

## Press Releases

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### OTS 11-012 - Thrift Industry Reports Seventh Consecutive Quarterly Profit

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**Washington, D.C.** — The U.S. thrift industry posted a profit of \$1.4 billion in the first quarter of 2011, the industry's seventh consecutive quarter of profitability, the Office of Thrift Supervision (OTS) reported today.

In further signals that the industry is stabilizing and slowly recovering from the downturn in the housing market and larger economy, troubled assets continued to decline and thrifts set aside less in provisions for loan losses.

"Although the economic recovery is uneven and housing markets remain fragile in many communities across the country, we are seeing some stability in the thrift industry," said OTS Acting Director John E. Bowman. "I am increasingly optimistic that the worst is behind us."

Capital measures for the industry remained solid during the quarter ending March 31, 2011, but the number of problem thrifts increased slightly.

In other highlights:

- Profitability, as measured by return on average assets, was 0.6 percent in the first quarter, down from 0.69 percent in the previous quarter and 0.73 percent in the first quarter a year earlier.
- At the end of the first quarter, 91.2 percent of the industry reported capital exceeding "well-capitalized" regulatory standards; 11 thrifts were less than adequately capitalized.
- The industry added \$1.68 billion, or 0.73 percent of average assets, to loan loss provisions in the first quarter, down from 1.05 percent of average assets in the previous quarter and 1.19 percent in the first quarter a year earlier. In comparison, loss provisions averaged only 0.24 percent of average assets from 2001 to 2006, when the industry's level of problem assets was historically low.
- Troubled assets (noncurrent loans and repossessed assets) were 3.09 percent of assets at the end of the first quarter, down from 3.26 percent at the end of the previous quarter and 3.28 percent one year earlier.
- The number of problem thrifts – with composite examination ratings of 4 or 5 – increased to 60 at the end of the first quarter, from 58 at the end of the previous quarter and 50 a year earlier.

- At the end of the first quarter, the OTS supervised 724 thrift institutions with assets of \$930.2 billion, as well as 440 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](http://www.ots.treas.gov).