SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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SIGNET BANKING CORP
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SIC: **6022** State commercial banks

Mailing Address
7 N EIGHTH ST
PO BOX 25970
RICHMOND VA 23260

Business Address
7 N EIGHTH ST
PO BOX 25970
RICHMOND VA 23260
8047472000

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(X) Quarterly report pursuant to section 13 or 15(d) of the Securities Act of 1934 for the quarterly period ended March 31, 1994 or
( ) Transition report pursuant to section 13 or 15(d) of the Securities Exchange Act for the transition period from _______ to _______.

Commission file number 1-6505

SIGNET BANKING CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

Virginia	54-6037910
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
	23260
7 North Eighth Street, Richmond, Virginia	(Zip Code)
(Address of principal executive offices)	804 747-2000
Registrant's telephone number, including area code	

Not Applicable
Former name, former address and former fiscal year, if changed since last report

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Common Shares outstanding as of April 30, 1994 - 56,743,557

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SIGNET BANKING CORPORATION AND SUBSIDIARIES
MARCH 31, 1994

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PART 1. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEET
(DOLLARS IN THOUSANDS-EXCEPT PER SHARE) (UNAUDITED)

<TABLE>
<CAPTION>

	MARCH 31		DECEMBER 31
	1994	1993	1993
<S>	<C>	<C>	<C>
Assets			
Cash and due from banks	$ 502,040	$ 524,063	$ 463,358
Interest bearing deposits with other banks	217,430	253,876	540,312
Federal funds sold and securities purchased under resale agreements	728,735	777,510	1,075,754
Trading account securities	262,944	631,165	379,638
Credit card loans held for securitization	1,000,000		
Loans held for sale	241,312	127,939	421,361
Securities available for sale	1,637,359	317,570	248,163
Investment securities	232,393	2,002,751	1,769,615
Loans:			
Commercial	2,163,035	2,146,579	2,299,973
Credit card	1,600,756	1,816,937	1,808,515
Other consumer	1,335,054	1,171,299	1,297,309
Real estate-construction	278,554	508,850	309,842

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Real estate-commercial mortgage	578,906	623,601	581,529
Real estate-residential mortgage	71,927	87,707	71,411
Gross loans	6,028,232	6,354,973	6,368,579
Less: Unearned income	(53,494)	(50,438)	(58,267)
Allowance for loan losses	(250,477)	(273,283)	(253,313)
Net loans	5,724,261	6,031,252	6,056,999
Premises and equipment (net)	232,267	199,094	216,524
Interest receivable	92,951	103,406	84,118
Other assets	657,883	551,560	593,380
	$11,529,575	$11,520,186	$11,849,222
Liabilities			
Non-interest bearing deposits	$ 1,631,185	$ 1,397,995	$1,544,852
Interest bearing deposits:			
Money market and interest checking	1,032,734	953,816	1,039,215
Money market savings	1,686,754	1,798,024	1,745,066
Savings accounts	951,792	720,672	880,072
Savings certificates	2,018,711	2,441,621	2,051,300
Large denomination certificates	333,452	215,408	347,820
Foreign	280,056	57,999	212,288
Total interest bearing deposits	6,303,499	6,187,540	6,275,761
Total deposits	7,934,684	7,585,535	7,820,613
Securities sold under repurchase agreements	1,188,883	1,460,137	1,281,645
Federal funds purchased	694,093	749,149	942,969
Commercial paper	131,469	116,735	168,488
Other short-term borrowings	87,496	267,135	232,024
Long-term borrowings	254,124	297,587	266,152
Interest payable	35,490	31,820	28,205
Other liabilities	185,403	153,763	144,464
Total liabilities	10,511,642	10,661,861	10,884,560
Stockholders' Equity			
Common Stock, $5 par value; Authorized 100,000,000 shares, issued and outstanding 56,718,841, 28,049,628 and 56,608,578 shares, respectively*	283,594	140,248	283,043
Capital Surplus	137,942	128,295	133,038
Retained Earnings	596,397	589,782	548,581
Total stockholders' equity	1,017,933	858,325	964,662
	$11,529,575	$11,520,186	$11,849,222

</TABLE>

* The number of shares of Common Stock outstanding at March 31, 1994 and December 31, 1993 reflect the two-for-one stock split in the form of a dividend declared on June 23, 1993, and distributed July 27, 1993.

STATEMENT OF CONSOLIDATED INCOME
(IN THOUSANDS-EXCEPT PER SHARE) (UNAUDITED)

<TABLE>
<CAPTION>

	THREE MONTHS ENDED MARCH 31 1994	1993
<S>	<C>	<C>
Interest income:		
Loans, including fees:		
Commercial	$ 40,655	$ 40,673
Credit card	50,776	50,092
Other consumer	25,274	24,029
Real estate-construction	5,235	9,484
Real estate-commercial mortgage	10,408	11,906
Real estate-residential mortgage	1,816	1,966
Total loans, including fees	134,164	138,150
Interest bearing deposits with other banks	2,571	3,266
Federal funds sold and resale agreements	4,950	5,167
Trading account securities	5,640	9,406
Credit card loans held for securitization	7,875	
Loans held for sale	5,761	1,935
Securities available for sale	23,893	5,021
Investment securities-taxable	385	25,366
Investment securities-nontaxable	4,396	5,559
Total interest income	189,635	193,870
Interest expense:		
Money market and interest checking	5,552	5,712
Money market savings	11,318	12,079
Savings accounts	6,948	5,468
Savings certificates	13,050	13,703
Large denomination certificates	3,224	2,265
Foreign	2,181	753
Total interest on deposits	42,273	39,980
Securities sold under repurchase agreements	8,203	12,461
Federal funds purchased	5,024	3,175
Other short-term borrowings	3,053	3,846
Long-term borrowings	3,866	4,528

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Total interest expense	62,419	63,990
Net interest income	127,216	129,880
Provision for loan losses	5,499	15,498
Net interest income after provision for loan losses	121,717	114,382
Non-interest income:		
Credit card servicing income	76,537	29,862
Service charges on deposit accounts	15,697	16,046
Credit card service charges	15,448	11,385
Trust income	4,801	4,424
Other	16,160	13,049
Non-interest operating income	128,643	74,766
Securities available for sale gains (losses)	(212)	1,665
Investment securities gains (losses)	(68)	103
Total non-interest income	128,363	76,534
Non-interest expense:		
Salaries	59,941	50,016
Employee benefits	18,062	15,199
Credit card solicitation	21,387	9,253
Travel and communications	13,317	7,930
Supplies and equipment	11,999	9,637
External data processing services	11,279	7,942
Occupancy	10,711	8,878
Other	25,413	25,202
Total non-interest expense	172,109	134,057
Income before income taxes	77,971	56,859
Applicable income taxes	24,858	18,592
Net income	$ 53,113	$ 38,267
Earnings per common share*	$ 0.93	$ 0.68
Cash dividends declared per share*	0.25	0.15
Average common shares outstanding*	57,247	56,705

</TABLE>

* Adjusted to reflect the two-for-one stock split declared on June 23, 1993 and distributed July 27, 1993.

STATEMENT OF CHANGES IN CONSOLIDATED STOCKHOLDERS' EQUITY
(IN THOUSANDS) (UNAUDITED)

<TABLE>
<CAPTION>

<S>	COMMON STOCK <C>	CAPITAL SURPLUS <C>	RETAINED EARNINGS <C>
Three Months Ended March 31, 1994			
Balance at beginning of period	$283,043	$133,038	$548,581
Net income			53,113
Issuance of Common Stock	551	4,904	
Cash dividends			(14,162)
Adjustment to beginning balance for change in accounting method for net unrealized gain on securities available for sale, net of tax of $16,147			29,987
Change in net unrealized gains on securities available for sale, net of tax benefit of $11,374			(21,122)
Balance at end of period	$283,594	$137,942	$596,397
Three Months Ended March 31, 1993			
Balance at beginning of period	$139,904	$126,282	$560,446
Net income			38,267
Issuance of Common Stock	344	2,013	
Cash dividends			(8,402)
Change in valuation allowance-marketable equity securities			(529)
Balance at end of period	$140,248	$128,295	$589,782

</TABLE>

STATEMENT OF CONSOLIDATED CASH FLOWS
(IN THOUSANDS) (UNAUDITED)

<TABLE>
<CAPTION>

	THREE MONTHS ENDED MARCH 31	
<S>	1994 <C>	1993 <C>
Operating Activities		
Net income	$ 53,113	$ 38,267
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	5,499	15,498
Provision and writedowns on foreclosed property	89	1,007
Depreciation and amortization	10,499	8,259
Investment securities losses (gains)	68	(103)

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Securities available for sale losses (gains)	212	(1,665)
Increase in interest receivable	(8,833)	(2,554)
Increase in other assets	(67,152)	(9,578)
Increase in interest payable	7,285	4,210
Increase in other liabilities	40,940	32,374
Increase in loans held for securitization	(1,000,000)	
Sales of loans held for sale	6,978,723	2,906,549
Purchases and originations of loans held for sale	(6,798,674)	(2,819,404)
Sales of trading account securities	3,619,068	2,678,869
Purchases of trading account securities	(3,492,434)	(2,641,723)
Net cash (used) provided by operating activities	(651,597)	210,006
Investing Activities		
Maturities of investment securities	17,258	70,399
Purchases of investment securities		(150)
Sales and maturities of securities available for sale	285,539	30,938
Purchases of securities available for sale	(156,754)	
Net decrease (increase) in loans	318,734	(514,181)
Recoveries of loans previously charged-off	8,505	10,518
Purchases of premises and equipment	(23,054)	(6,078)
Net cash provided (used) by investing activities	450,228	(408,554)
Financing Activities		
Net increase (decrease) in deposits	114,071	(237,779)
Net decrease in short-term borrowings	(523,186)	(402,684)
Repayment of long-term debt	(12,028)	(375)
Issuance of common stock	5,455	2,357
Payment of cash dividends	(14,162)	(8,402)
Net cash used by financing activities	(429,850)	(646,883)
Decrease in cash and cash equivalents	(631,219)	(845,431)
Cash and cash equivalents at beginning of period	2,079,424	2,400,880
Cash and cash equivalents at end of period	$1,448,205	$1,555,449

</TABLE>

SUPPLEMENTAL NOTES TO QUARTERLY FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS) (UNAUDITED)

GENERAL

The accompanying financial statements (unaudited) reflect all adjustments which are, in the opinion of management, necessary for a fair presentation. All such adjustments are of a normal recurring nature. The financial statements have been prepared based on the accounting policies as described in the 1993 annual report and as noted below, except certain amounts which have been reclassified for prior periods to conform to the 1994 presentation format.

STATEMENT OF CONSOLIDATED CASH FLOWS

Cash and cash equivalents, as presented in this statement, includes cash and due from banks, interest bearing deposits with other banks and federal funds sold and securities purchased under resale agreements. Cash paid for interest during the three months ended March 31, 1994 and 1993 was $55,134 and $59,780, respectively. Cash paid for income taxes for the three months ended March 31, 1994 and 1993 was $42 and $55, respectively. During the three months ended March 31, 1994 and 1993, $635 and $4,292, respectively, was transferred from loans to foreclosed property.

SECURITIES AVAILABLE FOR SALE

Effective January 1, 1994, the Company adopted the Financial Accounting Standard Board's Statement of Financial Accounting Standards ("SFAS") No. 115, "Accounting for Certain Investment in Debt and Equity Securities." Under SFAS No. 115, debt securities classified as investment securities are required to be carried at amortized cost. Debt and equity securities classified as securities available for sale are required to be reported at fair value with unrealized gains and losses reported in a separate component of stockholders' equity, net of tax. At adoption, securities totaling $1.5 billion were reclassified from investment securities to securities available for sale.

Securities available for sale are summarized as follows:

<TABLE>
<CAPTION>

	MARCH 31, 1994		MARCH 31, 1993		DECEMBER 31, 1993	
	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE
<S>	<C>	<C>	<C>	<C>	<C>	<C>
U.S. Government and agency obligations--						
Mortgage-backed securities	$ 388,608	$ 389,130	$117,393	$125,490	$ 47,672	$ 50,795
Other	1,123,830	1,138,381	199,314	201,406	199,641	201,125
State and political subdivisions	14,635	15,166				
Other	96,648	94,681	863	863	850	850
Total	$1,623,721	$1,637,358	$317,570	$327,759	$248,163	$252,770

</TABLE>

INVESTMENT SECURITIES

Investment securities are summarized as follows:

<TABLE>
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	MARCH 31, 1994		MARCH 31, 1993		DECEMBER 31, 1993	
	COST	FAIR VALUE	COST	FAIR VALUE	COST	FAIR VALUE
U.S. Government and agency obligations--						
Mortgage-backed securities			$ 702,422	$ 714,690	$ 461,345	$ 466,151
Other			867,801	906,057	925,225	964,482
State and political subdivisions	$211,234	$223,457	281,113	303,515	258,815	277,456
Other	21,159	21,159	151,415	142,290	124,230	121,142
Total	$232,393	$244,616	$2,002,751	$2,066,552	$1,769,615	$1,829,231

See Securities Available for Sale footnote for discussion of SFAS No. 115.

INCOME TAXES

Differences between the effective rate of income taxes and the statutory rate arise principally from non-taxable interest on investments and loans.

RECENT ACCOUNTING STATEMENTS

The Financial Accounting Standards Board recently issued SFAS No. 114, "Accounting by Creditors for Impairment of a Loan." The new statement, which is effective for financial statements issued for fiscal years beginning after December 15, 1994, requires impaired loans be measured at the present value of expected future cash flows discounted at the loan's effective interest rate or at the loan's observable market value or the fair value of the collateral if the loan is collateral dependent. The new statement also requires troubled debt restructurings involving a modification of terms be remeasured in a similar manner. The Company is currently evaluating the impact that SFAS No. 114 will have on the Company's future results of operations and financial position. However, management does not expect that this statement will have a materially adverse impact on future results of operations or financial position.

SIGNET BANKING CORPORATION
FINANCIAL HIGHLIGHTS
(DOLLARS IN THOUSANDS-EXCEPT PER SHARE)

	THREE MONTHS ENDED MARCH 31 1994	1993	PERCENT CHANGE
Earnings			
Net interest income (taxable equivalent)	$ 130,650	$ 133,902	(2.4)%
Net interest income	127,216	129,880	(2.1)
Net income	53,113	38,267	38.8
Per Common Share			
Net income	$ 0.93	$ 0.68	36.8
Cash dividends declared	0.25	0.15	66.7
Book value	17.95	15.30	17.3
Period-end price	39 1/2	27 5/8	43.0
Average Balance			
Assets	$11,310,310	$11,142,643	1.5
Earning assets	10,111,663	10,141,805	(0.3)
Loans (net of unearned income)	6,235,210	6,029,009	3.4
Deposits	7,815,385	7,565,610	3.3
Core deposits	7,223,874	7,258,167	(0.5)
Common stockholders' equity	1,007,162	841,121	19.7
Managed credit card portfolio*	5,461,682	2,524,609	116.3
Common shares outstanding	57,247,462	56,704,786	1.0
Ratios			
Return on assets	1.90%	1.39%	36.7
Return on common stockholders' equity	21.39	18.45	15.9
Net yield margin	5.24	5.35	(2.1)
Allowance for loan losses to:			
Non-performing loans	521.72	352.36	48.1
Non-performing assets	283.44	192.25	47.4
Net loans	4.19	4.33	(3.2)
Non-performing assets to loans and foreclosed properties	1.47	2.23	(34.1)
Common equity to assets	8.83	7.45	18.5
At Period-end			
Assets	$11,529,575	$11,520,186	0.1
Earning assets	10,294,911	10,415,346	(1.2)
Loans (net of unearned income)	5,974,738	6,304,535	(5.2)
Deposits	7,934,684	7,585,535	4.6
Core deposits	7,321,176	7,312,128	0.1
Common stockholders' equity	1,017,933	858,325	18.6
Non-performing assets	88,370	142,147	(37.8)
Managed credit card portfolio*	5,890,412	2,816,937	109.1
Number of common stockholders	14,756	14,509	1.7
Full-time employees	6,072	4,966	22.3
Part-time employees	1,391	1,128	23.3

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*The managed credit card portfolio includes credit card loans, credit card loans held for securitization and securitized credit card loans.
The Common Stock of Signet Banking Corporation is traded on the New York Stock Exchange under the symbol "SBK."
The per common share and common shares outstanding data above reflect a two-for-one common stock split in the form of a dividend which was declared on June 23, 1993 to shareholders of record July 6, 1993 and distributed July 27, 1993.

TABLE 1
SELECTED QUARTERLY FINANCIAL INFORMATION

<TABLE>
<CAPTION>

<S>	1ST QTR 1994 <C>	4TH QTR 1993 <C>	3RD QTR 1993 <C>	2ND QTR 1993 <C>	1ST QTR 1993 <C>
Summary of Operations					
(dollars in thousands-except per share)					
Net interest income (taxable equivalent)	$ 130,650	$ 133,546	$ 144,084	$ 133,561	$ 133,902
Taxable equivalent adjustment	3,434	3,790	4,162	3,779	4,022
Net interest income	127,216	129,756	139,922	129,782	129,880
Provision for loan losses	5,499	10,276	12,501	9,011	15,498
Net interest income after provision for loan losses	121,717	119,480	127,421	120,771	114,382
Non-interest income	128,363	122,156	85,517	81,229	76,534
Non-interest expense(1)	172,109	169,934	147,516	146,809	134,057
Income before income taxes	77,971	71,702	65,422	55,191	56,859
Applicable income taxes	24,858	21,758	19,659	14,751	18,592
Net income	$ 53,113	$ 49,944	$ 45,763	$ 40,440	$ 38,267
Per share:(2)					
Net income	$ 0.93	$ 0.87	$ 0.80	$ 0.71	$ 0.68
Cash dividends declared	0.25	0.25	0.20	0.20	0.15
Average shares outstanding(2)	57,247,462	57,087,297	57,010,088	56,871,316	56,704,786
Selected Average Balances					
(dollars in millions)					
Assets	$ 11,310	$ 11,601	$ 12,035	$ 11,682	$ 11,143
Earning assets	10,112	10,447	10,970	10,644	10,142
Investment securities	247	1,790	1,840	1,953	2,037
Loans (net of unearned income)	6,235	6,074	6,210	6,512	6,029
Deposits	7,815	7,782	7,823	7,757	7,566
Core deposits	7,224	7,189	7,283	7,308	7,258
Interest bearing liabilities	8,511	8,945	9,516	9,236	8,780
Stockholders' equity	1,007	939	907	868	841
Managed credit card portfolio(3)	5,462	4,663	3,818	3,090	2,525
Ratios					
Return on average assets	1.90%	1.71%	1.51%	1.39%	1.39%
Return on average common stockholders' equity	21.39	21.09	20.02	18.69	18.45
Net loan losses to average loans	0.36	0.77	0.93	1.40	0.51
Net interest spread	4.77	4.65	4.81	4.62	4.95
Net yield margin	5.24	5.07	5.21	5.03	5.35
At period-end:					
Allowance for loan losses to:					
Non-performing loans	521.72	342.63	471.00	410.98	352.36
Non-performing assets	283.44	217.46	222.41	199.30	192.25
Net loans	4.19	4.01	4.42	4.44	4.33
Non-performing assets to loans and foreclosed properties	1.47	1.83	1.97	2.20	2.23
Total stockholders' equity to assets	8.83	8.14	7.92	7.39	7.45
Total stockholders' equity + allowance to loans	21.23	19.30	20.49	19.73	17.95

</TABLE>

(1) The first, second, third and fourth quarters of 1993 included $9.3, $17.2, $13.7 and $15.6 million of credit card soliciation expenses, respectively. The first quarter of 1994 included $21.4 million of credit card solicitation expense.
(2) The per common share and common shares outstanding data above reflect a two-for-one common stock split in the form of a dividend which was declared on June 23, 1993 to shareholders of record July 6, 1993 and distributed July 27, 1993.
(3) The managed credit card portfolio includes credit card loans, credit card loans held for securitization and securitized credit card loans.

TABLE 2
NET INTEREST INCOME ANALYSIS
TAXABLE EQUIVALENT BASIS(IN THOUSANDS)

<TABLE>
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	FIRST QUARTER 1994 COMPARED WITH FIRST QUARTER 1993			FIRST QUARTER 1994 COMPARED WITH FOURTH QUARTER 1993		
	INCREASE (DECREASE)	CHANGED DUE TO* RATE	VOLUME	INCREASE (DECREASE)	CHANGE DUE TO* RATE	VOLUME
Interest income:						
Loans, including fees	$(4,171)	$(8,829)	$ 4,658	$ 3,079	$1,288	$ 1,791
Securities available for sale	19,053	(655)	19,708	20,767	214	20,553
Investment securities	(26,728)	(272)	(26,456)	(22,282)	575	(22,857)
Other earning assets	7,023	2,757	4,266	(8,138)	16	(8,154)
Total interest income	(4,823)	(4,236)	(587)	(6,574)	2,381	(8,955)
Interest expense:						
Interest bearing deposits	2,293	1,944	349	772	902	(130)
Fed funds and repurchase agreements	(2,409)	(390)	(2,019)	(1,468)	242	(1,710)
Other short-term borrowings	(793)	(522)	(271)	(3,306)	(662)	(2,644)
Long-term borrowings	(662)	(70)	(592)	324	446	(122)
Total interest expense	(1,571)	400	(1,971)	(3,678)	594	(4,272)
Net interest income	$(3,252)	$(2,855)	$ (397)	$(2,896)	$2,792	$(5,688)

</TABLE>

* The change in interest due to both volume and rates has been allocated in proportion to the relationship of the absolute dollar amount of the changes in each.
The changes in income and expense are calculated independently for each line in the schedule. The totals for the volume and rate columns are not the sum of the individual lines.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

INTRODUCTION

Signet Banking Corporation ("Signet" or "the Company"), with headquarters in Richmond, Virginia, is a registered multi-bank, multi-state holding company listed on the New York Stock Exchange under the symbol SBK. At March 31, 1994, Signet had assets of $11.5 billion and operated banking subsidiaries (239 full-service banking offices and 243 automated teller machines) in Virginia (Signet Bank/Virginia), Maryland (Signet Bank/Maryland) and Washington, D.C. (Signet Bank, N.A.) and several non-banking subsidiaries. The Company has gained national prominence as an issuer and servicer of credit cards. Signet's primary market area extends from Baltimore to Washington, south to Richmond, and on to Hampton Roads/Tidewater Virginia. Signet's credit card business operates nationally.

The following discussion should be read in conjunction with the accompanying financial statements, notes and other supplemental information contained in this document. The per common share data included in the discussion which follows reflect the two-for-one common stock split in the form of a stock dividend distributed July 27, 1993.

EARNINGS ANALYSIS

For the first quarter of 1994, consolidated net income totaled a record $53.1 million, or $.93 per share, a substantial increase from net income of $38.3 million, or $.68 per share, for the same quarter last year and $49.9 million, or $.87 per share for the fourth quarter of 1993. The earnings for the 1994 first quarter compared with first quarter 1993 reflected increases in non-interest sources of revenue (credit card servicing income and credit card service charges) and a reduction in the loan loss provision due to improvement in asset quality, which was due primarily to the success of the Accelerated Real Estate Asset Reduction Program ("the Program"). Accomplishing its goal of significantly reducing the Company's overall exposure to risk real estate assets, the Program terminated effective January 1, 1994. In addition, the Company continued its successful credit card solicitation program, which resulted in solicitation expenses for the 1994 first quarter increasing to $21.4 million from $9.3 million, in the first quarter of 1993. Also, during the quarter, Signet recognized nominal net losses on investment securities transactions compared with net gains of $1.8 million during the same quarter last year, and net gains of $2.5 million for the 1993 fourth quarter.

Key profitability ratios reflected the high level of earnings for the first quarter of 1994. The return on assets (ROA) was an impressive 1.90% for the first quarter, while the return on common stockholders' equity (ROE) was also strong at 21.39%.

This represented a significant improvement over the comparable ROA and ROE ratios for the 1993 first quarter which were 1.39% and 18.45%, respectively.

NET INTEREST INCOME

Taxable equivalent net interest income, the principal component of earnings, totaled $130.7 million for the first quarter of 1994, slightly lower than the same period last year and the fourth quarter of 1993. The net yield margin for the first quarter of 1994 fell 11 basis points from the same period in 1993, but was up 17 basis points from the fourth quarter of 1993. The 11 basis point decline in the net yield margin from the first quarter of 1993 is primarily due to a lower yield on the total on balance sheet portfolio of credit card loans. Although the average balance increased $647 million, the overall yield on this portfolio fell to 10.80% from the 13.14% reported in the first quarter of 1993. The yield on credit card loans declined due to rapid growth in

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lower rate credit card products. Table 3 analyzes the change in the net yield margin from first quarter 1993 to first quarter 1994. An approximate basis point impact was calculated for each item noted. The increases in the net interest spread and the net interest margin from the fourth quarter of 1993 were primarily due to an improvement in the mix of earning assets as the average balance of lower yielding Federal funds and resale agreements declined. During the first quarter of 1994, the net interest margin benefited from a higher proportion of funding from non-interest bearing liabilities.

Signet uses various off-balance sheet interest rate derivatives as an integral part of its asset and liability management. For Signet's core business, variable rate assets generally exceed variable rate liabilities. To hedge against the resulting interest rate risk, Signet has entered into derivative transactions. At March 31, 1994, the notional values of the Company's derivative products for the purpose of hedging interest rate risk were $2.5 billion of interest rate swaps, $700 million of interest rate floors and $400 million of interest rate caps. Interest rate derivative products contributed 76 basis points to the first quarter 1994 margin compared with 82 basis points in the fourth quarter of 1993. The total income from these contracts decreased from $21.5 million in the fourth quarter of 1993 to $19.0 million in the current quarter.

Credit card securitizations also have an effect on net interest income and the net yield margin. Adjusting for all securitizations, net interest income in the first quarter of 1994 would have been $200.7 million, or 22 percent higher than the comparable 1993 figure of $164.9 million. For a detailed analysis of this effect, see the Credit Card Business section elsewhere in this report.

PROVISION AND ALLOWANCE FOR LOAN LOSSES

Reflecting the continued positive trends in credit quality, the provision for loan losses was $5.5 million for the first quarter of 1994 down significantly from $15.5 million for the same period last year and $10.3 million for the fourth quarter of 1993.

TABLE 3

ANALYSIS OF NET YIELD MARGIN

FIRST QUARTER 1993 VERSUS FIRST QUARTER 1994

<TABLE>

<S>	<C>
Net Yield Margin for First Quarter 1993	5.35%
Lower funding costs excluding derivatives	0.48
Decline in derivative income	(0.38)
Change in on balance sheet credit card (volume and yield-net)	(0.18)
Recovered interest on loans returned to accrual in first quarter 1993	(0.08)
Increase in average non-interest bearing funding sources	0.07
Other (net)	(0.02)
Net Yield Margin for First Quarter 1994	5.24%

</TABLE>

For the first quarter of 1994, net charge-offs totaled $5.6 million, also down from $7.8 million in the same quarter of 1993 and from $11.7 million in the 1993 fourth quarter. As a percentage of average loans, first quarter net loan losses declined 15 basis points from the comparable period in 1993 and 41 basis points from the 1993 fourth quarter. The majority of the commercial loan charge-offs in the first quarter of 1994 related to one large commercial credit which was sold early in 1994, well within the loan's allocated allowance. Real estate-construction and real estate-mortgage loans experienced modest net

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recoveries for the 1994 first quarter, in contrast to the fourth and first quarters of 1993. Continued improvement in the credit quality and substantial growth of the credit card portfolio caused the percentage of net credit card losses to average credit card loans on balance sheet to decline for the first quarter of 1994 from the same period in 1993 and from the 1993 fourth quarter. Net losses for the three months of 1994 on the total managed credit card portfolio, which included securitized receivables, were 1.61% of total average managed credit card loans, compared with 3.03% reported for the same period in 1993. The low level of credit card losses reflects management's attention to the diversification of the portfolio as well as the quality of Signet's credit card underwriting standards and collection efforts. The low credit card charge-off ratios are also influenced by the high growth in new accounts, some of which have not aged sufficiently to experience any significant charge-offs.

At March 31, 1994, the reserve for foreclosed properties totaled $5.7 million, a slight decrease from December 31, 1993, the result of write-downs on foreclosed properties taken in the first quarter.

TABLE 4

STATEMENT OF CHANGES IN ALLOWANCE FOR LOAN LOSSES

(DOLLARS IN THOUSANDS)

<TABLE>
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	THREE MONTHS ENDED		
	MARCH 31		DECEMBER 31
	1994	1993	1993

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Balance at beginning of period	$253,313	$265,536	$ 254,706
Provision for loan losses	5,499	15,498	10,276
Transfer to loans held for securitization	(2,750)		
Loans charged off:			
Commercial	4,750	5,601	3,570
Credit card	8,288	10,139	8,531
Other consumer	640	612	654
Real estate-construction		1,545	5,178
Real estate-mortgage(1)	412	371	3,007
Total loans charged off	14,090	18,268	20,940
Recoveries of loans previously charged off:			
Commercial	3,128	5,548	3,841
Credit card	3,258	4,231	2,902
Other consumer	237	355	357
Real estate-construction	225	193	1,928
Real estate-mortgage(1)	1,657	190	243
Total recoveries	8,505	10,517	9,271
Net loans charged off	5,585	7,751	11,669
Balance at end of period(2)	$250,477	$273,283	$ 253,313
Net loan losses (annualized) as a percentage of average loans:			
Commercial	.30%	.01%	(.05)%
Other consumer	.12	.09	.09
Real estate	(.62)	.49	2.35
Subtotal	.05	.16	.54
Credit card	1.10	1.55	1.38
Total	.36%	.51%	.77%
Allowance for loan losses to net loans at end of period	4.19%	4.33%	4.01%

</TABLE>

(1) Real estate-mortgage includes real estate-commercial mortgage and real estate-residential mortgage. Real estate-residential mortgage charge-offs and recoveries were not significant for the periods presented.
(2) Included $97,905 and $57,631 allocated to the Accelerated Real Estate Asset Reduction Program at March 31, 1993, and December 31, 1993, respectively.

The allowance for loan losses at March 31, 1994 was $250.5 million, or 4.19% of net loans, compared to $273.3 million, or 4.33% of net loans, at March 31, 1993 and $253.3 million, or 4.01%, at December 31, 1993. The decrease from March 31, 1993 primarily reflected charge-offs taken on Program loans during 1993. In general, to determine the appropriate level of

allowance for loan losses, management identifies and examines the commercial, real estate and large consumer loans warranting attention on a monthly basis and reviews factors such as the credit position of the borrower, the adequacy of underlying collateral and the impact of business and economic conditions upon the borrower. Based on this information and action plans provided by the lending units, Signet's Credit Risk Management Division determines the aggregate level of the allowance according to the distribution of the loan risk classifications. The credit card portfolio receives an overall allocation based on such factors as current and anticipated economic conditions, historical charge-off and recovery rates and trends in delinquencies, projected charge-offs by loan solicitation tranche, bankruptcies and loan volume. The remaining loan portfolio (unclassified commercial, real estate and consumer loans) receives a general allocation deemed to be reasonably necessary to provide for losses based on risk ratings and the factors listed above. The allowance designated for the Program through December 31, 1993 was determined and maintained separately from the general allocation process discussed above. While this allocation was developed after an analysis of individual assets, it represented a general allocation applicable to all loans included in the Program. The allocation shown in Table 5 is a general allowance applicable to the entire loan portfolio and should not be interpreted as a prediction of future charge-off trends. Furthermore, the portion allocated to each loan category is not the total amount available for future losses that might occur within such categories since the total allowance is a general allowance applicable to the entire loan portfolio.

Management believes that the allowance for loan losses is adequate to cover anticipated losses in the loan portfolio under current economic conditions.

As previously noted, the Company initiated a program in December 1991, to accelerate the reduction of real estate assets. The Program's objective was to significantly reduce the Company's overall exposure to risk real estate assets through the use of heavy discounts without adversely impacting future earnings. The Program was very successful and substantially accomplished its objective. As a result of the success, Signet terminated the Program and separate reporting effective January 1, 1994. The remaining assets were assigned to work out units or in some cases will be allowed to mature in accordance with their terms. Since the inception of the Program, its assets (before reserves) declined by 65%, or $567.1 million. The Program started with $645.8 million of assets (net of the allowance for loan losses of $179.5 million and the reserve for foreclosed properties of $41.6 million) and ended 1993 with $236.5 million of assets (net of the allowance for loan losses of $57.6 million and the reserve for foreclosed properties of $5.7 million).

TABLE 5

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ALLOWANCE FOR LOAN LOSS ALLOCATION
(DOLLARS IN THOUSANDS)

<TABLE>
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	MARCH 31, 1994	
	ALLOWANCE AMOUNT	PERCENTAGE OF ALLOWANCE TO LOANS IN EACH CATEGORY
Commercial	$ 22,779	1.08%
Credit Card	63,500	3.97
Other Consumer	3,395	.25
Real Estate	83,245	8.96
Unallocated	77,558	
Total	$250,477	4.19%

</TABLE>

TABLE 6
NON-INTEREST INCOME AND EXPENSE
(DOLLARS IN THOUSANDS)

<TABLE>
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	THREE MONTHS ENDED		
	MARCH 31		DECEMBER 31
	1994	1993	1993
Non-interest income:			
Credit card servicing income	$ 76,537	$ 29,862	$ 62,399
Service charges on deposit accounts	15,697	16,046	16,068
Credit card service charges	15,448	11,385	16,385
Trust income	4,801	4,424	4,146
Mortgage servicing and origination	5,645	3,127	8,093
Trading profits (losses)	(451)	1,691	(751)
Other service charges and fees	3,728	3,550	5,218
Other	7,238	4,681	8,096
Non-interest operating income	128,643	74,766	119,654
Securities available for sale gains (losses)	(212)	1,665	2,248
Investment securities gains (losses)	(68)	103	254
Total non-interest income	$128,363	$ 76,534	$ 122,156
Non-interest expense:			
Salaries	$ 59,941	$ 50,016	$ 58,091
Employee benefits	18,062	15,199	21,866
Total staff expense	78,003	65,215	79,957
Credit card solicitation	21,387	9,253	15,579
Travel and communications	13,317	7,930	10,269
Supplies and equipment	11,999	9,637	10,855
External data processing services	11,279	7,942	11,243
Occupancy	10,711	8,878	10,464
Professional services	4,280	3,057	5,624
Public relations, sales and advertising	4,268	4,802	3,927
FDIC assessment	3,891	4,733	4,396
Credit and collection	2,653	2,395	2,894
Foreclosed property	(216)	2,144	4,495
Other	10,537	8,071	10,231
Total non-interest expense	$172,109	$134,057	$ 169,934

</TABLE>

NON-INTEREST INCOME

For the first quarter of 1994, non-interest income rose 68% from the same quarter in 1993 to $128.4 million. The primary sources of growth were increases in credit card servicing income, credit card service charges and mortgage servicing and origination fees. Credit card servicing income rose $46.7 million from the 1993 first quarter to $76.5 million primarily as a result of the 1993 securitizations. This category houses the income received for servicing the $3.3 billion of securitized credit card receivables ($500 million in September, 1990, $500 million in March, 1991, $1.2 billion in September, 1993 and $1.1 billion in December, 1993). The $4.1 million increase in income from credit card service charges for the first quarter of 1994 compared with the same time period in 1993 was attributable to the large increase in credit card outstandings resulting from the success of Signet's credit card solicitation program. Mortgage servicing and origination fee income rose 81% to $5.7 million as a result of a significant increase in mortgage loan volume. For the first quarter of 1994, Signet incurred trading losses of $.5 million versus trading gains of $1.7 million in the 1993 first quarter.

Non-interest income grew $6.2 million or 5% during the current quarter compared with the fourth quarter of 1993. A $14.1 million increase in credit card servicing income due to the December, 1993 securitization, was partially offset by declines in other areas. Credit card service charges fell 6% quarter to quarter due to the securitization of $1.1 billion of loans in December, 1993. A decline in mortgage origination volume resulting from rising rates and

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seasonal factors caused this category to fall 30% from the fourth quarter of 1993. In the first quarter of 1994, $.2 million of net losses were recognized on transactions in the securities available for sale portfolio compared with $1.7 million and $2.2 million of net gains for the first

and fourth quarter of 1993, respectively. Also, during the first quarter of 1994, Signet recognized net losses of $68 thousand on investment securities that were called compared with nominal net gains for the first and fourth quarters of 1993.

NON-INTEREST EXPENSE

Total non-interest expense for the first quarter of 1994 was $172.1 million, an increase of 28% from the same period in 1993 and 1% from the fourth quarter of 1993. When comparing the first quarter of 1994 to the same quarter in 1993, increases occurred in all the major categories except marketing, foreclosed property and FDIC assessment. Foreclosed property expense for the first three months of 1994 reflected a credit balance as a result of income and gains from sales exceeding costs of maintaining and operating these properties. Much of the increase in non-interest expense was the result of the continuation of the credit card solicitation program and the growth in the credit card business. Excluding direct costs related to credit card, non-interest expense during the first quarter rose 6% compared to the same quarter in 1993 and fell 11% from the fourth quarter. Greater salary expense resulted mainly from increased staffing to support the significant growth in the credit card business. The number of full-time equivalent employees rose 22% and 5% from first quarter and fourth quarter of 1993, respectively. Employee benefits for the fourth quarter of 1993 included the cost of implementing SFAS No. 112 "Employers' Accounting for Postemployment Benefits," which totaled $6.0 million. Total salary and employee benefits increased $12.8 million from the same period in 1993 and decreased $2.0 million from the fourth quarter of 1993. The overall increase in employee benefits between the two first quarters reflected the increase in staff levels and the rising cost of medical insurance and other benefits. For the 1994 first quarter, expenses associated with the credit card solicitation program were $21.4 million, an increase of $12.1 million from the comparable period of 1993. For the fourth quarter of 1993, credit card solicitation program expenses amounted to $15.5 million. Management expects to incur additional solicitation expense in the future as Signet continues to invest in its credit card business. Travel and communication expense for 1994 reflects not only an increase in the bank card area, but also increases related to Student Loan, Home Equity Line and Home Mortgage solicitations. The other non-interest expense categories reflected the costs associated with increased business volume, primarily in the credit card area.

Signet's efficiency ratio (the ratio of non-interest expense to taxable equivalent operating income) for the first three months of 1994 was 66.38% compared with 64.24% for the same period of 1993 and 67.11% for the fourth quarter of 1993. Excluding the amount of foreclosed property expense (income) from non-interest expense causes the ratio to change to 66.46%, 63.22% and 65.34% for the respective time periods. Considering that charge-offs on securitized credit card loans reduce credit card servicing income, operating income, for the purpose of calculating the efficiency ratio, should exclude the negative impact of these charge-offs. Making this adjustment to revenue reduces the ratio to 62.57% for 1994 compared with 60.28% and 61.47% for the first and fourth quarters of 1993, respectively. Management is not satisfied with the level of non-interest expense and is committed to improve Signet's efficiency ratio.

INCOME TAXES

Signet recorded income tax expense of $24.9 million for the quarter ended March 31, 1994 compared to $18.6 million for the same period of 1993 and $21.8 million in the fourth quarter. The increase in tax expense was principally due to the significant increase in taxable income and the continued decline in the level of tax-exempt income. The effective tax rate for the first quarter of 1994 was 32% compared to 33% for the same period of 1993 and 30% for the fourth quarter.

FINANCIAL CONDITION

Earning assets averaged $10.1 billion for the first quarter of 1994, a slight decrease from the same period last year. Average investment securities declined $1.8 billion or 88% and average securities available for sale rose $1.4 billion from the prior year's first quarter as approximately $1.5 billion of securities were reclassified from investment securities to securities held for sale when Signet adopted SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities" at the beginning of 1994. Credit card loans held for securitization averaged $344 million for the quarter compared to $554 million for the fourth quarter of 1993. These assets were reclassified from the credit card loan category in anticipation of an additional $1 billion of credit card loan securitization in the second quarter of 1994. Total loans averaged $6.2 billion for the quarter, reflecting increases of $206 million and $161 million from the first and fourth quarters in 1993, respectively. The loan category with the largest increase from the first quarter of 1993 was credit card, up 20% to $1.8 billion. Average credit card loans on the balance sheet, including held for securitization, increased 43% to $2.2 billion as a result of the success of Signet's solicitation program. The rise in other consumer loans resulted from a $199 million growth in student loans. The loan category experiencing the largest

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decline from the first quarter of 1993 was real estate-construction, down 44% to $293 million. Average real estate-commercial mortgage loans declined 9% to $581 million and real estate-residential mortgages

were down 8% to $72.3 million. The decline in construction loans was principally the result of the Program established in late 1991 to reduce the level of risk real estate asset exposure. The yield on earning assets was 7.74% for the quarter, compared with a yield of 7.91% in the prior year's first quarter and 7.58% in the prior year's fourth quarter. The increase in the yield on earning assets from the fourth quarter resulted from an improvement in earning assets mix as the dollar amount of low yielding Federal funds and resale agreements declined $197 million.

Average interest bearing liabilities totaled $8.5 billion, down 5% from the fourth quarter of 1993 and 3% from the corresponding time period in 1993. Savings certificates decreased $428 million, or 17% and $108 million, or 5%, from the first and fourth quarters of 1993, respectively, as depositors responded to lower interest rates by shortening the maturities of their investments and transferring their funds into money market and demand products. Additionally, money market savings declined $110 million, or 6%, from the first quarter of 1993 to $1.7 billion. Deposit categories experiencing increases as a result of the factors noted above included money market and interest checking and savings accounts. Foreign deposits and large denomination certificates also rose $165.7 million and $118.3 million, respectively, from the first quarter of 1993. Average core deposits remained relatively stable when comparing first quarter 1994 with the first and fourth quarters of 1993. Purchased funds, which include large denomination certificates, foreign deposits, Federal funds and repurchase agreements and other short-term and long-term borrowings averaged $ 2.8 billion for the 1994 first quarter, down slightly from the comparable 1993 period and down 13% from the fourth quarter of 1993. The increased volume in purchased funds in the fourth quarter of 1993 was to temporarily fund the growth in credit card receivables prior to securitization. The average rate on interest bearing liabilities remained stable when compared with the first quarter of 1993 but increased 4 basis points from the fourth quarter of 1993 due to a rise in market rates and lower income from derivative products.

TABLE 7
CONSOLIDATED AVERAGE BALANCE SHEET
(DOLLARS IN THOUSANDS)

<TABLE>
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	1994			THREE MONTHS ENDED				
			MARCH 31		1993			DECEMBER 31 1993
	AVERAGE BALANCE	INCOME/ EXPENSE	YIELD/ RATE	AVERAGE BALANCE	INCOME/ EXPENSE	YIELD/ RATE	AVERAGE BALANCE	INCOME/ EXPENSE
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Assets								
Earning assets (tax equivalent basis):*								
Interest bearing deposits with other banks	$ 260,623	$ 2,571	3.95%	$ 311,553	$ 3,266	4.19%	$ 254,288	$ 2,932
Federal funds and resale agreements	607,287	4,950	3.26	665,138	5,167	3.11	804,379	6,333
Trading account securities	286,083	5,640	8.00	646,452	9,406	5.90	342,040	6,592
Loans held for securitization	344,445	7,875	9.15	554,348	12,993	9.38		
Loans held for sale	356,398	5,761	6.47	122,672	1,996	6.51	370,742	6,085
Securities available for sale	1,775,042	24,135	5.44	330,478	5,021	6.10	257,378	3,368
Investment securities-taxable	26,886	385	5.71	1,749,842	25,465	5.86	1,525,637	21,560
Investment securities-nontaxable	219,689	6,645	12.10	286,661	8,293	11.57	263,899	7,752
Loans (net of unearned income):								
Commercial	2,141,690	40,985	7.76	2,081,722	41,026	7.99	2,148,601	40,751
Credit card	1,827,581	50,776	11.11	1,524,609	50,092	13.14	1,631,570	48,162
Other consumer	1,319,627	25,274	7.70	1,180,271	24,029	8.22	1,270,924	23,320
Real estate-construction	293,423	5,241	7.14	528,088	9,488	7.19	357,018	6,482
Real estate-commercial mortgage	580,572	11,015	7.69	635,684	12,677	8.09	594,071	11,577
Real estate-residential mortgage	72,317	1,816	10.04	78,635	1,966	10.00	72,049	1,736
Total loans	6,235,210	135,107	8.79	6,029,009	139,278	9.37	6,074,233	132,028
Total earning assets	10,111,663	$193,069	7.74%	10,141,805	$197,892	7.91%	10,446,944	$ 199,643
Non-rate related assets:								
Cash and due from banks	489,161			430,498			500,041	
Allowance for loan losses	(252,360)			(270,557)			(257,082)	

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Premises and equipment (net)	224,308			199,282			206,315	
Other assets	737,538			641,615			705,243	
Total assets	$11,310,310			$11,142,643			$11,601,461	
Liabilities and Stockholders' Equity								
Interest bearing liabilities:								
Deposits:								
Money market and interest checking	$ 1,021,613	$ 5,552	2.20%	$ 929,652	$ 5,712	2.49%	$ 1,004,644	$ 5,508
Money market savings	1,699,044	11,318	2.70	1,809,098	12,079	2.71	1,677,785	11,026
Savings accounts	910,572	6,948	3.09	694,266	5,468	3.19	853,318	6,621
Savings certificates	2,036,432	13,050	2.60	2,464,865	13,703	2.25	2,144,485	12,852
Large denomination certificates	328,939	3,224	3.92	210,612	2,265	4.30	322,479	3,195
Foreign	262,572	2,181	3.32	96,831	753	3.11	269,996	2,299
Total interest bearing deposits	6,259,172	42,273	2.74	6,205,324	39,980	2.61	6,272,707	41,501
Federal funds and repurchase agreements	1,718,941	13,227	3.08	1,980,272	15,636	3.16	1,907,648	14,695
Other short-term borrowings	275,074	3,053	4.44	297,103	3,846	5.18	497,739	6,359
Long-term borrowings	258,266	3,866	5.99	297,764	4,528	6.08	266,420	3,542
Total interest bearing liabilities	8,511,453	$ 62,419	2.97%	8,780,463	$ 63,990	2.96%	8,944,514	$ 66,097
Non-interest bearing liabilities:								
Demand deposits	1,556,213			1,360,286			1,508,800	
Other liabilities	235,482			160,773			208,742	
Common stockholders' equity	1,007,162			841,121			939,405	
Total liabilities and stockholders' equity	$11,310,310			$11,142,643			$11,601,461	
Net interest spread			4.77%			4.95%		
Interest income to average earning assets			7.74%			7.91%		
Interest expense to average earning assets			2.50			2.56		
Net yield margin			5.24%			5.35%		

<CAPTION>

	YIELD/ RATE
<S>	<C>
Assets	
Earning assets (tax equivalent basis):*	
Interest bearing deposits with other banks	4.51%
Federal funds and resale agreements	3.08
Trading account securities	7.65
Loans held for securitization	
Loans held for sale	6.42
Securities available for sale	5.12
Investment securities-taxable	5.62
Investment securities-nontaxable	11.75
Loans (net of unearned income):	
Commercial	7.52
Credit card	11.81
Other consumer	7.30
Real estate-construction	7.10
Real estate-commercial mortgage	7.73
Real estate-residential mortgage	9.64
Total loans	8.62
Total earning assets	7.58%
Non-rate related assets:	
Cash and due from banks	
Allowance for loan losses	
Premises and equipment (net)	
Other assets	
Total assets	
Liabilities and Stockholders' Equity	
Interest bearing liabilities:	
Deposits:	
Money market and interest	

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checking	2.18%
Money market savings	2.61
Savings accounts	3.08
Savings certificates	2.38
Large denomination certificates	3.88
Foreign	3.33
Total interest bearing deposits	2.62
Federal funds and repurchase agreements	3.01
Other short-term borrowings	5.00
Long-term borrowings	5.20
Total interest bearing liabilities	2.93%
Non-interest bearing liabilities:	
Demand deposits	
Other liabilities	
Common stockholders' equity	
Total liabilities and stockholders' equity	
Net interest spread	4.65%
Interest income to average earning assets	7.58%
Interest expense to average earning assets	2.51
Net yield margin	5.07%

</TABLE>

*Includes the effects of taxable equivalent adjustments using a tax rate of 35%.

CREDIT CARD BUSINESS

The credit card industry is highly competitive and operates in a legal and regulatory environment increasingly focused on the cost of services charged to consumers. There is an increasing use of advertising, target marketing, pricing competition and incentive programs. The Company has responded to competition by targeting the origination of new accounts through the creation of products for multiple customer segments using various marketing channels. For example, Signet offers credit cards nationwide with different finance charge and fee combinations or other special features such as a balance transfer option. The Company approves prospective account holders through preapproval in conjunction with full application underwriting procedures. Using information derived from proprietary statistical models, Signet matches prospective account holders who meet the various applicable underwriting criteria with an appropriate credit card product.

The Company has invested heavily over the past five years in a sophisticated information-based strategy for originating and managing credit card accounts. Signet uses this strategy to develop improved credit risk models which increase the credit quality of new solicitations. Signet's credit card business continues to benefit significantly from its information-based strategy. The managed credit card portfolio (which includes securitized receivables) increased by $3.1 billion, or 109%, from March 31, 1993 and by $792 million, or 16%, from December 31, 1993. Absolute dollars of net loan losses, on a managed portfolio basis, also rose from $19.5 million for the first three months of 1993 to $22.2 million for the same time period of 1994. However, the ratio of charge-offs to average loans fell from 3.03% for the first three months of 1993 to 1.61% for 1994, which is evidence of the high credit quality of the accounts obtained through the solicitation program, the improved credit quality of the more seasoned accounts in the portfolio and the overall impact of recent growth. The high quality of the credit card portfolio is also reflected in loan delinquency data. The total managed credit card loans sixty days or more past due dropped to 1.30% of related loans at March 31, 1994 from 1.53% at year-end 1993, while the dollar amount remained relatively stable at approximately $78 million at the same respective dates. Refer to Table 8 for a summary of delinquency data related to credit card loans. New account solicitations represent a diversity of product offerings, largely targeted at lower risk consumers. Management is committed to continually increasing sophistication in all areas of risk management. It is management's expectation that growth in outstandings and accounts will continue for the near term.

Signet's managed credit card portfolio is comprised of credit card loans, credit card loans held for securitization and securitized credit card receivables. Securitized credit card receivables are not assets of the Company and, therefore, are not shown on the balance sheet. See Table 9 for a summary of Signet's managed credit card portfolio.

Securitization is the transformation of a pool of credit card receivables into marketable securities. Credit card receivables are transferred to a trust and interests in the trust are sold to investors for cash. The securitization of credit card receivables is an effective balance sheet management tool for facilitating the credit card growth. Such securitizations reduce the net yield margin and provision for loan losses and increase non-interest income, but the

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net effect on Signet's earnings is minimal, while increasing the return on assets. Signet's Credit Card Division services the related credit card accounts after the receivables are securitized. Because securitization changes Signet's involvement from that of a lender to that of a loan servicer, there is a change in how the revenue is reported on the income statement. For securitized receivables, amounts that would previously have been reported as interest income, credit card service charges and provision for loan losses are instead reported in non-interest income as credit card servicing income. Because credit losses are absorbed against these cash flows, Signet's credit card servicing income over the terms of these transactions may vary depending upon the credit performance of the securitized receivables. However, Signet's exposure to credit losses on the securitized receivables is contractually limited to these cash flows.

In certain marketing programs, Signet makes use of introductory periodic finance charge rates which are predominantly fixed for some initial period and at the conclusion of this period rise to a higher, variable rate finance charge.

TABLE 8

MANAGED CREDIT CARD PORTFOLIO DELINQUENCIES*

NUMBER OF DAYS DELINQUENT	MARCH 31 1994 DELINQUENT AMOUNT	MARCH 31 1994 PERCENT	DECEMBER 31 1993 DELINQUENT AMOUNT	DECEMBER 31 1993 PERCENT	SEPTEMBER 30 1993 DELINQUENT AMOUNT	SEPTEMBER 30 1993 PERCENT	JUNE 30 1993 DELINQUENT AMOUNT	JUNE 30 1993 PERCENT
30-59 days	$ 50,461	.85%	$ 52,099	1.01%	$ 44,810	1.02%	$ 42,620	1.23%
60-89 days	27,575	.46	28,236	.55	24,516	.56	24,345	.70
90+ days	50,278	.84	50,359	.98	48,881	1.12	49,265	1.43
Total	$128,314	2.15%	$130,694	2.54%	$118,207	2.70%	$116,230	3.36%

NUMBER OF DAYS DELINQUENT	MARCH 31 1993 DELINQUENT AMOUNT	MARCH 31 1993 PERCENT
30-59 days	$ 44,058	1.55%
60-89 days	24,648	.86
90+ days	50,843	1.78
Total	$119,549	4.19%

*The portfolio for this schedule includes the managed credit card portfolio as well as an immaterial amount of credit line loans serviced on the bank card system.

TABLE 9

MANAGED CREDIT CARD PORTFOLIO

(DOLLARS IN THOUSANDS)

	THREE MONTHS ENDED				
	MARCH 31 1994	DECEMBER 31 1993	SEPTEMBER 30 1993	JUNE 30 1993	MARCH 31 1993
Period-end balances:					
On balance sheet loans held for securitization	$1,000,000		$ 750,000	$1,000,000	
On balance sheet loans	1,600,756	$1,808,515	1,348,928	1,406,089	$1,816,937
Off balance sheet loans	3,289,656	3,289,656	2,186,580	1,000,000	1,000,000
Total period-end managed portfolio	$5,890,412	$5,098,171	$4,285,508	$3,406,089	$2,816,937
Average balances:					
On balance sheet loans held for securitization	$ 344,445	$ 554,348	$ 997,283	$ 11,000	
On balance sheet loans	1,827,581	1,631,570	1,820,507	2,078,630	$1,524,609
Off balance sheet loans	3,289,656	2,476,613	1,012,898	1,000,000	1,000,000
Total average managed portfolio	$5,461,682	$4,662,531	$3,830,688	$3,089,630	$2,524,609

TABLE 10

IMPACT OF THE CREDIT CARD SECURITIZATIONS

(DOLLARS IN THOUSANDS)

	THREE MONTHS ENDED				
	MARCH 31 1994	DECEMBER 31 1993	SEPTEMBER 30 1993	JUNE 30 1993	MARCH 31 1993
Statement of Consolidated Income (as					

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reported)					
Net interest income	$ 127,216	$ 129,756	$ 139,922	$ 129,782	$ 129,880
Provision for loan losses	5,499	10,276	12,501	9,011	15,498
Non-interest income	128,363	122,156	85,517	81,229	76,534
Non-interest expense	172,109	169,934	147,516	146,809	134,057
Income before income taxes	$ 77,971	$ 71,702	$ 65,422	$ 55,191	$ 56,859
Adjustments for Securitizations					
Net interest income	$ 73,492	$ 61,006	$ 35,431	$ 36,255	$ 34,970
Provision for loan losses	16,116	15,959	13,783	14,507	13,384
Non-interest income	(57,376)	(45,047)	(21,648)	(21,748)	(21,586)
Non-interest expense	--	--	--	--	--
Income before income taxes	$ --	$ --	$ --	$ --	$ --
Managed Statement of Income (adjusted)					
Net interest income	$ 200,708	$ 190,762	$ 175,353	$ 166,037	$ 164,850
Provision for loan losses	21,615	26,235	26,284	23,518	28,882
Non-interest income	70,987	77,109	63,869	59,481	54,948
Non-interest expense	172,109	169,934	147,516	146,809	134,057
Income before income taxes	$ 77,971	$ 71,702	$ 65,422	$ 55,191	$ 56,859
As reported:					
Average earning assets	$10,111,663	$10,446,944	$10,970,422	$10,643,674	$10,141,805
Return on assets	1.90%	1.71%	1.51%	1.39%	1.39%
Net yield margin	5.24	5.07	5.21	5.03	5.39
Including securitized credit cards:					
Average earning assets	$13,401,319	$12,923,557	$11,983,320	$11,643,674	$11,141,805
Return on assets	1.48%	1.41%	1.39%	1.28%	1.28%
Net yield margin	6.18	5.97	5.94	5.85	6.15
Yield on managed portfolio	12.32%	12.85%	13.24%	14.38%	15.59%

</TABLE>

If accountholders choose to utilize competing sources of credit, the rate at which new receivables are generated may be reduced and certain purchase and payment patterns with respect to the receivables may be affected.

Signet has securitized a total of $3.3 billion of credit card receivables as of March 31, 1994. Table 10 indicates the impact of the securitizations on the statement of consolidated income, average assets, return on assets and net yield margin. Signet plans to securitize an additional $1 billion of credit card receivables during the 1994 second quarter; therefore, these receivables were reclassified from the loan portfolio to credit card loans held for securitization during the first quarter of 1994. It is management's intention to continue to solicit new credit card accounts.

During the first quarter of 1994, Signet announced plans to establish a separate credit card bank subsidiary which will be wholly owned by Signet Banking Corporation. Establishing such a subsidiary will improve its funding flexibility, better focus Signet's resources and enhance the Company's organizational flexibility which will improve Signet's competitiveness in the national credit card market.

Signet has successfully implemented its information-based strategy to originate and manage credit card accounts. While Signet plans to continue to increase its investment in the credit card business and expects continued growth and further successes, the growth rate experienced during 1993 and so far in 1994 is not sustainable indefinitely. As a result, Signet plans to or has already started to implement this information-based strategy in other areas of the Company, such as educational lending, equity line and mortgage banking. However, it is too early to determine the success of this strategy.

TABLE 11
NON-PERFORMING ASSETS AND PAST DUE LOANS
(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

	MARCH 31 1994	MARCH 31 1993	DECEMBER 31 1993
<S>	<C>	<C>	<C>
Non-accrual loans:			
Commercial	$17,191	$ 23,791	$ 42,303
Consumer	2,591	1,419	2,191
Real estate-construction	17,258	47,800	17,837
Real estate-mortgage*	5,895	4,123	6,523
Total non-accrual loans	42,935	77,133	68,854
Restructured loans:			
Commercial	1,607	425	1,609
Real estate-construction	3,468		3,470
Total restructured loans	5,075	425	5,079
Total non-performing loans	48,010	77,558	73,933
Legally foreclosed properties	39,227	62,748	37,938
In substance foreclosed properties	6,786	11,479	10,357
Less foreclosed property reserve	(5,653)	(9,638)	(5,742)
Total foreclosed properties	40,360	64,589	42,553
Total non-performing assets	$88,370	$142,147	$ 116,486
Percentage to loans (net of unearned) and foreclosed properties	1.47%	2.23%	1.83%

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Allowance for loan losses to:			
Non-performing loans	521.72	352.36	342.63
Non-performing assets	283.44	192.25	217.46
Accruing loans past due 90 days or more	$52,702	$ 80,207	$ 58,891

</TABLE>

*Real estate-mortgage includes real estate-commercial mortgage and real estate-residential mortgage. Real estate-residential mortgage non-accrual loans were not significant for the periods presented.

RISK ELEMENTS

NON-PERFORMING ASSETS

Non-performing assets include non-accrual loans, restructured loans and foreclosed properties. Non-performing assets declined $28.1 million or 24% from December 31, 1993 primarily as a result of the Company selling one large commercial credit ($24.7 million) that was on non-accrual status at year-end. The Company sold this loan well within the allocated allowance at December 31, 1993. Non-performing assets declined $53.8 million, or 38%, from March 31, 1993 to $88.4 million (net of the $5.7 million foreclosed property reserve). Non-performing assets represented 1.47% of loans and foreclosed properties at March 31, 1994, down from 1.83% and 2.23% at December 31, 1993 and March 31, 1993, respectively. Approximately $4.5 million of foreclosed properties were sold or written down in the first quarter of 1994. The allowance for loan losses equaled 522% of non-performing loans at March 31, 1994, an improved coverage from 343% at December 31, 1993 and 352% at March 31, 1993. The ratio of the allowance to non-performing assets also improved to 283% at March 31, 1994 from 217% at December 31, 1993 and 192% at March 31, 1993.

Foreclosed properties totaled $40.4 million (net of reserve) at the end of the first quarter of 1994 and were equal to 46% of total non-performing assets and 60% of non-performing real estate assets. The gross foreclosed properties balance reflected an aggregate discount of approximately 48% from prior charge-offs and write-downs. Signet sold $4.5 million and $14.1 million of foreclosed properties during the first quarter of 1994 and the fourth quarter of 1993, respectively.

Accruing loans which are contractually past due 90 days or more as to principal or interest payments totaled $52.7 million at March 31, 1994. This is a decline from the $58.9 million 1993 fourth quarter level, and represents a 34% improvement from the $80.2 million reported at March 31, 1993. The March 31, 1994 total was comprised of $2.6 million of commercial loans; $14.3 million of credit card loans; $19.3 million of other consumer loans (of which $14.6 million are student loan delinquencies which are government guaranteed and do not represent material loss exposure); $4.7 million of mortgage loans; and $11.8 million of construction loans. Although credit card outstandings have risen sharply since the end of the first quarter of 1993, the amount of credit card loans past due 90 days or more has fallen $5.0 million.

REAL ESTATE LENDING

Signet's real estate-construction loan exposure at March 31, 1994 totaled $278.6 million, a 45% decline from the 1993 first quarter-end level and a 10% decline from the December 31, 1993 level. Of the total construction loan portfolio, approximately 58% was located in the Metro-Washington area. The largest type of construction financing was residential at 25%, followed by office buildings at 19%. Commercial mortgage loans totaled $578.9 million at March 31, 1994 and included $307.6 million of mini-permanent (interim) mortgage loans.

TABLE 12
SELECTED CAPITAL DATA
(DOLLARS IN THOUSANDS)

<TABLE>
<CAPTION>

<S>	MARCH 31 1994 <C>	MARCH 31 1993 <C>	DECEMBER 31 1993 <C>
Qualifying common stockholders' equity	$1,009,069	$ 858,325	$ 964,662
Less goodwill and other disallowed intangibles	(22,582)	(25,271)	(23,404)
Total Tier I capital	986,487	833,054	941,258
Qualifying debt	215,067	253,393	222,607
Qualifying allowance for loan losses	114,113	108,564	107,646
Total Tier II capital	329,180	361,957	330,253
Total risk-based capital	$1,315,667	$1,195,011	1,271,511
Total risk-adjusted assets	$8,992,661	$8,520,435	$8,466,048
Ratios:			
Tier I capital	10.97%	9.78%	11.12%
Total risk-based capital	14.63	14.03	15.02
Tier I leverage	8.74	7.49	8.13
Tangible	8.55	7.27	7.88
Total stockholders' equity to assets	8.83	7.45	8.14
Total stockholders' equity + allowance to loans	21.23	17.95	19.30
Common dividend payout ratio (year-to-date)	26.88	22.22	26.14
Book value per share*	$ 17.95	$ 15.30	$ 17.04

</TABLE>

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*Adjusted to reflect the two-for-one stock split declared on June 23, 1993 and distributed July 27, 1993.

STOCKHOLDERS' EQUITY DATA

At March 31, 1994, stockholders' equity totaled $1.0 billion, an increase of 19% from the previous year's level of $858 million. This increase reflects the strong earnings of the Company over the past year. On June 23, 1993, the Company declared a two-for-one split of its Common Stock in the form of a 100% stock dividend. One additional share of stock was issued on July 27, 1993, for each share held by stockholders of record at the close of business on July 6, 1993. All per share data in this document has been adjusted to reflect this stock split. In recognition of the Company's excellent earnings, improved asset quality and strong capital position, the Board of Directors increased the common stock dividend twice during 1993 by a total of 67%, from an annual rate of $.60 per share at the end of 1992 to $1.00 per share by year-end 1993.

During the first quarter of 1994, Signet announced an agreement to acquire Pioneer Financial Corporation, the parent company of Pioneer Federal Savings Bank, a $400 million financial institution located in Chester, Virginia. The transaction is expected to close in the fall of 1994. According to the terms of the agreement, the transaction will be a tax-free exchange of stock. Pioneer's shareholders will receive .6232 shares of Signet common stock for each Pioneer share held subject to adjustment under certain circumstances. It is anticipated that the transaction will have little dilutive effect on Signet's earnings per share.

The Company's equity-to-assets ratio was a strong 8.83% at March 31, 1994, which is an improvement from 8.14% at December 31, 1993 and 7.45% at March 31, 1993. Signet's risk-adjusted capital ratios at March 31, 1994 remained strong at 10.97% and 14.63% for Tier I and Total Capital, respectively. Signet's leverage ratio at March 31, 1994 was 8.74%, an improvement from 8.13% at December 31, 1993. For most corporations, including Signet, the minimum leverage ratio is 3% plus an additional cushion of 100 to 200 basis points depending upon risk profiles and other factors. At March 31, 1994, all three of Signet's banking subsidiaries met the criteria established by the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA") for "well capitalized" institutions.

INTEREST RATE SENSITIVITY AND LIQUIDITY

Signet's interest rate sensitivity position is managed by the Asset and Liability Committee ("ALCO") and measured through the use of simulations on rate sensitive pre-tax income. Interest rate sensitivity is the relationship between changes in market interest rates and changes in rate sensitive income due to the repricing characteristics of assets and liabilities. For example, in periods of declining rates, earnings on the investment portfolio improve as funding costs decline. Improved spreads in the investment portfolio are offset by narrower spreads in the core banking businesses as changes in consumer deposit costs lag decreases in market interest rates. ALCO routinely uses derivatives such as interest rate swaps to insulate the Company against the possibility of sudden changes in interest rates. ALCO, in managing interest rate sensitivity, also uses simulations to better identify the impact that market changes and alternative strategies might have on net interest income. Currently simulations show that an immediate and sustained 100 basis point change in interest rates would have less than a 4% impact on rate sensitive income over the next twelve months, reflecting Signet's conservative balance sheet strategy.

Asset liquidity is generally provided by interest earning assets other than investment securities held to maturity and loans. This group of interest-earning assets (interest bearing deposits with other banks, Federal funds sold and securities purchased under resale agreements, trading account securities, credit card loans held for securitization, and loans held for securitization) totaled $4.1 billion, or 41% of earning assets at March 31, 1994. The loan portfolio is a secondary source of asset liquidity. Liability liquidity is measured by the Company's ability to obtain funds at favorable rates and in adequate amounts. Core deposits are the largest and most important funding source. These deposits totaled 123% of total loans as of March 31, 1994. Purchased funds consisted primarily of funds from local customers which are considered to be less volatile than other purchased liabilities and repurchase agreements. For the first quarter of 1994, cash and cash equivalents decreased by $631 million primarily as a result of a sharp decline in interest bearing deposits with other banks and Federal funds sold overnight. Cash used by operations was $652 million for this time period resulting mainly from the $792 million increase in credit card loans and subsequent reclassification of $1 billion of credit card loans to held for securitization. Cash provided by investing activities amounted to $450 million principally due to a decrease in loans resulting from the same reclassification net of the purchase of $157 million in securities available for sale. Cash used by financing activities amounted to $430 million as there was a decrease in short-term borrowings.

PART II. OTHER INFORMATION

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The annual meeting of shareholders of the Registrant was held on April 28, 1994. At the meeting, the following individuals were elected directors of the

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Registrant:

NAME OF DIRECTOR	IN FAVOR	VOTE AGAINST OR WITHHELD	ABSTAIN
J. Henry Butta	42,923,972	132,159	13,650,036
Norwood H. Davis, Jr.	42,936,953	119,178	13,650,036
William C. DeRusha	42,921,773	134,358	13,650,036
Robert M. Freeman	42,933,063	123,068	13,650,036
Dr. William R. Harvey	42,923,998	132,133	13,650,036
Elizabeth G. Helm	42,931,760	124,371	13,650,036
Robert M. Heyssel	42,936,674	119,457	13,650,036
Malcolm S. McDonald	42,937,445	118,686	13,650,036
Henry A. Rosenberg, Jr.	42,935,884	120,247	13,650,036
Louis B. Thalheimer	42,940,070	116,061	13,650,036
Stanley I. Westreich	42,941,425	114,706	13,650,036

The shareholders also approved: (i) adoption of the Annual Executive Incentive Compensation Plan (the "Short-Term Plan"). The Short-Term Plan is an annual bonus plan in which only the Corporation's Chairman and President participate. 40,678,606 shares voted for, 1,882,488 shares voted against and 14,145,073 abstained from adoption of the Short-Term Plan; (ii) amending and restating of the Executive Long-Term Incentive Plan (the "Long-Term Plan"). The Long-Term Plan covers the members of the Corporation's management committee which includes the Chairman (and CEO), the President (and COO) and other senior executive department heads. 40,810,553 shares voted for, 1,697,042 shares voted against and 14,198,572 abstained from adoption of the Executive Long-Term Plan; (iii) adoption of the 1994 Stock Incentive Plan (the "1994 Plan"). The 1994 Plan is intended to provide a means for selected key management employees of the Corporation to increase their personal financial interest in the Corporation, thereby stimulating their efforts on behalf of the Corporation and its shareholders. 37,650,484 shares voted for, 4,976,611 shares voted against and 14,079,072 abstained from adoption of the 1994 Plan; and (iv) ratification of the selection of Ernst & Young as independent auditors to audit the financial statements of the Corporation for 1994. 42,821,800 shares voted for, 103,458 shares voted against and 13,780,909 abstained from ratification.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

10.1 Annual Executive Incentive Compensation Plan (Incorporated by reference to Exhibit I to Proxy Statement for 1994 Annual Meeting of Shareholders).

10.2 Annual Executive Long-Term Incentive Plan (Incorporated by reference to Exhibit II to Proxy Statement for 1994 Annual Meeting of Shareholders).

10.3 1994 Stock Incentive Plan (Incorporated by reference to Exhibit III to Proxy Statement for 1994 Annual Meeting of Shareholders

11.1 Computation of Earnings Per Share (Filed herewith)

(b) Reports on Form 8-K

The Registrant filed a Current Report on Form 8-K, dated February 22, 1994, reporting that Signet Banking Corporation announced an agreement to merge with Pioneer Federal Savings Bank. The merger will be accounted for as a purchase.

The Registrant filed a Current Report on Form 8-K, dated March 28, 1994, reporting that Signet Banking Corporation announced plans to apply for regulatory approval to establish a separately chartered credit card bank. Signet hopes to establish the Bank Card Division as a separate wholly-owned subsidiary in the second half of 1994.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned there-unto duly authorized.

SIGNET BANKING CORPORATION
(Registrant)

Date: May 11, 1994
Date: May 11, 1994

/s/ Wallace B. Millner, III
Wallace B. Millner, III
Senior Executive Vice President &
Chief Financial Officer

/s/ D. S. Norris
D. S. Norris
Executive Vice President & Controller
(Chief Accounting Officer)

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SIGNET BANKING CORPORATION AND SUBSIDIARIES
FORM 10-Q
EXHIBIT 11.1--COMPUTATION OF EARNINGS PER SHARE
(DOLLAR AMOUNTS--EXCEPT PER SHARE--IN THOUSANDS)

	THREE MONTHS ENDED MARCH 31	
	1994	1993
Common and common equivalent:		
Average shares outstanding	56,665,688	56,012,468
Dilutive stock options--based on the treasury stock method using average market price	550,283	626,682
Shares used	57,215,971	56,639,150
Net income applicable to Common Stock	$53,113	$38,267
Per share amount	$.93	$.68
Assuming full dilution:		
Average shares outstanding	56,665,688	56,012,468
Dilutive stock options--based on the treasury stock method using the period end market price, if higher than average market price	581,774	692,318
Shares used	57,247,462	56,704,786
Net income applicable to Common Stock	$53,113	$38,267
Per share amount	$.93	$.68

The calculations of common and common equivalent earnings per share and fully diluted earnings per share are submitted in accordance with Securities Exchange Act of 1934 Release No. 9083 although both calculations are not required by footnote 2 to paragraph 14 of APB Opinion No. 15 because there is dilution of less than 3%. The Registrant has elected to show fully diluted earnings per share in its financial statements.

The per common share and common shares outstanding data above reflect a two-for-one common stock split in the form of a dividend which was declared on June 23, 1993 to shareholders of record July 6, 1993 and distributed July 27, 1993.

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