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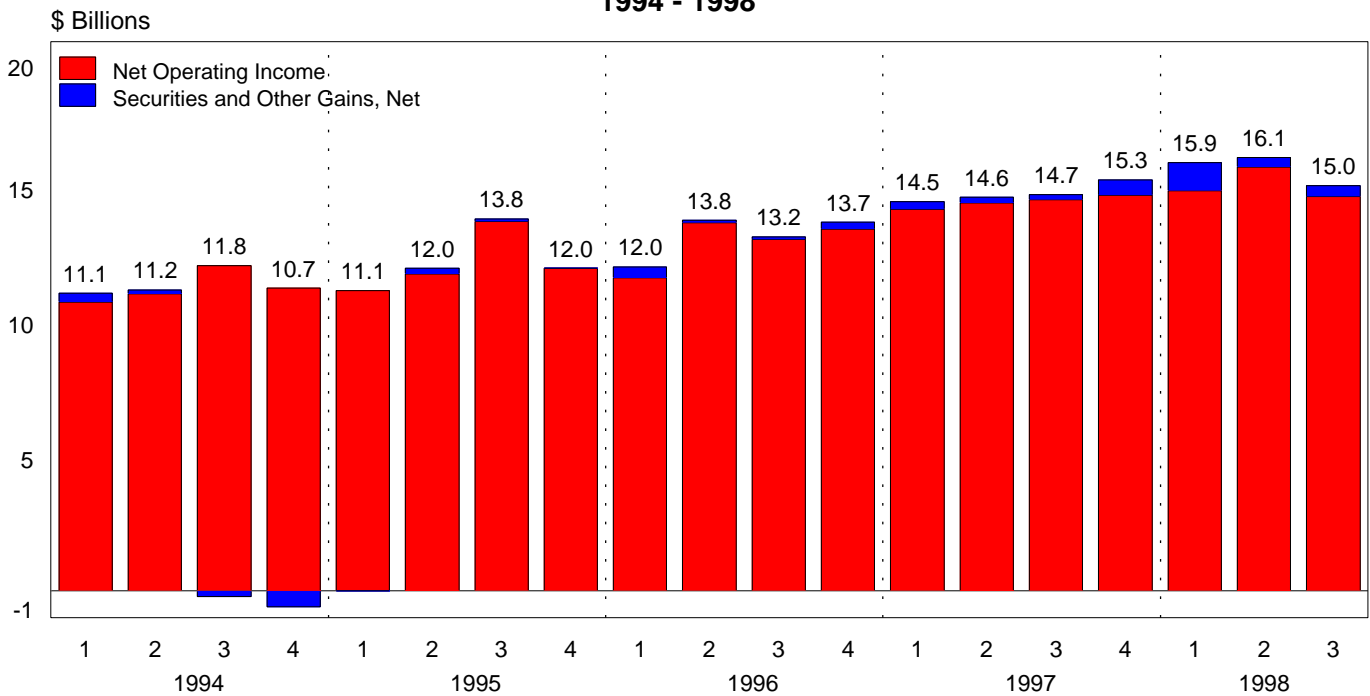
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## HIGHLIGHTS -- THIRD QUARTER, 1998

- **LOSSES IN TRADING, OVERSEAS MARKETS CAUSE \$1.1-BILLION DECLINE IN INDUSTRY EARNINGS**  
Commercial banks earned \$15.0 billion in the third quarter, a decline of \$1.1 billion from their second-quarter earnings. The drop in net income was caused by sharp declines in earnings from trading activities and earnings from international operations. These declines were concentrated in a few of the largest U.S. commercial banks. Trading revenues totaled \$563 million in the third quarter, compared to \$2.5 billion in the second quarter. The industry's net income from international operations fell to \$550 million, from \$2.0 billion in the second quarter.
- **LOAN LOSSES RISE BY \$853 MILLION**  
Net loan losses totaled \$5.7 billion in the third quarter, as commercial banks' net charge-off rate rose to 0.73 percent, the highest quarterly average since the fourth quarter of 1993. The increase in charge-off activity was concentrated in loans to foreign borrowers, where net charge-offs increased by \$220 million compared with the second quarter, and in "all other loans" to domestic borrowers, a category that includes loans for purchasing or carrying securities, where net charge-offs were up by \$491 million.
- **INDUSTRY ROA FALLS BELOW 1.20 PERCENT FOR FIRST TIME IN 2 YEARS**  
The average return on assets (ROA) was 1.15 percent in the third quarter, down from 1.25 percent in the second quarter and 1.22 percent in the third quarter of 1997. The last time the industry's ROA was below 1.20 percent was in the fourth quarter of 1996. The decline in profitability was concentrated among a few large banks. Commercial banks with assets greater than \$10 billion had an ROA of 0.97 percent, down from 1.18 percent in the second quarter. Banks with less than \$10 billion in assets posted an ROA of 1.47 percent, up from 1.37 percent in the second quarter.
- **GAINS ON ASSET SALES LIFT THRIFT PROFITS TO NEW RECORD**  
Insured savings institutions reported a record \$3.0 billion in net income for the third quarter, a \$136-million increase over the previous record, set in the second quarter. The earnings improvement was driven by an \$899-million (41-percent) rise in noninterest income reflecting proceeds from asset sales by several large institutions. The performance of smaller thrifts did not show the same gains as larger institutions. Fewer than half of all savings institutions (44 percent) reported higher earnings than in the second quarter. The industry's ROA was a record 1.14 percent, but two-thirds of all thrifts had a quarterly ROA of less than 1 percent. The average ROA for thrifts with less than \$100 million in assets was 0.80 percent, while the average for institutions with assets greater than \$100 million was 1.16 percent. Smaller institutions are burdened with higher average overhead expenses, and have fewer sources of noninterest income than larger thrifts.
- **FUND RESERVE RATIOS RISE SLIGHTLY, BIF TO 1.41 PERCENT AND SAIF TO 1.38 PERCENT**  
The Bank Insurance Fund (BIF) and the Savings Association Insurance Fund (SAIF) both grew modestly during the third quarter, benefiting from low insurance losses and minimal receivership activity. The reserve ratios of the funds each edged upward by 1 basis point from their June levels, with the BIF reaching 1.41 percent of estimated insured deposits on September 30 and the SAIF rising to 1.38 percent. Two BIF-insured commercial banks failed during the third quarter, raising the year-to-date total for the BIF to three. No SAIF member has failed since August 1996.

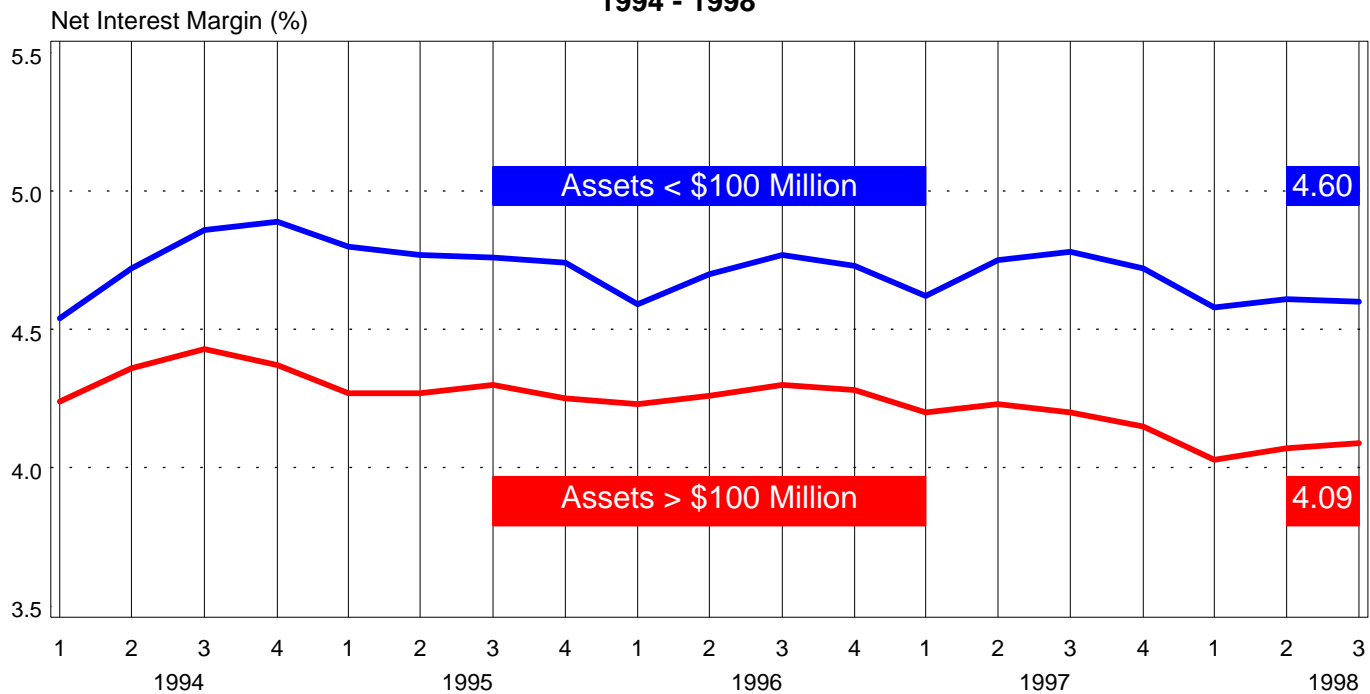
## Quarterly Net Income

1994 - 1998

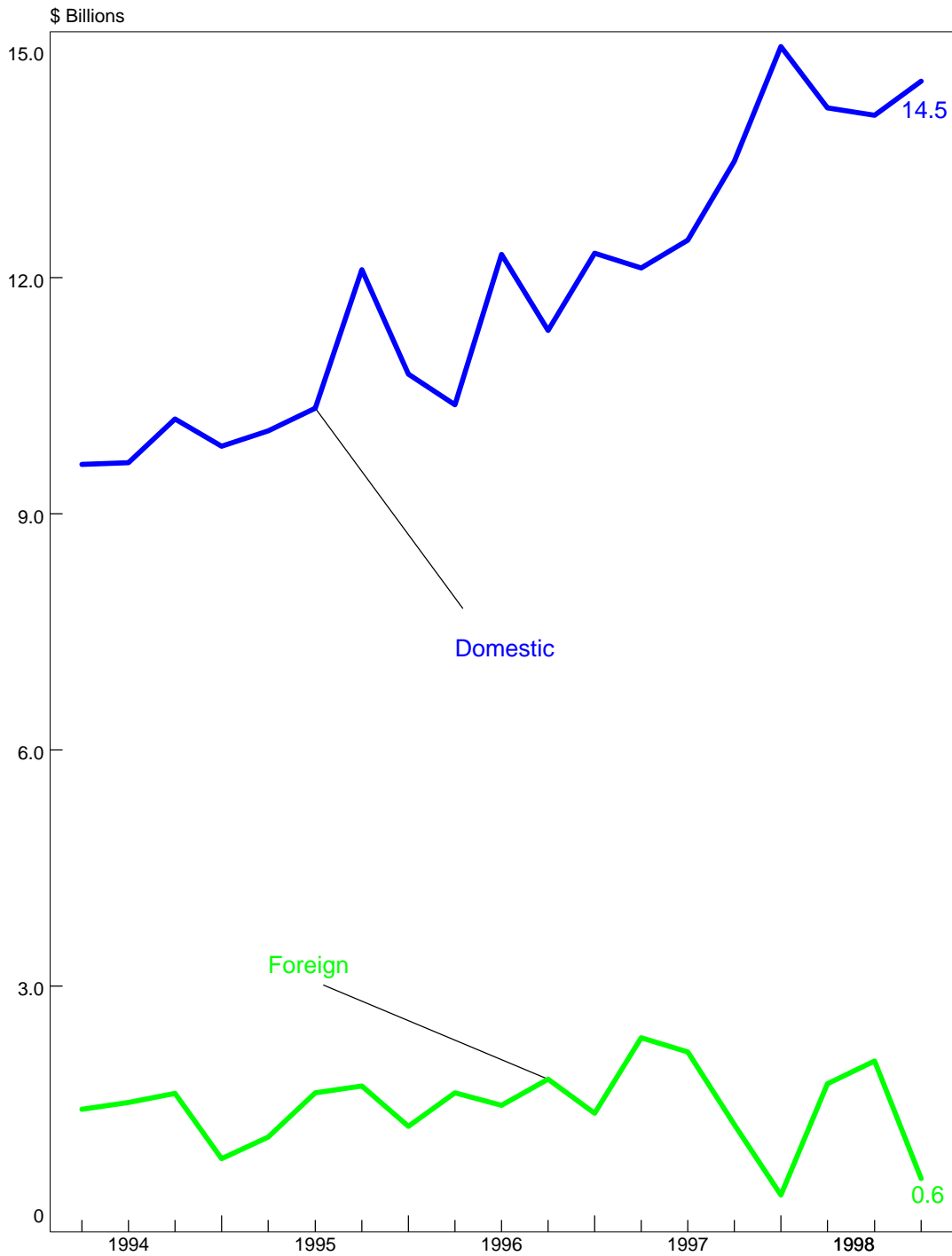


## Quarterly Net Interest Margins, Annualized

1994 - 1998

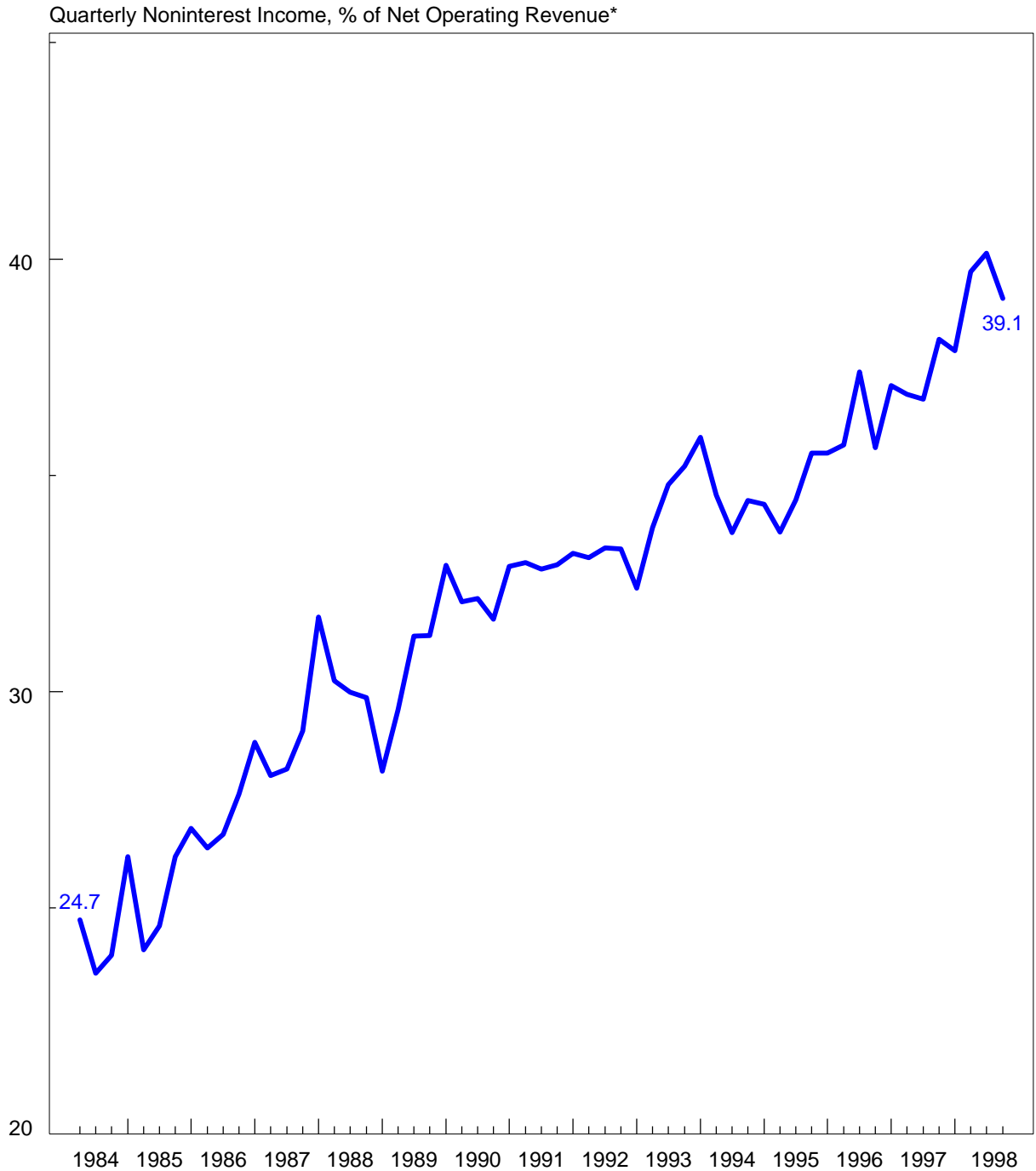


# Net Income from Domestic and Foreign Operations 1994 - 1998



# Noninterest Income Provides a Growing Proportion of Bank Revenue

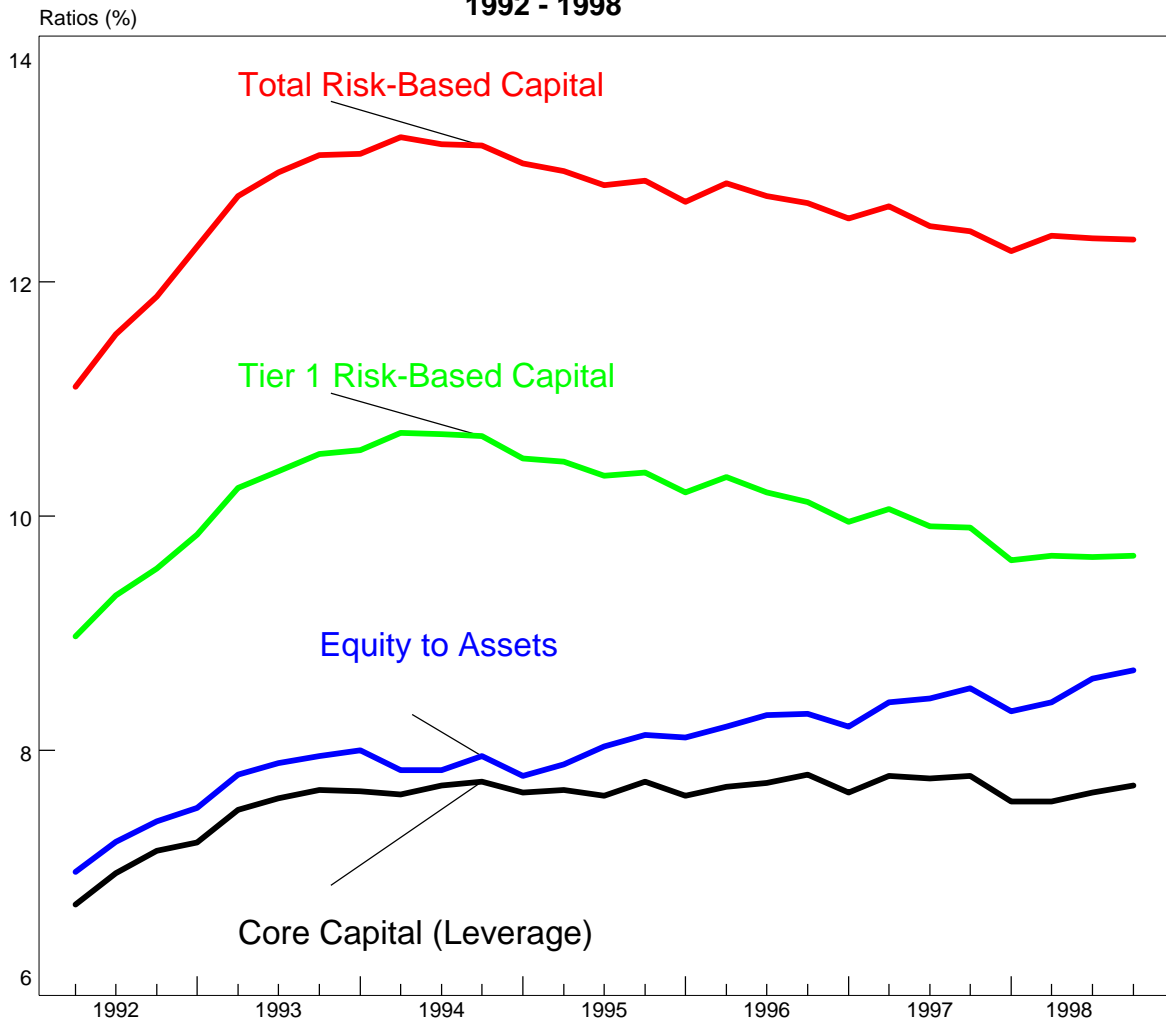
1984 - 1998



\*Net operating revenue equals net interest income plus noninterest income.

# Capital Ratios

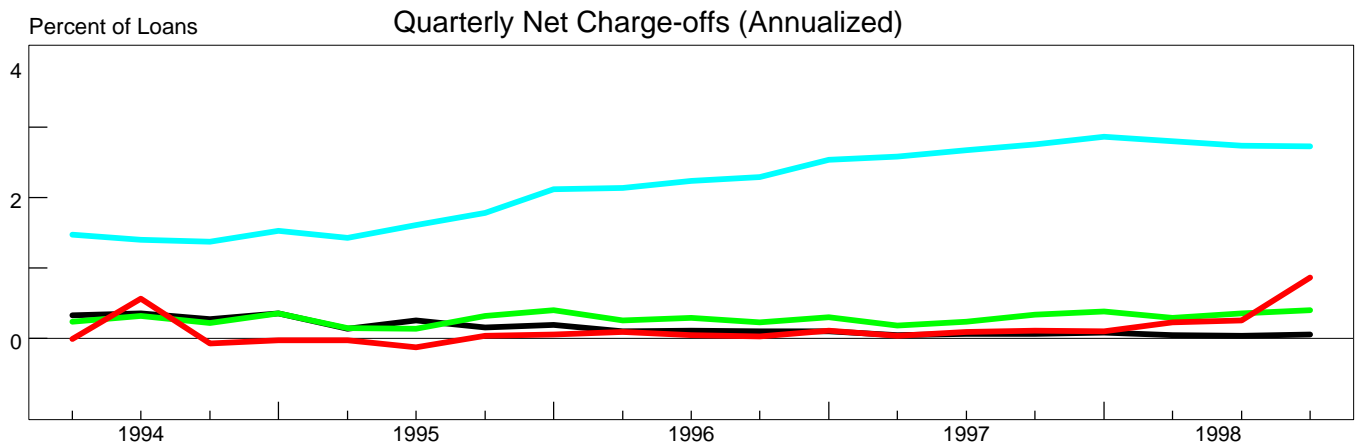
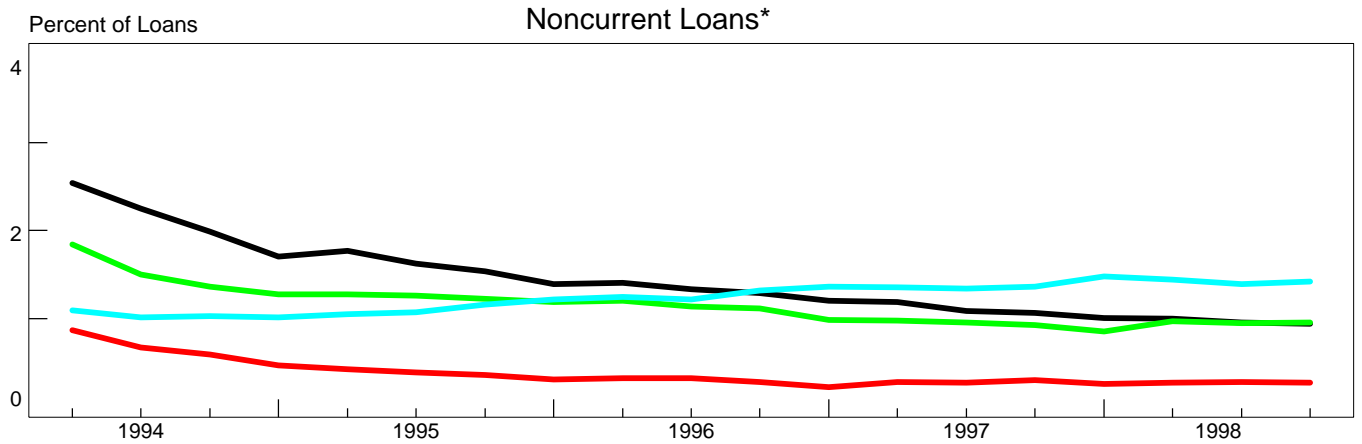
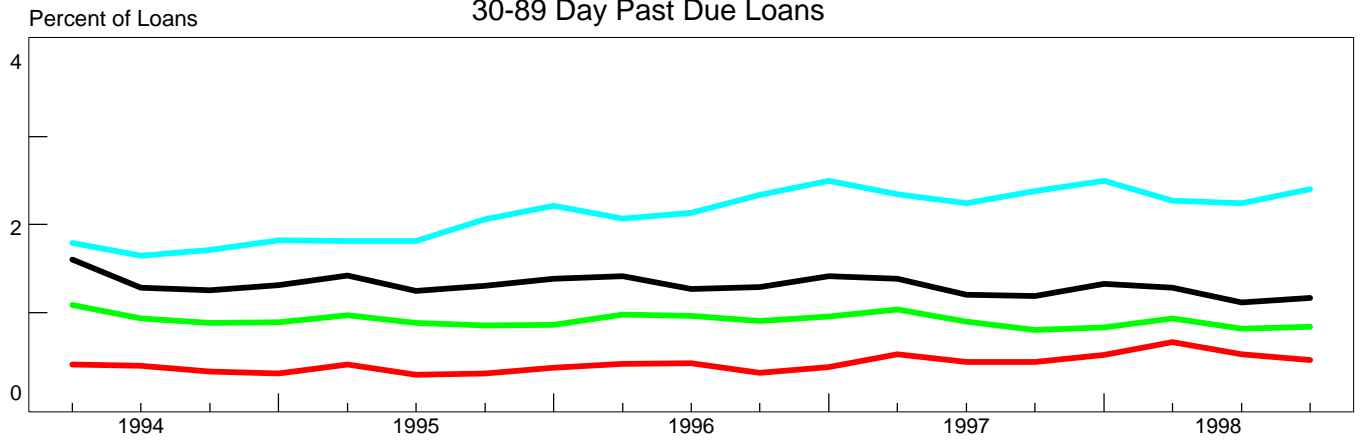
1992 - 1998



	12/92	12/93	12/94	12/95	12/96	12/97	9/98
<b>Total Risk-Based Capital</b>	<b>12.30</b>	<b>13.09</b>	<b>13.01</b>	<b>12.68</b>	<b>12.54</b>	<b>12.26</b>	<b>12.36</b>
<b>Tier 1 Risk-Based Capital</b>	<b>9.84</b>	<b>10.56</b>	<b>10.49</b>	<b>10.20</b>	<b>9.95</b>	<b>9.62</b>	<b>9.66</b>
<b>Equity to Assets</b>	<b>7.51</b>	<b>8.00</b>	<b>7.78</b>	<b>8.11</b>	<b>8.20</b>	<b>8.33</b>	<b>8.68</b>
<b>Core Capital (Leverage)</b>	<b>7.21</b>	<b>7.65</b>	<b>7.64</b>	<b>7.61</b>	<b>7.64</b>	<b>7.56</b>	<b>7.70</b>

# Loan Quality

1994 - 1998

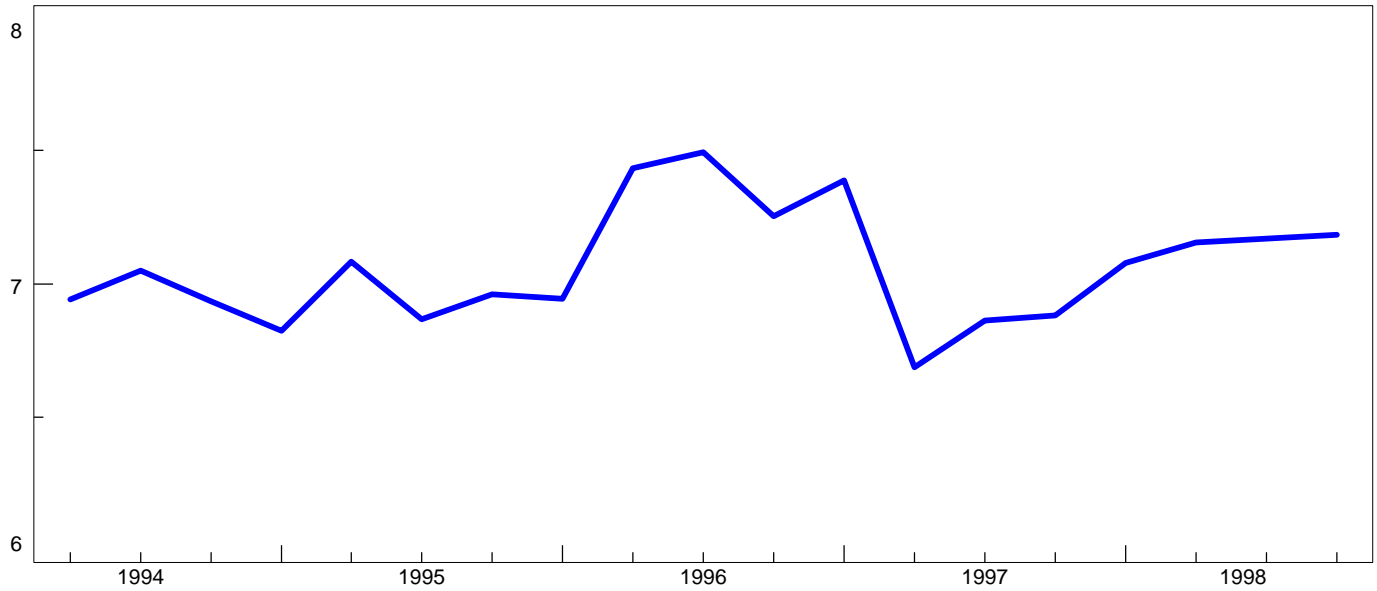


\*Loans past due 90 or more days or in nonaccrual status.

\*\*Includes loans to foreign governments, depository institutions and lease receivables.

## Banks' Lending Exposure to Foreign Borrowers 1994 - 1998

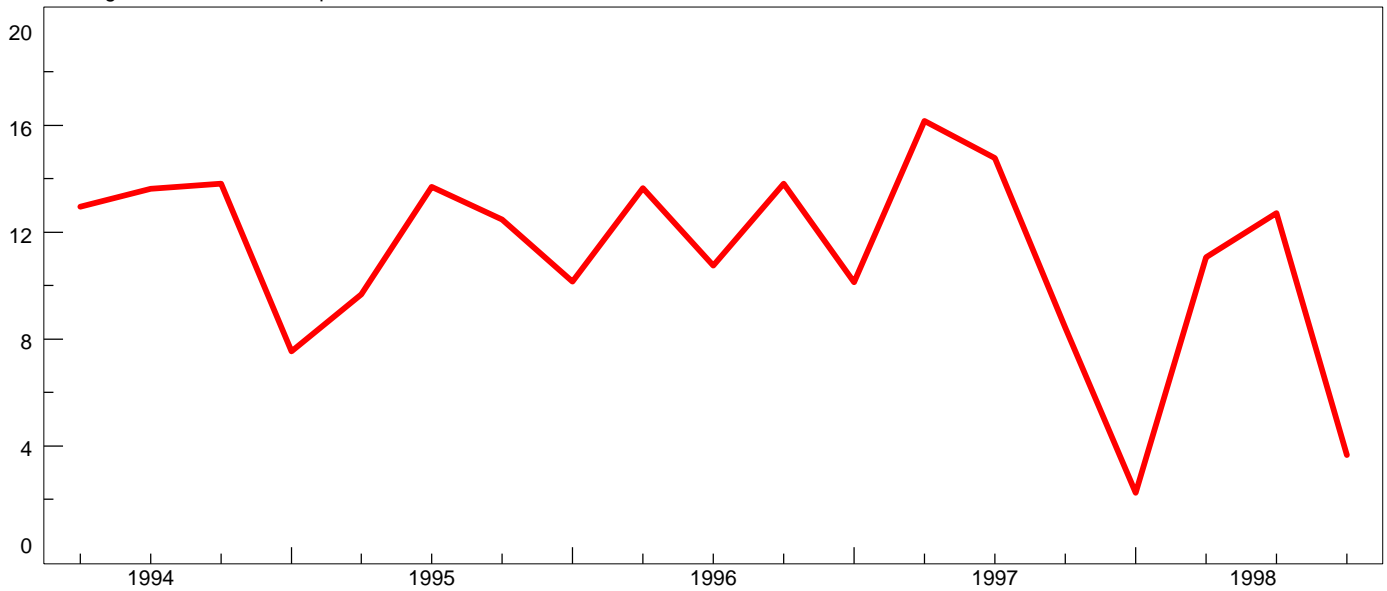
Loans to Non-U.S. Borrowers\*, % of Total Loans and Leases



\* Includes leases and commercial and industrial loans to non-U.S. addresses, loans to foreign governments, real estate loans in foreign offices, and loans to banks in foreign countries.

## International Operations' Contribution to Bank Earnings 1994 - 1998

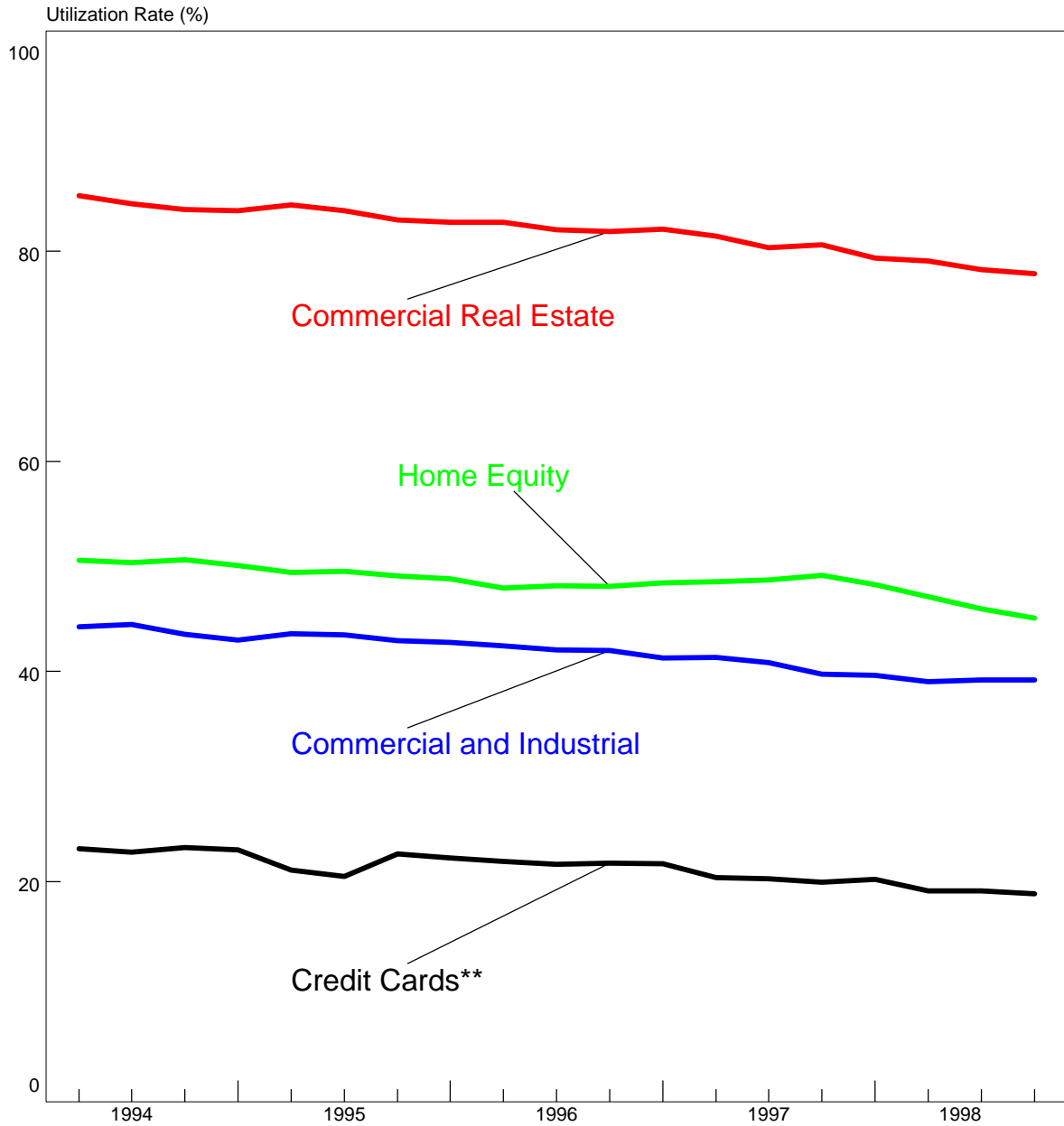
Earnings from International Operations, % of Net Income





## Utilization Rates on Loan Commitments\*

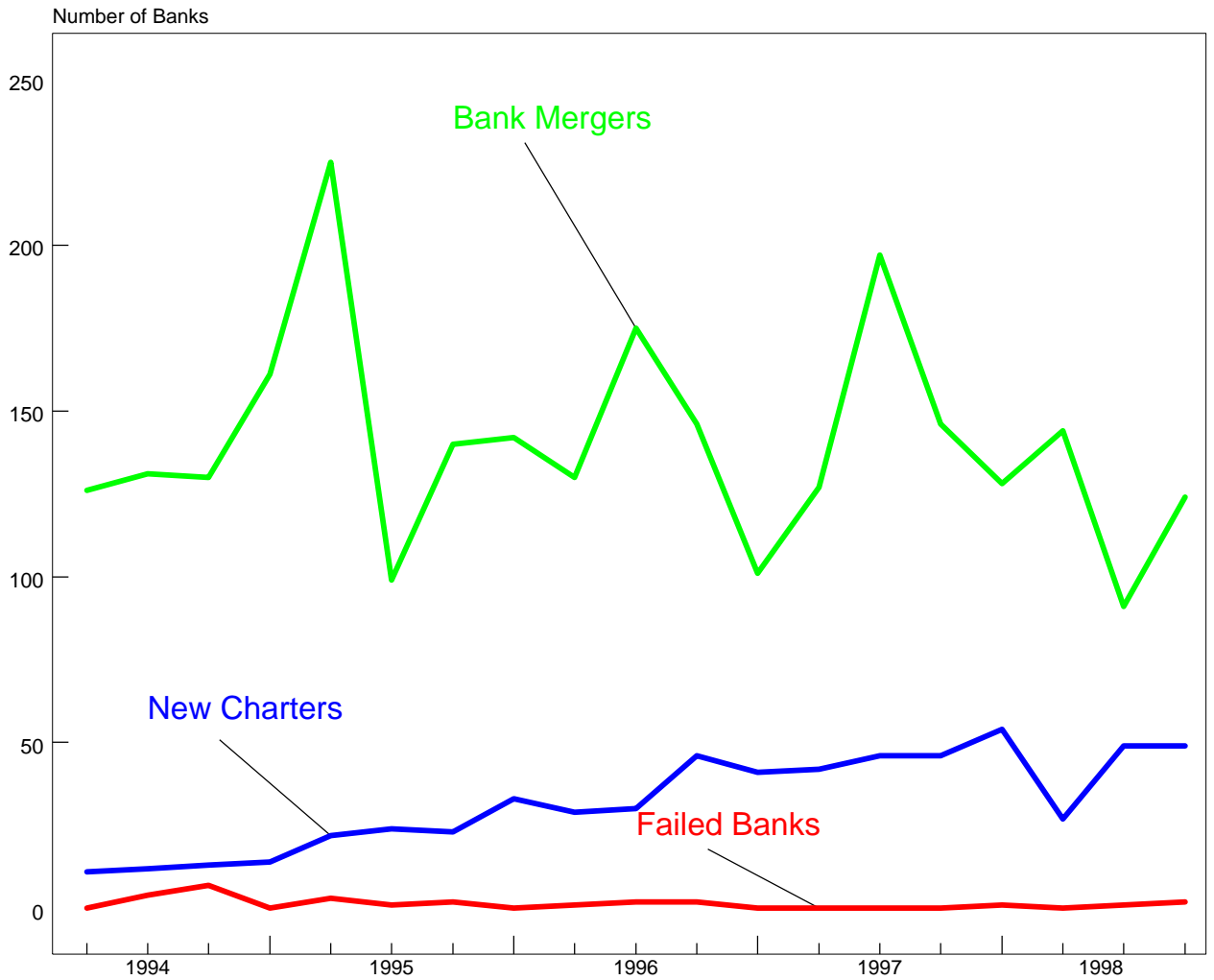
1994 - 1998



\* Utilization rates represent outstanding loan amounts as a percentage of unused loan commitments plus outstanding loan amounts.

\*\* Includes on-balance-sheet loans and off-balance-sheet securitized receivables. For 1st, 2nd, and 4th quarter Call data before 1996, loans securitized and sold are estimated using amounts reported as of 9/30.

## Changes in the Number of FDIC-Insured Commercial Banks Quarterly, 1994 - 1998

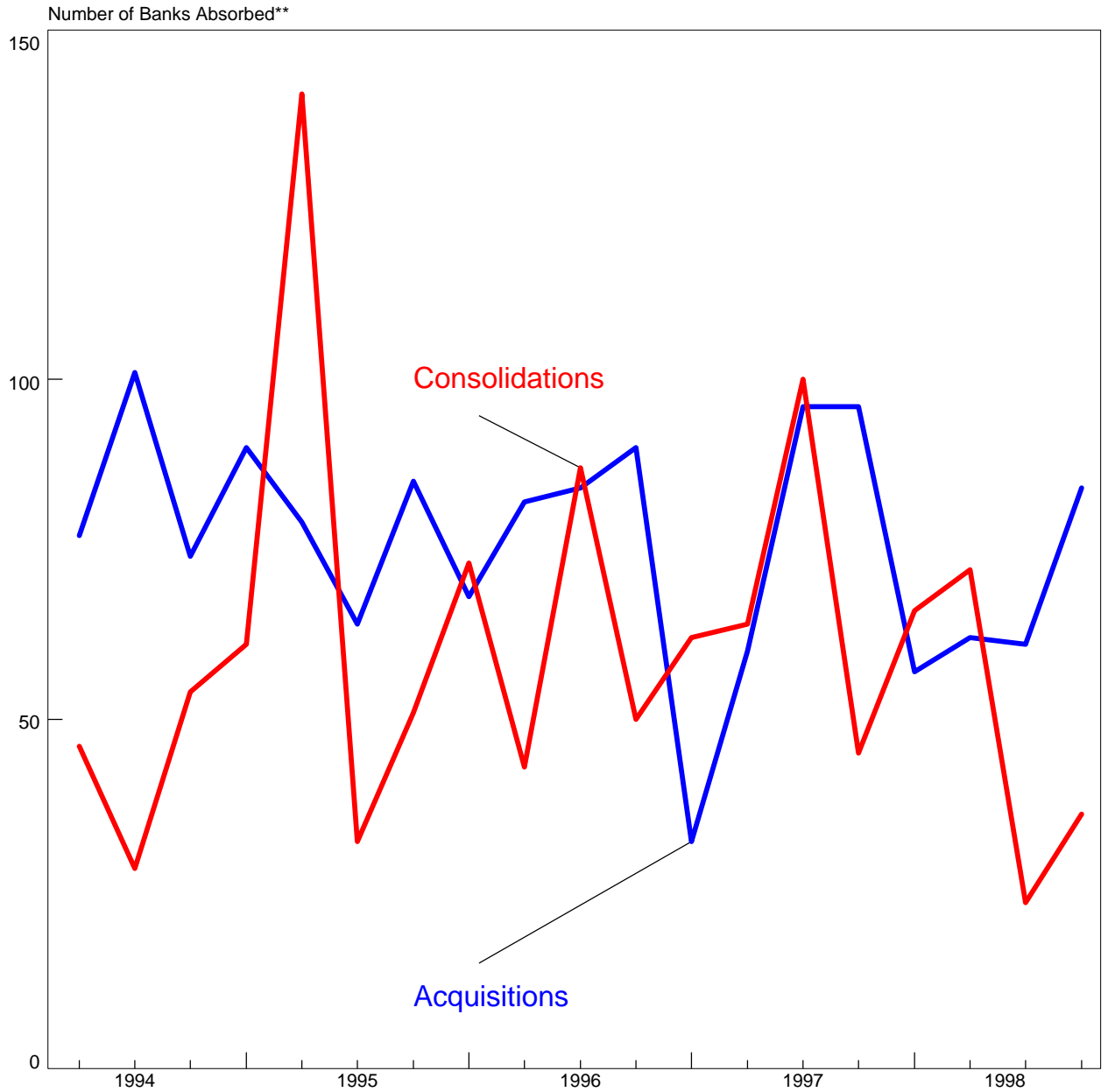


<b>New Charters</b>	11	12	13	14	22	24	23	33	29	30	46	41	42	46	46	54	27	49	49
<b>Bank Mergers</b>	126	131	130	161	225	99	140	142	130	175	146	101	127	197	146	128	144	91	124
<b>Failed Banks</b>	0	4	7	0	3	1	2	0	1	2	2	0	0	0	0	1	0	1	2
Other Changes, Net*	-3	0	0	5	-3	3	2	-3	0	-1	-2	2	8	9	6	4	-3	3	4
Net Change in Number of Banks	-118	-123	-124	-142	-209	-73	-117	-112	-102	-148	-104	-58	-77	-142	-94	-71	-120	-40	-73

\* Includes charter conversions, voluntary liquidations, adjustments for open-bank assistance transactions and other changes.

## Bank Mergers: Acquisitions vs. Consolidations\*

Quarterly, 1994 - 1998



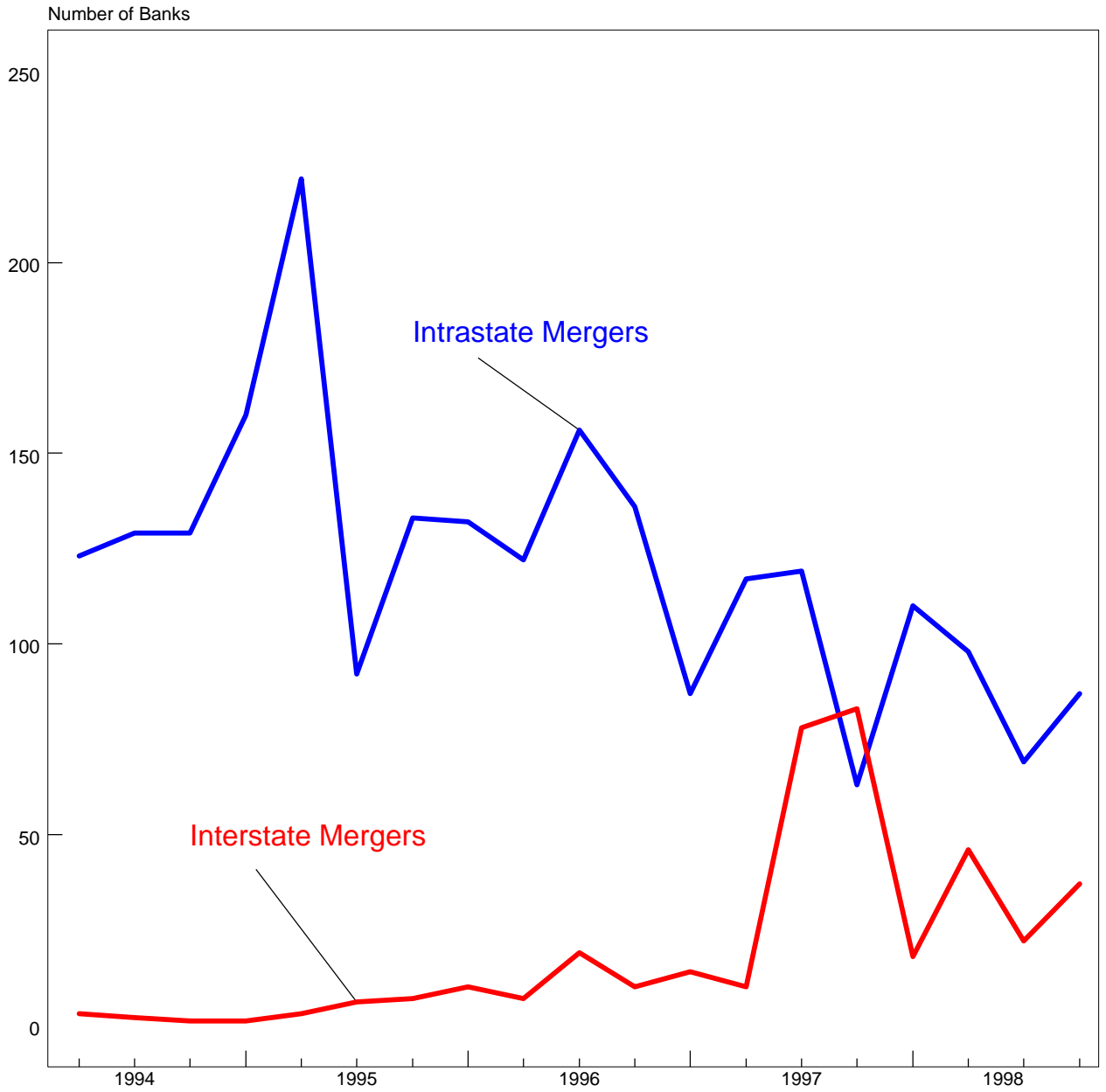
<b>Acquisitions</b>	<b>77</b>	<b>101</b>	<b>74</b>	<b>90</b>	<b>79</b>	<b>64</b>	<b>85</b>	<b>68</b>	<b>82</b>	<b>84</b>	<b>90</b>	<b>32</b>	<b>60</b>	<b>96</b>	<b>96</b>	<b>57</b>	<b>62</b>	<b>61</b>	<b>84</b>
<b>Consolidations</b>	<b>46</b>	<b>28</b>	<b>54</b>	<b>61</b>	<b>142</b>	<b>32</b>	<b>51</b>	<b>73</b>	<b>43</b>	<b>87</b>	<b>50</b>	<b>62</b>	<b>64</b>	<b>100</b>	<b>45</b>	<b>66</b>	<b>72</b>	<b>23</b>	<b>36</b>

\* Acquisitions = change in holding company ownership within 12 months of merger.  
 Consolidations = no change in ownership within 12 months of merger.

\*\* Does not include commercial banks merged into savings institutions.

## Bank Mergers: Interstate vs. Intrastate

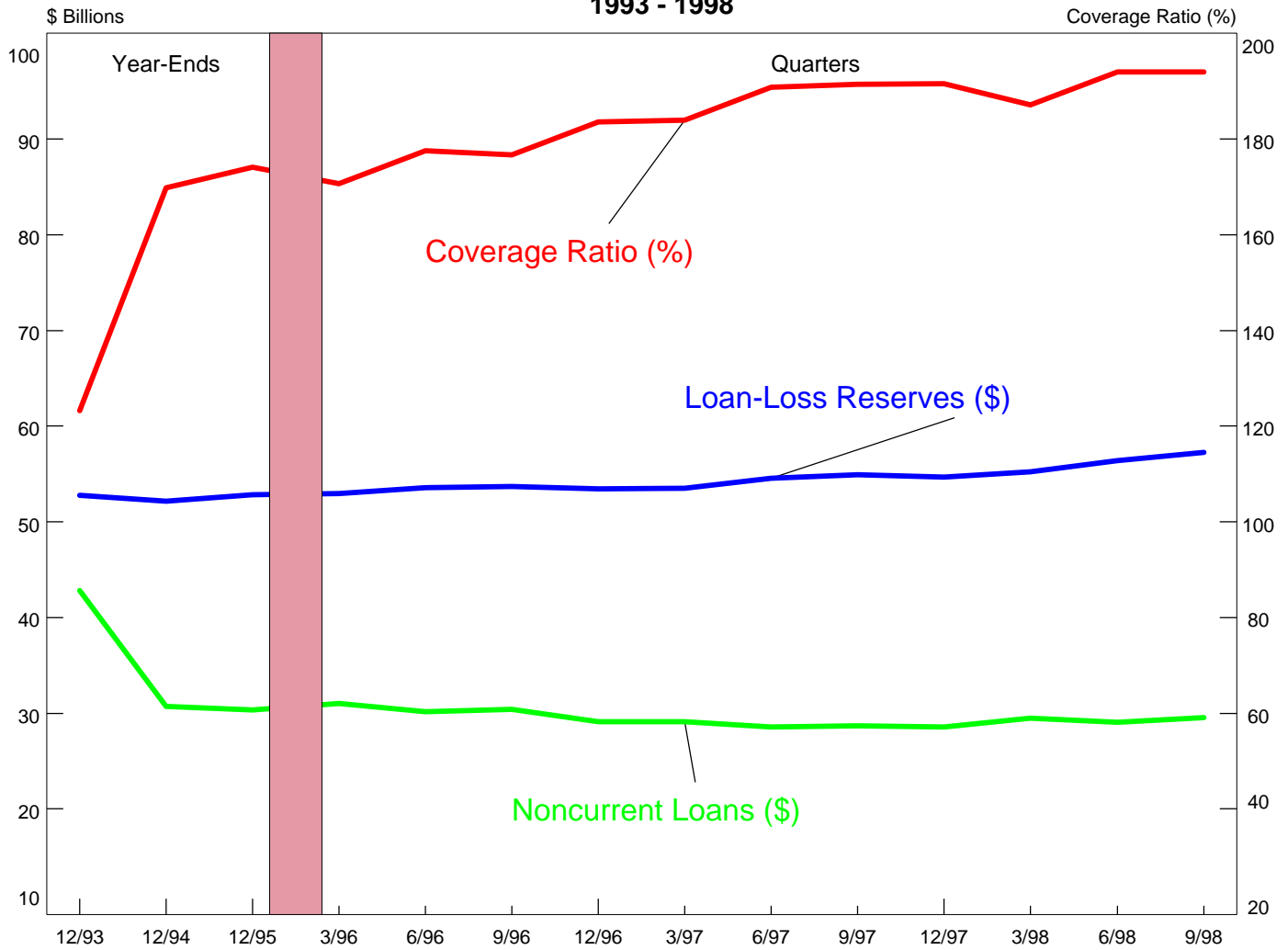
### Quarterly, 1994 - 1998



<b>Intrastate Mergers</b>	123	129	129	160	222	92	133	132	122	156	136	87	117	119	63	110	98	69	87
<b>Interstate Mergers</b>	3	2	1	1	3	6	7	10	7	19	10	14	10	78	83	18	46	22	37

## Reserve Coverage Ratio\*

1993 - 1998



### Noncurrent Loans (\$ Billions)

42.8 30.7 30.4 31.0 30.2 30.4 29.1 29.1 28.6 28.7 28.5 29.5 29.1 29.5

### Loan-Loss Reserves (\$ Billions)

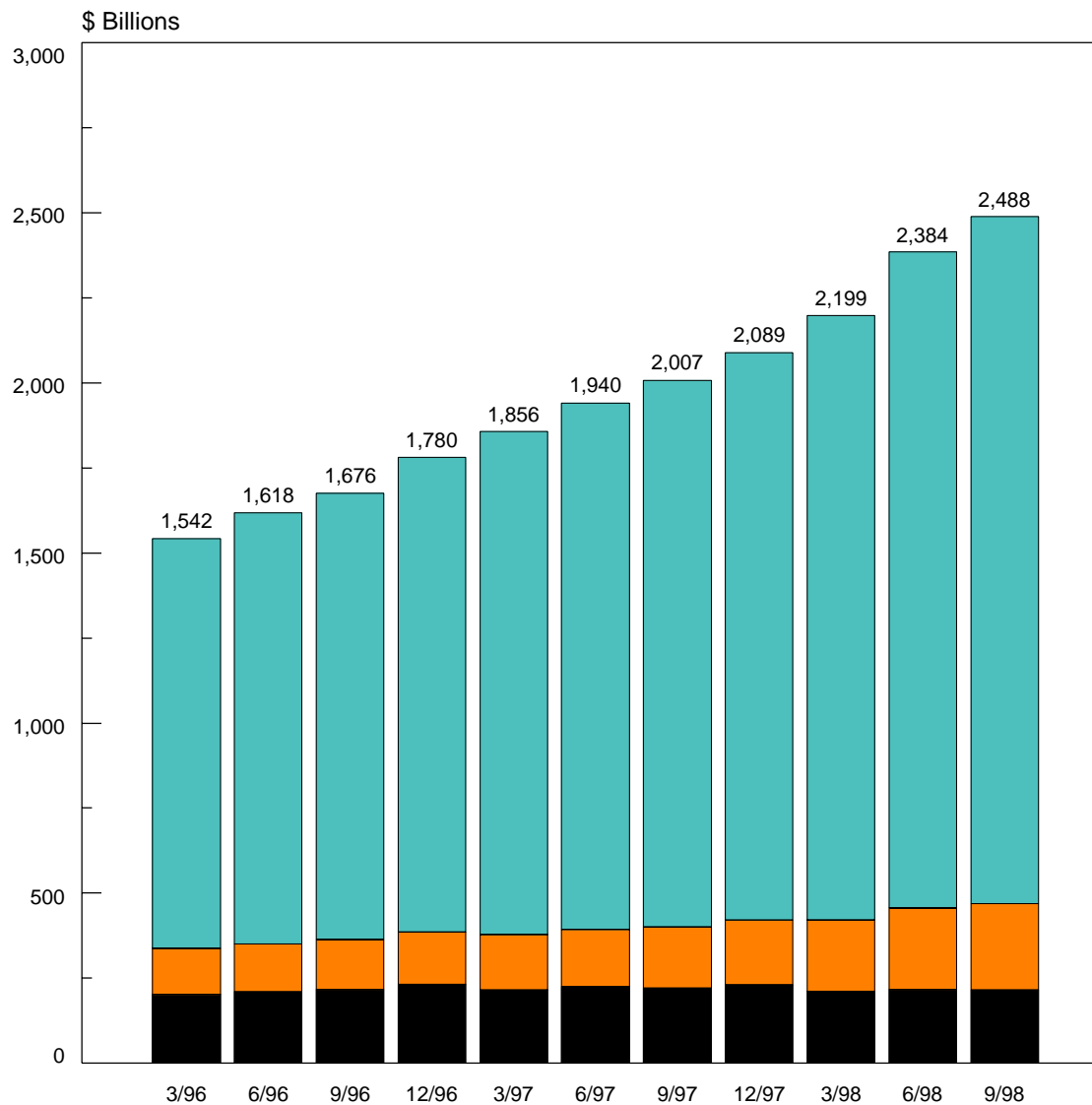
52.8 52.1 52.8 53.0 53.6 53.7 53.5 53.5 54.5 54.9 54.7 55.2 56.4 57.3

### Coverage Ratio (%)

123 170 174 171 178 177 184 184 191 191 192 187 194 194

\*Loan-loss reserves to noncurrent loans.

## Expansion of Credit Card Lines 1996 - 1998



### Loans outstanding (\$ Billions)

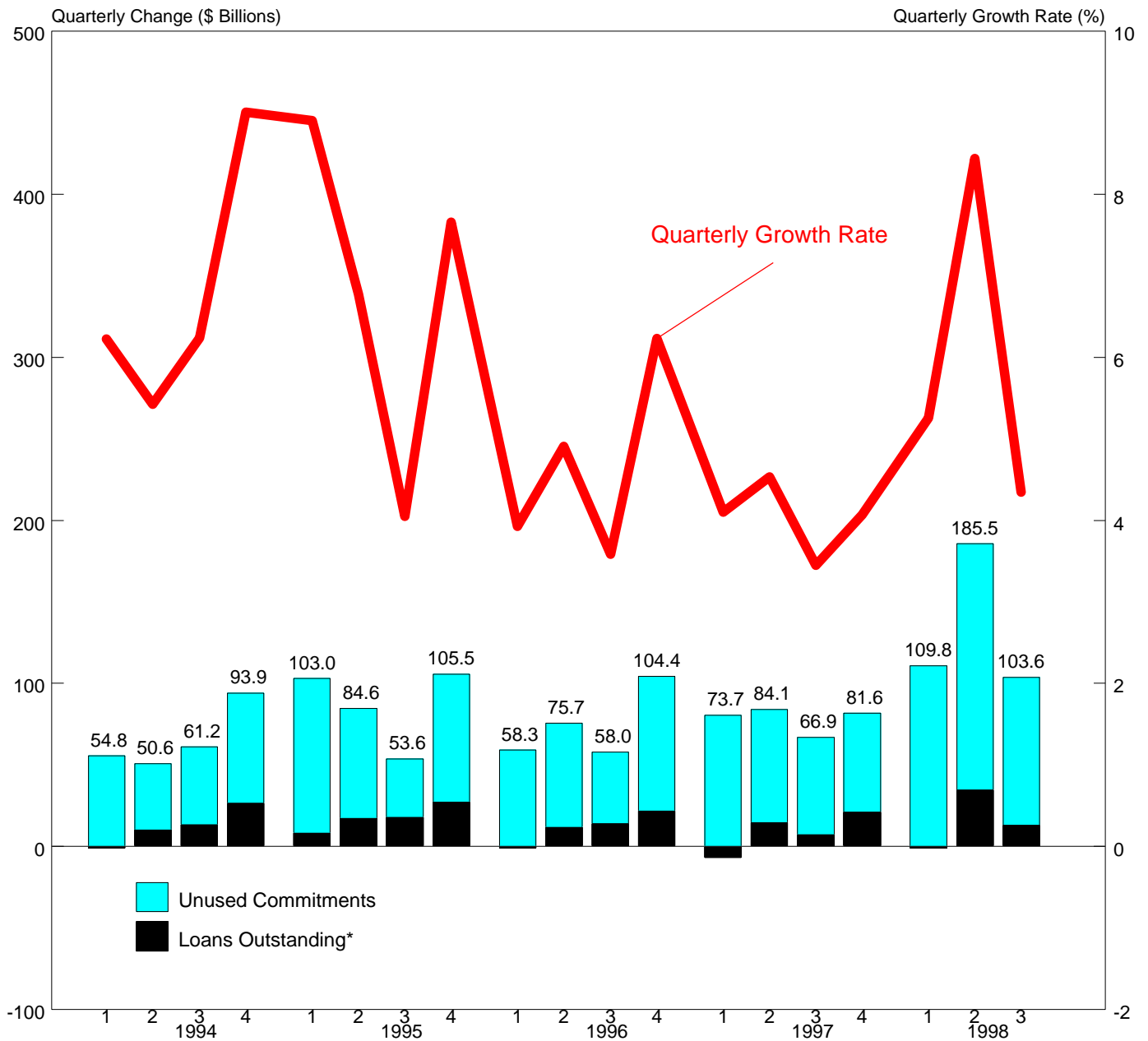
	3/96	6/96	9/96	12/96	3/97	6/97	9/97	12/97	3/98	6/98	9/98
■ Held on-balance-sheet	203.1	210.4	217.8	231.7	215.8	225.2	220.4	231.2	211.8	216.9	216.1
■ Securitized & sold *	135.4	139.8	146.6	154.4	163.1	168.4	180.4	190.8	209.2	238.7	252.6
■ Unused commitments *	1,203.4	1,267.4	1,311.3	1,394.0	1,477.3	1,546.7	1,606.4	1,666.9	1,777.5	1,928.6	2,019.1
<b>Total</b>	<b>1,541.9</b>	<b>1,617.6</b>	<b>1,675.7</b>	<b>1,780.0</b>	<b>1,856.1</b>	<b>1,940.3</b>	<b>2,007.2</b>	<b>2,088.8</b>	<b>2,198.6</b>	<b>2,384.1</b>	<b>2,487.8</b>

\* Off-balance-sheet

## Quarterly Credit Card Growth Rate

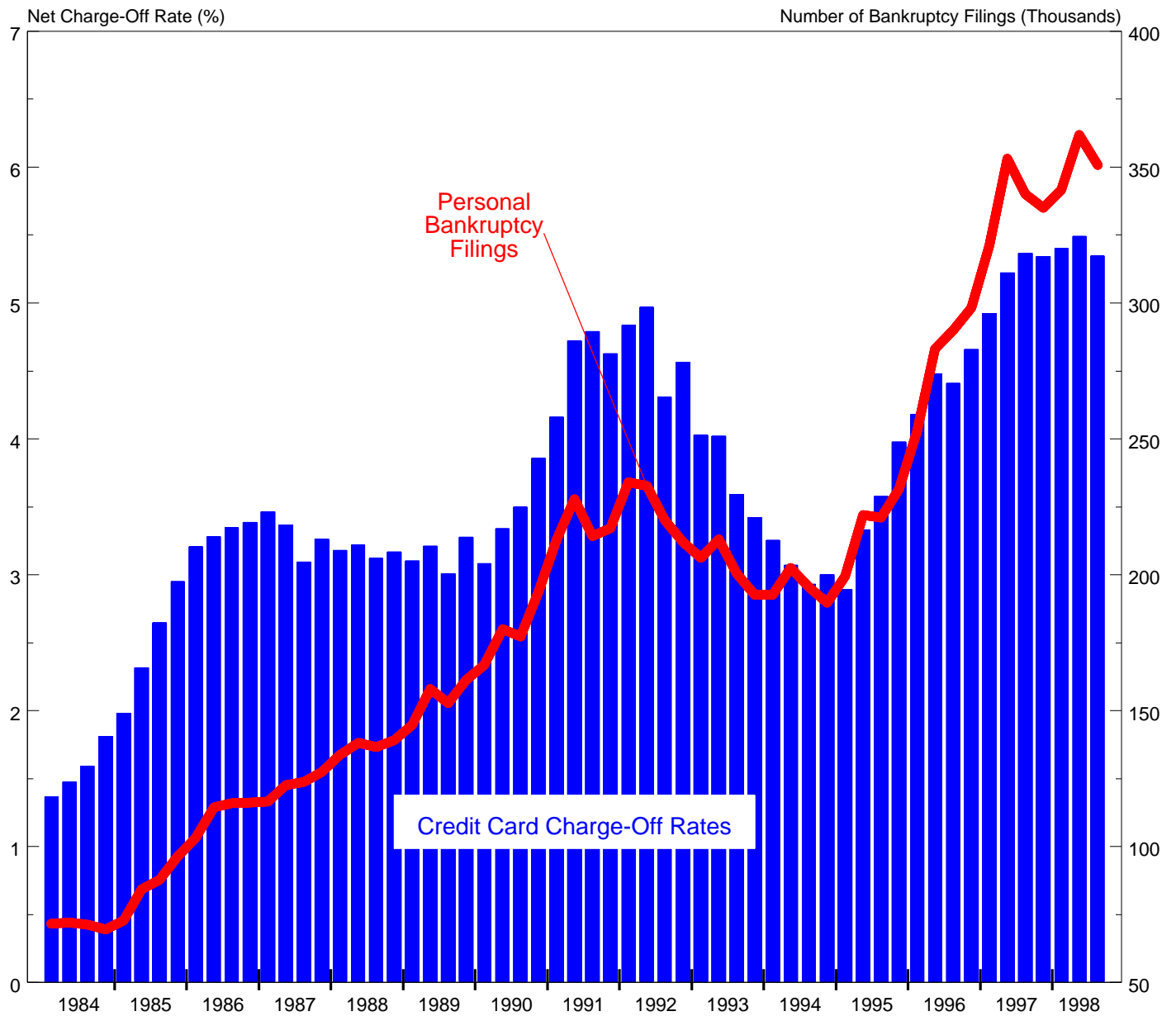
### Credit Card Loans and Unused Commitments

1994 - 1998



\*Includes on-balance-sheet loans and off-balance-sheet securitized receivables. For 1st, 2nd, and 4th quarter Call data before 1996, loans securitized and sold are estimated using amounts reported as of 9/30.

# Credit Card Loss Rates and Personal Bankruptcy Filings 1984 - 1998



Sources: Bankruptcies - Administrative Office of the United States Courts  
 Charge-Off Rates - Commercial Bank Call Reports



## Credit Card Loss Rates and Personal Bankruptcy Filings

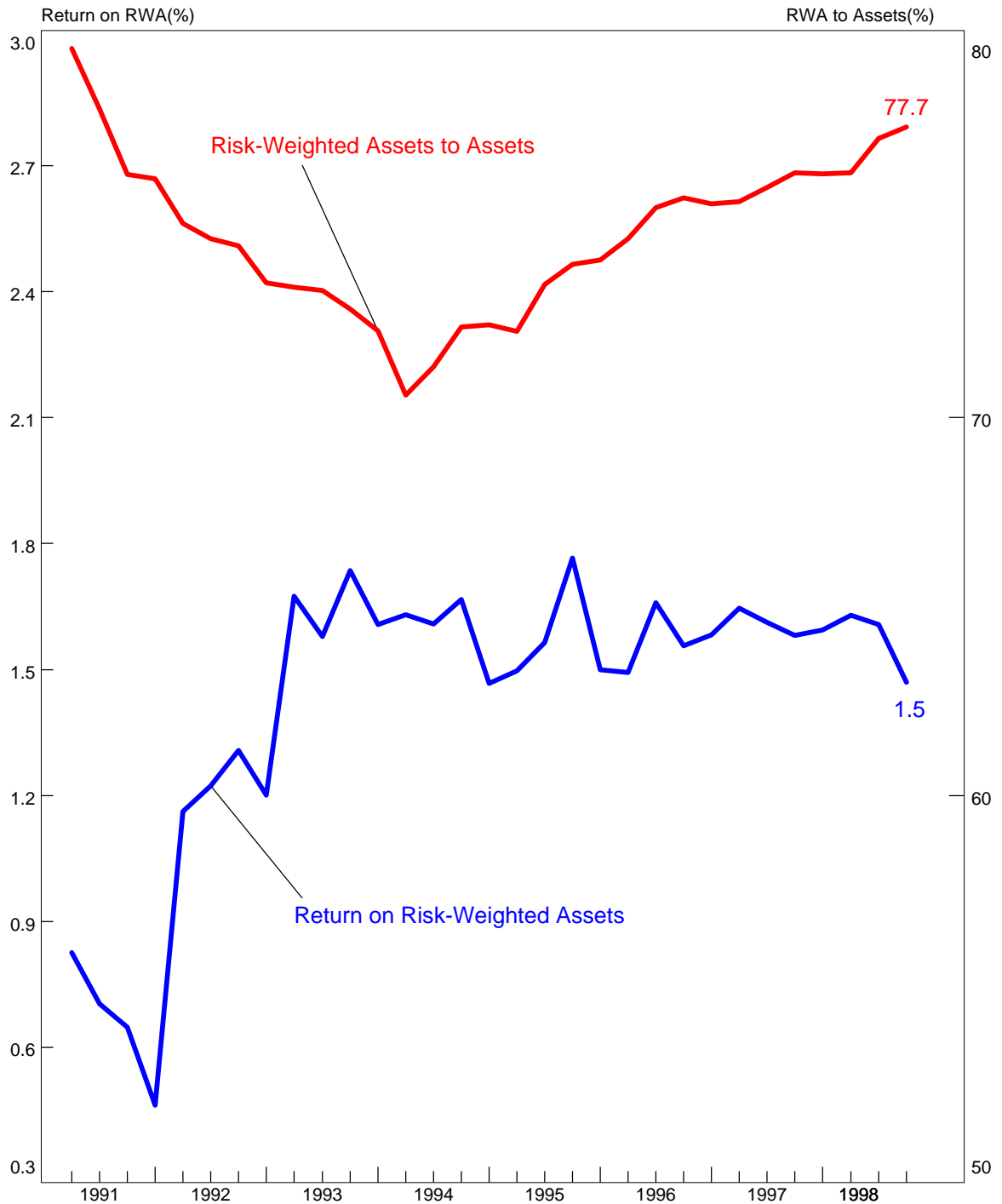
1984 - 1998

Date	Net Charge-Off Rate	Number of Bankruptcy Filings
3/31/84	1.37	71,697
6/30/84	1.48	71,955
9/30/84	1.59	71,201
12/31/84	1.81	69,554
3/31/85	1.98	72,887
6/30/85	2.31	84,243
9/30/85	2.65	87,727
12/31/85	2.95	96,376
3/31/86	3.21	103,088
6/30/86	3.28	114,384
9/30/86	3.35	116,037
12/31/86	3.38	116,204
3/31/87	3.46	116,578
6/30/87	3.37	122,689
9/30/87	3.09	123,868
12/31/87	3.26	127,409
3/31/88	3.18	133,712
6/30/88	3.22	138,245
9/30/88	3.12	136,561
12/31/88	3.17	139,215
3/31/89	3.10	144,711
6/30/89	3.21	157,955
9/30/89	3.01	152,696
12/31/89	3.28	161,404
3/31/90	3.08	166,694
6/30/90	3.34	179,943
9/30/90	3.50	177,351
12/31/90	3.86	193,872
3/31/91	4.16	212,913
6/30/91	4.72	227,853
9/30/91	4.79	214,174
12/31/91	4.63	217,160

Date	Net Charge-Off Rate	Number of Bankruptcy Filings
3/31/92	4.84	233,973
6/30/92	4.97	232,657
9/30/92	4.31	220,021
12/31/92	4.57	212,112
3/31/93	4.03	206,271
6/30/93	4.02	212,982
9/30/93	3.59	200,329
12/31/93	3.42	192,617
3/31/94	3.25	192,707
6/30/94	3.07	202,596
9/30/94	2.93	195,308
12/31/94	3.00	189,695
3/31/95	2.89	199,503
6/30/95	3.33	222,086
9/30/95	3.58	220,945
12/31/95	3.98	231,603
3/31/96	4.18	252,761
6/30/96	4.48	283,170
9/30/96	4.41	290,111
12/31/96	4.66	298,244
3/31/97	4.92	321,242
6/30/97	5.22	353,177
9/30/97	5.37	340,059
12/31/97	5.34	335,032
3/31/98	5.40	341,708
6/30/98	5.49	361,908
9/30/98	5.35	350,859

## Quarterly Return on Risk-Weighted Assets (RWA),\* and RWA to Total Assets

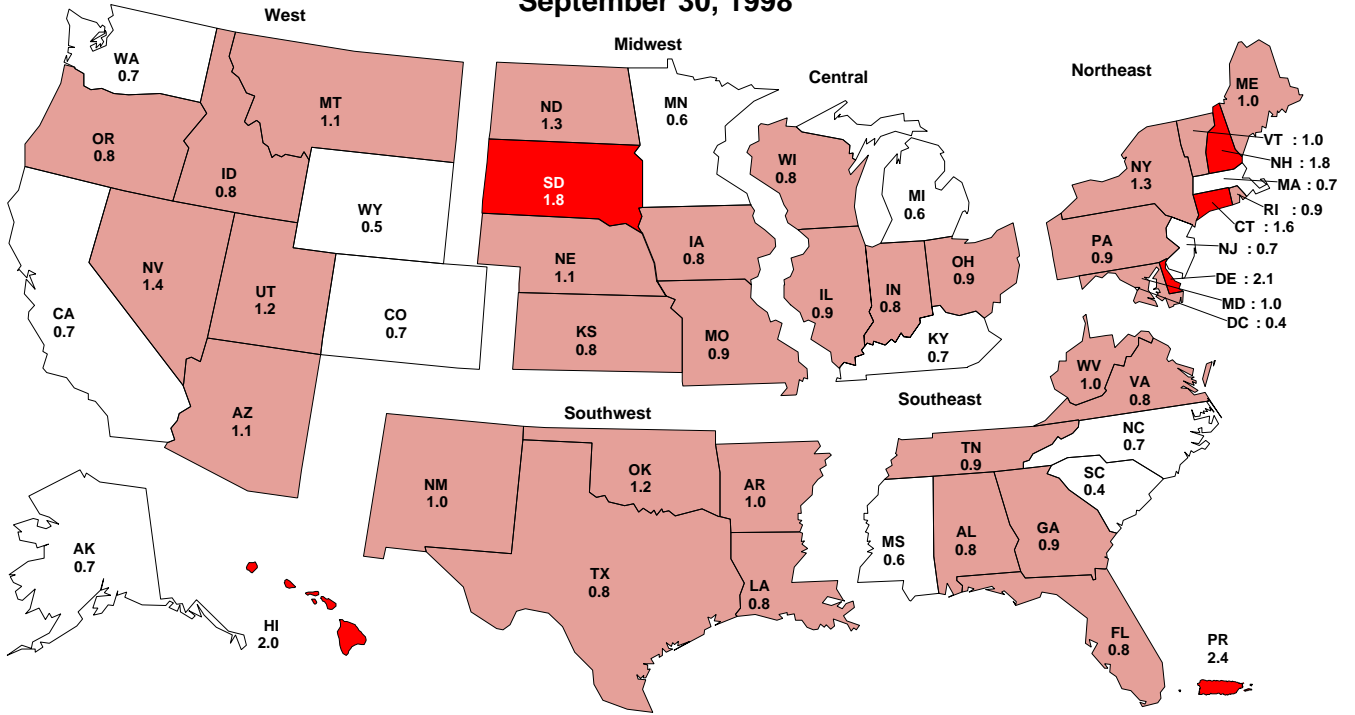
1991 - 1998



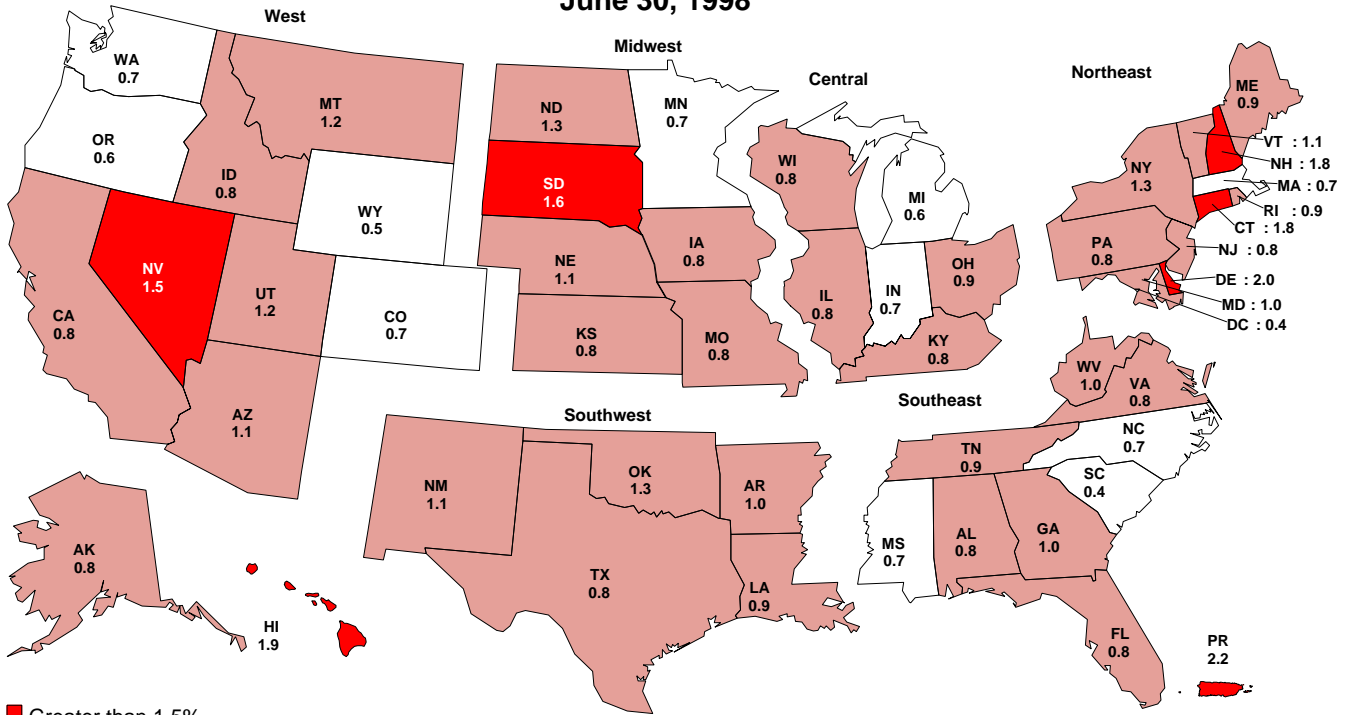
\* Assets weighted according to risk categories used in regulatory capital computations.

# Noncurrent Loan Rates\*

September 30, 1998



June 30, 1998



- Greater than 1.5%
- Between .75% and 1.5%
- Less than .75%

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

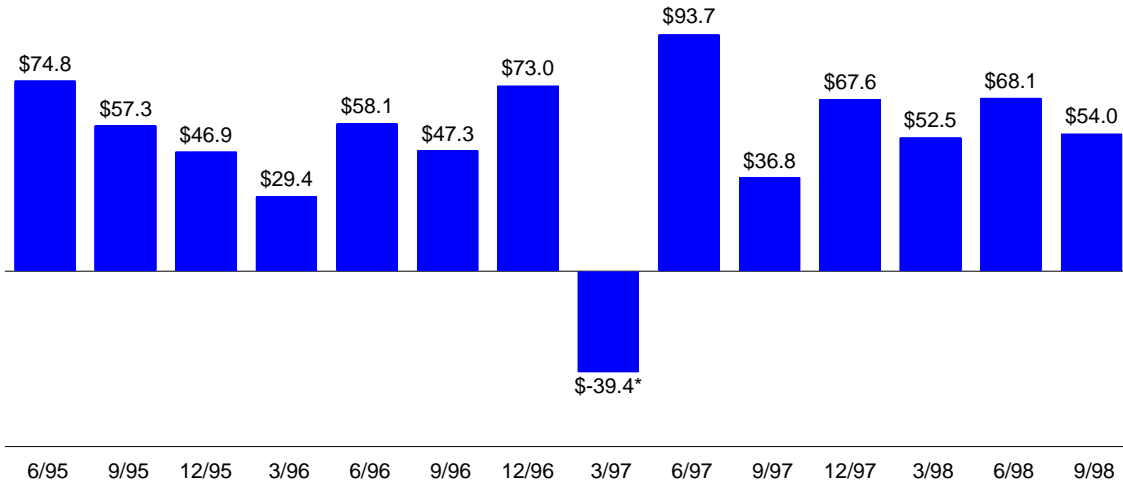
## Noncurrent Loan Rates\*

### June 30, 1998 - September 30, 1998

	Total Loans		Commercial & Industrial		Real Estate		Loans to Individuals		All Other Loans	
	9/30/98	6/30/98	9/30/98	6/30/98	9/30/98	6/30/98	9/30/98	6/30/98	9/30/98	6/30/98
Puerto Rico	2.45	2.21	2.87	2.52	2.57	2.46	2.06	1.76	1.82	1.56
Delaware	2.08	2.04	1.12	0.80	1.06	1.04	2.35	2.33	0.18	0.25
Hawaii	2.03	1.92	2.44	2.18	2.16	2.22	0.97	1.08	0.99	0.13
New Hampshire	1.84	1.80	1.45	1.89	1.13	1.13	2.53	2.41	0.01	0.07
South Dakota	1.84	1.63	1.95	1.78	1.07	1.19	2.11	1.94	0.41	0.32
Connecticut	1.61	1.82	2.72	3.31	1.43	1.55	0.54	0.58	2.49	2.86
Nevada	1.38	1.51	0.80	0.84	0.87	1.07	1.59	1.73	1.32	1.07
North Dakota	1.31	1.32	2.60	2.43	1.16	1.14	0.75	0.80	0.79	0.89
New York	1.30	1.28	1.24	1.16	1.58	1.64	2.71	2.76	0.25	0.28
Oklahoma	1.24	1.28	2.06	2.03	1.20	1.30	0.69	0.89	0.50	0.16
Utah	1.15	1.22	0.94	1.11	0.65	0.61	1.54	1.67	0.94	0.84
Arizona	1.10	1.07	0.76	0.93	0.48	0.49	1.83	1.81	0.27	0.23
Montana	1.09	1.18	2.80	3.25	0.82	0.80	0.69	0.68	0.48	0.50
Nebraska	1.08	1.10	2.60	2.58	0.77	0.81	1.48	1.41	0.09	0.19
Vermont	1.02	1.10	1.59	1.33	1.07	1.22	0.55	0.68	0.17	0.05
Arkansas	1.02	1.00	1.54	1.46	1.08	1.05	0.80	0.81	0.05	0.06
Maryland	1.01	0.97	1.29	1.04	1.01	1.02	0.46	0.41	1.27	1.40
New Mexico	1.01	1.13	1.51	1.73	0.99	1.15	0.77	0.74	0.56	0.38
West Virginia	1.01	0.95	2.25	2.30	0.90	0.82	0.71	0.65	0.24	0.21
Maine	1.00	0.91	0.85	0.81	1.04	0.91	1.56	1.39	0.31	0.47
Rhode Island	0.91	0.89	0.32	0.26	0.90	1.01	2.30	2.01	0.31	0.30
Ohio	0.90	0.89	1.06	1.09	0.85	0.84	1.02	1.00	0.60	0.51
Tennessee	0.89	0.89	0.71	0.54	1.07	1.11	0.73	0.75	0.42	0.30
Georgia	0.88	0.97	0.76	0.87	0.62	0.66	1.66	1.71	0.12	0.20
Pennsylvania	0.85	0.84	0.77	0.61	1.01	1.02	0.97	0.97	0.21	0.35
Illinois	0.85	0.79	0.93	0.87	0.96	0.88	0.80	0.72	0.24	0.28
Missouri	0.85	0.84	1.22	1.55	0.86	0.76	0.53	0.45	0.23	0.31
Louisiana	0.84	0.85	0.96	0.98	0.90	0.91	0.78	0.75	0.19	0.18
Texas	0.84	0.82	1.33	1.18	0.81	0.84	0.48	0.55	0.29	0.31
Idaho	0.84	0.83	2.08	1.93	0.43	0.55	0.52	0.57	0.00	0.00
Kansas	0.83	0.83	1.60	1.71	0.65	0.68	1.07	0.91	0.16	0.12
Florida	0.80	0.79	0.92	0.92	1.02	0.95	0.61	0.69	0.07	0.11
Virginia	0.79	0.84	0.66	0.62	0.65	0.70	1.19	1.21	0.22	0.85
Indiana	0.79	0.74	1.00	0.89	0.67	0.65	1.08	1.00	0.28	0.26
Oregon	0.78	0.63	1.18	1.11	0.58	0.46	1.50	1.00	0.02	0.02
Alabama	0.78	0.78	0.83	0.91	0.71	0.71	1.16	1.08	0.34	0.28
Wisconsin	0.77	0.82	0.85	1.11	0.79	0.78	0.84	0.93	0.41	0.22
Iowa	0.76	0.76	1.81	1.87	0.58	0.52	0.69	0.82	0.22	0.24
Washington	0.74	0.71	0.95	1.08	0.73	0.64	0.49	0.49	0.09	0.06
Colorado	0.73	0.71	1.24	1.14	0.55	0.53	1.01	1.10	0.32	0.22
Kentucky	0.72	0.77	1.05	1.04	0.74	0.81	0.69	0.69	0.20	0.17
New Jersey	0.71	0.79	0.86	0.90	0.75	0.90	0.58	0.59	0.15	0.06
California	0.71	0.76	0.80	0.83	0.94	1.04	0.38	0.38	0.20	0.20
Massachusetts	0.70	0.72	0.58	0.56	0.89	0.92	1.37	1.22	0.23	0.38
Alaska	0.69	0.84	0.94	1.26	0.67	0.74	0.30	0.30	0.65	0.90
North Carolina	0.67	0.69	0.52	0.61	0.91	0.90	0.84	0.75	0.15	0.16
Minnesota	0.64	0.65	0.95	0.90	0.56	0.60	0.63	0.61	0.35	0.36
Michigan	0.64	0.63	0.75	0.73	0.60	0.61	0.56	0.50	0.42	0.46
Mississippi	0.61	0.68	1.18	1.12	0.51	0.63	0.58	0.49	0.19	0.71
Wyoming	0.49	0.54	1.36	1.61	0.31	0.32	0.30	0.35	0.88	0.96
South Carolina	0.38	0.41	0.42	0.36	0.35	0.40	0.54	0.55	0.18	0.17
District of Columbia	0.36	0.43	0.62	0.67	0.08	0.18	0.88	1.17	1.57	0.00
U.S. and Territories	0.94	0.94	0.96	0.94	0.94	0.96	1.42	1.39	0.27	0.28

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

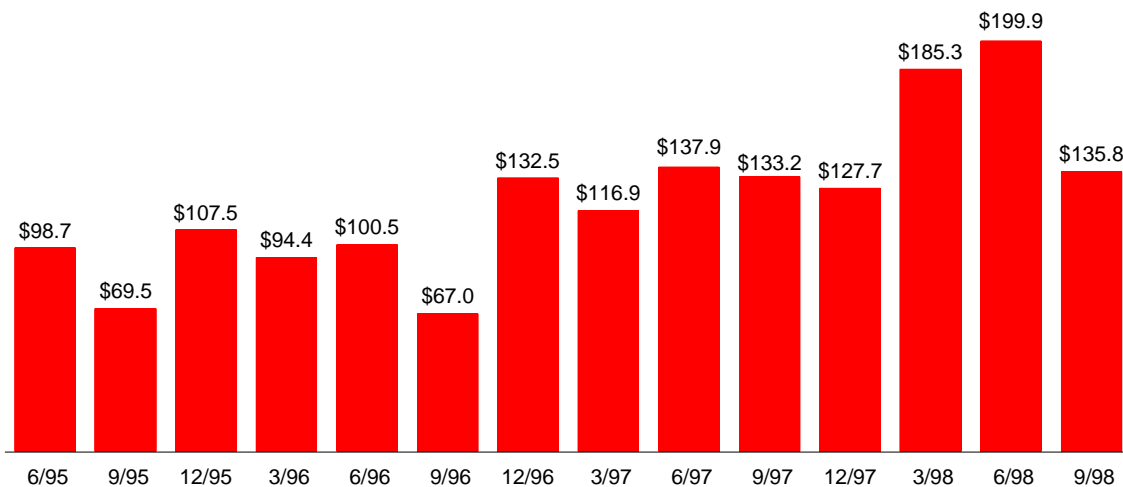
## Quarterly Change in Reported Loans Outstanding (\$ Billions)



\*In the first quarter of 1997, reporting changes resulted in a \$61.7 billion decline in foreign office loans. Loans in domestic offices increased by \$23.2 billion during the quarter.

In the third quarter of 1998, commercial and industrial loans increased by \$23.6 billion, real estate loans increased by \$15.7 billion, and loans to individuals increased by \$7.6 billion.

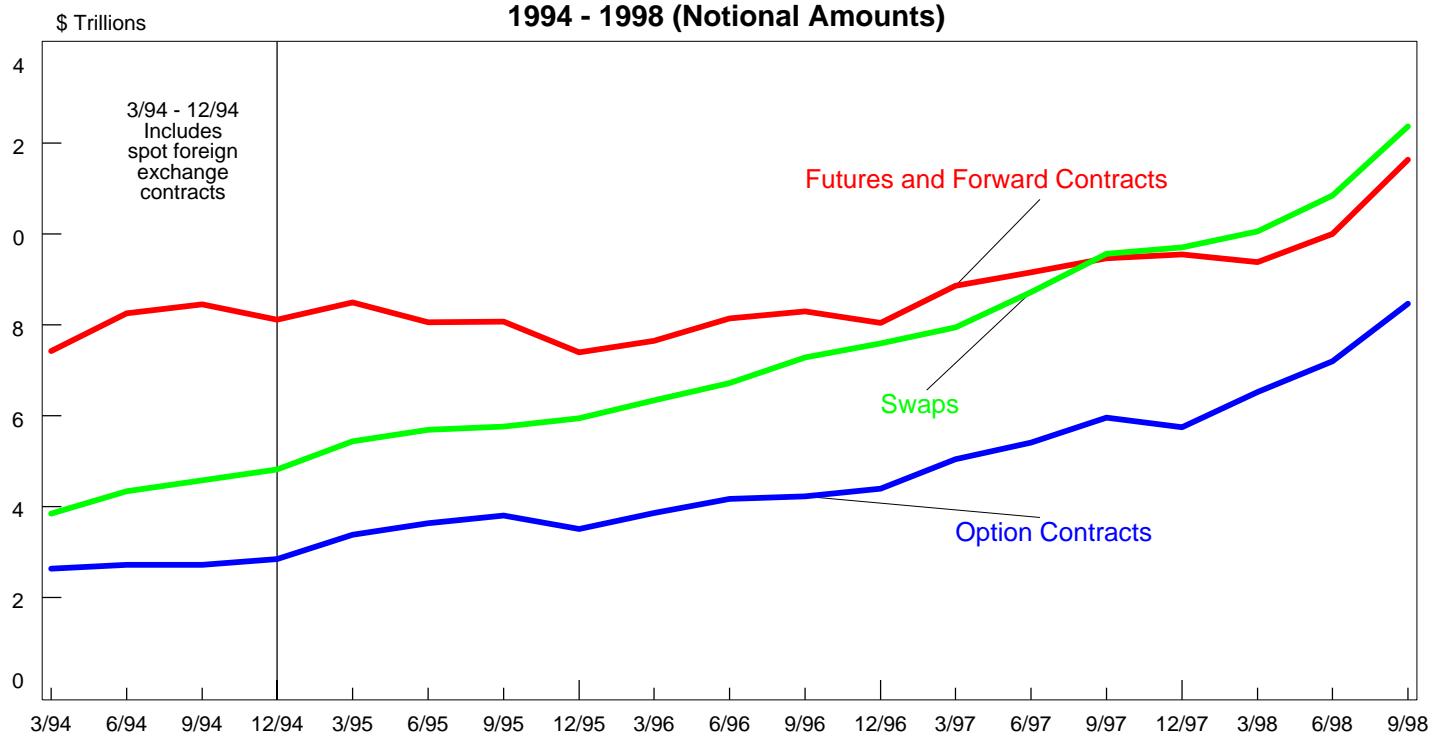
## Quarterly Change in Unused Loan Commitments (\$ Billions)



In the third quarter of 1998, unused credit card commitments increased by \$90.5 billion and unused commitments for loans to businesses increased by \$36.6 billion.

## Off-Balance-Sheet Derivatives

1994 - 1998 (Notional Amounts)



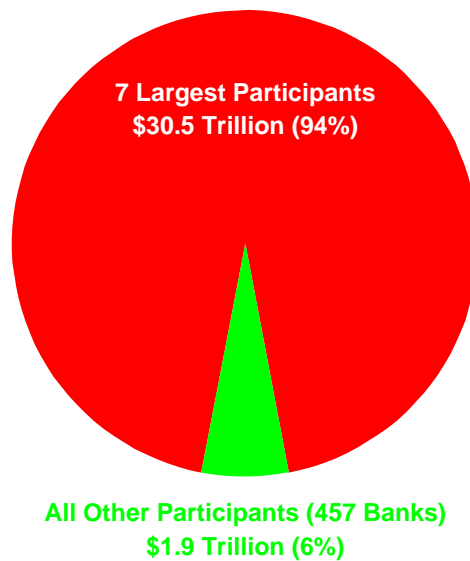
	12/94	12/95	12/96	12/97	3/98	6/98	9/98
<b>Total Derivatives (off-balance-sheet)</b> (Notional Amounts, in billions of dollars)	\$15,773	\$16,861	\$20,035	\$25,009	\$25,958	\$28,047	\$32,479
<b>Futures and Forward Contracts</b>	<b>8,110</b>	<b>7,399</b>	<b>8,041</b>	<b>9,551</b>	<b>9,380</b>	<b>10,003</b>	<b>11,644</b>
Interest rate contracts	3,435	3,063	3,201	4,083	4,399	4,818	5,938
Foreign exchange rate contracts	4,620	4,221	4,739	5,359	4,866	5,063	5,594
Other futures and forwards*	54	115	102	109	115	122	112
<b>Option Contracts</b>	<b>2,841</b>	<b>3,516</b>	<b>4,393</b>	<b>5,754</b>	<b>6,518</b>	<b>7,197</b>	<b>8,467</b>
Interest rate options	2,039	2,485	3,156	3,985	4,616	5,071	6,221
Foreign currency options	653	817	1,033	1,457	1,576	1,719	1,736
Other option contracts*	149	214	204	312	326	407	509
<b>Swaps</b>	<b>4,822</b>	<b>5,945</b>	<b>7,601</b>	<b>9,705</b>	<b>10,060</b>	<b>10,846</b>	<b>12,369</b>
Interest rate swaps	4,450	5,547	7,069	9,018	9,346	10,164	11,680
Foreign exchange rate swaps	331	350	471	614	626	607	624
Other swaps*	40	49	61	73	88	76	64
<b>Memoranda</b>							
Spot Foreign Exchange Contracts	NA	305	262	317	678	662	808
Credit Derivatives	NA	NA	NA	55	91	129	162
Number of banks reporting derivatives	625	558	483	459	451	459	464
Replacement cost of interest rate and foreign exchange rate contracts **	146	219	246	355	348	349	473

\* Not reported by banks with less than \$300 million in assets.

\*\* Reflects replacement cost of interest rate and foreign exchange contracts covered by risk-based-capital requirements. Does not include foreign exchange rate contracts with an original maturity of 14 days or less or futures contracts.

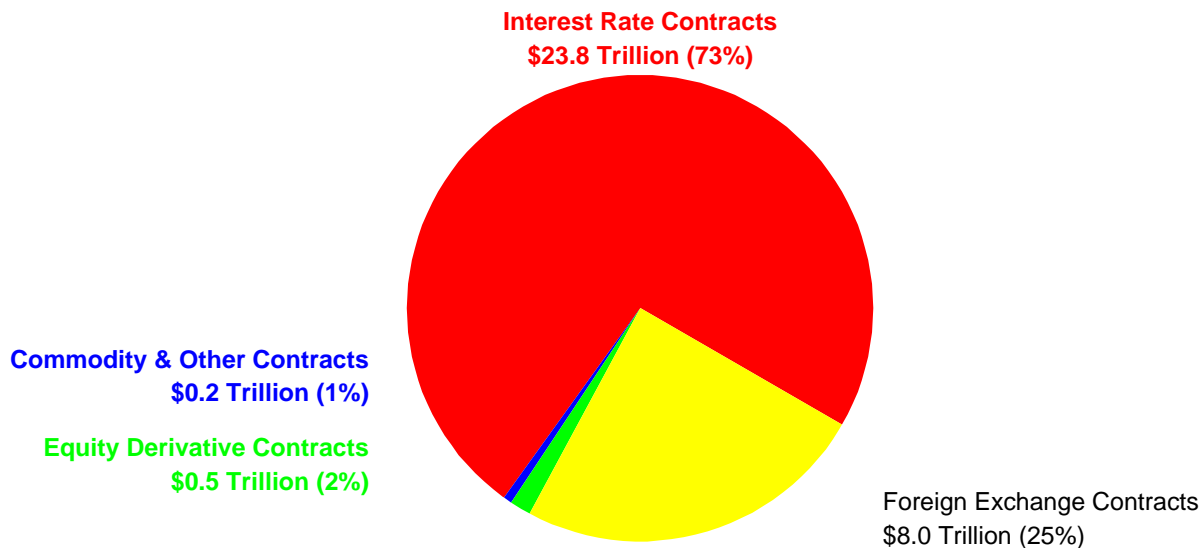
## Concentration of Off-Balance-Sheet Derivatives\*

Notional Amounts  
September 30, 1998



## Composition of Off-Balance-Sheet Derivatives\*

Notional Amounts  
September 30, 1998

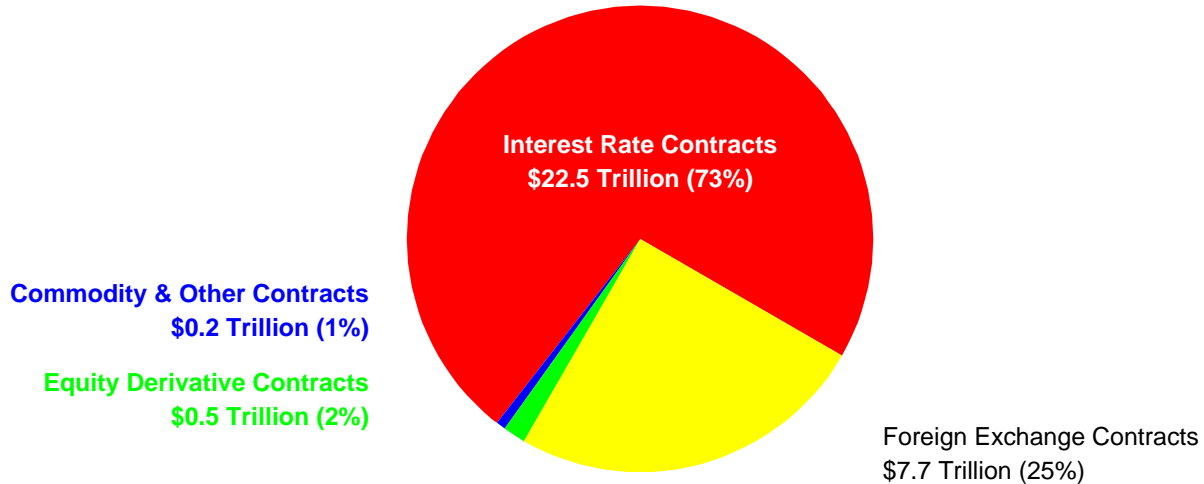


\*Amounts do not represent either the net market position or the credit exposure of banks' off-balance-sheet derivative activities. They represent the gross value of all contracts written. Spot foreign exchange contracts of \$746 billion for the seven largest participants and \$62 billion for all others are not included.

## Purpose of Off-Balance-Sheet Derivatives\* Held for Trading

Notional Amounts

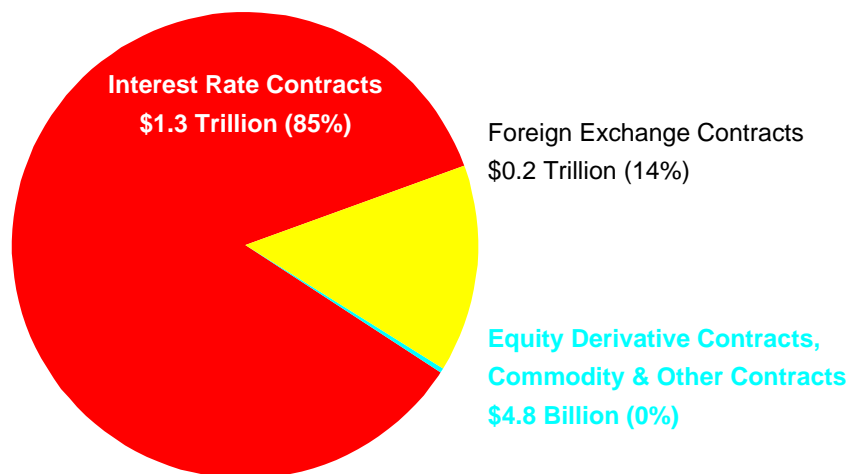
September 30, 1998



## Not Held for Trading

Notional Amounts

September 30, 1998



\* Notional amounts do not represent either the net market position or the credit exposure of banks' off-balance-sheet derivative activities. They represent the gross value of all contracts written. Spot foreign exchange contracts of \$808 billion are not included.



**Positions of Off-Balance-Sheet Derivatives**  
**Gross Fair Values**  
September 30, 1998  
(\$ Millions)

**Held for Trading**

**99 Banks Held Derivative Contracts for Trading**  
(Marked to Market)

	Interest Rate	Foreign Exchange	Equity Derivatives	Commodity & Other	Total	Net
<b>Seven Largest Participants</b>						<b>2,414</b>
Gross positive fair value	272,861	163,173	38,695	4,138	478,866	
Gross negative fair value	272,945	159,713	38,303	5,490	476,452	
<b>All other participants</b>						<b>488</b>
Gross positive fair value	6,419	9,091	110	368	15,987	
Gross negative fair value	6,330	8,690	107	373	15,499	
<b>Total</b>						<b>2,902</b>
Gross positive fair value	279,279	172,263	38,805	4,505	494,853	
Gross negative fair value	279,275	168,402	38,411	5,864	491,951	

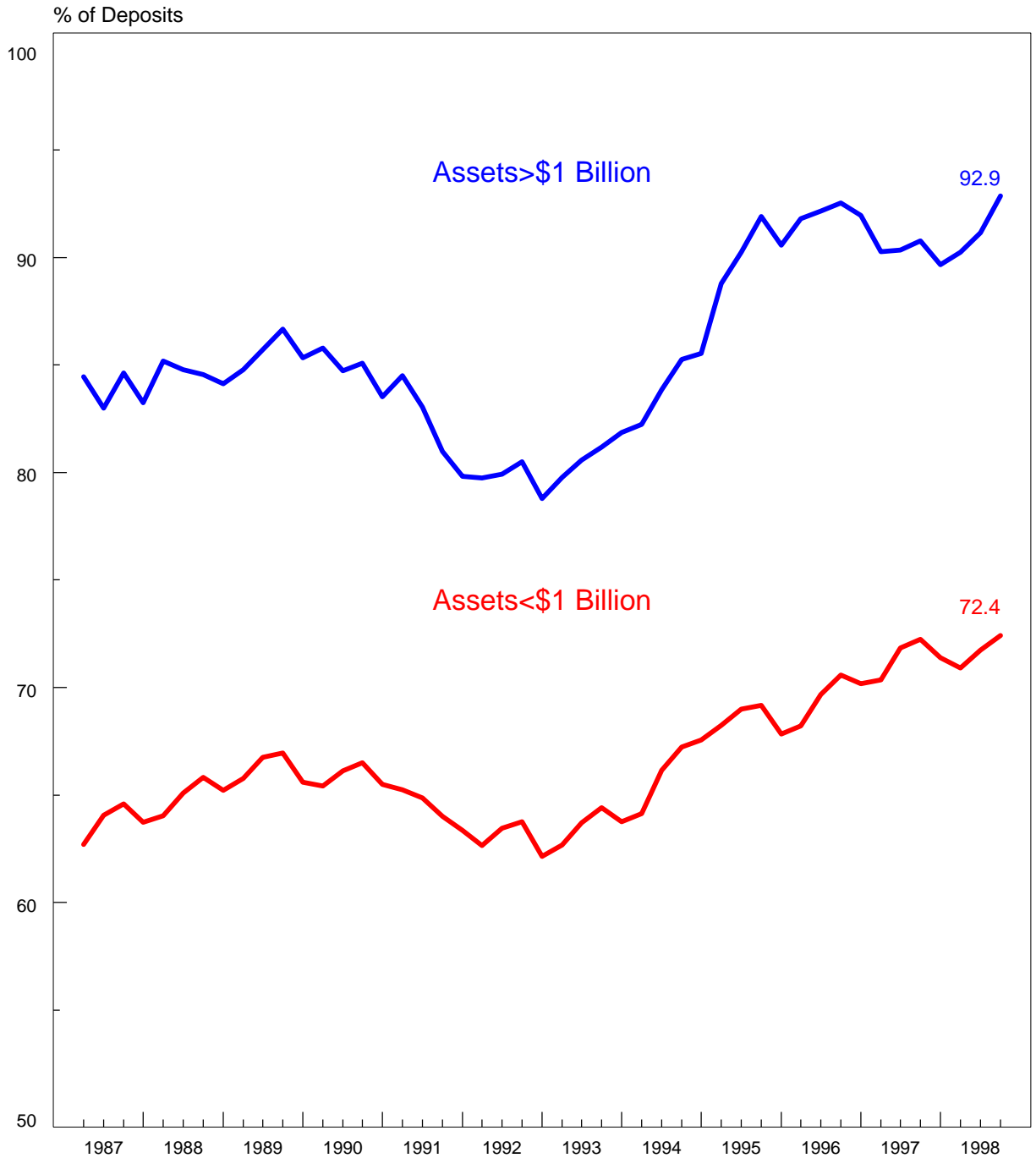
**Held for Purposes Other than Trading**

**445 Banks Held Derivative Contracts for Purposes Other than Trading**

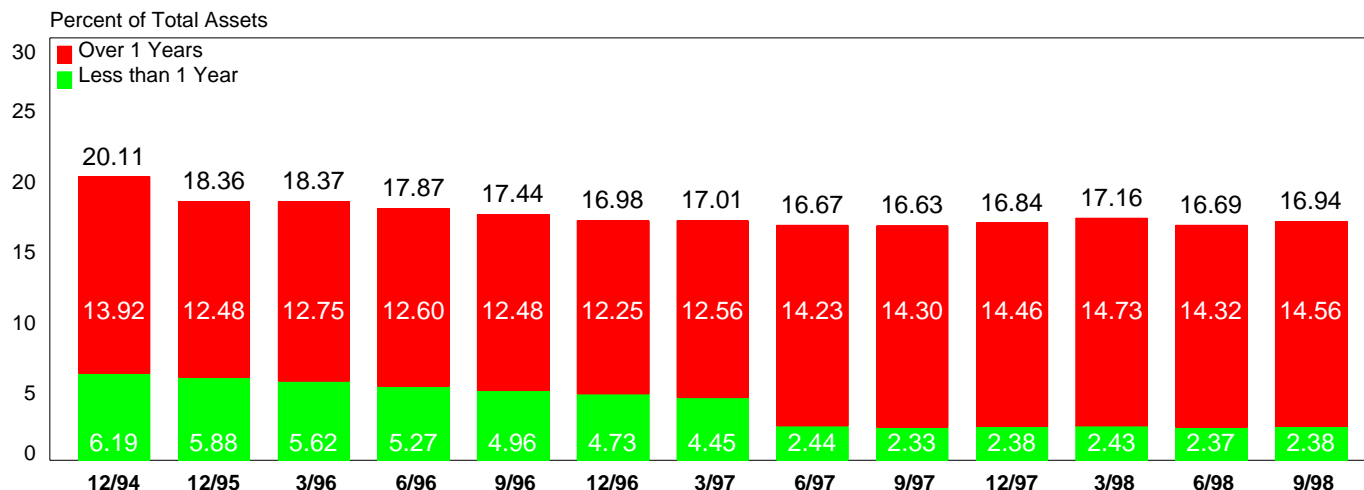
	Interest Rate	Foreign Exchange	Equity Derivatives	Commodity & Other	Total	Net
<b>Marked to Market</b>						<b>(110)</b>
Gross positive fair value	1,556	718	19	0	2,293	
Gross negative fair value	1,598	784	19	2	2,402	
<b>Not Marked to Market</b>						<b>10,850</b>
Gross positive fair value	16,900	1,929	93	13	18,935	
Gross negative fair value	6,074	1,848	97	66	8,085	
<b>Total</b>						<b>10,741</b>
Gross positive fair value	18,456	2,647	113	13	21,228	
Gross negative fair value	7,671	2,632	116	69	10,487	

# Net Loans and Leases to Deposits

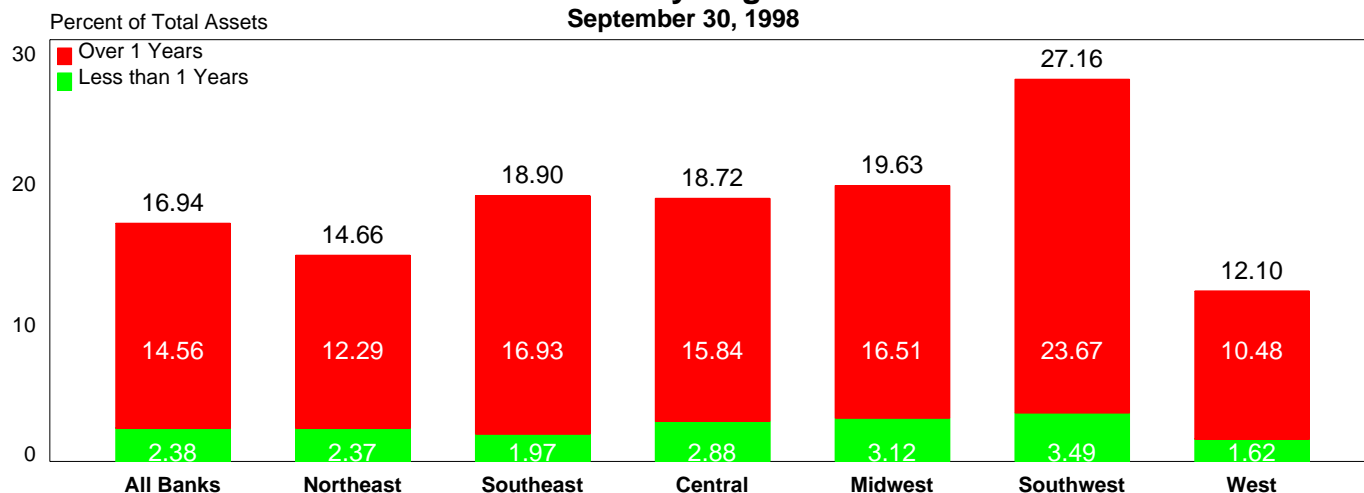
1987 - 1998



## Debt Securities by Maturity or Repricing Frequency . . .



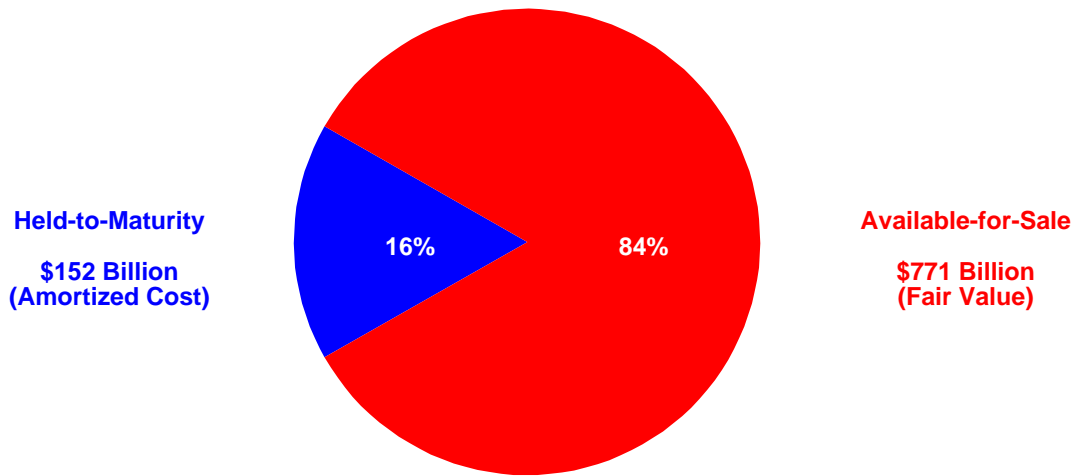
## . . . and by Region September 30, 1998



## Total Securities (Debt and Equity) (\$ Billions)

	9/96	12/96	3/97	6/97	9/97	12/97	3/98	6/98	9/98
U.S. Government Obligations:	\$311	\$300	\$305	\$304	\$299	\$303	\$314	\$309	\$286
U.S. Treasury	184	169	171	166	159	155	162	150	125
U.S. Agencies	127	131	134	139	140	148	151	159	162
Mortgage Pass-through Securities	215	224	231	235	244	256	268	252	277
Collateralized Mortgage Obligations	113	112	111	110	117	128	134	141	156
State, County, Municipal Obligations	74	75	75	75	76	77	78	80	84
Other Debt Securities	66	68	69	71	77	83	84	84	90
Equity Securities	<u>20</u>	<u>22</u>	<u>22</u>	<u>24</u>	<u>24</u>	<u>26</u>	<u>27</u>	<u>28</u>	<u>29</u>
<b>Total Securities</b>	<b>\$799</b>	<b>\$801</b>	<b>\$813</b>	<b>\$820</b>	<b>\$836</b>	<b>\$872</b>	<b>\$905</b>	<b>\$894</b>	<b>\$923</b>
Memoranda									
Fair Value of High-risk Mortgage Securities	2	2	2	2	2	3	3	3	5
Fair Value of Structured Notes	11	10	9	10	10	9	8	8	6

**Total Securities\***  
September 30, 1998



**Total Securities\***  
September 30, 1998  
(\$ Millions)

	Held-to-Maturity		Available-for-Sale		Total Securities	Fair Value to Amortized Cost (%)
	Amortized Cost	Fair Value to Amortized Cost (%)	Fair Value	Fair Value to Amortized Cost (%)		
U.S. Government Obligations						
U.S. Treasury	\$17,659	101.6	\$107,234	102.9	\$124,893	102.7
U.S. Agencies	39,214	100.7	122,305	101.2	161,519	101.1
Mortgage Pass-through Securities	32,506	101.8	244,686	101.6	277,192	101.7
Collateralized Mortgage Obligations	22,812	100.8	133,600	100.8	156,412	100.8
State, County, Municipal Obligations	33,981	103.6	49,641	103.6	83,622	103.6
Other Debt Securities	5,985	97.4	84,012	99.4	89,997	99.2
Equity Securities	**	**	29,436	106.7	29,436	106.7
<b>Total Securities</b>	<b>\$152,158</b>	<b>101.6</b>	<b>\$770,914</b>	<b>101.7</b>	<b>\$923,072</b>	<b>101.6</b>
Memoranda***						
High-risk Mortgage Securities	5,355		5,408			101.0
Structured Notes	6,423		6,443			100.3

\* Excludes trading account assets.

\*\* Equity Securities are classified as 'Available-for-Sale'.

\*\*\* High risk securities and structured notes are included in the 'Held-to-Maturity' or 'Available-for-Sale' accounts.

## Mutual Fund and Annuity Sales\*

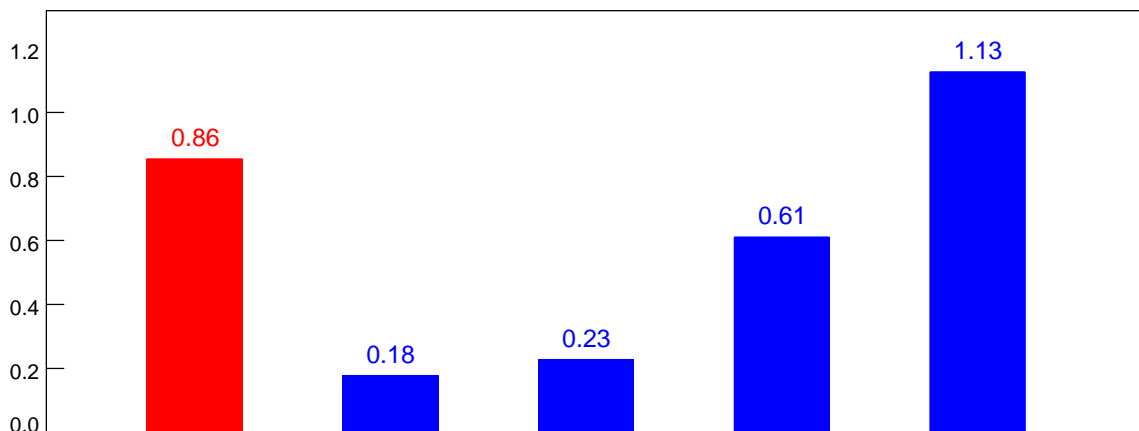
1997 - 1998

Quarterly Sales (\$ Millions)	9/97	12/97	3/98	6/98	9/98
Money Market Funds	\$250,358	\$297,445	\$323,860	\$333,043	\$324,950
Debt Securities Funds	4,430	5,520	6,192	8,048	7,975
Equity Securities	11,875	10,406	12,843	17,201	17,064
Other Mutual Funds	1,997	2,377	2,395	3,249	2,816
Annuities	3,788	3,535	3,558	4,203	4,038
Proprietary Mutual Fund and Annuity Sales included above	241,815	284,446	309,836	323,645	313,943

\* Domestic office sales of proprietary, private label and third-party funds and annuities. Does not reflect redemptions.

## Fee Income from Sales and Service of Mutual Funds and Annuities 1998 YTD

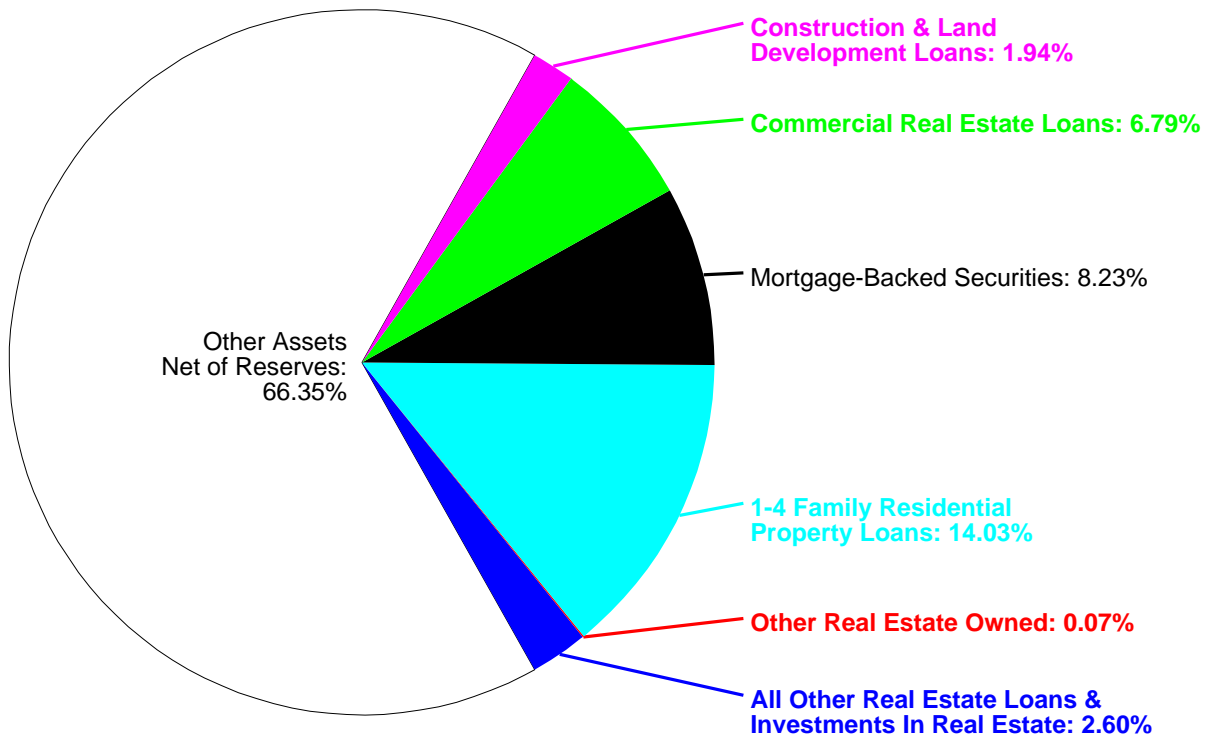
Percent of Gross Operating Income\*\*



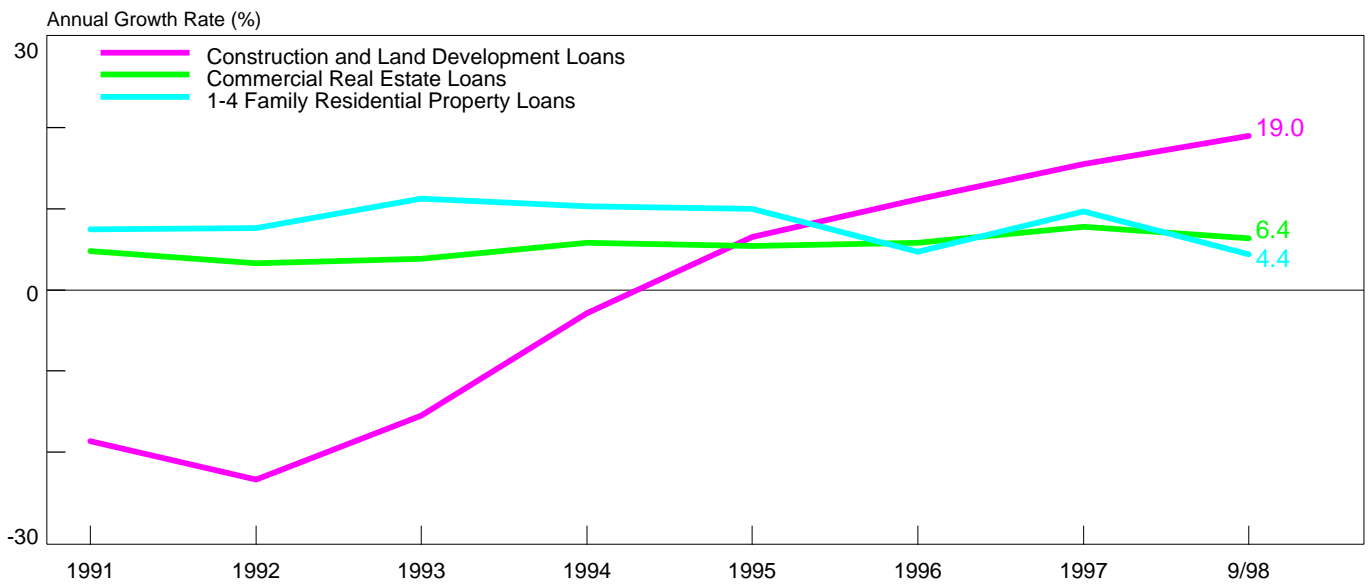
(\$ Millions)	All Banks	Under \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$10 Billion	Over \$10 Billion
Mutual Fund and Annuity Fee Income	<b>\$3,085</b>	<b>\$31</b>	<b>\$112</b>	<b>\$446</b>	<b>\$2,495</b>
Gross Operating Income	<b>\$360,709</b>	<b>\$17,209</b>	<b>\$49,110</b>	<b>\$73,081</b>	<b>\$221,309</b>
Number of Banks Reporting These Fees	<b>2,041</b>	<b>624</b>	<b>1,161</b>	<b>197</b>	<b>59</b>
Percent of Banks Reporting These Fees	<b>22.9%</b>	<b>11.2%</b>	<b>39.4%</b>	<b>61.8%</b>	<b>92.2%</b>

\*\*Gross operating income is the total of interest income and noninterest income.

## Real Estate Assets as a Percent of Total Assets September 30, 1998



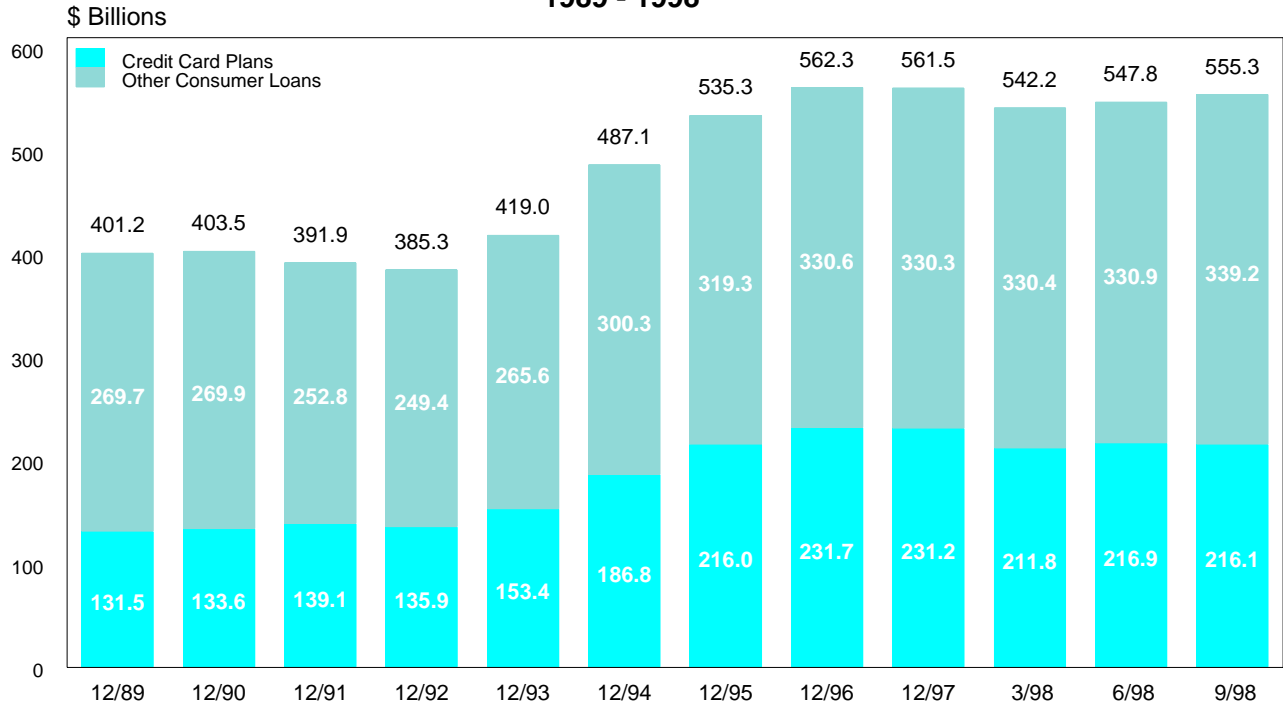
## Real Estate Loan Growth Rates\* 1991 - 1998



\* Growth rate for most recent twelve-month period.

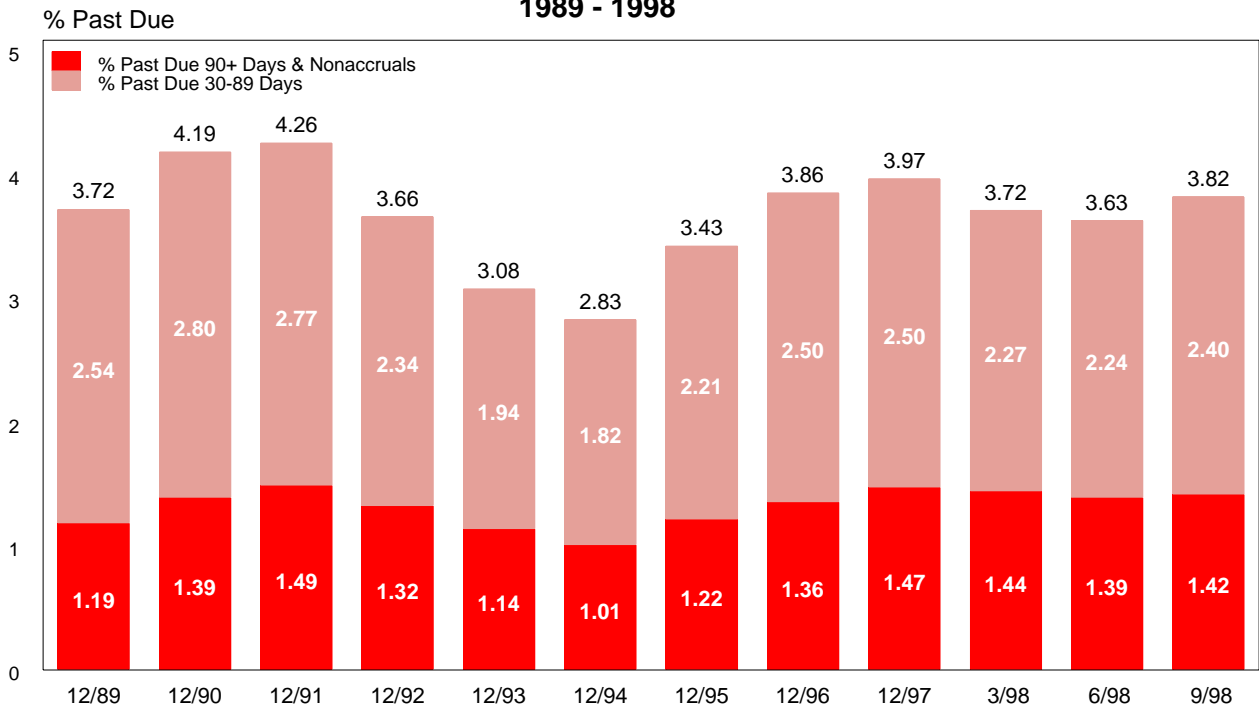
## Loans to Individuals

1989 - 1998



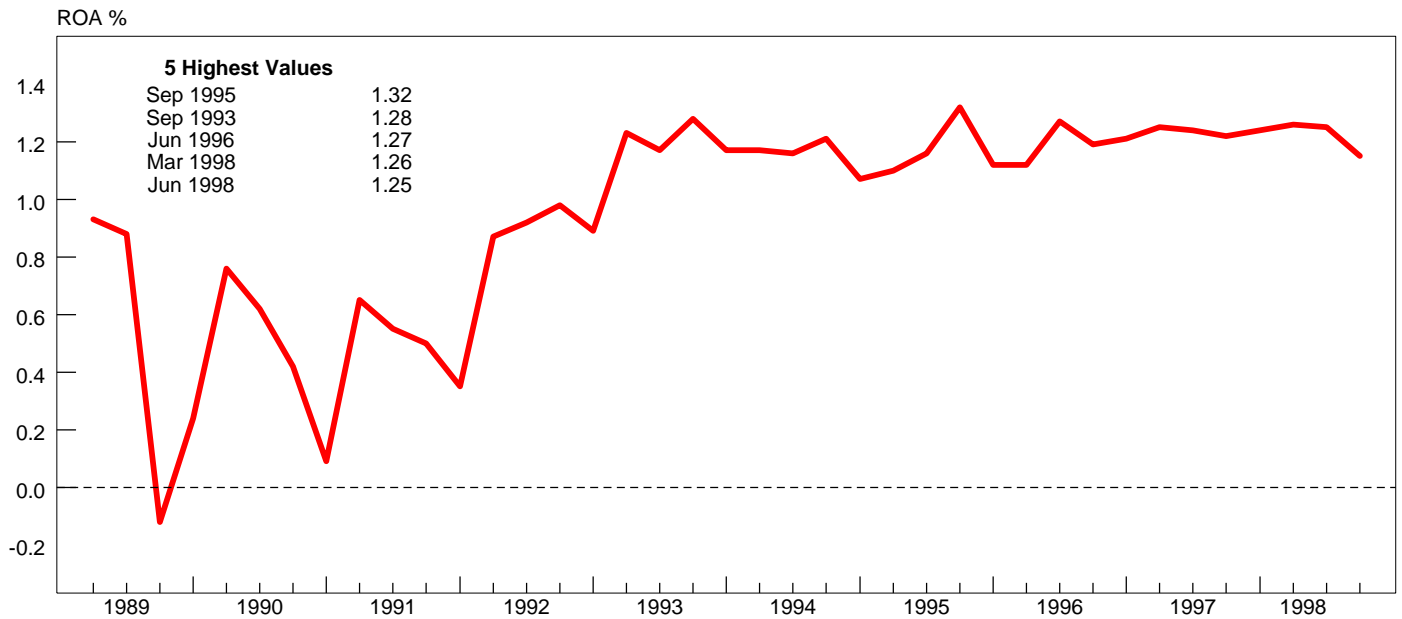
## Delinquency Rates, Loans to Individuals

1989 - 1998



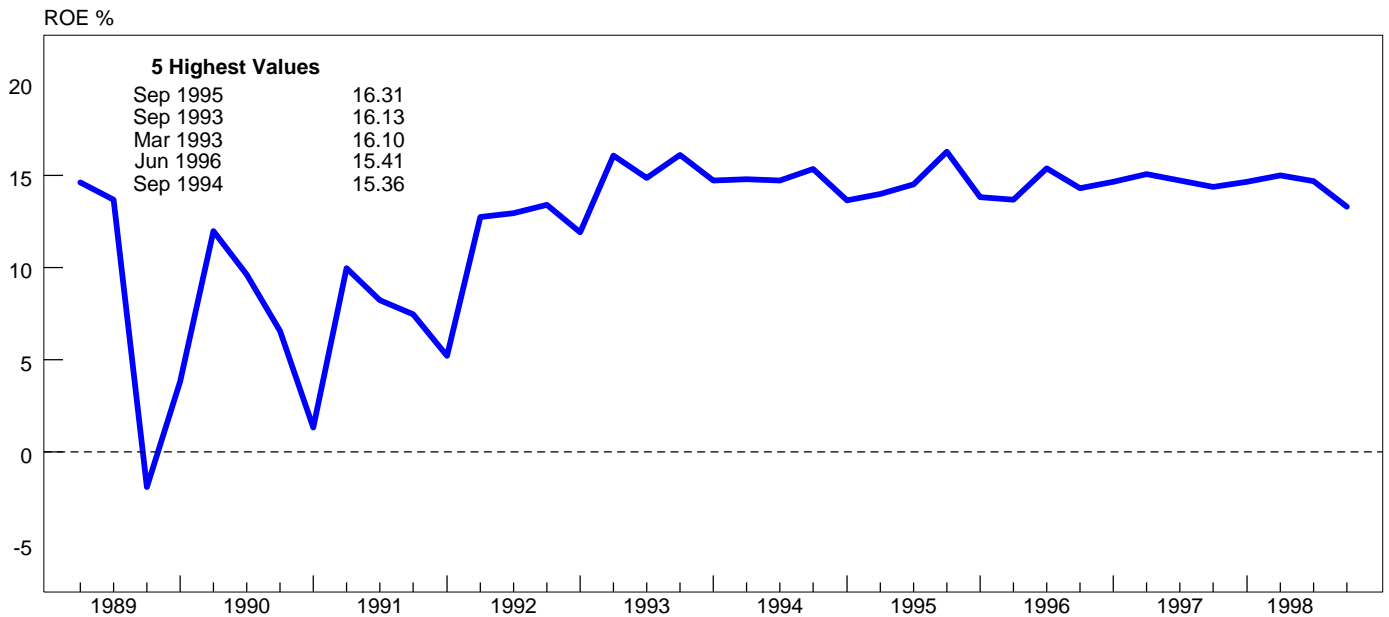
## Quarterly Return on Assets (ROA), Annualized

1989 - 1998



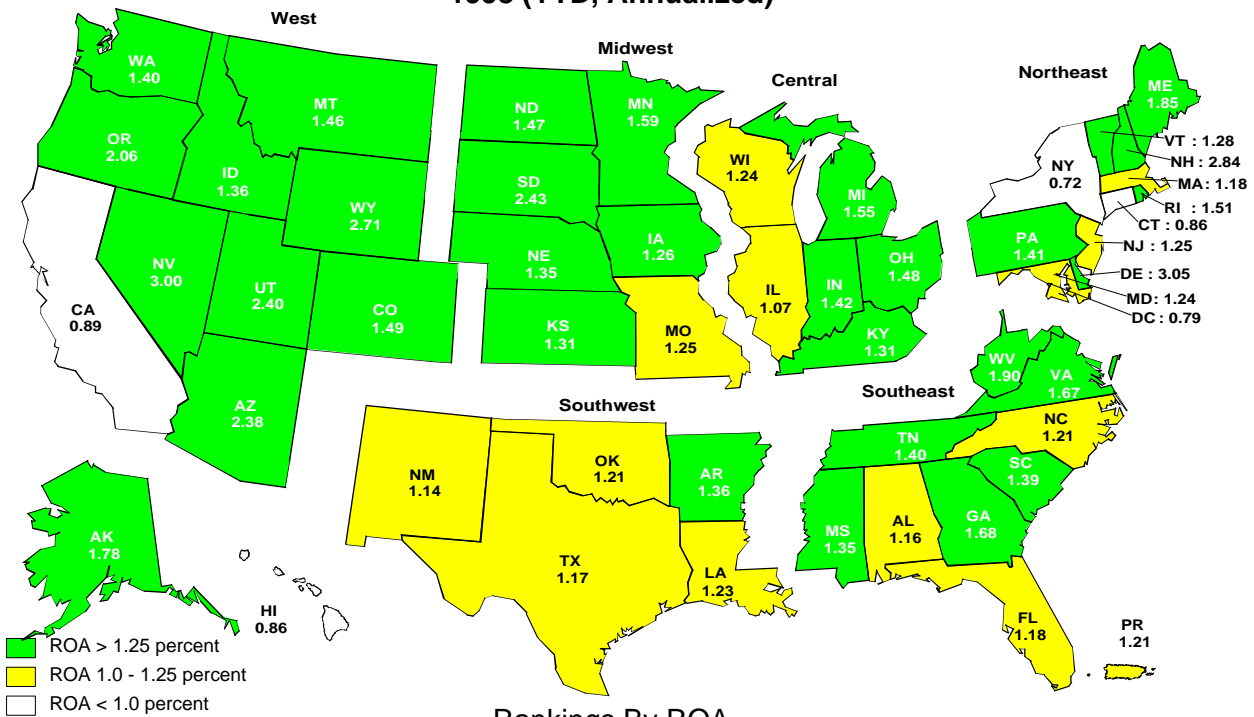
## Quarterly Return on Equity (ROE), Annualized

1989 - 1998





## Return On Assets (ROA) 1998 (YTD, Annualized)



### Rankings By ROA

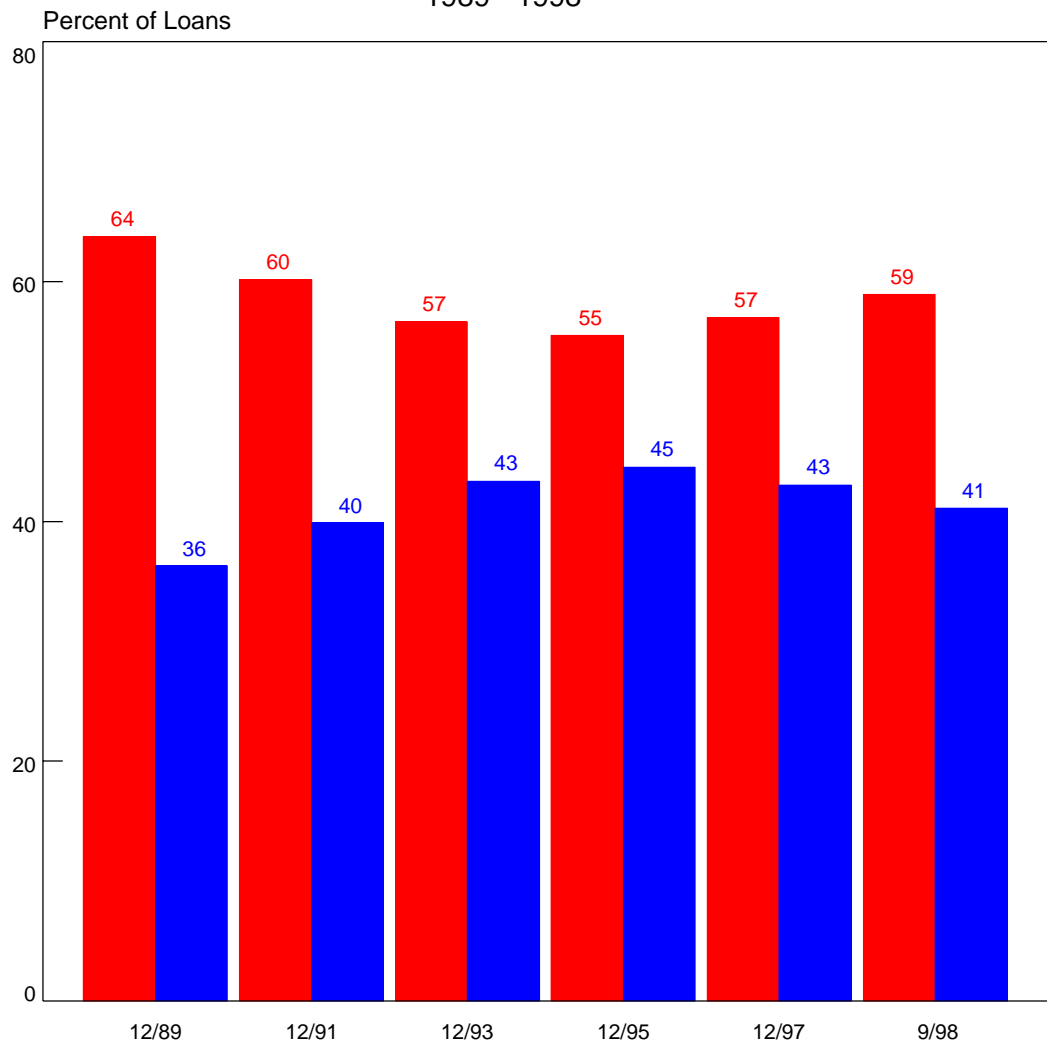
	No. of Inst. as of 9/30/98	YTD 1998	YTD 1997	Change*		No. of Inst. as of 9/30/98	YTD 1998	YTD 1997	Change*
1 Delaware	34	3.05	2.01	104	28 Mississippi	100	1.35	1.38	(3)
2 Nevada	26	3.00	2.15	85	29 Nebraska	320	1.35	1.32	3
3 New Hampshire	19	2.84	2.74	10	30 Kansas	398	1.31	1.31	0
4 Wyoming	52	2.71	2.30	41	31 Kentucky	267	1.31	1.29	2
5 South Dakota	104	2.43	2.06	37	32 Vermont	21	1.28	1.34	(6)
6 Utah	49	2.40	2.02	38	33 Iowa	442	1.26	1.25	1
7 Arizona	44	2.38	1.34	104	34 Missouri	397	1.25	1.29	(4)
8 Oregon	42	2.06	1.88	18	35 New Jersey	70	1.25	1.20	5
9 West Virginia	92	1.90	1.33	57	36 Maryland	83	1.24	1.26	(2)
10 Maine	17	1.85	1.03	82	37 Wisconsin	350	1.24	1.24	0
11 Alaska	6	1.78	1.86	(8)	38 Louisiana	156	1.23	1.22	1
12 Georgia	349	1.68	1.32	36	39 North Carolina	62	1.21	1.22	(1)
13 Virginia	149	1.67	1.38	29	40 Oklahoma	315	1.21	1.17	4
14 Minnesota	517	1.59	1.39	20	41 Puerto Rico	12	1.21	1.21	0
15 Michigan	162	1.55	1.39	16	42 Florida	256	1.18	1.38	(20)
16 Rhode Island	7	1.51	1.29	22	43 Massachusetts	44	1.18	1.39	(21)
17 Colorado	201	1.49	1.35	14	44 Texas	808	1.17	1.24	(7)
18 Ohio	222	1.48	1.42	6	45 Alabama	169	1.16	1.24	(8)
19 North Dakota	117	1.47	1.23	24	46 New Mexico	56	1.14	1.30	(16)
20 Montana	90	1.46	1.53	(7)	47 Illinois	757	1.07	1.06	1
21 Indiana	183	1.42	1.31	11	48 California	337	0.89	1.17	(28)
22 Pennsylvania	204	1.41	1.42	(1)	49 Connecticut	26	0.86	1.14	(28)
23 Tennessee	208	1.40	1.49	(9)	50 Hawaii	13	0.86	1.05	(19)
24 Washington	81	1.40	1.48	(8)	51 District of Col.	6	0.79	1.03	(24)
25 South Carolina	81	1.39	1.28	11	52 New York	152	0.72	0.91	(19)
26 Arkansas	214	1.36	1.31	5					
27 Idaho	17	1.36	1.29	7	U.S. and Terr.	8,910	1.22	1.24	(2)

\*YTD ROA minus ROA for the same period one year ago equals change in basis points. Basis point=1/100 of a percent.  
Results for four of the states with the highest ROAs (SD, NV, DE, & NH) were significantly influenced by the presence of large credit card operations.

## Credit Risk Diversification

### Consumer Loans versus Loans to Commercial Borrowers (as a Percent of Total Loans)

1989 - 1998



#### Loans (\$ Billions):

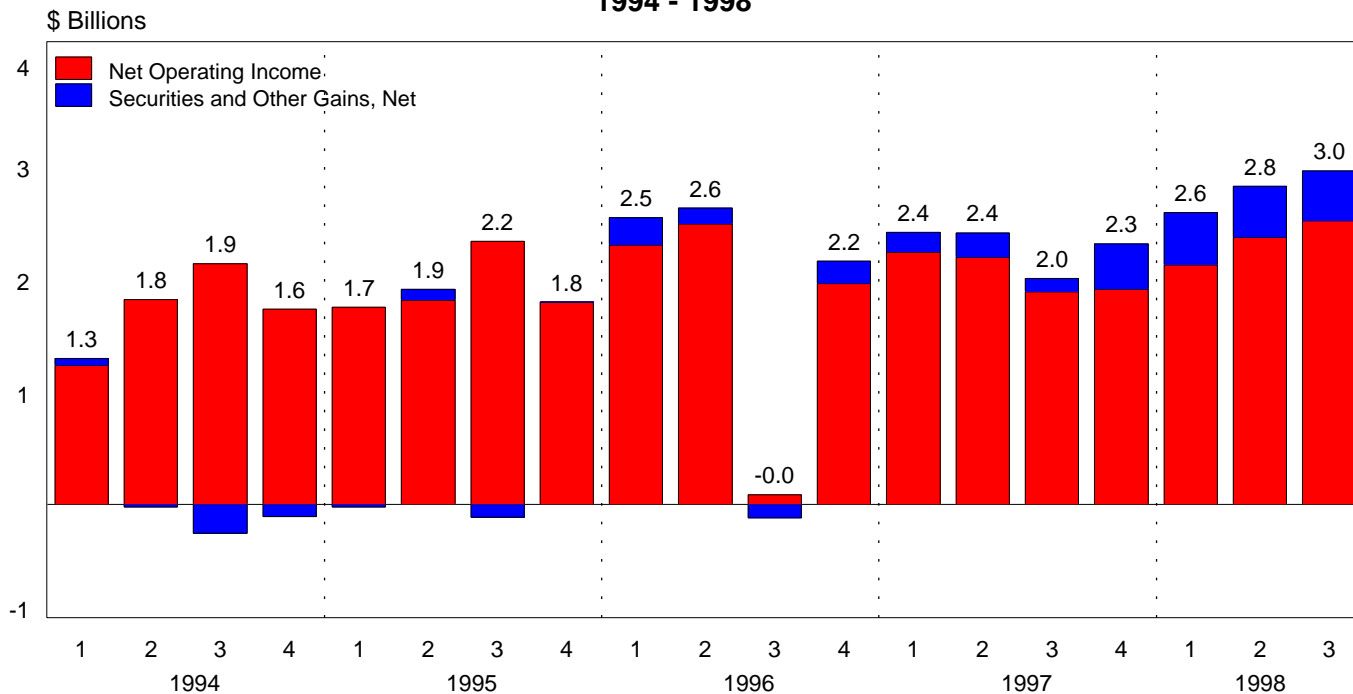
■ Commercial Borrowers	\$1,321	\$1,241	\$1,222	\$1,447	\$1,695	\$1,855
■ Consumer Loans	752	823	935	1,161	1,280	1,295

**Loans to Commercial Borrowers (Credit Risk Concentrated)** - These are loans that can have relatively large balances at risk to a single borrower. A single loan may represent a significant portion of an institution's capital or income. Therefore, a relatively small number of defaults could impair an institution's capital or income. These loans include commercial and industrial loans, commercial real estate, construction loans, and agricultural loans.

**Consumer Loans (Credit Risk Diversified)** - These are loans that typically have relatively small balances spread among a large number of borrowers. A number of defaults are likely but typically do not impair an institution's capital or income. These loans include consumer and credit card loans, 1-4 family residential mortgages and home equity loans.

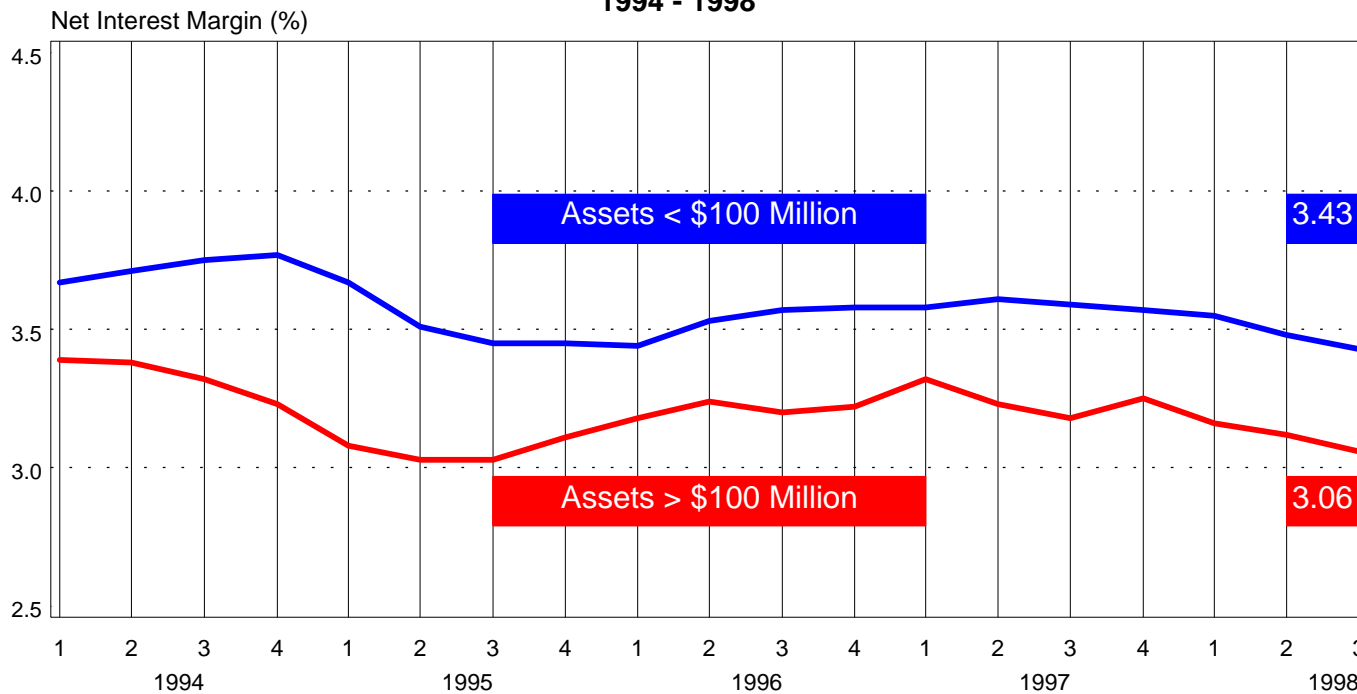
## Quarterly Net Income

1994 - 1998



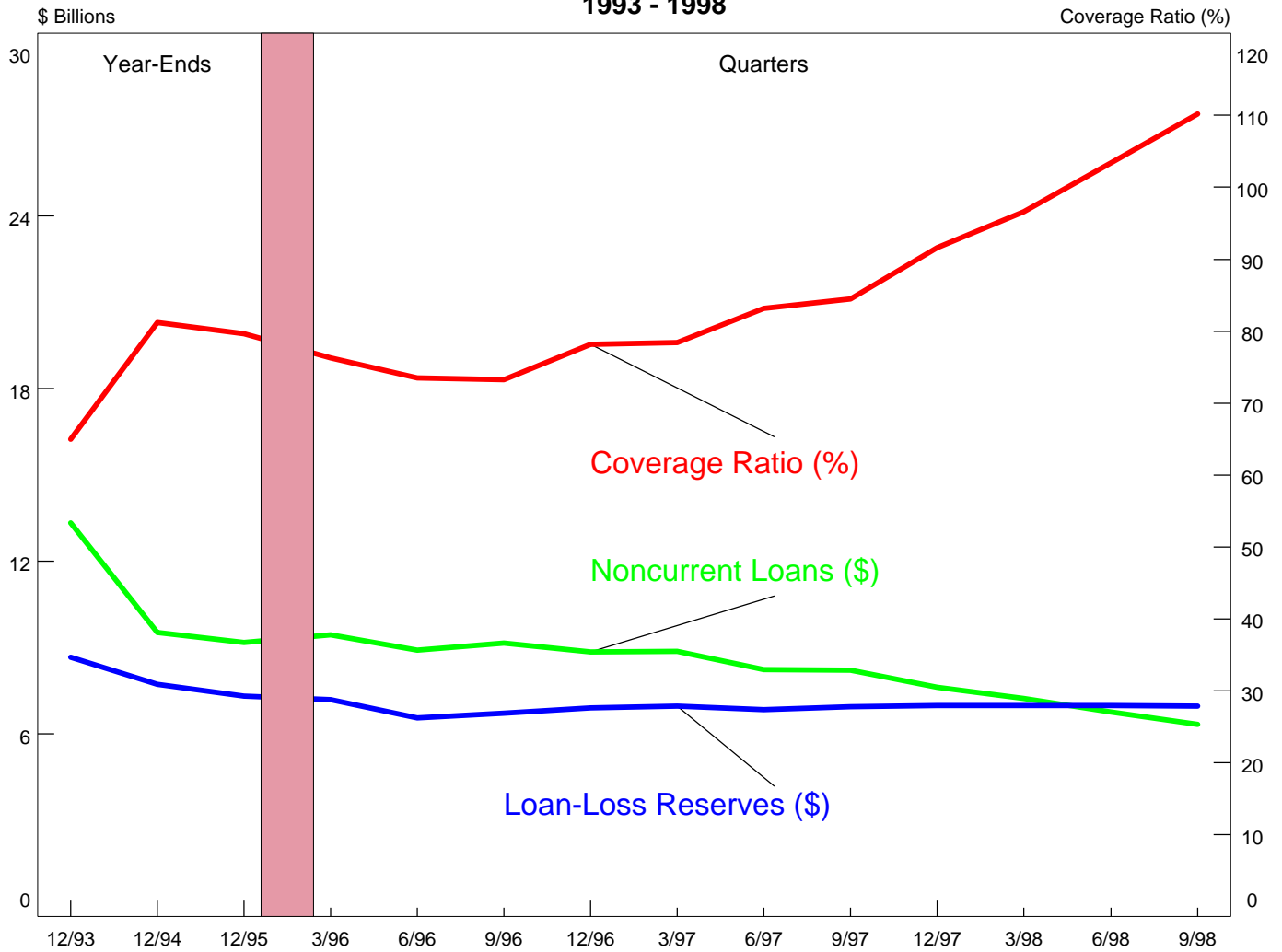
## Quarterly Net Interest Margins, Annualized

1994 - 1998



## Reserve Coverage Ratio\*

1993 - 1998



### Noncurrent Loans (\$ Billions)

13.3 9.5 9.2 9.4 8.9 9.2 8.8 8.9 8.2 8.2 7.6 7.2 6.8 6.3

### Loan-Loss Reserves (\$ Billions)

8.7 7.7 7.3 7.2 6.6 6.7 6.9 7.0 6.8 6.9 7.0 7.0 7.0 7.0

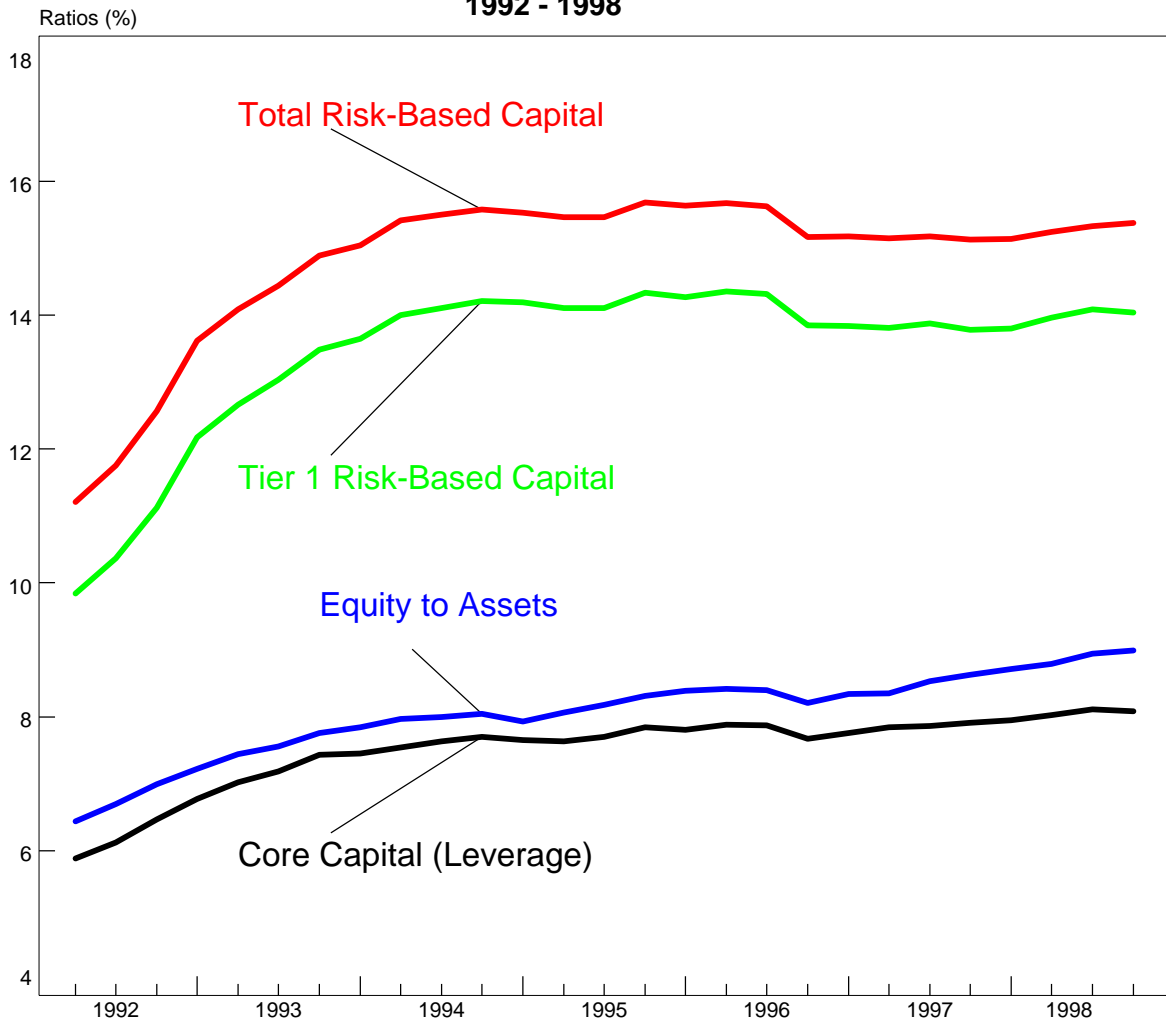
### Coverage Ratio (%)

65 81 80 76 74 73 78 78 83 84 92 97 103 110

\*Loan-loss reserves to noncurrent loans. Beginning with June 1996, TFR filers report noncurrent loans net of specific reserves. Accordingly, specific reserves have been subtracted from loan-loss reserves, beginning with June 1996, to make the coverage ratio more closely comparable to prior periods.

# Capital Ratios

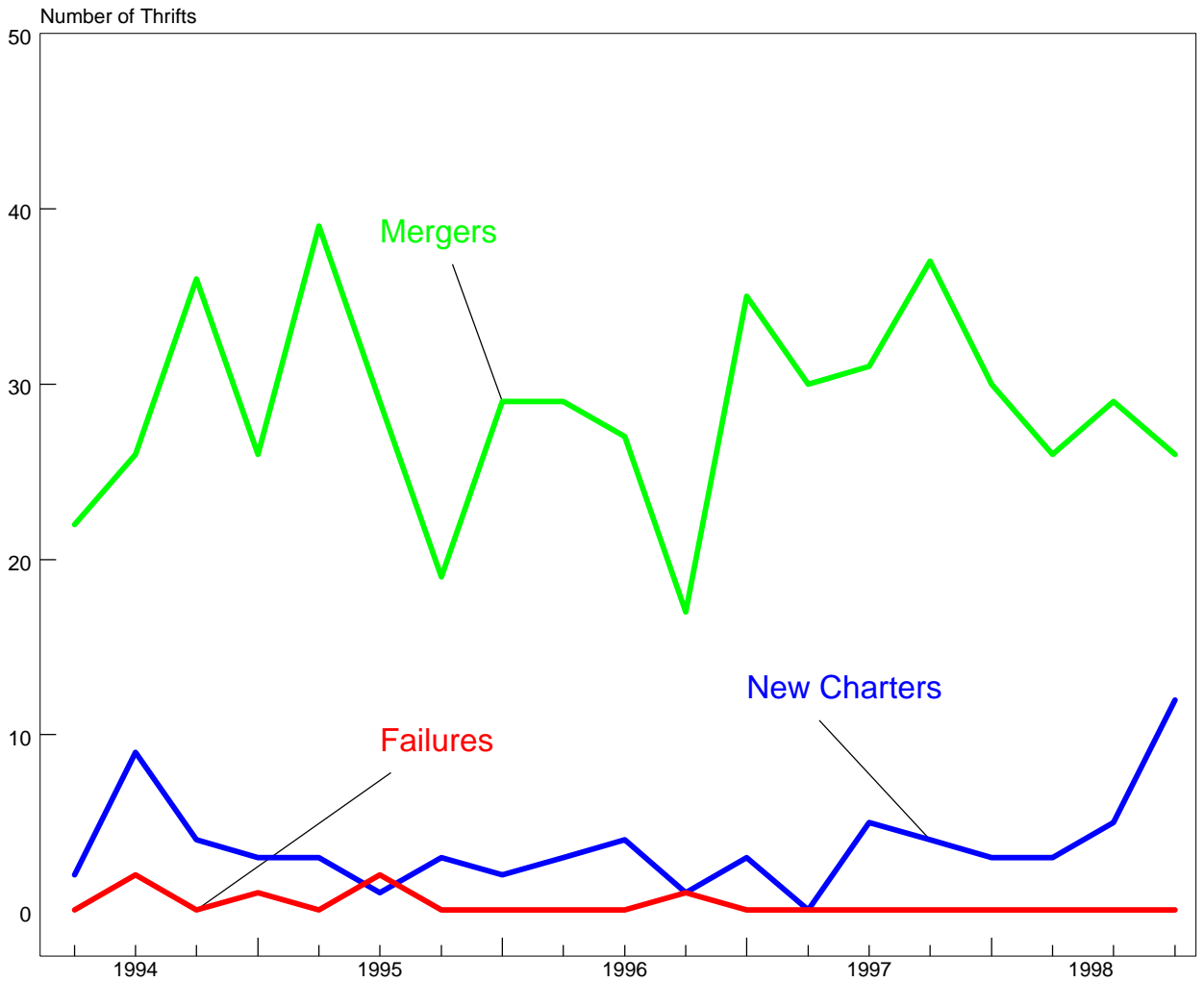
1992 - 1998



	12/92	12/93	12/94	12/95	12/96	12/97	9/98
<b>Total Risk-Based Capital</b>	<b>13.62</b>	<b>15.04</b>	<b>15.53</b>	<b>15.63</b>	<b>15.17</b>	<b>15.14</b>	<b>15.37</b>
<b>Tier 1 Risk-Based Capital</b>	<b>12.17</b>	<b>13.64</b>	<b>14.19</b>	<b>14.27</b>	<b>13.84</b>	<b>13.80</b>	<b>14.04</b>
<b>Equity to Assets</b>	<b>7.22</b>	<b>7.84</b>	<b>7.93</b>	<b>8.39</b>	<b>8.34</b>	<b>8.71</b>	<b>8.99</b>
<b>Core Capital (Leverage)</b>	<b>6.77</b>	<b>7.45</b>	<b>7.65</b>	<b>7.80</b>	<b>7.76</b>	<b>7.95</b>	<b>8.08</b>

## Changes in the Number of FDIC-Insured Savings Institutions

### Quarterly, 1994 - 1998

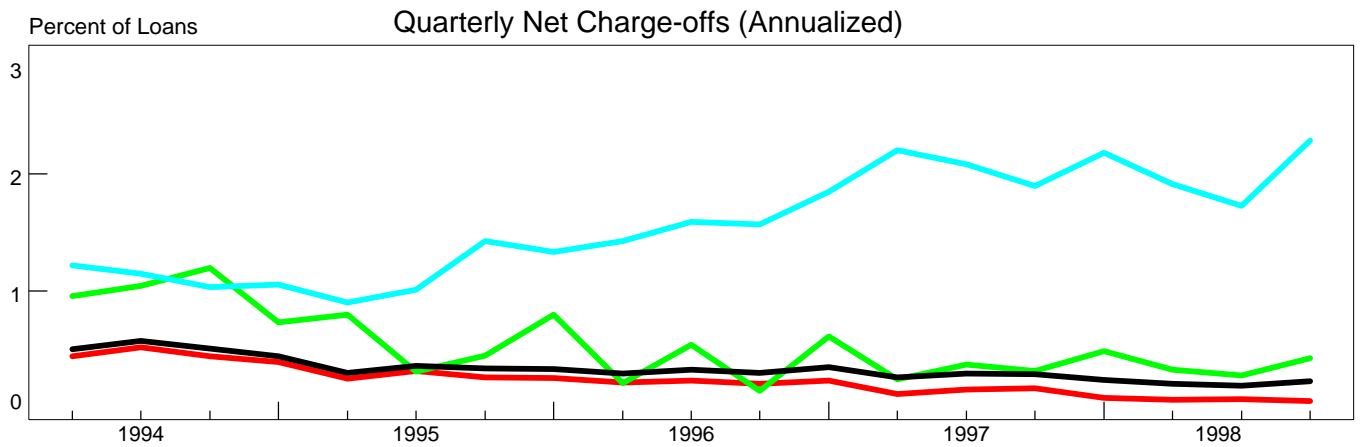
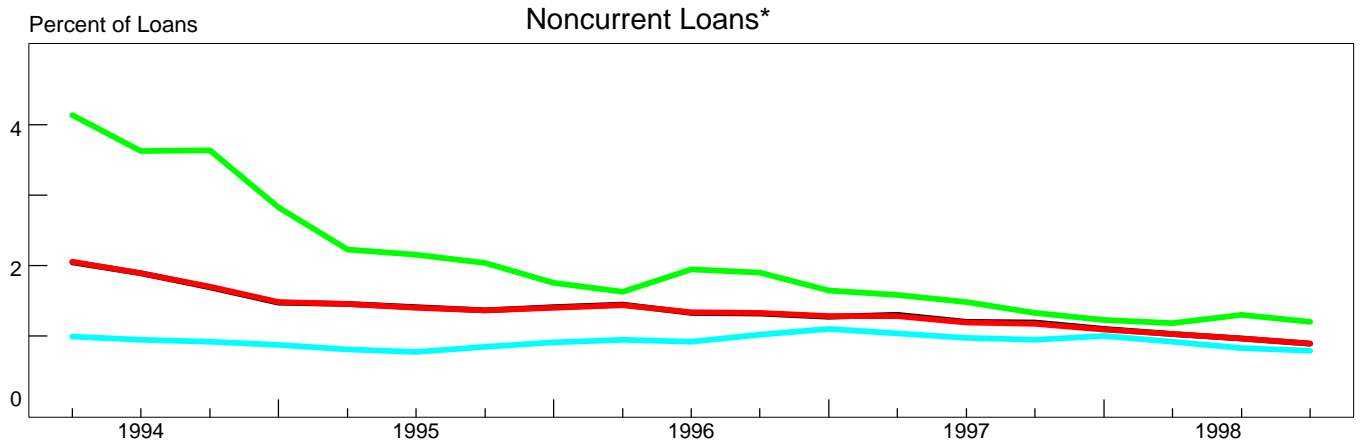
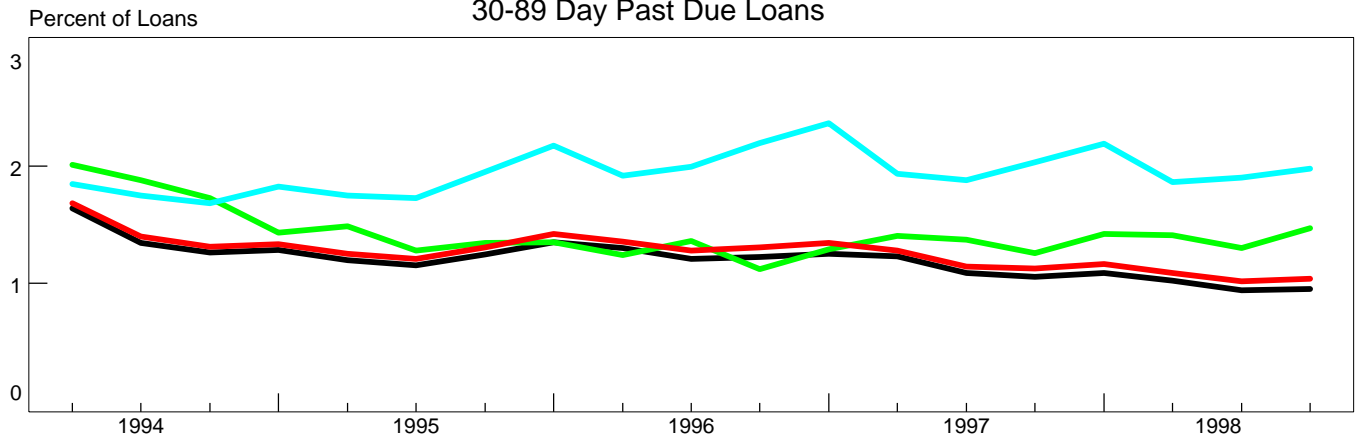


<b>New Charters</b>	2	9	4	3	3	1	3	2	3	4	1	3	0	5	4	3	3	5	12
<b>Mergers</b>	22	26	36	26	39	29	19	29	29	27	17	35	30	31	37	30	26	29	26
<b>Failures</b>	0	2	0	1	0	2	0	0	0	0	1	0	0	0	0	0	0	0	0
Other Changes, Net*	-3	-4	-3	-5	2	-6	-6	-3	1	-2	-1	-6	-8	-9	-6	-6	-1	-3	-1
Net Change in Number of Thrifts	-23	-23	-35	-29	-34	-36	-22	-30	-25	-25	-18	-38	-38	-35	-39	-33	-24	-27	-16

\* Includes charter conversions, voluntary liquidations, adjustments for open-bank assistance transactions and other changes.

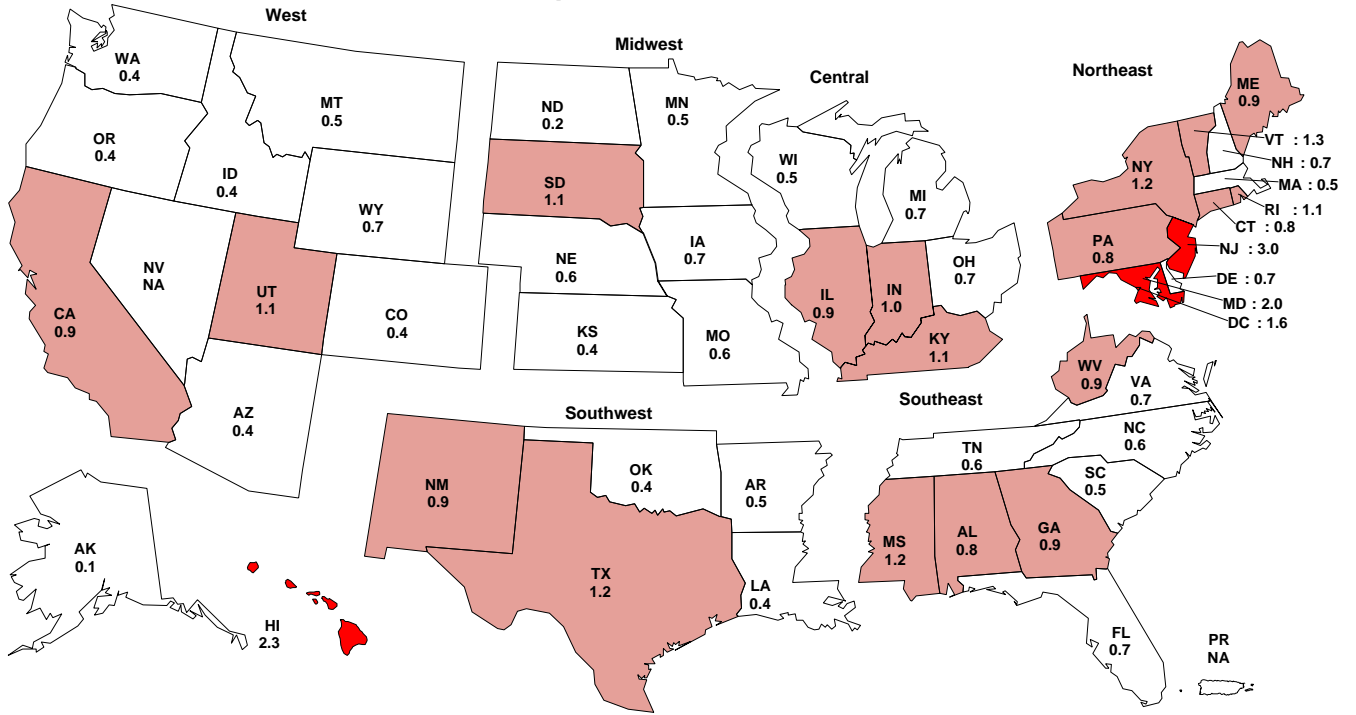
# Loan Quality

1994 - 1998

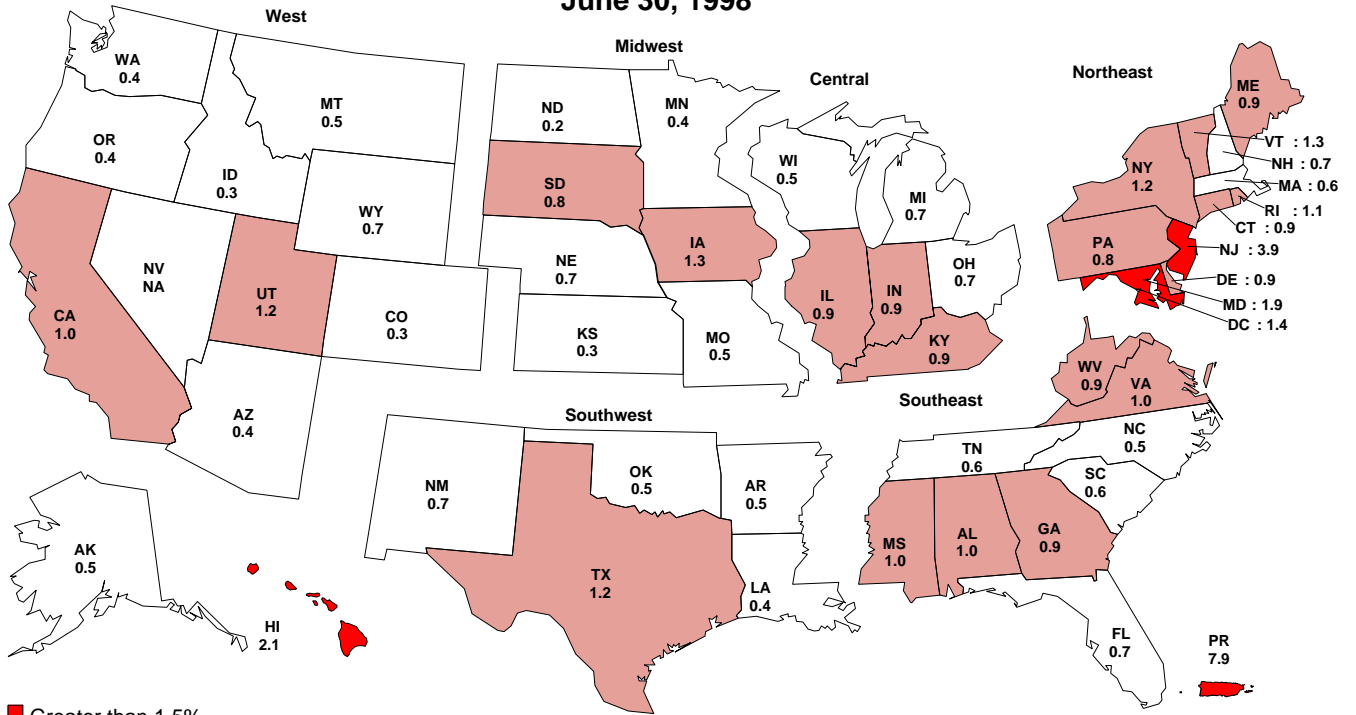


\*Loans past due 90 or more days or in nonaccrual status.

# Noncurrent Loan Rates\* September 30, 1998



# June 30, 1998



- Greater than 1.5%
- Between .75% and 1.5%
- Less than .75%

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



## Noncurrent Loan Rates\*

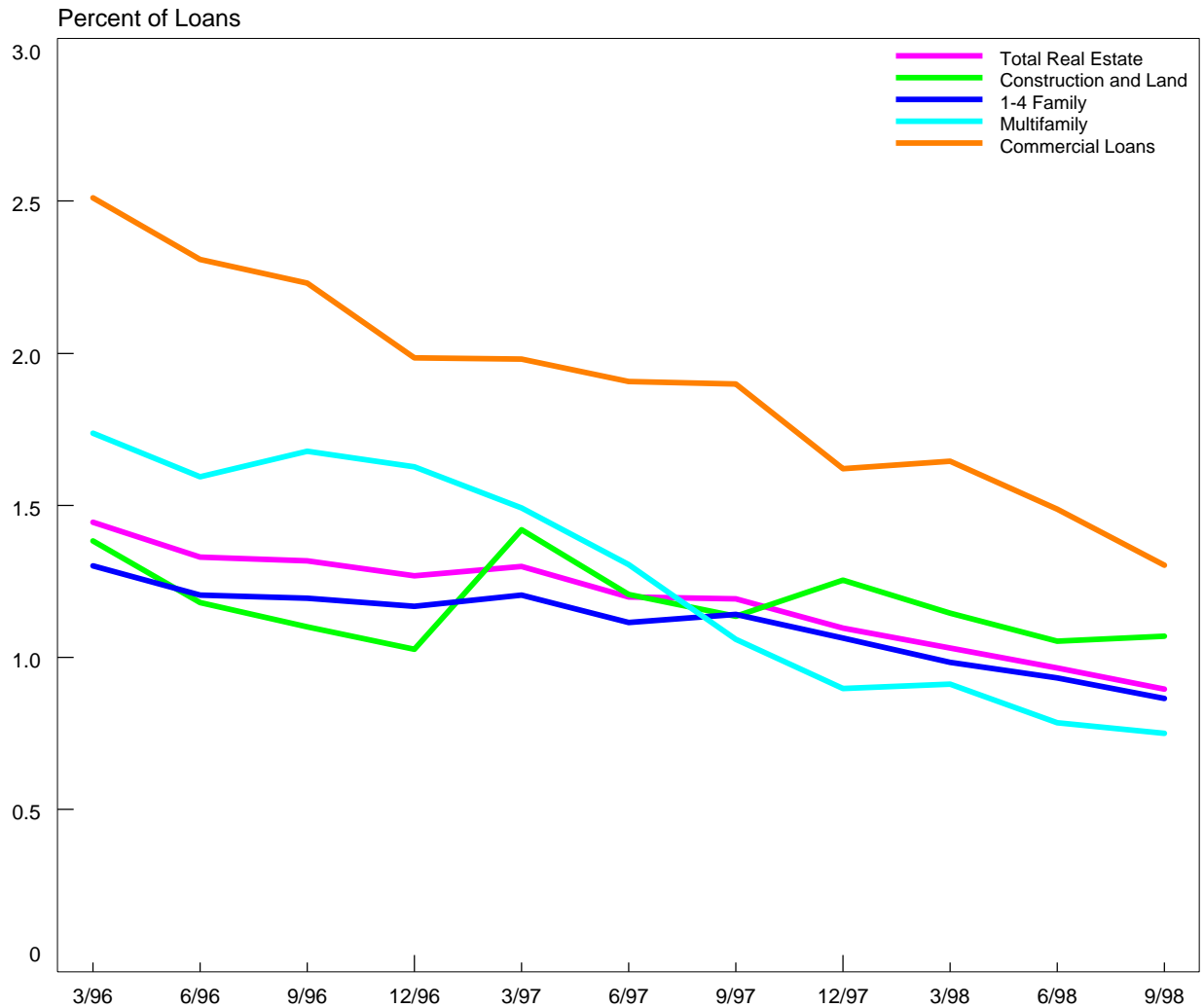
June 30, 1998 - September 30, 1998

	Total Loans		Commercial & Industrial		Real Estate		Loans to Individuals	
	9/30/98	6/30/98	9/30/98	6/30/98	9/30/98	6/30/98	9/30/98	6/30/98
New Jersey	2.98	3.85	2.74	2.08	3.02	3.97	2.27	1.51
Hawaii	2.27	2.12	2.97	3.60	2.32	2.14	0.70	0.75
Maryland	2.00	1.88	1.84	0.82	2.05	1.94	0.50	0.39
District of Columbia	1.62	1.43	0.00	0.00	2.59	2.37	0.01	0.05
Vermont	1.26	1.28	2.15	1.16	1.22	1.30	1.39	1.22
Texas	1.20	1.22	2.05	1.93	1.21	1.27	0.98	0.93
New York	1.18	1.24	1.93	2.30	1.17	1.22	0.93	1.19
Mississippi	1.18	1.01	0.20	0.25	1.17	1.05	1.61	0.90
Rhode Island	1.09	1.12	1.60	0.24	1.08	1.19	0.92	0.85
Utah	1.08	1.21	21.20	27.30	0.91	1.06	2.54	2.37
Kentucky	1.05	0.91	2.15	3.00	0.98	0.82	1.39	1.25
South Dakota	1.05	0.81	2.52	1.81	0.66	0.67	1.26	0.64
Indiana	1.00	0.94	0.71	1.27	1.02	0.94	0.97	0.75
Georgia	0.91	0.91	1.23	1.63	0.80	0.79	1.73	1.67
Illinois	0.89	0.92	1.01	1.19	0.83	0.85	1.40	1.63
California	0.88	0.95	0.52	0.58	0.89	0.96	0.82	0.78
New Mexico	0.88	0.74	0.28	0.00	0.91	0.79	0.85	0.27
West Virginia	0.87	0.91	0.29	0.82	0.78	0.77	1.73	1.83
Maine	0.87	0.94	1.40	1.26	0.82	0.93	1.07	1.04
Alabama	0.83	0.95	0.61	1.84	0.83	0.93	0.85	0.96
Connecticut	0.81	0.88	1.49	1.68	0.75	0.80	0.87	1.08
Pennsylvania	0.77	0.77	1.01	0.91	0.78	0.80	0.61	0.62
Virginia	0.73	0.99	0.34	0.31	0.68	0.72	1.10	1.87
Florida	0.71	0.72	1.44	1.02	0.68	0.70	0.83	0.86
Iowa	0.70	1.32	2.55	2.75	0.59	0.97	0.48	2.40
Ohio	0.69	0.71	2.55	3.15	0.69	0.72	0.56	0.45
Delaware	0.69	0.89	1.91	2.27	0.70	0.84	0.54	0.79
Wyoming	0.67	0.72	2.73	5.59	0.58	0.53	0.84	0.73
Michigan	0.66	0.67	0.47	1.15	0.68	0.65	0.57	0.65
New Hampshire	0.66	0.71	0.64	0.99	0.71	0.73	0.41	0.44
Nebraska	0.64	0.65	0.59	1.44	0.69	0.66	0.33	0.36
Missouri	0.63	0.49	4.57	2.15	0.55	0.46	0.71	0.61
Tennessee	0.61	0.59	0.78	0.90	0.61	0.59	0.56	0.52
North Carolina	0.55	0.51	0.86	0.80	0.55	0.50	0.65	0.91
Massachusetts	0.54	0.55	0.93	0.79	0.53	0.55	0.36	0.32
Montana	0.53	0.53	0.14	0.11	0.42	0.45	1.27	1.09
South Carolina	0.52	0.57	0.35	1.20	0.50	0.52	0.77	1.01
Arkansas	0.51	0.54	0.33	0.51	0.58	0.57	0.20	0.38
Minnesota	0.45	0.41	1.15	0.89	0.41	0.38	0.30	0.35
Wisconsin	0.45	0.46	1.36	1.45	0.37	0.39	0.87	0.79
Arizona	0.44	0.36	0.00	N/A	0.44	0.36	0.06	0.87
Kansas	0.44	0.34	0.58	3.78	0.43	0.30	0.75	0.62
Louisiana	0.43	0.38	1.29	1.92	0.39	0.34	0.73	0.71
Oklahoma	0.42	0.47	2.07	2.15	0.30	0.39	1.26	0.62
Washington	0.42	0.41	0.41	0.46	0.42	0.41	0.37	0.47
Colorado	0.35	0.29	1.01	1.45	0.34	0.28	0.24	0.38
Idaho	0.35	0.32	0.00	1.77	0.38	0.25	0.31	0.24
Oregon	0.35	0.39	1.31	1.45	0.32	0.40	0.35	0.22
North Dakota	0.17	0.15	1.39	0.13	0.11	0.15	0.21	0.16
Alaska	0.14	0.47	1.49	2.20	0.00	0.34	0.24	0.39
Puerto Rico	N/A	7.86	N/A	18.23	N/A	6.79	N/A	5.60
Nevada	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
U.S. and Territories	0.89	0.96	1.20	1.30	0.89	0.96	0.79	0.83

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

## Noncurrent Real Estate Loan Rates by Type\*

1996 - 1998

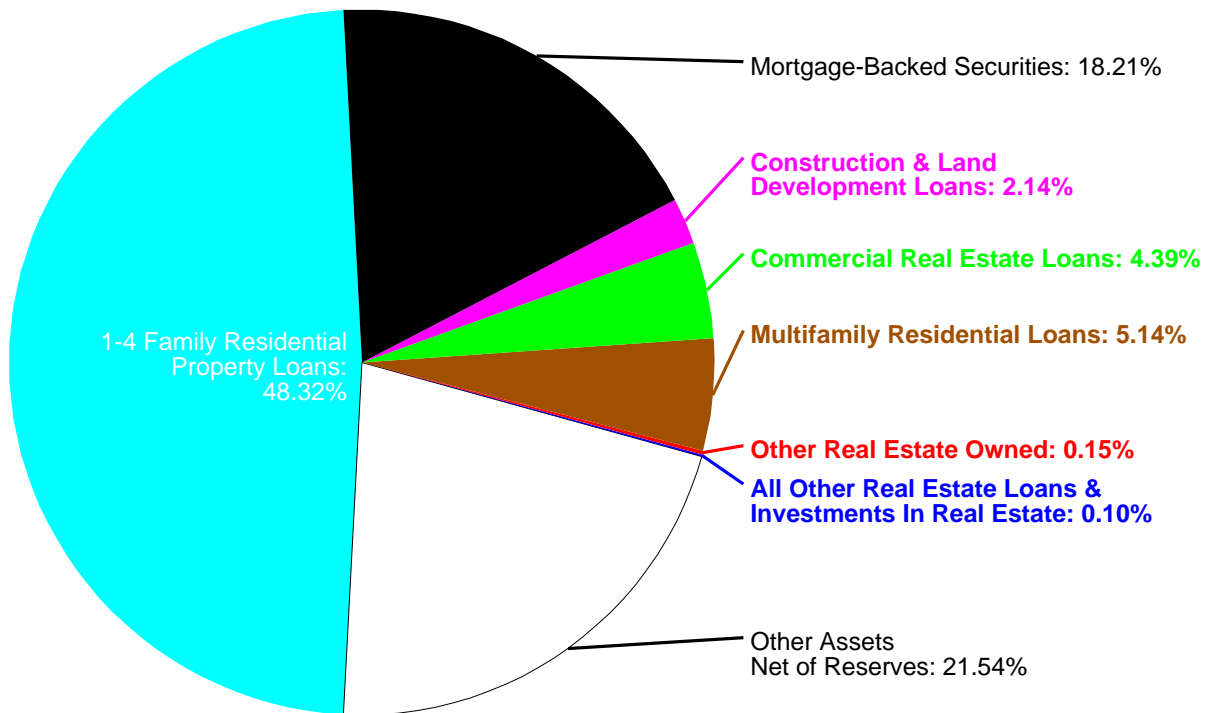


<b>Construction and Land</b>	<b>1.38</b>	<b>1.18</b>	<b>1.10</b>	<b>1.03</b>	<b>1.42</b>	<b>1.21</b>	<b>1.14</b>	<b>1.25</b>	<b>1.14</b>	<b>1.05</b>	<b>1.07</b>
<b>1-4 Family</b>	<b>1.30</b>	<b>1.20</b>	<b>1.19</b>	<b>1.17</b>	<b>1.20</b>	<b>1.11</b>	<b>1.14</b>	<b>1.06</b>	<b>0.98</b>	<b>0.93</b>	<b>0.86</b>
<b>Multifamily</b>	<b>1.74</b>	<b>1.59</b>	<b>1.68</b>	<b>1.63</b>	<b>1.49</b>	<b>1.30</b>	<b>1.06</b>	<b>0.90</b>	<b>0.91</b>	<b>0.79</b>	<b>0.75</b>
<b>Commercial</b>	<b>2.51</b>	<b>2.31</b>	<b>2.23</b>	<b>1.98</b>	<b>1.98</b>	<b>1.91</b>	<b>1.90</b>	<b>1.62</b>	<b>1.65</b>	<b>1.49</b>	<b>1.30</b>
<b>Total</b>	<b>1.44</b>	<b>1.33</b>	<b>1.32</b>	<b>1.27</b>	<b>1.30</b>	<b>1.20</b>	<b>1.19</b>	<b>1.10</b>	<b>1.03</b>	<b>0.96</b>	<b>0.89</b>

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

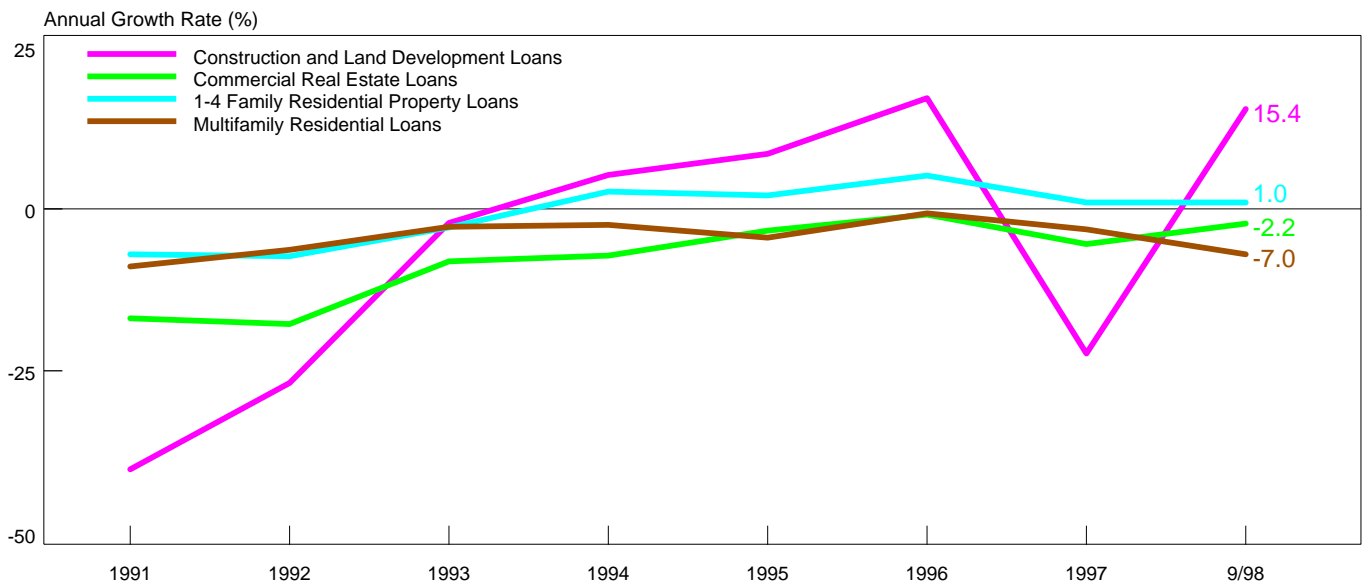
## Real Estate Assets as a Percent of Total Assets

September 30, 1998



## Real Estate Loan Growth Rates\*

1991 - 1998



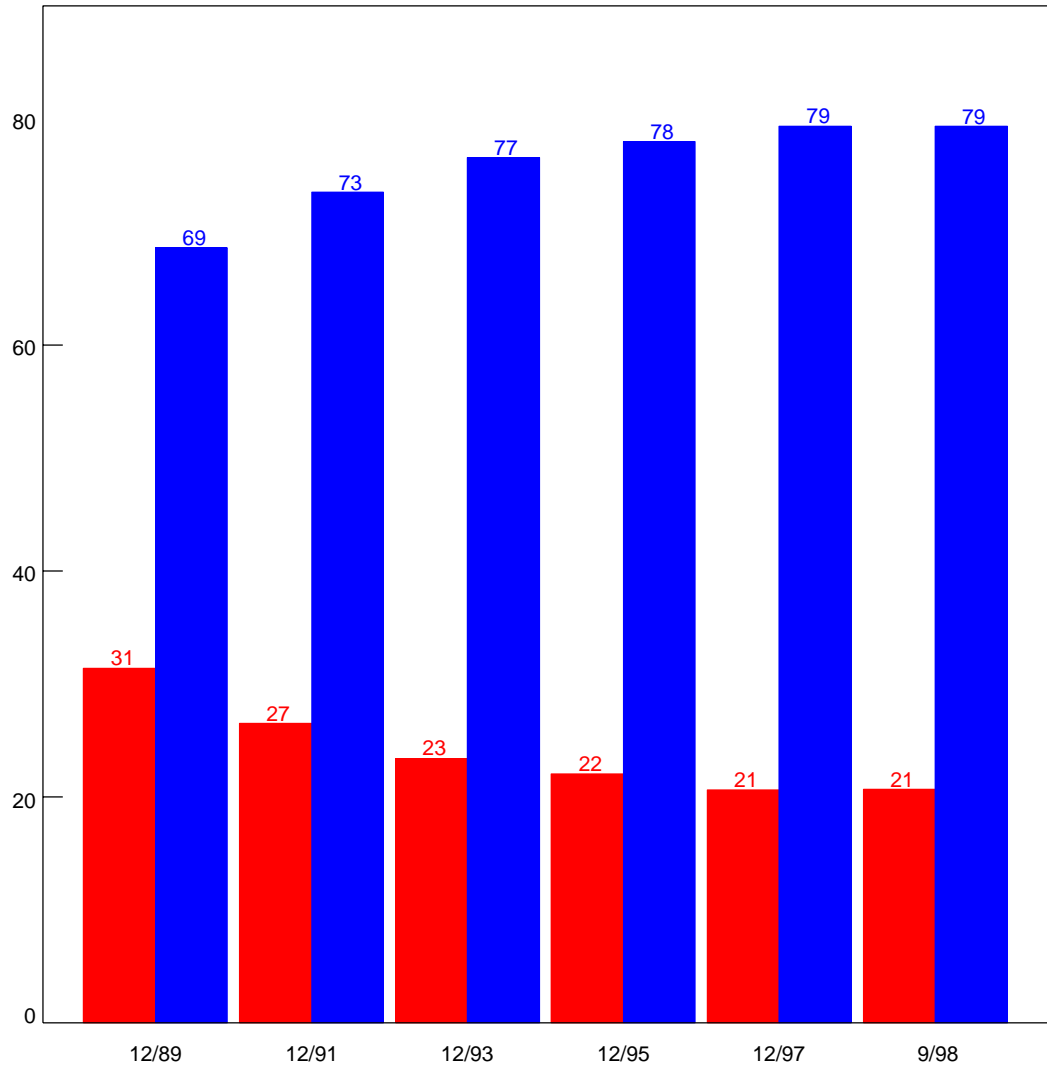
\* Growth rate for most recent twelve-month period.  
Beginning in March 1997, TFR filers report balances net of loans in process.

## Credit Risk Diversification

### Consumer Loans versus Loans to Commercial Borrowers (as a Percent of Total Loans)

Percent of Loans

1989 - 1998



#### Loans (\$ Billions):

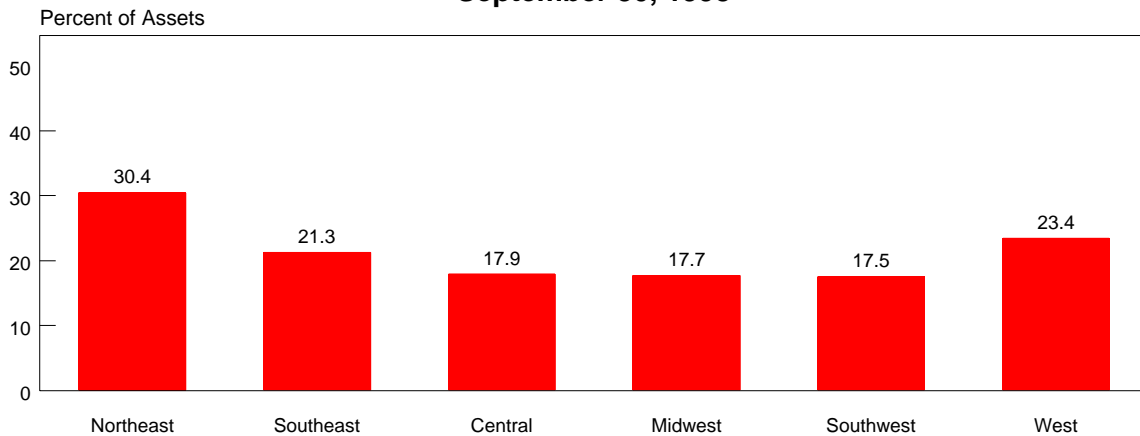
■ Commercial Borrowers	\$298	\$197	\$151	\$146	\$144	\$146
■ Consumer Loans	650	547	493	518	555	561

**Loans to Commercial Borrowers (Credit Risk Concentrated)** - These are loans that can have relatively large balances at risk to a single borrower. A single loan may represent a significant portion of an institution's capital or income. Therefore, a relatively small number of defaults could impair an institution's capital or income. These loans include commercial and industrial loans, commercial real estate, construction loans, and agricultural loans.

**Consumer Loans (Credit Risk Diversified)** - These are loans that typically have relatively small balances spread among a large number of borrowers. A number of defaults are likely but typically do not impair an institution's capital or income. These loans include consumer and credit card loans, 1-4 family residential mortgages and home equity loans.

## Total Securities\* as a Percent of Assets

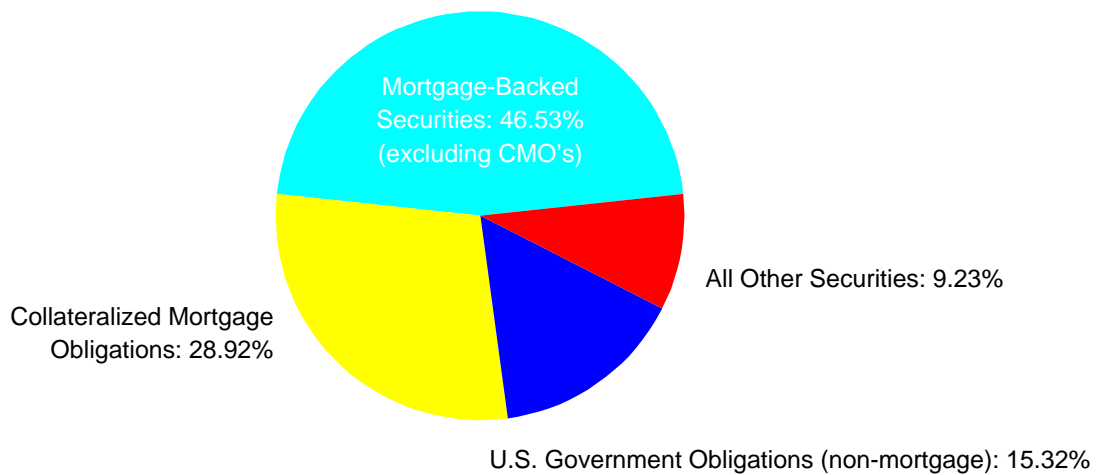
### September 30, 1998



### Total Securities\* (\$ Billions)

	9/96	12/96	3/97	6/97	9/97	12/97	3/98	6/98	9/98
U.S. Government Obligations (non-mortgage)	\$48	\$46	\$46	\$47	\$46	\$46	\$45	\$43	\$39
Mortgage-Backed Securities (excluding CMO's)	146	140	138	137	132	131	128	123	119
Collateralized Mortgage Obligations	56	54	54	53	51	50	55	65	74
All Other Securities	<u>23</u>	<u>23</u>	<u>20</u>	<u>20</u>	<u>19</u>	<u>22</u>	<u>21</u>	<u>22</u>	<u>24</u>
<b>Total Securities</b>	<b>272</b>	<b>262</b>	<b>258</b>	<b>258</b>	<b>247</b>	<b>249</b>	<b>249</b>	<b>252</b>	<b>255</b>
Securities as a Percent of Assets	26.30%	25.51%	25.25%	25.09%	24.21%	24.23%	23.95%	24.12%	24.14%
<b>Memoranda:</b>									
Amortized Cost of Total Held-to-Maturity Sec.	131	124	117	114	113	103	99	98	94
Fair Value of Total Available-for-Sale Sec.	141	138	141	144	134	145	150	154	161

### Total Securities\* September 30, 1998



\*Excludes trading account assets for savings institutions filing a Call Report. Trading account assets for savings institutions filing a TFR are netted out of "All Other Securities".

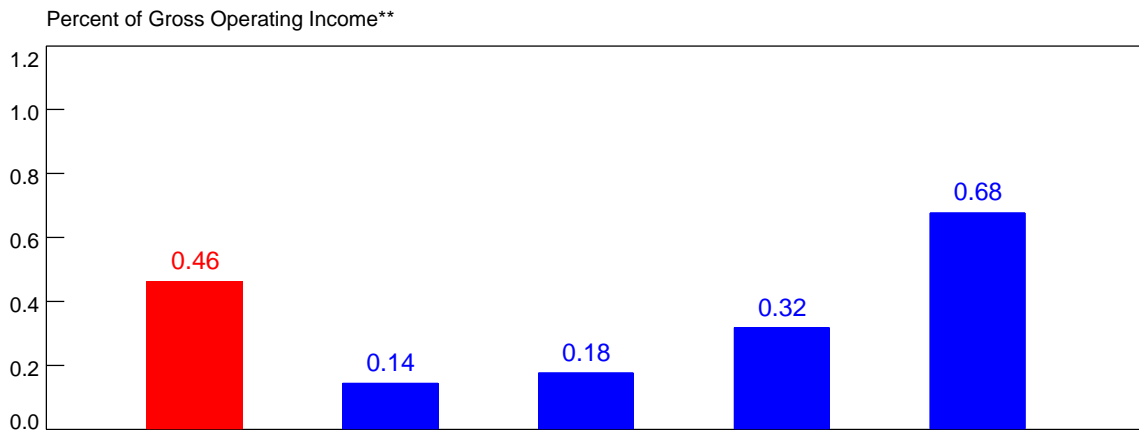
## Mutual Fund and Annuity Sales\*

1997 - 1998

Quarterly Sales (\$ Millions)	9/97	12/97	3/98	6/98	9/98
Money Market Funds	\$ 539	\$ 551	\$ 880	\$ 492	\$ 560
Debt Securities Funds	507	570	659	775	792
Equity Securities	566	614	762	875	839
Other Mutual Funds	207	194	203	266	259
Annuities	1,176	1,079	957	1,297	1,220
Proprietary Mutual Fund and Annuity Sales included above	682	905	861	669	548

\*Domestic office sales of proprietary, private label and third-party funds and annuities. Does not reflect redemptions.

## Fee Income from Sales and Service of Mutual Funds and Annuities 1998 YTD



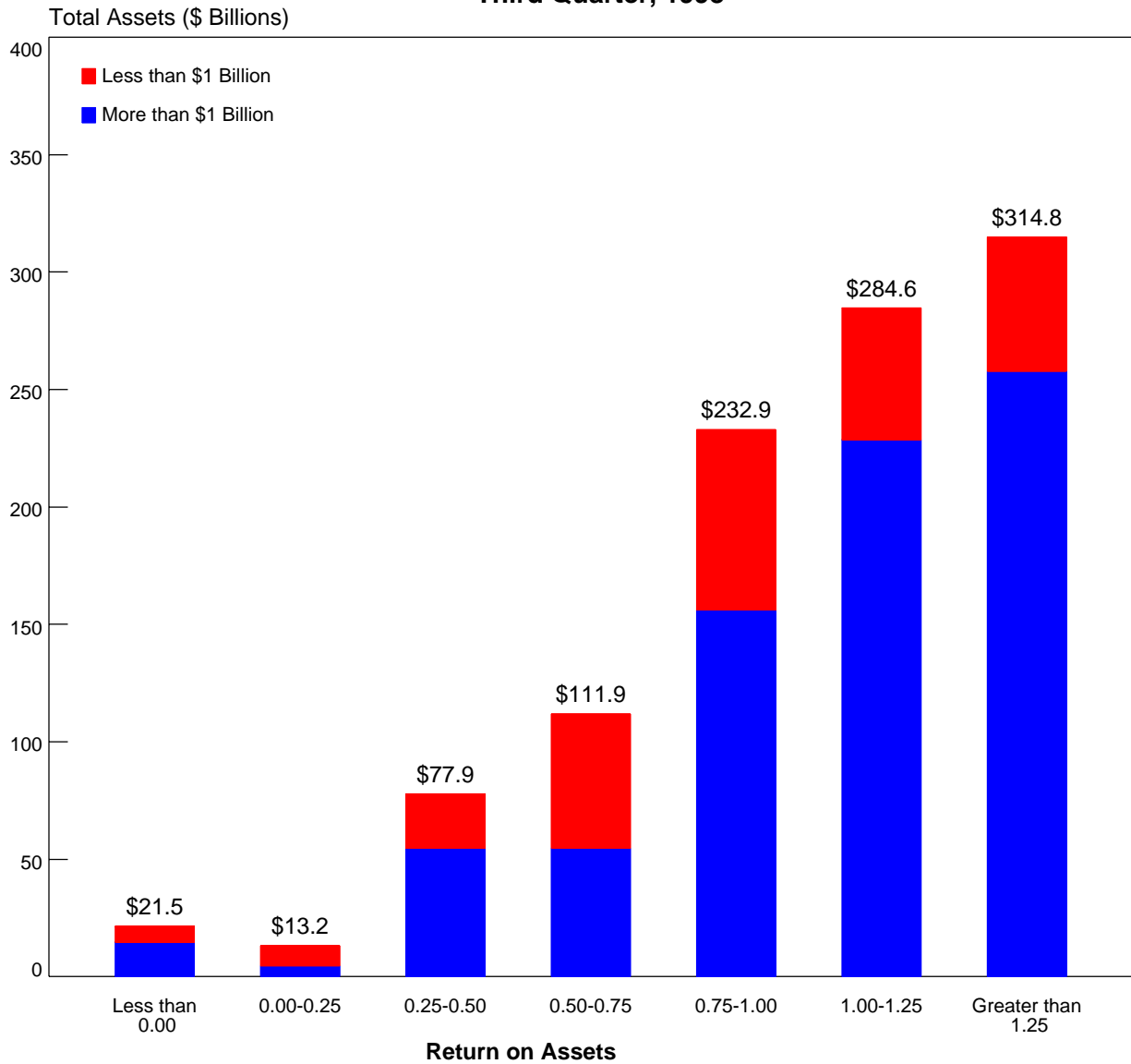
(\$ Millions)	All Institutions	Under \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$5 Billion	Over \$5 Billion
Mutual Fund and Annuity Fee Income	<b>\$281</b>	<b>\$3</b>	<b>\$25</b>	<b>\$40</b>	<b>\$212</b>
Gross Operating Income	<b>\$60,605</b>	<b>\$2,317</b>	<b>\$14,376</b>	<b>\$12,621</b>	<b>\$31,291</b>
Number of Institutions Reporting These Fees	<b>353</b>	<b>32</b>	<b>227</b>	<b>67</b>	<b>27</b>
Percent of Institutions Reporting These Fees	<b>20.6%</b>	<b>4.4%</b>	<b>26.9%</b>	<b>62.0%</b>	<b>75.0%</b>

\*\*Gross operating income is the total of interest income and noninterest income.

# Return on Assets (ROA)

## By Asset Size

Third Quarter, 1998



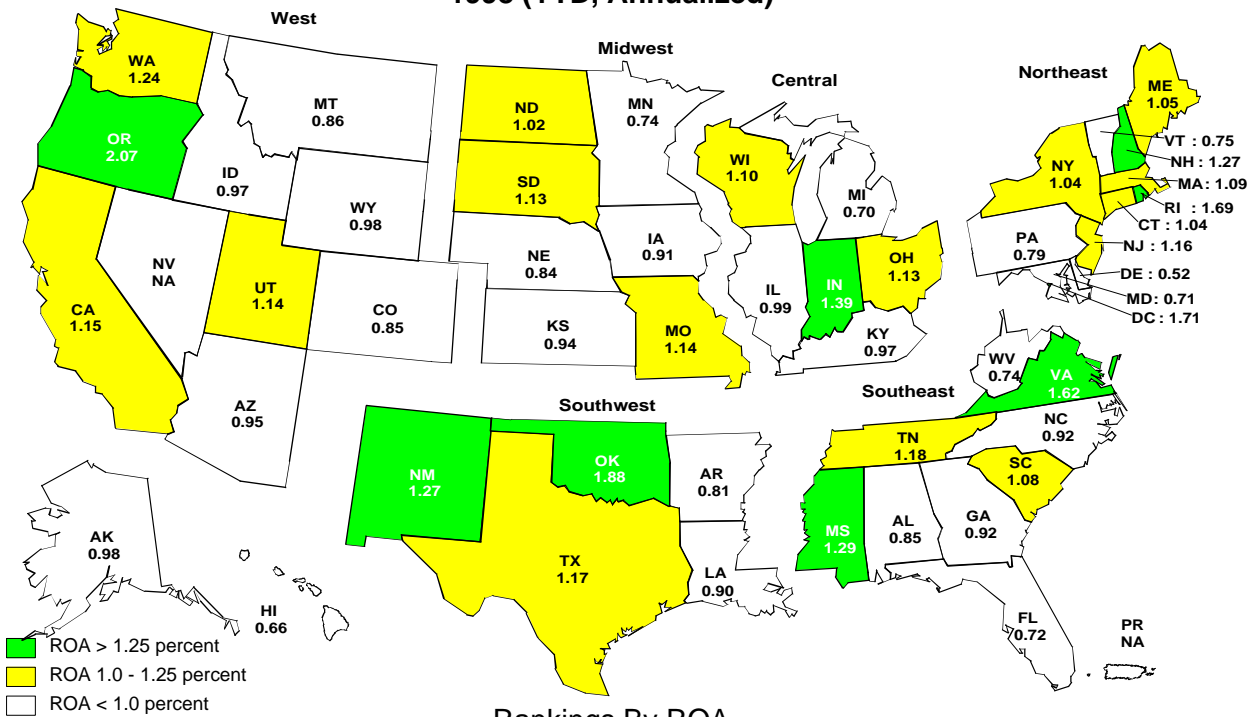
### Total Assets

Less than \$1 Billion	6.7	8.7	23.1	57.1	76.9	56.1	57.1
More than \$1 Billion	14.8	4.5	54.8	54.8	156.0	228.5	257.7

### Number of Institutions

Less than \$1 Billion	73	71	185	357	385	249	249
More than \$1 Billion	7	2	13	13	36	34	39
Total	80	73	198	370	421	283	288

## Return on Assets (ROA) 1998 (YTD, Annualized)



### Rankings By ROA

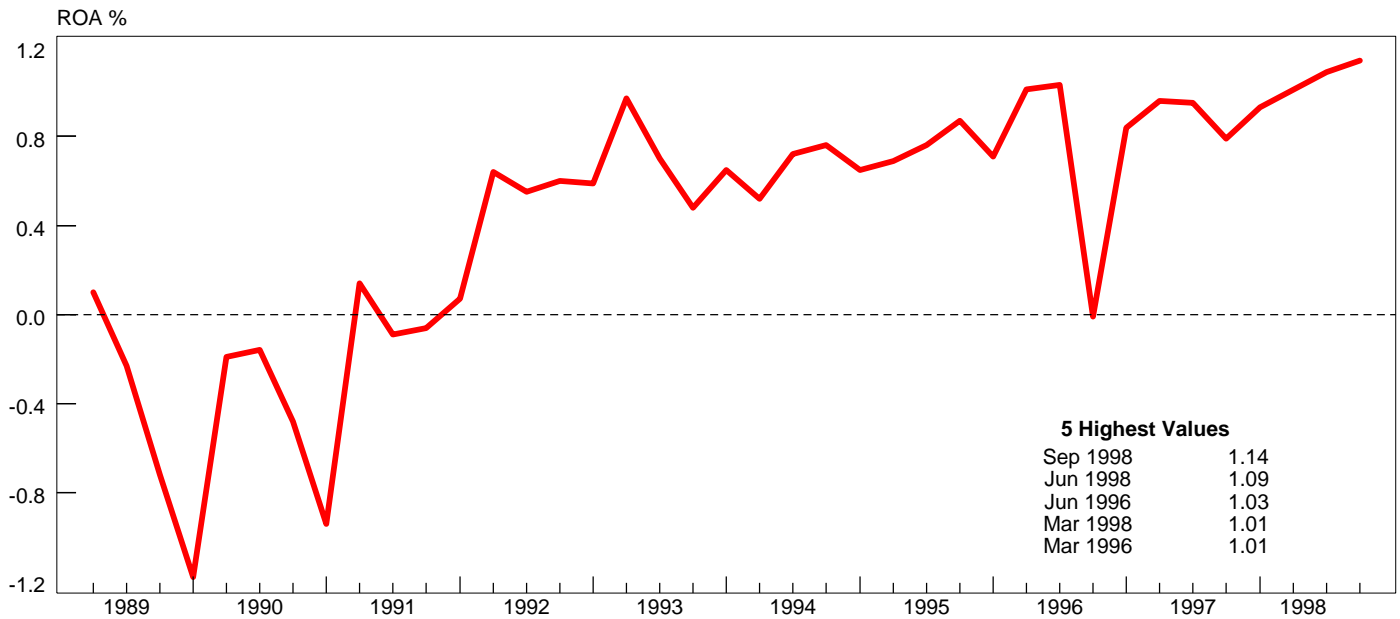
	No. of Inst. as of 9/30/98	YTD 1998	YTD 1997	Change*		No. of Inst. as of 9/30/98	YTD 1998	YTD 1997	Change*
1 Oregon	7	2.07	(0.32)	239	28 Wyoming	4	0.98	1.01	(3)
2 Oklahoma	12	1.88	(1.91)	379	29 Idaho	3	0.97	0.91	6
3 District of Col.	1	1.71	0.60	111	30 Kentucky	40	0.97	1.07	(10)
4 Rhode Island	6	1.69	1.41	28	31 Arizona	3	0.95	1.16	(21)
5 Virginia	22	1.62	1.01	61	32 Kansas	18	0.94	1.08	(14)
6 Indiana	70	1.39	1.08	31	33 Georgia	29	0.92	0.51	41
7 Mississippi	12	1.29	1.02	27	34 North Carolina	55	0.92	1.01	(9)
8 New Hampshire	20	1.27	1.02	25	35 Iowa	24	0.91	1.03	(12)
9 New Mexico	10	1.27	1.28	(1)	36 Louisiana	33	0.90	0.96	(6)
10 Washington	21	1.24	1.33	(9)	37 Montana	6	0.86	1.00	(14)
11 Tennessee	25	1.18	1.08	10	38 Alabama	12	0.85	0.78	7
12 Texas	52	1.17	1.25	(8)	39 Colorado	12	0.85	0.96	(11)
13 New Jersey	82	1.16	1.16	0	40 Nebraska	13	0.84	1.00	(16)
14 California	51	1.15	0.70	45	41 Arkansas	12	0.81	0.90	(9)
15 Missouri	42	1.14	1.00	14	42 Pennsylvania	114	0.79	0.83	(4)
16 Utah	3	1.14	1.22	(8)	43 Vermont	5	0.75	0.95	(20)
17 Ohio	146	1.13	1.11	2	44 Minnesota	24	0.74	0.89	(15)
18 South Dakota	4	1.13	1.10	3	45 West Virginia	8	0.74	0.89	(15)
19 Wisconsin	44	1.10	0.88	22	46 Florida	44	0.72	0.89	(17)
20 Massachusetts	193	1.09	1.04	5	47 Maryland	67	0.71	0.92	(21)
21 South Carolina	30	1.08	0.96	12	48 Michigan	24	0.70	0.66	4
22 Maine	28	1.05	1.22	(17)	49 Hawaii	3	0.66	0.87	(21)
23 Connecticut	49	1.04	1.08	(4)	50 Delaware	5	0.52	0.20	32
24 New York	94	1.04	0.96	8	51 Puerto Rico	0	NA	1.30	NM
25 North Dakota	2	1.02	0.97	5	52 Nevada	0	NA	NA	NM
26 Illinois	124	0.99	0.98	1					
27 Alaska	2	0.98	1.02	(4)					
					U.S. and Terr.	1,713	1.10	0.89	21

\*YTD ROA minus ROA for the same period one year ago equals change in basis points. Basis point = 1/100 of a percent.



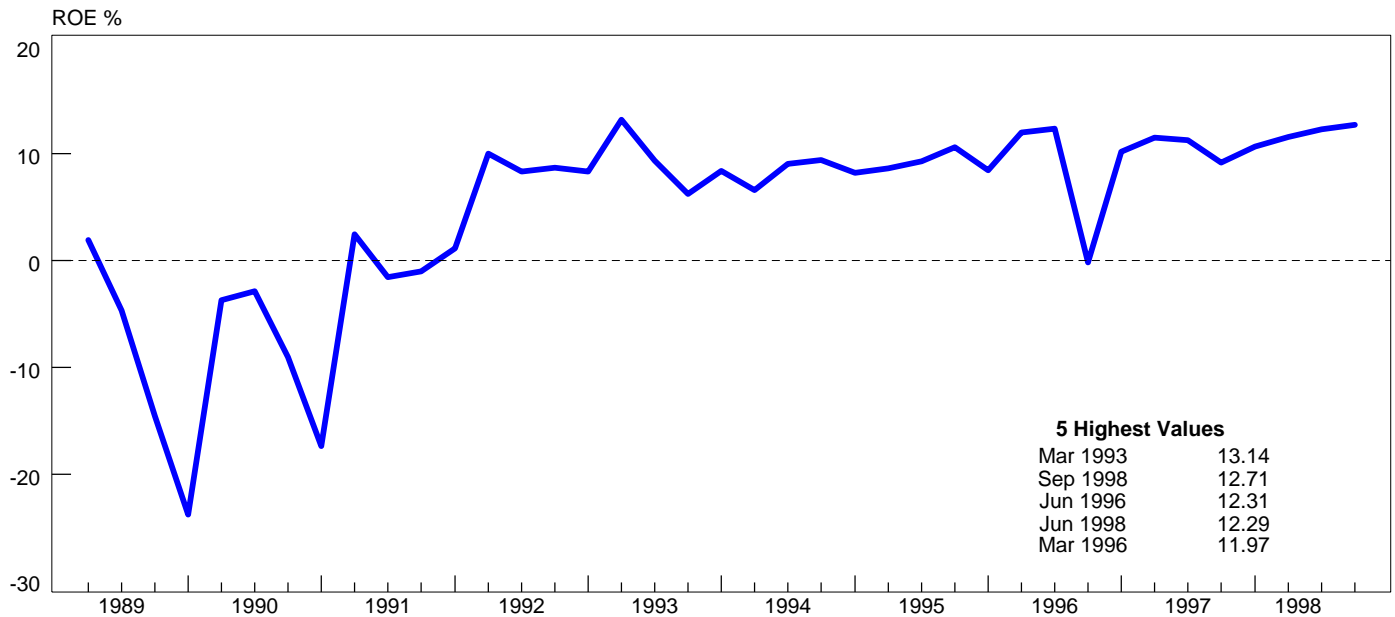
## Quarterly Return on Assets (ROA), Annualized

1989 - 1998

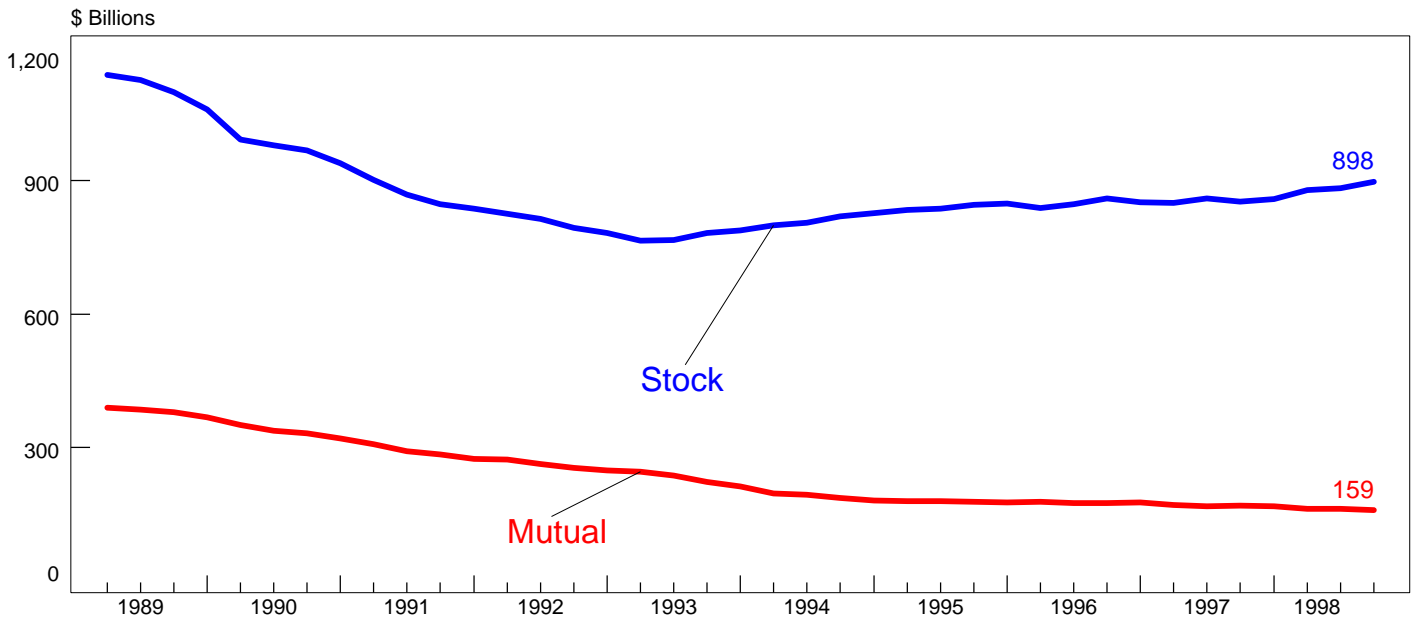


## Quarterly Return on Equity (ROE), Annualized

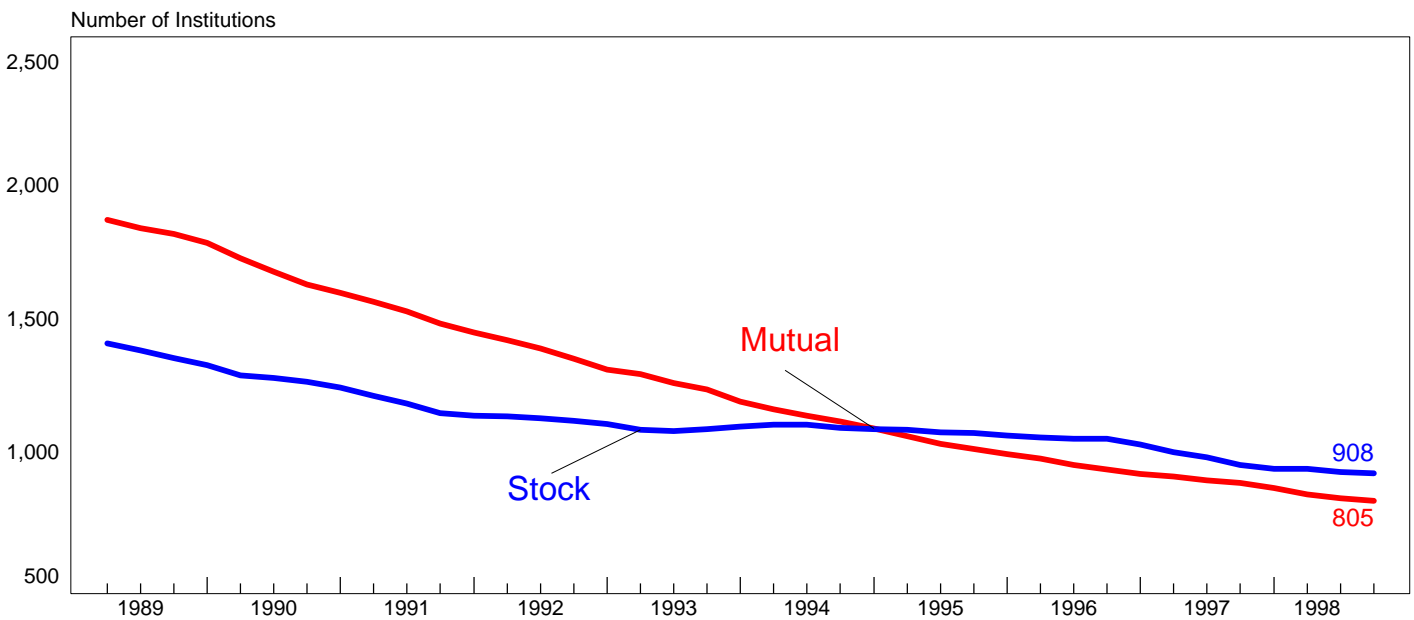
1989 - 1998



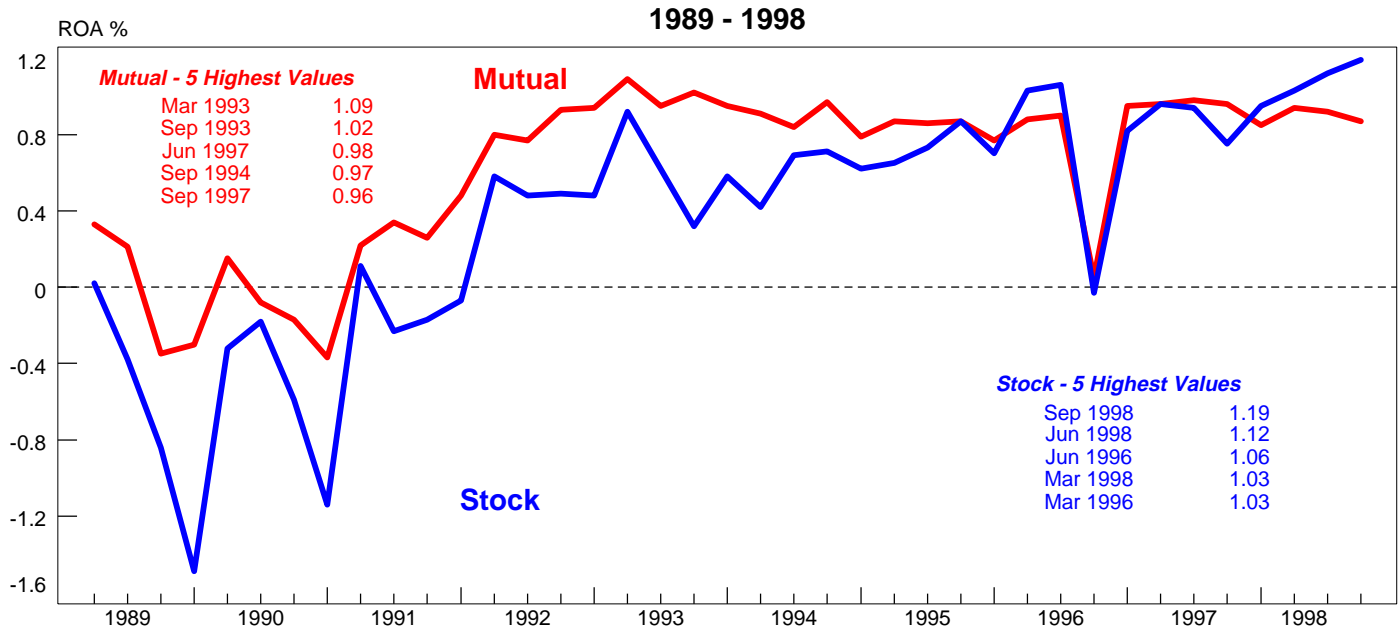
## Assets of Mutual and Stock Savings Institutions 1989 - 1998



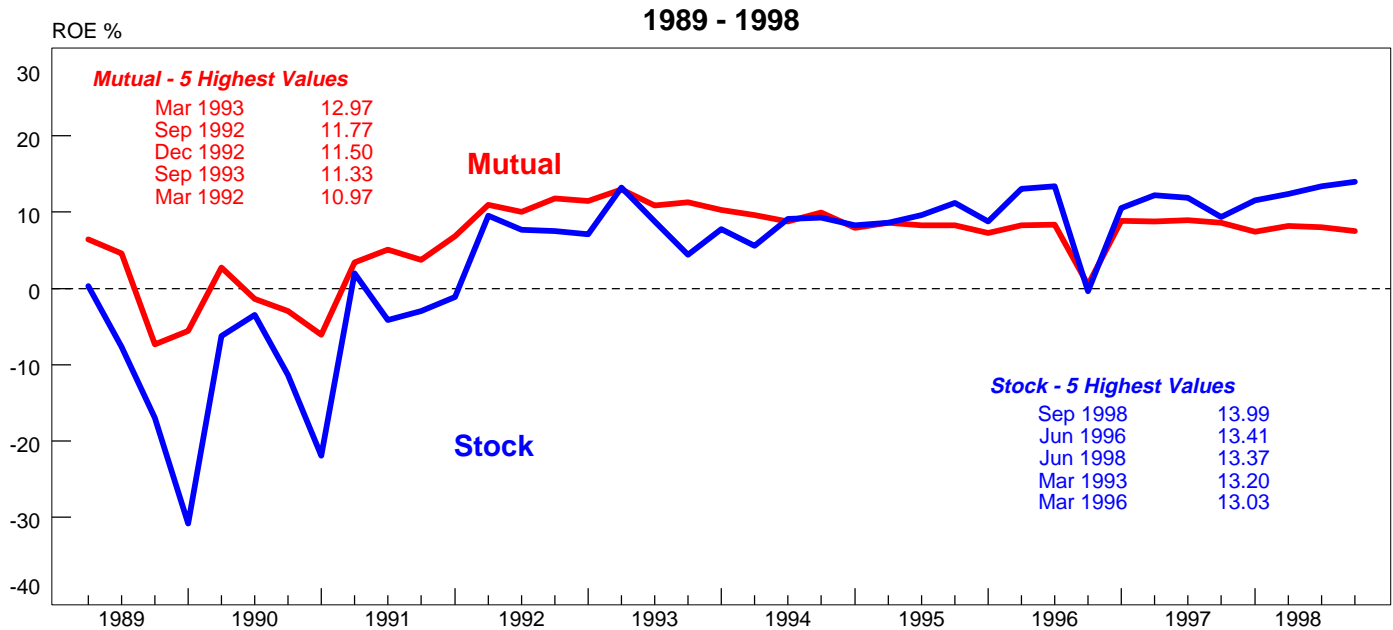
## Number of Mutual and Stock Savings Institutions 1989 - 1998



## Quarterly Return on Assets (ROA), Annualized Mutual and Stock Savings Institutions



## Quarterly Return on Equity (ROE), Annualized Mutual and Stock Savings Institutions



## Quarterly Return on Risk-Weighted Assets (RWA),\* and RWA to Total Assets

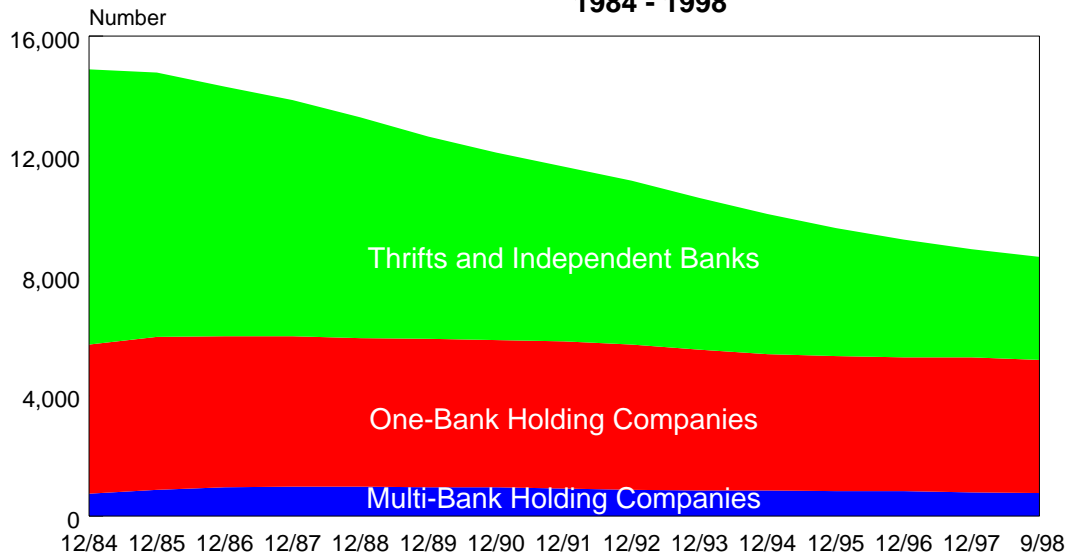
1991 - 1998



\* Assets weighted according to risk categories used in regulatory capital computations.

## Number of FDIC-Insured Banking Organizations

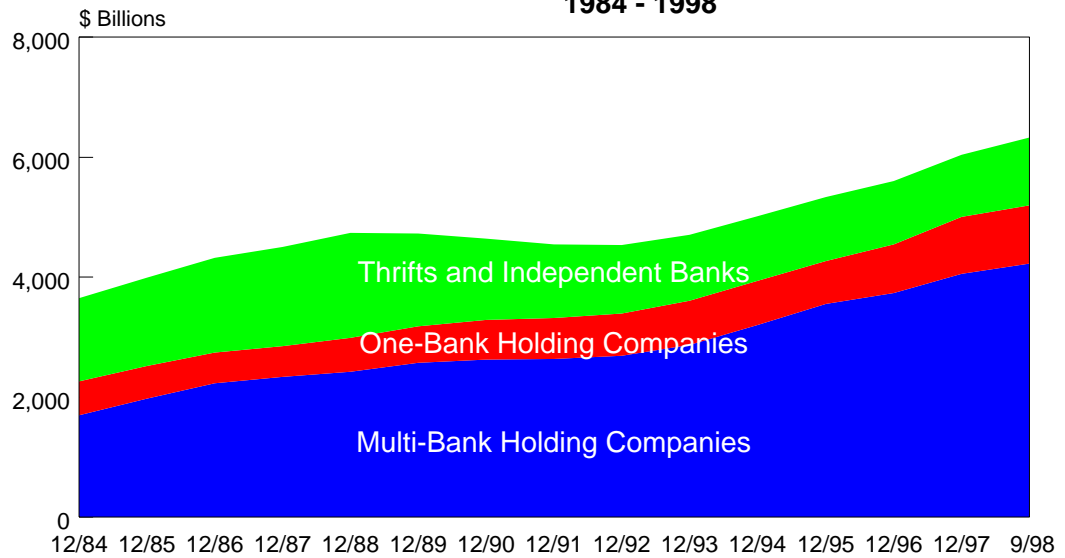
1984 - 1998



Thrifts* and Indpt Banks	9,183	8,802	8,333	7,882	7,349	6,746	6,246	5,817	5,455	5,067	4,663	4,262	3,935	3,619	3,444
One-Bank Holding Co.'s	4,974	5,097	5,025	5,002	4,956	4,956	4,908	4,907	4,838	4,688	4,553	4,510	4,458	4,486	4,446
Multi-Bank Holding Co.'s	729	875	957	979	975	955	963	920	875	848	839	821	820	789	753
<b>Total</b>	<b>14,886</b>	<b>14,774</b>	<b>14,315</b>	<b>13,863</b>	<b>13,280</b>	<b>12,657</b>	<b>12,117</b>	<b>11,644</b>	<b>11,168</b>	<b>10,603</b>	<b>10,055</b>	<b>9,593</b>	<b>9,213</b>	<b>8,894</b>	<b>8,643</b>

## Assets of FDIC-Insured Banking Organizations

1984 - 1998

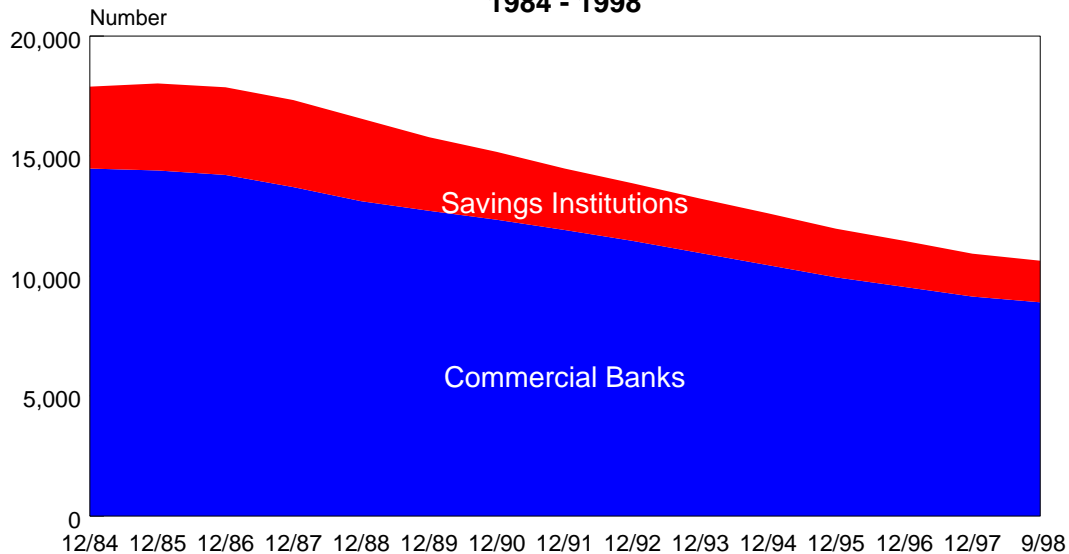


Thrifts* and Indpt Banks	1,386	1,475	1,584	1,648	1,744	1,546	1,362	1,224	1,140	1,097	1,084	1,071	1,061	1,035	1,122
One-Bank Holding Co.'s	566	537	512	516	563	603	655	684	710	739	728	714	814	951	981
Multi-Bank Holding Co.'s	1,700	1,981	2,232	2,338	2,429	2,578	2,631	2,635	2,687	2,871	3,207	3,553	3,732	4,056	4,223
<b>Total</b>	<b>3,652</b>	<b>3,993</b>	<b>4,328</b>	<b>4,502</b>	<b>4,736</b>	<b>4,727</b>	<b>4,648</b>	<b>4,543</b>	<b>4,537</b>	<b>4,707</b>	<b>5,019</b>	<b>5,338</b>	<b>5,607</b>	<b>6,042</b>	<b>6,326</b>

\* Includes thrifts owned by unitary thrift holding companies or multi-thrift holding companies.

## Number of FDIC-Insured Institutions

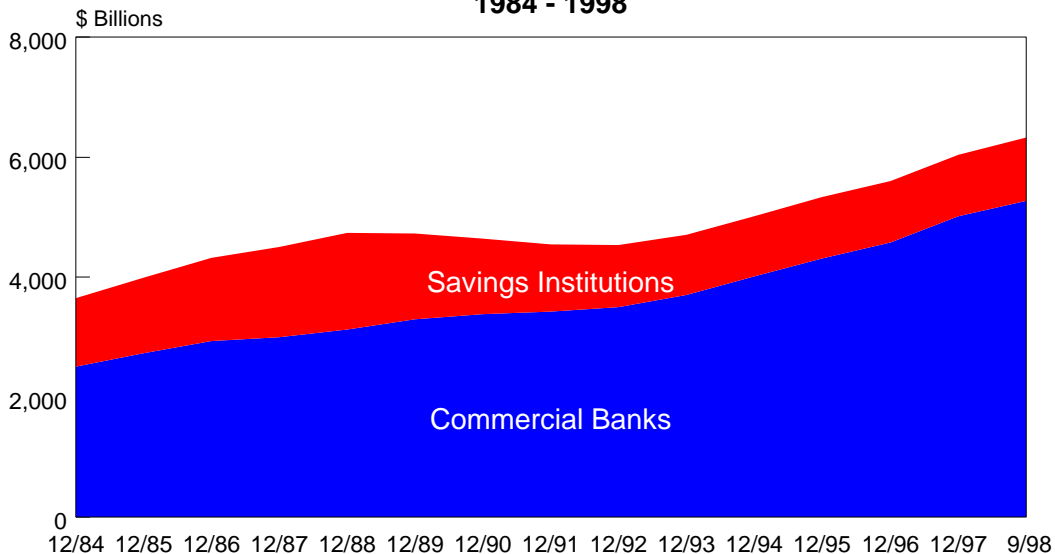
1984 - 1998



Savings Institutions	3,418	3,625	3,677	3,622	3,437	3,086	2,814	2,560	2,390	2,262	2,152	2,030	1,924	1,779	1,713
Commercial Banks	14,482	14,407	14,199	13,703	13,123	12,709	12,343	11,921	11,462	10,958	10,451	9,940	9,528	9,143	8,910
Total	17,900	18,032	17,876	17,325	16,560	15,795	15,157	14,481	13,852	13,220	12,603	11,970	11,452	10,922	10,623

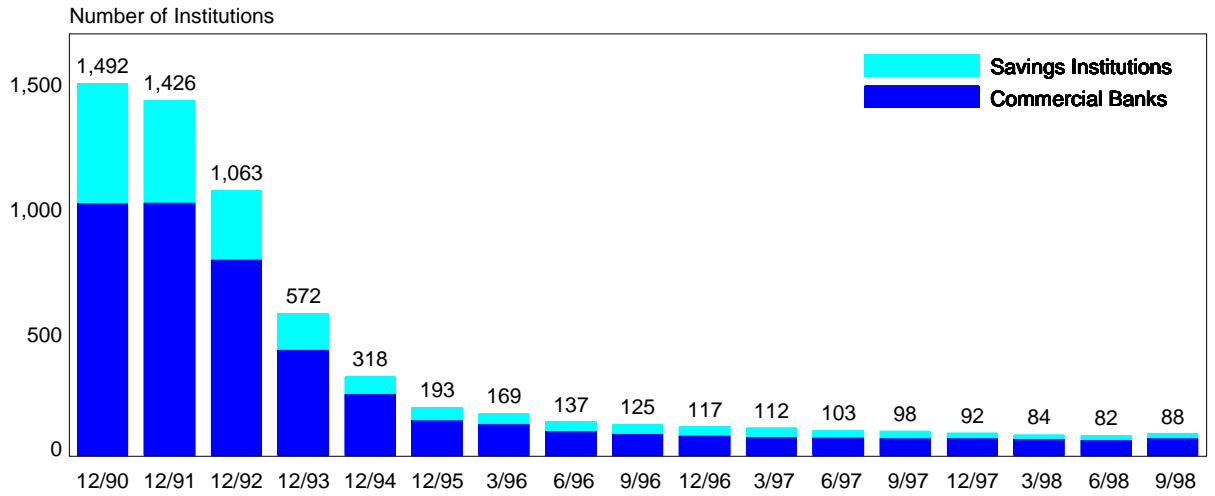
## Assets of FDIC-Insured Institutions

1984 - 1998



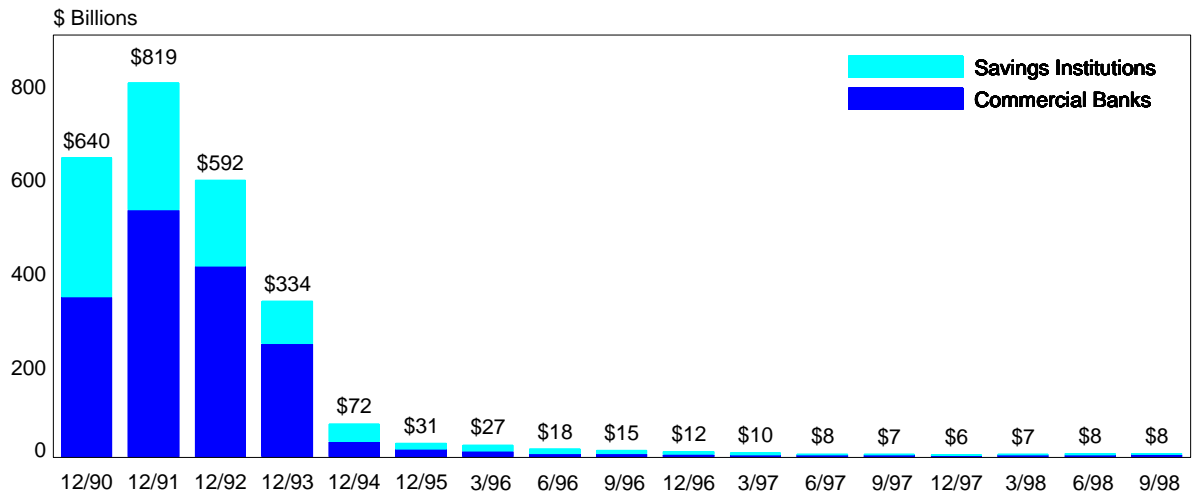
Savings Institutions	1,144	1,262	1,387	1,502	1,606	1,427	1,259	1,112	1,030	1,001	1,009	1,026	1,028	1,026	1,057
Commercial Banks	2,509	2,731	2,941	3,000	3,131	3,299	3,389	3,431	3,506	3,706	4,011	4,313	4,578	5,015	5,269
Total	3,653	3,993	4,328	4,502	4,737	4,726	4,648	4,543	4,536	4,707	5,019	5,338	5,607	6,041	6,326

## Number of FDIC-Insured "Problem" Institutions 1990 - 1998



Savings Institutions	480	410	276	146	71	49	42	38	36	35	35	29	27	21	16	18	18
Commercial Banks	1,012	1,016	787	426	247	144	127	99	89	82	77	74	71	71	68	64	70

## Assets of FDIC-Insured "Problem" Institutions 1990 - 1998



Savings Institutions	298	291	184	92	39	14	13	10	8	7	5	3	2	2	2	3	3
Commercial Banks	342	528	408	242	33	17	13	8	7	5	5	5	5	5	5	5	5

## Capital Category Distribution

September 30, 1998

### BIF-Member Institutions

	Institutions		Assets	
	Number of	Percent of Total	In Billions	Percent of Total
Well Capitalized	8,958	97.8%	\$5,466.0	98.1%
Adequately Capitalized	185	2.0%	\$106.4	1.9%
Undercapitalized	12	0.1%	\$0.9	0.0%
Significantly Undercapitalized	5	0.1%	\$0.3	0.0%
Critically Undercapitalized	1	0.0%	\$0.0	0.0%

### SAIF-Member Institutions

	Institutions		Assets	
	Number of	Percent of Total	In Billions	Percent of Total
Well Capitalized	1,432	97.9%	\$717.5	95.4%
Adequately Capitalized	30	2.1%	\$35.0	4.6%
Undercapitalized	0	0.0%	\$0.0	0.0%
Significantly Undercapitalized	0	0.0%	\$0.0	0.0%
Critically Undercapitalized	0	0.0%	\$0.0	0.0%

Note: These tables are based solely on Call Report data and do not reflect supervisory upgrades or downgrades.

### Capital Category Definitions

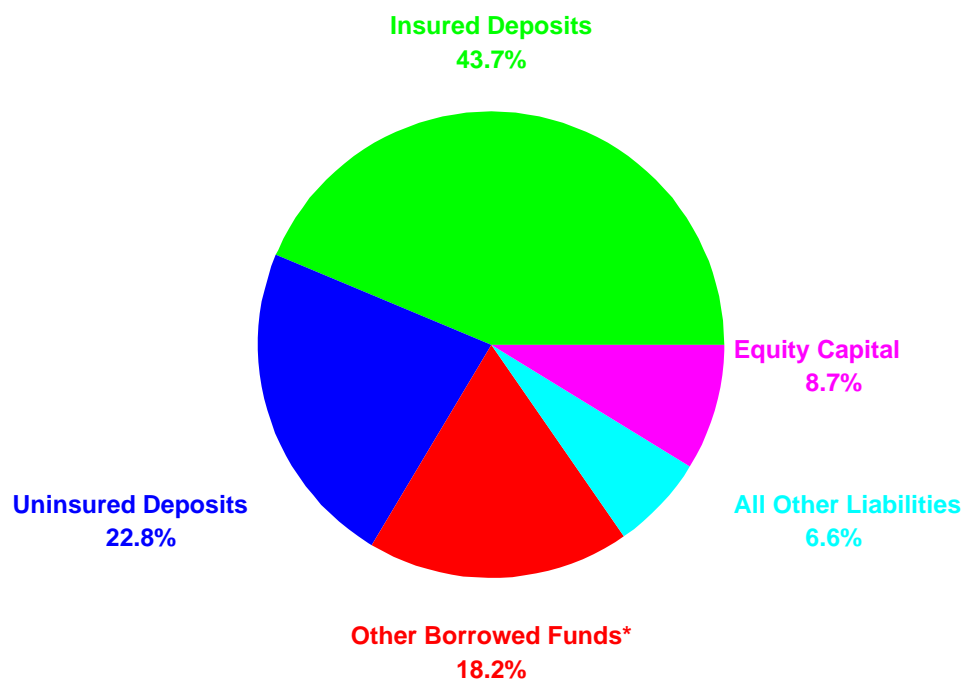
	Total Risk-Based Capital*		Tier 1 Risk-Based Capital*		Tier 1 Leverage		Tangible Equity
Well Capitalized	>=10%	and	>=6%	and	>=5%		--
Adequately Capitalized	>=8%	and	>=4%	and	>=4%		--
Undercapitalized	>=6%	and	>=3%	and	>=3%		--
Significantly Undercapitalized	<6%	or	<3%	or	<3%	and	>2%
Critically Undercapitalized	--		--		--		<=2%

\* As a percentage of risk-weighted assets.

Note: Standards vary in some instances for the strongest institutions, those anticipating growth, and those subject to supervisory agreements or directives.



## Total Liabilities and Equity Capital

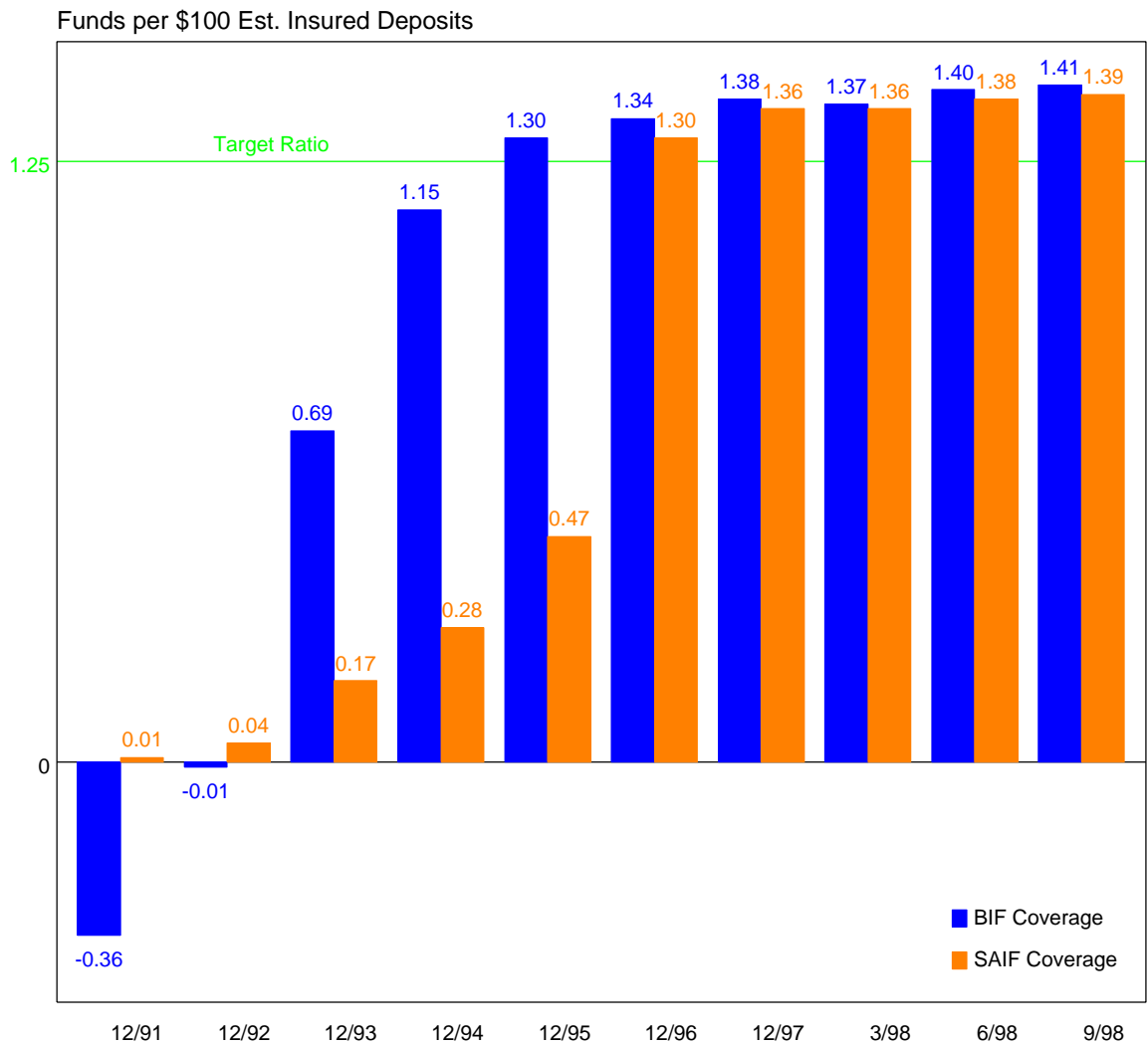


(\$ Billions)	9/30/97	9/30/98	% Change
<b>Insured Deposits (estimated)</b>	<b>2,710</b>	<b>2,764</b>	<b>2.0</b>
BIF - Insured	2,023	2,064	2.0
SAIF - Insured	687	700	1.9
<b>Uninsured Deposits</b>	<b>1,301</b>	<b>1,439</b>	<b>10.6</b>
In Foreign Offices	507	555	9.5
<b>Other Borrowed Funds*</b>	<b>1,033</b>	<b>1,152</b>	<b>11.5</b>
<b>All Other Liabilities</b>	<b>343</b>	<b>418</b>	<b>21.9</b>
Subordinated Debt	58	72	24.1
<b>Equity Capital</b>	<b>504</b>	<b>552</b>	<b>9.5</b>
<b>Total Liabilities and Equity Capital</b>	<b>5,891</b>	<b>6,326</b>	<b>7.4</b>

\* Other borrowed funds include federal funds purchased, securities sold under agreement to repurchase, FHLB and FRB borrowings and other indebtedness.

## Insurance Fund Reserve Ratios

### December 31, 1991 - September 30, 1998



**(\$ Billions)**

**BIF**

Fund Balance	-7.0	-0.1	13.1	21.8	25.5	26.9	28.3	28.6	28.9	29.1
Est. Insured Deposits	1,957.7	1,945.6	1,905.2	1,895.3	1,952.0	2,007.4	2,055.9	2,079.1	2,071.8	2,065.5

**SAIF**

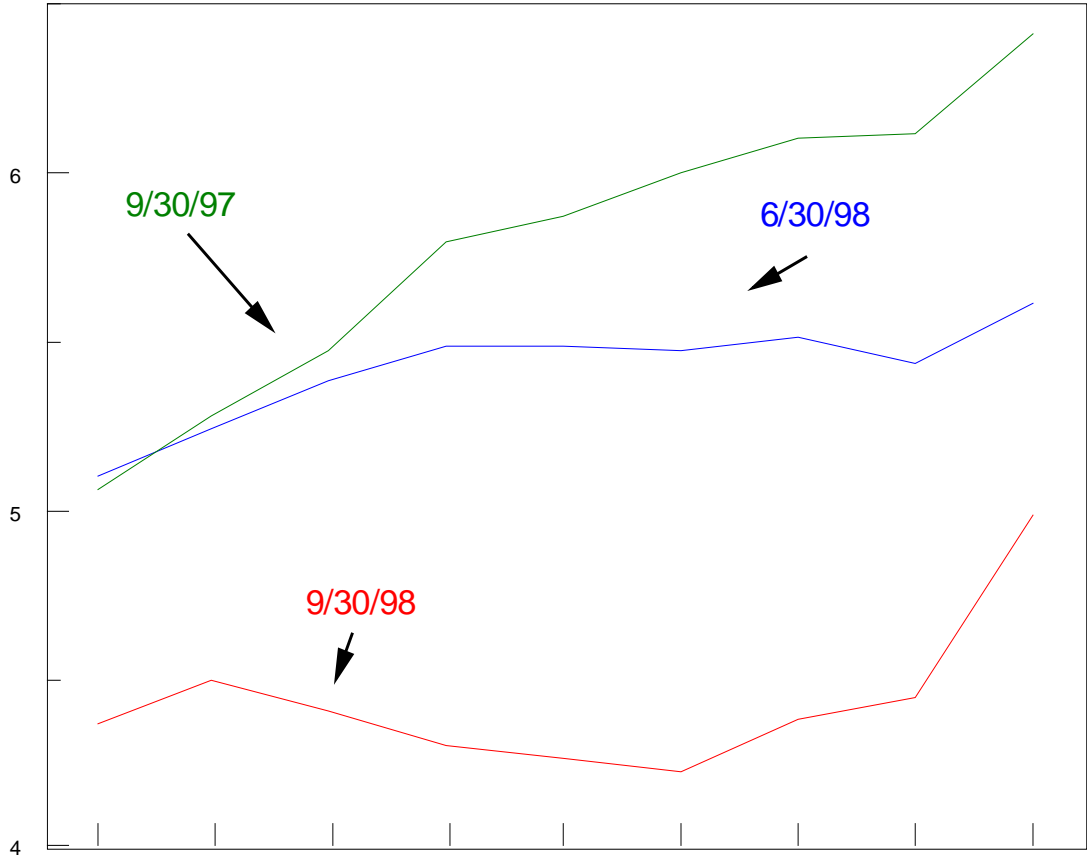
Fund Balance	0.1	0.3	1.2	1.9	3.4	8.9	9.4	9.5	9.6	9.7
Est. Insured Deposits	776.4	732.2	697.9	693.6	711.9	683.1	690.1	698.1	697.4	700.1

Note: Includes insured branches of foreign banks. 1998 fund balances are unaudited.

## U.S. Treasury Yield Curve

September 30, 1997 - September 30, 1998

Spot Yield (%)



Maturity	3-Month	6-Month	1 Year	2 Year	3 Year	5 Year	7 Year	10 Year	30 Year
9/30/98	4.37	4.49	4.41	4.30	4.26	4.23	4.38	4.44	4.98
6/30/98	5.10	5.24	5.38	5.49	5.49	5.47	5.52	5.44	5.62
3/31/98	5.13	5.27	5.41	5.60	5.61	5.64	5.74	5.67	5.94
12/31/97	5.45	5.51	5.55	5.69	5.73	5.73	5.76	5.76	5.93
9/30/97	5.06	5.28	5.47	5.80	5.88	6.00	6.11	6.12	6.41

Source: Federal Reserve's H.15 Statistical Release