



BANKING BRIEF

Pennsylvania • New Jersey • Delaware

Third Quarter 2019

FEDERAL RESERVE BANK OF PHILADELPHIA
WWW.PHILADELPHIAFED.ORG

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
Ratios (in %)	2019Q3	2019Q2	2018Q3	2019Q3	2019Q2	2018Q3	Ratios (in %)	19Q3	19Q2	18Q3
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.



Part I: Earnings Ratios

CHART 1 Return on Average Assets

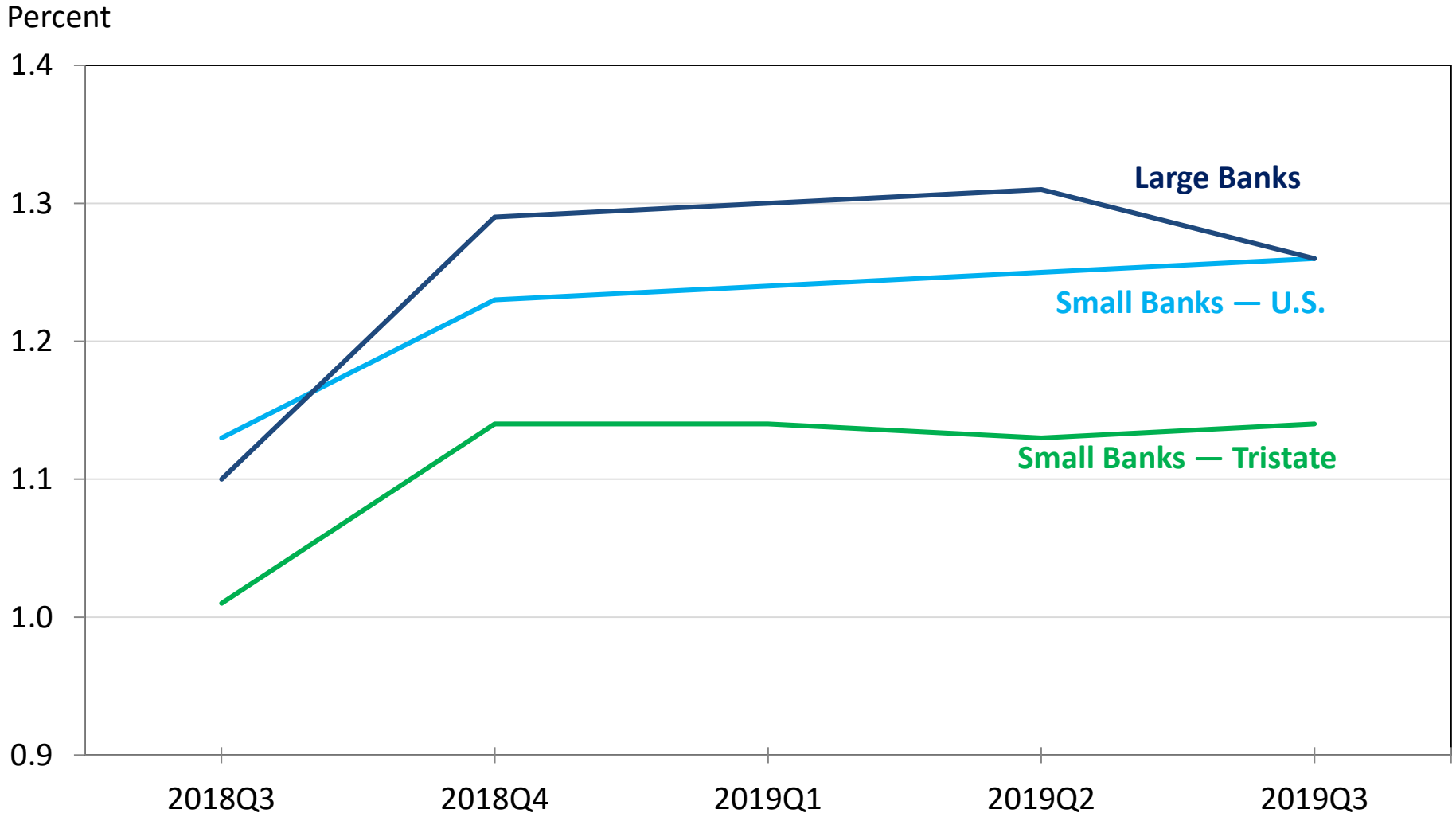
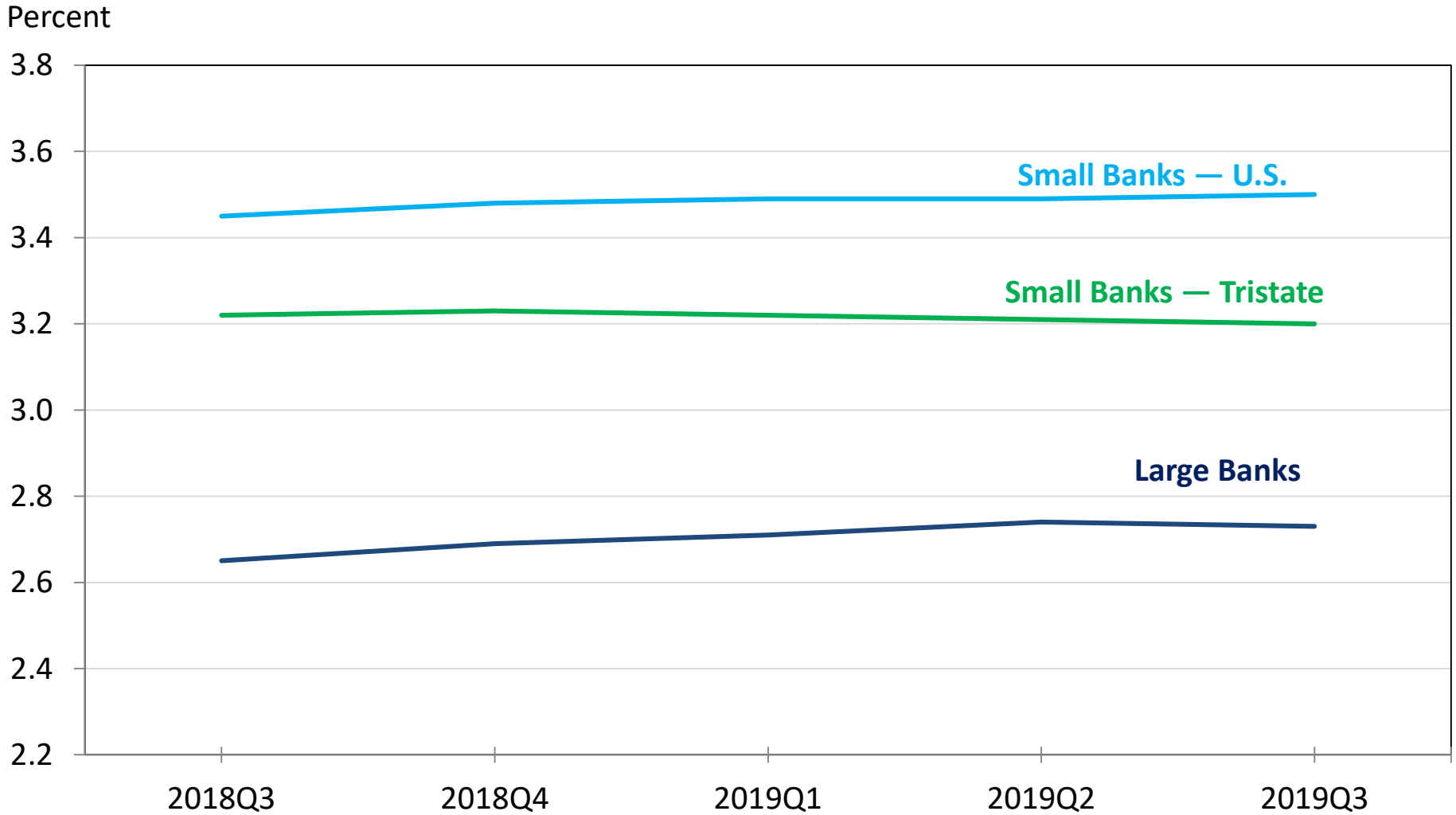


CHART 2 Net Interest Margin



Part II: Annual Growth Rates

CHART 3
Annual Growth of Quarterly Net Income

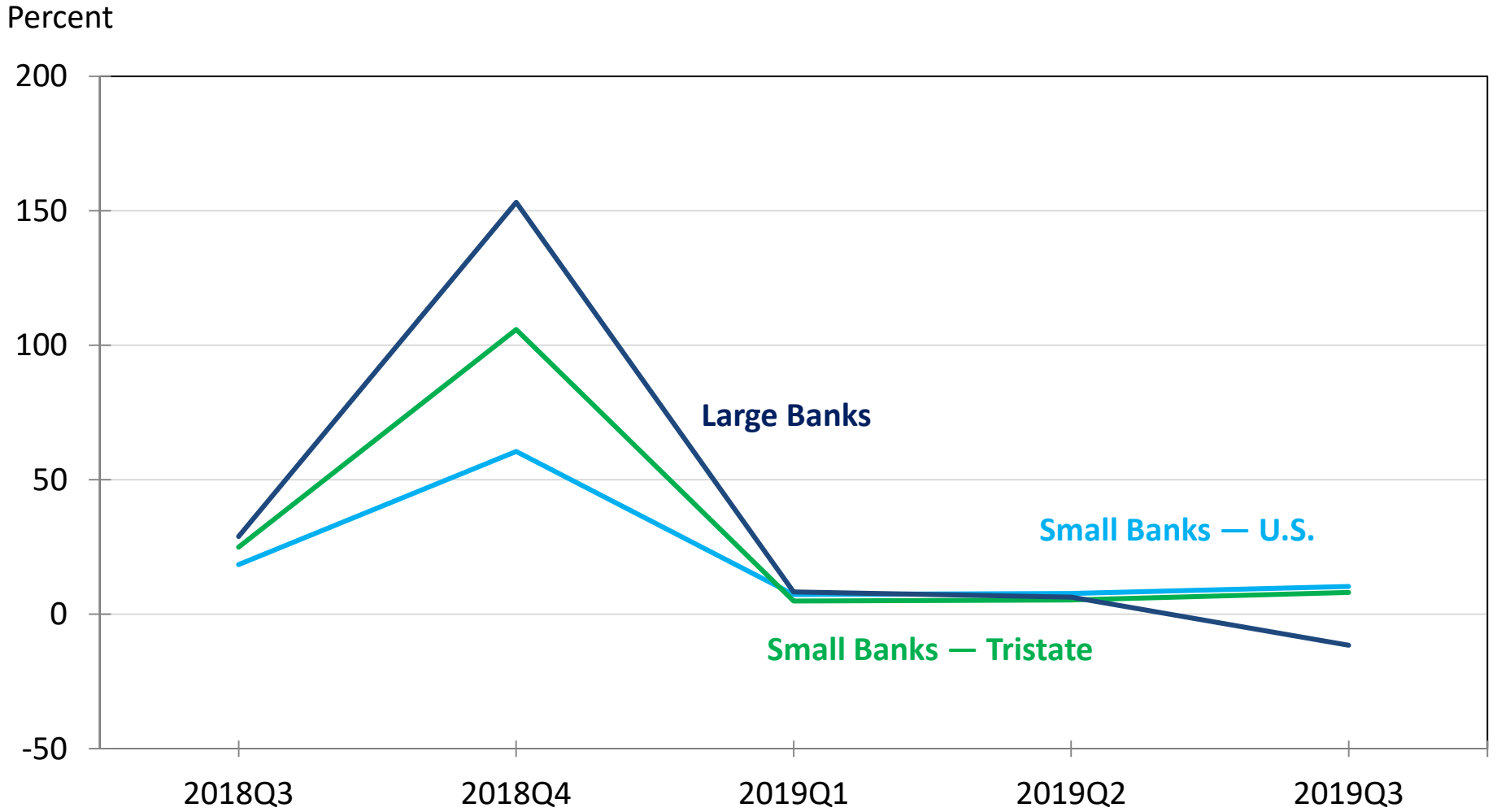
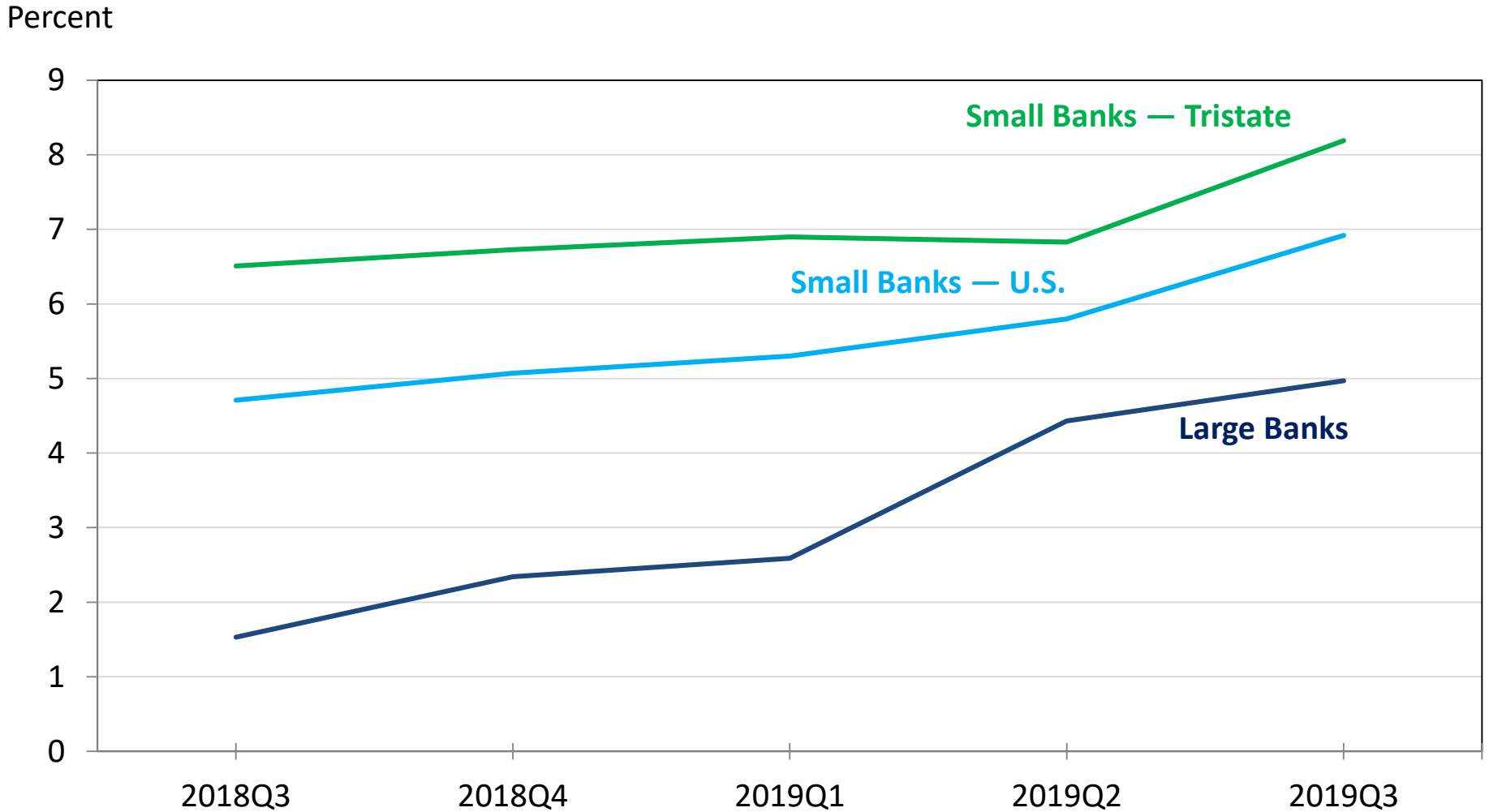
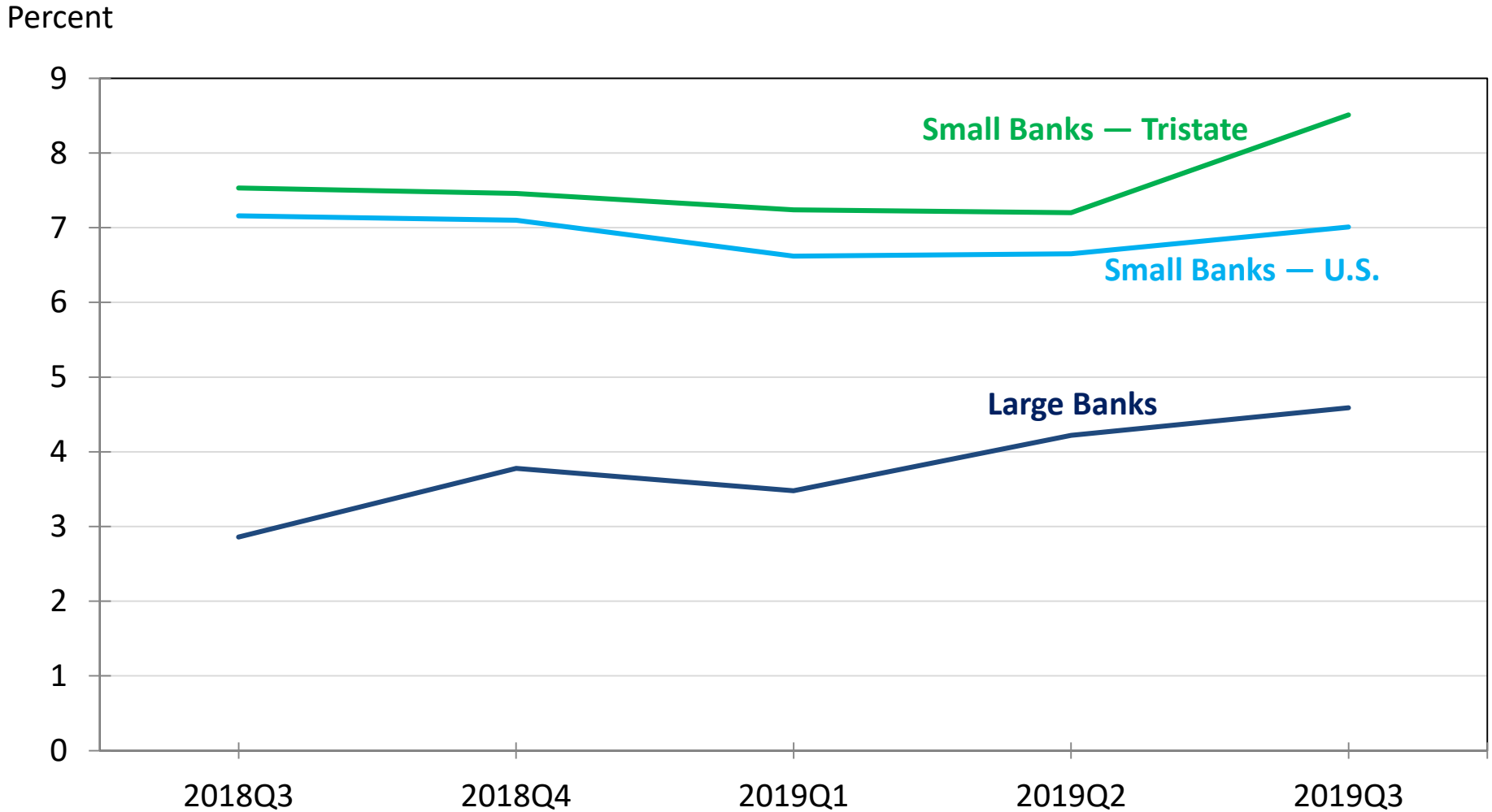


CHART 4 Annual Growth of Total Assets*



*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.

CHART 5 Annual Growth of Total Loans*



*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.

CHART 5a

Annual Growth of RRE Loans

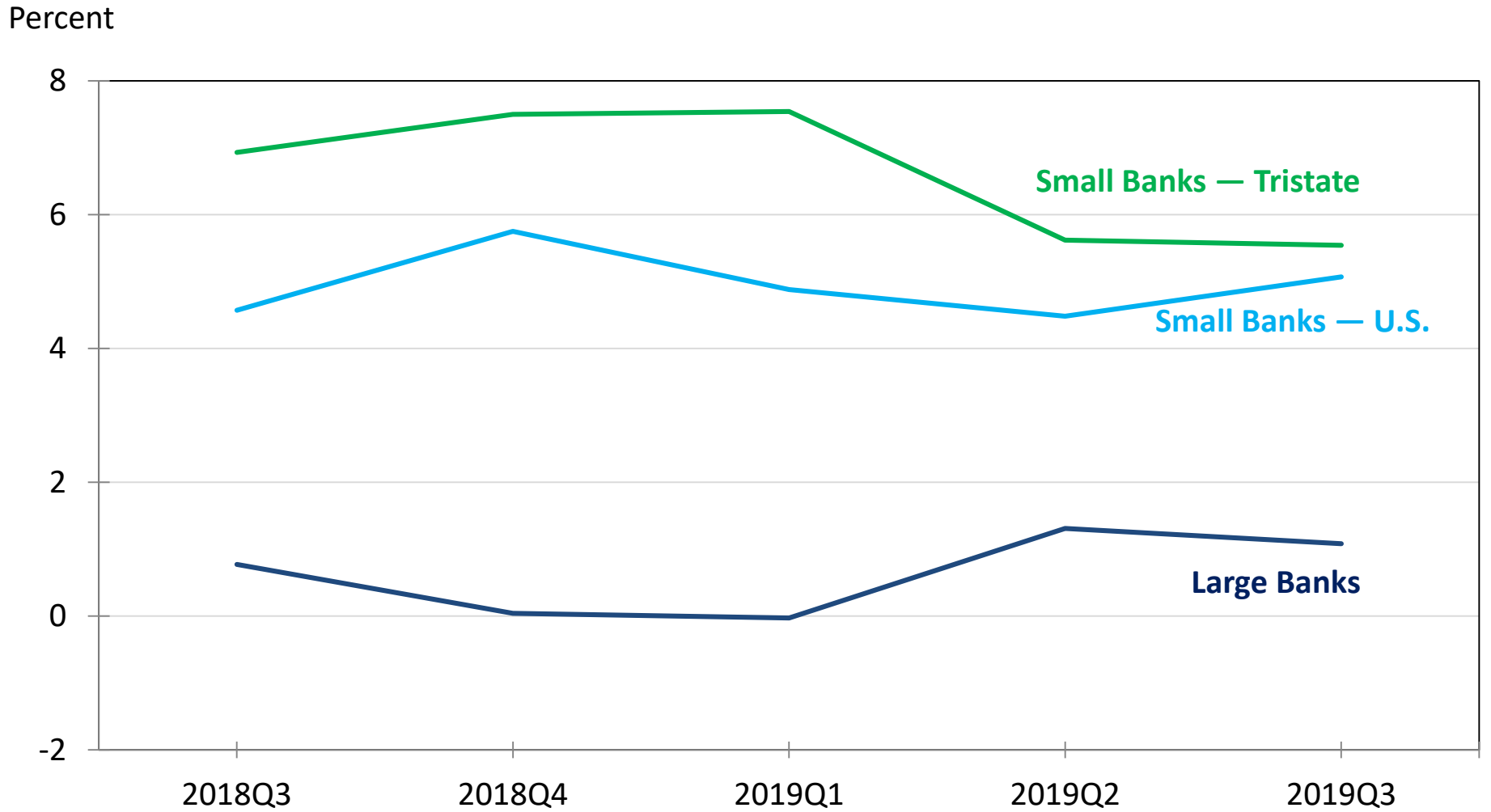


CHART 5b

Annual Growth of CRE Loans

Percent

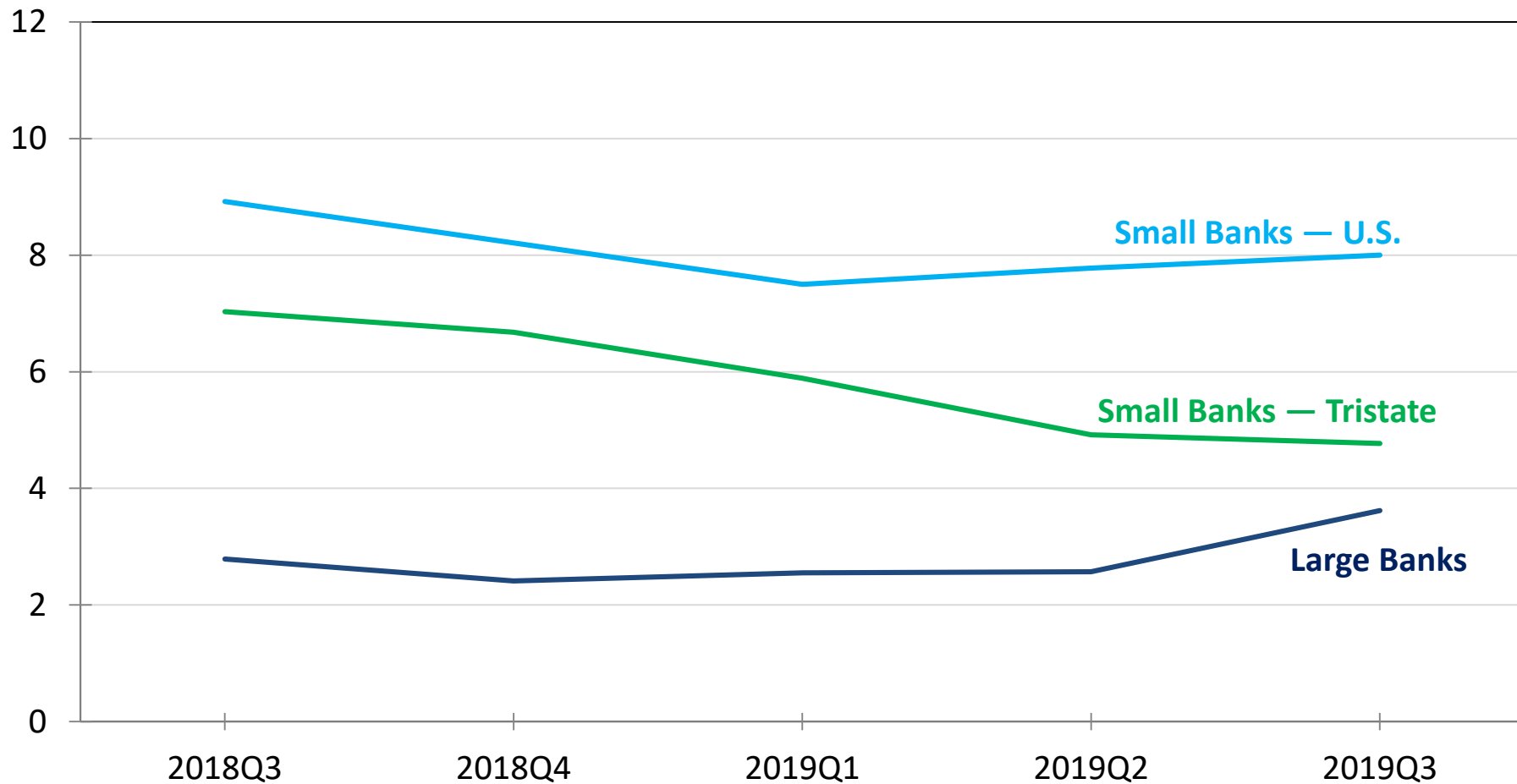


CHART 5c

Annual Growth of Construction Loans

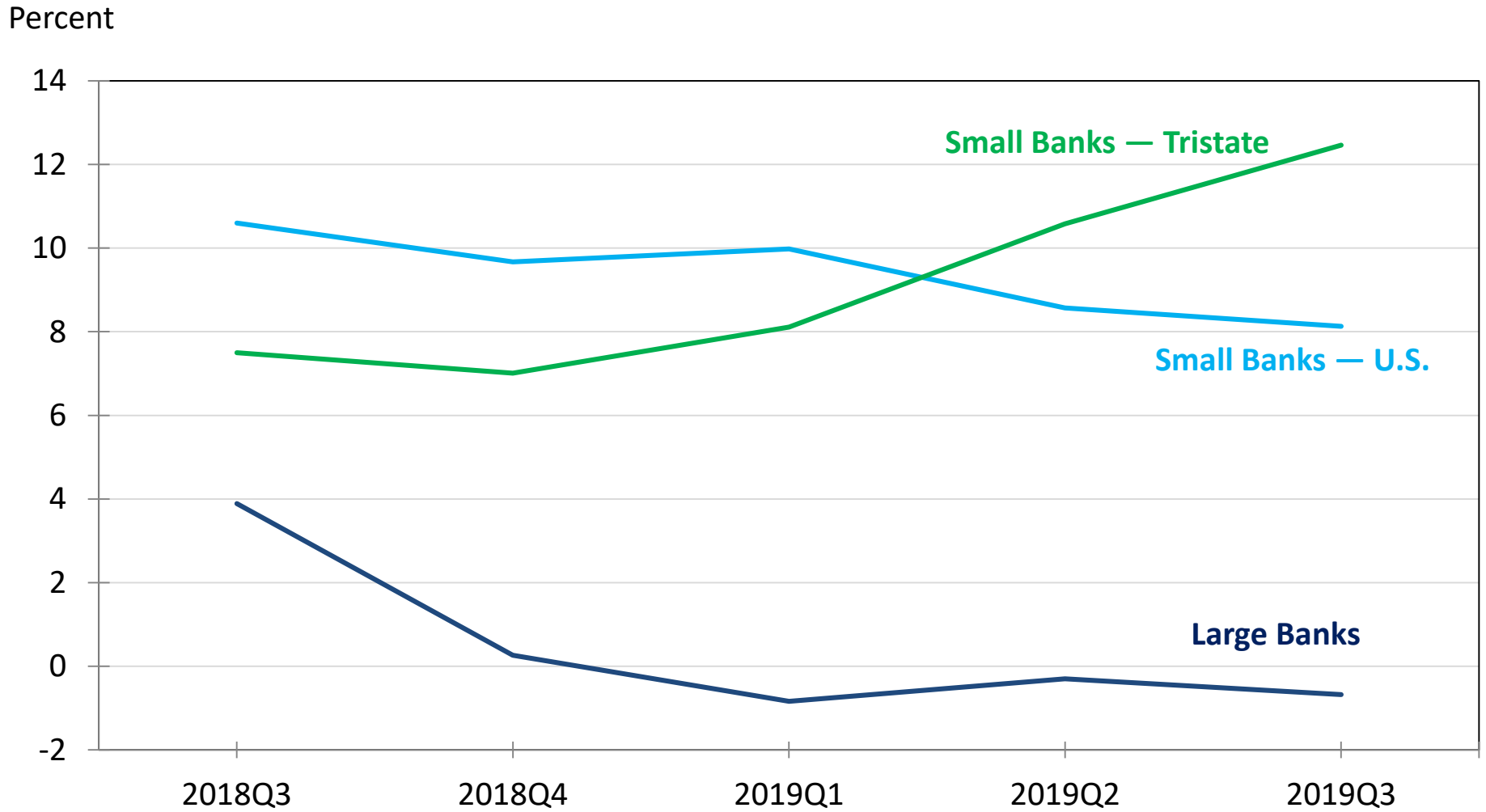


CHART 5d

Annual Growth of Loans Secured by Multifamily Properties

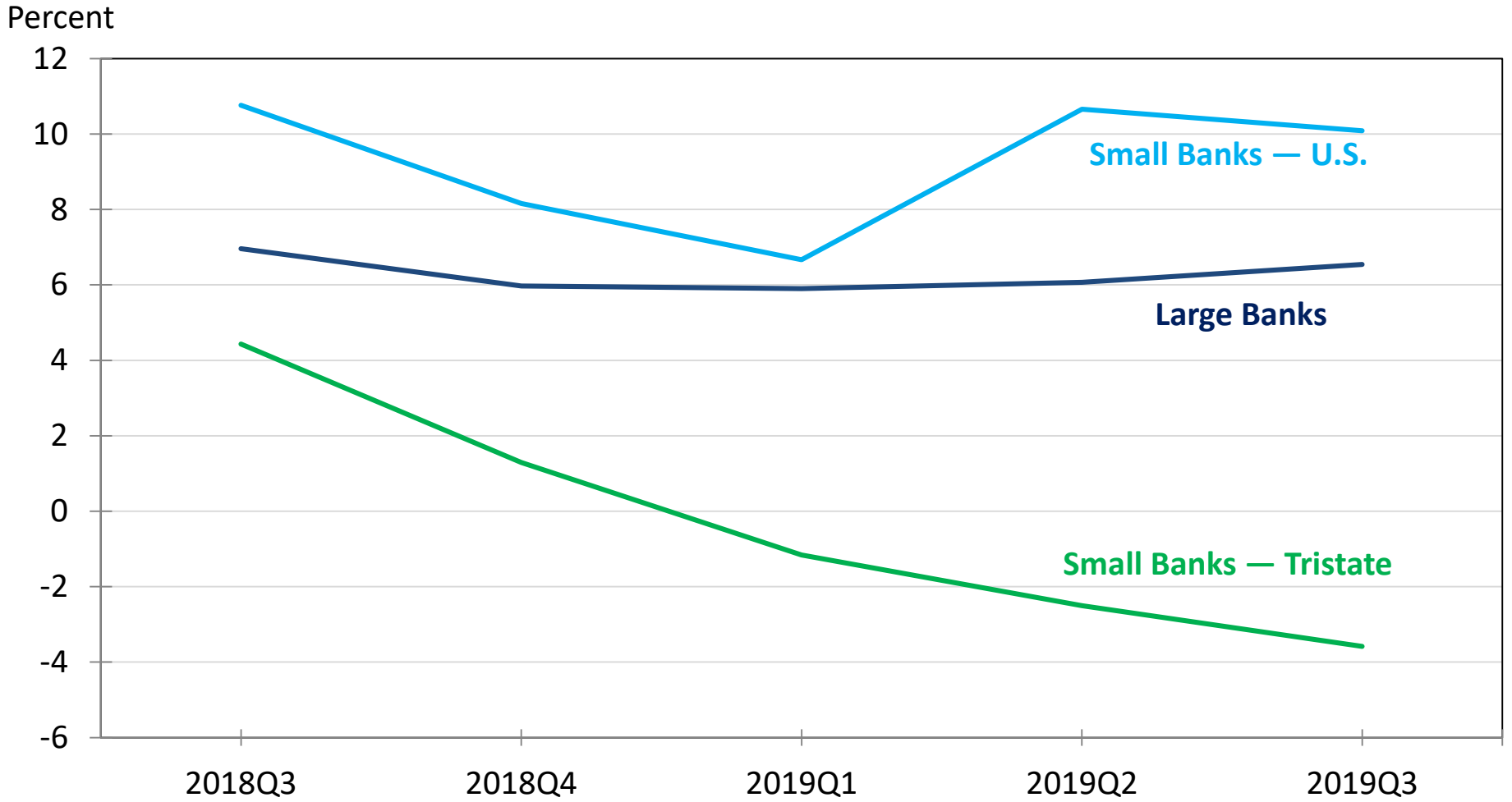


CHART 5e

Annual Growth of Commercial Mortgages

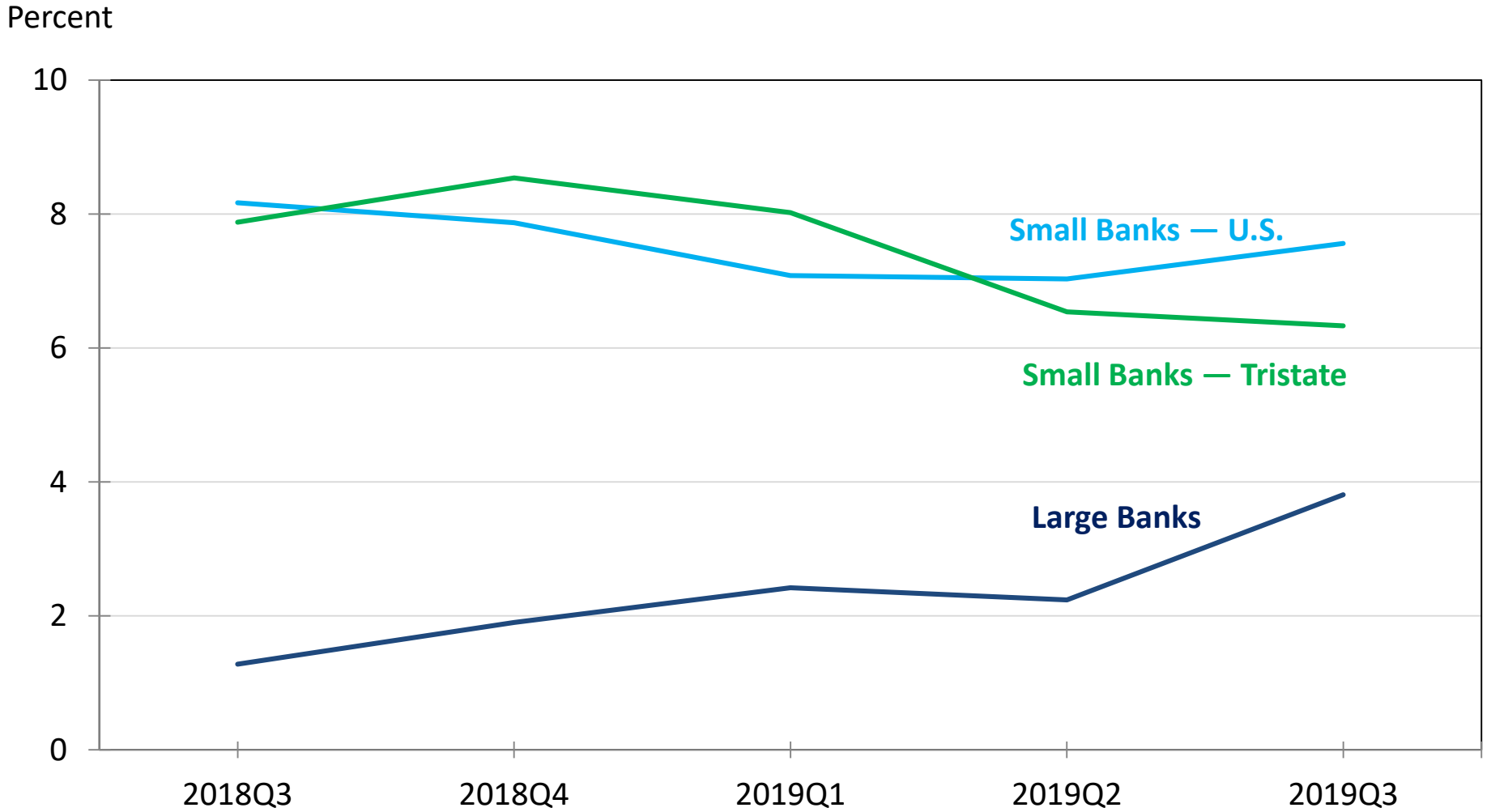


CHART 5f

Annual Growth of Commercial & Industrial Loans

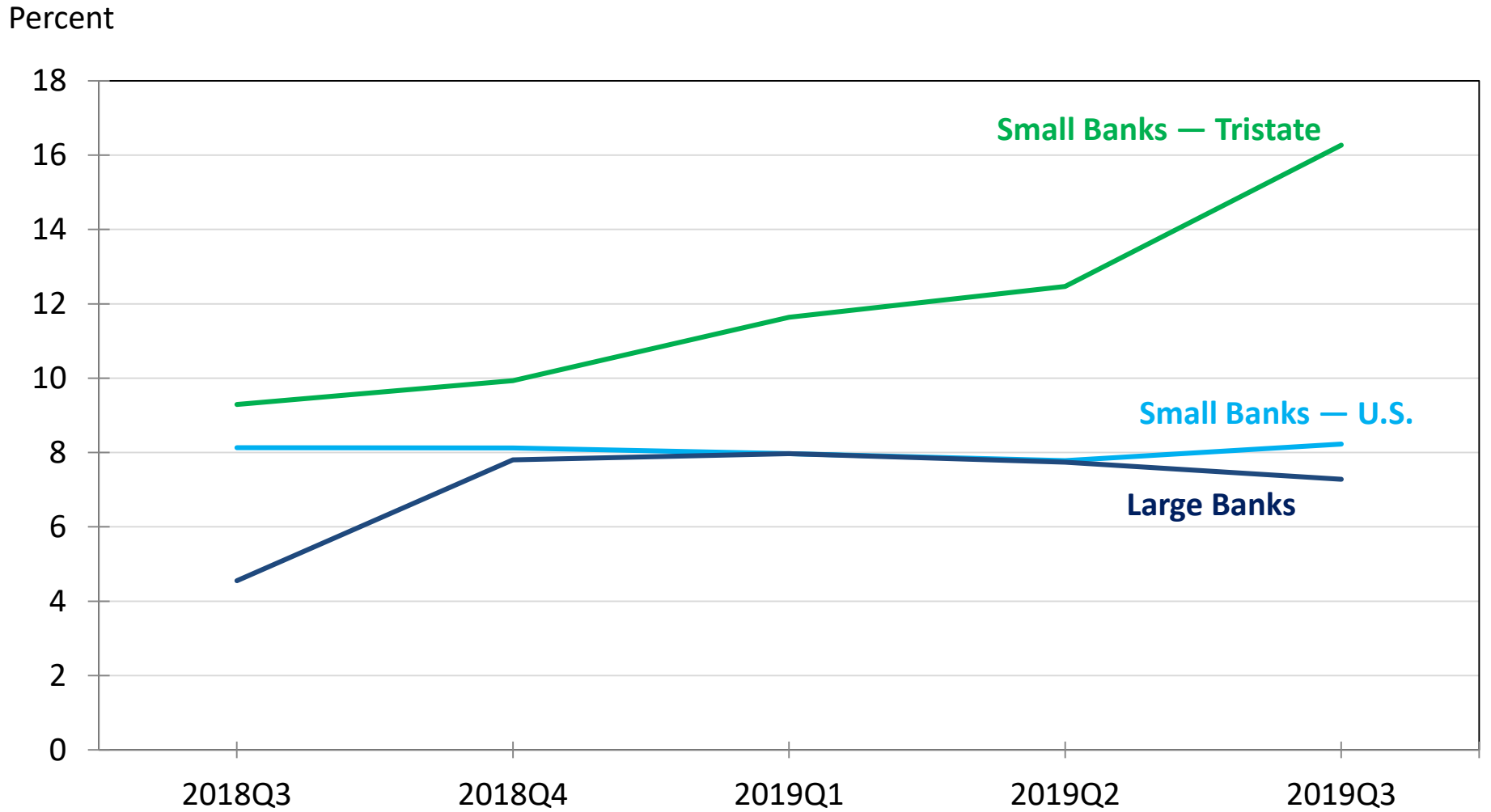
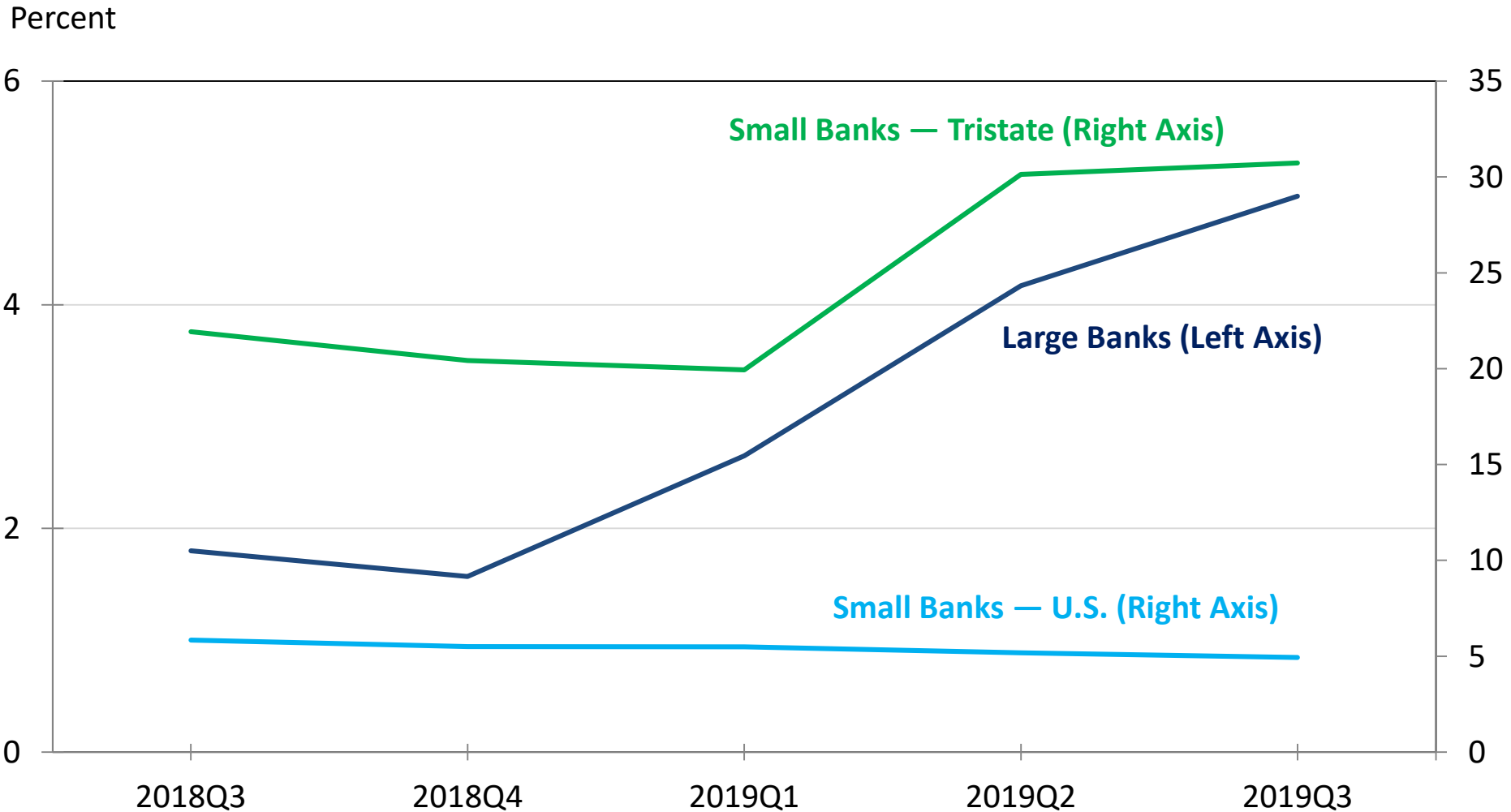


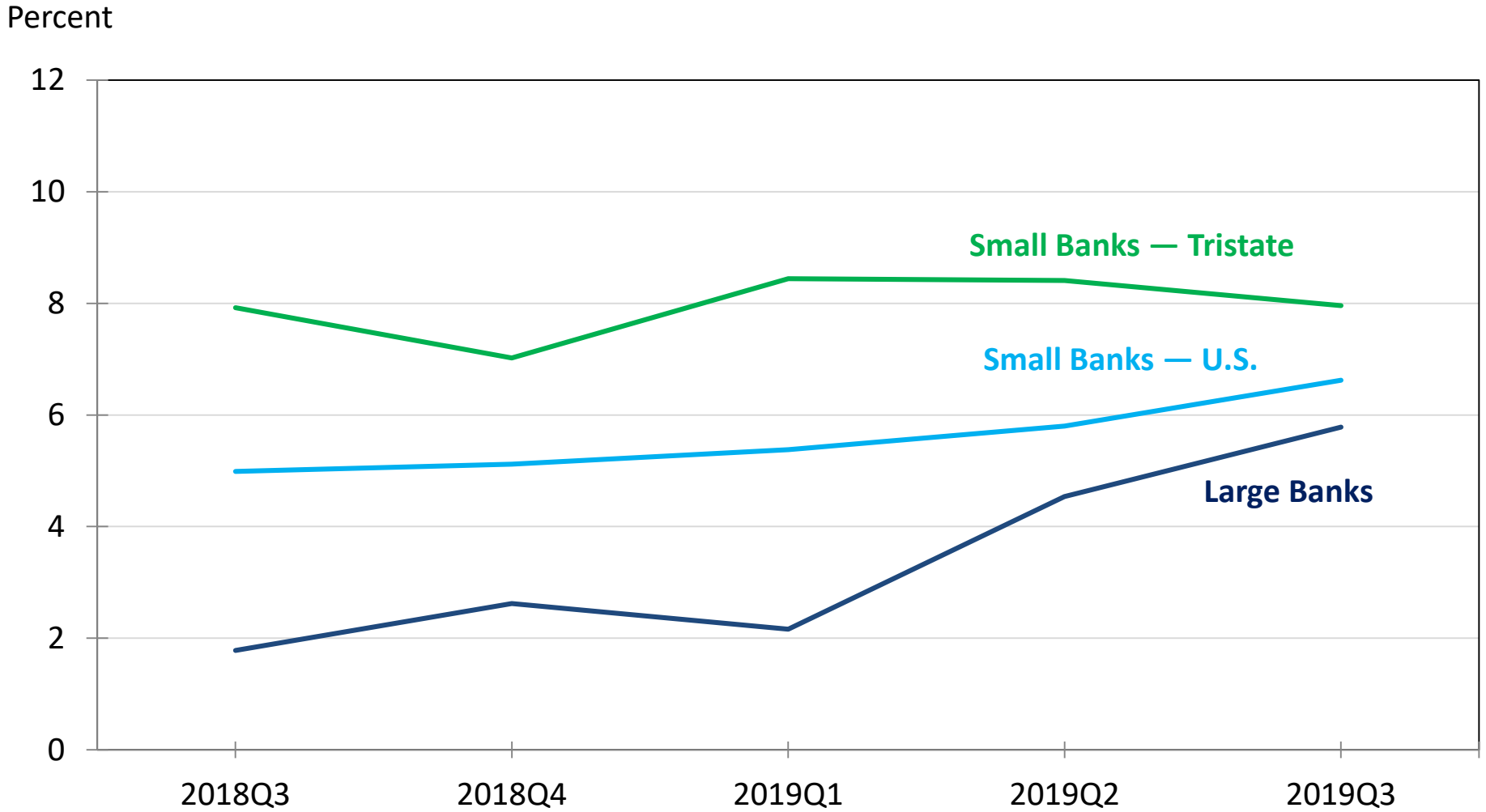
CHART 5g

Annual Growth of Consumer Loans*



*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.

CHART 6 Annual Growth of Total Deposits



Part III: Asset Quality Ratios

CHART 7
Nonperforming Assets as a Share of Total Assets

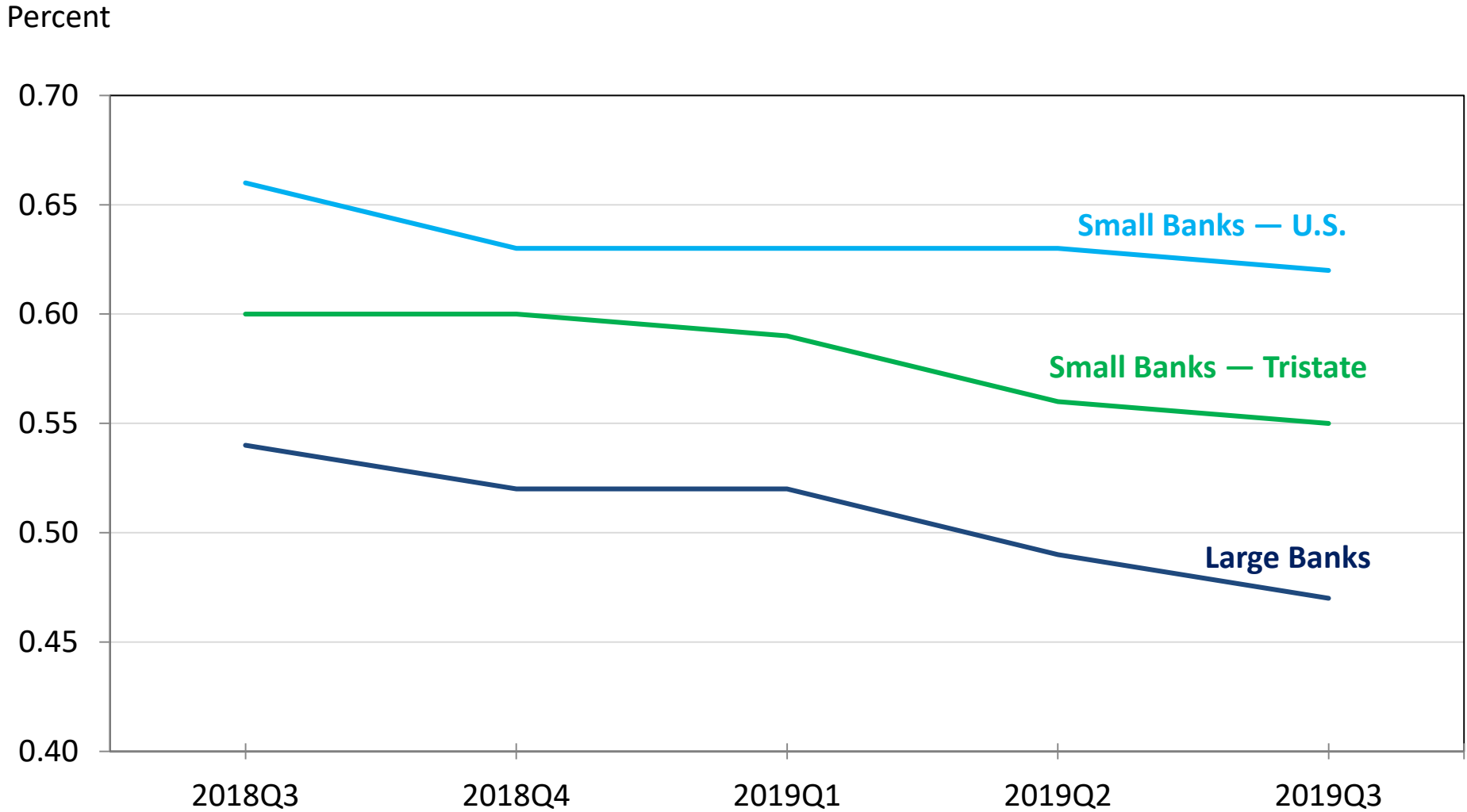


CHART 8 Nonperforming Loans as a Share of Total Loans

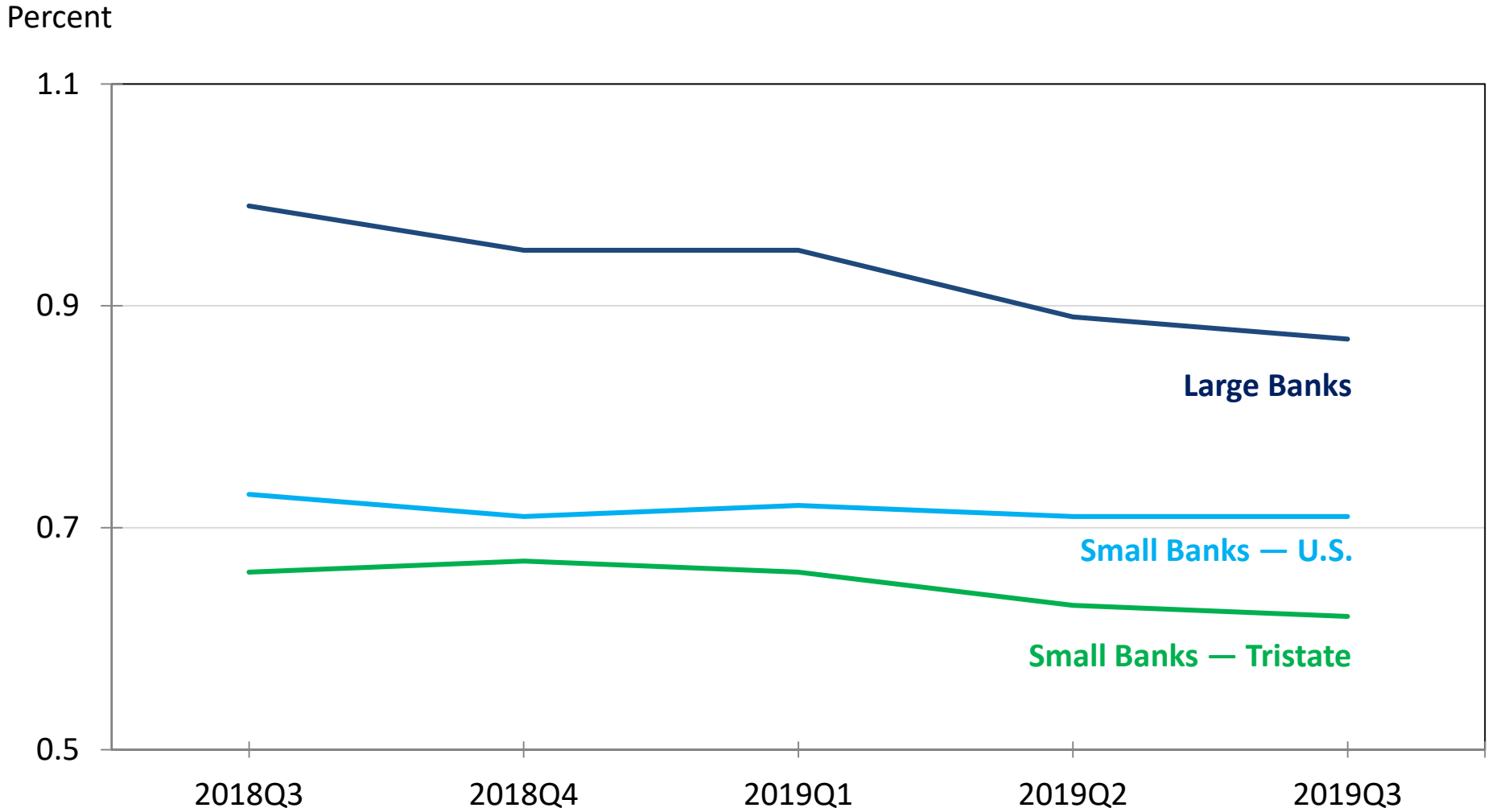


CHART 9 Residential Real Estate Nonperforming Loan Ratio

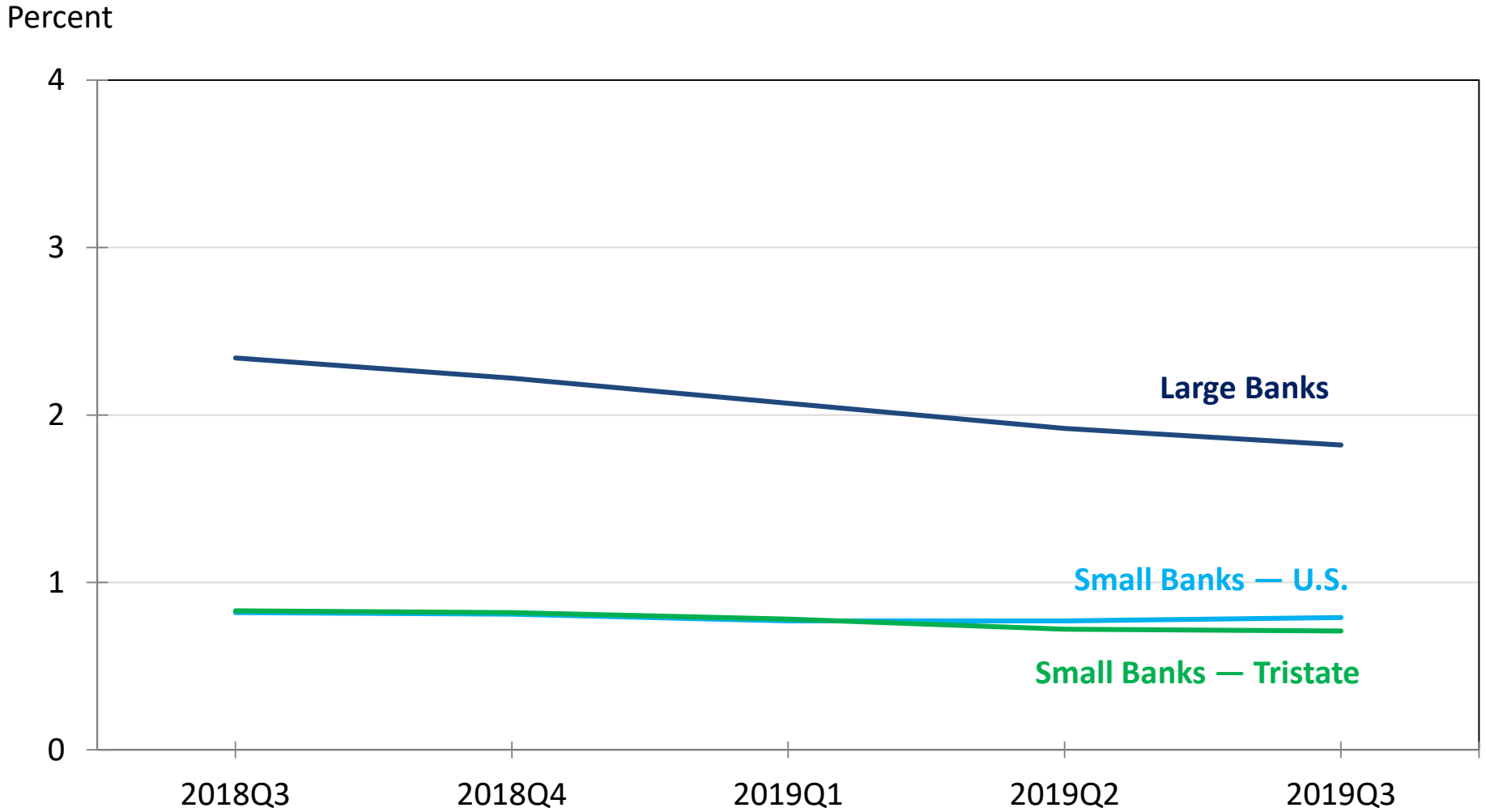


CHART 10

Commercial Real Estate Nonperforming Loan Ratio

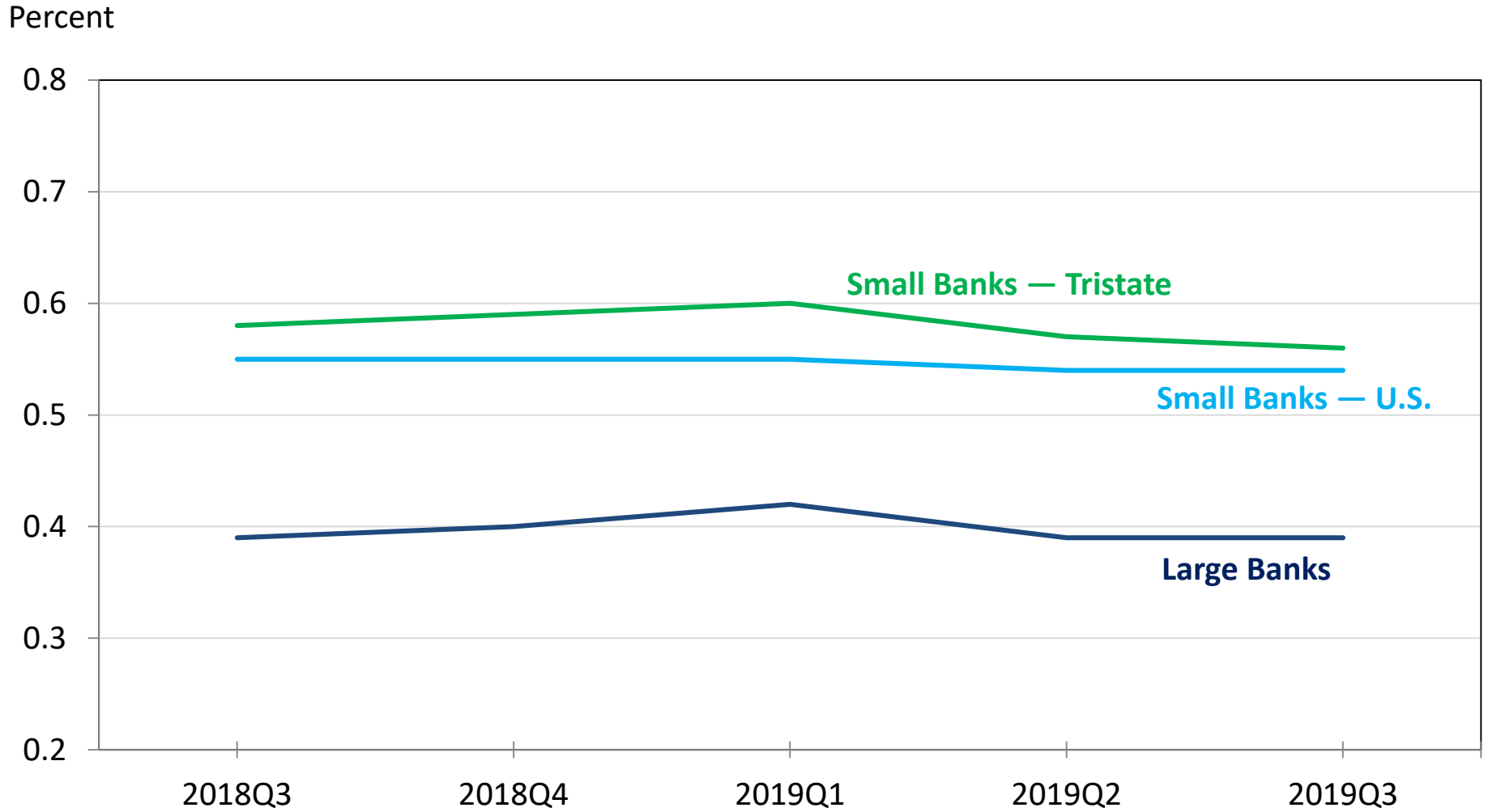


CHART 11

Commercial and Industrial Nonperforming Loan Ratio

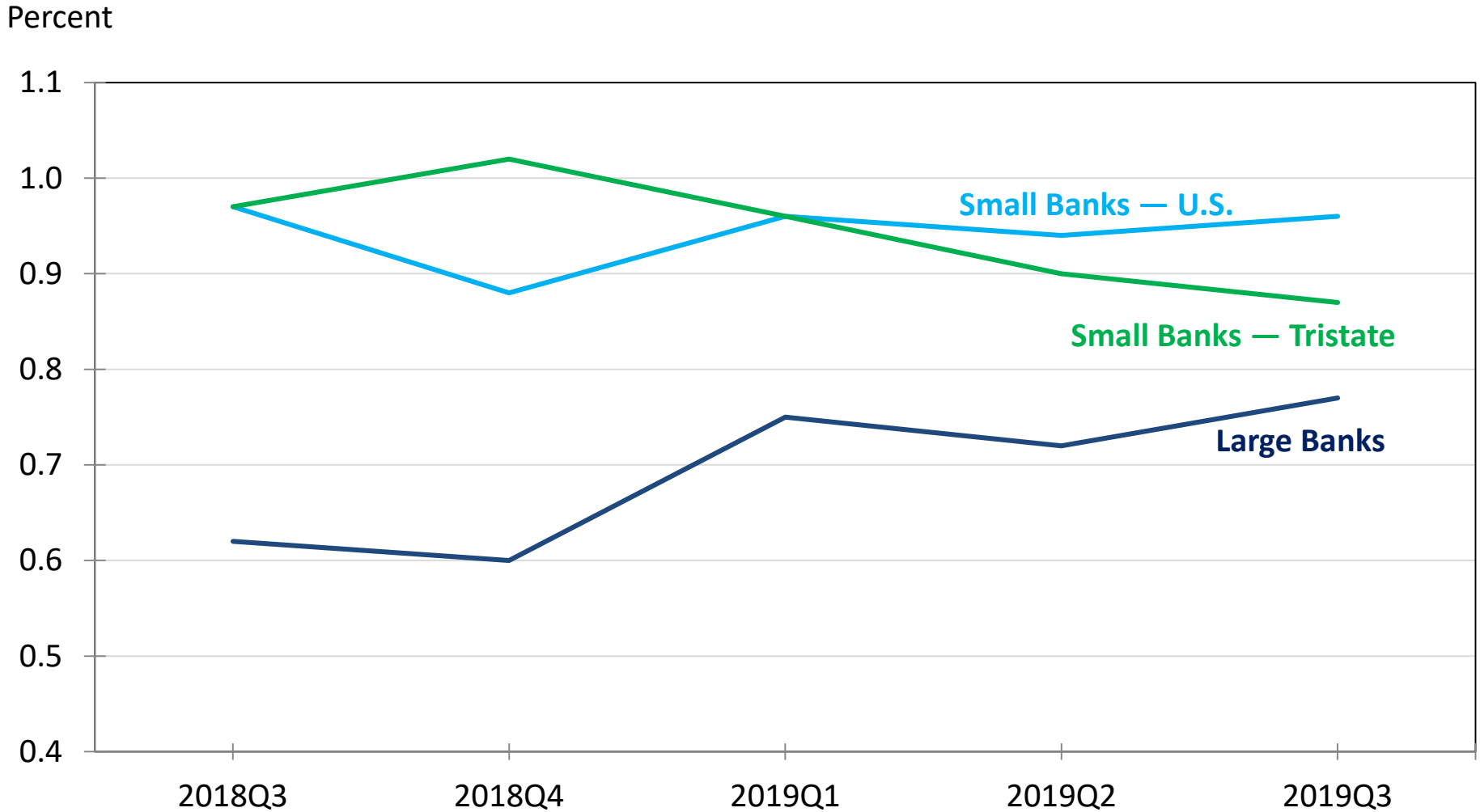
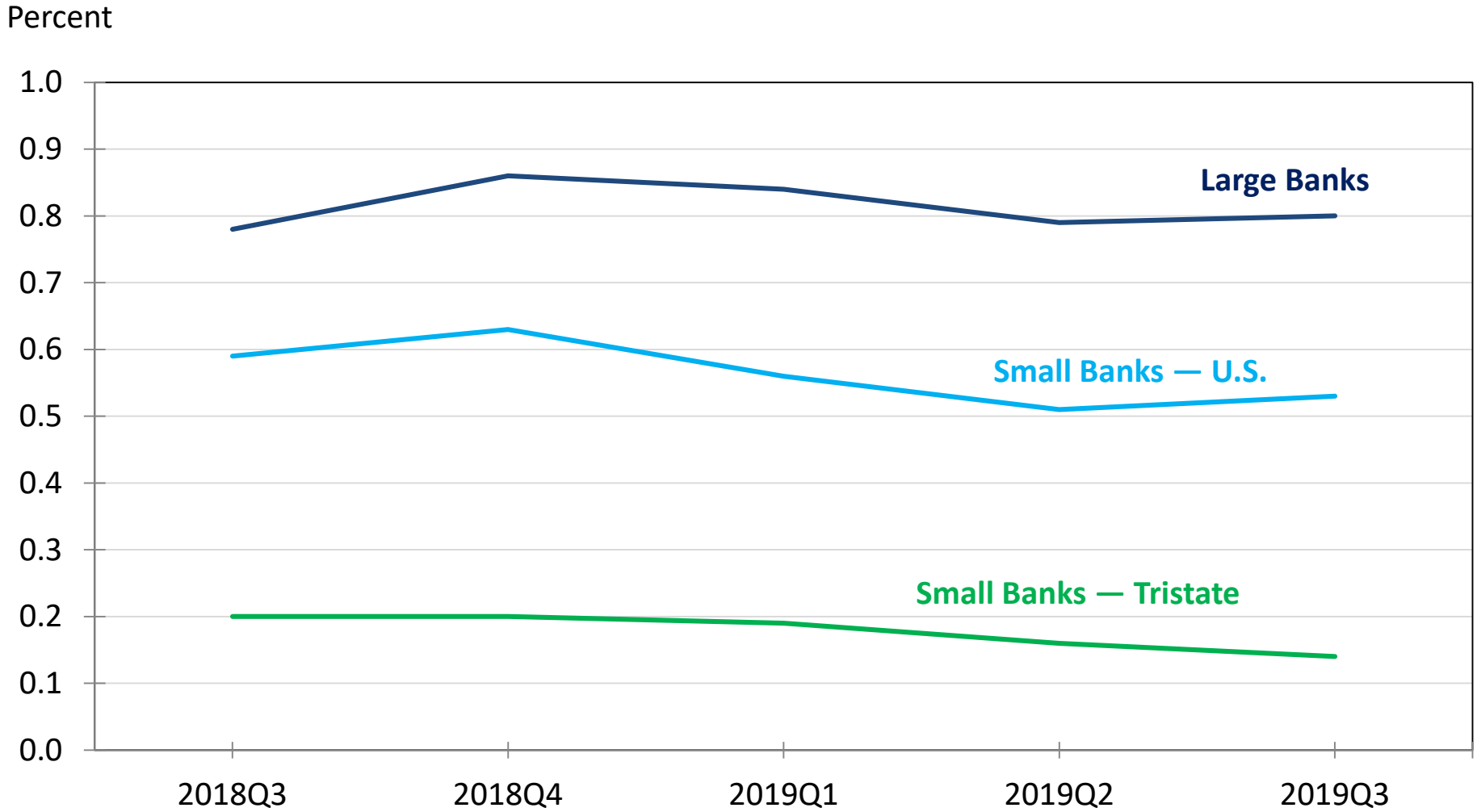


CHART 12

Consumer Nonperforming Loan Ratio



Part IV: Loan Loss Provisioning and Reserves

CHART 13

Loan Loss Reserves as a Share of Total Assets

Percent

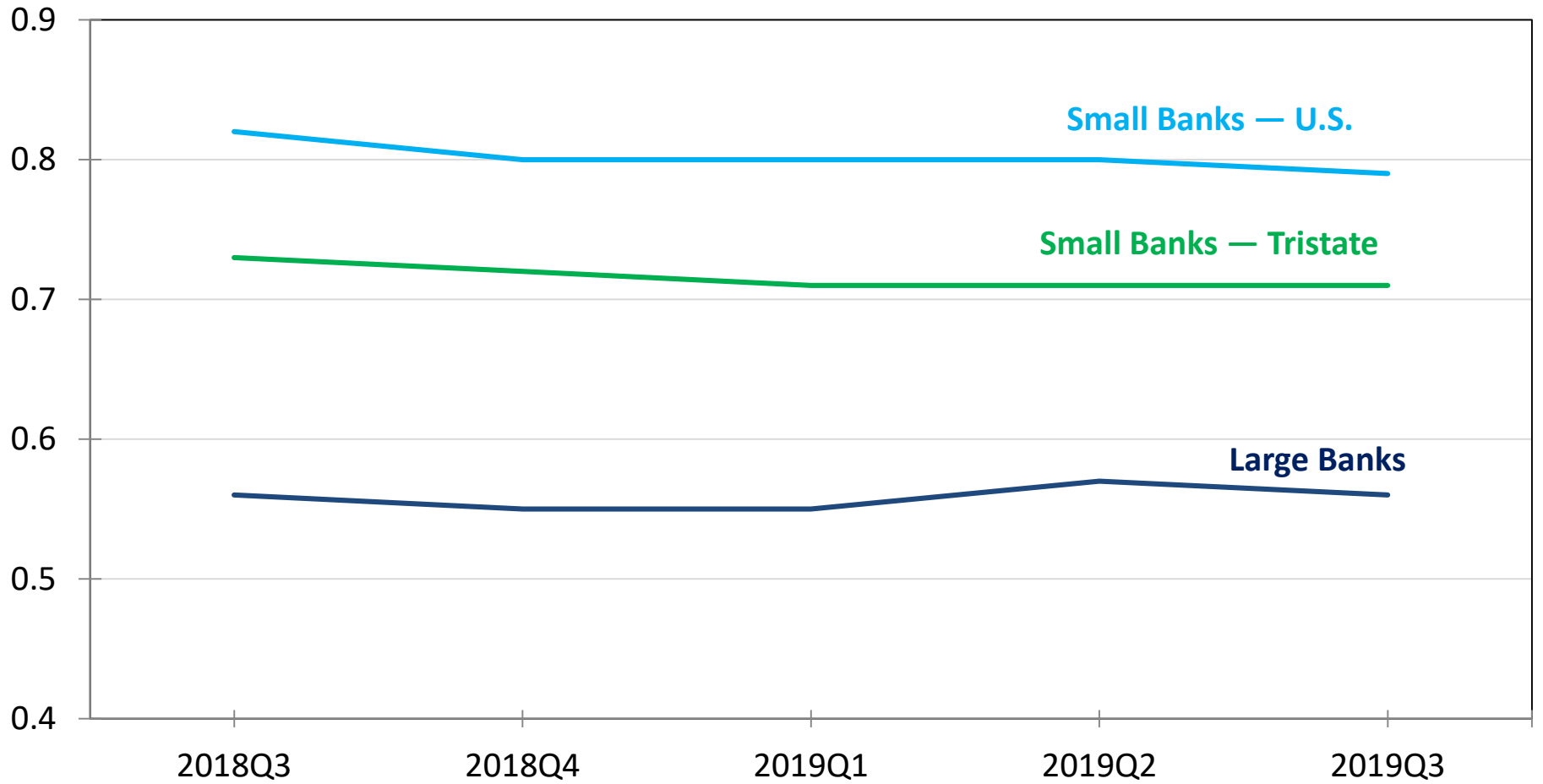


CHART 14

Net Charge-Offs as a Share of Loan Loss Provisions

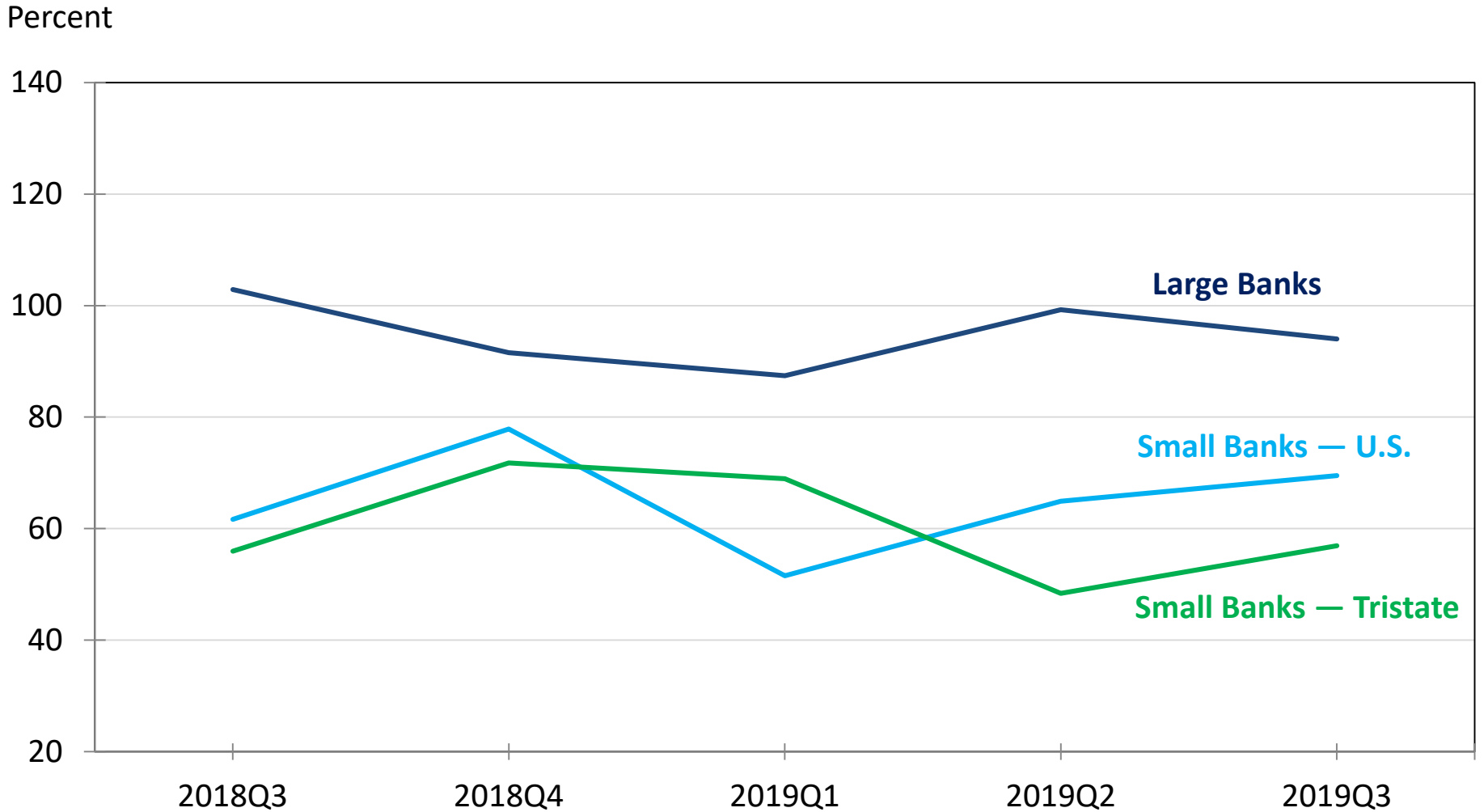


CHART 15

Loan Loss Provision as a Share of Operating Income

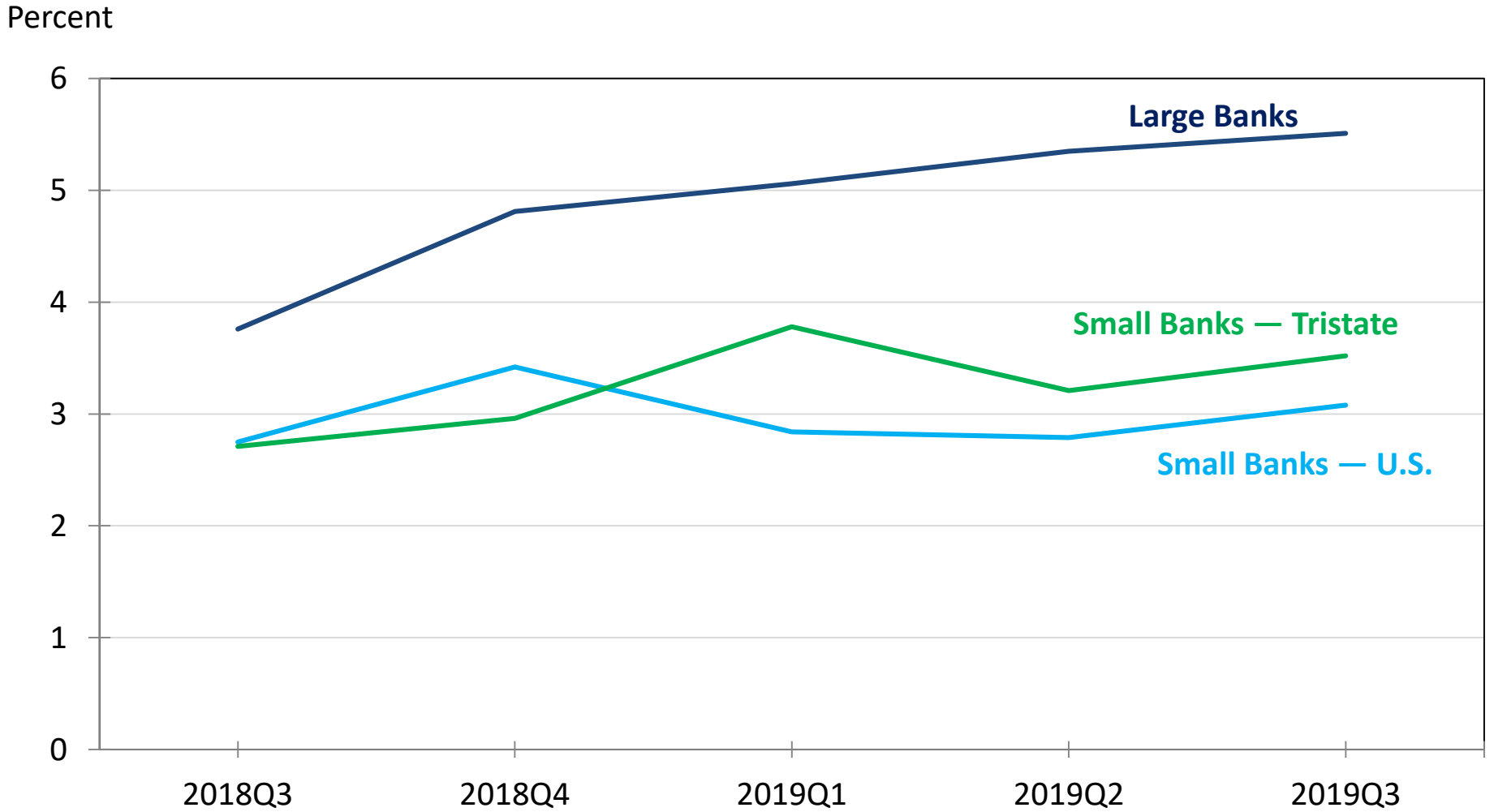
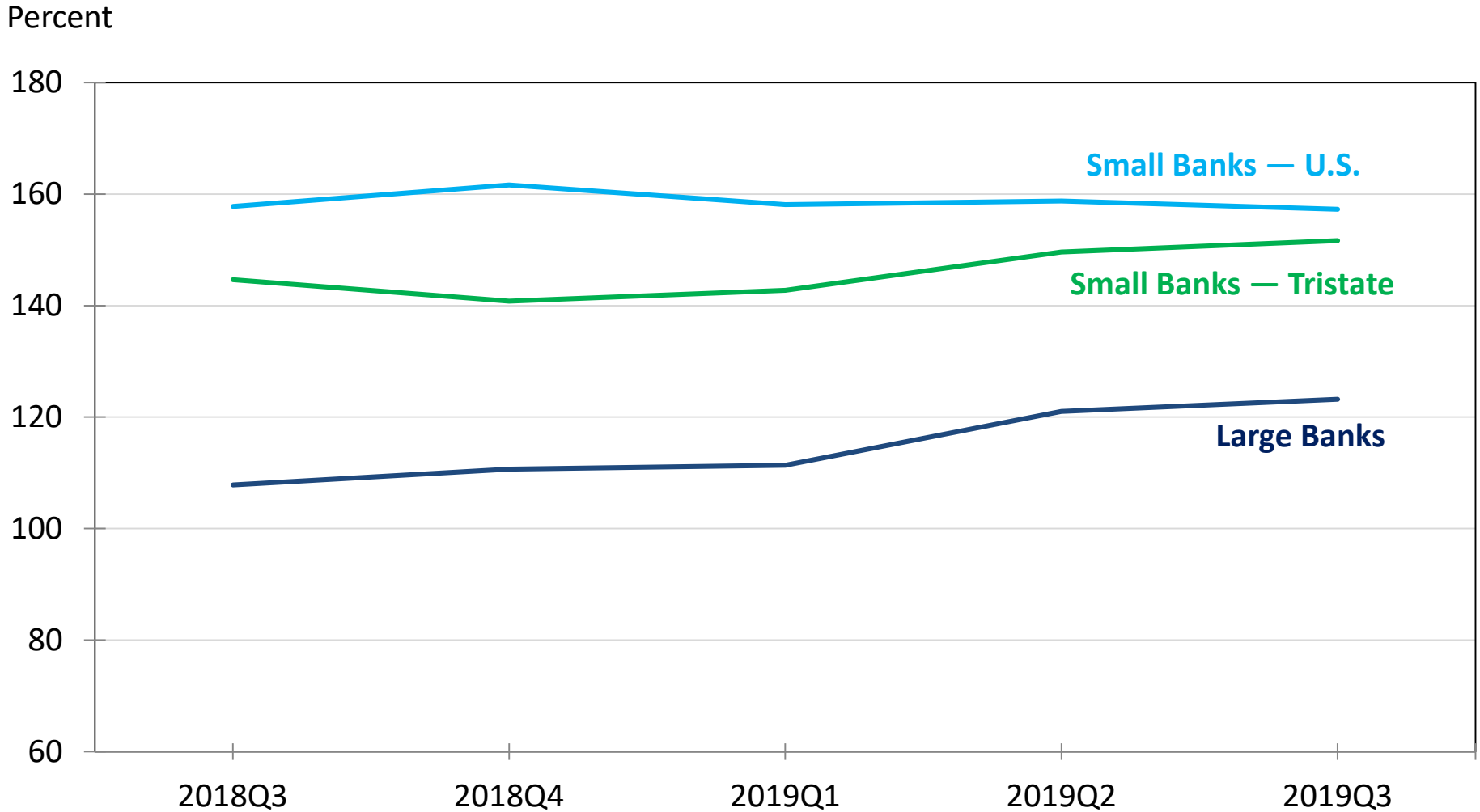


CHART 16

Loan Loss Coverage Ratio



Part V: Capital Ratios

CHART 17

Total Equity as a Share of Total Assets

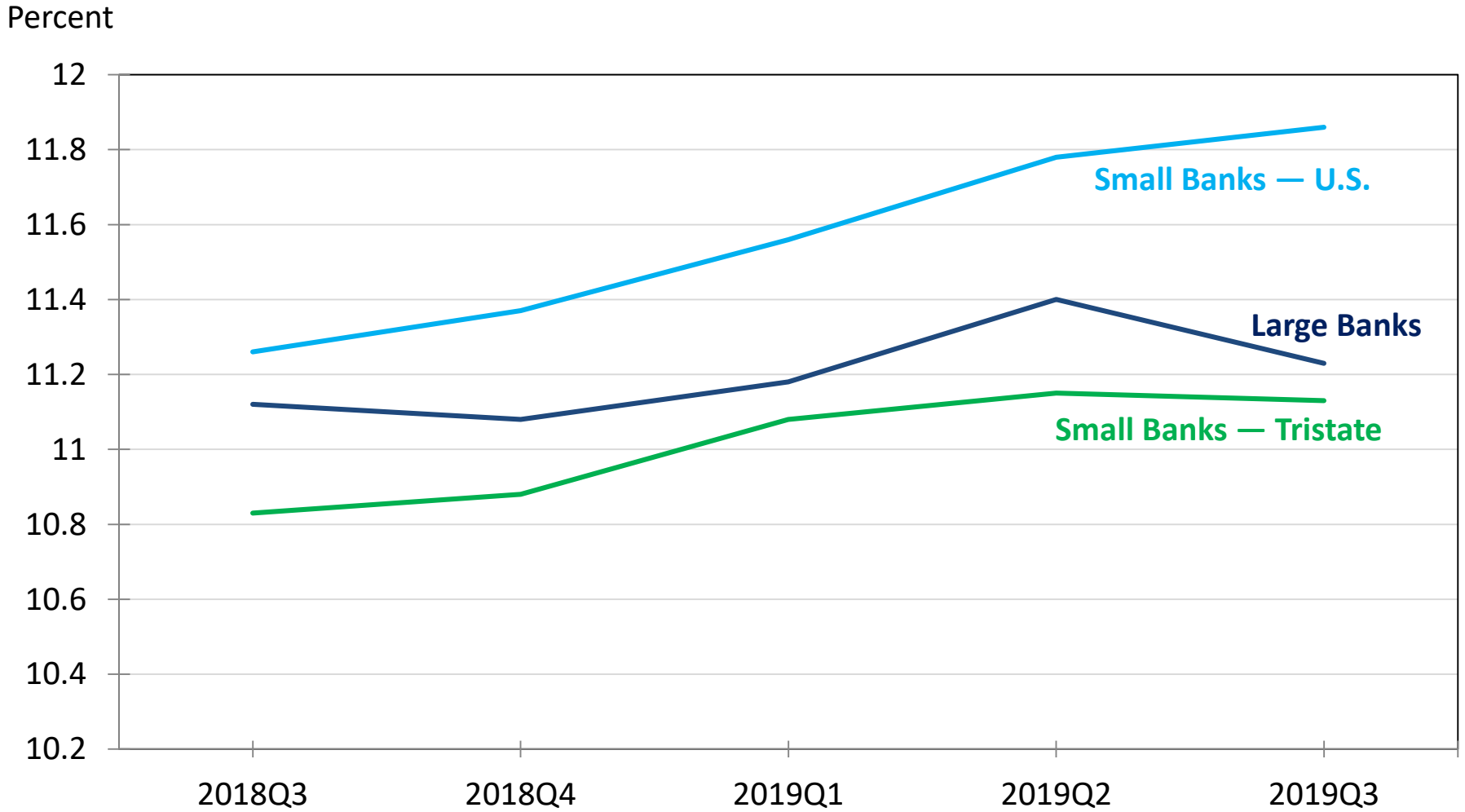


CHART 18

Tier One Leverage Ratio

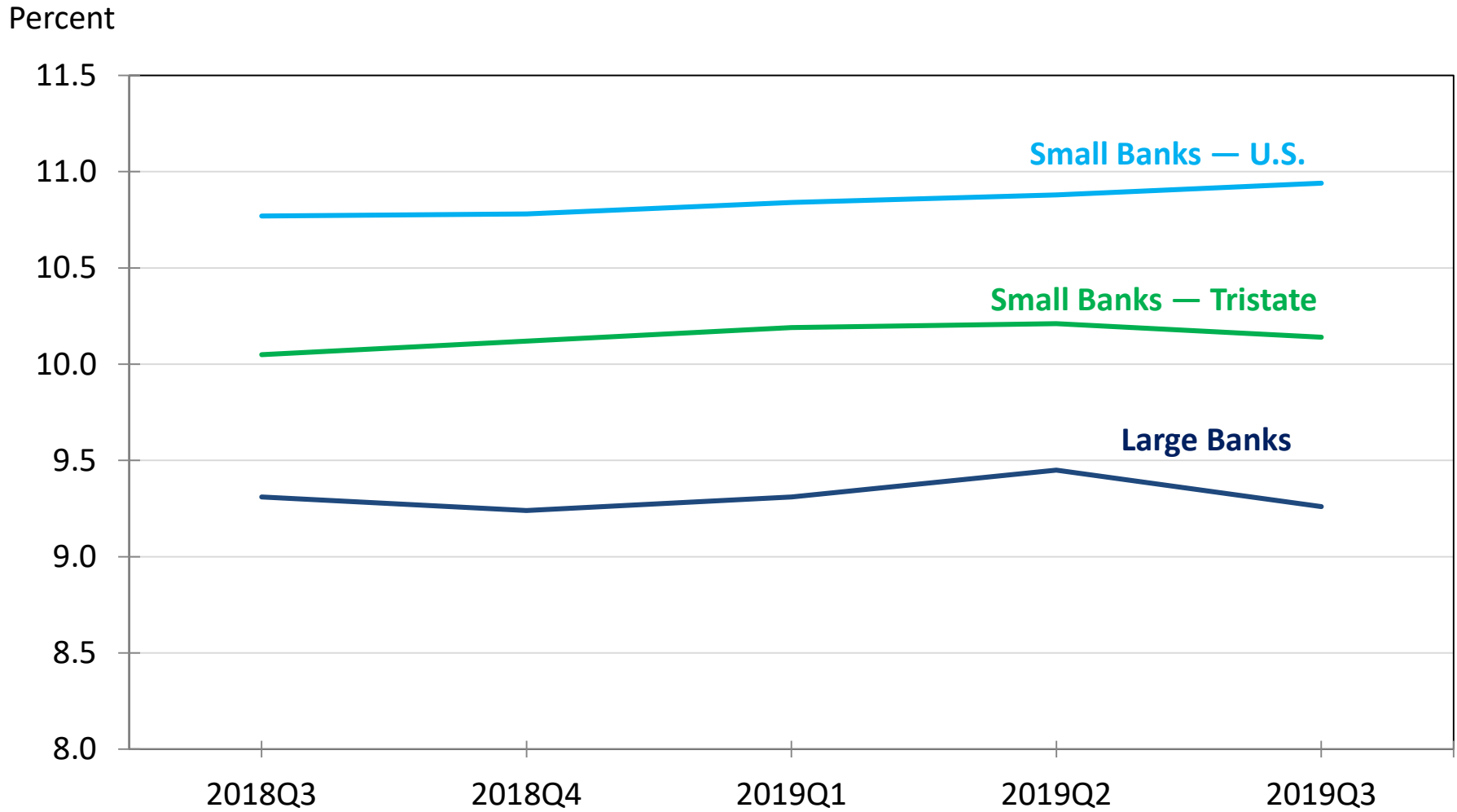
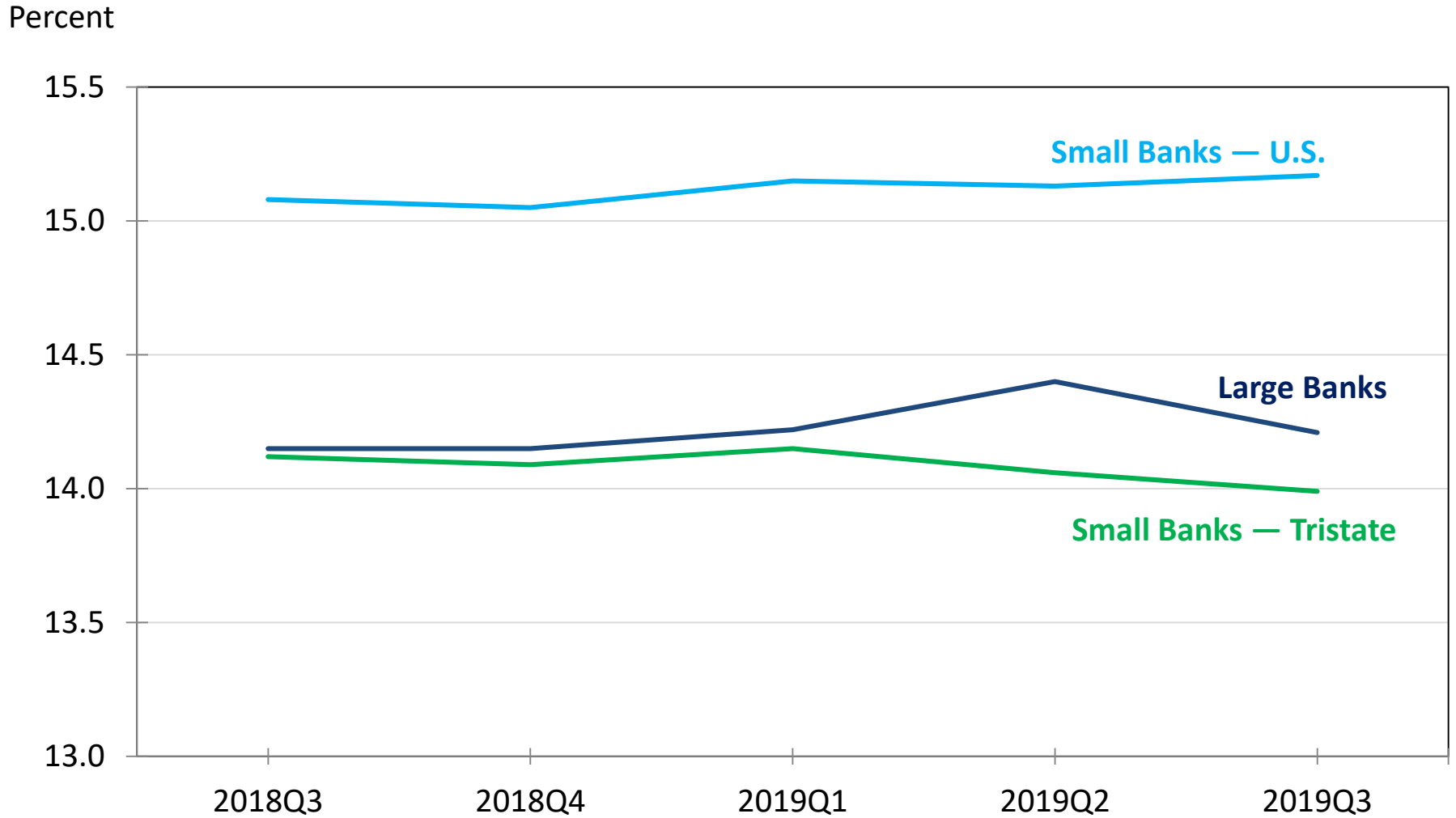


CHART 19

Risk-Based Capital Ratio



Part VI: Liquidity Ratios

CHART 20

Total Loans as a Share of Total Deposits

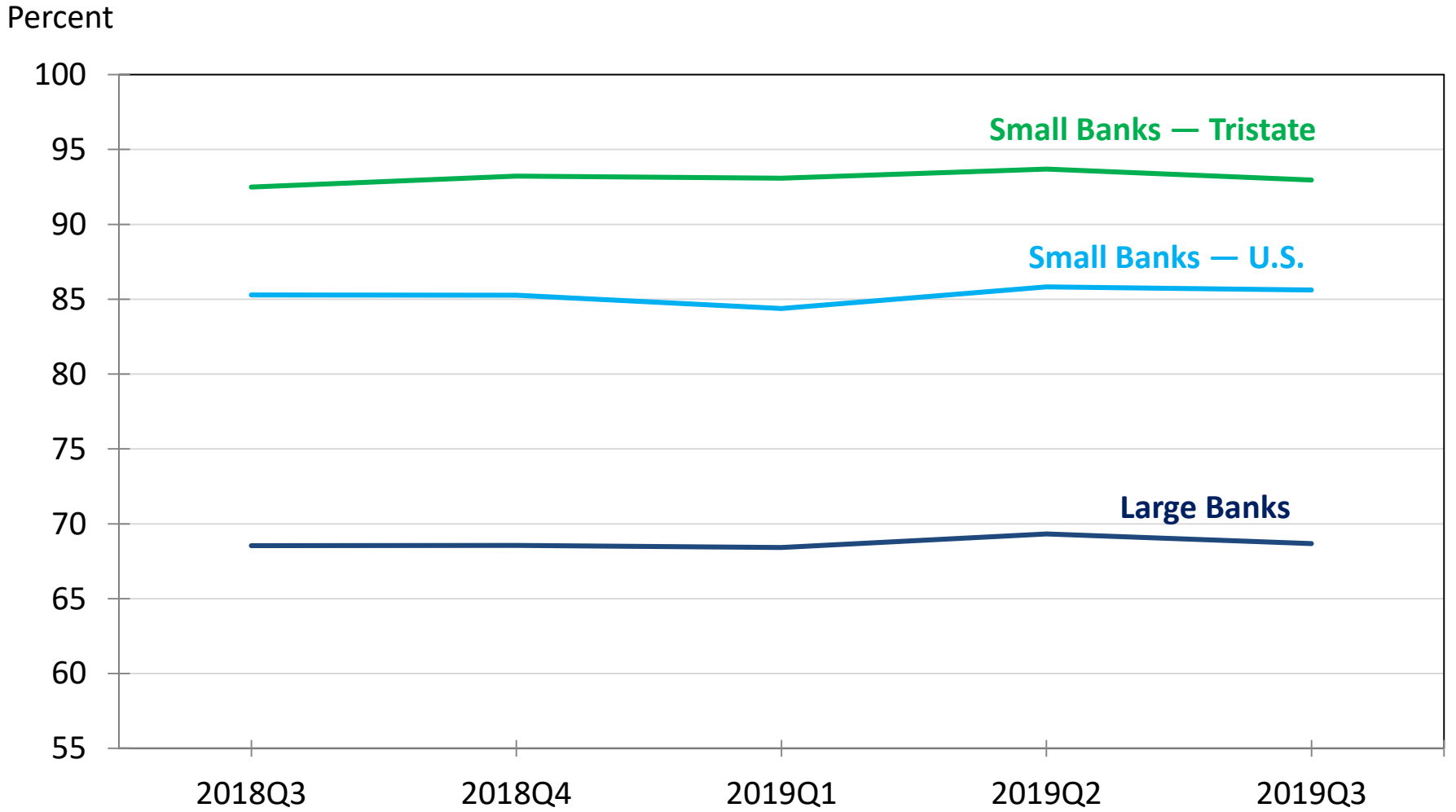


CHART 21

Core Deposits as a Share of Total Deposits

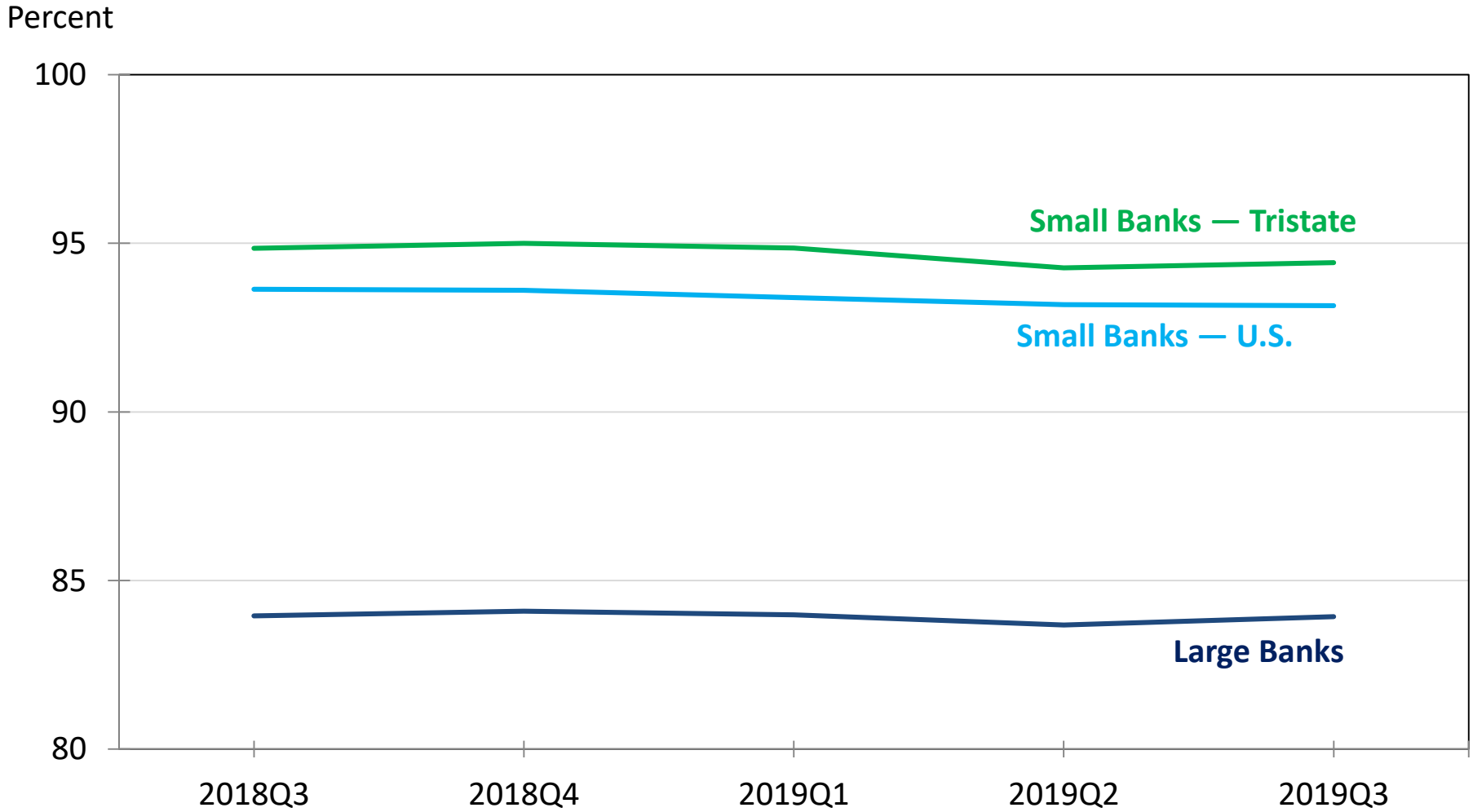
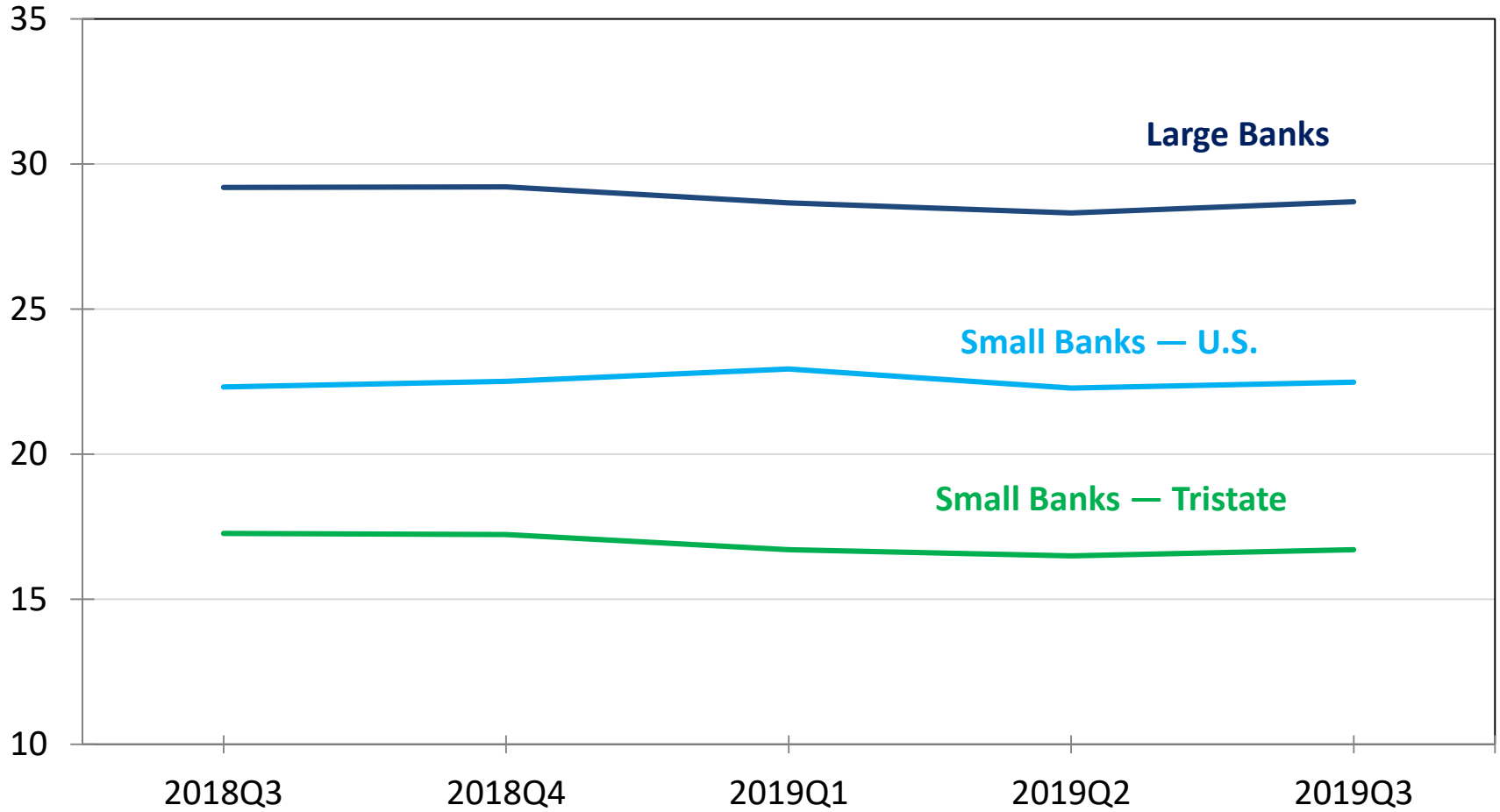


CHART 22

Liquid Assets as a Share of Total Assets

Percent



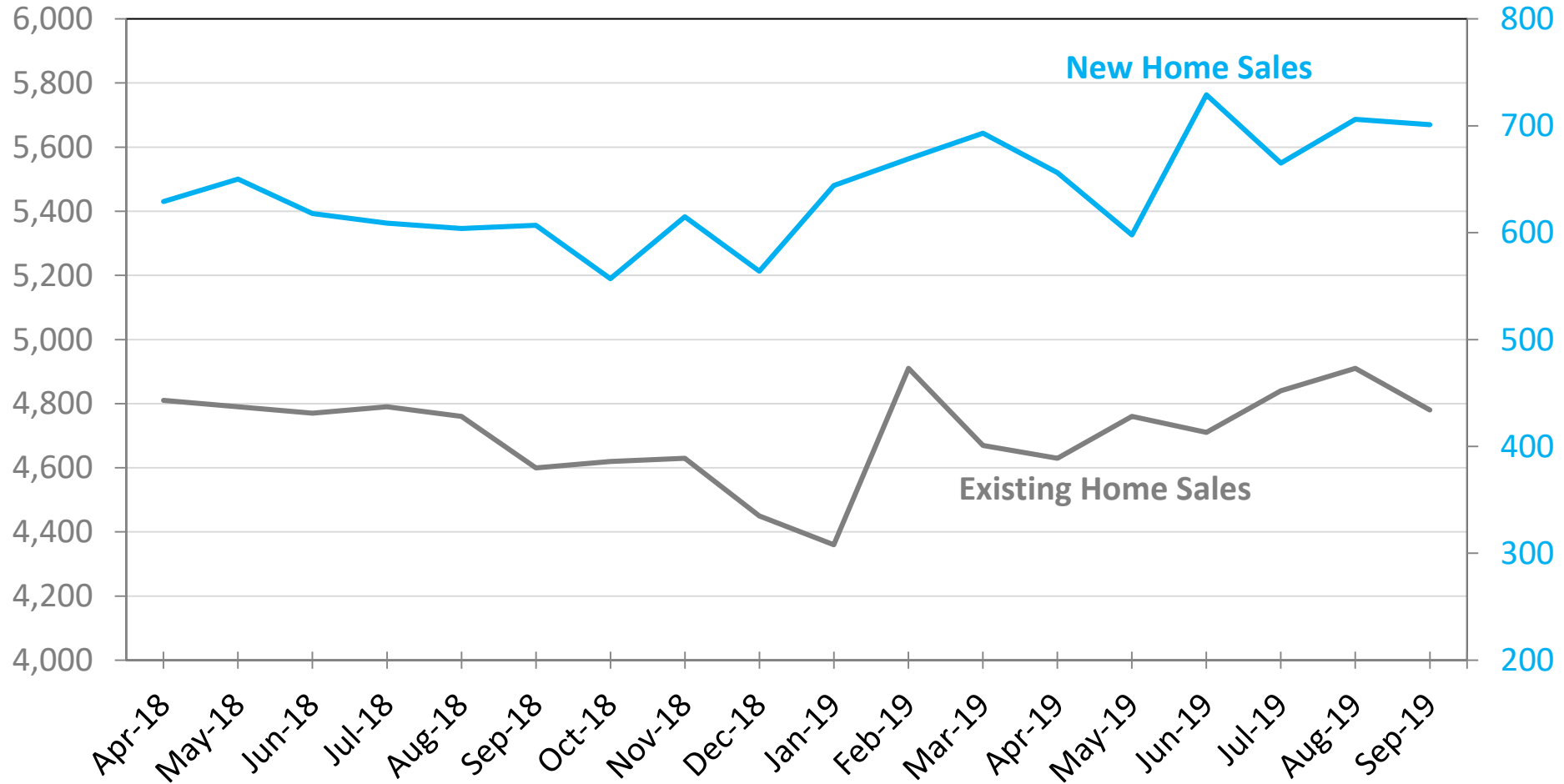
Part VII: Market Conditions

CHART 23

New and Existing Home Sales

Thousands

Thousands



Sources: Census Bureau and National Association of Realtors, via Haver Analytics.



Questions and comments may be directed to James V. DiSalvo at 215-574-3820 or jim.disalvo@phil.frb.org.

For methodology documentation and back issues, visit www.philadelphiafed.org/research-and-data/publications/banking-brief.

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