

# Banking Brief

## RESEARCH DEPARTMENT

### **Fourth Quarter 2020**

Part 1. [Earnings Ratios](#)

Part 2. [Annual Growth Rates](#)

Part 3. [Asset Quality Ratios](#)

Part 4. [Loan Loss Provisioning and Reserves](#)

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## Summary Table of Bank Structure and Conditions

Fourth Quarter 2020	Small Banks						Large Banks		
	U.S.			Tristate			U.S.		
	\$ Billion	% Change From		\$ Billion	% Change From		\$ Billion	% Change From	
	20Q4	20Q3	19Q4	20Q4	20Q3	19Q4	20Q3	19Q4	20Q4
<b>Total Assets</b>	2,844.9	9.40	19.16	198.9	-2.08	21.09	16,763.9	14.40	17.55
<b>Total Loans</b>	1,898.0	-5.79	12.84	148.9	-4.80	19.51	7,697.5	-1.58	2.10
C&I	393.0	-32.33	52.80	38.1	-24.33	110.56	1,896.7	-11.38	5.04
Real Estate	1,315.9	4.77	5.66	93.9	4.24	2.23	3,286.5	-4.84	0.20
Consumer	69.8	-1.26	1.93	8.4	-0.21	12.58	1,115.2	6.72	-4.76
<b>Total Deposits</b>	2,375.8	14.61	20.62	157.9	6.86	17.74	13,622.2	18.43	23.37
<b>Ratios (in %)</b>	<b>20Q4</b>	<b>20Q3</b>	<b>19Q4</b>	<b>20Q4</b>	<b>20Q3</b>	<b>19Q4</b>	<b>20Q3</b>	<b>19Q4</b>	<b>20Q4</b>
Net Income/Avg. Assets (ROA)	1.13	1.12	1.26	0.87	0.80	1.11	0.59	0.58	1.20
Net Interest Inc./Avg. Assets (NIM)	3.20	3.27	3.48	2.92	2.91	3.16	2.23	2.31	2.64
Noninterest Inc./Avg. Assets	1.11	1.07	0.98	1.05	1.04	1.08	1.32	1.34	1.44
Noninterest Exp./Avg. Assets	2.66	2.69	2.83	2.50	2.53	2.74	2.26	2.30	2.36
Loans/Deposits	79.89	83.90	85.40	94.35	97.12	92.95	56.51	59.18	68.28
Equity/Assets	10.85	10.83	11.78	9.83	9.52	11.10	10.01	10.18	11.23
Nonperforming Loans/Total Loans	0.75	0.75	0.71	0.71	0.63	0.63	1.12	1.11	0.84

**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, 2019, 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, 2019. 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, 2019, including assets of only their commercial bank subsidiaries. *U.S.* excludes tristate banks. The sample includes 113 small tristate banks, 3,867 small U.S. banks, and 100 large U.S. banks. \*Data for Large Banks were adjusted due to an internal merger at one institution during the second quarter of 2019 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 1: Earnings Ratios

CHART 1

### Return on Average Assets

Percent

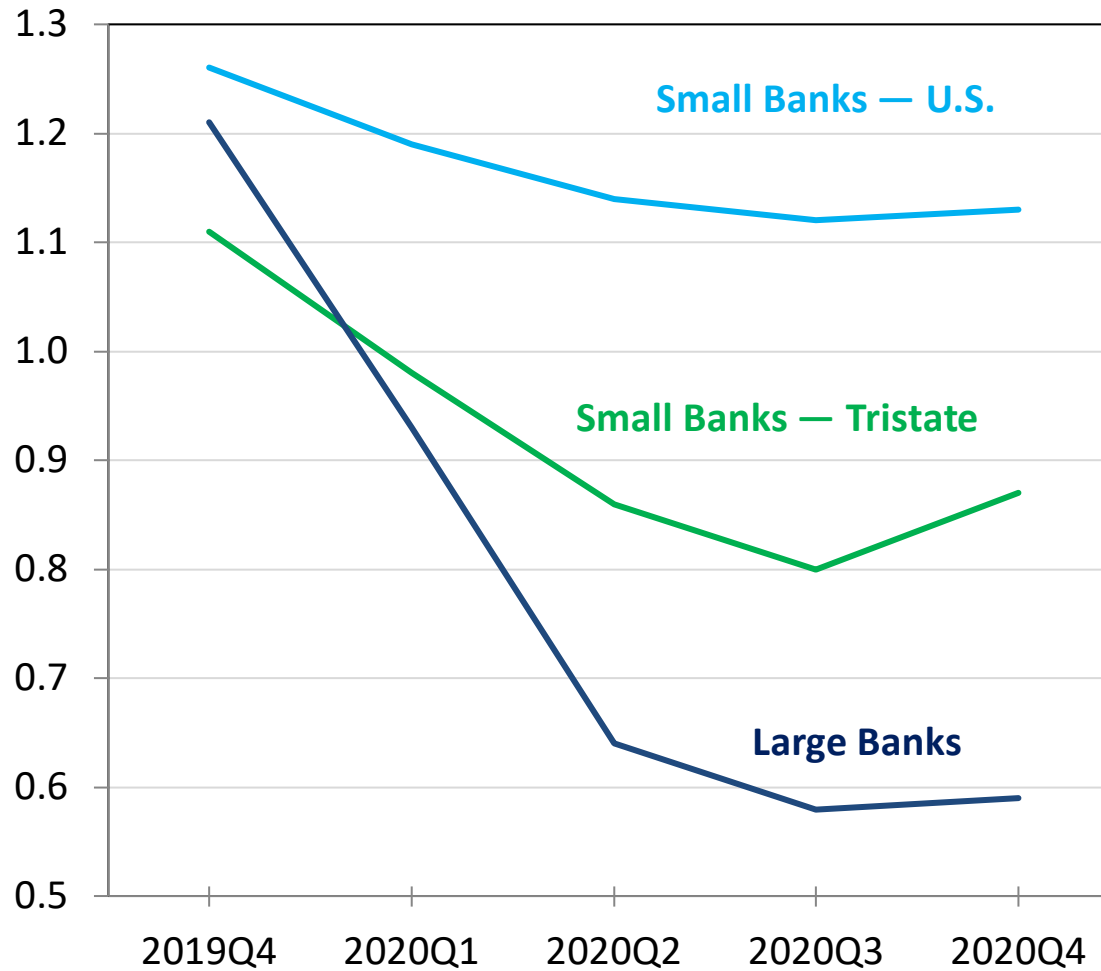
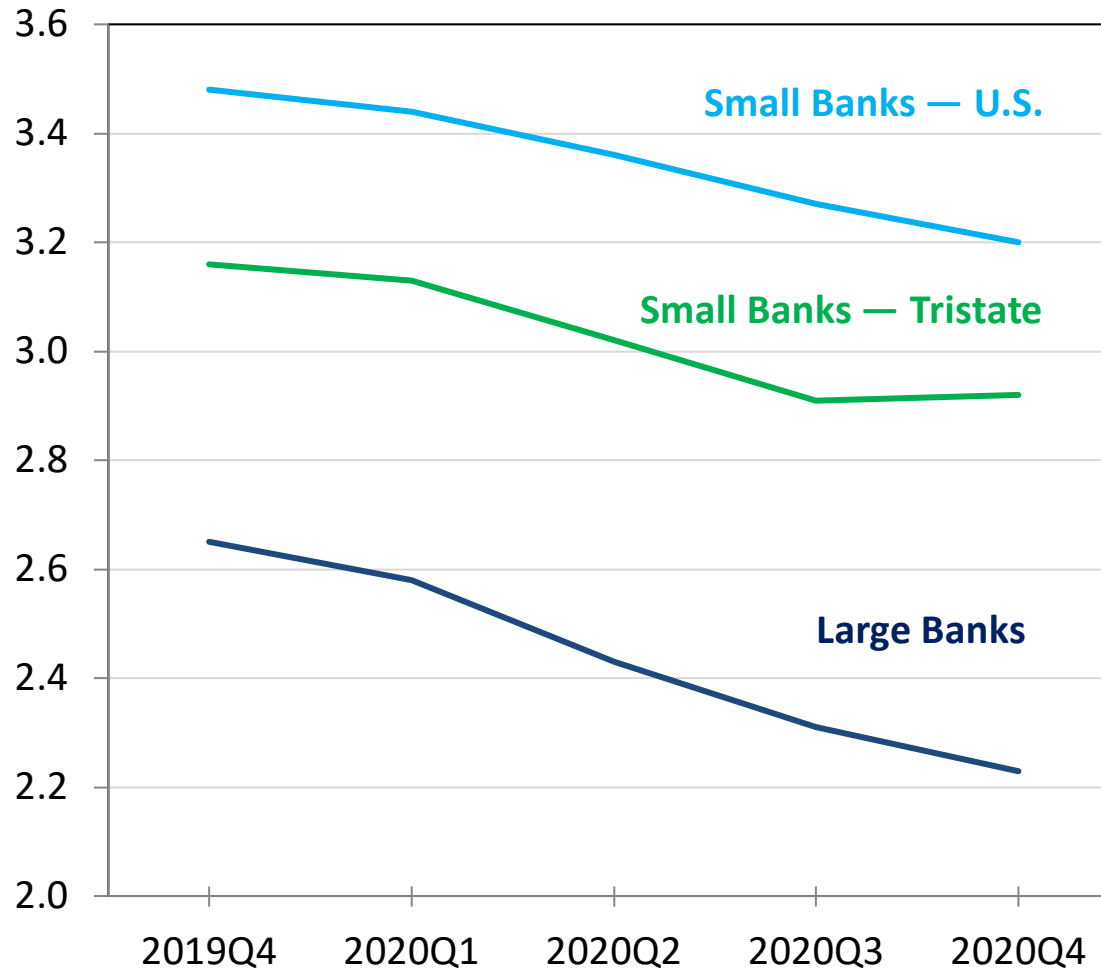


CHART 2

## Net Interest Margin

Percent



# Part 2: Annual Growth Rates

CHART 3

### Annual Growth of Quarterly Net Income Percent

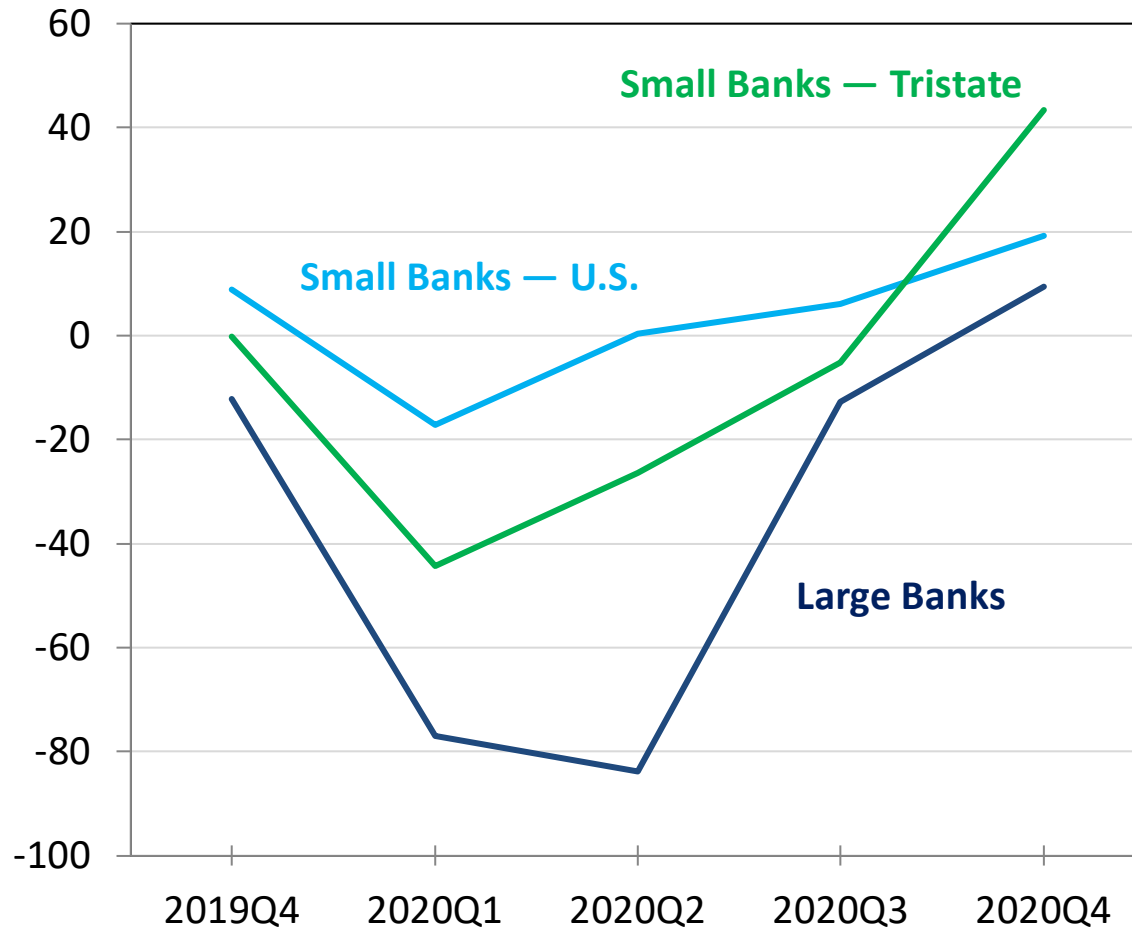
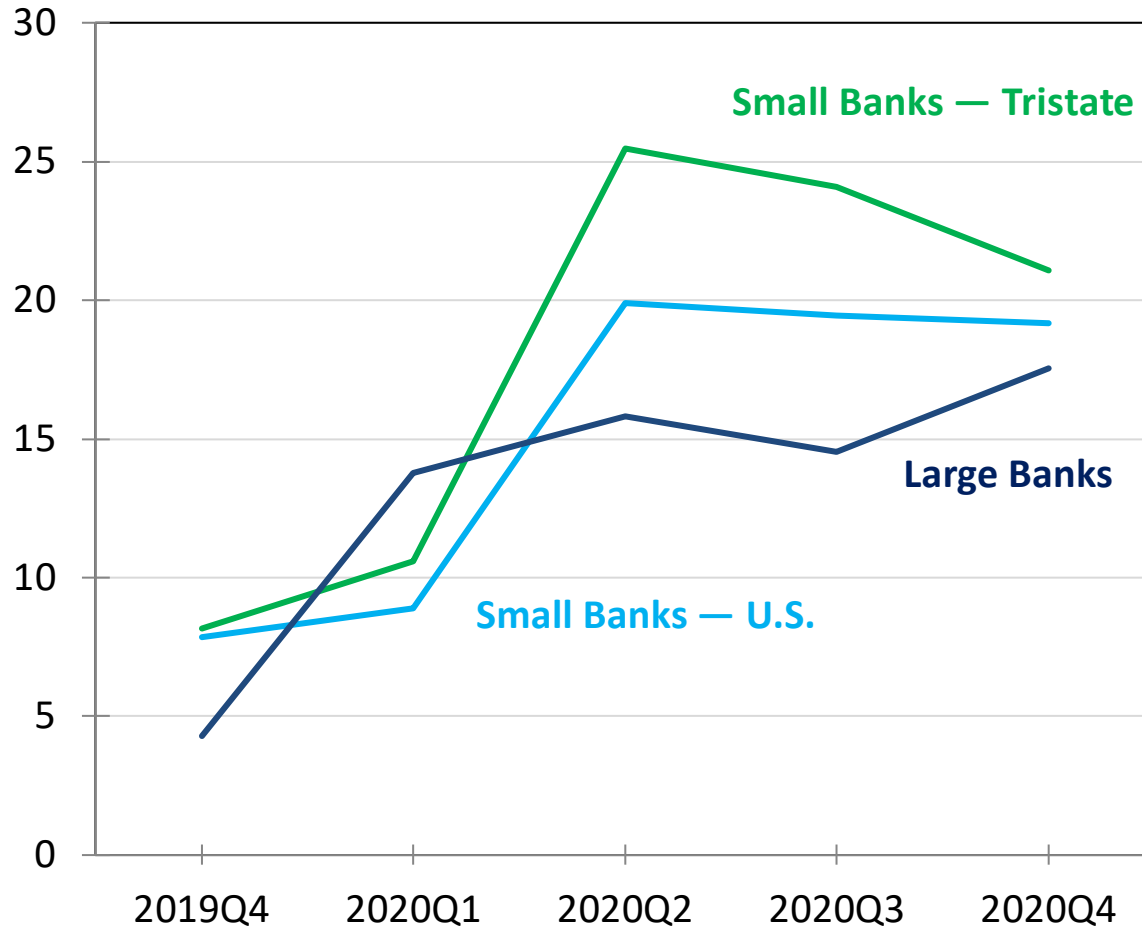


CHART 4

### Annual Growth of Total Assets\*

Percent



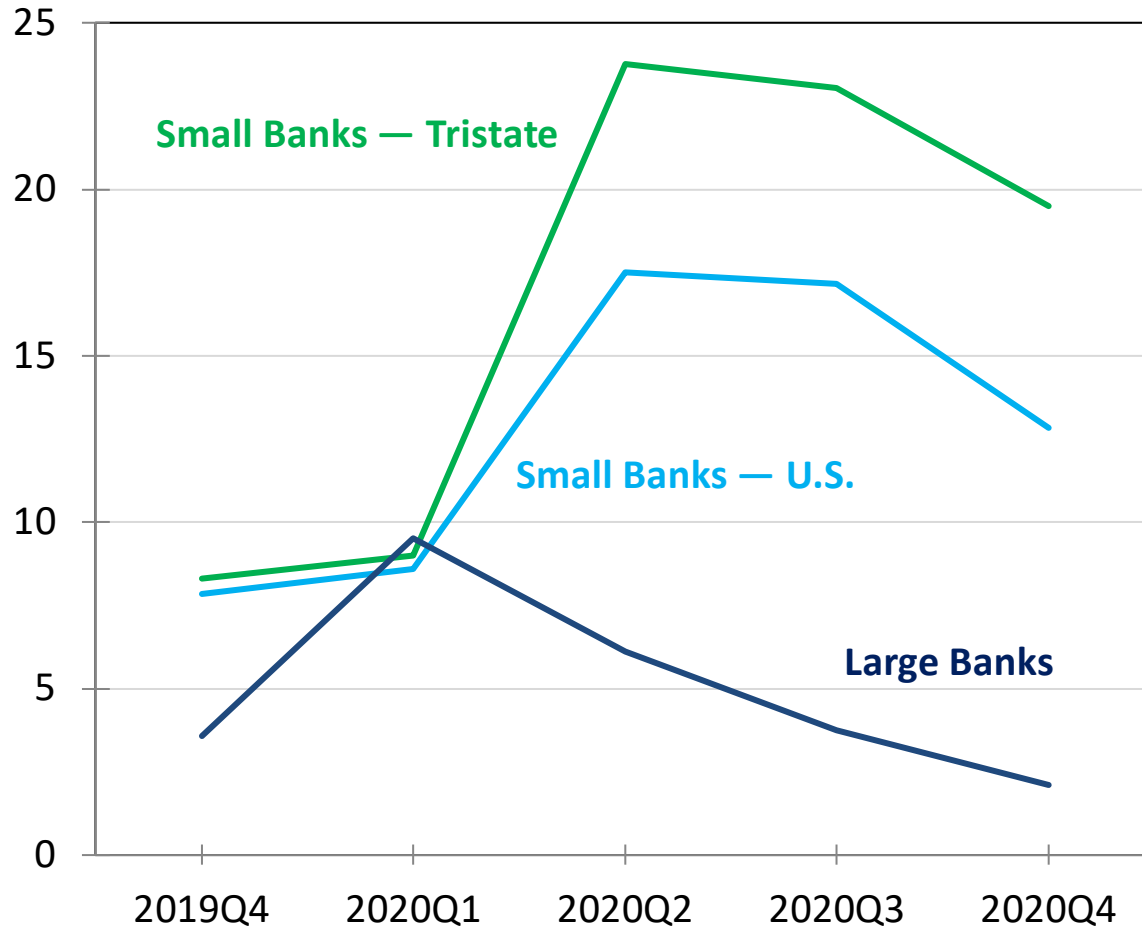
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CHART 5

### Annual Growth of Total Loans\*

Percent



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CHART 5a

## Annual Growth of RRE Loans

Percent

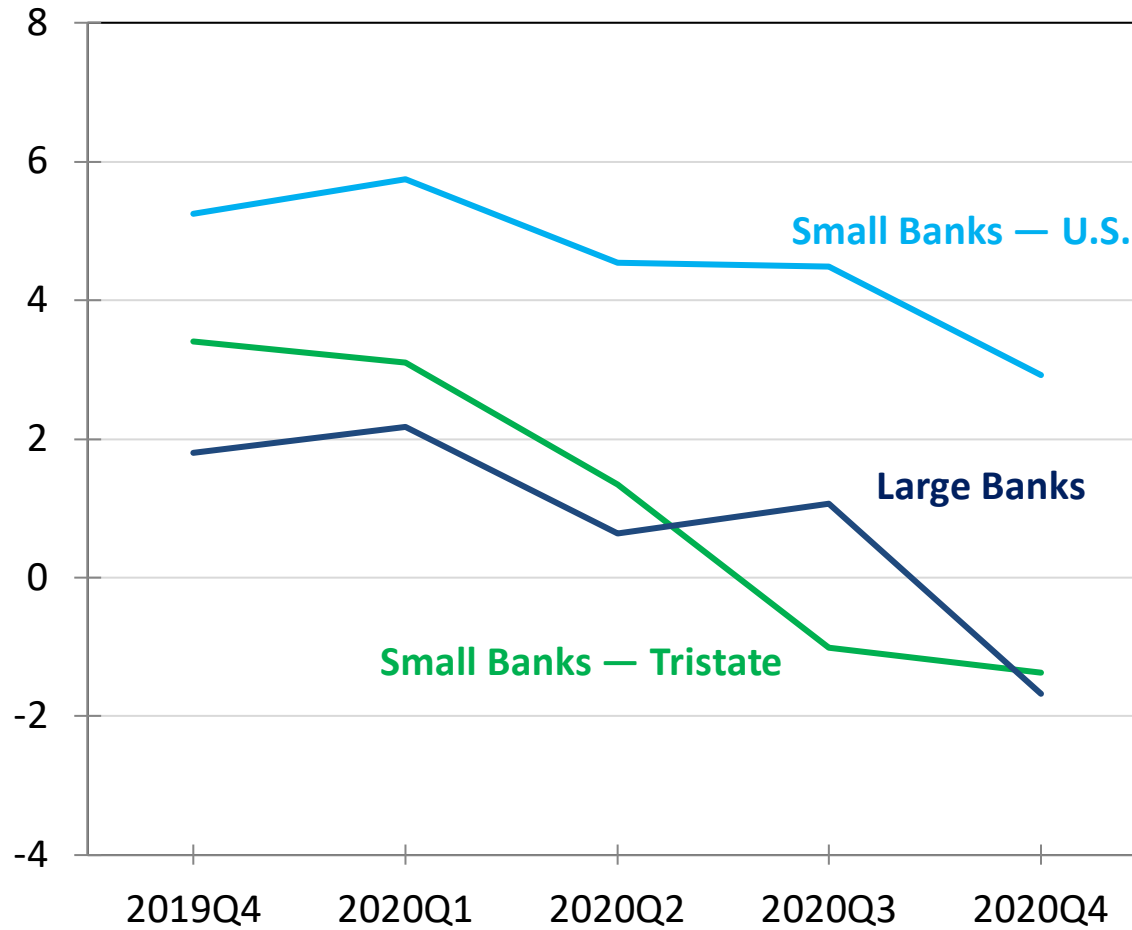


CHART 5b

## Annual Growth of CRE Loans

Percent

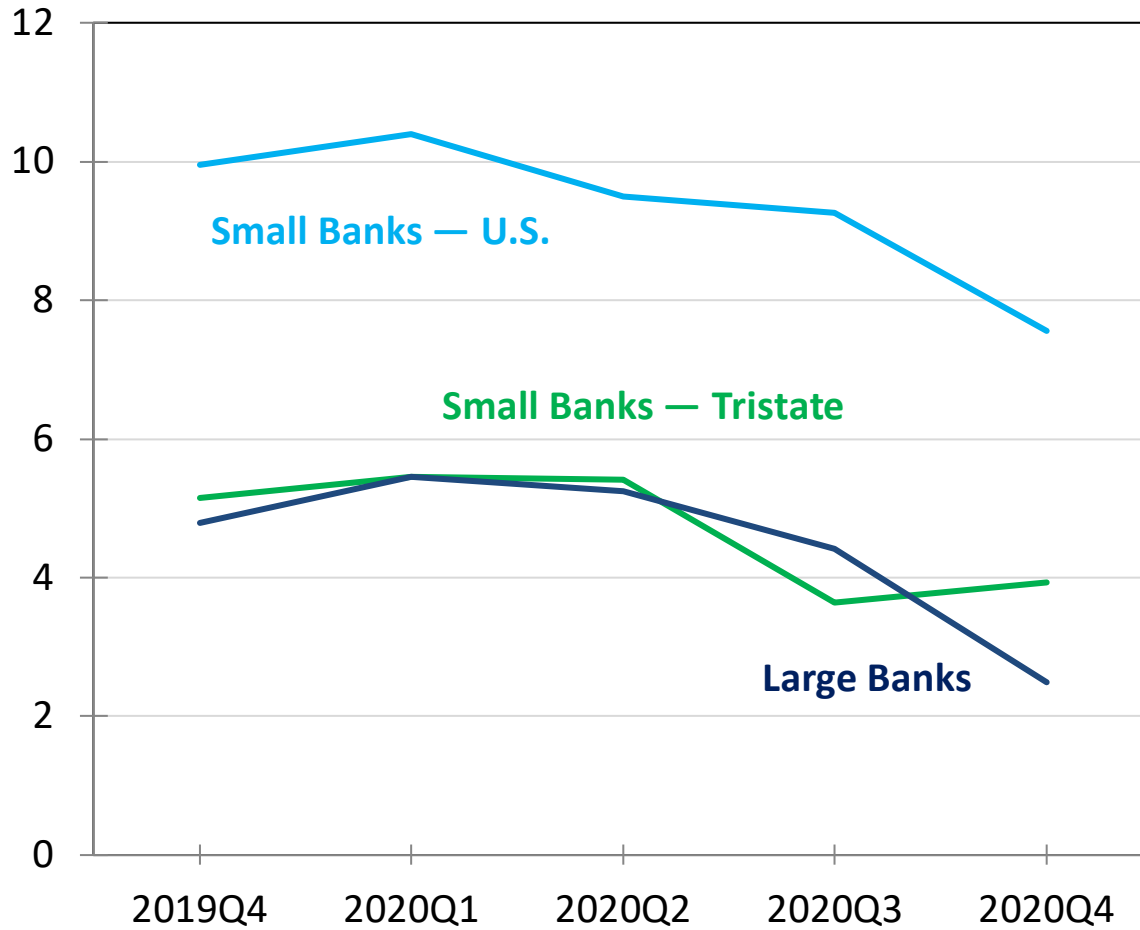


CHART 5c

## Annual Growth of Construction Loans

Percent

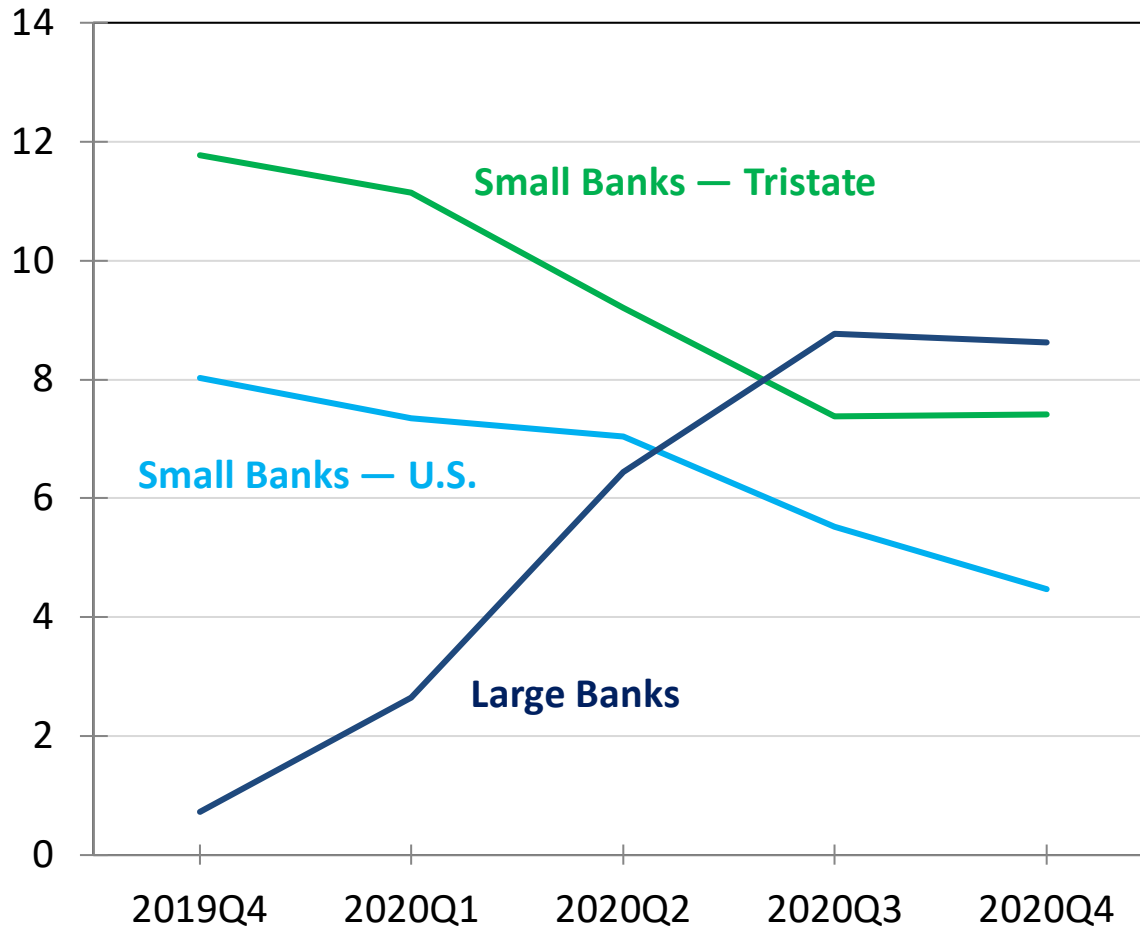


CHART 5d

## Annual Growth of Loans Secured by Multifamily Properties

Percent

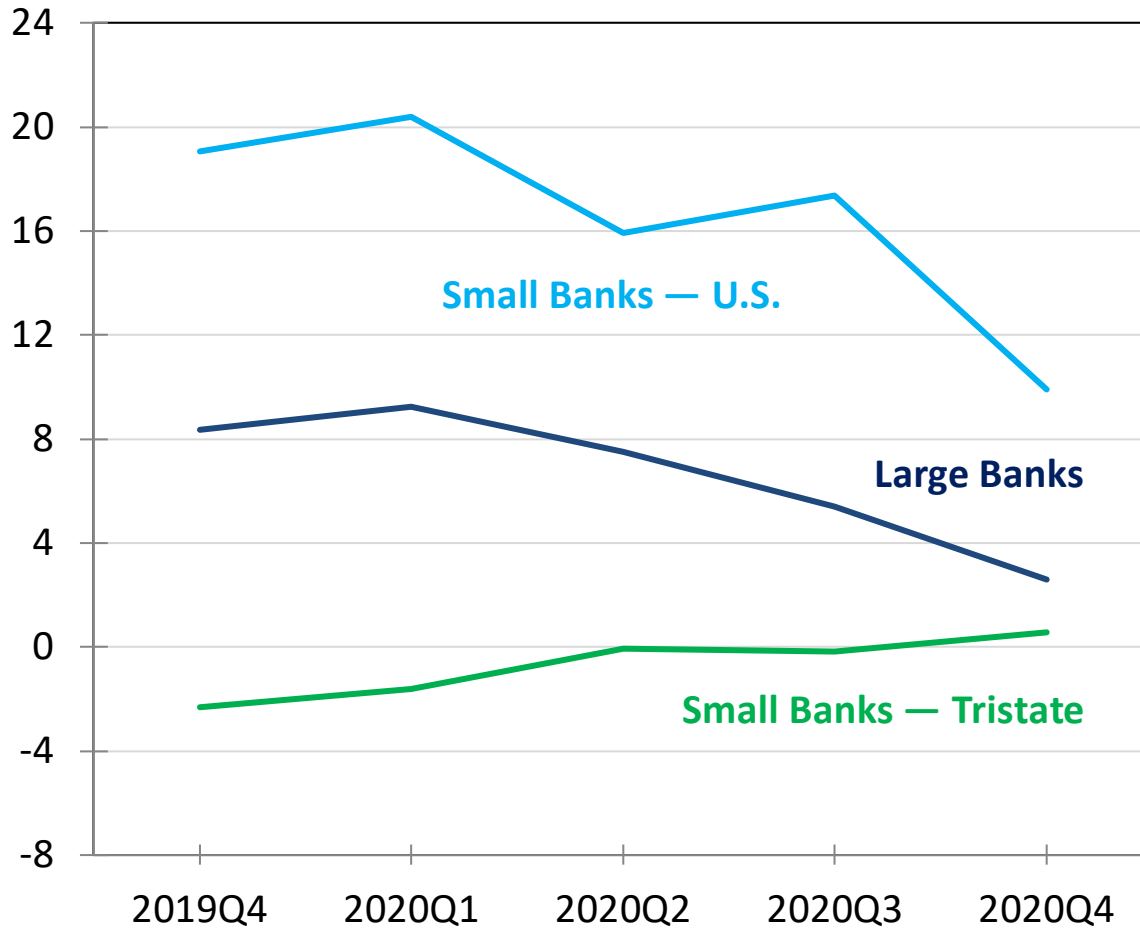


CHART 5e

## Annual Growth of Commercial Mortgages

Percent

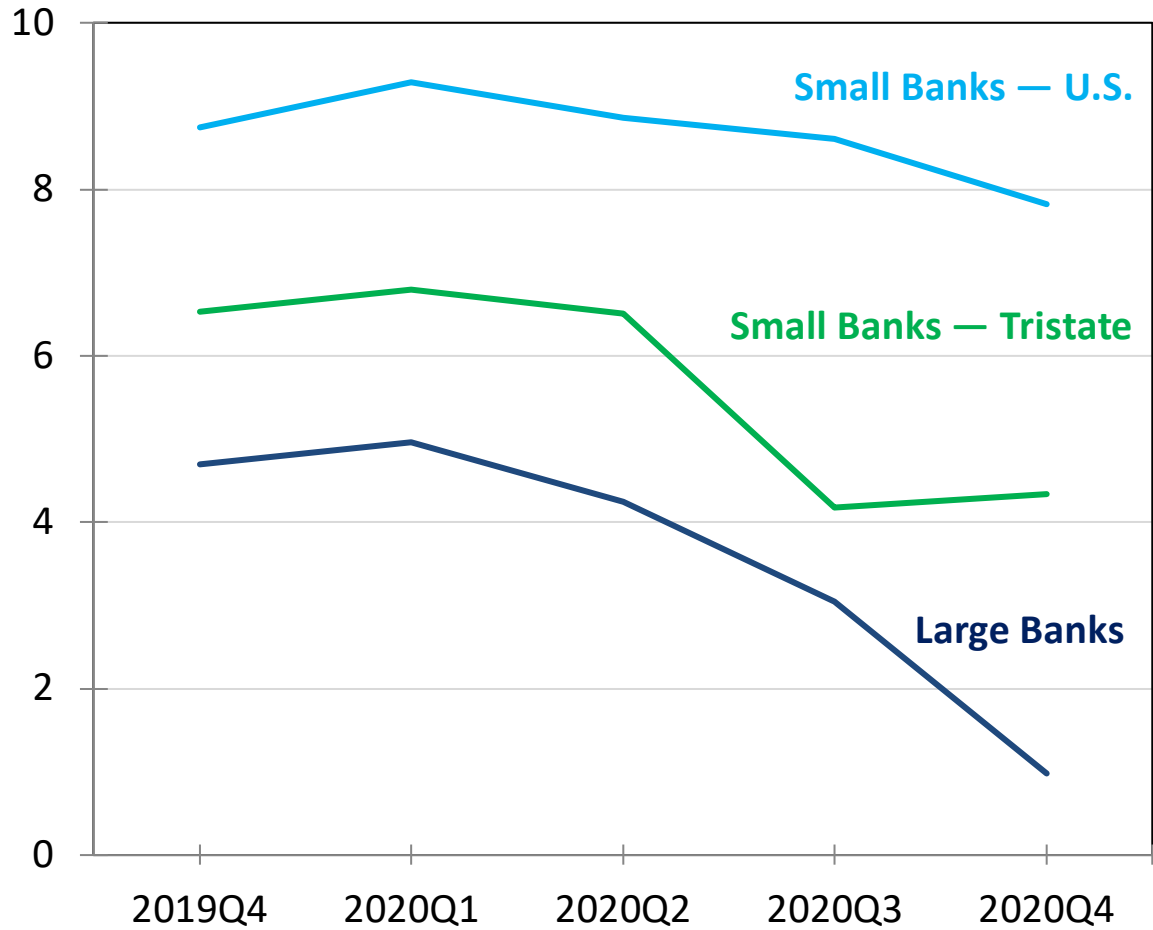


CHART 5f

## Annual Growth of Commercial and Industrial Loans

Percent

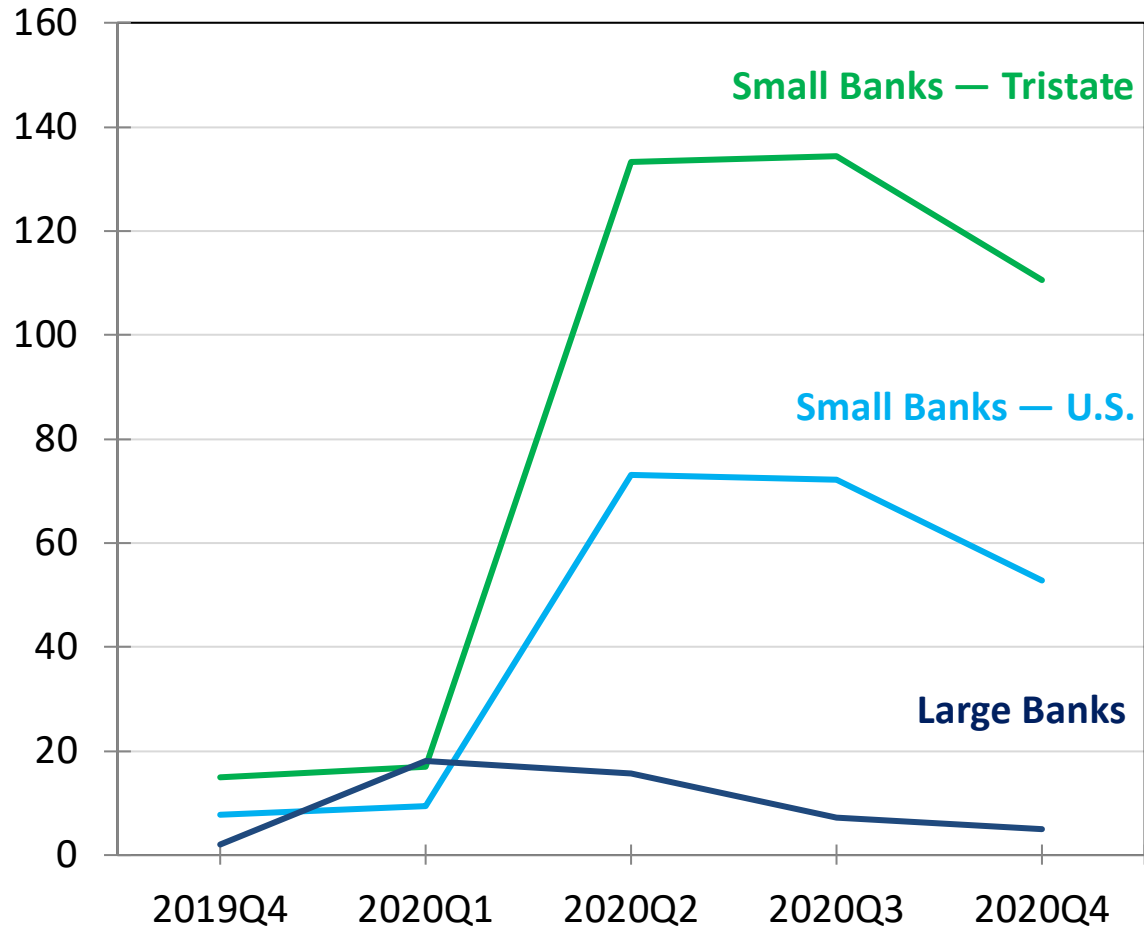
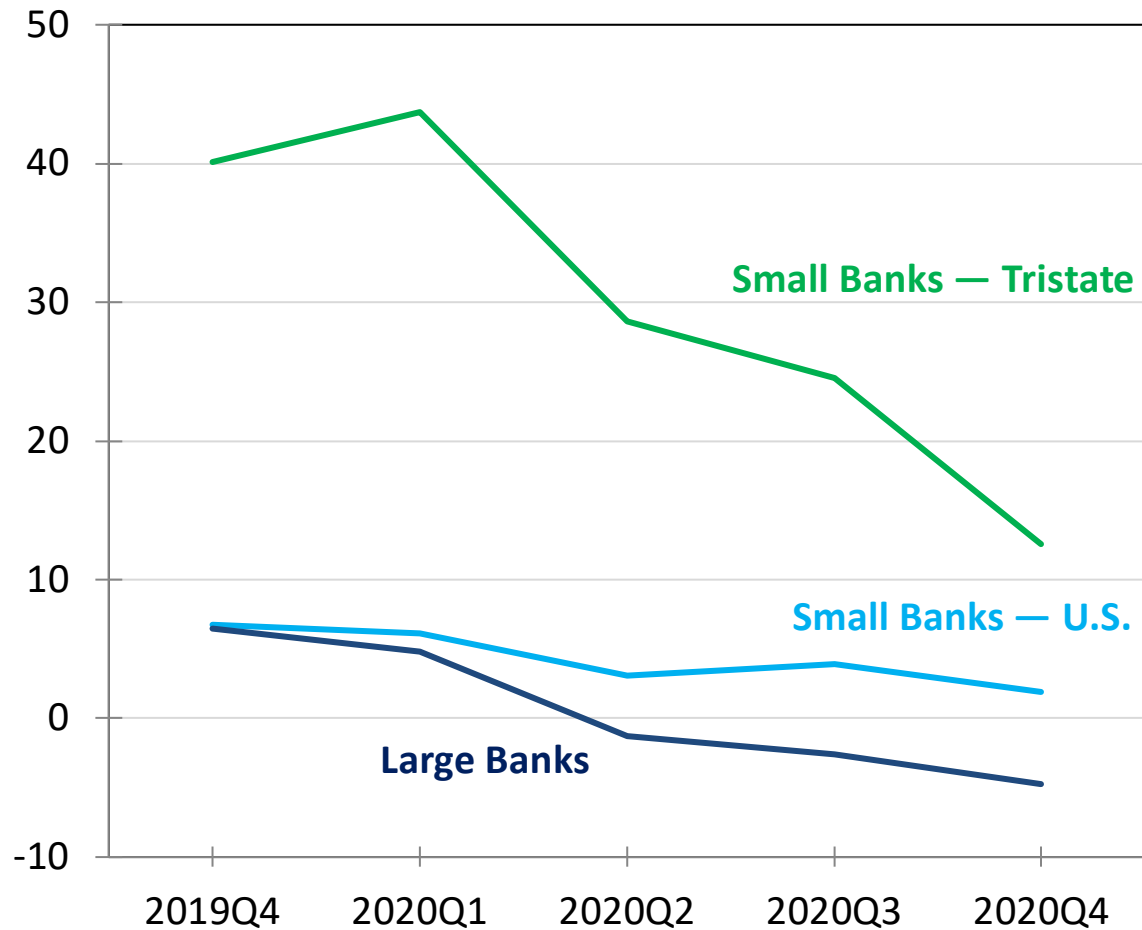


CHART 5g

## Annual Growth of Consumer Loans\*

Percent



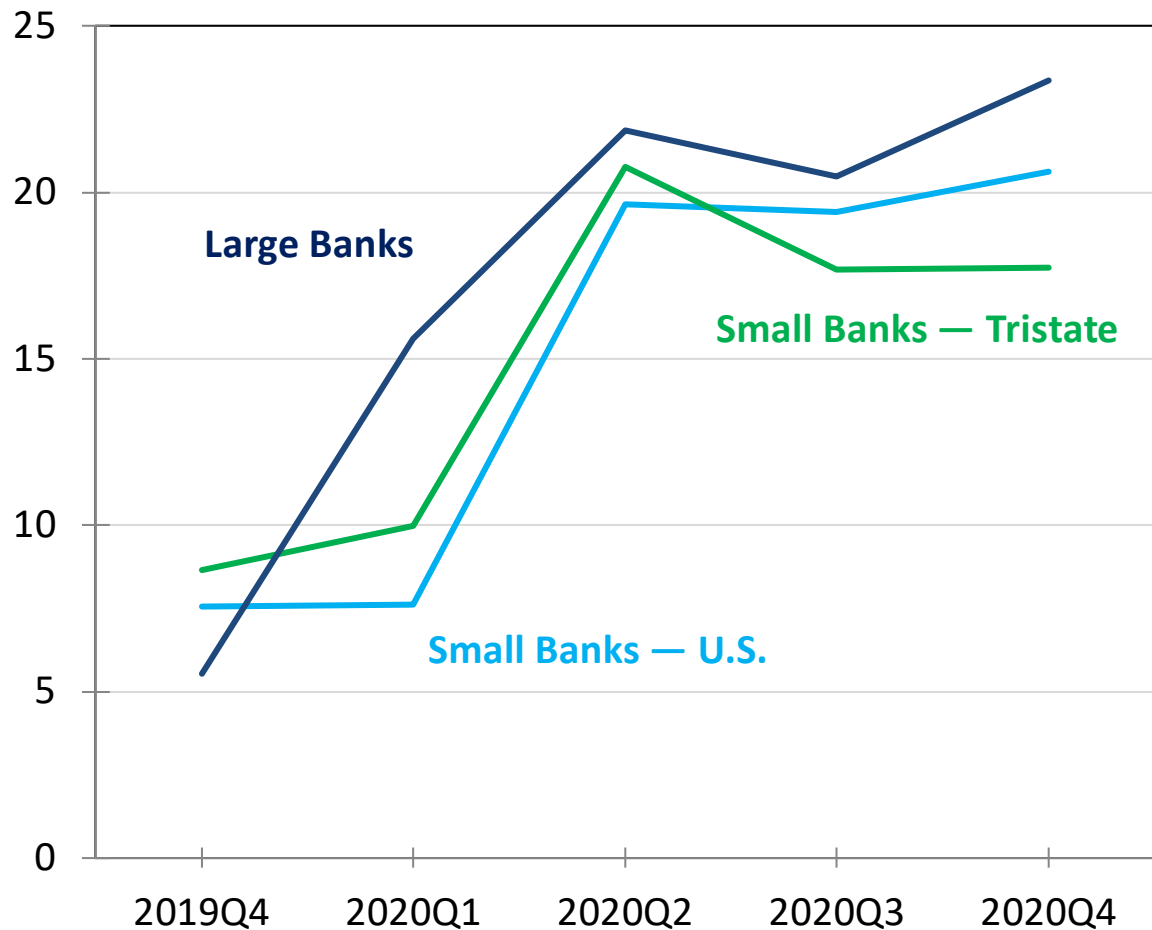
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CHART 6

### Annual Growth of Total Deposits\*

Percent



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# Part 3: Asset Quality Ratios

CHART 7

### Nonperforming Assets as a Share of Total Assets

Percent

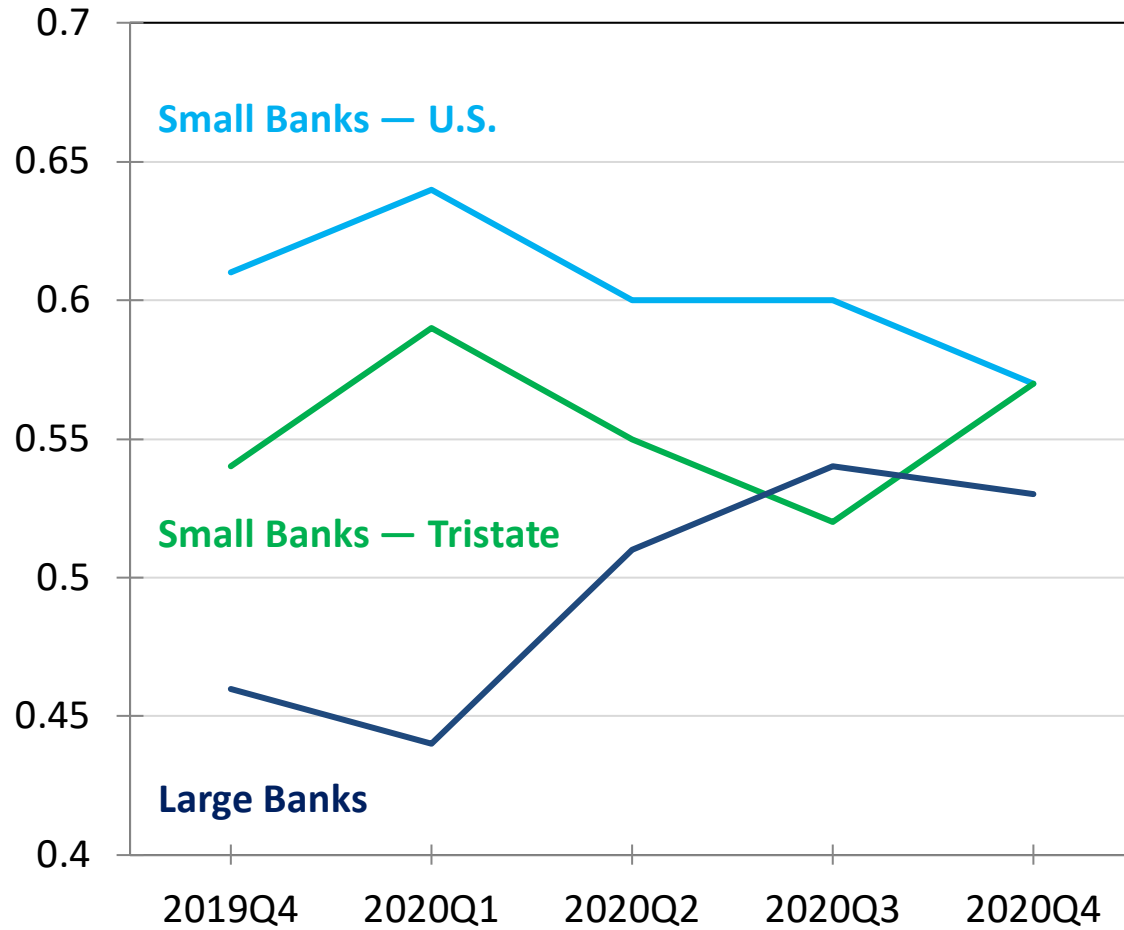


CHART 8

### Nonperforming Loans as a Share of Total Loans

Percent

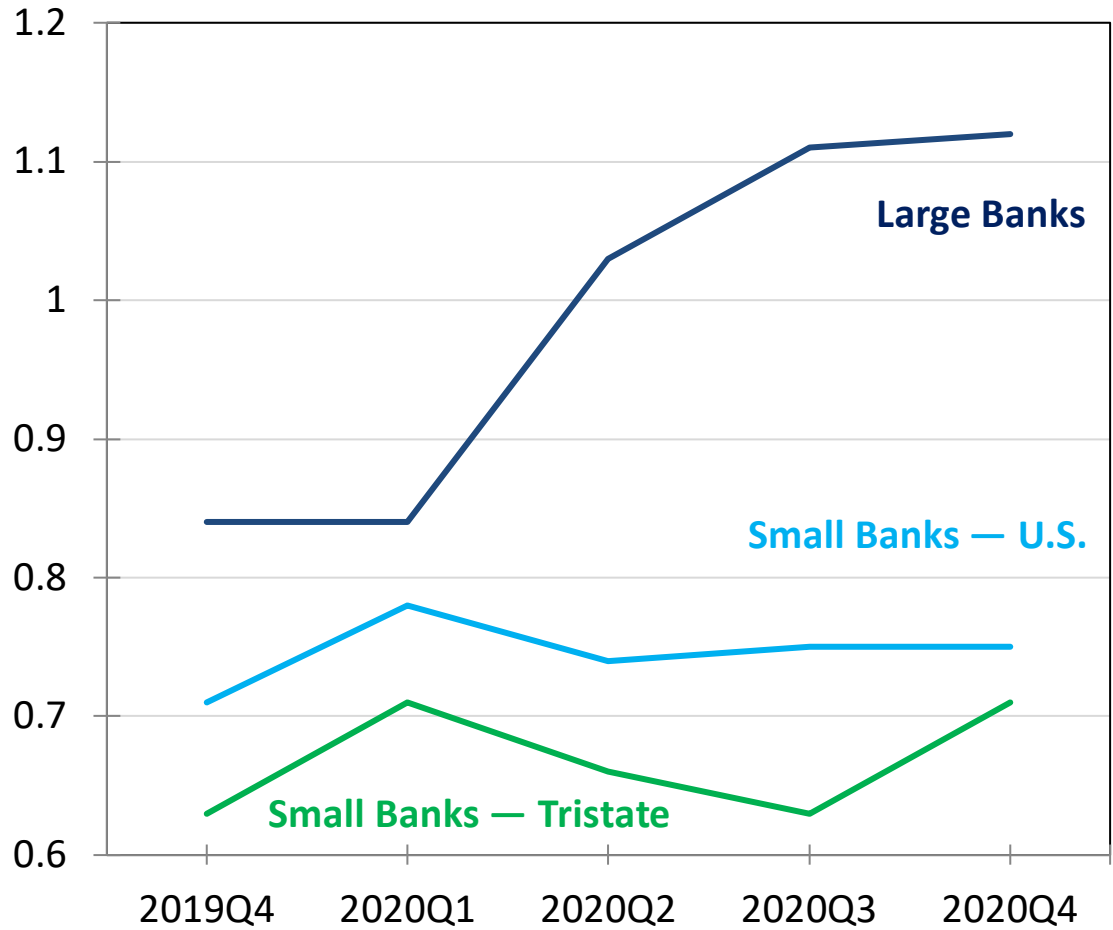


CHART 9

# Residential Real Estate Nonperforming Loan Ratio Percent

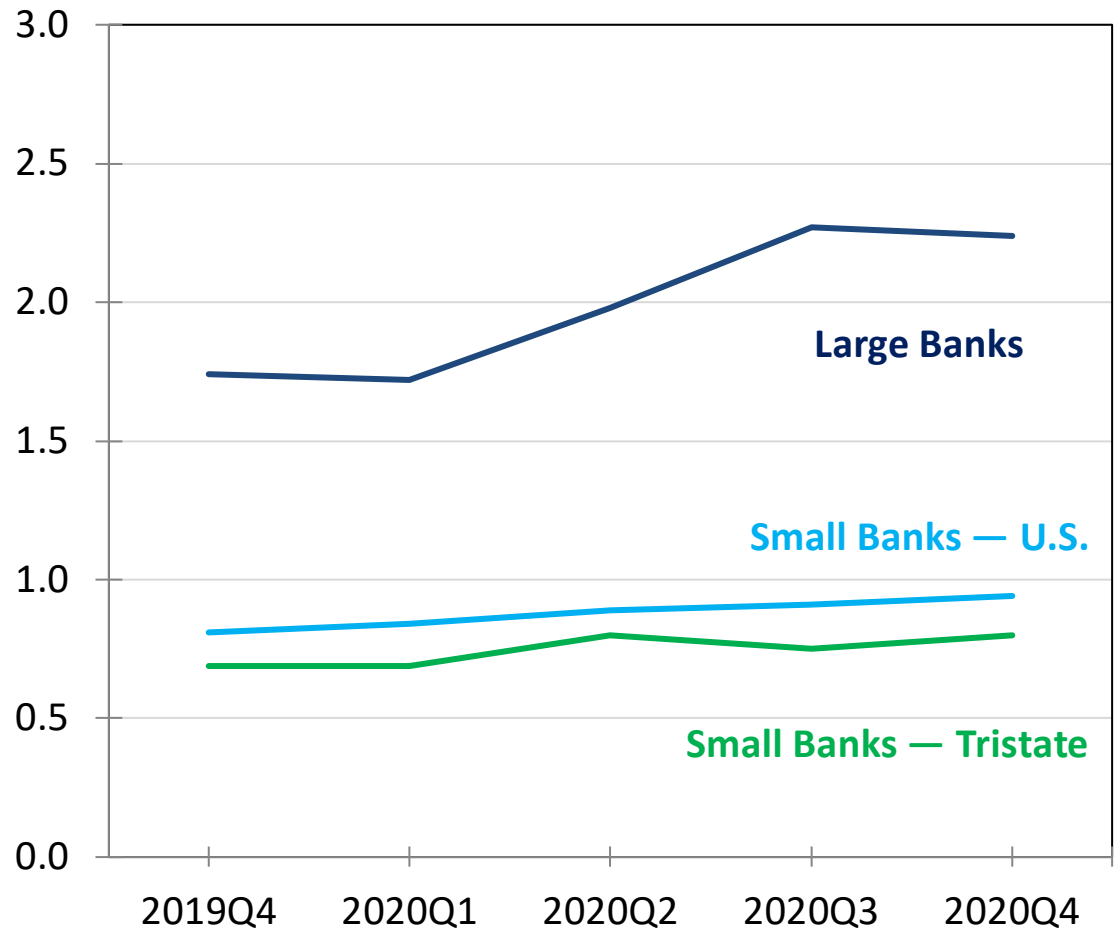


CHART 10

# Commercial Real Estate Nonperforming Loan Ratio Percent

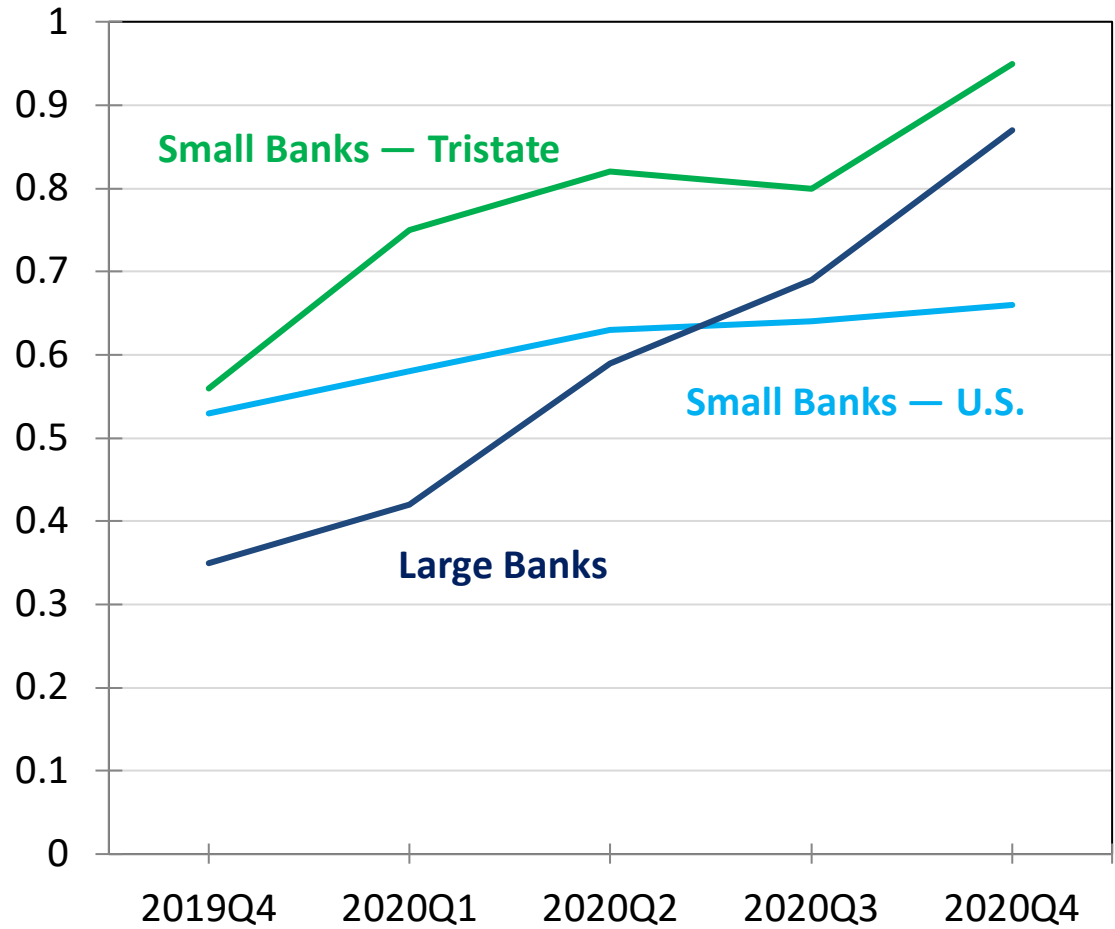


CHART 11

### Commercial and Industrial Nonperforming Loan Ratio

Percent

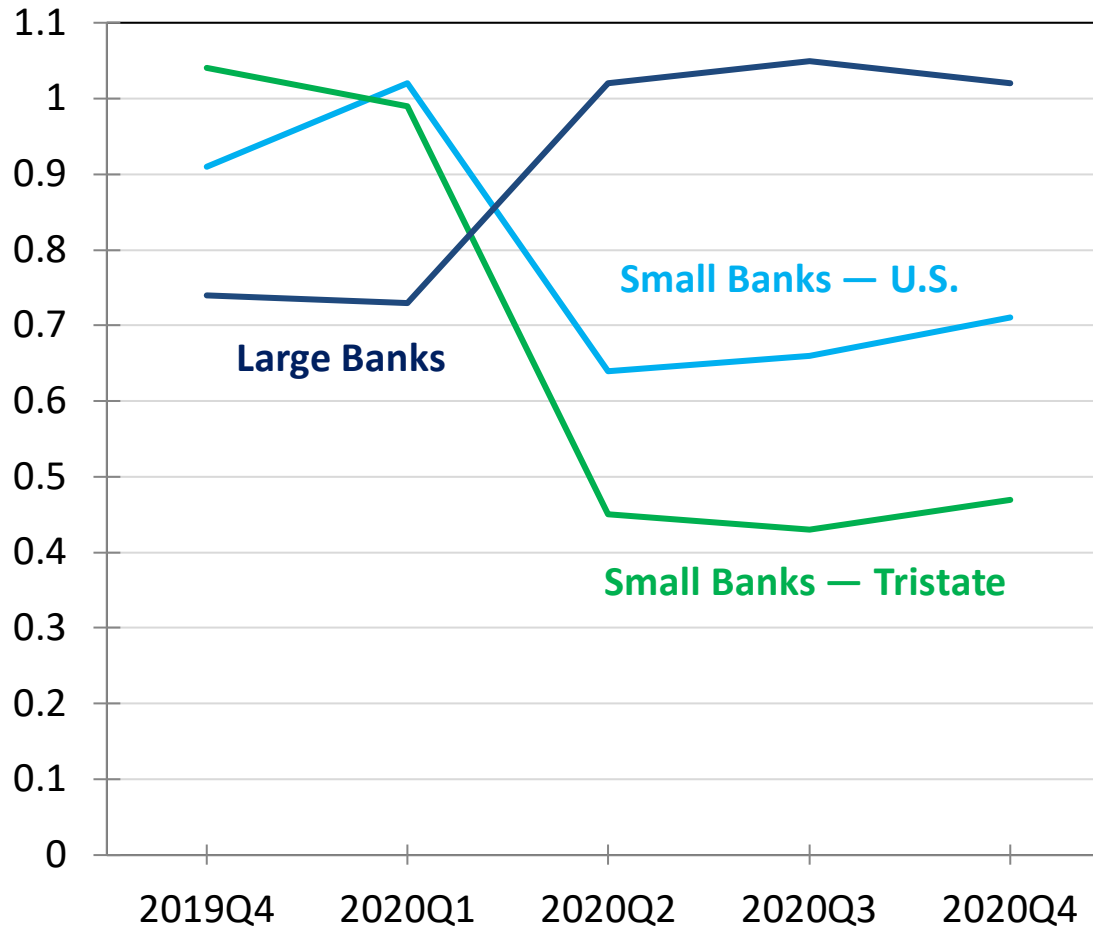
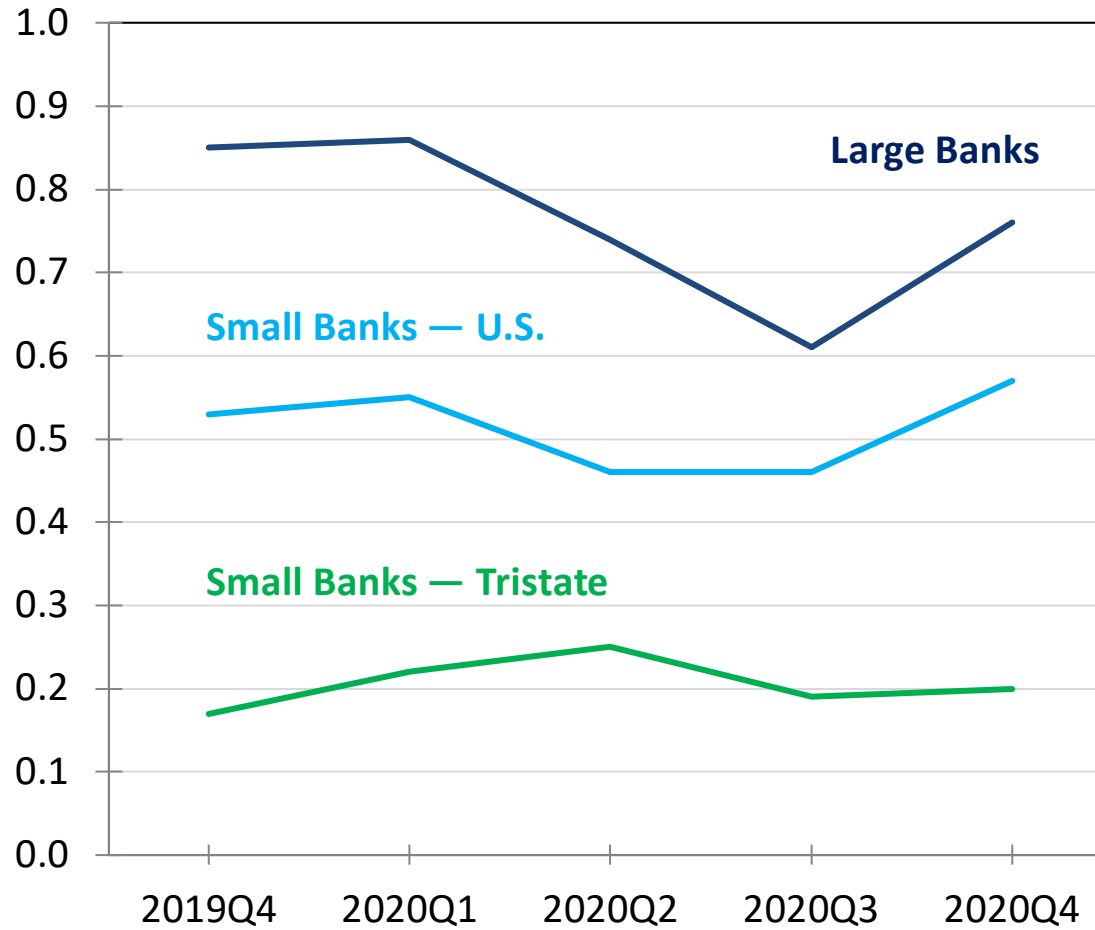


CHART 12

## Consumer Nonperforming Loan Ratio

Percent





# Part 4: Loan Loss Provisioning and Reserves

CHART 13

# Loan Loss Reserves as a Share of Total Assets

Percent

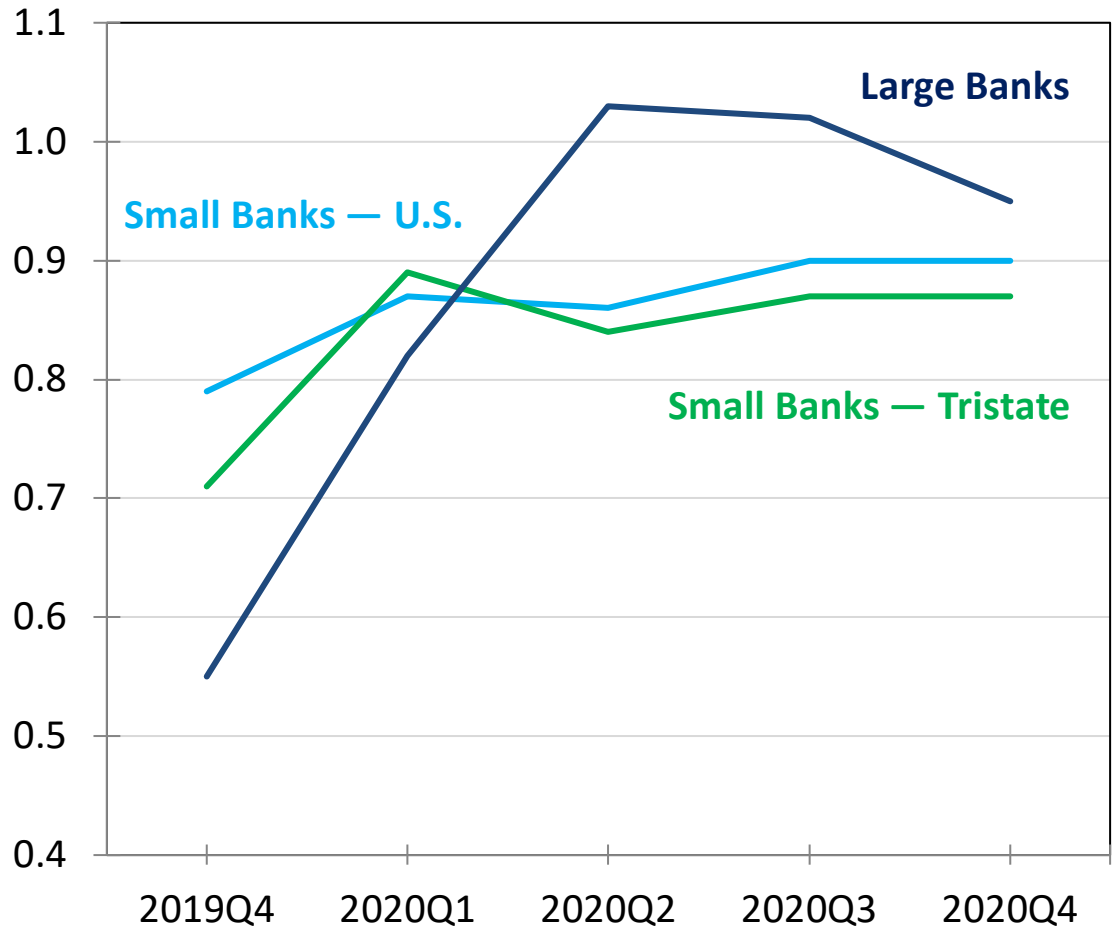


CHART 14

### Net Charge-Offs as a Share of Loan Loss Provisions

Percent

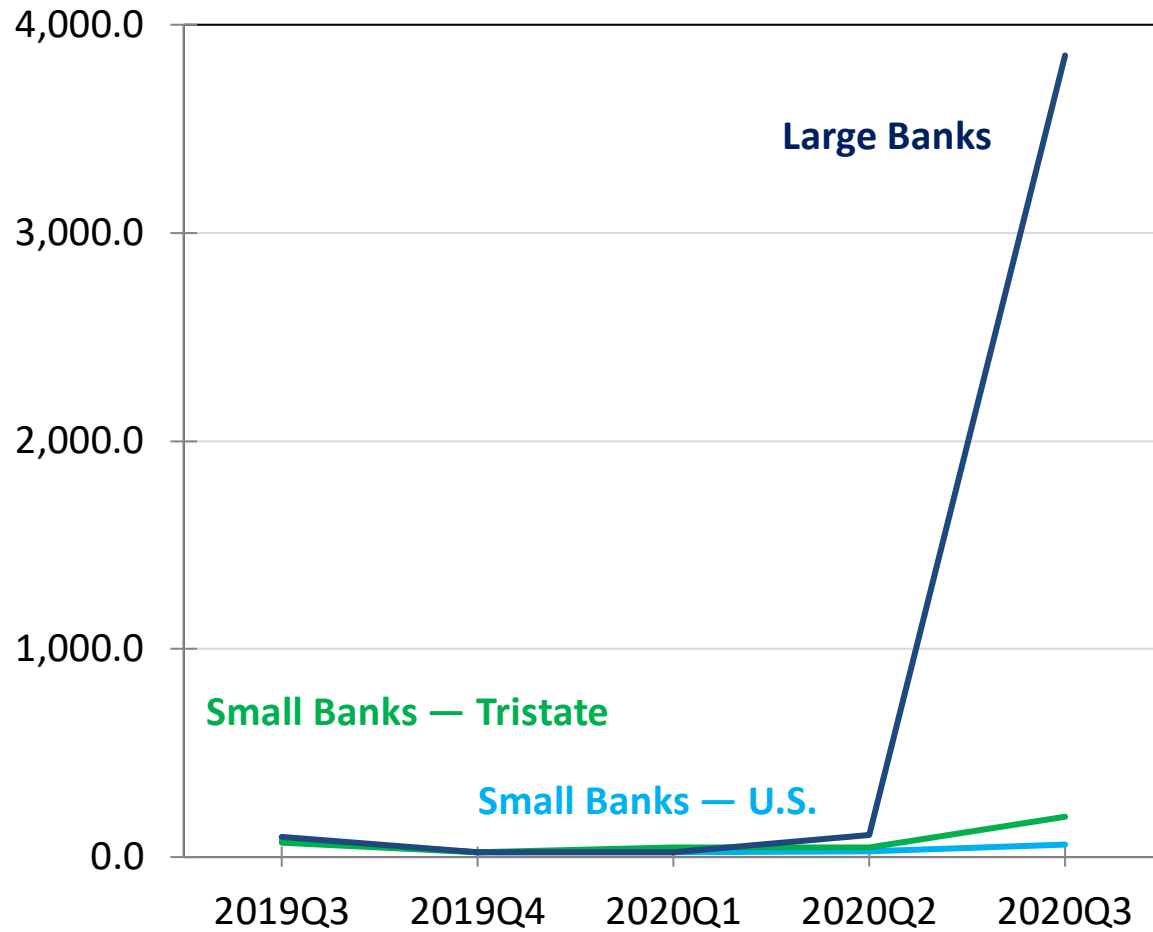


CHART 15

### Loan Loss Provisions as a Share of Operating Income Percent

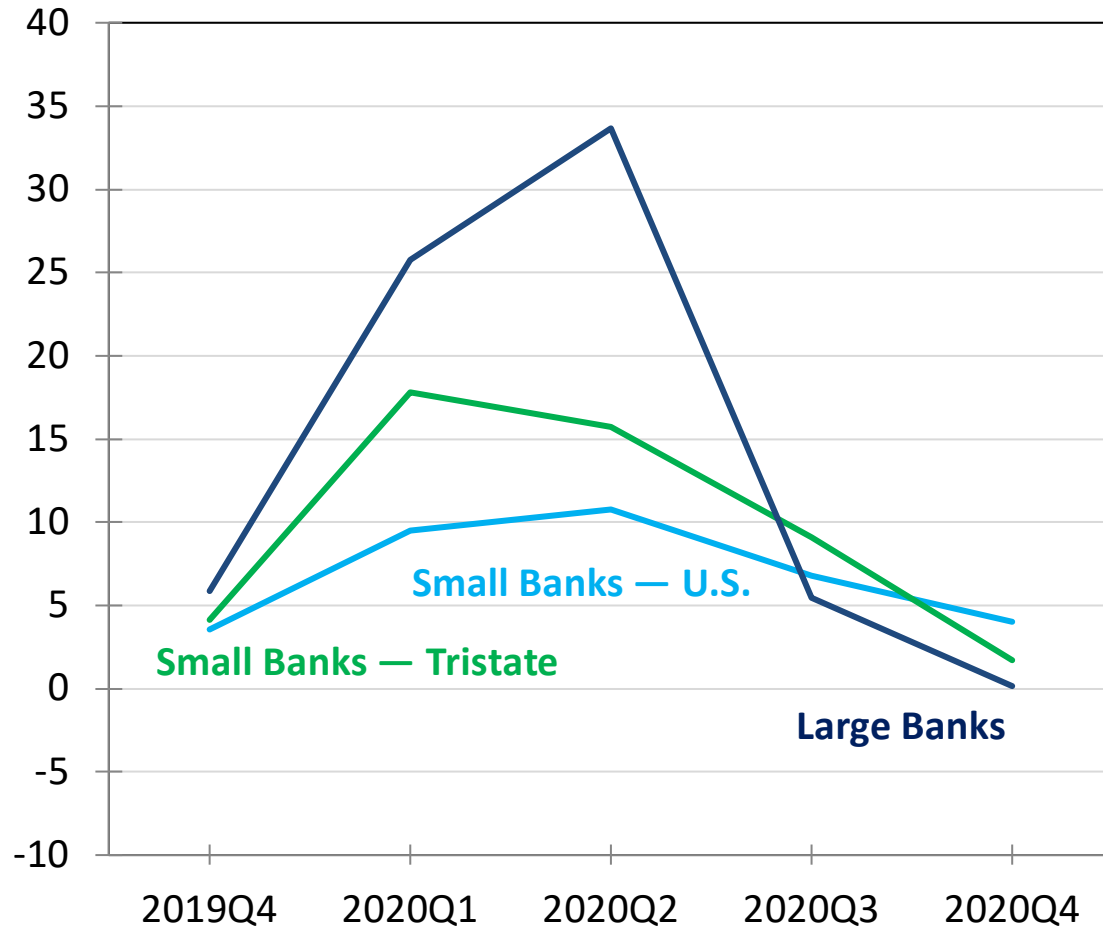
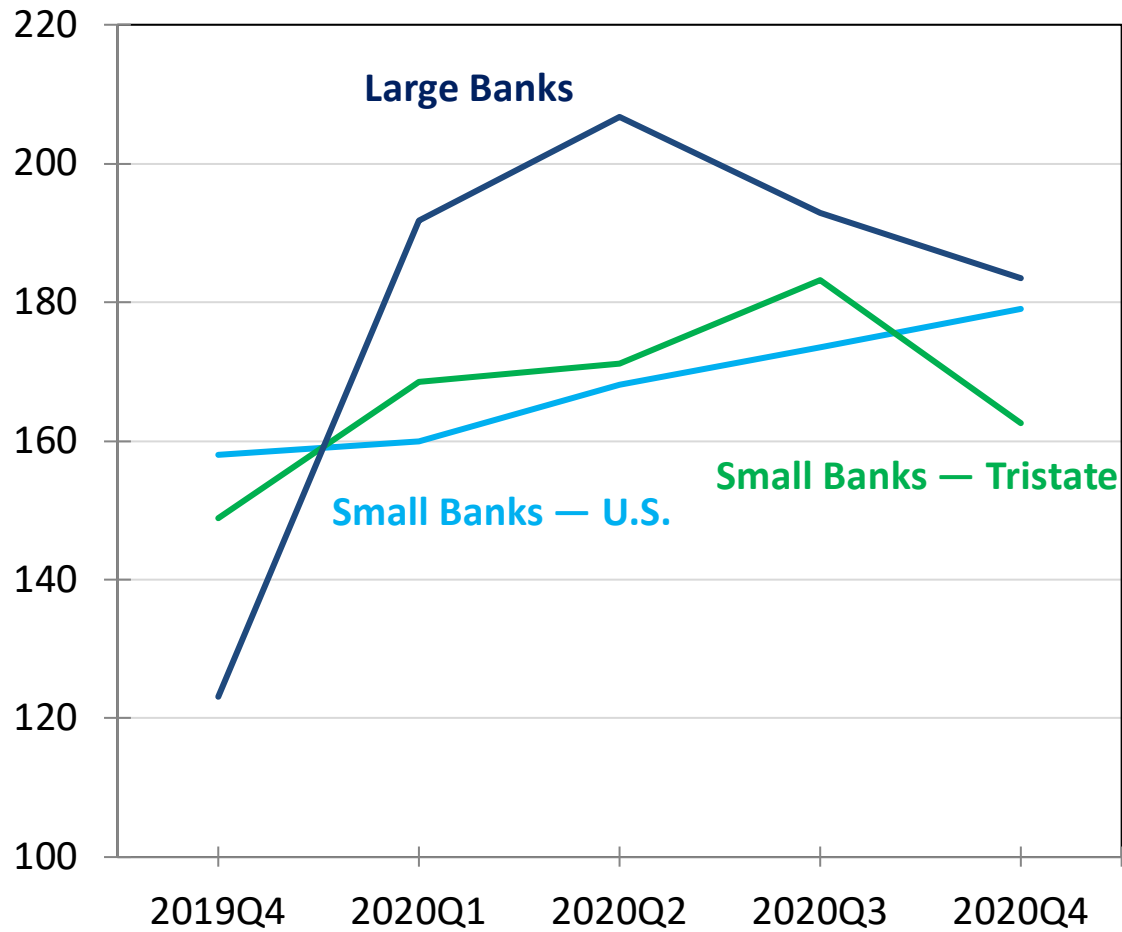


CHART 16

# Loan Loss Coverage Ratio

Percent



# Part 5: Capital Ratios

CHART 17

**Total Equity as a Share of Total Assets**  
Percent

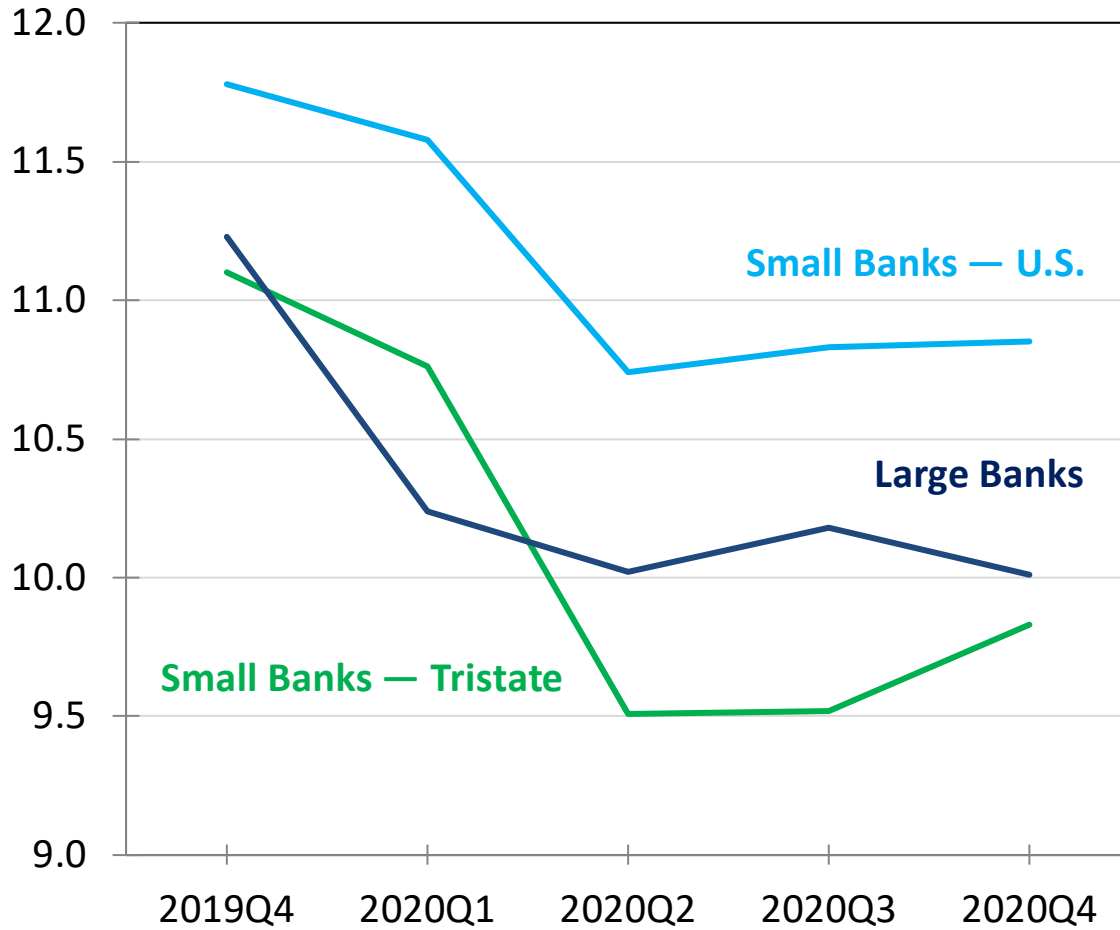


CHART 18

### Tier One Leverage Ratio

Percent

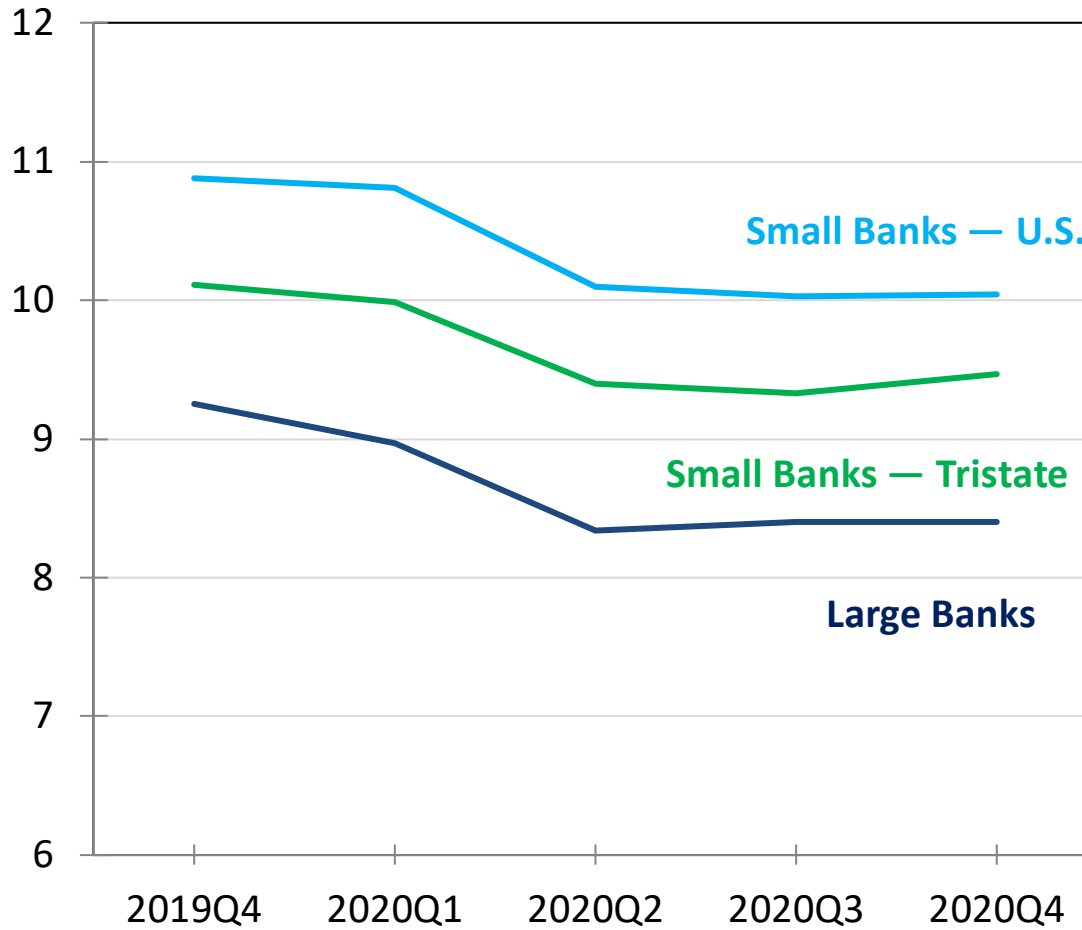
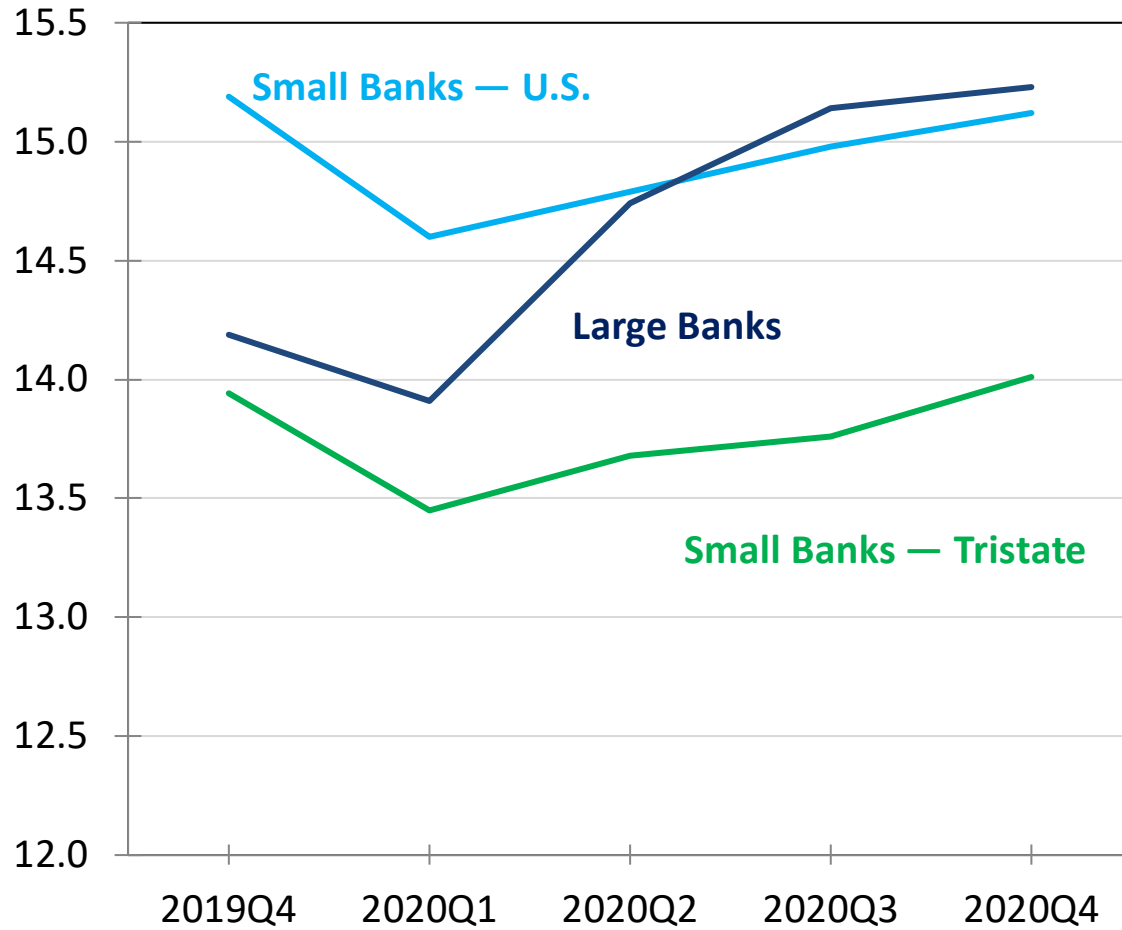




CHART 19

### Risk-Based Capital Ratio

Percent



# Part 6: Liquidity Ratios

CHART 20

## Total Loans as a Share of Total Deposits

Percent

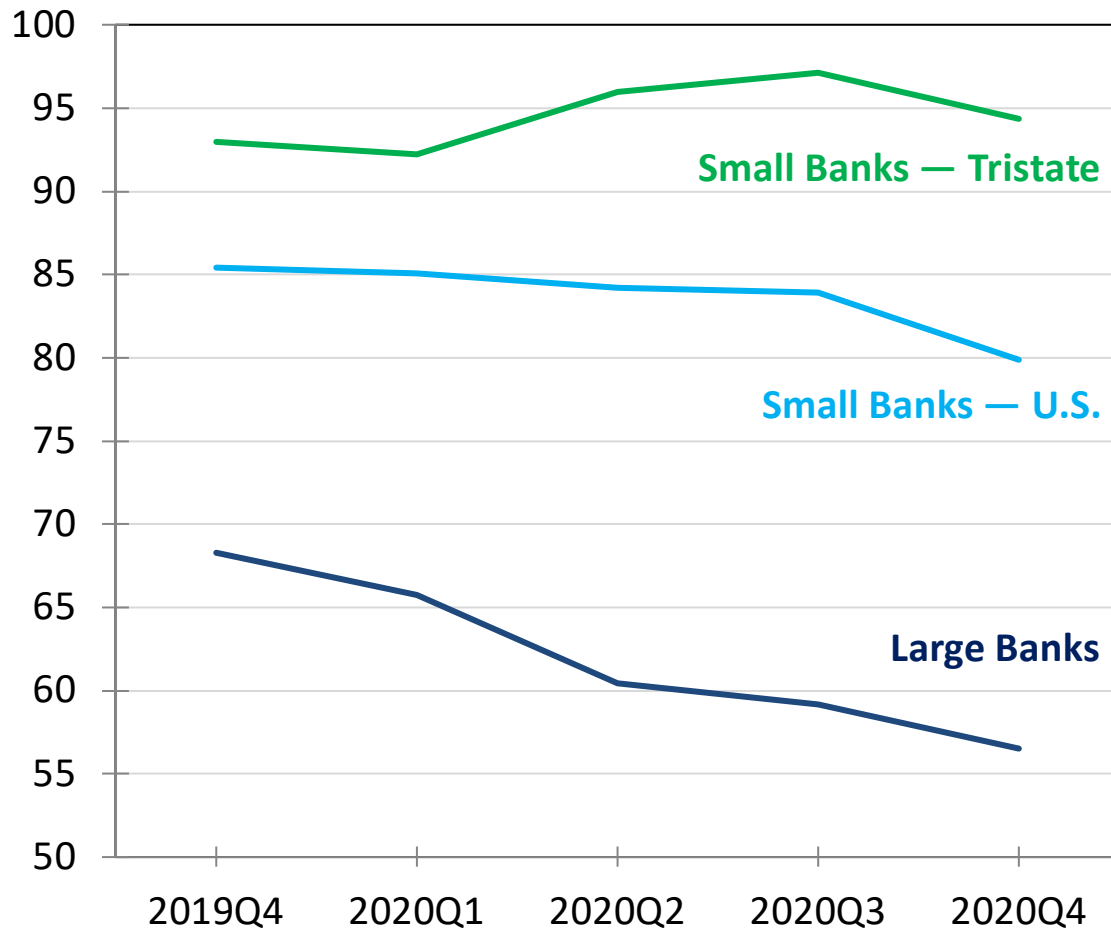


CHART 21

### Core Deposits as a Share of Total Deposits

Percent

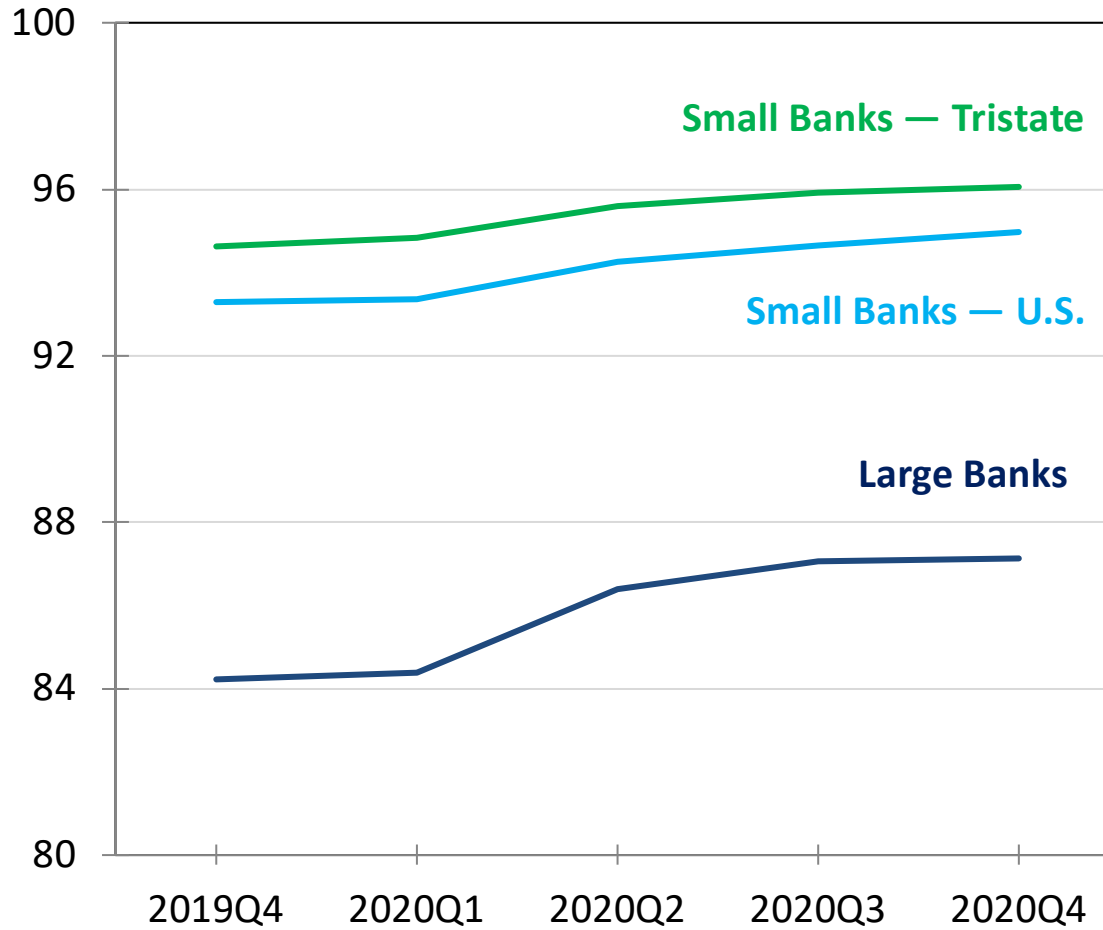
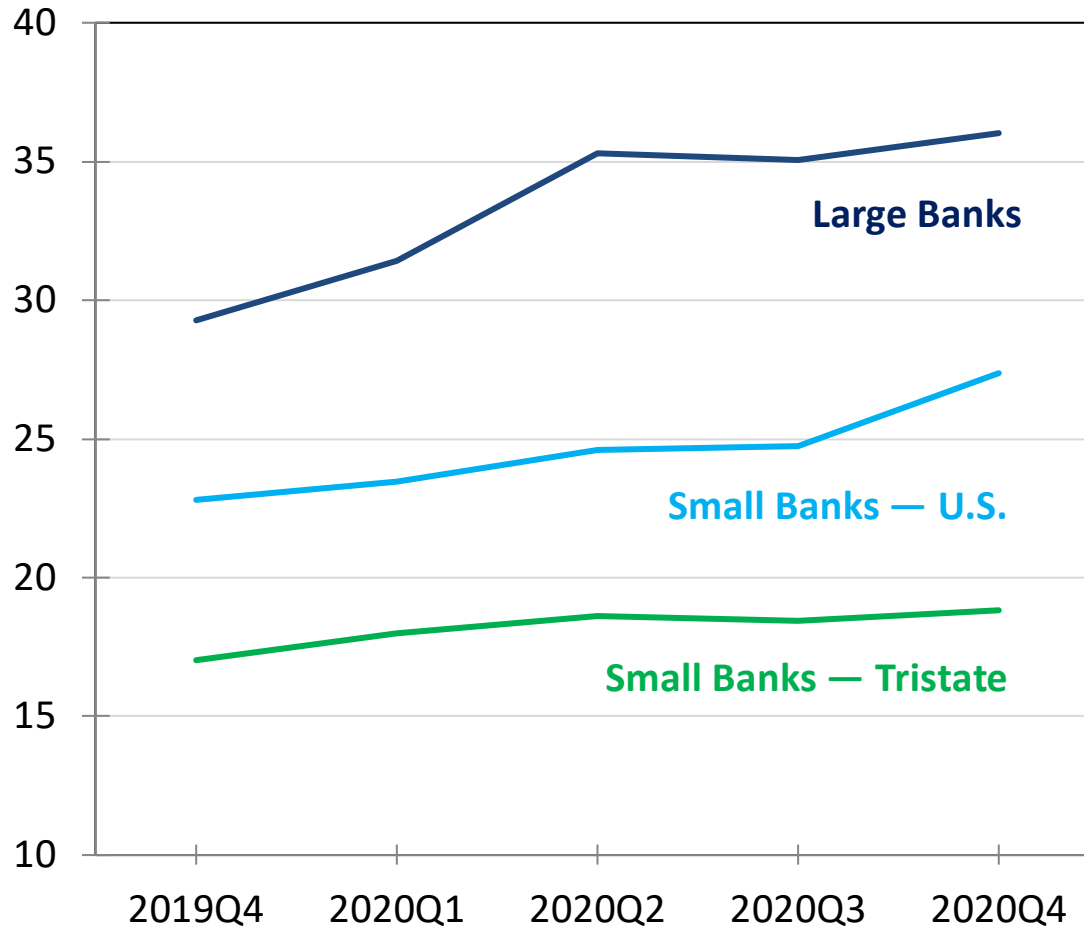


CHART 22

### Liquid Assets as a Share of Total Assets

Percent

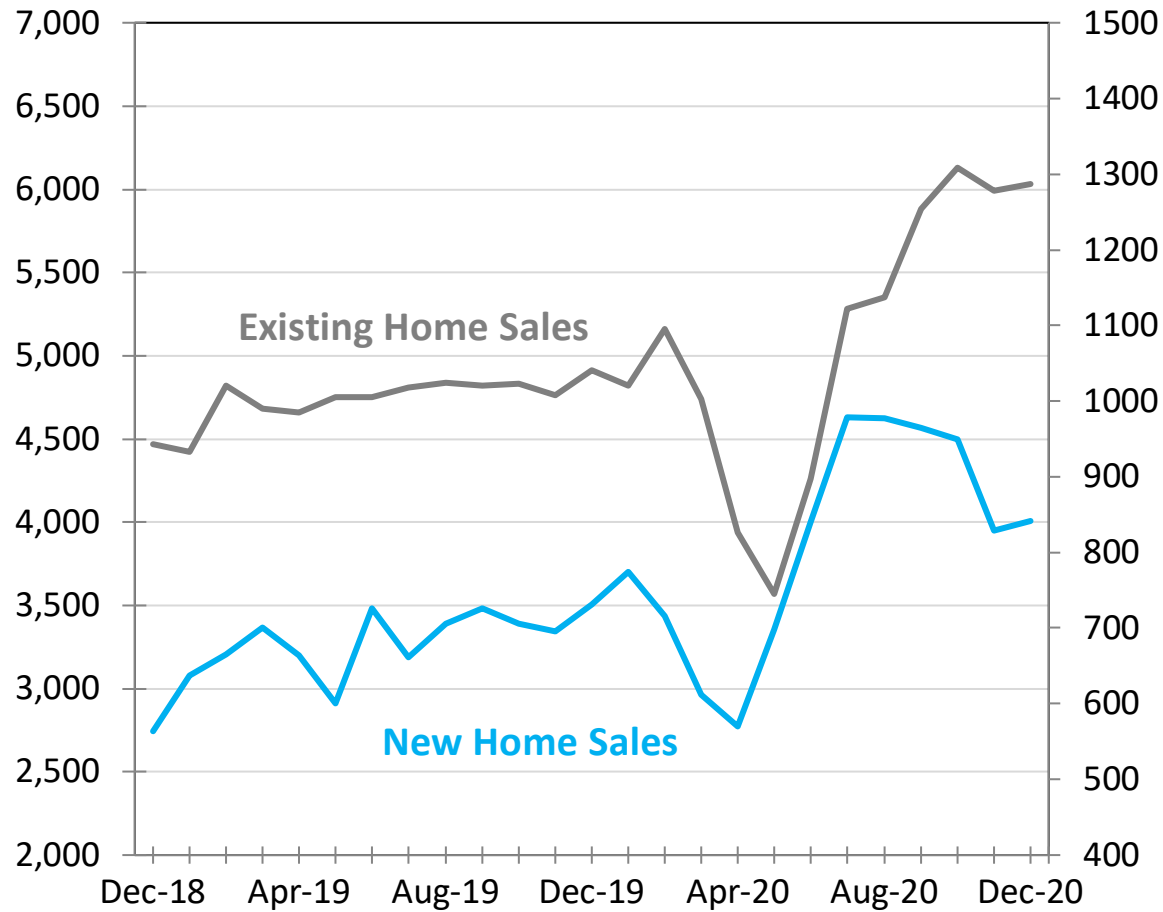


# Part 7: Market Conditions

CHART 23

# New and Existing Home Sales

Percent



Questions and comments may be directed to James V. DiSalvo at 215-574-3820 or [jim.disalvo@phil.frb.org](mailto:jim.disalvo@phil.frb.org).

For methodology documentation and back issues, visit

[www.philadelphiafed.org/the-economy/banking-and-financial-markets/banking-brief](http://www.philadelphiafed.org/the-economy/banking-and-financial-markets/banking-brief).

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