

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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Pursuant to Section 13 or 15(d) of  
The Securities Exchange Act of 1934

Date of report  
(Date of earliest event reported): February 3, 2004

OCWEN FINANCIAL CORPORATION

-----  
(Exact name of registrant as specified in its charter)

Florida	1-13219	65-0039856
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(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

The Forum, Suite 1000  
1675 Palm Beach Lakes Boulevard, West Palm Beach, Florida 33401

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(Address of principal executive office)(Zip Code)

Registrant's telephone number, including area code: (561) 682-8000

N/A

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(Former name or former address, if changed since last report)

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Exhibit Index on Page 4

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(a) - (b) Not applicable.

(c) Exhibits

The following exhibits are filed as part of this report:

99.1 Text of a press release by the Registrant dated  
February 3, 2004.

Item 12. Disclosure of Results of Operations and Financial Condition

The news release of the Registrant dated February 3, 2004,  
announcing its fourth quarter and year 2003 results is  
attached hereto and filed herewith as Exhibit 99.1.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

OCWEN FINANCIAL CORPORATION  
(Registrant)

By: /s/ MARK S. ZEIDMAN

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Mark S. Zeidman  
Senior Vice President and Chief  
Financial Officer

Date: February 3, 2003

INDEX TO EXHIBIT

Exhibit No. -----	Description -----	Page ----
99.1	News release of Ocwen Financial Corporation, dated February 3, 2004, announcing its fourth quarter and year 2003 results and certain other information.	5

O C W E N

Ocwen Financial Corporation(R)

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION CONTACT:

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OCWEN FINANCIAL CORPORATION ANNOUNCES  
FOURTH QUARTER AND 2003 NET INCOME

West Palm Beach, FL - (February 3, 2004) - Ocwen Financial Corporation (NYSE: OCN) today reported net income in the fourth quarter of 2003 of \$4.5 million or \$0.07 per share compared to a net loss of \$(10.1) million or \$(.15) per share in the fourth quarter of 2002. For the year ended December 31, 2003, the Company reported net income of \$4.8 million or \$0.07 per share compared to a net loss of \$(68.8) million or \$(1.02) per share in 2002.

Chairman and CEO William C. Erbey stated, "We are very pleased to have returned to profitability and to note that our 2003 results reflect positive trends from last year in our core, non-core and corporate segments. Pre-tax core income for 2003 was \$29.2 million, an increase of \$15.7 million or 116% from last year. Our balance sheet remains strong with cash and cash equivalents of \$216.1 million at December 31, 2003 as compared to \$192.2 million at December 31, 2002. We also continued to reduce non-core assets during 2003, achieving net reductions of \$67.9 million or 27% since December 31, 2002.

While we are pleased with our results in 2003, we face continuing challenges from the adverse environment that low interest rates and rising prepayment speeds create for our Servicing business. Prepayment speeds in the subprime sector that comprises the vast majority of our servicing portfolio continue at high levels, resulting in significant costs for this business. During 2003, the combined cost of mortgage servicing rights amortization expense and interest on prepayments, which are reported as reductions of fee income, rose by \$48.0 million or 62% over 2002 levels. These costs escalated throughout the year, culminating in expenses of \$35.3 million in the fourth quarter of this year. It is a testament to the skill and dedication of our team members in the Servicing business that, despite the enormous challenge represented by prepayments, our 2003 results decreased only \$1 million or 3% from 2002."

The Servicing business reported pre-tax income of \$5.2 million in the fourth quarter of 2003 vs. \$9.2 million in the 2002 fourth quarter, reflecting continuing earnings pressure from current low interest rates and rising prepayments in our servicing portfolio. Our fourth quarter Servicing results also included increased expenses reflecting costs associated with our property management contract with the United States Department of Veteran's Affairs and as a result of reassuming certain collection activities that had been performed by outside parties. For 2003, Servicing reported pre-tax income of \$31.0 million as compared to pre-tax income of \$32.0 million in 2002. Our Servicing business also continued to grow in the fourth quarter. As of December 31, 2003 we were the servicer of approximately 360 thousand loans with an unpaid principal balance (UPB) of \$37.7 billion, as compared to approximately 336 thousand loans and \$30.7 billion of UPB at December 31, 2002, an increase of 23% in UPB.

Pre-tax losses at OTX were \$(3.2) million in the 2003 fourth quarter compared to \$(8.0) million in the same period of 2002, an improvement of 60%. OTX results for 2003 reflected a pre-tax loss of \$(11.5) million as compared to a pre-tax loss of \$(24.1) million in 2002, a 52% improvement.

Ocwen Realty Advisors (ORA) reported pre-tax income of \$1.7 million in the fourth quarter of 2003 as compared to \$0.7 million in the fourth quarter of 2002, reflecting an increase in net margin from 21% to 31%. For 2003, ORA reported pre-tax income of \$5.4 million as compared to \$2.6 million in 2002, reflecting an improvement in margin from 18% to 29%.

The Unsecured Collections business reported pre-tax income in the fourth quarter of 2003 of \$1.9 million as compared to \$0.9 million in 2002. For 2003, the business reported pre-tax income of \$5.3 million as compared to \$4.0 million in 2002.

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Ocwen Financial Corporation  
Fourth Quarter Results  
February 3, 2004

In our newest business segments, Global Outsourcing reported pre-tax income of \$0.9 million for the fourth quarter and \$1.9 million for the year. Our International segment reported losses of \$(0.7) million in the fourth quarter and \$(2.9) million for the year.

International results for 2003 primarily reflect start-up costs as well as the results of the Global Servicing Solutions (GSS) offices in Tokyo and Taiwan that became operational during 2003. Results for 2002 in this segment reflect activities associated with a one-time consulting contract as well as other precedent ventures, now concluded.

Our non-core businesses recorded a pre-tax loss of \$(11.4) million for the year, including the \$10 million arbitration settlement in the first quarter of this year as compared to a loss of \$(68.2) million in 2002. Pre-tax losses in the Corporate Segment were \$(12.8) million in 2003 as compared to \$(27.4) million in 2002.

Pre-tax losses for the fourth quarter of 2003 in the Commercial Finance business amounted to \$(0.9) million as compared to a pre-tax loss of \$(7.8) million in the 2002 fourth quarter. Fourth quarter 2003 results reflect net charges and loss provisions on loans, investments in real estate and REO of \$0.7 million as compared to \$3.3 million in the fourth quarter of 2002. For 2003 Commercial Finance reported a pre-tax loss of \$(10.7) million as compared to \$(51.9) million in 2002. Results for 2003 reflect net charges and loss provisions on loans, investments in real estate and REO of \$4.0 million as compared to \$46.1 million in 2002. As of December 31, 2003, reserves on the remaining commercial loan and REO assets amounted to 27% of gross book value as compared to 24% at December 31, 2002. Total commercial loans, investments in real estate and REO, consisting of 9 properties, had a net book value of \$123.8 million at December 31, 2003, reduced by \$64.2 million or 34% from December 31, 2002.

The Affordable Housing business reported a pre-tax loss of \$(1.3) million in the 2003 fourth quarter compared to a pre-tax loss of \$(0.5) million in the 2002 fourth quarter. No provisions for losses on Affordable Housing properties were recorded in the fourth quarter of 2003 or 2002. For 2003, the business reported a pre-tax loss of \$(4.9) million as compared to a pre-tax loss of \$(31.5) million in 2002. Affordable Housing results for 2003 include provisions of \$0.6 million as compared to \$24.7 million in 2002. As of December 31, 2003, reserves on the remaining \$14.0 million of Affordable Housing properties and loans had increased to 55% of remaining gross book value as compared to 48% at December 31, 2002.

Results in the Subprime Finance business reflected pre-tax income of \$4.2 million for the 2003 fourth quarter as compared to pre-tax income of \$6.2 million in the 2002 fourth quarter. For 2003, the business reported pre-tax income of \$4.2 million as compared to pre-tax income of \$14.5 million in 2002. Results for 2003 include a charge of \$10 million in the first quarter related to the conclusion of an arbitration, as previously reported. The Company's total trading portfolio of non-investment grade securities, which consists largely of subprime residuals, increased to \$42.8 million at December 31, 2003 as compared to \$37.3 million at December 31, 2002. This increase primarily reflects the second quarter 2003 transfer of securities formerly classified as "Match Funded Securities" to the trading portfolio as a result of the repurchase of the associated match funded debt.

Corporate Items and Other reported a pre-tax loss of \$(3.3) million in the fourth quarter of 2003 as compared to \$(8.1) million in 2002, primarily due to reduced interest expense of approximately \$2.8 million and the absence in 2003 of a loss on debt redemptions as compared to \$2.5 million recorded in the fourth quarter of 2002. These improvements were partially offset by a net increase in technology and other corporate expenses of \$0.7 million. For 2003, the pre-tax loss in this segment was \$(12.8) million as compared to \$(27.4) million in 2002, primarily due to reduced interest expense of \$8.7 million, reduced technology and other expenses of \$3.8 million and reduced losses on debt redemptions of \$1.0 million.

The Company's net tax expense in the 2003 fourth quarter was \$0.1 million, representing foreign taxes on GSS operations. For 2003, tax expense was \$0.7 million, primarily reflecting tax payments in the first and second quarters related to investments in non-economic residual securities with no book value. Tax expense in the fourth quarter of 2002 was \$1.8 million, also reflecting a tax payment on a non-economic residual security. Tax expense for 2002 was \$3.0 million, also reflecting taxes recorded in the first quarter to offset tax benefits included in the change in accounting principle.

Ocwen Financial Corporation is a financial services company headquartered in West Palm Beach, Florida. The Company's primary business is the servicing and special servicing of nonconforming, subperforming and nonperforming residential and commercial mortgage loans. Ocwen also specializes in the development of related loan servicing technology and software for the mortgage and real estate industries. Additional information about Ocwen Financial Corporation is available at [www.ocwen.com](http://www.ocwen.com).

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, but not limited to, the progress of our transition strategy, earnings improvement trends, interest rates and the impact of changes in interest rates on the Servicing business and predictions as to future operations coming on line in connection with Global Outsourcing and International. Forward-looking statements are not guarantees of future performance, and involve a number of assumptions, risks and uncertainties that could cause actual results to differ materially.

Important factors that could cause actual results to differ materially from those suggested by the forward-looking statements include, but are not limited to, the following: general economic and market conditions, prevailing interest or currency exchange rates, governmental regulations and policies, international political and economic uncertainty, availability of adequate and timely sources of liquidity, uncertainty related to dispute resolution and litigation, federal income tax rates, recognition of deferred tax credits and real estate market conditions and trends, as well as other risks detailed in OCN's reports and filings with the Securities and Exchange Commission, including its periodic reports on Form 10-Q for the quarters ended March 31, 2003, June 30, 2003 and September 30, 2003 and Form 10-K for the year ended December 31, 2002. The forward-looking statements speak only as of the date they are made and should not be relied upon. OCN undertakes no obligation to update or revise the forward-looking statements.

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(Dollars in thousands, except share data)

	Three Months		Twelve Months	
For the periods ended December 31,	2003	2002	2003	2002
<b>Net interest expense</b>				
Income .....	\$ 6,296	\$ 7,103	\$ 24,122	\$ 37,235
Expense .....	9,162	11,727	38,716	55,762
Net interest expense before provision for loan losses .....	(2,866)	(4,624)	(14,594)	(18,527)
Provision for loan losses .....	(14)	3,119	(2,684)	13,629
Net interest income (expense) after provision for loan losses .....	(2,852)	(7,743)	(11,910)	(32,156)
<b>Non-interest income</b>				
Servicing and other fees .....	43,431	36,393	158,548	141,991
Gain (loss) on interest earning assets, net .....	1	(711)	28	(3,485)
Gain (loss) on trading and match funded securities, net .....	420	3,115	3,344	7,012
Gain (loss) on real estate owned, net .....	1,651	587	1,775	(15,719)
Gain (loss) on other non-interest earning assets, net .....	205	1,455	829	1,122
Net operating gains (losses) on investments in real estate .....	(661)	529	(3,661)	(8,315)
Gain (loss) on repurchase of debt .....	--	(2,499)	(445)	(1,461)
Equity in income (loss) of investments in unconsolidated entities .....	--	68	38	215
Other income .....	4,083	3,433	18,091	13,097
Non-interest income .....	49,130	42,370	178,547	134,457
<b>Non-interest expense</b>				
Compensation and employee benefits .....	19,716	17,403	72,221	77,778
Occupancy and equipment .....	4,390	2,885	13,159	11,843
Technology and communication costs .....	6,544	7,309	21,121	25,270
Loan expenses .....	3,417	2,797	14,252	12,605
Net operating losses on investments in affordable housing properties ..	226	225	1,335	22,360
Amortization/writeoff of excess of purchase price over net assets acquired .....	--	2,231	--	2,231
Professional services and regulatory fees .....	4,199	6,042	26,054	16,383
Other operating expenses .....	3,386	2,565	10,409	9,601
Non-interest expense .....	41,878	41,457	158,551	178,071
<b>Distributions on Company-obligated, mandatorily redeemable securities of subsidiary trust holding solely junior subordinated debentures of the Company .....</b>				
	--	1,529	3,058	6,287
Income (loss) before minority interest, income taxes and effect of change in accounting principle .....	4,400	(8,359)	5,028	(82,057)
Minority interest in net income (loss) of subsidiaries .....	(184)	(99)	(492)	(99)
Income tax expense .....	130	1,818	748	2,983
Net income (loss) before effect of change in accounting principle ...	4,454	(10,078)	4,772	(84,941)
Effect of change in accounting principle, net of taxes .....	--	--	--	16,166
Net income (loss) .....	\$ 4,454	\$ (10,078)	\$ 4,772	\$ (68,775)
<b>Earnings (loss) per share</b>				
<b>Basic</b>				
Net income (loss) before effect of change in accounting principle ...	\$ 0.07	\$ (0.15)	\$ 0.07	\$ (1.26)
Effect of change in accounting principle, net of taxes .....	--	--	--	0.24
Net income (loss) .....	\$ 0.07	\$ (0.15)	\$ 0.07	\$ (1.02)
<b>Diluted</b>				
Net income (loss) before effect of change in accounting principle ...	\$ 0.07	\$ (0.15)	\$ 0.07	\$ (1.26)
Effect of change in accounting principle, net of taxes .....	--	--	--	0.24
Net income (loss) .....	\$ 0.07	\$ (0.15)	\$ 0.07	\$ (1.02)
<b>Weighted average common shares outstanding</b>				
Basic .....	67,222,211	67,337,454	67,166,888	67,321,299
Diluted .....	68,446,366	67,337,454	68,009,663	67,321,299

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION  
(Dollars in thousands, except share data)

	December 31, 2003	December 31, 2002
	-----	-----
<b>Assets</b>		
Cash and amounts due from depository institutions .....	\$ 215,764	\$ 76,598
Interest earning deposits .....	324	30,649
Federal funds sold and repurchase agreements .....	--	85,000
Trading securities, at fair value:		
Collateralized mortgage obligations (AAA-rated) and U.S. Treasury securities ....	6,679	21,556
Subordinates, residuals and other securities .....	42,841	37,339
Investments in real estate .....	53,430	58,676
Affordable housing properties .....	7,410	15,319
Loans, net .....	28,098	76,857
Match funded assets .....	130,087	167,744
Real estate owned, net .....	50,513	62,039
Premises and equipment, net .....	41,944	44,268
Advances on loans and loans serviced for others .....	374,769	266,356
Mortgage servicing rights .....	166,495	171,611
Receivables .....	88,399	78,944
Other assets .....	33,365	29,286
	-----	-----
<b>Total assets</b> .....	<b>\$ 1,240,118</b>	<b>\$ 1,222,242</b>
	=====	=====
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities</b>		
Deposits .....	\$ 446,388	\$ 425,970
Escrow deposits on loans and loans serviced for others .....	116,444	84,986
Bonds - match funded agreements .....	115,394	147,071
Lines of credit and other secured borrowings .....	150,384	82,746
Notes and debentures .....	56,249	76,975
Accrued interest payable .....	4,789	7,435
Accrued expenses, payables and other liabilities .....	31,926	28,314
	-----	-----
<b>Total liabilities</b> .....	<b>921,574</b>	<b>853,497</b>
	-----	-----
Minority interest in subsidiaries .....	1,286	1,778
Company obligated, mandatorily redeemable securities of subsidiary trust holding solely junior subordinated debentures of the Company .....	--	56,249
<b>Stockholders' equity</b>		
Common stock, \$.01 par value; 200,000,000 shares authorized: 67,467,220 and 67,339,773 shares issued and outstanding at December 31, 2003 and December 31, 2002, respectively .....	675	673
Additional paid-in capital .....	225,559	224,454
Retained earnings .....	90,409	85,637
Accumulated other comprehensive income (loss), net of taxes:		
Net unrealized foreign currency translation gain (loss) .....	615	(46)
	-----	-----
<b>Total stockholders' equity</b> .....	<b>317,258</b>	<b>310,718</b>
	-----	-----
<b>Total liabilities and stockholders' equity</b> .....	<b>\$ 1,240,118</b>	<b>\$ 1,222,242</b>
	=====	=====



Ocwen Financial Corporation  
Fourth Quarter Results  
February 3, 2004

Pre-Tax Income (Loss) by Business Segment

	Three Months		Twelve Months	
	2003	2002	2003	2002
For the periods ended December 31,				
(Dollars in thousands)				
Core businesses				
Residential Loan Servicing .....	\$ 5,235	\$ 9,186	\$ 31,043	\$ 31,974
OTX .....	(3,195)	(7,965)	(11,520)	(24,144)
Ocwen Realty Advisors .....	1,666	675	5,432	2,597
Unsecured Collections .....	1,878	866	5,300	4,006
Global Outsourcing .....	886	118	1,893	118
International Operations .....	(701)	(687)	(2,946)	(1,022)
	5,769	2,193	29,202	13,529
Non-core businesses				
Residential Discount Loans .....	--	(340)	--	763
Commercial Finance .....	(934)	(7,833)	(10,657)	(51,947)
Affordable Housing .....	(1,280)	(534)	(4,888)	(31,521)
Subprime Finance .....	4,168	6,211	4,188	14,536
	1,954	(2,496)	(11,357)	(68,169)
Corporate Items and Other .....	(3,323)	(8,056)	(12,817)	(27,417)
Income (loss) before minority interest, income taxes and effect of change in accounting principle .....	\$ 4,400	\$ (8,359)	\$ 5,028	\$ (82,057)

Non-Core Assets

	December 31, 2003	December 31, 2002
(Dollars in thousands)		
Loans, net		
Affordable housing .....	\$ 6,545	\$ 6,229
All other .....	21,553	70,628
Investments in real estate .....	53,430	58,676
Real estate owned, net .....	50,513	62,039
Subordinates, residuals and other trading securities .....	42,841	37,339
Affordable housing properties .....	7,410	15,319
Total non-core assets .....	\$ 182,292	\$ 250,230

Interest Income and Expense

	Three Months		Twelve Months	
	2003	2002	2003	2002
For the periods ended December 31,				
(Dollars in thousands)				
Interest income				
Federal funds sold and repurchase agreements .....	\$ 325	\$ 574	\$ 1,403	\$ 2,629
Trading securities .....	4,974	4,556	17,345	16,580
Loans .....	293	692	1,614	11,279
Match funded loans and securities .....	571	1,218	3,402	6,463
Interest earning cash and other .....	133	63	358	284
	6,296	7,103	24,122	37,235
Interest expense				
Deposits .....	4,138	5,767	17,546	27,455
Securities sold under agreements to repurchase .....	--	6	3	236
Notes and debentures .....	1,529	3,647	9,929	17,346
Bonds - match funded agreements .....	1,774	1,412	5,414	6,573
Lines of credit and other secured borrowings .....	1,721	895	5,824	4,152
	9,162	11,727	38,716	55,762
Net interest expense before provision for loan losses .....	\$ (2,866)	\$ (4,624)	\$ (14,594)	\$ (18,527)

