

# Banks at a Glance: Utah-Industrial

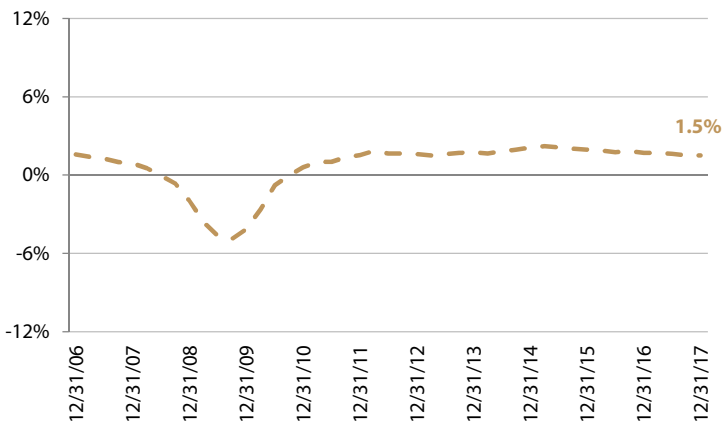
## Economic and Banking Highlights

Data as of 12/31/2017

- Most of the industrial banks headquartered in Utah engage in credit card or other consumer lending to customers nationwide. These banks, somewhat limited in the type of activity they can conduct (per the Bank Holding Company Act of 1956) can be owned by nonfinancial firms, which include Alliance Data Systems, American Express, BMW, CardWorks, Sallie Mae, UBS, WEX Inc, CMS Energy, and Pitney Bowes.
- Utah-based industrial bank profitability remained strong in 2017 with an average return on assets of 3.25%, well higher than the typical returns at commercial banks. With a healthy national economy, credit quality metrics remained good with nonperforming asset ratios near 20-year lows, although credit card past due rates edged up in recent quarters. The typical loan mix has trended towards more consumer lending over time, mainly due to shrinkage in the industry (the number of Utah industrial banks dropped from 32 to 15 since 2006 with similar declines in other states, from 27 to 10). Many of the former industrial banks (some now commercial banks) had more diverse lending profiles.

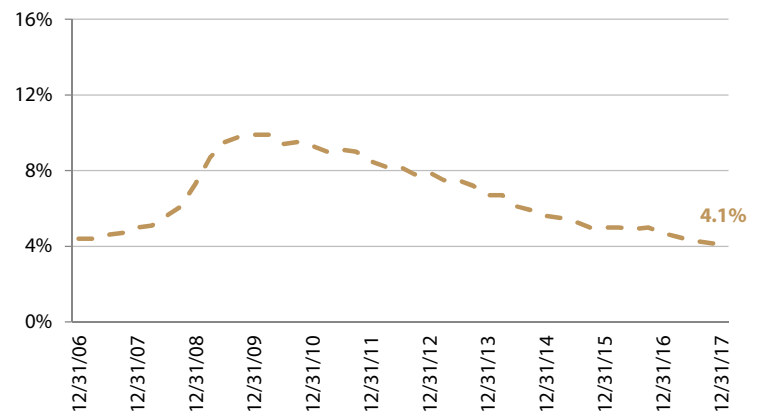
## Key Economic Metrics - Nation

### Year-over-Year Job Growth: 1.5%



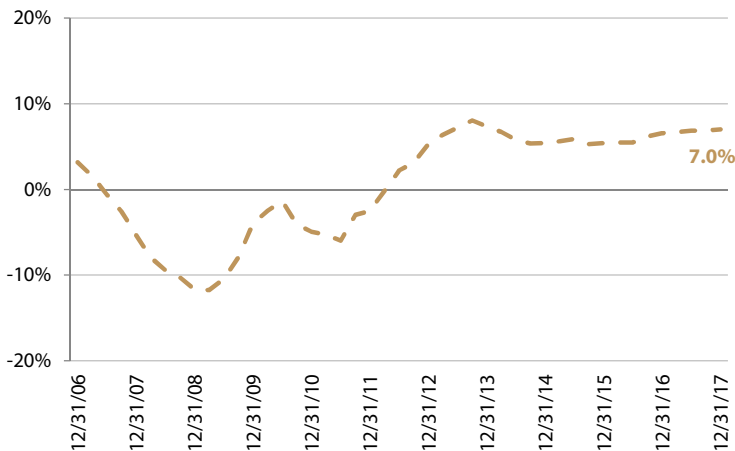
Establishment Survey, nonfarm payrolls, quarterly average, seasonally adjusted  
Source: Bureau of Labor Statistics

### Unemployment: 4.1%



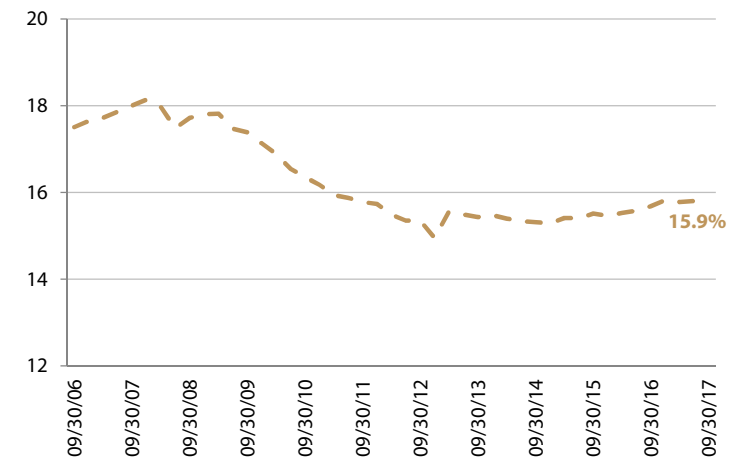
Household Employment Survey, end of period, seasonally adjusted  
Source: Bureau of Labor Statistics

### Year-over-Year Home Price Growth: 7.0%



Housing Price Index, year-over-year change of average home prices  
Source: Federal Housing Finance Agency

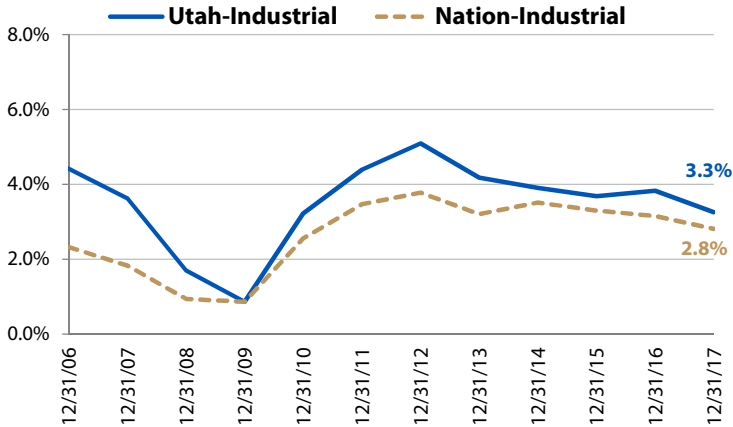
### Household Financial Obligation Payments / Disposable Personal Income: 15.9%



Ratio of all household financial obligations payments as a percentage of disposable personal income (estimated). Source: Federal Reserve

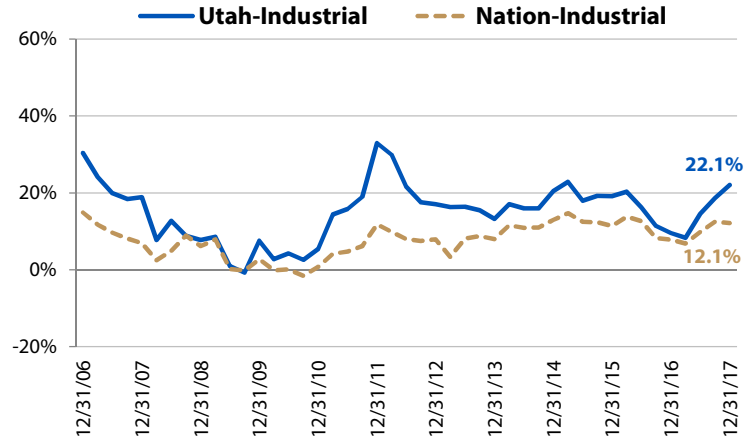
## Key Banking Metrics (averages across Industrial banks)

### Year to Date Return on Average Assets: 3.3%

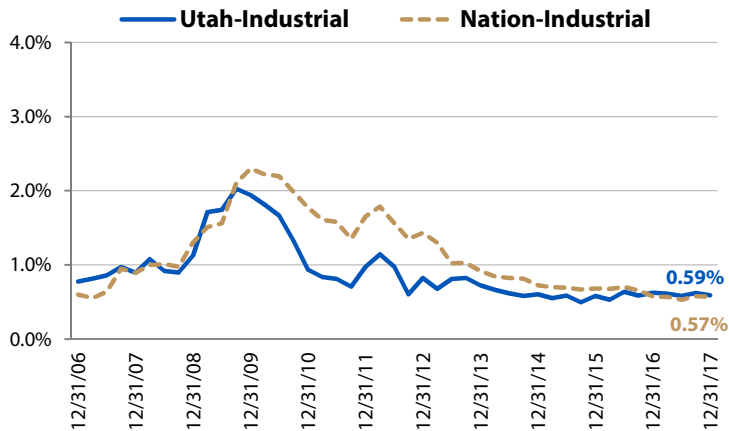


Net income / average assets, adjusted for S-Corps, annualized

### Year-over-Year Net Loan Growth: 22.1%

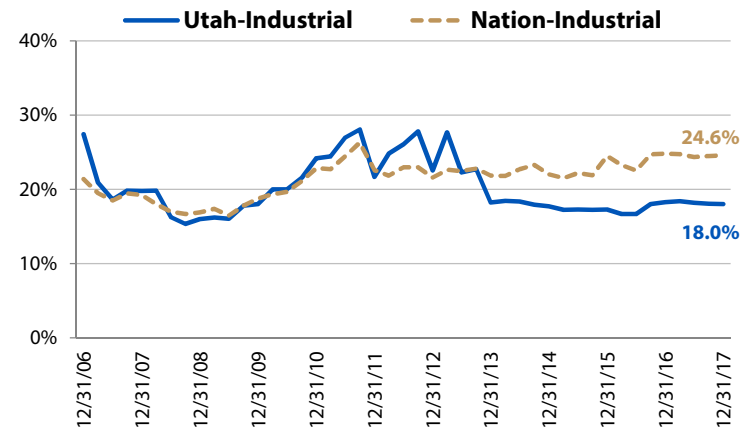


### Nonperforming Assets / Total Assets: 0.6%



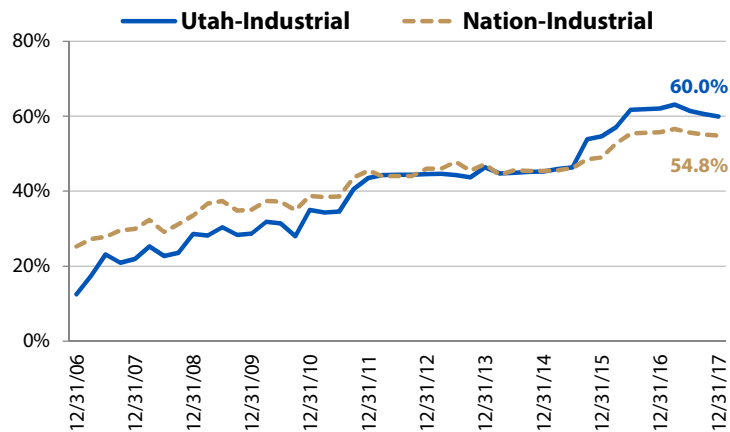
90+ days past due + nonaccruals + other real estate owned / total assets

### Total Risk-Based Capital Ratio: 18.0%



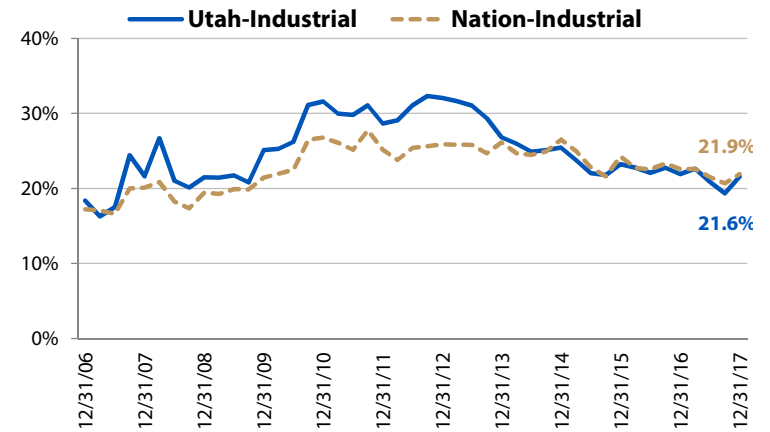
Total capital / risk-weighted assets

### Consumer Loan Mix: 60.0%



Total consumer loans / total loans and leases; commercial & industrial loans accounted for 18% of total loans, on average, as of 12/31/17.

### Securities and Liquid Invest. / Total Assets: 21.6%



Liquid investments = cash, due from balances, interest bearing bank balances, and Fed funds sold and securities purchased under agreements to resell

Source: Call Report data for industrial banks based upon headquarters location. Averages are calculated on a "trimmed" basis by removing the highest 10% and lowest 10% of ratio values prior to averaging to prevent distortion from outliers. All charts display quarterly data, except for return on average assets which displays the same quarter in each year. Growth rates are not adjusted for mergers. Graphics and data exclude "De Novo" banks (banks less than five years old). As of the latest period, the count of industrial banks included in these statistics were 15 for the state and 25 for the nation.