

The FDIC Quarterly Banking Profile

Donna Tanoue, Chairman

First Quarter 1999

COMMERCIAL BANKING PERFORMANCE—1ST QUARTER, 1999

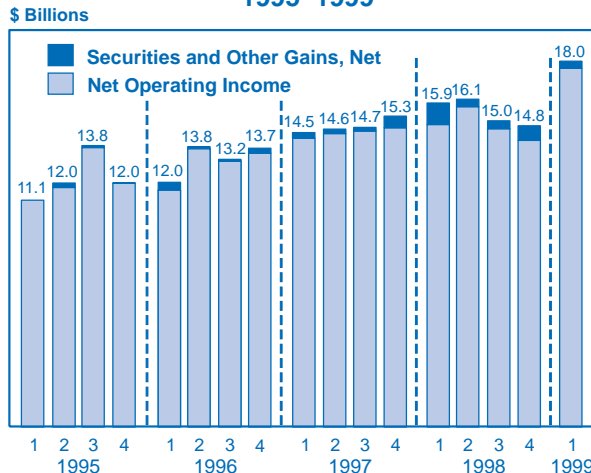
- **Industry Earnings Soar To Record-High \$18 Billion**
- **Margins And Profitability Decline At Smaller Banks**
- **Trading Revenues Set Quarterly Record**
- **Growth In Commercial Lending Remains Strong, But Credit Quality Declines**

Insured commercial banks earned \$18.0 billion in net income in the first quarter of 1999, eclipsing the previous record of \$16.1 billion set in the second quarter of 1998. The industry's first-quarter results were \$2.1 billion (12.9 percent) higher than in the first quarter of 1998. The average return on assets (ROA) rose to 1.32 percent, matching the quarterly record set in the third quarter of 1995. More than half of all commercial banks—59.0 percent—reported ROAs of 1 percent or higher for the quarter, but only 39.3 percent had higher ROAs than a year ago, when the industry average was 1.26 percent. A majority of banks with less than \$100 million in assets reported lower earnings than a year ago.

The surge in net income came from higher operating results. Net operating income (net

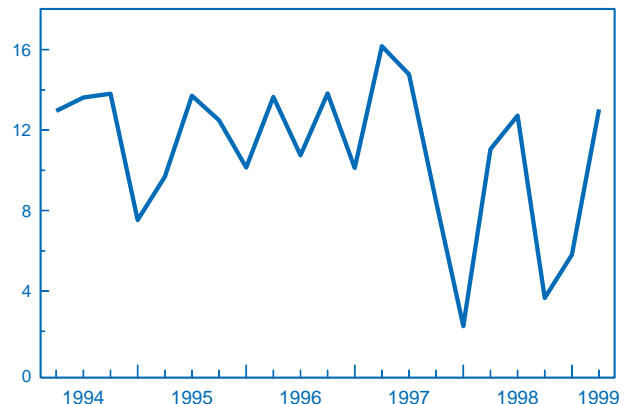
income before gains on sales of securities and extraordinary items) rose by \$2.8 billion (18.6 percent), compared to the first quarter of 1998. Nonrecurring items such as gains from sales of securities and other assets contributed less than 2 percent of industry net income in the first quarter, compared to 6.6 percent a year ago. The strongest-growing component of operating income remained noninterest income, which was \$5.7 billion (19.5 percent) higher than in the first quarter of 1998. Income from trading activities set a quarterly record of \$3.6 billion, which was \$939 million (35.4 percent) more than a year ago. Net interest income was \$3.1 billion (6.9 percent) higher. Net income from international operations totaled \$2.3 billion, an increase of \$582 million (33.1 percent). Noninterest expenses were \$5.3 billion lower than in the

QUARTERLY NET INCOME, 1995–1999



INTERNATIONAL OPERATIONS CONTRIBUTION TO BANK EARNINGS, 1994–1999

Earnings from International Operations, % of Net Income



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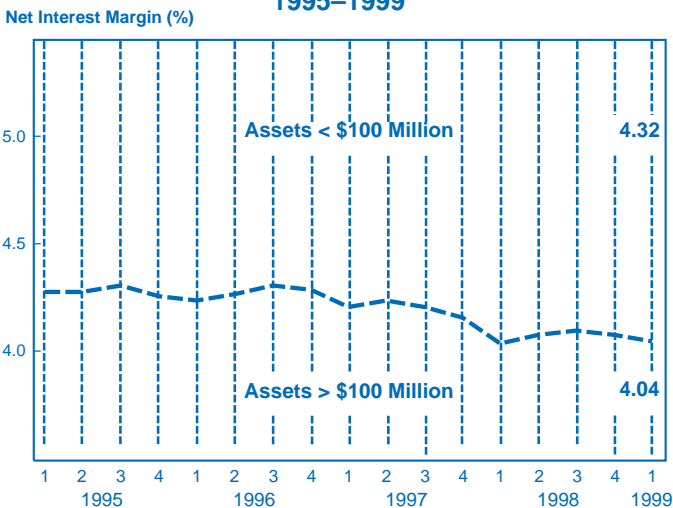
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Also available on the Internet at www.fdic.gov. Comparable financial data for individual institutions can now be obtained from the FDIC's Institution Directory (I.D.) System on this Web site.

fourth quarter of 1998, when several of the largest banks registered sizable restructuring charges, but were \$3.9 billion (8.6 percent) higher than a year ago. Provisions for credit losses were up by \$581 million (12.0 percent), compared to a year ago.

The industry's net interest margin of 4.05 percent was 1 basis point lower than a year ago, but the stability in the industry average concealed divergent trends in the margins of larger and smaller banks. Average margins at banks with less than \$100 million in assets were 26 basis points lower than a year ago, and are now at their lowest level in 8 years. In contrast, margins at larger banks (assets over \$100 million) increased by 1 basis point. In an environment of declining interest rates and a relatively flat yield curve, average asset yields declined farther at smaller banks than at their larger counterparts, while the decline in their average funding costs was more gradual. Because net interest income comprises a much greater share of revenues at smaller banks, margin erosion was a major reason for the declines in earnings and profitability at many institutions. The average ROA at banks with less than \$100 million in assets declined by 9 basis points, while the average for the rest of the industry rose by 7 basis points. The gap between larger-bank ROAs and smaller-bank ROAs widened from 7 basis points in the first quarter of 1998 to 23 basis points in the first quarter of 1999.

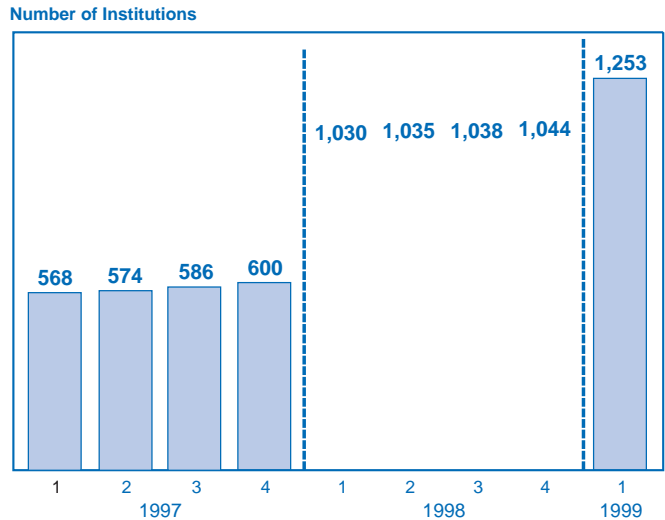
QUARTERLY NET INTEREST MARGINS, 1995-1999



The profitability gap between larger and smaller banks would have been greater but for the growth in the number of smaller banks that have elected Subchapter S corporation status. A Subchapter S corporation is generally not subject to federal taxes at the corporate level¹, and its net income can there-

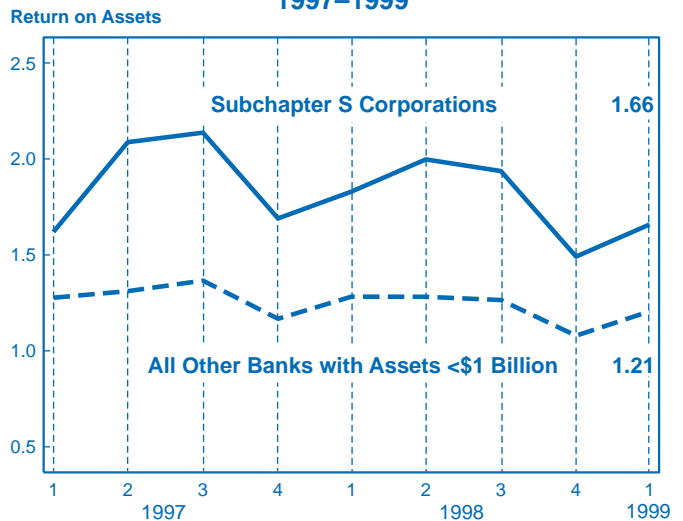
¹See Notes to Users, p.21.

NUMBER OF SUBCHAPTER S CORPORATIONS, 1997-1999



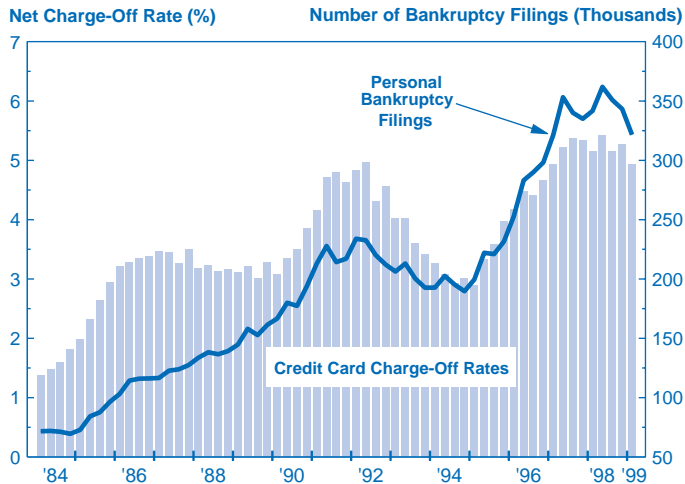
fore be as much as one-third higher than the income of a comparable bank that does not have Subchapter S status. As of March 31, 1999, almost one in five banks (18 percent) with less than \$100 million in assets had elected Subchapter S status. If Subchapter S corporations are excluded, the ROA gap between smaller and larger banks in the first quarter would have been 33 basis points.

RETURN ON ASSETS (ROA) SUBCHAPTER S CORPORATIONS VS. OTHER BANKS, 1997-1999



The annualized net charge-off rate on all loans and leases was 0.62 percent, the same as in the first quarter of 1998. Loan losses were mostly limited to credit cards and commercial and industrial loans; only commercial and industrial loans had a significant year-to-year increase in net charge-offs. Total net charge-offs were up by \$341 million (7.3 percent), as net charge-offs on commercial and industrial loans increased by \$429 million (73.6 percent).

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



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

The net charge-off rate on commercial and industrial loans of 0.44 percent was up from 0.29 percent a year ago; the loss rate on credit-card loans fell from 5.15 percent to 4.94 percent. Credit cards accounted for 53.6 percent of all net charge-offs in the first quarter, even though credit-card loans represent less than 7 percent of all commercial bank loans.

Noncurrent loans rose by \$978 million during the first quarter, to 0.99 percent of total loans. For the twelve months ended March 31, they were up by \$2.7 billion (9.2 percent). Here too, commercial and industrial loans accounted for much of the increase. Noncurrent commercial and industrial loans rose by \$1.3 billion during the quarter, and were \$2.2 billion (28.3 percent) higher than a year ago. The percentage of commercial and industrial loans that were noncurrent rose to 1.10 percent, from 0.99 percent at the end of 1998, and 0.97 percent at the end of the first quarter of 1998. No other loan category experienced a comparable increase in noncurrent loans.

Total assets of commercial banks registered a seasonal decline of \$31.4 billion, as balances due from depository institutions fell by \$19.1 billion. Total loans and leases increased by \$12.5 billion, their smallest quarterly increase in two years. Commercial and industrial loans increased by \$23.0 billion during the quarter, the largest growth of any loan category. Loans secured by commercial real-estate properties rose by \$9.5 billion, leases grew by \$7.9 billion, loans to depository institutions were up by \$6.9 billion, and loans for real-estate con-

struction and development increased by \$5.2 billion. Residential mortgage loans declined by \$16.6 billion, and credit-card loans had a seasonal decline of \$20.9 billion. Banks increased their holdings of U.S. Treasury securities by \$13.0 billion, while their mortgage-backed securities declined by \$14.4 billion. During the past 12 months, total assets of commercial banks increased by 5.9 percent. Loans and leases were up by 7.5 percent, while banks' securities portfolios grew by 9.9 percent.

Bank deposits declined by \$44.3 billion during the first quarter. Demand deposits fell by \$53.4 billion, and time deposits dropped by \$7.3 billion, while savings deposits increased by \$13.7 billion, and deposits in foreign offices rose by \$2.7 billion. The decline in deposits was partially offset by increases in long-term (>1 year) nondeposit borrowings (up \$10.9 billion), and short-term fed funds purchased (up \$10.3 billion). The share of funding supplied by core deposits has been declining steadily for over 6 years, as banks have become increasingly dependent on volatile liabilities.

Equity capital increased by \$7.4 billion in the first quarter, despite a \$3.6-billion decline in unrealized gains on available-for-sale securities. Retained earnings of \$8.9 billion set a new quarterly record, as cash dividends were 16.0 percent lower than a year ago. Goodwill increased by \$1.0 billion during the quarter, and mortgage servicing assets rose by \$2.4 billion. The industry's equity-to-assets ratio increased from 8.49 percent to 8.68 percent during the quarter, while the core capital (leverage) ratio increased from 7.56 percent to 7.68 percent. Commercial banks' loss reserves increased by \$612 million, as banks set aside \$409 million more in provisions for credit losses than they charged-off. The ratio of reserves to total loans and leases rose by 1 basis point, from a 12-year low of 1.77 percent to 1.78 percent. The "coverage ratio" declined to \$1.80 in reserves for every \$1 in noncurrent loans, from \$1.83 at the end of 1998.

The number of insured commercial banks reporting financial results declined from 8,774 to 8,721 during the first quarter. There were 64 new charters, while 114 banks were absorbed by mergers, and one bank failed. The number of banks on the FDIC's "Problem List" declined from 69 to 64 during the quarter, and "problem" bank assets fell from \$5.4 billion to \$4.7 billion.

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

	1999*	1998*	1998	1997	1996	1995	1994
Return on assets (%).....	1.32	1.26	1.19	1.23	1.19	1.17	1.15
Return on equity (%).....	15.41	15.02	13.94	14.69	14.45	14.66	14.61
Core capital (leverage) ratio (%).....	7.68	7.56	7.54	7.56	7.64	7.61	7.64
Noncurrent assets plus							
other real estate owned to assets (%).....	0.67	0.67	0.65	0.66	0.75	0.85	1.01
Net charge-offs to loans (%).....	0.62	0.62	0.67	0.64	0.58	0.49	0.50
Asset growth rate (%).....	5.88	10.08	8.50	9.54	6.16	7.53	8.21
Net interest margin (%).....	4.05	4.06	4.07	4.21	4.27	4.29	4.36
Net operating income growth (%).....	18.58	4.75	2.30	12.47	6.43	7.48	16.18
Number of institutions reporting.....	8,721	9,023	8,774	9,142	9,527	9,940	10,451
Percentage of unprofitable institutions (%).....	6.00	4.56	6.01	4.85	4.27	3.55	3.98
Number of problem institutions.....	64	68	69	71	82	144	247
Assets of problem institutions (in billions).....	\$5	\$5	\$5	\$5	\$5	\$17	\$33
Number of failed/assisted institutions.....	1	0	3	1	5	6	11

* Through March 31, ratios annualized where appropriate. Asset growth rates are for 12 months ending March 31.

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

<i>(dollar figures in millions)</i>	Preliminary		4th Quarter 1998	1st Quarter 1998	%Change 98:1-99:1	
	1st Quarter 1999	1999				
Number of institutions reporting.....	8,721	8,774	8,774	9,023	-3.3	
Total employees (full-time equivalent).....	1,619,398	1,627,047	1,627,047	1,557,251	4.0	
CONDITION DATA						
Total assets.....	\$5,409,723	\$5,441,101	\$5,441,101	\$5,109,096	5.9	
Loans secured by real estate.....	1,346,292	1,345,502	1,345,502	1,273,776	5.7	
Commercial & industrial loans.....	921,734	898,723	898,723	819,121	12.5	
Loans to individuals.....	548,536	570,959	570,959	542,136	1.2	
Farm loans.....	43,956	46,249	46,249	43,052	2.1	
Other loans & leases.....	394,092	381,011	381,011	349,711	12.7	
Less: Unearned income.....	3,663	4,032	4,032	4,328	-15.4	
Total loans & leases.....	3,250,948	3,238,411	3,238,411	3,023,468	7.5	
Less: Reserve for losses.....	57,858	57,246	57,246	55,200	4.8	
Net loans and leases.....	3,193,089	3,181,165	3,181,165	2,968,268	7.6	
Securities.....	995,427	979,704	979,704	905,405	9.9	
Other real estate owned.....	3,136	3,149	3,149	3,734	-16.0	
Goodwill and other intangibles.....	83,300	80,195	80,195	66,201	25.8	
All other assets.....	1,134,772	1,196,889	1,196,889	1,165,488	-2.6	
Total liabilities and capital.....	5,409,723	5,441,101	5,441,101	5,109,096	5.9	
Noninterest-bearing deposits.....	667,305	719,979	719,979	665,486	0.3	
Interest-bearing deposits.....	2,969,880	2,961,493	2,961,493	2,801,908	6.0	
Other borrowed funds.....	936,300	903,095	903,095	854,909	9.5	
Subordinated debt.....	73,360	72,785	72,785	66,176	10.9	
All other liabilities.....	293,287	321,578	321,578	290,828	0.8	
Equity capital.....	469,592	462,172	462,172	429,788	9.3	
Loans and leases 30-89 days past due.....	39,067	40,837	40,837	38,882	0.5	
Noncurrent loans and leases.....	32,226	31,248	31,248	29,505	9.2	
Restructured loans and leases.....	1,531	1,845	1,845	2,104	-27.2	
Direct and indirect investments in real estate.....	518	506	506	550	-5.8	
1-4 Family residential mortgages.....	748,692	765,306	765,306	736,912	1.6	
Mortgage-backed securities.....	455,688	470,062	470,062	402,398	13.2	
Earning assets.....	4,673,846	4,675,710	4,675,710	4,413,454	5.9	
Long-term assets (5+ years).....	1,060,592	1,019,478	1,019,478	837,673	26.6	
Volatile liabilities.....	1,750,259	1,723,786	1,723,786	1,646,646	6.3	
Foreign office deposits.....	574,726	572,034	572,034	528,573	8.7	
FHLB Advances (Source: FHFB).....	105,571	104,110	104,110	65,394	61.4	
Unused loan commitments.....	3,748,712	3,699,167	3,699,167	3,283,519	14.2	
Off-balance-sheet derivatives.....	33,198,418	33,374,593	33,374,593	26,726,750	24.2	
INCOME DATA						
	Full Year 1998	Full Year 1997	%Change	Preliminary 1st Quarter 1999	1st Quarter 1998	%Change 98:1-99:1
Total interest income.....	\$362,028	\$339,547	6.6	\$90,254	\$88,544	1.9
Total interest expense.....	179,268	165,040	8.6	42,866	44,230	-3.1
Net interest income.....	182,760	174,507	4.7	47,388	44,315	6.9
Provision for credit losses.....	22,189	19,850	11.8	5,414	4,833	12.0
Total noninterest income.....	123,702	104,498	18.4	34,722	29,061	19.5
Total noninterest expense.....	194,120	169,984	14.2	49,633	45,716	8.6
Securities gains (losses).....	3,127	1,842	69.8	565	795	-28.9
Applicable income taxes.....	31,966	31,873	0.3	9,622	8,240	16.8
Extraordinary gains, net.....	507	19	N/M	-33	538	N/M
Net income.....	61,820	59,160	4.5	17,973	15,918	12.9
Net charge-offs.....	20,708	18,316	13.1	5,005	4,664	7.3
Cash dividends.....	41,102	42,541	-3.4	9,095	10,828	-16.0
Net operating income.....	59,266	57,932	2.3	17,623	14,862	18.6

N/M - Not meaningful

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

	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
FIRST QUARTER Preliminary (The way it is...)											
Number of institutions reporting.....	8,721	5,375	2,956	317	73	684	1,440	1,897	2,252	1,502	946
Total assets (in billions).....	\$5,409.7	\$250.5	\$727.1	\$901.2	\$3,530.9	\$1,922.4	\$1,206.6	\$873.6	\$371.7	\$302.8	\$732.7
Total deposits (in billions).....	3,637.2	214.2	598.2	619.0	2,205.8	1,182.6	796.9	600.6	272.0	246.9	538.2
Net income (in millions).....	17,973	687	2,356	3,920	11,010	6,357	3,801	2,986	1,423	805	2,603
% of unprofitable institutions.....	6.0	8.8	1.5	1.9	1.4	6.3	8.3	4.1	3.8	6.2	11.2
% of institutions with earnings gains.....	52.8	46.6	62.0	67.8	72.6	63.5	56.4	54.8	47.6	47.4	57.0
Performance ratios (annualized, %)											
Yield on earning assets.....	7.72	7.82	7.90	8.09	7.57	7.86	7.55	7.53	7.99	7.41	7.89
Cost of funding earning assets.....	3.67	3.50	3.44	3.48	3.78	4.13	3.52	3.65	3.52	3.16	3.08
Net interest margin.....	4.05	4.32	4.46	4.61	3.79	3.73	4.03	3.88	4.47	4.25	4.81
Noninterest income to earning assets.....	2.97	1.45	1.71	3.68	3.18	3.98	2.44	2.36	2.57	1.48	2.92
Noninterest expense to earning assets.....	4.25	3.95	3.82	4.61	4.26	4.70	4.05	3.67	4.00	3.73	4.49
Credit loss provision to assets.....	0.40	0.20	0.30	0.60	0.38	0.44	0.29	0.31	0.50	0.32	0.56
Net operating income to assets.....	1.30	1.10	1.29	1.69	1.21	1.30	1.22	1.33	1.50	1.03	1.38
Return on assets.....	1.32	1.10	1.30	1.71	1.24	1.32	1.26	1.36	1.52	1.06	1.41
Return on equity.....	15.41	9.94	13.60	17.78	15.64	16.75	13.71	16.10	17.26	11.95	14.89
Net charge-offs to loans and leases.....	0.62	0.17	0.35	0.82	0.65	0.84	0.44	0.40	0.71	0.43	0.70
Credit loss provision to net charge-offs.....	108.20	195.83	143.48	114.66	100.25	99.21	105.40	120.24	106.65	132.24	120.83
Efficiency ratio.....	58.42	67.79	60.92	52.90	59.11	59.01	59.99	57.38	55.66	63.20	55.57
Condition Ratios (%)											
Earning assets to total assets.....	86.40	92.24	92.12	89.65	83.97	82.78	87.77	89.43	91.03	89.82	86.26
Loss allowance to:											
Loans and leases.....	1.78	1.48	1.52	2.06	1.78	2.04	1.46	1.49	1.74	1.40	2.25
Noncurrent loans and leases.....	179.54	133.53	173.66	208.64	176.19	160.03	177.06	183.32	202.25	130.03	243.19
Noncurrent assets plus other real estate owned to assets.....	0.67	0.75	0.64	0.69	0.67	0.76	0.59	0.58	0.63	0.68	0.70
Equity capital ratio.....	8.68	11.06	9.60	9.79	8.04	7.94	9.20	8.57	8.92	8.93	9.66
Core capital (leverage) ratio.....	7.68	10.85	9.22	8.61	6.91	7.24	7.79	7.76	8.35	8.10	8.08
Net loans and leases to deposits.....	87.79	66.47	73.38	91.85	92.63	83.10	94.69	95.10	89.46	66.92	88.45
Structural Changes											
New Charters.....	64	61	1	1	1	8	21	9	9	9	8
Banks absorbed by mergers.....	114	68	40	5	1	23	27	12	23	20	9
Failed banks.....	1	1	0	0	0	0	1	0	0	0	0
PRIOR FIRST QUARTERS (The way it was...)											
Number of institutions.....	1998 9,023	5,742	2,918	298	65	708	1,480	1,970	2,309	1,579	977
.....	1996 9,838	6,582	2,835	349	72	785	1,640	2,158	2,471	1,743	1,041
.....	1994 10,840	7,674	2,787	325	54	870	1,807	2,383	2,686	1,920	1,174
Total assets (in billions).....	1998 \$5,109.1	\$263.8	\$729.0	\$899.7	\$3,216.6	\$1,894.1	\$1,017.0	\$813.7	\$336.7	\$363.3	\$684.2
.....	1996 4,308.4	295.7	692.1	1,081.2	2,239.4	1,620.2	750.5	689.4	284.5	327.5	636.2
.....	1994 3,843.2	330.6	682.2	1,062.5	1,767.9	1,497.3	608.3	625.9	250.6	296.8	564.4
Return on assets (%).....	1998 1.26	1.19	1.37	1.72	1.11	1.19	1.16	1.32	1.48	1.21	1.41
.....	1996 1.12	1.21	1.30	1.28	0.97	0.90	1.18	1.17	1.37	1.28	1.35
.....	1994 1.17	1.14	1.19	1.43	1.01	1.12	1.20	1.16	1.42	1.23	1.16
Net charge-offs to loans & leases (%)	1998 0.62	0.17	0.28	1.04	0.61	0.89	0.37	0.37	0.72	0.33	0.77
.....	1996 0.55	0.17	0.34	0.86	0.49	0.68	0.42	0.39	0.64	0.24	0.68
.....	1994 0.48	0.13	0.27	0.68	0.50	0.74	0.24	0.28	0.41	0.07	0.58
Noncurrent assets plus OREO to assets (%).....	1998 0.67	0.75	0.66	0.76	0.65	0.77	0.58	0.60	0.65	0.55	0.71
.....	1996 0.86	0.85	0.82	0.88	0.87	1.02	0.67	0.67	0.70	0.64	1.07
.....	1994 1.46	1.02	1.24	1.36	1.69	1.91	0.98	0.87	0.97	0.84	1.96
Equity capital ratio (%).....	1998 8.41	10.88	9.61	9.58	7.61	7.44	8.71	8.60	9.12	8.71	9.92
.....	1996 8.20	10.42	9.41	8.85	7.22	7.65	8.38	8.50	8.86	8.60	8.57
.....	1994 7.83	9.85	8.87	8.27	6.78	7.12	7.99	8.07	8.72	8.31	8.60

REGIONS: Northeast - Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico, Rhode Island, Vermont, U.S. Virgin Islands

Southeast - Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia

Central - Illinois, Indiana, Kentucky, Michigan, Ohio, Wisconsin

Midwest - Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota

Southwest - Arkansas, Louisiana, New Mexico, Oklahoma, Texas

West - Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, Oregon, Pacific Islands, Utah, Washington, Wyoming

TABLE IV-A. Full Year 1998, FDIC-Insured Commercial Banks

	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.....	8,774	5,409	2,973	321	71	693	1,445	1,904	2,265	1,517	950
Total assets (in billions).....	\$5,441.1	\$252.4	\$726.8	\$921.7	\$3,540.2	\$1,920.9	\$1,211.5	\$889.3	\$376.5	\$304.7	\$738.3
Total deposits (in billions).....	3,681.5	215.9	600.8	632.7	2,232.0	1,180.7	810.5	621.7	275.3	250.4	542.9
Net income (in millions).....	61,820	2,728	8,963	13,137	36,992	20,028	15,084	10,462	5,315	3,275	7,657
% of unprofitable institutions.....	6.0	8.5	2.1	1.9	1.4	7.6	9.3	4.0	2.6	5.9	11.9
% of institutions with earnings gains.....	61.5	55.8	71.1	65.7	71.8	67.7	61.2	63.3	58.4	59.0	65.2
Performance Ratios (%)											
Yield on earning assets.....	8.07	8.22	8.29	8.50	7.90	8.12	7.79	7.95	8.44	7.86	8.48
Cost of funding earning assets.....	4.00	3.71	3.71	3.81	4.13	4.53	3.72	3.95	3.82	3.41	3.48
Net interest margin.....	4.07	4.51	4.58	4.69	3.76	3.59	4.07	4.00	4.62	4.45	5.00
Noninterest income to earning assets.....	2.76	1.64	1.73	3.16	2.96	3.41	2.38	2.24	2.69	1.61	2.89
Noninterest expense to earning assets.....	4.33	4.17	3.90	4.64	4.35	4.57	4.02	3.85	4.23	4.00	5.02
Credit loss provision to assets.....	0.43	0.26	0.33	0.67	0.40	0.44	0.30	0.33	0.52	0.27	0.71
Net operating income to assets.....	1.14	1.13	1.29	1.43	1.03	1.00	1.23	1.23	1.48	1.09	1.08
Return on assets.....	1.19	1.14	1.31	1.52	1.08	1.06	1.31	1.25	1.50	1.13	1.11
Return on equity.....	13.94	10.10	13.54	15.96	13.80	14.07	14.46	14.70	16.64	12.38	11.37
Net charge-offs to loans and leases.....	0.67	0.30	0.39	1.02	0.65	0.91	0.43	0.44	0.74	0.43	0.86
Credit loss provision to net charge-offs.....	104.84	147.45	136.07	102.32	100.74	90.78	110.72	116.40	105.92	116.19	123.47
Efficiency ratio.....	61.02	67.33	61.03	56.03	62.14	62.71	59.69	60.15	56.75	64.27	60.84
Condition Ratios (%)											
Earning assets to total assets.....	85.93	91.65	91.73	89.26	83.47	82.77	87.24	88.38	90.22	89.35	85.48
Loss allowance to:											
Loans and leases.....	1.77	1.45	1.49	2.04	1.77	2.04	1.45	1.48	1.68	1.37	2.22
Noncurrent loans and leases.....	183.20	140.67	175.86	198.92	183.03	159.12	188.55	184.36	215.20	147.37	244.03
Noncurrent assets plus other real estate owned to assets.....	0.65	0.71	0.62	0.71	0.64	0.78	0.54	0.56	0.57	0.59	0.67
Equity capital ratio.....	8.49	10.95	9.52	9.46	7.86	7.81	9.10	8.27	8.72	8.83	9.29
Core capital (leverage) ratio.....	7.54	10.79	9.18	8.43	6.75	7.01	7.74	7.70	8.37	8.10	7.81
Net loans and leases to deposits.....	86.41	66.33	72.18	90.99	90.89	83.30	91.77	91.59	89.80	65.73	87.06
Structural Changes											
New charters.....	190	183	6	1	0	19	60	24	18	23	46
Banks absorbed by mergers.....	557	265	247	39	6	33	196	120	80	66	62
Failed banks.....	3	2	1	0	0	0	0	1	0	0	2
PRIOR FULL YEARS (The way it was...)											
Number of institutions.....	1997 9,142	5,853	2,922	301	66	714	1,525	1,998	2,329	1,600	976
.....	1995 9,940	6,658	2,861	346	75	794	1,659	2,178	2,487	1,773	1,049
.....	1993 10,958	7,789	2,787	327	55	878	1,818	2,412	2,706	1,937	1,207
Total assets (in billions).....	1997 \$5,015.0	\$267.8	\$727.8	\$902.7	\$3,116.7	\$1,893.9	\$946.9	\$804.8	\$335.0	\$355.9	\$678.4
.....	1995 4,312.7	297.9	696.7	1,052.8	2,265.2	1,625.6	737.7	695.2	287.5	326.4	640.3
.....	1993 3,706.2	335.1	676.9	1,063.7	1,630.5	1,399.6	594.8	612.4	251.3	293.8	554.3
Return on assets (%).....	1997 1.23	1.18	1.34	1.36	1.18	1.14	1.23	1.29	1.43	1.22	1.35
.....	1995 1.17	1.18	1.24	1.27	1.10	1.02	1.19	1.15	1.50	1.20	1.41
.....	1993 1.20	1.14	1.17	1.31	1.16	1.12	1.20	1.28	1.44	1.39	1.11
Net charge-offs to loans & leases (%)	1997 0.64	0.28	0.36	1.08	0.58	0.73	0.46	0.50	0.82	0.38	0.83
.....	1995 0.49	0.24	0.37	0.69	0.46	0.64	0.32	0.31	0.54	0.24	0.62
.....	1993 0.85	0.35	0.51	0.92	1.02	1.27	0.43	0.51	0.61	0.28	0.96
Noncurrent assets plus OREO to assets (%).....	1997 0.66	0.71	0.65	0.77	0.63	0.73	0.59	0.58	0.69	0.52	0.72
.....	1995 0.85	0.78	0.80	0.82	0.89	1.03	0.64	0.63	0.64	0.62	1.09
.....	1993 1.61	1.05	1.29	1.43	1.97	2.16	1.08	0.93	0.99	0.92	2.19
Equity capital ratio (%).....	1997 8.33	10.81	9.62	9.16	7.58	7.33	8.87	8.35	9.06	8.65	9.82
.....	1995 8.11	10.42	9.39	8.57	7.19	7.61	8.23	8.30	8.70	8.52	8.53
.....	1993 8.00	9.76	8.74	8.13	7.25	7.48	8.02	8.12	8.67	8.26	8.73

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

March 31, 1999	Asset Size Distribution					Geographical Distribution by Region					
	All Institutions	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.....	1.15	1.54	1.11	1.12	1.14	1.18	1.00	1.28	1.30	1.51	1.01
Construction and development.....	1.44	1.20	1.05	1.70	1.52	1.18	1.22	2.04	1.52	1.69	1.19
Commercial real estate.....	0.96	1.17	0.85	1.00	0.96	0.98	0.86	1.12	0.95	1.22	0.78
Multifamily residential real estate.....	1.36	0.88	0.78	0.70	1.97	0.66	3.37	1.13	0.90	1.12	0.54
Home equity loans.....	0.79	0.93	0.81	0.85	0.76	0.87	0.55	0.94	0.74	0.83	0.89
Other 1-4 Family residential.....	1.23	1.78	1.37	1.14	1.16	1.28	0.96	1.32	1.42	1.72	1.31
Commercial and industrial loans*.....	0.95	2.21	1.64	1.27	0.68	0.62	0.90	1.17	1.89	1.80	0.89
Loans to individuals.....	2.22	2.28	2.02	2.11	2.29	2.49	2.38	2.05	2.17	1.63	1.72
Credit card loans.....	2.41	2.38	3.56	2.34	2.35	2.67	2.33	2.37	2.10	1.28	1.82
Other loans to individuals.....	2.10	2.27	1.73	1.86	2.25	2.31	2.39	1.97	1.90	1.64	1.61
All other loans and leases (including farm).....	0.59	N/A	N/A	1.17	0.55	0.42	0.47	1.10	0.79	0.89	0.48
Memo: Commercial RE loans not secured by RE.....	0.49	0.63	0.75	0.61	0.47	0.33	0.40	1.00	0.67	1.75	0.22
Percent of Loans Noncurrent**											
All real estate loans.....	0.88	0.87	0.71	0.83	0.96	1.18	0.77	0.74	0.67	1.00	0.84
Construction and development.....	0.89	0.71	0.71	0.83	1.04	1.24	0.78	0.75	0.87	0.87	1.10
Commercial real estate.....	0.92	0.87	0.73	0.93	1.03	1.30	0.85	0.80	0.57	1.11	0.84
Multifamily residential real estate.....	0.93	0.61	0.65	0.58	1.24	0.70	1.90	0.68	0.34	0.61	0.69
Home equity loans.....	0.39	0.46	0.44	0.50	0.36	0.56	0.28	0.42	0.31	0.35	0.39
Other 1-4 Family residential.....	0.81	0.77	0.67	0.82	0.85	0.96	0.71	0.75	0.62	0.90	0.87
Commercial and industrial loans*.....	1.10	1.65	1.32	1.01	1.00	1.21	0.86	1.02	1.23	1.60	1.09
Loans to individuals.....	1.51	0.88	0.82	1.42	1.72	2.24	1.14	0.92	1.09	0.52	1.48
Credit card loans.....	2.21	1.91	1.99	2.14	2.27	2.47	1.48	2.20	1.66	0.82	2.43
Other loans to individuals.....	1.08	0.83	0.60	0.63	1.37	2.01	1.03	0.62	0.62	0.51	0.38
All other loans and leases (including farm).....	0.45	N/A	N/A	0.48	0.47	0.43	0.53	0.46	0.47	1.01	0.31
Memo: Commercial RE loans not secured by RE.....	0.47	0.42	0.32	0.47	0.48	0.22	0.35	0.29	0.22	2.39	0.72
Percent of Loans Charged-off (net, annual)											
All real estate loans.....	0.05	0.03	0.03	0.05	0.06	0.04	0.07	0.05	0.05	0.08	0.03
Construction and development.....	0.03	0.04	0.02	0.01	0.03	-0.03	0.08	0.00	0.05	0.00	-0.02
Commercial real estate.....	0.00	0.04	0.01	-0.03	0.01	-0.10	0.06	0.00	0.00	0.09	-0.02
Multifamily residential real estate.....	-0.01	-0.02	0.04	-0.03	-0.02	-0.05	0.02	0.01	0.03	-0.01	-0.05
Home equity loans.....	0.16	0.01	0.03	0.25	0.16	0.21	0.17	0.16	0.14	0.54	0.06
Other 1-4 Family residential.....	0.07	0.03	0.05	0.09	0.07	0.06	0.06	0.07	0.08	0.10	0.10
Commercial and industrial loans*.....	0.44	0.24	0.39	0.30	0.47	0.48	0.46	0.30	0.27	0.50	0.57
Loans to individuals.....	2.54	0.60	1.66	2.98	2.63	3.25	1.75	1.74	2.89	1.04	3.06
Credit card loans.....	4.94	2.32	7.18	4.88	4.81	5.05	4.41	5.25	5.25	2.59	4.79
Other loans to individuals.....	1.02	0.52	0.60	0.83	1.23	1.29	0.84	0.94	0.82	0.97	1.01
All other loans and leases (including farm).....	0.25	N/A	N/A	0.21	0.28	0.17	0.27	0.32	0.42	0.71	0.18
Memo: Commercial RE loans not secured by RE.....	-0.06	0.48	-0.94	0.02	-0.05	-0.16	0.01	0.05	0.00	0.02	-0.09
Loans Outstanding (in billions)											
All real estate loans.....	\$1,346.3	\$81.7	\$277.5	\$282.3	\$704.9	\$323.3	\$386.0	\$261.5	\$109.7	\$75.6	\$190.3
Construction and development.....	111.9	6.1	26.3	27.3	52.2	12.3	38.9	21.6	10.0	9.6	19.6
Commercial real estate.....	380.5	22.7	98.9	87.9	170.9	70.6	104.8	78.8	29.5	27.8	68.9
Multifamily residential real estate.....	45.4	1.7	9.1	11.6	23.0	12.2	10.0	9.1	3.3	2.1	8.8
Home equity loans.....	95.6	1.8	11.6	18.0	64.3	20.7	29.4	22.8	4.7	1.0	16.9
Other 1-4 Family residential.....	653.1	38.7	120.1	133.9	360.4	180.2	197.2	121.9	52.6	31.8	69.5
Commercial and industrial loans.....	921.7	24.8	81.6	126.7	688.6	317.6	197.4	165.5	56.3	45.3	139.7
Loans to individuals.....	548.5	20.6	63.1	134.8	330.0	196.2	111.5	82.6	49.2	32.1	76.9
Credit card loans.....	207.9	0.9	10.0	70.2	126.8	99.5	27.6	15.7	22.5	1.3	41.3
Other loans to individuals.....	340.6	19.8	53.0	64.6	203.2	96.6	83.9	66.9	26.7	30.8	35.6
All other loans and leases (including farm).....	438.0	17.9	24.5	37.2	358.5	167.7	71.6	70.6	32.4	15.1	80.7
Memo: Commercial RE loans not secured by RE.....	36.8	0.2	1.0	2.8	32.8	11.8	8.6	4.0	2.5	1.8	8.1
Memo: Other Real Estate Owned (in millions)											
All other real estate owned.....	\$3,135.6	\$277.2	\$756.5	\$492.8	\$1,609.2	\$929.2	\$798.9	\$378.4	\$199.6	\$256.2	\$573.4
Construction and development.....	263.9	22.7	126.0	42.6	72.6	51.3	104.2	23.5	23.1	16.9	45.0
Commercial real estate.....	1,362.7	119.8	333.9	230.2	678.8	371.3	287.4	150.1	72.4	146.6	334.9
Multifamily residential real estate.....	74.8	7.6	18.9	24.3	24.0	31.1	16.3	5.5	6.5	1.6	13.7
1-4 Family residential.....	1,141.1	97.0	251.0	189.6	603.5	246.7	380.8	192.4	78.8	70.8	171.6
Farmland.....	67.1	30.0	26.7	6.0	4.4	3.7	10.1	6.8	18.8	20.3	7.4
Other real estate owned in foreign offices.....	226.0	0.0	0.0	0.1	225.9	225.1	0.0	0.0	0.0	0.0	0.8

* 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—FIRST QUARTER, 1999

- *The Industry Earns \$2.7 Billion In First Quarter*
- *Asset Growth Remains Strong*
- *Smaller Institutions Are Hurt By Falling Asset Yields*
- *Quality Improvement Is Reflected In Reduced Net Charge-Offs*

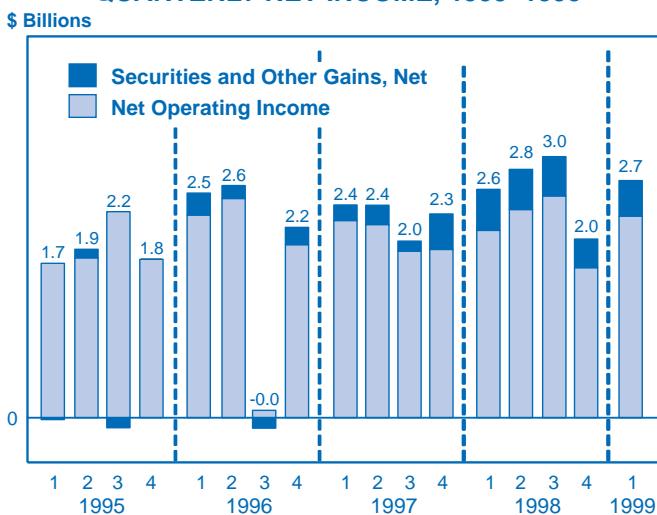
FDIC-insured savings institutions reported \$2.7 billion in earnings for the first quarter, up by \$661 million from the fourth quarter of 1998 and up by \$100 million from the first quarter a year ago. This was the third-highest quarterly earnings reported by the industry. Net interest income improved by \$267 million over the previous quarter and by \$249 million over a year ago. This improvement was mainly the result of a \$63.8-billion (6.6 percent) increase in interest-earning assets during the past 12 months. Noninterest income, at \$2.3 billion, was \$89 million higher than in the previous quarter and \$399 million higher than a year ago, primarily because of increased fee income. Noninterest expenses, at \$6.1 billion, were \$589 million lower than in last quarter, when they were boosted by merger-related charges, but they were \$334 million (6 percent) higher than a year ago.

yields at smaller thrifts have fallen almost twice as fast (45 basis points) as the cost of funding earning assets (23 basis points) over the past 12 months, resulting in a 14 percent decline in net interest income. Just 36 percent of these thrifts reported higher earnings than in the first quarter of 1998, while over half of the remaining thrifts in the industry reported earnings gains.

The growth in earning assets during the first quarter was \$22.8 billion, leading to higher net interest income, as net interest margins rose slightly. Net interest margins improved to 3.08 percent from 3.05 percent in the fourth quarter of 1998, but were 10 basis points lower than a year ago. For three quarters in a row, both asset yields and the cost of funding earning assets have declined. In the first quarter, asset yields fell by 18 basis points while the cost of funding earning assets declined by 21 basis points. Net interest margins improved in all regions and in all size groups, except for the group of savings institutions with assets of \$100 million or less, where margins declined from 3.35 percent last quarter to 3.32 percent this quarter.

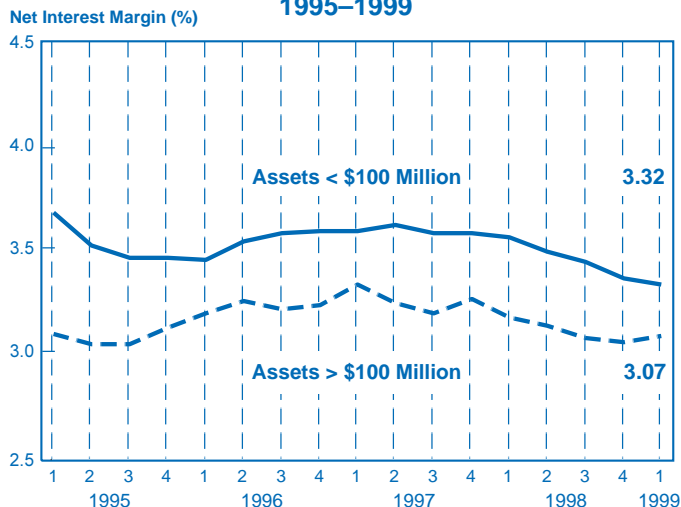
Only two regions reported an ROA of less than 1.00 percent this quarter. The Northeast Region, with \$366 billion in industry assets, reported an

QUARTERLY NET INCOME, 1995–1999



The industry's average annualized return on assets (ROA) for the first quarter was 0.98 percent, slightly lower than the first quarter of 1998 when thrifts registered an ROA of 1.01 percent. Small thrifts, with less than \$100 million in assets, did not keep pace with the rest of the industry. These institutions reported an ROA of 0.65 percent for the first quarter, down from 0.79 percent a year ago. Asset

QUARTERLY NET INTEREST MARGINS, 1995–1999



ROA of 0.92 percent while the Midwest Region, with \$38 billion in assets, had an ROA of 0.75 percent. The ROA for the Northeast Region, which represents one-third of industry assets, was affected by higher restructuring charges. Noninterest expenses of savings institutions in the Northeast Region were 11 percent higher than a year ago.

Provisions for credit losses fell to \$396 million in the first quarter, the smallest amount since quarterly reporting of this expense began in 1987. During the quarter, 56 savings institutions took negative provisions for credit losses, converting \$6.6 million from reserves back into income. Despite the low level of provisions, this expense represented 145 percent of net charge-offs. Net charge-offs of \$273 million were 0.15 percent of loans this quarter, the lowest level since reporting began in 1990. Net recoveries from charged-off loans (negative charge-offs) were reported by 282 savings institutions. These net recoveries added \$24.2 million to industry reserves with one institution accounting for \$9.3 million of the total.¹

Total industry reserves for loan losses rose by \$72 million to almost \$7 billion, while noncurrent loans declined by \$221 million. Thus, the coverage ratio—loan-loss reserves to noncurrent loans—improved to \$1.16 in reserves for each dollar of noncurrent loans. This was the tenth consecutive record level for this ratio.

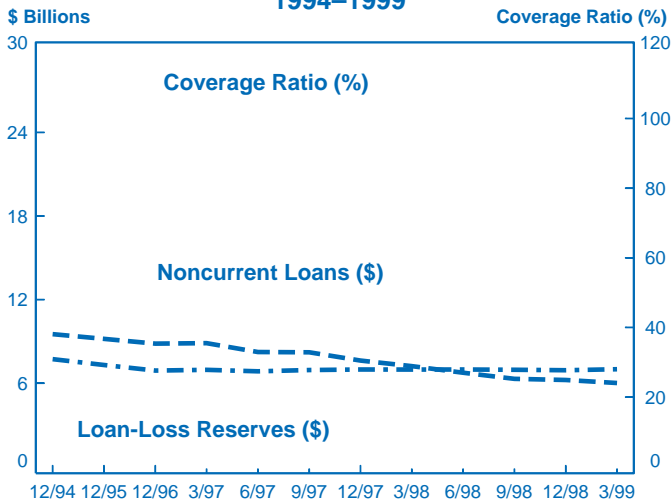
¹ Washington Mutual Bank, Stockton, California, reported a negative \$9.3 million for net charge-offs in the first quarter primarily because of recoveries on commercial real-estate loans.

The industry added \$21.7 billion in assets during the first quarter, with most of the increase coming from purchases of mortgage-backed securities (MBS), which increased by \$15.5 billion. Other securities accounted for \$3.0 billion of the increase in assets, while loans increased by \$5.1 billion and cash balances declined by \$4.2 billion. The increase in loans was not in the usual residential mortgage portfolio, but in consumer loans and commercial lending. Consumer loans other than credit-card loans showed the largest increase, of \$1.9 billion; commercial and industrial loans increased by \$1.3 billion; commercial real-estate loans increased by \$1.2 billion; and real-estate construction and land loans increased by \$1.1 billion.

Asset growth was funded primarily with borrowings other than deposits in the first quarter. Deposits declined by \$5.5 billion, while other borrowed funds grew by \$24.1 billion. Federal Home Loan Bank advances accounted for \$9.8 billion of the growth in other borrowed funds, and almost half (48 percent) of the increase in total liabilities.

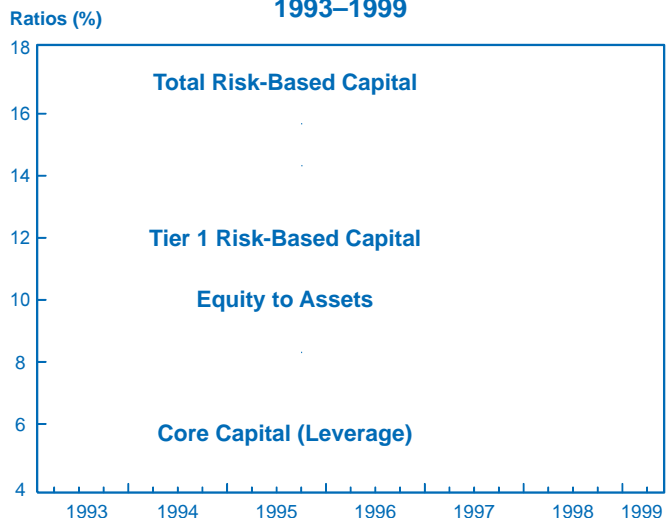
Equity capital increased by \$1.2 billion, but the industry's equity capital ratio showed a small decline during the quarter. Equity capital, as a percent of assets, declined from 8.68 percent to 8.62 percent. Equity growth was limited by a \$614-million decline in unrealized gains on available-for-sale securities. In contrast, the core capital ratio, which excludes unrealized gains or losses on available-for-sale securities, rose 2 basis points to 7.87 percent of tangible assets.

COVERAGE RATIO* AND RESERVE LEVELS, 1994–1999



*Loan-loss reserves to noncurrent loans.

RISK-BASED CAPITAL RATIOS, 1993–1999



The number of thrifts reporting financial results totaled 1,669 at the end of the first quarter, down by 20 from year-end 1998. Most of the decline occurred because of 27 mergers, which were partially offset by 8 new charters. Within the industry, 13 thrifts with \$7.8 billion in assets were absorbed. Commercial banks absorbed 14 thrifts with \$5 billion in assets.

During the first quarter, 15 thrifts, with \$10.7 bil-

lion in assets, converted from mutual to stock ownership. One conversion consisted of a merger with a stock-owned institution. For the tenth consecutive quarter in a row, no insured savings institution failed. The number of "problem" institutions rose to 16 from 15 at year-end, but assets of this group declined to \$5.0 billion from \$5.9 billion.

NONCURRENT LOAN RATES,* MARCH 31, 1999

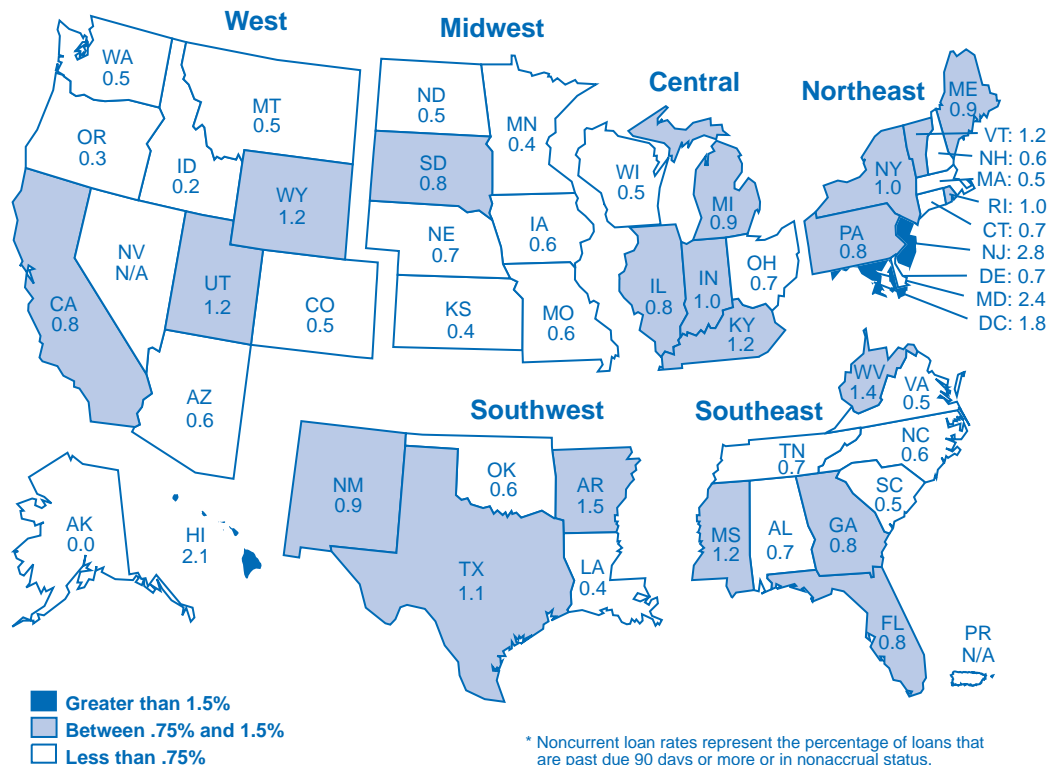


TABLE I-B. Selected Indicators, FDIC-Insured Savings Institutions*

	1999**	1998**	1998	1997	1996	1995	1994
Return on assets (%).....	0.98	1.01	1.01	0.93	0.70	0.77	0.66
Return on equity (%).....	11.35	11.55	11.34	10.84	8.40	9.40	8.28
Core capital (leverage) ratio (%).....	7.87	8.02	7.85	7.95	7.76	7.80	7.65
Noncurrent assets plus other real estate owned to assets (%).....	0.68	0.89	0.72	0.95	1.09	1.20	1.38
Net charge-offs to loans (%).....	0.15	0.21	0.22	0.25	0.32	0.34	0.51
Asset growth rate (%).....	6.70	1.77	6.05	-0.21	0.25	1.70	0.77
Net interest margin.....	3.08	3.18	3.10	3.23	3.22	3.09	3.34
Net operating income growth (%).....	7.62	-5.00	7.69	20.07	-13.99	13.81	22.24
Number of institutions reporting.....	1,669	1,756	1,689	1,780	1,925	2,030	2,152
Percentage of unprofitable institutions (%).....	5.87	4.78	5.27	4.16	12.05	5.86	6.97
Number of problem institutions.....	16	16	15	21	35	49	71
Assets of problem institutions (in billions).....	\$5	\$2	\$6	\$2	\$7	\$14	\$39
Number of failed/assisted institutions.....	0	0	0	0	1	2	4

** Through March 31, ratios annualized where appropriate. Asset growth rates are for 12 months ending March 31.

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

<i>(dollar figures in millions)</i>	Preliminary		4th Quarter 1998	1st Quarter 1998	%Change 98:1-99:1	
	1st Quarter 1999	1999				
Number of institutions reporting.....	1,669	1,689		1,756	-5.0	
Total employees (full-time equivalent).....	240,028	236,797		243,508	-1.4	
CONDITION DATA						
Total assets.....	\$1,109,958	\$1,088,240		\$1,040,292	6.7	
Loans secured by real estate.....	646,383	643,937		637,151	1.4	
1-4 Family Residential.....	518,587	518,186		513,163	1.1	
Multifamily residential property.....	54,261	54,489		57,054	-4.9	
Commercial real estate.....	49,046	47,876		46,651	5.1	
Construction, development, and land.....	24,490	23,386		20,283	20.7	
Commercial & industrial loans.....	22,393	21,056		17,398	28.7	
Loans to individuals.....	54,083	52,614		47,575	13.7	
Other loans & leases.....	3,626	3,752		2,997	21.0	
Less: Unearned income & contra accounts***.....	179	188		206	-13.3	
Total loans & leases.....	726,306	721,171		704,916	3.0	
Less: Reserve for losses.....	6,999	6,927		6,975	0.3	
Net loans & leases.....	719,308	714,244		697,941	3.1	
Securities.....	287,919	269,377		249,122	15.6	
Other real estate owned.....	1,530	1,577		1,992	-23.2	
Goodwill and other intangibles.....	14,820	14,210		11,857	25.0	
All other assets.....	86,382	88,832		79,380	8.8	
Total liabilities and capital.....	1,109,958	1,088,240		1,040,292	6.7	
Deposits.....	699,367	704,860		707,997	-1.2	
Other borrowed funds.....	291,665	267,613		221,378	31.7	
Subordinated debt.....	3,066	2,812		2,735	12.1	
All other liabilities.....	20,150	18,445		16,720	20.5	
Equity capital.....	95,711	94,509		91,463	4.6	
Loans and leases 30-89 days past due.....	6,803	7,479		7,653	-11.1	
Noncurrent loans and leases.....	6,010	6,231		7,222	-16.8	
Restructured loans and leases.....	2,305	2,435		3,218	-28.4	
Direct and indirect investments in real estate.....	588	589		638	-8.0	
Mortgage-backed securities.....	222,661	207,165		182,555	22.0	
Earning assets.....	1,035,545	1,012,722		971,708	6.6	
FHLB Advances (Source: TFR and FHFB).....	184,547	174,729		139,780	32.0	
Unused loan commitments.....	189,381	185,090		172,892	9.5	
INCOME DATA						
	Full Year 1998	Full Year 1997	%Change	Preliminary 1st Quarter 1999	1st Quarter 1998	%Change 98:1-99:1
Total interest income.....	\$71,085	\$69,175	2.8	\$18,426	\$18,327	0.5
Total interest expense.....	41,902	40,559	3.3	10,592	10,742	-1.4
Net interest income.....	29,183	28,616	2.0	7,834	7,585	3.3
Provision for credit losses***.....	1,771	2,186	-19.0	396	425	-6.6
Total noninterest income.....	9,200	7,029	30.9	2,328	1,929	20.7
Total noninterest expense.....	23,570	21,073	11.9	6,102	5,768	5.8
Securities gains (losses).....	2,458	1,260	95.1	600	647	-7.2
Applicable income taxes.....	5,269	4,852	8.6	1,578	1,377	14.7
Extraordinary gains, net.....	-83	-5	N/M	-3	-8	N/M
Net income.....	10,148	8,789	15.5	2,684	2,584	3.9
Net charge-offs.....	1,459	1,585	-7.9	273	364	-24.9
Cash dividends.....	6,566	4,906	33.8	1,064	1,399	-24.0
Net operating income.....	8,482	7,876	7.7	2,281	2,120	7.6

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

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

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

FIRST 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.....	1,669	690	836	108	35	648	232	433	126	117	113
Total assets (in billions).....	\$1,110.0	\$35.7	\$242.2	\$215.0	\$617.1	\$366.1	\$67.2	\$178.4	\$38.4	\$72.0	\$387.9
Total deposits (in billions).....	699.4	29.1	187.9	140.1	342.3	257.5	48.3	122.3	26.5	43.3	201.5
Net income (in millions).....	2,683.8	57.8	575.1	586.5	1,464.5	825.8	167.4	474.7	70.6	191.6	953.7
% of unprofitable institutions.....	5.9	10.9	2.3	2.8	2.9	3.7	10.8	5.3	7.1	8.5	6.2
% of institutions with earnings gains.....	44.9	35.5	49.2	64.8	65.7	46.3	45.3	42.3	38.1	46.2	52.2
Performance ratios (annualized, %)											
Yield on earning assets.....	7.24	7.33	7.33	7.46	7.12	7.17	7.37	7.46	7.33	7.52	7.12
Cost of funding earning assets.....	4.16	4.01	3.98	4.14	4.25	3.89	4.16	4.33	4.37	4.35	4.29
Net interest margin.....	3.08	3.32	3.35	3.32	2.87	3.29	3.22	3.13	2.96	3.17	2.83
Noninterest income to earning assets.....	0.91	1.22	0.67	1.23	0.89	0.79	1.30	1.06	0.71	1.16	0.87
Noninterest expense to earning assets.....	2.40	3.52	2.66	2.70	2.12	2.59	2.98	2.56	2.38	2.74	1.98
Credit loss provision to assets*	0.15	0.08	0.10	0.32	0.11	0.11	0.24	0.23	0.08	0.27	0.11
Net operating income to assets.....	0.84	0.55	0.79	0.90	0.85	0.78	0.74	0.81	0.65	0.90	0.92
Return on assets.....	0.98	0.65	0.96	1.11	0.97	0.92	1.01	1.08	0.75	1.08	1.00
Return on equity.....	11.35	5.33	8.87	12.17	13.02	9.36	10.07	11.70	7.53	13.04	14.25
Net charge-offs to loans and leases.....	0.15	0.08	0.08	0.41	0.10	0.08	0.24	0.25	0.12	0.21	0.14
Credit loss provision to net charge-offs.....	145.19	163.15	177.06	122.51	166.06	216.76	145.97	129.10	98.71	187.16	114.37
Efficiency ratio.....	58.12	77.05	65.17	57.80	53.85	61.13	65.24	58.91	63.03	62.00	51.76
Condition Ratios (%)											
Earning assets to total assets.....	93.30	94.27	94.37	92.75	93.01	93.50	93.01	92.28	93.69	91.94	93.83
Loss allowance to:											
Loans and leases.....	0.96	0.79	0.88	1.26	0.91	1.07	0.92	0.81	0.68	0.89	1.00
Noncurrent loans and leases.....	116.46	78.75	115.09	105.02	126.45	105.14	135.45	104.09	119.17	88.33	141.00
Noncurrent assets plus											
other real estate owned to assets.....	0.68	0.77	0.64	0.99	0.58	0.73	0.62	0.68	0.53	0.96	0.60
Noncurrent RE loans to RE loans.....	0.83	0.96	0.74	1.24	0.73	1.04	0.66	0.77	0.53	1.08	0.70
Equity capital ratio.....	8.62	12.13	10.79	9.11	7.40	9.74	10.03	9.20	10.28	8.29	6.95
Core capital (leverage) ratio.....	7.87	11.79	10.25	8.44	6.50	8.74	9.55	8.25	9.45	8.12	6.37
Gross real estate assets to gross assets.....	77.98	67.55	71.30	72.01	83.29	72.72	71.42	74.98	76.15	66.28	87.81
Gross 1-4 family mortgages to gross assets.....	46.42	48.60	46.24	37.40	49.51	40.38	46.01	51.95	51.51	35.58	51.16
Net loans and leases to deposits.....	102.85	79.85	84.72	95.88	117.61	83.23	92.71	104.50	101.89	113.85	127.12
Structural Changes											
New Charters.....	8	7	1	0	0	1	3	3	0	0	1
Thriffs absorbed by mergers.....	27	13	11	3	0	7	6	9	1	3	1
Failed Thriffs.....	0	0	0	0	0	0	0	0	0	0	0
PRIOR FIRST QUARTERS** (The way it was...)											
Number of institutions.....1998	1,756	743	862	115	36	680	249	458	130	117	122
.....1996	2,005	896	951	124	34	747	299	516	151	135	157
.....1994	2,239	1,030	1,037	144	28	823	356	565	165	145	185
Total assets (in billions).....1998	\$1,040.3	\$39.0	\$256.4	\$220.4	\$524.5	\$347.0	\$66.8	\$174.0	\$34.5	\$62.1	\$356.0
.....1996	1,016.4	46.1	279.1	256.6	434.6	346.5	69.7	169.5	51.5	78.9	300.3
.....1994	996.7	52.3	298.1	306.7	339.6	338.4	84.1	150.4	52.2	57.2	314.4
Return on assets (%).....1998	1.01	0.79	0.99	1.06	1.02	1.00	0.88	0.98	1.00	1.36	1.00
.....1996	1.01	0.70	0.89	1.10	1.06	1.01	0.88	0.92	0.90	2.62	0.69
.....1994	0.52	0.85	0.82	0.83	-0.07	0.87	0.79	0.55	0.89	1.02	-0.09
Net charge-offs to loans & leases (%)											
.....1998	0.21	0.11	0.10	0.33	0.22	0.16	0.36	0.19	0.17	0.45	0.20
.....1996	0.30	0.08	0.17	0.28	0.42	0.27	0.33	0.11	0.12	0.24	0.46
.....1994	0.51	0.08	0.20	0.63	0.73	0.52	0.25	0.11	0.16	0.34	0.78
Noncurrent assets plus											
OREO to assets (%)**.....1998	0.89	0.84	0.78	1.23	0.80	1.00	0.81	0.65	0.60	1.09	0.90
.....1996	1.23	1.03	0.98	1.46	1.28	1.42	1.33	0.58	0.63	1.16	1.47
.....1994	1.96	1.37	1.63	2.07	2.25	2.46	1.31	0.67	0.74	1.86	2.44
Equity capital ratio (%).....1998	8.79	12.01	10.48	8.95	7.66	9.71	10.15	9.21	9.35	8.74	7.40
.....1996	8.42	10.78	9.79	8.46	7.27	8.98	9.45	9.16	8.61	7.75	7.27
.....1994	7.97	9.49	8.80	7.85	7.10	8.18	8.36	8.63	7.88	7.21	7.46

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

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

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

TABLE IV-B. Full Year 1998, FDIC-Insured Savings Institutions

	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.....	1,689	701	843	111	34	656	233	442	125	120	113
Total assets (in billions).....	\$1,088.2	\$36.2	\$245.0	\$220.4	\$586.7	\$360.0	\$66.4	\$176.1	\$36.7	\$70.6	\$378.5
Total deposits (in billions).....	704.9	29.4	190.1	145.8	339.6	259.5	47.7	122.3	26.0	43.0	206.3
Net income (in millions).....	10,147.6	268.0	2,073.8	2,203.8	5,602.0	3,259.6	564.7	1,604.6	319.0	776.8	3,622.9
% of unprofitable institutions.....	5.3	9.6	2.0	4.5	0.0	3.5	9.0	4.5	8.0	5.8	7.1
% of institutions with earnings gains.....	51.3	42.8	55.2	66.7	82.4	52.9	51.9	47.3	40.8	53.3	66.4
Performance Ratios (%)											
Yield on earning assets.....	7.55	7.63	7.62	7.76	7.44	7.45	7.82	7.65	7.57	7.79	7.51
Cost of funding earning assets.....	4.45	4.22	4.23	4.44	4.57	4.12	4.47	4.59	4.62	4.62	4.66
Net interest margin.....	3.10	3.41	3.39	3.31	2.87	3.33	3.35	3.06	2.95	3.17	2.86
Noninterest income to earning assets.....	0.98	0.95	0.68	1.20	1.03	0.72	1.68	1.09	0.76	1.34	1.01
Noninterest expense to earning assets.....	2.50	3.15	2.69	2.83	2.26	2.53	3.37	2.68	2.23	2.89	2.20
Credit loss provision to assets.....	0.18	0.10	0.16	0.31	0.14	0.12	0.37	0.25	0.12	0.33	0.14
Net operating income to assets.....	0.84	0.66	0.72	0.83	0.91	0.83	0.74	0.70	0.82	0.86	0.94
Return on assets.....	1.01	0.77	0.89	1.08	1.04	0.97	0.93	0.97	0.92	1.19	1.05
Return on equity.....	11.34	6.19	8.31	11.80	13.51	9.82	9.04	10.27	9.34	14.14	14.23
Net charge-offs to loans and leases.....	0.22	0.08	0.15	0.27	0.24	0.16	0.54	0.20	0.10	0.42	0.19
Credit loss provision to net charge-offs*	121.41	205.32	160.56	184.49	83.99	127.51	101.91	167.94	160.58	116.90	101.90
Efficiency ratio.....	59.41	71.68	65.51	60.94	55.03	60.35	66.11	61.89	58.54	62.82	55.00
Condition Ratios (%)											
Earning assets to total assets.....	93.06	94.33	94.25	92.60	92.66	93.37	92.72	92.34	94.21	92.09	93.23
Loss allowance to:											
Loans and leases.....	0.96	0.78	0.88	1.24	0.91	1.06	0.92	0.81	0.66	0.86	1.01
Noncurrent loans and leases.....	111.18	77.15	107.04	98.62	123.63	96.24	131.91	101.69	112.71	97.42	133.62
Noncurrent assets plus											
other real estate owned to assets.....	0.72	0.77	0.69	1.03	0.61	0.79	0.66	0.69	0.54	0.87	0.66
Noncurrent RE loans to RE loans.....	0.86	0.98	0.79	1.29	0.74	1.12	0.67	0.76	0.55	0.95	0.75
Equity capital ratio.....	8.68	12.32	10.74	9.04	7.47	9.80	10.16	9.16	9.64	8.20	7.14
Core capital (leverage) ratio.....	7.85	11.90	10.11	8.36	6.46	8.72	9.54	8.15	8.89	7.93	6.47
Gross real estate assets to gross assets.....	77.90	68.19	71.42	72.89	83.09	72.43	72.93	76.01	76.07	66.91	87.07
Gross 1-4 family mortgages to gross assets.....	47.31	49.30	46.65	38.91	50.62	41.18	47.75	52.66	53.04	36.87	51.95
Net loans and leases to deposits.....	101.33	80.46	84.65	95.66	114.91	82.25	93.30	102.72	100.93	111.68	124.27
Structural Changes											
New charters.....	28	28	0	0	0	2	9	9	4	3	1
Thriffs absorbed by mergers.....	114	35	53	21	5	33	24	28	13	5	11
Failed Thriffs.....	0	0	0	0	0	0	0	0	0	0	0
PRIOR FULL YEARS** (The way it was...)											
Number of institutions.....1997	1,780	765	858	122	35	687	253	462	134	118	126
.....1995	2,030	910	959	130	31	754	305	522	153	137	159
.....1993	2,262	1,048	1,040	146	28	826	367	568	166	147	188
Total assets (in billions).....1997	\$1,026.2	\$39.9	\$250.4	\$239.7	\$496.1	\$342.8	\$64.8	\$174.2	\$33.6	\$64.0	\$346.8
.....1995	1025.7	46.7	278.5	281.3	419.2	352.3	70.9	169.9	52.2	74.9	305.6
.....1993	1000.9	53.4	298.8	306.8	341.9	336.6	89.1	150.8	50.9	56.9	316.6
Return on assets (%).....1997	0.93	0.75	0.95	1.06	0.87	1.00	0.84	0.90	1.01	1.00	0.86
.....1995	0.77	0.67	0.80	0.84	0.72	0.88	0.87	0.85	0.98	1.05	0.51
.....1993	0.71	1.00	0.93	0.62	0.53	0.68	0.71	0.97	0.98	1.58	0.39
Net charge-offs to loans & leases (%)											
.....1997	0.25	0.10	0.17	0.35	0.26	0.22	0.47	0.24	0.07	0.46	0.22
.....1995	0.34	0.14	0.17	0.38	0.45	0.39	0.14	0.14	0.18	0.23	0.47
.....1993	0.65	0.15	0.29	0.53	1.13	0.68	0.34	0.11	0.15	0.28	1.03
Noncurrent assets plus											
OREO to assets (%)***.....1997	0.95	0.87	0.82	1.31	0.84	1.12	0.86	0.67	0.57	1.10	0.94
.....1995	1.20	1.00	0.99	1.39	1.24	1.40	1.14	0.53	0.61	1.21	1.46
.....1993	2.10	1.43	1.74	2.17	2.45	2.73	1.48	0.72	0.83	2.26	2.44
Equity capital ratio (%).....1997	8.71	11.91	10.49	8.73	7.54	9.62	10.12	9.20	9.44	8.33	7.29
.....1995	8.39	10.73	9.84	8.54	7.06	9.05	9.50	9.07	8.48	7.60	7.17
.....1993	7.84	9.33	8.61	7.71	7.04	7.99	7.97	8.53	7.90	7.12	7.42

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

** Data between 1993 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 V-B. Loan Performance, FDIC-Insured Savings Institutions

March 31, 1999	Asset Size Distribution					Geographical Distribution by Region					
	All Institutions	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.....	0.88	1.65	1.03	0.89	0.76	0.85	0.97	0.92	1.24	1.29	0.76
Construction, development, and land.....	1.18	1.89	1.49	0.99	0.95	0.78	1.28	1.79	2.02	1.06	0.81
Commercial real estate.....	0.77	1.28	0.77	0.87	0.65	0.84	0.82	0.84	1.24	0.96	0.45
Multifamily residential real estate.....	0.30	0.85	0.46	0.33	0.23	0.34	0.72	0.47	0.04	0.44	0.23
Home equity loans.....	0.59	0.70	0.72	0.53	0.54	0.77	0.35	0.52	1.23	0.13	0.39
Other 1-4 Family residential.....	0.94	1.73	1.10	0.99	0.83	0.91	0.99	0.94	1.25	1.47	0.87
Commercial and industrial loans.....	1.26	2.36	1.61	1.42	0.80	1.03	1.70	2.09	1.84	1.13	0.94
Loans to individuals.....	1.56	2.18	1.73	1.74	1.37	1.46	2.15	1.53	2.09	0.93	2.00
Credit card loans.....	1.77	0.62	3.75	2.46	1.10	1.41	2.34	2.07	3.92	0.59	4.09
Other loans to individuals.....	1.50	2.23	1.60	1.39	1.46	1.47	2.11	1.37	2.01	1.18	1.53
Percent of Loans Noncurrent*											
All real estate loans.....	0.83	0.96	0.74	1.24	0.73	1.04	0.66	0.77	0.53	1.08	0.70
Construction, development, and land.....	0.91	1.58	1.09	0.92	0.68	1.01	0.65	1.30	1.15	0.33	1.28
Commercial real estate.....	1.13	1.27	1.01	1.55	0.91	1.34	1.23	1.27	0.57	0.94	0.77
Multifamily residential real estate.....	0.62	0.94	0.59	1.13	0.42	0.93	0.84	0.61	0.27	3.45	0.29
Home equity loans.....	0.32	0.21	0.38	0.27	0.31	0.40	0.09	0.31	0.34	0.04	0.28
Other 1-4 Family residential.....	0.83	0.90	0.69	1.27	0.77	1.04	0.62	0.75	0.50	1.10	0.75
Commercial and industrial loans.....	1.00	2.19	1.26	0.98	0.72	0.98	0.85	1.41	1.44	0.90	0.78
Loans to individuals.....	0.77	1.02	0.86	1.04	0.58	0.72	0.83	0.76	0.65	0.66	0.96
Credit card loans.....	1.46	1.15	3.26	1.80	1.06	1.03	1.29	1.34	2.35	1.08	3.33
Other loans to individuals.....	0.56	1.02	0.70	0.66	0.42	0.65	0.73	0.58	0.58	0.36	0.43
Percent of Loans Charged-off (net, annual)											
All real estate loans.....	0.03	0.03	0.03	0.07	0.01	0.01	0.05	0.06	0.04	0.03	0.01
Construction, development, and land.....	0.03	0.06	0.04	0.01	0.02	0.04	0.06	0.04	0.03	0.00	0.00
Commercial real estate.....	-0.08	0.17	-0.04	-0.05	-0.18	-0.11	0.14	0.08	0.23	0.00	-0.26
Multifamily residential real estate.....	-0.21	-0.04	0.06	-0.01	-0.36	-0.03	0.00	0.04	0.00	0.08	-0.37
Home equity loans.....	0.16	0.11	0.03	0.20	0.22	0.11	0.12	0.12	0.42	0.20	0.30
Other 1-4 Family residential.....	0.06	0.02	0.04	0.10	0.05	0.03	0.04	0.06	0.02	0.04	0.08
Commercial and industrial loans.....	0.24	0.35	0.30	0.40	0.09	0.06	0.57	0.40	0.53	0.28	0.32
Loans to individuals.....	1.66	0.55	0.80	2.99	1.27	0.97	1.90	1.69	0.75	0.94	3.60
Credit card loans.....	4.31	2.23	2.72	6.82	2.65	2.85	4.94	4.34	8.31	1.32	13.85
Other loans to individuals.....	0.82	0.49	0.68	1.09	0.78	0.52	1.31	0.81	0.32	0.64	1.39
Loans Outstanding (in billions)											
All real estate loans.....	\$646.4	\$21.1	\$145.6	\$113.1	\$366.6	\$190.5	\$38.8	\$110.1	\$23.9	\$37.4	\$245.7
Construction, development, and land.....	24.5	1.1	7.9	6.1	9.5	4.6	3.6	4.6	1.2	5.8	4.7
Commercial real estate.....	48.8	1.9	16.4	13.0	17.5	22.2	3.3	5.9	2.0	4.0	11.5
Multifamily residential real estate.....	54.3	0.6	8.6	12.8	32.3	14.8	0.8	6.4	0.8	1.8	29.6
Home equity loans.....	16.9	0.4	4.6	3.7	8.1	6.7	1.5	4.4	0.5	0.4	3.4
Other 1-4 Family residential.....	501.7	17.0	108.1	77.4	299.3	142.1	29.6	88.8	19.4	25.4	196.4
Commercial and industrial loans.....	22.4	0.8	5.3	6.7	9.6	9.8	1.9	3.1	0.9	2.9	3.8
Loans to individuals.....	54.1	1.5	9.2	15.1	28.1	15.0	4.4	14.6	2.2	9.1	8.7
Credit card loans.....	12.4	0.1	0.6	5.0	6.8	2.7	0.8	3.5	0.1	3.8	1.6
Other loans to individuals.....	41.7	1.5	8.7	10.2	21.4	12.3	3.6	11.2	2.1	5.3	7.1
Memo: Other Real Estate Owned (in millions)**											
All other real estate owned.....	\$1,529.7	\$39.5	\$332.0	\$493.4	\$664.8	\$470.0	\$112.3	\$203.6	\$50.3	\$189.0	\$504.5
Construction, development, and land.....	185.3	4.6	34.1	23.7	123.0	30.8	89.3	21.5	9.5	5.8	28.5
Commercial real estate.....	325.6	6.3	61.8	188.1	69.4	151.8	10.6	43.1	15.2	41.3	63.6
Multifamily residential real estate.....	201.6	1.4	83.4	64.2	52.5	55.8	0.8	6.2	0.0	83.6	55.2
1-4 Family residential.....	867.5	28.1	158.2	229.4	451.9	243.6	34.9	136.8	30.4	60.0	361.9
Troubled Real Estate Asset Rates***											
(% of total RE assets)											
All real estate loans.....	1.06	1.14	0.96	1.67	0.91	1.29	0.94	0.96	0.74	1.57	0.90
Construction, development, and land.....	1.65	1.99	1.51	1.31	1.96	1.66	3.06	1.76	1.91	0.43	1.88
Commercial real estate.....	1.79	1.60	1.38	2.97	1.30	2.02	1.54	1.99	1.32	2.00	1.31
Multifamily residential real estate.....	0.99	1.18	1.55	1.62	0.58	1.30	0.94	0.71	0.27	7.63	0.47
1-4 family residential.....	0.98	1.04	0.82	1.50	0.90	1.17	0.70	0.87	0.65	1.32	0.92

* 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

- ***Insured Deposits Fall \$20 Billion After Record Fourth-Quarter Increase***
- ***Deposit Shrinkage Helps Boost Insurance Fund Reserve Ratios***
- ***One BIF Member Fails In The First Quarter Of 1999***

The assets and deposits of the nation's 10,415 FDIC-insured depository institutions experienced some shrinkage in the first quarter of 1999, following record increases in the fourth quarter of 1998. Total assets fell by \$8.6 billion, or 0.1 percent, but total deposits decreased considerably more, falling by \$50 billion, or 1.1 percent, during the three-month period. By contrast, during the fourth quarter, total assets grew by \$202 billion and total deposits increased by \$183 billion. Of the first-quarter decline in deposits, estimated insured deposits fell by \$19.8 billion and uninsured domestic deposits fell by \$33.5 billion; foreign-office deposits, which are uninsured, gained \$2.8 billion.

The \$20-billion decline in insured deposits was equally divided between the Bank Insurance Fund (BIF) and the Savings Association Insurance Fund (SAIF). The balance of the BIF was \$29.9 billion (unaudited) on March 31, up \$240 million since year-end 1998. This 0.8-percent growth in the fund, combined with the 0.5-percent decline in BIF-insured deposits, raised the fund's reserve ratio from 1.39 percent to 1.41 percent. This is the level at which the reserve ratio stood on September 30, 1998, before falling by 2 basis points because of the fourth-quarter surge in insured deposits.

On January 1, a Special Reserve was established within the SAIF, as required by the Deposit Insurance Funds

Act of 1996. The reserve was funded with \$978 million, the amount by which the SAIF exceeded the Designated Reserve Ratio of 1.25 percent. The reserve is available for insurance purposes only under certain adverse conditions, and it is to be excluded from the reserve ratio calculation. The reserve ratio of the SAIF was 1.37 percent on December 31, but the establishment of the Special Reserve dropped the ratio to 1.25 percent on January 1. During the first quarter, the "unrestricted" portion of the SAIF increased by \$97 million (1.1 percent) to \$8.96 billion (unaudited), while SAIF-insured deposits decreased by \$9.6 billion (1.3 percent). This resulted in a 2-basis point increase in the SAIF reserve ratio, to 1.27 percent.

For all FDIC-insured institutions, insured deposits represented 55 percent of domestic liabilities on March 31, down from the recent peak of 70 percent in early 1992. However, smaller institutions still rely heavily on insured deposits for their funding. For institutions with total assets under \$1 billion, insured deposits were 77 percent of domestic liabilities on March 31, 1999, compared to 49 percent for institutions with assets greater than \$1 billion.

One BIF-member commercial bank, with total assets of \$13.9 million, failed in the first quarter of 1999. The FDIC expects a full recovery of its outlays. No SAIF member failed in the first quarter, marking the tenth consecutive quarter without a SAIF-member failure.

INTERSTATE BRANCHES AS A PERCENT OF TOTAL OFFICES, MARCH 31, 1999

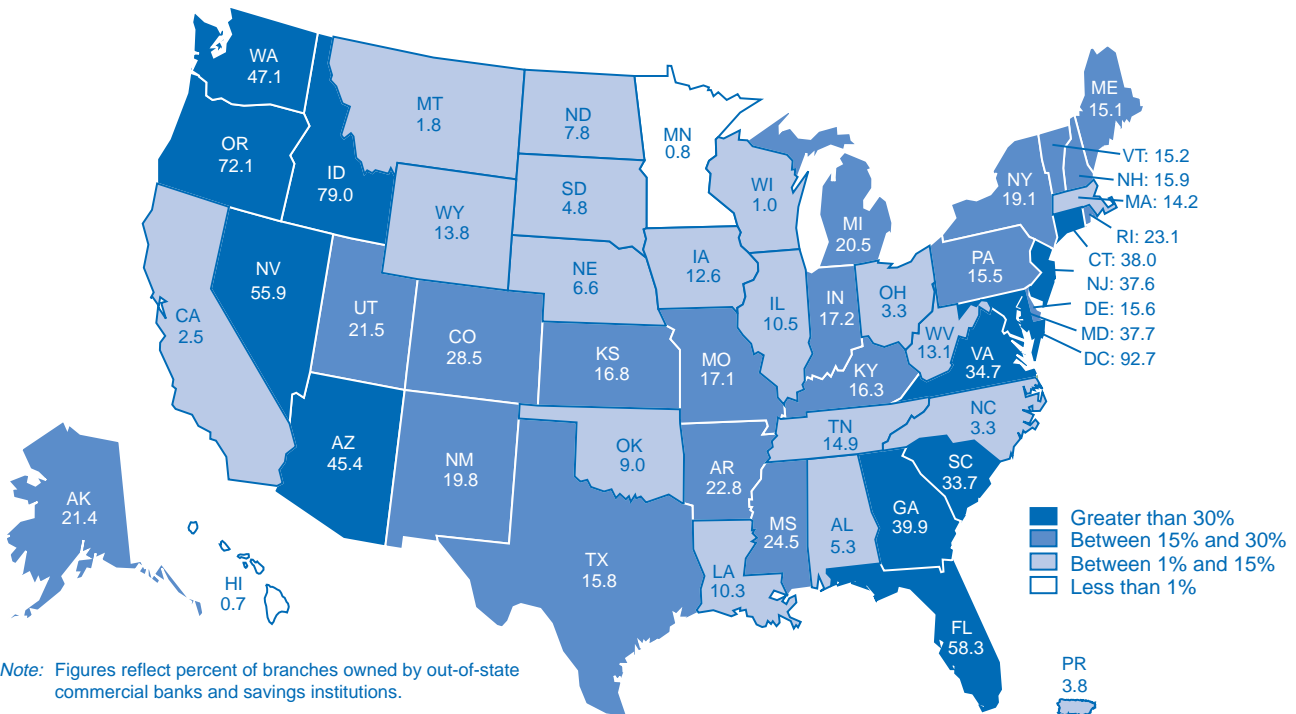


TABLE I-C. Selected Indicators, FDIC-Insured Institutions*

<i>(dollar figures in millions)</i>	1999**	1998**	1998	1997	1996	1995	1994
Number of institutions reporting.....	10,390	10,779	10,463	10,922	11,452	11,970	12,603
Total assets.....	\$ 6,519,682	\$ 6,149,388	\$ 6,529,341	\$ 6,041,135	\$ 5,606,608	\$ 5,338,418	\$ 5,019,085
Total deposits.....	4,336,552	4,175,390	4,386,332	4,125,862	3,925,058	3,769,480	3,611,618
Number of problem institutions.....	80	84	84	92	117	193	318
Assets of problem institutions (in billions).....	\$10	\$7	\$11	\$6	\$12	\$31	\$73
Number of failed/assisted institutions.....	1	0	3	1	6	8	15
Assets of failed/assisted institutions (in billions).....	\$0.01	\$0.00	\$0.37	\$0.03	\$0.22	\$1.21	\$1.57

** As of March 31.

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

<i>(dollar figures in millions)</i>	Preliminary 1st Quarter 1999	4th Quarter 1998	1st Quarter 1998	%Change 98:1-99:1		
Number of institutions reporting.....	10,390	10,463	10,779	-3.6		
Total employees (full-time equivalent).....	1,859,426	1,863,844	1,800,759	3.3		
CONDITION DATA						
Total assets.....	\$6,519,682	\$6,529,341	\$6,149,388	6.0		
Loans secured by real estate.....	1,992,675	1,989,439	1,910,928	4.3		
1-4 Family residential.....	1,267,278	1,283,492	1,250,075	1.4		
Home equity loans.....	112,468	113,432	114,011	-1.4		
Multifamily residential property.....	99,695	97,216	99,175	0.5		
Commercial real estate.....	429,315	418,678	393,944	9.0		
Construction, development, and land.....	136,396	130,105	111,095	22.8		
Other real estate loans.....	59,991	59,948	56,638	5.9		
Commercial & industrial loans.....	944,127	919,779	836,519	12.9		
Loans to individuals.....	602,619	623,573	589,710	2.2		
Credit cards & related plans.....	220,268	241,645	222,294	-0.9		
Other loans & leases.....	441,674	431,012	395,760	11.6		
Less: Unearned income & contra accounts.....	3,841	4,220	4,533	-15.3		
Total loans & leases.....	3,977,254	3,959,582	3,728,384	6.7		
Less: Reserve for losses.....	64,857	64,173	62,175	4.3		
Net loans and leases.....	3,912,397	3,895,408	3,666,209	6.7		
Securities.....	1,283,345	1,249,081	1,154,527	11.2		
Other real estate owned.....	4,665	4,726	5,726	-18.5		
Goodwill and other intangibles.....	98,120	94,405	78,058	25.7		
All other assets.....	1,221,154	1,285,722	1,244,868	-1.9		
Total liabilities and capital.....	6,519,682	6,529,341	6,149,388	6.0		
Deposits.....	4,336,552	4,386,332	4,175,390	3.9		
Other borrowed funds.....	1,227,965	1,170,708	1,076,287	14.1		
Subordinated debt.....	76,425	75,597	68,912	10.9		
All other liabilities.....	313,437	340,023	307,549	1.9		
Equity capital.....	565,303	556,681	521,251	8.5		
Loans and leases 30-89 days past due.....	45,871	48,316	46,535	-1.4		
Noncurrent loans and leases.....	38,236	37,478	36,727	4.1		
Restructured loans and leases.....	3,836	4,280	5,322	-27.9		
Direct and indirect investments in real estate.....	1,105	1,095	1,188	-7.0		
Mortgage-backed securities.....	678,348	677,228	584,953	16.0		
Earning assets.....	5,709,391	5,688,432	5,385,162	6.0		
FHLB Advances (Source: FHLB and TFR).....	290,118	278,839	205,174	41.4		
Unused loan commitments.....	3,938,092	3,884,257	3,456,411	13.9		
INCOME DATA						
	Full Year 1998	Full Year 1997	%Change	Preliminary 1st Quarter 1999	1st Quarter 1998	%Change 98:1-99:1
Total interest income.....	\$433,113	\$408,723	6.0	\$108,680	\$106,871	1.7
Total interest expense.....	221,170	205,600	7.6	53,458	54,972	-2.8
Net interest income.....	211,943	203,123	4.3	55,222	51,899	6.4
Provision for credit losses.....	23,960	22,036	8.7	5,811	5,258	10.5
Total noninterest income.....	132,902	111,527	19.2	37,051	30,990	19.6
Total noninterest expense.....	217,691	191,056	13.9	55,735	51,484	8.3
Securities gains (losses).....	5,586	3,102	80.1	1,166	1,441	-19.1
Applicable income taxes.....	37,236	36,725	1.4	11,200	9,617	16.5
Extraordinary gains, net.....	424	14	N/M	-36	530	N/M
Net income.....	71,968	67,949	5.9	20,657	18,503	11.6

* Excludes insured branches of foreign banks (IBAs) and institutions in RTC conservatorship (the last of which ended in 1995).

N/M - Not meaningful

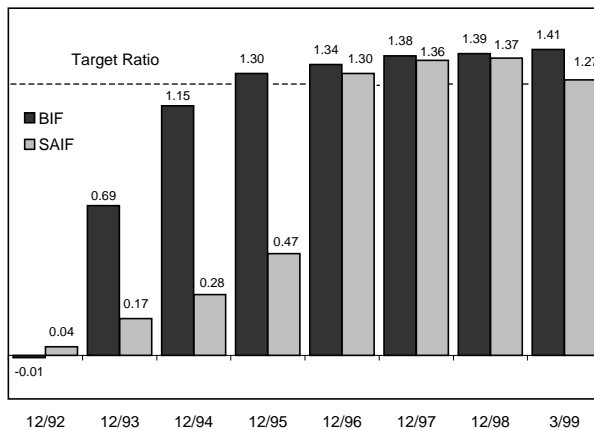
TABLE III-C. Selected Insurance Fund Indicators

<i>(dollar figures in millions)</i>	Preliminary 1st Quarter 1999	4th Quarter 1998	1st Quarter 1998	%Change 98:1-99:1
Bank Insurance Fund*				
Reserve ratio (%)**.....	1.41	1.39	1.38	2.1
Fund balance (unaudited).....	\$29,852	\$29,612	\$28,559	4.5
Estimated insured deposits.....	2,124,236	2,134,437	2,075,681	2.3
SAIF-member Oakars.....	39,597	40,260	31,945	24.0
BIF-members.....	2,084,639	2,094,177	2,043,736	2.0
Assessment base.....	2,940,009	2,989,501	2,823,633	4.1
SAIF-member Oakars.....	42,135	42,413	33,587	25.4
BIF-members.....	2,897,874	2,947,088	2,790,045	3.9
Savings Association Insurance Fund				
Reserve ratio (%)**.....	1.27	1.37	1.35	-6.2
Fund balance (unaudited).....	\$9,937	\$9,840	\$9,484	4.8
Special Reserve.....	978	N/A	N/A	N/A
Unrestricted.....	8,959	9,840	9,484	-5.5
Estimated insured deposits.....	706,476	716,028	701,428	0.7
BIF-member Oakars.....	260,412	265,159	268,133	-2.9
SAIF-member Ssassers.....	66,769	63,719	60,704	10.0
Other SAIF members.....	379,295	387,150	372,590	1.8
Assessment base.....	749,886	758,565	734,788	2.1
BIF-member Oakars.....	260,818	266,378	268,709	-2.9
SAIF-member Ssassers.....	74,048	70,483	66,008	12.2
Other SAIF members.....	415,020	421,704	400,071	3.7

* Includes U.S. branches of foreign banks.

** Fund balance as a percent of estimated insured deposits. For SAIF, Special Reserve is excluded.

Insurance Fund Reserve Ratios*
Percent of Insured Deposits



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

Fund Balance and Insured Deposits*
(\$ Millions)

	BIF Fund Balance	BIF-Insured Deposits	Unrestricted SAIF Fund Balance	SAIF-Insured Deposits
12/92	-101	1,945,550	279	732,159
12/93	13,122	1,905,245	1,157	697,885
12/94	21,848	1,895,258	1,937	693,610
12/95	25,454	1,951,963	3,358	711,897
12/96	26,854	2,007,042	8,888	683,403
12/97	28,293	2,056,558	9,368	689,915
12/98	29,612	2,134,437	9,840	716,028
3/99	29,852	2,124,236	8,959	706,476

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

TABLE IV-C. Closed/Assisted Institutions

<i>(dollar figures in millions)</i>	1999*	1998*	1998	1997	1996	1995	1994
BIF Members							
Number of institutions.....	1	0	3	1	5	6	13
Total assets.....	\$12	\$0	\$371	\$27	\$182	\$753	\$1,392
SAIF Members							
Number of institutions.....	0	0	0	0	1	2	2
Total assets.....	\$0	\$0	\$0	\$0	\$35	\$426	\$129

* Through March 31.

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

<i>(dollar figures in millions)</i>	1999**	1998**	1998	1997	1996	1995	1994
BIF Members							
Number of institutions reporting.....	8,976	9,031	9,289	9,404	9,823	10,243	10,760
BIF-member Oakars.....	733	742	765	778	793	807	719
Other BIF-members.....	8,243	8,289	8,524	8,626	9,030	9,436	10,041
Total assets.....	\$ 5,675,736	\$5,403,479	\$5,701,162	\$5,285,412	\$4,857,761	\$4,577,898	\$4,248,300
Total deposits.....	3,797,599	3,668,343	3,843,849	3,611,454	3,404,204	3,225,650	3,062,718
Net income.....	18,596	16,641	64,369	61,463	54,484	50,780	46,882
Return on assets (%).....	1.31	1.25	1.18	1.22	1.17	1.15	1.14
Return on equity (%).....	15.14	14.81	13.81	14.44	14.14	14.32	14.43
Noncurrent assets plus OREO to assets (%).....	0.66	0.68	0.64	0.67	0.77	0.89	1.06
Number of problem institutions.....	64	68	68	73	86	151	264
Assets of problem institutions.....	\$4,652	\$4,761	\$5,326	\$4,598	\$6,624	\$20,166	\$42,311
Number of failed/assisted institutions.....	1	0	3	1	5	6	13
Assets of failed/assisted institutions.....	\$12	\$0	\$371	\$27	\$182	\$753	\$1,392
SAIF Members							
Number of institutions reporting.....	1,414	1,432	1,490	1,518	1,629	1,727	1,843
SAIF-member Oakars.....	113	115	116	112	94	77	55
Other SAIF-members.....	1,301	1,317	1,374	1,406	1,535	1,650	1,788
Total assets.....	\$843,945	\$745,909	\$828,179	\$755,724	\$748,848	\$760,521	\$770,785
Total deposits.....	538,953	507,047	542,483	514,409	520,855	543,831	548,901
Net income.....	2,061	1,862	7,599	6,486	4,883	5,584	4,102
Return on assets (%).....	0.99	1.01	0.98	0.94	0.67	0.76	0.56
Return on equity (%).....	11.77	11.67	11.34	11.13	8.07	9.47	7.16
Noncurrent assets plus OREO to assets (%).....	0.75	0.92	0.80	0.98	1.07	1.12	1.23
Number of problem institutions.....	16	16	16	19	31	42	54
Assets of problem institutions.....	\$5,122	\$2,301	\$5,992	\$1,662	\$5,548	\$10,846	\$30,336
Number of failed/assisted institutions.....	0	0	0	0	1	2	2
Assets of failed/assisted institutions.....	\$0	\$0	\$0	\$0	\$35	\$426	\$129

* Excludes insured branches of foreign banks (IBAs) and institutions in RTC conservatorship (the last of which ended in 1995).

** Through March 31, ratios annualized where appropriate.

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

<i>(dollar figures in millions)</i>	Number of Institutions	Total Assets	Domestic Deposits*	Estimated Insured Deposits		
				BIF	SAIF	Total
March 31, 1999						
Commercial Banks and Savings Institutions						
FDIC-Insured Commercial Banks.....	8,721	\$5,409,723	\$3,062,459	\$1,929,799	\$263,234	\$2,193,032
BIF-member.....	8,616	5,335,951	3,010,832	1,915,816	234,443	2,150,259
SAIF-member.....	105	73,773	51,628	13,982	28,791	42,773
FDIC-Supervised.....	5,294	949,544	716,498	494,034	59,106	553,140
OCC-Supervised.....	2,433	3,141,447	1,747,155	1,101,760	154,570	1,256,330
Federal Reserve-Supervised.....	994	1,318,733	598,806	334,004	49,558	383,562
FDIC-Insured Savings Institutions.....	1,669	1,109,958	699,367	193,169	443,243	636,412
OTS-Supervised Savings Institutions.....	1,129	835,053	504,752	70,183	389,267	459,450
BIF-member.....	41	122,330	59,064	45,686	9,972	55,658
SAIF-member.....	1,088	712,723	445,689	24,498	379,295	403,793
FDIC-Supervised State Savings Banks.....	540	274,906	194,614	122,986	53,976	176,962
BIF-member.....	319	217,456	152,981	121,869	15,998	137,867
SAIF-member.....	221	57,450	41,633	1,117	37,978	39,095
Total Commercial Banks and Savings Institutions.....	10,390	6,519,682	3,761,826	2,122,968	706,476	2,829,444
BIF-member.....	8,976	5,675,736	3,222,877	2,083,371	260,412	2,343,783
SAIF-member.....	1,414	843,945	538,950	39,597	446,064	485,661
Other FDIC-Insured Institutions						
U.S. Branches of Foreign Banks.....	25	10,127	2,686	1,268	0	1,268
Total FDIC-Insured Institutions.....	10,415	6,529,808	3,764,512	2,124,236	706,476	2,830,713

* Excludes \$575 billion in foreign office deposits, which are uninsured.

TABLE VII-C. Assessment Base Distribution and Rate Schedules

**BIF Assessment Base Distribution
Assessable Deposits in Millions as of March 31, 1999
Supervisory and Capital Ratings for Second Semiannual Assessment Period, 1999**

Capital Group	Supervisory Risk Subgroup					
	A		B		C	
1. Well-capitalized						
Number of institutions.....	8,402	93.3%	350	3.9%	43	0.5%
Assessable deposit base.....	\$2,842,735	96.7%	\$55,856	1.9%	\$1,517	0.1%
2. Adequately capitalized						
Number of institutions.....	154	1.7%	21	0.2%	10	0.1%
Assessable deposit base.....	\$33,770	1.1%	\$2,701	0.1%	\$2,221	0.1%
3. Undercapitalized						
Number of institutions.....	4	0.0%	3	0.0%	14	0.2%
Assessable deposit base.....	\$406	0.0%	\$191	0.0%	\$612	0.0%

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

**SAIF Assessment Base Distribution
Assessable Deposits in Millions as of March 31, 1999
Supervisory and Capital Ratings for Second Semiannual Assessment Period, 1999**

Capital Group	Supervisory Risk Subgroup					
	A		B		C	
1. Well-capitalized						
Number of institutions.....	1,289	91.2%	87	6.2%	8	0.6%
Assessable deposit base.....	\$716,074	95.5%	\$24,402	3.3%	\$748	0.1%
2. Adequately capitalized						
Number of institutions.....	15	1.1%	6	0.4%	4	0.3%
Assessable deposit base.....	\$4,418	0.6%	\$567	0.1%	\$2,881	0.4%
3. Undercapitalized						
Number of institutions.....	1	0.1%	1	0.1%	3	0.2%
Assessable deposit base.....	\$562	0.1%	\$49	0.0%	\$185	0.0%

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

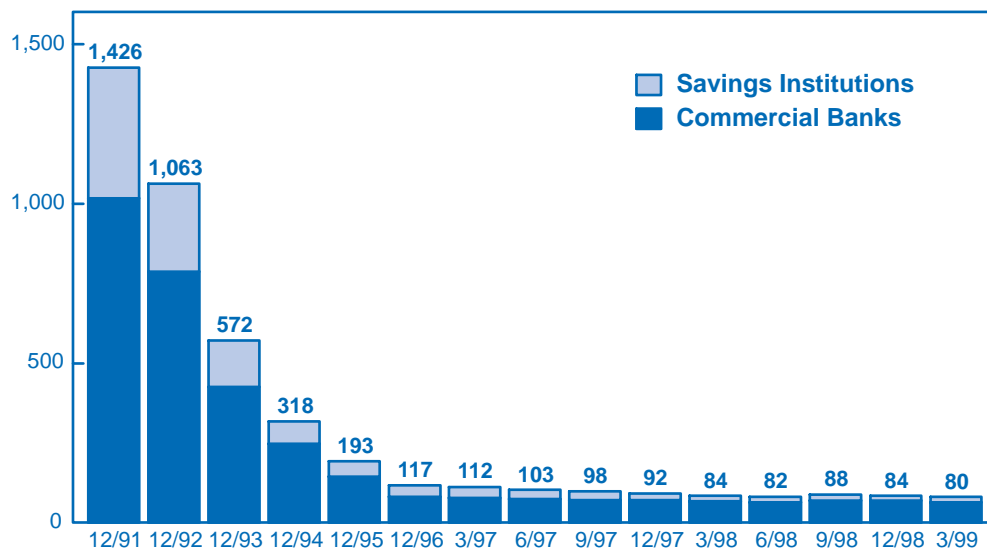
**Assessment Rate Schedules
Second Semiannual 1999 Assessment Period
Cents Per \$100 of Assessable Deposits**

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

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

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

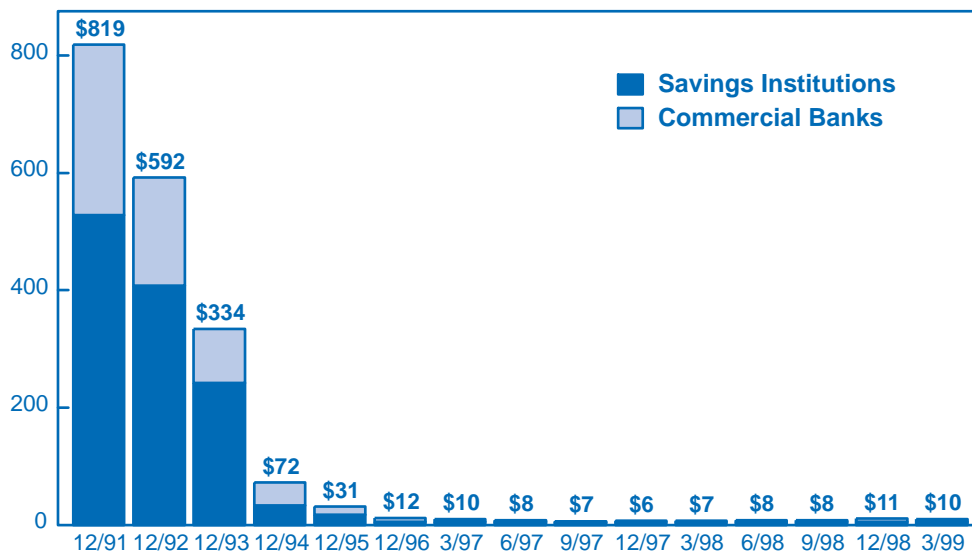
Number of Institutions



Savings Institutions	410	276	146	71	49	35	35	29	27	21	16	18	18	15	16
Commercial Banks	1,016	787	426	247	144	82	77	74	71	71	68	64	70	69	64

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

\$ Billions



Savings Institutions	291	184	92	39	14	7	5	3	2	2	2	3	3	6	5
Commercial Banks	528	408	242	33	17	5	5	5	5	5	5	5	5	5	5

NOTES TO USERS

This publication contains financial data and other information for depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). These notes are an integral part of this publication and provide information regarding the comparability of source data and reporting differences over time. The information presented in the FDIC *Quarterly Banking Profile* is divided into the following groups of institutions:

FDIC-Insured Commercial Banks (Tables I-A through V-A.)

This section covers commercial banks insured by the FDIC either through the Bank Insurance Fund (BIF) or through the Savings Association Insurance Fund (SAIF). These institutions are regulated by and submit financial reports to one of the three federal commercial bank regulators (the Board of Governors of the Federal Reserve System, the FDIC or the Office of the Comptroller of the Currency).

FDIC-Insured Savings Institutions (Tables I-B through V-B.)

This section covers savings institutions insured by either BIF or SAIF that operate under state or federal banking codes applicable to thrift institutions, except for one self-liquidating institution primarily funded by the FSLIC Resolution Fund (FRF). Savings institutions in Resolution Trust Corporation conservatorships are also excluded from these tables while in conservatorship, where applicable. The institutions covered in this section are regulated by and submit financial reports to one of two Federal regulators — the FDIC or the Office of Thrift Supervision (OTS).

FDIC-Insured Institutions by Insurance Fund (Tables I-C through VII-C.)

Summary balance-sheet and earnings data are provided for commercial banks and savings institutions according to insurance fund membership. BIF-member institutions may acquire SAIF-insured deposits, resulting in institutions with some deposits covered by both insurance funds. Also, SAIF members may acquire BIF-insured deposits. The insurance fund membership does not necessarily reflect which fund insures the largest percentage of an institution's deposits. Therefore, the BIF-member and the SAIF-member tables each include deposits from both insurance funds. Depository institutions that are not insured by the FDIC through either the BIF or SAIF are not included in the FDIC *Quarterly Banking Profile*. U.S. branches of institutions headquartered in foreign countries and non-deposit trust companies are not included unless otherwise indicated. Efforts are made to obtain financial reports for all active institutions. However, in some cases, final financial reports are not available for institutions that have closed or converted their charter.

DATA SOURCES

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

COMPUTATION METHODOLOGY

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

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

All asset and liability figures used in calculating performance ratios represent average amounts for the period (beginning-of-period amount plus end-of-period amount plus any interim periods, divided by the total number of periods). For "pooling-of-interest" mergers, the assets of the acquired institution(s) are included in average assets since the year-to-date income includes the results of all merged institutions. No adjustments are made for "purchase accounting" mergers. Growth rates represent the percentage change over a 12-month period in totals for institutions in the base period to totals for institutions in the current period.

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

ACCOUNTING CHANGES

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

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

have the effect of reducing institutions' reported taxes and increasing their after-tax earnings.

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

DEFINITIONS (in alphabetical order)

All other assets — total cash, balances due from depository institutions, premises, fixed assets, direct investments in real estate, investment in unconsolidated subsidiaries, customers' liability on acceptances outstanding, assets held in trading accounts, federal funds sold, securities purchased with agreements to resell, and other assets. Beginning 3/31/97, Federal funds sold are reported on a consolidated basis (domestic and foreign offices combined). Previously, Federal funds sold through foreign offices were reported as loans.

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

Assessment base distribution — each institution's capital category is calculated or estimated from its financial report and does not reflect supervisory upgrades or downgrades:

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

*As a percentage of risk-weighted assets.

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

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

Construction and development loans — includes loans for all property types under construction, as well as loans for land acquisition and development.

Core capital — common equity capital plus noncumulative perpetual preferred stock plus minority interest in consolidated subsidiaries, less goodwill and other ineligible intangible assets. The amount of eligible intangibles (including servicing rights) included in core capital is limited in accordance with supervisory capital regulations.

Cost of funding earning assets — total interest expense paid on deposits and other borrowed money as a percentage of average earning assets.

Derivative contracts, gross fair values (positive/negative) — are reported separately and represent the amount at which a contract could be exchanged in a transaction between willing parties, other than in a forced or liquidation sale. If a quoted market price is available for a contract, the fair value reported for that contract is calculated using this

market price. If quoted market prices are not available, the reporting banks use the best estimate of fair value based on quoted market prices of similar contracts or on valuation techniques such as discounted cash flows. This information is reported only by banks with assets greater than \$100 million.

Direct and indirect investments in real estate — excludes loans secured by real estate and property acquired through foreclosure.

Earning assets — all loans and other investments that earn interest or dividend income.

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

Estimated insured deposits — estimated amount of insured deposits (account balances less than \$100,000). The sum of all deposit balances in accounts of less than \$100,000 plus the number of accounts with balances greater than \$100,000 multiplied by \$100,000.

Failed/assisted institutions — an institution fails when regulators take control of the institution, placing the assets and liabilities into a bridge bank, conservatorship, receivership, or another healthy institution. This action may require the FDIC to provide funds to cover losses. An institution is defined as "assisted" when the institution remains open and receives some insurance funds in order to continue operating.

FHLB advances — borrowings from the Federal Home Loan Bank (FHLB) reported by institutions that file a *Thriff Financial Report*. Institutions that file a *Call Report* do not report borrowings ("advances") from the FHLB separately.

Goodwill and other intangibles — intangible assets include servicing rights, purchased credit card relationships and other identifiable intangible assets.

Loans secured by real estate — includes home equity loans, junior liens secured by 1-4 family residential properties and all other loans secured by real estate.

Loans to individuals — includes outstanding credit card balances and other secured and unsecured consumer loans.

Long-term assets (5+ years) — loans and debt securities with remaining maturities or repricing intervals of over five years.

Mortgage-backed securities — certificates of participation in pools of residential mortgages and collateralized mortgage obligations issued or guaranteed by government-sponsored or private enterprises. Also, see "Securities", below.

Net charge-offs — total loans and leases charged off (removed from balance sheet because of uncollectibility), less amounts recovered on loans and leases previously charged off.

Net interest margin — the difference between interest and dividends earned on interest-bearing assets and interest paid to depositors and other creditors, expressed as a percentage of average earning assets. No adjustments are made for interest income that is tax exempt.

Net operating income — income excluding discretionary transactions such as gains (or losses) on the sale of investment securities and extraordinary items. Income taxes subtracted from operating income have been adjusted to exclude the portion applicable to securities gains (or losses).

Noncurrent assets — the sum of loans, leases, debt securities and other assets that are 90 days or more past due, or in nonaccrual status.

Noncurrent loans & leases — the sum of loans and leases 90 days or more past due, and loans and leases in nonaccrual status.

Number of institutions reporting — the number of institutions that actually filed a financial report.

Off-balance-sheet derivatives — represents the sum of the following: interest-rate contracts (defined as the notional value of interest-rate swap, futures, forward and option contracts), foreign-exchange-rate contracts, commodity contracts and equity contracts (defined similarly to interest-rate contracts).

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

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

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

Other borrowed funds — federal funds purchased, securities sold with agreements to repurchase, demand notes issued to the U.S. Treasury, other borrowed money, mortgage indebtedness, obligations under capitalized leases and trading liabilities, less revaluation losses on assets held in trading accounts.

Other real estate owned — primarily foreclosed property. Direct and indirect investments in real estate ventures are excluded. The amount is reflected net of valuation allowances. For institutions that file a *Thrift Financial Report (TFR)*, the valuation allowance subtracted also includes allowances for other repossessed assets. Also, for *TFR* filers the components of other real estate owned are reported gross of valuation allowances.

Percent of institutions with earnings gains — the percent of institutions that increased their net income (or decreased their losses) compared to the same period a year earlier.

“Problem” institutions — federal regulators assign a composite rating to each financial institution, based upon an evaluation of financial and operational criteria. The rating is based on a scale of 1 to 5 in ascending order of supervisory concern. “Problem” institutions are those institutions with financial, operational, or managerial weaknesses that threaten their continued financial viability. Depending upon the degree of risk and supervisory concern, they are rated either a “4” or “5”. For all BIF-member institutions, and for all SAIF-member institutions for which the FDIC is the primary federal regulator, FDIC composite ratings are used. For all SAIF-

member institutions whose primary federal regulator is the OTS, the OTS composite rating is used.

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

Restructured loans and leases — loan and lease financing receivables with terms restructured from the original contract. Excludes restructured loans and leases that are not in compliance with the modified terms.

Return on assets — net income (including gains or losses on securities and extraordinary items) as a percentage of average total assets. The basic yardstick of bank profitability.

Return on equity — net income (including gains or losses on securities and extraordinary items) as a percentage of average total equity capital.

Risk-weighted assets — assets adjusted for risk-based capital definitions which include on-balance-sheet as well as off-balance-sheet items multiplied by risk-weights that range from zero to 100 percent. A conversion factor is used to assign a balance sheet equivalent amount for selected off-balance-sheet accounts.

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

Securities — excludes securities held in trading accounts. Banks’ securities portfolios consist of securities designated as “held-to-maturity”, which are reported at amortized cost (book value), and securities designated as “available-for-sale”, reported at fair (market) value.

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

Troubled real estate asset rate — noncurrent real estate loans plus other real estate owned as a percent of total real estate loans and other real estate owned.

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

Unused loan commitments — includes credit card lines, home equity lines, commitments to make loans for construction, loans secured by commercial real estate, and unused commitments to originate or purchase loans.

Volatile liabilities — the sum of large-denomination time deposits, foreign-office deposits, federal funds purchased, securities sold under agreements to repurchase, and other borrowings.

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