



First Quarter 2009 Thrift Industry Report Graphs and Tables

June 2, 2009



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SUMMARY

- The industry's first quarter profitability improved substantially from the prior quarter.
 - The industry posted near breakeven results for the first quarter – a loss of \$47 million or (0.02)% on an annualized basis relative to average assets.
 - This compares to a loss of \$5.4 billion or (1.82)% in the fourth quarter of 2008.

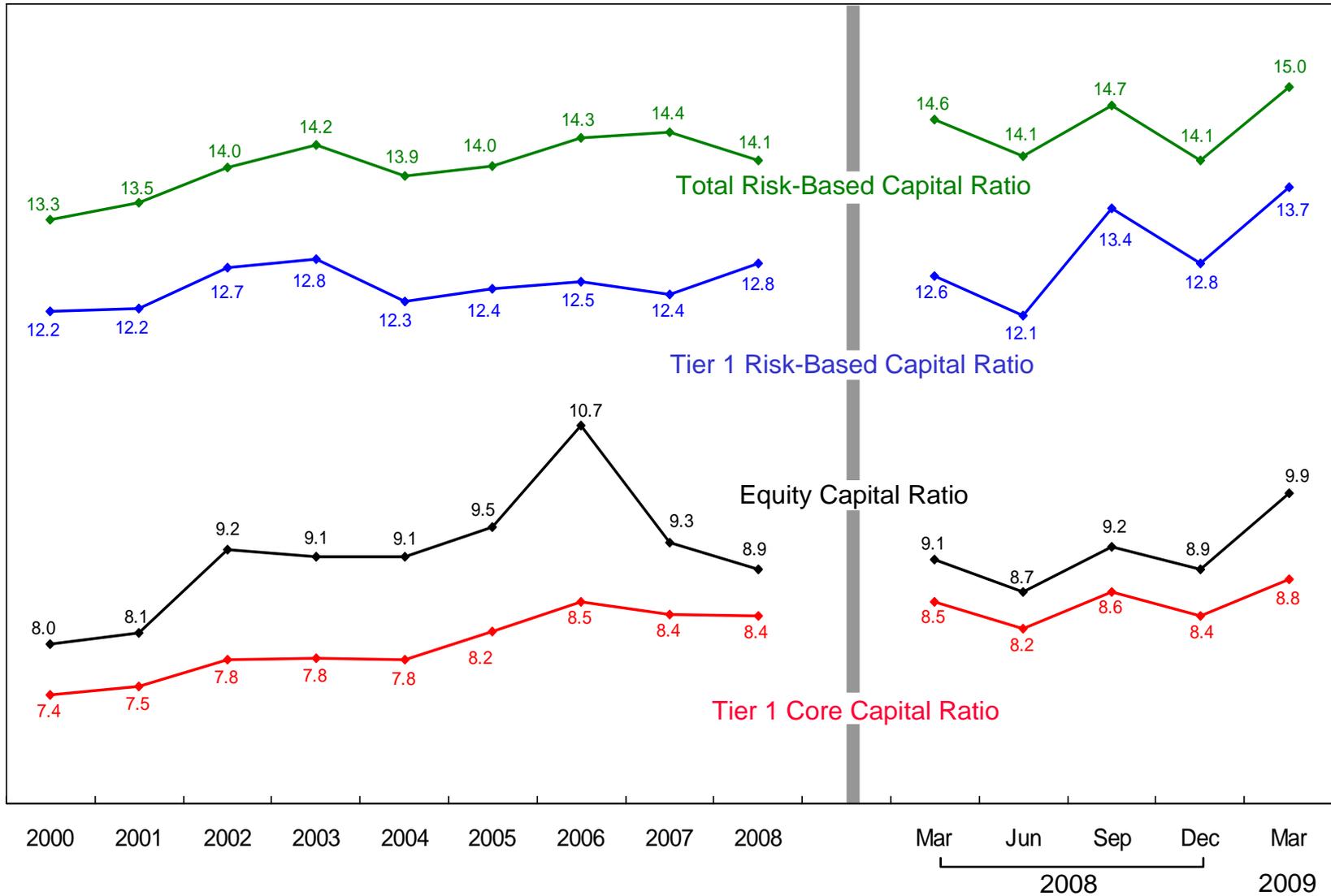
- The profitability improvement was primarily due to lower provisions for loan losses that declined 38% to \$5.8 billion (1.88%) from \$9.3 billion (3.18%) in the fourth quarter.

- Although down from 2008 levels, loan loss provisions remained elevated in the first quarter and continued to dampen earnings.

- We believe loss provisioning will remain at elevated levels until home prices firm, the inventory of unsold homes appreciably declines, and the employment outlook begins to brighten.

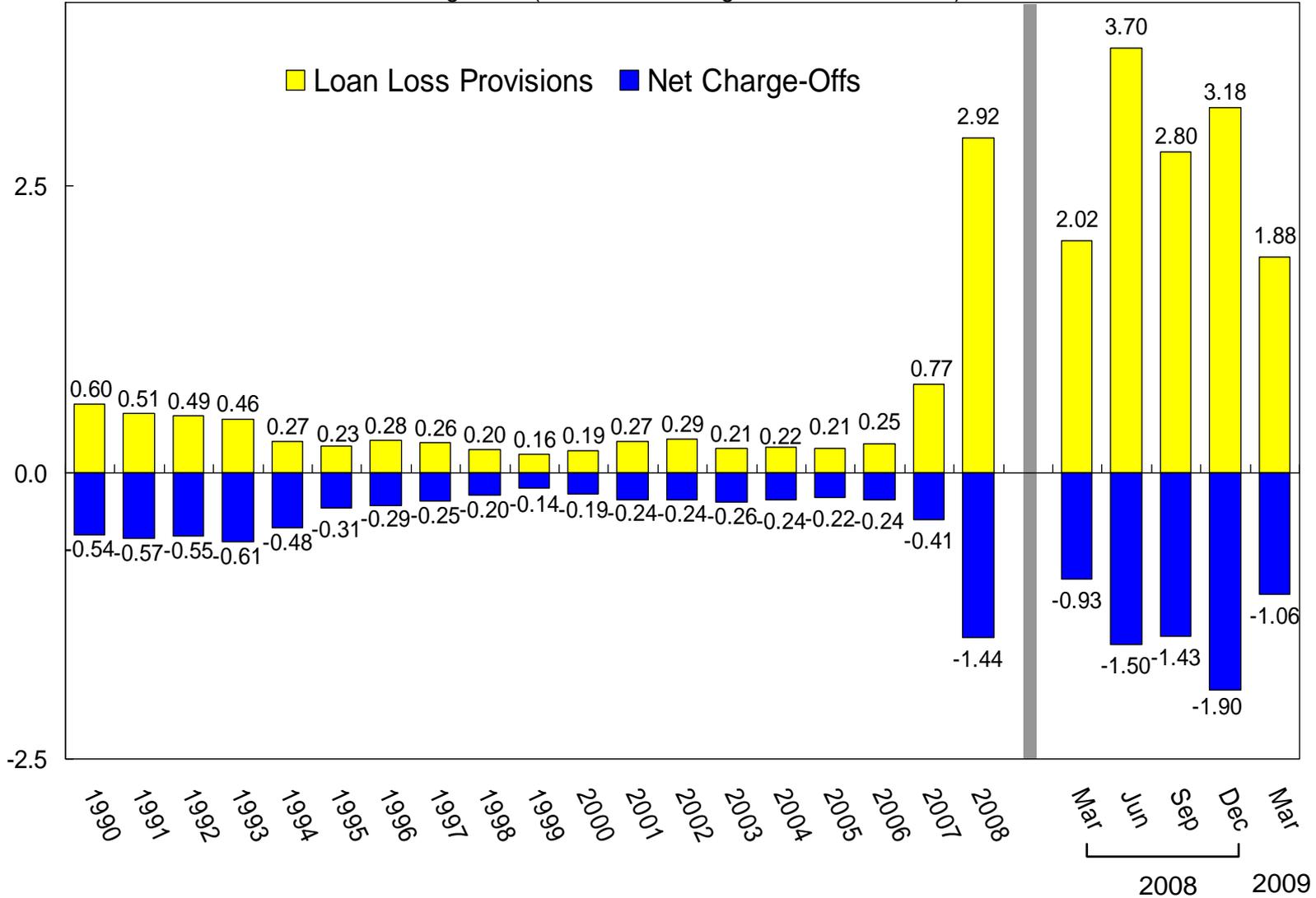
- Thrift fundamentals remain solid.
 - Capital is solid.
 - 96.5% of all thrifts – holding 95.8% of industry assets – exceed “well-capitalized” regulatory standards.
 - Industry “core” or “operating” earnings remain solid and stable.
 - Reserves for potential loan losses were again bolstered in the first quarter and remain at solid and at record high levels.

CAPITAL RATIOS

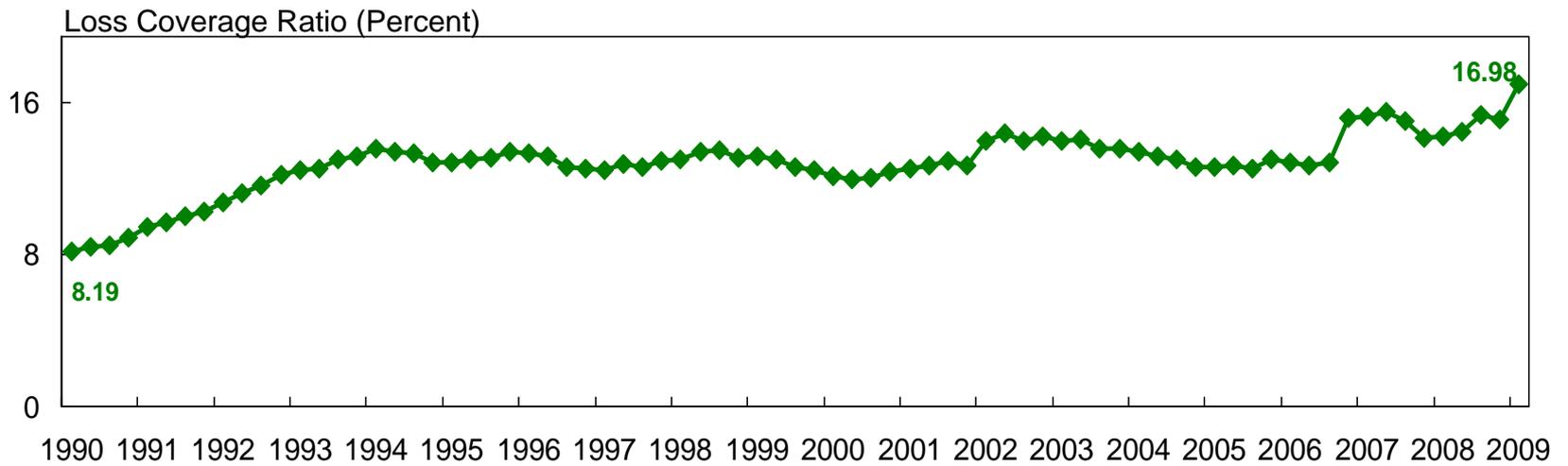
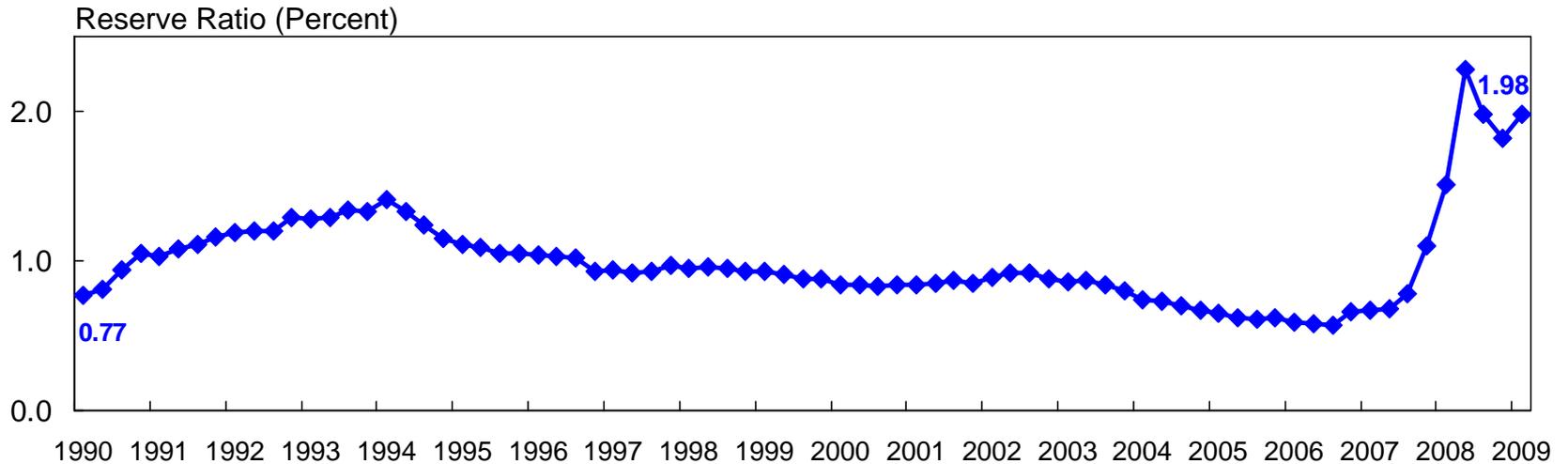


LOAN LOSS PROVISIONS AND NET CHARGE-OFFS

Loan Loss Provisions and Net Charge-Offs (Percent of Average Assets Annualized)



RESERVE AND LOSS COVERAGE RATIOS



Loss Coverage Ratio = ALLL plus capital to total loans and leases.
 Reserve Ratio = ALLL to total loans and leases.
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ROA ANALYSIS

(Percent of Average Assets)	Quarter			ROA Impact ¹	
	Mar '09	Dec '08	Mar '08	Mar '09 Dec '08	Mar '09 Mar '08
Net Interest Income (Margin)	2.94	2.68	2.77	0.26	0.17
Loan Loss Provisions	1.88	3.18	2.02	1.30	0.14
Total Fee Income	1.06	1.01	1.11	0.05	-0.05
Mortgage Loan Servicing Fees & Amort.	0.09	-0.01	-0.04	0.10	0.13
Mortgage Loan Servicing Fees	0.16	0.12	0.25	0.04	-0.09
Servicing Amortization & Adjustments	-0.08	-0.13	-0.29	0.05	0.21
Other Fees and Charges	0.97	1.02	1.15	-0.05	-0.18
Other Noninterest Income	0.62	0.34	0.60	0.28	0.02
Sale of Assets Held For Sale	0.73	0.14	0.13	0.59	0.60
LOCOM Adjustments to AHFS	-0.03	-0.03	-0.05	0.00	0.02
Trading Assets (Realized & Unrealized)	-0.04	0.12	0.41	-0.16	-0.45
Other	-0.05	0.11	0.11	-0.16	-0.16
Noninterest Expense	2.52	3.04	2.77	0.52	0.25
Goodwill Amortization & Charges	0.04	0.18	0.06	0.14	0.02
Taxes	0.22	-0.37	-0.14	-0.59	-0.36
Net Income (ROA)	-0.02	-1.82	-0.17	1.80	0.15

¹ Negative values reduced ROA.

Data are annualized. Numbers may not sum due to rounding.

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FINANCIAL FUNDAMENTALS

(Percent of Average Assets Unless Noted)	YTD									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Operating Income Components:										
Net Interest Income (Margin)	2.94	2.82	2.69	2.73	2.81	2.89	2.90	3.06	2.89	2.63
Total Fee Income	1.06	1.23	1.22	1.15	1.22	1.03	0.87	0.47	0.64	0.81
Total Operating Income	4.00	4.05	3.91	3.88	4.03	3.92	3.77	3.53	3.53	3.44
Total Operating Expense	2.48	2.67	2.54	2.54	2.45	2.52	2.40	2.32	2.30	2.10
Net Operating Income before Taxes and Provisions	1.52	1.38	1.37	1.34	1.58	1.40	1.37	1.21	1.23	1.34
Loan Loss Provision Expense	1.88	2.92	0.77	0.25	0.21	0.22	0.21	0.29	0.27	0.19
Capital Measures:										
Tier 1 Core Capital Ratio	8.81	8.35	8.36	8.52	8.15	7.80	7.82	7.80	7.46	7.36
Tier 1 Risk Based Capital Ratio	13.70	12.75	12.36	12.52	12.43	12.28	12.80	12.70	12.19	12.15
Total Risk Based Capital Ratio	14.96	14.05	14.39	14.33	13.98	13.85	14.23	13.96	13.51	13.30
Equity Capital (Percent to Total Assets)	9.88	8.93	9.26	10.72	9.45	9.08	9.09	9.18	8.13	7.99
Tangible Common Equity Capital Ratios (Percent of Tangible Assets)	8.01	7.16	7.16	7.56	7.34	7.16	7.10	7.16	6.33	6.47
(Percent of Risk-Weighted Assets)	12.54	10.88	10.72	11.32	11.35	11.32	11.54	11.61	10.25	10.60
Loss Reserves:										
ALLL Balance (Percent to Total Assets)	1.30	1.24	0.78	0.48	0.47	0.51	0.57	0.60	0.58	0.58

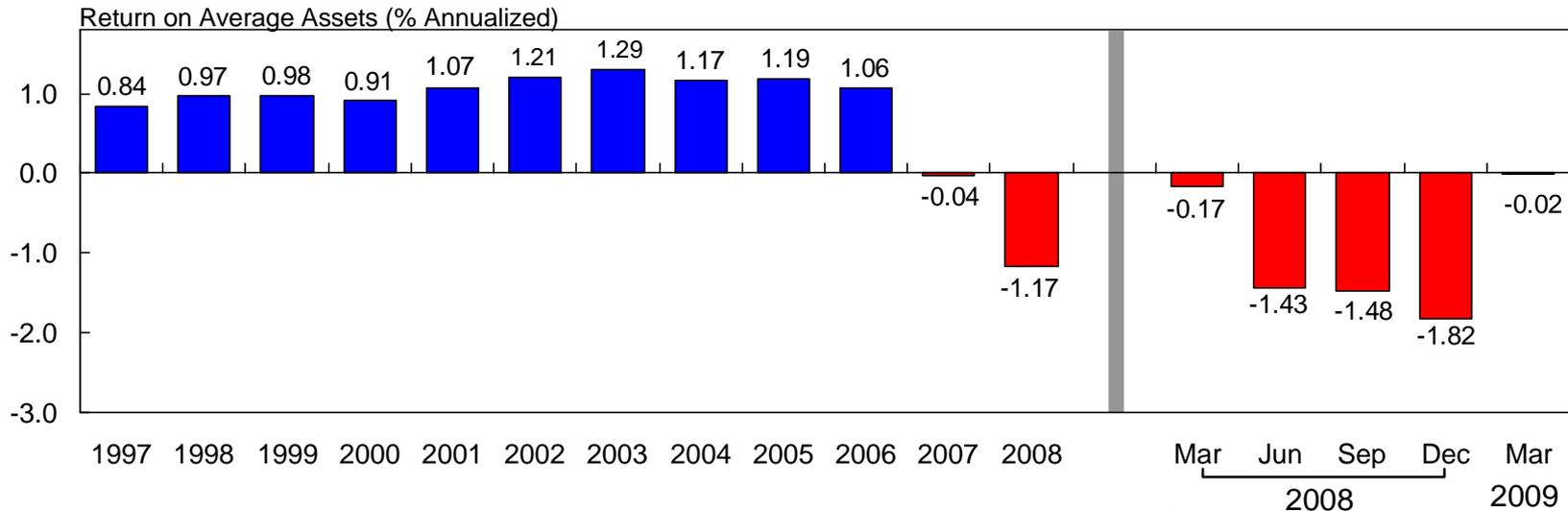
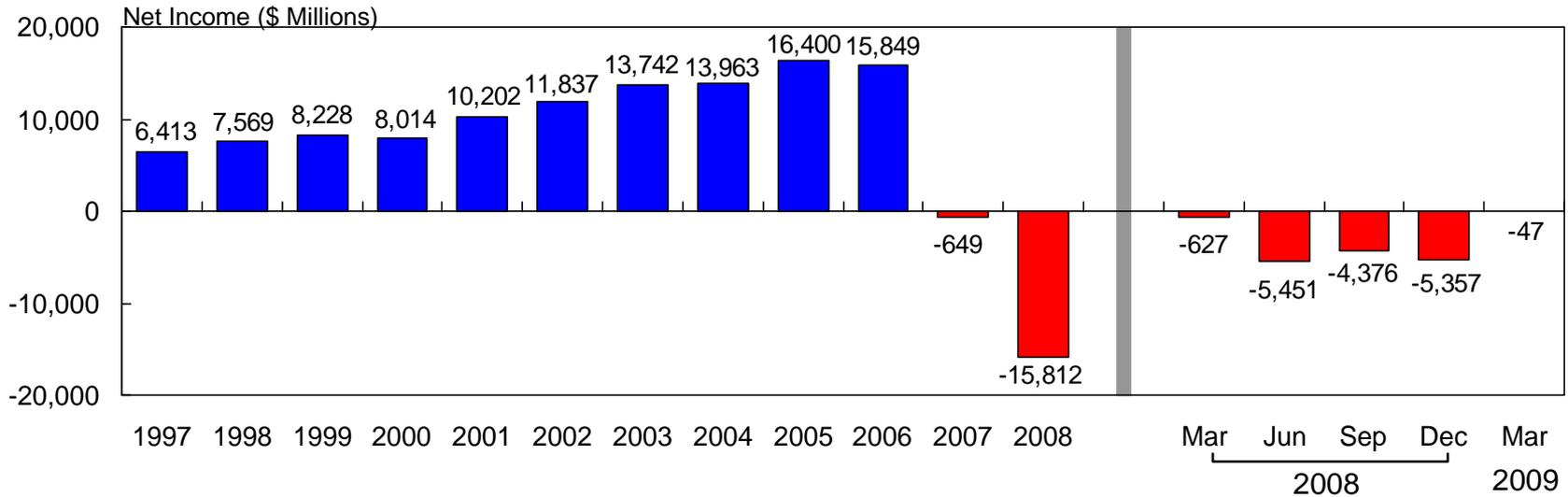
Total Operating Expense is General and Administrative Expense excluding Goodwill Expense.

Tangible Common Equity Capital is Common Stock, Retained Earnings, and Accumulated Other Comprehensive Income (Losses) less all Intangible Assets.

Numbers may not sum due to rounding.

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EARNINGS AND PROFITABILITY



Restatements of 2008 results by several large thrifts increased fourth quarter and yearly 2008 losses by \$2.4 billion and lowered fourth quarter and yearly ROA by 34 basis points and 17 basis points, respectively.

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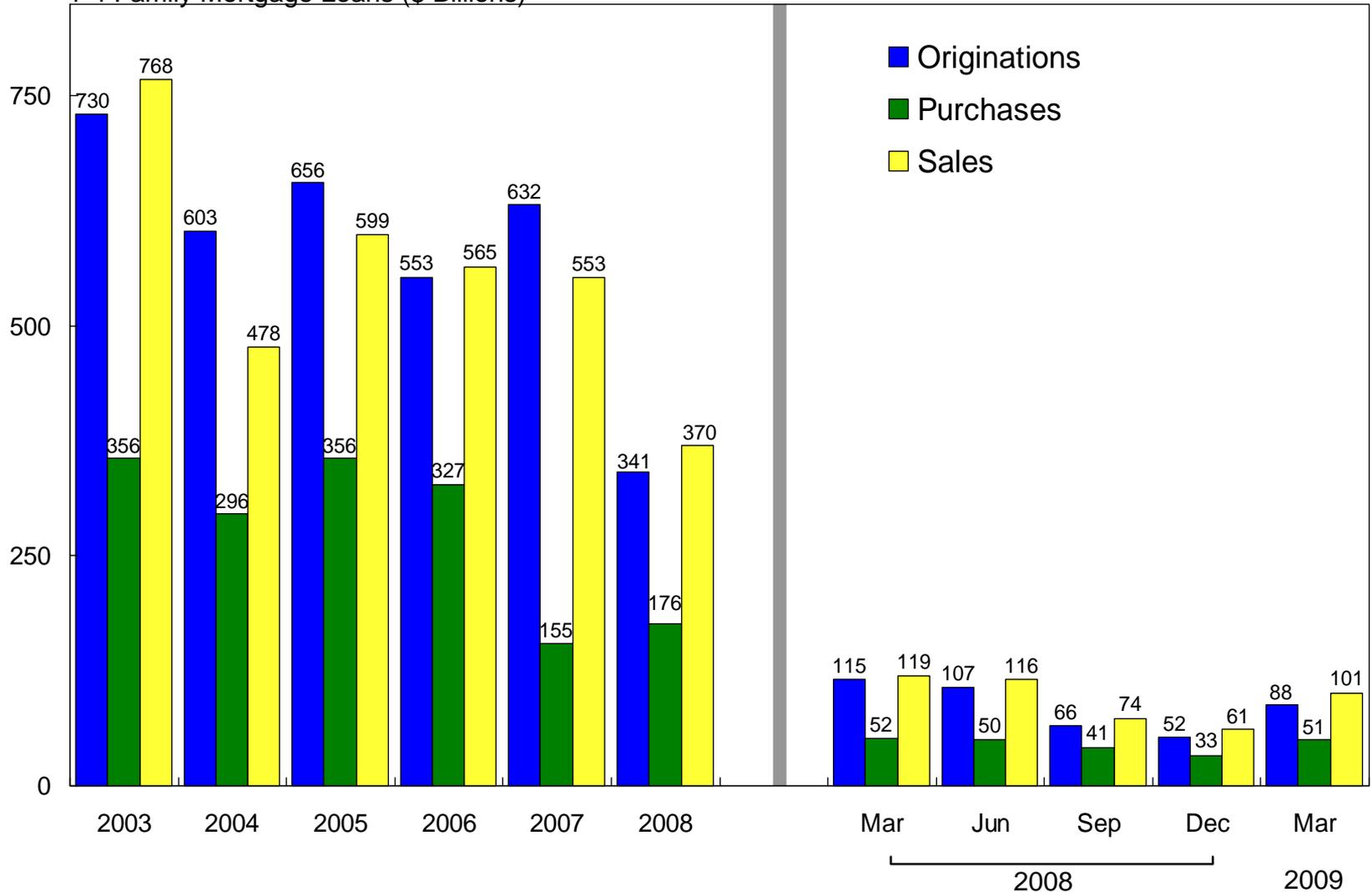
ASSETS AND LIABILITIES COMPOSITION

	Mar 2009		Dec 2008		Mar 2008		Growth Rates	
	\$ Bil	% TA	\$ Bil	% TA	\$ Bil	% TA	Mar '09	Mar '09
							Dec '08	Mar '08
							% Ann.	%
Total Assets	1,225.1	100.0	1,197.3	100.0	1,515.3	100.0	9.3	(19.1)
Total Loans	812.5	66.3	812.4	67.9	1,084.3	71.6	0.1	(25.1)
1-4 Family Mortgage Loans	528.4	43.1	521.9	43.6	748.2	49.4	5.0	(29.4)
Home Equity Lines of Credit	65.7	5.4	64.5	5.4	118.1	7.8	7.3	(44.4)
Construction & Land Loans	39.4	3.2	42.1	3.5	52.7	3.5	(25.0)	(25.2)
Multifamily Loans	34.6	2.8	33.6	2.8	63.3	4.2	12.0	(45.4)
Nonresidential Loans	71.4	5.8	71.1	5.9	75.1	5.0	1.3	(5.0)
Commercial Loans / Small Business	63.6	5.2	62.7	5.2	60.3	4.0	6.1	5.5
Consumer Loans	75.1	6.1	81.0	6.8	84.7	5.6	(29.4)	(11.4)
Allowance for Loan and Lease Losses	(15.9)	(1.3)	(15.1)	(1.3)	(16.3)	(1.1)	20.7	(2.3)
Repossessed Assets	4.2	0.3	4.1	0.3	4.1	0.3	6.1	2.2
Mortgage Backed Securities	152.4	12.4	166.3	13.9	202.3	13.3	(33.5)	(24.7)
Cash and Liquid Investments	82.5	6.7	81.8	6.8	64.1	4.2	3.3	28.8
Other Investment Securities	96.0	7.8	59.5	5.0	63.2	4.2	244.8	51.9
Total Liabilities and Capital	1,225.1	100.0	1,197.3	100.0	1,515.3	100.0	9.3	(19.1)
Total Liabilities	1,104.1	90.1	1,090.3	91.1	1,378.2	91.0	5.1	(19.9)
Total Deposits and Escrows	752.2	61.4	732.2	61.2	913.4	60.3	10.9	(17.6)
FHLBank Advances	195.3	15.9	209.8	17.5	308.8	20.4	(27.7)	(36.8)
Other Borrowings	134.7	11.0	127.2	10.6	119.1	7.9	23.6	13.1
Other Liabilities	22.8	1.9	21.2	1.8	37.0	2.4	30.9	(38.2)
Equity Capital	121.0	9.9	106.9	8.9	137.1	9.0	52.6	(11.7)

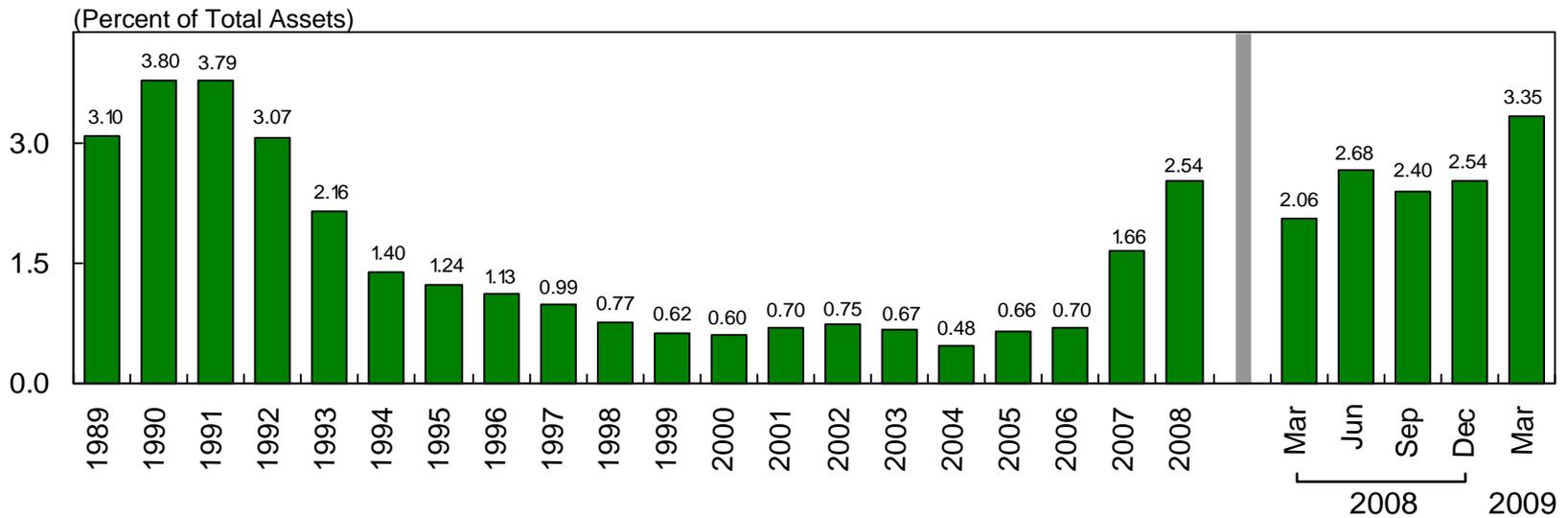
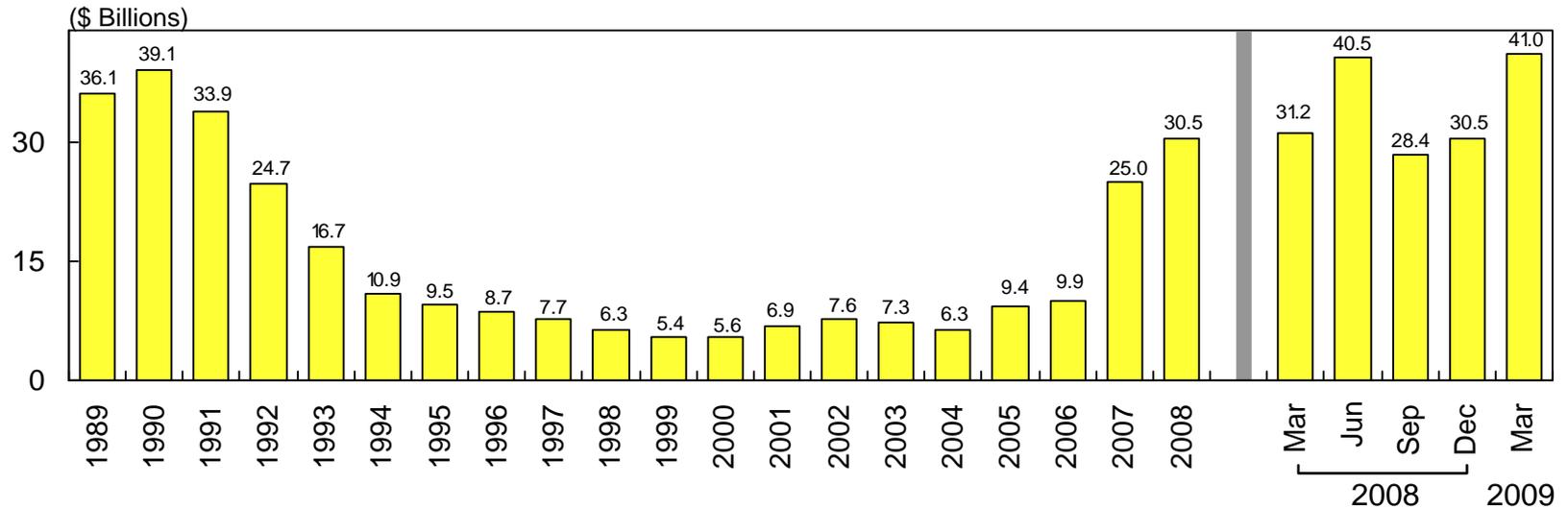
Numbers may not sum due to rounding.
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1-4 FAMILY ORIGINATIONS, PURCHASES, AND SALES

1-4 Family Mortgage Loans (\$ Billions)



TRBOULED ASSETS

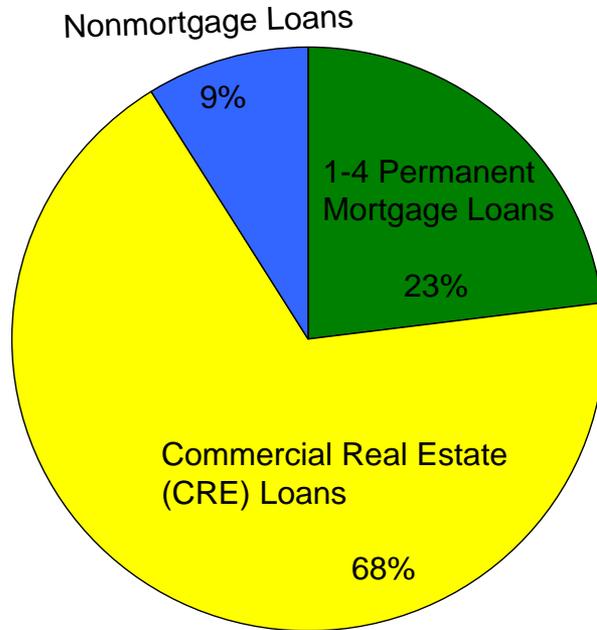


Troubled Assets include noncurrent (90 days or more past due or in nonaccrual status) loans and repossessed assets.
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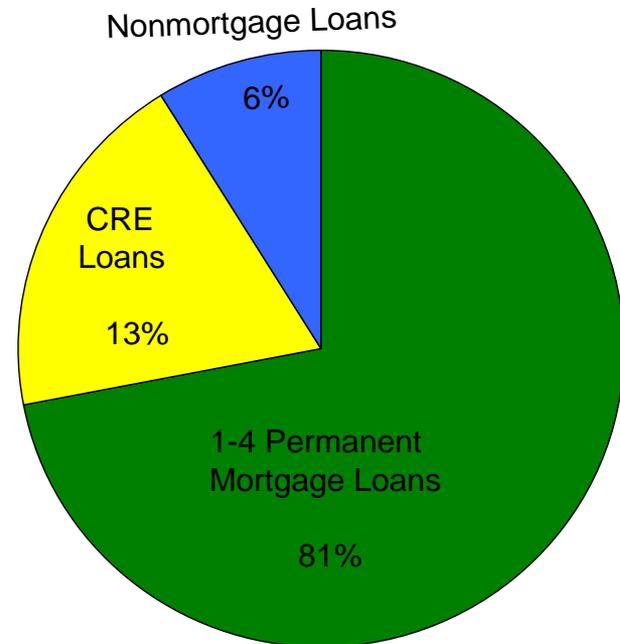
COMPARISON OF TROUBLED ASSETS

December 1990 vs. March 2009

December 1990



March 2009



30%

Reserves-to-Troubled Assets

39%

166%

Reserves plus Equity-to-Troubled Assets

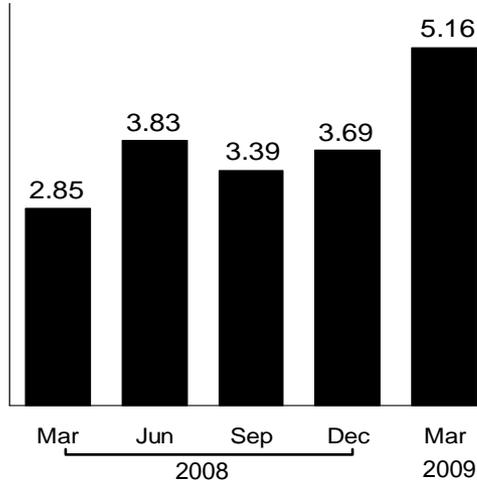
332%

Commercial Real Estate Loans consist of construction, land, multifamily, and other nonresidential mortgage loans. Nonmortgage loans consist of commercial & consumer loans and other repossessed assets.
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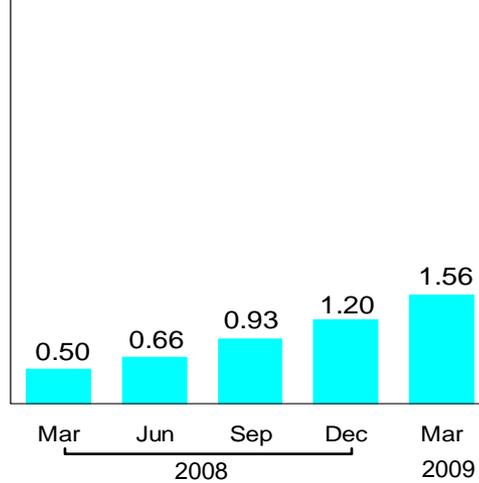
NONCURRENT LOANS – FIVE QUARTERS

Percent of Loan Type

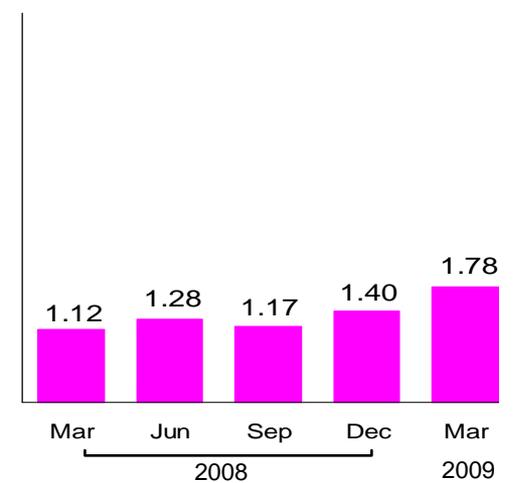
1-4 Family (43.1% of Thrift Assets)



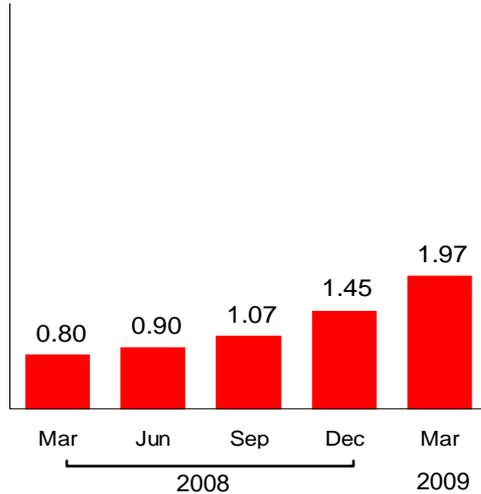
Multifamily (2.8% of Thrift Assets)



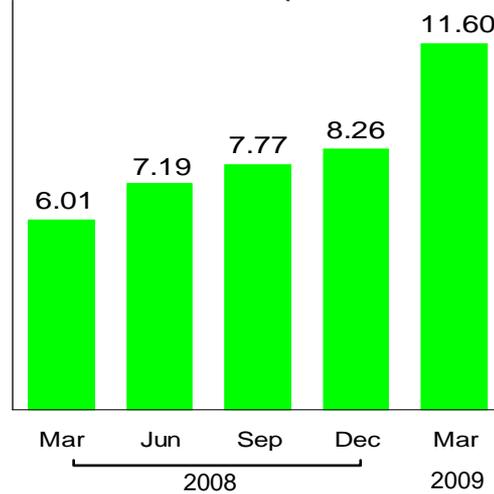
Consumer (6.1% of Thrift Assets)



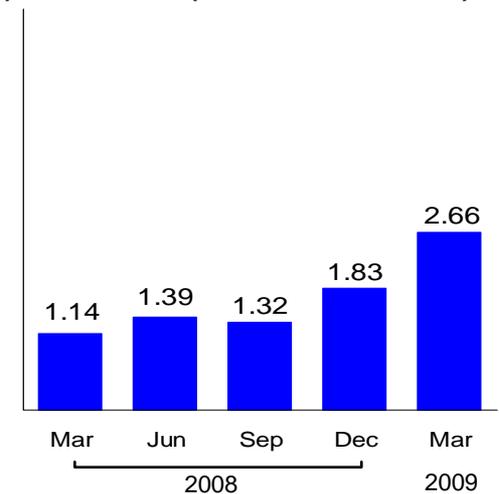
Nonresidential (5.8% of Thrift Assets)



Construction & Land (3.2% of Thrift Assets)



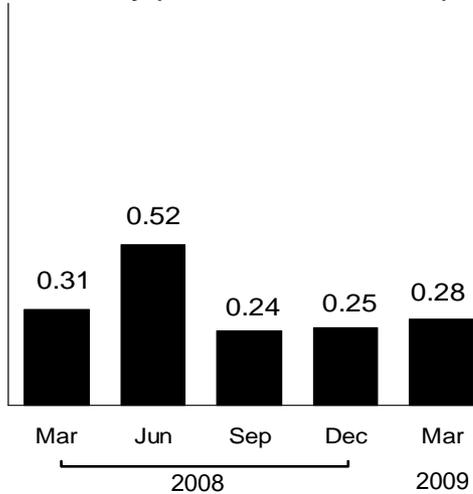
Commercial (5.2% of Thrift Assets)



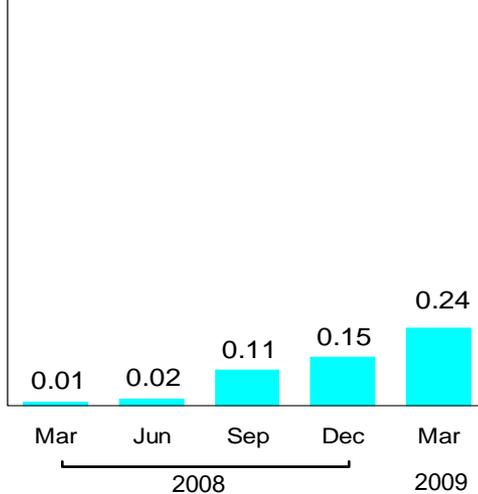
NET CHARGE-OFFS

Percent of Loan Type

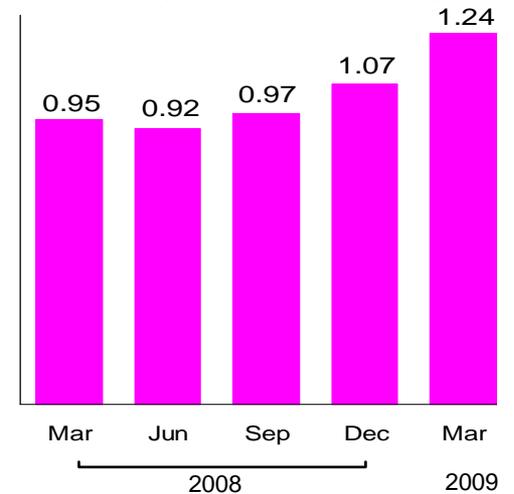
1-4 Family (43.1% of Thrift Assets)



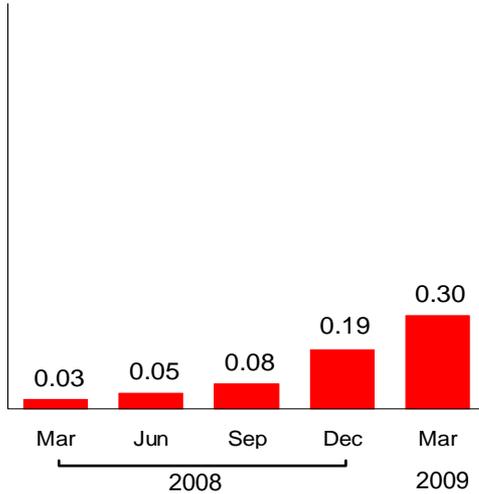
Multifamily (2.8% of Thrift Assets)



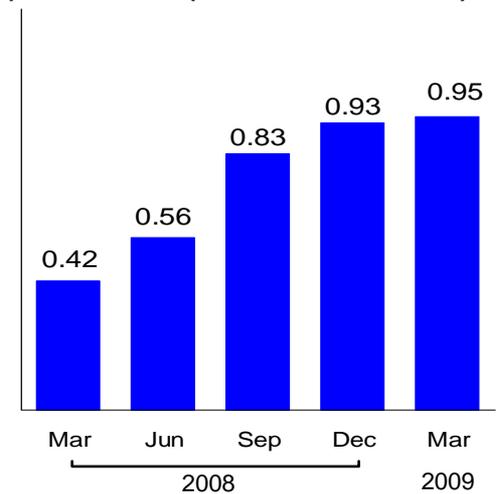
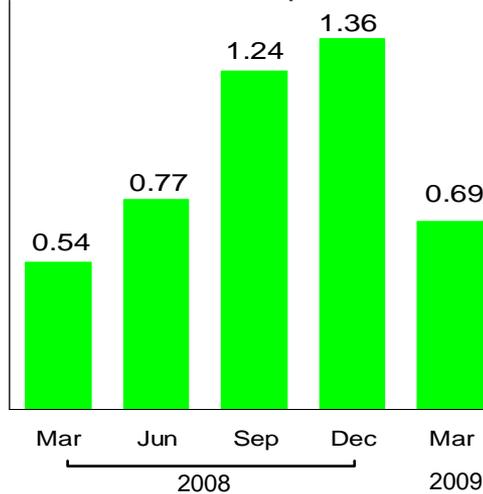
Consumer (6.1% of Thrift Assets)



Nonresidential (5.8% of Thrift Assets)

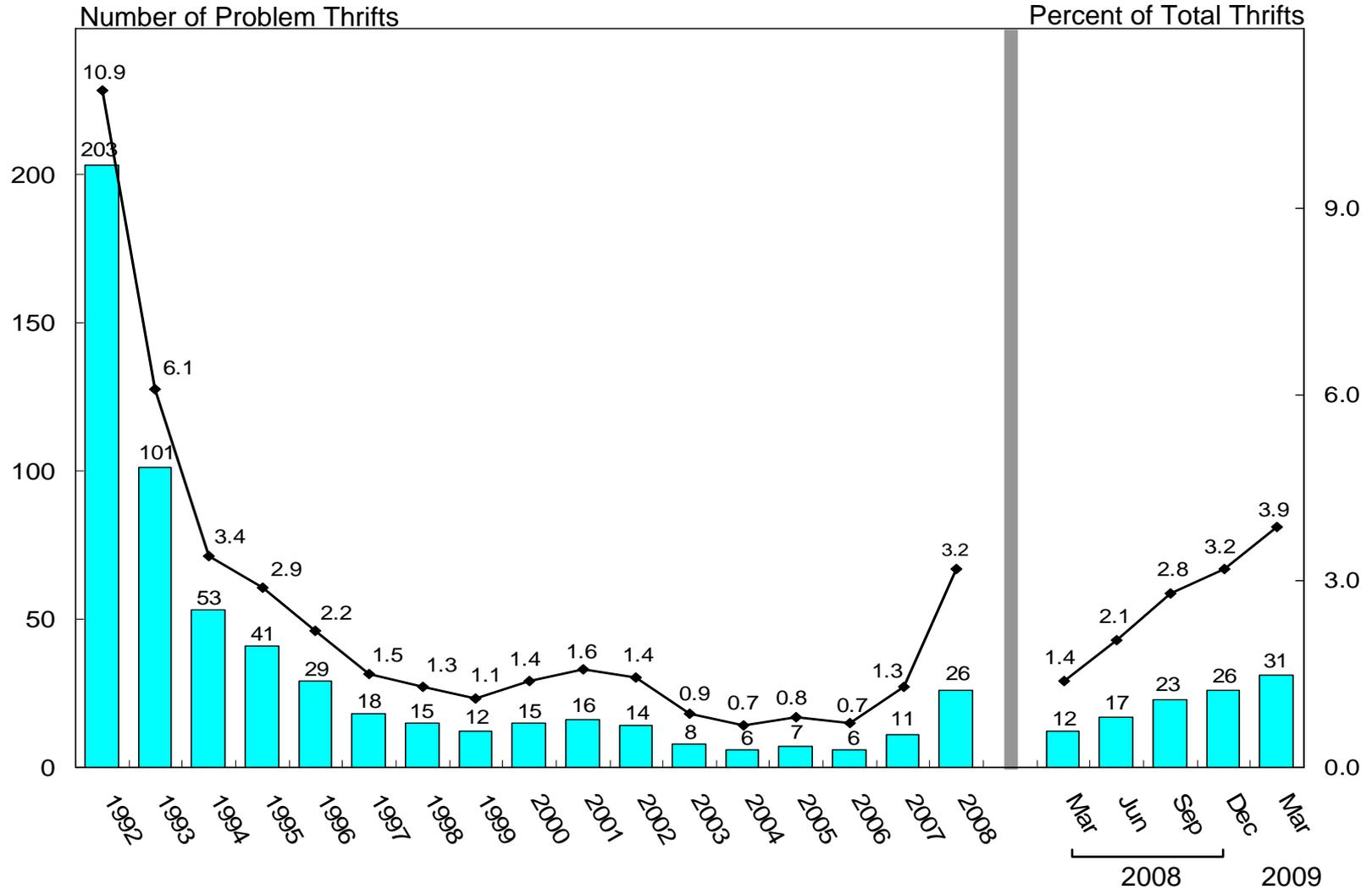


Construction & Land (3.2% of Thrift Assets) Commercial (5.2% of Thrift Assets)

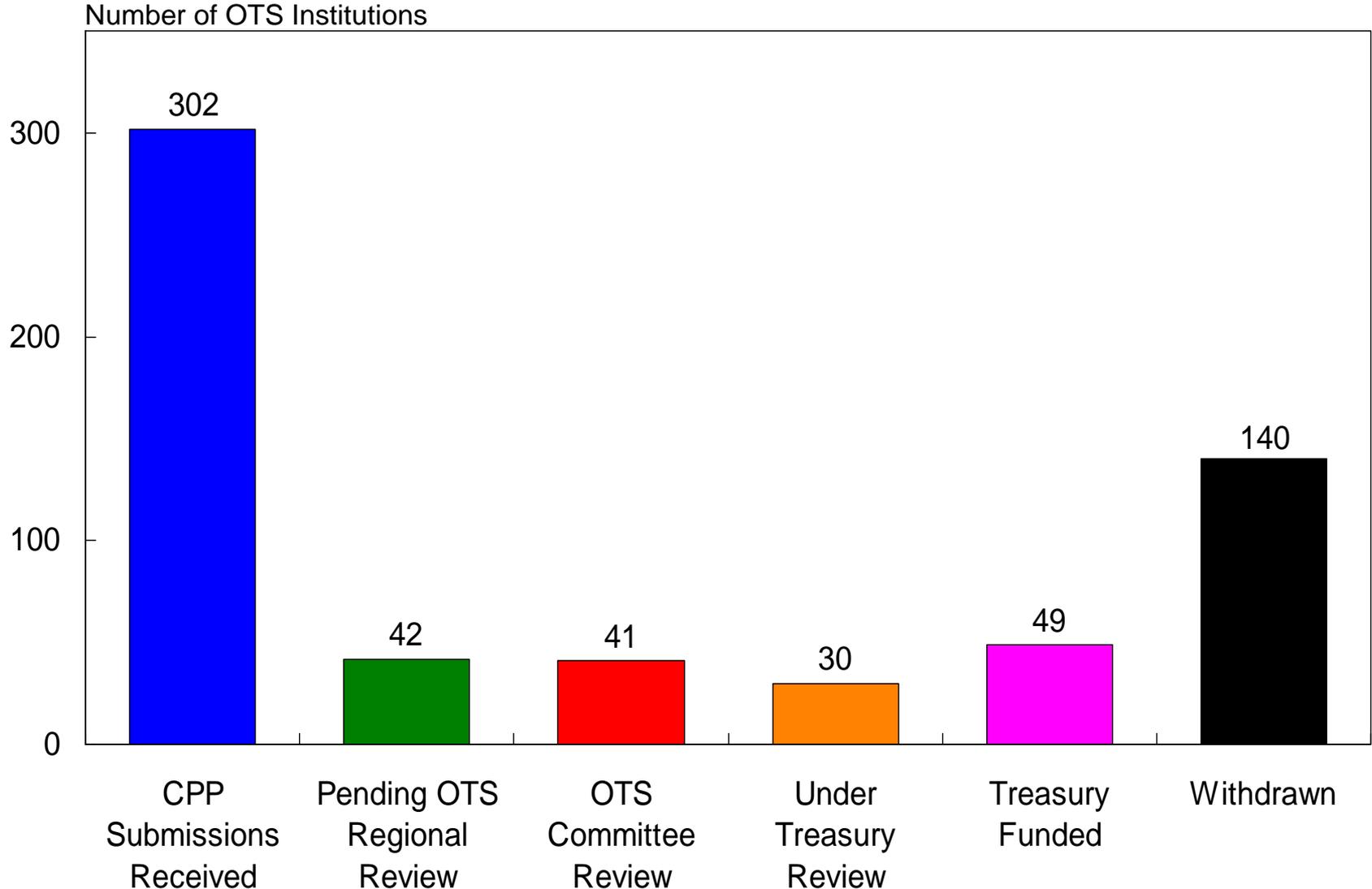


NUMBER OF PROBLEM THRIFTS

(Thrifts with Composite CAMELS Ratings of 4 or 5 at End of Period)



CAPITAL PURCHASE PROGRAM



Data reflect submissions from publicly traded, privately held, Subchapter S corporations, and mutual institutions.

Data are as of May 28, 2009.

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