

## Press Releases

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### OTS 04-34 - Thrift Industry Healthy in Second Quarter

#### Office of Thrift Supervision

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For further information

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OTS 04-34

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## THRIFT INDUSTRY HEALTHY IN SECOND QUARTER

WASHINGTON - The Office of Thrift Supervision (OTS) announced today that the nation's thrift industry turned in another quarter of healthy earnings, profitability and asset quality as well as solid loan growth. Industry earnings reached \$3.38 billion in the second quarter of 2004, up from \$3.34 billion in the prior quarter. This marked the seventh quarter that income topped the \$3 billion mark. Profitability, as measured by return on average assets (ROA), reached 1.16 percent in the second quarter, modestly down from 1.19 percent in the first quarter. In the second quarter, total mortgage originations for the thrift industry were \$203 billion, up sharply from \$149 billion in the first quarter of 2004 but down slightly from \$215 billion in second quarter 2003.

The industry's capital position continued to climb, rising to a record level of \$109.3 billion in the second quarter, with a record equity capital ratio of 9.20 percent of assets. Only one thrift was less than adequately capitalized at the end of the second quarter, unchanged from the first quarter.

Industry assets increased 11.6 percent over the year, to \$1.19 trillion, while asset quality remained strong and stable, showing improvement over the year for most loan types. Credit quality also remained sound, as troubled assets -- consisting of noncurrent loans and repossessed assets -- stood at a record low of 0.50, down from 0.69 percent one year ago. To a large extent the record low levels of troubled assets reflect the high volume of new and refinanced loans added to thrift portfolios over the past few years.

#### Thrift Industry Highlights

Thrift Industry Charts - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2004-34a.pdf>

Thrift Industry Selected Indicators - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2004-34b.pdf>

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The Office of Thrift Supervision, an office of the Department of the Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of, and compliance with consumer protection laws by, thrift institutions, and to support their role as home mortgage lenders and providers of other community credit and financial services. OTS also oversees the activities and operations of thrift holding companies that own or control thrift institutions. Copies of OTS news releases and other documents are available at the OTS web page at [www.ots.treas.gov](http://www.ots.treas.gov).