

The FDIC
Quarterly
Banking Profile

**FDIC - Insured
Savings Institutions**

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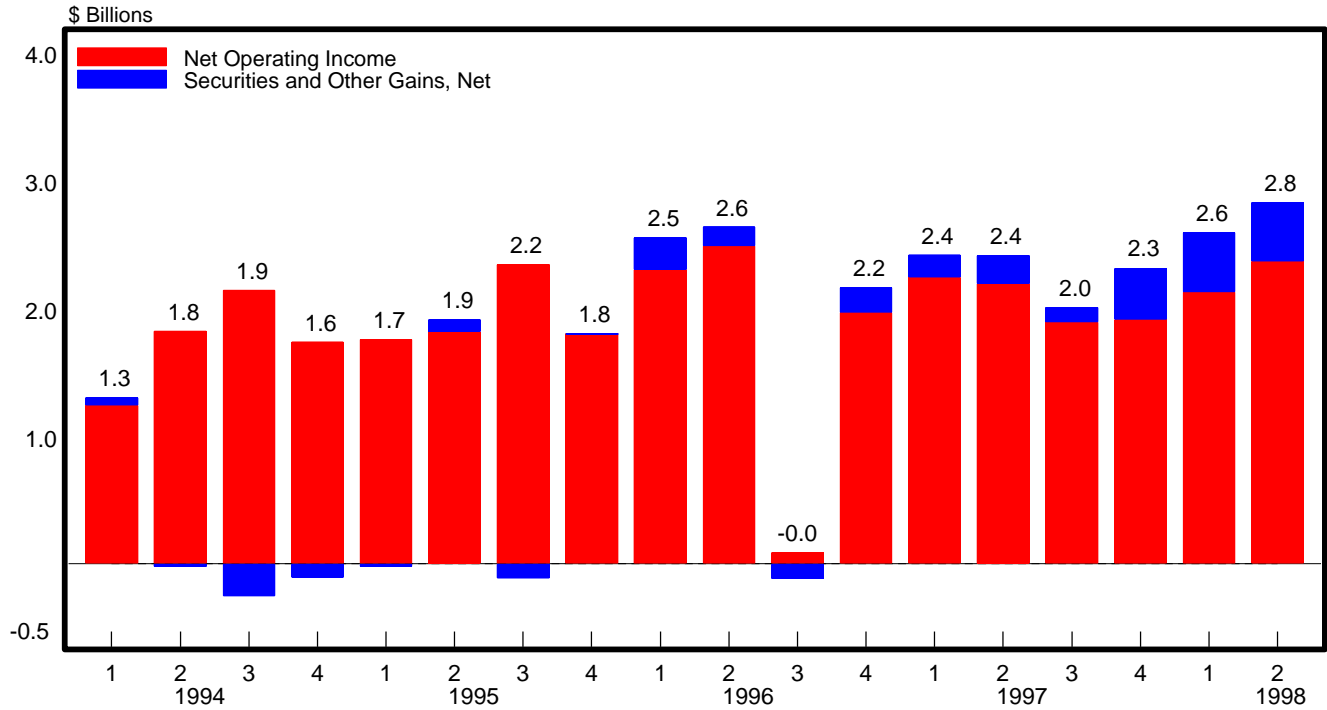
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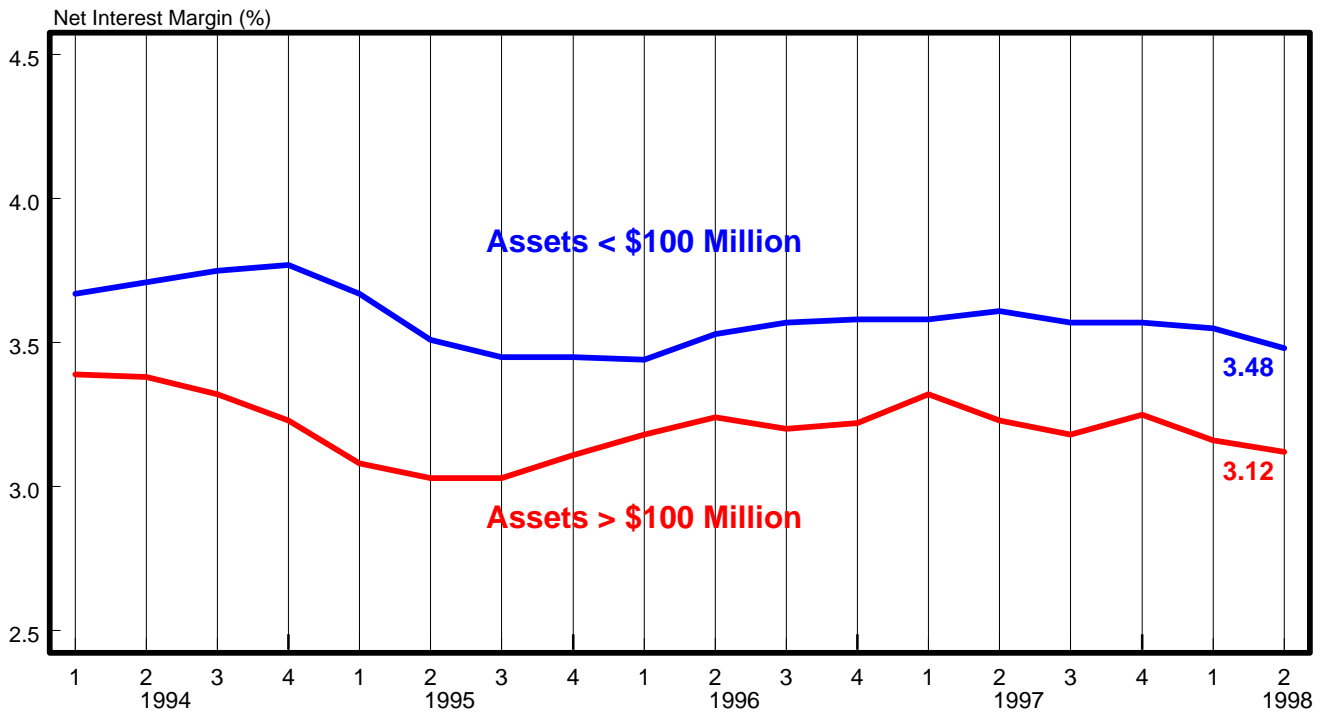
SECOND-QUARTER AND FIRST-HALF HIGHLIGHTS

- ***Second-Quarter Bank Earnings of \$16.1 Billion Set New Quarterly Record***
For the sixth consecutive quarter, commercial bank earnings reached a new record high. Industry profits exceeded the previous quarter's record by \$210 million, and were \$1.5 billion (10.2 percent) more than banks earned in the second quarter of 1997. The largest contribution to the improvement came from noninterest income, which was \$1.5 billion (5.0 percent) higher than in the first quarter and \$5.4 billion (21.3 percent) higher than in the second quarter of 1997.
- ***Bank Earnings Exceed \$32 Billion in First Six Months of 1998***
Commercial banks earned \$32.0 billion in the first half of 1998, an increase of \$2.9 billion (9.9 percent) over the first half of 1997. The industry's annualized return on assets (ROA) for the first half was 1.25 percent, unchanged from a year ago. Almost two-thirds of all commercial banks – 63.4 percent – reported earnings higher than a year ago, and more than two-thirds – 68.8 percent – reported first-half ROAs of 1 percent or higher.
- ***Asset Quality Shows Few Signs of Deterioration***
Noncurrent loans declined by \$413 million in the second quarter, to 0.94 percent of total loans. This is the lowest level for the noncurrent rate in the 17 years that noncurrent loan data have been reported. Noncurrent loans to foreign borrowers increased by \$167 million in the second quarter, and have risen by \$1.1 billion in the 12 months ended June 30. Net loan charge-offs in the second quarter totaled \$4.9 billion, an increase of \$507 million (11.5 percent) from the second quarter of 1997. Credit-card loans accounted for \$3.0 billion (61.8 percent) of all loan charge-offs in the quarter; loans to foreign borrowers accounted for \$299 million (6.1 percent) of the total.
- ***Savings Institutions Set Quarterly Record With \$2.8 Billion in Earnings***
Savings institutions' second-quarter earnings were \$234 million higher than in the first quarter, because of a tax benefit recognized by one large institution. As a result of this benefit, the thrift industry's income tax expenses were \$218 million lower than in the first quarter. The industry's annualized ROA of 1.09 percent for the second quarter also set a record. Smaller thrifts continue to lag behind larger institutions in profitability, because of lower net interest margins.
- ***BIF Reserve Ratio Rises to 1.40 Percent; SAIF Ratio Increases to 1.38 Percent***
At midyear, the Bank Insurance Fund had a balance of \$28.9 billion, up from \$28.3 billion on March 31. Deposits insured by the fund fell by \$4.4 billion during the quarter, and these developments combined to produce an increase in the ratio of the fund to insured deposits from 1.38 percent to 1.40 percent. This is the highest level for the fund's reserve ratio since 1965. The Savings Association Insurance Fund increased from \$9.5 billion to \$9.6 billion in the second quarter. SAIF-insured deposits fell by \$3.8 billion during that period, and the fund's reserve ratio rose to 1.38 percent from 1.35 percent at the end of March.

Quarterly Net Income 1994 - 1998

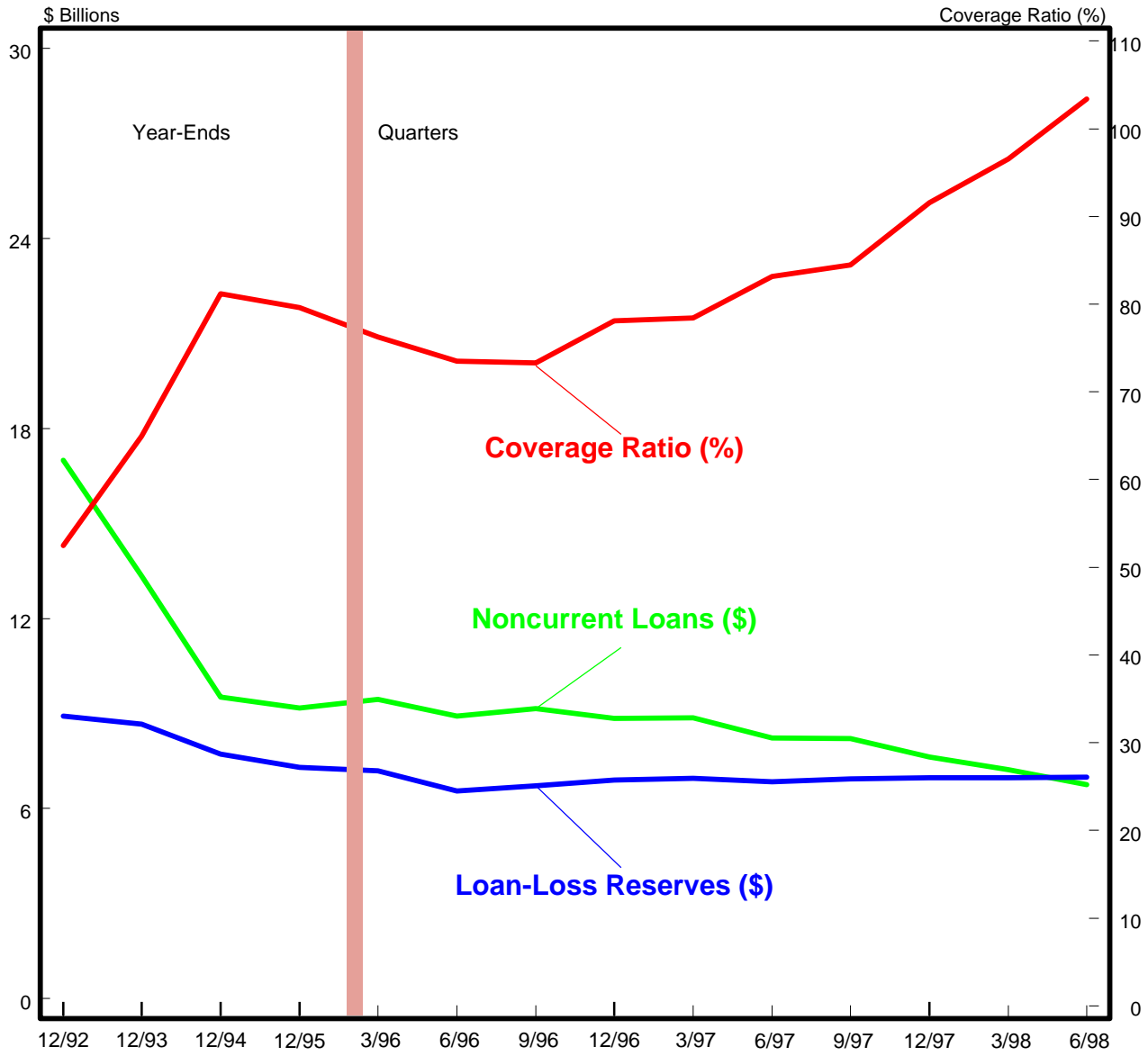


Quarterly Net Interest Margins, Annualized 1994 - 1998



Reserve Coverage Ratio*

1992 - 1998

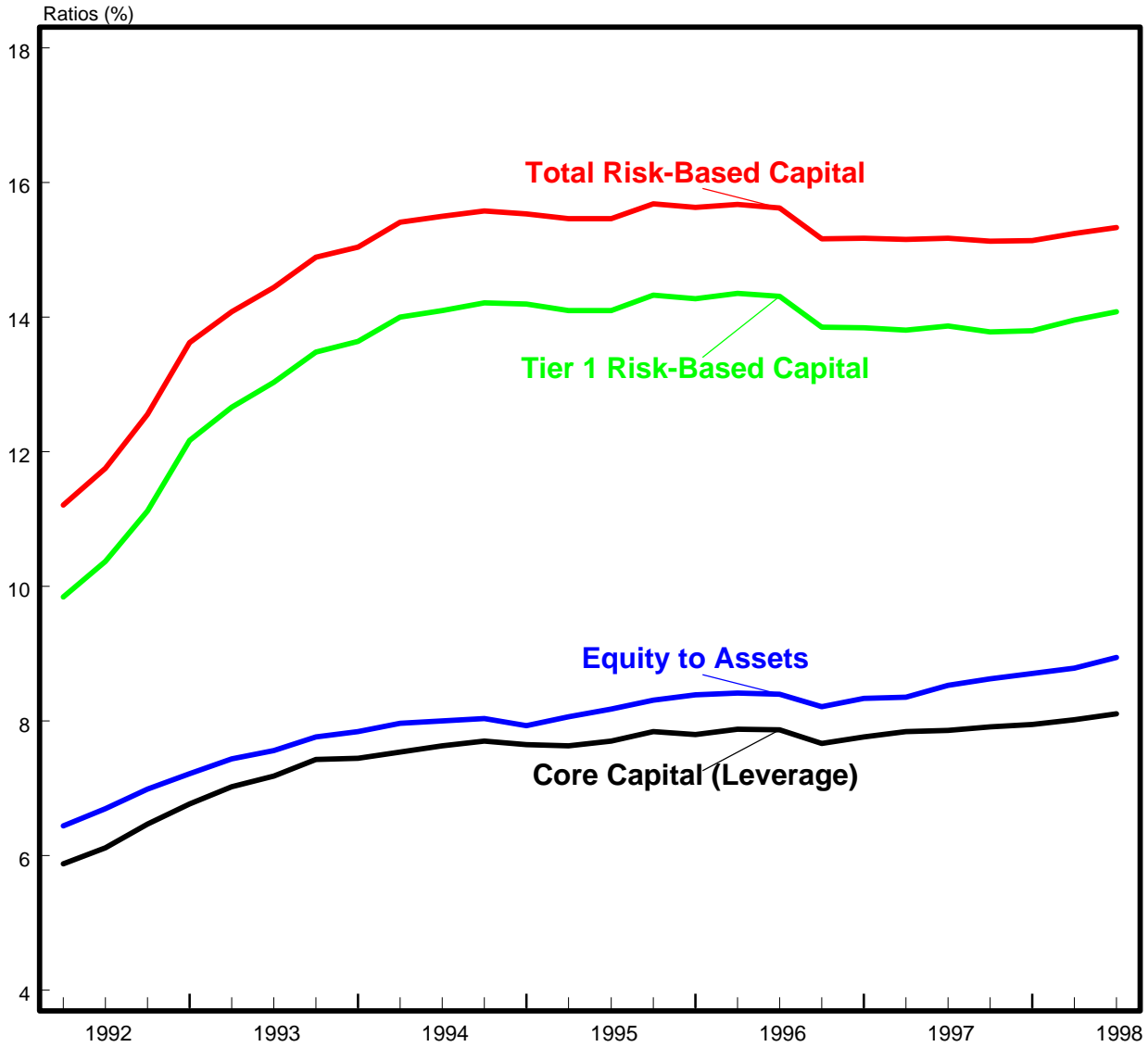


Noncurrent Loans (\$ Billions)	17.0	13.3	9.5	9.2	9.4	8.9	9.2	8.8	8.9	8.2	8.2	7.6	7.2	6.8
Loan-Loss Reserves (\$ Billions)	8.9	8.7	7.7	7.3	7.2	6.6	6.7	6.9	7.0	6.8	6.9	7.0	7.0	7.0
Coverage Ratio (%)	52	65	81	80	76	74	73	78	78	83	84	92	97	103

*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

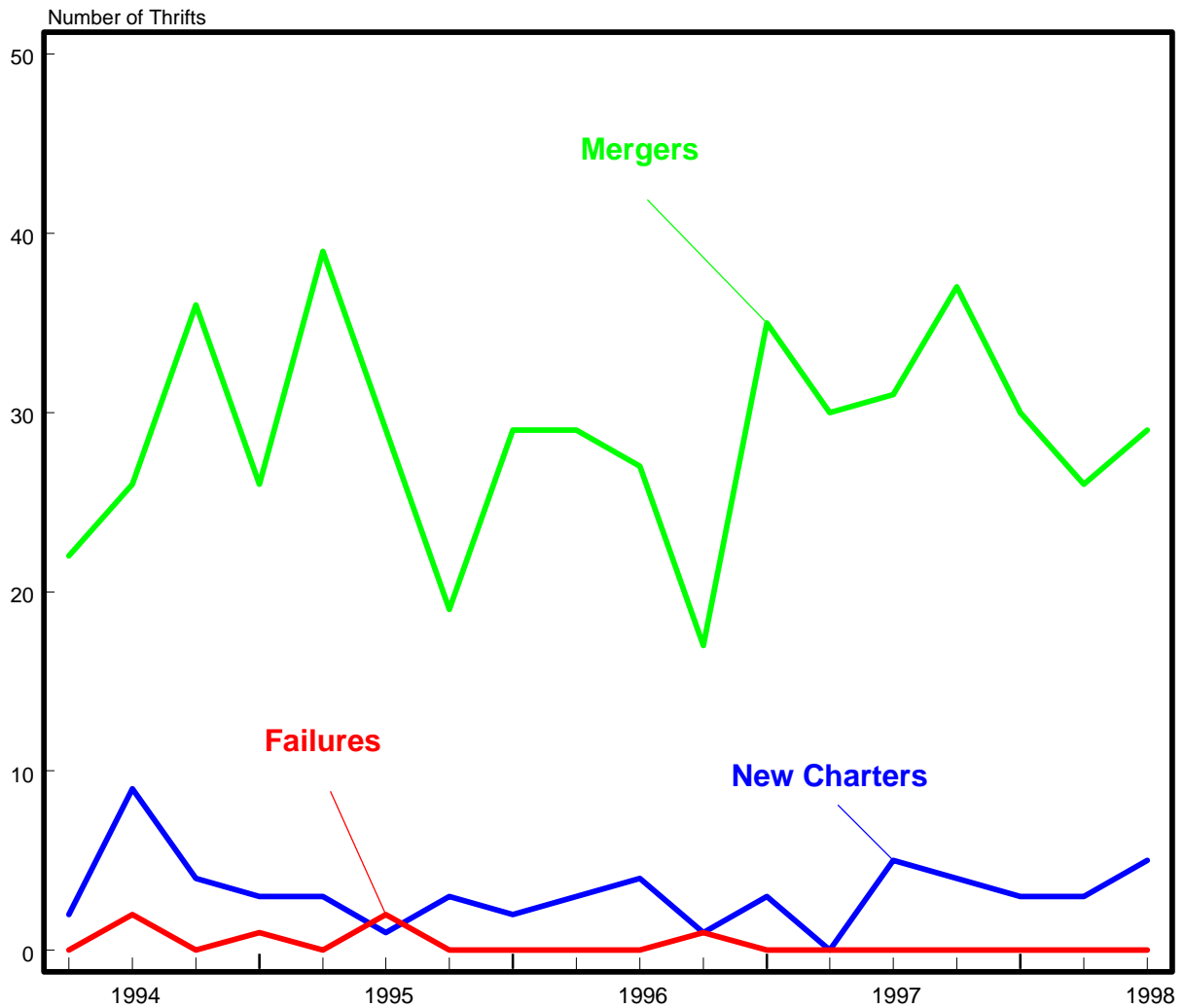
1992 - 1998



	12/92	12/93	12/94	12/95	12/96	12/97	6/98
Total Risk-Based Capital	13.62	15.04	15.53	15.63	15.17	15.14	15.33
Tier 1 Risk-Based Capital	12.17	13.64	14.19	14.27	13.84	13.80	14.08
Equity to Assets	7.22	7.84	7.93	8.39	8.34	8.71	8.94
Core Capital (Leverage)	6.77	7.45	7.65	7.80	7.76	7.95	8.11

Changes in the Number of FDIC-Insured Savings Institutions

Quarterly, 1994 - 1998



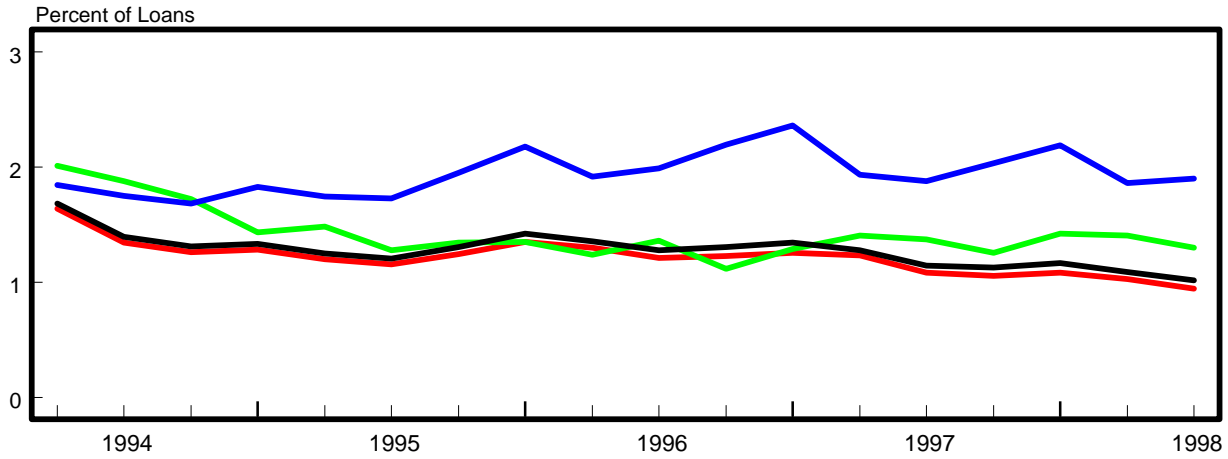
New Charters	2	9	4	3	3	1	3	2	3	4	1	3	0	5	4	3	3	5
Mergers	22	26	36	26	39	29	19	29	29	27	17	35	30	31	37	30	26	29
Failures	0	2	0	1	0	2	0	0	0	0	1	0	0	0	0	0	0	0
Other Changes, Net*	-3	-4	-3	-5	2	-6	-6	-3	1	-2	-1	-6	-8	-9	-6	-6	-1	-3
Net Change in Number of Thrifts	-23	-23	-35	-29	-34	-36	-22	-30	-25	-25	-18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

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

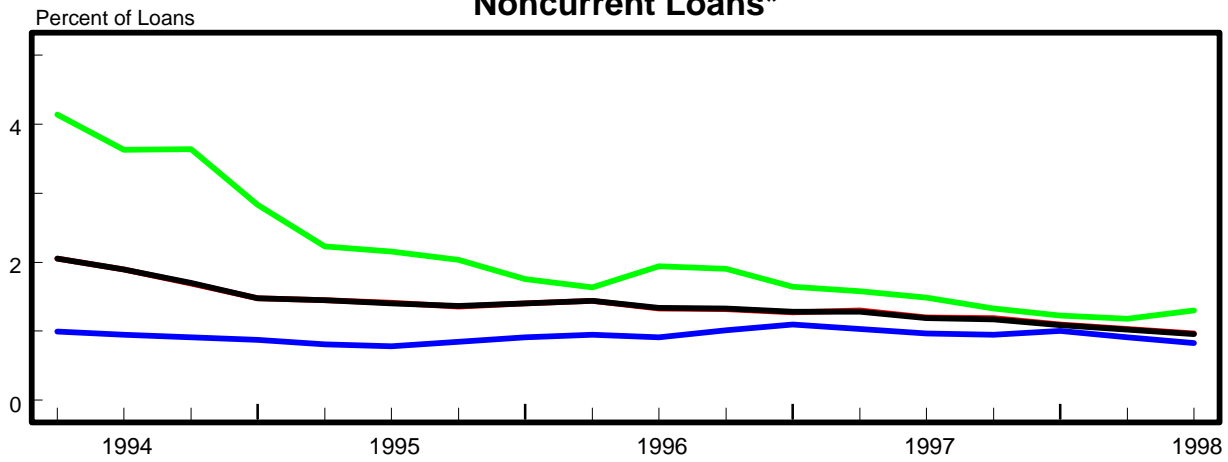
Loan Quality

1994 - 1998

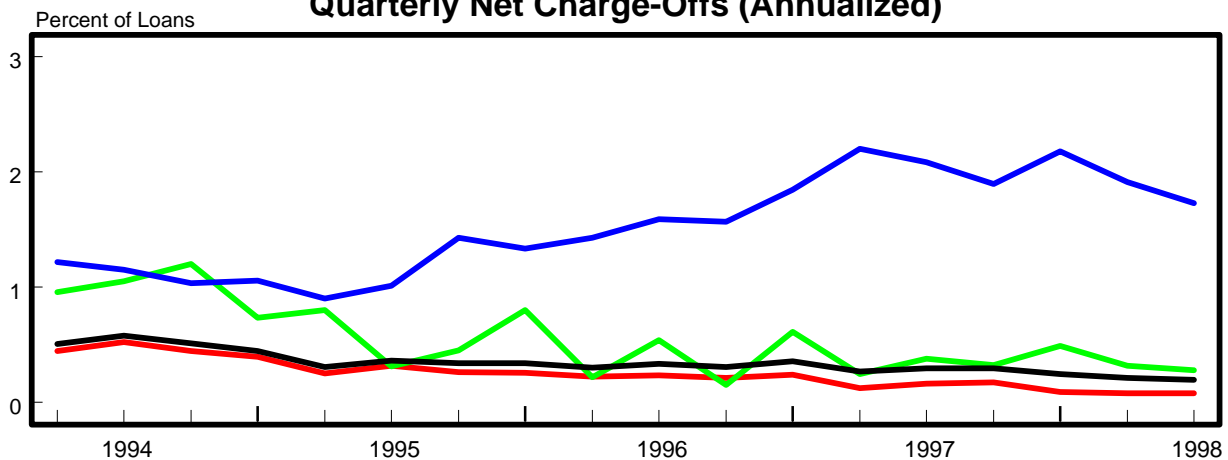
30-89 Day Past Due Loans



Noncurrent Loans*



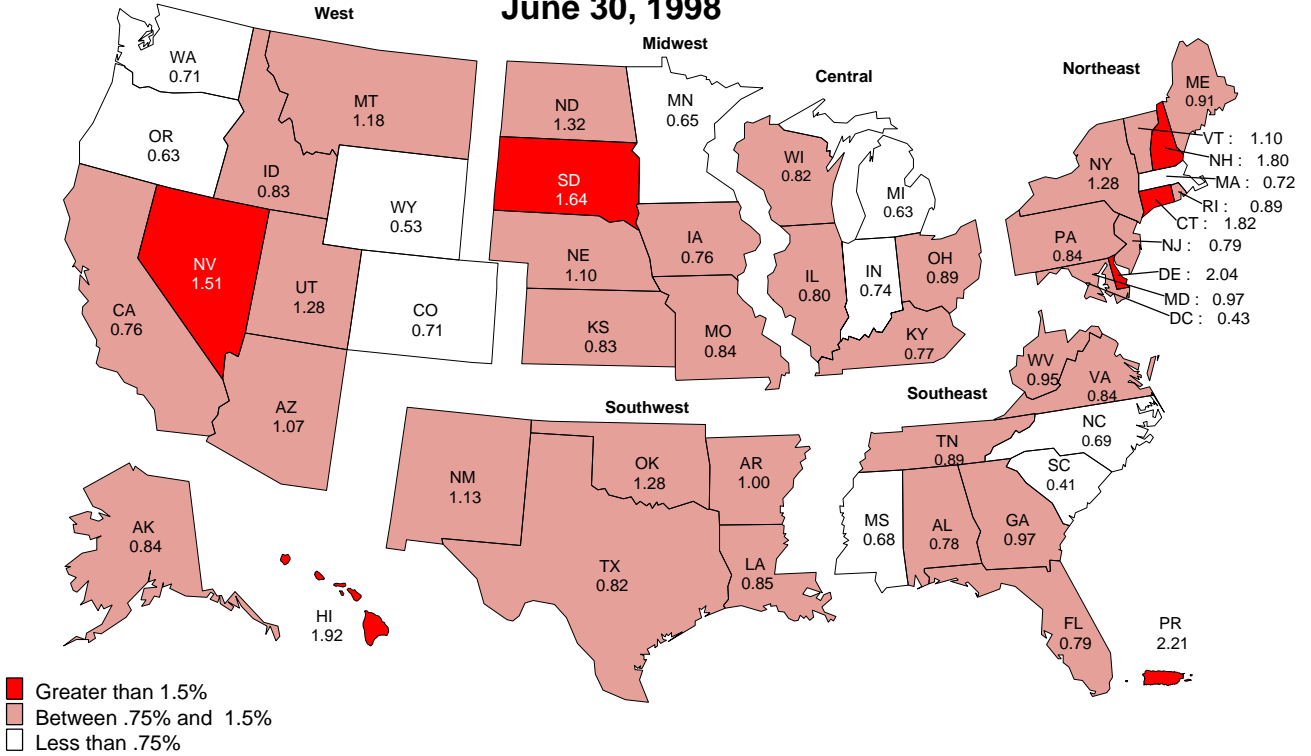
Quarterly Net Charge-Offs (Annualized)



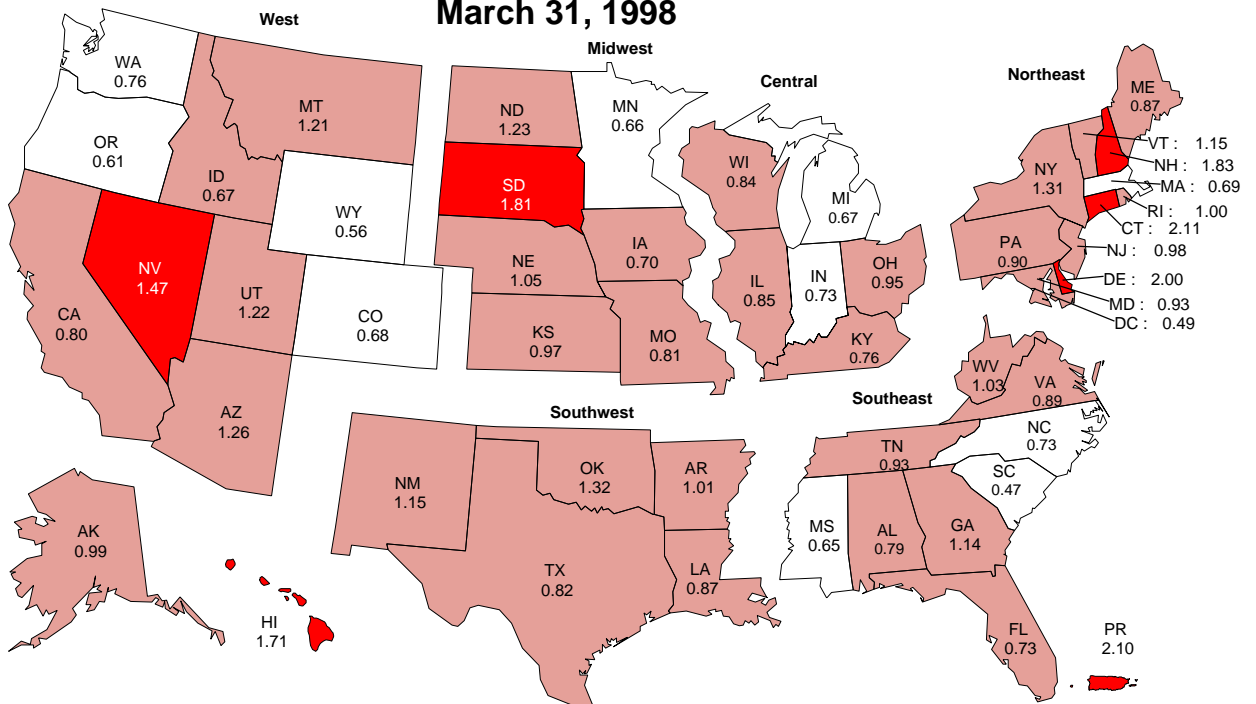
*Loans past due 90 or more days or in nonaccrual status.

Noncurrent Loan Rates*

June 30, 1998



March 31, 1998



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

Noncurrent Loan Rates*

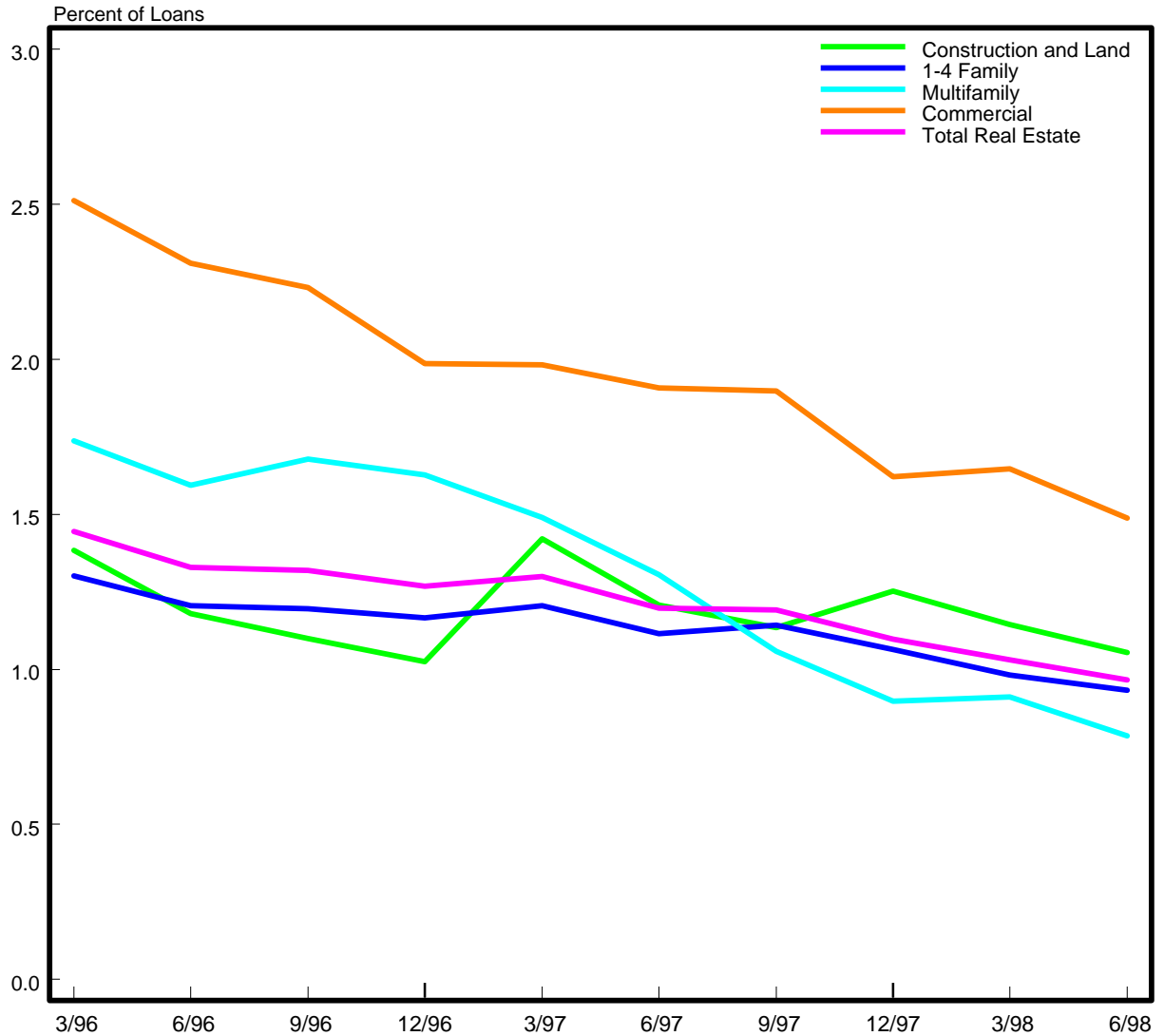
March 31, 1998 - June 30, 1998

State	Total Loans		Commercial/Industrial		Real Estate		Loans to Individuals	
	6/30/98	3/31/98	6/30/98	3/31/98	6/30/98	3/31/98	6/30/98	3/31/98
Puerto Rico	7.86	6.81	18.2	11.0	6.79	6.14	5.60	6.92
New Jersey	3.85	3.81	2.08	2.08	3.97	3.91	1.51	1.81
Hawaii	2.12	2.08	3.60	3.21	2.14	2.10	0.75	0.96
Maryland	1.88	1.94	0.82	0.63	1.94	2.00	0.39	0.47
District of Columbia	1.43	1.14	0.00	0.00	2.37	1.89	0.05	0.00
Iowa	1.32	1.20	2.75	2.17	0.97	0.83	2.40	2.42
Vermont	1.28	1.77	1.16	3.15	1.30	1.74	1.22	1.52
New York	1.24	1.40	2.30	2.93	1.22	1.37	1.19	1.32
Texas	1.22	1.22	1.93	0.92	1.27	1.33	0.93	0.92
Utah	1.21	1.16	27.3	21.6	1.06	1.03	2.37	2.47
Rhode Island	1.12	1.13	0.24	0.65	1.19	1.18	0.85	0.84
Mississippi	1.01	1.07	0.25	0.14	1.05	1.11	0.90	0.95
Virginia	0.99	1.16	0.31	0.69	0.72	0.91	1.87	1.99
California	0.95	1.04	0.58	0.72	0.96	1.05	0.78	0.81
Alabama	0.95	0.88	1.84	1.27	0.93	0.84	0.96	1.24
Maine	0.94	1.09	1.26	1.81	0.93	1.05	1.04	1.17
Indiana	0.94	0.86	1.26	1.34	0.94	0.82	0.75	0.80
Illinois	0.92	0.88	1.19	0.20	0.85	0.81	1.63	1.91
Georgia	0.91	0.91	1.63	0.40	0.79	0.81	1.67	2.15
Kentucky	0.91	0.80	3.00	2.59	0.82	0.74	1.25	0.94
West Virginia	0.91	1.07	0.82	3.06	0.77	0.83	1.83	1.92
Delaware	0.89	0.88	2.27	2.02	0.84	1.01	0.79	0.63
Connecticut	0.88	1.03	1.68	1.47	0.80	1.00	1.08	1.00
South Dakota	0.81	0.66	1.81	2.48	0.67	0.33	0.64	0.66
Pennsylvania	0.77	0.87	0.91	1.06	0.80	0.87	0.62	0.85
New Mexico	0.74	0.72	0.00	0.00	0.79	0.76	0.27	0.51
Wyoming	0.72	0.49	5.59	1.15	0.53	0.41	0.73	1.05
Florida	0.72	0.85	1.02	1.17	0.70	0.83	0.86	0.95
Ohio	0.71	0.71	3.15	1.74	0.72	0.73	0.45	0.51
New Hampshire	0.71	0.67	0.99	0.79	0.73	0.71	0.44	0.52
Michigan	0.67	0.73	1.15	0.57	0.65	0.74	0.66	0.78
Nebraska	0.65	0.68	1.44	2.87	0.66	0.66	0.36	0.46
Tennessee	0.59	0.61	0.90	0.55	0.59	0.62	0.52	0.60
South Carolina	0.57	0.62	1.20	1.41	0.52	0.60	1.01	0.70
Massachusetts	0.55	0.62	0.78	0.91	0.55	0.62	0.32	0.37
Arkansas	0.53	0.50	0.49	0.43	0.57	0.54	0.38	0.31
Montana	0.53	0.65	0.11	0.41	0.45	0.52	1.09	1.38
North Carolina	0.51	0.51	0.80	0.79	0.50	0.49	0.91	0.90
Missouri	0.49	0.63	2.27	1.59	0.46	0.61	0.63	0.49
Oklahoma	0.47	0.52	2.15	2.80	0.39	0.44	0.62	0.55
Alaska	0.47	0.59	2.20	2.03	0.34	0.53	0.39	0.01
Wisconsin	0.46	0.44	1.45	1.44	0.39	0.36	0.79	0.85
Minnesota	0.41	0.55	0.89	1.68	0.38	0.47	0.35	0.45
Washington	0.41	0.48	0.46	0.46	0.41	0.47	0.47	0.99
Oregon	0.39	0.48	1.45	1.33	0.40	0.55	0.22	0.19
Louisiana	0.38	0.35	1.92	0.68	0.34	0.32	0.71	0.65
Arizona	0.36	0.36	N/A	N/A	0.36	0.36	0.87	0.38
Kansas	0.34	0.32	3.78	0.72	0.30	0.31	0.62	0.49
Idaho	0.32	0.31	1.77	0.60	0.25	0.31	0.24	0.20
Colorado	0.29	0.30	1.45	2.86	0.28	0.27	0.38	0.47
North Dakota	0.15	0.30	0.13	0.47	0.15	0.35	0.16	0.19
U.S. and Territories	0.96	1.02	1.30	1.18	0.97	1.03	0.83	0.91

*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

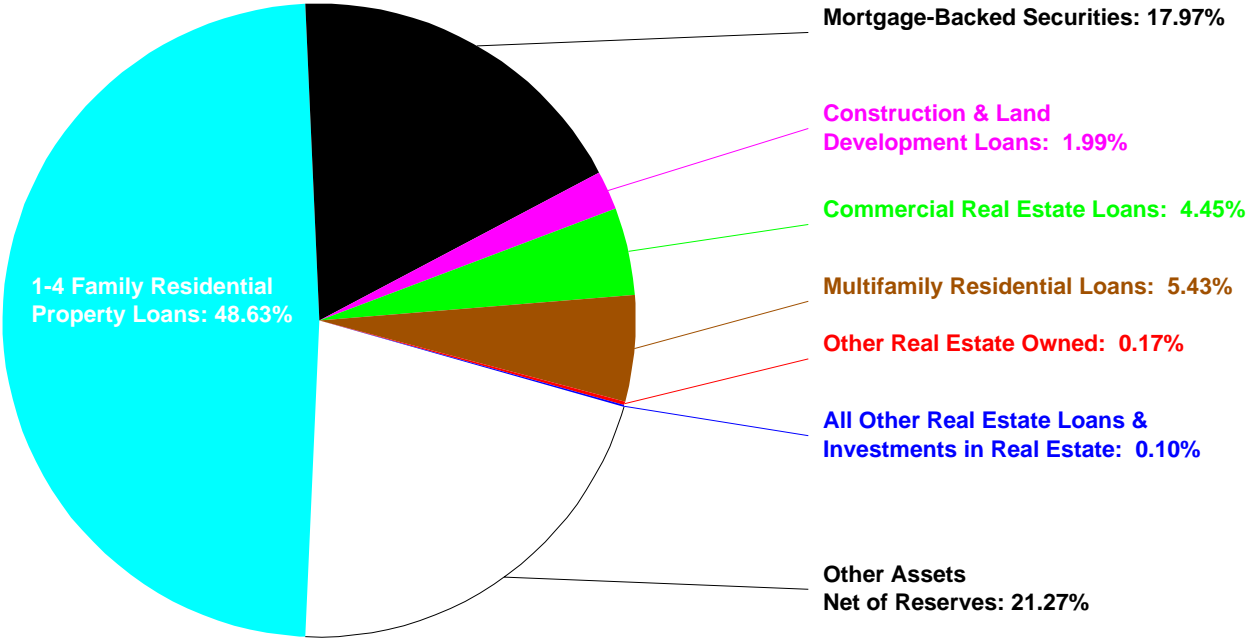


Construction and Land	1.38	1.18	1.10	1.03	1.42	1.21	1.14	1.25	1.15	1.05
1-4 Family	1.30	1.20	1.19	1.17	1.20	1.11	1.14	1.06	0.98	0.93
Multifamily	1.74	1.59	1.68	1.63	1.49	1.30	1.06	0.90	0.91	0.79
Commercial	2.51	2.31	2.23	1.98	1.98	1.91	1.90	1.62	1.65	1.49
Total	1.44	1.33	1.32	1.27	1.30	1.20	1.19	1.10	1.03	0.97

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

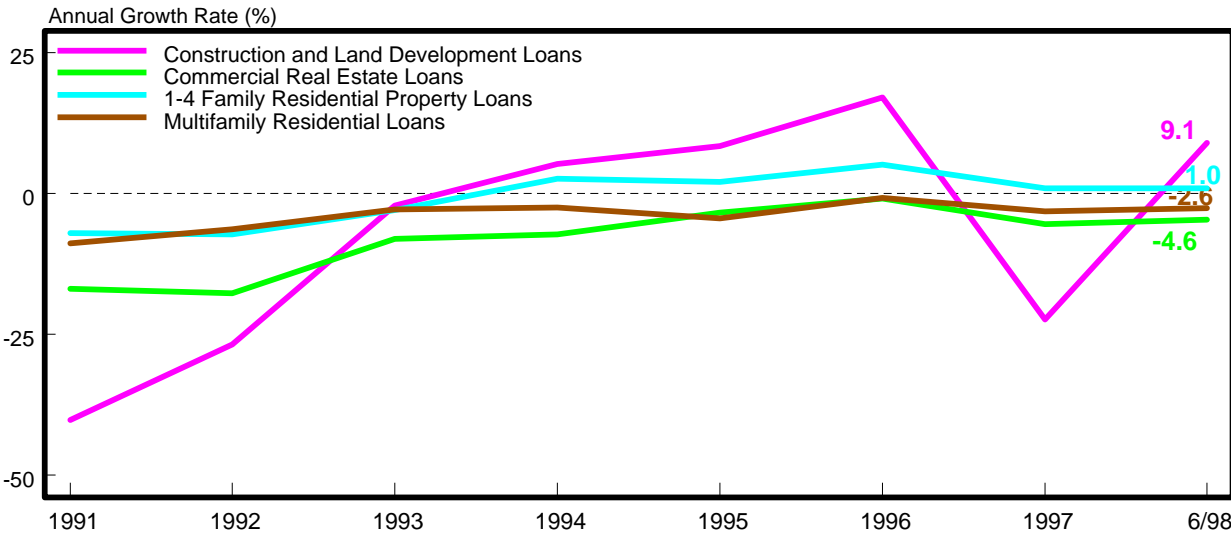
Real Estate Assets as a Percent of Total Assets

June 30, 1998



Real Estate Loan Growth Rates*

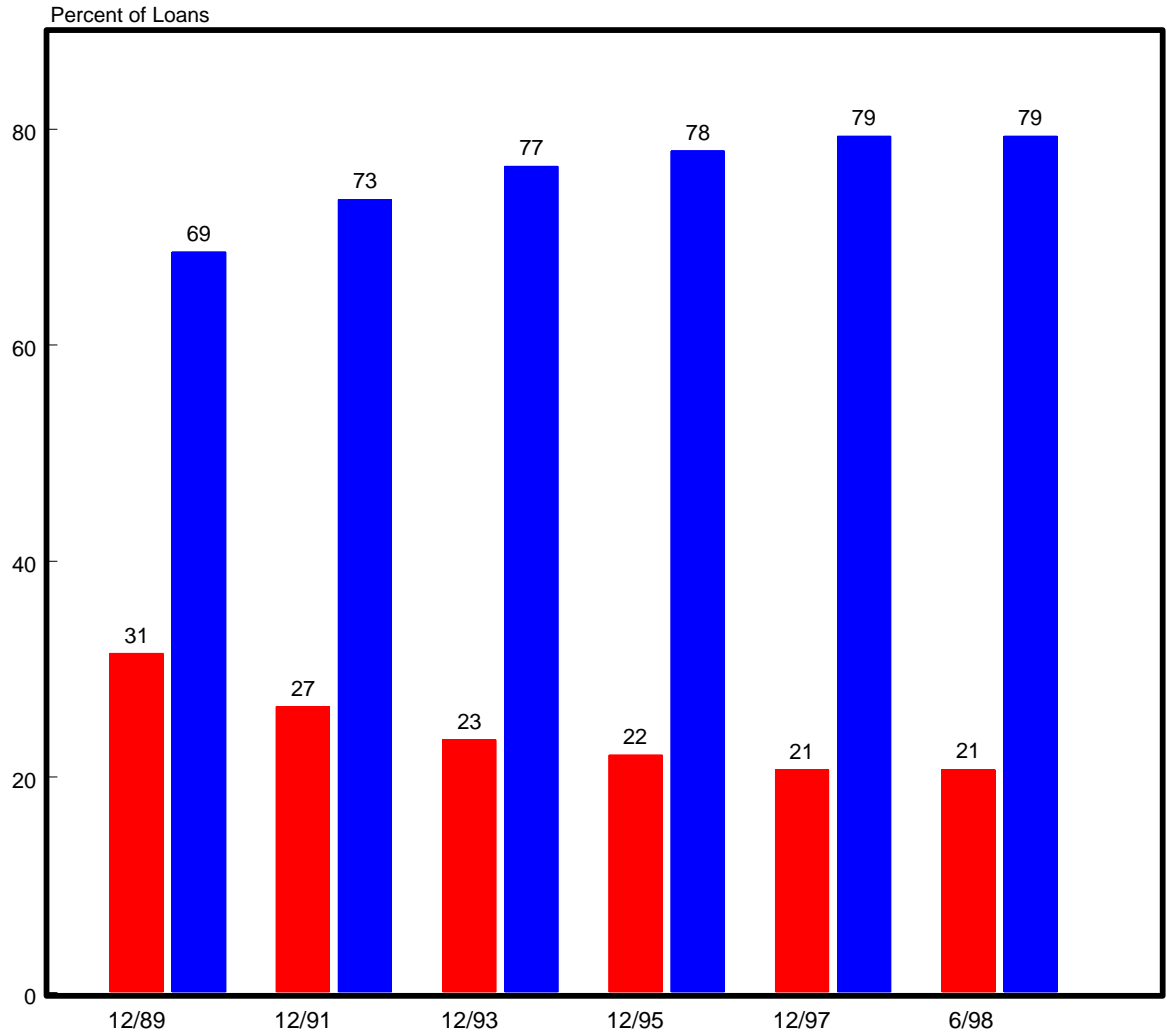
1991 - 1998



* 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 vs Loans to Commercial Borrowers (as a Percent of Total Loans)



Loans (\$ Billions)

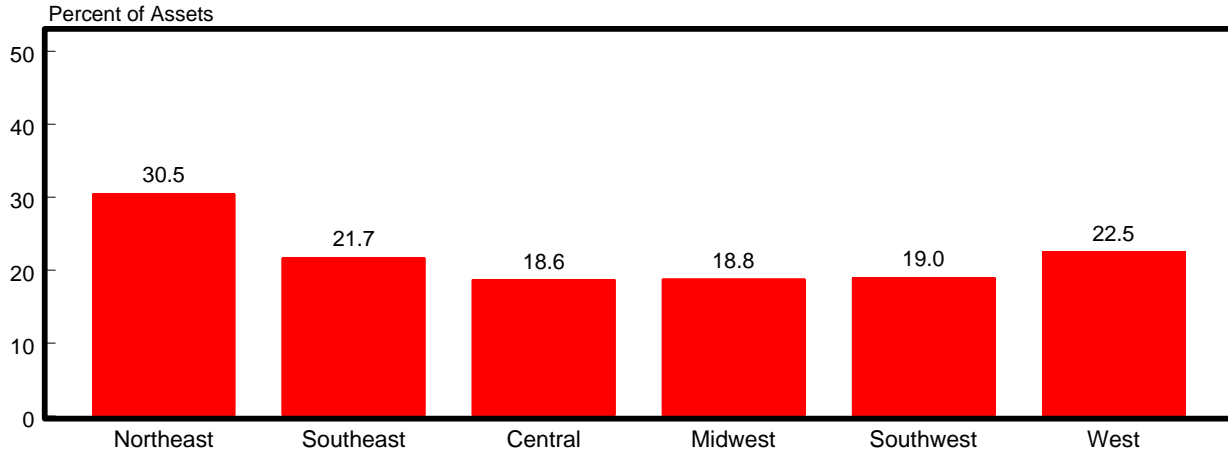
Commercial Borrowers	298	197	151	146	144	145
Consumer Loans	650	547	493	518	555	557

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 the capital or income of an institution. Therefore, a relatively small number of defaults could impair the capital or income of an institution. 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 the capital or income of an institution. These loans include consumer and credit card loans, 1-4 family residential mortgages, and home equity loans.

Total Securities* as a Percent of Assets

June 30, 1998



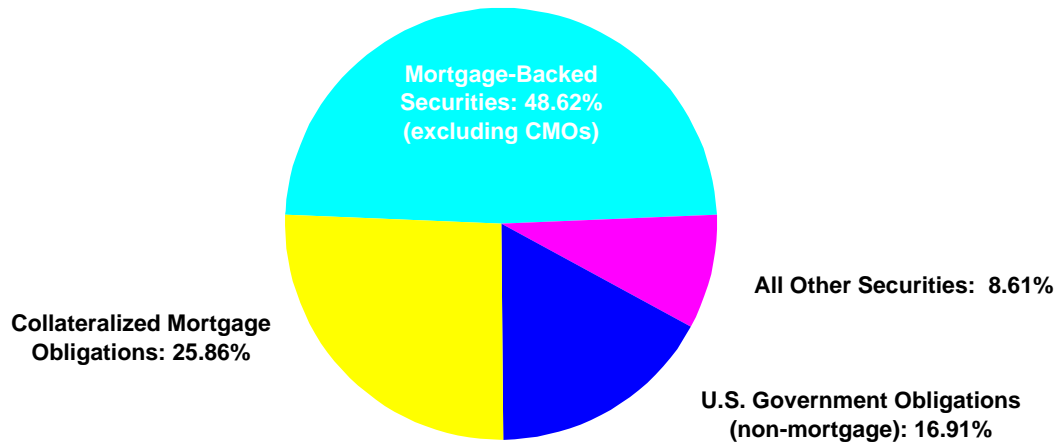
Total Securities*

(\$ Billions)

	6/96	9/96	12/96	3/97	6/97	9/97	12/97	3/98	6/98
U.S. Government Obligations (non-mortgage)	49	48	46	46	47	46	46	45	43
Mortgage-Backed Securities (excluding CMOs)	150	146	140	138	137	132	131	128	123
Collateralized Mortgage Obligations	57	56	54	54	53	51	50	55	65
All Other Securities	24	23	23	20	20	19	22	21	22
Total Securities	<u>280</u>	<u>272</u>	<u>262</u>	<u>258</u>	<u>258</u>	<u>247</u>	<u>249</u>	<u>249</u>	<u>252</u>
Securities as a Percent of Assets	27.34%	26.30%	25.51%	25.25%	25.09%	24.21%	24.23%	23.95%	24.12%
Memoranda									
Amortized Cost of Total Held-to-Maturity Sec.	133	131	124	117	114	113	103	99	99
Fair Value of Total Available-for-Sale Sec.	146	141	138	141	144	134	145	150	154

Total Securities*

June 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

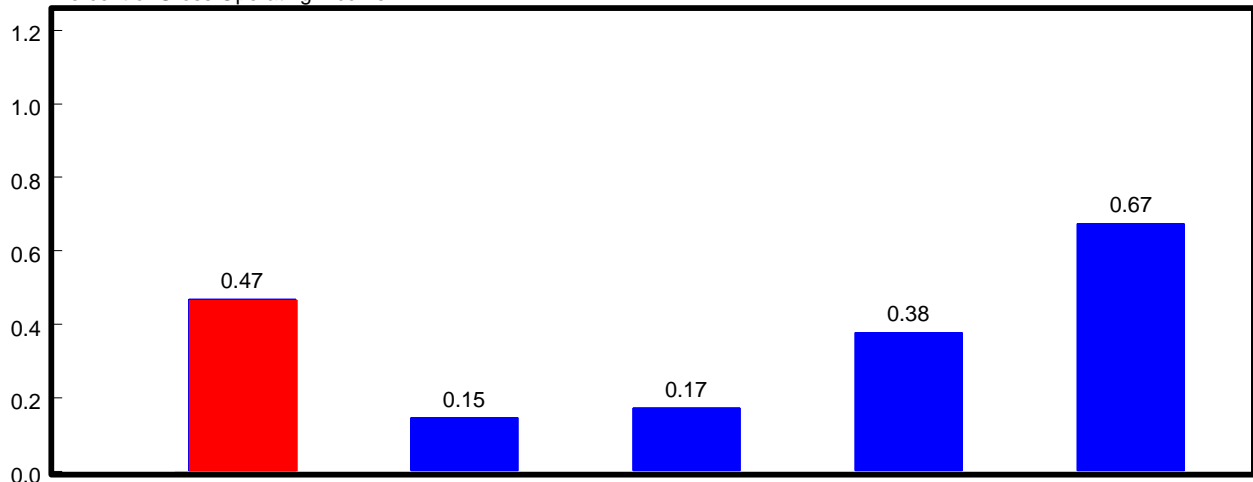
<u>Quarterly Sales (\$ Millions)</u>	<u>6/97</u>	<u>9/97</u>	<u>12/97</u>	<u>3/98</u>	<u>6/98</u>
Money Market Funds	513	539	551	880	492
Debt Securities Funds	470	507	570	666	775
Equity Securities	529	566	614	768	875
Other Mutual Funds	182	207	194	203	266
Annuities	1,332	1,176	1,079	957	1,297
Proprietary Mutual Fund and Annuity Sales included above	665	682	905	861	669

* 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

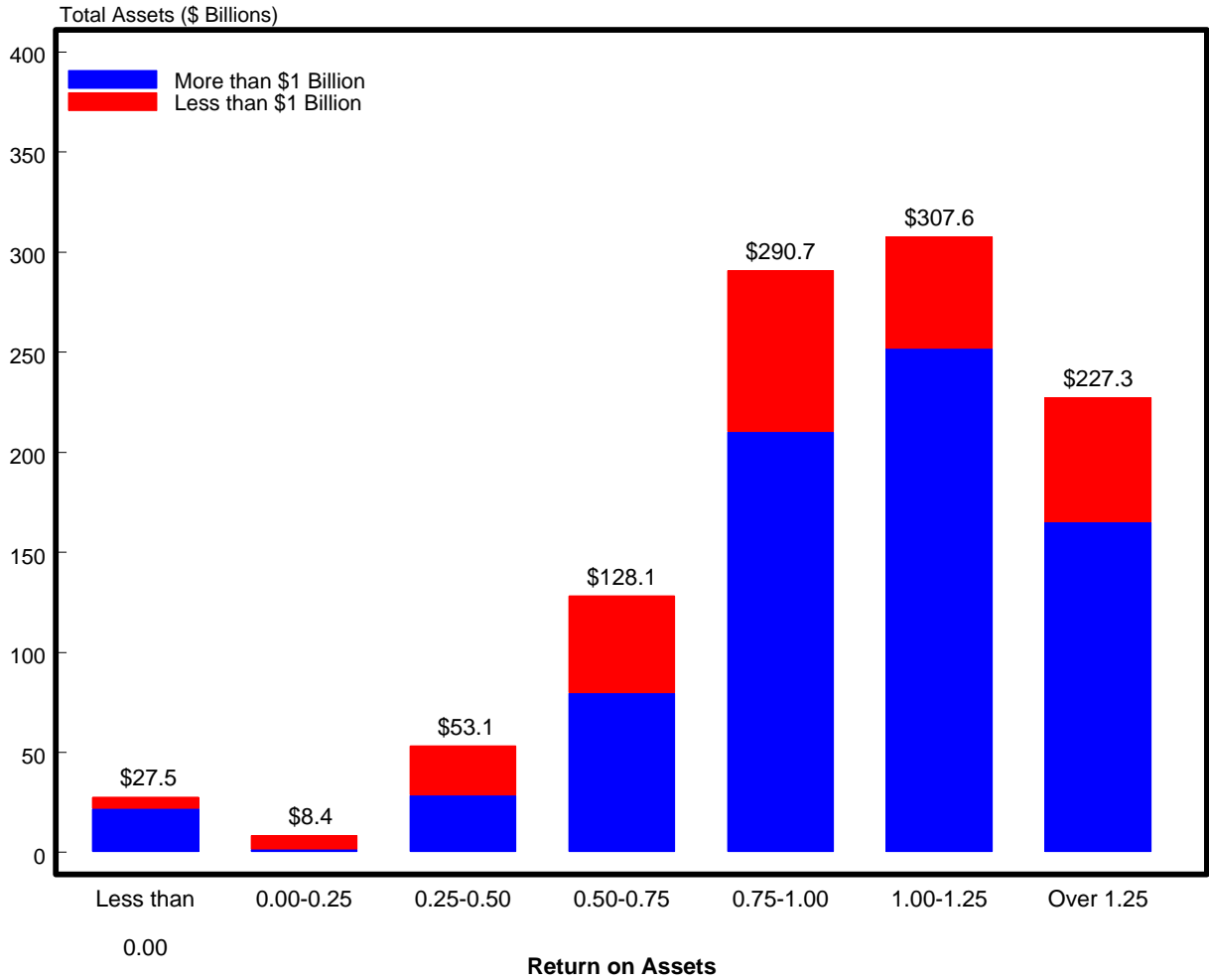
Percent of Gross Operating Income**



(\$ Millions)	All Institutions	Under \$100 Million	\$100 Million to \$1 Billion	\$1 Billion to \$5 Billion	Over \$5 Billion
Mutual Fund and Annuity Fee Income	190	2	17	34	136
Gross Operating Income	40,520	1,566	9,644	9,098	20,211
Number of Institutions Reporting These Fees	351	31	219	76	25
Percent of Institutions Reporting These Fees	20.3%	4.3%	25.8%	63.9%	71.4%

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

Return on Assets (ROA) by Asset Size Second Quarter, 1998



Total Assets

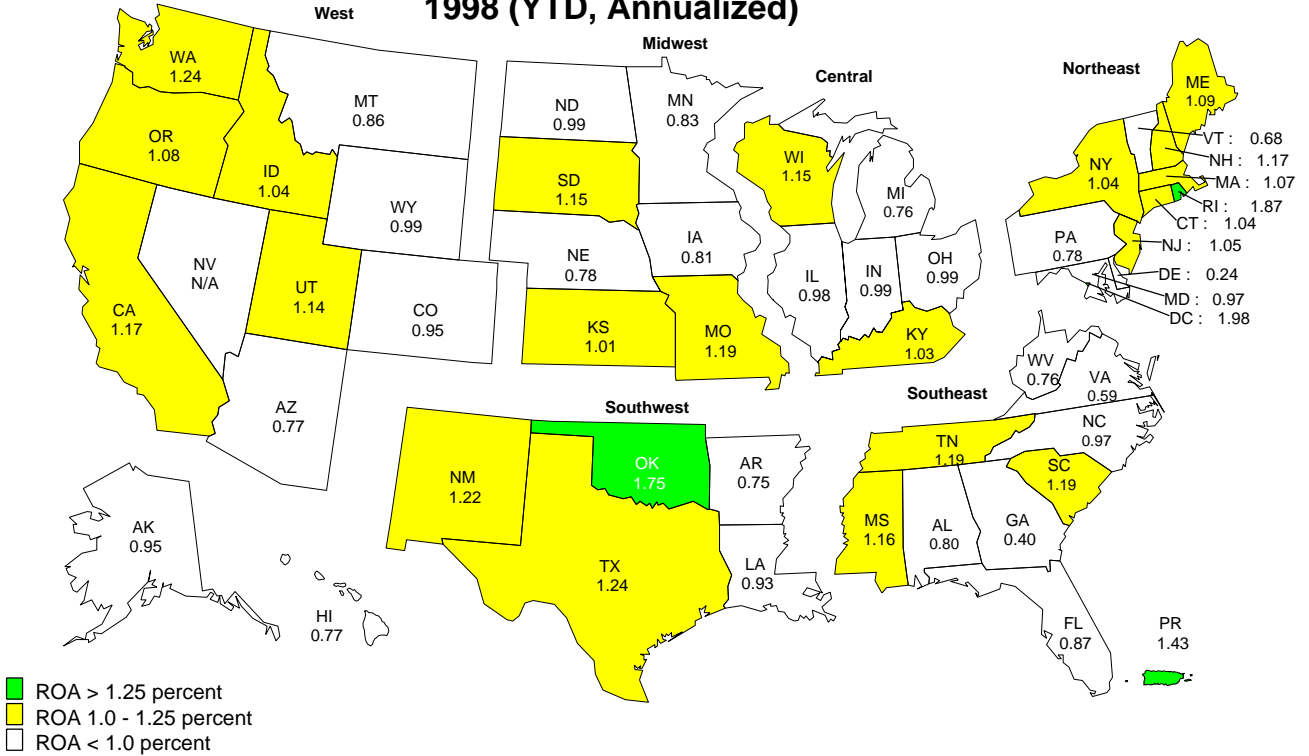
More than \$1 Billion	21.6	1.3	28.2	79.6	210.1	251.6	165.1
Less than \$1 Billion	6.0	7.1	25.0	48.5	80.6	56.0	62.2

Number of Institutions

More than \$1 Billion	8	1	9	19	40	40	36
Less than \$1 Billion	73	59	176	320	404	261	276
Total Institutions	81	60	185	339	444	301	312

Return on Assets (ROA)

1998 (YTD, Annualized)

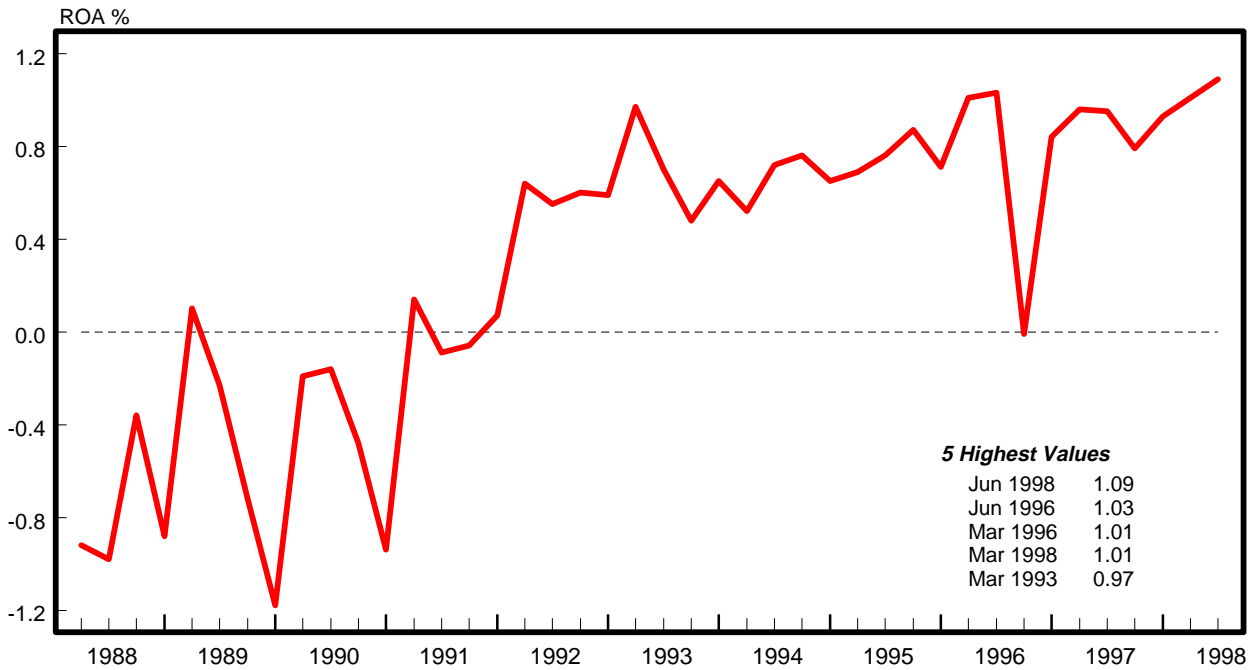


Rankings by ROA

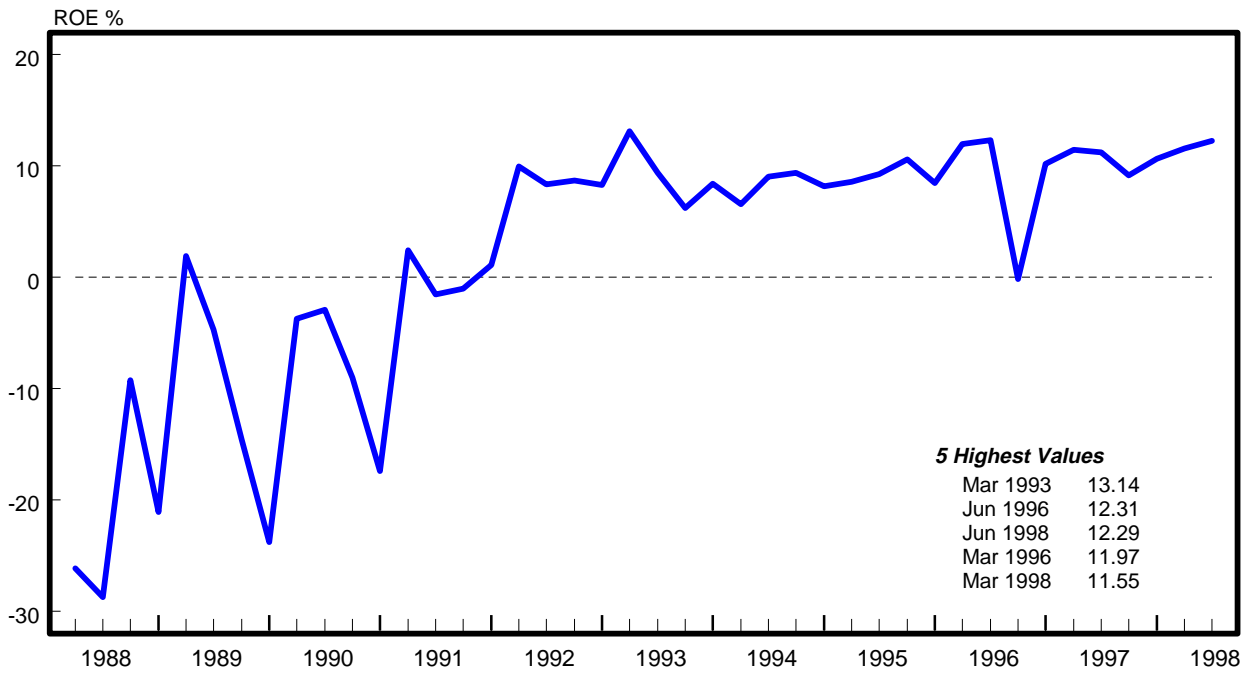
	YTD 1998	YTD 1997	Change*		YTD 1998	YTD 1997	Change*
District of Columbia	1.98	0.72	126	North Dakota	0.99	0.91	8
Rhode Island	1.87	1.22	65	Indiana	0.99	1.11	(12)
Oklahoma	1.75	0.14	161	Illinois	0.98	0.99	(1)
Puerto Rico	1.43	1.22	21	North Carolina	0.97	0.99	(2)
Washington	1.24	1.33	(9)	Maryland	0.97	0.91	6
Texas	1.24	1.29	(5)	Colorado	0.95	0.93	2
New Mexico	1.22	1.07	15	Alaska	0.95	0.94	1
Tennessee	1.19	1.02	17	Louisiana	0.93	0.99	(6)
South Carolina	1.19	1.11	8	Florida	0.87	0.88	(1)
Missouri	1.19	0.58	61	Montana	0.86	1.01	(15)
New Hampshire	1.17	1.06	11	Minnesota	0.83	0.85	(2)
California	1.17	0.82	35	Iowa	0.81	0.93	(12)
Mississippi	1.16	1.06	10	Alabama	0.80	0.80	0
Wisconsin	1.15	1.10	5	Pennsylvania	0.78	0.86	(8)
South Dakota	1.15	1.06	9	Nebraska	0.78	1.01	(23)
Utah	1.14	1.28	(14)	Hawaii	0.77	0.87	(10)
Maine	1.09	1.22	(13)	Arizona	0.77	1.19	(42)
Oregon	1.08	(0.24)	132	West Virginia	0.76	0.89	(13)
Massachusetts	1.07	1.02	5	Michigan	0.76	0.57	19
New Jersey	1.05	1.14	(9)	Arkansas	0.75	0.90	(15)
New York	1.04	0.97	7	Vermont	0.68	0.29	39
Idaho	1.04	0.88	16	Virginia	0.59	0.87	(28)
Connecticut	1.04	0.98	6	Georgia	0.40	0.59	(19)
Kentucky	1.03	1.07	(4)	Delaware	0.24	0.60	(36)
Kansas	1.01	1.07	(6)	Nevada	N/A	1.39	N/M
Wyoming	0.99	1.04	(5)	U.S. and Territories	1.06	0.94	12
Ohio	0.99	1.14	(15)				

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

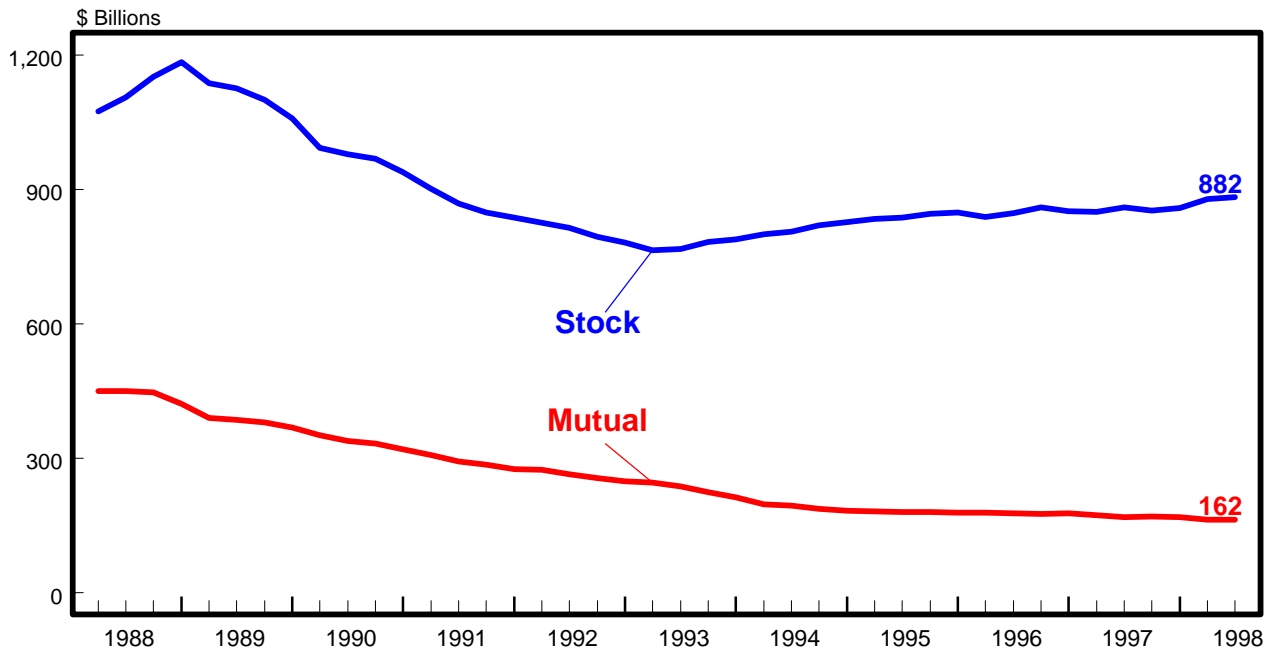
Quarterly Return on Assets (ROA), Annualized 1988 - 1998



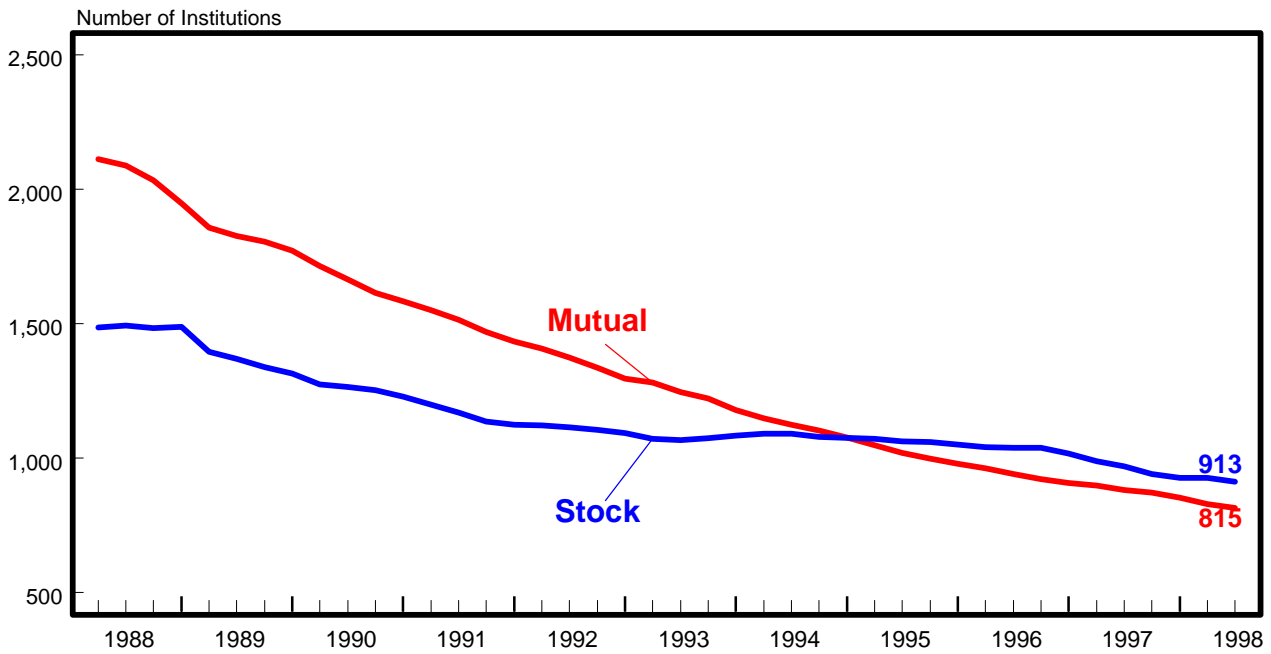
Quarterly Return on Equity (ROE), Annualized 1988 - 1998



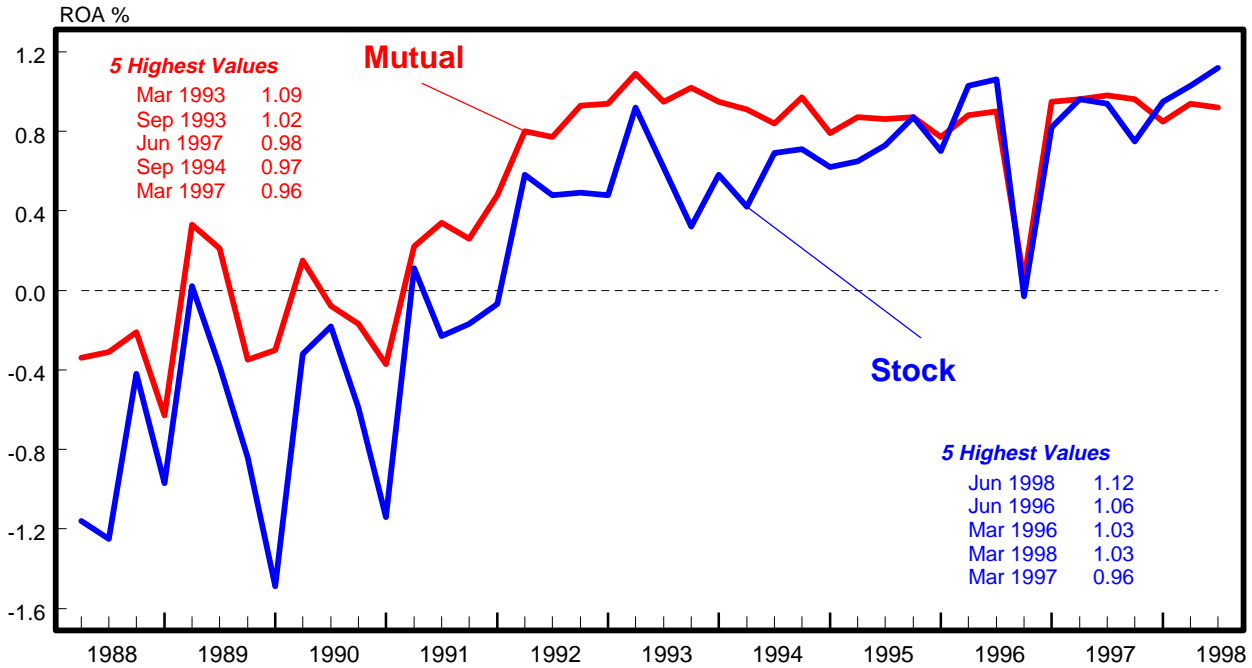
Assets of Mutual and Stock Savings Institutions 1988 - 1998



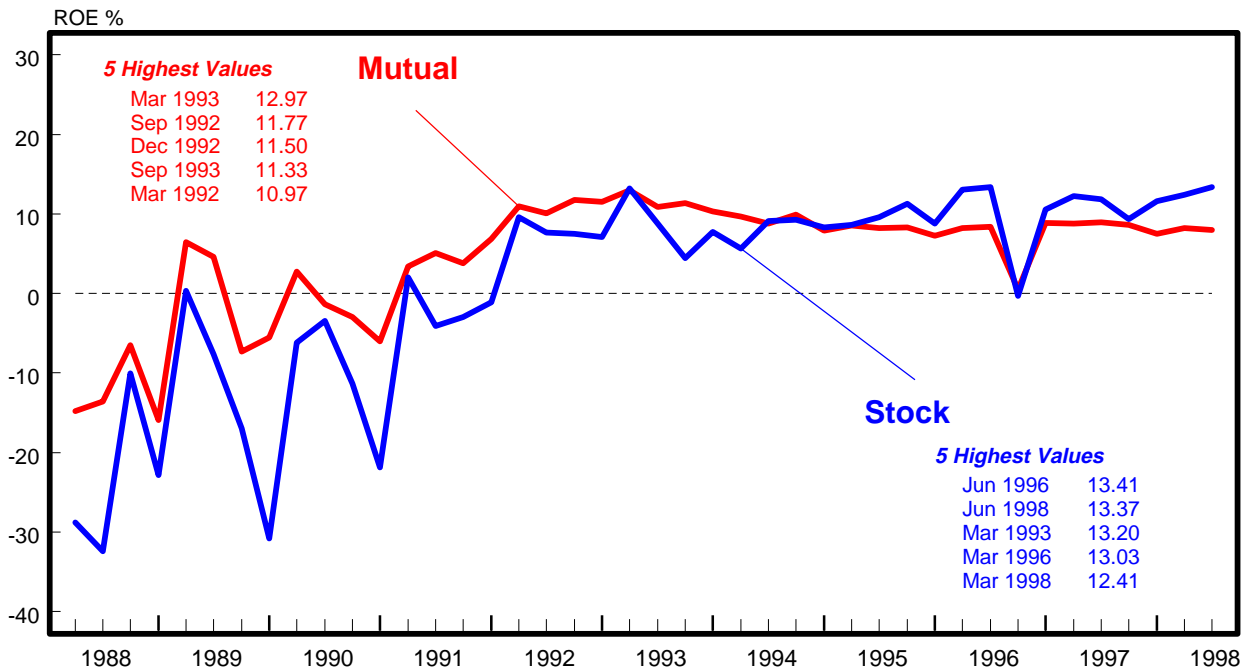
Number of Mutual and Stock Savings Institutions 1988 - 1998



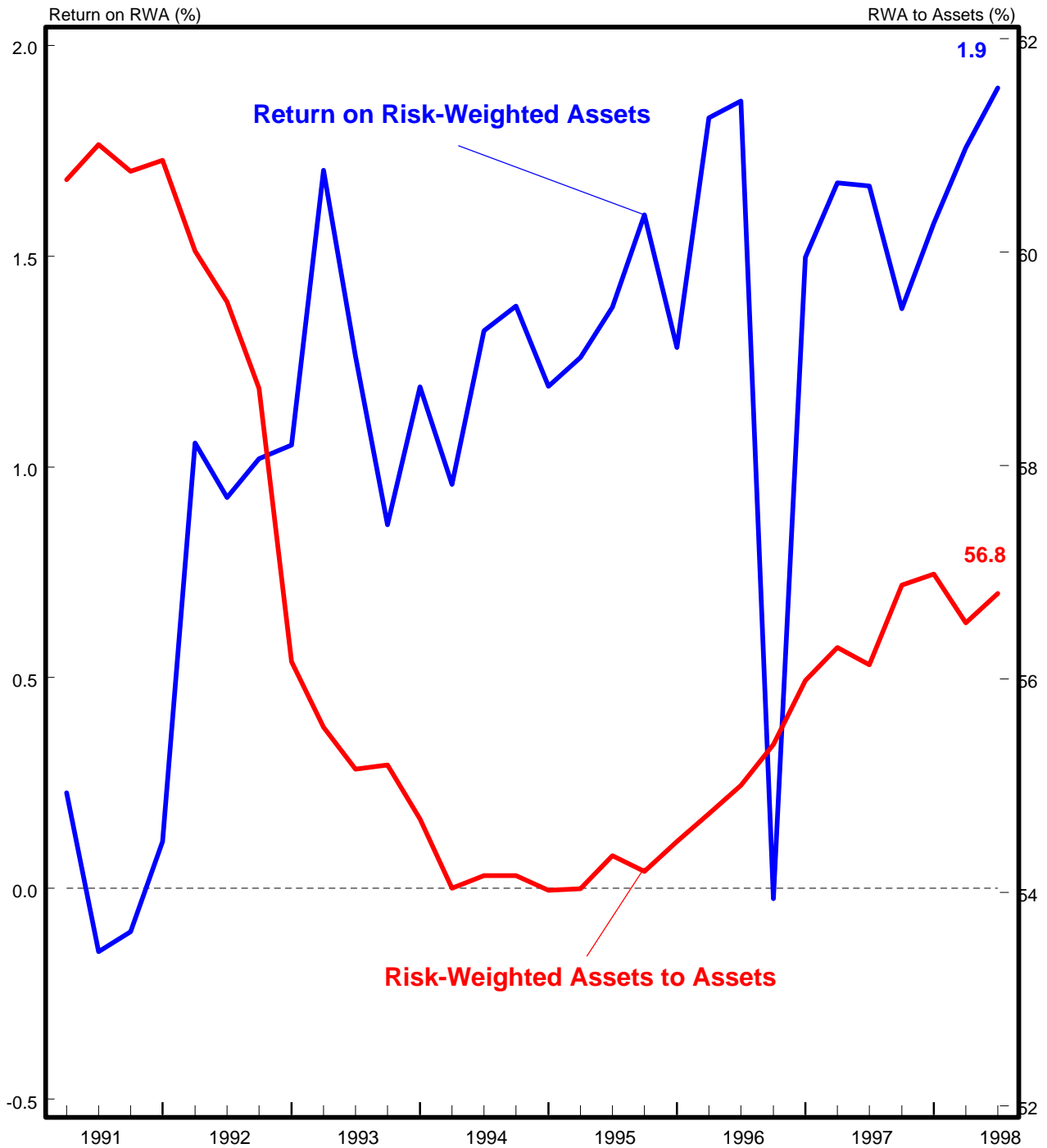
Quarterly Return on Assets (ROA), Annualized Mutual and Stock Savings Institutions 1988 - 1998



Quarterly Return on Equity (ROE), Annualized Mutual and Stock Savings Institutions 1988 - 1998



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.