

**Comparative Safety and Soundness**  
**The Industrial Bank Industry**  
**Year Ended December 31, 2023**





## **Comparative Safety and Soundness The Industrial Bank Industry Year Ended December 31, 2023**

The Utah Center for Financial Services at the University of Utah prepared this report to highlight the safety and soundness of Industrial Banks.

Key measures of safety and soundness in banking are Capital, Asset Quality and Profitability. We have compared levels of Capital, Asset Quality and Profitability ratios for the US banking industry and the industrial banking sectors. The underlying financial information is drawn from the December 31, 2023 call report data for individual banks and for aggregated banking industry segments. Details are presented on the attached reports.

**Bank Financial Ratios as of and for the year ended December 31, 2023 and 2022**

	<u>Banks-2023</u>		<u>Banks-2022</u>	
	Industrial	All	Industrial	All
<b>Equity to Assets</b>	10.8%	9.7%	9.9%	9.4%
<b>Asset Quality</b>				
<b>Troubled Loans</b>	1.0%	0.9%	1.0%	0.8%
<b>Allowance to Loans</b>	2.7%	1.7%	2.3%	1.6%
<b>Profitability</b>				
<b>Return on Assets</b>	2.10%	1.09%	2.08%	1.11%
<b>Return on Equity</b>	19.5%	11.2%	20.9%	11.9%

Some industrial banks continue to gather deposits through brokers. At December 31, 2023 industrial banks reported that 99.89% of the brokered deposits were within deposit insurance limits. Also of interest is the level of uninsured deposits. At December 31, 2023 industrial banks estimated that 83% of aggregate deposits were within deposit insurance limits, compared to 59% for all banks.

### **Conclusion**

The banking industry, in general, enjoyed strong profitability and solid financial condition in 2023 and 2022. The industrial bank sector continues to achieve strong capital and asset quality and superior profitability ratios.

**Safety and Soundness Statistics - Balance Sheet**  
**Industrial Banking Industry**  
**December 31, 2023**

(\$ in 000's)

	Assets	Securities/ CRA Investments	Loans	Allowance	Nonaccrual & 90 Day Past Due	Other Real Estate Owned	Total Troubled Assets	Deposits	Equity	Loan to Deposits	Allowances to Loans	Troubled Assets to Loans	Equity to Assets
<b>National Totals</b>	\$23,668,802,145	\$5,434,911,426	\$12,451,869,146	\$217,805,088	\$107,935,393	\$2,867,611	\$110,803,004	\$18,813,298,058	\$2,297,215,043	66.2%	1.7%	0.9%	9.7%
<b>All Industrial Bank Totals</b>	\$241,333,041	\$43,419,569	\$153,522,018	\$4,180,128	\$1,533,879	\$5,909	\$1,539,788	\$177,612,553	\$26,062,571	86.4%	2.7%	1.0%	10.8%
<b>National Totals w/o Industrial Bank Totals</b>	\$23,427,469,104	\$5,391,491,857	\$12,298,347,128	\$213,624,960	\$106,401,514	\$2,861,702	\$109,263,216	\$18,635,685,505	\$2,271,152,472	66.0%	1.7%	0.9%	9.7%
<b>Nevada (4) Industrial Bank Totals</b>	\$30,743,750	\$16,269,818	\$6,202,383	\$32,251	\$387,321	\$2,765	\$390,086	\$13,499,370	\$4,914,490	45.9%	0.5%	6.3%	16.0%
<b>Utah (15) Industrial Bank Totals</b>	\$208,944,274	\$27,016,387	\$146,032,242	\$4,122,588	\$1,144,067	\$426	\$1,144,493	\$162,843,813	\$20,936,004	89.7%	2.8%	0.8%	10.0%
<b>All States w/o NV &amp; UT (5) Bank Totals</b>	\$1,645,017	\$133,364	\$1,287,393	\$25,289	\$2,491	\$2,718	\$5,209	\$1,269,370	\$212,077	101.4%	2.0%	0.4%	12.9%

ILC Banks	ST	Assets	Securities/ CRA Investments	Loans	Allowance	Nonaccrual & 90 Day Past Due	Other Real Estate Owned	Total Troubled Assets	Deposits	Equity	Loan to Deposits	Allowances to Loans	Troubled Assets to Loans	Equity to Assets
UBS Bank USA	UT	\$114,334,131	\$7,315,840	\$83,177,335	\$113,128	\$33,802	\$0	\$33,802	\$91,258,702	\$9,445,911	91.1%	0.1%	0.0%	8.3%
Sallie Mae Bank	UT	\$29,141,841	\$2,411,622	\$21,683,606	\$1,339,772	\$205,628	\$0	\$205,628	\$21,887,841	\$2,526,694	99.1%	6.2%	0.9%	8.7%
OptumHealth Bank, Inc	UT	\$16,395,000	\$10,235,000	\$4,967,000	\$45,000	\$12,000	\$0	\$12,000	\$13,975,000	\$1,552,000	35.5%	0.9%	0.2%	9.5%
BMW Bank of North America	UT	\$11,959,686	\$2,227,282	\$9,120,791	\$16,654	\$15,156	\$0	\$15,156	\$7,680,078	\$1,807,278	118.8%	0.2%	0.2%	15.1%
Comenity Capital Bank	UT	\$12,950,513	\$106,278	\$11,336,235	\$1,408,573	\$496,414	\$0	\$496,414	\$9,339,288	\$1,888,097	121.4%	12.4%	4.4%	14.6%
Beal Bank USA	NV	\$21,981,385	\$13,282,308	\$2,785,792	\$22,177	\$386,861	\$2,765	\$389,626	\$8,692,602	\$3,281,586	32.0%	0.8%	14.0%	14.9%
		\$206,762,556	\$35,578,330	\$133,070,759	\$2,945,304	\$1,149,861	\$2,765	\$1,152,626	\$152,833,511	\$20,501,566	87.1%	2.2%	0.9%	9.9%
Merrick Bank Corporation	UT	\$6,218,750	\$186,728	\$4,993,743	\$963,060	\$292,234	\$0	\$292,234	\$4,982,422	\$1,149,976	100.2%	19.3%	5.9%	18.5%
Toyota Financial Savings Bank	NV	\$5,600,155	\$2,347,803	\$2,885,261	\$9,957	\$460	\$0	\$460	\$4,200,606	\$800,558	68.7%	0.3%	0.0%	14.3%
WEX Bank	UT	\$7,074,303	\$3,075,950	\$3,049,443	\$51,994	\$24,449	\$0	\$24,449	\$5,358,821	\$595,196	56.9%	1.7%	0.8%	8.4%
USAA Savings Bank	NV	\$2,569,748	\$606,707	\$0	\$0	\$0	\$0	\$0	\$155,708	\$734,260	0.0%	0.0%	0.0%	28.6%
Celtic Bank	UT	\$2,961,120	\$320,172	\$2,145,840	\$39,858	\$28,142	\$426	\$28,568	\$2,159,892	\$548,798	99.3%	1.9%	1.3%	18.5%
Medallion Bank	UT	\$2,266,338	\$56,030	\$2,100,337	\$79,283	\$14,089	\$0	\$14,089	\$1,871,039	\$351,792	112.3%	3.8%	0.7%	15.5%
WebBank	UT	\$2,517,462	\$323,528	\$1,994,094	\$25,486	\$15,874	\$0	\$15,874	\$2,081,723	\$344,282	95.8%	1.3%	0.8%	13.7%
		\$29,207,876	\$6,916,918	\$17,168,718	\$1,169,638	\$375,248	\$426	\$375,674	\$20,810,211	\$4,524,862	82.5%	6.8%	2.2%	15.5%
The Pitney Bowes Bank	UT	\$870,647	\$219,721	\$340,489	\$7,429	\$1,388	\$0	\$1,388	\$741,420	\$55,872	45.9%	2.2%	0.4%	6.4%
Finance Factors, Ltd	HI	\$674,138	\$90,394	\$486,741	\$11,686	\$749	\$0	\$749	\$542,053	\$70,424	89.8%	2.4%	0.2%	10.4%
Nelnet	UT	\$991,252	\$532,327	\$438,475	\$8,698	\$1,255	\$0	\$1,255	\$847,564	\$135,606	51.7%	2.0%	0.3%	13.7%
Hatch Bank	CA	\$163,064	\$31,237	\$119,975	\$924	\$115	\$0	\$115	\$80,248	\$28,941	149.5%	0.8%	0.1%	17.7%
Eaglemark Savings Bank	NV	\$592,462	\$33,000	\$531,330	\$117	\$0	\$0	\$0	\$450,454	\$98,086	118.0%	0.0%	0.0%	16.6%
Balboa Thrift and Loan Association	CA	\$405,063	\$0	\$376,188	\$8,887	\$1,620	\$0	\$1,620	\$353,347	\$49,330	106.5%	2.4%	0.4%	12.2%
Community Commerce Bank	CA	\$378,011	\$11,733	\$281,925	\$3,398	\$7	\$2,718	\$2,725	\$275,335	\$59,250	102.4%	1.2%	1.0%	15.7%
Square Financial Services, Inc.	UT	\$677,682	\$2,414	\$299,995	\$17,202	\$1,533	\$0	\$1,533	\$214,294	\$409,437	140.0%	5.7%	0.5%	60.4%
Milestone Bank (formerly LCA)	UT	\$315,994	\$2,472	\$284,029	\$6,451	\$2,103	\$0	\$2,103	\$267,897	\$43,100	106.0%	2.3%	0.7%	13.6%
First Electronic Bank	UT	\$269,555	\$1,023	\$100,830	\$0	\$0	\$0	\$0	\$177,832	\$81,965	56.7%	0.0%	0.0%	30.4%
Minnesota First Credit And Savings	MN	\$24,741	\$0	\$22,564	\$394	\$0	\$0	\$0	\$18,387	\$4,132	122.7%	1.7%	0.0%	16.7%
		\$5,362,609	\$924,321	\$3,282,541	\$65,186	\$8,770	\$2,718	\$11,488	\$3,968,831	\$1,036,143	82.7%	2.0%	0.3%	19.3%
		<b>\$241,333,041</b>	<b>\$43,419,569</b>	<b>\$153,522,018</b>	<b>\$4,180,128</b>	<b>\$1,533,879</b>	<b>\$5,909</b>	<b>\$1,539,788</b>	<b>\$177,612,553</b>	<b>\$26,062,571</b>	<b>86.4%</b>	<b>2.7%</b>	<b>1.0%</b>	<b>10.8%</b>

Source: FDIC Reports of Condition as of March 14, 2024



**Safety and Soundness Statistics - Income**  
**Industrial Banking Industry**  
**YTD December 31, 2023**

(\$ in 000's)

	# FTE	Net Interest Income	Non-Interest Income	Non-Interest Expense	Pre-provision Pre-tax Net	Provision	Taxes	Net Income	Annualized ROA	ROE	Efficiency Ratio	Provisions to Loans	
<b>National Totals</b>	2,078,728	\$ 698,218,317	\$ 293,890,156	\$ 590,263,087	\$ 401,845,386	\$ 86,323,636	\$ 59,130,816	\$ 256,858,252	1.09%	11.18%	59.50%	0.69%	
<b>All Industrial Bank Totals</b>	5,312	\$ 10,379,913	\$ 4,131,421	\$ 5,766,963	\$ 8,744,371	\$ 2,040,279	\$ 1,627,221	\$ 5,076,871	2.10%	19.48%	39.74%	1.33%	
<b>National Totals w/o Industrial Banks</b>	2,073,416	\$ 687,838,404	\$ 289,758,735	\$ 584,496,124	\$ 393,101,015	\$ 84,283,357	\$ 57,503,595	\$ 251,781,381	1.07%	11.09%	59.79%	0.69%	
<b>Nevada (4) Industrial Bank Totals</b>	314	\$ 309,041	\$ 1,799,978	\$ 1,353,876	\$ 755,143	\$ 1,289	\$ 182,240	\$ 571,614	1.86%	11.63%	64.19%	0.02%	
<b>Utah (15) Industrial Bank Totals</b>	4,723	\$ 10,022,597	\$ 2,321,900	\$ 4,366,687	\$ 7,977,810	\$ 2,034,202	\$ 1,443,107	\$ 4,500,501	2.15%	21.50%	35.37%	1.39%	
<b>All States w/o NV &amp; UT (5) Bank Totals</b>	275	\$ 48,275	\$ 9,543	\$ 46,400	\$ 11,418	\$ 4,788	\$ 1,874	\$ 4,756	0.29%	2.24%	80.25%	0.37%	
<b>ILC Banks</b>	ST	# FTE	Net Interest Income	Non-Interest Income	Non-Interest Expense	Pre-provision Pre-tax Net	Provision	Taxes	Net Income	Annualized ROA	ROE	Efficiency Ratio	Provisions to Loans
UBS Bank USA	UT	699	\$ 2,390,523	\$ 101,365	\$ 525,077	\$ 1,966,811	\$ 827	\$ 445,676	\$ 1,520,308	1.33%	16.09%	21.07%	0.00%
Sallie Mae Bank	UT	1,729	\$ 1,606,093	\$ 263,804	\$ 562,949	\$ 1,306,948	\$ 345,463	\$ 248,049	\$ 713,436	2.45%	28.24%	30.11%	1.59%
OptumHealth Bank, Inc	UT	541	\$ 566,000	\$ 232,000	\$ 220,000	\$ 578,000	\$ 21,000	\$ 131,000	\$ 426,000	2.60%	27.45%	27.57%	0.42%
BMW Bank of North America	UT	30	\$ 333,142	\$ 96,701	\$ 86,951	\$ 342,892	\$ 12,648	\$ 85,428	\$ 244,816	2.05%	13.55%	20.23%	0.14%
Comenity Capital Bank	UT	120	\$ 2,306,771	\$ 483,366	\$ 1,290,079	\$ 1,500,058	\$ 791,039	\$ 177,556	\$ 531,463	4.10%	28.15%	46.24%	6.98%
Beal Bank USA	NV	97	\$ 157,962	\$ 619,402	\$ 485,912	\$ 291,452	\$ 1,255	\$ 68,896	\$ 221,301	1.01%	6.74%	62.51%	0.05%
		3,216	\$ 7,360,491	\$ 1,796,638	\$ 3,170,968	\$ 5,986,161	\$ 1,172,232	\$ 1,156,605	\$ 3,657,324	1.8%	17.8%	34.6%	0.9%
Merrick Bank Corporation	UT	513	\$ 1,151,437	\$ 201,519	\$ 392,207	\$ 960,749	\$ 666,656	\$ 72,674	\$ 221,419	3.56%	19.25%	28.99%	13.35%
Toyota Financial Savings Bank	NV	113	\$ 46,224	\$ 3,760	\$ 34,220	\$ 15,764	\$ -	\$ 4,993	\$ 10,771	0.19%	1.35%	68.46%	0.00%
WEX Bank	UT	82	\$ 785,097	\$ 491,996	\$ 750,573	\$ 526,520	\$ 60,649	\$ 113,587	\$ 352,284	4.98%	59.19%	58.77%	1.99%
USAA Savings Bank	NV	5	\$ 71,935	\$ 1,162,096	\$ 816,300	\$ 417,731	\$ -	\$ 100,851	\$ 316,880	12.33%	43.16%	66.15%	0.00%
Celtic Bank	UT	309	\$ 183,225	\$ 98,764	\$ 95,331	\$ 186,658	\$ 8,615	\$ 46,530	\$ 131,513	4.44%	23.96%	33.81%	0.40%
Medallion Bank	UT	128	\$ 188,953	\$ 2,031	\$ 47,396	\$ 143,588	\$ 36,457	\$ 27,279	\$ 79,852	3.52%	22.70%	24.82%	1.74%
WebBank	UT	244	\$ 281,402	\$ 55,094	\$ 208,154	\$ 128,342	\$ 51,824	\$ 19,566	\$ 56,952	2.26%	16.54%	61.86%	2.60%
		1,394	\$ 2,708,273	\$ 2,015,260	\$ 2,344,181	\$ 2,379,352	\$ 824,201	\$ 385,480	\$ 1,169,671	4.0%	25.8%	49.6%	4.8%
The Pitney Bowes Bank	UT	21	\$ 54,154	\$ 27,327	\$ 9,686	\$ 71,795	\$ 6,181	\$ 15,830	\$ 49,784	5.72%	89.10%	11.89%	1.82%
Finance Factors, Ltd	HI	118	\$ 16,776	\$ 3,963	\$ 17,323	\$ 3,416	\$ -	\$ 692	\$ 2,724	0.40%	3.87%	83.53%	0.00%
Nelnet	UT	52	\$ 23,689	\$ 1,045	\$ 15,104	\$ 9,630	\$ 8,475	\$ 213	\$ 942	0.10%	0.69%	61.07%	1.93%
Hatch Bank	CA	16	\$ 2,236	\$ 3,886	\$ 6,374	\$ (252)	\$ 543	\$ -	\$ (795)	-0.49%	-2.75%	104.12%	0.45%
Eaglemark Savings Bank	NV	99	\$ 32,920	\$ 14,720	\$ 17,444	\$ 30,196	\$ 34	\$ 7,500	\$ 22,662	3.83%	23.10%	36.62%	0.01%
Balboa Thrift and Loan Association	CA	88	\$ 17,570	\$ 763	\$ 13,633	\$ 4,700	\$ 4,429	\$ 211	\$ 60	0.01%	0.12%	74.36%	1.18%
Community Commerce Bank	CA	45	\$ 10,555	\$ 874	\$ 7,941	\$ 3,488	\$ (184)	\$ 946	\$ 2,726	0.72%	4.60%	69.48%	-0.07%
Square Financial Services, Inc.	UT	124	\$ 90,049	\$ 243,990	\$ 125,452	\$ 208,587	\$ 18,836	\$ 49,310	\$ 140,441	20.72%	34.30%	37.56%	6.28%
Milestone Bank (formerly LCA)	UT	52	\$ 16,955	\$ 577	\$ 11,636	\$ 5,896	\$ 5,532	\$ 96	\$ 268	0.08%	0.62%	66.37%	1.95%
First Electronic Bank	UT	79	\$ 45,107	\$ 22,321	\$ 26,092	\$ 41,336	\$ -	\$ 10,313	\$ 31,023	11.51%	37.85%	38.70%	0.00%
Minnesota First Credit And Savings	MN	8	\$ 1,138	\$ 57	\$ 1,129	\$ 66	\$ -	\$ 25	\$ 41	0.17%	0.99%	94.48%	0.00%
		702	\$ 311,149	\$ 319,523	\$ 251,814	\$ 378,858	\$ 43,846	\$ 85,136	\$ 249,876	4.7%	24.1%	39.9%	1.3%
		<b>5,312</b>	<b>\$ 10,379,913</b>	<b>\$ 4,131,421</b>	<b>\$ 5,766,963</b>	<b>\$ 8,744,371</b>	<b>\$ 2,040,279</b>	<b>\$ 1,627,221</b>	<b>\$ 5,076,871</b>	<b>2.10%</b>	<b>19.48%</b>	<b>39.74%</b>	<b>1.33%</b>

Source: FDIC Reports of Income as of March 14, 2024

Note: Security Gains (Losses) are included with Non-Interest Income. Extraordinary Items and Noncontrolling Interests are included in Net Income.

