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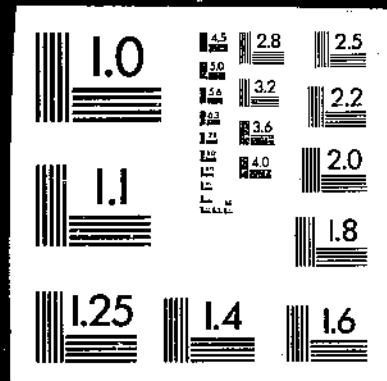
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1986. / J. J. MIKESELL . U.S. DATA-OPERATING STATISTICS,  
OCT 88 82P ECONOMIC RESEARCH SERVICE, WASHINGTON, DC.

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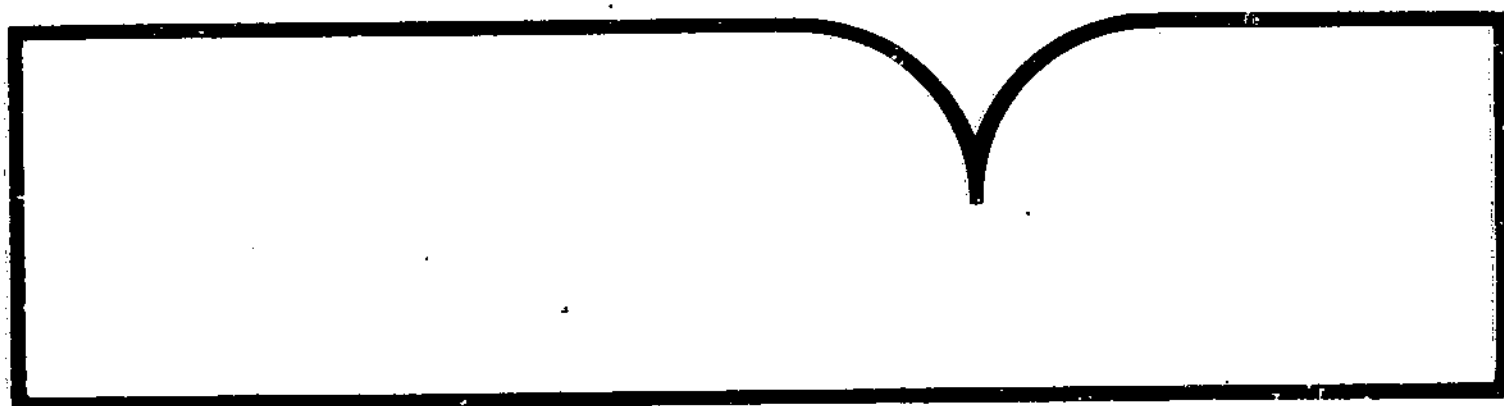


PB90-147927

Nonmetro, Metro, and U.S. Bank-Operating Statistics, 1986

(U.S.) Economic Research Service, Washington, DC

Oct 88



U.S. Department of Commerce  
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United States  
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Agriculture

Economic  
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Statistical  
Bulletin  
Number 787

PB90-147927

# Nonmetro, Metro, and U.S. Bank-Operating Statistics, 1986

James J. Mikesell

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NATIONAL TECHNICAL INFORMATION SERVICE  
SPRINGFIELD, VA. 22161

<b>REPORT DOCUMENTATION PAGE</b>	1. REPORT NO. SB-787	2.	3. Recipient's Accession No. <b>PB 90 147927 1A9</b>
4. Title and Subtitle Nonmetro, Metro, and U.S. Bank-Operating Statistics, 1986		5. Report Date Oct. 1988	
7. Author(s) James J. Mikesell		8. Performing Organization Rept. No. SB-787	
9. Performing Organization Name and Address Economic Research Service U.S. Department of Agriculture Washington, D.C. 20005-4788		10. Project/Task/Work Unit No.	
12. Sponsoring Organization Name and Address Economic Research Service U.S. Department of Agriculture Washington, DC 20005-4788		11. Contract(G) or Grant(G) No. (C) (G)	
15. Supplementary Notes		13. Type of Report & Period Covered	
16. Abstract (Limit: 200 words)  The financial condition of banks, both nonmetro and metro, generally deteriorated in 1986. Based on weighted statistics (which treat banks as an aggregate and may be dominated by a few large banks), aggregate profits for all U.S. banks fell 9 percent, expenditures to protect against upcoming loan losses rose 14 percent, and levels of problem loans rose 3 percent. Banks in the West and South had the lowest profits, the most problem loans, and the most loan losses in 1986, partly stemming from the troubled energy sector. Metro and nonmetro banks did not equally share these conditions. Differences in both the level and dynamics of change for metro and nonmetro operations appear when comparing all banks and when comparing narrow classifications such as bank size, loan and capital problems, local economic base (agricultural or energy), market extension, and regions. This report presents weighted and unweighted operating statistics for nonmetro, metro, and all U.S. banks for 1986, and comparisons with 1985.		14.	
17. Document Analysis a. Descriptors  Metro Banks Nonmetro Operating Statistics Rural Size Urban  b. Bankers/Open-Ended Terms Bank-operating statistics Bank size financial conditions loan/asset ratio  c. COSATI Field/Group 02-B, 05-C			
18. Availability Statement: National Technical Information Service 5285 Port Royal Road, Springfield, VA 22161		19. Security Class (This Report) Unclassified	21. No. of Pages 82
		20. Security Class (This Page) Unclassified	22. Price

**Nonmetro, Metro, and U.S. Bank-Operating Statistics, 1986.** By James J. Mikesell, Agriculture and Rural Economy Division, Economic Research Service, U.S. Department of Agriculture. Statistical Bulletin 787.

### **Abstract**

The financial condition of banks, both nonmetro and metro, generally deteriorated in 1986. Based on weighted statistics (which treat banks as an aggregate and may be dominated by a few large banks), aggregate profits for all U.S. banks fell 9 percent, expenditures to protect against upcoming loan losses rose 14 percent, and levels of problem loans rose 3 percent. Banks in the West and South had the lowest profits, the most problem loans, and the most loan losses in 1986, partly stemming from the troubled energy sector. Metro and nonmetro banks did not equally share these conditions. Differences in both the level and dynamics of change for metro and nonmetro operations appear when comparing all banks and when comparing narrow classifications such as bank size, loan and capital problems, local economic base (agricultural or energy), market extension, and regions. This report presents weighted and unweighted operating statistics for nonmetro, metro, and all U.S. banks for 1986, and comparisons with 1985.

**Keywords:** Rural banks, bank-operating statistics, bank size, financial conditions

### **Acknowledgments**

The author wishes to thank Dan Milkove, Greg Gajewski, Pat Sullivan, and Ron Durst for insightful comments on earlier drafts of this report and Paula Dyer for diligent and able assistance in preparation of the tables and text.

1301 New York Avenue, NW.  
Washington, DC 20005-4788

November 1989

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# Nonmetro, Metro, and U.S. Bank-Operating Statistics, 1986

James J. Mikesell

## Introduction

This report presents information on nonmetro and metro bank operations in 1986.<sup>1/</sup> These statistics update those in a similar report for 1985 and show the annual percentage changes in operating statistics (8).<sup>2/</sup>

Banks are important institutions in most local economies, particularly for nonmetro communities. Numerous studies of banks differentiated by size, measured by total assets, show a clear relationship between bank size and operations. These studies are relevant to metro/nonmetro comparisons since nonmetro banks are, on average, much smaller (11). But size alone does not explain the operating statistics of nonmetro and metro banks, which differ considerably even when comparably sized. This difference appears when comparing all banks and when comparing narrow banking classifications, such as size, loan and capital problems, market extension, and regions.

## Data and Method

While there may be considerable differences in nonmetro and metro bank operations, such differences are not discernible in most reports because their tabulations lack a metro/nonmetro delineation. This report tabulates 1986 operating statistics for all U.S. banks and for banks headquartered in nonmetro and metro counties.

## Data

This report examines only U.S. (50 States) commercial banks that were insured by the Federal Deposit Insurance Corporation (FDIC) and that reported nonzero assets and deposits on December 31, 1986. All bank portfolio, income, and expense data are taken from the Report of Condition--Report of Income (RCRI) database maintained by the Board of Governors of the Federal Reserve System. Several other sources

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<sup>1/</sup> Metro banks are headquartered in counties defined as metropolitan, based on the 1980 Census of Population. All other banks are nonmetro (see appendix 1 for these and other definitions).

<sup>2/</sup> Underscored numbers in parentheses refer to sources listed in the References.

provided other classifications of banks (see appendix 1 for descriptions).

Counties and their banks are classified by the area's concentration in a particular type of economic activity. These classifications are taken from a study by Ross and Green that used various methods and sources but relied most heavily on income data for the late 1970's (14).

The FDIC Summary of Deposits (SUMD) database provided the market extension classification presented in tables 7 and 8. Not all banks in this study could be so classified, because the SUMD survey is done annually at midyear. Thus, banks on the yearend RCRI database that were new or significantly restructured during the previous 6 months were not part of the SUMD database. The SUMD data identify all bank offices, including branches. But, the only operating items collected pertain to deposits. In the RCRI, a branch banking firm has a single data record that combines the operations of all branches, but that record is a comprehensive list of all publicly available data on bank operations.

Because there were no comprehensive data on bank branches, each branch banking firm was treated as a single bank at the headquarter's location. In locations with significant branch banking, the total volume of nonmetro bank operations is probably well above that of nonmetro-headquartered banks (12). The higher volume occurs because a branch banking firm with both nonmetro and metro offices is most often headquartered in a metro area.

#### Method

Income and expense data are cumulative for 1986, while the values of other items are tabulated as of year's end. The situation found for any single year may differ considerably from the average for several years. Information from more time periods will provide a better profile of metro/nonmetro bank differences and emerging trends. While some aggregate ratios (such as problem loans/assets and income/equity) can change rapidly over time, other ratios (such as agricultural loans/total loans and business loans/total loans) usually shift slowly. However, a far different set of banks may constitute the same classification category from one year to the next. Thus, statistics that change slowly for individual banks may change significantly over one year for a class of banks. For instance, banks with high levels of loan losses were mostly agricultural lenders in 1985, while lenders in energy-dependent areas (usually holding few agricultural loans) dominated this category in 1986. These statistics also reflect many changes in the banking sector's structure.

#### Weighted and Unweighted Statistics

This report presents operating statistics on both a weighted and an unweighted basis (see appendix 2 for specific method of calculation). Banks influence weighted aggregate statistics in an amount proportional to their size, but banks have equal influence on unweighted aggregate statistics. A weighted statistic, such as the loan/asset ratio, is a percentage or ratio calculated by division

where both the numerator and denominator are the sums of component items. The contribution of each bank to a weighted statistic is determined by the bank's size (measured as its proportional share of the denominator item), with larger banks having a greater, and sometimes dominating, influence. An unweighted statistic is the mean of that percentage or ratio for all banks in the category. To calculate an unweighted statistic for a category of banks, for example, that statistic is first calculated separately for each bank. The statistic is then averaged across all banks, giving each bank equal influence on the resulting unweighted statistic, regardless of the bank's size.

Both weighted and unweighted statistics have advantages and disadvantages. The distinction between such statistics is often not made for aggregate banking ratios or percentages. But, such data are most likely weighted because only weighted statistics can be calculated from totals or means of individual asset, liability, cost, and expense items.

The reader is cautioned about the possible effects of new banks on operating statistics, particularly for the unweighted indices. (New banks, 12 percent of all U.S. banks, are those chartered since January 1, 1981.) We separated statistics on new and mature banks (those not new) in all tables because operating statistics of new banks often differ substantially from those of mature institutions.

Columns on the far right side at the end of each text table present operating statistics for all U.S. banks and their change over the past year. Appendix tables 3, 6, and 9 show only data for all U.S. banks. This information may give the reader a new perspective on how operations differ by bank type and the extent to which large banks dominate some aggregate statistics. However, this report provides little specific discussion of national statistics, as the principal focus is on differences between nonmetro and metro banks.

#### Bank-Operating Statistics for 1986

The odd-numbered tables (1, 3, 5, 7, and 9) compare operating statistics between nonmetro and metro banks. U.S. totals are presented for a few statistics as either an addition to or a substitute for separate nonmetro and metro figures. For example, a U.S. total is presented for banks in agricultural counties, as only 72 of the Nation's 2,285 banks in this category are headquartered in a metro county. A full set of the statistics used in this report is presented in the appendix tables for all U.S. banks and for those headquartered in nonmetro and metro counties. The odd-numbered tables present 1986 banking statistics, mostly ratios comparing bank types with all U.S. banks, as described below. The even-numbered tables (2, 4, 6, 8, and 10) show each 1986 statistic as a percentage of 1985 levels.

Each index reported in the odd-numbered tables is the ratio of a statistic for a category of bank to the corresponding statistic for all U.S. banks (last column). This ratio has a value of 1 when a statistic equals the average for all U.S. banks. The ratio falls either above or below 1 by the fraction that corresponding mean values

fall above or below the national average. For example, an index of 1.50 indicates that the mean statistic (either weighted or unweighted) for the category of banks is 50 percent more than that for all U.S. banks. An index of 0.75 indicates that the statistic is 25 percent below the national average. The approximate value of the bank statistic can be calculated from the table as the product of the all-U.S.-banks statistic multiplied by the ratio. The appendix tables report actual bank statistics.

All odd-numbered tables have a common format. The right column reports certain values (such as number of banks, assets per bank, Government securities' percentage of assets, and others) for all U.S. banks. Items in rows 1 and 2 are actual values. All other data are indices. These indices simplify comparisons of various types of banks to the typical U.S. bank (unweighted), or to the U.S. banking system (weighted). Comparisons of indices in the same row or between tables reflect relative differences of the values. However, similar comparisons cannot be made between values in different rows. For instance, the typical nonmetro bank holds over 50 percent more Government securities as a share of assets (unweighted index = 1.20) than does the typical metro bank (unweighted index = 0.76). But, a direct comparison of indices from different rows cannot be similarly interpreted because the indices were calculated using a different base (that is, denominator). For example, the agricultural loan share of all loans made by nonmetro banks is more than tripled by using a weighted (index = 6.03) rather than an unweighted (index = 1.62) basis. But, the weighted agricultural loan share is actually lower than the unweighted. (The actual values needed for this determination can be calculated as the product of the all-U.S.-banks value multiplied by each index, or can be found directly in appendix tables 4 and 7.)

The odd-numbered tables present both unweighted and weighted indices, which are usually of similar magnitude. But the indices may differ substantially if there is a strong relationship between the item and bank size. The difference in indices will be particularly large if there are either a few very large banks or many small banks with values quite different from those of other banks. An unweighted index involving a denominator that is nearly zero for even one bank also could be heavily influenced by an extreme ratio from that bank, causing the index to deviate considerably from its weighted counterpart. Return to equity capital is the statistic most vulnerable to this problem. Unweighted indices lose their meaning if some (but not all) banks have ratios calculated using a negative number, such as those involving either income or capital.

#### Change in Bank-Operating Statistics from 1985 to 1986

The even-numbered tables present weighted and unweighted statistics for 1986 as percentages of 1985 levels. These percentages are calculated from the actual statistics (presented in appendix tables 4-9). The percentages are not calculated from the indices of these statistics to U.S. totals as given in the odd-numbered tables. Thus (except for rows 1 and 2 and the last column), one cannot compare data in the even-numbered tables with the indices in the odd-numbered tables.

A few changes in table format and item definition have been made from the 1985 version of this report. Loan-troubled banks are those with problem loans equal to at least 100 percent of total capital, while 75 percent was used in the 1985 report (7). This change adopts the more frequently used standard. For tables presenting 1986/85 ratios, 1985 figures were recalculated using the 100-percent threshold. Federal funds' activity, presented in appendix 2, reflects gross sales and gross purchases, while the 1985 report presented gross sales and sales net of purchases. "New" and "mature" bank classifications are used in all appendix tables, while these classifications were used only in the text tables in 1985.

### Bank Characteristics

The number of banks fell 2 percent while average bank size rose 9 percent during 1986, largely as a result of bank consolidation and growth of existing institutions. Loans constitute the majority of assets for most commercial banks, with higher shares for larger and metro institutions. Government securities, particularly Federal Government securities, are another important (but lesser) part of bank assets. The share of bank assets represented by Government securities changed little from 1985, but was more concentrated in Federal Government issues. Government securities, particularly the readily marketable issues of the Federal Government, are readily convertible to funds for lending. Since the sum of Government securities and loans typically constitutes about 75 percent of total assets, the asset share of Government securities generally varies inversely with the loan share. Loan portfolios shifted away from business lending, for both agricultural and nonagricultural loans, and toward home mortgages and personal loans.

### Banks by County Type

Table 1 presents the basic bank information on which various banking subgroups will be compared. Columns 1 and 3 of table 1 compare nonmetro and metro banks. Nonmetro banks are more numerous than metro banks (7,569 versus 6,439), hold fewer assets on average (22 percent versus 191 percent of the \$207 million mean for all U.S. banks), and are less often new (374 versus 1,294 new banks). According to the weighted indices, nonmetro banks as a group:

- o Held more Government securities (more than 70 percent of these were Federal Government securities, see app. table 4),
- o Made fewer loans,
- o Made the same share of loans to businesses as did metro banks, but to a mix more heavily agricultural,
- o Placed a much higher proportion of their loan funds in home mortgages,
- o Depended less on large time deposits (which are generally more costly),

Table 1--Selected U.S. commercial bank statistics by county type and bank age, indexed to all banks' value, December 1986 <sup>1/</sup>

Item and weight status	County type						All banks		
	Nonmetro		Metro		Agricul- tural	Energy depend- ent	New	Mature	Total
	All	Totally rural	All	Major metro					
	<u>Number</u>								
Total banks	7,569	1,079	6,439	1,886	2,285	651	1,668	12,340	14,008
New banks <sup>2/</sup>	374	44	1,294	722	76	61	1,668	0	1,668
	----- <u>Ratio to all banks</u> -----								
	1,000 dollars								
Total banks	.54	.08	.46	.13	.16	.05	.12	.88	NA
Assets per bank	.22	.12	1.91	4.18	.14	.26	.29	1.01	207,208
	<u>Percent</u>								
Government securities, share of assets:									
Unweighted	1.20	1.33	.76	.59	1.33	1.20	.42	1.08	25.42
Weighted	2.02	2.34	.86	.65	2.34	2.00	.58	1.02	14.55
Total loans, share of assets:									
Unweighted	.93	.87	1.08	1.09	.85	.91	1.12	.98	51.85
Weighted	.85	.77	1.02	1.02	.75	.82	1.16	.99	60.26
Agricultural loans, share of loans:									
Unweighted	1.62	2.59	.27	.03	2.78	.70	.24	1.10	15.77
Weighted	6.03	13.07	.43	.26	15.07	2.88	.41	1.02	2.54
Nonagricultural business loans, share of loans:									
Unweighted	.83	.72	1.20	1.47	.72	1.07	1.43	.94	23.04
Weighted	.64	.50	1.04	1.16	.52	.85	.76	1.01	34.41
Total business loans, share of loans:									
Unweighted	1.15	1.48	.82	.88	1.55	.92	.95	1.01	38.81
Weighted	1.00	1.37	1.00	1.10	1.52	.99	.74	1.01	36.95
Home mortgages, share of loans:									
Unweighted	.99	.75	1.02	.80	.66	1.18	.82	1.02	21.24
Weighted	1.81	1.57	.91	.71	1.25	1.84	.82	1.01	12.45
Large time deposits, share of deposits:									
Unweighted	.77	.67	1.27	1.70	.62	1.17	2.06	.86	12.11
Weighted	.64	.53	1.07	1.21	.52	.99	1.85	.97	15.41
Loan-loss provision, share of loans:									
Unweighted	1.16	1.51	.81	.85	1.53	1.16	1.02	.99	1.77
Weighted	1.30	1.81	.97	.96	2.05	1.94	2.14	.95	1.21
Capital, share of assets:									
Unweighted	1.03	1.07	.97	.94	1.05	1.08	1.23	.97	9.46
Weighted	1.17	1.28	.98	.95	1.25	1.24	1.46	.98	7.76
Problem loans, share of capital:									
Unweighted	1.04	1.11	.96	1.08	1.16	.63	1.12	.98	24.83
Weighted	.83	.96	1.03	1.18	.99	1.20	.67	1.02	22.59
Net income:									
Share of assets--									
Unweighted	1.26	.95	.71	-.08	.87	1.08	-2.32	1.45	.38
Weighted	1.13	1.01	.98	.83	.77	.70	.75	1.01	.61
Share of equity <sup>3/--</sup>									
Unweighted	.85	.69	1.03	.94	.54	.49	.51	1.03	9.81

NA = Not applicable.

<sup>1/</sup> U.S. (50 States) commercial banks that were insured by the FDIC and that reported positive assets as of December 31, 1986. An unweighted portfolio share is the mean value of that item over all banks in the category. Bank category totals of the numerator and denominator are used to calculate weighted portfolio shares. Table values are the ratio of the mean value for each bank divided by that for all U.S. banks. Column and row headings are defined in appendix 1.

<sup>2/</sup> New banks started 1/1/81 or later. New banks include replacements for banks failed or closed.

<sup>3/</sup> The unweighted index was not useful here. A small number of banks with low or negative equity capital can dominate the unweighted mean for all banks because of the extreme ratios those few banks may bring to index's denominator. These banks were generally smaller and had little effect on the weighted mean and index.

- o Had higher expenses for loan-loss provisions 3/,
- o Had fewer problem loans 4/, and
- o Had higher profits as measured by return on assets but had a lower return on equity (mainly because they were more heavily capitalized than metro banks).

Unweighted indices give a somewhat different picture. Unweighted statistics show that, on average, nonmetro banks had:

- o A smaller lead in holdings of Government securities and agricultural loans than shown by weighted indices (largely because low levels of both statistics for large banks depressed the weighted statistic for all banks, which, in turn, raised the weighted index for nonmetro banks),
- o Near-average levels of home mortgage loans and total capital, well below the weighted indices because small nonmetro banks had the lowest levels,

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3/ The expenditure for loan-loss provision is actually a set-aside of funds for anticipated loan losses. (This expenditure represents an actual loss only if the loss is taken in the same year as the set-aside.) If those funds accurately anticipate losses, one might argue that the large volume of problem loans, with which the bank is beginning the next accounting period, should not affect future profits. For example, suppose that a troubled loan included in the 1986 totals is liquidated in 1987, with a loss that was anticipated in 1986's loan-loss provision. There is no effect on 1987 profits since the loss was already taken in 1986. But 1987's balance sheet would be affected. On the positive side, that loan is removed from the problem loan category in 1987. On the downside, total capital is diminished when the loss is taken, because allocation for loan losses is part of a bank's capital. (The loan-loss allocation is the fund itself, while the loan-loss provision is the sum of expenditures placed into this fund.) Both yearend capital and annual profits for 1986 would be lowered if the loan-loss provision and actual loss both occurred in 1986, but the yearend problem loan total would be lowered by the amount of that loan.

4/ As defined in appendix 1, problem loans are those either renegotiated, past-due at least 90 days, or nonaccrual. This definition is consistent with past practice and the 1985 version of this report. However, a recent regulatory change no longer treats renegotiated loans as troubled unless they also fail one of the other tests. This valid, but more restrictive, definition of troubled or problem loans may be encountered in other reports. This report treats renegotiated loans as poor-quality assets, since loans classified as renegotiated experienced difficulty prior to restructuring.

- o A near-average ratio of problem loans to capital but a high expenditure for loan-loss provisions relative to loan volume, and
- o A high return to assets, but only because fewer nonmetro banks were new.<sup>5/</sup>

Table 2 shows that from the end of 1985 to the end of 1986, lending became a smaller share of assets for nonmetro banks, particularly those in the most rural areas. Whether because of reduced lending opportunities or tightened lending standards, these banks had more untapped lending capacity than at the year's start.

Banks in totally rural counties (where no town's population exceeded 2,500 and no bordering county was metro) were smaller and less profitable than the typical nonmetro bank. Banks in totally rural counties also had more loan problems and larger expenses for loan-loss provisions. Many of the totally rural counties were also classified as agricultural. However, most agricultural counties were not totally rural. There were twice as many agricultural as totally rural counties.

Banks in agricultural counties reported lower profits, more agricultural loans, and fewer home mortgage loans than did banks in totally rural counties. But, banks in agricultural counties were otherwise similar to banks in totally rural areas and to agricultural banks.<sup>6/</sup> Ninety-seven percent of the banks in agricultural counties were in nonmetro counties. Banks in agricultural counties had substantial unused lending capacity at the end of 1986, judging by the small share of assets comprised of loans. Banks in agricultural counties also experienced high actual or expected losses on loan

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<sup>5/</sup> The much higher proportion of metro banks that are new (20 percent compared with 5 percent for nonmetro banks) shapes the higher return on assets for nonmetro banks. On average, new banks had an unweighted loss on assets and in many ways deviated considerably from the overall average. When comparing only mature banks, one finds that metro banks were more profitable than nonmetro banks. The unweighted return on assets was 0.58 for mature metro banks compared with 0.36 for all metro banks. The unweighted return on assets was 0.53 for mature nonmetro banks compared with 0.48 for all nonmetro banks. The national average return on assets was 0.55 for all mature banks compared with 0.38 for all banks. The unweighted profit index of mature metro banks was 1.06 compared with 0.71 for all metro banks, and the nonmetro index was 0.96 compared with 1.26 for all nonmetro banks. The weighted results for all banks and for mature banks were nearly identical because most new banks were very small.

<sup>6/</sup> About 88 percent of the banks in agricultural counties were agricultural banks (those with an agricultural loan share of all loans at least equal to the unweighted average for all banks), while 43 percent of agricultural banks were in agricultural counties. This large number of banks common to both categories means that operating statistics are also quite similar. Agricultural banks are discussed later.



Table 2--Selected U.S. commercial bank statistics by county type and bank age, December 1986 as a percentage of December 1985 <sup>1/</sup>

Item and weight status	County type						All banks		
	Nonmetro		Metro		Agricul- tural	Energy depend- ent	New	Mature	Total
	All	Totally rural	All	Major urban					
	<u>Percent of number</u>								
All banks	98	97	97	97	98	97	96	98	98
New banks <sup>2/</sup>	95	102	96	120	113	86	96	NA	96
	<u>Percent of value</u>								
Assets per bank	105	101	109	108	109	102	119	109	109
Government securities, share of assets:									
Unweighted	98	100	91	88	101	98	84	97	96
Weighted	97	100	98	101	102	100	96	99	98
Total loans, share of assets:									
Unweighted	96	94	98	99	94	96	100	96	97
Weighted	97	95	100	100	94	96	98	100	100
Agricultural loans, share of loans:									
Unweighted	99	99	94	98	99	105	100	98	98
Weighted	93	95	86	82	97	102	106	87	88
Nonagricultural business loans, share of loans:									
Unweighted	95	96	97	98	95	95	94	96	96
Weighted	97	93	97	97	94	94	97	97	97
Total business loans, share of loans:									
Unweighted	97	98	97	98	97	98	95	97	97
Weighted	94	94	97	97	96	96	98	97	97
Home mortgages, share of loans:									
Unweighted	109	108	104	105	108	106	113	105	106
Weighted	108	112	103	101	110	108	120	103	103
Large time deposits, share of deposits:									
Unweighted	94	97	94	95	94	97	91	95	94
Weighted	93	96	88	85	92	97	86	89	89
Loan-loss provision, share of loans:									
Unweighted	108	109	124	132	108	132	132	111	113
Weighted	92	89	117	115	100	134	120	113	114
Capital, share of assets:									
Unweighted	99	98	91	86	98	100	78	99	95
Weighted	99	100	102	101	99	101	100	101	101
Problem loans, share of capital:									
Unweighted	113	104	123	142	114	60	174	111	117
Weighted	102	100	103	102	102	114	132	103	103
Net income:									
Share of assets--									
Unweighted	77	63	56	-11*	66	61	147*	78	68
Weighted	89	86	91	89	84	64	108	91	91
Share of equity <sup>3/--</sup>									
Unweighted	91	86	91	88	86	63	115	91	91

\*1986 statistic is negative.

NA = Not applicable.

<sup>1/</sup> U.S. (50 States) commercial banks that were insured by the FDIC and that reported positive assets as of December 31, 1986. An unweighted portfolio share is the mean value of that item over all banks in the category. Bank category totals of the numerator and denominator are used to calculate weighted portfolio shares. Table values are the ratio of the mean value for each bank divided by that for all U.S. banks. Column and row headings are defined in appendix 1.

<sup>2/</sup> New banks started 1/1/81 or later. New banks include replacements for banks failed or closed.

<sup>3/</sup> The unweighted index was not useful here. A small number of banks with low or negative equity capital can dominate the unweighted mean for all banks because of the extreme ratios those few banks may bring to index's denominator. These banks were generally smaller and had little effect on the weighted mean and index.

portfolios, with a loan-loss provision twice that for all banks. However, that loan-loss provision was unchanged from a year earlier, not higher as it was for the typical bank. The weighted percentage of problem loans was about average, suggesting that loan-loss expenses will likely decline in the future. Banks in agricultural counties were well capitalized. But income was somewhat below the average for all banks because of high expenditures for loan-loss provisions. Profits would have exceeded the national average if loan-loss expenditures for these banks had been at the national average.

Nonmetro-based banks made most of the agricultural loans held by U.S. banks. While these banks were nonmetro in location, some were owned by larger, and possibly metro-based, holding companies (HC's). Nonmetro banks provided 78.4 percent of the commercial bank funds loaned to agriculture at the end of 1986. These agricultural loans were up slightly from 78.2 percent at the end of 1985 despite a drop in the share of bank assets held by nonmetro banks from 12.2 percent to 12.0 percent.

Banks in the Nation's major metro areas (where population is at least 1 million) were more often either large, new, or the headquarters of a branching firm. The average amount of assets held by banks headquartered in major metro areas averaged over 4 times that of all U.S. banks, 19 times that of nonmetro banks, and 35 times that of banks in totally rural areas. Banks headquartered in major metro areas held 57 percent of all U.S. bank assets and thus had a major influence on U.S. aggregate and weighted banking statistics. While major metro areas contained the headquarters of the Nation's largest banks, these areas also contained many small banks, which were often new. Two of every five banks in major metro areas started during the previous 6 years, making new banks an important factor in unweighted statistics. But most of these new banks were small (holding only 3 percent of total assets of banks in major metro areas) and had little effect on weighted statistics.

Banks in energy-dependent counties (where at least 20 percent of 1975-79 proprietor and laborer income came from oil or gas drilling and coal mining) did little agricultural lending, even though these counties were generally in nonmetro areas. The weighted agricultural loan share was only 20 percent of the loan portfolio of banks in agricultural counties.

The financial condition of banks in energy-dependent counties worsened during 1986 as problems in the energy sector grew. Problem loans and loan-loss provisions for 1986 were up from already high 1985 levels, while profits fell by a third. The negative fallout on commercial banks from problems in the energy sector was more severe for large banks, resulting in the weighted statistics showing a gloomier picture than unweighted statistics. The aggregate problems of banks in energy-dependent counties were clearly greater than the U.S. average. But aggregate capital and profit levels were near banking industry averages despite serious difficulties facing some of these banks. Therefore, one might characterize the yearend 1986 aggregate financial health of banks in energy-dependent counties as below average but not threatening to their economic viability as a group. However, a minority but above-average share of banks in

energy-dependent counties were in bad condition. This was demonstrated by the high number of bank failures in these areas over the next 2 years (15, p. 30).

### Bank Age

Operations of new banks differed markedly from those of mature banks. New banks were more heavily capitalized, had high loan levels, and were less profitable. While high capitalization and low profitability might be expected for new banks, a high loan/capital ratio is not. It seems more reasonable that a bank would take some time to accumulate a sizable loan portfolio. The cause of this finding for both weighted and unweighted statistics is unclear. We can, however, say something about the distribution of these loans. On a weighted basis, new banks had a high proportion of personal loans (app. table 6). Most of these loans came from large "credit card" banks that specialize in credit card operations as subsidiaries of large HC's. On an unweighted basis, new banks held a high proportion of nonagricultural business loans.

New banks made fewer agricultural loans, reflecting their generally metro location. However, new nonmetro banks made fewer agricultural loans than typical of nonmetro banks. Most new banks, both nonmetro and metro, were starting business operations. But some had failed and closed and then reopened under different ownership. New banks reborn from recent failures were a larger share of nonmetro than of metro new banks. Although the two types of new banks could not be readily separated using the database of this report, it seems clear that most had recently started.<sup>7/</sup>

The new banks' totals at the top of tables 1-10 and the operating data for new and mature banks in table 1 can help determine the likely influence of new banks on various statistics. Either a higher proportion of new banks or a new-bank index far from 1 signals a strong influence on statistics not delineated by bank age, particularly on the unweighted indices. Abnormalities of new-bank weighted operating statistics include:

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<sup>7/</sup> There were only 25 percent as many bank failures as new banks formed from 1981 through 1986. But a greater share of the new nonmetro banks were apparently banks that had previously failed. Failures totaled about 65 percent of the number of new banks in nonmetro areas but only 14 percent in metro areas. The percentage of new banks arising from bank failures was somewhat below these levels, as some failed banks never reopened as new banks. Some failed banks were shut down or were liquidated and not replaced. Others merged with existing institutions, perhaps resuming operations as branch offices. Neither of these dispositions would result in the creation of a new bank. A few banks received assistance from the FDIC and were not closed, but were usually considered new banks in this database. Replacements for failed banks usually differed significantly from other new banks.

- o Small holdings of Government securities,
- o High loan-to-asset ratios,
- o Heavy reliance on large time deposits,
- o Large expenses for loan-loss provisions,
- o High capital levels,
- o Low profits <sup>8/</sup>, and
- o High percentages of personal loans (app. table 6).

### Bank Size

Many differences in nonmetro and metro banks held across size classes (table 3). Compared with metro banks of comparable size, nonmetro banks:

- o Invested in more Government securities (mostly Federal securities) and received more deposits from governments (mostly State and local governments),
- o Made fewer total loans, of which larger shares were for agricultural and total business uses and a smaller share was for nonagricultural business uses,
- o Got fewer deposits from large time deposits or from business checking accounts (interest-free deposits),

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<sup>8/</sup> New banks that are replacements for failed institutions are more likely to be initially profitable, since purchasing terms for failed banks must be attractive enough to solicit bidders. For example, replacement banks seldom assumed problem loans in 1986 (the FDIC has since relaxed this policy). However, initial profits might not be anticipated if one of the purchase conditions was the new bank's assumption of problem loans. A few failed banks may sell at a premium price because the purchaser gains access to an otherwise denied market. While a high purchase price might result in lowered returns to the purchaser, the purchase price would generally not affect bank profits as measured from operating statistics. On the other hand, banks starting from scratch often show initial losses, as do startups in most businesses. Startups would be the most likely new banks to have operating statistics differing markedly from those of established banks. Therefore, new banks are more likely to affect metro than nonmetro bank statistics. More metro banks were new and a greater share of these new banks were startups. The numbers of nonmetro and metro startups were estimated as new banks minus bank failures (the latter is reported by Gajewski in 16, p. 24).

Table 3--Selected U.S. commercial bank statistics by bank size and nonmetro/metro location, indexed to all banks' value, December 1986 <sup>1/</sup>

Item and weight status	Bank size						All banks	
	Very small		Small		Medium			Large
	Nonmetro	Metro	Nonmetro	Metro	Nonmetro	Metro		
	<u>Number</u>							
Total	3,231	1,499	3,675	2,861	654	1,758	14,008	
New banks <sup>2/</sup>	275	620	94	591	5	69	1,668	
	----- <u>Ratio to all banks</u> -----							
Total banks	.23	.11	.26	.20	.05	.13	1,000	
Assets per bank	.07	.08	.24	.26	.80	1.27	28.24	
							<u>dollars</u>	
							NA	
							207,208	
							<u>Percent</u>	
Government securities, share of assets:								
Unweighted	1.18	.71	1.24	.80	1.07	.79	.58	
Weighted	2.08	1.31	2.18	1.41	1.80	1.31	.73	
Total loans, share of assets:								
Unweighted	.90	1.04	.94	1.07	1.05	1.10	1.20	
Weighted	.78	.91	.81	.92	.92	.97	1.04	
Agricultural loans, share of loans:								
Unweighted	2.13	.53	1.36	.26	.55	.11	.07	
Weighted	11.99	3.95	7.24	1.30	2.77	.62	.31	
Nonagricultural business loans, share of loans:								
Unweighted	.75	1.13	.86	1.19	1.05	1.24	1.42	
Weighted	.53	.78	.60	.82	.71	.84	1.10	
Total business loans, share of loans:								
Unweighted	1.31	.89	1.06	.81	.85	.78	.87	
Weighted	1.32	.91	1.05	.85	.85	.83	1.05	
Home mortgages, share of loans:								
Unweighted	.86	1.09	1.08	1.08	1.11	.93	.55	
Weighted	1.54	1.87	1.91	1.80	1.82	1.44	.72	
Large time deposits, share of deposits:								
Unweighted	.73	1.33	.77	1.27	.91	1.19	1.49	
Weighted	.58	1.03	.61	.98	.70	.95	1.12	
Loan-loss provision, share of loans:								
Unweighted	1.37	.97	1.05	.83	.74	.69	.56	
Weighted	1.97	1.50	1.46	1.19	.93	1.03	1.01	
Capital, share of assets:								
Unweighted	1.08	1.29	1.00	.90	.90	.84	.79	
Weighted	1.28	1.41	1.21	1.08	1.08	1.01	.97	
Problem loans, share of capital:								
Unweighted	1.16	1.09	.98	.99	.75	.83	.76	
Weighted	1.00	.74	.86	.89	.73	.91	1.07	
Net income:								
Share of assets--								
Unweighted	.50	-1.32	1.76	1.00	2.08	1.74	1.95	
Weighted	.46	-.53	1.14	.75	1.37	1.02	.95	
Share of equity <sup>3/--</sup>								
Unweighted	.31	-.33	.82	.61	1.11	.93	1.05	
Weighted							9.81	

NA = Not applicable.

<sup>1/</sup> U.S. (50 States) commercial banks with deposits insured by the FDIC and that reported positive assets as of December 31, 1986. An unweighted portfolio share is the mean value of that item over all banks in the category. Bank category totals of the numerator and denominator items are used to calculate weighted portfolio shares. Table values are the ratio of the mean value for each bank divided by that for all U.S. banks. Column and row headings are defined in appendix 1.

<sup>2/</sup> New banks started 1/1/81 or later. New banks include replacements for banks failed or closed.

<sup>3/</sup> The unweighted index was not useful here. A small number of banks with low or negative equity capital can dominate the unweighted mean for all banks because of the extreme ratios those few banks may bring to index's denominator. These banks were generally smaller and had little effect on the weighted mean and index.

- o Had higher returns to assets and to equity capital 9/, and
- o Had a level of loan-loss provisions that was higher but growing more slowly (table 4).10/

Thus, nonmetro/metro differences were not simply a result of different sizes of banks. For instance, the smaller loan share of nonmetro bank assets cannot be wholly attributed to the generally smaller size of nonmetro banks.

Nonmetro banks are sometimes accused of neglecting the credit needs of home buyers. However, this conclusion is not reached when one compares nonmetro banks with the rest of the banking community. Whether nonmetro or metro, the only bank size category that clearly had low levels of home mortgage loans by both weighted and unweighted measures was the large, mostly metro banks. Home mortgages were the fastest growing element in loan portfolios of most banks.11/ This observation was true for both weighted and unweighted statistics, for each size class of bank, and for banks in both nonmetro and metro locations.

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9/ Most of the higher nonmetro bank returns can be attributed to the smaller number of new nonmetro banks, which typically have low or negative incomes. Despite the higher profitability of nonmetro banks in each size category, metro banks as a group had a higher return to equity. This return is not an inconsistency, as it first appears. Nearly all large banks (over \$1 billion in assets) were in metro areas. These large banks had above-average returns to equity, which helped push overall metro returns above nonmetro returns despite higher nonmetro returns in each size category. The rate of return generally increased with bank size, which also lifted the overall metro profitability since metro banks were generally larger.

10/ This higher rate of increase in the loan-loss provision of metro banks may partly reflect an increased recognition of problems with bank loans to less developed countries. Such loans are concentrated in portfolios of larger and metro banks.

11/ Home mortgage loans are loans secured by mortgages on residences in structures with one to four housing units. It is generally assumed that a bank's holdings of home mortgages reflect its lending in the local market area. That premise is generally correct. But, there are several complicating factors arising from the large secondary market in home mortgages and mortgage-backed securities. These loans can be originated by the holding bank or by an agent (perhaps in a different area), or can be purchased from another party. Holdings of securities backed by residential mortgages are also included in this category, unless those securities are guaranteed by an agency of the Federal, State, or local government. Such securities are counted as bond issues of the government. However, mortgage-backed securities guaranteed by foreign governments are considered home mortgage loans.

Table 4--Selected U.S. commercial bank statistics by bank size and nonmetro/metro location, December 1986 as a percentage of December 1985 <sup>1/</sup>

Item and weight status	Bank size						Large	All banks
	Very small		Small		Medium			
	Nonmetro	Metro	Nonmetro	Metro	Nonmetro	Metro		
	<u>Percent of number</u>							
All banks	93	86	100	100	111	103	106	98
New banks <sup>2/</sup>	88	83	124	113	100	133	64	96
	<u>Percent of value</u>							
Assets per bank	96	109	105	102	102	100	103	109
Government securities, share of assets:								
Unweighted	99	90	98	90	97	91	96	96
Weighted	99	94	99	90	96	92	108	98
Total loans, share of assets:								
Unweighted	99	100	99	97	98	97	101	97
Weighted	95	99	96	98	99	99	101	100
Agricultural loans, share of loans:								
Unweighted	100	100	99	102	95	90	343	98
Weighted	99	141	96	101	93	96	85	88
Nonagricultural business loans, share of loans:								
Unweighted	96	94	95	98	93	96	100	96
Weighted	95	86	94	93	93	74	96	97
Total business loans, share of loans:								
Unweighted	98	97	97	98	95	96	103	97
Weighted	98	95	95	98	93	97	97	97
Home mortgages, share of loans:								
Unweighted	109	106	107	103	110	106	105	106
Weighted	108	108	109	103	110	106	103	103
Large time deposits, share of deposits:								
Unweighted	93	91	94	98	87	93	91	94
Weighted	94	92	93	98	89	92	86	89
Loan-loss provision, share of loans:								
Unweighted	113	117	105	129	113	135	125	113
Weighted	97	121	92	122	97	124	125	114
Capital, share of assets:								
Unweighted	97	82	100	98	99	100	105	95
Weighted	98	94	100	98	99	98	104	101
Problem loans, share of capital:								
Unweighted	113	157	113	123	106	101	100	117
Weighted	109	131	100	114	100	111	99	103
Net income:								
Share of assets--								
Unweighted	45	280-	88	58	90	81	95	68
Weighted	58	4,825*	90	66	92	81	91	91
Share of equity <sup>3/--</sup>								
Unweighted	59	3,006*	90	68	92	85	87	91

\*1986 value is negative.

<sup>1/</sup> U.S. (50 States) commercial banks with deposits insured by the FDIC and that reported positive assets as of December 31, 1986. An unweighted portfolio share is the mean value of that item over all banks in the category. Bank category totals of the numerator and denominator items are used to calculate weighted portfolio shares. Table values are the ratio of the mean value for each bank divided by that for all U.S. banks. Column and row headings are defined in appendix 1.

<sup>2/</sup> New banks started 1/1/81 or later. New banks include replacements for banks failed or closed.

<sup>3/</sup> The unweighted index was not useful here. A small number of banks with low or negative equity capital can dominate the unweighted mean for all banks because of the extreme ratios those few banks may bring to index's denominator. These banks were generally smaller and had little effect on the weighted mean and index.

Large banks held nearly 67 percent of U.S. bank assets and, by some measures, were in better financial health than the typical bank in other size categories. Compared on a weighted basis with very small and small banks, large banks had higher profits, fewer problem loans, and fewer expenditures for loan-loss provisions. However, the overall situation for large banks was not clearly superior to that of medium banks. While large banks were less capitalized than other banks, large banks were also the only group that added to capital reserves in 1986. The yearend capital/assets percentage was a weighted 7.41, up from 7.18 a year earlier. This increase may reflect anticipation of higher regulatory capital requirements.

Very small banks were the most troubled size category of banks. Income for very small metro banks was particularly low. Very small metro banks had aggregate net losses that, as a percentage of assets, nearly equaled the profits of other banks. But the losses may reflect their newness: over 40 percent of very small metro banks were new. Very small nonmetro banks had higher loan-loss provisions, higher levels of problem loans, and lower profits than other nonmetro banks. Profits fell 42 percent from the already below-average 1985 level. On the positive side, these banks were fairly well capitalized, with high levels of both equity capital and loan-loss provisions.

Very small and small nonmetro banks (with under \$100 million in assets) experienced higher loan-loss provisions than their metro counterparts. However, the relative nonmetro situation is improving as weighted nonmetro expenditures for loan-loss provisions were below 1985 levels for all size classes. In contrast, all metro levels rose at least 20 percent.

Very small metro banks differed markedly from the average in some ways. Although not exceptionally high, the problem loan share of total loans increased sharply during 1986. Very small metro banks had an aggregate net loss of \$50 million (app. table 2), much higher than the previous year's loss. Over 40 percent were new, compared with about 8 percent of all other banks.

Very small nonmetro banks had the highest levels of agricultural loans. These banks also were the only nonmetro banks without a significant drop in agricultural lending over the year. While the weighted share of agricultural loans fell only 1 percent for very small nonmetro banks, the share fell 4 percent for small and 7 percent for medium nonmetro banks.

Loan portfolios in 1986 shifted toward more agricultural loans' being secured with real estate. About 24 percent of agricultural loans from nonmetro banks were secured by real estate at the end of 1985. That figure rose to 29 percent by the end of 1986. This shift may partially reflect the flight of some borrowers from the Farm Credit System. However, the major cause is probably banks' requirements of better collateral rather than a change in the actual use of loan funds (16, p. 24).



## Loan-Troubled Banks

Loan-troubled banks were those reporting a dollar value of total capital less than that of problem loans (loans either nonaccrual, past-due at least 90 days, or restructured because of past difficulties; see appendix 1).<sup>12/</sup> Whether nonmetro or metro, loan-troubled banks lost money rapidly during 1986. The loss, as a weighted share of assets, was more than five times the profit rate for the banking industry (table 5). Less than 4 percent of U.S. banks were classified as loan-troubled. But, this figure was actually a large increase to 500 such banks, up from 328 a year earlier.<sup>13/</sup>

Most (56 percent) loan-troubled banks were in nonmetro areas. The number of loan-troubled banks grew 31 percent over the year in nonmetro areas but nearly doubled in metro areas (table 6). An above-average share (45 percent) were agricultural banks. Nearly half (109) of the 222 loan-troubled agricultural banks were in 4 Midwestern States: Minnesota, Iowa, Nebraska, and Kansas. Five additional States (Oklahoma, Montana, Missouri, Texas, and South Dakota) accounted for another 70 of these banks. Compared with overall levels of all banks (by weighted statistics), loan-troubled banks:

- o Were smaller,
- o If nonmetro, were heavy agricultural lenders,
- o Had a larger share of assets in loans, of which more were business loans,

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<sup>12/</sup> This study classifies loans now current but restructured because of past difficulties as problem loans, which may differ from the definition used in other reports. While this study's procedure was the standard practice, regulators adjusted their treatment of such restructured loans in 1986. Most restructurings previously resulted in an immediate writeoff of capital; but that requirement was no longer made if total payments after restructuring at least repaid the original principal. Implemented to encourage renegotiation, this new procedure spread losses into the future by lowering interest income each year. The decision to treat restructured loans as problem loans is consistent with past practice and recognizes the lower quality of such loans. However, it is not clearly preferable to the alternative of considering troubled loans to be only those either past-due at least 90 days or nonaccrual. This study's procedure yielded nearly 30 percent more loan-troubled banks in 1986 than did the alternative method.

<sup>13/</sup> The definition of loan-troubled is more restrictive than in the 1985 report (8). Problem loans (defined in appendix 1) in this report must equal at least 100 percent of total capital, while 75 percent of total capital was used in the earlier report. Comparisons of table 5 and the text citation of 328 loan-troubled banks in 1985 are based on a recomputation of 1985 statistics using the 100-percent definition.

Table 5--Selected U.S. commercial bank statistics by problem or agricultural bank status and nonmetro/metro location, indexed to all banks' value, December 1986 <sup>1/</sup>

Item and weight status	Bank type						Agricultural	All banks
	Loan-troubled		Low capital					
			Minimum		Undercapitalized			
	Nonmetro	Metro	Nonmetro	Metro	Nonmetro	Metro		
	<u>Number</u>							
Total banks	280	220	450	960	244	346	4,704	14,008
New banks <sup>2/</sup>	14	71	43	136	29	111	125	1,668
	----- <u>Ratio to all banks</u> -----							<u>dollars</u>
Total banks	.02	.02	.03	.07	.02	.02	.34	NA
Assets per bank	.13	.68	.28	3.64	.15	1.72	.16	207,208
								<u>Percent</u>
Government securities, share of assets:								
Unweighted	.77	.43	.88	.60	.81	.43	1.31	25.42
Weighted	1.44	.67	1.48	.72	1.45	.65	2.33	14.55
Total loans, share of assets:								
Unweighted	1.13	1.24	1.03	1.08	1.08	1.13	.87	51.85
Weighted	.98	1.04	.92	1.00	.93	1.17	.77	60.26
Agricultural loans, share of loans:								
Unweighted	2.26	.25	1.26	.11	1.79	.12	2.59	15.77
Weighted	11.57	.45	4.07	.25	8.41	.58	13.85	2.54
Nonagricultural business loans, share of loans:								
Unweighted	1.05	1.52	.90	1.23	1.01	1.48	.74	23.04
Weighted	.80	1.15	.63	1.04	.75	.97	.56	34.41
Total business loans, share of loans:								
Unweighted	1.54	1.01	1.05	.98	1.32	.92	1.49	38.81
Weighted	1.54	1.10	.86	.94	1.28	1.75	1.47	36.95
Home mortgages, share of loans:								
Unweighted	.62	.76	1.08	.94	.83	.83	.74	21.24
Weighted	1.10	.79	2.03	.86	1.50	1.18	1.33	12.45
Large time deposits, share of deposits:								
Unweighted	.87	2.05	.78	1.48	.87	1.87	.64	12.11
Weighted	.77	2.15	.63	1.08	.78	1.26	.55	15.41
Loan-loss provision, share of loans:								
Unweighted	4.31	3.62	1.73	.87	3.67	2.53	1.45	1.77
Weighted	5.75	4.80	1.51	.78	4.42	1.44	2.02	1.21
Capital, share of assets:								
Unweighted	.63	.58	.70	.68	.47	.50	1.05	9.46
Weighted	.79	.79	.84	.82	.61	.64	1.23	7.76
Problem loans, share of capital:								
Unweighted	8.57	8.63	1.70	1.03	7.24	4.88	1.15	24.83
Weighted	7.98	7.09	1.36	1.05	5.74	2.76	1.05	22.59
Net income:								
Share of assets--								
Unweighted	-9.61	-11.61	-1.53	.39	-8.68	-7.16	.92	.38
Weighted	-5.49	-5.55	.15	.95	-4.03	-.42	.73	.61
Share of equity <sup>3/--</sup>								
Unweighted	-8.23	-9.46	.17	1.11	-7.46	-.58	.52	9.81
Weighted								

NA = Not applicable.

<sup>1/</sup> U.S. (50 States) commercial banks with deposits insured by the FDIC and that reported positive assets as of December 31, 1986. An unweighted portfolio share is the mean value of that item over all banks in the category. Bank category totals of the numerator and denominator items are used to calculate weighted portfolio shares. Table values are the ratio of the mean value for each bank divided by that for all U.S. banks. Column and row headings are defined in appendix 1.

<sup>2/</sup> New banks started 1/1/81 or later. New banks include replacements for banks failed or closed.

<sup>3/</sup> The unweighted index was not useful here. A small number of banks with low or negative equity capital can dominate the unweighted mean for all banks because of the extreme ratios those few banks may bring to index's denominator. These banks were generally smaller and had little effect on the weighted mean and index.

Table 6--Selected U.S. commercial bank statistics by problem or agricultural bank status and nonmetro/metro location, December 1986 as a percentage of December 1985 <sup>1/</sup>

Item and weight status	Bank type						Agricul- tural	All banks
	Loan-troubled		Low capital					
			Minimum		Undercapitalized			
	Nonmetro	Metro	Nonmetro	Metro	Nonmetro	Metro		
	<u>Percent of number</u>							
All banks	131	193	114	110	152	140	97	98
New banks <sup>2/</sup>	140	254	123	133	138	191	156	96
	<u>Percent of value</u>							
Assets per bank	91	144	99	85	97	98	103	109
Government securities, share of assets:								
Unweighted	103	89	98	85	105	76	101	96
Weighted	106	80	97	98	101	79	104	98
Total loans, share of assets:								
Unweighted	96	95	95	94	96	97	94	97
Weighted	96	95	97	98	97	120	75	100
Agricultural loans, share of loans:								
Unweighted	100	68	111	83	126	118	99	98
Weighted	94	45	97	55	119	255	99	88
Nonagricultural business loans, share of loans:								
Unweighted	104	100	94	96	95	105	96	96
Weighted	106	114	89	96	100	99	94	97
Total business loans, share of loans:								
Unweighted	102	96	102	120	109	105	98	97
Weighted	99	110	90	91	107	190	97	97
Home mortgages, share of loans:								
Unweighted	99	113	102	102	97	98	108	106
Weighted	105	77	109	91	97	155	109	103
Large time deposits, share of deposits:								
Unweighted	106	91	91	111	88	114	94	94
Weighted	104	97	93	92	107	89	94	89
Loan-loss provision, share of loans:								
Unweighted	100	96	127	139	103	143	108	113
Weighted	94	103	100	86	93	138	100	114
Capital, share of assets:								
Unweighted	90	94	99	99	93	85	98	95
Weighted	92	107	98	100	98	108	100	101
Problem loans, share of capital:								
Unweighted	114	98	115	118	111	129	111	117
Weighted	118	91	107	89	110	152	101	103
Net income:								
Share of assets--								
Unweighted	105*	99*	346*	32	102*	174*	67	68
Weighted	101*	98*	30	111	103*	-116*	85	91
Share of equity <sup>3/--</sup>								
Unweighted	115*	99*	32	106	117*	-123*	86	91

\*1986 value is negative.

<sup>1/</sup> U.S. (50 States) commercial banks with deposits insured by the FDIC and that reported positive assets as of December 31, 1986. An unweighted portfolio share is the mean value of that item over all banks in the category. Bank category totals of the numerator and denominator items are used to calculate weighted portfolio shares. Table values are the ratio of the mean value for each bank divided by that for all U.S. banks. Column and row headings are defined in appendix 1.

<sup>2/</sup> New banks started 1/1/81 or later. New banks include replacements for banks failed or closed.

<sup>3/</sup> The unweighted index was not useful here. A small number of banks with low or negative equity capital can dominate the unweighted mean for all banks because of the extreme ratios those few banks may bring to index's denominator. These banks were generally smaller and had little effect on the weighted mean and index.

- o Depended more on large time deposits,
- o Had large expenses for loan-loss provisions,
- o Had low levels of capital, and
- o Had net losses that, if continued, would nearly deplete equity capital in a year.

The above observations for loan-troubled banks in aggregate also hold for the average loan-troubled bank when using unweighted statistics.

#### **Minimum Capital Banks**

Six percent of nonmetro banks and 15 percent of metro banks had total capital under 7 percent of assets, which is usually considered low but minimally acceptable by regulatory agencies (1, p. 440).

There seem to be two distinct types of banks operating with minimum capital. One type is larger than average, usually metro and relatively trouble-free, but with a capital base lower than regulators would prefer. The second type is generally nonmetro, experiencing financial difficulties that have eroded the capital base but not quite to the undercapitalized level. These banks often have higher loan-loss provisions, more problem loans, and lower profits.

#### **Undercapitalized Banks**

Operating statistics of undercapitalized banks (total capital is less than 6 percent of assets) differed considerably from those of minimum capital banks. Undercapitalized banks were more like loan-troubled banks, probably because these two groups contain many of the same banks. Nonmetro areas had 280 loan-troubled banks and 244 undercapitalized banks, with 143 banks in both groups. Metro areas had 220 loan-troubled banks and 346 undercapitalized banks, with 123 banks in both groups.

While loan troubles defined more problem banks in nonmetro than metro areas, undercapitalized banks were most often metro. Over 3 percent of nonmetro banks and 5 percent of metro banks were undercapitalized. The number of such nonmetro banks increased 52 percent during 1986, while the metro number rose 40 percent. Undercapitalized nonmetro banks seemed in worse financial condition than those in metro areas. This situation exists partly because metro banks operate close to the minimally acceptable capital level to maximize returns on capital. Thus, it is unanticipated losses that are more likely to temporarily and marginally place metro banks into the undercapitalized category. However, the condition of undercapitalized metro banks deteriorated since 1985, while that of nonmetro banks changed little. The rapid decline of these metro banks reflects their location. Most were in energy-dependent areas; 46 percent were in Texas. Undercapitalized nonmetro banks were most often in the upper Midwest. Compared with overall levels for all banks, undercapitalized banks:

- o Were smaller,
- o Acquired more funds through large time deposits,
- o Had higher levels of problem loans,
- o Had higher levels of agricultural loans (which also increased from 1985 levels), and
- o Showed large net losses, except for weighted metro statistics.<sup>14/</sup>

Above-average proportions of banks with low capital and loan-troubled banks were new, which was unexpected. (Low-capital banks, which have capital under 7 percent of assets, encompass minimum capital banks and undercapitalized banks.) New banks under different ownership after having failed are usually re-established in sound financial shape. New banks with no prior history generally start adequately capitalized and with no loan problems, although lender inexperience might lead to early loan problems. That new banks were concentrated in States with economies more closely tied to the troubled petroleum sector was an apparent factor in their frequent problems. Thirty-four percent of all new banks were in Texas. The depressed energy-dependent States of Texas, Colorado, Oklahoma, Louisiana, and Kansas contained 53 percent of all loan-troubled banks but only 27 percent of all U.S. banks. These States also had 51 percent of the Nation's new banks.

#### Agricultural Banks

Most agricultural banks (88 percent) were headquartered in nonmetro counties. The majority of agricultural banks were financially sound at the end of 1986, despite their above-average share of loan-troubled institutions. Operating statistics of the 4,704 agricultural banks closely paralleled those of the 2,285 banks in agricultural counties. Compared with all U.S. banks, agricultural banks as a group:

- o Had higher expenditures for loan-loss provisions,
- o Had only slightly more problem loans,
- o Had higher capital, particularly on a weighted basis,
- o Had low profits (also down somewhat from the previous year), and
- o Acquired a smaller share of deposits through large time deposits.

The number of new agricultural banks grew 52 percent during 1986 due to agricultural banks that failed and then reopened under new ownership. The loan share of agricultural bank assets fell during 1986, particularly for large agricultural banks. To replace their diminishing loan portfolio, agricultural banks increased holdings of

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<sup>14/</sup> While having low capital, most of the largest metro banks in this category were profitable. The two largest banks held 46 percent of the assets in all 346 undercapitalized metro banks, and both were profitable.

cash and Government securities and lent more funds on the Federal funds market.

The increased holdings of Government securities was entirely from Federal issues, as agricultural and most other banks reduced holdings of State and local government bonds. At the end of 1985, State and local bonds equaled 40 percent of the Government securities held by U.S. banks. But only 33 percent of the Government securities held by U.S. banks at the end of 1986 were State and local bonds. State and local bonds were 28 percent of all Government securities held by nonmetro banks and 34 percent of those held by metro banks. This decrease was likely a response to the diminished tax advantages of such securities resulting from passage of the Tax Reform Act of 1986. While this legislation passed late in the year, lengthy debate and extensive modification (including the possibility of retroactive application) prompted banks to reduce their holdings before the bill's passage.

### **Geographic Extension of Banking Organizations**

Tables 7 and 8 show operating statistics by market extension of a banking organization. Market extension is the number of markets in which a banking organization has offices/branches. A banking organization is considered as the bank if the bank is not owned by an HC. Otherwise, the banking organization includes all banks owned by a common HC. Each metro area and nonmetro county was considered a single market.

When owned by a common HC, banks located in several communities may act as a larger, geographically dispersed banking organization. Geographic extension also occurs when a banking firm has branch offices in multiple markets.

While banks were classified by their organization's extensiveness, the unit of observation remained the banking firm. A bank with branches in several markets was classified by the number of markets in which it (or its HC) had an office, but was tabulated as a single bank at the headquarter's location. A firm was classified as local when the organization had offices in one market, restricted when the organization had offices in two to five markets, and extensive when the organization had offices in six or more markets.<sup>15/</sup> Deposit data from the SUMD database were used to determine the location of bank offices. SUMD deposit data are the only publicly available information that U.S. commercial banks are required to report about each branch office's operations.

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<sup>15/</sup> This classification produced a grouping of banks similar to that resulting from the "HC-type" classification used in the appendix tables. Both classifications assigned banks to one of three tiers by size of organization. Over 80 percent of all banks were in the same tier by both HC-type and market extension rankings. Operating statistics were so similar across these two classifications that only extensiveness of organization is presented in tables 7 and 8.

Table 7--Selected U.S. commercial bank statistics by market extension (branches or holding company affiliation) and nonmetro/metro location, indexed to all banks' value, December 1986 <sup>1/</sup>

Item and weight status	Bank type						All banks
	Local (one market)		Restricted (two-five markets)		Extensive (six or more markets)		
	Nonmetro	Metro	Nonmetro	Metro	Nonmetro	Metro	
	<u>Number</u>						
Total banks	5,566	4,149	1,182	835	821	1,455	14,008
New banks <sup>2/</sup>	279	1025	62	102	33	167	1,668
	<u>Ratio to all banks</u>						1,000 dollars
Total banks	.40	.30	.08	.06	.06	.10	NA
Assets per bank	.17	.49	.26	2.25	.49	5.78	207,208
							<u>Percent</u>
Government securities, share of assets:							
Unweighted	1.25	.82	1.13	.81	.99	.58	25.42
Weighted	2.23	1.28	1.95	.95	1.57	.74	14.55
Total loans, share of assets:							
Unweighted	.91	1.06	.98	1.10	1.02	1.12	51.85
Weighted	.80	.90	.88	.94	.96	1.07	60.26
Agricultural loans, share of loans:							
Unweighted	1.78	.32	1.37	.29	.90	.14	15.77
Weighted	7.80	.74	5.38	.36	2.93	.38	2.54
Nonagricultural business loans, share of loans:							
Unweighted	.80	1.22	.86	1.14	.96	1.19	23.04
Weighted	.60	.95	.66	1.17	.66	1.04	34.41
Total business loans, share of loans:							
Unweighted	1.20	.85	1.07	.80	.94	.77	38.81
Weighted	1.09	.93	.99	1.11	.82	.99	36.95
Home mortgages, share of loans:							
Unweighted	.96	1.06	1.05	1.07	1.06	.88	21.24
Weighted	1.84	1.30	1.87	.71	1.72	.87	12.45
Large time deposits, share of deposits:							
Unweighted	.78	1.26	.73	1.07	.72	1.43	12.11
Weighted	.65	1.09	.62	1.20	.62	1.04	15.41
Loan-loss provision, share of loans:							
Unweighted	1.19	.82	.98	.62	1.19	.90	1.77
Weighted	1.50	1.03	1.11	.73	1.01	1.00	1.21
Capital, share of assets:							
Unweighted	1.06	1.02	.95	.94	.88	.83	9.46
Weighted	1.25	1.06	1.13	1.04	1.02	.94	7.76
Problem loans, share of capital:							
Unweighted	1.05	1.02	1.04	.74	.95	.90	24.83
Weighted	.84	.84	.82	.75	.79	1.15	22.59
Net income:							
Share of assets--							
Unweighted	1.26	.47	1.58	1.55	.71	.92	.38
Weighted	1.12	.89	1.33	1.23	1.01	.93	.61
Share of equity <sup>3/--</sup>							
Unweighted	.78	.86	1.03	1.21	.90	1.04	9.81

NA = Not applicable.

<sup>1/</sup> U.S. (50 States) commercial banks with deposits insured by the FDIC and that reported positive assets as of December 31, 1986. An unweighted portfolio share is the mean value of that item over all banks in the category. Bank category totals of the numerator and denominator items are used to calculate weighted portfolio shares. Table values are the ratio of the mean value for each bank divided by that for all U.S. banks. Column and row headings are defined in appendix 1.

<sup>2/</sup> New banks started 1/1/81 or later. New banks include replacements for banks failed or closed.

<sup>3/</sup> The unweighted index was not useful here. A small number of banks with low or negative equity capital can dominate the unweighted mean for all banks because of the extreme ratios those few banks may bring to index's denominator. These banks were generally smaller and had little effect on the weighted mean and index.

Table B--Selected U.S. commercial bank statistics by market extension via (branches or holding company affiliation) and nonmetro/metro location, December 1986 as percentage of December 1985 <sup>1/</sup>

Item and weight status	Bank type						All banks
	Local (one market)		Restricted (two-five markets)		Extensive (six or more markets)		
	Nonmetro	Metro	Nonmetro	Metro	Nonmetro	Metro	
	<u>Percent of number</u>						
All banks	94	88	108	125	110	108	98
New banks <sup>2/</sup>	93	94	103	112	100	99	96
	<u>Percent of value</u>						
Assets per bank	103	92	102	74	112	110	109
Government securities, share of assets:							
Unweighted	99	93	99	92	101	88	96
Weighted	98	94	98	108	98	103	98
Total loans, share of assets:							
Unweighted	96	99	96	101	96	95	97
Weighted	96	97	96	96	99	101	100
Agricultural loans, share of loans:							
Unweighted	100	101	99	87	89	91	98
Weighted	97	102	99	107	82	81	88
Nonagricultural business loans, share of loans:							
Unweighted	95	98	94	104	94	93	96
Weighted	94	97	96	96	94	98	97
Total business loans, share of loans:							
Unweighted	98	98	96	100	92	93	97
Weighted	96	99	97	96	91	97	97
Home mortgages, share of loans:							
Unweighted	108	104	106	102	111	106	106
Weighted	109	108	109	122	108	100	103
Large time deposits, share of deposits:							
Unweighted	94	92	92	89	94	105	94
Weighted	92	93	93	86	95	88	89
Loan-loss provision, share of loans:							
Unweighted	110	122	109	105	98	149	113
Weighted	96	115	98	111	79	118	114
Capital, share of assets:							
Unweighted	91	94	99	87	99	87	95
Weighted	100	101	99	104	100	101	101
Problem loans, share of capital:							
Unweighted	116	131	114	113	91	120	117
Weighted	107	111	100	88	87	102	103
Net income:							
Share of assets--							
Unweighted	75	36	87	84	88	61	68
Weighted	86	79	94	105	102	90	91
Share of equity <sup>3/--</sup>							
Unweighted	87	77	94	98	102	90	91

<sup>1/</sup> U.S. (50 States) commercial banks with deposits insured by the FDIC and that reported positive assets as of December 31, 1986. An unweighted portfolio share is the mean value of that item over all banks in the category. Bank category totals of the numerator and denominator items are used to calculate weighted portfolio shares. Table values are the ratio of the mean value for each bank divided by that for all U.S. banks. Column and row headings are defined in appendix 1.

<sup>2/</sup> New banks started 1/1/81 or later. New banks include replacements for banks failed or closed.

<sup>3/</sup> The unweighted index was not useful here. A small number of banks with low or negative equity capital can dominate the unweighted mean for all banks because of the extreme ratios those few banks may bring to index's denominator. These banks were generally smaller and had little effect on the weighted mean and index.



Most banks were local, not part of a multiple-market banking organization.<sup>16/</sup> Nearly 74 percent of all nonmetro-headquartered banks and 65 percent of metro-headquartered banks were local. However, the growing multiple-market affiliation (through bank purchase, merger, and expansion) eroded the dominant role of local banks in 1986. The number of local nonmetro banks fell 6 percent during 1986, while the number of local metro banks fell 12 percent. In contrast, the number of multiple-market banks increased in both nonmetro and metro areas.

Local nonmetro banks had the highest levels of agricultural lending and the largest expenditures for loan-loss provisions. Local metro banks, and nonmetro banks regardless of firm extensiveness, were heavy lenders (on a weighted basis) of home mortgages.<sup>17/</sup>

Banks in restricted organizations were the most profitable in both metro and nonmetro areas. The number of metro banks in this category increased 25 percent during 1986, and nonmetro banks in this category increased 3 percent. Nonmetro banks that were part of local or restricted organizations had a higher return on assets than did similar metro banks, even after above-average expenditures for loan-loss provisions.

Nonmetro banks that were part of extensive firms were more troubled (based on capital, problem loans, expenditures for loan-loss provisions, and income) than were other nonmetro banks. But their situation improved markedly over that at the end of 1985.

The number of nonmetro banks that were part of extensive organizations increased 10 percent. While they may not have experienced the most rapid growth in bank numbers, banks in extensive organizations increased their dominant dollar share of bank business even further. But, the market share gained by extensive banking organizations was at the expense of local firms. At the end of 1986, extensive banking organizations held 63 percent of all U.S. bank assets, up from 56

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<sup>16/</sup> That is, most banks had neither branches nor HC-linked affiliates in additional markets. There is some additional linking of banks through chain-banking, which is the common ownership of more than one bank by the same person or persons. The data sources used for this study give no information about chain-banking, but chain banks likely involve only a small share of the Nation's banks.

<sup>17/</sup> A partial explanation for the higher home mortgage portfolio of nonmetro banks may be a somewhat smaller presence of savings and loan associations (S&L's) in nonmetro areas. At the end of 1987, S&L's headquartered in nonmetro areas held about one-third as many assets as did similarly headquartered banks. In metro areas, S&L's held assets equal to 45 percent of those held by banks (6).

percent in 1985. In nonmetro areas, the 1986 share of assets held by extensive banks was 24 percent, up from 20 percent a year earlier.<sup>18/</sup>

Banks in extensive organizations had the lowest levels of agricultural lending. And these banks, both metro and nonmetro, were moving away from agricultural lending faster than other banks. The agricultural loan shares of extensive organizations fell nearly 20 percent during the year.<sup>19/</sup> This decrease occurred for both nonmetro and metro banks and came from agricultural loan levels that were already low for their respective markets. Extensive banking organizations did not hold more nonagricultural business loans to offset the lower agricultural loans. Instead, extensive organizations lent more for personal loans and loans to depository institutions.<sup>20/</sup>

### Regional Differences

There were large regional differences in bank-operating statistics for 1986 (tables 9 and 10). (See appendix 1 for definitions of regions.) Many northeastern banks had branch offices, sometimes forming extensive branching organizations. As a result, both nonmetro and metro banks in the Northeast were fewer in number but were much larger, on average, than banks elsewhere.

Agricultural loan holdings were highest for nonmetro banks in the North Central States, followed by those in the South and West. Nonmetro banks in the Northeast held relatively few business loans, either agricultural or nonagricultural. These banks instead lent above-average amounts for home mortgages.

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<sup>18/</sup> These 1985 figures differ slightly from those previously published, due to the correction of an earlier programming error.

<sup>19/</sup> Banks affiliated with extensive HC organizations may reduce their agricultural loan share by selling loans to other affiliates. However, those sales would not affect the weighted statistics in any market extension category since all affiliates of an HC are in the same category. The share of agricultural loans could fall more than the actual decline in agricultural lending if most of the banks added to the extensive classification did little agricultural lending. However, mergers and expansions increased the number of banks in extensive organizations by only 8 percent during 1986, making comparison with the previous year reasonable, if imprecise. The absolute dollar value of agricultural loans made by banks of extensive organizations fell 3 percent during 1986, while their cumulative assets increased 18 percent. In contrast, the cumulative value of both agricultural loans and assets for all other banks fell by a similar amount, about 9 percent.

<sup>20/</sup> The higher level of loans to depository institutions by extensive banking organizations probably reflects the correspondent relationships of large banks and/or a greater volume of borrowing/lending between affiliates of large HC's.

Many nonmetro banks in the North Central States were strongly affected by problems in the agricultural sector. But, on average, these banks did not fare badly during 1986. Their weighted returns on assets and equity were somewhat low, but dropped less than the U.S. average over the year. While 55 percent above the U.S. average, expenditures for loan-loss provisions by nonmetro banks in the North Central States fell from a year earlier. Levels of problem loans in these banks were low by national standards, but levels of capital were high. Metro banks in the North Central States fared well in 1986. These banks had low levels of problem loans, average expenditures for loan-loss provisions, average capital levels, and high incomes.

Banks in the West and South seemed the most financially troubled in 1986. This distinction belonged to banks in the West and North Central regions in 1985. The troubles of western banks reflect a variety of economic problems, including those of the agricultural, energy, and timber sectors. Previously ailing North Central banks seemed to be adjusting to local economic problems related to the farm sector. However, some agricultural and nonmetro banks continued to be disadvantaged. On the other hand, the financial situation of southern banks deteriorated most rapidly during 1986. The South's declining energy sector likely contributed greatly to these banking problems. Several of the States most affected by energy sector problems--Texas, Louisiana, and Oklahoma--are in the South, which contributed to the rapidly increasing bank problems there.

Banks in the West or Northeast hardly affected unweighted and weighted national nonmetro statistics. Of the Nation's 7,569 nonmetro-headquartered banks, 52 percent were in the North Central region and 37 percent were in the South. Thus, banks in these regions dominated the unweighted statistics. Holding 84 percent of the assets in U.S. nonmetro banks, banks in these regions also dominated weighted nonmetro statistics.

Western banks differed significantly from, and were generally more troubled than, banks elsewhere. This difference partially stems from the West's high proportion of new banks. When new banks were excluded from the tabulation of data for U.S. and western banks, differences between western and national unweighted statistics, particularly income and loan items, narrowed but did not reverse or disappear.<sup>21/</sup>

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<sup>21/</sup> Twenty-nine percent of western banks were new. Comparable figures for other regions were: South, 18 percent; Northeast, 7 percent; and North Central, 3 percent. An extreme example of the influence of new banks was the return on assets of western metro banks, of which 37 percent were new (down from 41 percent a year earlier). On an unweighted basis, western metro banks averaged a net loss, but mature western banks had profits equal to 65 percent of the national average. However, weighted profits of western banks were the same (58 percent of the U.S. average) for all banks and for mature banks.

Table 9--Selected commercial bank statistics for regions, indexed to all U.S. banks' value, December 1986 <sup>1/</sup>

Item and weight status	West			North Central		
	Nonmetro	Metro	Total	Nonmetro	Metro	Total
	<u>Number</u>					
Total banks	628	985	1,613	3,922	2,167	6,089
New banks <sup>2/</sup>	95	367	462	81	79	160
	<u>Ratio to all banks</u>					
Total banks	.04	.07	.12	.28	.15	.43
Assets per bank	.20	2.13	1.38	.18	1.09	.50
Government securities, share of assets:						
Unweighted	.90	.46	.63	1.34	1.04	1.23
Weighted	1.64	.57	.63	2.26	1.21	1.46
Total loans, share of assets:						
Unweighted	1.01	1.18	1.11	.88	1.01	.92
Weighted	.88	1.12	1.11	.79	.97	.93
Agricultural loans, share of loans:						
Unweighted	1.13	.15	.53	2.29	.52	1.66
Weighted	5.73	.82	1.04	10.03	.66	2.46
Nonagricultural business loans, share of loans:						
Unweighted	1.30	1.51	1.43	.74	1.08	.86
Weighted	.93	.97	.97	.58	1.03	.94
Total business loans, share of loans:						
Unweighted	1.23	.96	1.06	1.37	.85	1.18
Weighted	1.26	.96	.98	1.26	1.00	1.05
Home mortgages, share of loans:						
Unweighted	.78	.87	.84	.91	1.19	1.01
Weighted	1.37	1.22	1.23	1.76	1.03	1.17
Large time deposits, share of deposits:						
Unweighted	1.06	1.30	1.20	.49	.69	.56
Weighted	.84	.98	.97	.41	.83	.72
Loan-loss provision, share of loans:						
Unweighted	1.29	.88	1.04	1.32	.53	1.04
Weighted	1.81	1.24	1.26	1.55	.95	1.07
Capital, share of assets:						
Unweighted	.99	1.02	1.01	1.01	.92	.97
Weighted	1.12	.99	1.00	1.17	1.00	1.04
Problem loans, share of capital:						
Unweighted	1.59	1.19	1.35	1.07	.58	.89
Weighted	1.53	1.44	1.45	.91	.72	.77
Net income:						
Share of assets--						
Unweighted	-.11	-.16	-.13	1.03	2.13	1.42
Weighted	.36	.58	.57	.94	1.39	1.28
Share of equity <sup>3/--</sup>						
Weighted	.29	.65	.62	.70	1.33	1.16

See footnotes at e.d of table.

Continued--

Table 9--Selected commercial bank statistics for regions, indexed to all U.S. banks' value, December 1986 1/--Continued

Item and weight status	South			Northeast			All banks
	Nonmetro	Metro	Total	Nonmetro	Metro	Total	
	<u>Number</u>						
Total banks	2,777	2,647	5,424	242	640	882	14,008
New banks 2/	194	788	982	4	60	64	1,668
	----- <u>Ratio to all banks</u> -----						1,000 dollars
Total banks	.20	.19	.39	.02	.05	.06	NA
Assets per bank	.26	1.17	.70	.59	7.47	5.58	207,208
							<u>Percent</u>
Government securities, share of assets:							
Unweighted	1.10	.65	.88	.91	.74	.79	25.42
Weighted	1.95	1.14	1.29	1.52	.64	.66	14.55
Total loans, share of assets:							
Unweighted	.98	1.09	1.03	1.12	1.12	1.12	51.85
Weighted	.88	1.01	.98	1.01	1.01	1.01	60.26
Agricultural loans, share of loans:							
Unweighted	.90	.16	.54	.22	.07	.11	15.77
Weighted	3.74	.46	1.47	.90	.11	.13	2.54
Nonagricultural business loans, share of loans:							
Unweighted	.85	1.20	1.03	.75	1.14	1.04	23.04
Weighted	.63	.90	.85	.58	1.18	1.16	34.41
Total business loans, share of loans:							
Unweighted	.87	.78	.83	.54	.71	.66	38.81
Weighted	.84	.89	1.26	.61	1.10	1.09	36.95
Home mortgages, share of loans:							
Unweighted	1.08	.87	.98	1.64	1.26	1.37	21.24
Weighted	1.86	.96	1.11	2.17	.66	.70	12.45
Large time deposits, share of deposits:							
Unweighted	1.11	1.85	1.47	.54	.83	.75	12.11
Weighted	.87	1.32	1.22	.43	1.05	1.02	15.41
Loan-loss provision, share of loans:							
Unweighted	.98	1.15	1.06	.21	.29	.27	1.77
Weighted	1.20	1.29	1.28	.34	.63	.62	1.21
Capital, share of assets:							
Unweighted	1.06	1.00	1.03	1.00	.96	.97	9.46
Weighted	1.20	.99	1.03	1.09	.95	.96	7.76
Problem loans, share of capital:							
Unweighted	.92	1.30	1.11	.38	.47	.44	24.83
Weighted	.71	1.07	.99	.38	.97	.95	22.59
Net income:							
Share of assets--							
Unweighted	1.71	-.55	.61	3.08	2.45	2.61	.38
Weighted	1.33	.68	.80	1.82	1.15	1.17	.61
Share of equity 3/--							
Weighted	.97	.66	.74	1.45	1.29	1.30	9.81

NA = Not applicable.

1/ U.S. (50 States) commercial banks with deposits insured by the FDIC and that reported positive assets as of December 31, 1986. An unweighted portfolio share is the mean value of that item over all banks in the category. Bank category totals of the numerator and denominator items are used to calculate weighted portfolio shares. Table values are the ratio of the mean value for each bank divided by that for all U.S. banks. Column and row headings are defined in appendix 1.

2/ New banks started 1/1/81 or later. New banks include replacements for banks failed or closed.

3/ The unweighted index was not useful here. A small number of banks with low or negative equity capital can dominate the unweighted mean for all banks because of the extreme ratios those few banks may bring to index's denominator. These banks were generally smaller and had little effect on the weighted mean and index.

Table 10--Selected U.S. commercial bank statistics for regions, December 1986 as a percentage of December 1985 <sup>1/</sup>

Item and weight status	West			North Central		
	Nonmetro	Metro	Total	Nonmetro	Metro	Total
	<u>Percent of number</u>					
All banks	97	98	98	98	96	97
New banks <sup>2/</sup>	83	89	87	91	74	82
	<u>Percent of value</u>					
Assets per bank	104	104	104	107	112	109
Government securities, share of assets:						
Unweighted	100	95	98	102	96	100
Weighted	101	101	101	101	99	100
Total loans, share of assets:						
Unweighted	95	97	96	94	99	95
Weighted	94	99	100	95	100	99
Agricultural loans, share of loans:						
Unweighted	102	91	99	98	97	98
Weighted	97	86	88	94	85	87
Nonagricultural business loans, share of loans:						
Unweighted	96	97	97	95	98	96
Weighted	97	97	97	96	101	100
Total business loans, share of loans:						
Unweighted	98	97	97	97	98	97
Weighted	97	97	98	97	100	98
Home mortgages, share of loans:						
Unweighted	109	103	106	107	102	105
Weighted	111	96	97	108	96	98
Large time deposits, share of deposits:						
Unweighted	84	83	83	90	86	88
Weighted	84	81	81	89	85	86
Loan-loss provision, share of loans:						
Unweighted	115	117	116	101	92	100
Weighted	100	104	103	82	111	104
Capital, share of assets:						
Unweighted	96	89	92	98	98	97
Weighted	99	100	101	99	101	100
Problem loans, share of capital:						
Unweighted	106	113	110	104	91	101
Weighted	106	101	102	96	88	90
Net income:						
Share of assets--						
Unweighted	-23*	-122*	-49*	78	96	87
Weighted	58	106	102	96	107	105
Share of equity <sup>3/--</sup>						
Weighted	59	102	99	97	108	106

See footnotes at end of table.

Continued--

Table 10--Selected U.S. commercial bank statistics for regions, December 1986 as a percentage of December 1985 1/--Continued

Item and weight status	South			Northeast			All banks
	Nonmetro	Metro	Total	Nonmetro	Metro	Total	
	<u>Percent of number</u>						
All banks	98	99	99	95	95	95	98
New banks 2/	105	103	103	100	107	107	96
	<u>Percent of value</u>						
Assets per bank	108	109	108	122	115	115	109
Government securities, share of assets:							
Unweighted	94	87	92	87	81	83	96
Weighted	95	100	98	179	95	94	98
Total loans, share of assets:							
Unweighted	99	97	97	103	106	105	97
Weighted	100	99	99	103	102	102	100
Agricultural loans, share of loans:							
Unweighted	98	97	98	96	96	95	98
Weighted	94	94	136	136	97	95	88
Nonagricultural business loans, share of loans:							
Unweighted	94	95	95	96	100	100	96
Weighted	94	96	95	101	96	96	97
Total business loans, share of loans:							
Unweighted	96	95	96	97	100	99	97
Weighted	94	98	140	102	96	96	97
Home mortgages, share of loans:							
Unweighted	110	108	109	105	106	106	106
Weighted	110	109	108	103	112	111	103
Large time deposits, share of deposits:							
Unweighted	98	99	99	96	99	98	94
Weighted	95	91	92	98	92	92	89
Loan-loss provision, share of loans:							
Unweighted	122	146	134	89	132	119	113
Weighted	107	136	133	92	118	116	114
Capital, share of assets:							
Unweighted	99	88	93	98	89	91	95
Weighted	100	102	101	99	102	102	101
Problem loans, share of capital:							
Unweighted	133	150	143	82	102	96	117
Weighted	111	119	118	85	101	101	103
Net income:							
Share of assets--							
Unweighted	78	-87*	43	99	106	103	68
Weighted	85	60	66	101	98	98	91
Share of equity 3/--							
Unweighted	86	61	68	102	96	97	91

\*1986 value is negative.

1/ U.S. (50 States) commercial banks with deposits insured by the FDIC and that reported positive assets as of December 31, 1986. An unweighted portfolio share is the mean value of that item over all banks in the category. Bank category totals of the numerator and denominator items are used to calculate weighted portfolio shares. Table values are the ratio of the mean value for each bank divided by that for all U.S. banks. Column and row headings are defined in appendix 1.

2/ New banks started 1/1/81 or later. New banks include replacements for banks failed or closed.

3/ The unweighted index was not useful here. A small number of banks with low or negative equity capital can dominate the unweighted mean for all banks because of the extreme ratios those few banks may bring to index's denominator. These banks were generally smaller and had little effect on the weighted mean and index.

When comparing all banks by metro/nonmetro location and region, many differences in operation and performance were observed, even in weighted statistics. For example:

Western banks--

- o Had high levels of problem loans and high expenditures for loan-loss provisions,
- o Showed low profits: down 40 percent from already below-average 1985 levels for nonmetro banks, but slightly improved for metro banks,
- o Held a substantial share of assets in loans, and
- o Had a large average bank size and only 6 percent of bank assets controlled by nonmetro banks, probably because of extensive branch banking. [Western States had few branching restrictions. Statewide branching was prevalent in 9 of the 13 States at the beginning of 1986 (2, p. 83).]

North Central banks--

- o Were small but numerous, with 43 percent of all U.S. banks but only 22 percent of bank assets,
- o Lent a smaller share of funds,
- o When nonmetro, made more agricultural and total business loans,
- o Had a decline in agricultural lending, particularly by metro and larger banks,
- o Held many home mortgage loans, second only to banks in the West,
- o Received fewer deposits from noninterest-bearing (business checking) accounts and large time deposits,
- o When nonmetro, had higher expenditures for loan-loss provisions, but expenditures were down from the previous year,
- o Had a low level of problem loans (also below that of a year earlier), and
- o When metro, showed high profits.<sup>22/</sup>

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<sup>22/</sup> The financial condition of North Central banks improved relative to other banks during 1986. While the expenditures for loan-loss provisions of nonmetro North Central banks and the levels of problem loans of both nonmetro and metro North Central banks fell during 1986, national levels of both rose. The profit rates of North Central banks rose in 1986, while profits of all U.S. banks fell from 1985 levels.



#### Southern banks--

- o Contained 39 percent of all U.S. banks, with 27 percent of U.S. bank assets,
- o Were often new, with 59 percent of the U.S. new bank total,
- o When new, were mostly metro,
- o Although generally in adequate financial shape, the financial condition deteriorated faster than that of banks in any other region 23/,
- o When nonmetro, showed above-average profits,
- o When metro, showed below-average profits, partly because of the influence of new banks 24/, and
- o Had the second-lowest level of nonmetro agricultural loans (behind the Northeast).

#### Northeastern banks--

- o Faced few intrastate branching restrictions,
- o Averaged at least twice the size of banks in any other region,
- o Were mostly metro (27 percent of the region's banks were nonmetro, but northeastern nonmetro banks held only 3 percent of the region's bank assets),
- o Contained only 6 percent of U.S. banks but 35 percent of all bank assets, due largely to money center banks in New York City,
- o Experienced more consolidation during 1986 than did banks elsewhere (the largest drop in bank numbers, 5 percent, and the largest increase in assets per bank, 15 percent, were both in the Northeast),
- o Were the Nation's most profitable nonmetro banks,
- o If metro, were also generally more profitable,
- o Experienced a 2-percent drop in profits, compared with 9 percent nationally,

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23/ Some of the States most affected by problems in the energy sector, particularly Texas, Oklahoma, and Louisiana, are in the South. Condition is judged by expenditures for loan-loss provisions, problem loans, and income.

24/ Even the weighted metro statistics of southern banks were influenced by new banks, which held nearly 8 percent of metro bank assets. Southern banks' weighted index for net income's share of assets was 0.83 for mature banks. That share for all banks was only 0.68.

- o Had very low expenditures for loan-loss provisions,
- o Held low levels of problem loans, except for a few very large banks that raised the weighted metro and the overall levels (probably caused by the troubled international loans of some of the Nation's largest banks),
- o Did not depend heavily on large time deposits, particularly if nonmetro 25/, and
- o Had low levels of business loans and high levels of home mortgages, except for large urban banks where the opposite was true.26/

### Conclusions

Nonmetro bank-operating statistics often differ significantly from those of metro banks, both in total and by various classifications. This report presents both weighted and unweighted 1986 statistics, updating and building on a similar report for 1985. New banks were occasionally a major complicating factor, particularly for unweighted statistics, because new banks were more concentrated in certain bank classifications and more prone to extreme values.

Banks generally did more poorly in 1986 than in 1985. Based on weighted statistics, the aggregate bank profit rate fell 9 percent, expenditures for loan-loss provisions rose 14 percent, and levels of problem loans rose 3 percent. The largest banks were the only group that was better capitalized at the end than at the beginning of 1986. But large banks were still the most thinly capitalized of banks. As a group, large banks barely exceeded the minimally acceptable capital threshold of 7 percent. The greater diversification of large banks can, however, reduce the risk inherent in lower capital levels.

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25/ One might note that throughout these tables, large time deposits seem more often used by banks in categories showing financial problems. Consistent with this observation, banks in the Northeast, despite their larger average size, did not depend heavily on large time deposits. This situation was true despite the extensive use of such deposits by money center banks. There were 16 U.S. banks with assets over \$20 billion at the end of 1986 (not including banks that reached the \$20-billion threshold only by combining assets with their HC affiliates). Of these, 10 were in the Northeast, and 8 of those received an above-average share (over 15.4 percent) of deposits from large CD's (certificates of deposit). Three more than doubled the national average share of deposits from CD's.

26/ These loan levels exclude lending activities by nonbank mortgage-lending subsidiaries of banking firms. Such subsidiaries are most often associated with large banks, perhaps explaining large banks' relatively small holdings of home mortgage loans.

Certain nonmetro/metro differences found for all banks also held within more narrow bank classifications such as size, loan and capital problems, market extension, and region. For example, compared with metro banks, nonmetro banks:

- o Held fewer assets in loans and more in Government securities,
- o Made fewer loans to nonagricultural businesses and more total business loans (combines nonagricultural and agricultural businesses),
- o Made less use of large time deposits, which generally had higher interest costs but lower per transaction (handling) costs per dollar deposited, and
- o Earned a higher rate of return on assets but not on equity.

Many observations were made from these tabulations, including:

- o Very large banks and loan-troubled banks had the highest proportions of large time deposits.
- o Nonmetro banks that were part of large multibank HC's or part of geographically extensive banking organizations had more loan problems and lower profits. Many of these banks were troubled agricultural banks.
- o New banks were typically well capitalized but not very profitable.
- o Western banks were the least profitable, even after removing the significant income-lowering effect of new banks. Northeastern banks were the most profitable. Southern banks showed the largest drop in profits.

The above characteristics were mostly unchanged from the end of 1985. But there were also many changes during the year, including:

- o Many banks consolidated, with a 2-percent decline in the number of banks, a 9-percent increase in average bank size, and an increasing market share for banks with branches in several markets and for those associated with multibank HC's. Both nonmetro and metro consolidation advanced fastest in the Northeast.
- o The share of assets claimed by Government securities was unchanged, but the dominant share of Federal securities increased at the expense of State and local issues.
- o The loan-to-asset ratio declined for both nonmetro and metro banks, indicating greater potential for new lending at year's end.

- o Loan portfolios shifted away from business loans, both agricultural and nonagricultural, and toward home mortgages and personal loans.
- o While they continued to be well capitalized, the smallest nonmetro banks experienced a 42-percent drop in profits from an already below-average 1985 level.
- o Loans secured by real estate continued to claim a minority share of agricultural loans held by banks. But the portion so secured increased to 29 percent from 24 percent a year earlier.
- o The number of banks with troubled loans in excess of capital increased more than 50 percent over the year, with the largest percentage increase in southern banks, particularly in southern metro areas.
- o The number of undercapitalized banks increased nearly as fast as the number with loan troubles.
- o Both nonmetro and metro banks that were part of geographically extensive organizations, by either branching or common HC ownership, were moving away from agricultural lending faster than other banks.
- o The financial situation of southern banks deteriorated more rapidly than that of banks in other regions, likely because of growing problems in the energy sector.

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## Appendix 1: Banking Terms and Definitions

Selected bank-operating statistics and bank classifications cited in the tables are defined below.

### Operating Statistics

**Agricultural loans:** Loans for agricultural uses not secured by farm real estate plus loans secured by farm real estate.

**Banks:** Commercial banks reporting a nonzero level of assets and loans on December 31, 1986.

**Business loans:** The sum of agricultural and nonagricultural business loans. (See definitions of agricultural loans and nonagricultural business loans in this section.)

**Capital:** The sum of equity capital plus loan- (and lease-) loss allowance, mandatory convertible debt, minority interest in subsidiaries, limited-life preferred stock, and subordinated notes and debentures; minus equity commitment notes (debt repaid only by stock sales) and intangible assets (usually the excess of asset purchase price over book value) (1, 5).

**Federal funds sales:** Sales of Federal funds (the loan of balances held at the district Federal Reserve Bank in excess of those necessary to meet the bank's legal reserve requirements; usually loans are for 1 day) and purchases of securities through repurchase agreements.

**Federal funds purchases:** Purchases of Federal funds [the borrowing of balances held at the district Federal Reserve Bank by the lending (selling) bank, in order to meet legal reserve requirements] and sales of securities through repurchase agreements.

**Government deposits:** Monetary deposits from Federal, State, or local governments or their agencies. Deposit items exclude deposits in foreign offices.

**Government securities:** Bank holdings of bonds issued by Federal, State, or local governments or their agencies.

**Home mortgages:** Loans secured by mortgages on residential buildings with one to four dwelling units and mortgage-backed securities, unless that security is guaranteed by the Federal Government or by a State or local government.

**Interest-bearing deposits:** All deposits on which the bank pays compensation for use of the funds. While usually paid as interest, such compensation may also include cash, property, merchandise, or an initial discount off the deposit's face value.

**Large time deposits:** Mostly time deposit certificates (CD's) of over \$100,000, but also including some open-account time deposits totaling over \$100,000. Time deposits are payable on a specified date at least 7 days after being received by the bank or (for some accounts) after a redrawing request and a minimum waiting period of 7 days.

**Loan-loss provisions:** Funds set aside during the year for loan and lease losses anticipated by bank management (whether or not losses were actually taken during the year), minus loan-loss recoveries (any excess of the loss provision for a particular loan over the amount actually lost). These funds are placed into the loan-loss allocation, from which they are disbursed when losses are actually taken. Funds in the loan-loss allocation at any time approximate all anticipated future losses on the current loan and lease portfolios.

**Nonagricultural business loans:** Loans for commercial or industrial purposes made to business enterprises or individuals, excluding those used for agricultural purposes and excluding those secured primarily by real estate.

**Problem loans:** Loans and lease-financing receivables either restructured (modified because of a borrower's deteriorating financial condition and in compliance with the modified terms), past-due at least 90 days, or nonaccrual (as defined by the bank, generally such loans are past-due and without a reasonable expectation of becoming current). Restructuring usually makes the new loan current by rolling into it previously past-due amounts. Restructuring may also be structured to lower the periodic loan payments.

### **Bank Classifications**

Banks are classified by several criteria in this report. Operating statistics are used to identify banks by loan portfolios (such as agricultural and 25-percent agricultural), size, high levels of problem loans, and low levels of capital (such as minimum-capital and undercapitalized). Location parameters of the bank's headquarters identify banks by the environment within which they operate. These location elements show the county's major economic sectors (such as agriculture and energy), rural/urban nature (such as major metro, totally rural, nonmetro, and metro), and region. Banks are also identified by characteristics of the banking organization of which they are a part (such as bank holding company type, market extension, and age).

**Agricultural banks:** Banks with an agricultural loan share of all loans, excluding lease-financing receivables, equal to or greater than the unweighted mean for all banks (Federal Reserve definition) (7, p. 85).

**Agricultural county:** A county in the 48 contiguous States that received at least 20 percent of its 1975-79 proprietor and laborer income from agriculture (14, p. 14).

**Bank holding company (HC) type:** Non-HC banks are banks not owned by an HC. One-bank HC banks are owned by an HC that owns no other banks. Limited multibank HC banks are owned by HC's owning two to nine banks, with assets of all banks totaling under \$1 billion. Large multibank HC banks are banks owned by HC's, which either own 10 or more banks or have total bank assets of at least \$1 billion.

**Bank size:** Very small banks have total assets under \$25 million. Small banks have total assets of at least \$25 million but under \$100

million. Medium banks have assets totaling at least \$100 million but under \$1 billion. Large banks have total assets of \$1 billion or more.

**Energy-dependent county:** A county in the 48 contiguous States with at least 20 percent of its 1975-79 proprietor and laborer income from oil or gas drilling or from coal mining (14, p. 17).

**Loan-troubled banks:** Banks with problem loans equal to at least 100 percent of total capital (1, 3). (See definition of problem loans in "Operating Statistics" above.)

**Minimum-capital banks:** Banks with total capital equal to at least 6 percent, but not more than 7 percent, of assets.

**Major metro:** Counties that are part of a metropolitan area with a total population of at least 1 million.

**Market extension of bank organization:** The number of markets in which a bank organization has offices and branches. A local organization has offices/branches in one market. A restricted organization has offices/branches in two to five markets. An extensive organization has offices/branches in six or more markets. The bank organization is a single bank if that bank is not owned by a multibank HC. Otherwise, the organization is all banks owned by the HC. Each nonmetro county and each metro area (may be more than one county) is a single market. A bank with branches in several counties is still a single firm with one set of operating statistics reported to regulators at the consolidated firm level. Thus, this report treats that firm as a single bank at the headquarter's location, although the market extension variable may show that the bank actually operates, through branches, in several markets.

**New banks:** Banks no more than 6 years old, based on their reported start date.

**Nonmetro/metro:** Counties designated as metropolitan statistical areas on the basis of the 1980 Census of Population are metro, and all others are nonmetro.

**Regions:** The following regions are from the U.S. Department of Commerce, Bureau of the Census definitions. West: AK, AZ, CA, CO, HI, ID, MT, NV, NM, OR, UT, WA, WY. Northeast: CT, ME, MA, NH, NJ, NY, PA, RI, VT. South: AL, AR, DE, DC, FL, GA, KY, LA, MD, MS, NC, OK, SC, TN, TX, VA, WV. North Central: IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, WI.

**Totally rural:** Nonmetro counties with no community of over 2,500 people and not adjacent to a metro county.

**25-percent agricultural banks:** Banks with agricultural loans equal to at least 25 percent of all loans (FDIC definition).

**Undercapitalized banks:** Banks with total capital equal to less than 6 percent of assets.



## Appendix 2: Statistical Methods

Unweighted and weighted banking statistics of any portfolio item (referred to as "a") as a percentage of another portfolio item (referred to as "b") were calculated in the following manner:

$$s_j^{abu} = 100 \times \frac{\sum_{i=1}^{n_j} (a_{ij}/b_{ij})}{n_j}$$

$$s_j^{abw} = 100 \times \frac{\sum_{i=1}^{n_j} a_{ij}}{\sum_{i=1}^{n_j} b_{ij}}$$

where:

$s_j^{abu}$  = Unweighted statistic of item a as a percentage of item b for bank category j,

$s_j^{abw}$  = Weighted statistic of item a as a percentage of item b for bank category j,

j = Category of bank (such as banks headquartered in agricultural counties),

i = Bank number within category j,

$n_j$  = Number of banks in category j,

$a_{ij}$  = Value of portfolio item a of bank i in category j,

$b_{ij}$  = Value of portfolio item b of bank i in category j, and

T = Total for all U.S. banks.

When the bank statistic is a single item in the bank portfolio rather than a percentage or ratio of two items, the concept of weighting is not applicable and the tables show that item's mean value per bank. In terms of the formulas just presented,  $b_{ij}$  always equals 1 and,

$$s_j^{abu} = 100 \times \frac{\sum_{i=1}^{n_j} a_{ij}}{n_j} = s_j^{abw}$$

All text tables use an index that is the ratio of a category's statistic to the corresponding statistic for all banks,

$$x_j^{abu} = s_j^{abu} / s_T^{abu} \quad \text{and} \quad x_j^{abw} = s_j^{abw} / s_T^{abw}$$

where:

$x_j^{abu}$  = Unweighted index of item a as a percentage of item b for bank category j, and

$x_j^{abw}$  = Weighted index of item a as a percentage of item b for bank category j.

Appendix table 1--Nonmetro banks: Mean levels of asset, liability, income, and expense items, 1986

Bank classification	Banks	Assets	Cash	Government securities		Federal funds		Total loans
				United States	State and local	Sales	Purchases	
		-1,000 dollars-						
		Number						
All nonmetro banks	7,569	45,979	2,424	9,780	3,738	2,879	616	23,570
Branch banking status:								
Unit	3,023	33,828	1,794	8,332	2,383	2,471	322	15,699
Limited	3,753	47,197	2,351	10,283	4,011	2,980	492	24,003
Statewide	793	86,539	5,163	12,923	7,610	3,958	2,327	51,529
County type:								
Totally rural	1,079	25,211	1,222	6,559	2,026	1,576	106	11,686
Agricultural	2,213	28,071	1,387	7,683	1,986	1,938	145	12,545
Energy	557	48,569	2,295	10,799	4,577	3,372	535	23,578
Bank size:								
Very small	3,231	14,571	782	3,657	761	1,057	41	6,878
Small	3,675	48,703	2,418	11,277	4,149	3,289	306	23,772
Medium	654	165,845	9,267	28,805	14,584	9,363	4,317	92,360
Large	9	1,499,351	96,607	214,538	116,306	18,225	64,825	934,826
Holding company type:								
Non-NC or one-bank NC	5,854	40,130	2,065	9,243	3,415	2,424	329	19,805
Limited multibank NC	1,002	47,874	2,550	9,611	4,007	2,536	643	25,428
Large multibank NC	713	91,341	5,193	14,429	6,016	7,100	2,940	51,872
Bank type:								
Agricultural	4,139	31,495	1,534	8,426	2,319	2,108	197	14,354
25-percent agricultural	3,188	28,511	1,376	8,116	2,012	1,861	133	12,576
Loan-troubled	280	27,072	1,506	4,745	925	1,449	204	15,983
Minimum capital	450	57,832	3,413	9,273	3,192	5,598	1,304	32,108
Undercapitalized	244	31,124	1,873	5,745	828	2,084	190	17,369
New	374	23,159	1,379	4,107	521	1,520	952	12,548
Mature	7,195	47,166	2,478	10,075	3,905	2,950	599	24,143
Firm's market extension:								
Local	5,566	35,981	1,805	8,582	3,099	2,263	227	17,278
Restricted	1,182	54,549	2,852	10,870	4,591	3,177	641	28,987
Extensive	821	101,428	5,997	16,332	6,842	6,627	3,218	58,427
Region:								
West	628	41,647	2,767	7,504	2,455	3,468	796	22,041
North Central	3,922	36,849	1,788	9,559	2,586	2,397	380	17,484
South	2,777	53,296	2,875	10,096	5,005	3,260	670	28,117
Northeast	242	121,231	6,652	15,654	11,207	4,787	3,357	73,988

Continued--

Appendix table1--Nonmetrobanks: Mean levels of asset, liability, income, and expense items, 1986--Continued

Bank classification	Loans					Total Liabilities	
	Business		Nonagri- cultural	Home mortgages	Personal		Depository institutions
	Agricultural						
	Operating	Real estate					
	1,000 dollars						
All nonmetro banks	2,546	1,056	5,109	5,327	5,261	140	42,174
Branch banking status:							
Unit	3,067	917	3,696	2,668	2,915	89	30,974
Limited	2,176	1,200	5,017	5,927	5,525	69	43,239
Statewide	2,310	901	10,931	12,625	12,952	672	79,824
County type:							
Totally rural	2,996	877	2,022	2,291	2,072	23	22,929
Agricultural	3,777	1,172	2,225	1,890	2,013	32	25,575
Energy	1,627	559	6,281	5,748	5,389	194	44,098
Bank size:							
Very small	1,614	478	1,262	1,320	1,440	12	13,250
Small	3,038	1,326	4,873	5,662	5,087	64	44,518
Medium	4,254	2,249	22,633	20,898	21,919	974	153,200
Large	11,765	11,459	209,057	175,485	237,434	16,323	1,400,511
Holding company type:							
Non-HC or one-bank HC	2,555	1,018	4,172	4,521	4,298	63	36,640
Limited multibank HC	2,464	1,074	6,070	5,689	5,426	64	44,004
Large multibank HC	2,585	1,340	11,451	11,436	12,934	879	85,034
Bank type:							
Agricultural	3,907	1,368	2,736	2,317	2,383	33	28,750
25-percent agricultural	4,319	1,323	2,262	1,684	1,827	20	25,983
Loan-troubled	3,739	948	4,394	2,182	2,498	15	25,954
Minimum capital	2,319	995	6,915	8,116	7,423	123	54,525
Undercapitalized	2,793	922	4,473	3,243	3,068	10	30,084
New	807	315	2,865	2,589	3,601	68	21,268
Mature	2,636	1,094	5,226	5,469	5,347	144	43,260
Firm's market extension:							
Local	2,449	969	3,570	3,961	3,697	42	32,776
Restricted	2,729	1,229	6,630	6,746	6,250	99	50,161
Extensive	2,940	1,394	13,356	12,545	14,436	865	94,386
Region:							
West	2,824	379	7,023	3,760	4,133	61	38,446
North Central	3,237	1,207	3,499	3,829	3,324	63	33,803
South	1,650	1,019	6,101	6,517	6,942	102	48,771
Northeast	895	790	14,859	20,021	20,281	2,031	111,789

Continued--

Appendix table 1--Nonmetro banks: Mean levels of asset, liability, income, and expense items, 1986--Continued

Bank classification	Deposits							
	Total	Domestic	Depository institutions	Government		Large time (over \$100,000)	Total	
				United States	State and local		Interest-bearing	Transaction accounts
	<u>1,000 dollars</u>							
All nonmetro banks	40,873	40,873	122	69	3,121	4,035	34,850	11,058
Branch banking status:								
Unit	30,204	30,204	165	52	2,804	3,634	25,941	8,341
Limited	42,030	42,030	86	72	3,131	3,931	36,094	10,991
Statewide	76,071	76,071	123	119	4,283	6,056	62,923	21,729
County type:								
Totally rural	22,483	22,483	36	51	1,943	1,846	19,452	6,209
Agricultural	25,020	25,020	33	41	1,964	1,991	21,786	6,732
Energy	42,898	42,898	119	58	3,910	6,381	36,737	11,172
Bank size:								
Very small	13,032	13,032	30	23	1,126	1,168	11,150	3,648
Small	43,560	43,560	70	73	3,385	4,121	37,516	11,537
Medium	145,935	145,935	835	246	10,524	15,770	122,862	39,899
Large	1,304,224	1,304,224	2,584	2,288	73,664	145,352	1,059,020	379,504
Holding company type:								
Non-NC or one-bank NC	35,767	35,767	70	56	2,801	3,557	30,592	9,583
Limited multibank NC	42,629	42,629	195	98	3,356	4,476	36,348	11,512
Large multibank NC	80,329	80,329	440	138	5,421	7,340	77,703	22,528
Bank type:								
Agricultural	28,109	28,109	47	43	2,270	2,353	24,427	7,535
25-percent agricultural	25,443	25,443	32	39	2,049	2,005	22,199	6,802
Loan-troubled	25,341	25,341	102	32	2,345	3,012	21,780	6,844
Minimum capital	52,574	52,574	382	90	3,576	5,131	44,757	14,674
Undercapitalized	29,340	29,340	108	37	2,407	3,515	25,113	8,075
New	19,723	19,723	184	27	1,532	3,417	16,832	5,130
Mature	41,972	41,972	118	71	3,204	4,067	35,787	11,366
Firm's market extension:								
Local	32,070	32,070	71	49	2,591	3,235	27,554	8,557
Restricted	48,716	48,716	135	97	3,723	4,678	41,553	13,049
Extensive	89,265	89,265	443	163	5,849	8,535	74,665	25,159
Region:								
West	37,101	37,101	151	68	4,234	4,824	30,472	11,775
North Central	32,848	32,848	59	52	2,478	2,066	28,713	8,457
South	47,362	47,362	199	85	3,491	6,381	39,761	13,048
Northeast	106,252	106,252	172	177	6,415	6,974	89,309	28,491

Continued--

Appendix table 1--Nonmetro banks: Mean levels of asset, liability, income, and expense items, 1986--Continued

Bank classification	Loan-loss provision	Capital			Problem loans	Income		Expenses		Adjusted net income
		Equity	Primary	Total		Interest	Non-interest	Interest	Non-interest	
<u>1,000 dollars</u>										
All nonmetro banks	369	3,806	4,144	4,175	780	4,112	283	2,399	1,322	317
Branch banking status:										
Unit	369	2,854	3,144	3,154	724	3,028	192	1,803	930	158
Limited	378	3,958	4,294	4,322	805	4,252	277	2,497	1,337	332
Statewide	333	6,715	7,243	7,373	876	7,581	655	4,206	2,744	847
County type:										
Totally rural	256	2,282	2,491	2,493	540	2,289	118	1,330	676	154
Agricultural	317	2,496	2,731	2,736	609	2,521	136	1,504	737	130
Energy	465	4,471	4,848	4,867	1,077	4,407	266	2,515	1,422	325
Bank size:										
Very small	164	1,321	1,443	1,446	327	1,344	89	763	474	41
Small	420	4,185	4,550	4,566	888	4,399	266	2,585	1,343	336
Medium	1,040	12,643	13,768	13,887	2,284	14,534	1,126	8,518	4,723	1,379
Large	4,889	98,840	108,306	118,400	10,097	123,189	15,692	69,175	49,964	14,351
Holding company type:										
Non-HC or one-bank HC	329	3,490	3,773	3,797	709	3,605	232	2,097	1,133	282
Limited multibank HC	371	3,870	4,213	4,235	818	4,312	302	2,518	1,369	374
Large multibank HC	701	6,307	7,087	7,193	1,308	7,992	678	4,713	2,805	519
Bank type:										
Agricultural	364	2,745	3,011	3,021	714	2,835	159	1,694	843	141
25-percent agricultural	353	2,528	2,775	2,780	682	2,566	134	1,536	741	115
Loan-troubled	1,112	1,118	1,653	1,648	2,971	2,575	238	1,653	1,182	-902
Minimum capital	587	3,305	3,750	3,780	1,158	5,036	417	3,056	1,826	54
Undercapitalized	929	1,040	1,501	1,470	1,908	2,840	258	1,813	1,257	-761
New	192	1,891	2,025	2,031	314	1,899	179	1,101	796	-7
Mature	379	3,905	4,254	4,287	804	4,227	288	2,467	1,349	333
Firm's market extension:										
Local	314	3,205	3,469	3,478	661	3,247	194	1,898	990	245
Restricted	391	4,386	4,747	4,778	886	4,919	347	2,844	1,602	442
Extensive	713	7,042	7,853	8,034	1,432	8,811	792	5,155	3,169	620
Region:										
West	483	3,201	3,603	3,616	1,250	3,782	373	2,061	1,597	90
North Central	328	3,045	3,321	3,338	689	3,293	184	1,992	969	210
South	408	4,525	4,907	4,952	793	4,778	358	2,736	1,557	430
Northeast	301	9,441	10,113	10,271	889	10,607	793	6,010	3,634	1,340

Appendix table 2--Metro banks: Mean levels of asset, liability, income, and expense items, 1986

Bank classification	Banks	Assets	Cash	Government securities		Federal funds		Total loans
				United States	State and local	Sales	Purchases	
		-1,000 dollars-						
		Number						
All metro banks	6,439	396,732	31,860	32,584	17,128	17,753	37,096	243,941
Branch banking status:								
Unit	2,722	152,634	12,963	15,469	6,551	11,001	15,098	89,448
Limited	1,972	265,773	22,708	32,953	15,020	11,896	28,652	157,931
Statewide	1,745	925,493	71,681	58,865	36,009	34,906	80,955	582,133
County type:								
Major metro	1,886	866,852	70,250	52,867	29,618	36,376	88,014	533,943
Other metro	4,553	201,993	15,958	24,182	11,954	10,039	16,004	123,813
Agricultural	72	40,811	3,161	7,374	2,545	2,952	209	21,726
Energy	94	86,052	5,463	12,609	5,228	11,937	2,787	44,065
Bank size:								
Very small	1,499	15,601	1,097	2,462	513	1,373	62	8,528
Small	2,861	53,211	3,663	7,679	3,249	4,504	522	29,492
Medium	1,758	262,478	20,463	33,230	16,870	17,526	10,251	153,821
Large	321	5,973,523	489,253	391,685	219,825	213,584	683,045	3,748,171
Holding company type:								
Non-HC or one-bank HC	3,862	144,744	11,314	17,355	8,154	6,891	7,075	84,391
Limited multibank HC	990	96,095	7,261	14,263	6,620	5,374	3,434	55,166
Large multibank HC	1,587	1,197,495	97,206	81,074	45,521	51,909	131,152	749,971
Bank type:								
Agricultural	565	41,895	2,456	9,424	2,947	2,539	709	21,491
25-percent agricultural	328	34,390	2,057	8,136	2,455	2,235	398	16,987
Loan-troubled	220	140,368	9,409	10,121	3,470	6,018	9,155	88,147
Minimum capital	960	753,537	60,318	48,273	30,934	40,238	74,380	454,785
Undercapitalized	346	357,108	28,126	24,895	8,809	12,692	29,035	250,794
New	1,294	71,007	4,318	3,995	1,201	5,445	7,499	50,576
Mature	5,145	478,654	38,787	39,774	21,133	20,849	44,540	292,574
Firm's market extension:								
Local	4,149	101,731	6,964	13,059	5,887	5,642	4,694	54,904
Restricted	835	465,679	35,038	40,983	23,101	20,633	45,819	265,129
Extensive	1,455	1,198,374	101,030	83,441	45,753	50,637	124,487	770,830
Region:								
West	985	440,920	44,917	24,830	11,793	19,358	24,516	298,726
North Central	2,167	225,961	18,114	28,132	11,816	10,329	22,659	132,727
South	2,647	241,835	20,144	27,026	12,952	14,351	27,883	146,524
Northeast	640	1,547,587	106,769	82,582	60,593	54,492	143,450	939,100

Continued--

Appendix table 2--Metro banks: Mean levels of asset, liability, income, and expense items, 1986--Continued

Bank classification	Loans						Total liabilities
	Business			Home mortgages	Personal	Depository institutions	
	Agricultural		Nonagricultural				
	Operating	Real estate					
	1,000 dollars						
All metro banks	1,921	733	87,461	27,568	43,850	10,681	373,300
Branch banking status:							
Unit	1,058	434	34,880	9,143	12,926	2,604	143,208
Limited	1,388	835	53,542	21,846	33,858	2,908	248,979
Statewide	3,871	1,084	207,813	62,773	103,378	32,064	872,710
County type:							
Major metro	2,941	642	212,615	47,504	73,326	31,167	819,420
Other metro	1,499	771	35,618	19,309	31,640	2,195	188,503
Agricultural	2,750	884	5,094	5,236	3,989	12	37,556
Energy	293	197	16,229	8,058	10,432	379	79,729
Bank size:							
Very small	417	166	2,294	1,991	2,069	13	14,024
Small	627	348	8,288	6,603	6,621	157	49,156
Medium	1,526	888	44,507	27,563	35,199	1,502	244,530
Large	22,648	5,961	1,426,062	333,883	618,143	204,567	5,645,289
Holding company type:							
Non-HC or one-bank HC	1,087	512	26,392	14,023	16,270	1,792	134,889
Limited multibank HC	1,009	440	16,020	9,887	12,133	500	89,219
Large multibank HC	4,521	1,455	280,640	71,560	130,752	38,664	1,130,693
Bank type:							
Agricultural	4,380	1,431	4,289	3,969	4,001	88	38,536
25-percent agricultural	4,693	1,455	2,886	2,787	2,616	61	31,508
Loan-troubled	625	371	34,812	8,690	9,674	1,528	135,271
Minimum capital	2,1	791	162,200	48,451	75,846	23,851	713,598
Undercapitalized	2,934	776	83,769	36,855	44,464	7,547	340,787
New	145	88	13,379	4,784	22,856	545	64,509
Mature	2,368	895	106,093	33,298	49,130	13,230	450,963
Firm's market extension:							
Local	669	360	17,893	8,856	10,194	1,327	94,507
Restricted	1,622	769	106,539	23,528	36,727	17,515	436,450
Extensive	5,665	1,776	274,888	83,245	143,909	33,431	1,132,050
Region:							
West	5,179	1,012	100,108	45,331	55,263	8,240	416,369
North Central	1,541	676	46,963	17,078	30,040	3,538	211,438
South	994	702	45,232	17,598	32,566	2,575	226,572
Northeast	2,032	626	379,772	76,983	119,709	72,146	1,461,927

Continued--

Appendix table 2--Metro banks: Mean levels of asset, liability, income, and expense items, 1986--Continued

Bank classification	Deposits							
	Total	Domestic	Depository institutions	Government		Large time (over \$100,000)	Total	
				United States	State and local		Interest-bearing	Transaction accounts
	1,000 dollars							
All metro banks	301,938	253,301	8,230	731	12,372	41,680	180,320	92,526
Branch banking status:								
Unit	119,160	107,073	5,780	322	7,588	26,151	79,535	35,551
Limited	207,045	199,006	5,647	686	11,629	27,208	147,580	68,851
Statewide	694,287	542,757	14,971	1,418	20,673	82,256	374,533	208,156
County type:								
Major metro	639,742	480,958	19,995	1,309	19,172	89,594	320,289	190,341
Other metro	162,008	158,998	3,356	491	9,555	21,832	122,340	52,008
Agricultural	36,649	36,649	89	47	2,663	3,803	30,369	10,845
Energy	76,115	76,115	1,246	116	5,940	12,380	63,511	20,723
Bank size:								
Very small	13,723	13,723	186	49	866	2,176	11,200	4,047
Small	47,848	47,828	396	139	2,765	7,221	38,154	14,486
Medium	226,581	225,443	4,704	615	13,316	32,892	175,293	71,785
Large	4,325,180	3,355,979	134,918	9,821	146,558	581,405	2,264,702	1,314,845
Holding company type:								
Non-HC or one-bank HC	122,660	116,651	1,665	320	5,487	16,867	87,182	39,709
Limited multibank HC	84,172	84,150	1,519	206	5,556	12,051	66,566	26,077
Large multibank HC	874,061	691,359	28,391	2,057	33,377	120,545	477,936	262,509
Bank type:								
Agricultural	36,906	36,906	263	54	2,618	3,216	31,365	10,078
25-percent agricultural	30,389	30,389	216	37	2,134	2,566	25,904	8,251
Loan-troubled	118,547	110,021	8,752	406	6,931	36,437	87,965	29,100
Minimum capital	574,047	458,700	13,448	1,583	26,318	76,179	324,028	167,964
Undercapitalized	291,562	270,699	10,937	900	9,437	52,350	200,966	93,546
New	44,717	43,313	2,304	141	1,633	12,995	33,817	12,445
Mature	366,630	306,114	9,720	879	15,073	48,894	217,167	112,667
Firm's market extension:								
Local	85,929	77,769	1,308	206	4,209	13,016	59,476	24,850
Restricted	341,882	260,946	10,196	567	15,230	48,199	184,306	93,554
Extensive	894,974	749,451	26,840	2,320	34,008	119,674	522,626	284,917
Region:								
West	361,445	325,665	7,062	1,190	10,810	48,938	228,033	127,172
North Central	173,130	158,050	5,332	388	8,834	20,306	118,201	53,096
South	185,932	179,978	6,484	624	10,151	36,518	135,266	60,766
Northeast	1,126,278	767,698	27,061	1,627	35,938	124,228	503,558	304,069

Continued--



Appendix table 2--Metro banks: Mean levels of asset, liability, income, and expense items, 1986--Continued

Bank classification	Loan-loss provision	Capital			Problem loans	Income		Expenses		Adjusted net income
		Equity	Primary	Total		Interest	Non-interest	Interest	Non-interest	
<u>1,000 dollars</u>										
All metro banks	2,851	23,420	27,915	30,054	6,982	31,556	5,131	19,067	12,200	2,363
Branch banking status:										
Unit	1,683	9,425	11,238	11,700	3,636	12,022	1,675	7,556	4,415	256
Limited	1,640	16,793	18,962	19,637	3,463	21,180	3,233	12,359	8,373	2,018
Statewide	6,040	52,737	64,048	70,458	16,179	73,753	12,666	44,606	28,667	6,038
County type:										
Major metro	6,205	47,430	58,560	64,151	17,170	67,093	11,767	42,149	25,808	4,366
Other metro	1,461	13,474	15,221	15,931	2,762	16,836	2,382	9,506	6,562	1,533
Agricultural	358	3,255	3,569	3,576	853	3,589	268	2,064	1,254	223
Energy	1,551	6,323	7,149	7,244	3,404	7,465	765	4,460	3,134	-342
Bank size:										
Very small	155	1,577	1,704	1,710	288	1,339	153	718	674	-50
Small	425	4,054	4,453	4,477	898	4,631	478	2,532	1,915	243
Medium	1,911	17,945	20,000	20,556	4,226	21,744	2,624	12,220	8,577	1,631
Large	42,203	328,003	402,779	442,407	107,564	466,379	83,575	289,633	177,528	36,534
Holding company type:										
Non-NC or one-bank NC	832	9,853	11,000	11,287	2,237	11,585	1,502	6,442	4,768	943
Limited multibank NC	720	6,875	7,631	7,737	1,671	8,205	968	4,612	3,286	564
Large multibank NC	9,093	66,755	81,731	89,646	21,843	94,724	16,557	58,810	35,844	6,940
Bank type:										
Agricultural	426	3,357	3,754	3,800	894	3,693	267	2,205	1,205	172
25-percent agricultural	402	2,882	3,223	3,248	804	3,032	207	1,808	971	100
Loan-troubled	5,121	5,097	8,059	8,550	13,698	11,886	1,481	8,235	5,414	-4,725
Minimum capital	4,308	39,872	45,436	47,678	11,283	59,449	10,115	37,368	22,766	4,321
Undercapitalized	4,364	16,321	20,769	17,629	11,003	27,641	4,245	16,256	12,181	-920
New	1,345	6,498	7,487	8,241	1,241	6,792	1,349	3,320	2,761	356
Mature	3,229	27,676	33,053	35,541	8,426	37,784	6,082	23,028	14,574	2,868
Firm's market extension:										
Local	678	7,223	8,084	8,357	1,588	8,233	1,021	4,787	3,139	606
Restricted	2,337	29,224	34,603	37,619	6,407	35,557	5,803	22,589	12,572	3,466
Extensive	9,340	66,273	80,626	87,584	22,694	95,768	16,464	57,769	37,823	6,741
Region:										
West	4,469	24,537	31,129	33,929	11,068	37,180	6,647	20,579	16,701	1,553
North Central	1,524	14,523	16,712	17,484	2,831	18,196	2,884	10,828	6,741	1,900
South	2,292	15,239	17,606	18,488	4,461	19,367	2,727	11,430	7,518	994
Northeast	7,161	85,657	103,539	114,490	25,175	118,550	20,345	76,230	43,117	10,840

Appendix table 3--U.S. banks: Mean levels of asset, liability, income, and expense items, 1986

Bank classification	Banks	Assets	Cash	Government securities		Federal funds		Total loans
				United States	State and local	Sales	Purchases	
-----1,000 dollars-----								
All U.S. banks	14,008	207,208	15,955	20,262	9,893	9,716	17,385	124,867
Branch banking status:								
Unit	5,745	90,118	7,086	11,714	4,358	6,512	7,322	50,641
Limited	5,725	122,486	9,363	18,092	7,803	6,051	10,192	70,135
Statewide	2,538	663,362	50,898	44,510	27,136	25,237	56,388	416,345
County type:								
Agricultural	2,285	28,472	1,443	7,674	2,004	1,970	147	12,834
Energy	651	53,981	2,752	11,061	4,671	4,608	860	26,536
Bank size:								
Very small	4,730	14,197	882	3,278	683	1,157	48	7,401
Small	6,536	50,676	2,963	9,702	3,755	3,821	400	26,276
Medium	2,412	236,277	17,427	32,030	16,250	15,313	8,642	137,156
Large	330	5,851,500	478,544	386,854	217,002	208,256	666,184	3,671,443
Holding company type:								
Non-HC or one-bank HC	9,716	81,713	5,741	12,467	5,298	4,200	3,010	45,477
Limited multibank HC	1,992	71,839	4,892	11,923	5,306	3,946	2,030	40,208
Large multibank HC	2,300	854,587	68,682	60,414	33,275	38,018	91,406	533,560
Bank type:								
Agricultural	4,704	32,744	1,645	8,546	2,394	2,160	258	15,211
25-percent agricultural	3,516	29,060	1,439	8,118	2,053	1,896	158	12,987
Loan-troubled	500	76,922	4,984	7,110	2,045	3,460	4,142	47,735
Minimum capital	1,410	531,503	42,157	35,826	22,080	29,183	51,058	319,888
Undercapitalized	590	222,294	17,269	16,975	5,509	8,305	17,106	154,259
New	1,668	60,278	3,659	4,020	1,049	4,565	6,031	42,050
Mature	12,340	227,069	17,617	22,458	11,088	10,413	18,920	136,062
Firm's market extension:								
Local	9,715	64,061	4,008	10,494	4,290	3,706	2,135	33,347
Restricted	2,017	224,749	16,177	23,336	12,254	10,404	19,344	126,745
Extensive	2,276	802,683	66,750	59,233	31,717	34,762	80,743	513,852
Region:								
West	1,613	285,469	28,506	18,085	8,157	13,171	15,281	191,002
North Central	6,089	104,152	7,598	16,169	5,871	5,220	8,309	58,498
South	5,424	145,306	11,303	18,358	8,883	8,673	13,950	85,902
Northeast	882	1,156,229	79,299	64,219	47,043	40,854	105,012	701,733

Continued--

Appendix table 3--U.S. banks: Mean levels of asset, liability, income, and expense items, 1986--Continued

Bank classification	Loans					Total liabilities	
	Business		Home mortgages	Personal	Depository institutions		
	Agricultural	Nonagri-cultural					
	Operating	Real estate					
	1,000 dollars						
All U.S. banks	2,259	907	42,963	15,550	22,999	4,985	194,381
Branch banking status:							
Unit	2,115	688	18,471	5,736	7,658	1,281	84,151
Limited	1,905	1,074	21,732	11,410	15,285	1,047	114,107
Statewide	3,383	1,027	146,297	47,104	75,124	22,255	624,972
County type:							
Agricultural	3,744	1,163	2,315	1,996	2,075	31	25,952
Energy	1,434	506	7,717	6,081	6,117	221	49,243
Bank size:							
Very small	1,235	379	1,589	1,533	1,640	13	13,495
Small	1,983	898	6,368	6,074	5,758	105	46,548
Medium	2,265	1,257	38,576	25,756	31,598	1,359	219,767
Large	22,351	6,111	1,392,871	329,563	607,760	199,433	5,529,523
Holding company type:							
Non-NC or one-bank NC	1,971	817	13,004	8,298	9,056	750	75,693
Limited multibank NC	1,741	759	11,015	7,775	8,760	281	66,476
Large multibank NC	3,921	1,419	197,191	52,921	94,228	26,950	806,538
Bank type:							
Agricultural	3,964	1,376	2,922	2,515	2,578	40	29,926
25-percent agricultural	4,354	1,335	2,320	1,787	1,901	23	26,499
Loan-troubled	2,369	694	17,778	5,045	5,655	681	74,053
Minimum capital	2,185	856	112,641	35,578	54,009	16,278	503,255
Undercapitalized	2,875	837	50,975	22,954	27,345	4,430	212,293
New	293	139	11,022	4,292	18,539	438	54,814
Mature	2,524	1,011	47,281	17,072	23,602	5,600	213,246
Firm's market extension:							
Local	1,688	709	9,687	6,051	6,472	591	59,139
Restricted	2,270	1,038	47,990	13,693	18,867	7,309	210,078
Extensive	4,682	1,638	180,548	57,742	97,205	21,684	757,743
Region:							
West	4,262	766	63,867	29,146	35,356	5,056	269,230
North Central	2,633	1,018	18,967	8,544	12,832	1,300	97,021
South	1,330	864	25,198	11,925	19,447	1,309	135,541
Northeast	1,720	671	279,649	61,354	92,428	52,908	1,091,481

Continued--

Appendix table 3--U.S. banks: Mean levels of asset, liability, income, and expense items, 1986--Continued

Bank classification	Deposits							
	Total	Domestic	Depository institutions	Government		Large time (over \$100,000)	Total	
				United States	State and local		Interest-bearing	Transaction accounts
	<u>1,000 dollars</u>							
All U.S. banks	160,876	138,519	3,849	373	7,373	21,339	101,718	48,506
Branch banking status:								
Unit	72,352	66,625	2,825	180	5,071	14,303	51,334	21,233
Limited	98,870	96,101	2,002	284	6,058	11,949	74,496	30,921
Statewide	501,125	396,941	10,331	1,012	15,552	58,447	277,170	149,907
County type:								
Agricultural	25,387	25,387	35	41	1,986	2,048	22,056	6,861
Energy	47,694	47,694	282	66	4,203	7,247	40,603	12,551
Bank size:								
Very small	13,251	13,251	79	31	1,043	1,487	11,166	3,775
Small	45,437	45,428	213	102	3,114	5,478	37,795	12,828
Medium	204,714	203,885	3,655	515	12,559	28,249	161,077	63,139
Large	4,242,790	3,300,022	131,309	9,615	144,570	569,512	2,231,819	1,289,336
Holding company type:								
Non-HC or one-bank HC	70,306	67,918	704	161	3,869	8,848	53,086	21,558
Limited multibank HC	63,276	63,264	853	152	4,449	8,241	51,366	18,750
Large multibank HC	628,004	501,940	19,726	1,462	24,711	85,451	350,764	188,115
Bank type:								
Agricultural	29,166	29,166	73	44	2,312	2,457	25,261	7,841
25-percent agricultural	25,905	25,905	49	39	2,057	2,057	22,545	6,937
Loan-troubled	66,352	62,600	3,908	197	4,363	17,719	50,901	16,637
Minimum capital	407,620	329,085	9,278	1,106	19,060	53,504	234,899	119,042
Undercapitalized	183,118	170,883	6,459	543	6,530	32,154	128,240	58,199
New	39,113	38,023	1,829	116	1,610	10,847	30,009	10,804
Mature	177,334	152,103	4,122	408	8,152	22,757	111,411	53,602
Firm's market extension:								
Local	55,072	51,587	599	116	3,282	7,412	41,187	15,515
Restricted	170,081	136,575	4,300	291	8,487	22,695	100,650	46,371
Extensive	604,338	511,308	17,318	1,542	23,850	79,584	361,038	191,217
Region:								
West	235,166	213,317	4,371	753	8,250	31,763	151,115	82,244
North Central	82,773	77,406	1,936	171	4,740	8,558	60,561	24,344
South	114,987	112,081	3,266	348	6,741	21,088	86,369	36,335
Northeast	846,407	586,213	19,683	1,229	27,838	92,056	389,898	228,457

Continued--

Appendix table 3--U.S. banks: Mean levels of asset, liability, income, and expense items, 1986--Continued

Bank classification	Loan-loss provision	Capital			Problem loans	Income		Expenses		Adjusted net income
		Equity	Primary	Total		Interest	Non-interest	Interest	Non-interest	
<u>1,000 dollars</u>										
All U.S. banks	1,510	12,821	15,071	16,071	3,631	16,727	2,511	10,061	6,322	1,257
Branch banking status:										
Unit	991	5,967	6,979	7,203	2,104	7,289	895	4,529	2,581	204
Limited	813	8,379	9,346	9,597	1,721	10,083	1,295	5,894	3,761	913
Statewide	4,257	38,357	46,299	50,747	11,398	53,078	8,913	31,983	20,568	4,416
County type:										
Agricultural	319	2,520	2,758	2,762	616	2,555	140	1,522	754	133
Energy	622	4,739	5,180	5,210	1,413	4,849	338	2,796	1,670	229
Bank size:										
Very small	161	1,402	1,526	1,530	315	1,343	109	749	537	12
Small	422	4,128	4,508	4,527	892	4,501	358	2,562	1,593	295
Medium	1,675	16,507	18,310	18,748	3,699	19,789	2,218	11,216	7,532	1,562
Large	41,185	321,753	394,748	433,570	104,906	457,019	81,724	283,620	174,049	35,929
Holding company type:										
Non-HC or one-bank HC	529	6,019	6,646	6,774	1,317	6,777	737	3,824	2,578	545
Limited multibank HC	545	5,364	5,911	5,975	1,242	6,247	633	3,559	2,322	468
Large multibank HC	6,491	48,016	58,592	64,086	15,477	67,837	11,635	42,040	25,602	4,949
Bank type:										
Agricultural	371	2,818	3,101	3,114	736	2,938	172	1,755	886	144
25-percent agricultural	357	2,561	2,817	2,824	694	2,609	141	1,561	762	114
Loan-troubled	2,876	2,869	4,472	4,685	7,691	6,672	785	4,549	3,044	-2,584
Minimum capital	3,121	28,202	32,132	33,668	8,052	42,083	7,020	26,417	16,083	2,959
Undercapitalized	2,943	10,001	12,801	10,946	7,241	17,384	2,596	10,283	7,663	-854
New	1,086	5,465	6,262	6,848	1,033	5,695	1,087	2,823	2,320	275
Mature	1,567	13,816	16,261	17,318	3,982	18,216	2,704	11,039	6,863	1,390
Firm's market extension:										
Local	470	4,921	5,440	5,562	1,057	5,377	547	3,132	1,908	399
Restricted	1,197	14,669	17,107	18,373	3,172	17,603	2,606	11,018	6,144	1,694
Extensive	6,228	44,907	54,375	58,889	15,024	64,401	10,811	38,790	25,323	4,533
Region:										
West	2,917	16,230	20,412	22,127	7,246	24,177	4,204	13,369	10,821	983
North Central	754	7,130	8,087	8,373	1,451	8,597	1,145	5,137	3,023	811
South	1,327	9,754	11,104	11,558	2,583	11,898	1,514	6,979	4,466	705
Northeast	5,279	64,745	77,905	85,894	18,512	88,933	14,980	56,963	32,284	8,233

Appendix table 4--Nonmetro banks: Weighted means of bank-operating statistics, 1986

Bank classification	Banks	Assets	Cash	Government securities		Federal funds		Total loans
				United States	State and local	Sales	Purchases	
	Number	1,000 dollars	Percent of assets					
All nonmetro banks	7,569	45,979	5.27	21.27	8.13	6.26	1.34	51.26
Branch banking status:								
Unit	3,023	33,828	5.30	24.63	7.05	7.30	.95	46.41
Limited	3,753	47,197	4.98	21.79	8.50	6.31	1.04	50.86
Statewide	793	86,539	5.97	14.93	8.79	4.57	2.69	59.54
County type:								
Totally rural	1,079	25,211	4.85	26.01	8.03	6.25	.42	46.35
Agricultural	2,213	28,071	4.94	27.37	7.08	6.90	.52	44.69
Energy	557	48,569	4.72	22.24	9.42	6.94	1.10	48.55
Bank size:								
Very small	3,231	14,571	5.37	25.10	5.23	7.26	.28	47.20
Small	3,675	48,703	4.96	23.15	8.52	6.75	.63	48.81
Medium	654	165,845	5.59	17.37	8.79	5.65	2.60	55.69
Large	9	1,499,351	6.44	14.31	7.76	1.22	4.32	62.35
Holding company type:								
Non-HC or one-bank HC	5,854	40,130	5.14	23.03	8.51	6.04	.82	49.35
Limited multibank HC	1,002	47,874	5.33	20.08	8.37	5.30	1.34	53.11
Large multibank HC	713	91,341	5.69	15.80	6.59	7.77	3.22	56.79
Bank type:								
Agricultural	4,139	31,495	4.87	26.75	7.36	6.69	.63	45.57
25-percent agricultural	3,188	28,511	4.82	28.47	7.06	6.53	.47	44.11
Loan-troubled	280	27,072	5.56	17.53	3.42	5.35	.75	59.04
Minimum capital	450	57,832	5.90	16.03	5.52	9.68	2.25	55.52
Undercapitalized	244	31,124	6.02	18.46	2.66	6.70	.61	55.80
New	374	23,159	5.95	17.73	2.25	6.56	4.11	54.18
Mature	7,195	47,166	5.25	21.36	8.28	6.25	1.27	51.19
Firm's market extension:								
Local	5,566	35,981	5.02	23.85	8.61	6.29	.63	48.02
Restricted	1,182	54,549	5.23	19.93	8.42	5.82	1.17	53.14
Extensive	821	101,428	5.91	16.10	6.75	6.53	3.17	57.60
Region:								
West	628	41,647	6.64	18.02	5.89	8.33	1.91	52.92
North Central	3,922	36,849	4.85	25.94	7.02	6.51	1.03	47.45
South	2,777	53,296	5.39	18.94	9.39	6.12	1.26	52.76
Northeast	242	121,231	5.49	12.91	9.24	3.95	2.77	61.03

Continued--

Appendix table 4--Nonmetro banks: Weighted means of bank-operating statistics, 1986--Continued

Bank classification	Loans						Total liabilities
	Business		Home mortgages	Personal	Depository institutions		
	Agricultural	Nonagri-cultural					
	Operating	Real estate	Percent of total loans				
All nonmetro banks	10.80	4.48	21.68	22.60	22.32	0.59	91.72
Branch banking status:							
Unit	19.54	5.84	23.54	17.00	18.57	.57	91.56
Limited	9.06	5.00	20.90	24.69	23.02	.29	91.61
Statewide	4.48	1.75	21.21	24.50	25.14	1.30	92.24
County type:							
Totally rural	25.64	7.51	17.30	19.61	17.73	.20	90.95
Agricultural	30.11	9.34	17.74	15.07	16.05	.25	91.11
Energy	6.90	2.37	26.64	24.38	22.85	.82	90.79
Bank size:							
Very small	23.47	6.94	18.35	19.20	20.94	.18	90.94
Small	12.78	5.58	20.50	23.82	21.40	.27	91.41
Medium	4.61	2.43	24.51	22.63	23.73	1.05	92.38
Large	1.26	1.23	22.36	18.77	25.40	1.75	93.41
Holding company type:							
Non-HC or one-bank HC	12.90	5.14	21.07	22.83	21.70	.32	91.30
Limited multibank HC	9.69	4.22	23.87	22.37	21.35	.25	91.92
Large multibank HC	4.98	2.58	22.08	22.05	24.94	1.70	93.10
Bank type:							
Agricultural	27.22	9.53	19.06	16.14	16.60	.23	91.28
25-percent agricultural	34.35	10.52	17.99	13.39	14.53	.16	91.13
Loan-troubled	23.40	5.93	27.49	13.65	15.63	.10	95.87
Minimum capital	7.22	3.10	21.54	25.28	23.12	.38	94.28
Undercapitalized	16.08	5.31	25.75	18.67	17.66	.06	96.66
New	6.43	2.51	22.83	20.63	28.69	.54	91.84
Mature	10.92	4.53	21.65	22.65	22.15	.60	91.72
Firm's market extension:							
Local	14.17	5.61	20.66	22.92	21.40	.24	91.09
Restricted	9.41	4.24	22.87	23.27	21.56	.34	91.96
Extensive	5.03	2.39	22.86	21.47	24.71	1.48	93.06
Region:							
West	12.81	1.72	31.86	17.06	18.75	.28	92.31
North Central	18.52	6.90	20.01	21.90	19.01	.36	91.73
South	5.87	3.62	21.70	23.18	24.69	.36	91.51
Northeast	1.21	1.07	20.08	27.06	27.41	2.74	92.21

Continued--

Appendix table 4--Nonmetro banks: Weighted means of bank-operating statistics, 1986--Continued

Bank classification	Deposits							
	Total	Domestic	Depository institutions	Government		Large time (over \$100,000)	Total	
				United States	State and local		Interest-bearing	Transaction accounts
	Percent of liabilities			Percent of domestic deposits				
All nonmetro banks	96.92	96.92	0.30	0.17	7.64	9.87	85.26	27.05
Branch banking status:								
Unit	97.51	97.51	.55	.17	9.28	12.03	85.89	27.62
Limited	97.20	97.20	.20	.17	7.45	9.35	85.88	26.15
Statewide	95.30	95.30	.16	.16	5.63	7.96	82.72	28.56
County type:								
Totally rural	98.05	98.05	.16	.23	8.64	8.21	86.52	27.62
Agricultural	97.83	97.83	.13	.16	7.85	7.96	87.07	26.90
Energy	97.28	97.28	.28	.13	9.11	14.87	85.64	26.04
Bank size:								
Very small	98.36	98.36	.23	.18	8.64	8.96	85.56	27.99
Small	97.85	97.85	.16	.17	7.77	9.46	86.12	26.48
Medium	95.26	95.26	.57	.17	7.21	10.81	84.19	27.34
Large	93.12	93.12	.20	.18	5.65	11.14	81.20	29.10
Holding company type:								
Non-HC or one-bank HC	97.62	97.62	.20	.16	7.83	9.94	85.53	26.79
Limited multibank HC	96.88	96.88	.46	.23	7.87	10.50	85.27	27.01
Large multibank HC	94.47	94.47	.55	.17	6.75	9.14	84.28	28.04
Bank type:								
Agricultural	97.77	97.77	.17	.15	8.08	8.37	86.90	26.81
25-percent agricultural	97.92	97.92	.12	.15	8.05	7.88	87.25	26.73
Loan-troubled	97.64	97.64	.40	.13	9.25	11.88	85.95	27.01
Minimum capital	96.42	96.42	.73	.17	6.80	9.76	85.13	27.91
Undercapitalized	97.53	97.53	.37	.12	8.21	11.98	85.59	27.52
New	92.74	92.74	.93	.14	7.77	17.32	85.34	26.01
Mature	97.02	97.02	.28	.17	7.63	9.69	85.26	27.08
Firm's market extension:								
Local	97.85	97.85	.22	.15	8.08	10.09	85.92	26.68
Restricted	97.12	97.12	.28	.20	7.64	9.60	85.30	26.77
Extensive	94.57	94.57	.50	.18	6.55	9.56	83.65	28.18
Region:								
West	96.50	96.50	.41	.18	11.41	13.00	82.13	31.74
North Central	97.18	97.18	.18	.16	7.54	6.29	87.41	25.75
South	97.11	97.11	.42	.18	7.37	13.47	83.95	27.55
Northeast	95.05	95.05	.16	.17	6.04	6.56	84.05	26.81

Continued--



Appendix table 4--Nonmetro banks: Weighted means of bank-operating statistics, 1986--Continued

Bank classification	Loan-loss provision	Capital			Problem loans	Income		Expenses		Adjusted net income	
		Equity	Primary	Total		Interest	Non-interest	Interest	Non-interest		
	Percent of loans	Percent of assets			Percent of total capital	Percent of assets					Percent of equity capital
All nonmetro banks	1.57	8.28	9.01	9.08	18.68	8.94	0.62	5.22	2.87	0.69	8.32
Branch banking status:											
Unit	2.35	8.44	9.29	9.32	22.96	8.95	.57	5.33	2.75	.47	5.53
Limited	1.57	8.39	9.10	9.16	18.63	9.01	.59	5.29	2.83	.70	8.40
Statewide	.65	7.76	8.37	8.52	11.88	8.76	.76	4.86	3.17	.98	12.62
County type:											
Totally rural	2.19	9.05	9.88	9.89	21.67	9.08	.47	5.28	2.68	.61	6.76
Agricultural	2.53	8.89	9.73	9.75	22.25	8.98	.49	5.36	2.63	.46	5.22
Energy	1.97	9.21	9.98	10.02	22.13	9.07	.55	5.18	2.93	.67	7.27
Bank size:											
Very small	2.39	9.06	9.90	9.92	22.63	9.22	.61	5.24	3.25	.28	3.08
Small	1.76	8.59	9.34	9.38	19.44	9.03	.55	5.31	2.76	.69	8.02
Medium	1.13	7.62	8.30	8.37	16.44	8.76	.68	5.14	2.85	.83	10.91
Large	.52	6.59	7.22	7.90	8.53	8.22	1.05	4.61	3.33	.96	14.52
Holding company type:											
Non-HC or one-bank HC	1.66	8.70	9.40	9.46	18.68	8.98	.58	5.23	2.82	.70	8.09
Limited multibank HC	1.46	8.08	8.80	8.85	19.31	9.01	.63	5.26	2.86	.78	9.66
Large multibank HC	1.35	6.90	7.76	7.88	18.19	8.75	.74	5.16	3.07	.57	8.22
Bank type:											
Agricultural	2.53	8.72	9.56	9.59	23.65	9.00	.51	5.38	2.68	.45	5.12
25-percent agricultural	2.81	8.87	9.73	9.75	24.54	9.00	.47	5.39	2.60	.40	4.55
Loan-troubled	6.96	4.13	6.11	6.09	180.25	9.51	.88	6.11	4.37	-3.33	-80.67
Minimum capital	1.83	5.72	6.48	6.54	30.64	8.71	.72	5.28	3.16	.09	1.63
Undercapitalized	5.35	3.34	4.82	4.72	129.75	9.12	.83	5.82	4.04	-2.44	-73.14
New	1.53	8.16	8.74	8.77	15.47	8.20	.77	4.75	3.44	-.03	-.36
Mature	1.57	8.28	9.02	9.09	18.76	8.96	.61	5.23	2.86	.71	8.54
Firm's market extension:											
Local	1.82	8.91	9.64	9.67	19.01	9.03	.54	5.28	2.75	.68	7.65
Restricted	1.35	8.04	8.70	8.76	18.55	9.02	.64	5.21	2.94	.81	10.07
Extensive	1.22	6.94	7.74	7.92	17.83	8.69	.78	5.08	3.12	.61	8.81
Region:											
West	2.19	7.69	8.65	8.68	34.58	9.08	.89	4.95	3.83	.22	2.80
North Central	1.88	8.26	9.01	9.06	20.63	8.94	.50	5.41	2.63	.57	6.88
South	1.45	8.49	9.21	9.29	16.02	8.96	.67	5.13	2.92	.81	9.50
Northeast	.41	7.79	8.34	8.47	8.66	8.75	.65	4.96	3.00	1.11	14.20

Appendix table 5--Metro banks: Weighted means of bank-operating statistics, 1986

Bank classification	Banks	Assets	Cash	Government securities		Federal funds		Total loans
				United States	State and Local	Sales	Purchases	
	Number	1,000 dollars	Percent of assets					
All metro banks	6,439	396,732	8.03	8.21	4.32	4.47	9.35	61.49
Branch banking status:								
Unit	2,722	152,634	8.49	10.13	4.29	7.21	9.89	58.60
Limited	1,972	265,773	8.54	12.40	5.65	4.48	10.78	59.42
Statewide	1,745	925,493	7.75	6.36	3.89	3.77	8.75	62.90
County type:								
Major metro	1,886	866,852	8.10	6.10	3.42	4.20	10.15	61.60
Other metro	4,553	201,993	7.90	11.97	5.92	4.97	7.92	61.30
Agricultural	72	40,811	7.75	18.07	6.24	7.23	.51	53.24
Energy	94	86,052	6.35	14.65	6.08	13.87	3.24	51.21
Bank size:								
Very small	1,499	15,601	7.03	15.78	3.29	8.80	.40	54.66
Small	2,861	53,211	6.88	14.43	6.11	8.46	.98	55.42
Medium	1,758	262,478	7.80	12.66	6.43	6.68	3.91	58.60
Large	321	5,973,523	8.19	6.56	3.68	3.58	11.43	62.75
Holding company type:								
Non-HC or one-bank HC	3,862	144,744	7.82	11.99	5.63	4.76	4.89	58.30
Limited multibank HC	990	96,095	7.56	14.84	6.89	5.59	3.57	57.41
Large multibank HC	1,587	1,197,495	8.12	6.77	3.80	4.33	10.95	62.63
Bank type:								
Agricultural	565	41,895	5.86	22.49	7.03	6.06	1.69	51.30
25-percent agricultural	328	34,390	5.98	23.66	7.14	6.50	1.16	49.40
Loan-troubled	220	140,368	6.70	7.21	2.47	4.29	6.52	62.80
Minimum capital	960	753,537	8.00	6.41	4.11	5.34	9.87	60.35
Undercapitalized	346	357,108	7.88	6.97	2.47	3.55	8.13	70.23
New	1,294	71,007	6.08	5.63	1.69	7.67	10.56	71.23
Mature	5,145	478,654	8.10	8.31	4.42	4.36	9.31	61.12
Firm's market extension:								
Local	4,149	101,731	6.85	12.84	5.79	5.55	4.61	53.97
Restricted	835	465,679	7.52	8.80	4.96	4.43	9.84	56.93
Extensive	1,455	1,198,374	8.43	6.96	3.82	4.23	10.39	64.32
Region:								
West	985	440,920	10.19	5.63	2.67	4.39	5.56	67.75
North Central	2,167	225,961	8.02	12.45	5.23	4.57	10.03	58.74
South	2,647	241,835	8.33	11.18	5.36	5.93	11.53	60.59
Northeast	640	1,547,587	6.90	5.34	3.92	3.52	9.27	60.68

Continued--

Appendix table 5--Metro banks: Weighted means of bank-operating statistics, 1986--Continued

Bank classification	Loans					Total liabilities	
	Business		Nonagri-cultural	Home mortgages	Personal		Depository institutions
	Agricultural	Real estate					
	Operating						
	-----Percent of total loans-----					Percent of assets	
All metro banks	0.79	0.30	35.85	11.30	17.98	4.38	94.09
Branch banking status:							
Unit	1.18	.49	38.99	10.22	14.45	2.91	93.82
Limited	.88	.53	33.90	13.83	21.44	1.84	93.68
Statewide	.66	.19	35.70	10.78	17.76	5.51	94.30
County type:							
Major metro	.55	.12	39.82	8.90	13.73	5.84	94.53
Other metro	1.21	.62	28.77	15.60	25.55	1.77	93.32
Agricultural	12.66	4.07	23.45	24.10	18.36	.05	92.02
Energy	.67	.45	36.83	18.29	23.67	.86	92.65
Bank size:							
Very small	4.89	1.95	26.90	23.35	24.26	.15	89.89
Small	2.13	1.18	28.10	22.39	22.45	.53	92.38
Medium	.99	.58	28.93	17.92	22.88	.98	93.16
Large	.60	.16	38.05	8.91	16.49	5.46	94.51
Holding company type:							
Non-NC or one-bank NC	1.29	.61	31.27	16.62	19.28	2.12	93.19
Limited multibank NC	1.83	.80	29.04	17.92	21.99	.91	92.85
Large multibank NC	.60	.19	37.42	9.54	17.43	5.16	94.42
Bank type:							
Agricultural	20.38	6.66	19.96	18.47	18.62	.41	91.98
25-percent agricultural	27.63	8.56	16.99	16.41	15.40	.36	91.62
Loan-troubled	.71	.42	39.49	9.86	10.97	1.73	96.37
Minimum capital	.47	.17	35.67	10.65	16.68	5.24	94.70
Undercapitalized	1.17	.31	33.40	14.70	17.73	3.01	95.43
New	.29	.17	26.45	9.46	45.19	1.08	90.85
Mature	.81	.31	36.26	11.38	16.79	4.52	94.21
Firm's market extension:							
Local	1.22	.66	32.59	16.13	18.57	28.28	92.90
Restricted	.61	.29	40.18	8.87	13.85	38.23	93.72
Extensive	.73	.23	35.66	10.80	18.67	26.86	94.47
Region:							
West	1.73	.34	33.51	15.17	18.50	2.76	94.43
North Central	1.16	.51	35.38	12.87	22.63	2.67	93.57
South	.68	.48	30.87	12.01	22.23	1.76	93.69
Northeast	.22	.07	40.44	8.20	12.75	7.68	94.46

Continued--

Appendix table 5--Metro banks: Weighted means of bank-operating statistics, 1986--Continued

Bank classification	Deposits							
	Total	Domestic	Depository institutions	Government		Large time (over \$100,000)	Total	
				United States	State and local		Interest-bearing	Transaction accounts
	Percent of liabilities			Percent of domestic deposits				
All metro banks	76.11	63.85	3.25	0.29	4.88	16.45	71.19	36.53
Branch banking status:								
Unit	78.07	70.15	5.40	.30	7.09	24.42	74.28	33.20
Limited	77.90	74.88	2.84	.34	5.84	13.67	74.16	34.60
Statewide	75.02	58.65	2.76	.26	3.81	15.16	69.01	38.35
County type:								
Major metro	73.80	55.48	4.16	.27	3.99	18.63	66.59	39.58
Other metro	80.20	78.71	2.11	.31	6.01	13.73	76.94	32.71
Agricultural	89.80	89.80	.24	.13	7.27	10.38	82.86	29.59
Energy	88.45	88.45	1.64	.15	7.80	16.26	83.44	27.23
Bank size:								
Very small	87.96	87.96	1.36	.36	6.31	15.86	81.62	29.49
Small	89.92	89.88	.83	.29	5.78	15.10	79.77	30.29
Medium	86.32	85.89	2.09	.27	5.91	14.59	77.75	31.84
Large	72.41	56.18	4.02	.29	4.37	17.32	67.48	39.18
Holding company type:								
Non-NC or one-bank NC	84.74	80.59	1.43	.27	4.70	14.46	74.74	34.04
Limited multibank NC	87.59	87.57	1.80	.25	6.60	14.32	79.10	30.99
Large multibank NC	72.99	57.73	4.11	.30	4.83	17.44	69.13	37.97
Bank type:								
Agricultural	88.09	88.09	.71	.15	7.09	8.71	84.99	27.31
25-percent agricultural	88.37	88.37	.71	.12	7.02	8.44	85.24	27.15
Loan-troubled	84.45	78.38	7.95	.37	6.30	33.12	79.95	26.45
Minimum capital	76.18	60.87	2.93	.35	5.74	16.61	70.64	36.62
Undercapitalized	81.65	75.80	4.04	.33	3.49	19.34	74.24	34.56
New	62.98	61.00	5.32	.33	3.77	30.00	78.08	28.73
Mature	76.60	63.95	3.18	.29	4.92	15.97	70.94	36.81
Firm's market extension:								
Local	84.47	76.45	1.68	.26	5.41	16.74	76.48	31.95
Restricted	73.42	56.04	3.91	.22	5.84	18.47	70.63	35.85
Extensive	74.68	62.54	3.58	.31	4.54	15.97	69.73	38.02
Region:								
West	81.98	73.86	2.17	.37	3.32	15.03	70.02	39.05
North Central	76.62	69.95	3.37	.25	5.59	12.85	74.79	33.59
South	76.88	74.42	3.60	.35	5.64	20.29	75.16	33.76
Northeast	72.78	49.61	3.52	.21	4.68	16.18	65.59	39.61

Continued--

Appendix table 5--Metro banks: Weighted means of bank-operating statistics, 1986--Continued

Bank classification	Loan-loss	Capital			Problem loans	Income		Expenses		Adjusted net income	
	pro- vision	Equity	Primary	Total		Interest	Non- interest	Interest	Non- interest		
	Percent of loans	Percent of assets			Percent of total capital	Percent of assets		Percent of equity			
All metro banks	1.17	5.90	7.04	7.58	23.23	7.95	1.29	4.81	3.08	0.60	10.09
Branch banking status:											
Unit	1.88	6.18	7.36	7.67	31.07	7.88	1.10	4.95	2.89	.17	2.72
Limited	1.04	6.32	7.13	7.39	17.64	7.97	1.22	4.65	3.15	.76	12.02
Statewide	1.04	5.70	6.92	7.61	22.96	7.97	1.37	4.82	3.10	.65	11.45
County type:											
Major metro	1.16	5.47	6.76	7.40	26.77	7.74	1.36	4.86	2.98	.50	9.20
Other metro	1.18	6.67	7.54	7.89	17.34	8.33	1.18	4.71	3.25	.76	11.38
Agricultural	1.65	7.98	8.75	8.76	23.84	8.79	.66	5.06	3.07	.55	6.86
Energy	3.52	7.35	8.31	8.42	47.00	8.67	.89	5.18	3.64	-.40	-5.40
Bank size:											
Very small	1.81	10.11	10.92	10.96	16.82	8.58	.98	4.60	4.32	-.32	-3.19
Small	1.44	7.62	8.37	8.41	20.06	8.70	.90	4.76	3.60	.46	6.00
Medium	1.24	6.84	7.62	7.83	20.56	8.28	1.00	4.66	3.27	.62	9.09
Large	1.13	5.49	6.74	7.41	24.31	7.81	1.40	4.85	2.97	.61	11.14
Holding company type:											
Non-HC or one-bank HC	.99	6.81	7.60	7.80	19.82	8.00	1.04	4.45	3.29	.65	9.57
Limited multibank HC	1.31	7.15	7.94	8.05	21.59	8.54	1.01	4.80	3.42	.59	8.21
Large multibank HC	1.21	5.57	6.83	7.49	24.37	7.91	1.38	4.91	2.99	.56	10.40
Bank type:											
Agricultural	1.98	8.01	8.96	9.07	23.52	8.82	.64	5.26	2.88	.41	5.11
25-percent agricultural	2.37	8.38	9.37	9.45	24.76	8.82	.60	5.26	2.82	.29	3.48
Loan-troubled	5.81	3.63	5.74	6.09	160.22	8.47	1.06	5.87	3.86	-3.37	-92.71
Minimum capital	.95	5.29	6.03	6.33	23.67	7.89	1.34	4.96	3.02	.57	10.84
Undercapitalized	1.74	4.57	5.82	4.94	62.41	7.74	1.19	4.55	3.41	-.26	-5.64
New	2.66	9.15	10.54	11.61	15.06	9.57	1.90	4.68	3.89	.50	5.48
Mature	1.10	5.78	6.91	7.43	23.71	7.89	1.27	4.81	3.04	.60	10.36
Firm's market extension:											
Local	1.24	7.10	7.95	8.22	19.00	8.09	1.00	4.71	3.09	.60	8.38
Restricted	.88	6.28	7.43	8.08	17.03	7.64	1.25	4.85	2.70	.74	11.86
Extensive	1.21	5.53	6.73	7.31	25.91	7.99	1.37	4.82	3.16	.56	10.17
Region:											
West	1.50	5.56	7.06	7.70	32.62	8.43	1.51	4.67	3.79	.35	6.33
North Central	1.15	6.43	7.40	7.74	16.19	8.05	1.28	4.79	2.98	.84	13.08
South	1.56	6.30	7.28	7.65	24.13	8.01	1.13	4.73	3.11	.41	6.52
Northeast	.76	5.53	6.69	7.40	21.99	7.66	1.31	4.93	2.79	.70	12.65

Appendix table 6--U.S. banks: Weighted means of bank-operating statistics, 1986

Bank classification	Banks	Assets	Cash	Government securities		Federal funds		Total loans
				United States	State and local	Sales	Purchases	
----- Percent of assets-----								
	Number	1,000 dollars						
All U.S. banks	14,008	207,208	7.70	9.78	4.77	4.69	8.39	60.26
Branch banking status:								
Unit	5,745	90,118	7.86	13.00	4.84	7.23	8.13	56.19
Limited	5,725	122,486	7.64	14.77	6.37	4.94	8.32	57.26
Statewide	2,538	663,362	7.67	6.71	4.09	3.80	8.50	62.76
County type:								
Agricultural	2,285	28,472	5.07	26.95	7.04	6.92	.52	45.07
Energy	651	53,981	5.10	20.49	8.65	8.54	1.59	49.16
Bank size:								
Very small	4,730	14,897	5.92	22.00	4.58	7.77	.32	49.68
Small	6,536	50,676	5.85	19.15	7.41	7.54	.79	51.85
Medium	2,412	236,277	7.38	13.56	6.88	6.48	3.66	58.05
Large	330	5,851,500	8.18	6.61	3.71	3.56	11.38	62.74
Holding company type:								
Non-HC or one-bank HC	9,716	81,713	7.03	15.26	6.48	5.14	3.68	55.65
Limited multibank HC	1,992	71,839	6.81	16.60	7.39	5.49	2.83	55.97
Large multibank HC	2,300	854,587	8.04	7.07	3.89	4.45	10.70	62.43
Bank type:								
Agricultural	4,704	32,744	5.02	26.10	7.31	6.60	.79	46.45
25-percent agricultural	3,516	29,060	4.95	27.94	7.06	6.52	.54	44.69
Loan-troubled	500	76,922	6.48	9.24	2.66	4.50	5.39	62.06
Minimum capital	1,410	531,503	7.93	6.74	4.15	5.49	9.61	60.19
Undercapitalized	590	222,294	7.77	7.64	2.48	3.74	7.70	69.39
New	1,668	60,278	6.07	6.67	1.74	7.57	10.01	69.76
Mature	12,340	227,069	7.76	9.89	4.88	4.59	8.33	59.92
Firm's market extension:								
Local	9,715	64,061	6.26	16.38	6.70	5.79	3.33	52.06
Restricted	2,017	224,749	7.20	10.38	5.45	4.63	8.61	56.39
Extensive	2,276	802,683	8.32	7.38	3.95	4.33	10.06	64.02
Region:								
West	1,613	285,469	9.99	6.34	2.86	4.61	5.35	66.91
North Central	6,089	104,152	7.30	15.52	5.64	5.01	7.98	56.17
South	5,424	145,306	7.78	12.63	6.11	5.97	9.60	59.12
Northeast	882	1,156,229	6.86	5.55	4.07	3.53	9.08	60.69

Continued--

Appendix table 6--U.S. banks: Weighted means of bank-operating statistics, 1986--Continued

Bank classification	Loans						Total liabilities
	Business		Home mortgages	Personal	Depository institutions		
	Agricultural	Nonagri-cultural					
	Operating	Real estate	- - - - - Percent of total loans - - - - -				
All U.S. banks	1.81	0.73	34.41	12.45	18.42	3.99	93.81
Branch banking status:							
Unit	4.18	1.36	36.47	11.33	15.12	2.53	93.38
Limited	2.72	1.53	30.99	16.27	21.79	1.49	93.16
Statewide	.81	.25	35.14	11.31	18.04	5.35	94.21
County type:							
Agricultural	29.17	9.06	18.04	15.55	16.17	.24	91.15
Energy	5.40	1.91	29.08	22.92	23.05	.83	91.22
Bank size:							
Very small	16.68	5.12	21.47	20.71	22.16	.17	90.59
Small	7.55	3.42	24.24	23.12	21.91	.40	91.85
Medium	1.65	.92	28.13	18.78	23.04	.99	93.01
Large	.61	.17	37.94	8.98	16.55	5.43	94.50
Holding company type:							
Non-HC or one-bank HC	4.33	1.80	28.60	18.25	19.91	1.65	92.63
Limited multibank HC	4.33	1.89	27.40	19.34	21.79	.70	92.53
Large multibank HC	.73	.27	36.96	9.92	17.66	5.05	94.38
Bank type:							
Agricultural	26.06	9.05	19.21	16.54	16.95	.26	91.39
25-percent agricultural	33.53	10.28	17.87	13.76	14.64	.18	91.19
Loan-troubled	4.96	1.45	37.24	10.57	11.85	1.43	96.27
Minimum capital	.68	.27	35.21	11.12	16.88	5.09	94.69
Undercapitalized	1.86	.54	33.05	14.88	17.73	2.87	95.50
New	.70	.33	26.21	10.21	44.09	1.04	90.93
Mature	1.86	.74	34.75	12.55	17.35	4.12	93.91
Firm's market extension:							
Local	5.06	2.13	29.05	18.15	19.41	1.77	92.32
Restricted	1.79	.82	37.86	10.80	14.89	5.77	93.47
Extensive	.91	.32	35.14	11.24	18.92	4.22	94.40
Region:							
West	2.23	.40	33.44	15.26	18.51	2.65	94.31
North Central	4.50	1.74	32.42	14.61	21.94	2.22	93.15
South	1.55	1.01	29.33	13.88	22.64	1.52	93.28
Northeast	.25	.10	39.85	8.74	13.17	7.54	94.40

Continued--

Appendix table 6--U.S. banks: Weighted means of bank-operating statistics, 1986--Continued

Bank classification	Deposits							
	Total	Domestic	Depository institutions	Government		Large time (over \$100,000)	Total	
				United States	State and local		Interest-bearing	Transaction accounts
	Percent of liabilities			Percent of domestic deposits				
All U.S. banks	82.76	71.26	2.78	0.27	5.32	15.41	73.43	35.02
Branch banking status:								
Unit	85.98	79.17	4.24	.27	7.61	21.47	77.05	31.87
Limited	86.65	84.22	2.08	.30	6.39	12.43	77.52	32.18
Statewide	80.18	63.51	2.60	.25	3.92	14.72	69.83	37.77
County type:								
Agricultural	97.82	97.82	.14	.16	7.82	8.07	86.88	27.03
Energy	96.86	96.86	.59	.14	8.81	15.20	85.13	26.31
Bank size:								
Very small	98.19	98.19	.60	.23	7.87	11.22	84.27	28.48
Small	97.61	97.59	.47	.22	6.85	12.06	83.20	28.24
Medium	93.15	92.77	1.79	.25	6.16	13.86	79.00	30.97
Large	76.73	59.68	3.98	.29	4.38	17.26	67.63	39.07
Holding company type:								
Non-HC or one-bank HC	92.88	89.73	1.04	.24	5.70	13.03	78.16	31.74
Limited multibank HC	95.19	95.17	1.35	.24	7.03	13.03	81.19	29.64
Large multibank HC	77.86	62.23	3.93	.29	4.92	17.02	69.88	37.48
Bank type:								
Agricultural	97.46	97.46	.25	.15	7.93	8.42	86.61	26.88
25-percent agricultural	97.76	97.76	.19	.15	7.94	7.94	87.03	26.78
Loan-troubled	89.60	84.53	6.24	.31	6.97	28.30	81.31	26.58
Minimum capital	81.00	65.39	2.82	.34	5.79	16.26	71.38	36.17
Undercapitalized	86.26	80.49	3.78	.32	3.82	18.82	75.05	34.06
New	71.36	69.37	4.81	.30	4.23	28.53	78.92	28.42
Mature	83.16	71.33	2.71	.27	5.36	14.96	73.25	35.24
Firm's market extension:								
Local	93.12	87.23	1.16	.23	6.36	14.37	79.84	30.08
Restricted	80.96	65.01	3.15	.21	6.21	16.62	73.70	33.95
Extensive	79.75	67.48	3.39	.30	4.66	15.56	70.61	37.40
Region:								
West	87.35	79.23	2.05	.35	3.87	14.89	70.84	38.55
North Central	85.31	79.78	2.50	.22	6.12	11.06	78.24	31.45
South	84.84	82.69	2.91	.31	6.01	18.82	77.06	32.42
Northeast	77.55	53.71	3.36	.21	4.75	15.70	66.51	38.97

Continued--



Appendix table 6--U.S. banks: Weighted means of bank-operating statistics, 1986--Continued

Bank classification	Loan-loss provision	Capital			Problem loans	Income		Expenses		Adjusted net income	
		Equity	Primary	Total		Interest	Non-interest	Interest	Non-interest		
		Percent of loans	Percent of assets			Percent of total capital	Percent of assets		Percent of equity capital		
All U.S. banks	1.21	6.19	7.27	7.76	22.59	8.07	1.21	4.86	3.05	0.61	9.81
Branch banking status:											
Unit	1.96	6.62	7.74	7.99	29.20	8.09	.99	5.03	2.86	.23	3.43
Limited	1.16	6.84	7.63	7.84	17.93	8.23	1.06	4.81	3.07	.75	10.90
Statewide	1.02	5.78	6.98	7.65	22.46	8.00	1.34	4.82	3.10	.67	11.51
County type:											
Agricultural	2.48	8.85	9.69	9.70	22.31	8.97	.49	5.34	2.65	.47	5.29
Energy	2.34	8.78	9.60	9.65	27.13	8.98	.63	5.18	3.09	.42	4.82
Bank size:											
Very small	2.18	9.41	10.24	10.27	20.57	9.01	.73	5.03	3.61	.08	.85
Small	1.61	8.15	8.90	8.93	19.71	8.88	.71	5.06	3.14	.58	7.15
Medium	1.22	6.99	7.75	7.93	19.73	8.38	.94	4.75	3.19	.66	9.46
Large	1.12	5.50	6.75	7.41	24.20	7.81	1.40	4.85	2.97	.61	11.17
Holding company type:											
Non-HC or one-bank HC	1.16	7.37	8.13	8.29	19.43	8.29	.90	4.68	3.16	.67	9.05
Limited multibank HC	1.35	7.47	8.23	8.32	20.78	8.70	.88	4.95	3.23	.65	8.73
Large multibank HC	1.22	5.62	6.86	7.50	24.15	7.94	1.36	4.92	3.00	.58	10.31
Bank type:											
Agricultural	2.44	8.61	9.47	9.51	23.63	8.97	.53	5.36	2.71	.44	5.12
25-percent agricultural	2.75	8.81	9.69	9.72	24.57	8.98	.49	5.37	2.62	.39	4.44
Loan-troubled	6.03	3.73	5.81	6.09	164.16	8.67	1.02	5.91	3.96	-3.36	-90.09
Minimum capital	.98	5.31	6.05	6.33	23.92	7.92	1.32	4.97	3.03	.56	10.49
Undercapitalized	1.91	4.50	5.76	4.92	66.15	7.82	1.17	4.63	3.45	-.38	-8.54
New	2.58	9.07	10.39	11.36	15.09	9.45	1.80	4.68	3.85	.46	5.03
Mature	1.15	6.08	7.16	7.63	22.99	8.02	1.19	4.86	3.02	.61	10.06
Firm's market extension:											
Local	1.41	7.68	8.49	8.68	19.01	8.39	.85	4.89	2.98	.62	8.11
Restricted	.94	6.53	7.61	8.18	17.26	7.83	1.16	4.90	2.73	.75	11.55
Extensive	1.21	5.59	6.77	7.34	25.51	8.02	1.35	4.83	3.15	.56	10.09
Region:											
West	1.53	5.69	7.15	7.75	32.75	8.47	1.47	4.68	3.79	.34	6.06
North Central	1.29	6.85	7.76	8.04	17.33	8.25	1.10	4.93	2.90	.78	11.38
South	1.55	6.71	7.64	7.95	22.35	8.19	1.04	4.80	3.07	.49	7.23
Northeast	.75	5.60	6.74	7.43	21.55	7.69	1.30	4.93	2.79	.71	12.72

Appendix table 7--Nonmetro banks: Unweighted means of bank-operating statistics, 1986

Bank classification	Banks	Assets	Cash	Government securities		Federal funds		Total loans
				United States	State and local	Sales	Purchases	
	Number	1,000 dollars	-----Percent of assets-----					
All nonmetro banks	7,569	45,979	5.27	23.76	6.74	7.11	0.61	48.34
Branch banking status:								
Unit	3,023	33,828	5.39	25.97	5.74	7.17	.54	45.59
Limited	3,753	47,197	5.04	23.43	7.26	7.03	.61	49.11
Statewide	793	86,539	5.93	16.86	8.12	7.25	.90	55.15
County type:								
Totally rural	1,079	25,211	5.16	27.21	6.63	6.61	.33	45.29
Agricultural	2,213	28,071	5.07	28.32	5.89	7.20	.41	43.81
Energy	557	48,569	5.20	23.00	8.21	7.70	.81	47.08
Bank size:								
Very small	3,231	14,571	5.57	25.30	4.62	7.63	.29	46.74
Small	3,675	48,703	4.99	23.38	8.24	6.84	.60	48.66
Medium	654	165,845	5.37	18.41	8.83	6.15	2.18	54.22
Large	9	1,499,351	6.23	14.41	7.46	1.23	4.51	61.48
Holding company type:								
Non-HC or one-bank HC	5,854	40,130	5.22	24.62	6.89	6.95	.44	47.44
Limited multibank HC	1,002	47,874	5.32	22.46	6.41	6.12	.68	50.49
Large multibank HC	713	91,341	5.64	18.47	5.97	9.81	1.88	52.69
Bank type:								
Agricultural	4,139	31,495	5.00	27.60	6.10	7.12	.41	44.81
25-percent agricultural	3,188	28,511	4.97	29.01	5.83	6.96	.35	43.73
Loan-troubled	280	27,072	5.46	17.13	2.59	6.18	.32	58.44
Minimum capital	450	57,832	5.77	18.46	3.78	9.40	1.04	53.18
Undercapitalized	244	31,124	5.83	18.51	2.00	7.06	.46	55.84
New	374	23,159	6.38	16.24	1.58	8.34	.78	52.96
Mature	7,195	47,166	5.21	24.15	7.01	7.05	.60	48.10
Firm's market extension:								
Local	5,566	35,981	5.22	24.78	6.90	6.98	.43	47.14
Restricted	1,182	54,549	5.26	22.02	6.62	6.36	.62	50.93
Extensive	821	101,428	5.60	19.30	5.87	9.06	1.78	52.70
Region:								
West	628	41,647	6.93	18.16	4.76	8.50	.95	52.43
North Central	3,922	36,849	4.91	28.27	5.69	6.80	.56	45.51
South	2,777	53,296	5.40	19.55	8.42	7.29	.56	50.58
Northeast	242	121,231	5.34	13.45	9.67	6.50	1.06	57.82

Continued--

Appendix table 7--Nonmetro banks: Unweighted means of bank-operating statistics, 1986--Continued

Bank classification	Loans					Total liabilities	Percent of assets	
	Business			Home mortgages	Personal			Depository institutions
	Agricultural		Nonagricultural					
	Operating	Real estate						
	-----Percent of total loans-----							
All nonmetro banks	19.14	6.38	19.09	20.93	21.22	0.25	91.12	
Branch banking status:								
Unit	25.97	6.87	20.39	15.91	19.09	.27	91.14	
Limited	15.15	6.77	17.96	23.95	22.41	.22	91.17	
Statewide	11.99	2.67	19.51	25.82	23.66	.34	90.80	
County type:								
Totally rural	32.47	8.32	16.50	16.00	16.87	.15	90.80	
Agricultural	35.00	9.55	16.40	13.74	16.17	.19	90.88	
Energy	9.43	3.09	23.87	24.91	24.84	.43	90.55	
Bank size:								
Very small	26.37	7.25	17.32	18.19	20.86	.16	90.64	
Small	15.22	6.23	19.74	22.87	21.23	.26	91.33	
Medium	5.70	2.99	24.13	23.65	22.80	.65	92.28	
Large	1.38	.98	21.90	19.91	28.07	2.39	93.34	
Holding company type:								
Non-NC or one-bank NC	20.96	6.75	18.51	20.52	21.20	.19	90.84	
Limited multibank NC	15.47	5.90	20.36	21.96	20.64	.21	91.63	
Large multibank NC	9.35	4.00	22.09	22.91	22.16	.83	92.71	
Bank type:								
Agricultural	32.35	9.72	16.91	15.05	16.66	.18	90.94	
25-percent agricultural	38.16	10.46	15.97	12.74	14.89	.14	90.86	
Loan-troubled	28.81	6.88	24.11	13.08	16.18	.07	96.12	
Minimum capital	14.83	5.01	20.76	22.87	21.70	.29	94.35	
Undercapitalized	22.19	6.02	23.19	17.59	18.80	.03	97.15	
New	9.68	3.32	24.77	18.99	24.75	.33	89.94	
Mature	19.63	6.54	18.80	21.04	21.03	.25	91.18	
Firm's market extension:								
Local	21.15	6.86	18.48	20.41	21.21	.18	90.76	
Restricted	15.86	5.75	19.92	22.23	20.80	.22	91.72	
Extensive	10.21	4.06	22.03	22.62	21.88	.75	92.69	
Region:								
West	15.66	2.17	30.05	16.63	19.62	.20	91.53	
North Central	27.56	8.52	17.03	19.33	17.34	.22	91.33	
South	9.54	4.72	19.68	22.96	26.61	.28	90.74	
Northeast	1.83	1.70	17.29	34.79	26.35	.58	91.05	

Continued--

Appendix table 7--Nonmetro banks: Unweighted means of bank-operating statistics, 1986--Continued

Bank classification	Deposits							
	Total	Domestic	Depository institutions	Government		Large time (over \$100,000)	Total	
				United States	State and local		Interest-bearing	Transaction accounts
	Percent of liabilities			Percent of domestic deposits				
All nonmetro banks	97.98	97.98	0.23	0.17	8.28	9.27	85.40	27.63
Branch banking status:								
Unit	98.15	98.15	.36	.17	9.88	10.78	85.19	28.74
Limited	97.89	97.89	.15	.18	7.44	8.39	86.07	26.47
Statewide	97.70	97.70	.13	.14	6.22	7.72	83.02	28.89
County type:								
Totally rural	98.24	98.24	.15	.19	9.53	8.10	85.61	28.81
Agricultural	98.14	98.14	.14	.17	8.32	7.45	86.53	27.78
Energy	97.92	97.92	.23	.14	10.38	14.33	84.88	27.44
Bank size:								
Very small	98.43	98.43	.25	.18	8.91	8.88	84.73	28.91
Small	97.95	97.95	.16	.16	7.88	9.30	86.14	26.58
Medium	95.98	95.98	.58	.17	7.49	11.07	84.60	27.23
Large	92.96	92.96	.19	.19	5.73	10.39	81.63	28.85
Holding company type:								
Non-HC or one-bank HC	98.19	98.19	.20	.16	8.37	9.29	85.38	27.62
Limited multibank HC	97.84	97.84	.32	.19	8.34	9.59	85.64	27.48
Large multibank HC	96.39	96.39	.36	.19	7.47	8.73	85.25	27.90
Bank type:								
Agricultural	98.18	98.18	.13	.15	8.44	7.74	86.24	27.75
25-percent agricultural	98.22	98.22	.11	.16	8.41	7.25	86.48	27.76
Loan-troubled	98.27	98.27	.39	.11	8.79	10.57	86.47	26.51
Minimum capital	97.71	97.71	.48	.20	7.71	9.48	86.12	27.20
Undercapitalized	98.18	98.18	.34	.12	8.39	10.57	86.14	27.56
New	97.90	97.90	1.29	.15	8.50	18.86	84.86	26.70
Mature	97.98	97.98	.18	.17	8.27	8.78	85.43	27.68
Firm's market extension:								
Local	98.22	98.22	.21	.16	8.46	9.44	85.37	27.67
Restricted	97.86	97.86	.23	.20	8.02	8.89	85.58	27.37
Extensive	96.51	96.51	.36	.20	7.46	8.73	85.31	27.78
Region:								
West	97.76	97.76	.28	.19	11.87	12.79	81.87	32.04
North Central	97.98	97.98	.11	.16	8.14	5.96	87.18	26.73
South	98.06	98.06	.39	.18	7.85	13.40	83.78	28.04
Northeast	97.57	97.57	.20	.14	6.25	6.57	84.29	26.06

Continued--

Appendix table 7--Nonmetro banks: Unweighted means of bank-operating statistics, 1986--Continued

Bank classification	Loan-loss provision	Capital			Problem loans	Income		Expenses		Adjusted net income	
		Equity	Primary	Total		Interest	Non-interest	Interest	Non-interest		
	Percent of loans	Percent of assets			Percent of total capital	Percent of assets		Percent of equity capital			
All nonmetro banks	2.05	8.88	9.67	9.70	25.71	9.10	0.59	5.24	3.04	0.48	1.38
Branch banking status:											
Unit	2.49	8.86	9.75	9.77	28.08	9.07	.58	5.25	3.04	.29	-1.24
Limited	1.91	8.83	9.57	9.61	25.46	9.15	.58	5.31	2.98	.56	2.34
Statewide	1.04	9.20	9.82	9.84	17.89	8.91	.64	4.84	3.29	.78	6.87
County type:											
Totally rural	2.67	9.20	10.09	10.10	27.51	9.12	.50	5.22	2.92	.36	-1.25
Agricultural	2.74	9.12	9.97	9.99	28.97	9.03	.50	5.30	2.82	.32	-3.15
Energy	2.04	9.45	10.30	10.33	31.37	9.19	.60	5.15	3.26	.48	5.78
Bank size:											
Very small	2.42	9.36	10.21	10.23	28.70	9.20	.62	5.17	3.38	.19	-4.63
Small	1.86	8.67	9.42	9.45	24.37	9.06	.55	5.31	2.78	.67	5.22
Medium	1.31	7.72	8.43	8.49	18.73	8.80	.64	5.20	2.80	.79	9.35
Large	.52	6.66	7.29	7.76	9.31	8.19	1.03	4.61	3.28	.98	14.80
Holding company type:											
Non-HC or one-bank HC	2.08	9.16	9.94	9.96	26.16	9.12	.57	5.23	3.02	.48	1.05
Limited multibank HC	1.81	8.37	9.11	9.15	24.88	9.13	.62	5.28	3.03	.59	4.91
Large multibank HC	2.17	7.29	8.25	8.35	23.24	8.84	.70	5.28	3.18	.23	-.86
Bank type:											
Agricultural	2.67	9.06	9.92	9.95	29.51	9.09	.51	5.31	2.87	.32	-2.30
25-percent agricultural	2.89	9.14	10.02	10.04	28.99	9.08	.48	5.32	2.81	.27	-3.11
Loan-troubled	7.62	3.88	5.92	5.95	212.80	9.53	.82	6.14	4.32	-3.65	-110.49
Minimum capital	3.07	5.65	6.56	6.60	42.11	8.87	.70	5.47	3.38	-.58	-16.94
Undercapitalized	6.49	2.85	4.53	4.48	179.87	9.36	.82	6.02	4.35	-3.30	-112.95
New	1.53	10.06	10.65	10.68	26.04	8.18	.73	4.74	3.86	-.49	-.75
Mature	2.08	8.82	9.62	9.65	25.69	9.14	.58	5.26	3.00	.53	1.41
Firm's market extension:											
Local	2.11	9.24	10.02	10.04	26.07	9.12	.56	5.23	3.01	.48	.84
Restricted	1.74	8.28	8.98	9.02	25.26	9.12	.62	5.24	3.10	.60	5.01
Extensive	2.11	7.31	8.26	8.36	23.94	8.87	.69	5.30	3.16	.27	-.17
Region:											
West	2.28	8.47	9.40	9.41	39.49	9.13	.87	4.87	4.12	-.04	-12.86
North Central	2.34	8.67	9.48	9.51	26.59	9.07	.49	5.38	2.80	.39	-.06
South	1.73	9.26	10.02	10.06	22.78	9.13	.67	5.14	3.14	.65	5.60
Northeast	.37	8.94	9.41	9.45	9.38	8.93	.49	4.93	2.92	1.17	13.32

Appendix table 8--Metro banks: Unweighted means of bank-operating statistics, 1986

Bank classification	Banks	Assets	Cash	Government securities		Federal funds		Total loans
				United States	State and local	Sales	Purchases	
	Number	1,000 dollars	-----Percent of assets-----					
All metro banks	6,439	396,732	7.20	14.10	5.34	8.19	1.95	55.99
Branch banking status:								
Unit	2,722	152,634	7.10	13.79	4.82	9.31	1.35	54.83
Limited	1,972	265,773	6.60	17.34	6.34	6.91	2.60	55.03
Statewide	1,745	925,493	8.03	10.92	5.02	7.90	2.14	58.88
County type:								
Major metro	1,886	866,852	7.95	10.56	4.33	9.78	2.45	56.32
Other metro	4,553	201,993	6.88	15.57	5.76	7.53	1.74	55.85
Agricultural	72	40,811	7.07	19.26	5.68	8.27	.46	52.51
Energy	94	86,052	6.10	20.61	5.80	9.42	1.45	49.15
Bank size:								
Very small	1,499	15,601	7.16	15.21	2.94	9.45	.41	54.08
Small	2,861	53,211	6.90	14.48	5.74	8.52	.99	55.56
Medium	1,758	262,478	7.38	13.35	6.83	7.31	3.07	57.18
Large	321	5,973,523	9.03	9.71	4.87	4.22	11.51	62.25
Holding company type:								
Non-HC or one-bank HC	3,862	144,744	7.01	15.52	5.44	7.52	1.10	55.14
Limited multibank HC	990	96,095	7.19	14.66	5.53	6.45	1.60	56.96
Large multibank HC	1,587	1,197,495	7.66	10.29	4.99	10.91	4.22	57.47
Bank type:								
Agricultural	565	41,895	5.34	24.71	6.48	7.22	.49	47.78
25-percent agricultural	6,111	416,180	7.31	13.46	5.27	8.23	2.03	56.53
Loan-troubled	220	140,368	7.26	9.07	1.82	6.80	.91	64.54
Minimum capital	960	753,537	7.77	10.95	4.30	11.45	.10	56.13
Undercapitalized	346	357,108	8.02	8.95	1.92	10.13	2.35	58.80
New	1,294	71,007	8.07	7.77	.96	11.00	1.38	59.70
Mature	5,145	478,654	6.98	15.69	6.44	7.48	2.09	55.06
Firm's market extension:								
Local	4,149	101,731	7.01	15.44	5.42	7.5	1.1	55.11
Restricted	835	465,679	7.13	14.43	6.18	6.61	2.26	57.19
Extensive	1,455	1,198,374	7.77	10.09	4.64	11.07	4.17	57.83
Region:								
West	985	440,920	9.42	8.46	3.31	8.26	1.22	61.07
North Central	2,167	225,961	6.31	20.09	6.43	6.81	2.17	52.11
South	2,647	241,835	7.17	11.91	4.73	9.66	1.82	56.77
Northeast	640	1,547,587	6.88	11.56	7.29	6.67	2.80	58.07

Continued--

Appendix table 8--Metro banks: Unweighted means of bank-operating statistics, 1986--Continued

Bank classification	Loans						Total liabilities
	Business		Home mortgages	Personal	Depository institutions		
	Agricultural	Nonagri-cultural					
	Operating	Real estate	Percent of total loans				
All metro banks	2.94	1.35	27.69	21.61	23.06	0.68	91.70
Branch banking status:							
Unit	3.34	1.30	28.89	19.79	22.88	.66	91.88
Limited	4.19	2.08	24.33	24.30	23.91	.46	91.95
Statewide	.89	.62	29.60	21.40	22.37	.95	91.13
County type:							
Major metro	.24	.24	33.77	16.90	20.86	1.26	92.04
Other metro	4.06	1.82	25.17	23.55	23.97	.44	91.55
Agricultural	15.34	4.86	20.99	24.60	19.51	.09	91.58
Energy	1.60	.93	28.98	26.13	26.30	.31	91.54
Bank size:							
Very small	6.08	2.32	26.06	23.24	24.75	.22	88.63
Small	2.68	1.38	27.43	22.99	22.88	.52	92.27
Medium	1.08	.68	28.48	19.82	22.24	.86	92.99
Large	.77	.27	33.12	11.45	21.25	3.25	93.78
Holding company type:							
Non-HC or one-bank HC	3.65	1.67	27.67	22.76	22.74	.44	91.11
Limited multibank HC	2.58	1.24	27.69	21.22	22.45	.47	91.86
Large multibank HC	1.42	.66	27.72	19.05	24.21	1.38	93.02
Bank type:							
Agricultural	23.68	8.28	17.61	20.18	18.45	.17	90.73
25-percent agricultural	1.44	.89	28.33	21.83	23.42	.71	91.76
Loan-troubled	2.90	1.05	35.06	16.20	20.80	.36	97.09
Minimum capital	1.22	.53	28.45	19.89	22.73	1.10	94.40
Undercapitalized	1.30	.59	34.00	17.64	22.52	.87	96.76
New	.65	.50	35.32	17.00	22.21	.56	89.00
Mature	3.51	1.57	25.77	22.76	23.27	.71	92.38
Firm's market extension:							
Local	3.40	1.57	28.03	22.42	22.75	.43	91.14
Restricted	3.13	1.47	26.27	22.64	22.56	.66	91.98
Extensive	1.52	.67	27.51	18.69	24.21	1.39	93.14
Region:							
West	1.87	.51	34.74	18.53	20.51	.37	91.35
North Central	5.75	2.48	24.78	25.22	22.80	.53	92.04
South	1.62	.95	27.76	18.53	24.65	.71	91.55
Northeast	.53	.51	26.36	26.84	21.23	1.54	91.68

Continued--

Appendix table 8--Metro banks: Unweighted means of bank-operating statistics, 1986--Continued

Bank classification	Deposits								
	Total	Domestic	Depository institutions	Government		Large time (over \$100,000)	Total		
				United States	State and local		Interest-bearing	Transaction accounts	
Percent of liabilities			Percent of domestic deposits						
All metro banks	95.87	95.53	1.50	0.29	5.87	15.44	79.28	30.78	
Branch banking status:									
Unit	96.97	96.88	1.93	.27	6.79	19.62	80.40	29.59	
Limited	95.45	95.34	1.04	.25	6.65	10.87	81.26	29.56	
Statewide	94.64	93.62	1.35	.35	3.53	14.07	75.31	34.01	
County type:									
Major metro	95.18	94.13	2.24	.43	4.02	20.53	75.56	33.01	
Other metro	96.16	96.11	1.19	.23	6.63	13.33	80.82	29.86	
Agricultural	97.91	97.91	.35	.11	8.25	10.60	82.96	29.60	
Energy	97.41	97.41	.70	.15	7.39	12.86	84.59	25.86	
Bank size:									
Very small	97.68	97.68	1.62	.35	6.21	16.12	81.19	29.88	
Small	97.46	97.41	1.05	.27	5.78	15.36	79.85	30.18	
Medium	94.38	94.06	1.64	.26	5.83	14.46	78.19	31.51	
Large	81.55	76.74	4.22	.29	5.22	18.30	71.28	36.34	
Holding company type:									
Non-HC or one-bank HC	97.25	96.99	1.13	.30	5.90	14.71	79.71	30.52	
Limited multibank HC	96.93	96.91	1.32	.26	6.51	15.52	79.85	30.58	
Large multibank HC	91.86	91.11	2.51	.28	5.38	17.16	77.89	31.53	
Bank type:									
Agricultural	97.97	97.97	.36	.16	7.45	7.50	85.57	27.28	
25-percent agricultural	95.75	95.39	1.57	.30	5.81	15.92	78.92	30.95	
Loan-troubled	97.15	96.91	2.99	.28	6.20	24.78	81.08	27.62	
Minimum capital	95.26	94.73	2.05	.35	6.00	17.91	77.74	31.95	
Undercapitalized	95.99	95.62	2.98	.57	5.08	22.65	77.80	30.90	
New	95.92	95.61	3.57	.25	3.68	26.74	78.53	29.88	
Mature	95.86	95.51	.98	.30	6.41	12.59	79.47	31.01	
Firm's market extension:									
Local	97.38	97.14	1.21	.29	5.96	15.25	79.74	30.53	
Restricted	94.86	94.38	1.25	.23	6.31	13.00	79.34	30.86	
Extensive	92.17	91.58	2.46	.30	5.33	17.37	77.96	31.45	
Region:									
West	95.92	95.58	1.29	.41	3.72	15.72	74.39	36.51	
North Central	96.04	95.92	.81	.24	6.58	8.40	81.65	29.57	
South	96.26	96.12	2.26	.28	6.38	22.40	79.88	29.29	
Northeast	93.66	91.66	1.02	.27	4.62	10.05	76.32	32.20	

Continued--



Appendix table 8--Metro banks: Unweighted means of bank-operating statistics, 1986--Continued

Bank classification	Loan-loss provision	Capital			Problem loans	Income		Expenses		Adjusted net income	
		Equity	Primary	Total		Interest	Non-interest	Interest	Non-interest		
	Percent of loans	Percent of assets			Percent of total capital	Percent of assets				Percent of equity capital	
All metro banks	1.44	8.30	9.08	9.18	23.80	8.52	0.97	4.66	3.74	0.27	24.65
Branch banking status:											
Unit	1.82	8.12	8.98	9.03	33.49	8.54	.99	4.81	3.79	.01	53.69
Limited	1.36	8.05	8.80	8.89	17.50	8.76	.92	4.90	3.49	.49	4.86
Statewide	.92	8.86	9.54	9.73	15.82	8.23	.98	4.18	3.95	.42	1.72
County type:											
Major metro	1.51	7.95	8.79	8.88	26.94	8.10	1.05	4.36	4.01	-.01	87.21
Other metro	1.41	8.45	9.20	9.30	22.50	8.70	.93	4.79	3.63	.39	-1.27
Agricultural	1.59	8.42	9.17	9.19	25.18	9.04	.69	5.09	3.31	.49	1.60
Energy	2.14	8.46	9.29	9.40	-77.37	8.87	.79	4.98	3.79	-.03	1.24
Bank size:											
Very small	1.72	11.37	12.17	12.21	27.16	8.49	1.05	4.51	4.58	-.50	-8.09
Small	1.47	7.73	8.48	8.53	24.49	8.74	.90	4.77	3.67	.38	54.46
Medium	1.22	7.01	7.77	7.95	20.66	8.34	.94	4.65	3.25	.66	6.46
Large	1.01	6.21	7.09	7.48	19.27	7.78	1.29	4.49	3.13	.73	11.46
Holding company type:											
Non-HC or one-bank HC	1.42	8.89	9.64	9.72	21.35	8.62	.90	4.65	3.83	.22	42.14
Limited multibank HC	1.35	8.14	8.89	8.94	37.85	8.65	.98	4.77	3.83	.26	2.56
Large multibank HC	1.53	6.98	7.83	7.99	21.01	8.19	1.11	4.65	3.46	.40	-4.14
Bank type:											
Agricultural	1.78	9.26	9.99	10.02	21.94	9.06	.57	5.21	3.04	.57	4.19
25-percent agricultural	1.41	8.23	9.01	9.11	23.91	8.49	.99	4.63	3.78	.25	25.77
Loan-troubled	6.40	2.91	5.33	5.51	214.28	9.39	1.28	5.83	5.58	-4.41	593.01
Minimum capital	1.54	5.59	6.34	6.41	25.53	8.24	1.03	4.67	3.65	.15	.23
Undercapitalized	4.48	3.24	4.72	4.73	121.16	8.81	1.30	5.20	5.14	-2.72	370.36
New	1.88	11.00	11.84	11.92	28.40	7.70	1.00	4.10	4.53	-.99	113.73
Mature	1.33	7.62	8.38	8.49	22.65	8.73	.96	4.81	3.54	.58	2.25
Firm's market extension:											
Local	1.45	8.86	9.62	9.68	25.41	8.6	.91	4.66	3.84	.18	38.93
Restricted	1.09	8.02	8.74	8.93	18.46	8.67	.95	4.72	3.66	.59	6.83
Extensive	1.59	6.86	7.72	7.88	22.31	8.22	1.13	4.66	3.52	.35	-5.85
Region:											
West	1.55	8.64	9.48	9.66	29.66	8.78	1.22	4.25	4.85	-.06	-14.57
North Central	.93	7.96	8.60	8.66	14.28	8.75	.83	4.95	3.25	.81	9.45
South	2.03	8.45	9.36	9.45	32.38	8.37	1.02	4.68	3.86	-.21	54.87
Northeast	.52	8.32	8.90	9.05	11.59	8.01	.83	4.28	3.21	.93	11.50

Appendix table 9--U.S. banks: Unweighted means of bank-operating statistics, 1986

Bank classification	Banks	Assets	Cash	Government securities		Federal funds		Total loans
				United States	State and local	Sales	Purchases	
	<u>Number</u>	<u>1,000 dollars</u>	<u>Percent of assets</u>					
All U.S. banks	14,008	207,208	6.16	19.32	6.10	7.61	1.22	51.85
Branch banking status:								
Unit	5,745	90,118	6.20	20.20	5.31	8.18	.92	49.97
Limited	5,725	122,486	5.58	21.33	6.94	6.99	1.29	51.15
Statewide	2,538	663,362	7.37	12.78	5.99	7.70	1.76	57.71
County type:								
Agricultural	2,285	28,472	5.14	28.04	5.88	7.23	.41	44.09
Energy	651	53,981	5.33	22.66	7.86	7.95	.90	47.38
Bank size:								
Very small	4,730	14,897	6.07	22.10	4.09	8.21	.33	49.07
Small	6,536	50,676	5.82	19.48	7.14	7.57	.77	51.68
Medium	2,412	236,277	6.84	14.72	7.37	6.99	2.83	56.38
Large	330	5,851,500	8.95	9.84	4.94	4.14	11.32	62.23
Holding company type:								
Non-HC or one-bank HC	9,716	81,713	5.93	21.01	6.31	7.18	.70	50.50
Limited multibank HC	1,992	71,839	6.25	18.58	5.97	6.28	1.13	53.70
Large multibank HC	2,300	854,587	7.03	12.83	5.29	10.57	3.50	55.99
Bank type:								
Agricultural	4,704	32,744	5.04	27.26	6.15	7.13	.42	45.16
25-percent agricultural	3,516	29,060	4.98	28.74	5.90	7.00	.36	43.94
Loan-troubled	500	76,922	6.25	13.58	2.25	6.46	.58	61.13
Minimum capital	12,008	168,388	5.99	20.34	6.53	7.17	1.06	51.18
Undercapitalized	1,410	531,503	7.13	13.34	4.13	10.80	2.44	55.19
New	1,668	60,278	7.69	9.67	1.10	10.40	1.25	58.19
Mature	12,340	227,069	5.95	20.62	6.77	7.23	1.22	51.00
Firm's market extension:								
Local	9,715	64,061	5.99	20.79	6.26	7.20	.72	50.54
Restricted	2,017	224,749	6.03	18.88	6.44	6.46	1.30	53.52
Extensive	2,276	802,683	6.99	13.41	5.08	10.34	3.31	55.98
Region:								
West	1,613	285,469	8.45	12.24	3.87	8.35	1.12	57.71
North Central	6,089	104,152	5.41	25.36	5.96	6.80	1.14	47.86
South	5,424	145,306	6.26	15.82	6.62	8.45	1.17	53.60
Northeast	882	1,156,229	6.46	12.08	7.94	6.63	2.32	58.00

Continued--

Appendix table 9--U.S. banks: Unweighted means of bank-operating statistics, 1986--Continued

Bank classification	Loans					Total liabilities	Percent of assets
	Business		Home mortgages	Personal	Depository institutions		
	Agricultural						
	Operating	Real estate					
	-----Percent of total loans-----						
All U.S. banks	11.70	4.07	23.04	21.24	22.06	0.45	91.39
Branch banking status:							
Unit	15.25	4.23	24.42	17.75	20.88	.45	91.49
Limited	11.38	5.16	20.15	24.07	22.93	.30	91.44
Statewide	4.37	1.26	26.44	22.78	22.77	.76	91.03
County type:							
Agricultural	34.38	9.40	16.54	14.08	16.27	.19	90.91
Energy	8.30	2.78	24.60	25.09	25.05	.42	90.69
Bank size:							
Very small	19.95	5.69	20.08	19.79	22.09	.18	90.00
Small	9.73	4.11	23.11	22.92	21.95	.37	91.74
Medium	2.33	1.31	27.30	20.86	22.39	.80	92.80
Large	.79	.29	32.81	11.68	21.43	3.23	93.77
Holding company type:							
Non-NC or one-bank NC	14.09	4.73	22.15	21.41	21.81	.29	90.95
Limited multibank NC	9.06	3.58	24.00	21.59	21.54	.34	91.74
Large multibank NC	3.89	1.70	25.97	20.25	23.57	1.21	92.93
Bank type:							
Agricultural	31.31	9.55	17.00	15.67	16.87	.18	90.92
25-percent agricultural	37.48	10.41	15.94	13.18	15.02	.14	90.82
Loan-troubled	17.41	4.31	28.93	14.45	18.22	.20	96.55
Minimum capital	12.50	4.38	22.37	21.47	22.07	.40	90.76
Undercapitalized	5.57	1.96	25.99	20.84	22.40	.84	94.39
New	2.68	1.13	32.95	17.45	22.78	.51	89.21
Mature	12.92	4.47	21.70	21.76	21.96	.44	91.68
Firm's market extension:							
Local	13.57	4.60	22.56	21.27	21.87	.29	90.92
Restricted	10.60	3.98	22.55	22.40	21.53	.40	91.83
Extensive	4.66	1.89	25.53	20.11	23.37	1.16	92.97
Region:							
West	7.25	1.16	32.91	17.79	20.16	.30	91.42
North Central	19.80	6.37	19.79	21.43	19.28	.33	91.58
South	5.67	2.88	23.62	20.80	25.65	.49	91.14
Northeast	.89	.84	23.86	29.03	22.64	1.27	91.51

Continued--

Appendix table 9--U.S. banks: Unweighted means of bank-operating statistics, 1986--Continued

Bank classification	Deposits								
	Total	Domestic	Depository institutions	Government		Large time (over \$100,000)	Total		
				United States	State and local		Interest-bearing	Transaction accounts	
Percent of liabilities			Percent of domestic deposits						
All U.S. banks	97.01	96.85	0.82	0.22	7.17	12.11	82.59	29.08	
Branch banking status:									
Unit	97.59	97.55	1.10	.22	8.42	14.97	82.92	29.14	
Limited	97.05	97.02	.46	.20	7.17	9.25	84.41	27.54	
Statewide	95.59	94.90	.97	.29	4.37	12.08	77.72	32.41	
County type:									
Agricultural	98.13	98.13	.14	.17	8.32	7.55	86.42	27.83	
Energy	97.85	97.85	.30	.14	9.95	14.12	84.84	27.21	
Bank size:									
Very small	98.19	98.19	.68	.23	8.05	11.18	83.61	29.22	
Small	97.73	97.71	.55	.21	6.96	11.95	83.39	28.15	
Medium	94.81	94.58	1.35	.24	6.28	13.54	79.93	30.35	
Large	81.86	77.19	4.11	.29	5.23	18.08	71.56	36.14	
Holding company type:									
Non-NC or one-bank NC	97.82	97.71	.57	.22	7.39	11.44	83.12	28.78	
Limited multibank NC	97.39	97.38	.82	.23	7.43	12.54	82.76	29.02	
Large multibank NC	93.26	92.75	1.84	.25	6.03	14.55	80.17	30.41	
Bank type:									
Agricultural	98.16	98.16	.15	.16	8.32	7.71	86.16	27.70	
25-percent agricultural	98.21	98.21	.12	.15	8.28	7.18	86.43	27.74	
Loan troubled	97.78	97.67	1.54	.19	7.65	16.82	84.10	27.00	
Minimum capital	97.13	97.00	.68	.21	7.28	11.47	82.91	28.90	
Undercapitalized	96.04	95.68	1.55	.30	6.54	15.22	80.41	30.44	
New	96.37	96.12	3.06	.23	4.76	24.97	79.95	29.17	
Mature	97.10	96.95	.51	.22	7.50	10.37	82.94	29.07	
Firm's market extension:									
Local	97.86	97.76	.64	.22	7.39	11.92	82.97	28.89	
Restricted	96.62	96.42	.65	.21	7.31	10.59	83.00	28.81	
Extensive	93.73	93.36	1.71	.26	6.10	14.25	80.61	30.12	
Region:									
West	96.64	96.43	.89	.33	6.90	14.58	77.30	34.77	
North Central	97.29	97.25	.36	.19	7.59	6.83	85.21	27.74	
South	97.18	97.11	1.30	.23	7.13	17.79	81.88	28.65	
Northeast	94.73	93.28	.80	.24	5.07	9.09	78.51	30.52	

Continued--

Appendix table 9--U.S. banks: Unweighted means of bank-operating statistics, 1936--Continued

Bank classification	Loan-loss provision	Capital			Problem loans	Income		Expenses		Adjusted net income	
		Equity	Primary	Total		Interest	Non-interest	Interest	Non-interest		
		Percent of loans	Percent of assets			Percent of total capital	Percent of assets			Percent of equity capital	
All U.S. banks	1.77	8.61	9.40	9.46	24.83	8.83	0.76	4.97	3.36	0.38	12.08
Branch banking status:											
Unit	2.17	8.51	9.39	9.42	30.64	8.82	.77	5.04	3.40	.16	24.78
Limited	1.72	8.56	9.31	9.36	22.72	9.02	.70	5.17	3.16	.53	3.21
Statewide	.96	8.97	9.63	9.76	16.46	8.44	.88	4.39	3.74	.53	3.33
County type:											
Agricultural	2.70	9.10	9.95	9.96	28.85	9.03	.50	5.30	2.84	.33	-3.00
Energy	2.06	9.31	10.15	10.20	15.66	9.14	.63	5.12	3.34	.41	5.13
Bank size:											
Very small	2.20	10.00	10.83	10.86	28.21	8.97	.76	4.96	3.76	-.03	-5.73
Small	1.69	8.26	9.01	9.05	24.42	8.92	.70	5.08	3.17	.54	26.78
Medium	1.24	7.20	7.95	8.10	20.13	8.46	.86	4.80	3.13	.70	7.24
Large	.99	6.23	7.09	7.49	18.99	7.79	1.28	4.49	3.14	.74	11.55
Holding company type:											
Non-NC or one-bank NC	1.82	9.05	9.82	9.86	24.25	8.92	.70	5.00	3.34	.38	17.38
Limited multibank NC	1.58	8.26	9.00	9.05	31.32	8.89	.80	5.02	3.43	.42	3.74
Large multibank NC	1.73	7.07	7.96	8.10	21.70	8.39	.98	4.84	3.37	.34	-3.12
Bank type:											
Agricultural	2.56	9.08	9.93	9.95	28.60	9.08	.52	5.30	2.89	.35	-1.52
25-percent agricultural	2.80	9.18	10.05	10.07	28.32	9.08	.49	5.31	2.82	.29	-2.47
Loan-troubled	7.08	3.45	5.66	5.76	213.45	9.47	1.02	6.00	4.88	-3.98	199.05
Minimum capital	1.56	9.24	9.98	10.05	18.21	8.87	.73	4.95	3.27	.60	6.33
Undercapitalized	2.03	5.61	6.41	6.47	30.82	8.44	.92	4.93	3.57	-.08	-5.25
New	1.80	10.79	11.57	11.64	27.87	7.81	.94	4.24	4.38	-.88	88.40
Mature	1.76	8.32	9.10	9.16	24.42	8.97	.74	5.07	3.22	.55	1.76
Firm's market extension:											
Local	1.83	9.08	9.85	9.89	25.78	8.90	.71	4.98	3.36	.35	17.11
Restricted	1.47	8.17	8.88	8.99	22.44	8.93	.76	5.03	3.33	.60	5.76
Extensive	1.78	7.02	7.91	8.06	22.90	8.46	.97	4.89	3.39	.32	-3.80
Region:											
West	1.84	8.57	9.45	9.56	33.48	8.92	1.08	4.49	4.57	-.05	-13.90
North Central	1.84	8.42	9.16	9.21	22.21	8.96	.61	5.23	2.96	.54	3.33
South	1.83	8.86	9.70	9.76	27.46	8.76	.84	4.92	3.49	.23	29.64
Northeast	.48	8.49	9.04	9.16	10.98	8.26	.74	4.46	3.13	.99	12.00