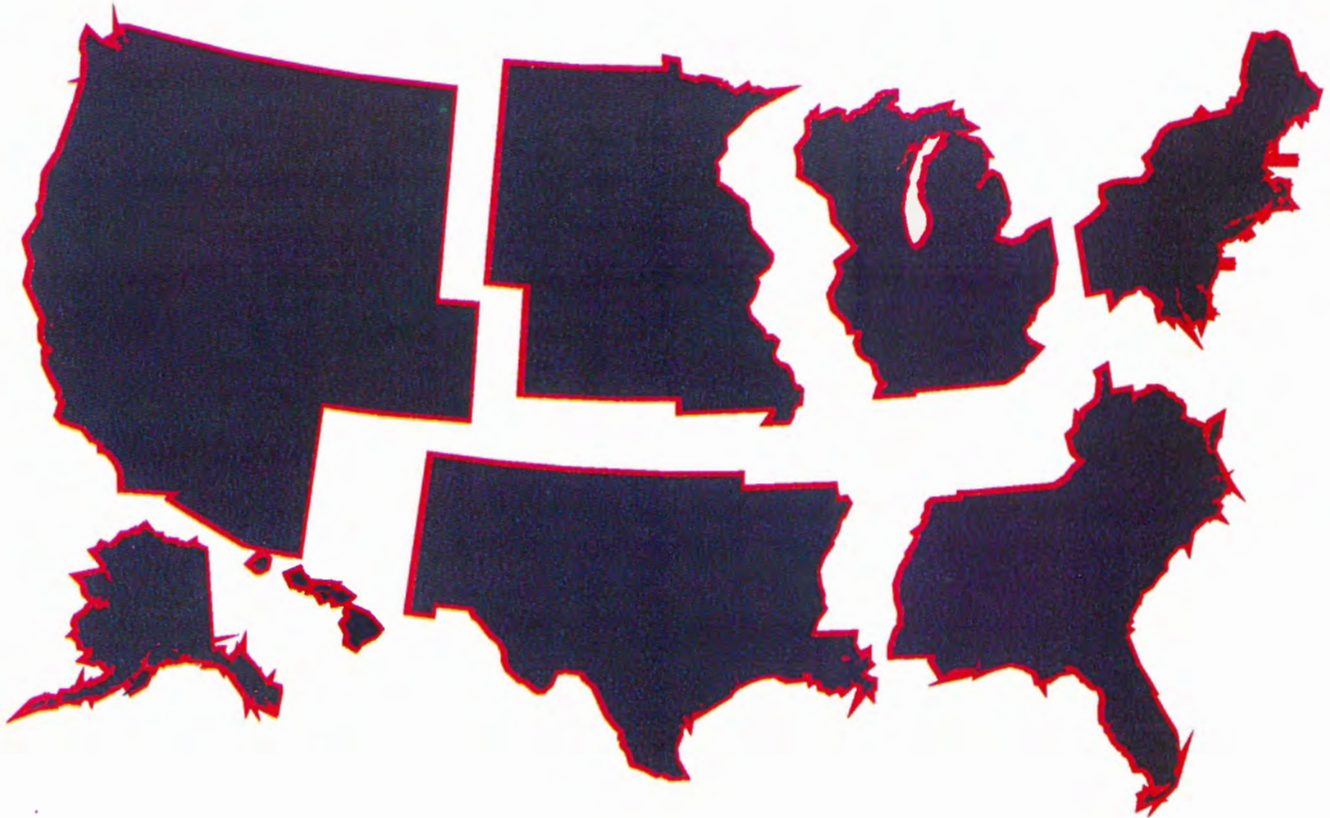


The FDIC
Quarterly
L. William Seidman, Chairman
Banking **P**rofile

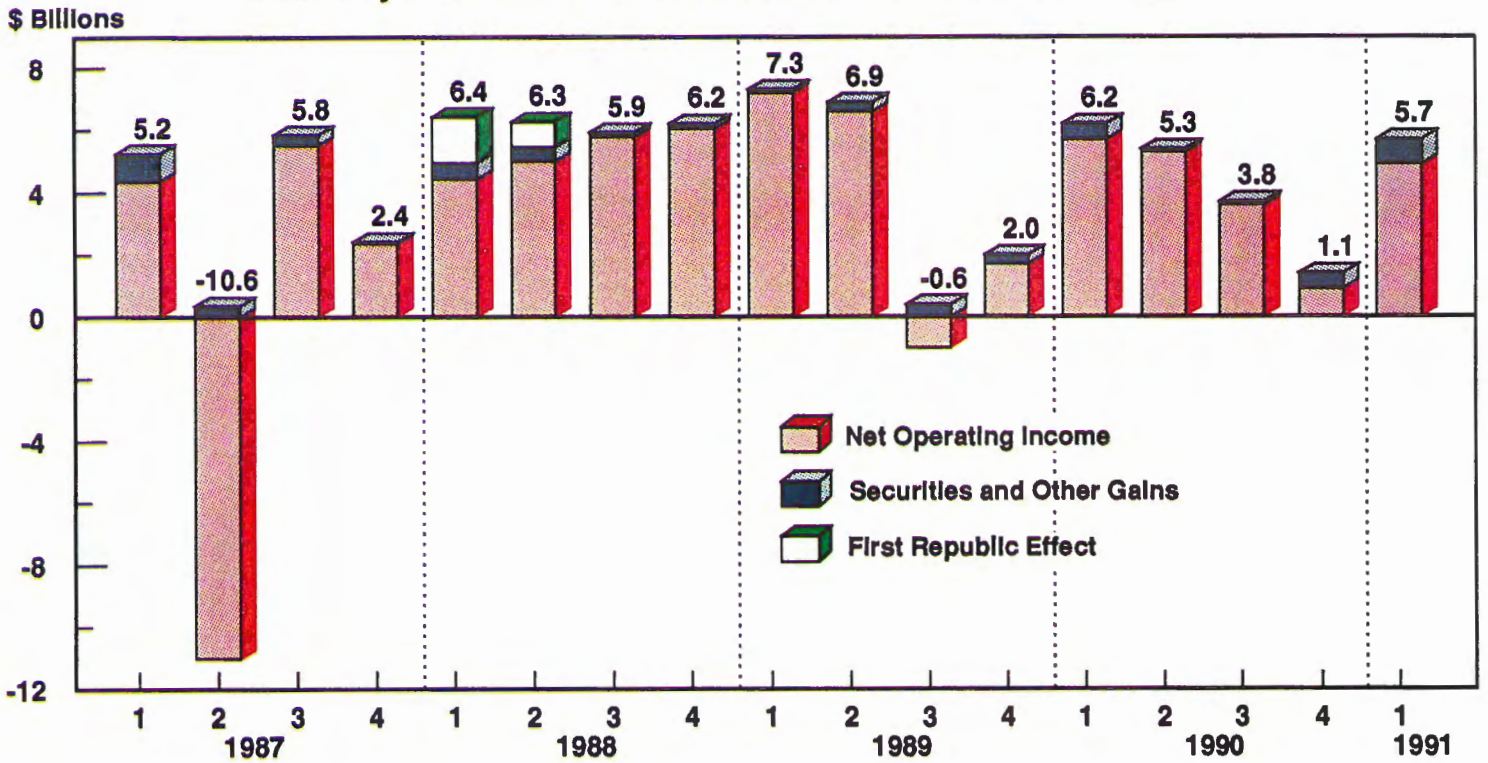


Highlights
First Quarter 1991

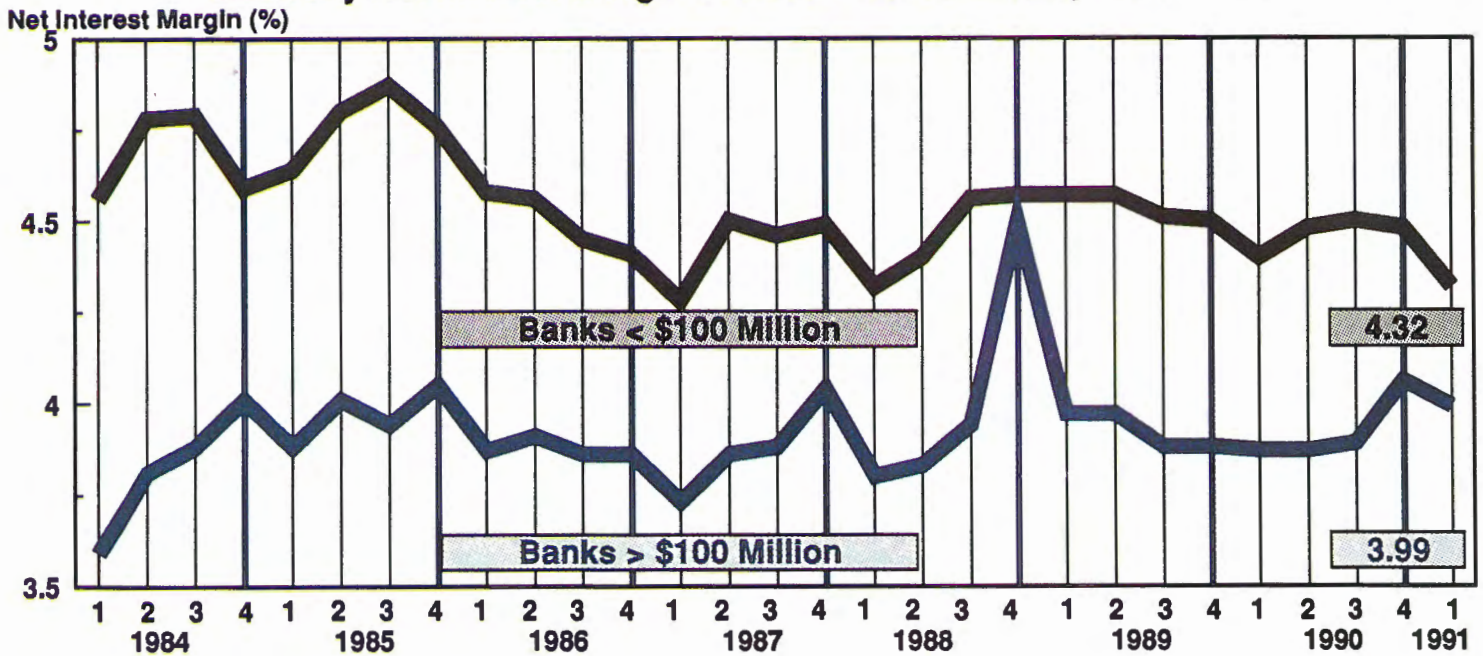
HIGHLIGHTS – FIRST QUARTER 1991 COMMERCIAL BANK PERFORMANCE

- Troubled assets continue to grow more rapidly than capital and reserves. During the first quarter, noncurrent loans and leases increased by \$7.2 billion, and other real estate owned grew by nearly \$3 billion. Equity capital increased by only \$4.4 billion, and reserves shrank by almost \$500 million. This is the fifth consecutive quarter (and the eighth time in the last ten quarters) that commercial banks' ratio of capital and reserves to noncurrent loans and leases has declined.
- Most of the credit-quality problems are appearing in banks' domestic loan portfolios. Net charge-offs of loans and leases of \$6.3 billion were slightly below the \$6.7 billion of a year ago, but charge-offs of **domestic** loans and leases, at \$5.4 billion, were 39 percent higher than the \$3.9 billion in domestic loan charge-offs taken by banks in the first quarter of 1990.
- Real estate lending growth and growth in banks' holdings of mortgage-backed securities continue to underpin what little asset growth has taken place. For the twelve months ended March 31, total commercial bank assets grew by \$33.5 billion (1 percent). Over the same period, real estate loans outstanding at commercial banks increased by \$58.5 billion (7.5 percent), and their holdings of mortgage-backed securities grew by \$24.9 billion (18.8 percent).
- New details on lending exposure and troubled loans, reported for the first time in March, illustrate the extent to which banks' real estate lending problems are concentrated in commercial real estate and construction and development lending. These two loan categories account for less than half (43.5 percent) of all real estate loans held by commercial banks, but constitute more than three-quarters (76.4 percent) of the \$40.3 billion in real estate loans that were noncurrent at the end of the first quarter. Construction and development loans had the highest proportion of noncurrent loans—more than 13 percent of the \$122 billion in outstanding construction and development loans were either 90 days or more past-due or in nonaccrual status at the end of March.
- In addition, new data reported in March show that banks hold \$28.6 billion in loans to finance commercial real estate, construction and land development activities that are not included in "total real estate loans," because they are not secured by real estate properties (they are included with either "commercial and industrial" loans or with "other" loans). More than \$2.3 billion (8.2 percent) of these loans are noncurrent.
- Data on highly-leveraged transactions (HLTs) were reported for the first time in March. The data show that HLTs totalled \$74 billion at the end of March. Of that amount, \$7.3 billion (9.8 percent) was noncurrent. Most of the industry's HLT holdings are at the largest banks; more than three-quarters (78 percent) of the total HLTs outstanding are held by banks with assets greater than \$10 billion.
- Data on troubled loans to foreign governments and official agencies were also reported for the first time in March. The data show that, of the \$24.8 billion in outstanding loans to foreign governments, \$5.1 billion (20.7 percent) were noncurrent at the end of March.
- The number of insured commercial banks had a net decline of 92 during the first three months of 1991, to 12,246 at the end of March. This net decline was equal to the number of banks absorbed by mergers in that period (92). New charters (25) and bank failures (28) offset each other in the first quarter. This is the twenty-fifth consecutive quarter (since the end of 1984, when there were 14,477 banks) that the number of insured commercial banks has shrunk.

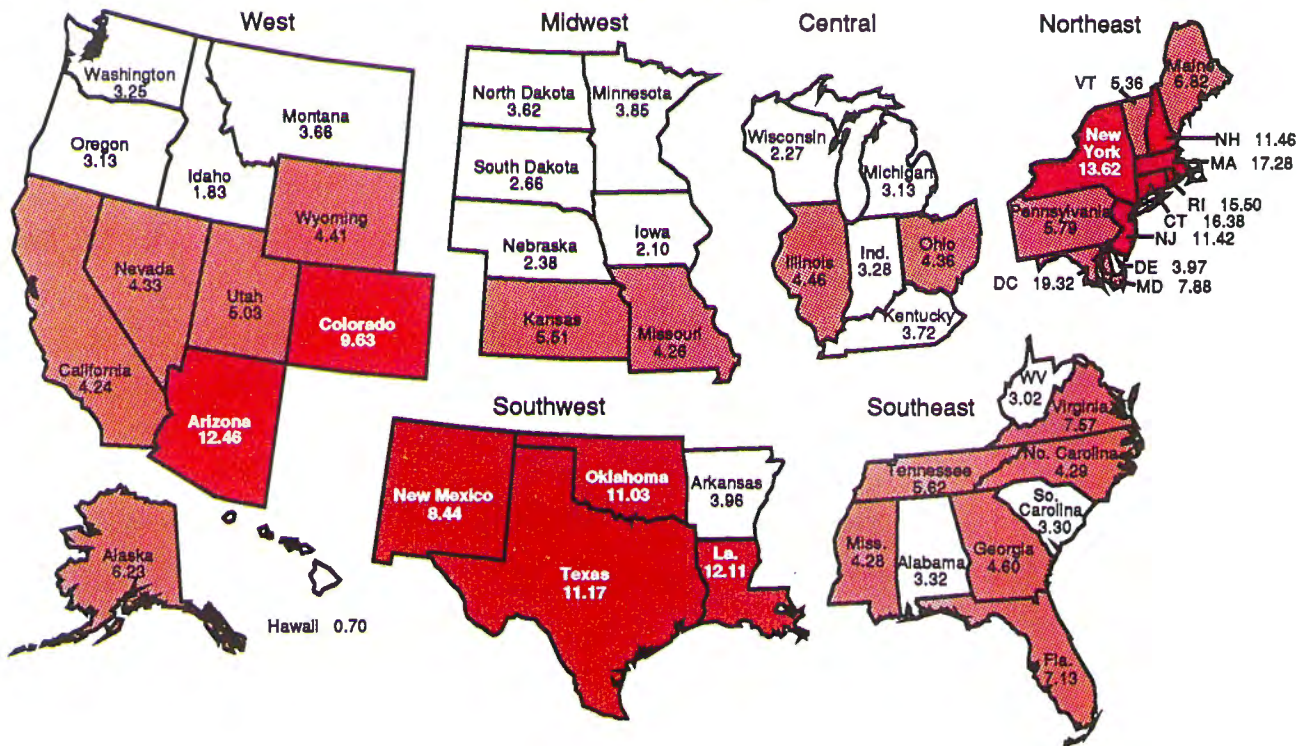
Quarterly Net Income of FDIC-Insured Banks, 1987 - 1991



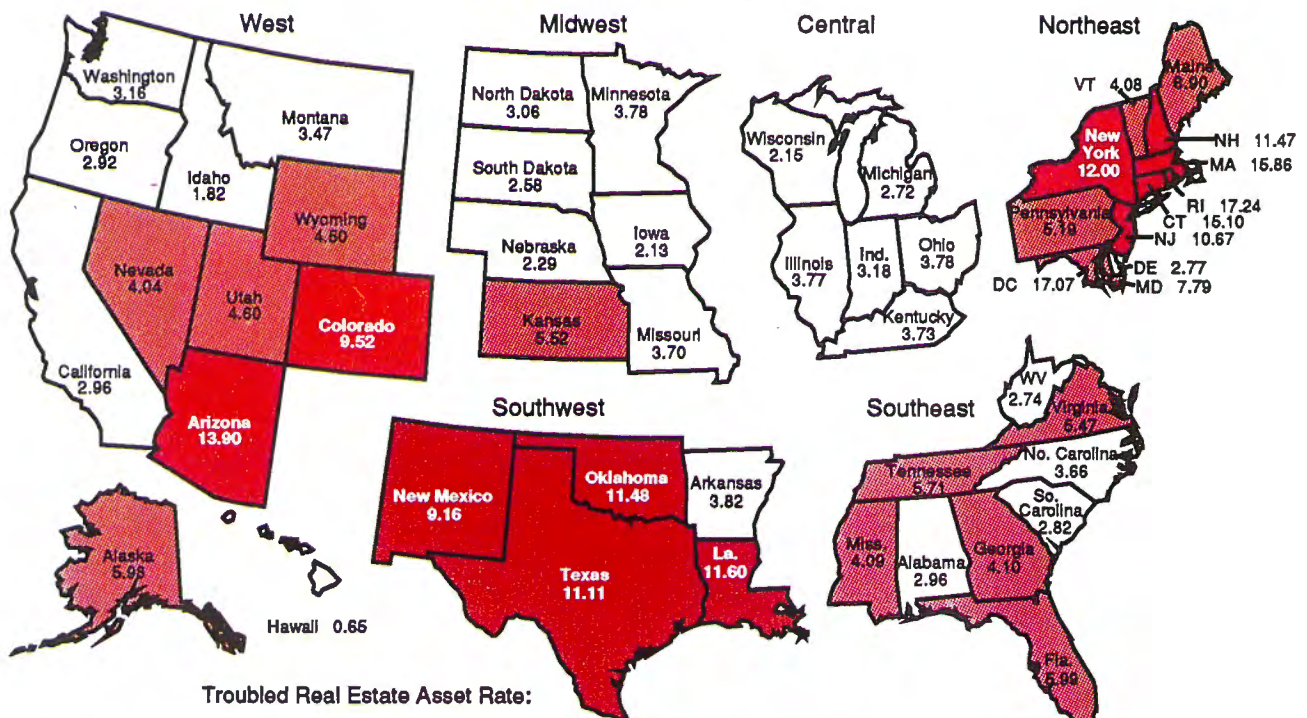
Quarterly Net Interest Margin of FDIC-Insured Banks, 1984 - 1991



Troubled Real Estate Asset Rates* by State March 31, 1991



December 31, 1990

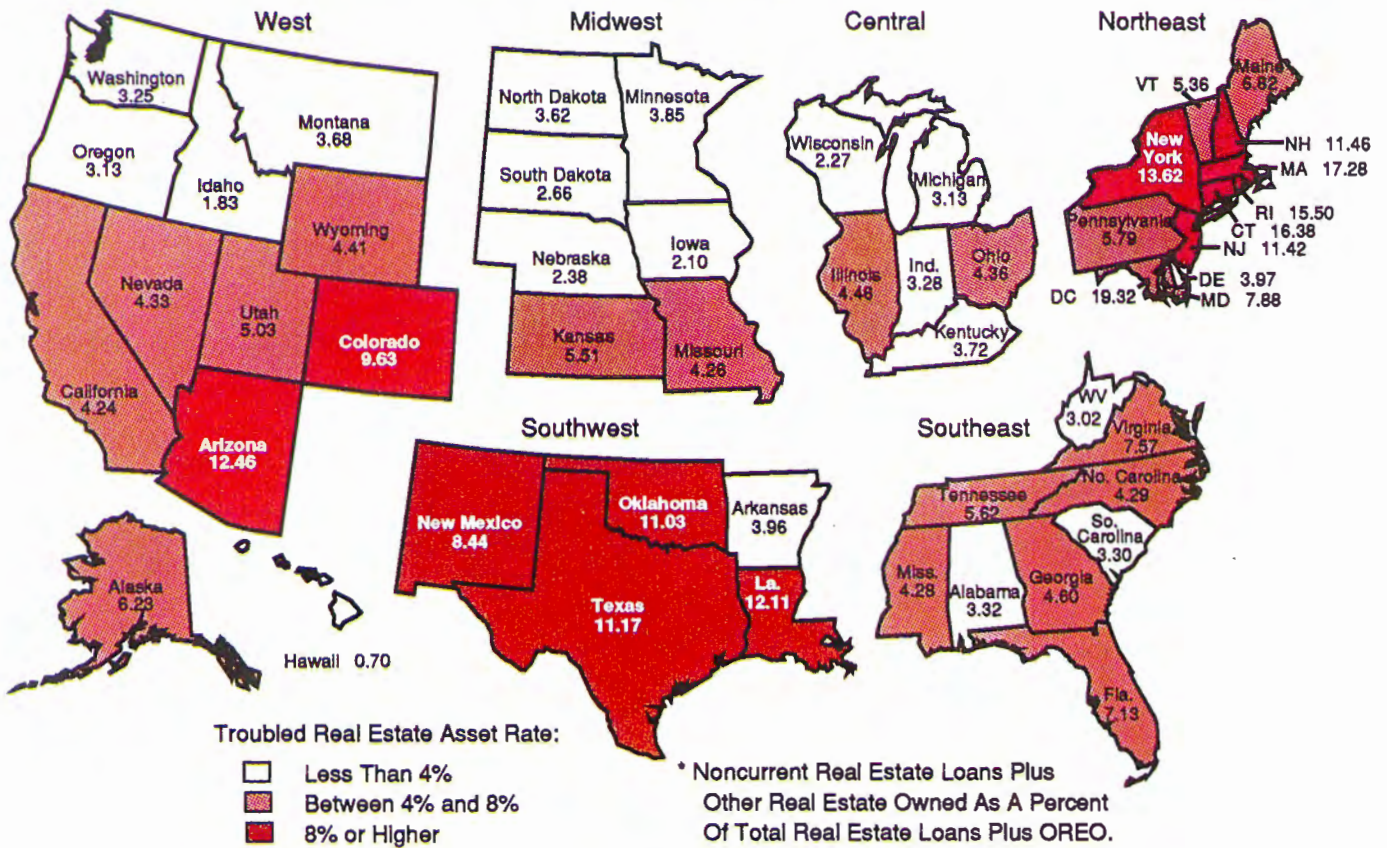


Troubled Real Estate Asset Rate:

- Less Than 4%
- Between 4% and 8%
- 8% or Higher

* Noncurrent Real Estate Loans Plus Other Real Estate Owned As A Percent Of Total Real Estate Loans Plus OREO.

Troubled Real Estate Asset Rates* by State March 31, 1991



State Rankings

	% Troubled 03/31/91	Rank	% Troubled 12/31/90	Rank
District of Columbia	19.32	1	17.07	2
Massachusetts	17.28	2	15.86	3
Connecticut	16.38	3	15.10	4
Rhode Island	15.50	4	17.24	1
New York	13.62	5	12.00	6
Arizona	12.46	6	13.90	5
Louisiana	12.11	7	11.60	7
New Hampshire	11.46	8	11.47	9
New Jersey	11.42	9	10.67	11
Texas	11.17	10	11.11	10
Oklahoma	11.03	11	11.48	8
Colorado	9.63	12	9.52	12
New Mexico	8.44	13	9.16	13
Maryland	7.88	14	7.79	14
Virginia	7.57	15	5.47	20
Florida	7.13	16	5.99	16
Maine	6.82	17	6.90	15
Alaska	6.23	18	5.98	17
Pennsylvania	5.79	19	5.19	21
Tennessee	5.62	20	5.71	18
Kansas	5.51	21	5.52	19
Vermont	5.36	22	4.08	26
Utah	5.03	23	4.60	22
Georgia	4.60	24	4.10	24
Illinois	4.46	25	3.77	31
Wyoming	4.41	26	4.50	23

	% Troubled 03/31/91	Rank	% Troubled 12/31/90	Rank
Ohio	4.36	27	3.78	29
Nevada	4.33	28	4.04	27
North Carolina	4.29	29	3.68	34
Mississippi	4.28	30	4.09	26
Missouri	4.26	31	3.70	33
California	4.24	32	2.96	40
Delaware	3.97	33	2.77	43
Arkansas	3.96	34	3.82	28
Minnesota	3.85	35	3.78	30
Kentucky	3.72	36	3.73	32
Montana	3.68	37	3.47	35
North Dakota	3.62	38	3.06	38
Alabama	3.32	39	2.96	39
South Carolina	3.30	40	2.82	42
Indiana	3.28	41	3.18	36
Washington	3.25	42	3.16	37
Michigan	3.13	43	2.72	45
Oregon	3.13	44	2.92	41
West Virginia	3.02	45	2.74	44
South Dakota	2.66	46	2.58	46
Nebraska	2.38	47	2.29	47
Wisconsin	2.27	48	2.15	48
Iowa	2.10	49	2.13	49
Idaho	1.83	50	1.82	50
Hawaii	0.70	51	0.65	51
50 STATES AND DC	7.38		6.60	

Real Estate Loan Concentrations

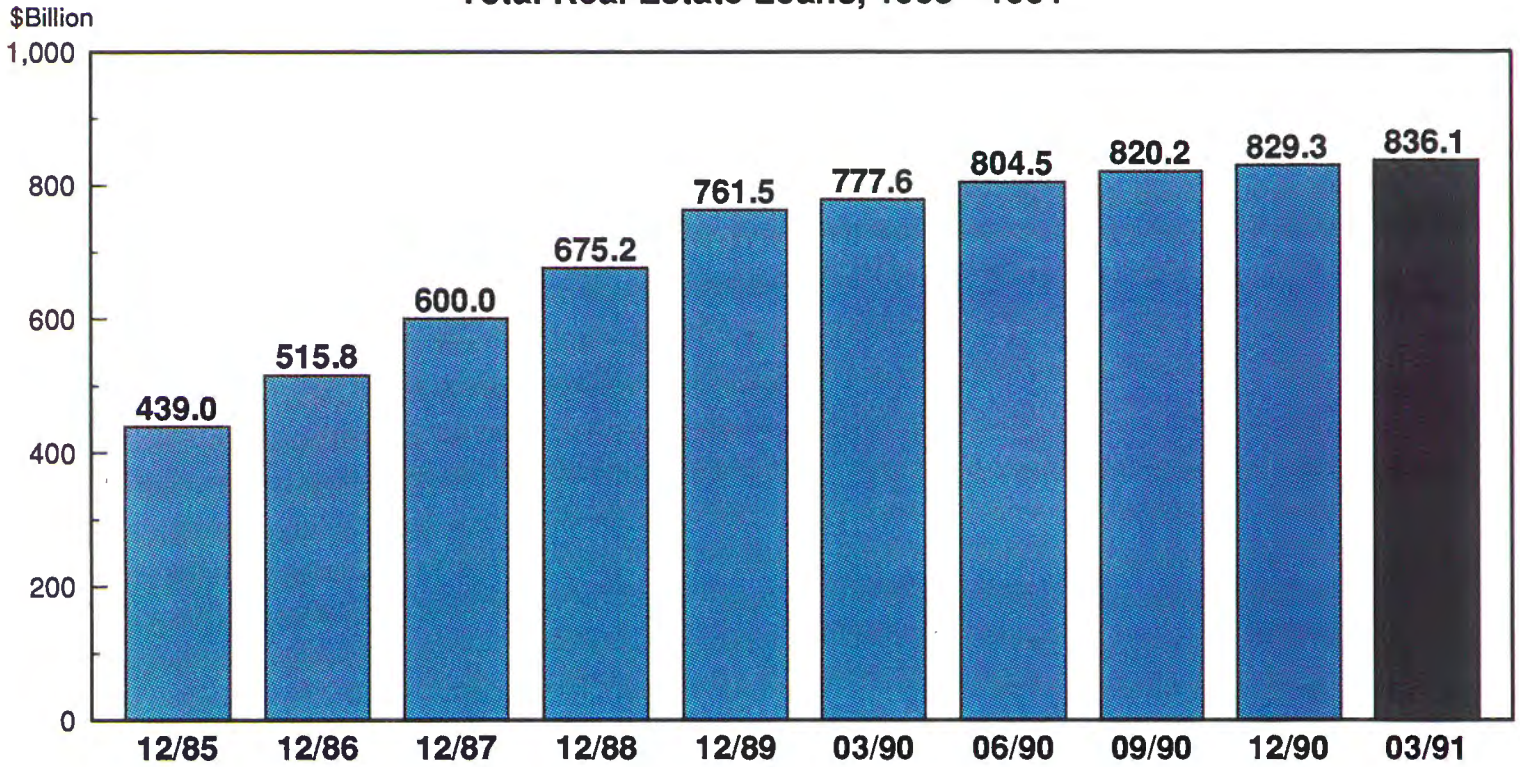
March 31, 1991

(\$ Millions)

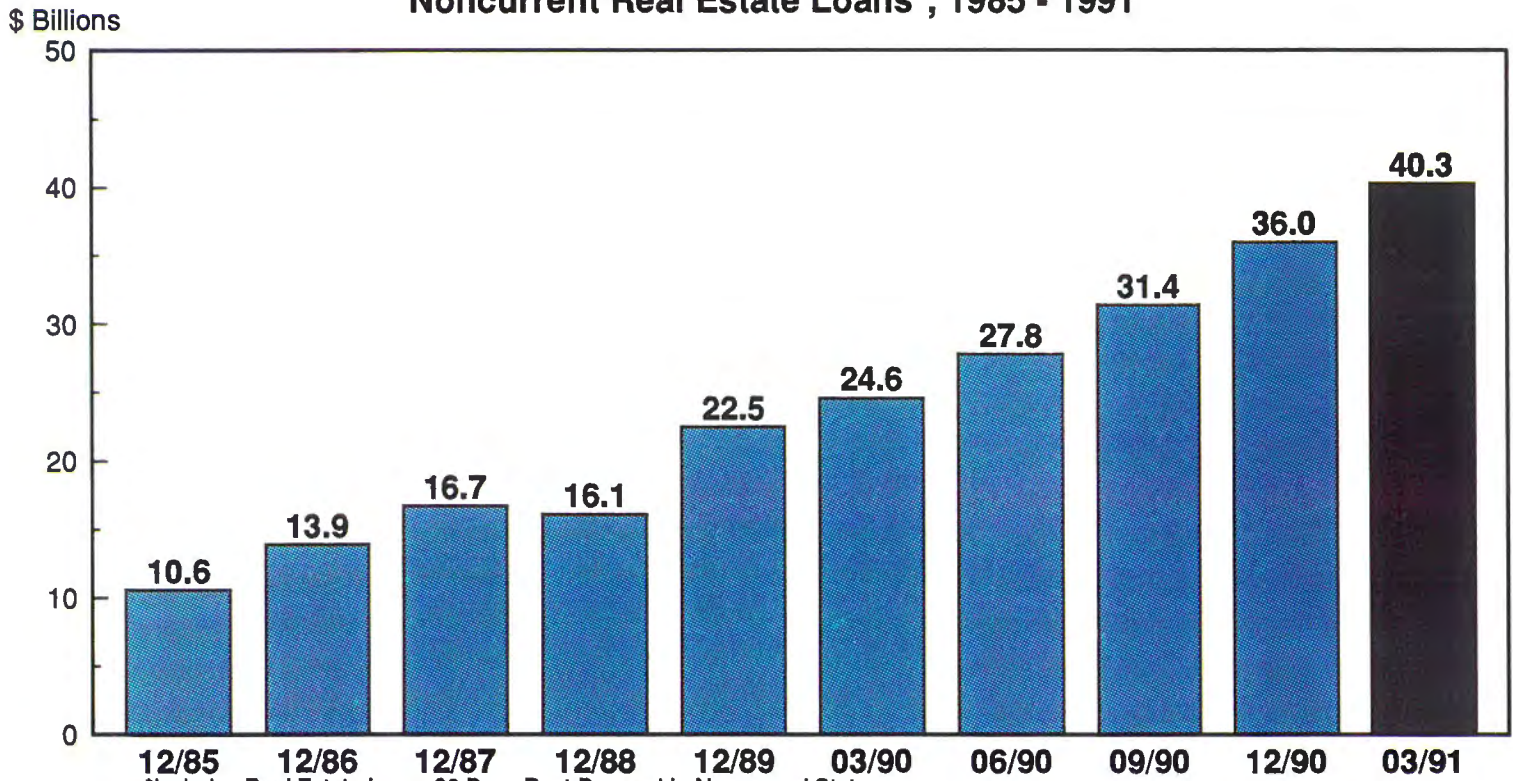
	Total Assets	Real Estate Loans	RE Loans as a % of Assets	Rank	Troubled Real Estate Assets *			
					As a Percent of RE Loans Plus OREO	Rank	Percent Change 12/31/90 to 03/31/91	Rank
Virginia	69,128	21,185	30.65	14	7.57	15	46.19	1
California	347,242	131,299	37.81	5	4.24	32	44.93	2
Delaware	71,458	4,767	6.67	50	3.97	33	41.45	3
Vermont	5,920	2,957	49.94	1	5.36	22	31.19	4
Oregon	25,202	6,200	24.60	29	3.13	44	20.58	5
Florida	138,070	52,383	37.94	4	7.13	16	20.14	6
North Dakota	7,322	1,290	17.62	43	3.62	38	20.13	7
Illinois	194,553	38,724	19.90	38	4.46	25	19.62	8
Ohio	113,363	27,687	24.42	30	4.36	27	18.45	9
North Carolina	79,128	23,028	29.10	15	4.29	29	18.16	10
South Carolina	25,438	8,272	32.52	9	3.30	40	18.08	11
Pennsylvania	167,510	43,915	26.22	23	5.79	19	17.94	12
Michigan	93,126	24,208	25.99	26	3.13	43	16.30	13
Missouri	62,834	18,286	29.10	16	4.26	31	15.85	14
Hawaii	19,556	6,234	31.88	11	0.70	51	14.04	15
Alabama	38,912	10,473	26.92	22	3.32	39	14.02	16
Georgia	70,004	18,108	25.87	28	4.60	24	13.73	17
New York	677,523	110,075	16.25	47	13.62	5	13.51	18
Maine	9,038	3,728	41.25	2	6.82	17	13.25	19
West Virginia	17,411	5,014	28.80	17	3.02	45	11.37	20
District of Columbia	17,026	5,329	31.30	13	19.32	1	10.71	21
Montana	7,052	1,145	16.24	48	3.68	37	7.91	22
Idaho	8,938	1,674	18.73	41	1.83	50	7.77	23
Connecticut	34,921	13,580	38.89	3	16.38	3	7.59	24
Massachusetts	95,824	26,726	27.89	19	17.28	2	7.29	25
New Jersey	91,340	31,421	34.40	7	11.42	9	6.89	26
Wisconsin	45,823	14,488	31.62	12	2.27	48	6.68	27
Mississippi	21,583	5,069	23.49	31	4.28	30	6.29	28
South Dakota	18,343	1,201	6.55	51	2.66	46	5.99	29
Nebraska	20,140	3,183	15.80	49	2.38	47	5.84	30
Arkansas	21,541	5,640	26.18	24	3.96	34	5.73	31
Indiana	56,616	15,796	27.90	18	3.28	41	5.54	32
Nevada	14,756	2,607	17.67	42	4.33	28	4.56	33
Alaska	4,348	758	17.43	44	6.23	18	4.00	34
Washington	39,144	12,805	32.71	8	3.25	42	3.96	35
Louisiana	37,067	8,526	23.00	33	12.11	7	3.45	36
Kentucky	40,473	11,218	27.72	20	3.72	36	3.35	37
Minnesota	53,083	11,419	21.51	35	3.85	35	2.10	38
Maryland	55,273	17,765	32.14	10	7.88	14	1.96	39
Kansas	29,282	6,145	20.99	36	5.51	21	1.74	40
Utah	13,248	3,070	23.17	32	5.03	23	1.44	41
Rhode Island	14,715	3,971	26.99	21	15.50	4	1.15	42
Texas	166,702	27,636	16.58	45	11.17	10	0.69	43
Iowa	34,919	6,584	18.86	39	2.10	49	0.54	44
Colorado	25,469	5,779	22.69	34	9.63	12	(0.71)	45
Tennessee	46,832	12,194	26.04	25	5.62	20	(1.17)	46
Wyoming	4,521	737	16.29	46	4.41	26	(1.65)	47
Arizona	33,855	7,080	20.91	37	12.46	6	(3.86)	48
New Mexico	11,964	3,104	25.94	27	8.44	13	(3.99)	49
Oklahoma	26,749	5,029	18.80	40	11.03	11	(4.53)	50
New Hampshire	9,391	3,445	36.68	6	11.46	8	(7.78)	51
50 States and DC	\$3,333,678	\$832,956	24.99		7.38		13.15	

*Real estate loans past due 90 days or more plus real estate loans in nonaccrual status plus other real estate owned.

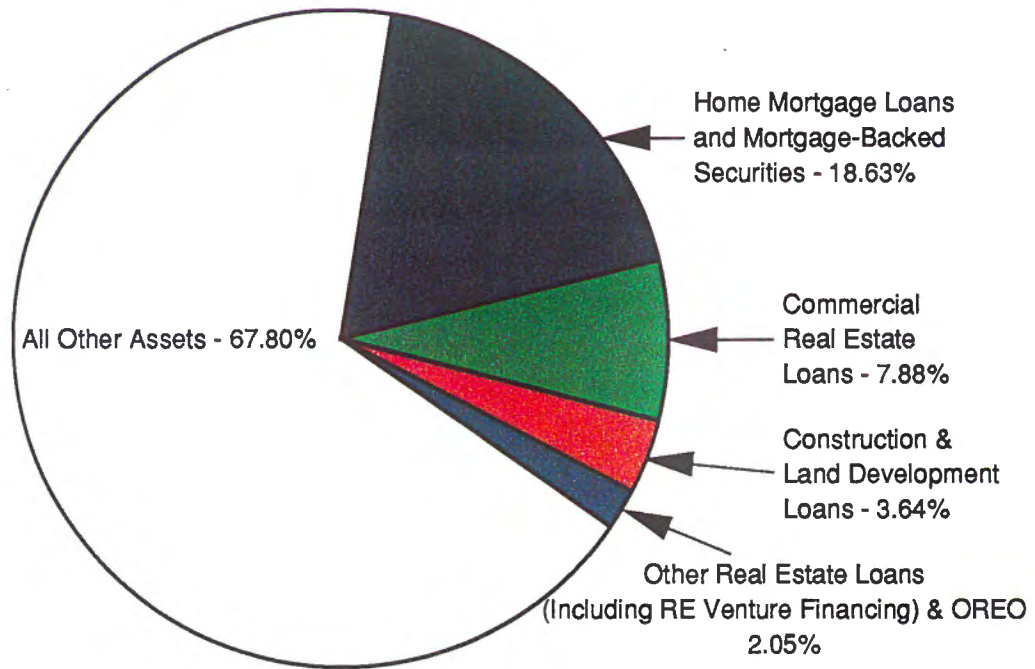
Total Real Estate Loans, 1985 - 1991



Noncurrent Real Estate Loans*, 1985 - 1991

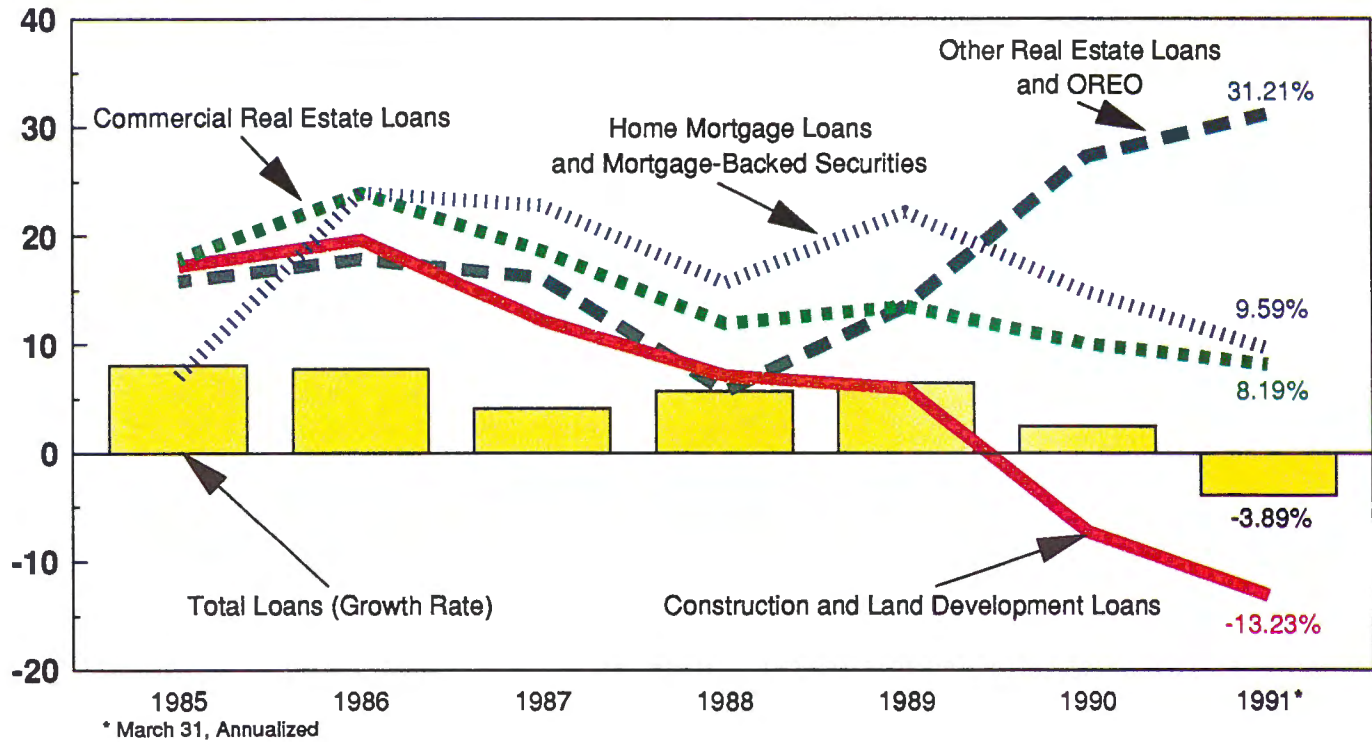


Real Estate Assets Percent of Total Assets, March 31, 1991

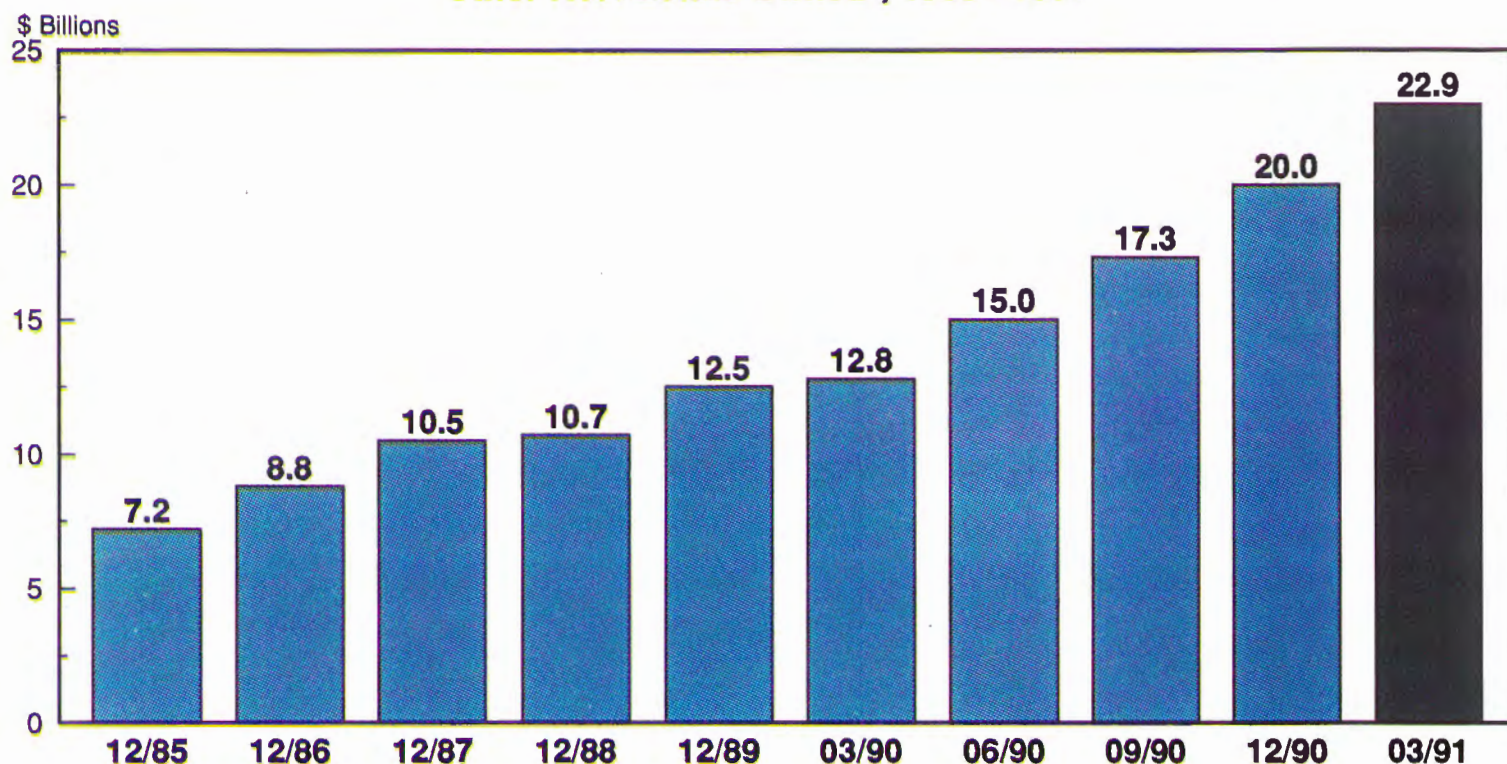


Real Estate Growth Rates 1985 - 1991

Annual Growth Rate (%)



Other Real Estate Owned*, 1985 - 1991



*Foreclosed real estate, net of direct and indirect investments in real estate

Troubled Real Estate Asset Trends

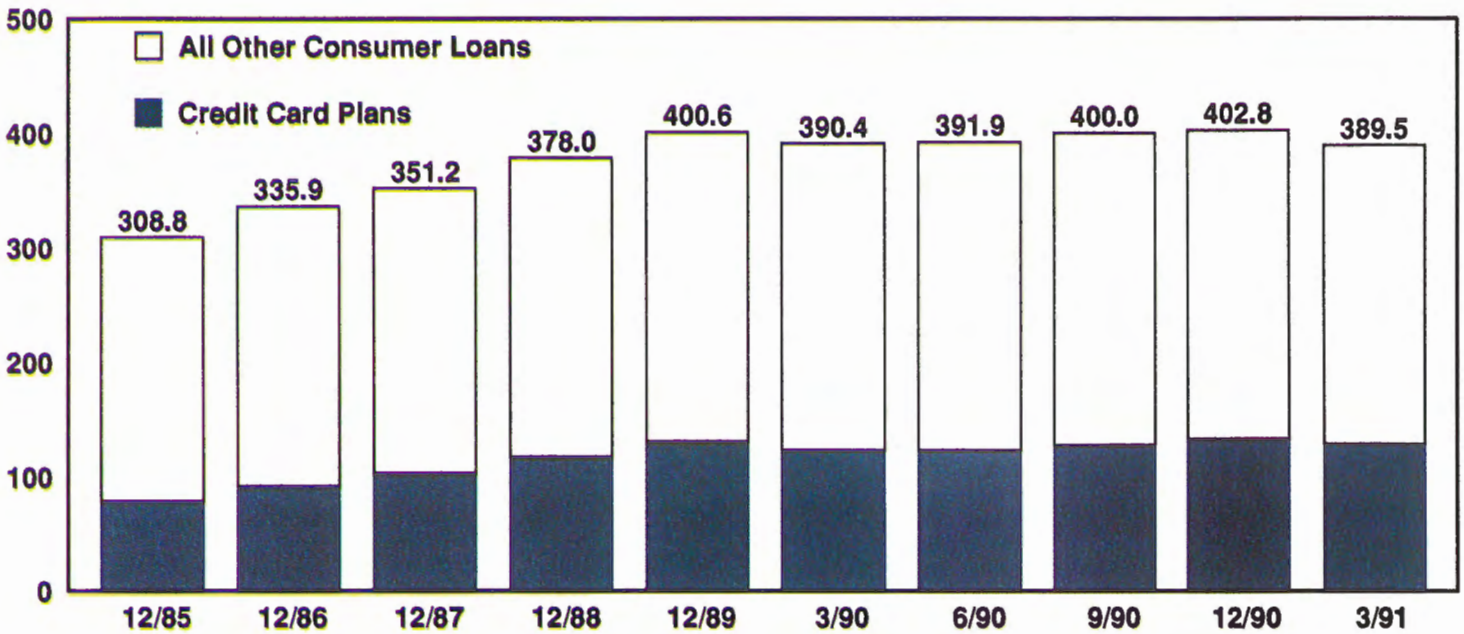
1985 - 1991

	12/85	12/86	12/87	12/88	12/89	03/90	06/90	09/90	12/90	03/91
<i>(Dollar figures in billions)</i>										
Total Real Estate Loans	\$439.0	\$515.8	\$600.0	\$675.2	\$761.5	\$777.6	\$804.5	\$820.2	\$829.3	\$836.1
Noncurrent Real Estate Loans	10.6	13.9	16.7	16.1	22.5	24.6	27.8	31.4	36.0	40.3
Other Real Estate Owned	7.2	8.8	10.5	10.7	12.5	12.8	15.0	17.3	20.0	22.9
<i>(Percent)</i>										
Noncurrent Real Estate Loans to Total Real Estate Loans	2.41 %	2.70 %	2.78 %	2.38 %	2.95 %	3.16 %	3.46 %	3.83 %	4.34 %	4.82 %
Troubled RE Asset Rate	3.98	4.33	4.45	3.90	4.52	4.73	5.22	5.81	6.59	7.36

Troubled Real Estate Asset Rate = Ratio of noncurrent real estate loans
Plus OREO to total real estate loans Plus OREO

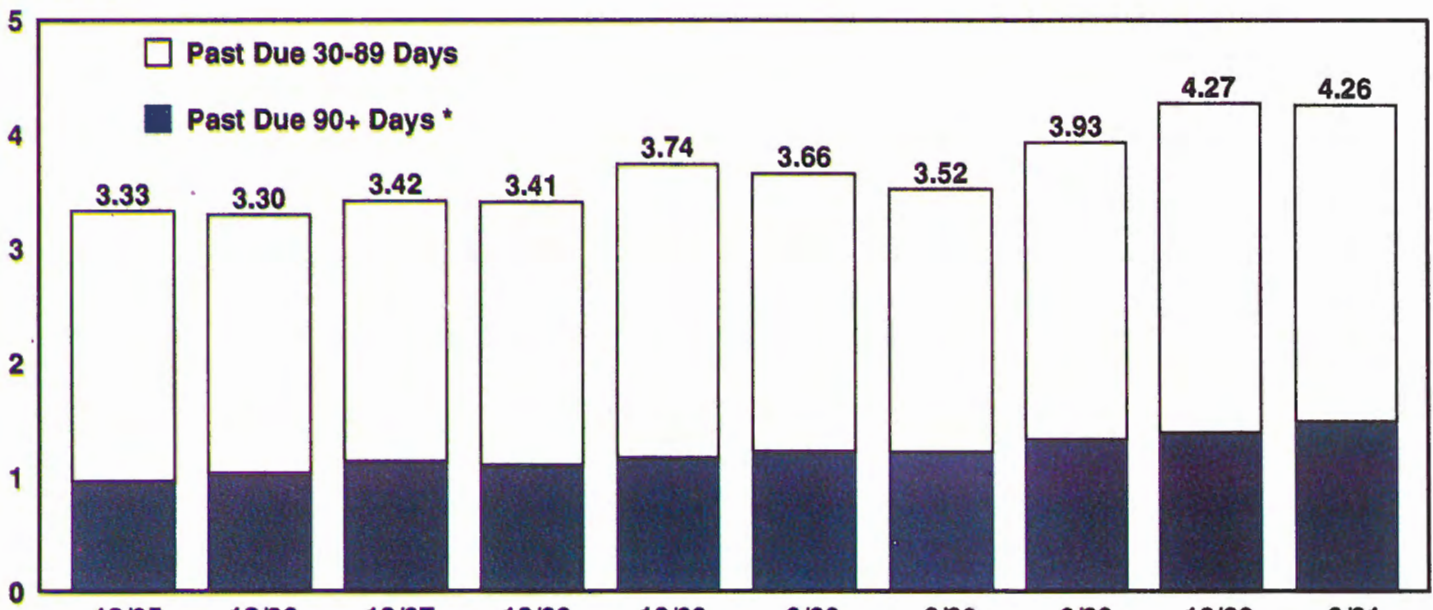
Consumer Loans, 1985 - 1991

\$ Billions



Consumer Loan Delinquency Rates, 1985 - 1991

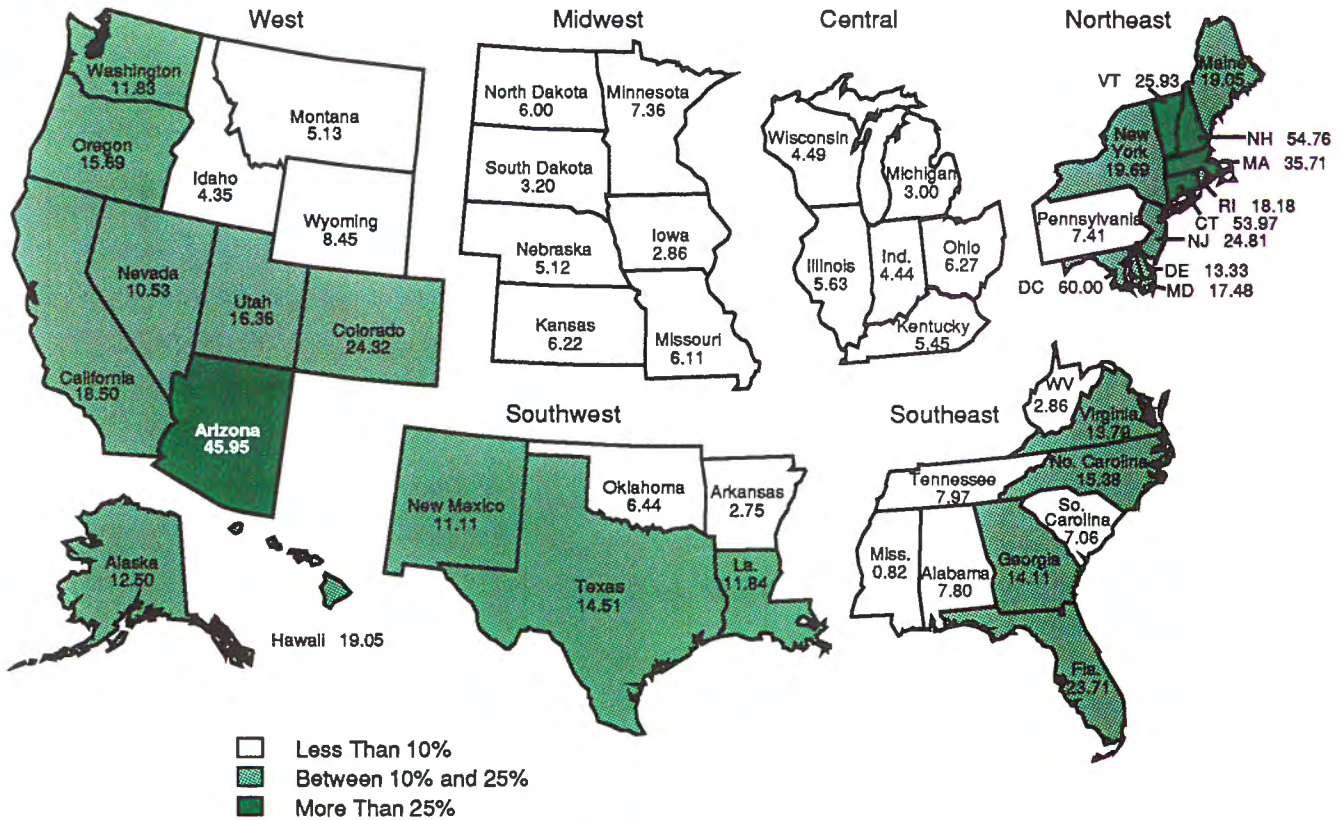
% Past Due



	12/85	12/86	12/87	12/88	12/89	3/90	6/90	9/90	12/90	3/91
30-89 Days	2.36	2.26	2.28	2.30	2.57	2.43	2.30	2.60	2.88	2.77
90+ Days	0.97	1.04	1.14	1.11	1.17	1.23	1.22	1.33	1.39	1.49
% Past Due	3.33	3.30	3.42	3.41	3.74	3.66	3.52	3.93	4.27	4.26

*Includes All Nonaccruals

Percentage of Banks Reporting Net Losses First Quarter 1991

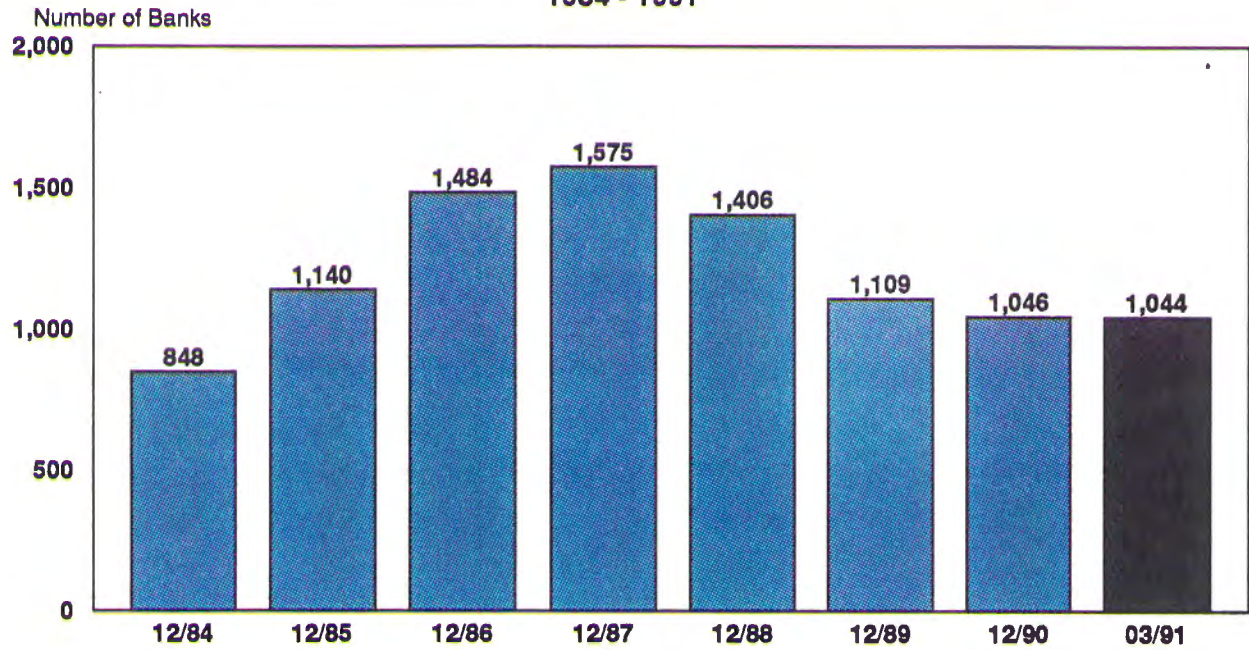


State Rankings

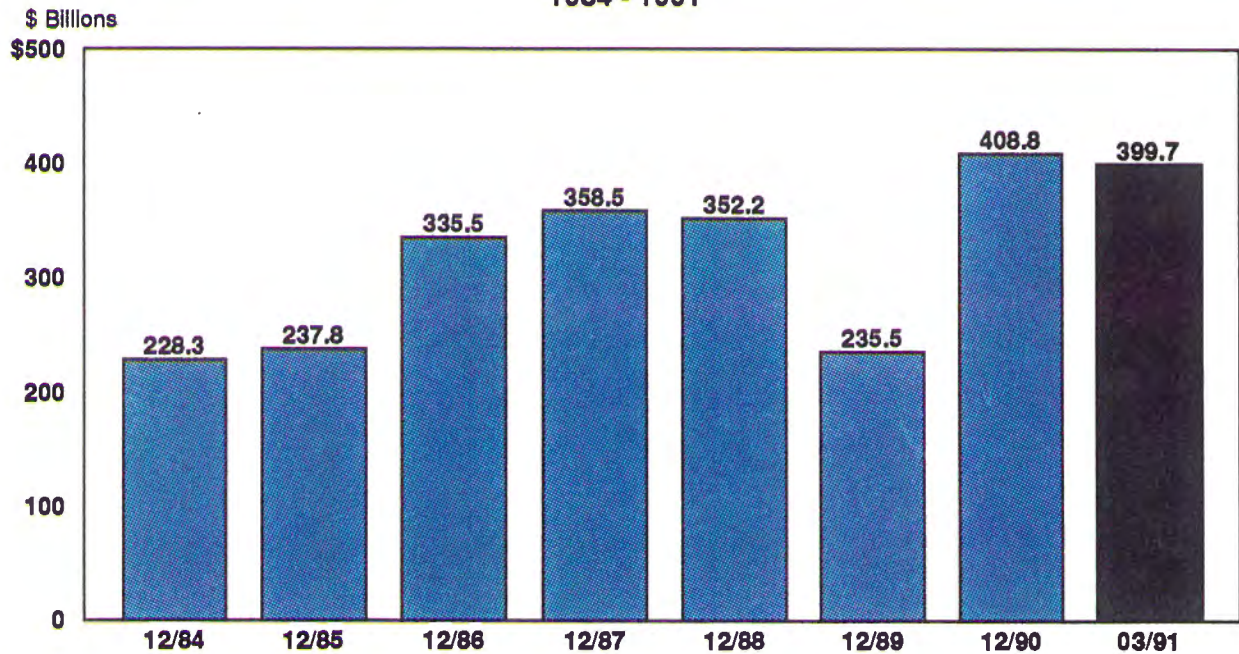
	All Banks	1st Qtr. '91	Rank	1st Qtr. '90	Rank
Dist. of Columbia	25	60.00	1	34.62	3
New Hampshire	42	54.76	2	34.09	4
Connecticut	63	53.97	3	40.85	2
Arizona	37	45.95	4	53.66	1
Massachusetts	84	35.71	5	23.96	6
Vermont	27	25.93	6	7.41	30
New Jersey	129	24.81	7	23.26	8
Colorado	444	24.32	8	24.78	5
Florida	426	23.71	9	23.00	10
New York	193	19.69	10	12.04	21
Maine	21	19.05	12	10.00	23
Hawaii	21	19.05	11	23.81	7
California	481	18.50	13	12.34	20
Rhode Island	11	18.18	14	16.67	11
Maryland	103	17.48	15	13.76	17
Utah	55	16.36	16	16.07	12
Oregon	51	15.89	17	14.58	15
North Carolina	78	15.38	18	14.10	16
Texas	1,165	14.51	19	23.11	9
Georgia	411	14.11	20	9.52	25
Virginia	174	13.79	21	12.64	19
Delaware	45	13.33	22	8.51	27
Alaska	8	12.50	23	0.00	50
Louisiana	228	11.84	24	14.78	14
Washington	93	11.83	25	15.22	13
New Mexico	90	11.11	26	5.49	36

	All Banks	1st Qtr. '91	Rank	1st Qtr. '90	Rank
Nevada	19	10.53	27	11.11	22
Wyoming	71	8.45	28	5.63	35
Tennessee	251	7.97	29	9.54	24
Alabama	218	7.80	30	4.55	40
Pennsylvania	297	7.41	31	5.39	38
Minnesota	625	7.36	32	7.44	29
South Carolina	85	7.06	33	6.02	33
Oklahoma	419	6.44	34	13.35	18
Ohio	287	6.27	35	6.25	32
Kansas	547	6.22	36	7.03	31
Missouri	540	6.11	37	5.83	34
North Dakota	150	6.00	38	7.89	28
Illinois	1,084	5.63	39	4.32	41
Kentucky	330	5.45	40	4.79	39
Montana	156	5.13	41	3.80	43
Nebraska	391	5.12	42	3.57	44
Wisconsin	468	4.49	43	2.77	47
Indiana	293	4.44	44	5.45	37
Idaho	23	4.35	45	9.09	26
South Dakota	125	3.20	46	3.17	45
Michigan	233	3.00	47	4.23	42
Iowa	559	2.86	48	3.17	46
West Virginia	175	2.86	49	2.16	49
Arkansas	255	2.75	50	2.73	48
Mississippi	122	0.82	51	0.00	51
50 States and DC	12,228	10.46		10.47	

Number of Commercial and Savings Banks on FDIC's "Problem List"
1984 - 1991



Assets of Commercial and Savings Banks on FDIC's "Problem List"
1984 - 1991



**DELINQUENCY, NONACCRUAL AND NET CHARGE-OFF RATES FOR NEW LOAN CATEGORIES,*
MARCH 31, 1991**

	ASSET SIZE					GEOGRAPHIC DISTRIBUTION					
	ALL	LESS	\$100MM	\$1B TO	\$10B OR	NORTH-	SOUTH-		MID-	SOUTH-	
	BANKS	THAN	TO \$1B	\$10B	MORE	EAST	EAST	CENTRAL	WEST	WEST	WEST
PERCENT OF LOANS 30-89 DAYS PAST-DUE											
All real estate loans	2.88	2.27	2.34	2.93	3.44	3.91	2.58	2.05	2.00	2.42	2.54
Construction & development	5.70	2.87	3.85	5.55	6.98	7.62	4.68	3.94	2.93	2.28	5.32
Commercial real estate	3.24	2.20	2.40	3.18	4.63	4.81	2.65	2.01	2.50	2.35	3.00
Multifamily residential	4.04	2.20	2.60	3.82	6.07	5.27	4.49	2.88	2.33	3.56	3.57
1-4 family residential	1.96	2.33	2.09	1.85	1.77	2.46	1.98	1.73	1.66	2.44	1.42
Home equity lines of credit	1.15	1.99	1.78	0.98	0.96	1.46	1.02	1.09	1.45	3.02	0.63
Commercial R/E loans not secured by real estate	5.03	5.59	6.52	4.17	5.10	5.92	3.07	4.46	2.98	2.90	6.72
Highly leveraged transactions (HLTs)	0.67	N/A	4.12	0.77	0.59	0.61	0.55	0.61	2.86	0.02	0.93
Loans to foreign governments and official institutions	0.16	N/A	0.00	0.15	0.16	0.18	0.01	0.06	0.00	0.00	0.12
PERCENT OF LOANS 90 DAYS OR MORE PAST DUE											
All real estate loans	0.63	0.63	0.57	0.69	0.61	0.85	0.56	0.36	0.37	0.52	0.65
Construction & development	1.22	0.94	1.12	1.44	1.09	1.44	0.95	0.40	0.36	0.66	1.53
Commercial real estate	0.65	0.69	0.57	0.68	0.69	0.88	0.59	0.41	0.43	0.58	0.67
Multifamily residential	0.64	0.58	0.55	0.54	0.84	1.15	0.81	0.37	0.29	0.22	0.28
1-4 family residential	0.46	0.54	0.47	0.45	0.42	0.63	0.44	0.32	0.29	0.42	0.42
Home equity lines of credit	0.34	0.59	0.42	0.31	0.28	0.54	0.28	0.20	0.26	0.69	0.11
Commercial R/E loans not secured by real estate	0.88	1.91	1.87	0.42	0.63	1.40	0.59	0.87	0.64	0.57	0.53
Highly leveraged transactions (HLTs)	0.28	N/A	0.11	0.41	0.25	0.08	0.61	0.66	0.08	0.01	0.63
Loans to foreign governments and official institutions	0.23	N/A	0.00	0.01	0.25	0.31	0.03	0.00	0.00	0.00	0.00
PERCENT OF LOANS IN NONACCRUAL STATUS											
All real estate loans	4.19	1.41	1.93	4.38	6.69	7.74	3.07	1.87	1.43	4.03	2.31
Construction & development	11.91	2.76	5.19	11.08	16.66	20.74	7.79	6.71	3.63	7.58	6.21
Commercial real estate	5.47	2.09	2.59	5.33	10.02	9.86	4.39	2.57	2.25	5.52	3.06
Multifamily residential	6.81	2.18	2.96	4.61	13.96	16.02	3.82	2.01	2.66	5.13	2.19
1-4 family residential	1.05	0.88	0.87	1.07	1.26	1.87	0.86	0.55	0.61	1.69	0.49
Home equity lines of credit	0.41	0.67	0.54	0.36	0.35	0.65	0.29	0.36	0.34	0.97	0.10
Commercial R/E loans not secured by real estate	7.28	5.81	7.06	6.94	8.18	13.81	3.62	6.65	4.68	3.63	2.82
Highly leveraged transactions (HLTs)	9.55	N/A	5.10	8.49	9.95	10.81	4.50	9.15	9.95	6.87	9.07
Loans to foreign governments and official institutions	20.45	N/A	21.80	8.80	21.25	22.83	2.39	23.45	0.00	8.75	11.21
PERCENT OF LOANS CHARGED-OFF (NET, ANNUALIZED)											
All real estate loans	0.72	0.16	0.33	0.87	1.05	1.25	0.69	0.26	0.38	0.85	0.34
Construction & development	2.39	0.29	0.87	2.49	3.29	3.94	2.39	0.78	0.96	2.41	1.03
Commercial real estate	0.67	0.23	0.44	0.86	0.81	1.07	0.48	0.41	0.60	1.02	0.33
Multifamily residential	1.36	0.36	0.91	0.95	2.38	1.16	3.82	0.26	1.42	2.19	0.55
1-4 family residential	0.17	0.14	0.14	0.24	0.13	0.26	0.16	0.07	0.18	0.39	0.07
Home equity lines of credit	0.12	0.14	0.13	0.10	0.13	0.16	0.12	0.06	0.18	0.21	0.09
Commercial R/E loans not secured by real estate	3.24	1.99	3.11	4.07	3.15	4.75	4.02	2.38	2.62	3.14	1.29
Highly leveraged transactions (HLTs)	1.54	N/A	0.45	1.29	1.62	1.77	0.66	1.76	0.73	0.19	1.46
Loans to foreign governments and official institutions	9.29	N/A	0.92	2.34	9.87	4.95	-1.39	0.47	-0.57	0.57	33.97

***Noncurrent loan rates can be calculated by adding the Percent of Loans
90 Days or More Past Due plus the Percent of Loans in Nonaccual Status.***

* Reported for the first time in the March 31, 1991 Call reports.

N/A - Not applicable