

Consolidated statements of earnings

DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA

	For the year ended December 31,		
	2001	2000	1999 Pro forma ⁽¹⁾
INTEREST INCOME			
Mortgage-backed and other securities	\$121,867	\$ 84,529	\$ 67,170
Loans held for sale			
Prime	158,202	82,547	63,161
Subprime	19,780	22,401	9,960
Income property	—	2,111	—
Manufactured housing	—	—	14,329
Home improvement	—	—	20,203
Loans held for investment			
Mortgage	137,987	123,455	80,563
Builder construction	53,650	76,157	78,292
Consumer construction	42,241	28,085	30,334
Income property	4,872	4,781	6,517
Revolving warehouse lines of credit	806	16,397	21,553
Other	5,535	2,287	1,049
Total interest income	544,940	442,750	393,131
INTEREST EXPENSE			
Deposits	98,781	16,245	—
Advances from Federal Home Loan Bank	95,222	13,559	—
Borrowings	146,938	253,551	216,580
Total interest expense	340,941	283,355	216,580
Net interest income	203,999	159,395	176,551
Provision for loan losses	22,022	15,974	17,473
Net interest income after provision for loan losses	181,977	143,421	159,078
OTHER INCOME			
Gain on sale of loans	229,444	123,637	101,515
Service fee income	28,963	41,145	27,172
Gain (loss) on mortgage-backed securities, net	7,097	417	(10,710)
Sale of other securities, net	—	—	(31,386)
Fee and other income	52,036	28,478	21,186
Total other income	317,540	193,677	107,777
Net revenues	499,517	337,098	266,855
OTHER EXPENSE			
Operating expenses	278,979	175,495	149,221
Amortization of goodwill and other intangible assets	3,392	2,266	58
Non-recurring and other charges (income)	(778)	18,257	—
Total other expense	281,593	196,018	149,279
TRUST PREFERRED EXPENSE			
	1,377	—	—
Earnings before provision for income taxes and cumulative effect of a change in accounting principle	216,547	141,080	117,576
Provision for income taxes	89,974	59,254	49,977
Income tax benefit from termination of REIT status	—	(36,100)	—
Earnings before cumulative effect of a change in accounting principle	126,573	117,926	67,599
Cumulative effect of a change in accounting principle	(10,185)	—	—
Net earnings	\$116,388	\$ 117,926	\$ 67,599
Earnings per share before cumulative effect of a change in accounting principle			
Basic	\$ 2.07	\$ 1.73	\$ 0.87
Diluted	\$ 2.00	\$ 1.69	\$ 0.86
Earnings per share from cumulative effect of a change in accounting principle			
Basic	\$ (0.16)	\$ —	\$ —
Diluted	\$ (0.16)	\$ —	\$ —
Net earnings per share			
Basic	\$ 1.91	\$ 1.73	\$ 0.87
Diluted	\$ 1.84	\$ 1.69	\$ 0.86
Weighted average shares outstanding			
Basic	60,927	68,343	77,596
Diluted	63,191	69,787	78,290

⁽¹⁾ Pro forma gives effect to the change in the Company's structure to a fully taxable entity, assuming an effective tax rate of 42.5%, and the buyout of the 1% minority interest in IndyMac, Inc. as if the buyout occurred effective January 1998.