



OFFICE OF THRIFT SUPERVISION

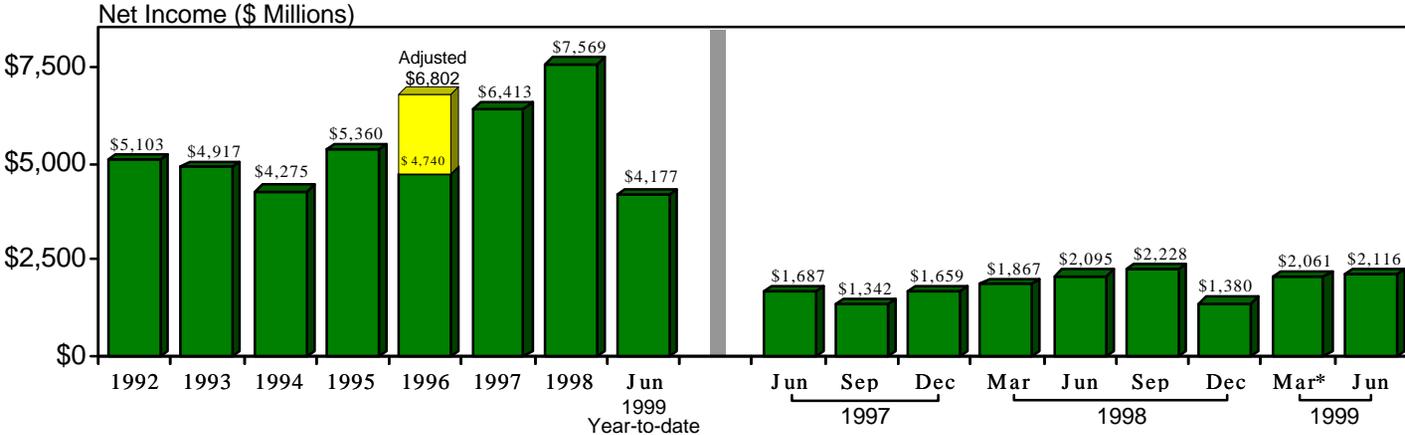
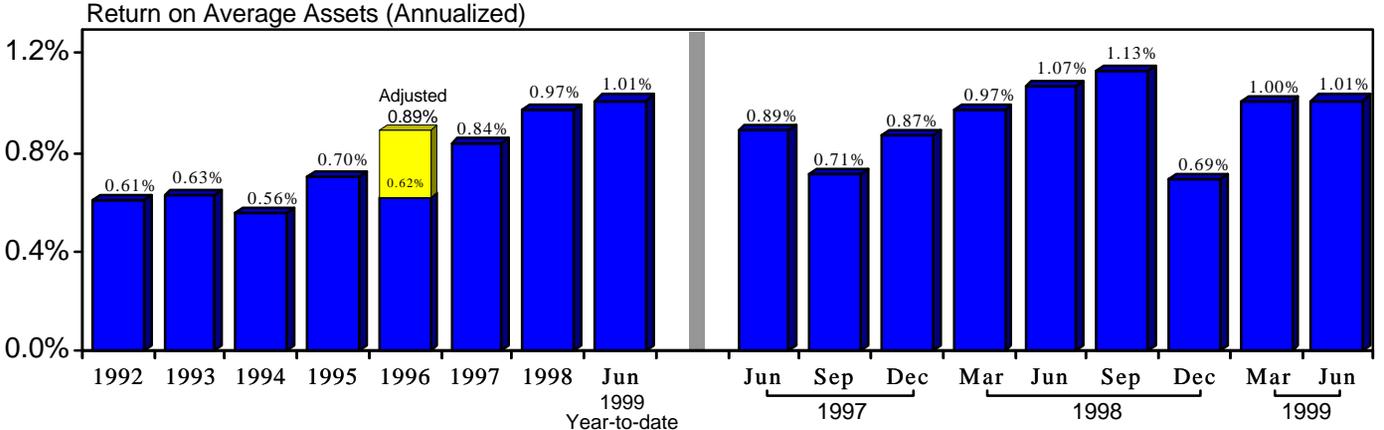
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SECOND QUARTER EARNINGS REMAIN STRONG



* Revised from \$2,060.
 Adjusted data exclude the net SAIF special assessment of \$2.1 billion incurred in the third quarter of 1996.
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LOWER NON-INTEREST EXPENSE AND HIGHER FEE INCOME OFFSET DECLINE IN MORTGAGE BANKING GAINS

Components of ROA	Jun '98	Mar '99	Jun '99	Change Jun '98 Jun '99	Change Mar '99 Jun '99
ROA	1.07%	1.00%	1.01%	-0.06%	0.01%
Net Interest Margin	2.79%	2.74%	2.75%	-0.04%	0.01%
Interest Income	7.11%	6.72%	6.71%	-0.40%	-0.01%
Interest Expense	4.32%	3.98%	3.96%	-0.36%	-0.02%
Provisions for Losses	0.21%	0.16%	0.16%	-0.05%	0.00%
Fee Income	0.63%	0.62%	0.66%	0.03%	0.04%
Mortgage Loan Servicing Fees	0.10%	0.10%	0.12%	0.02%	0.02%
Other Fees and Charges	0.53%	0.52%	0.54%	0.01%	0.02%
Other Non-Interest Income ¹	0.56%	0.52%	0.43%	-0.13%	-0.09%
Gains from Assets Held for Sale	0.28%	0.26%	0.19%	-0.09%	-0.07%
Non-Interest Expense	2.29%	2.13%	2.09%	-0.20%	-0.04%
Taxes	0.40%	0.59%	0.59%	0.19%	0.00%

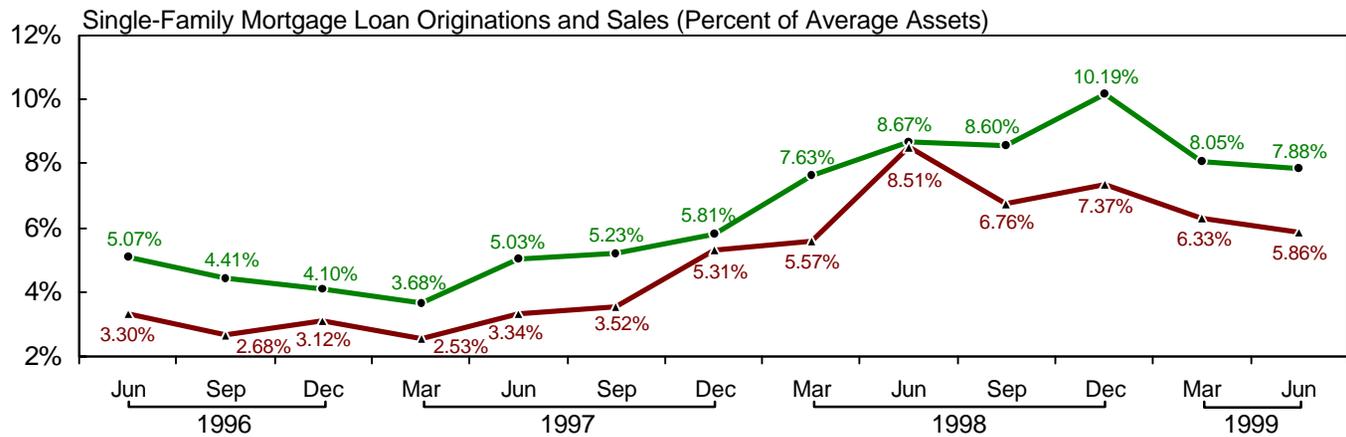
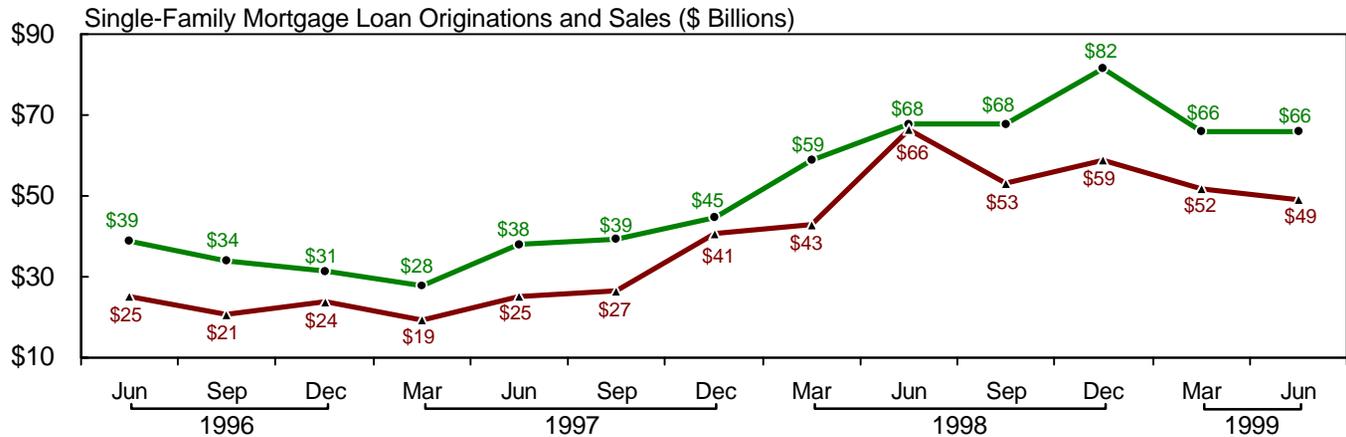
Data are annualized and numbers may not sum due to rounding.

¹ Other Non-Interest Income primarily includes sale of assets held for sale and held for investment, dividends on FHLB stock, and income from leasing office space.

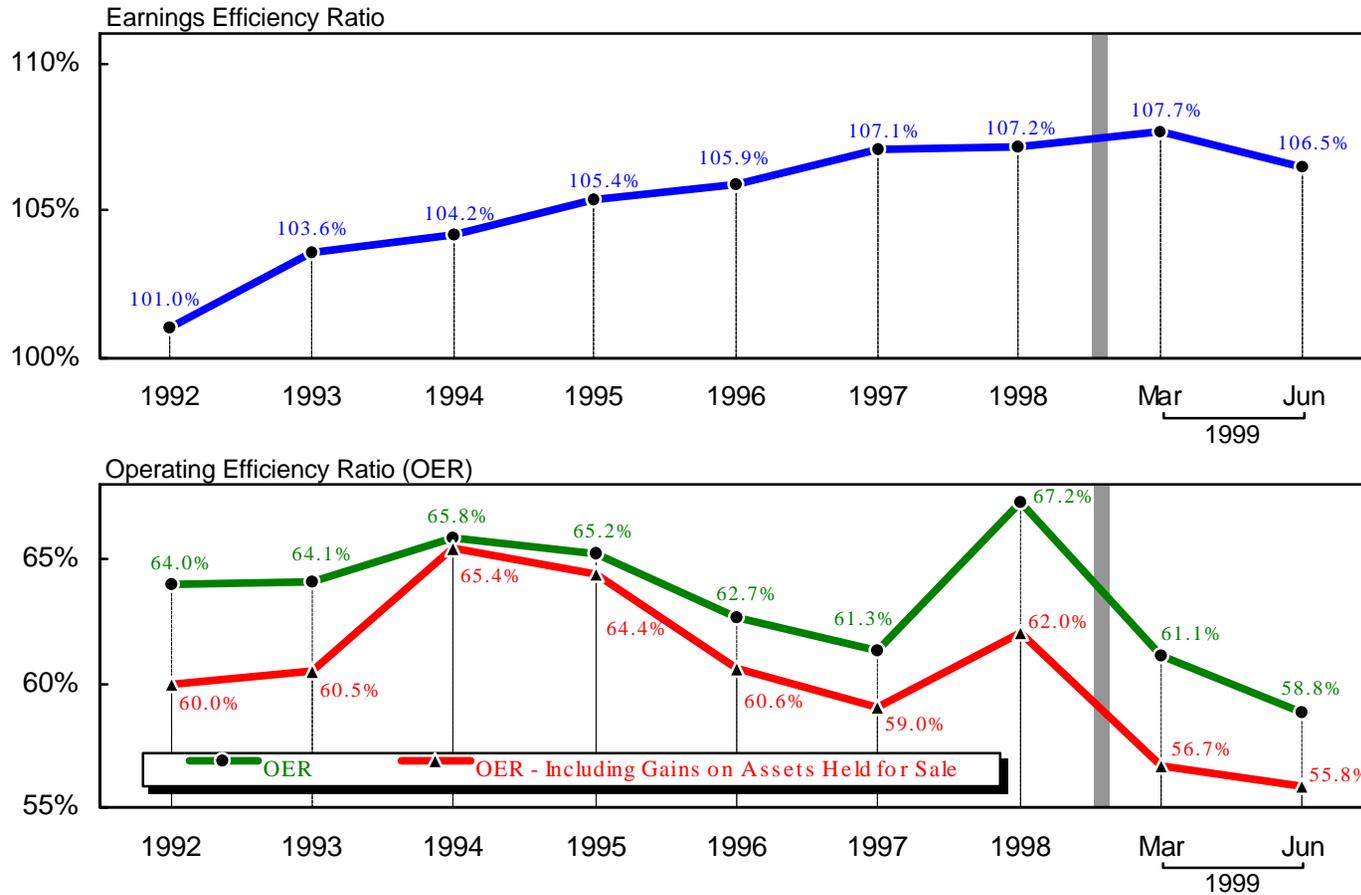
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MORTGAGE BANKING DECLINED SLIGHTLY DUE TO RISING INTEREST RATES, BUT REMAINED STRONG

—●— Total Originations —▲— Total Sales



EARNINGS EFFICIENCY DECLINED; OPERATING EFFICIENCY IMPROVED



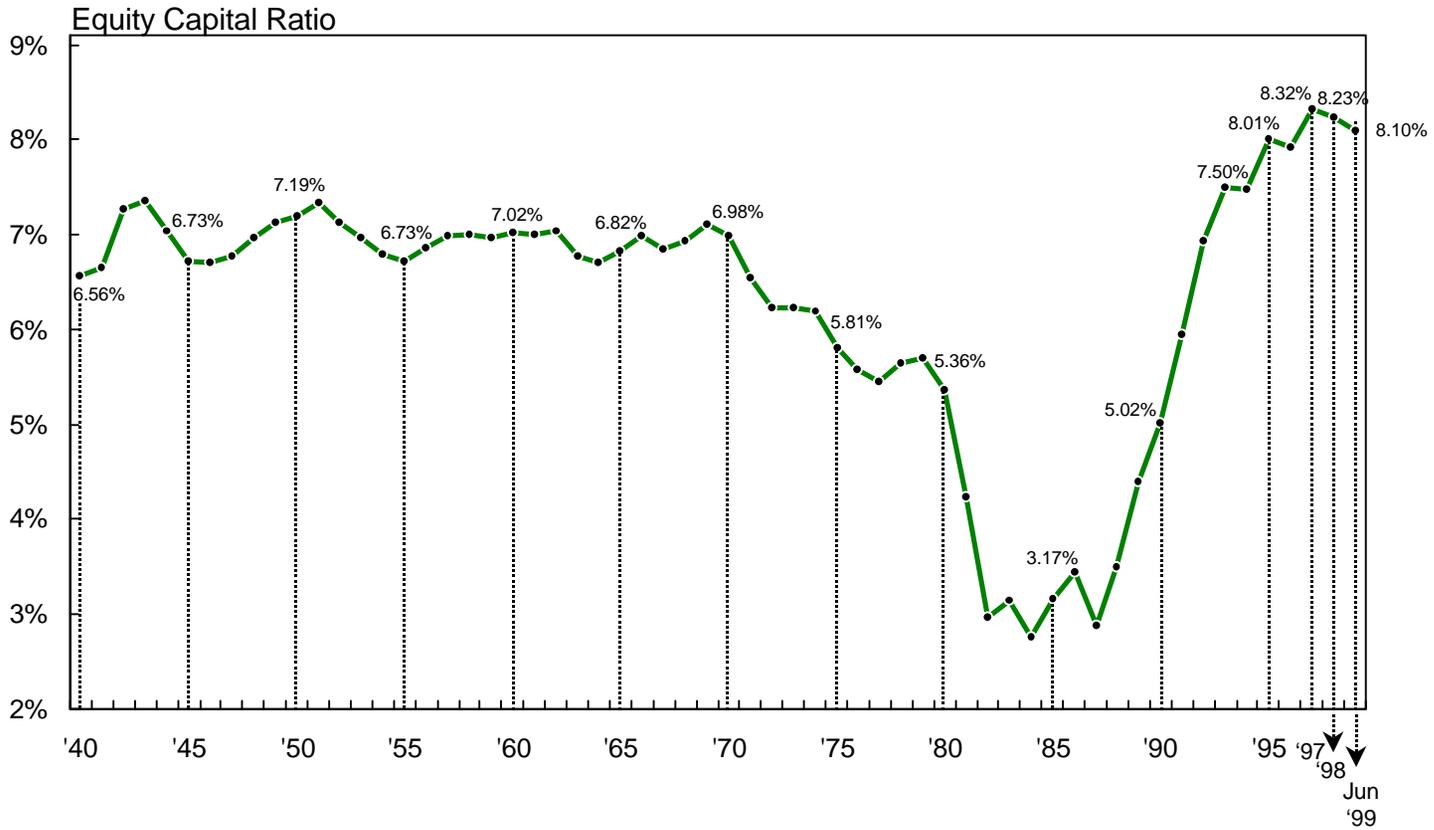
Earnings Efficiency Ratio = Interest-Earning Assets / Interest-Bearing Liabilities.

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

1996 General and Administrative Expense excludes net SAIF special assessment.

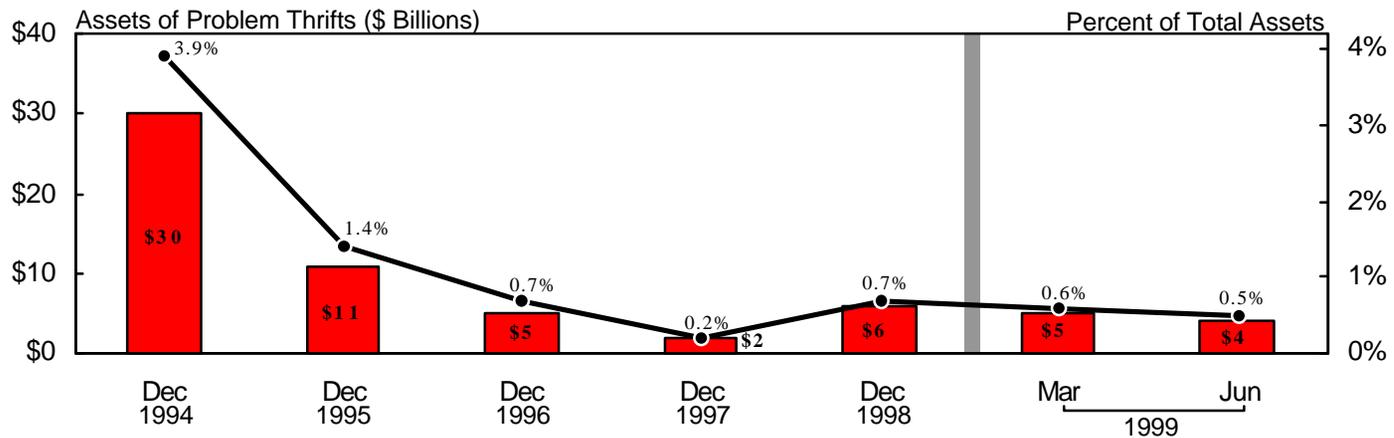
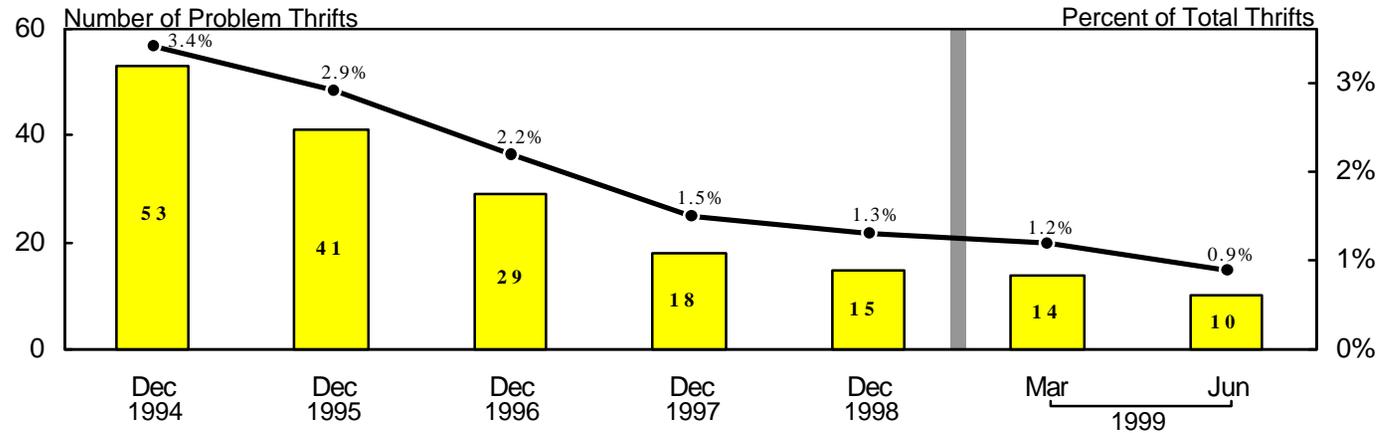
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EQUITY CAPITAL RATIO DECLINES BUT REMAINS STRONG

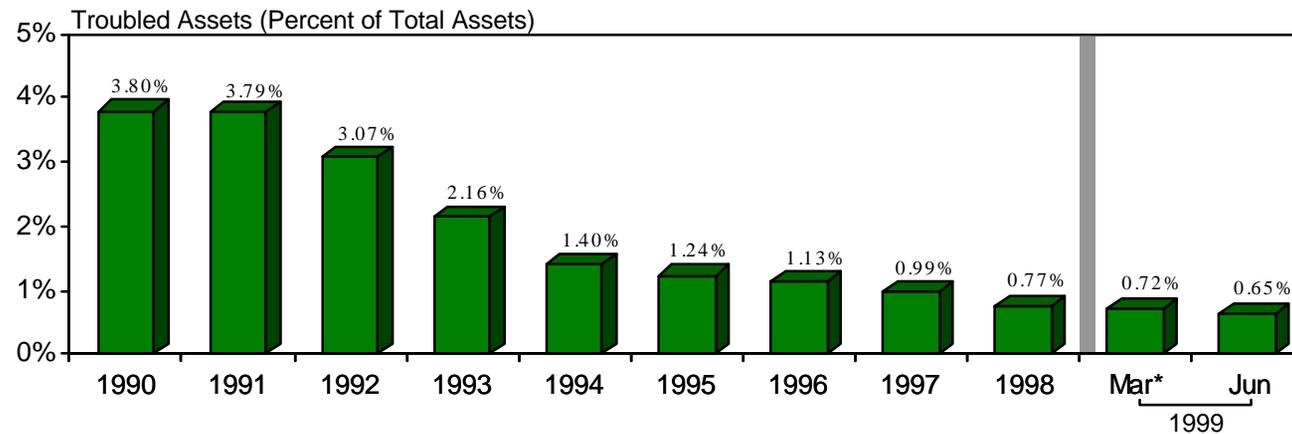
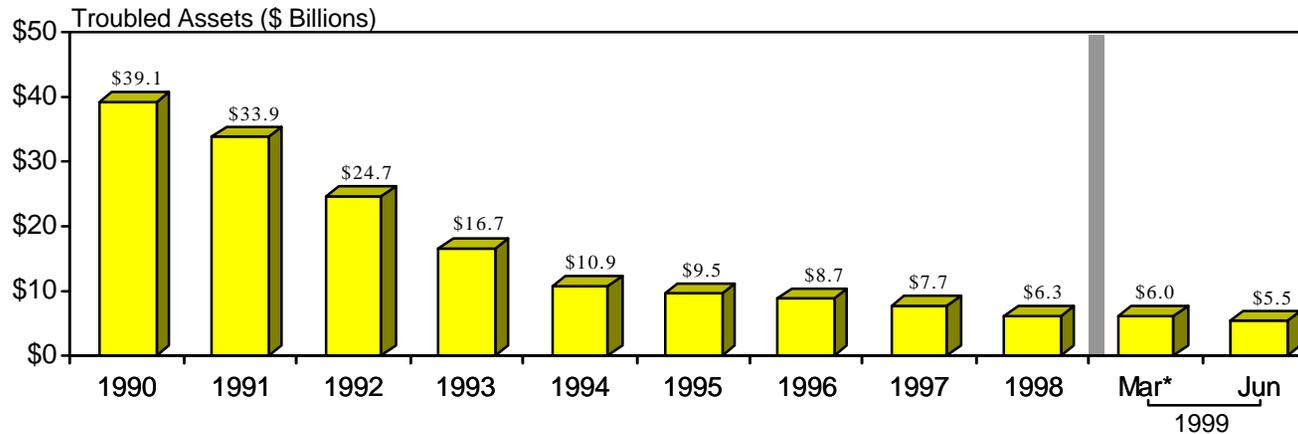


PROBLEM THRIFTS DECLINED TO LESS THAN ONE PERCENT OF ALL THRIFTS

(Thriffs with CAMELS Ratings of 4 or 5)



SECOND QUARTER TROUBLED ASSETS REACHED A NEW POST-FIRREA LOW



* Revised from \$6.1 and 0.73% respectively.

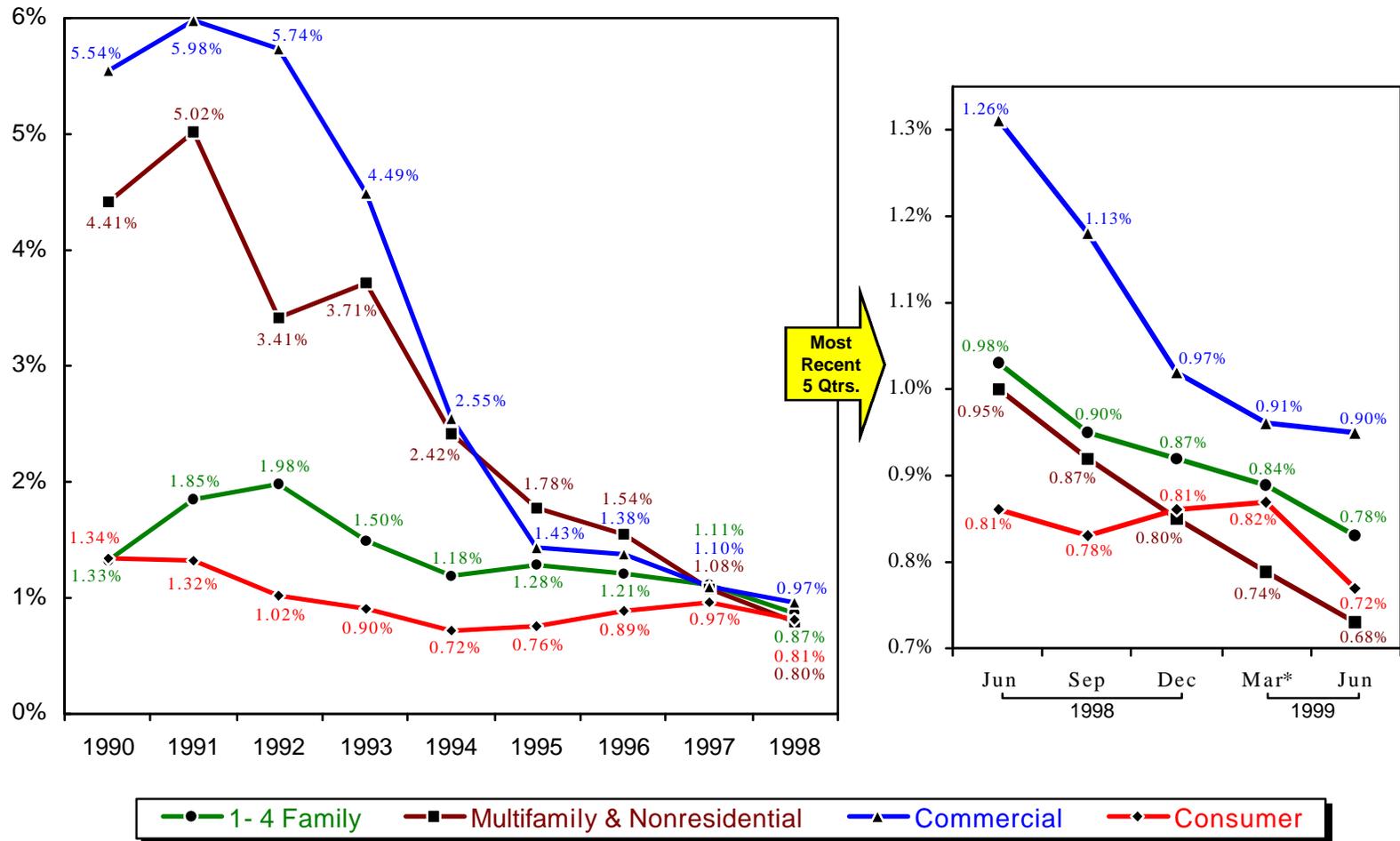
Troubled Assets include noncurrent loans and repossessed assets.

Data after 1995 is net of specific valuation allowances.

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NONCURRENT LOAN RATES DECLINED FOR ALL MAJOR LOAN TYPES

Noncurrent Loans as Percent of Loan Type

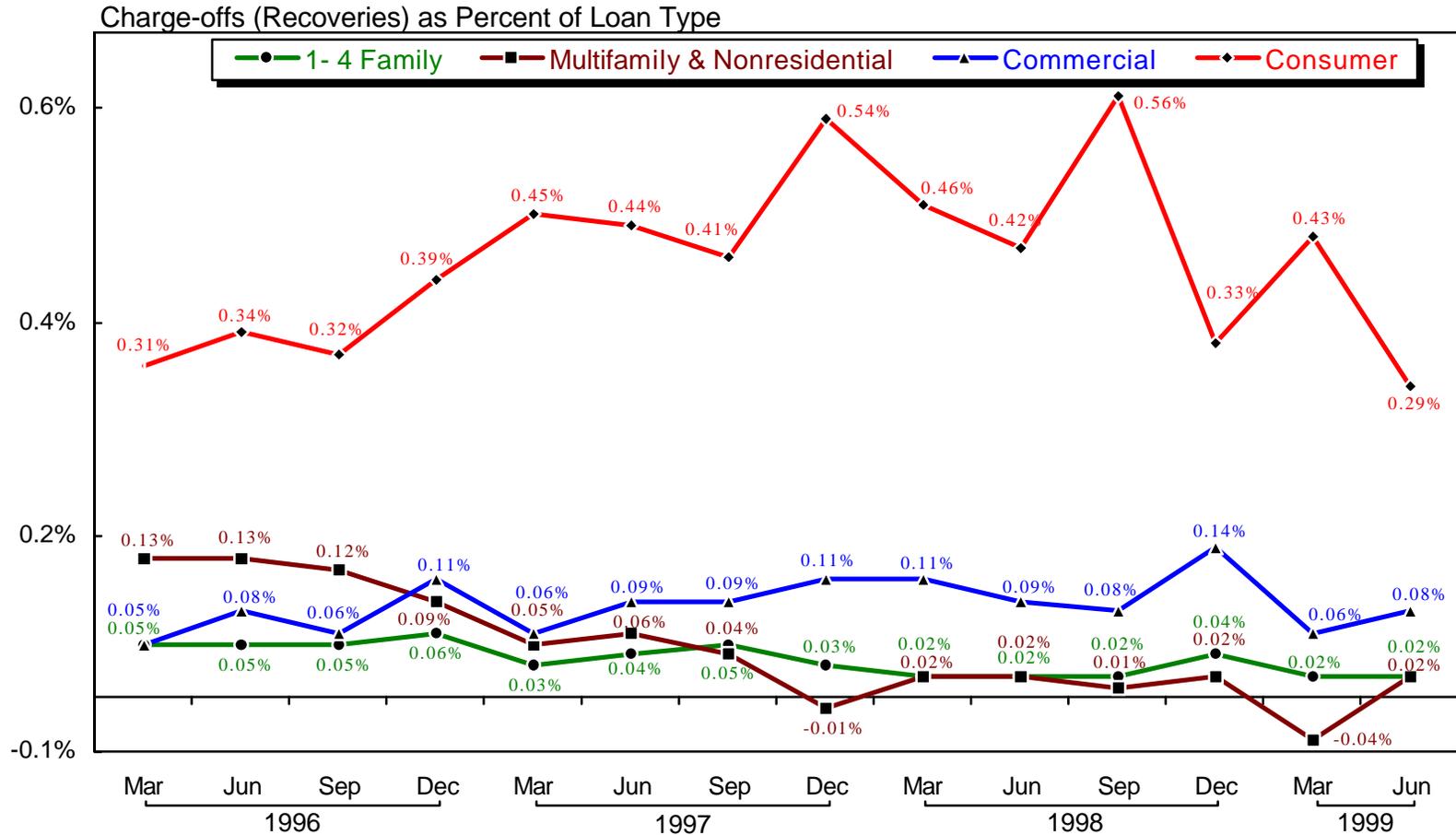


Data after 1995 are net of specific valuation allowances.

* Revised from 0.85% 1-4 family, 0.90% commercial, and 0.75% consumer loans.

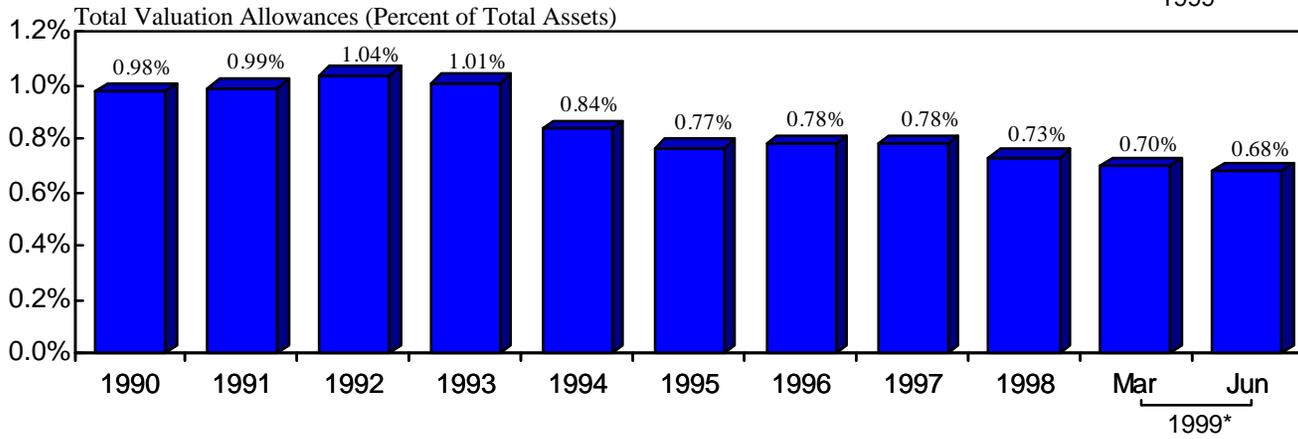
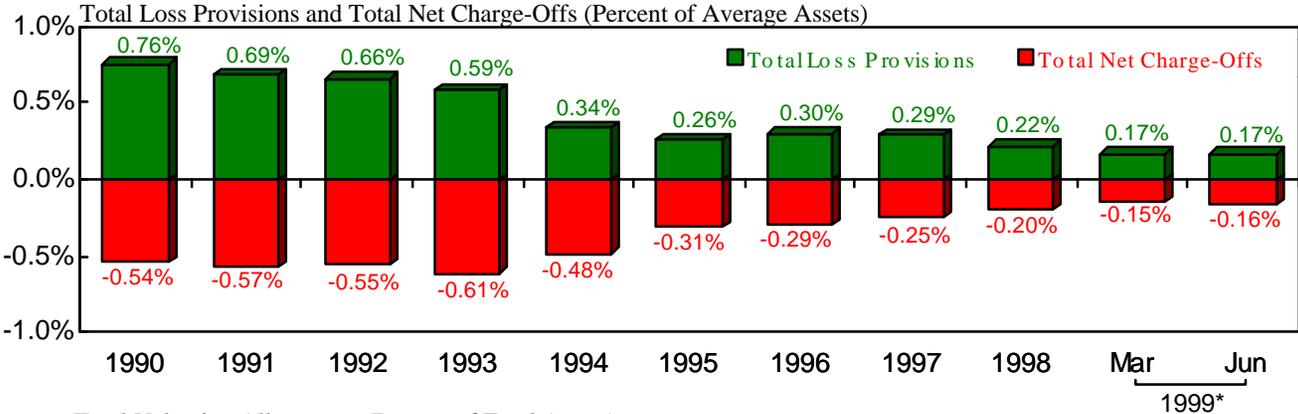
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CONSUMER LOAN CHARGE-OFF RATES REMAIN LOW, BUT HIGHER THAN OTHER LOAN TYPES



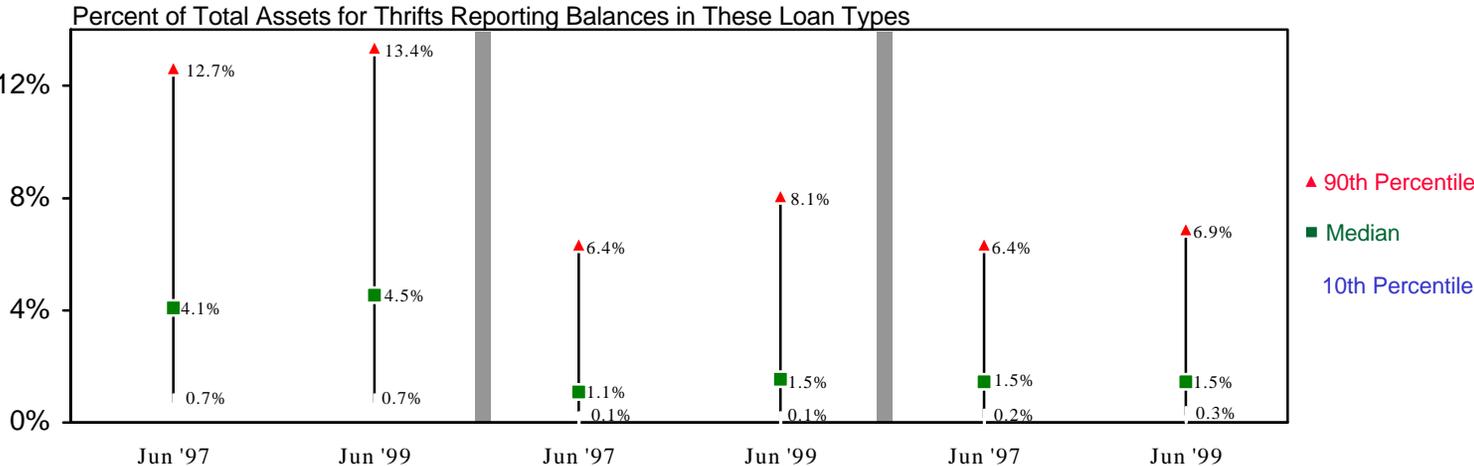
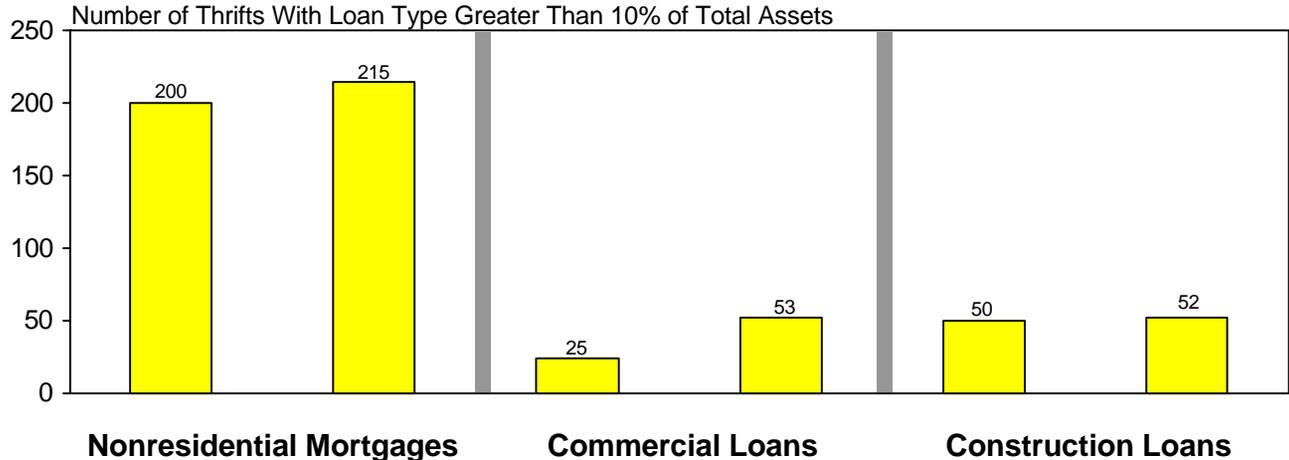
Beginning in 1997, net charge-offs data include specific valuation allowance provisions and transfers from general valuation allowances.
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NET CHARGE-OFFS AND VALUATION ALLOWANCES HAVE GENERALLY DECLINED, REFLECTING IMPROVED ASSET QUALITY

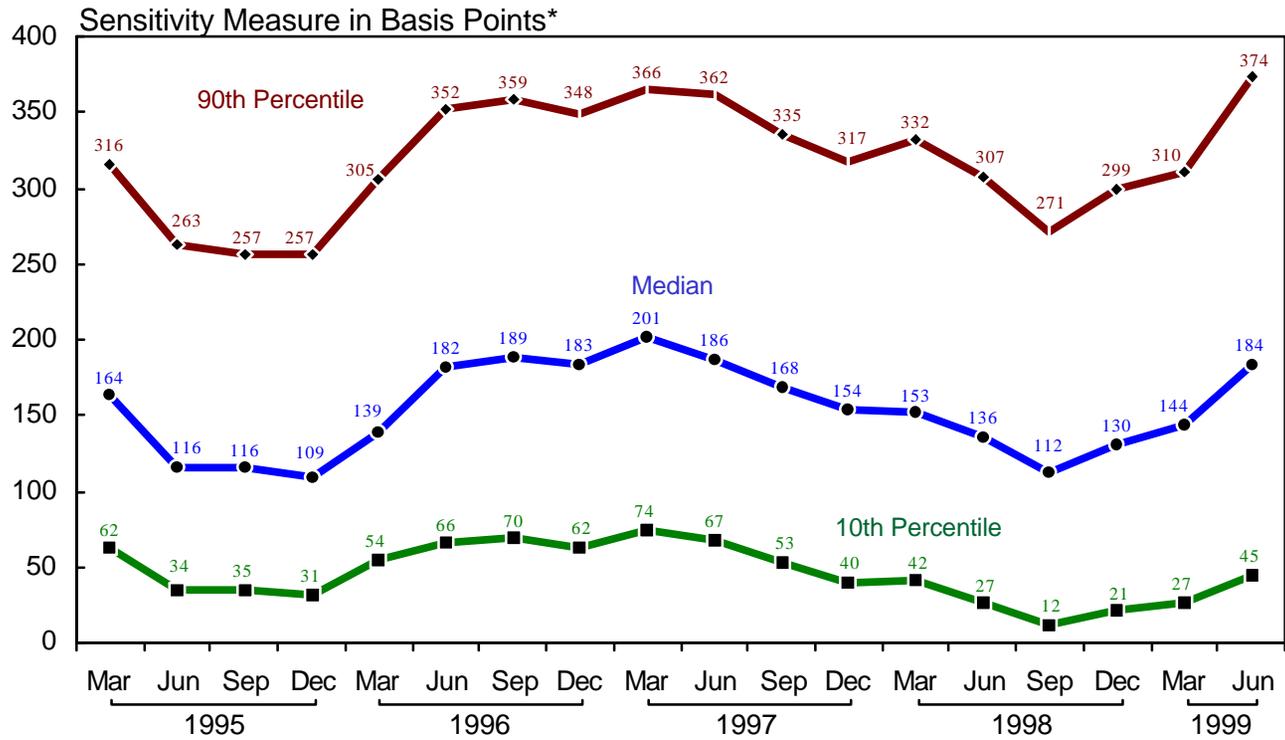


* Annualized.
 Net charge-offs are charge-offs less recoveries.
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GROWTH IN HIGHER-RISK LENDING HAS BEEN SLIGHT, BUT WARRANTS CLOSE SUPERVISORY ATTENTION

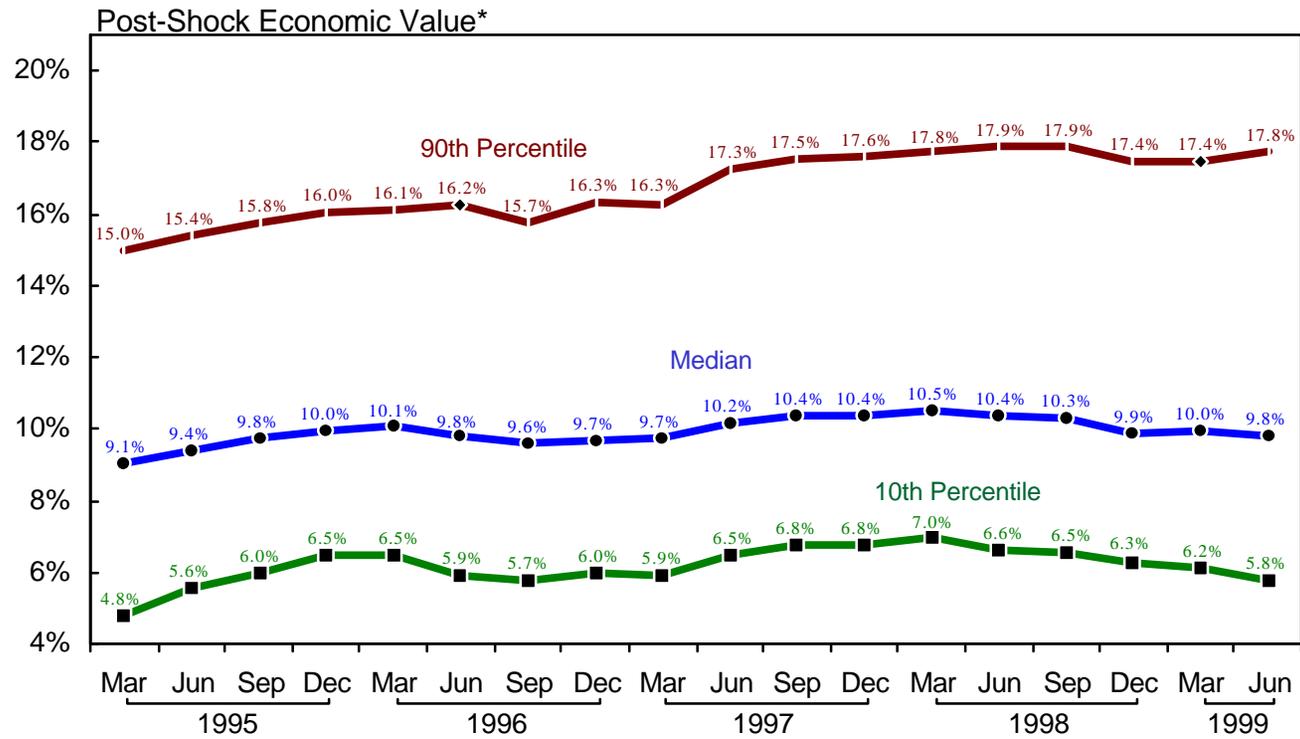


INTEREST RATE RISK SENSITIVITY INCREASED



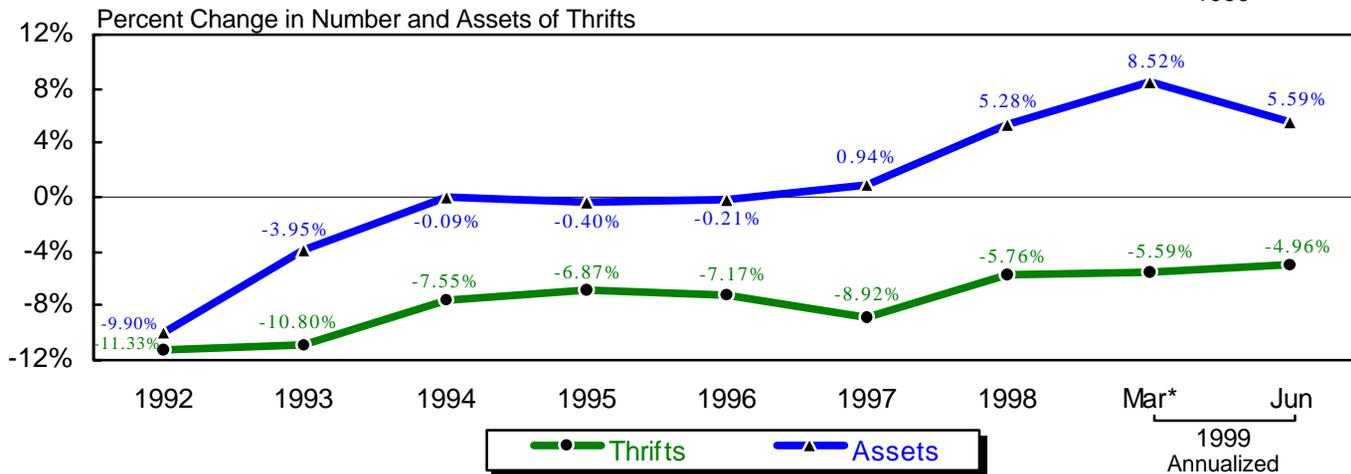
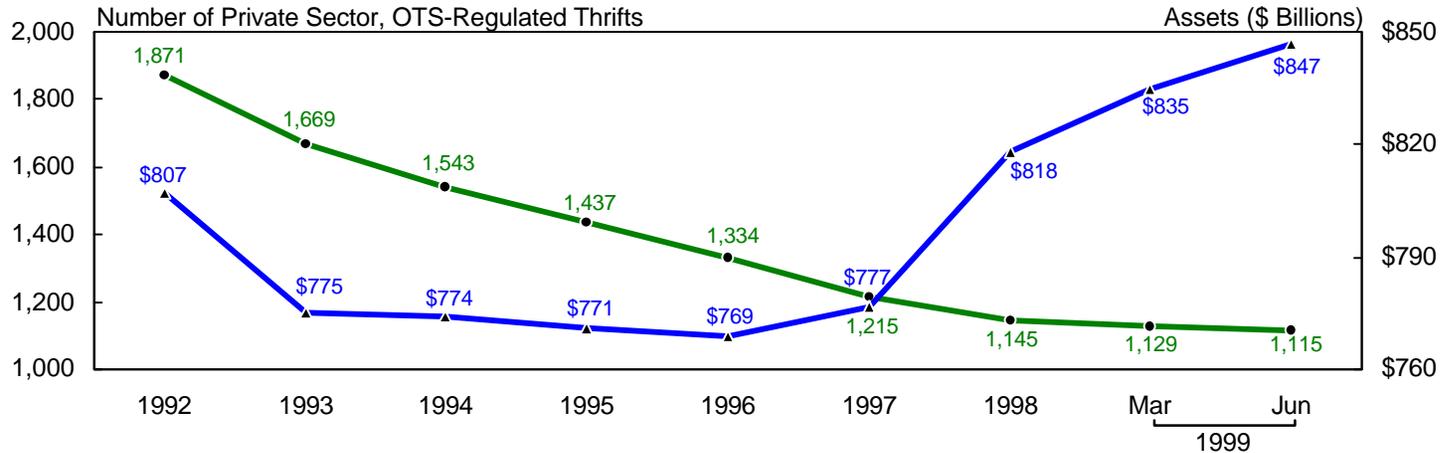
* Preliminary second quarter data.
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POST-SHOCK VALUES REMAIN STRONG



* Preliminary second quarter data.
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ASSET GROWTH REMAINED STRONG WHILE CONSOLIDATION CONTINUED TO REDUCE THE NUMBER OF THRIFTS



* Revised from 8.53%.
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MERGER AND ACQUISITION ACTIVITY HAS SLOWED IN 1999 WHILE NEW THRIFTS CHARTERED REMAIN ABOVE AVERAGE

OTS-REGULATED THRIFTS	1993	1994	1995	1996	1997	1998	1999 Quarters		YTD Jun '99
							Mar	Jun	
TOTAL EXITS	213	149	129	119	141	109	25	22	47
Failures	8	2	2	1	0	0	0	0	0 *
Conversions									
To Commercial Banks	18	17	13	10	32	5	6	4	10
To State-Chartered Savings Banks	<u>98</u>	<u>49</u>	<u>16</u>	<u>20</u>	<u>17</u>	<u>13</u>	<u>3</u>	<u>1</u>	<u>4</u>
Total Conversions	116	66	29	30	49	18	9	5	14
Acquisitions									
By Commercial Banks	39	44	49	46	56	42	10	9	19
By State-Chartered Savings Banks	<u>3</u>	<u>2</u>	<u>1</u>	<u>3</u>	<u>5</u>	<u>7</u>	<u>1</u>	<u>0</u>	<u>1</u>
Total Acquisitions by Non-OTS Regulated Institutions	42	46	50	49	61	49	11	9	20
OTS Thrift-to-Thrift Mergers	37	32	43	36	28	38	5	8	13
Voluntary Dissolutions	10	3	5	3	3	4	0	0	0
TOTAL ENTRANTS	13	24	23	18	21	39	9	8	17
De Novo	12	16	3	6	11	25	6	6	12
Charter Conversions	1	8	20	12	10	14	3	2	5
NET DECLINE	200	125	106	101	120	70	16	14	30

* One thrift failed on July 9, 1999.

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DIRECT LENDING REPLACED SECURITIES INVESTMENTS

	Dec 1993 (\$)	Mar 1999 (\$)	Jun 1999		Long Term Change Dec '93 Jun '99 (\$)	Short Term Change Mar '99 Jun '99 (\$)	Average Annualized Growth Rates	
			(\$)	% TA			Dec '93 Jun '99 (%)	Mar '99 Jun '99 (%)
Total Assets	774.8	835.0	846.7	100.0%	71.9	11.7	1.7	5.6
Total Loans	503.7	558.3	569.9	67.3%	66.2	11.6	2.4	8.3
1-4 Family Mortgage Loans	354.8	400.2	408.3	48.2%	53.5	8.1	2.7	8.1
Construction Loans	12.7	14.6	15.8	1.9%	3.1	1.2	4.5	32.9
Other Mortgages	95.7	77.8	76.0	9.0%	-19.7	-1.8	-3.7	-9.3
Small Business / Commercial Loans	5.2	16.6	17.4	2.1%	12.3	0.8	43.2	19.3
Consumer Loans	35.4	49.1	52.4	6.2%	17.0	3.3	8.7	26.9
Mortgage Pool Securities	119.5	100.6	99.6	11.8%	-19.9	-1.0	-3.0	-4.0
Investment Securities	108.6	121.9	119.4	14.1%	10.8	-2.5	1.8	-8.2
Mortgage Derivatives	43.8	73.2	71.4	8.4%	27.6	-1.8	11.4	-9.8

Dollars in billions and numbers may not sum due to rounding.

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.

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