## Click on a title to view an individual graph

Highlights1
FDIC-Insured Commercial Banks
Quarterly Net Income and Margins ..... 2
Net Income from Domestic and Foreign Operations ..... 3
Noninterest Income as a Percentage of Net Operating Revenue ..... 4
Commercial and Industria
Loans to Small Businesses ..... 5
Capital Ratios ..... 6
Loan Quality ..... 7
Banks' Lending Exposure to Foreign Borrowers ..... 8
Loan Utilization Rates ..... 9
Changes in Number of FDIC-Insured Commercial Banks ..... 10
Bank Mergers:
Acquisitions vs. Consolidations ..... 11
Bank Mergers: Interstate vs. Intrastate ..... 12
Number and Return on Assets
of Subchapter S Corporations ..... 13
Reserve Coverage Ratio ..... 14
Expansion of Credit Card Lines ..... 15
Credit Card Loss Rates and Personal Bankruptcy Filings ..... 16
Credit Card Loss Rates and Personal Bankruptcy Filings Table ..... 17
Quarterly Return on Risk-Weighted Assets ..... 18
Noncurrent Loan Rates by State ..... 19
Noncurrent Loan Rates ..... 20
Quarterly Change in Loans Outstanding and Unused Loan Commitments ..... 21
Off-Balance-Sheet Derivatives ..... 22
Concentration and Composition of Off-Balance-Sheet Derivatives ..... 23
Purpose of Off-Balance-Sheet Derivatives ..... 24
Positions of Off-Balance-Sheet Derivatives ..... 25
Net Loans and Leases to Deposits ..... 26
Debt Securities by Maturity and Region and Total Securities (Debt and Equity) ..... 27
Total Securities by Category ..... 28
Mutual Fund and Annuity Sales and Related Fee Income ..... 29
Real Estate Assets by Type ..... 30
Loans to Individuals and Delinquency Rates ..... 31
Quarterly Return on Assets and Equity ..... 32
Return on Assets by State ..... 33
Credit Risk Diversification ..... 34
FDIC-Insured Savings Institutions
Quarterly Net Income and Margins ..... 35
Reserve Coverage Ratio ..... 36
Troubled Real Estate Asset Rates by Type ..... 37
Capital Ratios ..... 38
Changes in Number of FDIC-Insured Savings Institutions ..... 39
Loan Quality ..... 40
Noncurrent Loan Rates by State ..... 41
Noncurrent Loan Rates ..... 42
Noncurrent Real Estate Loans by Type ..... 43
Real Estate Assets by Type ..... 44
Credit Risk Diversification ..... 45
Total Securities by Category ..... 46
Mutual Fund and Annuity Sales and Related Fee Income ..... 47
Return on Assets by Asset Size ..... 48
Return on Assets by State ..... 49
Quarterly Return on Assets and Equity ..... 50
Assets and Number of Mutual and Stock Savings Institutions ..... 51
Quarterly Return on Assets and Equity of Mutual and Stock Savings Institutions ..... 52
Quarterly Return
on Risk-Weighted Assets ..... 53
All FDIC-Insured Institutions
Number and Assets of FDIC-Insured Banking Organizations ..... 54
Number and Assets of FDIC-Insured Institutions ..... 55
Number and Assets of FDIC-Insured
"Problem" Institutions ..... 57
Capital Category Distribution ..... 59
Total Liabilities and Equity Capital ..... 60
Insurance Fund Reserve Ratios and Insured Deposits ..... 61
U.S. Treasury Yield Curve ..... 62
Notes to Users ..... 63

## HIGHLIGHTS - SECOND QUARTER AND FIRST HALF 1999

## COMMERCIAL BANK EARNINGS OF \$17 BILLION ARE SECOND-HIGHEST EVER

- Insured commercial banks earned $\$ 17.0$ billion in the second quarter, a 5.3-percent ( $\$ 854$ million) improvement over the second quarter of 1998. Industry earnings fell $\$ 1$ billion ( 5.6 percent) short of the all-time quarterly record of $\$ 18$ billion, set in the first quarter of 1999. Banks would have surpassed that benchmark in the second quarter, except for merger-related restructuring charges taken by one large bank. The average return on assets (ROA) in the second quarter was 1.25 percent, the same as a year earlier. For the first six months of 1999, industry earnings totaled \$34.9 billion, which was $\$ 2.9$ billion ( 9.1 percent) higher than in the first half of 1998 . The average ROA for the first half of 1999 was 1.28 percent, compared to 1.25 percent for the same period of 1998.


## ASSET QUALITY INDICATORS REGISTER IMPROVEMENT

- The percentage of commercial banks loans that were noncurrent ( 90 days or more past due or in nonaccrual status) declined during the second quarter, matching the all-time low level of 0.94 percent reached in the second and third quarters of 1998. The percentage of loans charged-off was also lower than in the previous quarter, and was below the rate of a year ago as well. The annualized net charge-off rate in the second quarter was 0.56 percent, down from 0.62 percent in both the first quarter of 1999 and the second quarter of 1998. The recent rising trend in troubled loans to commercial and industrial borrowers slowed during the second quarter, while the net charge-off rate on banks' credit-card loans improved to its lowest level since the first quarter of 1996.


## HIGHER INTEREST RATES, STEEPER YIELD CURVE HELP LIFT MARGINS

- An increase in both long- and short-term interest rates, combined with a wider differential between short- and long-term rates, helped increase commercial banks' net interest margins during the second quarter. Smaller banks in particular were able to recapture some of the differential between average asset yields and average funding costs that they had lost in the previous two quarters. The average net interest margin in the second quarter was 4.07 percent, up from 4.05 percent in the first quarter, but still below the 4.10 percent margin registered in the second quarter of 1998.


## BIF SHRINKS SLIGHTLY AS SAIF TOPS \$10 BILLION

- The Bank Insurance Fund (BIF) declined nominally during the second quarter, to $\$ 29.8$ billion, as reserves were increased for anticipated failures. As a result of this decline and modest growth in BIF-insured deposits, the fund's reserve ratio fell from 1.41 percent on March 31 to 1.40 percent on June 30. The Savings Association Insurance Fund (SAIF) surpassed $\$ 10$ billion for the first time. A decline in SAIF-insured deposits helped boost the fund's reserve ratio from 1.27 percent to 1.29 percent. One institution - a BIF-member commercial bank - failed during the second quarter.


## QUARTERLY EARNINGS FOR SAVINGS INSTITUTIONS WERE SECOND-HIGHEST EVER

- Savings institutions reported earnings of $\$ 2.9$ billion for an ROA of 1.03 percent for the quarter. Net operating income of $\$ 2.6$ billion was the highest ever for the industry. An $\$ 11.7$-billion increase in earning assets helped boost net interest income during the quarter. Net interest margins rose slightly, by 2 basis points, to 3.10 percent for the quarter. The profitability of small institutions continues to trail the rest of the industry.

Quarterly Net Income


## Quarterly Net Interest Margins, Annualized



## Net Income from Domestic and Foreign Operations

1995-1999


## Noninterest Income as a Percentage of Net Operating Revenue* 1984-1999

Quarterly Noninterest Income, \% of Net Operating Revenue*

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

Commercial and Industrial Loans to Small Businesses

1995-1999


## Capital Ratios



|  | $12 / 93$ | $12 / 94$ | $12 / 95$ | $12 / 96$ | $12 / 97$ | $12 / 98$ | $6 / 99$ |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Total Risk-Based Capital | 13.09 | 13.01 | 12.68 | 12.54 | 12.25 | 12.23 | 12.37 |
| Tier 1 Risk-Based Capital | 10.56 | 10.49 | 10.20 | 9.95 | 9.60 | 9.48 | 9.64 |
| Equity to Assets | $\mathbf{8 . 0 0}$ | $\mathbf{7 . 7 8}$ | $\mathbf{8 . 1 1}$ | $\mathbf{8 . 2 0}$ | $\mathbf{8 . 3 3}$ | $\mathbf{8 . 4 9}$ | 8.53 |
| Core Capital (Leverage) | $\mathbf{7 . 6 5}$ | $\mathbf{7 . 6 4}$ | $\mathbf{7 . 6 1}$ | $\mathbf{7 . 6 4}$ | $\mathbf{7 . 5 6}$ | $\mathbf{7 . 5 4}$ | $\mathbf{7 . 7 4}$ |

# Loan Quality 

1995-1999




| Total Real Estate | Commercial and Industrial |
| :--- | :--- | :--- |
| Loans to Individuals | All Other Loans** |

*Loans past due 90 or more days or in nonaccrual status.
**Includes loans to foreign governments, depository institutions and lease receivables.

## Banks' Lending Exposure to Foreign Borrowers 1995-1999



* Includes leases and commercial and industrial loans to non-U.S. addresses, loans to foreign governments, real estate loans in foreign offices, and loans to banks in foreign countries.


## International Operations' Contribution to Bank Earnings 1995-1999



## Utilization Rates on Loan Commitments*

 1995-1999

* Utilization rates represent outstanding loan amounts as a percentage of unused loan commitments plus outstanding loan amounts.
** Includes on-balance-sheet loans and off-balance-sheet securitized receivables. For 1st, 2nd, and 4th quarter Call data before 1996, loans securitized and sold are estimated using amounts reported as of 9/30.


## Changes in the Number of FDIC-Insured Commercial Banks

Quarterly, 1995-1999
Number of Banks


Failures

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| New Charters | 22 | 24 | 23 | 33 | 29 | 30 | 46 | 40 | 42 | 46 | 46 | 53 | 27 | 49 | 49 | 65 | 62 |
| Mergers | 225 | 99 | 140 | 142 | 130 | 175 | 146 | 101 | 127 | 197 | 146 | 128 | 144 | 91 | 124 | 198 | 114 |
| Failures | 3 | 1 | 2 | 0 | 1 | 2 | 2 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 2 | 0 | 1 |
| Other Changes, Net* | -3 | 3 | 2 | -3 | 1 | -1 | -2 | 2 | 8 | 9 | 6 | 4 | -2 | 3 | 4 | -3 | -1 |



* Includes charter conversions, voluntary liquidations, adjustments for open-bank assistance transactions and other changes.


## Bank Mergers: Acquisitions vs. Consolidations* Quarterly, 1995-1999



| Acquisitions | 79 | 67 | 85 | 68 | 83 | 84 | 90 | 32 | 60 | 96 | 96 | 57 | 62 | 61 | 84 | 131 | 72 | 64 |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Consolidations | 142 | 30 | 51 | 73 | 43 | 87 | 50 | 62 | 64 | 100 | 45 | 66 | 72 | 23 | 36 | 63 | 34 | 31 |

* Acquisitions = change in holding company ownership within 12 months of merger.

Consolidations = no change in ownership within 12 months of merger.
** Does not include commercial banks merged into savings institutions.

## Bank Mergers: Interstate vs. Intrastate Quarterly, 1995-1999



| Intrastate Mergers | 222 | 93 | 133 | 132 | 123 | 156 | 136 | 87 | 117 | 119 | 63 | 110 | 98 | 69 | 87 | 132 | 86 | 77 |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Interstate Mergers | 3 | 6 | 7 | 10 | 7 | 19 | 10 | 14 | 10 | 78 | 83 | 18 | 46 | 22 | 37 | 66 | 28 | 26 |

Number of Subchapter S Corporations


Return on Assets of Subchapter S
Corporations vs. Other Banks
1997-1999


Reserve Coverage Ratio*


Noncurrent Loans (\$ Billions)

| 32.3 | 31.7 | 31.5 | 30.4 | 31.0 | 30.2 | 30.4 | 29.1 | 29.1 | 28.6 | 28.7 | 28.5 | 29.5 | 29.1 | 29.5 | 31.3 | 32.2 | 31.2 |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |

Loan-Loss Reserves (\$ Billions)

| 52.8 | 52.9 | 52.9 | 52.8 | 53.0 | 53.6 | 53.7 | 53.5 | 53.5 | 54.5 | 54.9 | 54.7 | 55.2 | 56.4 | 57.3 | 57.3 | 57.9 | 57.6 |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |

Coverage Ratio (\%)

| 163 | 167 | 168 | 174 | 171 | 178 | 177 | 184 | 184 | 191 | 191 | 192 | 187 | 194 | 194 | 183 | 180 | 185 |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |

*Loan-loss reserves to noncurrent loans.

## Expansion of Credit Card Lines

1997-1999


Loans outstanding (\$ Billions)
■ Held on-balance-sheet
$\begin{array}{llllllllll}215.8 & 225.2 & 220.4 & 231.1 & 211.8 & 216.9 & 216.0 & 228.8 & 207.9 & 192.9\end{array}$
Securitized \& sold *
$\begin{array}{llllllllll}163.1 & 168.4 & 180.4 & 190.8 & 209.2 & 238.6 & 254.3 & 260.5 & 260.2 & 271.8\end{array}$

```
Unused commitments *
                                    1,477.3 1,546.7 1,606.4 1,666.9 1,780.2 1,928.6 2,017.7 2,029.4 2,059.3 1,993.3
Total 1,856.1 1,940.3 2,007.2 2,088.8
```

* Off-balance-sheet


## Credit Card Loss Rates and Personal Bankruptcy Filings

1984-1999


## Credit Card Loss Rates and Personal Bankruptcy Filings

1984-1999

|  | Net <br> Charge-Off | Number of Bankruptcy |
| :---: | :---: | :---: |
| Date | Rate | Filings |
| 3/31/84 | 1.37 | 71,697 |
| 6/30/84 | 1.48 | 71,955 |
| 9/30/84 | 1.59 | 71,201 |
| 12/31/84 | 1.81 | 69,554 |
| 3/31/85 | 1.98 | 72,887 |
| 6/30/85 | 2.31 | 84,243 |
| 9/30/85 | 2.65 | 87,727 |
| 12/31/85 | 2.95 | 96,376 |
| 3/31/86 | 3.21 | 103,088 |
| 6/30/86 | 3.28 | 114,384 |
| 9/30/86 | 3.35 | 116,037 |
| 12/31/86 | 3.38 | 116,204 |
| 3/31/87 | 3.46 | 116,578 |
| 6/30/87 | 3.45 | 122,689 |
| 9/30/87 | 3.26 | 123,868 |
| 12/31/87 | 3.49 | 127,409 |
| 3/31/88 | 3.18 | 133,712 |
| 6/30/88 | 3.22 | 138,245 |
| 9/30/88 | 3.12 | 136,561 |
| 12/31/88 | 3.17 | 139,215 |
| 3/31/89 | 3.10 | 144,711 |
| 6/30/89 | 3.21 | 157,955 |
| 9/30/89 | 3.01 | 152,696 |
| 12/31/89 | 3.28 | 161,404 |
| 3/31/90 | 3.08 | 166,694 |
| 6/30/90 | 3.34 | 179,943 |
| 9/30/90 | 3.50 | 177,351 |
| 12/31/90 | 3.86 | 193,872 |
| 3/31/91 | 4.16 | 212,913 |
| 6/30/91 | 4.78 | 227,853 |
| 9/30/91 | 4.79 | 214,174 |
| 12/31/91 | 4.64 | 217,160 |


| Date | Net <br> Charge-Off <br> Rate | Number of <br> Bankruptcy <br> Filings |
| :---: | :---: | :---: |
| $3 / 31 / 92$ | 4.84 | 233,973 |
| $6 / 30 / 92$ | 4.97 | 232,657 |
| $9 / 30 / 92$ | 4.31 | 220,021 |
| $12 / 31 / 92$ | 4.57 | 212,112 |
| $3 / 31 / 93$ | 4.03 | 206,271 |
| $6 / 30 / 93$ | 4.02 | 212,982 |
| $9 / 30 / 93$ | 3.59 | 200,329 |
| $12 / 31 / 93$ | 3.42 | 192,617 |
| $3 / 31 / 94$ | 3.25 | 192,707 |
| $6 / 30 / 94$ | 3.07 | 202,596 |
| $9 / 30 / 94$ | 2.93 | 195,308 |
| $12 / 31 / 94$ | 3.00 | 189,695 |
| $3 / 31 / 95$ | 2.89 | 199,503 |
| $6 / 30 / 95$ | 3.33 | 222,086 |
| $9 / 30 / 95$ | 3.58 | 220,945 |
| $12 / 31 / 95$ | 3.98 | 231,603 |
| $3 / 31 / 96$ | 4.18 | 252,761 |
| $6 / 30 / 96$ | 4.48 | 283,170 |
| $9 / 30 / 96$ | 4.41 | 290,111 |
| $12 / 31 / 96$ | 4.66 | 298,244 |
| $3 / 31 / 97$ | 4.92 | 321,242 |
| $6 / 30 / 97$ | 5.22 | 353,177 |
| $9 / 30 / 97$ | 5.37 | 340,059 |
| $12 / 31 / 97$ | 5.34 | 335,032 |
| $3 / 31 / 98$ | 5.15 | 341,708 |
| $6 / 30 / 98$ | 5.41 | 361,908 |
| $9 / 30 / 98$ | 5.15 | 350,859 |
| $12 / 31 / 98$ | 5.26 | 343,220 |
| $3 / 31 / 99$ | 4.93 | 321,604 |
| $6 / 30 / 99$ | 4.25 | 335,578 |



* Assets weighted according to risk categories used in regulatory capital computations.

Noncurrent Loan Rates*


March 31, 1999


## Noncurrent Loan Rates*

## March 31, 1999 - June 30, 1999

|  | Total Loans |  | Commercial \& Industrial |  | Real Estate |  | Loans to Individuals |  | All Other Loans |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 6/30/99 | 3/31/99 | 6/30/99 | 3/31/99 | 6/30/99 | 3/31/99 | 6/30/99 | 3/31/99 | 6/30/99 | 3/31/99 |
| Puerto Rico | 1.99 | 2.15 | 2.33 | 2.58 | 2.13 | 2.29 | 1.75 | 1.73 | 0.87 | 1.39 |
| Delaware | 1.94 | 2.08 | 1.05 | 0.81 | 1.07 | 1.14 | 2.29 | 2.38 | 0.20 | 0.30 |
| Hawaii | 1.93 | 2.03 | 2.40 | 2.24 | 2.08 | 2.41 | 0.97 | 0.96 | 0.50 | 0.37 |
| New Hampshire | 1.85 | 1.81 | 2.20 | 0.90 | 0.98 | 1.09 | 2.20 | 2.37 | 0.20 | 0.34 |
| South Dakota | 1.67 | 1.54 | 1.51 | 1.81 | 1.01 | 1.03 | 1.94 | 1.67 | 0.56 | 0.57 |
| New York | 1.32 | 1.37 | 1.37 | 1.39 | 1.41 | 1.54 | 2.71 | 2.57 | 0.39 | 0.45 |
| Connecticut | 1.27 | 1.37 | 2.15 | 2.13 | 1.11 | 1.20 | 0.27 | 0.41 | 1.00 | 6.69 |
| Oklahoma | 1.22 | 1.31 | 1.87 | 2.18 | 1.22 | 1.31 | 0.64 | 0.68 | 0.58 | 0.31 |
| Nevada | 1.20 | 1.41 | 0.77 | 1.08 | 0.47 | 0.62 | 1.51 | 1.75 | 1.77 | 0.15 |
| Louisiana | 1.18 | 1.16 | 2.18 | 1.65 | 0.92 | 0.92 | 0.59 | 0.69 | 1.00 | 2.57 |
| Montana | 1.12 | 1.23 | 2.41 | 2.84 | 0.90 | 0.95 | 0.45 | 0.52 | 0.92 | 0.90 |
| North Dakota | 1.12 | 1.09 | 2.02 | 1.84 | 0.88 | 0.83 | 0.63 | 0.76 | 0.83 | 0.90 |
| Arkansas | 1.10 | 1.09 | 1.91 | 1.79 | 1.12 | 1.09 | 0.65 | 0.76 | 0.15 | 0.18 |
| New Mexico | 1.08 | 1.07 | 1.89 | 1.68 | 1.03 | 1.04 | 0.54 | 0.57 | 0.74 | 0.88 |
| Indiana | 1.05 | 0.90 | 1.03 | 1.23 | 1.16 | 0.63 | 0.97 | 1.44 | 0.40 | 0.39 |
| Utah | 1.04 | 1.17 | 1.05 | 1.04 | 0.60 | 0.65 | 1.31 | 1.57 | 0.99 | 0.75 |
| Nebraska | 1.00 | 1.10 | 2.35 | 2.78 | 0.75 | 0.74 | 1.18 | 1.34 | 0.16 | 0.09 |
| Arizona | 0.99 | 1.97 | 0.84 | 0.60 | 0.61 | 0.56 | 1.45 | 4.11 | 0.22 | 0.23 |
| West Virginia | 0.96 | 1.07 | 1.63 | 1.98 | 0.88 | 0.94 | 0.81 | 0.91 | 0.59 | 1.49 |
| Rhode Island | 0.95 | 1.04 | 0.62 | 0.87 | 0.54 | 0.56 | 2.97 | 3.03 | 0.63 | 0.52 |
| Tennessee | 0.91 | 0.97 | 0.75 | 0.82 | 1.11 | 1.18 | 0.57 | 0.66 | 0.54 | 0.42 |
| Texas | 0.90 | 0.99 | 1.35 | 1.47 | 0.86 | 0.93 | 0.37 | 0.40 | 0.74 | 1.02 |
| Virginia | 0.88 | 0.83 | 1.16 | 1.09 | 0.63 | 0.62 | 1.31 | 1.17 | 0.12 | 0.12 |
| Kansas | 0.86 | 0.86 | 1.82 | 1.78 | 0.67 | 0.67 | 0.82 | 0.99 | 0.28 | 0.18 |
| Pennsylvania | 0.85 | 0.81 | 1.03 | 0.88 | 0.83 | 0.87 | 0.80 | 0.85 | 0.45 | 0.31 |
| Maine | 0.85 | 0.91 | 1.20 | 1.07 | 0.63 | 0.73 | 1.45 | 1.93 | 0.12 | 0.13 |
| Wisconsin | 0.83 | 0.78 | 1.16 | 0.99 | 0.75 | 0.72 | 0.90 | 0.93 | 0.41 | 0.50 |
| North Carolina | 0.83 | 0.84 | 0.87 | 0.81 | 0.83 | 0.77 | 0.99 | 1.35 | 0.56 | 0.63 |
| Maryland | 0.82 | 0.88 | 0.97 | 1.07 | 0.90 | 0.89 | 0.31 | 0.50 | 0.63 | 0.86 |
| Illinois | 0.81 | 0.81 | 1.19 | 1.02 | 0.78 | 0.81 | 0.66 | 0.79 | 0.18 | 0.25 |
| Kentucky | 0.81 | 0.88 | 1.21 | 1.90 | 0.72 | 0.74 | 0.56 | 0.57 | 0.88 | 0.27 |
| lowa | 0.79 | 0.76 | 1.90 | 1.68 | 0.63 | 0.61 | 0.57 | 0.61 | 0.22 | 0.22 |
| Washington | 0.78 | 0.82 | 1.16 | 1.21 | 0.71 | 0.75 | 0.46 | 0.47 | 0.21 | 0.14 |
| Ohio | 0.78 | 0.86 | 0.79 | 0.92 | 0.87 | 0.83 | 0.68 | 0.98 | 0.65 | 0.67 |
| Georgia | 0.78 | 0.75 | 0.87 | 0.73 | 0.54 | 0.55 | 1.33 | 1.37 | 0.28 | 0.11 |
| Vermont | 0.77 | 0.87 | 0.99 | 1.47 | 0.85 | 0.89 | 0.37 | 0.47 | 0.14 | 0.04 |
| Missouri | 0.76 | 0.83 | 1.08 | 1.14 | 0.75 | 0.79 | 0.50 | 0.70 | 0.25 | 0.39 |
| Massachusetts | 0.76 | 0.77 | 0.56 | 0.56 | 1.02 | 1.00 | 1.55 | 1.72 | 0.36 | 0.32 |
| Alabama | 0.76 | 0.80 | 1.05 | 1.08 | 0.68 | 0.70 | 0.85 | 0.97 | 0.27 | 0.39 |
| Oregon | 0.75 | 0.91 | 1.45 | 1.82 | 0.45 | 0.60 | 1.57 | 1.38 | 0.08 | 0.04 |
| Florida | 0.75 | 0.74 | 0.93 | 0.86 | 0.78 | 0.76 | 0.45 | 0.65 | 0.35 | 0.34 |
| Colorado | 0.71 | 0.84 | 1.42 | 1.52 | 0.52 | 0.65 | 0.84 | 1.05 | 0.32 | 0.23 |
| Michigan | 0.70 | 0.68 | 0.92 | 0.92 | 0.56 | 0.56 | 0.57 | 0.54 | 0.65 | 0.48 |
| Alaska | 0.69 | 0.84 | 1.31 | 1.29 | 0.50 | 0.73 | 0.18 | 0.25 | 0.60 | 1.02 |
| California | 0.69 | 0.74 | 1.07 | 1.01 | 0.65 | 0.82 | 0.31 | 0.28 | 0.33 | 0.30 |
| New Jersey | 0.69 | 0.80 | 1.06 | 1.21 | 0.61 | 0.73 | 0.61 | 0.70 | 0.10 | 0.15 |
| Minnesota | 0.65 | 0.69 | 0.83 | 0.84 | 0.54 | 0.58 | 0.58 | 0.73 | 0.72 | 0.69 |
| Mississippi | 0.64 | 0.67 | 1.35 | 1.47 | 0.54 | 0.54 | 0.53 | 0.62 | 0.20 | 0.14 |
| Idaho | 0.57 | 0.72 | 1.03 | 1.35 | 0.43 | 0.51 | 0.38 | 0.39 | 0.27 | 0.29 |
| Wyoming | 0.50 | 0.57 | 1.55 | 1.90 | 0.31 | 0.31 | 0.33 | 0.36 | 0.54 | 0.87 |
| District of Columbia | 0.38 | 0.42 | 0.41 | 0.63 | 0.32 | 0.31 | 0.77 | 0.95 | 0.00 | 0.00 |
| South Carolina | 0.32 | 0.37 | 0.37 | 0.29 | 0.31 | 0.38 | 0.36 | 0.44 | 0.11 | 0.14 |
| U.S. and Territories | 0.94 | 0.99 | 1.11 | 1.10 | 0.85 | 0.88 | 1.33 | 1.51 | 0.43 | 0.46 |

[^0]
## Quarterly Change in Reported Loans Outstanding

 (\$ Billions)
*In the first quarter of 1997, reporting changes resulted in a $\$ 61.7$ billion decline in foreign office loans. Loans in domestic offices increased by $\$ 23.2$ billion during the quarter.

In the second quarter of 1999, real estate loans increased by $\$ 26.9$ billion, domestic commercial and industrial loans increased by $\$ 17.5$ billion and credit card loans decreased by $\$ 15.0$ billion.

## Quarterly Change in Unused Loan Commitments

(\$ Billions)


In the second quarter of 1999, unused credit card commitments decreased by $\$ 66.1$ billion while unused commitments for loans to businesses increased by $\$ 30.2$ billion.

## Off-Balance-Sheet Derivatives

\$ Trillions
1995-1999 (Notional Amounts)


[^1]
# Concentration of Off-Balance-Sheet Derivatives* 

Notional Amounts

June 30, 1999


All Other Participants (428 Banks) \$2.3 Trillion (7\%)

## Composition of Off-Balance-Sheet Derivatives*

Notional Amounts<br>June 30, 1999



[^2]
# Purpose of Off-Balance-Sheet Derivatives* Held for Trading <br> Notional Amounts 

June 30, 1999


Foreign Exchange Contracts \$6.2 Trillion (20\%)

Not Held for Trading
Notional Amounts
June 30, 1999


Foreign Exchange Contracts
\$0.1 Trillion (8\%)

Equity Derivative Contracts, Commodity \& Other Contracts \$2.7 Billion (0\%)

* Notional amounts do not represent either the net market position or the credit exposure of banks' off-balance-sheet derivative activities. They represent the gross value of all contracts written. Spot foreign exchange contracts of $\$ 497$ billion are not included.


# Positions of Off-Balance-Sheet Derivatives Gross Fair Values 

June 30, 1999
(\$ Millions)

## Held for Trading

93 Banks Held Derivative Contracts for Trading
(Marked to Market)

|  | Interest <br> Rate | Foreign Exchange | Equity <br> Derivatives | Commodity \& Other | Total | Net |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Seven Largest Participants |  |  |  |  |  |  |
| Gross positive fair value | 216,268 | 114,851 | 47,968 | 8,501 | 387,588 | 3,119 |
| Gross negative fair value | 211,698 | 115,607 | 48,555 | 8,608 | 384,469 |  |
| All other participants |  |  |  |  |  |  |
| Gross positive fair value | 5,377 | 7,341 | 140 | 447 | 13,304 | 17 |
| Gross negative fair value | 5,492 | 7,158 | 125 | 513 | 13,287 |  |
| Total |  |  |  |  |  |  |
| Gross positive fair value | 221,645 | 122,191 | 48,108 | 8,947 | 400,891 | 3,135 |
| Gross negative fair value | 217,191 | 122,765 | 48,680 | 9,121 | 397,756 |  |
| Held for Purposes Other than Trading |  |  |  |  |  |  |
| 419 Banks Held Derivative Contracts for Purposes Other than Trading |  |  |  |  |  |  |
|  | Interest | Foreign | Equity | Commodity |  |  |
|  | Rate | Exchange | Derivatives | \& Other | Total | Net |
| Marked to Market |  |  |  |  |  |  |
| Gross positive fair value | 1,529 | 365 | 21 | 0 | 1,915 | 28 |
| Gross negative fair value | 1,525 | 342 | 20 | 0 | 1,886 |  |
| Not Marked to Market |  |  |  |  |  |  |
| Gross positive fair value | 6,955 | 718 | 41 | 18 | 7,732 | 1,141 |
| Gross negative fair value | 5,781 | 638 | 47 | 126 | 6,592 |  |
| Total |  |  |  |  |  |  |
| Gross positive fair value | 8,484 | 1,083 | 61 | 18 | 9,647 | 1,169 |
| Gross negative fair value | 7,305 | 980 | 67 | 126 | 8,478 |  |

## Net Loans and Leases to Deposits

1990-1999


Debt Securities by Maturity or Repricing Frequency . . .

. . . and by Region
Percent of Total Assets
June 30, 1999


Total Securities (Debt and Equity)
(\$ Billions)
U.S. Government Obligations:
U.S. Treasury
U.S. Agencies

Mortgage Pass-through Securities
Collateralized Mortgage Obligations
State, County, Municipal Obligations
Other Debt Securities
Equity Securities
Total Securities
Memoranda
Fair Value of High-risk Mortgage Securities
Fair Value of Structured Notes

| $\mathbf{6} / 97$ | $\mathbf{9 / 9 7}$ | $\mathbf{1 2 / 9 7}$ | $\mathbf{3} / 98$ | $\mathbf{6} / 98$ | $\mathbf{9 / 9 8}$ | $\mathbf{1 2 / 9 8}$ | $\mathbf{3 / 9 9}$ | $\mathbf{6 / 9 9}$ |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| $\$ 304$ | $\$ 299$ | $\$ 303$ | $\$ 314$ | $\$ 309$ | $\$ 286$ | $\$ 287$ | $\$ 317$ | $\$ 318$ |
| 166 | 159 | 155 | 162 | 150 | 125 | 116 | 129 | 118 |
| 139 | 140 | 148 | 151 | 159 | 162 | 171 | 188 | 199 |
| 235 | 244 | 256 | 268 | 252 | 277 | 311 | 291 | 282 |
| 110 | 117 | 128 | 134 | 141 | 156 | 159 | 164 | 164 |
| 75 | 76 | 77 | 78 | 80 | 84 | 87 | 88 | 88 |
| 71 | 77 | 83 | 84 | 84 | 90 | 103 | 102 | 123 |
| $\underline{24}$ | $\underline{24}$ | $\underline{26}$ | $\underline{27}$ | $\underline{28}$ | $\underline{29}$ | $\underline{32}$ | $\underline{33}$ | $\underline{33}$ |
| $\$ 820$ | $\$ 836$ | $\$ 872$ | $\$ 905$ | $\$ 894$ | $\$ 923$ | $\$ 980$ | $\$ 995$ | $\$ 1,007$ |

* Not reported after 12/31/98.


## Total Securities*

June 30, 1999


## Total Securities*

June 30, 1999
(\$ Millions)

| Held-to-Maturity |  | Available-for-Sale |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Fair Value |  | Fair Value |  | Fair Value |
| Amortized | to Amortized | Fair | to Amortized | Total | to Amortized |
| Cost | Cost (\%) | Value | Cost (\%) | Securities | Cost (\%) |

U.S. Government Obligations

| U.S. Treasury | \$11,977 | 100.2 | \$106,388 | 97.9 | \$118,365 | 98.2 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| U.S. Agencies | 42,386 | 98.4 | 156,774 | 98.3 | 199,160 | 98.3 |
| Mortgage Pass-through Securities | 27,972 | 99.4 | 253,624 | 98.0 | 281,596 | 98.1 |
| Collateralized Mortgage Obligations | 24,867 | 98.4 | 139,332 | 98.2 | 164,199 | 98.3 |
| State, County, Municipal Obligations | 31,501 | 100.9 | 56,470 | 100.2 | 87,971 | 100.5 |
| Other Debt Securities | 6,525 | 96.5 | 116,403 | 99.5 | 122,928 | 99.3 |
| Equity Securities | ** | ** | 32,891 | 106.9 | 32,891 | 106.9 |
| Total Securities | \$145,229 | 99.2 | \$861,882 | 98.7 | \$1,007,111 | 98.8 |
| Memoranda*** |  |  |  |  |  |  |
| Structured Notes | 4,036 |  | 3,985 |  |  | 98.7 |

* Excludes trading account assets.
** Equity Securities are classified as 'Available-for-Sale'.
*** Structured notes are included in the 'Held-to-Maturity' or 'Available-for-Sale' accounts.


# Mutual Fund and Annuity Sales* <br> 1998-1999 

| Quarterly Sales (\$ Millions) | 6/98 | 9/98 | 12/98 | 3/99 | 6/99 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Money Market Funds | \$333,057 | \$324,997 | \$380,228 | \$411,498 | \$445,236 |
| Debt Securities Funds | 8,043 | 7,973 | 7,530 | 6,319 | 6,774 |
| Equity Securities | 17,190 | 17,047 | 15,673 | 20,276 | 18,579 |
| Other Mutual Funds | 3,256 | 2,816 | 2,622 | 2,805 | 2,574 |
| Annuities | 4,205 | 4,038 | 3,801 | 4,099 | 5,256 |
| Proprietary Mutual Fund and Annuity Sales included above | 323,655 | 313,943 | 365,515 | 403,125 | 439,126 |

* Domestic office sales of proprietary, private label and third-party funds and annuities. Does not reflect redemptions.


## Fee Income from Sales and Service of Mutual Funds and Annuities 1999 YTD



[^3]
## Real Estate Assets as a Percent of Total Assets

June 30, 1999


Real Estate Loan Growth Rates*
1990-1999


* Growth rate for most recent twelve-month period.

Loans to Individuals


Delinquency Rates, Loans to Individuals
\% Past Due 1990-1999


Quarterly Return on Assets (ROA), Annualized


Quarterly Return on Equity (ROE), Annualized


Return On Assets (ROA) 1999 (YTD, Annualized)


Rankings By ROA

|  | No. of Inst. <br> as of 6/30/99 | YTD 1999 | YTD 1998 | Change* |
| :--- | ---: | ---: | ---: | :---: |
| 1 New Hampshire | 20 | 4.26 | 2.56 | 170 |
| 2 Delaware | 33 | 3.34 | 3.23 | 11 |
| 3 Nevada | 25 | 3.09 | 2.77 | 32 |
| 4 South Dakota | 103 | 2.96 | 2.29 | 67 |
| 5 Utah | 49 | 2.63 | 2.52 | 11 |
| 6 Arizona | 46 | 2.60 | 2.24 | 36 |
| 7 Wyoming | 49 | 2.07 | 2.69 | $(62)$ |
| 8 Indiana | 165 | 1.83 | 1.35 | 48 |
| 9 Virginia | 151 | 1.77 | 1.64 | 13 |
| 10 North Dakota | 114 | 1.76 | 1.57 | 19 |
| 11 Alaska | 6 | 1.67 | 1.74 | $(7)$ |
| 12 Michigan | 169 | 1.66 | 1.42 | 24 |
| 13 Georgia | 336 | 1.65 | 1.46 | 19 |
| 14 Minnesota | 507 | 1.64 | 1.58 | 6 |
| 15 Rhode Island | 7 | 1.57 | 1.45 | 12 |
| 16 Oregon | 44 | 1.50 | 1.82 | $(32)$ |
| 17 Colorado | 191 | 1.49 | 1.47 | 2 |
| 18 Montana | 88 | 1.47 | 1.44 | 3 |
| 19 Connecticut | 25 | 1.40 | 1.26 | 14 |
| 20 South Carolina | 79 | 1.40 | 1.42 | $(2)$ |
| 21 Ohio | 216 | 1.39 | 1.54 | $(15)$ |
| 22 Mlississippi | 99 | 1.34 | 1.27 | 7 |
| 23 Missouri | 378 | 1.34 | 1.17 | 17 |
| 24 Nebraska | 309 | 1.33 | 1.37 | $(4)$ |
| 25 Wisconsin | 343 | 1.33 | 1.22 | 11 |
| 26 Tennessee | 204 | 1.31 | 1.48 | $(17)$ |
| 27 Washington | 79 | 1.30 | 1.32 | $(2)$ |


|  | No. of Inst as of $6 / 30 / 99$ | YTD 1999 | YTD 1998 | Change* |
| :---: | :---: | :---: | :---: | :---: |
| 28 Kentucky | 255 | 1.28 | 1.30 | (2) |
| 29 New Jersey | 74 | 1.28 | 1.30 | (2) |
| 30 Alabama | 158 | 1.26 | 1.23 | 3 |
| 31 New Mexico | 55 | 1.25 | 1.24 | 1 |
| 32 California | 334 | 1.24 | 1.21 | 3 |
| 33 Kansas | 391 | 1.24 | 1.31 | (7) |
| 34 Maryland | 78 | 1.23 | 1.27 | (4) |
| 35 Puerto Rico | 12 | 1.23 | 1.09 | 14 |
| 36 Pennsylvania | 194 | 1.21 | 1.39 | (18) |
| 37 lowa | 441 | 1.20 | 1.26 | (6) |
| 38 Texas | 771 | 1.20 | 1.17 | 3 |
| 39 Arkansas | 199 | 1.19 | 1.38 | (19) |
| 40 Massachusetts | 44 | 1.19 | 1.24 | (5) |
| 41 North Carolina | 70 | 1.18 | 1.10 | 8 |
| 42 Florida | 259 | 1.17 | 0.99 | 18 |
| 43 Maine | 16 | 1.15 | 1.85 | (70) |
| 44 West Virginia | 83 | 1.14 | 1.70 | (56) |
| 45 Louisiana | 155 | 1.13 | 1.04 | 9 |
| 46 Idaho | 17 | 1.10 | 1.37 | (27) |
| 47 Oklahoma | 305 | 1.10 | 1.20 | (10) |
| 48 Hawaii | 11 | 1.05 | 0.75 | 30 |
| 49 Illinois | 732 | 0.98 | 1.07 | (9) |
| 50 New York | 154 | 0.81 | 0.84 | (3) |
| 51 District of Col. | 6 | 0.71 | 0.70 | 1 |
| 52 Vermont | 20 | 0.20 | 1.27 | (107) |
| U.S. and Terr. | 8,675 | 1.28 | 1.25 | 3 |

*YTD ROA minus ROA for the same period one year ago equals change in basis points. Basis point=1/100 of a percent. Results for four of the states with the highest ROAs (SD, NV, DE, \& NH) were significantly influenced by the presence of large credit card operations.

Credit Risk Diversification
Consumer Loans versus Loans to Commercial Borrowers
(as a Percent of Total Loans)
1990-1999
Percent of Loans


Loans (\$ Billions):

- Commercial Borrowers
$\$ 1,320$

Consumer Loans
804
\$1,192
\$1,308
$\$ 1,599 \quad \$ 1,906$
\$2,023
849
1,056
1,218 1,336
1,289

Loans to Commercial Borrowers (Credit Risk Concentrated) - These are loans that can have relatively large balances at risk to a single borrower. A single loan may represent a significant portion of an institution's capital or income. Therefore, a relatively small number of defaults could impair an institution's capital or income. These loans include commercial and industrial loans, commercial real estate, construction loans, and agricultural loans.

Consumer Loans (Credit Risk Diversified) - These are loans that typically have relatively small balances spread among a large number of borrowers. A number of defaults are likely but typically do not impair an institution's capital or income. These loans include consumer and credit card loans, 1-4 family residential mortgages and home equity loans.

Quarterly Net Income


## Quarterly Net Interest Margins, Annualized



Reserve Coverage Ratio*


Noncurrent Loans (\$ Billions)

| 9.4 | 9.1 | 8.9 | 9.2 | 9.4 | 8.9 | 9.2 | 8.8 | 8.9 | 8.2 | 8.2 | 7.6 | 7.2 | 6.8 | 6.3 | 6.2 | 6.0 | 5.6 |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |

Loan-Loss Reserves (\$ Billions)

| 7.6 | 7.5 | 7.3 | 7.3 | 7.2 | 6.6 | 6.7 | 6.9 | 7.0 | 6.8 | 6.9 | 7.0 | 7.0 | 7.0 | 7.0 | 6.9 | 7.0 |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| 7.0 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

Coverage Ratio (\%)

| 81 | 82 | 82 | 80 | 76 | 74 | 73 | 78 | 78 | 83 | 84 | 92 | 97 | 103 | 110 | 111 | 116 | 124 |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |

*Loan-loss reserves to noncurrent loans.

## Troubled Real Estate Asset Rates by Type* <br> 1997-1999



Construction

| and Land | 3.18 | 2.76 | 2.48 | 2.41 | 2.21 | 2.02 | 1.89 | 1.84 | 1.66 | 1.48 |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| 1-4 Family | $\mathbf{1 . 4 7}$ | $\mathbf{1 . 3 6}$ | $\mathbf{1 . 3 8}$ | $\mathbf{1 . 3 0}$ | $\mathbf{1 . 2 1}$ | $\mathbf{1 . 1 3}$ | $\mathbf{1 . 0 6}$ | $\mathbf{1 . 0 2}$ | $\mathbf{0 . 9 8}$ | $\mathbf{0 . 9 0}$ |
| Multifamily | 2.03 | 1.89 | 1.67 | 1.44 | 1.40 | 1.25 | 1.18 | 1.04 | 0.98 | 0.77 |
| Commercial | 2.84 | 2.77 | 2.72 | 2.41 | 2.43 | 2.15 | 1.83 | 1.82 | 1.79 | 1.65 |
| Total | 1.67 | 1.55 | 1.54 | 1.42 | 1.34 | 1.24 | 1.15 | 1.10 | 1.06 | 0.96 |

*Loans secured by real estate past due 90 days or more or in nonaccrual status plus other real estate owned (OREO) as a percent of total real estate loans plus OREO.

## Capital Ratios



|  | $12 / 93$ | $12 / 94$ | $12 / 95$ | $12 / 96$ | $12 / 97$ | $12 / 98$ | $6 / 99$ |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Total Risk-Based Capital | 15.04 | 15.53 | 15.63 | 15.17 | 15.14 | 15.02 | 14.84 |
| Tier 1 Risk-Based Capital | 13.64 | 14.19 | 14.27 | 13.83 | 13.80 | 13.67 | 13.54 |
| Equity to Assets | $\mathbf{7 . 8 4}$ | $\mathbf{7 . 9 3}$ | $\mathbf{8 . 3 9}$ | $\mathbf{8 . 3 4}$ | $\mathbf{8 . 7 0}$ | $\mathbf{8 . 6 8}$ | $\mathbf{8 . 5 5}$ |
| Core Capital (Leverage) | $\mathbf{7 . 4 5}$ | $\mathbf{7 . 6 5}$ | $\mathbf{7 . 8 0}$ | $\mathbf{7 . 7 6}$ | $\mathbf{7 . 9 5}$ | $\mathbf{7 . 8 5}$ | $\mathbf{7 . 9 3}$ |

## Changes in the Number of FDIC-Insured Savings Institutions Quarterly, 1995-1999



| New Charters | 3 | 1 | 3 | 2 | 3 | 4 | 1 | 4 | 0 | 5 | 4 | 3 | 3 | 5 | 12 | 7 | 8 | 8 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Mergers | 39 | 29 | 19 | 29 | 29 | 27 | 17 | 35 | 29 | 31 | 37 | 30 | 26 | 29 | 26 | 33 | 28 | 19 |
| Failures | 0 | 2 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Changes, Net* | 2 | -6 | -6 | -3 | 0 | -2 | -1 | -6 | -9 | -9 | -6 | -6 | -1 | -3 | -2 | 2 | 1 | -6 |
| No. of Thrifts at end of quarter | 2,118 | 2,082 | 2,060 | 2,030 | 2,004 | 1,979 | 1,961 | 1,924 | 1,886 | 1,851 | 1,812 | 1,779 | 1,755 | 1,728 | 1,712 | 1,688 | 1,669 | 1,652 |
| Net Change during quarter | -34 | -36 | -22 | -30 | -26 | -25 | -18 | -37 | -38 | -35 | -39 | -33 | -24 | -27 | -16 | -24 | -19 | -17 |

* Includes charter conversions, voluntary liquidations, adjustments for open-bank assistance transactions and other changes.

Loan Quality
1995-1999




| Total Real Estate | Commercial and Industrial |  |
| :--- | :--- | :--- |
| Loans to Individuals |  | Comal Loans |

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

Noncurrent Loan Rates*
June 30, 1999


Greater than $1.5 \%$
Between .75\% and 1.5\%
$\square$ Less than .75\%

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


## Noncurrent Loan Rates*

## March 31, 1999 - June 30, 1999

|  | Total Loans |  | Commercial \& Industrial |  | Real Estate |  | Loans to Individuals |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 6/30/99 | 3/31/99 | 6/30/99 | 3/31/99 | 6/30/99 | 3/31/99 | 6/30/99 | 3/31/99 |
| Arkansas | 3.14 | 1.45 | 0.77 | 0.85 | 3.89 | 1.72 | 0.19 | 0.30 |
| New Jersey | 2.63 | 2.80 | 1.20 | 0.84 | 2.70 | 2.83 | 0.63 | 4.02 |
| Hawaii | 2.03 | 2.14 | 1.78 | 1.95 | 2.09 | 2.19 | 0.47 | 0.78 |
| Maryland | 2.02 | 2.35 | 1.46 | 1.87 | 2.14 | 2.46 | 0.28 | 0.39 |
| District of Columbia | 1.87 | 1.80 | 1.30 | 0.00 | 3.21 | 3.06 | 0.01 | 0.02 |
| West Virginia | 1.39 | 1.44 | 4.08 | 4.41 | 1.16 | 1.29 | 3.00 | 1.81 |
| Mississippi | 1.34 | 1.15 | 0.57 | 0.04 | 1.39 | 1.20 | 0.92 | 0.96 |
| Nevada | 1.25 | 1.91 | 0.49 | 1.01 | 1.18 | 1.83 | 5.38 | 4.04 |
| Utah | 1.20 | 1.23 | 0.00 | 10.41 | 1.16 | 1.18 | 1.56 | 1.50 |
| Vermont | 1.08 | 1.21 | 2.53 | 2.95 | 1.00 | 1.13 | 1.20 | 1.17 |
| Kentucky | 1.06 | 1.15 | 1.09 | 1.41 | 1.04 | 1.08 | 1.40 | 2.34 |
| Texas | 0.96 | 1.11 | 0.58 | 1.05 | 1.15 | 1.31 | 0.37 | 0.42 |
| New York | 0.90 | 1.00 | 2.77 | 2.22 | 0.88 | 0.98 | 0.64 | 0.93 |
| Maine | 0.90 | 0.85 | 1.90 | 1.28 | 0.87 | 0.81 | 0.72 | 1.10 |
| Michigan | 0.89 | 0.92 | 1.19 | 1.24 | 0.91 | 0.93 | 0.29 | 0.47 |
| Rhode Island | 0.88 | 1.04 | 1.39 | 2.75 | 0.86 | 0.95 | 0.82 | 1.02 |
| Indiana | 0.86 | 0.99 | 1.26 | 1.15 | 0.87 | 1.00 | 0.63 | 0.80 |
| Illinois | 0.83 | 0.83 | 1.88 | 2.69 | 0.71 | 0.78 | 1.34 | 0.99 |
| Oklahoma | 0.81 | 0.58 | 0.37 | 0.34 | 0.23 | 0.22 | 10.14 | 6.00 |
| Wyoming | 0.78 | 1.19 | 6.84 | 7.62 | 0.50 | 1.00 | 0.99 | 0.39 |
| Delaware | 0.74 | 0.72 | 2.32 | 2.24 | 0.61 | 0.60 | 1.07 | 0.98 |
| Georgia | 0.73 | 0.81 | 0.86 | 0.79 | 0.62 | 0.68 | 2.19 | 2.29 |
| Florida | 0.72 | 0.84 | 1.13 | 1.24 | 0.72 | 0.84 | 0.53 | 0.56 |
| New Mexico | 0.71 | 0.87 | 0.20 | 0.00 | 0.74 | 0.93 | 0.45 | 0.57 |
| Nebraska | 0.70 | 0.67 | 0.82 | 1.01 | 0.71 | 0.67 | 0.60 | 0.56 |
| California | 0.68 | 0.77 | 0.67 | 0.57 | 0.67 | 0.77 | 0.90 | 1.29 |
| Connecticut | 0.66 | 0.71 | 1.04 | 1.01 | 0.63 | 0.67 | 0.58 | 0.78 |
| Ohio | 0.64 | 0.68 | 1.50 | 1.58 | 0.64 | 0.68 | 0.62 | 0.60 |
| Pennsylvania | 0.64 | 0.75 | 0.93 | 0.67 | 0.63 | 0.80 | 0.54 | 0.58 |
| Alabama | 0.63 | 0.65 | 2.22 | 0.80 | 0.61 | 0.65 | 0.61 | 0.66 |
| Tennessee | 0.58 | 0.67 | 0.36 | 0.85 | 0.66 | 0.71 | 0.39 | 0.49 |
| South Dakota | 0.56 | 0.78 | 0.51 | 1.15 | 0.24 | 0.45 | 1.47 | 1.45 |
| North Carolina | 0.55 | 0.56 | 0.54 | 0.86 | 0.54 | 0.54 | 0.86 | 0.94 |
| lowa | 0.55 | 0.56 | 1.33 | 2.17 | 0.48 | 0.40 | 0.40 | 0.46 |
| New Hampshire | 0.54 | 0.61 | 0.59 | 0.58 | 0.61 | 0.67 | 0.21 | 0.31 |
| Missouri | 0.53 | 0.61 | 1.22 | 1.68 | 0.49 | 0.56 | 1.06 | 1.17 |
| Wisconsin | 0.53 | 0.47 | 0.55 | 0.77 | 0.55 | 0.47 | 0.39 | 0.40 |
| Montana | 0.53 | 0.47 | 1.19 | 0.82 | 0.35 | 0.36 | 0.85 | 0.72 |
| North Dakota | 0.51 | 0.54 | 1.47 | 3.07 | 0.52 | 0.45 | 0.22 | 0.30 |
| Washington | 0.48 | 0.48 | 0.50 | 0.46 | 0.45 | 0.46 | 0.58 | 0.76 |
| South Carolina | 0.48 | 0.52 | 0.55 | 0.54 | 0.46 | 0.51 | 0.67 | 0.71 |
| Arizona | 0.46 | 0.61 | 0.00 | 0.00 | 0.46 | 0.61 | 0.20 | 0.00 |
| Virginia | 0.45 | 0.49 | 0.97 | 0.47 | 0.36 | 0.41 | 0.61 | 0.79 |
| Massachusetts | 0.40 | 0.46 | 0.66 | 0.69 | 0.39 | 0.45 | 0.26 | 0.32 |
| Oregon | 0.36 | 0.34 | 7.24 | 3.69 | 0.26 | 0.27 | 0.68 | 0.65 |
| Louisiana | 0.36 | 0.35 | 0.93 | 0.44 | 0.32 | 0.31 | 0.68 | 0.77 |
| Kansas | 0.34 | 0.35 | 0.46 | 0.46 | 0.33 | 0.34 | 0.62 | 0.69 |
| Colorado | 0.33 | 0.53 | 0.88 | 0.79 | 0.31 | 0.54 | 0.45 | 0.19 |
| Minnesota | 0.32 | 0.41 | 0.79 | 1.53 | 0.28 | 0.33 | 0.31 | 0.32 |
| Idaho | 0.11 | 0.15 | 0.00 | 0.03 | 0.11 | 0.17 | 0.12 | 0.04 |
| Alaska | 0.06 | 0.04 | 0.00 | 0.00 | 0.07 | 0.05 | 0.00 | 0.00 |
| Puerto Rico | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| U.S. and Territories | 0.76 | 0.83 | 1.04 | 1.00 | 0.75 | 0.83 | 0.71 | 0.77 |

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


## Noncurrent Real Estate Loan Rates by Type* <br> 1997-1999



| Construction <br> and Land | 1.42 | 1.21 | 1.14 | 1.25 | 1.14 | 1.05 | 1.04 | 1.03 | 0.91 | 0.79 |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| 1-4 Family | $\mathbf{1 . 2 0}$ | $\mathbf{1 . 1 1}$ | $\mathbf{1 . 1 4}$ | $\mathbf{1 . 0 6}$ | $\mathbf{0 . 9 8}$ | $\mathbf{0 . 9 3}$ | $\mathbf{0 . 8 6}$ | $\mathbf{0 . 8 4}$ | $\mathbf{0 . 8 2}$ | $\mathbf{0 . 7 5}$ |
| Multifamily | 1.49 | 1.30 | 1.06 | 0.90 | 0.91 | 0.79 | 0.75 | 0.68 | 0.62 | 0.54 |
| Commercial | 1.98 | 1.91 | 1.90 | 1.62 | 1.65 | 1.49 | 1.30 | 1.19 | 1.13 | 1.01 |
| Total | 1.30 | 1.20 | 1.19 | 1.10 | 1.03 | 0.96 | 0.89 | 0.86 | 0.83 | $\mathbf{0 . 7 5}$ |

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

## Real Estate Assets as a Percent of Total Assets June 30, 1999



Real Estate Loan Growth Rates*
1990-1999


* Growth rate for most recent twelve-month period.

Beginning in March 1997, TFR filers report balances net of loans in process.

Credit Risk Diversification
Consumer Loans versus Loans to Commercial Borrowers
(as a Percent of Total Loans)


Loans to Commercial Borrowers (Credit Risk Concentrated) - These are loans that can have relatively large balances at risk to a single borrower. A single loan may represent a significant portion of an institution's capital or income. Therefore, a relatively small number of defaults could impair an institution's capital or income. These loans include commercial and industrial loans, commercial real estate, construction loans, and agricultural loans.

Consumer Loans (Credit Risk Diversified) - These are loans that typically have relatively small balances spread among a large number of borrowers. A number of defaults are likely but typically do not impair an institution's capital or income. These loans include consumer and credit card loans, 1-4 family residential mortgages and home equity loans.

Total Securities* as a Percent of Assets
June 30, 1999

Total Securities* (\$ Billions)

|  | $\mathbf{6 / 9 7}$ | $\mathbf{9 / 9 7}$ | $\mathbf{1 2 / 9 7}$ | $\mathbf{3 / 9 8}$ | $\mathbf{6 / 9 8}$ | $\mathbf{9 / 9 8}$ | $\mathbf{1 2 / 9 8}$ | $\mathbf{3 / 9 9}$ | $\mathbf{6 / 9 9}$ |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| U.S. Government Obligations (non-mortgage) | $\$ 47$ | $\$ 46$ | $\$ 46$ | $\$ 45$ | $\$ 43$ | $\$ 39$ | $\$ 37$ | $\$ 40$ | $\$ 41$ |
| Mortgage-Backed Securities (excluding CMO's) | 137 | 132 | 131 | 128 | 123 | 119 | 118 | 125 | 125 |
| Collateralized Mortgage Obligations | 53 | 51 | 50 | 55 | 65 | 74 | 89 | 98 | 96 |
| All Other Securities | $\underline{20}$ | $\underline{19}$ | $\underline{22}$ | $\underline{21}$ | $\underline{22}$ | $\underline{24}$ | $\underline{25}$ | $\underline{26}$ | $\underline{29}$ |
| Total Securities | 258 | 247 | 249 | 249 | 252 | 255 | 269 | 288 | 290 |
| Securities as a Percent of Assets | $25.09 \%$ | $24.21 \%$ | $24.24 \%$ | $23.95 \%$ | $24.12 \%$ | $24.14 \%$ | $24.76 \%$ | $25.94 \%$ | $25.78 \%$ |
| Memoranda: |  |  |  |  |  |  |  |  |  |
| $\quad$ Amortized Cost of Total Held-to-Maturity Sec. | 114 | 113 | 103 | 99 | 98 | 94 | 90 | 92 | 94 |
| Fair Value of Total Available-for-Sale Sec. | 144 | 134 | 145 | 150 | 154 | 161 | 179 | 195 | 196 |

Total Securities*
June 30, 1999

U.S. Government Obligations (non-mortgage): 14.24\%

[^4]
# Mutual Fund and Annuity Sales* <br> 1998-1999 

| Quarterly Sales (\$ Millions) | 6/98 | 9/98 | 12/98 | 3/99 | 6/99 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Money Market Funds | \$ 492 | \$ 560 | \$ 658 | \$ 645 | \$ 474 |
| Debt Securities Funds | 775 | 792 | 878 | 711 | 740 |
| Equity Securities | 875 | 839 | 902 | 796 | 826 |
| Other Mutual Funds | 266 | 259 | 189 | 245 | 346 |
| Annuities | 1,297 | 1,233 | 1,127 | 1,268 | 1,545 |
| Proprietary Mutual Fund and Annuity Sales included above | 669 | 561 | 900 | 500 | 868 |

## Fee Income from Sales and Service of Mutual Funds and Annuities 1999 YTD



[^5]
## Return on Assets (ROA)

By Asset Size
Second Quarter, 1999
Total Assets (\$ Billions)


Return on Assets

## Total Assets

| Less than \$1 Billion | 10.4 | 11.0 | 25.5 | 57.6 | 78.5 | 47.8 | 45.8 |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| More than \$1 Billion | 6.5 | 2.7 | 24.9 | 87.8 | 226.2 | 362.9 | 138.3 |
| Number of Institutions |  |  |  |  |  |  |  |
| Less than \$1 Billion | 113 | 87 | 214 | 347 | 334 | 221 | 193 |
| More than \$1 Billion | 3 | 1 | 10 | 20 | 31 | 39 | 39 |
| Total | 116 | 88 | 224 | 367 | 365 | 260 | 232 |

Return on Assets (ROA)
1999 (YTD, Annualized)


Rankings By ROA

|  | No. of Inst. as of 6/30/99 | YTD 1999 | YTD 1998 | Change* |  | No. of Inst. as of $6 / 30 / 99$ | YTD 1999 | YTD 1998 | Change* |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1 Utah | 4 | 5.40 | 1.14 | 426 | 28 North Dakota | 3 | 0.89 | 0.89 | 0 |
| 2 Oklahoma | 11 | 2.08 | 1.75 | 33 | 29 Alabama | 12 | 0.88 | 0.80 | 8 |
| 3 Arizona | 3 | 1.48 | 0.77 | 71 | 30 Maryland | 66 | 0.88 | 0.97 | (9) |
| 4 Delaware | 5 | 1.44 | 0.24 | 120 | 31 Pennsylvania | 116 | 0.87 | 0.78 | 9 |
| 5 Illinois | 122 | 1.41 | 0.98 | 43 | 32 Wyoming | 4 | 0.87 | 0.99 | (12) |
| 6 New Mexico | 10 | 1.28 | 1.21 | 7 | 33 Vermont | 5 | 0.84 | 0.68 | 16 |
| 7 Georgia | 28 | 1.24 | 0.40 | 84 | 34 Kentucky | 37 | 0.82 | 1.05 | (23) |
| 8 Rhode Island | 6 | 1.24 | 1.87 | (63) | 35 Louisiana | 33 | 0.82 | 0.93 | (11) |
| 9 Ohio | 137 | 1.16 | 0.99 | 17 | 36 West Virginia | 7 | 0.82 | 0.76 | 6 |
| 10 Colorado | 11 | 1.15 | 0.95 | 20 | 37 Montana | 5 | 0.81 | 0.86 | (5) |
| 11 New Hampshire | 20 | 1.15 | 1.17 | (2) | 38 North Carolina | 49 | 0.80 | 0.96 | (16) |
| 12 Tennessee | 25 | 1.13 | 1.19 | (6) | 39 lowa | 24 | 0.78 | 0.82 | (4) |
| 13 Washington | 21 | 1.13 | 1.24 | (11) | 40 Nebraska | 13 | 0.78 | 0.78 | 0 |
| 14 South Carolina | 30 | 1.11 | 1.19 | (8) | 41 Wisconsin | 43 | 0.78 | 1.15 | (37) |
| 15 Texas | 50 | 1.08 | 1.23 | (15) | 42 Missouri | 43 | 0.76 | 1.18 | (42) |
| 16 Connecticut | 48 | 1.07 | 1.04 | 3 | 43 Mississippi | 10 | 0.75 | 0.58 | 17 |
| 17 New Jersey | 71 | 1.05 | 1.05 | 0 | 44 Florida | 45 | 0.73 | 0.86 | (13) |
| 18 South Dakota | 4 | 1.03 | 1.15 | (12) | 45 Oregon | 7 | 0.72 | 1.08 | (36) |
| 19 California | 46 | 1.00 | 1.17 | (17) | 46 Hawaii | 3 | 0.69 | 0.77 | (8) |
| 20 New York | 87 | 0.99 | 1.04 | (5) | 47 Alaska | 2 | 0.68 | 0.95 | (27) |
| 21 Kansas | 17 | 0.98 | 1.01 | (3) | 48 Minnesota | 22 | 0.68 | 0.84 | (16) |
| 22 Indiana | 68 | 0.95 | 0.94 | 1 | 49 Michigan | 24 | 0.65 | 0.76 | (11) |
| 23 Maine | 28 | 0.95 | 1.09 | (14) | 50 District of Col. | 1 | 0.52 | 1.98 | (146) |
| 24 Massachusetts | 189 | 0.94 | 1.07 | (13) | 51 Nevada | 1 | 0.32 | NA | NM |
| 25 Idaho | 2 | 0.91 | 1.04 | (13) | 52 Puerto Rico | 0 | NA | 1.43 | NM |
| 26 Virginia | 21 | 0.90 | 0.61 | 29 |  |  |  |  |  |
| 27 Arkansas | 10 | 0.89 | 0.74 | 15 | U.S. and Terr. | 1,652 | 1.01 | 1.05 | (4) |

[^6]Quarterly Return on Assets (ROA), Annualized



## Assets of Mutual and Stock Savings Institutions

1990-1999


## Number of Mutual and Stock Savings Institutions



## Quarterly Return on Assets (ROA), Annualized Mutual and Stock Savings Institutions



## Quarterly Return on Equity (ROE), Annualized <br> Mutual and Stock Savings Institutions



# Quarterly Return on Risk-Weighted Assets (RWA)* and RWA to Total Assets <br> 1990-1999 



* Assets weighted according to risk categories used in regulatory capital computations.

Number of FDIC-Insured Banking Organizations


Assets of FDIC-Insured Banking Organizations 1984-1999


[^7]Number of FDIC-Insured Institutions


Assets of FDIC-Insured Institutions


Number of FDIC-Insured "Problem" Institutions
1991-1999


Savings Institutions
Commercial Banks

| 410 | 276 | 146 | 71 | 49 | 35 | 35 | 29 | 27 | 21 | 16 | 18 | 18 | 15 | 16 | 14 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 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


Savings Institutions
Commercial Banks

| 291 | 184 | 92 | 39 | 14 | 7 | 5 | 3 | 2 | 2 | 2 | 3 | 3 | 6 |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| 528 | 408 | 242 | 33 | 17 | 5 | 5 | 5 | 4 | 5 | 5 | 5 | 5 | 5 |

# Capital Category Distribution 

June 30, 1999
BIF-Member Institutions

|  | Institutions |  |  | Assets |  |
| :--- | ---: | ---: | ---: | ---: | ---: |
|  | Number <br> of | Percent of <br> Total |  | In <br> Billions | Percent of <br> Total |
|  |  |  |  |  |  |
| Well Capitalized | 8,720 | $97.7 \%$ |  | $\$ 5,701.2$ | $99.4 \%$ |
| Adequately Capitalized | 189 | $2.1 \%$ |  | $\$ 34.7$ | $0.6 \%$ |
| Undercapitalized | 12 | $0.1 \%$ |  | $\$ 0.7$ | $0.0 \%$ |
| Significantly Undercapitalized | 3 | $0.0 \%$ | $\$ 0.3$ | $0.0 \%$ |  |
| Critically Undercapitalized | 3 | $0.0 \%$ | $\$ 0.1$ | $0.0 \%$ |  |

SAIF-Member Institutions

Well Capitalized
Adequately Capitalized
Undercapitalized
Significantly Undercapitalized
Critically Undercapitalized

| Institutions |  |
| ---: | ---: |
| Number <br> of | Percent of <br> Total |
|  |  |
| 1,363 | $97.4 \%$ |
| 36 | $2.6 \%$ |
| 0 | $0.0 \%$ |
| 1 | $0.1 \%$ |
| 0 | $0.0 \%$ |


| Assets |  |
| ---: | ---: |
| In <br> Billions | Percent of <br> Total |
| $\$ 844.7$ | $98.6 \%$ |
| $\$ 11.7$ | $1.4 \%$ |
| $\$ 0.0$ | $0.0 \%$ |
| $\$ 0.0$ | $0.0 \%$ |
| $\$ 0.0$ | $0.0 \%$ |

Note: These tables are based solely on Call Report data and do not reflect supervisory upgrades or downgrades. Of the three institutions categorized as critically undercapitalized, one institution with assets of $\$ 43$ million was merged.

## Capital Category Definitions

|  | Total Risk-Based Capital* |  | Tier 1 <br> Risk-Based Capital* |  | Tier 1 Leverage |  | Tangible <br> 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\% |

[^8]
# Total Liabilities and Equity Capital 



[^9]December 31, 1992 - June 30, 1999

Funds per \$100 Est. Insured Deposits

(\$ Billions)
BIF

| Fund Balance | -0.1 | 13.1 | 21.8 | 25.5 | 26.9 | 28.3 | 29.6 | 29.9 | 29.8 |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| Est. Insured Deposits | $1,945.6$ | $1,905.2$ | $1,895.3$ | $1,952.0$ | $2,007.4$ | $2,055.9$ | $2,134.4$ | $2,123.6$ | $2,128.6$ |

SAIF

| Unrestricted Fund Balance* | 0.3 | 1.2 | 1.9 | 3.4 | 8.9 | 9.4 | 9.8 | 9.0 |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| Est. Insured Deposits | 732.2 | 697.9 | 693.6 | 711.9 | 683.1 | 690.1 | 716.0 | 707.0 |

Note: Includes insured branches of foreign banks. 1999 fund balances are unaudited. Insured deposits for prior periods may reflect adjustments.

* The SAIF Special Reserve, established January 1, 1999, with a balance of $\$ 978$ million, is excluded from the reserve ratio calculation.


## U.S. Treasury Yield Curve

June 30, 1998 - June 30, 1999


## 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

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

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

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 nondeposit 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-ofperiod amount plus end-of-period amount plus any interim periods, divided by the total number of periods). For "pooling-ofinterest" 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.

## RECENT 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-2898, 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)

BIF-insured deposits (estimated) - the amount of deposits in accounts of less than $\$ 100,000$ insured by the BIF. For SAIFmember "Oakar" institutions, it represents the adjusted attributable amount acquired from BIF members.
Capital category distribution - each institution's capital category is calculated or estimated from its financial report and does not reflect supervisory upgrades or downgrades:

| (Percent) Ris | Total isk-Bas Capital |  |  |  | Tier 1 everage |  | Tangible Equity |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Well-capitalized | $\geq 10$ | and | $\geq 6$ | and | $\geq 5$ |  | - |
| Adequately capitalized | d $\geq 8$ | and | $\geq 4$ | and | $\geq 4$ |  | - |
| Undercapitalized | $\geq 6$ | and | $\geq 3$ | and | $\geq 3$ |  | - |
| Significantly undercapitalized | <6 | or | <3 | or | <3 | and | >2 |
| Critically undercapitalized | - |  | - |  | - |  | $\leq 2$ |

For purpose of BIF and SAIF assessments, risk-based assessment rules combine the last three capital rating categories into a single "undercapitalized" category. 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.
Construction and development loans - includes loans for all property types under construction, as well as loans for land acquisition and development.
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.
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.
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.
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.
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 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.
"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.
Return on assets - net income (including gains or losses on securities and extraordinary items) as a percentage of average total assets. The basic yardstick of bank profitability.

Return on equity - net income (including gains or losses on securities and extraordinary items) as a percentage of average total equity capital.
Risk-weighted assets - assets adjusted for risk-based capital definitions which include on-balance-sheet as well as off-balance-sheet items multiplied by risk-weights that range from zero to 100 percent. A conversion factor is used to assign a balance sheet equivalent amount for selected off-balance-sheet accounts.
SAIF-insured deposits (estimated) - the amount of deposits in accounts of less than \$100,000 insured by the SAIF. For BIFmember "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.
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.

## 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


[^0]:    * Noncurrent loan rates represent the percentage of loans in each category that are past due 90 days or more or in nonaccrual status.

[^1]:    * Not reported by banks with less than $\$ 300$ million in assets.
    ** Reflects replacement cost of interest rate and foreign exchange contracts covered by risk-based-capital requirements. Does not include foreign exchange rate contracts with an original maturity of 14 days or less or futures contracts.

[^2]:    *Amounts do not represent either the net market position or the credit exposure of banks' off-balance-sheet derivative activities.
    They represent the gross value of all contracts written. Spot foreign exchange contracts of $\$ 448$ billion for the seven largest participants and $\$ 48$ billion for all others are not included.

[^3]:    ${ }^{* *}$ Gross operating income is the total of interest income and noninterest income.

[^4]:    *Excludes trading account assets for savings institutions filing a Call Report. Trading account assets for savings institutions filing a TFR are netted out of "All Other Securities".

[^5]:    **Gross operating income is the total of interest income and noninterest income.

[^6]:    *YTD ROA minus ROA for the same period one year ago equals change in basis points. Basis point $=1 / 100$ of a percent.

[^7]:    * Includes thrifts owned by unitary thrift holding companies or multi-thrift holding companies.

[^8]:    * As a percentage of risk-weighted assets.

    Note: Standards vary in some instances for the strongest institutions, those anticipating growth, and those subject to supervisory agreements or directives.

[^9]:    * Other borrowed funds include federal funds purchased, securites sold under agreement to repurchase, FHLB and FRB borrowings and other indebtedness.

