

FDIC
**T
H
E**  **Q** **U****A****R****T****E****R****L****Y**
B **A****N****K****I****N****G**
P **P****R****O****F****I****L****E**


HIGHLIGHTS
SECOND QUARTER
1991

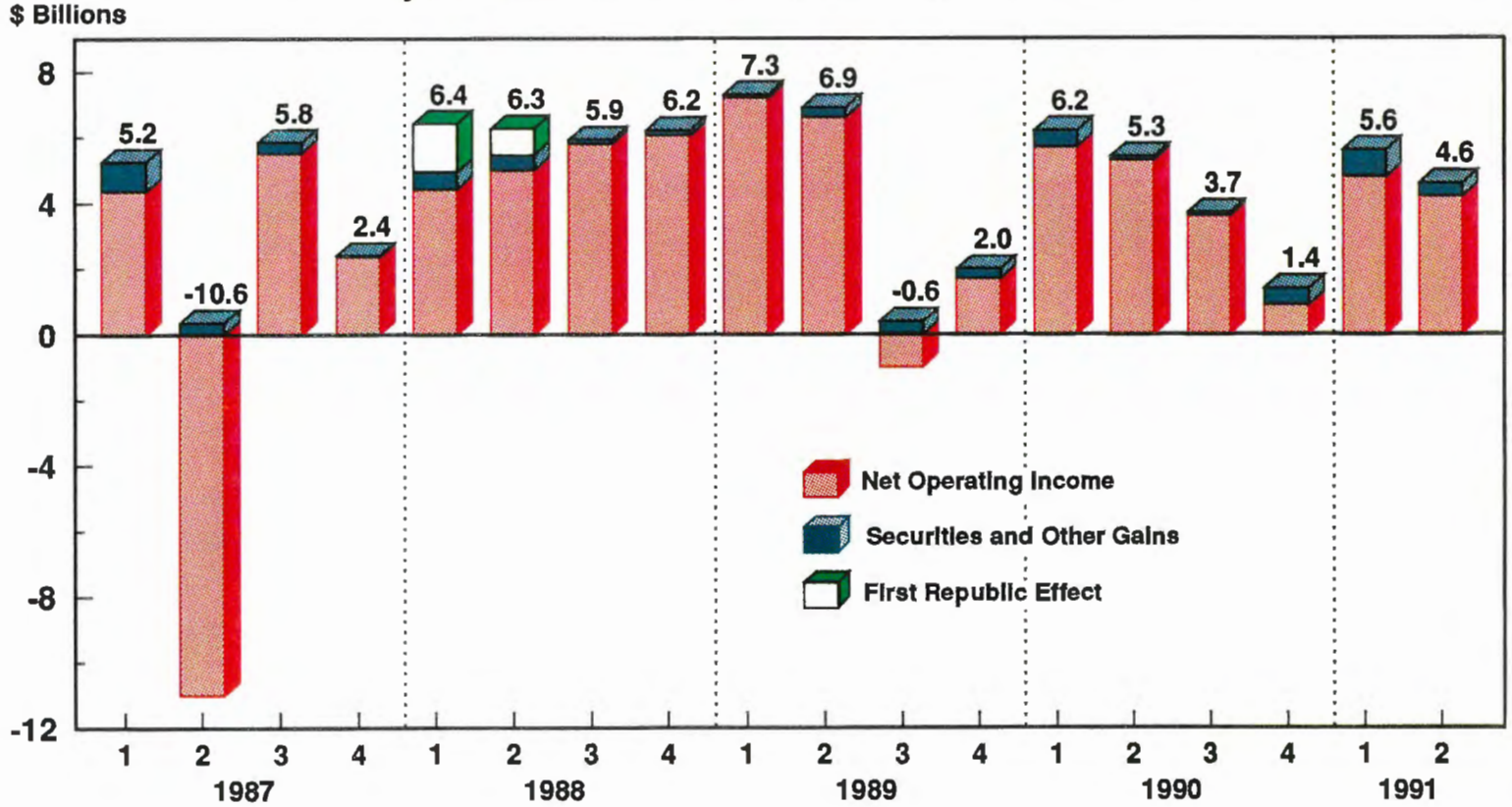
L. WILLIAM SEIDMAN,
CHAIRMAN

ESTABLISHED 1986

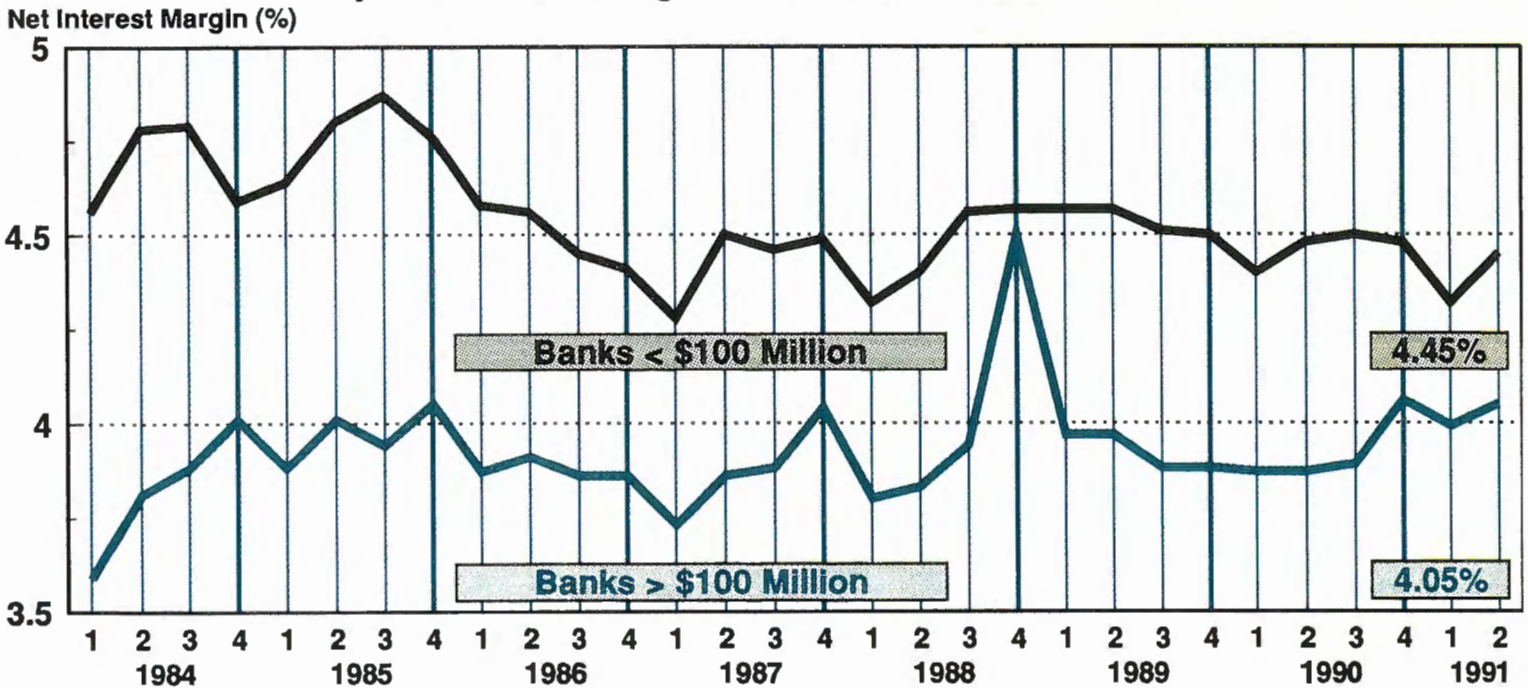
HIGHLIGHTS – COMMERCIAL BANKING PERFORMANCE, 2ND QUARTER 1991

- More than 88 percent of all commercial banks were profitable in the second quarter, and more than half (54.3 percent) reported higher earnings than a year ago.
- The industry's ratio of equity capital to assets increased to 6.7 percent at mid-year, its highest level since banks began reporting their foreign assets in 1976.
- Commercial bank profitability in the second quarter was below the level of the previous and year-ago quarters. The average return on assets for banks in the second quarter was 0.55 percent, down from 0.67 percent in the first quarter, and 0.63 percent in the second quarter of 1990.
- Larger banks—those with assets of \$1 billion or more—continue to be less profitable than small banks. Their return on assets was below that for smaller banks for the eighth consecutive quarter.
- Second-quarter net loan and lease charge-offs of \$8.9 billion consisted of \$2.67 billion in commercial and industrial loan charge-offs, \$2.2 billion in consumer loan charge-offs, \$1.96 billion in real estate loan charge-offs, \$1.55 billion in charge-offs of loans to foreign governments and institutions, and approximately \$700 million in charge-offs of loans to other borrowers. In all, \$2.47 billion (28 percent) of the loans and leases charged-off (net) in the second quarter were loans to foreign borrowers.
- Noncurrent real estate loans grew by \$1.2 billion during the quarter, the smallest quarterly increase since they declined by \$3 billion in the fourth quarter of 1988. Total noncurrent loans fell during the quarter by \$232 million. This decline was the first since the fourth quarter of 1989, when the banking industry charged-off \$9.6 billion (net) in loans and leases.
- Construction and development loans outstanding declined by \$5 billion in the second quarter, while their net charge-offs totaled \$841 million. Banks' commercial real estate loans increased during the quarter by \$4.4 billion. Net charge-offs on these loans totaled \$742 million.
- The banking industry's total reserves for future losses fell by \$852 million during the second quarter, the third quarter in a row that they have fallen. At mid-year, commercial banks held 65 cents in reserves for every dollar in noncurrent loans and leases. The level of coverage has declined for six consecutive quarters, since the end of 1989, when banks held 87 cents in reserves for each dollar of noncurrent loans. It is at its lowest level since the first quarter of 1987, when reserves represented 45 cents for every dollar of noncurrent loans.
- Banks' loans shrank by \$14 billion during the quarter, the second consecutive quarter they have declined. Real estate loans continued to increase, but at a slower pace, while consumer loans and commercial and industrial loans decreased.

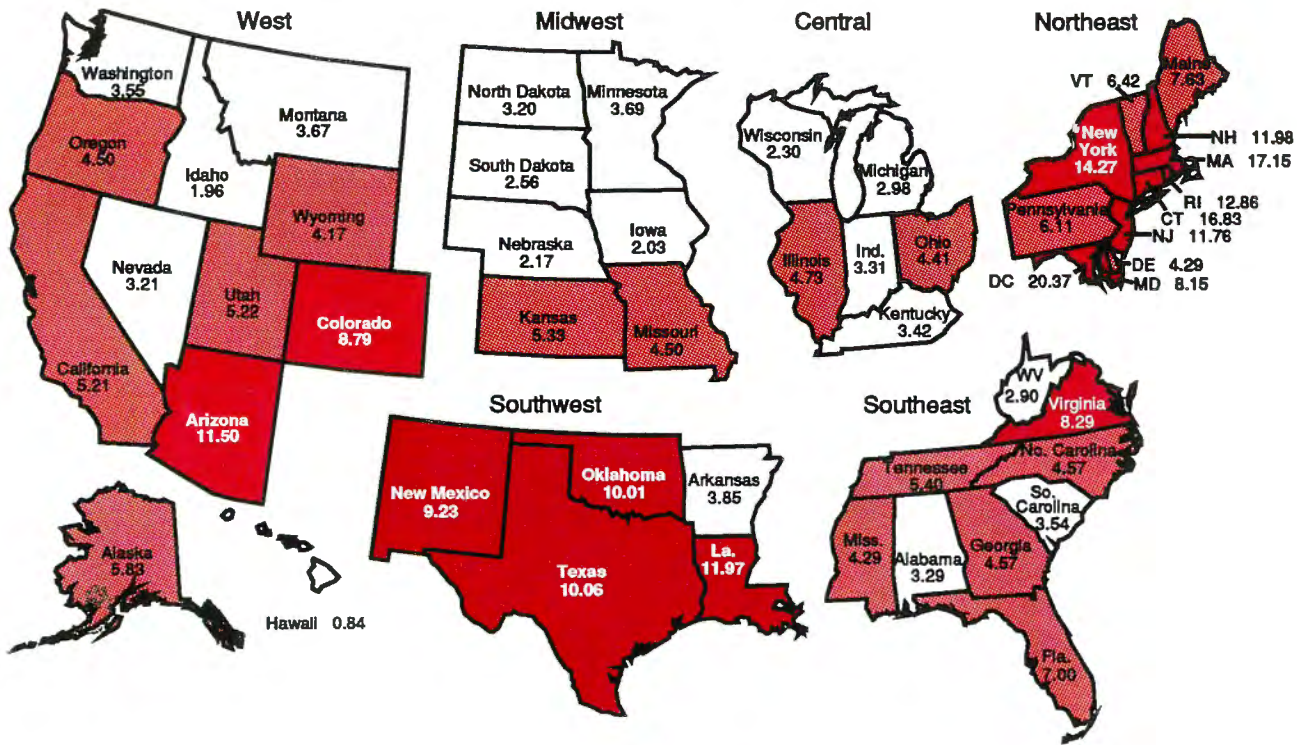
Quarterly Net Income of FDIC-Insured Banks, 1987 - 1991



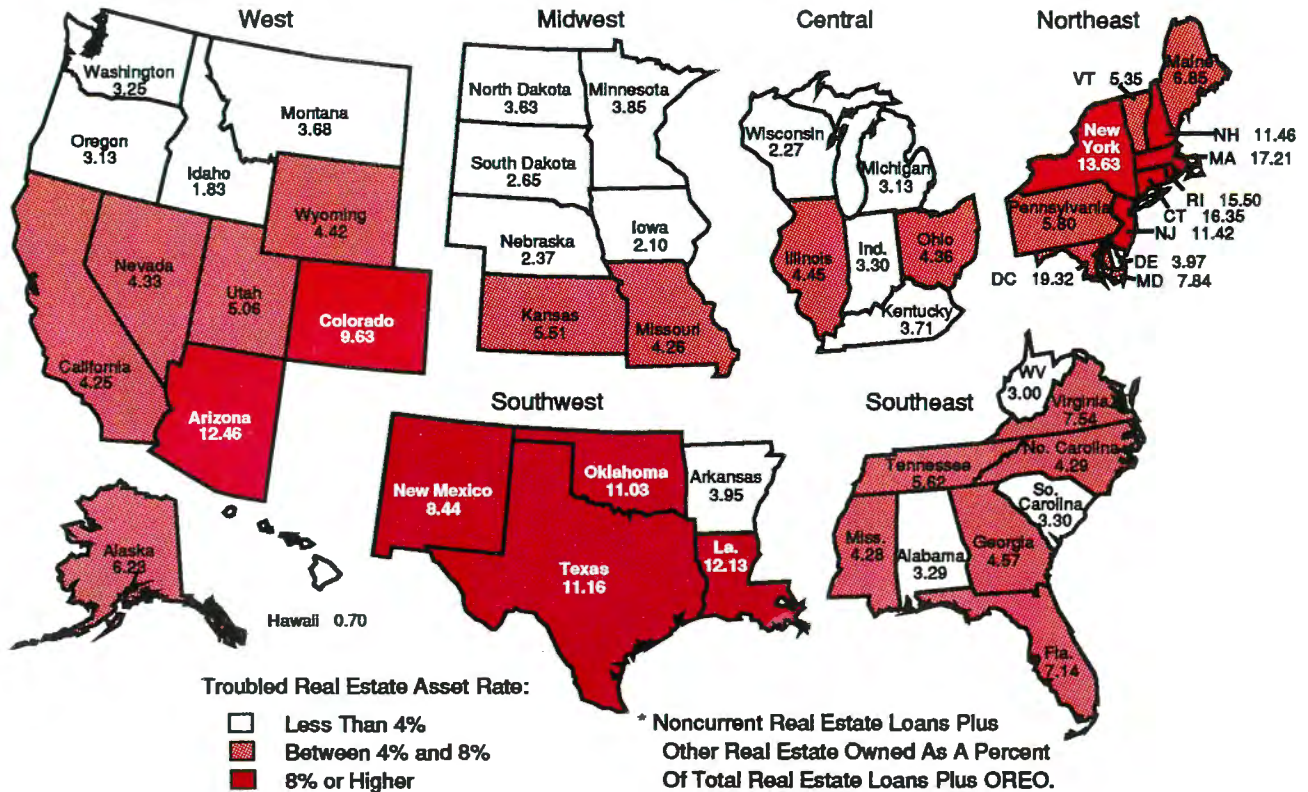
Quarterly Net Interest Margin of FDIC-Insured Banks, 1984 - 1991



Troubled Real Estate Asset Rates* by State June 30, 1991



March 31, 1991



Real Estate Loan Concentrations

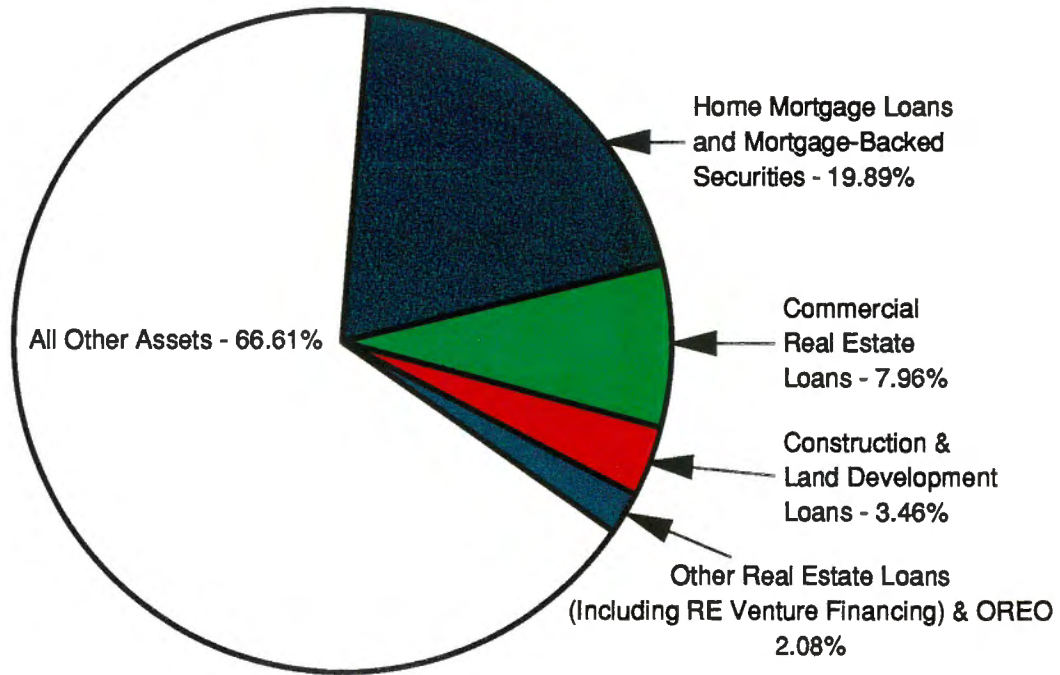
June 30, 1991

(\$ 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 3/31/91 to 6/30/91	Rank
Oregon	25,522	6,394	25.05	29	4.50	28	48.35	1
Hawaii	19,776	6,492	32.83	9	0.84	51	25.14	2
California	349,150	132,106	37.84	5	5.21	24	23.83	3
Vermont	6,007	2,975	49.53	1	6.42	18	21.92	4
Idaho	9,055	1,750	19.33	41	1.96	50	12.23	5
Virginia	68,566	21,246	30.99	15	8.29	14	9.90	6
Missouri	63,000	19,003	30.16	16	4.50	29	9.80	7
Washington	39,451	12,824	32.51	11	3.55	37	9.55	8
Maine	9,143	3,657	40.00	2	7.63	16	9.55	9
South Carolina	25,229	8,397	33.28	8	3.54	38	9.19	10
Delaware	70,569	4,796	6.80	51	4.29	32	9.09	11
Illinois	195,095	39,646	20.32	38	4.73	25	8.84	12
North Carolina	82,041	23,393	28.51	19	4.57	26	8.13	13
Pennsylvania	168,178	44,442	26.43	26	6.11	19	7.00	14
New York	688,644	110,827	16.09	48	14.27	4	6.10	15
New Mexico	11,942	2,998	25.10	28	9.23	12	5.22	16
New Hampshire	9,514	3,542	37.23	6	11.98	6	4.57	17
Ohio	116,735	28,404	24.33	30	4.41	30	4.18	18
Maryland	55,005	17,712	32.20	12	8.15	15	4.05	19
Utah	13,183	3,102	23.53	32	5.22	23	4.02	20
Montana	7,112	1,193	16.78	45	3.67	36	3.99	21
New Jersey	91,936	31,662	34.44	7	11.76	8	3.88	22
Minnesota	54,518	12,351	22.66	34	3.69	35	3.66	23
Wisconsin	46,950	14,755	31.43	14	2.30	47	3.51	24
Alabama	39,374	10,837	27.52	21	3.29	41	2.53	25
Georgia	69,187	18,523	26.77	24	4.57	27	2.37	26
Mississippi	21,676	5,152	23.77	31	4.29	31	1.96	27
Indiana	58,038	16,073	27.69	20	3.31	40	1.90	28
Connecticut	33,610	13,372	39.78	3	16.83	3	1.73	29
Rhode Island	14,661	4,809	32.80	10	12.86	5	0.55	30
Alaska	4,420	811	18.35	43	5.83	20	(0.11)	31
Michigan	95,062	25,423	26.74	25	2.98	44	(0.27)	32
Iowa	34,901	6,809	19.51	40	2.03	49	(0.45)	33
Tennessee	46,999	12,644	26.90	23	5.40	21	(0.57)	34
District of Columbia	15,824	4,986	31.51	13	20.37	1	(0.66)	35
Florida	138,632	52,751	38.05	4	7.00	17	(1.13)	36
West Virginia	17,618	5,120	29.06	17	2.90	45	(1.27)	37
Arkansas	21,860	5,729	26.21	27	3.85	34	(1.36)	38
South Dakota	17,843	1,231	6.90	50	2.56	46	(1.69)	39
Louisiana	37,048	8,505	22.96	33	11.97	7	(1.82)	40
Arizona	34,409	7,589	22.05	36	11.50	9	(1.93)	41
Kansas	29,195	6,214	21.28	37	5.33	22	(2.13)	42
Massachusetts	96,989	26,179	26.99	22	17.15	2	(2.49)	43
Kentucky	40,522	11,614	28.66	18	3.42	39	(4.46)	44
Wyoming	4,652	746	16.05	49	4.17	33	(4.73)	45
Nebraska	20,242	3,296	16.29	47	2.17	48	(5.70)	46
Oklahoma	26,839	5,127	19.10	42	10.01	11	(8.26)	47
Texas	168,008	27,810	16.55	46	10.06	10	(9.17)	48
North Dakota	7,342	1,310	17.84	44	3.20	43	(10.44)	49
Colorado	25,497	5,656	22.18	35	8.79	13	(11.03)	50
Nevada	13,293	2,619	19.70	39	3.21	42	(25.76)	51
50 STATES AND DC	3,360,063	844,603	25.14		7.60		4.61	

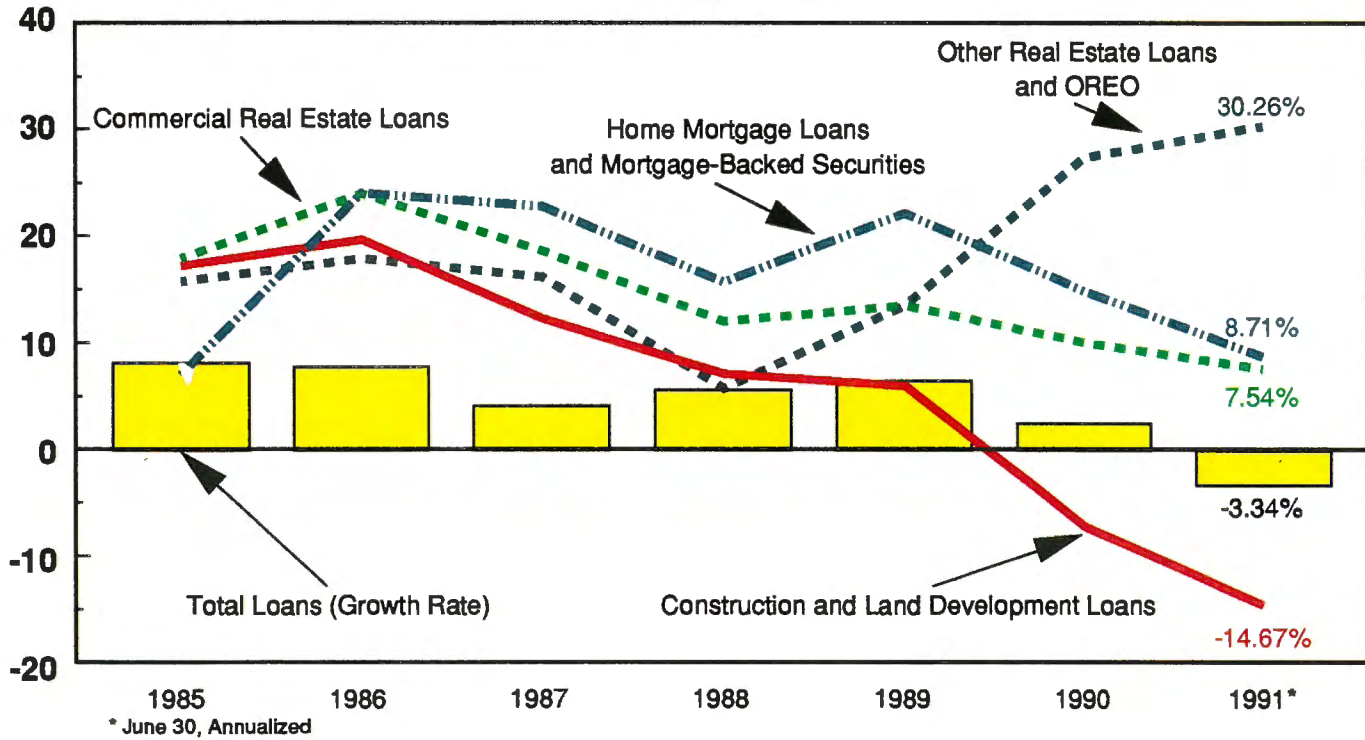
*Real estate loans past due 90 days or more plus real estate loans in nonaccrual status plus other real estate owned.

Real Estate Assets Percent of Total Assets, June 30, 1991

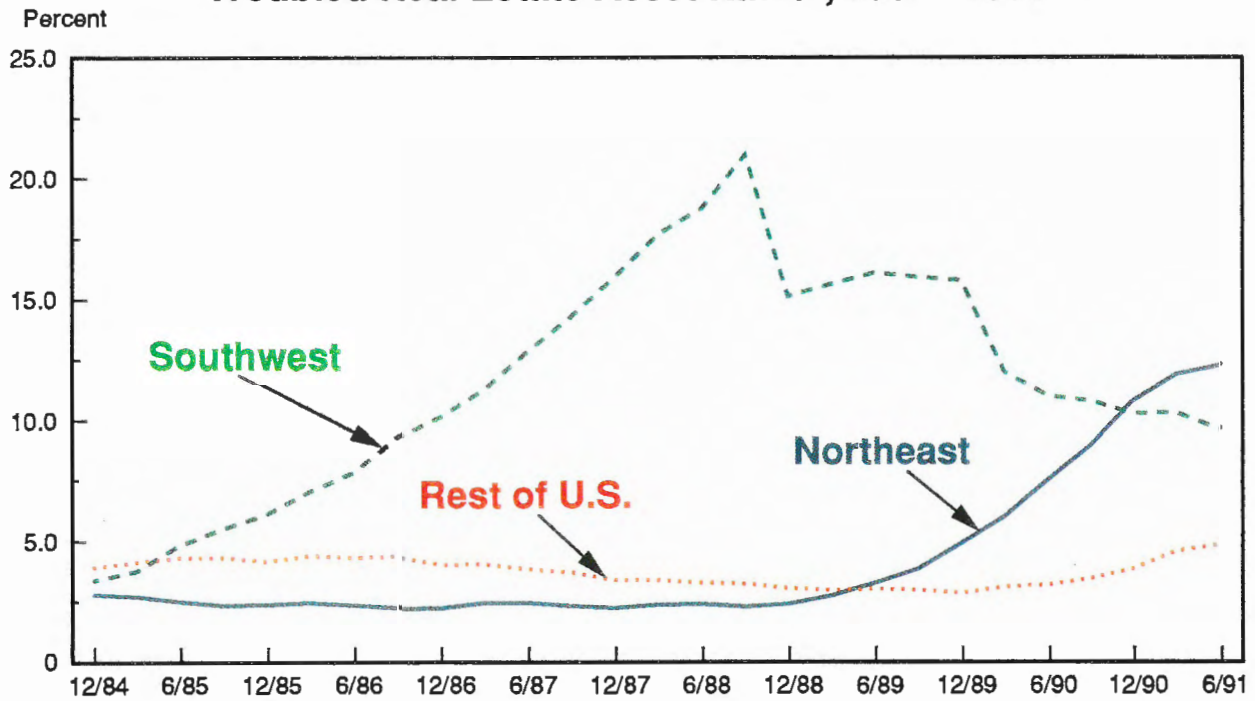


Real Estate Growth Rates 1985 - 1991

Annual Growth Rate (%)



Troubled Real Estate Asset Rates*, 1984 - 1991



	12/85	12/86	12/87	12/88	12/89	3/90	6/90	9/90	12/90	3/91	6/91
NORTHEAST	2.39%	2.26%	2.26%	2.43%	4.94%	6.06%	7.60%	9.00%	10.85%	11.94%	12.31%
SOUTHWEST	6.12	10.20	15.96	15.19	15.81	12.03	11.05	10.84	10.34	10.37	9.65
REST OF U.S.	4.19	4.09	3.45	3.09	2.88	3.16	3.24	3.50	3.90	4.62	4.89
TOTAL U.S.	3.98	4.33	4.45	3.90	4.52	4.73	5.21	5.81	6.59	7.38	7.59

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

DELINQUENCY, NONACCRUAL AND NET CHARGE-OFF RATES FOR NEW LOAN CATEGORIES*
JUNE 30, 1991

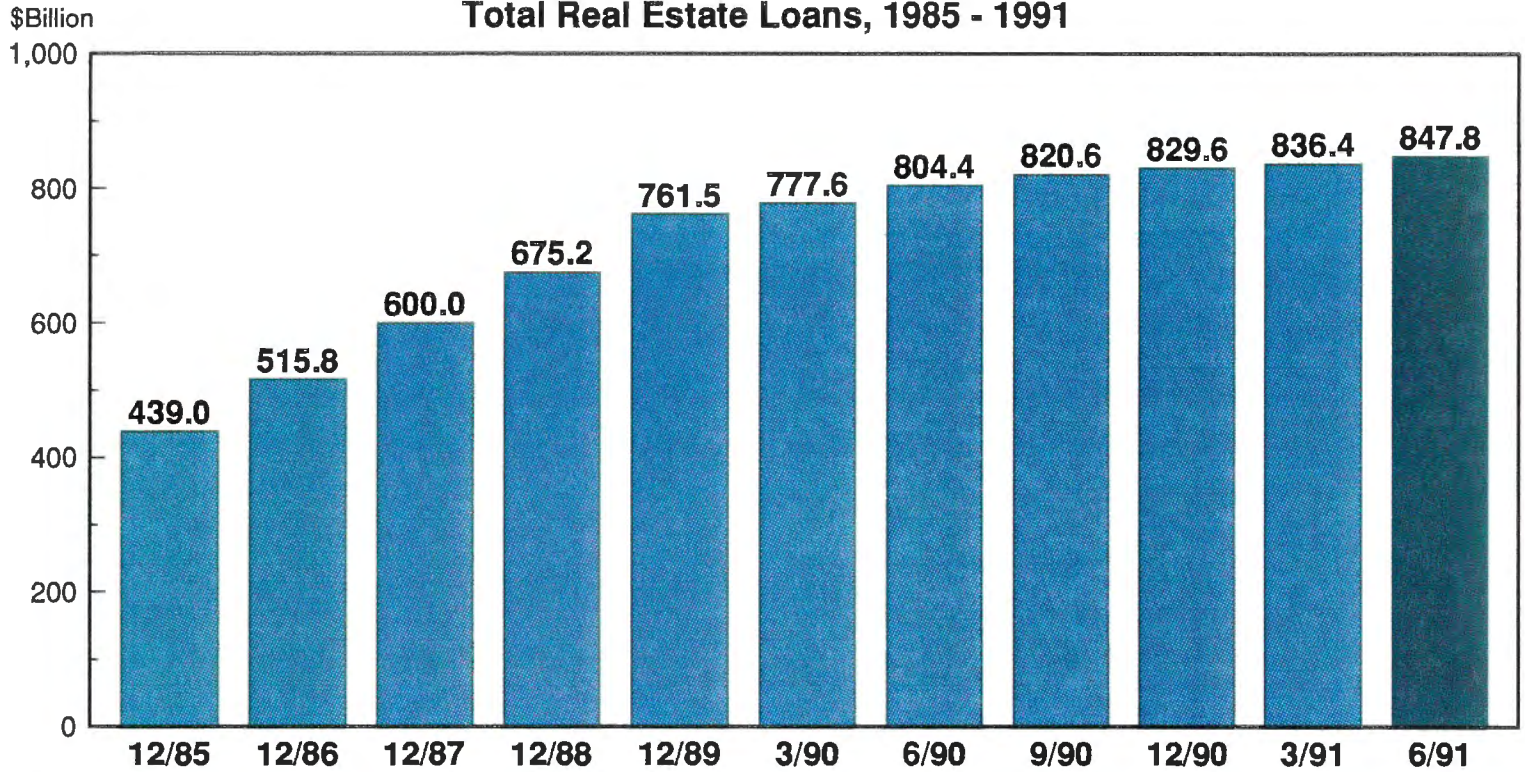
	ASSET SIZE					GEOGRAPHIC DISTRIBUTION					
	ALL BANKS	LESS THAN \$100MM	\$100MM TO \$1B	\$1B TO \$10B	\$10B OR MORE	NORTH-EAST REGION	SOUTH-EAST REGION	CENTRAL REGION	MID-WEST REGION	SOUTH-WEST REGION	WEST REGION
PERCENT OF LOANS 30-89 DAYS PAST-DUE											
All real estate loans	2.25	1.96	2.00	2.31	2.48	2.77	1.98	1.69	1.87	2.06	2.27
Construction & development	4.30	2.34	3.30	4.74	4.58	5.18	3.21	2.83	3.28	2.99	4.80
Commercial real estate	2.34	1.86	2.10	2.12	3.09	2.77	1.91	1.68	2.67	1.90	2.75
Multifamily residential	2.49	1.96	2.05	3.05	2.49	3.23	2.44	2.06	2.55	1.43	2.14
1-4 family residential	1.79	2.15	1.81	1.74	1.66	2.22	1.84	1.61	1.40	2.06	1.38
Home equity lines of credit	0.99	1.43	1.18	0.92	0.90	1.43	0.83	0.81	0.99	1.97	0.48
Commercial R/E loans not secured by real estate	3.11	5.51	5.21	2.67	2.24	3.19	1.94	3.10	4.34	1.91	3.69
Highly leveraged transactions (HLTs)	0.52	N/M	1.16	0.52	0.51	0.65	0.13	0.29	1.03	0.07	0.53
Loans to foreign governments and institutions	0.22	N/M	0.00	0.19	0.22	0.25	0.00	0.05	N/M	0.01	0.16
PERCENT OF LOANS NONCURRENT**											
All real estate loans	4.89	1.98	2.55	5.02	7.59	8.62	3.64	2.20	1.79	3.83	3.54
Construction & development	14.07	3.35	6.41	13.77	18.99	23.32	9.32	6.78	4.30	6.81	10.28
Commercial real estate	6.16	2.73	3.34	5.70	11.20	10.87	5.01	2.95	2.68	5.29	4.14
Multifamily residential	7.65	2.73	3.45	6.45	14.20	17.36	4.80	3.66	2.43	4.92	1.96
1-4 family residential	1.57	1.42	1.40	1.57	1.81	2.62	1.37	0.94	0.95	1.96	0.98
Home equity lines of credit	0.73	1.23	0.83	0.61	0.73	1.21	0.55	0.34	0.56	1.25	0.33
Commercial R/E loans not secured by real estate	8.03	8.42	8.96	6.23	8.86	13.82	4.46	5.44	5.14	4.25	3.34
Highly leveraged transactions (HLTs)	11.07	N/M	5.59	10.14	11.38	12.26	5.71	9.54	13.59	5.60	12.25
Loans to foreign governments and institutions	16.01	N/M	22.69	13.57	16.11	17.02	2.45	23.88	N/M	7.56	10.15
PERCENT OF LOANS CHARGED OFF (NET, ANNUALIZED)											
All real estate loans	0.82	0.23	0.38	1.03	1.15	1.43	0.70	0.33	0.38	1.10	0.40
Construction & development	2.71	0.53	1.08	3.06	3.36	4.68	2.36	1.39	1.27	2.63	1.06
Commercial real estate	0.89	0.34	0.52	1.08	1.25	1.32	0.73	0.49	0.66	1.65	0.53
Multifamily residential	1.63	0.51	0.59	1.33	3.23	2.77	2.75	0.24	1.52	1.42	0.46
1-4 family residential	0.17	0.16	0.16	0.27	0.10	0.26	0.17	0.07	0.10	0.45	0.08
Home equity lines of credit	0.11	0.27	0.10	0.10	0.11	0.17	0.12	0.04	0.14	0.17	0.06
Commercial R/E loans not secured by real estate	3.05	2.90	4.44	2.73	2.77	3.74	4.44	2.75	3.31	2.92	1.26
Highly leveraged transactions (HLTs)	2.16	N/M	1.56	1.63	2.31	2.14	1.01	1.91	1.05	1.78	3.29
Loans to foreign governments and institutions	17.08	N/M	8.89	5.11	17.90	17.96	0.23	4.14	N/M	4.69	19.63
TOTAL LOANS OUTSTANDING (\$ BILLIONS)											
All real estate loans	847.8	97.4	211.1	265.3	274.1	272.2	158.1	135.9	50.2	50.2	181.3
Construction & development	116.9	6.3	19.9	43.4	47.4	42.3	20.9	13.9	3.9	4.5	31.4
Commercial real estate	246.3	25.6	68.6	88.1	64.0	74.7	50.7	40.7	14.1	18.0	48.1
Multifamily residential	22.6	1.9	6.5	7.2	7.0	6.9	3.7	3.8	1.5	1.4	5.3
1-4 family residential	353.1	50.7	96.6	98.0	107.8	99.8	68.9	62.5	23.2	23.5	75.3
Home equity lines of credit	66.0	3.1	14.2	25.8	23.0	25.8	10.8	10.0	2.2	0.6	16.6
Commercial R/E loans not secured by real estate	28.3	2.1	4.7	8.7	12.7	11.1	4.0	4.3	1.0	1.1	6.7
Highly leveraged transactions (HLTs)	68.2	0.0	0.6	14.3	53.3	38.8	5.8	8.8	1.1	3.1	10.7
Loans to foreign governments and institutions	24.9	0.0	0.2	1.5	23.3	19.1	0.3	1.3	0.0	0.4	3.9

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

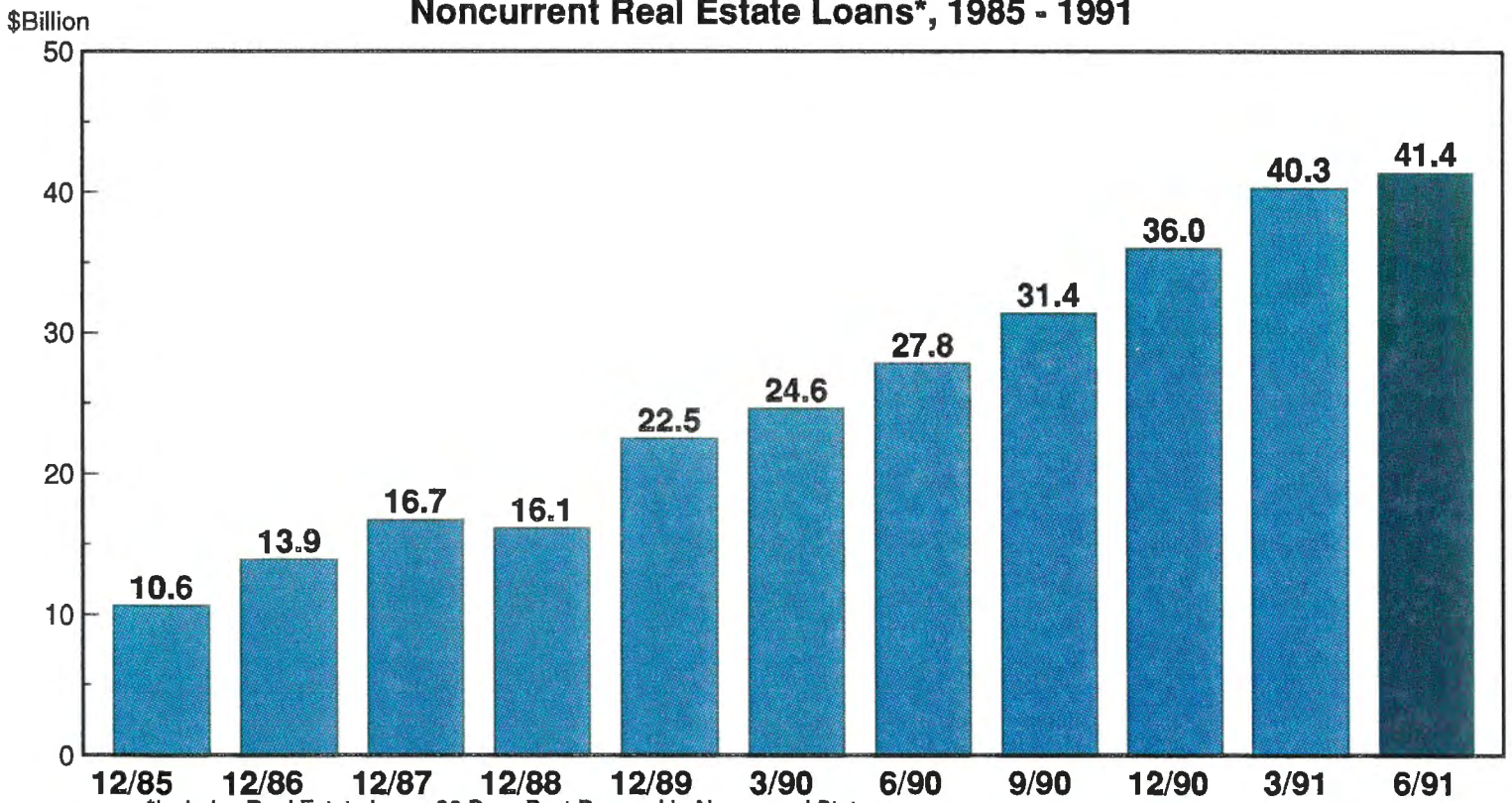
** Noncurrent loan rates represent the percentage of loans in each category that are past-due 90 days or more or that are in nonaccrual status.

N/M - Not meaningful

Total Real Estate Loans, 1985 - 1991

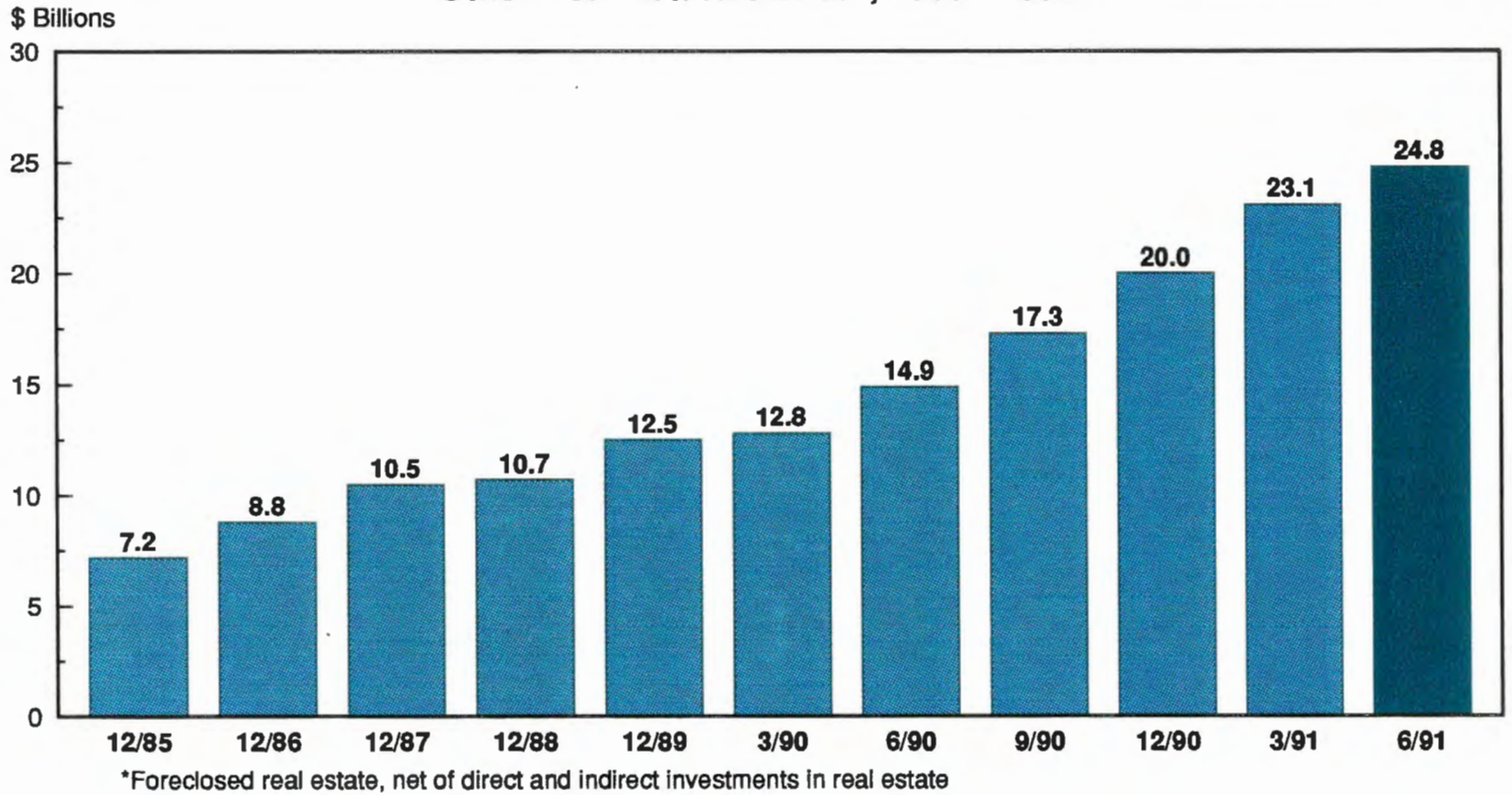


Noncurrent Real Estate Loans*, 1985 - 1991



*Includes Real Estate Loans 90 Days Past-Due and In Nonaccrual Status.

Other Real Estate Owned*, 1985 - 1991



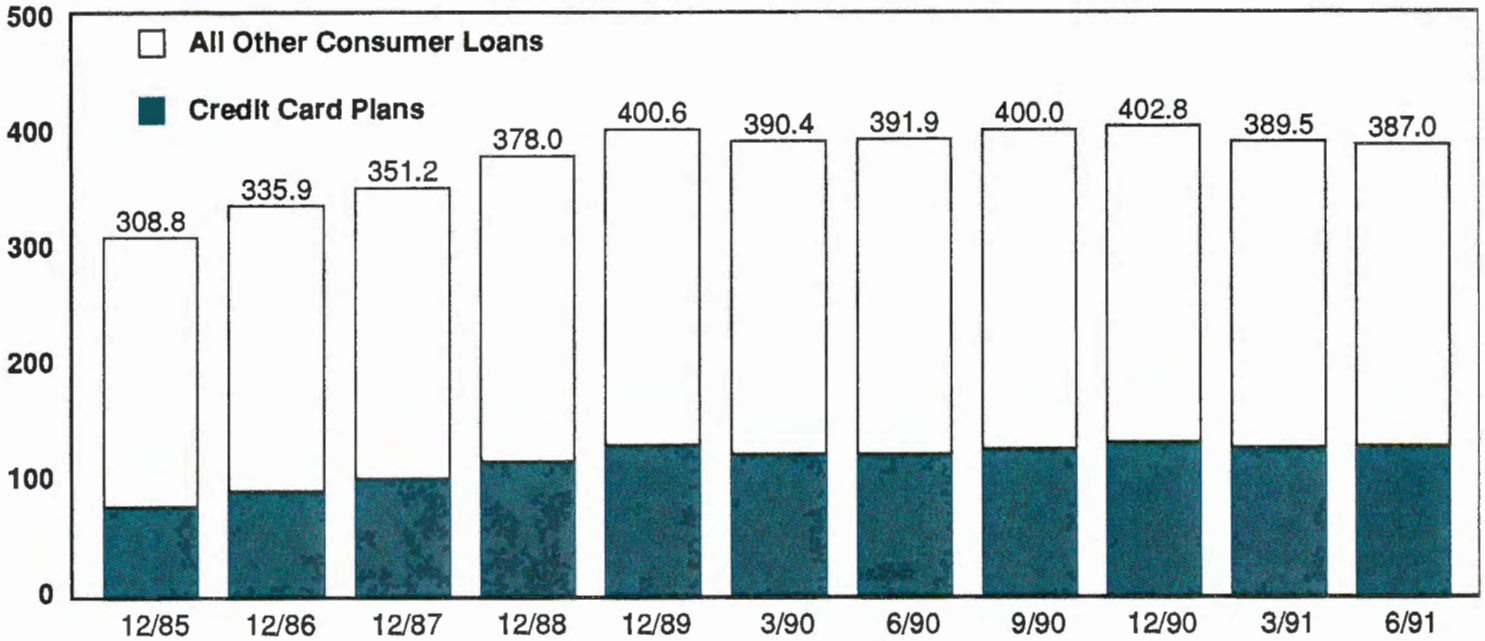
Troubled Real Estate Asset Trends 1985 - 1991

	12/85	12/86	12/87	12/88	12/89	3/90	6/90	9/90	12/90	3/91	6/91
<i>(Dollar figures in billions)</i>											
Total Real Estate Loans	\$439.0	\$515.8	\$600.0	\$675.2	\$761.5	\$777.6	\$804.4	\$820.6	\$829.6	\$836.4	\$847.8
Noncurrent Real Estate Loans	10.6	13.9	16.7	16.1	22.5	24.6	27.8	31.4	36.0	40.3	41.4
Other Real Estate Owned	7.2	8.8	10.5	10.7	12.5	12.8	14.9	17.3	20.0	23.1	24.8
<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 %	4.88 %
Troubled RE Asset Rate*	3.98	4.33	4.45	3.90	4.52	4.73	5.21	5.81	6.59	7.38	7.59

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

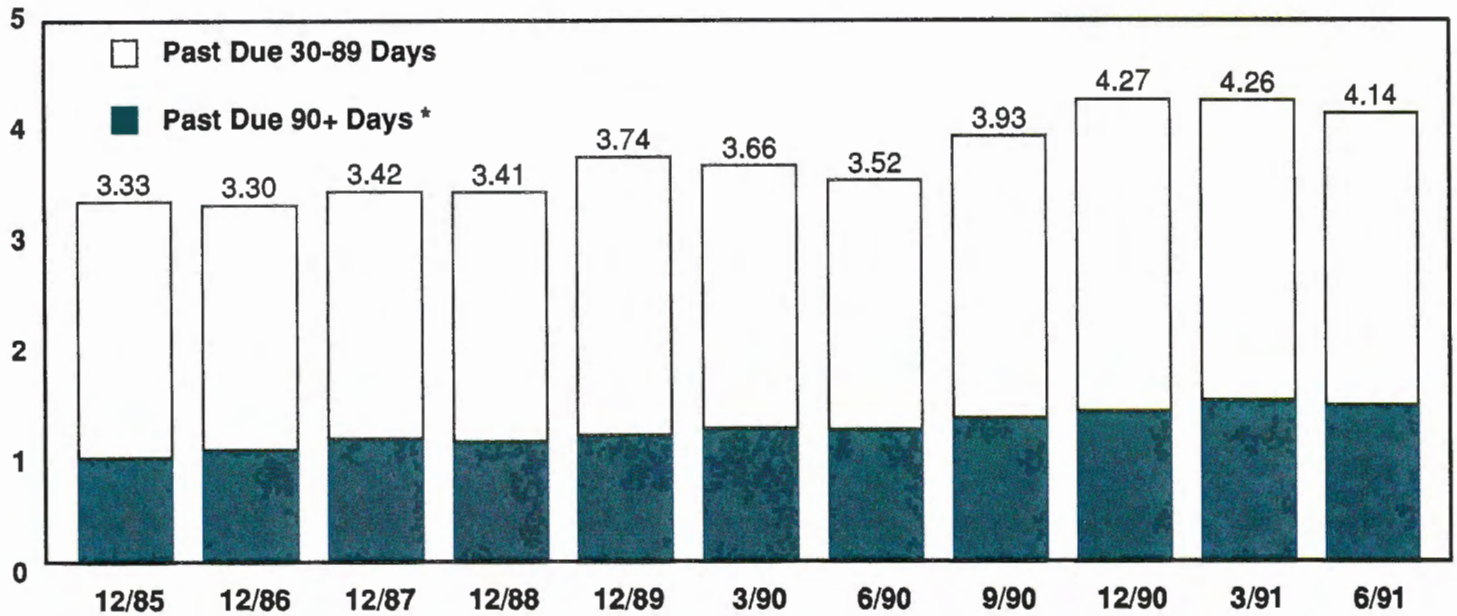
Consumer Loans, 1985 - 1991

\$ Billions



Consumer Loan Delinquency Rates, 1985 - 1991

% Past Due

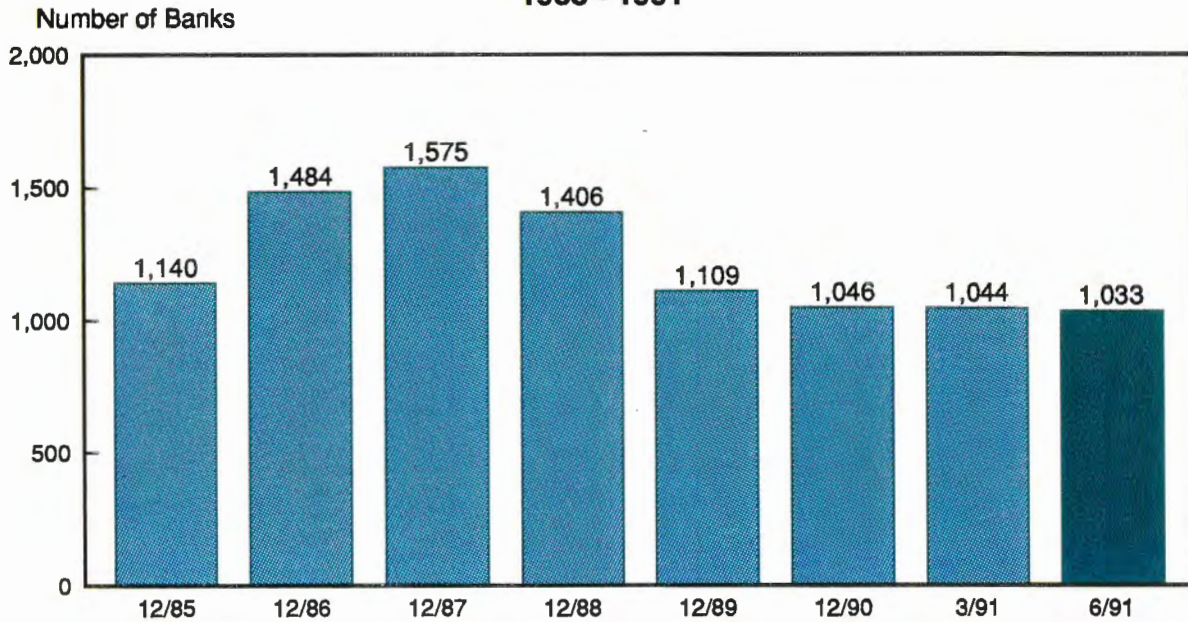


	12/85	12/86	12/87	12/88	12/89	3/90	6/90	9/90	12/90	3/91	6/91
30-89 Days	2.36	2.26	2.28	2.30	2.57	2.43	2.30	2.60	2.88	2.77	2.69
90+ Days*	0.97	1.04	1.14	1.11	1.17	1.23	1.22	1.33	1.39	1.49	1.45
% Past Due	3.33 %	3.30 %	3.42 %	3.41 %	3.74 %	3.66 %	3.52 %	3.93 %	4.27 %	4.26 %	4.14 %

*Plus nonaccruals

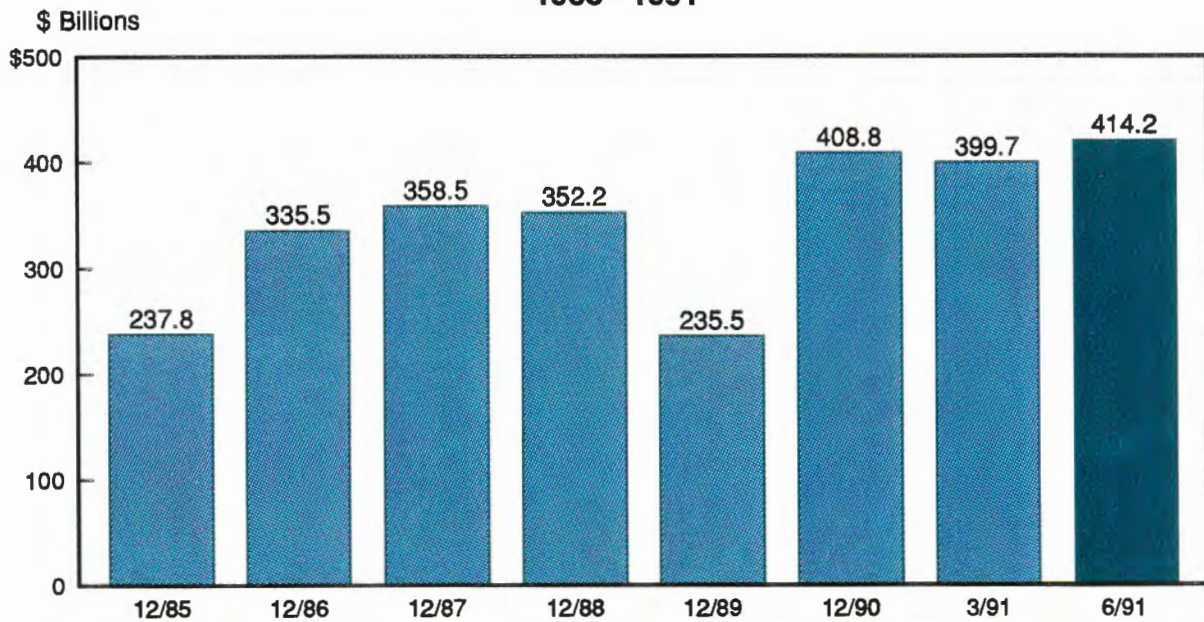
Number of Commercial and Savings Banks on FDIC's "Problem List"

1985 - 1991



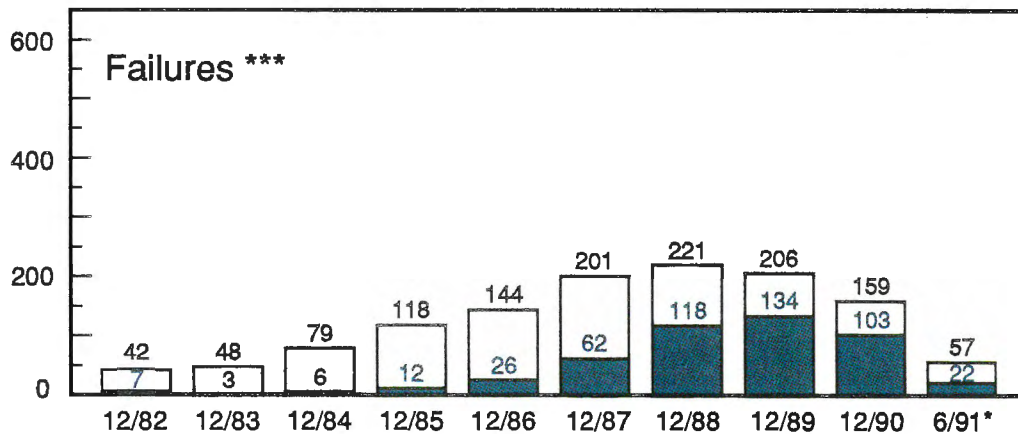
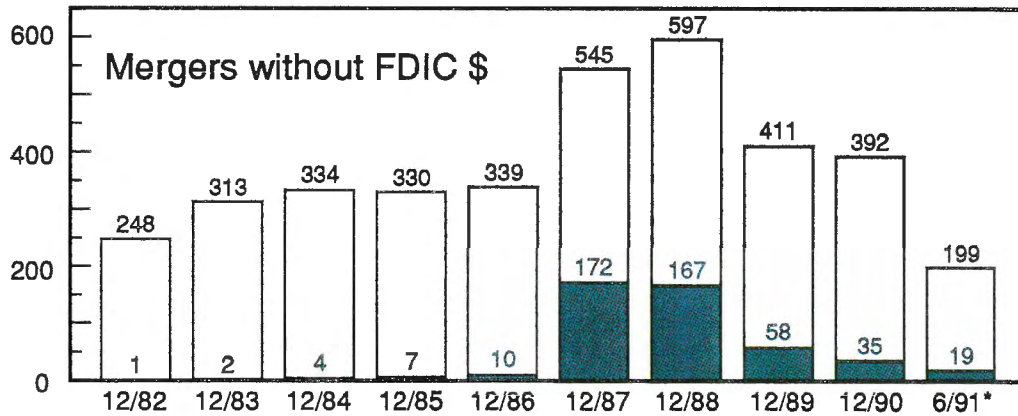
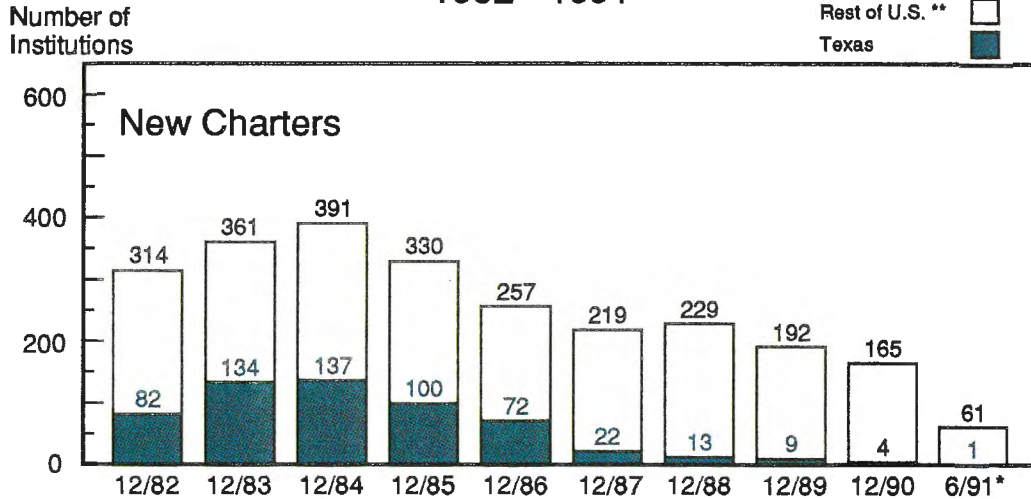
Assets of Commercial and Savings Banks on FDIC's "Problem List"

1985 - 1991



Consolidation of Commercial Banking Industry

1982 - 1991*



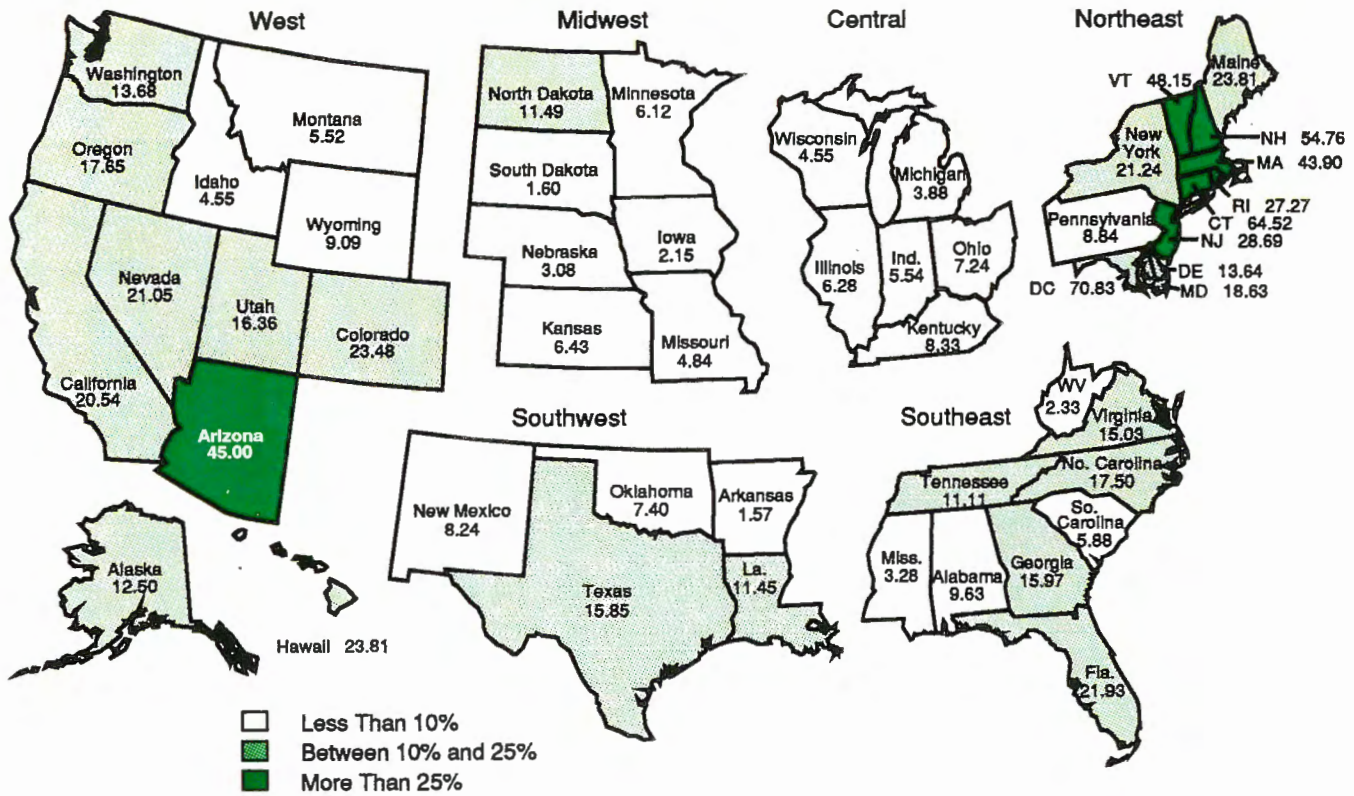
* Through June 30, 1991

** 50 States & D.C. (excluding Texas)

*** Includes Assistance Transactions

The numbers above the bars are national totals including Texas.

Percentage of Banks Reporting Net Losses First Half 1991



State Rankings

	All Banks	1st Half '91	Rank	1st Half '90	Rank
District of Columbia	24	70.83	1	38.46	4
Connecticut	62	64.52	2	45.07	3
New Hampshire	42	54.76	3	47.73	2
Vermont	27	48.15	4	7.41	29
Arizona	40	45.00	5	56.41	1
Massachusetts	82	43.90	6	29.47	6
New Jersey	122	28.69	7	22.05	11
Rhode Island	11	27.27	8	33.33	5
Maine	21	23.81	9	19.05	12
Hawaii	21	23.81	10	23.81	10
Colorado	443	23.48	11	25.84	7
Florida	424	21.93	12	24.59	8
New York	193	21.24	13	11.58	23
Nevada	19	21.05	14	10.53	26
California	482	20.54	15	13.15	20
Maryland	102	18.63	16	18.52	13
Oregon	51	17.65	17	16.33	16
North Carolina	80	17.50	18	16.46	15
Utah	55	16.36	19	14.04	18
Georgia	407	15.97	20	10.75	24
Texas	1,142	15.85	21	24.35	9
Virginia	173	15.03	22	11.67	22
Washington	95	13.68	23	14.89	17
Delaware	44	13.64	24	10.64	25
Alaska	8	12.50	25	0.00	51
North Dakota	148	11.49	26	7.24	30

	All Banks	1st Half '91	Rank	1st Half '90	Rank
Louisiana	227	11.45	27	17.24	14
Tennessee	252	11.11	28	9.62	27
Alabama	218	9.63	29	4.98	36
Wyoming	66	9.09	30	4.23	39
Pennsylvania	294	8.84	31	5.39	35
Kentucky	324	8.33	32	4.78	37
New Mexico	85	8.24	33	12.09	21
Oklahoma	419	7.40	34	13.51	19
Ohio	290	7.24	35	5.92	33
Kansas	544	6.43	36	7.14	31
Illinois	1,083	6.28	37	3.99	40
Minnesota	621	6.12	38	5.73	34
South Carolina	85	5.88	39	4.76	38
Indiana	289	5.54	40	3.90	41
Montana	145	5.52	41	3.80	43
Missouri	537	4.84	42	6.01	32
Wisconsin	462	4.55	44	3.77	44
Idaho	22	4.55	43	9.09	28
Michigan	232	3.88	45	3.53	45
Mississippi	122	3.28	46	1.64	49
Nebraska	389	3.08	47	2.55	47
West Virginia	172	2.33	48	1.08	50
Iowa	557	2.15	49	2.29	48
South Dakota	125	1.60	50	3.20	46
Arkansas	255	1.57	51	3.89	42
50 STATES AND DC	12,150	11.16		10.80	