



## Third Quarter 2017 Highlights

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

	Small Banks						Large Banks			
	U.S.			Tristate			U.S.			
	\$ Billion	% Change From		\$ Billion	% Change From		\$ Billion	% Change From		
	2017Q3	2017Q3	2016Q3	2017Q3	2017Q2	2016Q3	2017Q3	2017Q3	2016Q3	
Total Assets	2,218.8	5.18	5.85	131.9	6.97	7.75	Total Assets	13,042.0	3.62	2.04
Total Loans	1,541.0	7.49	8.12	97.9	7.41	10.39	Total Loans	6,719.7	3.38	2.49
C&I	235.9	3.32	7.33	13.0	3.77	8.98	C&I	1,609.8	1.69	1.53
Real Estate	1,136.7	8.10	8.90	76.5	6.93	10.24	Real Estate	3,055.4	2.16	2.11
Consumer	65.0	9.51	7.42	4.2	24.06	22.69	Consumer	953.8	5.41	2.29
Total Deposits	1,828.0	5.02	5.90	107.6	11.14	8.21	Total Deposits	9,954.2	2.87	2.36
<b>Ratios (in %)</b>	<b>2017Q3</b>	<b>2017Q3</b>	<b>2016Q3</b>	<b>2017Q3</b>	<b>2017Q2</b>	<b>2016Q3</b>	<b>Ratios (in %)</b>	<b>2017Q3</b>	<b>2017Q3</b>	<b>2016Q3</b>
Net Income/Avg. Assets (ROA)	1.05	1.03	1.05	0.97	0.94	0.89	Net Income/Avg. Assets (ROA)	1.03	1.03	0.97
Net Interest Inc./Avg. Assets (NIM)	3.35	3.33	3.31	3.19	3.16	3.12	Net Interest Inc./Avg. Assets (NIM)	2.52	2.48	2.42
Noninterest Inc./Avg. Assets	0.95	0.97	0.97	1.12	1.13	1.14	Noninterest Inc./Avg. Assets	1.53	1.55	1.56
Noninterest Exp./Avg. Assets	2.80	2.82	2.84	2.90	2.93	3.00	Noninterest Exp./Avg. Assets	2.38	2.38	2.38
Loans/Deposits	84.30	83.81	82.56	90.99	91.77	89.19	Loans/Deposits	67.51	67.42	67.42
Equity/Assets	11.22	11.14	11.13	10.90	10.77	10.76	Equity/Assets	11.15	11.15	11.04
Nonperforming Loans/Total Loans	0.81	0.83	0.90	0.82	0.86	0.91	Nonperforming Loans/Total Loans	1.23	1.27	1.54

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 138 small tristate banks, 4,407 small U.S. banks, and 105 large U.S. banks.



## **Recent Trends in Tristate and U.S. Banking Markets**

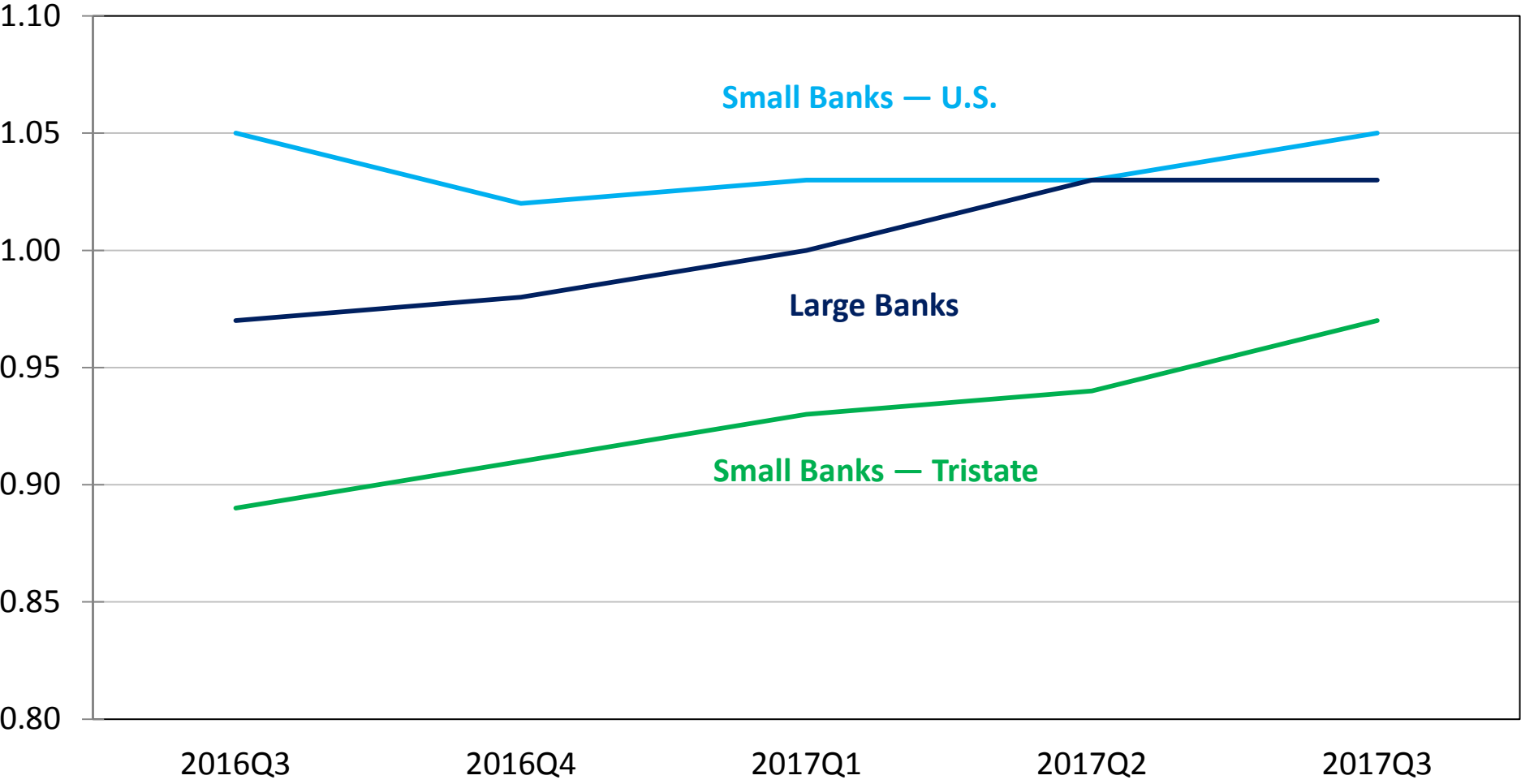
In the third quarter of 2017, profitability remained strong at all categories of banks across the nation, mainly driven by rising net interest margins. Loan growth slowed significantly at large banks but remained strong at small banks across the nation. Both commercial real estate (CRE) and commercial and industrial (C&I) lending slowed at large banks. Small banks' CRE lending continued to grow at double-digit rates, while C&I lending continued to grow at a healthy rate. Asset quality continued to strengthen at all categories of banks, although C&I nonperforming loans increased somewhat at small banks in the tristate region. After a dip at the end of 2016, capital ratios continued to increase moderately at all categories of banks.

# CHART 1

## Profitability Continued to Rise at Large Banks and Small Tristate Banks

Return on average assets.

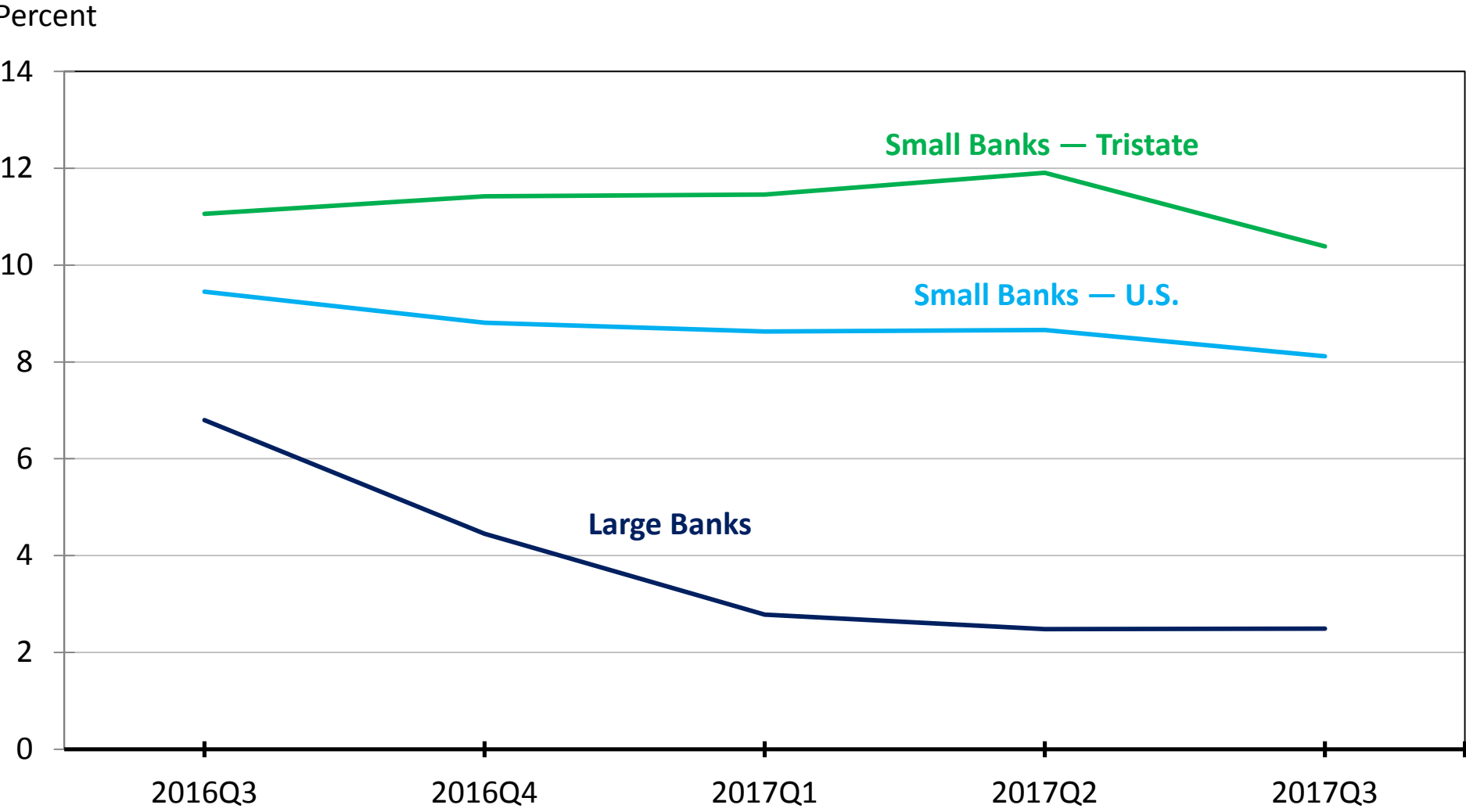
Percent



# CHART 2.a

## Loan Growth Declined at Large Banks but Remained at Healthy Levels at Small Banks

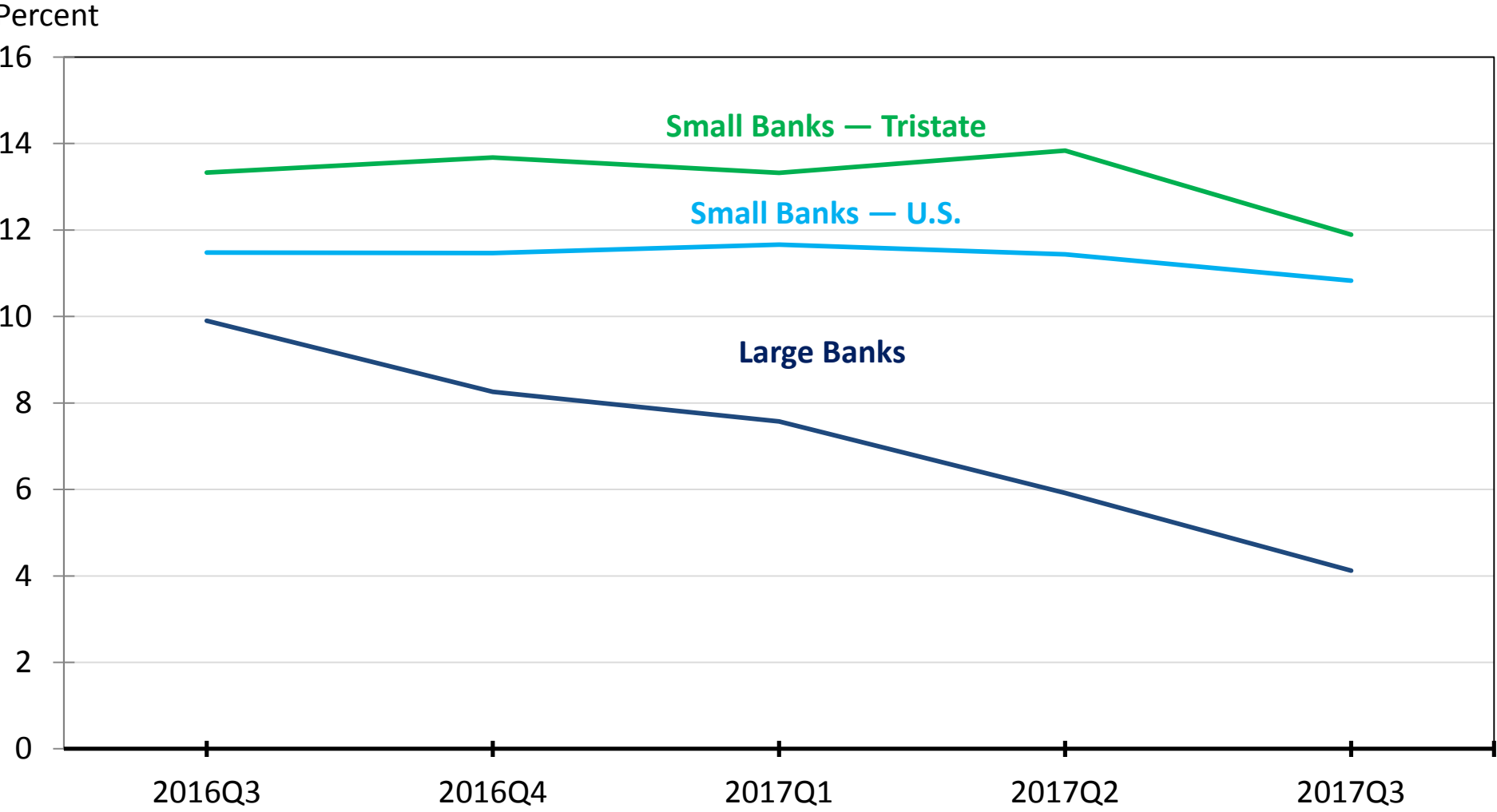
Annual growth rate of total loans.



The slowing of loan growth was mainly attributable to CRE loans.

# CHART 2.b

## Loan Growth Declined at Large Banks but Remained at Healthy Levels at Small Banks Annual growth rate of CRE loans.



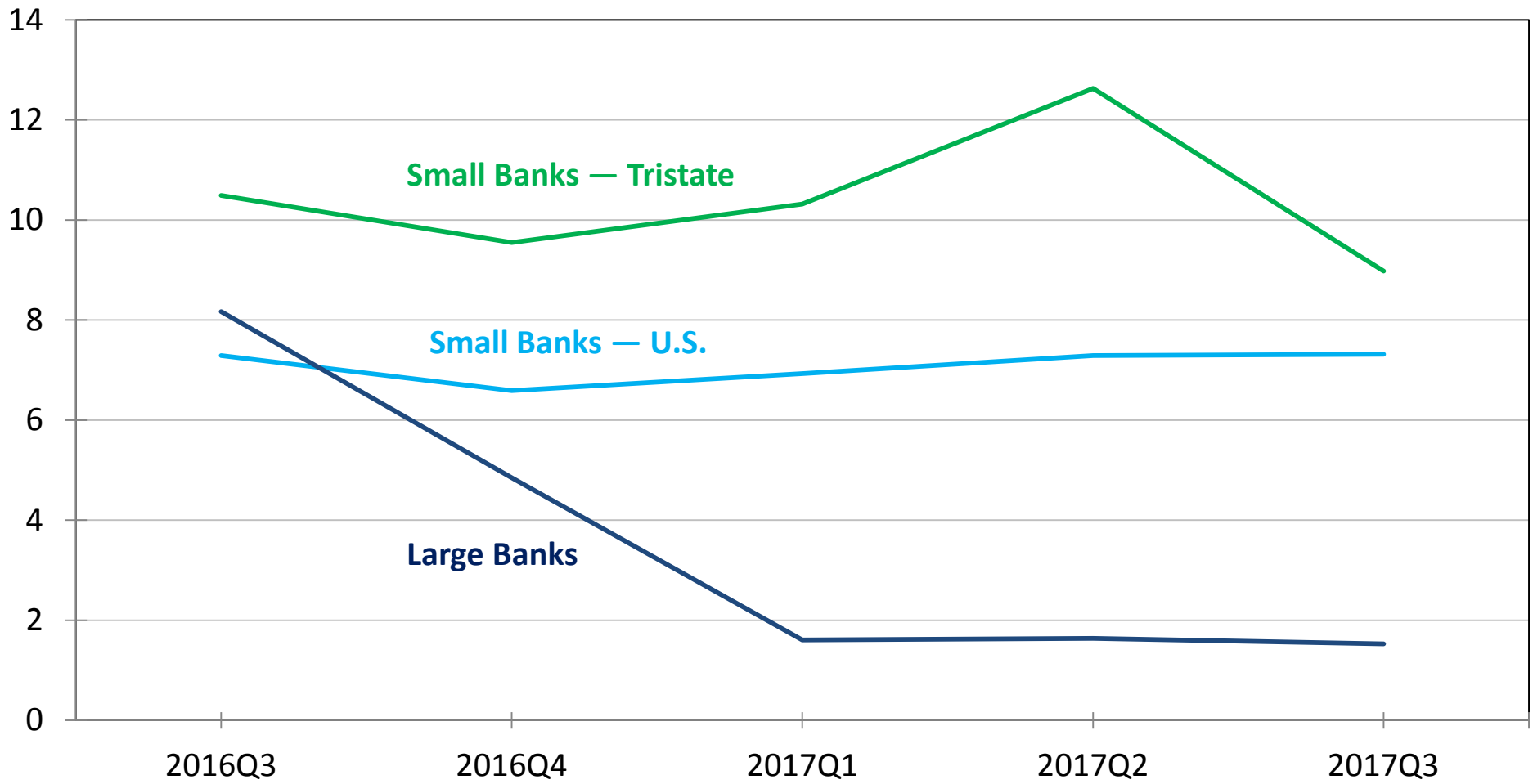
Multifamily loans at large banks continued to slow in the third quarter, and commercial mortgages at large banks were nearly flat.

# CHART 2.c

## Loan Growth Declined at Large Banks but Remained at Healthy Levels at Small Banks

Annual growth rate of C&I loans.

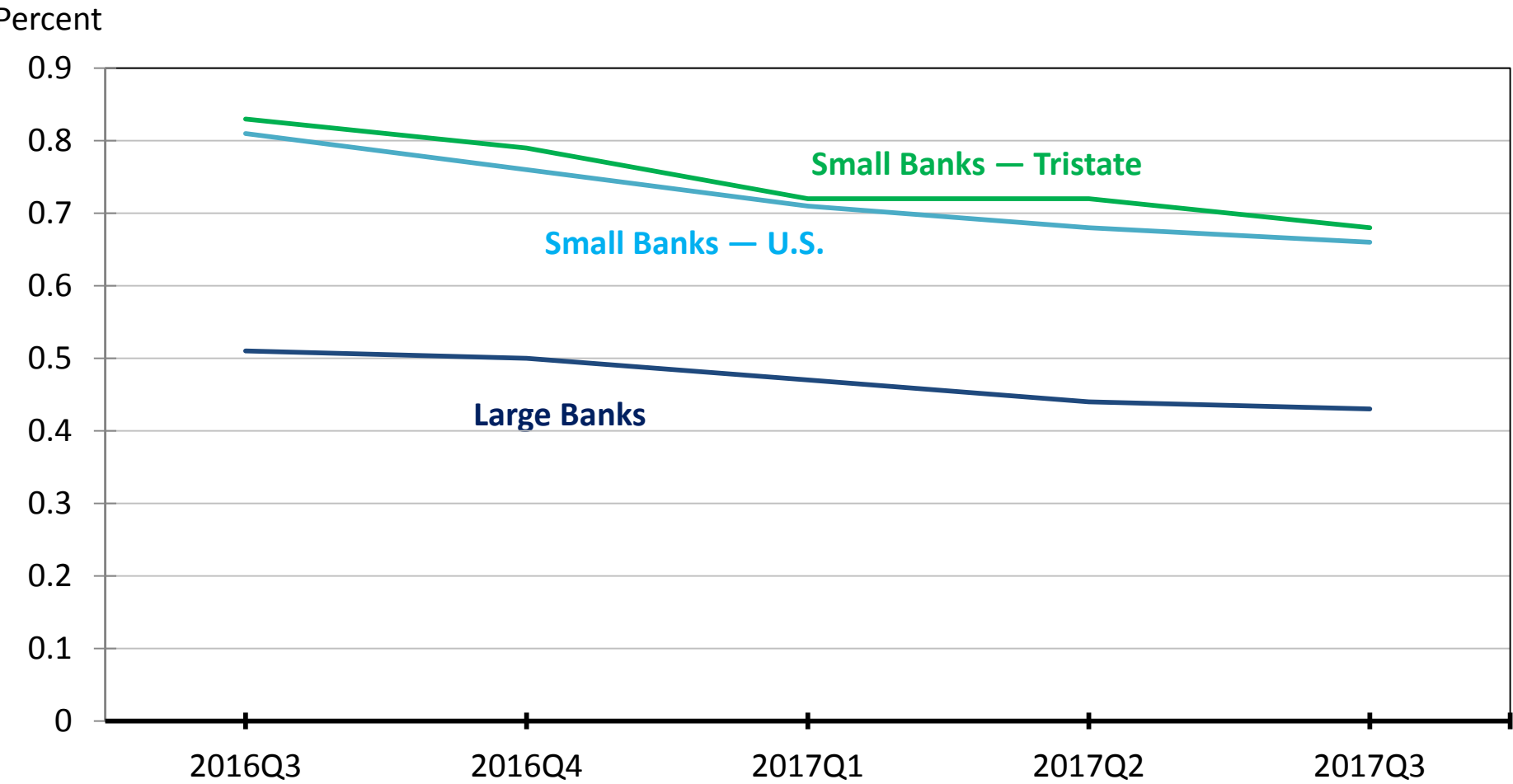
Percent



# CHART 3

## CRE Nonperforming Loans Decreased

Nonperforming CRE loans as a share of total CRE loans.



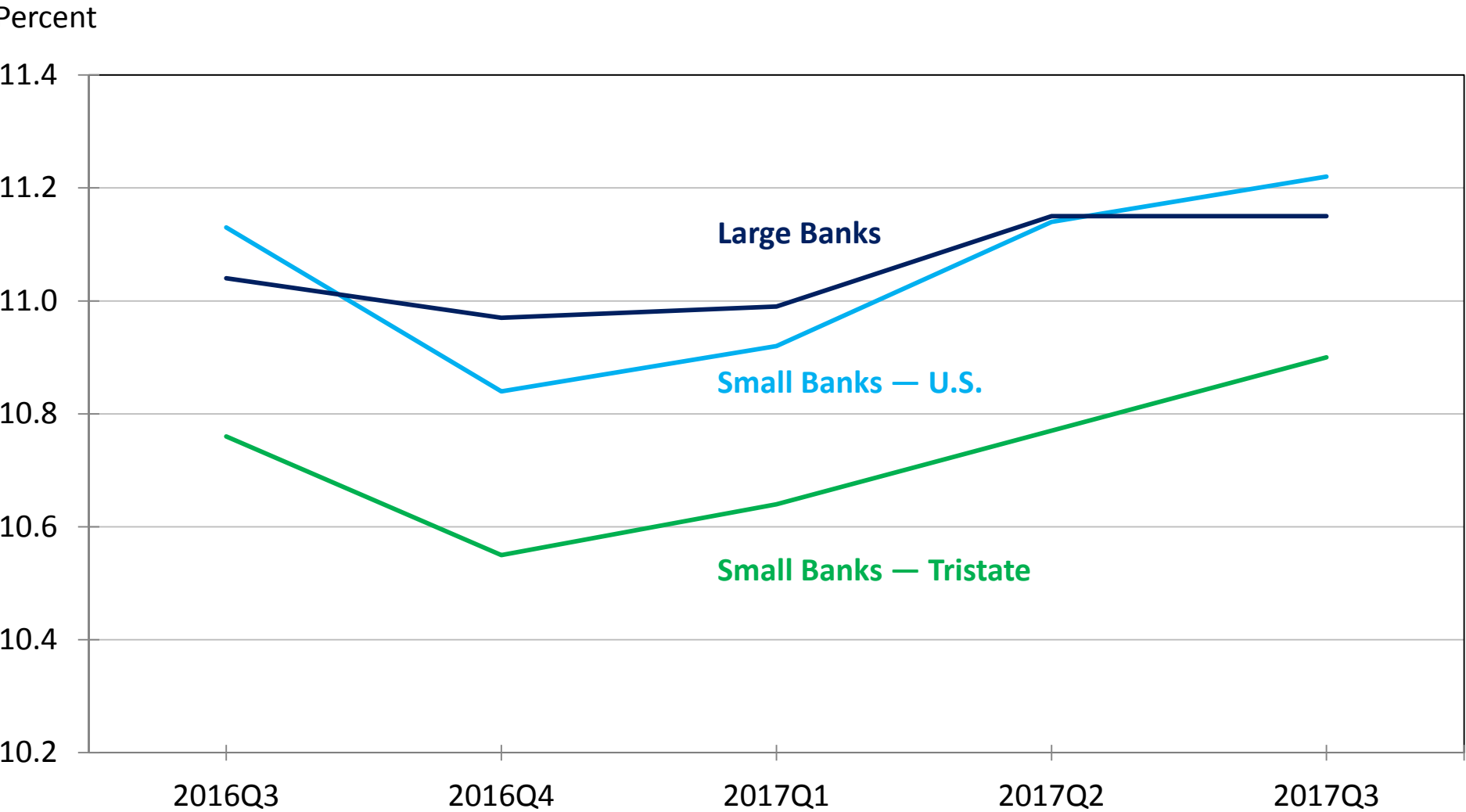
The NPL ratio for CRE loans continued to decrease at all categories of banks.



# CHART 4

## Capital Ratios Continued to Increase Moderately

Total equity as a share of total assets.





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