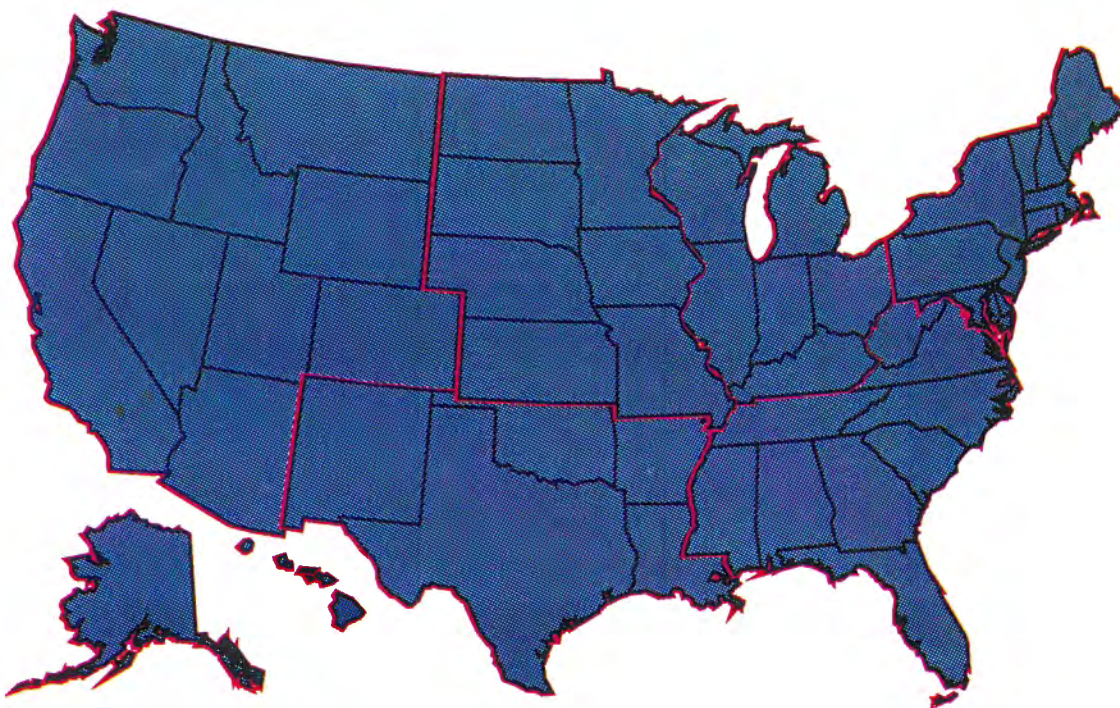


The FDIC  
**Q**uarterly William Taylor, Chairman  
**B**anking **P**rofile



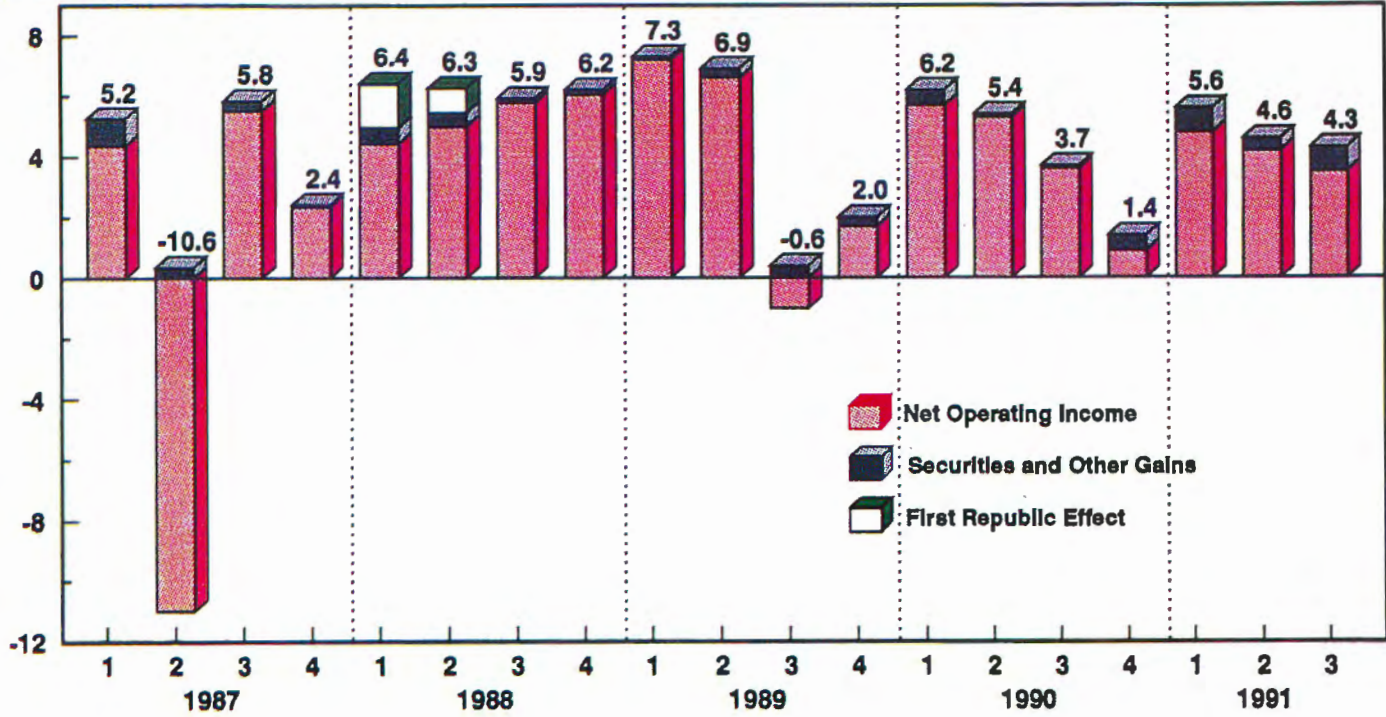
**Highlights**  
**Third Quarter 1991**

## **HIGHLIGHTS - COMMERCIAL BANKING PERFORMANCE, THIRD QUARTER, 1991**

- Commercial bank earnings in the third quarter were slightly lower than in the previous quarter, but were better than in the third quarter of 1990. The year-to-year improvement was attributable to higher gains from sales of investment securities. The quarter-to-quarter drop in earnings was due to increased loan-loss provisioning.
- More than 88 percent of commercial banks were profitable in the third quarter, and almost 58 percent reported higher earnings than a year ago.
- Commercial banks' noncurrent loans and leases fell for the second consecutive quarter. Unlike the previous quarter, the decrease in the third quarter was due to FDIC resolutions of failed banks. If failed bank transactions are omitted, noncurrent loans at the remaining banks show a moderate increase.
- Commercial banks reported \$8.5 billion in net loan charge-offs in the third quarter. This was \$400 million less than the amount charged-off in the previous quarter, but \$2.5 billion more than in the third quarter of 1990. Banks set aside \$9 billion in the quarter for future loan losses, a \$700-million increase from the prior quarter, and a \$500-million increase from a year ago.
- Banks in the West Region saw the largest increase in noncurrent loans during the quarter. Their noncurrent loans increased by \$1.3 billion, with real estate loans accounting for almost \$1 billion of the increase. Noncurrent real estate loans at West Region banks now total \$7.4 billion, more than twice the level of a year ago.
- West Region banks had the most severe decline in earnings in the third quarter. Their combined net income of \$334 million was less than half the \$669 million they earned in the second quarter, and was 74 percent less than the \$1.27 billion in net income they reported in the third quarter of 1990.
- Equity capital increased by \$3.7 billion at commercial banks during the third quarter. The industry's ratio of equity capital to assets remained unchanged, at 6.7 percent at the end of the quarter, the highest level since 1975.

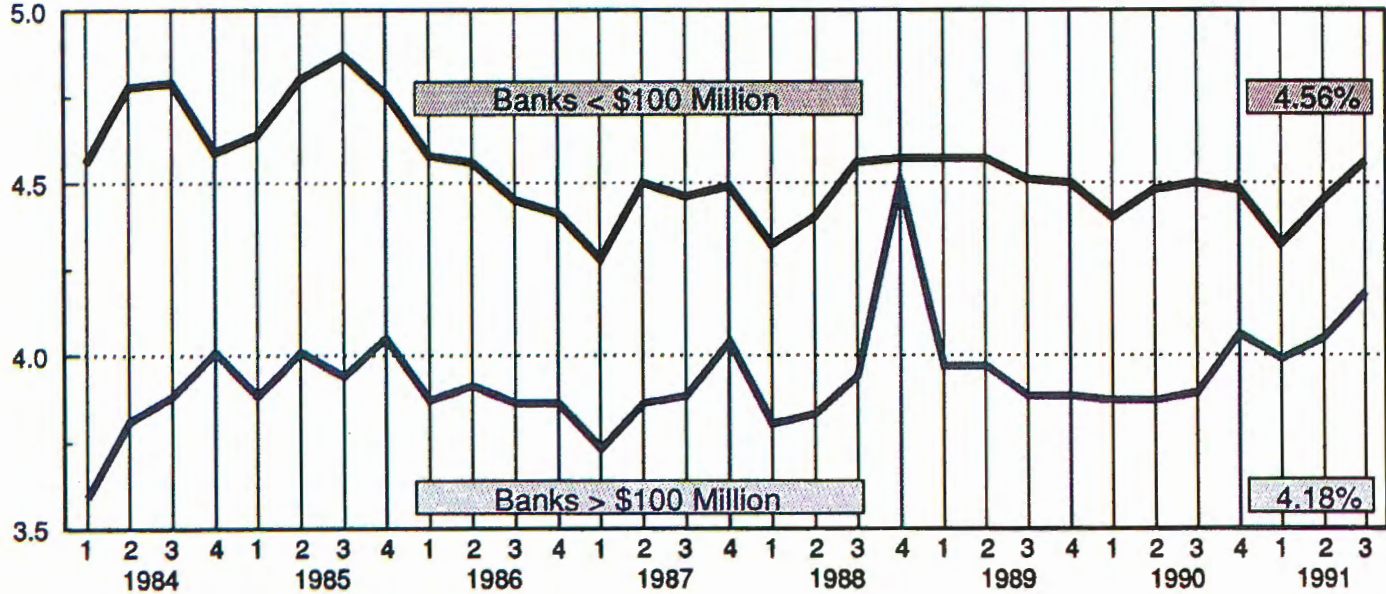
### Quarterly Net Income of FDIC-Insured Banks, 1987 - 1991

\$ Billions

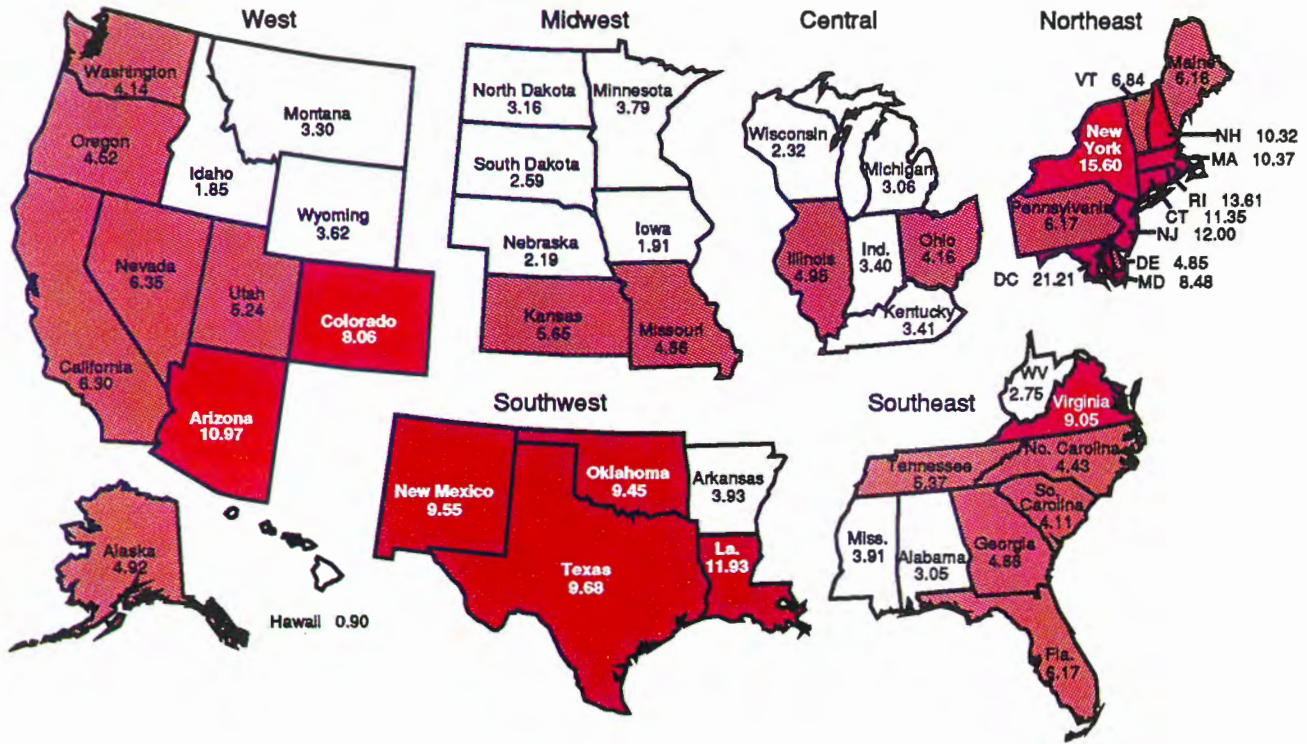


### Quarterly Net Interest Margin of FDIC-Insured Banks, 1984 - 1991

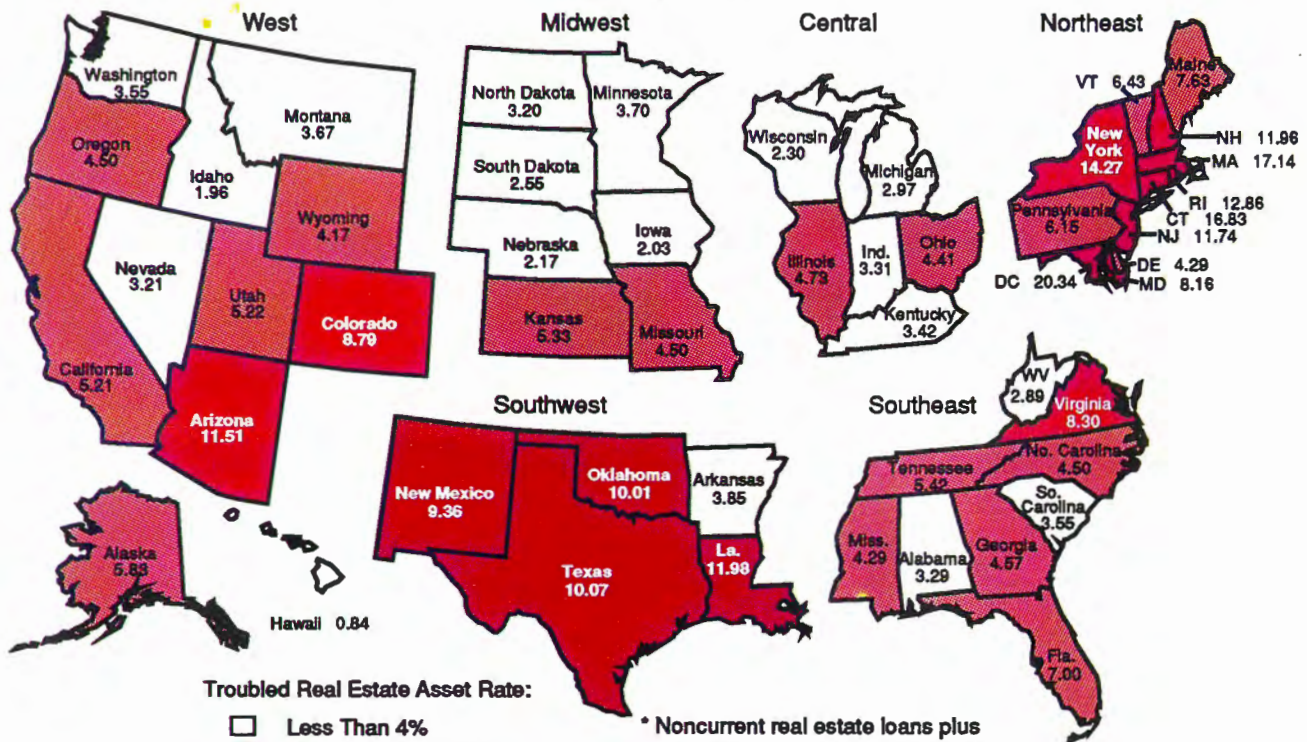
Net Interest Margin (%)



## Troubled Real Estate Asset Rates\* by State September 30, 1991



## June 30, 1991



Troubled Real Estate Asset Rate:

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

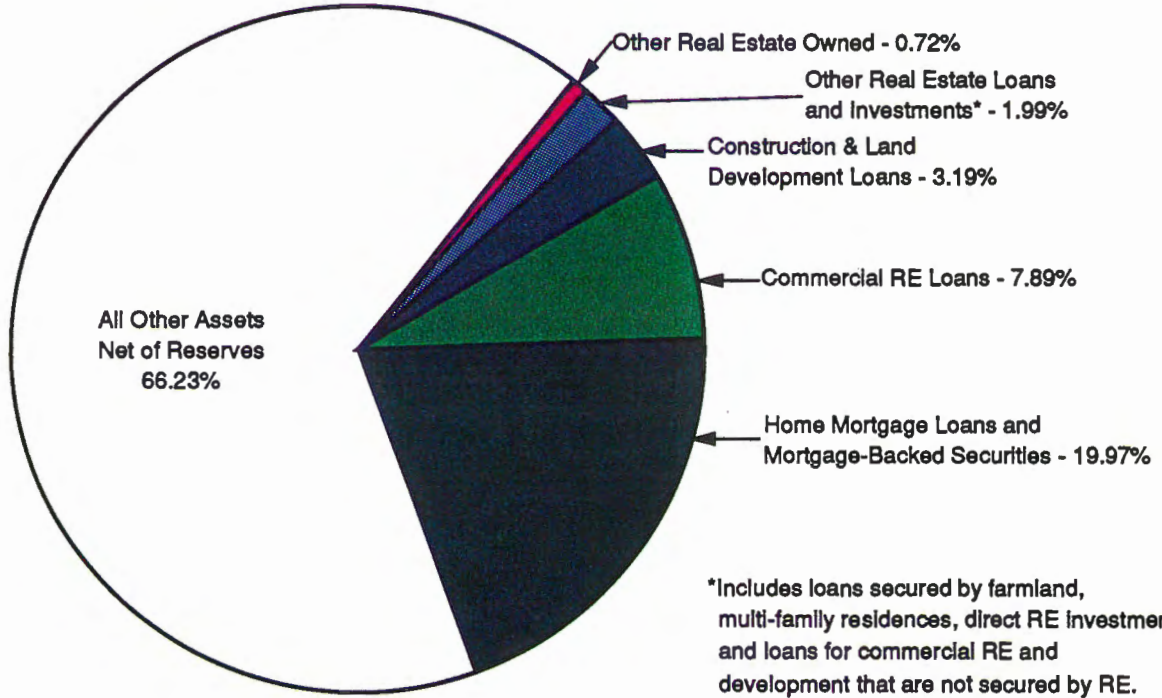
\* Noncurrent real estate loans plus other real estate owned as a percent of total real estate loans plus OREO.

**Real Estate Loan Concentrations**  
**September 30, 1991**  
(\$ Millions)

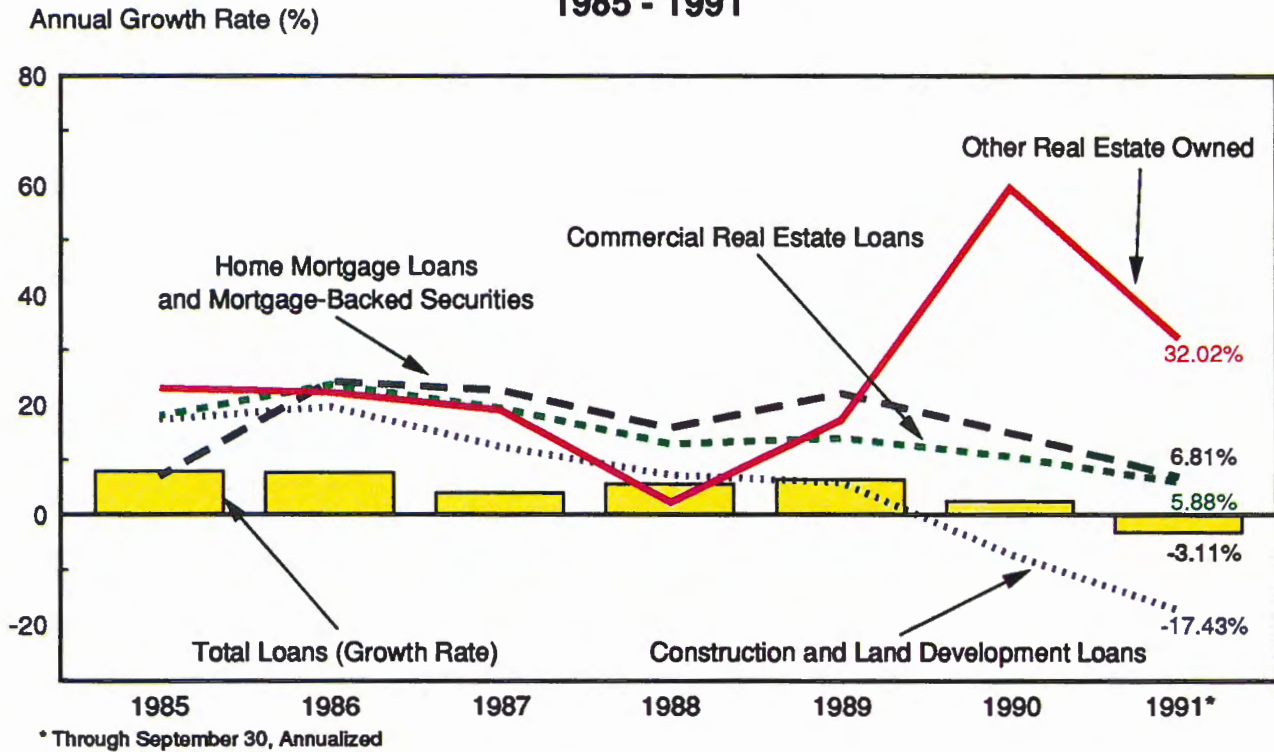
	Total Assets	Real Estate Loans	RE Loans as a % of Assets	Rank	Troubled Real Estate Assets *			
					As a Percent of RE Loans Plus OREO	Rank	Percent Change 6/30/91 to 9/30/91	Rank
Nevada	13,027	2,620	20.11	40	6.35	17	98.20	1
California	354,046	129,840	36.67	5	6.30	18	19.34	2
Washington	40,203	13,028	32.40	11	4.14	33	18.59	3
South Carolina	25,842	8,467	32.76	9	4.11	34	16.99	4
Delaware	71,897	4,894	6.81	51	4.85	29	15.75	5
Hawaii	20,060	6,713	33.46	8	0.90	51	10.46	6
Georgia	71,934	18,987	26.40	24	4.88	27	9.68	7
New York	705,998	110,006	15.58	49	15.60	2	8.78	8
Idaho	9,442	2,015	21.34	36	1.85	50	8.60	9
Missouri	64,065	19,051	29.74	16	4.86	28	8.58	10
Virginia	69,042	20,705	29.99	15	9.05	13	7.21	11
Illinois	197,605	40,622	20.56	39	4.95	25	7.04	12
Vermont	6,009	2,982	49.62	1	6.84	16	6.83	13
Michigan	97,128	26,364	27.14	22	3.06	43	6.81	14
Kansas	29,028	6,233	21.47	35	5.65	22	6.04	15
Minnesota	54,804	12,705	23.18	32	3.79	37	5.16	16
Indiana	57,711	16,397	28.41	19	3.40	40	4.92	17
New Jersey	93,923	32,444	34.54	6	12.00	4	4.72	18
South Dakota	18,178	1,271	6.99	50	2.59	46	4.63	19
Kentucky	41,315	12,147	29.40	18	3.41	39	4.30	20
Arkansas	23,456	5,851	24.95	27	3.93	35	3.51	21
Maryland	55,613	17,632	31.70	12	8.48	14	3.48	22
North Carolina	87,574	24,279	27.72	21	4.43	31	2.67	23
Nebraska	20,669	3,328	16.10	48	2.19	48	1.78	24
Wisconsin	47,841	14,869	31.08	14	2.32	47	1.65	25
Utah	13,558	3,135	23.12	33	5.24	24	1.51	26
New Mexico	11,975	2,970	24.80	29	9.55	11	1.07	27
Oregon	25,713	6,405	24.91	28	4.52	30	0.42	28
Pennsylvania	170,707	44,303	25.95	25	6.17	19	(0.12)	29
Rhode Island	13,815	4,515	32.68	10	13.61	3	(0.15)	30
District of Columbia	15,263	4,819	31.57	13	21.21	1	(0.18)	31
Tennessee	47,603	12,601	26.47	23	5.37	23	(0.81)	32
North Dakota	7,356	1,312	17.83	44	3.16	42	(0.99)	33
Iowa	35,586	7,056	19.83	41	1.91	49	(2.80)	34
West Virginia	17,875	5,261	29.43	17	2.75	45	(2.81)	35
Oklahoma	27,960	5,308	18.98	42	9.45	12	(2.88)	36
Louisiana	37,275	8,210	22.03	34	11.93	5	(3.31)	37
Alabama	40,237	11,165	27.75	20	3.05	44	(4.49)	38
Ohio	118,601	28,728	24.22	30	4.16	32	(4.75)	39
Texas	171,222	27,586	16.11	47	9.68	10	(4.95)	40
Mississippi	21,762	5,252	24.14	31	3.91	36	(7.33)	41
Wyoming	4,614	797	17.28	45	3.62	38	(7.40)	42
Arizona	35,344	7,384	20.89	38	10.97	7	(7.48)	43
Montana	7,304	1,226	16.79	46	3.30	41	(7.86)	44
Colorado	26,608	5,644	21.21	37	8.06	15	(9.13)	45
Alaska	4,622	866	18.73	43	4.92	26	(10.18)	46
Florida	141,305	52,119	36.88	4	6.17	20	(13.13)	47
Maine	9,046	3,485	38.53	3	6.16	21	(23.15)	48
New Hampshire	8,409	2,819	33.52	7	10.32	9	(32.03)	49
Connecticut	34,023	13,244	38.93	2	11.35	6	(34.91)	50
Massachusetts	91,732	23,387	25.49	26	10.37	8	(46.76)	51
50 STATES AND DC	3,415,925	843,047	24.68		7.58		(0.45)	

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

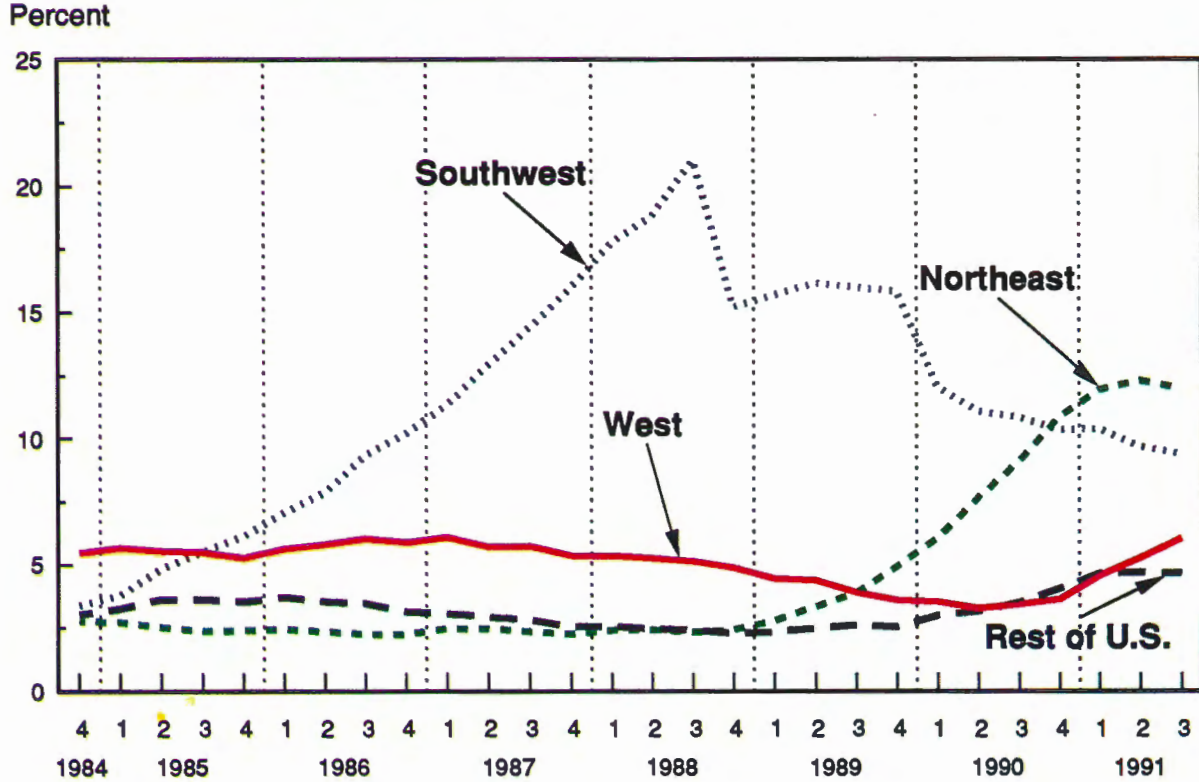
## Real Estate Assets Percent of Total Assets, September 30, 1991



## Real Estate Growth Rates 1985 - 1991



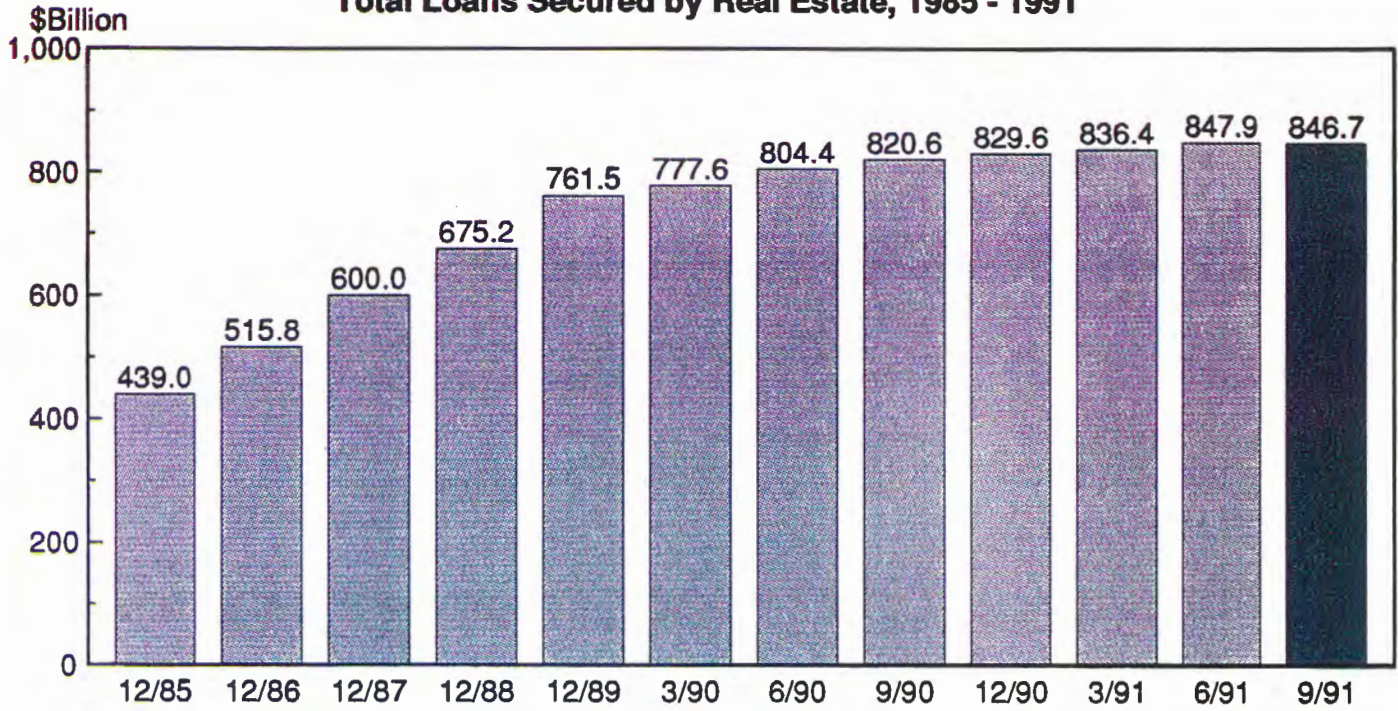
## Troubled Real Estate Asset Rates\*, 1984 - 1991



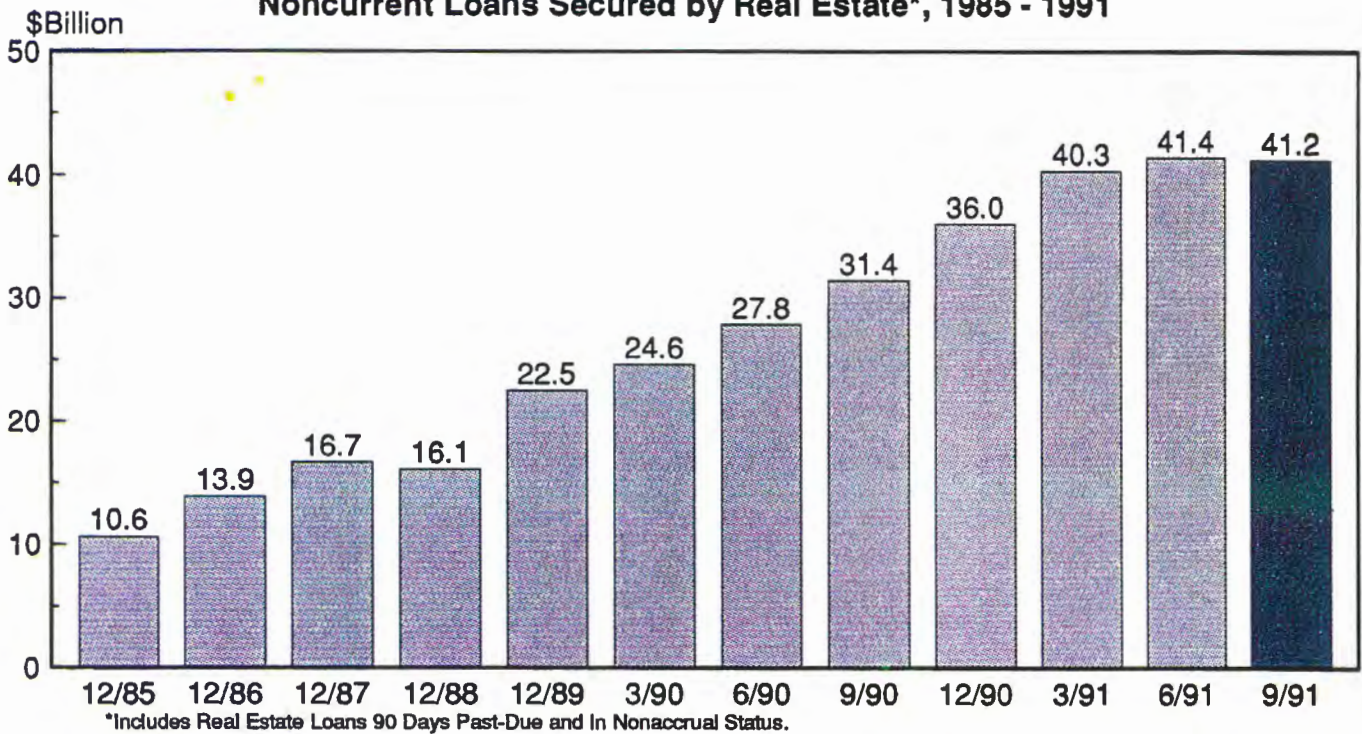
(Percent)	12/84	12/85	12/86	12/87	12/88	12/89	3/90	6/90	9/90	12/90	3/91	6/91	9/91
Southwest	3.38	6.12	10.20	15.96	15.19	15.81	12.03	11.05	10.84	10.33	10.38	9.67	9.38
Northeast	2.80	2.39	2.26	2.26	2.43	4.94	6.06	7.67	9.07	10.85	11.93	12.31	11.97
West	5.46	5.28	5.87	5.35	4.86	3.58	3.51	3.26	3.43	3.62	4.54	5.23	6.03
Rest of U.S.	3.05	3.55	3.13	2.54	2.27	2.53	2.98	3.17	3.49	4.05	4.66	4.70	4.65
Total U.S.	3.58	3.98	4.33	4.45	3.90	4.52	4.73	5.21	5.81	6.59	7.37	7.59	7.57

\*Loans secured by real estate past due 90 days or more or in nonaccrual status plus other real estate owned as a percent of total real estate loans plus OREO.

### Total Loans Secured by Real Estate, 1985 - 1991

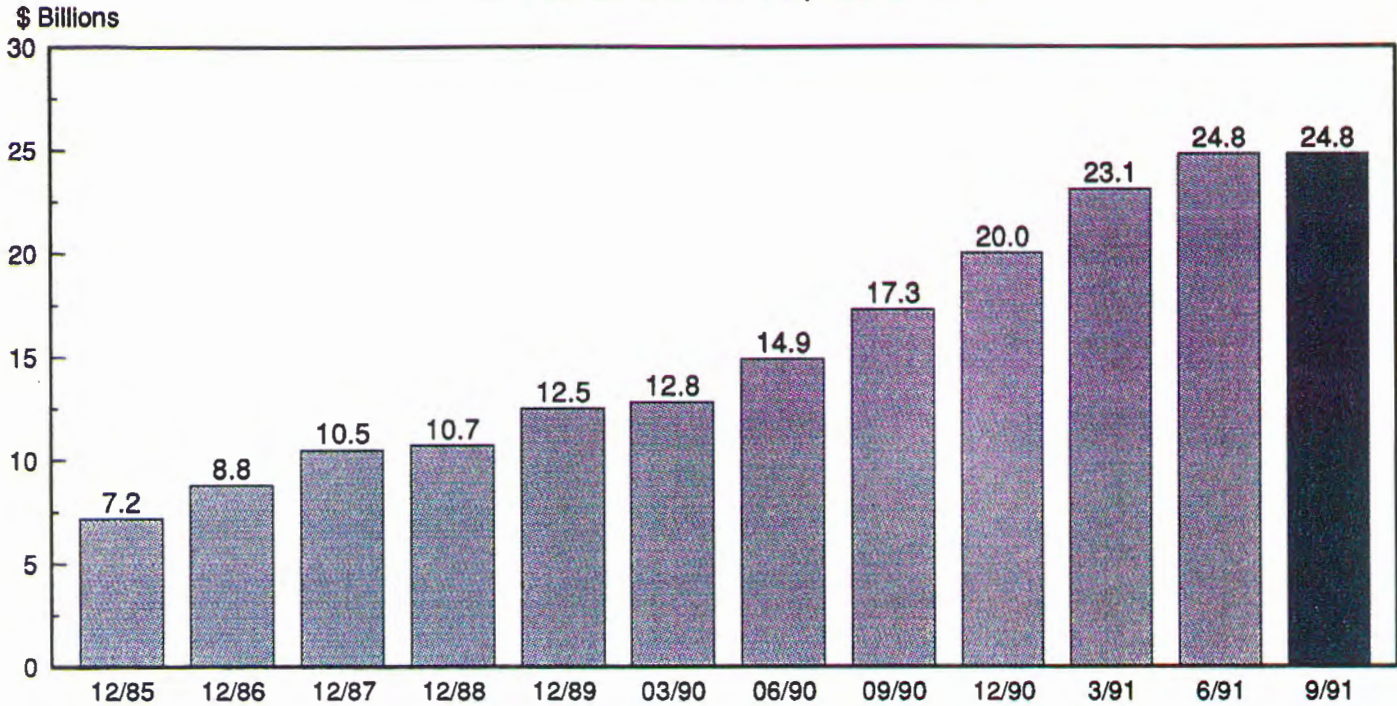


### Noncurrent Loans Secured by Real Estate\*, 1985 - 1991





### Other Real Estate Owned\*, 1985 - 1991



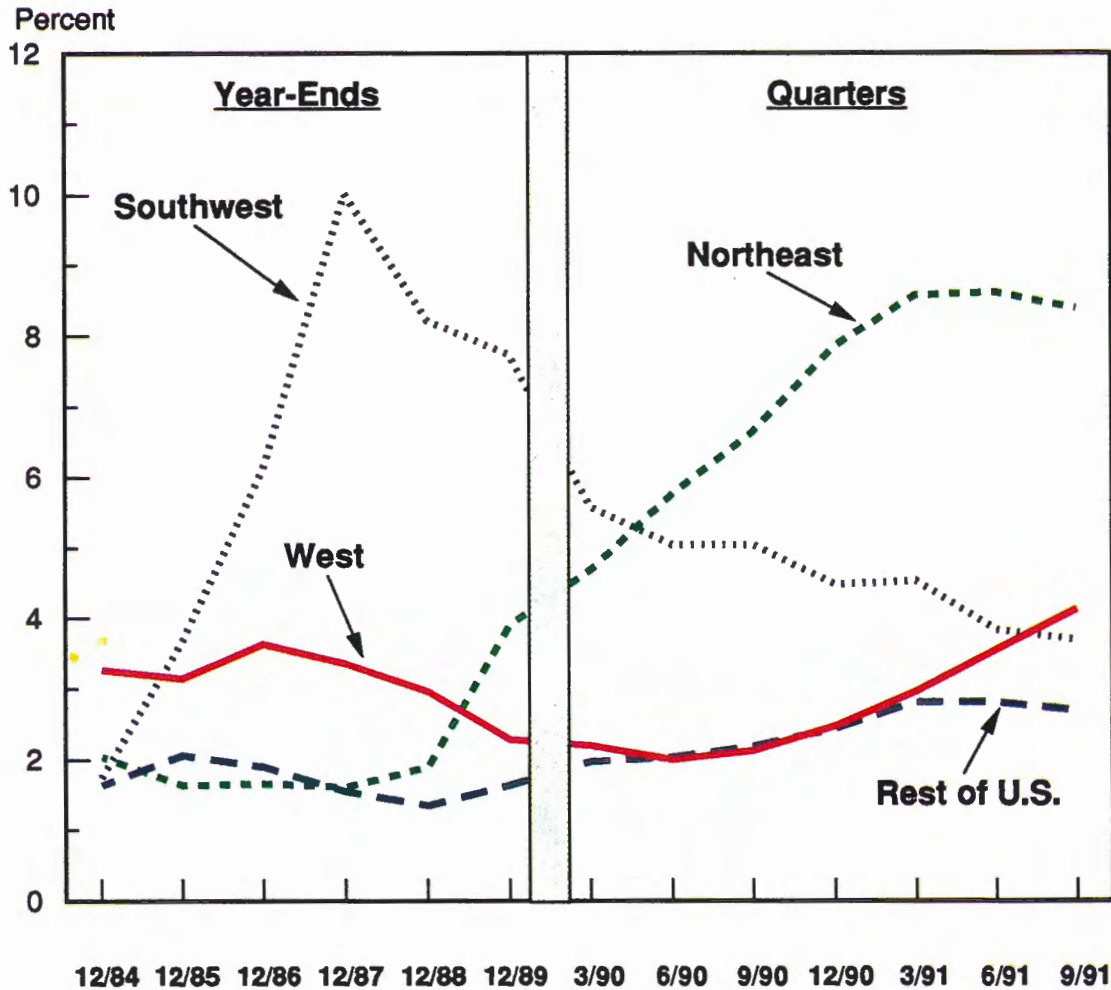
\*Foreclosed real estate, net of direct and indirect investments in real estate

### Troubled Real Estate Assets Trends 1985 - 1991

	12/85	12/86	12/87	12/88	12/89	12/90	3/91	6/91	9/91
(Dollar figures in billions)									
Total Loans Secured by Real Estate	\$439.0	\$515.8	\$600.0	\$675.2	\$761.5	\$829.6	\$836.4	\$847.7	\$846.7
Noncurrent Real Estate Loans	10.6	13.9	16.7	16.1	22.5	36.0	40.3	41.4	41.2
Other Real Estate Owned	7.2	8.8	10.5	10.7	12.5	20.0	23.1	34.8	24.8
(Percent)									
Noncurrent Real Estate Loans to Total Real Estate Loans	2.41%	2.70%	2.78%	2.38%	2.95%	4.34%	4.82%	4.88%	4.87%
Troubled RE Asset Rate*	3.98	4.33	4.45	3.90	4.52	6.59	7.38	7.59	7.57

\*Noncurrent real estate loans plus other real estate owned as a percent of total real estate loans plus OREO. Excludes loans that are not secured by real estate.

## Noncurrent Real Estate Loan Rates\*, 1984 - 1991



Southwest	1.74	3.67	6.11	10.01	8.21	7.73	5.57	5.04	5.04	4.47	4.52	3.83	3.69
Northeast	2.04	1.63	1.66	1.60	1.89	3.90	4.68	5.75	6.63	7.86	8.57	8.62	8.39
West	3.27	3.15	3.63	3.36	2.96	2.28	2.19	2.00	2.12	2.47	2.96	3.54	4.12
Rest of U.S.	1.63	2.06	1.89	1.54	1.35	1.63	1.97	2.03	2.18	2.44	2.81	2.80	2.70
Total U.S.	2.12	2.41	2.70	2.78	2.38	2.95	3.16	3.45	3.82	4.33	4.81	4.89	4.86

\*Loans secured by real estate past due 90 days or more or in nonaccrual status as a percent of total real estate loans.

## Commercial Loan Concentrations

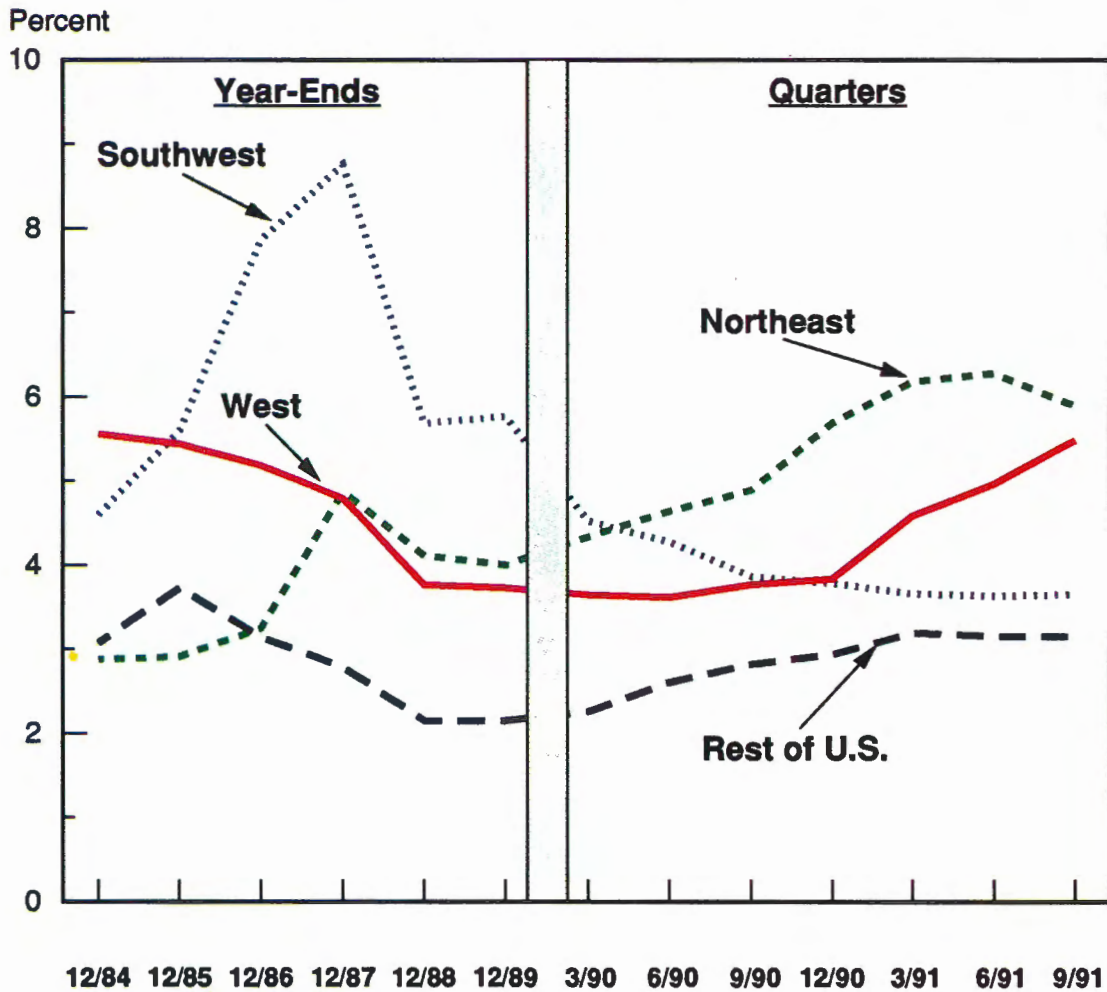
September 30, 1991

(\$ Millions)

	Total Assets	Commercial Loans	Commercial Loans as a % of Assets	Rank	Noncurrent Commercial Loans*			
					As a Percent of Commercial Loans	Rank	Percent Change 6/30/91 to 9/30/91	Rank
Hawaii	20,060	3,380	16.85	12	1.57	50	52.97	1
Delaware	71,897	5,170	7.19	51	4.70	19	48.38	2
Idaho	9,442	1,463	15.49	15	2.17	47	46.37	3
South Carolina	25,842	3,104	12.01	32	3.16	34	30.86	4
District of Columbia	15,263	2,340	15.33	19	16.69	1	27.37	5
Alabama	40,237	5,884	14.62	20	1.98	48	22.61	6
Washington	40,203	7,566	18.82	9	2.43	43	18.62	7
South Dakota	18,178	1,965	10.81	38	2.40	44	18.44	8
Utah	13,558	1,698	12.53	30	2.74	39	14.41	9
Wyoming	4,614	505	10.95	37	4.73	18	12.71	10
California	354,046	70,671	19.96	4	6.18	9	9.84	11
North Carolina	87,574	15,130	17.28	11	2.49	40	9.28	12
Missouri	64,065	8,227	12.84	29	2.93	37	8.39	13
Virginia	69,042	9,271	13.43	26	4.53	20	8.11	14
Nevada	13,027	1,174	9.01	47	9.59	2	6.25	15
Kansas	29,028	3,299	11.37	35	3.68	28	4.85	16
Michigan	97,128	18,320	18.86	8	1.90	49	4.48	17
Texas	171,222	24,760	14.46	21	3.01	35	4.16	18
Mississippi	21,762	2,422	11.13	36	2.24	46	3.85	19
Arkansas	23,456	2,174	9.27	45	2.87	38	1.92	20
Montana	7,304	891	12.20	31	5.48	13	1.10	21
Maryland	55,613	6,597	11.86	34	5.78	12	0.42	22
Vermont	6,009	823	13.70	24	6.62	8	0.30	23
West Virginia	17,875	1,555	8.70	48	4.40	22	0.21	24
Pennsylvania	170,707	32,710	19.16	7	4.03	24	(0.45)	25
New York	705,998	149,554	21.18	3	6.05	10	(0.95)	26
New Jersey	93,923	14,445	15.38	16	8.80	3	(1.43)	27
Wisconsin	47,841	7,949	16.62	13	2.49	41	(1.50)	28
Georgia	71,934	11,041	15.35	18	2.47	42	(1.61)	29
New Mexico	11,975	1,163	9.71	42	4.83	16	(1.65)	30
Oklahoma	27,960	2,972	10.63	39	4.51	21	(2.02)	31
Illinois	197,605	39,288	19.88	5	3.63	29	(2.40)	32
Ohio	118,601	19,011	16.03	14	3.74	26	(4.00)	33
North Dakota	7,356	733	9.96	41	5.01	15	(4.72)	34
Oregon	25,713	4,981	19.37	6	3.69	27	(5.67)	35
Kentucky	41,315	5,398	13.07	28	3.51	30	(6.80)	36
Nebraska	20,669	1,932	9.35	43	3.25	32	(6.99)	37
Colorado	26,608	2,709	10.18	40	5.18	14	(8.13)	38
Iowa	35,586	3,313	9.31	44	2.97	36	(8.63)	39
Arizona	35,344	3,049	8.63	49	6.95	6	(9.19)	40
Indiana	57,711	8,109	14.05	23	3.22	33	(11.09)	41
Louisiana	37,275	4,471	11.99	33	6.73	7	(11.87)	42
Minnesota	54,804	9,536	17.40	10	3.30	31	(12.34)	43
Rhode Island	13,815	3,072	22.24	1	6.03	11	(13.98)	44
Tennessee	47,603	6,444	13.54	25	2.26	45	(15.58)	45
Florida	141,305	12,129	8.58	50	3.90	25	(22.27)	46
New Hampshire	8,409	776	9.23	46	7.50	5	(26.51)	47
Alaska	4,622	710	15.37	17	1.54	51	(27.30)	48
Maine	9,046	1,185	13.09	27	4.82	17	(39.70)	49
Connecticut	34,023	4,785	14.06	22	7.94	4	(54.42)	50
Massachusetts	91,732	19,688	21.46	2	4.18	23	(55.50)	51
50 STATES AND DC	3,415,925	569,542	16.67		4.74		(4.58)	

\*Commercial and Industrial loans past due 90 days or more or in nonaccrual status.

## Noncurrent Commercial Loan Rates\*, 1984 - 1991

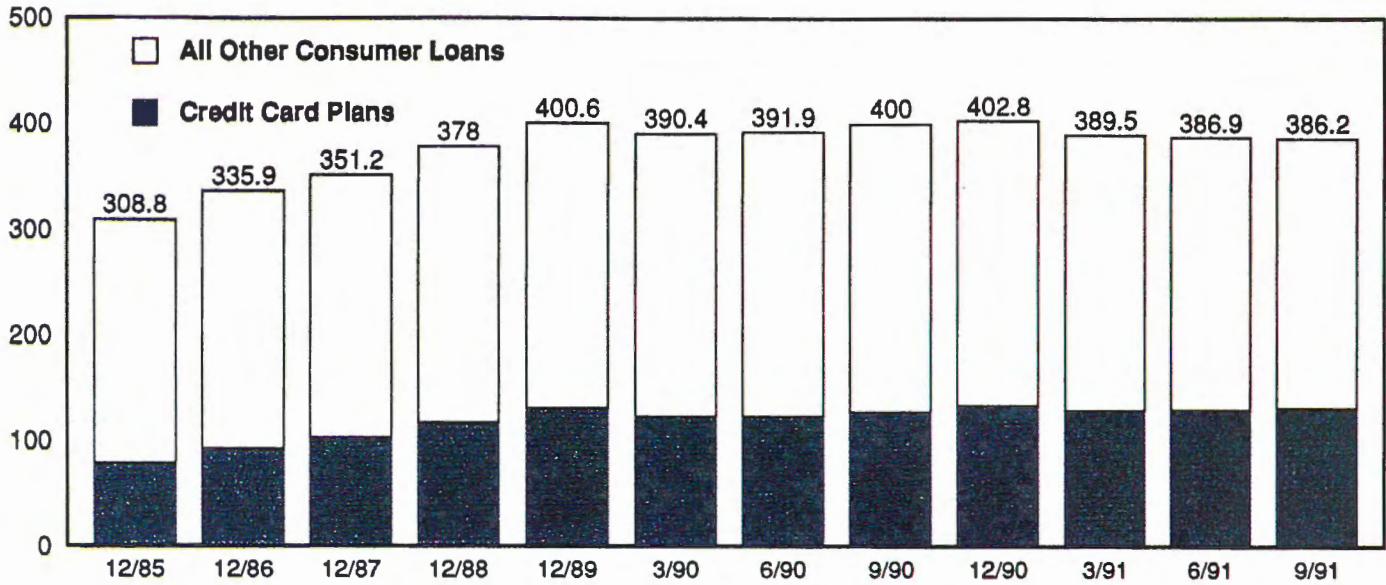


Southwest	4.59	5.60	7.86	8.75	5.68	5.76	4.52	4.27	3.86	3.78	3.66	3.63	3.65
Northeast	2.87	2.91	3.24	4.87	4.11	4.00	4.34	4.64	4.89	5.69	6.18	6.28	5.89
West	5.56	5.44	5.18	4.79	3.76	3.73	3.64	3.61	3.76	3.83	4.58	4.96	5.48
Rest of U.S.	3.07	3.73	3.14	2.78	2.15	2.15	2.26	2.60	2.82	2.93	3.19	3.15	3.15
Total U.S.	3.68	4.02	4.08	4.53	3.54	3.47	3.55	3.77	3.96	4.32	4.74	4.83	4.75

\*Commercial and industrial loans past due 90 days or more or in nonaccrual status as a percent of total commercial and industrial loans.

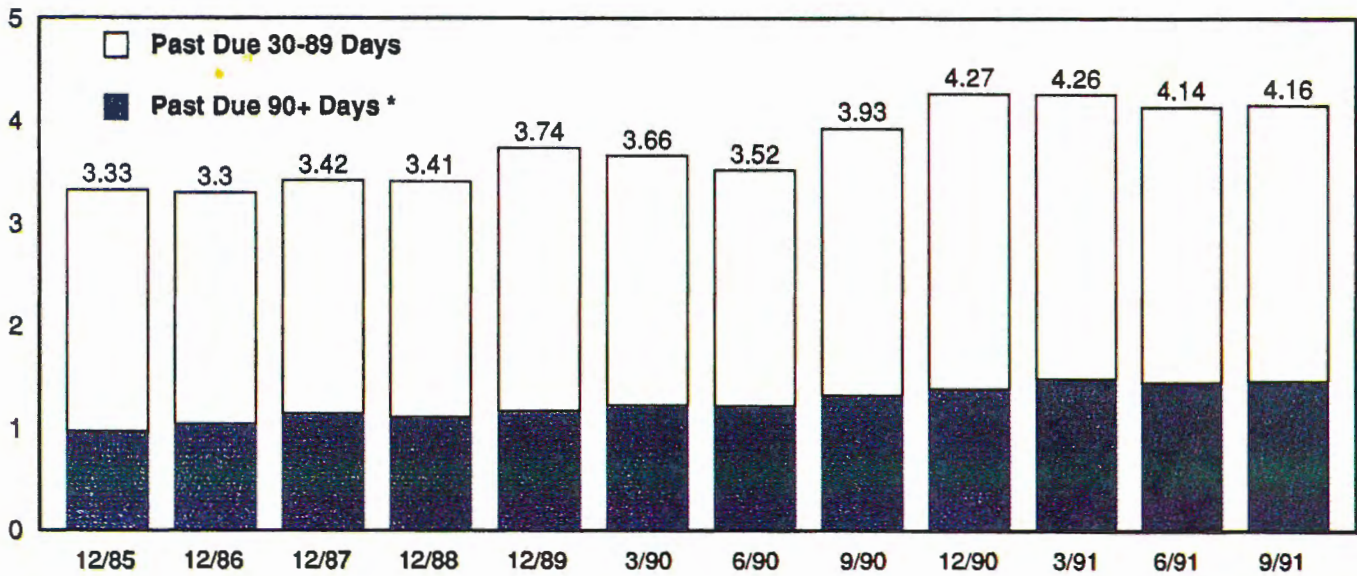
## Consumer Loans, 1985 - 1991

\$ Billions



## Consumer Loan Delinquency Rates, 1985 - 1991

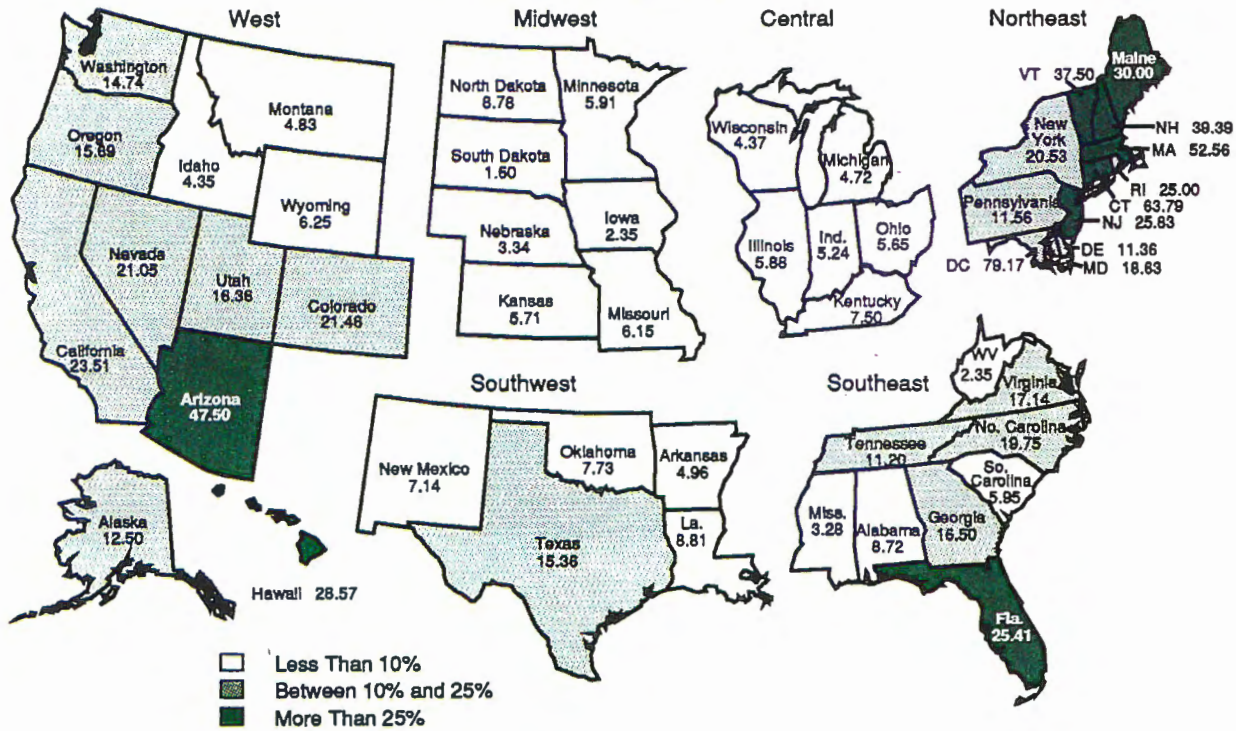
% Past Due



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	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	1.47
% Past Due	3.33 %	3.30 %	3.42 %	3.41 %	3.74 %	3.66 %	3.52 %	3.93 %	4.27 %	4.26 %	4.14 %	4.16 %

\*Plus nonaccruals

## Percentage of Banks Reporting Net Losses First Three Quarters 1991



### State Rankings

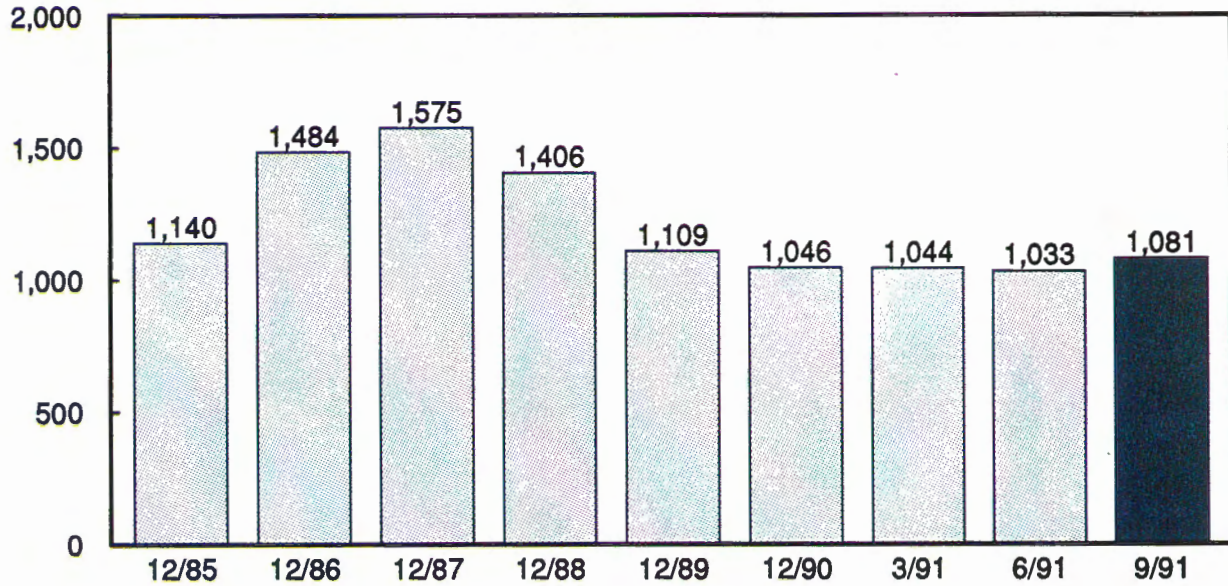
	All Banks	3 Qtrs. '91	Rank	3 Qtrs. '90	Rank
District of Columbia	24	79.17	1	53.85	3
Connecticut	58	63.79	2	56.34	2
Massachusetts	78	52.56	3	38.71	5
Arizona	40	47.50	4	60.53	1
New Hampshire	33	39.39	5	53.33	4
Vermont	24	37.50	6	11.11	26
Maine	20	30.00	7	28.57	8
Hawaii	21	28.57	8	23.81	10
New Jersey	120	25.83	9	29.13	6
Florida	425	25.41	10	26.51	9
Rhode Island	12	25.00	11	16.67	15
California	485	23.51	12	12.84	20
Colorado	438	21.46	13	28.70	7
Nevada	19	21.05	14	10.53	27
New York	190	20.53	15	12.04	25
North Carolina	81	19.75	16	20.00	13
Maryland	102	18.63	17	20.39	12
Virginia	175	17.14	18	14.53	16
Georgia	412	16.50	19	14.04	17
Utah	55	16.36	20	14.04	18
Oregon	51	15.69	21	12.24	24
Texas	1,133	15.36	22	23.20	11
Washington	95	14.74	23	12.77	21
Alaska	8	12.50	24	0.00	51
Pennsylvania	294	11.56	25	7.38	31
Delaware	44	11.36	26	12.50	23

	All Banks	3 Qtrs. '91	Rank	3 Qtrs. '90	Rank
Tennessee	250	11.20	27	8.85	29
Louisiana	227	8.81	28	16.81	14
North Dakota	148	8.78	29	6.58	33
Alabama	218	8.72	30	3.62	44
Oklahoma	414	7.73	31	12.59	22
Kentucky	320	7.50	32	5.41	36
New Mexico	84	7.14	33	13.19	19
Wyoming	64	6.25	34	2.82	48
Missouri	537	6.15	35	6.24	34
South Carolina	84	5.95	36	5.88	35
Minnesota	609	5.91	37	5.12	37
Illinois	1,071	5.88	38	4.09	41
Kansas	543	5.71	39	7.69	30
Ohio	283	5.65	40	7.34	32
Indiana	286	5.24	41	3.97	42
Arkansas	262	4.96	42	3.11	46
Montana	145	4.83	43	4.49	40
Michigan	233	4.72	44	4.88	38
Wisconsin	458	4.37	45	3.94	43
Idaho	23	4.35	46	9.09	28
Nebraska	389	3.34	47	3.08	47
Mississippi	122	3.28	48	2.44	50
West Virginia	170	2.35	49	2.76	49
Iowa	554	2.35	50	3.19	45
South Dakota	125	1.60	51	4.80	39
50 States & D.C.	12,056	11.23		11.45	

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

**1985 - 1991**

Number of Banks



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

**1985 - 1991**

\$ Billions

