

Banks at a Glance: Utah-Industrial

Economic and Banking Highlights

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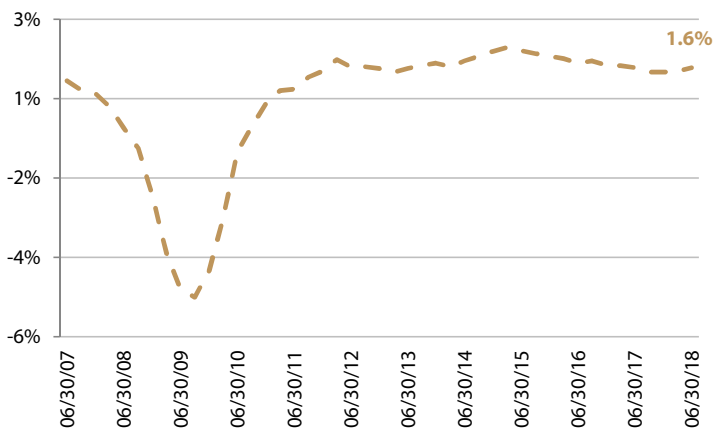


Data as of 6/30/2018

- Industrial Banks (IBs) can be owned by nonfinancial firms and are somewhat limited in the type of activities they can conduct. Although they share a charter type, they employ different business models and individual performance can vary widely from the average. As of mid-2018, most of the IBs based in Utah engaged in credit card or other consumer lending to customers nationwide. Fully 58% of the nation's IBs were based in Utah.
- Utah-based IBs continued to perform well. Their average return on average assets of 3.5% was significantly higher than typical returns at commercial banks, driven by high-yielding loan specializations. Healthy state and national economies and favorable consumer sentiment helped maintain robust loan growth. Credit quality metrics remained favorable as nonperforming asset ratios neared 20-year lows and credit card past due rates, which had edged up in recent quarters, improved. The average total risk based capital ratio was steady. The loan mix trend towards more consumer lending has abated somewhat as American Express Centurion Bank (formerly the largest IB and mainly a consumer lender) converted to a national bank charter in April of this year.

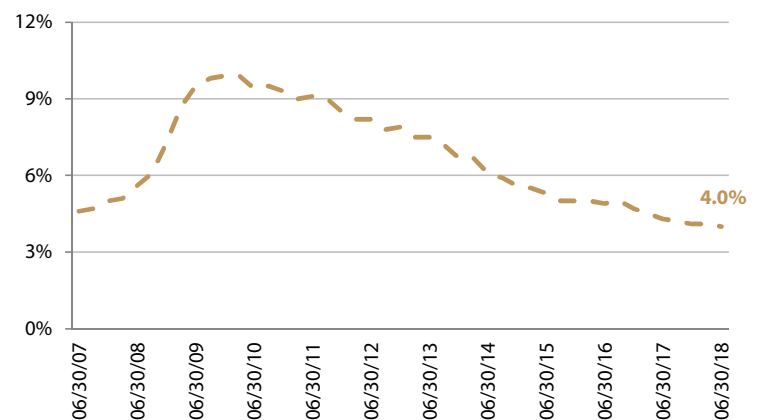
Key Economic Metrics - Nation

Year-over-Year Job Growth: 1.6%



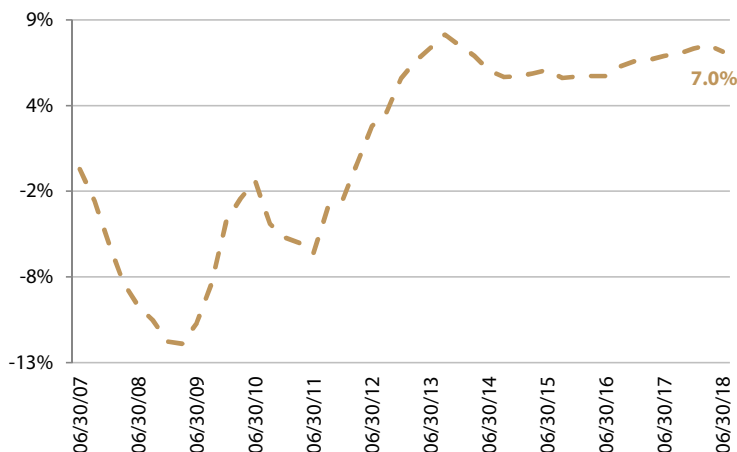
Establishment Survey, nonfarm payrolls, quarterly average, seasonally adjusted
Source: Bureau of Labor Statistics

Unemployment: 4.0%



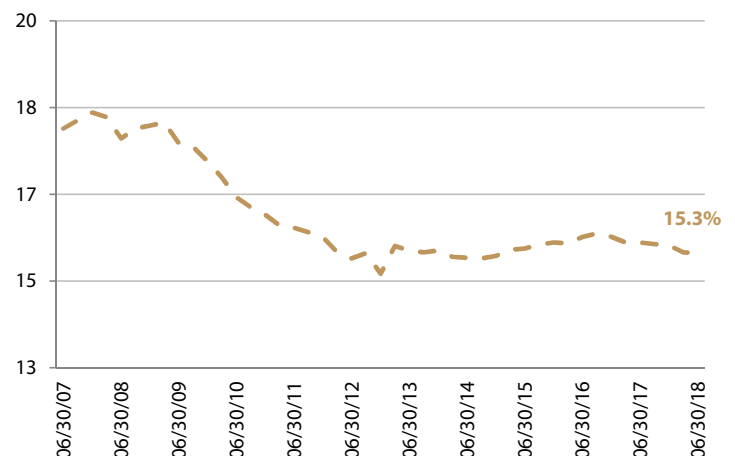
Household Employment Survey, end of period, seasonally adjusted
Source: Bureau of Labor Statistics

Year-over-Year Home Price Growth: 7.0%



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

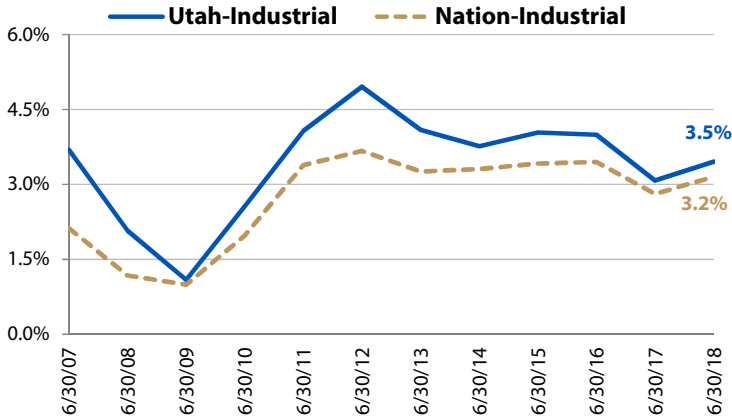
Household Financial Obligation Payments / Disposable Personal Income: 15.3%



Ratio of all household financial obligations payments as a percentage of disposable personal income, seasonally adjusted. Source: Federal Reserve

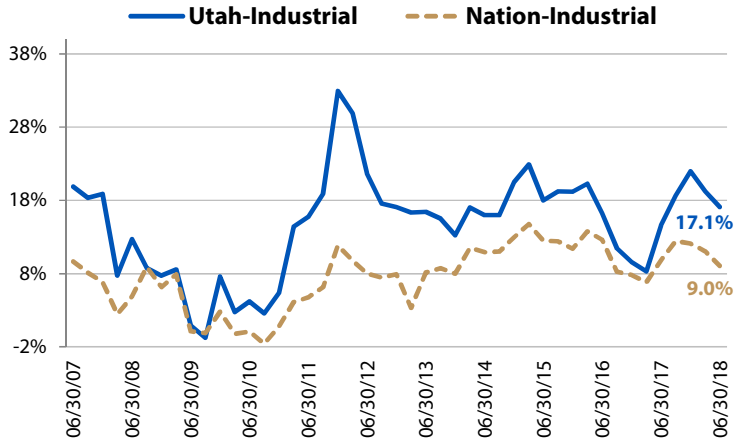
Key Banking Metrics (averages across Industrial banks)

Year to Date Return on Average Assets: 3.5%

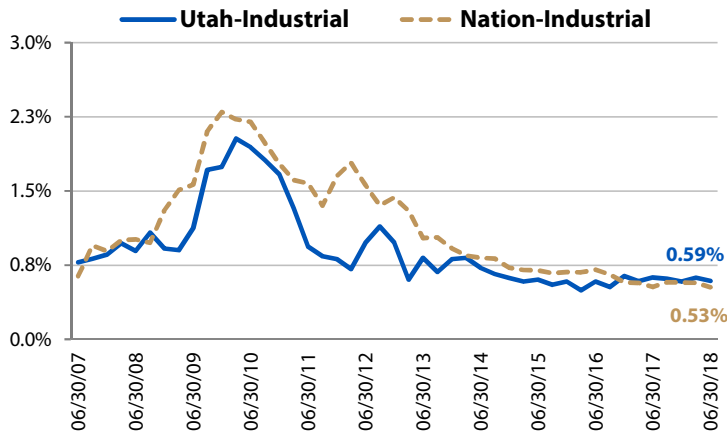


Net income / average assets, adjusted for S-Corps, annualized

Year-over-Year Net Loan Growth: 17.1%

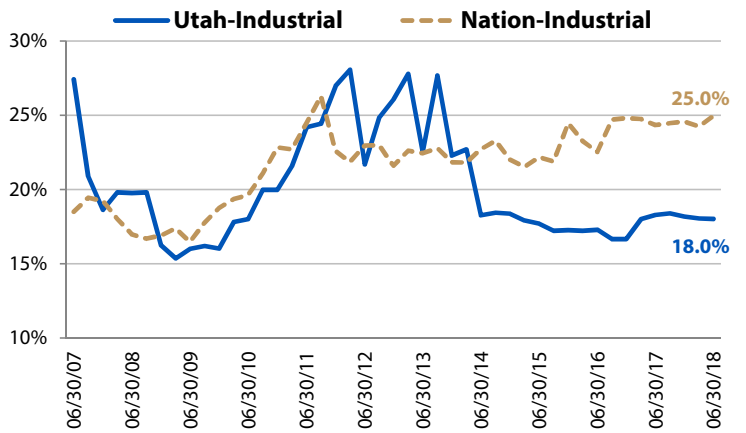


Nonperforming Assets / Total Assets: 0.59%



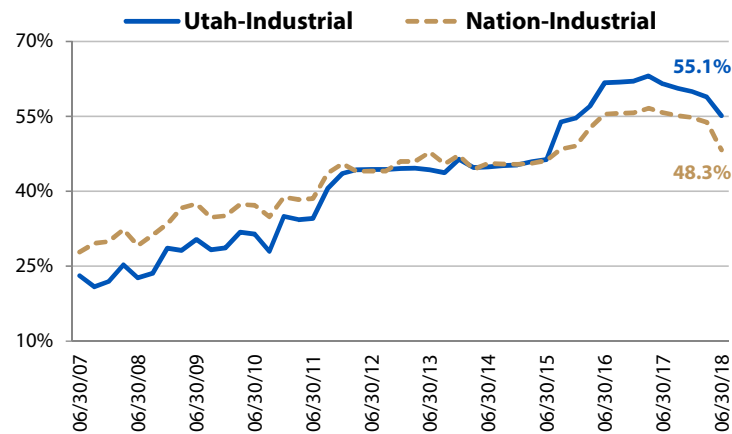
90+ days past due + nonaccruals + other real estate owned / total assets

Total Risk-Based Capital Ratio: 18.0%



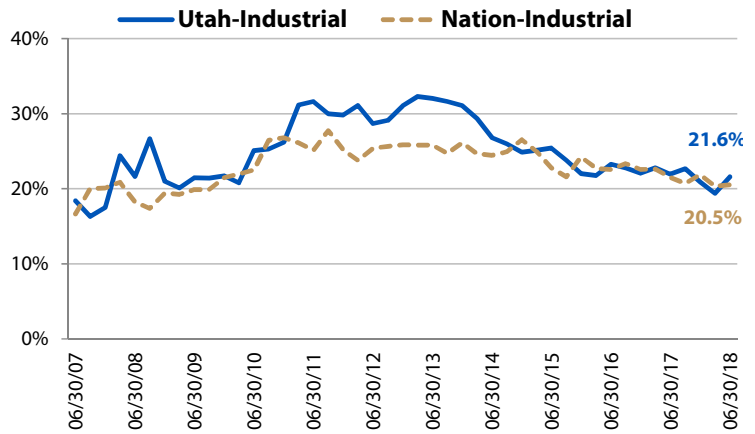
Total capital / risk-weighted assets

Consumer Loan Mix: 55.1%



Total consumer loans / total loans and leases; commercial & industrial loans accounted for 19% of total loans, on average, as of 06/30/18.

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 14 for the state and 24 for the nation.

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