Banking Brief
Research Department

First Quarter 2021

Part 1. Earnings Ratios
Part 2. Annual Growth Rates
Part 3. Asset Quality Ratios
Part 4. Loan Loss Provisioning and Reserves
Part 5. Capital Ratios
Part 6. Liquidity Ratios
Part 7. Market Conditions
## Summary Table of Bank Structure and Conditions

### First Quarter 2021

<table>
<thead>
<tr>
<th></th>
<th>Small Banks</th>
<th>Large Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>U.S.</td>
<td>Tristate</td>
</tr>
<tr>
<td>$ Billion</td>
<td>21Q1</td>
<td>20Q4</td>
</tr>
<tr>
<td>Total Assets</td>
<td>2,976.7</td>
<td>21.60</td>
</tr>
<tr>
<td>Total Loans</td>
<td>1,923.2</td>
<td>6.98</td>
</tr>
<tr>
<td>C&amp;I</td>
<td>413.6</td>
<td>29.28</td>
</tr>
<tr>
<td>Real Estate</td>
<td>1,328.1</td>
<td>3.11</td>
</tr>
<tr>
<td>Consumer</td>
<td>69.6</td>
<td>5.86</td>
</tr>
<tr>
<td>Total Deposits</td>
<td>2,522.1</td>
<td>27.85</td>
</tr>
</tbody>
</table>

### Ratios (in %)

<table>
<thead>
<tr>
<th></th>
<th>21Q1</th>
<th>20Q4</th>
<th>20Q1</th>
<th>21Q1</th>
<th>20Q4</th>
<th>20Q1</th>
<th>21Q1</th>
<th>20Q4</th>
<th>20Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income/Avg. Assets (ROA)</td>
<td>1.22</td>
<td>1.07</td>
<td>1.16</td>
<td>1.04</td>
<td>0.85</td>
<td>1.00</td>
<td>0.83</td>
<td>0.59</td>
<td>0.94</td>
</tr>
<tr>
<td>Net Interest Inc./Avg. Assets (NIM)</td>
<td>3.15</td>
<td>3.20</td>
<td>3.43</td>
<td>2.92</td>
<td>2.96</td>
<td>3.16</td>
<td>2.10</td>
<td>2.23</td>
<td>2.57</td>
</tr>
<tr>
<td>Noninterest Inc./Avg. Assets</td>
<td>1.16</td>
<td>1.11</td>
<td>0.98</td>
<td>1.07</td>
<td>1.06</td>
<td>1.07</td>
<td>1.31</td>
<td>1.32</td>
<td>1.40</td>
</tr>
<tr>
<td>Noninterest Exp./Avg. Assets</td>
<td>2.61</td>
<td>2.71</td>
<td>2.84</td>
<td>2.47</td>
<td>2.56</td>
<td>2.74</td>
<td>2.15</td>
<td>2.26</td>
<td>2.38</td>
</tr>
<tr>
<td>Loans/Deposits</td>
<td>76.25</td>
<td>79.73</td>
<td>85.02</td>
<td>88.76</td>
<td>90.50</td>
<td>90.81</td>
<td>54.48</td>
<td>56.55</td>
<td>65.74</td>
</tr>
<tr>
<td>Equity/Assets</td>
<td>10.43</td>
<td>10.85</td>
<td>11.60</td>
<td>10.01</td>
<td>10.37</td>
<td>11.12</td>
<td>9.84</td>
<td>10.01</td>
<td>10.24</td>
</tr>
<tr>
<td>Nonperforming Loans/Total Loans</td>
<td>0.75</td>
<td>0.79</td>
<td>0.79</td>
<td>0.70</td>
<td>0.75</td>
<td>0.70</td>
<td>1.06</td>
<td>1.12</td>
<td>0.84</td>
</tr>
</tbody>
</table>

**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, 2020, 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, 2020. 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, 2020, including assets of only their commercial bank subsidiaries. U.S. excludes tristate banks. The sample includes 114 small tristate banks, 3,766 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

Small Banks — U.S.

Small Banks — Tristate

Large Banks

2020Q1  2020Q2  2020Q3  2020Q4  2021Q1
CHART 2

Net Interest Margin
Percent

2020Q1  2020Q2  2020Q3  2020Q4  2021Q1

Small Banks — U.S.
Small Banks — Tristate
Large Banks
Part 2: Annual Growth Rates
CHART 3

Annual Growth of Quarterly Net Income
Percent

Large Banks
Small Banks — Tristate
Small Banks — U.S.
CHART 4

Annual Growth of Total Assets*

Percent

*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.
CHART 5

Annual Growth of Total Loans*

Percent

*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.
CHART 5a

Annual Growth of RRE Loans
Percent

Small Banks — U.S.
Small Banks — Tristate
Large Banks

2020Q1  2020Q2  2020Q3  2020Q4  2021Q1
CHART 5b

Annual Growth of CRE Loans
Percent

- Small Banks — U.S.
- Small Banks — Tristate
- Large Banks

Quarters: 2020Q1 to 2021Q1
CHART 5c

Annual Growth of Construction Loans
Percent

Small Banks — Tristate
Large Banks
Small Banks — U.S.
Annual Growth of Loans Secured by Multifamily Properties
Percent

- Small Banks — U.S.
- Small Banks — Tristate
- Large Banks

CHART 5d
Annual Growth of Commercial Mortgages

Percent

- Small Banks — U.S.
- Small Banks — Tristate
- Large Banks

CHART 5e
Annual Growth of Commercial and Industrial Loans
Percent
Annual Growth of Consumer Loans*

Percent

*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.
Annual Growth of Total Deposits*

*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 3: Asset Quality Ratios
Nonperforming Assets as a Share of Total Assets

Percent

- Small Banks — U.S.
- Small Banks — Tristate
- Large Banks

Time Period:
- 2020Q1
- 2020Q2
- 2020Q3
- 2020Q4
- 2021Q1
Nonperforming Loans as a Share of Total Loans
Percent

Large Banks
Small Banks — U.S.
Small Banks — Tristate
Residential Real Estate Nonperforming Loan Ratio
Percent

Large Banks
Small Banks — U.S.
Small Banks — Tristate

CHART 9
Commercial Real Estate Nonperforming Loan Ratio
Percent

CHART 10

Small Banks — Tristate
Small Banks — U.S.
Large Banks
Commercial and Industrial Nonperforming Loan Ratio
Percent

CHART 11

- Large Banks
- Small Banks — U.S.
- Small Banks — Tristate

Y-axis: Percent
X-axis: 2020Q1 to 2021Q1
CHART 12

Consumer Nonperforming Loan Ratio
Percent

Large Banks

Small Banks — U.S.

Small Banks — Tristate
Part 4: Loan Loss Provisioning and Reserves
CHART 13

Loan Loss Reserves as a Share of Total Assets
Percent

![Chart showing the loan loss reserves as a share of total assets for different categories of banks over time. The chart compares large banks, small banks in the U.S., and small banks in the Tristate area. The x-axis represents quarters from 2020Q1 to 2021Q1.]
CHART 14

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

-5,000 -4,000 -3,000 -2,000 -1,000 0 1,000
2020Q1 2020Q2 2020Q3 2020Q4 2021Q1

Small Banks — U.S.
Small Banks — Tristate

Large Banks
CHART 15

Loan Loss Provision as a Share of Operating Income

Percent
CHART 16

Loan Loss Coverage Ratio
Percent

Large Banks

Small Banks — U.S.

Small Banks — Tristate

2020Q1  2020Q2  2020Q3  2020Q4  2021Q1
Part 5: Capital Ratios
CHART 17

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

Percent

![Graph showing the total equity as a share of total assets for small banks in the U.S., small banks in the Tristate, and large banks from 2020Q1 to 2021Q1.](chart.png)
CHART 18

Tier One Leverage Ratio
Percent
Part 6: Liquidity Ratios
Total Loans as a Share of Total Deposits
Percent

- Small Banks — Tristate
- Small Banks — U.S.
- Large Banks

Chart 20
Core Deposits as a Share of Total Deposits

Percent

- Small Banks — Tristate
- Small Banks — U.S.
- Large Banks

CHART 21
Liquid Assets as a Share of Total Assets

Percent

Large Banks

Small Banks — U.S.

Small Banks — Tristate

2020Q1 2020Q2 2020Q3 2020Q4 2021Q1
Part 7: Market Conditions
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.


To receive e-mail notifications on the latest Banking Brief, please go to www.philadelphiafed.org/notifications/.