



The FDIC

Quarterly

L. William Seidman, Chairman

Banking Profile

Highlights

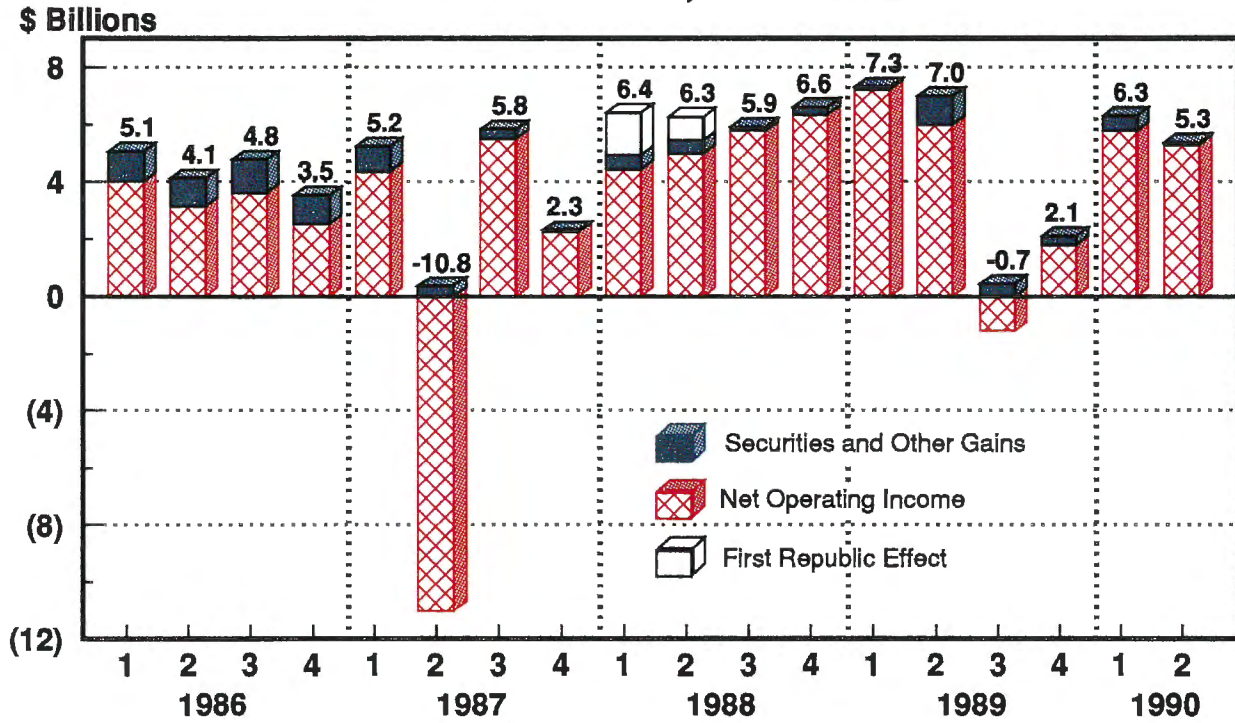
Second Quarter

1990

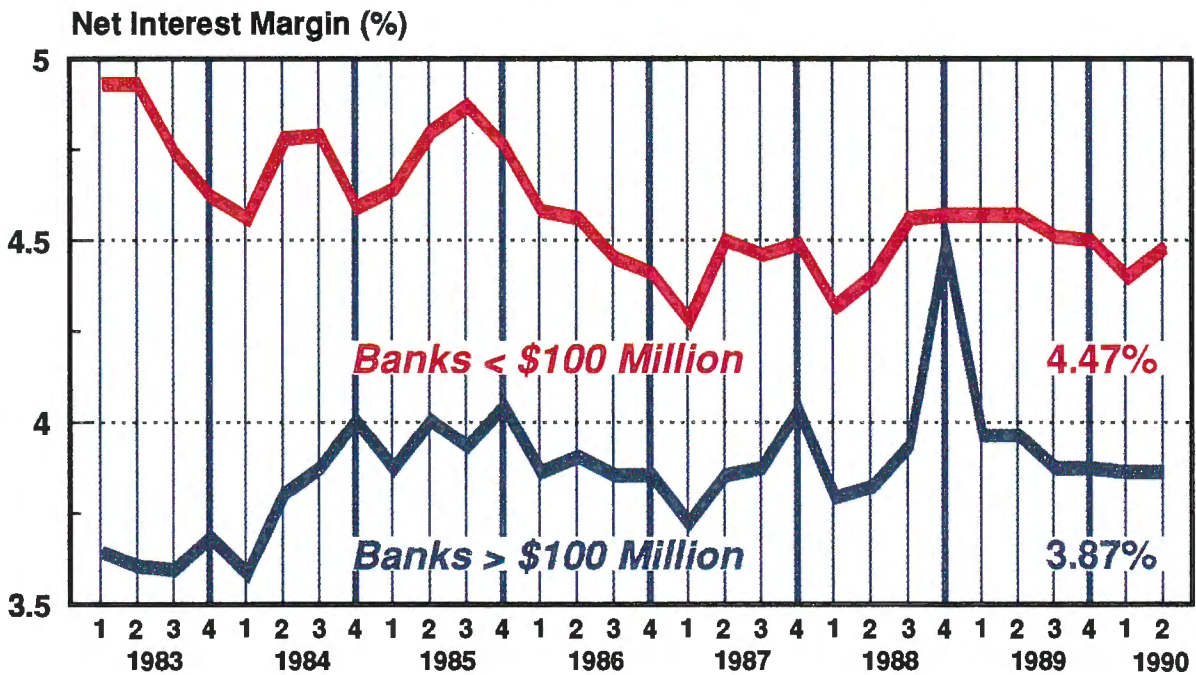
## HIGHLIGHTS -- SECOND QUARTER COMMERCIAL BANK PERFORMANCE

- o The main factor holding down commercial bank earnings in the second quarter was provisioning for future domestic loan losses. Commercial banks earned \$5.3 billion in the second quarter, almost \$1.7 billion less than in the same period of 1989. Provisions for losses in the second quarter were \$6.4 billion, \$2 billion above the level of the second quarter of 1989.
- o Real estate loan growth remains the largest single contributor to overall asset growth. Real estate loans held by commercial banks increased by \$25.5 billion during the second quarter, an amount equivalent to 53.6 percent of the increase in total commercial bank assets. Almost three-quarters of the \$25.5 billion increase in real estate loans consisted of residential mortgage and home equity loans. Construction and development loans declined by \$823 million during the second quarter.
- o The level of troubled real estate loans continued to grow at banks in the Northeastern states. Nine of the ten states with the highest 3-month growth in noncurrent real estate loans were either in New England or along the East Coast. For the U.S. as a whole, noncurrent real estate loans increased by 13 percent between the end of March and the end of June -- a 52 percent annual growth rate.
- o There are early signs of recovery in the Southwest. Banks there reported positive net income, the first time since 1985 that the Region's banks reported back-to-back profitable quarters. Troubled assets held by Southwest banks have declined in consecutive quarters beginning with the third quarter of 1989 and are at their lowest percentage of total assets since 1985.
- o Commercial and industrial loans declined by \$2 billion during the second quarter, reflecting the sluggish national economy.
- o The percentage of banks reporting net losses for the second quarter was higher than the percentage of a year ago. This is the second consecutive quarter that this percentage has shown an increase, reversing a trend of ten consecutive quarters of improvement prior to 1990.
- o Net charge-offs on loans to foreign borrowers totalled \$3.79 billion in the second quarter, and accounted for 44 percent of all net loan charge-offs. This is similar to the proportion reported in the first quarter of this year, as banks reduce their remaining exposure to losses on loans to developing countries.

### Quarterly Net Income of FDIC-Insured Banks, 1986 - 1990

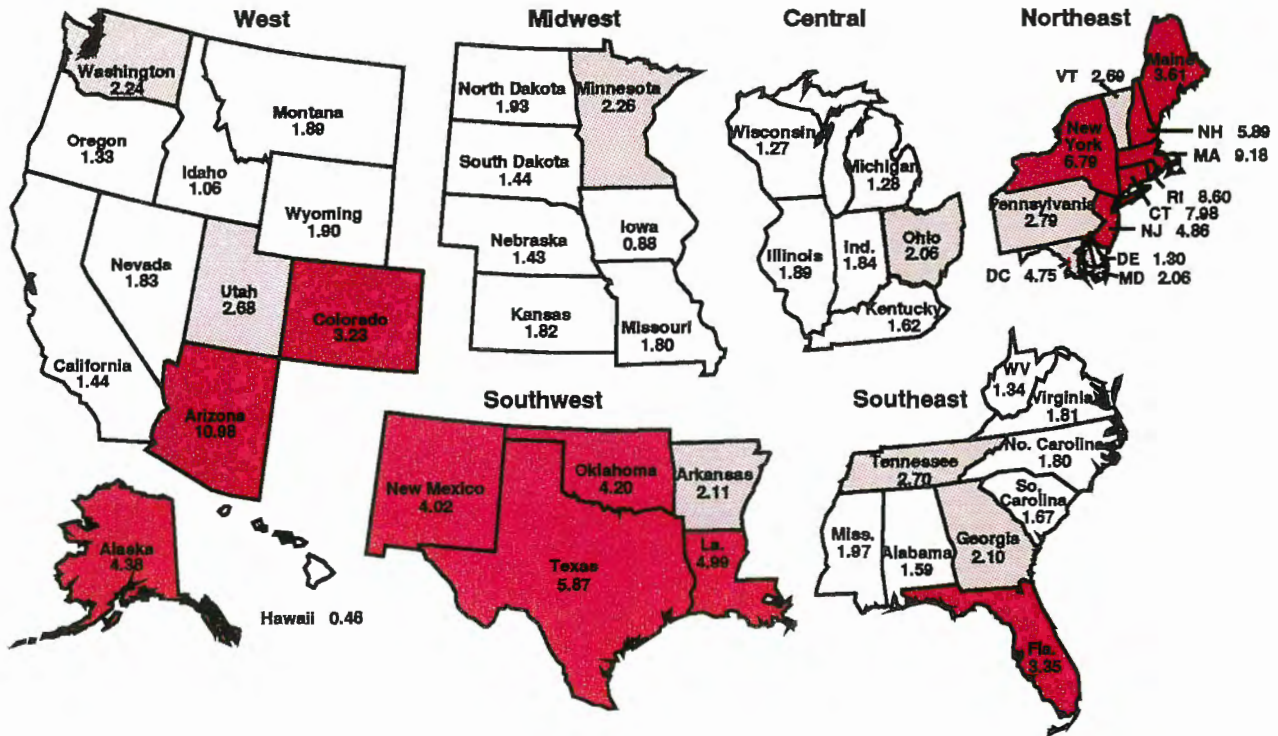


### Quarterly Net Interest Margin 1983 - 1990

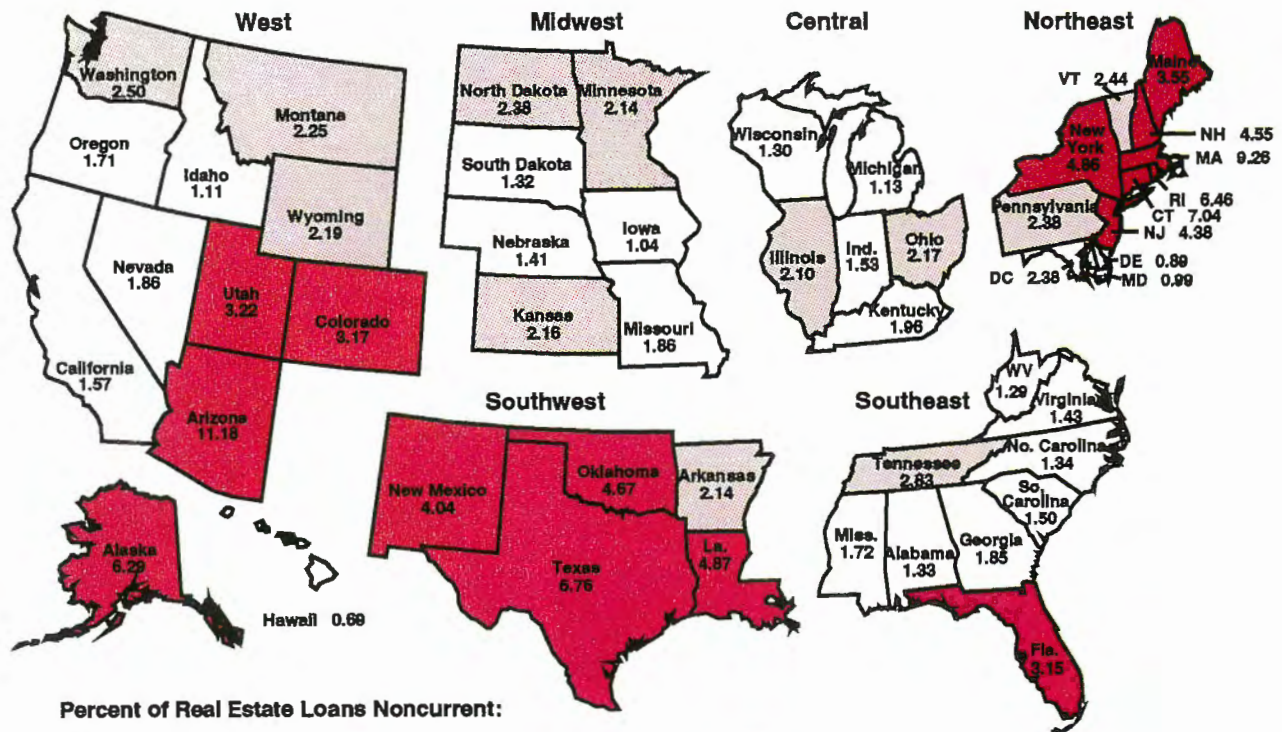


# Noncurrent Real Estate Loan Rates by State

June 30, 1990



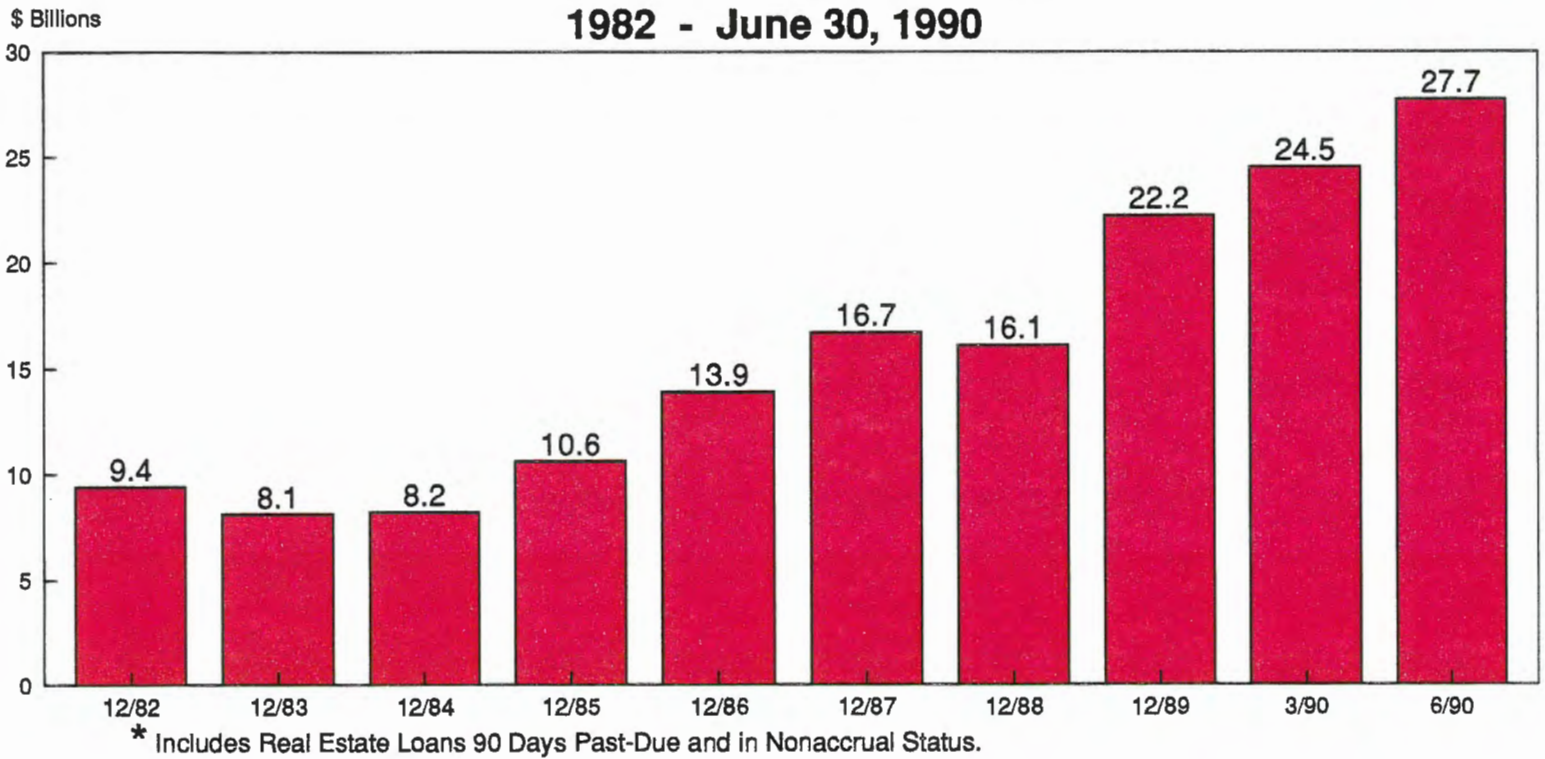
March 31, 1990



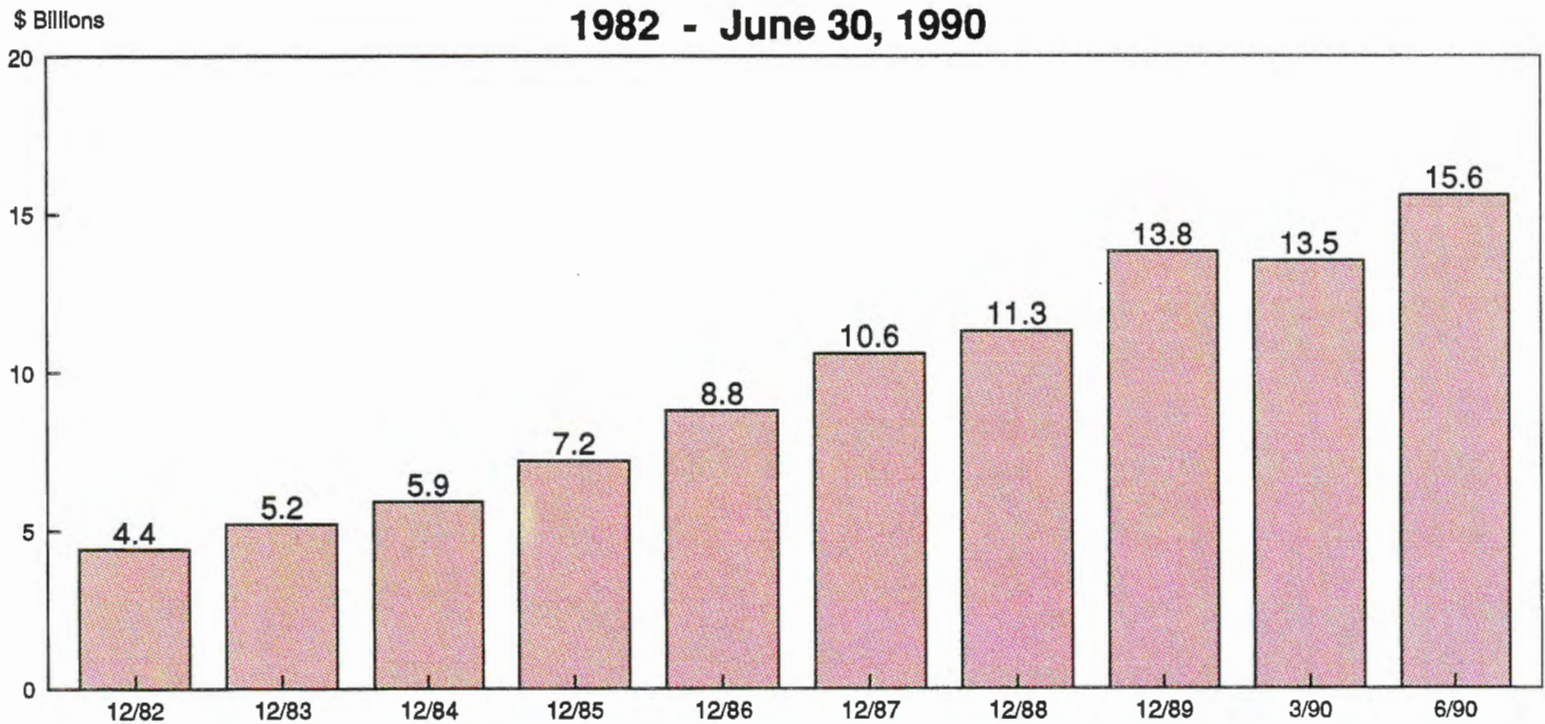
Percent of Real Estate Loans Noncurrent:

- 2% or Less
- Between 2% and 3%
- 3% or Higher

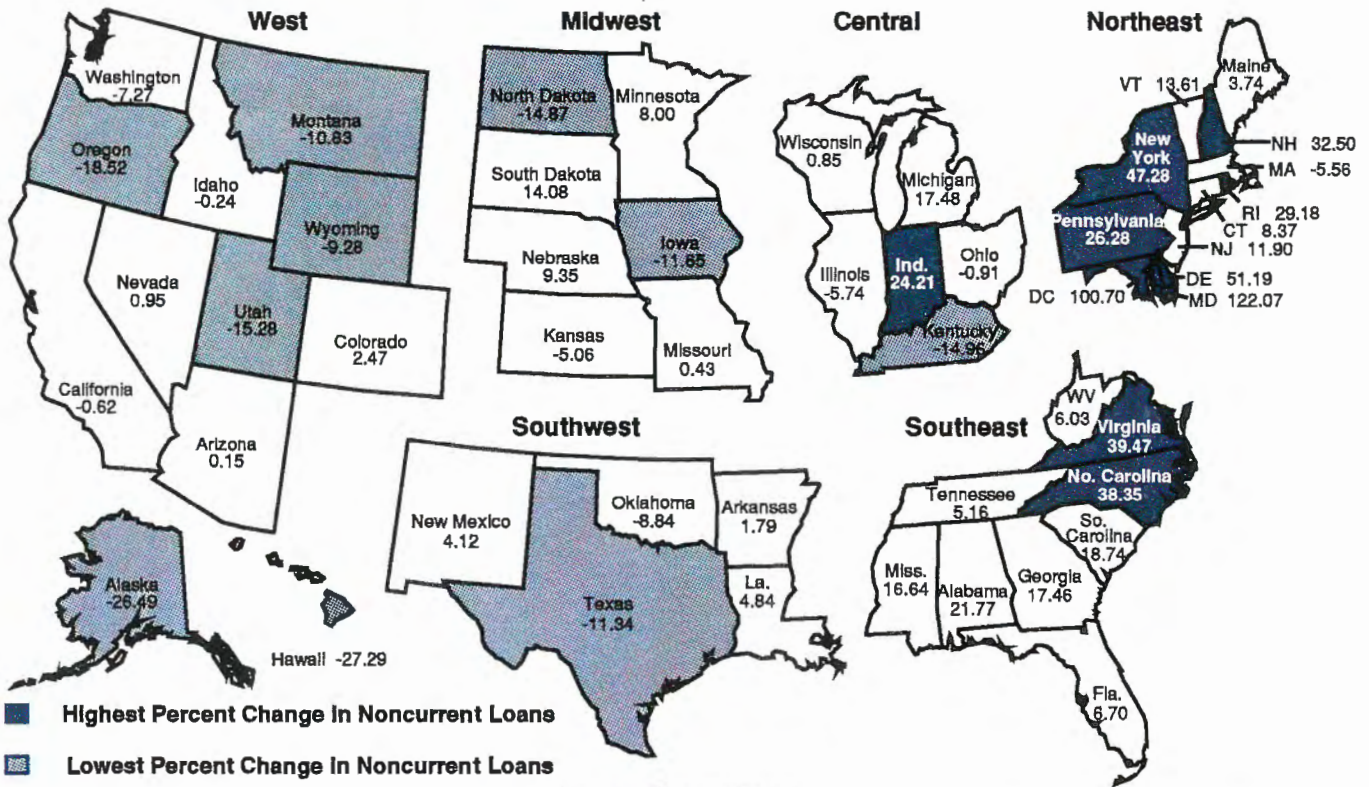
### Noncurrent Real Estate Loans\* 1982 - June 30, 1990



### Other Real Estate Owned 1982 - June 30, 1990



## Noncurrent Real Estate Loan Growth March 31, 1990 - June 30, 1990

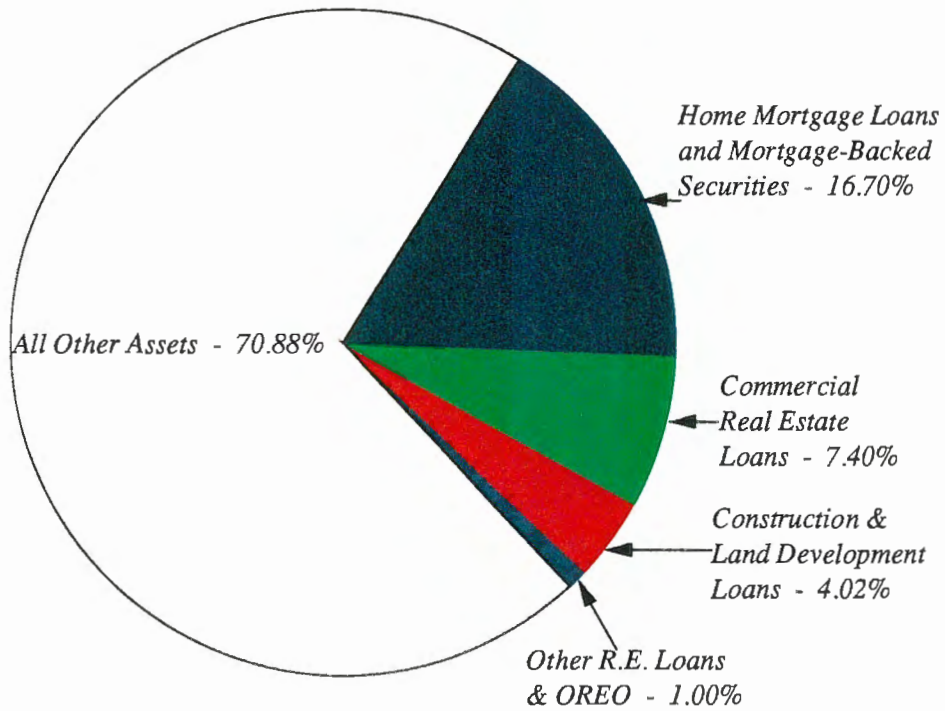


### State Rankings

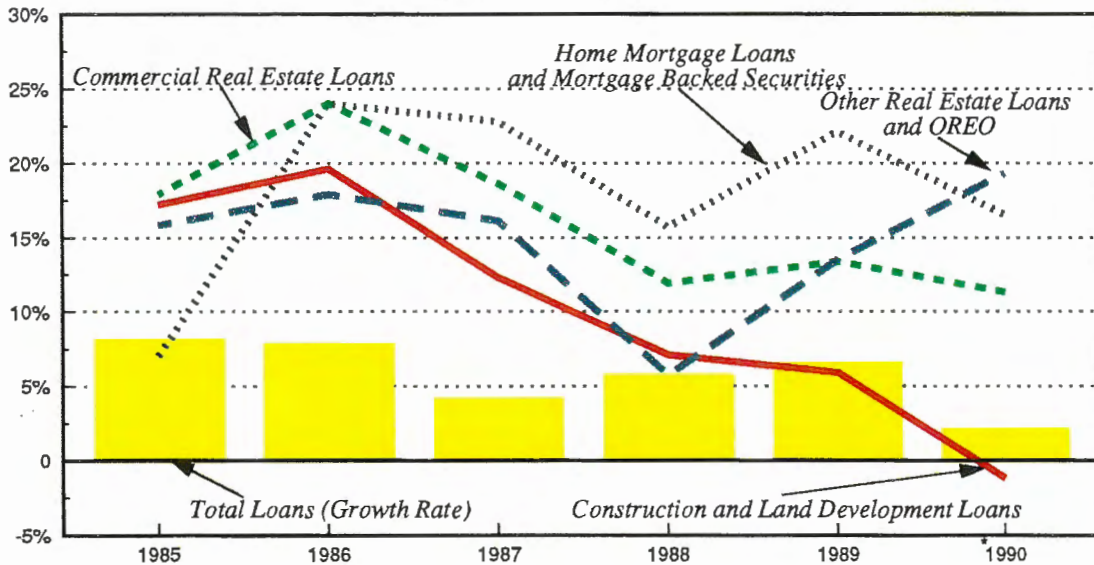
	Noncurrent RE Loans Percent Change	Rank
Maryland	122.07 %	1
District of Columbia	100.70	2
Delaware	51.19	3
New York	47.28	4
Virginia	39.47	5
North Carolina	38.35	6
New Hampshire	32.50	7
Rhode Island	29.18	8
Pennsylvania	26.28	9
Indiana	24.21	10
Alabama	21.77	11
South Carolina	18.74	12
Michigan	17.48	13
Georgia	17.46	14
Mississippi	16.64	15
South Dakota	14.08	16
Vermont	13.61	17
New Jersey	11.90	18
Nebraska	9.35	19
Connecticut	8.37	20
Minnesota	8.00	21
Florida	6.70	22
West Virginia	6.03	23
Tennessee	5.16	24
Louisiana	4.84	25
New Mexico	4.12	26

	Noncurrent RE Loans Percent Change	Rank
Maine	3.74 %	27
Colorado	2.47	28
Arkansas	1.79	29
Nevada	0.95	30
Wisconsin	0.85	31
Missouri	0.43	32
Arizona	0.15	33
Idaho	-0.24	34
California	-0.62	35
Ohio	-0.91	36
Kansas	-5.06	37
Massachusetts	-5.56	38
Illinois	-5.74	39
Washington	-7.27	40
Oklahoma	-8.84	41
Wyoming	-9.28	42
Montana	-10.83	43
Texas	-11.34	44
Iowa	-11.85	45
North Dakota	-14.87	46
Kentucky	-14.96	47
Utah	-15.28	48
Oregon	-18.52	49
Alaska	-26.49	50
Hawaii	-27.29	51
50 States and D.C.	14.16	

### Real Estate Assets % of Total Assets, June 30, 1990

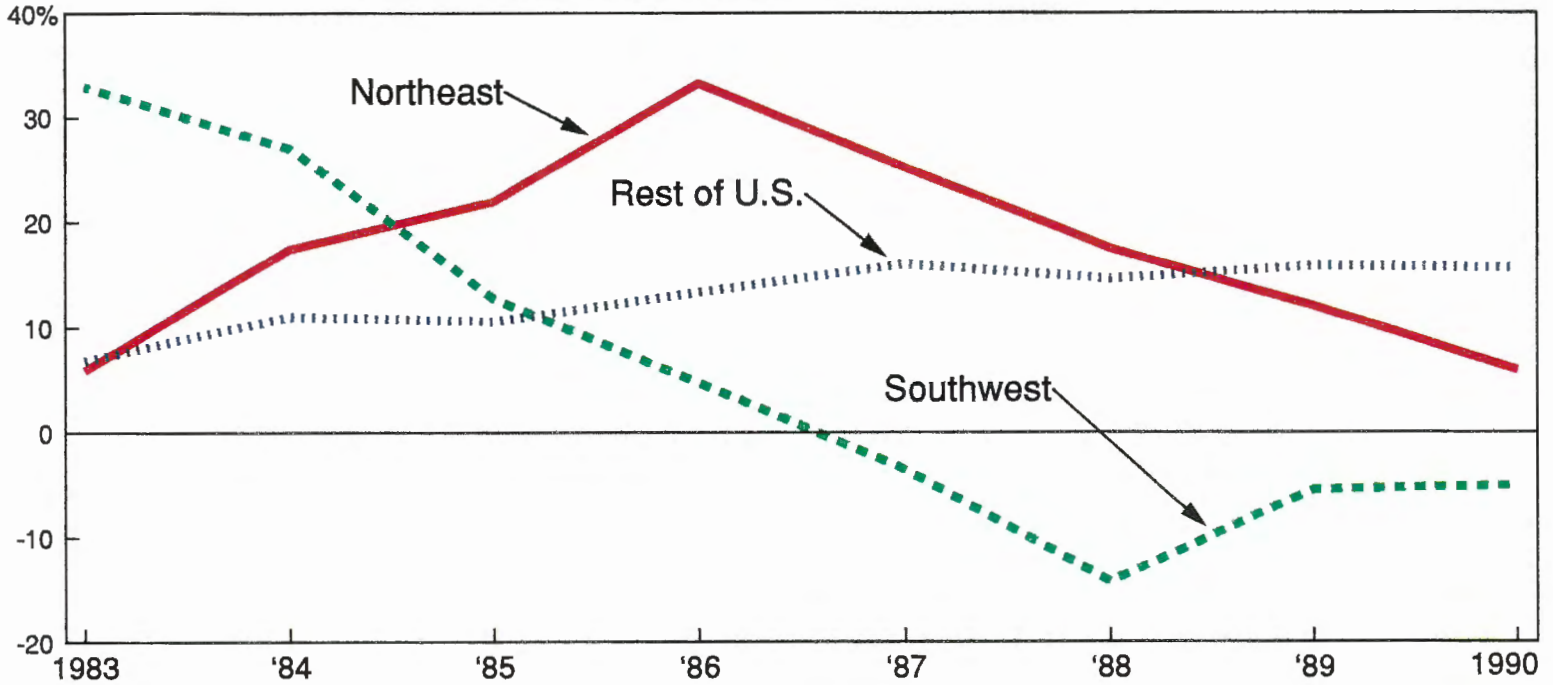


### Real Estate Asset Growth Rates 1985 - 1990

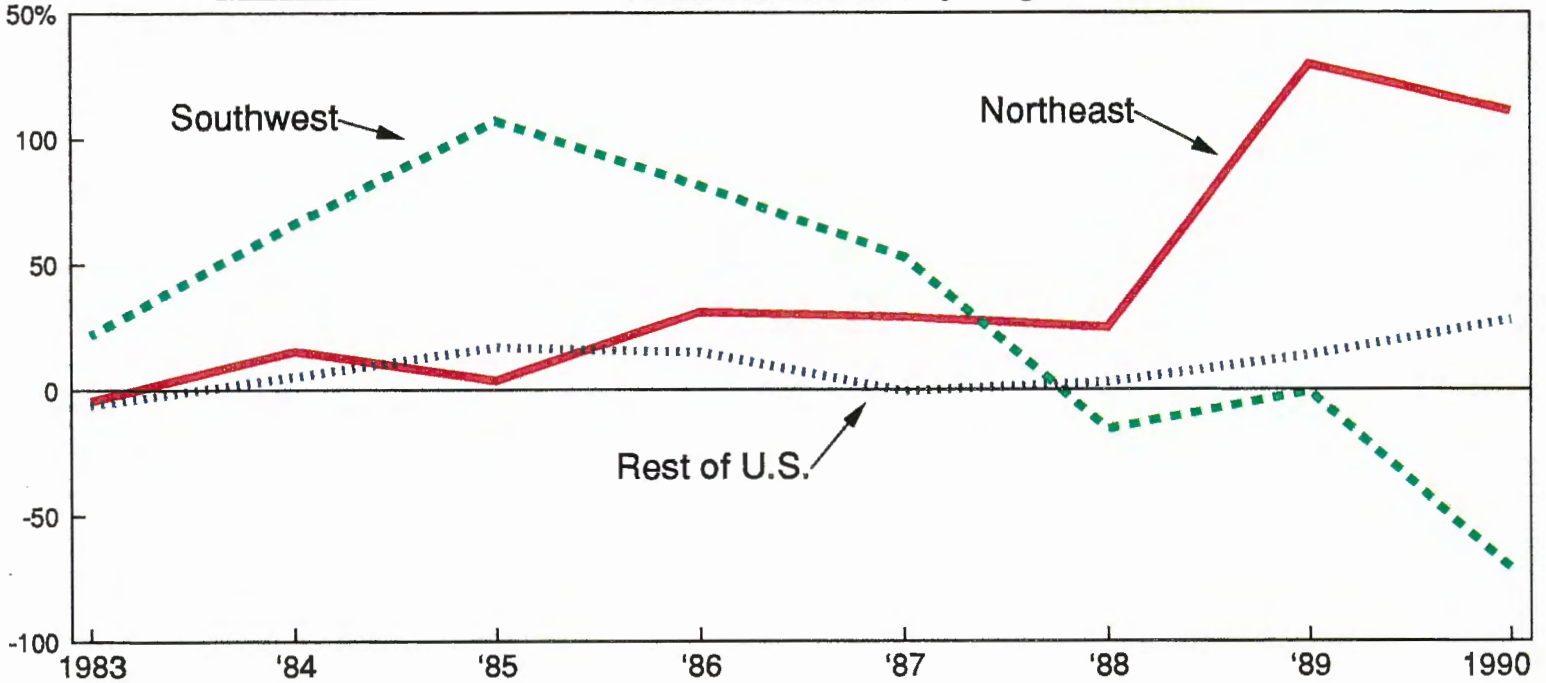


\* June 30, 1990 Annualized

**Real Estate Loan Growth Rates by Region, 1983 - 1990\***



**Troubled Real Estate Asset Growth Rates by Region, 1983 - 1990\***



\* - 1990 Growth Rates are Through June 30, Annualized.  
 - Troubled Real Estate Assets Include Real Estate Loans 90 Days or More Past-Due, Nonaccruals and Gross Charge-Offs.  
 - 1983 and 1984 Troubled Real Estate Asset Growth Rates Do Not Include Charged-Off Real Estate Loans.



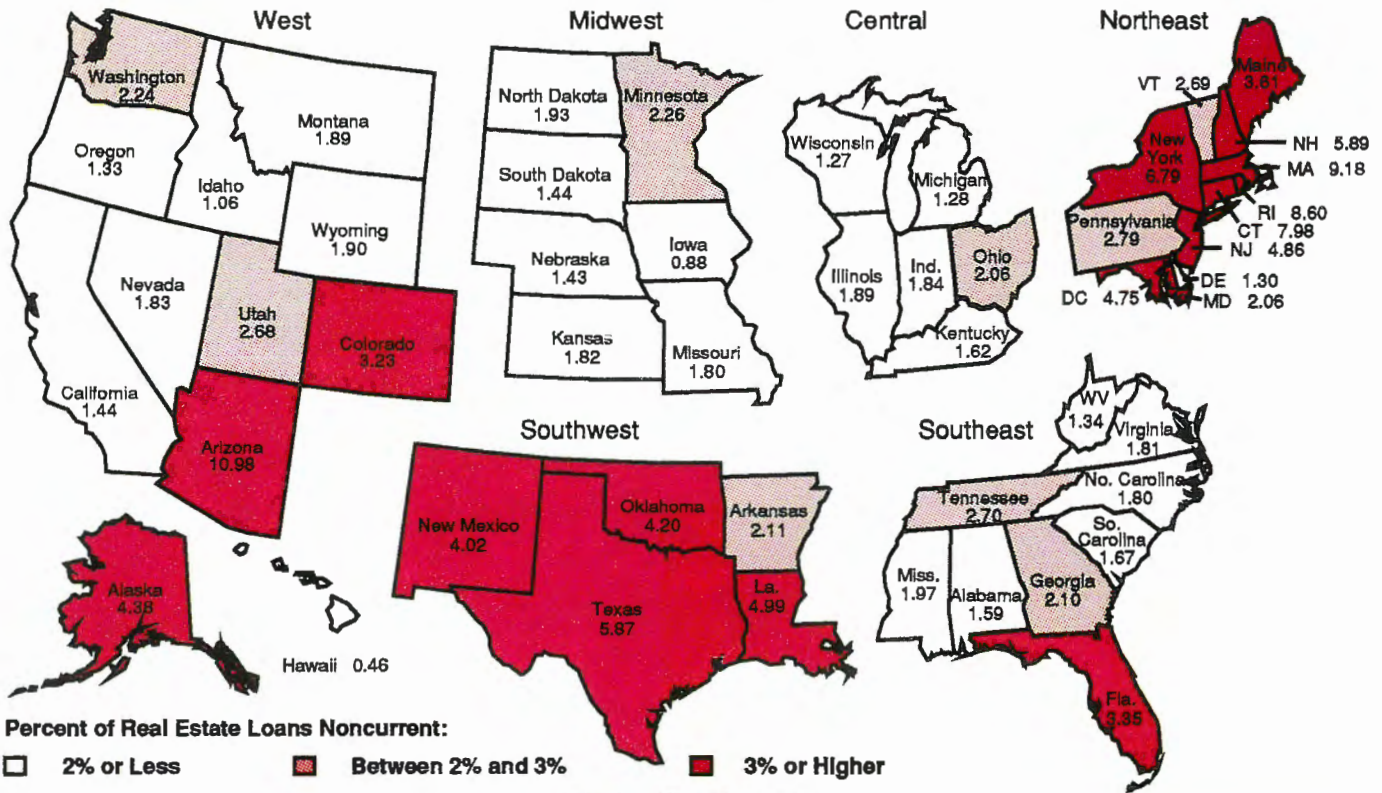
# Real Estate Loan Concentrations

June 30, 1990

All Dollar Amounts Shown in Millions

	Total Assets	Real Estate Loans	RE Loans as a Percent of Assets	Rank	Noncurrent Real Estate Loans			
					As a Percent of Real Estate Loans	Rank	Percent Change 3/31/90 to 6/30/90	Rank
Arizona	\$90,329	\$7,074	23.32%	32	10.98%	1	0.2%	33
Massachusetts	104,981	28,344	27.00	20	9.18	2	-5.6	38
Rhode Island	17,411	4,301	24.70	27	8.60	3	29.2	8
Connecticut	37,875	15,012	39.64	3	7.98	4	8.4	20
New York	704,540	108,760	15.44	48	6.79	5	47.3	4
New Hampshire	9,831	3,771	38.36	4	5.89	6	32.5	7
Texas	170,096	28,109	16.53	44	5.87	7	-11.3	44
Louisiana	36,704	8,609	23.46	31	4.99	8	4.8	25
New Jersey	92,989	31,614	34.00	7	4.86	9	11.9	18
District of Columbia	20,340	6,662	32.75	8	4.75	10	100.7	2
Alaska	4,312	755	17.51	43	4.38	11	-26.5	50
Oklahoma	25,859	4,993	19.31	38	4.20	12	-8.8	41
New Mexico	11,228	3,041	27.08	19	4.02	13	4.1	26
Maine	8,087	3,380	41.80	2	3.61	14	3.7	27
Florida	131,597	48,429	36.80	5	3.35	15	6.7	22
Colorado	26,309	6,030	22.92	34	3.23	16	2.5	28
Pennsylvania	173,394	39,837	22.97	33	2.79	17	26.3	9
Tennessee	46,233	12,597	27.25	18	2.70	18	5.2	24
Vermont	5,881	2,978	50.64	1	2.69	19	13.6	17
Utah	12,657	3,099	24.48	28	2.68	20	-15.3	48
Minnesota	49,792	9,985	20.05	37	2.26	21	8.0	21
Washington	39,919	12,360	30.96	11	2.24	22	-7.3	40
Arkansas	19,991	5,209	26.06	24	2.11	23	1.8	29
Georgia	67,741	17,235	25.44	25	2.10	24	17.5	14
Ohio	108,525	25,900	23.87	29	2.06	25	-0.9	36
Maryland	55,685	17,310	31.09	10	2.06	26	122.1	1
Mississippi	21,038	4,968	23.61	30	1.97	27	16.6	15
North Dakota	7,022	1,257	17.90	42	1.93	28	-14.9	46
Wyoming	4,404	714	16.21	45	1.90	29	-9.3	42
Illinois	197,514	36,969	18.72	39	1.89	30	-5.7	39
Montana	6,978	1,087	15.58	46	1.89	31	-10.8	43
Indiana	56,496	14,832	26.25	22	1.84	32	24.2	10
Nevada	14,964	2,276	15.21	49	1.83	33	1.0	30
Kansas	28,465	6,139	21.57	36	1.82	34	-5.1	37
Virginia	70,400	20,004	28.41	16	1.81	35	39.5	5
North Carolina	78,761	22,663	28.77	15	1.80	36	38.4	6
Missouri	59,823	17,741	29.66	13	1.80	37	0.4	32
South Carolina	24,645	7,828	31.76	9	1.67	38	18.7	12
Kentucky	39,698	10,382	26.15	23	1.62	39	-15.0	47
Alabama	36,900	9,693	26.27	21	1.59	40	21.8	11
California	342,910	120,244	35.07	6	1.44	41	-0.6	35
South Dakota	17,483	1,114	6.37	51	1.44	42	14.1	16
Nebraska	18,719	2,897	15.48	47	1.43	43	9.4	19
West Virginia	17,047	4,758	27.91	17	1.34	44	6.0	23
Oregon	23,060	4,991	21.64	35	1.33	45	-18.5	49
Delaware	66,465	4,675	7.03	50	1.30	46	51.2	3
Michigan	92,959	23,199	24.96	26	1.28	47	17.5	13
Wisconsin	44,906	13,759	30.64	12	1.27	48	0.9	31
Idaho	8,336	1,506	18.07	41	1.06	49	-0.2	34
Iowa	32,666	5,983	18.32	40	0.88	50	-11.7	45
Hawaii	18,232	5,290	29.01	14	0.46	51	-27.3	51
50 States and D.C.	3,342,197	800,363	23.95		3.45		14.2	

## Noncurrent Real Estate Loan Rates by State June 30, 1990

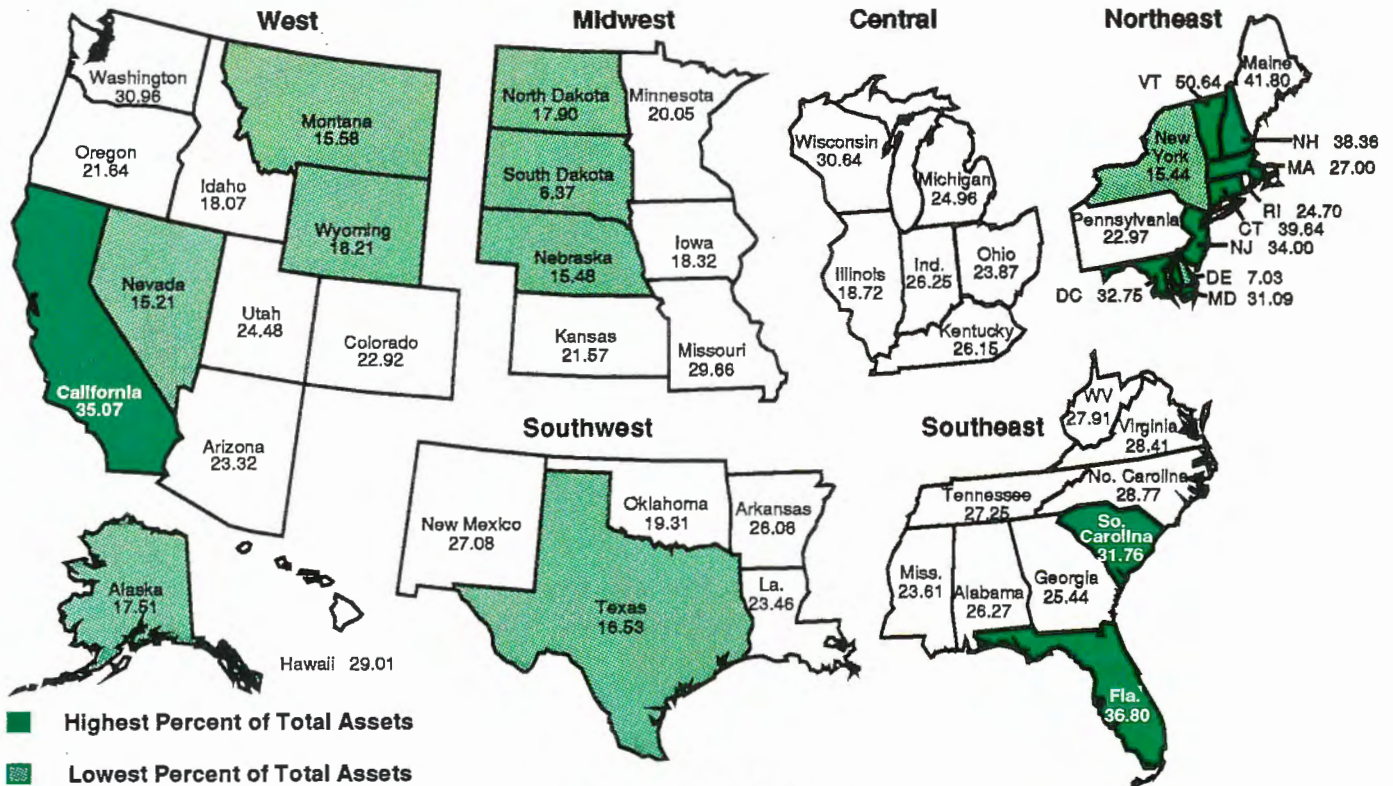


### State Rankings

	Noncurrent Real Estate Loans As a % of Real Estate Loans	Rank
Arizona	10.98%	1
Massachusetts	9.18	2
Rhode Island	8.60	3
Connecticut	7.98	4
New York	6.79	5
New Hampshire	5.89	6
Texas	5.87	7
Louisiana	4.99	8
New Jersey	4.86	9
District of Columbia	4.75	10
Alaska	4.38	11
Oklahoma	4.20	12
New Mexico	4.02	13
Maine	3.61	14
Florida	3.35	15
Colorado	3.23	16
Pennsylvania	2.79	17
Tennessee	2.70	18
Vermont	2.69	19
Utah	2.68	20
Minnesota	2.26	21
Washington	2.24	22
Arkansas	2.11	23
Georgia	2.10	24
Ohio	2.06	25
Maryland	2.06	26

	Noncurrent Real Estate Loans As a % of Real Estate Loans	Rank
Mississippi	1.97%	27
North Dakota	1.93	28
Wyoming	1.90	29
Illinois	1.89	30
Montana	1.89	31
Indiana	1.84	32
Nevada	1.83	33
Kansas	1.82	34
Virginia	1.81	35
North Carolina	1.80	36
Missouri	1.80	37
South Carolina	1.67	38
Kentucky	1.62	39
Alabama	1.59	40
California	1.44	41
South Dakota	1.44	42
Nebraska	1.43	43
West Virginia	1.34	44
Oregon	1.33	45
Delaware	1.30	46
Michigan	1.28	47
Wisconsin	1.27	48
Idaho	1.06	49
Iowa	0.88	50
Hawaii	0.46	51
50 States and D.C.	3.45	

## Real Estate Loans as a Percent of Total Assets June 30, 1990



### State Rankings

	RE Loans As a % of Total Assets	Rank
Vermont	50.64%	1
Maine	41.80	2
Connecticut	39.64	3
New Hampshire	38.36	4
Florida	36.80	5
California	35.07	6
New Jersey	34.00	7
District of Columbia	32.75	8
South Carolina	31.76	9
Maryland	31.09	10
Washington	30.96	11
Wisconsin	30.64	12
Missouri	29.66	13
Hawaii	29.01	14
North Carolina	28.77	15
Virginia	28.41	16
West Virginia	27.91	17
Tennessee	27.25	18
New Mexico	27.08	19
Massachusetts	27.00	20
Alabama	26.27	21
Indiana	26.25	22
Kentucky	26.15	23
Arkansas	26.06	24
Georgia	25.44	25
Michigan	24.96	26

	RE Loans As a % of Total Assets	Rank
Rhode Island	24.70%	27
Utah	24.48	28
Ohio	23.87	29
Mississippi	23.61	30
Louisiana	23.46	31
Arizona	23.32	32
Pennsylvania	22.97	33
Colorado	22.92	34
Oregon	21.64	35
Kansas	21.57	36
Minnesota	20.05	37
Oklahoma	19.31	38
Illinois	18.72	39
Iowa	18.32	40
Idaho	18.07	41
North Dakota	17.90	42
Alaska	17.51	43
Texas	16.53	44
Wyoming	16.21	45
Montana	15.58	46
Nebraska	15.48	47
New York	15.44	48
Nevada	15.21	49
Delaware	7.03	50
South Dakota	6.37	51
50 States and D.C.	23.95	