



# SIFMA Research Quarterly – 3Q22

US Financial Institutions  
*Financial & Regulatory Data*

**November 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](http://www.sifma.org/research).



# Contents

|  |    |
|--|----|
| Executive Summary .....                    | 3  |
| Overview: Financial Statements .....       | 4  |
| Chart Book: Income Statement Metrics ..... | 5  |
| Chart Book: Balance Sheet Metrics .....    | 11 |
| Chart Book: Regulatory Ratios .....        | 24 |
| Appendix: Methodology .....                | 31 |
| Appendix: CCAR Firm List .....             | 32 |
| Appendix: G-SIB List .....                 | 33 |
| Appendix: Terms to Know .....              | 34 |
| Authors .....                              | 35 |

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## Executive Summary

The U.S. financial system, with nearly \$23 trillion in assets<sup>1</sup>, 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 (YTD)
  - Total revenue \$262.0 billion, +17.8% Y/Y
  - Operating expenses \$358.3 billion, +6.0% Y/Y
  - Net income available to common \$126.5 billion, -27.4% Y/Y
- Balance Sheet (3Q22)
  - Total assets \$18.5 trillion, +1.0% Y/Y
  - Net loans<sup>2</sup> \$6.9 trillion, +9.7% Y/Y
  - Deposits \$11.9 trillion, +0.1% Y/Y
  - As compared to 2009
    - Liquidity<sup>3</sup> 15.1%, +6.3 pps since 2009
    - Non-performing loans (NPLs)/Total Loans 0.5%, -2.8 pps since 2009
    - Net charge-offs (NCOs) 30.3%, -309.6 pps since 2009
- Regulatory Ratios (3Q22)<sup>4</sup>
  - Common Equity Tier 1 (CET1) Capital 11.0%; +2.4 pps since 2009, +0.5 pps above maximum requirement
  - Tier 1 (T1) Capital 12.5%; +0.6 pps since 2009, +6.5 pps above requirement
  - Data for G-SIBs only
    - Supplemental Leverage Ratio (SLR) 6.0%, on par with the maximum requirement
    - Liquidity Coverage Ratio (LCR) 119.8%, +19.8 pps above maximum requirement
    - Total Loss Absorbing Capital (TLAC) as % of RWA 32.0%, +14.0 pps above requirement

<sup>1</sup> Source: FRED Economic Data (total assets for all commercial banks as of September 28, 2022)

<sup>2</sup> Net loans = loans - allowance for loan loss

<sup>3</sup> Liquidity = (cash + deposits at banks) / total assets, deposits at banks as of 2Q22

<sup>4</sup> 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)                | 3Q22  | 2Q22  | 3Q21  | Q/Q   | Y/Y    | Balance Sheet (\$T, unless indicated) | 3Q22  | 2Q22  | 3Q21  | Q/Q   | Y/Y    |
|---------------------------------------|-------|-------|-------|-------|--------|---------------------------------------|-------|-------|-------|-------|--------|
| <b>Net Interest Income</b>            |       |       |       |       |        | <b>Assets</b>                         |       |       |       |       |        |
| All CCAR Firms                        | 96.3  | 86.3  | 76.2  | 11.6% | 26.5%  | <b>Cash &amp; Cash Equivalents*</b>   |       |       |       |       |        |
| G-SIBs                                | 62.1  | 55.2  | 48.2  | 12.6% | 28.7%  | All CCAR Firms                        | 2.8   | 2.8   | 3.2   | -1.6% | -13.1% |
| Non G-SIBs, Assets >\$250B            | 18.1  | 16.4  | 15.4  | 10.0% | 17.1%  | G-SIBs                                | 2.4   | 2.5   | 2.7   | -1.9% | -8.5%  |
| Non G-SIBs, Assets \$100B-\$250B      | 16.2  | 14.7  | 12.5  | 9.9%  | 29.3%  | Non G-SIBs, Assets >\$250B            | 0.2   | 0.2   | 0.3   | -0.7% | -39.5% |
| <b>Non-Interest Income</b>            |       |       |       |       |        | Non G-SIBs, Assets \$100B-\$250B      | 0.2   | 0.2   | 0.3   | 1.6%  | -31.4% |
| All CCAR Firms                        | 92.1  | 96.0  | 99.9  | -4.0% | -7.8%  | <b>Loans</b>                          |       |       |       |       |        |
| G-SIBs                                | 66.5  | 70.2  | 75.4  | -5.3% | -11.8% | All CCAR Firms                        | 7.0   | 6.9   | 6.4   | 1.0%  | 9.5%   |
| Non G-SIBs, Assets >\$250B            | 8.4   | 8.6   | 9.1   | -1.5% | -6.9%  | G-SIBs                                | 4.6   | 4.6   | 4.3   | 0.4%  | 7.1%   |
| Non G-SIBs, Assets \$100B-\$250B      | 17.2  | 17.2  | 15.4  | -0.3% | 11.4%  | Non G-SIBs, Assets >\$250B            | 1.3   | 1.3   | 1.2   | 2.6%  | 11.3%  |
| <b>Total Revenue</b>                  |       |       |       |       |        | Non G-SIBs, Assets \$100B-\$250B      | 1.1   | 1.1   | 1.0   | 2.0%  | 18.1%  |
| All CCAR Firms                        | 188.5 | 182.3 | 176.1 | 3.4%  | 7.0%   | <b>Allowance for Loan Loss (\$B)</b>  |       |       |       |       |        |
| G-SIBs                                | 128.6 | 125.4 | 123.7 | 2.6%  | 4.0%   | All CCAR Firms                        | 117.0 | 112.9 | 117.9 | 3.6%  | -0.8%  |
| Non G-SIBs, Assets >\$250B            | 26.5  | 25.0  | 24.5  | 6.0%  | 8.2%   | G-SIBs                                | 65.2  | 63.1  | 66.9  | 3.4%  | -2.5%  |
| Non G-SIBs, Assets \$100B-\$250B      | 33.4  | 32.0  | 27.9  | 4.4%  | 19.5%  | Non G-SIBs, Assets >\$250B            | 27.0  | 26.0  | 27.4  | 4.0%  | -1.5%  |
| <b>Operating Expenses</b>             |       |       |       |       |        | Non G-SIBs, Assets \$100B-\$250B      | 24.8  | 23.9  | 23.6  | 3.7%  | 5.0%   |
| All CCAR Firms                        | 121.4 | 118.1 | 111.3 | 2.8%  | 9.1%   | <b>Net Loans</b>                      |       |       |       |       |        |
| G-SIBs                                | 84.6  | 81.9  | 77.8  | 3.3%  | 8.8%   | All CCAR Firms                        | 6.9   | 6.8   | 6.3   | 1.0%  | 9.7%   |
| Non G-SIBs, Assets >\$250B            | 15.5  | 15.1  | 15.0  | 2.3%  | 3.2%   | G-SIBs                                | 4.5   | 4.5   | 4.2   | 0.3%  | 7.3%   |
| Non G-SIBs, Assets \$100B-\$250B      | 21.4  | 21.1  | 18.6  | 1.1%  | 15.1%  | Non G-SIBs, Assets >\$250B            | 1.3   | 1.2   | 1.1   | 2.6%  | 11.6%  |
| <b>Loan Loss Provision</b>            |       |       |       |       |        | Non G-SIBs, Assets \$100B-\$250B      | 1.1   | 1.1   | 0.9   | 2.0%  | 18.5%  |
| All CCAR Firms                        | 10.3  | 8.0   | (5.0) | 28.6% | 107.7% | <b>Total Assets</b>                   |       |       |       |       |        |
| G-SIBs                                | 5.1   | 4.3   | (3.6) | 18.6% | 42.3%  | All CCAR Firms                        | 18.5  | 18.7  | 18.4  | -0.8% | 1.0%   |
| Non G-SIBs, Assets >\$250B            | 2.5   | 1.6   | (1.0) | 56.3% | 142.8% | G-SIBs                                | 14.6  | 14.7  | 14.6  | -1.3% | -0.2%  |
| Non G-SIBs, Assets \$100B-\$250B      | 2.7   | 2.1   | (0.4) | 28.0% | 655.7% | Non G-SIBs, Assets >\$250B            | 2.2   | 2.1   | 2.1   | 1.7%  | 3.7%   |
| <b>Net Income Available to Common</b> |       |       |       |       |        | Non G-SIBs, Assets \$100B-\$250B      | 1.8   | 1.8   | 1.7   | 0.7%  | 8.0%   |
| All CCAR Firms                        | 41.9  | 40.7  | 53.2  | 2.9%  | -21.1% | <b>Liabilities</b>                    |       |       |       |       |        |
| G-SIBs                                | 28.7  | 28.0  | 38.1  | 2.6%  | -24.6% | <b>Deposits</b>                       |       |       |       |       |        |
| Non G-SIBs, Assets >\$250B            | 6.4   | 6.3   | 8.0   | 2.4%  | -19.2% | All CCAR Firms                        | 11.9  | 12.1  | 11.9  | -1.5% | 0.1%   |
| Non G-SIBs, Assets \$100B-\$250B      | 6.8   | 6.5   | 7.2   | 4.7%  | -4.9%  | G-SIBs                                | 8.8   | 9.0   | 8.9   | -2.1% | -1.2%  |
| Source: Bloomberg, SIFMA estimates    |       |       |       |       |        | Non G-SIBs, Assets >\$250B            | 1.6   | 1.6   | 1.6   | 0.1%  | 2.4%   |
|                                       |       |       |       |       |        | Non G-SIBs, Assets \$100B-\$250B      | 1.4   | 1.4   | 1.3   | 0.3%  | 6.2%   |
|                                       |       |       |       |       |        | <b>Total Liabilities</b>              |       |       |       |       |        |
|                                       |       |       |       |       |        | All CCAR Firms                        | 16.9  | 17.1  | 16.7  | -0.7% | 1.5%   |
|                                       |       |       |       |       |        | G-SIBs                                | 13.3  | 13.5  | 13.3  | -1.4% | -0.1%  |
|                                       |       |       |       |       |        | Non G-SIBs, Assets >\$250B            | 1.9   | 1.9   | 1.8   | 2.2%  | 6.2%   |
|                                       |       |       |       |       |        | Non G-SIBs, Assets \$100B-\$250B      | 1.7   | 1.6   | 1.5   | 1.3%  | 9.8%   |

Note: Cash & cash equivalents = cash and due from banks plus deposits at banks; a small portion of this is restricted cash. Net loans = loans - allowance for loan loss. Deposits at banks as of 2Q22

## Chart Book: Income Statement Metrics

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

### Net Interest Income



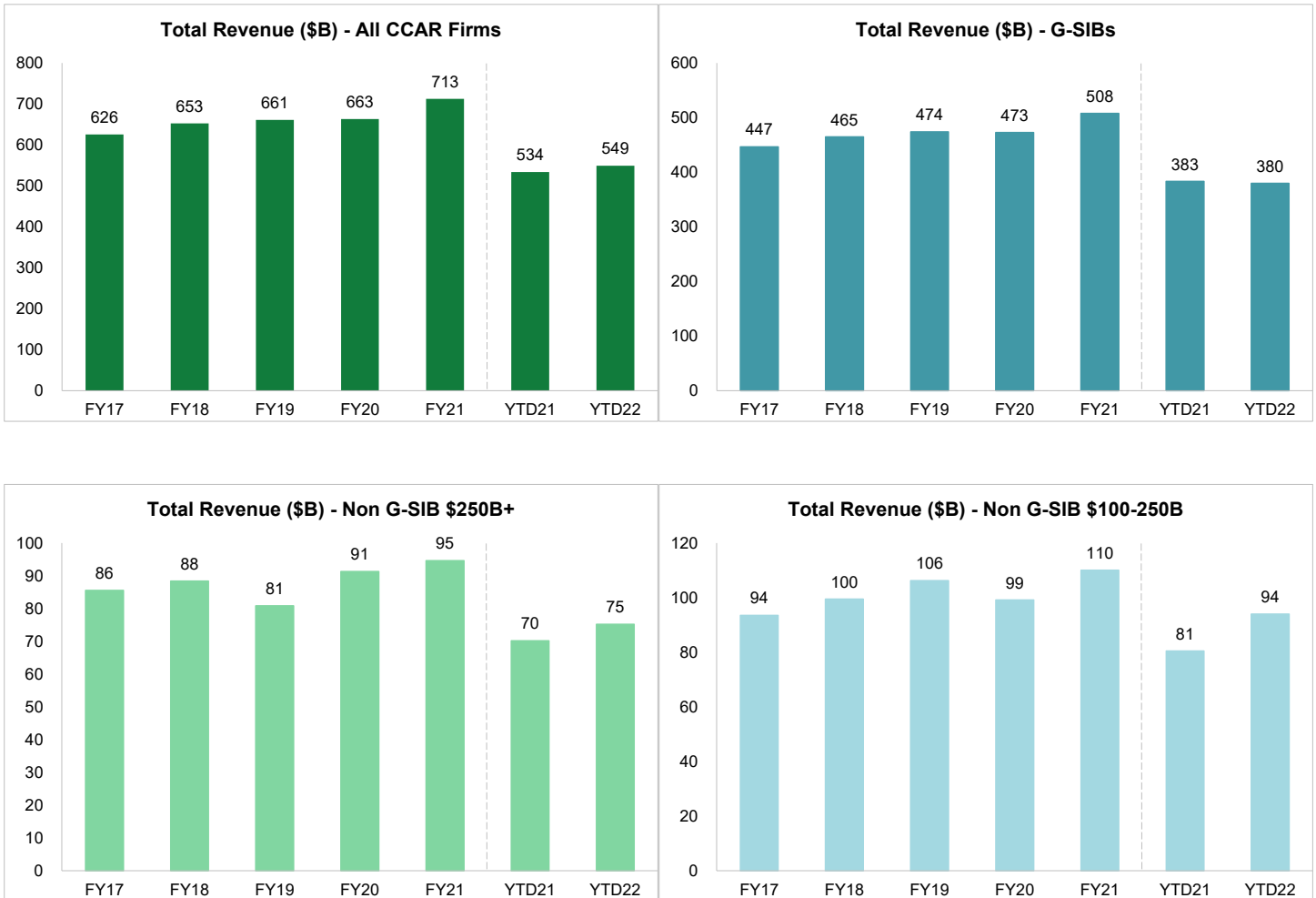
Source: Bloomberg, SIFMA estimates

Non-Interest Income



Source: Bloomberg, SIFMA estimates

Total Revenue



Source: Bloomberg, SIFMA estimates

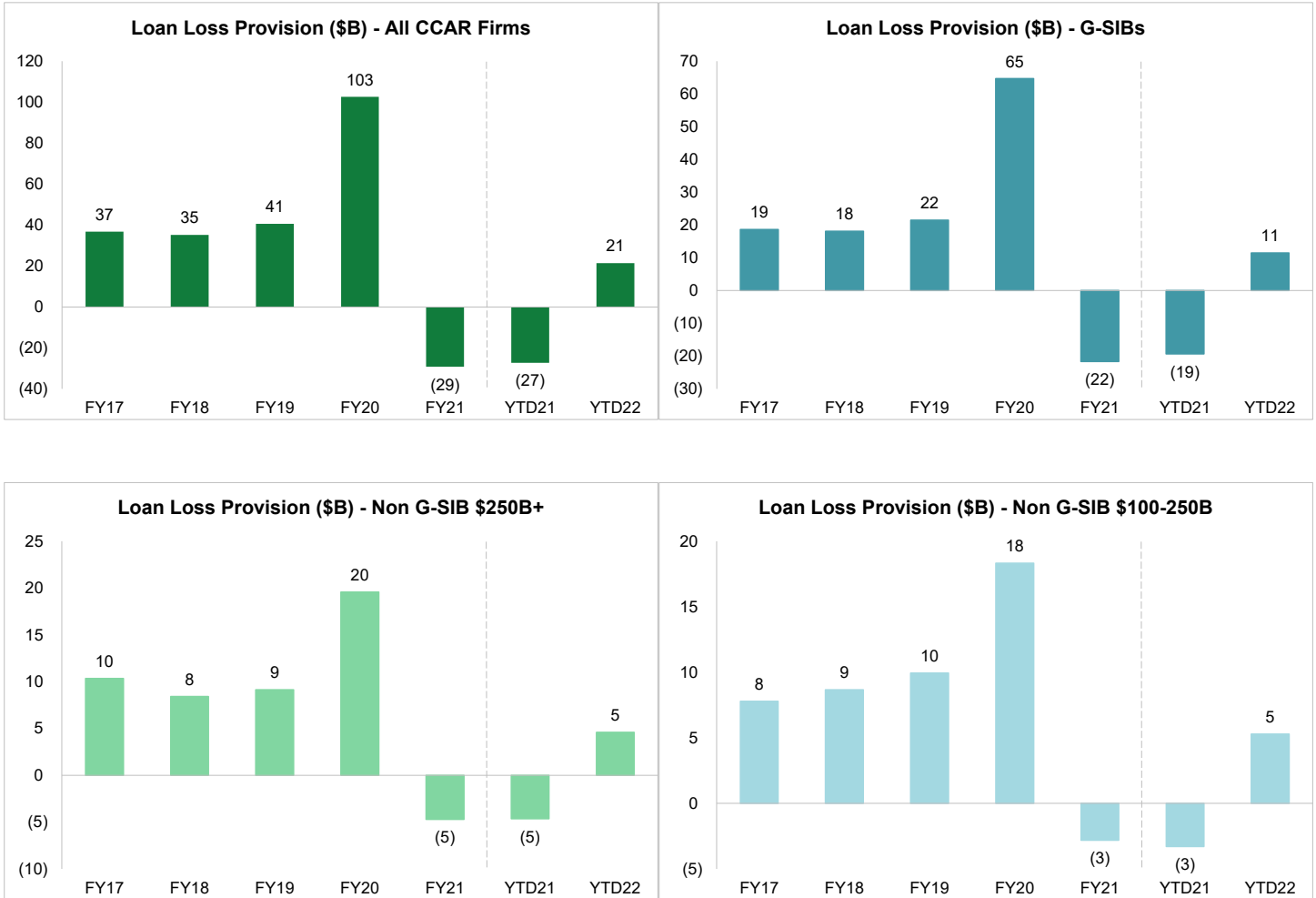
Operating Expenses



Source: Bloomberg, SIFMA estimates



Loan Loss Provision



Source: Bloomberg, SIFMA estimates

Net Income Available to Common



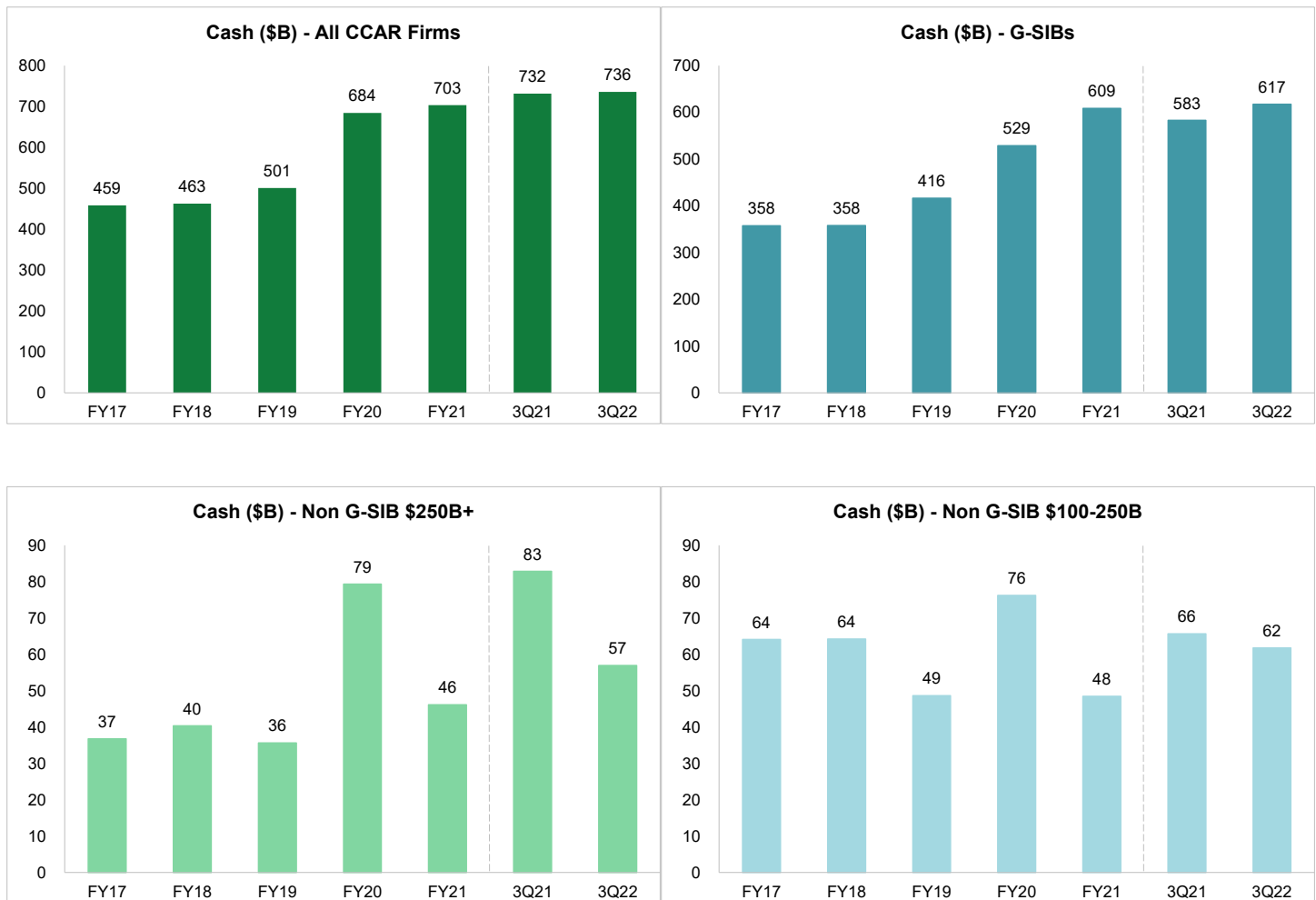
Source: Bloomberg, SIFMA estimates

Note: Net Income = net income available to common shareholders

## Chart Book: Balance Sheet Metrics

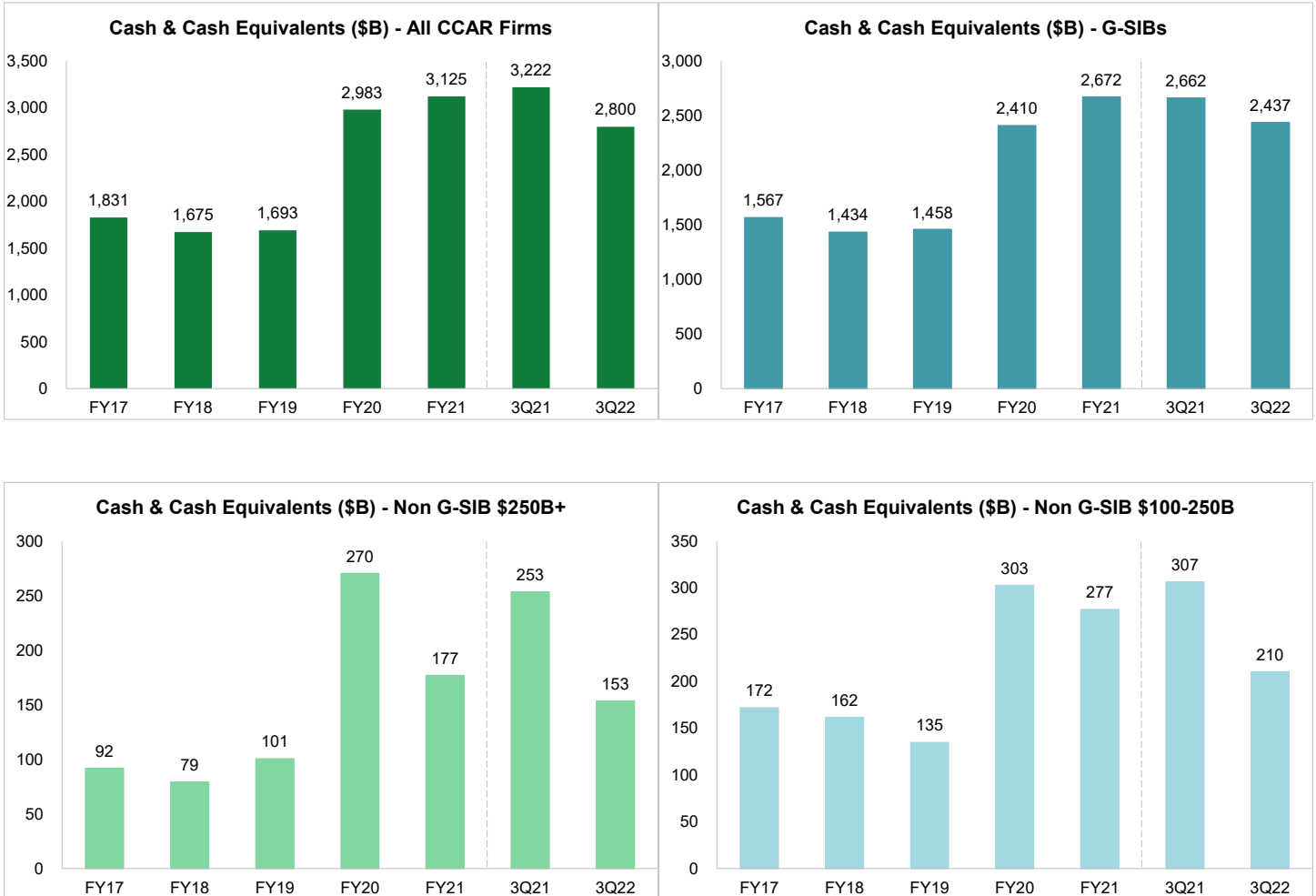
In this section, we highlight key balance sheet metrics, from both the asset and liability side. We also look at select ratios indicative of balance sheet health as compared to 2009 (ex: net charge-offs), showing the improved strength of the system since the global financial crisis.

### Cash



Source: Bloomberg, SIFMA estimates

Cash & Cash Equivalents



Source: Bloomberg, SIFMA estimates

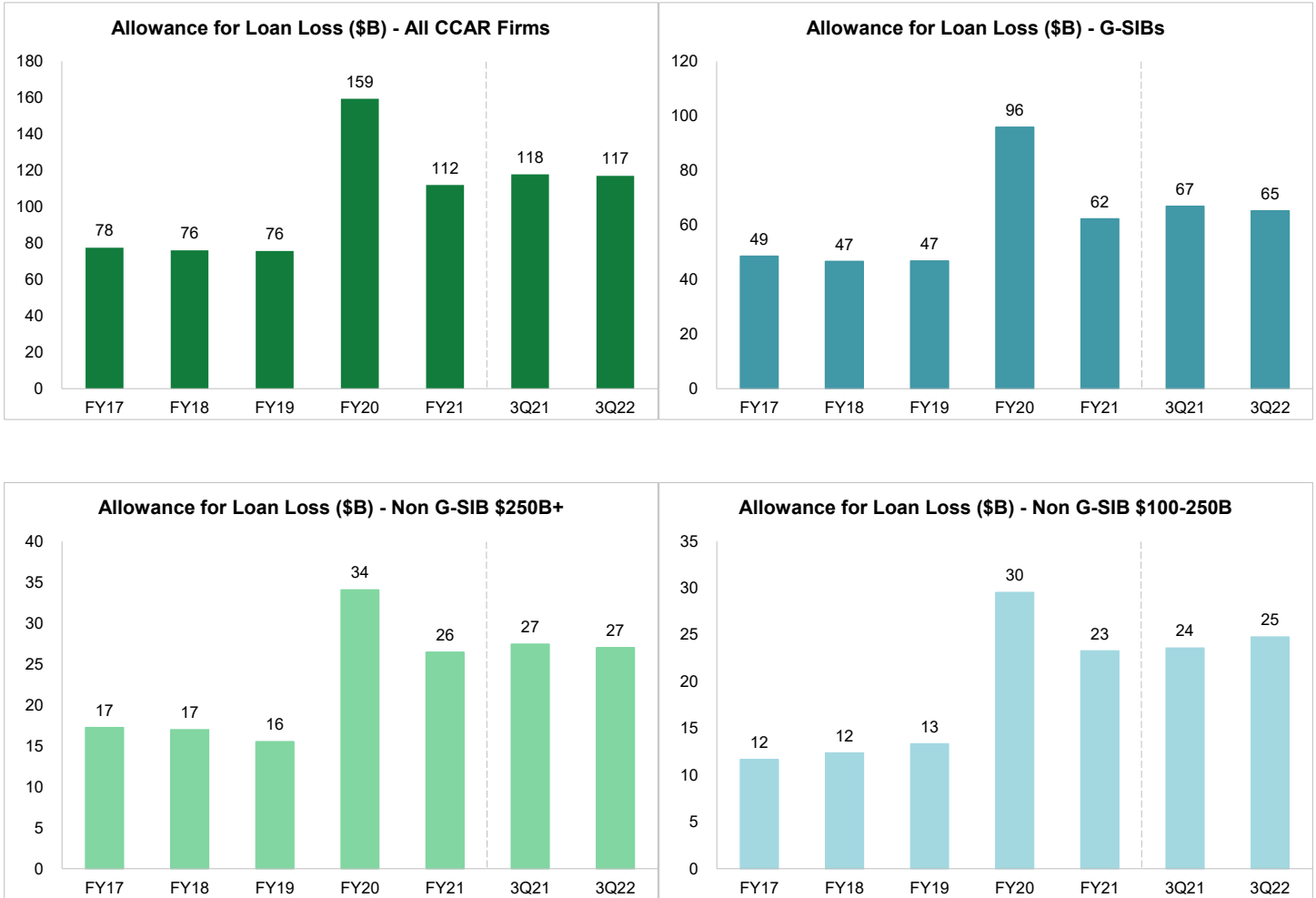
Note: Cash & cash equivalents = cash and due from banks plus deposits at banks; a small portion of this is restricted cash; deposits at banks as of 2Q22

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

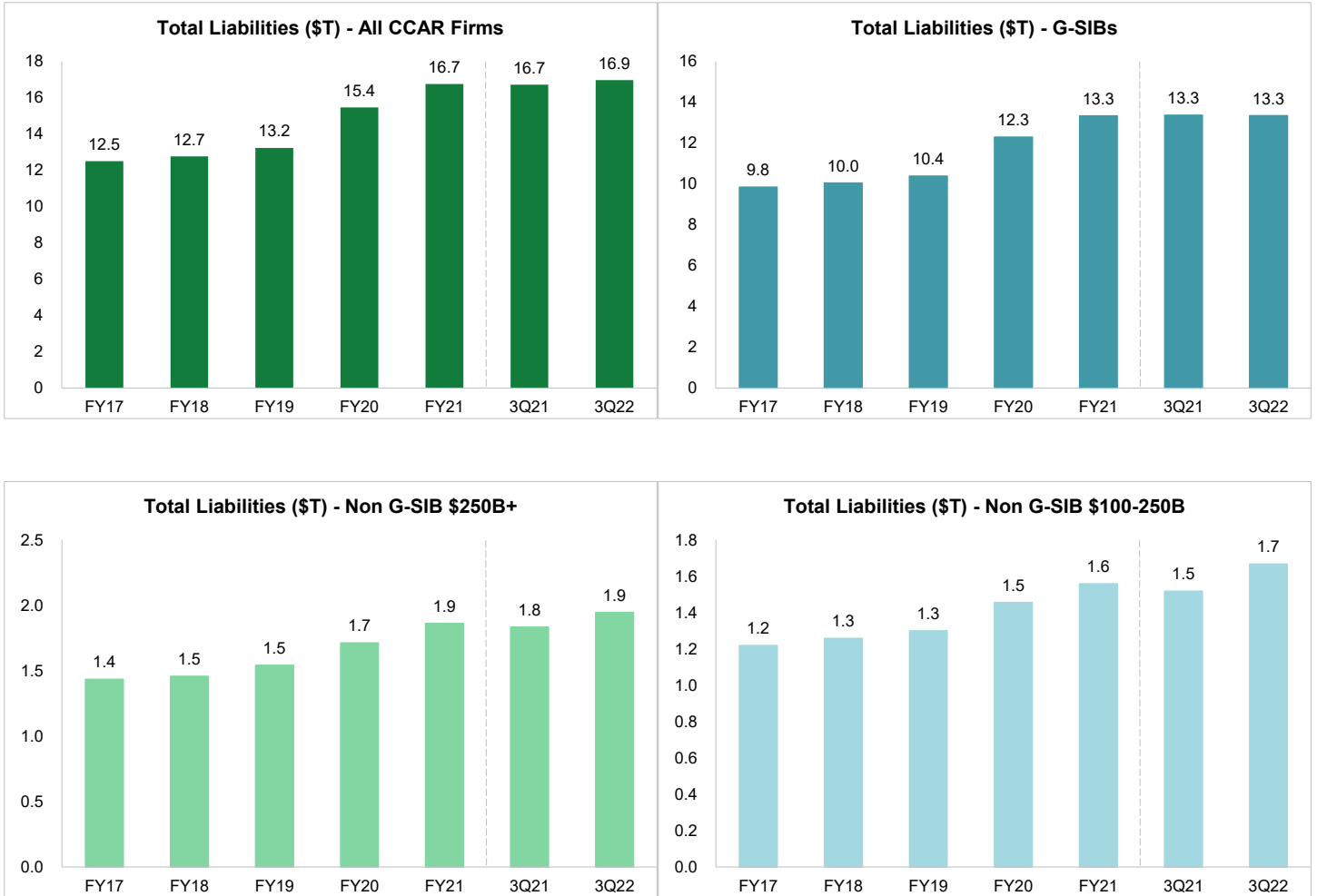


Total Deposits



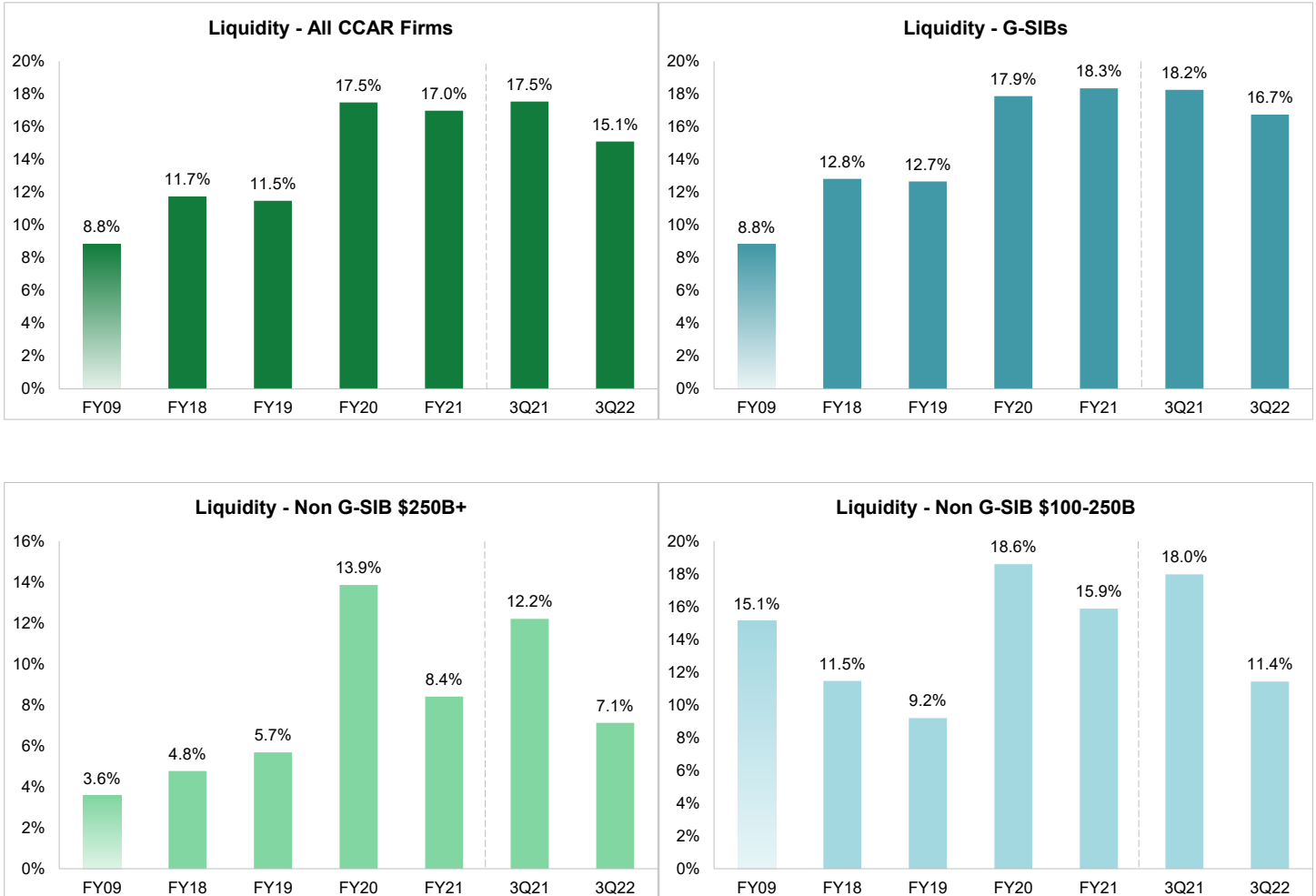
Source: Bloomberg, SIFMA estimates

**Total Liabilities**



Source: Bloomberg, SIFMA estimates

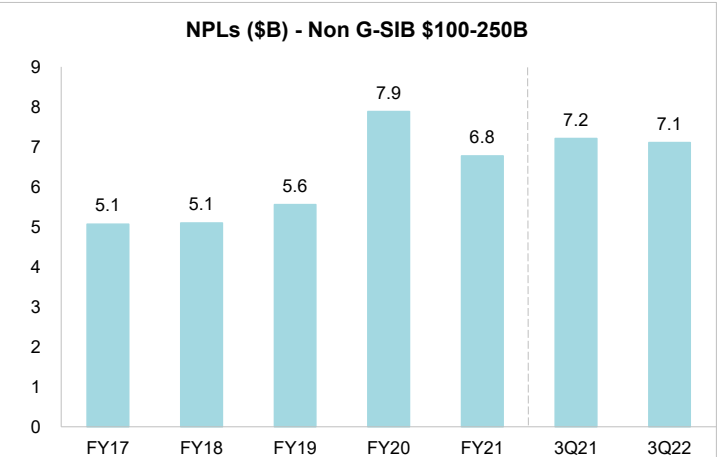
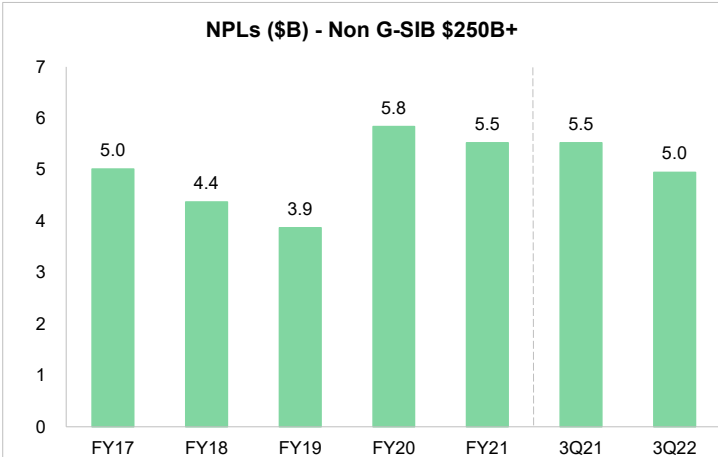
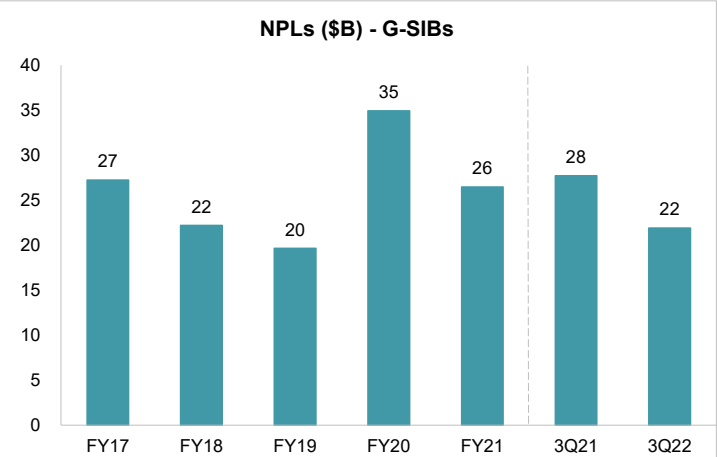
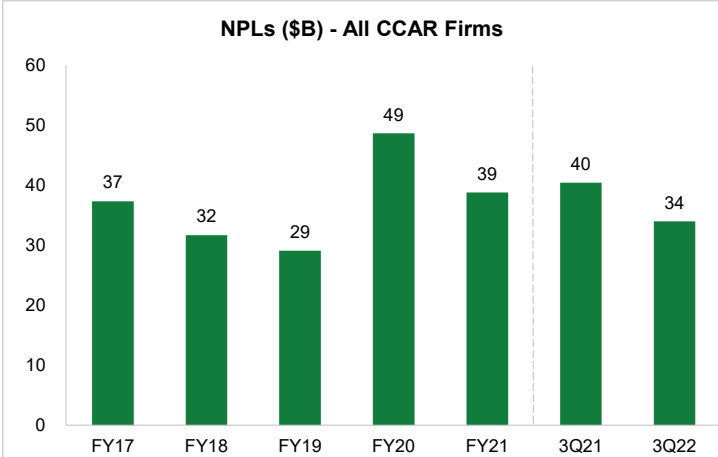
Liquidity\*



Source: Bloomberg, SIFMA estimates

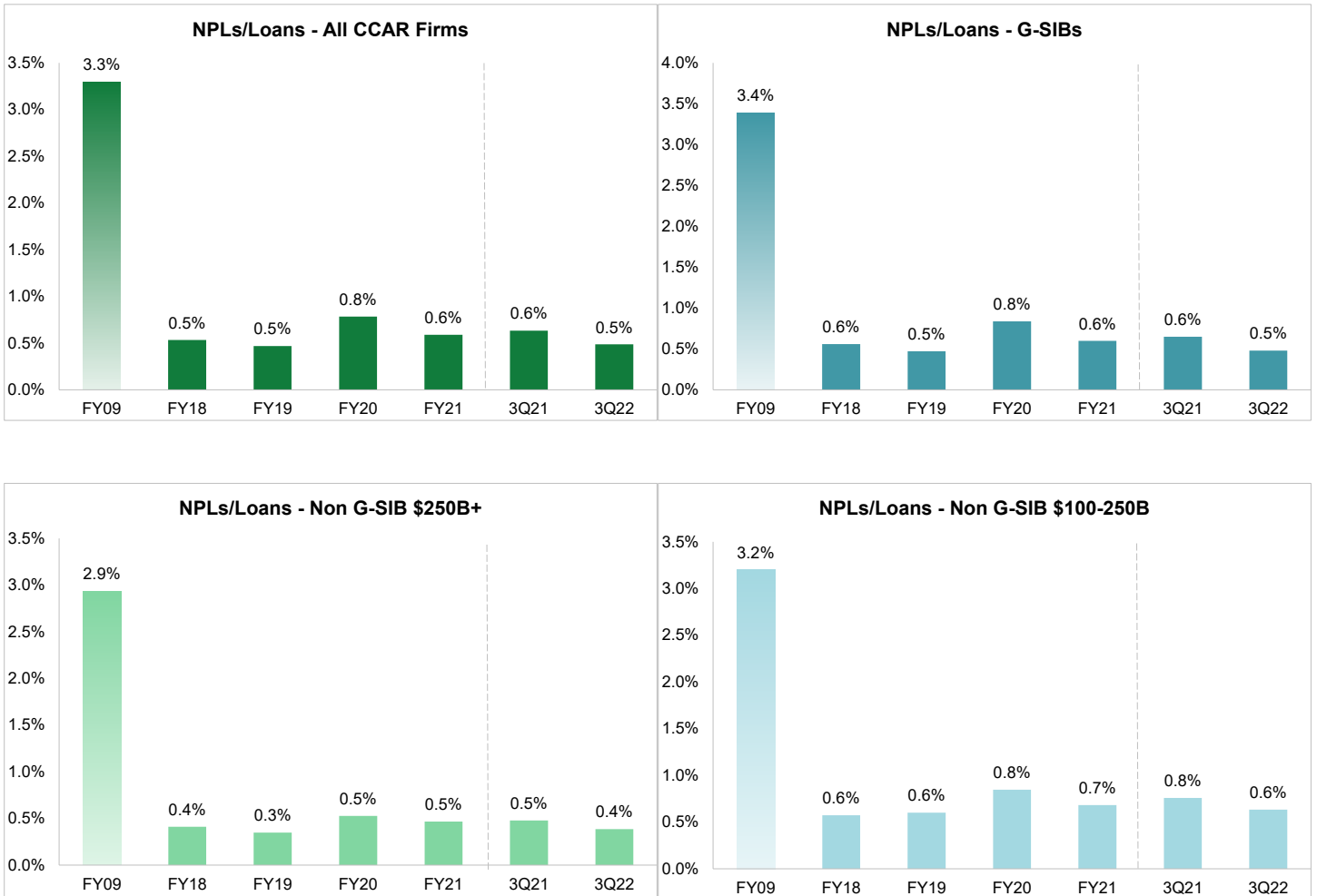
Note: Liquidity = (cash + deposits at banks) / total assets; decreases = denominator expanding faster than numerator; deposits at banks as of 2Q22

Non-Performing Loans (NPL)



Source: Bloomberg, SIFMA estimates

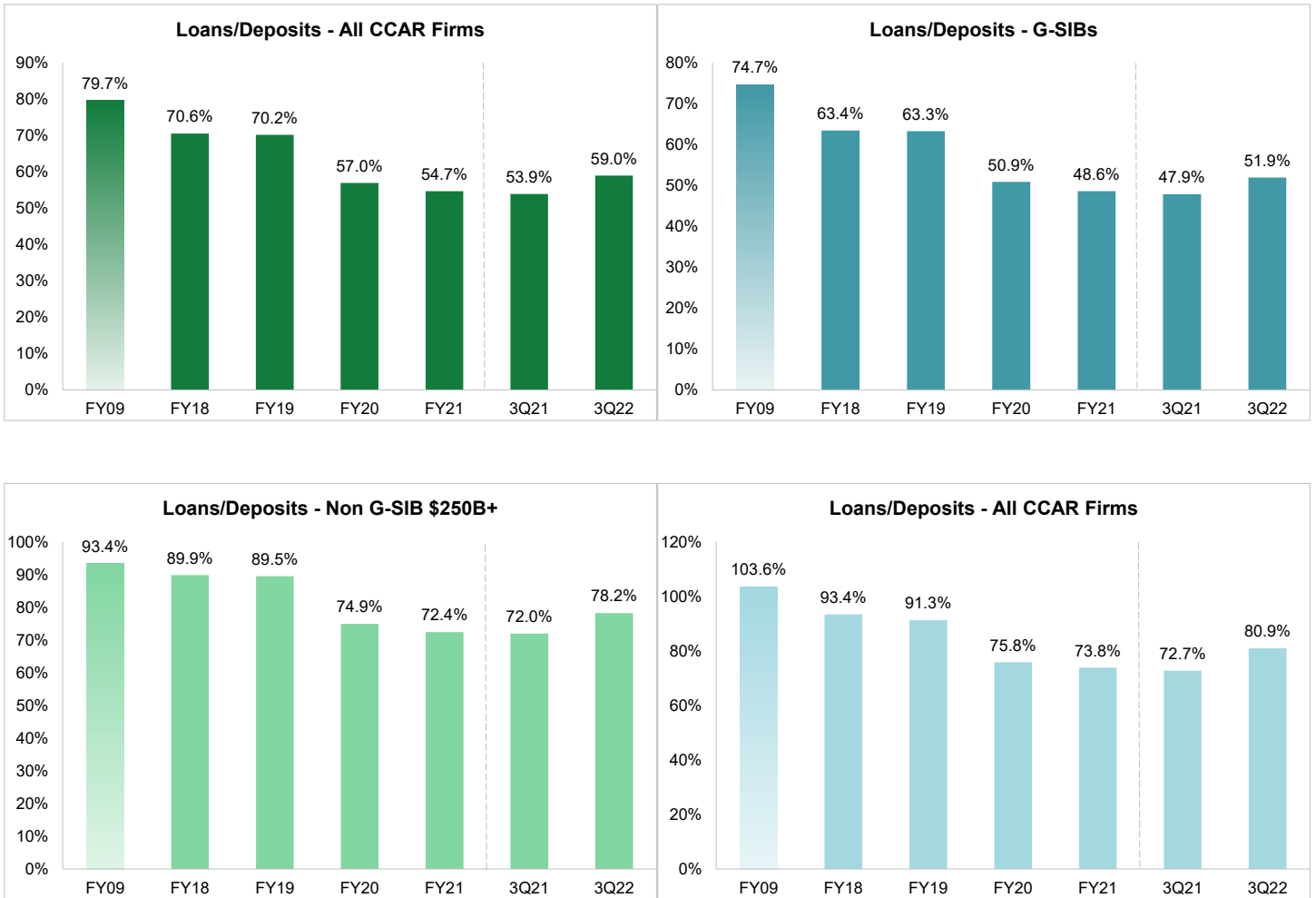
NPLs/Loans



Source: Bloomberg, SIFMA estimates

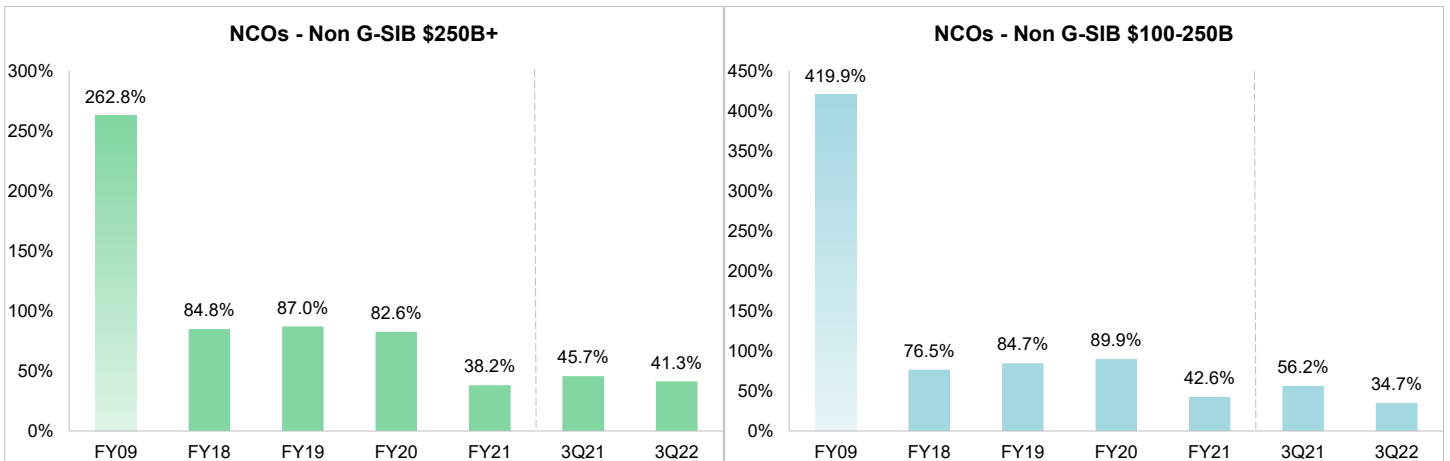
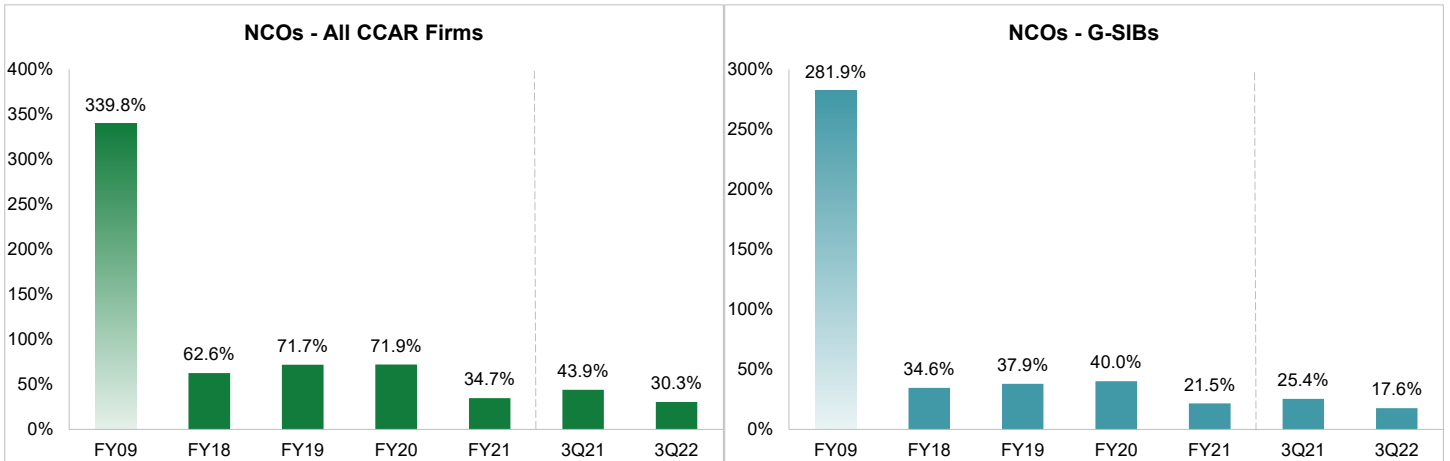
Note: NPL = non-performing loans; NPL/total loans

Loans/Deposits



Source: Bloomberg, SIFMA estimates

Net Charge-Offs (NCO)

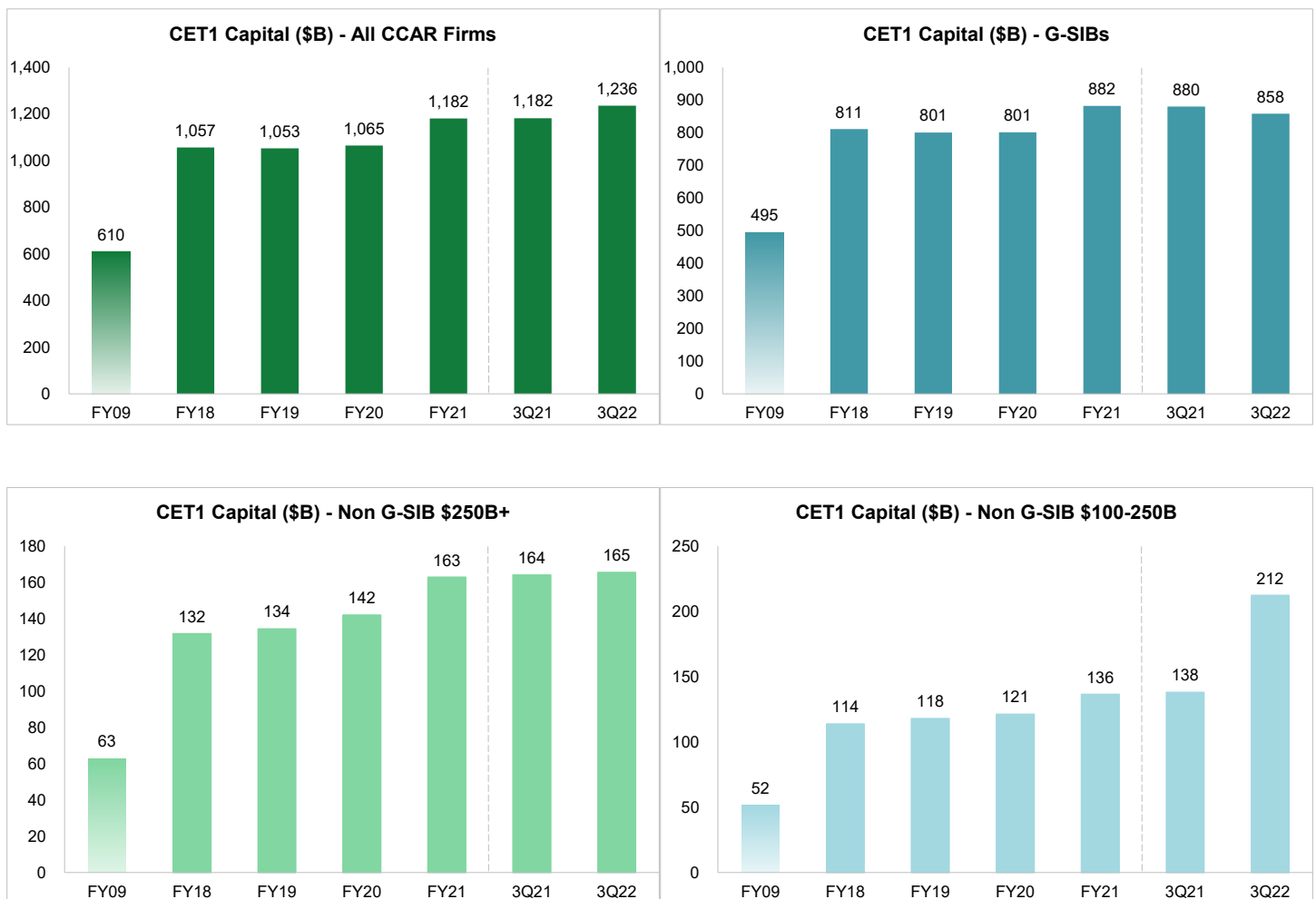


Source: Bloomberg, SIFMA estimates

## 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



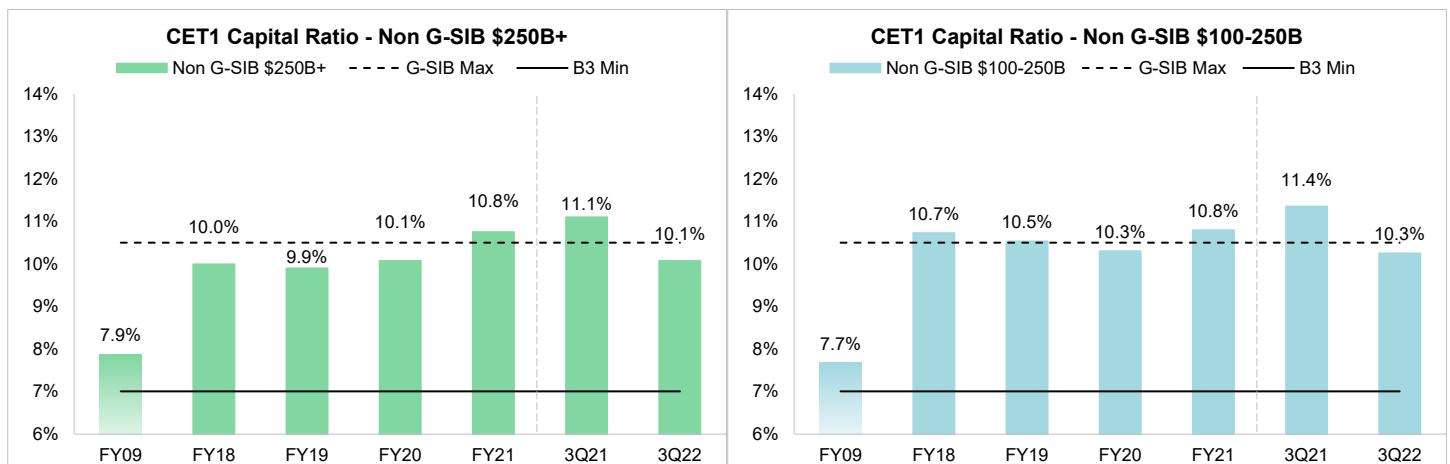
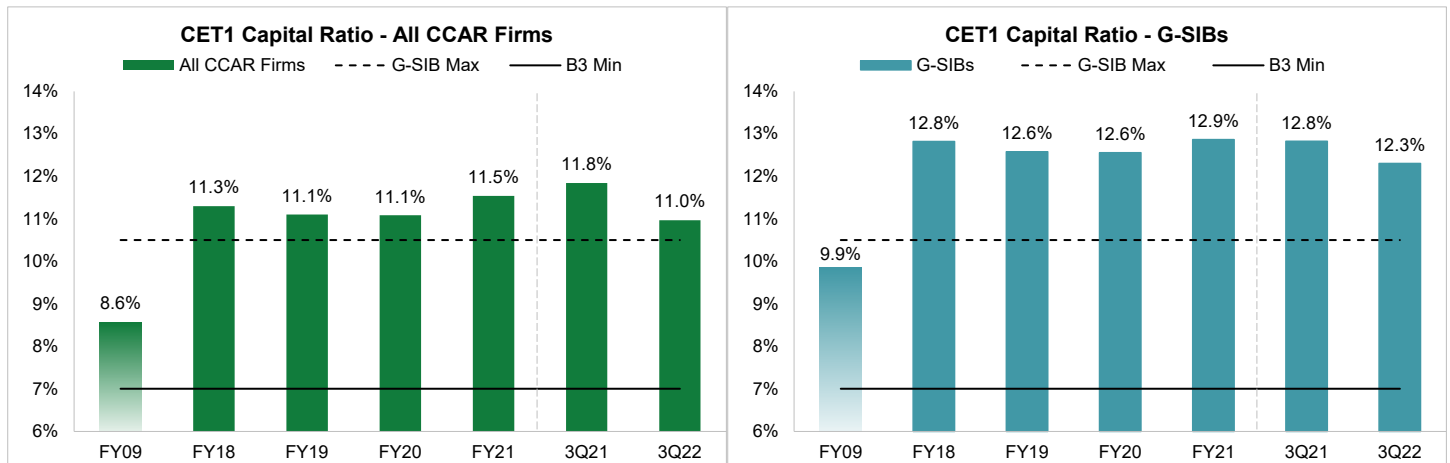
Source: Bloomberg, SIFMA estimates

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

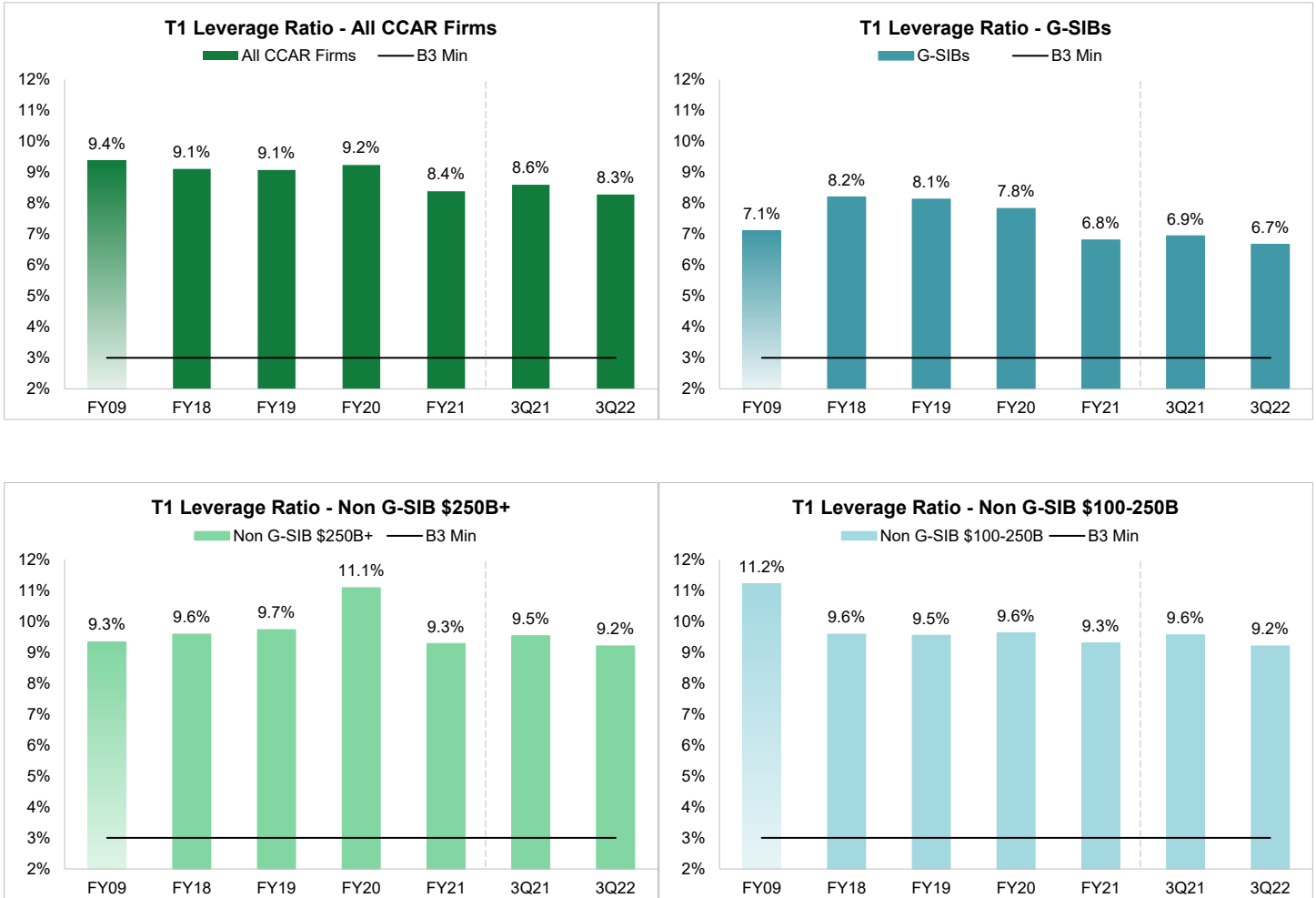
Tier 1 (T1) Capital Ratios



Source: Bloomberg, SIFMA estimates

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

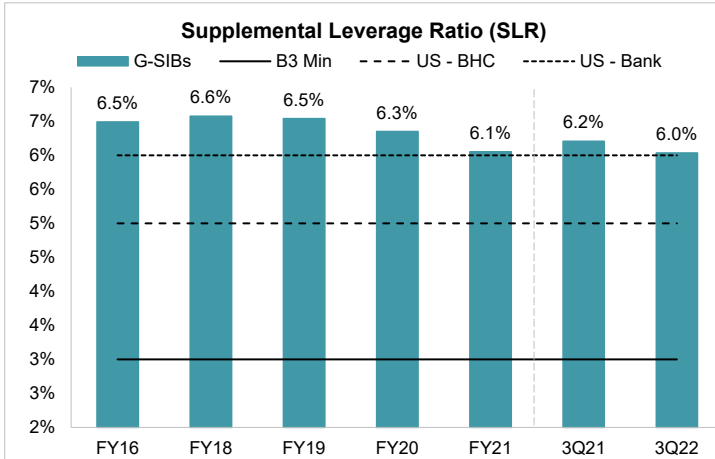
Tier 1 (T1) Leverage Ratios



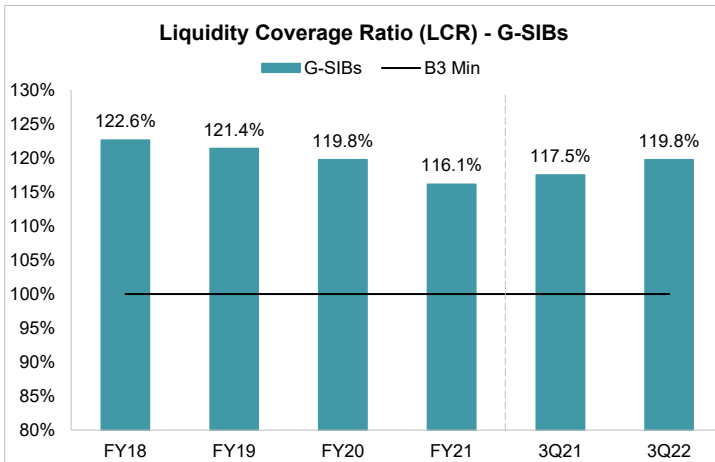
Source: Bloomberg, SIFMA estimates

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

### Supplementary Leverage Ratio (SLR)



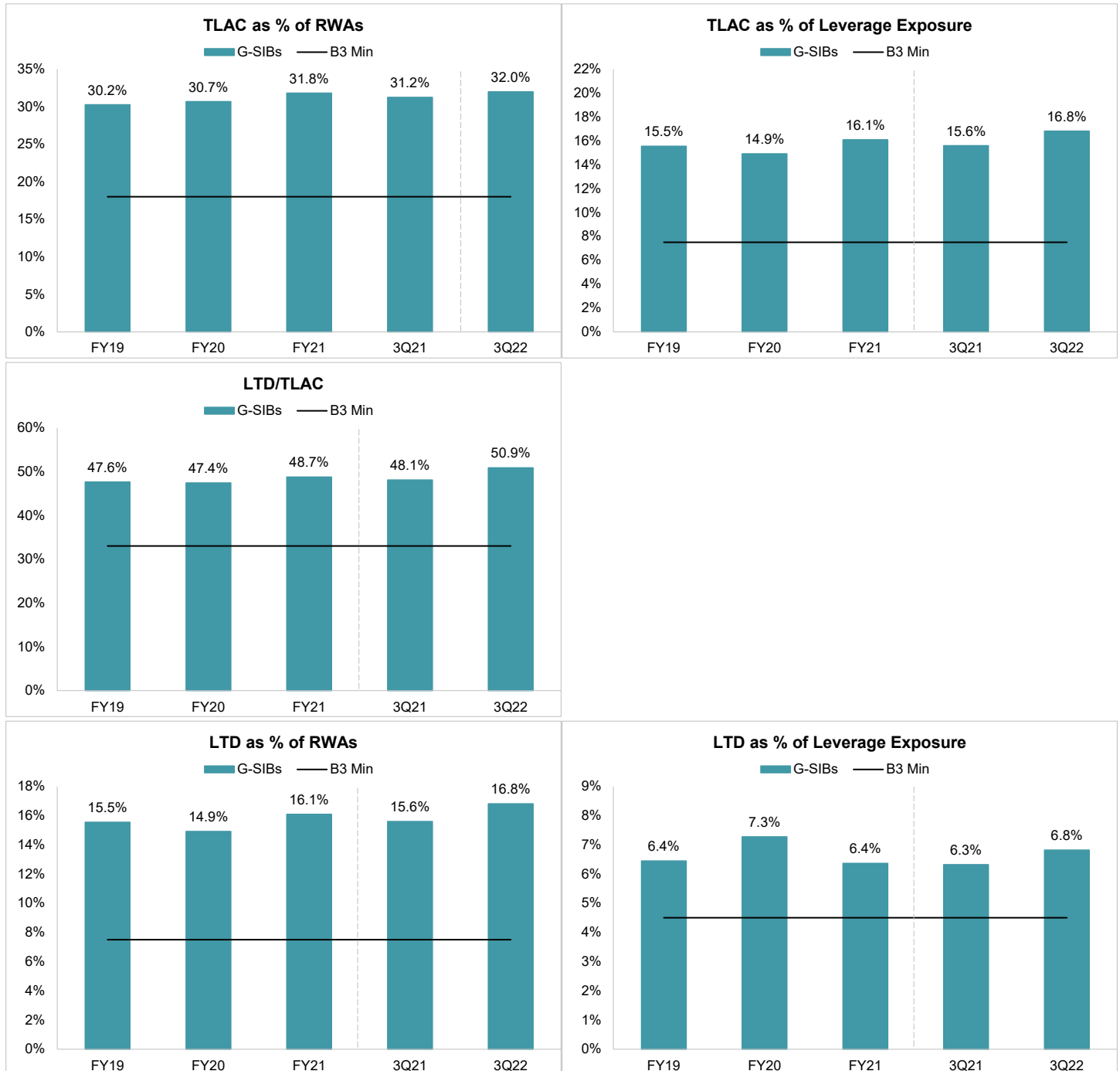
### Liquidity Coverage Ratio (LCR)



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

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

- We analyze the 22 U.S. CCAR<sup>5</sup> 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

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<sup>5</sup> 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                                   |
| 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%      | <b>JP Morgan</b>   |
| 3      | 2.0%      | BNP Paribas<br><b>Citigroup</b><br>HSBC  |
| 2      | 1.5%      | <b>Bank of America</b><br>Bank of China<br>Barclays<br>China Construction Bank<br>Deutsche Bank<br><b>Goldman Sachs</b><br>Industrial and Commercial Bank of China<br>Mitsubishi UFJ FG  |
| 1      | 1.0%      | Agricultural Bank of China<br><b>Bank of New York Mellon</b><br>Credit Suisse<br>Groupe BPCE<br>Groupe Cr dit Agricole<br>ING Bank<br>Mizuho FG<br><b>Morgan Stanley</b><br>Royal Bank of Canada<br>Santander<br>Soci t  G n rale<br>Standard Chartered<br><b>State Street</b><br>Sumitomo Mitsui FG<br>Toronto Dominion<br>UBS<br>UniCredit<br><b>Wells Fargo</b> |

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                    |

## Authors

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### SIFMA Research

Katie Kolchin, CFA, Managing Director, Head of Research

Justyna Podziemska

Dan Song

[research@sifma.org](mailto:research@sifma.org)