Ten Largest Thrift Companies

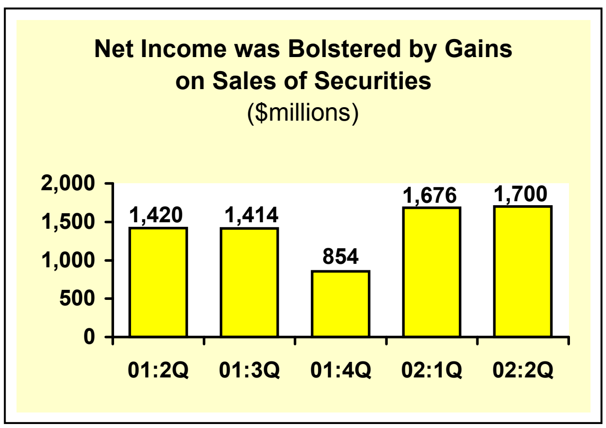
Federal Deposit Insurance Corporation
Research Staff Study*

Second Quarter 2002

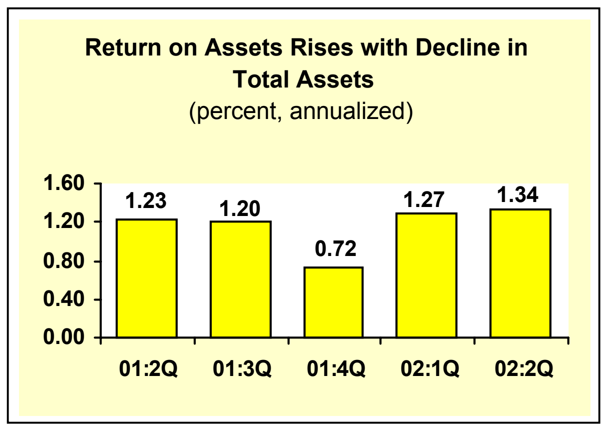
Gains on the sale of securities keep second-quarter earnings virtually unchanged at $1.7 billion.

Earnings remain strong despite a $252 million decline in net interest income.

Asset quality improved slightly after several quarters of deterioration.



Source: SNL DataSource



Source: SNL DataSource

Economic Conditions Continue to Favor Mortgage Lenders

Since the onset of recession in early 2001, economic conditions have been less than ideal for many households, businesses, and commercial lenders. Job losses and business bankruptcies have pushed loss rates higher on consumer and business loans alike. However, due to a combination of generally favorable trends, the economic climate has been supportive of high earnings for the nation's 10 largest thrift companies (hereafter, the "10 Largest"), which specialize in mortgage lending.

*** This document is based on publicly available information provided by the companies it covers. It is intended for informational purposes only. It does not represent official policy or supervisory guidance from the FDIC.**

The most positive factors have been the decline in short-term interest rates and the steepening of the yield curve. The Federal Reserve cut interest rates a record 11 times in 2001, lowering the federal funds rate from 6.50 percent in early January 2001 to 1.75 percent by year-end. In response, the median cost of funds (COF) for the nation's thrift institutions has also fallen. In the 12 months ending in May 2002 the COF fell by 152 basis points to just 3.38 percent—the lowest level in the 22-year history of this series.[1]

Meanwhile, long-term interest rates have been declining in a much less pronounced fashion. The Freddie Mac Contract Rate for conventional, 30-year mortgages, which stood at 7.38 percent in December 2000, has fluctuated between 22 and 89 basis points below that level during the last 19 months. More important than the amount of their decline, however, is the fact that long-term mortgage rates have been bouncing around near their lowest levels in 30 years. This has prompted recurring waves of mortgage refinancing during both 2001 and thus far in 2002.

The interest-rate environment has affected savings institutions' earnings in several ways. Earnings were reduced by lower values for mortgage servicing rights caused by prepayments of existing mortgages. Earnings benefited from declining rates that lifted the values of fixed-rate securities and the refinancing activity stimulated fee-producing origination volume.

Earnings for the 10 Largest rose slightly in the second quarter.

Amid these generally favorable conditions, second-quarter earnings for the 10 Largest rose to $1.7 billion, a $24 million increase from first-quarter earnings. Within the group, 7 companies reported higher earnings during the quarter while 3 reported lower earnings. The weighted average return on assets (ROA) was 1.34 percent, up from 1.27 percent in the first quarter. On the basis of ROA, 6 companies showed improved profitability over first-quarter results, while 4 showed a decline.

The most important factor that boosted second quarter earnings was the gains recognized on the sales of securities. Gains on sales of securities were $183 million in the second quarter, up from losses of $259 million last quarter. These represent a $441-million swing in earnings from the first quarter.

Net interest income declined $252 million, or 6 percent, from the first quarter. While 6 companies reported increases in net interest income, the remaining 4 companies reported declines that offset these improvements. The largest decline was $296 million at Washington Mutual Inc. Noninterest income fell $169 million (11 percent) as 7 companies received less from noninterest sources. Operating expenses increased by $78 million (3 percent) as 7 companies reported higher expenses.

Second quarter results for the 10 Largest appeared much stronger when compared to the second quarter of 2001 because of falling interest rates. Earnings were 20 percent higher than a year ago, while the ROA of 1.34 percent was an 11 basis point improvement. Of the 10 Largest, 8 reported higher earnings in dollar terms than a year ago, while earnings for the other 2 declined for some specific reasons. Golden State Bancorp Inc. reported a year-over-year decline in earnings because of

[1] The national median cost of funds ratio for SAIF insured institutions from the Office of Thrift Supervision.

a provision taken against the declining value of its mortgage servicing rights this quarter. On the other hand, People's Bank failed to match last year's earnings largely because of one-time gains from the sale of a credit card operation that occurred last year.

Persistently low long-term interest rates take a toll on net interest margins, which declined in the second quarter.

Long-term interest rates have remained low since the end of 2000 and the refinancing activity generated by this environment has taken its toll on average asset yields at the 10 Largest. Long-term interest rates have remained in a 67-basis-point range since the end of 2000. Mortgage refinancings have replaced many higher-rate or adjustable-rate mortgages in thrifts' portfolios with lower-yielding fixed-rate mortgages. The net interest margin of the 10 Largest as a group declined by 16 basis points to a still-healthy 3.31 percent. Only 3 of the 10 Largest reported higher net interest margins during the quarter.

Loan origination volume remained strong in the second quarter.

Since the onset of recession in early 2001, the volume of mortgage loans held by all lenders has increased dramatically. The total mortgage indebtedness of U.S. households increased by $525 billion in the 12 months ending in March 2002, helped by low interest rates, strong home sales, and a golden opportunity to refinance mortgage debt and consolidate other debt into home loans. The weekly volume of mortgage originations during 2001 and 2002 has averaged a level that is approximately 2.4 times the average weekly level for 1991 through 2000, a period that includes previous refinancing booms in both 1993 and 1998.[2]

The 10 Largest have been active participants in the recent wave of mortgage originations. There were 6 companies out of the 10 Largest that reported total loan originations with a volume of $56.1 billion for the second quarter. For the same set of companies, the origination volume hit a peak of $57.8 billion in the first quarter. Year-ago volume was just $44.0 billion for these companies.

Hedging activities limited the effect that falling valuations for mortgage servicing rights have had on noninterest income.

Strong loan originations have boosted fee income even as the prepayments associated with refinancing have reduced the value of mortgage servicing rights (MSRs). Even so, several of the 10 Largest have mitigated their losses on MSRs through hedging activities. These trends produced lower mortgage servicing revenues at 4 of the 10 Largest. Golden West Financial simply stated that mortgage banking revenues were down, while the other three companies reported taking provision expenses for the reduced value of their MSRs. These charges amounted to $1.2 billion.

Hedging gains that offset the falling value of MSRs were reported in two places on the income statement: noninterest income and gains on the sales of securities. Commercial Federal Financial reported the smallest charge, at $16.6 million, which was partially offset by a hedging strategy that included the sale of securities at a gain. Golden State Bancorp Inc. took a $100 million charge for MSRs. Washington Mutual Inc. took the

[2] Mortgage Bankers Association of America, Weekly Volume Index of Mortgage Applications.

largest charge, of $1.1 billion, but this was partially offset by a hedging strategy that included gains from derivatives contracts. These gains were included in noninterest income and helped limit the decline in the group's noninterest income to $169 million.

Noninterest expenses increased 3 percent as efficiency ratios worsened.

Noninterest expenses rose by $77 million, to $2.6 billion. This increase, combined with the fall in revenue, led to a worsening efficiency ratio.[3] Operating expenses amounted to 48.3 percent of net operating revenue, up from 43.5 percent last quarter. There were 6 companies that reported worsening efficiency ratios during the second quarter.

Asset quality improved after several consecutive quarters of deterioration for the 10 Largest.

Nonperforming assets fell in the second quarter by $239 million to $3.9 billion or 0.78 percent of assets. This was an improvement over the first quarter when nonperforming assets were 0.81 percent of assets for the group. The median ratio of nonperforming assets to assets was just 0.52 percent because a few large companies have higher proportions of troubled loans. A year ago, nonperforming assets were just $2.8 billion or 0.60 percent of assets, while the median ratio for these companies was very similar at 0.53 percent. The improvement in asset quality allowed the 10 Largest to reduce provision expenses by $47 million, to $220 million. Net charge-offs also fell, by $9 million, to $180 million or an annualized 0.23 percent of average loans. Net charge-offs were 0.25 percent of average loans in the first quarter and 0.20 percent a year ago. Since provisions exceeded net charge-offs, reserves rose $36 million to $3.2 billion.

Assets of the 10 Largest fell mainly because of the sale of securities by one company.

Assets of the 10 largest thrift companies fell $11 billion, even though a majority of companies reported increases. Washington Mutual Inc. sold $8.9 billion in securities during the quarter. Deposits grew by $1.8 billion as several companies reported marketing efforts to attract new deposit accounts. Only 3 companies reported declines in deposits. Loan growth remained strong at an annualized rate of 5.1 percent for the second quarter with 7 companies reporting higher loan balances.

A financial holding company announced its intention to purchase the third largest thrift company in a deal that is expected to close in the fourth quarter of this year.

Citigroup, Inc. announced plans to purchase Golden State Bancorp Inc. ($51.9 billion in assets) by the end of the year for $5.8 billion. This would nearly triple the savings institution industry assets held by Citigroup, Inc., which already owns Citibank FSB ($31.9 billion in assets). Charter One Financial, which had been the fourth largest company, ($38.2 billion in assets) converted to a commercial bank charter during the second quarter as expected.

The market capitalization of the 10 Largest increased by $7.5 billion (12 percent) in the second quarter.

[3] Noninterest expense minus foreclosed property expense minus amortization of intangibles, expressed as a percentage of the sum of net interest income plus noninterest income.

In line with rising earnings and a generally favorable operating environment, the stock price of all 10 companies increased during the quarter. This compares to a decline of almost 14 percent in the S&P 500 composite index during the quarter.

Equity capital rose $2 billion to $37 billion or 7.32 percent of assets. For the 6 companies that reported a tier 1 leverage ratio at the beginning and the end of the quarter, the unweighted average held steady at 7.09 percent.

Current economic trends appear to point to more of the same in the third quarter of 2002. With the Freddie Mac Contract Mortgage Rate falling in July to 6.49 percent—the lowest level in its 31-year history—the refinancing boom appears to be gathering momentum in the third quarter. Meanwhile, mixed signals about the pace of the apparent economic recovery give no indication that short-term rates will rise dramatically in the near term, which implies that net interest margins should also remain strong during the third quarter.

* * * * *

The FDIC has assembled information from public data releases compiled by SNL DataSource for the 10 largest thrift companies to obtain an early look at the performance of these firms. Highlights are summarized in the narrative. In addition, attached tables contain financial data for each of the 10 largest thrifts. Summary indicators for the group are presented on page 9.

This report only includes organizations primarily involved in lending permitted by a thrift charter for which timely information is available. The thrift subsidiaries of these 10 companies hold approximately 39 percent of the savings institution industry's total assets. Excluded from this report are: thrifts owned by bank holding companies that are primarily commercial bank operations, thrifts owned by financial service companies, and thrifts owned by manufacturers.

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10 Largest Thrift Companies
Ranking by Total Assets
(dollar amounts in millions)

Rank	Company Name	6/30/2002 Total Assets	2nd Qtr 2002 Net Income	1st Qtr 2002 Net Income	1-Qtr Change
1	Washington Mutual Inc.	$261,281	$984	$950	$34
2	Golden West Financial	62,322	226	238	(12)
3	Golden State Bancorp Inc.	51,861	82	122	(40)
4	Sovereign Bancorp Inc.	38,238	92	67	25
5	Astoria Financial Corp.	21,978	64	61	3
6	GreenPoint Financial Corp.	20,103	123	122	1
7	Commercial Federal Corp.	13,175	28	28	(0)
8	Hudson City Bancorp Inc. (MHC)	12,843	48	44	5
9	Webster Financial Corp.	12,490	41	32	9
10	People's Bank (MHC)	11,811	12	11	1
	Total	**$506,102**	**$1,700**	**$1,676**	**$25**

Note: As of March 31, 2002 the subsidiary thrift institutions of these companies represented approximately 39 percent of all savings institution assets.

FDIC-Insured Thrifts Excluded From 10 Largest Thrift Companies Ranking by Total Assets

(dollar amounts in millions)

Company Name	03/31/2002 Total Assets	Reason for Exclusion
Charter One Financial	$38,165	Converted to a national bank charter during the quarter.
Citbank FSB	31,868	Owned by a BHC that concentrates on commercial banking.
Guaranty Bank	15,392	Owned by a manufacturer.
E*Trade Bank	13,547	Owned by a financial services company.
	$98,972	

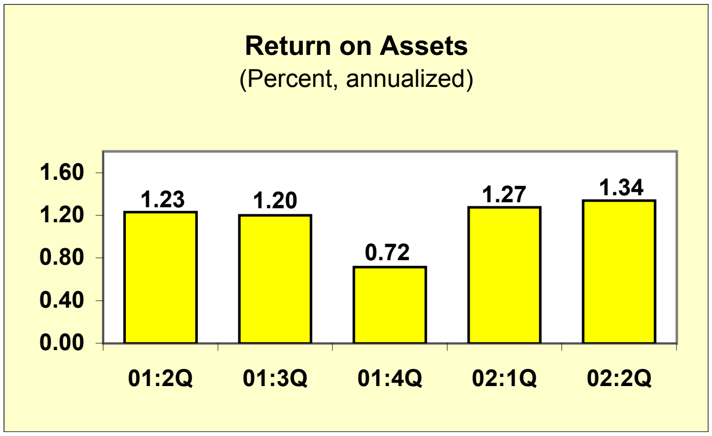
Note: These thrifts represent approximately 7.5 percent of all savings institution assets.

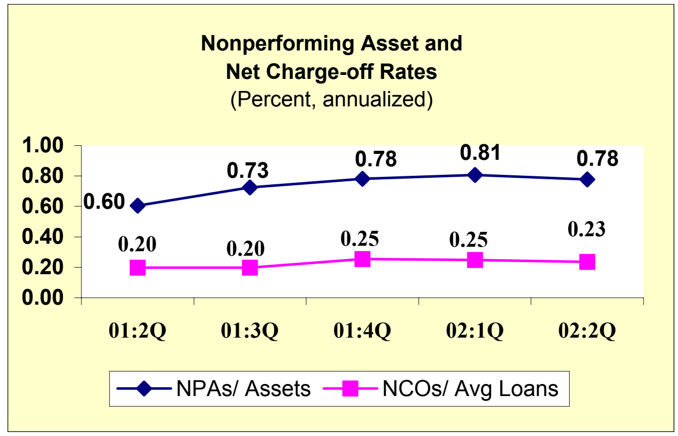
Summary Report (10 Thrift Co.s)

As of 3/31/02:

Thirft subsidiaries	13	
Thrift assets	512,782	($ millions)

(Includes intracompany transactions)





$ Millions	2nd Qtr 2002	1st Qtr 2002	Percent (annualized)	2nd Qtr 2002	1st Qtr 2002
Net income	1,700	1,676	Return on assets	1.34	1.27
Net interest income	3,912	4,164	Core ROA	1.24	1.41
Noninterest income	1,431	1,600	Return on equity	18.85	19.21
Noninterest expense	2,639	2,562	Net interest margin	3.31	3.47
Securities gains (losses)	183	(259)	Efficiency ratio	48.33	43.53
			Loan growth rate	5.13	21.95
Assets	506,102	517,411			
Loans (gross)	338,330	334,046	NPAs/assets	0.78	0.81
Loss reserve	3,197	3,161	NCOs/average loans	0.23	0.25
Deposits	267,904	266,113			
Equity	37,034	34,984	Tier 1 leverage ratio *	7.09	7.24
			Tier 1 RBC ratio *	10.43	14.23
Nonperforming assets	3,933	4,172	Total RBC ratio *	16.72	15.89
Loan-loss provisions	220	267			
Net charge-offs	180	189	Market cap. ($ millions)	72,063	64,602

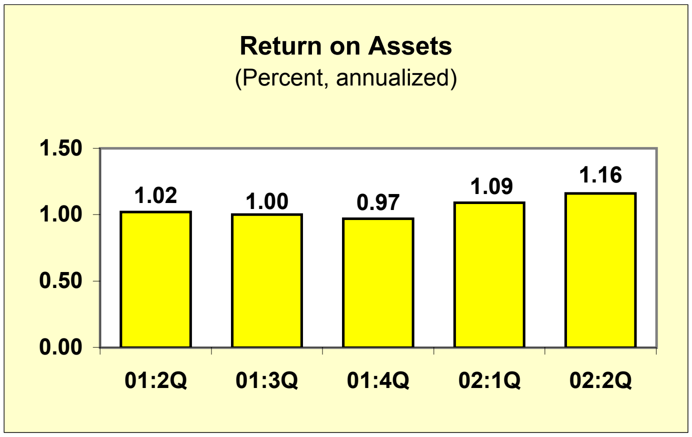
Remarks:
* Unweighted average.

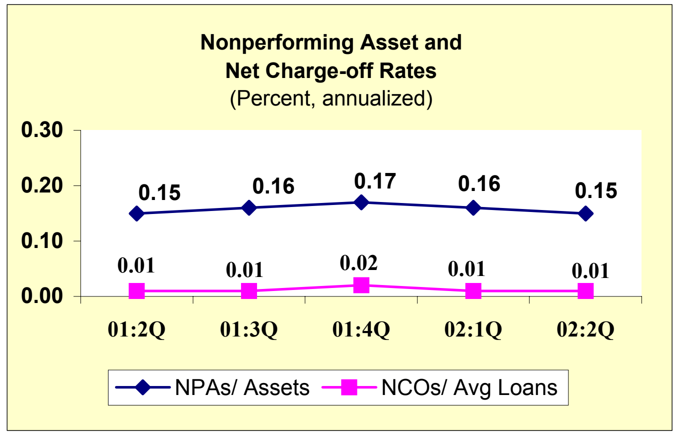
The summary statistics are based on fewer than 10 companies when the early data of some companies are incomplete. Since regulatory capital ratios are the data most frequently missing, unweighted averages were used for comparative purposes. Except as noted, ratios were provided on a weighted basis. Data from prior periods reflect the most current top 10 companies.

Astoria Financial Corp.

As of 3/31/02:

Number of Thrifts	1
Thrift assets ($ millions)	21,930





$ Millions	2nd Qtr 2002	1st Qtr 2002	Percent (annualized)	2nd Qtr 2002	1st Qtr 2002
Net income	64	61	Return on assets	1.16	1.09
Net interest income	125	118	Core ROA	1.16	1.09
Noninterest income	24	27	Return on equity	16.32	15.72
Noninterest expense	53	51	Net interest margin	2.37	2.22
Securities gains (losses)	0	0	Efficiency ratio	35.63	35.34
			Loan growth rate	3.28	7.41
Assets	21,978	22,107			
Loans (gross)	12,539	12,437	NPAs/assets	0.15	0.16
Loss reserve	84	83	NCOs/average loans	0.01	0.01
Deposits	11,237	11,097			
Equity	1,584	1,555	Tier 1 leverage ratio	6.70	6.34
			Tier 1 RBC ratio	NA	13.50
Nonperforming assets	32	34	Total RBC ratio	14.74	14.31
Loan-loss provision	1	1			
Net charge-offs	0	0	Stock price ($)	32.05	29.05

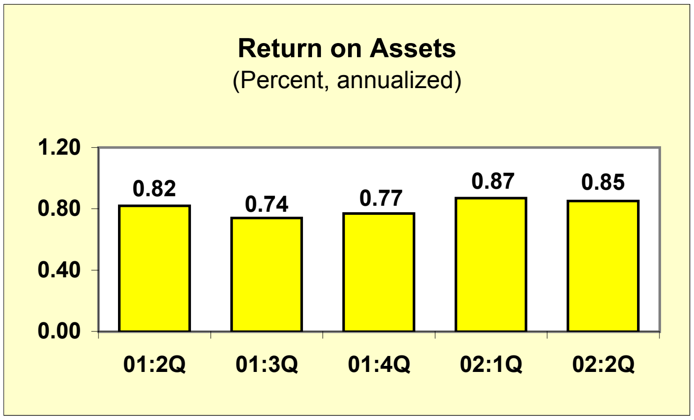
Significant acquisitions:

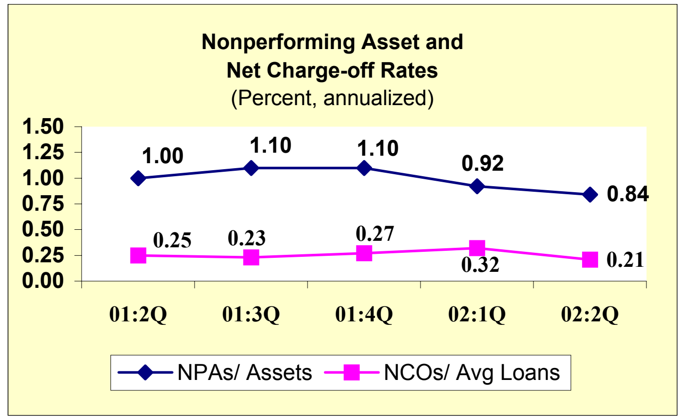
Date	Acquired Institution	State	Acquired Assets
10/1998	Long Island Bancorp, Inc.	NY	$6.1 Billion
10/1997	Greater New York Savings Bank	NY	2.5 Billion
01/1995	Fidelity New York FSB	NY	2.1 Billion

Commercial Federal Corp.

As of 3/31/02:

Number of Thrifts	1	
Thrift assets ($millions)	$12,756	(millions)





$ Millions	2nd Qtr 2002	1st Qtr 2002	Percent (annualized)	2nd Qtr 2002	1st Qtr 2002
Net income	28	28	Return on assets	0.85	0.87
Net interest income	81	85	Core ROA	0.58	0.97
Noninterest income	16	30	Return on equity	14.18	15.17
Noninterest expense	66	64	Net interest margin	2.70	2.91
Securities gains (losses)	14	-5	Efficiency ratio	63.98	53.21
			Loan growth rate	15.17	-4.70
Assets	13,175	12,747			
Loans (gross)	8,724	8,406	NPAs/assets	0.84	0.92
Loss reserve	104	102	NCOs/average loans	0.21	0.32
Deposits	6,243	6,282			
Equity	758	745	Tier 1 leverage ratio	5.61	5.62
			Tier 1 RBC ratio	9.22	9.47
Nonperforming assets	110	118	Total RBC ratio	10.89	11.37
Loan-loss provision	6	7			
Net charge-offs	4	6	Stock price ($)	29.00	26.90

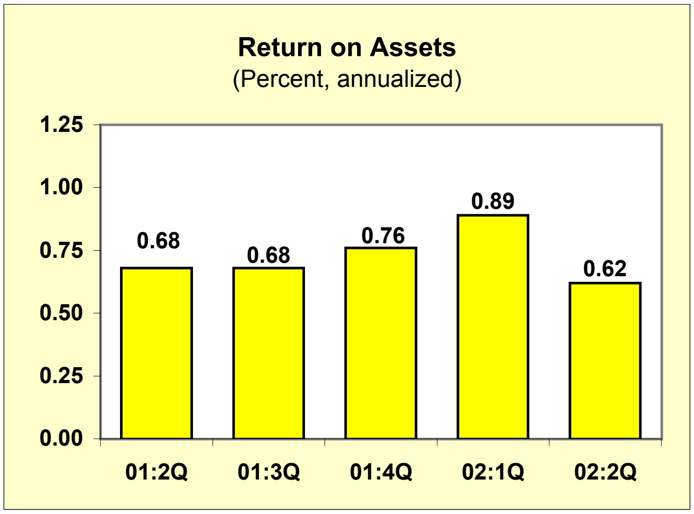
Significant acquisitions:

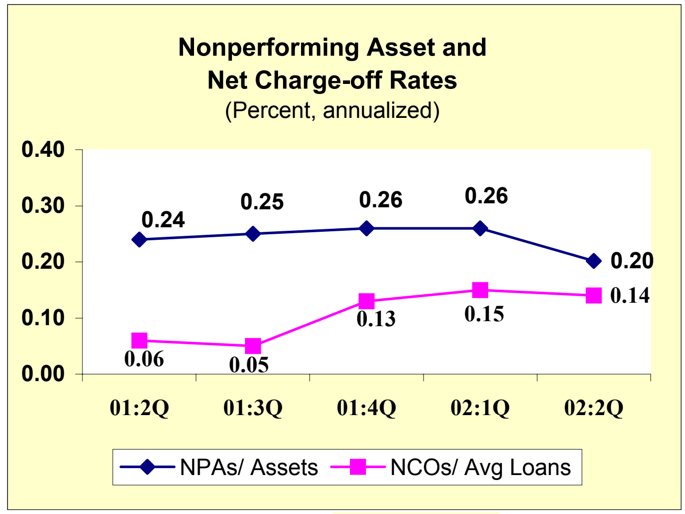
Date	Acquired Institution	State	Acquired Assets
08/1998	First Colorado Bancorp, Inc.	CO	$1.6 Billion
07/1998	AmerUs Bank	IA	1.4 Billion
1994-1999	11 other acquisitions		3.4 Billion

Golden State Bancorp Inc.

As of 3/31/02:

Number of Thrifts	1
Thrift assets ($ millions)	54,160





$ Millions	2nd Qtr 2002	1st Qtr 2002	Percent (annualized)	2nd Qtr 2002	1st Qtr 2002
Net income	82	122	Return on assets	0.62	0.89
Net interest income	370	368	Core ROA	0.62	0.89
Noninterest income	(1)	88	Return on equity	12.16	18.92
Noninterest expense	229	237	Net interest margin	2.97	2.89
Securities gains (losses)	0	0	Efficiency ratio	61.63	51.96
			Loan growth rate	(9.34)	(9.95)
Assets	51,861	54,089			
Loans (gross)	40,420	41,386	NPAs/assets	0.20	0.26
Loss reserve	469	483	NCOs/average loans	0.14	0.15
Deposits	24,301	24,831			
Equity	2,764	2,694	Tier 1 leverage ratio	NA	6.99
			Tier 1 RBC ratio	NA	11.96
Nonperforming assets	105	138	Total RBC ratio	NA	13.40
Loan-loss provision	0	0			
Net charge-offs	14	14	Stock price ($)	36.25	29.69

On May 21, 2002 Citigroup announced an agreement to buy Golden State Bancorp in a deal scheduled to close in the fourth quarter.

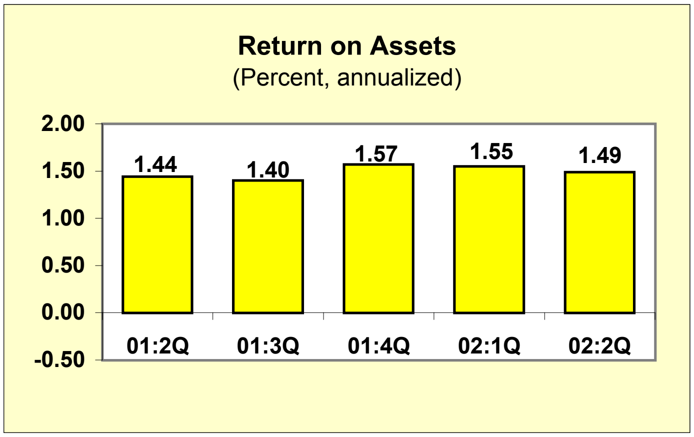
Significant acquisitions:

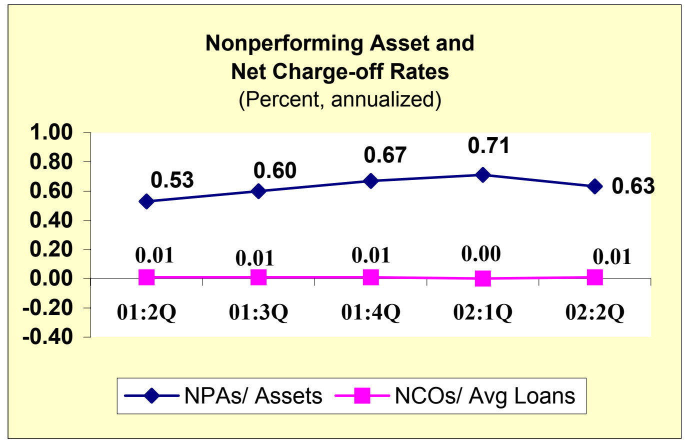
Date	Acquired Institution	State	Acquired Assets
09/1998	Glendale Federal Bank, FSB	CA	$18.1 Billion
01/1997	First Nationwide Bank, FSB	TX	16.5 Billion
1994-1996	3 other acquisitions		0.1 Billion

Golden West Financial

As of 3/31/02:

Number of Thrifts	2
Thrift assets ($ millions)	59,381





$ Millions	2nd Qtr 2002	1st Qtr 2002	Percent (annualized)	2nd Qtr 2002	1st Qtr 2002
Net income	226	238	Return on assets	1.49	1.55
Net interest income	465	467	Core ROA	1.46	1.49
Noninterest income	45	56	Return on equity	19.85	21.73
Noninterest expense	143	141	Net interest margin	3.12	3.15
Securities gains (losses)	6	14	Efficiency ratio	28.04	27.00
			Loan growth rate	53.14	43.42
Assets	62,322	59,348			
Loans (gross)	51,898	45,812	NPAs/assets	0.63	0.71
Loss reserve	274	269	NCOs/average loans	0.01	0.00
Deposits	36,231	35,508			
Equity	4,655	4,462	Tier 1 leverage ratio	NA	8.64
			Tier 1 RBC ratio	NA	NA
Nonperforming assets	394	424	Total RBC ratio	NA	NA
Loan-loss provision	5	9			
Net charge-offs	1	0	Stock price ($)	68.78	63.50

Significant acquisitions:

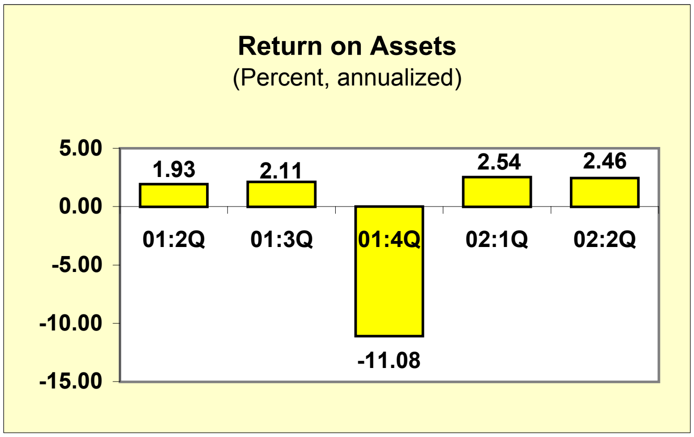
Date	Acquired Institution	State	Acquired Assets
10/1994	Watchung Hills Bank for Savings	NJ	$67 Million

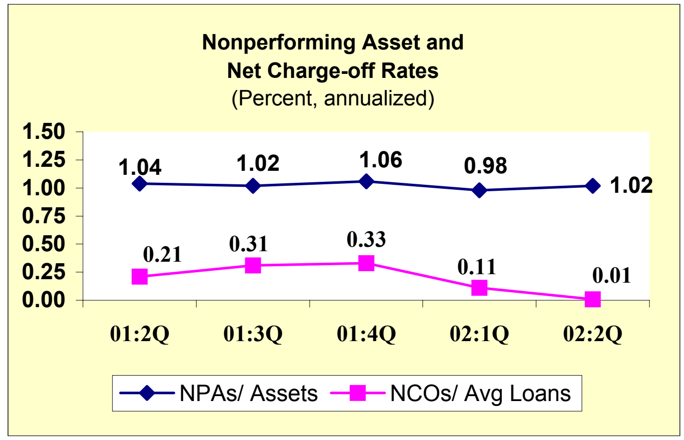
GreenPoint Financial Corp.

As of 3/31/02:

Number of Thrifts	1
Thrift assets ($ millions)	21,071

(Includes intracompany transactions)





$ Millions	2nd Qtr 2002	1st Qtr 2002
Net income	123	122
Net interest income	191	179
Noninterest income	102	109
Noninterest expense	102	100
Securities gains (losses)	4	3
Assets	20,103	21,072
Loans (gross)	14,230	14,161
Loss reserve	75	78
Deposits	11,055	10,827
Equity	1,853	1,751
Nonperforming assets	205	206
Loan-loss provision	1	0
Net charge-offs	0	3

Percent (annualized)	2nd Qtr 2002	1st Qtr 2002
Return on assets	2.46	2.54
Core ROA	2.41	2.46
Return on equity	27.59	27.85
Net interest margin	4.06	3.96
Efficiency ratio	34.81	35.07
Loan growth rate	1.95	(22.02)
NPAs/assets	1.02	0.98
NCOs/average loans	0.01	0.11
Tier 1 leverage ratio	8.05	7.82
Tier 1 RBC ratio	12.07	11.42
Total RBC ratio	13.77	13.09
Stock price ($)	49.10	43.70

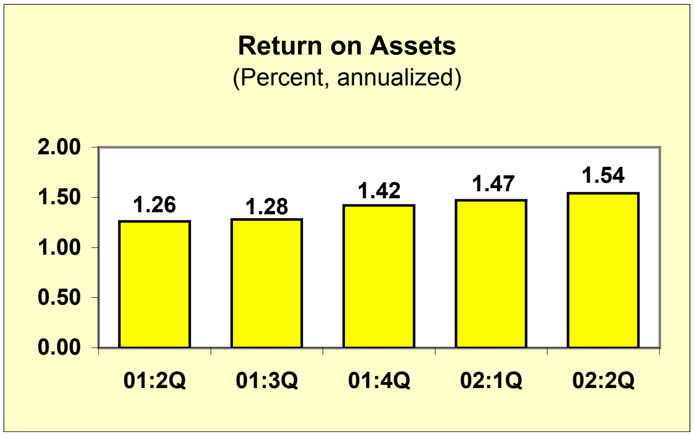
Significant branch acquisitions:

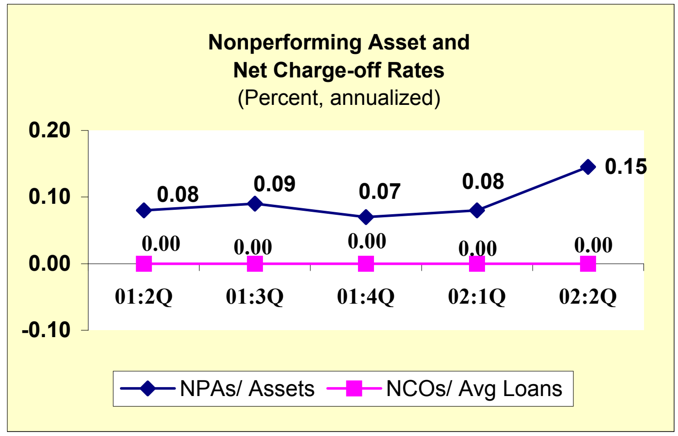
Date	Seller	Number of Branches	Deposits
09/1995	H.F. Ahmanson & Co.	60	$8.2 Billion
1992	Various sellers.	5	318 Million

Hudson City Bancorp Inc. (MHC

As of 3/31/02:

Number of Thrifts	1
Thrift assets ($ millions)	12,295





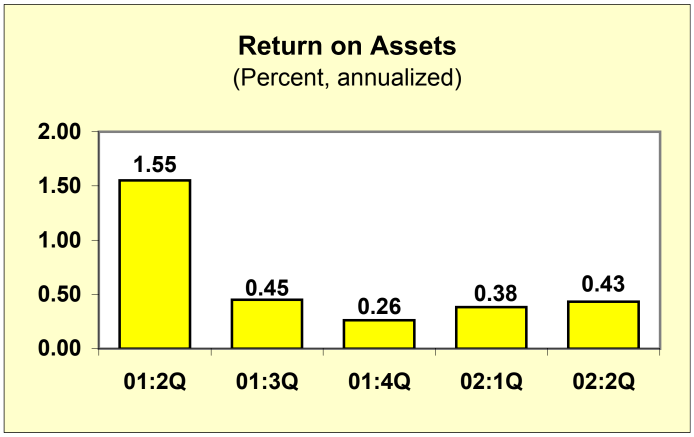
$ Millions	2nd Qtr 2002	1st Qtr 2002	Percent (annualized)	2nd Qtr 2002	1st Qtr 2002
Net income	48	44	Return on assets	1.54	1.47
Net interest income	97	91	Core ROA	1.54	1.47
Noninterest income	1	1	Return on equity	14.83	13.48
Noninterest expense	23	24	Net interest margin	3.13	3.13
Securities gains (losses)	0	0	Efficiency ratio	23.39	26.11
			Loan growth rate	18.04	30.18
Assets	12,843	12,295			
Loans (gross)	6,694	6,406	NPAs/assets	0.15	0.08
Loss reserve	25	25	NCOs/average loans	0.00	0.00
Deposits	8,537	8,251			
Equity	1,273	1,297	Tier 1 leverage ratio	10.09	10.89
			Tier 1 RBC ratio	NA	31.74
Nonperforming assets	19	9	Total RBC ratio	30.19	32.34
Loan-loss provision	1	1			
Net charge-offs	0	0	Stock price ($)	19.90	16.23

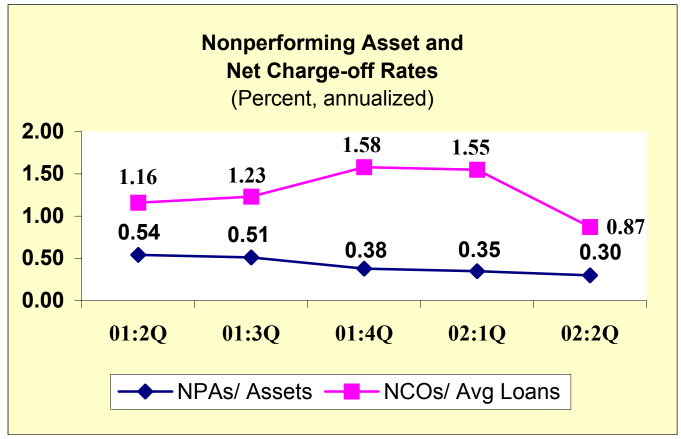
No significant acquisitions recorded for this company.

People's Bank (MHC)

As of 3/31/02:

Number of Thrifts	1
Thrift assets ($ millions)	11,382





$ Millions	2nd Qtr 2002	1st Qtr 2002	Percent (annualized)	2nd Qtr 2002	1st Qtr 2002
Net income	12	11	Return on assets	0.43	0.38
Net interest income	82	92	Core ROA	0.43	0.36
Noninterest income	59	60	Return on equity	5.22	4.78
Noninterest expense	109	110	Net interest margin	2.98	3.54
Securities gains (losses)	(2)	1	Efficiency ratio	76.57	71.92
			Loan growth rate	(5.16)	(18.03)
Assets	11,811	11,355			
Loans (gross)	6,641	6,728	NPAs/assets	0.30	0.35
Loss reserve	115	115	NCOs/average loans	0.87	1.55
Deposits	8,325	8,341			
Equity	953	938	Tier 1 leverage ratio	7.50	7.40
			Tier 1 RBC ratio	10.00	10.00
Nonperforming assets	35	39	Total RBC ratio	14.00	13.90
Loan-loss provision	14	27			
Net charge-offs	14	27	Stock price ($)	26.11	24.65

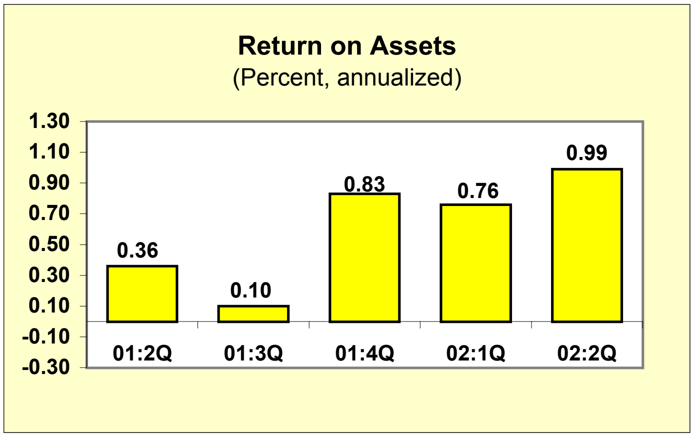
Significant acquisitions:

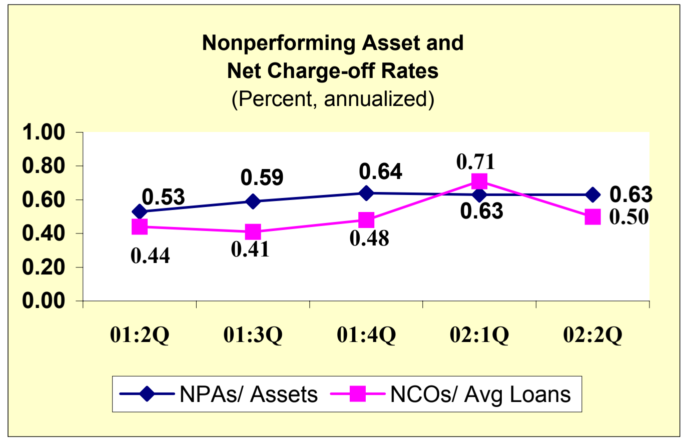
Date	Acquired Institution	State	Acquired Assets
02/1998	Norwich Financial Corp. .	CT	$713 Million

Sovereign Bancorp Inc.

As of 3/31/02:

Number of Thrifts	1
Thrift assets ($ millions)	36,911





$ Millions	2nd Qtr 2002	1st Qtr 2002
Net income	92	67
Net interest income	297	272
Noninterest income	92	87
Noninterest expense	239	228
Securities gains (losses)	4	21
Assets	38,238	36,833
Loans (gross)	21,938	21,791
Loss reserve	288	287
Deposits	25,603	24,816
Equity	2,541	2,403
Nonperforming assets	243	233
Loan-loss provision	28	45
Net charge-offs	27	37

Percent (annualized)	2nd Qtr 2002	1st Qtr 2002
Return on assets	0.99	0.76
Core ROA	0.96	0.72
Return on equity	14.88	11.76
Net interest margin	3.51	3.53
Efficiency ratio	56.19	57.82
Loan growth rate	2.70	27.28
NPAs/assets	0.63	0.63
NCOs/average loans	0.50	0.71
Tier 1 leverage ratio	4.58	4.47
Tier 1 RBC ratio	NA	NA
Total RBC ratio	NA	NA
Stock price ($)	14.95	14.05

Significant acquisitions:

Date	Acquired Institution	State	Acquired Assets
03/2002	Main Street Bancorp, Inc.	PA	$1.6 Billion
02/1998	ML Bancorp, Inc.	PA	2.1 Billion
08/1997	Bankers Corp.	NJ	2.3 Billion
1993-1999	10 other acquisitions		4.9 Billion

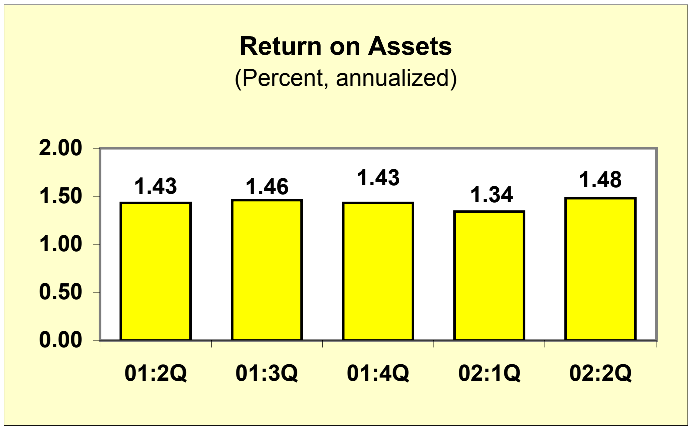
The company also purchased from Fleet Financial Group 278 branches in July of 2000 with $12 billion in deposits.

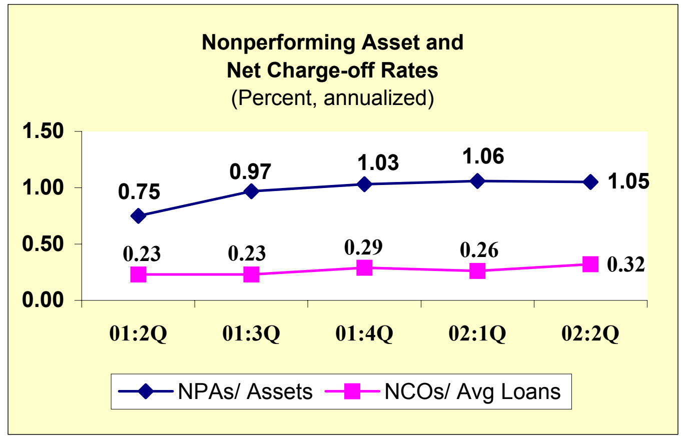
Washington Mutual Inc.

As of 3/31/02:

Number of Thrifts	3
Thrift assets ($ millions)	270,704

(Includes intracompany transactions)





$ Millions	2nd Qtr 2002	1st Qtr 2002	Percent (annualized)	2nd Qtr 2002	1st Qtr 2002
Net income	984	950	Return on assets	1.48	1.34
Net interest income	2,100	2,396	Core ROA	1.33	1.61
Noninterest income	1,053	1,103	Return on equity	20.81	20.71
Noninterest expense	1,596	1,529	Net interest margin	3.46	3.76
Securities gains (losses)	155	(296)	Efficiency ratio	49.79	42.98
			Loan growth rate	(4.40)	32.77
Assets	261,281	275,223			
Loans (gross)	167,813	169,681	NPAs/assets	1.05	1.06
Loss reserve	1,665	1,621	NCOs/average loans	0.32	0.26
Deposits	129,069	129,010			
Equity	19,586	18,128	Tier 1 leverage ratio	NA	NA
			Tier 1 RBC ratio	NA	NA
Nonperforming assets	2,739	2,910	Total RBC ratio	NA	NA
Loan-loss provision	160	175			
Net charge-offs	116	99	Stock price ($)	37.11	33.13

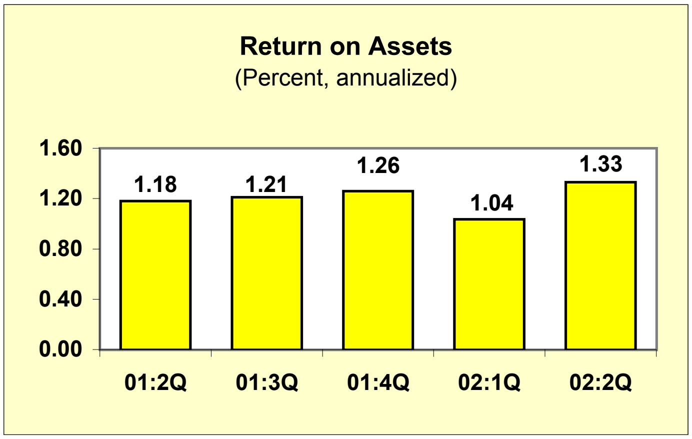
Significant acquisitions:

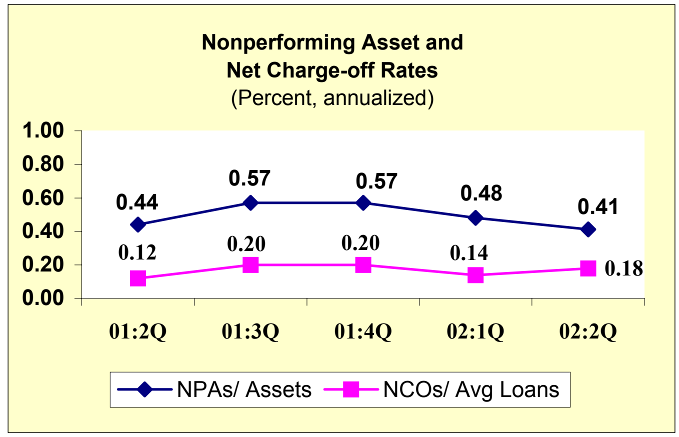
Date	Acquired Institution	State	Acquired Assets
01/2002	Dime Bancorp, Incorporated	NY	$27.1 Billion
09/2001	Bank United Corporation.	TX	18.2 Billion
10/1998	Ahmanson & Company (H.F.)	CA	46.7 Billion
07/1997	Great Western Financial Corporation	CA	42.9 Billion
12/1996	Keystone Holdings, Inc.	CA	20.5 Billion
04/1993	Pacific First Bank, A FSB	WA	6.9 Billion
1987-1998	13 other acquisitions		4.7 Billion

Webster Financial Corp.

As of 3/31/02:

Number of Thrifts	1
Thrift assets ($ millions)	12,193





$ Millions	2nd Qtr 2002	1st Qtr 2002	Percent (annualized)	2nd Qtr 2002	1st Qtr 2002
Net income	41	32	Return on assets	1.33	1.04
Net interest income	103	96	Core ROA	1.32	1.25
Noninterest income	39	39	Return on equity	15.50	12.38
Noninterest expense	79	77	Net interest margin	3.48	3.50
Securities gains (losses)	1	3	Efficiency ratio	52.50	53.90
			Loan growth rate	10.69	15.62
Assets	12,490	12,342			
Loans (gross)	7,433	7,239	NPAs/assets	0.41	0.48
Loss reserve	100	99	NCOs/average loans	0.18	0.14
Deposits	7,302	7,148			
Equity	1,067	1,011	Tier 1 leverage ratio	NA	6.97
			Tier 1 RBC ratio	NA	11.54
Nonperforming assets	52	59	Total RBC ratio	NA	12.80
Loan-loss provision	4	4			
Net charge-offs	3	2	Stock price ($)	38.24	37.43

Significant acquisitions:

Date	Acquired Institution	State	Acquired Assets
12/1999	MECH Financial, Inc.	CT	$1.1 Billion
10/1997	Eagle Financial Corp.	CT	2.0 Billion
10/1996	DS Bancor, Incorporated	CT	1.3 Billion
1989-1999	7 other acquisitions		2.4 Billion

Notes to Readers

Purpose:
The Division of Insurance and Research prepared this report. In addition to providing details on the performance of individual companies, the aggregate results provide an early indication of the savings institution industry's overall performance in the most recent quarter.

Sources:
The report is based on publicly available information obtained via SNL Securities' DataSource[1], as well as press releases and media accounts. Geri Bonebrake provided design expertise and Chau Nguyen assisted with technical details.

Coverage:
The report covers the 10 largest thrift companies for which timely quarterly results are available. FDIC-insured savings institutions operated by these companies comprise 39 percent of the savings institution industry's total assets. Large savings institutions owned by bank holding companies that are primarily commercial bank operations are not covered here -- see the Twenty-Five Largest Banking Companies' report. Large savings institutions owned by companies with large commercial operations as their primary focus were also excluded from this report. Large thrifts owned by financial services companies where brokerage or insurance activities predominate were also excluded. Any large privately held thrift was excluded because earnings reports were not available.

Preliminary Data:
The earnings announcements on which this report is based are preliminary, and companies have some flexibility as to content and format not available to them in later, more detailed regulatory filings with the SEC and the banking agencies.

Prior Period Comparisons:
Caution should be exercised when comparing results between different time periods because acquisitions or accounting changes may distort comparability. Efforts have been made to adjust prior periods appropriately, when possible.

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Glossary

Financial information appearing in this report was acquired from SNL Securities, Inc., Charlottesville, Virginia. The following definitions are listed in the order in which they appear in this report.

Nonperforming assets
The sum of nonaccrual, renegotiated and loans and leases acquired through foreclosure. (Delinquent loans and leases still accruing are excluded.)

Net charge-offs
Total loans and leases removed from the balance sheet due to their uncollectability minus amounts recovered on loans and leases previously charged-off.

Return on assets
Annualized net income (including gains or losses on securities and extraordinary items) expressed as a percentage of average total assets.

Core ROA
Annualized income before income taxes and extraordinary items minus the after-tax portion (the assumed tax rate is 35 percent) of gains on sale of investment securities and nonrecurring income items as a percentage of average total assets.

Return on equity
Annualized net income (including gains or losses on securities and extraordinary items) as a percentage of average total equity capital.

Net interest margin
The annualized difference between taxable-equivalent interest and dividends earned on interest-bearing assets and interest paid to depositors and other creditors, expressed as a percentage of average interest-bearing assets.

Efficiency ratio
Noninterest expense minus foreclosed property expense minus amortization of intangibles, expressed as a percentage of the sum of net interest income plus noninterest income. This ratio measures the proportion of net operating revenues absorbed by overhead expenses -- the lower the ratio the greater the operating efficiency of the institution.

Loan growth rate
The annualized change in total loans and leases (net of unearned income and gross of reserves) from the previous quarter, expressed as a percentage of total loans and leases at the end of the previous quarter.

NPAs / assets
Nonperforming assets expressed as a percentage of total assets for the current quarter.

NCOs / average loans
Annualized net charge-offs expressed as a percentage of average total loans and leases.

*Tier 1 capital**
Common equity capital, plus noncumulative perpetual preferred stock, plus minority interests in consolidated subsidiaries, minus goodwill and other ineligible intangible assets. (The amount of eligible intangible assets included in Tier 1 capital is limited in accordance with supervisory capital regulations.)

Tier 1 leverage ratio
Tier 1 capital expressed as a percentage of average tangible assets (total assets minus intangible assets).

*Risk-based assets**
This figure is derived from the amounts of both on-balance and off-balance assets that institutions report in the various risk-weight buckets (0%, 20%, 50%, 100% or 200%) of call report Schedule RC-R. The consolidated amount is the product of the sums in the various categories multiplied by their respective risk weights.

Tier 1 RBC ratio
Tier 1 capital expressed as a percentage of risk-based assets.

*Tier 2 capital**
The sum of allowable subordinated debt and limited life instruments (discounted by their years to maturity), plus cumulative preferred stock, plus mandatory convertible debt, plus loan reserves (limited to 1.25% of gross risk-weighted assets). (Tier 2 capital cannot exceed Tier 1 capital.)

*Tier 3 capital**
The amount of regulatory capital required to offset market risk of the company.

Total RBC ratio
The sum of Tier 1, Tier 2 and Tier 3 capital expressed as a percentage of risk-based assets.

Market cap. ($ millions)
The market value of the company's stock, derived by multiplying the stock price by the number of shares outstanding at the end of the period.

*Denotes items which do not appear in the Top Ten Thrift Companies, but are parts of some of the report's ratios.