



First Quarter 2017 Highlights

FEDERAL RESERVE BANK OF PHILADELPHIA
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Summary Table of Bank Structure and Conditions — First Quarter 2017

	Small Banks						Large Banks			
	U.S.			Tristate			U.S.			
	\$ Billion	% Change From		\$ Billion	% Change From		\$ Billion	% Change From		
	2017Q1	2016Q4	2016Q1	2017Q1	2016Q4	2016Q1	2017Q1	2016Q4	2016Q1	
Total Assets	2,237.7	6.82	6.69	127.1	4.46	9.31	Total Assets	12,774.9	4.48	3.52
Total Loans	1,521.1	5.36	8.60	93.2	9.37	11.49	Total Loans	6,508.7	-0.34	2.73
C&I	235.5	5.14	6.87	12.4	4.98	10.31	C&I	1,584.1	5.56	1.59
Real Estate	1,123.9	7.57	9.50	73.1	9.65	11.62	Real Estate	2,964.4	0.00	3.01
Consumer	64.6	0.52	8.22	3.7	18.81	18.16	Consumer	920.7	-8.29	3.78
Total Deposits	1,859.6	8.78	6.98	103.7	5.49	10.61	Total Deposits	9,812.7	5.54	4.96
Ratios (in %)	2017Q1	2016Q4	2016Q1	2017Q1	2016Q4	2016Q1	Ratios (in %)	2017Q1	2016Q4	2016Q1
Net Income/Avg. Assets (ROA)	1.03	1.02	1.02	0.94	0.92	0.88	Net Income/Avg. Assets (ROA)	1.00	0.98	0.96
Net Interest Inc./Avg. Assets (NIM)	3.31	3.32	3.31	3.14	3.13	3.14	Net Interest Inc./Avg. Assets (NIM)	2.44	2.43	2.40
Noninterest Inc./Avg. Assets	0.97	0.97	0.95	1.14	1.14	1.14	Noninterest Inc./Avg. Assets	1.54	1.54	1.59
Noninterest Exp./Avg. Assets	2.83	2.85	2.87	2.94	2.95	3.06	Noninterest Exp./Avg. Assets	2.37	2.36	2.43
Loans/Deposits	81.80	82.46	80.58	89.81	89.00	89.10	Loans/Deposits	66.33	67.29	67.77
Equity/Assets	10.97	10.88	11.07	10.65	10.55	10.61	Equity/Assets	10.99	10.96	11.09
Nonperforming Loans/Total Loans	0.86	0.86	0.96	0.91	0.94	1.01	Nonperforming Loans/Total Loans	1.40	1.50	1.70

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, 2015, 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, 2016.

The *tristate area* consists of Pennsylvania, New Jersey, and Delaware.

Small U.S. banks are defined as those based outside the tristate area that were not in the top 100 in assets as of December 31, 2016, including assets of only their commercial bank subsidiaries.

U.S. excludes tristate banks.

The sample includes 142 small tristate banks, 4,497 small U.S. banks, and 100 large U.S. banks.

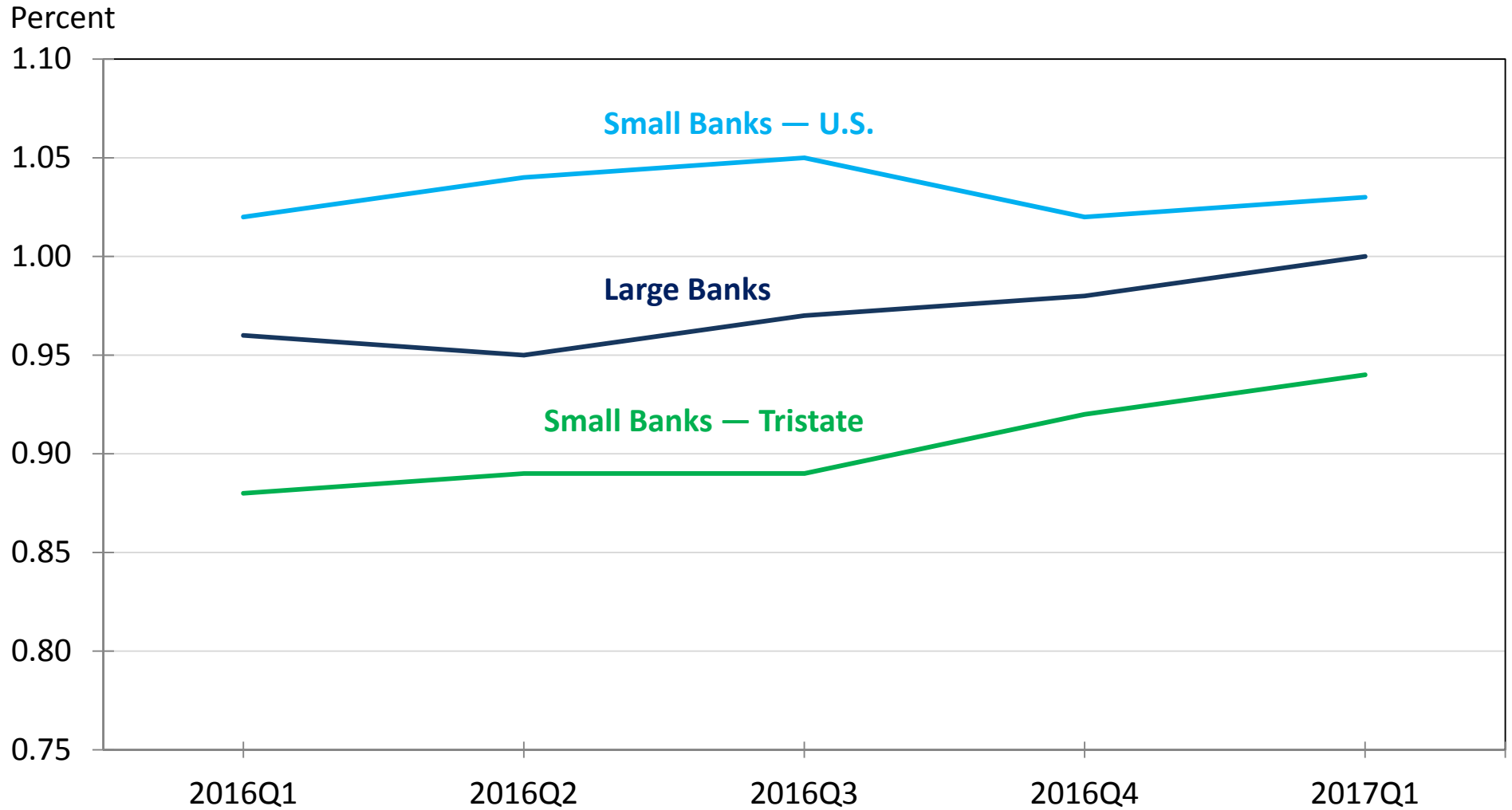


Recent Trends in Tristate and U.S. Banking Markets

In the first quarter of 2017, profitability rose at large U.S. banks and small tristate banks and was mostly flat at small U.S. banks. The rise in profitability at large banks was mainly due to rising market interest rates and low noninterest expenses. Profitability at small banks rose mainly due to lower noninterest expenses. Asset growth decelerated at large banks. Loan growth at large U.S. banks slowed significantly, chiefly because of the continued cooling of commercial real estate (CRE) and commercial and industrial (C&I) lending. Loan growth at small U.S. banks and small tristate banks remained strong, especially at small tristate banks, but the rate of growth slowed. The growth rates of construction loans and multifamily loans slowed significantly at small tristate banks. Nonetheless, asset growth was steady at small U.S. banks and rose at small tristate banks. Asset quality continued to improve for all banks, more so at large U.S. banks. But C&I nonperforming loans (NPLs) saw yet another slight uptick, and nonperforming consumer loans at large banks and small banks outside the tristate area also rose modestly. Deposit growth remained strong, with a moderate increase in core deposits at all banks.

CHART 1

Profitability Increased at Large Banks and Small Tristate Banks Return on average assets (ROAA).



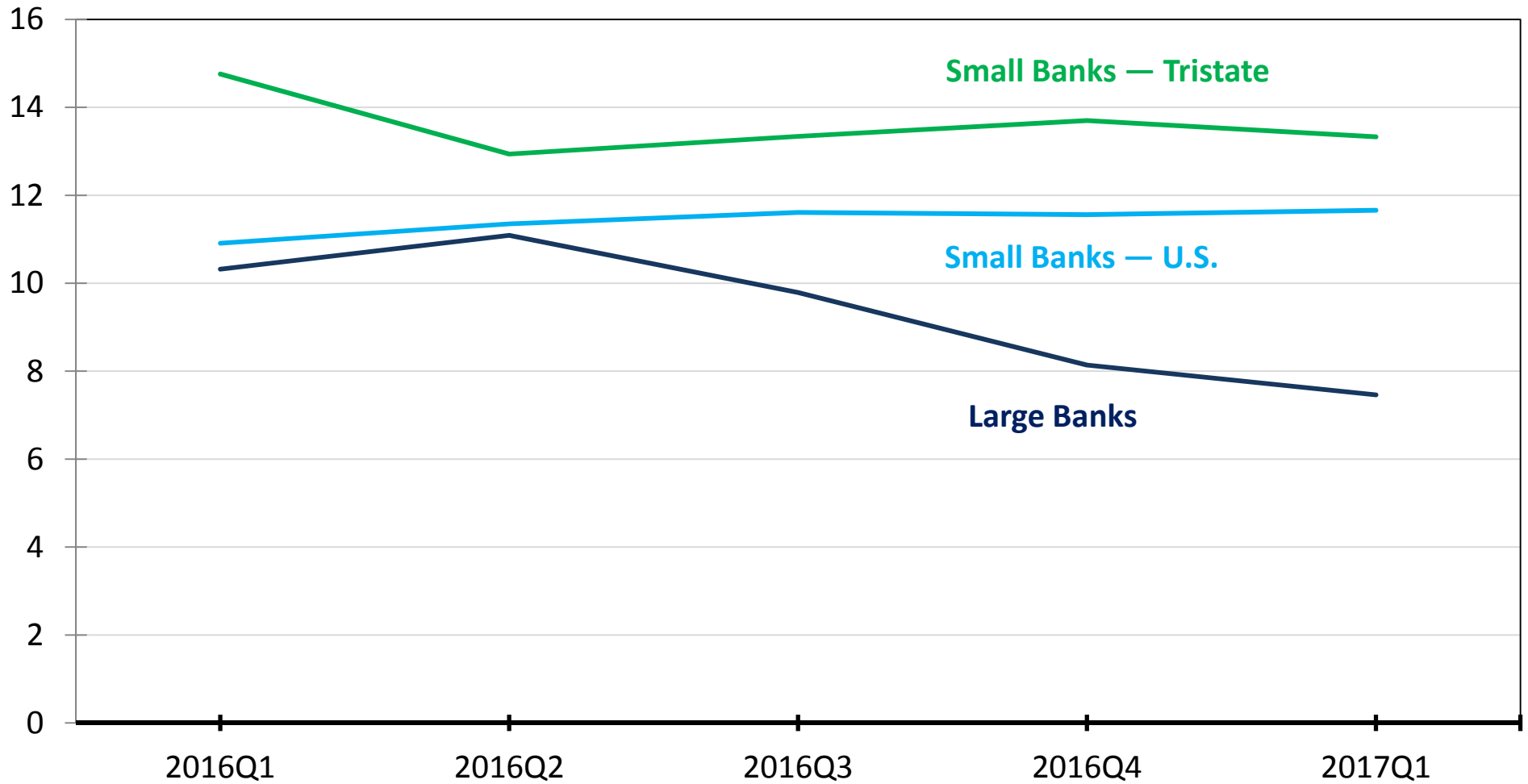
Rising profitability was significantly driven by declining noninterest expenses.

CHART 2

The Growth Rate of CRE Loans Slowed from a Torrid Pace at Large Banks

Annual growth rate of CRE loans.

Percent



At small banks, the growth rate of CRE loans remained high.

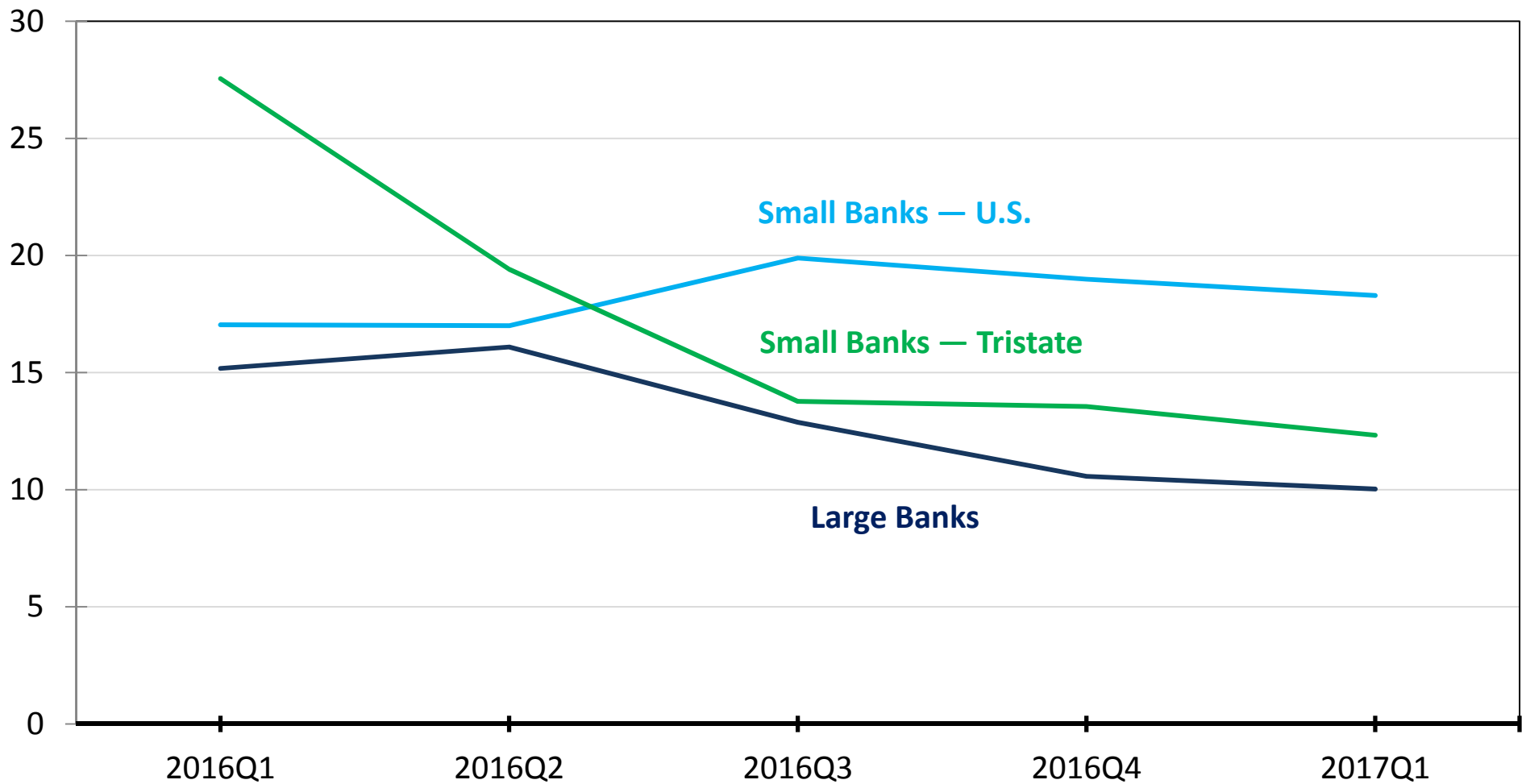


CHART 3

Multifamily Loans Slowed Markedly at Large Banks and Small Tristate Banks

Annual growth rate of multifamily loans.

Percent



Nonetheless, the rate of growth of multifamily loans remained high.

CHART 4

Construction Slowed from a Rapid Pace at Small Banks Across the Nation

Annual growth rate of construction loans.

Percent

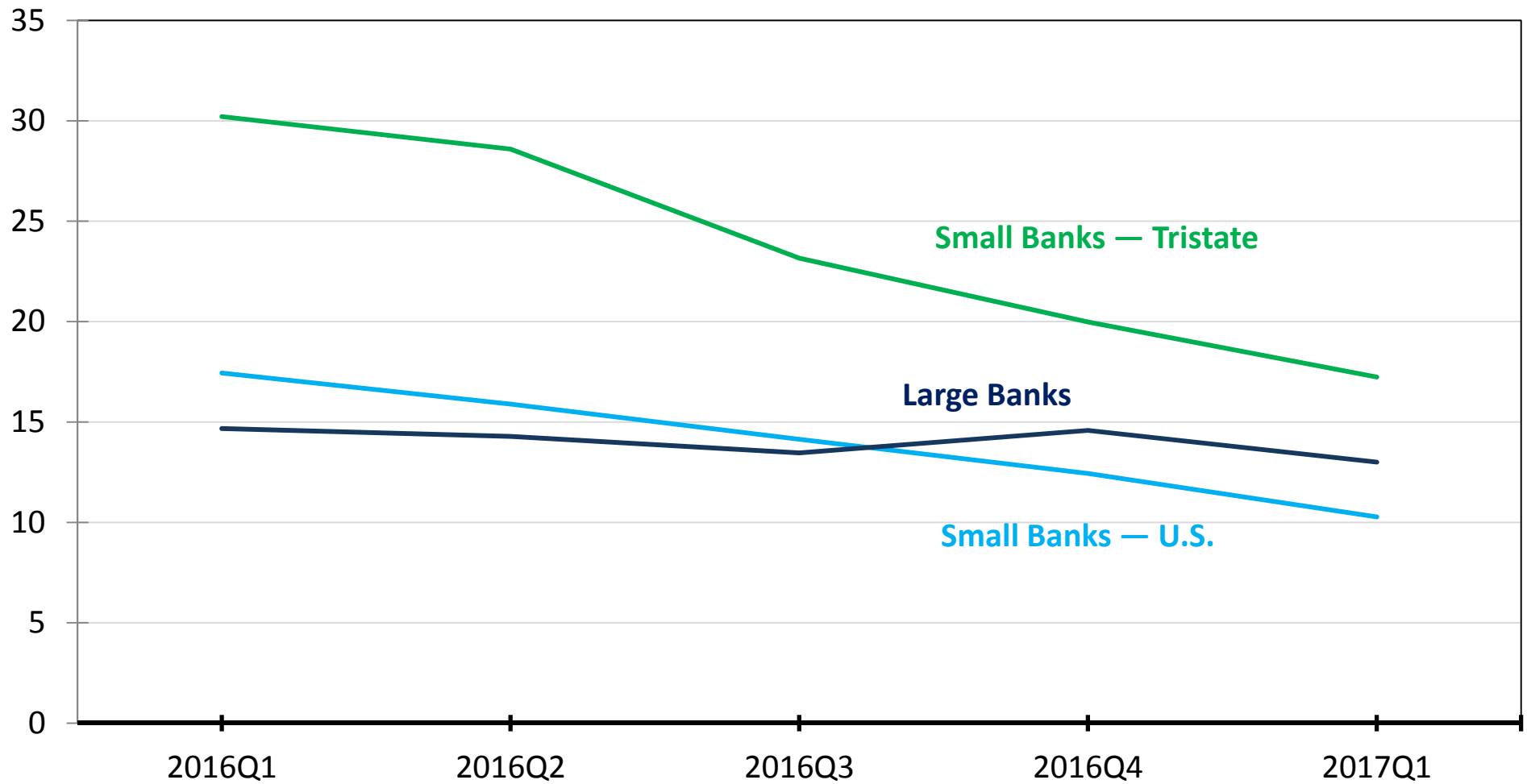


CHART 5

Growth of C&I Lending Has Slowed Significantly at Large Banks

Annual growth rate of C&I loans.

Percent

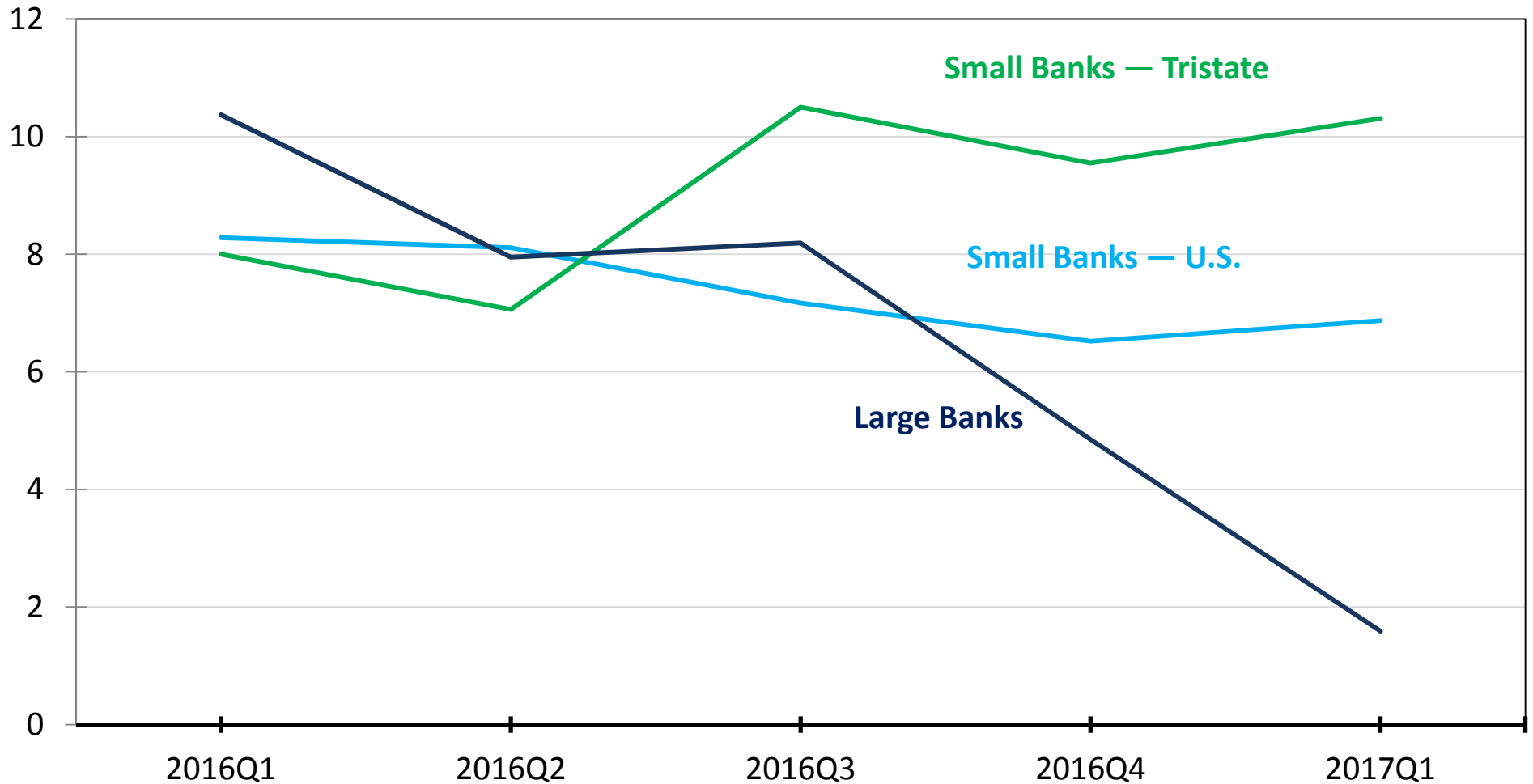
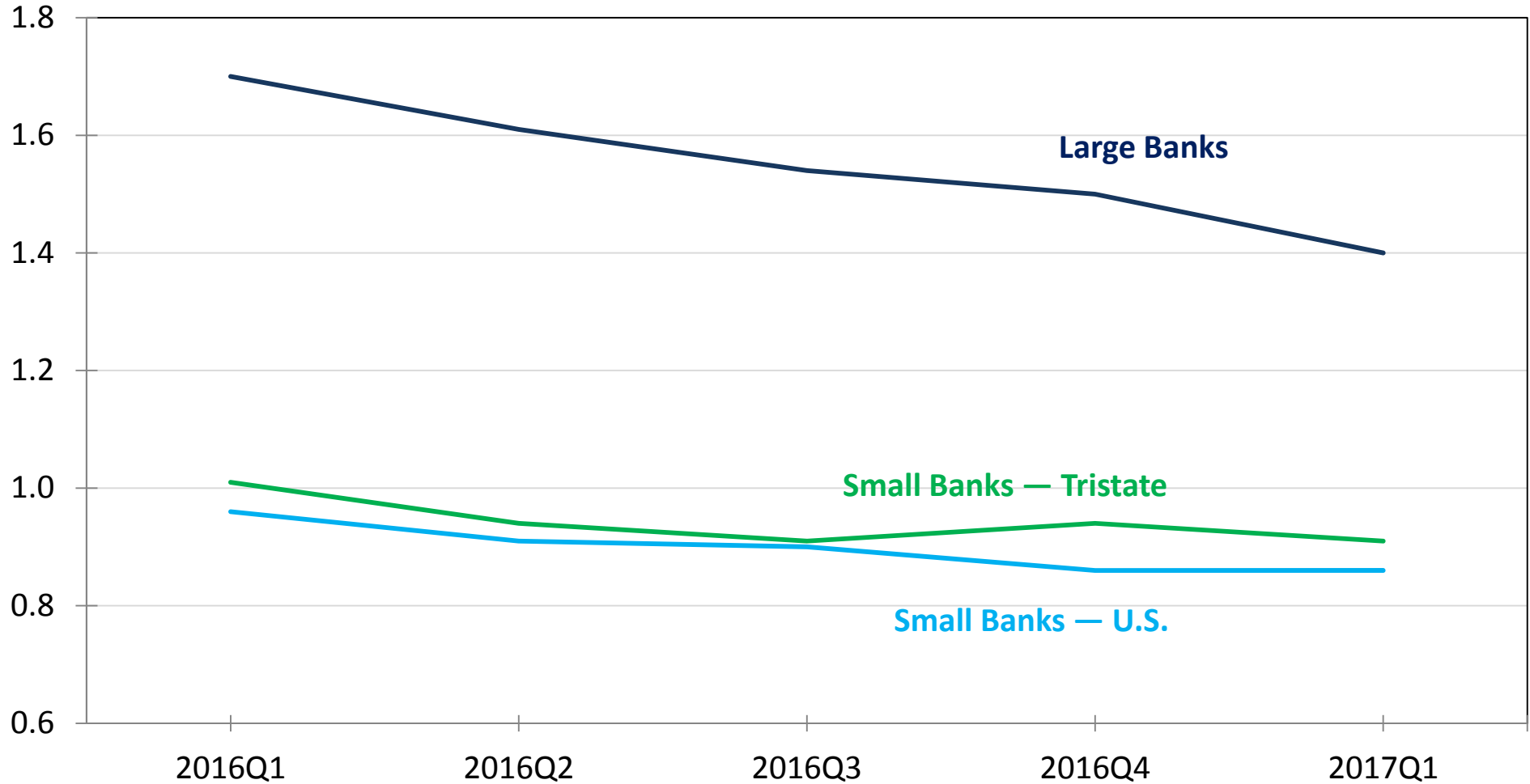


CHART 6

Nonperforming Loans Continued to Fall at All Banks

Annual growth rate of NPLs as a share of total loans.

Percent





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