



SIFMA Research Quarterly – 1Q22

US Financial Institutions
Financial & Regulatory Data

May 2022

SIFMA Research Quarterly Reports contain data and statistics on U.S. markets.

This report analyzes publicly available financial and regulatory requirement metrics for CCAR firms and may serve as a proxy for the state of the financial services industry. It includes information on income statement metrics, balance sheet categories and regulatory ratios.

Other quarterly reports include an equity and related quarterly (cash equities, ETFs, listed options and capital formation) and two fixed income quarterlies (issuance and trading; outstanding). These reports and corresponding databases can be found at www.sifma.org/research.



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Executive Summary

The U.S. financial system, with nearly \$23 trillion in assets¹, is a large, complex system set up to serve the needs of individuals, corporations, and governments of all sizes. Since the global financial crisis, financial institutions and regulators have worked to shore up the strength and resiliency of the system. Today's U.S. financial system is more liquid and better capitalized than ever, positioning it to weather future shocks.

This quarterly report provides a snapshot of the current landscape, looking at select income statement, balance sheet and regulatory ratio statistics and trends. (Please see the Appendix for methodology and firm lists.) We highlight the following trends: (aggregate of all CCAR firms, unless indicated)

- Income Statement (YTD22)
 - Total revenue \$178.4 billion, -1.1% Y/Y
 - Operating expenses \$118.7 billion, +4.4% Y/Y
 - Net income available to common \$43.8 billion, -29.5% Y/Y

- Balance Sheet (1Q22)
 - Total assets \$19.0 trillion, +6.6% Y/Y
 - Net loans² \$6.6 trillion, +8.6% Y/Y
 - Deposits \$12.3 trillion, +8.9% Y/Y
 - As compared to 2009
 - Liquidity³ 17.0% (as of 1Q22/4Q21), +8.1 pps since 2009
 - Non-performing loans (NPLs)/Total Loans 0.6%, -2.7 pps since 2009
 - Net charge-offs (NCOs) 30.8%, -309.0 pps since 2009

- Regulatory Ratios (1Q22)⁴
 - Common Equity Tier 1 (CET1) Capital 11.0%; +2.5 pps since 2009, +0.5 pps above maximum requirement
 - Tier 1 (T1) Capital 12.5%; +0.7 pps since 2009, +6.5 pps above requirement
 - Data for G-SIBs only
 - Supplemental Leverage Ratio (SLR) 5.9%, -0.1 pps below maximum requirement
 - Liquidity Coverage Ratio (LCR) 116.5%, +16.5 pps above maximum requirement
 - Total Loss Absorbing Capital (TLAC) as % of RWA 30.4%, +12.4 pps above requirement

¹ Source: FRED Economic Data (total assets for all commercial banks as of March 30, 2022)

² Net loans = loans - allowance for loan loss

³ Liquidity = (cash + deposits at banks) / total assets; cash and total assets as of 1Q22, deposits at banks 4Q21

⁴ Levels may fluctuate with changes in regulations/taxes/laws. Basel III minimums: CET1 = minimum 7.0%, G-SIB max 10.5%; T1 = 6.0%; SLR = B3 minimum 3.0%, U.S. bank holding company 5.0%, U.S. bank 6.0%; LCR = 100.0%; TLAC/RWA = 18.0%. RWA = risk-weighted assets

Overview: Financial Statements

We highlight the following trends:

Income Statement (\$B)	1Q22	4Q21	1Q21	Q/Q	Y/Y	Balance Sheet (\$T, unless indicated)	1Q22	4Q21	1Q21	Q/Q	Y/Y
Net Interest Income						Assets					
All CCAR Firms	79.3	78.6	73.1	0.9%	8.5%	Cash & Cash Equivalents*					
G-SIBs	50.8	50.1	46.7	1.3%	8.8%	All CCAR Firms	3.2	3.1	3.2	2.6%	-0.5%
Non G-SIBs, Assets >\$250B	15.6	15.7	14.5	-0.8%	7.2%	G-SIBs	2.7	2.7	2.6	2.2%	3.7%
Non G-SIBs, Assets \$100B-\$250B	13.0	12.8	11.9	1.3%	9.3%	Non G-SIBs, Assets >\$250B	0.2	0.2	0.3	8.7%	-21.2%
Non-Interest Income						Non G-SIBs, Assets \$100B-\$250B	0.3	0.3	0.3	2.5%	-17.0%
All CCAR Firms	99.0	98.2	107.2	0.9%	-7.6%	Loans					
G-SIBs	75.1	72.7	86.0	3.4%	-12.7%	All CCAR Firms	6.7	6.6	6.2	1.4%	7.9%
Non G-SIBs, Assets >\$250B	8.2	8.8	7.7	-6.7%	6.0%	G-SIBs	4.5	4.4	4.2	1.7%	7.0%
Non G-SIBs, Assets \$100B-\$250B	15.7	16.7	13.4	-6.1%	17.0%	Non G-SIBs, Assets >\$250B	1.2	1.2	1.1	0.5%	10.0%
Total Revenue						Non G-SIBs, Assets \$100B-\$250B	1.0	1.0	0.9	1.0%	9.6%
All CCAR Firms	178.4	176.8	180.3	0.9%	-1.1%	Allowance for Loan Loss (\$B)					
G-SIBs	125.9	122.8	132.7	2.5%	-5.1%	All CCAR Firms	109.7	112.0	139.5	-2.0%	-21.3%
Non G-SIBs, Assets >\$250B	23.8	24.5	22.3	-2.9%	6.7%	G-SIBs	61.2	62.2	82.5	-1.6%	-25.8%
Non G-SIBs, Assets \$100B-\$250B	28.7	29.6	25.3	-2.9%	13.4%	Non G-SIBs, Assets >\$250B	25.7	26.5	30.7	-2.9%	-16.4%
Operating Expenses						Non G-SIBs, Assets \$100B-\$250B	22.8	23.3	26.3	-2.1%	-13.3%
All CCAR Firms	118.7	117.5	113.7	1.1%	4.4%	Net Loans					
G-SIBs	84.8	81.6	84.4	3.9%	0.4%	All CCAR Firms	6.6	6.5	6.1	1.4%	8.6%
Non G-SIBs, Assets >\$250B	14.9	15.7	13.3	-5.1%	12.0%	G-SIBs	4.4	4.4	4.1	1.7%	7.7%
Non G-SIBs, Assets \$100B-\$250B	19.1	20.2	16.0	-5.6%	19.2%	Non G-SIBs, Assets >\$250B	1.2	1.2	1.1	0.6%	10.8%
Loan Loss Provision						Non G-SIBs, Assets \$100B-\$250B	1.0	1.0	0.9	1.1%	10.2%
All CCAR Firms	3.0	(2.1)	(13.2)	45.7%	-77.5%	Total Assets					
G-SIBs	2.1	(2.4)	(9.4)	-12.2%	-77.8%	All CCAR Firms	19.0	18.4	17.8	3.1%	6.6%
Non G-SIBs, Assets >\$250B	0.5	(0.1)	(2.2)	683.9%	-77.4%	G-SIBs	15.1	14.6	14.2	3.9%	6.8%
Non G-SIBs, Assets \$100B-\$250B	0.4	0.4	(1.7)	10.4%	-75.5%	Non G-SIBs, Assets >\$250B	2.1	2.1	2.0	0.1%	6.9%
Net Income Available to Common						Non G-SIBs, Assets \$100B-\$250B	1.7	1.7	1.7	-0.4%	5.0%
All CCAR Firms	43.8	47.3	62.2	-7.4%	-29.5%	Liabilities					
G-SIBs	30.5	34.0	45.4	-10.3%	-32.8%	Deposits					
Non G-SIBs, Assets >\$250B	6.5	6.6	8.5	-2.3%	-23.9%	All CCAR Firms	12.3	12.1	11.3	2.1%	8.9%
Non G-SIBs, Assets \$100B-\$250B	6.9	6.7	8.3	1.9%	-17.4%	G-SIBs	9.3	9.1	8.5	2.6%	9.2%
Source: Bloomberg, SIFMA estimates						Non G-SIBs, Assets >\$250B	1.7	1.6	1.5	0.8%	9.2%
						Non G-SIBs, Assets \$100B-\$250B	1.3	1.3	1.3	0.0%	7.0%
						Total Liabilities					
						All CCAR Firms	17.4	16.7	16.2	3.7%	7.4%
						G-SIBs	13.9	13.3	13.0	4.5%	7.4%
						Non G-SIBs, Assets >\$250B	1.9	1.9	1.7	1.1%	8.6%
						Non G-SIBs, Assets \$100B-\$250B	1.6	1.6	1.5	0.2%	5.6%

Note: Cash & cash equivalents = cash and due from banks (as of current quarter) plus deposits with banks (one quarter lag); a small portion of this is restricted cash. Net loans = loans - allowance for loan loss

Chart Book: Income Statement Metrics

In this section, we highlight key income statement metrics, from revenue to expenses and then profitability.

Net Interest Income



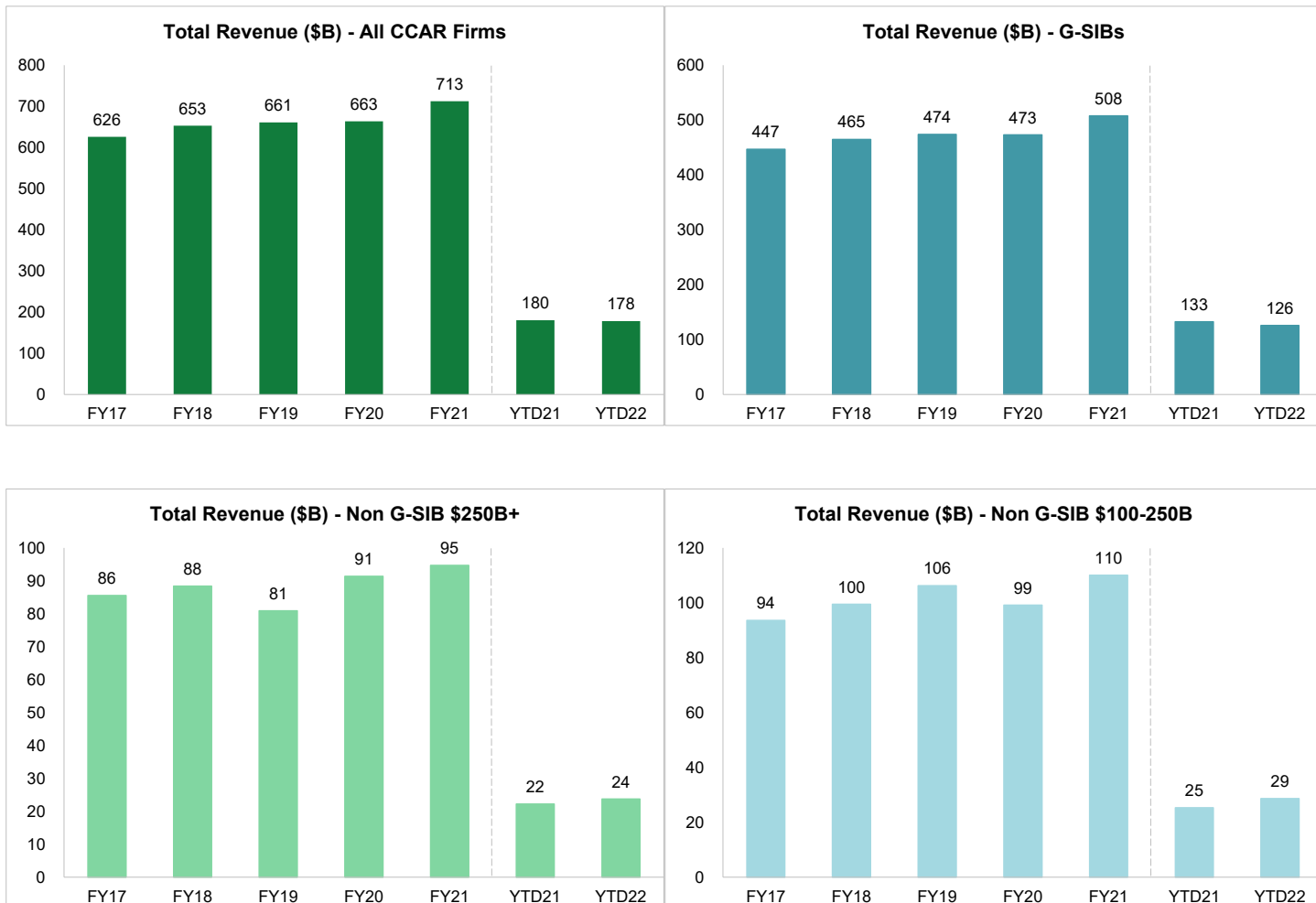
Source: Bloomberg, SIFMA estimates

Non-Interest Income



Source: Bloomberg, SIFMA estimates

Total Revenue



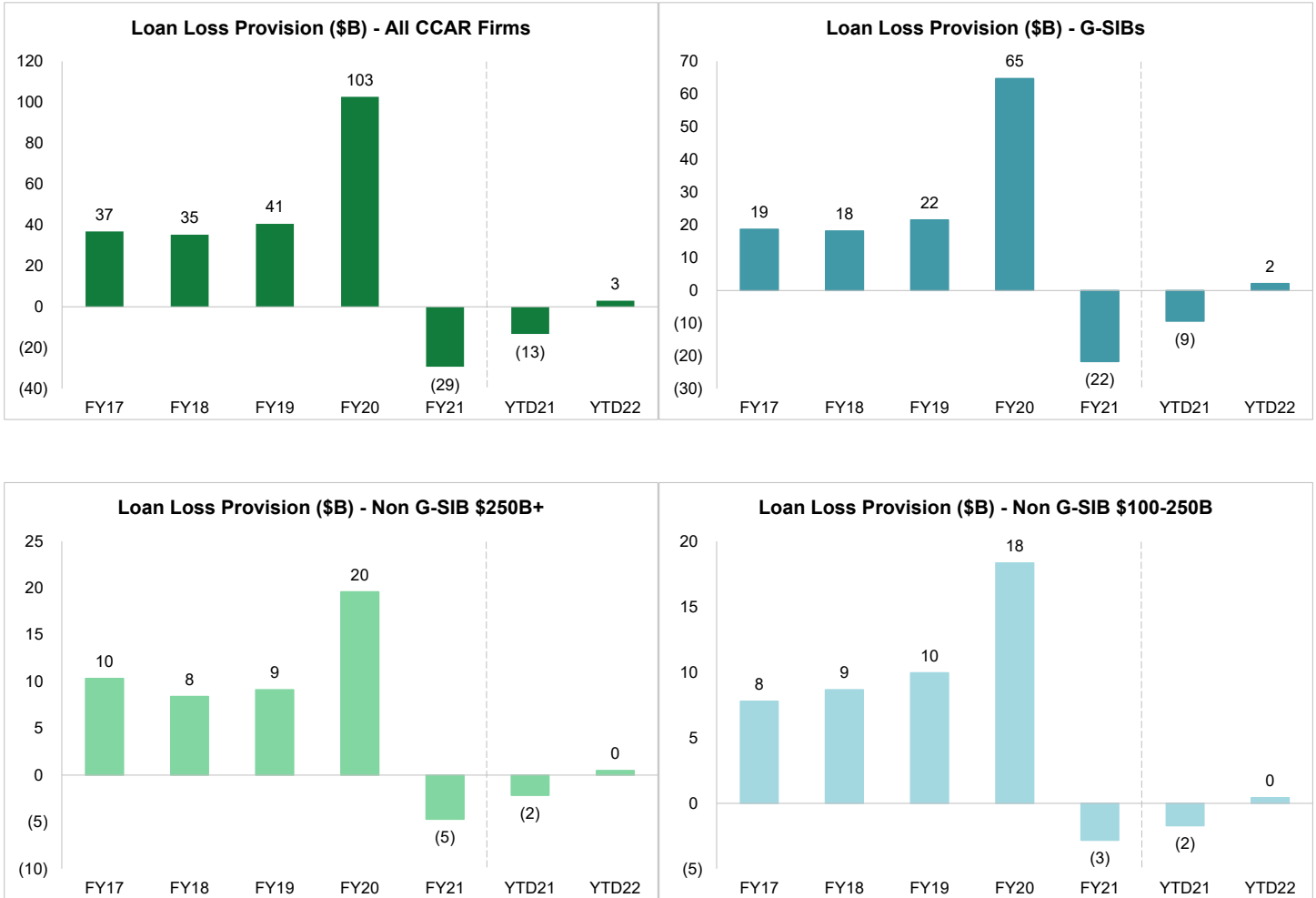
Source: Bloomberg, SIFMA estimates

Operating Expenses



Source: Bloomberg, SIFMA estimates

Loan Loss Provision



Source: Bloomberg, SIFMA estimates

Net Income Available to Common



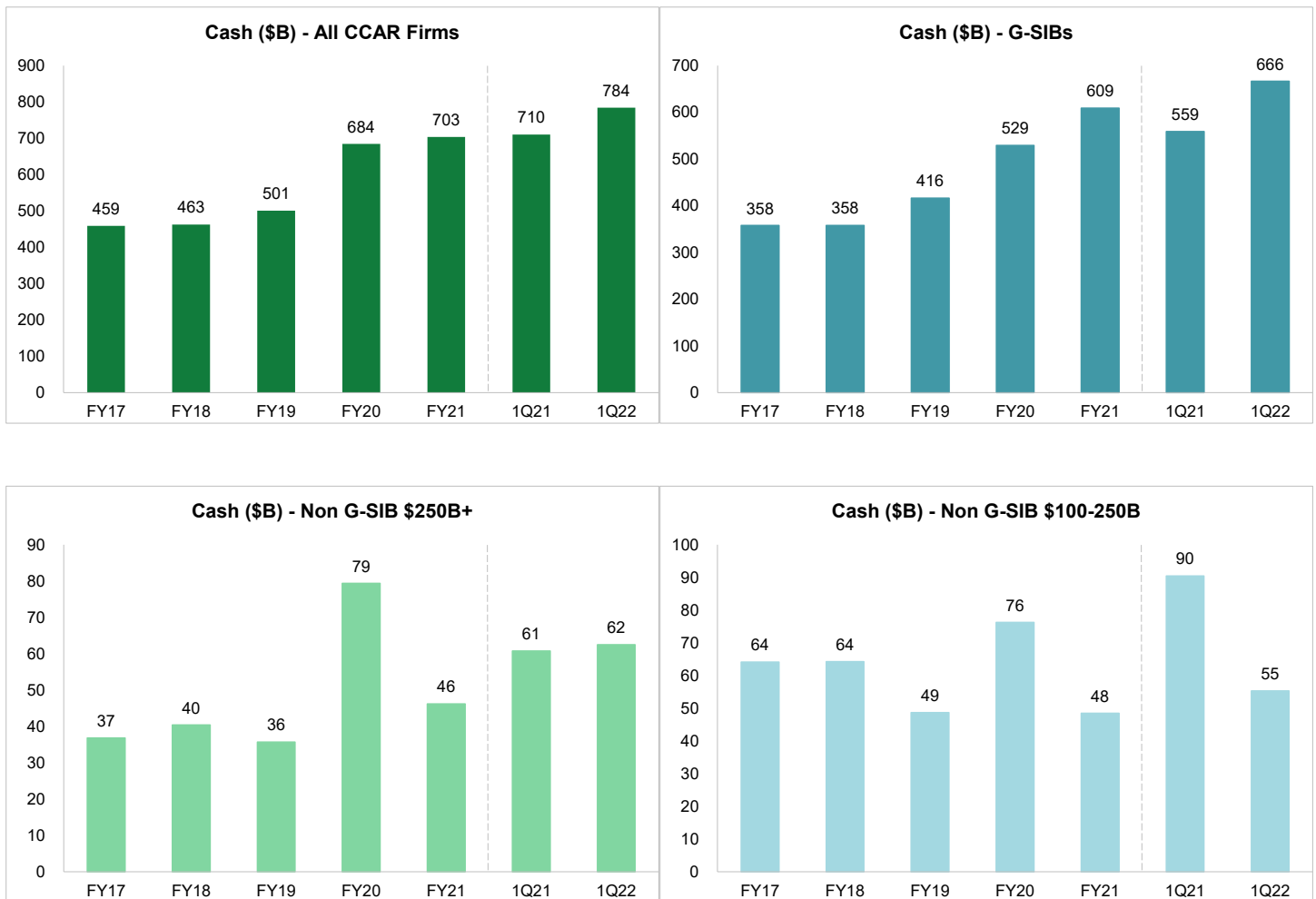
Source: Bloomberg, SIFMA estimates

Note: Net Income = net income available to common shareholders

Chart Book: Balance Sheet Metrics

In this section, we highlight key balance sheet metrics, from both the asset and liability side. We also look at select ratios indicative of balance sheet health as compared to 2009 (ex: net charge-offs), showing the improved strength of the system since the global financial crisis.

Cash



Source: Bloomberg, SIFMA estimates

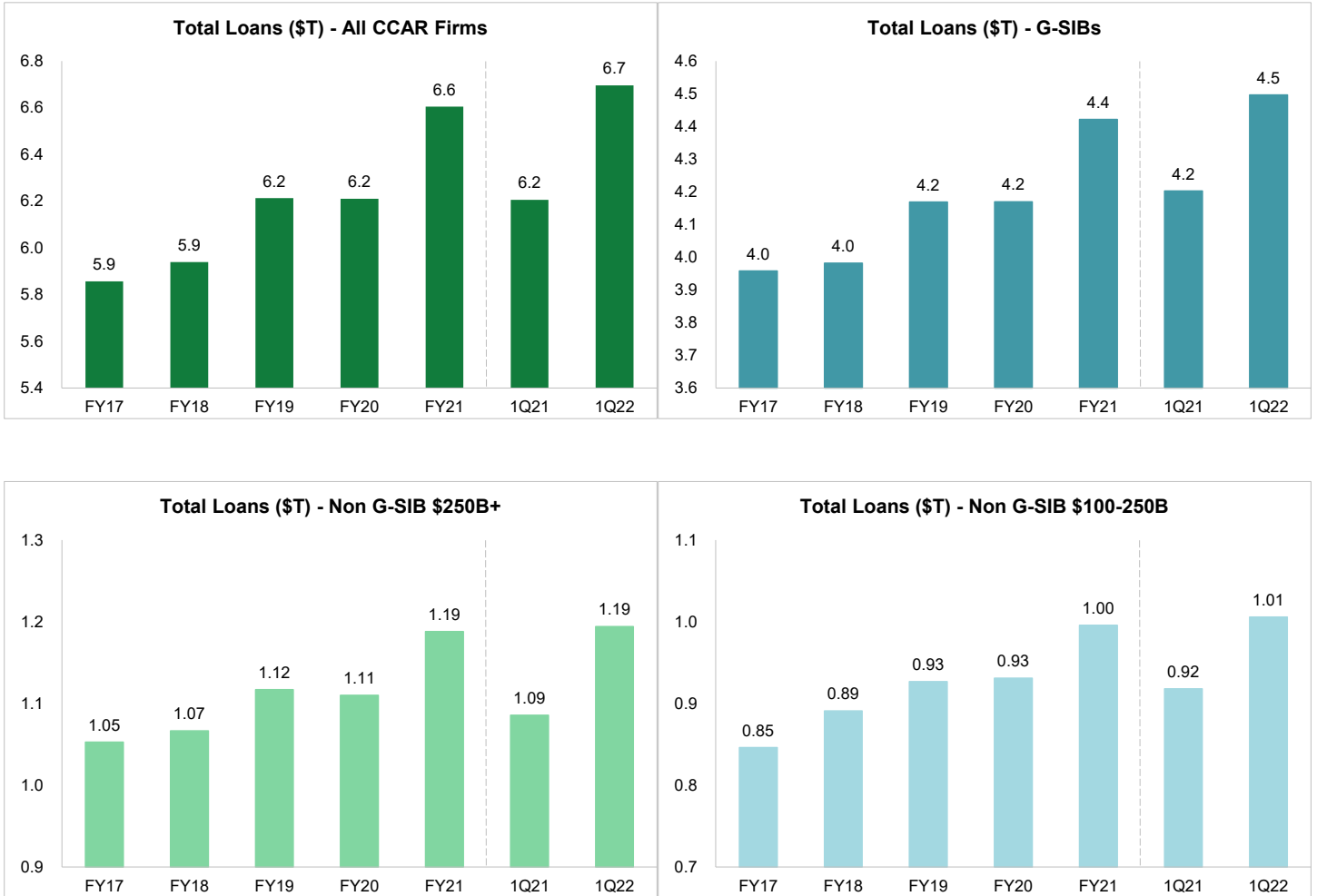
Cash & Cash Equivalents*



Source: Bloomberg, SIFMA estimates

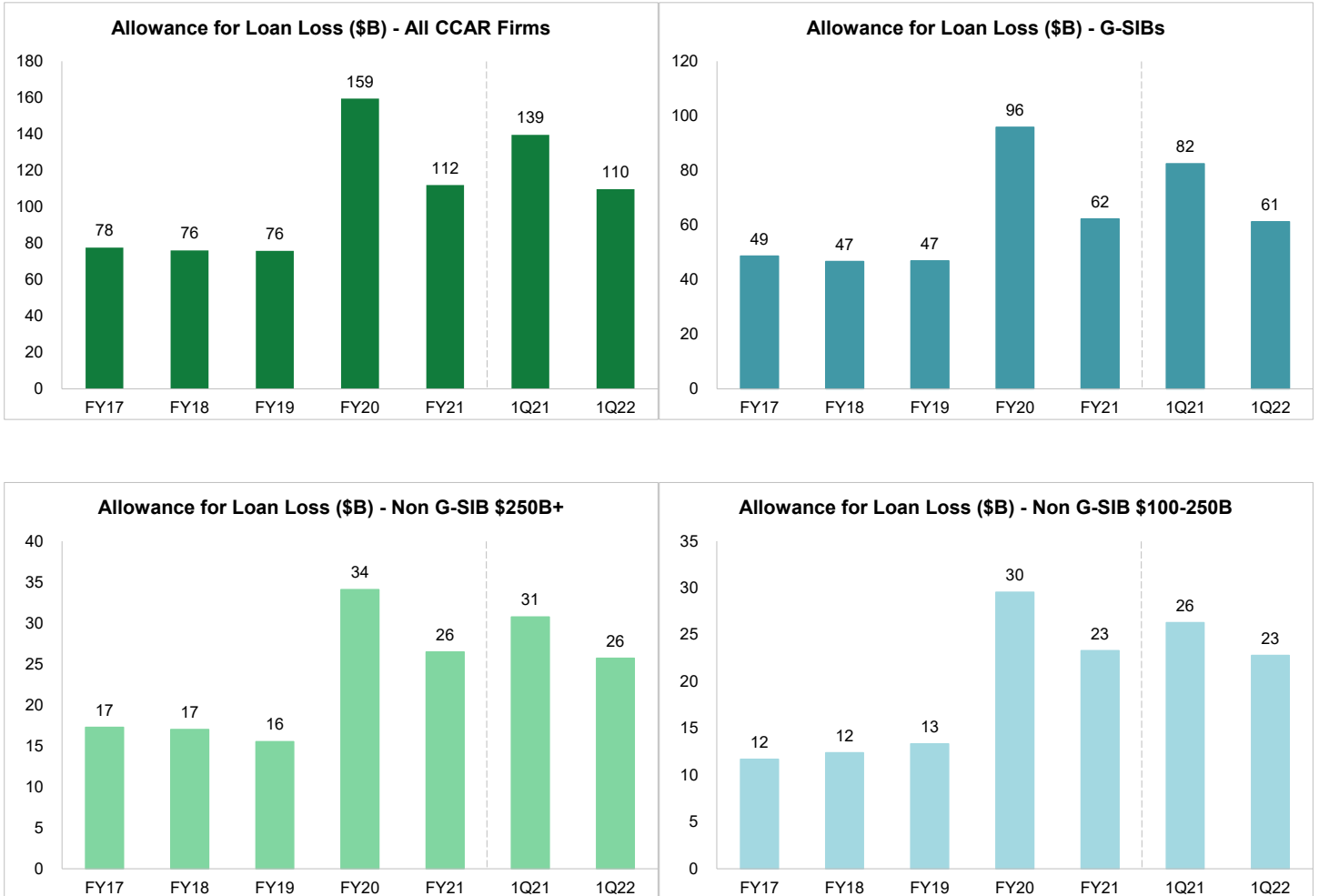
Note: Cash & cash equivalents = cash and due from banks (as of current quarter) plus deposits with banks (one quarter lag); a small portion of this is restricted cash

Total Loans



Source: Bloomberg, SIFMA estimates

Allowance for Loan Loss



Source: Bloomberg, SIFMA estimates

Net Loans



Source: Bloomberg, SIFMA estimates

Note: Net loans = loans - allowance for loan loss

Total Assets



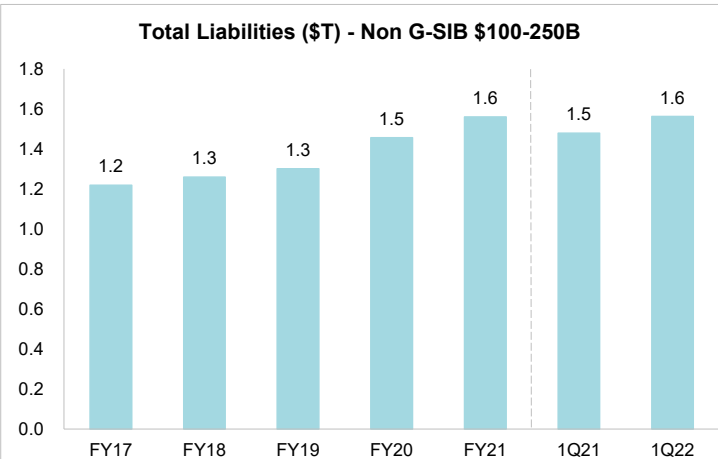
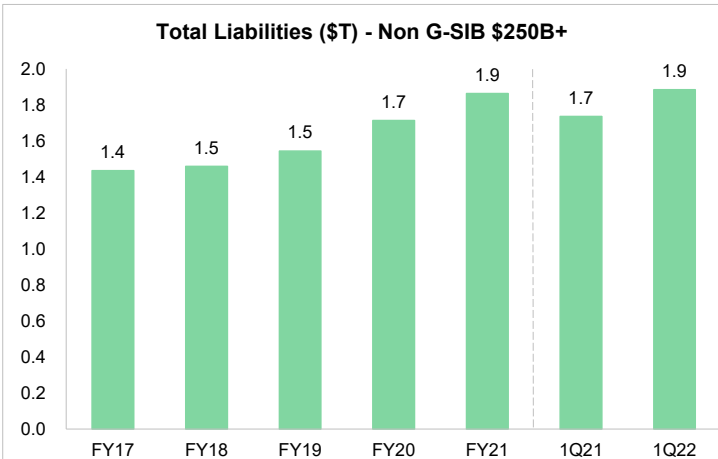
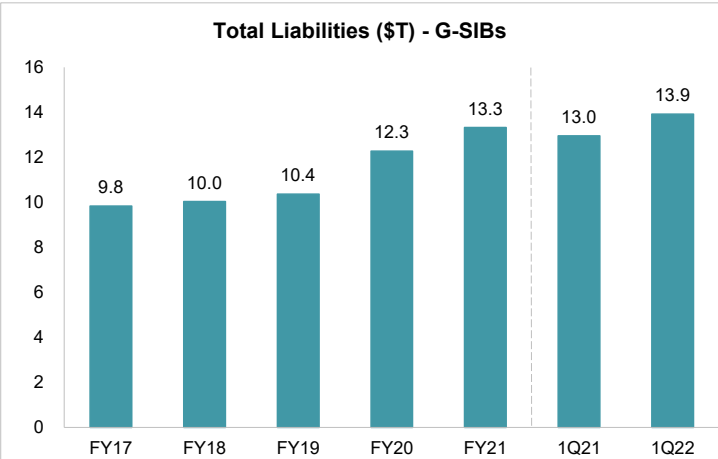
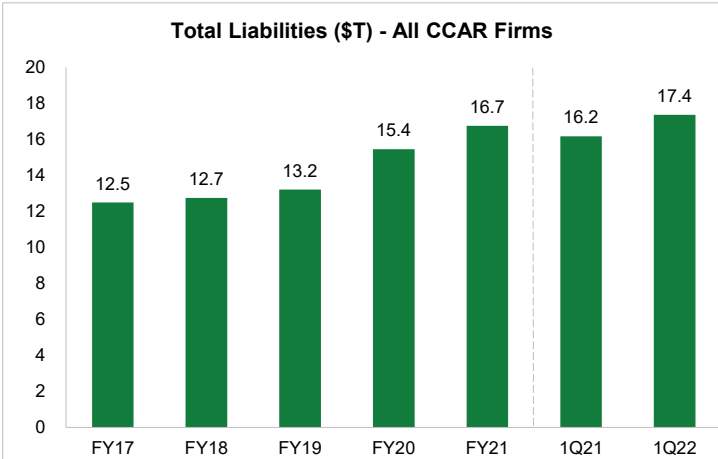
Source: Bloomberg, SIFMA estimates

Total Deposits



Source: Bloomberg, SIFMA estimates

Total Liabilities



Source: Bloomberg, SIFMA estimates

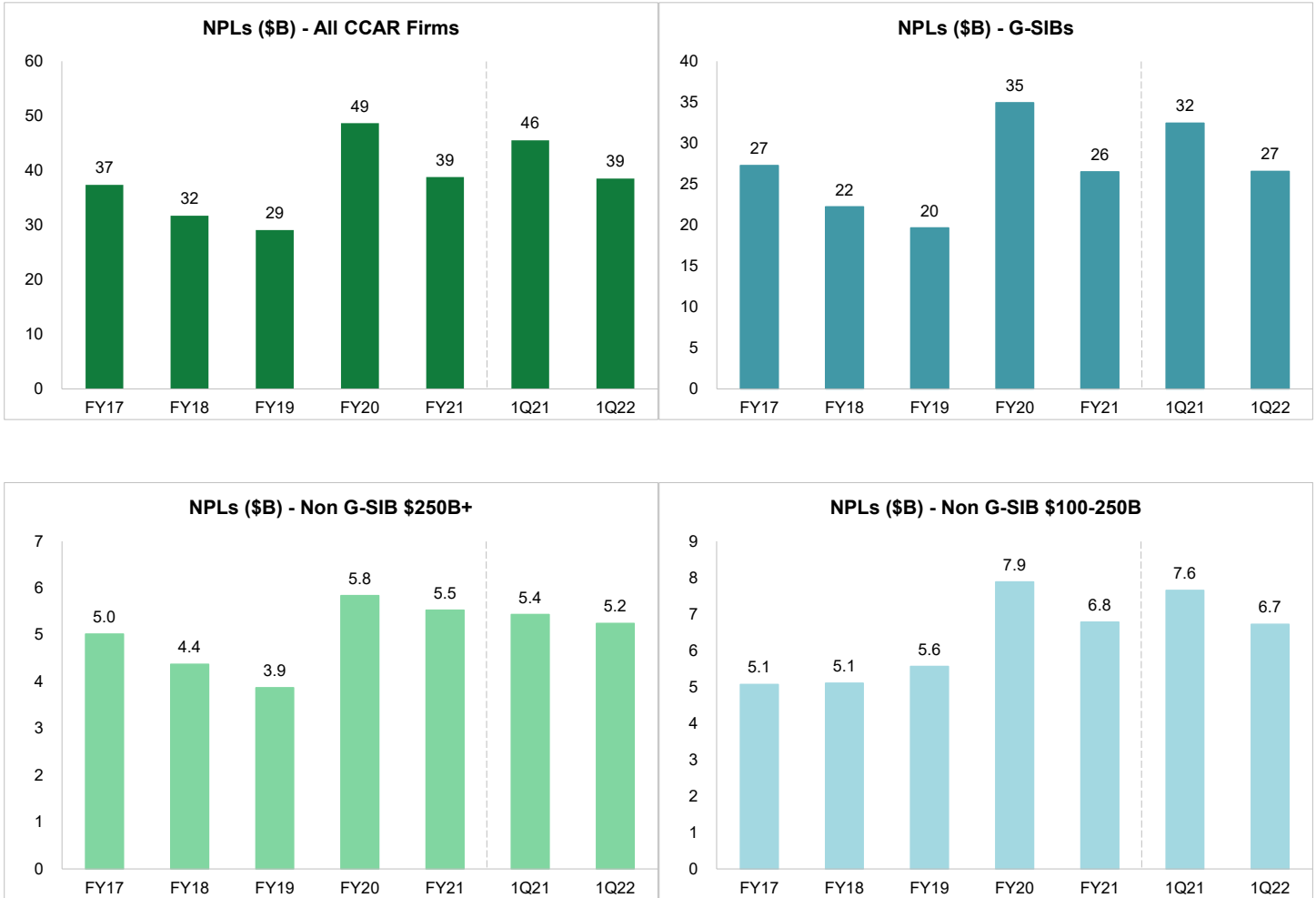
Liquidity*



Source: Bloomberg, SIFMA estimates

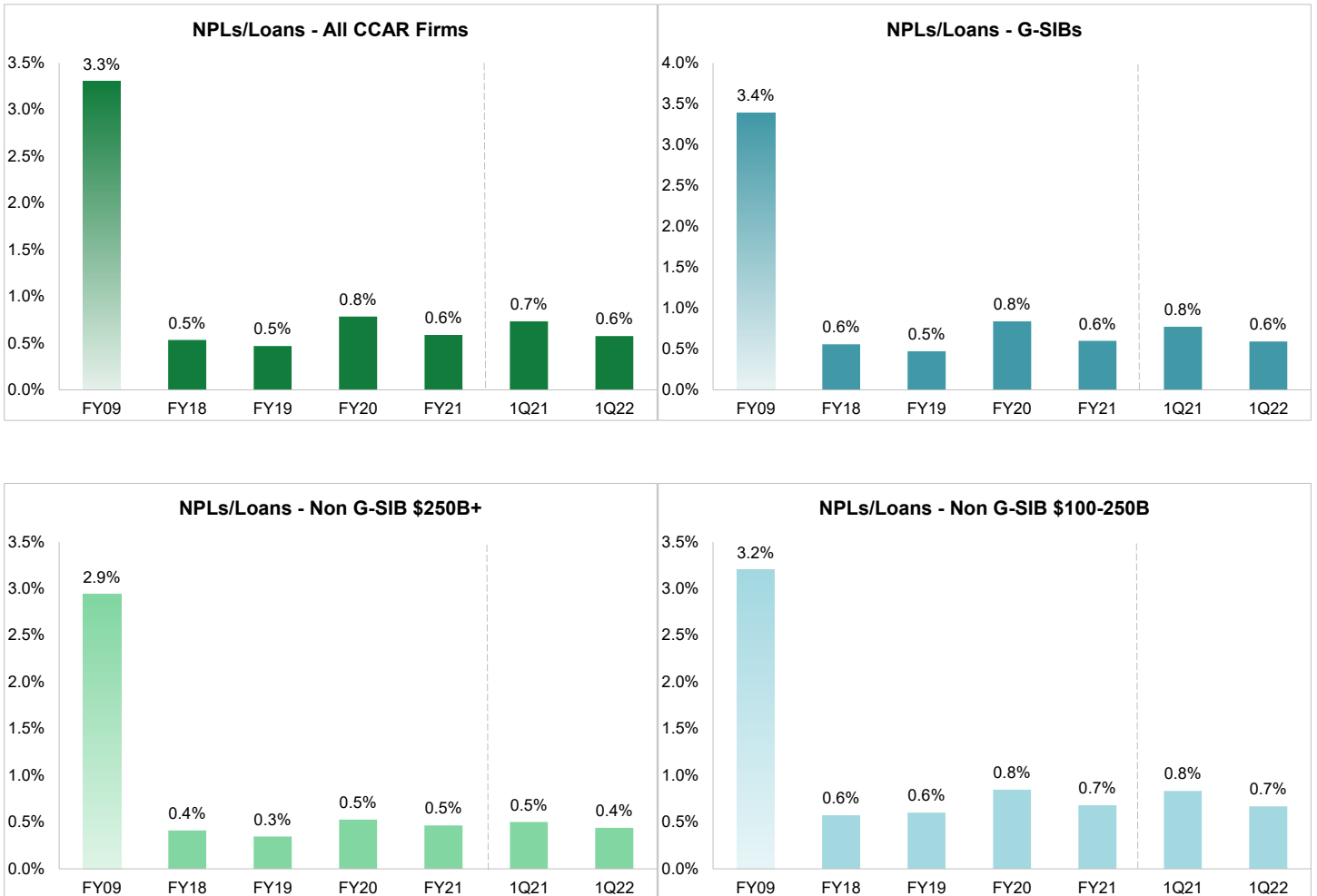
Note: Liquidity = (cash + deposits at banks) / total assets; cash and total assets as of current quarter, deposits at banks a one quarter lag; decreases = denominator expanding faster than numerator

Non-Performing Loans (NPL)



Source: Bloomberg, SIFMA estimates

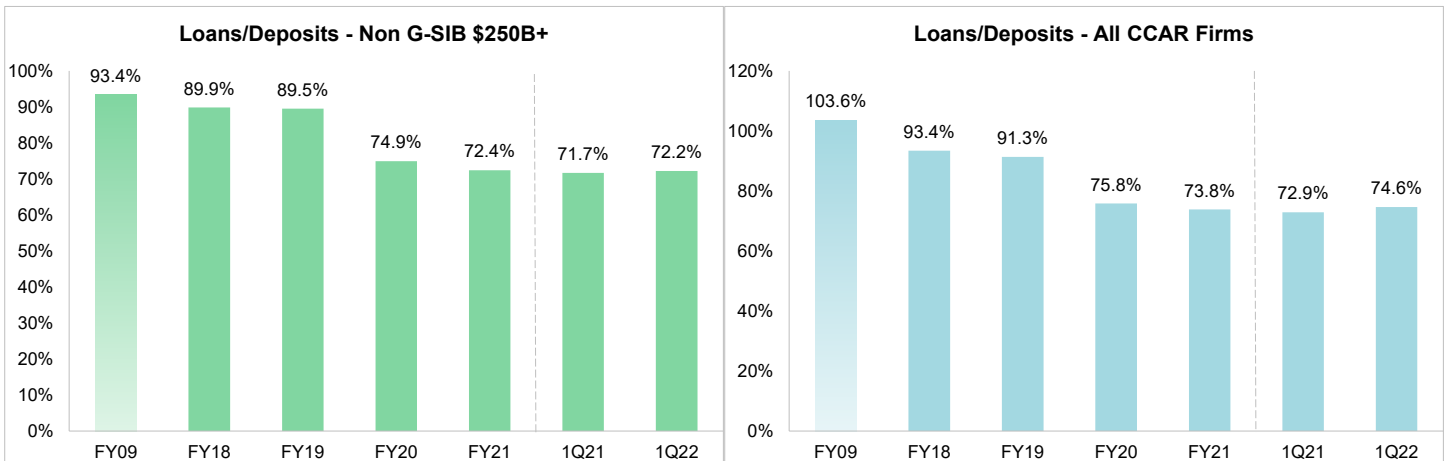
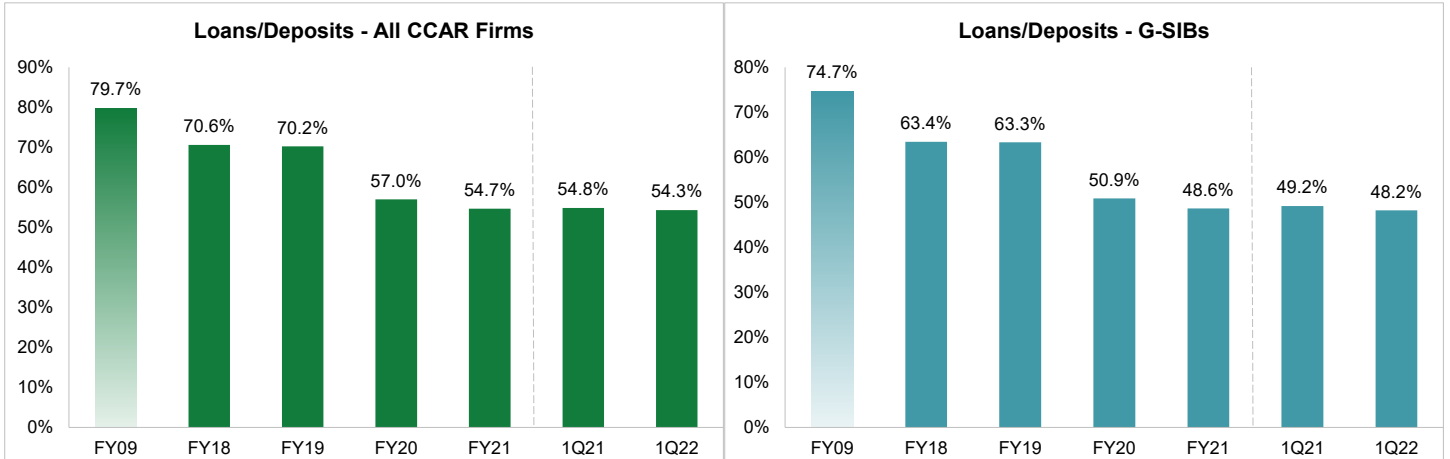
NPLs/Loans



Source: Bloomberg, SIFMA estimates

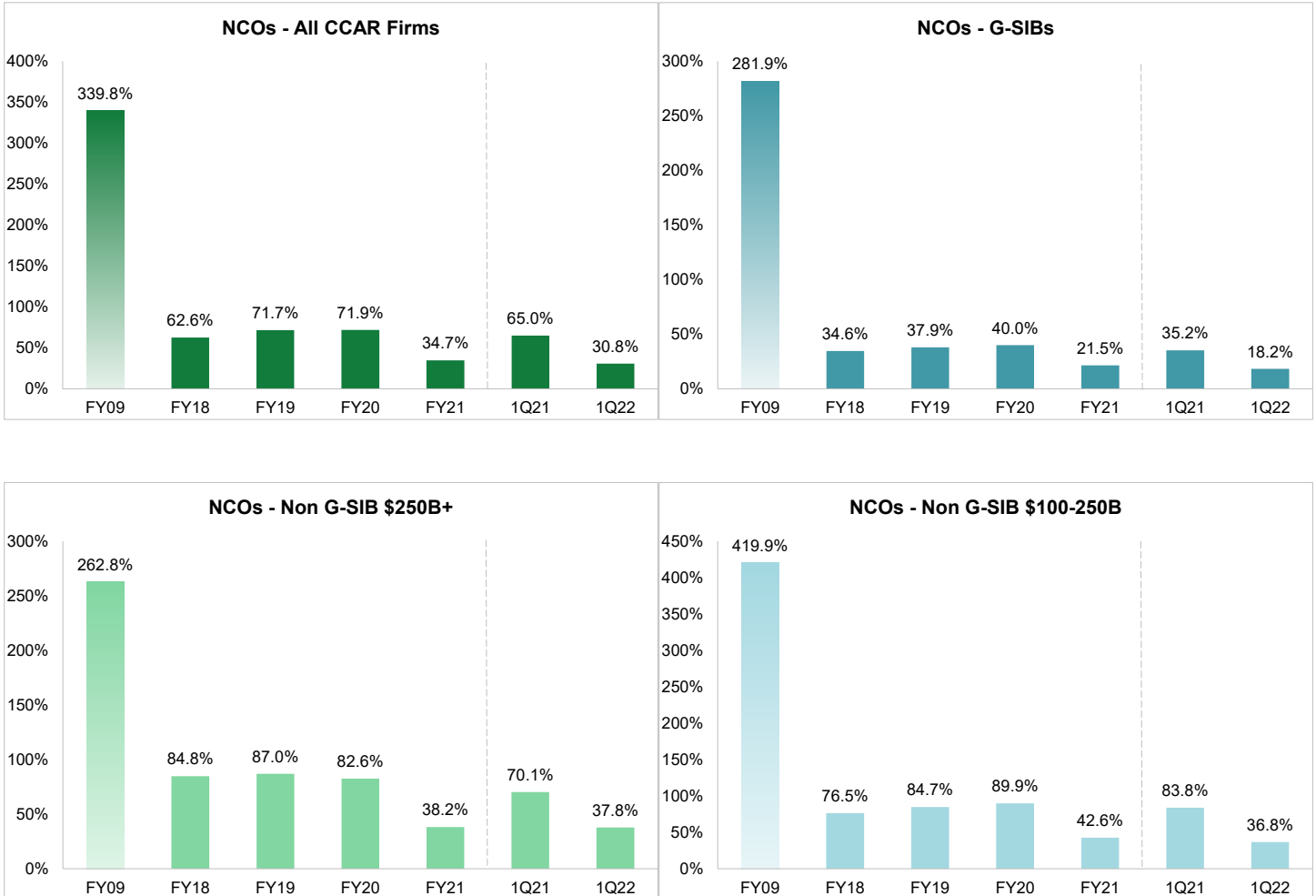
Note: NPL = non-performing loans; NPL/total loans

Loans/Deposits



Source: Bloomberg, SIFMA estimates

Net Charge-Offs (NCO)

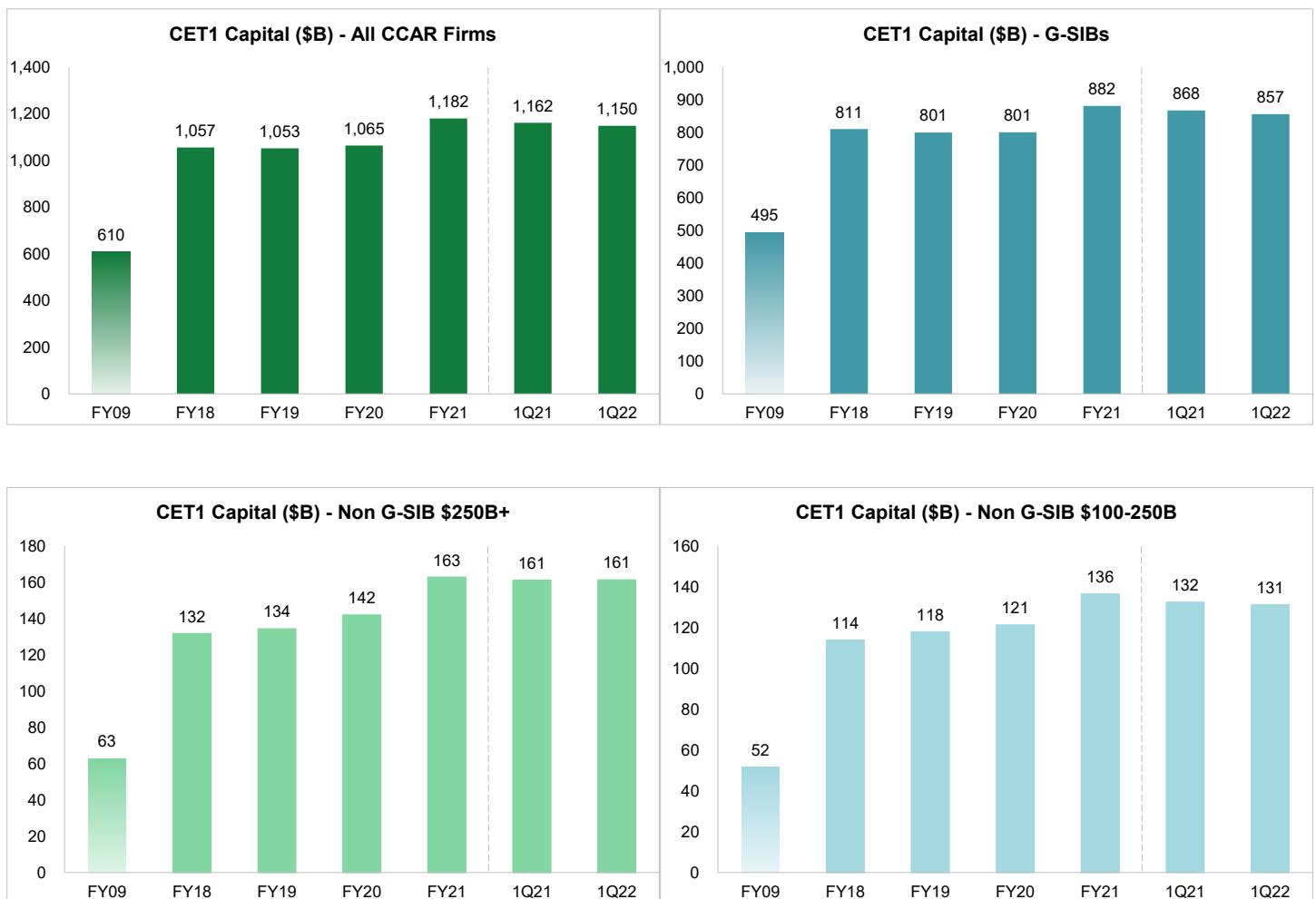


Source: Bloomberg, SIFMA estimates

Chart Book: Regulatory Ratios

Non G-SIBs are held to a 7% minimum Basel III CET1 requirement. The G-SIBs are held to various levels of an additional buffer based on BIS methodology (please see the Appendix). We compare the average ratios for all CCAR firms and non G-SIBs to the maximum G-SIB requirements, inclusive of the highest buffers. This emphasizes the excess capital and liquidity held by financial institutions of all sizes. In general, there has been substantial growth in regulatory ratios across all categories of banks.

Common Equity Tier 1 (CET1) Capital Levels

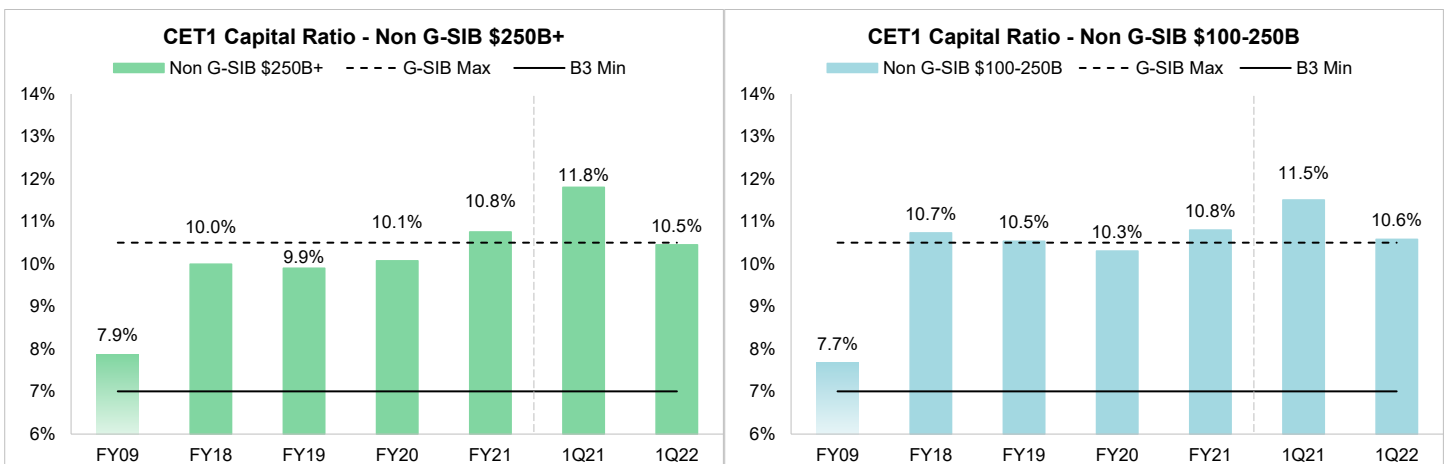
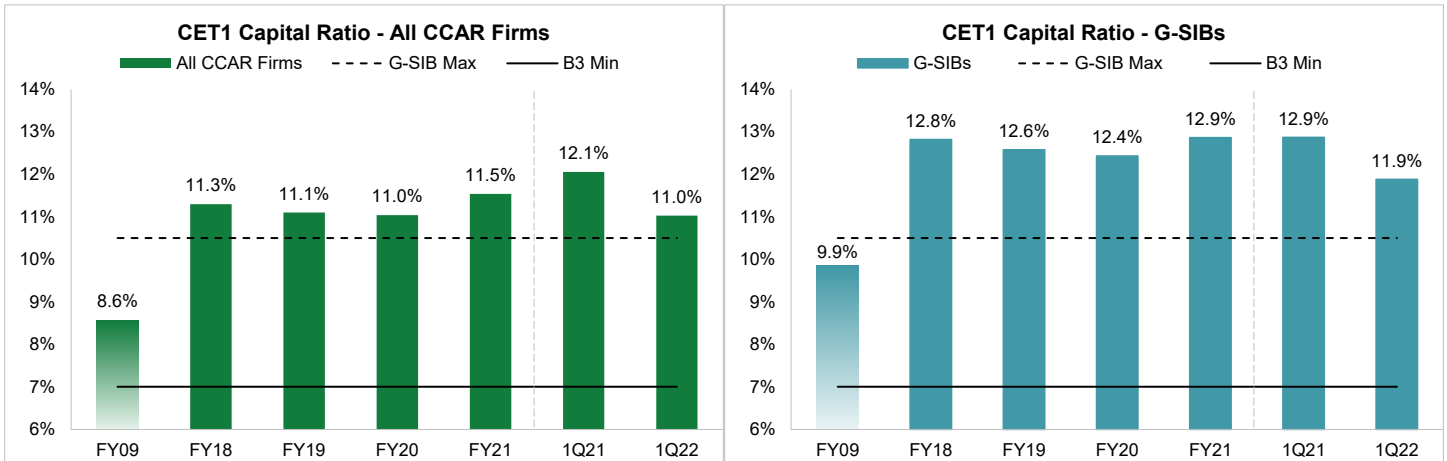


Source: Bloomberg, SIFMA estimates

Note: Capital levels may fluctuate with changes in regulations/taxes/laws

CET1 Capital Ratios

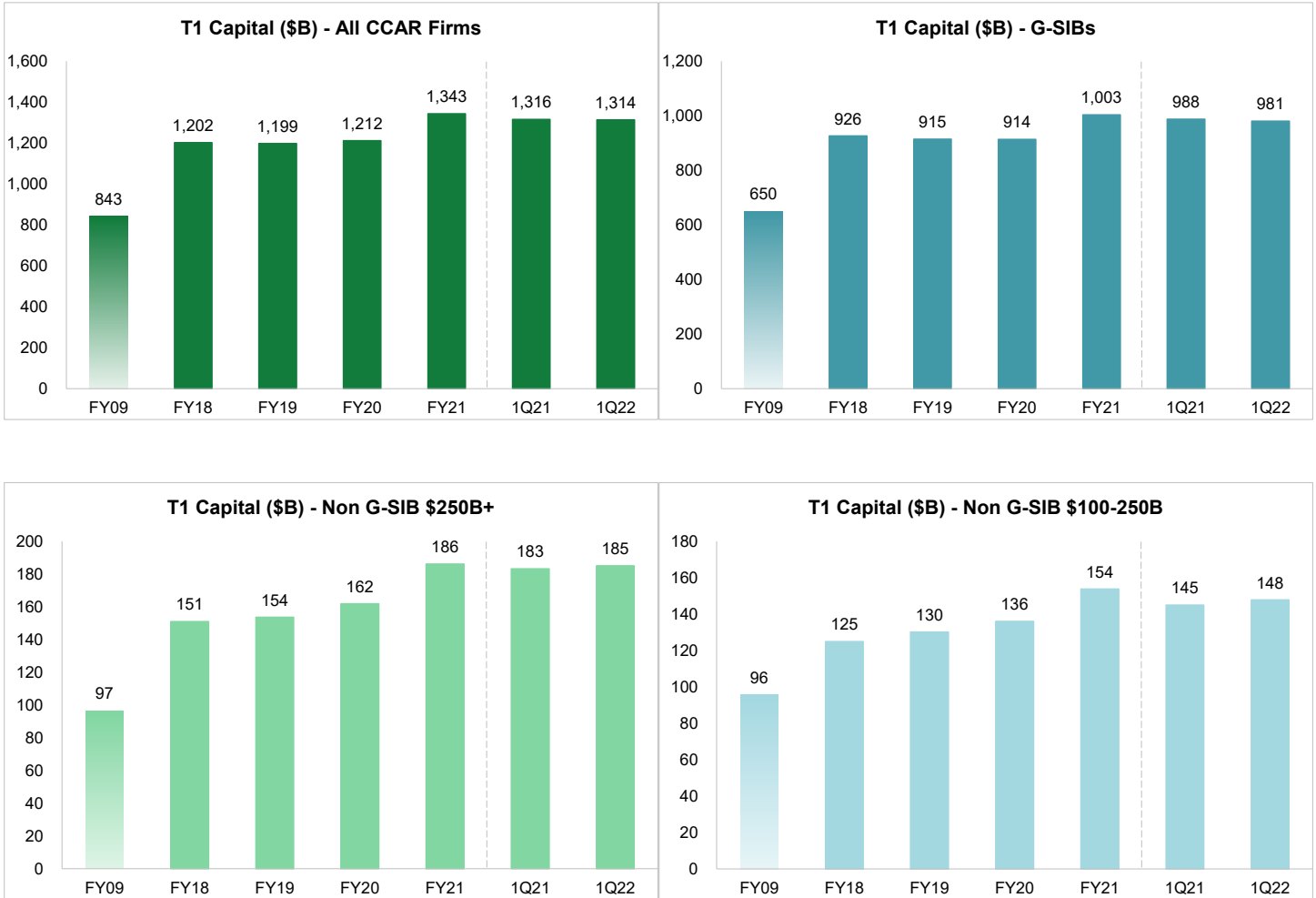
Currently, the maximum CET1 ratio inclusive of the highest surcharge would be 9.5% (no G-SIBs are currently in bucket 5). Yet, all firms are above the full maximum level of 10.5%.



Source: Bloomberg, SIFMA estimates

Note: Capital levels may fluctuate with changes in regulations/taxes/laws. Basel III minimum = 7.0%

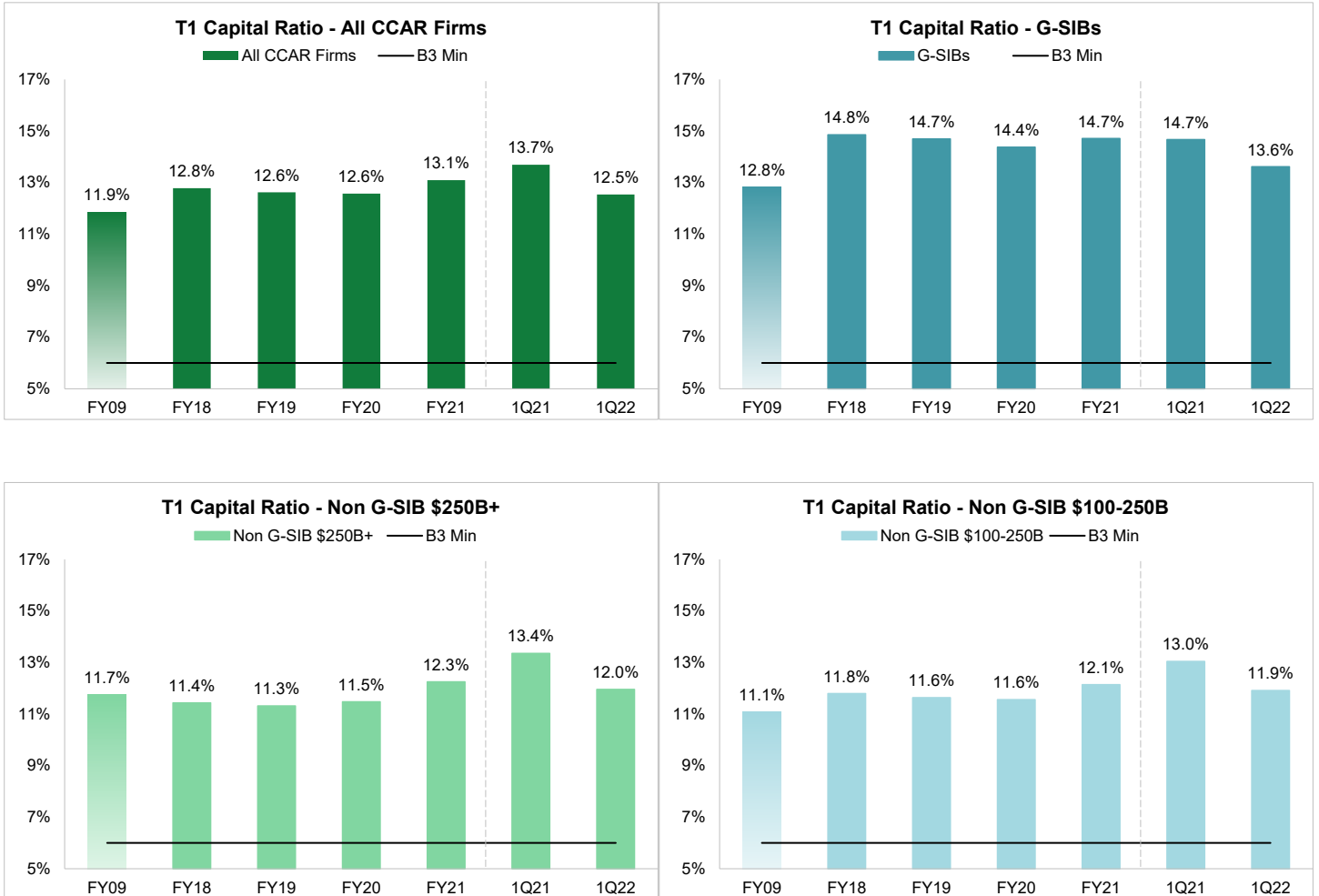
Tier 1 (T1) Capital Levels



Source: Bloomberg, SIFMA estimates

Note: Capital levels may fluctuate with changes in regulations/taxes/laws

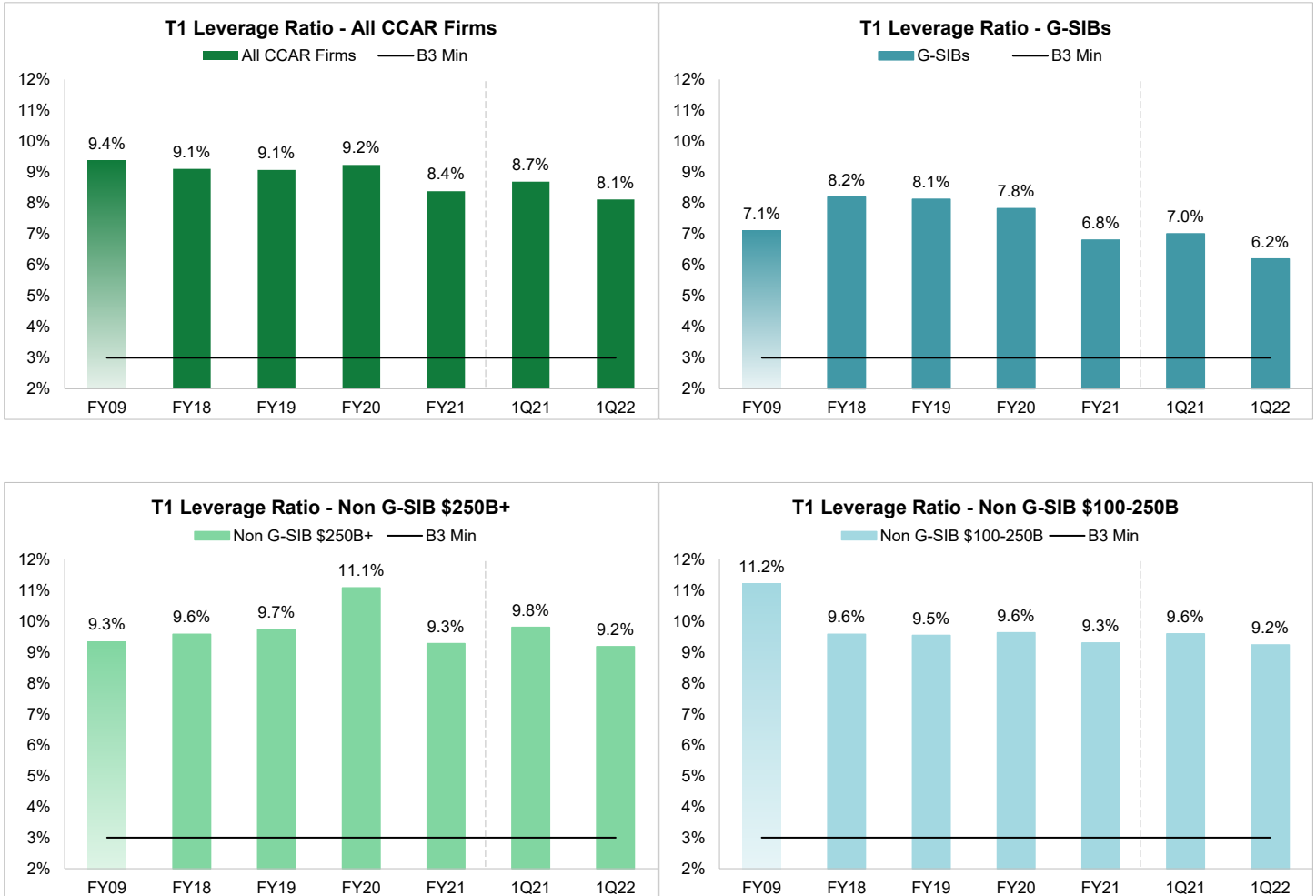
Tier 1 (T1) Capital Ratios



Source: Bloomberg, SIFMA estimates

Note: Capital levels may fluctuate with changes in regulations/taxes/laws. Basel III minimum = 6.0%

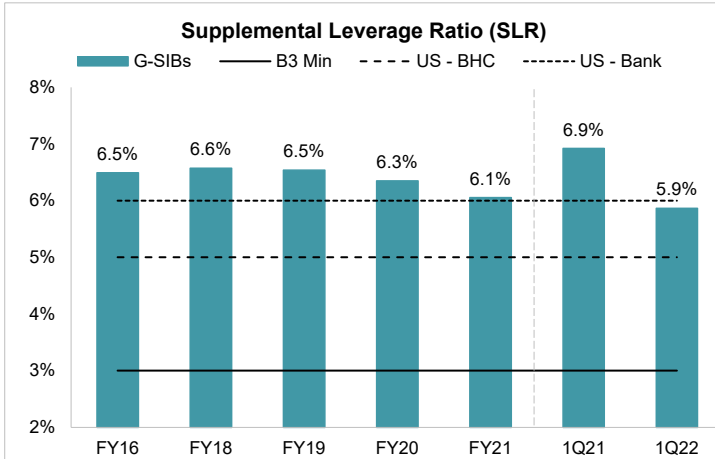
Tier 1 (T1) Leverage Ratios



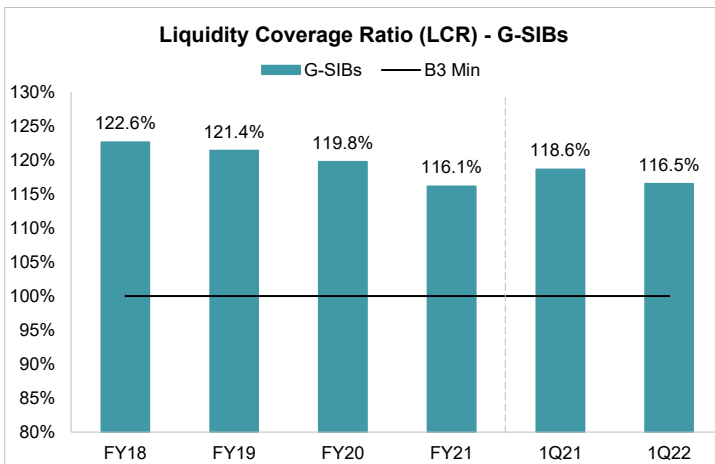
Source: Bloomberg, SIFMA estimates

Note: Levels may fluctuate with changes in regulations/taxes/laws. Basel III minimum = 3.0%

Supplementary Leverage Ratio (SLR)



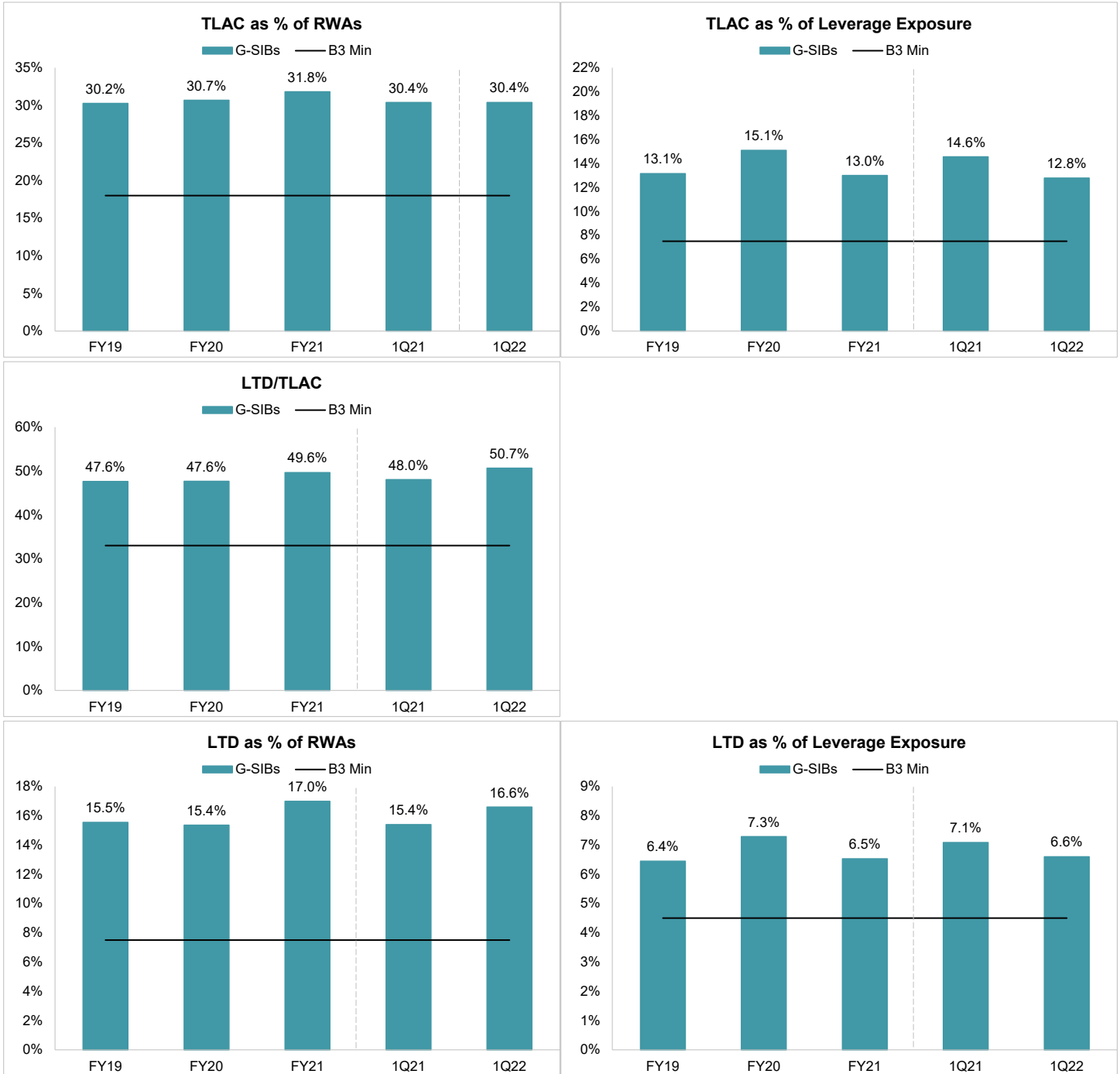
Liquidity Coverage Ratio (LCR)



Source: Bloomberg, SIFMA estimates

Note: Levels may fluctuate with changes in regulations/taxes/laws. SLR: requirements are for G-SIBs only; Basel III minimum = 3.0%, U.S. regulatory minimums = 5.0% at the bank holding company and 6.0% at the bank. LCR: Basel III minimum = 100%; lack of available data in Bloomberg at the time of this report to populate other groups

Total Loss Absorbing Capital (TLAC) Ratios



Source: Bloomberg, SIFMA estimates

Note: Levels may fluctuate with changes in regulations/taxes/laws. TLAC holdings standards for loss-absorbing and recapitalization capacity in resolution for G-SIBs only. RWA = risk-weighted assets. LTD = long-term debt. Basel III minimums: TLAC/RWA = stated as around 2x capital, or 16-18%, but we use the max of 18.0%; TLAC/leverage exposure = 7.5%; LTD/TLAC = 33.0%; LTD/RWA = 7.5%; LTD/leverage exposure = 4.5%

Appendix: Methodology

When analyzing the charts in this report, please note the following:

- We analyze the 22 U.S. CCAR⁵ banks as a proxy for the entire U.S. financial system; we do not include the U.S. operations of foreign banks included in CCAR given lack of data
- We further split the banks into subgroups
 - All 22 CCAR firms
 - The 8 global systemically important banks (G-SIB), as identified by the Bank for International Settlements' (BIS) methodology
 - The 4 non G-SIB firms with assets over \$250 billion
 - The 10 non G-SIB firms with assets between \$100 and \$250 billion
- While the firms included in CCAR have changed over the years, we perform this analysis with the current group of firms
- Ratios and other data may fluctuate over time with changes in regulations, laws or tax codes
- The time series goes back to 2009 for regulatory ratios, but the G-SIB methodology was not published until November 2011 – therefore, firms were not “below” requirements, the requirements did not exist

⁵ Comprehensive Capital Analysis and Review = a U.S. regulatory framework introduced by the Federal Reserve to analyze, supervise, and regulate the bank holding companies of large financial institutions

Appendix: CCAR Firm List

Category	Ticker	Name	U.S. Operations of Foreign Firms Not Included	
G-SIB	BAC	Bank of America	Barclays US LLC	
	BK	Bank of New York Mellon	BMO Financial Corporation	
	C	Citigroup	BNP Paribas USA, Inc.	
	GS	Goldman Sachs	Credit Suisse Holdings (USA)	
	JPM	JP Morgan	DB USA Corporation	
	MS	Morgan Stanley	DWS	
	STT	State Street	HSBC North America Holdings Inc.	
	WFC	Wells Fargo	MUFG Americas Holdings Corporation	
	Non G-SIB \$250B+	COF	Capital One	RBC USA Holdco Corporation
		PNC	PNC Financial	Santander Holdings USA, Inc.
TFC		Truist	TD Group US Holdings LLC	
USB		U.S. Bancorp	UBS Americas Holdings LLC	
Non G-SIB \$100-250B	ALLY	Ally Financial		
	AXP	American Express		
	CFG	Citizens		
	DFS	Discover		
	FITB	Fifth Third		
	HBAN	Huntington		
	KEY	KeyCorp		
	MTB	M&T Bank		
	NTRS	Northern Trust		
	RF	Regions Financial		

Note: Zions, Comerica & CIT dropped in 2018 due to regulatory reform; data not available for standalone U.S. operations of foreign firms

Appendix: G-SIB List

Bucket	Surcharge	GSIB
5	3.5%	(Empty)
4	2.5%	JP Morgan
3	2.0%	BNP Paribas Citigroup HSBC
2	1.5%	Bank of America Bank of China Barclays China Construction Bank Deutsche Bank Goldman Sachs Industrial and Commercial Bank of China Mitsubishi UFJ FG
1	1.0%	Agricultural Bank of China Bank of New York Mellon Credit Suisse Groupe BPCE Groupe Cr�dit Agricole ING Bank Mizuho FG Morgan Stanley Royal Bank of Canada Santander Soci�t� G�n�rale Standard Chartered State Street Sumitomo Mitsui FG Toronto Dominion UBS UniCredit Wells Fargo

Source: Financial Stability Board (as of November 2021)

Appendix: Terms to Know

CFPB	Consumer Financial Protection Bureau (United States)
CFTC	Commodity Futures Trading Commission
FDIC	Federal Deposit Insurance Corporation
Fed	Federal Reserve System
FINRA	Financial Industry Regulatory Authority
OCC	Office of the Comptroller of the Currency
SEC	Securities and Exchange Commission
BHC	Bank Holding Company
G-SIB	Global Systemically Important Bank
LEI	Legal Entity Identifier
QIS	Quantitative Impact Studies
B3	(Basel III) International Regulatory Framework for Banks
CCAR	Comprehensive Capital Analysis and Review
CLAR	Comprehensive Liquidity Analysis and Review
DFA	Dodd–Frank Wall Street Reform and Consumer Protection Act
EMIR	European Market Infrastructure Regulation
MiFID	Markets in Financial Instruments Directive
MiFID II	Markets in Financial Instruments Directive (revised)
MiFIR	Markets in Financial Instruments Regulation
CET1	Common Equity Tier 1
T1C	Tier 1 Capital
AT1	Additional Tier 1 Capital
T2C	Tier 2 Capital
TLAC	Total Loss-Absorbing Capacity
RWA	Risk-Weighted Assets
CVA	Credit Valuation Adjustment
CTP	Correlation Trading Portfolio
LCR	Liquidity Coverage Ratio
HQLA	High Quality Liquid Assets
NCOF	Net Cash Outflows
NSFR	Net Stable Funding Ratio
ASF	Available Amount of Stable Funding
RSF	Required Amount of Stable Funding
SLR	Supplemental Leverage Ratio
TE	Total Exposure
PFE	Potential Future Exposure
FRTB	Fundamental Review of the Trading Book

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