

COMPARATIVE SAFETY AND SOUNDNESS THE INDUSTRIAL BANK INDUSTRY

YEAR ENDED DECEMBER 31, 2025





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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, 2025 call report data for individual banks and for aggregated banking industry segments. Details are presented in the attached reports.

Key Ratios for Banks as of and for the years ended December 31, 2025 and 2024

	<u>Banks-2025</u>		<u>Banks-2024</u>	
	Industrial	All	Industrial	All
Equity to Assets	11.3%	10.3%	10.9%	10.0%
Asset Quality				
Troubled Loans	0.79%	1.02%	0.96%	1.04%
Allowance to Loans	2.71%	1.65%	2.73%	1.75%
Annualized Profitability				
Return on Assets	1.81%	1.17%	2.14%	1.11%
Return on Equity	15.92%	11.38%	19.56%	11.12%

Conclusion

The banking industry and industrial banks, in general, enjoyed strong profitability and solid financial condition for the years ended December 31, 2025 and 2024. The accompanying report of summarized financial information for the 23 industrial banks demonstrates the range of financial condition and performance of industrial banks, resulting from serving different markets with unique strategies.

Safety and Soundness Statistics - Balance Sheet
Industrial Banking Industry
December 31, 2025

(\$ in 000's)

	Assets	Securities/ CRA Investments	Loans	Allowance	Nonaccrual & 90 Day Past Due	Other Real Estate Owned	Total Troubled Assets	Deposits	Equity	Loan to Deposits	Allowances to Loans	Troubled Assets to Loans	Equity to Assets
National Totals	\$25,257,912,923	\$5,712,093,761	\$13,477,526,051	\$222,401,073	\$132,792,421	\$4,369,100	\$137,161,521	\$20,077,167,842	\$2,598,634,759	67.1%	1.65%	1.02%	10.3%
All Industrial Bank Totals	\$262,208,252	\$44,131,265	\$178,712,787	\$4,850,063	\$1,389,898	\$15,099	\$1,404,997	\$204,807,468	\$29,736,431	87.3%	2.71%	0.79%	11.3%
National Totals w/o Industrial Bank Totals	\$24,995,704,671	\$5,667,962,496	\$13,298,813,264	\$217,551,010	\$131,402,523	\$4,354,001	\$135,756,524	\$19,872,360,374	\$2,568,898,328	66.9%	1.64%	1.02%	10.3%
Nevada (3) Industrial Bank Totals	\$30,688,446	\$13,303,841	\$12,328,271	\$112,123	\$119,530	\$3,747	\$123,277	\$17,296,470	\$4,415,389	71.3%	0.91%	1.00%	14.4%
Utah (15) Industrial Bank Totals	\$229,799,593	\$30,693,517	\$165,078,119	\$4,711,728	\$1,260,927	\$8,649	\$1,269,576	\$186,227,342	\$25,094,398	88.6%	2.85%	0.77%	10.9%
All States w/o NV & UT (5) Bank Totals	\$1,720,213	\$133,907	\$1,306,397	\$26,212	\$9,441	\$2,703	\$12,144	\$1,283,656	\$226,644	101.8%	2.01%	0.93%	13.2%

ILC Banks	ST	Assets	Securities/ CRA Investments	Loans	Allowance	Nonaccrual & 90 Day Past Due	Other Real Estate Owned	Total Troubled Assets	Deposits	Equity	Loan to Deposits	Allowances to Loans	Troubled Assets to Loans	Equity to Assets
UBS Bank USA	UT	\$119,317,920	\$10,516,593	\$88,683,003	\$108,630	\$104,078	\$0	\$104,078	\$104,634,334	\$9,741,941	84.8%	0.12%	0.12%	8.2%
Sallie Mae Bank	UT	\$29,734,290	\$1,758,070	\$22,746,038	\$1,437,857	\$151,321	\$0	\$151,321	\$21,522,962	\$2,889,845	105.7%	6.32%	0.67%	9.7%
OptumHealth Bank, Inc	UT	\$20,824,000	\$9,197,000	\$8,936,000	\$72,000	\$18,000	\$8,000	\$26,000	\$16,038,000	\$2,960,000	55.7%	0.81%	0.29%	14.2%
BMW Bank of North America	UT	\$12,814,515	\$2,538,767	\$9,668,309	\$48,593	\$10,899	\$0	\$10,899	\$8,618,246	\$1,739,304	112.2%	0.50%	0.11%	13.6%
Comenity Capital Bank	UT	\$13,626,906	\$109,273	\$11,670,927	\$1,335,771	\$432,638	\$0	\$432,638	\$10,445,771	\$1,770,490	111.7%	11.45%	3.71%	13.0%
Beal Bank USA	NV	\$14,512,815	\$9,053,625	\$3,969,423	\$41,522	\$110,212	\$3,747	\$113,959	\$3,550,782	\$2,787,886	111.8%	1.05%	2.87%	19.2%
		\$210,830,446	\$33,173,328	\$145,673,700	\$3,044,373	\$827,148	\$11,747	\$838,895	\$164,810,095	\$21,889,466	88.4%	2.09%	0.58%	10.4%
Merrick Bank Corporation	UT	\$9,251,625	\$287,634	\$8,915,993	\$1,367,240	\$350,592	\$0	\$350,592	\$7,251,704	\$1,878,028	123.0%	15.33%	3.93%	20.3%
Toyota Financial Savings Bank	NV	\$15,431,880	\$4,205,216	\$7,689,345	\$70,444	\$9,318	\$0	\$9,318	\$13,206,169	\$1,469,328	58.2%	0.92%	0.12%	9.5%
WEX Bank	UT	\$8,449,841	\$4,414,184	\$3,008,168	\$48,778	\$22,867	\$0	\$22,867	\$6,276,206	\$766,567	47.9%	1.62%	0.76%	9.1%
Celtic Bank	UT	\$4,792,448	\$340,945	\$3,989,619	\$56,864	\$110,355	\$649	\$111,004	\$3,442,128	\$850,455	115.9%	1.43%	2.78%	17.7%
Medallion Bank	UT	\$2,620,589	\$61,970	\$2,442,602	\$105,519	\$14,973	\$0	\$14,973	\$2,089,515	\$450,173	116.9%	4.32%	0.61%	17.2%
WebBank	UT	\$2,940,956	\$216,212	\$2,147,644	\$21,329	\$8,522	\$0	\$8,522	\$2,390,034	\$443,501	89.9%	0.99%	0.40%	15.1%
		\$43,487,339	\$9,526,161	\$28,193,371	\$1,670,174	\$516,627	\$649	\$517,276	\$34,655,756	\$5,858,052	81.4%	5.92%	1.83%	13.5%
The Pitney Bowes Bank	UT	\$805,554	\$176,756	\$478,773	\$7,961	\$1,783	\$0	\$1,783	\$675,222	\$78,219	70.9%	1.66%	0.37%	9.7%
Finance Factors, Ltd	HI	\$687,876	\$97,863	\$483,389	\$11,399	\$6,857	\$0	\$6,857	\$531,909	\$77,673	90.9%	2.36%	1.42%	11.3%
Nelnet	UT	\$2,069,700	\$1,063,110	\$956,343	\$25,708	\$10,729	\$0	\$10,729	\$1,762,960	\$294,602	54.2%	2.69%	1.12%	14.2%
Hatch Bank	CA	\$182,299	\$32,091	\$118,826	\$2,502	\$679	\$0	\$679	\$55,934	\$36,924	212.4%	2.11%	0.57%	20.3%
Eaglemark Savings Bank	NV	\$743,751	\$45,000	\$669,503	\$157	\$0	\$0	\$0	\$539,519	\$158,175	124.1%	0.02%	0.00%	21.3%
Balboa Thrift and Loan Association	CA	\$409,500	\$0	\$375,409	\$8,504	\$1,825	\$0	\$1,825	\$361,383	\$45,390	103.9%	2.27%	0.49%	11.1%
Community Commerce Bank	CA	\$411,598	\$3,953	\$302,827	\$3,398	\$34	\$2,703	\$2,737	\$310,462	\$62,457	97.5%	1.12%	0.90%	15.2%
Square Financial Services, Inc.	UT	\$1,694,247	\$6,951	\$977,201	\$66,443	\$11,359	\$0	\$11,359	\$495,255	\$991,223	197.3%	6.80%	1.16%	58.5%
Milestone Bank (formerly LCA)	UT	\$374,567	\$3,311	\$336,603	\$9,035	\$12,811	\$0	\$12,811	\$313,632	\$51,860	107.3%	2.68%	3.81%	13.8%
First Electronic Bank	UT	\$482,435	\$2,741	\$120,896	\$0	\$0	\$0	\$0	\$271,373	\$188,190	44.5%	0.00%	0.00%	39.0%
Minnesota First Credit And Savings	MN	\$28,940	\$0	\$25,946	\$409	\$46	\$0	\$46	\$23,968	\$4,200	108.3%	1.58%	0.18%	14.5%
		\$7,890,467	\$1,431,776	\$4,845,716	\$135,516	\$46,123	\$2,703	\$48,826	\$5,341,617	\$1,988,913	90.7%	2.80%	1.01%	25.2%
		\$262,208,252	\$44,131,265	\$178,712,787	\$4,850,063	\$1,389,898	\$15,099	\$1,404,997	\$204,807,468	\$29,736,431	87.3%	2.71%	0.79%	11.3%

Source: FDIC Reports of Condition as of March 8, 2026
 Note: Ratios are based on period end balances.



Safety and Soundness Statistics - Income
Industrial Banking Industry
YTD December 31, 2025

(\$ in 000's)

	# FTE	Net Interest Income	Non-Interest Income	Non-Interest Expense	Pre-provision Pre-tax Net	Provision	Taxes	Net Income	Annualized ROA	Annualized ROE	Efficiency Ratio	Provisions to Loans	
National Totals	2,047,142	\$ 738,331,600	\$ 333,731,148	\$ 604,731,678	\$ 467,331,070	\$ 93,008,576	\$ 78,744,946	\$ 295,594,855	1.17%	11.38%	56.41%	0.69%	
All Industrial Bank Totals	6,007	\$ 11,689,010	\$ 2,992,236	\$ 5,610,324	\$ 9,070,922	\$ 2,789,731	\$ 1,546,413	\$ 4,734,778	1.81%	15.92%	38.21%	1.56%	
National Totals w/o Industrial Banks	2,041,135	\$ 726,642,590	\$ 330,738,912	\$ 599,121,354	\$ 458,260,148	\$ 90,218,845	\$ 77,198,533	\$ 290,860,077	1.16%	11.32%	56.66%	0.68%	
Nevada (3) Industrial Bank Totals	511	\$ 499,008	\$ 201,463	\$ 395,122	\$ 305,349	\$ 87,643	\$ 49,602	\$ 168,104	0.55%	3.81%	56.41%	0.71%	
Utah (15) Industrial Bank Totals	5,222	\$ 11,133,779	\$ 2,777,379	\$ 5,164,610	\$ 8,746,548	\$ 2,693,840	\$ 1,495,675	\$ 4,557,033	1.98%	18.16%	37.13%	1.63%	
All States w/o NV & UT (5) Bank Totals	274	\$ 56,223	\$ 13,394	\$ 50,592	\$ 19,025	\$ 8,248	\$ 1,136	\$ 9,641	0.56%	4.25%	72.67%	0.63%	
ILC Banks	ST	# FTE	Net Interest Income	Non-Interest Income	Non-Interest Expense	Pre-provision Pre-tax Net	Provision	Taxes	Net Income	Annualized ROA	Annualized ROE	Efficiency Ratio	Provisions to Loans
UBS Bank USA	UT	639	\$ 2,295,327	\$ 92,509	\$ 544,618	\$ 1,843,218	\$ 35,225	\$ 487,838	\$ 1,320,155	1.11%	13.55%	22.81%	0.04%
Sallie Mae Bank	UT	1,763	\$ 1,550,990	\$ 501,017	\$ 586,560	\$ 1,465,447	\$ 334,686	\$ 273,558	\$ 857,203	2.88%	29.66%	28.58%	1.47%
OptumHealth Bank, Inc	UT	700	\$ 806,000	\$ 245,000	\$ 308,000	\$ 743,000	\$ 55,000	\$ 154,000	\$ 534,000	2.56%	18.04%	29.31%	0.62%
BMW Bank of North America	UT	27	\$ 379,128	\$ 121,795	\$ 88,401	\$ 412,522	\$ 32,486	\$ 93,369	\$ 286,667	2.24%	16.48%	17.65%	0.34%
Comenity Capital Bank	UT	266	\$ 2,389,864	\$ 284,160	\$ 1,559,644	\$ 1,114,380	\$ 853,544	\$ 51,086	\$ 209,750	1.54%	11.85%	58.33%	7.31%
Beal Bank USA	NV	199	\$ 333,511	\$ (86,844)	\$ 89,463	\$ 157,204	\$ 30,115	\$ 25,698	\$ 101,391	0.70%	3.64%	36.27%	0.76%
		3,594	\$ 7,754,820	\$ 1,157,637	\$ 3,176,686	\$ 5,735,771	\$ 1,341,056	\$ 1,085,549	\$ 3,309,166	1.6%	15.1%	35.6%	0.9%
Merrick Bank Corporation	UT	537	\$ 1,536,652	\$ 253,753	\$ 568,560	\$ 1,221,845	\$ 1,096,063	\$ 26,124	\$ 99,658	1.08%	5.31%	31.76%	12.29%
Toyota Financial Savings Bank	NV	222	\$ 119,399	\$ 273,038	\$ 286,691	\$ 105,746	\$ 57,525	\$ 13,594	\$ 34,627	0.22%	2.36%	73.05%	0.75%
WEX Bank	UT	84	\$ 774,127	\$ 551,492	\$ 767,706	\$ 557,913	\$ 52,408	\$ 127,270	\$ 378,235	4.48%	49.34%	57.91%	1.74%
Celtic Bank	UT	367	\$ 271,925	\$ 117,596	\$ 127,801	\$ 261,720	\$ 29,861	\$ 55,686	\$ 176,173	3.68%	20.72%	32.81%	0.75%
Medallion Bank	UT	142	\$ 217,563	\$ 18,697	\$ 55,694	\$ 180,566	\$ 81,209	\$ 27,172	\$ 72,185	2.75%	16.03%	23.57%	3.32%
WebBank	UT	250	\$ 358,229	\$ 91,709	\$ 294,459	\$ 155,479	\$ 14,848	\$ 36,348	\$ 104,283	3.55%	23.51%	65.44%	0.69%
		1,602	\$ 3,277,895	\$ 1,306,285	\$ 2,100,911	\$ 2,483,269	\$ 1,331,914	\$ 286,194	\$ 865,161	2.0%	14.8%	45.8%	4.7%
The Pitney Bowes Bank	UT	29	\$ 58,977	\$ 29,422	\$ 18,422	\$ 69,977	\$ 4,339	\$ 15,325	\$ 50,313	6.25%	64.32%	20.84%	0.91%
Finance Factors, Ltd	HI	109	\$ 16,553	\$ 4,719	\$ 16,898	\$ 4,374	\$ (39)	\$ 892	\$ 3,521	0.51%	4.53%	79.44%	-0.01%
Nelnet	UT	55	\$ 60,155	\$ 3,192	\$ 26,335	\$ 37,012	\$ 18,590	\$ 4,476	\$ 13,946	0.67%	4.73%	41.57%	1.94%
Hatch Bank	CA	24	\$ 7,065	\$ 6,942	\$ 8,201	\$ 5,806	\$ 569	\$ -	\$ 5,237	2.87%	14.18%	58.55%	0.48%
Eaglemark Savings Bank	NV	90	\$ 46,098	\$ 15,269	\$ 18,968	\$ 42,399	\$ 3	\$ 10,310	\$ 32,086	4.31%	20.29%	30.91%	0.00%
Balboa Thrift and Loan Association	CA	91	\$ 19,976	\$ 556	\$ 15,533	\$ 4,999	\$ 7,808	\$ (689)	\$ (2,120)	-0.52%	-4.67%	75.65%	2.08%
Community Commerce Bank	CA	44	\$ 11,500	\$ 1,115	\$ 8,878	\$ 3,737	\$ (90)	\$ 926	\$ 2,901	0.70%	4.64%	70.38%	-0.03%
Square Financial Services, Inc.	UT	185	\$ 309,738	\$ 446,192	\$ 170,664	\$ 585,266	\$ 76,254	\$ 121,243	\$ 387,769	22.89%	39.12%	22.58%	7.80%
Milestone Bank (formerly LCA)	UT	62	\$ 24,500	\$ 3,686	\$ 12,471	\$ 15,715	\$ 9,327	\$ 1,599	\$ 4,789	1.28%	9.23%	44.25%	2.77%
First Electronic Bank	UT	116	\$ 100,604	\$ 17,159	\$ 35,275	\$ 82,488	\$ -	\$ 20,581	\$ 61,907	12.83%	32.90%	29.95%	0.00%
Minnesota First Credit And Savings	MN	6	\$ 1,129	\$ 62	\$ 1,082	\$ 109	\$ -	\$ 7	\$ 102	0.35%	2.43%	90.85%	0.00%
		811	\$ 656,295	\$ 528,314	\$ 332,727	\$ 851,882	\$ 116,761	\$ 174,670	\$ 560,451	7.1%	28.2%	28.1%	2.4%
		6,007	\$ 11,689,010	\$ 2,992,236	\$ 5,610,324	\$ 9,070,922	\$ 2,789,731	\$ 1,546,413	\$ 4,734,778	1.81%	15.92%	38.21%	1.56%

Source: FDIC Reports of Income as of March 8, 2026

Note: Security Gains (Losses) are included with Non-Interest Income. Extraordinary Items and Noncontrolling Interests are included in Net Income.

Note: National Totals for income and expense are computed by subtracting previously reported quarterly amounts from current year to date reported amounts.

