The FDIC Quarterly Banking Profile

Donna Tanoue, Chairman

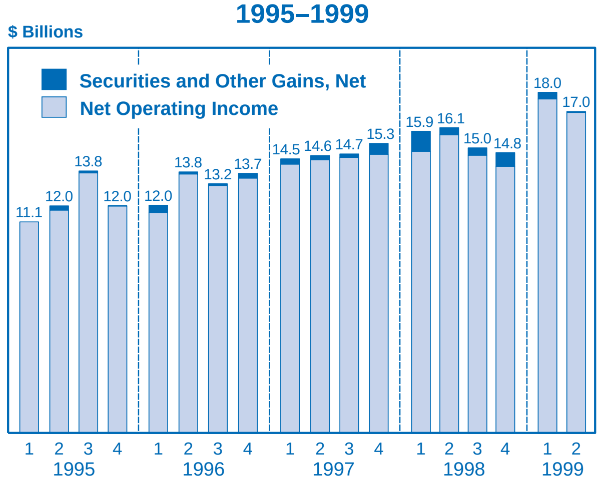
Second Quarter 1999

COMMERCIAL BANKING PERFORMANCE—SECOND QUARTER, 1999

- *Quarterly Profit Of $17 Billion Is Second-Best Ever*
- *Merger-Related Charges Reduce Industry Earnings*
- *Asset Quality Indicators Improve*
- *Net Interest Margins Stabilize As Interest Rates Rise*

Insured commercial banks earned $17.0 billion in the second quarter of 1999, a $1.0-billion decline from the record earnings of the first quarter, but an $854-million (5.3 percent) improvement over the second quarter of 1998. Industry profits would have surpassed last quarter's record $18 billion, but for a $1.5-billion net loss posted by one large bank that was acquired during the quarter.[1] The average return on assets (ROA) in the second quarter was 1.25 percent, unchanged from a year ago, but down from 1.32 percent in the first quarter. Almost two out of every three banks—63.6 percent—reported an ROA of 1 percent or higher in the second quarter, but more than half of all banks—52.3 percent—reported ROAs that were lower than a year ago. For the first six months of 1999, commercial banks' earnings totaled $34.9 billion, an increase of $2.9 billion (9.1 percent) over the first half of 1998. The average ROA for the first half of 1999 was 1.28 percent, up from 1.25 percent for the same period of 1998.

QUARTERLY NET INCOME, 1995–1999



Net interest income was $393 million higher than in the first quarter, and was up $2.3 billion (5.0 percent) from a year ago. Provisions for credit losses were $490 million (9.0 percent) less than in the previous quarter, and were $172 million (3.4 percent) below the level of a year ago. Fee income increased by $1.4 billion (9.2 percent) from the previous quarter, and was $3.4 billion (26.8 percent) greater than in the second quarter of 1998. But total noninterest income was down $209 million (0.6 percent) from the first quarter, as trading revenues declined by $1.4 billion (39.4 percent) from the record level of $3.6 billion set in the first quarter, and total noninterest expenses rose by $1.2 billion (2.4 percent). The increase in noninterest expenses was caused mainly by merger-related charges at the large bank that was acquired; excluding this transaction, noninterest expenses at the remaining 8,674 commercial banks increased by only $52 million. Net income from international operations was $742 million lower than in the first quarter, and $450 million less than a year earlier.

[1] Bankers Trust Company of New York was acquired by Deutsche Bank AG in June.

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

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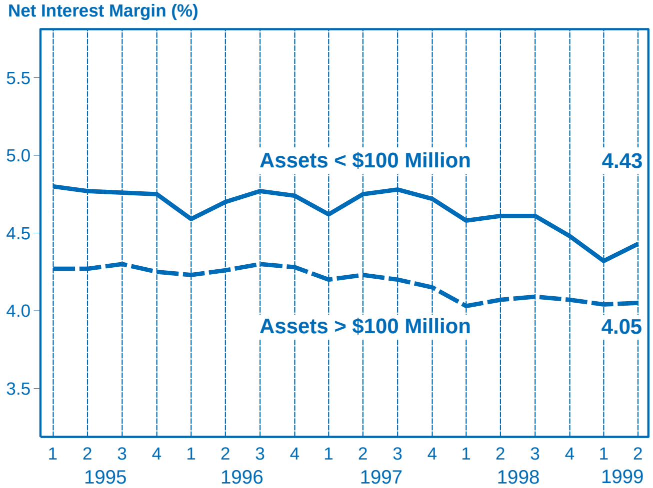
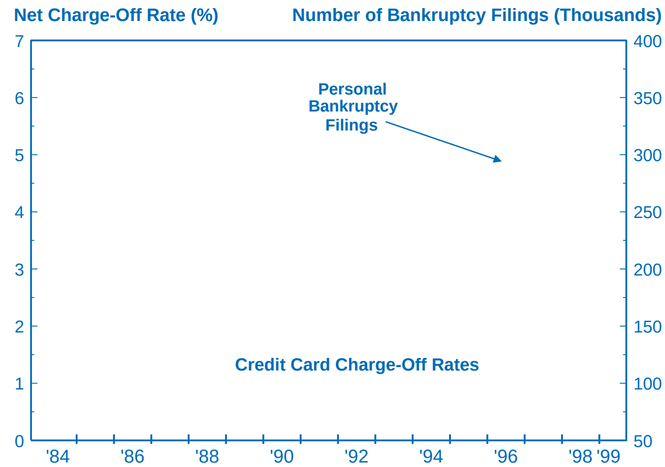
QUARTERLY NET INTEREST MARGINS, 1995–1999



Net interest margins of smaller banks benefited from a moderate rise in interest rates and a steepening yield curve in the second quarter. Smaller institutions were able to recover some of the difference between their average asset yields and the cost of funding those assets that they had lost during the previous three quarters. Banks with less than $100 million in assets enjoyed an 11-basis point increase in their aggregate net interest margin, which nevertheless remained 18 basis points below the level of a year ago. Larger institutions, with assets greater than $1 billion, had little or no improvement in net interest margins.

Asset quality moved in a positive direction during the second quarter, as consumer loans registered strong improvement and the deteriorating trend in loans to commercial and industrial borrowers slowed. Loan losses and noncurrent loans declined in the second quarter. Net charge-offs totaled $4.6 billion, $424 million (8.5 percent) less than in the first quarter, and $197 million (4.1 percent) lower than in the second quarter of 1998. The net charge-off rate on bank loans fell to 0.56 percent, the lowest level since the third quarter of 1996. Noncurrent loans fell by $1.1 billion (3.3 percent) during the quarter, but still were up by $2.1 billion (7.2 percent) over the past 12 months. The percentage of bank loans that were noncurrent—90 days or more past due or in nonaccrual status—fell from 0.96 percent to 0.94 percent during the quarter, matching the record low levels reached in the second and third quarters of last year. Most of the improvement in loan losses was concentrated in credit card loans, where net charge-offs were $545 million (20.4 percent) lower than in the first quarter, and $769 million (26.5 percent) less than a year ago. The annualized net charge-off rate on credit-card loans fell to 4.25 percent, from 4.93 percent in the first quarter and 5.41 percent a year ago. This is the lowest quarterly charge-off rate for credit-card loans since the first quarter of 1996. Commercial and industrial loans were the main exception to the improving trend. Net charge-offs on loans to commercial and industrial borrowers were $269 million (26.6 percent) higher than in the first quarter, and $554 million (76.0 percent) higher than a year ago. Noncurrent commercial and industrial loans increased by only $217 million (2.1 percent) during the quarter, to 1.11 percent of total commercial and industrial loans. Over the last 12 months, noncurrent commercial and industrial loans have risen by $2.3 billion (29.2 percent).

CREDIT CARD LOSS RATES AND PERSONAL BANKRUPTCY FILINGS, 1984–1999

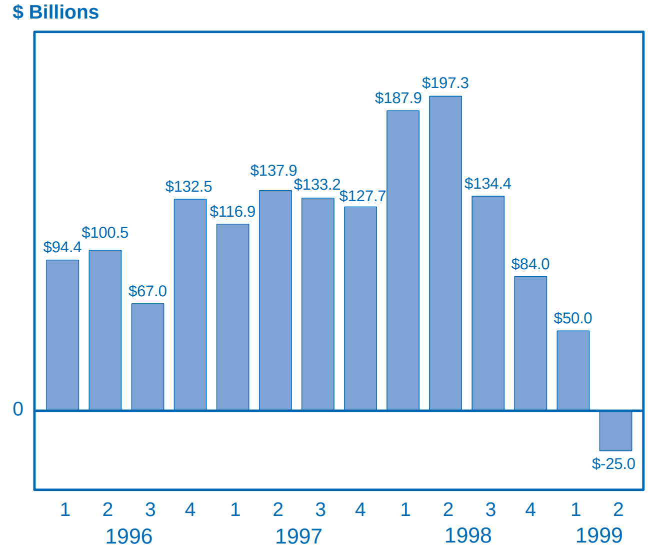


Sources: Bankruptcies—Administrative Office of the United States Courts
Charge-Off Rates—Commercial Bank Call Reports

Total assets of commercial banks increased by $58.0 billion during the quarter, after declining by $31.5 billion in the previous quarter. Through the first six months of 1999, commercial bank assets have grown by only $26.5 billion, or 0.5 percent. Trading account assets declined for a third consecutive quarter, shrinking by $36.6 billion. The main engines of asset growth in the second quarter were real estate loans, loans to depository institutions, and leases. Real estate loans increased by $26.9 billion (2.0 percent), led by growth in construction loans (up 5.6 percent during the quarter). Loans to depository institutions rose by $13.5 billion (13.0 percent), and lease financing receivables increased by $4.5 billion (3.4 percent). Commercial and industrial loans increased by $14.3 billion (1.6 percent), the smallest quarterly increase since the third quarter of 1997.

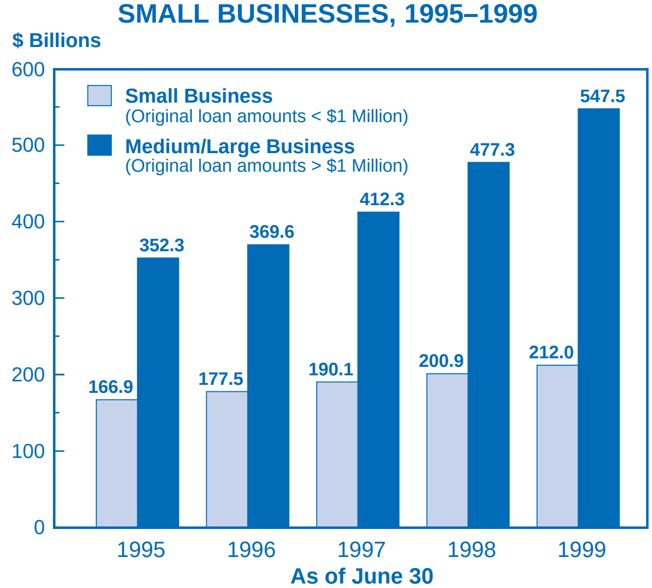
Unused loan commitments declined for the first time since the third quarter of 1990, falling by $25.0 billion, as one bank eliminated a large number of inactive credit card accounts.[2]

QUARTERLY CHANGE IN UNUSED LOAN COMMITMENTS, 1996–1999



During the last 12 months, commercial bank lending to small business lagged well behind lending to larger commercial borrowers. Loans to small commercial and industrial borrowers increased by $11.1 billion (5.5 percent), while commercial and industrial loans to larger borrowers rose by $70.2 billion (14.7 percent). Small commercial real estate loans were up by $14.4 billion (8.2 percent), while larger commercial real estate loans increased by $27.5 billion (15.9 percent).

COMMERCIAL AND INDUSTRIAL LOANS TO SMALL BUSINESSES, 1995–1999



Deposits increased by $43.6 billion in the second quarter, following a seasonal $44.4-billion decline in the first quarter. Over the last 12 months, deposits at commercial banks have risen by 5.0 percent, while industry assets have grown by 5.5 percent. A substantial share of the deposit growth during the quarter—44.4 percent—came from deposits in foreign offices. Savings deposits accounted for most of the growth in domestic deposits. Nondeposit liabilities increased by $17.8 billion, as Federal Home Loan Bank (FHLB) advances rose by $13.8 billion, to $121.4 billion. For the 12 months ended June 30, FHLB advances to commercial banks increased by 82.1 percent.

Equity capital declined by $3.4 billion during the quarter. This is the first time since the third quarter of 1989 that the industry's equity has declined. The increase in interest rates caused a decline in net unrealized gains on banks' available-for-sale securities that reduced equity capital by $8.8 billion. A large merger-related loss also contributed to the decline in equity. The average equity-to-assets ratio dropped from 8.68 percent to 8.53 percent during the quarter. Nevertheless, 98 percent of all commercial banks remained in the highest regulatory capital category at mid-year.

The number of insured commercial banks declined by 46 institutions in the second quarter, to 8,675 banks at mid-year. One insured commercial bank failed during the quarter, and 103 commercial banks were merged into other institutions. There were 55 new commercial bank charters in the second quarter. Six savings institutions converted to commercial bank charters, and one commercial bank converted to a thrift charter. Two commercial banks voluntarily liquidated. The number of commercial banks on the FDIC's "Problem List" declined from 64 to 62 during the quarter. "Problem" bank assets fell slightly, from $4.73 billion to $4.66 billion.

[2] Sears National Bank of Tempe, AZ reduced its unused credit card lines by $96.1 billion in the second quarter.

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

	1999*	1998*	1998	1997	1996	1995	1994
Return on assets (%)	1.28	1.25	1.19	1.23	1.19	1.17	1.15
Return on equity (%)	14.97	14.84	13.93	14.68	14.45	14.66	14.61
Core capital (leverage) ratio (%)	7.74	7.64	7.54	7.56	7.64	7.61	7.64
Noncurrent assets plus other real estate owned to assets (%)	0.64	0.65	0.65	0.66	0.75	0.85	1.01
Net charge-offs to loans (%)	0.59	0.62	0.67	0.64	0.58	0.49	0.50
Asset growth rate (%)	5.52	8.59	8.50	9.54	6.16	7.53	8.21
Net interest margin (%)	4.05	4.09	4.07	4.21	4.27	4.29	4.36
Net operating income growth (%)	12.89	6.81	2.29	12.47	6.44	7.48	16.18
Number of institutions reporting	8,675	8,984	8,775	9,143	9,528	9,940	10,451
Percentage of unprofitable institutions (%)	6.33	4.52	6.05	4.85	4.27	3.55	3.98
Number of problem institutions	62	64	69	71	82	144	247
Assets of problem institutions (in billions)	$5	$5	$5	$5	$5	$17	$33
Number of failed/assisted institutions	2	1	3	1	5	6	11

* 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 1999	1st Quarter 1999	2nd Quarter 1998	%Change 98:2-99:2
Number of institutions reporting	8,675	8,721	8,984	-3.4
Total employees (full-time equivalent)	1,623,175	1,619,808	1,593,918	1.8
CONDITION DATA				
Total assets	$5,467,745	$5,409,728	$5,181,540	5.5
Loans secured by real estate	1,373,189	1,346,301	1,285,768	6.8
Commercial & industrial loans	936,064	921,743	849,451	10.2
Loans to individuals	534,399	548,524	547,705	-2.4
Farm loans	46,017	43,956	47,069	-2.2
Other loans & leases	422,312	394,090	366,098	15.4
Less: Unearned income	3,552	3,663	4,243	-16.3
Total loans & leases	3,308,430	3,250,951	3,091,849	7.0
Less: Reserve for losses	57,591	57,866	56,384	2.1
Net loans and leases	3,250,839	3,193,085	3,035,466	7.1
Securities	1,007,111	995,433	893,984	12.7
Other real estate owned	2,915	3,135	3,531	-17.5
Goodwill and other intangibles	85,539	83,311	76,153	12.3
All other assets	1,121,342	1,134,765	1,172,406	-4.4
Total liabilities and capital	5,467,745	5,409,728	5,181,540	5.5
Noninterest-bearing deposits	708,384	667,065	688,126	2.9
Interest-bearing deposits	2,972,434	2,970,118	2,818,500	5.5
Other borrowed funds	963,120	936,302	871,832	10.5
Subordinated debt	74,570	73,363	67,272	10.8
All other liabilities	283,050	293,283	289,972	-2.4
Equity capital	466,187	469,597	445,839	4.6
Loans and leases 30-89 days past due	36,972	39,059	35,671	3.6
Noncurrent loans and leases	31,157	32,223	29,063	7.2
Restructured loans and leases	1,487	1,532	1,960	-24.2
Direct and indirect investments in real estate	320	518	535	-40.2
1-4 Family residential mortgages	754,915	748,698	741,218	1.8
Mortgage-backed securities	445,795	455,685	392,939	13.5
Earning assets	4,727,161	4,673,836	4,457,848	6.0
Long-term assets (5+ years)	1,092,391	1,060,556	872,412	25.2
Volatile liabilities	1,804,631	1,750,243	1,668,914	8.1
Foreign office deposits	594,111	574,726	549,037	8.2
FHLB Advances (Source: FHFB)	121,390	107,602	66,647	82.1
Unused loan commitments	3,724,217	3,749,177	3,480,803	7.0
Off-balance-sheet derivatives	33,500,113	33,198,458	28,837,375	16.2

INCOME DATA	Preliminary First Half 1999	First Half 1998	%Change	Preliminary 2nd Quarter 1999	2nd Quarter 1998	%Change 98:2-99:2
Total interest income	$180,134	$178,577	0.9	$89,894	$89,966	-0.1
Total interest expense	84,980	88,728	-4.2	42,114	44,452	-5.3
Net interest income	95,154	89,849	5.9	47,780	45,513	5.0
Provision for credit losses	10,336	9,936	4.0	4,926	5,098	-3.4
Total noninterest income	69,198	59,457	16.4	34,513	30,425	13.4
Total noninterest expense	100,396	92,092	9.0	50,811	46,374	9.6
Securities gains (losses)	708	1,374	-48.5	141	578	-75.5
Applicable income taxes	19,359	17,162	12.8	9,736	8,925	9.1
Extraordinary gains, net	-34	527	N/M	0	-11	N/M
Net income	34,936	32,018	9.1	16,962	16,108	5.3
Net charge-offs	9,574	9,430	1.5	4,577	4,774	-4.1
Cash dividends	22,705	18,319	23.9	13,653	9,312	46.6
Net operating income	34,533	30,591	12.9	16,910	15,739	7.4

N/M - Not meaningful

TABLE III-A. First Half 1999, FDIC-Insured Commercial Banks

		Asset Size Distribution				Geographic Distribution by Region					
						East			West		
First Half Preliminary	All	Less than $100	$100 Million to	$1 Billion to	Greater than $10	North-	South-		Mid-	South-	
(The way it is…)	Institutions	Million	$1 Billion	$10 Billion	Billion	east	east	Central	west	west	West
Number of institutions reporting	8,675	5,303	2,978	317	77	685	1,439	1,880	2,243	1,485	943
Total assets (in billions)	$5,467.7	$247.0	$736.5	$872.5	$3,611.7	$1,909.7	$1,233.1	$901.7	$374.6	$304.3	$744.3
Total deposits (in billions)	3,680.8	210.8	602.4	596.7	2,270.9	1,205.8	801.2	617.5	271.8	244.8	539.8
Net income (in millions)	34,936	1,317	5,031	6,749	21,838	10,991	7,781	5,845	2,929	1,779	5,611
% of unprofitable institutions	6.3	9.4	1.6	1.3	1.3	8.8	9.9	4.3	3.4	5.8	11.0
% of institutions with earnings gains	55.5	48.3	65.6	74.1	76.6	65.0	60.1	57.9	49.9	50.0	58.5
Performance ratios (annualized, %)											
Yield on earning assets	7.67	7.85	7.95	8.06	7.50	7.68	7.55	7.51	8.04	7.46	7.96
Cost of funding earning assets	3.62	3.49	3.43	3.47	3.71	4.01	3.49	3.63	3.51	3.16	3.10
Net interest margin	4.05	4.36	4.52	4.59	3.79	3.66	4.06	3.88	4.52	4.30	4.87
Noninterest income to earning assets	2.95	1.31	1.88	3.45	3.18	3.88	2.49	2.27	2.64	1.58	2.99
Noninterest expense to earning assets	4.28	3.84	3.90	4.69	4.29	4.82	3.99	3.68	4.02	3.72	4.52
Credit loss provision to assets	0.38	0.22	0.29	0.58	0.36	0.40	0.33	0.29	0.51	0.26	0.49
Net operating income to assets	1.27	1.08	1.38	1.55	1.19	1.14	1.25	1.30	1.56	1.16	1.49
Return on assets	1.28	1.08	1.39	1.56	1.21	1.15	1.27	1.31	1.57	1.18	1.51
Return on equity	14.97	9.84	14.56	16.25	15.17	14.61	13.99	15.66	17.87	13.43	15.76
Net charge-offs to loans and leases	0.59	0.21	0.33	0.74	0.62	0.76	0.44	0.35	0.71	0.42	0.72
Credit loss provision to net charge-offs	107.97	177.60	144.35	123.79	97.56	100.97	118.90	123.23	107.73	114.37	102.49
Efficiency ratio	59.02	67.30	60.00	55.47	59.37	61.93	58.36	58.17	54.96	61.64	55.01
Condition Ratios (%)											
Earning assets to total assets	86.46	92.07	91.70	89.47	84.27	83.06	87.88	89.20	90.86	89.36	86.07
Loss allowance to:											
Loans and leases	1.74	1.44	1.48	1.99	1.75	1.98	1.47	1.44	1.72	1.35	2.18
Noncurrent loans and leases	184.84	134.26	180.38	223.29	180.39	163.50	181.90	179.03	205.25	132.97	272.40
Noncurrent assets plus											
other real estate owned to assets	0.64	0.74	0.61	0.62	0.65	0.73	0.57	0.58	0.61	0.66	0.62
Equity capital ratio	8.53	10.83	9.42	9.54	7.94	7.83	8.89	8.36	8.73	8.72	9.73
Core capital (leverage) ratio	7.74	10.84	9.24	8.73	6.99	7.29	7.73	7.91	8.34	8.20	8.27
Net loans and leases to deposits	88.32	68.49	75.10	90.83	93.01	81.77	95.65	95.46	90.74	69.26	91.34
Structural Changes (YTD)											
New Charters	117	112	3	1	1	19	41	14	14	13	16
Banks absorbed by mergers	217	128	77	11	1	30	55	32	36	42	22
Failed banks	2	2	0	0	0	0	1	0	0	1	0
Prior First Halves											
(The way it was…)											
Number of institutions 1998	8,984	5,646	2,964	310	64	704	1,475	1,961	2,306	1,570	968
1996	9,691	6,471	2,816	331	73	765	1,593	2,137	2,454	1,722	1,020
1994	10,717	7,561	2,773	328	55	853	1,789	2,351	2,667	1,899	1,158
Total assets (in billions) 1998	$5,181.5	$259.1	$734.1	$927.7	$3,260.7	$1,907.1	$1,102.9	$845.2	$338.9	$302.6	$684.8
1996	4,397.1	290.3	681.0	1,001.3	2,424.5	1,667.1	767.7	697.2	284.0	325.9	655.1
1994	3,892.6	326.3	676.5	1,079.4	1,810.3	1,526.4	613.7	639.3	251.1	293.5	568.6
Return on assets (%) 1998	1.25	1.24	1.37	1.56	1.14	1.16	1.21	1.31	1.48	1.17	1.43
1996	1.18	1.22	1.29	1.30	1.10	1.06	1.24	1.19	1.44	1.23	1.30
1994	1.17	1.17	1.19	1.40	1.01	1.08	1.22	1.18	1.47	1.19	1.17
Net charge-offs to loans & leases (%)											
1998	0.62	0.20	0.33	1.02	0.60	0.86	0.40	0.39	0.72	0.39	0.78
1996	0.56	0.19	0.37	0.82	0.53	0.67	0.42	0.40	0.63	0.29	0.71
1994	0.53	0.17	0.33	0.64	0.59	0.83	0.23	0.29	0.40	0.10	0.62
Noncurrent assets plus											
OREO to assets (%) 1998	0.65	0.77	0.65	0.73	0.62	0.74	0.57	0.56	0.64	0.59	0.69
1996	0.82	0.84	0.80	0.84	0.81	0.95	0.65	0.63	0.70	0.64	1.00
1994	1.27	0.97	1.14	1.16	1.43	1.62	0.88	0.78	0.86	0.79	1.70
Equity capital ratio (%) 1998	8.60	10.99	9.71	9.76	7.84	7.49	9.42	8.58	9.20	9.16	9.88
1996	8.30	10.42	9.41	9.02	7.43	7.45	8.45	8.50	8.89	8.82	9.56
1994	7.83	9.91	8.88	8.24	6.83	7.11	8.04	7.99	8.80	8.44	8.63

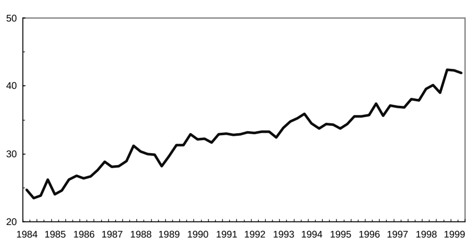
REGIONS: **Northeast -** Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico, Rhode Island, Vermont, U.S. Virgin Islands
Southeast - Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, 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 1999, FDIC-Insured Commercial Banks

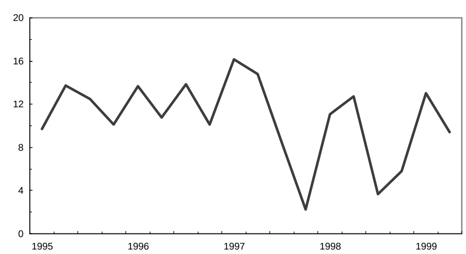
		Asset Size Distribution				Geographic Distribution by Region					
						East			West		
SECOND QUARTER Preliminary (The way it is…)	All Institutions	Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	North-east	South-east	Central	Mid-west	South-west	West
Number of institutions reporting	8,675	5,303	2,978	317	77	685	1,439	1,880	2,243	1,485	943
Total assets (in billions)	$5,467.7	$247.0	$736.5	$872.5	$3,611.7	$1,909.7	$1,233.1	$901.7	$374.6	$304.3	$744.3
Total deposits (in billions)	3,680.8	210.8	602.4	596.7	2,270.9	1,205.8	801.2	617.5	271.8	244.8	539.8
Net income (in millions)	16,962.1	661.4	2,408.7	3,625.2	10,266.8	4,682.5	3,955.2	2,853.2	1,518.8	986.3	2,966.1
% of unprofitable institutions	6.7	9.6	2.2	1.3	1.3	9.2	10.2	4.8	3.9	6.0	10.7
% of institutions with earnings gains	56.8	50.6	65.4	73.2	77.9	65.3	60.9	58.6	51.2	53.4	59.2
Performance Ratios (annualized, %)											
Yield on earning assets	7.65	7.93	8.01	8.10	7.43	7.52	7.59	7.54	8.11	7.52	8.00
Cost of funding earning assets	3.58	3.50	3.43	3.48	3.65	3.90	3.48	3.64	3.52	3.16	3.10
Net interest margin	4.07	4.43	4.58	4.62	3.78	3.62	4.11	3.90	4.59	4.36	4.90
Noninterest income to earning assets	2.94	1.36	1.79	3.62	3.13	3.78	2.55	2.20	2.74	1.70	3.03
Noninterest expense to earning assets	4.32	3.94	3.97	4.75	4.32	4.94	3.96	3.70	4.08	3.74	4.56
Credit loss provision to assets	0.36	0.24	0.31	0.55	0.34	0.38	0.37	0.26	0.52	0.22	0.38
Net operating income to assets	1.24	1.08	1.32	1.68	1.14	0.99	1.28	1.27	1.63	1.29	1.58
Return on assets	1.25	1.08	1.32	1.68	1.14	0.98	1.29	1.28	1.63	1.31	1.60
Return on equity	14.49	9.86	13.87	17.47	14.22	12.43	14.26	15.19	18.51	14.85	16.48
Net charge-offs to loans and leases	0.56	0.24	0.34	0.74	0.58	0.71	0.45	0.31	0.73	0.41	0.67
Credit loss provision to net charge-offs	107.63	167.88	148.39	116.92	97.89	102.76	131.89	126.99	107.69	96.13	84.63
Efficiency ratio	59.65	67.48	61.26	54.85	60.30	64.73	56.81	58.98	54.55	60.07	54.95
Structural Changes (QTR)											
New charters	55	53	2	0	0	11	21	5	5	4	9
Banks absorbed by mergers	103	60	37	6	0	7	28	20	13	22	13
Failed banks	1	1	0	0	0	0	0	0	0	1	0
PRIOR SECOND QUARTERS (The way it was…)											
Return on assets (%) 1998	1.25	1.23	1.37	1.41	1.18	1.15	1.24	1.30	1.48	1.12	1.45
1996	1.27	1.24	1.31	1.37	1.23	1.25	1.30	1.20	1.51	1.21	1.31
1994	1.16	1.19	1.19	1.38	1.01	1.03	1.24	1.21	1.52	1.15	1.17
Net charge-offs to loans & leases (%)											
1998	0.62	0.24	0.35	1.04	0.59	0.83	0.43	0.41	0.72	0.42	0.79
1996	0.57	0.23	0.40	0.88	0.51	0.68	0.42	0.41	0.62	0.34	0.74
1994	0.57	0.21	0.39	0.68	0.63	0.93	0.22	0.31	0.40	0.13	0.67

NONINTEREST INCOME AS A PERCENTAGE OF BANK REVENUE, 1985-1999

Quarterly Noninterest Income, % of Net Operating Revenue



INTERNATIONAL OPERATIONS CONTRIBUTION TO BANK EARNINGS, 1995 - 1999



*Net operating revenue equals net interest income plus noninterest income.

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

June 30, 1999	All Institutions	Asset Size Distribution: Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $10 Billion	Greater than $10 Billion	Geographical Distribution by Region: East: North-east	South-east	Central	West: Mid-west	South-west	West
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate	1.02	1.23	0.93	0.92	1.06	1.11	0.91	1.13	1.13	1.08	0.81
Construction and development	1.13	1.08	0.98	0.92	1.32	1.05	0.94	1.49	1.78	1.12	0.84
Commercial real estate	0.86	0.86	0.72	0.77	0.99	0.81	1.00	1.01	0.75	0.86	0.56
Multifamily residential real estate	0.58	0.76	0.60	0.58	0.57	0.46	0.48	0.85	0.77	0.81	0.48
Home equity loans	0.75	0.84	0.69	0.83	0.74	0.73	0.72	0.86	0.79	0.55	0.70
Other 1-4 Family residential	1.14	1.58	1.15	1.07	1.12	1.27	0.90	1.23	1.30	1.30	1.17
Commercial and industrial loans*	0.92	1.46	1.36	1.21	0.72	0.62	0.79	1.32	1.61	1.57	0.79
Loans to individuals	2.18	2.21	1.99	2.15	2.23	2.44	2.37	1.98	2.16	1.57	1.80
Credit card loans	2.44	2.73	3.34	2.61	2.29	2.80	2.52	1.96	2.59	1.37	1.80
Other loans to individuals	2.03	2.19	1.71	1.77	2.19	2.12	2.32	1.98	1.79	1.58	1.80
All other loans and leases (including farm)	0.60	NA	NA	1.08	0.59	0.54	0.36	1.07	0.65	1.17	0.36
Memo: Commercial RE loans not secured by RE	0.48	0.52	0.58	0.50	0.48	0.22	0.13	2.26	0.97	0.50	0.16
Percent of Loans Noncurrent**											
All real estate loans	0.85	0.87	0.66	0.77	0.95	1.10	0.78	0.80	0.65	0.96	0.69
Construction and development	0.83	0.61	0.61	0.75	1.01	1.03	0.90	0.78	0.74	0.60	0.78
Commercial real estate	0.91	0.83	0.67	0.81	1.12	1.14	1.00	0.82	0.59	1.23	0.66
Multifamily residential real estate	0.70	0.72	0.55	0.54	0.82	0.76	0.86	0.70	0.30	0.63	0.57
Home equity loans	0.36	0.46	0.38	0.41	0.33	0.47	0.31	0.38	0.28	0.29	0.28
Other 1-4 Family residential	0.79	0.78	0.66	0.80	0.83	0.92	0.67	0.86	0.57	0.81	0.82
Commercial and industrial loans*	1.11	1.58	1.24	1.03	1.02	1.19	0.90	1.02	1.21	1.60	1.13
Loans to individuals	1.33	0.82	0.81	1.12	1.54	2.23	0.95	0.70	1.07	0.47	0.98
Credit card loans	1.87	1.76	2.18	1.82	1.87	2.40	1.41	1.31	1.66	0.71	1.44
Other loans to individuals	1.03	0.78	0.53	0.54	1.34	2.08	0.81	0.59	0.56	0.46	0.40
All other loans and leases (including farm)	0.43	NA	NA	0.59	0.43	0.40	0.49	0.45	0.49	0.69	0.35
Memo: Commercial RE loans not secured by RE	0.41	0.47	0.26	0.37	0.42	0.25	0.33	0.33	0.21	1.06	0.74
Percent of Loans Charged-off (net, YTD)											
All real estate loans	0.06	0.03	0.04	0.07	0.07	0.05	0.08	0.05	0.06	0.09	0.03
Construction and development	0.04	0.15	0.02	0.05	0.02	-0.01	0.05	0.05	0.04	0.04	0.03
Commercial real estate	0.01	0.03	0.02	0.00	0.01	-0.05	0.07	0.00	0.00	0.12	-0.05
Multifamily residential real estate	0.00	-0.02	0.03	0.01	-0.02	0.02	-0.01	0.02	0.04	-0.05	-0.05
Home equity loans	0.16	0.03	0.04	0.22	0.17	0.17	0.20	0.19	0.13	0.56	0.02
Other 1-4 Family residential	0.08	0.03	0.05	0.10	0.09	0.08	0.08	0.06	0.11	0.07	0.12
Commercial and industrial loans*	0.50	0.33	0.41	0.40	0.51	0.53	0.49	0.32	0.34	0.59	0.67
Loans to individuals	2.33	0.64	1.48	2.74	2.44	2.94	1.70	1.44	2.80	0.94	2.90
Credit card loans	4.60	2.51	5.54	4.81	4.44	4.63	4.26	4.37	5.13	2.55	4.61
Other loans to individuals	0.94	0.55	0.58	0.84	1.09	1.30	0.84	0.82	0.79	0.87	0.60
All other loans and leases (including farm)	0.21	NA	NA	0.25	0.23	0.10	0.32	0.29	0.42	0.45	0.16
Memo: Commercial RE loans not secured by RE	-0.01	0.52	-0.29	-0.04	-0.01	-0.08	0.07	0.02	0.00	0.02	-0.03
Loans Outstanding (in billions)											
All real estate loans	$1,373.2	$82.4	$286.9	$280.4	$723.5	$327.2	$394.4	$268.4	$111.0	$79.1	$193.1
Construction and development	118.1	6.3	28.0	28.0	55.8	13.1	40.8	22.8	10.4	10.1	21.0
Commercial real estate	391.1	23.0	102.9	89.5	175.8	71.3	107.6	81.9	30.3	29.2	70.9
Multifamily residential real estate	47.3	1.7	9.5	11.0	25.0	12.5	10.5	9.5	3.3	2.5	9.0
Home equity loans	91.8	1.8	12.0	17.6	60.3	21.4	24.0	23.1	5.1	1.2	17.0
Other 1-4 Family residential	663.2	38.7	122.4	130.8	371.2	180.9	205.7	123.5	52.1	32.8	68.2
Commercial and industrial loans	936.1	25.1	83.4	118.1	709.5	320.5	198.8	172.1	57.9	45.5	141.2
Loans to individuals	534.4	20.7	63.9	119.7	330.1	180.9	111.5	79.8	48.8	32.4	81.1
Credit card loans	192.9	0.8	10.7	54.9	126.4	85.0	27.1	11.9	22.3	1.3	45.2
Other loans to individuals	341.5	19.9	53.2	64.9	203.6	95.8	84.3	67.9	26.4	31.1	35.9
All other loans and leases (including farm)	468.3	18.8	25.9	35.3	388.4	178.7	73.7	78.0	33.4	15.4	89.1
Memo: Commercial RE loans not secured by RE	35.4	0.2	1.0	2.6	31.6	10.7	8.9	3.9	2.7	1.5	7.7
Memo: Other Real Estate Owned (in millions)											
All other real estate owned	$2,914.5	$261.4	$719.6	$458.0	$1,475.6	$839.9	$737.3	$361.9	$194.9	$250.6	$529.9
Construction and development	252.1	22.9	114.8	40.2	74.2	46.4	100.0	24.4	21.5	15.3	44.5
Commercial real estate	1,298.9	110.6	328.5	211.1	648.8	352.3	265.4	146.1	69.6	142.3	323.1
Multifamily residential real estate	77.7	7.6	18.1	27.3	24.8	32.3	14.3	6.4	6.2	3.2	15.4
1-4 Family residential	1,019.1	88.4	227.0	171.5	532.1	212.9	348.7	176.4	73.0	69.4	138.7
Farmland	76.3	32.0	31.2	7.8	5.3	7.2	8.8	8.0	24.7	20.3	7.3
Other real estate owned in foreign offices	190.4	0.0	0.0	0.1	190.3	188.8	0.0	0.6	0.0	0.0	1.0

* Includes "All other loans" for institutions under $1 billion in asset size. N/A - Not Available

** 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.

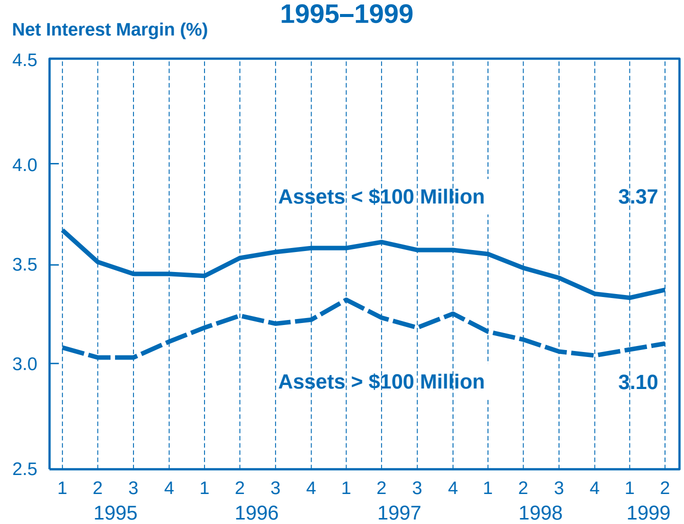
SAVINGS INSTITUTION PERFORMANCE–SECOND QUARTER, 1999

- ***Earnings of $2.9 Billion Are Second-Highest Ever***
- ***Net Operating Income Sets Quarterly Record***
- ***Smaller Institutions Still Show Little Improvement***
- ***Industry Continues To Increase Its Reliance on FHLB Borrowings***

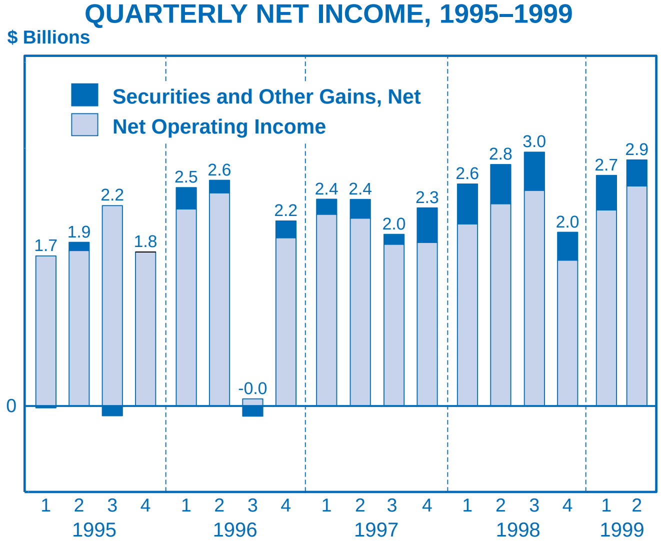
Savings institutions insured by the FDIC reported $2.9 billion in second-quarter earnings, which was $180 million higher than in the first quarter. Only the $3.0 billion that thrifts earned in the third quarter of 1998 exceeded the industry's second-quarter results. Net interest income was $217 million higher than the first quarter, mostly due to an $11.7 billion increase in earning assets. Provisions for loan losses declined from $397 million in the first quarter to $390 million, the lowest quarterly total since the industry began reporting this data in 1987. Noninterest income rose by $113 million, due to higher fee income, while noninterest expense fell $37 million, due to lower salary expenses during the quarter. Gains on sales of securities totaled $445 million, 26 percent ($155 million) lower than in the first quarter. Net operating income, which excludes securities gains and extraordinary items, totaled $2.6 billion, the highest quarterly total ever reported by the industry. Savings institutions had an aggregate return on assets (ROA) of 1.03 percent for the second quarter, up from 0.98 percent in the first quarter, but down from 1.09 percent in the second quarter of 1998. Just 29 percent of all thrifts had an ROA in excess of 1 percent.

Net interest margins have remained quite steady as earning assets have increased. Net interest income rose to $8.1 billion in the second quarter, up by $217 million from last quarter, and by $484 million from a year ago. As a percentage of earning assets, net interest income rose slightly during the second quarter, to 3.10 percent from 3.08 percent last quarter, but this was below the 3.14 percent of a year ago. In the second quarter average earning asset yields rose 1 basis point, while the average cost of funding earning assets declined by 1 basis point. Asset yields were 40 basis points higher than a year ago, while the cost of funding earning assets was 37 basis points higher.

QUARTERLY NET INTEREST MARGINS, 1995–1999



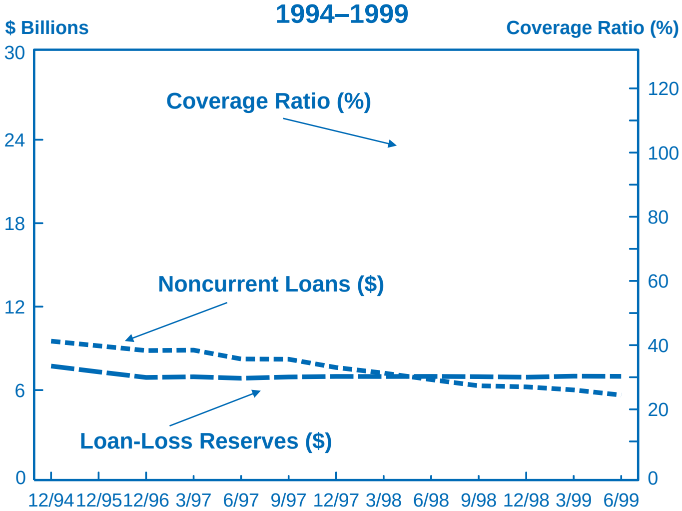
QUARTERLY NET INCOME, 1995–1999



Profitability in the industry was variable, as small institutions still trail the rest of the industry, and the gap has widened recently. Of the 681 institutions with assets below $100 million, only 39.9 percent showed earnings gains from a year ago and just 20 percent had an ROA above the 1-percent level. The average ROA for this group was 0.67 percent for the second quarter, just a slight improvement from the 0.65 percent reported last quarter, but down from 0.73 percent a year ago. The gap between the ROA for this group and average profitability in the rest of the industry was 38 basis points this quarter, up from 34 basis points last quarter and 37 basis points a year ago. Small institutions rely heavily on net interest margins for profitability. While the average net interest margin for this group improved somewhat from the first quarter, rising 4 basis points to 3.37 percent, it showed a decline of 11 basis points from 3.48 percent a year ago.

Loan loss reserves as a percentage of total loans, at 0.94 percent, were at the lowest level since 1990, but the coverage ratio—loan-loss reserves to noncurrent loans—reached a new high for the 10 years that noncurrent data has been reported, at $1.24 in reserves for every dollar of noncurrent loans. Reserves for loan losses decreased by $13 million to just under $7 billion this quarter, while noncurrent loans declined by $373 million to $5.6 billion or 0.76 percent of total loans. Any institution that exits the industry takes its reserves with its assets and the remaining institutions must make up the difference or industry reserves can shrink. Provisions for loan losses, which add to reserves, have exceeded net charge-offs, which reduce reserves, in every quarter since 1995. While the excess has occurred against a backdrop of declining noncurrent loan levels, it has not kept pace with the growth in total loans. Net charge-offs were an annualized 0.17 percent of total loans this quarter, down from a charge-off rate of 0.20 percent a year ago.

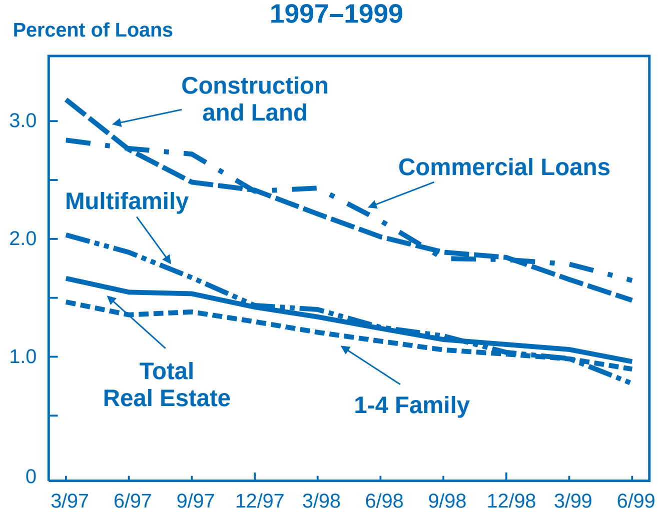
COVERAGE RATIO* AND RESERVE LEVELS, 1994–1999



*Loan-loss reserves to noncurrent loans.

Residential real estate lending, in which thrifts have traditionally specialized, has been particularly strong over the past 12 months. Because of this strength, the overall troubled real estate rate—noncurrent real estate loans plus other real estate owned (OREO) to total real estate loans plus OREO—fell to 0.96 percent, the first time it has been below 1 percent since all institutions began providing consistent measures of noncurrent loans in 1990. Troubled real estate rates for single family and multifamily lending were both below the 1-percent level, at 0.90 percent and 0.77 percent, respectively. Noncurrent commercial real estate and construction loans were above the 1-percent level, at 1.65 percent and 1.48 percent, but were well below year-ago levels of 2.15 percent and 2.02 percent, respectively.

TROUBLED REAL ESTATE RATES BY LOAN TYPE,* 1997–1999



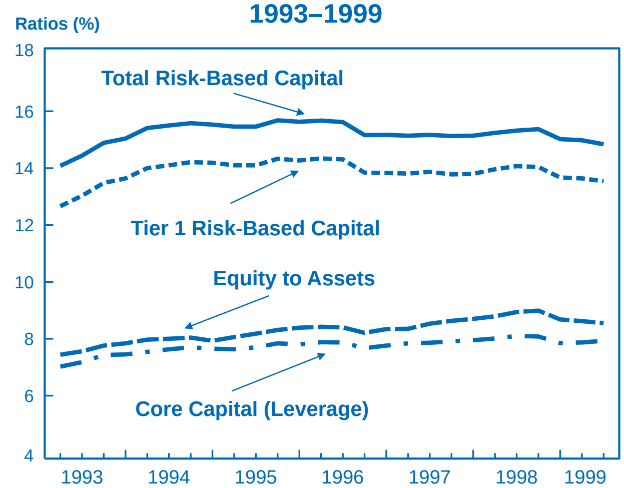
*Noncurrent real estate loans plus other real estate owned (OREO) as a percent of total real estate loans plus OREO.

Industry assets grew by $15.8 billion during the second quarter with most of the increase accounted for by loan growth of $15.2 billion. Single family mortgages grew by $9.4 billion, while loans to individuals grew by $3.6 billion. In addition to loans, thrifts added another $2.3 billion in securities. Deposits funded none of this growth, declining by $113 million during the quarter. Other borrowed funds increased $19.9 billion while other liabilities declined by $4.3 billion.[1] Federal Home Loan Bank (FHLB) borrowings accounted for 72 percent of the increase in other borrowed funds, rising $14.3 billion to $199.4 billion.

Equity capital rose by $512 million during the quarter, but failed to keep pace with asset growth, leading to a decline in the equity capital ratio to 8.55 percent from 8.62 percent. Excluding an increase in goodwill and other intangibles of $609 million, tangible equity capital showed a $97-million decline. Accumulated gains of $1.4 billion on the value of securities that were available for sale declined to a loss of almost $0.5 billion during the quarter due to a rise in interest rate levels. This

[1] Washington Mutual Bank, FA, Stockton California, reported a $3-billion decline in accounts payable during the second quarter.

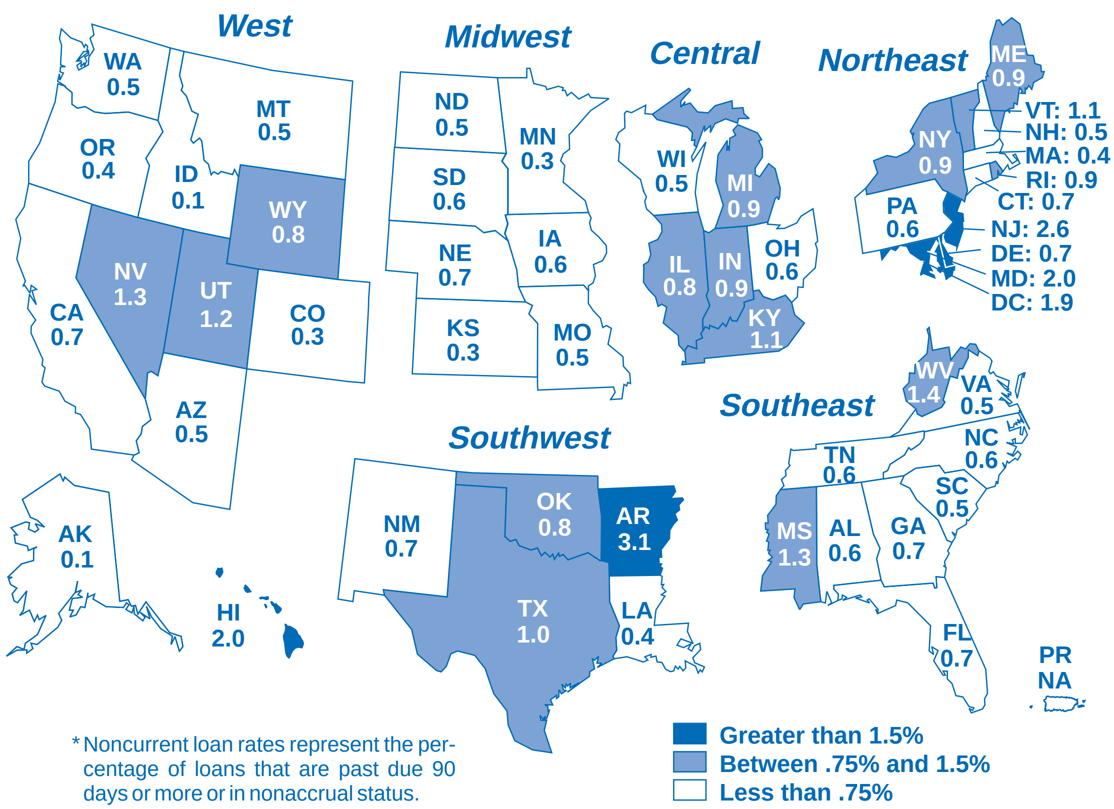
RISK-BASED CAPITAL RATIOS, 1993–1999



decline, of $1.9 billion, was recorded in equity capital on an after-tax basis. The actual pre-tax decline in security values was even greater. Earnings retained by the industry added $1.7 billion to equity capital. Regulatory capital, which excludes the changes in the value of available-for-sale securities, goodwill, and other intangibles, rose in the second quarter. Tier 1 regulatory capital rose by $2.4 billion, causing the leverage (core) capital ratio to rise to 7.93 percent from 7.87 percent. A year ago, this ratio reached a peak of 8.10 percent.

The number of savings institutions declined, by 17, to 1,652 at the end of June. Mergers that absorbed 19 thrifts caused most of the decline. Commercial banks absorbed 10 of these and other thrifts absorbed 9 institutions. In addition, 6 thrifts changed their charters to a commercial bank charter. These declines were partially offset by 8 new institutions that opened for operation during the quarter. Within the industry there were additional charter changes that included 8 mutual-to-stock conversions, involving $1.7 billion in assets. No institution failed for the 11th consecutive quarter in a row. At the end of June there were 14 institutions with $4.2 billion in assets that were considered “problem” institutions, down from 16 institutions with $5.0 billion in assets at the end of March.

NONCURRENT LOAN RATES,* JUNE 30, 1999



*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*

	1999**	1998**	1998	1997	1996	1995	1994
Return on assets (%)	1.01	1.05	1.01	0.93	0.70	0.77	0.66
Return on equity (%)	11.70	11.94	11.35	10.84	8.40	9.40	8.28
Core capital (leverage) ratio (%)	7.93	8.10	7.85	7.95	7.76	7.80	7.65
Noncurrent assets plus							
other real estate owned to assets (%)	0.62	0.82	0.72	0.95	1.09	1.20	1.38
Net charge-offs to loans (%)	0.16	0.20	0.22	0.25	0.32	0.34	0.51
Asset growth rate (%)	7.74	1.59	6.05	-0.21	0.24	1.70	0.77
Net interest margin	3.10	3.16	3.10	3.23	3.22	3.09	3.34
Net operating income growth (%)	8.69	2.98	7.69	20.08	-14.01	13.81	22.24
Number of institutions reporting	1,652	1,728	1,688	1,779	1,924	2,030	2,152
Percentage of unprofitable institutions (%)	6.60	4.75	5.27	4.10	12.06	5.86	6.97
Number of problem institutions	14	18	15	21	35	49	71
Assets of problem institutions (in billions)	$4	$3	$6	$2	$7	$14	$39
Number of failed/assisted institutions	0	0	0	0	1	2	4

** 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 1999	1st Quarter 1999	2nd Quarter 1998	%Change 98:2-99:2
Number of institutions reporting	1,652	1,669	1,728	-4.4
Total employees (full-time equivalent)	241,350	240,028	247,422	-2.5
CONDITION DATA				
Total assets	$1,125,761	$1,109,955	$1,044,879	7.7
Loans secured by real estate	656,454	646,456	632,274	3.8
1-4 Family Residential	528,015	518,644	507,987	3.9
Multifamily residential property	52,249	54,263	56,733	-7.9
Commercial real estate	50,112	49,059	46,743	7.2
Construction, development, and land	26,078	24,491	20,811	25.3
Commercial & industrial loans	23,707	22,376	17,744	33.6
Loans to individuals	57,622	54,028	48,852	18.0
Other loans & leases	3,947	3,626	3,063	28.9
Less: Unearned income & contra accounts***	188	179	180	4.3
Total loans & leases	741,541	726,308	701,752	5.7
Less: Reserve for losses	6,986	6,999	6,983	0.0
Net loans & leases	734,555	719,310	694,769	5.7
Securities	290,229	287,919	252,064	15.1
Other real estate owned	1,354	1,530	1,763	-23.2
Goodwill and other intangibles	15,430	14,820	12,689	21.6
All other assets	84,194	86,377	83,594	0.7
Total liabilities and capital	1,125,761	1,109,955	1,044,880	7.7
Deposits	699,253	699,366	702,725	-0.5
Other borrowed funds	311,516	291,664	230,542	35.1
Subordinated debt	2,946	3,066	2,930	0.5
All other liabilities	15,822	20,148	15,320	3.3
Equity capital	96,224	95,712	93,362	3.1
Loans and leases 30-89 days past due	6,445	6,779	7,118	-9.4
Noncurrent loans and leases	5,639	6,012	6,753	-16.5
Restructured loans and leases	2,076	2,306	2,888	-28.1
Direct and indirect investments in real estate	606	588	619	-2.1
Mortgage-backed securities	220,347	222,661	187,721	17.4
Earning assets	1,047,219	1,035,547	973,747	7.5
FHLB Advances (Source: TFR and FHFB)	199,368	185,109	142,949	39.5
Unused loan commitments	183,892	189,222	193,433	-4.9

INCOME DATA	Preliminary First Half 1999	First Half 1998	%Change	Preliminary 2nd Quarter 1999	2nd Quarter 1998	%Change 98:2-99:2
Total interest income	$37,091	$36,437	1.8	$18,807	$18,455	1.9
Total interest expense	21,264	21,434	-0.8	10,754	10,887	-1.2
Net interest income	15,827	15,003	5.5	8,052	7,568	6.4
Provision for credit losses***	784	867	-9.6	390	464	-15.9
Total noninterest income	4,756	4,081	16.5	2,442	2,182	11.9
Total noninterest expense	12,116	11,629	4.2	6,066	5,970	1.6
Securities gains (losses)	1,042	1,298	-19.7	445	655	-32.0
Applicable income taxes	3,187	2,516	26.7	1,618	1,161	39.4
Extraordinary gains, net	-3	-8	N/M	-1	0	N/M
Net income	5,534	5,363	3.2	2,864	2,810	1.9
Net charge-offs	590	701	-15.9	317	349	-9.0
Cash dividends	2,239	2,634	-15.0	1,178	1,238	-4.9
Net operating income	4,831	4,445	8.7	2,561	2,354	8.8

* Data between 1994 and 1995 do not include Resolution Trust Corporation conservatorships. Excludes one self-liquidating institution. N/M - Not Meaningful

*** For TFR filers, includes only loan and lease loss provisions.

TABLE III-B. First Half 1999, FDIC-Insured Savings Institutions

		Asset Size Distribution				Geographic Distribution by Region					
						East			West		
First Half Preliminary (The way it is…)	All Institutions	Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $5 Billion	Greater than $5 Billion	North-east	South-east	Central	Mid-west	South-west	West
Number of institutions reporting	1,652	681	828	108	35	643	227	431	126	114	111
Total assets (in billions)	$1,125.8	$35.1	$241.4	$220.6	$628.7	$372.7	$68.9	$179.5	$39.1	$72.4	$393.1
Total deposits (in billions)	699.3	28.4	185.9	140.9	344.0	259.7	48.7	122.4	26.5	42.5	199.4
Net income (in millions)	5,534.0	117.3	1,086.1	1,227.1	3,103.4	1,786.5	305.3	954.7	157.1	400.9	1,929.5
% of unprofitable institutions	6.6	12.2	2.4	4.6	2.9	4.4	10.1	7.2	8.7	7.0	7.2
% of institutions with earnings gains	46.9	38.3	50.1	66.7	74.3	51.2	48.0	42.0	36.5	49.1	47.7
Performance ratios (annualized, %)											
Yield on earning assets	7.25	7.32	7.34	7.51	7.13	7.17	7.45	7.47	7.35	7.53	7.15
Cost of funding earning assets	4.16	3.98	3.95	4.14	4.26	3.87	4.13	4.31	4.36	4.31	4.32
Net interest margin	3.10	3.34	3.39	3.37	2.87	3.30	3.32	3.16	2.99	3.22	2.82
Noninterest income to earning assets	0.93	1.26	0.67	1.28	0.89	0.81	1.21	1.15	0.73	1.23	0.86
Noninterest expense to earning assets	2.37	3.54	2.70	2.71	2.06	2.53	3.03	2.63	2.33	2.74	1.93
Credit loss provision to assets*	0.14	0.08	0.10	0.33	0.10	0.10	0.23	0.23	0.12	0.26	0.10
Net operating income to assets	0.88	0.59	0.77	0.96	0.91	0.86	0.72	0.83	0.74	1.00	0.94
Return on assets	1.01	0.68	0.92	1.15	1.01	0.98	0.92	1.08	0.83	1.15	1.00
Return on equity	11.70	5.49	8.52	12.73	13.64	10.15	9.03	11.78	8.20	13.98	14.38
Net charge-offs to loans and leases	0.16	0.09	0.09	0.36	0.13	0.10	0.22	0.22	0.16	0.21	0.17
Credit loss provision to net charge-offs	132.95	140.31	164.71	141.96	115.10	167.29	149.08	149.76	106.78	183.56	91.24
Efficiency ratio	56.95	76.59	65.79	56.64	51.98	59.10	66.11	58.77	60.79	60.33	50.66
Condition Ratios (%)											
Earning assets to total assets	93.02	94.24	94.19	92.91	92.54	93.17	93.18	92.08	93.43	92.11	93.41
Loss allowance to:											
Loans and leases	0.94	0.76	0.86	1.21	0.89	1.05	0.88	0.79	0.67	0.88	0.98
Noncurrent loans and leases	123.89	84.21	120.09	110.10	136.50	115.03	144.26	104.84	122.01	88.69	153.01
Noncurrent assets plus other real estate owned to assets	0.62	0.70	0.59	0.92	0.53	0.66	0.58	0.67	0.51	0.86	0.54
Noncurrent RE loans to RE loans	0.75	0.86	0.69	1.12	0.66	0.94	0.59	0.73	0.52	1.08	0.62
Equity capital ratio	8.55	12.21	10.71	8.88	7.40	9.59	10.30	9.13	10.21	8.17	6.89
Core capital (leverage) ratio	7.93	11.93	10.31	8.37	6.64	8.77	9.93	8.29	9.42	8.04	6.47
Gross real estate assets to gross assets	77.56	68.00	71.56	71.97	82.37	72.27	71.72	74.17	76.36	66.33	87.35
Gross 1-4 family mortgages to gross assets	46.61	48.68	46.52	37.66	49.67	40.18	45.94	51.90	51.19	35.75	51.94
Net loans and leases to deposits	105.05	80.99	86.40	99.15	119.53	84.74	96.16	106.00	103.46	118.29	130.46
Structural Changes (YTD)											
New Charters	16	15	1	0	0	2	4	8	1	0	1
Thrifts absorbed by mergers	47	19	23	5	0	13	10	15	2	6	1
Failed Thrifts	0	0	0	0	0	0	0	0	0	0	0
Prior First Halves** (The way it was…)											
Number of institutions 1998	1,728	726	848	119	35	673	237	450	128	119	121
1996	1,979	879	942	121	37	741	296	508	150	130	154
1994	2,216	1,031	1,016	140	29	813	354	558	162	143	186
Total assets (in billions) 1998	$1,044.9	$37.8	$247.9	$231.0	$528.1	$348.0	$65.8	$171.3	$33.8	$64.1	$361.8
1996	1,022.9	45.6	276.3	246.4	454.7	355.2	69.2	171.4	51.8	78.3	297.1
1994	999.1	52.4	295.1	299.0	352.5	337.4	83.1	151.6	52.2	55.8	318.8
Return on assets (%) 1998	1.05	0.76	0.99	0.98	1.13	1.01	0.83	0.97	0.93	1.24	1.16
1996	1.01	0.73	0.90	0.96	1.12	0.98	0.88	0.99	0.92	2.49	0.72
1994	0.62	0.84	0.81	0.74	0.33	0.87	0.86	0.73	0.45	1.09	0.19
Net charge-offs to loans & leases (%)											
1998	0.20	0.09	0.10	0.31	0.22	0.17	0.39	0.20	0.17	0.42	0.17
1996	0.32	0.10	0.18	0.29	0.43	0.29	0.34	0.12	0.15	0.33	0.46
1994	0.54	0.11	0.21	0.53	0.86	0.46	0.21	0.11	0.14	0.27	0.94
Noncurrent assets plus OREO to assets (%)*** 1998	0.82	0.79	0.70	1.12	0.73	0.93	0.73	0.65	0.57	1.02	0.79
1996	1.16	1.01	1.03	1.29	1.20	1.33	1.32	0.59	0.62	1.00	1.40
1994	1.77	1.25	1.55	1.86	1.95	2.25	1.24	0.60	0.62	1.61	2.17
Equity capital ratio (%) 1998	8.94	12.04	10.63	9.17	7.81	9.88	10.10	9.34	9.51	8.74	7.61
1996	8.40	11.13	9.88	8.24	7.31	8.96	9.37	9.03	8.60	7.88	7.23
1994	8.00	9.68	8.90	7.93	7.06	8.26	8.54	8.66	7.91	7.40	7.39

* For TFR filers, includes only loan and lease loss provisions.

** Data between 1994 and 1995 do not include Resolution Trust Corporation conservatorships. Excludes one self-liquidating institution.

*** 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.

TABLE IV-B. Second Quarter 1999, FDIC-Insured Savings Institutions

		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 $5 Billion	Greater than $5 Billion	North-east	South-east	Central	Mid-west	South-west	West
Number of institutions reporting	1,652	681	828	108	35	643	227	431	126	114	111
Total assets (in billions)	$1,125.8	$35.1	$241.4	$220.6	$628.7	$372.7	$68.9	$179.5	$39.1	$72.4	$393.1
Total deposits (in billions)	699.3	28.4	185.9	140.9	344.0	259.7	48.7	122.4	26.5	42.5	199.4
Net income (in millions)	2,864.0	58.1	523.1	643.9	1,638.9	964.9	138.8	479.8	86.7	217.1	976.8
% of unprofitable institutions	7.0	12.6	3.3	2.8	0.0	4.5	9.7	9.3	8.7	6.1	6.3
% of institutions with earnings gains	49.9	39.9	54.2	69.4	80.0	55.1	48.0	46.6	38.1	50.0	49.5
Performance Ratios (annualized, %)											
Yield on earning assets	7.25	7.34	7.35	7.55	7.10	7.16	7.53	7.45	7.34	7.57	7.14
Cost of funding earning assets	4.15	3.97	3.94	4.13	4.24	3.85	4.11	4.28	4.34	4.27	4.33
Net interest margin	3.10	3.37	3.42	3.42	2.86	3.31	3.42	3.17	3.00	3.31	2.80
Noninterest income to earning assets	0.94	1.30	0.65	1.34	0.89	0.83	1.13	1.23	0.76	1.31	0.84
Noninterest expense to earning assets	2.34	3.63	2.72	2.72	1.98	2.46	3.09	2.69	2.27	2.76	1.87
Credit loss provision to assets*	0.14	0.09	0.11	0.33	0.09	0.10	0.22	0.24	0.15	0.25	0.10
Net operating income to assets	0.92	0.57	0.75	1.02	0.97	0.94	0.71	0.85	0.82	1.10	0.95
Return on assets	1.03	0.67	0.88	1.18	1.05	1.05	0.82	1.08	0.90	1.23	1.00
Return on equity	11.99	5.44	8.15	13.20	14.23	10.86	8.06	11.75	8.74	14.90	14.47
Net charge-offs to loans and leases	0.17	0.11	0.10	0.31	0.16	0.12	0.21	0.19	0.19	0.20	0.20
Credit loss provision to net charge-offs*	122.97	126.76	160.21	166.49	84.99	135.93	150.25	175.74	111.75	181.44	75.55
Efficiency ratio	55.88	77.19	66.12	55.66	50.16	57.15	67.07	58.72	58.65	58.80	49.63
Structural Changes (QTR)											
New charters	8	8	0	0	0	1	1	5	1	0	0
Thrifts absorbed by mergers	19	6	11	2	0	6	4	5	1	3	0
Failed Thrifts	0	0	0	0	0	0	0	0	0	0	0
PRIOR SECOND QUARTERS** (The way it was…)											
Return on assets (%) 1998	1.09	0.73	0.96	0.93	1.24	1.00	0.77	0.96	0.86	1.12	1.30
1996	1.03	0.75	0.93	0.96	1.16	1.02	0.88	1.06	0.93	2.33	0.75
1994	0.72	0.78	0.81	0.65	0.70	0.86	0.92	0.92	0.03	1.16	0.46
Net charge-offs to loans & leases (%)											
1998	0.20	0.08	0.12	0.30	0.21	0.19	0.40	0.22	0.16	0.41	0.13
1996	0.33	0.12	0.18	0.31	0.46	0.32	0.34	0.13	0.18	0.41	0.46
1994	0.58	0.14	0.23	0.44	1.02	0.41	0.19	0.10	0.12	0.21	1.11

* For TFR filers, includes only loan and lease loss provisions.

** Data between 1994 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, 1999	All Institutions	Asset Size Distribution: Less than $100 Million	$100 Million to $1 Billion	$1 Billion to $5 Billion	Greater than $5 Billion	Geographical Distribution by Region: East: North-east	South-east	Central	West: Mid-west	South-west	West
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate	0.80	1.62	0.93	0.81	0.71	0.75	0.88	0.86	1.07	1.14	0.73
Construction, development, and land	1.04	1.80	1.18	1.00	0.86	0.79	0.89	1.61	1.20	1.00	0.86
Commercial real estate	0.72	1.56	0.70	0.96	0.48	0.71	0.87	0.91	0.89	0.96	0.51
Multifamily residential real estate	0.31	0.71	0.34	0.36	0.27	0.35	0.76	0.27	0.27	0.40	0.27
Home equity loans	0.50	0.73	0.56	0.43	0.49	0.57	0.30	0.61	0.58	0.14	0.33
Other 1-4 Family residential	0.86	1.67	1.00	0.86	0.77	0.81	0.92	0.87	1.13	1.27	0.81
Commercial and industrial loans	1.11	1.66	1.44	1.10	0.83	0.96	1.37	1.80	1.30	0.85	0.95
Loans to individuals	1.56	2.25	1.73	1.64	1.43	1.43	2.09	1.60	1.71	0.85	2.12
Credit card loans	1.70	1.16	4.38	2.50	0.89	1.19	2.30	1.96	5.02	0.59	4.32
Other loans to individuals	1.52	2.29	1.56	1.25	1.59	1.48	2.05	1.49	1.58	1.04	1.69
Percent of Loans Noncurrent*											
All real estate loans	0.75	0.86	0.69	1.12	0.66	0.94	0.59	0.73	0.52	1.08	0.62
Construction, development, and land	0.79	1.02	1.00	0.87	0.53	0.89	0.47	1.41	0.90	0.26	0.96
Commercial real estate	1.01	0.94	0.94	1.30	0.86	1.21	0.92	1.06	0.99	0.64	0.74
Multifamily residential real estate	0.54	1.18	0.51	0.92	0.38	0.74	0.73	0.48	0.31	3.51	0.27
Home equity loans	0.27	0.17	0.29	0.25	0.27	0.33	0.09	0.31	0.11	0.05	0.21
Other 1-4 Family residential	0.77	0.85	0.66	1.18	0.69	0.94	0.59	0.71	0.47	1.21	0.66
Commercial and industrial loans	1.04	1.86	1.27	1.15	0.73	1.11	0.90	1.30	0.95	0.56	1.06
Loans to individuals	0.71	0.88	0.78	0.97	0.53	0.53	0.70	0.86	0.66	0.68	0.79
Credit card loans	1.28	0.64	3.45	1.46	0.98	0.87	1.19	0.86	2.32	1.15	3.33
Other loans to individuals	0.54	0.89	0.61	0.75	0.40	0.46	0.61	0.86	0.59	0.35	0.30
Percent of Loans Charged-off (net, YTD)											
All real estate loans	0.05	0.04	0.04	0.05	0.05	0.04	0.04	0.05	0.06	0.03	0.06
Construction, development, and land	0.04	0.10	0.07	0.01	0.04	0.08	0.04	0.14	0.03	0.01	-0.04
Commercial real estate	-0.03	0.05	-0.04	0.00	-0.06	-0.06	0.08	0.02	0.41	-0.01	-0.12
Multifamily residential real estate	-0.07	0.12	0.05	-0.05	-0.10	-0.02	0.04	0.06	-0.01	0.02	-0.12
Home equity loans	0.14	0.08	0.10	0.11	0.19	0.17	0.09	0.04	0.43	0.18	0.19
Other 1-4 Family residential	0.07	0.03	0.04	0.07	0.07	0.05	0.03	0.05	0.02	0.04	0.10
Commercial and industrial loans	0.32	0.41	0.37	0.49	0.18	0.23	0.87	0.25	0.59	0.26	0.35
Loans to individuals	1.45	0.63	0.79	2.60	1.07	0.85	1.60	1.51	0.98	0.91	2.98
Credit card loans	3.96	1.35	3.19	6.13	2.48	2.55	4.71	3.91	12.07	1.30	12.47
Other loans to individuals	0.69	0.60	0.64	0.91	0.60	0.46	1.01	0.72	0.42	0.60	1.01
Loans Outstanding (in billions)											
All real estate loans	$656.5	$20.9	$146.6	$116.6	$372.4	$194.3	$40.1	$111.0	$24.3	$38.1	$248.7
Construction, development, and land	26.1	1.1	8.3	6.4	10.3	5.1	3.9	4.8	1.3	6.3	4.8
Commercial real estate	49.9	1.9	16.8	13.4	17.8	23.0	3.5	5.9	2.1	4.1	11.3
Multifamily residential real estate	52.2	0.6	8.4	13.0	30.2	15.5	0.8	6.5	0.8	1.6	27.0
Home equity loans	17.7	0.4	4.7	4.0	8.5	7.0	1.6	4.6	0.5	0.4	3.5
Other 1-4 Family residential	510.4	16.8	108.2	79.8	305.6	143.7	30.2	89.1	19.6	25.6	202.1
Commercial and industrial loans	23.7	0.8	5.5	6.9	10.5	10.8	2.0	3.3	1.0	2.7	3.9
Loans to individuals	57.6	1.5	9.5	16.6	29.9	15.7	4.9	15.5	2.3	9.7	9.6
Credit card loans	12.8	0.1	0.6	5.2	7.0	2.7	0.8	3.7	0.1	4.0	1.6
Other loans to individuals	44.8	1.5	8.9	11.5	23.0	13.0	4.2	11.7	2.2	5.7	8.0
Memo: Other Real Estate Owned (in millions)**											
All other real estate owned	$1,353.7	$37.0	$248.5	$468.9	$599.4	$412.4	$110.9	$211.0	$48.7	$120.3	$450.4
Construction, development, and land	183.7	4.6	33.4	22.2	123.6	26.6	84.2	20.0	14.2	8.0	30.8
Commercial real estate	321.9	5.3	55.7	189.4	71.5	150.1	11.0	50.1	12.0	34.6	64.1
Multifamily residential real estate	120.3	1.3	18.8	50.1	50.1	27.5	1.4	12.5	0.1	28.0	51.0
1-4 Family residential	779.6	26.4	145.4	222.5	385.1	223.9	36.5	131.7	27.2	51.5	308.7
Troubled Real Estate Asset Rates* (% of total RE assets)**											
All real estate loans	0.96	1.04	0.86	1.52	0.82	1.15	0.86	0.92	0.72	1.39	0.80
Construction, development, and land	1.48	1.42	1.40	1.22	1.71	1.41	2.59	1.82	2.01	0.38	1.60
Commercial real estate	1.65	1.19	1.27	2.70	1.25	1.85	1.23	1.91	1.55	1.51	1.29
Multifamily residential real estate	0.77	1.40	0.73	1.30	0.54	0.92	0.89	0.67	0.31	5.15	0.46
1-4 family residential	0.90	0.98	0.77	1.40	0.80	1.06	0.68	0.83	0.59	1.38	0.80

* 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.

- ***BIF Balance Falls Slightly As Loss Expectations Rise***
- ***SAIF Surpasses $10 Billion For The First Time***
- ***One Insured Institution Fails In The Second Quarter***

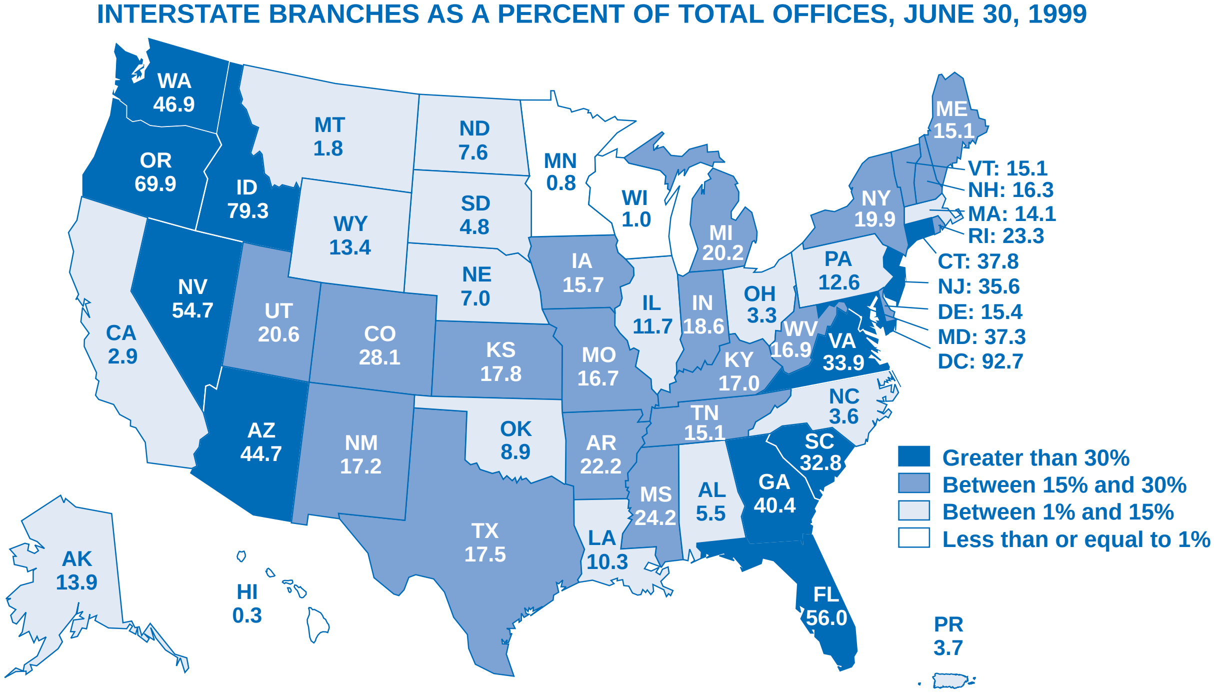
The aggregate growth characteristics of the 10,350 FDIC-insured institutions in the second quarter of 1999 exhibited the seasonal characteristics of prior second quarters in the 1990s. Asset growth of 1.1 percent during the three-month period slightly exceeded deposit growth of 1.0 percent, while insured deposits grew a modest 0.1 percent. Deposit growth was concentrated in uninsured deposit categories, such as large (over $100,000) domestic deposits, up 2.0 percent, and foreign-office deposits, up 3.3 percent. Insured-deposit growth for the overall industry has lagged the growth of uninsured funding in almost all quarters since 1992. As a result, insured deposits as a percentage of domestic liabilities fell to 54.2 percent on June 30, 1999, from 55.0 percent on March 31 and 56.9 percent in June 1998.

The Bank Insurance Fund (BIF) stood at $29.831 billion (unaudited) on June 30, having fallen slightly from $29.852 billion on March 31. The decline is attributable to a larger quarterly loss provision for the anticipated failure of insured institutions. Failure-related loss reserves were $219 million on June 30, up from $60 million on March 31. BIF-insured deposits grew by $5 billion, or 0.2 percent, during the second quarter, causing the fund's reserve ratio – the ratio of the fund balance to estimated insured deposits – to fall by 1 basis point to 1.40 percent.

From March 31 to June 30, the Savings Association Insurance Fund (SAIF) grew by $129 million, surpassing $10 billion for the first time and ending the quarter at $10.1 billion (unaudited). In contrast to BIF-insured deposits, deposits insured by the SAIF declined by $2.7 billion, or 0.4 percent, during the quarter despite significant (1.5 percent) growth in the total assets of SAIF members. A portion of this discrepancy can be explained by the merger of BIF-member savings banks into SAIF-member savings associations, which increase SAIF-member assets without adding to SAIF-insured deposits. The decline in SAIF-insured deposits is due to greater reliance on alternative (uninsured) funding sources. Excluding the $978 million in the SAIF Special Reserve, the unrestricted fund balance of $9.1 billion was 1.29 percent of estimated insured deposits on June 30, up from 1.27 percent on March 31. The SAIF estimated liability for anticipated failures was $42 million on June 30, down from $52 million on March 31.

Only one insured institution – a BIF-member commercial bank with total assets of $17 million – failed in the second quarter. For the first half of 1999, two insured institutions failed, both of which were BIF-member commercial banks, with aggregate assets of $30 million. The most recent SAIF-member failure occurred in August 1996.

INTERSTATE BRANCHES AS A PERCENT OF TOTAL OFFICES, JUNE 30, 1999



Note: Figures reflect percent of branches owned by out-of-state commercial banks and savings institutions.

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

(dollar figures in millions)	1999**	1998**	1998	1997	1996	1995	1994
Number of institutions reporting	10,327	10,712	10,463	10,922	11,452	11,970	12,603
Total assets	$ 6,593,506	$6,226,419	$6,529,335	$6,041,135	$5,606,608	$5,338,418	$5,019,085
Total deposits	4,380,071	4,209,350	4,386,336	4,125,862	3,925,058	3,769,480	3,611,618
Number of problem institutions	76	82	84	92	117	193	318
Assets of problem institutions (in billions)	$9	$8	$11	$6	$12	$31	$73
Number of failed/assisted institutions	2	1	3	1	6	8	15
Assets of failed/assisted institutions (in billions)	$0.03	$0.04	$0.37	$0.03	$0.22	$1.21	$1.57

** As of June 30.

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

(dollar figures in millions)	Preliminary 2nd Quarter 1999	1st Quarter 1999	2nd Quarter 1998	%Change 98:2-99:2
Number of institutions reporting	10,327	10,390	10,712	-3.6
Total employees (full-time equivalent)	1,864,525	1,859,836	1,841,340	1.3
CONDITION DATA				
Total assets	$6,593,506	$6,519,683	$6,226,420	5.9
Loans secured by real estate	2,029,644	1,992,758	1,918,042	5.8
1-4 Family residential	1,282,931	1,267,342	1,249,205	2.7
Home equity loans	109,407	112,497	114,428	-4.4
Multifamily residential property	99,556	99,697	98,818	0.7
Commercial real estate	441,014	429,342	395,789	11.4
Construction, development, and land	144,202	136,387	116,533	23.7
Other real estate loans	61,942	59,991	57,698	7.4
Commercial & industrial loans	959,771	944,119	867,195	10.7
Loans to individuals	592,021	602,553	596,557	-0.8
Credit cards & related plans	205,649	220,243	227,910	-9.8
Other loans & leases	472,276	441,671	416,230	13.5
Less: Unearned income & contra accounts	3,740	3,842	4,423	-15.4
Total loans & leases	4,049,971	3,977,259	3,793,601	6.8
Less: Reserve for losses	64,577	64,865	63,367	1.9
Net loans and leases	3,985,394	3,912,394	3,730,235	6.8
Securities	1,297,340	1,283,351	1,146,049	13.2
Other real estate owned	4,268	4,665	5,294	-19.4
Goodwill and other intangibles	100,968	98,131	88,842	13.6
All other assets	1,205,536	1,221,141	1,256,000	-4.0
Total liabilities and capital	6,593,506	6,519,683	6,226,420	5.9
Deposits	4,380,071	4,336,549	4,209,351	4.1
Other borrowed funds	1,274,636	1,227,967	1,102,374	15.6
Subordinated debt	77,516	76,429	70,202	10.4
All other liabilities	298,873	313,431	305,292	-2.1
Equity capital	562,410	565,308	539,201	4.3
Loans and leases 30-89 days past due	43,417	45,838	42,788	1.5
Noncurrent loans and leases	36,796	38,235	35,816	2.7
Restructured loans and leases	3,563	3,838	4,848	-26.5
Direct and indirect investments in real estate	926	1,105	1,154	-19.8
Mortgage-backed securities	666,143	678,346	580,660	14.7
Earning assets	5,774,380	5,709,383	5,431,595	6.3
FHLB Advances (Source: TFR and FHFB)	320,759	292,711	209,595	53.0
Unused loan commitments	3,908,109	3,938,399	3,674,236	6.4

INCOME DATA	Preliminary First Half 1999	First Half 1998	%Change	Preliminary 2nd Quarter 1999	2nd Quarter 1998	%Change 98:2-99:2
Total interest income	$217,225	$215,014	1.0	$108,701	$108,420	0.3
Total interest expense	106,244	110,162	-3.6	52,868	55,339	-4.5
Net interest income	110,981	104,852	5.8	55,832	53,081	5.2
Provision for credit losses	11,120	10,803	2.9	5,316	5,561	-4.4
Total noninterest income	73,954	63,539	16.4	36,955	32,607	13.3
Total noninterest expense	112,512	103,721	8.5	56,877	52,344	8.7
Securities gains (losses)	1,750	2,672	-34.5	587	1,232	-52.4
Applicable income taxes	22,546	19,677	14.6	11,354	10,086	12.6
Extraordinary gains, net	-37	519	N/M	-1	-11	N/M
Net income	40,470	37,381	8.3	19,826	18,919	4.8

* Excludes insured branches of foreign banks (IBAs) and institutions in RTC conservatorship (the last of which ended in 1995). N/M - Not meaningful

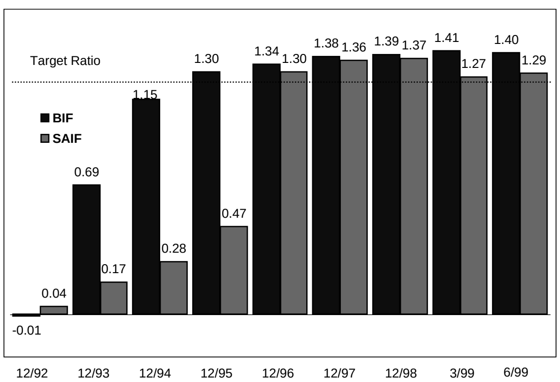
TABLE III-C. Selected Insurance Fund Indicators

(dollar figures in millions)	Preliminary 2nd Quarter 1999	1st Quarter 1999*	2nd Quarter 1998	%Change 98:2-99:2
Bank Insurance Fund*				
Reserve ratio (%)**	1.40	1.41	1.40	0.0
Fund balance (unaudited)	$29,831	$29,852	$28,931	3.1
Estimated insured deposits	2,128,575	2,123,618	2,070,805	2.8
SAIF-member Oakars	41,847	39,764	33,144	26.3
BIF-members	2,086,728	2,083,854	2,037,661	2.4
Assessment base	2,952,254	2,939,523	2,851,735	3.5
SAIF-member Oakars	43,442	42,303	34,918	24.4
BIF-members	2,908,812	2,897,220	2,816,817	3.3
Savings Association Insurance Fund				
Reserve ratio (%)**	1.29	1.27	1.37	-5.8
Fund balance (unaudited)	$10,066	$9,937	$9,610	4.7
Special Reserve	978	978	N/A	N/A
Unrestricted	9,088	8,959	9,610	-5.4
Estimated insured deposits	704,325	707,029	699,119	0.7
BIF-member Oakars	261,384	261,133	270,884	-3.5
SAIF-member Sassers	67,361	66,718	60,654	11.1
Other SAIF members	375,580	379,177	367,581	2.2
Assessment base	749,115	750,491	733,904	2.1
BIF-member Oakars	261,771	261,539	271,390	-3.5
SAIF-member Sassers	75,926	73,998	66,433	14.3
Other SAIF members	411,418	414,954	396,081	3.9

* Includes U.S. branches of foreign banks.
** Fund balance as a percent of estimated insured deposits. For SAIF, the Special Reserve is excluded. Insured deposits for prior periods may reflect adjustments.

Insurance Fund Reserve Ratios*

Percent of Insured Deposits



*Insurance fund balance as a percent of total insured deposits. For SAIF, Special Reserve is excluded.

Fund Balance Insured Deposits*

(Millions)

	BIF Fund Balance	BIF-Insured Deposits	Unrestricted SAIF Fund Balance	SAIF-Insured Deposits
12/92	-101	1,945,550	279	732,159
12/93	13,122	1,905,245	1,157	697,885
12/94	21,848	1,895,258	1,937	693,610
12/95	25,454	1,951,693	3,358	711,897
12/96	26,854	2,007,042	8,888	683,403
12/97	28,293	2,056,558	9,368	689,915
12/98	29,612	2,134,437	9,840	716,028
3/99	29,852	2,123,618	8,959	707,029
6/99	29,831	2,128,575	9,088	704,325

*Insured deposit amounts are estimates.
1999 fund balance amounts are unaudited.

TABLE IV-C. Closed/Assisted Institutions

(dollar figures in millions)	1999*	1998*	1998	1997	1996	1995	1994
BIF Members							
Number of institutions	2	1	3	1	5	6	13
Total assets	$30	$42	$371	$27	$182	$753	$1,392
SAIF Members							
Number of institutions	0	0	0	0	1	2	2
Total assets	$0	$0	$0	$0	$35	$426	$129

* Through June 30.

TABLE V-C. Selected Indicators, By Fund Membership*

(dollar figures in millions)	1999**	1998**	1998	1997	1996	1995	1994
BIF Members							
Number of institutions reporting	8,927	9,237	9,031	9,404	9,823	10,243	10,760
BIF-member Oakars	732	766	742	778	793	807	719
Other BIF-members	8,195	8,471	8,289	8,626	9,030	9,436	10,041
Total assets	$ 5,737,074	$5,478,332	$5,701,157	$5,285,411	$4,857,761	$4,577,897	$4,248,300
Total deposits	3,841,968	3,704,406	3,843,854	3,611,453	3,404,203	3,225,649	3,062,717
Net income	36,228	33,477	64,358	61,462	54,483	50,779	46,882
Return on assets (%)	1.27	1.24	1.18	1.22	1.17	1.15	1.14
Return on equity (%)	14.75	14.64	13.81	14.44	14.14	14.32	14.43
Noncurrent assets plus OREO to assets (%)	0.63	0.65	0.64	0.67	0.77	0.89	1.06
Number of problem institutions	63	63	68	73	86	151	264
Assets of problem institutions	$4,638	$4,962	$5,326	$4,598	$6,624	$20,166	$42,311
Number of failed/assisted institutions	2	1	3	1	5	6	13
Assets of failed/assisted institutions	$30	$42	$371	$27	$182	$753	$1,392
SAIF Members							
Number of institutions reporting	1,400	1,475	1,432	1,518	1,629	1,727	1,843
SAIF-member Oakars	115	116	115	112	94	77	55
Other SAIF-members	1,285	1,359	1,317	1,406	1,535	1,650	1,788
Total assets	$856,431	$748,087	$828,177	$755,724	$748,847	$760,520	$770,785
Total deposits	538,103	504,944	542,481	514,408	520,854	543,831	548,900
Net income	4,241	3,903	7,598	6,485	4,883	5,584	4,101
Return on assets (%)	1.01	1.06	0.98	0.94	0.67	0.76	0.56
Return on equity (%)	12.08	12.20	11.34	11.13	8.07	9.47	7.16
Noncurrent assets plus OREO to assets (%)	0.68	0.87	0.80	0.98	1.07	1.12	1.23
Number of problem institutions	13	19	16	19	31	42	54
Assets of problem institutions	$4,241	$2,952	$5,992	$1,662	$5,548	$10,846	$30,336
Number of failed/assisted institutions	0	0	0	0	1	2	2
Assets of failed/assisted institutions	$0	$0	$0	$0	$35	$426	$129

* Excludes insured branches of foreign banks (IBAs) and institutions in RTC conservatorship (the last of which ended in 1995).
** Through June 30, ratios annualized where appropriate.

TABLE VI-C. Estimated FDIC-Insured Deposits by Fund Membership and Type of Institution

(dollar figures in millions)	Number of Institutions	Total Assets	Domestic Deposits*	Estimated Insured Deposits BIF	SAIF	Total
June 30, 1999						
Commercial Banks and Savings Institutions						
FDIC-Insured Commercial Banks	8,675	5,467,745	3,086,707	1,931,504	264,798	2,196,302
BIF-member	8,565	5,390,358	3,032,907	1,916,833	234,838	2,151,671
SAIF-member	110	77,388	53,800	14,671	29,961	44,631
FDIC-Supervised	5,264	966,617	722,756	493,334	60,506	553,840
OCC-Supervised	2,410	3,193,125	1,755,877	1,102,638	153,957	1,256,595
Federal Reserve-Supervised	1,001	1,308,004	608,074	335,532	50,335	385,868
FDIC-Insured Savings Institutions	1,652	1,125,761	699,253	195,773	439,527	635,300
OTS-Supervised Savings Institutions	1,114	846,710	502,605	71,644	385,947	457,591
BIF-member	41	124,796	59,387	45,479	10,367	55,846
SAIF-member	1,073	721,913	443,218	26,166	375,580	401,746
FDIC-Supervised State Savings Banks	538	279,051	196,649	124,128	53,580	177,708
BIF-member	321	221,921	155,608	123,117	16,179	139,296
SAIF-member	217	57,130	41,041	1,011	37,401	38,412
Total Commercial Banks and Savings Institutions	10,327	6,593,506	3,785,960	2,127,277	704,325	2,831,602
BIF-member	8,927	5,737,075	3,247,901	2,085,429	261,384	2,346,813
SAIF-member	1,400	856,431	538,059	41,847	442,942	484,789
Other FDIC-Insured Institutions						
U.S. Branches of Foreign Banks	23	9,002	3,039	1,298	0	1,298
Total FDIC-Insured Institutions	10,350	6,602,509	3,788,999	2,128,575	704,325	2,832,900

* Excludes $594 billion in foreign office deposits, which are uninsured.

TABLE VII-C. Assessment Base Distribution and Rate Schedules

BIF Assessment Base Distribution
Assessable Deposits in Millions as of June 30, 1999
Supervisory and Capital Ratings for Second Semiannual Assessment Period, 1999

	Supervisory Risk Subgroup					
Capital Group	A		B		C	
1. Well-capitalized						
Number of institutions……………………………	8,415	94.0%	297	3.3%	41	0.5%
Assessable deposit base………………………	$2,869,084	97.2%	$50,630	1.7%	$1,461	0.0%
2. Adequately capitalized						
Number of institutions……………………………	148	1.7%	18	0.2%	10	0.1%
Assessable deposit base………………………	$25,425	0.9%	$2,372	0.1%	$2,203	0.1%
3. Undercapitalized						
Number of institutions……………………………	5	0.1%	3	0.0%	13	0.1%
Assessable deposit base………………………	$421	0.0%	$183	0.0%	$475	0.0%

Note: "Number" reflects the number of BIF members; "Base" reflects the BIF-assessable deposits held by both BIF and SAIF members
Institutions are categorized based on capitalization and a supervisory subgroup rating, which is generally determined
by on-site examinations.

SAIF Assessment Base Distribution
Assessable Deposits in Millions as of June 30, 1999
Supervisory and Capital Ratings for Second Semiannual Assessment Period, 1999

	Supervisory Risk Subgroup					
Capital Group	A		B		C	
1. Well-capitalized						
Number of institutions……………………………	1,294	92.4%	71	5.1	7	0.5%
Assessable deposit base………………………	$716,859	95.7%	$22,730	3.0	$690	0.1%
2. Adequately capitalized						
Number of institutions……………………………	16	1.1%	4	0.3	3	0.2%
Assessable deposit base………………………	$5,011	0.7%	$363	0.0	$2,702	0.4%
3. Undercapitalized						
Number of institutions……………………………	1	0.1%	1	0.1	3	0.2%
Assessable deposit base………………………	$539	0.1%	$48	0.0	$173	0.0%

Note: "Number" reflects the number of SAIF members; "Base" reflects the SAIF-assessable deposits held by both BIF and SAIF members
Institutions are categorized based on capitalization and a supervisory subgroup rating, which is generally determined
by on-site examinations.

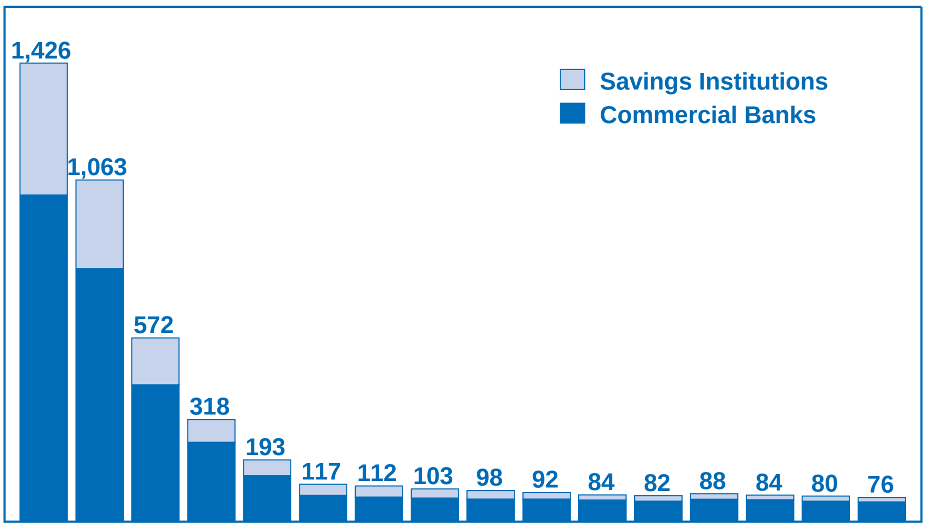
Assessment Rate Schedules
Second Semiannual 1999 Assessment Period
Cents Per $100 of Assessable Deposits

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

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

NUMBER OF FDIC-INSURED "PROBLEM" INSTITUTIONS, 1991–1999

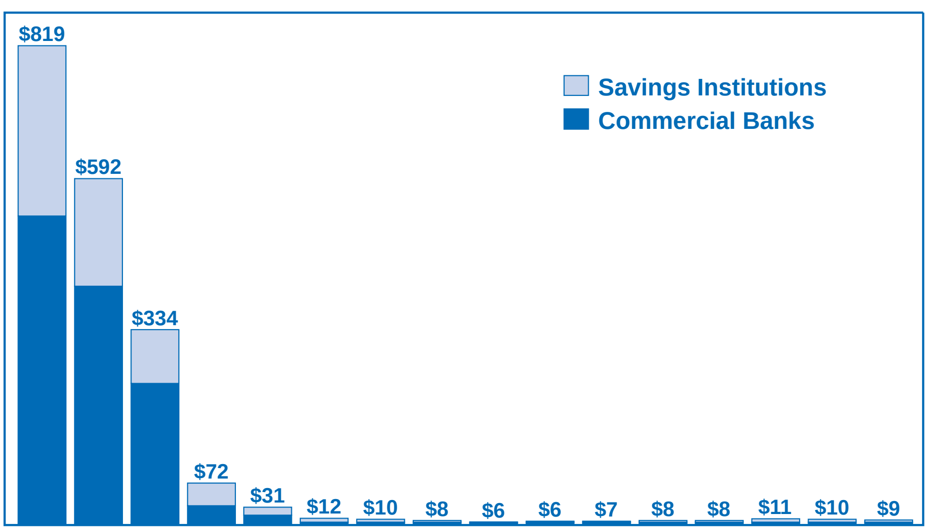
Number of Institutions



	12/91	12/92	12/93	12/94	12/95	12/96	3/97	6/97	9/97	12/97	3/98	6/98	9/98	12/98	3/99	6/99
Savings Institutions	410	276	146	71	49	35	35	29	27	21	16	18	18	15	16	14
Commercial Banks	1,016	787	426	247	144	82	77	74	71	71	68	64	70	69	64	62

ASSETS OF FDIC-INSURED "PROBLEM" INSTITUTIONS, 1991–1999

$ Billions



	12/91	12/92	12/93	12/94	12/95	12/96	3/97	6/97	9/97	12/97	3/98	6/98	9/98	12/98	3/99	6/99
Savings Institutions	291	184	92	39	14	7	5	3	2	2	2	3	3	6	5	4
Commercial Banks	528	408	242	33	17	5	5	5	4	5	5	5	5	5	5	5

NOTES TO USERS

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 in Resolution Trust Corporation conservatorships are also excluded from these tables while in conservatorship, where applicable. 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 VII-C.)

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 unless otherwise indicated. 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 in March 1997, both *Thrift Financial Reports* and *Call Reports* are completed on a fully consolidated basis. Previously, the consolidation of subsidiary depository institutions was prohibited. Now, parent institutions are required to file consolidated reports, while their subsidiary financial institutions are still required to file separate reports. Data from subsidiary institution reports are included in the *Quarterly Banking Profile* tables, which can lead to double-counting. No adjustments are made for any double-counting of subsidiary data.

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.

All data are collected and presented based on the location of each reporting institution's main office. Reported data may include assets and liabilities located outside of the reporting institution's home state. In addition, institutions may change their charters, resulting in an inter-industry migration, e.g., savings institutions can convert to commercial banks or commercial banks may convert to savings institutions. These situations can affect state and regional statistics.

ACCOUNTING CHANGES

Adoption of GAAP Reporting — Effective with the March 31, 1997 *Call Reports*, generally accepted accounting principles (GAAP) were adopted as the reporting basis for the balance sheet, income statement and supporting schedules. New reporting instructions for 1997 and 1998 changed the amounts reported for a number of items used in the *Quarterly Banking Profile*, so that comparability with prior periods may be affected. Among the items most significantly affected by the new reporting rules are: loans & leases, reserve for losses, loss provisions, goodwill and other intangibles, all other assets and equity capital (see definitions below). More information on changes to the *Call Report* in March 1997 and in March 1998 is contained in Financial Institution Letters (FIL-27-97 and FIL-28-98), which are available through the FDIC World Wide Web site at www.fdic.gov, or from the FDIC Public Information Center, 801 17th Street, NW, Washington, DC 20434; telephone (800) 276-6003. Information on changes to the March 31, 1997 *Thrift Financial Reports* is available from the Office of Thrift Supervision, 1700 G Street, NW, Washington, DC 20552; telephone (202) 906-5900.

Subchapter S Corporations — The Small Business Job Protection Act of 1996 changed the Internal Revenue Code to allow financial institutions to elect Subchapter S corporation status, beginning in 1997. A Subchapter S corporation is treated as a pass-through entity, similar to a partnership, for federal income tax purposes. It is generally not subject to any federal income taxes at the corporate level. Its taxable income flows through to its shareholders in proportion to their stock ownership, and the shareholders generally pay federal income taxes on their share of this taxable income. This can have the effect of reducing institutions' reported taxes and increasing their after-tax earnings.

The election of Subchapter S status may result in an increase in shareholders' personal tax liability. Therefore, some S corporations may increase the amount of earnings distributed as dividends to compensate for higher personal taxes.

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 3/31/97, Federal funds sold are reported on a consolidated basis (domestic and foreign offices combined). Previously, Federal funds sold through foreign offices were reported as loans.

All other liabilities — bank's liability on acceptances, limited-life preferred stock, allowance for estimated off-balance sheet credit losses, and other liabilities.

Assessment base 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		—
Undercapitalized	≥6	***and***	≥3	***and***	≥3		—
Significantly undercapitalized	<6	***or***	<3	***or***	<3	***and***	>2
Critically undercapitalized	—		—		—		≤2

*As a percentage of risk-weighted assets.

For purpose of BIF and SAIF assessments, risk-based assessment rules combine the last three capital rating categories into a single "undercapitalized" group. Supervisory risk subgroup assignments are based on supervisory ratings. The strongest institutions (those rated 1 or 2) are in subgroup A, those rated 3 are in subgroup B, and those rated 4 or 5 are in subgroup C.

BIF-insured deposits (estimated) — the portion of estimated insured deposits that is insured by the BIF. For SAIF-member "Oakar" institutions, it represents the adjusted attributable amount acquired from BIF members.

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 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.

Efficiency Ratio — Noninterest expense less amortization of intangible assets as a percent of net interest income plus noninterest income. This ratio measures the proportion of net operating revenues that are absorbed by overhead expenses, so that a lower value indicates greater efficiency.

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 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 — all borrowings by FDIC insured institutions from the Federal Home Loan Bank System (FHLB) as furnished by the Federal Housing Finance Board (FHFB) for *Call* filers and reported by *TFR* filers.

Goodwill and other intangibles — intangible assets include 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. Also, see "Securities", below.

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 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 an underlying variable or index at a specified price or yield. These contracts exist for a variety of variables or indices, (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 an underlying variable or index 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 variable or index 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 (notional principal) of the underlying variable or index 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, obligations under capitalized leases and 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.

Reserves for losses — the allowance for loan and lease losses and the allocated transfer risk reserve on a consolidated basis. Prior to March 31, 1997, institutions filing a *Thrift Financial Report (TFR)* included specific reserves, while *Call Report* filers included only general valuation allowances. Beginning March 31, 1997, *TFR* reporters net these specific reserves against each loan balance. Also beginning March 31, 1997, the allowance for off-balance-sheet credit exposures was moved to "Other liabilities"; previously, it had been included in the general valuation allowance.

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 portion of estimated insured deposits that is 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. Banks' securities portfolios consist of securities designated as "held-to-maturity", which are reported at amortized cost (book value), and securities designated as "available-for-sale", reported at fair (market) value.

Securities gains (losses) — realized gains (losses) on held-to-maturity and available-for-sale securities, before adjustments for income taxes. *Thrift Financial Report (TFR)* filers also include gains (losses) on the sales of assets held for sale.

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.

Unearned income & contra accounts — unearned income and loans-in-process for *TFR* filers. Beginning March 31 1997, *TFR* filers net the unearned income and the loans-in-process against each loan balance, leaving just the unearned income on loans reported by *Call Report* filers.

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.

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