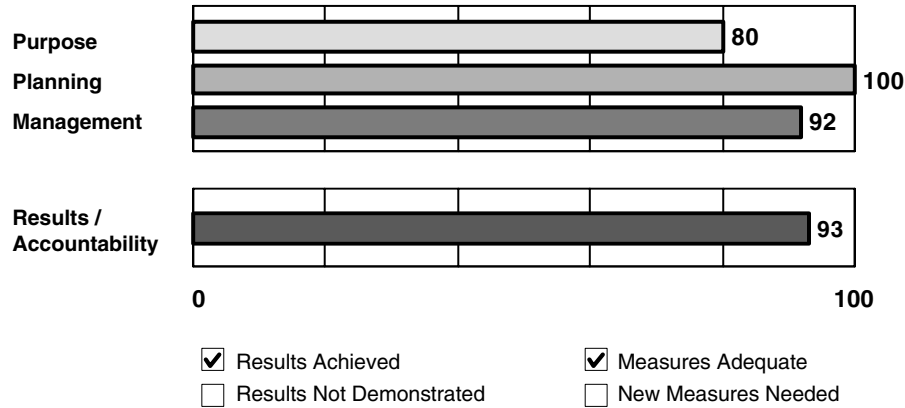


Program: OTS Thrift Supervision

Agency: Department of the Treasury

Bureau: Office of Thrift Supervision



Key Performance Measures

Year Target Actual

Long-term Measure: Percentage of thrifts with high ratings according to industry standards (composite CAMELS ratings of 1 or 2) (Performance measure was adopted in 2003)	2002	90%	90%
	2003	90%	
	2004	90%	
Long-term Measure: Thrifts with consumer compliance ratings of 1 or 2 (Performance measure was adopted in 2003)	2002	90%	92%
	2003	90%	
	2004	90%	
Annual Measure: Percent of thrifts that are well capitalized (Performance measure was adopted in 2003)	2002	95%	98%
	2003	95%	
	2004	95%	

Rating: Effective

Program Type: Regulatory

Program Summary:

The Office of Thrift Supervision (OTS) charters, examines, supervises and regulates thrift institutions and savings associations.

The assessment indicates that the program contributes to the safety and soundness of the banking industry. For example, a key performance indicator shows that more than 90% of banks regulated by the OTS have strong ratings in 2002 which incorporates measures for: capital, asset quality, management competence, earnings, liquidity, and sensitivity to market risk, commonly known as CAMELS. Additional findings include:

1. The program purpose is clear.
2. The program recently developed new goals that are outcome-oriented and program measurements which are clear.
3. The program is efficiently and effectively managed.
4. The program is not unique in that other agencies, including the Office of Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA) and the Federal Reserve Bank (FRB), perform similar types of regulatory functions in the banking industry.

In response to these findings:

1. Federal banking regulatory agencies, including the OTS, the OCC, the NCUA, the Federal Reserve, and the FDIC, will work together to align outcome goals and related measures to allow for greater comparison of program performance in the industry.
2. The OTS will evaluate the efficiency and effectiveness of a single examination for both Safety and Soundness and Compliance functions.
3. The OTS will take steps to examine long-term systemic risks in the industry.

Program Funding Level (in millions of dollars)

<u>2002 Actual</u>	<u>2003 Estimate</u>	<u>2004 Estimate</u>
163	168	168