

District Data

Selected economic indicators of banking,
agricultural and business conditions in
the Eighth Federal Reserve District

April 1996

Commercial Bank Performance Ratios

U.S., District and State

	All U.S.	U.S. <\$15B ¹	District	AR	IL	IN	KY	MS	MO	TN
Return on Average Assets (Annualized)										
4th quarter 1995	1.20%	1.33%	1.29%	1.23%	1.16%	1.26%	1.15%	1.42%	1.34%	1.48%
3rd quarter 1995	1.21	1.34	1.30	1.28	1.17	1.28	1.22	1.46	1.31	1.45
4th quarter 1994	1.17	1.31	1.22	1.28	1.18	1.09	1.12	1.10	1.30	1.27
Return on Average Equity (Annualized)										
4th quarter 1995	15.02%	15.07%	14.66%	13.13%	11.51%	13.72%	13.24%	15.25%	16.24%	18.08%
3rd quarter 1995	15.22	15.28	14.87	13.75	11.85	13.90	14.05	15.97	16.03	17.83
4th quarter 1994	14.92	15.30	14.25	13.94	12.25	11.73	12.96	12.28	16.43	16.07
Net Interest Margin (Annualized)										
4th quarter 1995	4.25%	4.84%	4.37%	4.22%	4.47%	4.54%	4.25%	5.07%	4.33%	4.35%
3rd quarter 1995	4.24	4.81	4.33	4.30	4.46	4.58	4.25	5.09	4.18	4.23
4th quarter 1994	4.17	4.70	4.25	4.18	4.24	4.23	4.35	4.74	4.16	4.20
Nonperforming Loans ² ÷ Total Loans										
4th quarter 1995	1.16%	1.07%	0.78%	0.75%	0.91%	0.67%	0.81%	0.64%	0.82%	0.73%
3rd quarter 1995	1.23	1.10	0.71	0.68	1.01	0.56	0.82	0.64	0.61	0.66
4th quarter 1994	1.30	1.12	0.66	0.67	0.90	0.61	0.74	0.57	0.57	0.59
Net Loan Losses ÷ Average Total Loans (Annualized)										
4th quarter 1995	0.50%	0.59%	0.27%	0.17%	0.43%	0.20%	0.34%	0.32%	0.20%	0.33%
3rd quarter 1995	0.45	0.53	0.21	0.13	0.39	0.15	0.29	0.23	0.12	0.25
4th quarter 1994	0.51	0.51	0.22	0.13	0.30	0.20	0.33	0.25	0.14	0.27
Loan Loss Reserve ÷ Total Loans										
4th quarter 1995	2.03%	1.89%	1.54%	1.34%	1.58%	1.40%	1.53%	1.61%	1.66%	1.52%
3rd quarter 1995	2.07	1.91	1.56	1.34	1.54	1.39	1.57	1.62	1.70	1.55
4th quarter 1994	2.21	1.99	1.65	1.43	1.67	1.45	1.63	1.67	1.80	1.65

NOTE: Data include only that portion of the state within Eighth District boundaries.

¹ U.S. banks with average assets of less than \$15 billion are shown separately to make comparisons with District banks more meaningful, as there are no District banks with average assets greater than \$15 billion.

² Includes loans 90 days or more past due and nonaccrual loans

SOURCE: FFIEC Reports of Condition and Income for Insured Commercial Banks

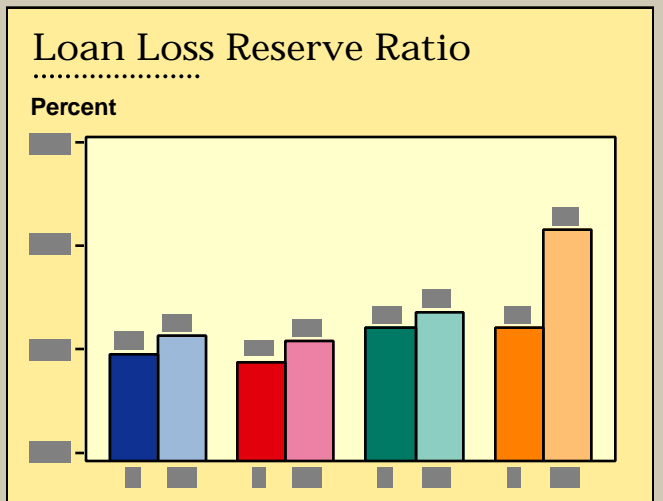
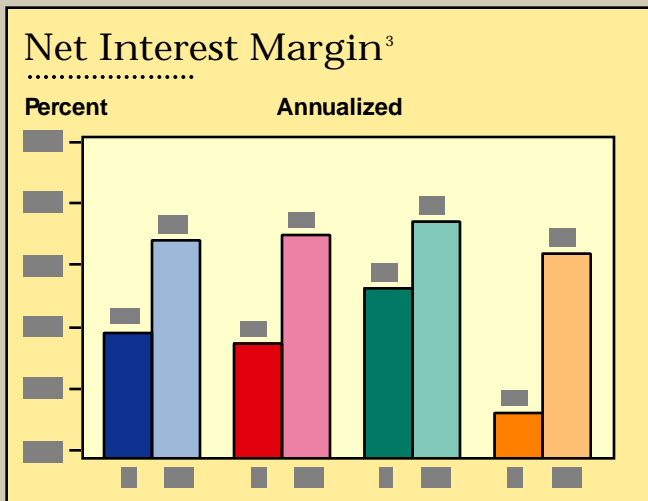
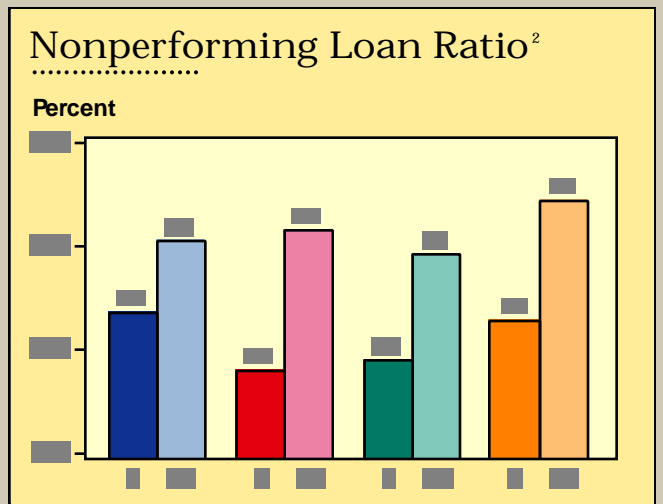
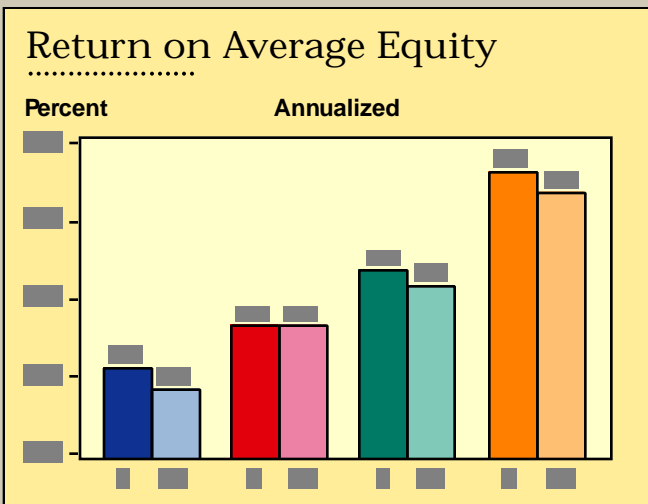
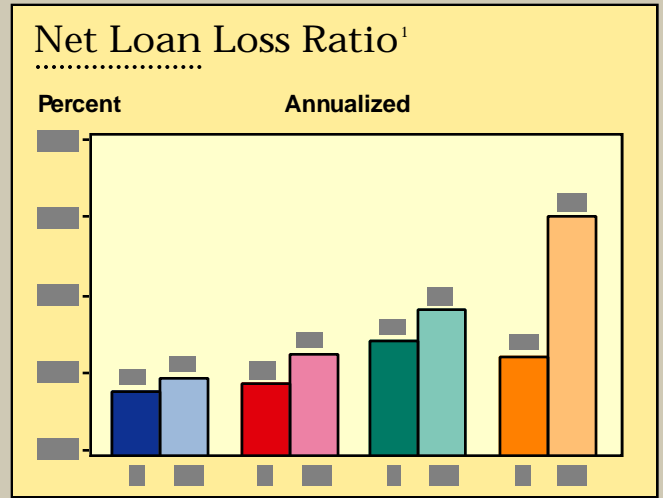
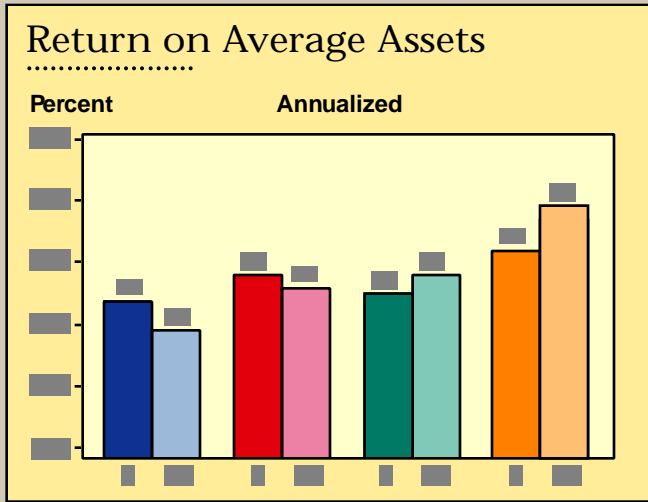
Commercial Bank Performance Ratios

by Asset Size

4th Quarter 1995

Earnings

Asset Quality



D = District US = United States	< \$100 Million	\$300 Million - \$1 Billion
	\$100 Million - \$300 Million	\$1 Billion - \$15 Billion

NOTE: Asset quality ratios are calculated as a percent of total loans.

¹ Loan losses are adjusted for recoveries

² Includes loans 90 days or more past due and nonaccrual loans

³ Interest income less interest expense as a percent of average earning assets

SOURCE: FFIEC Reports of Condition and Income for Insured Commercial Banks

Agricultural Bank Performance Ratios

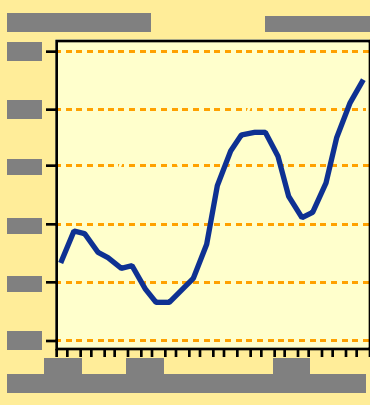
	U.S.	AR	IL	IN	KY	MS	MO	TN
Return on average assets (annualized)								
4th quarter 1995	1.22%	1.25%	1.24%	1.26%	1.46%	1.44%	1.26%	1.13%
3rd quarter 1995	1.28	1.30	1.28	1.26	1.49	1.71	1.28	1.22
4th quarter 1994	1.20	1.18	1.11	1.08	1.36	1.32	1.25	1.05
Return on average equity (annualized)								
4th quarter 1995	11.80%	11.56%	11.33%	12.91%	14.38%	15.10%	12.10%	10.62%
3rd quarter 1995	12.37	12.38	11.76	12.78	14.71	19.11	12.50	12.79
4th quarter 1994	11.97	11.12	10.69	10.64	13.80	13.28	12.54	10.29
Net interest margin (annualized)								
4th quarter 1995	4.59%	4.35%	4.31%	4.68%	4.62%	5.33%	4.52%	4.30%
3rd quarter 1995	4.59	4.36	4.26	4.70	4.67	5.50	4.42	4.37
4th quarter 1994	4.38	4.13	3.99	4.46	4.44	5.00	4.34	4.11
Ag loan losses ÷ average ag loans (annualized)								
4th quarter 1995	0.25%	0.05%	0.01%	0.05%	0.17%	0.50%	0.05%	0.05%
3rd quarter 1995	0.17	-0.01	-0.01	0.07	0.19	0.26	-0.04	0.08
4th quarter 1994	0.13	0.41	0.02	-0.10	0.03	0.30	0.14	0.29
Ag nonperforming loans¹ ÷ total ag loans								
4th quarter 1995	1.28%	0.41%	0.74%	1.77%	1.40%	1.53%	1.08%	0.86%
3rd quarter 1995	1.29	0.29	1.26	0.29	1.36	0.88	1.00	0.35
4th quarter 1994	1.13	0.69	0.94	0.27	1.50	1.95	0.84	0.09

NOTE: Agricultural banks are defined as those banks with a greater than average share of agricultural loans to total loans. Data include only that portion of the state within Eighth District boundaries.

¹ Includes loans 90 days or more past due and nonaccrual loans

SOURCE: FFIEC Reports of Condition and Income for Insured Commercial Banks

U.S. Agricultural Exports*



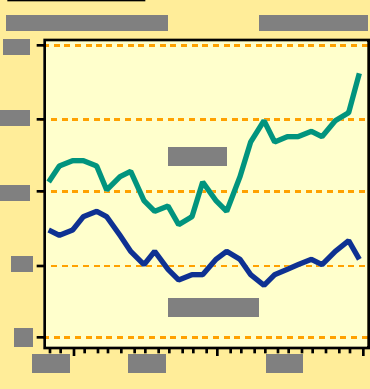
U.S. Agricultural Exports by Commodity

Dollar amounts in billions

Commodity	Oct	Nov	Dec	Year-to-date	Change from year ago
Livestock & products	1.00	.94	.92	10.52%	19.6%
Corn	.70	.70	.66	7.30	85.6
Cotton	.19	.29	.49	3.71	38.8
Rice	.10	.09	.09	1.00	-1.2
Soybeans	.52	.60	.66	5.40	24.7
Tobacco	.14	.15	.14	1.40	7.5
Wheat	.60	.55	.53	5.44	34.2
TOTAL ¹	5.14	5.22	5.35	55.81	22.1

¹ Includes commodities not listed here

U.S. Crop and Livestock Prices



Indexes of Food and Agricultural Prices

	Level			Growth ¹	
	IV/95	III/95	IV/94	III/95-IV/95	IV/94-IV/95
Prices received by U.S. farmers ²	106	103	96	13.6	10.4
Prices received by District farmers ³					
Arkansas	133	126	122	22.9	8.4
Illinois	110	102	85	33.6	29.0
Indiana	116	106	89	41.6	30.3
Missouri	130	129	120	2.1	8.4
Tennessee	131	132	128	-3.0	2.1
Prices paid by U.S. farmers					
Production items	110	107	105	11.7	4.8
Other items	111	108	106	11.6	4.7
Consumer food prices	150	149	146	2.7	2.6
Consumer nonfood prices	154	154	150	2.1	2.6

NOTE: Data not seasonally adjusted except for consumer food prices and nonfood prices.

¹ Compounded annual rates of change are computed from unrounded data.

² Index of prices received for all farm products and prices paid (1990-92=100)

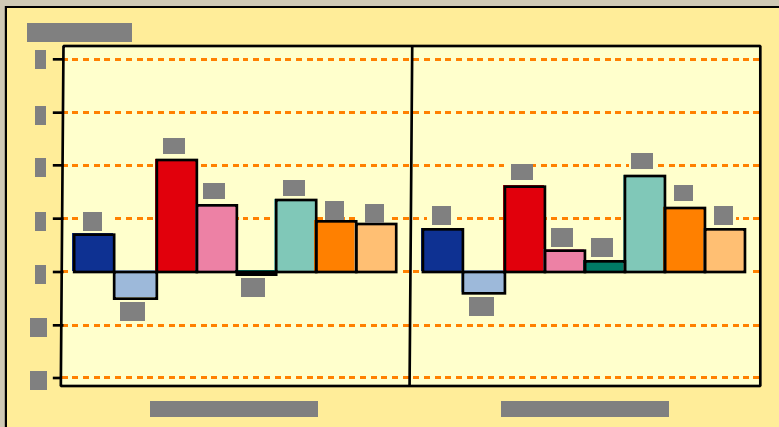
³ Indexes for Kentucky and Mississippi are unavailable.

Selected U.S. and State Business Indicators

Compounded Annual Rates of Change in Nonagricultural Employment

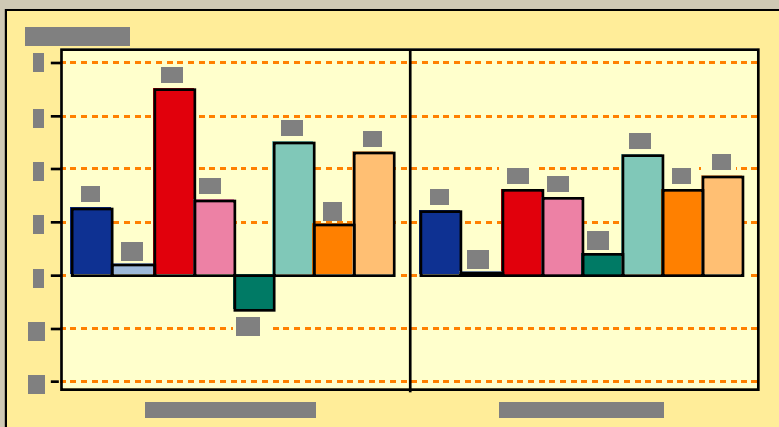
United States

	IV/1995	III/1995	IV/1994
Labor force (in thousands)	132,458	132,440	131,696
Total nonagricultural employment (in thousands)	117,195	116,782	115,329
Unemployment rate	5.6%	5.6%	5.6%
	III/1995	II/1995	III/1994
Real personal income* (in billions)	\$3,939.8	\$3,913.7	\$3,808.1



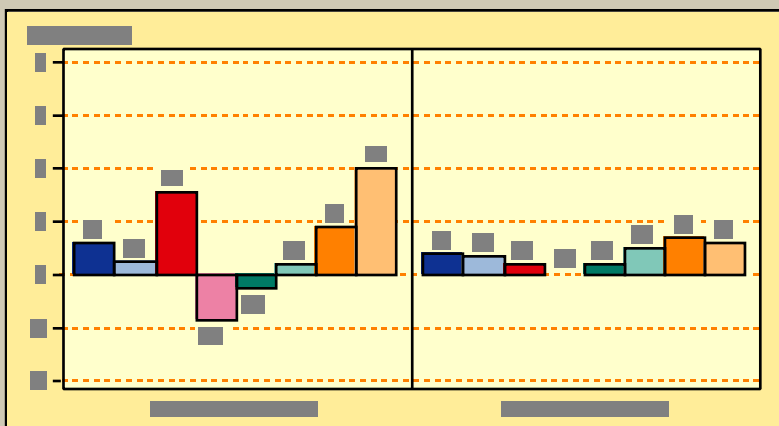
Arkansas

	IV/1995	III/1995	IV/1994
Labor force (in thousands)	1,226.4	1,220.3	1,224.6
Total nonagricultural employment (in thousands)	1,081.2	1,074.5	1,056.1
Unemployment rate	4.7%	5.0%	5.1%
	III/1995	II/1995	III/1994
Real personal income* (in billions)	\$28.7	\$28.5	\$27.7



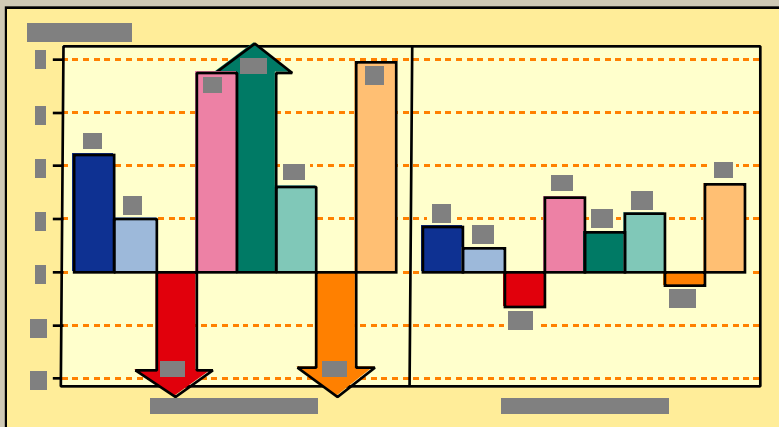
Illinois

	IV/1995	III/1995	IV/1994
Labor force (in thousands)	6,115.3	6,081.3	5,992.2
Total nonagricultural employment (in thousands)	5,561.9	5,545.8	5,517.3
Unemployment rate	5.2%	5.5%	5.2%
	III/1995	II/1995	III/1994
Real personal income* (in billions)	\$193.6	\$192.4	\$187.4



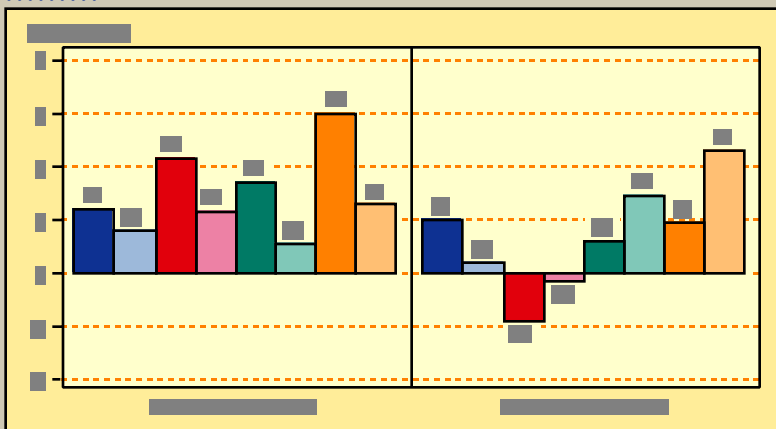
Indiana

	IV/1995	III/1995	IV/1994
Labor force (in thousands)	3,126.9	3,147.4	3,126.8
Total nonagricultural employment (in thousands)	2,793.5	2,763.3	2,746.1
Unemployment rate	4.3%	4.4%	4.7%
	III/1995	II/1995	III/1994
Real personal income* (in billions)	\$81.4	\$80.8	\$78.9



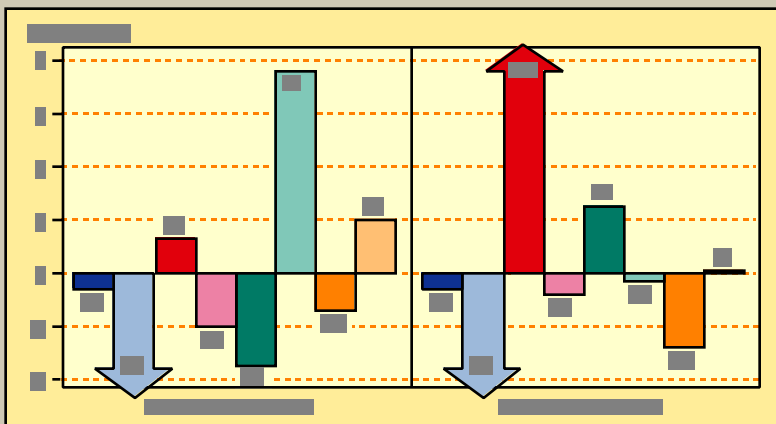
Kentucky

	IV/1995	III/1995	IV/1994
Labor force (in thousands)	1,847.2	1,865.6	1,848.3
Total nonagricultural employment (in thousands)	1,654.7	1,644.8	1,622.4
Unemployment rate	5.2%	5.3%	5.0%
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	III/1995	II/1995	III/1994
Real personal income* (in billions)	\$47.6	\$47.1	\$45.8



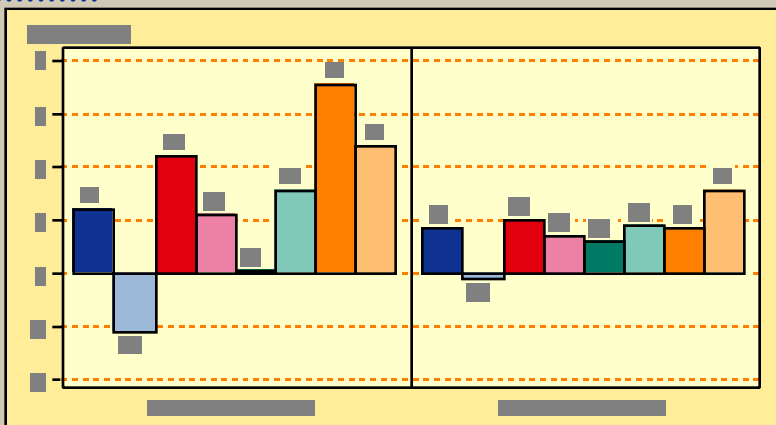
Mississippi

	IV/1995	III/1995	IV/1994
Labor force (in thousands)	1,268.6	1,266.5	1,267.4
Total nonagricultural employment (in thousands)	1,053.8	1,055.4	1,059.9
Unemployment rate	5.8%	6.3%	6.8%
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	III/1995	II/1995	III/1994
Real personal income* (in billions)	\$29.5	\$29.3	\$28.4



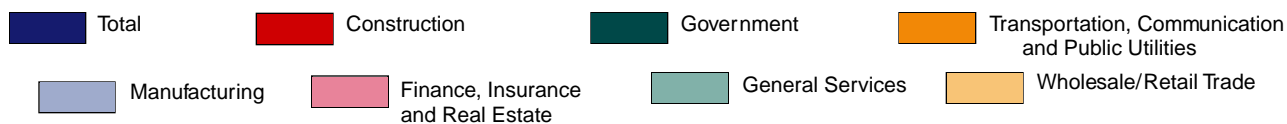
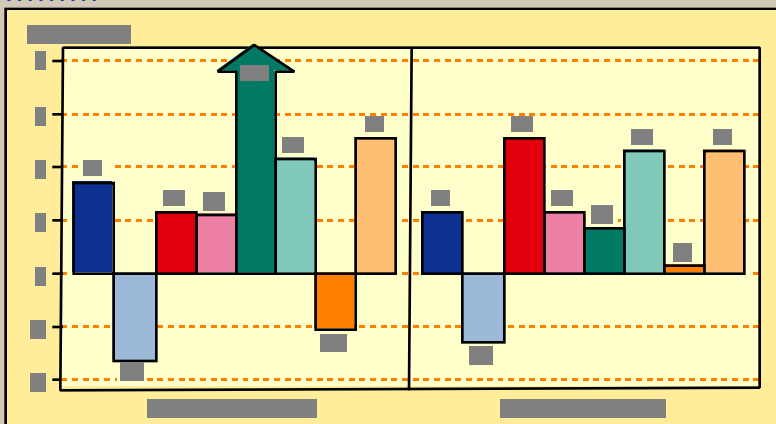
Missouri

	IV/1995	III/1995	IV/1994
Labor force (in thousands)	2,795.9	2,817.4	2,728.5
Total nonagricultural employment (in thousands)	2,553.6	2,538.7	2,511.5
Unemployment rate	3.7%	5.1%	4.5%
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	III/1995	II/1995	III/1994
Real personal income* (in billions)	\$76.2	\$75.7	\$73.1



Tennessee

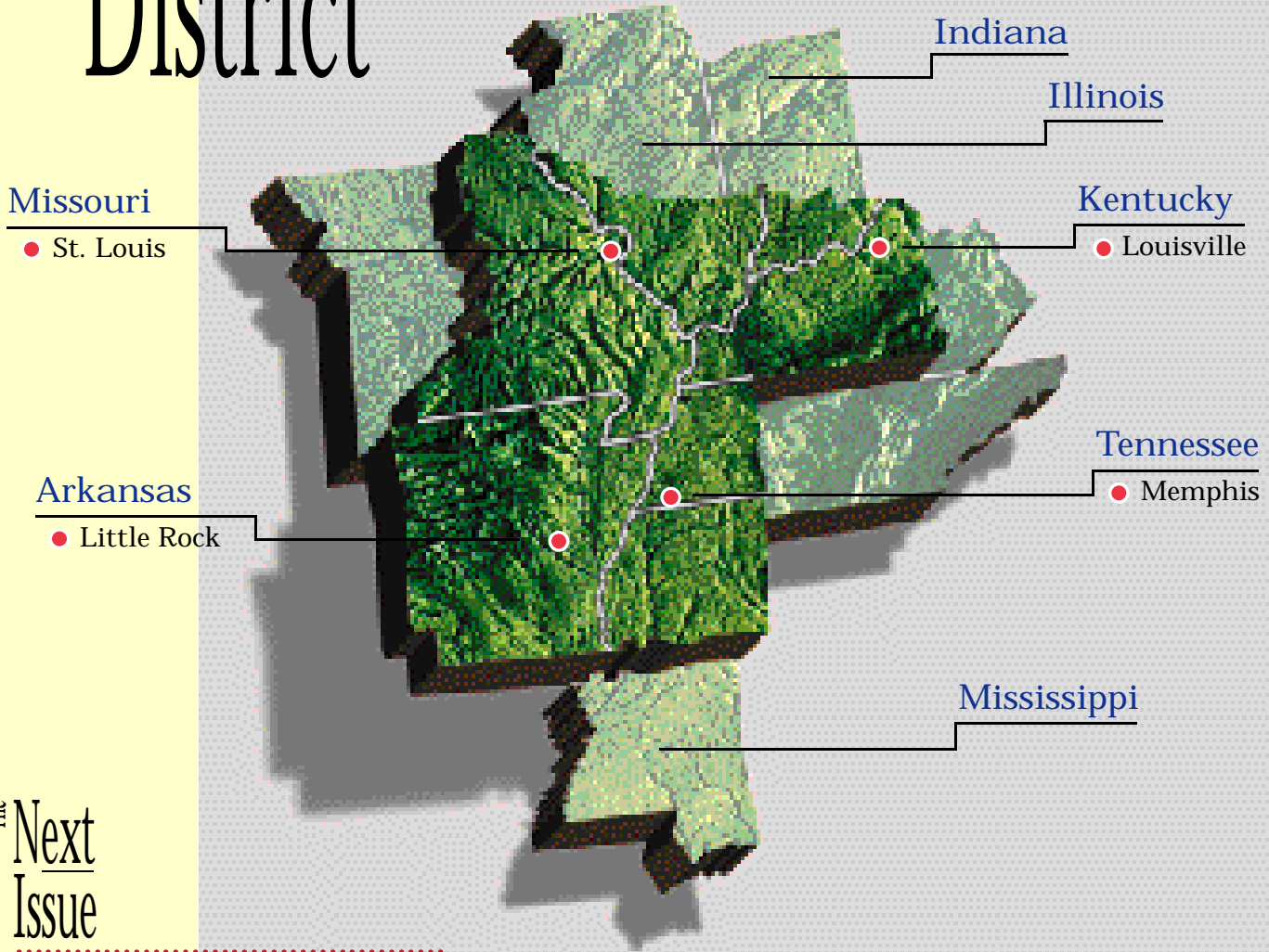
	IV/1995	III/1995	IV/1994
Labor force (in thousands)	2,708.5	2,699.2	2,710.9
Total nonagricultural employment (in thousands)	2,512.2	2,491.2	2,456.8
Unemployment rate	5.1%	5.2%	4.2%
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	III/1995	II/1995	III/1994
Real personal income* (in billions)	\$70.1	\$69.8	\$67.9



NOTE: All data are seasonally adjusted. The nonagricultural employment data reflect the 1994 benchmark revision.
* Annual rate. Data deflated by CPI, 1982-84=100.

The Eighth District

The Eighth Federal Reserve District, shown in the raised portion of the map below, includes all of Arkansas, eastern Missouri, southern Illinois and Indiana, western Kentucky and Tennessee and northern Mississippi.



The Next Issue

A Taxing Issue—There's been plenty of talk about the political ramifications of the various tax reform proposals being bandied about. But which one makes the most sense from a purely economic perspective?

Economics 101—Above and beyond our Congressional mandate, there's a more fundamental reason for the Fed to participate in the U.S. payments system.

The Federal Reserve Bank of St. Louis

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