

The FDIC Quarterly Banking Profile

Ricki R. Tigert, Chairman

Third Quarter, 1994

COMMERCIAL BANKING PERFORMANCE — THIRD QUARTER, 1994

- **Industry Earnings Of \$11.8 Billion Set New Record**
- **Strong Loan Growth Helps Boost Profits**
- **Net Interest Margins Widen As Interest Rates Rise**
- **Loan-Loss Expense Falls To Lowest Level In 10 Years**

Commercial bank earnings reached a new quarterly record of \$11.8 billion in the third quarter, surpassing the previous record of \$11.5 billion, set a year earlier. Rising net interest income, fueled by widening margins and strong loan growth, was the main source of increased earnings. Lower loan-loss provisions, reflecting the continued decline in troubled loans, also helped propel earnings. These improvements more than offset a decrease in nonrecurring income. For the first time since the fourth quarter of 1988, commercial banks reported an aggregate net loss on sales of investment securities of \$334 million. The average return on assets for the quarter was 1.21 percent, the third-highest ever reported. Almost 96 percent of all banks reported a profit.

quarter, was only 2.8 percent (\$538 million) higher than a year ago, because of reduced income from trading activities. Banks were able to hold noninterest expense growth to a modest 4.5 percent.

Through the first nine months of 1994, commercial bank earnings of \$34.0 billion were 4.3 percent (\$1.4 billion) ahead of last year's pace, primarily because of increased growth in loans and other assets, and lower loan-loss provisions. Lower gains from securities sales (down \$2.4 billion) and other nonrecurring items (down \$1.9 billion) limited the year-to-year increase in bottom-line net income, and obscured the much stronger improvement in net operating earnings, which were 17.5 percent (\$5.0 billion) higher than a year ago.

Chart A - Quarterly Net Income of FDIC-Insured Commercial Banks, 1990 - 1994

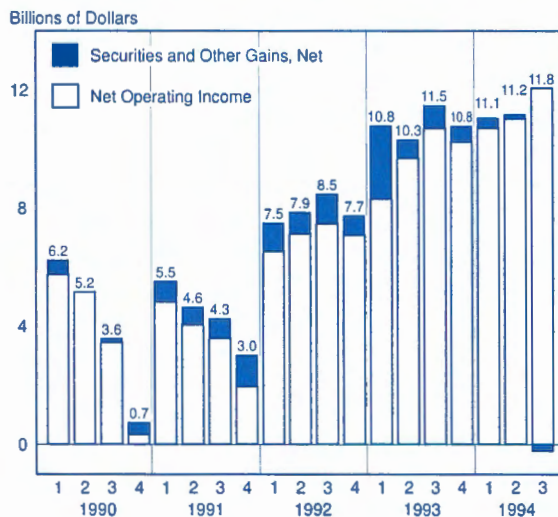
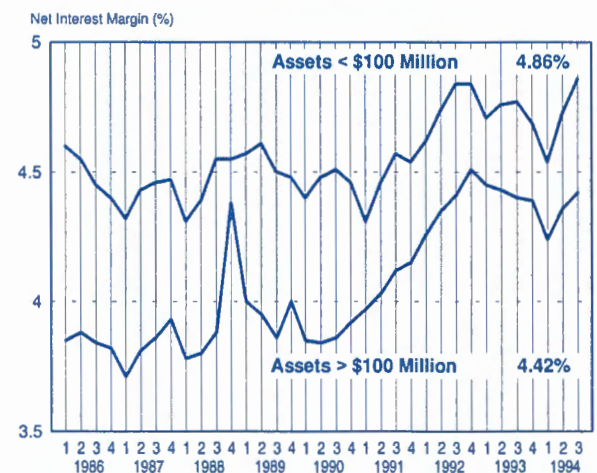


Chart B - Quarterly Net Interest Margins of FDIC-Insured Commercial Banks, 1986 - 1994



FDIC
Division of Research
& Statistics

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

Tim Critchfield
(202) 898-8557

Jim McFadyen
(202) 898-7027

Ross Waldrop
(202) 898-3951

Banks' net interest income of \$37.5 billion was \$974 million above the level of the previous quarter and \$2.2 billion more than a year ago. Both net loan losses and provisions for future losses were at ten-year lows. Banks charged-off \$2.4 billion (net) in the third quarter, the smallest amount since the first quarter of 1985. Provisions for future losses, which come directly out of pre-tax earnings, fell to \$2.6 billion, from \$2.8 billion in the previous quarter and \$3.9 billion a year ago. This is the smallest quarterly provision set aside by the banking industry since the first quarter of 1984. Noninterest income, which increased \$1.2 billion from the previous

Net interest margins — the interest income banks earned on loans and other investments less the interest paid to depositors and other creditors, as a percentage of average interest-earning assets — widened for the second consecutive quarter, after narrowing in each of the previous five quarters. Seventy percent of all banks reported wider margins, with 62 percent reporting improvements of at least five basis points. The average net interest margin of 4.46 percent was up from 4.40 percent in the previous quarter, and was almost identical to the average of a year earlier. In an environment of rising interest rates, both average asset yields and average funding costs were higher at most banks. At a

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few money-center banks with Brazilian operations, aggregate interest income and interest expense both declined about \$3 billion as a result of a sharp drop in that country's inflation rate during the quarter. This effect caused a reduction in the entire industry's average funding expense and prevented the average asset yield from rising.

Earning assets grew by \$51.3 billion (1.5 percent) during the quarter, as the industry increased its holdings of loans. Banks reported a \$27.1-billion net increase in real estate loans, a \$22.4-billion rise in consumer loans, and a \$10.7-billion increase in commercial and industrial loans. All categories of real estate loans grew during the quarter, led by growth in residential mortgages (up \$20.2 billion). Real estate construction and development loans increased by \$1.5 billion, the first quarterly increase since the first quarter of 1990. Construction and development loans totaled \$64.1 billion at the end of the third quarter, less than half the peak level of \$136.4 billion, reached five years ago. Total loans grew by \$60.2 billion, while banks' investment securities fell by \$12.0 billion. Almost \$1.4 billion of the decline in securities resulted from depreciation of available-for-sale securities in banks' portfolios. These unrealized losses were caused by rising interest rates.

Rising interest rates also may have contributed to a second consecutive quarterly increase in certificates of deposit (CDs) and other time deposits, which grew by \$20.2 billion while demand and savings deposits declined by \$3.1 billion and \$15.7 billion, respectively. Two-thirds of the growth in time deposits was in smaller-denomination (less than \$100,000) accounts. During the third quarter, deposits in foreign offices increased by \$25.9 billion. In the twelve months ended September 30, they rose \$80.6 billion (25.0 percent), while deposits in domestic offices increased by only \$16.3 billion (0.7 percent).

Noncurrent loans declined for the fourteenth consecutive quarter, falling \$2.5 billion to \$33.4 billion. For the second consecutive quarter, commercial banks' noncurrent loans set a new record for the smallest amount seen in the thirteen years that all banks have reported these data. The largest declines in noncurrent loans occurred at banks in the Northeast and West Regions, where noncurrent rates are highest, but banks in all regions experienced some reductions. The improving trend in credit losses was evidenced by an increase in the number and amount of negative loan-loss provisions taken during the quarter. A total of 427 banks reported negative loan-loss provisions totaling \$331 million in the third quarter. In the previous quarter, 411 banks reported \$194 million in negative provisions, while a year ago 439 banks reported \$167 million in negative provisions. In spite of the increase in negative provisions, the industry's aggregate loan-loss reserves remained unchanged from their midyear level of \$52.4 billion. Owing to the decline in noncurrent loans, commercial banks' "coverage ratio" of reserves to noncurrent loans rose to 157.0 percent, or \$1.57 in reserves for every dollar of noncurrent loans.

Equity capital registered its largest quarterly increase of the year, growing by \$6.8 billion to \$311.8 billion, or 7.95 percent of total assets. Retained earnings contributed \$4.9 billion to this increase, while unrealized losses on available-for-sale securities caused a \$1-billion deduction to equity capital.

The number of banks reporting financial results for the third quarter fell to 10,592, from 10,716 in the previous quarter. Mergers remained the main cause of the declining bank count. Mergers absorbed 131 commercial banks during the third quarter. Seven commercial banks failed, and 13 new banks were chartered. The number of commercial banks on the FDIC's "Problem List" fell to 293 banks with combined assets of \$36 billion, from 338 banks with \$42 billion in assets at midyear.

Commercial and Industrial Loan Growth Rates*
September 30, 1993 — September 30, 1994

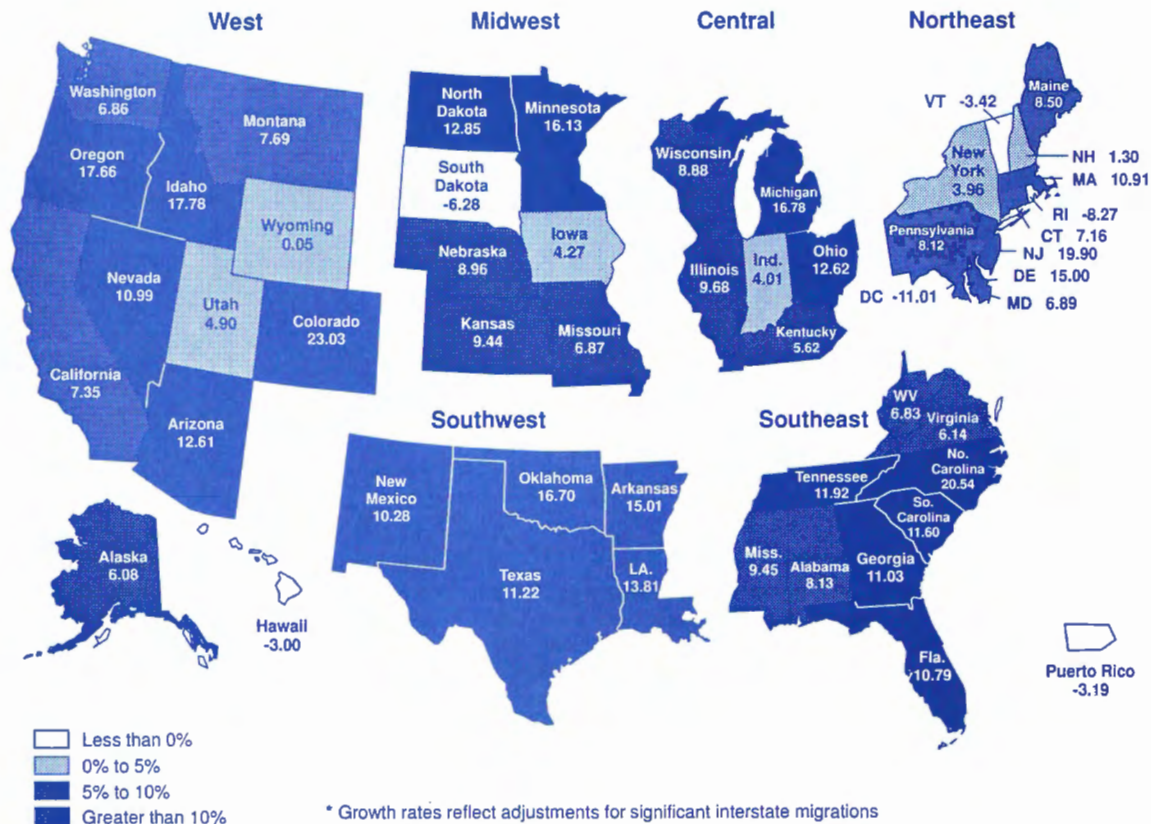


TABLE I-A. Selected Indicators, FDIC-Insured Commercial Banks

	1994*	1993*	1993	1992	1991	1990	1989
Return on assets (%).....	1.18	1.22	1.20	0.93	0.53	0.48	0.49
Return on equity (%).....	14.93	15.71	15.35	12.98	7.94	7.45	7.71
Core capital (leverage) ratio (%).....	7.73	7.66	7.65	7.20	6.48	6.17	6.11
Noncurrent assets plus other real estate owned to assets (%).....	1.16	1.95	1.61	2.54	3.02	2.94	2.30
Net charge-offs to loans (%).....	0.49	0.83	0.85	1.27	1.59	1.43	1.16
Asset growth rate (%).....	8.04	4.31	5.72	2.19	1.21	2.73	5.38
Net interest margin (%).....	4.36	4.44	4.40	4.41	4.11	3.94	4.02
Net operating income growth (%).....	17.46	34.52	35.50	92.41	-0.63	2.53	-38.70
Number of institutions reporting.....	10,592	11,081	10,958	11,462	11,921	12,343	12,709
Percentage of unprofitable institutions.....	3.71	4.74	4.84	6.85	11.60	13.44	12.50
Number of problem institutions.....	293	496	426	787	1,016	1,012	1,092
Assets of problem institutions (in billions).....	\$36	\$281	\$242	\$408	\$528	\$342	\$188
Number of failed/assisted institutions.....	11	36	42	100	108	159	206

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

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

<i>(dollar figures in millions)</i>	Preliminary		2nd Quarter 1994	3rd Quarter 1993	%Change 93:3-94:3	
	3rd Quarter 1994	3rd Quarter 1993				
Number of institutions reporting.....	10,592	10,716		11,081	-4.4	
Total employees (full-time equivalent).....	1,484,388	1,495,677		1,477,014	0.5	
CONDITION DATA						
Total assets.....	\$3,923,246	\$3,892,557		\$3,631,306	8.0	
Loans secured by real estate.....	971,078	943,954		901,834	7.7	
Commercial & industrial loans.....	575,426	564,774		529,417	8.7	
Loans to individuals.....	460,850	438,467		403,121	14.3	
Farm loans.....	41,122	39,738		37,428	9.9	
Other loans & leases.....	238,279	239,614		232,284	2.6	
Less: Unearned income.....	6,177	6,131		7,163	-13.8	
Total loans & leases.....	2,280,578	2,220,417		2,096,921	8.8	
Less: Reserve for losses.....	52,443	52,439		53,912	-2.7	
Net loans & leases.....	2,228,135	2,167,977		2,043,009	9.1	
Securities.....	836,980	848,993		820,957	**	
Other real estate owned.....	11,920	13,269		19,898	-40.1	
Goodwill and other intangibles.....	22,506	20,255		16,846	33.6	
All other assets.....	823,705	842,063		730,597	**	
Total liabilities and capital.....	3,923,246	3,892,557		3,631,306	8.0	
Noninterest-bearing deposits.....	543,413	547,469		538,055	1.0	
Interest-bearing deposits.....	2,249,788	2,218,458		2,158,283	4.2	
Other borrowed funds.....	573,111	556,460		484,206	**	
Subordinated debt.....	38,601	37,430		37,001	4.3	
All other liabilities.....	206,538	227,762		125,186	**	
Equity capital.....	311,794	304,978		288,575	**	
Loans and leases 30-89 days past due.....	26,052	25,666		28,777	-9.5	
Noncurrent loans and leases.....	33,394	35,916		50,187	-33.5	
Restructured loans and leases.....	6,381	6,213		11,366	-43.9	
Direct and indirect investments in real estate.....	604	569		398	51.7	
1-4 Family residential mortgages.....	550,016	529,785		495,877	10.7	
Mortgage-backed securities.....	330,982	335,026		338,402	**	
Earning assets.....	3,388,640	3,337,385		3,206,481	5.7	
Long-term assets (5+ years).....	556,722	549,924		519,017	7.3	
Volatile liabilities.....	1,121,351	1,078,928		N/M	**	
Foreign office deposits.....	403,247	377,397		322,654	25.0	
Unused loan commitments.....	1,690,060	1,596,330		1,381,368	22.4	
Off-balance-sheet derivatives.....	15,768,716	15,322,066		11,988,343	31.5	
INCOME DATA						
	Preliminary First Three Qtrs 1994	First Three Qtrs 1993	%Change	Preliminary 3rd Quarter 1994	3rd Quarter 1993	%Change 93:3-94:3
Total interest income.....	\$189,128	\$183,648	3.0	\$65,055	\$62,143	4.7
Total interest expense.....	80,305	79,195	1.4	27,545	26,858	2.6
Net interest income.....	108,823	104,453	4.2	37,510	35,285	6.3
Provision for loan losses.....	8,027	12,901	-37.8	2,550	3,921	-35.0
Total noninterest income.....	56,534	55,306	2.2	19,715	19,177	2.8
Total noninterest expense.....	105,875	103,989	1.8	36,246	34,690	4.5
Securities gains (losses).....	343	2,703	-87.3	(334)	986	N/M
Applicable income taxes.....	17,786	14,891	19.5	6,267	5,409	15.9
Extraordinary gains, net.....	(29)	1,914	N/M	4	55	-93.0
Net income.....	33,982	32,595	4.3	11,831	11,484	3.0
Net charge-offs.....	8,097	12,730	-36.4	2,438	3,901	-37.5
Cash dividends.....	17,941	14,029	27.9	6,918	5,291	30.8
Net operating income.....	33,789	28,767	17.5	12,066	10,720	12.6

**New accounting rules and/or reporting detail became effective March 31, 1994. See Notes to Users, pp. 18-19.

N/M - Not meaningful

TABLE III-A. First Three Quarters 1994, FDIC-Insured Commercial Banks

FIRST THREE QUARTERS Preliminary (The way it is . . .)	All Institutions	Asset Size Distribution				Geographic Distribution by Region					
		Less than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	Greater than \$10 Billion	East			West		
						North- east	South- east	Central	Mid- west	South- west	West
Number of institutions reporting.....	10,592	7,411	2,790	334	57	846	1,756	2,318	2,645	1,884	1,143
Total assets (in billions).....	\$3,923.2	\$320.3	\$678.7	\$1,087.6	\$1,836.7	\$1,516.9	\$632.0	\$649.0	\$255.7	\$294.8	\$574.8
Total deposits (in billions).....	2,793.2	278.3	569.7	776.6	1,168.6	961.9	472.7	475.7	195.4	241.9	445.7
Net income (in millions).....	33,982	2,792	6,074	11,166	13,950	12,405	5,591	5,482	2,837	2,568	5,099
% of unprofitable institutions.....	3.7	4.2	2.5	3.0	1.8	6.3	3.4	2.9	1.9	2.7	9.9
% of institutions with earnings gains.....	52.7	51.1	55.6	63.8	63.2	62.2	61.1	49.6	48.7	43.5	63.9
Performance Ratios (annualized, %)											
Yield on earning assets.....	7.57	7.53	7.52	7.60	7.58	8.04	7.26	7.10	7.66	6.87	7.62
Cost of funding earning assets.....	3.21	2.84	2.76	2.87	3.69	4.01	2.89	2.90	2.92	2.56	2.45
Net interest margin.....	4.36	4.69	4.75	4.73	3.88	4.03	4.37	4.20	4.74	4.31	5.17
Noninterest income to earning assets.....	2.26	1.15	1.44	2.65	2.58	2.89	1.65	1.56	2.44	1.70	2.40
Noninterest expense to earning assets.....	4.24	3.85	3.97	4.52	4.24	4.48	3.85	3.62	4.34	4.03	4.86
Net operating income to assets.....	1.17	1.18	1.22	1.40	1.02	1.09	1.21	1.16	1.50	1.18	1.22
Return on assets.....	1.18	1.18	1.22	1.40	1.04	1.11	1.22	1.16	1.51	1.17	1.21
Return on equity.....	14.93	11.87	13.70	17.00	14.84	15.29	15.20	14.40	17.15	13.92	13.94
Net charge-offs to loans and leases.....	0.49	0.18	0.32	0.61	0.53	0.76	0.24	0.26	0.43	0.12	0.58
Loan loss provision to net charge-offs.....	99.14	150.02	120.62	111.30	81.35	92.31	109.39	139.23	116.41	143.67	86.84
Condition Ratios (%)											
Loss allowance to:											
Loans and leases.....	2.30	1.69	1.75	2.23	2.67	2.80	1.78	1.80	1.88	1.75	2.68
Noncurrent loans and leases.....	157.04	146.09	137.71	167.47	158.53	137.87	190.83	183.43	191.41	185.43	156.33
Noncurrent assets plus other real estate owned to assets.....	1.16	0.92	1.07	1.06	1.29	1.50	0.82	0.74	0.80	0.73	1.48
Equity capital ratio.....	7.95	9.99	8.97	8.28	7.02	7.40	7.96	8.02	8.88	8.50	8.61
Core capital (leverage) ratio.....	7.73	10.14	8.97	8.07	6.65	7.22	7.88	7.93	8.91	8.27	7.92
Net loans and leases to deposits.....	79.77	62.73	69.44	87.11	83.99	81.67	81.30	81.39	78.40	62.00	82.55
Growth Rates (year-to-year, %)											
Assets.....	8.0	-	-	-	-	10.5	9.8	8.3	4.1	1.3	5.0
Equity capital.....	*	-	-	-	-	*	*	*	*	*	*
Net interest income.....	4.2	-	-	-	-	5.6	5.9	0.8	8.8	2.3	2.1
Net income.....	4.3	-	-	-	-	9.2	7.9	-4.7	7.8	-18.6	13.0
Noncurrent assets plus other real estate owned.....	-36.0	-	-	-	-	-37.0	-32.6	-28.1	-26.8	-32.7	-41.4
Net charge-offs.....	-36.4	-	-	-	-	-35.8	-35.9	-44.3	-17.8	-47.3	-37.4
Loan loss provision.....	-37.8	-	-	-	-	-37.6	-44.7	-39.2	-22.9	56.5	-42.4
PRIOR FIRST THREE QUARTERS (The way it was . . .)											
Number of institutions.....											
.....1993	11,081	7,932	2,778	319	52	886	1,855	2,431	2,726	1,966	1,217
.....1991	12,073	8,967	2,737	321	48	1,013	1,937	2,651	2,905	2,120	1,447
.....1989	12,826	9,928	2,527	330	41	1,086	1,962	2,860	3,042	2,381	1,495
Total assets (in billions).....											
.....1993	\$3,631.3	\$335.7	\$679.7	\$1,047.7	\$1,568.2	\$1,372.6	\$575.5	\$599.1	\$245.6	\$290.9	\$547.6
.....1991	3,433.2	356.5	670.5	1,042.1	1,364.2	1,293.1	523.1	560.8	229.1	271.9	555.2
.....1989	3,223.6	367.9	605.3	1,045.3	1,205.1	1,273.9	466.1	524.7	209.0	255.9	493.9
Return on assets (%).....											
.....1993	1.22	1.23	1.21	1.32	1.16	1.13	1.23	1.31	1.46	1.49	1.11
.....1991	0.59	0.93	0.76	0.63	0.38	0.31	0.71	0.88	1.09	0.67	0.57
.....1989	0.57	0.89	0.93	0.83	0.08	0.10	0.95	1.03	1.10	0.06	1.00
Net charge-offs to loans & leases (%)											
.....1993	0.83	0.29	0.49	0.94	1.00	1.25	0.41	0.50	0.57	0.25	0.96
.....1991	1.51	0.58	0.84	1.63	1.94	2.30	1.04	0.80	1.02	1.18	1.17
.....1989	0.90	0.64	0.64	0.91	1.08	0.93	0.50	0.66	1.09	1.53	1.07
Noncurrent assets plus OREO to assets (%).....											
.....1993	1.95	1.19	1.48	1.74	2.46	2.63	1.33	1.11	1.14	1.09	2.65
.....1991	3.11	1.74	2.15	2.93	4.07	4.35	2.29	1.77	1.61	2.46	3.26
.....1989	2.36	1.92	1.82	1.82	3.25	2.76	1.34	1.33	1.47	4.76	2.54
Equity capital ratio (%).....											
.....1993	7.95	9.92	8.71	8.14	7.06	7.24	8.09	8.19	8.76	8.33	8.73
.....1991	6.71	9.14	7.79	6.96	5.35	5.97	7.14	7.38	8.19	6.77	6.69
.....1989	6.34	9.15	7.60	6.39	4.80	5.70	7.07	6.94	7.76	5.90	6.25

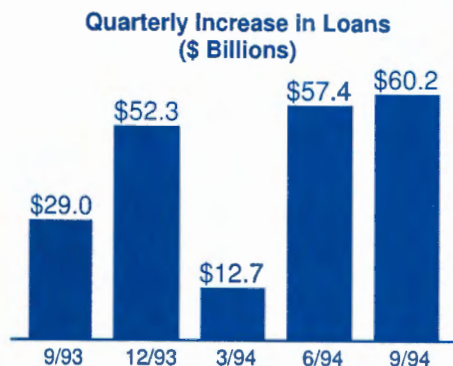
*New accounting rules and/or reporting detail became effective March 31, 1994. See Notes to Users, pp. 18-19.

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

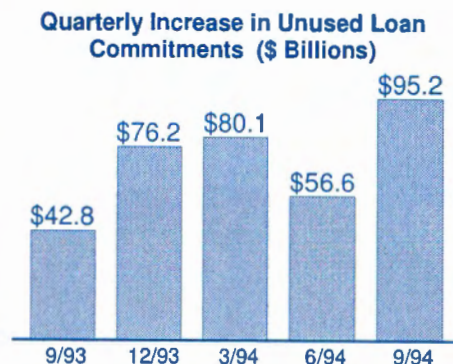
TABLE IV-A. Third Quarter 1994, FDIC-Insured Commercial Banks

THIRD QUARTER Preliminary (The way It Is . . .)	All Institutions	Asset Size Distribution				Geographic Distribution by Region					
		Less than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	Greater than \$10 Billion	East			West		
						North- east	South- east	Central	Mid- west	South- west	West
Number of institutions reporting.....	10,592	7,411	2,790	334	57	846	1,756	2,318	2,645	1,884	1,143
Total assets (in billions).....	\$3,923.2	\$320.3	\$678.7	\$1,087.6	\$1,836.7	\$1,516.9	\$632.0	\$649.0	\$255.7	\$294.8	\$574.8
Total deposits (in billions).....	2,793.2	278.3	569.7	776.6	1,168.6	961.9	472.7	475.7	195.4	241.9	445.7
Net income (in millions).....	11,831	968	2,114	3,786	4,962	4,455	1,892	1,851	1,004	827	1,803
% of unprofitable institutions.....	4.1	4.6	2.8	3.9	1.8	6.9	3.6	3.3	2.7	2.7	9.8
% of institutions with earnings gains.....	57.0	54.9	61.7	63.2	57.9	65.1	63.9	55.7	52.2	51.1	63.4
Performance Ratios (annualized, %)											
Yield on earning assets.....	7.74	7.83	7.88	7.97	7.51	7.90	7.56	7.44	8.19	7.19	7.96
Cost of funding earning assets.....	3.28	2.97	2.95	3.17	3.54	3.74	3.15	3.20	3.18	2.78	2.65
Net interest margin.....	4.46	4.86	4.93	4.80	3.97	4.16	4.41	4.24	5.01	4.41	5.31
Noninterest income to earning assets.....	2.35	1.22	1.44	2.73	2.69	3.02	1.69	1.62	2.52	1.73	2.50
Noninterest expense to earning assets.....	4.31	3.98	4.04	4.59	4.31	4.57	3.88	3.69	4.45	4.12	4.92
Net operating income to assets.....	1.24	1.23	1.28	1.44	1.10	1.19	1.22	1.16	1.61	1.18	1.32
Return on assets.....	1.21	1.22	1.26	1.40	1.08	1.17	1.21	1.15	1.59	1.13	1.26
Return on equity.....	15.35	12.21	14.07	16.98	15.59	16.13	15.17	14.37	17.96	13.31	14.64
Net charge-offs to loans and leases.....	0.43	0.20	0.34	0.56	0.42	0.61	0.26	0.26	0.48	0.15	0.51
Loan loss provision to net charge-offs.....	104.60	139.00	121.34	119.12	83.08	95.27	107.54	147.43	115.06	187.72	90.54
Growth Rates (year-to-year, %)											
Net interest income.....	6.30	-	-	-	-	8.22	7.08	2.29	13.25	3.75	4.12
Net income.....	3.02	-	-	-	-	6.35	7.08	-7.79	8.43	-10.95	8.17
Net charge-offs.....	-37.50	-	-	-	-	-38.88	-26.67	-44.74	10.93	-34.92	-44.30
Loan loss provision.....	-34.95	-	-	-	-	-41.76	-37.35	-28.96	-1.02	158.55	-39.97
PRIOR THIRD QUARTERS (The way It was . . .)											
Return on assets (%).....1993	1.28	1.20	1.21	1.42	1.22	1.23	1.24	1.35	1.53	1.29	1.23
.....1991	0.50	0.83	0.70	0.61	0.23	0.27	0.64	0.81	1.02	0.72	0.27
.....1989	-0.12	0.82	0.80	0.75	-1.61	-1.42	0.88	0.94	0.99	-0.32	0.81
Net charge-offs to loans & leases (%)											
.....1993	0.75	0.30	0.51	0.88	0.85	1.06	0.40	0.52	0.47	0.25	0.97
.....1991	1.64	0.64	0.93	1.68	2.18	2.52	1.21	0.89	1.05	0.97	1.29
.....1989	0.96	0.71	0.75	1.04	1.07	0.97	0.58	0.64	1.42	1.77	1.10

**Commercial Banks Make More Credit Available
to Businesses and Consumers**



Over the past twelve months, most of the growth has occurred in real estate loans. In the third quarter of 1994, home mortgage loans increased by \$20.2 billion, credit card loans increased by \$11.2 billion, and commercial and industrial loans increased by \$10.6 billion.



Over the past twelve months, most of the growth has occurred in unused credit card commitments. In the third quarter of 1994, unused credit card commitments increased \$50.2 billion and unused commitments for loans to businesses and consumers increased \$40.8 billion.

TABLE V-A. Real Estate Loan Performance and Other Real Estate Owned, FDIC-Insured Commercial Banks

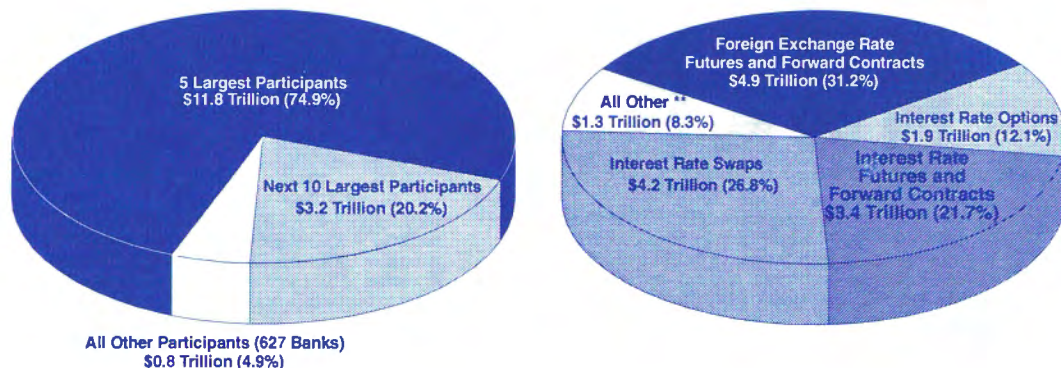
September 30, 1994	All Institutions	Asset Size Distribution				Geographic Distribution by Region					
		Less than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	Greater than \$10 Billion	East			West		
						North-east	South-east	Central	Mid-west	South-west	West
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate.....	1.25	1.22	1.07	1.24	1.40	1.64	1.05	1.08	0.78	1.11	1.28
Construction and development.....	1.75	0.96	1.28	1.97	2.17	2.90	1.14	1.55	1.01	0.94	1.95
Commercial real estate.....	1.29	0.97	0.98	1.29	1.70	1.98	0.78	1.03	0.75	0.95	1.50
Multifamily residential real estate.....	1.06	0.82	0.64	1.09	1.47	1.56	0.47	1.05	0.50	0.67	1.39
1-4 Family residential*.....	1.26	1.51	1.19	1.23	1.26	1.42	1.29	1.18	0.85	1.25	1.21
Home equity loans.....	0.76	1.40	0.79	0.68	0.76	1.05	0.49	0.57	0.54	1.57	0.65
Commercial RE loans not secured by real estate...	1.52	0.93	1.68	1.03	1.71	2.52	0.45	1.15	1.43	0.38	1.38
Percent of Loans Noncurrent**											
All real estate loans.....	1.98	1.08	1.37	1.75	2.87	3.17	1.16	1.16	1.11	1.16	2.52
Construction and development.....	5.26	1.10	2.27	3.72	10.67	9.70	1.79	2.82	1.20	1.08	9.26
Commercial real estate.....	3.05	1.42	1.93	2.83	4.90	5.13	1.88	1.68	2.19	1.72	3.65
Multifamily residential real estate.....	2.72	1.31	1.89	2.48	4.12	5.47	1.32	1.08	1.96	0.93	3.25
1-4 Family residential*.....	1.00	0.84	0.87	0.96	1.16	1.47	0.73	0.75	0.51	0.77	1.13
Home equity loans.....	0.53	0.74	0.58	0.46	0.54	0.79	0.32	0.36	0.19	0.89	0.46
Commercial RE loans not secured by real estate...	2.82	1.72	0.97	1.51	3.54	6.36	1.85	0.89	2.18	0.58	1.03
Percent of Loans Charged-off (net, annualized)											
All real estate loans.....	0.31	0.06	0.16	0.24	0.54	0.69	0.07	0.10	0.03	-0.03	0.40
Construction and development.....	0.86	0.09	0.54	0.35	1.78	2.52	0.00	0.26	0.19	-0.11	0.92
Commercial real estate.....	0.52	0.07	0.19	0.45	1.03	1.26	0.16	0.19	0.01	-0.10	0.59
Multifamily residential real estate.....	0.45	0.16	0.41	0.39	0.63	1.02	0.07	0.13	-0.05	-0.11	0.77
1-4 Family residential*.....	0.13	0.06	0.08	0.10	0.20	0.28	0.03	0.03	0.05	0.03	0.17
Home equity loans.....	0.21	0.17	0.10	0.13	0.33	0.23	0.08	0.03	0.03	0.10	0.45
Commercial RE loans not secured by real estate...	0.75	0.53	0.18	0.57	0.88	1.92	0.04	-0.14	-0.14	-0.09	0.38
Total Loans Outstanding (in billions)											
All real estate loans.....	\$971.1	\$98.6	\$232.4	\$299.2	\$340.9	\$277.8	\$207.1	\$170.1	\$64.3	\$68.9	\$182.9
Construction and development.....	64.1	6.5	16.4	21.2	20.0	14.3	15.8	10.4	3.9	5.7	14.0
Commercial real estate.....	278.6	26.8	78.3	92.1	81.5	73.8	61.0	52.1	17.0	21.0	53.8
Multifamily residential real estate.....	30.6	2.3	8.4	10.7	9.2	7.7	6.4	6.1	2.3	2.1	6.1
1-4 Family residential*.....	475.1	49.5	108.9	145.8	170.8	132.4	107.0	82.1	31.5	36.7	85.3
Home equity loans.....	74.9	2.5	13.0	26.6	32.9	26.5	13.1	13.5	2.5	0.8	18.5
Commercial RE loans not secured by real estate...	16.7	0.3	1.1	4.2	11.1	5.3	2.3	2.1	0.5	0.9	5.5
Other Real Estate Owned (in millions)											
All other real estate owned.....	\$11,920	\$894	\$2,126	\$2,249	\$6,651	\$6,358	\$1,498	\$893	\$516	\$685	\$1,970
Construction and development.....	2,298	124	511	724	939	963	408	208	99	122	499
Commercial real estate.....	6,335	437	1,005	1,110	3,783	3,478	771	494	314	388	889
Multifamily residential real estate.....	527	36	120	62	309	322	31	36	16	20	102
1-4 Family residential.....	1,686	236	437	325	688	681	265	140	58	110	433
Farmland.....	174	61	53	20	40	14	24	16	28	45	47
Other real estate owned in foreign offices.....	900	0	0	8	892	900	0	0	0	0	0

*Excludes home equity loans.

**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.

Concentration and Composition of Off-Balance-Sheet Derivatives

September 30, 1994 (Notional Amounts*)



* Notional amounts do not represent either the net market position or the credit exposure of banks' off-balance-sheet derivatives activities; they represent the gross value of all contracts written.

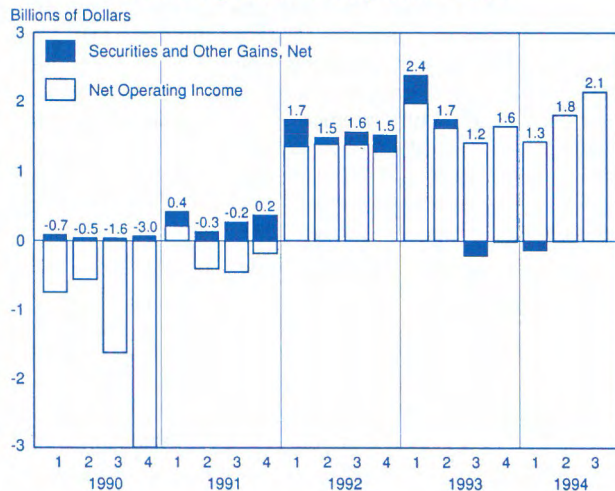
** Includes foreign rate swaps, foreign currency options, and all other forwards, swaps and options.

SAVINGS INSTITUTION PERFORMANCE — THIRD QUARTER, 1994

- **Savings Institutions Earned \$2.1 Billion**
- **Quarterly Loan-Loss Provisions At Record Low**
- **Assets Increased \$7.1 Billion During The Quarter**
- **No Savings Institutions Fail During The Quarter**

Private-sector savings institutions earned \$2.1 billion in the third quarter of 1994, for an annualized return on assets (ROA) of 0.86 percent. Net income was \$349 million more than in the second quarter and \$950 million higher than a year earlier. The improvement resulted from lower loan-loss expense and increased noninterest revenues. The provision for loan losses, which totaled \$488 million, was the lowest since thrifts began reporting quarterly provisions in 1987. Noninterest income increased by \$134 million from the previous quarter, as one large institution in the West Region reported a \$152-million increase due to asset sales. Thrifts showed a \$257-million decline in noninterest expense during the third quarter. Securities and extraordinary gains totaled only \$12 million, but net operating income, which excludes securities and extraordinary gains, reached \$2.1 billion, the highest level since quarterly reports were first filed in 1984. Ninety-three percent of all savings institutions were profitable in the quarter.

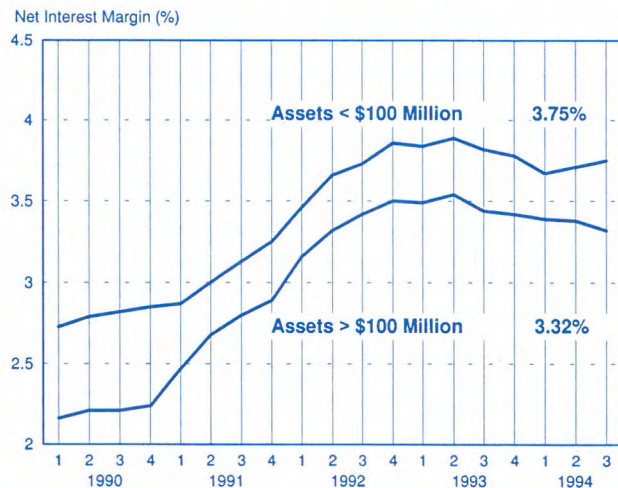
Quarterly Net Income, 1990 - 1994



Earnings for the first three quarters of this year, at \$5.2 billion, were below the pace set in 1993, when thrifts earned \$5.3 billion. However, net operating income, at \$5.3 billion, exceeded the amount for the same period of 1993 by almost \$300 million. Provisions for future loan losses in the first three quarters of the year were \$1.9 billion, a decline of 42 percent from \$3.3 billion last year. Lower gains on securities sales, coupled with extraordinary losses in the first quarter of this year, accounted for the decline in bottom-line net income. Securities gains added \$348 million to thrift earnings in the first three quarters of 1993, when interest rates were falling. In contrast, securities gains in the first three quarters of 1994 totaled only \$51 million.

As a result of rising interest rates, net interest margins fell to 3.34 percent in the third quarter from 3.40 percent last quarter and 3.46 percent a year ago. While average asset yields rose 15 basis points, they were out-paced by a 21 basis-point increase in funding costs during the quarter. Over half of all thrifts, with about one-third of the industry's assets, showed some improvement in net interest margins. Institutions with over \$1 billion in assets showed a 9 basis-point drop in their net interest margins, as their asset yields increased by 15 basis points and their funding costs increased by 25 basis points. The West Region, where large institutions predominate, had the sharpest margin decline in the quarter, while the Northeast Region, with a prevalence of smaller institutions, saw margins widen.

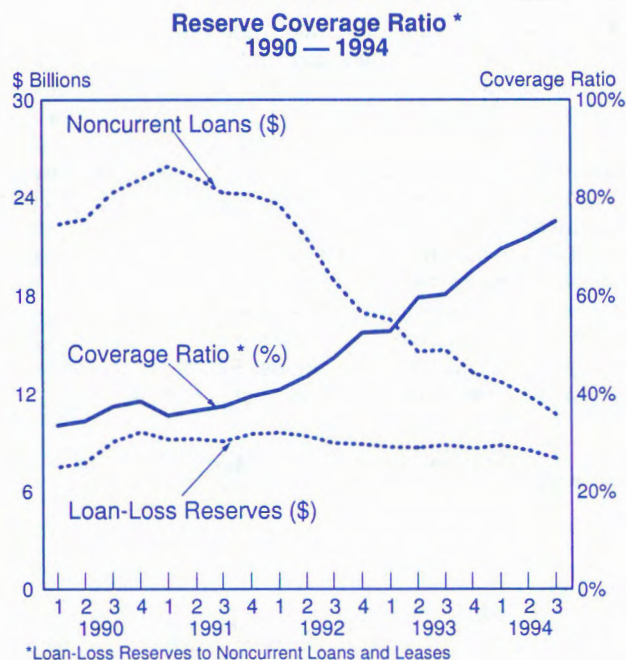
Quarterly Net Interest Margins of FDIC-Insured Savings Institutions, 1990 - 1994



Earnings rose in the two largest regions, the Northeast and the West, which together account for almost two-thirds of industry assets. Thrifts in the Midwest Region also reported higher earnings, but the other three regions reported declines in quarterly net income. Small institutions in the West Region have been slower to recover from real estate problems than their larger counterparts. West Region institutions with less than \$100 million in assets reported an aggregate loss for the quarter, while the region's larger institutions reported positive earnings.

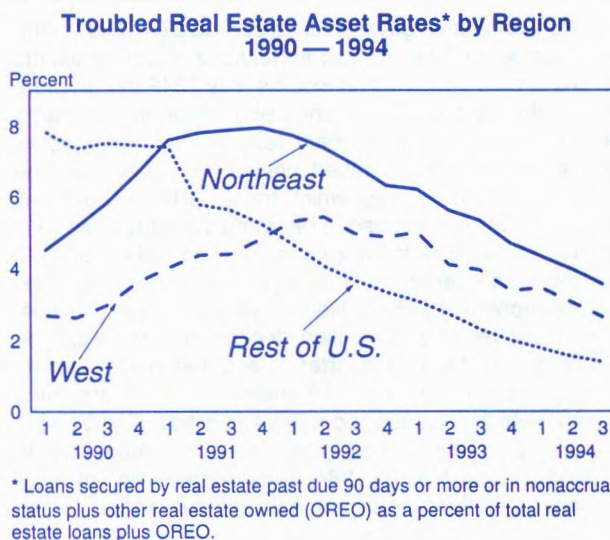
The industry's loan-loss reserves fell, but the ratio of reserves to noncurrent loans, the "coverage ratio", increased during the quarter due to declines in noncurrent loans. Net charge-offs of \$804 million exceeded loan-loss provisions of \$488 million during the quarter. This contributed to the

\$470-million decline in reserves, to 1.27 percent of total loans and leases, from 1.36 percent at the end of last quarter. Noncurrent loans fell by \$1.1 billion (10 percent) during the quarter. As a result, the coverage ratio rose to 75 cents for each dollar of noncurrent loans at the end of the third quarter, from 72 cents in the previous quarter and 60 cents a year ago. This ratio has more than doubled since early 1991.



Troubled real estate assets — noncurrent real estate loans plus other real estate owned (OREO) — declined \$1.8 billion in the third quarter, to \$15.1 billion. Noncurrent real estate loans fell by \$1.1 billion, while OREO declined by \$725 million. These troubled real estate assets comprise 96 percent of all troubled assets at savings institutions. Institutions in the Northeast and West regions, which have the highest noncurrent rates, showed the greatest improvement in the third quarter. Noncurrent real estate loans fell \$577 million in the West Region and OREO declined by \$298 million. Thrifts in the Northeast Region reported a \$511-million drop in noncurrent real estate loans while OREO was reduced by \$193 million. The Southwest Region was the only region to show an increase in noncurrent real estate loans, which grew by \$45 million. OREO fell in this region by \$123 million. An accounting rule change (FASB 114) may have led to the reclassification of in-substance-foreclosure loans from OREO to noncurrent loans.

Total assets increased during the quarter by one percent, or \$7.1 billion, to just over \$1 trillion. The largest increase was in loans secured by 1-4 family residential properties, which grew by \$6.2 billion. Securities increased two percent, or \$4.7 billion, during the quarter. Loan and securities growth was partially offset by a \$3.7-billion drop in other assets, primarily cash equivalents and short-term liquid assets.



Savings institutions funded asset growth in the third quarter with increased nondeposit borrowings. For the eighth consecutive quarter, thrifts reduced their reliance on deposits and increased their use of other borrowed funds. Deposits declined by \$8.6 billion while other borrowed funds increased by \$15.0 billion. The industry's equity capital continued to increase, by \$930 million during the quarter, and is now \$2.9 billion higher than a year ago. The industry's core capital (leverage) ratio was 7.70 percent at the end of the third quarter, up from 7.63 percent last quarter and 7.43 percent a year ago.

The number of insured private-sector savings institutions fell to 2,182 from 2,217 at the end of last quarter. Twenty-five thrifts migrated to the commercial bank industry, producing a net transfer of \$9.5 billion in assets. Consolidation within the thrift industry accounted for a reduction of 13 institutions. No savings institutions failed in the third quarter. So far this year only two institutions have failed. The number of "problem" savings institutions continued to shrink. At the end of the quarter, there were 84 "problem" institutions, with \$59 billion in assets, compared to 95 institutions, with assets of \$71 billion, at the end of the second quarter.

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

	1994**	1993**	1993	1992	1991	1990
Return on assets (%).....	0.70	0.71	0.70	0.65	0.08	-0.37
Return on equity (%).....	8.81	9.54	9.24	9.48	1.26	-6.68
Core capital (leverage) ratio (%).....	7.70	7.43	7.45	6.77	5.54	4.62
Noncurrent assets plus other real estate owned to assets (%).....	1.57	2.44	2.10	3.07	3.96	3.98
Net charge-offs to loans (%).....	0.53	0.62	0.65	0.59	0.65	0.61
Asset growth rate (%).....	0.02	-4.05	-2.85	-7.44	-11.61	-11.79
Net interest margin (%).....	3.37	3.51	3.48	3.40	2.76	2.27
Net operating income growth (%).....	5.97	15.01	11.62	N/M	N/M	N/M
Number of institutions.....	2,182	2,297	2,262	2,390	2,561	2,815
Percentage of unprofitable institutions.....	6.51	5.57	5.84	7.57	18.35	30.09
Number of problem institutions.....	84	169	146	276	410	480
Assets of problem institutions (in billions).....	\$59	\$103	\$92	\$183	\$291	\$298
Number of failed/assisted institutions.....	2	8	8	81	163	223

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

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

<i>(dollar figures in millions)</i>	Preliminary			%Change 93:3-94:3		
	3rd Quarter 1994	2nd Quarter 1994	3rd Quarter 1993			
Number of institutions reporting.....	2,182	2,217	2,297	-5.0		
Total employees (full-time equivalent).....	269,946	279,665	286,529	-5.8		
CONDITION DATA						
Total assets.....	\$1,006,205	\$999,074	\$1,006,017	0.0		
Loans secured by real estate.....	594,296	588,478	604,552	-1.7		
1-4 Family residential.....	456,749	450,508	463,146	-1.4		
Multifamily residential property.....	63,640	63,740	64,721	-1.7		
Commercial real estate.....	53,361	54,321	57,729	-7.6		
Construction, development and land.....	20,546	19,909	18,956	8.4		
Commercial & industrial loans.....	9,522	9,443	10,008	-4.9		
Loans to individuals.....	38,466	38,121	36,795	4.5		
Other loans & leases.....	1,557	1,733	1,522	2.3		
Less: Unearned income & contra accounts.....	10,724	10,904	9,493	13.0		
Total loans & leases.....	633,116	626,872	643,383	-1.6		
Less: Reserve for losses.....	8,054	8,524	8,856	-9.1		
Net loans & leases.....	625,063	618,348	634,527	-1.5		
Securities.....	296,233	291,531	268,602	***		
Other real estate owned.....	5,067	5,783	9,780	-48.2		
Goodwill and other intangibles.....	5,823	5,736	6,067	-4.0		
All other assets.....	74,021	77,676	87,041	***		
Total liabilities and capital.....	1,006,205	999,074	1,006,017	0.0		
Deposits.....	748,318	756,951	780,715	-4.2		
Other borrowed funds.....	163,403	148,407	132,677	***		
Subordinated debt.....	2,485	2,515	2,699	-7.9		
All other liabilities.....	11,065	11,225	11,892	***		
Equity capital.....	80,935	79,975	78,034	***		
Loans and leases 30-89 days past due.....	8,315	8,749	10,431	-20.3		
Noncurrent loans and leases.....	10,743	11,873	14,715	-27.0		
Restructured loans and leases.....	8,028	8,804	11,815	-32.1		
Direct and indirect investments in real estate.....	491	607	868	-43.5		
Mortgage-backed securities.....	216,346	210,369	189,790	***		
Earning assets.....	940,416	932,228	932,006	0.9		
FHLB Advances (TFR filers only).....	83,349	79,247	74,956	11.2		
Unused loan commitments.....	70,917	72,984	95,947	-26.1		
INCOME DATA						
	Preliminary First Three Qtrs 1994	First Three Qtrs 1993	%Change	Preliminary 3rd Quarter 1994	3rd Quarter 1993	%Change 93:3-94:3
Total interest income.....	\$47,927	\$51,011	-6.0	\$16,552	\$16,865	-1.9
Total interest expense.....	24,729	26,829	-7.8	8,774	8,813	-0.4
Net interest income.....	23,198	24,181	-4.1	7,778	8,053	-3.4
Provision for loan losses.....	1,921	3,306	-41.9	488	1,083	-55.0
Total noninterest income.....	4,671	5,800	-19.5	1,746	1,948	-10.4
Total noninterest expense.....	17,673	18,832	-6.2	5,810	6,568	-11.5
Securities gains (losses).....	51	348	-85.3	10	91	-89.2
Applicable income taxes.....	2,972	2,916	1.9	1,090	959	13.7
Extraordinary gains, net.....	(165)	56	N/M	2	(285)	N/M
Net income.....	5,189	5,331	-2.7	2,148	1,198	79.4
Net charge-offs.....	2,450	2,972	-17.6	804	945	-14.9
Cash dividends.....	1,549	1,478	4.8	477	414	15.2
Net operating income.....	5,319	5,020	6.0	2,140	1,408	51.9

*Excludes institutions in Resolution Trust Corporation conservatorship and one self-liquidating institution.

N/M - Not meaningful

***New accounting rules and/or reporting detail became effective March 31, 1994. See Notes to Users, pp.18-19.

TABLE III-B. First Three Quarters 1994, FDIC-Insured Savings Institutions*

FIRST THREE QUARTERS 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.....	2,182	1,012	1,003	137	30	799	345	552	160	143	183
Total assets (in billions).....	\$1,006.2	\$51.3	\$290.8	\$297.0	\$367.1	\$335.0	\$82.4	\$153.2	\$52.4	\$56.9	\$326.3
Total deposits (in billions).....	748.3	43.8	236.6	214.4	253.5	267.9	63.2	114.3	37.4	36.5	229.1
Net income (in millions).....	5,189.2	312.7	1,794.2	1,746.4	1,336.0	2,281.9	530.6	869.6	215.5	403.5	888.2
% of unprofitable institutions.....	6.5	6.9	5.5	8.0	20.0	4.8	7.0	3.6	3.8	6.3	24.6
% of institutions with earnings gains.....	34.1	32.7	33.3	49.6	40.0	39.0	38.6	28.6	20.6	38.5	29.5
Performance Ratios (annualized, %)											
Yield on earning assets.....	6.97	7.18	7.12	7.03	6.78	7.09	7.06	7.09	6.96	6.74	6.82
Cost of funding earning assets.....	3.60	3.49	3.50	3.60	3.69	3.33	3.68	3.73	3.96	3.87	3.69
Net interest margin.....	3.37	3.69	3.62	3.42	3.09	3.75	3.38	3.37	3.00	2.87	3.13
Noninterest income to earning assets.....	0.68	0.59	0.63	0.76	0.66	0.61	0.72	0.64	0.71	1.04	0.69
Noninterest expense to earning assets.....	2.57	2.84	2.73	2.56	2.41	2.66	2.55	2.42	2.52	2.45	2.58
Net operating income to assets.....	0.72	0.81	0.83	0.81	0.55	0.91	0.90	0.90	0.60	0.96	0.37
Return on assets.....	0.70	0.82	0.84	0.80	0.50	0.93	0.89	0.77	0.57	0.96	0.37
Return on equity.....	8.81	8.52	9.46	10.09	7.06	11.21	10.50	8.92	7.18	13.17	5.03
Net charge-offs to loans and leases.....	0.53	0.11	0.21	0.50	0.85	0.49	0.18	0.11	0.09	0.31	0.89
Loan loss provision to net charge-offs.....	78.43	144.40	107.60	90.48	66.76	74.99	76.24	120.30	183.39	75.42	76.66
Condition Ratios (%)											
Loss allowance to:											
Loans and leases.....	1.27	0.87	1.14	1.46	1.30	1.55	1.04	0.82	0.78	0.80	1.40
Noncurrent loans and leases.....	74.97	66.19	85.81	85.78	63.77	67.74	92.52	124.85	129.47	60.56	71.65
Noncurrent assets plus											
other real estate owned to assets.....	1.57	1.17	1.35	1.67	1.73	2.06	1.09	0.56	0.62	1.44	1.85
Noncurrent RE loans to RE loans.....	1.69	1.26	1.28	1.73	2.02	2.27	1.08	0.63	0.59	1.37	1.97
Equity capital ratio.....	8.04	9.83	8.97	8.12	7.00	8.46	8.47	8.72	7.86	7.44	7.33
Core capital (leverage) ratio.....	7.70	9.77	8.83	7.79	6.43	8.28	8.23	8.46	7.43	7.04	6.76
Gross real estate assets to gross assets..	79.63	73.16	75.28	78.01	85.31	74.95	78.28	81.16	78.45	75.62	84.95
Gross 1-4 family mortgages to gr. assets.	44.56	51.27	44.66	37.93	48.90	40.16	46.90	48.72	44.14	30.45	49.12
Net loans and leases to deposits.....	83.53	77.41	76.94	80.36	93.41	72.30	82.17	84.36	83.04	72.91	98.40
Growth Rates (year-to-year, %)											
Assets.....	0.0	-	-	-	-	0.4	-8.6	1.2	3.3	-3.3	1.5
Equity capital.....	**	-	-	-	-	**	**	**	**	**	**
Net interest income.....	-4.1	-	-	-	-	-1.4	-11.8	-5.2	-5.3	-5.0	-4.1
Net income.....	-2.7	-	-	-	-	51.9	-12.9	-24.2	-43.8	-44.5	-7.8
Noncurrent assets plus											
other real estate owned.....	-35.4	-	-	-	-	-33.8	-40.1	-26.8	-29.4	-49.8	-35.4
Net charge-offs.....	-17.6	-	-	-	-	-25.2	-34.7	-0.4	-35.9	-2.6	-13.4
Loan loss provision.....	-41.9	-	-	-	-	-42.0	-64.2	-45.3	-4.7	-25.5	-41.2
PRIOR FIRST THREE QUARTERS (The way it was . . .)											
Number of institutions.....1993	2,297	1,061	1,063	146	27	835	378	575	169	149	191
.....1992	2,443	1,129	1,123	161	30	867	427	601	183	157	208
.....1991	2,606	1,219	1,168	190	29	919	473	633	189	166	226
Total assets (in billions).....1993	\$1,006.0	\$53.9	\$307.7	\$311.5	\$332.9	\$333.6	\$90.1	\$151.4	\$50.7	\$58.9	\$321.4
.....1992	1,048.5	56.5	326.6	331.0	334.4	357.1	111.4	151.2	49.2	61.3	318.3
.....1991	1,133.6	60.6	336.2	392.5	344.3	377.7	129.7	160.1	50.0	67.1	348.9
Return on assets (%).1993	0.71	1.05	0.99	0.61	0.51	0.61	0.92	1.03	1.03	1.65	0.40
.....1992	0.64	0.85	0.79	0.56	0.53	0.49	0.78	0.88	0.97	1.52	0.42
.....1991	0.06	0.35	0.19	0.04	-0.11	-0.34	0.01	0.53	0.50	0.42	0.15
Net charge-offs to loans & leases (%)											
.....1993	0.62	0.16	0.28	0.50	1.09	0.64	0.24	0.11	0.15	0.33	0.99
.....1992	0.56	0.22	0.36	0.64	0.74	0.86	0.38	0.20	0.26	0.28	0.56
.....1991	0.63	0.28	0.49	0.77	0.68	1.05	0.60	0.20	0.25	0.42	0.46
Noncurrent assets plus											
OREO to assets (%).1993	2.44	1.65	2.00	2.56	2.85	3.12	1.67	0.78	0.90	2.77	2.90
.....1992	3.33	1.90	2.60	3.48	4.14	4.21	2.71	1.12	1.29	4.37	3.73
.....1991	3.93	2.34	3.21	4.63	4.11	5.13	3.65	1.40	1.83	8.47	3.31
Equity capital ratio (%).1993	7.76	9.19	8.53	7.48	7.07	7.89	8.04	8.45	7.70	6.93	7.37
.....1992	6.99	8.32	7.45	6.81	6.49	6.98	7.24	7.66	6.77	6.16	6.79
.....1991	6.08	7.71	6.69	5.61	5.73	6.28	5.80	6.66	5.23	3.89	6.24

*Excludes institutions in Resolution Trust Corporation conservatorship and one self-liquidating institution.

**New accounting rules and/or reporting detail became effective March 31, 1994. See Notes to Users, pp.18-19.

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-B. Third Quarter 1994, FDIC-Insured Savings Institutions*

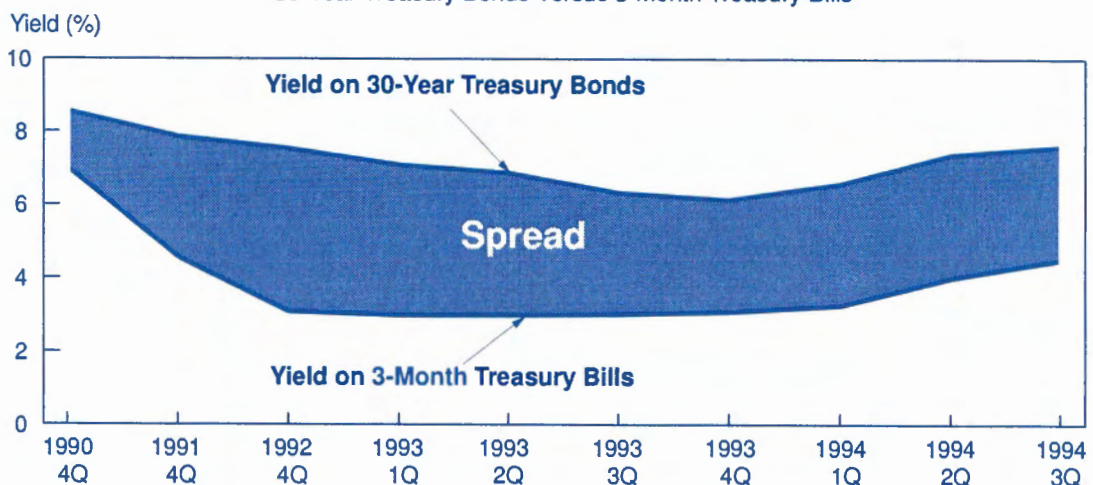
THIRD QUARTER Preliminary (The way it is . . .)	All Institutions	Asset Size Distribution				Geographic Distribution by Region					
		Less than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$5 Billion	Greater than \$5 Billion	East			West		
						North- east	South- east	Central	Mid- west	South- west	West
Number of institutions reporting.....	2,182	1,012	1,003	137	30	799	345	552	160	143	183
Total assets (in billions).....	\$1,006.2	\$51.3	\$290.8	\$297.0	\$367.1	\$335.0	\$82.4	\$153.2	\$52.4	\$56.9	\$326.3
Total deposits (in billions).....	748.3	43.8	236.6	214.4	253.5	267.9	63.2	114.3	37.4	36.5	229.1
Net income (in millions).....	2,148	101	614	662	770	830	177	336	112	99	594
% of unprofitable institutions.....	6.6	8.1	5.4	5.8	3.3	5.5	8.4	4.7	2.5	6.3	18.0
% of institutions with earnings gains.....	42.6	41.4	41.2	60.6	50.0	50.2	46.7	36.4	31.3	38.5	33.9
Performance Ratios (annualized, %)											
Yield on earning assets.....	7.11	7.32	7.28	7.18	6.90	7.26	7.24	7.24	7.17	6.94	6.90
Cost of funding earning assets.....	3.77	3.58	3.63	3.79	3.90	3.46	3.83	3.89	4.16	4.12	3.90
Net interest margin.....	3.34	3.75	3.65	3.40	3.00	3.79	3.40	3.34	3.01	2.82	3.00
Noninterest income to earning assets.....	0.75	0.57	0.58	0.79	0.88	0.64	0.67	0.58	0.78	0.93	0.94
Noninterest expense to earning assets.....	2.50	2.84	2.68	2.53	2.27	2.63	2.55	2.36	2.24	2.44	2.46
Net operating income to assets.....	0.86	0.80	0.85	0.90	0.84	0.99	0.88	0.89	0.86	0.70	0.74
Return on assets.....	0.86	0.79	0.85	0.90	0.85	1.00	0.87	0.88	0.87	0.70	0.74
Return on equity.....	10.74	8.08	9.52	11.19	12.08	11.90	10.26	10.16	10.99	9.49	10.02
Net charge-offs to loans and leases.....	0.51	0.10	0.22	0.48	0.82	0.57	0.11	0.12	0.10	0.40	0.79
Loan loss provision to net charge-offs.....	60.65	191.22	91.53	62.00	51.65	57.70	104.84	107.38	107.16	62.34	57.32
Growth Rates (year-to-year, %)											
Net interest income.....	-3.4	-	-	-	-	0.9	-8.9	-4.1	-3.2	-6.6	-6.2
Net income.....	79.4	-	-	-	-	N/M	-18.8	-3.3	-14.9	-40.6	87.7
Net charge-offs.....	-14.9	-	-	-	-	-8.5	-57.9	36.2	-38.6	33.9	-18.9
Loan loss provision.....	-55.0	-	-	-	-	-44.5	-70.1	-36.3	-42.6	11.9	-61.4
PRIOR THIRD QUARTERS (The way it was . . .)											
Return on assets (%).....1993	0.48	1.02	0.97	-0.15	0.53	0.02	0.98	0.92	1.04	1.15	0.39
.....1992	0.60	0.93	0.85	0.33	0.56	0.43	0.78	0.91	1.03	1.78	0.28
.....1991	-0.06	0.41	0.05	-0.06	-0.26	-0.49	0.02	0.53	0.33	0.33	-0.03
Net charge-offs to loans&leases (%)											
.....1993	0.59	0.17	0.27	0.50	0.99	0.61	0.23	0.09	0.16	0.30	0.93
.....1992	0.56	0.19	0.33	0.67	0.74	0.89	0.32	0.14	0.17	0.23	0.58
.....1991	0.74	0.29	0.54	0.87	0.88	1.26	0.63	0.22	0.19	0.31	0.60

*Excludes institutions in Resolution Trust Corporation conservatorship and one self-liquidating institution.

N/M - Not meaningful

Spread Between Short-Term and Long-Term Yields

30-Year Treasury Bonds Versus 3-Month Treasury Bills



30-Year Bond	8.55	7.85	7.53	7.08	6.86	6.32	6.13	6.56	7.36	7.59
3-Month Bills	6.99	4.54	3.07	2.96	2.97	3.00	3.06	3.24	3.99	4.48
Spread	1.56	3.31	4.46	4.12	3.89	3.32	3.07	3.32	3.37	3.11

TABLE V-B. Real Estate Loan Performance and Other Real Estate Owned, FDIC-Insured Savings Institutions*

September 30, 1994	All Institutions	Asset Size Distribution				Geographic Distribution by Region					
		Less than \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$5 Billion	Greater than \$5 Billion	East			West		
						North-east	South-east	Central	Mid-west	South-west	West
Percent of Loans 30-89 Days Past Due											
All loans secured by real estate.....	1.26	1.93	1.25	1.12	1.27	1.48	1.20	0.96	1.20	1.16	1.24
Construction, development and land.....	0.89	1.10	0.89	0.85	0.83	0.95	0.88	0.93	0.61	0.54	1.05
Commercial real estate.....	1.40	1.89	1.43	1.45	1.20	1.51	1.50	1.06	2.10	0.98	1.29
Multifamily residential real estate.....	1.16	1.51	1.06	1.02	1.27	1.31	1.25	0.63	0.90	0.53	1.23
1-4 Family residential.....	1.28	2.02	1.27	1.10	1.28	1.51	1.20	0.99	1.16	1.31	1.24
Percent of Loans Noncurrent**											
All real estate loans.....	1.69	1.26	1.28	1.73	2.02	2.27	1.08	0.63	0.59	1.37	1.97
Construction, development and land.....	2.22	1.28	2.00	3.21	1.70	4.53	1.36	0.68	0.35	1.13	3.37
Commercial real estate.....	3.24	2.47	2.94	3.38	3.62	4.06	2.16	1.74	2.55	2.29	3.12
Multifamily residential real estate.....	2.97	2.93	2.17	3.96	2.70	4.81	2.27	1.24	0.92	2.05	2.69
1-4 Family residential.....	1.30	1.05	0.90	1.06	1.78	1.62	0.88	0.49	0.41	1.25	1.65
Percent of Loans Charged-off (net, annualized)											
All real estate loans.....	0.47	0.08	0.19	0.42	0.76	0.41	0.13	0.09	0.03	0.20	0.82
Construction, development and land.....	0.42	0.21	0.33	0.65	0.40	1.03	0.30	0.21	-0.10	0.01	0.44
Commercial real estate.....	1.15	0.27	0.49	1.13	2.13	0.93	0.46	0.37	0.14	0.98	1.97
Multifamily residential real estate.....	1.29	0.35	0.58	0.93	1.83	0.53	0.69	0.29	0.23	0.19	1.87
1-4 Family residential.....	0.27	0.04	0.09	0.22	0.47	0.29	0.06	0.04	0.02	0.15	0.45
Total Loans Outstanding (in billions)											
All real estate loans.....	\$594.3	\$32.6	\$174.8	\$155.1	\$231.8	\$178.1	\$50.2	\$92.7	\$27.9	\$23.8	\$221.7
Construction, development and land.....	20.5	1.8	10.1	5.6	3.0	4.3	4.2	4.4	1.0	2.4	4.3
Commercial real estate.....	53.4	2.7	19.4	16.2	15.1	22.3	4.7	5.4	2.0	1.8	17.1
Multifamily residential real estate.....	63.6	1.3	12.6	18.7	31.1	15.1	1.5	6.8	1.4	1.5	37.4
1-4 Family residential.....	456.7	26.8	132.8	114.6	182.6	136.4	39.8	76.1	23.5	18.2	162.9
Other Real Estate Owned (in millions)***											
All other real estate owned.....	\$5,067	\$151	\$1,473	\$1,977	\$1,465	\$2,389	\$310	\$225	\$136	\$464	\$1,544
Construction, development and land.....	1,384	20	466	760	136	761	107	33	15	211	257
Commercial real estate.....	1,643	46	537	628	432	786	122	108	105	124	397
Multifamily residential real estate.....	865	18	230	353	264	293	9	29	18	117	399
1-4 Family residential.....	1,819	81	429	450	856	721	108	87	30	65	808
Troubled Real Estate Asset Rates****											
All real estate loans.....	2.52	1.71	2.11	2.97	2.64	3.56	1.69	0.87	1.07	3.25	2.65
Construction, development and land.....	8.39	2.36	6.31	14.75	6.05	18.82	3.81	1.42	1.85	9.25	8.84
Commercial real estate.....	6.13	4.12	5.56	6.98	6.29	7.33	4.64	3.67	7.38	8.52	5.32
Multifamily residential real estate.....	4.27	4.27	3.93	5.74	3.52	6.63	2.83	1.66	2.18	9.21	3.71
1-4 Family residential.....	1.69	1.35	1.22	1.45	2.24	2.14	1.15	0.60	0.54	1.60	2.14

*Excludes institutions in Resolution Trust Corporation conservatorship and one self-liquidating institution.

**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.

***"All other real estate owned" is shown net of valuation allowances. The individual categories of OREO do not net out valuation allowances of TFR filers.

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

ALL FDIC-INSURED INSTITUTIONS

- **Loan Growth Sustains Rapid Pace In Third Quarter**
- **Total Deposits Boosted By Growth In Foreign Offices**
- **BIF-Insured Deposits Unchanged; Coverage Ratio Reaches \$1.03**
- **SAIF-Insured Deposits Fall; Coverage Ratio Rises To \$0.29**

At the nation's 12,774 private-sector FDIC-insured institutions, total loans grew \$66 billion (2.1 percent) during the third quarter and total assets increased \$38 billion (0.8 percent) to \$4.93 trillion. This was the second consecutive quarter in which loan growth exceeded \$60 billion, led by gains in real estate loans (up \$33 billion), loans to individuals (up \$23 billion) and commercial and industrial loans (up \$11 billion). Asset categories registering declines for the quarter included securities, down \$7 billion (although mortgage-backed securities rose \$2 billion), and the "all other assets" category, which declined \$22 billion primarily due to the revaluation of certain trading account assets.

In contrast to the second quarter, when total deposits declined slightly, deposits increased \$19 billion (0.5 percent) as growth in foreign-office deposits (up \$26 billion) outpaced the decline in domestic deposits (down \$7 billion). Including U.S. branches of foreign banks, deposits insured by the Bank Insurance Fund (BIF) were unchanged from the prior quarter. Including RTC conservatorships, deposits insured by the Savings Association Insurance Fund (SAIF) decreased \$3.6 billion (0.5 percent) during the quarter as a \$2.6 billion gain in private-sector insured deposits was offset by a \$6.2 billion decline in insured deposits in RTC conservatorships.

Seven FDIC-insured institutions failed in the third quarter, all of which were BIF-member commercial banks and which had aggregate assets of \$604 million. Thirteen institutions (12 BIF members and one SAIF member) with total assets of \$1.06 billion have failed year-to-date, compared to 44 failures in the first three quarters of 1993. On September 30, the BIF had a balance of \$19.4 billion (unaudited), or \$1.03 for each \$100 of insured deposits; the SAIF had a balance of \$2.0 billion (unaudited) and a coverage ratio of 29 cents.

These coverage ratios are up from 93 cents and 24 cents, respectively, at the end of June.

An institution's insurance fund membership and primary federal supervisor are generally determined by the institution's charter type. BIF members are predominantly commercial banks supervised by one of the three federal banking agencies, and SAIF members are predominantly savings institutions supervised by the Office of Thrift Supervision (OTS). However, charter switches and deposit acquisitions can alter the relationships among charter type, primary federal supervisor and insuring fund. These topics are discussed below.

"Sasser" institutions. Since 1989, institutions have been permitted to switch charter type and primary federal supervisor without changing insurance fund membership. In the third quarter of 1994, 13 SAIF-member institutions changed charters, with 11 becoming state-chartered savings banks, supervised by the FDIC, and two becoming state-chartered commercial banks, also supervised by the FDIC. On September 30, 308 SAIF-member institutions were subject to supervision by one of the three federal banking agencies, including 233 state-chartered savings banks and 75 commercial banks.

"Oaka" deposits. A member of one insurance fund may acquire deposits insured by the other fund, but this portion of the acquiring institution's deposits retains coverage under the other fund. On September 30, 1994, 687 BIF-member institutions held an estimated \$167 billion in SAIF-insured deposits, or 24.2 percent of all SAIF-insured deposits (up from 22.2 percent in June); and 43 SAIF-member institutions held an estimated \$8.6 billion in BIF-insured deposits, or 0.5 percent of all BIF-insured deposits (up from 0.3 percent).

Estimated FDIC-Insured Deposits by Fund Membership and Type of Institution
September 30, 1994

(dollar figures in millions)	Number of Institutions	Total Assets	Total Deposits	Estimated Insured Deposits		
				BIF	SAIF	Total
Private-Sector Commercial and Savings Institutions						
FDIC-Insured Commercial Banks.....	10,592	3,923,246	2,793,201	1,723,684	133,949	1,857,633
BIF-member.....	10,517	3,906,562	2,780,403	1,722,759	125,260	1,848,019
SAIF-member.....	75	16,684	12,798	925	8,689	9,614
FDIC-Insured Savings Institutions.....	2,182	1,006,205	748,318	162,033	551,745	713,778
OTS-Supervised Savings Institutions.....	1,578	772,151	561,480	24,409	510,506	534,915
BIF-member.....	17	73,709	55,278	16,695	36,688	53,382
SAIF-member*.....	1,561	698,442	506,202	7,715	473,818	481,533
FDIC-Supervised State Savings Banks.....	604	234,055	186,838	137,623	41,239	178,863
BIF-member.....	371	185,051	149,011	137,620	4,703	142,324
SAIF-member.....	233	49,004	37,827	3	36,536	36,539
Total Private-Sector Commercial and Savings Institutions.....	12,774	4,929,451	3,541,519	1,885,717	685,695	2,571,411
BIF-member.....	10,905	4,165,321	2,984,692	1,877,074	166,651	2,043,725
SAIF-member.....	1,869	764,130	556,827	8,643	519,044	527,686
Other FDIC-Insured Institutions						
RTC Conservatorships**.....	3	3,574	1,629	0	1,626	1,626
U.S. Branches of Foreign Banks.....	51	10,780	3,771	2,184	0	2,184
Total FDIC-Insured Institutions.....	12,828	4,943,805	3,546,919	1,887,901	687,321	2,575,222

*Excludes one self-liquidating savings institution with less than \$1 million in SAIF-insured deposits.

**Includes one conservatorship with total assets of \$68 million that was resolved at close of business 9/30/94.

Note: The 6/30/94 QBP incorrectly reported the total assets of RTC conservatorships. The correct figure was \$11,999 million.

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

<i>(dollar figures in millions)</i>	1994**	1993**	1993	1992	1991	1990
Number of institutions reporting.....	12,774	13,378	13,220	13,852	14,482	15,158
Total assets.....	\$4,929,451	\$4,637,323	\$4,707,037	\$4,535,890	\$4,543,642	\$4,648,642
Total deposits.....	3,541,519	3,477,053	3,528,439	3,527,044	3,594,303	3,637,267
Number of problem institutions.....	377	665	572	1,063	1,426	1,492
Assets of problem institutions (in billions).....	\$95	\$384	\$334	\$592	\$819	\$640
Number of failed/assisted institutions.....	13	44	50	181	271	382
Assets of failed/assisted institutions (in billions).....	\$1.29	\$9.11	\$9.69	\$88	\$142	\$145

**As of September 30.

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

<i>(dollar figures in millions)</i>	Preliminary 3rd Quarter 1994	2nd Quarter 1994	3rd Quarter 1993	% Change 93:3-94:3	
Number of institutions reporting.....	12,774	12,933	13,378	-4.5	
Total employees (full-time equivalent).....	1,754,334	1,775,342	1,763,543	-0.5	
CONDITION DATA					
Total assets.....	\$4,929,451	\$4,891,630	\$4,637,323	6.3	
Loans secured by real estate.....	1,565,374	1,532,432	1,506,386	3.9	
1-4 Family residential.....	1,006,766	980,293	959,023	4.6	
Home equity loans.....	92,105	90,823	92,414	-0.3	
Multifamily residential property.....	94,288	94,276	93,551	0.8	
Commercial real estate.....	331,939	329,288	323,249	2.7	
Construction, development and land.....	84,654	82,501	87,607	-3.4	
Other real estate loans.....	47,727	46,074	42,956	11.1	
Commercial & industrial loans.....	584,948	574,217	539,424	8.4	
Loans to individuals.....	499,316	476,588	439,916	13.5	
Credit cards & related plans.....	178,670	168,070	151,961	17.6	
Other loans & leases.....	280,957	281,085	271,234	3.6	
Less: Unearned income & contra accounts.....	16,900	17,035	16,656	1.5	
Total loans & leases.....	2,913,695	2,847,288	2,740,304	6.3	
Less: Reserve for losses.....	60,497	60,963	62,768	-3.6	
Net loans & leases.....	2,853,198	2,786,325	2,677,536	6.6	
Securities.....	1,133,213	1,140,525	1,089,559	***	
Other real estate owned.....	16,987	19,051	29,678	-42.8	
Goodwill and other intangibles.....	28,329	25,992	22,913	23.6	
All other assets.....	897,725	919,738	817,638	***	
Total liabilities and capital.....	4,929,451	4,891,631	4,637,323	6.3	
Deposits.....	3,541,519	3,522,878	3,477,053	1.9	
Other borrowed funds.....	736,514	704,867	616,883	***	
Subordinated debt.....	41,086	39,945	39,700	3.5	
All other liabilities.....	217,603	238,988	137,078	***	
Equity capital.....	392,729	384,953	366,609	***	
Loans and leases 30-89 days past due.....	34,367	34,415	39,208	-12.4	
Noncurrent loans and leases.....	44,137	47,789	64,903	-32.0	
Restructured loans and leases.....	14,409	15,017	23,180	-37.8	
Direct and indirect investments in real estate.....	1,095	1,176	1,267	-13.5	
Mortgage-backed securities.....	547,327	545,395	528,192	***	
Earning assets.....	4,329,056	4,269,613	4,138,486	4.6	
Unused loan commitments.....	1,760,978	1,669,314	1,477,315	19.2	
Including RTC conservatorships and IBA's:					
Estimated BIF-insured deposits.....	1,887,901	1,887,911	1,886,293	0.1	
Domestic deposits (reflects Oakar adjustments).....	2,427,207	2,438,037	2,446,068	-0.8	
BIF balance (unaudited figures).....	19,359	17,490	10,515	84.1	
BIF coverage ratio (%)****.....	1.03	0.93	0.56		
Estimated SAIF-insured deposits.....	687,321	690,894	709,732	-3.2	
Domestic deposits (reflects Oakar adjustments).....	716,464	718,971	736,356	-2.7	
SAIF balance (unaudited figures).....	2,011	1,662	861	133.6	
SAIF coverage ratio (%)****.....	0.29	0.24	0.12		
Estimated FDIC-insured deposits, BIF and SAIF.....	2,575,222	2,578,805	2,596,025	-0.8	
INCOME DATA					
Total interest income.....	\$237,055	\$234,659	\$81,607	\$79,008	3.3
Total interest expense.....	105,034	106,025	36,319	35,670	1.8
Net interest income.....	132,021	128,634	45,288	43,338	4.5
Provision for loan losses.....	9,949	16,206	3,038	5,003	-39.3
Total noninterest income.....	61,205	61,106	21,462	21,125	1.6
Total noninterest expense.....	123,548	122,821	42,056	41,258	1.9
Securities gains (losses).....	394	3,051	(324)	1,077	N/M
Applicable income taxes.....	20,758	17,807	7,358	6,368	15.6
Extraordinary gains, net.....	(194)	1,970	6	(230)	N/M
Net income.....	39,171	37,926	13,979	12,682	10.2

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

***New accounting rules and/or reporting detail became effective March 31, 1994. See Notes to Users, pp. 18-19.

N/M-Not meaningful

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

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

(dollar figures in millions)	1994**	1993**	1993	1992	1991	1990
Number of institutions reporting.....	10,905	11,422	11,291	11,813	12,305	12,791
Total assets.....	\$4,165,321	\$3,877,578	\$3,949,683	\$3,711,624	\$3,660,455	\$3,646,838
Total deposits.....	2,984,692	2,899,411	2,951,946	2,873,178	2,881,769	2,861,441
Number of problem institutions.....	315	548	472	856	1,089	1,046
Assets of problem institutions (in billions).....	\$48	\$312	\$269	\$464	\$610	\$409
Number of failed/assisted institutions.....	12	35	41	122	127	169
Assets of failed/assisted institutions (in billions).....	\$1.20	\$2.99	\$3.56	\$44	\$63	\$15

**As of September 30.

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

(dollar figures in millions)	Preliminary 3rd Quarter 1994	2nd Quarter 1994	3rd Quarter 1993	% Change 93:3-94:3		
Number of institutions reporting.....	10,905	11,039	11,422	-4.5		
Commercial banks.....	10,517	10,643	11,013	-4.5		
Savings institutions.....	388	396	409	-5.1		
Total employees (full-time equivalent).....	1,543,516	1,556,622	1,543,636	-0.0		
CONDITION DATA						
Total assets.....	\$4,165,321	\$4,135,242	\$3,877,578	7.4		
Loans secured by real estate, total.....	1,109,129	1,084,334	1,052,810	5.4		
1-4 Family residential.....	649,077	630,706	606,843	6.9		
Multifamily residential property.....	49,836	49,558	47,241	5.5		
Commercial real estate.....	296,473	293,479	284,734	4.1		
Construction, development and land.....	66,107	64,601	71,091	-7.0		
Commercial & industrial loans.....	579,320	568,841	533,746	8.5		
Reserve for losses.....	54,886	55,045	56,665	-3.1		
Total deposits.....	2,984,692	2,959,211	2,899,411	2.9		
Estimated insured deposits.....	2,043,725	2,033,033	2,018,347	1.3		
BIF-insured deposits (estimated).....	1,877,074	1,879,443	1,880,023	-0.2		
SAIF-insured deposits (estimated).....	166,651	153,590	138,324	20.5		
Noncurrent loans and leases.....	36,980	39,941	55,292	-33.1		
Other real estate owned.....	13,560	15,045	22,776	-40.5		
Equity capital.....	332,354	325,284	308,237	**		
CAPITAL CATEGORY DISTRIBUTION						
Number of institutions:						
Well capitalized.....	10,721	10,831	11,144	-3.8		
Adequately capitalized.....	149	164	206	-27.7		
Undercapitalized.....	23	19	38	-39.5		
Significantly undercapitalized.....	11	15	29	-62.1		
Critically undercapitalized.....	1	10	5	-80.0		
Total assets:						
Well capitalized.....	\$4,005,204	\$4,010,584	\$3,695,826	8.4		
Adequately capitalized.....	154,922	119,045	169,120	-8.4		
Undercapitalized.....	3,899	2,558	5,805	-32.9		
Significantly undercapitalized.....	1,292	1,816	6,160	-79.0		
Critically undercapitalized.....	3	1,239	666	-99.5		
INCOME DATA						
	Preliminary First Three Qtrs 1994	First Three Qtrs 1993	%Change	Preliminary 3rd Quarter 1994	3rd Quarter 1993	%Change 93:3-94:3
Net interest income.....	\$115,073	\$110,886	3.8	\$39,608	\$37,452	5.8
Provision for loan losses.....	8,532	14,069	-39.4	2,689	4,176	-35.6
Net income.....	35,700	33,527	6.5	12,441	11,737	6.0
Net charge-offs.....	8,735	13,959	-37.4	2,686	4,144	-35.2
Number of institutions reporting net losses.....	406	554	-26.7	450	553	-18.6

*Excludes insured branches of foreign banks.

**New accounting rules and/or reporting detail became effective March 31, 1994. See Notes to Users, pp. 18-19.

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

<i>(dollar figures in millions)</i>	1994**	1993**	1993	1992	1991	1990
Number of institutions reporting.....	1,869	1,956	1,929	2,039	2,177	2,367
Total assets.....	\$764,130	\$759,745	\$757,354	\$824,266	\$883,187	\$1,001,804
Total deposits.....	556,827	577,642	576,493	653,865	712,533	775,826
Number of problem institutions.....	62	117	100	207	337	446
Assets of problem institutions (in billions).....	\$47	\$72	\$65	\$128	\$209	\$231
Number of failed/assisted institutions.....	1	9	9	59	144	213
Assets of failed/assisted institutions (in billions).....	\$0.09	\$6.13	\$6.13	\$44	\$79	\$130

**As of September 30.

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

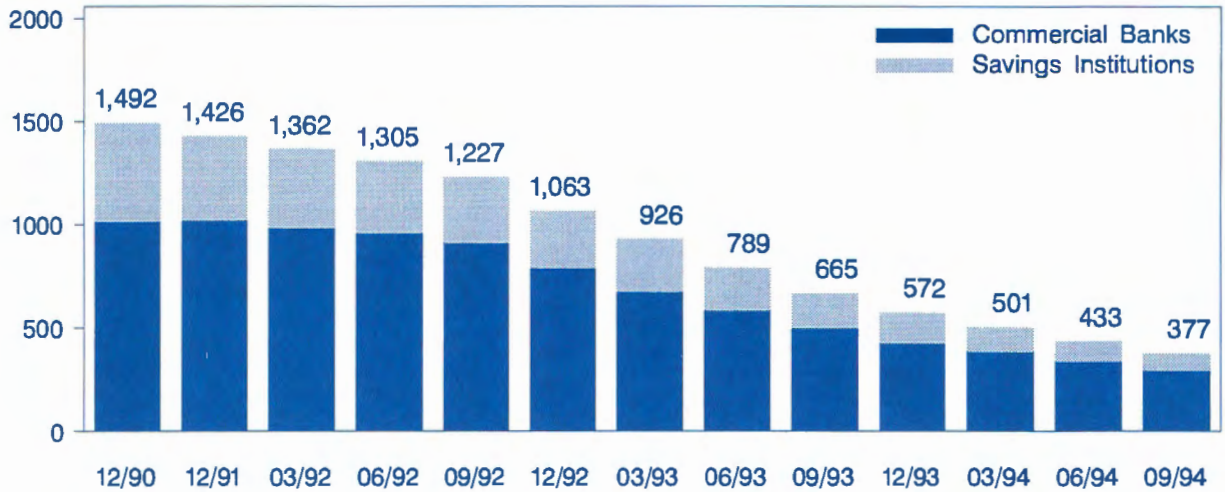
<i>(dollar figures in millions)</i>	Preliminary 3rd Quarter 1994	2nd Quarter 1994	3rd Quarter 1993	% Change 93:3-94:3		
Number of institutions reporting.....	1,869	1,894	1,956	-4.4		
Commercial banks.....	75	73	68	10.3		
Savings institutions.....	1,794	1,821	1,888	-5.0		
Total employees (full-time equivalent).....	210,818	218,720	219,907	-4.1		
CONDITION DATA						
Total assets.....	\$764,130	\$756,389	\$759,745	0.6		
Loans secured by real estate, total.....	456,245	448,098	453,576	0.6		
1-4 Family residential.....	357,689	349,587	352,180	0.9		
Multifamily residential property.....	44,453	44,718	46,309	-4.0		
Commercial real estate.....	35,467	35,810	38,515	-7.9		
Construction, development and land.....	18,547	17,900	16,516	12.3		
Commercial & industrial loans.....	5,628	5,376	5,679	-0.9		
Reserve for losses.....	5,611	5,918	6,103	-8.1		
Total deposits.....	556,827	563,667	577,642	-3.6		
Estimated insured deposits.....	527,686	535,661	551,529	-4.3		
BIF-insured deposits (estimated).....	8,643	6,134	3,926	120.1		
SAIF-insured deposits (estimated).....	519,043	529,527	547,603	-5.2		
Noncurrent loans and leases.....	7,157	7,848	9,611	-25.5		
Other real estate owned.....	3,427	4,006	6,902	-50.4		
Equity capital.....	60,375	59,669	58,372	**		
CAPITAL CATEGORY DISTRIBUTION						
Number of institutions:						
Well capitalized.....	1,774	1,801	1,815	-2.3		
Adequately capitalized.....	83	82	126	-34.1		
Undercapitalized.....	6	5	10	-40.0		
Significantly undercapitalized.....	5	5	4	25.0		
Critically undercapitalized.....	1	1	1	0.0		
Total assets:						
Well capitalized.....	\$679,921	\$669,705	\$650,836	4.5		
Adequately capitalized.....	79,422	78,451	106,483	-25.4		
Undercapitalized.....	1,408	1,649	1,874	-24.9		
Significantly undercapitalized.....	3,335	2,526	539	518.4		
Critically undercapitalized.....	44	4,058	13	237.8		
INCOME DATA						
	Preliminary First Three Qtrs 1994	First Three Qtrs 1993	%Change	Preliminary 3rd Quarter 1994	3rd Quarter 1993	%Change 93:3-94:3
Net interest income.....	\$16,948	\$17,748	-4.5	\$5,680	\$5,886	-3.5
Provision for loan losses.....	1,416	2,137	-33.7	349	828	-57.8
Net income.....	3,472	4,399	-21.1	1,538	945	62.8
Net charge-offs.....	1,812	1,743	4.0	556	701	-20.7
Number of institutions reporting net losses.....	129	99	30.3	127	112	13.4

*Excludes institutions in Resolution Trust Corporation conservatorship and one self-liquidating institution.

** New accounting rules and/or reporting detail became effective March 31, 1994. See Notes to Users, pp. 18-19.

Number of FDIC – Insured "Problem" Institutions 1990 – 1994

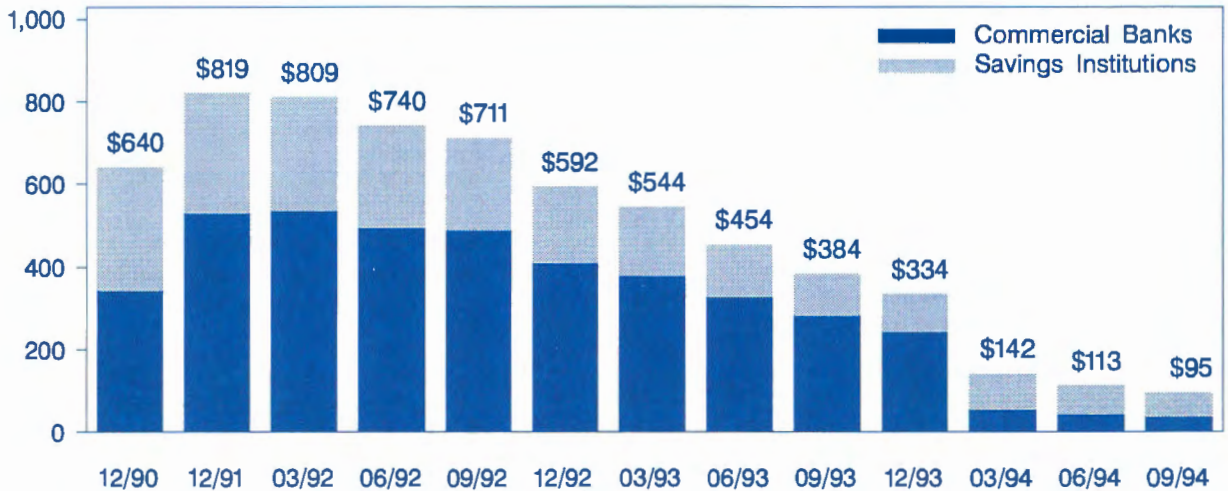
Number of Institutions



Savings Institutions	480	410	381	349	318	276	255	209	169	146	118	95	84
Commercial Banks	1,012	1,016	981	956	909	787	671	580	496	426	383	338	293

Assets of FDIC – Insured "Problem" Institutions 1990 – 1994

\$ Amounts in Billions



Savings Institutions	298	291	274	245	223	184	167	128	103	92	89	71	59
Commercial Banks	342	528	535	495	488	408	377	326	281	242	53	42	36

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 that have been placed in Resolution Trust Corporation conservatorship are also excluded from these tables while in conservatorship. The institutions covered in this section are regulated by and submit financial reports to one of two Federal regulators — the FDIC or the Office of Thrift Supervision (OTS).

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

Summary balance-sheet and earnings data are provided for commercial banks and savings institutions according to insurance fund membership. BIF-member institutions may acquire SAIF-insured deposits, resulting in institutions with some deposits covered by both insurance funds. Also, SAIF members may acquire BIF-insured deposits. The insurance fund membership does not necessarily reflect which fund insures the largest percentage of an institution's deposits. Therefore, the BIF-member and the SAIF-member tables each include deposits from both insurance funds. Depository institutions that are not insured by the FDIC through either the BIF or SAIF are not included in the *FDIC Quarterly Banking Profile*. U.S. branches of institutions headquartered in foreign countries and non-deposit trust companies are not included. Efforts are made to obtain financial reports for all active institutions. However, in some cases, final financial reports are not available for institutions that are 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*. The detailed schedules of the *Thrift Financial Report* reflect the consolidation of the parent thrift with all finance subsidiaries. All other subsidiaries are reported as investments on an equity basis or a cost basis. Some accounting differences exist, such as asset sales with recourse, for which the data necessary to reconcile these differences are not reported.

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

III and IV do not provide growth rates for the "Asset Size Distribution" since many institutions migrate between size groups.

RECENT ACCOUNTING CHANGES

FASB Statement 115, "Accounting for Certain Investments in Debt and Equity Securities." Requires that securities that are not held in trading accounts be measured at either amortized cost or fair (market) value, depending on their classification category. For additional details, see "Notes to Users," First Quarter, 1994, *Quarterly Banking Profile*.

FASB Interpretation 39, "Offsetting of Amounts Related to Certain Contracts." Covers fair value amounts recognized as assets and liabilities on the balance sheet for off-balance-sheet derivative contracts under which the amounts to be received or paid or items to be exchanged depend on future events or other factors (e.g., future and forward contracts, interest-rate swaps, exchange-rate swaps, and other conditional and exchange contracts). For additional details, see "Notes to Users," First Quarter, 1994, *Quarterly Banking Profile*.

DEFINITIONS (in alphabetical order)

All other assets — total cash, balances due from depository institutions, premises, fixed assets, direct investments in real estate, investment in unconsolidated subsidiaries, customers' liability on acceptances outstanding, assets held in trading accounts, federal funds sold, securities purchased with agreements to resell, and other assets. Beginning 3/31/94, FASB Interpretation 39 limited the netting of related trading assets and liabilities, which had the effect of increasing the amount of trading account assets reported.

All other liabilities — bank's liability on acceptances, limited-life preferred stock, and other liabilities. Effective 3/31/94, includes revaluation losses on assets held in trading accounts.

BIF-insured deposits (estimated) — the amount of deposits in accounts of less than \$100,000 insured by the BIF. For SAIF-member "Oakar" institutions, it represents the adjusted attributable amount acquired from BIF members.

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

	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	<8%	or <4%	or <4%	—
Significantly undercapitalized	<6%	or <3%	or <3%	—
Critically undercapitalized	—	—	—	≤2%

*As a percentage of risk-weighted assets.

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

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

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

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

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

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

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

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

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

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

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

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

Mortgage-backed securities — certificates of participation in pools of residential mortgages and collateralized mortgage obligations issued or guaranteed by government-sponsored or private enterprises. Effective 3/31/94, the full implementation of FASB 115 meant that a portion of banks' mortgage-backed securities portfolio is now reported based upon fair (market) values; previously, all mortgage-backed securities not held in trading accounts were reported at either amortized cost or lower of cost or market.

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

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

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

Noncurrent assets — the sum of loans, leases, debt securities and other assets that are 90 days or more past due, or in nonaccrual status. Noncurrent debt securities and other assets were not included prior to March 1991.

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

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

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

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

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

Swaps - an obligation between two parties to exchange a series of cash flows at periodic intervals (settlement dates), for a specified period. The cash flows of a swap are either fixed, or determined for each settlement date by multiplying the quantity of the underlying (notional principal) by

specified reference rates or prices. Except for currency swaps, the notional principal is used to calculate each payment but is not exchanged.

Other borrowed funds — federal funds purchased, securities sold with agreements to repurchase, demand notes issued to the U.S. Treasury, other borrowed money, mortgage indebtedness and obligations under capitalized leases. Effective 3/31/94, includes newly-reported item “Trading liabilities,” less revaluation losses on assets held in trading accounts.

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

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

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

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

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

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

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

SAIF-insured deposits (estimated) — the amount of deposits in accounts of less than \$100,000 insured by the SAIF. For BIF-member “Oakar” institutions, it represents the adjusted attributable amount acquired from SAIF members.

Securities — excludes securities held in trading accounts. Effective 3/31/94, the full implementation of FASB 115 meant that a portion of banks' securities portfolios is now reported based upon fair (market) values; previously, all securities not in held trading accounts were reported at either amortized cost or lower of cost or market.

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

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

Volatile liabilities — the sum of large-denomination time deposits, foreign-office deposits, federal funds purchased, securities sold under agreements to repurchase, and other borrowings. Beginning 3/31/94, new reporting detail permits the exclusion of other borrowed money with original maturity of more than one year; previously, all other borrowed money was included. Also beginning 3/31/94, the newly-reported item “Trading liabilities,” less revaluation losses on assets held in trading accounts, is included.

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