Second Quarter 1996

The FDIC Quarterly Banking Profile

Ricki Helfer, Chairman

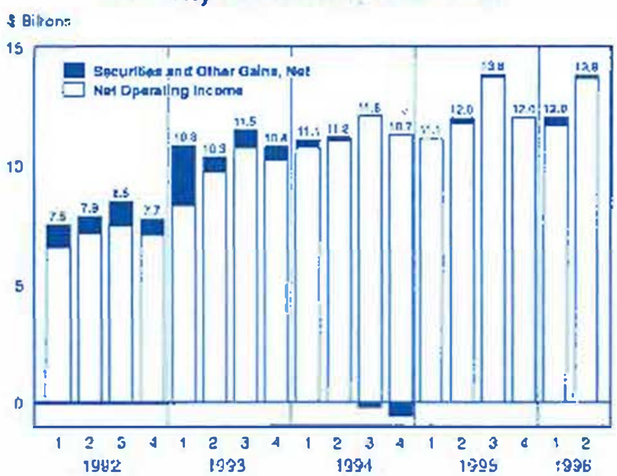
COMMERCIAL BANKING PERFORMANCE — SECOND QUARTER 1996

- ***Banks Narrowly Miss New Quarterly Earnings Record***
- ***Net Income Of $13.78 Billion Is Second-Highest Ever***
- ***Profits Propelled By Strong Growth In Noninterest Revenues***
- ***Net Interest Margins Register Slight Improvement***

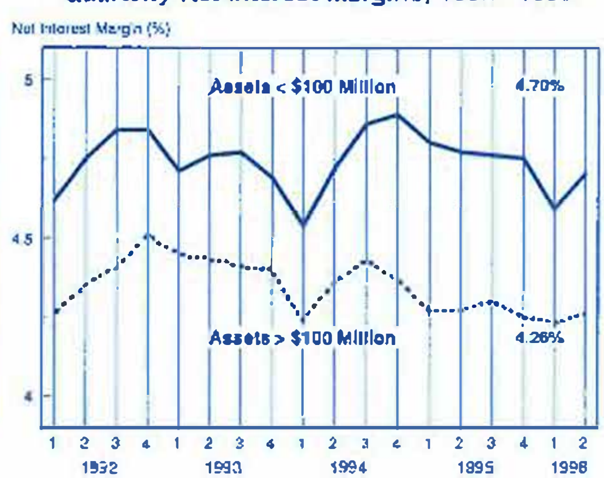
Insured commercial banks earned $13.78 billion in the second quarter of 1996. This is the second-highest quarterly total ever reported by the industry, only $45 million less than the $13.83 billion banks earned in the third quarter of 1995. A record level of noninterest income and lower noninterest expense outweighed rising loan-loss expenses as industry earnings rose by $1.8 billion over the levels of the previous and year-earlier quarters. The average return on assets (ROA) rose to 1.27 percent, the third-highest level recorded in the 14 years that the industry has reported quarterly earnings. Although the greatest earnings improvements were at the largest banks, banks in all asset-size groups reported higher ROAs than in the previous quarter and a year earlier. More than 95 percent of all banks were profitable in the second quarter, and 70 percent reported ROAs above one percent. For the first six months of 1996, commercial banks earned $25.5 billion, an increase of 10.3 percent ($2.4 billion) from their profits in the first half of 1995.

The strongest contribution to the industry's earnings improvement in the second quarter came from noninterest income, which totaled $24.1 billion — an increase of 9.0 percent from the previous quarter, and 19.8 percent more than banks earned a year ago. Higher fee income and merger-related gains on sales of assets helped lift total noninterest revenues. In contrast, noninterest expenses declined by $1.3 billion from the first quarter of 1996 (when expenses were inflated by merger-related restructuring charges), and were up by only $1.8 billion (4.8 percent) from a year earlier. Provisions for loan losses, at $4.2 billion, were up by 17.1 percent from the first quarter, and were 45 percent higher than a year ago. Net interest income was up $509 million from the first quarter, and was 5.3 percent higher than in the second quarter of 1995.

Quarterly Net Income, 1992 - 1996



Quarterly Net Interest Margins, 1992 - 1996



FDIC
Division of Research & Statistics

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

Tim Critchfield
(202) 898-8557

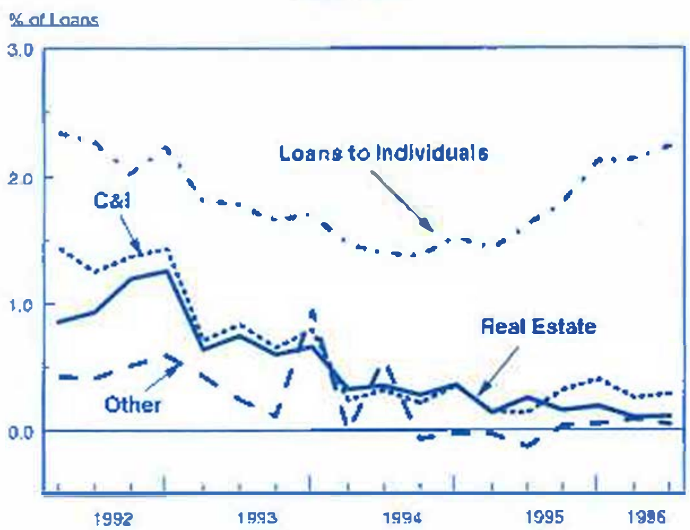
Jim McFadyen
(202) 898-7027

Ross Waldrop
(202) 898-3951

Requests for copies of and subscriptions to the FDIC Quarterly Banking Profile should be made through the FDIC's Public Information Center, 801 17th Street, NW, Washington, DC 20434; telephone (202) 416-6940.
Internet address: World Wide Web, www.fdic.gov, or Gopher, gopher.fdic.gov.

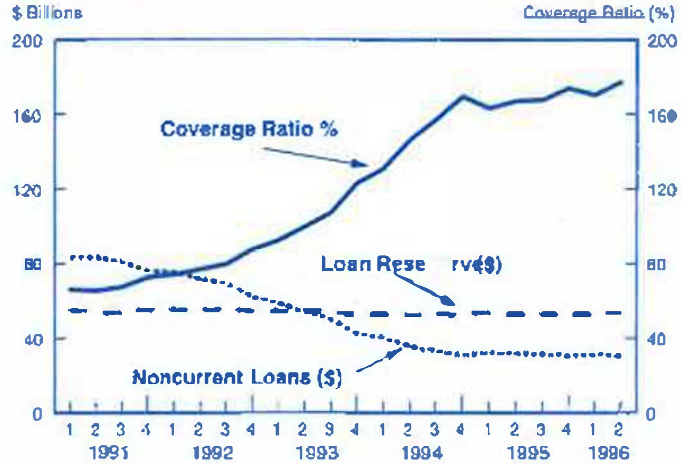
The industry's net interest margin increased for the second time in the past seven quarters, rising slightly to 4.29 percent. In the previous quarter, margins averaged 4.26 percent, while a year ago, the average was 4.31 percent. Both average asset yields and average funding costs declined during the quarter. The average yield on banks' interest-earning assets fell by seven basis points, to 8.20 percent from 8.27 percent in the first quarter. The average cost of funding interest-earning assets fell by 11 basis points, from 4.02 percent to 3.91 percent. Total interest income was slightly lower than in the previous quarter, but was up by 2.1 percent from a year ago. Interest expense was lower than in the previous and year-earlier quarters. Improvement in net interest margins was greatest at the smallest and largest banks, while medium-sized institutions — banks with $100 million to $10 billion in assets — showed either nominal improvement or some slippage in average margins.

Quarterly Net Loan Charge-Off Rates
1992 - 1996



An increase in credit-quality problems was evidenced by a 36.3-percent ($1-billion) increase in net loan charge-offs compared to a year ago. The $3.8 billion that banks charged off in the second quarter was the second-highest quarterly total in the past ten quarters, after the $4.0 billion registered in the fourth quarter of 1995. Much of the rise in charge-off activity occurred at banks with assets greater than $1 billion. The heightened charge-off activity helped reduce banks' noncurrent loans by $832 million, with most of the improvement occurring at larger banks. Banks replenished their loan-loss reserves by setting aside $4.2 billion in loan-loss provisions. A $622-million increase in the industry's aggregate reserves (reflecting the excess of provisions over net charge-offs, plus other

Coverage Ratio* and Reserve Levels, 1991 - 1996

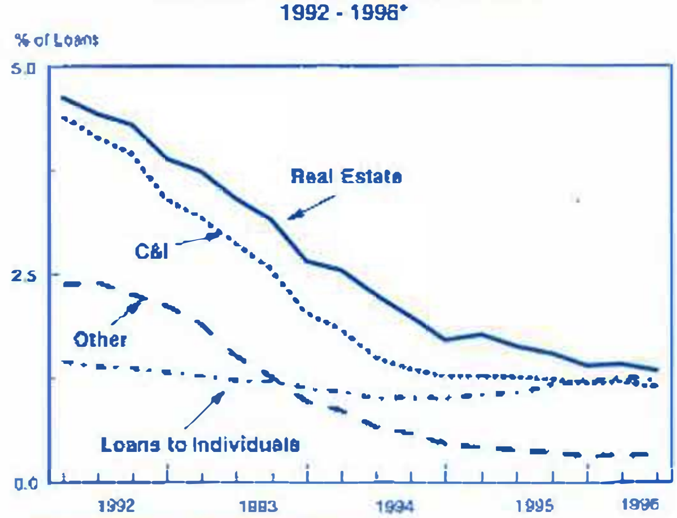


*Loan-Loss Reserves to Noncurrent Loans and Leases

adjustments) combined with the decline in noncurrent loans, raised the industry's "coverage ratio" to a record $1.77 in reserves for every $1.00 of noncurrent loans.

Net charge-offs on credit-card loans accounted for almost two-thirds (61 percent) of all net charge-offs in the second quarter. The annualized net charge-off rate on banks' credit-card loans was 4.48 percent in the second quarter, its highest level since the fourth quarter of 1992. Net charge-offs on other loans to individuals also remained high by recent standards. The annualized net charge-off rate on these loans in the second quarter was 0.80 percent. Net charge-offs on commercial and industrial loans were higher than in the previous and year-earlier quarters, but remained low compared to pre-1994 levels. Agricultural charge-offs also registered an increase, due to stepped-up charge-off activity at a few large banks. Noncurrent

Quarterly Noncurrent Loan Rates
1992 - 1996*

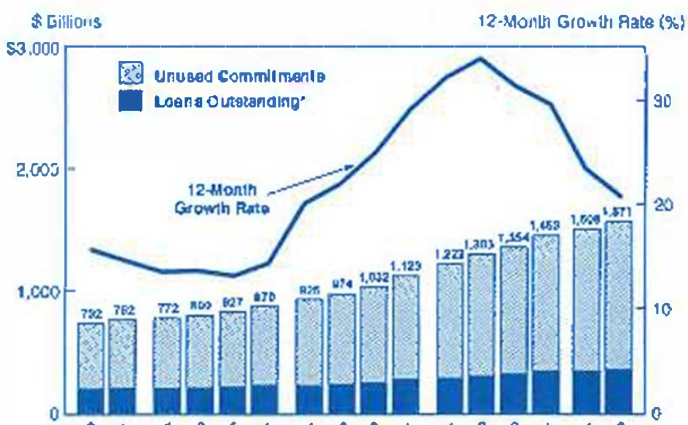


*Loans past due 90 or more days or in nonaccrual status.

agricultural loans declined during the quarter, but remained higher than a year ago. Net charge-off rates on other loan categories showed either improvement or little change.

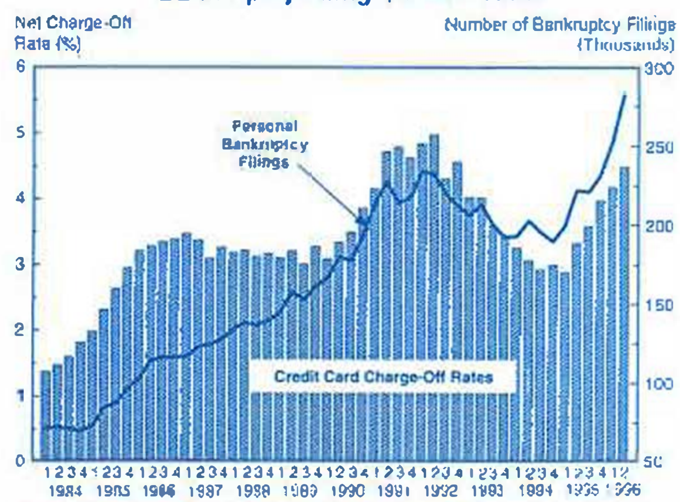
In spite of the rising level of loan losses, banks' credit-card loans continued to increase more rapidly than most other categories of loans. In the second quarter, bank credit-card loans grew by $7.3 billion (3.6 percent), more than home mortgages (up $4.8 billion), loans secured by commercial real estate (up $5.6 billion), or other loans to individuals (up $5.9 billion). However, growth in credit cards registered a smaller increase than commercial and industrial loans (up $9.5 billion). In the past twelve months, bank credit-card loans have increased by 9.1 percent ($17.4 billion), while all other bank loans grew by 7.5 percent. Part of the apparent strength in credit-card lending stems from reduced securitization and sales of credit-card receivables. If adjustments are made to reflect securitization activity, credit-card lending growth shows a slowing trend since the middle of last year. Annual data on loans to small U.S. businesses and farms indicate that their overall growth rate for the past 12 months has slowed slightly, to 5.0 percent, from 6.8 percent in the preceding 12-month period. During the same time, the rate of growth for loans to larger U.S. businesses and farms slowed far more drastically, from a 12.7-percent increase between June 30, 1994 and June 30, 1995 to a 5.2-percent increase in the most recent 12 months.

Credit Card Growth Is Decelerating
Credit Card Loans and Unused Commitments, 9/92 - 6/96



Banks paid $8.1 billion in dividends in the second quarter, a 19.5-percent increase from a year ago. Retained earnings added $5.7 billion to the industry's equity capital. Total equity rose by $11.5 billion to $364.9 billion, or 8.30 percent of total industry assets. This is the highest level registered since 1941. Much of the increase in equity apart from the contribution from retained earnings came from growth in goodwill created by mergers. The overall increase in industry equity was accomplished despite a $2.3-billion deduction attributable to higher unrealized losses in banks' available-for-sale securities portfolios. The industry's tier one (core) capital, which excludes goodwill and is not adjusted for changes in values of securities holdings, registered a $5.6-billion net increase.

Credit Card Loss Rates and Personal Bankruptcy Filings, 1984 - 1996



Sources: Bankruptcies - Administrative Office of the United States Courts
Charge-Off Rates - Commercial Bank Call Reports

The number of commercial banks filing Call reports declined to 9,689 from 9,838 at the end of March. Thirty new banks were chartered during the quarter, bringing the total number of new charters in the first half of 1996 to 59. Mergers absorbed 175 banks in the second quarter, and two banks failed. The number of banks on the FDIC's "Problem List" declined by 28 institutions, to 99 banks with combined assets of $8 billion, from 127 banks with $13 billion in assets at the end of the first quarter.

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

	1996*	1995*	1995	1994	1993	1992	1991
Return on assets (%)	1.18	1.13	1.17	1.15	1.20	0.93	0.53
Return on equity (%)	14.43	14.28	14.66	14.61	15.34	12.98	7.94
Core capital (leverage) ratio (%)	7.72	7.61	7.61	7.64	7.65	7.21	6.48
Noncurrent assets plus other real estate owned to assets (%)	0.82	0.94	0.85	1.01	1.61	2.64	3.02
Net charge-offs to loans (%)	0.56	0.41	0.49	0.50	0.85	1.27	1.59
Asset growth rate (%)	5.42	7.15	7.53	8.21	5.72	2.19	1.22
Net interest margin (%)	4.24	4.34	4.29	4.36	4.40	4.41	4.11
Net operating income growth (%)	9.23	5.98	7.40	16.18	35.37	92.41	-0.63
Number of institutions reporting	9,689	10,169	9,940	10,451	10,958	11,462	11,921
Percentage of unprofitable institutions	3.51	3.26	3.51	3.97	4.89	6.85	11.80
Number of problem institutions	98	190	144	247	426	787	1,016
Assets of problem institutions (in billions)	$8	$23	$17	$33	$242	$408	$528
Number of failed/assisted institutions	3	4	6	11	42	100	108

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

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

(dollar figures in millions)	Preliminary 2nd Quarter 1996	1st Quarter 1996	2nd Quarter 1995	%Change 95:2-96:2
Number of institutions reporting	9,689	9,838	10,169	-4.7
Total employees (full-time equivalent)	1,475,216	1,458,446	1,479,743	-0.3
CONDITION DATA				
Total assets	$4,396,846	$4,308,230	$4,170,768	5.4
Loans secured by real estate	1,103,279	1,089,430	1,050,005	6.1
Commercial & industrial loans	685,414	675,950	640,048	7.1
Loans to individuals	537,487	524,292	503,088	6.8
Farm loans	41,407	38,019	40,313	2.7
Other loans & leases	328,244	310,013	271,175	21.1
Less: Unearned income	6,625	5,613	6,211	-9.4
Total loans & leases	2,690,207	2,632,091	2,498,418	7.7
Less: Reserve for losses	53,570	52,948	52,938	1.2
Net loans & leases	2,636,637	2,579,143	2,445,480	7.8
Securities	806,485	811,670	805,920	0.1
Other real estate owned	5,348	5,830	7,351	-27.3
Goodwill and other intangibles	42,810	31,661	26,881	59.3
All other assets	905,567	879,927	885,137	2.3
Total liabilities and capital	4,396,846	4,308,230	4,170,768	5.4
Noninterest-bearing deposits	604,794	570,601	562,689	7.5
Interest-bearing deposits	2,456,681	2,455,167	2,344,477	4.8
Other borrowed funds	690,420	657,968	647,920	6.6
Subordinated debt	47,816	45,427	42,201	13.3
All other liabilities	232,261	226,232	238,702	-2.7
Equity capital	364,934	353,436	334,779	9.0
Loans and leases 30-89 days past due	33,744	34,303	28,731	17.5
Noncurrent loans and leases	30,217	31,049	31,662	-4.6
Restructured loans and leases	3,572	3,604	5,467	-34.7
Direct and indirect investments in real estate	574	576	575	-0.2
1-4 Family residential mortgages	634,579	629,782	607,480	4.5
Mortgage-backed securities	332,881	335,237	320,020	4.0
Earning assets	3,807,525	3,756,753	3,602,696	5.7
Long-term assets (5+ years)	626,404	616,337	556,545	12.6
Volatile liabilities	1,349,378	1,290,745	1,244,986	8.4
Foreign office deposits	462,031	454,432	439,560	5.1
Unused loan commitments	2,334,318	2,249,622	1,986,309	17.5
Off-balance-sheet derivatives	19,596,432	18,409,323	17,913,488	9.4

INCOME DATA	Preliminary First Half 1996	First Half 1995	%Change	Preliminary 2nd Quarter 1996	2nd Quarter 1995	%Change 95:2-96:2
Total interest income	$153,153	$147,928	3.5	$77,197	$75,588	2.1
Total interest expense	73,824	71,859	2.7	36,787	37,194	-1.1
Net interest income	79,329	76,069	4.3	40,410	38,394	5.3
Provision for loan losses	7,800	5,594	39.4	4,228	2,911	45.2
Total noninterest income	45,872	39,313	16.7	24,149	20,163	19.8
Total noninterest expense	78,971	74,516	6.0	39,303	37,494	4.8
Securities gains (losses)	552	311	77.7	79	355	-77.8
Applicable income taxes	13,553	12,478	8.6	7,349	6,509	12.9
Extraordinary gains, net	90	23	283.4	24	(11)	N/M
Net income	25,518	23,128	10.3	13,781	11,987	15.0
Net charge-offs	7,209	5,038	44.7	3,768	2,765	36.3
Cash dividends	15,110	13,017	16.1	8,074	6,754	19.5
Net operating income	25,029	22,914	9.2	13,672	11,765	16.2

N/M-Not meaningful

TABLE III-A. First Half 1996, FDIC-Insured Commercial Banks

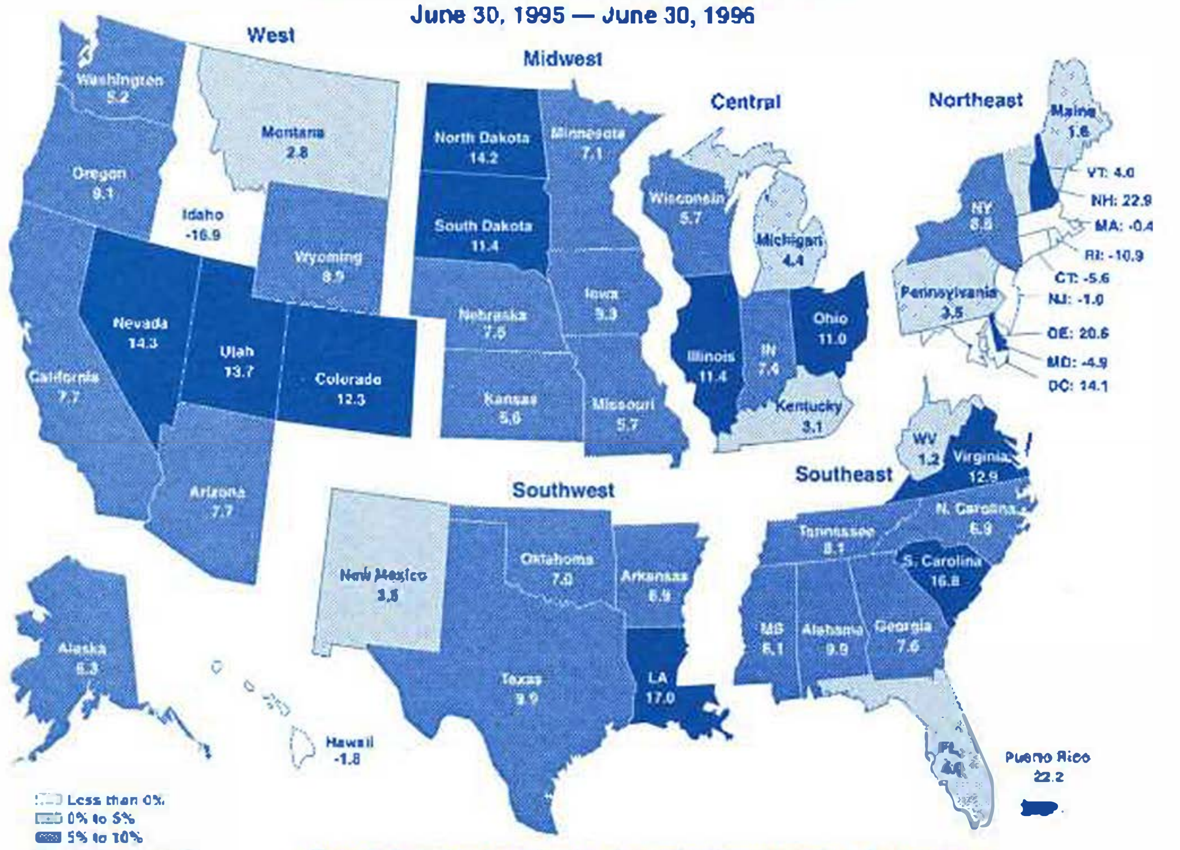
FIRST HALF Preliminary (The way it is . . .)	All Institutions	Asset Size Distribution: Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	Geographic Distribution by Region: East: Northeast	Southeast	Central	West: Midwest	Southwest	West
Number of institutions reporting	9,689	6,469	2,816	331	73	765	1,592	2,137	2,454	1,721	1,020
Total assets (in billions)	$4,296.8	$290.1	$581.0	$1,001.2	$2,424.5	$1,667.1	$767.6	$697.2	$284.0	$325.8	$555.2
Total deposits (in billions)	3,061.4	251.5	567.8	696.7	1,545.5	1,042.4	551.8	509.5	216.0	260.7	480.9
Net income (in millions)	25,518	1,752	4,351	6,445	12,969	8,693	4,663	4,111	2,042	1,999	4,010
% of unprofitable institutions	3.5	4.4	1.7	2.1	0.0	4.2	3.7	3.3	2.3	2.3	6.1
% of institutions with earnings gains	71.9	69.9	78.2	76.1	58.5	74.1	78.1	72.7	73.8	66.2	66.9
Performance Ratios (annualized, %)											
Yield on earning assets	8.18	8.30	8.28	8.44	8.01	8.10	8.17	8.09	8.34	7.76	8.64
Cost of funding earning assets	3.94	3.67	3.61	3.80	4.15	4.30	3.86	3.93	3.86	3.41	3.46
Net interest margin	4.24	4.63	4.67	4.65	3.86	3.80	4.31	4.16	4.48	4.35	5.18
Noninterest income to earning assets	2.45	1.16	1.55	2.37	2.94	3.17	1.87	1.64	2.55	1.85	2.58
Noninterest expense to earning assets	4.22	3.68	3.85	4.06	4.46	4.60	3.77	3.51	4.16	3.92	4.81
Net operating income to assets	1.16	1.21	1.28	1.28	1.07	1.03	1.22	1.17	1.40	1.24	1.29
Return on assets	1.18	1.22	1.30	1.30	1.10	1.06	1.24	1.19	1.43	1.23	1.30
Return on equity	14.49	11.69	13.75	14.77	14.98	14.06	14.79	14.04	16.27	14.20	14.54
Net charge-offs to loans and leases	0.56	0.19	0.37	0.82	0.53	0.67	0.42	0.41	0.63	0.29	0.71
Loan loss provision to net charge-offs	107.01	161.33	114.17	117.00	96.19	112.49	112.03	117.34	110.60	116.12	80.91
Condition Ratios (%)											
Loss allowance to:											
Loans and leases	1.93	1.55	1.60	2.06	2.12	2.39	1.61	1.68	1.70	1.54	2.16
Noncurrent loans and leases	177.29	154.41	154.37	185.31	184.59	163.90	199.74	182.84	183.01	161.23	186.31
Noncurrent assets plus other real estate owned to assets	0.82	0.84	0.80	0.84	0.81	0.95	0.65	0.63	0.70	0.64	0.99
Equity capital ratio	8.30	10.42	9.41	9.03	7.43	7.45	8.46	8.50	8.88	8.82	9.56
Core capital (leverage) ratio	7.72	10.44	9.26	8.28	6.73	7.18	7.97	8.14	8.60	8.31	7.90
Net loans and leases to deposits	86.12	65.04	71.69	92.58	91.95	87.04	89.54	87.04	80.93	68.38	91.20
Growth Rates (year-to-year, %)											
Assets	5.42	-	-	-	-	4.84	9.41	2.30	5.72	4.08	6.96
Equity capital	9.01	-	-	-	-	4.06	14.72	5.84	6.33	6.82	19.84
Net interest income	4.29	-	-	-	-	2.13	12.12	3.96	5.81	6.12	-0.18
Net income	13.33	-	-	-	-	11.59	16.98	5.24	9.74	10.89	4.45
Noncurrent assets plus other real estate owned	-8.61	-	-	-	-	-15.29	3.11	2.05	12.56	2.42	-13.58
Net charge-offs	44.69	-	-	-	-	34.35	81.06	73.90	51.49	88.22	27.52
Loan loss provision	39.44	-	-	-	-	35.26	100.84	40.13	58.58	64.92	6.76
PRIOR FIRST HALVES (The way it was . . .)											
Number of institutions 1995	10,169	6,987	2,783	331	68	815	1,685	2,220	2,560	1,815	1,074
1993	11,199	8,089	2,737	319	54	895	1,870	2,454	2,744	1,989	1,248
1991	12,154	9,075	2,712	321	46	1,039	1,935	2,691	2,921	2,129	1,451
Total assets (in billions) 1995	$4,170.8	$306.6	$680.7	$1,057.3	$2,126.2	$1,590.1	$701.6	$681.5	$268.6	$313.0	$616.0
1993	3,569.4	340.7	667.1	1,010.7	1,550.8	1,348.4	566.5	587.0	239.1	286.9	540.1
1991	3,377.3	357.5	664.1	1,058.2	1,297.6	1,276.7	509.4	553.1	226.6	285.7	545.9
Return on assets (%) 1995	1.13	1.18	1.22	1.27	1.02	0.99	1.15	1.17	1.41	1.17	1.27
1993	1.20	1.25	1.22	1.28	1.12	1.08	1.22	1.29	1.43	1.58	1.05
1991	0.60	0.47	0.79	0.53	0.47	0.31	0.69	0.92	1.13	1.04	0.72
Net charge-offs to loans & leases (%) 1995	0.41	0.17	0.33	0.50	0.37	0.54	0.28	0.25	0.45	0.17	0.67
1993	0.87	0.30	0.50	0.93	1.10	1.35	0.42	0.50	0.56	0.25	0.95
1991	1.45	0.56	0.82	1.63	1.81	2.18	1.02	0.76	1.00	1.30	1.12
Noncurrent assets plus OREO to assets (%) 1995	0.94	0.85	0.88	0.86	1.01	1.18	0.69	0.64	0.65	0.65	1.22
1993	2.18	1.28	1.58	1.91	2.81	2.95	1.45	1.21	1.21	1.23	2.98
1991	3.24	1.78	2.10	3.17	4.29	4.74	2.41	1.78	1.56	2.69	3.00
Equity capital ratio (%) 1995	8.09	10.39	9.35	8.49	7.09	7.50	8.07	8.22	8.83	8.59	8.48
1993	7.89	9.80	8.63	8.20	6.94	7.14	7.94	8.14	8.94	8.24	8.78
1991	6.71	9.10	7.85	6.74	5.45	5.94	7.19	7.35	8.08	6.77	6.83

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. Second Quarter 1996, FDIC-Insured Commercial Banks

		Asset Size Distribution				Geographic Distribution by Region					
						East			West		
SECOND QUARTER Preliminary ***(The way it is . . .)***	All Institutions	Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	North-east	South-east	Central	Mid-west	South-west	West
Number of institutions reporting	9,689	6,469	2,116	331	73	765	1,552	2,137	2,454	1,721	1,020
Total assets (in billions)	$4,396.8	$290.1	$681.0	$1,001.2	$2,424.5	$1,657.1	$767.6	$697.2	$284.0	$325.8	$655.2
Total deposits (in billions)	3,061.4	251.5	567.8	696.7	1,545.5	1,042.4	551.8	509.5	216.0	260.7	480.9
Net income (in millions)	13,781.5	891.9	2,211.3	3,406.9	7,271.4	5,122.1	2,400.5	2,087.6	1,068.3	990.1	2,046.7
% of unprofitable institutions	4.1	5.1	2.0	3.0	0.0	4.1	4.3	3.8	2.7	3.2	9.0
% of institutions with earnings gains	69.3	66.5	75.5	74.3	69.8	73.7	72.9	70.1	69.5	65.1	65.7
Performance Ratios (annualized, %)											
Yield on earning assets	8.20	8.36	8.31	8.51	8.00	8.02	8.24	8.10	8.34	7.71	8.89
Cost of funding earning assets	3.91	3.66	3.59	3.79	4.09	4.23	3.86	3.90	3.83	3.29	3.51
Net interest margin	4.29	4.70	4.72	4.72	3.91	3.78	4.38	4.20	4.51	4.43	5.38
Noninterest income to earning assets	2.58	1.20	1.58	2.65	3.08	3.37	1.93	1.69	2.50	1.81	2.67
Noninterest expense to earning assets	4.17	3.73	3.88	4.13	4.34	4.36	3.76	3.53	4.14	4.00	5.06
Net operating income to assets	1.26	1.24	1.31	1.36	1.21	1.23	1.29	1.20	1.47	1.24	1.31
Return on assets	1.27	1.24	1.31	1.37	1.23	1.25	1.30	1.20	1.50	1.21	1.31
Return on equity	15.42	11.85	13.88	15.38	16.60	16.53	15.42	14.17	16.66	13.94	14.34
Net charge-offs to loans and leases	0.57	0.23	0.40	0.68	0.51	0.68	0.42	0.41	0.62	0.34	0.74
Loan loss provision to net charge-offs	112.22	146.89	111.02	119.26	104.98	123.87	120.74	121.45	115.02	118.20	76.00
Growth Rates (year-to-year, %)											
Net interest income	5.25	-	-	-	-	1.58	13.83	4.42	5.14	7.06	3.56
Net income	14.97	-	-	-	-	23.08	21.03	3.99	13.48	2.10	9.45
Net charge-offs	36.27	-	-	-	-	45.36	63.54	54.75	35.73	107.58	-0.49
Loan loss provision	45.22	-	-	-	-	59.60	115.63	38.35	38.85	68.62	9.52
PRIOR SECOND QUARTERS ***(The way it was . . .)***											
Return on assets (%) 1995	1.16	1.19	1.23	1.27	1.07	1.04	1.18	1.19	1.42	1.25	1.23
1993	1.17	1.21	1.19	1.33	1.04	1.03	1.29	1.31	1.49	1.26	1.04
1991	0.55	0.76	0.76	0.42	0.50	0.23	0.66	0.92	1.15	0.65	0.54
Net charge-offs to loans & leases (%)											
1995	0.45	0.20	0.37	0.72	0.36	0.50	0.29	0.28	0.49	0.18	0.77
1993	0.90	0.34	0.56	0.96	1.12	1.38	0.45	0.49	0.56	0.30	1.07
1991	1.71	0.69	0.93	1.72	2.32	2.79	1.10	0.83	1.00	1.37	1.09

Commercial and Industrial Loan Growth Rates*
June 30, 1995 — June 30, 1996



*Some growth rates have been adjusted to reflect significant interstate migrations. See Notes to Users.

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

		Asset Size Distribution				Geographic Distribution by Region					
						East			West		
June 30, 1996	All Institutions	Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	North-east	South-east	Central	Mid-west	South-west	West
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate	1.27	1.45	1.18	1.23	1.32	1.46	1.12	1.24	1.00	1.38	1.29
Construction and development	1.54	1.22	1.26	1.67	1.73	1.54	1.11	1.77	1.32	1.50	2.07
Commercial real estate	1.12	1.16	0.95	1.14	1.22	1.59	0.79	1.04	0.95	1.09	1.08
Multifamily residential real estate	0.93	1.02	0.78	0.79	1.10	0.62	0.94	0.98	0.46	0.00	1.65
1-4 Family residential*	1.40	1.75	1.30	1.31	1.40	1.46	1.34	1.40	1.07	1.55	1.46
Home equity loans	0.89	1.45	0.90	0.68	0.87	1.26	0.76	0.84	0.65	1.72	0.62
Commercial and industrial loans**	0.97	1.67	1.52	1.17	0.84	0.64	0.94	1.25	1.90	1.38	0.91
Loans to individuals	2.13	2.35	2.01	2.15	2.14	2.34	2.03	2.07	2.14	1.89	1.95
All other loans and leases (including farm)	0.49	NA	NA	1.10	0.34	0.32	0.38	0.98	0.34	0.46	0.45
Memo: Commercial RE loans not secured by RE	0.87	1.04	1.04	1.02	0.81	1.26	0.78	0.81	1.15	0.54	0.76
Percent of Loans Noncurrent* **											
All real estate loans	1.39	0.90	1.00	1.13	1.60	2.16	0.83	0.88	0.81	1.01	1.52
Construction and development	2.24	0.82	0.98	1.49	4.18	5.81	0.82	1.28	0.98	1.90	3.51
Commercial real estate	1.91	1.16	1.20	1.83	2.74	3.60	1.10	1.29	1.11	1.11	1.80
Multifamily residential real estate	1.61	0.99	1.31	1.26	2.00	1.54	0.80	1.04	0.46	0.68	3.81
1-4 Family residential*	0.91	0.80	0.80	0.84	1.02	1.30	0.73	0.65	0.54	0.81	1.00
Home equity loans	0.48	0.86	0.45	0.47	0.48	0.77	0.34	0.33	0.27	0.96	0.42
Commercial and industrial loans**	1.14	1.64	1.40	1.09	0.96	1.18	0.85	1.11	1.54	1.20	1.12
Loans to individuals	1.22	0.79	0.68	1.24	1.41	1.87	0.94	0.78	1.07	0.56	0.90
All other loans and leases (including farm)	0.32	NA	NA	0.53	0.20	0.28	0.20	0.32	0.42	0.45	0.43
Memo: Commercial RE loans not secured by RE	1.39	1.00	0.52	0.72	1.81	3.54	0.34	0.71	0.81	0.76	0.84
Percent of Loans Charged-off (net, annual)											
All real estate loans	0.10	0.09	0.07	0.08	0.15	0.10	0.04	0.04	0.00	0.00	0.20
Construction and development	0.20	0.89	0.06	0.07	0.44	0.38	0.03	0.12	0.04	-0.02	0.57
Commercial real estate	0.10	0.02	0.11	0.08	0.14	0.26	0.02	0.04	0.00	-0.07	0.19
Multifamily residential real estate	0.10	0.21	0.14	0.19	0.00	0.20	0.04	0.01	-0.31	0.12	0.25
1-4 Family residential*	0.08	0.04	0.05	0.05	0.10	0.15	0.03	0.03	0.02	0.09	0.11
Home equity loans	0.21	0.07	0.10	0.15	0.27	0.17	0.14	0.10	0.03	0.05	0.44
Commercial and industrial loans**	0.27	0.30	0.31	0.22	0.26	0.27	0.28	0.30	0.23	0.30	0.23
Loans to individuals	2.16	0.55	1.35	2.55	2.29	2.59	1.73	1.45	2.36	1.09	2.87
All other loans and leases (including farm)	0.06	NA	NA	0.18	0.04	-0.03	0.11	0.09	0.10	0.10	0.26
Memo: Commercial RE loans not secured by RE	0.00	-0.12	0.44	-0.12	0.00	0.03	0.02	0.05	-0.07	-0.12	-0.02
Loans Outstanding (in billions)											
All real estate loans	$1,103.3	$92.5	$244.2	$285.2	$481.4	$296.7	$261.0	$190.9	$74.6	$82.5	$196.7
Construction and development	71.6	6.3	19.0	21.3	25.0	10.3	21.0	12.6	5.1	8.0	14.6
Commercial real estate	306.9	24.9	81.8	87.0	113.2	73.5	69.8	58.1	20.4	24.5	60.5
Multifamily residential real estate	37.5	2.2	8.2	11.4	15.7	11.3	7.5	6.3	2.5	2.5	7.2
1-4 Family residential*	559.1	46.1	114.2	139.5	259.3	152.4	142.0	91.0	35.5	43.6	88.0
Home equity loans	81.5	2.1	12.4	22.6	44.3	23.1	17.3	16.8	3.0	0.9	20.3
Commercial and industrial loans	685.4	27.6	73.4	138.9	445.6	261.6	102.3	126.2	39.0	48.5	105.8
Loans to individuals	537.5	25.7	75.9	187.7	248.2	189.0	98.5	69.1	40.6	36.5	83.9
All other loans and leases (including farm)	369.7	21.1	21.7	48.0	278.8	185.0	40.5	43.6	23.9	14.3	62.5
Memo: Commercial RE loans not secured by RE	20.8	0.3	1.1	3.6	15.7	4.9	3.1	2.7	0.7	1.0	8.4
Memo: Other Real Estate Owned (in millions)											
All other real estate owned	$5,347.8	$522.7	$1,142.0	$1,079.2	$2,603.9	$2,915.4	$951.0	$461.9	$241.0	$367.0	$1,311.5
Construction and development	841.9	75.2	210.3	221.1	335.3	222.7	282.5	73.0	58.1	40.8	165.1
Commercial real estate	2,526.2	250.0	555.1	538.5	1,182.6	877.7	413.9	261.6	110.2	213.6	649.3
Multifamily residential real estate	264.0	21.4	53.6	69.4	119.6	116.9	31.1	25.7	8.3	8.6	77.4
1-4 Family residential	1,169.0	131.7	283.7	222.4	531.2	372.1	203.3	93.5	43.7	79.6	376.8
Farmland	142.0	44.4	39.0	27.3	32.2	23.1	13.6	8.1	22.7	26.7	42.7
Other real estate owned in foreign offices	403.7	0.0	0.2	0.6	403.0	402.9	0.6	0.0	0.0	0.0	0.2

*Excludes home equity loans.

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

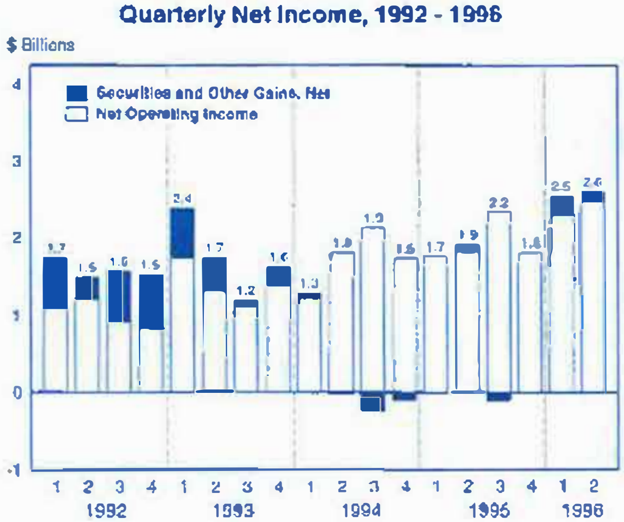
***Noncurrent loan rates represent the percentage of loans in each category that are past due 90 days or more or that are in nonaccrual status.

N/A - Not available

- ***Earnings Of $2.6 Billion Set Second Consecutive Quarterly Record***
- ***Industry ROA Exceeds One Percent For Second Quarter In A Row***
- ***Increase In Net Interest Margins Continues To Propel Earnings***
- ***Number Of Savings Institutions Falls Below 2,000***

Savings institutions earned a record $2.6 billion during the second quarter for an annualized return on assets (ROA) of 1.02 percent. This is the second consecutive quarter that the industry's ROA has exceeded one percent. Industry earnings exceeded first quarter profits by $50 million, setting a new quarterly record for both earnings and ROA. So far in 1996, thrifts have reported the two highest quarterly levels of earnings and ROAs ever turned in by the industry. Income tax expenses declined by $215 million from the previous quarter as one institution reported a large tax benefit.[1] The other significant contribution to the record earnings came from a $207-million increase in net interest income. As a result of these improvements, core earnings (net income excluding securities sales and extraordinary items) increased by $173 million. The higher core earnings offset a $193-million decline in pre-tax gains from sales of securities. The return on equity (ROE) this quarter, at 12.14 percent, was slightly higher than the first quarter's ROE of 11.97 percent.

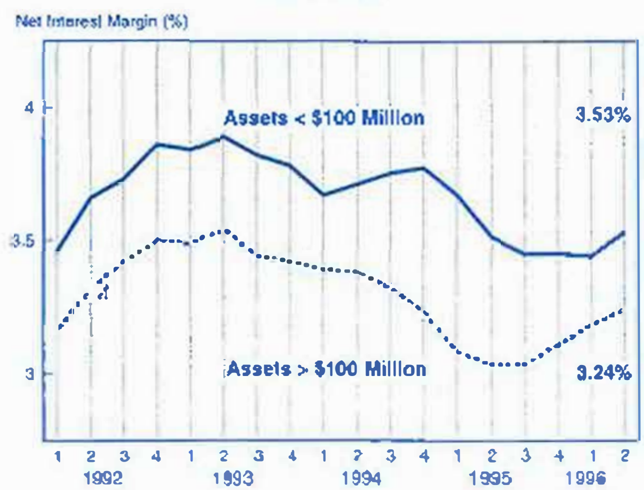
Quarterly Net Income, 1992 - 1996



Profitability in the second quarter was well above the level of the second quarter of 1995, when the industry reported a 0.76 percent ROA. Net income was $686 million (36 percent) higher than a year earlier when thrifts earned $1.9 billion. Net interest income in the second quarter of 1996 was $541 million higher than in the same period in 1995. Total interest income was $132 million higher, while interest expense declined by $409 million. Noninterest income increased by $325 million from a year earlier.

Net income for the first six months of 1996 totaled $5.1 billion, 40 percent more than thrifts earned in the first half of 1995. The industry ROA in the first half of 1996 reached 1.00 percent, up from 0.72 percent in the first half of last year. Net interest income in the first half of this year was $767 million (five percent) higher than in the same period of 1995. Total interest income increased by $841 million or two percent, while interest expense changed little, rising $74 million. Earning assets were $8.1 billion higher at midyear than at midyear 1995. With two consecutive quarters of strong earnings, the thrift industry has achieved a ROE of 11.92 percent compared to a 8.96 percent ROE in the first half of 1995.

Quarterly Net Interest Margins 1992 - 1996

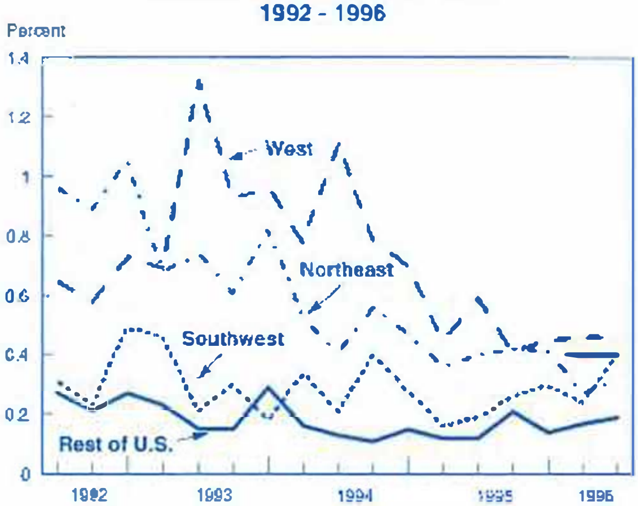


Net interest margins rose by six basis points from the first quarter, to 3.26 percent. The average cost of funding earning assets declined by ten basis points while the average yield on earning assets

[1]First Nationwide Bank, a Federal Savings Bank in Dallas, Texas, reported a net tax benefit of $110-million for the second quarter.

fell by just four basis points. Net interest margins improved from the previous quarter in all regions and in all size groups. Compared to a year ago, margins were up by 21 basis points, from 3.05 percent. Although the yield on earning assets remained unchanged from a year earlier, thrifts have improved margins by reducing the cost of funding earning assets. Over the past twelve months, as the yield curve has become steeper, average asset yields have remained steady while average funding costs have declined. Thrifts have increased the average maturity of their assets by emphasizing growth in loans over securities. At the same time they have reduced the average maturity of their liabilities by replacing deposits with other borrowings. Nondeposit borrowings have increased by $21 billion from a year ago with almost two-thirds (63 percent) of the increase consisting of advances from Federal Home Loan Banks reported by Thrift Financial Report (TFR) filers. Deposits held by thrifts were $17.3 billion lower than a year ago, falling $7.3 billion during the second quarter.

Quarterly Net Charge-Off Rates
1992 - 1996



Earnings were strong in all regions, with the West Region still trailing the rest of the nation. Thrifts in the West Region registered a 0.75 percent ROA, marking their second consecutive quarter of record profitability. Over 73 percent of the Region's thrifts showed improved earnings from the second quarter of 1995 when their aggregate ROA was 0.47 percent. The recovery of real estate markets in the West has lagged the rest of the nation, and thrifts in the Region have had to use aggressive charge-offs that have held down earnings to keep their noncurrent real estate loans from growing. The average net charge-off rate at thrifts in the West Region was an annualized 0.46 percent of total loans this quarter, compared to 0.59 percent in the second quarter of 1995. For the industry as a whole, the average net charge-off rate was 0.33 percent, down from 0.36 percent a year ago.

Loan portfolios increased for the second consecutive quarter as thrifts continued to accumulate home mortgages. Loans secured by 1-4 family residential property were up by $7.9 billion in the second quarter. Reserves for loan losses were little changed, but noncurrent loans declined by $522 million, with much, if not all, of the decline attributable to a change in the way that institutions report noncurrent loans on their TFR.[2] If reserves are adjusted to compensate for these reporting changes, the "coverage ratio" declined to 74 cents in reserves for every dollar of noncurrent loans at midyear, from 76 cents at the end of the first quarter. Because of the reporting change, it is impossible to determine whether the decline in the amount of noncurrent loans reflects actual improvement in the industry's asset quality, because as much as $677 million in specific reserves may have been previously included in noncurrent loans.

Total assets for the thrift industry remained above $1 trillion, increasing by $6.7 billion during the second quarter. Loans increased by over $11 billion; other assets, mostly investments in subsidiaries, declined by $5.3 billion. Additional TFR reporting changes resulted in the consolidation of assets and liabilities of subsidiaries that were previously left unconsolidated. With the change in subsidiary reporting, the asset mix for the industry has changed, accounting for the decline in the recorded investment in subsidiaries.

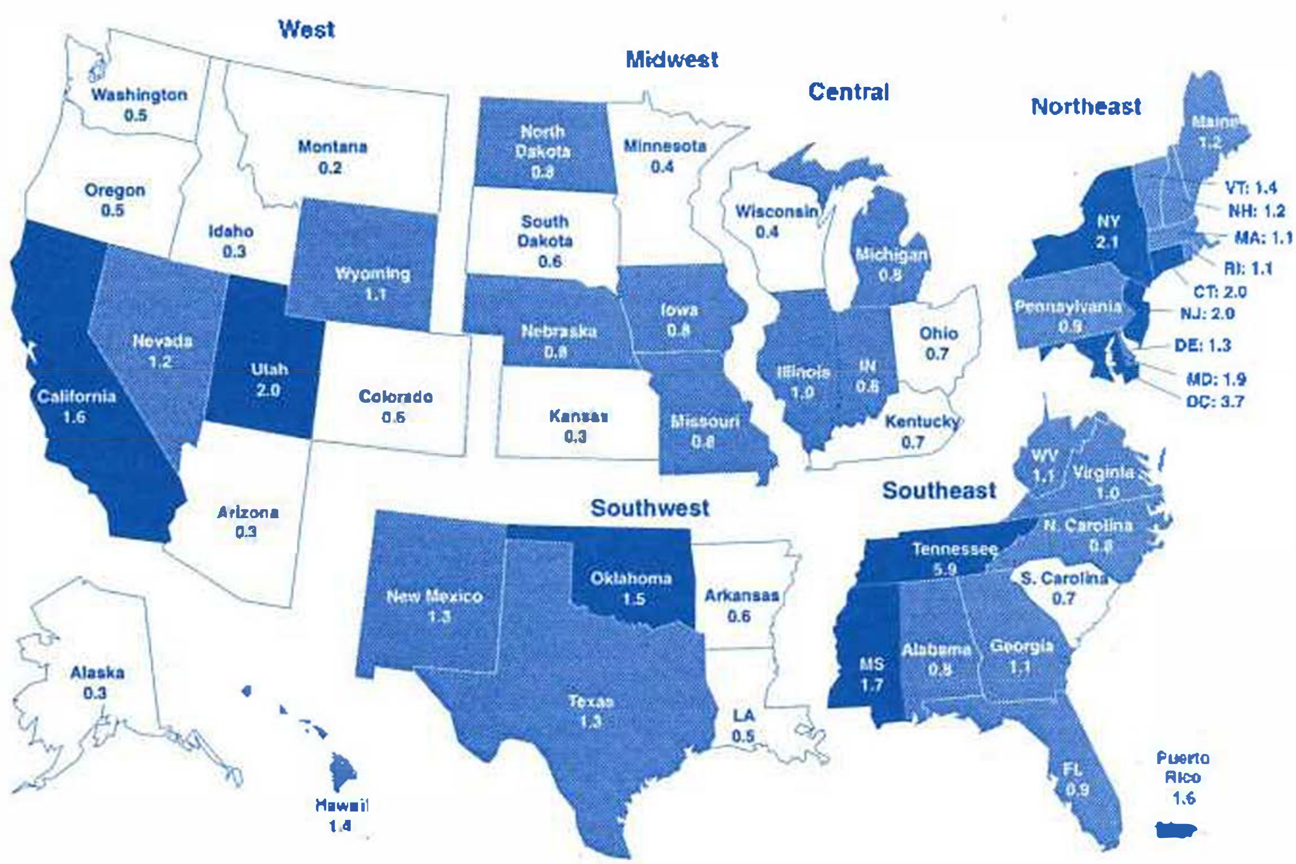
Equity capital rose by $279 million from the first quarter. Because of the large increase in assets, the equity-to-assets ratio declined for the first time in over a year, to 8.40 percent from 8.42 percent at the end of the first quarter. However, this ratio remains above the 8.18 percent level of a year ago. Thrifts retained $1 billion from their earnings in the second quarter after paying out $1.6 billion in cash dividends. The $525-million unrealized gain on available-for-sale securities at the end of the first

[2] New reporting instructions were introduced in the first quarter of 1996 that require TFR filers to net specific reserves from noncurrent loans. Previously, these reserves were included in noncurrent loans. Total reserves still include both specific and general reserves.

quarter declined to an unrealized loss of $252 million at midyear as increases in longer-term interest rates reduced the market value of some securities. This swing in securities values reduced equity capital by $777 million. Core capital, which excludes the unrealized loss on available-for-sale securities, rose by $671 million during the quarter, but an increase in average assets resulted in a slight decline in the core capital (leverage) ratio from 7.88 percent to 7.87 percent.

The second quarter of 1996 marks the first time since 1937 that the thrift industry has had fewer than 2,000 institutions. At the end of the second quarter 1,981 thrifts filed financial reports, down by 24 from the first quarter. The commercial banking industry absorbed 17 savings institutions with $4.6 billion in assets during the second quarter, while the thrift industry absorbed only five commercial banks with $325 million in assets. Consolidation within the thrift industry resulted in an additional decline of 12 institutions. There were 24 mutual-to-stock conversions during the second quarter. No thrifts failed during the second quarter, marking four consecutive quarters in which no thrifts failed. The number of "problem" institutions fell to 38 from 42 at the end of the first quarter. Assets of "problem" institutions declined from $13.5 billion to $9.9 billion.

Noncurrent Loan Rates By State*
June 30, 1996



■ Greater than 1.5%
▨ Between .75% and 1.5%
□ Less than .75%

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

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

	1996**	1995**	1995	1994	1993	1992	1991
Return on assets (%)	1.00	0.72	0.77	0.66	0.70	0.65	0.08
Return on equity (%)	11.92	8.96	9.41	8.28	9.24	9.48	1.26
Core capital (leverage) ratio (%)	7.87	7.70	7.80	7.65	7.45	6.77	5.54
Noncurrent assets plus other real estate owned to assets (%)	1.17	1.26	1.20	1.38	2.10	3.07	3.96
Net charge-offs to loans (%)	0.32	0.33	0.34	0.51	0.65	0.59	0.65
Asset growth rate (%)	0.56	1.83	1.70	0.77	-2.85	-7.44	-11.61
Net interest margin (%)	3.22	3.08	3.09	3.34	3.48	3.40	2.76
Net operating income growth (%)	32.36	17.00	13.90	22.24	21.21	N/M	N/M
Number of institutions	1,981	2,083	2,030	2,152	2,262	2,390	2,561
Percentage of unprofitable institutions	4.54	5.52	5.80	6.97	5.68	7.57	18.35
Number of problem institutions	38	64	49	71	146	276	410
Assets of problem institutions (in billions)	$10	$33	$14	$39	$92	$183	$291
Number of failed/assisted institutions	0	2	2	4	8	81	163

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

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

(dollar figures in millions)	Preliminary 2nd Quarter 1996	1st Quarter 1996	2nd Quarter 1995	%Change 95:2-96:2
Number of institutions reporting	1,981	2,005	2,083	-4.9
Total employees (full-time equivalent)	254,308	249,214	253,059	0.5
CONDITION DATA				
Total assets	$1,023,074	$1,016,398	$1,017,338	0.6
Loans secured by real estate	620,368	609,969	607,252	2.2
1-4 Family residential	487,154	479,304	472,982	3.0
Multifamily residential property	58,616	58,420	62,569	-6.3
Commercial real estate	50,193	49,826	51,226	-2.0
Construction, development and land	24,405	22,411	20,476	19.2
Commercial & industrial loans	13,439	13,275	11,707	14.8
Loans to individuals	42,277	41,012	38,634	9.4
Other loans & leases	2,269	1,955	1,777	27.7
Less: Unearned income & contra accounts	10,599	9,580	9,700	9.3
Total loans & leases	667,764	656,711	649,670	2.8
Less: Reserve for losses	7,235	7,198	7,469	-3.1
Net loans & leases	660,519	649,513	642,201	2.9
Securities	279,061	279,231	289,371	-3.4
Other real estate owned	2,956	3,044	3,676	-19.6
Goodwill and other intangibles	8,153	7,533	6,402	27.4
All other assets	71,784	77,076	75,687	-5.2
Total liabilities and capital	1,023,074	1,016,398	1,017,338	0.6
Deposits	727,489	734,761	744,827	-2.3
Other borrowed funds	196,123	181,819	175,167	12.0
Subordinated debt	2,405	2,394	2,598	-7.5
All other liabilities	11,160	11,806	11,527	-3.2
Equity capital	85,897	85,618	83,219	3.2
Loans and leases 30-89 days past due	8,545	8,898	7,839	***
Noncurrent loans and leases	8,916	9,438	9,124	***
Restructured loans and leases	5,057	5,567	6,606	-23.5
Direct and indirect investments in real estate	637	310	345	84.7
Mortgage-backed securities	206,997	207,902	216,524	-4.4
Earning assets	958,200	950,689	952,069	0.6
FHLB Advances (TFR filers only)	92,543	85,917	79,376	16.6
Unused loan commitments	97,050	95,592	79,516	22.1

INCOME DATA	Preliminary First Half 1996	First Half 1995	%Change	Preliminary 2nd Quarter 1996	2nd Quarter 1995	%Change 95:2-96:2
Total interest income	$36,460	$35,619	2.4	$18,357	$18,226	0.7
Total interest expense	21,285	21,211	0.4	10,616	11,025	-3.7
Net interest income	15,175	14,407	5.3	7,741	7,200	7.5
Provision for loan losses	1,072	1,018	5.3	558	520	7.3
Total noninterest income	3,932	3,191	23.2	2,002	1,678	19.3
Total noninterest expense	11,173	11,106	0.6	5,708	5,538	3.1
Securities gains (losses)	501	100	399.3	161	147	9.3
Applicable income taxes	2,314	1,964	17.9	1,043	1,060	-1.6
Extraordinary gains, net	2	3	-31.1	(3)	(2)	N/M
Net income	5,051	3,614	39.8	2,592	1,905	36.0
Net charge-offs	1,031	1,072	-3.8	547	589	-7.1
Cash dividends	2,639	1,680	57.1	1,677	819	85.7
Net operating income	4,686	3,541	32.4	2,466	1,809	36.3

*Data between 1989 and 1995 do not include Resolution Trust Corporation conservatorships. Excludes one self-liquidating institution.
***New reporting instructions were introduced in the first quarter of 1996 that require TFR filers to net specific reserves from noncurrent loans.
N/M - Not meaningful

TABLE III-B. First Half 1996, FDIC-Insured Savings Institutions

FIRST HALF Preliminary (The way it is . . .)	All Institutions	Asset Size Distribution: Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $5 Billion	Greater than $5 Billion	Geographic Distribution by Region: East: North-east	East: South-east	East: Central	West: Mid-west	West: South-west	West: West
Number of institutions reporting	1,981	881	943	120	37	741	297	508	150	131	154
Total assets (in billions)	$1,023.1	$45.7	$277.4	$245.3	$454.7	$355.2	$69.3	$171.4	$51.8	$78.3	$297.1
Total deposits (in billions)	727.5	38.3	219.0	178.8	291.5	276.5	53.3	125.0	35.4	45.8	191.5
Net income (in millions)	5,050.8	168.3	1,229.4	1,112.8	2,540.4	1,682.9	900.8	796.2	236.9	956.5	1,078.1
% of unprofitable institutions	4.5	5.9	3.7	1.7	2.7	3.2	8.4	3.1	2.0	6.1	9.1
% of institutions with earnings gains	57.7	45.6	61.2	81.7	83.8	56.1	53.2	55.1	68.0	58.0	72.1
Performance Ratios (annualized, %)											
Yield on earning assets	7.73	7.81	7.76	7.83	7.64	7.63	7.98	7.72	7.82	8.00	7.69
Cost of funding earning assets	4.51	4.33	4.34	4.42	4.68	4.16	4.51	4.63	4.77	5.00	4.67
Net interest margin	3.22	3.49	3.43	3.41	2.96	3.47	3.47	3.09	3.05	3.00	3.02
Noninterest income to earning assets	0.88	0.63	0.69	0.89	0.94	0.61	1.32	0.90	0.94	2.01	0.62
Noninterest expense to earning assets	2.37	2.92	2.58	2.54	2.09	2.35	3.10	2.33	2.37	2.51	2.20
Net operating income to assets	0.93	0.65	0.85	0.84	1.06	0.92	0.78	0.90	0.87	2.22	0.67
Return on assets	1.00	0.75	0.90	0.93	1.12	0.98	0.88	0.94	0.92	2.49	0.72
Return on equity	11.92	6.79	9.16	11.23	15.34	10.85	9.37	10.41	10.72	32.13	9.97
Net charge-offs to loans and leases	0.32	0.09	0.18	0.29	0.49	0.29	0.34	0.12	0.15	0.32	0.46
Loan loss provision to net charge-offs	103.92	156.36	133.36	124.79	88.07	98.52	139.29	157.68	145.18	101.51	92.28
Condition Ratios (%)											
Loss allowance to:											
Loans and leases	1.08	0.70	1.03	1.28	1.05	1.19	1.07	0.78	0.83	1.10	1.18
Noncurrent loans and leases*	73.54	62.82	85.45	74.18	68.23	67.27	67.67	99.53	119.13	82.26	69.87
Noncurrent assets plus other real estate owned to assets	1.17	1.02	1.09	1.29	1.21	1.33	1.32	0.59	0.62	1.00	1.42
Noncurrent RE loans to RE loans	1.33	1.07	1.05	1.60	1.39	1.69	1.35	0.66	0.61	1.29	1.44
Equity capital ratio	8.40	11.15	9.88	8.23	7.31	8.96	9.41	9.01	8.60	7.87	7.23
Core capital (leverage) ratio	7.87	11.00	9.54	7.69	6.62	8.34	8.97	8.64	7.97	7.25	6.77
Gross real estate assets to gross assets	79.83	72.59	74.99	78.64	84.08	74.71	74.46	80.83	78.38	78.22	87.32
Gross 1-4 family mortgages to gr. assets	46.80	51.39	46.29	41.07	49.76	43.37	45.21	51.63	47.61	36.03	51.23
Net loans and leases to deposits	90.79	80.46	82.27	86.07	101.46	76.96	85.51	92.81	94.06	100.68	106.08
Growth Rates (year-to-year, %)											
Assets	0.56	-	-	-	-	6.15	-10.49	2.16	-1.98	5.72	-4.36
Equity capital	3.22	-	-	-	-	7.66	-3.96	3.01	3.52	16.74	-3.61
Net interest income	5.39	-	-	-	-	0.17	-3.65	3.04	3.44	22.69	13.55
Net income	39.77	-	-	-	-	17.60	-2.60	7.54	-4.44	227.25	81.96
Noncurrent assets plus other real estate owned	-6.53	-	-	-	-	-14.87	19.14	19.89	1.75	-0.85	-7.10
Net charge-offs	-3.79	-	-	-	-	-17.28	129.23	44.50	-14.18	106.45	-19.62
Loan loss provision	5.28	-	-	-	-	-6.64	262.45	10.56	-47.81	23.08	1.03
PRIOR FIRST HALVES** (The way it was . . .)											
Number of institutions ... 1995	2,083	946	976	126	35	707	319	595	157	138	167
... 1993	2,314	1,073	1,068	146	27	838	387	573	171	160	195
... 1991	2,694	1,251	1,209	193	31	942	491	644	193	172	242
Total assets (in billions) ... 1995	$1,017.3	$48.3	$282.1	$267.0	$419.9	$394.6	$77.4	$167.7	$52.8	$74.1	$310.7
... 1993	1,003.9	54.3	309.0	307.5	333.1	330.7	92.0	150.0	50.6	67.8	322.8
... 1991	1,160.7	61.8	347.2	390.4	361.4	386.0	132.6	163.2	50.4	63.0	365.7
Return on assets (%) ... 1995	0.72	0.54	0.63	0.77	0.73	0.87	0.81	0.89	0.96	0.81	0.39
... 1993	0.83	1.08	1.00	0.97	0.60	0.91	0.81	1.08	1.03	1.91	0.41
... 1991	0.04	0.28	0.11	0.07	-0.10	-1.40	0.00	0.51	0.59	0.45	0.16
Net charge-offs to loans & leases (%) ... 1995	0.33	0.14	0.16	0.36	0.46	0.98	0.13	0.09	0.18	0.18	0.52
... 1993	0.66	0.16	0.28	0.58	1.13	0.71	0.30	0.13	0.14	0.34	1.02
... 1991	0.62	0.27	0.65	0.75	0.63	1.10	0.59	0.19	0.28	0.47	0.40
Noncurrent assets plus OREO to assets (%) ... 1995	1.26	1.02	1.11	1.45	1.27	1.66	0.99	0.50	0.59	1.07	1.46
... 1993	2.63	1.73	2.13	2.04	3.05	3.32	2.10	0.82	1.02	3.37	3.05
... 1991	3.97	2.38	3.34	4.66	4.10	5.20	3.63	1.40	1.74	8.61	3.29
Equity capital ratio (%) ... 1995	8.18	10.40	9.43	8.23	7.05	8.24	8.76	8.93	8.15	7.13	7.18
... 1993	7.56	8.99	8.27	7.46	6.75	7.76	7.93	8.26	7.55	6.81	7.05
... 1991	5.92	7.48	6.49	5.53	5.52	6.21	5.66	6.40	5.10	3.91	5.98

*Beginning with June 1996, TFR filers report noncurrent loans net of specific reserves. Accordingly, specific reserves have been subtracted from loan-loss reserves, beginning with June 1996, to make the ratio more closely comparable to prior periods.

**Data between 1989 and 1995 do not include Resolution Trust Corporation conservatorships. Excludes one self-liquidating institution.

TABLE IV-B. Second Quarter 1996, FDIC-Insured Savings Institutions

SECOND QUARTER Preliminary (The way it is . . .)	All Institutions	Asset Size Distribution: Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $5 Billion	Greater than $5 Billion	Geographic Distribution by Region: East: North-east	South-east	Central	West: Mid-west	South-west	West
Number of institutions reporting	1,981	881	943	120	37	741	207	508	150	131	154
Total assets (in billions)	$1,023.1	$45.7	$277.4	$245.3	$454.7	$355.2	$69.3	$171.4	$51.8	$78.3	$297.1
Total deposits (in billions)	727.5	38.3	219.0	178.8	291.5	276.5	53.3	125.0	35.4	45.8	191.5
Net income (in millions)	2,501.6	88.4	633.8	550.7	1,318.7	888.1	151.7	412.4	120.3	456.4	562.5
% of unprofitable institutions	4.4	5.6	3.6	2.5	2.7	3.2	8.4	3.1	2.0	6.9	6.5
% of institutions with earnings gains	62.5	58.1	64.5	75.8	81.1	59.6	57.9	65.2	68.0	60.3	73.4
Performance Ratios (annualized, %)											
Yield on earning assets	7.72	7.83	7.78	7.86	7.60	7.66	8.04	7.71	7.81	7.93	7.66
Cost of funding earning assets	4.47	4.29	4.31	4.41	4.62	4.15	4.48	4.58	4.73	4.93	4.60
Net interest margin	3.26	3.53	3.47	3.46	2.98	3.51	3.55	3.13	3.08	3.00	3.08
Noninterest income to earning assets	0.84	0.69	0.79	0.67	0.87	0.68	1.39	1.04	0.89	1.37	0.65
Noninterest expense to earning assets	2.40	2.95	2.60	2.59	2.12	2.38	3.20	2.30	2.35	2.92	2.22
Net operating income to assets	0.97	0.70	0.92	0.87	1.08	0.99	0.78	0.97	0.87	2.08	0.72
Return on assets	1.02	0.78	0.92	0.91	1.16	1.02	0.88	0.97	0.93	2.33	0.76
Return on equity	12.14	7.04	9.35	11.03	15.06	11.33	9.39	10.73	10.83	29.86	10.41
Net charge-offs to loans and leases	0.33	0.11	0.19	0.30	0.46	0.32	0.34	0.13	0.18	0.40	0.46
Loan loss provision to net charge-offs	101.98	146.35	145.94	110.58	86.84	105.77	148.14	147.64	140.68	81.80	80.28
Growth Rates (year-to-year, %)											
Net interest income	7.51	-	-	-	-	3.59	-0.01	5.69	5.03	22.17	13.57
Net income	18.01	-	-	-	-	23.80	0.14	2.93	2.25	193.06	55.72
Net charge-offs	-7.06	-	-	-	-	-13.97	64.63	54.42	61.94	137.42	-24.11
Loan loss provision	7.30	-	-	-	-	5.71	253.20	-13.10	5.91	18.42	-5.05
PRIOR SECOND QUARTERS* *(The way it was . . .)*											
Return on assets (%) 1995	0.76	0.56	0.76	0.81	0.74	0.87	0.79	0.96	0.90	0.88	0.47
1993	0.70	1.13	0.96	0.85	0.26	0.78	0.89	1.14	0.97	1.44	0.10
1991	-0.09	0.30	-0.05	0.03	0.23	-0.37	-0.22	0.56	0.58	0.50	0.03
Net charge-offs to loans & leases (%)											
1995	0.36	0.27	0.18	0.39	0.49	0.40	0.19	0.09	0.11	0.19	0.59
1993	0.77	0.16	0.31	0.50	1.47	0.74	0.19	0.12	0.15	0.21	1.32
1991	0.69	0.27	0.66	0.75	0.74	1.22	0.74	0.18	0.28	0.34	0.44

*Data between 1989 and 1995 do not include Resolution Trust Corporation conservatorships. Excludes one self-liquidating institution.

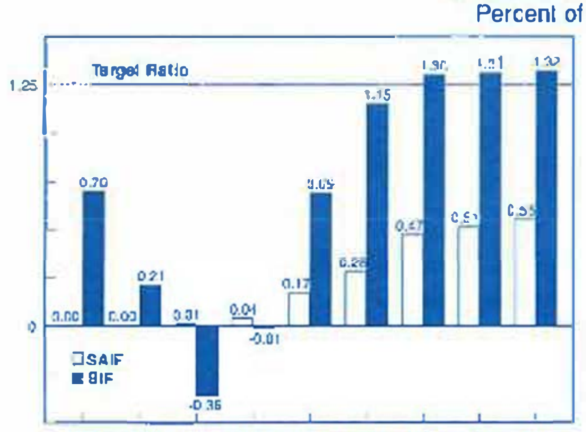
REGIONS:
Northeast — Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico, Rhode Island, Vermont, U.S. Virgin Islands
Southeast — Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, 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 V-B. Loan Performance, FDIC-Insured Savings Institutions

June 30, 1996	All Institutions	Asset Size Distribution: Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $5 Billion	Greater than $5 Billion	Geographic Distribution by Region — East: North-east	East: South-east	Central	West: Mid-west	West: South-west	West
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate	1.21	1.93	1.23	1.10	1.18	1.26	1.43	1.02	1.27	1.29	1.20
Construction, development and land	1.06	1.39	1.12	1.93	0.61	0.79	1.31	1.41	1.22	0.65	1.04
Commercial real estate	1.11	1.81	1.19	1.18	0.89	1.94	1.17	1.26	0.95	0.57	0.84
Multifamily residential real estate	0.63	1.39	0.85	0.51	0.58	0.81	0.82	0.48	0.81	0.57	0.57
1-4 Family residential	1.30	2.01	1.28	1.17	1.29	1.90	1.50	1.02	1.32	1.59	1.35
Commercial and industrial loans	1.37	2.78	2.05	1.30	0.49	1.44	1.89	1.48	2.00	1.06	0.76
Loans to individuals	1.99	2.47	2.03	2.27	1.73	2.00	2.74	2.18	2.36	1.07	1.81
Percent of Loans Noncurrent*											
All real estate loans	1.33	1.07	1.05	1.60	1.59	1.69	1.35	0.68	0.61	1.29	1.44
Construction, development and land	1.18	0.99	1.25	1.59	0.74	2.63	0.79	0.92	0.66	0.34	1.28
Commercial real estate	2.31	1.78	1.91	3.23	1.92	3.39	1.14	1.77	1.23	1.46	1.69
Multifamily residential real estate	1.59	1.49	1.56	2.33	1.20	1.97	1.87	1.25	1.06	2.13	1.44
1-4 Family residential	1.20	0.99	0.87	1.24	1.40	1.42	1.43	0.54	0.53	1.27	1.42
Commercial and industrial loans	1.94	2.79	3.08	1.81	0.71	2.51	2.75	1.51	1.77	1.40	0.46
Loans to individuals	0.92	1.17	0.90	0.88	0.92	1.01	1.19	1.19	0.80	0.59	0.65
Percent of Loans Charged-off (net, annualized)											
All real estate loans	0.29	0.05	0.13	0.18	0.33	0.22	0.06	0.04	0.02	0.20	0.41
Construction, development and land	0.10	0.14	0.16	0.02	0.04	0.14	0.05	0.01	0.13	0.04	0.23
Commercial real estate	0.45	0.12	0.30	0.52	0.62	0.63	0.18	0.17	-0.01	0.32	0.50
Multifamily residential real estate	0.51	0.23	0.42	0.87	0.63	0.39	0.00	0.09	0.04	0.09	0.78
1-4 Family residential	0.18	0.03	0.08	0.11	0.28	0.15	0.09	0.03	0.01	0.22	0.34
Commercial and industrial loans	0.39	1.10	0.77	0.31	-0.03	0.47	0.60	0.39	0.34	0.41	0.02
Loans to individuals	1.50	0.38	0.70	1.58	2.09	1.30	2.86	1.14	1.19	1.01	2.10
Loans Outstanding (in billions)											
All real estate loans	$620.4	$29.2	$170.9	$140.6	$279.6	$195.8	$42.3	$108.8	$30.0	$41.9	$202.1
Construction, development and land	24.4	1.8	10.8	6.3	5.5	4.6	4.7	5.4	1.4	3.7	4.6
Commercial real estate	50.2	2.3	17.7	15.3	14.9	21.0	4.0	8.9	2.2	4.4	12.6
Multifamily residential real estate	58.6	1.1	11.2	16.5	29.9	14.2	1.2	7.2	1.3	4.0	30.6
1-4 Family residential	487.2	24.0	131.2	102.6	229.9	155.9	32.4	90.1	25.1	29.9	154.4
Commercial and industrial loans	13.4	0.5	4.3	4.6	3.9	6.8	1.1	1.7	0.7	0.9	2.3
Loans to individuals	42.3	1.9	10.5	12.3	17.8	13.3	4.4	6.0	3.4	3.7	6.4
Memoranda: Other Real Estate Owned (in millions)**											
All other real estate owned	$2,955.9	$114.3	$825.2	$717.0	$1,298.4	$1,060.7	$259.7	$151.3	$95.0	$205.2	$1,164.9
Construction, development and land	637.7	23.0	260.4	86.3	267.4	219.7	241.5	11.0	11.3	33.0	121.2
Commercial real estate	696.6	44.9	250.7	241.5	159.5	350.8	39.0	57.8	48.7	34.5	158.3
Multifamily residential real estate	470.8	6.9	100.8	154.4	208.7	119.6	3.8	13.7	16.9	45.6	271.0
1-4 Family residential	1,498.0	50.7	283.2	292.9	871.3	430.4	73.5	76.7	34.6	108.4	772.3
Troubled Real Estate Asset Rates* (% of total RE assets)**											
All real estate loans	1.80	1.46	1.62	2.10	1.85	2.23	1.94	0.81	0.93	1.78	2.00
Construction, development and land	3.70	2.24	3.57	2.86	5.34	7.06	5.59	1.12	1.45	1.23	3.84
Commercial real estate	3.64	3.06	3.28	4.74	2.95	5.00	2.09	2.71	3.37	2.24	2.84
Multifamily residential real estate	2.98	2.13	2.44	3.24	1.88	2.79	2.18	1.44	2.33	3.24	2.30
1-4 Family residential	1.51	1.20	1.08	1.52	1.77	1.69	1.66	0.69	0.67	1.63	1.91

*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 Deposits
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	1,945,550	279	732,159
12/93	13,122	1,906,279	1,157	697,608
12/94	21,848	1,895,182	1,937	693,428
12/95	25,454	1,951,736	3,358	712,433
3/96	25,748	1,959,470	3,650	716,271
6/96	25,828	1,958,378	3,914	713,425

* Insured Deposit Amounts Are Estimates

- ***BIF-Insured Deposits Dip Slightly; Reserve Ratio Rises To 1.32 Percent***
- ***SAIF-Insured Deposits Fall $3 Billion; Reserve Ratio Climbs To 0.55 Percent***
- ***Two BIF Members And No SAIF Members Fail In The Second Quarter***

The total assets of all FDIC-insured institutions increased by $95 billion in the quarter ending June 30, 1996. This increase occurred primarily in members of the Bank Insurance Fund (BIF), as the assets reported by members of the Savings Association Insurance Fund (SAIF) remained virtually unchanged. The number of insured institutions fell by 173 during the second quarter, to 11,670, with the number of BIF members falling below 10,000 for the first time in the FDIC's history.

BIF members increased their reliance on uninsured deposits in the second quarter. Their total deposits climbed $37.7 billion during the three-month period, including increases of $7.6 billion in foreign-office deposits and $31.2 billion in large, uninsured domestic deposits. As a result, deposits insured by the BIF fell slightly, by $1.1 billion. This decline, in combination with modest growth of the BIF, caused the fund's reserve ratio to increase by one basis point, from 1.31 percent on March 31 to 1.32 percent on June 30.

SAIF-insured deposits also declined during the second quarter, by nearly $3 billion. With the fund growing to $3.9 billion, the reserve ratio of the SAIF rose 4 basis points, to 0.55 percent on June 30. The decline in SAIF deposits is attributable to the continuing "migration" of deposits from SAIF insurance to BIF insurance. Because SAIF insurance premiums are now significantly higher than BIF premiums,[1] organizations that own both BIF and SAIF affiliates have an incentive to reduce their deposit insurance premiums by encouraging their customers to shift deposits from a SAIF affiliate to a BIF affiliate. One such organization has reduced its SAIF deposits by more than $9 billion in this manner, including the shifting of $3 billion during the second quarter. In the absence of legislation that would enable the equalization of premiums, other thrift organizations are seeking to establish or acquire BIF-member affiliates. Federal regulatory agencies recently approved several of these applications.

Two BIF-member commercial banks, with total assets of $104 million, failed during the second quarter, raising the total BIF failures for the first half of 1996 to three, with failed assets of $139 million. No SAIF member failed during the first half of 1996, but one of the BIF members that failed during the second quarter was an "Oakar" bank (see below) that held some SAIF-insured deposits. Therefore, the SAIF became liable for a portion of the estimated insurance loss for this bank, which is allocated according to the proportion of the bank's deposits insured by each fund.

[1] The average SAIF assessment rate is 23.4 cents per $100 of assessable deposits, based on a range of 23 to 31 cents. The average BIF rate is 0.3 cents per $100, based on a range of 0 to 27 cents, subject to a minimum annual assessment of $2,000.

"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. BIF members acquired an additional $7 billion in SAIF-assessable deposits during the second quarter of 1996, raising their total SAIF-assessable deposits as of June 30 to $238 billion, or 32.4 percent of the SAIF assessment base. A year earlier, BIF-member Oakar deposits were $205 billion, or 28.0 percent to the total SAIF assessment base. Also, SAIF members may acquire BIF-assessable deposits, and as of June 30 they held $12.3 billion in such deposits, or 0.5 percent of the BIF assessment base.

"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 June 30, 1996, there were 312 SAIF-member institutions that had converted to bank charters, including 229 state-chartered savings banks and 83 commercial banks. These 312 institutions held SAIF-assessable deposits of $54.2 billion, or 7.4 percent of the total SAIF assessment base. Federal legislation enacted on August 20, 1996, forgives thrifts' deferred tax liability on their bad-debt reserves established prior to 1988. For many thrifts, this significantly reduces the potential cost of becoming a bank, and an increase in Sasser conversions can be expected, particularly among those thrifts that are pursuing strategies to diversify their mortgage-dominated investment portfolios.

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. Assessments only from SAIF-member savings associations are available to the FICO, which excludes SAIF assessments paid by BIF-member Oakars and SAIF-member Sassers. At the current SAIF assessment rates, an assessment base of $333.3 billion is required to generate the FICO assessment. The FICO-available base has been shrinking steadily since the SAIF was created in 1989, and on June 30 it was $443.7 billion, or $110 billion above the required base. On March 31, this "cushion" was $118 billion.

Estimated FDIC-Insured Deposits by Fund Membership and Type of Institution

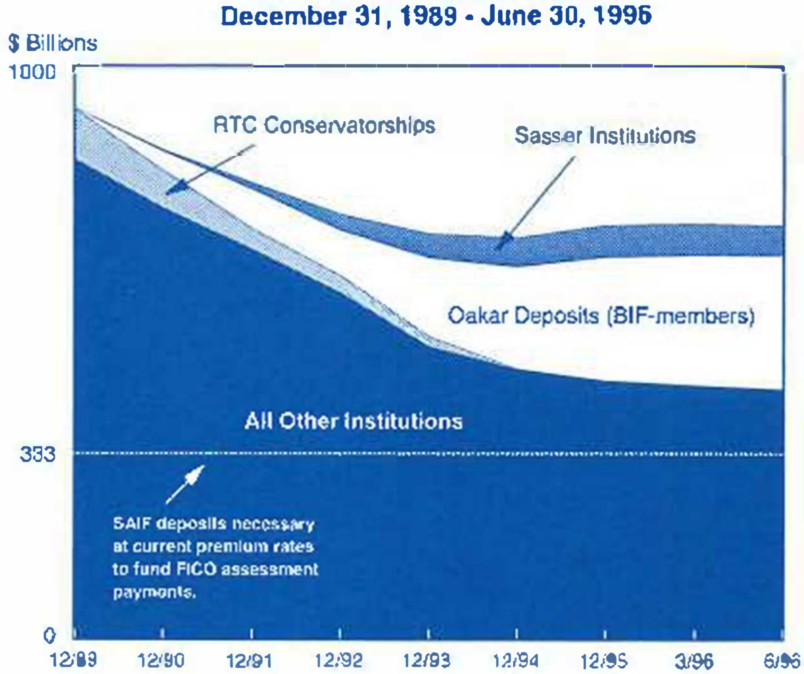
June 30, 1996*

(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	9,689	4,396,846	2,599,384	1,783,799	196,275	1,980,074
BIF-member	9,606	4,371,478	2,581,440	1,782,324	183,218	1,965,542
SAIF-member	83	25,368	17,944	1,474	13,057	14,532
FDIC-Insured Savings Institutions	1,981	1,023,074	727,489	172,238	517,150	689,388
OTS-Supervised Savings Institutions	1,397	768,159	529,641	37,914	464,432	502,346
BIF-member	27	103,614	69,529	27,549	39,359	66,907
SAIF-member**	1,370	664,545	460,112	10,366	425,073	435,439
FDIC-Supervised State Savings Banks	584	254,915	197,848	134,323	52,718	187,042
BIF-member	355	203,857	158,924	133,889	15,911	149,800
SAIF-member	229	51,058	38,924	434	36,807	37,241
Total Private-Sector Commercial and Savings Institutions	11,670	5,419,920	3,326,873	1,956,036	713,425	2,669,462
BIF-member	9,988	4,678,949	2,809,893	1,943,762	230,488	2,162,250
SAIF-member	1,682	740,972	516,981	12,274	474,937	487,212
Other FDIC-Insured Institutions						
U.S. Branches of Foreign Banks	39	12,395	3,622	2,341	0	2,341
Total FDIC-Insured Institutions	11,703	5,432,315	3,330,496	1,959,378	713,425	2,671,803

*Excludes one self-liquidating savings institution with less than $1 million in SAIF-insured deposits.
**Excludes $462.0 billion in foreign office deposits, which are uninsured.

SAIF Assessment Base

December 31, 1989 - June 30, 1996



($ Billions)	12/89	12/90	12/91	12/92	12/93	12/94	12/95	3/96	6/96
Sasser Institutions	0.0	2.8	11.9	28.4	42.8	52.0	56.2	56.5	54.2
Oakar Deposits (BIF-members)	2.1	34.0	69.6	80.5	139.8	181.7	220.3	231.3	238.5
RTC Conservatorships	89.0	67.3	38.9	31.2	17.7	1.2	0.0	0.0	0.0
All Other Institutions	851.6	766.0	693.2	615.2	520.3	479.2	459.0	451.1	443.7
Total	942.8	870.0	811.7	755.3	720.7	714.1	735.6	738.9	736.4

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

(dollar figures in millions)	1996**	1995**	1995	1994	1993	1992
Number of institutions reporting	11,670	12,252	11,970	12,603	13,220	13,852
Total assets	$5,419,020	$5,188,107	$5,338,322	$5,019,086	$4,707,055	$4,535,878
Total deposits	3,788,905	3,651,993	3,769,477	3,611,619	3,528,486	3,527,034
Number of problem institutions	137	254	193	318	572	1,063
Assets of problem institutions (in billions)	$18	$56	$31	$73	$334	$502
Number of failed/assisted institutions	3	6	8	15	50	181
Assets of failed/assisted institutions (in billions)	$0.14	$0.98	$1.21	$1.57	$9.67	$88

**As of June 30.

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

(dollar figures in millions)	Preliminary 2nd Quarter 1996	1st Quarter 1996	2nd Quarter 1995	% Change 95:2-96:2
Number of institutions reporting	11,670	11,843	12,252	-4.8
Total employees (full-time equivalent)	1,729,526	1,707,660	1,732,762	-0.2
CONDITION DATA				
Total assets	$5,419,920	$5,324,626	$5,188,107	4.5
Loans secured by real estate	1,723,647	1,699,399	1,657,257	4.0
1-4 Family residential	1,121,733	1,109,086	1,080,463	3.8
Home equity loans	98,783	95,717	96,807	2.0
Multifamily residential property	96,095	95,532	96,008	0.0
Commercial real estate	356,974	350,988	343,035	4.1
Construction, development and land	96,038	92,053	86,978	10.4
Other real estate loans	52,808	51,761	50,714	4.1
Commercial & industrial loans	698,853	689,225	651,755	7.2
Loans to individuals	579,764	565,304	541,723	7.0
Credit cards & related plans	219,311	211,629	200,262	9.6
Other loans & leases	371,920	349,987	313,264	18.7
Less: Unearned income & contra accounts	16,229	15,114	15,911	2.0
Total loans & leases	3,357,961	3,288,802	3,148,088	6.7
Less: Reserve for losses	60,805	60,145	60,407	0.7
Net loans & leases	3,297,156	3,228,656	3,087,681	6.8
Securities	1,086,146	1,090,901	1,095,291	-0.8
Other real estate owned	8,304	8,874	11,027	-24.7
Goodwill and other intangibles	50,963	39,194	33,289	53.1
All other assets	977,352	957,009	960,824	1.7
Total liabilities and capital	5,419,920	5,324,626	5,188,107	4.5
Deposits	3,788,905	3,760,528	3,651,993	3.8
Other borrowed funds	886,543	839,186	823,088	7.7
Subordinated debt	50,220	47,820	44,799	12.1
All other liabilities	243,422	238,039	250,229	-2.7
Equity capital	450,831	439,054	417,998	7.9
Loans and leases 30-89 days past due	42,288	43,201	36,570	15.6
Noncurrent loans and leases	39,133	40,487	40,786	-4.1
Restructured loans and leases	8,629	9,230	12,073	-28.5
Direct and indirect investments in real estate	1,210	887	919	31.6
Mortgage-backed securities	539,878	543,138	536,544	0.6
Earning assets	4,765,724	4,709,443	4,554,765	4.6
Unused loan commitments	2,431,369	2,339,214	2,065,826	17.7
Including RTC conservatorships and IBA's:				
Estimated BIF-insured deposits	1,958,378	1,959,470	1,913,598	2.3
Assessment base	2,499,759	2,472,690	2,382,906	4.7
BIF balance (unaudited figures)	25,828	25,748	24,677	4.7
BIF reserve ratio (%)***	1.32	1.31	1.29	2.3
Estimated SAIF-insured deposits	719,425	716,271	710,272	0.4
Assessment base	736,405	738,917	732,518	0.5
SAIF balance (unaudited figures)	3,914	3,650	2,587	51.3
SAIF reserve ratio (%)***	0.55	0.51	036	50.6
Estimated FDIC-insured deposits, BIF and SAIF	2,671,803	2,675,741	2,623,810	1.8

INCOME DATA	Preliminary First Half 1996	First Half 1995	%Change	Preliminary 2nd Quarter 1996	2nd Quarter 1995	%Change 95:2-96:2
Total interest income	$189,613	$183,647	3.3	$95,554	$93,813	1.9
Total interest expense	95,109	93,071	2.2	47,403	48,219	-1.7
Net interest income	94,504	90,476	4.5	48,151	45,595	5.6
Provision for loan losses	8,872	6,612	34.2	4,786	3,431	39.5
Total noninterest income	49,804	42,504	17.2	20,162	21,841	19.7
Total noninterest expense	90,144	85,623	5.3	45,011	43,032	4.6
Securities gains (losses)	1,059	411	156.2	239	502	-52.3
Applicable income taxes	15,868	14,441	9.9	8,393	7,569	10.9
Extraordinary gains, net	92	26	247.7	21	(12)	N/M
Net income	30,569	26,741	14.3	16,373	13,893	17.9

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

(dollar figures in millions)	1996**	1995**	1995	1994	1993	1992
Number of institutions reporting	9,988	10,478	10,243	10,759	11,291	11,813
Total assets	$4,678,948	$4,426,563	$4,589,504	$4,246,785	$3,949,694	$3,711,612
Total deposits	3,271,865	3,106,010	3,235,626	3,061,457	2,951,980	2,873,169
Number of problem institutions	103	200	151	264	472	856
Assets of problem institutions (in billions)	$11	$27	$20	$42	$269	$464
Number of failed/assisted institutions	3	4	6	13	41	122
Assets of failed/assisted institutions (in billions)	$0.14	$0.53	$0.76	$1.43	$3.54	$44

**As of June 30.

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

(dollar figures in millions)	Preliminary 2nd Quarter 1996	1st Quarter 1996	2nd Quarter 1995	% Change 95:2-96:2
Number of institutions reporting	9,988	10,139	10,478	-4.7
Commercial banks	9,606	9,756	10,092	-4.8
Savings institutions	382	383	386	-1.0
Total employees (full-time equivalent)	1,537,581	1,519,878	1,539,862	-0.2
CONDITION DATA				
Total assets	$4,678,948	$4,583,426	$4,426,563	5.7
Loans secured by real estate, total	1,264,519	1,243,741	1,188,505	6.4
1-4 Family residential	756,059	745,412	705,919	7.1
Multifamily residential property	57,906	56,363	53,568	8.1
Commercial real estate	323,678	318,311	309,691	4.5
Construction, development and land	74,210	72,025	68,707	8.0
Commercial & industrial loans	689,700	680,225	644,417	7.0
Reserve for losses	55,882	55,229	55,351	1.0
Total deposits	3,271,865	3,234,173	3,106,010	5.3
Domestic deposits	2,809,893	2,779,801	2,666,450	5.4
Estimated insured deposits	2,182,250	2,177,360	2,106,138	0.0
BIF-insured deposits (estimated)	1,943,762	1,946,139	1,901,135	2.2
SAIF-insured deposits (estimated)	238,488	231,221	205,003	16.3
Noncurrent loans and leases	33,106	33,953	34,825	-4.9
Other real estate owned	6,215	6,772	8,456	-26.5
Equity capital	389,020	376,924	356,942	9
CAPITAL CATEGORY DISTRIBUTION				
Number of institutions:				
Well capitalized	9,839	9,981	10,318	-4.6
Adequately capitalized	133	137	138	-3.6
Undercapitalized	11	15	12	-8.3
Significantly undercapitalized	2	3	5	-60.0
Critically undercapitalized	3	3	5	-40.0
Total assets:				
Well capitalized	$4,660,596	$4,505,566	$4,308,547	8.2
Adequately capitalized	16,902	75,237	115,852	-85.4
Undercapitalized	1,183	2,266	1,038	13.9
Significantly undercapitalized	120	209	351	-65.8
Critically undercapitalized	146	148	775	-80.9

INCOME DATA	Preliminary First Half 1996	First Half 1995	%Change	Preliminary 2nd Quarter 1996	2nd Quarter 1995	%Change 95:2-96:2
Net interest income	$83,646	$80,163	4.4	$42,625	$40,432	5.4
Provision for loan losses	8,073	5,857	37.8	4,390	3,049	44.0
Net income	26,836	24,173	11.0	14,475	12,510	15.7
Net charge-offs	7,598	5,386	41.1	3,931	2,946	33.4
Number of institutions reporting net losses	344	337	2.1	402	374	7.5

*Excludes insured branches of foreign banks.

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

(dollar figures in millions)	1996**	1995**	1995	1994	1993	1992
Number of institutions reporting	1,682	1,774	1,727	1,844	1,929	2,039
Total assets	$740,972	$761,543	$748,818	$772,301	$757,362	$824,266
Total deposits	517,040	545,983	533,851	556,162	576,507	653,865
Number of problem institutions	34	54	42	54	100	207
Assets of problem institutions (in billions)	$7	$30	$11	$31	$65	$128
Number of failed/assisted institutions	0	2	2	2	9	59
Assets of failed/assisted institutions (in billions)	$0.00	$0.45	$0.46	$0.14	$6	$44

**As of June 30.

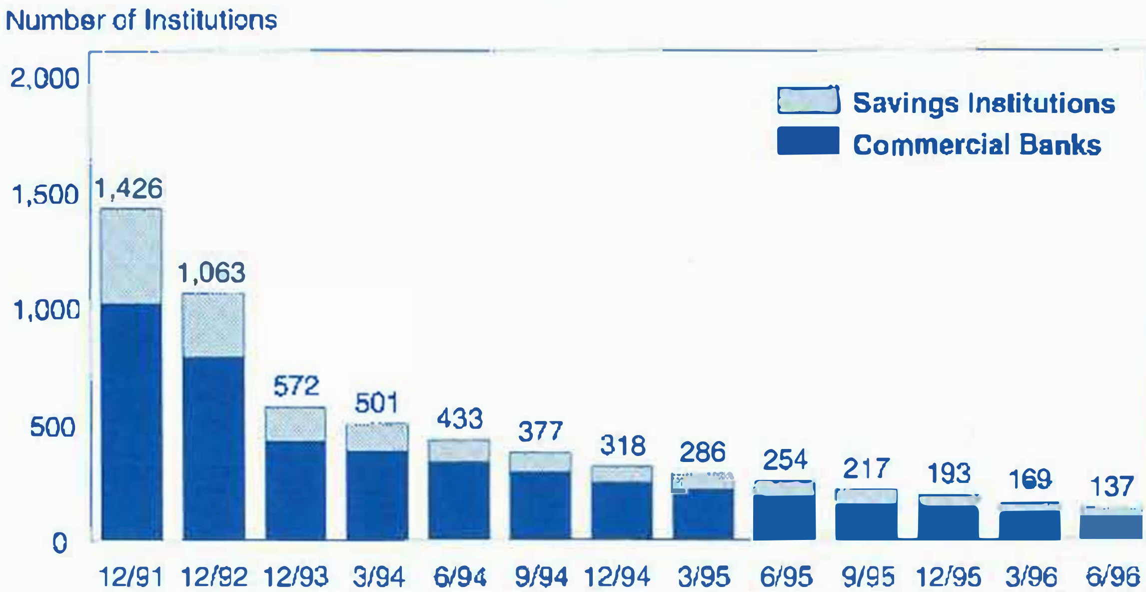
TABLE II-E. Selected Aggregate Condition and Income Data, SAIF-Member Depository Institutions*

(dollar figures in millions)	Preliminary 2nd Quarter 1996	1st Quarter 1996	2nd Quarter 1995	% Change 95:2-96:2
Number of institutions reporting	1,682	1,704	1,774	-5.2
Commercial banks	83	82	77	7.8
Savings institutions	1,599	1,622	1,697	-5.8
Total employees (full-time equivalent)	191,945	187,782	192,900	-0.5
CONDITION DATA				
Total assets	$740,972	$741,201	$761,543	-2.7
Loans secured by real estate, total	459,128	455,658	468,752	2.1
1-4 Family residential	365,674	363,673	374,543	-2.4
Multifamily residential property	38,188	39,169	42,501	-10.2
Commercial real estate	33,296	32,657	33,344	-0.1
Construction, development and land	21,827	20,027	18,271	19.5
Commercial & industrial loans	9,152	9,000	7,338	24.7
Reserve for losses	4,923	4,917	5,056	-2.6
Total deposits	517,040	526,355	545,983	-5.3
Domestic deposits	516,981	526,295	545,983	-5.3
Estimated insured deposits	487,212	495,854	515,813	0.0
BIF-insured deposits (estimated)	12,274	10,805	10,544	16.4
SAIF-insured deposits (estimated)	474,938	485,049	505,269	-6.0
Noncurrent loans and leases	6,027	6,534	5,961	1.1
Other real estate owned	2,089	2,101	2,571	-18.8
Equity capital	61,810	62,130	61,056	1.2
CAPITAL CATEGORY DISTRIBUTION				
Number of institutions:				
Well capitalized	1,643	1,661	1,704	-3.6
Adequately capitalized	33	38	64	-48.4
Undercapitalized	5	4	3	66.7
Significantly undercapitalized	0	1	2	NA
Critically undercapitalized	1	0	1	0.0
Total assets:				
Well capitalized	$722,244	$727,375	$727,098	-0.7
Adequately capitalized	18,300	13,048	33,053	-44.6
Undercapitalized	395	743	756	-47.7
Significantly undercapitalized	0	35	383	NA
Critically undercapitalized	33	0	253	-87.2

INCOME DATA	Preliminary First Half 1996	First Half 1995	%Change	Preliminary 2nd Quarter 1996	2nd Quarter 1995	%Change 95:2-96:2
Net interest income	$10,858	$10,314	5.3	$5,526	$5,163	7.1
Provision for loan losses	799	755	5.8	396	383	3.5
Net income	3,733	2,568	45.4	1,898	1,383	37.3
Net charge-offs	722	723	-0.2	384	407	-5.8
Number of institutions reporting net losses	86	110	-21.8	79	114	-30.7

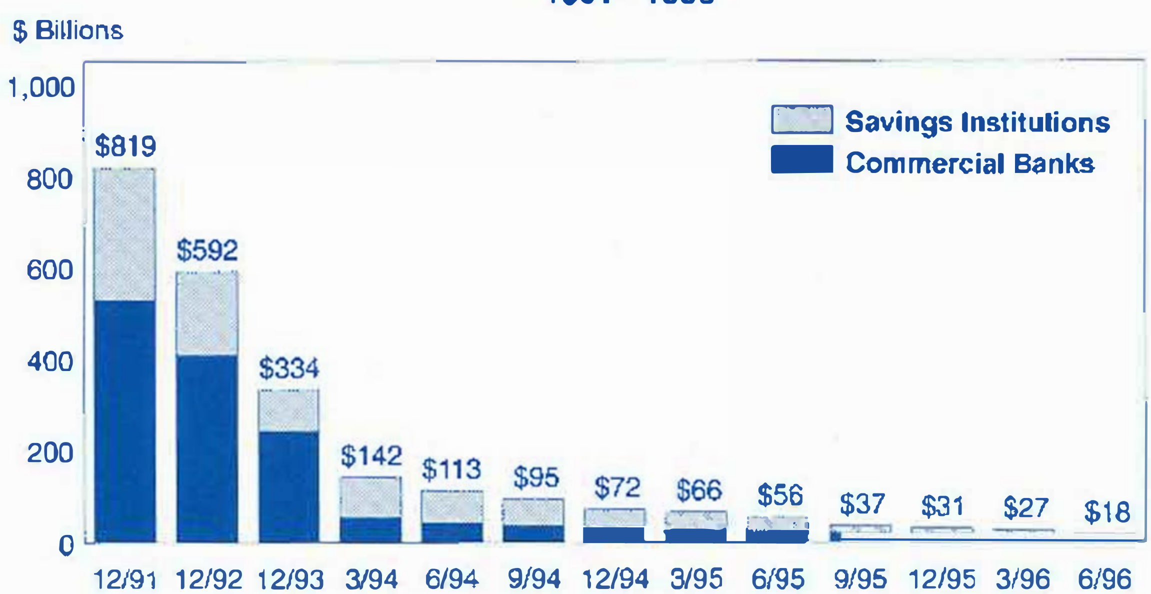
*Data between 1989 and 1995 do not include Resolution Trust Corporation conservatorships. Excludes one self-liquidating institution.

Number of FDIC-Insured "Problem" Institutions
1991 - 1996



Savings Institutions	410	276	146	118	95	84	71	71	64	59	49	42	38
Commercial Banks	1,016	787	426	383	338	293	247	215	190	158	144	127	99

Assets of FDIC-Insured "Problem" Institutions
1991 - 1996



Savings Institutions	291	184	92	89	71	59	39	39	33	17	14	13	10
Commercial Banks	528	408	242	53	42	36	33	27	23	20	17	13	8

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*. Beginning with June 1996, the *Thrift Financial Report* is completed on a fully consolidated basis, with the exception of subsidiary depository institutions being reported on the equity method of accounting. Prior to this time, this report reflected the consolidation of the parent thrift with finance subsidiaries. All other subsidiaries were reported on an equity or 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.