

Innovative and Enduring

Industrial Loan Companies (ILCs) or Industrial Banks have been an integral part of the US financial system for over a century, providing credit and financial innovation during good times and bad. ILCs were originally created to service workers without access to traditional banks. ILCs continue to provide niche financing, especially to Americans without access to credit from larger banks. Perhaps one of the most compelling facts about ILCs is that during the worst years of the financial crisis, when most banks and credit unions were contracting their balance sheets and dramatically reducing lending, ILCs continued to lend and actually grew their assets (loans) year over year, providing needed capital for the US economy.

A Safe and Regulated Industry

ILCs are regulated as any other state-chartered commercial bank. The FDIC serves as the primary federal regulator, with the authority to examine the depository, and as necessary, the parent organization. All federal and state banking and consumer protection laws apply to ILCs. In addition, parent companies are governed by affiliate and source of strength obligations.

Well Performing Insured Depositories

ILCs have consistently outperformed all other FDIC insured institutions for over 20 years.

113 YEARS

Industrial banks have been chartered since 1910. The word “industrial” in the name stems from the original mission of providing credit to industrial workers overlooked by conventional banks.¹

21 YEARS

For the past 21 years ILCs have lowered ratios of troubled assets more than all other insured depositories.¹

32 PERCENT

32% of industrial bank deposits are insured certificates of deposit, which are less susceptible to short-term withdrawals.²

Equity to Assets:	INDUSTRIAL LOAN COMPANIES	ALL NATIONAL BANKS
	9.9%	9.4%

Annual Return on Equity (ROE):	INDUSTRIAL LOAN COMPANIES	ALL NATIONAL BANKS
	20.9%	11.9%

Annual Return on Assets (ROA):	INDUSTRIAL LOAN COMPANIES	ALL NATIONAL BANKS
	2.08%	1.11%

Aggregate statistics drawn from call reports as of December 31, 2022, from the FDIC website.

1. Source: A New Look at the Performance of Industrial Loan Corporations.

2. eccles.utah.edu/utah-center-for-financial-services/