

District Data

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

The Regional Economist · July 1998

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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)										
1st quarter 1998	1.26%	1.53%	1.39%	1.32%	1.50%	1.35%	1.40%	1.27%	1.18%	1.56%
4th quarter 1997	1.30	1.40	1.34	1.30	1.27	1.33	1.25	1.41	1.30	1.59
1st quarter 1997	1.27	1.35	1.23	1.28	1.15	1.28	1.22	1.38	1.07	1.46
Return on Average Equity (Annualized)										
1st quarter 1998	15.10%	15.92%	15.98%	13.77%	16.54%	14.81%	17.19%	12.98%	13.38%	20.42%
4th quarter 1997	15.66	14.93	15.17	13.65	14.72	14.75	14.61	14.70	14.88	18.53
1st quarter 1997	15.27	14.63	13.15	12.49	11.15	14.24	14.33	14.50	11.26	17.01
Net Interest Margin (Annualized)										
1st quarter 1998	3.97%	4.67%	4.29%	4.31%	3.65%	4.19%	4.23%	4.65%	4.07%	5.07%
4th quarter 1997	4.34	4.94	4.53	4.46	4.56	4.34	4.45	4.97	4.59	4.46
1st quarter 1997	4.14	4.73	4.22	4.37	4.17	4.31	4.30	4.79	3.87	4.44
Nonperforming Loans² ÷ Total Loans										
1st quarter 1998	0.97%	0.97%	0.98%	1.01%	1.10%	0.52%	0.74%	0.62%	0.87%	1.38%
4th quarter 1997	0.96	1.00	0.97	0.95	1.09	0.55	0.65	0.65	0.85	1.71
1st quarter 1997	1.04	1.08	1.06	0.91	1.19	0.57	0.68	0.60	0.86	2.31
Net Loan Losses ÷ Average Total Loans (Annualized)										
1st quarter 1998	0.63%	0.71%	0.25%	0.22%	0.16%	0.14%	0.26%	0.23%	0.12%	0.52%
4th quarter 1997	0.66	0.84	0.39	0.25	0.50	0.19	0.37	0.31	0.32	0.62
1st quarter 1997	0.57	0.75	0.37	0.22	0.38	0.21	0.34	0.22	0.42	0.57
Loan Loss Reserve ÷ Total Loans										
1st quarter 1998	1.82%	1.83%	1.41%	1.37%	1.31%	1.25%	1.43%	1.48%	1.43%	1.48%
4th quarter 1997	1.84	1.83	1.40	1.36	1.30	1.25	1.41	1.46	1.43	1.51
1st quarter 1997	1.92	1.86	1.49	1.39	1.59	1.31	1.52	1.51	1.56	1.44

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

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

SOURCE: FFIEC Reports of Condition and Income for All Insured U.S. Commercial Banks

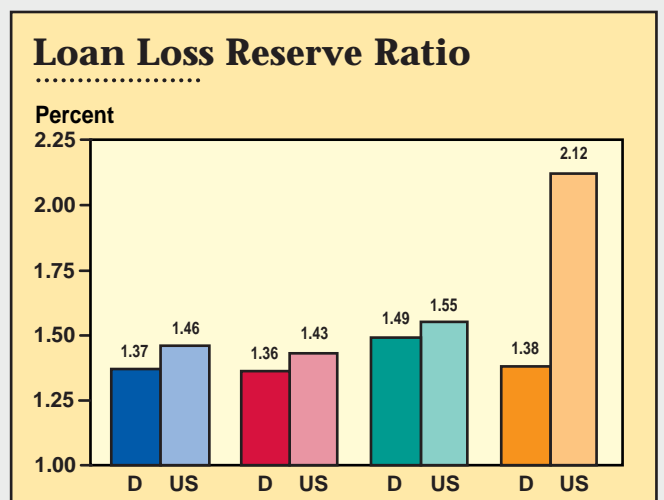
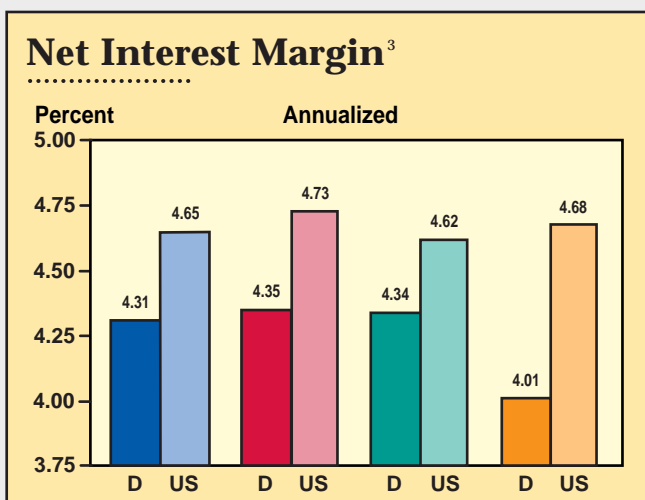
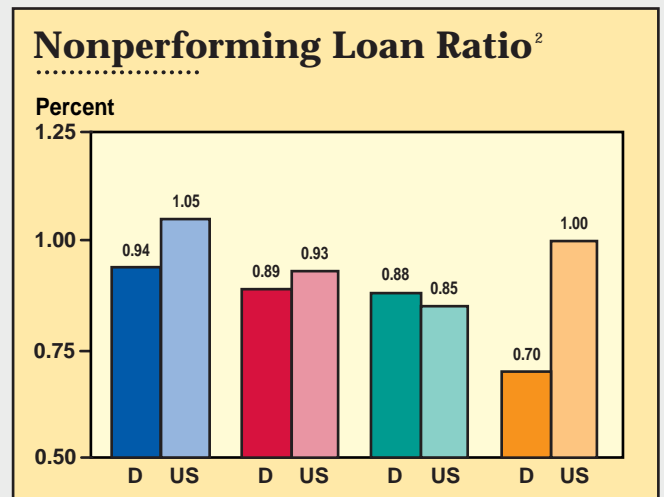
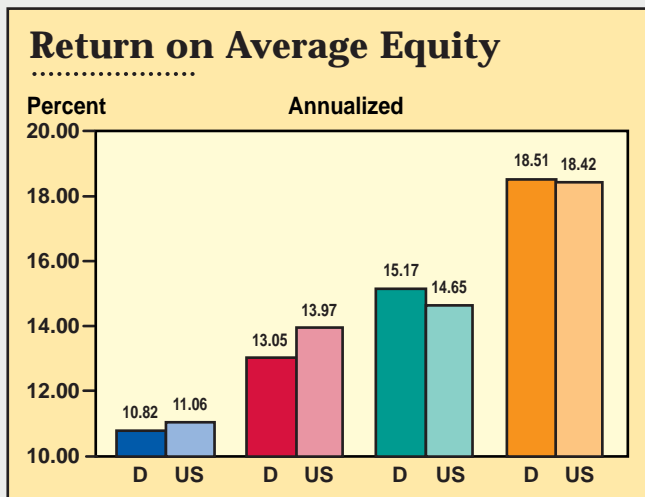
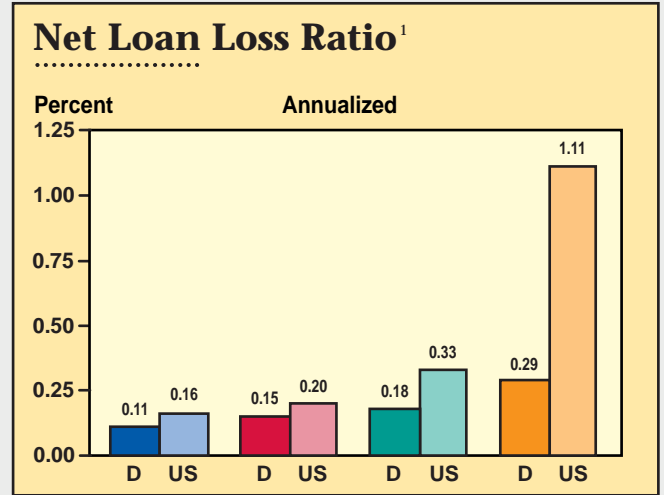
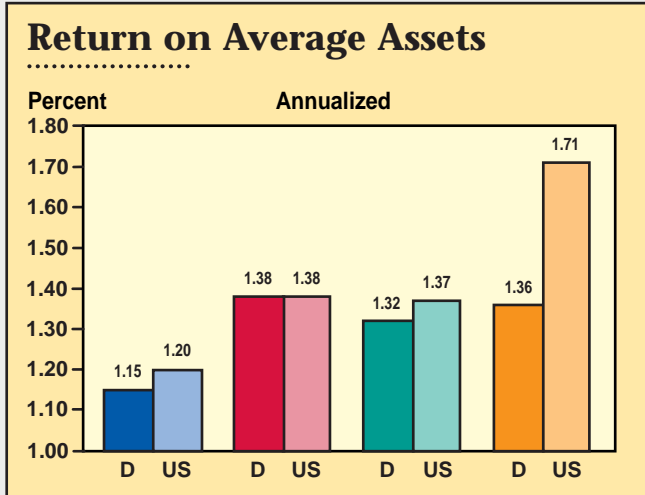
Commercial Bank Performance Ratios

by Asset Size

1st Quarter 1998

Earnings

Asset Quality



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

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

NOTE: Asset quality ratios are calculated as a percent of total loans.
 SOURCE: FFIEC Reports of Condition and Income for All Insured U.S. Commercial Banks

Agricultural Bank Performance Ratios

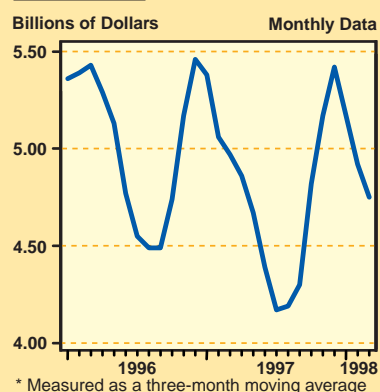
	U.S.	AR	IL	IN	KY	MS	MO	TN
Return on average assets (annualized)								
1st quarter 1998	1.28%	1.16%	1.30%	1.24%	1.39%	1.20%	1.15%	1.28%
4th quarter 1997	1.27	1.31	1.25	1.22	1.36	1.39	1.23	1.14
1st quarter 1997	1.28	1.36	1.30	1.22	1.45	1.41	1.25	1.27
Return on average equity (annualized)								
1st quarter 1998	12.25%	10.89%	11.63%	12.10%	13.20%	12.48%	11.17%	11.70%
4th quarter 1997	12.02	12.21	11.35	12.12	12.62	13.95	11.67	11.23
1st quarter 1997	12.29	12.53	12.17	12.88	13.82	14.43	11.93	11.80
Net interest margin (annualized)								
1st quarter 1998	4.42%	4.21%	4.09%	4.69%	4.41%	4.97%	4.22%	4.27%
4th quarter 1997	4.63	4.46	4.15	4.60	4.57	5.11	4.47	4.32
1st quarter 1997	4.47	4.29	4.15	4.94	4.51	4.94	4.44	4.55
Ag loan losses ÷ average ag loans (annualized)								
1st quarter 1998	0.04%	0.20%	-0.43%	-0.10%	-0.07%	0.12%	0.28%	0.02%
4th quarter 1997	0.20	0.16	0.00	-0.50	0.24	0.18	0.33	-0.08
1st quarter 1997	0.13	0.06	-0.07	0.01	-0.02	0.52	0.23	-0.02
Ag nonperforming loans¹ ÷ total ag loans								
1st quarter 1998	1.51%	0.81%	0.73%	2.59%	1.89%	1.64%	1.50%	1.88%
4th quarter 1997	1.19	0.67	0.65	2.63	1.27	1.26	1.29	0.01
1st quarter 1997	1.83	0.77	1.02	1.88	1.76	2.74	1.90	0.34

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

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.

SOURCE: FFIEC Reports of Condition and Income for All Insured U.S. Commercial Banks

U.S. Agricultural Exports*



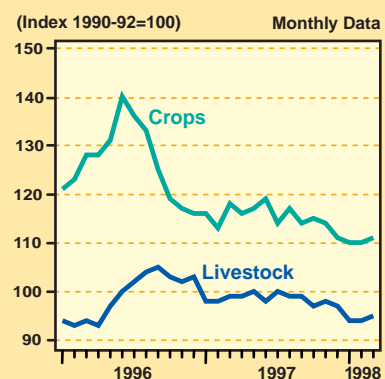
U.S. Agricultural Exports by Commodity

Dollar amounts in billions

Commodity	Jan	Feb	Mar	Year-to-date	Change from year ago
Livestock & products	.82	.85	.87	5.54	4.1%
Corn	.36	.37	.39	2.28	-39.0
Cotton	.27	.28	.31	1.52	-2.0
Rice	.10	.14	.12	.64	11.0
Soybeans	.66	.68	.40	4.97	0.0
Tobacco	.11	.11	.15	.76	-15.0
Wheat	.41	.28	.27	2.02	7.0
TOTAL ¹	4.80	4.73	4.73	30.53	-2.0

¹ Includes commodities not listed here

U.S. Crop and Livestock Prices



Indexes of Food and Agricultural Prices

	Level			Growth ¹	
	I/98	IV/97	I/97	IV/97-I/98	I/97-I/98
Prices received by U.S. farmers²	102	106	107	-15.3%	-4.7%
Prices received by District farmers³					
Arkansas	130	131	140	-3.0	-7.1
Illinois	100	110	116	-31.7	-14.0
Indiana	103	108	116	-18.3	-11.7
Missouri	99	104	108	-20.0	-8.4
Tennessee	N.A.	N.A.	143	N.A.	N.A.
Prices paid by U.S. farmers					
Production items	115	116	116	-4.5	-0.6
Other items	117	117	116	-1.1	0.3
Consumer food prices	159	159	156	1.4	2.0
Consumer nonfood prices	162	162	160	0.3	1.4

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.

N.A. = Not Available

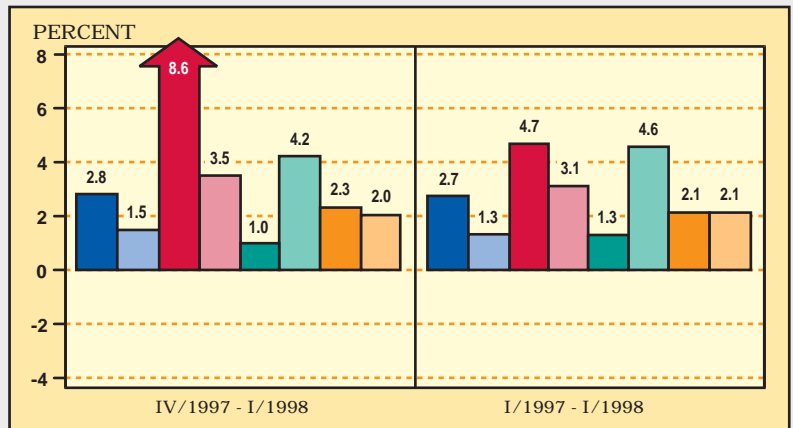
NOTE: Data not seasonally adjusted, except for consumer food prices and nonfood prices

Selected U.S. and State Business Indicators

United States

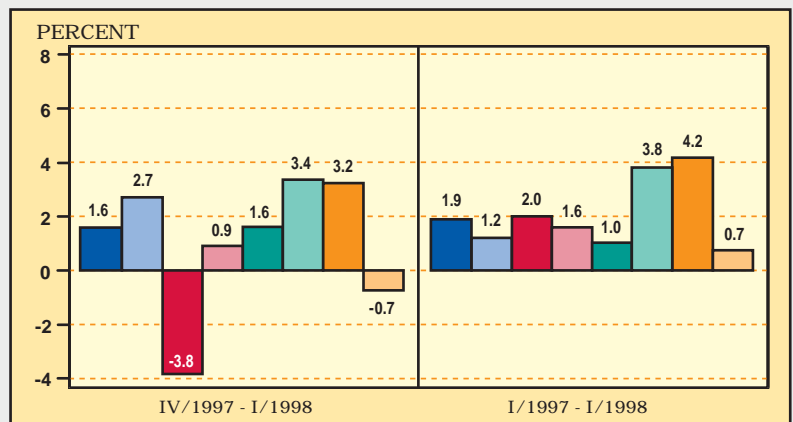
	I/1998	IV/1997	I/1997
Labor force (in thousands)	137,524	136,813	135,844
Total nonagricultural employment (in thousands)	124,795	123,934	121,461
Unemployment rate	4.7%	4.7%	5.3%
	IV/1997	III/1997	IV/1996
Real personal income* (in billions)	\$4,335.6	\$4,291.8	\$4,168.6

Compounded Annual Rates of Change in Nonagricultural Employment



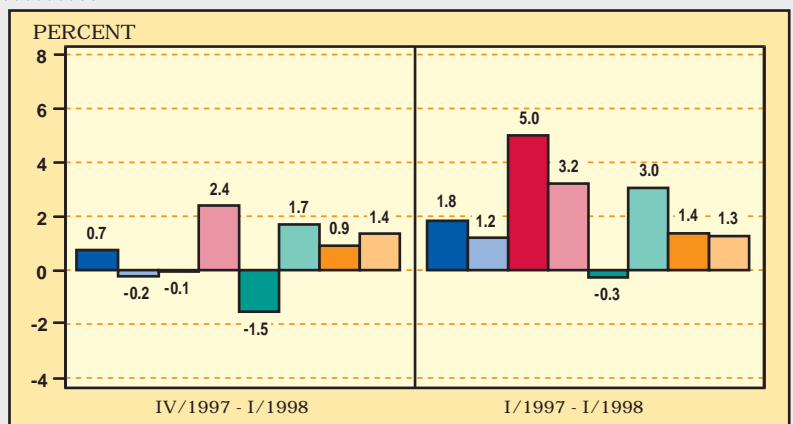
Arkansas

	I/1998	IV/1997	I/1997
Labor force (in thousands)	1,246.2	1,230.0	1,205.1
Total nonagricultural employment (in thousands)	1,114.2	1,109.8	1,093.5
Unemployment rate	5.4%	5.0%	5.5%
	IV/1997	III/1997	IV/1996
Real personal income* (in billions)	\$31.0	\$30.8	\$30.5



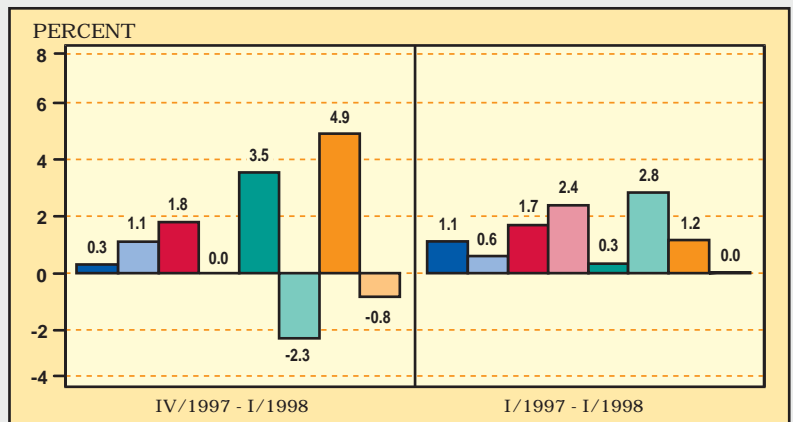
Illinois

	I/1998	IV/1997	I/1997
Labor force (in thousands)	6,188.6	6,156.1	6,115.8
Total nonagricultural employment (in thousands)	5,835.2	5,824.4	5,730.3
Unemployment rate	4.7%	4.8%	4.9%
	IV/1997	III/1997	IV/1996
Real personal income* (in billions)	\$211.6	\$209.3	\$204.1



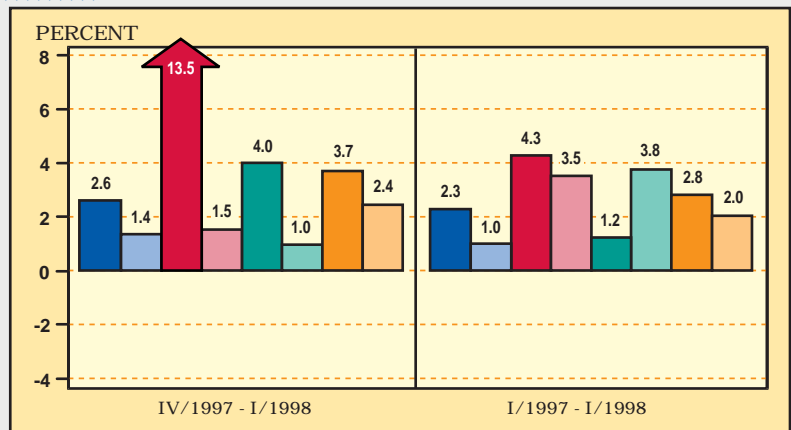
Indiana

	I/1998	IV/1997	I/1997
Labor force (in thousands)	3,120.1	3,112.7	3,069.7
Total nonagricultural employment (in thousands)	2,877.8	2,875.6	2,846.2
Unemployment rate	3.3%	3.5%	3.4%
	IV/1997	III/1997	IV/1996
Real personal income* (in billions)	\$87.3	\$86.1	\$84.8



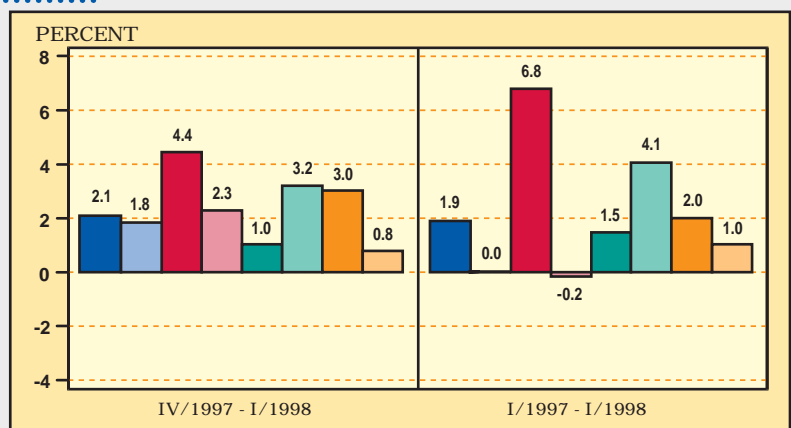
Kentucky

	I/1998	IV/1997	I/1997
Labor force (in thousands)	1,937.8	1,937.6	1,911.1
Total nonagricultural employment (in thousands)	1,737.3	1,726.2	1,698.6
Unemployment rate	4.4%	4.9%	5.8%
	IV/1997	III/1997	IV/1996
Real personal income* (in billions)	\$50.8	\$50.3	\$49.2



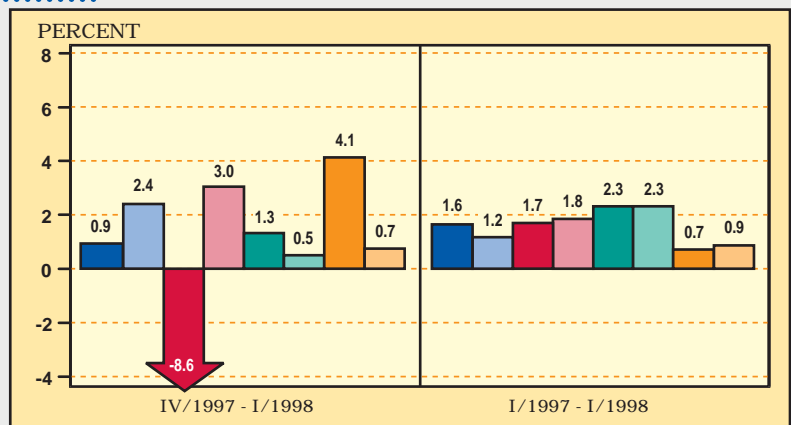
Mississippi

	I/1998	IV/1997	I/1997
Labor force (in thousands)	1,285.4	1,278.4	1,256.8
Total nonagricultural employment (in thousands)	1,118.6	1,112.8	1,097.7
Unemployment rate	5.5%	5.4%	6.0%
	IV/1997	III/1997	IV/1996
Real personal income* (in billions)	\$31.3	\$31.2	\$30.4



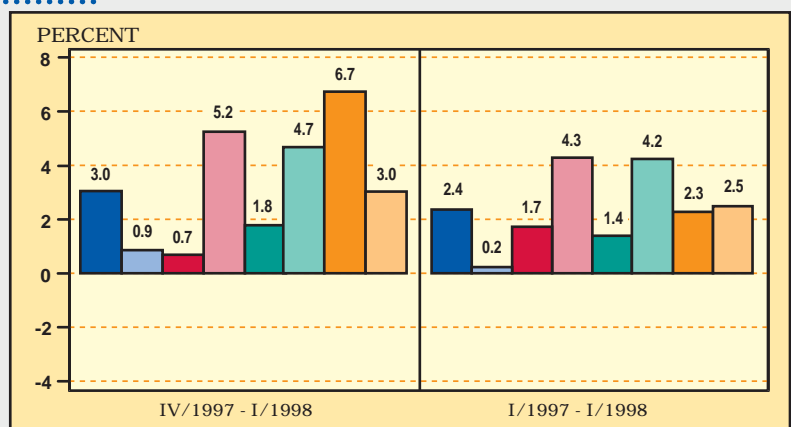
Missouri

	I/1998	IV/1997	I/1997
Labor force (in thousands)	2,905.9	2,893.3	2,895.3
Total nonagricultural employment (in thousands)	2,659.6	2,653.5	2,616.7
Unemployment rate	4.1%	4.0%	4.6%
	IV/1997	III/1997	IV/1996
Real personal income* (in billions)	\$81.7	\$80.8	\$79.1



Tennessee

	I/1998	IV/1997	I/1997
Labor force (in thousands)	2,780.2	2,753.4	2,691.7
Total nonagricultural employment (in thousands)	2,621.0	2,601.4	2,560.6
Unemployment rate	4.5%	5.2%	5.4%
	IV/1997	III/1997	IV/1996
Real personal income* (in billions)	\$77.9	\$77.1	\$75.0



NOTE: All data are seasonally adjusted. The nonagricultural employment data reflect the most current benchmark revision.

Data deflated by CPI, 1982-84=100.
* Annual rate

The Next Issue

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Prosper—Americans are living longer, but retiring earlier. With the first of the baby boom generation set to retire in a little over a decade, policymakers are already starting to fret over Social Security's viability. Can 401(k) retirement plans help mitigate this pending crisis?

More Time to Surf the Net—Work environments have changed dramatically over the past decade, creating a subsequent effect in worker productivity. A look at how computers and workplace reorganizations have contributed to significant increases in productivity.



The Eighth Federal Reserve District

includes all of Arkansas, eastern Missouri, southern Illinois and Indiana, western Kentucky and Tennessee and northern Mississippi. The Eighth District offices are in Little Rock, Louisville, Memphis and St. Louis.

The Federal Reserve Bank of St. Louis

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