatorship and one self-liquidating institution.

**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.

***"All other real estate owned" is shown net of valuation allowances. The individual categories of OREO do not net out valuation allowances of TFR filers.

****Noncurrent real estate loans plus other real estate owned as a percent of total real estate loans plus OREO.

Spread Between Short-Term and Long-Term Yields
30-Year Treasury Bonds Versus 3-Month Treasury Bills



	1990 4Q	1991 4Q	1992 4Q	1993 1Q	1993 2Q	1993 3Q	1993 4Q	1994 1Q
30-Year Bonds	8.55	7.85	7.53	7.08	6.86	6.32	6.13	6.56
3-Month Bills	6.99	4.54	3.07	2.96	2.97	3.00	3.06	3.24
Spread	1.56	3.31	4.46	4.12	3.89	3.32	3.07	3.32

- ***Total Assets Surpass $4.8 Trillion***
- ***Insured Deposits Decline Slightly***
- ***No Insured Institutions Fail In The First Quarter***

Total assets of all 13,080 private-sector, FDIC-insured commercial banks and savings institutions reached $4.8 trillion on March 31, up 2.8 percent for the quarter and 7 percent over the year-earlier date. Accounting changes, primarily stemming from FASB Interpretation 39 (see Notes to Users), added approximately $100 billion to total assets in the first quarter of 1994. Securities contributed $30 billion to first-quarter growth, while total loans were essentially unchanged, as growth in commercial and industrial loans largely offset a decline in 1-to-4 family mortgage loans.

Accounting and reporting changes also impacted the liability structure of insured institutions, increasing the ratio of nondeposit liabilities to total liabilities. Estimated FDIC-insured deposits in private-sector institutions were down 0.3 percent since year-end and 1.1 percent from a year ago. Deposits insured by the Bank Insurance Fund (BIF) declined 0.4 percent in the first quarter and 0.9 percent for the 12-month period, while those insured by the Savings Association Insurance Fund (SAIF) fell 0.1 percent in the first quarter and 1.8 percent for the year. Because of the accounting changes which boosted first-quarter assets, the equity-to-assets ratio (7.86 percent) fell slightly from December but remained higher than the level a year ago.

In the first quarter of 1994, no insured institutions failed, were placed in conservatorship or received financial assistance from the FDIC.

An institution's insurance fund membership and primary federal supervisor are generally determined by the institution's charter type. BIF members are predominantly commercial banks supervised by one of the three federal banking agencies, and SAIF members are predominantly savings institutions supervised by the Office of Thrift Supervision (OTS). However, changes in charter type and deposit acquisitions can alter the relationships among charter type, primary federal supervisor and insuring fund. These developments are discussed below.

"Sasser" institutions. Since 1989, institutions have been permitted to switch charter type and primary federal supervisor without changing insurance fund membership. In the first quarter of 1994, 20 SAIF-member institutions changed charters, with nineteen becoming state-chartered savings banks, supervised by the FDIC, and one becoming a national bank, supervised by the OCC. On March 31, 293 SAIF-member institutions were subject to supervision by one of the three federal banking agencies.

"Oakar" deposits. A member of one insurance fund may acquire deposits insured by the other fund, but this portion of the acquiring institution's deposits retains coverage under the other fund. On March 31, 1994, 586 BIF-member institutions held an estimated $144 billion in SAIF-insured deposits, or 21.2 percent of all SAIF-insured deposits;* and 30 SAIF-member institutions held an estimated $5.7 billion in BIF-insured deposits, or 0.3 percent of all BIF-insured deposits.

*This includes Home Savings of America (total assets $50 billion), a BIF-member savings bank which had $35 billion in SAIF-insured deposits on March 31.

Estimated FDIC-Insured Deposits by Fund Membership and Type of Institution
March 31, 1994*

(dollar figures in millions)	Number of Institutions	Total Assets	Total Deposits	Estimated Insured Deposits BIF	SAIF	Total
Private-Sector Commercial and Savings Institutions						
FDIC-Insured Commercial Banks	10,840	3,843,219	2,756,880	1,728,458	113,558	1,842,016
BIF-member	10,768	3,827,748	2,744,592	1,727,712	105,554	1,833,267
SAIF-member	72	15,471	12,288	745	8,004	8,749
FDIC-Insured Savings Institutions	2,240	996,694	766,338	166,049	565,537	731,586
OTS-Supervised Savings Institutions	1,631	768,880	579,009	22,293	529,957	552,250
BIF-member	17	71,515	54,478	17,354	35,134	52,488
SAIF-member*	1,614	697,365	524,531	4,939	494,823	499,763
FDIC-Supervised State Savings Banks	609	227,814	187,329	143,756	35,580	179,336
BIF-member	388	188,133	154,279	143,756	3,531	147,287
SAIF-member	221	39,681	33,050	0	32,049	32,049
Total Private-Sector Commercial and Savings Institutions	13,080	4,839,913	3,523,218	1,894,507	679,095	2,573,602
BIF-member	11,173	4,087,396	2,953,350	1,888,822	144,220	2,033,042
SAIF-member	1,907	752,518	569,869	5,685	534,875	540,560
Other FDIC-Insured Institutions						
RTC Conservatorships	48	19,744	16,182	0	16,008	16,008
U.S. Branches of Foreign Banks (as of 12/31/93)	52	10,055	4,666	2,304	0	2,304
Total FDIC-Insured Institutions	13,180	4,869,712	3,544,066	1,896,811	695,104	2,591,914

*Excludes one self-liquidating savings institutions with less than $1 million in SAIF-insured deposits.

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

(dollar figures in millions)	1994**	1993**	1993	1992	1991	1990
Number of institutions reporting	13,080	13,682	13,220	13,852	14,482	15,158
Total assets	$4,839,913	$4,523,045	$4,706,759	$4,535,729	$4,543,611	$4,648,642
Total deposits	3,523,218	3,456,353	3,528,234	3,526,944	3,594,272	3,637,267
Number of problem institutions	501	926	572	1,063	1,426	1,492
Assets of problem institutions (in billions)	$142	$545	$334	$592	$819	$640
Number of failed/assisted institutions	0	11	50	181	271	382
Assets of failed/assisted institutions (in billions)	$0	$3	$10	$88	$142	$145

**As of March 31.

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

(dollar figures in millions)	Preliminary 1st Quarter 1994	4th Quarter 1993	1st Quarter 1993	% Change 93:1-94:1
Number of institutions reporting	13,080	13,220	13,682	-4.4
Total employees (full-time equivalent)	1,773,435	1,780,092	1,753,870	1.1
CONDITION DATA				
Total assets	$4,839,913	$4,706,759	$4,523,045	7.0
Loans secured by real estate	1,506,301	1,518,302	1,476,282	2.0
1-4 Family residential	959,295	971,588	928,769	3.1
Home equity loans	89,189	90,458	93,355	-4.5
Multifamily residential property	93,770	93,960	92,712	1.1
Commercial real estate	325,860	323,975	319,371	2.0
Construction, development and land	82,807	85,439	92,528	-10.5
Other real estate loans	44,570	43,340	42,902	3.9
Commercial & industrial loans	559,159	548,931	543,038	3.0
Loans to individuals	458,686	456,575	417,684	9.8
Credit cards & related plans	159,844	163,871	140,883	13.5
Other loans & leases	276,127	276,738	248,744	11.0
Less: Unearned income & contra accounts	15,901	16,007	17,391	-8.6
Total loans & leases	2,784,372	2,784,539	2,668,357	4.4
Less: Reserve for losses	61,736	61,395	63,364	-2.6
Net loans & leases	2,722,636	2,723,144	2,604,993	4.5
Securities	1,142,119	1,112,372	1,067,197	***
Other real estate owned	21,783	23,927	39,133	-44.3
Goodwill and other intangibles	24,166	24,005	23,204	4.2
All other assets	929,211	823,311	788,519	***
Total liabilities and capital	4,839,913	4,706,759	4,523,045	7.0
Deposits	3,523,218	3,528,234	3,456,353	1.9
Estimated Insured Deposits	2,573,602	2,582,502	2,602,608	-1.1
BIF-insured deposits (estimated)	1,894,507	1,902,677	1,910,887	-0.9
SAIF-insured deposits (estimated)	679,095	679,825	691,721	-1.8
Other borrowed funds	673,993	631,849	550,105	***
Subordinated debt	39,764	39,905	37,076	7.3
All other liabilities	222,736	131,747	130,768	***
Equity capital	380,202	375,022	348,744	***
Loans and leases 30-89 days past due	39,791	38,608	45,712	-13.0
Noncurrent loans and leases	53,068	55,998	75,456	-29.7
Restructured loans and leases	15,621	20,474	26,394	-40.8
Direct and indirect investments in real estate	1,323	1,294	1,627	-18.7
Mortgage-backed securities	537,522	535,456	511,754	***
Earning assets	4,239,754	4,220,721	4,037,350	5.0
Unused loan commitments	1,632,712	1,551,770	1,376,538	18.6

INCOME DATA	Full Year 1993	Full Year 1992	%Change	Preliminary 1st Qtr 1994	1st Qtr 1993	%Change 93:1-94:1
Total interest income	$311,236	$333,197	-6.6	$76,506	$78,801	-2.9
Total interest expense	140,319	167,857	-16.4	33,468	35,995	-7.0
Net interest income	170,917	165,340	3.4	43,038	42,806	0.5
Provision for loan losses	21,084	31,232	-32.5	3,474	5,673	-38.8
Total noninterest income	82,866	73,724	12.4	20,061	19,656	2.1
Total noninterest expense	164,539	156,270	5.3	40,721	41,283	-1.4
Securities gains (losses)	3,466	4,693	-26.2	598	1,131	-47.1
Applicable income taxes	23,739	18,250	30.1	6,939	5,541	25.3
Extraordinary gains, net	2,097	711	195.1	(196)	2,103	N/M
Net income	49,983	38,716	29.1	12,366	13,197	-6.3
Net charge-offs	21,479	29,549	-27.3	3,391	5,205	-34.8
Cash dividends	24,299	16,235	49.7	6,772	4,949	36.8
Net operating income	45,382	34,549	31.4	12,157	10,294	18.1

*Excludes institutions in Resolution Trust Corporation conservatorship, one self-liquidating savings institution, and insured branches of foreign banks.
***New accounting rules and/or reporting detail became effective March 31, 1994. See Notes to Users, pp. 18-19.. N/M-Not meaningful

TABLE I-D. Selected Indicators, BIF-Member Depository Institutions*

(dollar figures in millions)	1994**	1993**	1993	1992	1991	1990
Number of institutions reporting	11,173	11,674	11,291	11,813	12,305	12,791
Total assets	$4,087,396	$3,751,809	$3,949,498	$3,711,462	$3,660,425	$3,646,838
Total deposits	2,953,350	2,856,908	2,951,735	2,873,079	2,881,739	2,861,441
Number of problem institutions	418	737	472	856	1,089	1,046
Assets of problem institutions (in billions)	$79	$427	$269	$464	$610	$409
Number of failed/assisted institutions	0	7	41	122	127	169
Assets of failed/assisted institutions (in billions)	$0	$1	$4	$44	$63	$15

**As of March 31.

TABLE II-D. Selected Aggregate Condition and Income Data, BIF-Member Depository Institutions*

(dollar figures in millions)	Preliminary 1st Quarter 1994	4th Quarter 1993	1st Quarter 1993	% Change 93:1-94:1
Number of institutions reporting	11,173	11,291	11,674	-4.3
Commercial banks	10,768	10,887	11,263	-4.4
Savings institutions	405	404	411	-1.5
Total employees (full-time equivalent)	1,550,664	1,556,403	1,532,404	1.2
CONDITION DATA				
Total assets	$4,087,396	$3,949,498	$3,751,809	8.9
Loans secured by real estate, total	1,064,733	1,068,877	1,018,439	4.6
1-4 Family residential	616,324	622,075	573,983	7.3
Multifamily residential property	48,498	48,169	45,690	6.2
Commercial real estate	289,219	286,532	279,354	3.5
Construction, development and land	66,183	68,818	76,552	-13.5
Commercial & industrial loans	553,655	543,153	536,948	3.1
Reserve for losses	55,531	55,383	57,293	-3.1
Total deposits	2,953,350	2,951,735	2,856,908	3.4
Estimated insured deposits	2,033,042	2,036,713	2,030,400	0.1
BIF-insured deposits (estimated)	1,888,822	1,897,887	1,907,524	-1.0
SAIF-insured deposits (estimated)	144,220	138,826	122,876	17.4
Noncurrent loans and leases	44,629	47,424	65,352	-31.7
Other real estate owned	17,007	18,520	29,360	-42.1
Equity capital	321,187	316,381	292,234	**
CAPITAL CATEGORY DISTRIBUTION				
Number of institutions:				
Well capitalized	10,949	11,050	11,276	-2.9
Adequately capitalized	172	186	287	-40.1
Undercapitalized	20	21	52	-61.5
Significantly undercapitalized	26	23	41	-36.6
Critically undercapitalized	6	11	18	-66.7
Total assets:				
Well capitalized	$3,929,483	$3,796,865	$3,373,484	16.5
Adequately capitalized	149,759	141,904	348,265	-57.0
Undercapitalized	1,409	1,991	11,915	-88.2
Significantly undercapitalized	6,008	5,226	16,266	-63.1
Critically undercapitalized	737	3,512	1,879	-60.8

INCOME DATA	Full Year 1993	Full Year 1992	%Change	Preliminary 1st Qtr 1994	1st Qtr 1993	%Change 93:1-94:1
Net interest income	$147,809	$140,576	5.2	$37,314	$36,731	1.6
Provision for loan losses	18,207	27,263	-33.2	2,944	5,059	-41.8
Net income	44,583	33,323	33.8	11,598	11,334	2.3
Net charge-offs	19,055	27,077	-29.6	2,840	4,675	-39.2
Number of institutions reporting net losses	543	825	-34.2	471	596	-21.0

*Excludes insured branches of foreign banks.

**New accounting rules and/or reporting detail became effective March 31, 1994. See Notes to Users, pp. 18-19.

TABLE I-E. Selected Indicators, SAIF-Member Depository Institutions*

(dollar figures in millions)	1994**	1993**	1993	1992	1991	1990
Number of institutions reporting	1,907	2,008	1,929	2,039	2,177	2,367
Total assets	$752,518	$771,237	$757,261	$824,267	$883,187	$1,001,804
Total deposits	569,869	599,445	576,500	653,865	712,533	775,826
Number of problem institutions	83	189	100	207	337	446
Assets of problem institutions (in billions)	$63	$117	$65	$128	$209	$231
Number of failed/assisted institutions	0	4	9	59	144	213
Assets of failed/assisted institutions (in billions)	$0	$2	$6	$44	$79	$130

**As of March 31.

TABLE II-E. Selected Aggregate Condition and Income Data, SAIF-Member Depository Institutions*

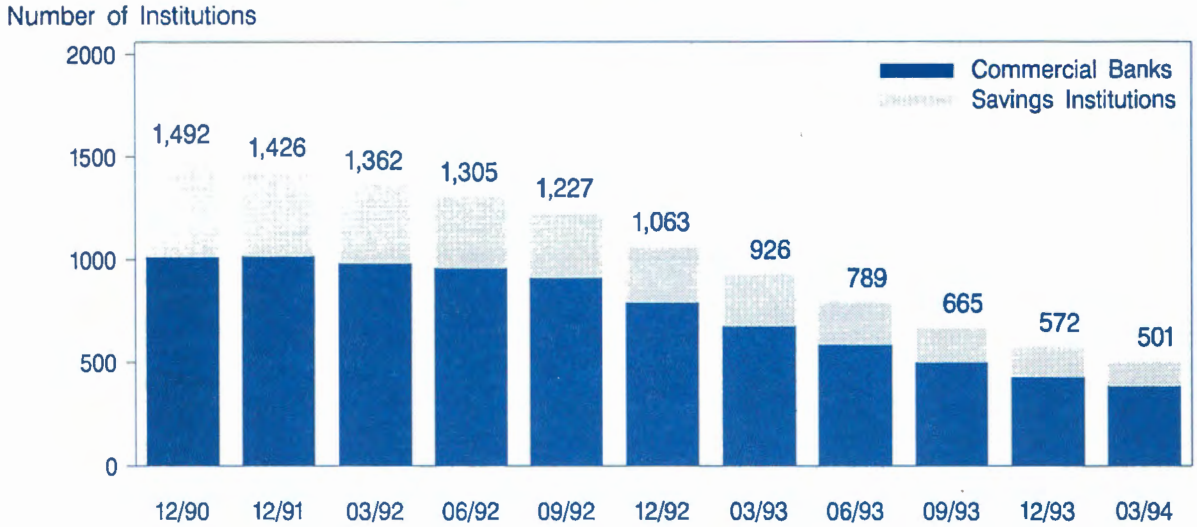
(dollar figures in millions)	Preliminary 1st Quarter 1994	4th Quarter 1993	1st Quarter 1993	% Change 93:1-94:1
Number of institutions reporting	1,907	1,929	2,008	-5.0
Commercial banks	72	71	67	7.5
Savings institutions	1,835	1,858	1,941	-5.5
Total employees (full-time equivalent)	222,771	223,689	221,466	0.6
CONDITION DATA				
Total assets	$752,518	$757,261	$771,237	-2.4
Loans secured by real estate, total	441,568	449,425	457,844	-3.6
1-4 Family residential	342,971	349,513	354,786	-3.4
Multifamily residential property	45,271	45,792	47,022	-3.7
Commercial real estate	36,641	37,443	40,017	-8.4
Construction, development and land	16,624	16,621	15,976	4.1
Commercial & industrial loans	5,503	5,778	6,089	-9.6
Reserve for losses	6,206	6,012	6,072	2.2
Total deposits	569,869	576,500	599,445	-4.9
Estimated insured deposits	540,560	545,790	572,207	-5.5
BIF-insured deposits (estimated)	5,685	4,791	3,363	69.0
SAIF-insured deposits (estimated)	534,875	540,999	568,844	-6.0
Noncurrent loans and leases	8,439	8,574	10,104	-16.5
Other real estate owned	4,776	5,407	9,773	-51.1
Equity capital	59,014	58,641	56,510	**
CAPITAL CATEGORY DISTRIBUTION				
Number of institutions:				
Well capitalized	1,796	1,822	1,736	3.5
Adequately capitalized	100	93	203	-50.7
Undercapitalized	9	11	31	-71.0
Significantly undercapitalized	2	1	27	-92.6
Critically undercapitalized	0	2	11	-100.0
Total assets:				
Well capitalized	$646,485	$668,607	$619,723	4.3
Adequately capitalized	99,628	83,965	107,301	-7.2
Undercapitalized	6,184	2,421	10,686	-42.1
Significantly undercapitalized	220	107	23,865	-99.1
Critically undercapitalized	0	2,162	9,661	-100.0

INCOME DATA	Full Year 1993	Full Year 1992	%Change	Preliminary 1st Qtr 1994	1st Qtr 1993	%Change 93:1-94:1
Net interest income	$23,107	$24,764	-6.7	$5,725	$6,075	-5.8
Provision for loan losses	2,878	3,968	-27.5	531	614	-13.6
Net income	5,400	5,393	0.1	768	1,864	-58.8
Net charge-offs	2,425	2,471	-1.9	551	530	4.0
Number of institutions reporting net losses	104	143	-27.3	112	95	17.9

*Excludes institutions in Resolution Trust Corporation conservatorship and one self-liquidating institution.

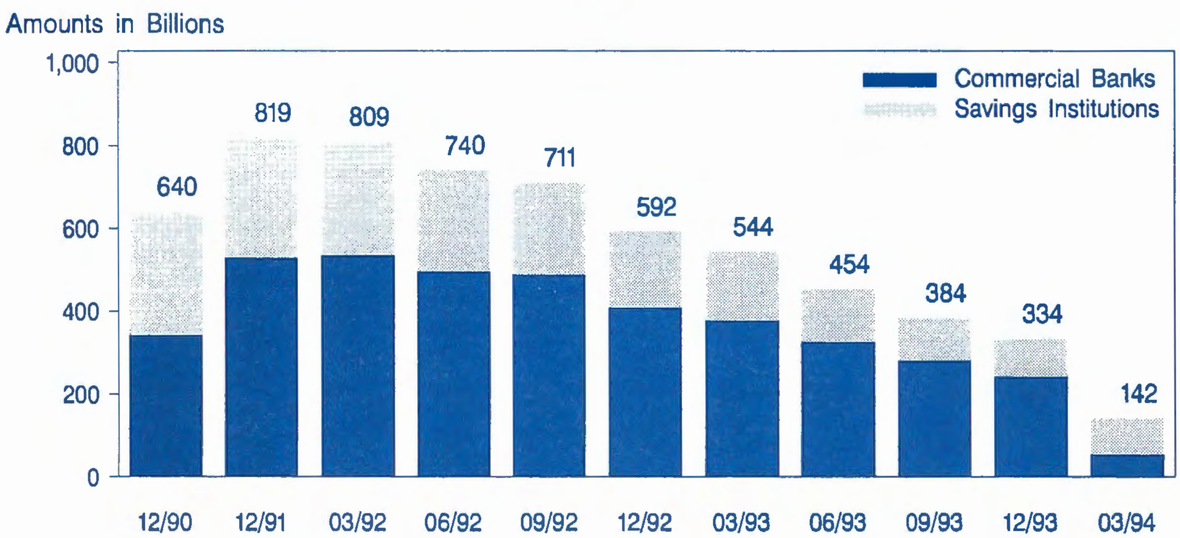
** New accounting rules and/or reporting detail became effective March 31, 1994. See Notes to Users, pp. 18-19.

Number of FDIC-Insured "Problem" Institutions 1990 - 1994



	12/90	12/91	03/92	06/92	09/92	12/92	03/93	06/93	09/93	12/93	03/94
Savings Institutions	480	410	381	349	318	276	255	209	169	146	118
Commercial Banks	1,012	1,016	981	956	909	787	671	580	496	426	383

Assets of FDIC-Insured "Problem" Institutions 1990 - 1994



	12/90	12/91	03/92	06/92	09/92	12/92	03/93	06/93	09/93	12/93	03/94
Savings Institutions	298	291	274	245	223	184	167	128	103	92	89
Commercial Banks	342	528	535	495	488	408	377	326	281	242	53

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. The information presented in the *FDIC Quarterly Banking Profile* is divided into the following groups of institutions:

FDIC-Insured Commercial banks (Tables I-A through V-A.)
This section covers commercial banks insured by the FDIC either through the Bank Insurance Fund (BIF) or through the Savings Association Insurance Fund (SAIF). These institutions are regulated by and submit financial reports to one of the three federal commercial bank regulators (the Board of Governors of the Federal Reserve System, the FDIC or the Office of the Comptroller of the Currency).

FDIC-Insured Savings Institutions (Tables I-B through V-B.)
This section covers savings institutions insured by either BIF or SAIF that operate under state or federal banking codes applicable to thrift institutions, except for one self-liquidating institution primarily funded by the FSLIC Resolution Fund (FRF). Savings institutions that have been placed in Resolution Trust Corporation conservatorship are also excluded from these tables while in conservatorship. The institutions covered in this section are regulated by and submit financial reports to one of two Federal regulators — the FDIC or the Office of Thrift Supervision (OTS).

FDIC-Insured Institutions by Insurance Fund (Tables I-C through II-E.)
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. Efforts are made to obtain financial reports for all active institutions. However, in some cases, final financial reports are not available for institutions that are 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 Financial Time Series (FTS) 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.* The detailed schedules of the *Thrift Financial Report* reflect the consolidation of the parent thrift with all finance subsidiaries. All other subsidiaries are reported as investments on an equity basis or a cost basis. Some accounting differences exist, such as asset sales with recourse, for which the data necessary to reconcile these differences are not reported.

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. Tables III and IV do not provide growth rates for the "Asset Size Distribution" since many institutions migrate between size groups.

RECENT ACCOUNTING CHANGES
FASB Statement 115, "Accounting for Certain Investments in Debt and Equity Securities." Requires that securities that are not held in trading accounts be measured at either amortized cost or fair (market) value, depending on their classification category. Securities classified as held-to-maturity are to be measured on an amortized cost basis; securities classified as available-for- sale are to be measured at fair value with any unrealized appreciation or depreciation, net of tax effects, reported in a separate component of equity capital. FASB 115 must be adopted for Call Report purposes for fiscal years beginning after December 15, 1993, with earlier application permitted in certain circumstances. It is noted that some institutions chose to adopt FASB 115 at an earlier date. Prior to the adoption of FASB 115, securities not held in trading accounts were measured at amortized cost if classified as held-to-maturity, or lower of cost or market if classified as held-for-sale.

FASB Interpretation 39, "Offsetting of Amounts Related to Certain Contracts." Covers fair value amounts recognized as assets and liabilities on the balance sheet for off-balance-sheet derivative contracts under which the amounts to be received or paid or items to be exchanged depend on future events or other factors (e.g., future and forward contracts, interest-rate swaps, exchange-rate swaps, and other conditional and exchange contracts). FASB Interpretation 39 specifies that for these types of contracts it is improper to net related assets and liabilities on financial statements, unless a right of setoff exists. A list of specific criteria must be met for the right of setoff to exist. FASB interpretation 39 must be adopted for fiscal years beginning after December 15, 1993. Prior to adoption of FASB Interpretation 39, asset and liability amounts for these types of contracts were typically reported as net amounts on the *Call Report* without regard to setoff.

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, and other assets. Beginning 3/31/94, FASB Interpretation 39 limited the netting of related trading assets and liabilities, which had the effect of increasing the amount of trading account assets reported.

All other liabilities — bank's liability on acceptances, limited-life preferred stock, and other liabilities. Effective 3/31/94, includes revaluation losses on assets held in trading accounts.

BIF-insured deposits (estimated) — the amount of deposits in accounts of less than $100,000 insured by the BIF. For SAIF-member "Oakar" institutions, it represents the adjusted attributable amount acquired from BIF members.

Capital category distribution — each institution's capital category is calculated or estimated from its financial report and does not reflect supervisory upgrades or downgrades:

	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	<8%	or	<4%	or	<4%	—
Significantly undercapitalized	<6%	or	<3%	or	<3%	—
Critically undercapitalized	—		—		—	≤2%

*As a percentage of risk-weighted assets.

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 mortgage 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.

Direct and indirect investments in real estate — excludes loans secured by real estate and property acquired through foreclosure.

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

Estimated insured deposits — estimated amount of insured deposits (account balances less than $100,000). The sum of all deposit balances in accounts of less than $100,000 plus the number of accounts with balances greater than $100,000 multiplied by $100,000.

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 — or the RTC — 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 — borrowings from the Federal Home Loan Bank (FHLB) reported by institutions that file a *Thrift Financial Report*. Institutions that file a *Call Report* do not report borrowings ("advances") from the FHLB separately.

Goodwill and other intangibles — intangible assets include mortgage 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. Effective 3/31/94, the full implementation of FASB 115 meant that a portion of banks' mortgage-backed securities portfolio is now reported based upon fair (market) values; previously, all mortgage-backed securities not in held trading accounts were reported at either amortized cost or lower of cost or market.

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 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 debt securities and other assets were not included prior to March 1991.

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.

Off-balance-sheet derivatives — represents the sum of the following: interest-rate contracts, defined as: the notional value of interest-rate swaps, futures and forward contracts and option contracts; foreign-exchange-rate contracts and commodity and equity contracts (defined similarly to interest-rate contracts).

Other borrowed funds — federal funds purchased, securities sold with agreements to repurchase, demand notes issued to the U.S. Treasury, other borrowed money, mortgage indebtedness and obligations under capitalized leases. Effective 3/31/94, includes newly-reported item "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.

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.

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 amount of deposits in accounts of less than $100,000 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. Effective 3/31/94, the full implementation of FASB 115 meant that a portion of banks' securities portfolios is now reported based upon fair (market) values; previously, all securities not in held trading accounts were reported at either amortized cost or lower of cost or market.

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.

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. Beginning 3/31/94, new reporting detail permits the exclusion of other borrowed money with original maturity of more than one year; previously, all other borrowed money was included. Also beginning 3/31/94, the newly-reported item "Trading liabilities," less revaluation losses on assets held in trading accounts, is included.

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