

**COMPARATIVE SAFETY AND SOUNDNESS**  
**THE INDUSTRIAL BANK INDUSTRY**  
QUARTER ENDED JUNE 30, 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 June 30, 2024 call report data for individual banks and for aggregated banking industry segments. Details are presented in the attached reports.

**Key Ratios for Banks as of and for the quarter ended June 30, 2024 and 2023**

	<u>Banks–2024</u>		<u>Banks–2023</u>	
	<u>Industrial</u>	<u>All</u>	<u>Industrial</u>	<u>All</u>
Equity to Assets	11.5%	9.9%	10.4%	9.6%
<b>Asset Quality</b>				
Troubled Loans	0.9%	0.9%	0.8%	0.8%
Allowance to Loans	2.6%	1.8%	2.7%	1.7%
<b>Annualized Profitability</b>				
Return on Assets	2.20%	1.20%	2.57%	1.21%
Return on Equity	19.1%	12.1%	24.8%	12.6%

**Conclusion**

The banking industry, in general, enjoyed strong profitability and solid financial condition in the second quarters of 2024 and 2023. The banking industry in general was sound and safe as of June 30, 2024, although the effects of higher interest rates continue to impact earnings levels for many banks. 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**  
**June 30, 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>	\$23,887,133,275	\$5,457,825,172	\$12,543,045,941	\$220,538,391	\$114,339,226	\$3,394,247	\$117,733,473	\$18,807,646,658	\$2,357,975,565	66.7%	1.8%	0.9%	9.9%
<b>All Industrial Bank Totals</b>	\$231,777,811	\$42,407,350	\$154,279,766	\$4,018,062	\$1,392,801	\$14,267	\$1,407,068	\$175,907,941	\$26,736,641	87.7%	2.6%	0.9%	11.5%
<b>National Totals w/o Industrial Bank Totals</b>	\$23,655,355,464	\$5,415,417,822	\$12,388,766,175	\$216,520,329	\$112,946,425	\$3,379,980	\$116,326,405	\$18,631,738,717	\$2,331,238,924	66.5%	1.7%	0.9%	9.9%
<b>Nevada (3) Industrial Bank Totals</b>	\$24,495,948	\$15,475,949	\$6,778,616	\$36,546	\$394,922	\$3,304	\$398,226	\$14,796,334	\$4,679,231	45.8%	0.5%	5.9%	19.1%
<b>Utah (15) Industrial Bank Totals</b>	\$205,658,966	\$26,802,588	\$146,242,828	\$3,954,195	\$994,290	\$8,245	\$1,002,535	\$159,852,267	\$21,843,699	91.5%	2.7%	0.7%	10.6%
<b>All States w/o NV &amp; UT (5) Bank Totals</b>	\$1,622,897	\$128,813	\$1,258,322	\$27,321	\$3,589	\$2,718	\$6,307	\$1,259,340	\$213,711	99.9%	2.2%	0.5%	13.2%

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	\$109,623,997	\$7,134,100	\$83,234,295	\$129,359	\$67,920	\$0	\$67,920	\$88,128,454	\$9,549,302	94.4%	0.2%	0.1%	8.7%
Sallie Mae Bank	UT	\$28,731,156	\$2,283,262	\$20,234,701	\$1,269,652	\$164,131	\$0	\$164,131	\$21,073,781	\$2,834,685	96.0%	6.3%	0.8%	9.9%
OptumHealth Bank, Inc	UT	\$17,080,000	\$9,898,000	\$5,889,000	\$47,000	\$17,000	\$8,000	\$25,000	\$14,181,000	\$1,781,000	41.5%	0.8%	0.4%	10.4%
BMW Bank of North America	UT	\$12,113,437	\$2,205,979	\$9,264,596	\$38,840	\$15,424	\$0	\$15,424	\$7,733,838	\$1,703,427	119.8%	0.4%	0.2%	14.1%
Comenity Capital Bank	UT	\$12,674,370	\$110,344	\$10,598,928	\$1,308,770	\$407,425	\$0	\$407,425	\$9,526,270	\$2,015,120	111.3%	12.3%	3.8%	15.9%
Beal Bank USA	NV	\$17,500,461	\$13,304,096	\$2,534,325	\$21,834	\$394,465	\$3,304	\$397,769	\$9,366,777	\$3,763,363	27.1%	0.9%	15.7%	21.5%
		\$197,723,421	\$34,935,781	\$131,755,845	\$2,815,455	\$1,066,365	\$11,304	\$1,077,669	\$150,010,120	\$21,646,897	87.8%	2.1%	0.8%	10.9%
Merrick Bank Corporation	UT	\$6,066,778	\$208,779	\$5,351,729	\$911,320	\$227,089	\$0	\$227,089	\$4,774,323	\$1,209,711	112.1%	17.0%	4.2%	19.9%
Toyota Financial Savings Bank	NV	\$6,328,154	\$2,146,853	\$3,630,412	\$14,572	\$457	\$0	\$457	\$4,922,739	\$804,493	73.7%	0.4%	0.0%	12.7%
WEX Bank	UT	\$7,597,943	\$3,375,300	\$3,513,206	\$53,248	\$19,180	\$0	\$19,180	\$5,692,904	\$550,752	61.7%	1.5%	0.5%	7.2%
Celtic Bank	UT	\$3,377,853	\$359,047	\$2,466,907	\$42,787	\$44,568	\$245	\$44,813	\$2,265,047	\$618,454	108.9%	1.7%	1.8%	18.3%
Medallion Bank	UT	\$2,448,015	\$57,552	\$2,274,740	\$84,213	\$10,595	\$0	\$10,595	\$2,011,506	\$366,235	113.1%	3.7%	0.5%	15.0%
WebBank	UT	\$2,228,745	\$313,624	\$1,710,943	\$20,821	\$7,324	\$0	\$7,324	\$1,792,465	\$357,695	95.5%	1.2%	0.4%	16.0%
		\$28,047,488	\$6,461,155	\$18,947,937	\$1,126,961	\$309,213	\$245	\$309,458	\$21,458,984	\$3,907,340	88.3%	5.9%	1.6%	13.9%
The Pitney Bowes Bank	UT	\$899,336	\$229,887	\$342,229	\$8,165	\$1,418	\$0	\$1,418	\$741,561	\$58,772	46.1%	2.4%	0.4%	6.5%
Finance Factors, Ltd	HI	\$667,495	\$94,370	\$477,432	\$12,099	\$1,903	\$0	\$1,903	\$531,866	\$72,212	89.8%	2.5%	0.4%	10.8%
Nelnet	UT	\$1,185,313	\$618,472	\$546,815	\$15,384	\$2,701	\$0	\$2,701	\$1,033,457	\$145,573	52.9%	2.8%	0.5%	12.3%
Hatch Bank	CA	\$125,650	\$29,823	\$79,086	\$2,779	\$100	\$0	\$100	\$47,060	\$29,240	168.1%	3.5%	0.1%	23.3%
Eaglemark Savings Bank	NV	\$667,333	\$25,000	\$613,879	\$140	\$0	\$0	\$0	\$506,818	\$111,375	121.1%	0.0%	0.0%	16.7%
Balboa Thrift and Loan Association	CA	\$412,722	\$0	\$386,580	\$8,636	\$1,069	\$0	\$1,069	\$362,184	\$48,220	106.7%	2.2%	0.3%	11.7%
Community Commerce Bank	CA	\$392,223	\$4,620	\$292,907	\$3,398	\$517	\$2,718	\$3,235	\$299,586	\$59,907	97.8%	1.2%	1.1%	15.3%
Square Financial Services, Inc.	UT	\$816,099	\$3,323	\$301,510	\$17,008	\$6,496	\$0	\$6,496	\$255,933	\$501,258	117.8%	5.6%	2.2%	61.4%
Milestone Bank (formerly LCA)	UT	\$387,032	\$2,462	\$349,434	\$7,628	\$3,019	\$0	\$3,019	\$331,722	\$44,546	105.3%	2.2%	0.9%	11.5%
First Electronic Bank	UT	\$428,892	\$2,457	\$163,795	\$0	\$0	\$0	\$0	\$310,006	\$107,169	52.8%	0.0%	0.0%	25.0%
Minnesota First Credit And Savings	MN	\$24,807	\$0	\$22,317	\$409	\$0	\$0	\$0	\$18,644	\$4,132	119.7%	1.8%	0.0%	16.7%
		\$6,006,902	\$1,010,414	\$3,575,984	\$75,646	\$17,223	\$2,718	\$19,941	\$4,438,837	\$1,182,404	80.6%	2.1%	0.6%	19.7%
		\$231,777,811	\$42,407,350	\$154,279,766	\$4,018,062	\$1,392,801	\$14,267	\$1,407,068	\$175,907,941	\$26,736,641	87.7%	2.6%	0.9%	11.5%

Source: FDIC Reports of Condition as of September 24, 2024

Note: USAA Savings Bank is no longer an Industrial Bank after the June 1, 2024 merger into its parent bank, USAA Federal Savings Bank.



**Safety and Soundness Statistics - Income**  
**Industrial Banking Industry**  
**Quarter ended June 30, 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	Efficiency ROE	Ratio	Provisions to Loans	
<b>National Totals</b>	2,056,867	\$ 171,476,308	\$ 79,216,124	\$ 143,793,056	\$ 106,899,376	\$ 23,295,108	\$ 16,939,709	\$ 71,546,209	1.20%	12.14%	57.36%	0.19%	
<b>All ILC Bank Totals</b>	5,441	\$ 2,561,511	\$ 784,489	\$ 1,165,583	\$ 2,180,417	\$ 481,460	\$ 424,686	\$ 1,274,271	2.20%	19.06%	34.84%	0.31%	
<b>National Totals without ILC Bank Totals</b>	2,051,426	\$ 168,914,797	\$ 78,431,635	\$ 142,627,473	\$ 104,718,959	\$ 22,813,648	\$ 16,515,023	\$ 70,271,938	1.19%	12.06%	57.66%	0.18%	
<b>Nevada (3) Industrial Bank Totals</b>	320	\$ 85,292	\$ 133,532	\$ 45,655	\$ 173,169	\$ 3,003	\$ 42,349	\$ 127,817	2.09%	10.93%	20.86%	0.04%	
<b>Utah (15) Industrial Bank Totals</b>	4,851	\$ 2,464,659	\$ 648,045	\$ 1,108,489	\$ 2,004,215	\$ 476,757	\$ 382,237	\$ 1,145,221	2.23%	20.97%	35.61%	0.33%	
<b>All States w/o NV &amp; UT (5) Bank Totals</b>	270	\$ 11,560	\$ 2,912	\$ 11,439	\$ 3,033	\$ 1,700	\$ 100	\$ 1,233	0.30%	2.31%	79.04%	0.14%	
ILC Banks	ST	# FTE	Net Interest Income	Non-Interest Income	Non-Interest Expense	Pre-provision Pre-tax Net	Provision	Taxes	Net Income	Annualized ROA	Efficiency ROE	Ratio	Provisions to Loans
UBS Bank USA	UT	620	\$ 551,501	\$ 27,752	\$ 127,926	\$ 451,327	\$ 16,872	\$ 109,268	\$ 325,187	1.19%	13.62%	22.08%	0.02%
Sallie Mae Bank	UT	1,772	\$ 382,040	\$ 144,128	\$ 142,564	\$ 383,604	\$ 16,867	\$ 90,004	\$ 276,733	3.85%	39.05%	27.09%	0.08%
OptumHealth Bank, Inc	UT	628	\$ 167,000	\$ 70,000	\$ 54,000	\$ 183,000	\$ 1,000	\$ 43,000	\$ 139,000	3.26%	31.22%	22.78%	0.02%
BMW Bank of North America	UT	30	\$ 87,630	\$ 27,284	\$ 22,034	\$ 92,880	\$ 6,489	\$ 22,401	\$ 63,990	2.11%	15.03%	19.17%	0.07%
Comenity Capital Bank	UT	133	\$ 557,957	\$ 64,441	\$ 314,113	\$ 308,285	\$ 202,062	\$ 28,300	\$ 77,923	2.46%	15.47%	50.47%	1.91%
Beal Bank USA	NV	111	\$ 52,731	\$ 128,967	\$ 32,576	\$ 149,122	\$ (502)	\$ 37,475	\$ 112,149	2.56%	11.92%	17.93%	-0.02%
		3,294	\$ 1,798,859	\$ 462,572	\$ 693,213	\$ 1,568,218	\$ 242,788	\$ 330,448	\$ 994,982	2.0%	18.4%	30.7%	0.2%
Merrick Bank Corporation	UT	512	\$ 264,558	\$ 47,891	\$ 97,066	\$ 215,383	\$ 177,118	\$ 9,457	\$ 28,808	1.90%	9.53%	31.07%	3.31%
Toyota Financial Savings Bank	NV	115	\$ 22,410	\$ 935	\$ 8,520	\$ 14,825	\$ 3,494	\$ 2,663	\$ 8,668	0.55%	4.31%	36.50%	0.10%
WEX Bank	UT	83	\$ 196,181	\$ 128,384	\$ 195,122	\$ 129,443	\$ 15,690	\$ 27,824	\$ 85,929	4.52%	62.41%	60.12%	0.45%
Celtic Bank	UT	346	\$ 51,719	\$ 30,406	\$ 26,928	\$ 55,197	\$ 1,437	\$ 13,535	\$ 40,225	4.76%	26.02%	32.79%	0.06%
Medallion Bank	UT	136	\$ 50,198	\$ 906	\$ 12,403	\$ 38,701	\$ 18,189	\$ 5,477	\$ 15,035	2.46%	16.42%	24.27%	0.80%
WebBank	UT	246	\$ 76,147	\$ 16,354	\$ 60,372	\$ 32,129	\$ 2,624	\$ 7,633	\$ 21,872	3.93%	24.46%	65.27%	0.15%
		1,438	\$ 661,213	\$ 224,876	\$ 400,411	\$ 485,678	\$ 218,552	\$ 66,589	\$ 200,537	2.9%	20.5%	45.2%	1.2%
The Pitney Bowes Bank	UT	21	\$ 15,095	\$ 6,903	\$ 2,345	\$ 19,653	\$ 1,903	\$ 4,229	\$ 13,521	6.01%	92.02%	10.66%	0.56%
Finance Factors, Ltd	HI	113	\$ 3,712	\$ 999	\$ 4,140	\$ 571	\$ -	\$ 62	\$ 509	0.31%	2.82%	87.88%	0.00%
Nelnet	UT	59	\$ 9,570	\$ 747	\$ 5,923	\$ 4,394	\$ 7,837	\$ (862)	\$ (2,581)	-0.87%	-7.09%	57.41%	1.43%
Hatch Bank	CA	19	\$ 577	\$ 1,505	\$ 1,506	\$ 576	\$ (25)	\$ -	\$ 601	1.91%	8.22%	72.33%	-0.03%
Eaglemark Savings Bank	NV	94	\$ 10,151	\$ 3,630	\$ 4,559	\$ 9,222	\$ 11	\$ 2,211	\$ 7,000	4.20%	25.14%	33.08%	0.00%
Balboa Thrift and Loan Association	CA	88	\$ 4,323	\$ 152	\$ 3,493	\$ 982	\$ 1,711	\$ (185)	\$ (544)	-0.53%	-4.51%	78.06%	0.44%
Community Commerce Bank	CA	42	\$ 2,704	\$ 239	\$ 2,057	\$ 886	\$ 14	\$ 223	\$ 649	0.66%	4.33%	69.89%	0.00%
Square Financial Services, Inc.	UT	130	\$ 27,266	\$ 76,423	\$ 36,438	\$ 67,251	\$ 6,619	\$ 16,010	\$ 44,622	21.87%	35.61%	35.14%	2.20%
Milestone Bank (formerly LCA)	UT	48	\$ 6,040	\$ 550	\$ 3,054	\$ 3,536	\$ 2,050	\$ 372	\$ 1,114	1.15%	10.00%	46.34%	0.59%
First Electronic Bank	UT	87	\$ 21,757	\$ 5,876	\$ 8,201	\$ 19,432	\$ -	\$ 5,589	\$ 13,843	12.91%	51.67%	29.68%	0.00%
Minnesota First Credit And Savings	MN	8	\$ 244	\$ 17	\$ 243	\$ 18	\$ -	\$ -	\$ 18	0.29%	1.74%	93.10%	0.00%
		709	\$ 101,439	\$ 97,041	\$ 71,959	\$ 126,521	\$ 20,120	\$ 27,649	\$ 78,752	5.2%	26.6%	36.3%	0.6%
		<b>5,441</b>	<b>\$ 2,561,511</b>	<b>\$ 784,489</b>	<b>\$ 1,165,583</b>	<b>\$ 2,180,417</b>	<b>\$ 481,460</b>	<b>\$ 424,686</b>	<b>\$ 1,274,271</b>	<b>2.20%</b>	<b>19.06%</b>	<b>34.84%</b>	<b>0.31%</b>

Source: FDIC Reports of Income as of September 24, 2024

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

Note: USAA Savings Bank is no longer an Industrial Bank after the June 1, 2024 merger into its parent bank, USAA Federal Savings Bank.

