

Press Releases

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OTS 04-48 - Thrift Industry Maintains Earnings and Profitability for Third Quarter

Office of Thrift Supervision

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Thrift Industry Maintains Earnings And Profitability For Third Quarter

WASHINGTON - The Office of Thrift Supervision (OTS) announced today that the nation's thrift industry sustained strong earnings and profitability, solid loan growth, and healthy asset quality for the third quarter.

Net income reached \$3.5 billion in the third quarter of 2004, up four percent from the prior quarter. This was the second highest net income for the industry and marked the eighth quarter that income topped the \$3 billion mark. Profitability, as measured by return on average assets (ROA), continued to be strong at 1.15 percent in the third quarter.

Total mortgage originations for the thrift industry in the third quarter totaled \$167.1 billion, down from \$196.5 billion in the second quarter. Thrifts' share of total 1-4 family mortgage originations was 22.3 percent in the third quarter, up from an estimated 19.6 percent in the prior quarter.

Since September 2003, the industry's average equity capital ratio increased to a record 9.27 percent from 8.89 percent rising to a record level of \$113.8 billion in the third quarter. Assets of problem thrifts declined to \$294 million at the end of the third quarter from \$493 million in the prior quarter, while the total number of problem thrifts declined over the year to 5.

Industry assets increased 12.2 percent to \$1.23 trillion at the end of the third quarter from \$1.09 trillion in the third quarter a year ago, and asset quality improved 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 0.49 percent, down from 0.68 percent one year ago.

Full results for the thrift industry for the second quarter of 2004 are available on the OTS website at www.ots.treas.gov.

Thrift Industry Highlights - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2004-48a.pdf>

Thrift Industry Charts - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2004-48b.pdf>

Thrift Industry Selected Indicators - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2004-48c.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.