

The FDIC Quarterly Banking Profile

Rickl Helfer, Chairman

Fourth Quarter 1995

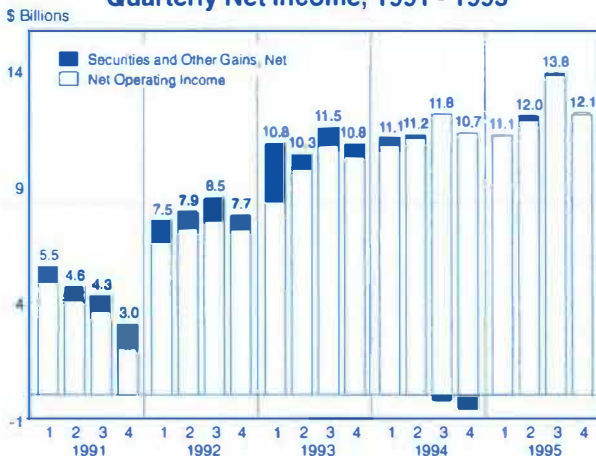
COMMERCIAL BANKING PERFORMANCE — FOURTH QUARTER 1995

- **Fourth-Quarter Earnings Top \$12 Billion**
- **Full-Year Earnings Reach New Record for Fourth Consecutive Year**
- **Two-Thirds of All Banks Report Higher Full-Year Earnings**
- **Loan Growth Continues to Slow in Fourth Quarter**
- **Deposits Rise Sharply at Year-End**

Insured commercial banks reported net income of \$12.1 billion for the fourth quarter of 1995. This is the second-highest quarterly total ever, after the \$13.8 billion banks earned in the third quarter of 1995. The average return on assets (ROA) for the quarter was 1.13 percent. Earnings were \$1.4 billion (13.3 percent) higher than in the fourth quarter of 1994. The improvement was widespread; almost two out of every three banks (63.2 percent) reported higher quarterly earnings than a year ago, and average ROAs were up in all six QBP regions and all four asset-size groups. For all of 1995, banks earned a record \$48.8 billion, surpassing the previous record, which was set in 1994, by \$4.2 billion (9.4 percent). The industry's full-year ROA was 1.17 percent, marking the third consecutive year that industry ROA has exceeded one percent. Almost 97 percent of commercial banks reported positive earnings in 1995, with 68 percent reporting higher earnings than in 1994.

year's levels continued through the fourth quarter, banks were able to limit margin erosion and increase net interest income by growing earning assets. Fourth-quarter net interest income totaled \$39.7 billion, an increase of \$1.9 billion (4.9 percent) from a year earlier. Bank earnings also benefited from moderation in noninterest expense growth. The midyear reduction in deposit insurance premiums made possible by the recapitalization of the Bank Insurance Fund meant that banks' insurance assessments in the fourth quarter were approximately \$1.1 billion lower than a year earlier, and these cost savings helped offset a fourth-quarter surge in merger-related expenses. Noninterest expense of \$39.2 billion in the fourth quarter was only \$722 million (1.9 percent) more than in the fourth quarter of 1994. Strong growth in fee income also contributed to the improvement in bank profits. Finally, bank earnings benefited from a \$973-million swing in results from sales of investment securities. These sales produced a net gain of \$58 million in the fourth quarter. A year ago, banks' sales of securities resulted in a \$915-million loss.

Quarterly Net Income, 1991 - 1995



Higher net interest income was the largest contributor to the earnings improvement in the fourth quarter. Although the decline in net interest margins from last

Quarterly Net Interest Margins, 1991 - 1995



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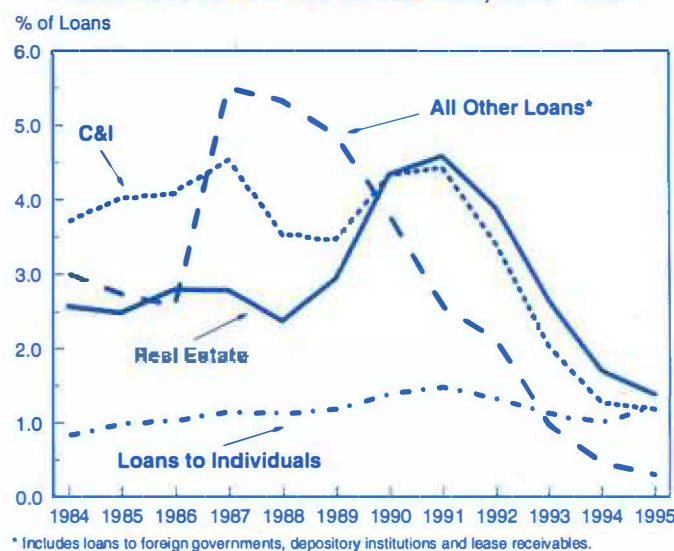
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The same factors that helped boost fourth-quarter earnings also helped propel full-year net income above the previous year's level. Net interest income was \$7.7 billion higher than in 1994, even though average net interest margins were seven basis points lower, thanks to a 7.7-percent increase in interest-earning assets. Noninterest revenues were up \$6.2 billion, reflecting strong growth in fee income. Securities sales netted banks \$545 million in gains in 1995, a \$1.1-billion improvement over 1994, when securities sales produced \$572 million in net losses.

For the third consecutive quarter, commercial banks' loan-loss provisions were higher than a year earlier. Banks set aside \$3.8 billion in the fourth quarter, an \$849-million (29 percent) increase over the same period of 1994. For the full year, loan-loss provisions totaled \$12.5 billion, exceeding the total for 1994 by \$1.6 billion (14.5 percent). This marked the first full-year increase in loss provisions since 1991; however, the total amount set aside in 1995 was still less than in any year between 1983 and 1994.

Net charge-offs were up from year-earlier levels for the second consecutive quarter. Fourth-quarter net charge-offs of \$3.9 billion were \$775 million (24.4 percent) higher than a year earlier. Full-year net charge-offs were \$12.2 billion, up \$920 million (8.2 percent) from 1994. The increase in net charge-offs in 1995 was entirely attributable to rising losses on consumer loans. Net charge-offs on credit card loans were \$1.8 billion (36.1 percent) higher than in 1994, while charge-offs on other loans to individuals increased by \$608 million. These increases were partially offset by declining charge-offs on banks' real estate loans. Net charge-offs on commercial real estate loans were \$517 million lower than in 1994, while net losses on real estate construction and development loans declined by \$420 million.

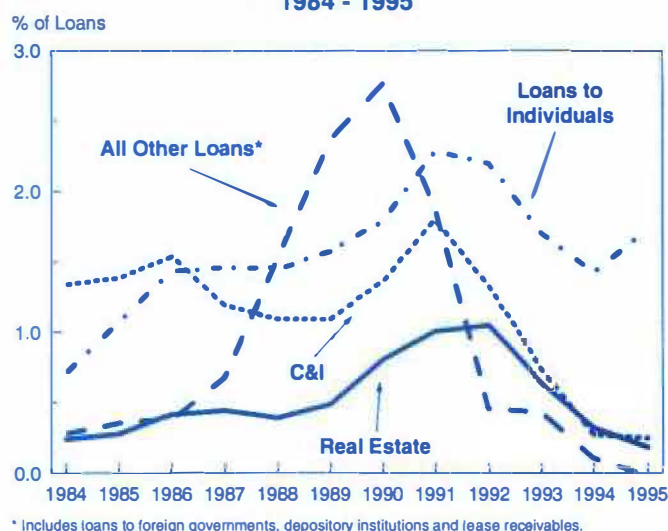
Noncurrent Loan Rates At Year-End, 1984 - 1995



Noncurrent loans declined for the eighteenth time in the last nineteen quarters. Noncurrent loan levels improved in all major loan categories except consumer loans, where they registered a \$552-million increase. A more significant harbinger of future consumer loan performance was a

\$1.2-billion increase in delinquent (30-89 days past due) consumer loans in the fourth quarter. At the end of 1995, 2.43 percent of all credit card loans were delinquent, the highest level in two years.

Annual Net Loan Charge-Off Rates 1984 - 1995



Loans to individuals and commercial and industrial loans led the growth in overall lending in the fourth quarter. Credit card loans grew by \$15.2 billion, and commercial and industrial loans increased by \$14.1 billion. Real estate loan growth was comparatively sluggish; loans secured by commercial real estate properties increased by only \$4.1 billion, while residential mortgage loans rose by only \$3.9 billion. Although loan growth showed signs of slowing in the second half of the year, total loans at commercial banks increased by \$244.5 billion (10.4 percent) in 1995. This is the largest annual percentage growth in bank loans since 1984 and the largest dollar increase ever registered. Commercial and industrial loans increased by \$72.4 billion (12.3 percent), the largest annual percentage increase since 1981. Real estate loans increased by \$82.3 billion (8.3 percent) in 1995. Loans to individuals grew by \$48.2 billion (9.9 percent).

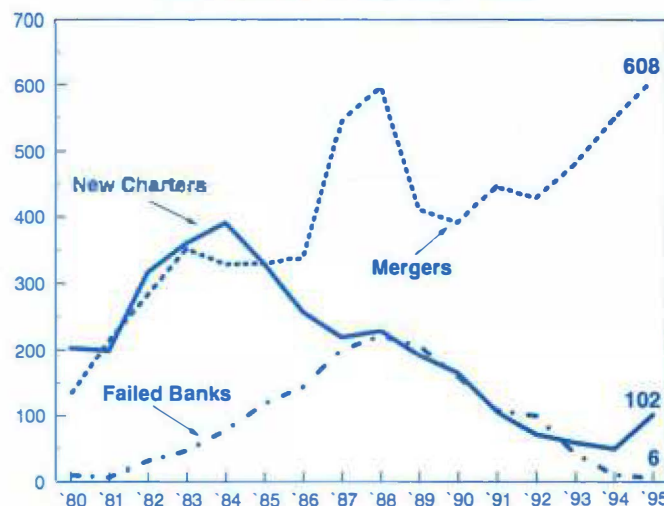
Banks' securities holdings declined for the second consecutive year. Investment securities as a proportion of commercial bank assets are at their lowest level since March 31, 1991. Most of the reduction occurred in U.S. Treasury securities. Many banks took advantage of a one-time opportunity in the fourth quarter to redesignate "held-to-maturity" (HTM) securities as "available-for-sale" (AFS). At least 5,500 banks may have shifted some HTM securities into the AFS category. More than 2,000 of these banks used the opportunity provided by the Financial Accounting Standards Board (FASB) to redesignate or sell all of their HTM securities. Under Generally Accepted Accounting Principles (GAAP), any unrealized gains (the excess of market value over book value) in banks' AFS portfolios are credited to equity capital, while unrealized gains in HTM portfolios have no impact on capital. In the current environment of low interest rates, most of the securities in banks' portfolios have market values higher than their amortized cost (book) value. As much as

\$2.8 billion of the \$5.6-billion increase in commercial banks' equity capital in the fourth quarter may have come as a result of the redesignation of HTM securities. While the industry reported a net gain of \$58 million from securities sales in the quarter, 1,232 banks reported net losses on their securities sales. This suggests that some institutions may have elected to take advantage of the opportunity to re-designate HTM securities in a favorable interest-rate (and earnings) environment to "houseclean" their portfolios, and cut losses on some of their weaker holdings.

Total deposits at insured commercial banks increased by \$96.3 billion in the fourth quarter, the largest quarterly increase in nine years. Deposits in domestic offices grew by \$91.8 billion, also a nine-year high. The fourth-quarter surge accounted for most of the full-year increase of \$153.1 billion in total deposits. Most of the increase in the fourth quarter occurred in "core" deposits: savings accounts, time deposits in accounts of less than \$100,000, and demand (checking) deposits. These deposits grew by \$82.3 billion, the largest quarterly increase in three years.

The number of insured commercial banks reporting financial results fell below 10,000 at year-end. Since reaching a peak of 14,481 at the end of 1984, the number of commercial banks has declined by almost one-third (4,540 banks, or 31.4 percent). The fourth quarter saw a net decline of 110 banks, from 10,051 to 9,941, as additions from new charters

Structural Changes Among FDIC-Insured Commercial Banks, 1980 - 1995



(33) and savings institutions converting to commercial bank charters (4) were outweighed by commercial banks absorbed through mergers (142). No commercial banks failed in the fourth quarter. The number of banks on the FDIC's "Problem List" declined from 158 to 144 during the quarter, and assets of "problem" banks fell from \$20 billion to \$17 billion.

Commercial and Industrial Loan Growth Rates*
December 31, 1994 — December 31, 1995

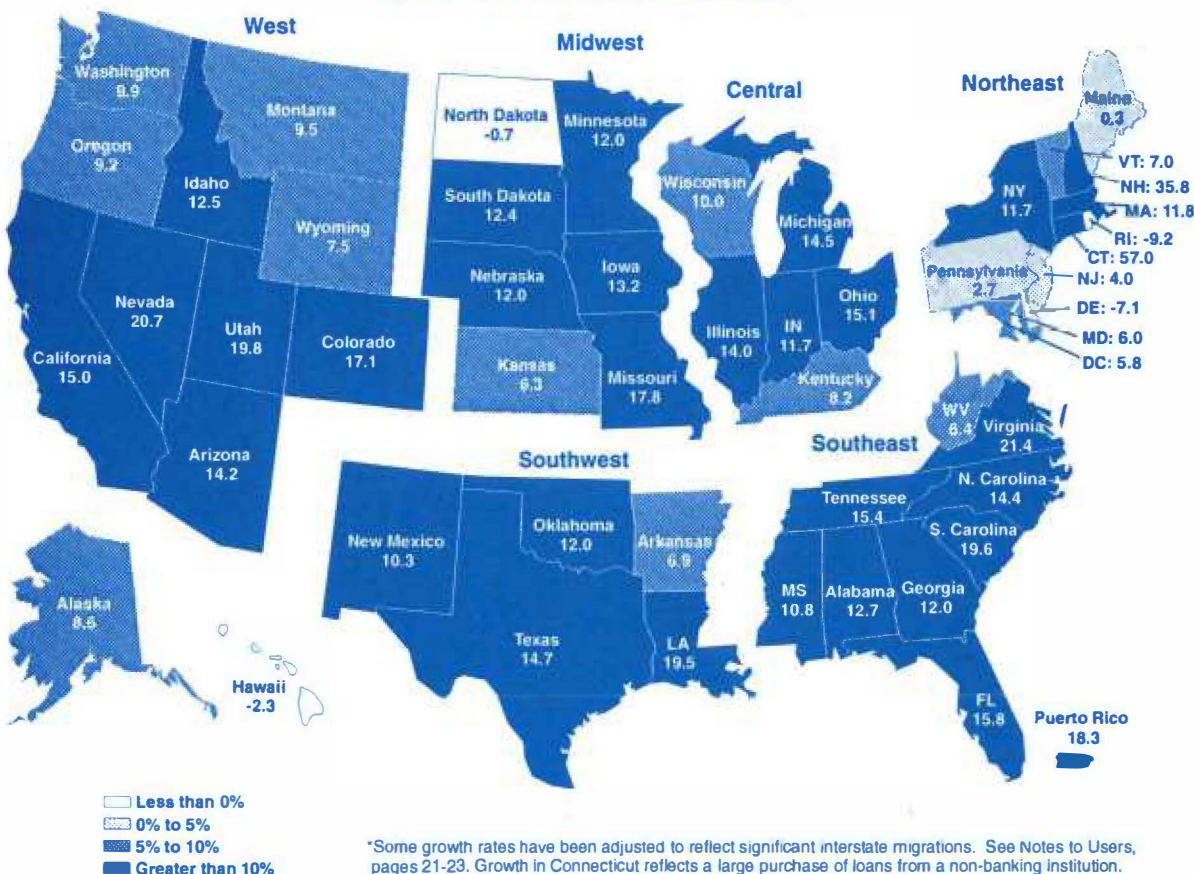


TABLE I-A. Selected Indicators, FDIC-Insured Commercial Banks

	1995	1994	1993	1992	1991	1990	1989
Return on assets (%).....	1.17	1.15	1.20	0.93	0.53	0.48	0.49
Return on equity (%).....	14.68	14.61	15.34	12.98	7.94	7.45	7.71
Core capital (leverage) ratio (%).....	7.61	7.64	7.65	7.20	6.48	6.17	6.11
Noncurrent assets plus							
other real estate owned to assets (%).....	0.85	1.01	1.61	2.54	3.02	2.94	2.30
Net charge-offs to loans (%).....	0.49	0.50	0.85	1.27	1.59	1.43	1.16
Asset growth rate (%).....	7.53	8.21	5.72	2.19	1.22	2.73	5.38
Net interest margin (%).....	4.29	4.36	4.40	4.41	4.11	3.94	4.02
Net operating income growth (%).....	7.67	16.17	35.38	92.41	-0.63	2.53	-38.70
Number of institutions reporting.....	9,941	10,450	10,958	11,462	11,921	12,343	12,709
Percentage of unprofitable institutions.....	3.38	3.95	4.88	6.85	11.60	13.44	12.50
Number of problem institutions.....	144	247	426	787	1,016	1,012	1,092
Assets of problem institutions (in billions).....	\$17	\$33	\$242	\$408	\$528	\$342	\$188
Number of failed/assisted institutions.....	6	11	42	100	108	159	206

TABLE II-A. Aggregate Condition and Income Data, FDIC-Insured Commercial Banks
(dollar figures in millions)

(dollar figures in millions)	Preliminary 4th Quarter 1995	3rd Quarter 1995	4th Quarter 1994	%Change 94:4-95:4		
Number of institutions reporting.....	9,941	10,051	10,450	-4.9		
Total employees (full-time equivalent).....	1,484,465	1,482,821	1,489,171	-0.3		
CONDITION DATA						
Total assets.....	\$4,312,678	\$4,229,298	\$4,010,513	7.5		
Loans secured by real estate.....	1,079,979	1,070,887	997,707	8.3		
Commercial & industrial loans.....	661,521	647,417	589,097	12.3		
Loans to individuals.....	535,274	518,461	487,104	9.9		
Farm loans.....	40,186	41,873	39,171	2.6		
Other loans & leases.....	291,643	282,915	251,487	16.0		
Less: Unearned income.....	5,858	6,054	6,351	-7.8		
Total loans & leases.....	2,602,745	2,555,499	2,358,215	10.4		
Less: Reserve for losses.....	52,816	52,878	52,128	1.3		
Net loans & leases.....	2,549,929	2,502,621	2,306,088	10.6		
Securities.....	811,107	818,751	823,014	-1.5		
Other real estate owned.....	6,065	7,006	9,567	-36.6		
Goodwill and other intangibles.....	30,166	28,518	24,002	25.7		
All other assets.....	915,412	872,402	847,843	8.0		
Total liabilities and capital.....	4,312,678	4,229,298	4,010,513	7.5		
Noninterest-bearing deposits.....	611,902	556,272	572,463	6.9		
Interest-bearing deposits.....	2,415,651	2,375,021	2,301,975	4.9		
Other borrowed funds.....	666,625	676,594	591,082	12.8		
Subordinated debt.....	43,536	43,724	40,756	6.8		
All other liabilities.....	225,304	233,624	192,149	17.3		
Equity capital.....	349,661	344,063	312,089	12.0		
Loans and leases 30-89 days past due.....	33,772	31,170	28,087	20.2		
Noncurrent loans and leases.....	30,378	31,490	30,706	-1.1		
Restructured loans and leases.....	3,895	4,531	6,441	-39.5		
Direct and indirect investments in real estate.....	585	626	610	-4.1		
1-4 Family residential mortgages.....	625,896	622,035	568,959	10.0		
Mortgage-backed securities.....	329,141	329,195	327,184	0.6		
Earning assets.....	3,736,404	3,674,894	3,470,027	7.7		
Long-term assets (5+ years).....	586,999	575,689	544,888	7.7		
Volatile liabilities.....	1,280,039	1,283,265	1,174,123	9.0		
Foreign office deposits.....	454,088	449,645	431,915	5.1		
Unused loan commitments.....	2,156,128	2,053,247	1,775,447	21.4		
Off-balance-sheet derivatives.....	17,165,058	18,241,554	15,773,013	8.8		
	Preliminary Full Year 1995	Full Year 1994	%Change	Preliminary 4th Quarter 1995	4th Quarter 1994	%Change 94:4-95:4
INCOME DATA						
Total interest income.....	\$302,663	\$257,832	17.4	\$78,502	\$68,815	14.1
Total interest expense.....	148,441	111,278	33.4	38,799	30,975	25.3
Net interest income.....	154,223	146,553	5.2	39,702	37,841	4.9
Provision for loan losses.....	12,549	10,961	14.5	3,782	2,933	29.0
Total noninterest income.....	82,442	76,275	8.1	21,866	19,775	10.6
Total noninterest expense.....	149,670	144,235	3.8	39,222	38,500	1.9
Securities gains (losses).....	545	(572)	N/M	58	(915)	N/M
Applicable income taxes.....	26,178	22,421	16.8	6,548	4,623	41.7
Extraordinary gains, net.....	26	(15)	N/M	2	15	-89.2
Net income.....	48,838	44,624	9.4	12,076	10,661	13.3
Net charge-offs.....	12,168	11,248	8.2	3,945	3,170	24.4
Cash dividends.....	31,064	28,087	10.6	11,061	10,226	8.2
Net operating income.....	48,486	45,032	7.7	12,058	11,260	7.1

N/M-Not meaningful

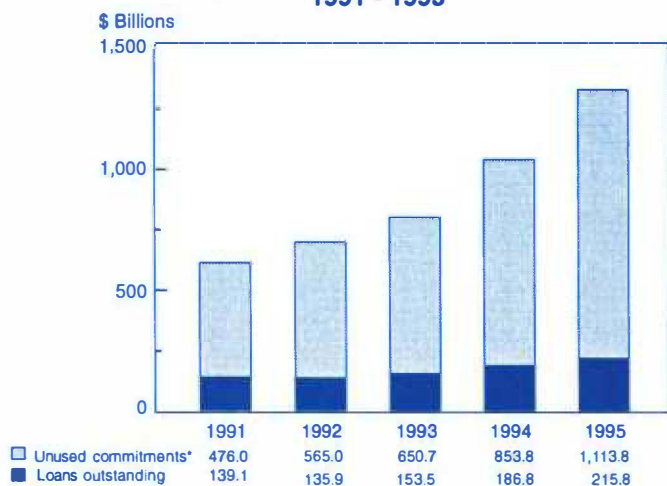
TABLE III-A. Full Year 1995, FDIC-Insured Commercial Banks

FULL YEAR Preliminary (The way it is . . .)	All Institutions	Asset Size Distribution				Geographic Distribution by Region					
		Less than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	Greater than \$10 Billion	East			West		
						North- east	South- east	Central	Mid- west	South- west	West
Number of institutions reporting.....	9,941	6,659	2,861	346	75	794	1,659	2,178	2,487	1,773	1,050
Total assets (in billions).....	\$4,312.7	\$297.9	\$696.6	\$1,052.9	\$2,265.3	\$1,625.6	\$737.6	\$695.3	\$287.5	\$326.4	\$640.3
Total deposits (in billions).....	3,027.6	259.0	586.1	734.1	1,448.4	1,029.1	536.7	509.7	215.0	258.0	478.9
Net income (in millions).....	48,838	3,374	8,331	12,847	24,286	16,217	8,368	7,811	3,997	3,750	8,695
% of unprofitable institutions.....	3.4	4.0	2.1	2.6	1.3	5.4	3.9	2.6	1.5	2.0	9.5
% of institutions with earnings gains.....	68.0	66.1	72.4	68.8	66.7	71.8	72.6	71.0	62.8	63.8	71.0
Performance Ratios (%)											
Yield on earning assets.....	8.42	8.36	8.36	8.53	8.39	8.54	8.26	8.17	8.72	7.86	8.76
Cost of funding earning assets.....	4.13	3.64	3.62	3.91	4.48	4.61	4.00	4.07	4.04	3.55	3.50
Net interest margin.....	4.29	4.73	4.74	4.62	3.91	3.92	4.26	4.09	4.68	4.31	5.25
Noninterest income to earning assets.....	2.29	1.24	1.41	2.26	2.76	2.84	1.77	1.60	2.53	1.77	2.53
Noninterest expense to earning assets.....	4.16	3.92	3.86	4.10	4.33	4.44	3.79	3.49	4.33	3.99	4.71
Net operating income to assets.....	1.17	1.18	1.25	1.28	1.09	1.00	1.19	1.15	1.49	1.20	1.42
Return on assets.....	1.17	1.18	1.25	1.28	1.10	1.02	1.19	1.15	1.50	1.20	1.41
Return on equity.....	14.68	11.37	13.48	15.04	15.60	13.73	14.73	14.09	17.10	14.16	16.58
Net charge-offs to loans and leases.....	0.49	0.24	0.36	0.69	0.46	0.64	0.32	0.31	0.54	0.24	0.62
Loan loss provision to net charge-offs.....	103.14	125.94	115.99	121.13	84.50	102.55	98.75	130.06	110.43	117.71	88.21
Condition Ratios (%)											
Loss allowance to:											
Loans and leases.....	2.03	1.57	1.61	2.04	2.21	2.43	1.64	1.70	1.73	1.51	2.30
Noncurrent loans and leases.....	173.87	150.80	157.82	189.51	173.43	155.19	205.80	195.86	198.22	177.19	177.01
Noncurrent assets plus other real estate owned to assets.....	0.85	0.78	0.80	0.82	0.89	1.03	0.64	0.63	0.64	0.61	1.09
Equity capital ratio.....	8.11	10.43	9.39	8.57	7.19	7.61	8.23	8.30	8.70	8.53	8.54
Core capital (leverage) ratio.....	7.61	10.30	9.12	8.03	6.61	7.15	7.66	7.79	8.56	8.11	7.88
Net loans and leases to deposits.....	84.22	63.17	69.89	91.79	89.95	85.67	85.90	84.89	80.88	69.45	88.01
Growth Rates (year-to-year, %)											
Assets.....	7.5	-	-	-	-	5.2	14.2	5.4	9.6	7.2	8.0
Equity capital.....	12.0	-	-	-	-	9.3	19.8	11.2	13.2	12.1	10.7
Net interest income.....	5.2	-	-	-	-	2.5	10.4	3.1	4.1	5.2	8.3
Net income.....	9.4	-	-	-	-	1.1	14.2	8.8	8.0	12.8	23.4
Noncurrent assets plus other real estate owned.....	-9.3	-	-	-	-	-15.4	1.8	1.2	3.0	-1.5	-11.1
Net charge-offs.....	8.2	-	-	-	-	-7.7	38.6	17.9	28.5	72.6	18.9
Loan loss provision.....	14.5	-	-	-	-	0.5	24.9	29.8	27.8	95.0	23.6
PRIOR FULL YEARS (The way it was . . .)											
Number of institutions.....1994	10,450	7,258	2,800	328	64	834	1,740	2,272	2,622	1,857	1,125
.....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
Total assets (in billions).....1994	\$4,010.5	\$315.9	\$682.9	\$1,072.3	\$1,939.4	\$1,545.0	\$646.1	\$659.6	\$262.3	\$304.6	\$593.0
.....1992	3,505.7	346.0	680.2	1,034.2	1,445.3	1,307.6	550.1	581.5	242.1	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
Return on assets (%).....1994	1.15	1.12	1.19	1.31	1.06	1.07	1.18	1.13	1.46	1.12	1.24
.....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
Net charge-offs to loans & leases (%)											
.....1994	0.50	0.25	0.37	0.54	0.57	0.75	0.27	0.29	0.46	0.16	0.58
.....1992	1.27	0.57	0.76	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
Noncurrent assets plus OREO to assets (%).....1994	1.01	0.86	0.92	0.90	1.13	1.28	0.72	0.66	0.68	0.67	1.33
.....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
Equity capital ratio (%).....1994	7.78	9.84	8.79	7.94	7.01	7.33	7.84	7.88	8.43	8.15	8.33
.....1992	7.51	9.38	8.20	7.68	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

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. Fourth Quarter 1995, FDIC-Insured Commercial Banks

FOURTH QUARTER Preliminary (The way it is . . .)	All Institutions	Asset Size Distribution				Geographic Distribution by Region					
		Less than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	Greater than \$10 Billion	East			West		
						North- east	South- east	Central	Mid- west	South- west	West
Number of institutions reporting.....	9,941	6,659	2,861	346	75	794	1,659	2,178	2,487	1,773	1,050
Total assets (in billions).....	\$4,312.7	\$297.9	\$696.6	\$1,052.9	\$2,265.3	\$1,625.6	\$737.6	\$695.3	\$287.5	\$326.4	\$640.3
Total deposits (in billions).....	3,027.6	259.0	586.1	734.1	1,448.4	1,029.1	536.7	509.7	215.0	258.0	478.9
Net income (in millions).....	12,076	785	2,103	3,289	5,899	3,871	2,165	1,891	1,008	982	2,158
% of unprofitable institutions.....	7.9	9.6	4.6	3.5	7	8.3	8.3	4.7	8.6	8.3	11.5
% of institutions with earnings gains.....	63.2	60.7	68.1	70.2	64.0	64.0	64.5	66.6	63.2	58.5	61.4
Performance Ratios (annualized, %)											
Yield on earning assets.....	8.48	8.52	8.51	8.73	8.34	8.56	8.33	8.31	8.61	8.02	8.85
Cost of funding earning assets.....	4.19	3.78	3.74	4.01	4.49	4.67	4.06	4.16	4.03	3.65	3.57
Net interest margin.....	4.29	4.74	4.76	4.72	3.85	3.89	4.26	4.15	4.58	4.36	5.28
Noninterest income to earning assets.....	2.36	1.36	1.47	2.33	2.82	2.93	1.86	1.62	2.49	1.84	2.60
Noninterest expense to earning assets.....	4.24	4.19	3.94	4.15	4.39	4.54	3.82	3.62	4.27	4.03	4.76
Net operating income to assets.....	1.13	1.05	1.21	1.27	1.05	0.97	1.19	1.09	1.41	1.20	1.37
Return on assets.....	1.13	1.07	1.22	1.27	1.05	0.96	1.19	1.09	1.43	1.23	1.37
Return on equity.....	13.94	10.16	13.01	14.73	14.59	12.63	14.49	13.16	16.29	14.22	15.86
Net charge-offs to loans and leases.....	0.61	0.37	0.50	0.92	0.52	0.75	0.48	0.44	0.67	0.36	0.74
Loan loss provision to net charge-offs.....	95.87	100.15	110.19	112.70	76.07	100.05	90.59	106.72	107.06	100.40	78.97
Growth Rates (year-to-year, %)											
Net interest income.....	4.92	-	-	-	-	2.38	11.03	2.73	4.06	6.28	5.87
Net income.....	13.27	-	-	-	-	6.19	24.45	9.91	18.51	30.33	10.63
Net charge-offs.....	24.44	-	-	-	-	10.56	44.29	24.17	34.33	57.24	38.51
Loan loss provision.....	28.96	-	-	-	-	12.84	18.95	69.91	44.44	171.95	37.57
PRIOR FOURTH QUARTERS (The way it was . . .)											
Return on assets (%).....1994	1.07	0.98	1.13	1.20	1.00	0.95	1.09	1.05	1.31	1.00	1.34
.....1992	0.89	0.81	0.89	0.92	0.88	0.79	0.85	1.05	1.29	1.03	0.74
.....1990	0.09	0.29	0.44	-0.04	-0.04	-0.62	0.36	0.70	0.84	0.21	0.52
Net charge-offs to loans & leases (%).....1994	0.55	0.40	0.49	0.62	0.54	0.74	0.38	0.39	0.56	0.26	0.59
.....1992	1.41	0.80	1.03	1.55	1.60	1.86	1.07	0.80	0.88	0.67	1.79
.....1990	1.66	1.20	1.27	1.76	1.86	2.29	1.23	0.99	1.14	1.64	1.42

**Expansion of Credit Card Lines
1991 - 1995**


* Off-balance-sheet

Note: Credit card loans that have been securitized and sold without recourse are not included. They are only reported on the September 30 Call Report.

**Quarterly Personal Bankruptcy Filings
1990 - 1995**


Sources: American Bankruptcy Institute and The Administrative Office of the U.S. Courts, Bankruptcy Judges Division.

TABLE V-A. Loan Performance, FDIC-Insured Commercial Banks

December 31, 1995	All Institutions	Asset Size Distribution				Geographic Distribution by Region					
		Less than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	Greater than \$10 Billion	East			West		
						North- east	South- east	Central	Mid- west	South- west	West
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate.....	1.38	1.47	1.27	1.31	1.47	1.73	1.21	1.32	1.09	1.35	1.24
Construction and development.....	1.41	1.07	1.08	1.44	1.74	1.84	0.90	2.01	1.36	0.97	1.52
Commercial real estate.....	1.21	1.17	0.97	1.13	1.47	1.79	0.88	1.14	1.02	0.94	1.10
Multifamily residential real estate.....	0.99	0.81	0.93	0.76	1.24	1.04	0.72	1.07	0.72	0.76	1.30
1-4 Family residential*.....	1.53	1.82	1.59	1.50	1.45	1.68	1.52	1.50	1.19	1.61	1.38
Home equity loans.....	1.10	1.56	0.92	0.94	1.22	1.72	0.76	0.81	0.66	2.51	0.79
Commercial and industrial loans**.....	0.86	1.57	1.36	0.87	0.60	0.63	1.00	1.04	1.51	1.04	0.79
Loans to individuals.....	2.22	2.40	2.05	2.16	2.32	2.42	2.07	2.17	2.15	2.01	2.14
All other loans and leases (including farm).....	0.37	NA	NA	0.65	0.34	0.34	0.37	0.68	0.21	0.28	0.31
Memo: Commercial RE loans not secured by RE...	0.79	0.39	0.89	0.91	0.76	1.11	0.64	0.98	0.14	0.56	0.59
Percent of Loans Noncurrent***											
All real estate loans.....	1.39	0.98	1.06	1.18	1.78	2.17	0.89	0.88	0.77	0.93	1.72
Construction and development.....	2.75	1.02	1.36	2.01	5.00	5.86	1.13	1.74	0.84	1.24	4.89
Commercial real estate.....	2.02	1.21	1.39	1.74	2.92	3.71	1.30	1.26	1.18	1.19	2.09
Multifamily residential real estate.....	1.99	1.28	1.51	1.56	2.72	2.45	0.90	1.06	1.10	0.60	3.96
1-4 Family residential*.....	0.88	0.79	0.79	0.80	0.98	1.23	0.68	0.62	0.51	0.69	1.04
Home equity loans.....	0.52	0.84	0.48	0.49	0.54	0.82	0.33	0.33	0.23	0.84	0.49
Commercial and industrial loans**.....	1.19	1.32	1.23	0.98	1.13	1.31	0.78	1.14	1.36	1.12	1.30
Loans to individuals.....	1.22	0.72	0.64	1.14	1.56	1.91	0.82	0.79	0.99	0.52	0.95
All other loans and leases (including farm).....	0.30	NA	NA	0.45	0.29	0.36	0.15	0.19	0.24	0.29	0.33
Memo: Commercial RE loans not secured by RE...	1.28	0.77	0.68	0.73	1.47	2.98	0.43	0.65	0.67	0.50	0.49
Percent of Loans Charged-off (net, annual)											
All real estate loans.....	0.18	0.07	0.14	0.20	0.22	0.33	0.07	0.06	0.03	-0.01	0.36
Construction and development.....	0.21	0.11	0.16	0.35	0.15	0.62	0.08	0.25	0.07	-0.15	0.21
Commercial real estate.....	0.32	0.08	0.21	0.40	0.40	0.65	0.11	0.07	0.03	-0.05	0.66
Multifamily residential real estate.....	0.32	0.26	0.25	0.42	0.29	0.65	0.05	0.08	0.13	-0.06	0.57
1-4 Family residential*.....	0.11	0.06	0.08	0.06	0.15	0.21	0.04	0.02	0.03	0.03	0.17
Home equity loans.....	0.19	0.18	0.13	0.09	0.27	0.18	0.08	0.06	0.01	0.04	0.45
Commercial and industrial loans**.....	0.25	0.39	0.40	0.15	0.21	0.33	0.13	0.17	0.29	0.29	0.21
Loans to individuals.....	1.73	0.55	1.00	1.93	1.94	2.15	1.29	1.16	1.93	0.84	2.20
All other loans and leases (including farm).....	-0.02	NA	NA	0.12	-0.06	-0.06	0.08	0.02	0.03	0.02	-0.03
Memo: Commercial RE loans not secured by RE...	-0.14	0.83	0.92	-0.03	-0.28	-0.40	-0.06	-0.03	0.01	-0.23	0.01
Loans Outstanding (in billions)											
All real estate loans.....	\$1,080.0	\$92.6	\$244.2	\$291.1	\$452.1	\$300.4	\$241.5	\$186.2	\$72.9	\$85.7	\$193.2
Construction and development.....	68.7	6.2	18.6	20.8	23.1	10.7	19.5	12.2	4.8	7.2	14.3
Commercial real estate.....	298.5	24.8	81.3	87.2	105.2	72.6	67.5	56.6	19.8	24.1	57.8
Multifamily residential real estate.....	35.8	2.2	8.3	11.2	14.1	9.8	7.3	6.2	2.6	2.4	7.6
1-4 Family residential*.....	546.7	46.6	114.8	145.1	240.2	157.2	127.2	89.3	35.2	48.1	89.7
Home equity loans.....	79.2	2.2	12.8	23.7	40.6	24.8	15.9	15.9	2.9	1.1	18.6
Commercial and industrial loans.....	661.5	27.2	73.5	142.6	418.2	255.2	99.3	121.4	36.6	46.9	102.2
Loans to individuals.....	535.3	26.2	78.4	206.6	224.1	193.6	91.2	90.0	43.8	36.3	80.5
All other loans and leases (including farm).....	331.8	21.0	21.9	48.8	240.2	157.0	37.8	43.3	23.9	13.8	56.1
Memo: Commercial RE loans not secured by RE...	19.3	0.2	1.2	3.7	14.2	5.9	2.8	2.4	0.6	0.9	6.7
Memo: Other Real Estate Owned (in millions)											
All other real estate owned.....	\$6,065	\$598	\$1,304	\$1,199	\$2,964	\$2,492	\$990	\$513	\$273	\$417	\$1,380
Construction and development.....	1,042.5	87.6	261.4	290.1	403.4	310.2	276.2	121.9	66.2	56.0	212.1
Commercial real estate.....	2,912.9	288.9	636.5	598.5	1,389.0	1,144.9	467.5	265.7	127.4	241.8	665.7
Multifamily residential real estate.....	237.8	25.6	67.8	51.3	93.1	89.6	34.3	21.7	4.7	7.2	80.3
1-4 Family residential.....	1,292.3	141.8	295.6	228.1	626.8	496.8	193.8	93.6	47.5	79.8	380.8
Farmland.....	155.3	54.4	42.6	30.2	28.0	26.7	18.5	9.7	27.4	31.7	41.3
Other real estate owned in foreign offices.....	424.3	0.0	0.0	0.6	423.7	424.3	0.0	0.0	0.0	0.0	0.0

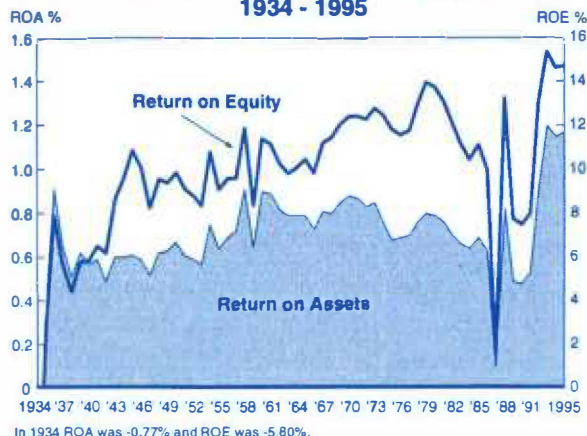
*Excludes home equity loans.

**Includes "All other loans" for institutions under \$1 billion in asset size.

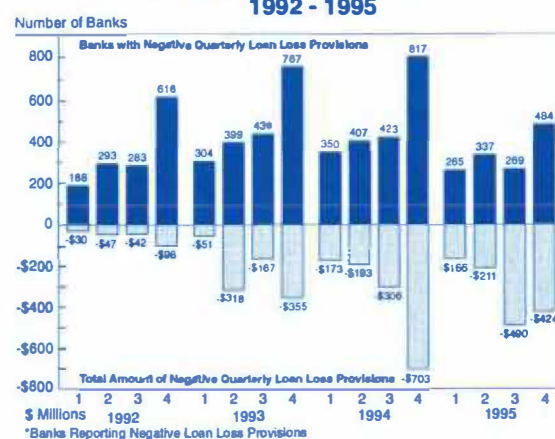
***Noncurrent loan rates represent the percentage of loans in each category that are past due 90 days or more or that are in nonaccrual status.

N/A - Not available

**Return on Assets (ROA) and Equity (ROE)
1934 - 1995**



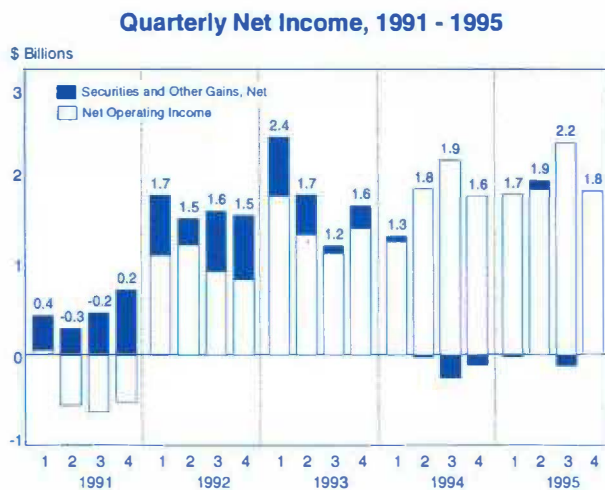
**Converting Reserves Back into Income*
1992 - 1995**



SAVINGS INSTITUTION PERFORMANCE — FOURTH QUARTER, 1995

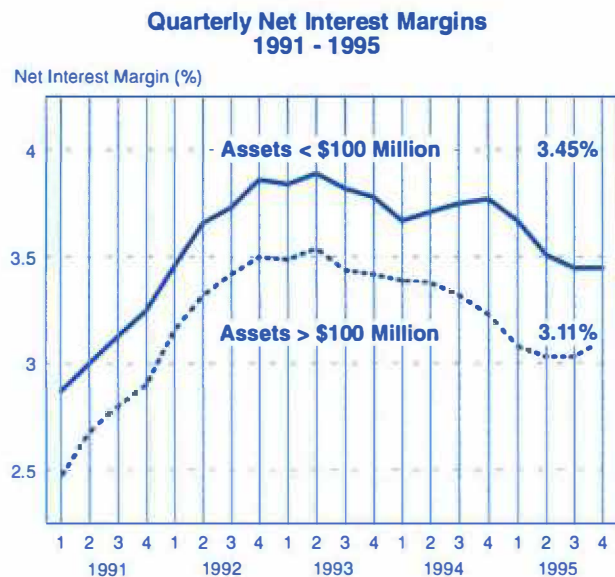
- **Fourth-Quarter Earnings Of \$1.8 Billion Push Full-Year 1995 Earnings To A Record \$7.6 Billion**
- **Full-Year Average Return On Assets Of 0.78 Percent Is Highest Since 1962**
- **Net Interest Margins Experience First Quarterly Increase Since 1993**
- **Residential Real-Estate Loans Decline While Noncurrent Rates Increase**

Savings institutions earned \$1.8 billion during the fourth quarter of 1995 for an annualized return on assets (ROA) of 0.71 percent. Net income was \$181 million higher than in the fourth quarter of 1994, when the industry reported an ROA of 0.65 percent. Net interest income was \$146 million less than in the fourth quarter of 1994, but was higher than in the other three quarters in 1995. Noninterest income and noninterest expense were both down from a year ago, by \$326 million and \$379 million, respectively. Sales of securities yielded a profit of \$134 million in the fourth quarter, compared with a net loss of \$194 million a year ago. Earnings benefited from this \$328-million swing in results from sales of investment securities. The resultant boost to earnings from this turnaround outweighed the drag from lower net interest income and extraordinary charges of \$81 million.



Net interest margins rose, from third-quarter levels, for the first time since 1993. Margins rose seven basis points, from 3.05 percent in the third quarter to 3.12 percent in the fourth quarter. The nine-basis-point increase in the average yield on earning assets exceeded the two-basis-point increase in the average cost of funding earning assets. Institutions with less than \$1 billion in

assets reported no increase in net interest margins while institutions over \$1 billion reported a ten basis-point increase.

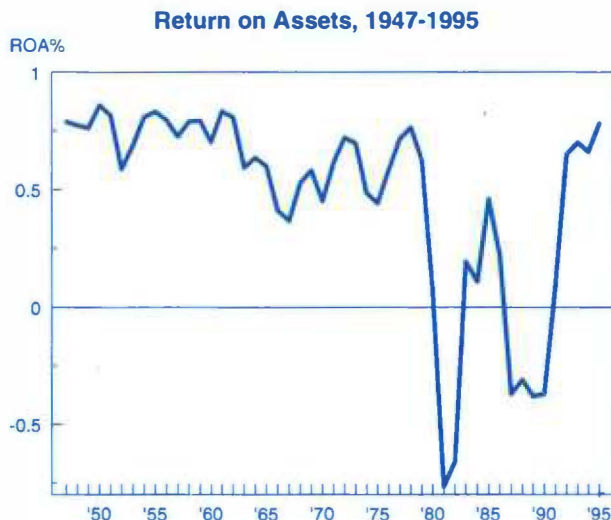


Profitability at the largest thrifts, those with over \$5 billion in assets, continued to catch up with the rest of the industry. For the full year, institutions with over \$5 billion in assets reported an average ROA of 0.72 percent, up from 0.43 percent last year. Over 60 percent of large institutions reported year-to-year increases in earnings. These thrifts, with a large presence on the West Coast, traditionally emphasize adjustable-rate mortgages (ARMs) which are linked to an index that lags actual interest-rate changes. These institutions keep approximately 70 percent of their 1-4 family residential real-estate loans (representing 34 percent of their total assets) in ARMs. As interest rates stabilized towards the end of the year, yields on these loans continued to increase as the indexed loan rates began to catch up to market rates.

In contrast, profitability declined significantly at small institutions (with less than \$100 million in assets), from an ROA of 0.79 percent in 1994 to

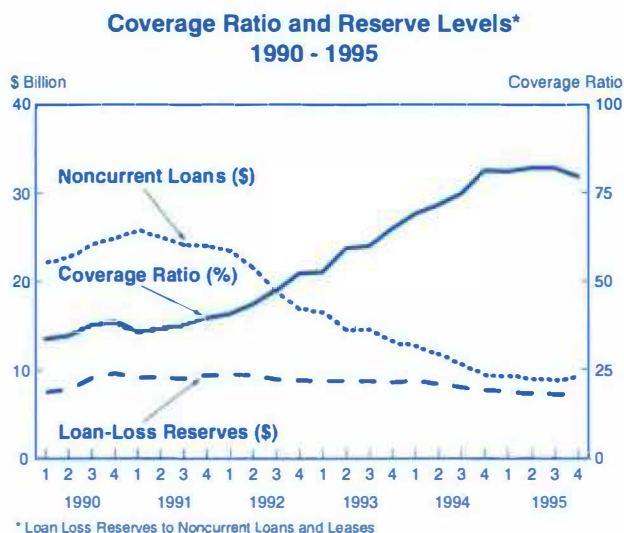
0.67 percent in 1995. Net interest margins declined by 21 basis points during 1995. Average asset yields rose by 58 basis points, but were out-paced by a 79 basis-point increase in funding costs. Fewer than 40 percent of small institutions showed year-to-year increases in earnings. These institutions keep less than half of their 1-4 family residential mortgages in ARMs.

The thrift industry set an all-time record for full-year earnings of \$7.6 billion, for an ROA of 0.78 percent. This was the highest annual ROA reported since 1962. Profits were \$1.3 billion higher in 1995 than in 1994. A decline in net interest income of \$1.6 billion was more than offset by a decline in loan-loss provisions of \$371 million and a \$1.4-billion reduction in noninterest expenses. Noninterest expenses, as a percentage of earning assets, fell to 2.37 percent, which is the lowest rate since 1989. The year's earnings results included fewer large restructuring charges than occurred in previous years when several large institutions worked to strengthen their balance sheets. Noninterest income in 1995 exceeded the previous year's level by nearly \$1 billion primarily due to gains from asset sales. Thrifts paid out over \$4 billion in dividends during 1995, an increase of \$1.5 billion over 1994, when dividends were \$2.6 billion. The increase in dividends exceeded the increase in earnings, resulting in lower retained earnings for the year. Earnings retained by the industry fell to \$3.5 billion from \$3.8 billion in 1994.



Loan losses in 1995 were 30 percent lower than in 1994. Net charge-offs were 0.34 percent of total loans and leases for the year, down from 0.51

percent in 1994. This is the lowest net charge-off rate recorded in the six years that all thrifts have reported net charge-offs on a consistent basis. The largest improvement was reported by thrifts in the West Region, where the charge-off rate declined from 0.86 percent in 1994 to 0.47 percent for 1995. Net charge-offs declined for all loan categories except consumer loans. The net charge-off rate on consumer loans increased from 1.13 percent in 1994 to 1.17 percent in 1995. All other net charge-off rates were below one percent in 1995. The largest improvement occurred in multifamily mortgages, where the net charge-off rate declined from 1.35 percent in 1994 to 0.62 percent in 1995.



Noncurrent loans rose by almost three percent (\$247 million) during the fourth quarter while reserves fell slightly, by \$9 million. As a result, the "coverage ratio" (reserves to noncurrent loans) fell from 82 cents to 80 cents for each dollar of noncurrent loans. Noncurrent consumer loan rates increased during the quarter, from 0.84 percent to 0.91 percent, and the noncurrent rate for loans secured by real estate rose, from 1.36 percent to 1.40 percent. The sharpest increases in noncurrent rates were in residential real-estate loans. These rate increases were exacerbated by declines in residential real-estate loans caused by securitization activity at one large California institution.¹ Noncurrent rates increased on loans secured by 1-4 family properties from 1.17 percent to

¹ American Savings Bank FA, Stockton, California, reported a \$2.3-billion decline in 1-4 family residential mortgages and a \$1.3-billion decline in multifamily mortgages.

1.24 percent as the loan balance declined by \$1.8 billion. The balance of multifamily mortgages declined by \$1.6 billion and noncurrent rates increased from 1.67 percent to 1.83 percent.

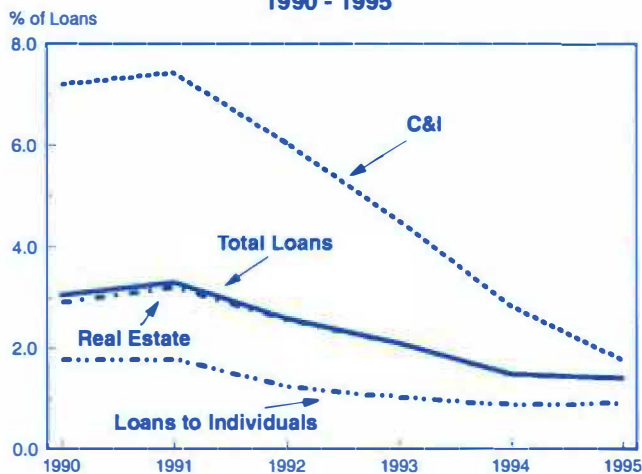
Total thrift assets increased by \$1 billion during the quarter. Savings institutions shifted from residential real-estate loans to more liquid assets. These other assets grew by \$4.1 billion during the fourth quarter and include cash, deposits, federal funds sold and securities purchased under agreements to resell. Savings institutions reported a \$1.9-billion decline in total securities in the fourth quarter. Mortgage-backed securities grew by \$3.8 billion, primarily due to the securitization activity referred to above, while holdings of non-mortgage U.S. Government securities fell by \$5.9 billion. During the fourth quarter, thrifts took advantage of the opportunity granted by FASB to reallocate securities between the held-to-maturity and the available-for-sale categories. The thrift industry reported a net reduction in held-to-maturity securities of \$79 billion. Available-for-sale securities rose by \$77 billion. The unrealized gains associated with the industry's available-for-sale securities increased by \$877 million during the quarter.

Equity capital rose by \$949 million, mostly due to the increase in unrealized gains on available-for-sale securities. The industry's equity-to-assets

ratio rose from 8.31 percent to 8.39 percent. Core capital is not affected by changes in available-for-sale securities values, and the industry's leverage ratio declined slightly during the quarter, from 7.84 percent to 7.80 percent. Deposits declined for the second consecutive quarter, falling \$570 million. For full-year 1995, thrifts reported increases of \$4.7 billion in deposits and \$4.1 billion in other borrowings, which helped to fund a \$17.2-billion increase in assets.

The thrift industry had 2,029 reporting institutions at the end of 1995, a net reduction of 31 from the end of the third quarter and 123 from the end of 1994. Commercial banks absorbed 14 savings institutions, with \$6.2 billion in assets, through acquisitions and charter conversions during the fourth quarter. Consolidation within the thrift industry accounted for a decline of 19 institutions. Two commercial banks, with \$73 million in assets, converted to thrift charters in the fourth quarter. No thrifts failed in the fourth quarter. For the full year only two thrifts failed, the fewest since 1975. Eighteen institutions, with \$3.6 billion in assets, converted from mutual to stock ownership during the quarter. The number of "problem" institutions fell to 49 from 59 at the end of the third quarter. Assets of "problem" institutions declined from \$17.2 billion to \$14.2 billion.

**Noncurrent Loan Rates at Year-End
1990 - 1995**



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

**Annual Net Charge-Off Rates on Loans
1990 - 1995**

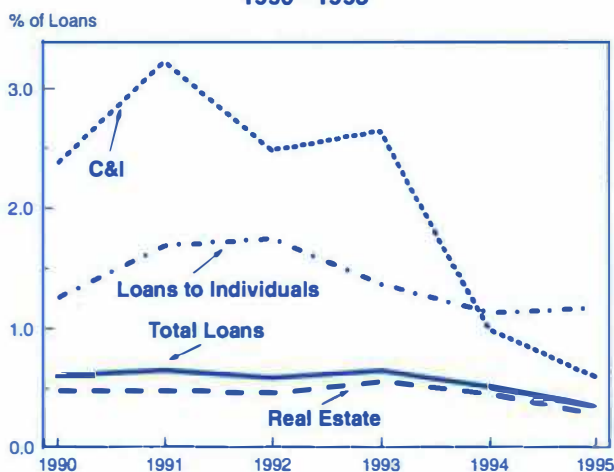


TABLE I-B. Selected Indicators, FDIC-Insured Savings Institutions*

	1995	1994	1993	1992	1991	1990
Return on assets (%).....	0.78	0.66	0.70	0.65	0.08	-0.37
Return on equity (%).....	9.41	8.27	9.24	9.48	1.26	-6.68
Core capital (leverage) ratio (%).....	7.80	7.65	7.45	6.77	5.54	4.62
Noncurrent assets plus other real estate owned to assets (%).....	1.20	1.38	2.10	3.07	3.96	3.98
Net charge-offs to loans (%).....	0.34	0.51	0.65	0.59	0.65	0.61
Asset growth rate (%).....	1.70	0.77	-2.85	-7.44	-11.61	-11.79
Net interest margin (%).....	3.09	3.34	3.48	3.40	2.76	2.27
Net operating income growth (%).....	13.92	22.24	21.21	574.61	N/M	N/M
Number of institutions.....	2,029	2,152	2,262	2,390	2,561	2,815
Percentage of unprofitable institutions.....	5.87	6.97	5.88	7.57	18.35	30.09
Number of problem institutions.....	49	71	146	276	410	480
Assets of problem institutions (in billions).....	\$14	\$39	\$92	\$183	\$291	\$298
Number of failed/assisted institutions.....	2	4	8	81	163	223

TABLE II-B. Aggregate Condition and Income Data, FDIC-Insured Savings Institutions**(dollar figures in millions)*

(dollar figures in millions)	Preliminary					
	4th Quarter	3rd Quarter	4th Quarter	%Change		
	1995	1995	1994	94:4-95:4		
Number of institutions reporting.....	2,029	2,060	2,152	-5.7		
Total employees (full-time equivalent).....	250,260	250,530	261,457	-4.3		
CONDITION DATA						
Total assets.....	\$1,025,741	\$1,024,673	\$1,008,564	1.7		
Loans secured by real estate.....	609,978	612,388	602,917	1.2		
1-4 Family residential.....	477,711	479,484	467,893	2.1		
Multifamily residential property.....	59,921	61,493	62,673	-4.4		
Commercial real estate.....	50,623	50,296	52,328	-3.3		
Construction, development and land.....	21,723	21,115	20,023	8.5		
Commercial & industrial loans.....	12,215	12,002	9,889	23.5		
Loans to individuals.....	40,421	39,846	38,577	4.8		
Other loans & leases.....	1,964	1,791	1,605	22.4		
Less: Unearned income & contra accounts.....	9,367	9,953	10,201	-8.2		
Total loans & leases.....	655,210	656,074	642,787	1.9		
Less: Reserve for losses.....	7,302	7,311	7,726	-5.5		
Net loans & leases.....	647,908	648,763	635,061	2.0		
Securities.....	288,563	290,454	290,276	-0.6		
Other real estate owned.....	3,157	3,497	4,416	-28.5		
Goodwill and other intangibles.....	6,864	6,846	5,746	19.5		
All other assets.....	79,249	75,113	73,064	8.5		
Total liabilities and capital.....	1,025,741	1,024,673	1,008,564	1.7		
Deposits.....	741,892	742,463	737,166	0.6		
Other borrowed funds.....	182,514	182,424	178,368	2.3		
Subordinated debt.....	2,581	2,543	2,395	7.8		
All other liabilities.....	12,690	12,130	10,701	18.6		
Equity capital.....	86,063	85,114	79,934	7.7		
Loans and leases 30-89 days past due.....	9,293	8,569	8,579	8.3		
Noncurrent loans and leases.....	9,179	8,932	9,519	-3.6		
Restructured loans and leases.....	5,975	6,342	7,285	-18.0		
Direct and indirect investments in real estate.....	319	327	415	-23.2		
Mortgage-backed securities.....	215,660	211,907	214,009	0.8		
Earning assets.....	958,940	959,438	941,929	1.8		
FHLB Advances (TFR filers only).....	85,143	80,374	88,861	-4.2		
Unused loan commitments.....	81,753	82,043	71,057	15.1		
	Preliminary		Preliminary			
	Full Year	Full Year	4th Quarter	4th Quarter	%Change	
	1995	1994	1995	1994	94:4-95:4	
INCOME DATA						
Total interest income.....	\$70,994	\$63,470	11.9	\$18,671	\$17,054	9.5
Total interest expense.....	42,528	33,411	27.3	11,273	9,510	18.5
Net interest income.....	28,466	30,059	-5.3	7,398	7,544	-1.9
Provision for loan losses.....	2,110	2,481	-15.0	634	631	0.4
Total noninterest income.....	7,119	6,123	16.3	1,540	1,867	-17.5
Total noninterest expense.....	21,831	23,231	-6.0	5,706	6,085	-6.2
Securities gains (losses).....	464	94	393.5	134	(194)	N/M
Applicable income taxes.....	4,161	3,780	10.1	851	889	-4.3
Extraordinary gains, net.....	(321)	(424)	N/M	(81)	8	N/M
Net income.....	7,627	6,361	19.9	1,802	1,621	11.2
Net charge-offs.....	2,149	3,085	-30.3	546	702	-22.2
Cash dividends.....	4,083	2,598	57.2	1,633	1,058	54.3
Net operating income.....	7,634	6,701	13.9	1,800	1,730	4.1

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

N/M - Not meaningful

TABLE III-B. Full Year 1995, FDIC-Insured Savings Institutions*

FULL YEAR Preliminary (The way it is . . .)	All Institutions	Asset Size Distribution				Geographic Distribution by Region					
		Less than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$5 Billion	Greater than \$5 Billion	East			West		
						North- east	South- east	Central	Mid- west	South- west	West
Number of institutions reporting.....	2,029	909	959	130	31	754	305	520	153	137	160
Total assets (in billions).....	\$1,025.7	\$46.7	\$278.5	\$281.3	\$419.3	\$352.3	\$70.9	\$169.8	\$52.2	\$74.9	\$305.7
Total deposits (in billions).....	741.9	39.6	223.2	208.0	271.2	278.1	54.6	124.1	35.6	47.3	202.1
Net income (in millions).....	7,626.9	304.8	2,164.0	2,280.2	2,877.9	2,929.2	594.2	1,353.2	439.8	764.3	1,546.4
% of unprofitable institutions.....	5.9	7.3	4.2	8.5	6.5	4.2	8.2	3.5	3.9	4.4	20.0
% of institutions with earnings gains.....	46.7	39.1	51.7	60.0	61.3	48.9	48.9	41.9	49.7	47.4	44.4
Performance Ratios (%)											
Yield on earning assets.....	7.71	7.83	7.73	7.79	7.64	7.70	7.86	7.75	7.81	7.84	7.63
Cost of funding earning assets.....	4.62	4.34	4.33	4.56	4.89	4.17	4.63	4.68	4.80	5.14	4.93
Net interest margin.....	3.09	3.49	3.40	3.23	2.75	3.53	3.23	3.07	3.01	2.71	2.70
Noninterest income to earning assets.....	0.77	0.55	0.60	0.85	0.87	0.64	0.73	0.87	0.95	1.00	0.79
Noninterest expense to earning assets.....	2.37	2.86	2.59	2.52	2.06	2.54	2.50	2.42	2.31	2.25	2.17
Net operating income to assets.....	0.78	0.64	0.77	0.78	0.79	0.85	0.81	0.86	0.90	0.97	0.58
Return on assets.....	0.78	0.67	0.80	0.84	0.72	0.88	0.87	0.85	0.98	1.05	0.51
Return on equity.....	9.41	6.43	8.49	10.20	10.12	9.95	9.57	9.42	11.30	14.44	7.09
Net charge-offs to loans and leases.....	0.34	0.14	0.17	0.38	0.45	0.39	0.14	0.14	0.18	0.23	0.47
Loan loss provision to net charge-offs.....	98.17	118.49	126.37	106.48	85.84	87.28	116.26	135.17	128.30	150.15	93.00
Condition Ratios (%)											
Loss allowance to:											
Loans and leases.....	1.11	0.81	1.04	1.27	1.10	1.32	0.93	0.77	0.80	1.00	1.21
Noncurrent loans and leases.....	79.56	71.40	90.67	82.94	72.43	76.81	66.06	115.72	121.43	66.46	76.98
Noncurrent assets plus											
other real estate owned to assets.....	1.20	1.00	0.99	1.39	1.24	1.40	1.14	0.53	0.61	1.21	1.46
Noncurrent RE loans to RE loans.....	1.40	1.09	1.12	1.53	1.56	1.71	1.40	0.62	0.64	1.60	1.60
Equity capital ratio.....	8.39	10.74	9.84	8.54	7.06	9.05	9.50	9.05	8.48	7.60	7.18
Core capital (leverage) ratio.....	7.80	10.50	9.46	7.95	6.28	8.37	8.96	8.62	7.74	7.15	6.60
Gross real estate assets to gross assets..	79.54	72.13	74.44	79.74	83.64	73.86	76.51	79.77	78.23	78.86	87.04
Gross 1-4 family mortgages to gr. assets.	45.83	51.51	45.96	41.79	47.82	41.33	47.42	50.37	47.22	39.57	49.42
Net loans and leases to deposits.....	87.33	78.89	80.21	83.10	97.67	73.32	84.94	89.47	93.29	96.60	102.72
Growth Rates (year-to-year, %)											
Assets.....	1.7	-	-	-	-	6.5	-13.7	9.2	-1.8	5.8	-3.3
Equity capital.....	7.7	-	-	-	-	13.2	-4.6	12.9	8.0	14.6	-0.3
Net interest income.....	-5.3	-	-	-	-	-2.4	-16.4	-4.2	-11.3	18.7	-9.9
Net income.....	19.9	-	-	-	-	2.3	-9.8	18.7	115.8	33.1	68.1
Noncurrent assets plus											
other real estate owned.....	-11.5	-	-	-	-	-18.5	-8.2	16.7	-1.2	-6.4	-9.5
Net charge-offs.....	-30.3	-	-	-	-	-16.0	-19.5	43.8	17.6	19.5	-45.7
Loan loss provision.....	-15.0	-	-	-	-	-5.5	0.3	61.5	-2.2	131.2	-34.7
PRIOR FULL YEAR (The way it was . . .)											
Number of institutions.....	1994	2,152	996	992	133	31	786	343	547	160	141
.....	1992	2,390	1,109	1,094	158	29	852	416	590	176	154
.....	1990	2,815	1,322	1,252	205	36	982	521	666	203	188
Total assets (in billions).....	1994	\$1,008.6	\$50.4	\$286.0	\$292.2	\$379.9	\$330.9	\$82.1	\$155.5	\$53.1	\$70.8
.....	1992	1,030.2	55.9	316.2	325.3	332.7	341.2	109.0	150.5	49.5	61.4
.....	1990	1,259.2	64.4	364.8	424.4	405.6	411.2	151.9	172.2	55.7	77.5
Return on assets (%).....	1994	0.66	0.79	0.77	0.82	0.43	0.89	0.84	0.76	0.40	0.97
.....	1992	0.65	0.86	0.81	0.67	0.47	0.59	0.77	0.89	1.10	1.55
.....	1990	-0.37	0.06	-0.21	-0.57	-0.37	-0.79	-0.52	0.25	0.07	-0.05
Net charge-offs to loans & leases (%)											
.....	1994	0.51	0.10	0.23	0.49	0.79	0.49	0.16	0.11	0.15	0.29
.....	1992	0.59	0.23	0.37	0.67	0.76	0.89	0.38	0.20	0.21	0.34
.....	1990	0.61	0.25	0.57	0.73	0.58	0.90	0.60	0.24	0.39	0.77
Noncurrent assets plus											
OREO to assets (%).....	1994	1.38	1.09	1.24	1.47	1.46	1.83	1.07	0.50	0.61	1.37
.....	1992	3.07	1.83	2.35	3.12	3.92	3.81	2.43	0.99	1.24	3.92
.....	1990	3.98	2.37	3.48	4.91	3.72	4.85	3.96	1.37	2.55	13.21
Equity capital ratio (%).....	1994	7.93	9.94	9.02	8.10	6.70	8.51	8.59	8.75	7.71	7.01
.....	1992	7.22	8.47	7.71	7.12	6.62	7.26	7.48	7.89	7.05	6.32
.....	1990	5.36	7.27	6.34	4.94	4.62	6.09	4.87	6.38	4.42	3.04

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

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-B. Fourth Quarter 1995, FDIC-Insured Savings Institutions*

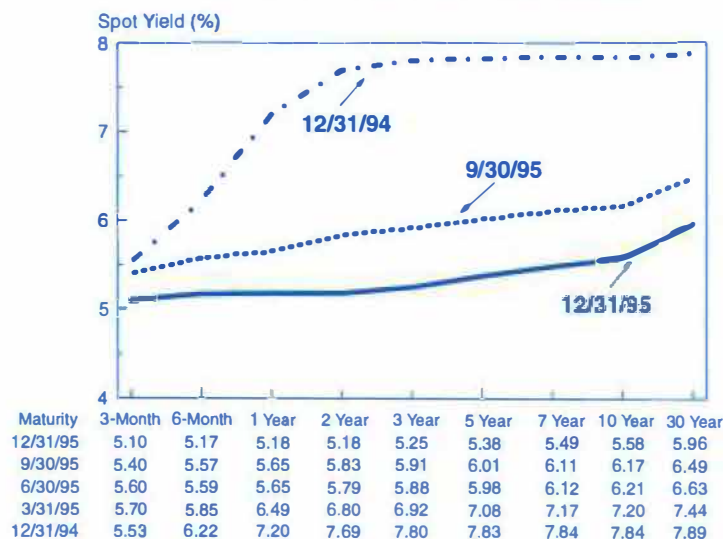
FOURTH QUARTER Preliminary (The way it is . . .)	All Institutions	Asset Size Distribution				Geographic Distribution by Region					
		Less than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$5 Billion	Greater than \$5 Billion	East			West		
						North- east	South- east	Central	Mid- west	South- west	West
Number of institutions reporting.....	2,029	909	959	130	31	754	305	520	153	137	160
Total assets (in billions).....	\$1,025.7	\$46.7	\$278.5	\$281.3	\$419.3	\$352.3	\$70.9	\$169.8	\$52.2	\$74.9	\$305.7
Total deposits (in billions).....	741.9	39.6	223.2	208.0	271.2	278.1	54.6	124.1	35.6	47.3	202.1
Net income (in millions).....	1,802	77	560	536	628	728	148	261	94	256	315
% of unprofitable institutions.....	8.1	10.8	5.1	8.5	19.4	6.9	9.5	5.8	2.6	9.5	22.5
% of institutions with earnings gains.....	48.8	42.0	53.0	62.3	64.5	49.3	46.9	45.0	52.9	52.6	55.6
Performance Ratios (annualized, %)											
Yield on earning assets.....	7.88	7.96	7.85	7.91	7.88	7.78	7.98	8.00	8.31	8.01	7.82
Cost of funding earning assets.....	4.76	4.51	4.47	4.65	5.06	4.33	4.73	4.92	5.21	5.16	5.00
Net interest margin.....	3.12	3.45	3.38	3.26	2.82	3.45	3.25	3.08	3.10	2.85	2.82
Noninterest income to earning assets.....	0.65	0.59	0.64	0.81	0.56	0.62	0.76	0.83	0.93	1.00	0.44
Noninterest expense to earning assets....	2.41	2.95	2.65	2.56	2.08	2.57	2.56	2.57	2.44	2.25	2.13
Net operating income to assets.....	0.71	0.57	0.75	0.68	0.72	0.78	0.76	0.79	0.89	1.27	0.41
Return on assets.....	0.71	0.67	0.81	0.77	0.61	0.84	0.84	0.63	0.79	1.37	0.41
Return on equity.....	8.49	6.24	8.33	9.11	8.53	9.32	9.01	6.94	9.07	18.17	5.66
Net charge-offs to loans and leases.....	0.34	0.13	0.21	0.39	0.41	0.41	0.12	0.14	0.17	0.30	0.44
Loan loss provision to net charge-offs.....	115.97	140.45	113.97	150.99	94.61	93.71	161.11	130.91	147.52	160.65	122.34
Growth Rates (year-to-year, %)											
Net interest income.....	-1.9	-	-	-	-	-3.1	-16.7	-0.5	-4.6	13.1	0.8
Net income.....	11.2	-	-	-	-	10.8	4.3	-5.2	N/M	59.4	-20.7
Net charge-offs.....	-22.2	-	-	-	-	-7.1	-13.0	37.2	-48.8	49.5	-38.5
Loan loss provision.....	0.4	-	-	-	-	-3.5	-5.9	49.7	-42.5	190.2	-8.8
PRIOR FOURTH QUARTERS (The way it was . . .)											
Return on assets (%)..... 1994	0.65	0.69	0.63	0.80	0.55	0.80	0.70	0.72	-0.08	1.01	0.51
..... 1992	0.59	0.83	0.77	0.73	0.26	0.63	0.69	0.90	1.33	1.60	0.07
..... 1990	-0.94	-0.28	-0.70	-1.23	-0.97	-1.63	-0.82	0.11	0.39	-0.07	-1.09
Net charge-offs to loans&leases (%)											
..... 1994	0.45	0.11	0.27	0.44	0.63	0.47	0.13	0.12	0.32	0.28	0.70
..... 1992	0.69	0.24	0.42	0.73	0.96	1.05	0.36	0.21	0.26	0.49	0.73
..... 1990	0.91	0.36	0.89	1.09	0.86	1.53	0.76	0.25	0.41	0.56	0.71

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

N/M - Not meaningful

†During the quarter, one institution merged with another wholly owned subsidiary thrift. The resulting combined institution shows a loss for the quarter due to the computational methodology used to derive quarterly income from year-to-date reported earnings.

U.S. Treasury Yield Curve
December 31, 1994 - December 31, 1995



Source: Federal Reserve's H.15 Statistical Release

TABLE V-B. Loan Performance, FDIC-Insured Savings Institutions*

December 31, 1995	All Institutions	Asset Size Distribution				Geographic Distribution by Region						
		Less than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$5 Billion	Greater than \$5 Billion	East			West			
						North- east	South- east	Central	Mid- west	South- west	West	
Percent of Loans 30-89 Days Past Due												
All loans secured by real estate.....	1.35	2.20	1.37	1.22	1.32	1.48	1.54	1.18	1.44	1.32	1.27	
Construction, development and land.....	1.31	1.44	1.36	1.02	1.55	0.92	1.16	1.29	1.34	1.31	1.85	
Commercial real estate.....	1.23	2.32	1.38	1.32	0.77	1.49	1.33	1.19	2.06	1.24	0.66	
Multifamily residential real estate.....	0.85	1.53	1.16	0.78	0.76	1.05	1.31	1.17	0.85	0.76	0.70	
1-4 Family residential.....	1.43	2.26	1.39	1.27	1.44	1.54	1.61	1.17	1.43	1.39	1.43	
Commercial and industrial loans.....	1.36	2.77	1.93	1.25	0.52	1.37	1.82	1.13	2.99	1.49	0.68	
Loans to individuals.....	2.17	2.66	2.13	2.61	1.81	2.59	2.67	2.28	2.59	0.93	1.98	
Percent of Loans Noncurrent**												
All real estate loans.....	1.40	1.09	1.12	1.53	1.56	1.71	1.40	0.62	0.64	1.60	1.60	
Construction, development and land.....	1.46	1.22	1.43	1.88	1.00	3.11	0.90	0.95	0.75	0.53	1.75	
Commercial real estate.....	2.47	1.79	2.18	3.38	1.85	3.25	1.57	1.66	1.99	2.18	1.95	
Multifamily residential real estate.....	1.83	1.45	1.73	2.59	1.44	2.28	1.55	0.79	0.79	4.71	1.61	
1-4 Family residential.....	1.24	1.00	0.90	1.10	1.56	1.38	1.43	0.52	0.51	1.28	1.57	
Commercial and industrial loans.....	1.75	2.47	1.89	2.06	0.98	2.29	1.52	1.18	2.16	1.65	0.42	
Loans to individuals.....	0.91	1.07	0.85	1.06	0.82	1.28	0.89	1.07	0.51	0.45	0.67	
Percent of Loans Charged-off (net, annual)												
All real estate loans.....	0.28	0.11	0.14	0.29	0.38	0.32	0.09	0.05	0.06	0.12	0.44	
Construction, development and land.....	0.35	0.15	0.27	0.74	0.02	1.25	0.07	0.02	0.00	0.05	0.31	
Commercial real estate.....	0.74	0.53	0.36	1.00	0.92	0.99	0.29	0.16	0.46	0.16	0.90	
Multifamily residential real estate.....	0.62	0.57	0.52	0.56	0.69	0.60	0.87	0.22	0.12	0.06	0.77	
1-4 Family residential.....	0.18	0.05	0.07	0.12	0.29	0.17	0.04	0.03	0.02	0.13	0.33	
Commercial and industrial loans.....	0.59	0.91	0.48	0.87	0.23	0.86	0.27	0.06	0.15	0.71	0.33	
Loans to individuals.....	1.17	0.38	0.47	1.34	1.57	1.15	0.74	1.42	1.11	0.83	1.49	
Loans Outstanding (in billions)												
All real estate loans.....	\$610.0	\$29.5	\$169.8	\$159.7	\$250.9	\$187.5	\$43.8	\$104.3	\$29.8	\$41.0	\$203.5	
Construction, development and land.....	21.7	1.6	10.1	6.0	4.0	4.4	4.0	4.7	1.2	3.1	4.3	
Commercial real estate.....	50.6	2.3	17.7	16.7	13.9	21.7	4.0	5.7	2.2	3.8	13.3	
Multifamily residential real estate.....	59.9	1.1	11.5	17.5	29.9	14.0	1.3	7.1	1.4	3.5	32.8	
1-4 Family residential.....	477.7	24.5	130.6	119.4	203.2	147.4	34.6	86.9	25.0	30.7	153.2	
Commercial and industrial loans.....	12.2	0.6	3.9	4.7	3.0	6.5	1.0	1.5	0.6	0.7	1.9	
Loans to individuals.....	40.4	2.0	10.4	12.1	15.9	13.1	3.5	7.5	3.5	6.5	6.2	
Memoranda:												
Other Real Estate Owned (in millions)***												
All other real estate owned.....	\$3,157	\$111	\$697	\$1,223	\$1,125	\$1,384	\$149	\$156	\$98	\$209	\$1,161	
Construction, development and land.....	701.5	25.6	175.3	434.1	66.5	448.9	46.4	13.3	11.4	41.7	139.9	
Commercial real estate.....	826.6	45.2	217.1	373.4	190.9	460.3	45.3	56.9	57.9	19.1	187.0	
Multifamily residential real estate.....	578.0	5.6	103.3	244.4	224.7	161.0	6.0	16.6	13.9	90.5	289.9	
1-4 Family residential.....	1,449.3	49.0	285.4	334.9	780.1	437.1	70.6	80.5	34.1	89.9	737.2	
Troubled Real Estate Asset Rates**** (% of total RE assets)												
All real estate loans.....	1.91	1.46	1.52	2.28	2.00	2.43	1.73	0.77	0.96	2.10	2.16	
Construction, development and land.....	4.55	2.75	3.12	8.47	2.62	12.12	2.04	1.23	1.65	1.87	4.85	
Commercial real estate.....	4.03	3.64	3.36	5.49	3.19	5.26	2.68	2.64	4.56	2.67	3.31	
Multifamily residential real estate.....	2.77	1.96	2.61	3.93	2.17	3.39	2.02	1.02	1.78	7.14	2.47	
1-4 Family residential.....	1.54	1.19	1.11	1.37	1.94	1.67	1.63	0.61	0.64	1.57	2.04	

*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.

***TFR filers report "All other real estate owned" net of valuation allowances, while individual categories of OREO are reported gross.

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

Insurance Fund Reserve Ratios Percent of Insured Deposits



Fund Balance and Insured Deposits* (\$ Millions)

	BIF Fund Balance	BIF-Insured Deposits	SAIF Fund Balance	SAIF-Insured Deposit
12/89	13,210	1,873,837	0	882,920
12/90	4,045	1,929,612	18	830,028
12/91	(7,028)	1,957,722	101	776,351
12/92	(101)	1,945,623	279	729,458
12/93	13,122	1,906,885	1,157	695,574
12/94	21,848	1,895,182	1,937	693,432
3/95	23,185	1,899,092	2,216	704,526
6/95	24,677	1,914,560	2,587	709,243
9/95	25,075	1,917,194	3,084	710,756
12/95	25,454	1,952,543	3,358	711,017

* Insured Deposit Amounts are Estimates.

ALL FDIC-INSURED INSTITUTIONS

- **Domestic Deposits Surge In The Fourth Quarter**
- **Growth Of The SAIF Assessment Base Flattens**
- **No Insured Institutions Fail In The Fourth Quarter**

At the nation's 11,970 FDIC-insured institutions, total assets grew \$84 billion from September 30 to December 31, compared to growth of \$90 billion during the fourth quarter of 1994. Fourth-quarter asset growth was funded to a greater extent by deposits in 1995 than in 1994. Total deposits increased \$96 billion during the fourth quarter of 1995, with most of this growth occurring in domestic deposits at commercial banks, which were up \$91 billion. In 1994's fourth quarter, by comparison, total deposits increased \$70 billion, including just \$42 billion in domestic deposit growth.

The reserve ratio of the Bank Insurance Fund (BIF) was 1.30 percent of insured deposits on December 31, down nominally from 1.31 percent on September 30 but still above the statutory minimum of 1.25 percent. The reserve ratio of the Savings Association Insurance Fund (SAIF) rose from 0.43 percent to 0.47 percent during the fourth quarter but remains far below the target level of 1.25 percent. As a result of the BIF's full capitalization, the FDIC was able to reduce BIF assessment rates twice in the latter half of 1995. The average BIF assessment rate fell from 23.3 cents per \$100 of assessable deposits to just 0.4 cents (effective January 1, 1996), improving the attractiveness of BIF-assessable deposits relative to other funding alternatives. Because SAIF assessment rates cannot be lowered significantly until the fund is fully capitalized, the average assessment rate for SAIF members remains at 23.7 cents per \$100.¹ This premium disparity between the BIF and the SAIF may partially explain deposit growth patterns in 1995. Deposits assessable by the BIF grew \$110 billion (4.6 percent) during 1995, with \$83 billion of the increase coming in the fourth quarter. Deposits assessable by the SAIF grew \$20 billion (2.8 percent) in 1995 but decreased, by less than \$1 billion, in the fourth quarter.² Other factors, such as loan demand, also may affect deposit growth patterns.

No insured institutions failed in the fourth quarter. For all of 1995, failures included six BIF-member commercial banks, with total assets of \$750 million, and two SAIF-member thrifts, with total assets of \$456 million. This is the lowest number of bank failures since 1977, when there were also six, and the second consecutive year in which just two SAIF members failed.

¹The FDIC Board has the authority to lower SAIF rates to 18 cents through the end of 1997, at which time rates must return to a minimum of 23 cents until the SAIF is capitalized.

²Changes in assessment base figures from September 30 to December 31 are affected by the annual Oakar adjustment. Acquisitions do not affect this adjustment, but deposit sales can reduce an institution's reported Oakar deposit amount and increase the deposits attributable to its primary insurance fund. For December 31, 1995, there was an especially large adjustment that resulted in a decrease in SAIF deposits of \$3.3 billion, compared to September 30, 1995, and a corresponding increase in BIF deposits. The adjustment approach is being reviewed for possible modification.

"Oakar" deposits. A member of one insurance fund can acquire deposits insured by the other fund, but this portion of the acquiring institution's deposits retains coverage under the seller's fund. As of December 31, 803 BIF members held \$219 billion in SAIF-assessable deposits. This represents an increase of \$8.5 billion (4.0 percent) since September 30 and \$37 billion (20.3 percent) since year-end 1994. More than half of the fourth quarter's increase was attributable to a single intracompany consolidation in which a SAIF-member thrift was merged into an affiliated BIF-member thrift. The share of the SAIF assessment base held by BIF members rose to 29.8 percent on December 31, compared to 28.6 percent on September 30 and 25.4 percent on December 31, 1994. As of year-end 1995, 72 SAIF members held \$10.1 billion in BIF-assessable deposits, or 0.4 percent of the BIF assessment base. This amount remained relatively stable during 1995.

"Sasser" institutions. Institutions are generally prohibited from converting their membership from one insurance fund to the other. Since 1989, however, SAIF-member savings associations have been permitted to convert their charter to that of a savings or commercial bank while retaining SAIF membership. Converted institutions leave OTS supervision and become subject to supervision by one of the three federal banking agencies. As of December 31, 1995, there were 317 SAIF-member institutions that had converted to bank charters, including 236 state-chartered savings banks, 60 state-chartered commercial banks and 21 national banks. These 317 institutions held SAIF-assessable deposits of \$56.4 billion, or 7.7 percent of the total SAIF assessment base.

FICO bonds. The Financing Corporation (FICO) has a first claim on up to \$793 million of SAIF assessment revenue each year in order to fund interest payments on FICO bonds. These 30-year bonds, issued in the years 1987 through 1989, were sold to fund losses incurred by the now-defunct Federal Savings and Loan Insurance Corporation. Only assessments from SAIF-member savings associations are available to the FICO, which excludes SAIF assessments paid by BIF-member Oakars and SAIF-member Sassers. The aggregate share of the SAIF assessment base held by Oakars and Sassers increased to 37.5 percent on December 31, from 36.3 percent on September 30 and 32.7 percent as of year-end 1994. At current assessment rates, the FICO requires an available assessment base of \$329 billion to meet its annual draw. The FICO-available base, which has been shrinking steadily, was \$459 billion on December 31, down from \$479 billion at year-end 1994 and \$538 billion at year-end 1993.

Estimated FDIC-Insured Deposits by Fund Membership and Type of Institution
December 31, 1995*

(dollar figures in millions)	Number of Institutions	Total Assets	Domestic Deposits**	Estimated Insured Deposits		
				BIF	SAIF	Total
Private-Sector Commercial and Savings Institutions						
FDIC-Insured Commercial Banks.....	9,941	4,312,678	2,573,465	1,778,440	179,855	1,958,295
BIF-member.....	9,860	4,286,494	2,554,207	1,776,995	165,469	1,942,464
SAIF-member.....	81	26,184	19,257	1,445	14,386	15,831
FDIC-Insured Savings Institutions.....	2,029	1,025,741	741,892	171,871	531,162	703,033
OTS-Supervised Savings Institutions.....	1,436	770,973	540,505	32,876	479,115	511,991
BIF-member.....	26	99,269	65,633	24,538	38,681	63,219
SAIF-member*.....	1,410	671,704	474,872	8,338	440,434	448,772
FDIC-Supervised State Savings Banks.....	593	254,767	201,387	138,995	52,047	191,042
BIF-member.....	357	203,708	161,578	138,698	14,460	153,157
SAIF-member.....	236	51,059	39,808	298	37,587	37,885
Total Private-Sector Commercial and Savings Institutions.....						
BIF-member.....	11,970	5,338,419	3,315,357	1,950,312	711,017	2,661,328
BIF-member.....	10,243	4,589,471	2,781,419	1,940,230	218,610	2,158,840
SAIF-member.....	1,727	748,947	533,938	10,081	492,407	502,488
Other FDIC-Insured Institutions						
RTC Conservatorships***.....	0	0	0	0	0	0
U.S. Branches of Foreign Banks.....	39	12,159	3,691	2,232	0	2,232
Total FDIC-Insured Institutions.....	12,009	5,350,577	3,319,048	1,952,543	711,017	2,663,560

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

**Excludes \$454.1 billion in foreign office deposits, which are uninsured.

***The last RTC conservatorship was resolved prior to September 30.

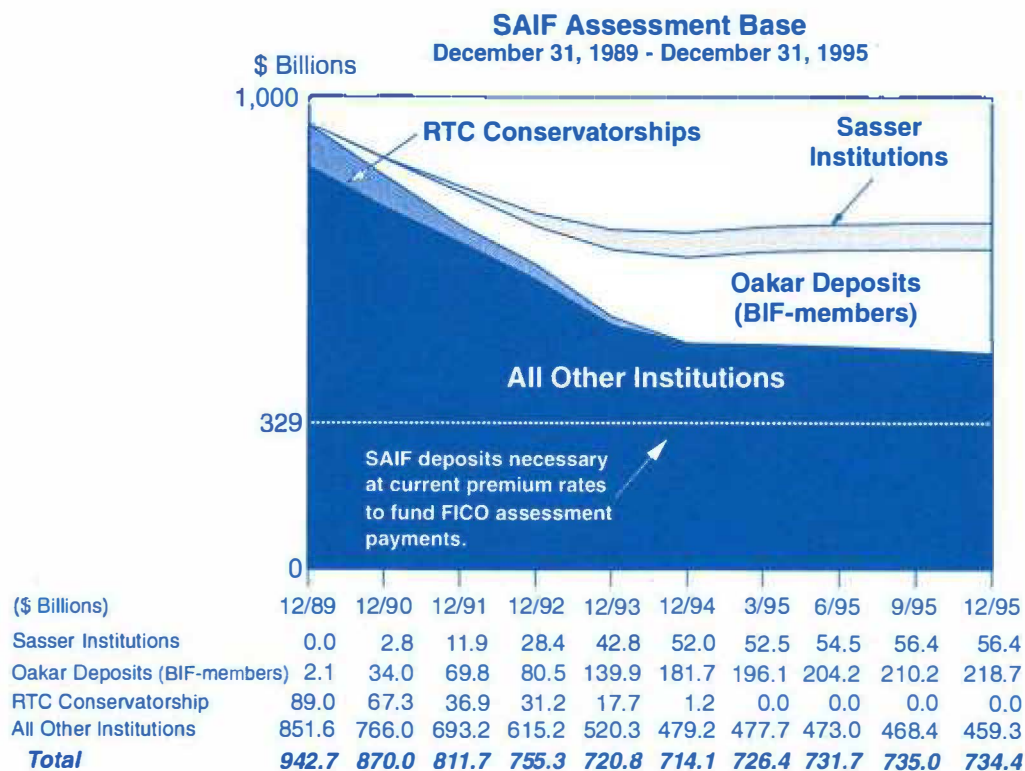


TABLE I-C. Selected Indicators, All FDIC-Insured Institutions*

<i>(dollar figures in millions)</i>	1995	1994	1993	1992	1991	1990
Number of institutions reporting.....	11,970	12,602	13,220	13,852	14,482	15,158
Total assets.....	\$5,338,419	\$5,019,076	\$4,707,051	\$4,535,878	\$4,543,684	\$4,648,668
Total deposits.....	3,769,445	3,611,603	3,528,473	3,527,034	3,594,345	3,637,292
Number of problem institutions.....	193	318	572	1,063	1,426	1,492
Assets of problem institutions (in billions).....	\$31	\$73	\$334	\$592	\$819	\$640
Number of failed/assisted institutions.....	8	15	50	181	271	382
Assets of failed/assisted institutions (in billions).....	\$1.21	\$1.57	\$9.67	\$88	\$142	\$145

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

<i>(dollar figures in millions)</i>	Preliminary 4th Quarter 1995	3rd Quarter 1995	4th Quarter 1994	% Change 94:4-95:4		
Number of institutions reporting.....	11,970	12,111	12,602	-5.0		
Total employees (full-time equivalent).....	1,734,725	1,733,351	1,750,628	-0.9		
CONDITION DATA						
Total assets.....	\$5,338,419	\$5,253,972	\$5,019,076	6.4		
Loans secured by real estate.....	1,689,957	1,683,275	1,600,624	5.6		
1-4 Family residential.....	1,103,607	1,101,518	1,036,852	6.4		
Home equity loans.....	97,927	97,651	93,215	5.1		
Multifamily residential property.....	95,714	96,779	94,603	1.2		
Commercial real estate.....	349,016	344,579	335,458	4.0		
Construction, development and land.....	90,429	89,223	84,530	7.0		
Other real estate loans.....	51,191	51,176	49,182	4.1		
Commercial & industrial loans.....	673,736	659,419	598,986	12.5		
Loans to individuals.....	575,695	558,308	525,681	9.5		
Credit cards & related plans.....	224,291	208,468	195,963	14.5		
Other loans & leases.....	333,792	326,579	292,264	14.2		
Less: Unearned income & contra accounts.....	15,225	16,007	16,552	-8.0		
Total loans & leases.....	3,257,965	3,211,573	3,001,002	8.6		
Less: Reserve for losses.....	60,119	60,188	59,854	0.4		
Net loans & leases.....	3,197,836	3,151,385	2,941,149	8.7		
Securities.....	1,099,669	1,109,206	1,113,290	-1.2		
Other real estate owned.....	9,222	10,503	13,983	-34.1		
Goodwill and other intangibles.....	37,030	35,364	29,748	24.5		
All other assets.....	994,661	947,515	920,907	8.0		
Total liabilities and capital.....	5,338,419	5,253,972	5,019,076	6.4		
Deposits.....	3,769,445	3,673,756	3,611,603	4.4		
Other borrowed funds.....	849,139	859,017	769,449	10.4		
Subordinated debt.....	46,117	46,267	43,151	6.9		
All other liabilities.....	237,994	245,755	202,850	17.3		
Equity capital.....	435,724	429,177	392,024	11.2		
Loans and leases 30-89 days past due.....	43,066	39,739	36,666	17.5		
Noncurrent loans and leases.....	39,556	40,422	40,225	-1.7		
Restructured loans and leases.....	9,869	10,873	13,726	-28.1		
Direct and indirect investments in real estate.....	904	954	1,025	-11.8		
Mortgage-backed securities.....	544,801	541,101	541,193	0.7		
Earning assets.....	4,695,344	4,634,331	4,411,956	6.4		
Unused loan commitments.....	2,237,881	2,135,290	1,846,504	21.2		
Including RTC conservatorships and IBA's:						
Estimated BIF-insured deposits.....	1,952,543	1,917,181	1,895,182	3.0		
Domestic deposits (reflects Oakar adjustments).....	2,575,966	2,483,892	2,462,650	4.6		
BIF balance (unaudited figures).....	25,454	25,075	21,848	16.5		
BIF coverage ratio (%)**.....	1.30	1.31	1.15	13.1		
Estimated SAIF-insured deposits.....	711,017	710,769	693,433	2.5		
Domestic deposits (reflects Oakar adjustments).....	742,547	743,479	721,515	2.9		
SAIF balance (unaudited figures).....	3,358	3,084	1,937	73.4		
SAIF coverage ratio (%)**.....	0.47	0.43	0.28	69.1		
Estimated FDIC-insured deposits, BIF and SAIF.....	2,663,560	2,627,950	2,588,615	2.9		
	Preliminary Full Year 1995	Full Year 1994	%Change	Preliminary 4th Quarter 1995	4th Quarter 1994	%Change 94:4-95:4
INCOME DATA						
Total interest income.....	\$373,657	\$321,301	16.3	\$97,173	\$85,870	13.2
Total interest expense.....	190,969	144,689	32.0	50,072	40,485	23.7
Net interest income.....	182,688	176,612	3.4	47,101	45,385	3.8
Provision for loan losses.....	14,659	13,442	9.1	4,416	3,564	23.9
Total noninterest income.....	89,561	82,398	8.7	23,406	21,642	8.2
Total noninterest expense.....	171,502	167,466	2.4	44,927	44,585	0.8
Securities gains (losses).....	1,009	(478)	N/M	192	(1,109)	N/M
Applicable income taxes.....	30,338	26,201	15.8	7,399	5,512	34.2
Extraordinary gains, net.....	(294)	(439)	N/M	(80)	23	N/M
Net income.....	56,465	50,985	10.8	13,877	12,281	13.0

*Excludes institutions in RTC conservatorship, one self-liquidating savings institution, insured branches of foreign banks (IBA's), unless indicated otherwise.

**Coverage ratios reflect the insurance fund balance as a percentage of estimated insured deposits.

N/M-Not meaningful

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

<i>(dollar figures in millions)</i>	1995	1994	1993	1992	1991	1990
Number of institutions reporting.....	10,243	10,758	11,291	11,813	12,305	12,791
Total assets.....	\$4,589,471	\$4,246,781	\$3,949,694	\$3,711,612	\$3,660,497	\$3,646,863
Total deposits.....	3,235,507	3,061,456	2,951,980	2,873,169	2,881,811	2,861,466
Number of problem institutions.....	151	264	472	856	1,089	1,046
Assets of problem institutions (in billions).....	\$20	\$42	\$269	\$464	\$610	\$409
Number of failed/assisted institutions.....	6	13	41	122	127	169
Assets of failed/assisted institutions (in billions).....	\$0.76	\$1.43	\$3.54	\$44	\$63	\$15

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

(dollar figures in millions)	Preliminary					
	4th Quarter 1995	3rd Quarter 1995	4th Quarter 1994	% Change 94:4-95:4		
Number of institutions reporting.....	10,243	10,356	10,758	-4.8		
Commercial banks.....	9,860	9,971	10,371	-4.9		
Savings institutions.....	383	385	387	-1.0		
Total employees (full-time equivalent).....	1,545,667	1,542,423	1,545,128	0.0		
CONDITION DATA						
Total assets.....	\$4,589,471	\$4,492,417	\$4,246,781	8.1		
Loans secured by real estate, total.....	1,232,180	1,211,272	1,136,128	8.5		
1-4 Family residential.....	737,976	723,943	668,549	10.4		
Multifamily residential property.....	55,972	54,443	51,081	9.6		
Commercial real estate.....	316,097	311,484	300,884	5.1		
Construction, development and land.....	71,064	70,333	66,525	6.8		
Commercial & industrial loans.....	665,593	651,596	592,905	12.3		
Reserve for losses.....	55,219	55,210	54,423	1.5		
Total deposits.....	3,235,507	3,130,338	3,061,456	5.7		
Estimated insured deposits.....	2,158,840	2,113,882	2,063,477	4.6		
BIF-insured deposits (estimated).....	1,940,230	1,904,704	1,881,802	3.1		
SAIF-insured deposits (estimated).....	218,610	209,178	181,675	20.3		
Noncurrent loans and leases.....	33,311	34,454	33,848	-1.6		
Other real estate owned.....	7,039	8,049	10,900	-35.4		
Equity capital.....	373,544	367,026	332,290	12.4		
CAPITAL CATEGORY DISTRIBUTION						
Number of institutions:						
Well capitalized.....	10,098	10,189	10,581	-4.6		
Adequately capitalized.....	121	149	140	-13.6		
Undercapitalized.....	17	12	19	-10.5		
Significantly undercapitalized.....	4	6	12	-66.7		
Critically undercapitalized.....	3	0	6	-50.0		
Total assets:						
Well capitalized.....	\$4,466,348	\$4,416,017	\$4,142,783	7.8		
Adequately capitalized.....	120,346	74,499	98,784	21.8		
Undercapitalized.....	2,344	1,206	3,312	-29.2		
Significantly undercapitalized.....	288	694	1,211	-76.3		
Critically undercapitalized.....	145	0	691	-79.0		
		Preliminary	Preliminary			
		Full Year	Full Year	4th Quarter	4th Quarter	
		1995	1994	1995	1994	
		%Change		%Change		
				94:4-95:4		
INCOME DATA						
Net interest income.....	\$162,586	\$154,616	5.2	\$41,844	\$39,865	5.0
Provision for loan losses.....	13,129	11,620	13.0	3,962	3,102	27.7
Net income.....	51,062	46,868	9.0	12,577	11,252	11.8
Net charge-offs.....	12,893	12,094	6.6	4,140	3,393	22.0
Number of institutions reporting net losses.....	342	426	-19.7	797	1,056	-24.5

*Excludes insured branches of foreign banks.

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

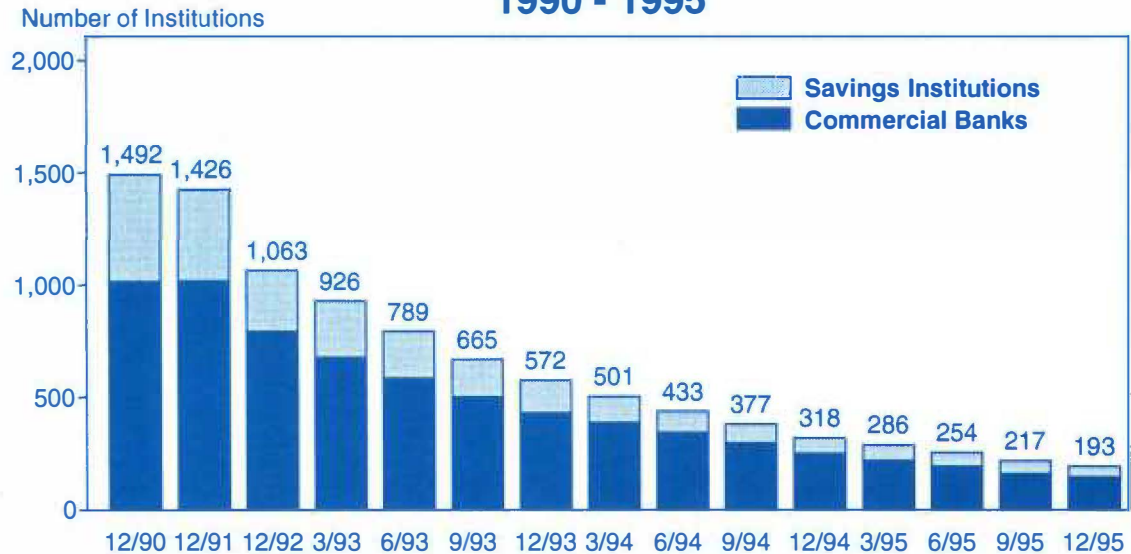
<i>(dollar figures in millions)</i>	1995	1994	1993	1992	1991	1990
Number of institutions reporting.....	1,727	1,844	1,929	2,039	2,177	2,367
Total assets.....	\$748,947	\$772,295	\$757,357	\$824,266	\$883,187	\$1,001,804
Total deposits.....	533,938	550,147	576,493	653,865	712,533	775,826
Number of problem institutions.....	42	54	100	207	337	446
Assets of problem institutions (in billions).....	\$11	\$31	\$65	\$128	\$209	\$231
Number of failed/assisted institutions.....	2	2	9	59	144	213
Assets of failed/assisted institutions (in billions).....	\$0.46	\$0.14	\$6	\$44	\$79	\$130

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

(dollar figures in millions)	Preliminary 4th Quarter 1995	3rd Quarter 1995	4th Quarter 1994	% Change 94:4-95:4		
Number of institutions reporting.....	1,727	1,755	1,844	-6.3		
Commercial banks.....	81	80	79	2.5		
Savings institutions.....	1,646	1,675	1,765	-6.7		
Total employees (full-time equivalent).....	189,058	190,928	205,500	-8.0		
CONDITION DATA						
Total assets.....	\$748,947	\$761,555	\$772,295	-3.0		
Loans secured by real estate, total.....	457,777	472,003	464,496	-1.5		
1-4 Family residential.....	365,631	377,576	368,303	-0.7		
Multifamily residential property.....	39,742	42,336	43,521	-8.7		
Commercial real estate.....	32,920	33,095	34,574	-4.8		
Construction, development and land.....	19,365	18,890	18,005	7.6		
Commercial & industrial loans.....	8,143	7,822	6,081	33.9		
Reserve for losses.....	4,900	4,978	5,431	-9.8		
Total deposits.....	533,938	543,417	550,147	-3.0		
Estimated insured deposits.....	502,488	512,210	522,005	-3.7		
BIF-insured deposits (estimated).....	10,081	10,619	11,486	-12.2		
SAIF-insured deposits (estimated).....	492,407	501,591	510,519	-3.5		
Noncurrent loans and leases.....	6,246	5,967	6,377	-2.1		
Other real estate owned.....	2,182	2,454	3,082	-29.2		
Equity capital.....	62,180	62,151	59,733	4.1		
CAPITAL CATEGORY DISTRIBUTION						
Number of institutions:						
Well capitalized.....	1,685	1,695	1,747	-3.5		
Adequately capitalized.....	37	54	84	-56.0		
Undercapitalized.....	4	5	8	-50.0		
Significantly undercapitalized.....	1	1	2	-50.0		
Critically undercapitalized.....	0	0	3	-100.0		
Total assets:						
Well capitalized.....	736,131	\$739,182	\$701,820	4.9		
Adequately capitalized.....	12,146	21,151	65,516	-81.5		
Undercapitalized.....	635	1,189	2,046	-69.0		
Significantly undercapitalized.....	35	33	724	-95.2		
Critically undercapitalized.....	0	0	2,189	-100.0		
	Preliminary Full Year 1995	Full Year 1994	%Change	Preliminary 4th Quarter 1995	4th Quarter 1994	%Change 94:4-95:4
INCOME DATA						
Net interest income.....	\$20,102	\$21,996	-8.6	\$5,257	\$5,520	-4.8
Provision for loan losses.....	1,530	1,822	-16.0	454	462	-1.8
Net income.....	5,403	4,117	31.2	1,300	1,029	26.3
Net charge-offs.....	1,424	2,238	-36.4	351	480	-26.8
Number of institutions reporting net losses.....	113	137	-17.5	156	178	-12.4

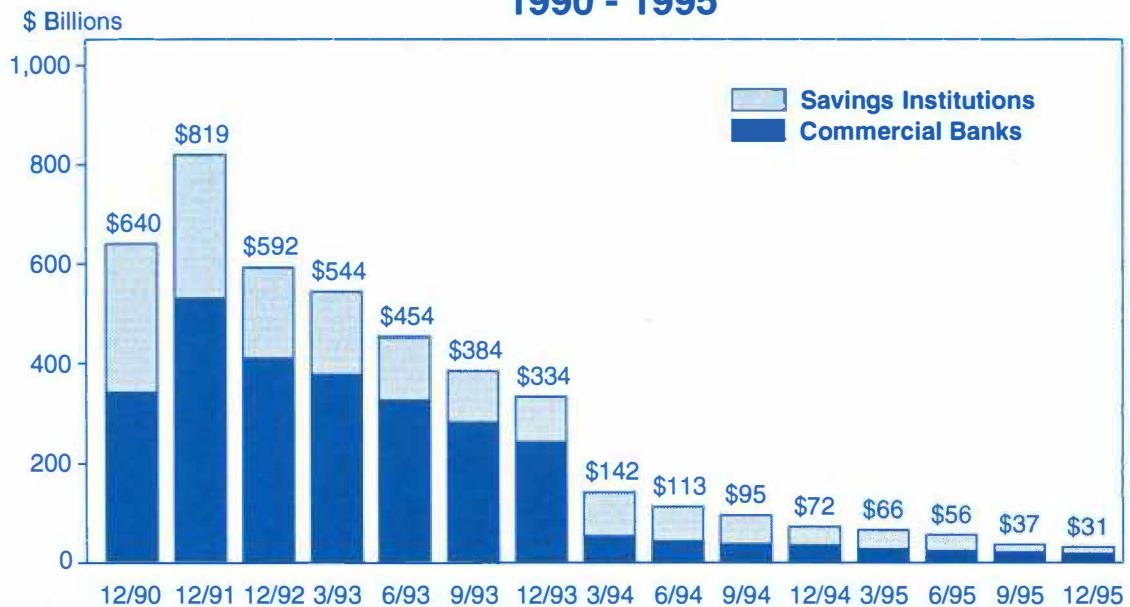
*Excludes institutions in Resolution Trust Corporation conservatorship and one self-liquidating institution.

Number of FDIC-Insured "Problem" Institutions 1990 - 1995



Savings Institutions	480	410	276	255	209	169	146	118	95	84	71	71	64	59	49
Commercial Banks	1,012	1,016	787	671	580	496	426	383	338	293	247	215	190	158	144

Assets of FDIC-Insured "Problem" Institutions 1990 - 1995



Savings Institutions	298	291	184	167	128	103	92	89	71	59	39	39	33	17	14
Commercial Banks	342	528	408	377	326	281	242	53	42	36	33	27	23	20	17

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 have closed or converted their charter.

DATA SOURCES

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

COMPUTATION METHODOLOGY

Certain adjustments are made to the OTS *Thrift Financial Reports* to provide closer conformance with the reporting and accounting requirements of the FFIEC *Call Reports*. 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.

Asset Migrations

All data are collected and presented based on the location of each reporting institution's main office. When a main office is relocated to another state, adjustments to prior-period data may be made to more accurately reflect geographic growth rates. In other situations, no adjustments are possible. For example, reported data may include assets and liabilities located outside of the reporting institution's home state. Also, institutions may change their charters, resulting in an inter-industry migration, e.g. savings institutions can convert to commercial banks. These situations can affect state and regional totals.

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 ("available-for-sale" or "held-to-maturity"). For additional details, see "Notes to Users," First Quarter, 1994, *Quarterly Banking Profile*.

On November 15, 1995 the FASB released a guide to the implementation of Statement 115 and provided a window (November 15, 1995 through December 31, 1995) during which banks could elect to sell or reclassify securities between categories without violating the provisions of the accounting rule. In most cases, Statement 115 requires an automatic marking-to-market of the entire held-to-maturity portfolio (previously valued at amortized cost) if any held-to-maturity security is sold or transferred. The one-time opportunity to avoid this requirement was designed to allow the sale or reclassification of securities from the held-to-

maturity category to available-for-sale or the trading portfolio without tainting the entire held-to-maturity category. The FASB announcement and guide also sought to provide further clarification of Statement 115, and correct misinterpretations of the original pronouncement.

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:

(Percent)	Total Risk-Based Capital *		Tier 1 Risk-Based Capital *		Tier 1 Leverage		Tangible Equity
Well-capitalized	≥10	and	≥6	and	≥5		—
Adequately capitalized	≥8	and	≥4	and	≥4		—
Under- capitalized	≥6	and	≥3	and	≥3		—
Significantly undercapitalized	<6	or	<3	or	<3	and	>2
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.

Derivative contracts, gross fair values (positive/negative) – are reported separately and represent the amount at which a contract could be exchanged in a transaction between willing parties, other than in a forced or liquidation sale. If a quoted market price is available for a contract, the fair value reported for that contract is calculated using this market price. If quoted market prices are not available, the reporting banks use the best estimate of fair value based on quoted market prices of similar contracts or on valuation techniques such as discounted cash flows. This information is reported only by banks with assets greater than \$100 million.

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 held in 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 swap, futures, forward and option contracts), foreign-exchange-rate contracts, commodity contracts and equity contracts (defined similarly to interest-rate contracts).

Futures and forward contracts – a contract in which the buyer agrees to purchase and the seller agrees to sell, at a specified future date, a specific quantity of underlying at a specified price or yield. These contracts exist for a variety of underlyings, including the traditional agricultural or physical commodities, as well as currencies and interest rates. Futures contracts are standardized and are traded on organized exchanges which set limits on counterparty credit exposure. Forward contracts do not have standardized terms and are traded over the counter.

Option contracts – a contract in which the buyer acquires the right to buy from or sell to another party some specified amount of underlying at a stated price (strike price) during a period or on a specified future date, in return for compensation (such as a fee or premium). The seller is obligated to purchase or sell the underlying at the discretion of the buyer of the contract.

Swaps – an obligation between two parties to exchange a series of cash flows at periodic intervals (settlement dates), for a specified period. The cash flows of a swap are either fixed, or determined for each settlement date by multiplying the quantity of the underlying (notional principal) by specified reference rates or prices. Except for currency swaps, the notional principal is used to calculate each payment but is not exchanged.

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 held in trading accounts were reported at either amortized cost or lower of cost or market.

Securities gains (losses) – Realized gains (losses) on held-to-maturity and available-for-sale securities, before adjustments for income taxes. Thrift Financial Reporters (TFR) also include gains (losses) on the sales of assets held for sale. In all publications prior to September 1995, gains (losses) on sales of available-for-sale securities and assets held for sale were excluded for savings institutions that file a TFR.

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.



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