

## Press Releases

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### OTS 10-022 - U.S. Thrift Industry Posts Third Consecutive Quarterly Profit

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**Washington, D.C.** — The U.S. thrift industry reported a profit of \$1.82 billion in the first quarter of 2010, the third consecutive quarterly profit for the industry, the Office of Thrift Supervision (OTS) reported today.

In the latest sign that thrifths generally are stabilizing despite continued pressures from high unemployment and delinquent loans, the positive first quarter earnings were up from a profit of \$442 million in the previous quarter and a loss of more than \$1.6 billion in the first quarter of 2009.

This year's first quarter profits were the highest since the second quarter of 2007 and were widespread among thrifths; approximately 60 percent of thrifths reporting higher earnings than in the prior quarter.

Asset quality also showed signs of stabilizing. Troubled assets were slightly lower than during the previous quarter and a year earlier, but remained at elevated levels. However, reflecting the challenges that remain, the number of problem thrifths continued to climb.

"The health of the thrift industry is improving but we cannot say the industry has fully recovered from the financial crisis," said OTS Acting Director John E. Bowman. "Until America gets back to full employment and more families are able to pay their monthly mortgages on time, the thrift industry will continue to face significant challenges."

The industry continued to prepare for loan losses by adding more than \$2.7 billion to loss provisions during the first quarter. Capital ratios were at record high levels.

In other highlights:

- At the end of the first quarter, 97.2 percent of the industry reported capital exceeding "well-capitalized" regulatory standards. Only 16 thrifths were less than adequately capitalized.
- Profitability, as measured by return on average assets, was 0.77 percent in the first quarter, up from 0.19 percent in the previous quarter and from a negative 0.53 percent in the first quarter a year earlier.

- Troubled assets (noncurrent loans and repossessed assets) fell to 3.27 percent of assets at the end of the first quarter, from 3.29 percent at the end of the previous quarter and 3.35 percent one year earlier.
- The number of problem thrifts – with composite examination ratings of 4 or 5 – increased to 50 thrifts at the end of the first quarter, from 43 thrifts at the end of 2009 and 31 thrifts a year earlier.
- At the end of the first quarter, the OTS supervised 757 thrift institutions with assets of \$949.8 billion, as well as 442 holding company enterprises with approximately \$4.0 trillion in U.S. domiciled consolidated assets.

More details, as well as charts and selected indicators, are available on the OTS website at <http://www.ots.treas.gov/?p=IndustryPerformance>.