



## Fourth Quarter 2019 Highlights

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

|                                     | Small Banks   |               |               |               |               |               | Large Banks                         |               |               |               |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------------------------|---------------|---------------|---------------|
|                                     | U.S.          |               |               | Tristate      |               |               | U.S.                                |               |               |               |
|                                     | \$ Billion    | % Change From |               | \$ Billion    | % Change From |               | \$ Billion                          | % Change From |               |               |
|                                     | 2019Q4        | 2019Q3        | 2018Q4        | 2019Q4        | 2019Q3        | 2018Q4        |                                     | 2019Q4        | 2019Q3        | 2018Q4        |
| Total Assets                        | 2,405.0       | 10.62         | 7.90          | 163.4         | 5.49          | 7.47          | Total Assets*                       | 14,119.1      | 4.61          | 4.97          |
| Total Loans                         | 1,694.9       | 9.59          | 7.87          | 123.9         | 4.34          | 7.63          | Total Loans*                        | 7,424.4       | 3.22          | 4.59          |
| C&I                                 | 259.8         | 9.06          | 7.50          | 18.0          | 14.31         | 14.52         | C&I                                 | 1,819.1       | 0.13          | 7.28          |
| Real Estate                         | 1,255.4       | 11.03         | 8.10          | 91.3          | 0.83          | 3.87          | Real Estate                         | 3,226.2       | 1.92          | 1.99          |
| Consumer                            | 68.5          | 6.87          | 6.69          | 7.5           | 49.57         | 40.14         | Consumer*                           | 1,126.5       | 7.30          | 4.97          |
| Total Deposits                      | 1,983.8       | 10.28         | 7.58          | 133.3         | 4.26          | 7.94          | Total Deposits                      | 10,810.3      | 7.13          | 5.78          |
| <b>Ratios (in %)</b>                | <b>2019Q4</b> | <b>2019Q3</b> | <b>2018Q4</b> | <b>2019Q4</b> | <b>2019Q3</b> | <b>2018Q4</b> | <b>Ratios (in %)</b>                | <b>2019Q4</b> | <b>2019Q3</b> | <b>2018Q4</b> |
| Net Income/Avg. Assets (ROA)        | 1.26          | 1.26          | 1.23          | 1.11          | 1.13          | 1.14          | Net Income/Avg. Assets (ROA)        | 1.21          | 1.26          | 1.29          |
| Net Interest Inc./Avg. Assets (NIM) | 3.48          | 3.49          | 3.48          | 3.14          | 3.20          | 3.22          | Net Interest Inc./Avg. Assets (NIM) | 2.65          | 2.73          | 2.69          |
| Noninterest Inc./Avg. Assets        | 0.96          | 0.93          | 0.92          | 1.08          | 1.05          | 1.08          | Noninterest Inc./Avg. Assets        | 1.45          | 1.48          | 1.53          |
| Noninterest Exp./Avg. Assets        | 2.81          | 2.80          | 2.80          | 2.72          | 2.74          | 2.76          | Noninterest Exp./Avg. Assets        | 2.37          | 2.40          | 2.42          |
| Loans/Deposits                      | 85.44         | 85.57         | 85.21         | 92.93         | 92.91         | 93.19         | Loans/Deposits                      | 68.25         | 68.71         | 68.59         |
| Equity/Assets                       | 11.79         | 11.85         | 11.36         | 11.11         | 11.13         | 10.87         | Equity/Assets                       | 11.23         | 11.23         | 11.08         |
| Nonperforming Loans/Total Loans     | 0.70          | 0.72          | 0.71          | 0.62          | 0.62          | 0.68          | Nonperforming Loans/Total Loans     | 0.84          | 0.86          | 0.95          |

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.

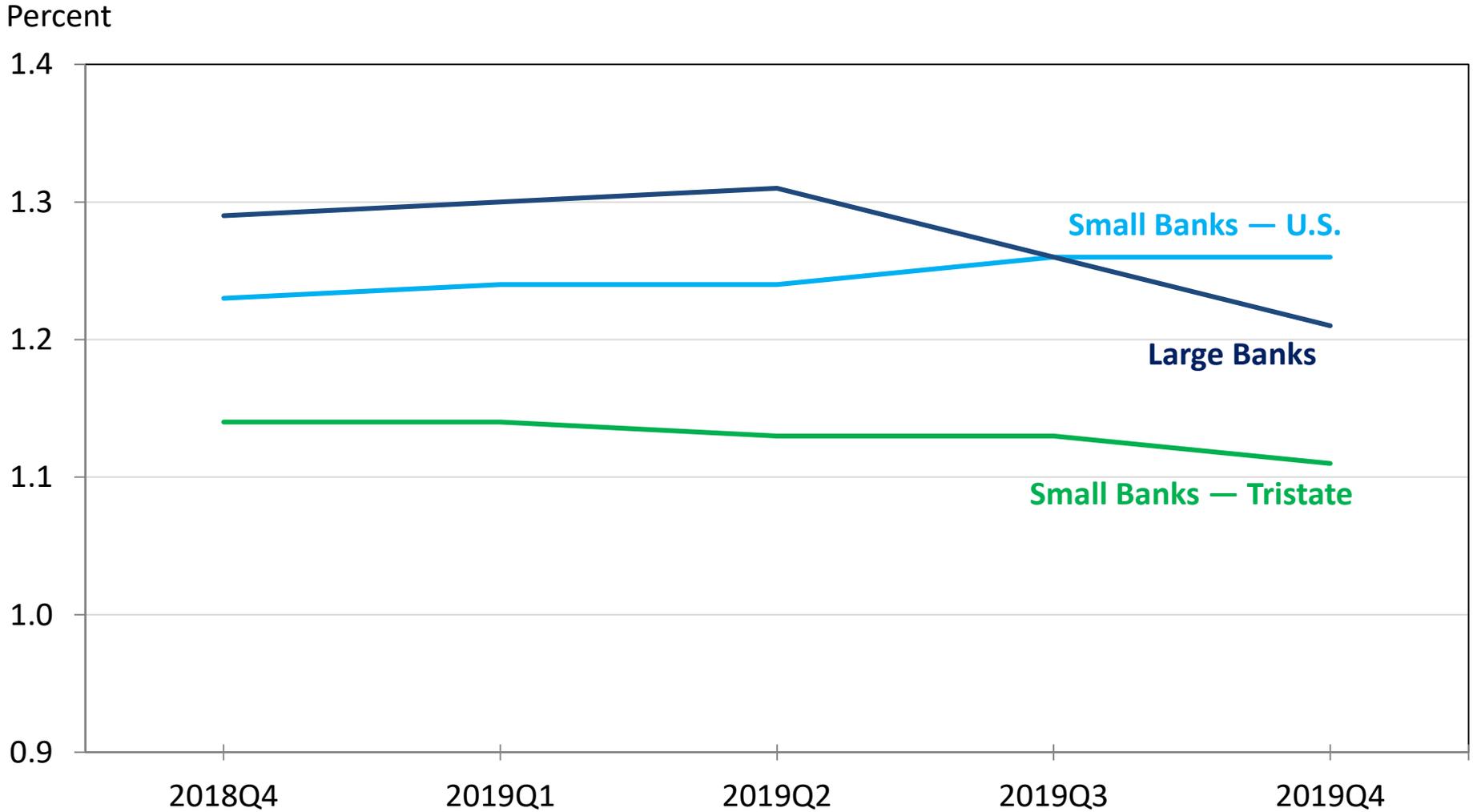


# Recent Trends in Tristate and U.S. Banking Markets

In the fourth quarter of 2019, NIMs and profitability trended downward at large banks and Tristate banks, but both remained steady at small banks outside the region. For all small banks, loan growth remained at healthy levels, while it continued at a more modest pace at large banks. At Tristate banks, the growth of C&I loans and consumer loans just offset declines in the growth of both RRE and CRE loans. In contrast, loan growth was healthy across all types of loans at small banks outside the tristate region. At large banks, the increase in the growth of real estate loans and consumer loans offset the significant decline in C&I loan growth. Loan quality continued to improve at all banks, with the decline in nonperforming RRE and CRE loans offsetting the rise in nonperforming C&I loans. Both large and small banks are better capitalized than they were in the fourth quarter of 2018.

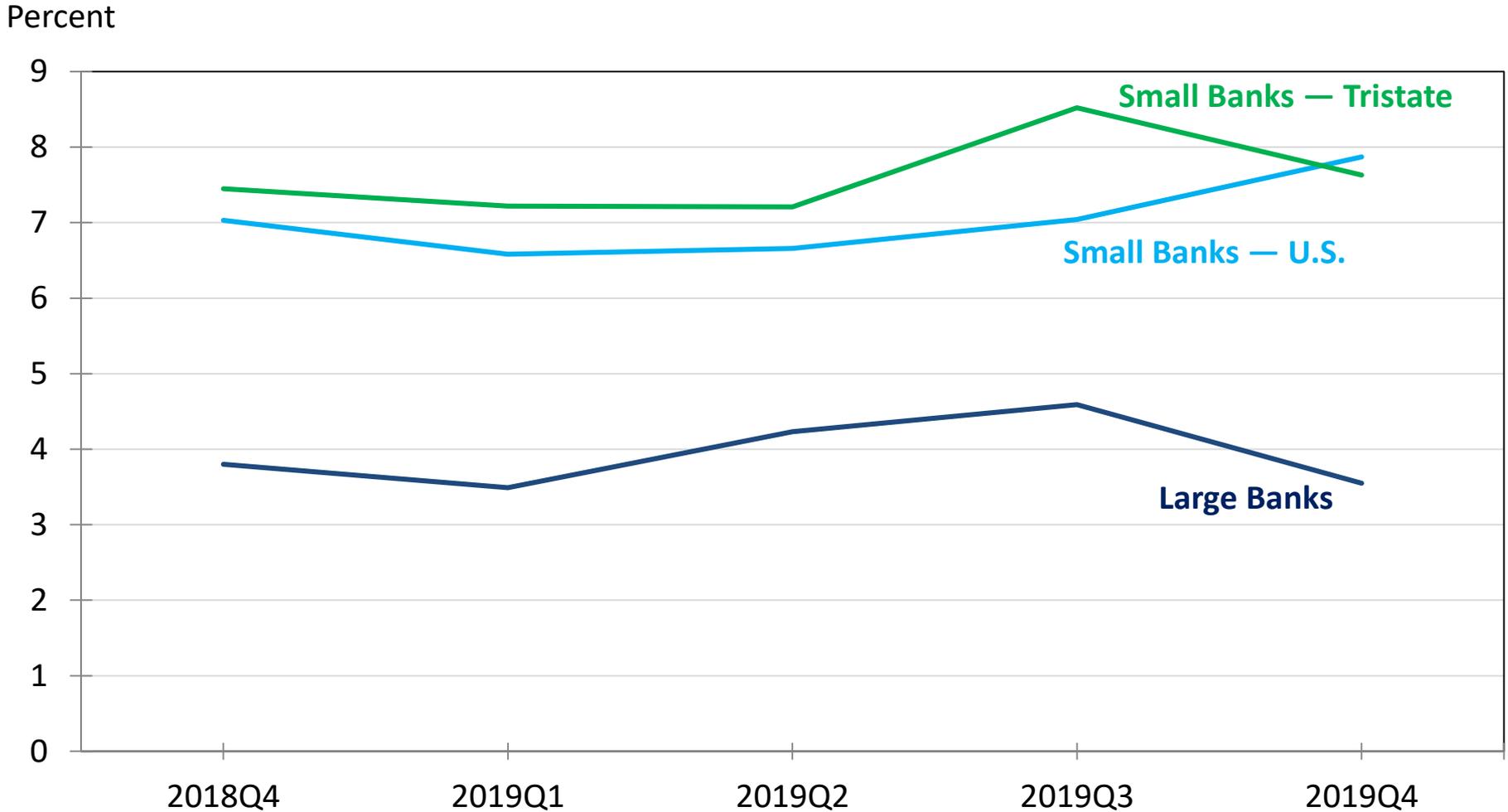
CHART 1

# Profitability Trended Downward at Large Banks and Tristate Banks



## CHART 2

# Total Loan Growth Was Healthy at Small Banks\*

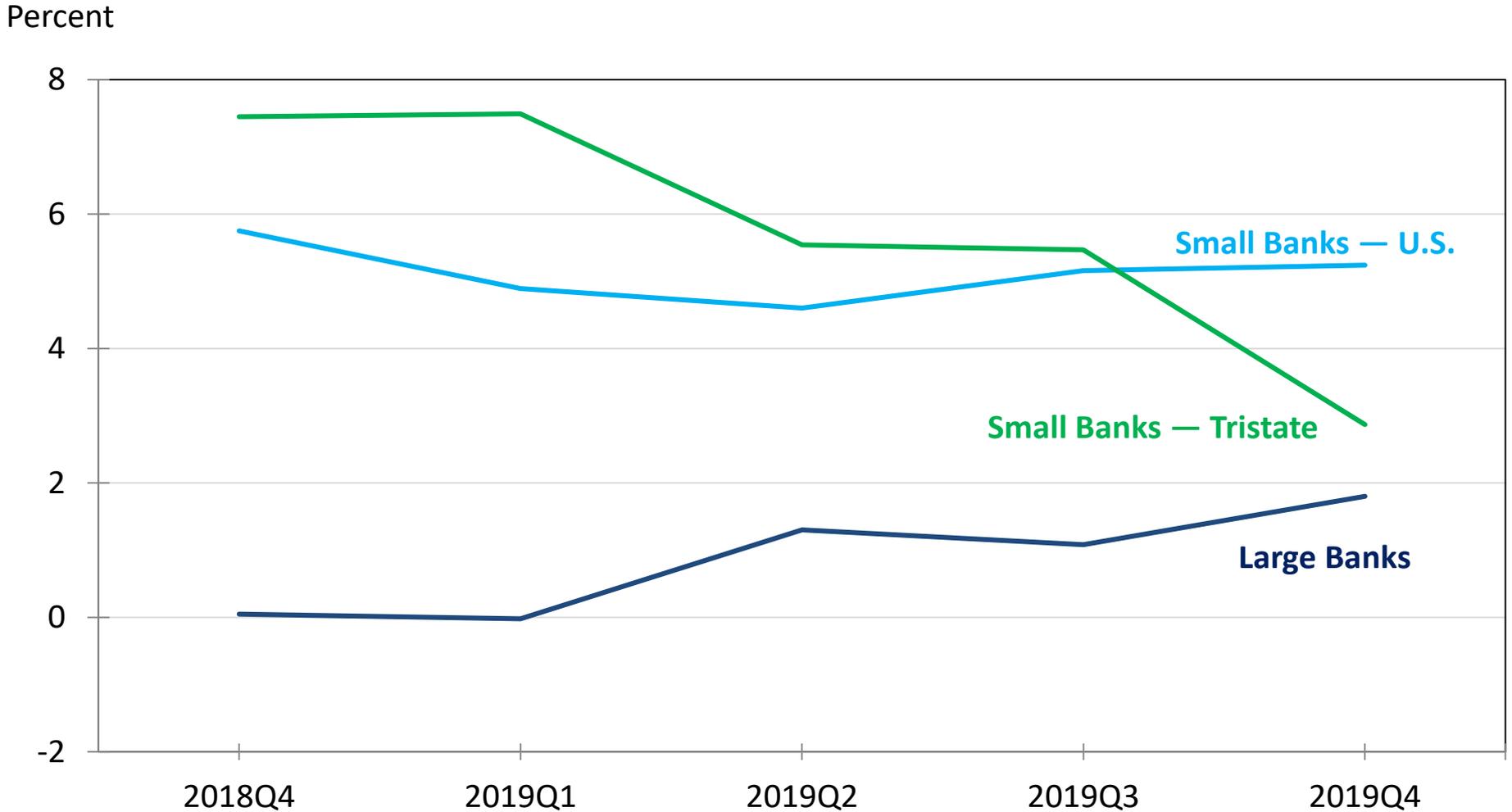


**Total loan growth was steady at a modest level at large banks.**

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### CHART 3 RRE Slowed at Tristate Banks

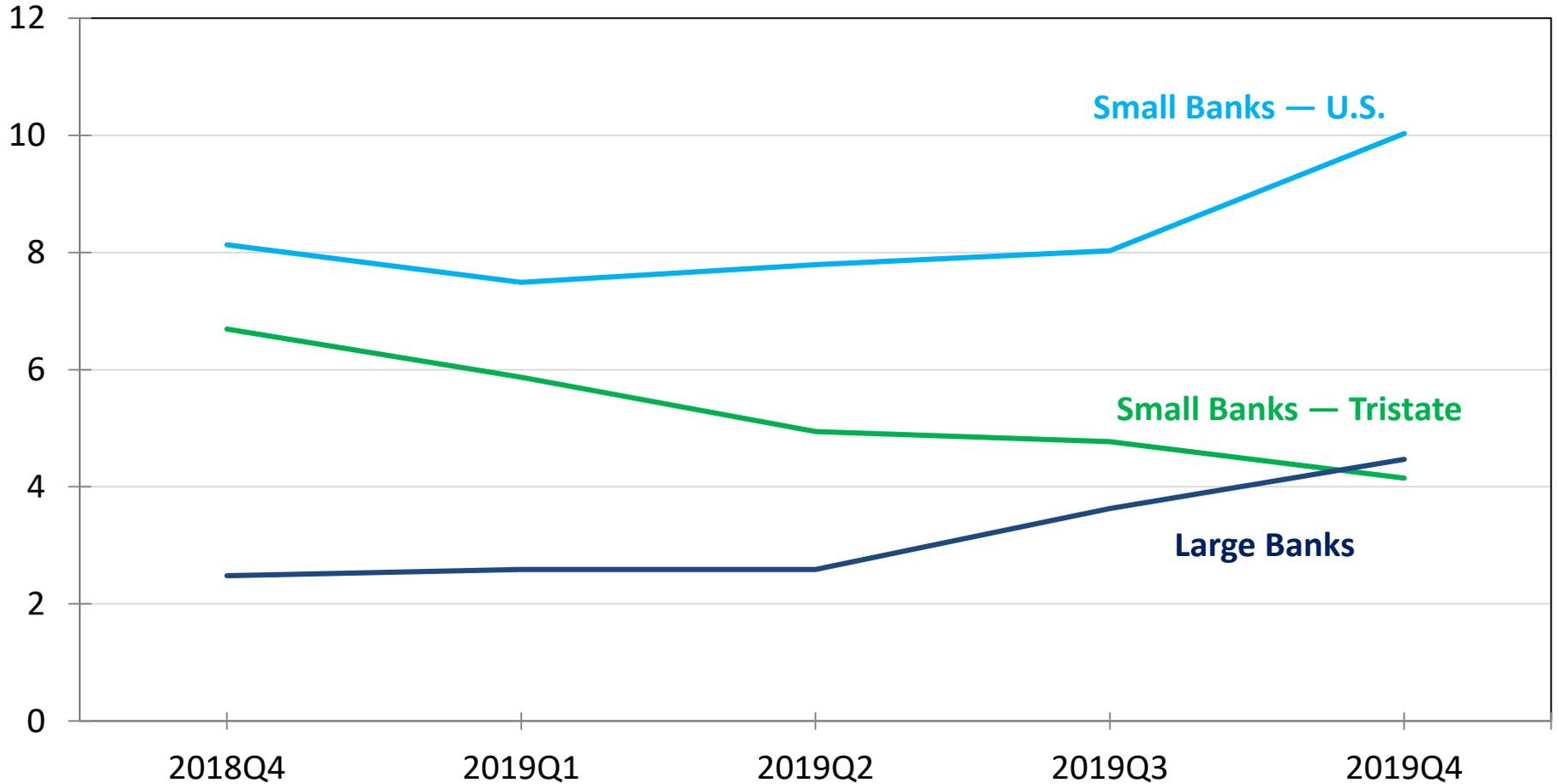


RRE growth increased significantly from a low rate at large banks.

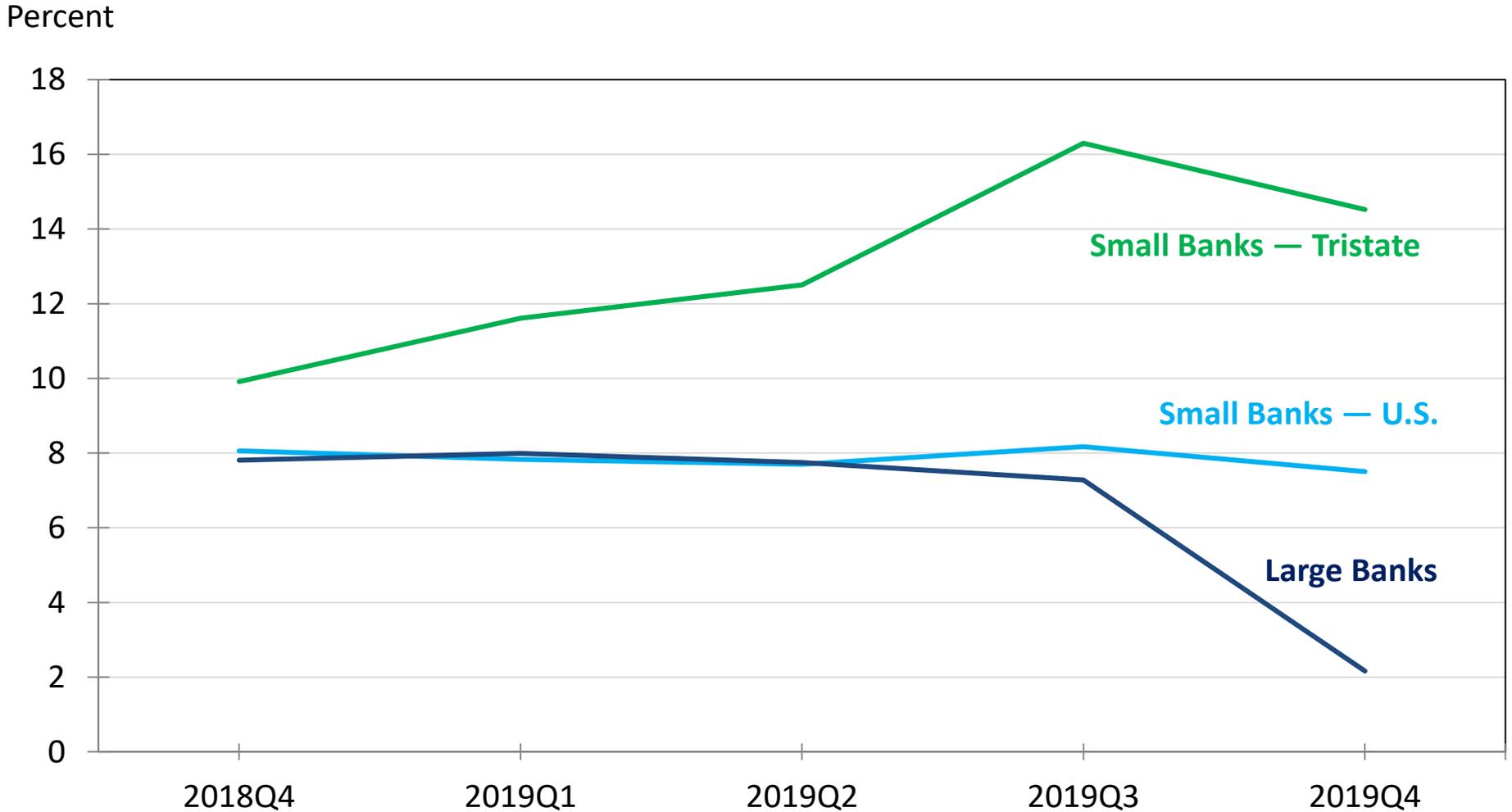
CHART 4

# CRE Loan Growth Slowed at Tristate Banks While It Increased at Banks Outside the Region

Percent



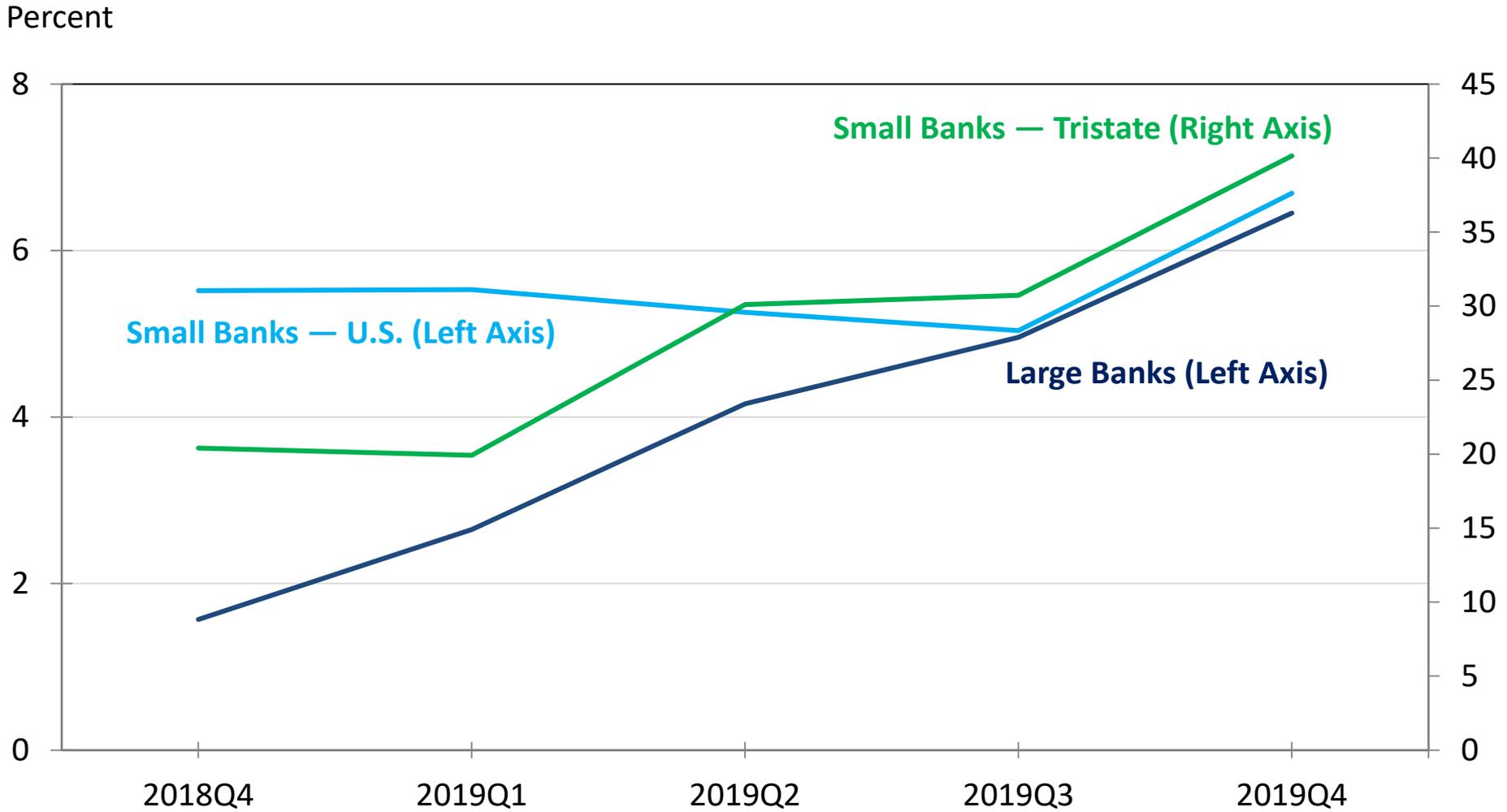
# CHART 5 C&I Loan Growth Slowed Significantly at Large Banks



C&I loan growth was strong at small banks within and outside the region.

# CHART 6

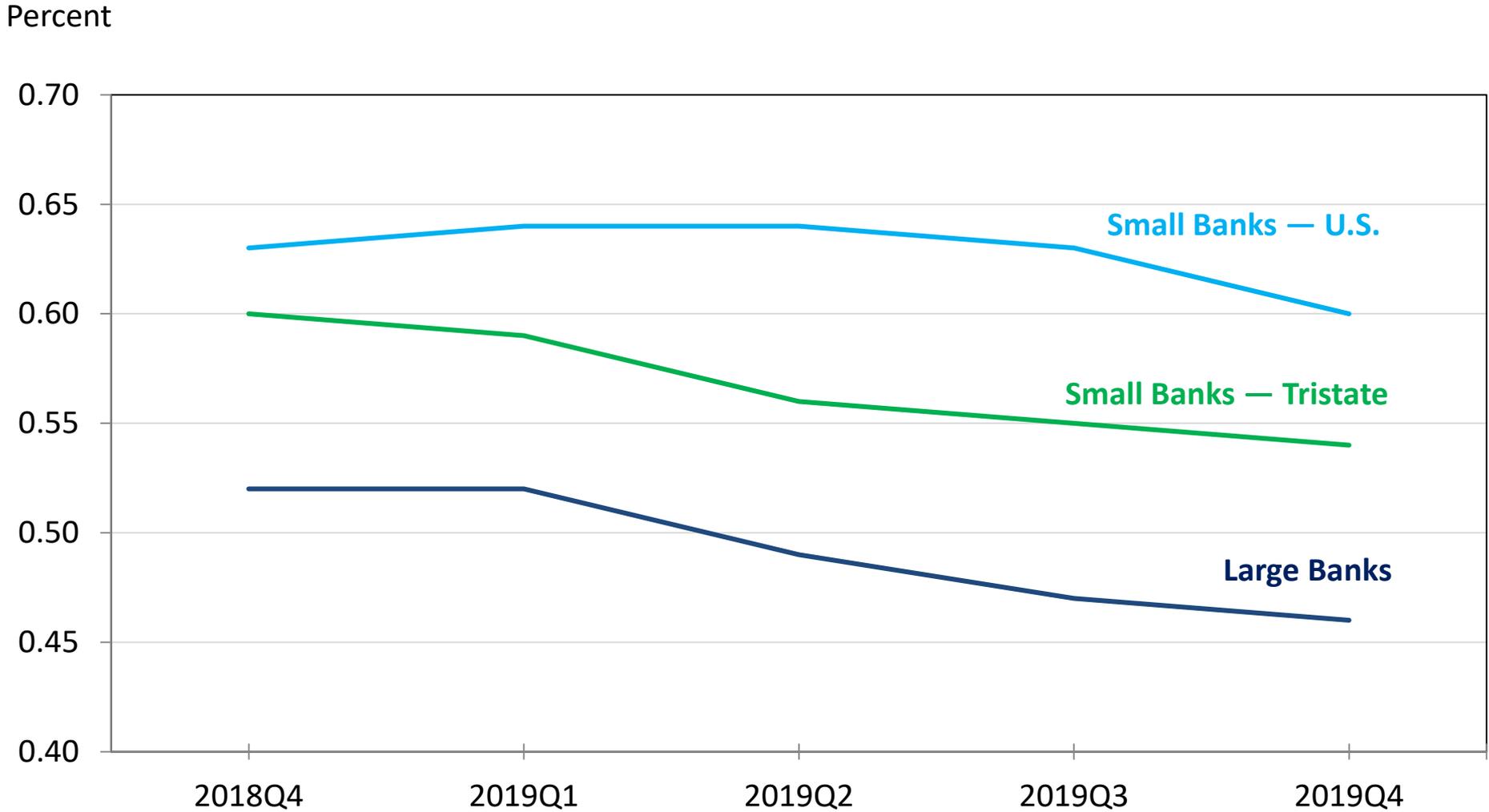
## Consumer Loan Growth Accelerated at All Banks\*



\*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.

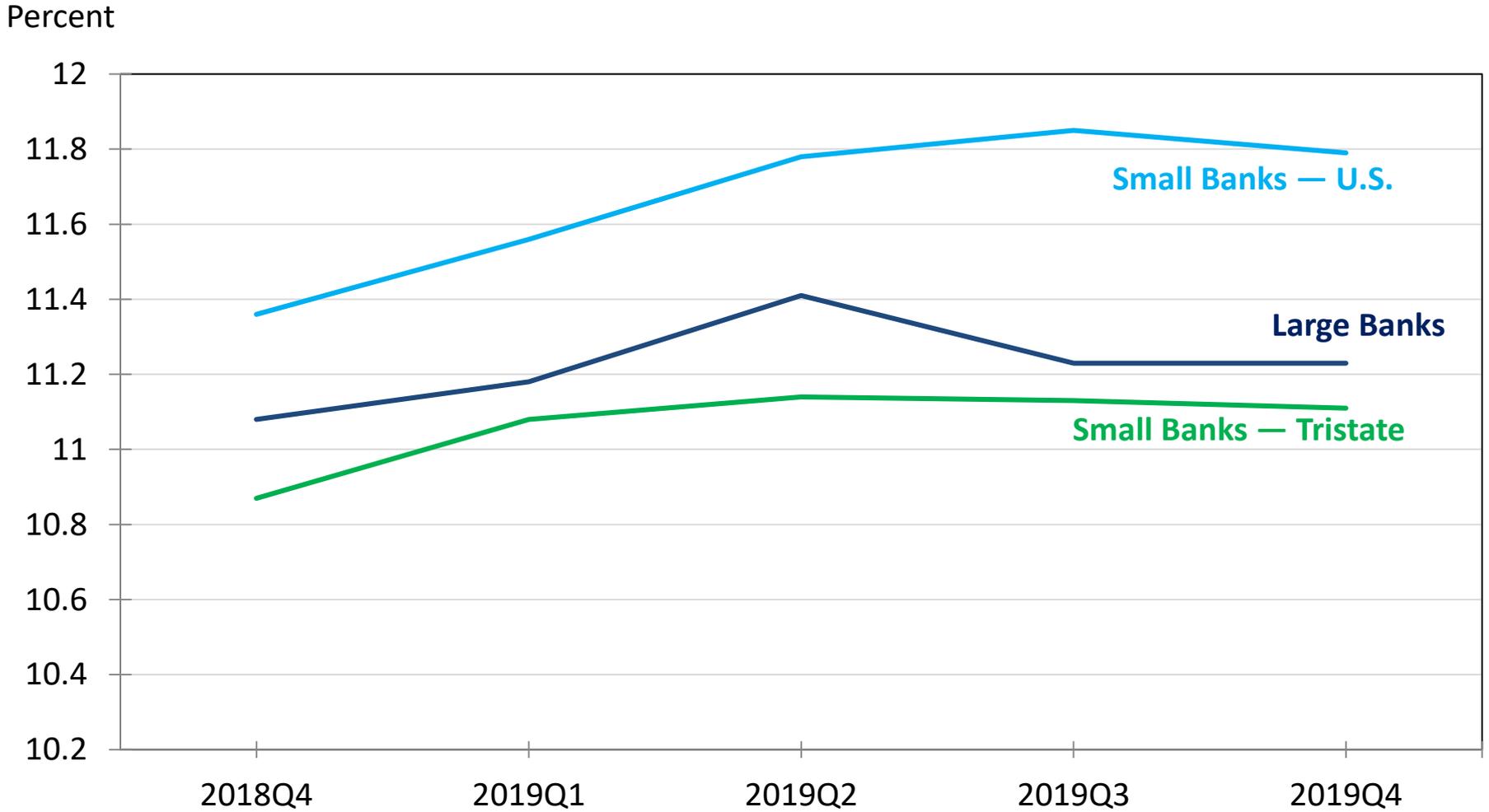
CHART 7

# Loan Quality Improved at All Banks



While loan quality improved at large banks, nonperforming C&I loans increased.

# CHART 8 Capitalization Has Improved Across All Banks





FEDERAL RESERVE BANK OF PHILADELPHIA