

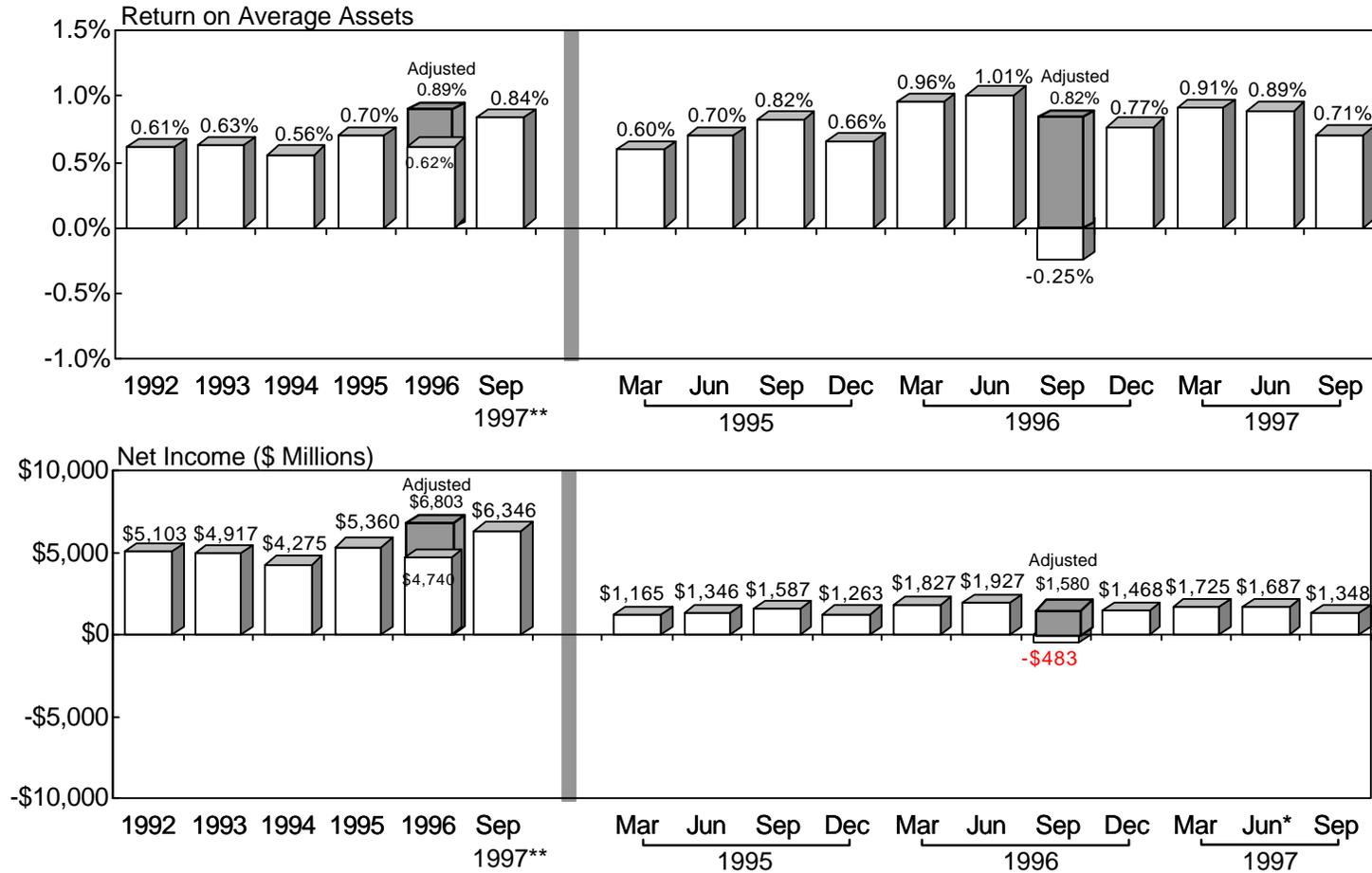


OFFICE OF THRIFT SUPERVISION

Third Quarter 1997 Index of Charts

TITLE	CHART
• One-Time Acquisition Related Charges Depressed Third Quarter Earnings	1
• Recent ROAs are Historically Strong	2
• Core Income Remains Strong Excluding One-Time Charges	3
• Improved Earnings and Operating Efficiency Ratios Have Helped Strengthen Earnings	4
• Equity Capital Ratio is at a Record Level	5
• Problem Thrifts Reached Post-FIRREA Low	6
• Troubled Assets Increased Slightly in the Third Quarter, But Remain at Low Levels	7
• Noncurrent Loan Rates Remain Low	8
• Single-Family Mortgages Still Dominate Industry Assets, Although Growth Rates Were High for Small Business / Commercial Loans	9
• Sensitivity to Interest Rate Risk Has Declined Recently But Remains Higher Than in 1995	10
• Higher Capital Levels Reduce Exposure to Interest Rate “Shocks”	11
• Although Consolidation Has Reduced the Number of Thrifts, Industry Assets Have Remained Relatively Stable Since 1993	12
• Asset Growth By Remaining Thrifts and Assets of New Thrifts Have Largely Offset Asset Losses from Consolidation Since 1993	13
• 1997 Shows Divergent Trends with Increases in Both New Entrants and Conversions to Commercial Banks	14

ONE-TIME ACQUISITION RELATED CHARGES DEPRESSED THIRD QUARTER EARNINGS



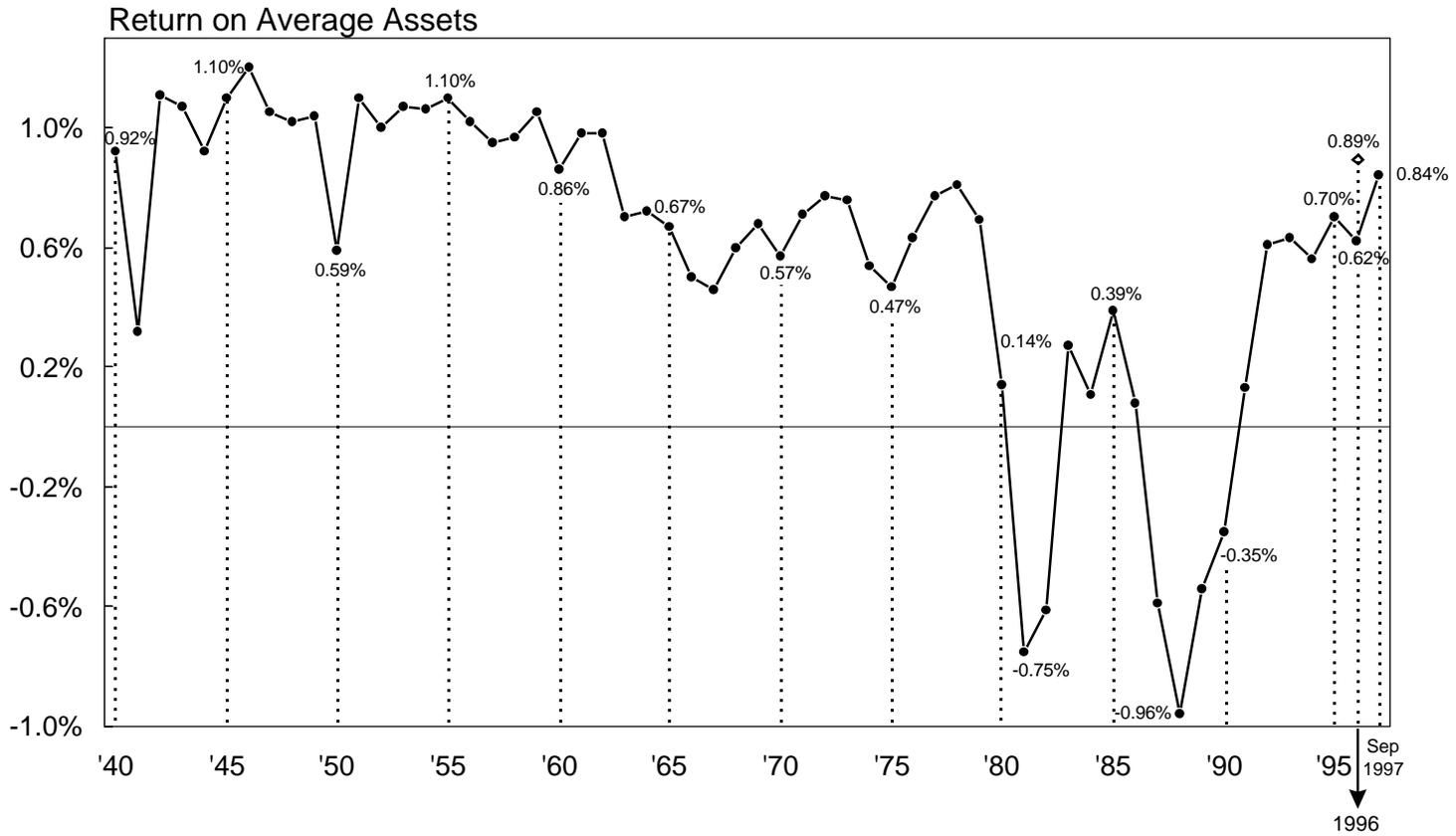
* Revised. Numbers may not add due to rounding.

** Year-to-date annualized.

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

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RECENT ROAs ARE HISTORICALLY STRONG

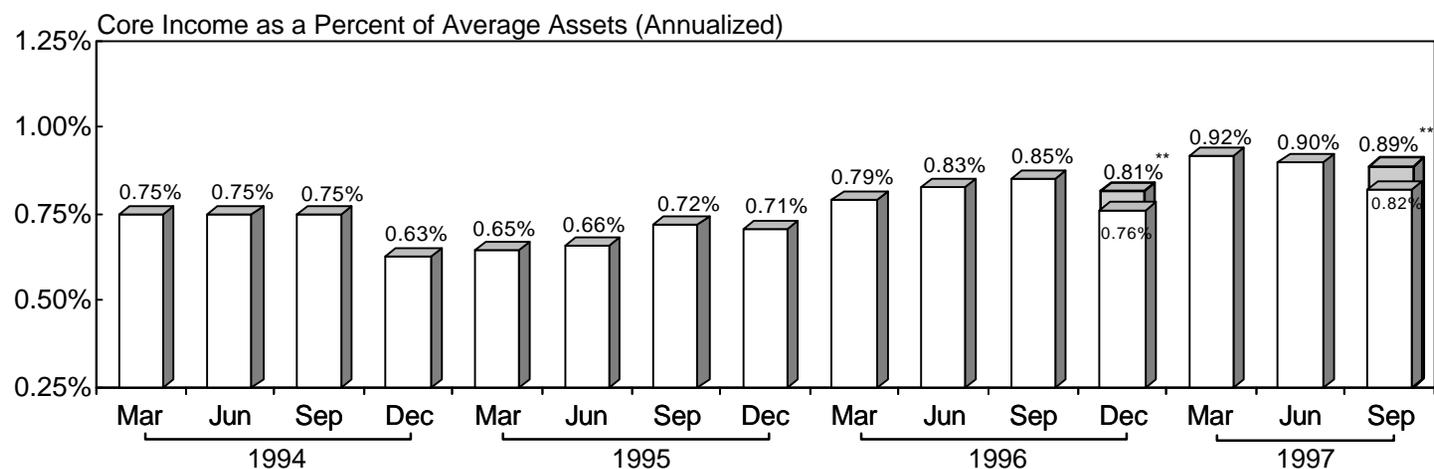
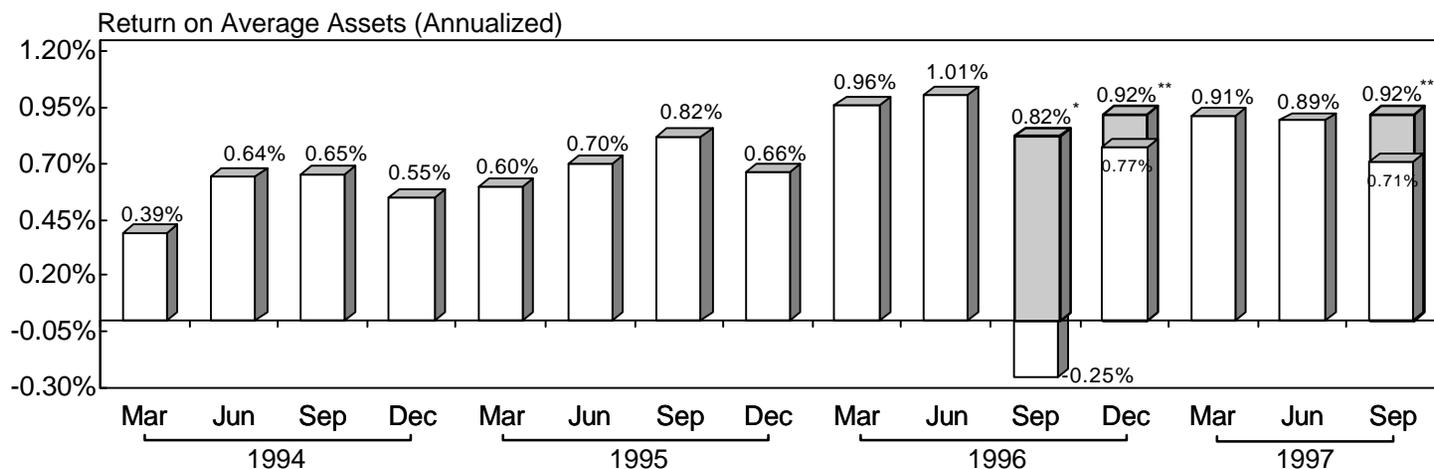


1996 data are adjusted to exclude the net SAIF special assessment of \$2.1 billion incurred in the third quarter.

1997 data are year-to-date annualized.

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CORE INCOME REMAINS STRONG EXCLUDING ONE-TIME CHARGES



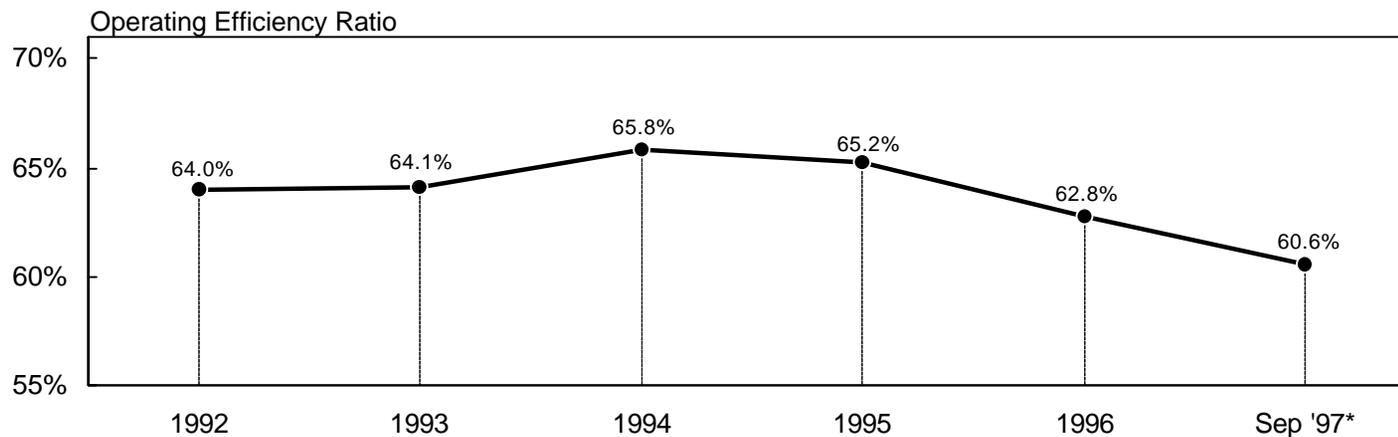
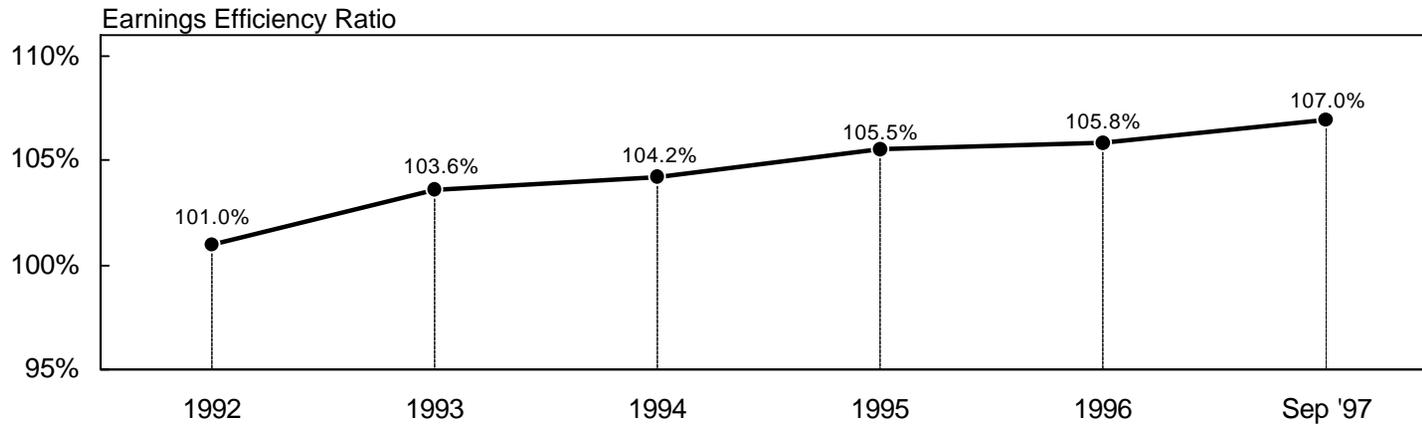
* Adjusted data exclude the net SAIF special assessment of \$2.1 billion.

** Adjusted data exclude large thrifts with one-time charges.

Core Income = Net interest income and fee income less general and administrative expense, SAIF special assessment, and income taxes based on a 35% rate.

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IMPROVED EARNINGS AND OPERATING EFFICIENCY RATIOS HAVE HELPED STRENGTHEN EARNINGS



* Year-to-date.

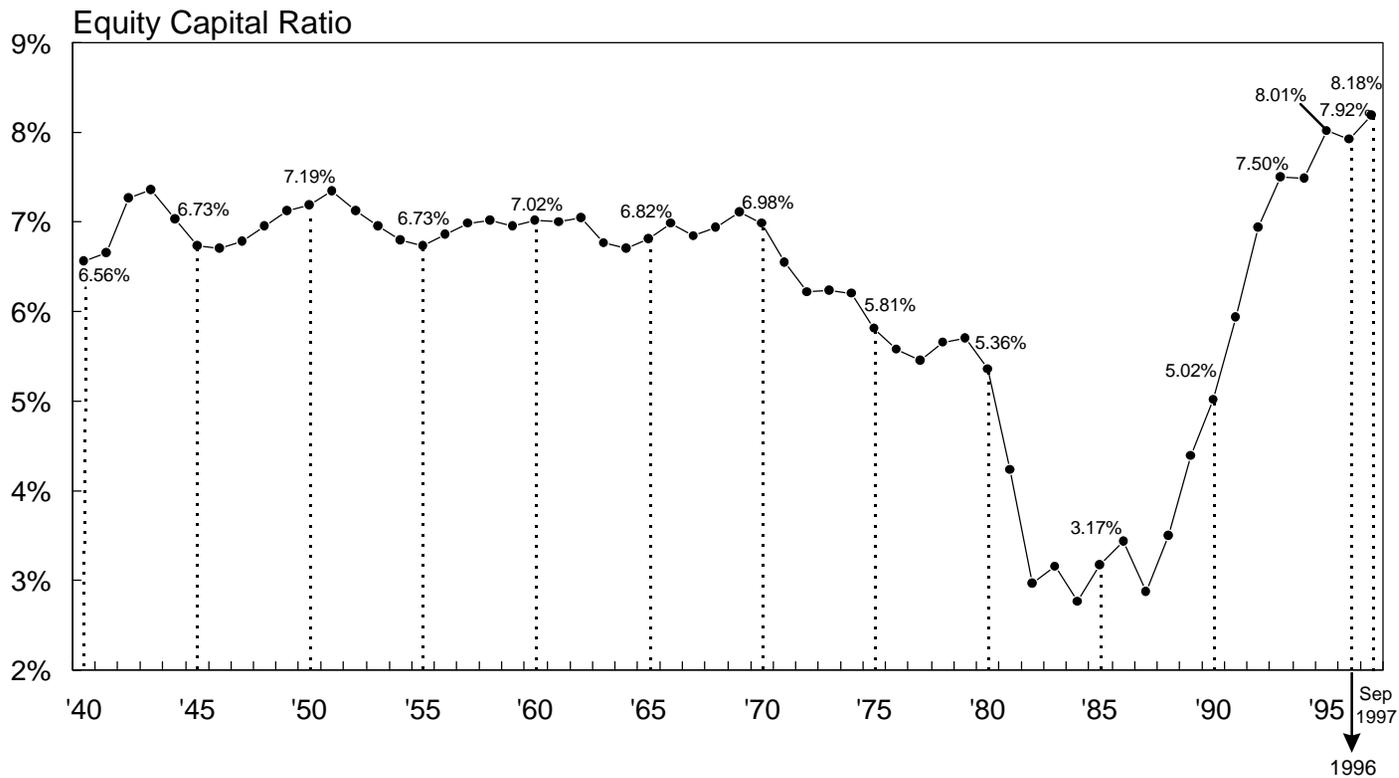
Earnings Efficiency Ratio = Interest Earning Assets / Interest Bearing Liabilities.

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

1996 General and Administrative Expense excludes net SAIF special assessment.

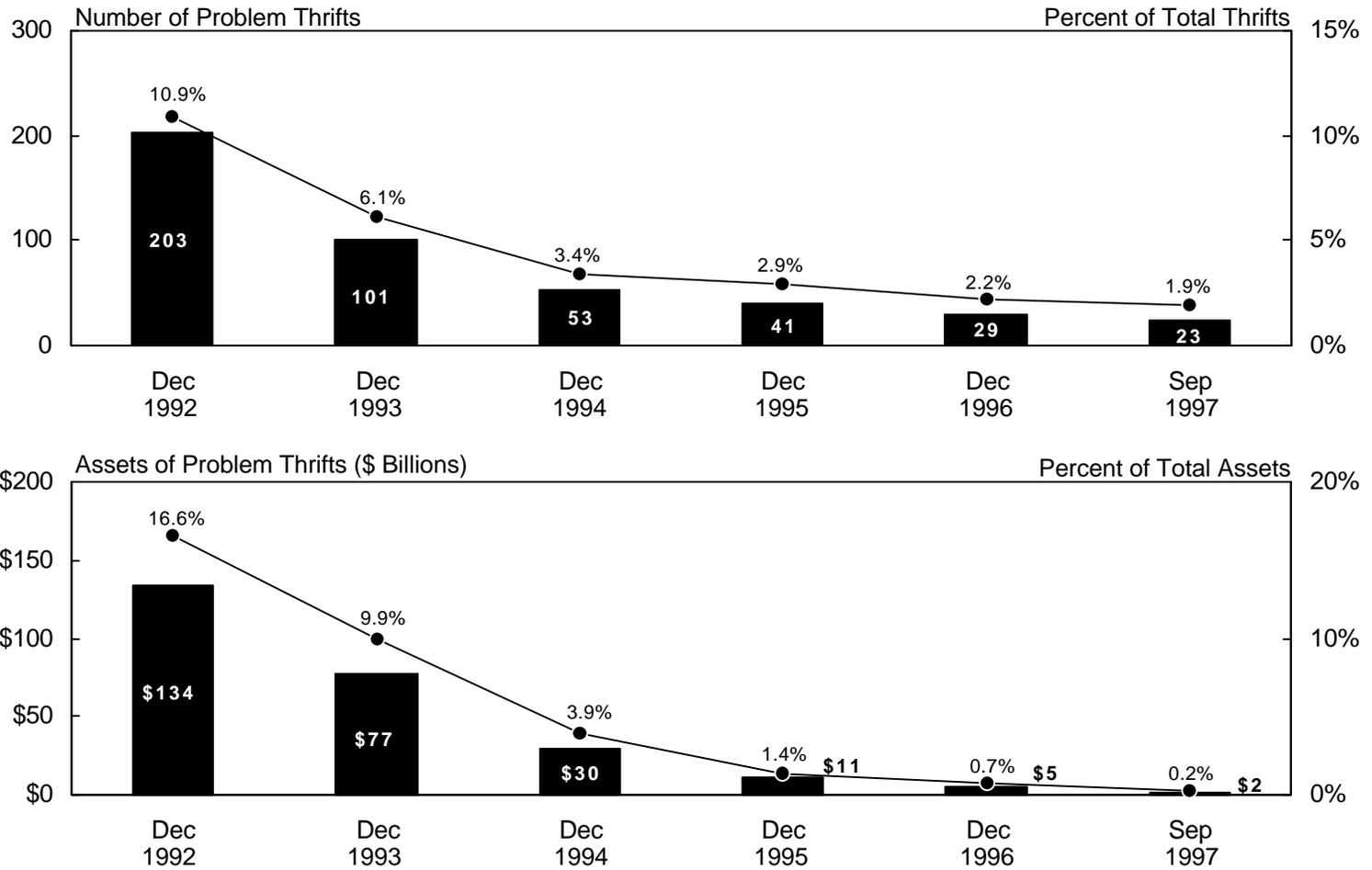
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EQUITY CAPITAL RATIO IS AT A RECORD LEVEL

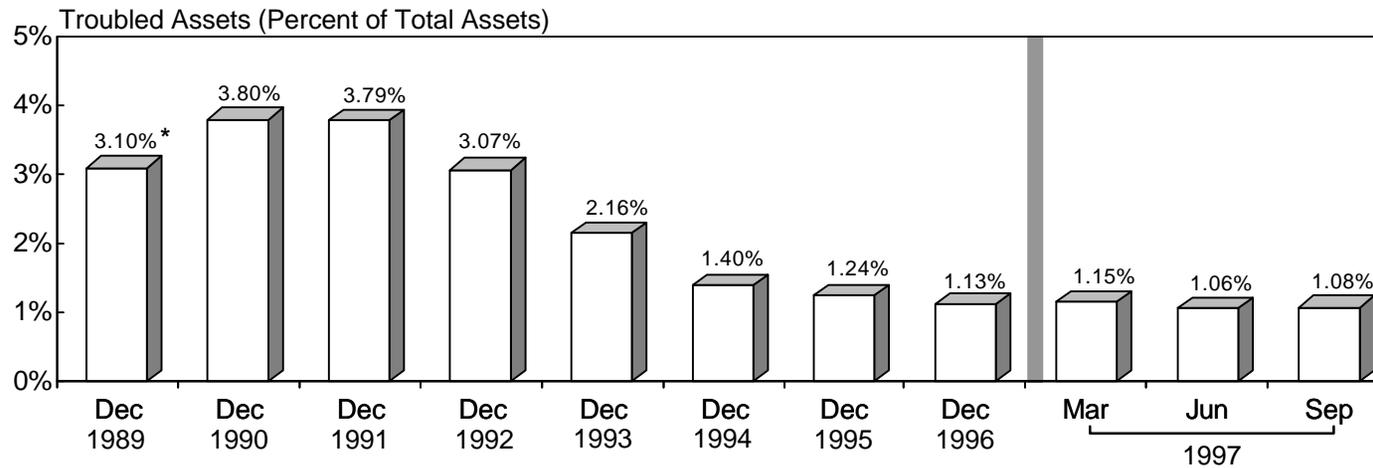
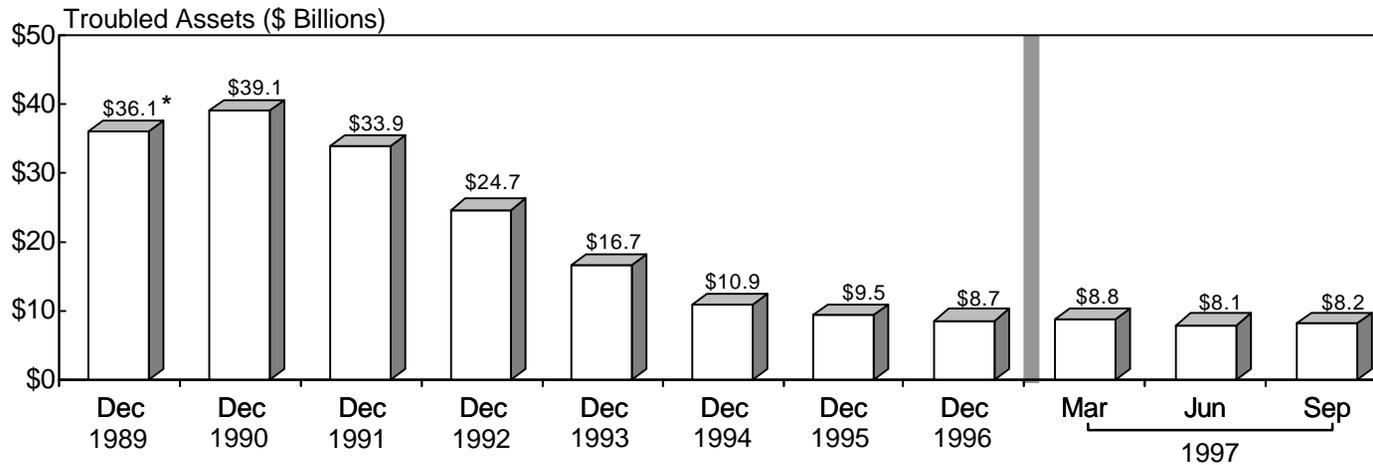


PROBLEM THRIFTS REACHED POST-FIRREA LOW

(Thrifts with CAMELS Ratings of 4 or 5)



TROUBLED ASSETS INCREASED SLIGHTLY IN THE THIRD QUARTER, BUT REMAIN AT LOW LEVELS



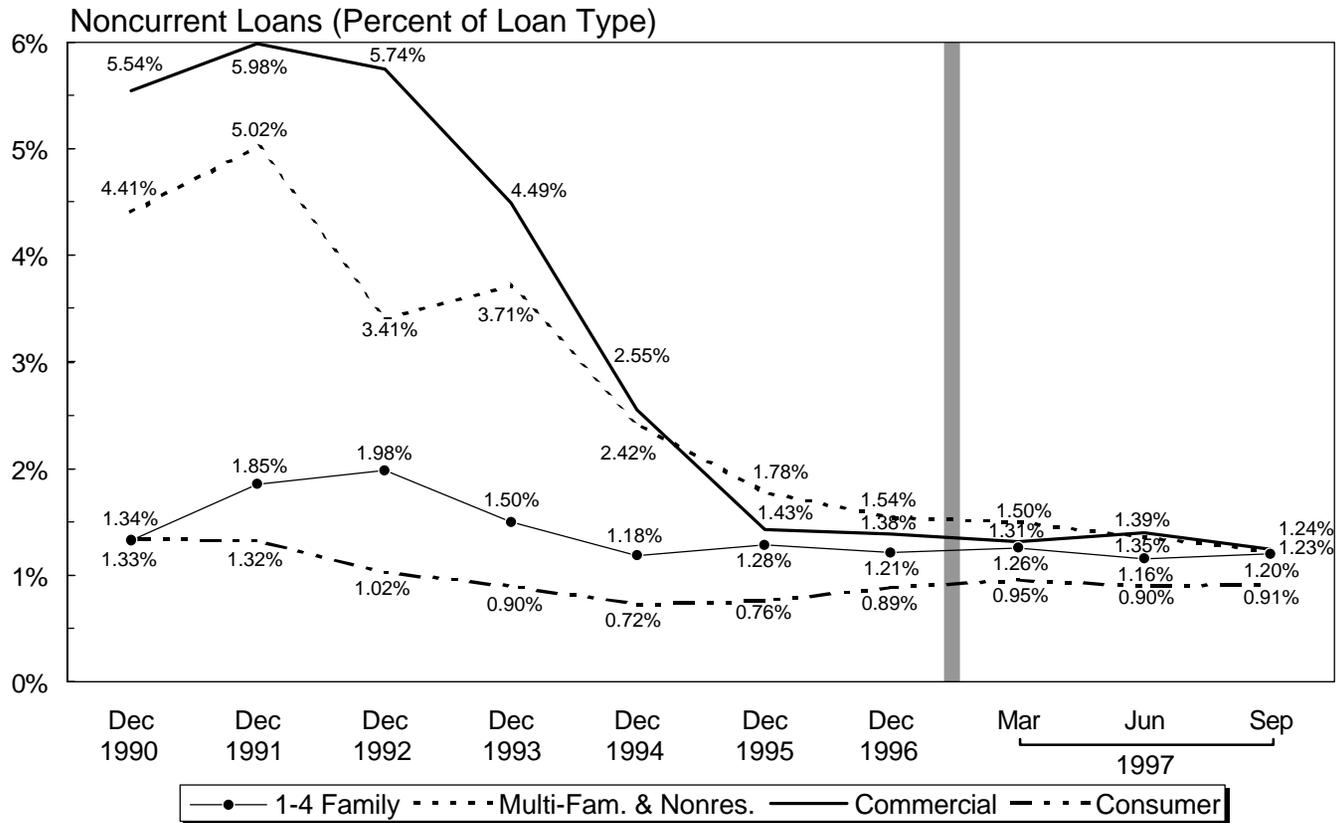
* Estimated.

Troubled Assets include noncurrent loans and repossessed assets.

Data after 1995 are net of specific valuation allowances.

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NONCURRENT LOAN RATES REMAIN LOW



Data after 1995 are net of specific valuation allowances.
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SINGLE-FAMILY MORTGAGES STILL DOMINATE INDUSTRY ASSETS, ALTHOUGH GROWTH RATES WERE HIGH FOR SMALL BUSINESS / COMMERCIAL LOANS

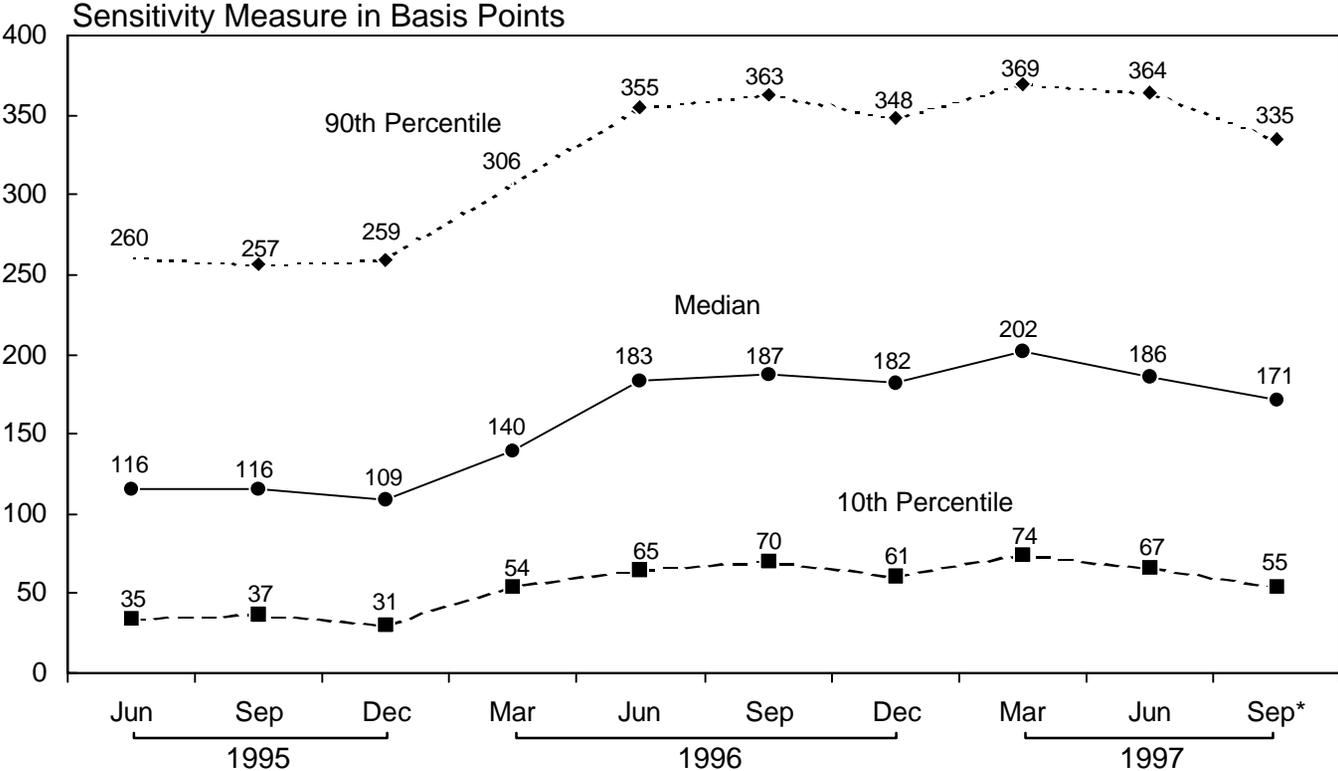
	December 1993	September 1997	December 1993 to September 1997	
			\$ Change	Average Annualized Growth Rates
Total Assets	\$774.8	\$762.8	-12.0	-0.4%
Total Loans	503.7	533.9	30.2	1.6%
1-4 Family Mortgage Loans	354.7	387.8	33.1	2.4%
Construction Loans	12.7	11.4	-1.3	-2.8%
Other Mortgages	95.7	80.9	-14.8	-4.4%
Sm. Business / Commercial Loans	5.2	10.6	5.4	20.8%
Consumer Loans	35.4	43.3	7.9	5.5%
Mortgage Pool Securities	119.5	103.8	-15.7	-3.7%
Investment Securities	108.6	80.4	-28.2	-7.7%

Beginning in 1997, balances of individual loan and securities categories were reported net of loans-in-process, unamortized yield adjustments, and specific valuation allowances.

Dollars in billions.

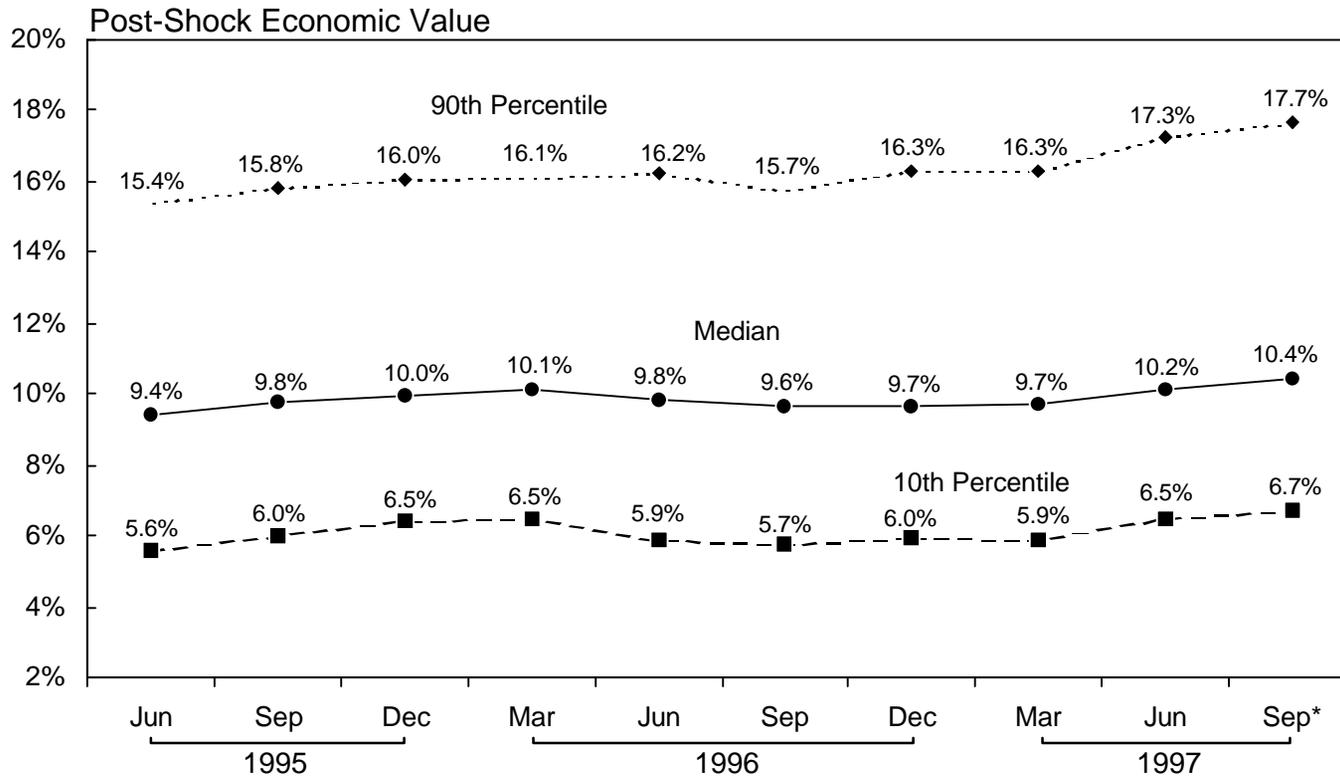
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SENSITIVITY TO INTEREST RATE RISK HAS DECLINED RECENTLY BUT REMAINS HIGHER THAN IN 1995



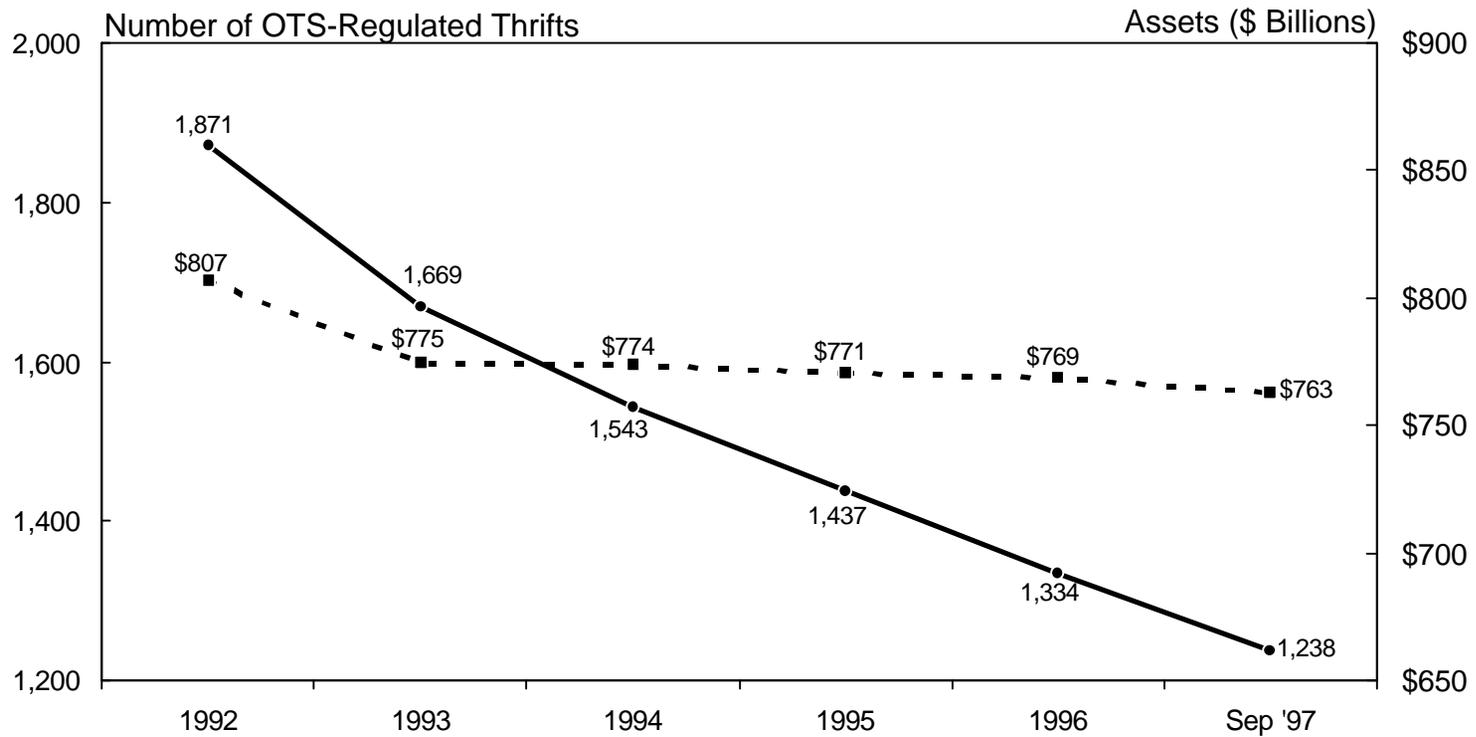
* Preliminary third quarter data.
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HIGHER CAPITAL LEVELS REDUCE EXPOSURE TO INTEREST RATE “SHOCKS”

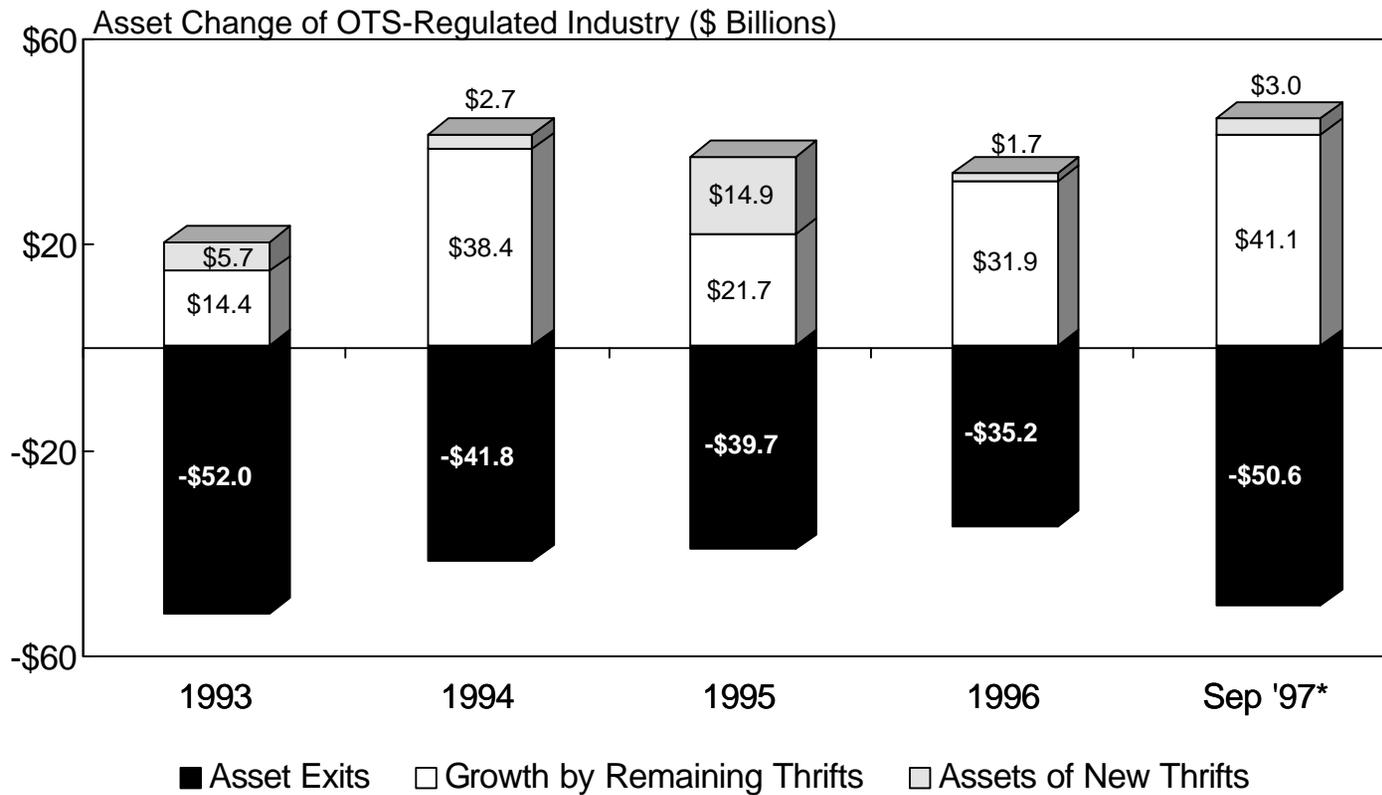


* Preliminary third quarter data.
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ALTHOUGH CONSOLIDATION HAS REDUCED THE NUMBER OF THRIFTS, INDUSTRY ASSETS HAVE REMAINED RELATIVELY STABLE SINCE 1993



ASSET GROWTH BY REMAINING THRIFTS AND ASSETS OF NEW THRIFTS HAVE LARGELY OFFSET ASSET LOSSES FROM CONSOLIDATION SINCE 1993



* Year-to-date.
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1997 SHOWS DIVERGENT TRENDS WITH INCREASES IN BOTH NEW ENTRANTS AND CONVERSIONS TO COMMERCIAL BANKS

	Average '93-'96	YTD 1997*
Failures	3	0
Conversions		
To Commercial Banks	15	30
To State-Chartered Savings Banks	<u>46</u>	<u>14</u>
Total Number of Conversions	60	44
Acquisitions		
By Commercial Banks	45	52
By State-Chartered Savings Banks	<u>2</u>	<u>1</u>
Total Number of Acquisitions by Non-OTS Reg. Institutions	47	53
OTS Thrift-to-Thrift Mergers	37	25
Voluntary Dissolutions	5	2
TOTAL EXITS	153	124
ENTRANTS	17	19
NET DECLINE	136	105

* Includes transactions consummated through November 25, 1997.
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