



NEWS RELEASE

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ONE IN FIVE BANKS LOST MONEY ACCORDING TO NEW FDIC REPORT

Nearly 20 percent of all commercial banks reported losses in 1986, largely due to poor performance in areas west of the Mississippi where the economy is depressed by lingering problems in the agricultural, energy and commercial real estate industries, according to a new publication released today by the Federal Deposit Insurance Corporation. The new FDIC report indicates that one of every 12 banks in the eastern half of the country experienced losses last year, compared to one of every four banks in the western part.

Despite the profitability problems in the western region of the country, commercial banks earned \$17.8 billion last year and increased their capital to a record \$208 billion. The FDIC's new Quarterly Banking Profile reports that the industry's 1986 profits represented a modest decline from the record \$18.1 billion commercial banks earned in 1985.

The Quarterly Banking Profile provides banking industry observers with critical information on the banking system immediately after it becomes available to the FDIC and other federal bank regulators. Statistics presented in the new publication are derived from data the FDIC, the Comptroller of the Currency and the Federal Reserve Board use to supervise the banking industry. The report is published as soon as the data are available. The goal is to produce the report in about 60 days after the end of the report period.

"Our objective is to give readers the statistics they need each quarter to determine how the industry is doing," FDIC Chairman L. William Seidman said in announcing the new publication.

"Obviously, we feel we will serve the reader best if we get this important information out quickly. Production of the Quarterly Banking Profile begins

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the moment all banks have reported their Call Report data. With the Quarterly, readers will have the banking industry's indicators on their desks about as fast as the regulators get them," Mr. Seidman added.

Every 90 days subscribers will obtain a brief analysis of emerging trends in the banking industry and critical statistics characterizing the industry's condition and income. Graphics highlighting important developments are presented, and performance indicators such as the industry's return on assets and net loan charge offs are given a time series presentation.

Finally, changes in the distribution of problem banks by size and geographic location are presented, along with selected ratios for all institutions in various size groups and geographic regions. No other single source for this information is currently publicly available.

Individuals interested in a complimentary copy of the Quarterly Banking Profile and subscription information should contact the FDIC's Office of Corporate Communications, FDIC, Washington, D.C. 20429.

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