

COMPARATIVE SAFETY AND SOUNDNESS THE INDUSTRIAL BANK INDUSTRY

QUARTER ENDED MARCH 31, 2025





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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, 2025 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, 2025 and 2024

	<u>Banks–2025</u>		<u>Banks–2024</u>	
	Industrial	All	Industrial	All
Equity to Assets	11.5%	10.1%	11.6%	9.7%
Asset Quality				
Troubled Loans	0.9%	1.0%	1.0%	0.9%
Allowance to Loans	2.6%	1.7%	2.7%	1.8%
Annualized Profitability				
Return on Assets	2.02%	1.15%	3.72%*	1.07%
Return on Equity	17.6%	11.4%	31.9%*	11.1%

**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 2025 and 2024. The banking industry in general was sound and safe as of March 31, 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, 2025

(\$ 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
National Totals	\$24,537,892,445	\$5,598,945,644	\$12,787,073,613	\$223,551,106	\$128,774,787	\$3,669,416	\$132,444,203	\$19,468,900,681	\$2,473,654,120	65.7%	1.75%	1.04%	10.1%
All Industrial Bank Totals	\$247,423,349	\$41,502,497	\$164,540,399	\$4,338,299	\$1,448,093	\$15,059	\$1,463,152	\$191,688,665	\$28,397,120	85.8%	2.64%	0.89%	11.5%
National Totals w/o Industrial Bank Totals	\$24,290,469,096	\$5,557,443,147	\$12,622,533,214	\$219,212,807	\$127,326,694	\$3,654,357	\$130,981,051	\$19,277,212,016	\$2,445,257,000	65.5%	1.74%	1.04%	10.1%
Nevada (3) Industrial Bank Totals	\$26,174,735	\$14,905,845	\$8,985,632	\$49,189	\$391,656	\$3,969	\$395,625	\$17,030,925	\$4,093,267	52.8%	0.55%	4.40%	15.6%
Utah (15) Industrial Bank Totals	\$219,563,871	\$26,471,867	\$154,252,821	\$4,262,443	\$1,050,674	\$8,387	\$1,059,061	\$173,383,570	\$24,086,421	89.0%	2.76%	0.69%	11.0%
All States w/o NV & UT (5) Bank Totals	\$1,684,743	\$124,785	\$1,301,946	\$26,667	\$5,763	\$2,703	\$8,466	\$1,274,170	\$217,432	102.2%	2.05%	0.65%	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	\$116,337,907	\$6,841,733	\$85,495,333	\$101,157	\$71,324	\$0	\$71,324	\$97,879,104	\$9,924,547	87.3%	0.12%	0.08%	8.5%
Sallie Mae Bank	UT	\$28,934,031	\$1,656,977	\$22,606,163	\$1,452,219	\$141,319	\$0	\$141,319	\$20,426,390	\$2,936,737	110.7%	6.42%	0.63%	10.1%
OptumHealth Bank, Inc	UT	\$18,867,000	\$9,878,000	\$7,074,000	\$71,000	\$10,000	\$8,000	\$18,000	\$14,996,000	\$2,399,000	47.2%	1.00%	0.25%	12.7%
BMW Bank of North America	UT	\$12,294,454	\$2,235,976	\$9,453,279	\$38,786	\$10,386	\$0	\$10,386	\$8,074,760	\$1,918,616	117.1%	0.41%	0.11%	15.6%
Comenity Capital Bank	UT	\$13,240,224	\$106,012	\$10,894,353	\$1,366,095	\$431,966	\$0	\$431,966	\$9,942,092	\$1,826,524	109.6%	12.54%	3.97%	13.8%
Beal Bank USA	NV	\$16,287,294	\$11,483,459	\$3,623,041	\$24,012	\$391,622	\$3,969	\$395,591	\$8,914,506	\$3,101,516	40.6%	0.66%	10.92%	19.0%
		\$205,960,910	\$32,202,157	\$139,146,169	\$3,053,269	\$1,056,617	\$11,969	\$1,068,586	\$160,232,852	\$22,106,940	86.8%	2.19%	0.77%	10.7%
Merrick Bank Corporation	UT	\$8,907,169	\$282,237	\$5,967,991	\$972,820	\$236,383	\$0	\$236,383	\$6,971,341	\$1,849,398	85.6%	16.30%	3.96%	20.8%
Toyota Financial Savings Bank	NV	\$9,170,743	\$3,385,386	\$4,709,895	\$25,019	\$34	\$0	\$34	\$7,600,225	\$858,360	62.0%	0.53%	0.00%	9.4%
WEX Bank	UT	\$7,963,639	\$3,897,215	\$3,359,679	\$37,762	\$16,901	\$0	\$16,901	\$5,658,891	\$621,443	59.4%	1.12%	0.50%	7.8%
Celtic Bank	UT	\$4,004,278	\$352,821	\$3,010,558	\$50,884	\$78,453	\$387	\$78,840	\$2,744,106	\$725,738	109.7%	1.69%	2.62%	18.1%
Medallion Bank	UT	\$2,535,508	\$62,181	\$2,368,724	\$91,807	\$9,232	\$0	\$9,232	\$2,027,474	\$391,142	116.8%	3.88%	0.39%	15.4%
WebBank	UT	\$2,081,177	\$129,722	\$1,749,571	\$21,957	\$24,268	\$0	\$24,268	\$1,620,427	\$390,935	108.0%	1.25%	1.39%	18.8%
		\$34,662,514	\$8,109,562	\$21,166,418	\$1,200,249	\$365,271	\$387	\$365,658	\$26,622,464	\$4,837,016	79.5%	5.67%	1.73%	14.0%
The Pitney Bowes Bank	UT	\$834,332	\$158,251	\$414,283	\$7,272	\$1,548	\$0	\$1,548	\$701,108	\$67,528	59.1%	1.76%	0.37%	8.1%
Finance Factors, Ltd	HI	\$711,499	\$88,839	\$510,428	\$11,995	\$4,491	\$0	\$4,491	\$542,136	\$73,868	94.2%	2.35%	0.88%	10.4%
Nelnet	UT	\$1,689,633	\$861,875	\$759,885	\$16,859	\$6,693	\$0	\$6,693	\$1,381,972	\$189,634	55.0%	2.22%	0.88%	11.2%
Hatch Bank	CA	\$134,347	\$31,658	\$85,790	\$2,613	\$311	\$0	\$311	\$40,741	\$31,430	210.6%	3.05%	0.36%	23.4%
Eaglemark Savings Bank	NV	\$716,698	\$37,000	\$652,696	\$158	\$0	\$0	\$0	\$516,194	\$133,391	126.4%	0.02%	0.00%	18.6%
Balboa Thrift and Loan Association	CA	\$416,037	\$0	\$389,278	\$8,252	\$931	\$0	\$931	\$366,779	\$46,997	106.1%	2.12%	0.24%	11.3%
Community Commerce Bank	CA	\$395,456	\$4,288	\$292,518	\$3,398	\$2	\$2,703	\$2,705	\$302,399	\$61,011	96.7%	1.16%	0.92%	15.4%
Square Financial Services, Inc.	UT	\$1,016,616	\$4,183	\$484,442	\$26,496	\$9,378	\$0	\$9,378	\$330,219	\$646,843	146.7%	5.47%	1.94%	63.6%
Milestone Bank (formerly LCA)	UT	\$368,245	\$2,343	\$339,119	\$7,329	\$2,823	\$0	\$2,823	\$304,769	\$48,836	111.3%	2.16%	0.83%	13.3%
First Electronic Bank	UT	\$489,658	\$2,341	\$275,441	\$0	\$0	\$0	\$0	\$324,917	\$149,500	84.8%	0.00%	0.00%	30.5%
Minnesota First Credit And Savings	MN	\$27,404	\$0	\$23,932	\$409	\$28	\$0	\$28	\$22,115	\$4,126	108.2%	1.71%	0.12%	15.1%
		\$6,799,925	\$1,190,778	\$4,227,812	\$84,781	\$26,205	\$2,703	\$28,908	\$4,833,349	\$1,453,164	87.5%	2.01%	0.68%	21.4%
		\$247,423,349	\$41,502,497	\$164,540,399	\$4,338,299	\$1,448,093	\$15,059	\$1,463,152	\$191,688,665	\$28,397,120	85.8%	2.64%	0.89%	11.5%

Source: FDIC Reports of Condition as of July 8, 2025

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
YTD March 31, 2025

(\$ 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
National Totals		2,059,366	\$ 179,047,410	\$ 81,553,593	\$ 149,036,936	\$ 111,564,067	\$ 22,464,483	\$ 18,453,852	\$ 70,569,616	1.15%	11.41%	57.19%	0.18%
All Industrial Bank Totals		5,531	\$ 2,723,924	\$ 653,896	\$ 1,211,752	\$ 2,166,068	\$ 493,563	\$ 423,144	\$ 1,249,361	2.02%	17.60%	35.87%	0.30%
National Totals w/o Industrial Banks		2,053,835	\$ 176,323,486	\$ 80,899,697	\$ 147,825,184	\$ 109,397,999	\$ 21,970,920	\$ 18,030,708	\$ 69,320,255	1.14%	11.34%	57.47%	0.17%
Nevada (3) Industrial Bank Totals		422	\$ 130,343	\$ (74,079)	\$ 47,480	\$ 8,784	\$ 8,271	\$ 1,688	\$ (1,175)	-0.02%	-0.11%	84.39%	0.09%
Utah (15) Industrial Bank Totals		4,841	\$ 2,580,214	\$ 727,275	\$ 1,152,077	\$ 2,155,412	\$ 483,505	\$ 421,642	\$ 1,250,265	2.28%	20.76%	34.83%	0.31%
All States w/o NV & UT (5) Bank Totals		268	\$ 13,367	\$ 700	\$ 12,195	\$ 1,872	\$ 1,787	\$ (186)	\$ 271	0.06%	0.50%	86.69%	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	629	\$ 562,225	\$ 27,782	\$ 126,034	\$ 463,973	\$ 11,704	\$ 124,409	\$ 327,860	1.13%	13.21%	21.36%	0.01%
Sallie Mae Bank	UT	1,672	\$ 386,691	\$ 216,072	\$ 136,678	\$ 466,085	\$ 25,973	\$ 105,415	\$ 334,697	4.63%	45.59%	22.68%	0.11%
OptumHealth Bank, Inc	UT	702	\$ 192,000	\$ 70,000	\$ 73,000	\$ 189,000	\$ 11,000	\$ 41,000	\$ 137,000	2.90%	22.84%	27.86%	0.16%
BMW Bank of North America	UT	27	\$ 93,257	\$ 33,316	\$ 21,796	\$ 104,777	\$ 6,232	\$ 22,857	\$ 75,688	2.46%	15.78%	17.22%	0.07%
Comenity Capital Bank	UT	129	\$ 592,365	\$ 66,262	\$ 351,503	\$ 307,124	\$ 209,815	\$ 27,210	\$ 70,099	2.12%	15.35%	53.37%	1.93%
Beal Bank USA	NV	214	\$ 94,738	\$ (87,350)	\$ 22,692	\$ (15,304)	\$ 201	\$ (2,763)	\$ (12,742)	-0.31%	-1.64%	307.15%	0.01%
		3,373	\$ 1,921,276	\$ 326,082	\$ 731,703	\$ 1,515,655	\$ 264,925	\$ 318,128	\$ 932,602	1.8%	16.9%	32.6%	0.2%
Merrick Bank Corporation	UT	500	\$ 279,456	\$ 47,700	\$ 97,336	\$ 229,820	\$ 167,438	\$ 15,427	\$ 46,955	2.11%	10.16%	29.75%	2.81%
Toyota Financial Savings Bank	NV	116	\$ 25,057	\$ 9,409	\$ 19,990	\$ 14,476	\$ 8,066	\$ 2,145	\$ 4,265	0.19%	1.99%	58.00%	0.17%
WEX Bank	UT	77	\$ 182,743	\$ 125,814	\$ 175,529	\$ 133,028	\$ 9,270	\$ 30,984	\$ 92,774	4.66%	59.72%	56.89%	0.28%
Celtic Bank	UT	366	\$ 60,832	\$ 27,029	\$ 29,392	\$ 58,469	\$ 6,603	\$ 12,410	\$ 39,456	3.94%	21.75%	33.45%	0.22%
Medallion Bank	UT	136	\$ 52,337	\$ 1,561	\$ 13,384	\$ 40,514	\$ 19,038	\$ 5,837	\$ 15,639	2.47%	15.99%	24.83%	0.80%
WebBank	UT	238	\$ 80,125	\$ 20,288	\$ 66,714	\$ 33,699	\$ 4,425	\$ 7,489	\$ 21,785	4.19%	22.29%	66.44%	0.25%
		1,433	\$ 680,550	\$ 231,801	\$ 402,345	\$ 510,006	\$ 214,840	\$ 74,292	\$ 220,874	2.5%	18.3%	44.1%	1.0%
The Pitney Bowes Bank	UT	30	\$ 14,535	\$ 7,395	\$ 4,912	\$ 17,018	\$ 777	\$ 3,932	\$ 12,309	5.90%	72.91%	22.40%	0.19%
Finance Factors, Ltd	HI	105	\$ 4,193	\$ (857)	\$ 4,032	\$ (696)	\$ -	\$ (194)	\$ (502)	-0.28%	-2.72%	120.86%	0.00%
Nelnet	UT	52	\$ 12,568	\$ 128	\$ 5,891	\$ 6,805	\$ 2,325	\$ 1,041	\$ 3,439	0.81%	7.25%	46.40%	0.31%
Hatch Bank	CA	24	\$ 1,521	\$ 1,228	\$ 1,866	\$ 883	\$ 154	\$ -	\$ 729	2.17%	9.28%	67.88%	0.18%
Eaglemark Savings Bank	NV	92	\$ 10,548	\$ 3,862	\$ 4,798	\$ 9,612	\$ 4	\$ 2,306	\$ 7,302	4.08%	21.90%	33.30%	0.00%
Balboa Thrift and Loan Association	CA	92	\$ 4,637	\$ 130	\$ 3,820	\$ 947	\$ 1,631	\$ (171)	\$ (513)	-0.49%	-4.37%	80.13%	0.42%
Community Commerce Bank	CA	39	\$ 2,768	\$ 181	\$ 2,220	\$ 729	\$ 2	\$ 179	\$ 548	0.55%	3.59%	75.28%	0.00%
Square Financial Services, Inc.	UT	138	\$ 37,401	\$ 78,776	\$ 39,122	\$ 77,055	\$ 7,788	\$ 16,911	\$ 52,356	20.60%	32.38%	33.67%	1.61%
Milestone Bank (formerly LCA)	UT	55	\$ 6,140	\$ 702	\$ 3,081	\$ 3,761	\$ 1,117	\$ 661	\$ 1,983	2.15%	16.24%	45.03%	0.33%
First Electronic Bank	UT	90	\$ 27,539	\$ 4,450	\$ 7,705	\$ 24,284	\$ -	\$ 6,059	\$ 18,225	14.89%	48.76%	24.09%	0.00%
Minnesota First Credit And Savings	MN	8	\$ 248	\$ 18	\$ 257	\$ 9	\$ -	\$ -	\$ 9	0.13%	0.87%	96.62%	0.00%
		725	\$ 122,098	\$ 96,013	\$ 77,704	\$ 140,407	\$ 13,798	\$ 30,724	\$ 95,885	5.6%	26.4%	35.6%	0.3%
		5,531	\$ 2,723,924	\$ 653,896	\$ 1,211,752	\$ 2,166,068	\$ 493,563	\$ 423,144	\$ 1,249,361	2.02%	17.60%	35.87%	0.30%

Source: FDIC Reports of Income as of July 8, 2025

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.

