

## Industrial banks – safe & sound institutions providing innovative financial services to millions of Americans

State-chartered industrial banks are the strongest financial institutions in America. They will never experience the challenges facing other banks, especially those that recently failed. The facts are indisputable. America's Industrial Banks serve and protect consumers and are among the strongest and safest banks insured by the FDIC.

### **Lowest** percentage of uninsured deposits

One cause of recent bank failures was large percentages of uninsured deposits, typically more than 90%. In comparison, industrial banks have the lowest overall percentage of uninsured deposits (15.9%).

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### **Higher** level of collateral

Most deposits exceeding insurance coverage in industrial banks are collateral for loan programs and cannot be withdrawn before all program loans are repaid. That avoids runs, loan losses and provides cash to pay withdrawals.

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### **Greater** number of insured certificates of deposits

Recent bank failures were all caused by mass deposit withdrawals by panicked depositors. Industrial banks primarily use insured certificates of deposits which cannot be withdrawn before maturity.

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### **Exceeds** liquid assets to uninsured deposits

Aggregate liquid assets (Cash, deposits at other banks, federal funds sold etc.) for industrial banks consistently exceeded aggregate uninsured deposits.

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### **Safest** in the Country

Quarterly FDIC call reports consistently document that industrial banks hold more capital and are more profitable than other banks and have consistently been the safest and strongest financial institutions in the country.

[industrialbankers.org/resources-2?category=Reports%20and%20Studies](http://industrialbankers.org/resources-2?category=Reports%20and%20Studies)

### **Same** FDIC and State Regulations

Industrial banks are regulated by the FDIC and state regulators, using the same supervisory tools and standards applied to other banks..

[eccles.utah.edu/utah-center-for-financial-services/source-of-strength-and-consolidated-supervision-a-comparative-assessment-of-industrial-banks-and-commercial-banks/](http://eccles.utah.edu/utah-center-for-financial-services/source-of-strength-and-consolidated-supervision-a-comparative-assessment-of-industrial-banks-and-commercial-banks/)

### **Source** of Strength

Industrial bank parents are required to serve as a "source of strength" and contribute additional capital to ensure their bank's solvency whenever needed. Industrial bank parents are better able to provide this support because, unlike most commercial bank holding companies, industrial bank parents typically hold many assets apart from the bank.

[fdic.gov/news/fact-sheets/ilc-12-15-20.pdf](http://fdic.gov/news/fact-sheets/ilc-12-15-20.pdf)