

# Banking Brief

## RESEARCH DEPARTMENT

### **Third Quarter 2025**

Part 1. [Earnings Ratios](#)

Part 2. [Annual Growth Rates](#)

Part 3. [Asset Quality Ratios](#)

Part 4. [Loan Loss Provisioning and Reserves](#)

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## Summary Table of Bank Structure and Conditions

Community Banking Organizations							Large Organizations					
	Nation			Tristate				Nation				
	\$ Bill	% Change From		\$ Bill	% Change From			\$ Bill	% Change From			
	25Q3	25Q2	24Q3	25Q3	25Q2	24Q3		25Q3	25Q2	24Q3		
Total Assets	3,161.0	7.29	4.19	206.8	8.20	4.35	Total Assets	19,163.6	1.40	1.46		
Total Loans	2,195.4	5.63	4.88	151.8	5.41	4.05	Total Loans	9,222.3	5.04	1.33		
C&I	310.7	1.17	3.73	17.1	0.36	3.04	C&I	1,878.2	-2.23	-8.02		
Real Estate	1,667.2	5.93	5.16	121.1	6.10	4.19	Real Estate	3,793.7	0.75	-0.60		
Consumer	85.7	6.87	-0.11	7.4	-6.55	0.41	Consumer	1,129.8	4.67	-20.61		
Total Deposits	2,672.5	7.27	5.08	172.2	7.20	5.26	Total Deposits	14,850.6	0.79	0.95		
Ratios (in %)	25Q3	25Q2	24Q3	25Q3	25Q2	24Q3	Ratios (in %)	25Q3	25Q2	24Q3		
	Net Income/Avg Assets (ROAA)	1.13	1.09	1.01	1.05	0.99		0.94	Net Income/Avg Assets (ROA)	1.15	1.12	0.99
	Net Interest Inc/Avg Assets (NIM)	3.41	3.33	3.15	3.15	3.07		2.96	Net Interest Inc/Avg Assets	2.59	2.62	2.70
	Noninterest Inc/Avg Assets	0.85	0.82	0.78	1.08	1.06		0.98	Noninterest Inc/Avg Assets	1.29	1.28	1.22
	Noninterest Exp/Avg Assets	2.65	2.62	2.53	2.70	2.70		2.64	Noninterest Exp/Avg Assets	2.14	2.17	2.37
	Loans/Deposits	82.15	82.46	82.30	88.16	88.54		89.20	Loans/Deposits	62.10	61.46	61.87
	Equity/Assets	10.67	10.45	10.29	10.91	10.85		10.69	Equity/Assets	10.05	9.94	10.08
	Nonperforming Loans/Total Loans	0.81	0.79	0.72	0.80	0.85		1.10	Nonperforming Loans/Total	0.88	0.89	0.93

**Source:** Unless otherwise noted, all data are from Federal Financial Institutions Examination Council (FFIEC) Call Reports.

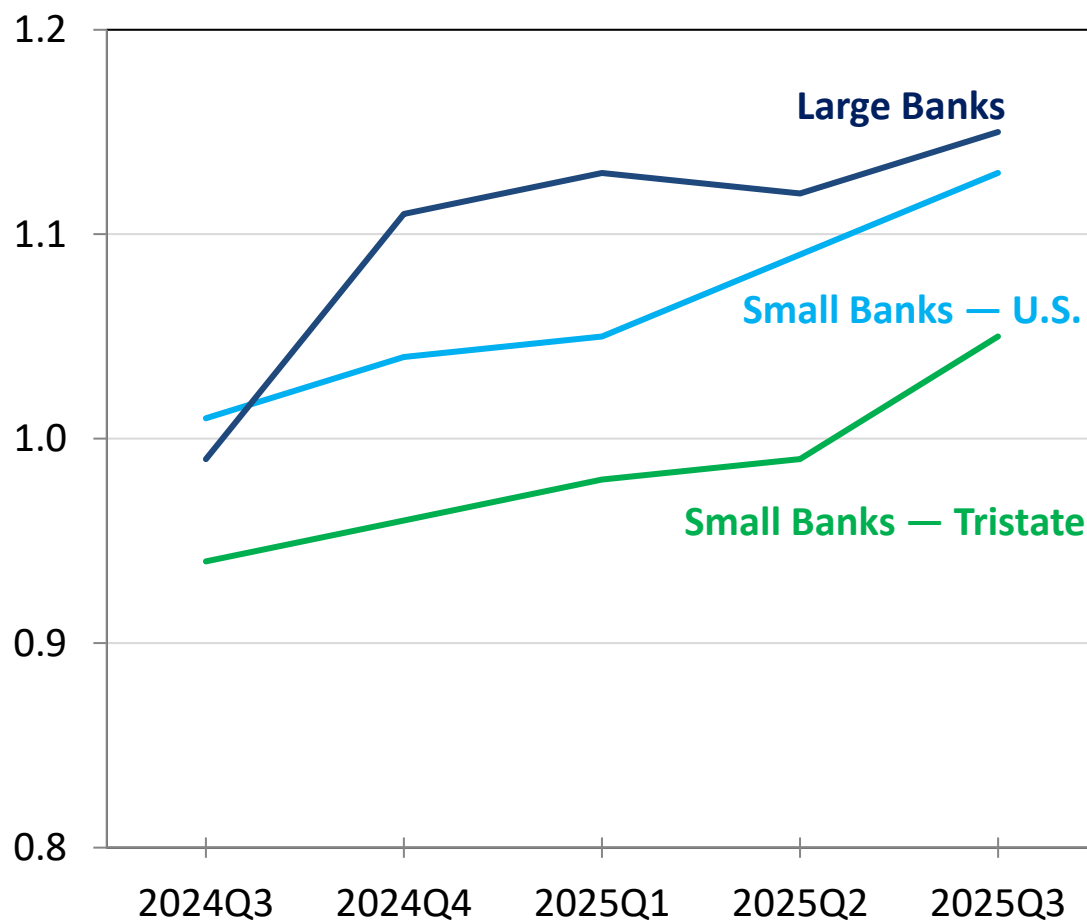
**Notes:** The data are adjusted for mergers. Quarterly percentage changes are compound annualized rates except where noted. Ratios are aggregates; that is, the numerators and denominators are summed across all banks in the group, then divided. *Large U.S. banks* are defined as banking organizations such as bank holding companies that are ranked in the top 100 in banking assets as of December 31, 2024, including assets of only their commercial bank subsidiaries. Large banks typically operate in multiple regions. The number of large banks may exceed 100 if during the calendar year some banking organizations' assets grow larger than those of the 100th largest bank at the beginning of the year. A *banking organization* is an independent bank or all the banks within a highest-level bank holding company; however, banks less than five years old and special-purpose banks, such as credit card banks, are excluded. *Small tristate banks* are defined as those based in the tristate area that were not in the top 100 in assets as of December 31, 2024. The *tristate area* consists of Pennsylvania, New Jersey, and Delaware. *Small U.S. banks* are defined as those based inside or outside the tristate area that were not in the top 100 in assets as of December 31, 2024, including assets of only their commercial bank subsidiaries. The sample includes 89 small tristate banks, 3,373 small U.S. banks, and 100 large U.S. banks. NOTE: The data for community banks in both the nation and tristate exclude Lakeland Bank, a sizable community bank in New Jersey that was acquired by a thrift in the second quarter of 2024 because its acquisition materially affected the numbers in a misleading way. Lakeland is also excluded from all charts below.

# Part 1: Earnings Ratios

CHART 1

## Return on Average Assets

Percent

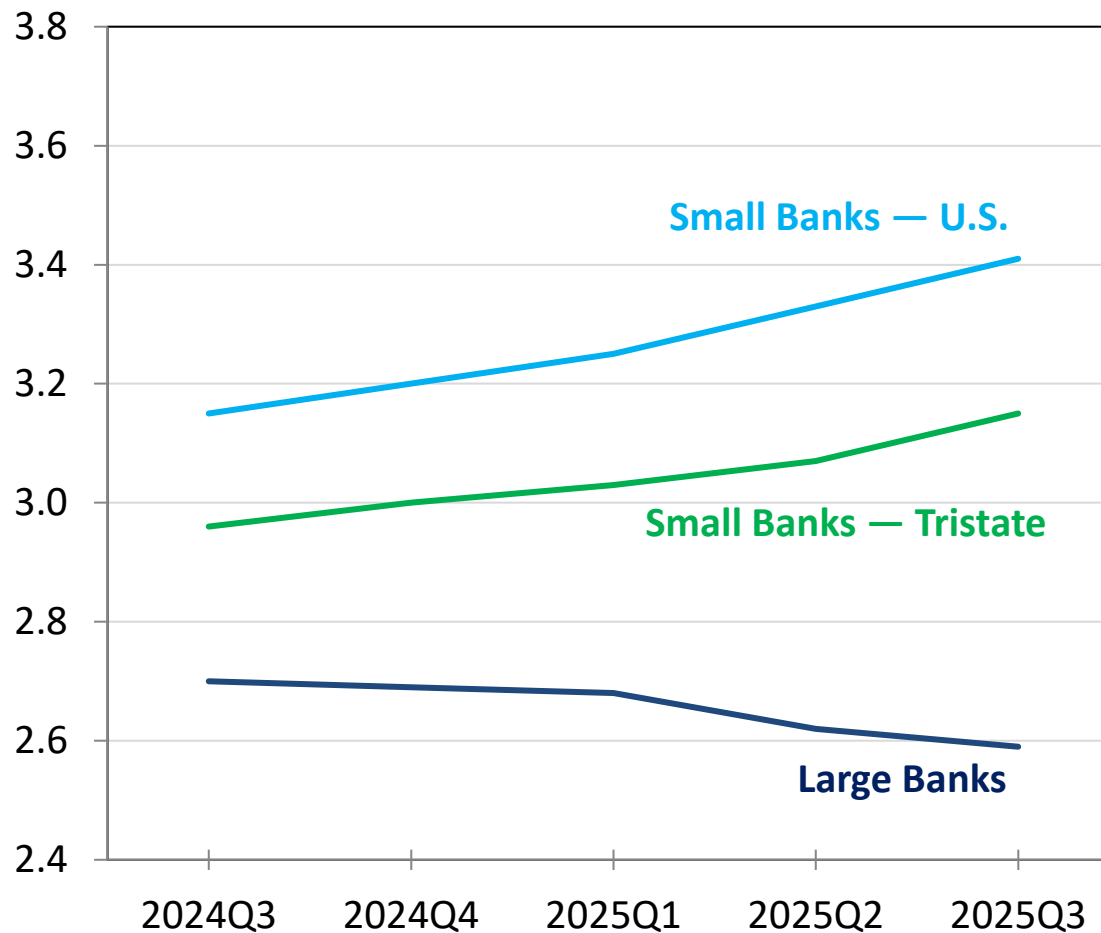


Return on average assets (ROAA) is annual net income divided by average assets. Annual net income is the sum of quarterly net income in the current quarter plus that of the three previous quarters. Average assets are the average of total assets in each of the last five quarters, including the current quarter.

CHART 2

## Net Interest Margin

Percent



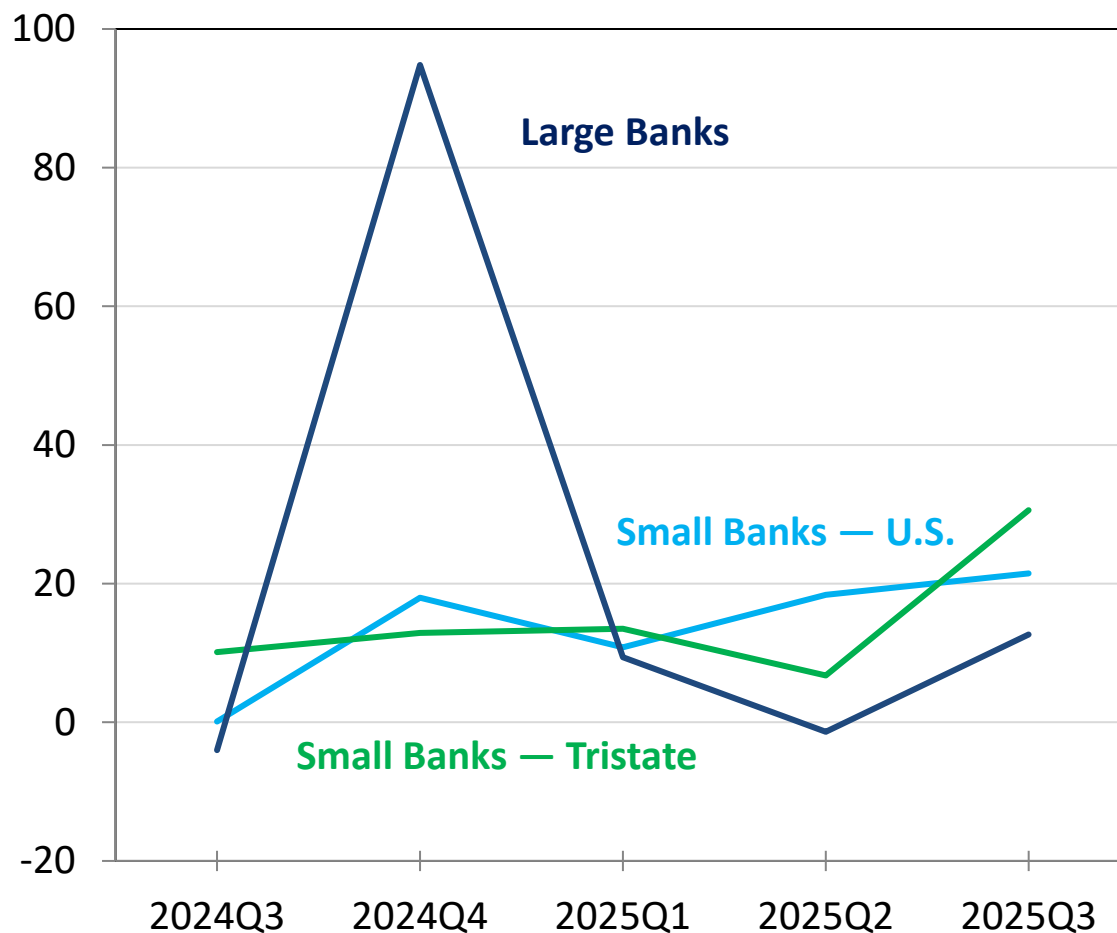
Net interest margin is the ratio of net interest income to average assets. Net interest income is defined as total interest income minus total interest expense.

## Part 2: Annual Growth Rates

CHART 3

## Annual Growth of Quarterly Net Income

Percent

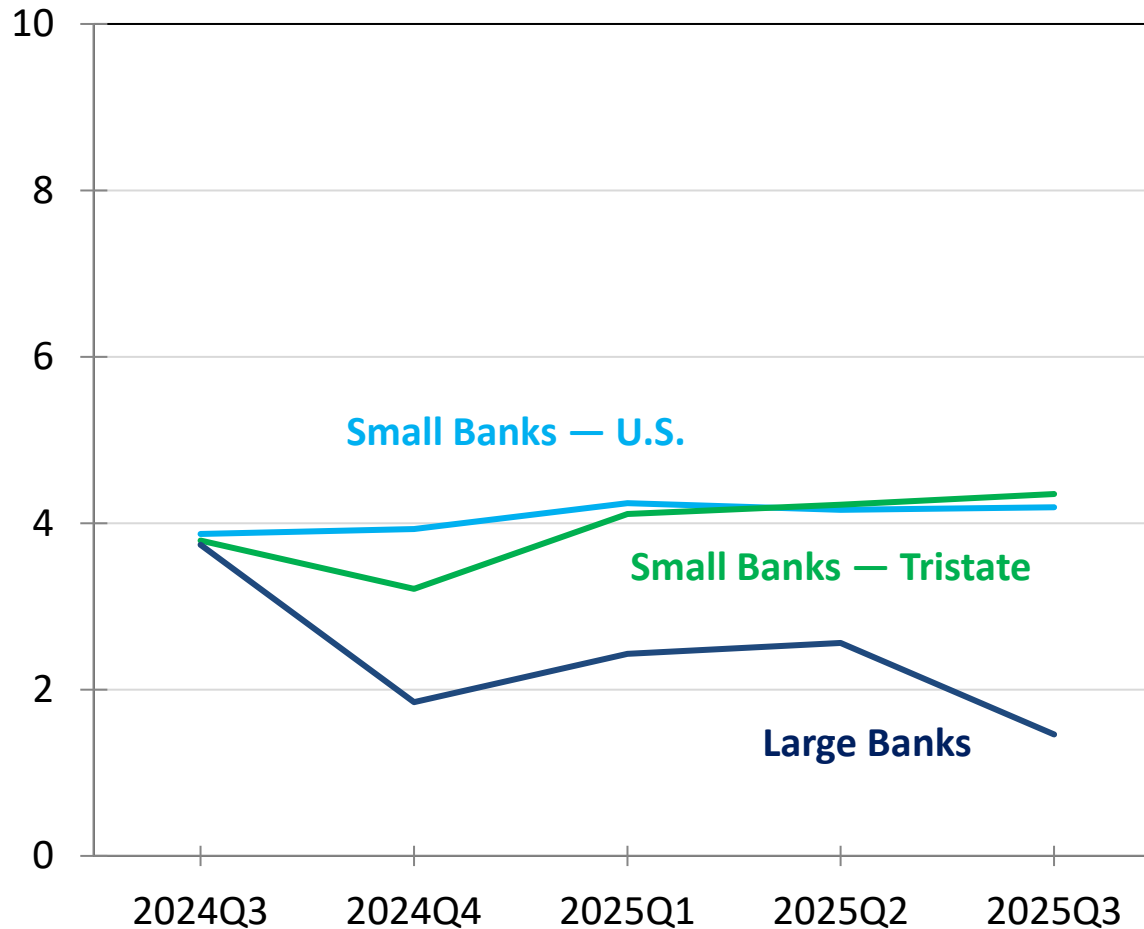


The percentage change in quarterly net income in the current quarter from the same quarter in the previous year. Quarterly net income is net income as reported in the quarter only.

CHART 4

## Annual Growth of Total Assets

Percent



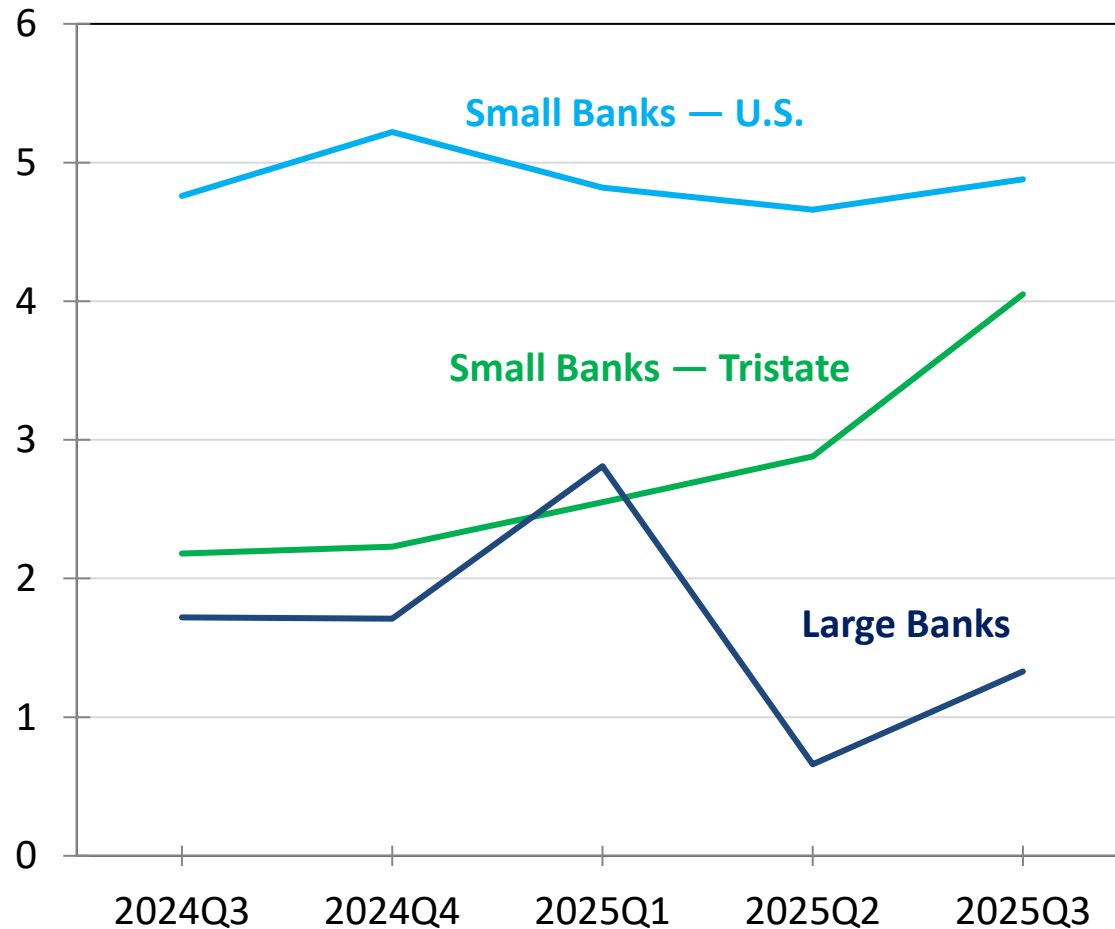
The percentage change in total assets in the current quarter from the same quarter in the previous year.



CHART 5

## Annual Growth of Total Loans

Percent

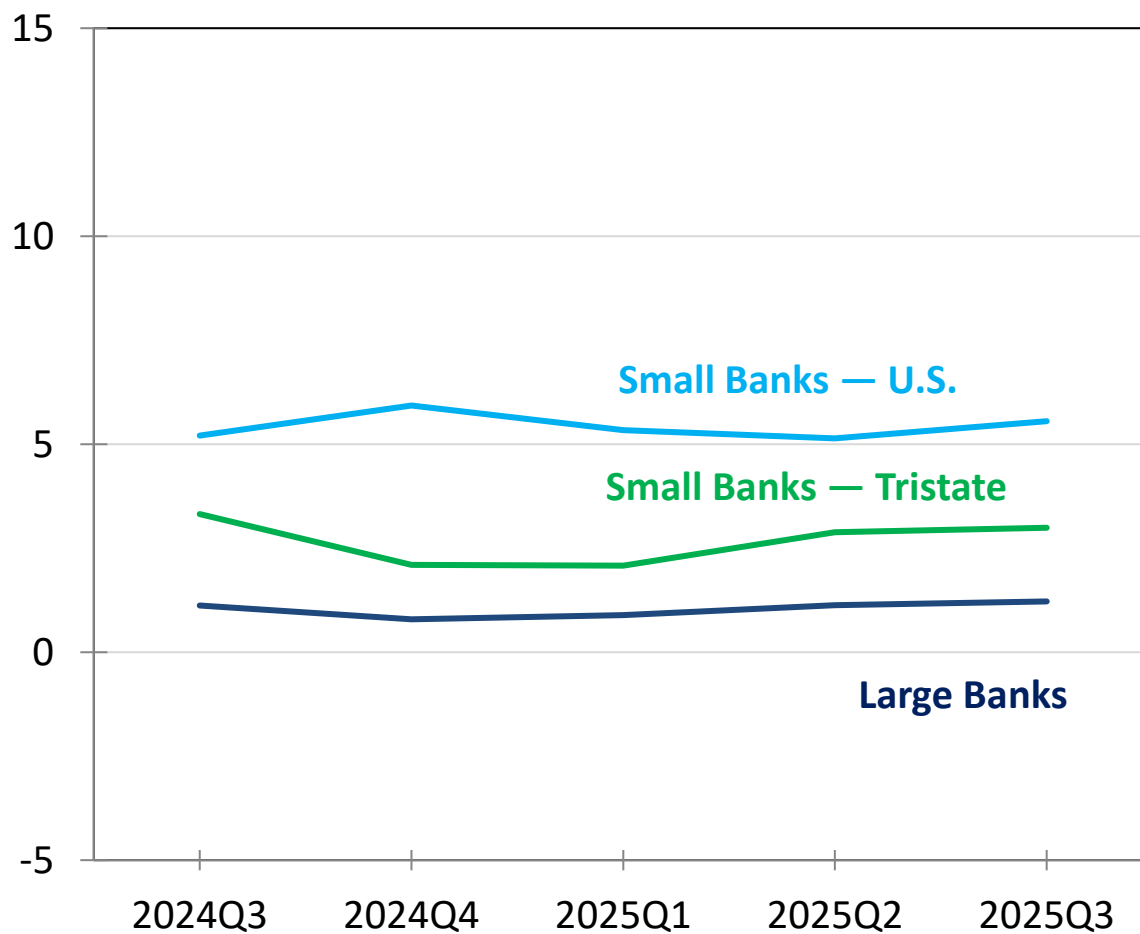


The percentage change in total loans and leases (net of unearned income) in the current quarter from the same quarter in the previous year.

CHART 5a

## Annual Growth of RRE Loans

Percent

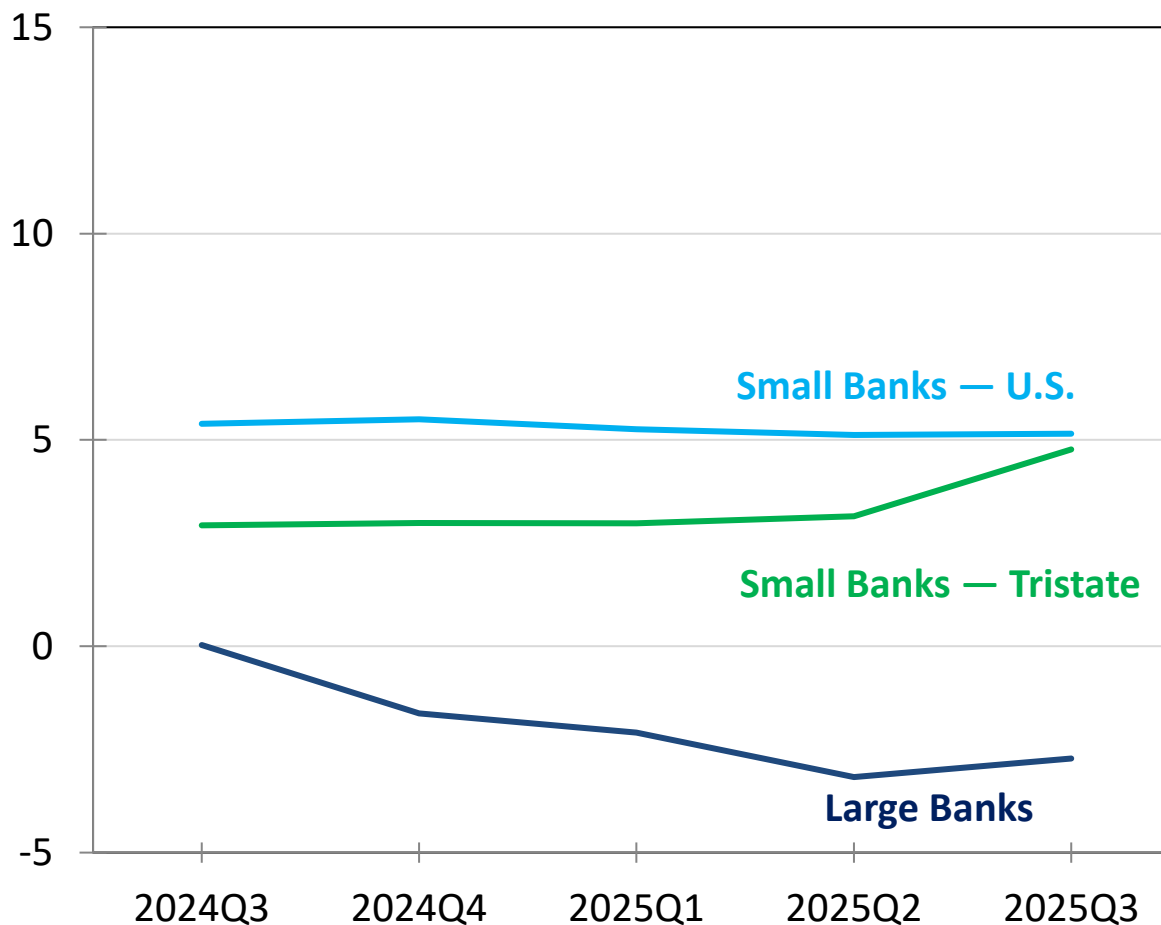


The percentage change in residential real estate (RRE) loans in the current quarter from the same quarter in the previous year. RRE loans are the sum of loans secured by one- to four-family properties with first liens, those with junior liens, and home equity lines of credit (HELOCS).

CHART 5b

## Annual Growth of CRE Loans

Percent

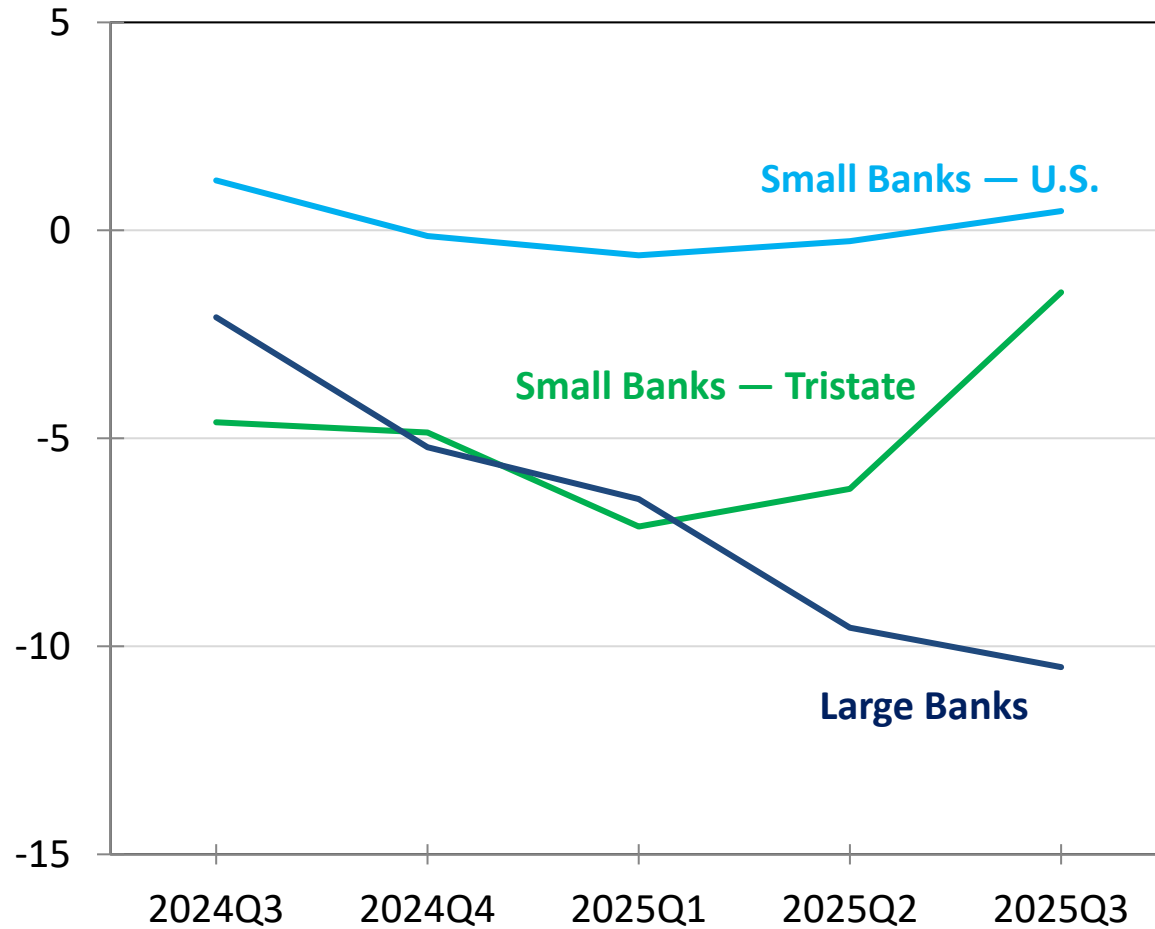


The percentage change in commercial real estate (CRE) loans in the current quarter from the same quarter in the previous year. CRE loans are the sum of all construction loans, loans secured by multifamily properties, and loans secured by nonfarm, nonresidential properties.

CHART 5c

## Annual Growth of Construction Loans

Percent

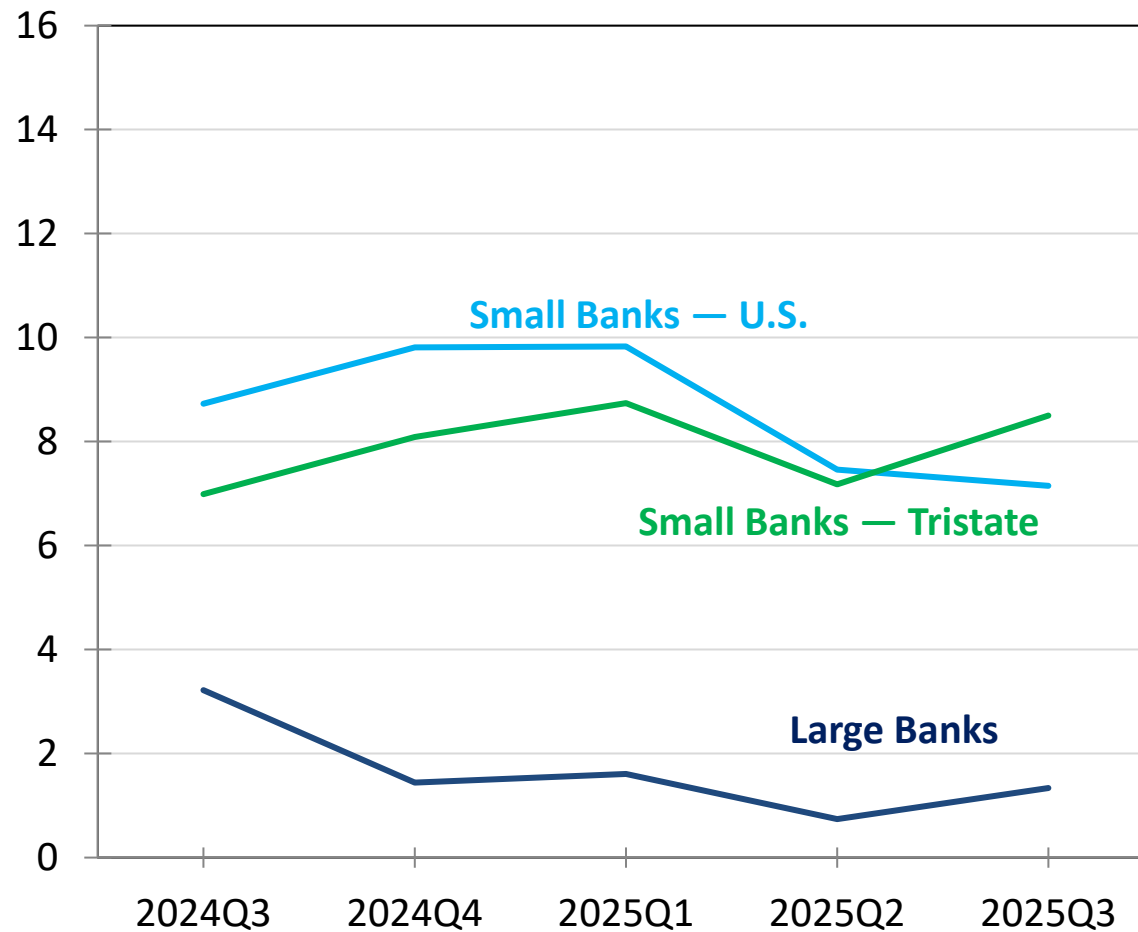


The percentage change in construction loans (on both residential and commercial properties) in the current quarter from the same quarter in the previous year.

CHART 5d

## Annual Growth of Loans Secured by Multifamily Properties

Percent

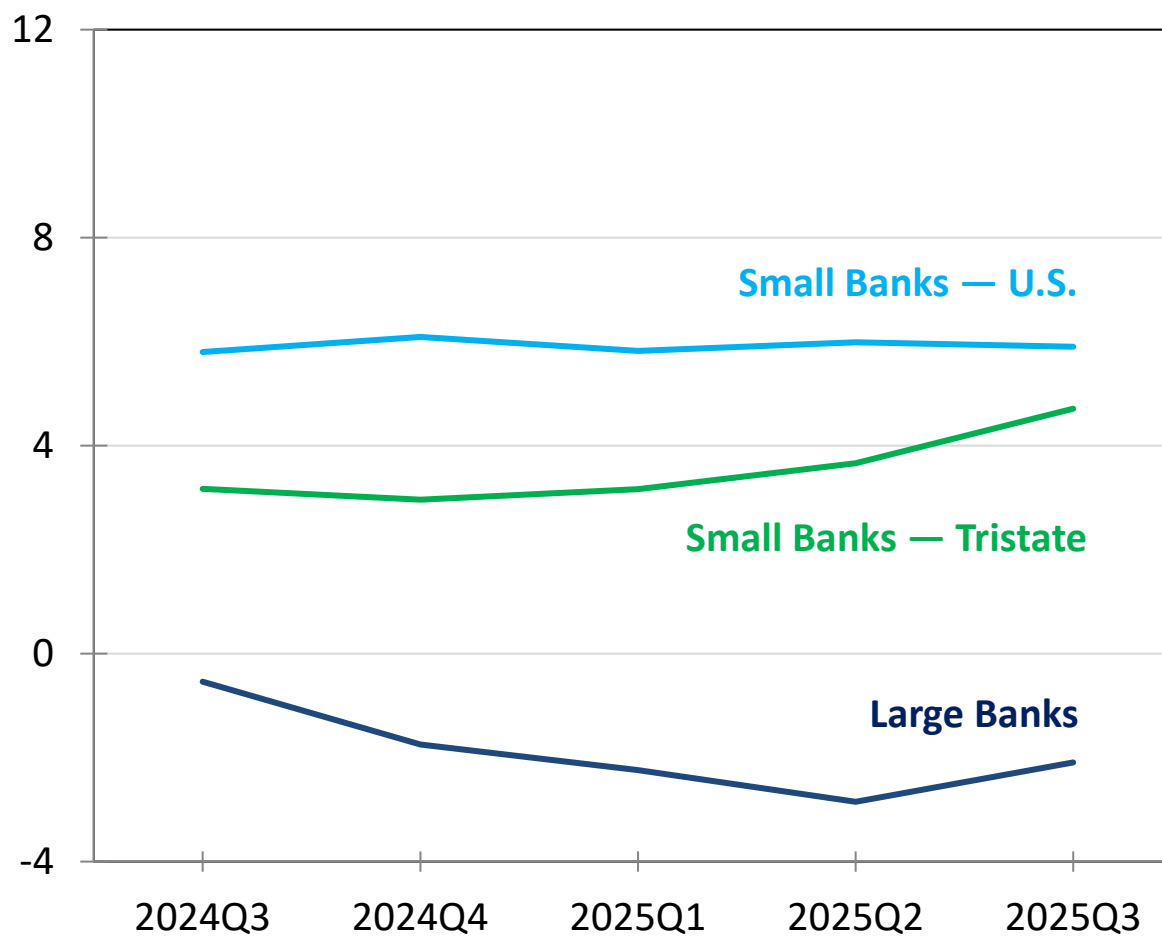


The percentage change in loans secured by multifamily properties in the current quarter from the same quarter in the previous year.

CHART 5e

## Annual Growth of Commercial Mortgages

Percent

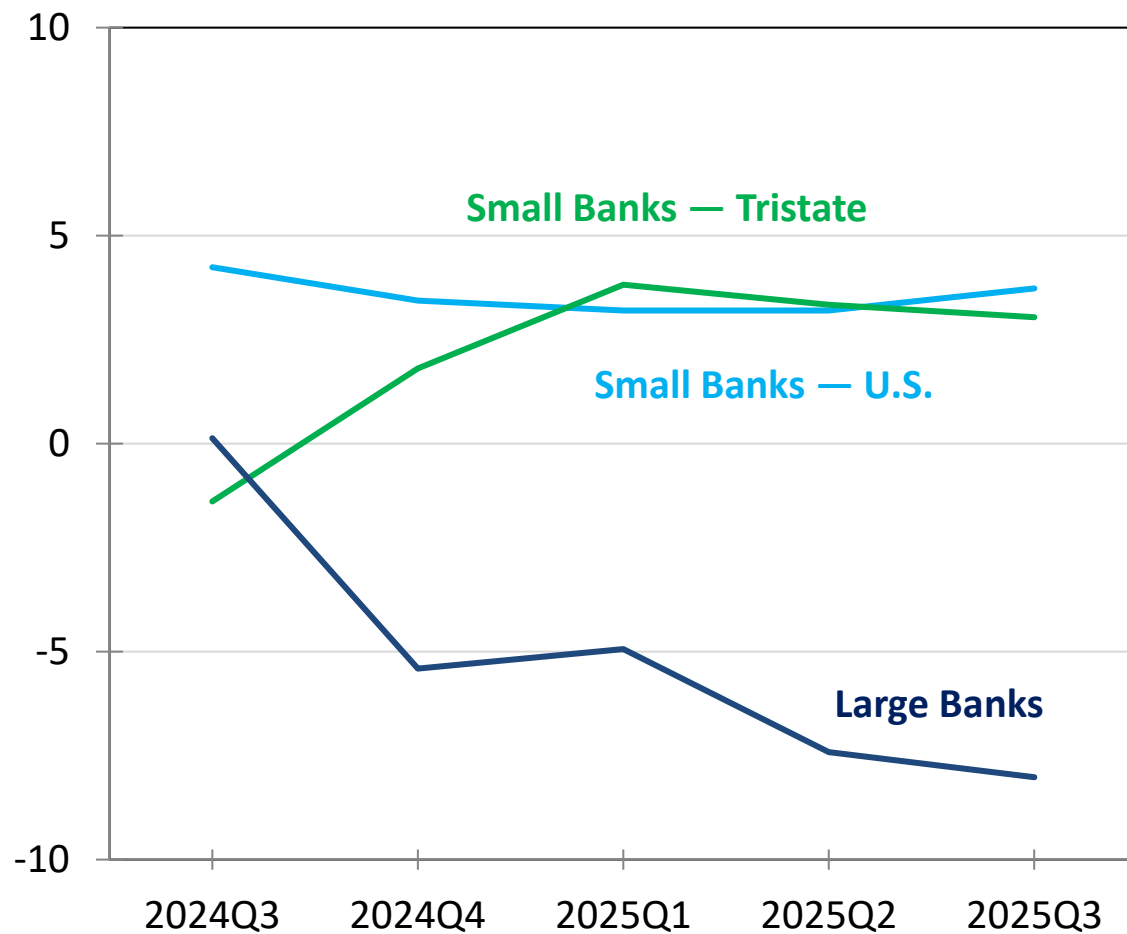


The percentage change in loans secured by nonfarm, nonresidential properties in the current quarter from the same quarter in the previous year.

CHART 5f

## Annual Growth of Commercial and Industrial Loans

Percent

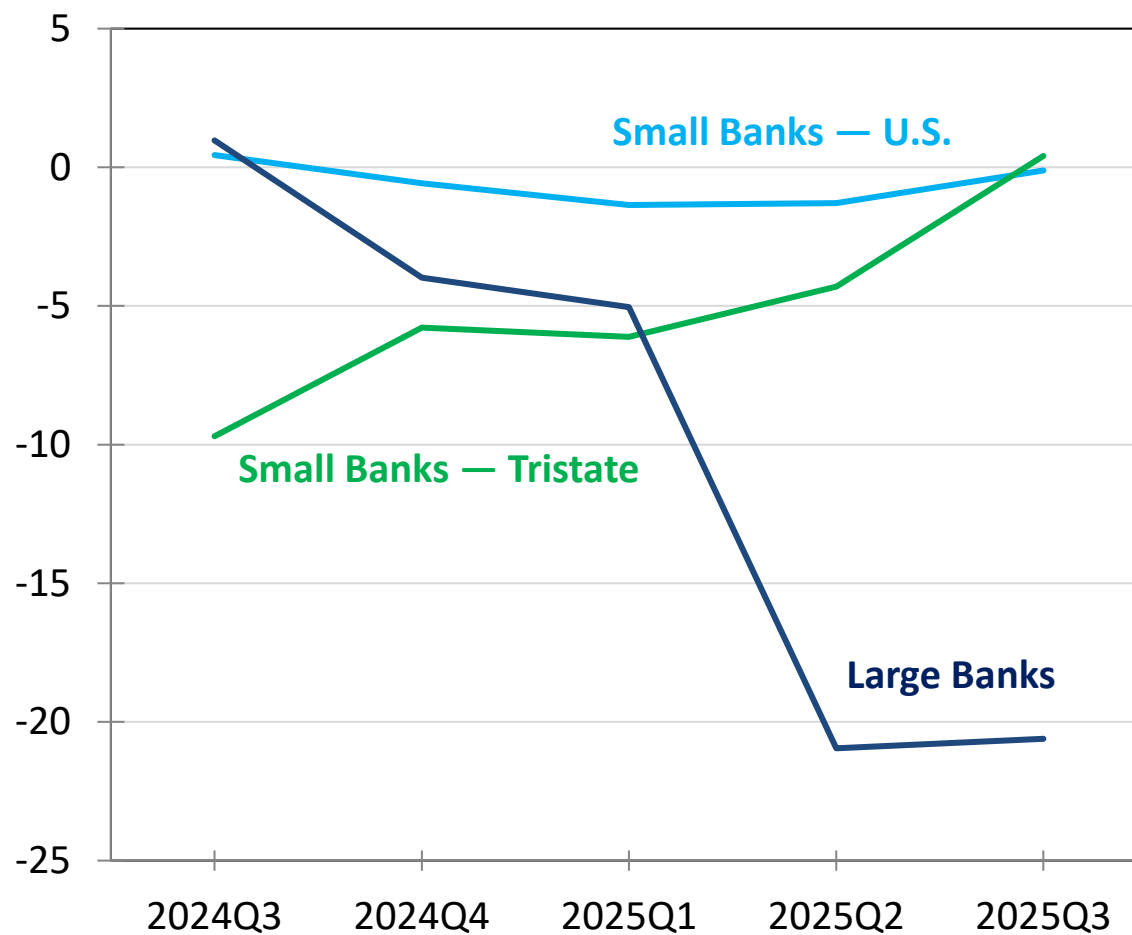


The percentage change in commercial and industrial loans (C&I loans, both domestic and foreign) in the current quarter from the same quarter in the previous year.

CHART 5g

## Annual Growth of Consumer Loans

Percent



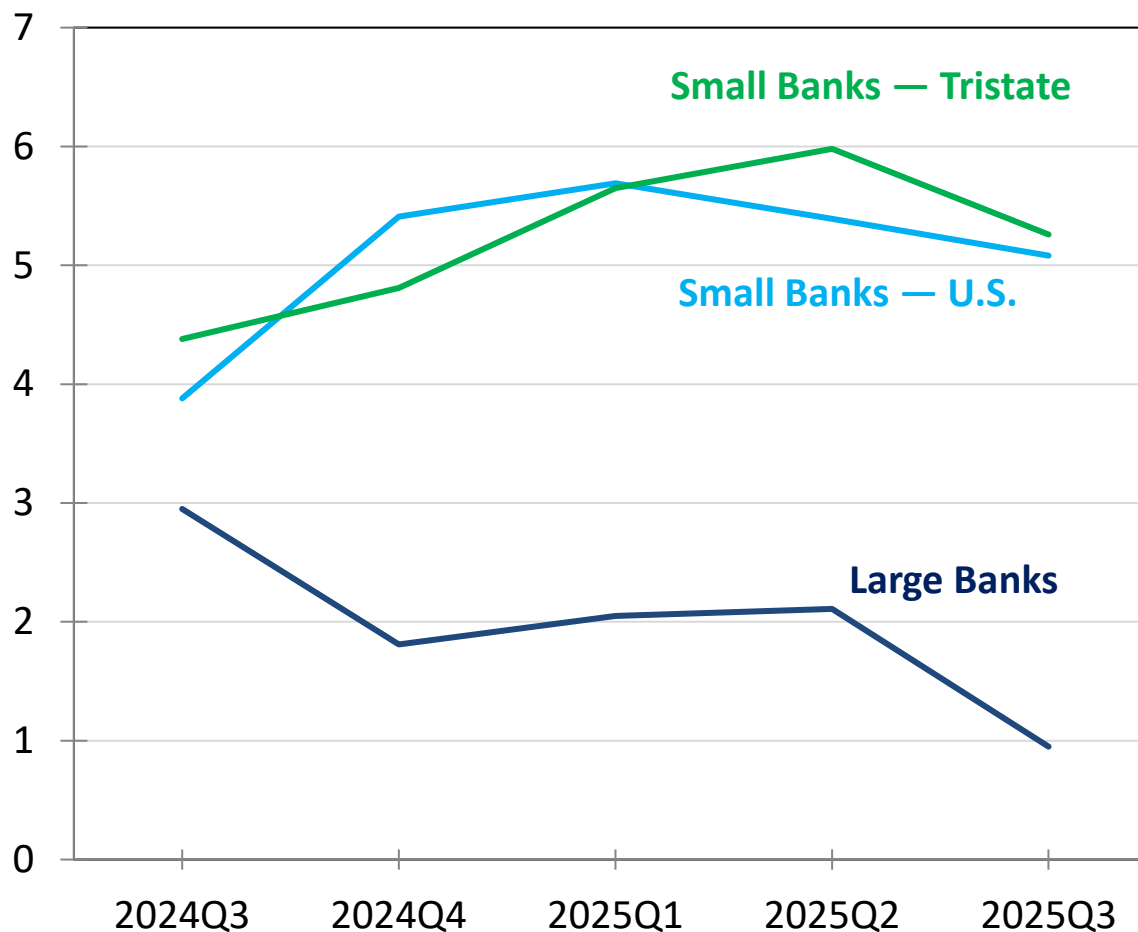
The percentage change in consumer loans (both domestic and foreign) in the current quarter from the same quarter in the previous year. Consumer loans include installment loans, auto loans, credit cards, and other revolving credit to consumers.



CHART 6

## Annual Growth of Total Deposits

Percent



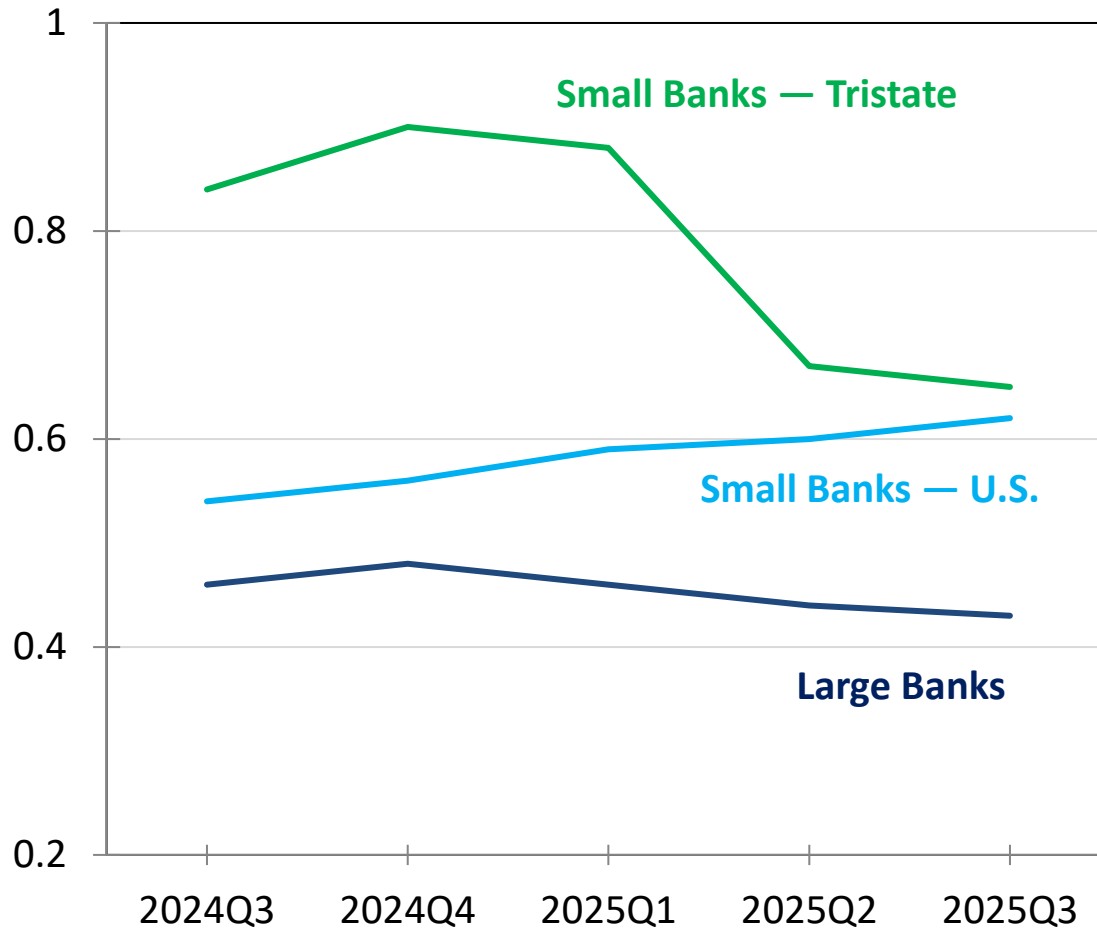
The percentage change in total deposits (both foreign and domestic) in the current quarter from the same quarter in the previous year.

# Part 3: Asset Quality Ratios

CHART 7

## Nonperforming Assets as a Share of Total Assets

Percent

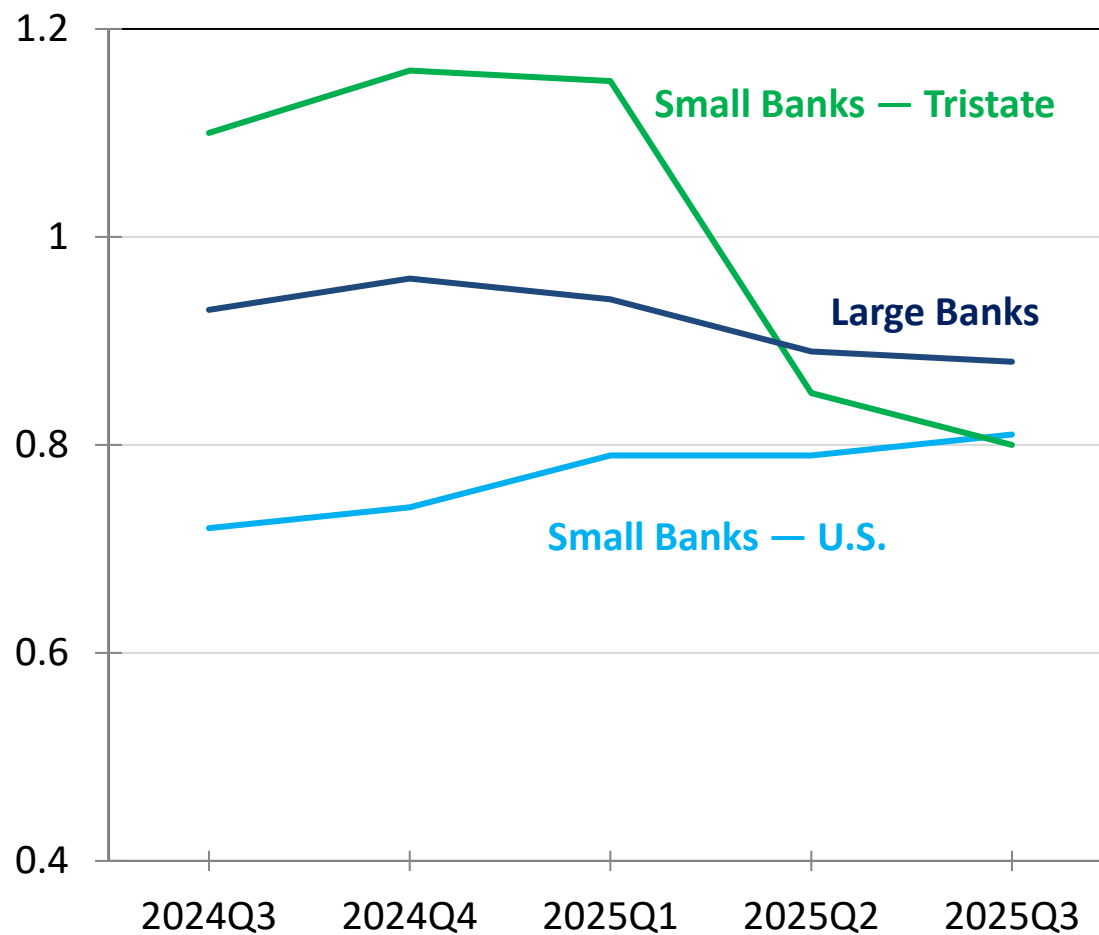


The ratio of nonperforming assets to total assets. Nonperforming assets are nonperforming loans plus other real estate-owned (OREO, or foreclosed real estate properties). Nonperforming loans are the sum of loans past due 90 days or more and nonaccruing loans.

CHART 8

## Nonperforming Loans as a Share of Total Loans

Percent

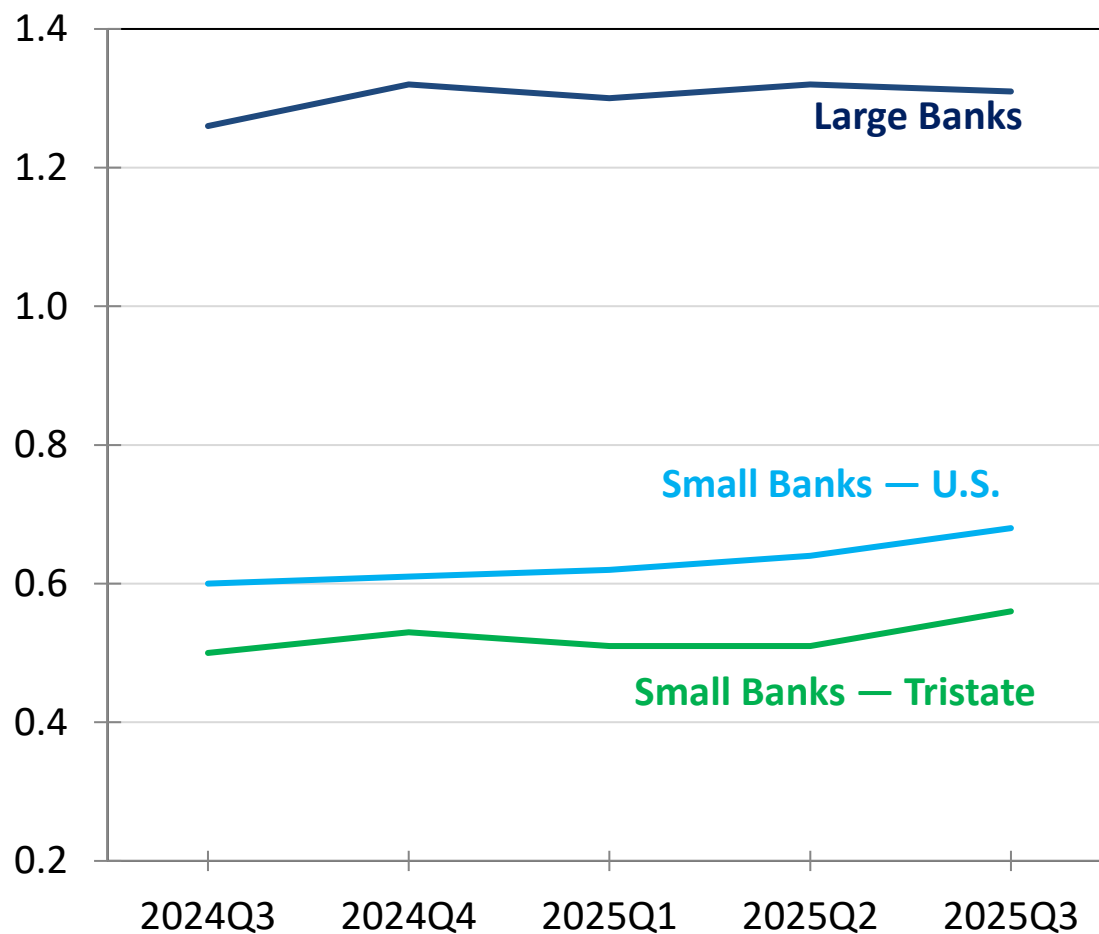


The ratio of nonperforming loans to total loans and leases. Nonperforming loans are the sum of loans past due 90 days or more and nonaccruing loans.

CHART 9

## Residential Real Estate Nonperforming Loan Ratio

Percent

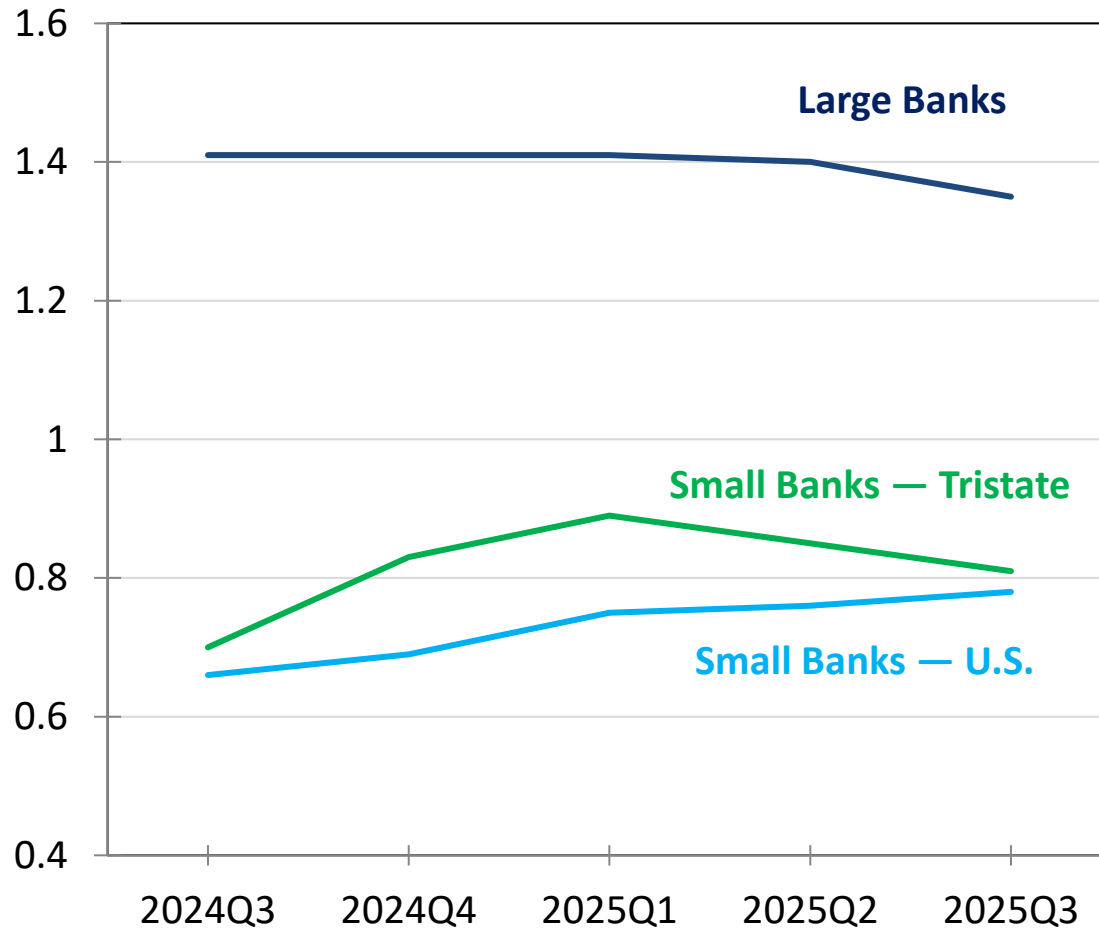


The ratio of nonperforming residential real estate (RRE) loans to total RRE loans. Nonperforming RRE loans are the sum of loans past due 90 days or more and nonaccruing loans.

CHART 10

## Commercial Real Estate Nonperforming Loan Ratio

Percent

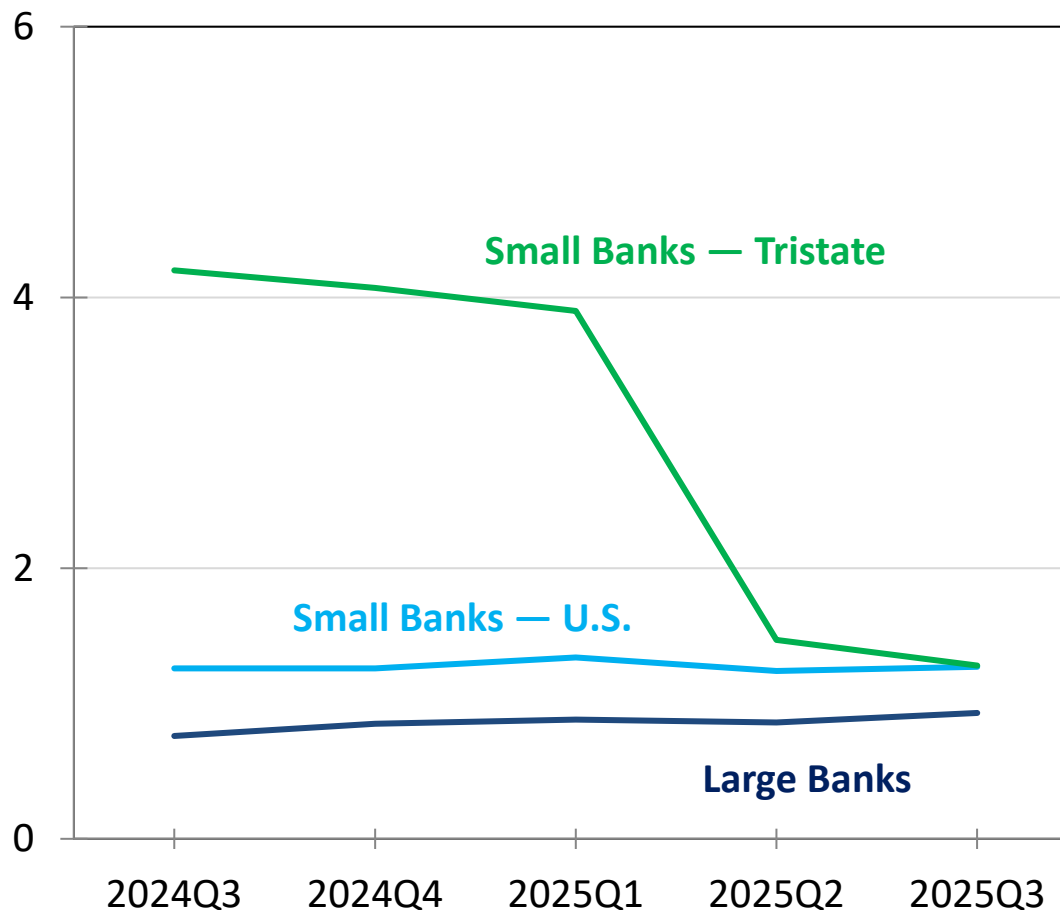


The ratio of nonperforming commercial real estate (CRE) loans to total CRE loans. Nonperforming CRE loans are the sum of loans past due 90 days or more and nonaccruing loans.

CHART 11

## Commercial and Industrial Nonperforming Loan Ratio

Percent

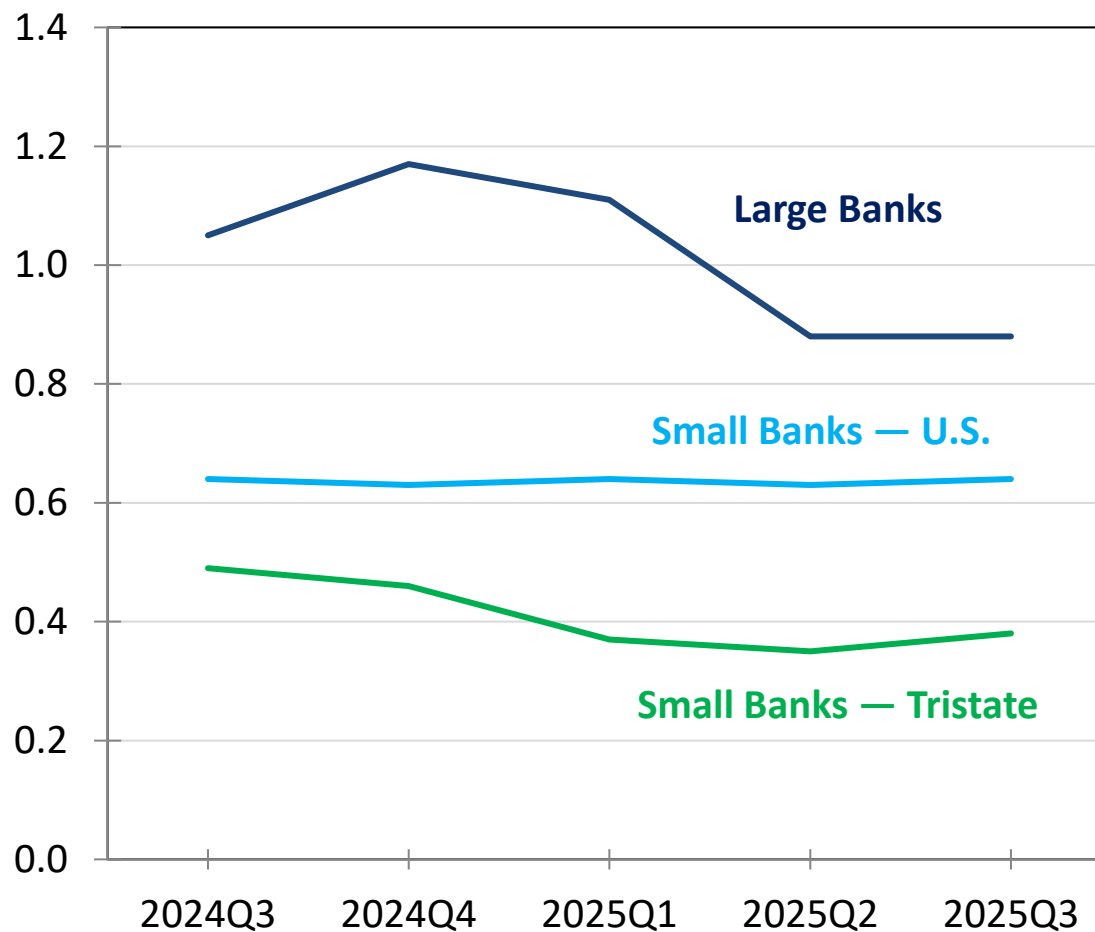


The ratio of nonperforming commercial and industrial (C&I) loans to total C&I loans. Nonperforming C&I loans are the sum of loans past due 90 days or more and nonaccruing loans.

CHART 12

## Consumer Nonperforming Loan Ratio

Percent



The ratio of nonperforming consumer loans to total consumer loans. Nonperforming consumer loans are the sum of loans past due 90 days or more and nonaccruing loans.

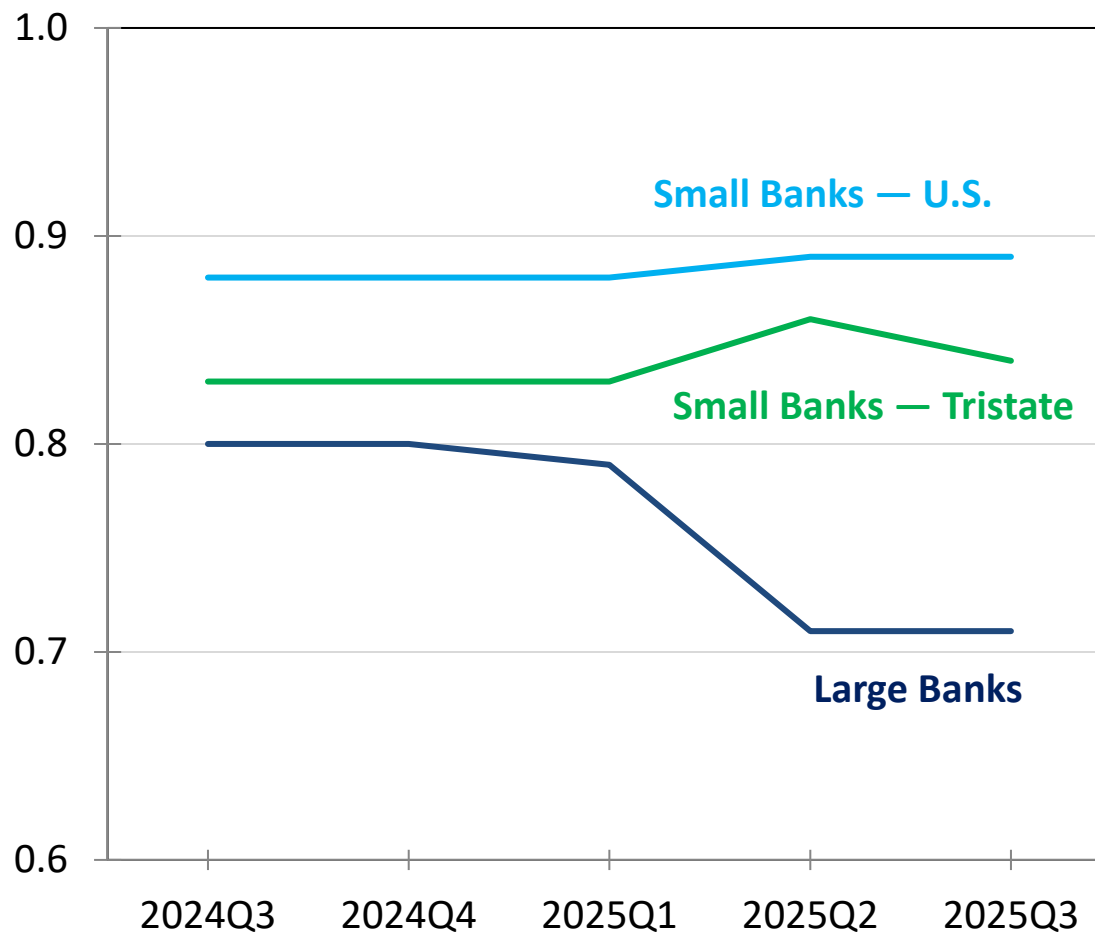


# Part 4: Loan Loss Provisioning and Reserves

CHART 13

## Loan Loss Reserves as a Share of Total Assets

Percent

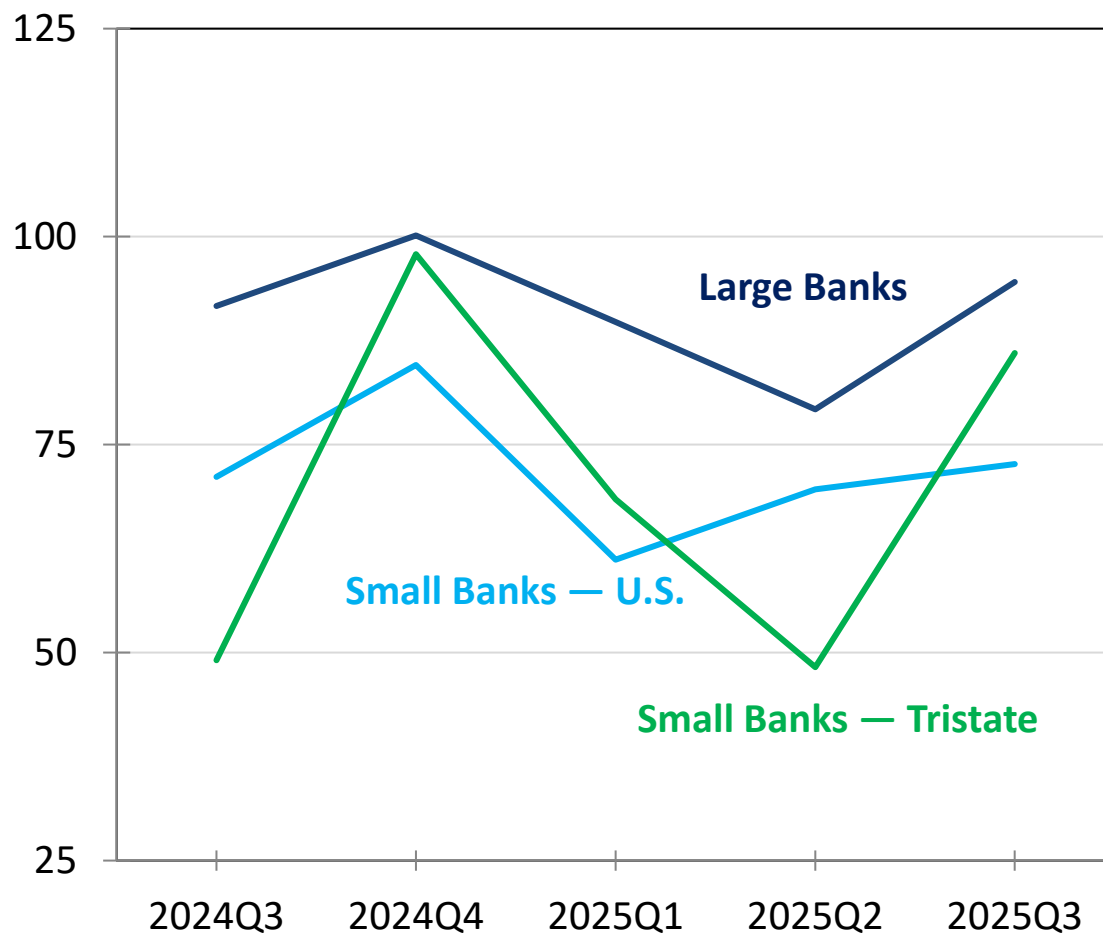


The ratio of total loan loss reserves (as reported on the balance sheet) to total assets.

CHART 14

## Net Charge-Offs as a Share of Loan Loss Provisions

Percent

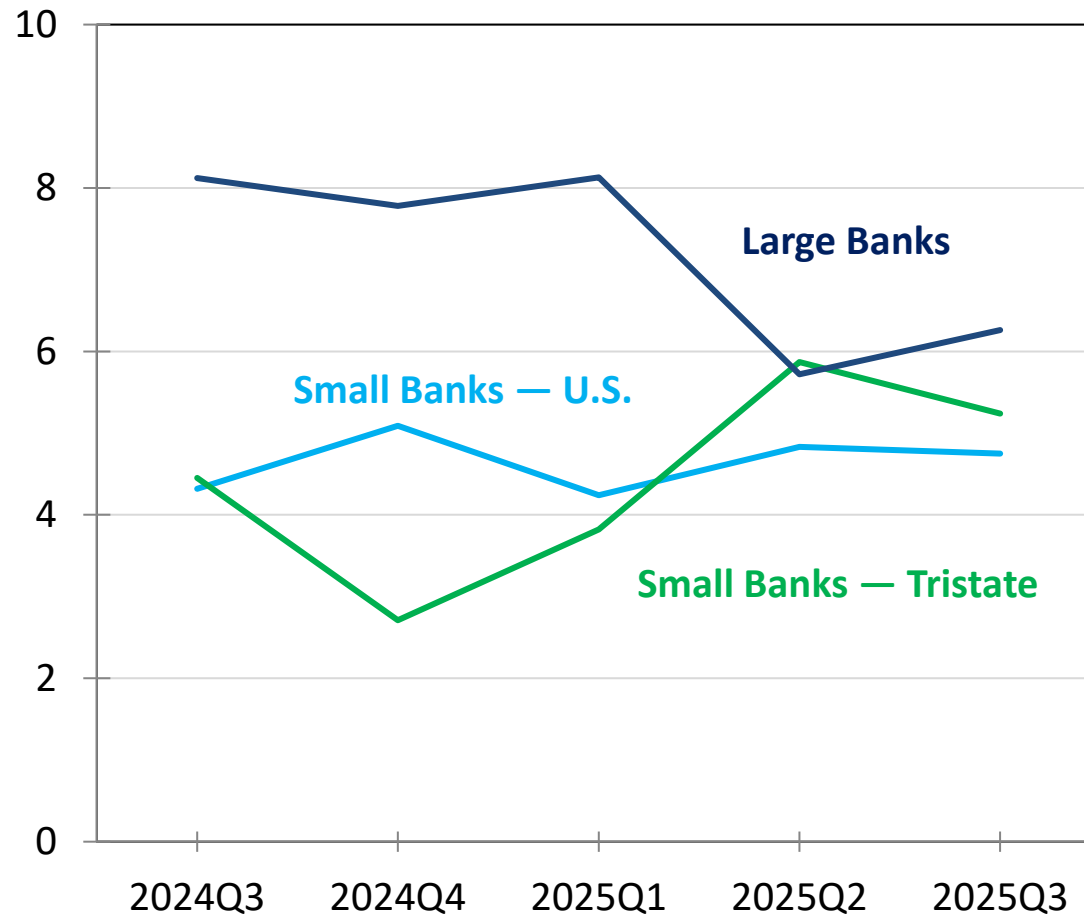


The ratio of quarterly net charge-offs to quarterly loan loss provisions. Net charge-offs are defined as charge-offs minus recoveries. Loan loss provision is the amount reported on the income statement as additions to loan loss reserves.

CHART 15

## Loan Loss Provision as a Share of Operating Income

Percent

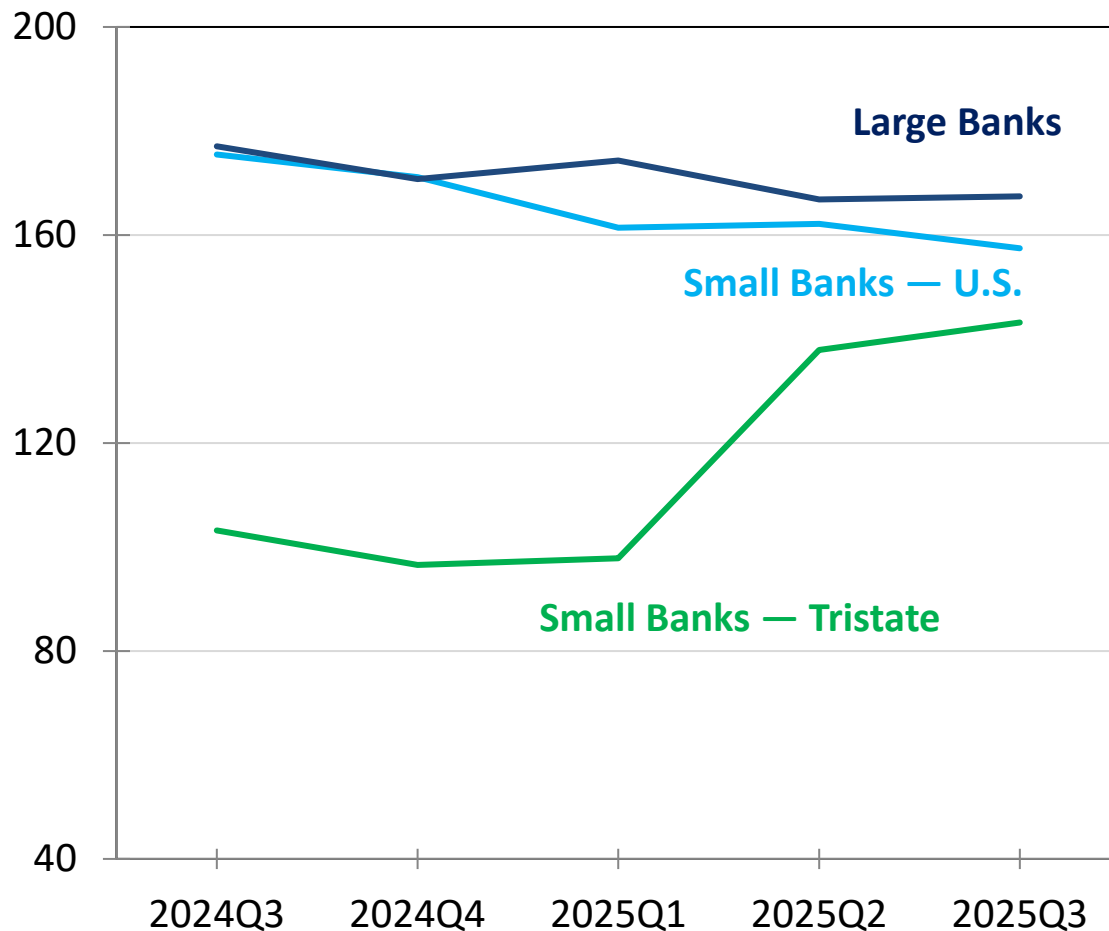


The ratio on loan loss provision to operating income. Operating income is defined as net interest income plus noninterest income.

CHART 16

## Loan Loss Coverage Ratio

Percent



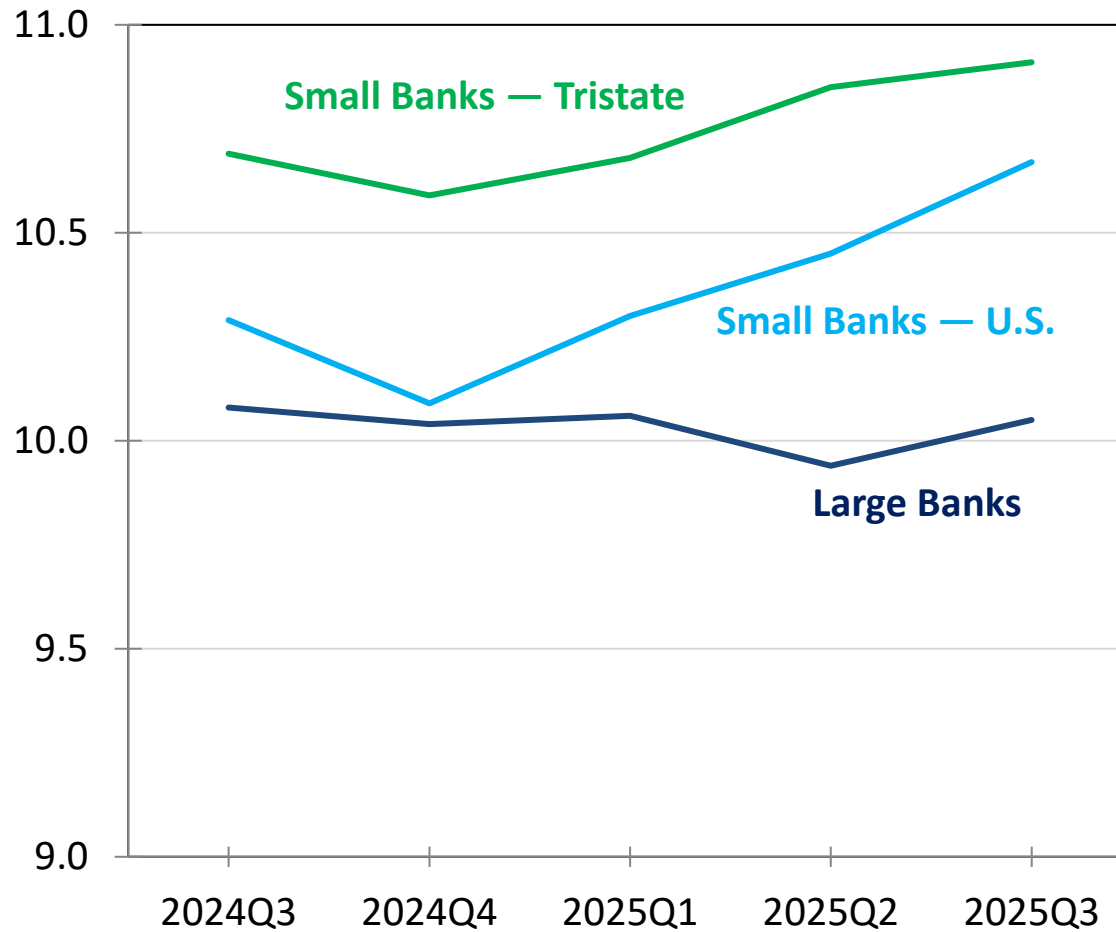
Loan loss coverage ratio is the ratio of loan loss reserves to nonperforming loans. Nonperforming loans are the sum of loans past due 90 days or more and nonaccruing loans.

# Part 5: Capital Ratios

CHART 17

## Total Equity as a Share of Total Assets

Percent

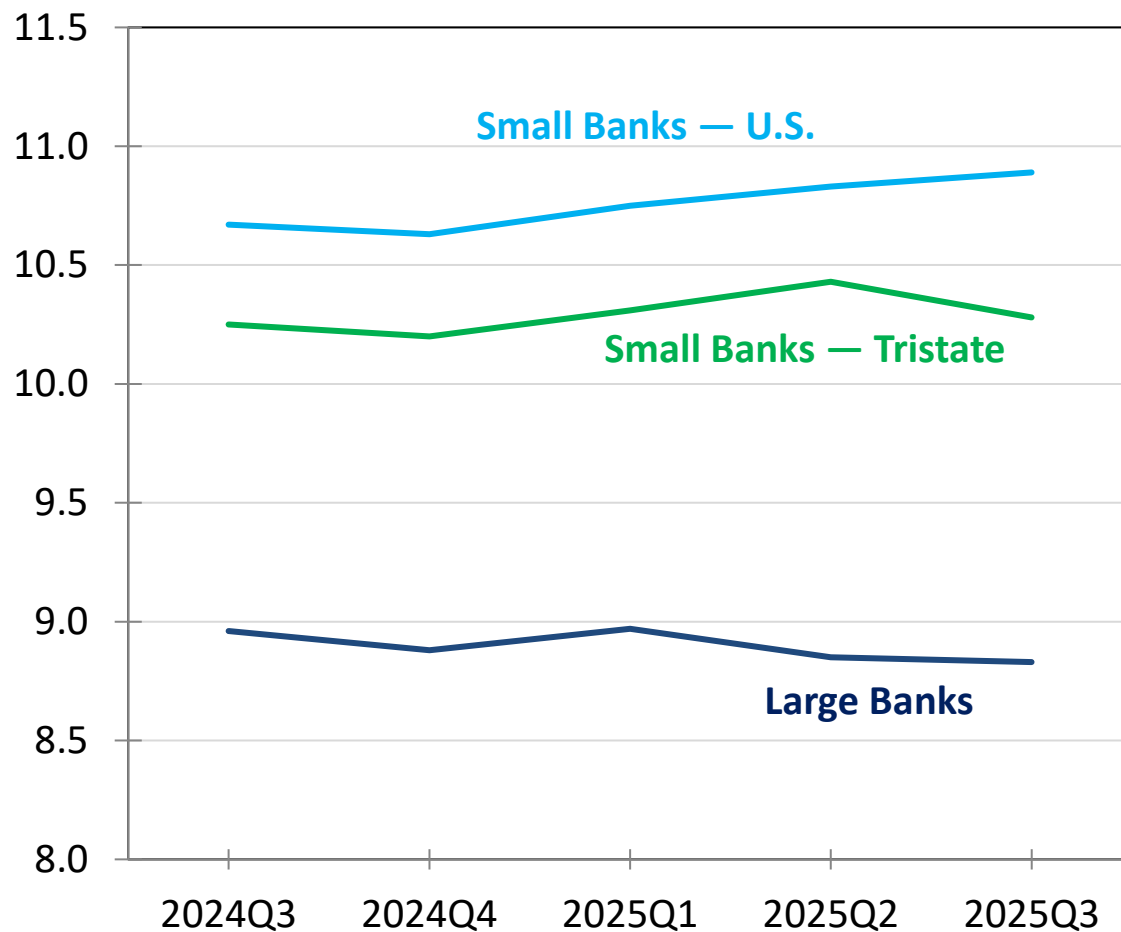


The ratio of total equity to total assets.

CHART 18

## Tier One Leverage Ratio

Percent



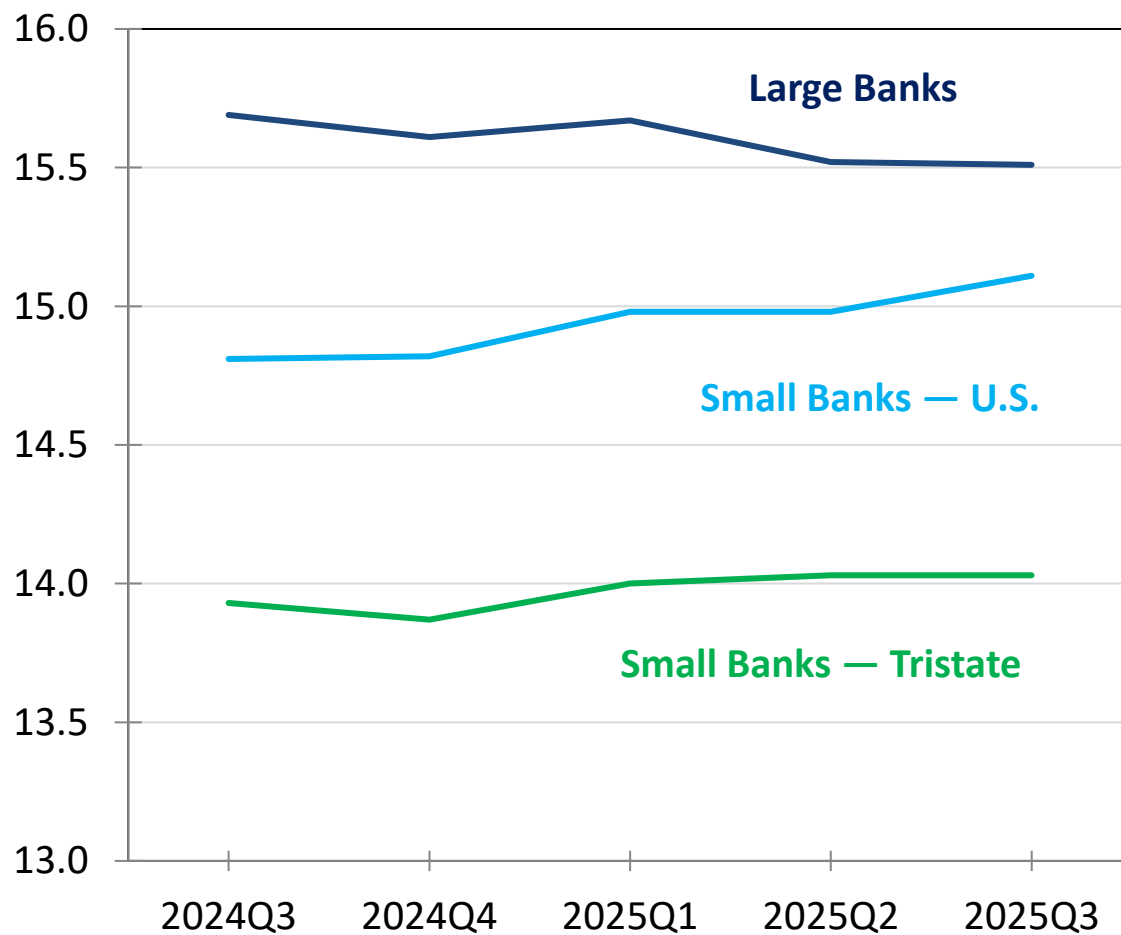
The ratio of tier one capital to total average assets for tier one leverage (as defined by bank regulators – see Regulation Q).



CHART 19

## Risk-Based Capital Ratio

Percent



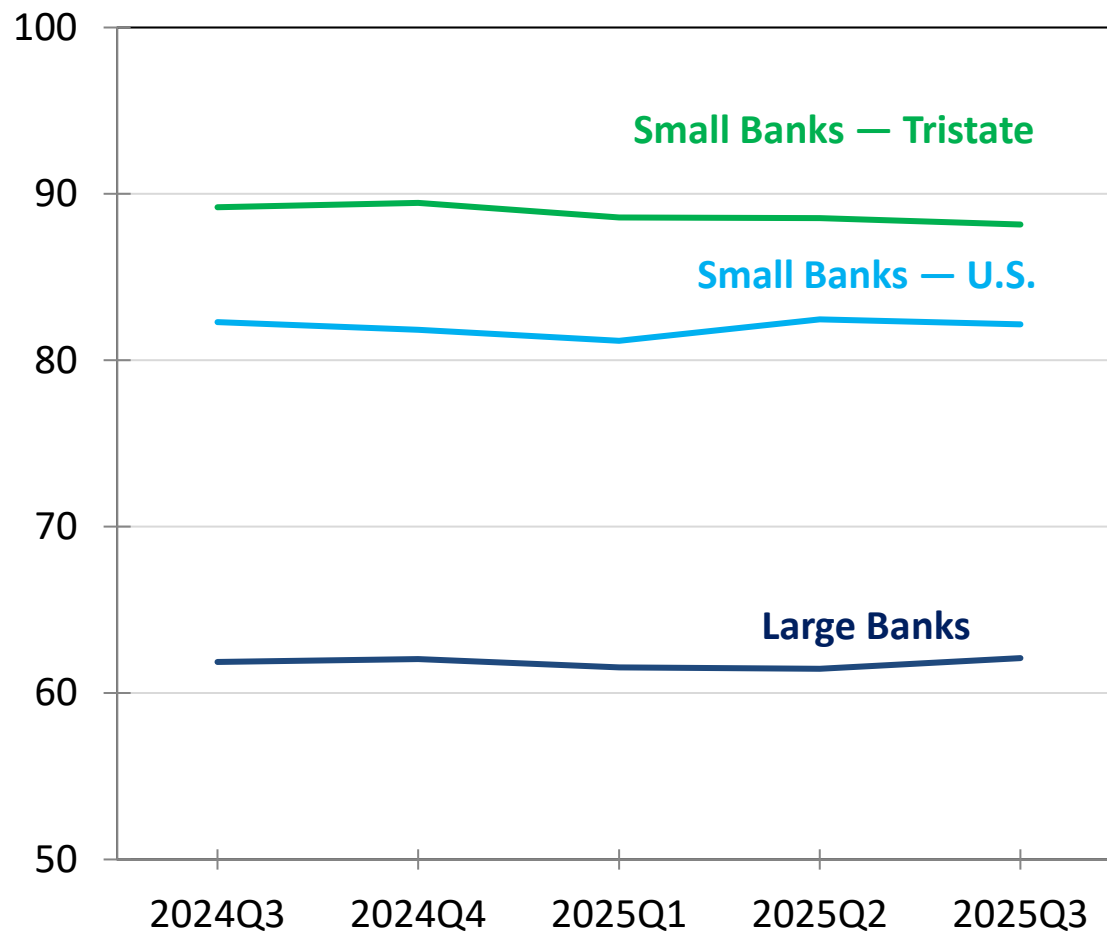
The ratio of risk-based capital to total risk-weighted assets (as defined by bank regulators – see Regulation Q).

# Part 6: Liquidity Ratios

CHART 20

## Loan-to-Deposit Ratio

Percent

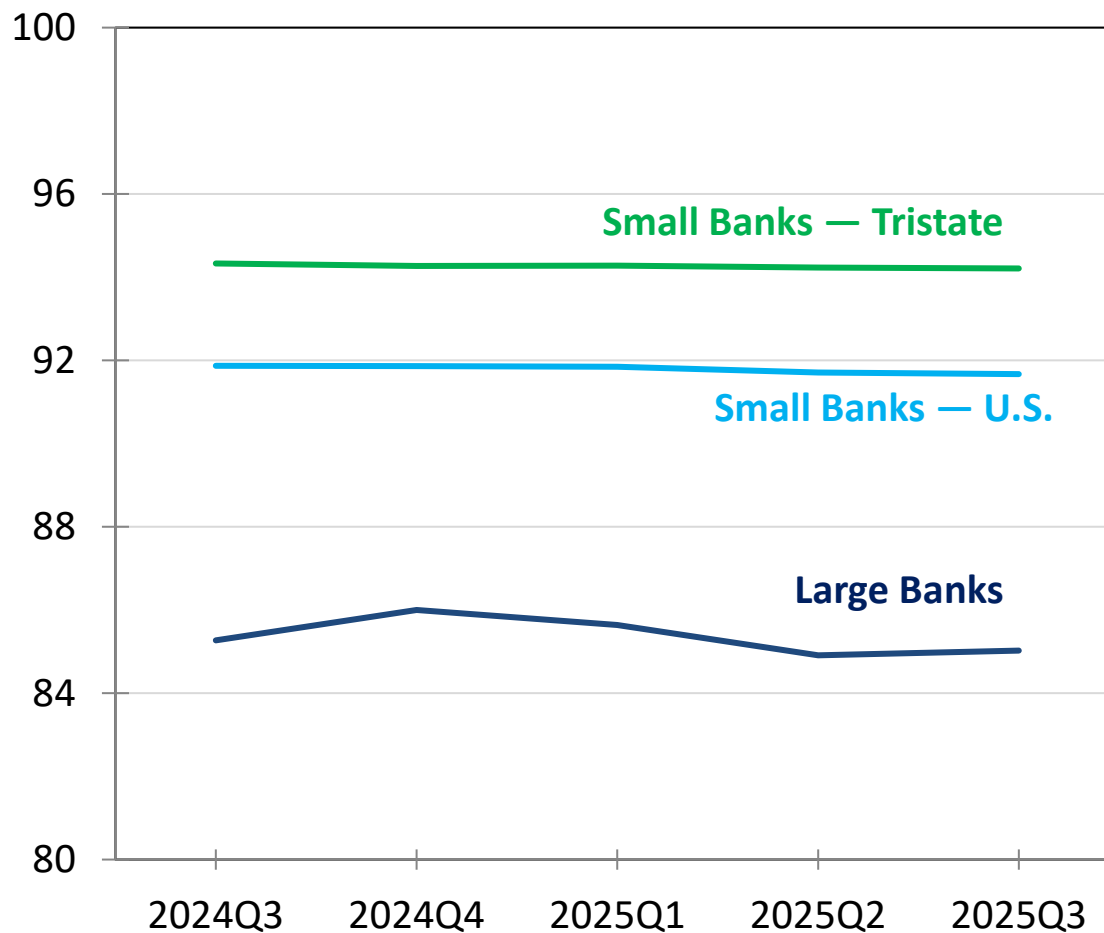


The ratio of total assets to total deposits.

CHART 21

## Core Deposits as a Share of Total Deposits

Percent

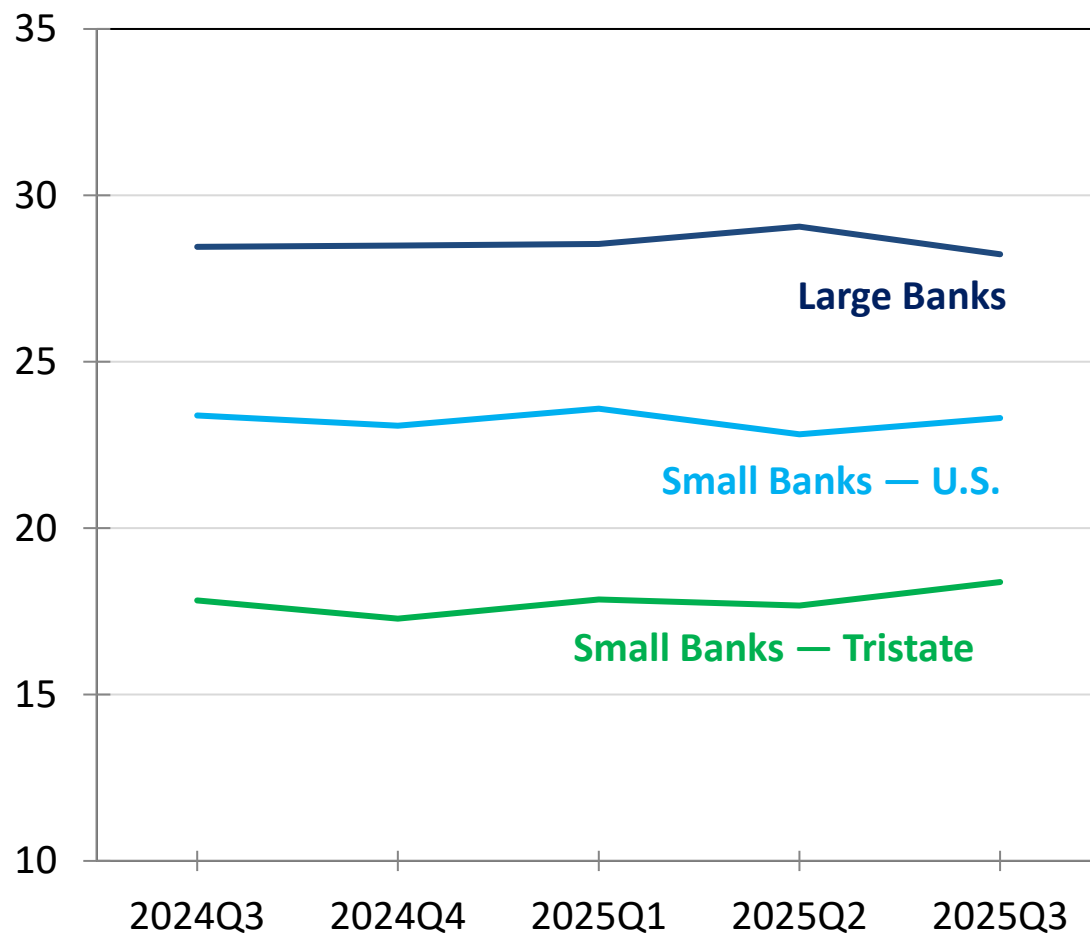


The ratio of core deposits to total deposits. Core deposits are defined as total domestic deposits minus the sum of uninsured deposits and brokered deposits.

CHART 22

## Liquid Assets as a Share of Total Assets

Percent



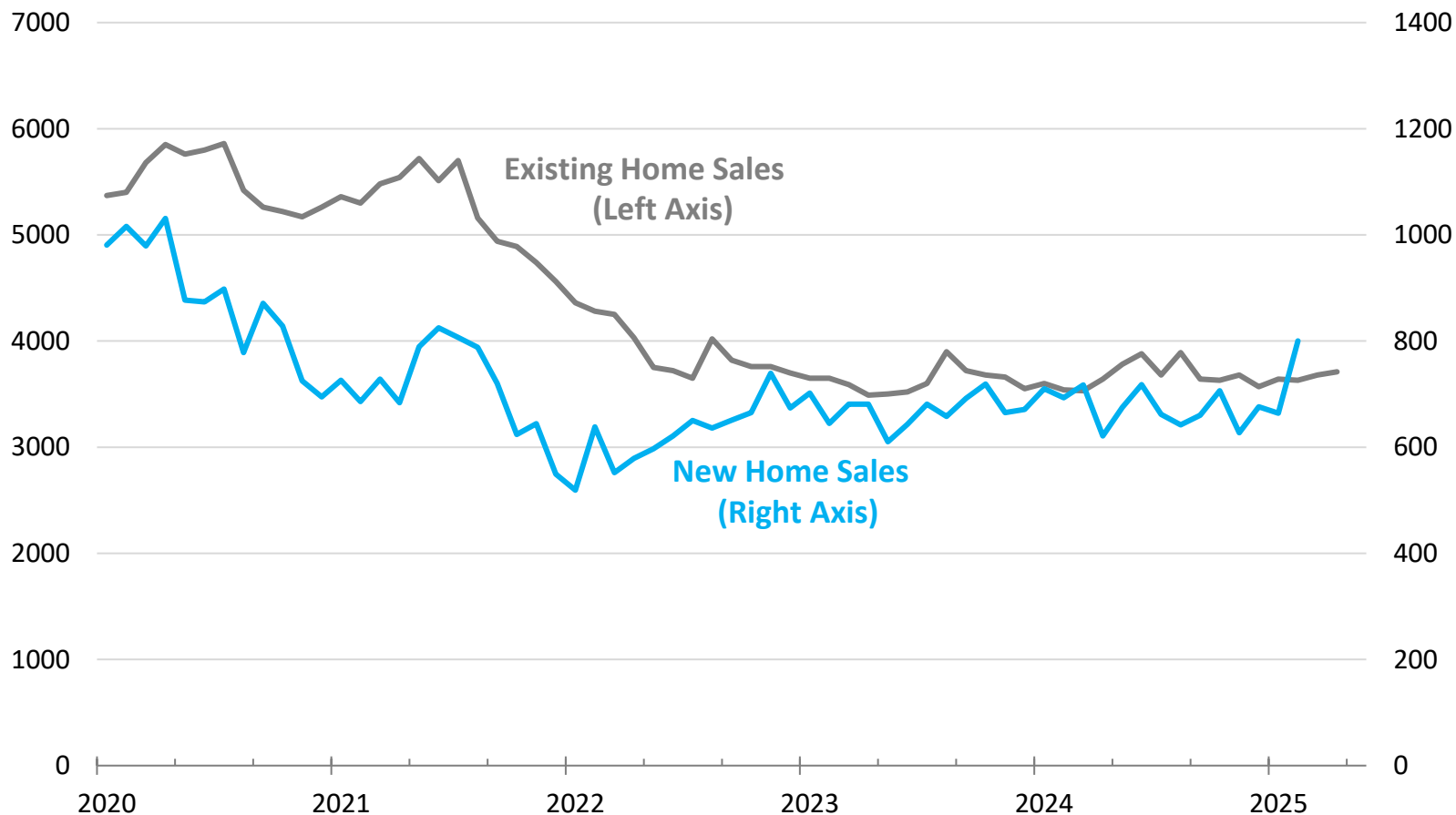
The ratio of liquid assets to total assets. Liquid assets are defined as the sum of total interest-bearing balances, cash and noninterest-bearing balances, federal funds sold in domestic offices, securities purchased under agreements to resell, and available-for-sale securities (at their market value).

# Part 7: Market Conditions

CHART 23

## New and Existing Total U.S. Home Sales (Not Seasonally Adjusted)

Thousands



Source: National Association of Realtors via Haver Analytics

Questions and comments may be directed to Benjamin Lester at [benjamin.lester@phil.frb.org](mailto:benjamin.lester@phil.frb.org).

For methodology documentation and back issues, visit [www.philadelphiafed.org/the-economy/banking-and-financial-markets/banking-brief](http://www.philadelphiafed.org/the-economy/banking-and-financial-markets/banking-brief).

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