

[21773001]

H.F. Ahmanson & Co. , the nation 's largest thrift holding company , posted a 12 % earnings decline for the third quarter while another large California savings and loan , Great Western Financial Corp. , reported a slight earnings gain .

[21773002]

H.F. Ahmanson , parent of Home Savings of America , reported third-quarter net of \$ 49.2 million , or 50 cents a share , down from \$ 56.1 million , or 57 cents a share , in the year-earlier period .

[21773003]

Most of the earnings decline reflected an increase in the company 's effective tax rate to 44 % from 37 % in the year-ago third quarter when nonrecurring tax credits were recorded , the company said .

[21773004]

Pretax earnings declined 1.3 % .

[21773006]

The company said the decline was attributable to a 79 % reduction in net gains on loan sales this year .

[21773007]

Third-quarter spreads widened to the highest level in two years as loan portfolio yields rose and money costs declined , the company said .

[21773008]

Great Western Financial said third-quarter profit rose slightly to \$ 68.4 million , or 52 cents a share , from \$ 67.9 million , or 53 cents a share , from a year ago .

[21773010]

Great Western said it had a sharp increase in margins in the recent third quarter .

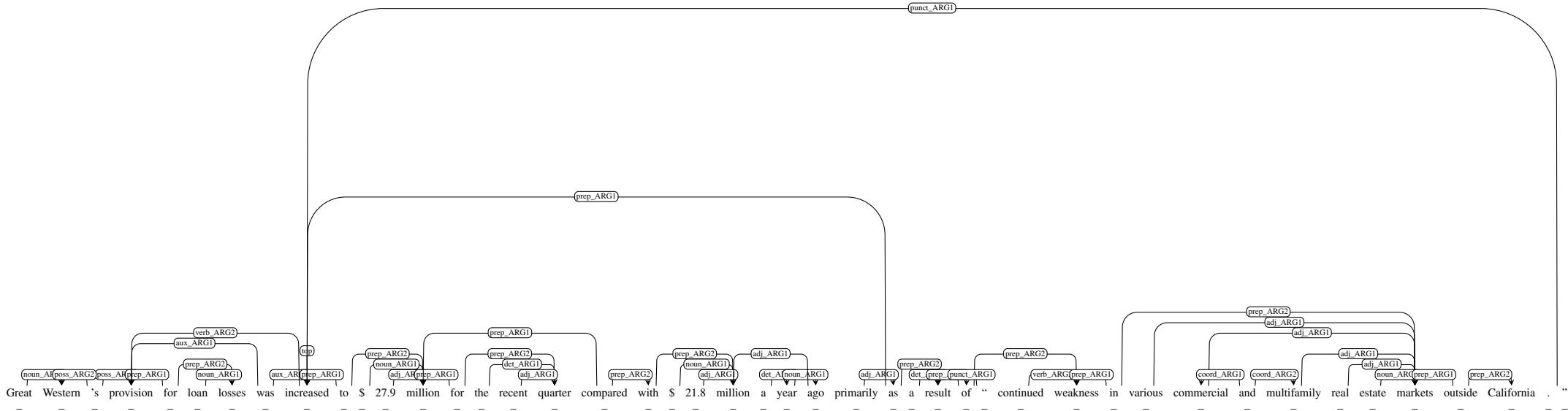
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Margins are the difference between the yield on the company 's earning assets and its own cost of funds .

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But a reduction in one-time gains on the sale of various assets and an increase in the company 's provision for loan losses held down the earnings gain , the company said .

[21773013]



[21773014]

