

**COMPARATIVE SAFETY AND SOUNDNESS**  
**THE INDUSTRIAL BANK INDUSTRY**  
QUARTER ENDED MARCH 31, 2024





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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 March 31, 2024 call report data for individual banks and for aggregated banking industry segments. Details are presented on the attached reports.

**Key Ratios for Banks as of and for the quarter ended March 31, 2024 and 2023**

	<u>Banks–2023</u>		<u>Banks–2022</u>	
	Industrial	All	Industrial	All
Equity to Assets	11.6%	9.7%	10.1%	9.5%
<b>Asset Quality</b>				
Troubled Loans	1.0%	0.9%	0.9%	0.8%
Allowance to Loans	2.7%	1.8%	2.7%	1.7%
<b>Annualized Profitability</b>				
Return on Assets	3.72%*	1.09%	2.31%	1.35%
Return on Equity	31.9%*	11.1%	22.9%	14.1%

*\*Notably, one industrial bank reported uncommonly high earnings in 2024. Excluding that bank, industrial banks annualized ROA and ROE was 2.39% and 22.3%.*

**Conclusion**

The banking industry, in general, enjoyed strong profitability and solid financial condition in the first quarters of 2024 and 2023. The banking industry in general was sound and safe as of March 31, 2024, although the effects of higher interest rates have reduced earnings levels for many banks in 2024. The industrial bank sector continued to achieve superior earnings and strong capital and asset quality ratios.

**Safety and Soundness Statistics - Balance Sheet**  
**Industrial Banking Industry**  
**March 31, 2024**

(\$ 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>	\$23,957,713,568	\$5,474,623,909	\$12,417,309,247	\$218,574,663	\$114,049,173	\$2,979,158	\$117,028,331	\$18,997,644,789	\$2,317,676,170	65.4%	1.8%	0.9%	9.7%
<b>All Industrial Bank Totals</b>	\$234,422,074	\$43,425,193	\$152,486,531	\$4,128,165	\$1,514,692	\$5,026	\$1,519,718	\$173,926,884	\$27,292,745	87.7%	2.7%	1.0%	11.6%
<b>National Totals w/o Industrial Bank Totals</b>	\$23,723,291,494	\$5,431,198,716	\$12,264,822,716	\$214,446,498	\$112,534,481	\$2,974,132	\$115,508,613	\$18,823,717,905	\$2,290,383,425	65.2%	1.7%	0.9%	9.7%
<b>Nevada (4) Industrial Bank Totals</b>	\$27,229,068	\$16,101,761	\$6,377,323	\$33,737	\$387,598	\$1,807	\$389,405	\$11,184,639	\$5,879,086	57.0%	0.5%	6.1%	21.6%
<b>Utah (15) Industrial Bank Totals</b>	\$205,532,421	\$27,187,725	\$144,820,176	\$4,069,233	\$1,125,297	\$501	\$1,125,798	\$161,446,877	\$21,200,295	89.7%	2.8%	0.8%	10.3%
<b>All States w/o NV &amp; UT (5) Bank Totals</b>	\$1,660,585	\$135,707	\$1,289,032	\$25,195	\$1,797	\$2,718	\$4,515	\$1,295,368	\$213,364	99.5%	2.0%	0.4%	12.8%

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	\$110,524,752	\$7,229,537	\$81,820,038	\$112,370	\$59,242	\$0	\$59,242	\$89,863,719	\$9,180,155	91.0%	0.1%	0.1%	8.3%
Sallie Mae Bank	UT	\$28,327,176	\$2,271,108	\$21,601,115	\$1,350,058	\$182,708	\$0	\$182,708	\$21,211,915	\$2,690,974	101.8%	6.2%	0.8%	9.5%
OptumHealth Bank, Inc	UT	\$17,265,000	\$10,281,000	\$5,418,000	\$47,000	\$13,000	\$0	\$13,000	\$14,464,000	\$1,645,000	37.5%	0.9%	0.2%	9.5%
BMW Bank of North America	UT	\$12,037,753	\$2,214,814	\$9,204,838	\$38,055	\$13,767	\$0	\$13,767	\$7,604,777	\$1,874,043	121.0%	0.4%	0.1%	15.6%
Comenity Capital Bank	UT	\$12,730,018	\$108,861	\$10,723,837	\$1,354,584	\$484,442	\$0	\$484,442	\$9,525,543	\$1,986,909	112.6%	12.6%	4.5%	15.6%
Beal Bank USA	NV	\$18,030,977	\$13,124,364	\$2,617,881	\$22,286	\$387,140	\$1,807	\$388,947	\$6,017,429	\$4,174,793	43.5%	0.9%	14.9%	23.2%
		\$198,915,676	\$35,229,684	\$131,385,709	\$2,924,353	\$1,140,299	\$1,807	\$1,142,106	\$148,687,383	\$21,551,874	88.4%	2.2%	0.9%	10.8%
Merrick Bank Corporation	UT	\$5,984,756	\$192,292	\$4,850,857	\$927,910	\$279,002	\$0	\$279,002	\$4,730,548	\$1,180,723	102.5%	19.1%	5.8%	19.7%
Toyota Financial Savings Bank	NV	\$5,971,011	\$2,358,523	\$3,204,947	\$11,322	\$458	\$0	\$458	\$4,566,277	\$802,125	70.2%	0.4%	0.0%	13.4%
WEX Bank	UT	\$7,515,888	\$3,358,067	\$3,395,105	\$53,181	\$22,684	\$0	\$22,684	\$5,683,365	\$570,124	59.7%	1.6%	0.7%	7.6%
USAA Savings Bank	NV	\$2,624,123	\$608,874	\$0	\$0	\$0	\$0	\$0	\$156,976	\$797,793	0.0%	0.0%	0.0%	30.4%
Celtic Bank	UT	\$3,114,421	\$338,149	\$2,270,609	\$41,455	\$38,878	\$501	\$39,379	\$2,155,922	\$582,229	105.3%	1.8%	1.7%	18.7%
Medallion Bank	UT	\$2,310,801	\$54,768	\$2,121,180	\$78,648	\$11,114	\$0	\$11,114	\$1,883,446	\$358,610	112.6%	3.7%	0.5%	15.5%
WebBank	UT	\$2,292,156	\$317,549	\$1,771,433	\$22,120	\$12,542	\$0	\$12,542	\$1,863,857	\$345,775	95.0%	1.2%	0.7%	15.1%
		\$29,813,156	\$7,228,222	\$17,614,131	\$1,134,636	\$364,678	\$501	\$365,179	\$21,040,391	\$4,637,379	83.7%	6.4%	2.1%	15.6%
The Pitney Bowes Bank	UT	\$849,897	\$210,958	\$341,418	\$7,448	\$1,481	\$0	\$1,481	\$712,283	\$57,115	47.9%	2.2%	0.4%	6.7%
Finance Factors, Ltd	HI	\$669,280	\$94,414	\$478,650	\$11,932	\$545	\$0	\$545	\$537,716	\$72,104	89.0%	2.5%	0.1%	10.8%
Nelnet	UT	\$1,125,122	\$604,770	\$490,774	\$10,788	\$1,994	\$0	\$1,994	\$960,633	\$139,580	51.1%	2.2%	0.4%	12.4%
Hatch Bank	CA	\$159,324	\$30,574	\$112,862	\$991	\$49	\$0	\$49	\$81,030	\$28,815	139.3%	0.9%	0.0%	18.1%
Eaglemark Savings Bank	NV	\$602,957	\$10,000	\$554,495	\$129	\$0	\$0	\$0	\$443,957	\$104,375	124.9%	0.0%	0.0%	17.3%
Balboa Thrift and Loan Association	CA	\$418,711	\$0	\$383,701	\$8,465	\$1,193	\$0	\$1,193	\$367,556	\$48,764	104.4%	2.2%	0.3%	11.6%
Community Commerce Bank	CA	\$387,883	\$10,719	\$291,102	\$3,398	\$10	\$2,718	\$2,728	\$289,953	\$59,559	100.4%	1.2%	0.9%	15.4%
Square Financial Services, Inc.	UT	\$737,556	\$2,392	\$309,396	\$18,359	\$1,718	\$0	\$1,718	\$229,296	\$452,257	134.9%	5.9%	0.6%	61.3%
Milestone Bank (formerly LCA)	UT	\$367,063	\$2,461	\$334,810	\$7,257	\$2,725	\$0	\$2,725	\$310,592	\$43,433	107.8%	2.2%	0.8%	11.8%
First Electronic Bank	UT	\$350,062	\$999	\$166,766	\$0	\$0	\$0	\$0	\$246,981	\$93,368	67.5%	0.0%	0.0%	26.7%
Minnesota First Credit And Savings	MN	\$25,387	\$0	\$22,717	\$409	\$0	\$0	\$0	\$19,113	\$4,122	118.9%	1.8%	0.0%	16.2%
		\$5,693,242	\$967,287	\$3,486,691	\$69,176	\$9,715	\$2,718	\$12,433	\$4,199,110	\$1,103,492	83.0%	2.0%	0.4%	19.4%
		<b>\$234,422,074</b>	<b>\$43,425,193</b>	<b>\$152,486,531</b>	<b>\$4,128,165</b>	<b>\$1,514,692</b>	<b>\$5,026</b>	<b>\$1,519,718</b>	<b>\$173,926,884</b>	<b>\$27,292,745</b>	<b>87.7%</b>	<b>2.7%</b>	<b>1.0%</b>	<b>11.6%</b>

Source: FDIC Reports of Condition as of June 10, 2024



**Safety and Soundness Statistics - Income**  
**Industrial Banking Industry**  
**YTD March 31, 2024**

(\$ 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>	2,073,967	\$ 171,563,235	\$ 77,136,599	\$ 147,451,868	\$ 101,247,966	\$ 20,605,810	\$ 16,446,040	\$ 64,166,542	1.07%	11.07%	59.29%	0.17%	
<b>All Industrial Bank Totals</b>	5,303	\$ 2,613,220	\$ 2,056,716	\$ 1,361,695	\$ 3,308,241	\$ 444,490	\$ 684,343	\$ 2,179,408	3.72%	31.94%	29.16%	0.29%	
<b>National Totals w/o Industrial Banks</b>	2,068,664	\$ 168,950,015	\$ 75,079,883	\$ 146,090,173	\$ 97,939,725	\$ 20,161,320	\$ 15,761,697	\$ 61,987,134	1.05%	10.83%	59.87%	0.16%	
<b>Nevada (4) Industrial Bank Totals</b>	315	\$ 130,337	\$ 1,411,302	\$ 274,563	\$ 1,267,076	\$ 1,125	\$ 291,471	\$ 974,480	14.32%	66.30%	17.81%	0.02%	
<b>Utah (15) Industrial Bank Totals</b>	4,713	2,471,776	641,364	1,075,400	2,037,740	441,884	392,529	1,203,327	2.34%	22.70%	34.54%	0.31%	
<b>All States w/o NV &amp; UT (5) Bank Totals</b>	275	\$ 11,107	\$ 4,050	\$ 11,732	\$ 3,425	\$ 1,481	\$ 343	\$ 1,601	0.39%	3.00%	77.40%	0.11%	
<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	635	\$ 545,208	\$ 26,552	\$ 111,649	\$ 460,111	\$ (1,046)	\$ 117,597	\$ 343,560	1.24%	14.97%	19.53%	0.00%
Sallie Mae Bank	UT	1,739	\$ 400,087	\$ 176,014	\$ 143,740	\$ 432,361	\$ 12,041	\$ 103,016	\$ 317,304	4.48%	47.17%	24.95%	0.06%
OptumHealth Bank, Inc	UT	545	\$ 162,000	\$ 62,000	\$ 53,000	\$ 171,000	\$ 3,000	\$ 39,000	\$ 129,000	2.99%	31.37%	23.66%	0.06%
BMW Bank of North America	UT	30	\$ 87,059	\$ 27,084	\$ 22,150	\$ 91,993	\$ 5,484	\$ 16,724	\$ 69,785	2.32%	14.90%	19.41%	0.06%
Comenity Capital Bank	UT	124	\$ 582,496	\$ 60,472	\$ 308,020	\$ 334,948	\$ 199,763	\$ 34,746	\$ 100,439	3.16%	20.22%	47.91%	1.86%
Beal Bank USA	NV	102	\$ 84,320	\$ 1,125,310	\$ 55,303	\$ 1,154,327	\$ (292)	\$ 264,488	\$ 890,131	19.75%	85.29%	4.57%	-0.01%
		3,175	\$ 1,861,170	\$ 1,477,432	\$ 693,862	\$ 2,644,740	\$ 218,950	\$ 575,571	\$ 1,850,219	3.7%	34.3%	20.8%	0.2%
Merrick Bank Corporation	UT	513	\$ 271,038	\$ 46,758	\$ 96,708	\$ 221,088	\$ 170,238	\$ 12,546	\$ 38,304	2.56%	12.98%	30.43%	3.51%
Toyota Financial Savings Bank	NV	114	\$ 17,613	\$ 844	\$ 9,613	\$ 8,844	\$ 1,405	\$ 1,932	\$ 5,507	0.37%	2.75%	52.08%	0.04%
WEX Bank	UT	83	\$ 183,203	\$ 121,475	\$ 196,601	\$ 108,077	\$ 19,017	\$ 21,652	\$ 67,408	3.59%	47.29%	64.53%	0.56%
USAA Savings Bank	NV	4	\$ 19,380	\$ 281,603	\$ 205,365	\$ 95,618	\$ -	\$ 23,065	\$ 72,553	11.06%	36.38%	68.23%	0.00%
Celtic Bank	UT	334	\$ 49,661	\$ 27,567	\$ 25,360	\$ 51,868	\$ 2,088	\$ 12,350	\$ 37,430	4.81%	25.71%	32.84%	0.09%
Medallion Bank	UT	132	\$ 48,191	\$ 625	\$ 11,889	\$ 36,927	\$ 17,003	\$ 5,445	\$ 14,479	2.51%	16.15%	24.35%	0.80%
WebBank	UT	238	\$ 70,867	\$ 15,113	\$ 56,123	\$ 29,857	\$ 755	\$ 7,620	\$ 21,482	3.75%	24.85%	65.27%	0.04%
		1,418	\$ 659,953	\$ 493,985	\$ 601,659	\$ 552,279	\$ 210,506	\$ 84,610	\$ 257,163	3.5%	22.2%	52.1%	1.2%
The Pitney Bowes Bank	UT	22	\$ 15,343	\$ 5,818	\$ 2,781	\$ 18,380	\$ 895	\$ 4,185	\$ 13,300	6.26%	93.15%	13.14%	0.26%
Finance Factors, Ltd	HI	116	\$ 3,701	\$ 2,028	\$ 4,156	\$ 1,573	\$ -	\$ 322	\$ 1,251	0.75%	6.94%	72.54%	0.00%
Nelnet	UT	58	\$ 7,793	\$ 350	\$ 4,881	\$ 3,262	\$ 4,373	\$ (283)	\$ (828)	-0.29%	-2.37%	59.94%	0.89%
Hatch Bank	CA	16	\$ 413	\$ 1,632	\$ 1,570	\$ 475	\$ 183	\$ -	\$ 292	0.73%	4.05%	76.77%	0.16%
Eaglemark Savings Bank	NV	95	\$ 9,024	\$ 3,545	\$ 4,282	\$ 8,287	\$ 12	\$ 1,986	\$ 6,289	4.17%	24.10%	34.07%	0.00%
Balboa Thrift and Loan Association	CA	90	\$ 4,015	\$ 148	\$ 3,615	\$ 548	\$ 1,301	\$ (187)	\$ (566)	-0.54%	-4.64%	86.84%	0.34%
Community Commerce Bank	CA	45	\$ 2,734	\$ 227	\$ 2,138	\$ 823	\$ (3)	\$ 208	\$ 618	0.64%	4.15%	72.21%	0.00%
Square Financial Services, Inc.	UT	125	\$ 27,037	\$ 65,847	\$ 33,125	\$ 59,759	\$ 5,695	\$ 14,056	\$ 40,008	21.70%	35.39%	35.66%	1.84%
Milestone Bank (formerly LCA)	UT	52	\$ 5,541	\$ 272	\$ 2,791	\$ 3,022	\$ 2,578	\$ 111	\$ 333	0.36%	3.07%	48.01%	0.77%
First Electronic Bank	UT	83	\$ 16,252	\$ 5,417	\$ 6,582	\$ 15,087	\$ -	\$ 3,764	\$ 11,323	12.94%	48.51%	30.38%	0.00%
Minnesota First Credit And Savings	MN	8	\$ 244	\$ 15	\$ 253	\$ 6	\$ -	\$ -	\$ 6	0.09%	0.58%	97.68%	0.00%
		710	\$ 92,097	\$ 85,299	\$ 66,174	\$ 111,222	\$ 15,034	\$ 24,162	\$ 72,026	5.1%	26.1%	37.3%	0.4%
		<b>5,303</b>	<b>\$ 2,613,220</b>	<b>\$ 2,056,716</b>	<b>\$ 1,361,695</b>	<b>\$ 3,308,241</b>	<b>\$ 444,490</b>	<b>\$ 684,343</b>	<b>\$ 2,179,408</b>	<b>3.72%</b>	<b>31.94%</b>	<b>29.16%</b>	<b>0.29%</b>

Source: FDIC Reports of Income as of June 10, 2024

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

