



Second Quarter 2010 Thrift Industry Report Graphs and Tables

August 25, 2010



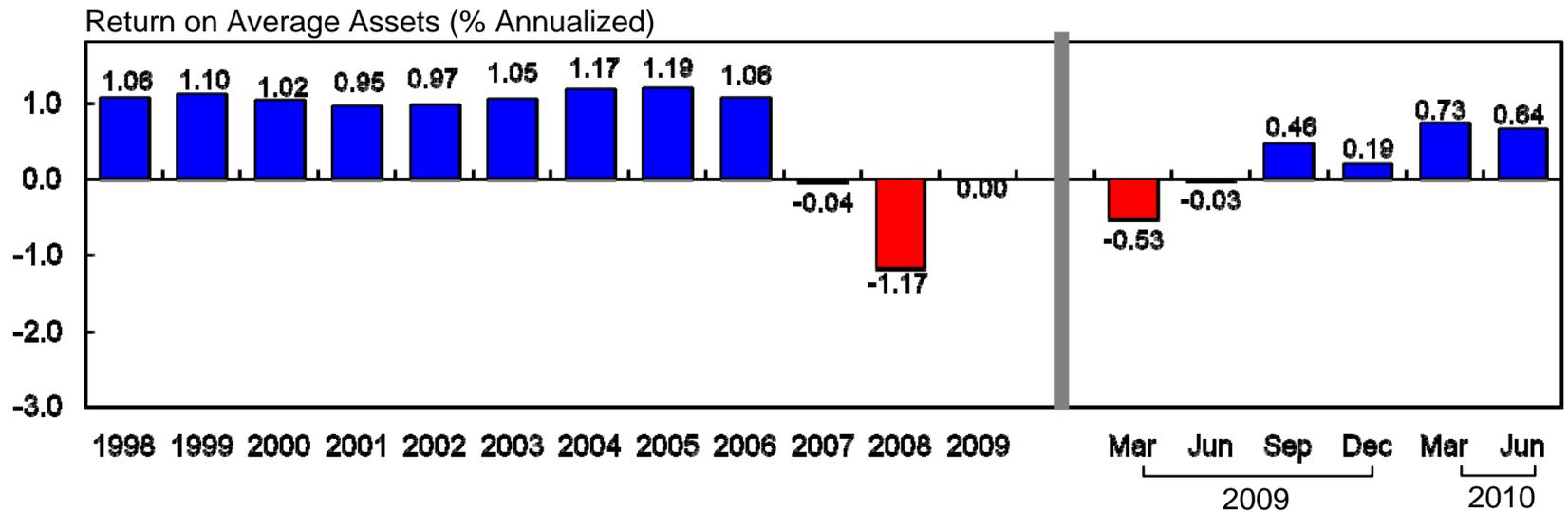
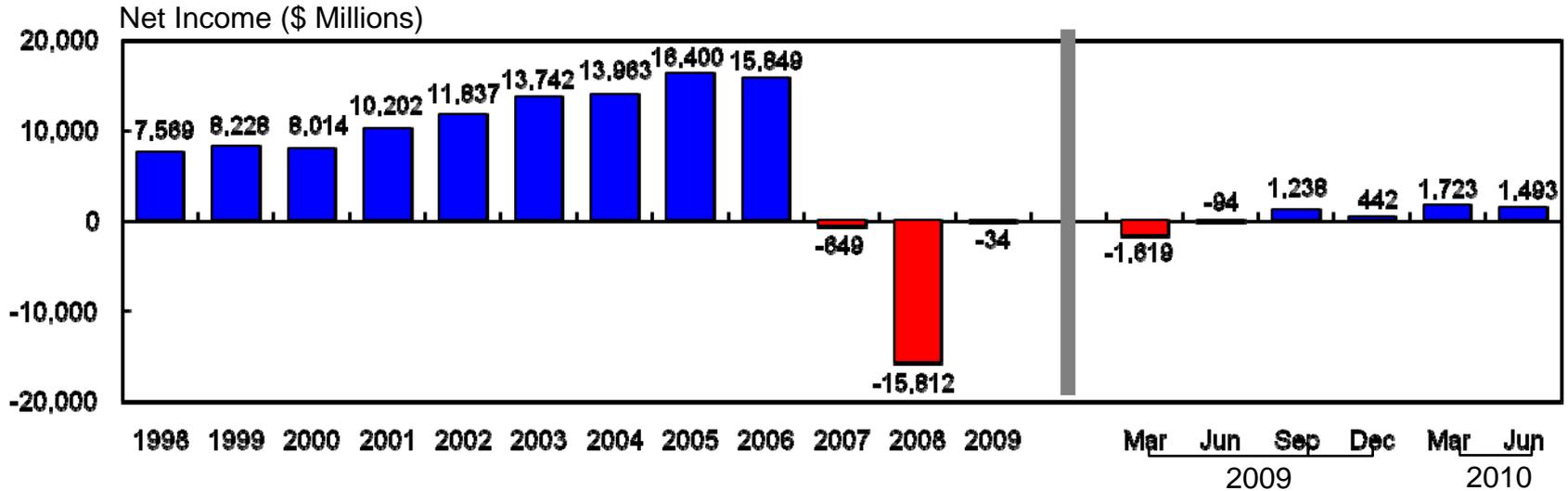
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SUMMARY

- The thrift industry reported a profit of \$1.49 billion (ROA of 0.64%) for the second quarter. This was the fourth consecutive profitable quarter for the industry.
- Though trending down from very high levels in 2008, loan loss provisions remained at elevated levels in the second quarter.
 - The industry added \$2.30 billion to loan loss provisions in the second quarter. This amounted to 0.99% of average assets on an annualized basis – the 16th highest amount on record.
- The need for loss provisions in upcoming quarters will largely depend on trends in employment, home prices, and the commercial real estate markets.
- Thrift fundamentals – capital, “core” earnings, and reserves, remain solid.
 - Thrift industry capital ratios reached record levels in the second quarter.
 - 93% of all thrifts – holding 97% of industry assets – reported capital exceeding “well-capitalized” regulatory standards.

EARNINGS AND PROFITABILITY



ROA ANALYSIS

(Percent of Average Assets)	Quarter			ROA Impact ¹	
	Jun '10	Mar '10	Jun '09	Jun '10 Mar '10	Jun '10 Jun '09
Net Interest Income (Margin)	3.07	3.05	3.04	0.02	0.03
Loan Loss Provisions	0.99	1.19	1.74	0.20	0.75
Total Fee Income	1.36	1.29	1.28	0.07	0.08
Mortgage Loan Servicing Fees & Amort.	0.07	0.11	0.18	-0.04	-0.11
Mortgage Loan Servicing Fees	0.17	0.17	0.16	0.00	0.01
Servicing Amortization & Adjustments	-0.10	-0.06	-0.08	-0.04	-0.02
Other Fees and Charges	1.29	1.18	1.10	0.11	0.19
Other Noninterest Income	0.52	0.63	0.27	-0.11	0.25
Sale of Assets Held For Sale	0.16	0.03	0.73	0.13	-0.57
LOCOM Adjustments to AHFS	0.00	0.00	-0.03	0.00	0.03
Gains (Losses) on Financial Assets					
Carried at Fair Value	0.16	0.38	-0.04	-0.22	0.20
Other	0.20	0.15	-0.46	0.05	0.66
Noninterest Expense	2.90	2.67	2.72	-0.23	-0.18
Goodwill Amortization & Charges	0.11	0.04	0.06	-0.07	-0.05
Taxes	0.41	0.42	0.16	0.01	-0.25
Net Income (ROA)	0.64	0.73	-0.03	-0.09	0.67

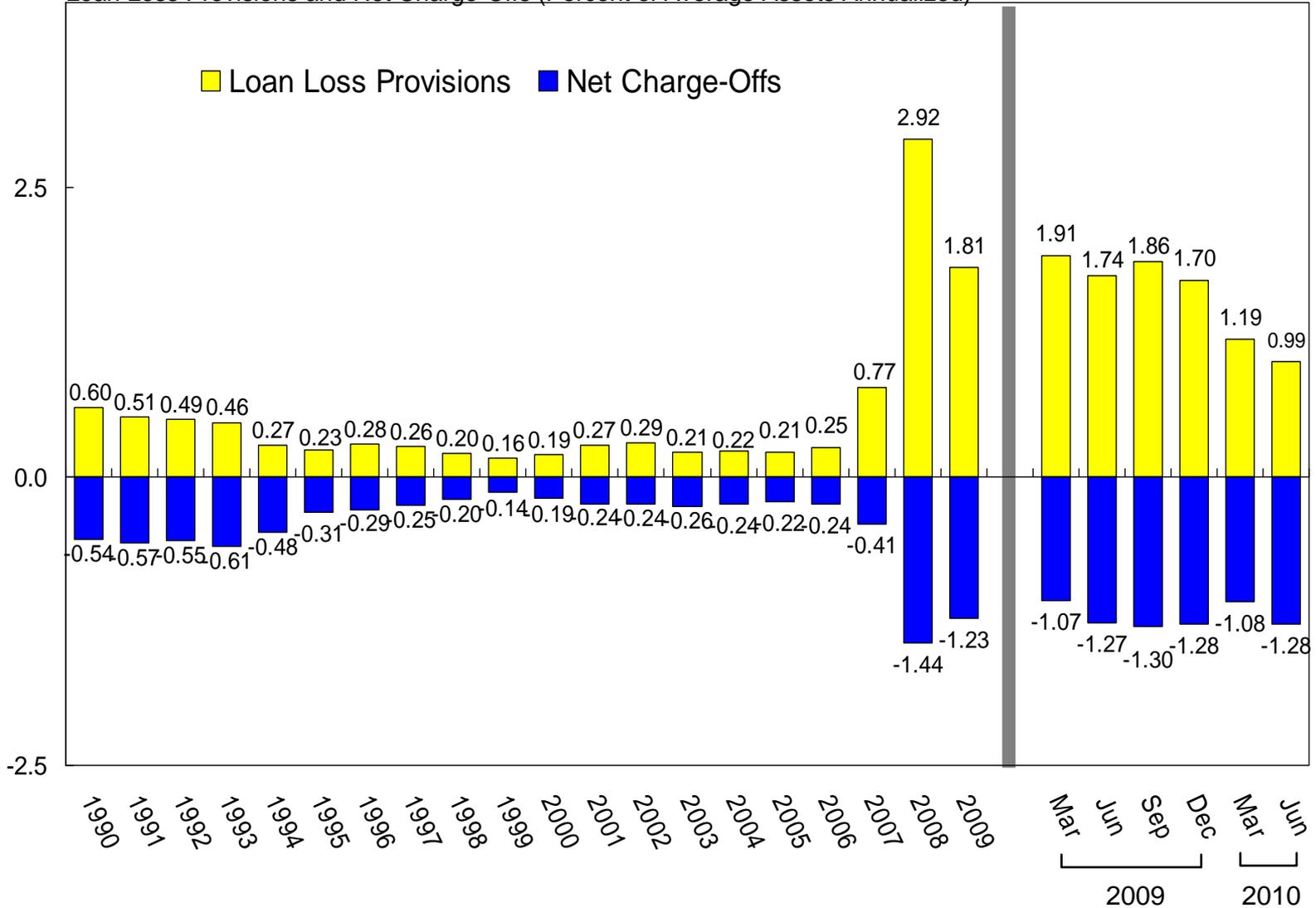
¹ Negative values reduced ROA.

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

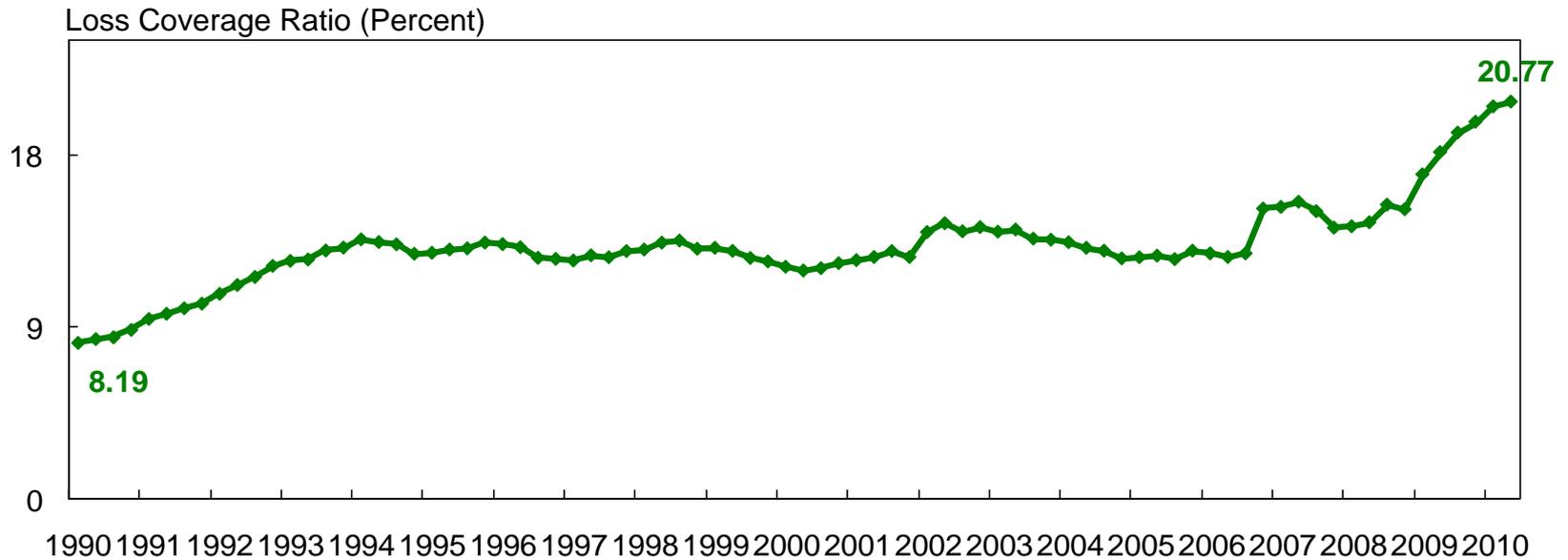
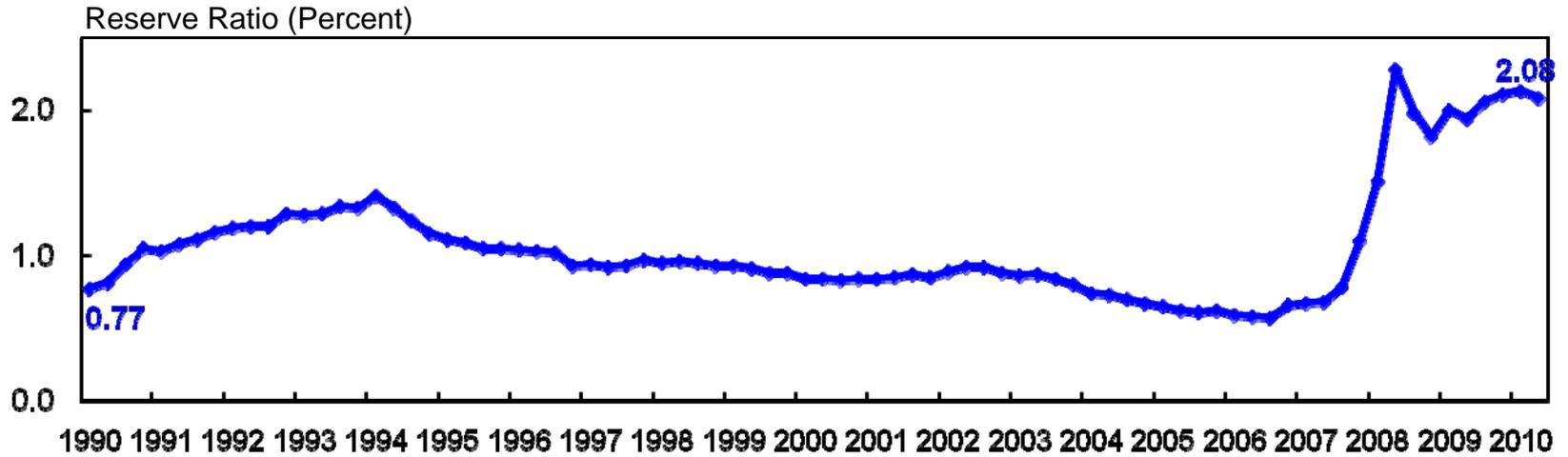
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LOAN LOSS PROVISIONS AND NET CHARGE-OFFS

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



RESERVE AND LOSS COVERAGE RATIOS

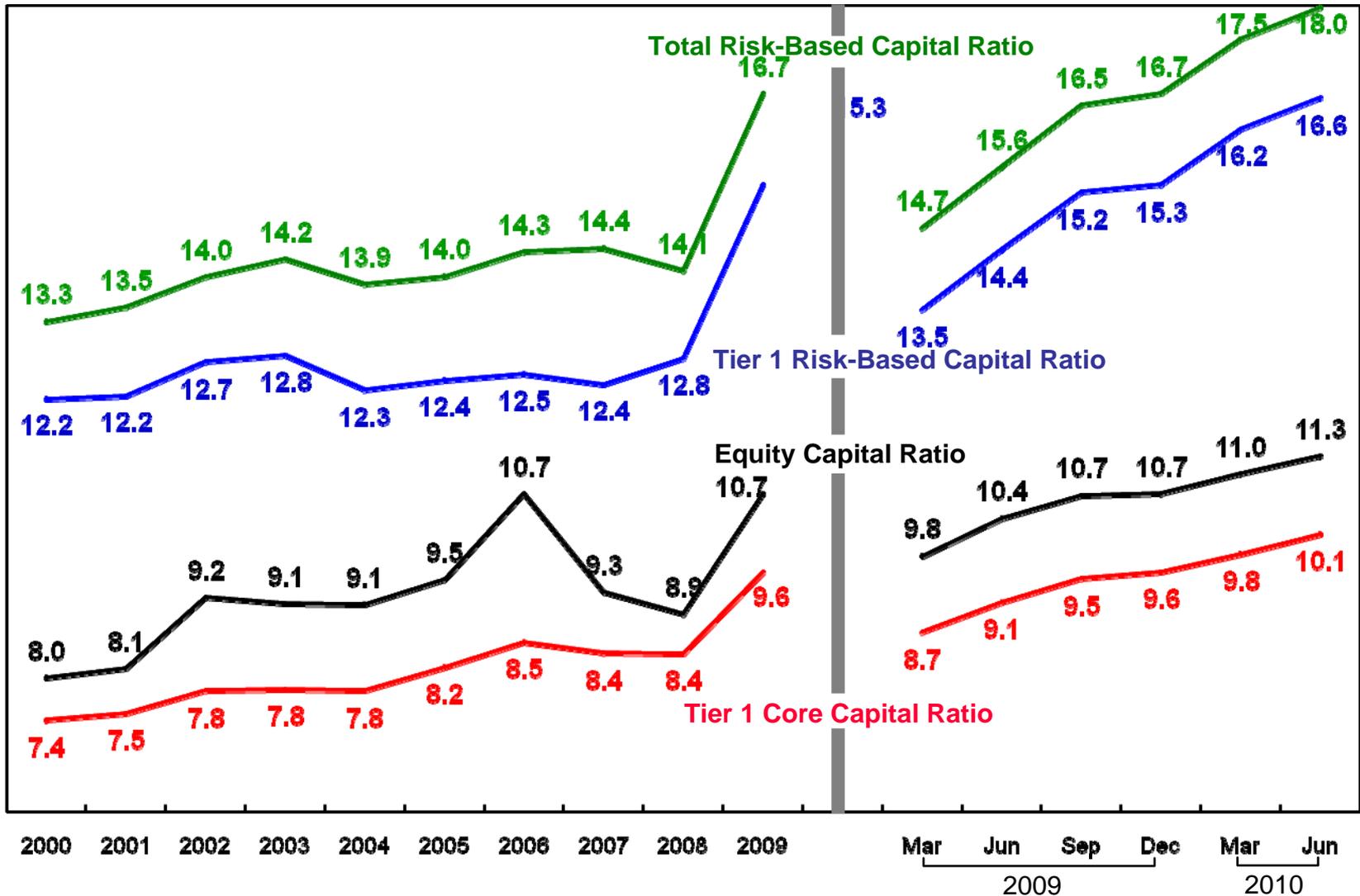


Loss Coverage Ratio = ALLL plus capital to total loans and leases.

Reserve Ratio = ALLL to total loans and leases.

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CAPITAL RATIOS



FINANCIAL FUNDAMENTALS

(Percent of Average Assets Unless Noted)	YTD 2010	Avg. 2001- 2009	Year								
			2009	2008	2007	2006	2005	2004	2003	2002	2001
Operating Income Components:											
Net Interest Income (Margin)	3.06	2.87	3.02	2.82	2.69	2.73	2.81	2.89	2.90	3.06	2.89
Total Fee Income	1.32	1.01	1.24	1.23	1.22	1.15	1.22	1.03	0.87	0.47	0.64
Total Operating Income	4.38	3.87	4.25	4.05	3.91	3.88	4.03	3.92	3.77	3.53	3.53
Total Operating Expense	2.71	2.49	2.55	2.76	2.54	2.54	2.45	2.52	2.40	2.32	2.30
Net Operating Income before Taxes and Provisions	1.67	1.39	1.70	1.29	1.37	1.34	1.58	1.40	1.37	1.21	1.23
Loan Loss Provision Expense	1.09	0.77	1.81	2.92	0.77	0.25	0.21	0.22	0.21	0.29	0.27
Capital Measures:											
Tier 1 Core Capital Ratio	10.12	8.20	9.56	8.35	8.36	8.52	8.15	7.80	7.82	7.80	7.46
Tier 1 Risk Based Capital Ratio	16.62	12.82	15.33	12.75	12.36	12.52	12.43	12.28	12.80	12.70	12.19
Total Risk Based Capital Ratio	17.97	14.33	16.69	14.05	14.39	14.33	13.98	13.85	14.23	13.96	13.51
Equity Capital (Percent to Total Assets)	11.27	9.40	10.72	8.93	9.26	10.72	9.45	9.08	9.09	9.18	8.13
Tangible Common Equity Capital Ratios (Percent of Tangible Assets)	9.79	7.34	9.13	7.16	7.16	7.56	7.34	7.16	7.10	7.16	6.33
(Percent of Risk-Weighted Assets)	16.13	11.52	14.73	10.88	10.72	11.32	11.35	11.32	11.54	11.61	10.25
Loss Reserves:											
ALLL Balance (Percent to Total Assets)	1.25	0.72	1.28	1.22	0.78	0.48	0.47	0.51	0.57	0.60	0.58

Total Operating Expense is Noninterest Expense excluding Goodwill Expense and nonoperating gains/charges.

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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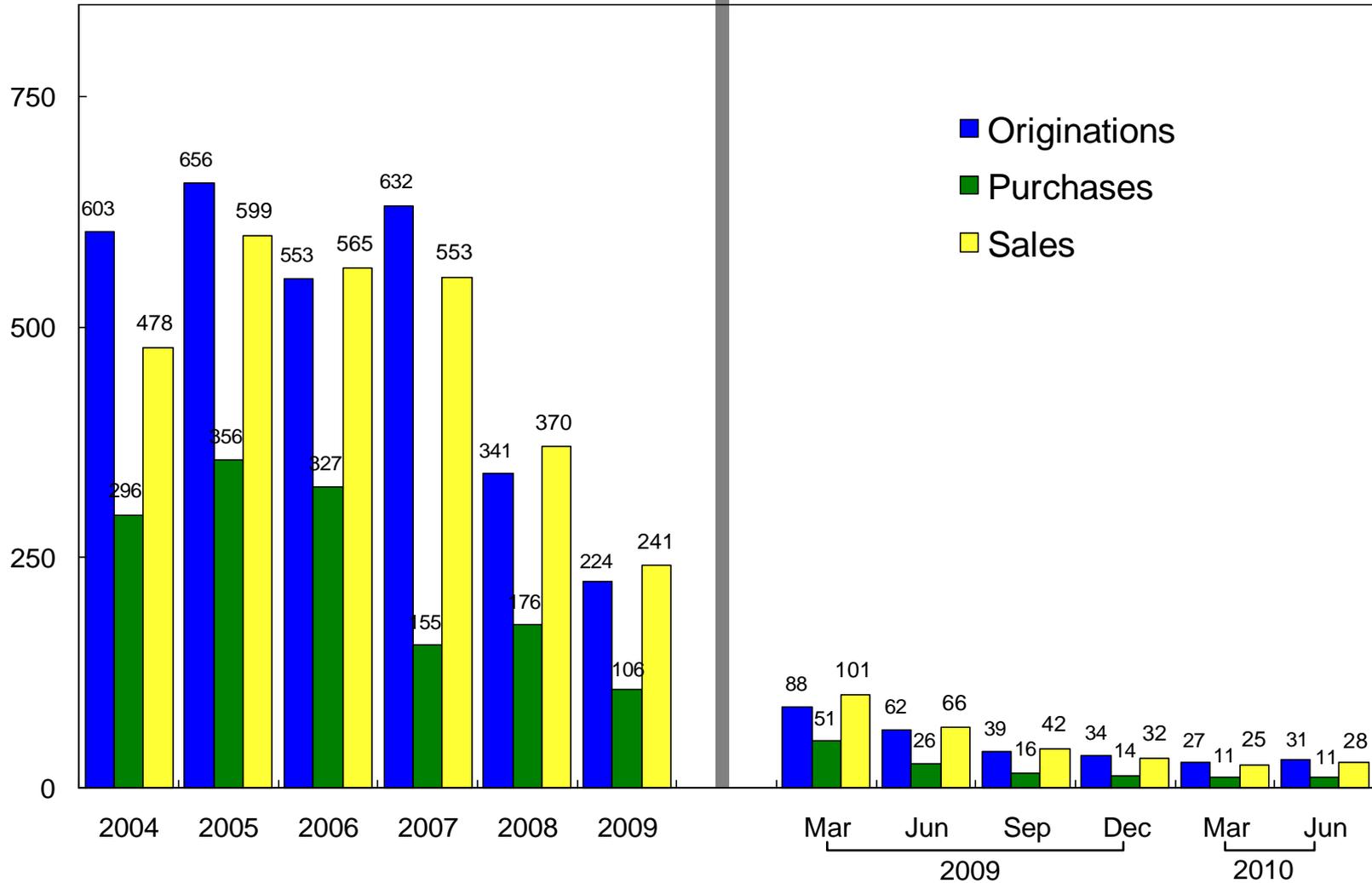
ASSETS AND LIABILITIES COMPOSITION

	Jun 2010		Mar 2010		Jun 2009		Growth Rates	
	\$ Bil	% TA	\$ Bil	% TA	\$ Bil	% TA	Jun '10	Jun '10
							Mar '10	Jun '09
							% Ann.	%
Total Assets	931.2	100.0	949.7	100.0	1,098.0	100.0	(7.8)	(15.2)
Total Loans	570.3	61.2	578.1	60.9	711.3	64.8	(5.4)	(19.8)
1-4 Family Mortgage Loans	326.2	35.0	330.4	34.8	437.6	39.9	(5.1)	(25.5)
Home Equity Lines of Credit	44.4	4.8	45.2	4.8	54.2	4.9	(6.6)	(18.0)
Construction & Land Loans	19.6	2.1	22.2	2.3	36.4	3.3	(46.3)	(46.1)
Multifamily Loans	30.4	3.3	31.6	3.3	34.8	3.2	(15.4)	(12.6)
Nonresidential Loans	67.2	7.2	68.7	7.2	71.4	6.5	(8.7)	(6.0)
Commercial Loans / Small Business	49.9	5.4	51.1	5.4	59.9	5.5	(9.6)	(16.8)
Consumer Loans	77.0	8.3	74.1	7.8	71.2	6.5	15.7	8.2
Allowance for Loan and Lease Losses	(11.7)	(1.2)	(12.1)	(1.3)	(13.6)	(1.2)	(13.0)	(14.0)
Repossessed Assets	4.1	0.4	4.9	0.5	4.5	0.4	(69.0)	(9.7)
Mortgage Backed Securities	143.0	15.4	145.6	15.3	142.7	13.0	(7.1)	0.2
Cash and Liquid Investments	109.7	11.8	115.3	12.1	100.3	9.1	(19.4)	9.4
Other Investment Securities	46.9	5.0	46.5	4.9	69.7	6.3	3.4	(32.7)
Total Liabilities and Capital	931.2	100.0	949.7	100.0	1,098.0	100.0	(7.8)	(15.2)
Total Liabilities	826.2	88.7	845.1	89.0	984.3	89.6	(9.0)	(16.1)
Total Deposits and Escrows	660.8	71.0	667.0	70.2	721.8	65.7	(3.7)	(8.5)
FHLBank Advances	83.3	8.9	85.8	9.0	140.7	12.8	(11.7)	(40.8)
Other Borrowings	67.5	7.2	76.0	8.0	105.2	9.6	(44.9)	(35.9)
Other Liabilities	14.8	1.6	16.5	1.7	17.4	1.6	(41.5)	(14.8)
Equity Capital	105.0	11.3	104.6	11.0	113.7	10.4	1.4	(7.7)

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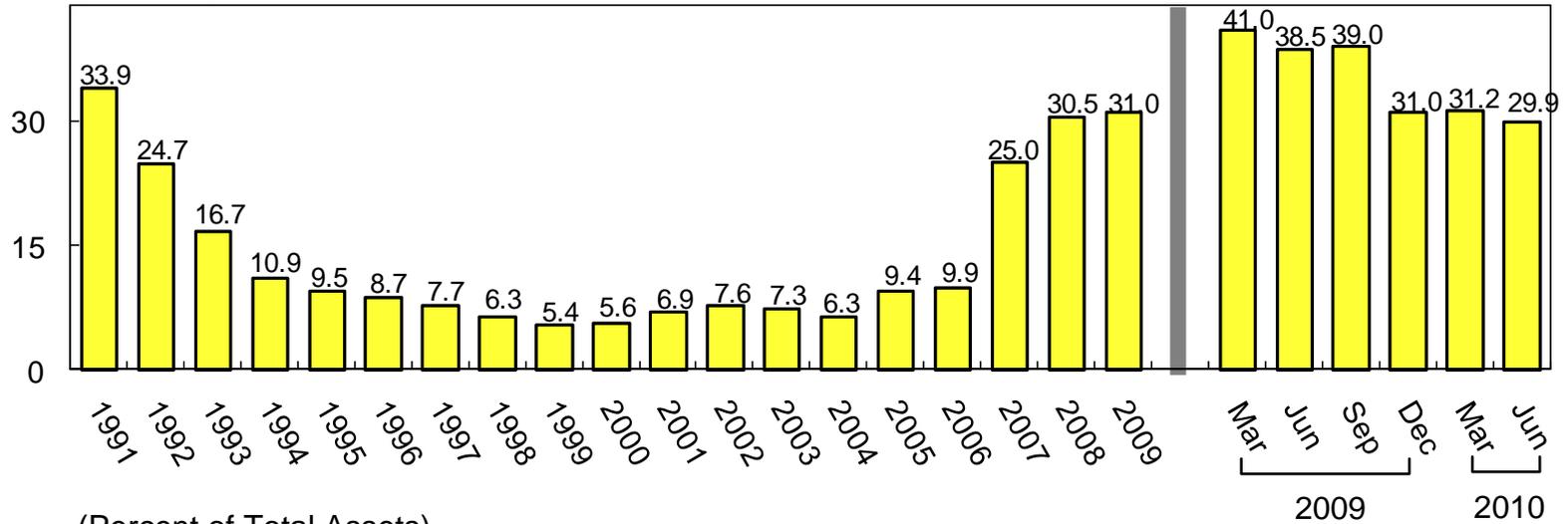
1-4 FAMILY ORIGINATIONS, PURCHASES, AND SALES

1-4 Family Mortgage Loans (\$ Billions)

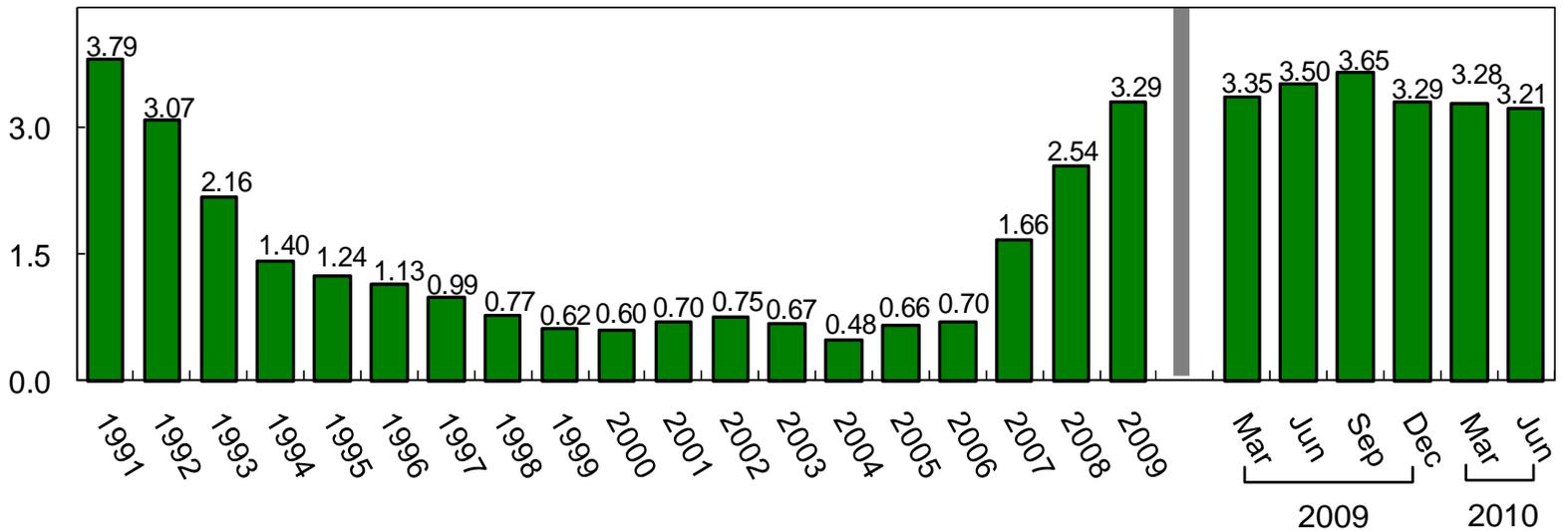


TROUBLED ASSETS

(\$ Billions)



(Percent of Total Assets)

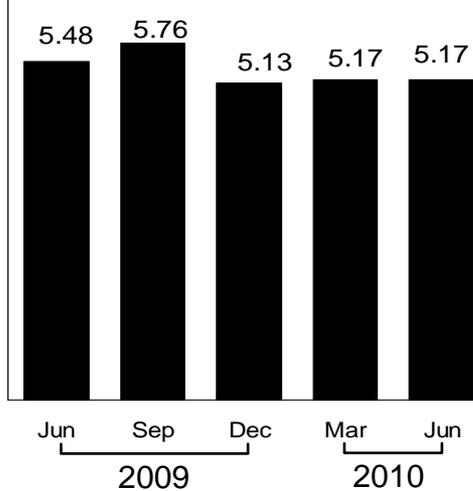


Troubled Assets include noncurrent (90 days or more past due or in nonaccrual status) loans and repossessed assets.
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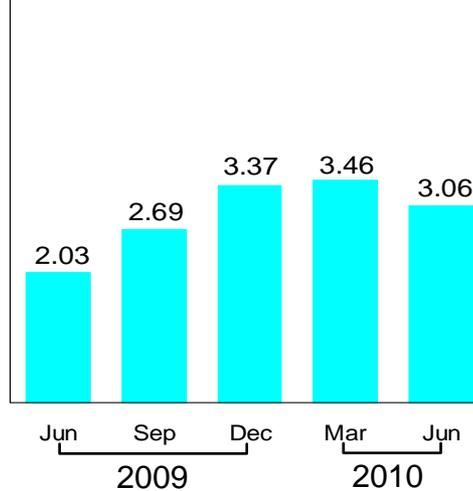
NONCURRENT LOANS – FIVE QUARTERS

Percent of Loan Type

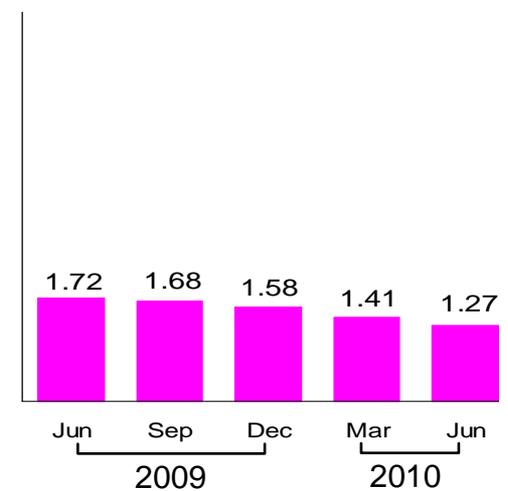
1-4 Family (35.0% of Thrift Assets)



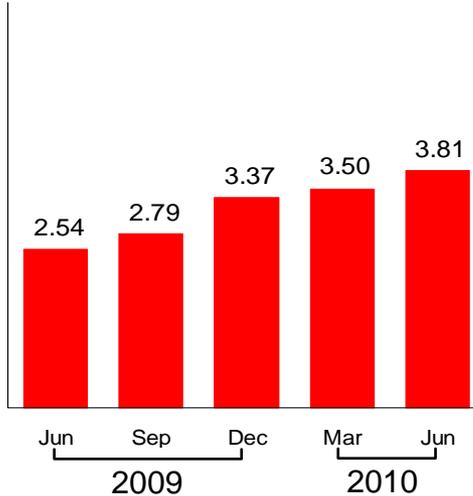
Multifamily (3.3% of Thrift Assets)



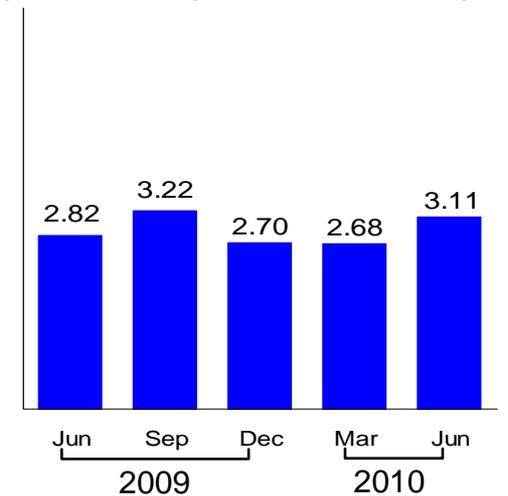
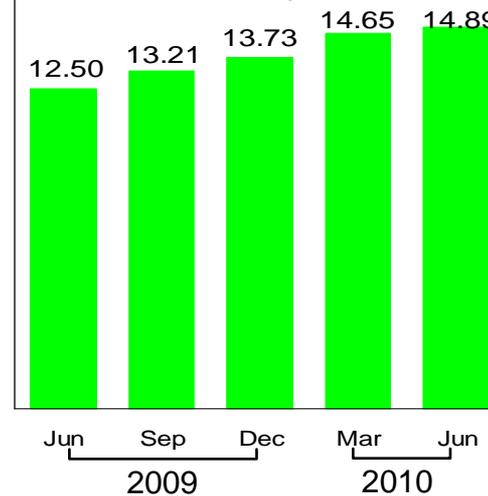
Consumer (8.3% of Thrift Assets)



Nonresidential (7.2% of Thrift Assets)



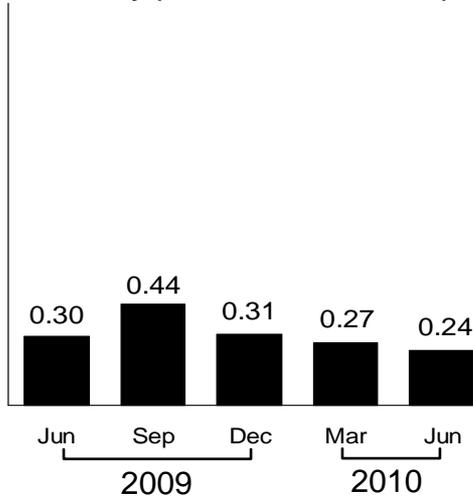
Construction & Land (2.1% of Thrift Assets) Commercial (5.4% of Thrift Assets)



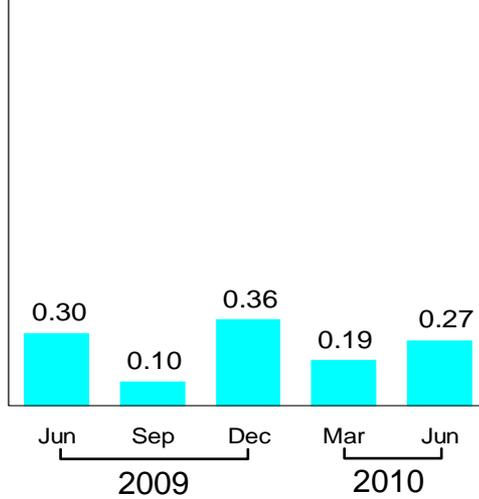
NET CHARGE-OFFS

Percent of Loan Type

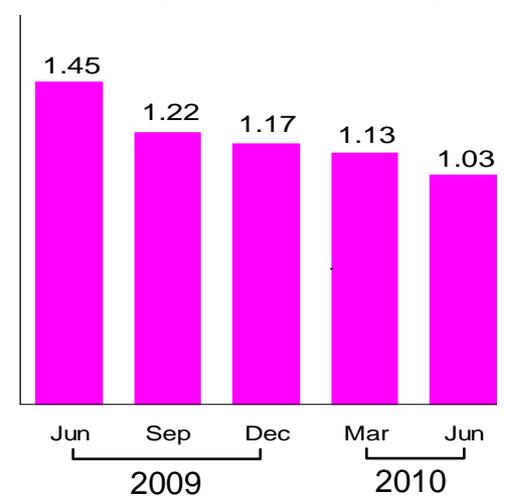
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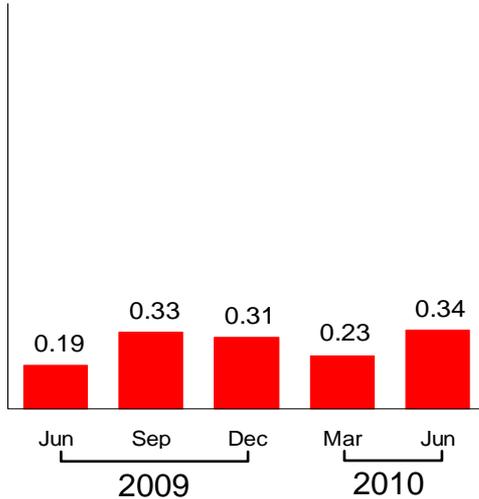
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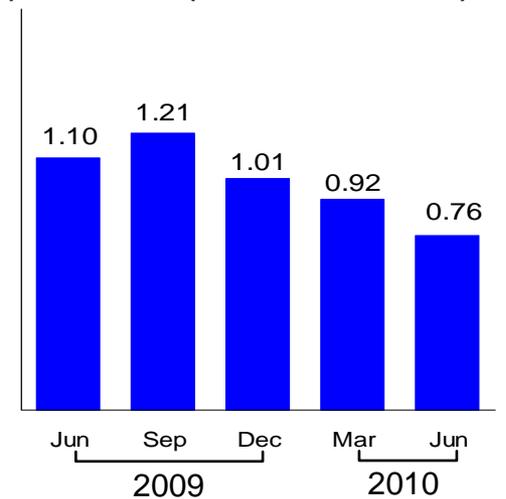
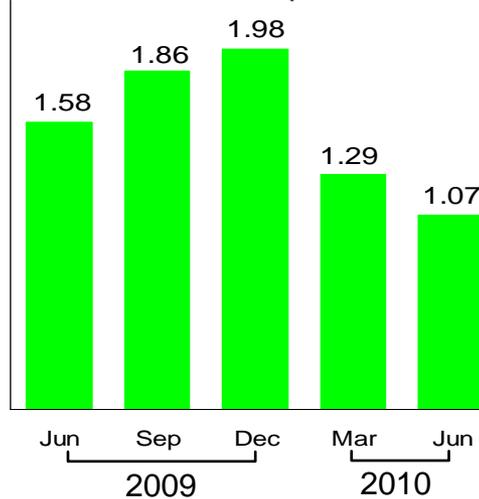
Consumer (8.3% of Thrift Assets)



Nonresidential (7.2% of Thrift Assets)



Construction & Land (2.1% of Thrift Assets) Commercial (5.4% of Thrift Assets)



NUMBER OF PROBLEM THRIFTS

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

