

After seemingly endless adversity, bankers anticipate brighter future

QUICK HITS

A lot of time has passed since the 2008 financial crisis, and prospects are finally looking up for banks.

Thinking of the industry attitudes on a scale of 1 to 10, with one being horrified and 10 being giddy, bankers have gone from a 2 during the depths of the recession to a 7, said John Reed, a veteran local investment banker who last month shifted from David A. Noyes & Co. to City Securities Corp.

Much of that recovered optimism has taken place in the past couple of years, he said, noting that morale was noticeably more upbeat during a recent state bank convention in French Lick.

The great majority of bad loans are in rear-view mirrors, banks are running lean and efficiently, and the economy is improving, albeit slowly. The upshot is that demand for loans is starting to come back, credit committees are more willing to green-light deals, and banks can look forward to making more money. •

—Norm Heikens

Ranking bank performance

Bank (local deposits)

ROE

Return on equity (1)	%
Huntington National Bank	11.4
National Bank of Indianapolis	10.4
Fifth Third Bank	9.6
PNC Bank	9.4
KeyBank	9.4
JPMorgan Chase	9.3
Old National Bank	8.7
First Merchants Bank	8.4
Regions Bank	8.2
BMO Harris Bank	3.5

Equity / Assets

Equity capital/assets (2)	%
BMO Harris Bank	16.2
Regions Bank	13.8
First Merchants Bank	13.5
Fifth Third Bank	12.6
PNC Bank	11.8
KeyBank	11.0
Old National Bank	10.9
Huntington National Bank	9.3
JPMorgan Chase	9.0
National Bank of Indianapolis	7.1

NPAs / Assets

Non-performing assets (3)	%
KeyBank	0.6
Huntington National Bank	0.8
Fifth Third Bank	1.0
Old National Bank	1.1
Regions Bank	1.2
JPMorgan Chase	1.2
National Bank of Indianapolis	1.2
First Merchants Bank	1.3
BMO Harris Bank	1.3
PNC Bank	1.7

Net Interest Margin

Net interest margin (4)	%
Old National Bank	4.0
First Merchants Bank	4.0
Fifth Third Bank	3.5
Regions Bank	3.3
Huntington National Bank	3.3
PNC Bank	3.2
BMO Harris Bank	3.0
National Bank of Indianapolis	2.9
KeyBank	2.9
JPMorgan Chase	1.9

Efficiency Ratio

Operating expense/operating revenue (5)	%
Fifth Third Bank	58.2
National Bank of Indianapolis	59.8
Regions Bank	61.1
PNC Bank	62.1
KeyBank	64.0
First Merchants Bank	64.0
BMO Harris Bank	67.6
JPMorgan Chase	68.0
National Bank of Indianapolis	71.2
Old National Bank	72.4

(1) net income/average equity

(2) total stock, earnings, securities and currency/ total assets

(3) non-performing assets/total assets

(4) net interest income/average earning assets

(5) salary, benefits, office and non-interest expenses/income from net interest, fees, trading and other non-interest income

Sources: City Securities Corp., Federal Deposit Insurance Corp.