

## Press Releases

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### OTS 05-04 - Thrift Industry Maintains Strong Earnings and Capital for 2004

#### Office of Thrift Supervision

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For further information

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### Thrift Industry Maintains Strong Earnings and Capital for 2004

WASHINGTON, D.C. - The Office of Thrift Supervision (OTS) announced today that the nation's thrift industry reported another year of sound financial results. The industry's performance was highlighted by record earnings and equity capital, accompanied by excellent asset quality, for the calendar year and last quarter of 2004.

Net income reached \$13.96 billion in 2004, up two percent from the 2003 record of \$13.74 billion. In the fourth quarter, the industry earned a record \$3.76 billion, up nine percent from the fourth quarter of 2003 and up seven percent from the third quarter of 2004. Industry profitability, as measured by return on average assets (ROA), improved to 1.17 percent for the quarter, up from 1.15 percent in the previous quarter. Thrift industry assets increased 19.6 percent for the year, to \$1.31 trillion, while the number of thrifts stood at 886 at the end of 2004. OTS supervised 491 holding company enterprises with U.S. domiciled consolidated assets of approximately \$6.8 trillion at year-end.

In December 2004, the United Kingdom's Financial Services Authority, in consultation with Commission Bancaire of France and BaFin of Germany, deemed OTS to be an equivalent consolidated holding company supervisor for General Electric's financial services arm, GE Capital Services. Thus, OTS has assumed the role as the lead U.S. regulator responsible for assuring global coordination among various financial services regulators overseeing the activities of this diversified multinational financial services conglomerate. The industry reported total mortgage originations of \$689.1 billion for the year, representing the industry's second best annual total. In the fourth quarter, originations increased to \$176.6 billion, up from \$167.1 billion in the third quarter of 2004. Thrifts accounted for approximately 24 percent of total 1-4 family mortgage originations nationwide in the fourth quarter of 2004.

The industry's capital position also remains strong, rising to a record level of \$118.7 billion at year-end. Over 99 percent of all thrifts were well capitalized at the end of 2004, also a record level. Assets of problem thrifts were \$709 million at the end of 2004, compared to \$636 million a year ago. There were six problem thrifts at the close of 2004, compared to eight at the end of 2003.

Full results for the thrift industry for 2004 are available on the OTS Website at [www.ots.treas.gov](http://www.ots.treas.gov).

Thrift Industry Highlights - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2005-04a.pdf>

Thrift Industry Charts - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2005-04b.pdf>

Thrift Industry Selected Indicators - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2005-04c.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).