



OFFICE OF THRIFT SUPERVISION

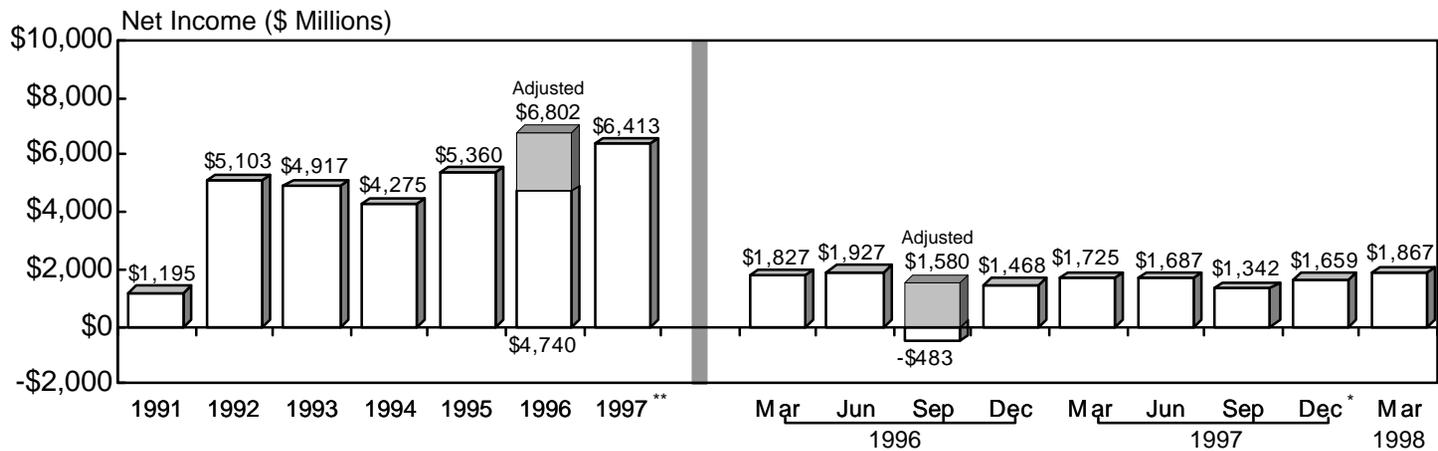
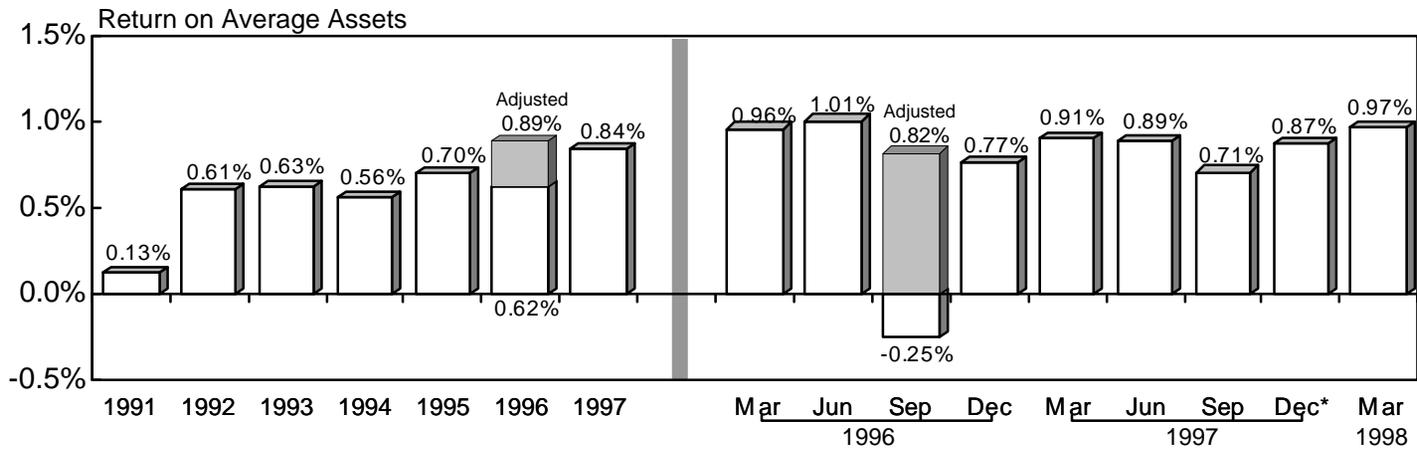
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1998 FIRST QUARTER EARNINGS INCREASED



* Revised from 0.89% and \$1,698 respectively. ** Revised from \$6,452.

Numbers may not sum due to rounding.

Adjusted data exclude the net SAIF special assessment of \$2.1 billion incurred in the third quarter of 1996.

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LOWER PROVISIONS FOR LOSSES AND HIGHER NON-INTEREST INCOME OFFSET DECLINE IN NET INTEREST MARGIN

Components of ROA	Mar '97	Annual 1997	Mar '98	Change	
				Mar '97 Mar '98	1997 Mar '98
ROA	0.91%	0.84%	0.97%	0.06%	0.13%
Net Interest Margin	2.93%	2.87%	2.77%	-0.16%	-0.10%
Interest Income	7.22%	7.28%	7.10%	-0.12%	-0.18%
Interest Expense	4.29%	4.41%	4.33%	0.04%	-0.08%
Provisions for Losses	0.25%	0.26%	0.18%	-0.07%	-0.08%
Fee Income	0.54%	0.57%	0.57%	0.03%	0.00%
Non-Interest Expense	2.13%	2.21%	2.20%	0.07%	-0.01%
Taxes	0.51%	0.48%	0.52%	0.01%	0.04%
Other Non-Interest Income ⁽¹⁾	0.34%	0.36%	0.53%	0.19%	0.17%
Gains-on-assets held for sale	0.10%	0.14%	0.29%	0.19%	0.15%

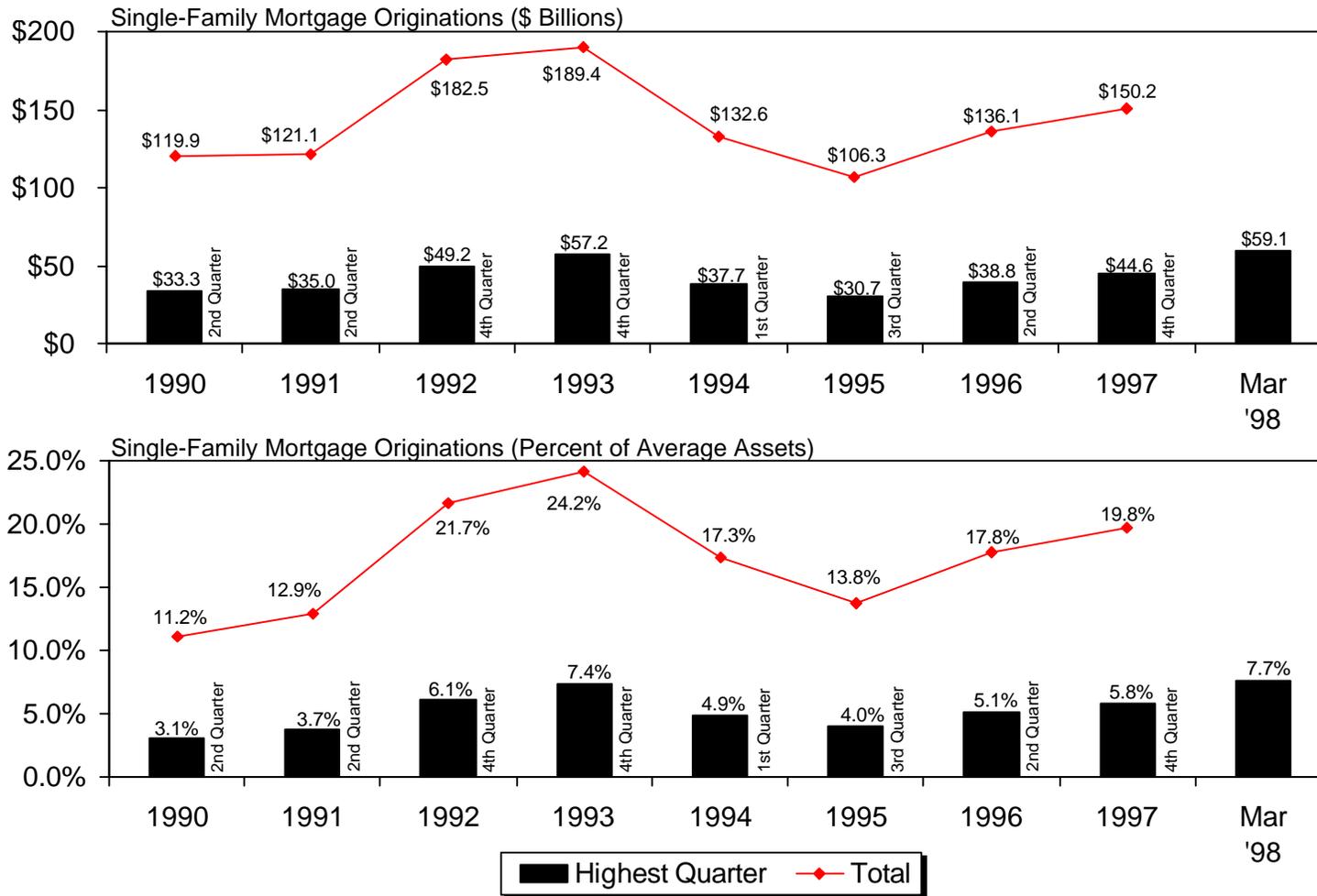
Quarterly data are annualized.

Numbers may not sum due to rounding.

(1) Other Non-Interest Income primarily includes net gains on sale of assets, dividends on FHLB stock, and income from leasing office space.

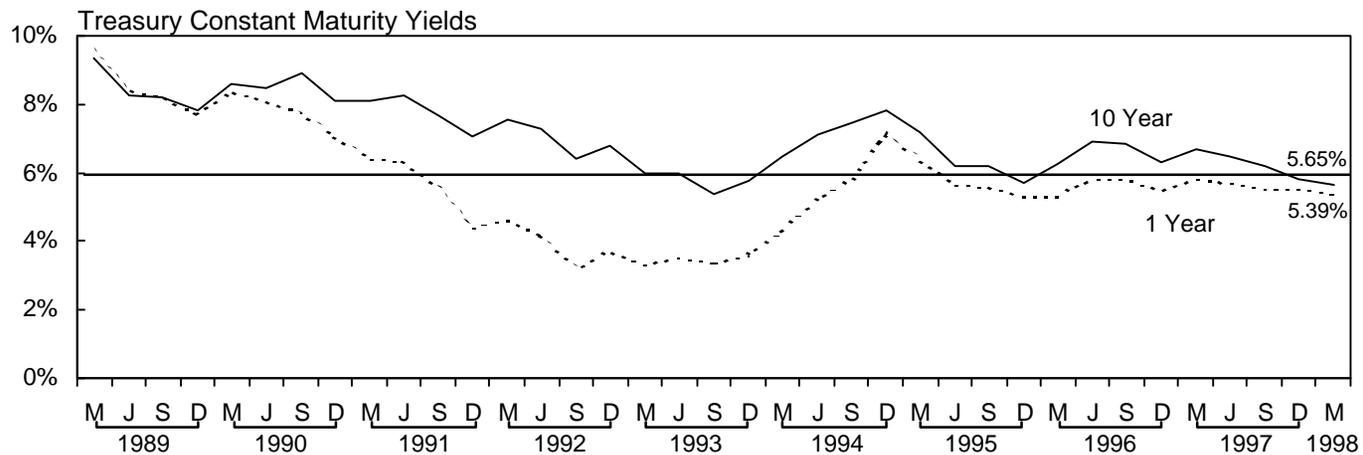
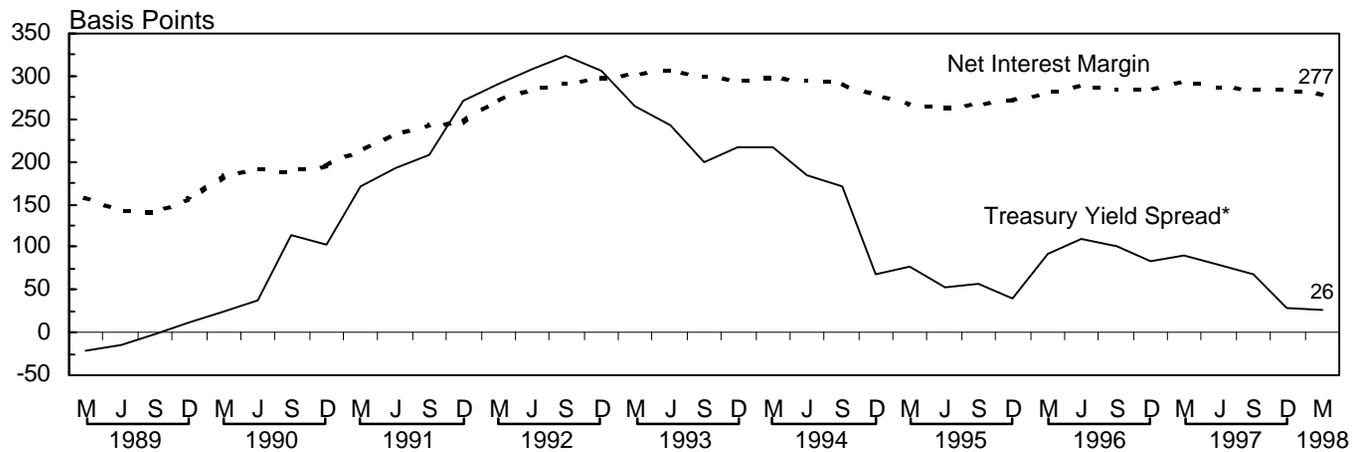
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THRIFT INDUSTRY SINGLE-FAMILY MORTGAGE ORIGINATIONS INCREASED DRAMATICALLY IN THE FIRST QUARTER



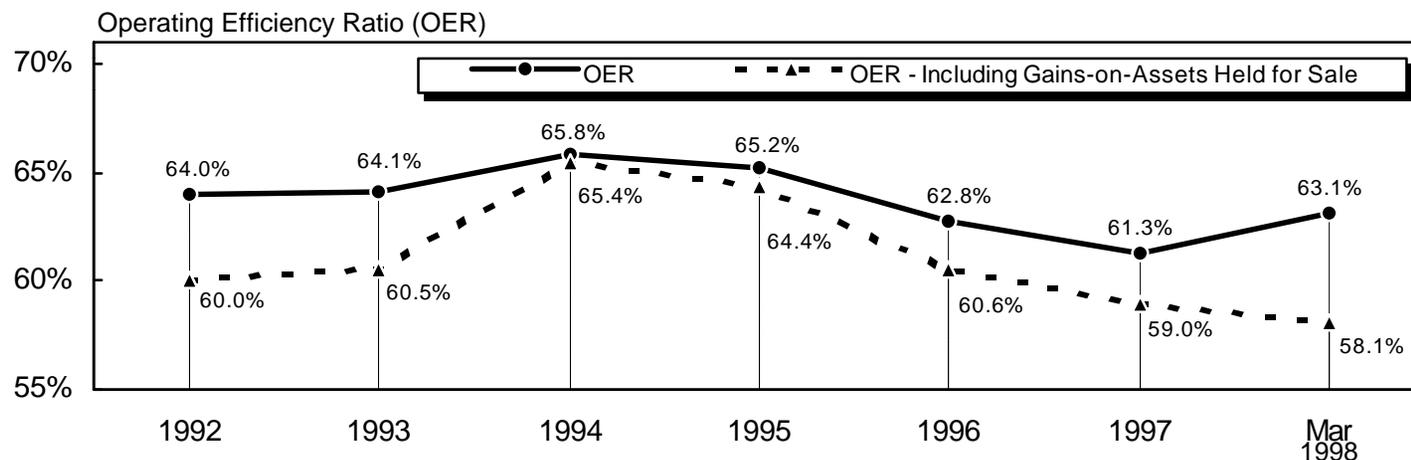
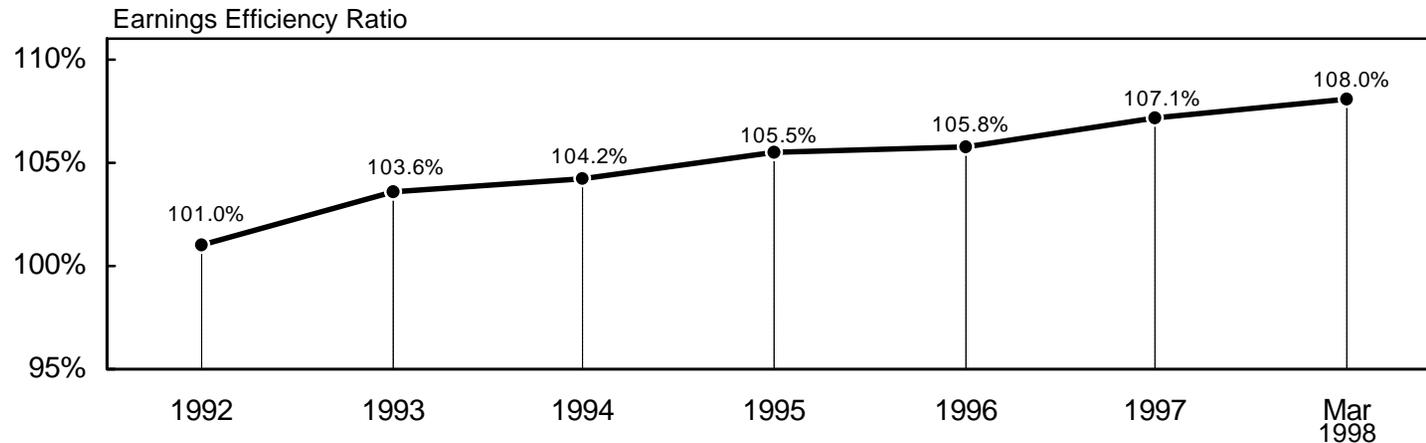
Beginning in June 1996, data are consolidated.
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NET INTEREST MARGIN HAS REMAINED STABLE FOR THE PAST THREE YEARS DESPITE NARROWING YIELD SPREADS



* 10 Year Treasury Constant Maturity yields less 1 Year Treasury Constant Maturity yields at quarter end.
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EARNINGS EFFICIENCY CONTINUED TO INCREASE BUT OPERATING EFFICIENCY DETERIORATED SLIGHTLY WITH CHANGED EARNINGS COMPOSITION



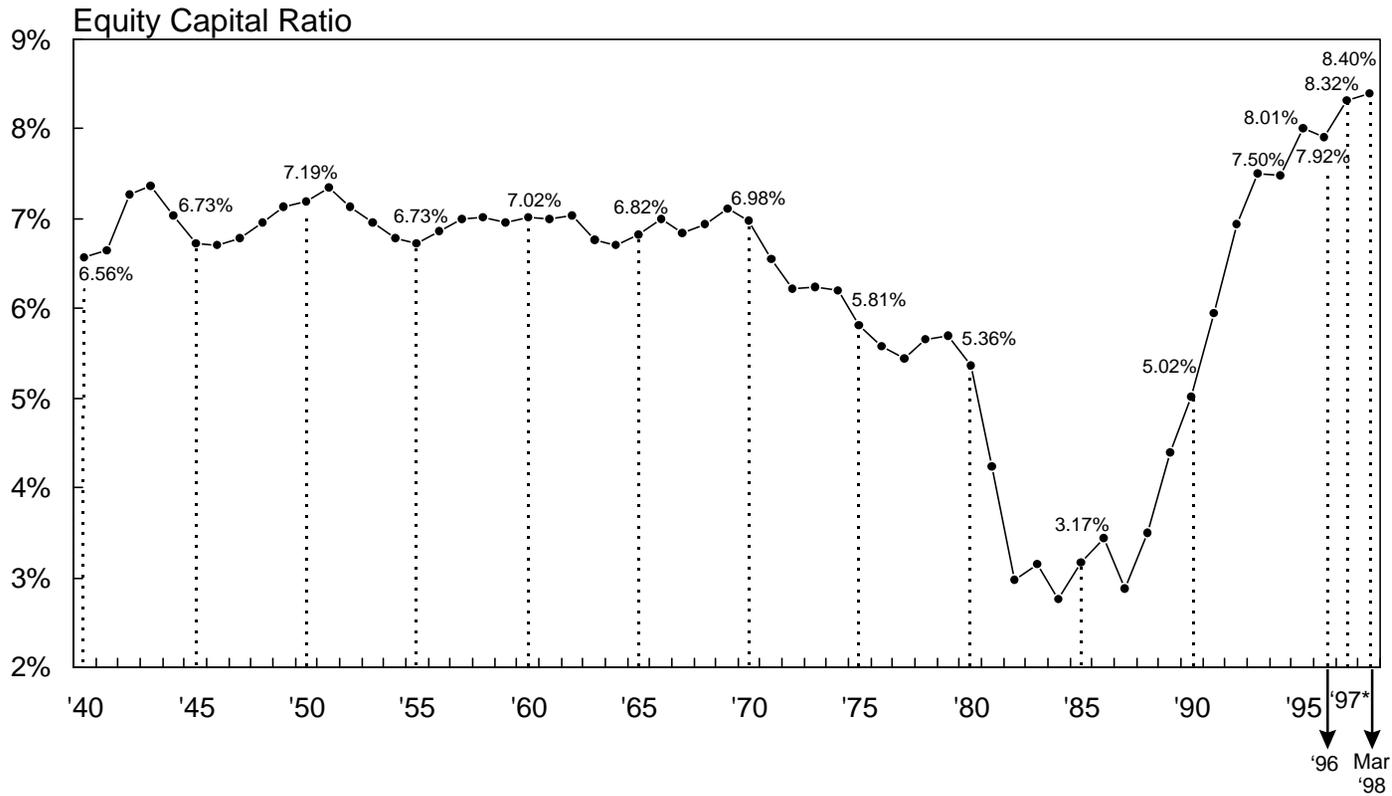
Earnings Efficiency Ratio = Interest Earning Assets / Interest Bearing Liabilities.

Operating Efficiency Ratio = General and Administrative Expense / Net Interest Income plus Fee Income.

1996 General and Administrative Expense excludes net SAIF special assessment.

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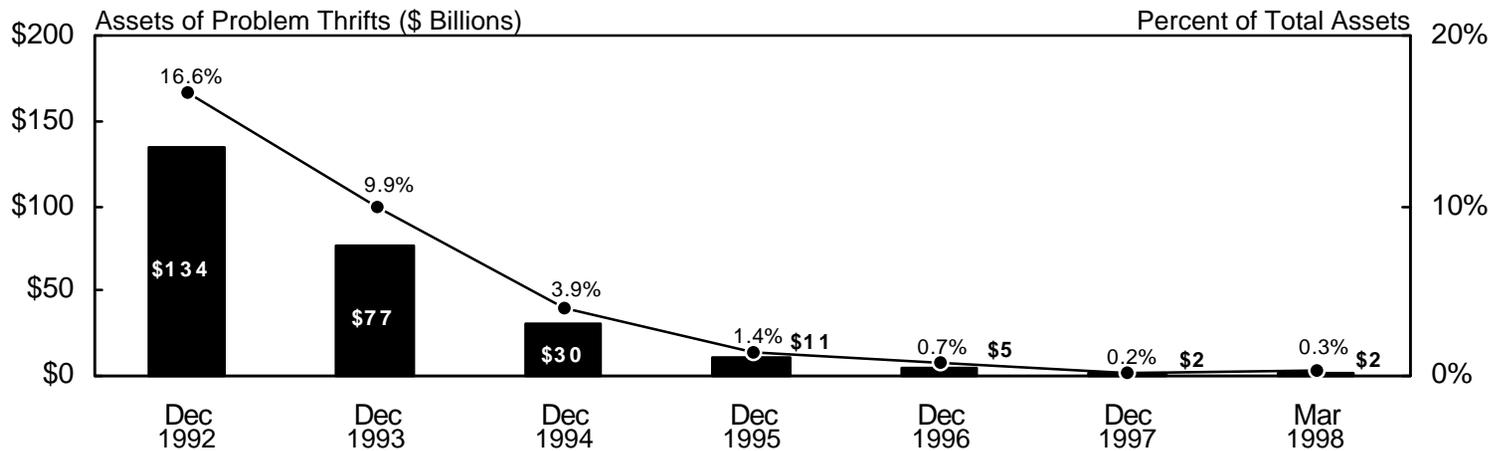
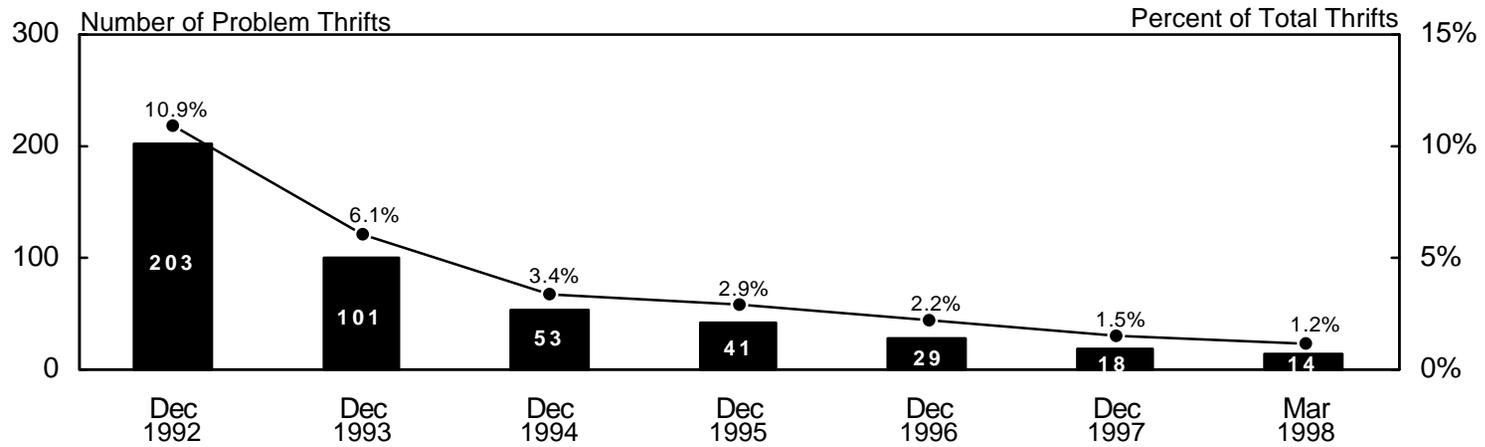
EQUITY CAPITAL CONTINUED TO INCREASE



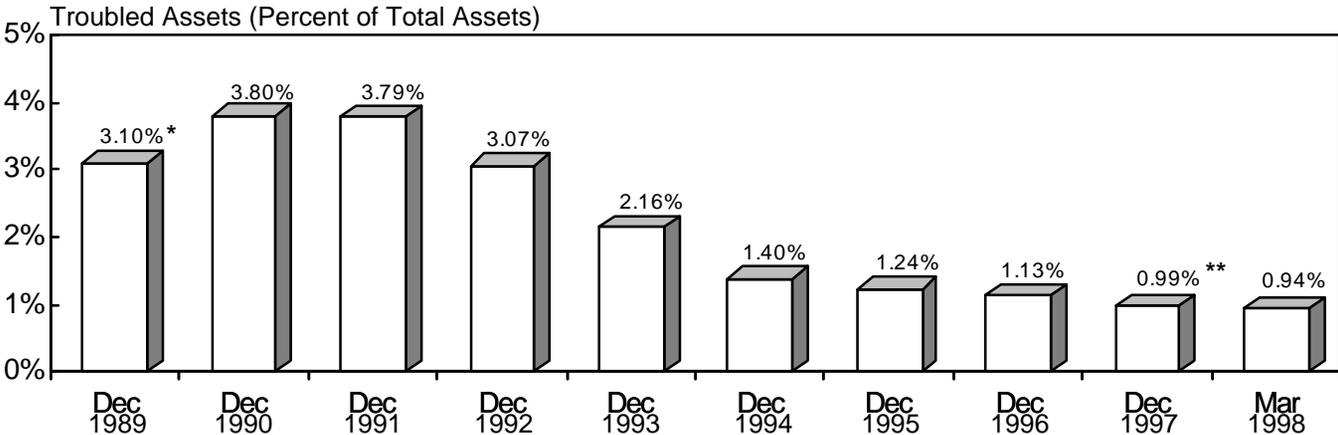
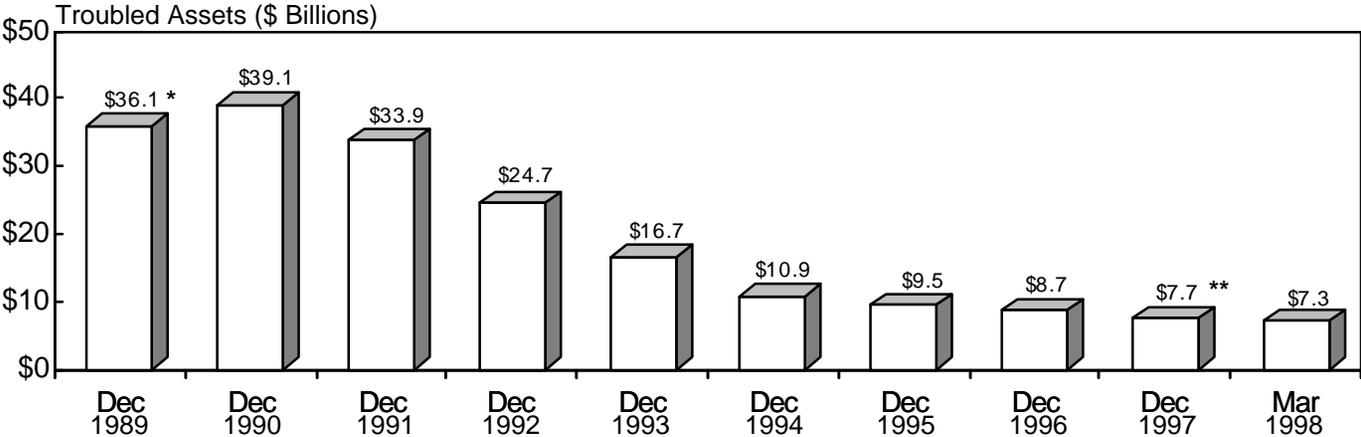
* Revised from 8.33%
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PROBLEM THRIFTS REACHED POST-FIRREA LOW

(Thrifts with CAMELS Ratings of 4 or 5)



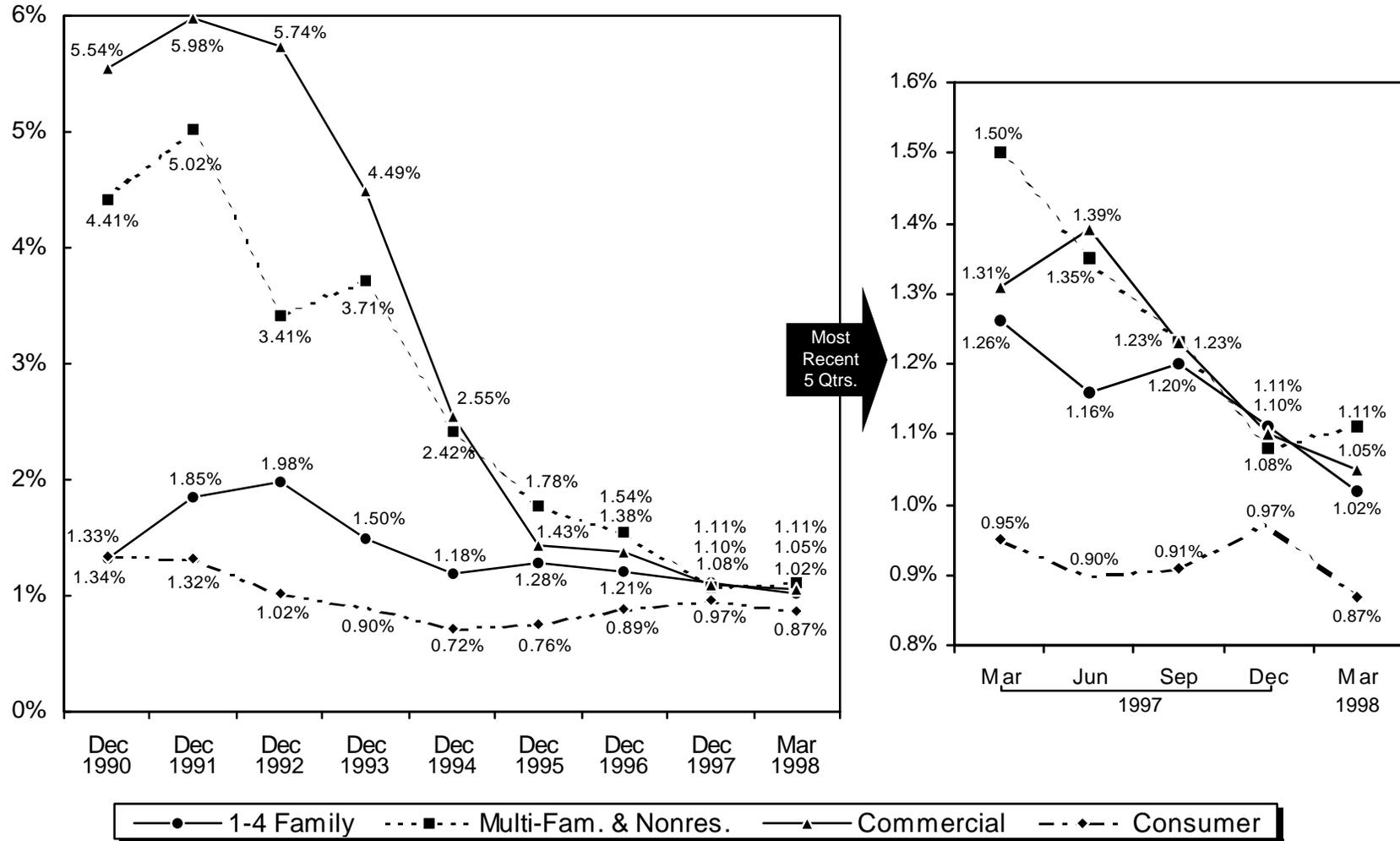
TROUBLED ASSETS DECLINED IN THE FIRST QUARTER TO THE LOWEST LEVEL SINCE THIS INDICATOR HAS BEEN USED



* Estimated.
 ** Revised from \$7.8 billion and 1.00% respectively.
 Troubled Assets include noncurrent loans and repossessed assets.
 Data after 1995 are net of specific valuation allowances.
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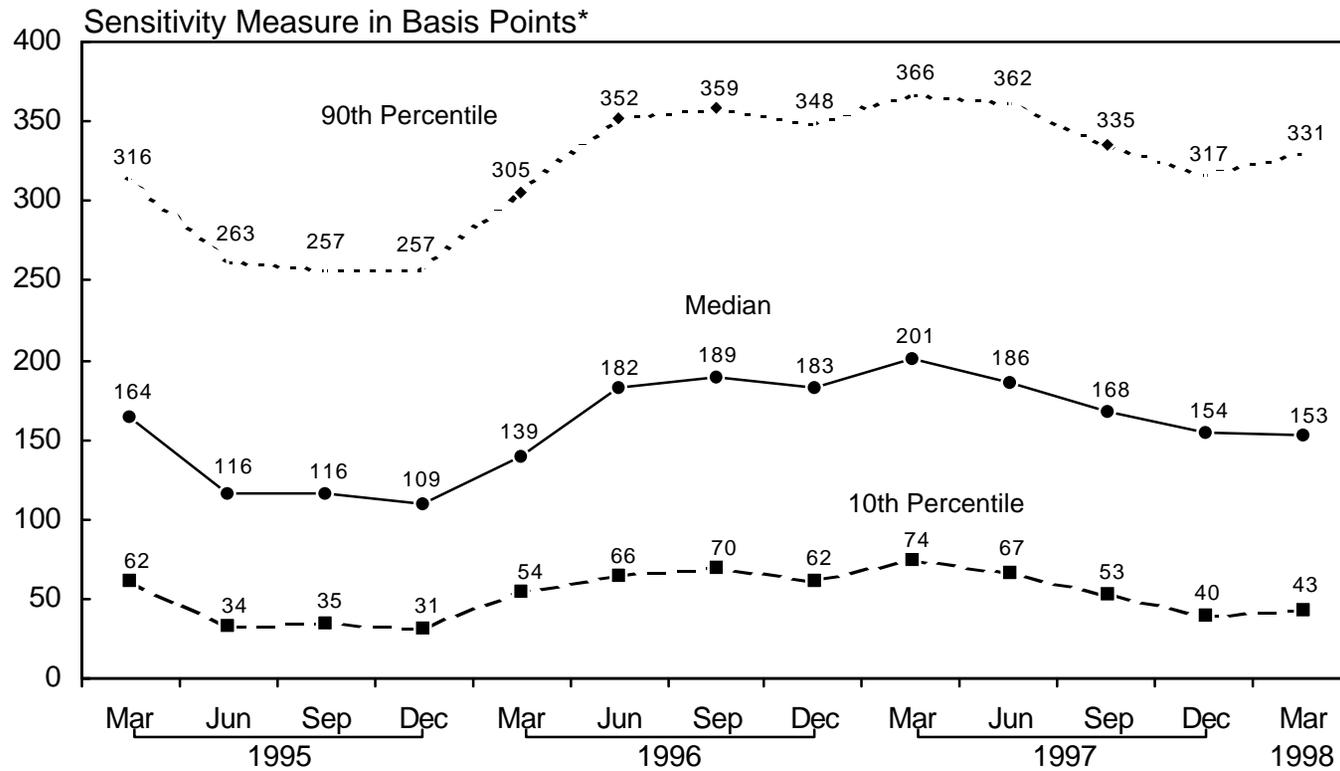
NONCURRENT LOAN RATES DECLINED BROADLY IN THE FIRST QUARTER

Noncurrent Loans (Percent of Loan Type)



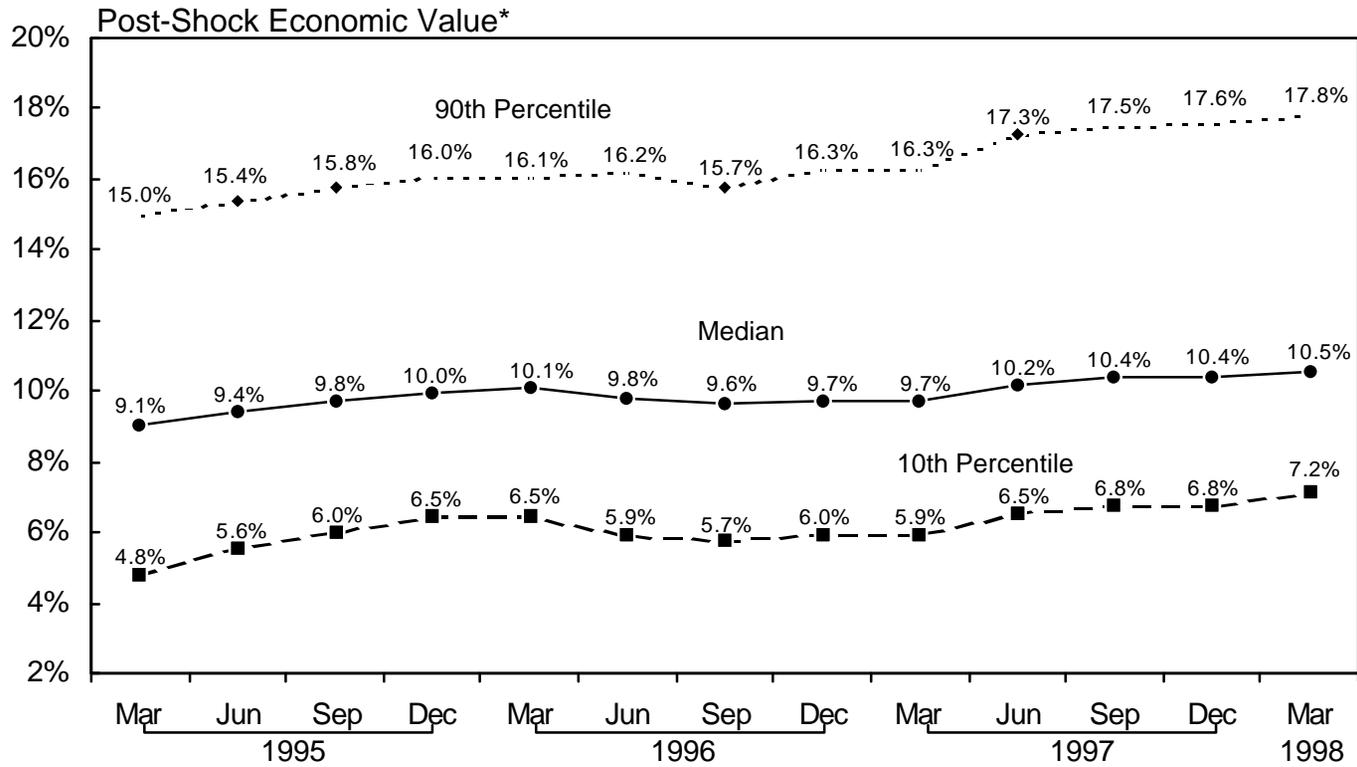
Data after 1995 are net of specific valuation allowances.
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INTEREST RATE RISK SENSITIVITY INCREASED SLIGHTLY IN THE FIRST QUARTER FOR THE MOST AND LEAST SENSITIVE THRIFTS



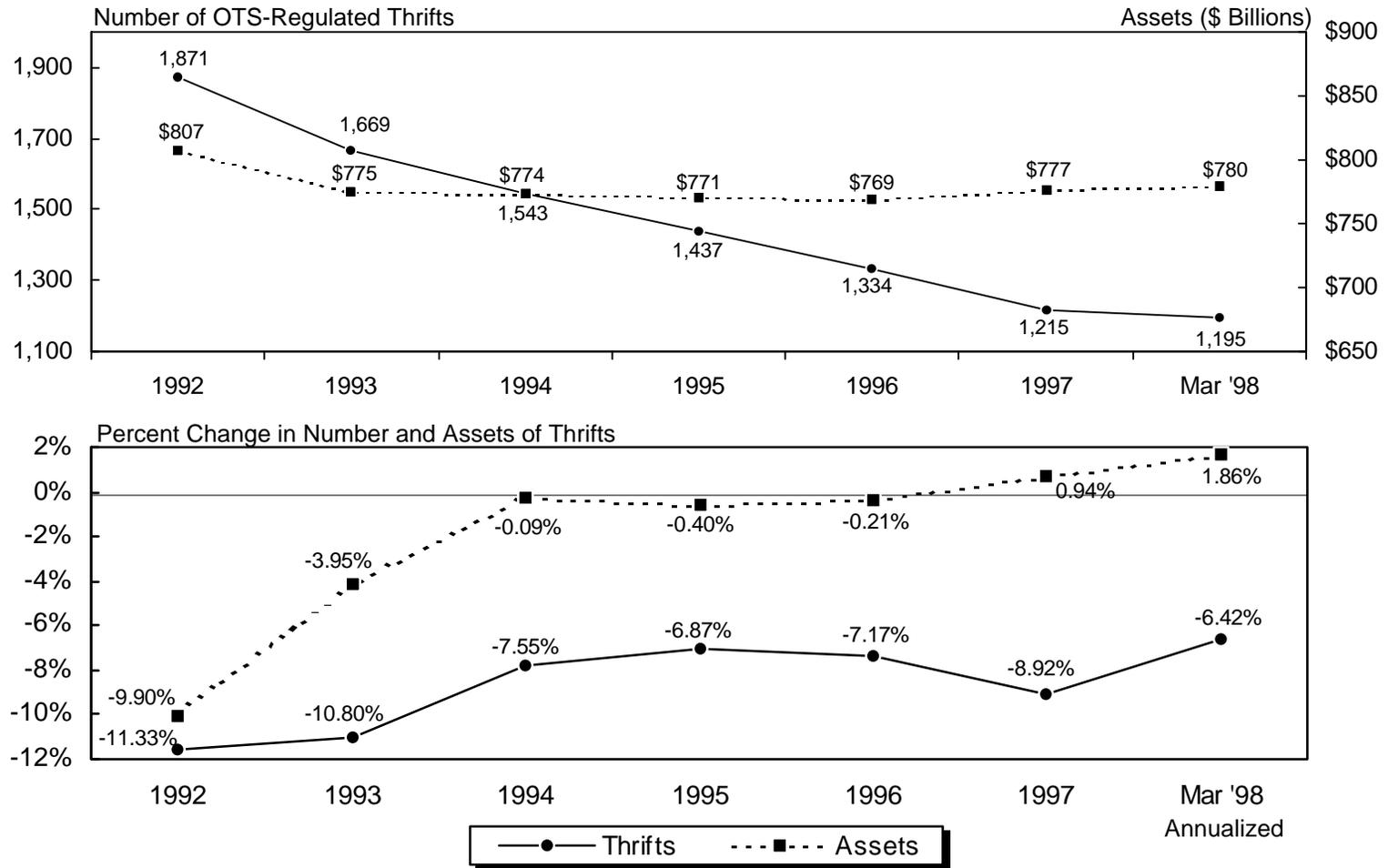
* Preliminary first quarter data.
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HIGHER CAPITAL LEVELS REDUCED EXPOSURE TO INTEREST RATE RISK



* Preliminary first quarter data.
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THRIFT ASSETS GREW SLIGHTLY WHILE CONSOLIDATION CONTINUED IN THE FIRST QUARTER



MERGERS AND ACQUISITIONS CONTINUE TO REDUCE THE NUMBER OF THRIFTS

EXITS OF OTS-REGULATED THRIFTS	1993	1994	1995	1996	1997	March 1998
Failures	8	2	2	1	0	0
Conversions						
To Commercial Banks	18	17	13	10	32	3
To State-Chartered Savings Banks	<u>98</u>	<u>49</u>	<u>16</u>	<u>20</u>	<u>17</u>	<u>3</u>
Total Number of Conversions	116	66	29	30	49	6
Acquisitions						
By Commercial Banks	39	44	49	46	56 *	8
By State-Chartered Savings Banks	<u>3</u>	<u>2</u>	<u>1</u>	<u>3</u>	<u>5</u> *	<u>0</u>
Total Number of Acquisitions by Non-OTS Reg. Institutions	42	46	50	49	61	8
OTS Thrift-to-Thrift Mergers	37	32	43	36	28	11
Voluntary Dissolutions	10	3	5	3	3	1
TOTAL EXITS	213	149	129	119	141	26
TOTAL ENTRANTS	13	24	23	18	21	6
De Novo	12	16	3	6	11	2
Other	1	8	20	12	10	4
NET DECLINE	200	125	106	101	120	20

* Revised from 60 and 1 respectively.
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SINGLE-FAMILY MORTGAGES STILL DOMINATE INDUSTRY ASSETS, ALTHOUGH GROWTH RATES WERE HIGHEST FOR SMALL BUSINESS / COMMERCIAL AND CONSUMER LOANS

	December 1993	March 1997	March 1998	Long Term Dec '93 Mar '98 Change	Short Term Mar '97 Mar '98 Change	Average Annualized Growth Rates	
						Dec '93 Mar '98	Mar '97 Mar '98
Total Assets	\$774.8	\$764.6	\$780.2	\$5.4	\$15.6	0.2%	2.0%
Total Loans	503.7	527.6	543.0	39.3	15.4	1.8%	2.9%
1-4 Family Mortgage Loans	354.8	383.1	394.7	39.9	11.6	2.5%	3.0%
Construction Loans	12.7	10.8	11.6	-1.1	0.8	-2.1%	7.4%
Other Mortgages	95.7	83.1	79.5	-16.2	-4.0	-4.3%	-4.8%
Sm. Business / Commercial Loans	5.2	9.6	12.5	7.3	2.9	22.9%	30.2%
Consumer Loans	35.4	41.0	44.7	9.3	3.7	5.6%	9.0%
Mortgage Pool Securities	119.5	108.8	101.2	-18.3	-7.6	-3.8%	-7.0%
Investment Securities	108.6	85.2	87.4	-21.2	2.2	-5.0%	2.6%

Beginning in 1997, detailed asset categories are reported net of specific valuation allowances, loans in process, and unamortized yield adjustments. This reporting change significantly reduced the construction loan balance. Dollars in billions.

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