

Mutual Savings Association Advisory Committee Meeting

June 17, 2013

OCC Supervisory Tools

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Overview of OCC Supervisory Tools

- I. Mutual Overview Package
- II. Canary System Enhancements
- III. Thrift Analysis Report Tool
- IV. Other Considerations

I. Mutual Overview Package

1. Portfolio Statistics

- Asset & caseload distributions, asset size ranges, district demographics, charter age

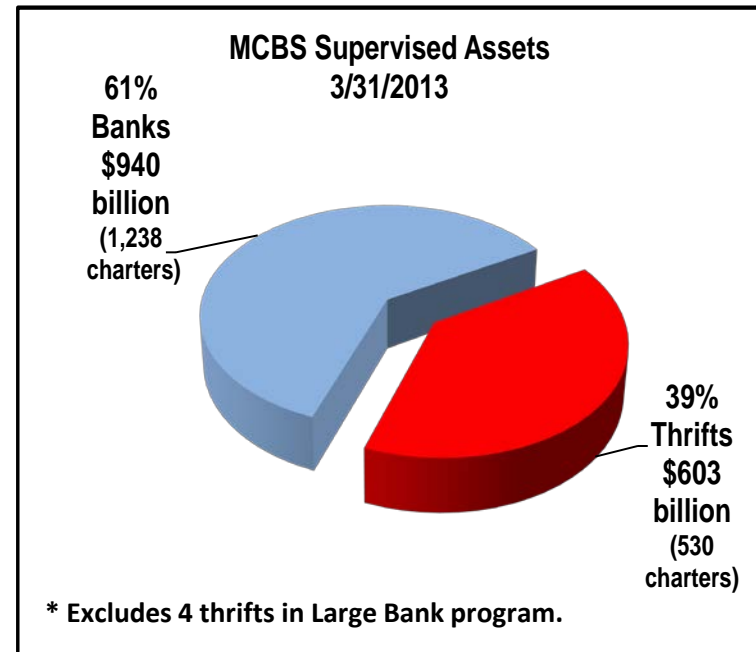
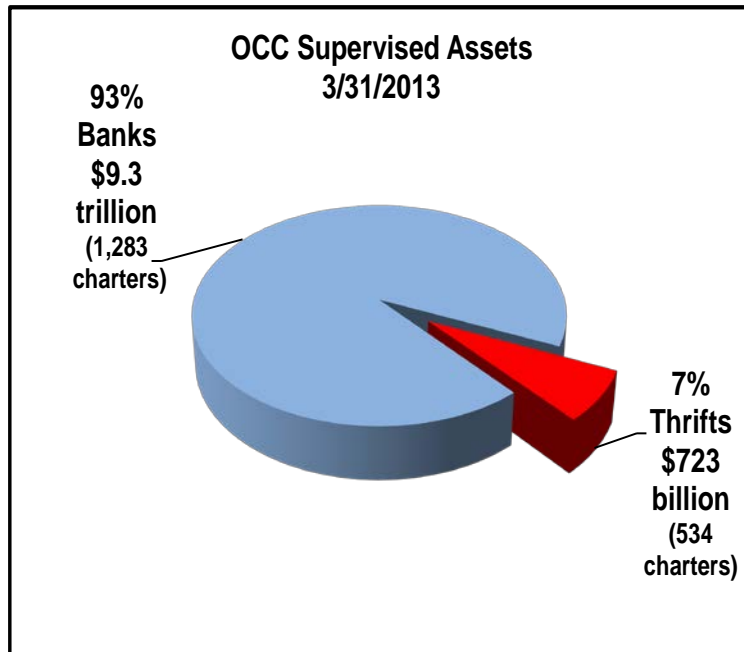
2. Financial Metrics

- Balance sheet, asset quality, earnings, capital, liquidity and sensitivity

3. Supervisory Data

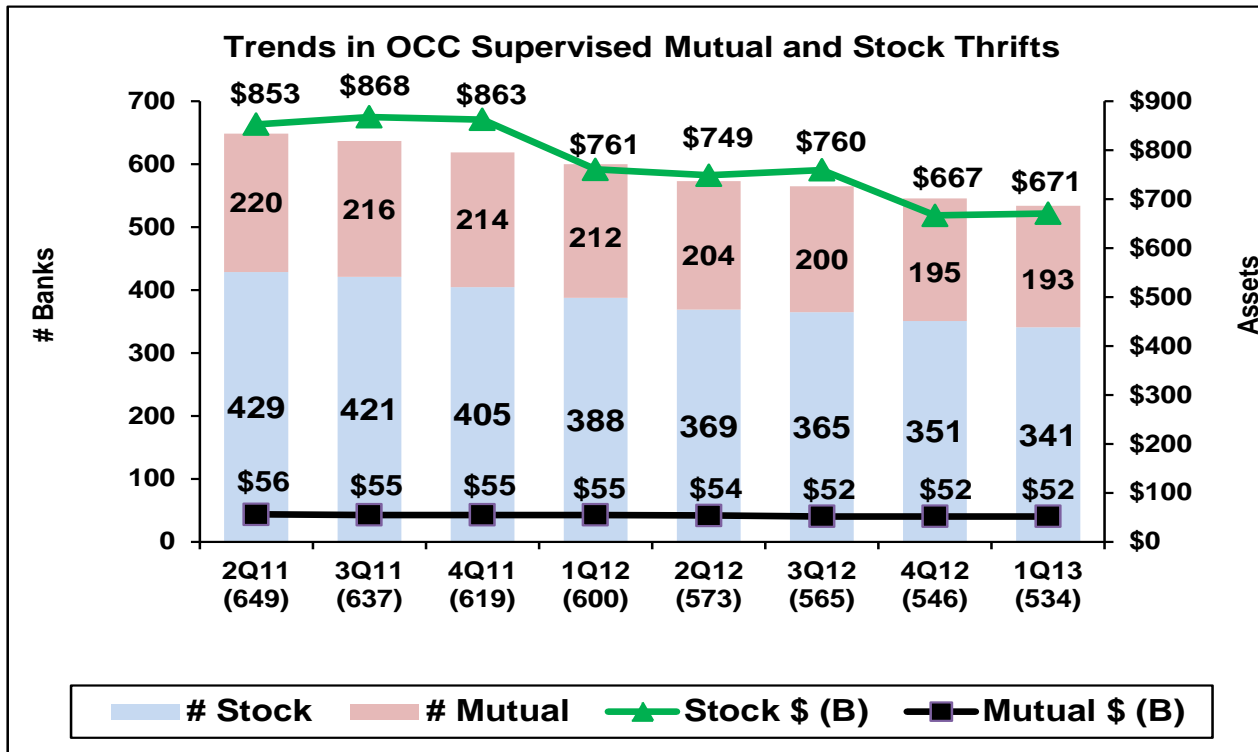
- Composite ratings, rating distributions, aggregate risk, quality of risk management, direction of risk, MRAs

Mutual Overview: Portfolio Stats



- OCC-regulated charters hold \$9.3 trillion in assets, including \$723B in thrifts
- Total assets held by MCBS institutions were \$1.5 trillion or 16% of all OCC supervised assets and the 1,768 MCBS charters were 97% of all OCC charters
- Thrift charters represent 30% of MCBS supervised charters with \$603 billion in assets or 39% of all assets held by MCBS institutions
- There are 193 Federal mutual thrifts with \$52 billion in assets, not including MHCs

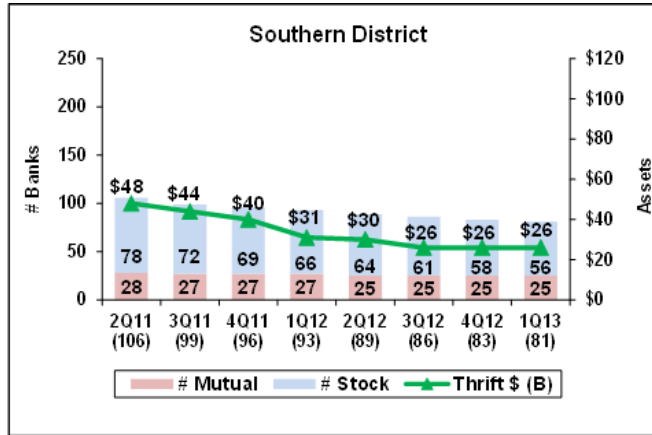
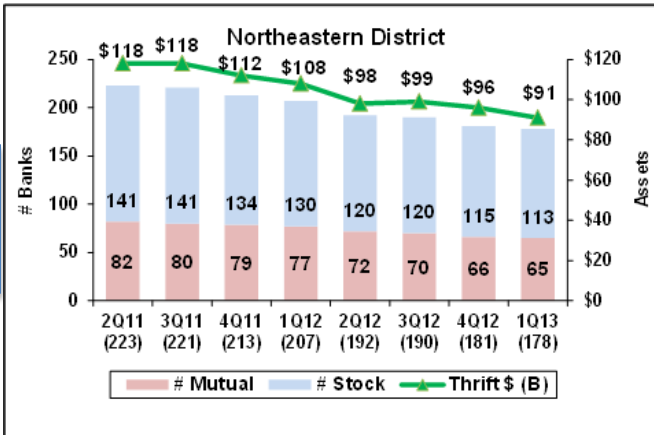
Mutual Overview: Portfolio Stats



- Mutual thrifts account for 36% of OCC-regulated thrifts
- Mutuals hold 7.2% of total thrift assets
- The number of mutual charters has declined by 5% over the past year
- Mutually held assets of \$52B have remained fairly stable

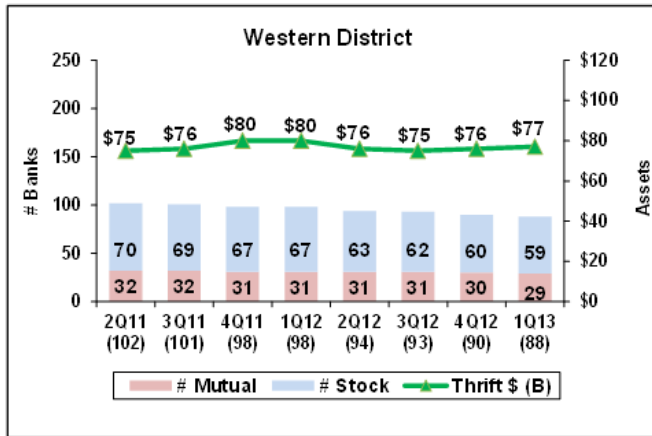
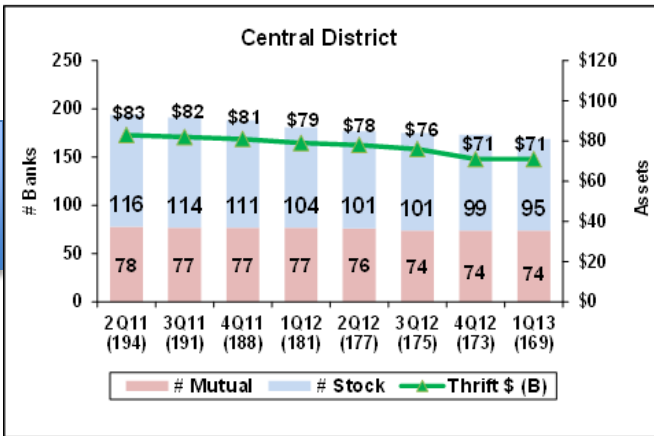
Mutual Overview: Portfolio Stats

178 thrifts
65 mutuals
37% mutuals



81 thrifts
25 mutuals
31% mutuals

169 thrifts
74 mutuals
44% mutuals



88 thrifts
29 mutuals
33% mutuals

- Mutual charters are concentrated in the OCC's Central (74) and Northeastern (65) districts
- There are six states with 10 or more mutuals (IL-16, OH-15, IN-12, PA-12, MD-11 & NY-10)
- Ten other states had more than 5 mutuals (WI, KS, KY, GA, MA, LA, MO, SC, MI & MN)

Mutual Overview: Portfolio Stats

Mutual Thrift Asset Distribution - 3/31/2013										
Asset Size	All Mutuals		NE		CE		SO		WE	
	#	%	#	%	#	%	#	%	#	%
Less Than \$50MM	38	20%	10	15%	17	23%	4	16%	7	24%
\$50MM To \$100MM	47	24%	14	22%	21	28%	4	16%	8	28%
\$100MM To \$250MM	53	27%	15	23%	21	28%	10	40%	7	24%
\$250MM To \$500MM	35	18%	16	25%	10	14%	5	20%	4	14%
\$500MM To \$1B	12	6%	8	12%	1	1%	1	4%	2	7%
Greater Than \$1B	8	4%	2	3%	4	5%	1	4%	1	3%
Total	193	100%	65	100%	74	100%	25	100%	29	100%

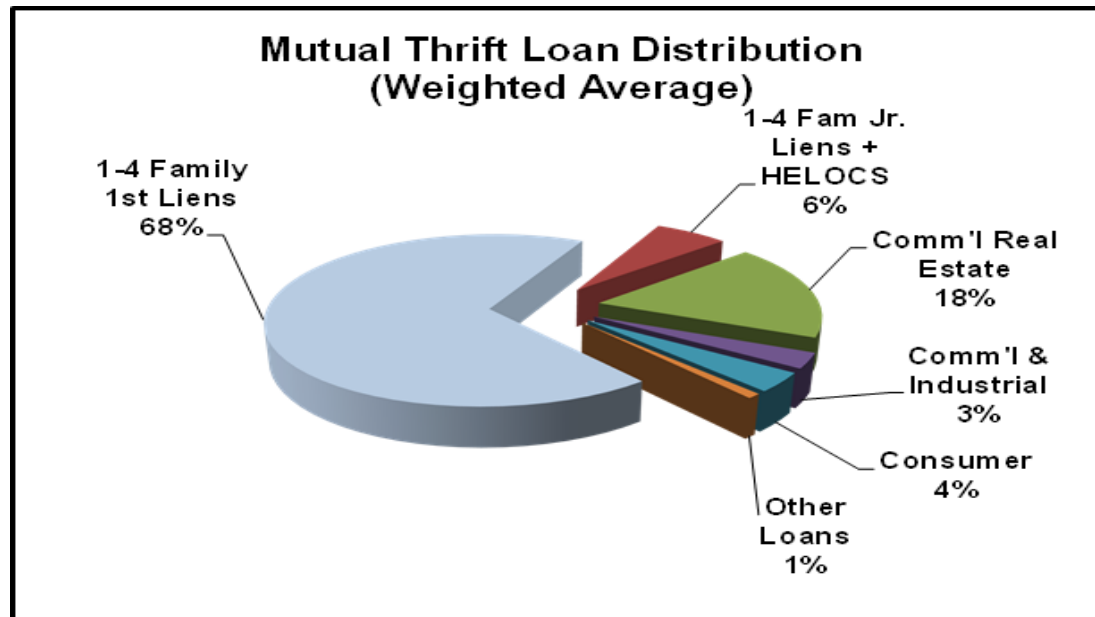
- 90% of mutuals have assets totaling less than \$500 million
- 71% of mutuals have less than \$250 million in assets
- The NE district has the greatest % of larger mutuals (TA > \$250M), at 40%
- Mutually held assets by OCC district are distributed as follows:
 - **NE \$23.0B CE \$15.6B SO \$6.6B WE \$6.5B**

Mutual Overview: Portfolio Stats

Federal Mutual Thrift Age Distribution - 3/31/2013										
Years	All Mutuals		NE		CE		SO		WE	
	#	%	#	%	#	%	#	%	#	%
< 25 Yrs	0	0%	0	0%	0	0%	0	0%	0	0%
25 to 50	1	1%	0	0%	1	1%	0	0%	0	0%
50 to 75	23	12%	10	15%	6	8%	5	20%	2	7%
75 to 100	89	46%	25	38%	33	45%	17	68%	14	48%
> 100 Yrs	80	41%	30	46%	34	46%	3	12%	13	45%
Total	193	100%	65	100%	74	100%	25	100%	29	100%

- Eighty (80) Federal mutual thrifts were formed more than **100** years ago
- 87% of all current Federal mutuals have operated for 75 years or more
- There is only one remaining mutual that was formed in the last 50 years
- 24 credit unions converted to mutual savings associations under OTS

Mutual Overview: Financial Metrics



Loan Distribution by Thrift Type							
Charter Type	\$ Loans (000's) 3/31/2013	% of Total Loans					
		1-4 Family 1st Liens	1-4 Fam Jr. Liens + HELOCS	Comm'l Real Estate	Comm'l & Industrial	Consumer	Other Loans
Mutual	33,341,522	68%	6%	18%	3%	4%	1%
Stock	380,946,244	40%	8%	17%	9%	21%	4%
All Federal	414,287,766	42%	8%	17%	9%	20%	4%

- Mutual loan portfolios are focused in residential mortgage loans at 74% of all loans
- Mutuals held similar levels of Commercial RE loans as compared to stock thrifts
- Mutual loan portfolios less concentrated in C&I and consumer loans vs stock thrifts

Mutual Overview: Financial Metrics

Asset Quality										
Financial Measure	3/31/2013					3/31/2012				
	NE	CE	SO	WE	All Mut	NE	CE	SO	WE	All Mut
Special Mention /Tier 1 + ALLL	7.25	13.56	10.11	3.85	9.53	9.63	10.02	9.44	5.84	9.19
% Classified Assets /Tier 1+ALLL	16.60	35.25	40.57	16.98	26.91	17.48	35.10	47.89	18.65	28.35
Non-cur Lns&OREO/Lns&OREO	2.51	3.80	4.32	2.29	3.20	2.74	3.92	4.27	2.57	3.37
ALLL / Loan & Leases Not HFS	0.99	1.43	1.38	1.29	1.26	0.93	1.29	1.39	1.21	1.17
Net Loan & Lease Growth Rate	0.28	-5.68	-4.21	-5.25	1.26	-0.42	-2.44	-5.80	-2.64	-2.22
Net Loss / Avg Tot Lns & Ls	0.21	0.30	0.35	0.22	0.26	0.25	0.57	1.03	0.47	0.51

- Mutual asset quality metrics have improved year over year at 3/31/13
- Classified assets declined slightly to 27% of Tier 1 plus ALLLs
- Noncurrent loans and OREO were also down Y-to-Y at 3.20%
- Mutual thrifts held ALLLs representing 1.26% of portfolio loans
- Asset quality indicators show greater stress in the Central and Southern district mutual portfolios

Mutual Overview: Financial Metrics

Earnings and Capital										
Financial Measure	3/31/2013					3/31/2012				
	NE	CE	SO	WE	All Mut	NE	CE	SO	WE	All Mut
ROAA Adj Sub S	0.43	0.15	0.43	0.24	0.29	0.58	0.29	-0.06	0.14	0.32
Net Interest Margin	3.27	3.21	3.40	2.93	3.21	3.42	3.37	3.64	3.14	3.39
Efficiency Ratio	77.15	86.14	77.86	88.05	82.33	71.89	82.21	19.95	90.47	71.91
Yield on Loans	5.16	5.11	5.45	5.30	5.20	5.48	5.43	5.88	5.65	5.54
Cost of Funds	0.93	0.89	0.92	0.84	0.90	1.20	1.21	1.21	1.16	1.20
Non-Interest Income	0.33	0.49	0.31	0.60	0.43	0.35	0.44	0.09	0.46	0.37
Non-Interest Expense	2.58	2.99	2.72	2.81	2.79	2.54	2.91	2.72	2.79	2.74
T1 Leverage Capital	14.72	12.65	14.92	14.54	13.93	14.42	12.42	14.58	14.17	13.64
T1 RBC to Risk Wtg Assets	30.75	25.47	30.53	35.60	29.43	29.48	24.11	28.51	34.24	28.01
Total RBC to Risk-Wtg Assets	31.66	26.56	31.58	36.61	30.44	30.35	25.13	29.52	35.20	28.97

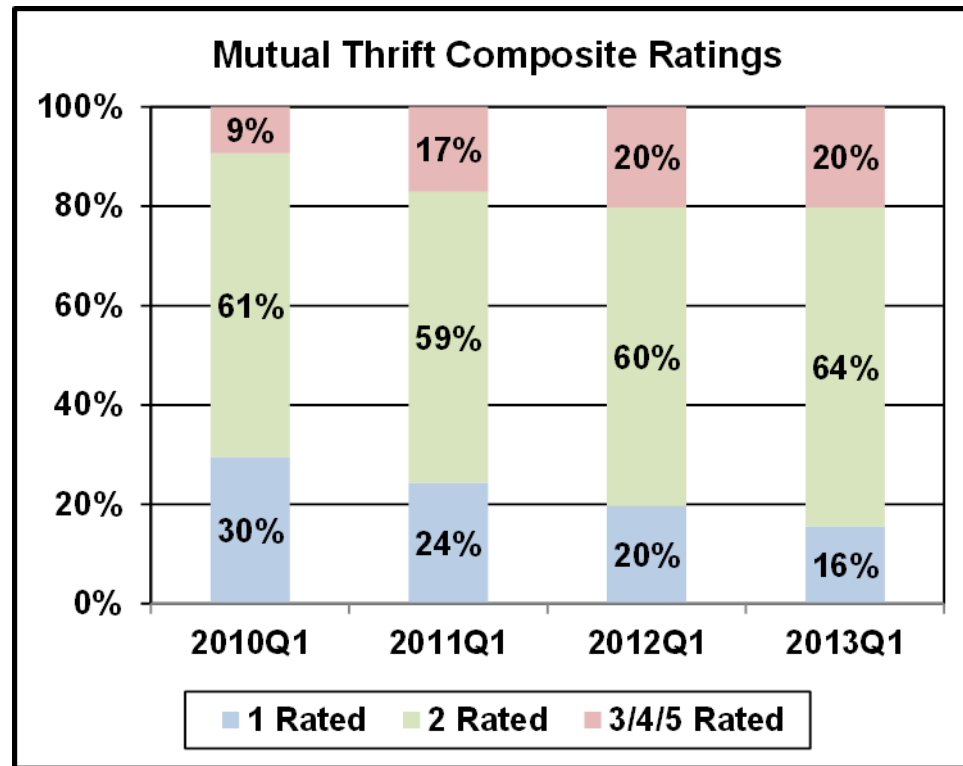
- Mutual earnings declined slightly year over year with an ROAA at 0.29%
- Margins shrank somewhat as asset yields fell more than funding costs
- Capital measures continued to show strength and each PCA measure improved
- The Northeastern and Central mutual portfolios have a greater impact on the All Mut column measures due to larger mutual asset concentrations

Mutual Overview: Financial Metrics

Liquidity and Sensitivity										
Financial Measure	3/31/2013					3/31/2012				
	NE	CE	SO	WE	All Mut	NE	CE	SO	WE	All Mut
Non-Core Funding Dependence	-10.85	-9.34	-7.45	-11.68	-9.96	-9.27	-5.10	-3.54	-7.98	-6.73
% Reliance on Whole. Funding	3.90	4.12	4.71	4.41	4.16	4.19	5.16	5.34	5.70	4.94
Loan to Deposit	79.37	76.68	82.47	65.08	76.59	80.29	80.62	84.00	68.67	79.15
% LT Assets /Total Assets	55.30	43.63	47.44	40.56	47.59	54.12	42.68	46.52	40.47	46.70
% Res Real Estate /Total Assets	61.72	58.61	53.55	56.41	58.67	62.60	59.60	53.81	58.36	59.67
Non-Mat Deposits/Long Assets	83.45	125.14	64.36	82.42	96.81	80.29	109.22	64.16	81.41	89.46

- Mutual funding is derived predominantly (96%) from retail deposits
- Loan to deposit levels remain high (77%) even with low loan origination levels
- Nearly half of all mutual assets are long term as defined in the UBPR
- Residential real estate loans represent 58.7% of all mutual assets
- Non maturity deposits roughly equaled the level of long term assets at 96.8%

Mutual Overview: Supervisory Data



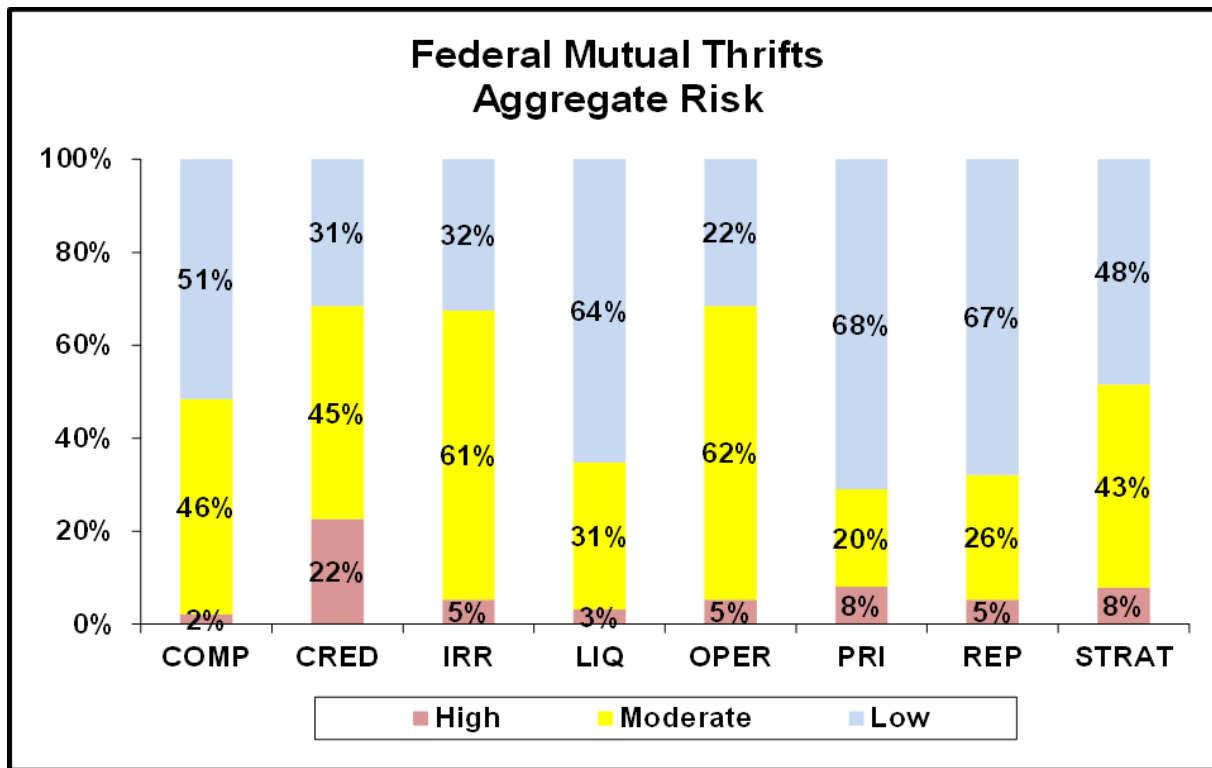
- Mutual composite ratings drifted lower since Q1 2010, but stabilized in 2012
- Eighty percent of all mutuals remain satisfactorily rated with a Composite 1 or 2
- The level of 1-rated mutuals declined as the 2-rated category has grown
- For comparison, stock thrift ratings at Q1-2013 were: 1 – 8%, 2 – 59%, 3/4/5 – 33%

Mutual Overview: Supervisory Data

Thrift Ratings - 3/31/2013						
1-ratings > 30% highlighted in green and 3/4/5 ratings > 30% highlighted in red						
Rating Category	All Mutuals			All Stocks		
	1 %	2 %	3/4/5 %	1 %	2 %	3/4/5 %
Composite	16%	64%	20%	8%	59%	33%
Capital	49%	39%	12%	26%	50%	24%
Asset Quality	22%	46%	32%	15%	41%	44%
Management	14%	66%	20%	7%	59%	34%
Earnings	11%	47%	41%	13%	41%	45%
Liquidity	48%	47%	5%	32%	55%	13%
Sensitivity	26%	69%	5%	26%	62%	12%
Info Tech	7%	77%	13%	11%	77%	9%
Asset Mgmt	1%	3%	0%	5%	10%	1%
Consumer	22%	75%	3%	18%	72%	10%
CRA	28%	70%	2%	21%	73%	1%

- Mutual thrifts were often assigned strong Capital (49%) and/or Liquidity (48%) rating
- Earnings ratings were the lowest with 41% of mutuals assigned 3, 4 or 5 ratings
- Asset quality also showed stress with 32% of mutuals rated 3, 4 or 5
- Mutuals show much stronger ratings in Capital and Liquidity than stock thrifts
- Even the challenging mutual Earnings and Asset Quality ratings remain slightly better than stock thrift Earnings and AQ ratings

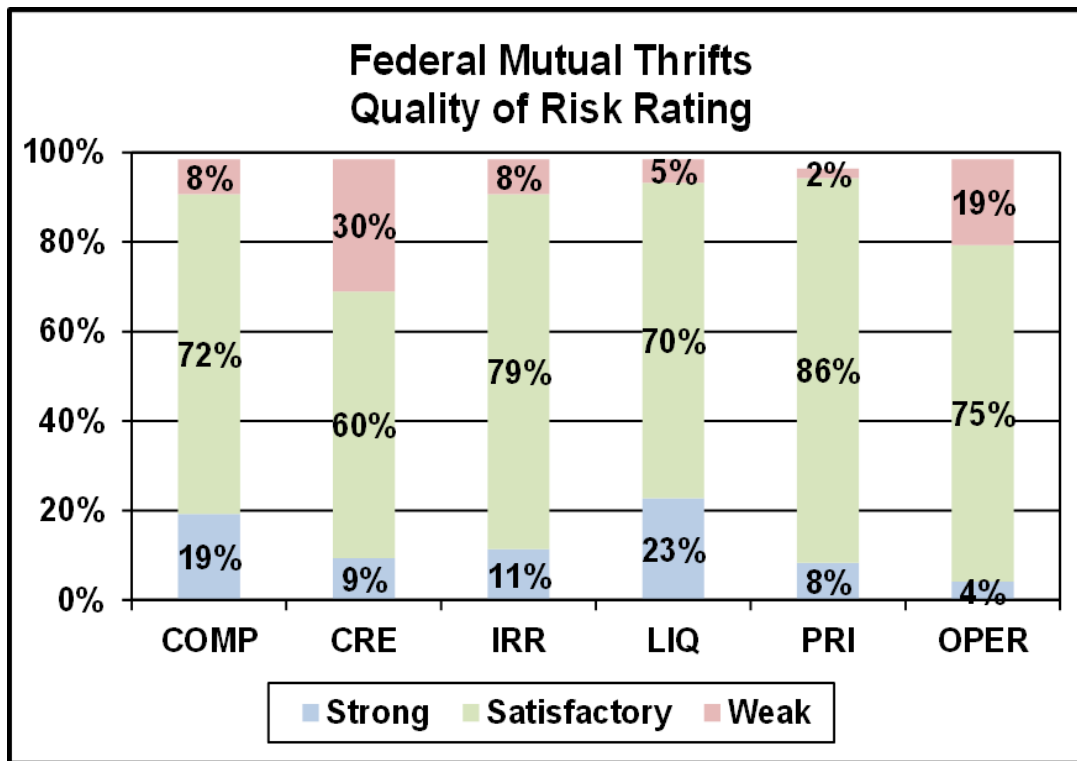
Mutual Overview: Supervisory Data



- Mutual Aggregate Risk ratings measured using Risk Assessment System (RAS)
- Aggregate Risk takes into account both the Quantity of risk and Quality of risk management

- Aggregate Risk is low to moderate in nearly all RAS categories
- The highest Aggregate exposure was Credit Risk with 22% of mutuals rate High
- More than 50% of mutuals had a Low RAS ratings in Compliance, Liquidity, Price and Reputation
- The lowest level of Low ratings was Operational Risk, followed by Credit and Interest Rate Risk
- The mutual RAS ratings, in general, are markedly better than their stock thrift counterparts

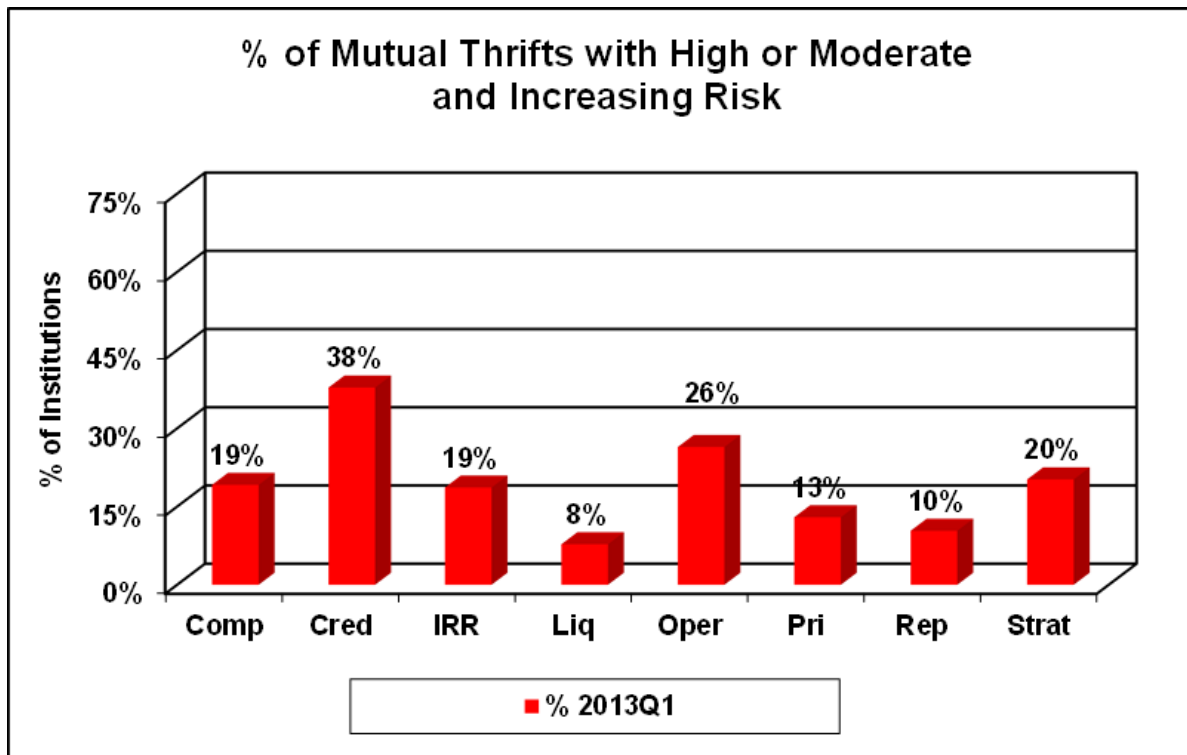
Mutual Overview: Supervisory Data



The Quality of Risk Management is how well risks are identified, measured, controlled, and monitored and is rated as strong, satisfactory, or weak

- The Quality of Risk Management RAS factor was Strong or Satisfactory for at least 70% of mutuals across all RAS factors
- For many factors (Price, Liquidity, IRR & Compliance), the level of Weak ratings was under 10%
- Mutual Credit risk showed the highest level of Weak ratings at 30%, followed by Operational Risk with 19% of mutuals rated Weak
- Liquidity and Compliance had the highest level of Strong ratings for Quality of Risk Management

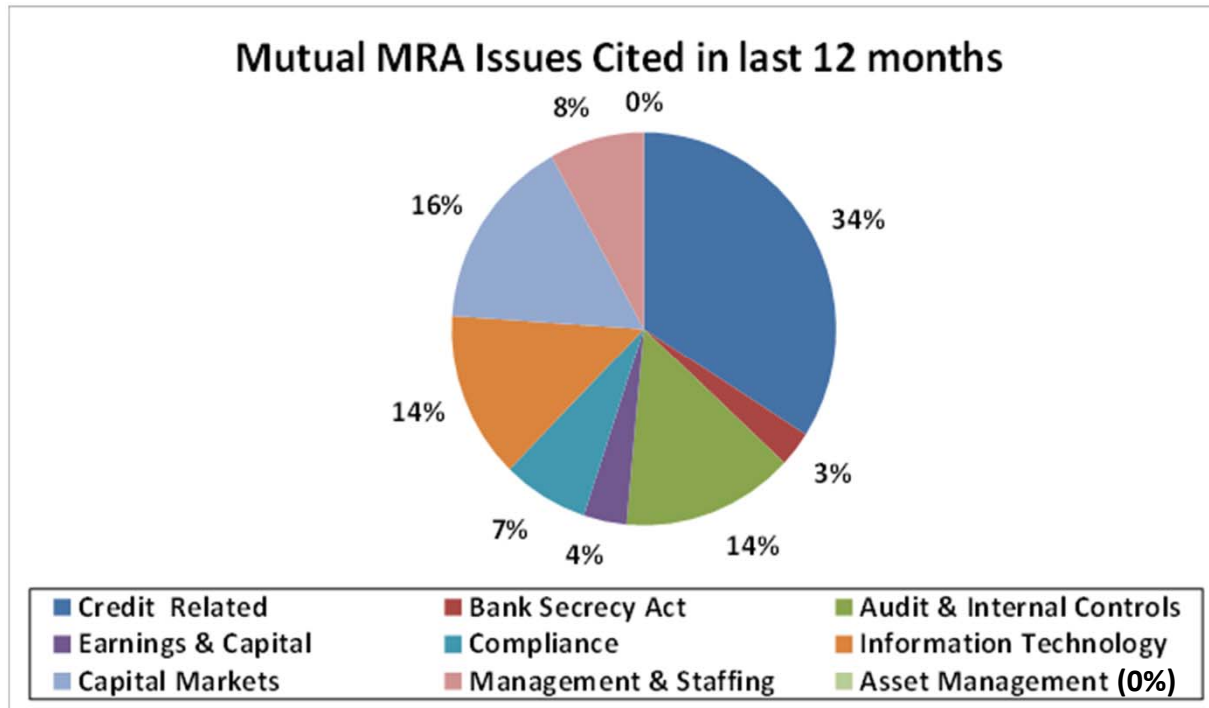
Mutual Overview: Supervisory Data



RAS Ratings of High Aggregate or Moderate & Increasing (H/MI) requires management focus and can lead to supervisory concerns if not properly managed

- Credit risk presented the highest level H/MI RAS ratings, followed by Operational, Strategic and Compliance
- Liquidity and Reputation Risk had lowest level of H/MI ratings at 8% and 10%
- The H/MI RAS risk ratings distributions are consistent with many the OCC's recent Risk Perspectives

Mutual Overview: Supervisory Data



Matters Requiring Attention

are practices that:

- Deviate from sound governance, internal control, and risk management principles, which may adversely impact the bank's earnings or capital, risk profile, or reputation, if not addressed; or
- Result in substantive noncompliance with laws and regulations, internal policies or processes, supervisory guidance, or conditions imposed in writing.

- Credit related issues were the most often cited MRA issue in the last 12 months
- Capital Markets, Audit & Internal Controls and IT Management issues were the next highest cited MRA issues at 16%, 14% and 14%, respectively
- The level of Earnings & Capital, BSA, Compliance and Management MRA issues were reasonably low with each cited at less than 10% of mutual exams in the past year

Mutual Overview: Other Data

- **Other available data not in this Overview**
 - Trust powers, assets under management
 - Texas ratio, CRE concentrations
 - Problem banks, watch list
 - PCA capital categories
 - Composite, component rating changes
 - Foreclosure, OREO trends
 - Mortgage banking activity
 - Violations of laws, regulations

II. Canary System Enhancements

1. Project Background
2. Credit Benchmarks
3. Liquidity Benchmarks
4. Interest Rate Risk Benchmarks

Canary System Enhancements

- Reviewed all benchmarks
 - Credit, Liquidity & Interest Rate Risk
- Assessed alternative benchmarks
- Developed new thrift benchmarks
- Revised existing national bank benchmarks
- Implemented changes internally in May 2013
- Will publish on OCC BankNet

Canary System: Credit Benchmarks

Ratio	Prior Static Benchmark	New Static Benchmark	
		Bank	Thrift
Credit Risk Measures			
Loan Growth	>20%	>10%	>10%
Loans to Assets	>70%	No change	>75%
ALLL to Total Loans	<0.8%	<1.2%	No change
Loans to Equity	>8x	>6x	>7x
Loan Yield	>75th %ile	No change	No change
Change in Portfolio Mix	>7%	No change	No change

- Certain thrift benchmarks are wider to reflect higher mortgage concentration
- Three changes to Bank benchmarks in Loan Growth, ALLL and Loans to Equity
- There were no changes in the prior Loan Yield or Change in Portfolio Mix benchmarks

Canary System: Liquidity Benchmarks

Ratio	Prior Static Benchmark	New Static Benchmark	
		Bank	Thrift
Liquidity Risk Measures			
Loans to Deposits	>80%	>75%	>95%
Net Noncore Funding Dependence	>20%	No change	>10%
Net Short-Term Liabilities to Total Assets	>20%	>15%	No change
On-Hand Liquidity to Total Liabilities	<8%	<15%	<15%
Reliance on Wholesale Funding	>15%	No change	No change

- Liquidity benchmarks reflect thrifts' higher loan levels versus deposits
- Funding reliance ratios not significantly different
- On-hand liquidity to total liability benchmark increased equally for banks and thrifts

Canary System: IRR Benchmarks

Ratio	Prior Static Benchmark	New Static Benchmark	
		Bank	Thrift
Interest Rate Risk			
Long Term Assets to Assets	>25%	>45%	>55%
Nonmaturity Deposits to Long-Term Assets	<140%	<130%	<60%
Residential Real Estate to Total Assets	>25%	>40%	>65%
Investment Portfolio Depreciation	>15%	No change	No change

- IRR benchmarks had most significant changes in Canary system
- The Long Term Asset and Residential RE benchmarks increased more for thrifts (QTL) than banks, both well higher than prior benchmarks
- No changes to the Investment Portfolio Depreciation measure

III. Thrift Analysis Report Tool

TAR Components

1. Financial Overview
2. Ratings Summary
3. Risk Assessment Summary
4. Ratings Comparison
5. Graphs

Thrift Analysis Report: Financials

Thrift Analysis Report-Overview

ABC FSB			
City	ABC FSB	Any	State
Total Assets	245,000	12	Exam Cycle
District	NE	700000	Charter No.
ADC Office:	ADC	ADC	Super Office
ADC:	Smith, John	8888	AsDC
C/CAMELSITCC	2/1222122N22	1/1/2013	Comp Rating Date
Mutual/Stock	Mutual	Well	PCA Indicator
Adj Texas Ratio	7.38	NA	PB/WL/NA
QTL: HOLA (1) or IRS DBLA TEST (2)	1	true	In Compliance with HOLA or IRS QTL
Non-OO CRE to RBC	35.32	No	Sub S Tax Election?
OCC Class to T1C+ALLL	14.00	0.45	OCC SM to T1C+ALLL
Open MRAs	Y	3	No. MRA Issues
Open Enf Action	N	0	No. Enf Actions
Compliance Risk*	L/A/L/I	M/A/M/D	Credit Risk*
Int Rate Risk*	H/A/H/S	L/S/L/S	Liquidity Risk*
Operation Risk*	M/A/L/S	L/A/L/S	Price Risk*
Rep Risk (Lvl & Dir Only)	L/S	L/S	Strat Risk (Lvl & Dir Only)

* Risk assessments are in the following order: Qn, Ql, Lvl and Dir

CAPITAL

Quarter	% Lever Ratio	% Tier 1 RBC	% Tot RBC	Div to Net Inc	Land to Tot RBC	Total CRE to Tot RBC	Asset Growth Rate- 1 Yr	Eq Grwth Less Asset Grwth
2013Q1	13.22	36.88	39.24	0.00	3.25	72.54	4.23	2.35
2012Q4	12.54	34.93	38.75	0.00	2.68	69.23	4.17	Not Avail
2012Q3	12.47	35.21	37.61	0.00	3.35	71.49	3.86	Not Avail
2012Q2	12.82	33.45	35.89	0.00	4.79	72.36	4.89	Not Avail
2012Q1	12.82	32.55	34.67	0.00	5.12	77.12	5.28	Not Avail

ASSET QUALITY

Quarter	Bk Prov Class/T1+Alll	Bk Prov SM / T1 +Alll	Gr Lns Non-Cur (Exc GG)	% Tot PD Lns Incl NA	Nonperform Lns + OREO	Net Loss / Avg TLs	ALLL to Tot Lns NHFS	Net Ln Growth %
2013Q1	na	na	1.57	3.62	2.52	0.08	0.89	0.56
2012Q4	14.00	0.45	1.85	3.41	2.77	0.38	0.97	-0.52
2012Q3	13.85	2.87	1.62	2.85	3.29	0.57	1.02	-0.67
2012Q2	12.54	2.23	2.24	3.62	4.23	0.86	1.09	-2.42
2012Q1	13.77	2.85	2.39	3.49	3.89	1.42	1.25	-3.85

EARNINGS

Quarter	ROAA	Net Int Margin	Yield on Loans	Cost All Int Bear Funds	Non-Int Inc to AA	Non-Int Exp to AA	Prov Exp to AA	Efficiency Ratio
2013Q1	0.77	2.96	5.01	1.24	3.69	1.46	0.12	54.96
2012Q4	0.68	2.89	5.23	1.32	3.84	1.62	0.09	57.32
2012Q3	0.57	3.21	5.45	1.39	4.23	1.49	0.11	56.84
2012Q2	0.62	3.10	5.38	1.45	4.12	1.51	0.18	52.36
2012Q1	0.61	3.23	5.42	1.42	4.29	1.63	0.22	54.82

LIQUIDITY and SENSITIVITY

Quarter	Non Core Fund Dep	Rel on Whol Funding	Loan to Deposits	Onhand Liq to Tot Lia	ST NC Funding	LT Assets to TA	% Res RE to TA	Non-Mat Dep to Long Assts
2013Q1	-1.67	0.18	44.99	63.54	1.17	81.26	72.56	52.78
2012Q4	-1.25	0.12	46.22	62.56	0.96	80.64	73.28	53.67
2012Q3	-0.89	0.08	45.78	62.87	0.89	81.27	74.96	52.44
2012Q2	-1.71	0.04	44.59	60.89	1.12	78.62	70.23	53.21
2012Q1	-1.87	0.23	47.68	62.57	1.45	79.37	70.56	51.89

- Sample TAR Overview page with generic data
- Key supervisory data elements found in heading
- Charts focus on financial metrics by individual CAELS elements

Thrift Analysis Report: Ratings

Thrift Analysis Report - Ratings Summary at 3/31/2013

Composite

Type	1		2		3		4		5		N/A		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Mutual	30	16%	124	64%	30	16%	5	3%	4	2%	0	0%	193	100%
Stock	28	8%	202	59%	67	20%	27	8%	18	5%	0	0%	342	100%
All Thrifts	58	11%	326	61%	97	18%	32	6%	22	4%	0	0%	535	100%

Capital

Type	1		2		3		4		5		N/A		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Mutual	95	49%	75	39%	14	7%	5	3%	4	2%	0	0%	193	100%
Stock	88	26%	171	50%	41	12%	27	8%	15	4%	0	0%	342	100%
All Thrifts	183	34%	246	46%	55	10%	32	6%	19	4%	0	0%	535	100%

Asset Quality

Type	1		2		3		4		5		N/A		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Mutual	42	22%	89	46%	49	25%	9	5%	4	2%	0	0%	193	100%
Stock	52	15%	139	41%	90	26%	44	13%	17	5%	0	0%	342	100%
All Thrifts	94	18%	228	43%	139	26%	53	10%	21	4%	0	0%	535	100%

Management

Type	1		2		3		4		5		N/A		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Mutual	27	14%	128	66%	30	16%	6	3%	2	1%	0	0%	193	100%
Stock	25	7%	201	59%	72	21%	26	8%	18	5%	0	0%	342	100%
All Thrifts	52	10%	329	61%	102	19%	32	6%	20	4%	0	0%	535	100%

Earnings

Type	1		2		3		4		5		N/A		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Mutual	22	11%	91	47%	57	30%	18	9%	5	3%	0	0%	193	100%
Stock	46	13%	141	41%	91	27%	37	11%	27	8%	0	0%	342	100%
All Thrifts	68	13%	232	43%	148	28%	55	10%	32	6%	0	0%	535	100%

Liquidity

Type	1		2		3		4		5		N/A		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Mutual	92	48%	91	47%	6	3%	4	2%	0	0%	0	0%	193	100%
Stock	109	32%	187	55%	34	10%	11	3%	1	0%	0	0%	342	100%
All Thrifts	201	38%	278	52%	40	7%	15	3%	1	0%	0	0%	535	100%

Sensitivity

Type	1		2		3		4		5		N/A		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Mutual	50	26%	133	69%	7	4%	1	1%	2	1%	0	0%	193	100%
Stock	89	26%	211	62%	33	10%	9	3%	0	0%	0	0%	342	100%
All Thrifts	139	26%	344	64%	40	7%	10	2%	2	0%	0	0%	535	100%

- Aggregate mutual & stock rating summary
- Covers composite and all component ratings
- Specialty exam ratings also included in the examiner version

Thrift Analysis Report: RAS Factors

Thrift Analysis Report - Risk Assessment Summary at 3/31/2013

Mutual Thrifts

Risk Category	High Risk					Moderate Risk					Low Risk					Not Rated		H or MI Risk		Total	
	HI	HS	HD	Tot	%	MI	MS	MD	Tot	%	LI	LS	LD	Tot	%	Tot	%	Tot	%	Tot	%
Compliance	3	1	0	4	2%	33	54	1	88	46%	30	68	0	98	51%	3	2%	37	19%	193	100%
Credit	17	19	7	43	22%	30	53	4	87	45%	7	53	0	60	31%	3	2%	73	38%	193	100%
Interest Rate	6	4	0	10	5%	26	90	2	118	61%	6	56	0	62	32%	3	2%	36	19%	193	100%
Liquidity	4	2	0	6	3%	9	51	0	60	31%	1	122	1	124	64%	3	2%	15	8%	193	100%
Operational	5	5	0	10	5%	41	78	1	120	62%	7	53	0	60	31%	3	2%	51	26%	193	100%
Price	12	3	0	15	8%	10	27	2	39	20%	16	115	1	132	68%	7	4%	25	13%	193	100%
Reputation	9	1	0	10	5%	10	37	4	51	26%	7	122	0	129	67%	3	2%	20	10%	193	100%
Strategic	11	4	0	15	8%	24	58	1	83	43%	7	85	0	92	48%	3	2%	39	20%	193	100%

Stock Thrifts

Risk Category	High Risk					Moderate Risk					Low Risk					Not Rated		H or MI Risk		Total	
	HI	HS	HD	Tot	%	MI	MS	MD	Tot	%	LI	LS	LD	Tot	%	Tot	%	Tot	%	Tot	%
Compliance	38	6	1	45	13%	107	107	2	216	63%	23	50	0	73	21%	8	2%	152	44%	342	100%
Credit	55	45	21	121	35%	71	66	13	150	44%	15	48	0	63	18%	8	2%	192	56%	342	100%
Interest Rate	20	12	2	34	10%	40	135	1	176	51%	15	110	0	125	37%	7	2%	74	22%	342	100%
Liquidity	23	10	1	34	10%	28	124	3	155	45%	13	130	2	145	42%	8	2%	62	18%	342	100%
Operational	36	9	1	46	13%	94	135	2	231	68%	7	49	0	56	16%	9	3%	140	41%	342	100%
Price	27	18	1	46	13%	34	57	5	96	28%	17	154	3	174	51%	26	8%	80	23%	342	100%
Reputation	51	15	2	68	20%	51	89	3	143	42%	10	113	0	123	36%	8	2%	119	35%	342	100%
Strategic	62	21	0	83	24%	67	108	0	175	51%	9	67	0	76	22%	8	2%	150	44%	342	100%

All Federal Thrifts

Risk Category	High Risk					Moderate Risk					Low Risk					Not Rated		H or MI Risk		Total	
	HI	HS	HD	Tot	%	MI	MS	MD	Tot	%	LI	LS	LD	Tot	%	Tot	%	Tot	%	Tot	%
Compliance	41	7	1	49	9%	140	161	3	304	57%	53	118	0	171	32%	11	2%	189	35%	535	100%
Credit	72	64	28	164	31%	101	119	17	237	44%	22	101	0	123	23%	11	2%	265	50%	535	100%
Interest Rate	26	16	2	44	8%	66	225	3	294	55%	21	166	0	187	35%	10	2%	110	21%	535	100%
Liquidity	27	12	1	40	7%	37	175	3	215	40%	14	252	3	269	50%	11	2%	77	14%	535	100%
Operational	41	14	1	56	10%	135	213	3	351	66%	14	102	0	116	22%	12	2%	191	36%	535	100%
Price	39	21	1	61	11%	44	84	7	135	25%	33	269	4	306	57%	33	6%	105	20%	535	100%
Reputation	60	16	2	78	15%	61	126	7	194	36%	17	235	0	252	47%	11	2%	139	26%	535	100%
Strategic	73	25	0	98	18%	91	166	1	258	48%	16	152	0	168	31%	11	2%	189	35%	535	100%

- Most RAS ratings low or moderate
- Mutuals RAS ratings generally better than stock
- Note the Price, Reputation & Liquidity RAS factors

Thrift Analysis Report: Comparisons

Mutual Thrift Comparison Report by Component Rating

Financial Information as of: 3/31/2012

Capital					
CAPITAL COMPONENT RATING	1	2	3	4	5
NUMBER OF INSTITUTIONS	95	74	16	4	4
TIER 1 LEVERAGE CAPITAL	16.85	11.17	9.15	7.88	2.97
TOTAL RBC TO RSK-WT ASSETS	38.14	22.32	17.41	16.64	6.32
T1 RBC TO RSK-WT ASSETS	37.25	21.20	16.23	15.37	5.12
EQUITY CAP TO TOT ASSETS	17.04	11.28	9.31	8.48	2.82
DIVIDENDS TO NET OP INC	n/a	n/a	n/a	n/a	n/a

Asset Quality					
ASSET QUALITY COMPONENT RATING	1	2	3	4	5
NUMBER OF INSTITUTIONS	42	92	47	8	4
% CLASSIFIED ASSETS TO T1+ ALLL	4.17	19.59	42.62	83.28	206.06
% SPECIAL MENTION TO T1 + ALLL	2.66	5.98	10.85	14.71	19.66
% LOAN&LEASES NON-CURR (EXCL GOVT GTD)	0.47	1.85	3.45	7.23	8.87
NON-CURR LNS & OREO ASSETS TO LNS & ORE	0.56	2.42	4.63	9.23	15.13
ALLL TO LN & LS NOT HFS	0.69	1.04	1.58	2.37	3.63
ALLL TO NONACCRUAL LN&LS	2.93	0.95	0.60	0.42	0.45
NET LOSS TO AVG TOT LN&LS	0.04	0.18	0.26	1.08	-0.14
NET LN & LS GROWTH RATE	-1.19	-2.99	-6.10	-9.79	-17.49

Earnings					
EARNINGS COMPONENT RATING	1	2	3	4	5
NUMBER OF INSTITUTIONS	23	90	58	17	5
NET INTEREST INCOME TO AEA	3.35	3.21	3.14	3.31	3.18
NONINTEREST EXPENSE TO AA	1.95	2.61	3.13	3.22	3.81
PROVISION FOR LN&LS LOSSES TO AA	0.06	0.12	0.10	0.40	-0.04
RETURN ON AVERAGE ASSETS	0.90	0.43	0.17	-0.41	-0.34
NET INCOME ADJUSTED SUB S	0.90	0.43	0.17	-0.41	-0.34
EFFICIENCY RATIO	56.06	76.83	90.56	107.07	111.51
AVERAGE EARNING ASSETS TO AA	96.48	94.23	94.34	90.15	90.44

Liquidity					
LIQUIDITY COMPONENT RATING	1	2	3	4	5
NUMBER OF INSTITUTIONS	92	93	4	4	0
NET NON-CORE FUNDING DEPENDENCE	-14.81	-3.92	-0.89	-4.86	
RELANCE ON WHOLESALE FUNDING	1.65	5.40	7.39	2.64	
NET ST LIABILITIES TO TOT ASSETS	8.11	12.47	20.58	31.79	
NET LN&LS TO TOT DEPOSITS	69.14	84.19	76.06	71.95	
CORE DEPOSITS TO TOT ASSETS	78.36	78.06	81.13	89.43	
ON HAND LIQUIDITY TO TOT LIABILITIES	41.70	25.74	17.86	18.33	
BROKERED DEPOSITS TO DEPOSITS	0.04	0.20	0.42	0.27	

Sensitivity to Market Risk					
SENSITIVITY COMPONENT RATING	1	2	3	4	5
NUMBER OF INSTITUTIONS	46	137	7	1	2
NET LNS & SECS LESS LIABS >1YR TO TOT ASSE	45.91	45.34	52.85	10.98	30.04
NET NON-MAT DEPS > 3YR TO TOT ASSETS	8.90	20.69	22.14	-1.17	13.71
NON-MAT DEPS TO LONG ASSETS	93.08	70.19	68.37	104.83	137.31
LONG TERM ASSETS TO TOT ASSETS	41.24	50.16	54.53	12.88	40.58
RESIDENTIAL REAL ESTATE TO TOT ASSETS	52.25	61.20	64.13	46.44	66.92
UNREALISED APPR OR (DEPR) TO T1 CAP	0.37	1.10	0.16	0.09	0.00

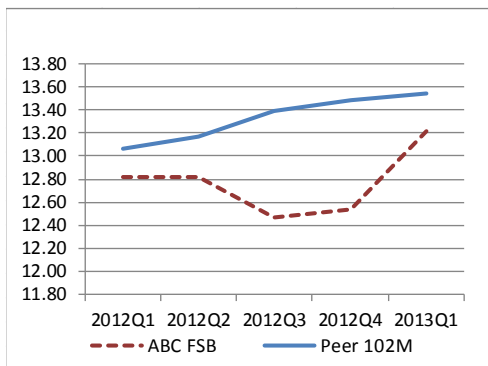
(Ratios shown are trimmed averages that exclude values in the top and bottom 5%)

- Report shows the averages for key ratios by CAELS factor and component rating level
- Information does not include any qualitative assessment of risk exposure or consider management capability
- Ratios should not be construed as a benchmark for rating assignment purposes
- Examiner version has thrift ratios and percentile columns for comparison

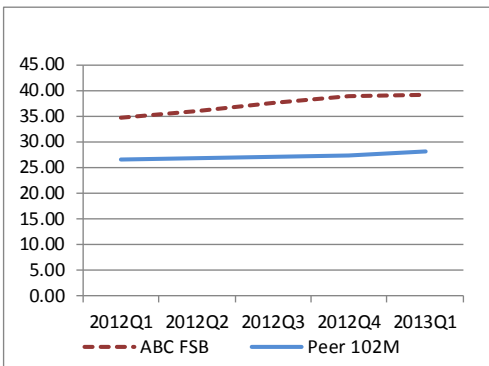
Thrift Analysis Report: Graphs

Thrift Analysis Report-Institution vs Supplemental Peer Group

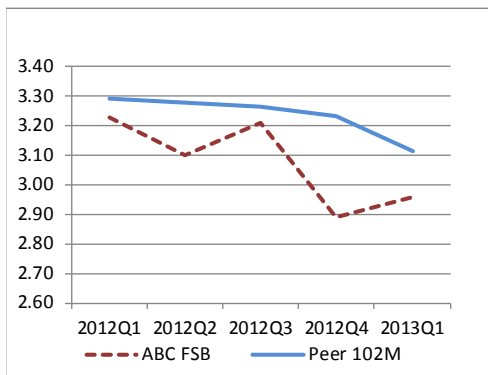
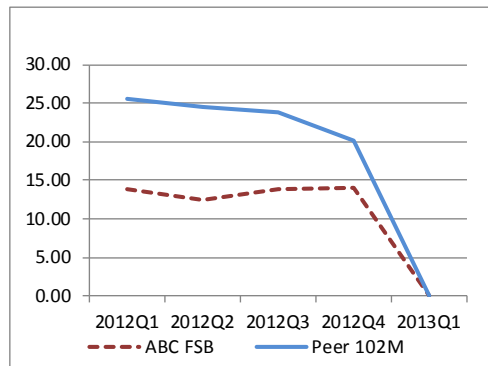
Leverage Capital				
2012Q1	2012Q2	2012Q3	2012Q4	2013Q1
12.82	12.82	12.47	12.54	13.22
13.07	13.16	13.39	13.48	13.54



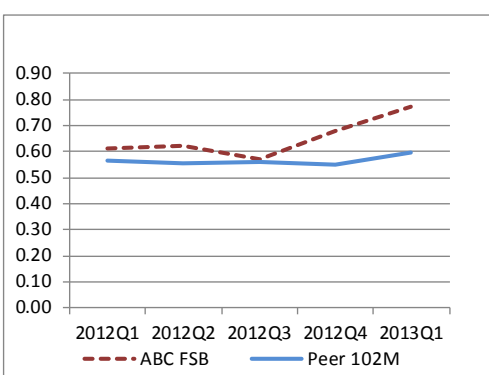
Total Risk Based Capital				
2012Q1	2012Q2	2012Q3	2012Q4	2013Q1
34.67	35.89	37.61	38.75	39.24
26.45	26.71	26.99	27.45	28.15



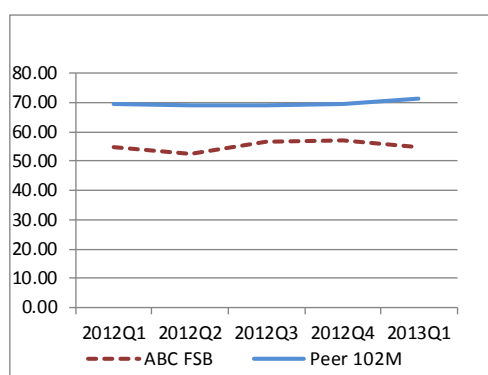
Bank Prov Class Assets to T1 Cap + ALLL				
2012Q1	2012Q2	2012Q3	2012Q4	2013Q1
13.77	12.54	13.85	14.00	na
25.59	24.54	23.77	20.23	#NUM!



Net Interest Margin				
2012Q1	2012Q2	2012Q3	2012Q4	2013Q1
3.23	3.10	3.21	2.89	2.96
3.29	3.28	3.27	3.23	3.12



Return on AA				
2012Q1	2012Q2	2012Q3	2012Q4	2013Q1
0.61	0.62	0.57	0.68	0.77
0.57	0.56	0.56	0.55	0.59

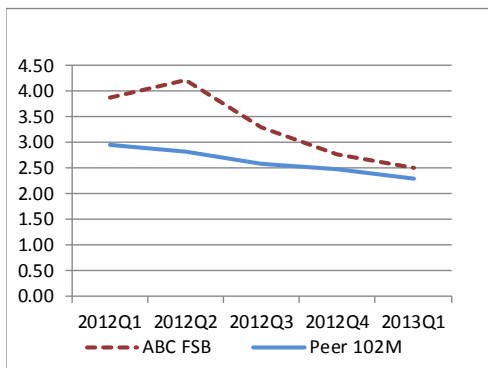


Efficiency Ratio				
2012Q1	2012Q2	2012Q3	2012Q4	2013Q1
54.82	52.36	56.84	57.32	54.96
69.48	69.26	69.15	69.47	71.19

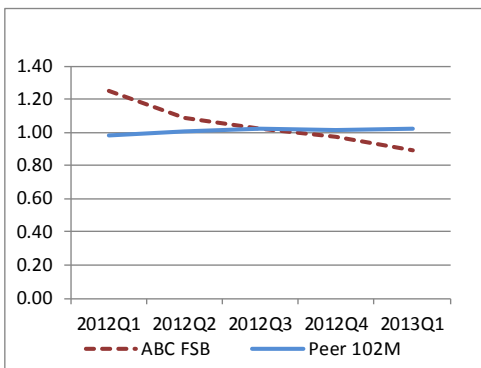
Thrift Analysis Report: Graphs

Thrift Analysis Report-Institution vs Supplemental Peer Group

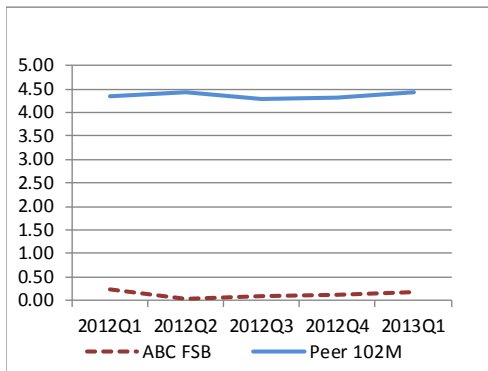
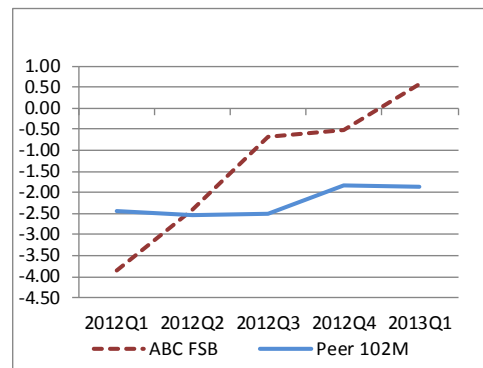
Nonperforming Lns+OREO to Loans+OREO				
2012Q1	2012Q2	2012Q3	2012Q4	2013Q1
3.89	4.23	3.29	2.77	2.52
2.97	2.81	2.58	2.49	2.30



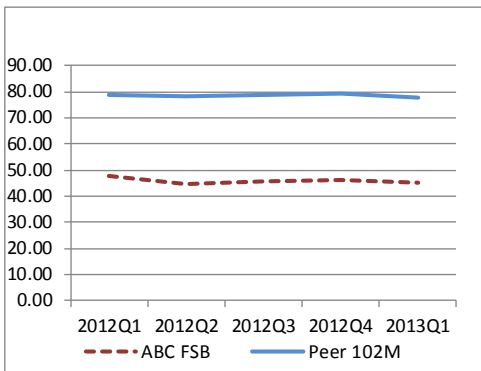
ALL to Tot Loans Not HFS				
2012Q1	2012Q2	2012Q3	2012Q4	2013Q1
1.25	1.09	1.02	0.97	0.89
0.98	1.01	1.02	1.01	1.02



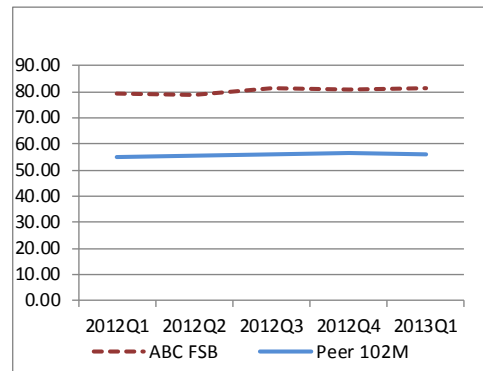
Net Loan & Lease Growth Rate				
2012Q1	2012Q2	2012Q3	2012Q4	2013Q1
-3.85	-2.42	-0.67	-0.52	0.56
-2.43	-2.54	-2.51	-1.84	-1.86



Reliance on Wholesale Funding				
2012Q1	2012Q2	2012Q3	2012Q4	2013Q1
0.23	0.04	0.08	0.12	0.18
4.33	4.43	4.28	4.31	4.44



Loans to Deposit Ratio				
2012Q1	2012Q2	2012Q3	2012Q4	2013Q1
47.68	44.59	45.78	46.22	44.99
78.82	78.32	78.74	78.99	77.53



% Long Term Assets to Total Assets				
2012Q1	2012Q2	2012Q3	2012Q4	2013Q1
79.37	78.62	81.27	80.64	81.26
55.07	55.41	56.08	56.59	55.96

IV. Other Considerations

- Stress Loss Data by Charter Type/Assets class
- Uniform Bank Performance Report changes
- Strategic Initiatives Review
- Thrifts Held in Mutual Holding Companies
- Ad Hoc Projects

Presentation Summary

- OCC has developed a number of supervisory tools to evaluate the mutual portfolio & institutions
 - Mutual Overview Package
 - Canary System Enhancements
 - Thrift Analysis Report Tool
- Ongoing projects will add to these resources
- Welcome feedback and input on mutual needs