

Innovative and Enduring

Industrial Loan Companies (ILCs) or Industrial Banks have been an integral part of the US financial system for over a century, providing credit and financial innovation during good times and bad. ILCs were originally created to service workers because they didn't have access to traditional banks. Perhaps one of the most compelling facts about ILCs is that during the worst years of the financial crisis, when most banks and credit unions were contracting their balance sheets and dramatically reducing lending, ILCs continued to lend and actually grew their assets (loans) year over year, providing needed capital for the US economy.

A Safe and Regulated Industry

ILCs have the same regulation as all other state chartered depositories. They are chartered and primarily regulated by the state. The FDIC serves as the primary federal regulator, with the authority to examine the depository and as necessary the parent organization. In addition, all federal and state banking and consumer protection laws apply to ILCs.

Well Performing Insured Despositories

ILCs have consistently outperformed all other FDIC insured institutions for over 20 years.

The average Tier 1 capital:

COMMERCIALLY OWNED ILCs	FINANCIALLY OWNED ILCs	ALL OTHERS
17.6%	19.3%	13%

The average Return on Equity (ROE):

COMMERCIALLY OWNED ILCs	FINANCIALLY OWNED ILCs	ALL OTHERS
13.8%	19.5%	9.3%

The average Return on Assets (ROA):

COMMERCIALLY OWNED ILCs	FINANCIALLY OWNED ILCs	ALL OTHERS
2%	2.06%	1.04%

111 YEARS

Industrial banks have been chartered since 1910. The word "industrial" in the name stems from the original mission of providing credit to industrial workers overlooked by conventional banks.

19 YEARS

For the past 19 years ILCs have lowered ratios of troubled assets more than all other insured depositories.

30 STATES

Over 30 states have chartered ILCs in the past and currently six states have active ILC charters. However, most new charters are occurring in Nevada and Utah.

\$3 BILLION

The average size of financially owned ILCs.

\$2.16 BILLION

The average size of commercially owned ILCs.*

NATIONAL ASSOCIATION OF INDUSTRIAL BANKERS
industrialbankers.org

FRANK PIGNANELLI
Executive Director
(801)355-2821

DOYLE BARTLETT & GREG MESACK
Washington Counsel
(202)546-1765

* Source: A New Look at the Performance of Industrial Loan Corporations.