THE OTS-REGULATED THRIFT INDUSTRY THIRD QUARTER 1999 HIGHLIGHTS

Office of Thrift Supervision / December 2, 1999

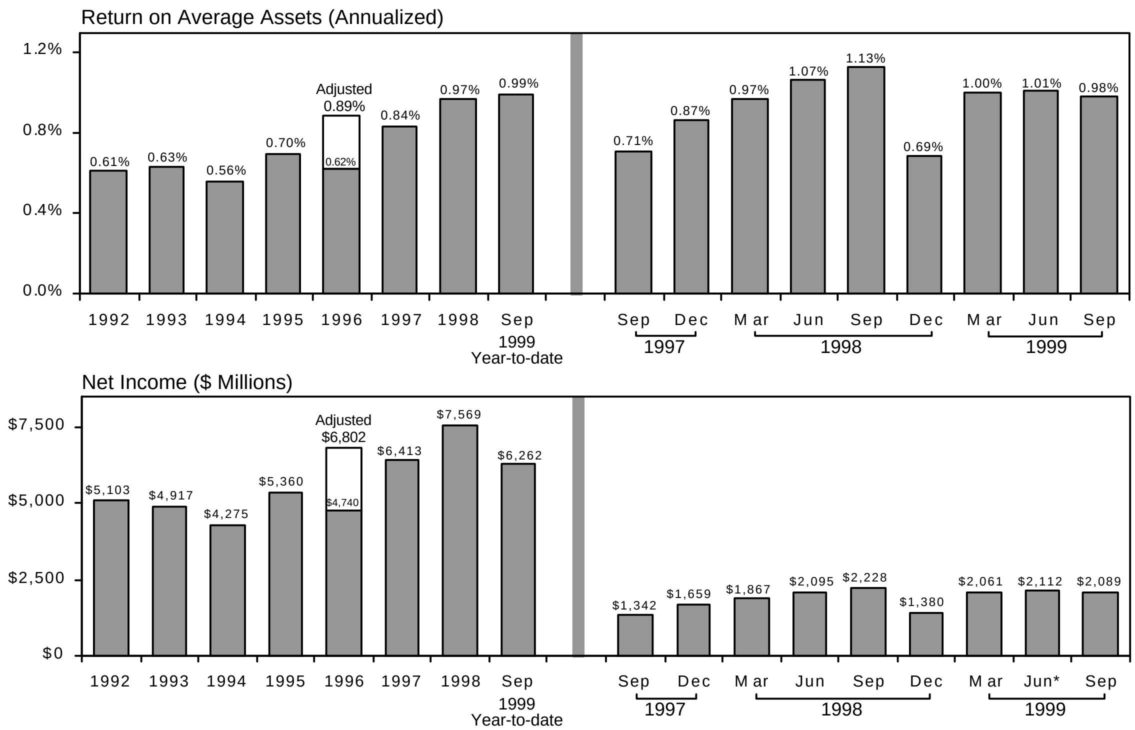
Third quarter earnings for the OTS-regulated thrift industry remained near record levels despite a slowdown in the nation's robust housing sector brought on by increasing interest rates. Though earnings fell slightly in the quarter, they remained the fourth highest of any quarter, exceeded only by the prior quarter and the second and third quarters in 1998. Asset quality measures generally remained strong or improved from the prior quarter. Noncurrent nonmortgage loan rates increased modestly while the industry's troubled assets rate fell slightly to a new record low. While there was no change in the number of problem thrifts from the record low set in the prior quarter, assets of problem thrifts fell to a new record low. The industry's equity capital to assets ratio remained substantially above well-capitalized levels, though down slightly from the prior quarter. Since the fourth quarter 1998 the industry's equity capital to assets ratio has been falling, primarily as thrifts reduce values on available for sale securities to reflect rising interest rates. Mortgage refinancings and originations dropped from recent record levels to their lowest levels since December 1997 and March 1998, respectively. Thrifts continued to expand modestly their investments in nontraditional, higher risk assets such as commercial/small business and consumer loans. Consistent with a shift from mortgage banking activity to more portfolio lending activity and overall lower lending activity, thrifts continued to reduce general and administrative expenses. Rising interest rates further increased the industry's sensitivity and exposure to interest rate risk. These trends in interest rate risk and higher risk assets are closely monitored by OTS.

Earnings Strength Continued in the Third Quarter

Remaining near recent historic highs, the OTS-regulated thrift industry earnings fell to $2.09 billion in the third quarter from $2.11 billion in the prior quarter and $2.23 billion one year ago. Despite the small decline, third quarter earnings were the fourth best ever and only the fifth time quarterly earnings have exceeded the $2 billion mark.[1] The continuing strength and stability of third quarter earnings are in part due to stability in net interest margins, improved asset quality, higher retail fee income, and further reductions in overhead expenses. Third quarter results were generally free of potentially distorting one-time events.

[1] Thrift financial data have been collected on a quarterly basis since 1984. Prior to 1984, semiannual and monthly data were collected.

As shown in the chart below, the return on average assets (ROA) for the third quarter was 0.98 percent, down from 1.01 percent in the second quarter and 1.13 percent in the third quarter one year ago. The record quarterly earnings in the third quarter 1998 were significantly enhanced by restructuring gains on asset sales posted by several large thrifts. Absent one-time gains, third quarter 1998 earnings and ROA were $1.8 billion and 1.00 percent, respectively.



* Revised from $2,116.
Adjusted data exclude the net SAIF special assessment of $2.1 billion incurred in the third quarter of 1996.

Earnings for the first three quarters of 1999 were $6.3 billion, up slightly from $6.2 billion in the comparable period of 1998. Adjusted for one-time events, 1998 earnings for the first nine months were $5.8 billion. Year-to-date earnings in 1999 are on pace to exceed the record annual earnings of $7.6 billion posted in 1998. ROA for the first nine months of 1999 was 0.99 percent, down from 1.06 percent for the same period in 1998, but up from 0.98 percent excluding one-time events.

Net Interest Margin Remained Relatively Stable

The Treasury yield curve rose and steepened slightly during the third quarter, but remained relatively flat by historical standards. In the third quarter the average Treasury yield spread between one year and ten year interest rates rose to 72 basis points, from 66 basis points in the prior quarter and 11 basis points one year ago. In contrast the Treasury yield spread averaged 233 basis points for the quarters March 1991 through December 1994.

The thrift industry's ratio of net interest income to average assets, or net interest margin (NIM), was 271 basis points in the third quarter, down slightly (1.5 percent) from 275 basis points in the second quarter and up two basis points from one year ago. The industry's NIM has remained stable over the last few years despite the sharp narrowing of yield spreads. NIM averaged 278 basis points for the period 1991 through 1994.

The relative stability of thrifts' NIM in recent years was primarily due to increases in thrifts' earnings efficiency, additional investment in higher yielding consumer and commercial lending, rollover of higher rate deposits and borrowings into similar liabilities with lower interest rates, and increases in lower interest-costing transaction accounts. A decline or reversal in several of these positive trends directly contributed to the third quarter decline in NIM, even though interest rates rose and the yield curve steepened during the third quarter.

There are several reasons why increasing interest expenses exceeded gains in interest income during the third quarter, producing the decline in NIM. Higher interest rates paid to renew maturing shorter term deposit liabilities have reduced the savings that had been realized from such previous refinancings when rates were lower. Additional Federal Home Loan Bank (FHLB) advances, used instead of insured deposits to fund growth, are another source of higher thrift interest costs. The increase in adjustable rate mortgage (ARM) lending at introductory teaser rates or with a lagging adjustment index helped slow the growth in third quarter interest income. The decline in earnings efficiency also impeded the growth in interest income during the quarter. All of these elements contributed to the third quarter decline in NIM.

In addition, the yield curve faced by thrifts does not always mirror the Treasury yield curve. Long-term Treasury security prices were buoyed by both increased demand, particularly foreign demand, and decreased supply as the federal budget shifted from deficit to surplus. As a result, the spread between 30-year mortgages[2] and 10-year Treasury notes generally increased through 1998 and the first nine months of 1999, increasing to an average of 183 basis points in the first nine months of 1999, from 168 basis points in 1998 and 124 basis points in 1997. This steeper thrift yield curve helped stabilize thrift NIM when rates fell and the Treasury yield curve flattened, particularly as mortgage demand shifted strongly toward the 30-year, fixed-rate mortgage. In the increasing rate environment, the steeper thrift yield curve was less helpful since

[2] Based on Federal Home Loan Mortgage Corporation (Freddie Mac) average monthly commitment rates.

mortgage demand shifted back to ARMs and shorter term interest rates (e.g. the one-year Treasury rate).

Lower Overhead Expenses Stabilized Earnings

A further reduction in overhead expenses as a percent of average assets continued to offset a decline in mortgage banking gains and helped stabilize third quarter earnings. Noninterest, or overhead, expense declined to 2.07 percent of average assets in the third quarter from 2.09 percent in the prior quarter and 2.26 percent one year ago. The industry has generally controlled overhead costs well and achieved efficiency gains in support of strong earnings. Overhead expense will continue to be closely monitored as the industry shifts to increased retail portfolio lending from a mortgage banking mode. It will be critical that effective internal controls are maintained even as operating expenses decline.

Other noninterest income continued to decline in the third quarter to 39 basis points from 43 basis points in the prior quarter and 115 basis points one year ago. Excluding several large thrifts with significant one-time events, the year ago result was 66 basis points. Reduced gains on the sale of assets held for sale represented the majority of the third quarter reduction in other noninterest income. Such gains, generated primarily from mortgage banking activities, fell in the third quarter to 12 basis points from 19 basis points in the prior quarter and 30 basis points one year ago. The decline reflected a decrease in mortgage sales in the third quarter.

The industry's non-servicing fee income was 56 basis points in the third quarter, up from 55 basis points in the prior quarter and 52 basis points one year ago. Increases in fee earning activities, primarily transaction accounts and trust activities, are generating higher fee income. Transaction accounts fell to 4.1 percent of assets at the end of the third quarter from 4.2 percent in the prior quarter, but were up from 3.9 percent one year ago. Trust assets administered increased to 21.6 percent of assets from 14.5 percent in the prior quarter and 14.1 percent one year ago.

Mortgage loan servicing fees as a percent of average assets in the third quarter were 9 basis points, down from 12 basis points in the prior quarter, but up from negative 3 basis points one year ago when several large thrifts revalued their mortgage servicing portfolios to reflect rising loan prepayment rates. Absent the impact of revaluations servicing fees were 6 basis points one year ago. Third quarter 1999 servicing fees were substantially reduced by one thrift's transfer to an affiliate of an $81 billion servicing portfolio near the end of the second quarter. Thrifts' aggregate loan servicing portfolio increased to $465 billion in the third quarter from $455 billion in the prior quarter, but fell from $501 billion one year ago.

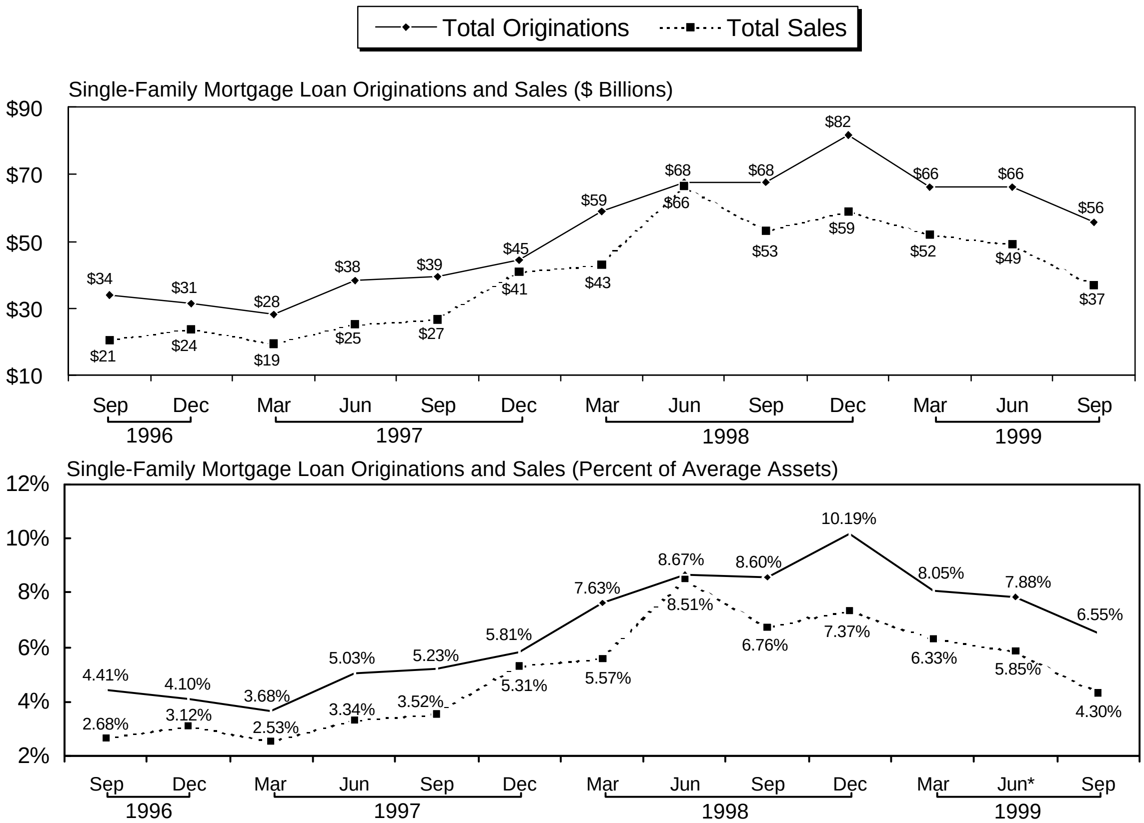
Provisions for losses as a percent of average assets were down 2 basis points to 14 basis points in the third quarter, from 16 basis points in the prior quarter and 23 basis points one year ago. Improvements in asset quality, including a reduction in troubled assets since 1996, have resulted in generally lower provisions for losses. The table below summarizes these changes in the primary components of the industry's ROA between the third quarter of 1999, the previous quarter, and the third quarter one year ago.

Components of ROA	**Sep '98**	**Jun '99**	**Sep '99**	**Change Sep '98 Sep '99**	**Change Jun '99 Sep '99**
ROA	1.13%	1.01%	0.98%	-0.15%	-0.03%
Net Interest Margin	2.69%	2.75%	2.71%	0.02%	-0.04%
Interest Income	6.92%	6.71%	6.79%	-0.13%	0.08%
Interest Expense	4.23%	3.96%	4.09%	-0.14%	0.13%
Provisions for Losses	**0.23%**	**0.16%**	**0.14%**	**-0.09%**	**-0.02%**
Fee Income	0.49%	0.67%	0.65%	0.16%	-0.02%
Mortgage Loan Servicing Fees	-0.03%	0.12%	0.09%	0.12%	-0.03%
Other Fees and Charges	0.52%	0.55%	0.56%	0.04%	0.01%
Other Non-Interest Income [1]	1.15%	0.43%	0.39%	-0.76%	-0.04%
Gains from Assets Held for Sale	**0.30%**	**0.19%**	**0.12%**	**-0.18%**	**-0.07%**
Non-Interest Expense	**2.26%**	**2.09%**	**2.07%**	**-0.19%**	**-0.02%**
Taxes	0.71%	0.59%	0.56%	-0.15%	-0.03%

Data are annualized and numbers may not sum due to rounding.
[1] 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.

Mortgage Originations Fell As Interest Rates Rose

The impact of higher interest rates and the resulting drop in refinancing activity lowered thrifts' mortgage originations volume in the third quarter from the recent record-breaking levels. Single-family mortgage originations in the third quarter were $55.8 billion, down from $66.1 billion in the prior quarter and $67.6 billion in the third quarter one year ago. The chart on the next page presents quarterly single-family mortgage originations and sales from September 1996 through September 1999 in dollars (top panel) and as a percent of average assets (bottom panel).



* Total sales revised from 5.86%.

Total mortgage originations fell to $69.3 billion in the third quarter from $79.2 billion in the prior quarter and $78.7 billion one year ago. Despite the drop in mortgage originations the housing sector continues to show considerable strength. Originations of construction loans in the third quarter rose to a record $7.5 billion from $7.1 billion in the second quarter due to increases in single-family and nonresidential construction loans. Most construction lending (80 percent) was for single-family houses, with 6 percent for multifamily housing and 14 percent for nonresidential buildings.

Interest rates increased at a slower rate in the third quarter, but continued to depress refinancing activity from the very high levels experienced in 1998 and the first half of 1999. Refinancing activity made up 11.1 percent of originations in the third quarter, down from 15.7 percent in the prior quarter and 13.3 percent one year ago. Third quarter refinancings were down from the 1998 average of 16.0 percent, but up from 10.5 percent in 1997.[3]

The modest rise in the third quarter yield curve added to market demand for ARMs. The Freddie Mac average commitment rate for 30-year fixed-rate mortgages (FRMs) rose to 7.82 percent at the end of September, up 27 basis points from 7.55 percent at the end of the second quarter. ARM rates increased at a comparable pace, up 29 basis points from 5.91 percent at the end of June to 6.20 percent at the end of the third quarter.[4] While the 27 basis point increase in 30-year FRMs during the third quarter was much less than the 51 basis point increase in the second quarter, the 29 basis point increase in ARMs was stronger than the 14 basis point increase in ARM rates over the second quarter. The Federal Housing Finance Board (FHFB) estimated that the proportion of ARM originations grew to 28 percent of all single-family originations in the third quarter, up sharply from 17 percent in the prior quarter.[5] ARM originations had fallen to 12 percent of all originations in 1998, down from 22 percent in 1997 and 27 percent in 1996. ARMs were a more significant financing product for new home sales. The proportion of ARMs used to finance third quarter new home purchases rose to 43 percent from 32 percent in the prior quarter and 17 percent for 1998.

The thrift industry has traditionally originated and held more ARMs than other mortgage originators primarily because ARMs help reduce interest rate risk. The FHFB survey indicates that thrift ARM originations rose in the third quarter to 63 percent of total originations from 46 percent in the prior quarter. ARM originations at thrifts in 1998 were only 33 percent of total originations.

Reflecting a general decline in mortgage banking activity during the third quarter, thrifts' sales of single-family mortgages fell 25 percent to $36.6 billion from $49.1 billion in the prior quarter. One year ago third quarter single-family mortgage sales were $53.1 billion. Third quarter 1999 sales represented 66 percent of new single-family originations, down from 74 percent of new originations in the prior quarter and 79 percent one year ago. This is also an indication that the proportion of FRM originations has been falling.

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[3] Reported thrift refinancing data are for loans refinanced by the original loan holder. The Mortgage Bankers Association of America (MBAA) estimates refinancings from all sources. Under the MBAA definition, the refinancing share of total single-family mortgage originations was 23 percent (estimated) in the third quarter, down from 38 percent (actual) in the previous quarter and 44 percent one year ago. Refinancings averaged 50 percent of originations in 1998, up from 31 percent in 1997.

[4] Monthly average commitment rate data are from Freddie Mac's *Primary Mortgage Market Survey*.

[5] Data are from the Federal Housing Finance Board's *Mortgage Interest Rate Survey*.

Assets held for sale fell in the third quarter to $20.1 billion, or 2.3 percent of total assets, from $27.2 billion (3.2 percent of assets) in the prior quarter and $27.5 billion (3.5 percent of assets) in the third quarter one year ago. Again this reflects the decline in thrift mortgage banking activity from the very strong levels seen during 1998 and the first half of 1999, as high levels of assets held for sale reflect the build-up of closed loans prior to their eventual sale in the secondary market. In 1997 assets held for sale averaged $14.7 billion, or 1.9 percent of assets.

ARMs Held in Portfolio Increased as FRMs Fell

As interest rates increased during 1999 borrower preference shifted from FRM products to ARMs. After rising each quarter during 1998 and the first half of 1999, the proportion of thrift assets held in 30-year single-family FRMs and securities fell slightly to 14.3 percent at the end of the third quarter from 14.7 percent at the end of the prior quarter.[6] This drop reflected the decreases in refinancings and assets held for sale during the third quarter. Fifteen-year FRMs and securities fell to 7.5 percent of assets from 7.8 percent of assets in the second quarter and 7.6 percent one year ago. Balloon mortgages rose slightly to 4.0 percent of assets in the third quarter from 3.9 percent in the prior quarter and 3.4 percent one year ago. The strength in demand for these shorter term mortgage products reveals continued strong consumer confidence levels, low unemployment, relatively low interest rates, and some consumer preference for more rapid mortgage payoffs.

ARMs are the most significant mortgage product held by thrifts, but had declined since the first quarter of 1998 due to the popularity of FRMs during the mortgage refinancing boom. This decline was reversed in the third quarter as ARMs grew to 31.2 percent of assets, up 1.8 percent (7.2 percent annualized) from 30.7 percent of assets in the second quarter, but down 8.6 percent from 34.2 percent of assets one year ago.

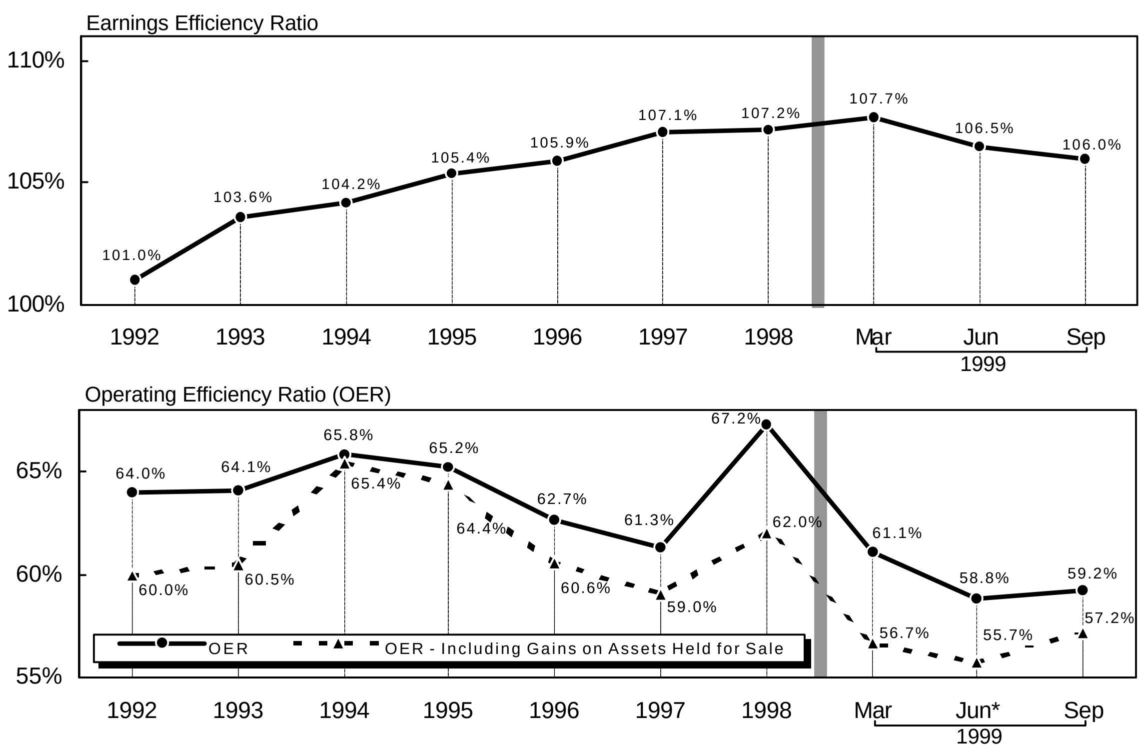
ARMs as a percent of thrift assets fell 20.4 percent during the 1998 refinancing boom, from 39.8 percent to 31.7 percent. The decline in ARMs in 1998 and the first half of 1999 was attributable to relatively high prepayment rates. The prepayment rate for ARMs has fallen since the third quarter of 1998, but remained double the rate of 30-year FRMs as of the third quarter 1999.

[6] Data are for thrifts filing Schedule CMR.

ARMs that adjust with "lagging market indexes" (LMI ARMs) grew in the third quarter to 16.3 percent of assets from 16.1 percent in the prior quarter, but were down from 18.0 percent one year ago. ARMs adjusting with "current market indexes" (CMI ARMs) also grew in the third quarter. CMI ARMs grew to 15.0 percent of assets in the third quarter from 14.6 percent in the prior quarter, but were down from 16.1 percent one year ago. LMI ARMs adjust more slowly than CMI ARMs to changes in market interest rates. In a rising interest rate environment, LMI ARMs have a negative influence on NIM.

Earnings Efficiency and Operating Efficiency Measures Weakened

The chart below presents thrifts' earnings efficiency and operating efficiency ratios in the top and bottom panels, respectively. Earnings efficiency is the ratio of interest-earning assets to interest-bearing liabilities. Higher earnings efficiency ratios tend to buttress net interest income. The operating efficiency ratio measures the amount of core income consumed by overhead expense and is defined as general and administrative expense divided by net interest income plus fee income. Lower operating efficiency ratios indicate more efficient operations.



* OER including gains on assets held for sale revised from 55.8%.
Earnings Efficiency Ratio = Interest-Earning Assets / Interest-Bearing Liabilities.
Operating Efficiency Ratio = General and Administrative Expense / Net Interest Income plus Fee Income.
1996 General and Administrative Expense excludes net SAIF special assessment.

The earnings efficiency ratio slipped slightly to 106.0 percent in the third quarter from 106.5 percent in the prior quarter and 108.1 percent one year ago. Increases in cash, noninterest earning assets, and Federal Home Loan Bank stock, combined with a decline in equity capital, caused the earnings efficiency ratio to fall. In addition, a continuing shift of deposits from noninterest bearing checking accounts to those paying interest contributed to the decline in the earnings efficiency ratio in the third quarter. Despite periodic fluctuations, the earnings efficiency ratio has generally improved for the past six years due to higher capital, fewer problem assets, and lower levels of cash and noninterest earning assets.

The operating efficiency ratio weakened slightly in the third quarter to 59.2 percent from 58.8 percent in the prior quarter and 67.8 percent one year ago. While general and administrative expenses improved in the third quarter to 1.99 percent of average assets from 2.01 percent in the prior quarter and 2.16 percent one year ago, small declines in net interest margin and mortgage loan servicing fee income caused the ratio to increase.

Operating efficiency has generally improved since 1994 as shown in the chart. The principal exception was in 1998 when significant restructuring charges and increases in overhead expenses to accommodate the record mortgage origination activity reduced thrift operating efficiency.

Equity Capital Ratio Fell, But Remained Strong

The industry's ratio of equity capital to assets fell to 8.00 percent in the third quarter from 8.10 percent in the prior quarter and 8.58 percent one year ago. The industry's equity capital increased by $0.4 billion to $69.0 billion, but this growth was much slower than growth of total industry assets. Another increase in unrealized losses on available-for-sale securities significantly reduced the growth in total equity capital. Unrealized losses on available-for-sale securities totaled $1.3 billion, or 0.2 percent of total assets, in the third quarter compared with unrealized losses of $0.7 billion (0.1 percent of assets) in the second quarter and unrealized gains of $1.5 billion (0.2 percent of assets) one year ago. The increase in unrealized losses was due both to rising interest rates and to high levels of available-for-sale securities. Available-for-sale securities were $136.5 billion, or 15.8 percent of assets, in the third quarter, proportionately down from $136.3 billion, or 16.1 percent of assets, in the prior quarter, but up from $109.4 billion, or 13.8 percent of assets, one year ago. Levels of available-for-sale securities have remained high since 1997, reflecting strong mortgage banking activity. At the end of 1997, available-for-sale securities were $97.7 billion, or 12.6 percent of assets. These movements in unrealized gains and losses bear close monitoring to ensure that thrifts effectively manage interest rate risk as rates rise.

The risk-based capital ratio fell in the third quarter to 14.14 percent from 14.24 percent in the prior quarter and 14.72 percent one year ago. The decline in the industry's risk-based capital ratio over the last year reflects the decrease in equity capital ratio and movement of assets from securities to direct lending. The industry's risk-based capital ratio remains considerably higher than the 10 percent level needed for well-capitalized status.

The industry's third quarter tier 1 leverage capital ratio increased to 7.54 percent of adjusted tangible assets from 7.53 percent in the prior quarter, but was below the 7.71 percent level one year ago. The third quarter tier 1 leverage ratio moved in an opposite direction from the equity capital ratio because unrealized gains or losses on available-for-sale securities are excluded from the calculation of tier 1 leverage capital.

Of all thrifts 97.6 percent met or exceeded well-capitalized standards at the end of the third quarter, up from 97.4 percent in the prior quarter and slightly down from 97.6 percent one year ago. At the end of the third quarter one thrift did not meet minimum capital requirements. This critically undercapitalized thrift received a capital infusion subsequent to the end of the third quarter and improved its capital category. In July 1999 a thrift that was critically undercapitalized at the end of the second quarter was placed into receivership and sold. This was the first thrift failure since August 1996.

The Number and Assets of Problem Thrifts Remained at Low Levels

The number of problem thrifts, those with CAMELS ratings of "4" or "5" on their most recent safety and soundness examination, was unchanged in the third quarter at 10 (0.9 percent of all thrifts) from the record low reached in the prior quarter. One year ago there were 18 problem thrifts (1.5 percent of all thrifts).

Aggregate assets of problem thrifts declined to $3.8 billion, or 0.4 percent of industry assets, in the third quarter from $4.1 billion, or 0.5 percent of industry assets, in the prior quarter. One year ago, problem thrifts' combined assets were $2.9 billion (0.4 percent).

Troubled Assets Remain Low

Troubled asset levels increased slightly in the third quarter to $5.6 billion, from $5.5 billion in the prior quarter, but the ratio of troubled assets-to-total assets fell slightly to 0.65 percent from 0.66 percent in the second quarter.[7] The third quarter troubled assets ratio was the lowest since 1990 when this measure

[7] Troubled assets include noncurrent loans and repossessed assets.

of asset quality was first used in the thrift industry. One year ago the industry's troubled assets measured $6.4 billion, or 0.80 percent of total assets.

The modest third quarter increase in troubled assets was due to higher levels of noncurrent loans. Noncurrent loans increased 3.1 percent to $4.5 billion (0.52 percent of assets) in the third quarter from $4.3 billion (0.51 percent of assets) in the prior quarter. One year ago noncurrent loans stood at $4.9 billion (0.61 percent of assets).

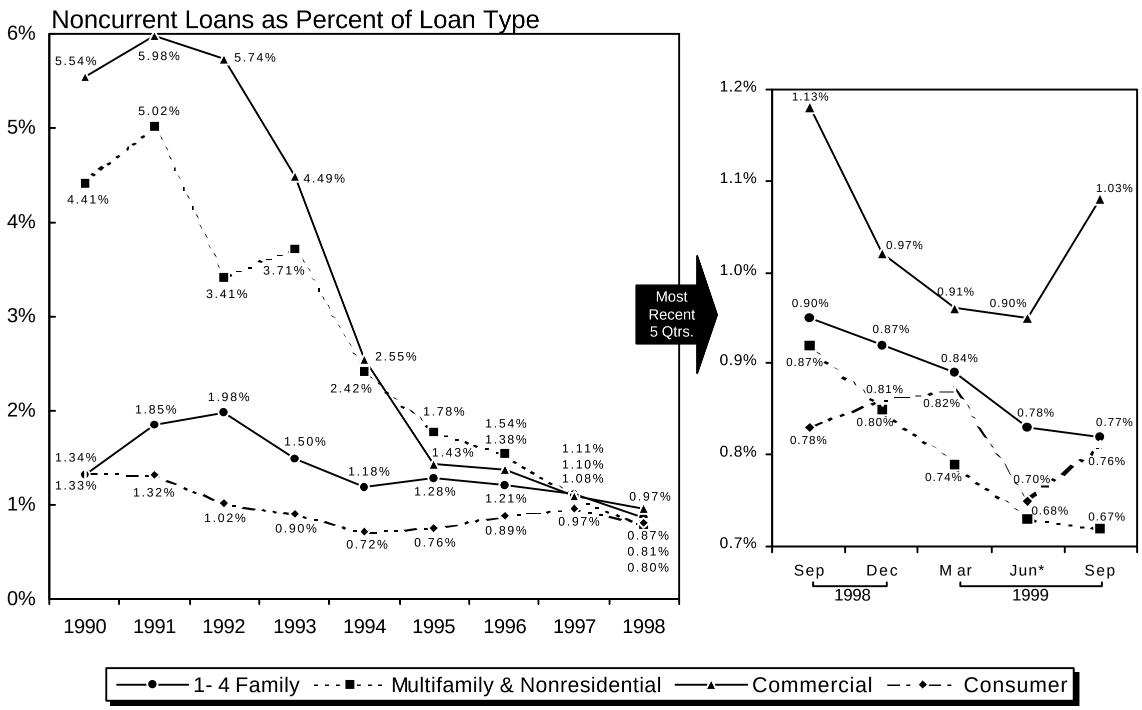
Repossessed assets, net of specific valuation allowances, dropped 8.9 percent to $1.1 billion, or 0.13 percent of assets, from $1.2 billion (0.14 percent of assets). One year ago repossessed assets were $1.5 billion (0.19 percent of assets).

Noncurrent Nonmortgage Loan Rates Increased

The chart on the next page presents thrifts' noncurrent loan rates from 1990 through 1998 and over the most recent five quarters for four major industry loan types: single-family mortgages, multifamily and nonresidential mortgages, commercial loans, and consumer loans. Noncurrent loan rates fell in the third quarter for single-family and multifamily and nonresidential mortgages, continuing a downward trend in loan delinquencies that began in 1993 for all major loan types, except consumer loans. In contrast to the declines in noncurrent loan rates for mortgages, noncurrent loan rates for commercial and consumer loans increased in the third quarter. The third quarter increases in noncurrent commercial and consumer loans were concentrated among a small group of larger thrifts. The third quarter noncurrent rates for mortgage loans (single-family, multifamily and nonresidential) reached the lowest levels since the use of this asset quality indicator began in 1990.

The noncurrent rate on thrifts' primary assets – single-family mortgages – fell to 0.77 percent of all single-family loans at the end of the third quarter from 0.78 percent in the prior quarter and 0.90 percent one year ago. The single-family mortgage noncurrent rate has generally fallen over the past three years and was 36 percent lower than the noncurrent rate of 1.21 percent at December 1996. Similarly there has been a long-term, general decline in the noncurrent rate of multifamily and nonresidential mortgages -- the rate dropped to 0.67 percent in the third quarter from 0.68 percent in the prior quarter and 0.87 percent one year ago.

Despite some increase in the third quarter, commercial loan noncurrent rates have also generally trended lower since 1991. Noncurrent commercial loans rose to 1.03 percent of all commercial loans in the third quarter from 0.90 percent



* Consumer loans revised from 0.72%.
Data after 1995 are net of specific valuation allowances.

in the prior quarter, but remained under the 1.13 percent level of one year ago. Only 143 of the 766 thrifts that engaged in commercial lending during the third quarter experienced increases in their non-performing commercial loans. Even among this group a few large thrifts accounted for the bulk of the increase.

In contrast to the general decline in noncurrent mortgage and commercial loan rates, noncurrent consumer loan rates generally rose from 1994 through 1997 before declining in 1998. Noncurrent consumer loans increased in the third quarter to 0.76 percent of all consumer loans from 0.70 percent in the prior quarter, but were down from 0.78 percent one year ago. Noncurrent consumer loans reached a post-1990 low of 0.68 percent in the second quarter of 1995.

Charge-Offs and Valuation Allowances Fell

Net charge-offs have generally declined since 1993 consistent with continued improvements in asset quality and reflecting the previously described decline in noncurrent loan rates. In the third quarter annualized charge-offs fell to 0.14 percent of average assets from 0.17 percent in the prior quarter. The improvement reflected net recoveries from multifamily loans previously charged off and lower charge-offs for single-family mortgages. Third quarter charge-offs were below the 1998 average of 0.20 percent.

Valuation allowances fell slightly in the third quarter to 0.68 percent of assets from 0.69 percent in the prior quarter and 0.76 percent one year ago. The decline in third quarter allowances was attributable to the continued reduction in problem assets and continued high levels of assets held for sale. Valuation allowance ratios would be higher if assets held for sale are not replaced after their eventual sale. The third quarter decline in valuation allowances, coupled with an increase in direct lending, will be monitored closely. Appropriate levels of allowances must be determined on a case-by-case basis and will vary with types of loans held, underwriting standards, and current economic conditions.

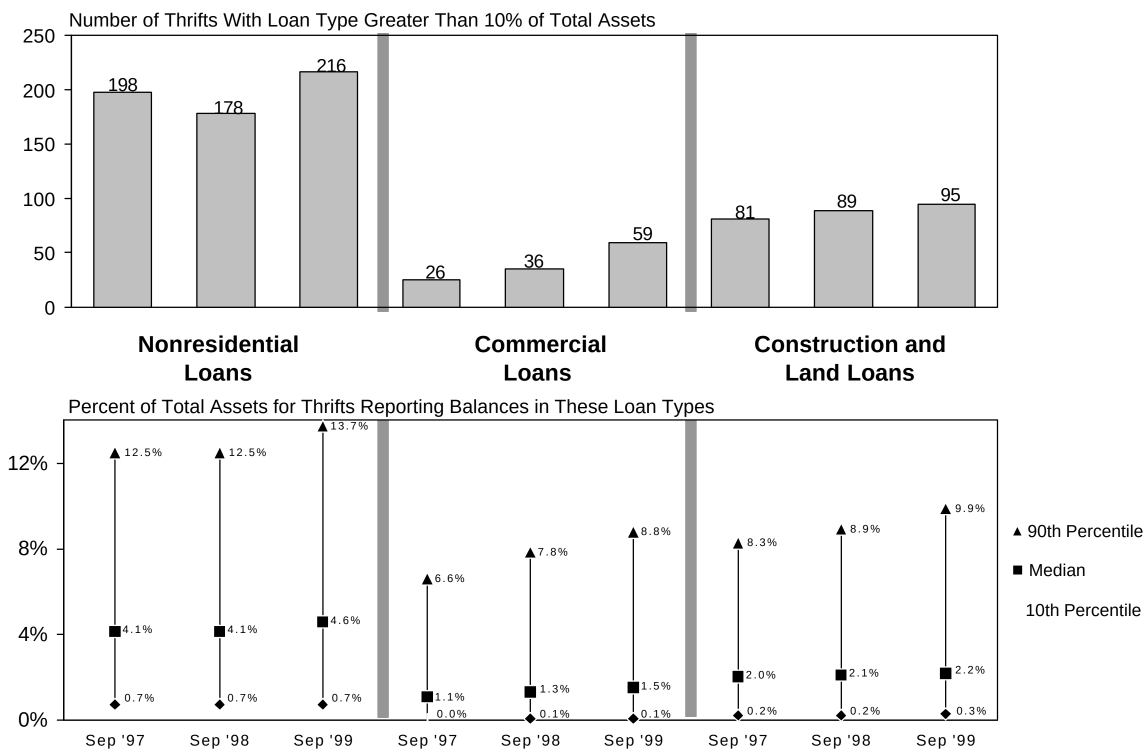
Reductions in thrifts' noncurrent loan rates and charge-offs have been significant and helped strengthen earnings. However, some of the drop in noncurrent loan ratios may be partially attributable to sales of loan portfolios, rollover of consumer debt into refinanced single-family mortgages, and increases in new, unaged loans that have not yet experienced delinquency problems. Further, refinanced loans may mask some borrowers' debt management problems. Continued high quality loan underwriting and performance monitoring will be key in maintaining good asset quality.

Supervisory Attention Remains Focused on Higher Risk Lending

Loan underwriting trends at thrifts are monitored from a quarterly *Lending Standards Survey* of examiners conducted after on-site lending reviews and from discussions with supervisory personnel. As noted in the five previous *Quarterly Highlights*, these surveys have identified no significant changes or widespread deterioration in underwriting standards. The third quarter survey maintained these findings, but found that the proportion of thrifts focusing on various types of higher risk lending, though very low, increased over the last year.

Thrifts continue to diversify their loan portfolios, but remain primarily consumer oriented lenders with the vast majority of assets in single-family mortgages and consumer loans. Diversification has included increases in higher risk lending, such as nonresidential mortgages, commercial/small business lending, and construction lending. While diversification can be a sound strategy if properly undertaken in a safe, sound manner with the requisite expertise, the current favorable economic conditions present loan underwriting challenges. For example, the strength of the current economic expansion can mask underlying loan weaknesses and cause project viability overestimates. This is especially true of higher risk loan types. Poorly underwritten higher risk loans are often the first to become troubled during an economic slowdown. Market competition and growth goals are the most common reasons cited for easing underwriting standards. Any deterioration in general loan underwriting standards to maintain or expand market share during an extended and highly competitive economic expansion can also pose supervisory problems, particularly when these changes are not accompanied by commensurate price increases. For these reasons, increases in higher risk lending and any deterioration in loan underwriting standards warrant close supervisory attention despite currently low levels of delinquencies and charge-offs.

Modest increases in nontraditional, higher risk assets continued in the third quarter. While higher risk lending growth continues to be slight in the aggregate, the concentration of such lending is increasing at some thrifts. In addition, the number of thrifts concentrating in higher risk lending, though still small, is growing. The top panel of the chart below presents the number of thrifts with more than ten percent of their assets in four particular types of higher risk lending: nonresidential mortgages, commercial business loans, and construction and land loans combined. The bottom panel of the chart presents the loans-to-assets ratios for thrifts engaging in such lending for the median (midpoint), 10th percentile (thrifts with the lowest amounts of such loans) and the 90th percentile (highest amounts).



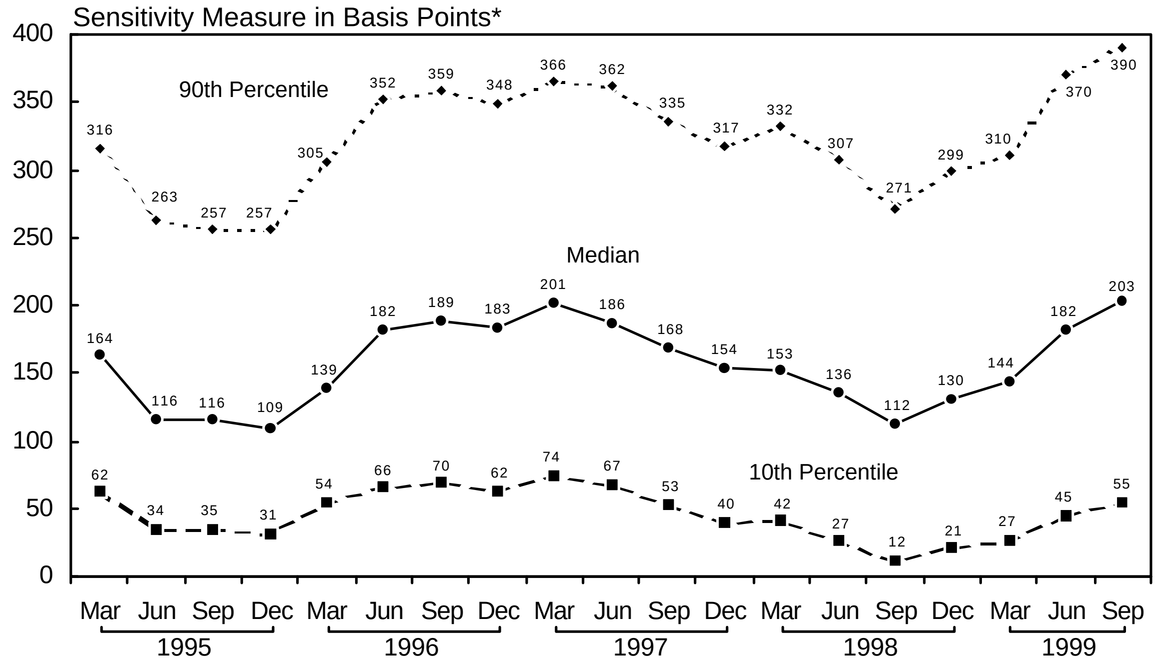
As shown in the top panel of the chart, the number of thrifts with more than ten percent of their assets – a measure of concentration – in each major higher risk lending types increased between September 1997 and September 1999. In contrast, the total number of thrifts declined over this same period by 10.1 percent, from 1,238 to 1,111. The largest increase was for thrifts concentrating in commercial loans, which grew 127 percent, from 26 to 59 thrifts, during the two year period. Although this was only 5.3 percent of all thrifts at the end of the third quarter, it was up from 4.8 percent in the prior quarter. At the end of the third quarter 216 thrifts, or 19.4 percent of all thrifts, had concentrations of over ten percent of their assets in nonresidential mortgages. This number was up substantially from 198 thrifts (16.0 percent of thrifts) two years ago.

The bottom panel shows that the degree of concentration has also increased, especially for thrifts most concentrated in these higher risk loans. While the median percent of assets increased modestly for thrifts holding nonresidential mortgages, commercial loans, and construction and land loans over the last two years, the difference between the median and 90th percentile values grew wider for all three types of higher risk loans. For thrifts holding nonresidential mortgages, thrifts in the 90th percentile held 13.7 percent of assets in such lending at September 1999, up from 12.5 percent two years ago. Assets held in commercial loans by thrifts in the 90th percentile rose 33 percent to 8.8 percent at September 1999, from 6.6 percent two years ago. Investment in construction and land loans at the 90th percentile was 9.9 percent at September 1999, up 19 percent from 8.3 percent two years ago. However, this ratio may understate the actual concentration of such loans due to loans-in-process.

Thrifts engaging in higher risk lending should carefully review *Thrift Bulletin 72a: Interagency Guidance on High LTV Residential Real Estate Lending* dated October 13, 1999, and the *Interagency Guidance on Subprime Lending* dated March 1, 1999. Thrifts engaging in higher risk lending must have adequate managerial expertise, underwriting procedures, loan pricing and monitoring, charge-off policies, and reserve and capital levels. The risk assessment process for higher risk lending should incorporate operating, compliance, and legal risks. In addition, planning for potential downturns in the economy is especially crucial for higher risk loan analyses. All policies, procedures and internal controls for higher risk lending must be approved by thrifts' boards of directors. Thrifts engaging in higher risk lending will continue to receive heightened supervisory attention and those found to be inadequately managing such lending will be considered engaging in unsafe and unsound practices.

Thrifts' IRR Sensitivity Increases; Post-Shock NPV Remains Strong

The chart at the top of the next page provides the industry's interest rate risk sensitivity measures from March 1995 through September 1999. OTS uses its Interest Rate Risk Model (IRR Model) to monitor thrifts' interest rate risk. The model measures the change in a thrift's economic value, or the net present value



* Preliminary third quarter data for 983 thrifts with $758.5 billion in assets.

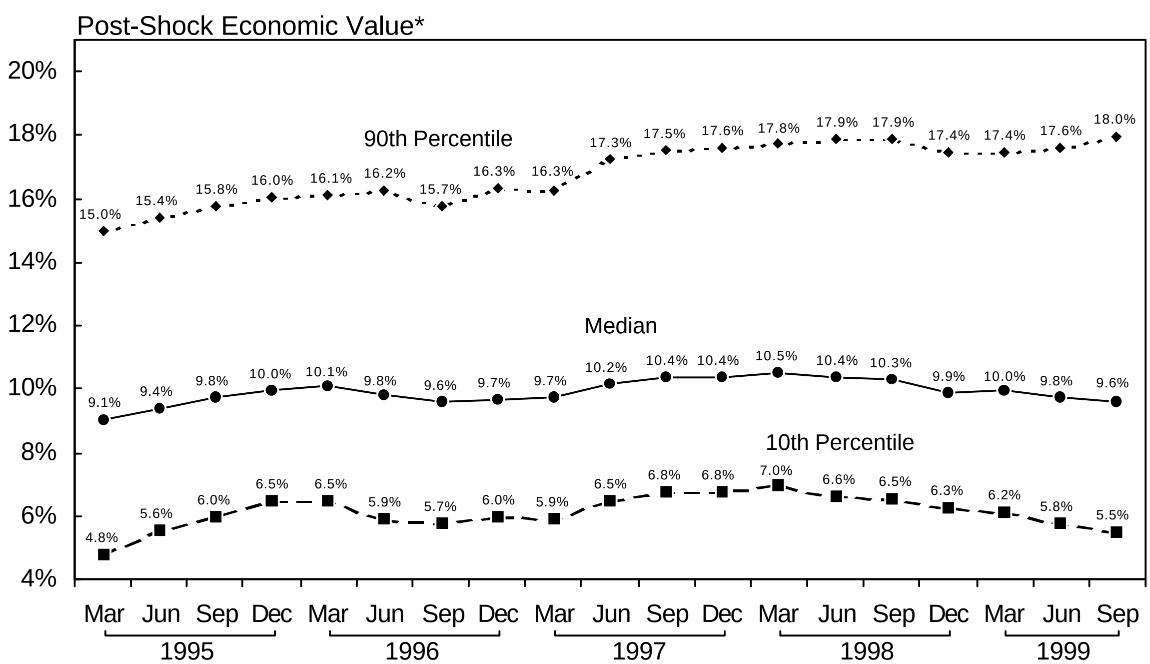
(NPV) of its current net worth, due to changes in interest rates. The decline in a thrift's NPV due to a 200 basis point movement in interest rates is used by OTS to test the sensitivity of the thrift to interest rate changes. The resulting change in NPV – the post-shock NPV – indicates thrifts' ability to absorb or withstand future interest rate changes.

Based on preliminary data, the industry's median second quarter sensitivity to interest rate risk increased to 203 basis points from 182 basis points and in the prior quarter and 112 basis points one year ago. The industry's median sensitivity to interest rate risk has now increased for four consecutive quarters after generally improving between March 1997 and September 1998. Median sensitivity was at the highest level since OTS began using the current IRR model in 1993. Rising interest rates and a continued increase in 30-year FRMs held by thrifts, coupled with a decline in ARMs, accounted for the sensitivity increases over the last quarter 1998 and the first half of 1999. In the third quarter, FRMs held by thrifts fell slightly, but were still higher than one year ago, while ARMs increased, though they remained below the proportion one year ago. OTS will continue to closely monitor this trend. Interest rate risk monitoring is performed on an individual institution basis and focuses not only on the results of the OTS IRR Model, but also on each thrift's management capability, internal IRR monitoring, and contingency planning.

The increase in the third quarter sensitivity extended to thrifts most sensitive to interest rate risk (those in the 90th percentile) and thrifts with the least sensitivity (those in the 10th percentile). The increase for those most sensitive to interest rate risk was slightly less than the median increase. The third quarter sensitivity measure for thrifts in the 90th percentile was 390 basis points, a 5 percent rise from 370 basis points in the prior quarter and the highest level since 1993 when OTS began using its current IRR Model. Because of their greater vulnerability, thrifts in this group receive increased supervisory monitoring, especially in conjunction with their post-shock economic value. These thrifts' third quarter median post-shock economic value was 6.8 percent, down from 7.7 percent in the prior quarter, but still strong despite their high level of sensitivity.

The third quarter sensitivity measure for thrifts in the 10th percentile was 55 basis points, up from 45 basis points in the prior quarter. The third quarter sensitivity measure for thrifts in the 10th percentile was at the highest level since June 1997.

The median third quarter post-shock economic value for the industry fell to 9.6 percent in the second quarter from 9.8 percent in the prior quarter and 10.3 percent one year ago as shown in the chart below. The decline in capital and the



* Preliminary third quarter data for 983 thrifts with $758.5 billion in assets.

rise in sensitivity measures accounted for this decrease. Reflecting higher sensitivity, second quarter post-shock economic value dropped to 5.5 percent for those thrifts with the lowest (10^{th} percentile) values from 5.8 percent in the prior quarter and 6.5 percent one year ago. This was the lowest level for the 10^{th} percentile since March 1995. Despite the decline, the post-shock values remain strong even for thrifts in this group. Nevertheless, thrifts in this group receive heightened supervision and monitoring since their cushion against interest rate risk is much smaller than the industry average.

The second quarter post-shock economic value for thrifts with the highest values (90^{th} percentile) rose to 18.0 percent from 17.6 percent in the prior quarter and 17.9 percent one year ago. The rising post-shock economic value for this group is explained by the increasing number of new thrifts, which generally have high capital levels.

Consolidation Pace Slowed in the Third Quarter

The number of thrift institutions regulated by OTS fell to 1,111 in the third quarter from 1,115 in the prior quarter and 1,170 one year ago. A total of 16 thrifts left OTS supervision in the third quarter, mainly through acquisitions and conversions to non-OTS-regulated charter types. This has been the pattern over the past five years. Mergers and acquisitions by other banks or thrifts accounted for nine of the departures over the quarter. One small thrift failed in July 1999 and its assets and liabilities were simultaneously acquired by a new thrift chartered by an existing savings and loan holding company. This was the first thrift failure since August 1996.

Conversions of OTS thrifts to non-OTS charters remained unchanged from the second quarter at five, but were up slightly from three in the third quarter one year ago. Unlike most years from 1993 through 1998, the majority (13 or 68 percent) of conversions in the first three quarters of 1999 were to banks; the remainder (6 or 32 percent) were to state savings banks. In each year from 1993 to 1998, except for 1997, the vast majority of conversions were to state savings bank charters.

New thrifts chartered have offset thrift exits by approximately 40 percent during 1998 and the first three quarters of 1999. Twelve new thrifts were chartered in the third quarter, with eight of these being de novo thrifts. Two credit unions, an existing bank, and a non-OTS-supervised thrift converted to federal thrift charters in the quarter.

Strong Asset Growth Continued

OTS-supervised thrift industry assets increased to $863 billion in the third quarter – the highest since 1991 when they totaled $895 billion. Assets were $847 billion in the prior quarter and $795 billion one year ago. Although the number of thrifts continued to decline in the second quarter, strong asset growth of remaining thrifts increased aggregate thrift industry assets.

Asset growth of continuing thrifts substantially exceeded the asset losses from exiting thrifts in the second quarter. Internal asset growth for continuing thrifts continued strong in the third quarter, measuring $19.1 billion, compared to a quarterly average of $18.3 billion in 1998 and $11.8 billion in 1997. Second quarter asset growth was $14.6 billion.

Several bank holding companies that own large thrifts have proposed merging the thrifts into their bank affiliates. These thrifts are expected to exit the OTS-regulated industry over the next three quarters and will likely cause industry assets to decline. In addition, aggregate thrift industry asset growth may slow or decline in upcoming quarters due to further consolidation and if assets held for sale are not replaced after their eventual sale.

Direct Lending Led Third Quarter Asset Growth; Securities Investments Declined

Industry holdings of direct single-family mortgage loans as a percent of total industry assets continued to increase in the third quarter after falling in each quarter from March 1998 through March 1999. Single-family mortgages rose to 48.8 percent of assets in the third quarter from 48.2 percent in the prior quarter, but remained below the 49.6 percent level of one year ago. As previously discussed, the increase in mortgage loans was concentrated in ARMs. Direct single-family mortgages are the most significant asset held by thrifts.

Mortgage pool securities, thrifts' second most significant asset, declined to 11.2 percent of assets in the third quarter from 11.8 percent of assets in the prior quarter and one year ago.

Mortgage derivative securities fell to 8.1 percent of assets in the third quarter from 8.4 percent in the prior quarter but remained above the 7.0 percent level of one year ago. Increases in mortgage derivatives offset the declines in direct single-family mortgages during the March 1998-99 period and mortgage derivatives rose to the industry's third largest asset type. This increase in mortgage derivatives was primarily concentrated in several large thrifts that added such securities to their portfolios to compensate for the sharp decline in ARM originations. At the end of the third quarter, floating-rate collaterallized mortgage obligations (CMOs) represented 18 percent of all mortgage derivatives held by thrifts, even with the proportion in the second quarter. Fixed-rate CMOs maturing in less than five years fell to 57 percent in the third quarter from 61 percent in the prior quarter. The decline in mortgage derivatives appears associated with increased direct mortgage lending; a similar pattern occurred after the post-refinancing boom of 1992-93 when mortgage derivatives were increasingly replaced by direct lending as refinancing activity waned.

Construction loans were the fastest growing thrift loan type in the third quarter, increasing at an annual rate of 31.5 percent. The growth reflected continued strong expansion in domestic housing markets. Although the growth rate was high, construction loans were still a relatively small percentage of thrift assets, measuring 2.0 percent at the end of the third quarter, up from 1.9 percent in the prior quarter and 1.7 percent one year ago.

Consumer loans have generally risen as a percent of thrift industry assets since 1993 and the trend continued in the third quarter. Consumer loans rose strongly at an 18.5 percent pace in the third quarter, which was, however, down from the 26.9 percent growth rate in the prior quarter. At the end of the third quarter consumer loans increased to 6.4 percent of assets from 6.2 percent in the prior quarter and 5.8 percent one year ago. Consumer loan purchases, sales, and repayments can cause significant periodic fluctuations in thrifts' consumer loan portfolios. Nevertheless, the general upward trend in thrift consumer loan portfolios observed since 1993 has also prevailed for the past 20 years.

Commercial/small business loans have also generally increased as a percent of thrift assets since 1993. Commercial/small business loans rose to 2.2 percent of assets in the third quarter from 2.1 percent in the prior quarter and 1.8 percent one year ago. Although still a small percentage of thrift assets, commercial loans have been the fastest growing thrift loan type since December 1993. These loans grew at an annual rate of 27.1 percent in the third quarter, lower than the average annual growth in commercial loans of 45.4 percent from December 1993 through September 1999.

Deposit Decline Continues; Borrowing Maturities Decline

Deposits continued to decline as a funding source in the third quarter. The third quarter deposits-to-assets ratio fell to a record low of 57.2 percent from the previous low of 58.1 percent in the prior quarter and 62.6 percent one year ago. The decline in deposits has been concentrated in deposits under $100,000. Such deposits dropped to 45.9 percent of assets in the third quarter from 46.7 percent in the previous quarter and 51.2 percent one year ago. Deposits over $100,000 fell slightly in the third quarter to 11.3 percent from 11.4 percent in the prior quarter and one year ago. Two years ago deposits over $100,000 were 10.1 percent. The continued decline in deposits under $100,000 was attributable to higher rates of return available to consumers on alternative investments, strong consumer spending, and increased homeownership rates. Some of the decline in retail deposits may also be due to thrifts utilizing other funding sources for more efficient growth and to better match asset maturities.

Despite the overall decline in deposits, transaction and demand deposits (noninterest and interest paying) held by the industry have generally increased during the past several years. However, thrifts' transaction and demand deposits fell to 17.3 percent of assets in the third quarter from 17.7 percent in the prior quarter, but were up from 16.4 percent one year ago. Decreases in these low cost funds contribute to increases in the industry's interest expense. The fall in transaction and demand accounts was partially offset by a rise in the absolute dollar level of thrifts' certificates of deposits (CDs) which, however, fell to 32.3 percent of assets in the third quarter from 32.5 percent in the prior quarter and 37.6 percent one year ago.

Borrowings, primarily advances from the Federal Home Loan Banks, have generally replaced declining deposits as a funding source for assets. Their expanded use has allowed thrifts to better match the maturities of their liabilities to their assets and take advantage of low long-term interest rates. Borrowings as a percent of assets rose to 32.2 percent in the third quarter from 31.0 percent in the prior quarter and 25.6 percent one year ago. The weighted average remaining maturity of total fixed-rate borrowings declined in the third quarter to 22.2 months from 23.2 months in the prior quarter. Borrowing maturities have generally increased since 1997, although some of this may mask an apparent increase in borrowings with call provisions. One year ago the weighted average remaining maturity on such borrowings was 21.5 months; two years ago 12.4 months.

The overall weighted average cost of thrifts' fixed-rate borrowings increased to 5.4 percent at the end of the third quarter from 5.25 percent in the prior quarter. The third quarter rise follows the increase last quarter, which was the first increase in the weighted average cost since December 1997. One year ago, the cost of borrowings was 5.67 percent; two years ago it was 5.90 percent. Variable-rate borrowings increased to 9.4 percent of total assets in the third quarter from 8.4 percent in the prior quarter and 6.8 percent one year ago.

THE OTS-REGULATED THRIFT INDUSTRY
SELECTED INDICATORS
(Dollars in Billions)

							9-MONTHS ENDED		3-MONTHS ENDED	
		1995	1996	ADJ. 1996 (1)	1997	1998	SEP. 1998	SEP. 1999	JUNE 1999	SEP. 1999
SUMMARY DATA:										
Number of Thrifts	(#)	1,437	1,334		1,215	1,145	1,170	1,111	1,115	1,111
Total Assets	($)	770.98	769.37		776.58	817.61	795.20	862.72	846.68	862.72
Net Income	($)	5.36	4.74	6.80	6.41	7.57	6.19	6.26	2.11	2.09
Profits	($)	6.04	5.91		6.99	8.06	6.53	6.43	2.17	2.15
Losses	($)	-0.68	-1.18		-0.57	-0.49	-0.34	-0.17	-0.06	-0.06
PROFITABILITY MEASURES:										
Return on Average Assets	(%)	0.70	0.62	0.89	0.84	0.97	1.06	0.99	1.01	0.98
Median Ratio	(%)	0.74	0.47	0.77	0.83	0.77	0.81	0.75	0.75	0.76
Return on Average Equity	(%)	9.00	7.77	11.15	10.44	11.42	12.48	12.26	12.41	12.18
Median Ratio	(%)	7.75	4.51	7.73	8.33	7.32	7.65	6.96	6.94	7.16
Net Interest Income	($)	20.53	21.79		21.82	21.50	16.07	17.15	5.76	5.77
% of Average Assets	(%)	2.66	2.85		2.87	2.74	2.74	2.72	2.75	2.71
Total Fee Income	($)	2.87	3.65		4.38	4.54	3.30	4.07	1.41	1.39
% of Average Assets	(%)	0.39	0.51		0.62	0.62	0.50	0.65	0.67	0.65
G&A Expense	($)	15.26	19.14	15.97	16.06	17.50	12.61	12.66	4.21	4.24
% of Average Assets	(%)	1.98	2.50	2.09	2.11	2.23	2.15	2.01	2.01	1.99
CAPITAL MEASURES:										
Equity Capital Ratio	(%)	8.01	7.92		8.32	8.23	8.58	8.00	8.10	8.00
Tier 1 Leverage Ratio	(%)	7.47	7.38		7.58	7.43	7.71	7.54	7.53	7.54
Risk-based Capital Ratio	(%)	15.15	14.53		14.50	14.38	14.72	14.14	14.24	14.14
Thrifts by FDICIA Capital Categories:										
Well-Capitalized	(#)	1,392	1,290		1,183	1,115	1,142	1,084	1,084	1,084
Adequately Capitalized	(#)	38	43		31	26	28	26	29	26
Undercapitalized	(#)	4	0		1	1	0	0	0	0
Significantly Undercapitalized	(#)	1	1		0	1	0	0	1	0
Critically Undercapitalized	(#)	0	0		0	0	0	1	0	1
FAILED/PROBLEM THRIFTS:										
Failed Thrifts	(#)	2	1		0	0	0	1	0	1
Problem Thrifts	(#)	41	29		18	15	18	10	10	10
Problem Thrift Assets	($)	10.76	5.43		1.58	5.91	2.88	3.83	4.09	3.83
Problem Thrift Assets as a % of Total Assets	(%)	1.40	0.71		0.20	0.72	0.36	0.44	0.48	0.44
ASSET QUALITY MEASURES:										
Troubled Assets (2)	($)	9.54	8.71		7.72	6.27	6.39	5.58	5.55	5.58
% of Total Assets	(%)	1.24	1.13		0.99	0.77	0.80	0.65	0.66	0.65
Noncurrent Loans	($)	6.76	6.57		5.92	4.80	4.88	4.47	4.33	4.47
% of Total Assets	(%)	0.88	0.85		0.76	0.59	0.61	0.52	0.51	0.52
Noncurrent Loans as a % of Loan Type:										
1-4 Family Mortgages	(%)	1.28	1.21		1.11	0.87	0.90	0.77	0.78	0.77
Multifamily Loans	(%)	1.62	1.45		0.74	0.49	0.56	0.38	0.39	0.38
Commercial Loans	(%)	1.43	1.38		1.10	0.97	1.13	1.03	0.90	1.03
Consumer Loans	(%)	0.76	0.89		0.97	0.81	0.78	0.76	0.70	0.76
1-4 FAMILY MORTGAGE LOAN ACTIVITY:										
Originations	($)	106.32	136.08		150.16	275.63	194.10	187.99	66.11	55.79
Purchases	($)	40.51	57.37		62.43	95.44	68.81	64.19	20.81	22.68
Sales	($)	76.40	93.76		111.83	221.42	162.47	137.62	49.05	36.62
Loans Outstanding (3)	($)	365.29	383.86		390.77	400.91	394.55	421.01	408.29	421.01
Loans Outstanding / Total Assets	(%)	47.38	49.89		50.32	49.03	49.62	48.80	48.22	48.80

(1) Excludes the SAIF special assessment.
(2) Data after 1995 are net of specific valuation allowances.
(3) Does not include Mortgage Backed Securities.
Numbers may not sum due to rounding. With the exception of regulatory capital measures, all data prior to June 1996 are unconsolidated.
Office of Thrift Supervision / December 1999

THE OTS-REGULATED THRIFT INDUSTRY
AGGREGATE FINANCIAL CONDITION AND INCOME DATA
(Dollars in Billions)

	SEPTEMBER 1998 ($)	SEPTEMBER 1998 % OF TOTAL ASSETS	JUNE 1999 ($)	JUNE 1999 % OF TOTAL ASSETS	SEPTEMBER 1999 ($)	SEPTEMBER 1999 % OF TOTAL ASSETS
TOTAL ASSETS	795.20	100.00	846.68	100.00	862.72	100.00
1-4 Family Mortgages	394.55	49.62	408.29	48.22	421.01	48.80
Mortgage Pool Securities	93.70	11.78	99.59	11.76	96.60	11.20
Multifamily Mortgages	43.89	5.52	41.11	4.86	42.64	4.94
Nonresidential Mortgages	28.97	3.64	30.54	3.61	31.42	3.64
Construction Loans	13.25	1.67	15.76	1.86	17.00	1.97
Land Loans	3.82	0.48	4.39	0.52	4.54	0.53
Commercial Loans	14.08	1.77	17.42	2.06	18.60	2.16
Consumer Loans	46.40	5.84	52.33	6.18	54.75	6.35
Cash and Noninterest-Earning Deposits	10.95	1.38	11.63	1.37	12.47	1.45
Investment Securities	104.81	13.18	119.47	14.11	117.34	13.60
Mortgage Derivatives	55.95	7.04	71.47	8.44	70.08	8.12
Repossessed Assets, Net	1.51	0.19	1.22	0.14	1.11	0.13
Real Estate Held for Investment	0.45	0.06	0.44	0.05	0.42	0.05
Office Premises & Equipment	7.97	1.00	8.19	0.97	8.26	0.96
Other Assets	36.24	4.56	41.64	4.92	41.95	4.86
Less: Contra Assets & Valuation Allowances	5.40	0.68	5.35	0.63	5.38	0.62
TOTAL LIABILITIES AND CAPITAL	795.20	100.00	846.68	100.00	862.72	100.00
Total Deposits	497.59	62.57	492.21	58.13	493.75	57.23
Deposits < or = to $100,000	407.35	51.23	395.35	46.69	396.32	45.94
Deposits > $100,000	90.24	11.35	96.86	11.44	97.42	11.29
Escrows	10.55	1.33	10.38	1.23	9.03	1.05
Total Borrowings	203.69	25.61	262.82	31.04	278.09	32.23
Advances from FHLB	125.64	15.80	164.38	19.41	174.60	20.24
Reverse Repurchase Agreements	44.69	5.62	59.34	7.01	64.85	7.52
Other Borrowings	33.36	4.20	39.10	4.62	38.64	4.48
Other Liabilities	15.11	1.90	12.68	1.50	12.88	1.49
EQUITY CAPITAL	68.26	8.58	68.59	8.10	68.99	8.00

	SEPTEMBER 1998 ($)	SEPTEMBER 1998 % OF AVERAGE ASSETS(*)	JUNE 1999 ($)	JUNE 1999 % OF AVERAGE ASSETS(*)	SEPTEMBER 1999 ($)	SEPTEMBER 1999 % OF AVERAGE ASSETS(*)
INCOME AND EXPENSE DATA						
Interest Income	13.59	6.92	14.07	6.71	14.48	6.79
Interest Expense	8.31	4.23	8.30	3.96	8.70	4.09
Net Interest Income	5.29	2.69	5.76	2.75	5.77	2.71
Loss Provisions-Interest Bearing Assets	0.45	0.23	0.34	0.16	0.30	0.14
Noninterest Income	3.24	1.65	2.30	1.10	2.22	1.04
Mortgage Loan Servicing Fees	-0.05	-0.03	0.26	0.12	0.20	0.09
Other Fees and Charges	1.03	0.52	1.15	0.55	1.19	0.56
Other Noninterest Income	2.26	1.15	0.90	0.43	0.83	0.39
Noninterest Expense	4.43	2.26	4.39	2.09	4.40	2.07
G&A Expense	4.25	2.16	4.21	2.01	4.24	1.99
Goodwill Expense	0.16	0.08	0.14	0.07	0.14	0.07
Loss Provis.-Nonint. Bearing Assets	0.03	0.02	0.03	0.01	0.02	0.01
Income Before Taxes & Extraord. Items	3.64	1.85	3.34	1.59	3.29	1.54
Income Taxes	1.39	0.71	1.23	0.59	1.20	0.56
Extraordinary Items	-0.02	-0.01	0.00	0.00	0.00	0.00
Net Income	2.23	1.13	2.11	1.01	2.09	0.98

* Annualized.
Beginning in 1997, detailed asset categories are reported net of specific valuation allowances, loans in process, and unamortized yield adjustments.
Numbers may not sum due to rounding.
With the exception of regulatory capital measures, all data prior to June 1996 are unconsolidated.
Office of Thrift Supervision / December 1999

THE OTS-REGULATED THRIFT INDUSTRY
SELECTED INDICATORS
(Dollars in Billions)

NORTHEAST REGION

		1995	1996	ADJ. 1996 (1)	1997	1998	9-MONTHS ENDED SEP. 1998	9-MONTHS ENDED SEP. 1999	3-MONTHS ENDED JUNE 1999	3-MONTHS ENDED SEP. 1999
SUMMARY DATA:										
Number of Thrifts	(#)	283	269		257	243	250	231	232	231
Total Assets	($)	140.09	139.82		153.60	158.86	158.55	168.23	164.26	168.23
Net Income	($)	1.00	0.95	1.25	1.28	1.31	1.05	1.24	0.41	0.44
Profits	($)	1.04	1.05		1.32	1.42	1.09	1.25	0.42	0.45
Losses	($)	-0.04	-0.10		-0.04	-0.10	-0.04	-0.01	0.00	0.00
PROFITABILITY MEASURES:										
Return on Average Assets	(%)	0.77	0.68	0.89	0.91	0.86	0.92	1.02	1.02	1.07
Median Ratio	(%)	0.72	0.47	0.77	0.78	0.71	0.76	0.76	0.75	0.80
Return on Average Equity	(%)	9.59	8.30	10.87	10.87	9.76	10.42	12.20	12.25	12.96
Median Ratio	(%)	7.86	4.74	8.09	8.02	6.78	7.08	7.39	7.46	7.86
Net Interest Income	($)	3.83	4.18		4.33	4.35	3.27	3.43	1.14	1.17
% of Average Assets	(%)	2.96	2.99		3.07	2.84	2.86	2.80	2.81	2.83
Total Fee Income	($)	0.32	0.41		0.62	0.87	0.61	0.77	0.26	0.28
% of Average Assets	(%)	0.26	0.33		0.63	0.66	0.55	0.66	0.63	0.66
G&A Expense	($)	2.58	3.17	2.71	2.91	3.53	2.56	2.53	0.84	0.84
% of Average Assets	(%)	2.00	2.27	1.94	2.06	2.31	2.24	2.07	2.08	2.02
CAPITAL MEASURES:										
Equity Capital Ratio	(%)	8.41	8.24		8.74	8.58	8.98	8.17	8.29	8.17
Tier 1 Leverage Ratio	(%)	7.89	7.60		7.90	7.66	7.97	7.65	7.64	7.65
Risk-based Capital Ratio	(%)	17.35	16.35		16.37	15.62	16.24	15.01	15.37	15.01
Thrifts by FDICIA Capital Categories:										
Well-Capitalized	(#)	278	264		257	240	247	229	229	229
Adequately Capitalized	(#)	3	5		0	2	3	2	3	2
Undercapitalized	(#)	1	0		0	0	0	0	0	0
Significantly Undercapitalized	(#)	0	0		0	1	0	0	0	0
Critically Undercapitalized	(#)	0	0		0	0	0	0	0	0
FAILED/PROBLEM THRIFTS:										
Failed Thrifts	(#)	1	0		0	0	0	0	0	0
Problem Thrifts	(#)	2	0		1	2	2	1	1	1
Problem Thrift Assets	($)	0.31	0.00		0.22	0.51	0.54	0.41	0.42	0.41
Problem Thrift Assets as a % of Total Assets	(%)	0.22	0.00		0.15	0.32	0.34	0.25	0.26	0.25
ASSET QUALITY MEASURES:										
Troubled Assets (2)	($)	1.76	2.02		2.17	1.52	1.58	1.34	1.27	1.34
% of Total Assets	(%)	1.26	1.44		1.41	0.96	1.00	0.80	0.77	0.80
Noncurrent Loans	($)	1.27	1.64		1.83	1.19	1.25	1.06	0.99	1.06
% of Total Assets	(%)	0.91	1.17		1.19	0.75	0.79	0.63	0.60	0.63
Noncurrent Loans as a % of Loan Type:										
1-4 Family Mortgages	(%)	1.43	1.69		1.92	1.32	1.29	1.12	1.08	1.12
Multifamily Loans	(%)	1.92	3.69		2.52	0.94	1.16	0.75	0.71	0.75
Commercial Loans	(%)	2.52	2.66		1.86	1.17	1.61	0.77	0.93	0.77
Consumer Loans	(%)	1.19	1.11		0.86	0.72	0.77	0.65	0.60	0.65
1-4 FAMILY MORTGAGE LOAN ACTIVITY:										
Originations	($)	12.38	18.76		21.77	51.19	36.03	33.12	11.47	9.64
Purchases	($)	8.38	12.38		6.47	8.31	5.76	8.90	2.86	3.66
Sales	($)	5.64	8.64		11.75	36.52	25.54	25.65	8.75	7.05
Loans Outstanding (3)	($)	59.58	63.39		68.50	66.16	68.39	67.66	65.63	67.66
Loans Outstanding / Total Assets	(%)	42.53	45.33		44.60	41.64	43.14	40.22	39.95	40.22

(1) Excludes the SAIF special assessment.
(2) Data after 1995 are net of specific valuation allowances.
(3) Does not include Mortgage Backed Securities.
Numbers may not sum due to rounding. With the exception of regulatory capital measures, all data prior to June 1996 are unconsolidated.
Office of Thrift Supervision / December 1999

THE OTS-REGULATED THRIFT INDUSTRY
AGGREGATE FINANCIAL CONDITION AND INCOME DATA
(Dollars in Billions)

NORTHEAST REGION

	SEPTEMBER 1998 ($)	SEPTEMBER 1998 % OF TOTAL ASSETS	JUNE 1999 ($)	JUNE 1999 % OF TOTAL ASSETS	SEPTEMBER 1999 ($)	SEPTEMBER 1999 % OF TOTAL ASSETS
TOTAL ASSETS	158.55	100.00	164.26	100.00	168.23	100.00
1-4 Family Mortgages	68.39	43.14	65.63	39.95	67.66	40.22
Mortgage Pool Securities	20.48	12.92	20.36	12.39	19.96	11.86
Multifamily Mortgages	6.36	4.01	6.93	4.22	7.23	4.30
Nonresidential Mortgages	7.07	4.46	7.71	4.69	8.16	4.85
Construction Loans	1.51	0.95	1.70	1.04	1.84	1.09
Land Loans	0.32	0.20	0.24	0.15	0.24	0.14
Commercial Loans	3.43	2.16	4.72	2.87	5.30	3.15
Consumer Loans	8.97	5.66	8.27	5.04	9.57	5.69
Cash and Noninterest-Earning Deposits	2.27	1.43	2.24	1.37	2.18	1.30
Investment Securities	31.08	19.60	36.17	22.02	35.72	21.23
Mortgage Derivatives	16.70	10.53	21.57	13.13	21.41	12.73
Repossessed Assets, Net	0.33	0.21	0.28	0.17	0.28	0.16
Real Estate Held for Investment	0.10	0.06	0.11	0.07	0.09	0.05
Office Premises & Equipment	1.54	0.97	1.53	0.93	1.56	0.92
Other Assets	7.61	4.80	9.26	5.64	9.39	5.58
Less: Contra Assets & Valuation Allowances	0.91	0.58	0.91	0.55	0.93	0.55
TOTAL LIABILITIES AND CAPITAL	158.55	100.00	164.26	100.00	168.23	100.00
Total Deposits	102.55	64.68	99.17	60.37	98.92	58.80
Deposits < or = to $100,000	87.36	55.10	82.58	50.27	81.78	48.61
Deposits > $100,000	15.19	9.58	16.59	10.10	17.14	10.19
Escrows	1.93	1.22	1.89	1.15	1.67	0.99
Total Borrowings	37.38	23.58	46.97	28.59	51.19	30.43
Advances from FHLB	22.53	14.21	30.76	18.72	31.33	18.62
Reverse Repurchase Agreements	11.11	7.01	12.83	7.81	16.16	9.61
Other Borrowings	3.74	2.36	3.38	2.06	3.70	2.20
Other Liabilities	2.45	1.55	2.63	1.60	2.70	1.60
EQUITY CAPITAL	14.24	8.98	13.61	8.29	13.75	8.17

	SEPTEMBER 1998 ($)	SEPTEMBER 1998 % OF AVERAGE ASSETS(*)	JUNE 1999 ($)	JUNE 1999 % OF AVERAGE ASSETS(*)	SEPTEMBER 1999 ($)	SEPTEMBER 1999 % OF AVERAGE ASSETS(*)
INCOME AND EXPENSE DATA						
Interest Income	2.69	6.92	2.65	6.53	2.77	6.67
Interest Expense	1.59	4.08	1.51	3.72	1.60	3.85
Net Interest Income	1.10	2.84	1.14	2.81	1.17	2.83
Loss Provisions-Interest Bearing Assets	0.05	0.13	0.04	0.10	0.04	0.09
Noninterest Income	0.46	1.17	0.43	1.06	0.44	1.06
Mortgage Loan Servicing Fees	0.03	0.07	0.05	0.13	0.06	0.15
Other Fees and Charges	0.18	0.48	0.21	0.51	0.21	0.51
Other Noninterest Income	0.24	0.63	0.17	0.43	0.16	0.39
Noninterest Expense	0.92	2.36	0.88	2.18	0.88	2.12
G&A Expense	0.86	2.22	0.84	2.08	0.84	2.02
Goodwill Expense	0.05	0.12	0.03	0.07	0.03	0.08
Loss Provis.-Nonint. Bearing Assets	0.01	0.02	0.01	0.03	0.01	0.02
Income Before Taxes & Extraord. Items	0.59	1.52	0.65	1.60	0.70	1.67
Income Taxes	0.20	0.52	0.24	0.58	0.25	0.61
Extraordinary Items	0.00	0.00	0.00	0.00	0.00	0.00
Net Income	0.39	1.00	0.41	1.02	0.44	1.07

* Annualized.
Beginning in 1997, detailed asset categories are reported net of specific valuation allowances, loans in process, and unamortized yield adjustments.
Numbers may not sum due to rounding.
With the exception of regulatory capital measures, all data prior to June 1996 are unconsolidated.
Office of Thrift Supervision / December 1999

THE OTS-REGULATED THRIFT INDUSTRY
SELECTED INDICATORS
(Dollars in Billions)

SOUTHEAST REGION

		1995	1996	ADJ. 1996 (1)	1997	1998	9-MONTHS ENDED SEP. 1998	9-MONTHS ENDED SEP. 1999	3-MONTHS ENDED JUNE 1999	3-MONTHS ENDED SEP. 1999
SUMMARY DATA:										
Number of Thrifts	(#)	291	264		237	222	225	224	222	224
Total Assets	($)	73.01	61.71		62.78	63.34	63.21	70.36	65.99	70.36
Net Income	($)	0.58	0.34	0.53	0.52	0.53	0.45	0.41	0.13	0.12
Profits	($)	0.64	0.46		0.59	0.62	0.51	0.45	0.14	0.14
Losses	($)	-0.06	-0.12		-0.08	-0.09	-0.06	-0.04	-0.01	-0.02
PROFITABILITY MEASURES:										
Return on Average Assets	(%)	0.74	0.53	0.83	0.83	0.85	0.96	0.83	0.81	0.68
Median Ratio	(%)	0.79	0.47	0.77	0.78	0.79	0.86	0.69	0.74	0.70
Return on Average Equity	(%)	8.76	5.82	9.04	8.86	8.58	9.73	8.46	8.21	7.00
Median Ratio	(%)	8.24	4.53	7.60	8.33	7.07	7.75	6.40	7.00	6.30
Net Interest Income	($)	2.32	2.11		2.04	1.89	1.45	1.49	0.51	0.53
% of Average Assets	(%)	2.99	3.28		3.28	3.03	3.06	3.04	3.12	3.08
Total Fee Income	($)	0.51	0.66		0.72	0.56	0.43	0.41	0.14	0.15
% of Average Assets	(%)	0.73	1.12		1.21	0.79	0.72	0.86	0.87	0.86
G&A Expense	($)	1.97	2.16	1.86	1.95	1.91	1.46	1.38	0.46	0.49
% of Average Assets	(%)	2.54	3.35	2.90	3.13	3.05	3.09	2.82	2.85	2.87
CAPITAL MEASURES:										
Equity Capital Ratio	(%)	8.98	9.10		9.82	9.85	10.28	9.57	10.00	9.57
Tier 1 Leverage Ratio	(%)	8.51	8.62		9.03	9.17	9.44	9.24	9.60	9.24
Risk-based Capital Ratio	(%)	16.62	16.01		16.35	17.37	18.12	17.08	17.65	17.08
Thrifts by FDICIA Capital Categories:										
Well-Capitalized	(#)	281	251		223	211	212	216	213	216
Adequately Capitalized	(#)	9	12		14	8	13	7	7	7
Undercapitalized	(#)	0	0		0	1	0	0	0	0
Significantly Undercapitalized	(#)	0	1		0	0	0	0	1	0
Critically Undercapitalized	(#)	0	0		0	0	0	1	0	1
FAILED/PROBLEM THRIFTS:										
Failed Thrifts	(#)	0	0		0	0	0	1	0	1
Problem Thrifts	(#)	15	13		9	5	7	5	6	5
Problem Thrift Assets	($)	1.33	0.85		0.56	0.22	0.37	0.20	0.20	0.20
Problem Thrift Assets as a % of Total Assets	(%)	1.82	1.38		0.89	0.35	0.58	0.29	0.30	0.29
ASSET QUALITY MEASURES:										
Troubled Assets (2)	($)	0.97	0.79		0.72	0.61	0.60	0.54	0.54	0.54
% of Total Assets	(%)	1.33	1.28		1.15	0.96	0.95	0.76	0.82	0.76
Noncurrent Loans	($)	0.51	0.49		0.46	0.41	0.39	0.37	0.36	0.37
% of Total Assets	(%)	0.70	0.80		0.74	0.65	0.61	0.52	0.54	0.52
Noncurrent Loans as a % of Loan Type:										
1-4 Family Mortgages	(%)	0.83	0.94		0.94	0.89	0.87	0.73	0.79	0.73
Multifamily Loans	(%)	1.98	1.39		0.91	0.85	0.75	1.10	0.93	1.10
Commercial Loans	(%)	1.71	1.97		1.07	0.83	0.96	1.10	0.95	1.10
Consumer Loans	(%)	1.04	1.54		1.82	1.00	0.93	0.61	0.66	0.61
1-4 FAMILY MORTGAGE LOAN ACTIVITY:										
Originations	($)	9.94	11.58		12.07	19.14	13.77	11.73	4.00	3.73
Purchases	($)	3.22	3.03		5.87	9.28	6.76	5.62	1.88	2.03
Sales	($)	6.01	6.35		8.94	13.48	10.46	8.43	2.83	2.28
Loans Outstanding (3)	($)	34.36	29.67		29.68	30.79	30.51	32.98	30.96	32.98
Loans Outstanding / Total Assets	(%)	47.06	48.08		47.27	48.61	48.27	46.87	46.91	46.87

(1) Excludes the SAIF special assessment.
(2) Data after 1995 are net of specific valuation allowances.
(3) Does not include Mortgage Backed Securities.
Numbers may not sum due to rounding. With the exception of regulatory capital measures, all data prior to June 1996 are unconsolidated.
Office of Thrift Supervision / December 1999

THE OTS-REGULATED THRIFT INDUSTRY
AGGREGATE FINANCIAL CONDITION AND INCOME DATA
(Dollars in Billions)

SOUTHEAST REGION

	SEPTEMBER 1998 ($)	SEPTEMBER 1998 % OF TOTAL ASSETS	JUNE 1999 ($)	JUNE 1999 % OF TOTAL ASSETS	SEPTEMBER 1999 ($)	SEPTEMBER 1999 % OF TOTAL ASSETS
TOTAL ASSETS	63.21	100.00	65.99	100.00	70.36	100.00
1-4 Family Mortgages	30.51	48.27	30.96	46.91	32.98	46.87
Mortgage Pool Securities	6.19	9.80	4.92	7.45	4.88	6.94
Multifamily Mortgages	0.68	1.08	0.71	1.08	0.73	1.04
Nonresidential Mortgages	3.20	5.06	3.43	5.20	3.59	5.10
Construction Loans	2.25	3.56	2.61	3.95	2.82	4.01
Land Loans	1.12	1.76	1.32	1.99	1.39	1.97
Commercial Loans	1.31	2.08	1.97	2.99	2.24	3.19
Consumer Loans	3.45	5.46	4.77	7.23	5.44	7.73
Cash and Noninterest-Earning Deposits	1.19	1.88	1.13	1.72	1.31	1.86
Investment Securities	10.29	16.28	11.19	16.96	11.84	16.83
Mortgage Derivatives	3.11	4.91	4.39	6.65	4.64	6.59
Repossessed Assets, Net	0.21	0.33	0.18	0.28	0.17	0.24
Real Estate Held for Investment	0.05	0.08	0.06	0.09	0.06	0.09
Office Premises & Equipment	0.96	1.53	1.01	1.54	1.05	1.50
Other Assets	2.21	3.50	2.14	3.25	2.26	3.22
Less: Contra Assets & Valuation Allowances	0.43	0.67	0.41	0.62	0.42	0.60
TOTAL LIABILITIES AND CAPITAL	63.21	100.00	65.99	100.00	70.36	100.00
Total Deposits	45.28	71.64	46.14	69.92	48.71	69.23
Deposits < or = to $100,000	37.04	58.60	37.08	56.20	38.85	55.21
Deposits > $100,000	8.24	13.04	9.05	13.72	9.86	14.02
Escrows	0.37	0.58	0.49	0.74	0.39	0.56
Total Borrowings	9.91	15.69	11.64	17.65	13.41	19.05
Advances from FHLB	7.68	12.15	8.32	12.61	9.59	13.63
Reverse Repurchase Agreements	1.67	2.65	2.40	3.64	2.81	4.00
Other Borrowings	0.56	0.89	0.92	1.40	1.00	1.43
Other Liabilities	1.15	1.81	1.12	1.69	1.11	1.58
EQUITY CAPITAL	6.50	10.28	6.60	10.00	6.73	9.57

	SEPTEMBER 1998 ($)	SEPTEMBER 1998 % OF AVERAGE ASSETS(*)	JUNE 1999 ($)	JUNE 1999 % OF AVERAGE ASSETS(*)	SEPTEMBER 1999 ($)	SEPTEMBER 1999 % OF AVERAGE ASSETS(*)
INCOME AND EXPENSE DATA						
Interest Income	1.13	7.24	1.14	7.02	1.21	7.09
Interest Expense	0.66	4.26	0.63	3.89	0.68	4.01
Net Interest Income	0.46	2.98	0.51	3.12	0.53	3.08
Loss Provisions-Interest Bearing Assets	0.11	0.71	0.03	0.21	0.04	0.23
Noninterest Income	0.45	2.91	0.20	1.25	0.20	1.16
Mortgage Loan Servicing Fees	-0.02	-0.16	0.01	0.07	0.01	0.06
Other Fees and Charges	0.14	0.88	0.13	0.80	0.14	0.80
Other Noninterest Income	0.34	2.19	0.06	0.38	0.05	0.30
Noninterest Expense	0.50	3.23	0.47	2.89	0.50	2.91
G&A Expense	0.48	3.10	0.46	2.85	0.49	2.87
Goodwill Expense	0.01	0.06	0.01	0.04	0.01	0.04
Loss Provis.-Nonint. Bearing Assets	0.01	0.07	0.00	0.00	0.00	0.00
Income Before Taxes & Extraord. Items	0.30	1.95	0.20	1.27	0.19	1.10
Income Taxes	0.10	0.66	0.07	0.45	0.07	0.41
Extraordinary Items	-0.01	-0.05	0.00	0.00	0.00	0.00
Net Income	0.19	1.24	0.13	0.81	0.12	0.68

* Annualized.
Beginning in 1997, detailed asset categories are reported net of specific valuation allowances, loans in process, and unamortized yield adjustments.
Numbers may not sum due to rounding.
With the exception of regulatory capital measures, all data prior to June 1996 are unconsolidated.
Office of Thrift Supervision / December 1999

THE OTS-REGULATED THRIFT INDUSTRY
SELECTED INDICATORS
(Dollars in Billions)

CENTRAL REGION

		1995	1996	ADJ. 1996 (1)	1997	1998	9-MONTHS ENDED SEP. 1998	9-MONTHS ENDED SEP. 1999	3-MONTHS ENDED JUNE 1999	3-MONTHS ENDED SEP. 1999
SUMMARY DATA:										
Number of Thrifts	(#)	433	405		363	353	358	337	342	337
Total Assets	($)	157.25	158.17		156.91	162.20	157.77	166.25	165.96	166.25
Net Income	($)	1.32	1.11	1.58	1.45	1.54	1.20	1.34	0.46	0.43
Profits	($)	1.47	1.33		1.54	1.62	1.28	1.39	0.48	0.44
Losses	($)	-0.15	-0.21		-0.09	-0.08	-0.07	-0.05	-0.02	-0.01
PROFITABILITY MEASURES:										
Return on Average Assets	(%)	0.85	0.70	1.00	0.94	0.98	1.03	1.09	1.11	1.05
Median Ratio	(%)	0.77	0.47	0.76	0.90	0.79	0.84	0.74	0.75	0.74
Return on Average Equity	(%)	9.89	8.10	11.51	10.59	10.62	11.11	12.04	12.23	11.65
Median Ratio	(%)	7.59	4.18	7.12	8.45	7.32	7.53	6.42	6.53	6.46
Net Interest Income	($)	4.25	4.55		4.52	4.49	3.36	3.60	1.21	1.21
% of Average Assets	(%)	2.75	2.88		2.94	2.87	2.87	2.92	2.94	2.94
Total Fee Income	($)	0.57	0.68		0.74	0.81	0.61	0.74	0.27	0.26
% of Average Assets	(%)	0.38	0.43		0.48	0.49	0.51	0.63	0.65	0.63
G&A Expense	($)	3.10	3.92	3.20	3.34	3.77	2.77	2.84	0.98	0.95
% of Average Assets	(%)	2.00	2.47	2.02	2.17	2.41	2.36	2.31	2.37	2.32
CAPITAL MEASURES:										
Equity Capital Ratio	(%)	8.77	8.46		9.13	9.07	9.40	8.85	9.06	8.85
Tier 1 Leverage Ratio	(%)	8.30	8.00		8.09	8.05	8.39	8.03	8.19	8.03
Risk-based Capital Ratio	(%)	17.22	15.98		15.39	14.94	15.28	14.16	14.54	14.16
Thrifts by FDICIA Capital Categories:										
Well-Capitalized	(#)	424	396		355	348	354	329	337	329
Adequately Capitalized	(#)	9	9		7	5	4	8	5	8
Undercapitalized	(#)	0	0		1	0	0	0	0	0
Significantly Undercapitalized	(#)	0	0		0	0	0	0	0	0
Critically Undercapitalized	(#)	0	0		0	0	0	0	0	0
FAILED/PROBLEM THRIFTS:										
Failed Thrifts	(#)	0	0		0	0	0	0	0	0
Problem Thrifts	(#)	4	3		2	3	2	2	2	2
Problem Thrift Assets	($)	0.86	0.73		0.03	0.44	0.14	0.17	0.18	0.17
Problem Thrift Assets as a % of Total Assets	(%)	0.55	0.46		0.02	0.27	0.09	0.10	0.11	0.10
ASSET QUALITY MEASURES:										
Troubled Assets (2)	($)	1.17	1.06		1.06	1.19	1.09	1.16	1.14	1.16
% of Total Assets	(%)	0.74	0.67		0.68	0.73	0.69	0.70	0.69	0.70
Noncurrent Loans	($)	1.01	0.89		0.86	0.93	0.87	0.96	0.92	0.96
% of Total Assets	(%)	0.64	0.56		0.55	0.58	0.55	0.58	0.55	0.58
Noncurrent Loans as a % of Loan Type:										
1-4 Family Mortgages	(%)	0.87	0.68		0.68	0.71	0.69	0.75	0.73	0.75
Multifamily Loans	(%)	1.35	1.46		0.78	0.67	0.81	0.47	0.52	0.47
Commercial Loans	(%)	1.16	1.24		0.67	0.97	0.86	1.31	0.94	1.31
Consumer Loans	(%)	0.84	0.93		1.10	0.90	0.80	0.80	0.73	0.80
1-4 FAMILY MORTGAGE LOAN ACTIVITY:										
Originations	($)	28.14	38.41		39.81	69.54	49.34	48.36	17.10	14.67
Purchases	($)	10.25	12.24		15.49	31.81	21.87	22.62	7.54	6.69
Sales	($)	20.55	29.96		34.10	72.25	50.89	53.89	19.20	15.35
Loans Outstanding (3)	($)	77.74	80.77		80.95	82.06	80.82	81.63	82.01	81.63
Loans Outstanding / Total Assets	(%)	49.43	51.07		51.59	50.59	51.23	49.10	49.41	49.10

(1) Excludes the SAIF special assessment.
(2) Data after 1995 are net of specific valuation allowances.
(3) Does not include Mortgage Backed Securities.
Numbers may not sum due to rounding. With the exception of regulatory capital measures, all data prior to June 1996 are unconsolidated.
Office of Thrift Supervision / December 1999

THE OTS-REGULATED THRIFT INDUSTRY
AGGREGATE FINANCIAL CONDITION AND INCOME DATA
(Dollars in Billions)

CENTRAL REGION

	SEPTEMBER 1998		JUNE 1999		SEPTEMBER 1999	
	($)	% OF TOTAL ASSETS	($)	% OF TOTAL ASSETS	($)	% OF TOTAL ASSETS
TOTAL ASSETS	157.77	100.00	165.96	100.00	166.25	100.00
1-4 Family Mortgages	80.82	51.23	82.01	49.41	81.63	49.10
Mortgage Pool Securities	14.38	9.11	14.74	8.88	14.53	8.74
Multifamily Mortgages	5.52	3.50	5.80	3.50	5.95	3.58
Nonresidential Mortgages	5.24	3.32	5.41	3.26	5.54	3.33
Construction Loans	3.03	1.92	3.40	2.05	3.51	2.11
Land Loans	1.02	0.65	1.09	0.66	1.08	0.65
Commercial Loans	3.41	2.16	4.21	2.53	4.33	2.60
Consumer Loans	14.38	9.12	18.22	10.98	19.36	11.65
Cash and Noninterest-Earning Deposits	2.37	1.50	2.85	1.72	2.46	1.48
Investment Securities	19.21	12.18	18.48	11.14	17.74	10.67
Mortgage Derivatives	7.70	4.88	6.84	4.12	6.16	3.70
Repossessed Assets, Net	0.23	0.14	0.22	0.13	0.20	0.12
Real Estate Held for Investment	0.11	0.07	0.08	0.05	0.08	0.05
Office Premises & Equipment	1.77	1.12	1.79	1.08	1.79	1.08
Other Assets	7.24	4.59	8.65	5.21	9.05	5.44
Less: Contra Assets & Valuation Allowances	0.96	0.61	1.00	0.61	1.01	0.61
TOTAL LIABILITIES AND CAPITAL	157.77	100.00	165.96	100.00	166.25	100.00
Total Deposits	109.65	69.50	109.82	66.17	109.80	66.04
Deposits < or = to $100,000	90.86	57.59	89.48	53.92	89.30	53.72
Deposits > $100,000	18.79	11.91	20.34	12.26	20.49	12.33
Escrows	1.58	1.00	2.13	1.28	1.98	1.19
Total Borrowings	29.42	18.65	36.83	22.19	37.44	22.52
Advances from FHLB	21.79	13.81	27.50	16.57	29.06	17.48
Reverse Repurchase Agreements	3.41	2.16	5.27	3.18	5.09	3.06
Other Borrowings	4.22	2.67	4.06	2.44	3.30	1.98
Other Liabilities	2.28	1.45	2.15	1.30	2.31	1.39
EQUITY CAPITAL	14.84	9.40	15.03	9.06	14.72	8.85

	SEPTEMBER 1998		JUNE 1999		SEPTEMBER 1999	
	($)	% OF AVERAGE ASSETS(*)	($)	% OF AVERAGE ASSETS(*)	($)	% OF AVERAGE ASSETS(*)
INCOME AND EXPENSE DATA						
Interest Income	2.78	7.16	2.82	6.85	2.85	6.94
Interest Expense	1.66	4.28	1.61	3.91	1.64	4.00
Net Interest Income	1.12	2.88	1.21	2.94	1.21	2.94
Loss Provisions-Interest Bearing Assets	0.10	0.25	0.12	0.28	0.09	0.23
Noninterest Income	0.62	1.60	0.64	1.55	0.55	1.34
Mortgage Loan Servicing Fees	0.01	0.02	0.05	0.13	0.04	0.09
Other Fees and Charges	0.19	0.50	0.21	0.52	0.22	0.54
Other Noninterest Income	0.42	1.08	0.37	0.90	0.29	0.70
Noninterest Expense	1.01	2.61	1.02	2.49	0.99	2.41
G&A Expense	0.98	2.51	0.98	2.37	0.95	2.32
Goodwill Expense	0.04	0.09	0.04	0.10	0.03	0.08
Loss Provis.-Nonint. Bearing Assets	0.00	0.00	0.01	0.01	0.00	0.01
Income Before Taxes & Extraord. Items	0.63	1.62	0.71	1.72	0.67	1.64
Income Taxes	0.20	0.52	0.25	0.61	0.24	0.59
Extraordinary Items	0.00	0.00	0.00	0.00	0.00	0.00
Net Income	0.43	1.11	0.46	1.11	0.43	1.05

* Annualized.
Beginning in 1997, detailed asset categories are reported net of specific valuation allowances, loans in process, and unamortized yield adjustments.
Numbers may not sum due to rounding.
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Office of Thrift Supervision / December 1999

THE OTS-REGULATED THRIFT INDUSTRY
SELECTED INDICATORS
(Dollars in Billions)

MIDWEST REGION

		1995	1996	ADJ. 1996 (1)	1997	1998	9-MONTHS ENDED SEP. 1998	9-MONTHS ENDED SEP. 1999	3-MONTHS ENDED JUNE 1999	3-MONTHS ENDED SEP. 1999
SUMMARY DATA:										
Number of Thrifts	(#)	302	282		256	239	245	231	232	231
Total Assets	($)	124.03	124.57		91.93	95.91	90.15	102.19	99.93	102.19
Net Income	($)	1.24	1.45	1.80	0.94	0.92	0.67	0.72	0.24	0.26
Profits	($)	1.27	1.62		1.09	1.04	0.76	0.76	0.25	0.27
Losses	($)	-0.03	-0.16		-0.15	-0.12	-0.09	-0.04	-0.01	-0.01
PROFITABILITY MEASURES:										
Return on Average Assets	(%)	1.00	1.14	1.42	0.96	1.01	0.99	0.97	0.98	1.03
Median Ratio	(%)	0.77	0.46	0.81	0.85	0.78	0.82	0.77	0.75	0.76
Return on Average Equity	(%)	12.98	14.00	17.32	11.23	11.19	11.01	10.77	10.83	11.45
Median Ratio	(%)	7.89	4.77	8.18	8.17	7.33	7.73	7.15	7.13	7.18
Net Interest Income	($)	3.19	3.47		2.79	2.47	1.82	2.11	0.70	0.73
% of Average Assets	(%)	2.58	2.73		2.85	2.72	2.69	2.83	2.83	2.88
Total Fee Income	($)	0.64	0.83		0.70	0.74	0.54	0.63	0.21	0.22
% of Average Assets	(%)	0.54	0.73		0.77	0.86	0.81	0.89	0.85	0.89
G&A Expense	($)	2.46	3.22	2.69	2.10	2.13	1.57	1.76	0.57	0.60
% of Average Assets	(%)	1.99	2.54	2.12	2.15	2.35	2.33	2.37	2.33	2.40
CAPITAL MEASURES:										
Equity Capital Ratio	(%)	8.05	8.42		8.74	8.80	9.22	9.01	8.96	9.01
Tier 1 Leverage Ratio	(%)	7.46	7.71		8.34	8.38	8.68	8.70	8.60	8.70
Risk-based Capital Ratio	(%)	15.47	15.30		15.64	14.95	15.37	14.87	14.91	14.87
Thrifts by FDICIA Capital Categories:										
Well-Capitalized	(#)	297	275		248	229	239	223	220	223
Adequately Capitalized	(#)	4	7		8	10	6	8	12	8
Undercapitalized	(#)	1	0		0	0	0	0	0	0
Significantly Undercapitalized	(#)	0	0		0	0	0	0	0	0
Critically Undercapitalized	(#)	0	0		0	0	0	0	0	0
FAILED/PROBLEM THRIFTS:										
Failed Thrifts	(#)	0	0		0	0	0	0	0	0
Problem Thrifts	(#)	6	3		1	2	3	1	0	1
Problem Thrift Assets	($)	0.33	0.13		0.01	0.78	0.85	0.09	0.00	0.09
Problem Thrift Assets as a % of Total Assets	(%)	0.27	0.11		0.02	0.82	0.94	0.09	0.00	0.09
ASSET QUALITY MEASURES:										
Troubled Assets (2)	($)	1.09	1.03		0.64	0.61	0.63	0.70	0.64	0.70
% of Total Assets	(%)	0.88	0.83		0.70	0.64	0.70	0.69	0.64	0.69
Noncurrent Loans	($)	0.73	0.74		0.46	0.43	0.45	0.59	0.52	0.59
% of Total Assets	(%)	0.59	0.59		0.50	0.45	0.50	0.58	0.52	0.58
Noncurrent Loans as a % of Loan Type:										
1-4 Family Mortgages	(%)	0.95	0.97		0.69	0.61	0.62	0.93	0.82	0.93
Multifamily Loans	(%)	0.99	0.83		0.44	0.48	0.31	0.32	0.31	0.32
Commercial Loans	(%)	1.71	0.95		1.28	0.98	1.64	0.84	0.48	0.84
Consumer Loans	(%)	0.41	0.65		0.84	0.55	0.82	0.72	0.66	0.72
1-4 FAMILY MORTGAGE LOAN ACTIVITY:										
Originations	($)	16.22	21.84		19.23	31.30	21.21	21.01	7.33	6.14
Purchases	($)	11.12	14.77		11.98	18.46	13.45	8.68	2.63	2.87
Sales	($)	12.65	21.41		16.98	28.46	21.43	13.71	4.51	3.42
Loans Outstanding (3)	($)	54.47	54.11		40.59	43.40	41.10	44.63	43.67	44.63
Loans Outstanding / Total Assets	(%)	43.92	43.44		44.15	45.25	45.59	43.67	43.69	43.67

(1) Excludes the SAIF special assessment.
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(3) Does not include Mortgage Backed Securities.
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Office of Thrift Supervision / December 1999

THE OTS-REGULATED THRIFT INDUSTRY
AGGREGATE FINANCIAL CONDITION AND INCOME DATA
(Dollars in Billions)

MIDWEST REGION

	SEPTEMBER 1998 ($)	SEPTEMBER 1998 % OF TOTAL ASSETS	JUNE 1999 ($)	JUNE 1999 % OF TOTAL ASSETS	SEPTEMBER 1999 ($)	SEPTEMBER 1999 % OF TOTAL ASSETS
TOTAL ASSETS	90.15	100.00	99.93	100.00	102.19	100.00
1-4 Family Mortgages	41.10	45.59	43.67	43.69	44.63	43.67
Mortgage Pool Securities	9.24	10.25	10.53	10.53	10.49	10.26
Multifamily Mortgages	2.19	2.43	2.07	2.07	2.17	2.12
Nonresidential Mortgages	3.81	4.22	4.90	4.90	5.18	5.06
Construction Loans	4.74	5.26	5.94	5.94	6.58	6.44
Land Loans	0.77	0.86	1.03	1.03	1.03	1.01
Commercial Loans	2.41	2.68	3.31	3.31	3.53	3.46
Consumer Loans	9.93	11.02	11.80	11.81	11.64	11.39
Cash and Noninterest-Earning Deposits	1.15	1.27	1.45	1.45	1.50	1.47
Investment Securities	9.53	10.57	9.51	9.52	9.67	9.46
Mortgage Derivatives	3.26	3.62	3.52	3.52	3.71	3.64
Repossessed Assets, Net	0.18	0.20	0.12	0.12	0.11	0.11
Real Estate Held for Investment	0.04	0.04	0.03	0.03	0.03	0.03
Office Premises & Equipment	1.10	1.23	1.22	1.22	1.24	1.21
Other Assets	4.54	5.03	4.98	4.98	5.04	4.93
Less: Contra Assets & Valuation Allowances	0.57	0.63	0.62	0.62	0.63	0.62
TOTAL LIABILITIES AND CAPITAL	90.15	100.00	99.93	100.00	102.19	100.00
Total Deposits	58.71	65.12	60.81	60.85	61.30	59.98
Deposits < or = to $100,000	48.54	53.84	50.10	50.13	50.53	49.45
Deposits > $100,000	10.17	11.28	10.71	10.71	10.76	10.53
Escrows	2.19	2.42	2.05	2.05	1.96	1.92
Total Borrowings	19.26	21.36	26.74	26.76	28.36	27.75
Advances from FHLB	15.36	17.03	22.23	22.24	23.74	23.23
Reverse Repurchase Agreements	1.69	1.88	1.78	1.78	2.07	2.03
Other Borrowings	2.21	2.45	2.73	2.73	2.55	2.49
Other Liabilities	1.69	1.87	1.39	1.39	1.37	1.34
EQUITY CAPITAL	8.31	9.22	8.95	8.96	9.21	9.01

	SEPTEMBER 1998 ($)	SEPTEMBER 1998 % OF AVERAGE ASSETS(*)	JUNE 1999 ($)	JUNE 1999 % OF AVERAGE ASSETS(*)	SEPTEMBER 1999 ($)	SEPTEMBER 1999 % OF AVERAGE ASSETS(*)
INCOME AND EXPENSE DATA						
Interest Income	1.59	7.11	1.68	6.82	1.77	7.01
Interest Expense	0.97	4.34	0.98	3.99	1.04	4.13
Net Interest Income	0.62	2.77	0.70	2.83	0.73	2.88
Loss Provisions-Interest Bearing Assets	0.06	0.25	0.06	0.23	0.06	0.22
Noninterest Income	0.31	1.38	0.30	1.20	0.30	1.19
Mortgage Loan Servicing Fees	0.03	0.12	0.04	0.16	0.04	0.17
Other Fees and Charges	0.16	0.69	0.17	0.70	0.18	0.72
Other Noninterest Income	0.13	0.57	0.09	0.35	0.07	0.30
Noninterest Expense	0.55	2.43	0.59	2.41	0.63	2.48
G&A Expense	0.53	2.38	0.57	2.33	0.60	2.40
Goodwill Expense	0.01	0.05	0.01	0.05	0.01	0.05
Loss Provis.-Nonint. Bearing Assets	0.00	0.00	0.01	0.03	0.01	0.03
Income Before Taxes & Extraord. Items	0.33	1.47	0.34	1.40	0.34	1.37
Income Taxes	0.12	0.53	0.10	0.42	0.08	0.33
Extraordinary Items	0.00	0.00	0.00	0.00	0.00	-0.01
Net Income	0.21	0.94	0.24	0.98	0.26	1.03

* Annualized.
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Office of Thrift Supervision / December 1999

THE OTS-REGULATED THRIFT INDUSTRY
SELECTED INDICATORS
(Dollars in Billions)

WEST REGION

		1995	1996	ADJ. 1996 (1)	1997	1998	9-MONTHS ENDED SEP. 1998	9-MONTHS ENDED SEP. 1999	3-MONTHS ENDED JUNE 1999	3-MONTHS ENDED SEP. 1999
SUMMARY DATA:										
Number of Thrifts	(#)	128	114		102	88	92	88	87	88
Total Assets	($)	276.60	285.09		311.37	337.29	325.52	355.69	350.54	355.69
Net Income	($)	1.23	0.88	1.64	2.23	3.27	2.81	2.55	0.87	0.84
Profits	($)	1.62	1.46		2.45	3.37	2.90	2.57	0.88	0.85
Losses	($)	-0.39	-0.58		-0.22	-0.09	-0.08	-0.02	-0.02	-0.01
PROFITABILITY MEASURES:										
Return on Average Assets	(%)	0.43	0.32	0.59	0.73	1.02	1.18	0.98	1.00	0.95
Median Ratio	(%)	0.46	0.38	0.63	0.77	0.78	0.85	0.78	0.79	0.84
Return on Average Equity	(%)	6.24	4.49	8.40	10.23	13.64	15.68	13.98	14.30	13.75
Median Ratio	(%)	5.94	4.41	8.25	9.56	8.72	9.09	8.08	8.07	9.24
Net Interest Income	($)	6.95	7.47		8.15	8.30	6.18	6.53	2.21	2.14
% of Average Assets	(%)	2.43	2.71		2.67	2.58	2.58	2.50	2.54	2.43
Total Fee Income	($)	0.83	1.06		1.60	1.58	1.11	1.52	0.53	0.48
% of Average Assets	(%)	0.29	0.42		0.53	0.56	0.34	0.54	0.61	0.54
G&A Expense	($)	5.16	6.68	5.50	5.78	6.16	4.25	4.15	1.36	1.35
% of Average Assets	(%)	1.80	2.42	1.99	1.89	1.92	1.78	1.59	1.56	1.53
CAPITAL MEASURES:										
Equity Capital Ratio	(%)	7.09	6.99		7.27	7.20	7.49	6.91	6.96	6.91
Tier 1 Leverage Ratio	(%)	6.51	6.52		6.66	6.43	6.65	6.60	6.48	6.60
Risk-based Capital Ratio	(%)	12.73	12.45		12.62	12.85	12.96	12.89	12.70	12.89
Thrifts by FDICIA Capital Categories:										
Well-Capitalized	(#)	112	104		100	87	90	87	85	87
Adequately Capitalized	(#)	13	10		2	1	2	1	2	1
Undercapitalized	(#)	2	0		0	0	0	0	0	0
Significantly Undercapitalized	(#)	1	0		0	0	0	0	0	0
Critically Undercapitalized	(#)	0	0		0	0	0	0	0	0
FAILED/PROBLEM THRIFTS:										
Failed Thrifts	(#)	1	1		0	0	0	0	0	0
Problem Thrifts	(#)	14	10		5	3	4	1	1	1
Problem Thrift Assets	($)	7.92	3.72		0.75	3.96	0.98	2.96	3.29	2.96
Problem Thrift Assets as a % of Total Assets	(%)	2.87	1.30		0.24	1.17	0.30	0.83	0.94	0.83
ASSET QUALITY MEASURES:										
Troubled Assets (2)	($)	4.55	3.81		3.13	2.34	2.49	1.84	1.95	1.84
% of Total Assets	(%)	1.65	1.34		1.01	0.69	0.76	0.52	0.56	0.52
Noncurrent Loans	($)	3.23	2.81		2.31	1.84	1.92	1.49	1.54	1.49
% of Total Assets	(%)	1.17	0.99		0.74	0.54	0.59	0.42	0.44	0.42
Noncurrent Loans as a % of Loan Type:										
1-4 Family Mortgages	(%)	1.68	1.42		1.12	0.83	0.91	0.61	0.67	0.61
Multifamily Loans	(%)	1.69	1.10		0.41	0.35	0.39	0.24	0.27	0.24
Commercial Loans	(%)	0.43	0.57		0.73	0.78	0.65	1.26	1.19	1.26
Consumer Loans	(%)	0.64	0.57		0.59	0.98	0.69	0.91	0.80	0.91
1-4 FAMILY MORTGAGE LOAN ACTIVITY:										
Originations	($)	39.64	45.50		57.35	104.46	73.75	73.77	26.21	21.61
Purchases	($)	7.54	14.94		22.62	27.58	20.97	18.36	5.89	7.41
Sales	($)	31.55	27.39		40.05	70.71	54.15	35.95	13.76	8.52
Loans Outstanding (3)	($)	139.15	155.92		171.06	178.51	173.72	194.11	186.04	194.11
Loans Outstanding / Total Assets	(%)	50.31	54.69		54.94	52.92	53.37	54.57	53.07	54.57

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(3) Does not include Mortgage Backed Securities.
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Office of Thrift Supervision / December 1999

THE OTS-REGULATED THRIFT INDUSTRY
AGGREGATE FINANCIAL CONDITION AND INCOME DATA
(Dollars in Billions)

WEST REGION

	SEPTEMBER 1998 ($)	SEPTEMBER 1998 % OF TOTAL ASSETS	JUNE 1999 ($)	JUNE 1999 % OF TOTAL ASSETS	SEPTEMBER 1999 ($)	SEPTEMBER 1999 % OF TOTAL ASSETS
TOTAL ASSETS	325.52	100.00	350.54	100.00	355.69	100.00
1-4 Family Mortgages	173.72	53.37	186.04	53.07	194.11	54.57
Mortgage Pool Securities	43.41	13.34	49.05	13.99	46.74	13.14
Multifamily Mortgages	29.13	8.95	25.60	7.30	26.57	7.47
Nonresidential Mortgages	9.65	2.96	9.09	2.59	8.96	2.52
Construction Loans	1.72	0.53	2.11	0.60	2.25	0.63
Land Loans	0.59	0.18	0.71	0.20	0.81	0.23
Commercial Loans	3.52	1.08	3.21	0.92	3.20	0.90
Consumer Loans	9.65	2.97	9.27	2.64	8.73	2.46
Cash and Noninterest-Earning Deposits	3.98	1.22	3.95	1.13	5.01	1.41
Investment Securities	34.70	10.66	44.11	12.58	42.36	11.91
Mortgage Derivatives	25.19	7.74	35.15	10.03	34.16	9.60
Repossessed Assets, Net	0.57	0.17	0.41	0.12	0.35	0.10
Real Estate Held for Investment	0.15	0.05	0.16	0.05	0.15	0.04
Office Premises & Equipment	2.60	0.80	2.63	0.75	2.62	0.74
Other Assets	14.64	4.50	16.60	4.74	16.22	4.56
Less: Contra Assets & Valuation Allowances	2.53	0.78	2.40	0.69	2.39	0.67
TOTAL LIABILITIES AND CAPITAL	325.52	100.00	350.54	100.00	355.69	100.00
Total Deposits	181.41	55.73	176.28	50.29	175.02	49.21
Deposits < or = to $100,000	143.55	44.10	136.11	38.83	135.86	38.20
Deposits > $100,000	37.85	11.63	40.17	11.46	39.16	11.01
Escrows	4.49	1.38	3.82	1.09	3.02	0.85
Total Borrowings	107.71	33.09	140.65	40.12	147.69	41.52
Advances from FHLB	58.28	17.90	75.58	21.56	80.89	22.74
Reverse Repurchase Agreements	26.79	8.23	37.06	10.57	38.71	10.88
Other Borrowings	22.63	6.95	28.01	7.99	28.09	7.90
Other Liabilities	7.54	2.32	5.40	1.54	5.38	1.51
EQUITY CAPITAL	24.38	7.49	24.39	6.96	24.58	6.91

	SEPTEMBER 1998 ($)	SEPTEMBER 1998 % OF AVERAGE ASSETS(*)	JUNE 1999 ($)	JUNE 1999 % OF AVERAGE ASSETS(*)	SEPTEMBER 1999 ($)	SEPTEMBER 1999 % OF AVERAGE ASSETS(*)
INCOME AND EXPENSE DATA						
Interest Income	5.40	6.70	5.77	6.64	5.88	6.66
Interest Expense	3.42	4.25	3.57	4.10	3.74	4.24
Net Interest Income	1.98	2.45	2.21	2.54	2.14	2.43
Loss Provisions-Interest Bearing Assets	0.14	0.17	0.09	0.10	0.07	0.08
Noninterest Income	1.40	1.73	0.73	0.84	0.73	0.83
Mortgage Loan Servicing Fees	-0.09	-0.11	0.10	0.12	0.04	0.05
Other Fees and Charges	0.36	0.44	0.43	0.49	0.44	0.50
Other Noninterest Income	1.12	1.40	0.20	0.23	0.25	0.29
Noninterest Expense	1.46	1.81	1.42	1.63	1.41	1.60
G&A Expense	1.39	1.73	1.36	1.56	1.35	1.53
Goodwill Expense	0.05	0.07	0.05	0.06	0.05	0.06
Loss Provis.-Nonint. Bearing Assets	0.01	0.01	0.01	0.01	0.01	0.01
Income Before Taxes & Extraord. Items	1.78	2.21	1.43	1.65	1.39	1.57
Income Taxes	0.77	0.95	0.57	0.65	0.55	0.62
Extraordinary Items	-0.01	-0.01	0.00	0.00	0.00	0.00
Net Income	1.01	1.25	0.87	1.00	0.84	0.95

* Annualized.
Beginning in 1997, detailed asset categories are reported net of specific valuation allowances, loans in process, and unamortized yield adjustments.
Numbers may not sum due to rounding.
With the exception of regulatory capital measures, all data prior to June 1996 are unconsolidated.