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# SIFMA Research Quarterly – 4Q22

US Financial Institutions  
*Financial & Regulatory Data*

**March 2023**

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).



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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 (FY22)
  - Total revenue \$734.5 billion, +3.0% Y/Y
  - Operating expenses \$484.7 billion, +6.4% Y/Y
  - Net income available to common \$165.2 billion, -25.4% Y/Y
- Balance Sheet (4Q22)
  - Total assets \$18.5 trillion, +0.5% Y/Y
  - Net loans<sup>2</sup> \$7.0 trillion, +7.9% Y/Y
  - Deposits \$11.9 trillion, -1.4% Y/Y
  - As compared to 2009
    - Liquidity<sup>3</sup> 14.8%, +5.9 pps since 2009
    - Non-performing loans (NPLs)/Total Loans 0.5%, -2.8 pps since 2009
    - Net charge-offs (NCOs) 38.4%, -301.4 pps since 2009
- Regulatory Ratios (4Q22)<sup>4</sup>
  - Common Equity Tier 1 (CET1) Capital 11.1%; +2.5 pps since 2009, +0.6 pps above maximum requirement
  - Tier 1 (T1) Capital 12.6%; +0.7 pps since 2009, +6.6 pps above requirement
  - Data for G-SIBs only
    - Supplemental Leverage Ratio (SLR) 6.0%, on par with the maximum requirement
    - Liquidity Coverage Ratio (LCR) 119.6%, +19.6 pps above maximum requirement
    - Total Loss Absorbing Capital (TLAC) as % of RWA 33.2%, +15.2 pps above requirement

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

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

<sup>3</sup> Liquidity = (cash + deposits at banks) / total assets

<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)	4Q22	3Q22	4Q21	Q/Q	Y/Y	Balance Sheet (\$T, unless indicate	4Q22	3Q22	4Q21	Q/Q	Y/Y
<b>Net Interest Income</b>						<b>Assets</b>					
All CCAR Firms	103.8	96.1	78.6	8.0%	32.0%	<b>Cash &amp; Cash Equivalents*</b>					
G-SIBs	67.8	61.9	50.1	9.6%	35.3%	All CCAR Firms	2.7	2.8	3.1	-2.6%	-12.8%
Non G-SIBs, Assets >\$250B	19.2	18.1	15.7	6.1%	22.2%	G-SIBs	2.3	2.4	2.7	-3.6%	-12.7%
Non G-SIBs, Assets \$100B-\$250B	16.8	16.2	12.8	4.0%	31.4%	Non G-SIBs, Assets >\$250B	0.2	0.2	0.2	8.5%	5.5%
<b>Non-Interest Income</b>						Non G-SIBs, Assets \$100B-\$250B	0.2	0.2	0.3	-0.1%	-25.6%
All CCAR Firms	85.5	92.4	98.2	-7.4%	-12.9%	<b>Loans</b>					
G-SIBs	59.6	66.7	72.7	-10.6%	-18.0%	All CCAR Firms	7.1	7.0	6.6	1.3%	7.3%
Non G-SIBs, Assets >\$250B	8.2	8.4	8.8	-3.0%	-6.8%	G-SIBs	4.6	4.6	4.4	-0.3%	3.5%
Non G-SIBs, Assets \$100B-\$250B	17.7	17.2	16.7	3.1%	5.9%	Non G-SIBs, Assets >\$250B	1.4	1.3	1.2	5.6%	14.3%
<b>Total Revenue</b>						Non G-SIBs, Assets \$100B-\$250B	1.2	1.1	1.0	2.5%	15.9%
All CCAR Firms	189.3	188.5	176.8	0.5%	7.1%	<b>Allowance for Loan Loss (\$B)</b>					
G-SIBs	127.4	128.6	122.8	-0.9%	3.8%	All CCAR Firms	124.4	117.0	112.0	6.3%	11.1%
Non G-SIBs, Assets >\$250B	27.3	26.5	24.5	3.2%	11.8%	G-SIBs	69.0	65.2	62.2	5.8%	10.9%
Non G-SIBs, Assets \$100B-\$250B	34.6	33.4	29.6	3.5%	17.0%	Non G-SIBs, Assets >\$250B	29.3	27.0	26.5	8.4%	10.7%
<b>Operating Expenses</b>						Non G-SIBs, Assets \$100B-\$250B	26.1	24.8	23.3	5.3%	12.0%
All CCAR Firms	126.1	121.5	117.5	3.8%	7.3%	<b>Net Loans</b>					
G-SIBs	87.2	84.6	81.6	3.0%	6.9%	All CCAR Firms	7.0	6.9	6.5	1.2%	7.2%
Non G-SIBs, Assets >\$250B	16.3	15.5	15.7	5.4%	3.9%	G-SIBs	4.5	4.5	4.4	-0.3%	3.3%
Non G-SIBs, Assets \$100B-\$250B	22.6	21.4	20.2	5.4%	11.6%	Non G-SIBs, Assets >\$250B	1.3	1.3	1.2	5.6%	14.3%
<b>Loan Loss Provision</b>						Non G-SIBs, Assets \$100B-\$250B	1.1	1.1	1.0	2.5%	16.0%
All CCAR Firms	15.0	10.3	(2.1)	45.3%	632.9%	<b>Total Assets</b>					
G-SIBs	7.3	5.1	(2.4)	42.5%	206.9%	All CCAR Firms	18.5	18.5	18.4	-0.5%	0.2%
Non G-SIBs, Assets >\$250B	4.5	2.5	(0.1)	78.9%	7130.6%	G-SIBs	14.3	14.6	14.6	-1.4%	-1.5%
Non G-SIBs, Assets \$100B-\$250B	3.3	2.7	0.4	19.7%	760.7%	Non G-SIBs, Assets >\$250B	2.2	2.2	2.1	4.2%	6.6%
<b>Net Income Available to Common</b>						Non G-SIBs, Assets \$100B-\$250B	1.9	1.8	1.7	1.6%	7.3%
All CCAR Firms	38.5	41.9	47.3	-8.1%	-18.6%	<b>Liabilities</b>					
G-SIBs	26.8	28.7	34.0	-6.5%	-21.0%	<b>Deposits</b>					
Non G-SIBs, Assets >\$250B	5.0	6.4	6.6	-21.7%	-24.0%	All CCAR Firms	11.9	11.9	12.1	0.1%	-1.7%
Non G-SIBs, Assets \$100B-\$250B	6.7	6.8	6.7	-2.2%	-1.0%	G-SIBs	8.8	8.8	9.1	-0.9%	-3.7%
Source: Bloomberg, SIFMA estimates						Non G-SIBs, Assets >\$250B	1.7	1.6	1.6	4.0%	4.1%
						Non G-SIBs, Assets \$100B-\$250B	1.4	1.4	1.3	1.2%	4.4%
						<b>Total Liabilities</b>					
						All CCAR Firms	16.8	16.9	16.7	-0.7%	0.6%
						G-SIBs	13.1	13.3	13.3	-1.7%	-1.6%
						Non G-SIBs, Assets >\$250B	2.0	1.9	1.9	4.4%	9.1%
						Non G-SIBs, Assets \$100B-\$250B	1.7	1.7	1.6	1.5%	8.5%

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.

## Chart Book: Income Statement Metrics

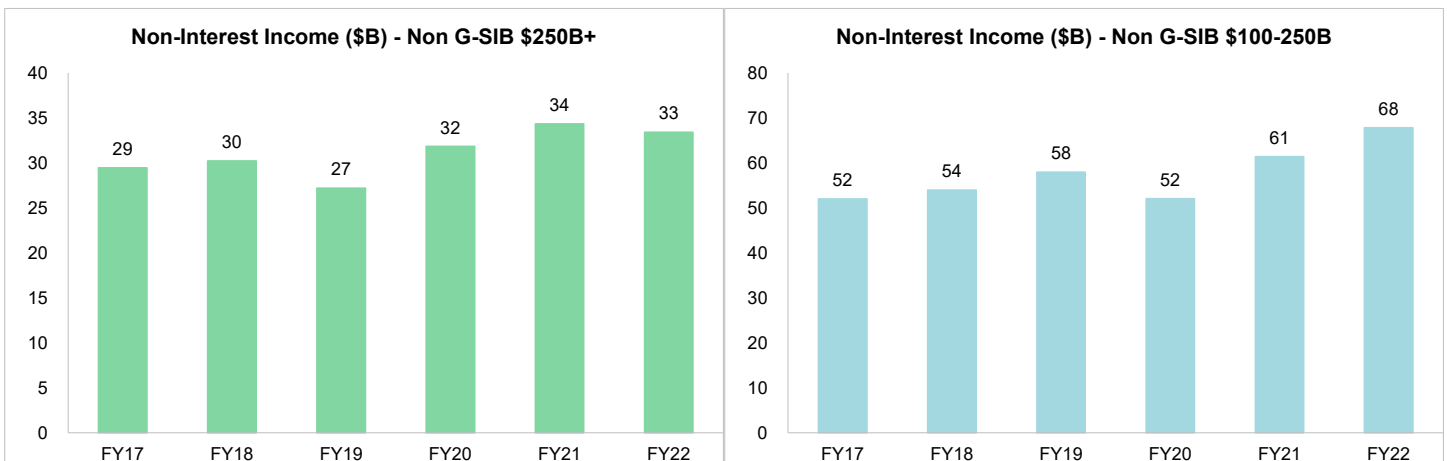
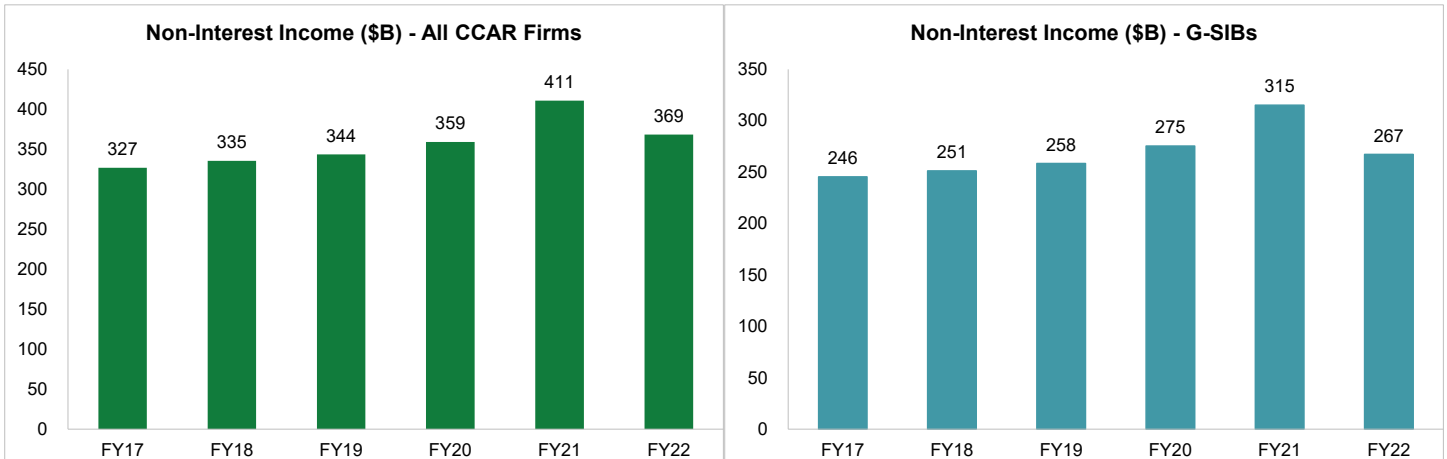
In this section, we highlight key income statement metrics, from revenue to expenses and then profitability.

### Net Interest Income



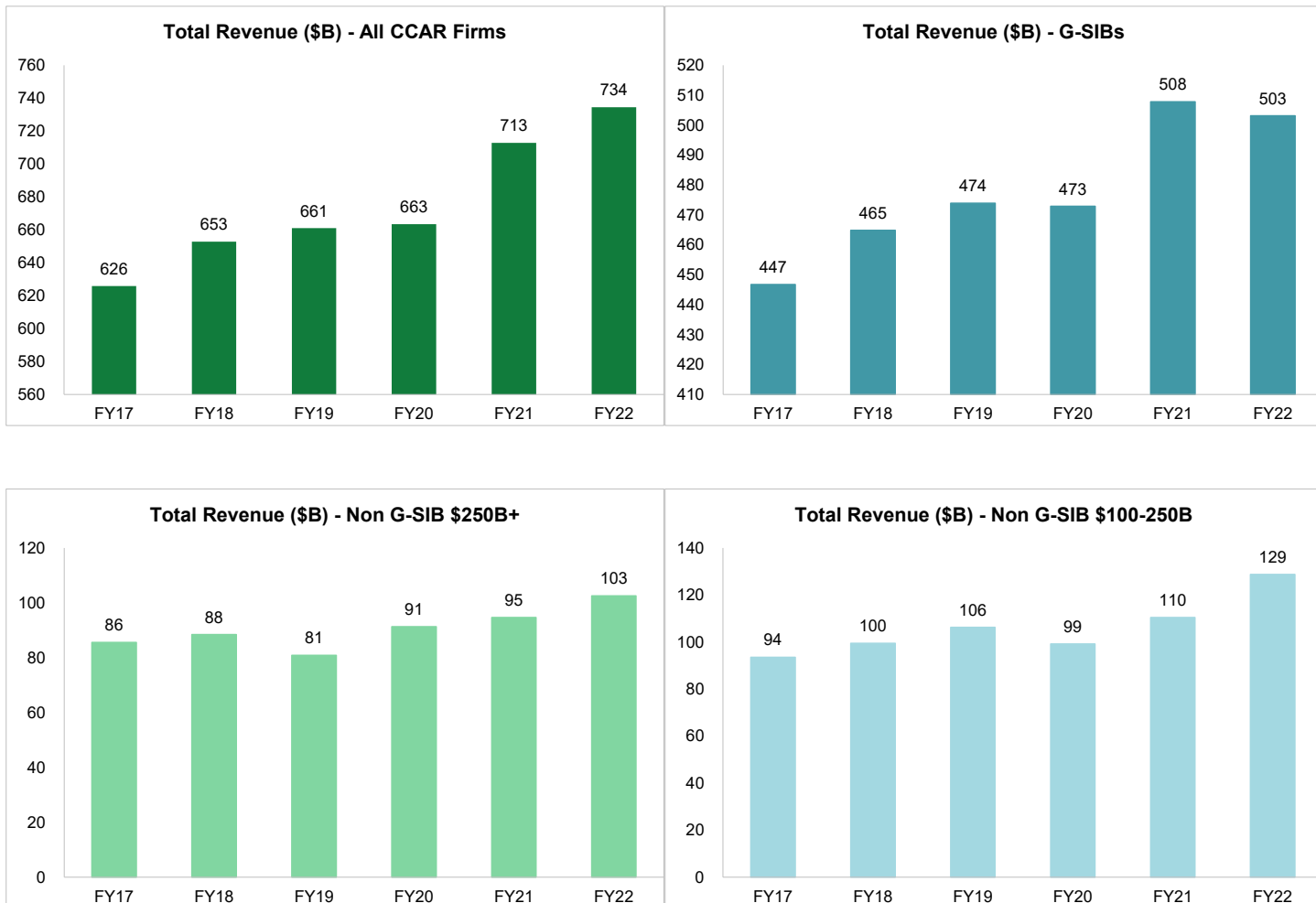
Source: Bloomberg, SIFMA estimates

Non-Interest Income



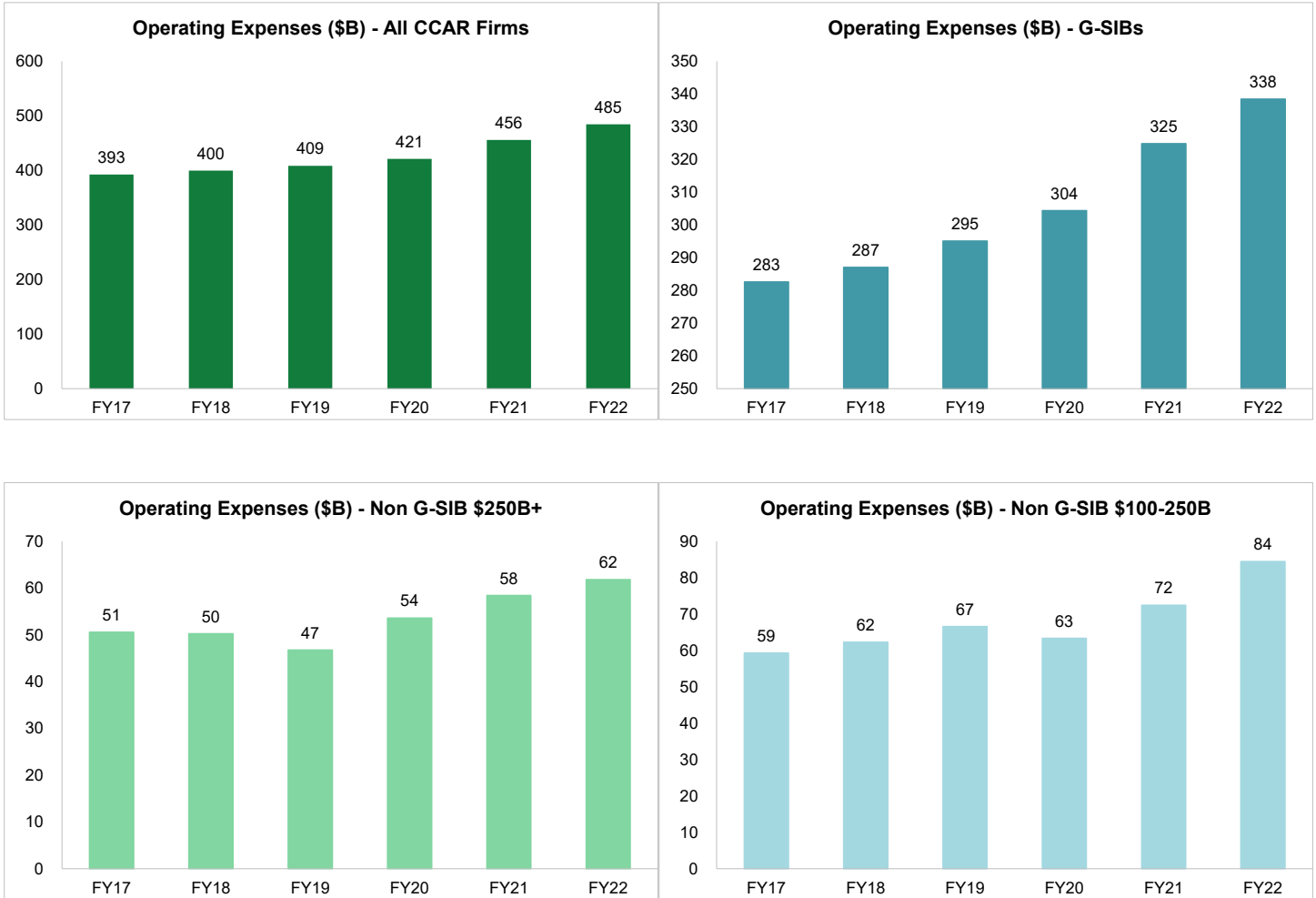
Source: Bloomberg, SIFMA estimates

Total Revenue



Source: Bloomberg, SIFMA estimates

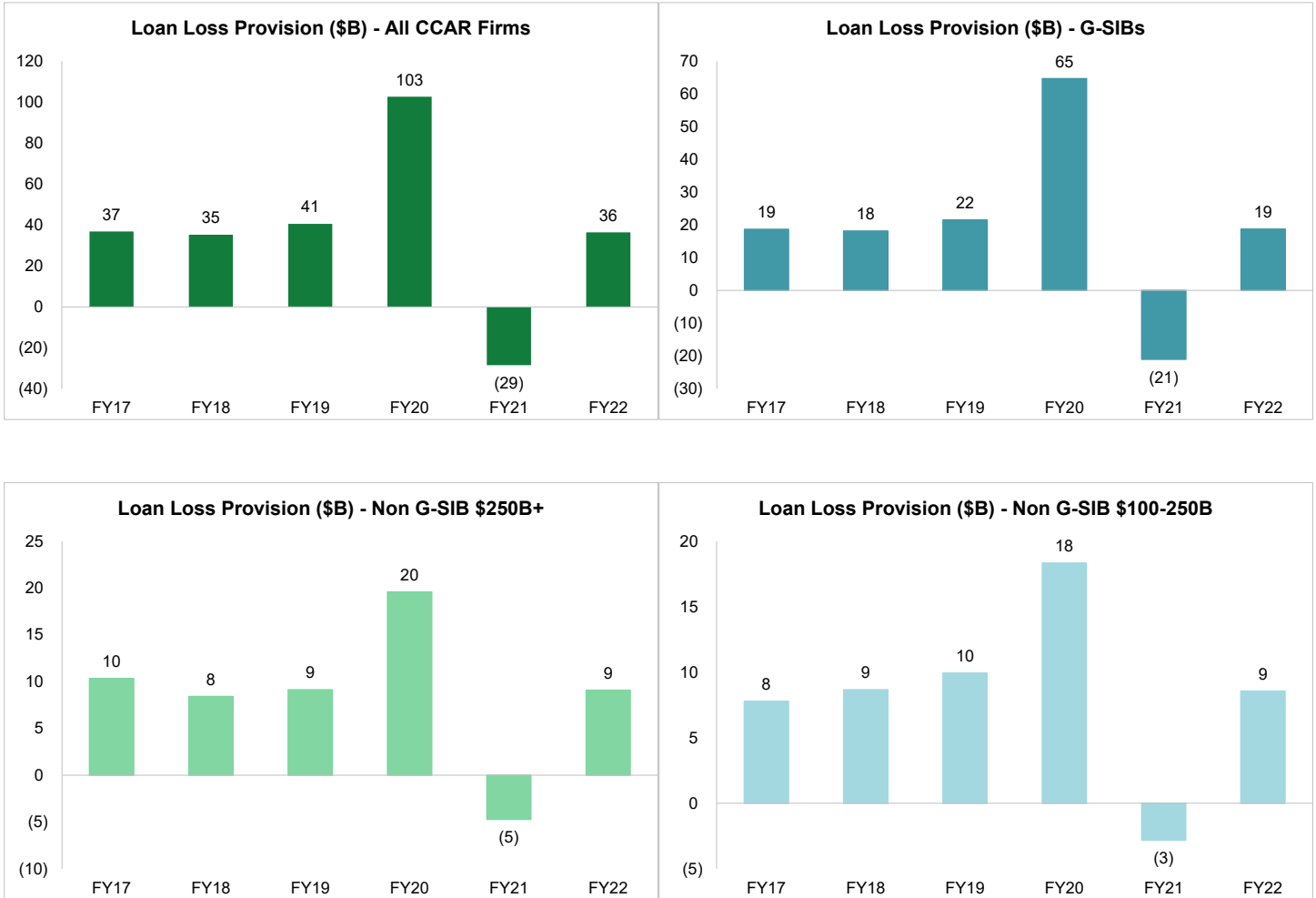
Operating Expenses



Source: Bloomberg, SIFMA estimates

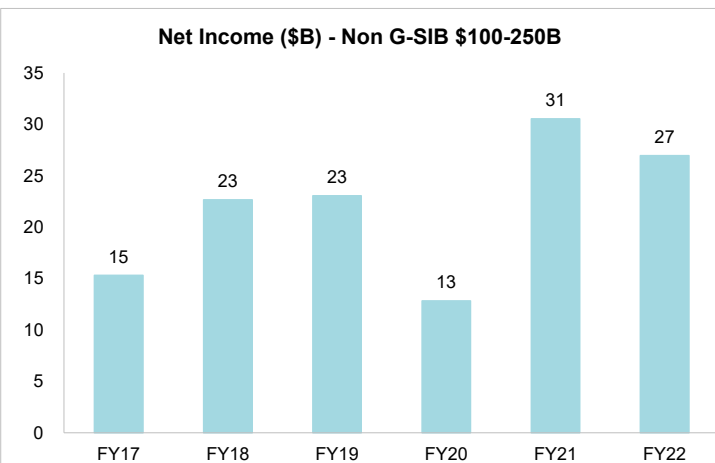
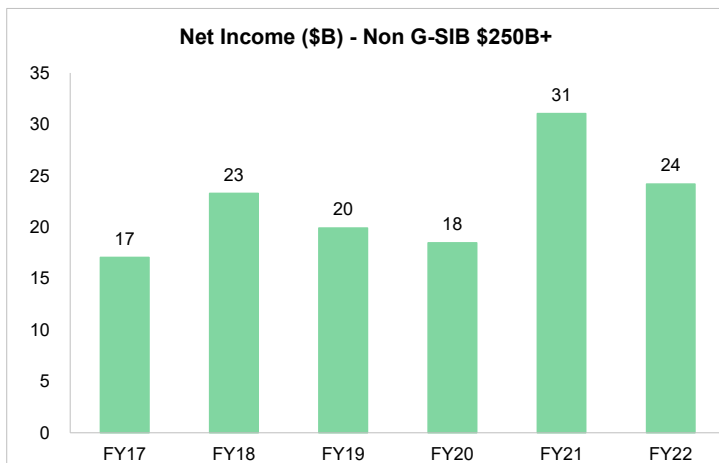
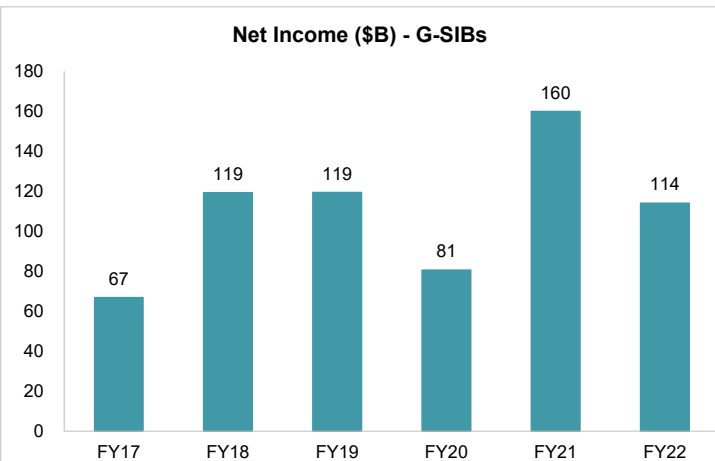
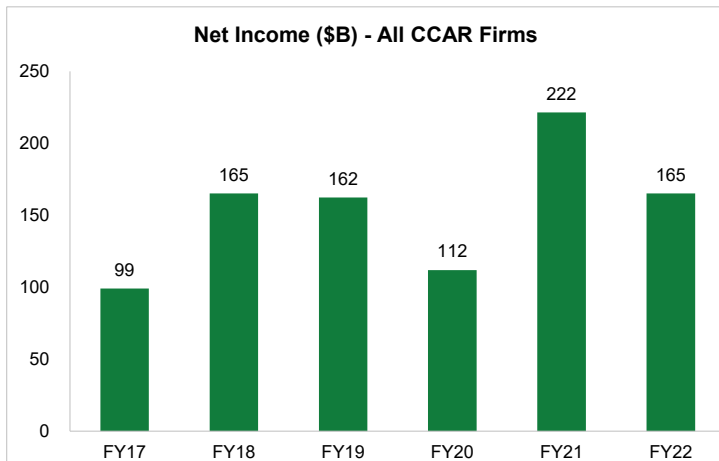


Loan Loss Provision



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

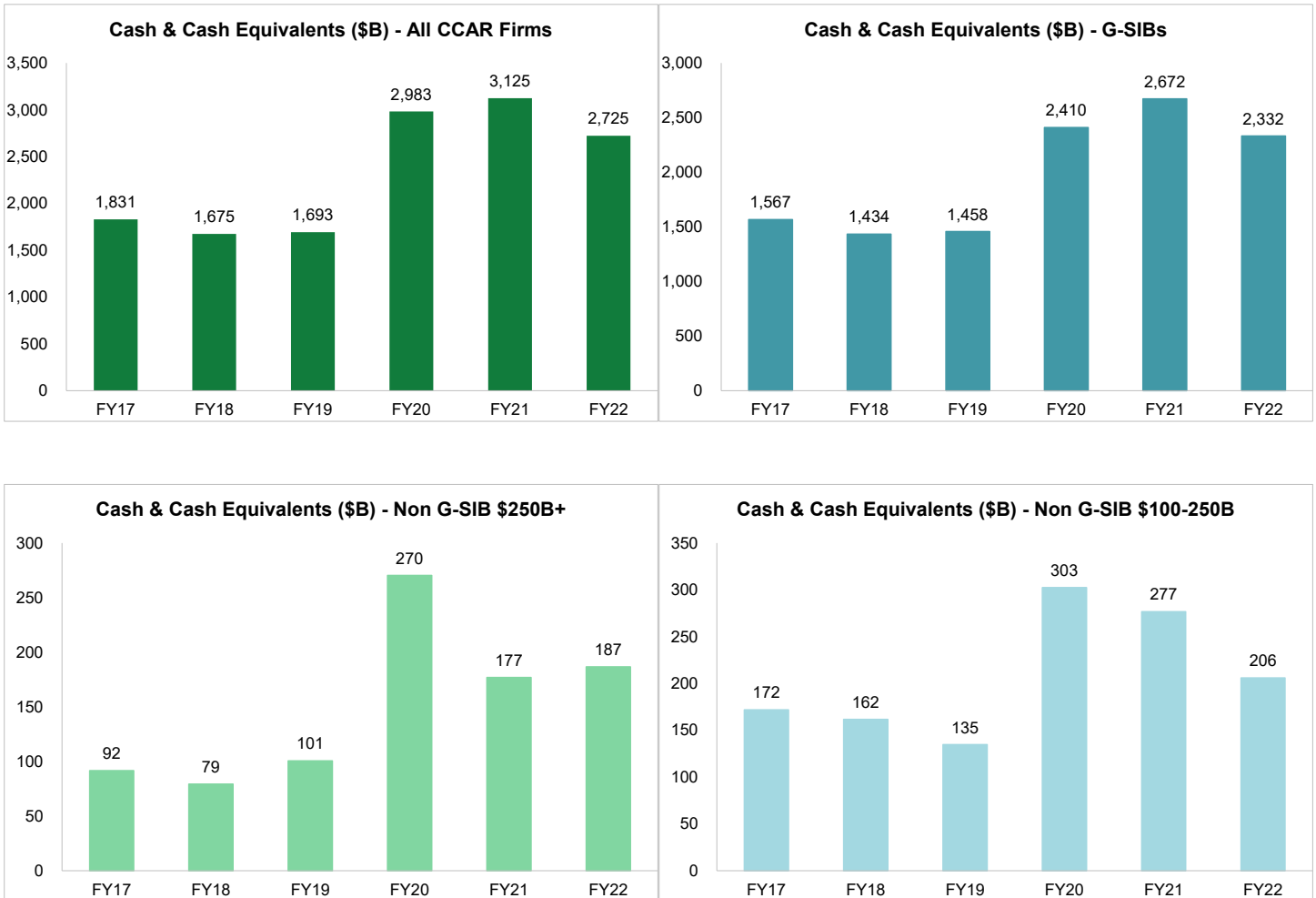
In this section, we highlight key balance sheet metrics, from both the asset and liability side. We also look at select ratios indicative of balance sheet health as compared to 2009 (ex: net charge-offs), showing the improved strength of the system since the global financial crisis.

### Cash



Source: Bloomberg, SIFMA estimates

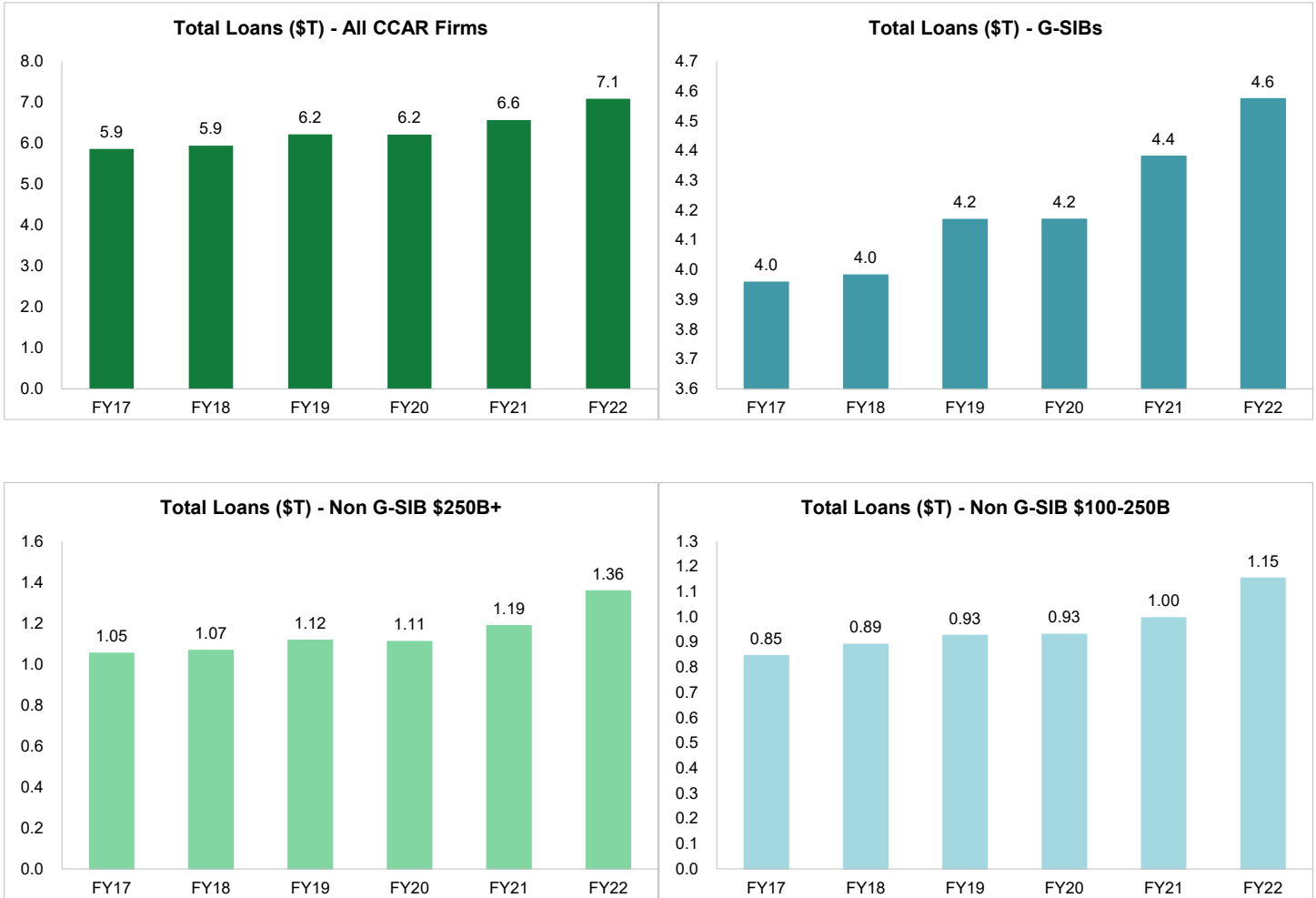
### Cash & Cash Equivalents



Source: Bloomberg, SIFMA estimates

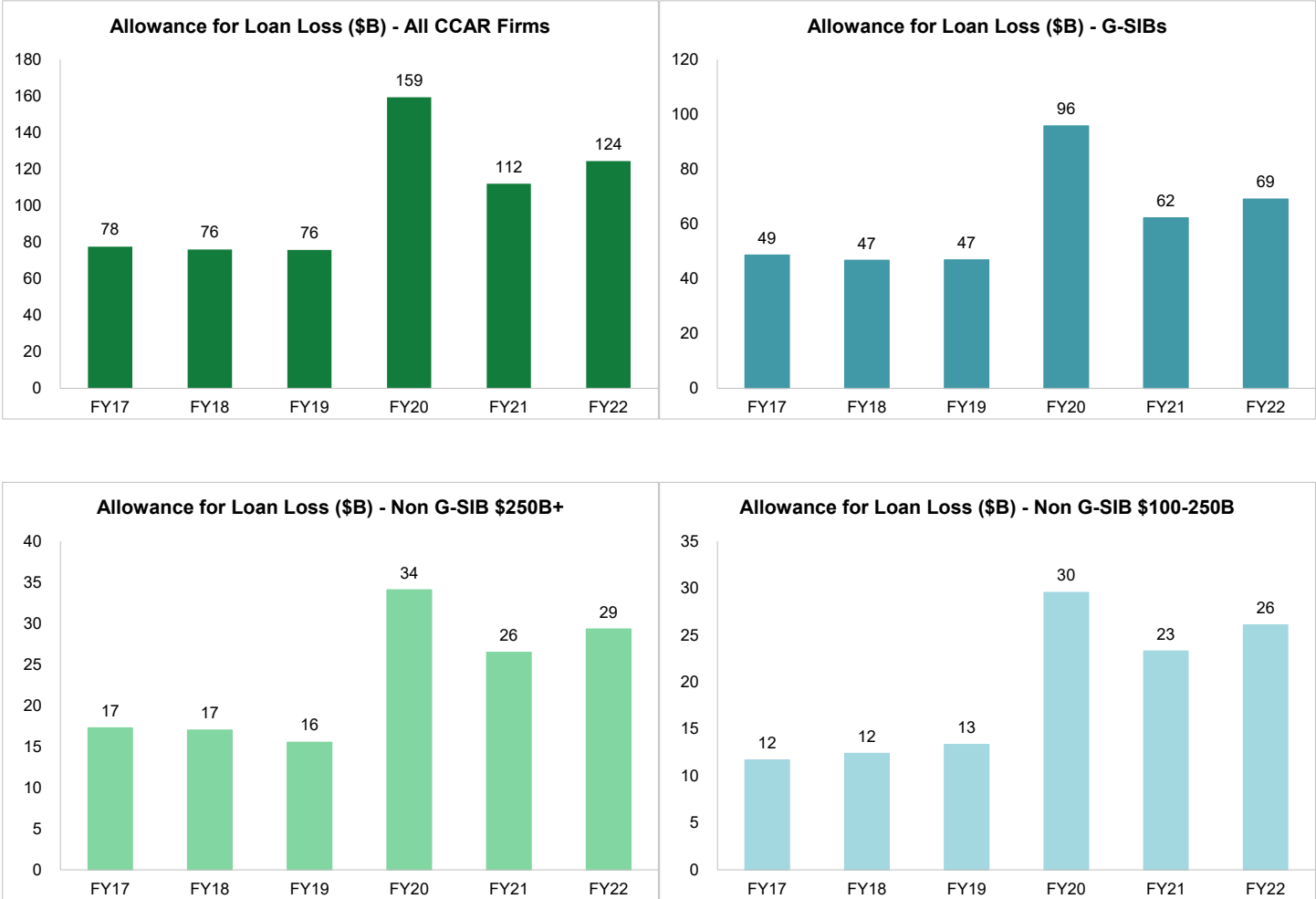
Note: Cash & cash equivalents = cash and due from banks plus deposits at banks; a small portion of this is restricted cash

Total Loans



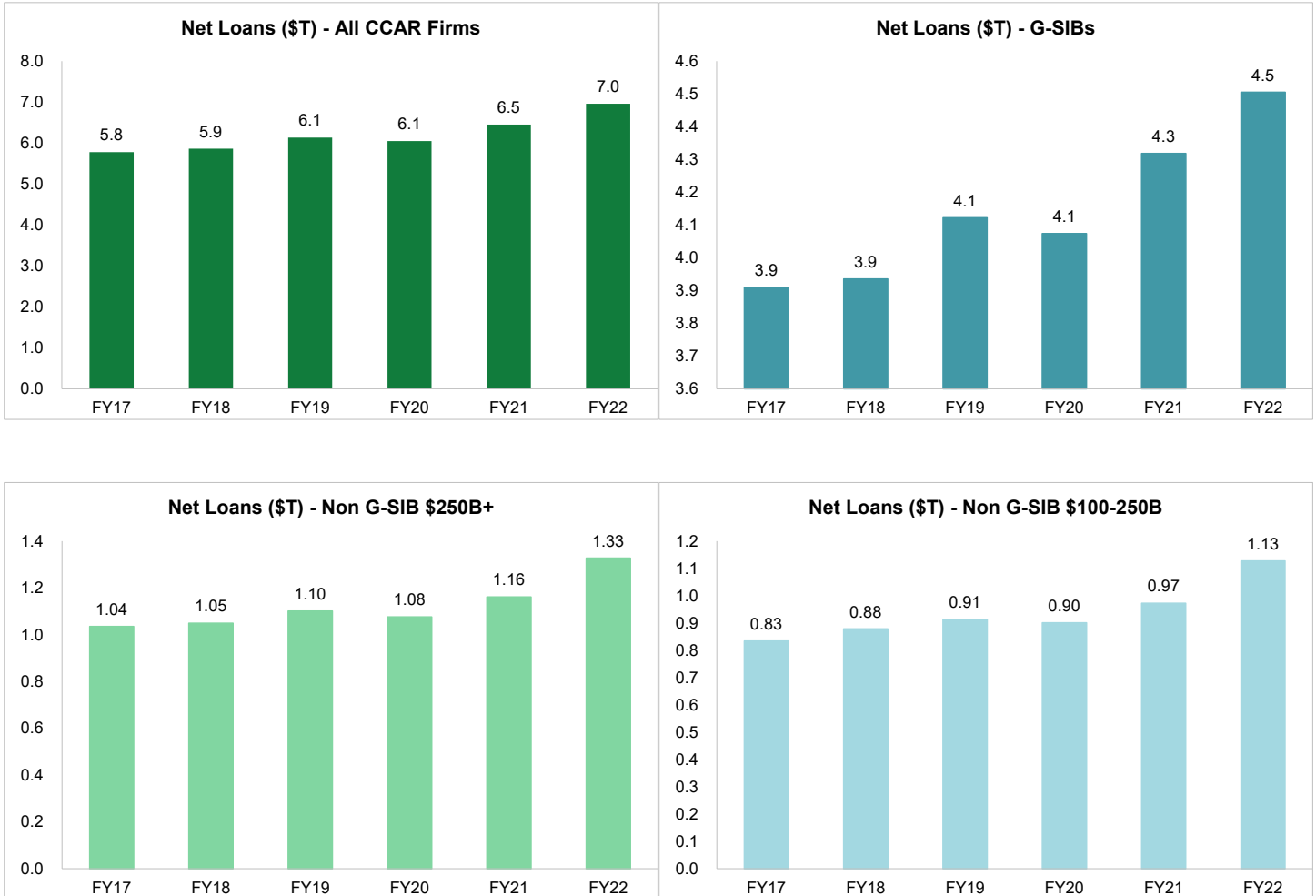
Source: Bloomberg, SIFMA estimates

Allowance for Loan Loss



Source: Bloomberg, SIFMA estimates

Net Loans



Source: Bloomberg, SIFMA estimates

Note: Net loans = loans - allowance for loan loss

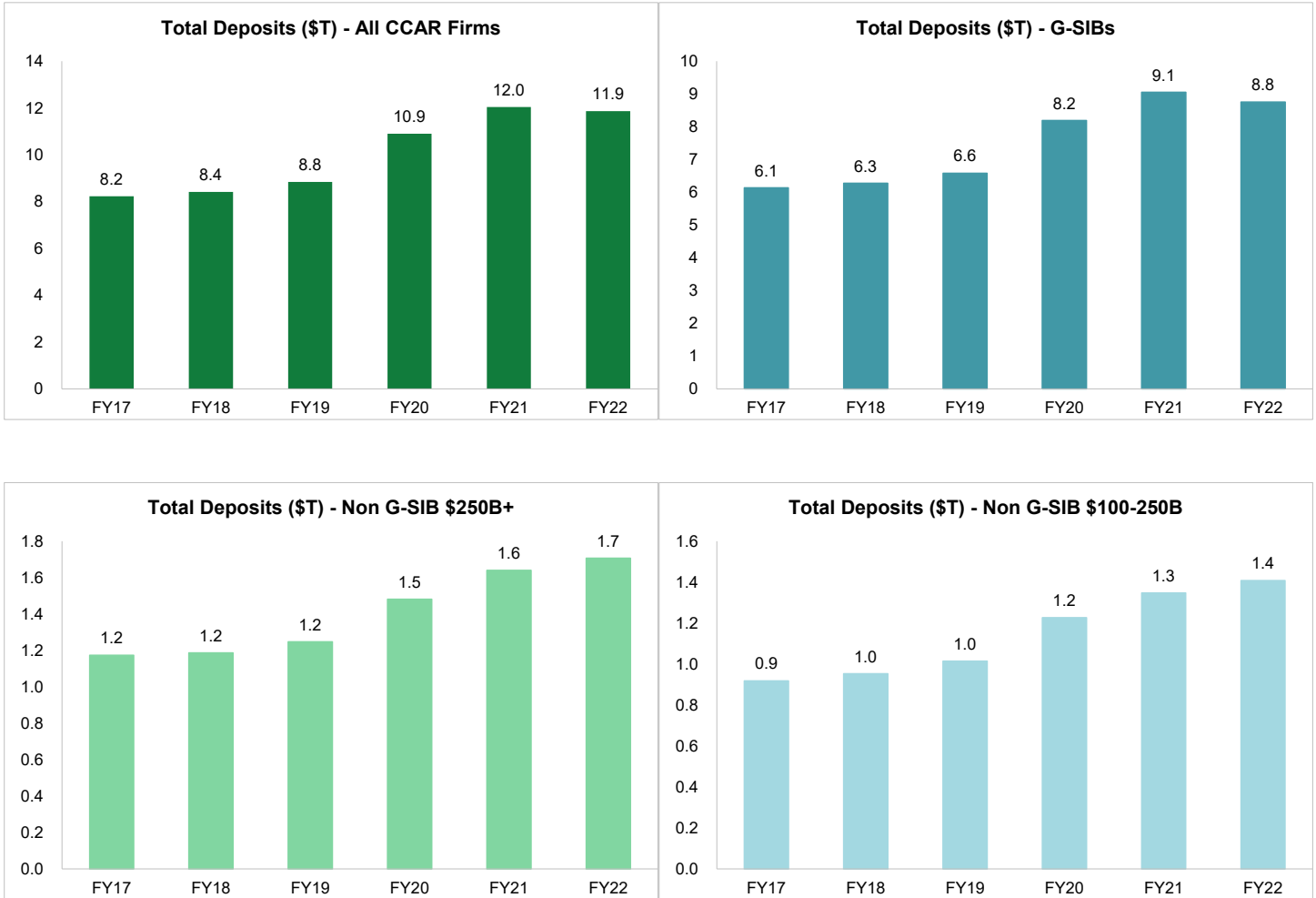
Total Assets



Source: Bloomberg, SIFMA estimates

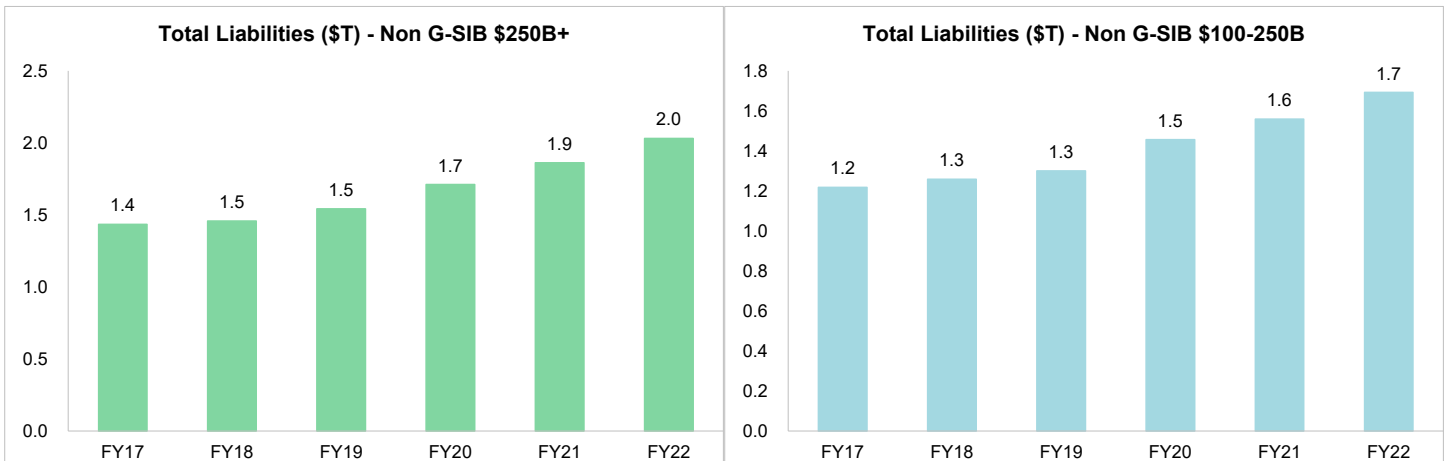
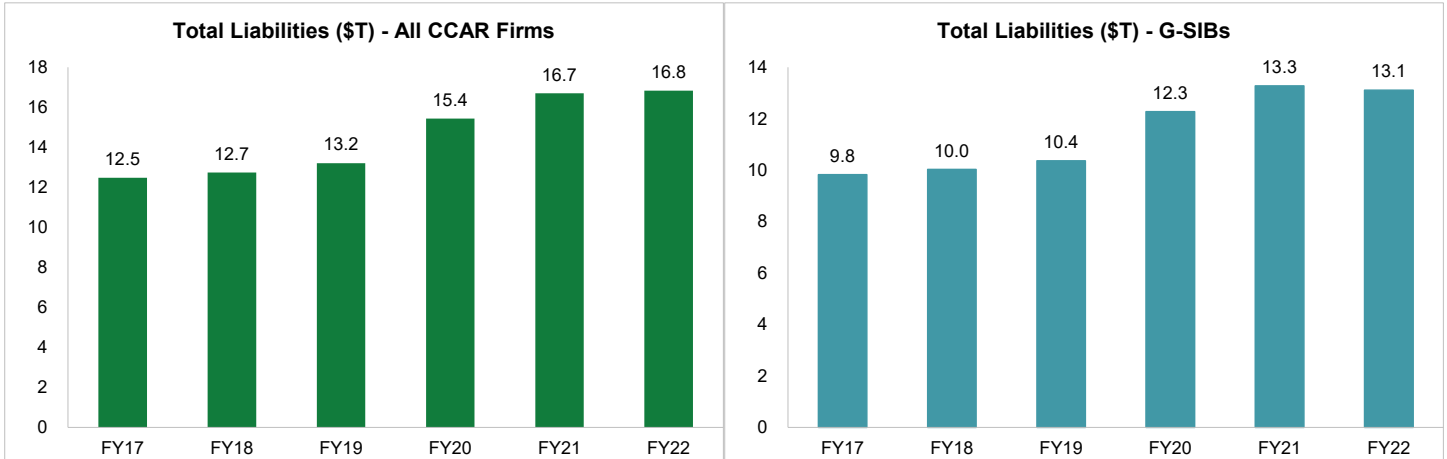


Total Deposits



Source: Bloomberg, SIFMA estimates

**Total Liabilities**



Source: Bloomberg, SIFMA estimates

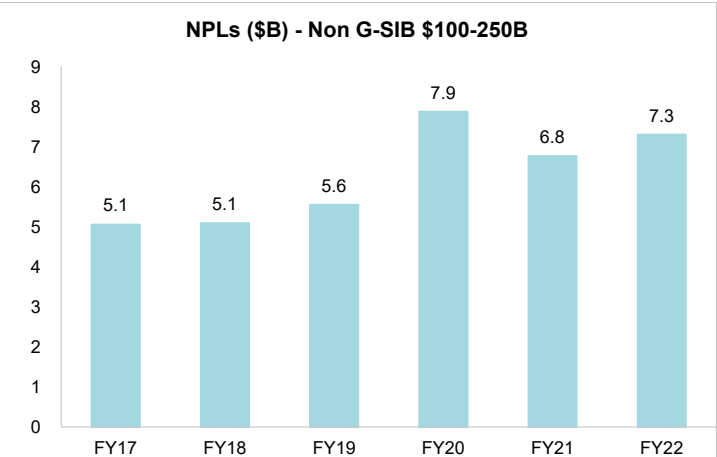
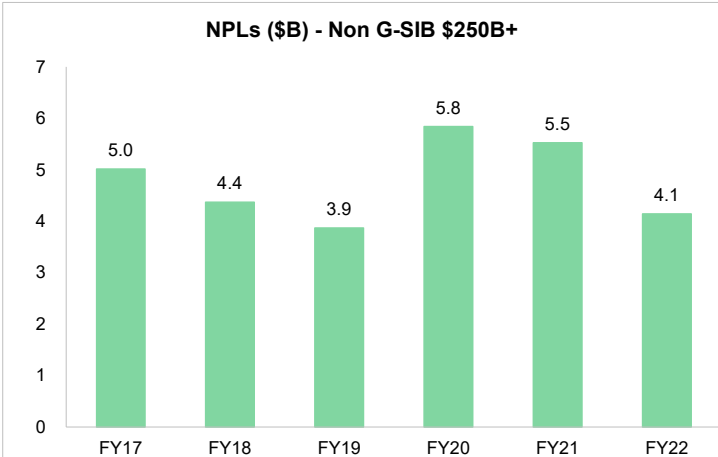
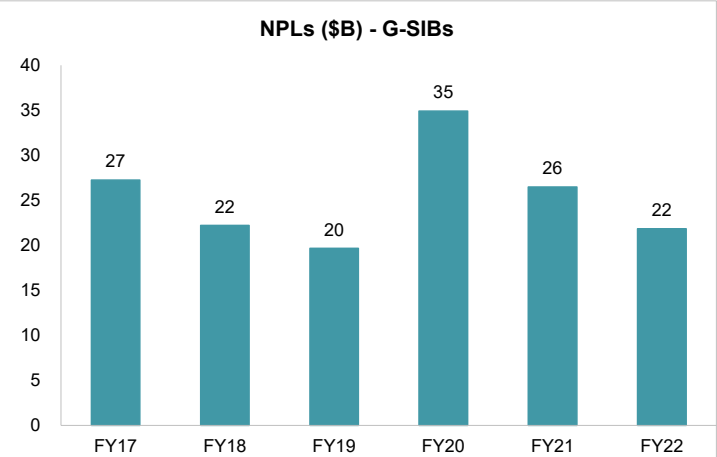
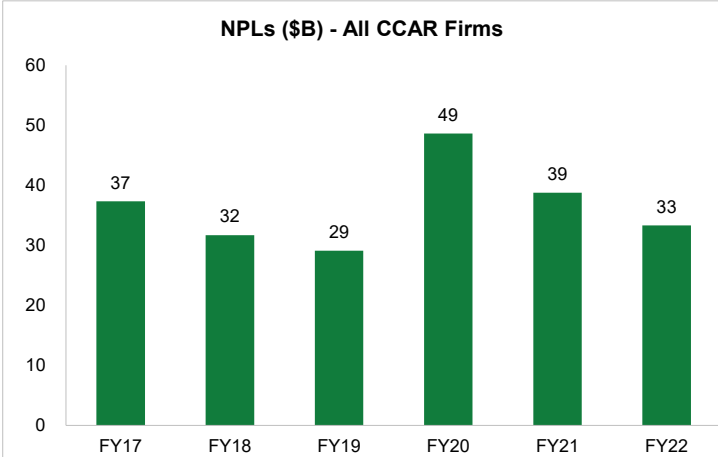
Liquidity\*



Source: Bloomberg, SIFMA estimates

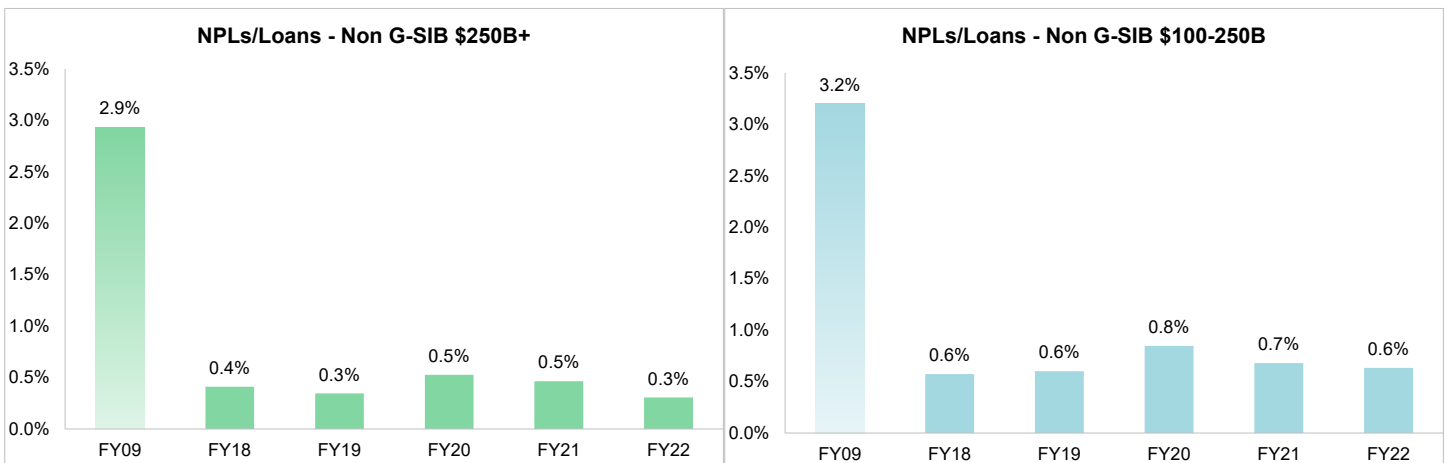
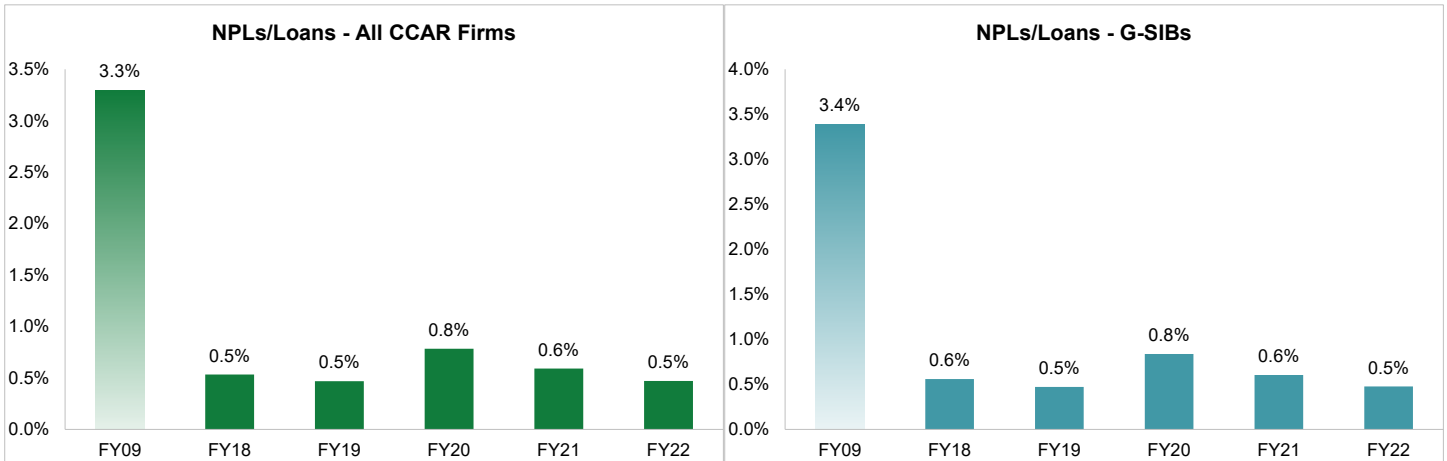
Note: Liquidity = (cash + deposits at banks) / total assets; decreases = denominator expanding faster than numerator

Non-Performing Loans (NPL)



Source: Bloomberg, SIFMA estimates

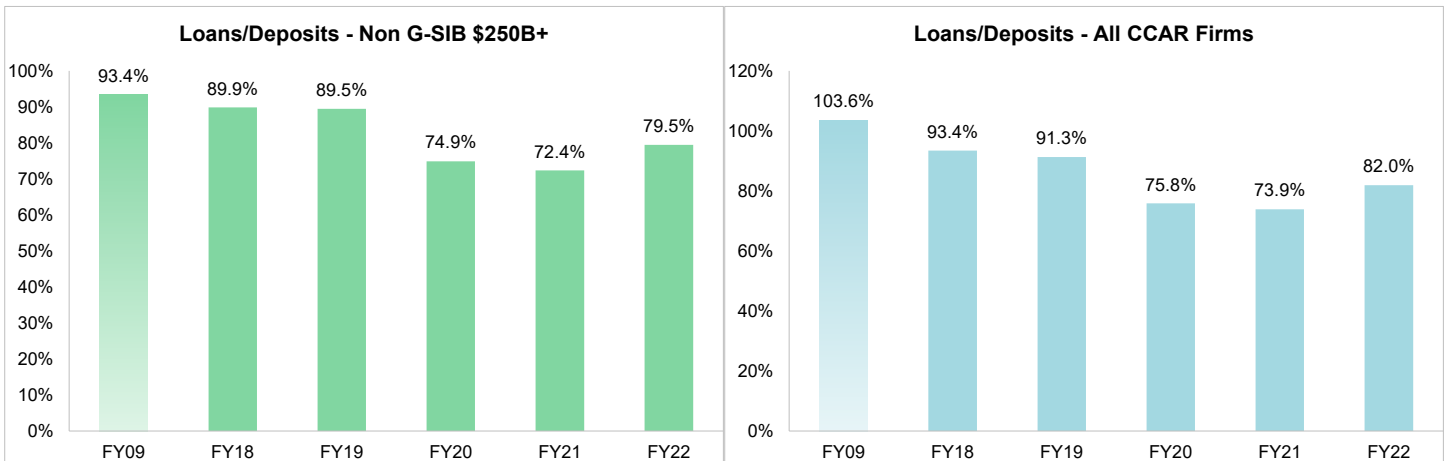
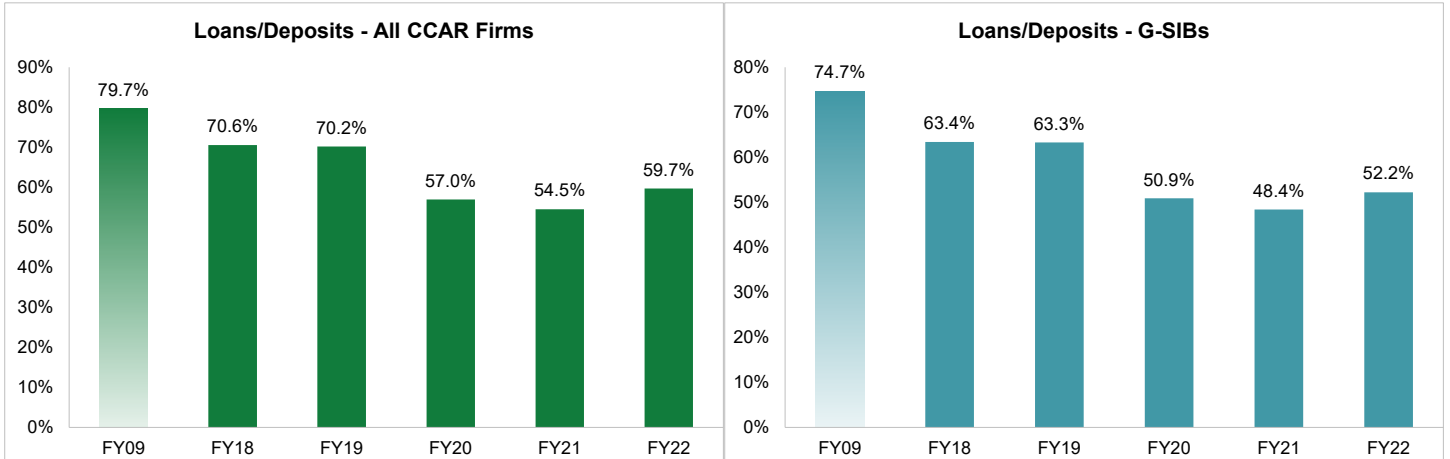
**NPLs/Loans**



Source: Bloomberg, SIFMA estimates

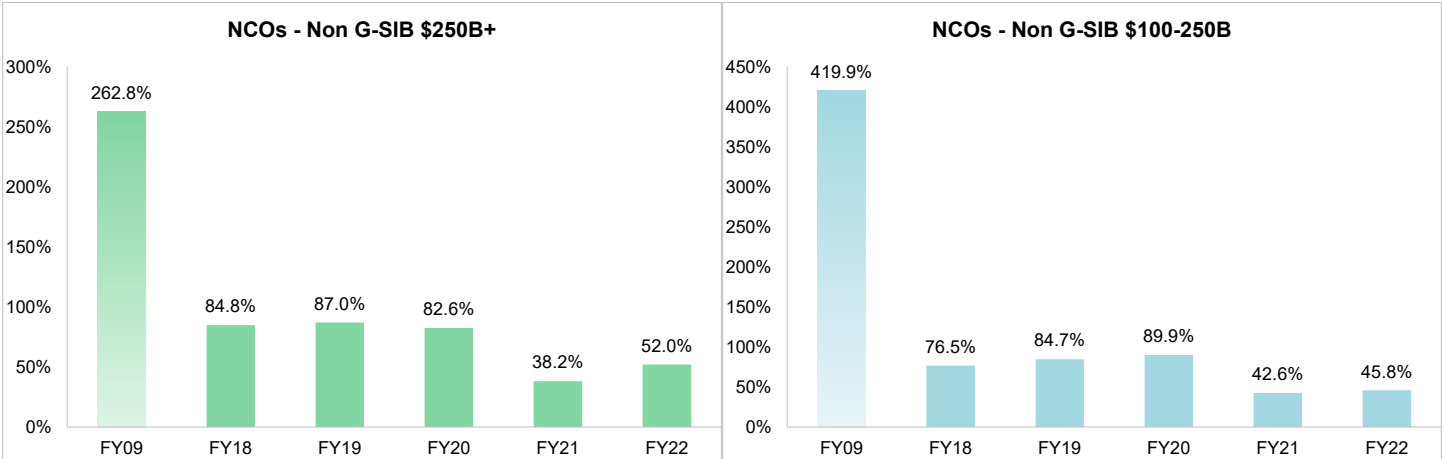
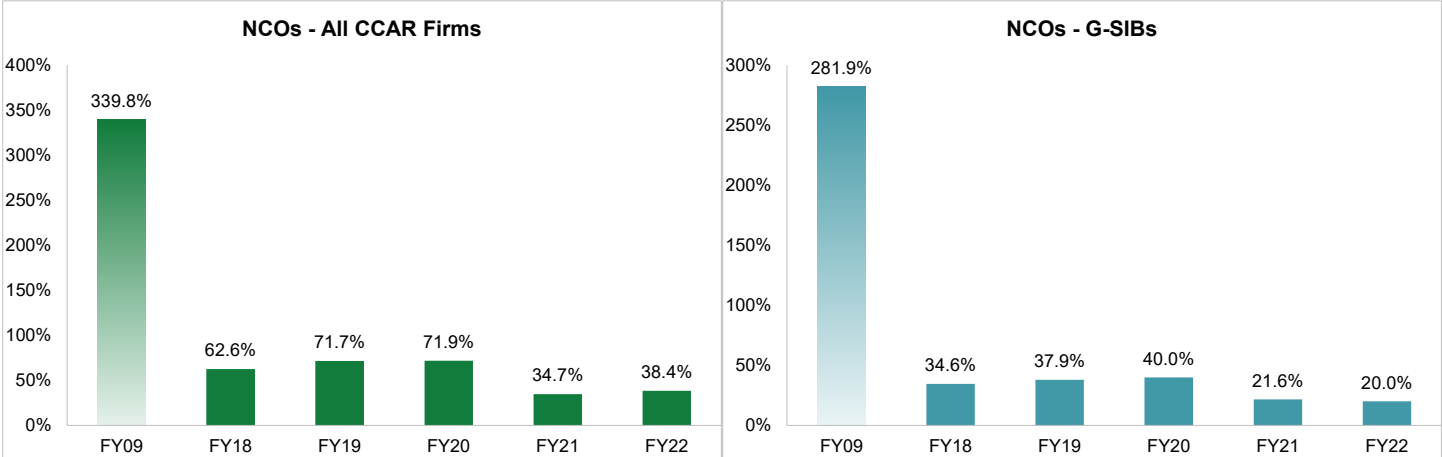
Note: NPL = non-performing loans; NPL/total loans

Loans/Deposits



Source: Bloomberg, SIFMA estimates

Net Charge-Offs (NCO)

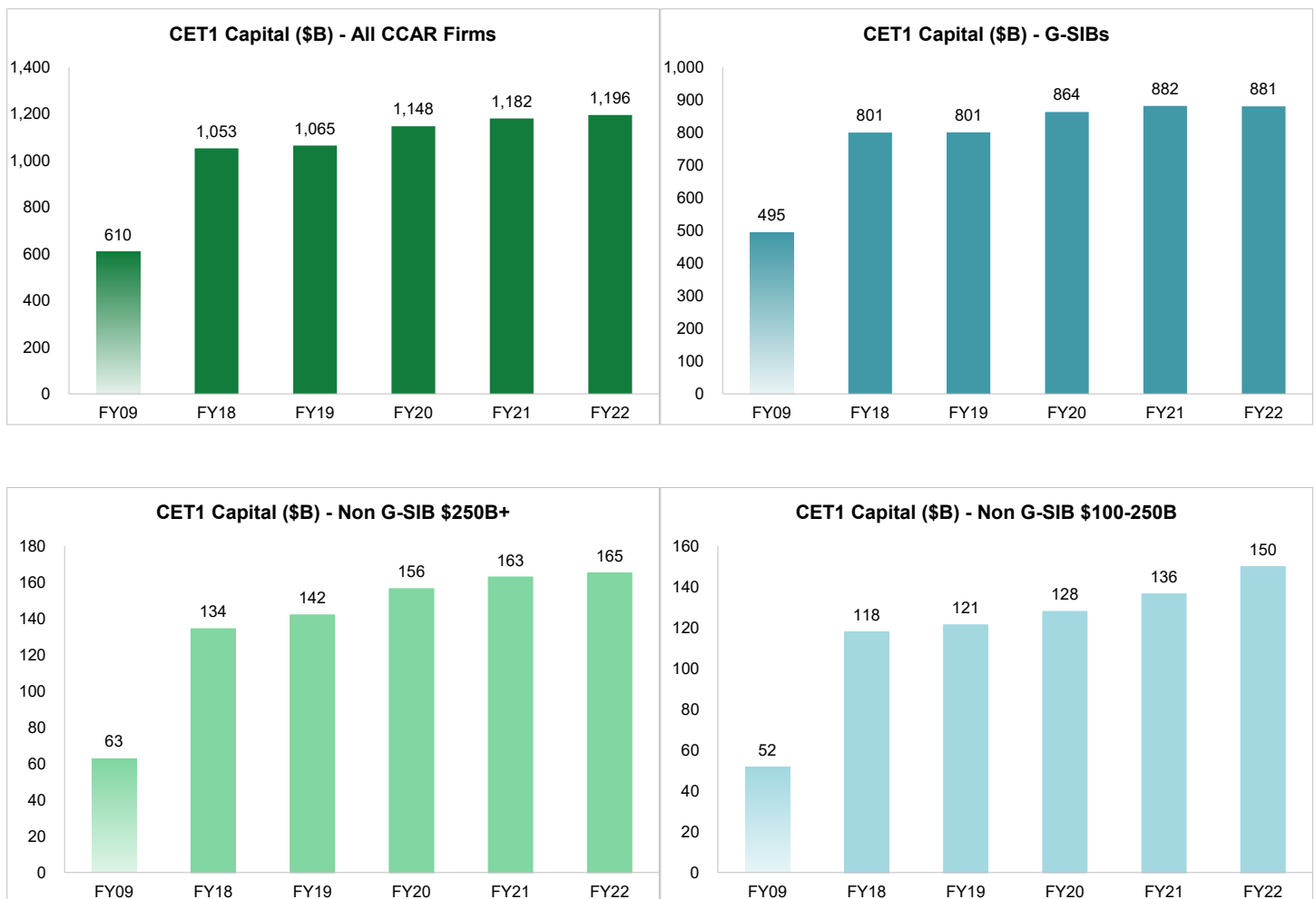


Source: Bloomberg, SIFMA estimates

## 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



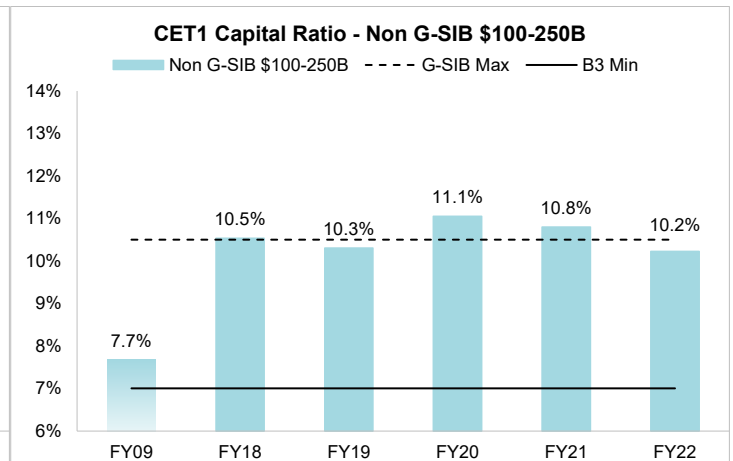
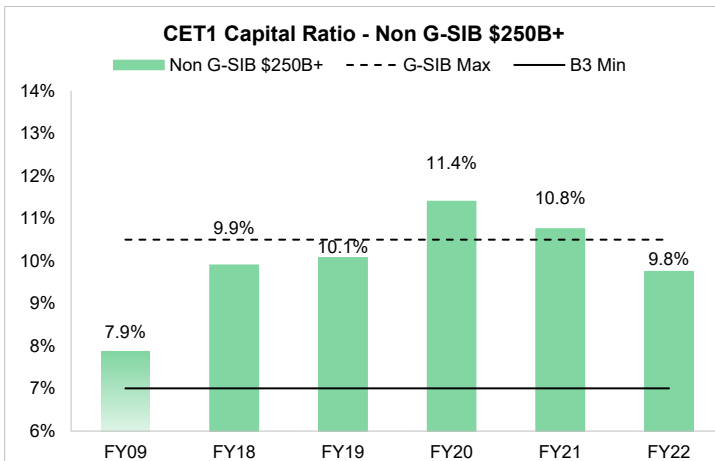
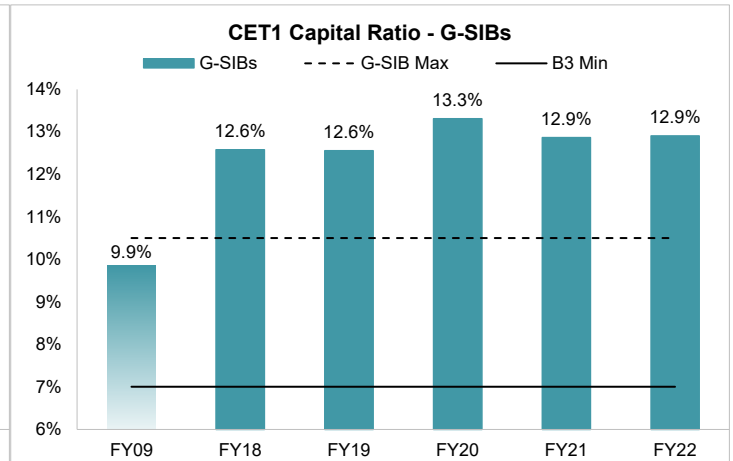
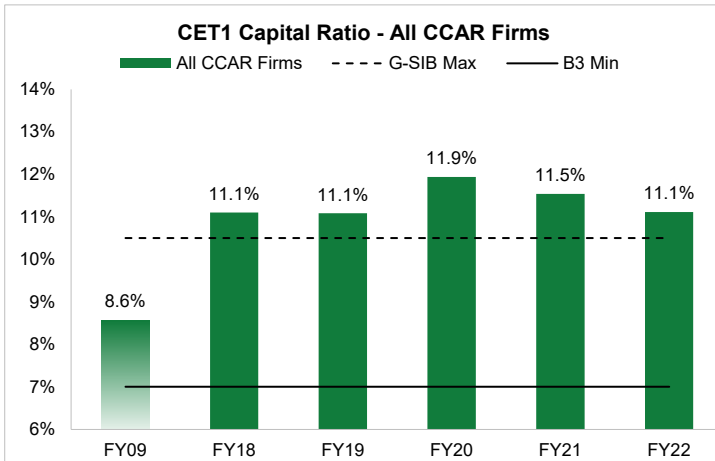
Source: Bloomberg, SIFMA estimates

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



### CET1 Capital Ratios

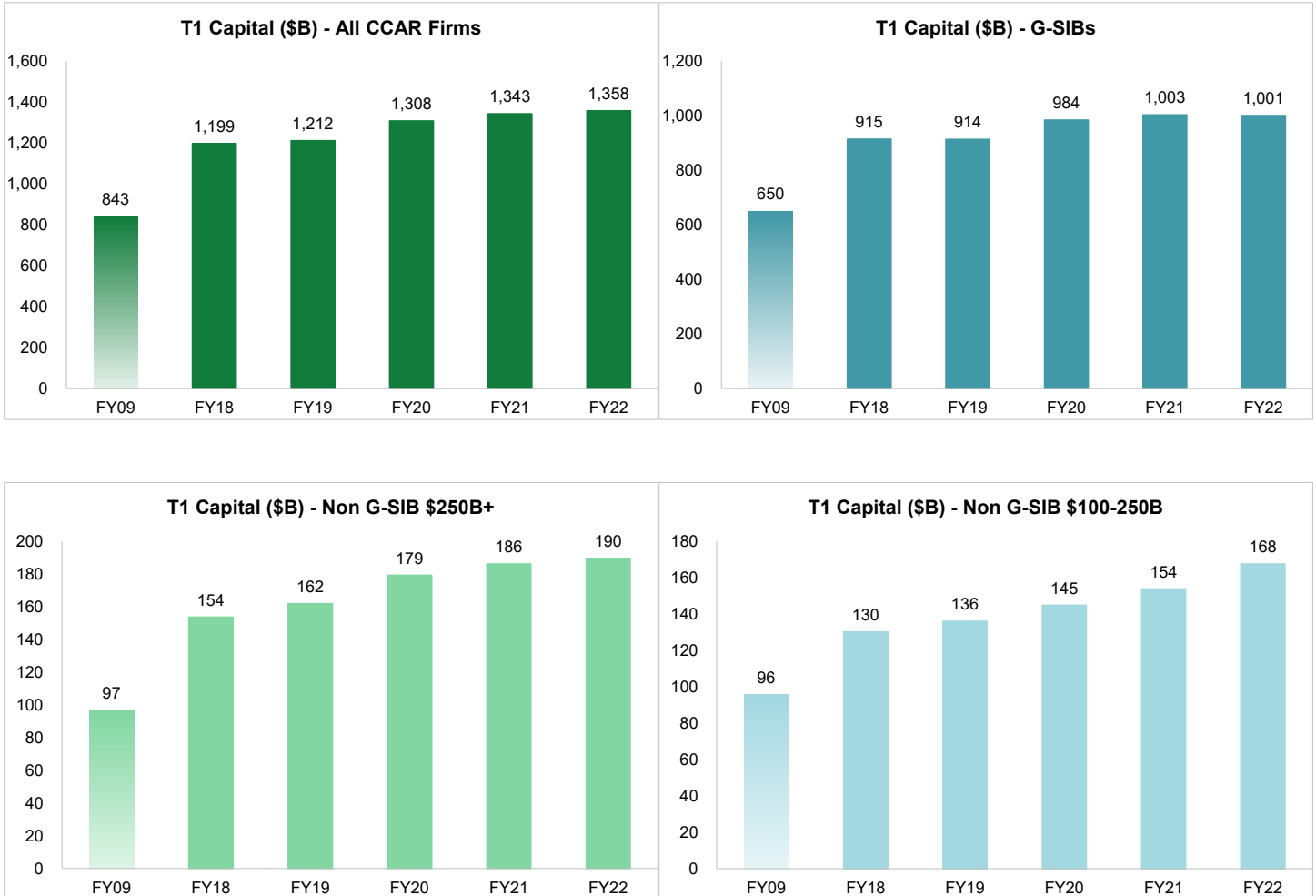
Currently, the maximum CET1 ratio inclusive of the highest surcharge would be 9.5% (no G-SIBs are currently in bucket 5). Yet, all firms are above the full maximum level of 10.5%.



Source: Bloomberg, SIFMA estimates

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

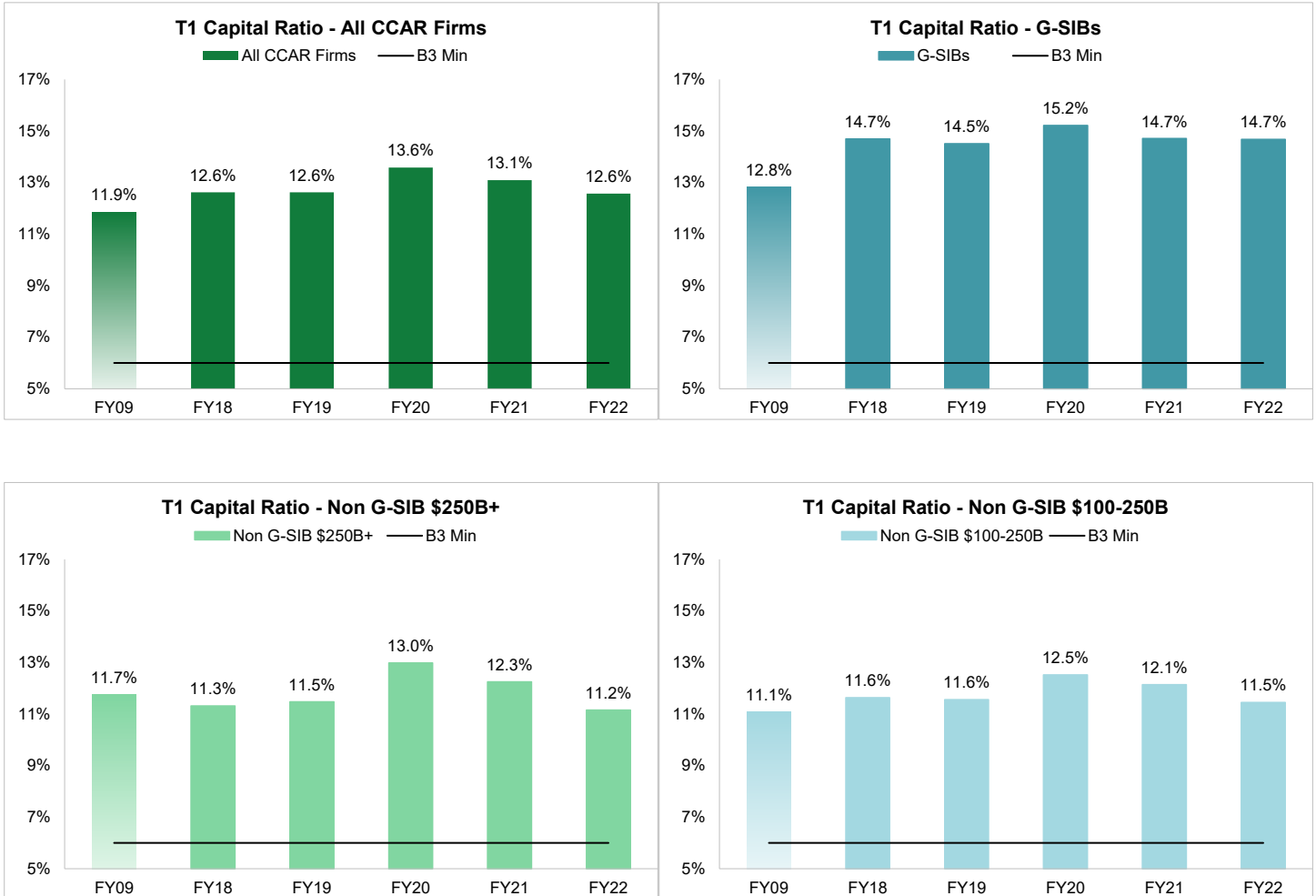
Tier 1 (T1) Capital Levels



Source: Bloomberg, SIFMA estimates

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

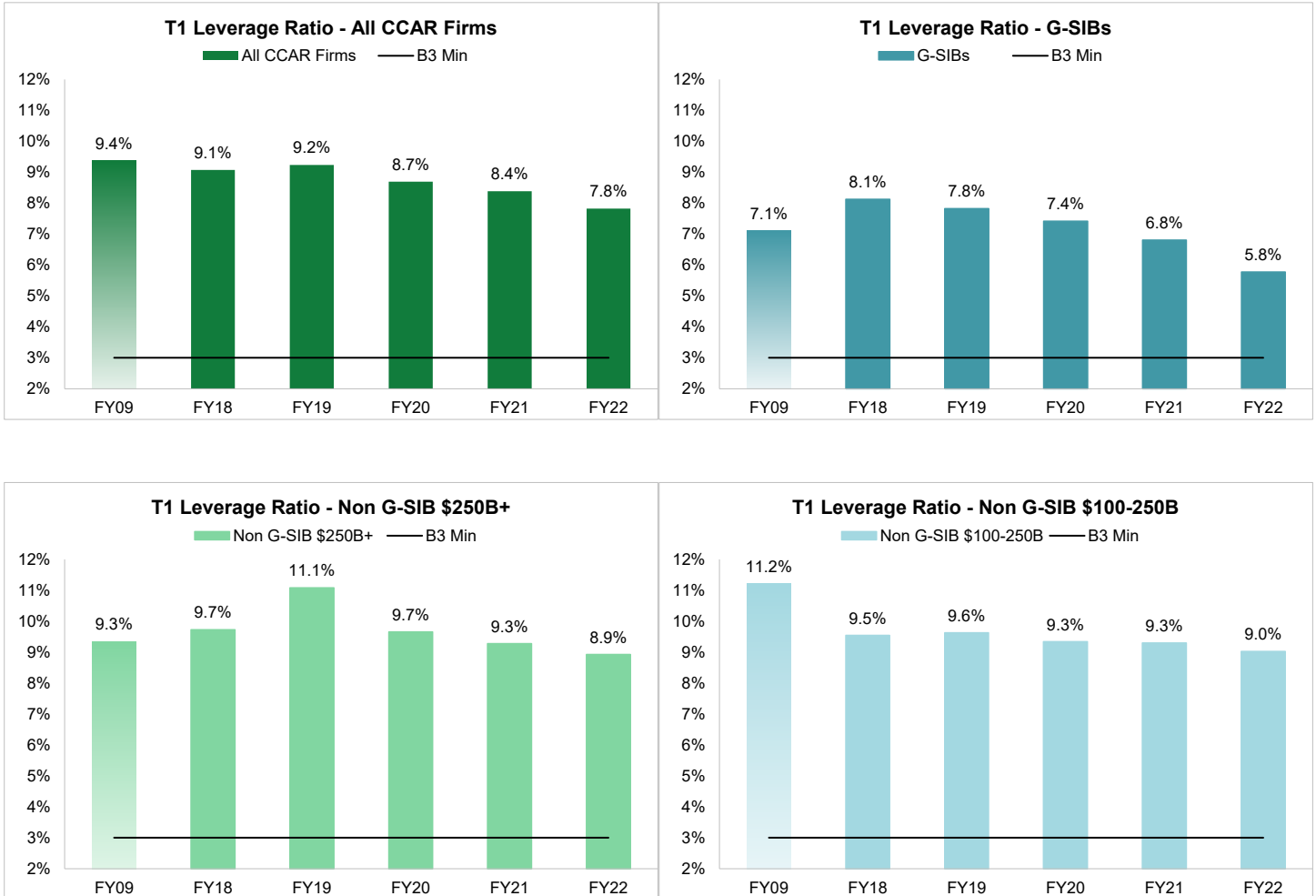
Tier 1 (T1) Capital Ratios



Source: Bloomberg, SIFMA estimates

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

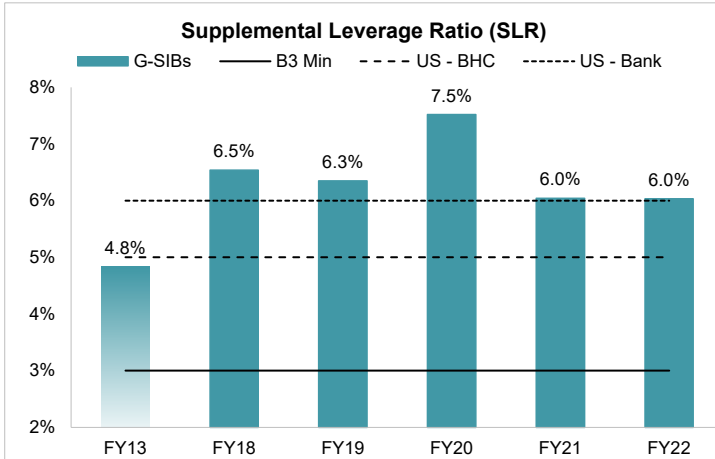
Tier 1 (T1) Leverage Ratios



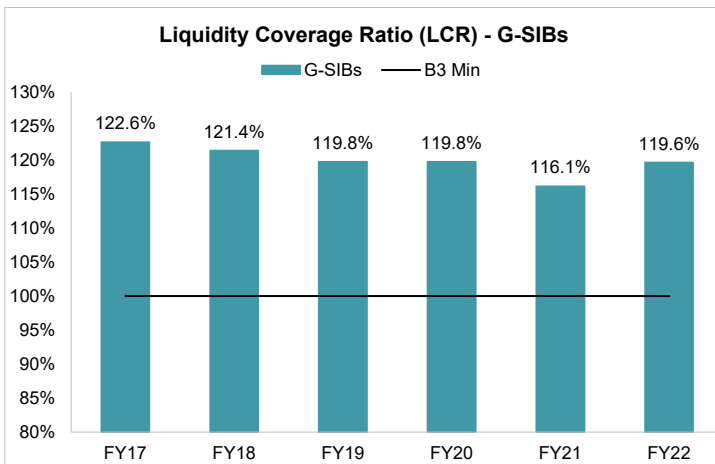
Source: Bloomberg, SIFMA estimates

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

### Supplementary Leverage Ratio (SLR)



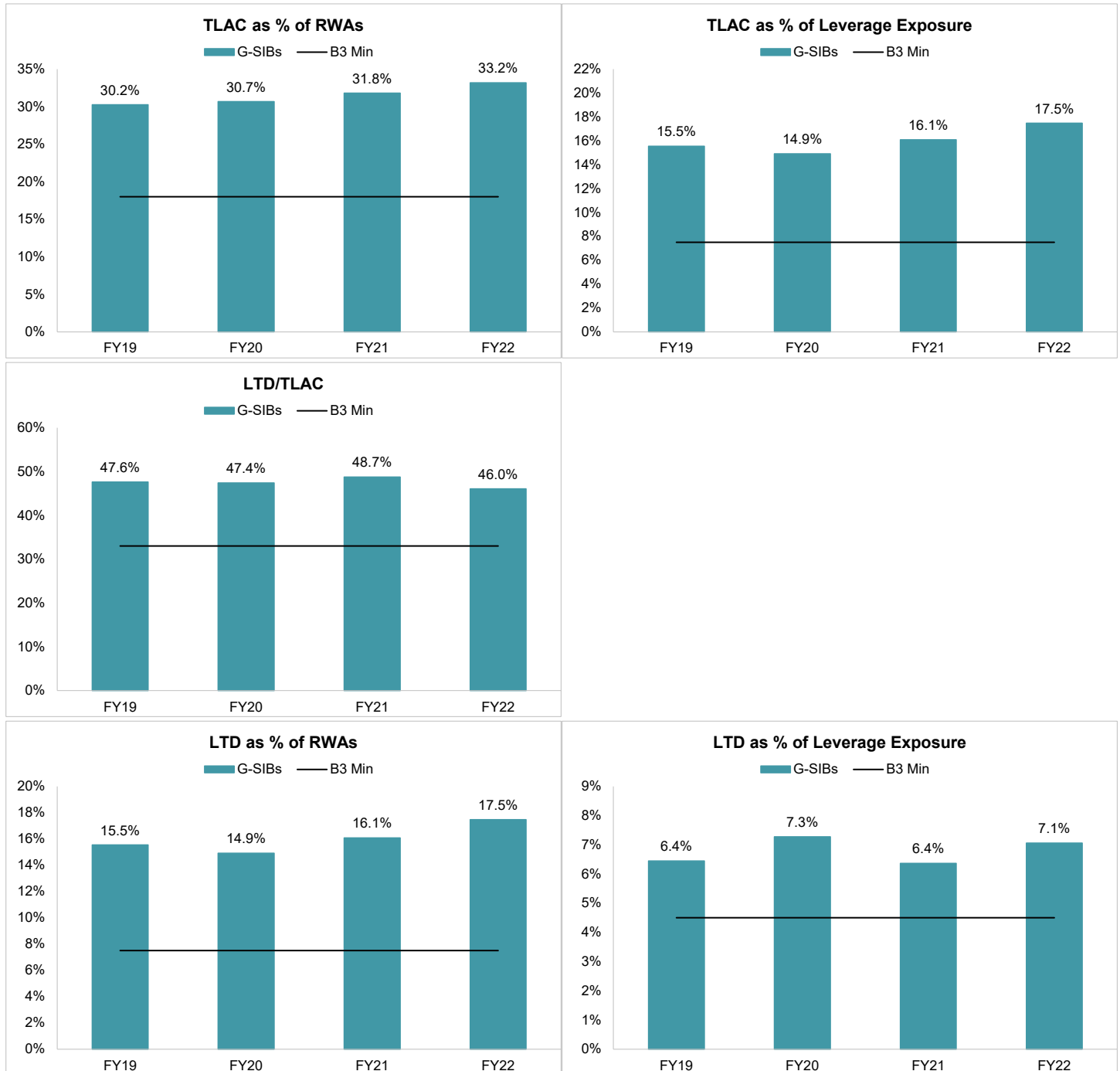
### Liquidity Coverage Ratio (LCR)



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

Source: Financial Stability Board (as of November 2022)

## 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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