



Fourth Quarter 2008 Thrift Industry Report Graphs and Tables

February 26, 2009



Fourth Quarter 2008 Index of Charts

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SUMMARY

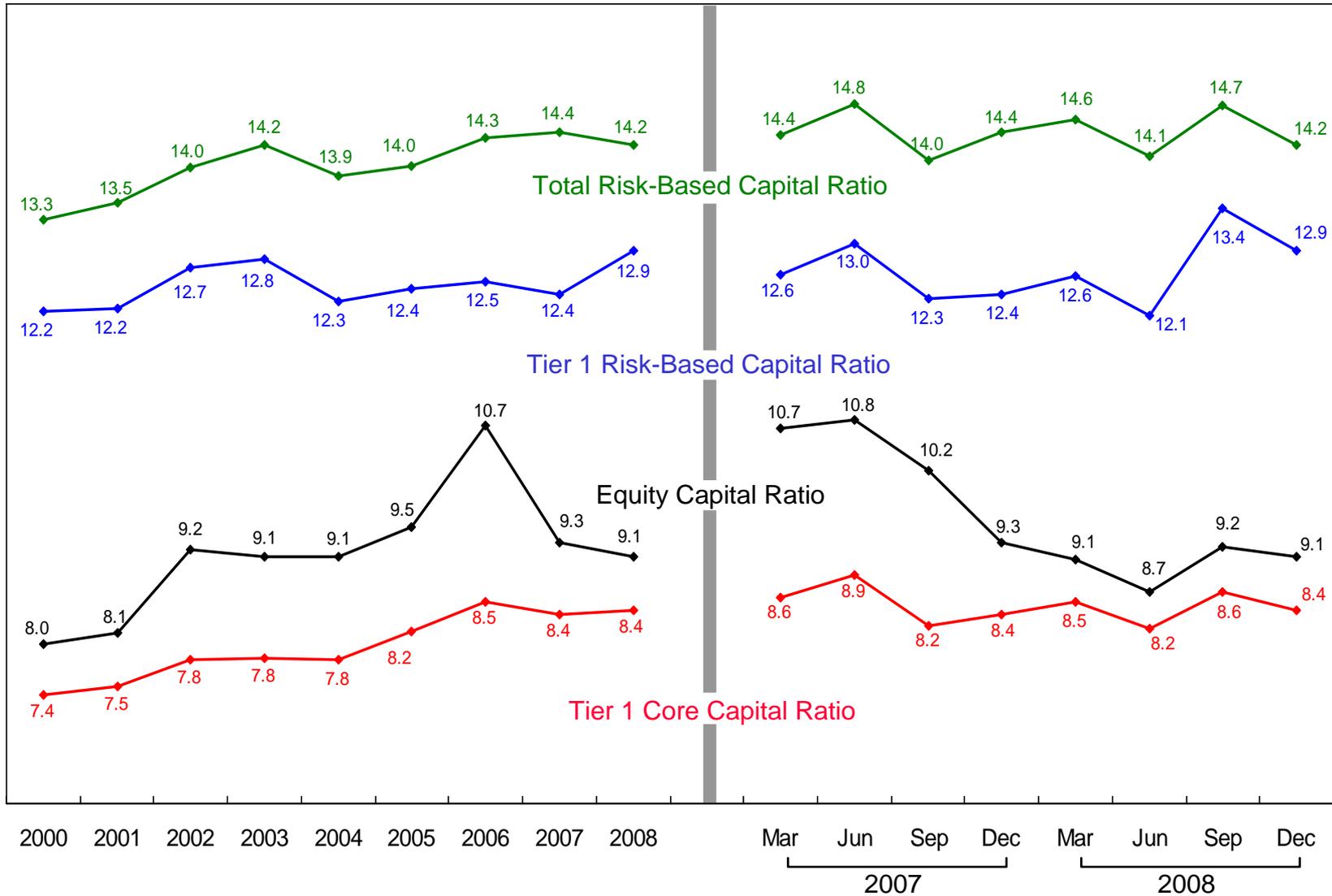
- Continued economic weakness combined with uncertainty of an economic recovery in the short-term, necessitated the need for elevated levels of loan loss reserves. Thrifts' responded to this environment and outlook by significantly bolstering loan loss reserves.
 - Thrifts added \$8.7 billion in the fourth quarter to loan loss provisions. For the year 2008, additions to loan loss provisions totaled \$38.7 billion.
 - These substantial loan loss provisions increased thrifts' loan loss reserve ratio 63% to 1.79% from 1.10% one year ago.

- Loss reserves are built through charges against current earnings. And substantial provisions for loan losses taken by thrifts' in response to persistent economic weakness continue to drive industry net losses.
 - The large provisions resulted in a fourth quarter net loss of \$3 billion and an annual net loss of \$13.4 billion for 2008.
 - Fourth quarter annualized ROA was negative 1.02%. ROA was negative 1.00% for 2008.

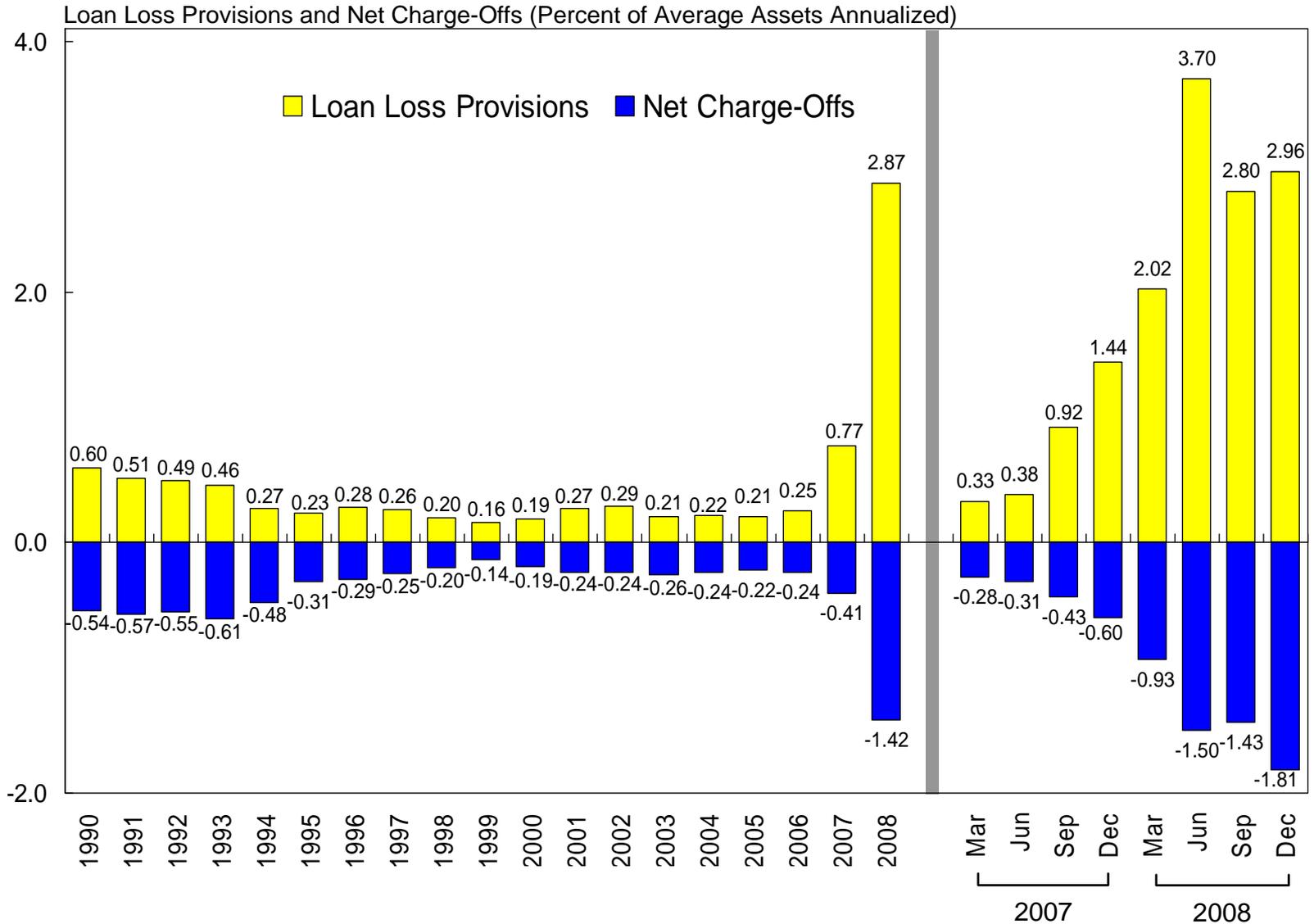
- We expect loss provisioning to continue to dampen industry earnings until footing can be established in home prices, job market losses slow, and the employment outlook begins to brighten.

- Thrift fundamentals remain solid.
 - Capital is solid.
 - 97.2% of all thrifts – holding 95.3% of industry assets – exceed “well-capitalized” regulatory standards.
 - Industry “core” or “operating” earnings remain solid and stable.
 - Bolstered reserves mean thrifts are better positioned to absorb potential loan losses.

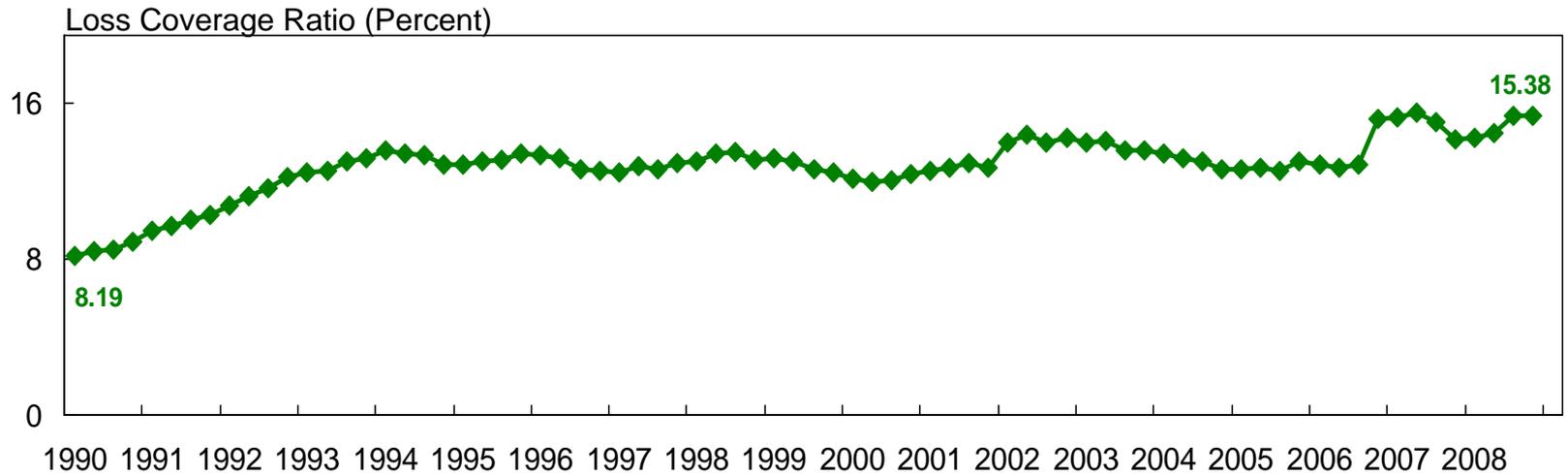
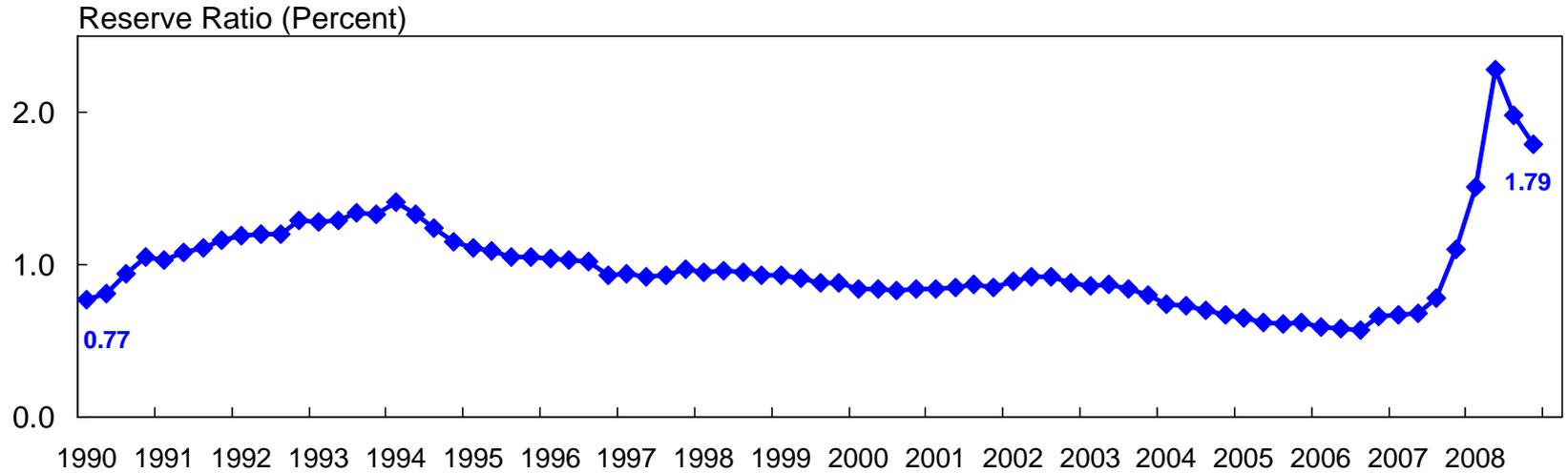
CAPITAL RATIOS



LOAN LOSS PROVISIONS AND NET CHARGE-OFFS



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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ROA ANALYSIS

(Percent of Average Assets)	Quarter			2008	2007	ROA Impact ¹		
	Dec '08	Sep '08	Dec '07			Dec '08 Sep '08	Dec '08 Dec '07	2008 2007
Net Interest Income (Margin)	2.68	2.93	2.61	2.82	2.69	-0.25	0.07	0.13
Loan Loss Provisions	2.96	2.80	1.44	2.87	0.77	-0.16	-1.52	-2.10
Total Fee Income	1.01	1.18	1.15	1.23	1.22	-0.17	-0.14	0.01
Mortgage Loan Servicing Fees & Amort.	-0.01	0.09	-0.01	0.12	0.09	-0.10	0.00	0.03
Mortgage Loan Servicing Fees	0.12	0.17	0.24	0.21	0.24	-0.05	-0.12	-0.03
Servicing Amortization & Adjustments	-0.13	-0.09	-0.25	-0.10	-0.16	-0.04	0.12	0.06
Other Fees and Charges	1.02	1.09	1.16	1.11	1.13	-0.07	-0.14	-0.02
Other Noninterest Income (Loss)	0.35	-0.17	-0.51	0.15	0.12	0.52	0.86	0.03
Sale of Assets Held For Sale	0.14	-0.13	-0.58	0.03	-0.03	0.27	0.72	0.06
LOCOM Adjustments to AHFS	-0.03	-0.02	-0.08	-0.03	-0.06	-0.01	0.05	0.03
Gains (Losses) on Financial Assets								
Carried at Fair Value	0.12	-0.14	-0.13	0.04	-0.06	0.26	0.25	0.10
Other	0.11	0.12	0.29	0.11	0.26	-0.01	-0.18	-0.15
Noninterest Expense	2.50	2.94	4.59	2.75	3.13	0.44	2.09	0.38
Goodwill Amortization & Charges	0.09	0.18	1.94	0.09	0.59	0.09	1.85	0.50
Taxes	-0.41	-0.32	-0.47	-0.43	0.16	0.09	-0.06	0.59
Net Income (ROA)	-1.02	-1.48	-2.31	-1.00	-0.04	0.46	1.29	-0.96

¹ Negative values reduced ROA.

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

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FINANCIAL FUNDAMENTALS

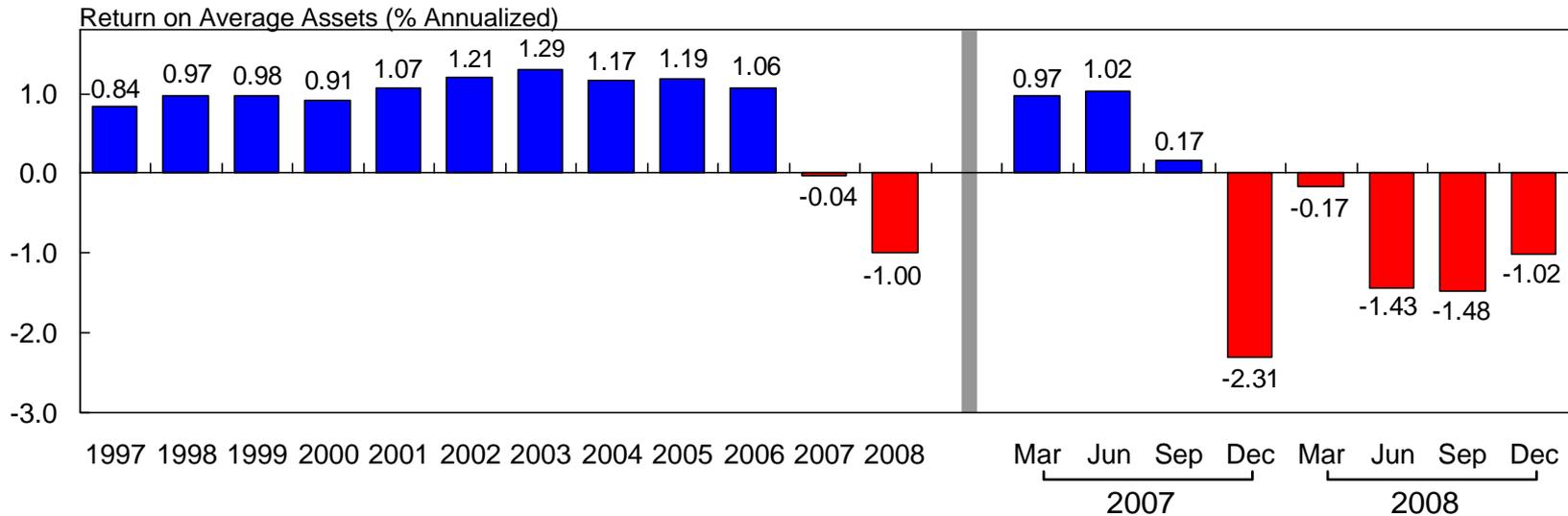
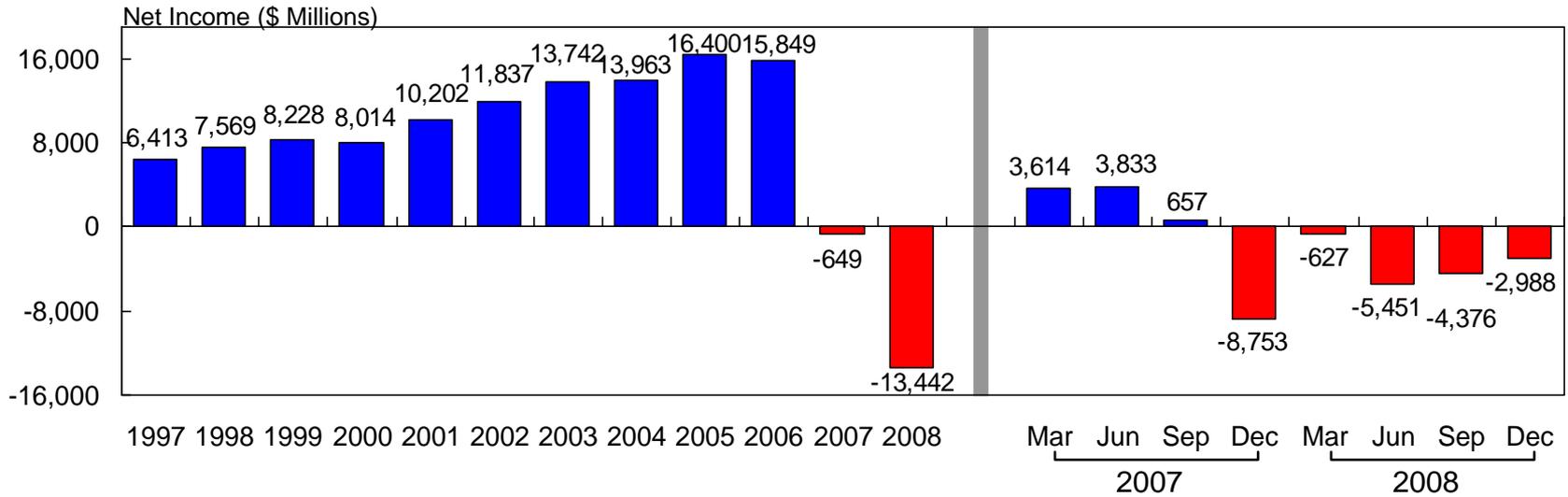
(Percent of Average Assets Unless Noted)	Year								
	2008	2007	2006	2005	2004	2003	2002	2001	2000
Operating Income Components:									
Net Interest Income (Margin)	2.82	2.69	2.73	2.81	2.89	2.90	3.06	2.89	2.63
Total Fee Income	1.23	1.22	1.15	1.22	1.03	0.87	0.47	0.64	0.81
Total Operating Income	4.05	3.91	3.88	4.03	3.92	3.77	3.53	3.53	3.44
Total Operating Expense	2.66	2.54	2.54	2.45	2.52	2.40	2.32	2.30	2.10
Net Operating Income before Taxes and Provisions	1.39	1.37	1.34	1.58	1.40	1.37	1.21	1.23	1.34
Loan Loss Provision Expense	2.87	0.77	0.25	0.21	0.22	0.21	0.29	0.27	0.19
Capital Measures:									
Tier 1 Core Capital Ratio	8.42	8.36	8.52	8.15	7.80	7.82	7.80	7.46	7.36
Tier 1 Risk Based Capital Ratio	12.91	12.36	12.52	12.43	12.28	12.80	12.70	12.19	12.15
Total Risk Based Capital Ratio	14.23	14.39	14.33	13.98	13.85	14.23	13.96	13.51	13.30
Equity Capital (Percent to Total Assets)	9.09	9.26	10.72	9.45	9.08	9.09	9.18	8.13	7.99
Tangible Common Equity Capital Ratios (Percent of Tangible Assets)	7.61	7.86	8.17	8.00	7.72	7.71	7.74	7.30	7.17
(Percent of Risk-Weighted Assets)	11.68	11.85	12.41	12.52	12.37	12.70	12.72	12.02	11.90
Loss Reserves:									
ALLL Balance (Percent to Total Assets)	1.20	0.78	0.48	0.47	0.51	0.57	0.60	0.58	0.58

Total Operating Expense is General and Administrative Expense excluding Goodwill Expense.

Numbers may not sum due to rounding.

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EARNINGS AND PROFITABILITY



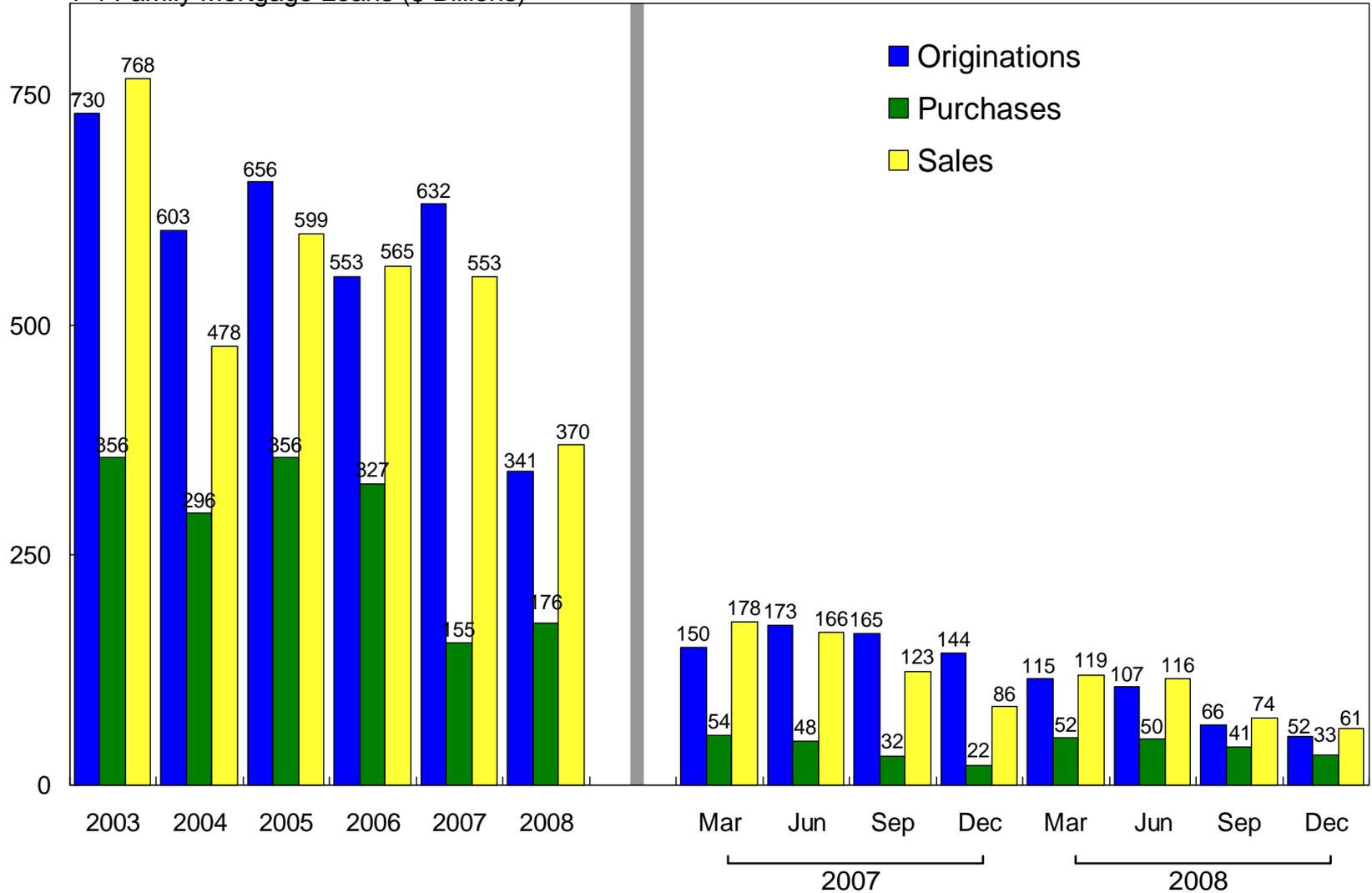
ASSETS AND LIABILITIES COMPOSITION

	Dec 2008		Sep 2008		Dec 2007		Growth Rates	
	\$ Bil	% TA	\$ Bil	% TA	\$ Bil	% TA	Dec '08	Dec '08
							Sep '08	Dec '07
							% Ann.	%
Total Assets	1,199.3	100.0	1,181.6	100.0	1,508.4	100.0	6.0	(20.5)
Total Loans	812.4	67.7	822.5	69.6	1,071.0	71.0	(4.9)	(24.1)
1-4 Family Mortgage Loans	521.8	43.5	541.8	45.9	740.8	49.1	(14.7)	(29.6)
Home Equity Lines of Credit	64.5	5.4	63.0	5.3	116.7	7.7	9.8	(44.7)
Construction & Land Loans	42.1	3.5	44.3	3.8	53.2	3.5	(20.4)	(20.9)
Multifamily Loans	33.6	2.8	33.7	2.8	62.1	4.1	(0.7)	(45.8)
Nonresidential Loans	71.1	5.9	69.8	5.9	70.5	4.7	7.3	0.8
Commercial Loans / Small Business	62.8	5.2	56.8	4.8	57.0	3.8	42.0	10.3
Consumer Loans	81.0	6.8	76.1	6.4	87.5	5.8	25.9	(7.5)
 Allowance for Loan and Lease Losses	(14.4)	(1.2)	(16.0)	(1.4)	(11.7)	(0.8)	(40.0)	23.1
Mortgage Backed Securities	166.4	13.9	167.2	14.1	207.6	13.8	(1.7)	(19.8)
Cash and Liquid Investments	80.2	6.7	56.9	4.8	69.6	4.6	163.8	15.3
Other Investment Securities	59.4	5.0	60.4	5.1	62.3	4.1	(6.5)	(4.7)
Total Liabilities and Capital	1,199.3	100.0	1,181.6	100.0	1,508.4	100.0	6.0	(20.5)
Total Liabilities	1,090.2	90.9	1,072.8	90.8	1,368.7	90.7	6.5	(20.3)
Total Deposits and Escrows	732.0	61.0	726.9	61.5	891.5	59.1	2.8	(17.9)
FHLBank Advances	209.8	17.5	242.0	20.5	302.2	20.0	(53.3)	(30.6)
Other Borrowings	127.4	10.6	85.6	7.2	140.3	9.3	195.3	(9.2)
Other Liabilities	21.1	1.8	18.3	1.5	34.7	2.3	60.6	(39.4)
Equity Capital	109.0	9.1	108.8	9.2	139.6	9.3	0.9	(21.9)

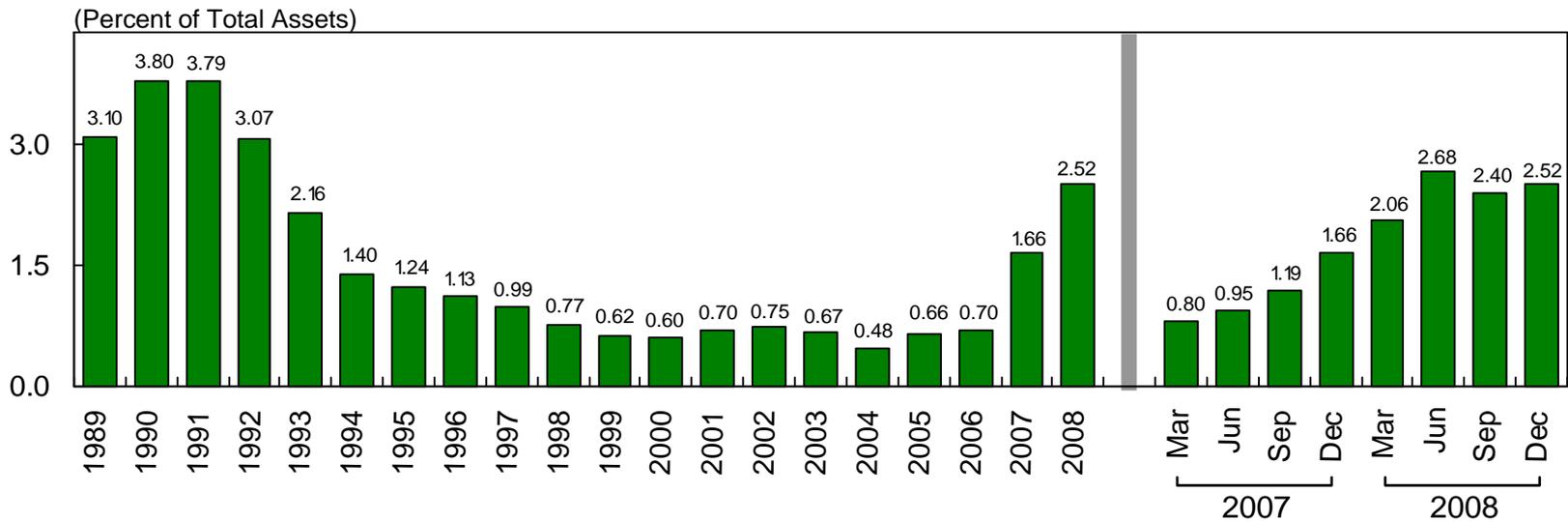
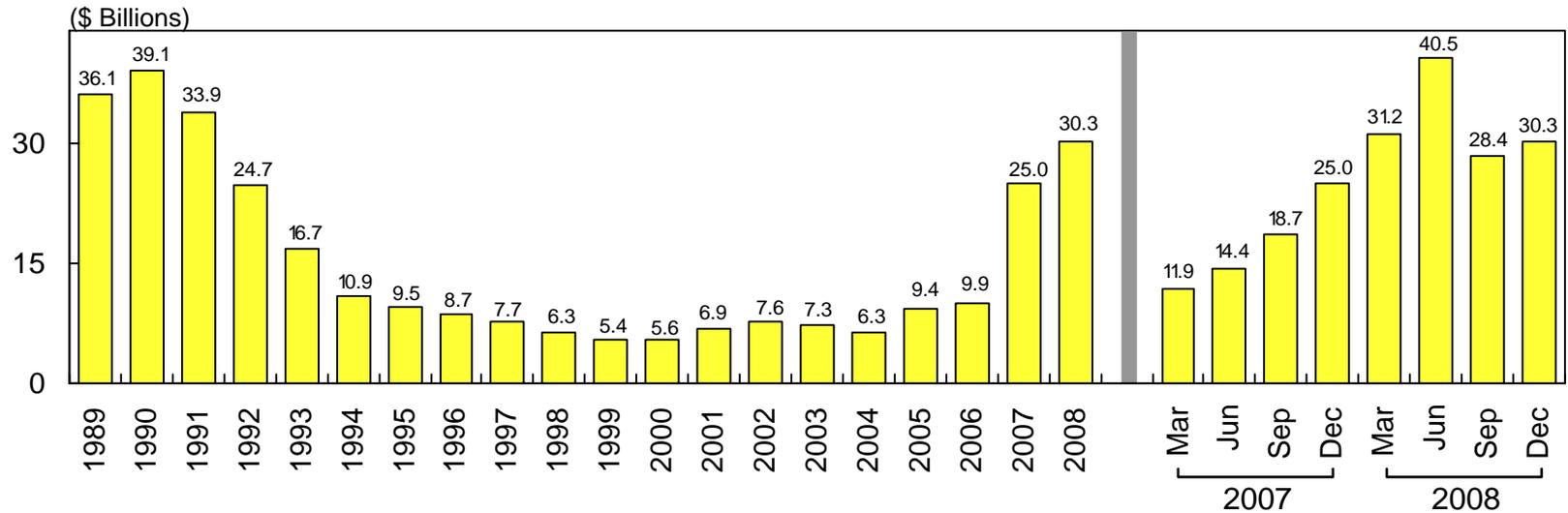
Numbers may not sum due to rounding.
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1-4 FAMILY ORIGINATIONS, PURCHASES, AND SALES

1-4 Family Mortgage Loans (\$ Billions)



TROUBLED ASSETS

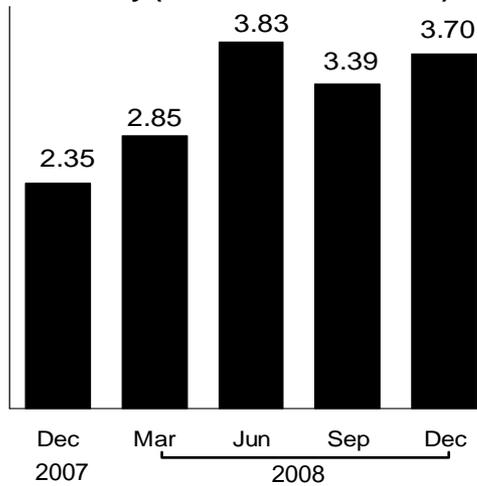


Troubled Assets include noncurrent (90 days or more past due or in nonaccrual status) loans and repossessed assets.
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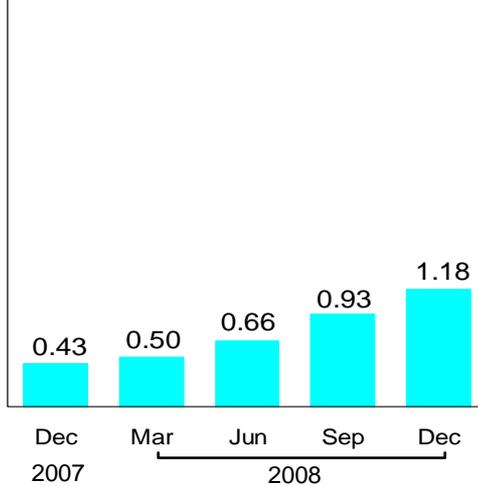
NONCURRENT LOANS – FIVE QUARTERS

Percent of Loan Type

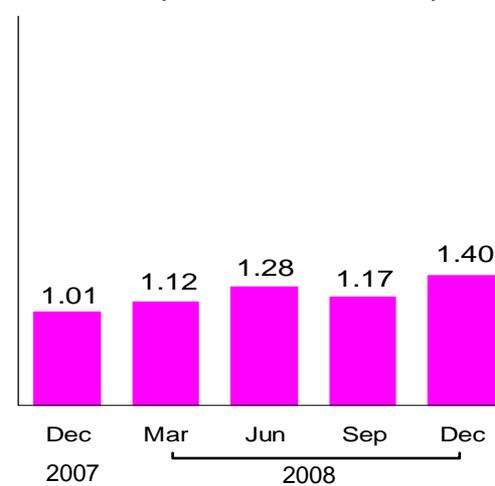
1-4 Family (43.5% of Thrift Assets)



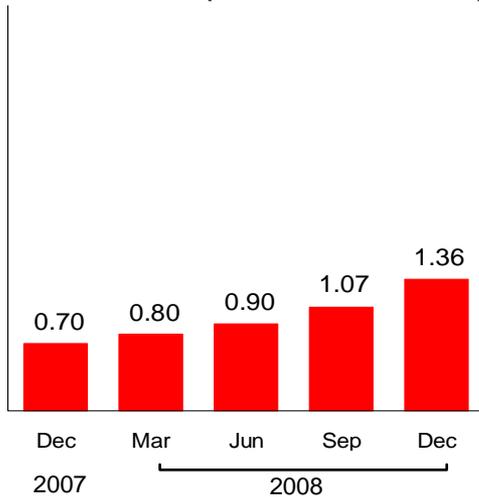
Multifamily (2.8% of Thrift Assets)



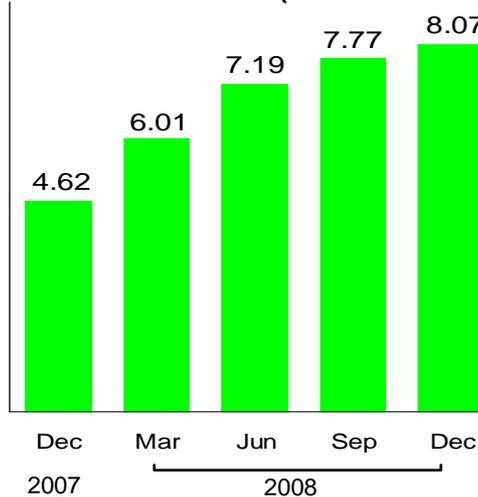
Consumer (6.8% of Thrift Assets)



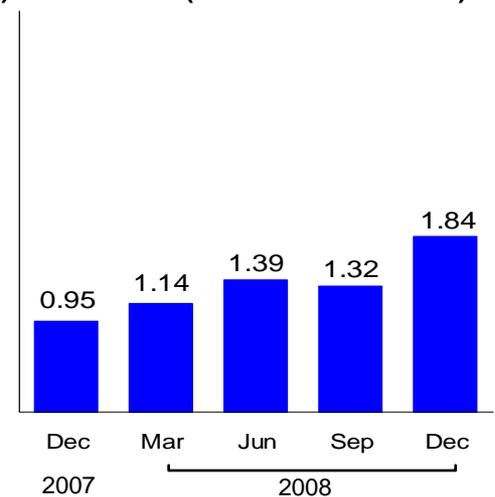
Nonresidential (5.9% of Thrift Assets)



Construction & Land (3.5% of Thrift Assets)



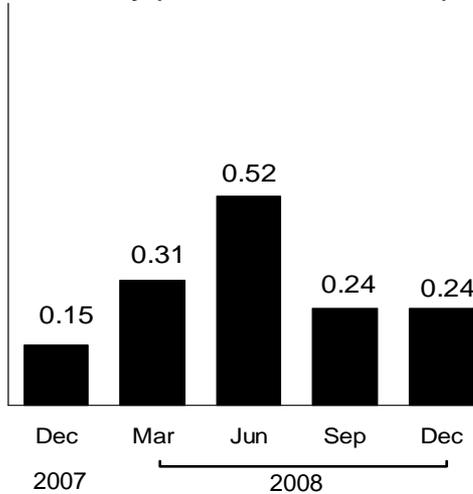
Commercial (5.2% of Thrift Assets)



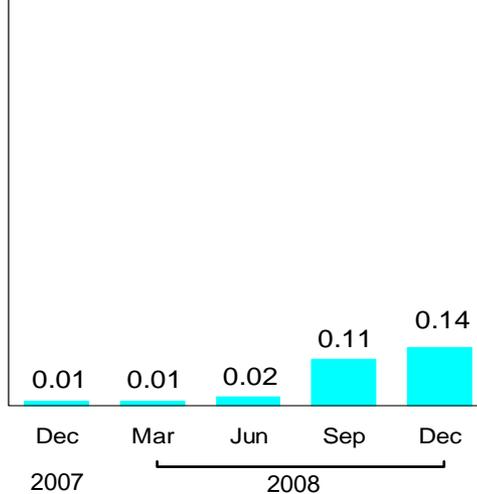
NET CHARGE-OFFS

Percent of Loan Type

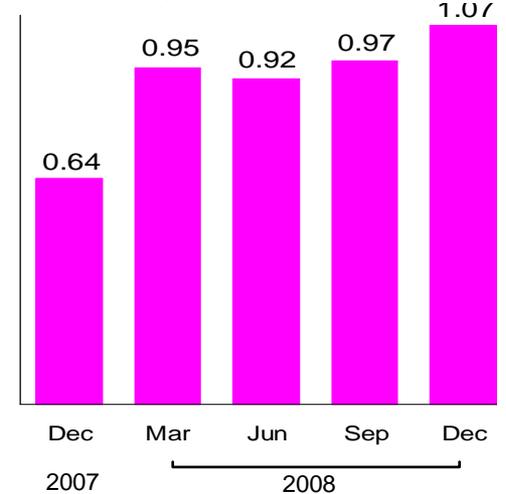
1-4 Family (43.5% of Thrift Assets)



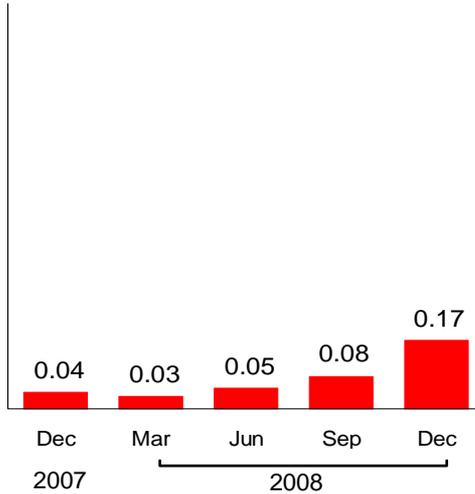
Multifamily (2.8% of Thrift Assets)



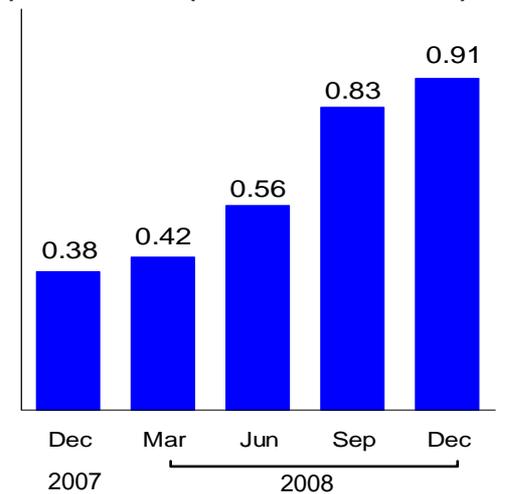
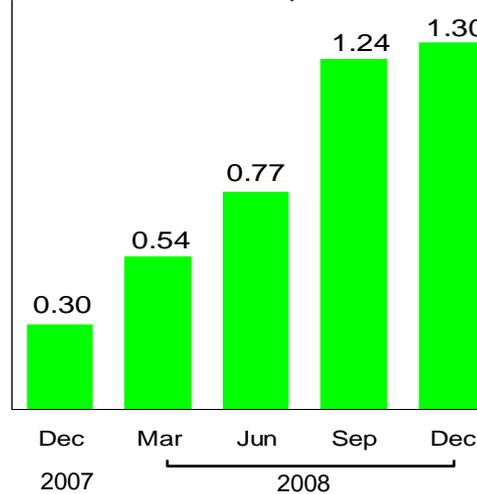
Consumer (6.8% of Thrift Assets)



Nonresidential (5.9% of Thrift Assets)

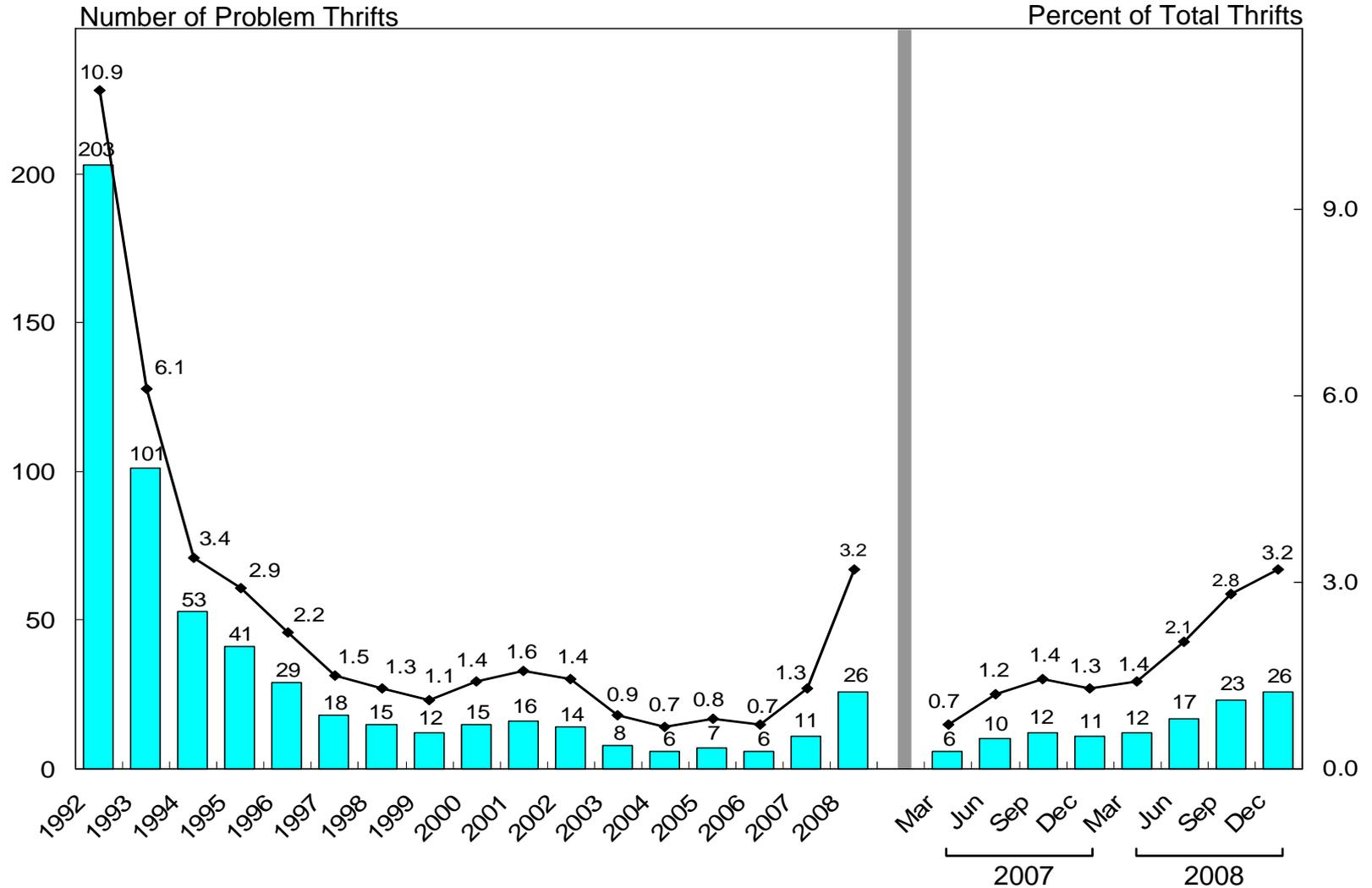


Construction & Land (3.5% of Thrift Assets) Commercial (5.2% of Thrift Assets)



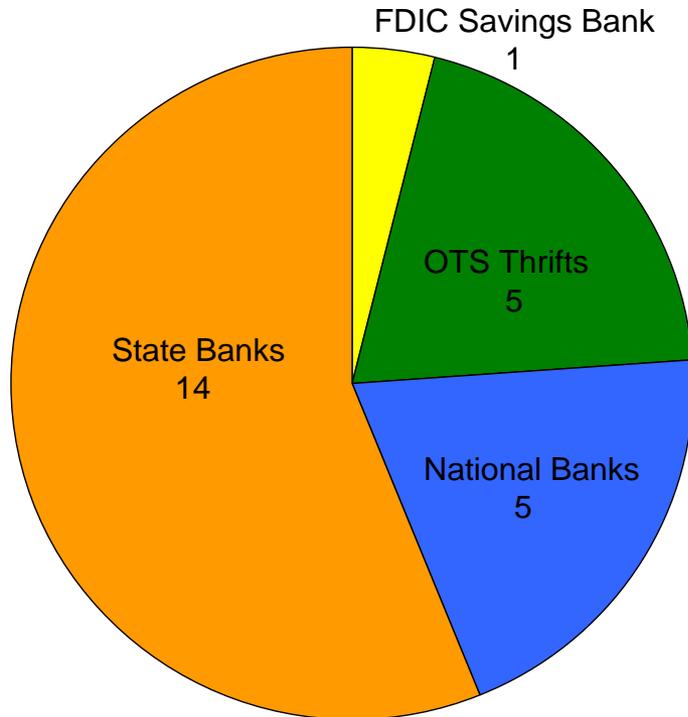
NUMBER OF PROBLEM THRIFTS

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

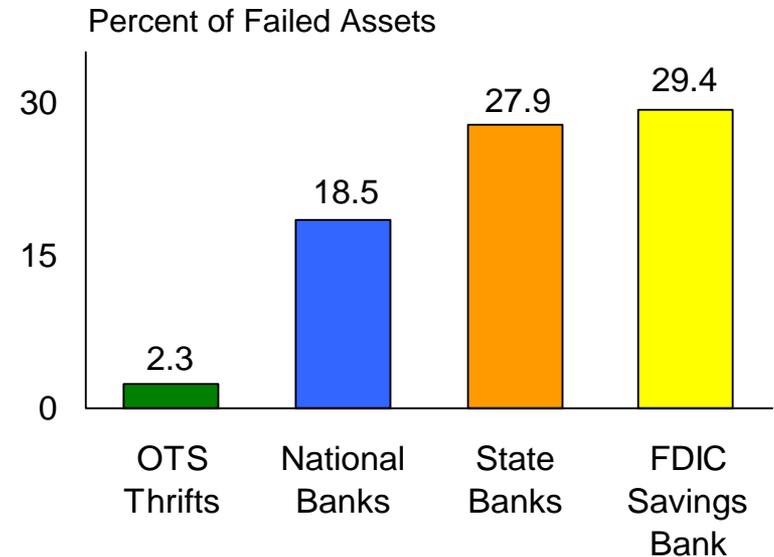


FDIC-INSURED BANK AND THRIFT FAILURES IN 2008

25 Failures with \$373.6 Billion in Total Assets



Weighted Average Estimated Resolution Costs of 3.4%



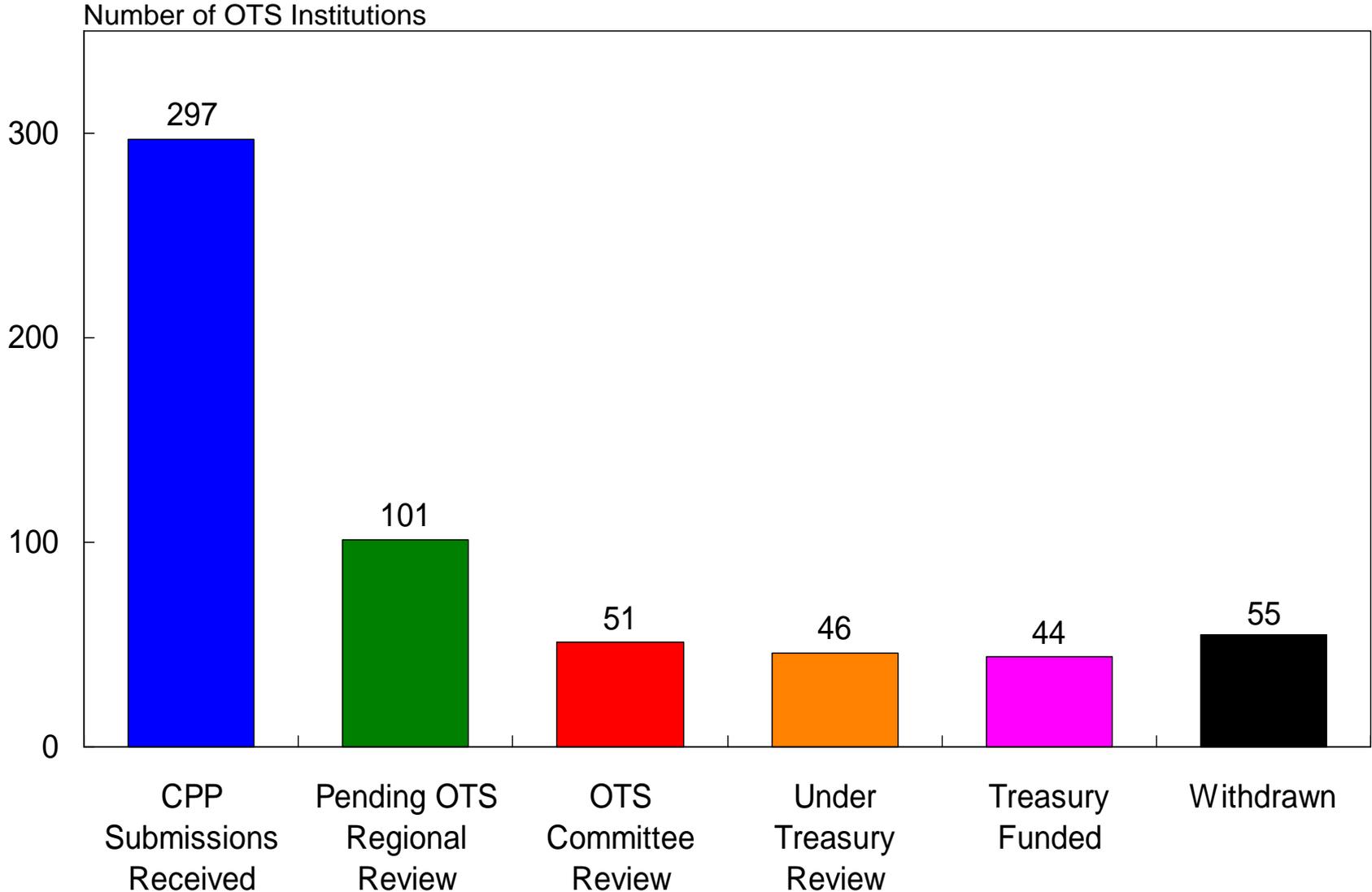
Sources: FDIC, OTS.

Data exclude any institution where FDIC provided open bank assistance.

Estimated resolution costs reflect latest FDIC estimates or midpoint of FDIC estimates.

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CAPITAL PURCHASE PROGRAM



Data reflect submissions from publicly traded, privately held, Subchapter S corporations, and mutual institutions. The CPP term sheet for mutual institutions is not yet available from the Department of the Treasury.

Data are as of February 25, 2009.

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