

The largest US thrifts

AN article in the July/August 1989 issue of *Savings Institutions*, the journal of the United States League of Savings Institutions, analyses the thrift institutions with assets in excess of \$1 billion at the end of 1988. The article, by Michael Wilson, associate director of research at the United States League, lists the largest 100 institutions in asset size. A total of 229 institutions held assets in excess of \$1 billion.

However, the analysis has been complicated by the trauma in the thrift industry, and some institutions have had to be excluded because they simply lack data. This includes two of the largest thrifts, both based in Stockton, California — New West Federal and American Savings Bank. These two institutions are, in fact,

the result of splitting up the former Financial Corporation of America, the nation's largest thrift, which had been in severe financial difficulties for some time.

The major feature of the table is that the largest thrift institutions now almost all have a stock charter and most of the very largest are based in California. Table 1 lists the largest 10 thrifts, all of which have a stock charter. It will be seen that the first seven institutions by asset size are all based in California and four of these are based in the Los Angeles area.

Of the 229 billion dollar thrifts, 71% had the stock form of ownership, but these dominated the largest 100 institutions, outnumbering mutuals by 85 to 15.

Table 2 lists the largest five

mutuals, the largest of which ranks 37 in the total list.

The largest 10 thrifts accounted for 16.6% of the industry's total assets compared with only 6.3% in 1961.

The article also analyses the capital and profitability of the largest thrifts. The median generally accepted accounting practices capital to assets ratio was 4.25%, and the article comments that "only 9% of the billion dollar thrifts are insolvent on a GAAP basis."

The three institutions which ranked well on all profitability measures (The Federal Savings Bank of Puerto Rico, Bayamon; Washington Federal, Seattle, Washington; and Hunter Savings, Cincinnati) all ranked outside the 100 largest institutions. ■

Table 1. The Largest 10 Thrifts

| Rank | Institution | Base | Assets (\$m) |
|------|-----------------------------------|---------------------------|--------------|
| 1 | Home Savings of America FA | Los Angeles, California | 34,778 |
| 2 | Great Western Bank FSB | Beverly Hills, California | 30,837 |
| 3 | California Federal | Los Angeles, California | 26,239 |
| 4 | First Nationwide Bank FSB | San Francisco, California | 26,203 |
| 5 | Glendale Federal | Glendale, California | 24,313 |
| 6 | Great American First Savings Bank | San Diego, California | 16,928 |
| 7 | World Savings | Oakland, California | 15,356 |
| 8 | Citicorp Savings | New York, New York | 16,421 |
| 9 | Home Federal | San Diego, California | 16,261 |
| 10 | Crossland Savings Bank FSB | Brooklyn, New York | 15,356 |

Table 2. The Largest 5 Mutual Thrifts

| Rank | Institution | Base | Assets (\$m) |
|------|------------------------------|------------------------|--------------|
| 67 | First Federal | Rochester, New York | 5,371 |
| 62 | Community Federal | St Louis, Louisiana | 3,697 |
| 68 | Midwest Federal | Minneapolis, Minnesota | 3,402 |
| 69 | First Minnesota Savings Bank | Minneapolis, Minnesota | 3,399 |
| 76 | Capital Federal | Topeka, Kansas | 3,027 |