

The FDIC Quarterly Banking Profile

Andrew C. Hove, Jr., Chairman

Fourth Quarter 1997

COMMERCIAL BANKING PERFORMANCE — FOURTH QUARTER 1997

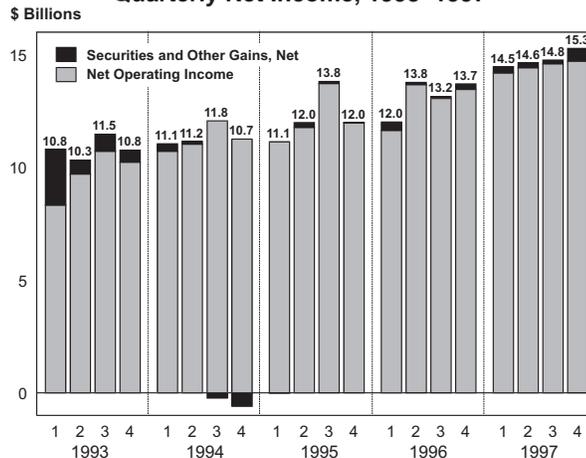
- **Bank Earnings Set New Quarterly, Full-Year Records**
- **Quarterly Earnings Surpass \$15 Billion For First Time**
- **Quarterly Growth In Assets Is An All-Time High**
- **Industry Assets Now Exceed \$5 Trillion**
- **First Bank Failure In Fifteen Months**

Insured commercial banks reported record net income of \$15.3 billion in the fourth quarter of 1997, an increase of \$511 million (3.5 percent) over the previous quarterly record, set in the third quarter of 1997. The positive contributions of higher gains from sales of securities, increased net interest income and reduced tax expenses outweighed the negative effect on industry earnings of lower trading income during the quarter. Full-year industry earnings totaled \$59.2 billion, up \$6.9 billion (13.1 percent) from 1996 results. Commercial banks' return on average assets (ROA) rose to a record 1.23 percent in 1997, from 1.19 percent in 1996. The previous record for full-year industry ROA had been 1.20 percent, set in 1993. Higher noninterest revenue and net interest income were chiefly responsible for the improved annual profits.

Trading revenues in the fourth quarter were \$1.3 billion below third-quarter levels, producing a \$221-million drop in noninterest income. On the plus side, tax expenses declined by \$802 million, because of restructuring charges and trading losses at a few large institutions, securities sales netted \$611 million more in gains than in the third quarter, and net interest income was \$422 million higher. The average ROA for the quarter was 1.24 percent, up from 1.22 percent in the third quarter and 1.21 percent in the fourth quarter of 1996. More than half of all banks — 58.5 percent — had quarterly ROAs of 1.00 percent or better, and 60.7 percent had higher earnings than in the same quarter of 1996. Compared to a year ago, quarterly earnings were \$1.6 billion (11.5 percent) higher. Much of the improvement came from

higher net interest income (up \$2.5 billion, or 6.0 percent) and higher noninterest income (up \$2.3 billion, or 9.4 percent). The improvement was limited by increased noninterest expenses (up \$2.7 billion, or 6.5 percent) and higher loan-loss provisions (up \$945 million, or 20.9 percent).

Quarterly Net Income, 1993–1997



Full-year earnings were boosted by rising net interest income and strong growth in noninterest income. Net interest income totaled \$174.5 billion in 1997, up \$11.7 billion (7.2 percent) from 1996, while noninterest income passed the \$100-billion mark for the first time. Banks reported \$104.5 billion in noninterest revenues in 1997, up \$10.9 billion (11.7 percent) from a year ago. The increase in net interest income was driven by growth in earning assets, which increased 9.2 percent in 1997. The industry's net interest margin declined for the fifth consecutive year, to 4.21 percent from 4.27 percent in 1996. It is now 20

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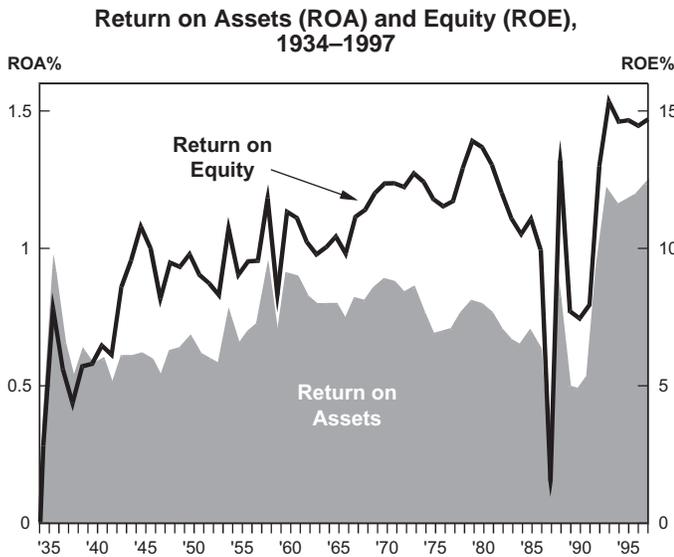
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basis points below the peak level of 4.41 percent, reached in 1992. Noninterest income growth was largely attributable to higher income from trust activities (up \$2.4 billion, or 17.8 percent), and growth in other fees (up \$5.2 billion, or 14.0 percent). More than two-thirds of all commercial banks – 68.8 percent – reported higher earnings in 1997, and a similar proportion (68.7 percent) had full-year ROAs of 1.00 percent or higher. The industry's return on equity (ROE) rose to 14.70 percent in 1997 from 14.46 percent in 1996. This is the second-highest annual industry ROE since the inception of the FDIC. The record high was 15.34 percent, set in 1993.

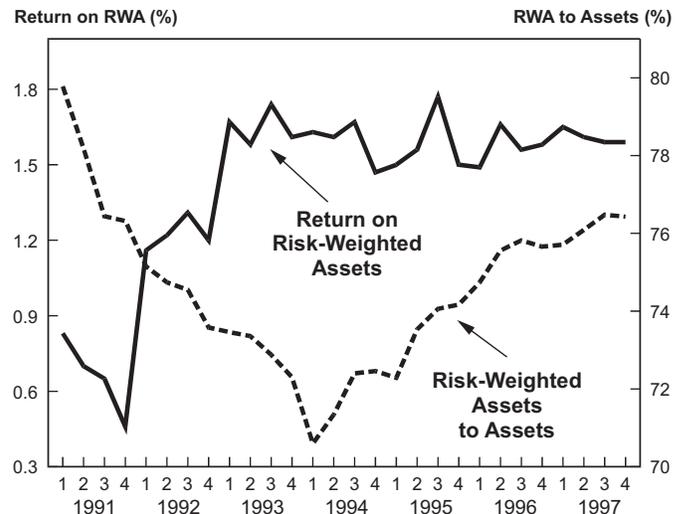


Total assets of commercial banks registered their largest quarterly increase ever, rising by \$145.4 billion in the fourth quarter, to \$5.01 trillion. This marks the first time that industry assets have exceeded \$5 trillion. At the same time, unused loan commitments extended by banks exceeded \$3 trillion for the first time at year-end. Loans and leases increased by \$67.9 billion, with commercial and industrial loans growing by \$30.7 billion. On-balance-sheet credit card loans increased by \$10.8 billion, while credit-card loans securitized and sold off-balance-sheet grew by \$10.4 billion during the quarter. Banks increased their securities holdings by \$36.3 billion, as mortgage-backed securities increased by \$23.9 billion. Balances due from depository institutions had a seasonal increase of \$25.1 billion in the quarter.

If the risk weights that are assigned to different asset categories to compute regulatory capital ratios are applied to the assets of commercial banks, it is evident that the relative credit risk of asset portfolios has been rising. Higher-risk loans have replaced lower-risk securities, and the composition of loan portfolios has shifted toward higher-risk loan categories. Also, risk-weighted assets take into account banks' exposures to off-balance-sheet assets, which have experienced rapid

growth in recent years. When commercial bank profitability is adjusted to reflect the changing risk in asset portfolios, the data indicate that banks have been able to maintain a fairly stable rate of return, allowing for the increase in portfolio risk.

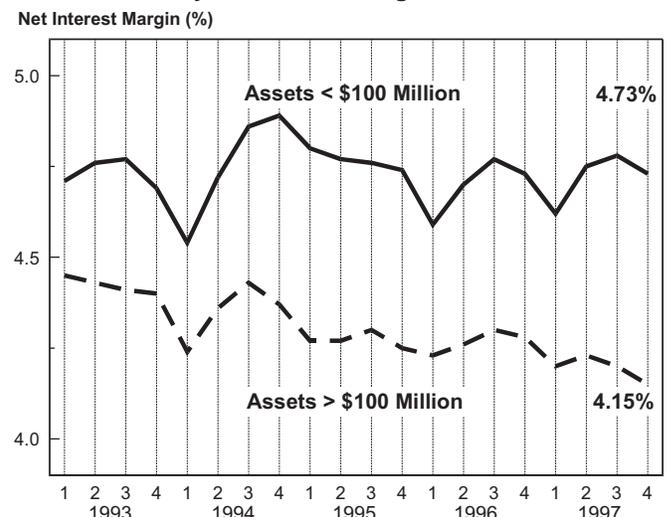
Quarterly Return on Risk-Weighted Assets (RWA),* and RWA to Total Assets, 1991–1997



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

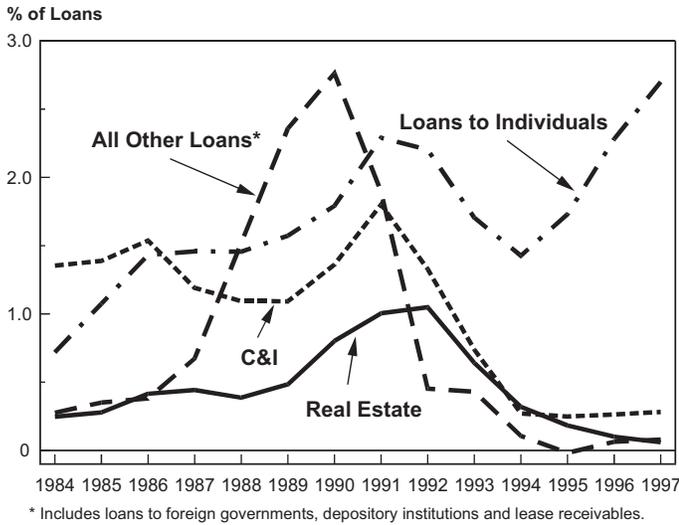
Deposits also increased strongly at commercial banks in the fourth quarter. Total deposits increased \$116.8 billion, the largest quarterly increase since the fourth quarter of 1986. Much of the growth occurred in domestic savings and demand deposits, which increased by \$46.2 billion and \$37.0 billion, respectively. Despite the growth in lending and in core deposits, in the fourth quarter the industry's net interest margin declined to its lowest level in six years, as funding costs rose more rapidly than asset yields. The average margin was 4.18 percent, down from 4.23 percent in the third quarter; this is the lowest quarterly average since the third quarter of 1991, when it was 4.17 percent.

Quarterly Net Interest Margins, 1993–1997



Asset quality indicators continued to present a mixed picture. Net charge-off rates were lower for most loan categories, including credit-card loans, but higher charge-offs on other consumer loans and on commercial real estate loans pushed the quarterly net charge-off rate to an annualized 0.69 percent, the highest quarterly loss rate in four years (since the fourth quarter of 1993, when the rate was 0.93 percent). The net charge-off rate on credit-card loans declined slightly, to 5.34 percent from a record 5.37 percent in the third quarter. Credit cards still accounted for 60.1 percent of all loans charged-off by commercial banks in the fourth quarter. For the full year, the industry's net charge-off rate was 0.63 percent, up from 0.58 percent in 1996. Credit-card loans accounted for \$11.7 billion (64.0 percent) of the \$18.3 billion in net loan charge-offs taken in 1997.

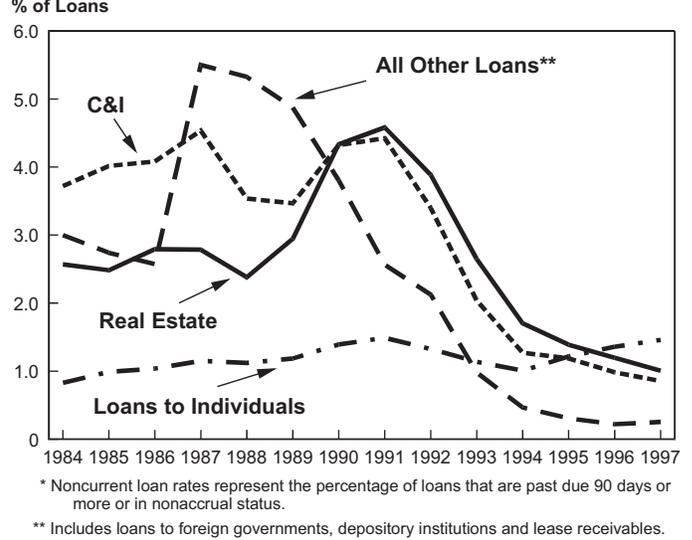
Annual Net Charge-Off Rates on Loans, 1984-1997



The percent of commercial bank loans that were non-current (past due 90 days or more or in nonaccrual status) declined to the lowest level in the 16 years that noncurrent loan data have been reported. At the end of 1997, only 0.96 percent of loans were noncurrent, down from 0.99 percent at the beginning of the fourth quarter, and 1.04 percent a year earlier. The noncurrent rate on credit-card loans rose from 2.00 percent to 2.14 percent during the quarter, but other loan categories showed either improvement or nominal increases in noncurrent levels. The amount of noncurrent loans held by commercial banks declined by \$216 million in the fourth quarter. For the full year, noncurrent loans fell by \$659 million.

Although commercial banks' reserves declined by \$201 million during the fourth quarter, the industry's "coverage ratio" improved slightly to \$1.92 in reserves for every \$1.00 in noncurrent loans, due to the decline in noncurrent loans. The ratio of reserves to total loans declined for the eighteenth time in the last nineteen quarters, to 1.84 percent. This is the lowest level for the

Noncurrent Loan Rates at Year-End,* 1984-1997



industry's reserve ratio since the first quarter of 1987. Equity capital increased by \$2.5 billion in the fourth quarter, but because of the strong growth in assets, the industry's equity-to-assets ratio declined to 8.33 percent, from 8.53 percent at the end of the third quarter.

The number of commercial banks reporting financial results declined by 72 institutions in the fourth quarter, from 9,215 to 9,143. There were 54 new charters during the quarter, and 129 banks were absorbed by mergers. Of these, 15 represented interstate mergers (absorption by an out-of-state institution). For the full year, 599 commercial banks were absorbed by mergers (190 were interstate mergers), and 188 new bank charters were issued. This is the largest number of new commercial bank charters since 1989, when 193 were issued. One insured commercial bank failed in the fourth quarter, ending a period of 15 months without any commercial bank failures. The last time there was a comparable interval with no commercial bank failures was in 1962-63, when 15 months elapsed between bank failures.

Structural Changes Among FDIC-Insured Commercial Banks, 1980 - 1997

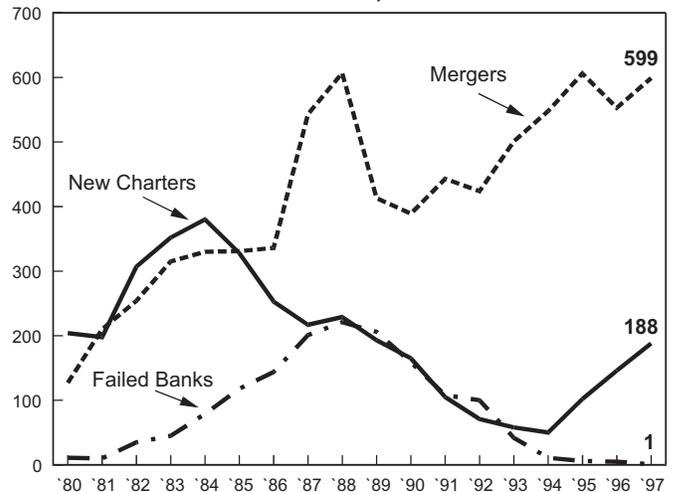


TABLE I-A. Selected Indicators, FDIC-Insured Commercial Banks

	1997	1996	1995	1994	1993	1992	1991
Return on assets (%).....	1.23	1.19	1.17	1.15	1.20	0.93	0.53
Return on equity (%).....	14.70	14.46	14.66	14.61	15.34	12.98	7.94
Core capital (leverage) ratio (%).....	7.56	7.64	7.61	7.64	7.65	7.21	6.48
Noncurrent assets plus other real estate owned to assets (%).....	0.66	0.75	0.85	1.01	1.61	2.54	3.02
Net charge-offs to loans (%).....	0.63	0.58	0.49	0.50	0.85	1.27	1.59
Asset growth rate (%).....	9.54	6.16	7.53	8.21	5.72	2.19	1.22
Net interest margin (%).....	4.21	4.27	4.29	4.36	4.40	4.41	4.11
Net operating income growth (%).....	12.60	6.45	7.48	16.18	35.36	92.41	-0.63
Number of institutions reporting.....	9,143	9,528	9,940	10,451	10,958	11,462	11,921
Percentage of unprofitable institutions.....	4.51	4.24	3.55	3.98	4.89	6.85	11.60
Number of problem institutions.....	71	82	144	247	426	787	1,016
Assets of problem institutions (in billions).....	\$5	\$5	\$17	\$33	\$242	\$408	\$528
Number of failed/assisted institutions.....	1	5	6	11	42	100	108

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

	Preliminary				%Change 96:4-97:4	
	4th Quarter 1997	3rd Quarter 1997	4th Quarter 1996			
Number of institutions reporting.....	9,143	9,215	9,528		-4.0	
Total employees (full-time equivalent).....	1,537,431	1,524,129	1,489,193		3.2	
CONDITION DATA						
Total assets.....	\$5,014,884	\$4,869,454	\$4,578,291		9.5	
Loans secured by real estate.....	1,243,874	1,226,870	1,139,020		9.2	
Commercial & industrial loans.....	795,932	765,219	709,597		12.2	
Loans to individuals.....	561,424	554,539	562,292		-0.2	
Farm loans.....	44,886	45,021	41,324		8.6	
Other loans & leases.....	329,074	316,036	364,355		-9.7	
Less: Unearned income.....	4,525	4,750	5,308		-14.7	
Total loans & leases.....	2,970,667	2,902,936	2,811,280		5.7	
Less: Reserve for losses.....	54,718	54,919	53,654		2.0	
Net loans & leases.....	2,915,949	2,848,017	2,757,626		5.7	
Securities.....	871,870	835,530	800,652		8.9	
Other real estate owned.....	3,794	4,136	4,783		-20.7	
Goodwill and other intangibles.....	61,673	58,882	44,691		38.0	
All other assets.....	1,161,599	1,122,889	970,539		19.7	
Total liabilities and capital.....	5,014,884	4,869,454	4,578,291		9.5	
Noninterest-bearing deposits.....	676,399	629,464	664,259		1.8	
Interest-bearing deposits.....	2,745,297	2,675,460	2,532,888		8.4	
Other borrowed funds.....	822,994	822,245	716,012		14.9	
Subordinated debt.....	61,989	55,096	51,167		21.1	
All other liabilities.....	290,310	271,760	238,709		21.6	
Equity capital.....	417,896	415,430	375,256		11.4	
Loans and leases 30-89 days past due.....	38,939	35,429	38,417		1.4	
Noncurrent loans and leases.....	28,471	28,687	29,130		-2.3	
Restructured loans and leases.....	2,460	2,726	3,651		-32.6	
Direct and indirect investments in real estate.....	660	655	668		-1.2	
1-4 Family residential mortgages.....	718,907	708,214	655,424		9.7	
Mortgage-backed securities.....	384,147	360,245	335,853		14.4	
Earning assets.....	4,311,329	4,214,492	3,949,143		9.2	
Long-term assets (5+ years).....	777,175	738,556	652,259		19.2	
Volatile liabilities.....	1,600,736	1,580,448	1,405,957		13.9	
Foreign office deposits.....	526,195	507,048	473,580		11.1	
Unused loan commitments.....	3,084,388	2,967,947	2,579,910		19.6	
Off-balance-sheet derivatives.....	25,380,345	25,679,216	20,297,423		25.0	
INCOME DATA						
	Preliminary Full Year 1997	Full Year 1996	%Change	Preliminary 4th Quarter 1997	4th Quarter 1996	%Change 96:4-97:4
Total interest income.....	\$339,554	\$312,769	8.6	\$88,483	\$80,761	9.6
Total interest expense.....	165,039	150,001	10.0	43,854	38,664	13.4
Net interest income.....	174,515	162,768	7.2	44,629	42,097	6.0
Provision for loan losses.....	19,785	16,285	21.5	5,460	4,515	20.9
Total noninterest income.....	104,500	93,580	11.7	27,134	24,801	9.4
Total noninterest expense.....	169,958	160,714	5.8	44,384	41,677	6.5
Securities gains (losses).....	1,843	1,114	65.4	867	387	123.8
Applicable income taxes.....	31,898	28,192	13.1	7,506	7,387	1.6
Extraordinary gains, net.....	19	88	-78.3	4	(1)	N/A
Net income.....	59,236	52,359	13.1	15,284	13,706	11.5
Net charge-offs.....	18,294	15,501	18.0	5,051	4,439	13.8
Cash dividends.....	42,604	38,789	9.8	16,107	12,975	24.1
Net operating income.....	58,007	51,518	12.6	14,711	13,458	9.3

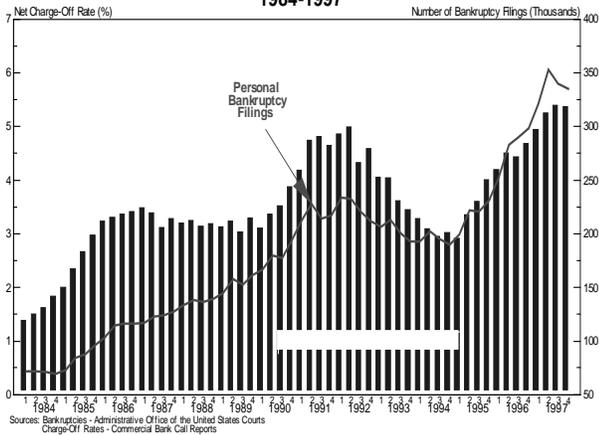
TABLE III-A. Full Year 1997, FDIC-Insured Commercial Banks

FULL YEAR Preliminary (The way it is . . .)	All Institutions	Asset Size Distribution				Geographic Distribution by Region					
		Less than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	Greater than \$10 Billion	East			West		
						North- east	South- east	Central	Mid- west	South- west	West
Number of institutions reporting.....	9,143	5,853	2,923	301	66	714	1,524	1,999	2,329	1,601	976
Total assets (in billions).....	\$5,014.9	\$267.8	\$727.8	\$902.6	\$3,116.7	\$1,893.9	\$946.8	\$804.8	\$335.0	\$356.0	\$678.3
Total deposits (in billions).....	3,421.7	230.4	602.1	624.6	1,964.6	1,149.4	654.6	579.1	255.0	291.1	492.4
Net income (in millions).....	59,236	3,053	9,231	11,891	35,061	20,522	11,083	9,994	4,644	4,039	8,954
% of unprofitable institutions.....	4.5	6.4	1.1	1.7	NA	3.6	6.1	3.9	2.6	3.7	9.7
% of institutions with earnings gains.....	68.8	64.5	76.6	74.4	81.8	75.5	70.7	71.1	65.4	64.0	72.4
Performance Ratios (%)											
Yield on earning assets.....	8.19	8.36	8.40	8.63	7.99	8.02	8.08	8.24	8.65	7.87	8.66
Cost of funding earning assets.....	3.98	3.70	3.70	3.88	4.11	4.38	3.78	3.97	3.84	3.46	3.54
Net interest margin.....	4.21	4.66	4.69	4.75	3.88	3.64	4.30	4.27	4.81	4.40	5.12
Noninterest income to earning assets.....	2.52	1.40	1.66	2.60	2.82	3.13	2.01	1.82	2.51	2.08	2.70
Noninterest expense to earning assets.....	4.10	3.98	3.89	4.12	4.16	4.27	3.80	3.55	4.25	4.20	4.61
Loan loss provision to assets.....	0.41	0.22	0.29	0.81	0.34	0.38	0.39	0.38	0.60	0.23	0.56
Net operating income to assets.....	1.21	1.19	1.33	1.35	1.14	1.09	1.22	1.28	1.42	1.21	1.34
Return on assets.....	1.23	1.19	1.34	1.36	1.18	1.14	1.23	1.29	1.44	1.22	1.35
Return on equity.....	14.70	10.91	13.98	14.92	15.30	15.40	13.69	15.32	15.90	13.78	13.79
Net charge-offs to loans and leases.....	0.63	0.27	0.36	1.08	0.58	0.73	0.46	0.50	0.82	0.37	0.83
Loan loss provision to net charge-offs.....	108.15	144.42	131.26	112.96	100.33	100.56	129.32	115.21	111.16	111.26	100.00
Efficiency ratio.....	59.15	65.18	60.39	54.13	60.07	61.75	58.10	56.96	56.93	62.24	56.19
Condition Ratios (%)											
Earning assets to total assets.....	85.97	91.73	91.37	89.39	83.23	82.82	88.28	89.09	90.06	87.89	84.81
Loss allowance to:											
Loans and leases.....	1.84	1.44	1.49	2.11	1.88	2.14	1.53	1.57	1.80	1.40	2.14
Noncurrent loans and leases.....	192.19	146.51	170.24	199.00	198.97	177.65	194.14	194.26	190.49	170.04	238.69
Noncurrent assets plus											
other real estate owned to assets.....	0.66	0.71	0.65	0.77	0.62	0.73	0.59	0.58	0.69	0.52	0.72
Equity capital ratio.....	8.33	10.82	9.62	9.16	7.58	7.33	8.88	8.35	9.07	8.65	9.82
Core capital (leverage) ratio.....	7.56	10.68	9.25	8.39	6.65	6.91	7.64	7.82	8.66	7.93	8.25
Net loans and leases to deposits.....	85.22	67.37	72.94	93.25	88.52	82.33	90.85	89.77	86.17	65.00	90.60
Structural Changes (YTD)											
New charters.....	188	178	7	3	0	16	44	32	27	27	42
Banks absorbed by mergers.....	599	227	284	71	17	44	163	152	88	79	73
Failed banks.....	1	1	0	0	0	0	0	0	0	1	0
PRIOR FULL YEARS (The way it was . . .)											
Number of institutions.....											
.....1996	9,528	6,204	2,926	325	73	743	1,577	2,110	2,401	1,683	1,014
.....1994	10,451	7,259	2,800	328	64	834	1,741	2,272	2,622	1,857	1,125
.....1992	11,462	8,292	2,790	329	51	922	1,892	2,521	2,791	2,047	1,289
Total assets (in billions).....											
.....1996	\$4,578.3	\$280.1	\$713.4	\$1,002.4	\$2,582.4	\$1,730.7	\$805.4	\$716.8	\$297.2	\$334.4	\$693.8
.....1994	4,010.5	315.9	682.9	1,072.3	1,939.4	1,545.0	646.1	659.6	262.3	304.6	593.0
.....1992	3,505.7	346.0	680.2	1,034.2	1,445.3	1,307.6	550.1	581.5	242.1	282.6	541.7
Return on assets (%).....											
.....1996	1.19	1.16	1.28	1.31	1.12	1.10	1.22	1.21	1.43	1.22	1.24
.....1994	1.15	1.12	1.19	1.31	1.06	1.07	1.18	1.13	1.46	1.12	1.24
.....1992	0.93	1.04	1.01	1.02	0.81	0.81	0.99	1.02	1.30	1.12	0.82
Net charge-offs to loans & leases (%)											
.....1996	0.58	0.27	0.42	0.89	0.52	0.63	0.45	0.44	0.70	0.35	0.79
.....1994	0.50	0.25	0.37	0.54	0.57	0.75	0.27	0.29	0.46	0.16	0.58
.....1992	1.27	0.57	0.76	1.38	1.57	1.77	0.83	0.96	0.78	0.67	1.30
Noncurrent assets plus											
OREO to assets (%).....											
.....1996	0.75	0.77	0.74	0.85	0.71	0.84	0.68	0.57	0.65	0.61	0.88
.....1994	1.01	0.86	0.92	0.90	1.13	1.28	0.72	0.66	0.68	0.67	1.33
.....1992	2.54	1.37	1.71	2.15	3.50	3.55	1.62	1.35	1.18	1.50	3.46
Equity capital ratio (%).....											
.....1996	8.20	10.55	9.44	8.77	7.38	7.36	8.48	8.43	8.74	8.74	9.22
.....1994	7.78	9.84	8.79	7.94	7.01	7.33	7.84	7.88	8.43	8.15	8.33
.....1992	7.51	9.38	8.20	7.68	6.62	6.93	7.60	7.86	8.43	7.31	8.17

TABLE IV-A. Fourth Quarter 1997, FDIC-Insured Commercial Banks

FOURTH QUARTER Preliminary (The way it is . . .)	All Institutions	Asset Size Distribution					Geographic Distribution by Region					
		Less than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	Greater than \$10 Billion	East			West			
						North- east	South- east	Central	Mid- west	South- west	West	
Number of institutions reporting.....	9143	5853	2923	301	66	714	1524	1999	2329	1601	976	
Total assets (in billions).....	5,014.9	267.8	727.8	902.6	3,116.7	1,893.9	946.8	804.8	335.0	356.0	678.3	
Total deposits (in billions).....	3,421.7	230.4	602.1	624.6	1,964.6	1,149.4	654.6	579.1	255.0	291.1	492.4	
Net income (in millions).....	15,284.0	685.1	2,235.1	3,462.6	8,901.2	5,322.5	2,422.0	2,733.4	1,295.8	1,028.3	2,482.1	
% of unprofitable institutions.....	9.6	13.1	3.5	4.3	1.5	7.3	10.4	6.6	11.7	10.0	10.9	
% of institutions with earnings gains.....	60.7	56.7	67.9	65.8	69.7	64.0	60.9	60.7	60.6	57.6	63.0	
Performance Ratios (annualized, %)												
Yield on earning assets.....	8.29	8.52	8.5	8.75	8.08	8.13	8.2	8.33	8.78	7.95	8.77	
Cost of funding earning assets.....	4.11	3.79	3.78	3.97	4.27	4.55	3.88	4.09	3.95	3.62	3.62	
Net interest margin.....	4.18	4.73	4.72	4.78	3.81	3.58	4.31	4.25	4.83	4.33	5.15	
Noninterest income to earning assets.....	2.54	1.55	1.69	2.94	2.73	3.03	2.11	1.9	2.77	2.1	2.75	
Noninterest expense to earning assets.....	4.16	4.38	4.05	4.24	4.15	4.19	4.16	3.58	4.33	4.22	4.67	
Loan loss provision to assets.....	0.44	0.28	0.35	0.78	0.38	0.42	0.49	0.32	0.61	0.28	0.59	
Net operating income to assets.....	1.19	1.02	1.23	1.53	1.09	1.07	1.03	1.35	1.55	1.16	1.39	
Return on assets.....	1.24	1.04	1.25	1.55	1.16	1.14	1.05	1.37	1.57	1.18	1.48	
Return on equity.....	14.66	9.5	12.93	16.76	15.06	15.42	11.53	16.11	17.15	13.45	14.96	
Net charge-offs to loans and leases.....	0.69	0.4	0.47	1.2	0.6	0.81	0.53	0.53	0.82	0.49	0.83	
Loan loss provision to net charge-offs.....	108.1	119.74	123.29	98.47	110.96	101.1	141.45	91.72	110.62	103.54	106.32	
Efficiency ratio.....	60	69.36	62.01	52.87	61.26	61.88	62.74	56.83	55.88	62.91	56.33	
Structural Changes (QTR)												
New charters.....	54	52	1	1	0	5	12	8	7	10	12	
Banks absorbed by mergers.....	129	63	50	13	3	17	27	29	21	22	13	
Failed banks.....	1	1	0	0	0	0	0	0	0	1	0	
PRIOR FOURTH QUARTERS (The way it was . . .)												
Return on assets (%).....1996	1.21	0.98	1.28	1.42	1.14	1.17	1.26	1.28	1.39	1.21	1.12	
.....1994	1.07	0.98	1.13	1.2	1	0.95	1.09	1.05	1.31	1	1.34	
.....1992	0.89	0.81	0.89	0.92	0.88	0.79	0.85	1.05	1.29	1.03	0.74	
Net charge-offs to loans & leases (%)												
.....1996	0.64	0.43	0.56	1.01	0.52	0.67	0.53	0.53	0.84	0.47	0.79	
.....1994	0.55	0.4	0.49	0.62	0.54	0.74	0.38	0.39	0.56	0.26	0.59	
.....1992	1.41	0.8	1.03	1.55	1.6	1.86	1.07	0.8	0.88	0.67	1.79	

Credit Card Loss Rates and Personal Bankruptcy Filings
1984-1997



Bank Mergers: Acquisitions vs. Consolidations,*
1985-1997

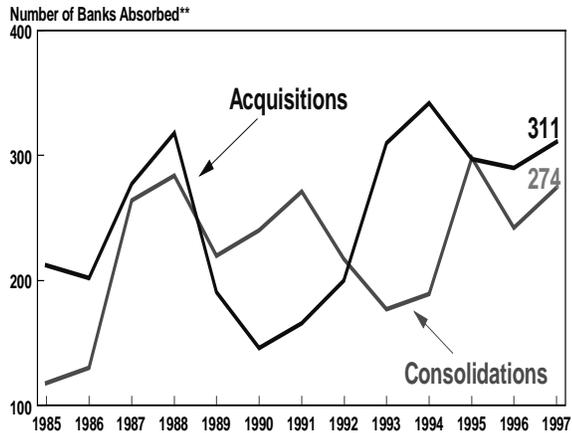


TABLE V-A. Loan Performance, FDIC-Insured Commercial Banks

December 31, 1997	All Institutions	Asset Size Distribution				Geographic Distribution by Region					
		Less than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	Greater than \$10 Billion	East			West		
						North-east	South-east	Central	Mid-west	South-west	West
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate.....	1.33	1.52	1.16	1.20	1.43	1.42	1.31	1.35	1.20	1.60	1.14
Construction and development.....	1.42	1.26	1.14	1.45	1.62	1.25	1.17	1.82	1.76	1.56	1.31
Commercial real estate.....	0.97	1.07	0.81	0.93	1.08	1.27	0.88	1.06	0.82	1.02	0.69
Multifamily residential real estate.....	1.12	0.72	0.80	0.97	1.39	1.02	0.93	1.32	1.08	1.34	1.23
Home equity loans.....	0.96	0.90	0.83	0.92	1.01	1.13	0.94	0.93	0.66	0.92	0.89
Other 1-4 Family residential.....	1.59	1.99	1.51	1.39	1.64	1.53	1.61	1.57	1.42	2.08	1.54
Commercial and industrial loans*.....	0.83	1.56	1.33	1.06	0.58	0.55	0.82	1.19	1.48	1.15	0.70
Loans to individuals.....	2.48	2.68	2.25	2.57	2.46	2.63	2.43	2.48	2.54	2.19	2.26
Credit card loans.....	2.68	3.05	2.76	2.76	2.63	2.61	3.12	3.06	2.66	2.67	2.42
Other loans to individuals.....	2.33	2.66	2.15	2.37	2.34	2.66	2.14	2.32	2.43	2.15	2.05
All other loans and leases (including farm).....	0.51	NA	NA	1.12	0.46	0.47	0.51	0.94	0.44	0.35	0.30
Memo: Commercial RE loans not secured by RE..	0.42	1.87	0.41	0.62	0.39	0.26	0.37	1.17	0.45	0.37	0.33
Percent of Loans Noncurrent**											
All real estate loans.....	1.01	0.87	0.77	0.97	1.15	1.46	0.85	0.76	0.63	0.99	1.05
Construction and development.....	0.98	0.86	0.77	0.90	1.18	2.19	0.59	0.90	0.73	0.94	1.07
Commercial real estate.....	1.21	0.95	0.88	1.13	1.51	2.22	0.80	0.88	0.70	1.08	1.22
Multifamily residential real estate.....	0.95	0.98	0.82	0.83	1.08	1.13	0.78	0.77	0.42	0.37	1.49
Home equity loans.....	0.44	0.50	0.41	0.44	0.44	0.61	0.36	0.36	0.18	0.29	0.50
Other 1-4 Family residential.....	0.94	0.79	0.72	0.97	1.03	1.12	0.97	0.74	0.58	0.94	1.00
Commercial and industrial loans*.....	0.86	1.26	1.19	0.84	0.71	0.87	0.64	0.96	1.24	0.94	0.75
Loans to individuals.....	1.46	0.86	0.78	1.53	1.62	2.06	1.06	1.00	1.68	0.66	1.26
Credit card loans.....	2.14	1.66	1.79	2.09	2.20	2.15	2.07	2.17	2.70	1.96	1.85
Other loans to individuals.....	0.98	0.81	0.59	0.93	1.17	1.95	0.64	0.69	0.64	0.55	0.50
All other loans and leases (including farm).....	0.25	NA	NA	0.42	0.24	0.23	0.24	0.31	0.30	0.19	0.27
Memo: Commercial RE loans not secured by RE..	0.40	1.03	0.34	0.45	0.39	0.36	0.49	0.39	0.09	0.35	0.49
Percent of Loans Charged-off (net, YTD)											
All real estate loans.....	0.06	0.05	0.06	0.06	0.06	0.10	0.05	0.05	0.02	-0.01	0.08
Construction and development.....	-0.02	0.03	0.06	0.00	-0.09	0.09	0.00	0.02	0.11	-0.27	-0.12
Commercial real estate.....	0.01	0.05	0.06	0.03	-0.03	0.02	0.01	0.03	-0.04	-0.03	0.03
Multifamily residential real estate.....	0.04	0.21	0.08	0.07	-0.01	0.02	0.01	0.07	0.02	-0.01	0.10
Home equity loans.....	0.16	0.11	0.08	0.18	0.17	0.15	0.10	0.14	0.06	0.74	0.24
Other 1-4 Family residential.....	0.08	0.05	0.06	0.07	0.09	0.11	0.06	0.05	0.04	0.04	0.11
Commercial and industrial loans*.....	0.28	0.41	0.42	0.26	0.23	0.20	0.19	0.31	0.64	0.31	0.40
Loans to individuals.....	2.70	0.78	1.38	3.39	2.75	3.15	2.11	2.02	2.89	1.36	3.65
Credit card loans.....	5.11	3.30	4.53	5.51	4.88	4.99	4.78	5.75	4.97	4.57	5.37
Other loans to individuals.....	1.04	0.64	0.79	0.92	1.22	1.12	0.96	0.90	0.79	1.06	1.43
All other loans and leases (including farm).....	0.08	NA	NA	0.23	0.06	-0.02	0.16	0.21	0.19	0.13	0.09
Memo: Commercial RE loans not secured by RE..	-0.03	2.03	0.26	0.05	-0.07	-0.08	-0.05	0.11	0.03	0.01	-0.04
Loans Outstanding (in billions)											
All real estate loans.....	\$1,243.9	\$88.4	\$275.0	\$263.4	\$617.1	\$316.5	\$321.1	\$241.0	\$97.7	\$79.3	\$188.3
Construction and development.....	88.2	6.2	23.9	22.0	36.1	10.6	28.3	17.2	7.7	9.1	15.1
Commercial real estate.....	340.4	23.4	93.9	78.0	145.1	72.8	82.6	69.2	27.2	26.6	61.9
Multifamily residential real estate.....	41.2	2.0	8.8	11.1	19.3	11.8	8.4	8.1	3.2	2.3	7.3
Home equity loans.....	98.1	2.1	13.6	20.4	62.0	24.5	24.9	23.7	4.7	0.8	19.5
Other 1-4 Family residential.....	620.8	44.2	124.5	128.3	323.9	170.8	172.0	116.0	46.0	37.4	78.7
Commercial and industrial loans.....	795.9	25.8	79.2	125.1	565.9	301.3	130.2	141.7	46.9	54.5	121.3
Loans to individuals.....	561.4	23.6	68.8	166.2	302.8	197.5	104.5	90.0	49.1	38.3	81.9
Credit card loans.....	231.2	1.2	11.2	85.2	133.6	107.0	31.0	19.3	24.8	3.2	45.9
Other loans to individuals.....	330.2	22.4	57.6	80.9	169.3	90.5	73.5	70.7	24.4	35.1	36.0
All other loans and leases (including farm).....	374.0	20.3	24.1	41.3	288.3	153.7	48.9	55.9	30.1	20.5	65.0
Memo: Commercial RE loans not secured by RE..	29.5	0.2	0.9	2.9	25.5	9.1	4.6	3.5	1.9	2.0	8.5
Memo: Other Real Estate Owned (in millions)											
All other real estate owned.....	\$3,794.0	\$350.4	\$865.9	\$606.5	\$1,971.2	\$1,349.0	\$785.2	\$407.2	\$214.0	\$263.6	\$775.0
Construction and development.....	433.7	42.8	152.0	88.8	150.1	108.2	152.8	36.5	35.5	20.2	80.5
Commercial real estate.....	1,737.7	150.7	386.9	285.2	914.9	576.9	311.9	198.7	83.3	133.4	433.5
Multifamily residential real estate.....	181.3	10.7	35.4	29.1	106.1	114.8	17.6	9.8	7.0	4.5	27.6
1-4 Family residential.....	1,107.1	113.4	262.0	194.3	537.4	301.9	294.7	156.4	65.5	79.9	208.8
Farmland.....	95.2	32.8	29.6	8.7	24.2	9.8	8.1	5.8	22.5	25.7	23.2
Other real estate owned in foreign offices.....	239.1	0.1	0.0	0.4	238.5	237.4	0.1	0.0	0.2	0.0	1.4

*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.

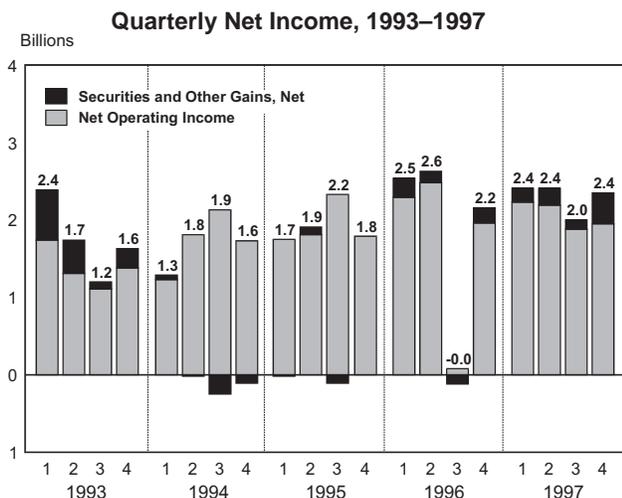
SAVINGS INSTITUTION PERFORMANCE — FOURTH QUARTER, 1997

- **Savings Institutions Earn \$2.4 Billion In The Fourth Quarter**
- **Annual Earnings Of \$8.8 Billion Are Highest Ever**
- **Equity Capital Reaches Highest Level Since 1943**
- **No Thrifts Failed In All Of 1997, The First Year Since 1959 With No Failures**

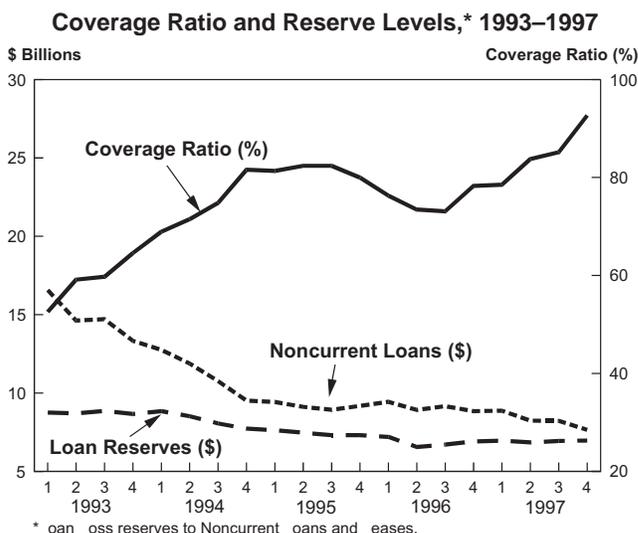
Savings institutions reported \$2.4 billion in earnings for the fourth quarter of 1997 for an average annual return on assets (ROA) of 0.95 percent. Earnings were \$352 million higher than in the third quarter, primarily because of gains on the sales of securities. Gains on securities sales, at \$559 million, were more than three times the \$154 million reported in the previous quarter. Strong noninterest income also contributed to the earnings improvement. Noninterest income was \$125 million (7 percent) higher than in the third quarter. The ratio of noninterest income to earning assets was 0.87 percent for the fourth quarter, the highest level in over two years. In the fourth quarter, 92 percent of all savings institutions were profitable and one-third had an ROA of 1.00 percent or better.

because the special assessment was deductible, which kept tax expenses unusually low in 1996. Several tax law changes enacted in 1996 increased the tax burden on thrifts in 1997. In particular, thrifts lost the ability to set aside a bad debt-reserve for tax purposes.

A decline in noncurrent loans pushed the coverage ratio to a record of 91 cents in reserves for every \$1 of noncurrent loans. This was the third consecutive quarter that this ratio set a new record. Noncurrent loans declined by \$565 million during the fourth quarter. One thrift specializing in bad-debt workouts accounted for \$239 million of the decline in noncurrent loans. Reserves rose by just \$27 million during the fourth quarter.



Full-year net income, at \$8.8 billion, was the highest ever reported by the thrift industry. The ROA for 1997, at 0.93 percent, was the highest since 1946. Full-year earnings were \$1.8 billion higher than in 1996. Noninterest expense was \$4.7 billion lower in 1997 than in 1996 largely because of the special assessment paid by SAIF-insured institutions in the third quarter of 1996. Thanks to the capitalization of their insurance fund, thrifts with SAIF-insured deposits had lower deposit premiums in 1997, resulting in pre-tax savings of approximately \$800 million. Taxes were \$1.8 billion higher in 1997

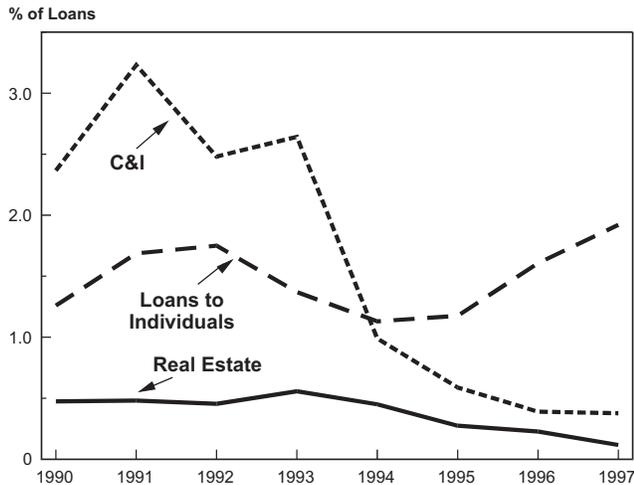


The industry's noncurrent assets and other real estate owned (OREO) accounted for less than one percent of total assets at year-end. This was the first time that less than one percent of assets were nonperforming since data became available for this calculation in 1990. This ratio has improved dramatically from its peak at 4.15 percent in early 1991.

Net charge-offs fell to 0.25 percent of loans in 1997 from 0.32 percent in 1996. This was the third consecutive year with a reduction in net charge-offs. The trend began in 1993 when the net-charge-off

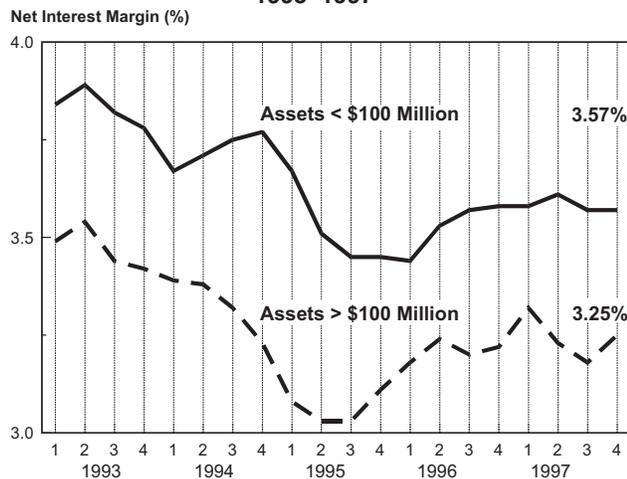
rate was 0.65 percent. Net charge-offs improved in all loan categories except home equity loans and credit-card loans. The net charge-off rate on home equity loans rose slightly, by 4 basis points, to 0.22 percent during 1997. The net charge-off rate on credit-card loans increased by nearly one-third, to 4.98 percent from 3.79 percent in 1996. Credit-card loans represent just one percent of thrift assets.

Annual Net Charge-Off Rates,* 1990-1997



Net interest margins improved to 3.27 percent from 3.20 percent in the third quarter, even as the yield curve flattened. The yield on earning assets grew by 22 basis points while the cost of funding earning assets rose only 15 basis points. Most of the improvement occurred at the largest thrifts, those with assets of over \$5 billion. These institutions reported a 46 basis-point improvement in the yield on earning assets and a 28 basis-point increase in the cost of funding earning assets. Their net interest margin increased by 18 basis points to 3.08 percent.

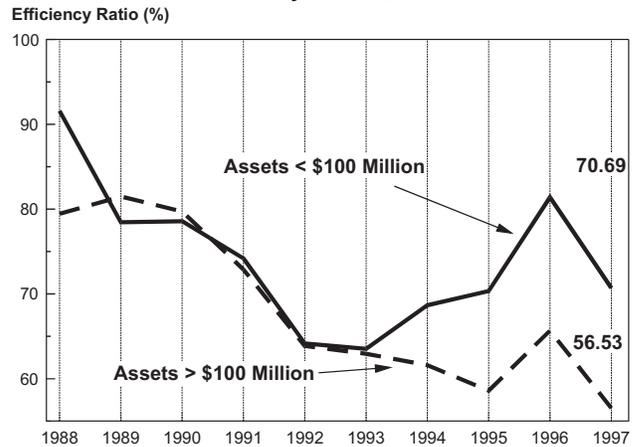
Quarterly Net Interest Margins, Annualized 1993-1997



The performance of large institutions continues to drive the industry's improvement in controlling

costs. The efficiency ratio — noninterest expense less amortization of intangible assets as a percent of net interest income plus noninterest income — improved to 57 percent for 1997. This ratio was much higher in 1996 (at 66 percent) when the special assessment on SAIF-insured deposits impacted the thrift industry. In 1995, a more typical year, this ratio was 59 percent. Small thrifts, those with less than \$100 million in assets, have shown almost no change in this ratio since 1995. These thrifts showed a slight deterioration to almost 71 percent in 1997 from 70 percent in 1995. All of the improvement in 1997 occurred at larger institutions, which reported an efficiency ratio of 57 percent in 1997, down from just below 59 percent in 1995.

Annual Efficiency Ratios,* 1988-1997

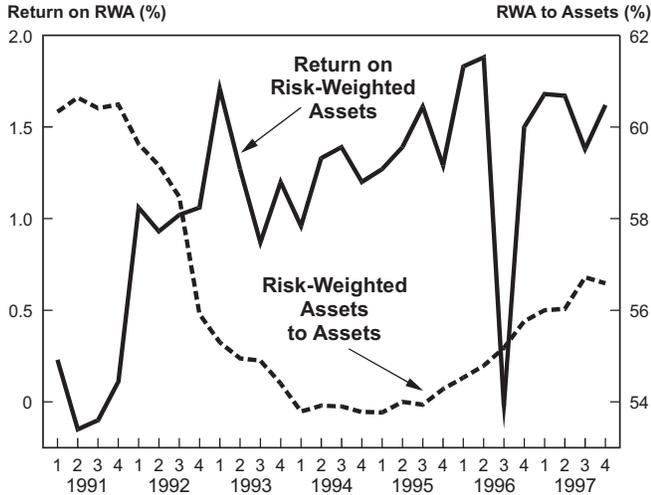


* Noninterest expense less amortization of intangible assets as a percent of net interest income plus noninterest income.

The thrift industry showed very little increase in the risk profile of its asset portfolio in 1997. Total assets increased during the fourth quarter by \$4.4 billion. Thrifts increased real estate loans on 1-4 family properties by \$1.2 billion, while loans secured by multifamily properties declined by \$874 million. The risk weighting of assets, as defined for regulatory capital computations, has increased somewhat over the past few years, but declined slightly in the fourth quarter. Risk-weighted assets (RWA) as a percent of total assets rose from a recent low in early 1995 of 53.8 percent to 56.7 percent at the end of the third quarter of 1997, before declining slightly to 56.6 percent at year-end. The return on RWA for thrifts was 1.62 during the fourth quarter, up from 1.38 percent in the third quarter. Thrifts tend to keep a larger percentage of their portfolio in lower-risk assets than commercial banks.

Savings institutions increased their use of non-deposit borrowings in the fourth quarter. All non-deposit borrowings grew by \$5.8 billion during the fourth quarter, while deposits declined by \$2.3

Quarterly Return on Risk-Weighted Assets (RWA),* and RWA to Total Assets, 1991–1997



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

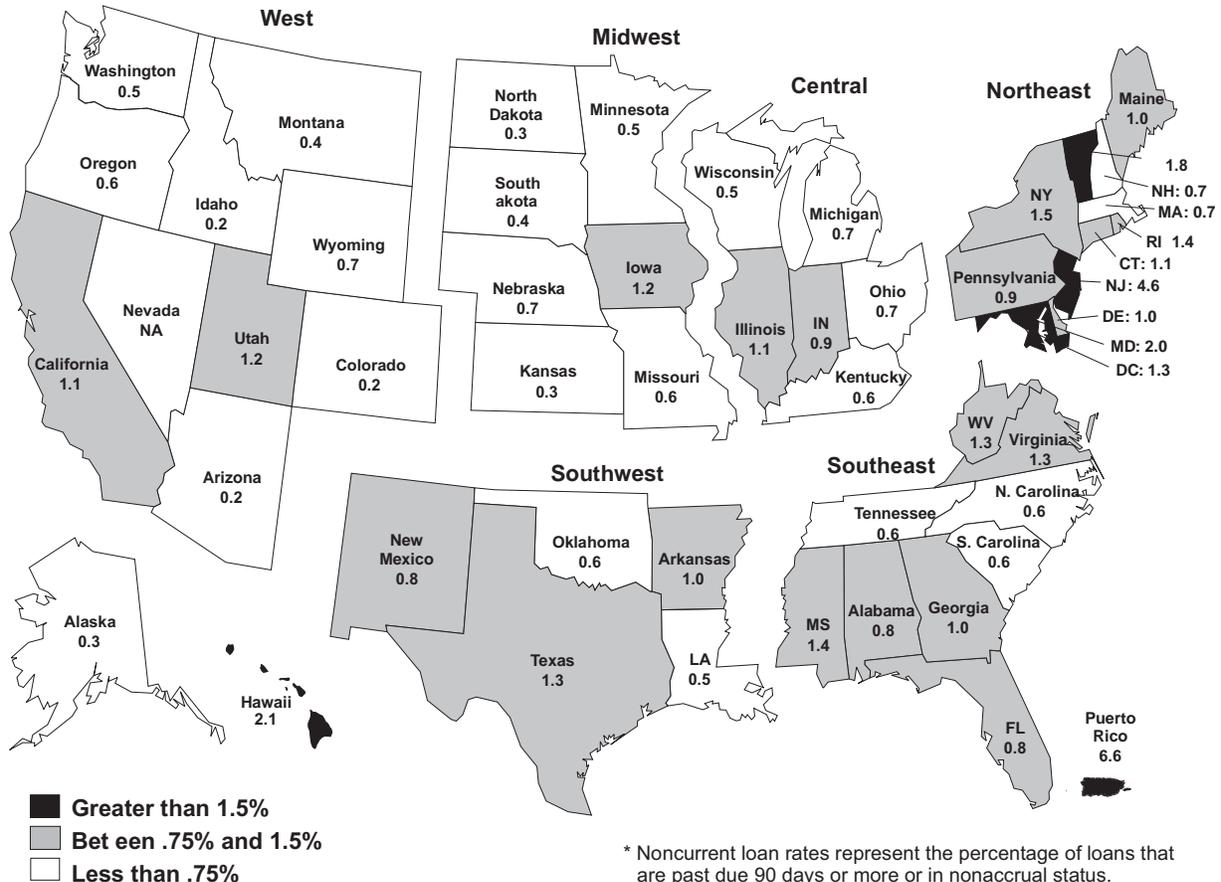
billion. For institutions that file a Thrift Financial Report, Federal Home Loan Bank advances rose by \$11.9 billion during the quarter.

Equity capital rose by \$1.2 billion during the quarter to 8.71 percent of assets. This was the highest capital ratio since 1943. The return on equity (ROE) reached 10.90 percent for all of 1997. This was the highest annual ROE reported by thrifts since 1985

when equity capital was just 3.52 percent of industry assets. The ROE for that year was 13.91 percent.

The number of savings institutions declined by 33 during the fourth quarter to 1,779 institutions. Commercial banks absorbed 28 savings institutions with \$15.8 billion in assets. In 1997, the commercial banking industry absorbed 116 savings institutions with \$75 billion in assets. Tax law changes in late 1996 made acquiring thrifts much less costly. Savings institutions absorbed five commercial banks with \$795 million in assets, and three commercial banks, with \$562 million in assets, converted to thrift charters. Just 11 thrifts were acquired by other thrifts during the fourth quarter. Three new savings institutions opened during the fourth quarter for a total of 12 new thrifts during the year. There were 21 mutual-to-stock conversions during the fourth quarter involving \$4.6 billion in assets. No thrifts failed in 1997, the first calendar year since 1959 with no thrift failures. Only one thrift failed in 1996 and by the end of 1997, the industry had 16 consecutive months without a thrift failure. The number of 'problem' savings institutions declined during the fourth quarter to 21 from 27 at the end of the third quarter. Assets of 'problem' thrifts fell to \$1.7 billion from \$2.0 billion at the end of September.

Noncurrent Loan Rates by State,* December 31, 1997



* 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*

	1997	1996	1995	1994	1993	1992	1991
Return on assets (%).....	0.93	0.70	0.77	0.66	0.70	0.65	0.08
Return on equity (%).....	10.90	8.40	9.40	8.28	9.24	9.48	1.26
Core capital (leverage) ratio (%).....	7.96	7.76	7.80	7.65	7.45	6.77	5.54
Noncurrent assets plus							
other real estate owned to assets (%).....	0.95	1.09	1.20	1.38	2.10	3.07	3.96
Net charge-offs to loans (%).....	0.25	0.32	0.34	0.51	0.65	0.59	0.65
Asset growth rate (%).....	-0.20	0.25	1.70	0.77	-2.85	-7.44	-11.61
Net interest margin (%).....	3.23	3.22	3.09	3.34	3.48	3.40	2.76
Net operating income growth (%).....	20.79	-13.99	13.81	22.24	21.21	574.61	82.18
Number of institutions.....	1,779	1,924	2,030	2,152	2,262	2,390	2,561
Percentage of unprofitable institutions.....	3.88	11.95	5.86	6.97	5.88	7.57	18.35
Number of problem institutions.....	21	35	49	71	146	276	410
Assets of problem institutions (in billions).....	\$2	\$7	\$14	\$39	\$92	\$183	\$291
Number of failed/assisted institutions.....	0	1	2	4	8	81	163

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

	Preliminary				%Change 96:4-97:4	
	4th Quarter 1997	3rd Quarter 1997	4th Quarter 1996			
Number of institutions reporting.....	1,779	1,812	1,924		-7.5	
Total employees (full-time equivalent).....	244,830	245,040	252,759		-3.1	
CONDITION DATA						
Total assets.....	\$1,026,219	\$1,021,858	\$1,028,289		-0.2	
Loans secured by real estate.....	631,859	631,451	637,183		-0.8	
1-4 Family residential.....	506,980	505,750	502,074		1.0	
Multifamily residential property.....	57,612	58,486	59,490		-3.2	
Commercial real estate.....	47,509	47,641	50,183		-5.3	
Construction, development and land.....	19,758	19,574	25,437		-22.3	
Commercial & industrial loans.....	16,209	16,092	14,853		9.1	
Loans to individuals.....	47,677	48,935	44,928		6.1	
Other loans & leases.....	3,215	3,021	2,328		38.1	
Less: Unearned income & contra accounts***.....	215	227	10,480		N/M	
Total loans & leases.....	698,744	699,271	688,812		1.4	
Less: Reserve for losses.....	6,967	6,940	7,483		-6.9	
Net loans & leases.....	691,777	692,331	681,329		1.5	
Securities.....	248,673	247,413	262,356		-5.2	
Other real estate owned.....	2,084	2,205	2,413		-13.6	
Goodwill and other intangibles.....	10,999	10,381	8,226		33.7	
All other assets.....	72,686	69,528	73,965		-1.7	
Total liabilities and capital.....	1,026,219	1,021,858	1,028,289		-0.2	
Deposits.....	704,115	706,429	727,920		-3.3	
Other borrowed funds.....	216,256	210,477	200,911		7.6	
Subordinated debt.....	2,935	2,931	2,401		22.3	
All other liabilities.....	13,516	13,828	11,267		20.0	
Equity capital.....	89,396	88,193	85,790		4.2	
Loans and leases 30-89 days past due.....	8,135	7,870	9,240		-12.0	
Noncurrent loans and leases.....	7,652	8,217	8,840		-13.4	
Restructured loans and leases.....	3,381	3,574	4,627		-26.9	
Direct and indirect investments in real estate.....	596	582	592		0.7	
Mortgage-backed securities.....	180,601	182,243	193,072		-6.5	
Earning assets.....	959,671	957,540	963,276		-0.4	
FHLB Advances (TFR filers only).....	118,620	106,762	103,427		14.7	
Unused loan commitments.....	111,548	110,485	96,357		15.8	
INCOME DATA						
	Preliminary Full Year 1997	Full Year 1996	%Change	Preliminary 4th Quarter 1997	4th Quarter 1996	%Change 96:4-97:4
Total interest income.....	\$69,180	\$72,270	-4.3	\$18,632	\$18,588	0.2
Total interest expense.....	40,563	42,171	-3.8	11,046	10,831	2.0
Net interest income.....	28,617	30,100	-4.9	7,586	7,757	-2.2
Provision for loan losses.....	2,159	2,534	-14.8	585	868	-32.6
Total noninterest income.....	7,033	7,493	-6.1	2,029	1,959	3.6
Total noninterest expense.....	21,047	25,700	-18.1	5,907	5,938	-0.5
Securities gains (losses).....	1,260	941	33.9	559	267	109.5
Applicable income taxes.....	4,863	3,036	60.2	1,330	1,024	29.9
Extraordinary gains, net.....	(5)	(246)	N/A	(1)	0	N/A
Net income.....	8,837	7,017	25.9	2,352	2,155	9.2
Net charge-offs.....	1,569	2,113	-25.8	399	606	-34.1
Cash dividends.....	4,866	5,810	-16.2	1,645	1,697	-3.1
Net operating income.....	7,923	6,560	20.8	1,950	1,959	-0.5

*Data between 1991 and 1995 do not include Resolution Trust Corporation conservatorships. Excludes one self-liquidating institution.

N/M - Not Meaningful

***Prior to 1997, includes contra accounts such as loans in process and unamortized yield adjustments for TFR filers.

Beginning March 31, 1997, includes only unearned income reported by Call Report filers.

TABLE III-B. Full Year 1997, FDIC-Insured Savings Institutions

FULL YEAR Preliminary (The way it is . . .)	All Institutions	Asset Size Distribution				Geographic Distribution by Region					
		Less than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$5 Billion	Greater than \$5 Billion	East			West		
						North- east	South- east	Central	Mid- west	South- west	West
Number of institutions reporting.....	1,779	764	858	122	35	687	254	461	133	118	126
Total assets (in billions).....	\$1,026.2	\$39.9	\$250.4	\$239.8	\$496.1	\$342.8	\$64.9	\$174.1	\$33.5	\$64.0	\$346.8
Total deposits (in billions).....	704.1	32.8	196.4	164.1	310.8	257.0	48.1	124.9	24.1	39.9	210.2
Net income (in millions).....	8,836.5	295.1	2,297.7	2,449.9	3,793.8	3,250.1	529.1	1,501.2	327.0	643.7	2,585.3
% of unprofitable institutions.....	3.9	6.3	2.1	1.6	2.9	2.3	8.3	2.2	2.3	9.3	6.3
% of institutions with earnings gains.....	89.0	87.0	90.8	90.2	85.7	85.4	88.6	94.1	92.5	88.1	88.1
Performance Ratios (%)											
Yield on earning assets.....	7.80	7.85	7.89	7.95	7.68	7.71	8.12	7.72	7.81	8.14	7.82
Cost of funding earning assets.....	4.57	4.30	4.36	4.57	4.72	4.21	4.55	4.66	4.80	4.91	4.84
Net interest margin.....	3.23	3.56	3.53	3.37	2.96	3.49	3.58	3.06	3.01	3.23	2.98
Noninterest income to earning assets.....	0.79	0.89	0.63	0.96	0.79	0.60	1.50	0.92	0.73	1.13	0.72
Noninterest expense to earning assets.....	2.37	3.17	2.57	2.56	2.10	2.38	3.47	2.40	2.08	2.56	2.12
Loan loss provision to assets.....	0.23	0.11	0.16	0.28	0.25	0.17	0.41	0.24	0.12	0.33	0.24
Net operating income to assets.....	0.84	0.68	0.88	0.90	0.80	0.91	0.65	0.76	0.92	1.01	0.79
Return on assets.....	0.93	0.76	0.96	1.07	0.87	1.00	0.87	0.91	1.01	1.03	0.86
Return on equity.....	10.90	6.53	9.28	12.71	11.67	10.64	8.88	10.11	10.95	12.64	11.94
Net charge-offs to loans and leases.....	0.25	0.10	0.17	0.34	0.26	0.22	0.47	0.24	0.07	0.43	0.22
Loan loss provision to net charge-offs.....	137.66	162.35	140.90	128.36	141.64	129.91	126.55	141.21	255.65	122.11	148.90
Efficiency ratio.....	57.18	70.69	60.94	57.49	53.23	56.26	66.98	57.36	54.74	57.72	55.61
Condition Ratios (%)											
Earning assets to total assets.....	93.52	94.42	94.63	92.87	93.19	94.01	92.34	93.29	94.88	91.62	93.57
Loss allowance to:											
Loans and leases.....	1.00	0.76	0.89	1.15	1.00	1.08	1.06	0.78	0.69	0.91	1.06
Noncurrent loans and leases.....	91.05	72.70	92.11	71.80	106.60	71.08	124.27	100.48	109.84	80.57	109.38
Noncurrent assets plus											
other real estate owned to assets.....	0.95	0.87	0.84	1.31	0.84	1.12	0.86	0.67	0.57	1.10	0.95
Noncurrent RE loans to RE loans.....	1.10	1.03	0.95	1.63	0.96	1.58	0.73	0.72	0.55	1.22	0.99
Equity capital ratio.....	8.71	11.93	10.49	8.75	7.54	9.62	10.15	9.20	9.45	8.35	7.29
Core capital (leverage) ratio.....	7.96	11.57	9.94	8.06	6.61	8.73	9.42	8.20	9.12	7.94	6.70
Gross real estate assets to gross assets....	78.88	71.30	73.82	75.70	83.58	74.00	72.10	78.01	76.59	71.52	86.98
Gross 1-4 family mortgages to gr. assets...	49.06	52.02	47.94	40.29	53.63	43.76	46.36	53.76	54.27	36.56	54.25
Net loans and leases to deposits.....	98.25	82.90	85.75	91.92	111.11	81.79	91.74	98.74	100.12	102.14	118.60
Structural Changes (YTD)											
New charters.....	12	12	0	0	0	2	6	0	1	2	1
Thriffs absorbed by mergers.....	127	44	65	14	4	39	21	31	11	9	16
Failed thriffs.....	0	0	0	0	0	0	0	0	0	0	0
PRIOR FULL YEAR* (The way it was . . .)											
Number of institutions.....1996	1,924	844	919	125	36	730	278	499	145	129	143
.....1994	2,152	996	992	133	31	786	343	547	160	141	175
.....1992	2,390	1,109	1,094	158	29	852	416	590	176	154	202
Total assets (in billions).....1996	\$1,028.3	\$43.7	\$270.1	\$258.3	\$456.2	\$345.4	\$63.2	\$175.7	\$50.3	\$78.3	\$315.3
.....1994	1,008.6	50.4	286.0	292.2	379.9	330.9	82.1	155.5	53.1	70.8	316.1
.....1992	1,030.2	55.9	316.2	325.3	332.7	341.2	109.0	150.5	49.5	61.4	318.7
Return on assets (%).....1996	0.70	0.45	0.66	0.82	0.69	0.84	0.52	0.70	0.56	1.57	0.40
.....1994	0.66	0.79	0.77	0.82	0.43	0.89	0.84	0.76	0.40	0.97	0.30
.....1992	0.65	0.86	0.81	0.67	0.47	0.59	0.77	0.89	1.10	1.55	0.34
Net charge-offs to loans & leases (%)											
.....1996	0.32	0.10	0.17	0.33	0.43	0.32	0.38	0.14	0.15	0.32	0.44
.....1994	0.51	0.10	0.23	0.49	0.79	0.49	0.16	0.11	0.15	0.29	0.86
.....1992	0.59	0.23	0.37	0.67	0.76	0.89	0.38	0.20	0.21	0.34	0.60
Noncurrent assets plus											
OREO to assets (%)**.....1996	1.09	0.96	0.99	1.25	1.08	1.26	0.99	0.65	0.67	1.11	1.25
.....1994	1.38	1.08	1.24	1.47	1.46	1.83	1.07	0.50	0.61	1.37	1.56
.....1992	3.07	1.83	2.35	3.12	3.92	3.81	2.43	0.99	1.24	3.92	3.60
Equity capital ratio (%).....1996	8.34	11.39	9.95	8.29	7.13	9.12	9.44	8.69	8.71	8.10	7.09
.....1994	7.93	9.94	9.02	8.10	6.70	8.51	8.59	8.75	7.71	7.01	6.97
.....1992	7.22	8.47	7.71	7.12	6.62	7.26	7.48	7.89	7.05	6.32	6.96

*Data between 1992 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. Fourth Quarter 1997, FDIC-Insured Savings Institutions

FOURTH QUARTER Preliminary (The way it is . . .)	All Institutions	Asset Size Distribution				Geographic Distribution by Region					
		Less than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$5 Billion	Greater than \$5 Billion	East			West		
						North- east	South- east	Central	Mid- west	South- west	West
Number of institutions reporting.....	1,779	764	858	122	35	687	254	461	133	118	126
Total assets (in billions).....	\$1,026.2	\$39.9	\$250.4	\$239.8	\$496.1	\$342.8	\$64.9	\$174.1	\$33.5	\$64.0	\$346.8
Total deposits (in billions).....	704.1	32.8	196.4	164.1	310.8	257.0	48.1	124.9	24.1	39.9	210.2
Net income (in millions).....	2,351.9	62.1	553.3	697.5	1,039.0	845.0	121.1	280.9	81.6	235.4	787.8
% of unprofitable institutions.....	8.0	12.6	5.0	1.6	5.7	7.4	12.2	6.3	5.3	12.7	7.9
% of institutions with earnings gains.....	53.6	44.6	58.4	71.3	71.4	53.9	52.0	52.7	54.9	48.3	62.7
Performance Ratios (annualized, %)											
Yield on earning assets.....	8.02	7.95	7.97	7.96	8.09	7.80	8.09	7.98	7.84	8.23	8.24
Cost of funding earning assets.....	4.76	4.37	4.44	4.64	5.02	4.32	4.60	4.87	4.86	5.00	5.13
Net interest margin.....	3.27	3.57	3.52	3.32	3.08	3.49	3.49	3.11	2.98	3.23	3.11
Noninterest income to earning assets.....	0.87	1.04	0.69	0.95	0.92	0.71	1.59	0.91	0.76	1.19	0.84
Noninterest expense to earning assets.....	2.54	3.45	2.76	2.62	2.31	2.53	3.66	2.75	2.12	2.73	2.24
Loan loss provision to assets.....	0.24	0.13	0.20	0.26	0.25	0.17	0.47	0.36	0.13	0.21	0.21
Net operating income to assets.....	0.79	0.54	0.77	0.86	0.78	0.89	0.50	0.44	0.89	1.06	0.85
Return on assets.....	0.95	0.63	0.89	1.18	0.89	1.00	0.76	0.66	0.98	1.48	0.97
Return on equity.....	10.89	5.27	8.56	13.65	11.74	10.49	7.62	7.13	10.50	17.66	13.34
Net charge-offs to loans and leases.....	0.24	0.08	0.22	0.34	0.21	0.23	0.46	0.24	0.11	0.54	0.16
Loan loss provision to net charge-offs.....	146.52	240.45	132.64	120.24	170.40	122.16	147.43	207.76	159.58	60.41	178.16
Efficiency ratio.....	59.45	73.84	64.44	59.69	55.06	58.44	69.81	65.07	55.90	60.71	55.03
Structural Changes (QTR)											
New charters.....	3	3	0	0	0	1	2	0	0	0	0
Thriffs absorbed by mergers.....	30	15	8	6	1	7	8	5	3	2	5
Failed thriffs.....	0	0	0	0	0	0	0	0	0	0	0
PRIOR FOURTH QUARTERS* (The way it was . . .)											
Return on assets (%).....1996	0.84	0.81	0.91	1.08	0.67	0.98	0.85	1.06	0.63	1.02	0.57
.....1994	0.65	0.69	0.63	0.80	0.55	0.80	0.70	0.72	-0.08	1.01	0.51
.....1992	0.59	0.83	0.77	0.73	0.26	0.63	0.69	0.90	1.33	1.60	0.07
Net charge-offs to loans & leases (%)											
.....1996	0.36	0.12	0.21	0.37	0.45	0.38	0.43	0.15	0.17	0.32	0.47
.....1994	0.45	0.11	0.27	0.44	0.63	0.47	0.13	0.12	0.32	0.28	0.70
.....1992	0.69	0.24	0.42	0.73	0.96	1.05	0.36	0.21	0.26	0.49	0.73

*Data between 1992 and 1994 does not include Resolution Trust Corporation conservatorships. Excludes one self-liquidating institution.

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

December 31, 1997	All Institutions	Asset Size Distribution				Geographic Distribution by Region					
		Less than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$5 Billion	Greater than \$5 Billion	East			West		
						North-east	South-east	Central	Mid-west	South-west	West
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate.....	1.08	1.99	1.28	1.05	0.93	1.13	1.30	1.07	1.43	1.71	0.90
Construction, development and land.....	1.54	2.33	1.66	2.02	0.86	1.07	1.89	2.24	2.42	1.29	0.99
Commercial real estate.....	1.06	1.78	1.16	1.10	0.80	1.07	1.48	1.34	1.92	1.11	0.68
Multifamily residential real estate.....	0.44	1.49	0.77	0.46	0.31	0.58	1.29	0.59	1.15	0.47	0.32
Home equity loans.....	0.69	0.78	0.93	0.67	0.52	0.93	0.40	0.63	0.70	0.45	0.42
Other 1-4 Family residential.....	1.16	2.05	1.33	1.12	1.03	1.20	1.26	1.06	1.37	1.99	1.03
Commercial and industrial loans.....	1.42	2.53	1.70	1.63	0.73	1.40	2.24	1.73	1.99	0.95	1.06
Loans to individuals.....	2.19	2.57	2.05	2.45	2.08	2.32	3.32	2.06	2.09	1.54	2.11
Credit card loans.....	1.92	0.93	2.93	2.35	1.63	1.39	4.15	2.27	2.47	0.84	2.88
Other loans to individuals.....	2.28	2.65	1.92	2.48	2.31	2.51	2.89	1.99	2.07	2.33	2.00
Percent of Loans Noncurrent*											
All real estate loans.....	1.10	1.03	0.95	1.63	0.96	1.58	0.73	0.72	0.55	1.22	0.99
Construction, development and land.....	1.26	1.47	1.35	1.22	1.13	1.65	1.07	1.70	0.76	0.87	0.99
Commercial real estate.....	1.62	1.42	1.15	2.14	1.66	2.14	0.69	0.83	0.79	1.63	1.47
Multifamily residential real estate.....	0.94	1.15	1.21	1.68	0.46	1.84	0.89	0.73	0.81	3.71	0.47
Home equity loans.....	0.35	0.39	0.44	0.36	0.27	0.47	0.16	0.33	0.26	0.13	0.24
Other 1-4 Family residential.....	1.09	0.97	0.90	1.62	0.99	1.52	0.71	0.69	0.51	1.00	1.07
Commercial and industrial loans.....	1.23	1.72	1.48	1.51	0.63	1.53	1.09	0.92	2.46	1.07	0.75
Loans to individuals.....	1.01	1.05	1.04	1.52	0.69	0.85	1.82	1.31	1.03	0.84	0.57
Credit card loans.....	1.65	0.45	2.33	3.15	1.09	1.07	3.11	3.19	1.09	0.59	1.20
Other loans to individuals.....	0.80	1.08	0.85	1.16	0.48	0.81	1.17	0.75	1.03	1.12	0.47
Percent of Loans Charged-off (net)											
All real estate loans.....	0.12	0.05	0.08	0.13	0.14	0.15	0.05	0.04	-0.02	0.08	0.17
Construction, development and land.....	0.10	0.17	0.15	0.09	0.02	0.15	0.11	0.09	0.14	0.03	0.07
Commercial real estate.....	0.07	0.08	0.14	0.07	-0.03	0.13	0.11	0.05	0.00	0.10	-0.04
Multifamily residential real estate.....	0.17	0.06	0.16	0.25	0.14	0.18	0.03	0.02	0.10	0.04	0.21
Home equity loans.....	0.22	0.11	0.17	0.24	0.25	0.16	0.08	0.12	0.27	0.19	0.54
Other 1-4 Family residential.....	0.11	0.04	0.06	0.12	0.15	0.15	0.03	0.03	-0.04	0.09	0.17
Commercial and industrial loans.....	0.38	0.78	0.55	0.37	0.20	0.35	0.72	0.35	0.60	0.59	0.21
Loans to individuals.....	1.93	0.52	1.28	2.52	2.01	1.17	3.48	2.60	0.77	1.86	1.68
Credit card loans.....	4.98	1.17	5.65	8.87	3.95	3.41	7.79	9.84	3.99	2.11	5.16
Other loans to individuals.....	0.93	0.50	0.58	1.44	0.79	0.67	1.14	0.68	0.65	1.59	1.21
Loans Outstanding (in billions)											
All real estate loans.....	\$630.7	\$24.8	\$153.7	\$133.0	\$319.3	\$189.6	\$37.6	\$110.6	\$21.5	\$32.1	\$239.3
Construction, development and land.....	19.6	1.1	7.8	4.7	6.0	4.1	3.4	4.1	0.9	3.5	3.7
Commercial real estate.....	47.2	2.0	16.3	14.5	14.4	21.2	3.6	5.8	1.5	3.0	12.2
Multifamily residential real estate.....	57.5	0.8	9.3	16.5	30.9	13.3	0.8	6.6	0.8	2.1	33.9
Home equity loans.....	17.5	0.6	5.3	4.3	7.3	7.0	1.4	4.6	0.5	0.3	3.6
Other 1-4 Family residential.....	488.8	20.2	114.9	93.0	260.6	144.0	28.4	89.4	17.8	23.2	185.9
Commercial and industrial loans.....	16.2	0.7	4.2	5.6	5.7	7.3	1.3	2.4	0.5	1.4	3.5
Loans to individuals.....	47.5	1.8	10.4	12.9	22.4	14.0	4.8	10.5	2.2	7.4	8.6
Credit card loans.....	11.4	0.1	1.4	2.3	7.7	2.4	1.6	2.4	0.1	3.9	1.1
Other loans to individuals.....	36.1	1.7	9.1	10.6	14.7	11.7	3.2	8.1	2.2	3.5	7.5
Memoranda:											
Other Real Estate Owned (in millions)**											
All other real estate owned.....	\$2,079.3	\$59.5	\$437.8	\$680.1	\$901.9	\$589.0	\$171.9	\$206.0	\$39.6	\$239.5	\$833.2
Construction, development and land.....	234.7	7.1	75.4	47.3	105.0	60.4	116.9	14.2	10.4	8.5	24.2
Commercial real estate.....	376.9	11.4	94.9	196.9	73.8	157.5	23.4	52.3	7.6	57.9	78.3
Multifamily residential real estate.....	315.7	3.1	35.7	179.7	97.2	59.1	3.9	9.7	3.1	114.9	125.0
1-4 Family residential.....	1,205.2	39.1	242.4	271.8	651.9	327.5	45.1	132.9	20.5	60.4	618.7
Troubled Real Estate Asset Rates***											
(% of total RE assets)											
All real estate loans.....	1.43	1.26	1.23	2.13	1.24	1.88	1.18	0.91	0.73	1.95	1.33
Construction, development and land.....	2.42	2.07	2.29	2.21	2.83	3.08	4.40	2.04	1.89	1.11	1.63
Commercial real estate.....	2.41	2.00	1.72	3.48	2.16	2.88	1.34	1.71	1.29	3.53	2.09
Multifamily residential real estate.....	1.48	1.55	1.59	2.74	0.77	2.27	1.34	0.87	1.20	8.80	0.83
1-4 Family residential.....	1.30	1.14	1.07	1.84	1.21	1.68	0.84	0.81	0.62	1.24	1.38

*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.

ALL FDIC-INSURED INSTITUTIONS

- **One Institution Fails In The Fourth Quarter, The Only Failure Of 1997**
- **Total Assets Of Insured Institutions Surpass \$6 Trillion For The First Time**
- **BIF Reserve Ratio Remains At 1.38 Percent; SAIF Rises To 1.36 Percent**

Reflecting consolidation in both the banking and thrift industries, the number of FDIC-insured institutions fell below 11,000 for the first time, to 10,922. The total assets of these institutions surpassed \$6 trillion, having reached \$5 trillion at year-end 1994. Total assets rose \$150 billion from September 30 to December 31, an increase of 2.5 percent, which is somewhat greater than the 2.1 percent increase recorded in the fourth quarter of 1996. Total deposits increased \$114 billion during the fourth quarter, with most of the growth occurring in large, uninsured deposits and foreign-office deposits. Insured deposits rose just \$34 billion during the period. For the full year, total deposits increased 6.1 percent, and insured deposits grew 3.1 percent. This development mirrors a longer-term trend in which depository institutions are relying less on insured deposits and more on uninsured deposits and nondeposit funding. For all FDIC-member institutions, insured deposits now represent less than half of all liabilities, falling to 49.6 percent as of December 31 from more than 60 percent earlier in the 1990s. For BIF members, this ratio has fallen to 46.8 percent from 59 percent in 1992, and for SAIF members, insured deposits comprise 68.8 percent of liabilities, down from 80 percent in 1993.

One commercial bank, with total assets of \$27 million, failed in November. This was the only Bank Insurance Fund (BIF) member to fail in 1997, the lowest annual total since 1962, when there also was a single bank failure. Among members of the Savings Association Insurance Fund (SAIF), there were no failures in 1997, the first year since 1959 in which no savings association failed. On a combined basis, 1997 was the first year since 1946 with only one federally insured bank or thrift failure.

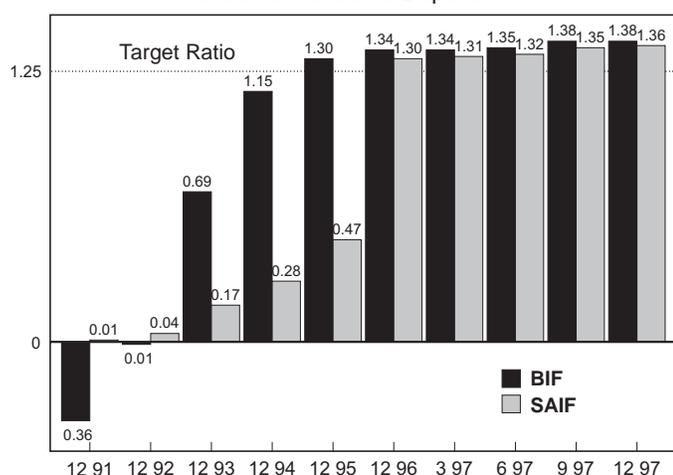
The BIF grew to \$28.3 billion (unaudited) on December 31, from \$28.0 billion on September 30. BIF-insured deposits grew at a comparable rate during the fourth quar-

ter, to \$2.056 trillion, leaving the fund's reserve ratio unchanged at 1.38 percent. The balance of the SAIF increased from \$9.25 billion to \$9.37 billion (unaudited) during the quarter, and SAIF-insured deposits grew at a slightly slower pace, to \$690 billion at the end of 1997. As a result, the reserve ratio of the SAIF edged upward, from 1.35 percent to 1.36 percent. The near-term prospects for both insurance funds remain quite favorable, and investment income is expected to be sufficient to meet expenses. More than 95 percent of BIF members and 90 percent of SAIF members are paying no deposit insurance premiums for the first half of 1998.

Oakars and Sassadors. Oakar deposits are those acquired by a member of one insurance fund from a member of the other fund. These deposits remain insured by the seller's fund. Sasser institutions are former SAIF-member savings associations that convert to a commercial or savings bank charter. By remaining members of the SAIF, they avoid costly exit and entrance fees. On December 31, 789 BIF members held \$246 billion in SAIF-assessable deposits, up from \$235 billion on September 30 and \$217 billion at year-end 1996. BIF members now hold 34.1 percent of the SAIF assessment base, compared to 30.7 percent at the end of 1996. At year-end 1997, 116 SAIF members held \$33 billion in BIF-assessable deposits, up from \$27 billion on September 30 but still just 1.2 percent of the total BIF assessment base.

There were 340 Sasser banks on December 31, a decrease of one since the end of the third quarter, as 10 newly converted Sassadors were offset by 11 that were acquired. About two-thirds of all Sassadors are state-chartered savings banks, but of the 10 newly converted Sassadors in the fourth quarter, seven became commercial banks and three became savings banks. Sassadors currently hold \$68.2 billion in SAIF-assessable deposits, or 9.5 percent of the total SAIF assessment base.

Insurance Fund Reserve Ratios*
Percent of Insured Deposits



*Insurance fund balance as a percent of total insured deposits.

Fund Balance and Insured Deposits*
(\$ Millions)

	BIF Fund Balance	BIF-Insured Deposits	SAIF Fund Balance	SAIF-Insured Deposits
12 91	7,028	1,957,722	101	776,351
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	1,951,963	3,358	711,897
12 96	26,854	2,007,042	8,888	683,403
3 97	27,042	2,024,439	9,010	688,229
6 97	27,389	2,022,745	9,134	690,220
9 97	27,967	2,027,966	9,253	683,926
12 97	28,293	2,055,874	9,368	690,132

* Insured deposit amounts are estimates. 1997 fund balances are unaudited.

**Estimated FDIC-Insured Deposits by Fund Membership and Type of Institution
December 31, 1997**

(dollar figures in millions)	Number of Institutions	Total Assets	Domestic Deposits*	Estimated Insured Deposits		
				BIF	SAIF	Total
Commercial Banks and Savings Institutions						
FDIC-Insured Commercial Banks.....	9,143	5,014,884	2,895,501	1,874,392	215,944	2,090,336
BIF-member.....	9,037	4,959,219	2,855,377	1,862,930	193,177	2,056,107
SAIF-member.....	106	55,666	40,124	11,462	22,766	34,229
FDIC-Supervised.....	5,553	889,686	670,187	478,586	46,326	524,912
OCC-Supervised.....	2,598	2,893,989	1,685,376	1,090,933	135,979	1,226,912
Federal Reserve-Supervised.....	992	1,231,209	539,939	304,874	33,639	338,513
FDIC-Insured Savings Institutions.....	1,779	1,026,219	704,115	180,170	474,188	654,358
OTS-Supervised Savings Institutions.....	1,214	777,591	516,829	60,126	420,630	480,756
BIF-member.....	35	132,674	83,367	41,273	37,466	78,739
SAIF-member.....	1,179	644,917	433,462	18,853	383,165	402,018
FDIC-Supervised State Savings Banks.....	565	248,628	187,287	120,044	53,558	173,602
BIF-member.....	331	191,170	144,542	118,913	14,182	133,095
SAIF-member.....	234	57,457	42,745	1,131	39,375	40,506
Total Commercial Banks and Savings Institutions.....	10,922	6,041,103	3,599,617	2,054,562	690,132	2,744,694
BIF-member.....	9,403	5,283,063	3,083,286	2,023,116	244,825	2,267,942
SAIF-member.....	1,519	758,039	516,331	31,446	445,306	476,753
Other FDIC-Insured Institutions						
U.S. Branches of Foreign Banks.....	27	7,704	2,584	1,312	-	1,312
Total FDIC-Insured Institutions.....	10,949	6,048,807	3,602,200	2,055,874	690,132	2,746,006

*Excludes \$526 billion in foreign office deposits, which are uninsured.

**SAIF Assessment Base,
December 31, 1989-December 31, 1997**

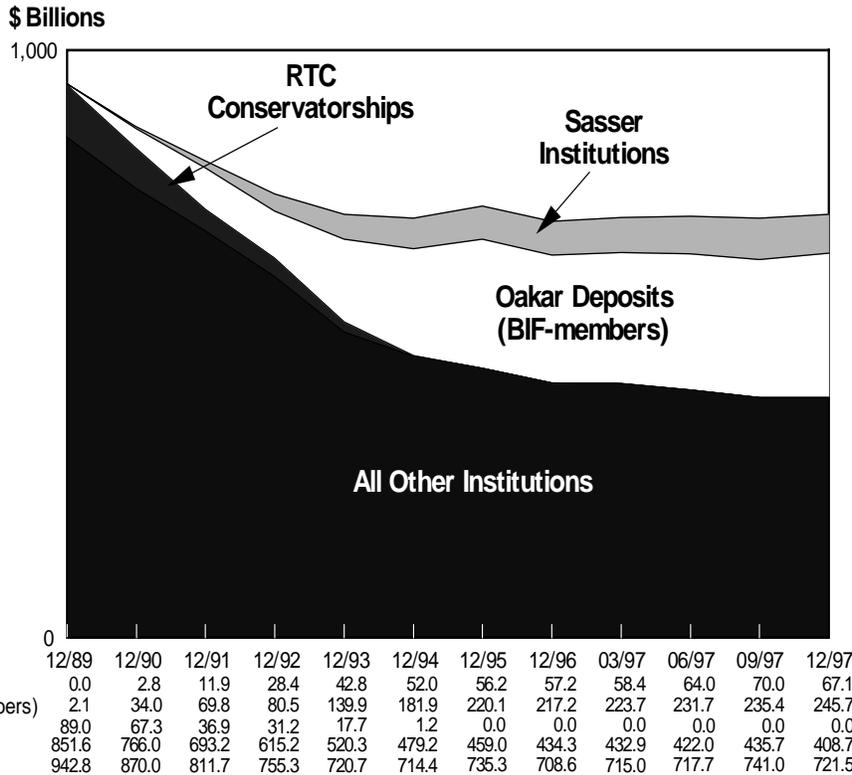


TABLE I-C. Selected Indicators, All FDIC-Insured Institutions*

(dollar figures in millions)	1997	1996	1995	1994	1993	1992	1991
Number of institutions reporting.....	10,922	11,452	11,970	12,603	13,220	13,852	14,482
Total assets.....	\$6,041,103	\$5,606,580	\$5,338,420	\$5,019,085	\$4,707,056	\$4,535,878	\$4,543,684
Total deposits.....	4,125,811	3,925,067	3,769,481	3,611,619	3,528,486	3,527,034	3,594,345
Number of problem institutions.....	92	117	193	318	572	1,063	1,426
Assets of problem institutions (in billions).....	\$7	\$12	\$31	\$73	\$334	\$592	\$819
Number of failed/assisted institutions.....	1	6	8	15	50	181	271
Assets of failed/assisted institutions (in billions).....	\$0.03	\$0.22	\$1.21	\$1.57	\$9.67	\$88	\$142

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

(dollar figures in millions)	Preliminary 4th Quarter 1997	3rd Quarter 1997	4th Quarter 1996	% Change 96:4-97:4		
Number of institutions reporting.....	10,922	11,027	11,452	-4.6		
Total employees (full-time equivalent).....	1,782,261	1,769,169	1,741,952	2.3		
CONDITION DATA						
Total assets.....	\$6,041,103	\$5,891,312	\$5,606,580	7.8		
Loans secured by real estate.....	1,875,733	1,858,322	1,776,203	5.6		
1-4 Family residential.....	1,225,887	1,213,965	1,157,498	5.9		
Home equity loans.....	115,538	113,522	103,572	11.6		
Multifamily residential property.....	98,803	98,397	97,652	1.2		
Commercial real estate.....	387,708	383,622	366,057	5.9		
Construction, development and land.....	107,960	105,681	101,827	6.0		
Other real estate loans.....	55,375	56,656	53,170	4.1		
Commercial & industrial loans.....	812,141	781,311	724,450	12.1		
Loans to individuals.....	609,101	603,474	607,220	0.3		
Credit cards & related plans.....	242,622	232,031	241,980	0.3		
Other loans & leases.....	377,175	364,078	408,006	-7.6		
Less: Unearned income & contra accounts.....	4,740	4,977	15,788	-70.0		
Total loans & leases.....	3,669,411	3,602,207	3,500,091	4.8		
Less: Reserve for losses.....	61,686	61,859	61,137	0.9		
Net loans & leases.....	3,607,725	3,540,348	3,438,955	4.9		
Securities.....	1,120,543	1,082,943	1,063,008	5.4		
Other real estate owned.....	5,878	6,342	7,196	-18.3		
Goodwill and other intangibles.....	72,672	69,263	52,917	37.3		
All other assets.....	1,234,285	1,192,417	1,044,504	18.2		
Total liabilities and capital.....	6,041,103	5,891,312	5,606,580	7.8		
Deposits.....	4,125,811	4,011,353	3,925,067	5.1		
Other borrowed funds.....	1,039,250	1,032,722	916,923	13.3		
Subordinated debt.....	64,924	58,027	53,568	21.2		
All other liabilities.....	303,826	285,588	249,976	21.5		
Equity capital.....	507,292	503,623	461,046	10.0		
Loans and leases 30-89 days past due.....	47,074	43,299	47,658	-1.2		
Nonrecurrent loans and leases.....	36,124	36,904	37,970	-4.9		
Restructured loans and leases.....	5,841	6,300	8,278	-29.4		
Direct and indirect investments in real estate.....	1,256	1,237	1,260	-0.3		
Mortgage-backed securities.....	564,748	542,487	528,925	6.8		
Earning assets.....	5,271,000	5,172,033	4,912,419	7.3		
Unused loan commitments.....	3,195,936	3,078,432	2,676,267	19.4		
Including IBA's:***						
Estimated BIF-insured deposits.....	2,055,874	2,027,966	2,007,042	2.4		
Assessment base.....	2,785,990	2,698,733	2,641,797	5.5		
BIF balance (unaudited figures).....	28,293	27,967	26,854	5.4		
BIF reserve ratio (%).....	1.38	1.38	1.34	2.9		
Estimated SAIF-insured deposits.....	690,132	683,926	683,403	1.0		
Assessment base.....	721,503	714,021	708,631	1.8		
SAIF balance (unaudited figures).....	9,368	9,253	8,888	5.4		
SAIF reserve ratio (%).....	1.36	1.35	1.30	4.4		
Estimated FDIC-insured deposits, BIF and SAIF.....	2,746,006	2,711,892	2,690,445	2.1		
INCOME DATA						
	Preliminary Full Year 1997	Full Year 1996	%Change	Preliminary 4th Quarter 1997	4th Quarter 1996	%Change 96:4-97:4
Total interest income.....	\$408,734	\$385,040	6.2	\$107,115	\$99,349	7.8
Total interest expense.....	205,602	192,172	7.0	54,900	49,495	10.9
Net interest income.....	203,132	192,868	5.3	52,215	49,854	4.7
Provision for loan losses.....	21,945	18,819	16.6	6,044	5,383	12.3
Total noninterest income.....	111,534	101,073	10.3	29,163	26,761	9.0
Total noninterest expense.....	191,005	186,414	2.5	50,291	47,614	5.6
Securities gains (losses).....	3,103	2,055	51.0	1,426	654	117.9
Applicable income taxes.....	36,760	31,228	17.7	8,836	8,411	5.1
Extraordinary gains, net.....	15	(158)	N/A	3	(0)	N/A
Net income.....	68,072	59,376	14.6	17,636	15,861	11.2

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

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

N/M-Not meaningful

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

<i>(dollar figures in millions)</i>	1997	1996	1995	1994	1993	1992	1991
Number of institutions reporting.....	9,403	9,822	10,242	10,759	11,291	11,813	12,305
Total assets.....	5,283,063	4,855,810	4,576,263	4,246,786	3,949,695	3,711,612	3,660,497
Total deposits.....	3,609,481	3,402,648	3,224,307	3,061,457	2,951,979	2,873,169	2,881,811
Number of problem institutions.....	73	86	151	264	472	856	1,089
Assets of problem institutions (in billions).....	\$5	\$7	\$20	\$42	\$269	\$464	\$610
Number of failed/assisted institutions.....	1	5	6	13	41	122	127
Assets of failed/assisted institutions (in billions).....	\$0.03	\$0.19	\$0.76	\$1.43	\$3.54	\$44	\$63

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

<i>(dollar figures in millions)</i>	Preliminary 4th Quarter 1997	3rd Quarter 1997	4th Quarter 1996	% Change 96:4-97:4		
Number of institutions reporting.....	9,403	9,481	9,822	-4.3		
Commercial banks.....	9,037	9,115	9,441	-4.3		
Savings institutions.....	366	366	381	-3.9		
Total employees (full-time equivalent).....	1,590,766	1,577,801	1,548,517	2.7		
CONDITION DATA						
Total assets.....	\$5,283,063	\$5,138,006	\$4,855,810	8.8		
Loans secured by real estate, total.....	1,415,313	1,394,933	1,307,099	8.3		
1-4 Family residential.....	851,977	838,393	785,126	8.5		
Multifamily residential property.....	64,466	62,303	59,580	8.2		
Commercial real estate.....	353,270	349,543	330,832	6.8		
Construction, development and land.....	90,458	88,275	78,574	15.1		
Commercial & industrial loans.....	798,241	768,098	712,727	12.0		
Reserve for losses.....	56,673	56,947	55,840	1.5		
Total deposits.....	3,609,481	3,498,508	3,402,648	6.1		
Domestic deposits.....	3,083,286	2,991,459	2,929,150	5.3		
Estimated insured deposits.....	2,267,942	2,235,431	2,200,537	1		
BIF-insured deposits (estimated).....	2,023,116	2,000,819	1,983,448	1		
SAIF-insured deposits (estimated).....	244,825	234,612	217,089	4		
Noncurrent loans and leases.....	30,339	30,742	31,710	-4.3		
Other real estate owned.....	4,174	4,581	5,395	-22.6		
Equity capital.....	442,137	439,510	399,441	10.7		
CAPITAL CATEGORY DISTRIBUTION						
Number of institutions:						
Well capitalized.....	9,203	9,287	9,664	-4.8		
Adequately capitalized.....	183	181	136	34.6		
Undercapitalized.....	9	7	13	-30.8		
Significantly undercapitalized.....	4	3	7	-42.9		
Critically undercapitalized.....	4	3	2	100.0		
Total assets:						
Well capitalized.....	\$5,203,826	\$5,103,814	\$4,827,860	7.8		
Adequately capitalized.....	74,783	33,119	23,026	224.8		
Undercapitalized.....	1,486	837	3,830	-61.2		
Significantly undercapitalized.....	2,725	151	1,036	162.9		
Critically undercapitalized.....	243	84	57	322.8		
INCOME DATA						
	Preliminary Full Year 1997	Full Year 1996	%Change	Preliminary 4th Quarter 1997	4th Quarter 1996	%Change 96:4-97:4
Net interest income.....	\$182,258	\$170,938	6.6	\$46,637	\$44,266	5.4
Provision for loan losses.....	20,300	16,883	20.2	5,560	4,708	18.1
Net income.....	61,516	54,479	12.9	15,897	14,299	11.2
Net charge-offs.....	18,591	16,093	15.5	5,125	4,611	11.1
Number of institutions reporting net losses.....	419	407	2.9	899	885	1.6

*Excludes insured branches of foreign banks.

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

<i>(dollar figures in millions)</i>	1997	1996	1995	1994	1993	1992	1991
Number of institutions reporting.....	1,519	1,630	1,728	1,844	1,929	2,039	2,177
Total assets.....	758,039	750,770	762,157	772,299	757,362	824,266	883,187
Total deposits.....	516,331	522,419	545,174	550,162	576,507	653,865	712,533
Number of problem institutions.....	19	31	42	54	100	207	337
Assets of problem institutions (in billions).....	\$2	\$6	\$11	\$31	\$65	\$128	\$209
Number of failed/assisted institutions.....	0	1	2	2	9	59	144
Assets of failed/assisted institutions (in billions).....	\$0.00	\$0.03	\$0.46	\$0.14	\$6.00	\$44	\$79

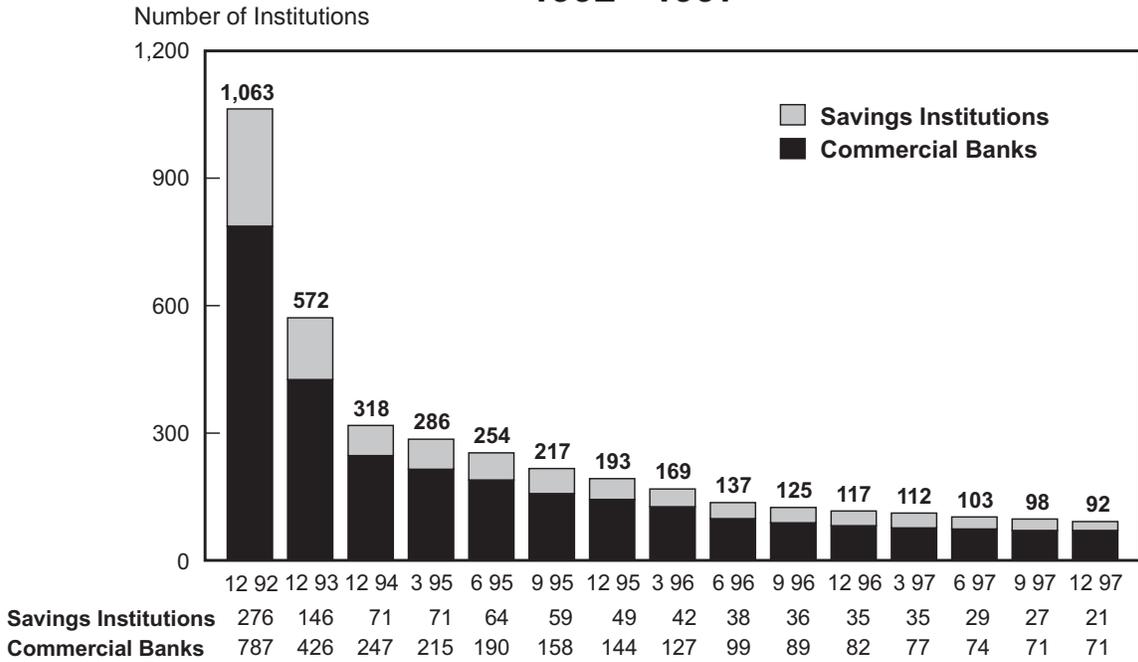
TABLE II-E. Selected Aggregate Condition and Income Data, SAIF-Member Depository Institutions*

<i>(dollar figures in millions)</i>	Preliminary 4th Quarter 1997	3rd Quarter 1997	4th Quarter 1996	% Change 96:4-97:4		
Number of institutions reporting.....	1,519	1,546	1,630	-6.8		
Commercial banks.....	106	100	87	21.8		
Savings institutions.....	1,413	1,446	1,543	-8.4		
Total employees (full-time equivalent).....	191,495	191,368	193,435	-1.0		
CONDITION DATA						
Total assets.....	\$758,039	\$753,307	\$750,770	1.0		
Loans secured by real estate, total.....	460,420	463,388	469,104	-1.9		
1-4 Family residential.....	373,910	375,572	372,371	0.4		
Multifamily residential property.....	34,336	36,095	38,071	-9.8		
Commercial real estate.....	34,438	34,080	35,224	-2.2		
Construction, development and land.....	17,502	17,406	23,252	-24.7		
Commercial & industrial loans.....	13,900	13,213	11,723	18.6		
Reserve for losses.....	5,013	4,912	5,297	-5.4		
Total deposits.....	516,331	512,846	522,419	-1.2		
Domestic deposits.....	516,331	512,846	522,336	-1.1		
Estimated insured deposits.....	476,753	474,902	488,337	0		
BIF-insured deposits (estimated).....	31,446	25,588	22,024	23		
SAIF-insured deposits (estimated).....	445,306	449,313	466,313	(1)		
Noncurrent loans and leases.....	5,785	6,163	6,260	-7.6		
Other real estate owned.....	1,704	1,760	1,801	-5.4		
Equity capital.....	65,154	64,113	61,605	5.8		
CAPITAL CATEGORY DISTRIBUTION						
Number of institutions:						
Well capitalized.....	1,485	1,517	1,577	-5.8		
Adequately capitalized.....	33	26	50	-34.0		
Undercapitalized.....	1	3	2	-50.0		
Significantly undercapitalized.....	0	0	1	0.0		
Critically undercapitalized.....	0	0	0	0.0		
Total assets:						
Well capitalized.....	\$749,169	\$747,141	\$732,832	2.2		
Adequately capitalized.....	8,861	6,076	17,677	-49.9		
Undercapitalized.....	9	90	247	-96.2		
Significantly undercapitalized.....	0	0	14	0.0		
Critically undercapitalized.....	0	0	0	0.0		
INCOME DATA						
	Preliminary Full Year 1997	Full Year 1996	%Change	Preliminary 4th Quarter 1997	4th Quarter 1996	%Change 96:4-97:4
Net interest income.....	\$20,873	\$21,930	-4.8	\$5,578	\$5,588	-0.2
Provision for loan losses.....	1,644	1,936	-15.1	484	675	-28.2
Net income.....	6,556	4,897	33.9	1,739	1,562	11.3
Net charge-offs.....	1,272	1,521	-16.4	325	434	-25.1
Number of institutions reporting net losses.....	62	227	-72.7	125	141	-11.3

*Data between 1991 and 1995 do not include Resolution Trust Corporation conservatorships. Excludes one self-liquidating institution.

N/M - Not meaningful

Number of FDIC-Insured "Problem" Institutions, 1992 - 1997



Assets of FDIC-Insured "Problem" Institutions, 1992 - 1997

