

Banks at a Glance: Utah-Industrial

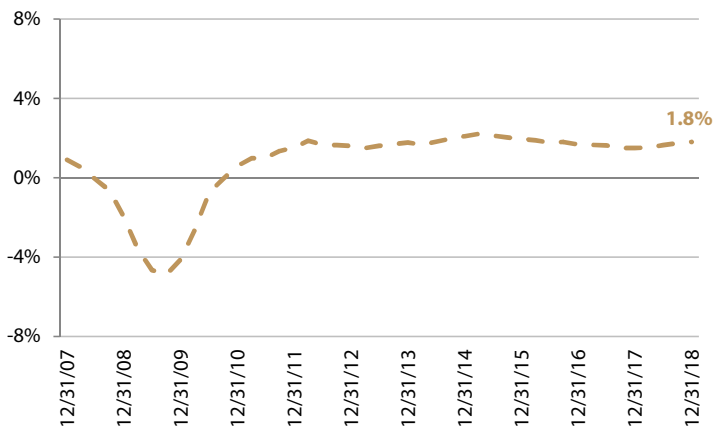
Economic and Banking Highlights

Data as of 12/31/2018

- Industrial banks (IBs) can be owned by nonfinancial firms and are somewhat limited in the types of activities they can conduct. They employ different business models and individual performance can vary widely from the average. As of year-end 2018, 14 of the nation's 24 IBs (58%) were based in Utah; they largely engaged in nationwide consumer lending, but some focused on business-based lending.
- Utah IBs maintained good performance in the second half of 2018. Profitability increased from a year ago as lower average tax expenses, slightly wider margins, and lower noninterest expenses offset reduced noninterest income, while provisions were roughly flat. Although average loan growth can be volatile due to the diversity of business models, it remained robust as strong consumer sentiment enabled faster consumer loan growth. Capital ratios edged up amid slightly lower year-end dividend payout ratios than in 2017, while asset quality remained stable despite a slight uptick in national-level credit card delinquencies since the second quarter of 2018. The average share of consumer loans in total loans was stable in the second half of 2018, with a decline from 2017 levels largely due to adjustments in a few banks (including the April 2018 conversion of American Express Centurion Bank to a national bank charter).

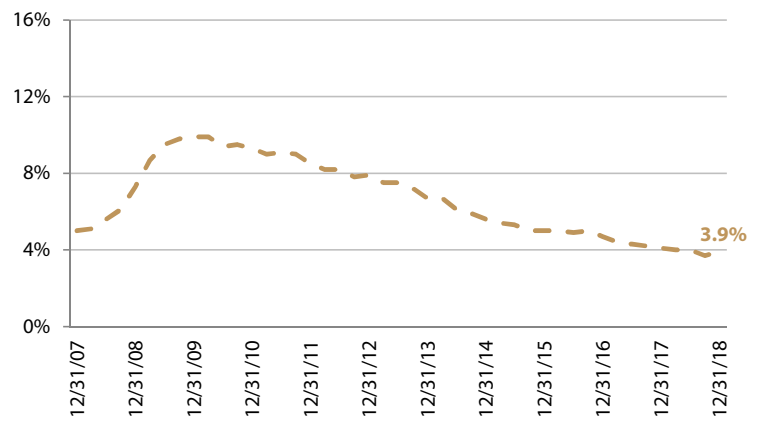
Key Economic Metrics - Nation

Year-over-Year Job Growth: 1.8%



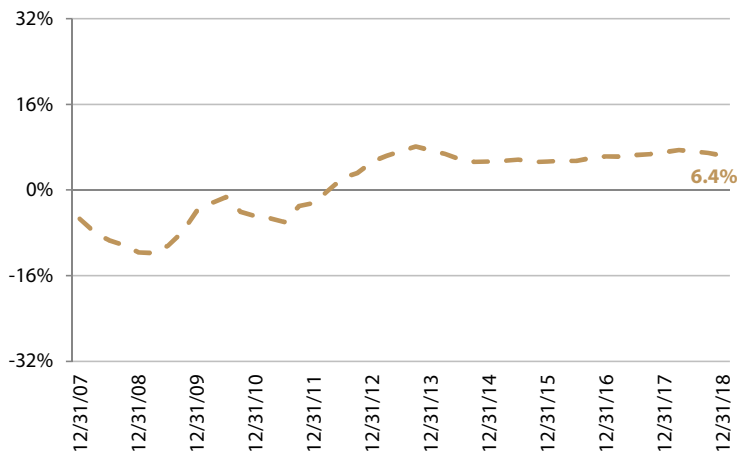
Establishment Survey, nonfarm payrolls, quarterly average, seasonally adjusted
Source: Bureau of Labor Statistics

Unemployment: 3.9%



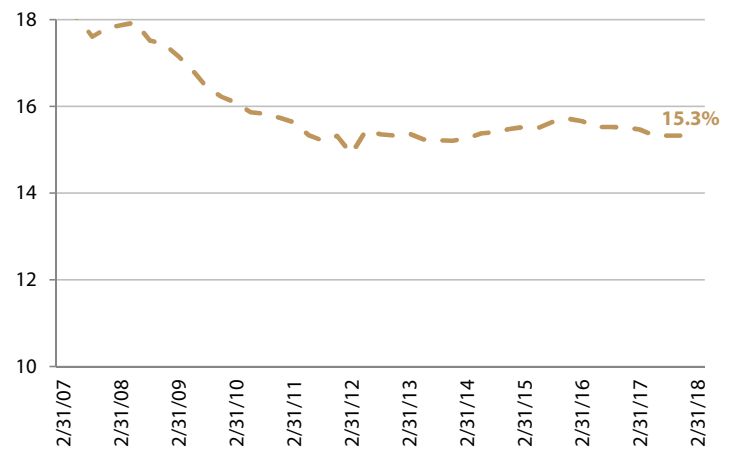
Household Employment Survey, end of period, seasonally adjusted
Source: Bureau of Labor Statistics

Year-over-Year Home Price Growth: 6.4%



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

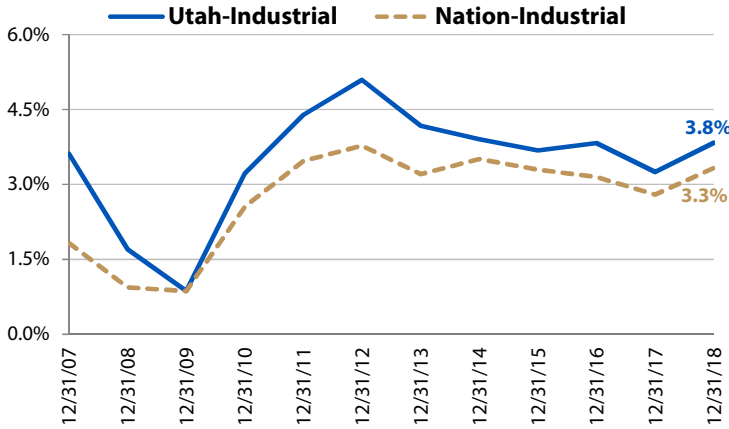
Household Financial Obligation Payments / Disposable Personal Income: 15.3%



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

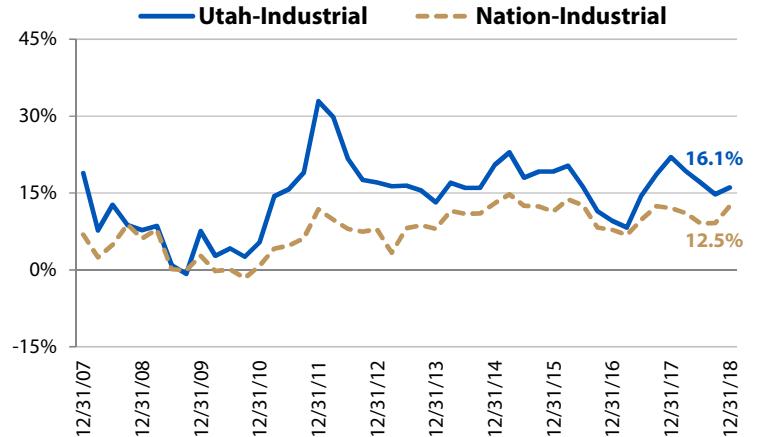
Key Banking Metrics (averages across Industrial banks)

Year to Date Return on Average Assets: 3.8%

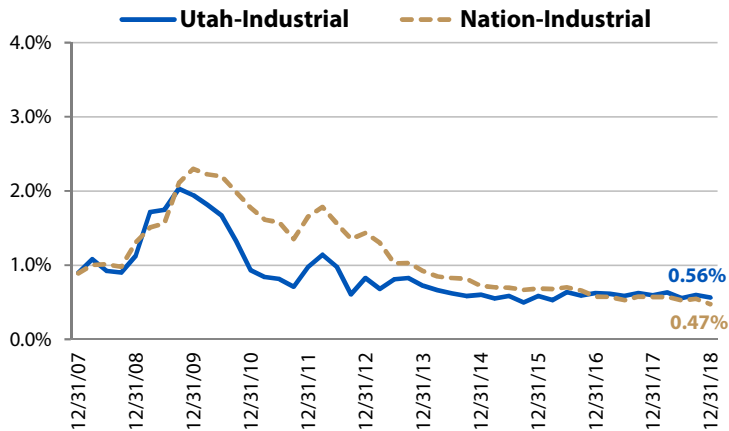


Net income / average assets, adjusted for S-Corps, annualized

Year-over-Year Net Loan Growth: 16.1%

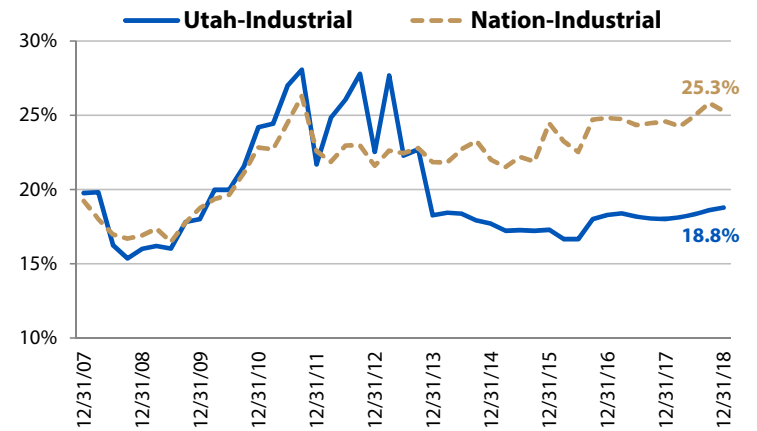


Nonperforming Assets / Total Assets: 0.56%



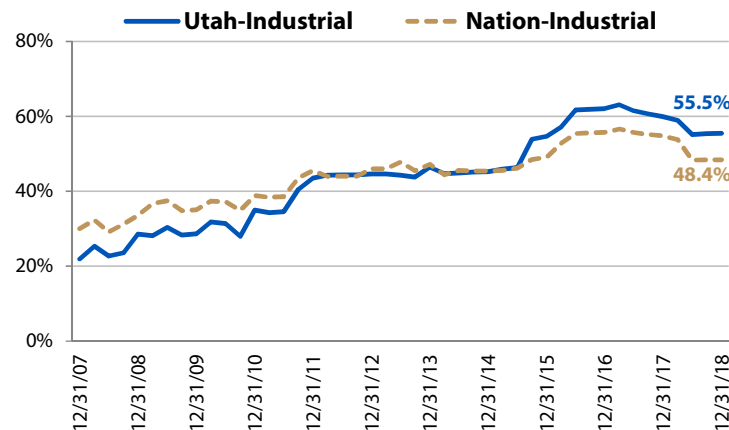
90+ days past due + nonaccruals + other real estate owned / total assets

Total Risk-Based Capital Ratio: 18.8%



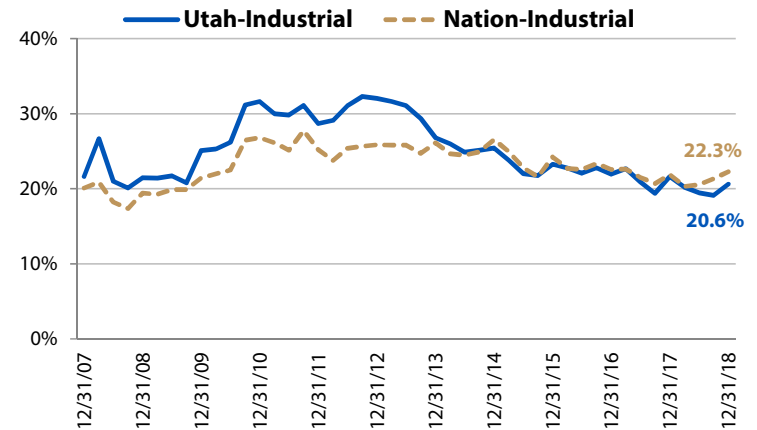
Total capital / risk-weighted assets

Consumer Loan Mix: 55.5%



Total consumer loans / total loans and leases; commercial & industrial loans accounted for 19.0% of total loans, on average, as of 12/31/18.

Securities and Liquid Invest. / Total Assets: 20.6%



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.