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Statement on

"Condition of the Banking System"

Presented to

Senate Committee on Banking, Housing, and Urban Affairs
United States Senate

by

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I am pleased to report to the Committee in this second regular oversight hearing on the condition of the banking industry. As my predecessor, Robert Barnett, stated last year, we believe that routine disclosure and discussion of information concerning the banking industry is in the public interest. These hearings will contribute to an understanding of the banking system's strengths and weaknesses.

I. GENERAL CONDITION OF THE BANKING SYSTEM

It is important that an assessment of the performance of the banking industry be viewed within the context of recent economic conditions and cyclical developments. Certain banks will inevitably develop problems in response to troubled economic times, and many of the bank problems over the last four years have, in fact, been attributable to the environment in which the banks operated. The events surrounding the economic downturn of the 1974-75 period indicated clearly that the banking industry, like other sectors of the economy, is vulnerable to the vagaries of general economic and business conditions. Because banks have become more aggressive and more competitive, the industry has suffered more than it would have 10 or 20 years ago from major economic disruptions such as high and fluctuating interest and inflation rates and various traumatic shocks, most notably the increased price of energy. High loan losses, weakened earnings and capital positions, and other problems stemming from the most severe economic contraction since the Great Depression, all placed great strains on our banking system. The system held up remarkably well given the magnitude and the variety of shocks with which it had to cope.

Notwithstanding the problems we have witnessed in the banking industry in recent years, it is my opinion that the industry has remained sound. Furthermore, the industry has been strengthened by the experiences of the 1970s and has exhibited the ability to adapt and learn from past mistakes. Last year the FDIC reported that, on the whole, the banking industry showed signs of recovering from the 1974-1975 downturn in the economy. Statistical trends indicated greater overall stability, increased capital ratios, improved liquidity, moderating loan losses, and higher earnings. Statistics for 1977 reflect a continuation of many of these trends. This, of course, is consistent with continued general economic recovery from the recession of 1974-75.

Since the spring of 1975, the economy has advanced at an average annual rate of about 5.1 percent in real GNP. This growth has been accompanied by improvements in employment and business profits and in most other sectors of the economy which, in turn, have provided a favorable environment for banks.

However, inflation remained an important problem during 1977. The price level advanced by close to 6 percent, pushing the increase in nominal GNP to more than 11 percent. Reflecting both real and inflationary growth in GNP, domestic deposits at insured commercial banks increased by 11.4 percent in 1977 and total deposits, including those in foreign offices of U. S. banks, increased by 12.5 percent (see TABLE 1).

TABLE 1

SELECTED DATA FOR ALL INSURED COMMERCIAL BANKS

	Year-end 1977 $ billions	% Change '76-'77
Net Loans	715.7	15.3
U. S. Treasury Securities	95.9	-1.0
Total Assets	1,339.0	13.2
Domestic Deposits	925.5	11.4
Deposits in Foreign Offices	190.8	18.5
Total Deposits	1,116.3	12.5
Equity Capital	79.3	9.7
Total Capital	85.1	9.9

	1977	% Change '76-'77
Operating Income	90.3	12.0
Operating Expenses	78.7	11.3
Net Income	8.9	13.4
Net Loan Losses	2.8	-20.1

	Year-end '77 %
Net Loans/Total Deposits	64.1
Equity/Total Assets	5.9
Equity/Net Loans	11.1
Total Capital/Total Assets	6.4
Total Capital/Net Loans	11.9

	1977
Operating Income/Average Assets	7.2
Net Income/Average Assets	0.71
Net Loan Losses/Average Net Loans	0.42

Growth in loans was even greater due to the strength of the economic recovery during 1977. Loans, net of reserves, increased by more than 15 percent -- the increase was greater for nonmember banks, for smaller banks, and for banks outside the nation's money centers. Because loans increased at a faster percentage rate than deposits, the aggregated loan-deposit ratio rose above 64 percent for all insured commercial banks by the end of 1977. This was still considerably below the levels that existed during 1974. Although loan expansion was accompanied by a reduction in liquidity, this reduction was not substantial.

Banks increased their net income by 13.4 percent in 1977. This reflected the expanded earning asset base, relatively stable margins between interest earned on assets and interest paid on deposits and other funds, and a decline in loan loss provisions. Actually, aggregate loan loss provisions significantly exceeded net loan charge-offs (realized losses) for banks in 1977, in part because of the sizable loan growth. Net charge-offs declined by about 20 percent from 1976 levels despite the loan expansion. This was the first year since 1972 that the dollar volume of bank loan losses actually declined. From a supervisory standpoint this was a very welcome, though not surprising, development. Although the 1977 ratio of net loan losses to average outstanding loans was about double the level that existed in 1972, it was substantially below the comparable figures for 1975 and 1976.

Despite favorable earnings and sizable additions to equity through retained earnings, the ratio of equity to bank assets declined in 1977. Because banks have relied principally on retained earnings as a source of equity, it is extremely difficult for banks to maintain their capital ratios in periods of double digit asset expansion. In 1977, net income to equity capital (rate of return on equity) was about 12 percent. However, even if all earnings had been retained and added to equity, the capital ratio would have fallen because total assets increased by more than 13 percent. It should be noted that historically the rate of return on equity does not seem to be related to the inflation rate, whereas the rate of expansion in bank assets does.

During the first quarter of 1978, most banks appeared to be continuing to perform well. An analysis of first quarter earnings reports for large banks indicates that the vast majority reported improved first quarter earnings compared to the first quarter of 1977. In many instances, the improvements were sizable. The particularly favorable performance of many regional and nonmoney-center banks strongly indicates that this favorable performance characterized the behavior of small as well as large banks. Loan charge-offs continued to decline and this apparently contributed importantly to first quarter earnings gains. At this point, many financial analysts appear to expect bank earnings to show percentage gains in 1978 comparable to those experienced in 1977.

Bank performance during the balance of the year and beyond will depend importantly on economic developments. Weather conditions, the coal strike and other factors contributed to a virtually flat first quarter. Most forecasters agree that the second quarter of 1978 will be very strong and that real growth for the year will be in the 4 to 5 percent range. Most also agree that inflation will exceed 6 percent. However, as we move into the latter part of the year, forecasts of economic and financial market conditions diverge. Consensus forecasts appear to imply banks will experience slower deposit growth -- that has already occurred so far this year. Combined with continued strong loan demand, slower deposit growth is apt to put moderate pressure on the liquidity position of some banks. At the same time, we expect further improvement with respect to loan losses. Of course, we recognize that an acceleration in the inflation rate could make financial markets uncomfortably tight and eventually this could have an unfavorable impact on bank customers and banks. A weakening in the economy would also have a detrimental effect. Although banks are not entirely insulated from economic fluctuations, I believe that most banks and the system as a whole can effectively withstand such fluctuations.

II. RATING THE CONDITION AND SOUNDNESS OF BANKS

The Federal Deposit Insurance Corporation, together with the Office of the Comptroller of the Currency and the Board of Governors of the Federal Reserve System, recently adopted, in principle, a new system for rating the condition and soundness of the nation's banks for supervisory purposes. The Uniform

Interagency Bank Rating System will be based on an evaluation of five dimensions of a bank's operations.

Capital adequacy

Asset quality

Management/administration

Earnings

Liquidity

Together these five dimensions reflect in a comprehensive fashion an institution's financial condition, compliance with banking regulations and statutes, and overall soundness. The rating system will have two main elements:

(1) An assessment and rating on a scale of one through five of <u>each</u> of the five criteria;

(2) A combination of the five basic rankings into a composite rating of the bank's condition and soundness. Based on the composite rating each bank will be assigned to one of five groups, ranging from banks that are sound in almost every respect to those with excessive weaknesses requiring close supervision.

Although the new system will be used to evaluate individual banks, it may be instructive to take a look at aggregate bank data in the context of the system. (See TABLE 2.)

<u>CAPITAL ADEQUACY</u>

Total capital-to-assets ratios and growth rates of capital, which are often used as proxies of the health of the banking

industry and of individual bank soundness, are monitored from quarterly call reports. As previously indicated, total assets of insured commercial banks grew more rapidly than capital last year. As a consequence, total capital-to-asset ratios declined from 6.5 percent to 6.3 percent from year-end 1976 to year-end 1977. The capital-asset ratio for all banks in 1977 remained below the pre-recession level of 1972. The only notable exception to the industry averages were banks under $100 million in assets which showed capital-asset ratios substantially higher than the 1972 levels. Bank capital as a percentage of risk assets also declined in 1972.

In an environment where price increases are substantial, bank deposits are apt to grow at a faster pace than capital, causing declines in the capital-asset ratio. For example, if banks earn an average of 12 percent on capital and pay out a third of those earnings in dividends, equity capital would increase by 8 percent a year. If deposits grow at a much faster rate than that, it becomes difficult for banks to maintain their capital ratios. Even sales of debt will not necessarily increase capital ratios unless the effect of the debt sale is to increase the debt-equity ratio of the banks in question.

Although the significance of the decline in capital ratios over the last several years is not easy to assess in view of the simultaneous changes that have occurred in bank

portfolios, access to borrowed funds, external economic conditions, and other elements of banks' total exposure to risk, there is some reason to believe that the decline may reflect a deterioration in the soundness of the banking system, particularly among the very large banks. Some banks recognized this in the recent recession and took serious steps to rebuild capital positions; others did not. All banks have been constrained by unattractive market prices for bank stocks which continue to discourage the sale of new equity capital.

ASSET QUALITY

Insured commercial banks, on balance, experienced considerable improvement in asset quality in 1977 as net loan losses declined. For all commercial banks, net loan losses as a percentage of average total loans dropped from 0.6 percent in 1976 to 0.4 percent in 1977. However, the 1977 ratio remains higher than the pre-recession levels for banks in all size categories. Banks over $1 billion in assets had the highest net loss ratios in 1977. Banks under $100 million have had the lowest loan loss ratios during the past three years.

Comparison of write-offs against total assets and capital tells much the same story. Net assets written off in 1977 equaled 0.24 percent of total assets, down from 0.34 percent in both 1975 and 1976, but still higher than the 0.21 percent average of 1972-74. Net loan write-offs equaled 3.2 percent of total capital in 1977, down from 4.5 percent in 1976 and 4.7 percent in 1975. Write-offs equaled 3.1 percent of capital in 1974.

MANAGEMENT

Bank management is something that must, of course, be evaluated on an individual bank basis. It is true that management performance is generally reflected in the other four dimensions of a bank's operations. Sometimes where management has changed or where special circumstances prevail, management performance or potential is not fully reflected in those dimensions that lend themselves to greater quantification.

EARNINGS

The improved condition of the banking system is further illustrated by the recovery of bank earnings in 1977. For the year ending December 1977, total operating income for all insured commercial banks rose 12.0 percent while total operating expenses increased 11.3 percent. This increase marked the first time in the last four years that operating income increased at a greater rate than expenses. Net income after taxes jumped 13.4 percent during 1977.

Similarly, the ratio of net income to average equity capital increased from 11.2 percent at year-end 1976 to 11.7 percent at year-end 1977. However, the improvement in earnings was not distributed uniformly across all sizes of banks. Net earnings to equity capital improved most dramatically for banks in the $100 million to $1 billion in assets range. Banks in the $1 to $5 billion range showed only marginal improvement, and banks over $5 billion in assets showed a continued decline in net income to capital, dropping from 11.9 percent at the end of 1976 to 11.4 percent at the end of 1977.

LIQUIDITY

In 1977, total assets of consolidated foreign and domestic offices of insured banks increased by 13.2 percent. While net loans increased by 15.3 percent, total deposits grew at the slower rate of 12.5 percent, and consequently the percentage of total loans to total deposits increased over the year from 63.3 to 64.8 percent.

The greater increase in loans relative to deposits suggests a slight tightening of liquidity for all size categories of banks. However, the loan-deposit ratio at year-end 1977 was below the year-end 1974 ratio of 67 percent.

The tendency toward tightened liquidity is also evidenced by changes in bank holdings of assets readily converted to cash and by increased reliance on interest sensitive funds. Although total assets increased by 13.2 percent during 1977, the combined bank holdings of U. S. Treasury securities and Federal agency obligations remained unchanged. Increases in total bank assets were financed in part by an 18 percent increase in Federal funds purchased and securities sold and a 40 percent increase in other borrowed money. However, these increases in purchased funds are not excessive since they approximate the average annual changes over the previous five years.

III. PROBLEM BANKS

Although aggregate data are important for assessing the condition of banks in total, the supervisory process is concerned with the condition of individual institutions. The FDIC maintains

a problem bank list covering all insured banks for deposit insurance exposure purposes. (This list will be maintained in tandem with the new Interagency Uniform Bank Rating System.) This list includes troubled member as well as nonmember insured commercial and mutual savings banks. The problem bank list and the composition of banks on it remain of considerable current interest. However, the information provided by problem bank statistics requires considerable interpretation if it is to be used as an indicator of the change in the condition of the banking system. Bank management and policy deficiencies are reflected in the FDIC problem bank list with a lag. This lag is attributable in part to the time it takes to examine a bank and complete the review and analysis process, as well as the time period between examinations.

In addition to time delays, many banks are still working out the adverse effects of the 1974-75 recession which left them with large volumes of problem loans, particularly in real estate. The nature of these problem loans does not lend itself to rapid improvement and therefore we expect future declines in the number of problem banks to be gradual. At the same time, it is important to recognize that the FDIC problem bank list is very fluid; banks are constantly added and subtracted from it. For example, in 1977, 165 banks were added to the list and 176 removed. In 1976, 188 banks were added and 158 were removed. At year-end 1977, 62 percent of the listed banks had been in problem status less than two years and 86 percent less than three years.

With these considerations in mind, I would like to report the latest figures from our problem bank list. The number of banks on the list reached a high of 385 in late 1976 (379 at year-end 1976) after a steady increase from 156 at the end of 1973. Since that peak, the total has fluctuated but has generally declined, albeit at a very slow pace. The list was at 368 on both June 30 and December 31, 1977, and by April 30, 1978, it had declined to 364.

It is important to note that the decline in the number of problem banks has been most pronounced in the Serious Problem - Potential Payout category, the most critical category on our list. There were 28 such banks at year-end 1975, 23 at the end of 1976, 12 at year-end 1977, but only 7 on April 30 of this year. None of these 7 was over $20 million in size.

To place these problem bank statistics in proper perspective, we must note that only 2.5 percent of insured banks has been classified as problem banks at any given time. Naturally, the economic downswing in 1974-1975 uncovered weaknesses in certain institutions and adversely affected earnings, capital, and loan losses in general. Although repercussions from the recent recession keeps the problem bank list at higher levels than in the early 1970s, evidence of substantial reductions in loan losses in 1977 suggests that the number of banks on our problem bank list does not fully reflect the improvement that is taking place in the banking system.

IV. AREAS OF SPECIAL CONCERN

There are several areas of special concern to both the banking industry and bank regulators which warrant separate mention. These include the performance of loans to real estate investment trusts (REITs), evaluation of the agricultural credit situation, international lending activities in developing countries, and the threat of potential disintermediation.

REITs AND LOAN LOSSES

A large portion of today's banking problems remain related to REIT loans. Charge-offs of loans to REITs have been by far the largest individual loss to the banking industry, and REIT losses have comprised the overwhelming majority of losses for banks over $1 billion in assets.

However, improvement in the real estate market has increasingly aided the REIT industry, creating markets for REIT property obtained through foreclosure and, thus, reducing holdings of these properties slowly throughout 1977. In addition, there is a growing trend among REITs to engage in successful direct management of the more attractive foreclosed properties as income producing ventures. Overall, REITs are recovering from the low point of mid-1976, as evidenced by consecutive increases in dividend payout through the first quarter of 1978 and an 8.3 percent increase in the REIT share price index for 1977.

It remains true that REIT loans will require some time to be worked out of bank portfolios. The inflexibility of REITs is illustrated by the fact that 35 percent of industry assets

consist of foreclosed property. Moreover, with $6.6 billion in bank debt against $14.6 billion in assets, recent increases in interest rates will significantly increase operating expenses of the industry. However, improved REIT earnings and stock prices portend an improvement in this major source of problem loans.

LENDING TO DEVELOPING COUNTRIES

Our analysis indicates that U. S. banks have not dashed with abandon into loan involvements in developing countries, and that commercial lending in these countries has proceeded in an orderly fashion. In particular, there is evidence that banks are aware of the importance of country exposure limits, and that banks base their lending decisions on a number of criteria which govern the expected performance of a loan with respect to geographic location as well as more traditional creditworthiness evaluations. Also, recent lending surveys indicate that banks have diversified their exposure across countries to insulate themselves from isolated adverse developments in any given country.

However, the past record of international lending does not guarantee the future record. With this in mind, the Federal bank regulatory agencies are presently enhancing procedures to monitor foreign lending to ensure the maintenance of prudent market practices and exposures to risk. Additional information on foreign operations of banks will be required in the December 1978 Reports of Condition and Income. The FDIC has also undertaken, in concert with the other two Federal bank regulatory agencies, a program directed toward the development of a comprehensive

survey of foreign loans on a country-by-country basis. This is now an established semiannual report which covers claims on foreign residents held at all domestic and foreign offices of U. S. banks with assets of $1 billion or more.

AGRICULTURAL LENDING

The latest national statistics show that the agricultural lending problem has subsided. Rural banks are not experiencing the liquidity pressures of last year primarily because deposit inflows have increased and loan repayment experiences have improved. These improvements have been achieved with the help of various Federal government programs, such as price supports and disaster loans, use of correspondent relations, and the channeling of farm credit demand toward nonbank sources.

The situation for agricultural banks should continue to improve for the next two years, barring unforeseen weather-created disasters. The latest U. S. D. A. forecasts for 1978 and 1979 show agricultural prices improving and farm income increasing. It is expected that both deposit inflows and loan repayments will continue to improve. Credit demands on rural banks may subside as farm income improves and new Federal set-aside programs and the expanded credit opportunities with the Farm Credit Bureau become operative. However, the number of banks susceptible to agricultural conditions remains at an unusually high level. The Federal Deposit Insurance Corporation is closely monitoring the situation together with the Comptroller of the Currency and

the Federal Reserve through the Interagency Supervisory Committee Task Force on Agricultural Loans.

POTENTIAL DISINTERMEDIATION

Recent increases in interest rates and the susceptibility of banks and particularly thrift institutions to disintermediation have caused concern in the regulatory agencies. Short-term market interest rates recently reached levels at which we would expect time and savings deposits to be moderately vulnerable to transfers to market instruments. This vulnerability would increase considerably should market rates advance further.

The Federal Reserve Board, the Federal Home Loan Bank Board and the FDIC recently agreed on certain changes in deposit interest rate ceilings designed to insulate financial intermediaries from potential disintermediation. An increase of one-quarter percent will be permitted on certificates maturing in eight years or more, and banks and thrift institutions will be permitted to offer a 6-month "money market" certificate whose rate is tied to the most recent 6-month Treasury Bill auction rate (discount basis). Banks will be permitted to match that rate; however, thrifts will be able to pay one-quarter percent higher. These actions are designed to forestall the diversion of financial resources from intermediaries into direct market financing should interest rates rise higher. Such diversion or disintermediation would tend to limit the availability of funds for housing and other sectors heavily dependent on intermediaries. These actions

also protect banks and thrift institutions from substantial deposit and share outflows that would adversely affect their liquidity and overall condition.

However, there may be some reason to be concerned about the earnings of thrift institutions if there is a sharp increase in interest rates. With the new "money market" certificate, deposit rates on a substantial volume of deposits could rise considerably. It is well known that rates earned on thrift institution asset portfolios adjust only gradually over time because of the long asset maturities. Thus, a period of high interest rates could well place thrift institutions in a severe earnings squeeze.

V. STEPS TAKEN BY THE FDIC

During the past few years the FDIC has taken several steps to improve its monitoring of banks on a timely basis and in identifying and attempting to rectify problem situations. To better monitor the condition of the banking system, the FDIC has taken several steps to improve the quality and timeliness of balance sheet and income statements regularly reported by banks. The people in our data-gathering and analysis departments, together with their counterparts in the other two Federal bank regulatory agencies, have effected a substantial reduction in the time it takes banks to report and in the time it takes the agencies to process the reports. Concurrently, efforts are being made to increase the accuracy of the information gathered in the Reports of Condition and Income. During 1977, the FDIC participated

in a number of "Call Report Clinics," sponsored by the Bank Administration Institute, designed to assist banks in the preparation of the call reports. There were approximately 5,000 participants in attendance in the 40 sessions held in various parts of the United States.

Quality improvements also are being made in the call reports themselves. During 1977 the FDIC, along with the Board of Governors of the Federal Reserve System and the Comptroller of the Currency, completed and issued for public comment a number of proposed revisions of the Reports of Income and Condition for banks. These revisions relate mainly to additional information on operations of "large" banks, and on the foreign operations of banks, continuing a plan of revisions partially implemented in 1976. The proposed revisions, as modified by consideration of the comments received from banks and others, will be implemented in the December 1978 Reports of Condition and Income.

The FDIC's Integrated Monitoring System (IMS), a computerized analysis system for monitoring bank performance between examinations, was implemented nationwide on November 1, 1977. The system is based on data submitted by commercial banks in their Reports of Condition and Income. Work is now underway to extend the system to mutual savings banks as well.

IMS enables the Corporation to identify with more accuracy banks, or particular aspects of a bank's operations, that especially merit closer supervisory attention. As such, it promotes more

efficient use of limited human-power resources, both in the examination report itself and in the review process. A primary goal of IMS is to alert the FDIC to a deteriorating situation before it assumes serious proportions and thereby facilitate a swifter response by the FDIC. At present IMS utilizes several screening tests which measure a bank's capital adequacy, liquidity, profitability, and asset and liability mix and growth. On-line capabilities are provided for more in-depth and detailed analysis of apparent problems.

The cornerstone of the bank supervisory process, however, is still the on-site examination. In 1978, the FDIC is continuing its policy of examining insured nonmember banks in accordance with recently implemented policies on examination priorities, frequency, and scope. Top priority in examination is given to banks with known supervisory or financial problems. Such banks are examined at least once every 12 months. Large banks that do not present supervisory or financial problems, together with smaller banks that do not present supervisory or financial problems but which fail to meet established criteria indicating satisfactory management, adequate capital, acceptable fidelity coverage, acceptable earnings, and adequate internal routine and controls are second in priority. Such banks receive a full-scale examination during each 18-month period, with no more than 24 months between examinations. The remaining smaller banks which do meet the established criteria are given the lowest priority. In such banks a modified examination is alternated with a full-scale examination.

Finally, the FDIC continues to promote more effective management of the banking industry. Our increased emphasis on the duties and responsibilities of a bank director has been reflected in our regulations requiring closer director supervision of insider transactions and by our instructions to field examiners to meet with bank boards of directors as part of our regular examinations of banks. Dedicated, responsible directors can do much to supervise the affairs of the banks they serve and in so doing eliminate much of the need for close supervision of their institutions by bank regulators.

Attachment

TABLE 2

SELECTED RATIOS FOR CONSOLIDATED DOMESTIC AND FOREIGN OFFICES OF INSURED BANKS, 1972-1977

	Date	Total	ASSET SIZE 0-100 Million	100-500 Million	500 Million-1 Billion	1-5 Billion	Over 5 Billion
Percentage of Total Capital to Total Assets	12-31-72	6.6	7.6	7.2	7.2	6.2	5.3
	12-31-73	6.3	7.8	7.2	7.1	5.7	4.5
	12-31-74	6.2	8.1	7.4	7.0	6.0	4.1
	12-31-75	6.4	8.1	7.4	7.2	6.3	4.4
	12-31-76	6.5	8.1	7.4	7.1	6.6	4.8
	12-31-77	6.3	8.1	7.3	7.1	6.3	4.6
Percentage of Total Capital to Risk Assets	12-31-72	9.3	10.8	9.8	9.6	8.8	7.5
	12-31-73	8.6	10.7	9.5	9.1	8.1	6.3
	12-31-74	8.3	10.9	9.7	8.9	8.0	5.7
	12-31-75	8.9	11.2	10.0	9.5	8.8	6.3
	12-31-76	9.1	11.1	10.0	9.5	9.3	7.0
	12-31-77	8.8	10.8	9.9	9.5	9.0	6.6
Percentage of Net Loan Losses to Average Total Loans	12-31-72	.2	.2	.2	.3	.2	.2
	12-31-73	.2	.2	.2	.2	.3	.2
	12-31-74	.4	.4	.4	.4	.4	.3
	12-31-75	.6	.4	.6	.6	.6	.6
	12-31-76	.6	.4	.5	.5	.7	.7
	12-31-77	.4	.3	.4	.4	.5	.5
Percentage of Net Income to Average Equity Capital	12-31-72	12.0	11.6	12.4	11.8	10.9	13.2
	12-31-73	12.6	12.6	12.6	11.8	12.9	12.8
	12-31-74	12.2	11.9	11.7	10.9	10.9	14.6
	12-31-75	11.5	10.8	10.5	10.6	12.3	13.1
	12-31-76	11.2	11.2	10.9	9.7	11.5	11.9
	12-31-77	11.7	11.9	11.9	11.2	11.6	11.4