MEMORANDUM FOR: Chief Executive Officers

FROM: Jonathan L. Piechter
Acting Director

SUBJECT: Quarterly Distribution of the Uniform Thrift Performance Report

I am pleased to announce the Office of Thrift Supervision ("OTS") has arranged for each OTS-regulated savings association to receive a free copy of its Uniform Thrift Performance Report ("UTPR") on a quarterly basis. The UTPR is used by our examiners and analysts as a financial monitoring tool and you may have seen our examiners using the UTPR during on-site examinations.

Because we receive numerous requests from savings associations for the UTPR, we analyzed the cost effectiveness of sending each thrift its UTPR on a regular basis versus responding to individual requests at various times. Due to the cost savings available in bulk printing and mailing, we will, on a trial basis, begin distributing the UTPR to each savings association during the first week of May 1995.

The initial distribution of the UTPR will contain data from the Thrift Financial Report ("TFR") and Consolidated Maturity Rate ("CMR") as of and for the quarter ended December 31, 1994. You should receive each successive quarter's UTPR approximately seventy-five days after the end of the calendar quarter. At the end of the year, before we decide whether to continue distributing the UTPR in 1996, we plan to conduct a survey to ensure receiving the UTPR each quarter is useful to you.

A manual with the formulas for the ratios in the UTPR is available from your Regional Office. If there appears to be a large demand for the UTPR manual, we will also distribute the manual in bulk to each savings association.

To further reduce costs, OTS has selected the U.S. Department of Commerce's National Technical Information Service ("NTIS") to distribute the UTPR. NTIS handles the dissemination of reports and data for many U.S. Government agencies. In addition, NTIS will also respond to public requests for the UTPR under the Freedom of Information Act ("FOIA"). The UTPR to be distributed under FOIA...
requests is slightly different from the UTPR you will receive for your savings association. Due to the sensitive nature of the data, we excluded the following information from the FOIA UTPR:

1) all data from Schedule CMR;
2) all data derived from the OTS Interest Rate Risk Model;
3) all information regarding Classified Assets; and
4) the edit status of the UTPR.

The price charged to the public for a savings association's FOIA UTPR will be $50. All requests for FOIA UTPRs should be directed to the NTIS Sales Office at (703) 487-4650 or faxed to (703) 321-8547.

Attached are answers to some questions you may have concerning the UTPR. Should you have additional questions or comments regarding the UTPR, please call the following OTS staff:

Northeast Region: David Dorgan (201) 413-7306
Southeast Region: Greg Jones (404) 888-8588
              Drew Kelly (404) 888-8473
Central Region:  Diana Januska (312) 540-5952
Midwest Region: Ray Tucker (214) 281-2232
West Region:    Fred Floyd (415) 616-1644
              John Crosley (206) 553-5462
              Dennis Chen (714) 440-3942
Washington Office: Jim Caton (202) 906-5680
                 Bob Cline (202) 906-5700

Attachment
Questions and Answers
Regarding the
Uniform Thrift Performance Report

Question: How are the peer groups formed in the UTPR?
Answer: With one exception, peer groups are formed from thrifts located in the same OTS-region and within the same asset size groupings. (The one exception is for thrifts with total consolidated assets over $5 billion which are grouped on a national basis.) The asset size groupings used to form peer groups are listed on the UTPR index page.

Question: What are the percentile rankings?
Answer: The percentile rankings present how the ratios of the subject thrift compare to all of the thrifts in its peer group. For all ratios, the percentile rankings will reflect the numerical magnitude of the ratio - a numerically low ratio will result in a low percentile ranking, a high ratio in a high percentile ranking. The desirability of ranking high or low compared to the peer group will depend on the ratio being analyzed. A high percentile ranking for ROAA is desirable whereas a high percentile ranking in Classified Assets/Total Assets is not.

Question: Why are medians used for ratio comparisons?
Answer: Median ratios, rather than means, are used since medians are less distorted by outliers, extremes in ratios, or revisions made by thrifts to TFR/CMR data.

Question: Are values of zero included in the calculation of the median ratios?
Answer: If zero is valid for a particular ratio, it is included. For example, if a thrift had $0 in REO, then its REO/Total Assets ratio is valid and would be included in the calculation of the peer group median ratio. However, for a thrift with $0 in REO, a ratio of Total Allowances/REO would not be valid and would be excluded from the calculation of the median.

For CMR data and the Interest Rate Risk Model data, the peer group median ratios reflect only those thrifts that file CMR.
Question: What is meant by TPR and CMR status?

Answer: The TPR and CMR status identifies the state of the thrift's TPR/CMR data within the OTS edit system. The OTS edit system checks the accuracy and validity of the data filed in TPR/CMR. A "Clean" edit status indicates that the TPR/CMR data filed by the subject thrift passed the edits without exception. An "Unclean" edit status indicates that the data did not pass all edits.

Question: Can I copy and distribute my thrift's UTPR as I wish?

Answer: Yes, but please note the version of the UTPR sent to thrift CEOs contains information that is confidential and not released to the public by OTS.

Question: What are the differences between the confidential UTPR and the version released to the public?

Answer: The following information is presented in the confidential UTPR but not in the UTPR released to the public:

- CMR data;
- Results from OTS Interest Rate Risk Model;
- Classification of assets; and
- TPR and CMR edit status.

Question: Is there a manual defining the calculations for the ratios presented in the UTPR?

Answer: Yes, and you can obtain a UTPR manual from your OTS-Regional office. If there is sufficient demand for the manual, we will distribute the manual in bulk to each savings association.

Question: My thrift recently filed TPR/CMR amendments. Could I be sent a revised UTPR?

Answer: If the changes were material, please call your regional contact listed on the cover letter for a revised UTPR. Please note that any thrift in any region can call the Washington office contacts.

Question: Who should I contact if my UTPR is damaged in the mail or if I did not receive my UTPR?

Answer: To receive a replacement UTPR, please call your regional or Washington contact.