

# Comparative Safety and Soundness The Industrial Bank Industry Year End 2022

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**Comparative Safety and Soundness**  
**The Industrial Bank Industry**  
**Year End 2022**

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 December 31, 2022 call report data for individual banks and for aggregated banking industry segments. Details are presented on the attached reports.

**Ratios of Banks as of and for the year ended**  
**December 31, 2022 and 2021**

	<b>Banks-2022</b>		<b>Banks-2021</b>	
	<b>INDUSTRIAL</b>	<b>ALL</b>	<b>INDUSTRIAL</b>	<b>ALL</b>
Equity to Assets	9.9%	9.4%	10.8%	9.9%
<b>Asset Quality</b>				
Troubled Loans	1.0%	0.8%	0.7%	0.9%
Allowance to Loans	2.5%	1.6%	2.1%	1.6%
<b>Profitability</b>				
Return on Assets	2.08%	1.11%	2.18%	1.18%
Return on Equity	20.9%	11.9%	20.2%	11.8%

**Conclusion**

The banking industry enjoyed strong profitability and solid financial condition in 2022. While the banking industry is sound and safe as of December 31, 2021, the industrial bank sector continues to achieve superior earning strength and strong capital and asset quality ratios. As expected, economic conditions are causing a small increase in troubled loan ratios of industrial banks, leading to increased reserves for potential losses.

**Safety and Soundness Statistics - Balance Sheet**  
**Industrial Banking Industry**  
**December 31, 2022**

(\$ in 000's)

	Assets	Securities/ CRA Investments	Loans	Allowance	Nonaccrual & 90 Day Past Due	Other Real Estate Owned	Total Troubled			Loan to Deposits	Allowances to Loans	Troubled Assets to	
							Assets	Deposits	Equity			Loans	Assets
<b>National Totals</b>	\$23,600,013,705	\$5,884,010,794	\$12,226,875,817	\$195,299,908	\$90,288,214	\$2,595,853	\$92,884,067	\$19,214,553,845	\$2,207,319,379	63.6%	1.6%	0.8%	9.4%
<b>All ILC Bank Totals</b>	\$248,764,536	\$48,466,118	\$156,491,698	\$3,987,944	\$1,516,160	\$9,999	\$1,526,159	\$197,791,316	\$24,745,710	79.1%	2.5%	1.0%	9.9%
<b>National Totals without ILC Bank Totals</b>	\$23,351,249,169	\$5,835,544,676	\$12,070,384,119	\$191,311,964	\$88,772,054	\$2,585,854	\$91,357,908	\$19,016,762,529	\$2,182,573,669	63.5%	1.6%	0.8%	9.3%
<b>Nevada Bank Totals</b>	\$35,272,557	\$23,005,840	\$5,308,609	\$33,467	\$438,594	\$6,315	\$444,909	\$25,041,602	\$4,320,806	21.2%	0.6%	8.4%	12.2%
<b>Utah Bank Totals</b>	\$211,831,766	\$25,334,524	\$149,988,391	\$3,932,122	\$1,075,608	\$966	\$1,076,574	\$171,466,274	\$20,164,670	87.5%	2.6%	0.7%	9.5%
<b>All States without NV &amp; UT Totals</b>	\$1,494,197	\$125,743	\$1,148,869	\$22,754	\$1,958	\$2,718	\$4,676	\$1,176,887	\$210,606	97.6%	2.0%	0.4%	14.1%

  

ILC Banks	ST	Assets	Securities/ CRA Investments	Loans	Allowance	Nonaccrual & 90 Day Past Due	Other Real Estate Owned	Total Troubled			Loan to Deposits	Allowances to Loans	Troubled Assets to	
								Assets	Deposits	Equity			Loans	Assets
UBS Bank USA	UT	\$120,987,397	\$7,562,481	\$89,243,237	\$79,919	\$14,190	\$936	\$15,126	\$103,818,007	\$9,413,530	86.0%	0.1%	0.0%	7.8%
Sallie Mae Bank	UT	\$28,714,313	\$2,342,089	\$21,037,028	\$1,357,075	\$212,757	\$0	\$212,757	\$21,646,467	\$2,319,529	97.2%	6.5%	1.0%	8.1%
OptumHealth Bank, Inc	UT	\$15,675,667	\$10,246,954	\$3,966,859	\$25,799	\$102	\$0	\$102	\$13,437,184	\$1,502,813	29.5%	0.7%	0.0%	9.6%
BMW Bank of North America	UT	\$11,886,358	\$2,273,286	\$9,033,333	\$26,000	\$14,766	\$0	\$14,766	\$7,561,649	\$1,775,846	119.5%	0.3%	0.2%	14.9%
Comenity Capital Bank	UT	\$14,890,468	\$101,491	\$12,964,612	\$1,474,069	\$433,127	\$0	\$433,127	\$9,240,518	\$2,039,651	140.3%	11.4%	3.3%	13.7%
Beal Bank USA	NV	\$25,971,989	\$18,417,015	\$2,596,452	\$22,302	\$438,417	\$6,315	\$444,732	\$18,933,558	\$2,843,906	13.7%	0.9%	17.1%	10.9%
		\$218,126,192	\$40,943,316	\$138,841,521	\$2,985,164	\$1,113,359	\$7,251	\$1,120,610	\$174,637,383	\$19,895,275	79.5%	2.2%	0.8%	9.1%
Merrick Bank Corporation	UT	\$5,904,023	\$151,770	\$4,751,923	\$752,210	\$270,780	\$0	\$270,780	\$4,584,061	\$1,242,412	103.7%	15.8%	5.7%	21.0%
Toyota Financial Savings Bank	NV	\$6,590,970	\$3,823,998	\$2,344,654	\$11,165	\$177	\$0	\$177	\$5,638,043	\$766,352	41.6%	0.5%	0.0%	11.6%
WEX Bank	UT	\$5,302,687	\$1,434,271	\$2,948,587	\$68,256	\$68,200	\$0	\$68,200	\$4,664,994	\$404,693	63.2%	2.3%	2.3%	7.6%
USAA Savings Bank	NV	\$2,287,497	\$736,827	\$0	\$0	\$0	\$0	\$0	\$149,921	\$635,060	0.0%	0.0%	0.0%	27.8%
Celtic Bank	UT	\$2,136,835	\$287,588	\$1,560,889	\$35,986	\$18,998	\$30	\$19,028	\$1,506,483	\$429,286	103.6%	2.3%	1.2%	20.1%
Medallion Bank	UT	\$1,954,652	\$50,216	\$1,822,737	\$61,630	\$22,083	\$0	\$22,083	\$1,611,022	\$306,655	113.1%	3.4%	1.2%	15.7%
WebBank	UT	\$1,961,456	\$177,961	\$1,584,683	\$29,690	\$16,728	\$0	\$16,728	\$1,568,511	\$293,565	101.0%	1.9%	1.1%	15.0%
		\$26,138,120	\$6,662,631	\$15,013,473	\$958,937	\$396,966	\$30	\$396,966	\$19,723,035	\$4,078,023	76.1%	6.4%	2.6%	15.6%
The Pitney Bowes Bank	UT	\$789,920	\$229,824	\$281,499	\$4,928	\$1,367	\$0	\$1,367	\$657,351	\$41,112	42.8%	1.8%	0.5%	5.2%
Finance Factors, Ltd	HI	\$596,976	\$83,353	\$419,757	\$12,466	\$650	\$0	\$650	\$459,912	\$67,552	91.3%	3.0%	0.2%	11.3%
Nelnet	UT	\$918,716	\$474,649	\$425,792	\$2,558	\$974	\$0	\$974	\$789,644	\$123,932	53.9%	0.6%	0.2%	13.5%
Hatch Bank	CA	\$177,865	\$37,110	\$119,692	\$750	\$119	\$0	\$119	\$147,904	\$28,771	80.9%	0.6%	0.1%	16.2%
Eaglemark Savings Bank	NV	\$422,101	\$28,000	\$367,503	\$0	\$0	\$0	\$0	\$320,080	\$75,488	114.8%	0.0%	0.0%	17.9%
Balboa Thrift and Loan Association	CA	\$363,166	\$0	\$337,000	\$6,302	\$1,060	\$0	\$1,060	\$308,706	\$51,659	109.2%	1.9%	0.3%	14.2%
Community Commerce Bank	CA	\$330,991	\$5,280	\$249,588	\$2,837	\$129	\$2,718	\$2,847	\$239,870	\$58,374	104.1%	1.1%	1.1%	17.6%
Square Financial Services, Inc.	UT	\$463,875	\$970	\$156,257	\$8,850	\$832	\$0	\$832	\$190,001	\$224,564	82.2%	5.7%	0.5%	48.4%
LCA Bank Corporation	UT	\$220,200	\$974	\$188,123	\$4,753	\$704	\$0	\$704	\$169,887	\$42,832	110.7%	2.5%	0.4%	19.5%
First Electronic Bank	UT	\$191,215	\$11	\$68,661	\$0	\$0	\$0	\$0	\$127,048	\$53,878	54.0%	0.0%	0.0%	28.2%
Minnesota First Credit And Savings	MN	\$25,199	\$0	\$22,832	\$399	\$0	\$0	\$0	\$20,495	\$4,250	111.4%	1.7%	0.0%	16.9%
		\$4,500,224	\$860,171	\$2,636,704	\$43,843	\$5,835	\$2,718	\$8,553	\$3,430,898	\$772,412	76.9%	1.7%	0.3%	17.2%
		<b>\$248,764,536</b>	<b>\$48,466,118</b>	<b>\$156,491,698</b>	<b>\$3,987,944</b>	<b>\$1,516,160</b>	<b>\$9,999</b>	<b>\$1,526,159</b>	<b>\$197,791,316</b>	<b>\$24,745,710</b>	<b>79.1%</b>	<b>2.5%</b>	<b>1.0%</b>	<b>9.9%</b>

Source: FDIC Reports of Condition as of March 6, 2023



**Safety and Soundness Statistics - Income**  
**Industrial Banking Industry**  
**YTD December 31, 2022**

(\$ 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>	2,124,274	\$ 632,935,420	\$ 287,054,205	\$ 537,570,340	\$ 382,419,285	\$ 51,571,393	\$ 67,327,792	\$ 263,028,846	1.11%	11.92%	58.43%	0.42%	
<b>All ILC Bank Totals</b>	5,167	\$ 9,914,738	\$ 5,453,405	\$ 5,906,221	\$ 9,461,922	\$ 2,570,602	\$ 1,728,093	\$ 5,163,227	2.08%	20.87%	38.43%	1.64%	
<b>National Totals without ILC Bank Totals</b>	2,119,107	\$ 623,020,682	\$ 281,600,800	\$ 531,664,119	\$ 372,957,363	\$ 49,000,791	\$ 65,599,699	\$ 257,865,619	1.10%	11.81%	58.77%	0.41%	
<b>Nevada Bank Totals</b>	282	\$ 489,545	\$ 3,307,385	\$ 1,664,002	\$ 2,132,928	\$ (16,807)	\$ 498,952	\$ 1,650,783	4.68%	38.21%	43.82%	-0.32%	
<b>Utah Bank Totals</b>	4,609	\$ 9,368,590	\$ 2,142,531	\$ 4,196,700	\$ 7,314,421	\$ 2,585,100	\$ 1,226,880	\$ 3,502,441	1.65%	17.37%	36.46%	1.72%	
<b>All States without NV &amp; UT Totals</b>	276	\$ 56,603	\$ 3,489	\$ 45,519	\$ 14,573	\$ 2,309	\$ 2,261	\$ 10,003	0.67%	4.75%	75.75%	0.20%	
<b>ILC Banks</b>	<b>ST</b>	<b># FTE</b>	<b>Net Interest Income</b>	<b>Non-Interest Income</b>	<b>Non-Interest Expense</b>	<b>Pre-provision Pre-tax Net</b>	<b>Provision</b>	<b>Taxes</b>	<b>Net Income</b>	<b>Annualized ROA</b>	<b>Efficiency ROE</b>	<b>Ratio</b>	<b>Provisions to Loans</b>
UBS Bank USA	UT	679	\$ 2,445,202	\$ 75,936	\$ 454,916	\$ 2,066,222	\$ 19,222	\$ 571,742	\$ 1,475,258	1.22%	15.67%	18.04%	0.02%
Sallie Mae Bank	UT	1,713	\$ 1,537,198	\$ 407,745	\$ 505,819	\$ 1,439,124	\$ 633,453	\$ 193,714	\$ 611,957	2.13%	26.38%	26.01%	3.01%
OptumHealth Bank, Inc	UT	518	\$ 370,340	\$ 219,994	\$ 191,314	\$ 399,020	\$ 1,487	\$ 93,718	\$ 303,815	1.94%	20.22%	32.41%	0.04%
BMW Bank of North America	UT	28	\$ 294,895	\$ 89,719	\$ 80,670	\$ 303,944	\$ (288)	\$ 74,465	\$ 229,767	1.93%	12.94%	20.97%	0.00%
Comenity Capital Bank	UT	113	\$ 2,166,867	\$ 252,917	\$ 1,152,736	\$ 1,267,048	\$ 1,055,905	\$ 48,496	\$ 162,647	1.09%	7.97%	47.64%	8.14%
Beal Bank USA	NV	90	\$ 385,872	\$ 1,914,511	\$ 787,869	\$ 1,512,514	\$ (15,861)	\$ 353,590	\$ 1,174,785	4.52%	41.31%	34.25%	-0.61%
		3,141	\$ 7,200,374	\$ 2,960,822	\$ 3,173,324	\$ 6,987,872	\$ 1,693,918	\$ 1,335,725	\$ 3,958,229	1.8%	19.9%	31.2%	1.2%
Merrick Bank Corporation	UT	502	\$ 1,061,795	\$ 219,089	\$ 376,246	\$ 904,638	\$ 697,486	\$ 49,429	\$ 157,723	2.67%	12.69%	29.37%	14.68%
Toyota Financial Savings Bank	NV	89	\$ 49,104	\$ 3,563	\$ 29,388	\$ 23,279	\$ (946)	\$ 6,137	\$ 18,088	0.27%	2.36%	55.80%	-0.04%
WEX Bank	UT	84	\$ 910,900	\$ 461,673	\$ 1,026,362	\$ 346,211	\$ 114,039	\$ 58,676	\$ 173,496	3.27%	42.87%	74.78%	3.87%
USAA Savings Bank	NV	6	\$ 31,457	\$ 1,374,283	\$ 830,149	\$ 575,591	\$ -	\$ 134,096	\$ 441,495	19.30%	69.52%	59.05%	0.00%
Celtic Bank	UT	307	\$ 100,666	\$ 89,800	\$ 81,722	\$ 108,744	\$ 831	\$ 27,550	\$ 80,363	3.76%	18.72%	42.91%	0.05%
Medallion Bank	UT	118	\$ 164,357	\$ 898	\$ 40,522	\$ 124,733	\$ 24,709	\$ 25,386	\$ 74,638	3.82%	24.34%	24.52%	1.36%
WebBank	UT	223	\$ 162,619	\$ 48,318	\$ 121,294	\$ 89,643	\$ 23,177	\$ 16,821	\$ 49,645	2.53%	16.91%	57.50%	1.46%
		1,329	\$ 2,480,898	\$ 2,197,624	\$ 2,505,683	\$ 2,172,839	\$ 859,296	\$ 318,095	\$ 995,448	3.8%	24.4%	53.6%	5.7%
The Pitney Bowes Bank	UT	30	\$ 44,057	\$ 31,363	\$ 10,047	\$ 65,373	\$ 3,436	\$ 14,969	\$ 46,968	5.95%	114.24%	13.32%	1.22%
Finance Factors, Ltd	HI	113	\$ 18,514	\$ (2,933)	\$ 16,560	\$ (979)	\$ -	\$ (318)	\$ (661)	-0.11%	-0.98%	106.28%	0.00%
Nelnet	UT	43	\$ 14,961	\$ 2,584	\$ 11,347	\$ 6,198	\$ 1,840	\$ 1,013	\$ 3,345	0.36%	2.70%	64.67%	0.43%
Hatch Bank	CA	15	\$ 5,294	\$ 4,706	\$ 5,787	\$ 4,213	\$ 110	\$ -	\$ 4,103	2.31%	14.26%	57.87%	0.09%
Eaglemark Savings Bank	NV	97	\$ 23,112	\$ 15,028	\$ 16,596	\$ 21,544	\$ -	\$ 5,129	\$ 16,415	3.89%	21.75%	43.51%	0.00%
Balboa Thrift and Loan Association	CA	89	\$ 20,583	\$ 794	\$ 13,920	\$ 7,457	\$ 2,343	\$ 1,637	\$ 3,477	0.96%	6.73%	65.12%	0.70%
Community Commerce Bank	CA	51	\$ 10,879	\$ 858	\$ 8,022	\$ 3,715	\$ (144)	\$ 918	\$ 2,941	0.89%	5.04%	68.35%	-0.06%
Square Financial Services, Inc.	UT	122	\$ 46,973	\$ 219,165	\$ 112,996	\$ 153,142	\$ 8,559	\$ 41,135	\$ 103,448	22.30%	46.07%	42.46%	5.48%
LCA Bank Corporation	UT	64	\$ 14,916	\$ 493	\$ 9,325	\$ 6,084	\$ 1,244	\$ 1,209	\$ 3,631	1.65%	8.48%	60.52%	0.66%
First Electronic Bank	UT	65	\$ 32,844	\$ 22,837	\$ 21,384	\$ 34,297	\$ -	\$ 8,557	\$ 25,740	13.46%	47.77%	38.40%	0.00%
Minnesota First Credit And Savings	MN	8	\$ 1,333	\$ 64	\$ 1,230	\$ 167	\$ -	\$ 24	\$ 143	0.57%	3.36%	88.05%	0.00%
		697	\$ 233,466	\$ 294,959	\$ 227,214	\$ 301,211	\$ 17,388	\$ 74,273	\$ 209,550	4.7%	27.1%	43.0%	0.7%
		<b>5,167</b>	<b>\$ 9,914,738</b>	<b>\$ 5,453,405</b>	<b>\$ 5,906,221</b>	<b>\$ 9,461,922</b>	<b>\$ 2,570,602</b>	<b>\$ 1,728,093</b>	<b>\$ 5,163,227</b>	<b>2.08%</b>	<b>20.87%</b>	<b>38.43%</b>	<b>1.64%</b>

Source: FDIC Reports of Income as of March 6, 2023

