



Fourth Quarter 2007 Thrift Industry Report Graphs and Tables

February 20, 2008

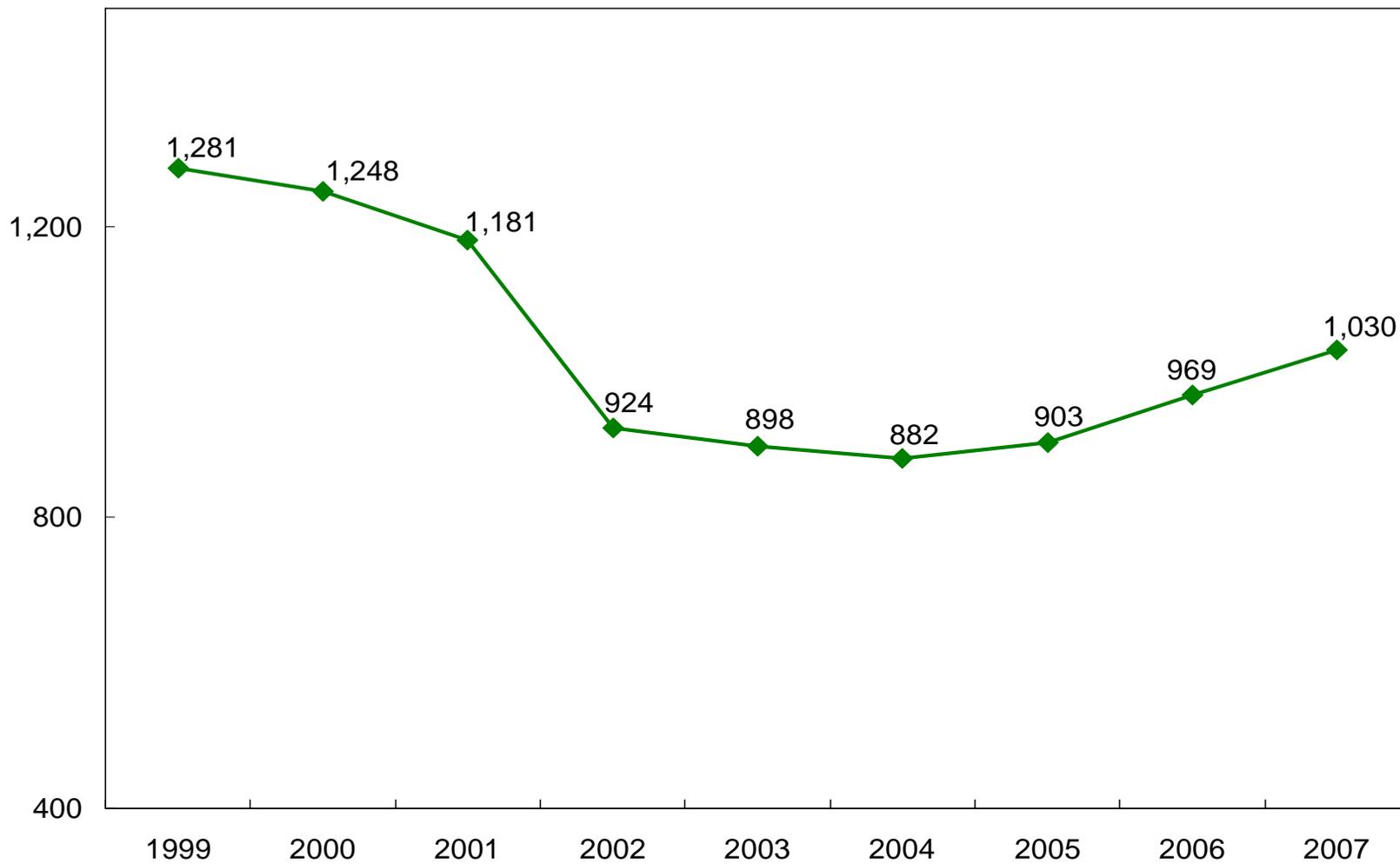


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OTS PERSONNEL

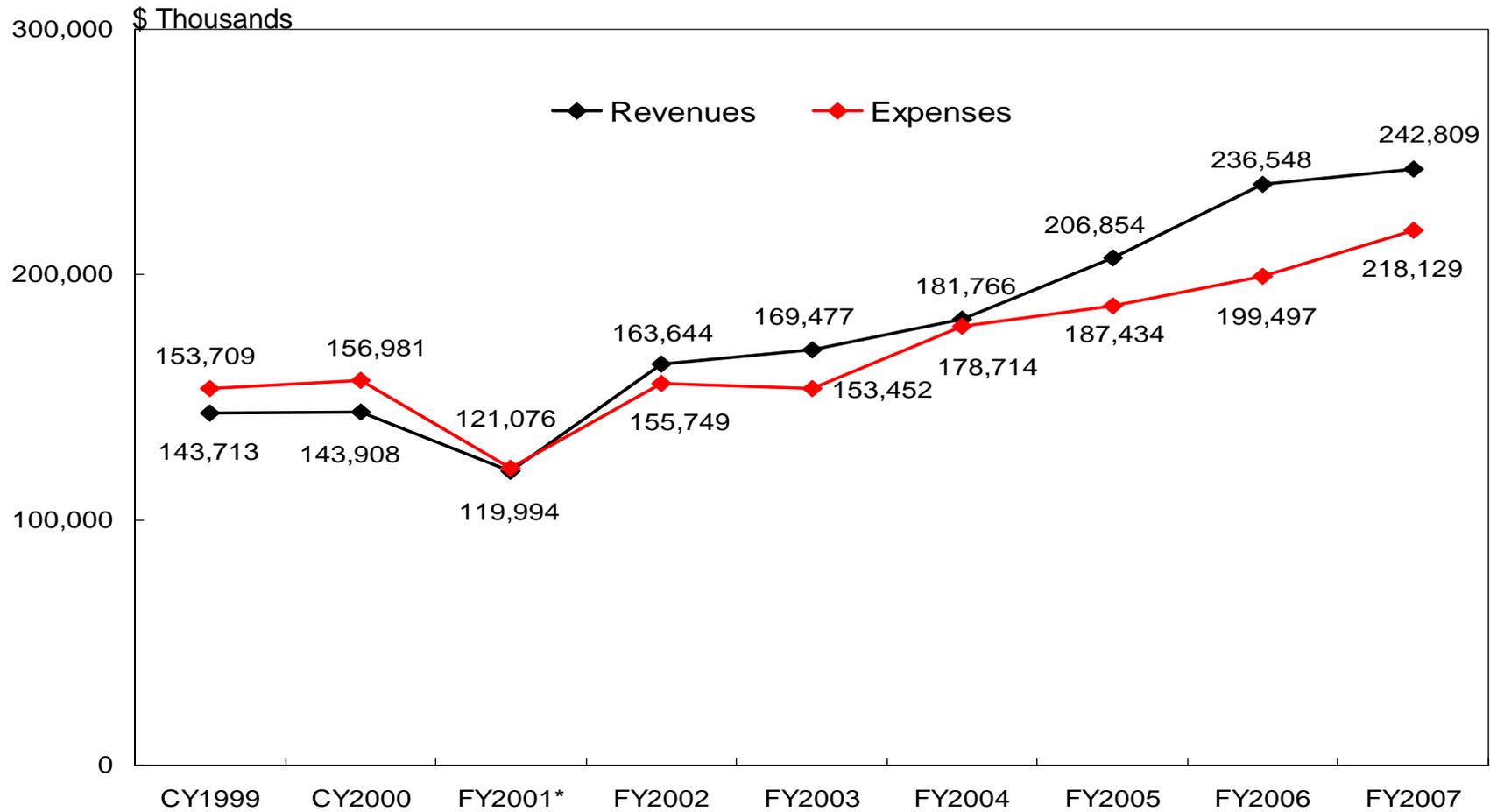
1999 - 2007



Source: OTS Payroll Data, 1999–2007.
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OTS OPERATIONS

1999 – 2007



Source: FY 2008 Approved OTS Budget.

*In 2001, OTS changed from a calendar year to a fiscal year basis ending September 30, and FY 2001 only included 9 months.

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SUMMARY

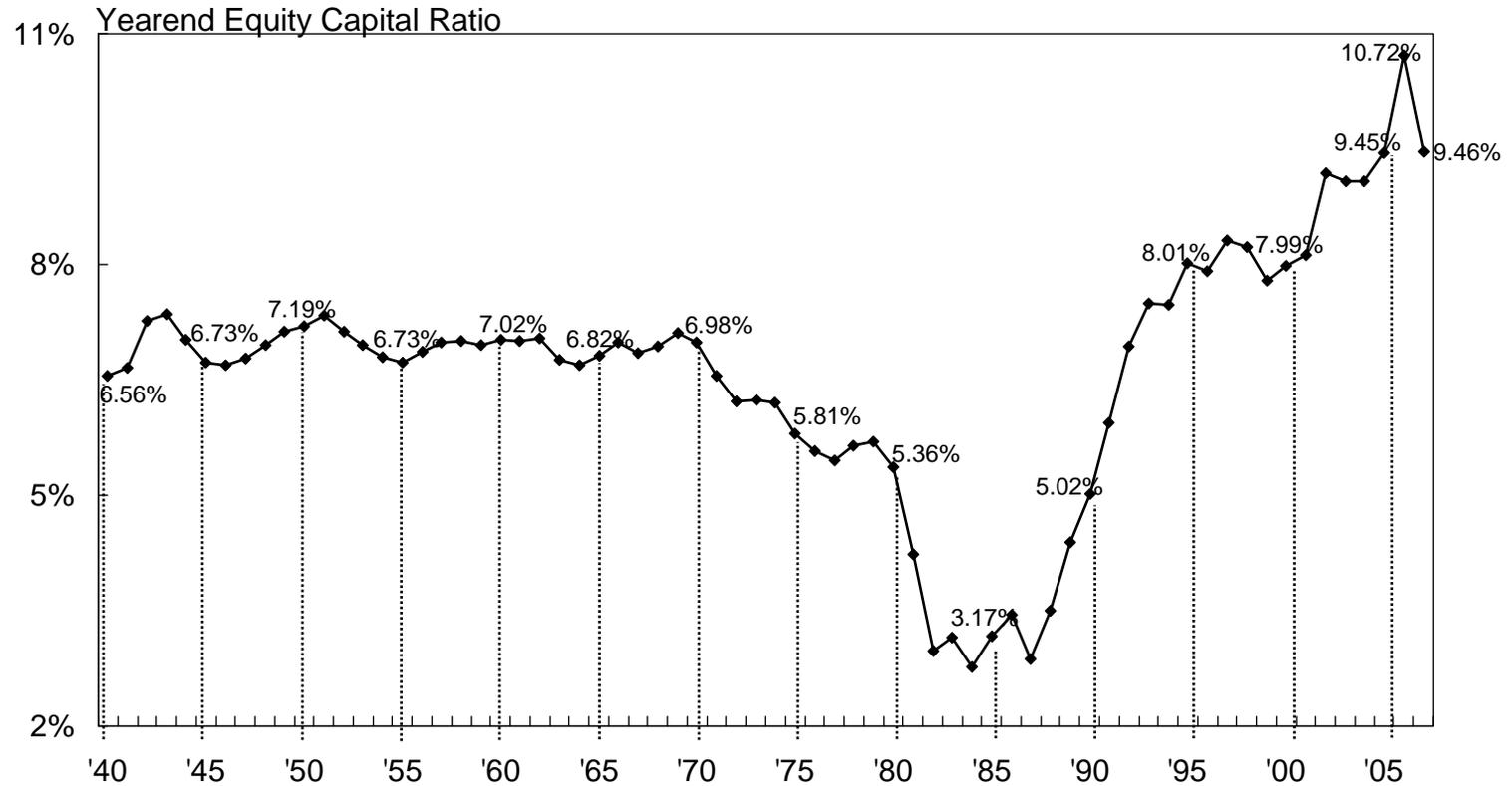
- The current weakness in the U.S. housing sector resulted in an earnings issue for thrifts – not a capital issue.

- In the fourth quarter...
 - Thrifts incurred \$4.1 billion in goodwill write-downs.
 - One thrift reported a restructuring charge of \$2.2 billion.
 - Thrifts added a record \$5.1 billion in loan loss provisions.

- The result of these goodwill and restructuring charges and additional loan loss provisions was a quarterly net loss of \$5.2 billion and ROA of a negative 1.38%.

- The industry continues to report strong capital and 99% of all thrifts – holding 99.8% of industry assets – exceed “well-capitalized” regulatory standards.

EQUITY CAPITAL RATIO



The equity capital ratio for thrifts reached a record high of 10.80% in June 2007 and a record low of 2.76% in December 1984.
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ROA ANALYSIS

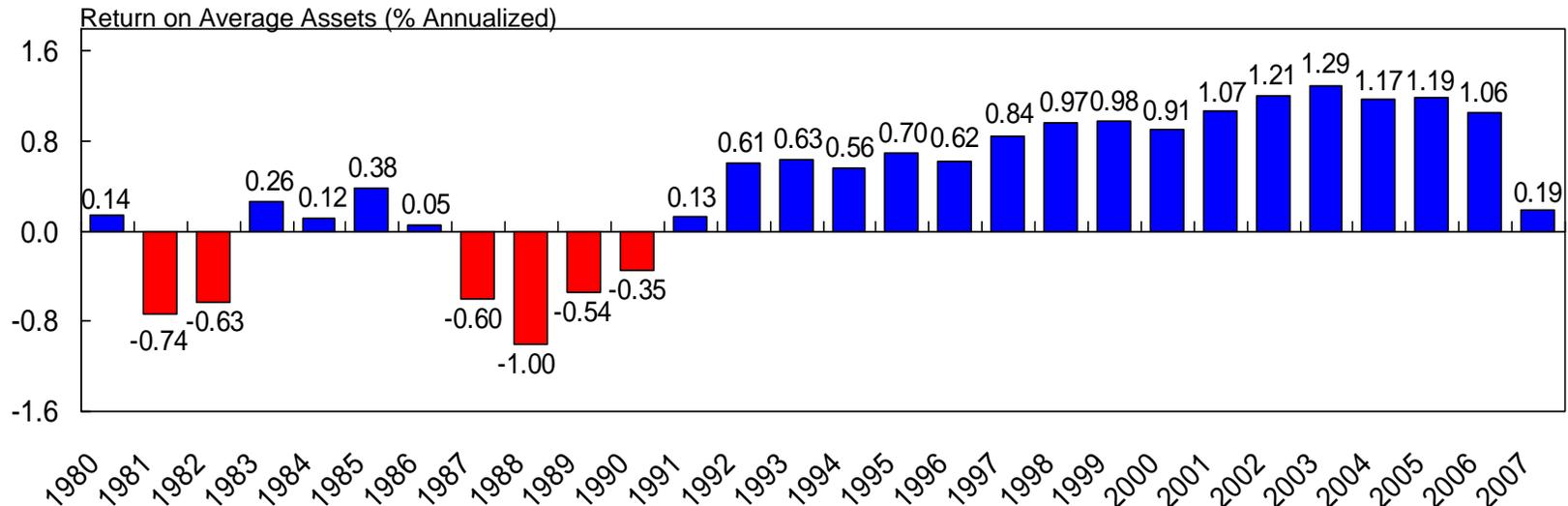
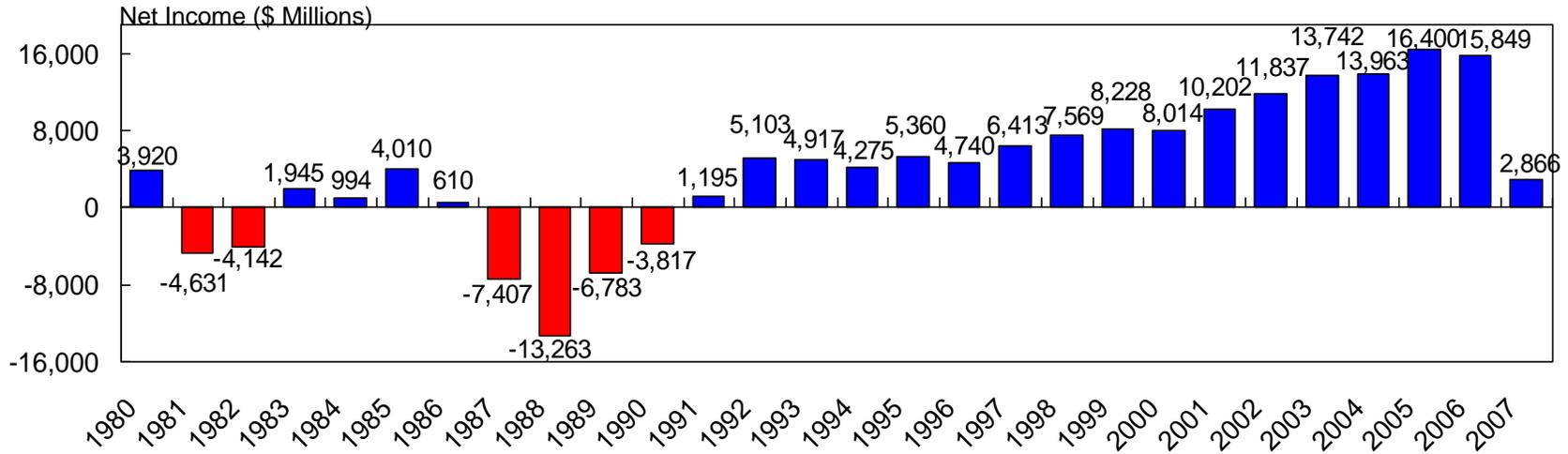
(Percent of Average Assets)	Quarter						ROA Impact ¹		
	Dec '07	Sep '07	Dec '06	2007	2006	2005	Dec '07 Sep '07	Dec '07 Dec '06	2007 2006
Net Interest Income (Margin)	2.61	2.60	2.71	2.69	2.73	2.81	0.01	-0.10	-0.04
Loan Loss Provisions	1.35	0.92	0.45	0.75	0.25	0.21	-0.43	-0.90	-0.50
Total Fee Income	1.15	1.18	1.26	1.22	1.15	1.22	-0.03	-0.11	0.07
Mortgage Loan Servicing Fees & Amort.	-0.01	0.08	0.04	0.09	0.07	0.12	-0.09	-0.05	0.02
Mortgage Loan Servicing Fees	0.24	0.25	N/A	0.24	N/A	N/A	-0.01	N/A	N/A
Servicing Amortization & Adjustments	-0.25	-0.17	N/A	-0.16	N/A	N/A	-0.08	N/A	N/A
Other Fees and Charges	1.16	1.10	1.22	1.13	1.08	1.10	0.06	-0.06	0.05
Other Noninterest Income (Loss)	-0.51	0.12	0.43	0.12	0.56	0.51	-0.63	-0.94	-0.44
Sale of Assets Held For Sale	-0.58	-0.01	0.19	-0.03	0.24	0.36	-0.57	-0.77	-0.27
LOCOM Adjustments to AHFS	-0.08	-0.09	0.00	-0.06	0.00	0.00	0.01	-0.08	-0.06
Trading Assets (Realized & Unrealized)	-0.13	-0.12	-0.02	-0.06	-0.01	-0.02	-0.01	-0.11	-0.05
Other	0.34	0.34	0.26	0.28	0.28	0.15	0.00	0.08	0.00
Noninterest Expense	3.72	2.75	2.59	2.91	2.58	2.48	-0.97	-1.13	-0.33
Goodwill Amortization & Charges	1.07	0.27	0.06	0.37	0.04	0.03	-0.80	-1.01	-0.33
Taxes	-0.44	0.04	0.45	0.17	0.55	0.66	0.48	0.89	0.38
Net Income (ROA)	-1.38	0.17	0.89	0.19	1.06	1.19	-1.55	-2.27	-0.87

¹ Negative values reduced ROA.

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

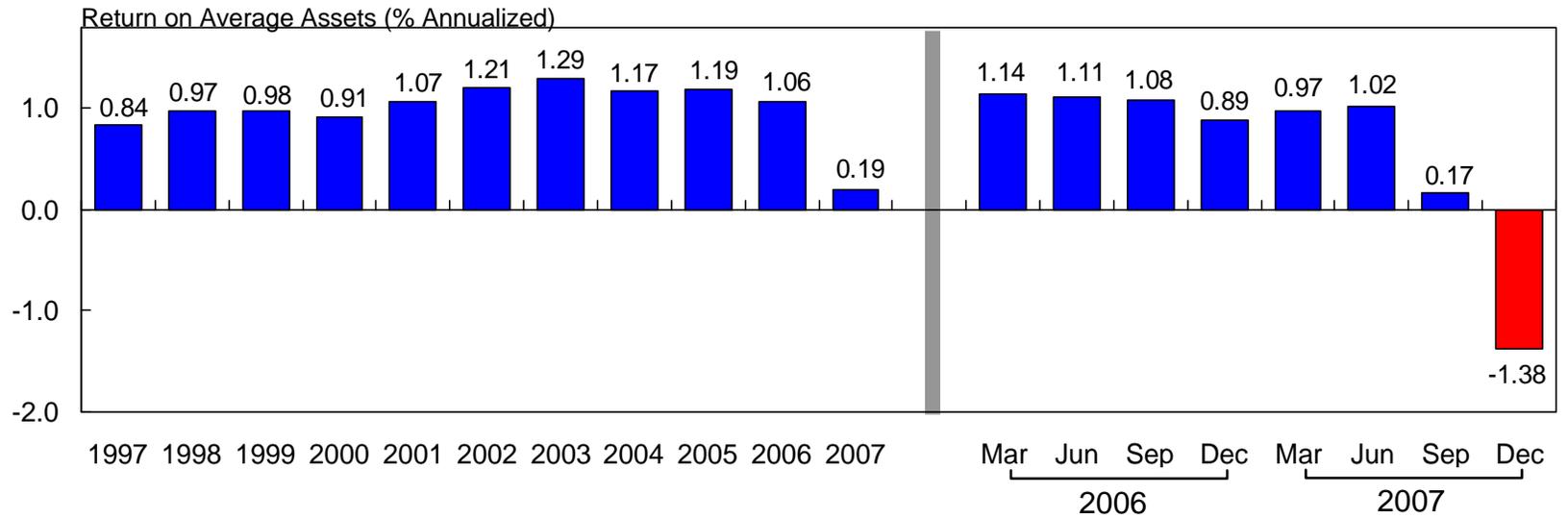
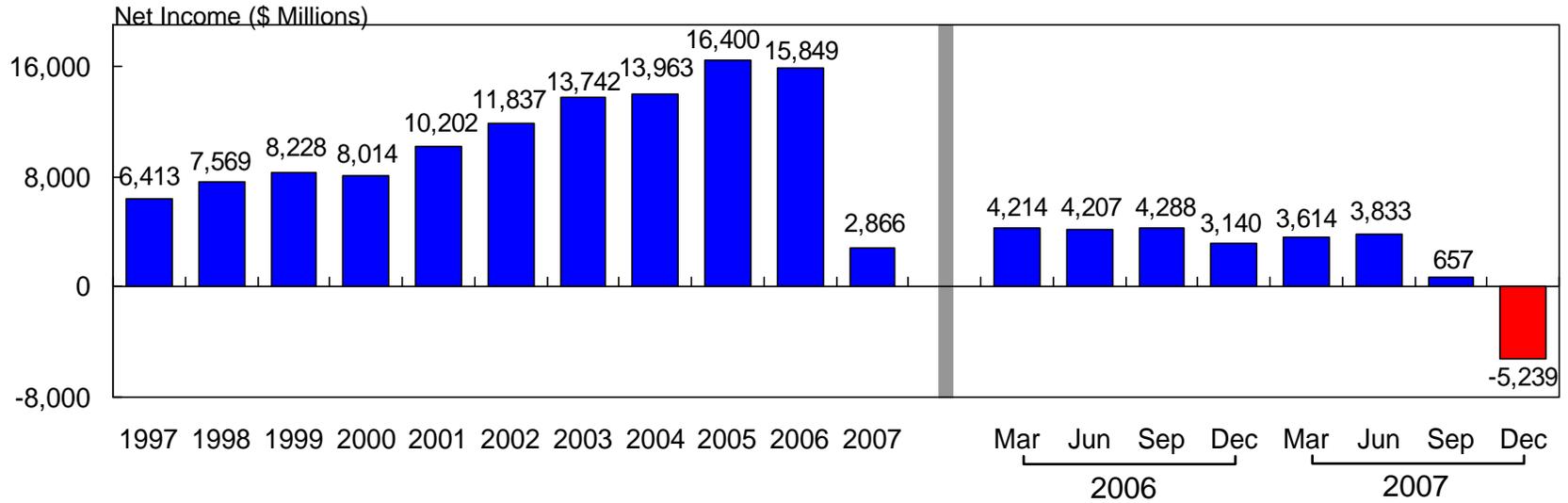
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ANNUAL EARNINGS AND PROFITABILITY



Data for the third quarter 1996 include the SAIF special assessment expense, which amounted to an aggregate \$2.1 billion net of taxes. Excluding the special assessment, net income was \$6.8 billion and ROA was 0.89%.

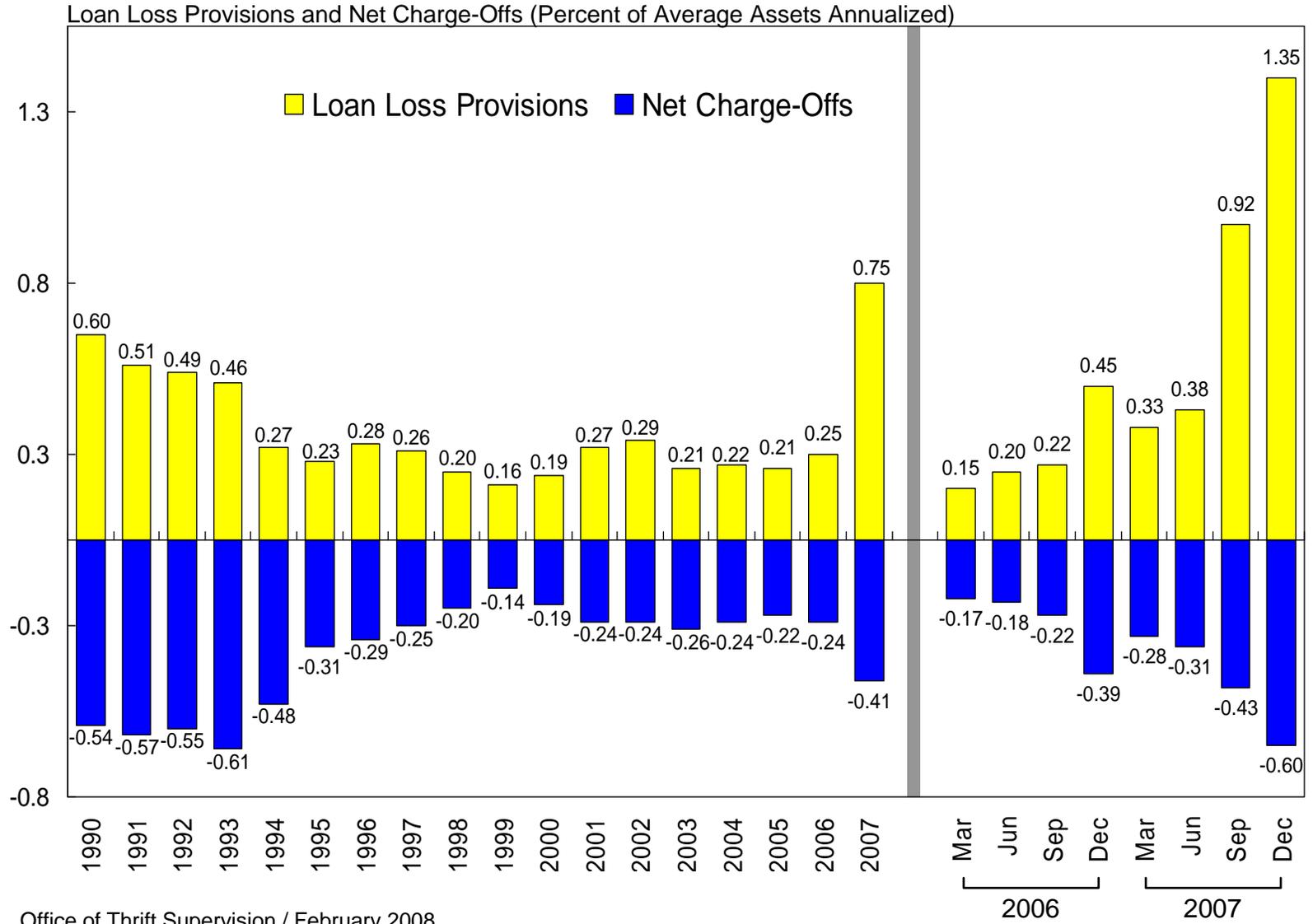
EARNINGS AND PROFITABILITY



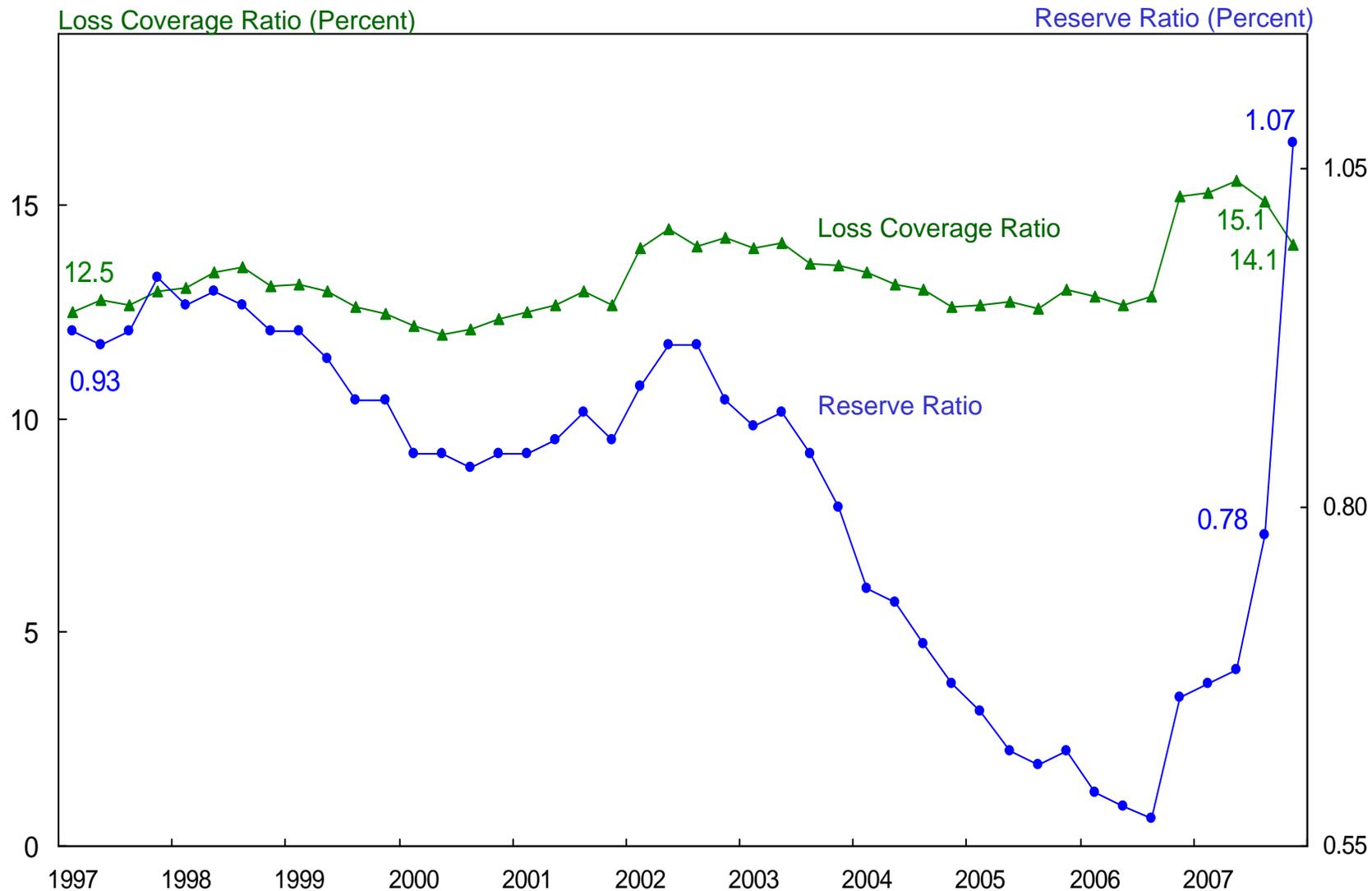
DECOMPOSITION OF FOURTH QUARTER LOSS

- \$5.2 billion reported net loss
(negative 1.38% ROA reported)
- \$4.1 billion goodwill write-down
(negative 1.06% ROA impact)
- \$2.2 billion restructuring charge
(negative 0.57% ROA impact)
- \$5.1 billion loan loss provisions
(negative 1.32% ROA impact)

LOAN LOSS PROVISIONS AND NET CHARGE-OFFS



LOSS COVERAGE AND RESERVE RATIOS



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

Reserve Ratio = ALLL to total loans and leases.

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ASSETS AND LIABILITIES COMPOSITION

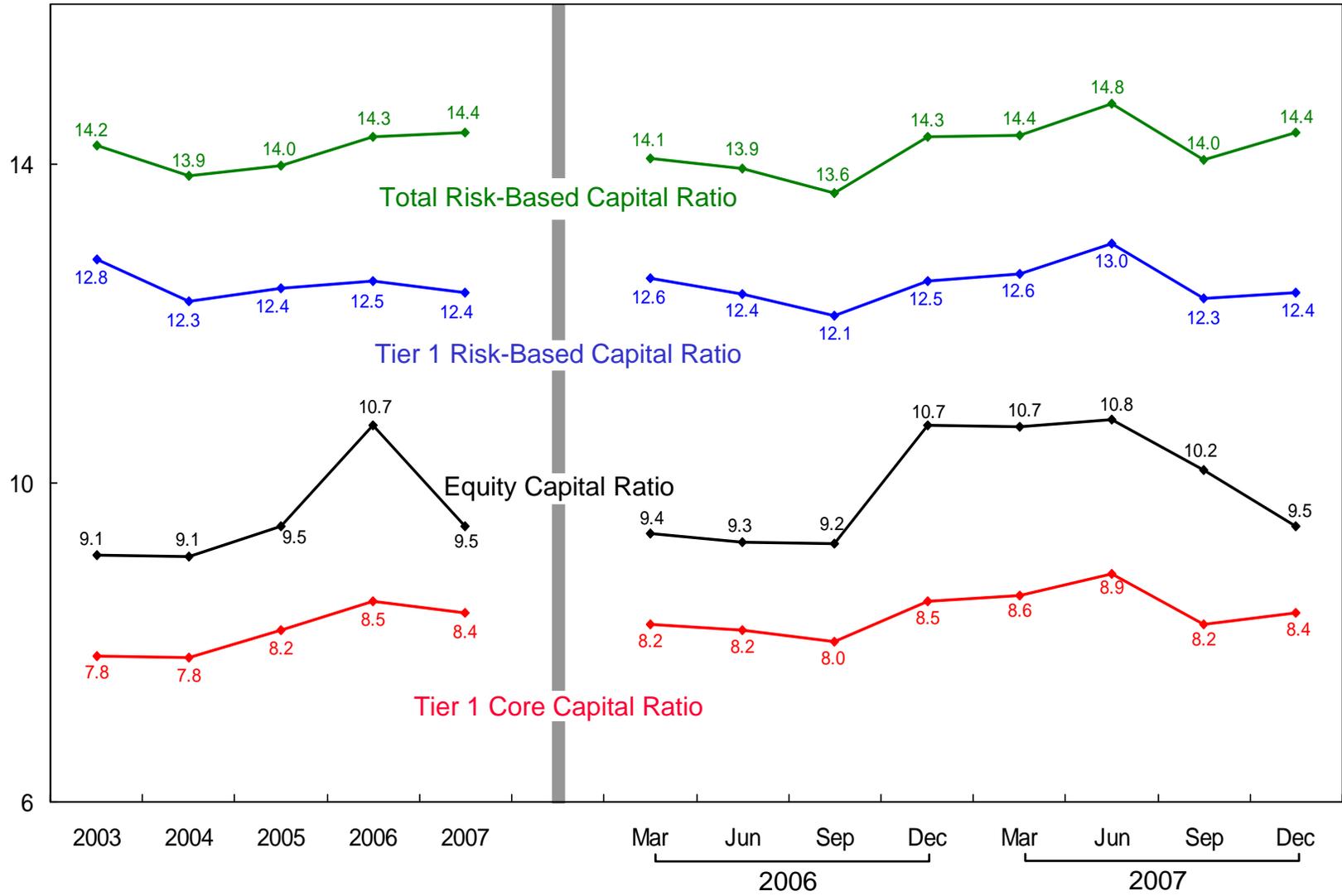
	Dec 2007		Sep 2007		Dec 2006		Growth Rates	
	\$ Bil	% TA	\$ Bil	% TA	\$ Bil	% TA	Dec '07	Dec '07
							Sep '07	Dec '06
							%*	%
Total Assets	1,513.3	100.0	1,570.5	100.0	1,410.8	100.0	(14.6)	7.3
Total Loans	1,071.1	70.8	1,119.1	71.3	1,041.4	73.8	(17.2)	2.8
1-4 Family Mortgage Loans	740.7	48.9	795.7	50.7	727.1	51.5	(27.6)	1.9
Home Equity Lines of Credit	113.0	7.5	110.7	7.0	80.0	5.7	8.3	41.3
Construction & Land Loans	53.2	3.5	52.8	3.4	51.4	3.6	2.7	3.4
Multifamily Loans	62.1	4.1	65.1	4.1	66.4	4.7	(18.6)	(6.5)
Nonresidential Loans	70.5	4.7	67.8	4.3	63.4	4.5	15.8	11.2
Commercial Loans / Small Business	57.0	3.8	54.5	3.5	50.9	3.6	18.4	12.0
Consumer Loans	87.7	5.8	83.3	5.3	82.3	5.8	21.0	6.6
Allowance for Loan and Lease Losses	(11.4)	(0.8)	(8.7)	(0.6)	(6.9)	(0.5)	124.1	65.2
Mortgage Backed Securities	207.6	13.7	196.8	12.5	166.6	11.8	22.0	24.6
Cash and Liquid Investments	69.4	4.6	66.1	4.2	41.0	2.9	20.0	69.3
Other Investment Securities	62.5	4.1	71.9	4.6	53.5	3.8	(52.3)	16.8
Total Liabilities and Capital	1,513.3	100.0	1,570.5	100.0	1,410.8	100.0	(14.6)	7.3
Total Liabilities	1,370.1	90.5	1,410.9	89.8	1,259.6	89.3	(11.6)	8.8
Total Deposits	891.4	58.9	954.8	60.8	876.0	62.1	(26.5)	1.8
** Deposits Less than Insurance Limits	540.2	35.7	577.2	36.8	552.6	39.2	(25.6)	(2.2)
** Deposits Greater than Insurance Limits	351.2	23.2	377.6	24.0	323.4	22.9	(28.0)	8.6
Escrows	12.2	0.8	13.5	0.9	15.0	1.1	(38.6)	(19.0)
FHLBank Advances	302.2	20.0	291.3	18.5	214.0	15.2	15.0	41.2
Other Borrowings	140.3	9.3	128.0	8.2	135.9	9.6	38.5	3.3
Other Liabilities	36.1	2.4	36.8	2.3	53.7	3.8	(8.1)	(32.8)
Equity Capital	143.2	9.5	159.6	10.2	151.2	10.7	(41.1)	(5.3)

* Annualized. **Includes escrows after 2003.

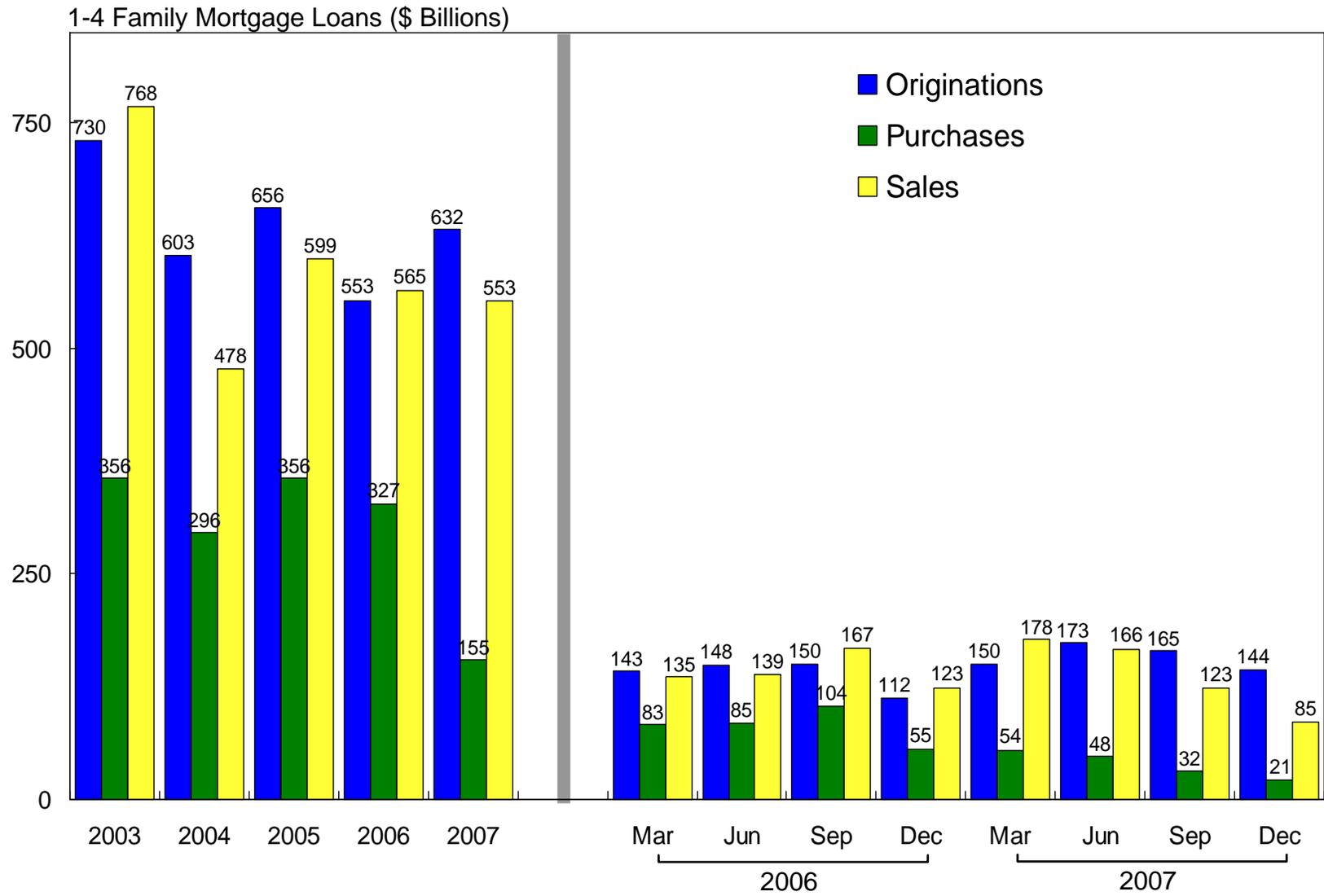
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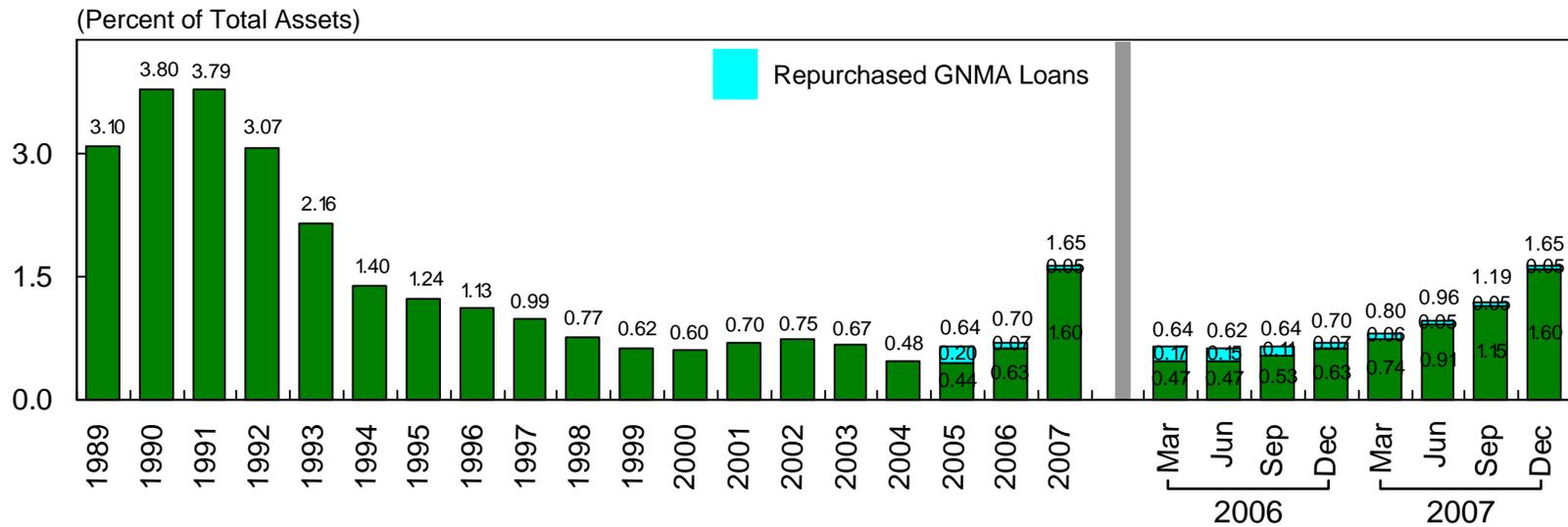
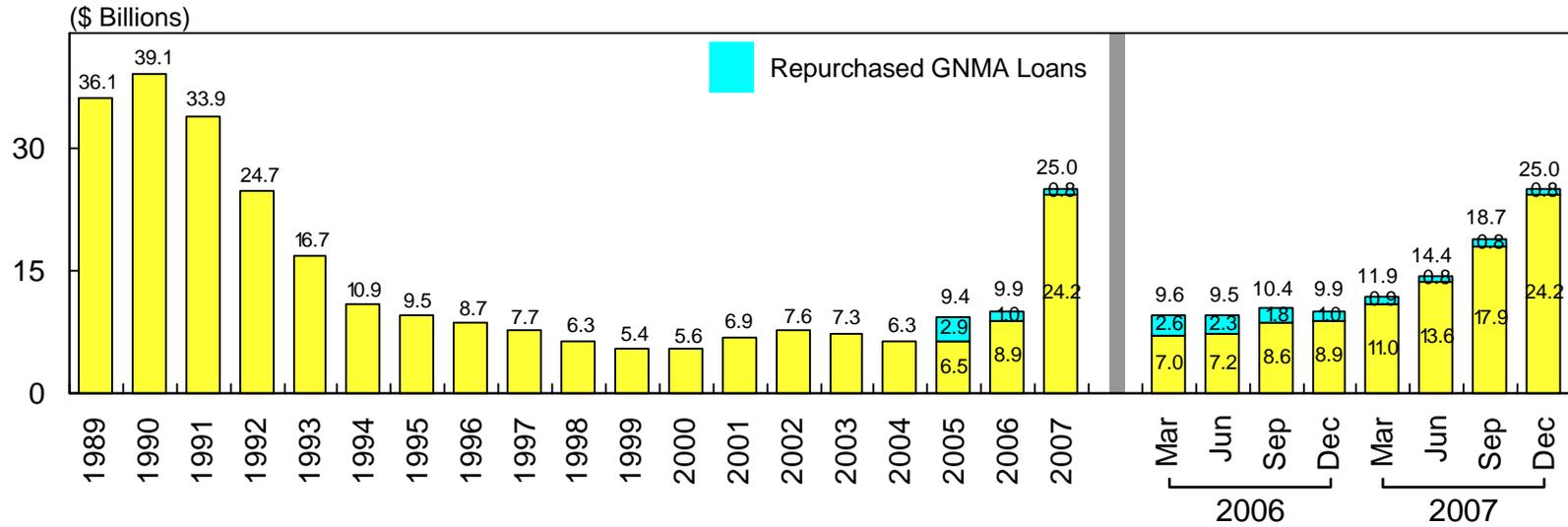
CAPITAL RATIOS



1-4 FAMILY ORIGINATIONS, PURCHASES, AND SALES



TROUBLED ASSETS

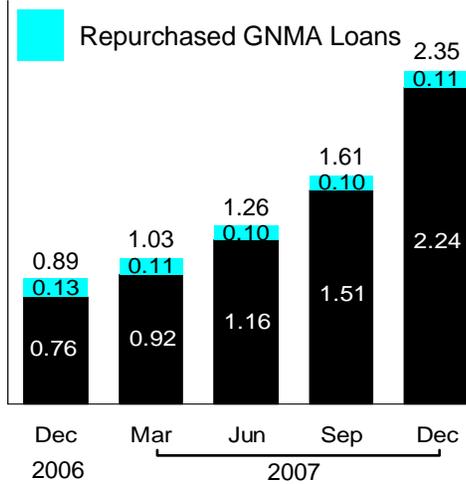


Troubled Assets include noncurrent (90 days or more past due or in nonaccrual status) loans and repossessed assets. Bank and thrift regulatory reporting changes now require loans repurchased, or eligible for repurchase, from Government National Mortgage Association (GNMA) mortgage pools to be included as past due loans. Loans from GNMA pools are guaranteed by agencies of the U. S. Government. Office of Thrift Supervision / February 2008

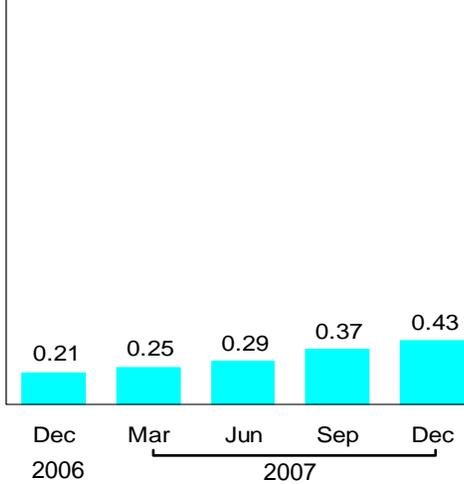
NONCURRENT LOANS – FIVE QUARTERS

Percent of Loan Type

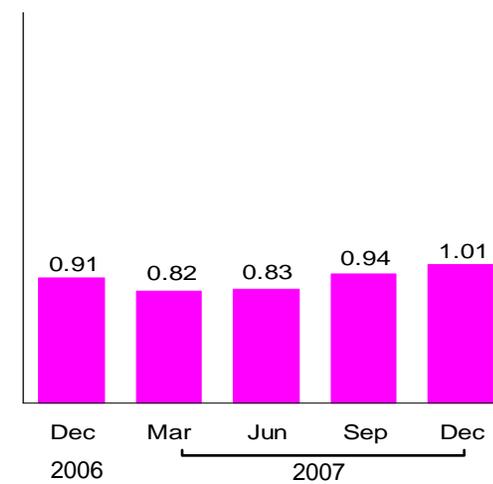
1-4 Family (49.0% of Thrift Assets)



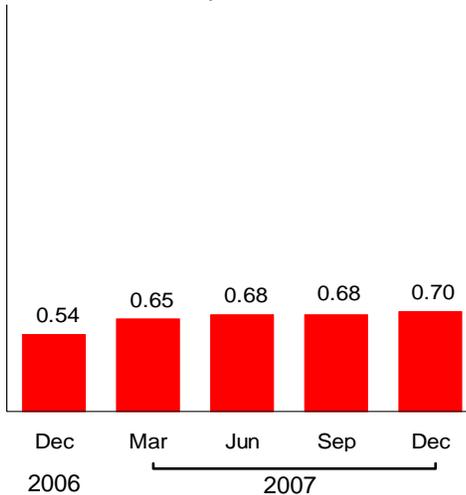
Multifamily (4.1% of Thrift Assets)



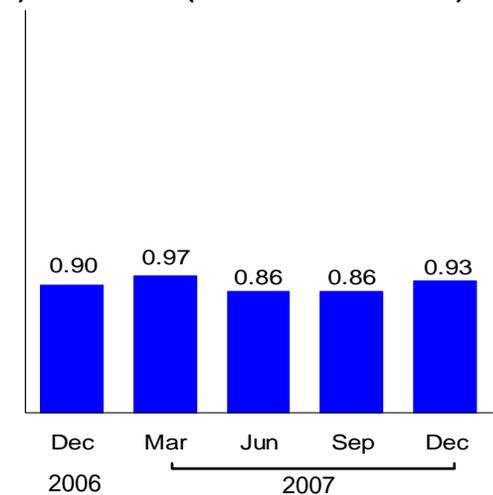
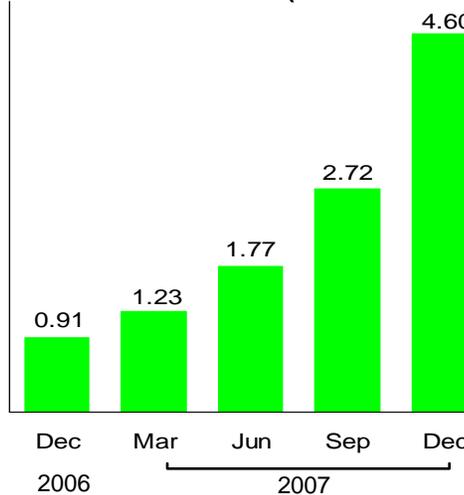
Consumer (5.8% of Thrift Assets)



Nonresidential (4.7% of Thrift Assets)



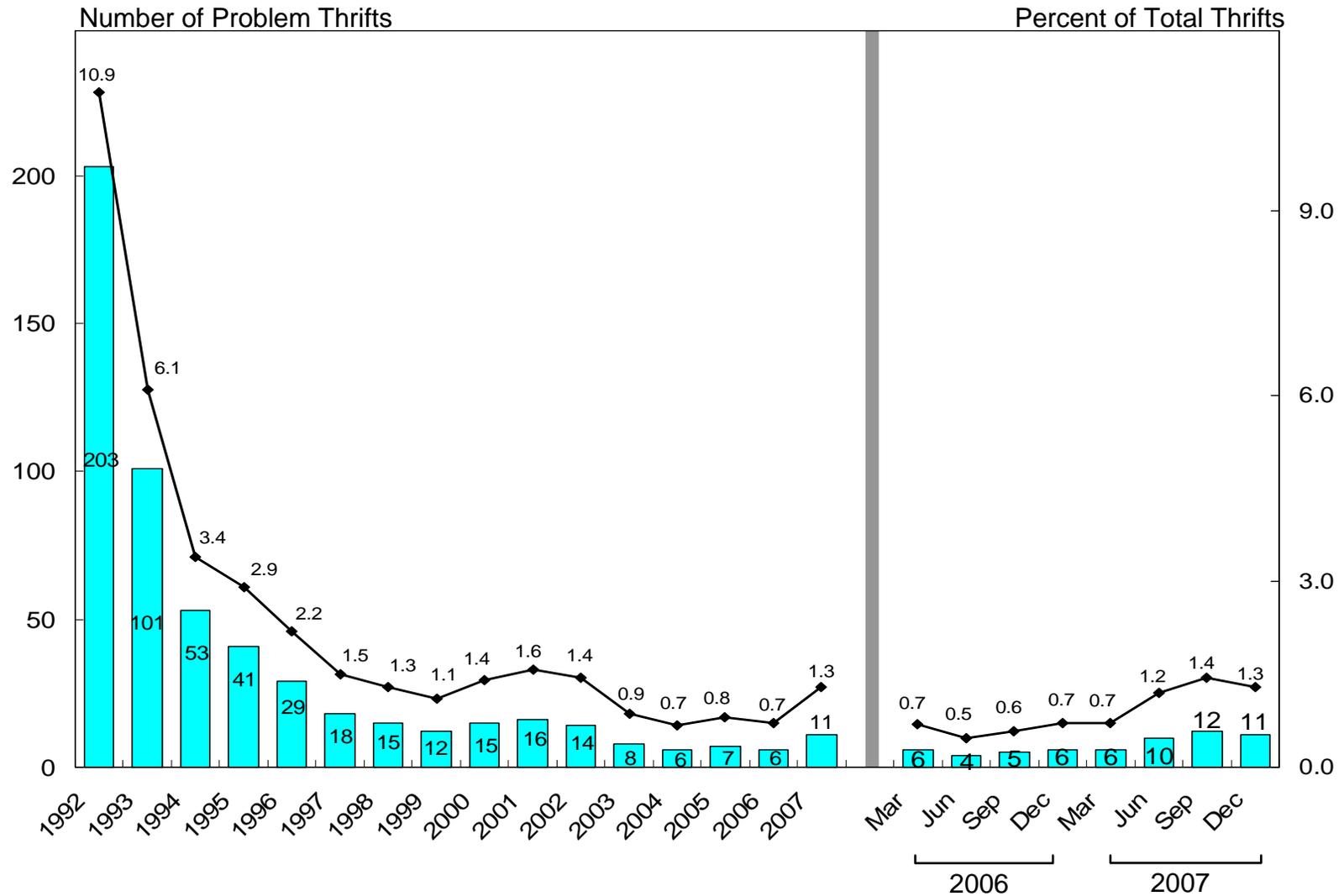
Construction & Land (3.5% of Thrift Assets) Commercial (3.8% of Thrift Assets)



Bank and thrift regulatory reporting changes now require loans repurchased, or eligible for repurchase, from Government National Mortgage Association (GNMA) mortgage pools to be included as past due loans. Loans from GNMA pools are guaranteed by agencies of the U. S. Government.

NUMBER OF PROBLEM THRIFTS

(Thriffs with CAMELS Ratings of 4 or 5)



NUMBER, ASSETS, AND STRUCTURE CHANGES

- At yearend 2007 OTS regulated 826 thrifts with \$1.51 trillion in assets.

- Over the past three years, 56 thrifts entered OTS supervision...
 - **29 were de novo charters.**
 - **27 converted from another charter.**

- Also during that time, 116 thrifts left OTS supervision...
 - 34 were acquired by other OTS regulated thrifts.
 - 51 were acquired by non-OTS regulated institutions.
 - **22 converted to another charter.**
 - 8 completed voluntary dissolutions.
 - 1 failed.