

Press Releases

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OTS 11-005 - Thrift Industry Reports First Annual Profit Since Financial Crisis Began

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Washington, D.C. — The U.S. thrift industry posted a profit of \$6.6 billion in 2010, the first profitable year for the industry since 2006, the Office of Thrift Supervision (OTS) reported today.

The industry showed profits in all four quarters of 2010, including a \$1.75 billion profit in the fourth quarter – the industry's sixth consecutive quarter of profitability.

"Although the thrift industry continues to face some headwinds, the first yearly profit since the onset of the financial crisis represents a welcome signal of how far we have come," said OTS Acting Director John E. Bowman.

In 2009, the industry posted a loss of \$34 million for the year and a profit of \$442 million in the fourth quarter.

In the fourth quarter of 2010, capital remained solid. However, challenges for the industry continued from the housing market downturn and high unemployment. Troubled assets and provisions for loan losses remained elevated, and the number of problem thrifts increased.

In other highlights:

- At the end of the fourth quarter, 92.1 percent of the industry reported capital exceeding "well-capitalized" regulatory standards. Only eight thrifts were less than adequately capitalized.
- Profitability, as measured by return on average assets, was 0.71 percent in 2010, an improvement from breaking even in 2009. In the fourth quarter of 2010, profitability was 0.76 percent, up from 0.72 percent in the previous quarter and 0.19 percent in the fourth quarter a year earlier.
- Troubled assets (noncurrent loans and repossessed assets) were 3.3 percent of assets at the end of the fourth quarter, down from 3.36 percent at the end of the previous quarter, but essentially unchanged from 3.29 percent one year earlier.

- The number of problem thrifts – with composite examination ratings of 4 or 5 – rose to 58 at the end of the fourth quarter, from 53 at the end of the previous quarter and 43 at the end of 2009.
- At the end of the fourth quarter, the OTS supervised 731 thrift institutions with assets of \$931.7 billion, as well as 437 holding company enterprises with approximately \$4.2 trillion in U.S. domiciled consolidated assets.

More details, as well as charts and selected indicators, are available on the OTS website at www.ots.treas.gov.