

# Banks at a Glance

## Utah-Industrial

Economic and Banking Highlights

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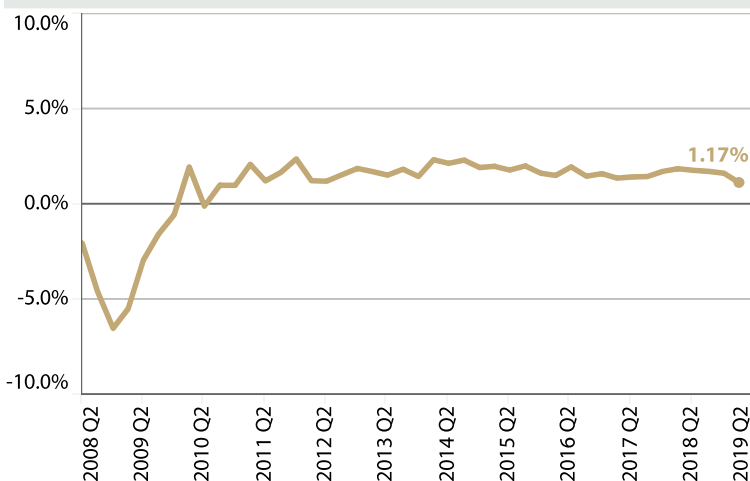
Data as of 6/30/2019

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 mid-2019, 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. Due to Utah IBs' nationwide exposures, the economic charts below show only national-level indicators.

Utah IBs' average profitability in the first half of 2019 was roughly flat from the same period in 2018, as wider net interest margins offset lower net noninterest income. High profitability allowed Utah IBs to increase dividend payouts substantially year-over-year. Solid earnings retention, combined with a slight shift in assets from loans to liquid instruments, benefitted risk-based capital ratios and balance sheet liquidity. State average year-over-year consumer loan growth declined in 2Q19 despite improving consumer sentiment and a declining household debt burden, but this was largely due to moderation at two previously fast-growing specialty banks. Asset quality at Utah IBs has been stable for multiple years, with consumer and commercial & industrial noncurrent ratios both range-bound, on average. Likewise, the average consumer loans-to-total loans ratio has been stable since a discrete drop in 2Q18, when American Express Centurion Bank converted to a national charter.

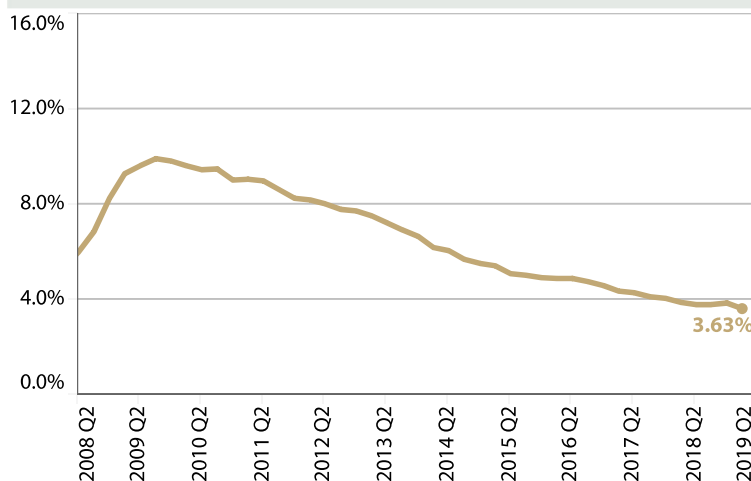
### Key Economic Metrics - Nation

#### Job Growth: 1.17%



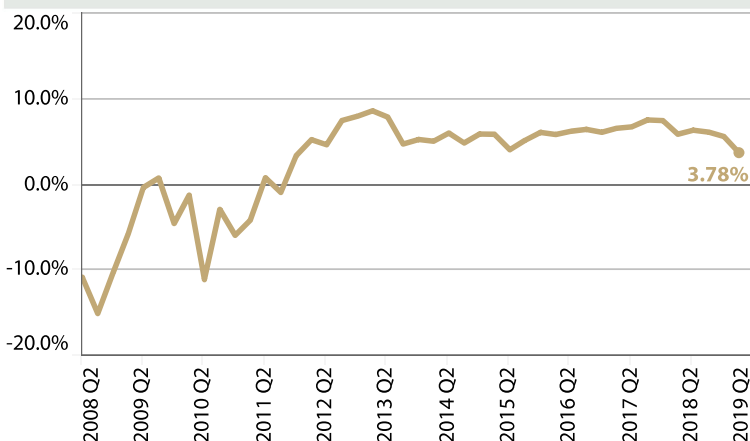
Quarterly average nonfarm payrolls, seasonally adjusted annual rate. Source: Bureau of Labor Statistics (Establishment Survey) via Haver Analytics.

#### Unemployment Rate: 3.63%



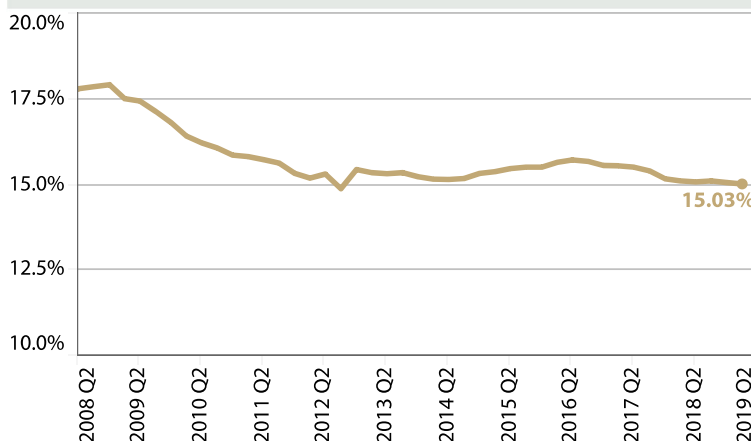
Quarterly average, seasonally adjusted. Source: Bureau of Labor Statistics (Household Employment Survey) via Haver Analytics.

#### Home-Price Growth: 3.78%



Expanded House Price Index, seasonally adjusted annual rate. Source: Federal Housing Finance Agency via Haver Analytics.

#### Household Financial Obligation Payments / Disposable Personal Income: 15.03%

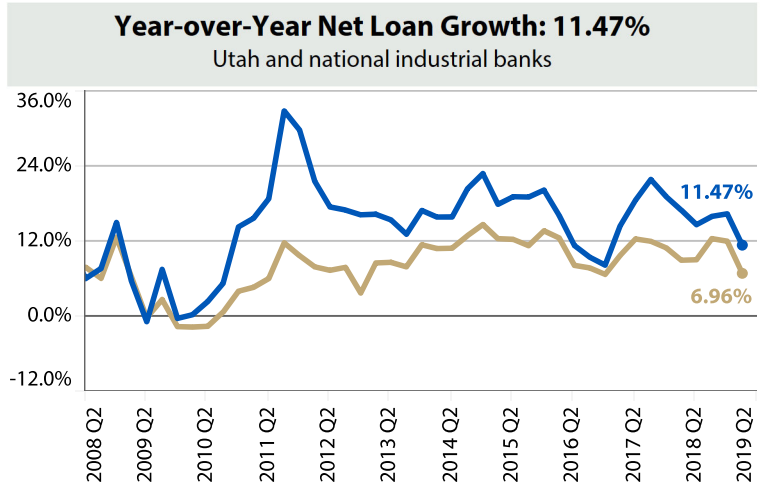
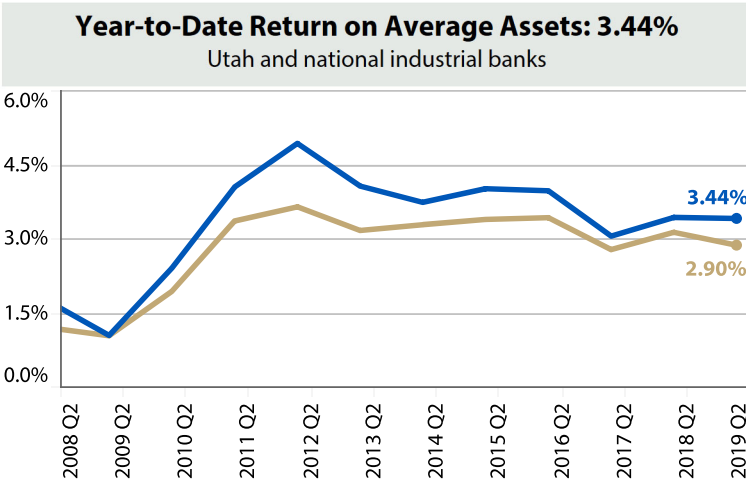


All household financial obligation payments as a percentage of disposable personal income, seasonally adjusted. Source: Federal Reserve via Haver Analytics.

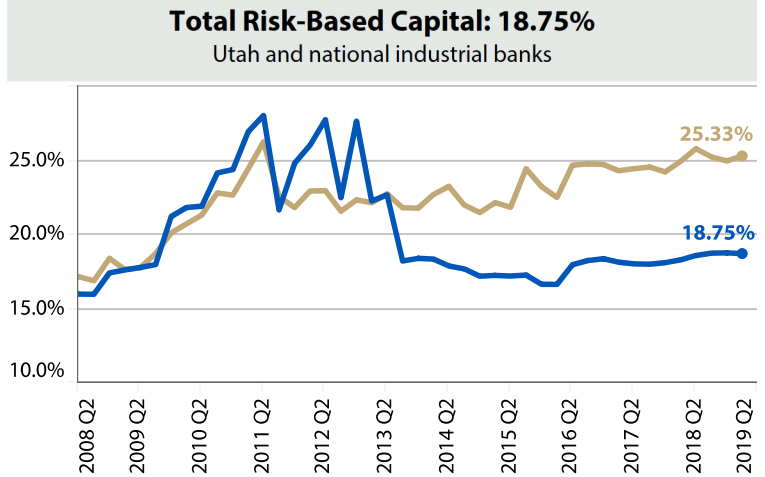
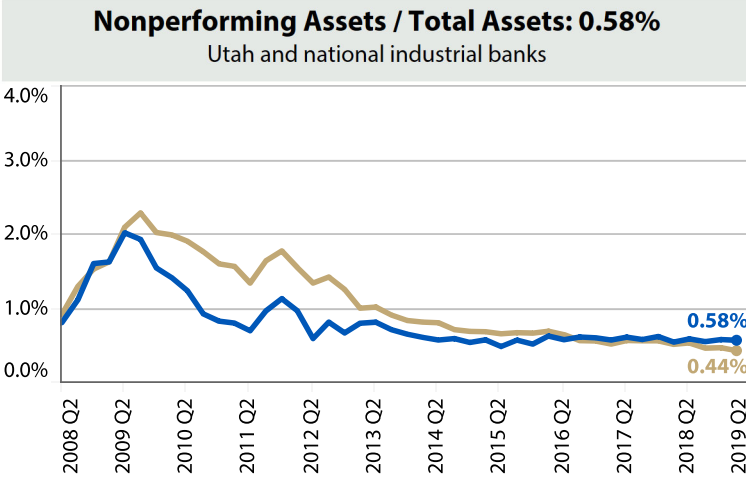
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## Key Banking Metrics (averages across industrial banks)

■ Utah ■ Nation

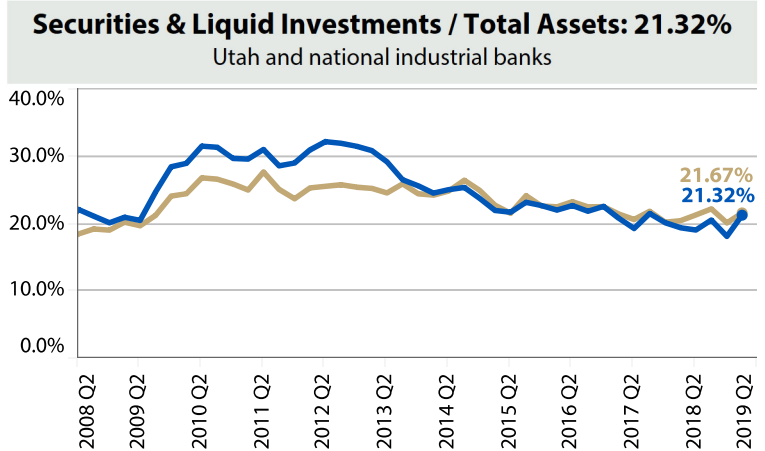
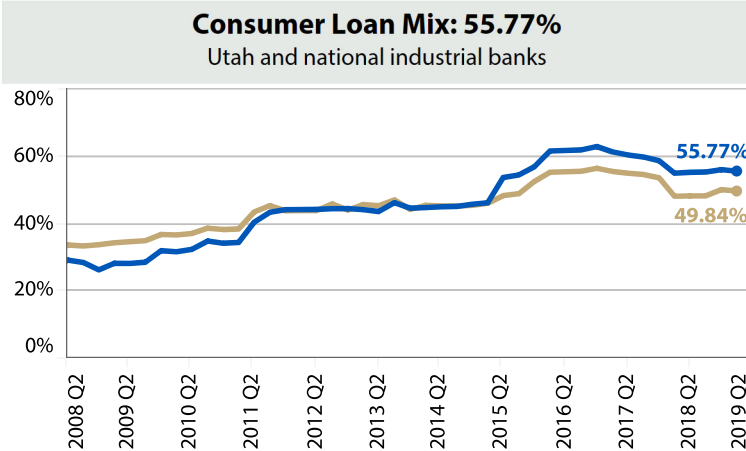


Net income / average assets, adjusted for S-Corps, annualized.



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

Total capital / risk-weighted assets.



Total consumer loans / total loans and leases. Commercial & industrial loans accounted for 18.7% of total loans and leases on 6/30/2019.

Liquid investments = cash, due-from balances, interest-bearing bank balances, and fed funds sold and securities purchased under agreement to resell.

Source: Call Report data for industrial banks based upon headquarters location. Averages are "trimmed" by removing the highest and lowest 10% of values prior to averaging to prevent distortion by 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 (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.