US BANKS: LEVERAGE RATIOS UNDER PRESSURE

The exceptional measures taken by the US authorities to bolster the liquidity of companies and markets in response to the Covid-19 crisis have resulted in a significant expansion of bank balance sheets. Since the financial crisis of 2007-2008, regulators have tightened balance sheet constraints significantly. Fearing that leverage requirements could damage banks' ability to finance the economy and support the smooth functioning of financial markets, these have temporarily been relaxed. However, the Federal Reserve is unlikely to undergo a slimming regime that will scale back bank balance sheets for a number of years (and almost certainly not before the end of the period of relaxation of requirements). As a result, we cannot rule out the possibility that the leverage ratio constraint will return as quickly as it was removed.

The US economy is facing its most serious crisis for 70 years. Initial estimates suggest that GDP could have contracted by 15% (quarter-on-quarter) in the second quarter of 2020, following a 1.3% contraction in the first quarter. In order to mitigate the economic consequences of the Covid-19 pandemic, the Treasury and the Federal Reserve (Fed) have made some major fiscal, monetary and regulatory decisions since mid-March. These have included exceptional measures to bolster the liquidity of companies and markets. These measures have led to a sharp worsening of bank debt leverages[1].

RAPID GROWTH IN BANK BALANCE SHEETS

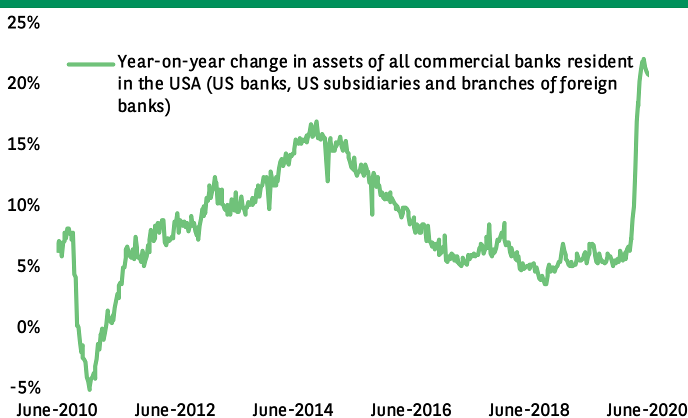


CHART 1 SOURCE: FEDERAL RESERVE (H.8)

Indeed, bank balance sheets have expanded considerably since mid-March (Chart 1). Drawing against confirmed credit lines (recorded as off-balance sheet items before they are paid out) and issuance of guaranteed loans under the Paycheck Protection Program (PPP)[2] have both increased balance sheet assets. Whether they have acted as intermediaries, direct counterparties or correspondent banks, US banks have also seen their central bank reserves increase substantially following the monetary policy measures taken by the Fed (securities purchasing, emergency loans, specific refinancing schemes, liquidity swaps with foreign central banks). Lastly, the fresh expansion in inventories of Treasuries by specialised primary dealer subsidiaries has also resulted in the expansion of consolidated balance sheets. Although loans guaranteed by the federal government (PPP loans), like reserves at the Fed and US Treasuries, have a zero risk weighting (for the risk-weighted capital ratios), they are included in the calculation of leverage exposure (as the denominator of the leverage ratio[3]).

Concerned that leverage requirements would hamper banks' capacity for credit intermediation and their activity in the Treasuries market, regulators have temporarily relaxed the rules. For one year, banks' reserves at the Federal Reserve and Treasury securities, whether used as collateral or not, may be deducted from the leverage ratios of large holding companies and depository institutions. With little prospect of the Fed reducing markedly its balance sheet (and therefore automatically central bank reserves) in the short term, regulators could be forced to extend the exclusion of reserves from leverage exposure for a lengthy period.

Relaxation of balance sheet constraints

Leverage constraints in the USA

In the USA, several leverage ratios exist side by side.

All banking organisations are subject to a simple leverage ratio which compares Tier 1 capital to average balance sheet assets. The minimum level is set at 4%.

Smaller depository institutions (those with consolidated assets of less than USD10 billion, community banks), that seek exemption from any capital adequacy measure based on risk-weighted assets, have a tougher minimum level[4] of 9% (Community Bank Leverage Ratio or CBLR)[5].

Only the biggest banks (those with total assets of more than USD250 billion or at least USD75 billion in non-bank assets, weighted short-term wholesale funding or off-balance sheet exposure)[6] are subject to the Basel supplementary leverage ratio (SLR) requirement. This compares Tier 1 capital to total exposure, which includes all assets recognised on the balance sheet[7] in accordance with applicable

1 For a banking organisation, debt leverage corresponds to the ratio of the book value of assets and the book value of shareholders' equity.
2 A programme of loans to small businesses guaranteed by the federal government via the Small Business Administration. Only the share of PPP loans used as collateral under the Fed's Paycheck Protection Program Lending Facility (PPPLF) is excluded from leverage calculations.
3 Such rules seek to guarantee that the total exposures and commitments of a bank, irrespective of the associated level of risk, do not exceed a certain multiple of its capital. The leverage ratio is defined as the inverse of debt leverage, that is to say as the ratio of equity to total exposure.
4 In accordance with the recommendations of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA), passed into law by President Trump in May 2018 (section 201 of EGRRCPA).
5 Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, Capital simplification for Qualifying Community Banking Organizations, September 2019.
6 The final rules, Changes to applicability thresholds for regulatory capital and liquidity requirements and Prudential Standards for Large Bank Holding Companies, Savings and Loan Holding Companies, and Foreign Banking Organizations of 10 October 2019, modified the application thresholds for enhanced capital and liquidity requirements.
7 Items excluded from Tier 1 capital in the numerator of the ratio (e.g. holdings in entities excluded from the calculation of regulatory capital) must also be deducted from the balance sheet exposures in the denominator.

accounting rules (excluding derivative exposures and securities financing transaction exposures which are treated separately), and a reduced measure of off-balance sheet commitments[8]. Derivative exposures and securities financing transaction (SFT) exposures are measured on the basis of gross values; netting of certain lines is allowed only under restricted conditions (see Box). The minimum level for the SLR is set at 3%.

The SLR requirement for banks predominantly engaged in custody, safekeeping and asset servicing activities (such as Bank of New York Mellon, State Street and Northern Trust) was relaxed in November 2019[9]. The new rule[10], in force since 1 April 2020, excludes from the definition of their leverage exposure (the denominator of the Basel leverage ratio) a proportion of excess reserves held with the central bank[11] (equivalent to the amount of deposit liabilities that are linked to fiduciary or custody and safekeeping accounts). This exclusion covers not only deposits at the Fed, but also those with central banks in other OECD countries.

The eight global systemically important banks (G-SIBs) are subject to an enhanced requirement on consolidated figures (enhanced Supplementary Leverage Ratio, or eSLR, set at 5%) and for their depository institution subsidiaries (eSLR of 6%)[12].

The relaxations introduced since March

Regulators have not relaxed the basic leverage ratio. The Dodd Frank Act (Collins amendment, section 171) limited their scope to do so by requiring that any minimum weighted capital or leverage requirement is no lower than "generally applicable requirements" in force at the time the law was passed. In summary, the July 2010 act created a permanent floor for any new capital adequacy rule. In the absence of a vote in Congress, the leverage ratio cannot be reduced below that in force in 2010 (set at 4% for the ratio of Tier One capital to average balance sheet assets).

The three banking regulators (Fed, FDIC and OCC) have, however, been able to neutralise the impact of participation on two specific schemes introduced in response to the pandemic: the Money Market Mutual Fund Liquidity Facility (MMLF)[13] and the Paycheck Protection Program Lending Facility (PPPLF)[14]. Under interim rules, published on 19 March[15] and 9 April[16] respectively, assets used as collateral for the MMLF and the PPP loans used as collateral for the PPPLF can be excluded from the calculation of all leverage ratios applied in the USA, namely average consolidated assets for the calculation of the basic leverage ratio and the CBLR and the total leverage exposure used in the calculation of the SLR figure[17].

On 6 April, the three banking regulators (Fed, FDIC, OCC) relaxed the specific leverage constraint for community banks, in accordance with section 4012 of the Cares Act, introduced on 27 March[18]. The minimum level for CBLR was reduced to 8% from the second quarter of 2020.

A grace period of two quarters was accorded to community banks whose leverage ratio falls below 8% but remains at 7% or above. This relaxation will remain in force until 31 December 2020, or the end of the state of emergency if this comes sooner. The minimum will be

Treatment of securities financing transactions in the leverage exposure

The Basel Committee has defined the leverage exposure, the denominator of the Basel leverage ratio (SLR in the USA) in such a way as to correct for differences in accounting treatments between IFRS and US GAAP. The divergence between accounting standards with regard to the netting of financial assets and liabilities results in notable differences in the reported size of bank balance sheets (for identical transactions) on either side of the Atlantic. Under US GAAP, netting of derivative exposures and securities financing transaction exposures (securities borrowing or lending transactions, repurchase or reverse repurchase agreements), and thus the recognition of a net balance on the balance sheet, is more commonly used than under IFRS.

Under the Basel rule (and its implementation in US law) the leverage exposure measure includes a specific treatment of securities financing transactions (SFTs): 1/ It includes the gross value of SFT assets recognised for accounting purposes but with no recognition of accounting netting of cash payables against cash receivables; 2/ Under US GAAP, in a security-for-security repo-style transaction, the securities pledged as collateral by the borrowing bank are recognised on the balance sheet of the lending bank where the bank has received the right to sell the securities or re-use them as collateral (but continue to be included on the balance sheet of the borrowing bank). The Basel regulations allow for the exclusion of the "received" securities from the leverage exposure of the lending bank, provided that they have not been re-pledged as collateral; 3/ Cash payables and cash receivables in SFTs with the same counterparty may be measured net under certain conditions (the transactions have the same explicit date of final settlement; the right to set off the amount owed to the counterparty with the amount owed by the counterparty is legally enforceable, even in the event of default, insolvency or bankruptcy; the counterparties intend to make a net or simultaneous settlement); 4/ The measure of leverage also includes a measure of counterparty risk relating to the SFT and a measure of exposure where the bank is acting as an agent.

Under US GAAP, securities financing transactions are, in general, recognised as secured borrowings coupled with an undertaking to repurchase the security on maturity. In other words, the securities used as collateral under a repo agreement or a security borrowing transaction are not derecognised on the borrower's balance sheet. The transaction gives rise to a transfer of the legal ownership of the securities used, but not their economic ownership. A derecognition of the securities can only take place where there is a transfer of the effective control of the securities (the right to receive any associated income stream); in this case the transaction is treated as a sale.

In practice, for major banks, measurement of exposure to SFTs is limited to the net value recognised on the balance sheet under US GAAP increased by a measure of associated counterparty risk, which reflects the fact that SFTs recognised as sales are probably marginal and that the conditions for netting cash payables and cash receivables are met in the majority of cases.

8 The measurement of off-balance sheet exposures using the credit exposure equivalent conversion factors of the standardised Basel approach, adding a floor of 10%. A uniform 10% conversion factor is used for exposures that are unconditionally cancellable.
9 In accordance with Section 402 of the EGRRCPA.
10 Department of Treasury, Office of the Comptroller of the Currency, Federal Reserve System, Federal Deposit Insurance Corporation (2019), Regulatory Capital Rule: Revisions to the Supplementary Leverage Ratio to exclude certain central bank deposits of banking organizations predominantly engaged in custody, safekeeping, and asset servicing activities, Final rule, November 2019.
11 Figures for reserves held in excess of required reserves no longer have meaning as the Fed removed its minimum reserve requirement as part of its updated monetary policy of 15 March (reduction in required reserve coefficient effective from 26 March).
12 Department of Treasury, Office of the Comptroller of the Currency, Federal Reserve System, Federal Deposit Insurance Corporation (2014), Regulatory Capital, Revisions to the Supplementary Leverage Ratio, Final rule, September 2014
13 Under this scheme, the Federal Reserve of Boston makes secured loans to banks. The eligible collateral consists of assets purchased from money market funds (US Treasuries, MBS and debt securities issued by the Agencies, ABCP and unsecured commercial papers issued by investment-grade US counterparties, and US municipal short-term debt). The scheme is due to last until 30 September 2020.
14 The PPPLF programme allows banks to obtain liquidity against loans made to small businesses under the Paycheck Protection Program introduced by the Cares Act. The principal amount and maturity of the secured loans made by the Fed to eligible borrowers match those of the PPP loans pledged as collateral (whether these were originated by the borrower itself or purchased from other institutions). The scheme has no upper limit and is due to last until 30 September 2020.
15 Department of Treasury, Office of the Comptroller of the Currency, Federal Reserve System, Federal Deposit Insurance Corporation (2020), Regulatory Capital Rule: Money Market Mutual Fund Liquidity Facility, Interim final rule, March 2020.
16 Department of Treasury, Office of the Comptroller of the Currency, Federal Reserve System, Federal Deposit Insurance Corporation (2020), Regulatory Capital Rule: Paycheck Protection Program Lending Facility and Paycheck Protection Program Loans, Interim final rule, April 2020.
17 Assets pledged as collateral to the MMLF and the PPPLF can also be excluded from the risk-weighted assets calculated under advanced approaches and standardised approach.
18 Department of Treasury, Office of the Comptroller of the Currency, Federal Reserve System, Federal Deposit Insurance Corporation (2020), Regulatory Capital Rule: Temporary Changes to the Community Bank Leverage Ratio Framework, Interim final rule, April 2020.

increased to 8.5% on 1 January 2021 and then 9% in 2022, taking it back to its level at 1 January 2020.

The Basel SLR requirement has been relaxed under two interim rules. First, in April, the Fed announced a provisional modification for the calculation method for the SLR for bank holding companies, saving and loan holding companies and US intermediate holding companies of foreign banking organisations[19]. The new calculation method will apply from 1 April 2020 to 31 March 2021, and excludes Treasuries and reserves at the Fed from the denominator of the ratio[20]. Then in May, the FDIC and OCC joined forces with the Fed to extend the new SLR calculation method to all depository institutions with balance sheets of more than USD250 billion (subject to Category II and III capital standards) or subsidiaries of US G-SIBs[21].

Little room for manoeuvre

A deterioration of leverage ratios

The SLRs of certain large banking groups dropped in the first quarter of 2020 on a consolidated basis and/or at some of their main depository institution subsidiaries (Charts 2 and 3).

However, the reported fall understates the deterioration of debt leverages. This is because the denominator of the SLR is calculated as the average of positions booked during the quarter: total exposure is the sum of the daily average of balance sheet exposure and the average of the three month-end amounts of off-balance sheet exposure. As the Covid-19 crisis only began to have significant effects on bank balance sheets from March, the increase in leverage ratios is not fully reflected in the first quarter figures.

The new definition of total exposure has given SLRs a significant boost

There is no doubt that the exclusion of reserves at the Fed and Treasuries from the definition of total exposure frees up a not insignificant quantity of capital[22] (Tables 1 and 2).

The aggregate amount of deposits at the Fed for all depository institutions has already exceeded its previous record, set following QE3 in October 2014 (USD2,820 billion). From USD1,550 billion at the beginning of the year, reserves at the Fed had risen to USD2,350 billion by the end of the first quarter before surging to USD3,260 billion on 3 june (Chart 4). Nor has the upward trend in reserves yet run its course. All things being equal, continued expansion of the Fed's balance sheet through asset purchases (QE) and the Treasury's plan to reduce its holdings at the Fed (to USD800 billion, from USD1,430 billion at 3 June) will increase the bank reserves held with the Fed by at least USD1,000 billion by the end of September[23]. Granted, the maturing of the Fed's liquidity swaps will automatically destroy some of the reserves created[24], but the possible increase in the scale of measures to support lending to small and medium-sized businesses could support their expansion.

In general terms, the exclusion of Treasuries has improved SLRs for depository institutions whose portfolios of Treasuries have expanded in recent years, and for holding companies whose subsidiaries include the main US primary dealers (Chart 5). The relaxation of the constraint will also allow primary dealers to 'absorb' the massive issuance of Treasuries planned for the second and third quarters of 2020 to help finance the economic support package (nearly USD3,700 billion in net issuance).

SLRS AT THE 4 BIGGEST BANKS

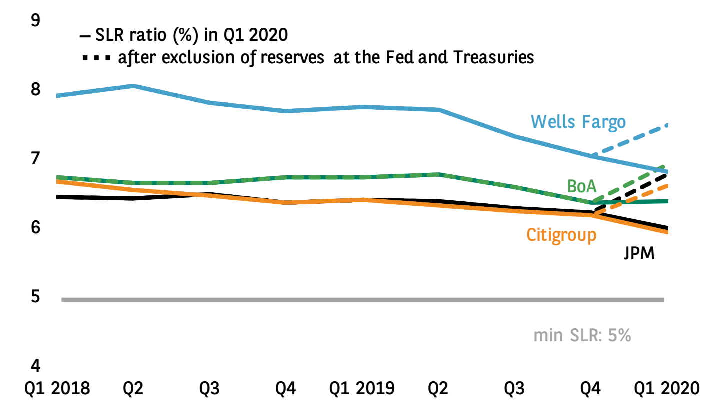


CHART 2 SOURCE: FFIEC 101, FR Y-9C, SNL, BNP PARIBAS CALCULATION

SLRS AT THE 4 BIGGEST DEPOSITORY INSTITUTIONS

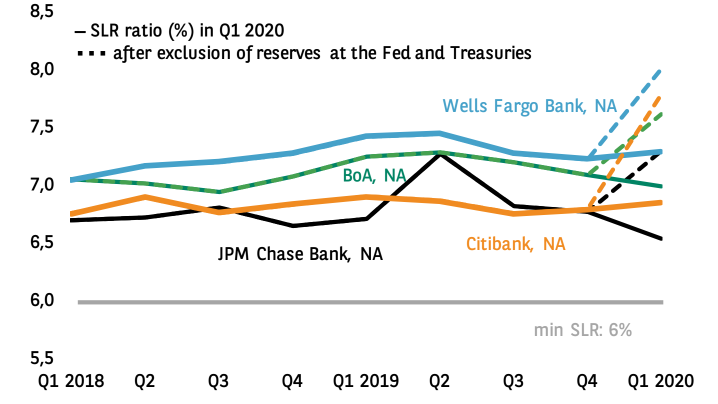


CHART 3 SOURCE: FFIEC CALL REPORTS, SNL,BNP PARIBAS CALCULATION

But there is little room for manoeuvre

For various reasons there are still strong constraints on the balance sheets of US banks: 1) the rule has only been relaxed on a temporary basis (to 31 March 2021); 2) some banks could be discouraged from using the relaxed calculation method as doing so would mean that dividend payments would be subject to approval from their supervisor;

19 Federal Reserve System (2020), Regulatory Capital Rule: Temporary Exclusion of U.S. Treasury Securities and Deposits at Federal Reserve Banks from the Supplementary Leverage Ratio, Interim final rule, April 2020.
20 This will also apply for the calculation of total loss-absorbing capacity (TLAC) and the long-term debt (LTD) requirement.
21 Department of Treasury, Office of the Comptroller of the Currency, Federal Reserve System, Federal Deposit Insurance Corporation (2020), Regulatory Capital Rule: Temporary Exclusion of U.S. Treasury Securities and Deposits at Federal Reserve Banks from the Supplementary Leverage Ratio for Depository Institutions, Interim final rule, May 2020.
22 Only for those holding companies and depository institutions for which the leverage requirement is the most restrictive of the solvency requirements
23 Assuming that the growth in the Fed's balance sheet will be limited to public sector asset purchases and that these will stabilise at USD100 billion per month
24 These lines are not likely to be renewed given the relaxation of financial conditions on the repo, commercial paper and FX swap markets.

3) the rule explicitly neutralises the effect of this exclusion for the calculation of the G-SIB surcharge (in other words, the assessment of the systemic importance of a bank remains based on total exposure, including reserves at the Fed and Treasuries). Given the near-immutable nature[25] of the reserves created, unless the Fed markedly reduces the size of its balance sheet (which looks unlikely in the short term) regulators could be forced into a lengthy extension of the change in the calculation of the leverage ratio.

RESERVES ON THE REBOUND

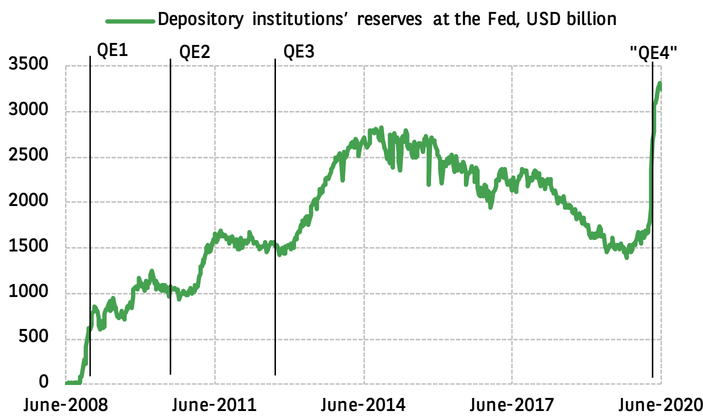


CHART 4

SOURCE : FEDERAL RESERVE (H.4.1)

COLLATERAL IS PROVING HARD TO DIGEST

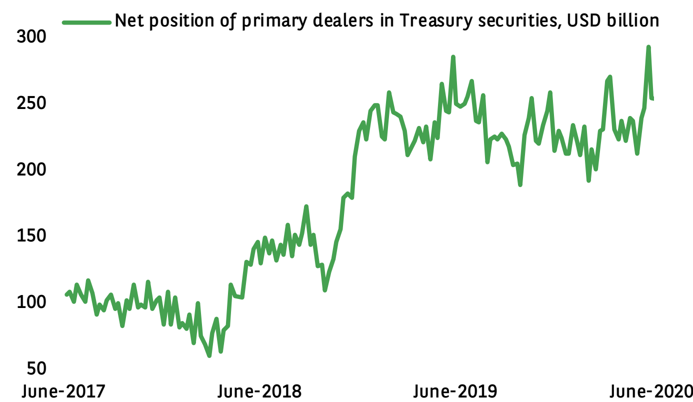


CHART 5

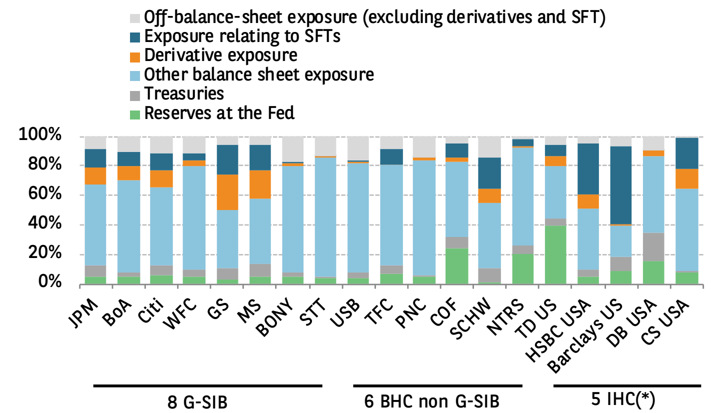
SOURCE: FEDERAL RESERVE OF NEW YORK

In addition, over the next few months, risk-weighted capital requirements are likely to become more crucial in assessing capital requirements due to an increase in credit risk and the introduction of the Stress Capital Buffer[26].

With repo, or without?

The terms of the second interim rule (issued on 15 May) raised questions about the treatment of Securities Financing Transactions (SFT: securities borrowing or lending transaction, repurchase agreements or reverse repurchase agreements; see Box). It is true that SFTs represent a non-negligible share of leverage exposure of certain major US banks (Chart 6). Their exclusions would also allow primary dealers to absorb more easily the abundant issuance expected from the Treasury: their balance sheets are growing not only because of the expansion of their inventories of securities, but also because of repo loans taken out to finance the former[27]. However, regulators have not formally excluded SFTs in either of the two interim rules[28]. The second rule merely stipulates that the total value of on-balance sheet Treasuries may be excluded from the leverage calculation whether or not they are used as collateral for financing and even where the transaction increased leverage[29].

BREAKDOWN OF LEVERAGE EXPOSURE



* UBS Americas Holdings breakdown not available

CHART 6

SOURCE: FFIEC 101, SNL

***

The current context provides further evidence, if it were needed, of the close links between the monetary and regulatory frameworks. Last September, the scarcity of reserves at the central bank, with regard to the liquidity requirements then in force, significantly perturbed the repo markets and forced the Fed to re-expand its balance sheet. Today, the abundance of reserves created by the various monetary support

25 Save for changes in autonomous factors
26 This rule, introduced by the Federal Reserve in April 2020, aims to simplify the regulatory framework by reducing the number of capital requirements that need to be satisfied. To achieve this, a Stress Capital Buffer has been introduced, the size of which, for each bank, will be fixed each year following CCAR stress tests.
27 Under a repo transaction, the borrower's liabilities increase by the amount borrowed under the repo, and its assets by the cash received. The security used as collateral remains on the balance sheet of the borrower (which retains its economic ownership).
28 When they issued the first rule, regulators explicitly raised the question of the opportunity to exclude SFTs from the calculation of leverage exposure, whilst in the second rule they raised the question of the specific type of SFT to be excluded.
29 The 15 May rule specifies that the exclusion of Treasuries also applies to securities "borrowed" (received) by the lending bank in a security-for-security repo-style transaction, even when they have been re-pledged as collateral in a SFT.

packages is forcing regulators to relax their leverage standards.The details of the relaxation of the Basel leverage constraints should not present any threat in terms of financial stability (only 'safe' assets are excluded from 'leverage exposure'). The temporary nature of the new arrangements, the retention of the calculation of the surcharge for systemically important banks and the possible increase in risk-weighted capital requirements[30] would appear to reduce the possibility that banks will increase their exposure to risky assets.

Over the next few months, risk-weighted capital requirements are moreover likely to be more crucial in assessing banks' capital requirements due to an increase in credit risk (economic crisis, the new Current Expected Credit Losses accounting rules on provisions) and the application of the Stress Capital Buffer[31].

Completed on 15 June 2020

celine.choulet@bnpparibas.com

30 The introduction of the Stress Capital Buffer could result in a tightening of solvency requirements for the G-SIBs according to the Fed.
31 See Note 26.

ESTIMATED SLRS FOR HOLDING COMPANIES AFTER RELAXATION OF THE RULES							
Q1 2020 data	Tier 1 capital, USD billion	Total leverage exposure, USD bn	Ratio SLR %	Improvement of SLR in basis points allowed by the exclusion of:		SLR after exclusion of reserves at the Fed and Treasuries, %	SLR requirement, %
				Reserves at the Fed(*)(**)	Treasuries portfolio(*)(***)		
JP Morgan (BHC)	213.4	3535.8	6.04	29	47	6.80	5.0
Bank of America (BHC)	191.5	2984.1	6.42	26	26	6.49	5.0
Citigroup (BHC)	154.3	2585.7	5.97	27	41	6.65	5.0
Wells Fargo (BHC)	154.3	2256.3	6.84	36	31	7.51	5.0
Goldman Sachs (BHC)	85.6	1438.9	5.95	23	58	6.77	5.0
Morgan Stanley (BHC)	73.9	1185.7	6.23	23	63	7.10	5.0
US Bancorp (BHC)	42.7	604.8	7.05	25	23	7.53	3.0
Truist Finnacial (BHC)	41.0	525.7	7.80	36	4	8.20	3.0
PNC Financial (BHC)	38.1	481.1	7.93	38	33	8.64	3.0
TD Group US (IHC)	37.4	445.8	8.39	65	56	9.61	3.0
Capital One (BHC)	41.5	440.1	9.42	33	9	9.84	3.0
Bank of New York Mellon (BHC)	21.9	392.8	5.58	145	55	7.58	5.0
HSBC North America (IHC)	19.6	367.1	5.35	5	59	5.99	3.0
Charles Schwab (BHC)	21.0	310.3	6.76	125	34	8.35	3.0
State Street (BHC)	14.6	270.3	5.40	190	33	7.63	5.0
Barclays US LLC (IHC)	16.9	213.0	7.95	47	42	8.85	3.0
DB USA Corp. (IHC)	14.2	152.7	9.31	101	103	11.35	3.0
Northern Trust (BHC)	10.0	138.3	7.24	140	27	8.91	3.0
Credit Suisse Holdings (IHC)	16.9	137.5	12.26	110	4	13.40	3.0
UBS Americas Holdings (IHC)	15.0	135.5	11.10	66	86	12.61	3.0
20 Holding Companies	1223.8	18601.6	6.58	37	41	7.36	
of which 8 G-SIB	909.5	14649.7	6.21	34	41	6.96	5.0
of which 6 BHC non G-SIB	194.2	2500.4	7.77	50	21	8.47	3.0
of which 6 IHCs	120.1	1451.6	8.27	49	62	9.39	3.0

BHC: Bank Holding Companies, IHC: Intermediate Holding Companies (US subsidiaries of foreign banks); G-SIB Global Systemically Important Banks; (*) average of data at 31 Dec 2019 and 31 March 2020; (**) including reserves at other OECD central banks for BONY and State Street; (***) sum of on-balance sheet Treasuries: held to maturity (HTM, at amortised cost), available for sale (AFS, at fair value) and held for trading purposes.

TABLE 1 SOURCE: FFIEC 101, FR Y-9C, SNL, BNP PARIBAS CALCULATIONS

ESTIMATED SLRS OF THE MAIN DEPOSITORY INSTITUTIONS AFTER RELAXATION OF THE RULES

Q1 2020 data	Tier 1 capital, USD bn	Total leverage exposure, USD bn	Ratio SLR %	Improvement of SLR in basis points allowed by the exclusion of:		SLR after exclusion of reserves at the Fed and Treasuries, %	SLR requirement, %
				Reserves at the Fed(*)	Treasuries portfolio(*)(**)		
JP Morgan Chase Bank, NA	204.7	3118.2	6.56	36	39	7.32	6.0
Bank of America, NA	153.1	2183.1	7.01	37	25	7.63	6.0
Wells Fargo Bank, NA	147.5	2017.5	7.31	42	29	8.03	6.0
Citibank, NA	136.9	1994.2	6.87	42	51	7.80	6.0
US Bank, NA	41.8	593.8	7.05	25	21	7.51	3.0
Truist Bank	39.6	507.7	7.80	37	4	8.21	3.0
PNC Bank, NA	31.7	469.3	6.75	33	29	7.37	3.0
Goldman Sachs Bank USA	29.8	425.7	6.99	87	90	8.76	6.0
The Bank of New York Mellon	20.4	326.8	6.24	187	244	8.34	6.0
State Street Bank	17.3	266.8	6.50	262	203	9.04	6.0
HSBC Bank USA, NA	20.3	254.9	7.97	50	90	9.37	3.0
Charles Schwab Bank	15.4	229.0	6.73	128	4	8.05	3.0
Morgan Stanley Bank, NA	16.8	192.4	8.75	135	144	11.54	6.0
Ally Bank	16.4	166.5	9.87	26	6	10.18	3.0
Capital One Bank, NA	17.4	149.8	11.63	18	7	11.89	3.0
Northern Trust Company	9.3	137.7	6.76	154	25	8.56	3.0
Barclays Bank Delaware	5.0	42.2	11.85	138	0	13.23	3.0
TD Bank USA, NA	3.0	25.8	11.47	607	117	18.71	3.0

(*) average of data at 31 Dec 2019 and 31 March 2020; (**) sum of on-balance sheet Treasuries: held to maturity (HTM, at amortised cost), available for sale (AFS, at fair value) and held for trading purposes.

TABLE 2

SOURCE: FFIEC CALL REPORTS, SNL, BNP PARIBAS CALCULATIONS

RECHERCHE ÉCONOMIQUE GROUPE

William De Vijlder Chef économiste	+33 1 55 77 47 31	william.devijlder@bnpparibas.com

ECONOMIES AVANCEES ET STATISTIQUES

Jean-Luc Proutat Responsable - Etats-Unis, Royaume-Uni	+33 1 58 16 73 32	jeanluc.proutat@bnpparibas.com
Hélène Baudchon France - Marché du travail	+33 1 58 16 03 63	helene.baudchon@bnpparibas.com
Louis Boisset Banque centrale européenne, synthèses conjoncturelles zone euro, Japon	+33 1 57 43 02 91	louis.boisset@bnpparibas.com
Frédérique Cerisier Zone euro (gouvernance européenne et finances publiques), Espagne, Portugal	+33 1 43 16 95 52	frederique.cerisier@bnpparibas.com
Raymond Van Der Putten Allemagne, Pays-Bas, Autriche, Suisse - Energie, climat - Projections à long terme	+33 1 42 98 53 99	raymond.vanderputten@bnpparibas.com
Tarik Rharrab Statistiques	+33 1 43 16 95 56	tarik.rharrab@bnpparibas.com

ECONOMIE BANCAIRE

Laurent Quignon Responsable	+33 1 42 98 56 54	laurent.quignon@bnpparibas.com
Laure Baquero	+ 33 1 43 16 95 50	laure.baquero@bnpparibas.com
Céline Choulet	+33 1 43 16 95 54	celine.choulet@bnpparibas.com
Thomas Humblot	+ 33 1 40 14 30 77	thomas.humblot@bnpparibas.com

ECONOMIES EMERGENTES ET RISQUE PAYS

François Faure Responsable, Argentine, Turquie, Ukraine, Europe centrale	+33 1 42 98 79 82	francois.faure@bnpparibas.com
Christine Peltier Adjointe – Grande Chine, Vietnam, Afrique du Sud	+33 1 42 98 56 27	christine.peltier@bnpparibas.com
Stéphane Alby Afrique francophone	+33 1 42 98 02 04	stephane.alby@bnpparibas.com
Sara Confalonieri Afrique lusophone et anglophone	+33 1 42 98 43 86	sara.confalonieri@bnpparibas.com
Pascal Devaux Moyen-Orient, Balkans	+33 1 43 16 95 51	pascal.devaux@bnpparibas.com
Hélène Drouot Corée, Thaïlande, Philippines, Mexique, pays andins	+33 1 42 98 33 00	helene.drouot@bnpparibas.com
Salim Hammad Amérique latine	+33 1 42 98 74 26	salim.hammad@bnpparibas.com
Johanna Melka Inde, Asie du Sud, Russie, Kazakhstan, CEI	+33 1 58 16 05 84	johanna.melka@bnpparibas.com

CONTACT MEDIA

Michel Bernardini	+33 1 42 98 05 71	michel.bernardini@bnpparibas.com

BNP PARIBAS

The bank
for a changing
world

RECHERCHE ÉCONOMIQUE GROUPE

CONJONCTURE

Analyse approfondie de sujets structurels ou d'actualité

EMERGING

Analyses et prévisions sur une sélection d'économies émergentes

PERSPECTIVES

Analyses et prévisions des principaux pays, développés et émergents

ECOFLASH

Un indicateur, un évènement économique majeur. Le détail ...

ECOWEEK

L'actualité économique de la semaine et plus...

ECOTV

Tous les mois, nos économistes décryptent l'actualité économique, en images

ECOTV WEEK

Quel est l'évènement de la semaine ?
La réponse dans vos deux minutes d'économie

EN ÉCO DANS LE TEXTE

Le podcast de l'actualité économique

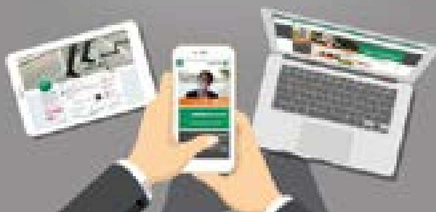
POUR RECEVOIR NOS PUBLICATIONS

ABONNEZ-VOUS SUR LE SITE ONGLET ABONNEMENT
voir le site des études économiques

ET

SUIVEZ-NOUS SUR LINKEDIN
voir la page linkedin des études économiques

OU TWITTER
voir la page twitter des études économiques



Bulletin édité par les Etudes Economiques – BNP PARIBAS
Siège social : 16 boulevard des Italiens – 75009 PARIS / Tél : +33 (0) 1.42.98.12.34
Internet : -

Directeur de la publication : Jean Lemierre / Rédacteur en chef : William De Vijlder

Les informations et opinions exprimées dans ce document ont été obtenues de, ou sont fondées sur des sources d'information publiques réputées fiables, mais BNP Paribas ne garantit, expressément ou implicitement, ni leur exactitude, ni leur exhaustivité, ni leur mise à jour. Ce document ne constitue ni une offre, ni une sollicitation d'achat ou de vente de titres ou autres placements. Il ne constitue ni du conseil en investissement, ni de la recherche ou analyse financière. Les informations et opinions contenues dans ce document ne sauraient dispenser l'investisseur d'exercer son propre jugement ; elles sont par ailleurs susceptibles d'être modifiées à tout moment sans notification et ne sauraient servir de seul support à une évaluation des instruments éventuellement ,mentionnés dans le présent document. Toute éventuelle référence à une performance réalisée dans le passé ne constitue pas une indication d'une performance future. Dans toute la mesure permise par la loi, aucune société du Groupe BNP Paribas n'accepte d'être tenue pour responsable (y compris en raison d'un comportement négligent) au titre de pertes directes ou découlant indirectement d'une utilisation des informations contenues dans ce document ou d'une confiance accordée à ces informations. Toutes les estimations et opinions contenues dans ce document reflètent notre jugement à la date de publication des présentes. Sauf indication contraire dans le présent document, il n'est pas prévu de le mettre à jour. BNP Paribas SA et l'ensemble des entités juridiques, filiales ou succursales (ensemble désignées ci-après « BNP Paribas »), sont susceptibles d'agir comme teneur de marché, d'agent ou encore, à titre principal, d'intervenir pour acheter ou vendre des titres émis par les émetteurs mentionnés dans ce document, ou des dérivés y afférents. BNP Paribas est susceptible notamment de détenir une participation au capital des émetteurs ou personnes mentionnés dans ce document, de se trouver en position d'acheteur ou vendeur de titres ou de contrats à terme, d'options ou de tous autres instruments dérivés reposant sur l'un de ces sous-jacents. Les cours, rendements et autres données similaires du présent document, y figurent au titre d'information. De nombreux facteurs agissent sur les prix de marché et il n'existe aucune certitude que les transactions peuvent être réalisées à ces prix. BNP Paribas, ses dirigeants et employés, peuvent exercer ou avoir exercé des fonctions d'employé ou dirigeant auprès de toute personne mentionnée dans ce document, ou ont pu intervenir en qualité de conseil auprès de cette (ces) personne(s). BNP Paribas est susceptible de solliciter, d'exécuter ou d'avoir dans le passé fourni des services de conseil en investissement, de souscription ou tous autres services au profit de la personne mentionnée aux présentes au cours des 12 derniers mois précédant la publication de ce document. BNP Paribas peut être partie à un contrat avec toute personne ayant un rapport avec la production du présent document. BNP Paribas est susceptible, dans les limites autorisées par la loi en vigueur, d'avoir agi sur la foi de, ou d'avoir utilisé les informations contenues dans les présentes, ou les travaux derecherche ou d'analyses sur le fondement desquels elles sont communiquées, et ce préalablement à la publication de ce document. BNP Paribas est susceptible d'obtenir une rémunération ou de chercher à être rémunéré au titre de services d'investissement fournis à l'une quelconque des personnes mentionnées dans ce document dans les trois mois suivant sa publication. Toute personne mentionnée aux présentes est susceptible d'avoir reçu des extraits du présent document préalablement à sa publication afin de vérifier l'exactitude des faits sur le fondement desquelles il a été élaboré.

BNP Paribas est en France constituée en société anonyme. Son siège est situé au 16 boulevard des Italiens 75009 Paris. Ce document est élaboré par une société du Groupe BNP Paribas. Il est conçu à l'intention exclusive des destinataires qui en sont bénéficiaires et ne saurait en aucune façon être reproduit (en tout ou partie) ou même transmis à toute autre personne ou entité sans le consentement préalable écrit de BNP Paribas. En recevant ce document, vous acceptez d'être engagés par les termes des restrictions ci-dessus.

Pour certains pays de l'Espace Economique Européen :

Le présent document a été approuvé en vue de sa publication au Royaume-Uni par BNP Paribas Succursale de Londres. BNP Paribas Succursale de Londres est autorisée et supervisée par l'Autorité de Contrôle Prudentiel et autorisée et soumise à une réglementation limitée par la Financial Services Authority. Nous pouvons fournir sur demande les détails de l'autorisation et de la réglementation par la Financial Services Authority.

Le présent document a été approuvé pour publication en France par BNP Paribas SA, constituée en France en société anonyme et autorisée par l'Autorité de Contrôle Prudentiel (ACP) et réglementée par l'Autorité des Marchés Financiers (AMF). Le siège social de BNP Paribas est situé au 16, boulevard des Italiens, 75009, Paris, France.

Le présent document est distribué en Allemagne par BNP Paribas Succursale de Londres ou par BNP Paribas Niederlassung Francfort sur le Main, une succursale de BNP Paribas S.A. dont le siège est situé à Paris, France. BNP Paribas S.A Niederlassung Francfort sur le Main, Europa Allee 12, 60327 Francfort, est autorisée et supervisée par l'Autorité de Contrôle Prudentiel et est autorisée et soumise à une réglementation limitée par le Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin).

Etats-Unis : le présent document est distribué par BNP Paribas Securities Corp., ou par une succursale ou une filiale de BNP Paribas ne bénéficiant pas du statut de broker-dealer au sens de la réglementation américaine. BNP Paribas Securities Corp., filiale de BNP Paribas, est un broker-dealer enregistré auprès de la Securities and Exchange Commission et est membre de la Financial Industry Regulatory Authority et d'autres bourses principales. BNP Paribas Securities Corp. n'accepte la responsabilité du contenu d'un document préparé par une entité non américaine du groupe BNP Paribas que lorsqu'il a été distribué à des investisseurs américains par BNP Paribas Securities Corp.

Japon : le présent document est distribué au Japon par BNP Paribas Securities (Japan) Limited, ou par une succursale ou une entité du groupe BNP Paribas qui n'est pas enregistrée comme une maison de titres au Japon, à certaines institutions financières définies par l'article 17-3 alinéa 1 du décret d'application de la Loi japonaise sur les instruments et marchés financiers. BNP Paribas Securities (Japan) Limited, est une maison de titres enregistrée conformément à la Loi japonaise sur les instruments et marchés financiers et est membre de la Japan Securities Dealers Association ainsi que de la Financial Futures Association du Japon. BNP Paribas Securities (Japan) Limited, Succursale de Tokyo, n'accepte la responsabilité du contenu du document préparé par une entité non japonaise membre du groupe BNP Paribas que lorsqu'il fait l'objet d'une distribution par BNP Paribas Securities (Japan) Limited à des entreprises basées au Japon. Certains des titres étrangers mentionnés dans le présent document ne sont pas divulgués au sens de la Loi japonaise sur les instruments et marchés financiers.

Hong-Kong : le présent document est distribué à Hong Kong par BNP Paribas Hong Kong Branch, filiale de BNP Paribas dont le siège social est situé à Paris, France. BNP Paribas Hong Kong Branch exerce sous licence bancaire octroyée en vertu de la Banking Ordinance et est réglementée par l'Autorité Monétaire de Hong Kong. BNP Paribas Hong Kong Branch est aussi une institution agréé réglementée par la Securities and Futures Commission pour l'exercice des activités réglementées de types 1, 4 et 6 [Regulated Activity Types 1, 4 et 6] en vertu de la Securities and Futures Ordinance.

Les informations contenues dans le présent document peuvent, en tout ou partie, avoir déjà été publiées sur le site
https://globalmarkets.bnpparibas.com
© BNP Paribas (2015). Tous droits réservés.

BNP PARIBAS

The bank
for a changing
world