



## OFFICE OF THRIFT SUPERVISION

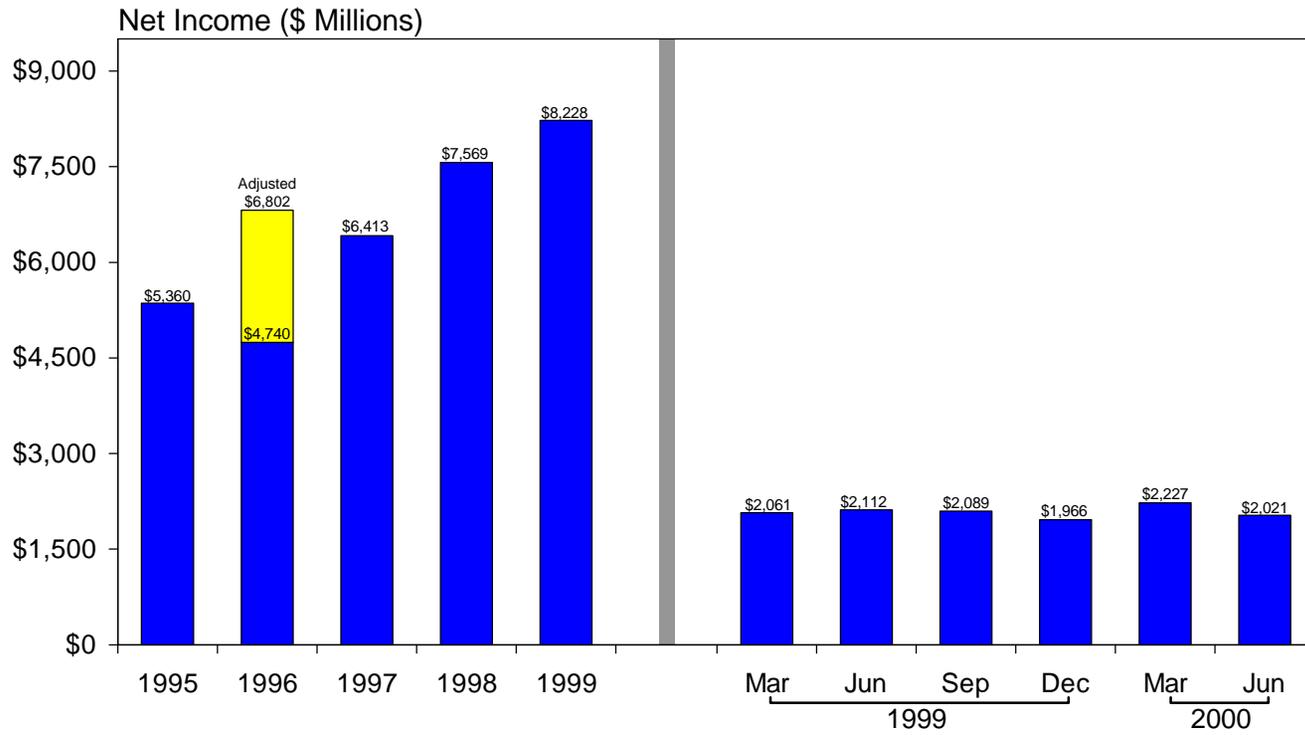
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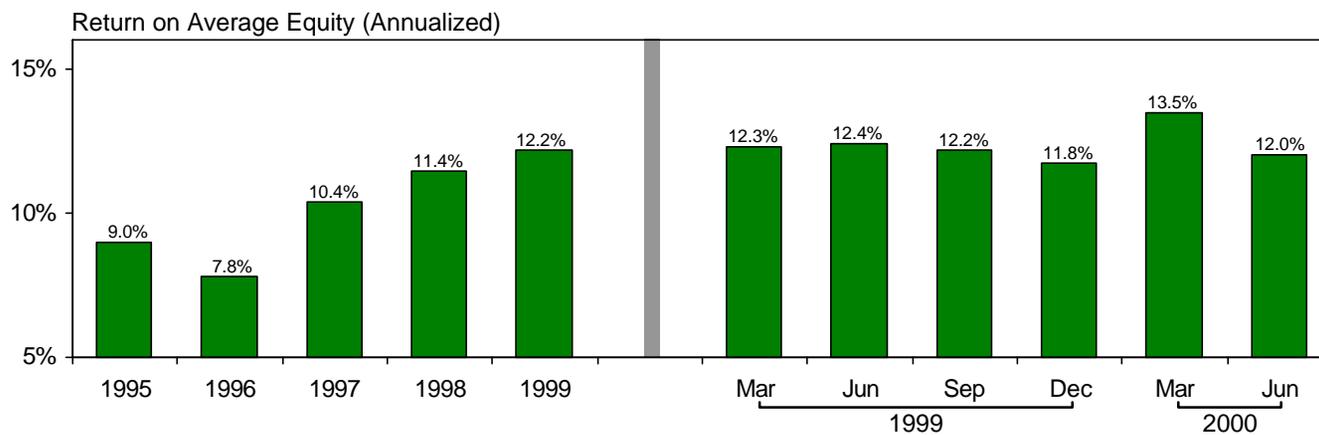
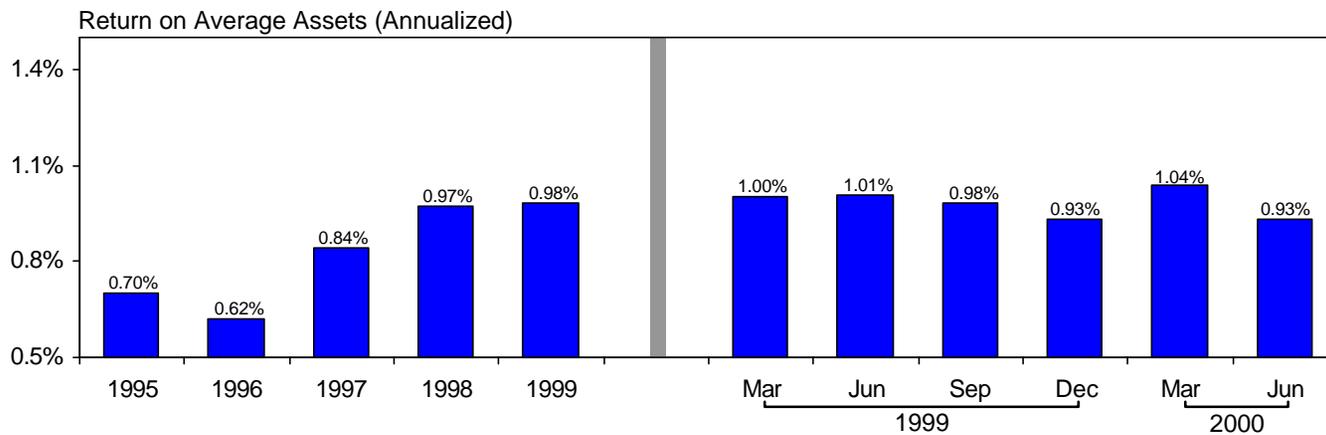
Office of Thrift Supervision  
September 2000

# INDUSTRY EARNINGS



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



## ANALYSIS OF ROA

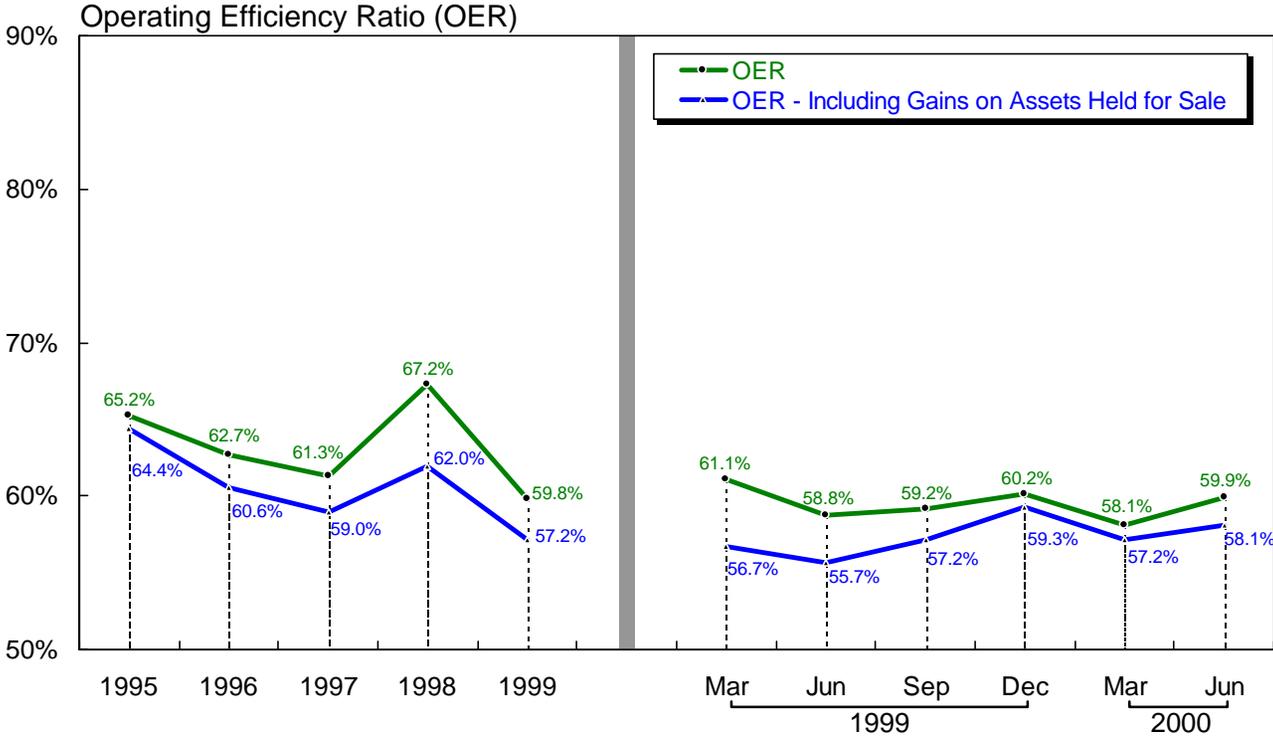
(Percent of Average Assets)	Annual					Quarter			ROA Impact	
	1995	1996	1997	1998	1999	Jun '99	Mar '00	Jun '00	Jun '99 Jun '00	Mar '00 Jun '00
<b>Net Income (ROA)</b>	<b>0.70</b>	<b>0.62</b>	<b>0.84</b>	<b>0.97</b>	<b>0.98</b>	<b>1.01</b>	<b>1.04</b>	<b>0.93</b>	<b>-0.08</b>	<b>-0.11</b>
Net Interest Income (Margin)	2.66	2.85	2.87	2.74	2.73	2.75	2.70	2.65	<b>-0.10</b>	<b>-0.05</b>
Provisions for Losses	0.23	0.28	0.26	0.20	0.16	0.16	0.15	0.23	<b>-0.07</b>	<b>-0.08</b>
Fee Income	0.38	0.48	0.57	0.57	0.66	0.67	0.76	0.78	0.11	0.02
Mortgage Loan Servicing Fees	0.10	0.12	0.11	0.06	0.11	0.12	0.12	0.12	0.00	0.00
Other Fees and Charges	0.28	0.36	0.46	0.51	0.55	0.55	0.64	0.66	0.11	0.02
Other Noninterest Income <sup>1</sup>	0.40	0.43	0.35	0.68	0.41	0.43	0.29	0.38	<b>-0.05</b>	0.09
Noninterest Expense	2.09	2.59	2.21	2.32	2.11	2.09	2.09	2.13	<b>-0.04</b>	<b>-0.04</b>
Taxes	0.38	0.23	0.48	0.50	0.56	0.59	0.47	0.53	0.06	<b>-0.06</b>

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

<sup>1</sup> 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.

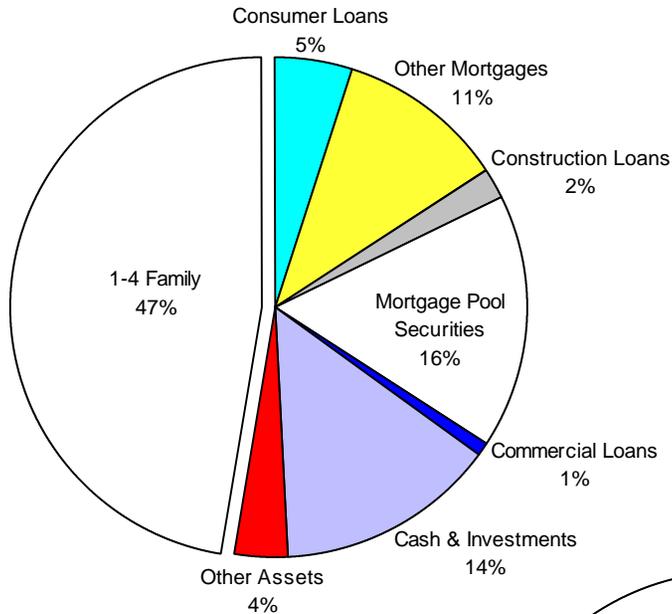
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# OPERATING EFFICIENCY RATIO

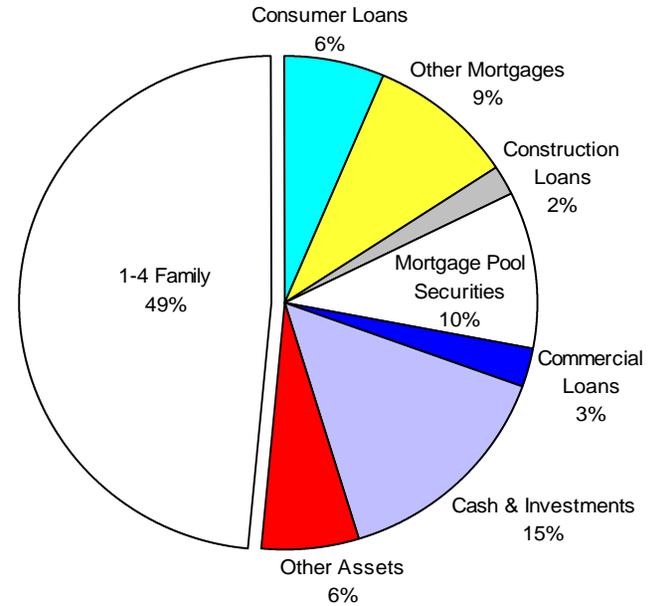


Operating Efficiency Ratio = General and Administrative Expense / Net Interest Income plus Fee Income.  
 1996 General and Administrative Expense excludes net SAIF special assessment.  
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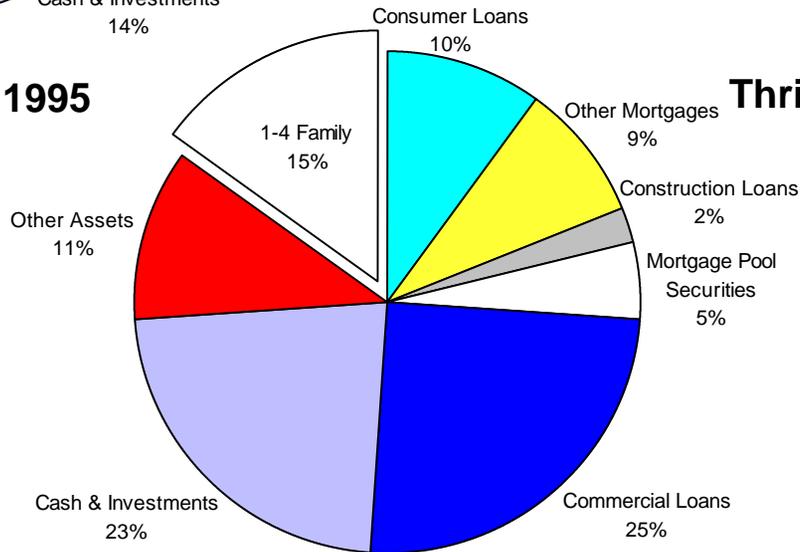
# ASSET COMPOSITION



**Thrifts - June 1995**



**Thrifts - June 2000**



**Commercial Banks - March 2000**

## ASSET COMPOSITION

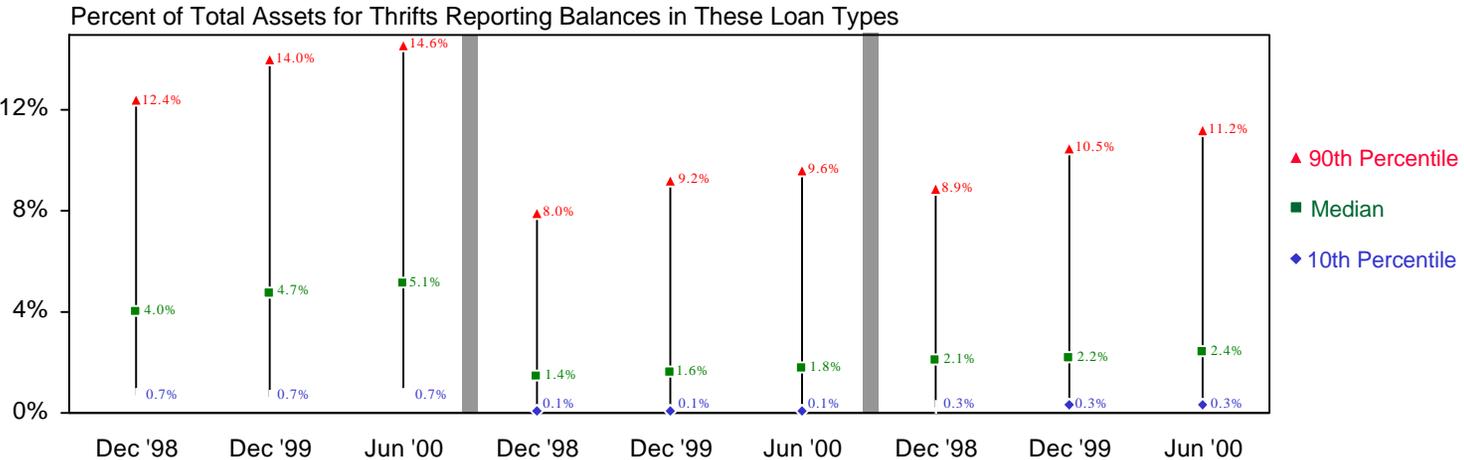
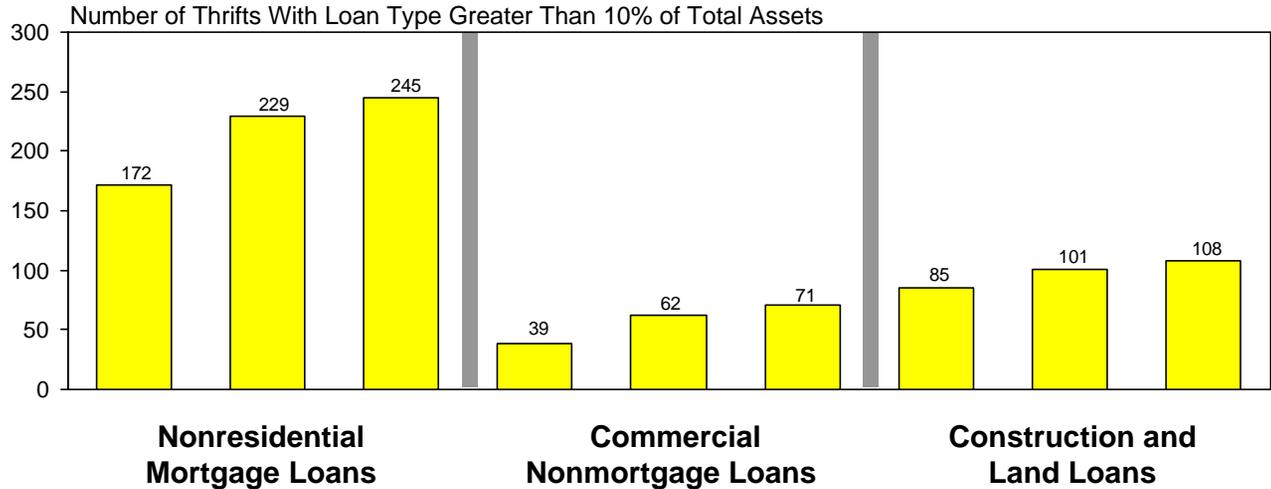
	Jun 1995		Jun 1999		Jun 2000		Growth Rates	
	\$	% TA	\$	% TA	\$	% TA	Jun '95 Jun '00	Jun '99 Jun '00
Total Assets	\$777.4	100.0%	\$846.7	100.0%	\$888.5	100.0%	2.9%	4.9%
Total Loans	512.3	65.9	569.8	67.3	615.3	69.2	4.0	8.0
1-4 Family Mortgage Loans	367.5	47.3	408.3	48.2	432.3	48.7	3.5	5.9
Construction Loans	14.0	1.8	15.8	1.9	19.0	2.1	7.1	20.3
Other Mortgages	88.0	11.3	76.0	9.0	83.4	9.4	-1.1	9.6
Commercial Loans / Small Business	6.5	0.8	17.4	2.1	24.6	2.8	55.8	41.3
Consumer Loans	36.3	4.7	52.3	6.2	56.0	6.3	10.9	7.1
Mortgage Pool Securities	126.9	16.3	99.6	11.8	89.7	10.1	-5.9	-10.0
Investment Securities	101.7	13.1	119.5	14.1	117.5	13.2	3.1	-1.6
Mortgage Derivatives	45.5	5.9	71.5	8.4	74.6	8.4	12.8	4.4

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

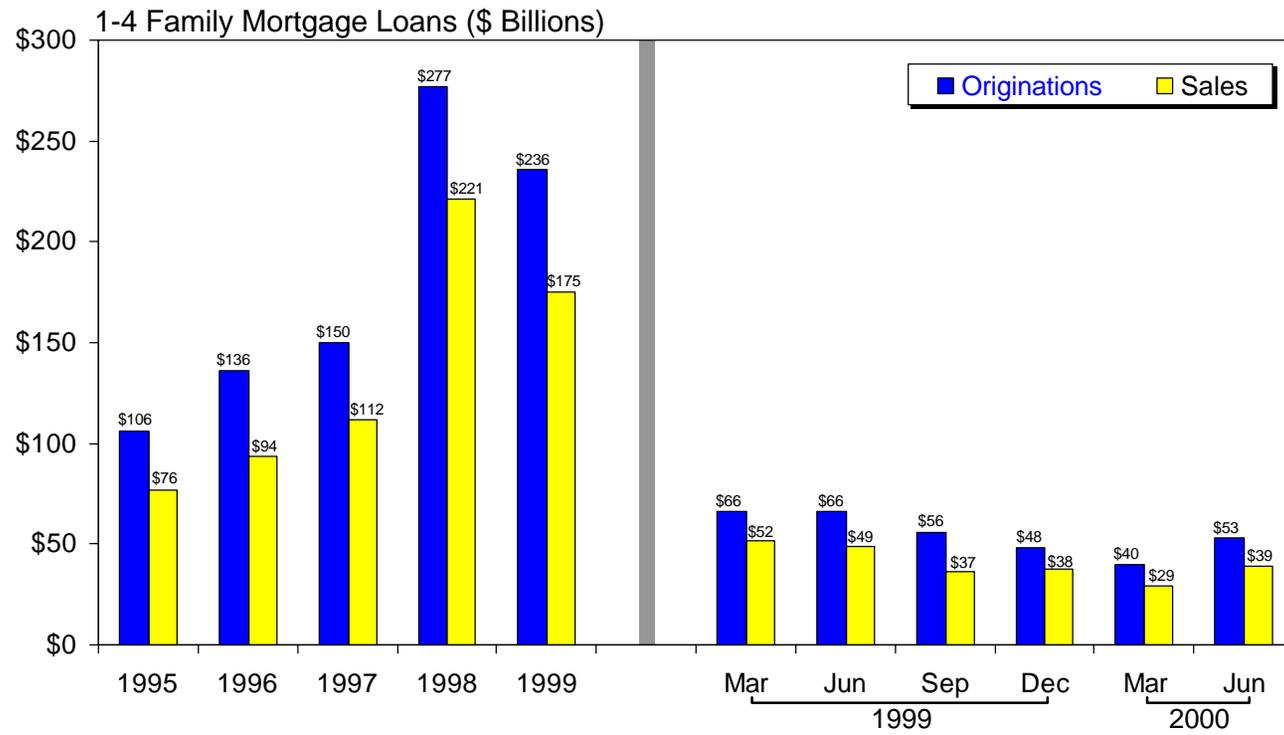
Beginning in 1997, detailed asset categories are reported net of specific valuation allowances, loans-in-process, and unamortized yield adjustments. This reporting change significantly reduced the construction loan balance.

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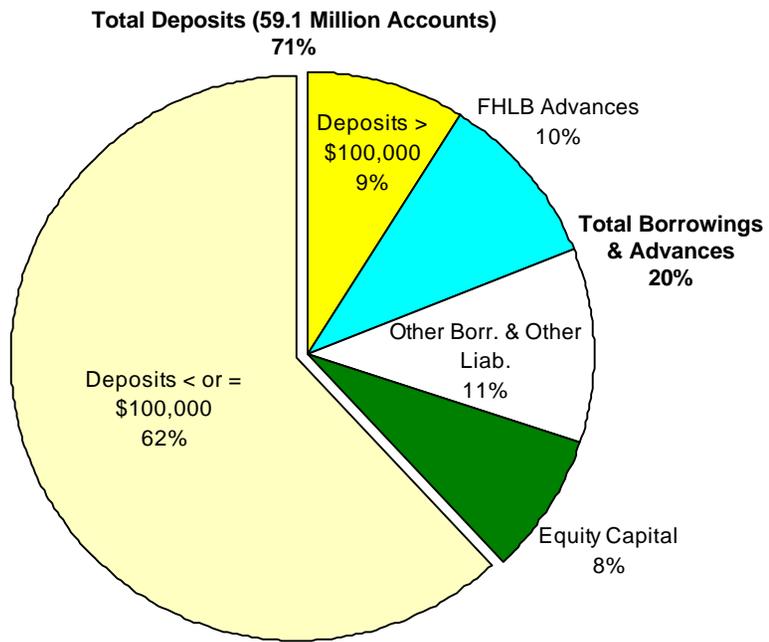
# NONTRADITIONAL LOANS



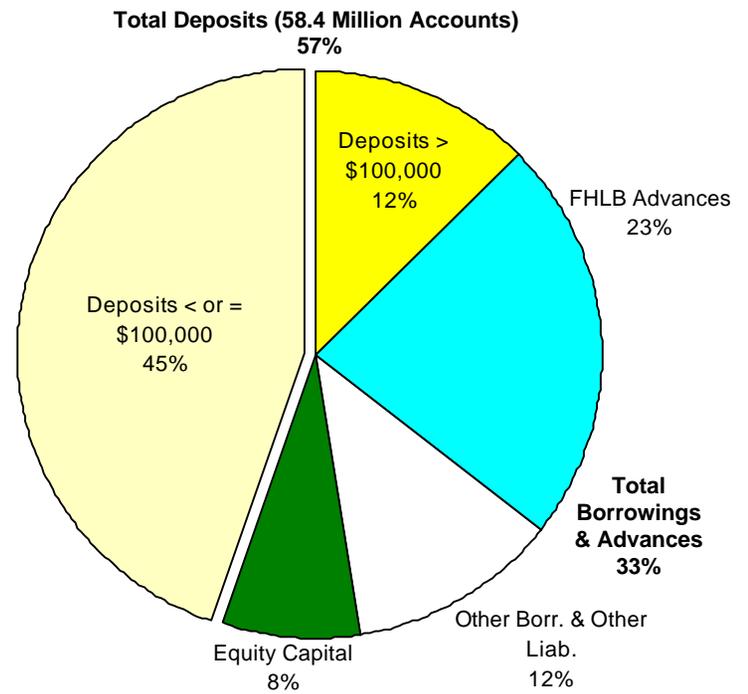
# 1-4 FAMILY ORIGINATIONS AND SALES



# LIABILITIES AND CAPITAL



**June 1995**



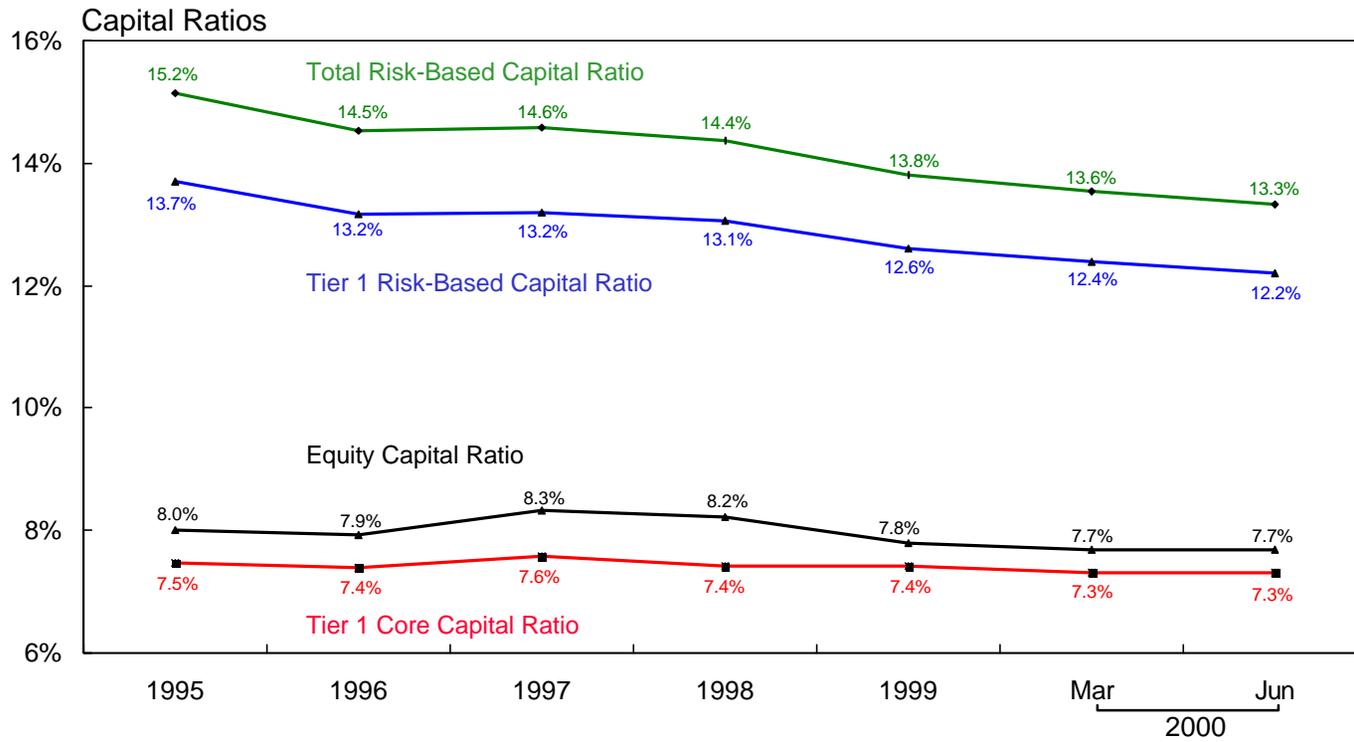
**June 2000**

## LIABILITY COMPOSITION

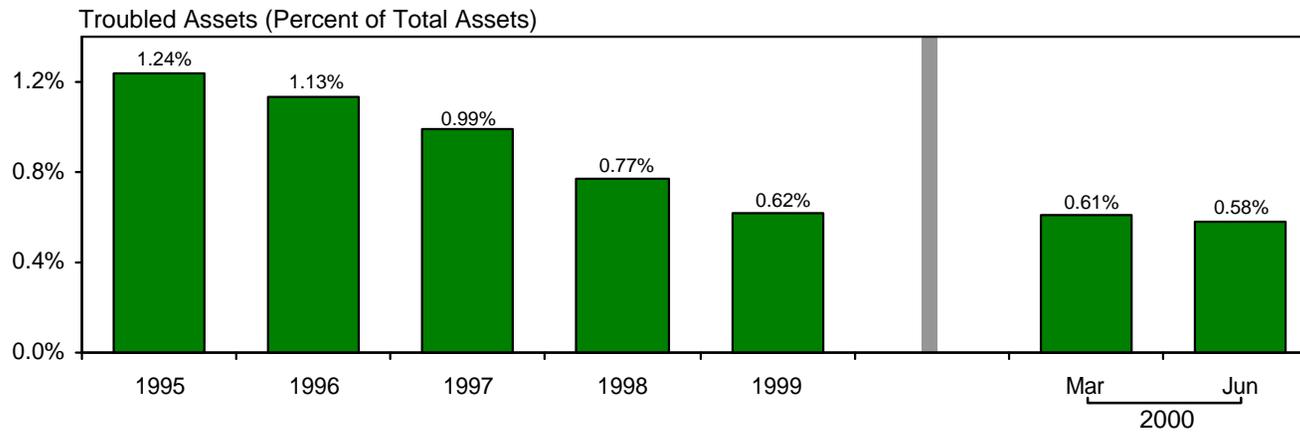
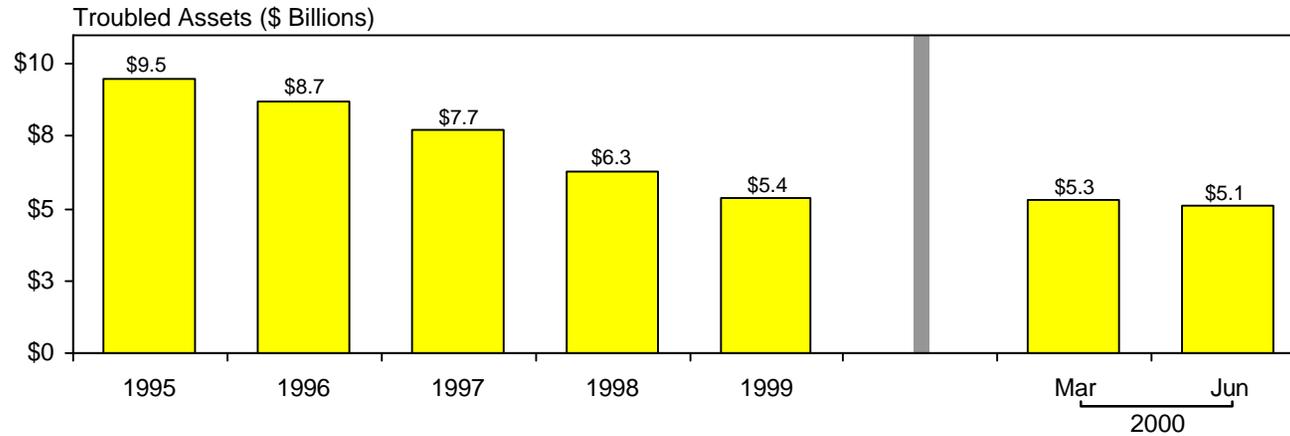
	Jun 1995		Jun 1999		Jun 2000		Average Annual Growth Rates	
	\$	% TA	\$	% TA	\$	% TA	Jun '95 Jun '00	Jun '99 Jun '00
Total Liabilities and Capital	\$777.4	100.0%	\$846.7	100.0%	\$888.5	100.0%	2.9%	4.9%
Total Liabilities	717.5	92.3	778.1	91.9	820.2	92.3	2.9	5.4
Total Deposits	549.6	70.7	492.2	58.1	508.8	57.3	-1.5	3.4
Deposits Less Than \$100,000	485.1	62.4	395.4	46.7	398.2	44.8	-3.6	0.7
Deposits Greater Than \$100,000	64.5	8.3	96.9	11.4	110.5	12.4	14.3	14.1
FHLBank Advances	79.4	10.2	164.4	19.4	204.2	23.0	31.4	24.2
Other Borrowings	72.8	9.4	98.4	11.6	85.1	9.6	3.4	-13.5
Equity Capital	60.0	7.7	68.6	8.1	68.2	7.7	2.7	-0.5

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

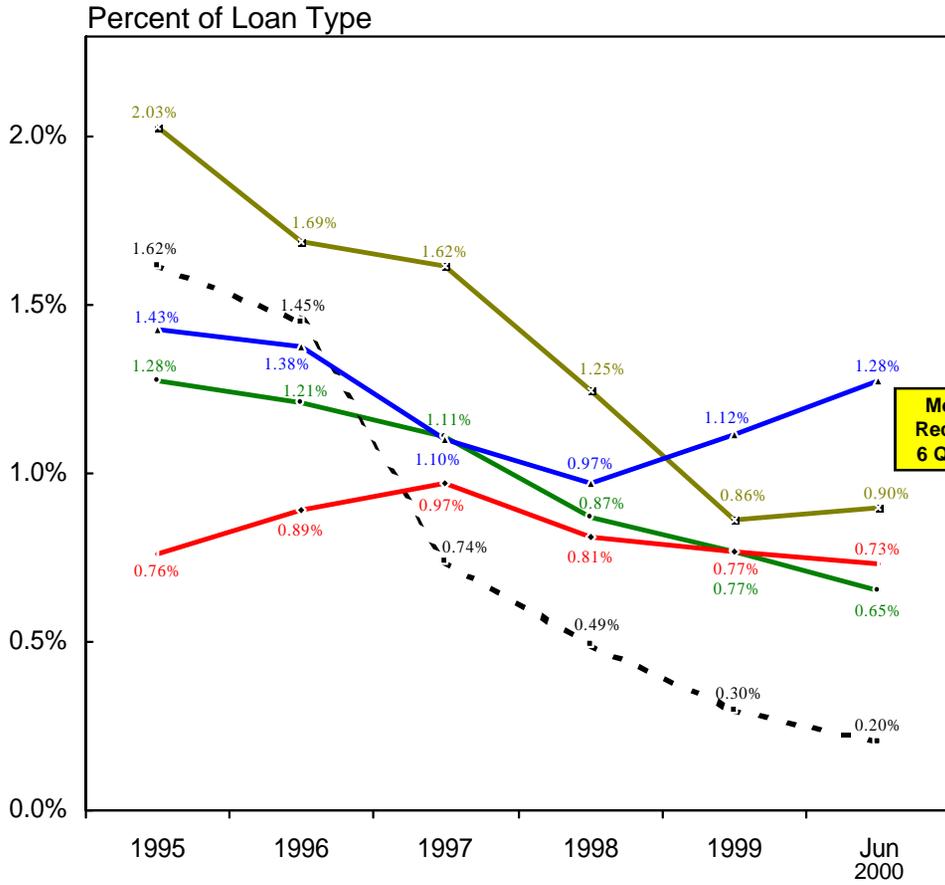


# TROUBLED ASSETS

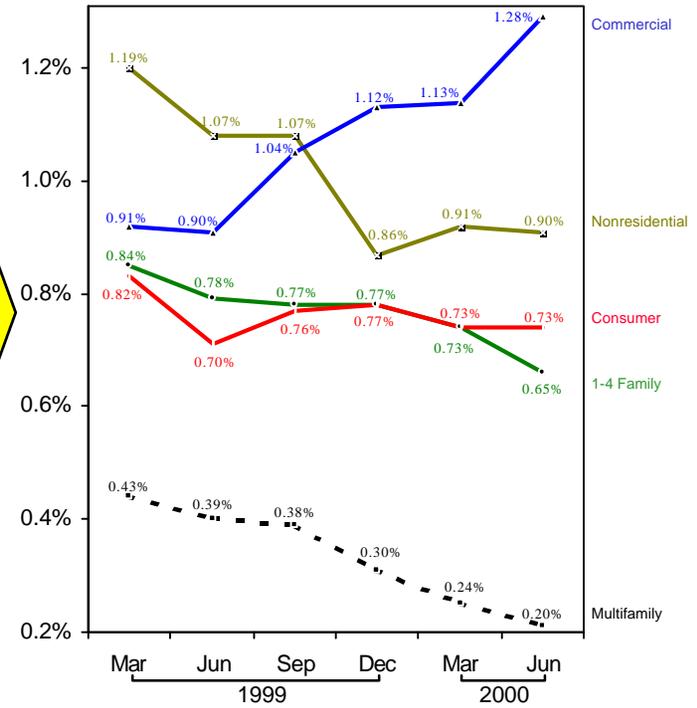


Troubled Assets include noncurrent loans and repossessed assets.  
 Data after 1995 are net of specific valuation allowances.  
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# NONCURRENT LOANS



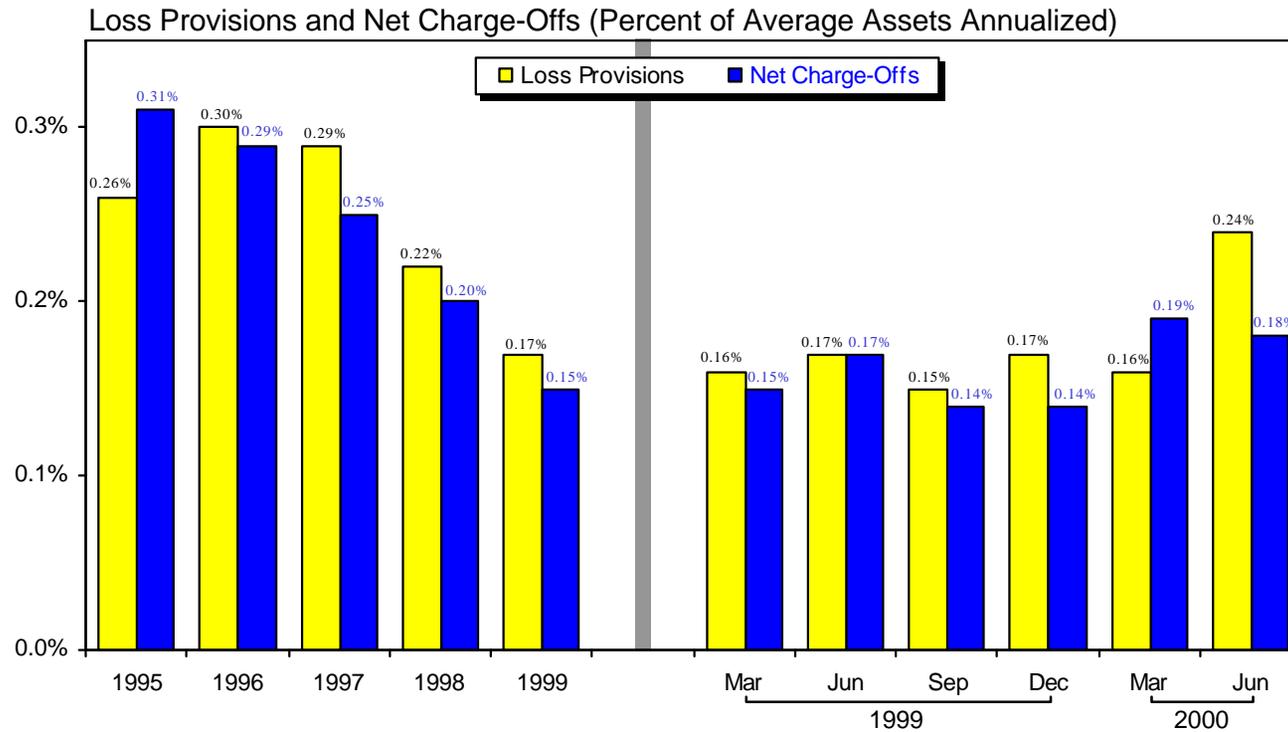
Most Recent 6 Qtrs.



—◆— 1- 4 Family   
 - - - Multifamily   
 —■— Nonresidential   
 —▲— Commercial   
 —●— Consumer

Data after 1995 are net of specific valuation allowances.  
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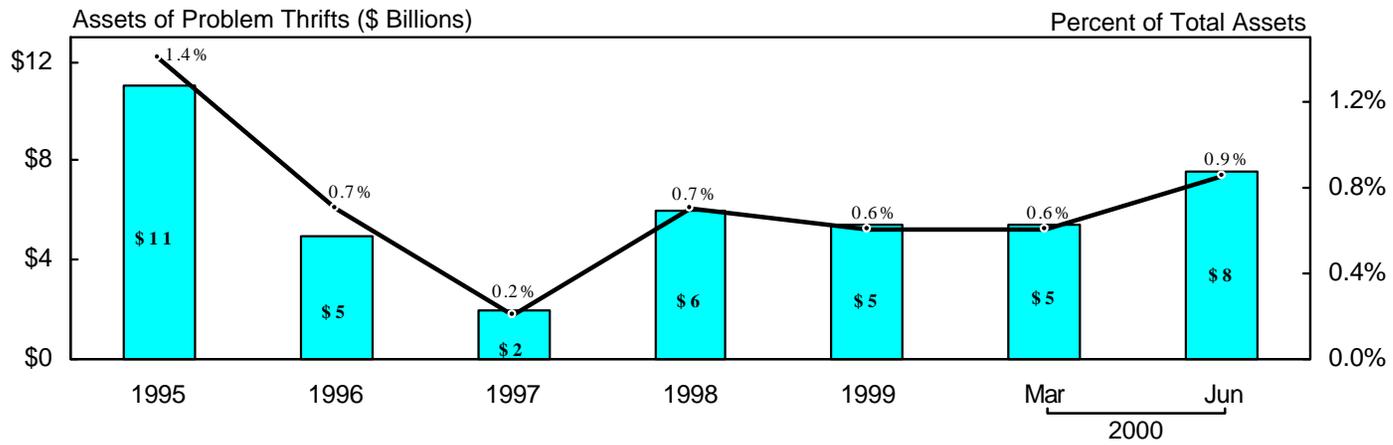
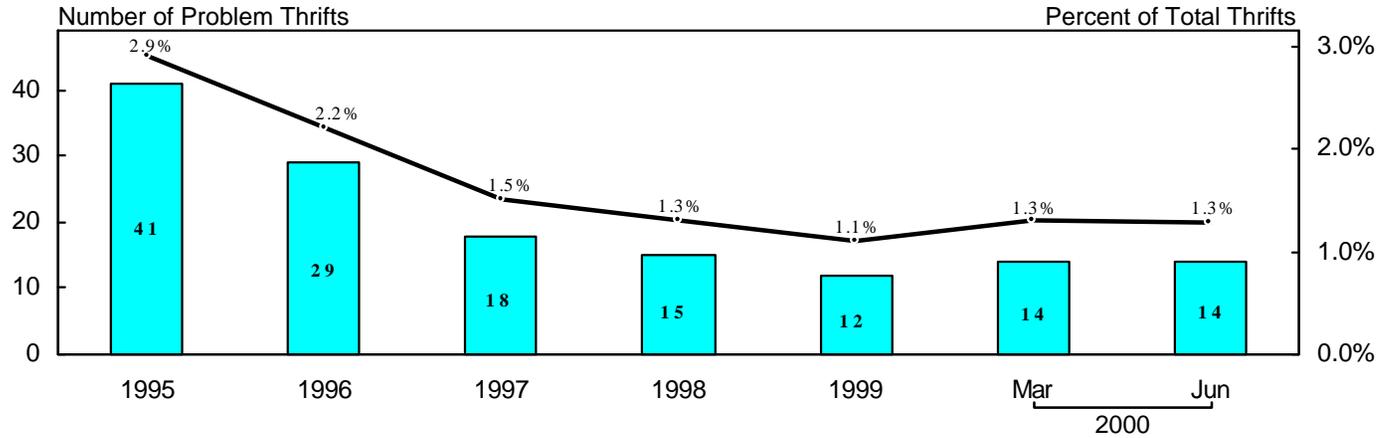
# LOSS PROVISIONS AND NET CHARGE-OFFS



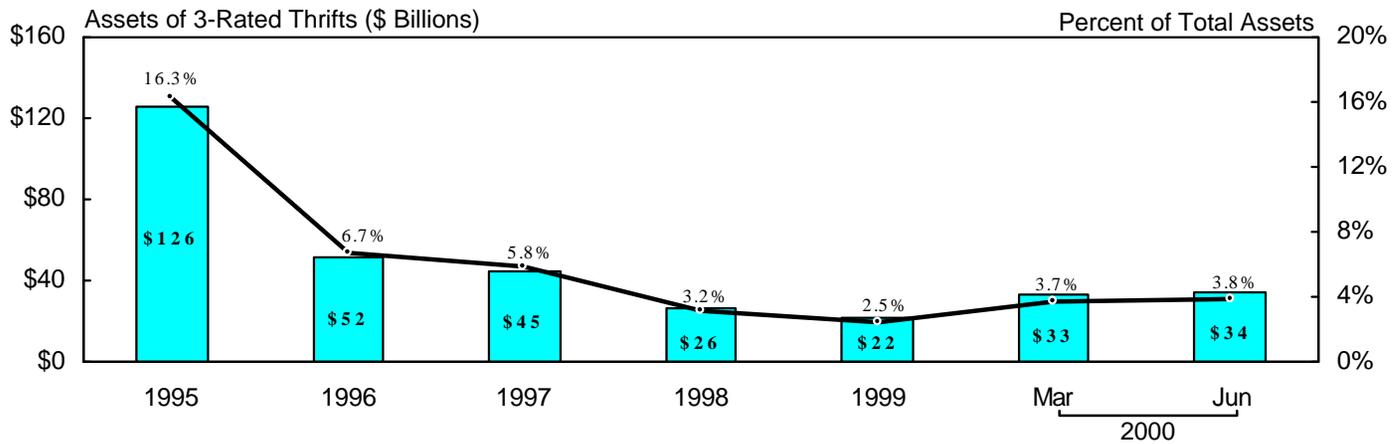
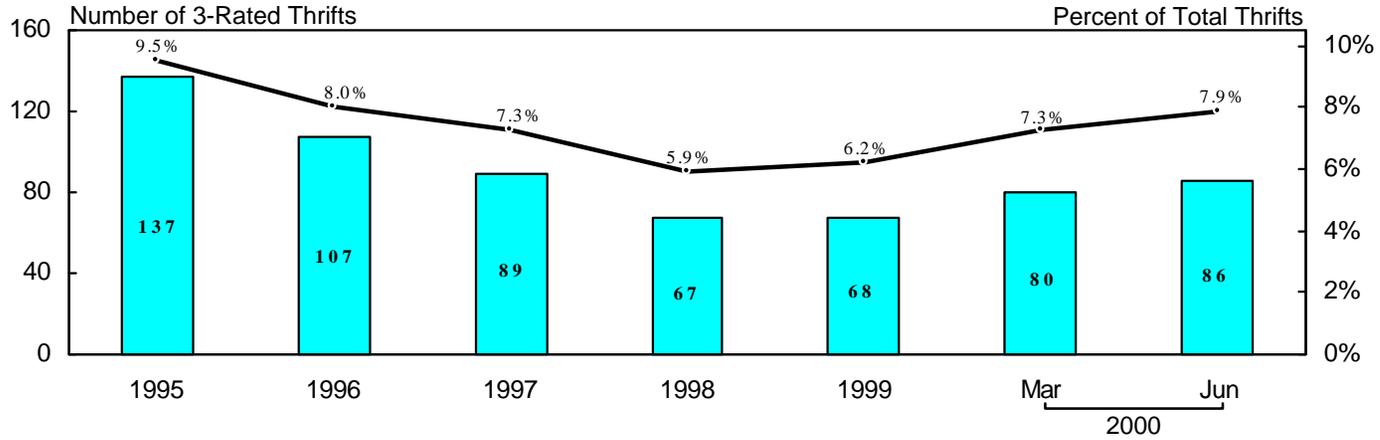
Net charge-offs are charge-offs less recoveries.  
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# NUMBER AND ASSETS OF PROBLEM THRIFTS

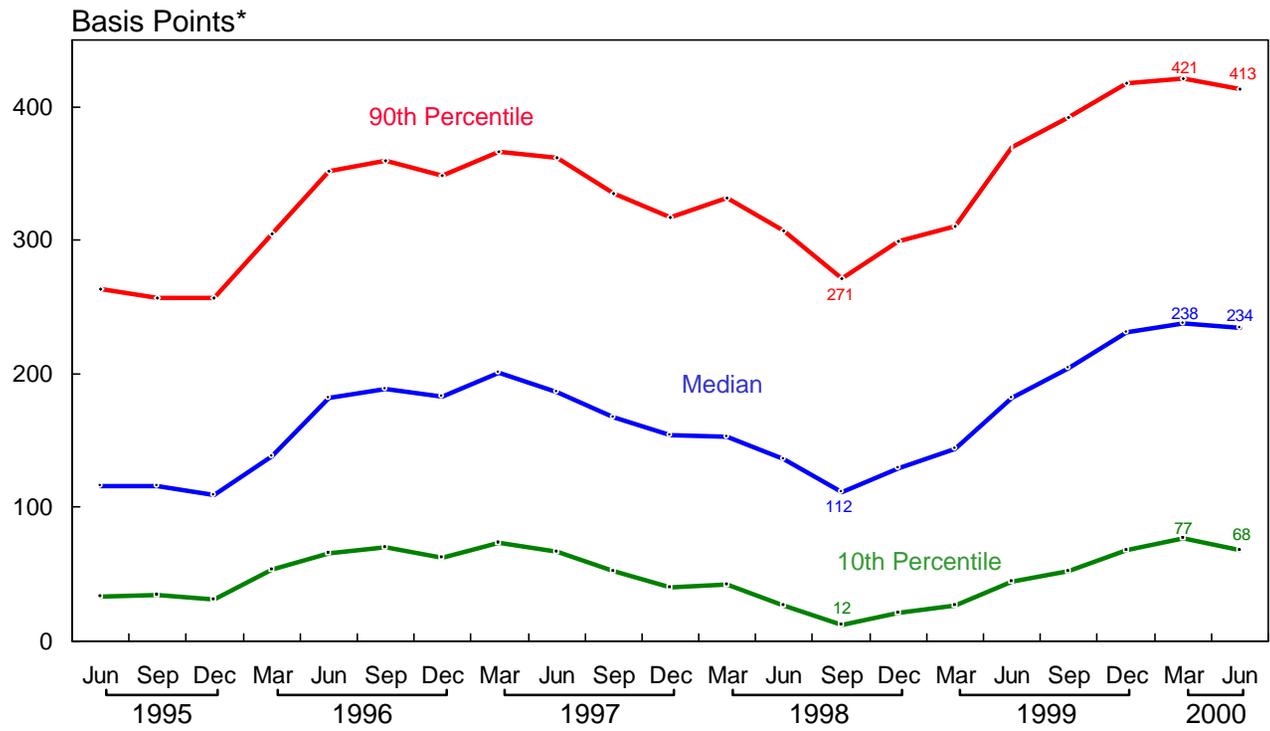
(Thriffs with CAMELS Ratings of 4 or 5)



# NUMBER AND ASSETS OF 3-RATED THRIFTS

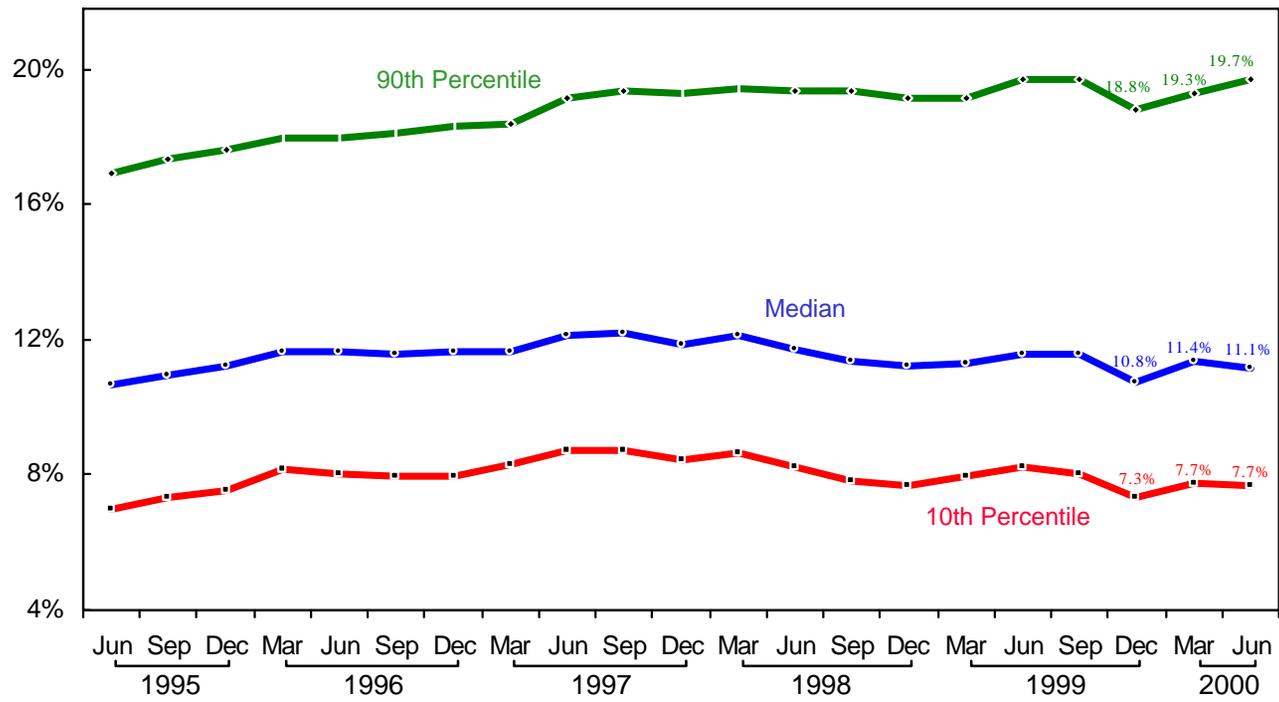


# INTEREST RATE SENSITIVITY



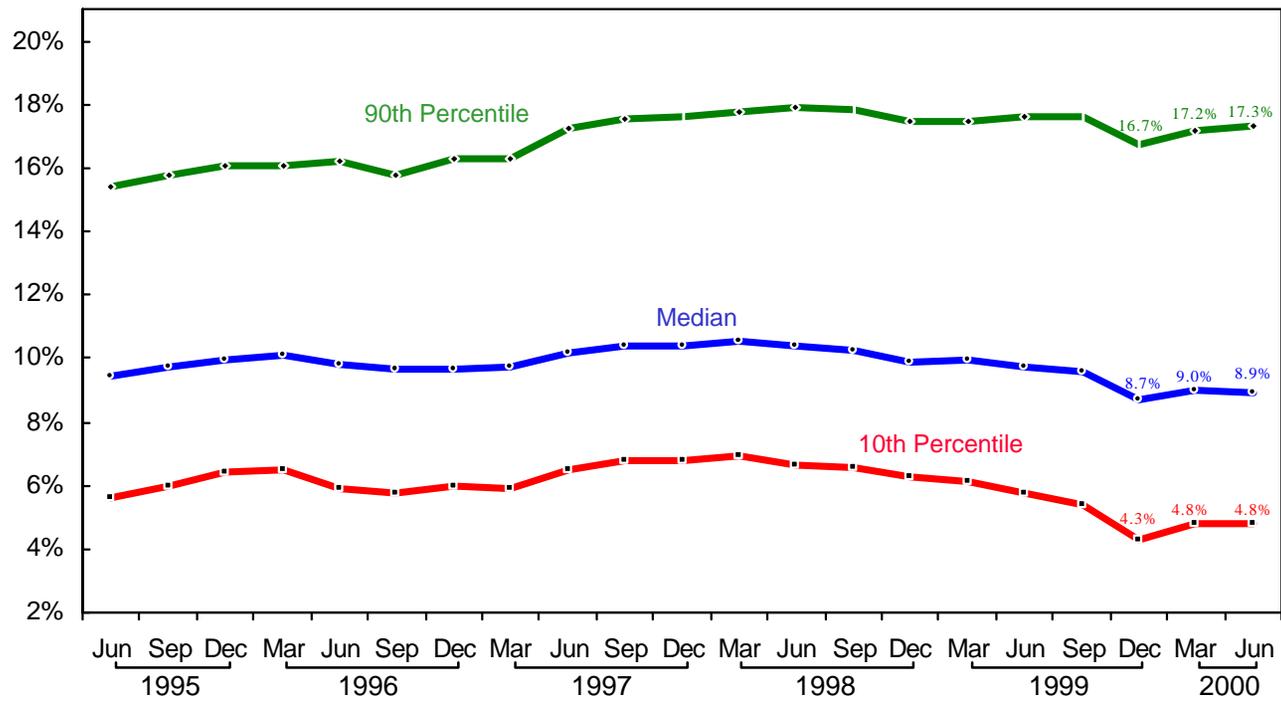
\* Preliminary second quarter data for 1,001 thrifts with \$879.8 billion in assets.  
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# PRE-SHOCK NPV CAPITAL RATIO



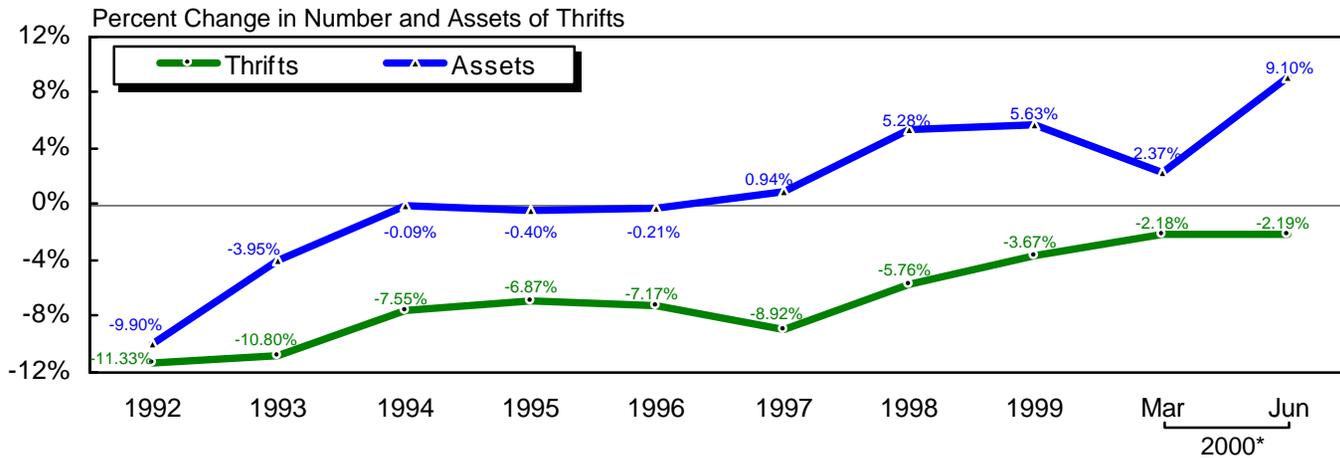
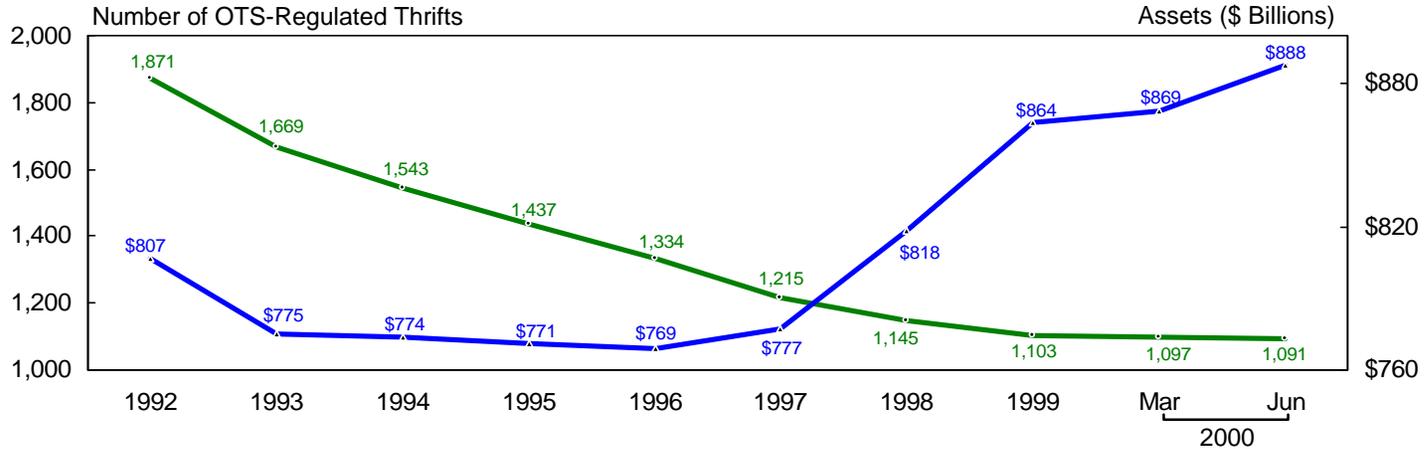
Preliminary second quarter data for 1,001 thrifts with \$879.8 billion in assets.  
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# POST-SHOCK NPV CAPITAL RATIO



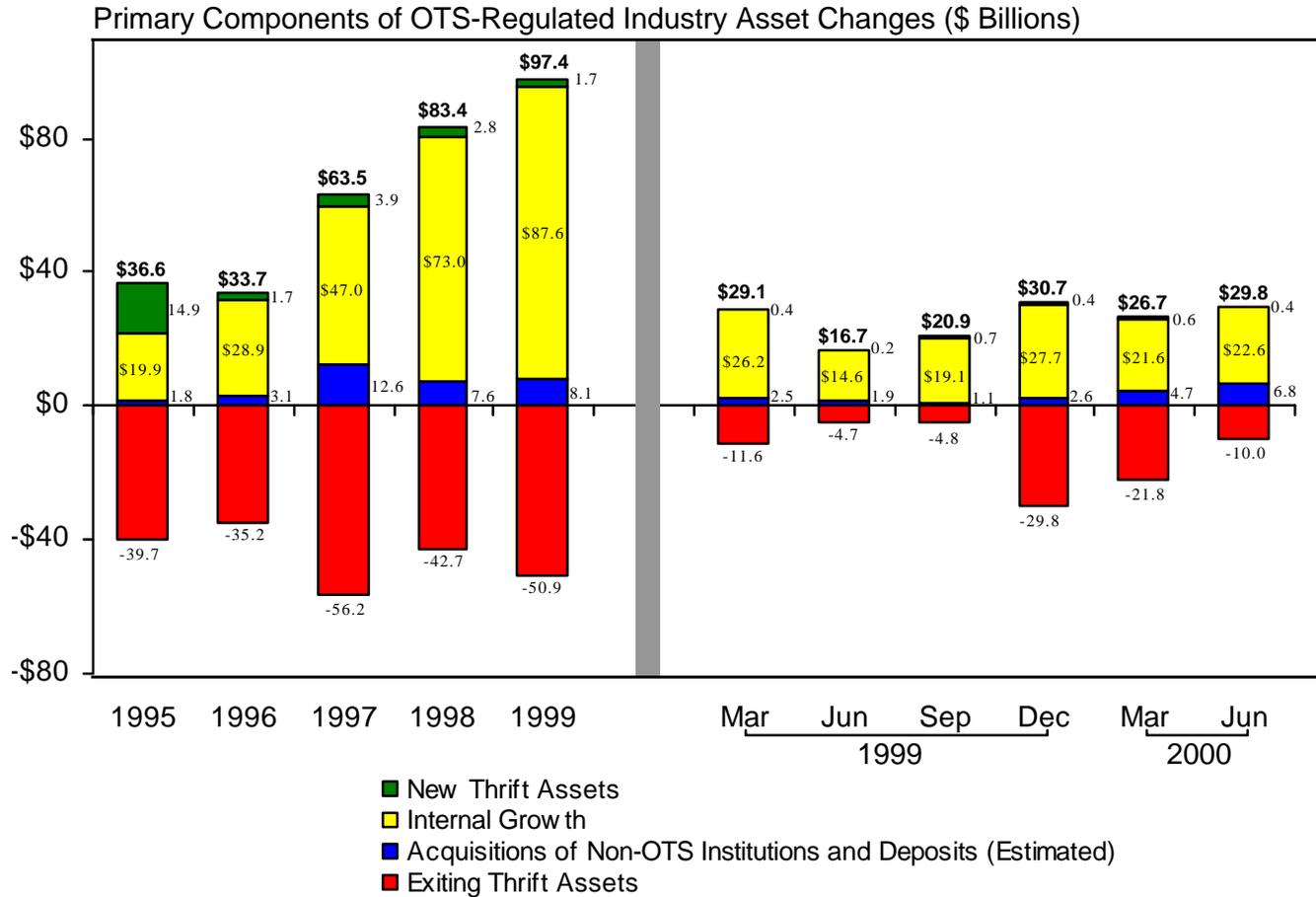
Preliminary second quarter data for 1,001 thrifts with \$879.8 billion in assets.  
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# NUMBER AND ASSETS



\* Annualized.  
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# ASSET GROWTH RECONCILIATION



## STRUCTURAL CHANGES

OTS-REGULATED THRIFTS	1995	1996	1997	1998	1999	2000 YTD	2000 Mar Jun	
<b>TOTAL EXITS</b>	<b>129</b>	<b>119</b>	<b>141</b>	<b>109</b>	<b>80</b>	<b>34</b>	<b>16</b>	<b>18</b>
Failures	2	1	0	0	1	1	1	0
Conversions								
To Commercial Banks	13	10	32	5	17	5	2	3
To State-Chartered Savings Banks	<u>16</u>	<u>20</u>	<u>17</u>	<u>13</u>	<u>7</u>	<u>4</u>	<u>3</u>	<u>1</u>
<b>Total Conversions</b>	<b>29</b>	<b>30</b>	<b>49</b>	<b>18</b>	<b>24</b>	<b>9</b>	<b>5</b>	<b>4</b>
Acquisitions								
By Commercial Banks	49	46	56	42	30	16	6	10
By State-Chartered Savings Banks	<u>1</u>	<u>3</u>	<u>5</u>	<u>7</u>	<u>5</u>	<u>2</u>	<u>2</u>	<u>0</u>
<b>Total Acquisitions by Non-OTS     Regulated Institutions</b>	<b>50</b>	<b>49</b>	<b>61</b>	<b>49</b>	<b>35</b>	<b>18</b>	<b>8</b>	<b>10</b>
OTS Thrift-to-Thrift Mergers	<u>43</u>	<u>36</u>	<u>28</u>	<u>38</u>	<u>18</u>	<u>5</u>	<u>2</u>	<u>3</u>
<b>Total Acquisitions</b>	<b>93</b>	<b>85</b>	<b>89</b>	<b>87</b>	<b>53</b>	<b>23</b>	<b>10</b>	<b>13</b>
Voluntary Dissolutions	5	3	3	4	2	1	0	1
<b>TOTAL ENTRANTS</b>	<b>23</b>	<b>18</b>	<b>21</b>	<b>39</b>	<b>38</b>	<b>22</b>	<b>10</b>	<b>12</b>
De Novo	3	6	11	25	27	15	5	10
Charter Conversions	20	12	10	14	11	7	5	2
<b>NET DECLINE</b>	<b>106</b>	<b>101</b>	<b>120</b>	<b>70</b>	<b>42</b>	<b>12</b>	<b>6</b>	<b>6</b>