



Fourth Quarter 2017 Highlights

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

	Small Banks						Large Banks			
	U.S.			Tristate			U.S.			
	\$ Billion 2017Q4	% Change From 2017Q3	2016Q4	\$ Billion 2017Q4	% Change From 2017Q3	2016Q4	\$ Billion 2017Q4	% Change From 2017Q3	2016Q4	
Total Assets	2,218.6	6.94	6.04	134.6	8.29	6.77	Total Assets	13,149.4	2.16	3.18
Total Loans	1,543.6	8.19	8.30	100.0	9.04	9.46	Total Loans	6,825.1	4.69	3.56
C&I	238.9	12.51	8.38	13.6	16.80	10.85	C&I	1,629.3	3.90	3.45
Real Estate	1,137.4	8.05	8.71	77.8	6.67	8.52	Real Estate	3,095.2	2.44	2.43
Consumer	64.0	3.41	5.86	4.3	17.95	21.36	Consumer	978.7	10.15	3.57
Total Deposits	1,833.4	7.89	5.84	110.2	9.90	7.29	Total Deposits	10,104.1	4.92	3.42
Ratios (in %)	2017Q4	2017Q3	2016Q4	2017Q4	2017Q3	2016Q4	Ratios (in %)	2017Q4	2017Q3	2016Q4
Net Income/Avg. Assets (ROA)	1.00	1.04	1.01	0.86	0.97	0.91	Net Income/Avg. Assets (ROA)	0.92	1.03	0.98
Net Interest Inc./Avg. Assets (NIM)	3.38	3.35	3.31	3.19	3.19	3.13	Net Interest Inc./Avg. Assets (NIM)	2.55	2.52	2.44
Noninterest Inc./Avg. Assets	0.93	0.95	0.97	1.13	1.12	1.14	Noninterest Inc./Avg. Assets	1.52	1.53	1.55
Noninterest Exp./Avg. Assets	2.79	2.80	2.86	2.88	2.90	2.95	Noninterest Exp./Avg. Assets	2.43	2.38	2.37
Loans/Deposits	84.19	84.13	82.28	90.80	90.98	89.01	Loans/Deposits	67.55	67.58	67.46
Equity/Assets	11.08	11.19	10.81	10.79	10.90	10.54	Equity/Assets	11.08	11.15	10.98
Nonperforming Loans/Total Loans	0.75	0.81	0.87	0.74	0.81	0.94	Nonperforming Loans/Total Loans	1.22	1.23	1.49

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 136 small tristate banks, 4,354 small U.S. banks, and 106 large U.S. banks.

Recent Trends in Tristate and U.S. Banking Markets

In the fourth quarter of 2017, profitability declined at all banks, despite a rise in net interest income. The decline in profitability was due to a one-time decrease in net income following the tax law enacted on December 22, 2017. Asset growth slowed somewhat at large and small banks, but growth remained solid at small banks. At small banks, the growth of both residential real estate (RRE) and commercial real estate (CRE) lending remained strong, but growth was somewhat slower. At the same time, commercial and industrial (C&I) lending grew at a strong rate. At large banks, total loan growth was modest, despite a sharp drop in CRE lending. Asset quality continued to strengthen at all banks, but nonperforming consumer loans increased slightly at large banks. Capital ratios increased moderately at all categories of banks.

CHART 1

Profitability at Large and Small Banks Decreased Owing to a New Tax Law

Return on average assets.

Percent

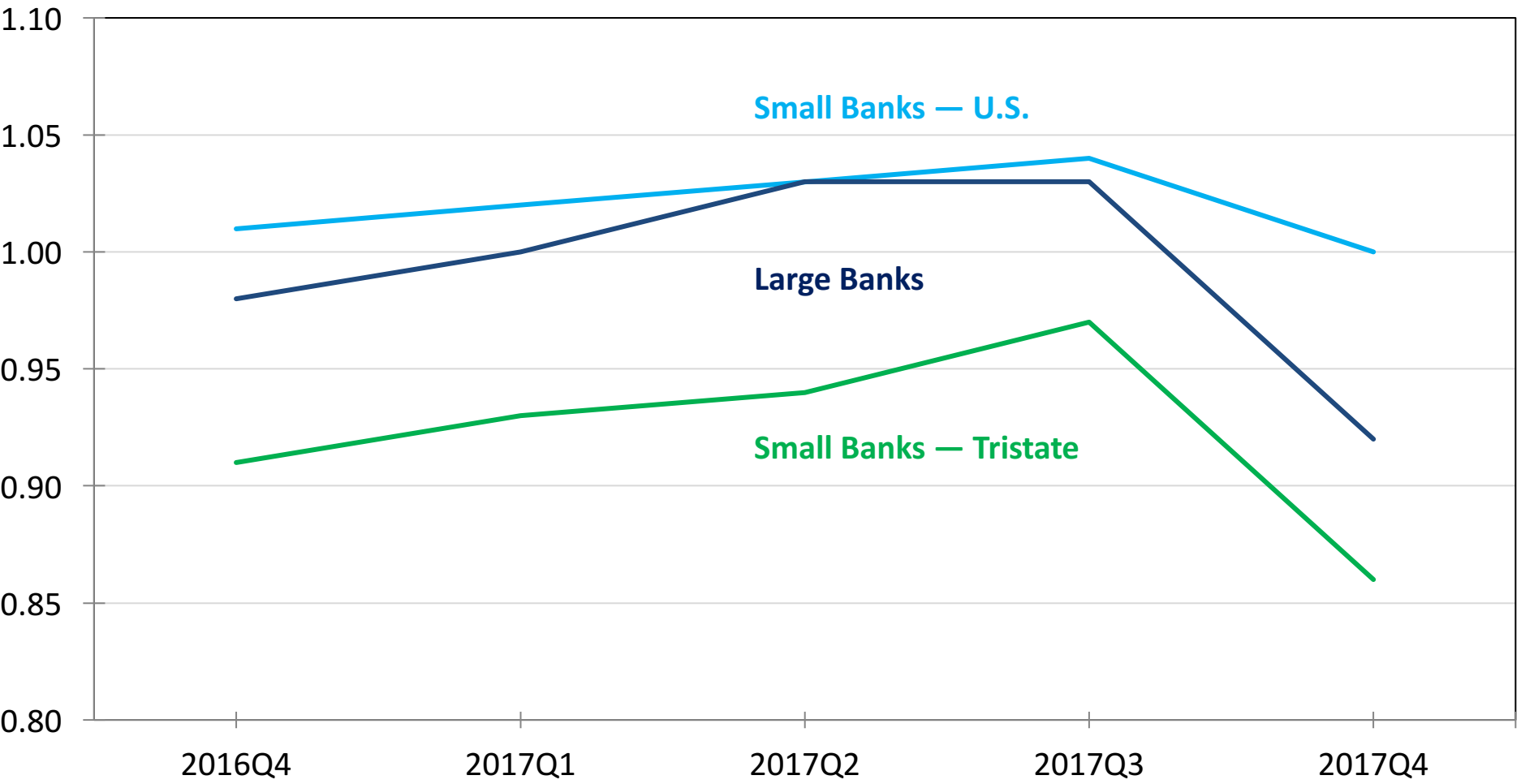


CHART 2

Asset Growth Slowed at Large Banks and Tristate Banks

Annual growth rate of total assets.

Percent

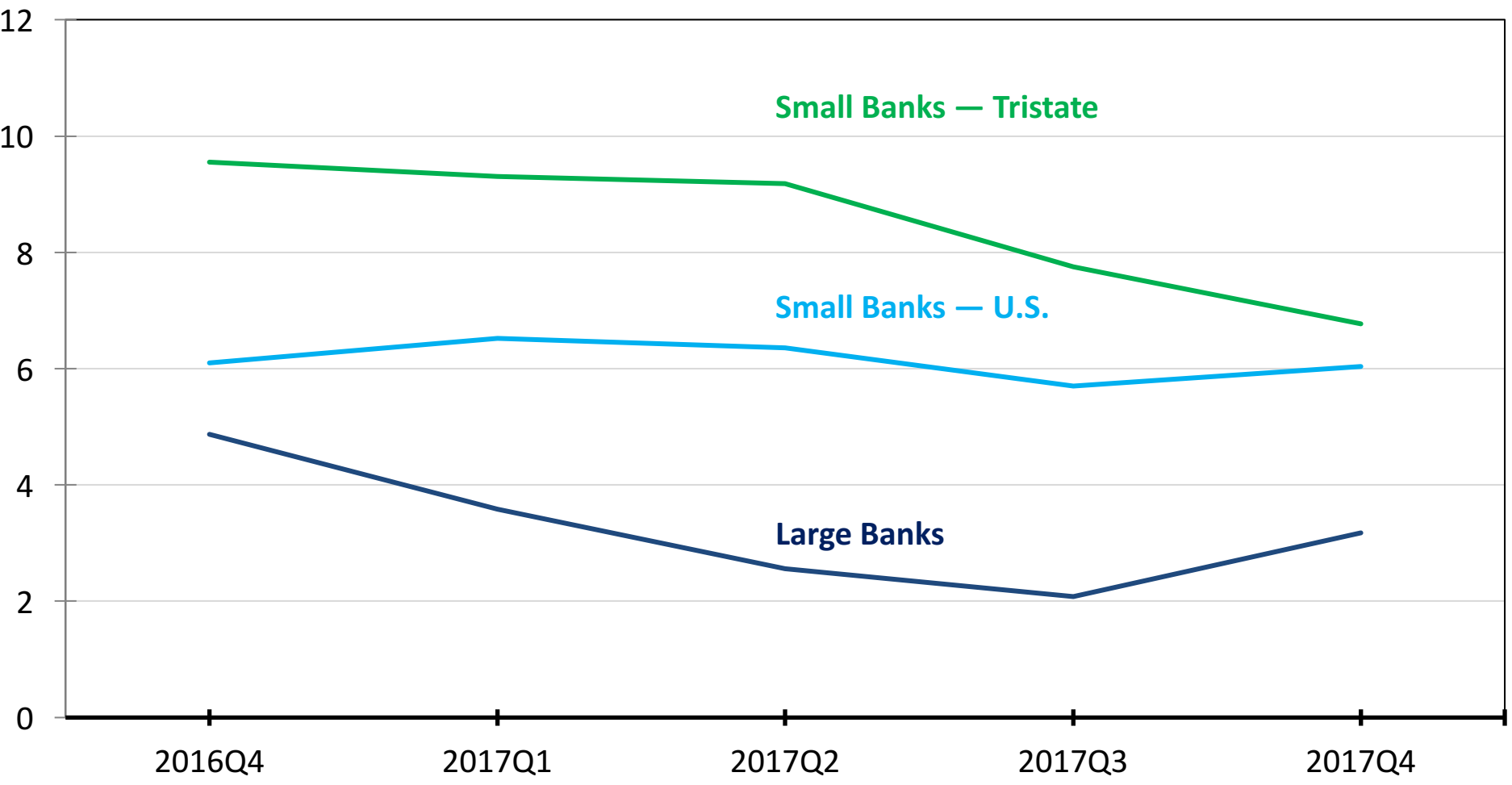


CHART 3

RRE Lending Slowed at All Banks but Stayed Healthy at Small Banks

Annual growth rate of RRE loans.

Percent

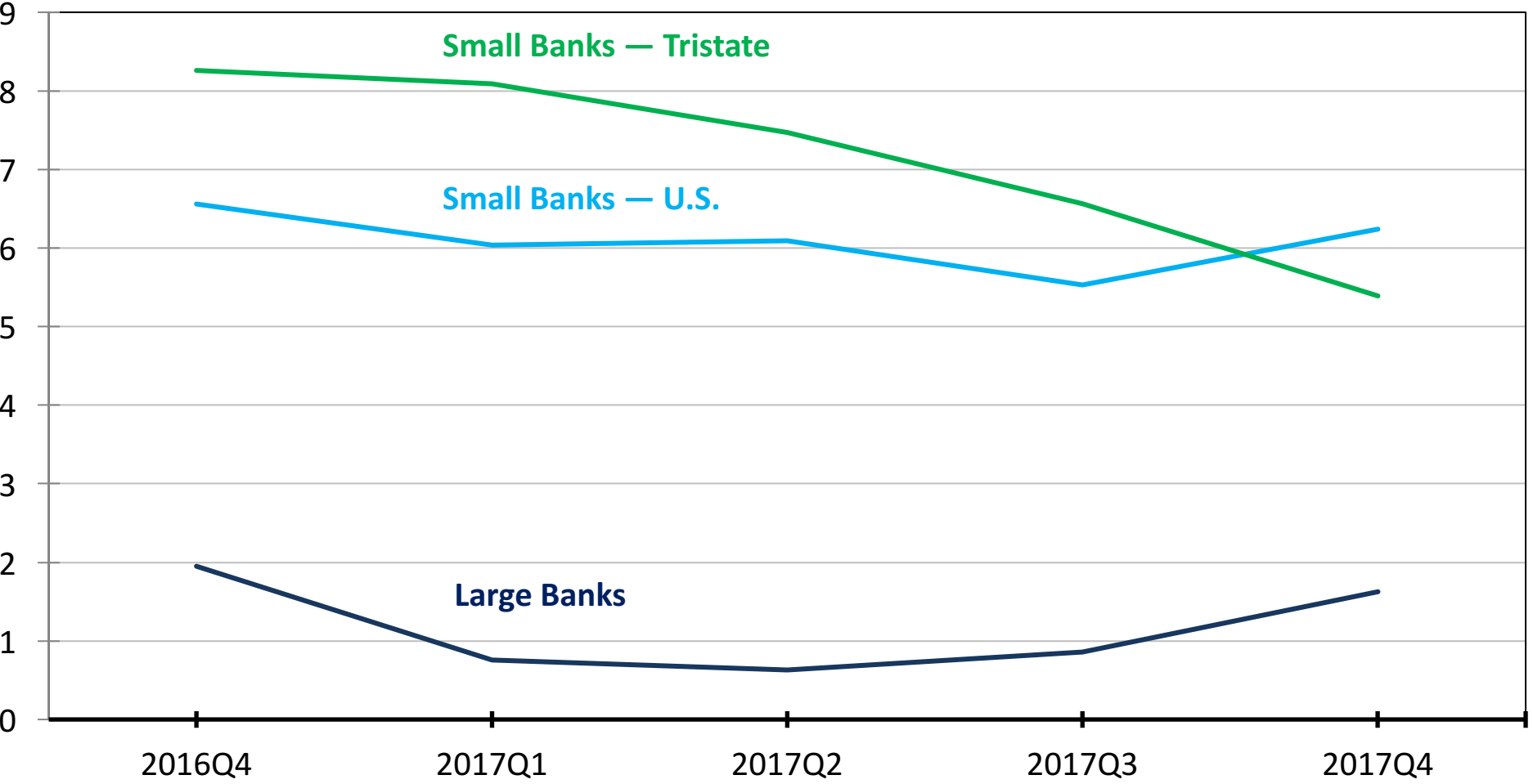
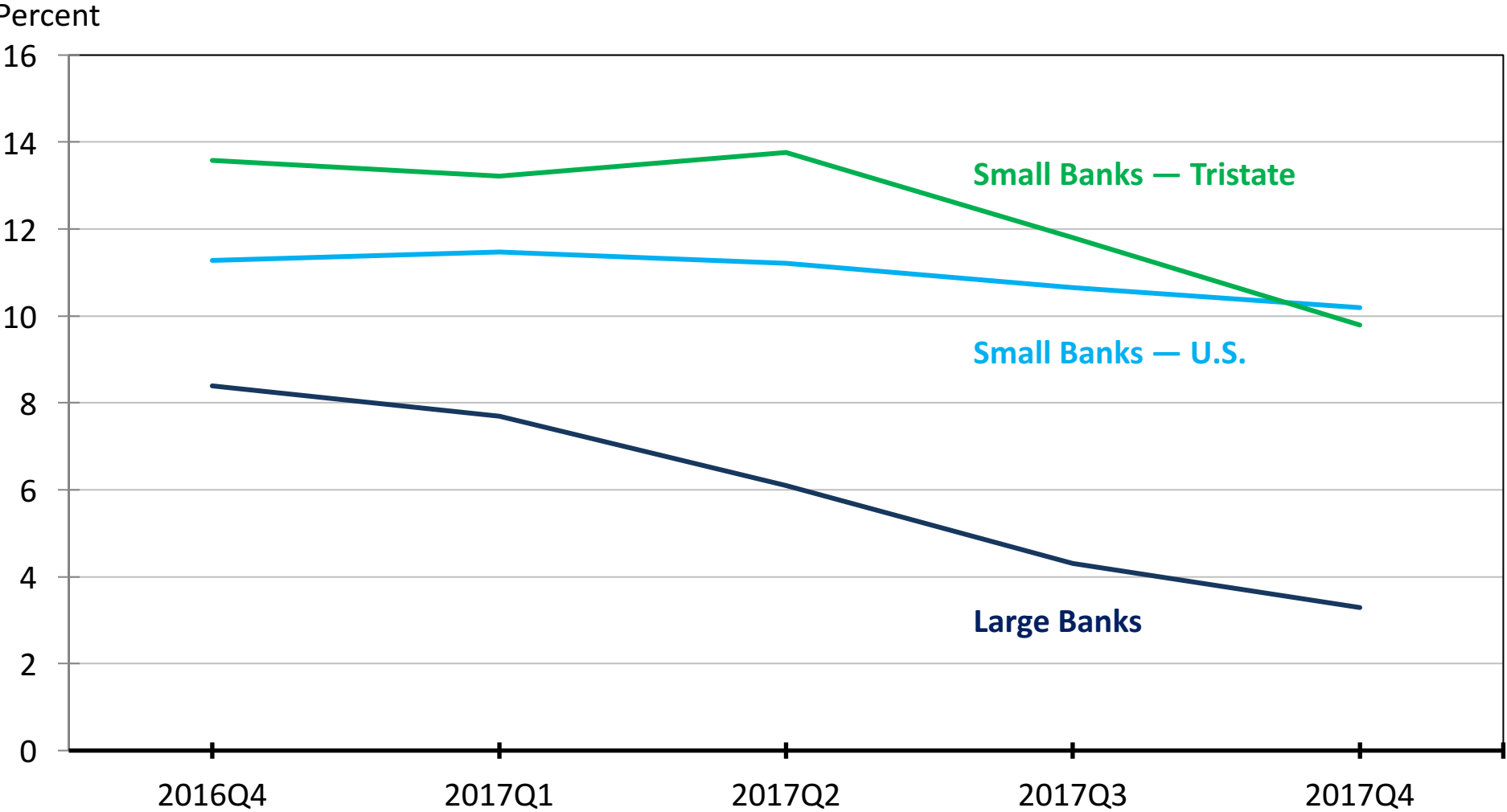


CHART 4

CRE Lending Slowed at All Banks but Remained Strong at Small Banks

Annual growth rate of CRE loans.



The slowing in CRE loans for large and small banks was due to a slowing of all categories of CRE loans with the exception of multifamily lending at small tristate banks.

CHART 5

Asset Quality Improved at All Banks

Nonperforming assets as a share of total assets.

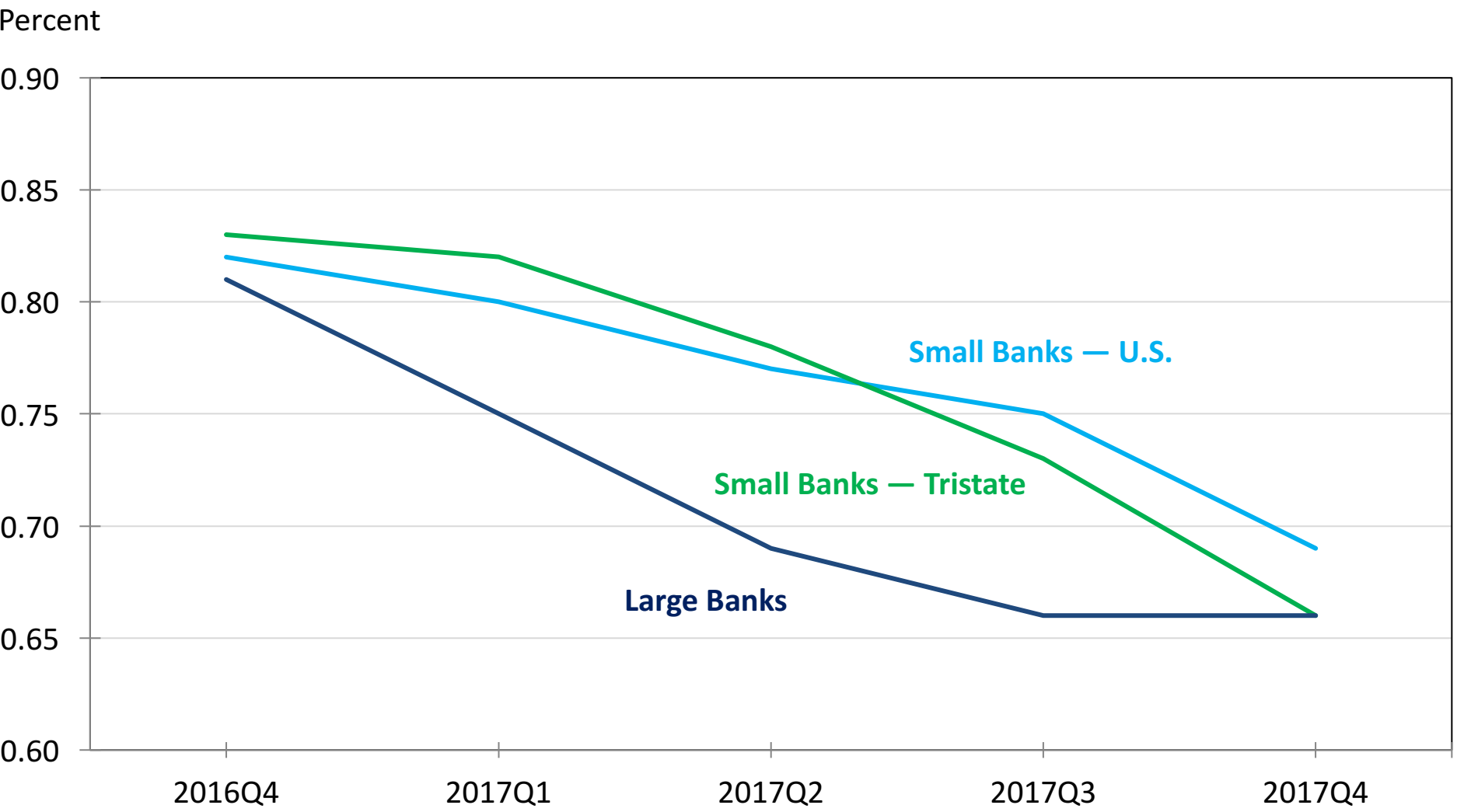
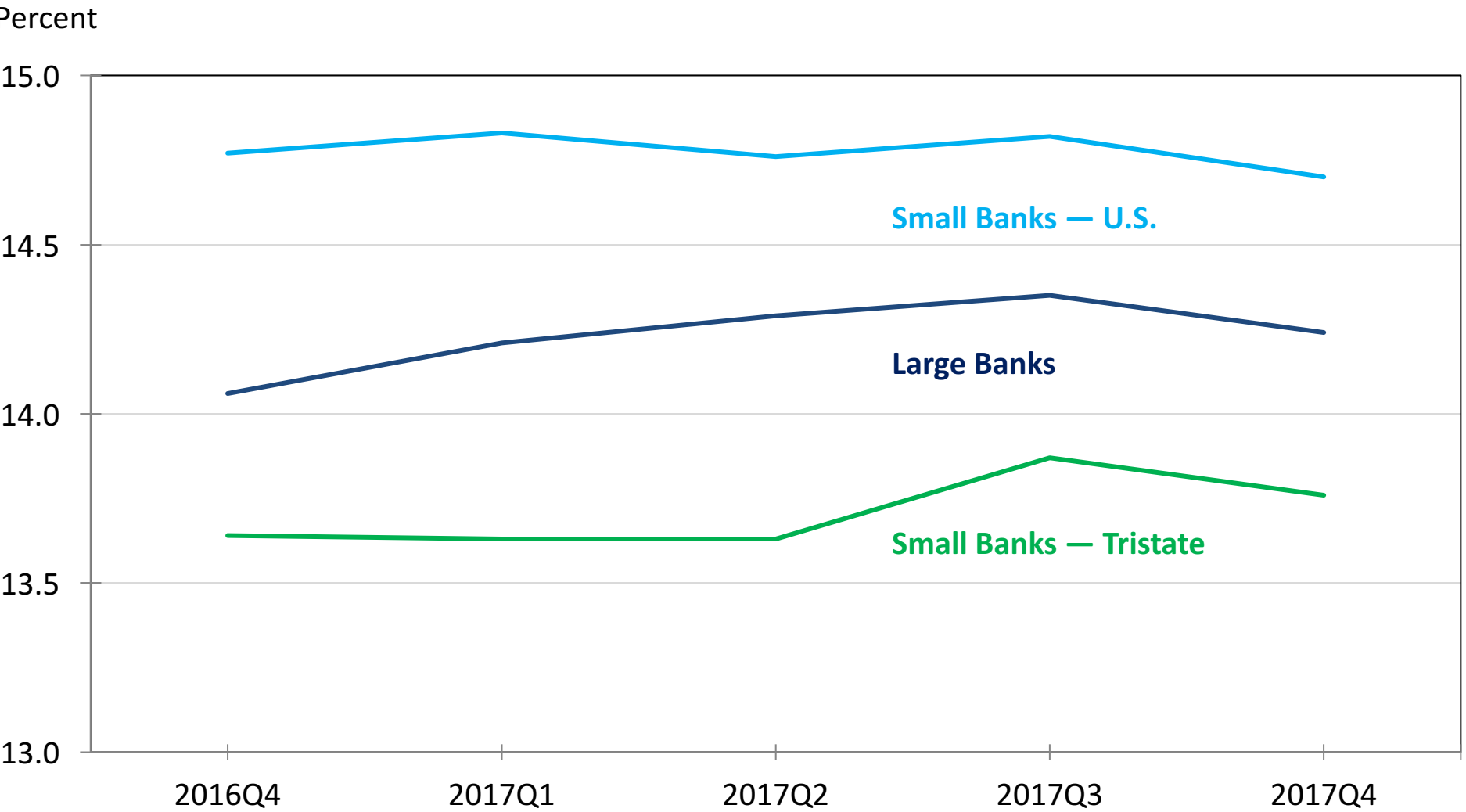


CHART 6

Capital Ratios Improved at Large Banks and Tristate Banks

Risk-based capital ratio.





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