



## Third Quarter 2019 Highlights

FEDERAL RESERVE BANK OF PHILADELPHIA  
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# Summary Table of Bank Structure and Conditions — Third Quarter 2019

	Small Banks						Large Banks			
	U.S.			Tristate			U.S.			
	\$ Billion	% Change From		\$ Billion	% Change From		\$ Billion	% Change From		
	2019Q3	2019Q2	2018Q3	2019Q3	2019Q2	2018Q3	19Q3	19Q2	18Q3	
Total Assets	2,363.0	7.73	6.92	162.0	9.70	8.19	Total Assets*	14,119.1	4.61	4.97
Total Loans	1,669.6	7.01	7.01	123.2	9.31	8.51	Total Loans*	7,424.4	3.22	4.59
C&I	256.1	4.52	8.23	17.4	17.14	16.27	C&I	1,819.1	0.13	7.28
Real Estate	1,233.6	7.02	6.84	91.7	4.56	5.17	Real Estate	3,226.2	1.92	1.99
Consumer	67.5	6.93	4.94	6.8	38.22	30.73	Consumer*	1,126.5	7.30	4.97
Total Deposits	1,950.3	8.13	6.62	132.5	12.79	7.96	Total Deposits	10,810.3	7.13	5.78
<b>Ratios (in %)</b>	<b>2019Q3</b>	<b>2019Q2</b>	<b>2018Q3</b>	<b>2019Q3</b>	<b>2019Q2</b>	<b>2018Q3</b>	<b>Ratios (in %)</b>	<b>19Q3</b>	<b>19Q2</b>	<b>18Q3</b>
Net Income/Avg. Assets (ROA)	1.26	1.25	1.13	1.14	1.13	1.01	Net Income/Avg. Assets (ROA)	1.26	1.31	1.10
Net Interest Inc./Avg. Assets (NIM)	3.50	3.49	3.45	3.20	3.21	3.22	Net Interest Inc./Avg. Assets (NIM)	2.73	2.74	2.65
Noninterest Inc./Avg. Assets	0.92	0.90	0.95	1.05	1.04	1.10	Noninterest Inc./Avg. Assets	1.48	1.48	1.53
Noninterest Exp./Avg. Assets	2.80	2.79	2.81	2.74	2.74	2.78	Noninterest Exp./Avg. Assets	2.40	2.39	2.45
Loans/Deposits	85.61	85.83	85.29	92.96	93.69	92.49	Loans/Deposits	68.68	69.32	68.53
Equity/Assets	11.86	11.78	11.26	11.13	11.15	10.83	Equity/Assets	11.23	11.40	11.12
Nonperforming Loans/Total Loans	0.71	0.71	0.73	0.62	0.63	0.66	Nonperforming Loans/Total Loans	0.87	0.89	0.99

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, 2018, 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, 2018.

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, 2018, including assets of only their commercial bank subsidiaries.

U.S. excludes tristate banks.

The sample includes 123 small tristate banks, 4,042 small U.S. banks, and 102 large U.S. banks.

\*Data for Large Banks were adjusted due to an internal merger at one institution during the second quarter in which credit card loans previously held at a nonbanking subsidiary were brought onto the bank's balance sheet, thus making assets, loans, and consumer loans appear to grow at an extremely and artificially high rate.



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

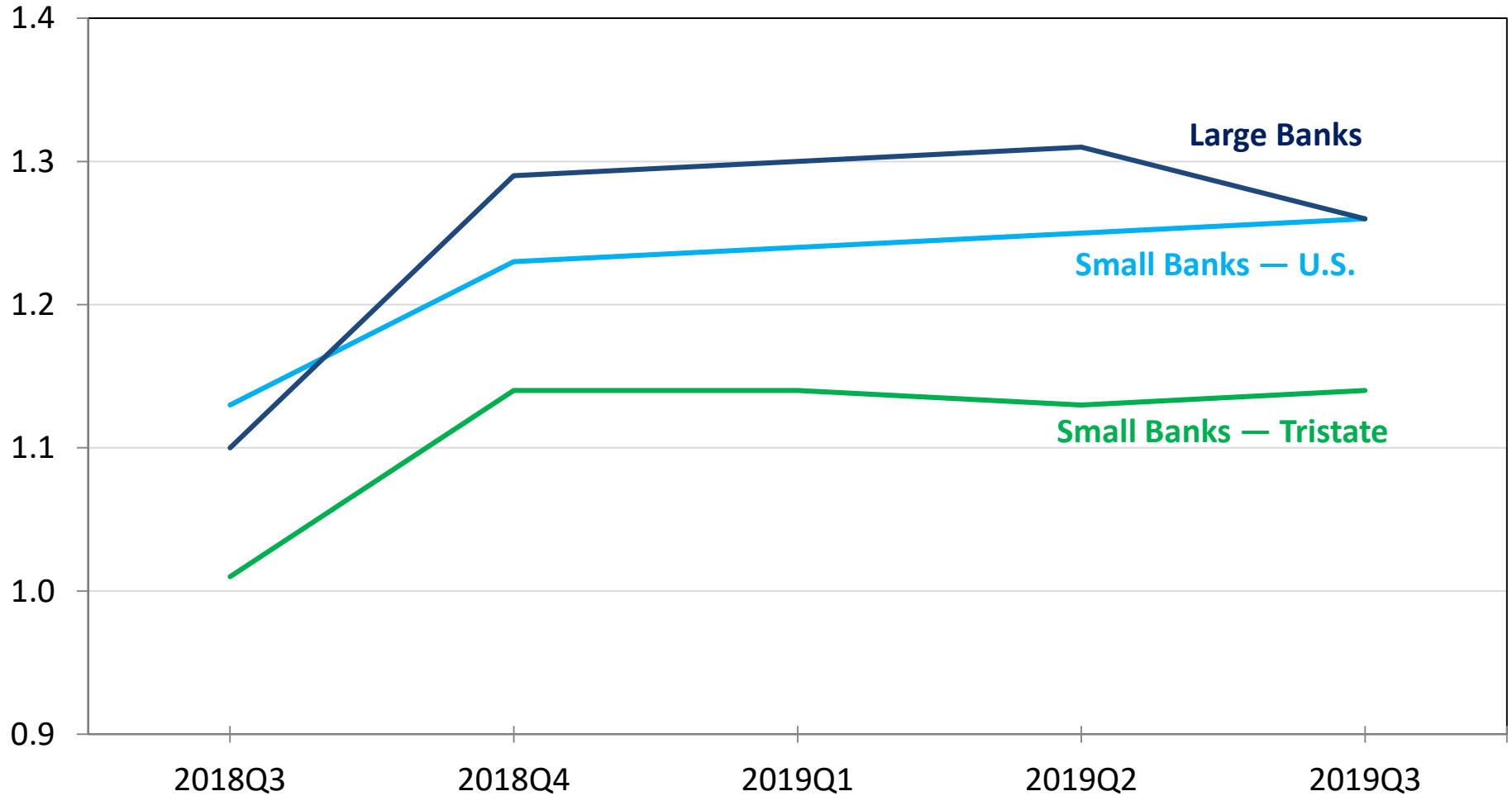
In the third quarter of 2019, profitability continued to increase at all banks despite falling market interest rates. Gains on securities were a significant contributor to income growth. Loans continued to grow briskly. At Tristate banks, C&I loan growth was particularly strong; at small banks outside the Tristate area, CRE loans continued to grow; and at large banks, consumer lending led the way. Loan quality remained good as nonperforming loans continued to shrink, although large banks did report an increase in nonperforming C&I loans. Large banks have been increasing their loan-loss provisions in anticipation of some losses in their C&I loan portfolio.

Annual growth rates for assets, loans, and consumer loans at large banks were adjusted due to an internal merger at one institution during the second quarter in which credit card loans previously held at a nonbanking subsidiary were brought onto the bank's balance sheet, thus making assets, loans, and consumer loans appear to grow at an extremely and artificially high rate. Thus, we subtracted all credit card loans as reported by the bank out of these totals, and substituted credit card loans for the entire holding company as reported on its FR Y-9C consolidated financial statements for holding companies. The actual growth numbers for large banks were: Assets – 5.72 percent annually, Loans – 6.00 percent annually, Consumer Loans – 15.16 percent annually.

CHART 1

# Profitability Remained High at All Categories of Banks in Part due to Increased Realized Gains on Securities

Percent



# CHART 2 Growth of Loans Remained Strong

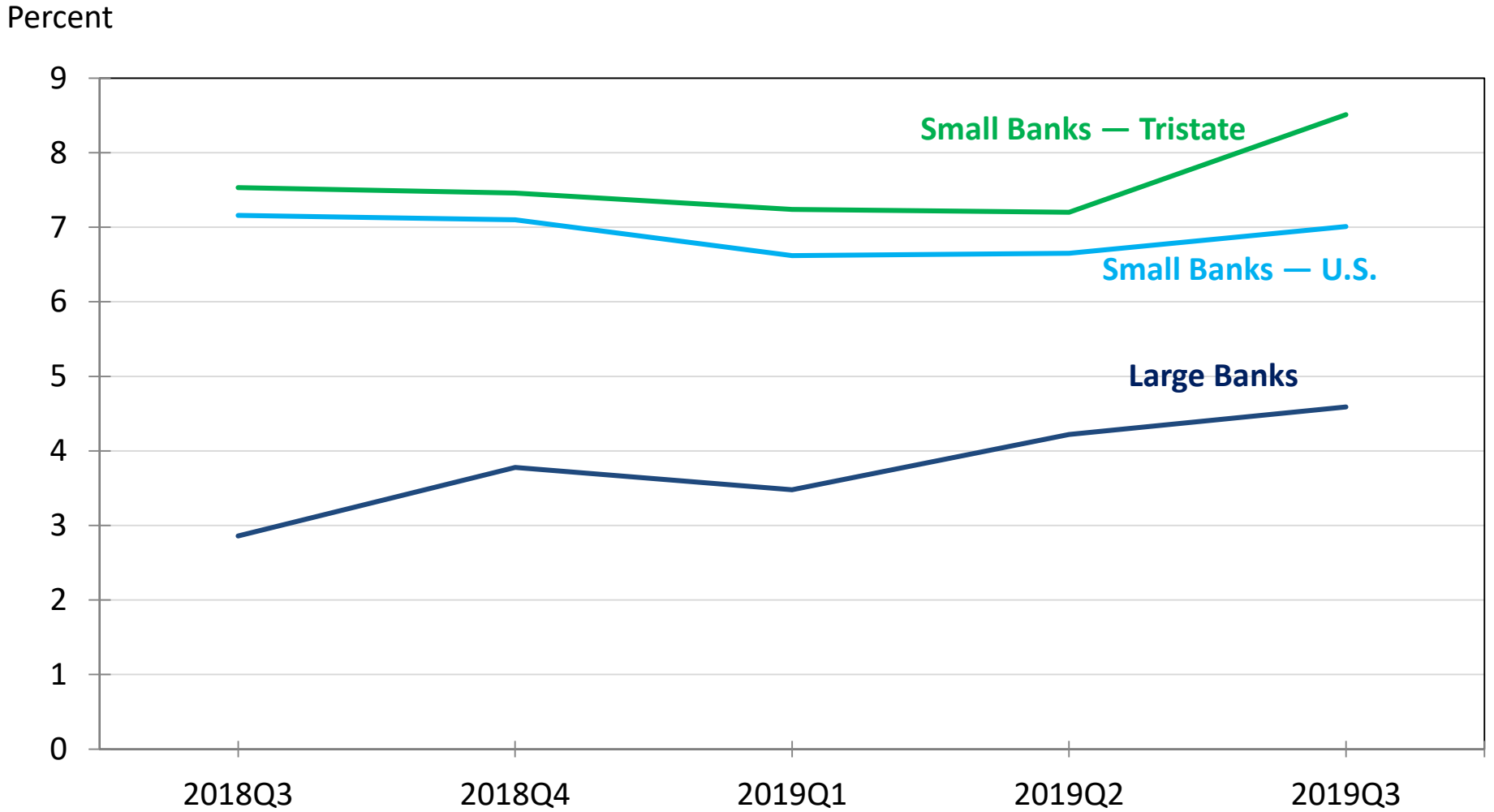
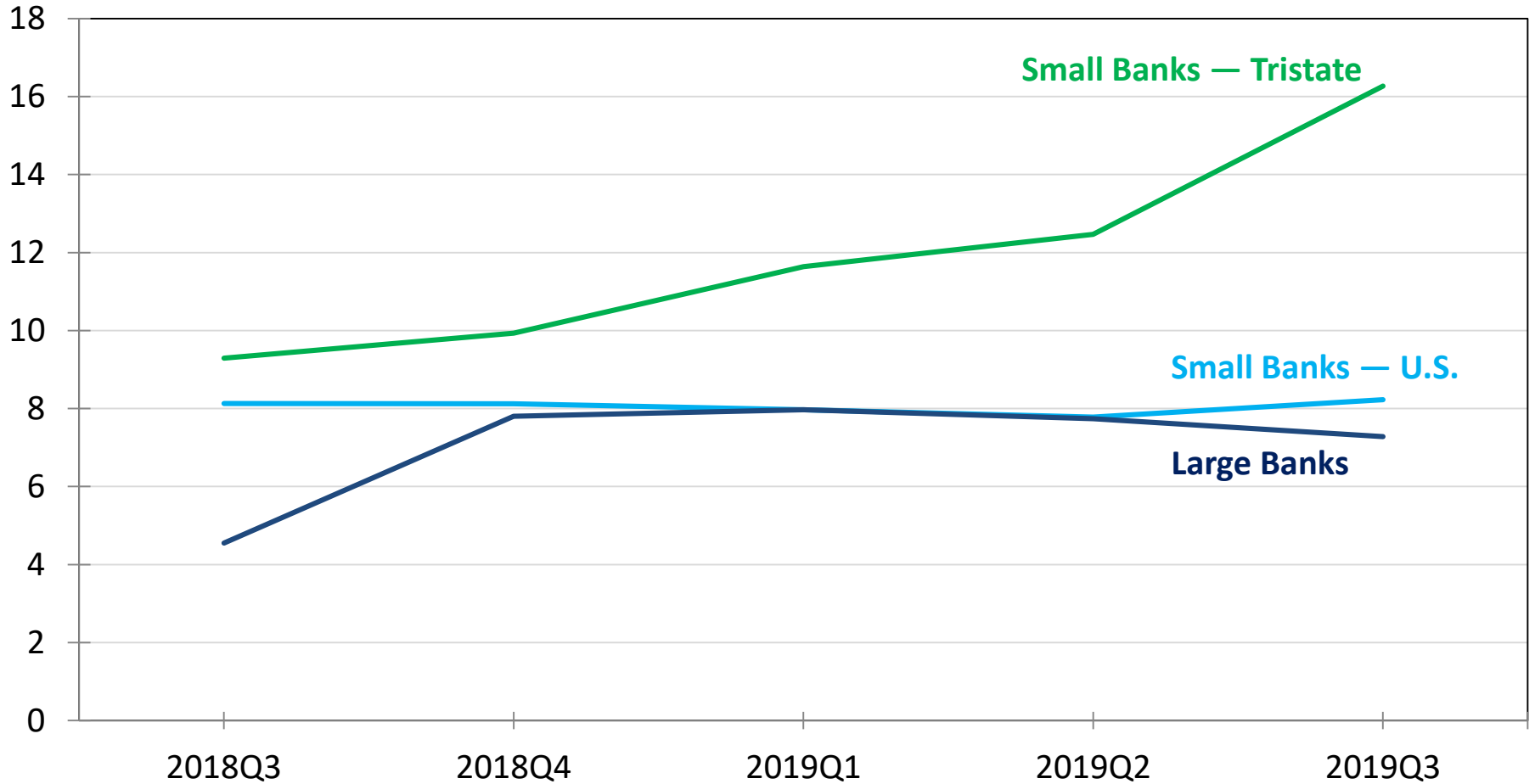


CHART 3

# Commercial & Industrial Loans Continued to Grow at a Brisk Pace at Tristate banks

Percent



**CHART 4**  
**Strong Growth of CRE Loans at Small Banks Outside of the Tristate Area, Elsewhere They Grew Steadily**

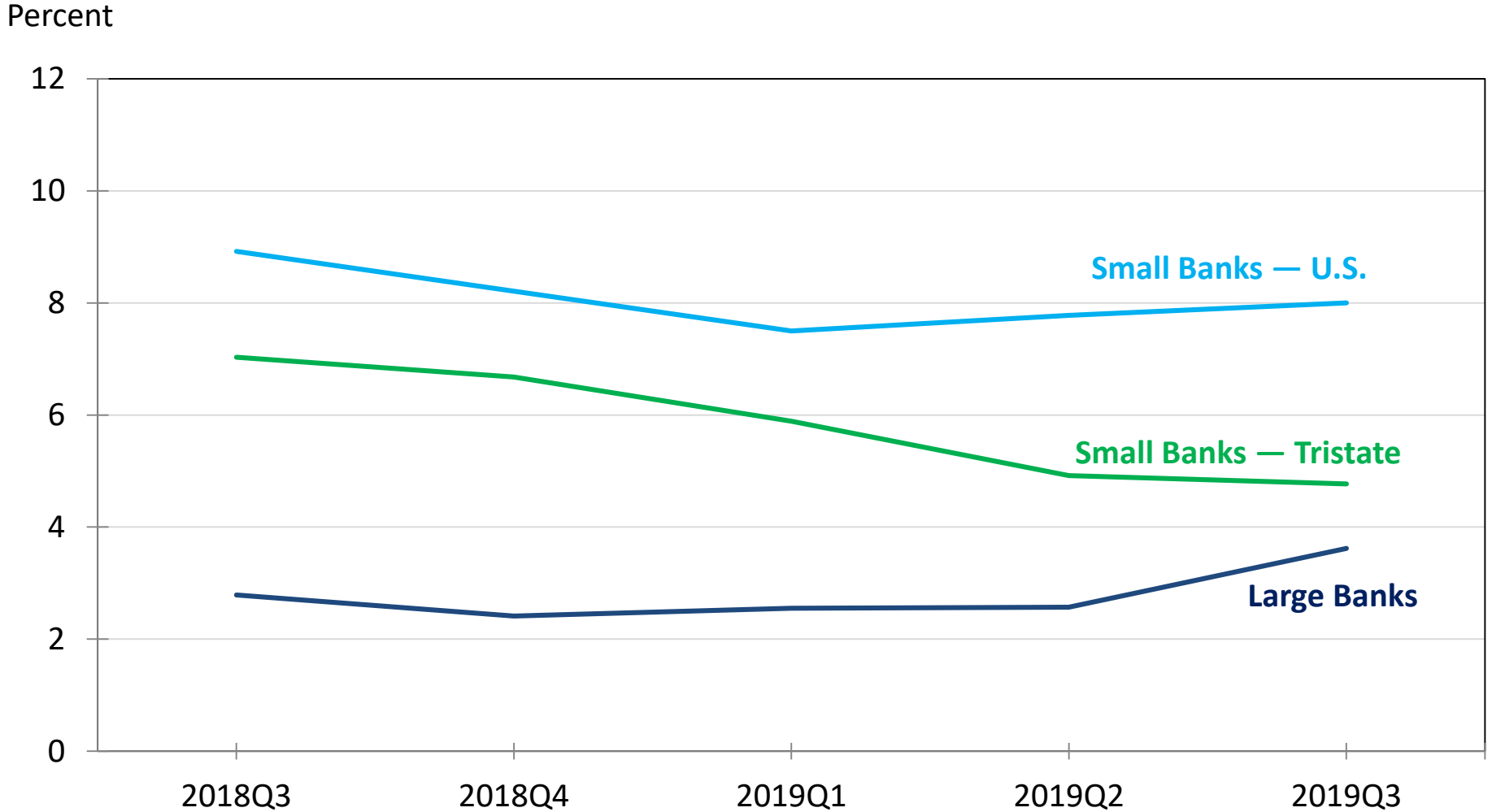
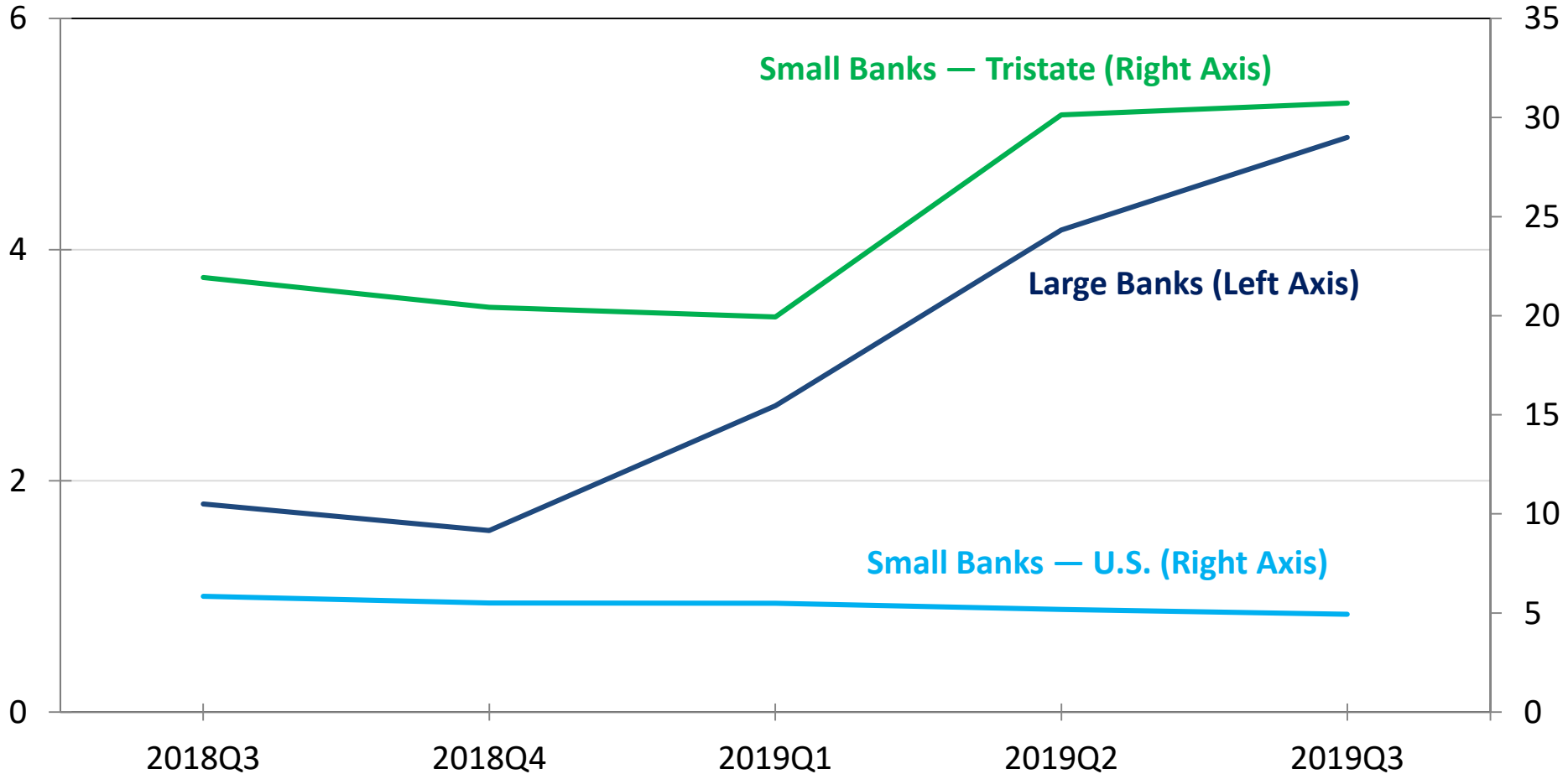


CHART 5

# Consumer Loan Growth Picked Up at Large Banks\*

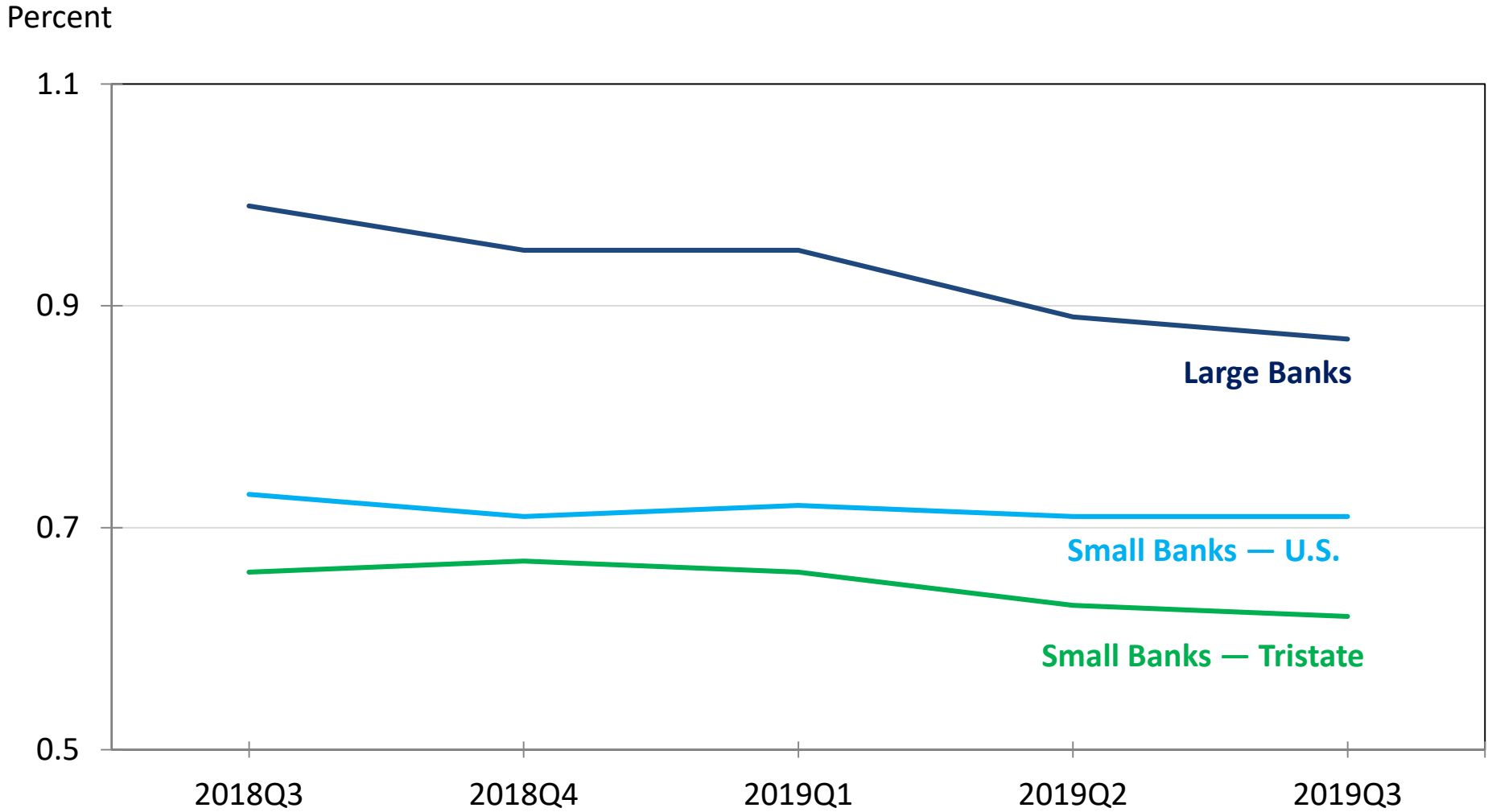
Percent



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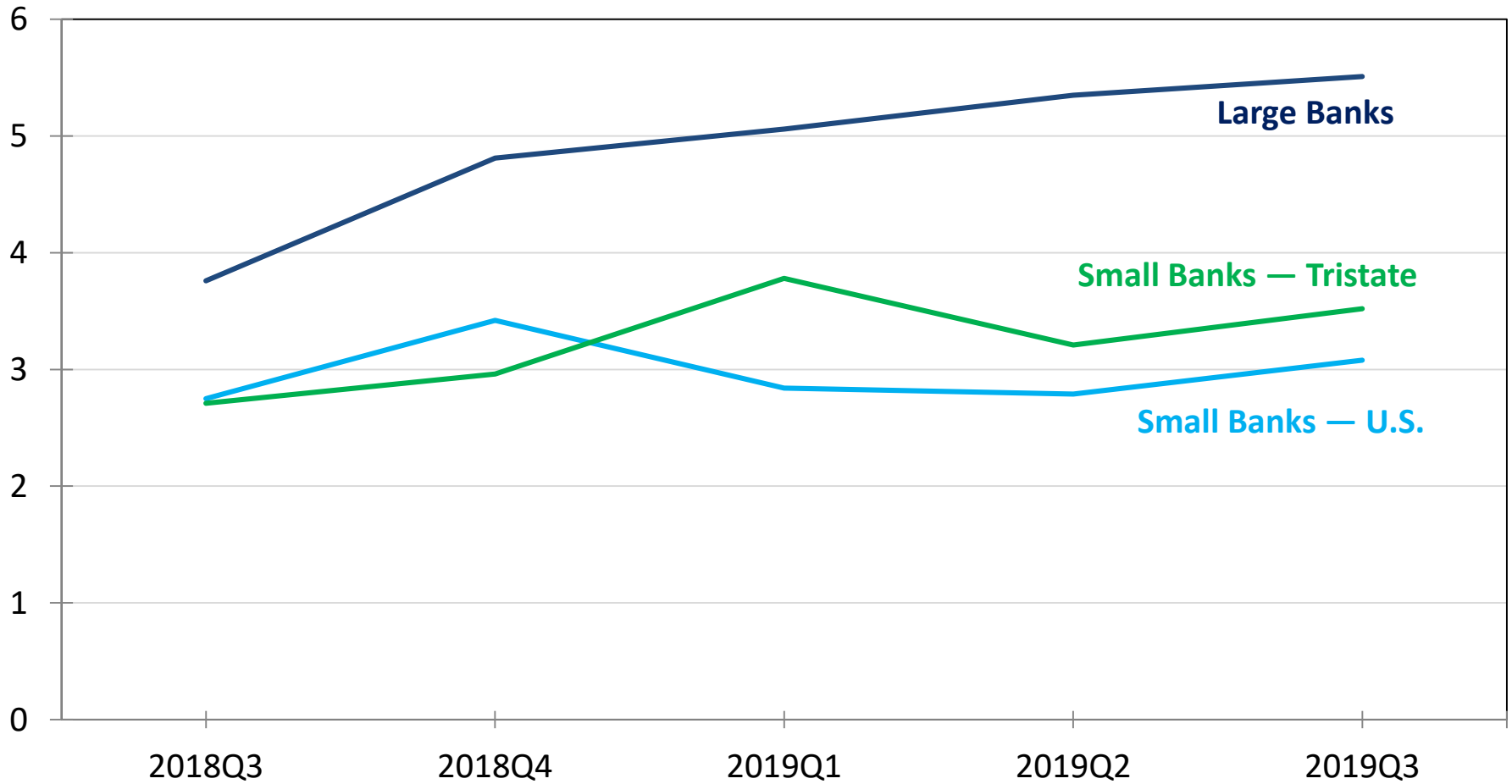


# CHART 6 Nonperforming Loans as a Share of Total Loans



**CHART 7**  
**Loan Loss Provision as a Share of Operating Income Increased at Large Banks in Anticipation of Some Losses on C&I Loans**

Percent





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