Banking Brief
Research Department

First Quarter 2022

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

<table>
<thead>
<tr>
<th></th>
<th>Small Banks</th>
<th>U.S.</th>
<th>% Change From</th>
<th>Tristate</th>
<th>% Change From</th>
<th>Large Banks</th>
<th>U.S.</th>
<th>% Change From</th>
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<td>22Q1</td>
<td>21Q4</td>
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<td>21Q4</td>
<td>21Q1</td>
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<td>Total Assets</td>
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<td>206.4</td>
<td>-4.80</td>
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<td>18,513.4</td>
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<td>Total Loans</td>
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<td>1.96</td>
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<td>C&amp;I</td>
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<td>Real Estate</td>
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<td>1,373.7</td>
<td>9.10</td>
<td>9.75</td>
<td>103.8</td>
<td>-1.01</td>
<td>6.17</td>
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<td>Consumer</td>
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<td>80.3</td>
<td>24.30</td>
<td>18.07</td>
<td>10.2</td>
<td>29.80</td>
<td>33.36</td>
<td>1,200.6</td>
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<td>Total Deposits</td>
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<td>2,637.6</td>
<td>10.06</td>
<td>10.26</td>
<td>175.9</td>
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<td>Ratios (in %)</td>
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<td>Net Income/Avg. Assets (ROA)</td>
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<td>1.23</td>
<td>1.30</td>
<td>1.23</td>
<td>1.26</td>
<td>1.31</td>
<td>1.04</td>
<td>1.01</td>
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<td>Net Interest Inc./Avg. Assets (NIM)</td>
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<td>3.00</td>
<td>3.04</td>
<td>3.15</td>
<td>2.97</td>
<td>2.98</td>
<td>2.90</td>
<td>1.97</td>
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<td>Noninterest Inc./Avg. Assets</td>
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<td>0.99</td>
<td>1.06</td>
<td>1.18</td>
<td>1.06</td>
<td>1.08</td>
<td>1.07</td>
<td>1.23</td>
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<td>Noninterest Exp./Avg. Assets</td>
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<td>2.46</td>
<td>2.49</td>
<td>2.64</td>
<td>2.41</td>
<td>2.41</td>
<td>2.46</td>
<td>2.03</td>
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<td>Loans/Deposits</td>
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<td>70.34</td>
<td>71.16</td>
<td>76.06</td>
<td>80.87</td>
<td>81.64</td>
<td>88.64</td>
<td>53.43</td>
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<tr>
<td>Nonperforming Loans/Total Loans</td>
<td></td>
<td>0.56</td>
<td>0.56</td>
<td>0.75</td>
<td>0.85</td>
<td>0.60</td>
<td>0.70</td>
<td>0.80</td>
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</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, 2021, 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, 2021, including assets of only their commercial bank subsidiaries. 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, 2021, including assets of only their commercial bank subsidiaries. U.S. excludes tristate banks. The sample includes 107 small tristate banks, 3,733 small U.S. banks, and 99 large U.S. banks.
Part 1: Earnings Ratios
CHART 1
Return on Average Assets
Percent

[Graph showing Return on Average Assets for Small Banks — U.S., Small Banks — Tristate, and Large Banks over the quarters of 2021 and 2022, with specific values depicted for each category.]
CHART 2

Net Interest Margin
Percent

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

2021Q1 2021Q2 2021Q3 2021Q4 2022Q1
Part 2: Annual Growth Rates
Annual Growth of Quarterly Net Income

Percent

CHART 3

Large Banks

Small Banks — Tristate

Small Banks — U.S.
CHART 4

Annual Growth of Total Assets
Percent

Large Banks
Small Banks — U.S.
Small Banks — Tristate
CHART 5

Annual Growth of Total Loans

Percent

2021Q1 2021Q2 2021Q3 2021Q4 2022Q1

Small Banks — U.S.
Large Banks
Small Banks — Tristate
Annual Growth of RRE Loans
Percent

CHART 5a

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

2021Q1 2021Q2 2021Q3 2021Q4 2022Q1
Annual Growth of CRE Loans
Percent

Chart 5b

Small Banks — U.S.

Small Banks — Tristate

Large Banks
Annual Growth of Construction Loans
Percent

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

2021Q1 2021Q2 2021Q3 2021Q4 2022Q1
CHART 5d

Annual Growth of Loans Secured by Multifamily Properties
Percent

Small Banks — Tristate
Small Banks — U.S.
Large Banks
CHART 5e

Annual Growth of Commercial Mortgages
Percent

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

[Graph showing annual growth of commercial mortgages for small banks in the U.S. and Tristate region, and large banks, from 2021Q1 to 2022Q1.]
Annual Growth of Commercial and Industrial Loans

Percent
CHART 5g

Annual Growth of Consumer Loans
Percent

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

2021Q1 2021Q2 2021Q3 2021Q4 2022Q1
CHART 6
Annual Growth of Total Deposits
Percent

2021Q1 2021Q2 2021Q3 2021Q4 2022Q1

Small Banks — U.S.
Small Banks — Tristate
Large Banks
Part 3: Asset Quality Ratios
Nonperforming Assets as a Share of Total Assets

Small Banks — Tristate
Small Banks — U.S.
Large Banks
Nonperforming Loans as a Share of Total Loans

Percent

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

CHART 9

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

Years:
- 2021Q1
- 2021Q2
- 2021Q3
- 2021Q4
- 2022Q1

Nonperforming Loan Ratio:
- 3.0
- 2.5
- 2.0
- 1.5
- 1.0
- 0.5
- 0.0
CHART 10

Commercial Real Estate Nonperforming Loan Ratio

Percent

Large Banks
Small Banks — Tristate
Small Banks — U.S.
CHART 11
Commercial and Industrial Nonperforming Loan Ratio
Percent

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

2021Q1 2021Q2 2021Q3 2021Q4 2022Q1
CHART 12

Consumer Nonperforming Loan Ratio

Percent

Large Banks

Small Banks — U.S.

Small Banks — Tristate

2021Q1 2021Q2 2021Q3 2021Q4 2022Q1
Part 4: Loan Loss Provisioning and Reserves
CHART 13

Loan Loss Reserves as a Share of Total Assets

Percent

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

Data series for Loan Loss Reserves as a Share of Total Assets for different categories of banks over the periods 2021Q1 to 2022Q1.
Net Charge-Offs as a Share of Loan Loss Provisions

Percent

-500 -250 0 250 500 750

2021Q1 2021Q2 2021Q3 2021Q4 2022Q1

Small Banks — U.S.

Small Banks — Tristate

Large Banks
CHART 15

Loan Loss Provision as a Share of Operating Income

Percent

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

2021Q1 2021Q2 2021Q3 2021Q4 2022Q1
CHART 16

Loan Loss Coverage Ratio
Percent

Small Banks — U.S.

Large Banks

Small Banks — Tristate
Part 5: Capital Ratios
Total Equity as a Share of Total Assets
Percent

- Small Banks — U.S.
- Small Banks — Tristate
- Large Banks
CHART 19

Risk-Based Capital Ratio
Percent

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

Federal Reserve Bank of Philadelphia
Research Department
Part 6: Liquidity Ratios
Total Loans as a Share of Total Deposits
Percent

Small Banks — Tristate
Small Banks — U.S.
Large Banks
Core Deposits as a Share of Total Deposits

Percent

CHART 21

Small Banks — Tristate

Small Banks — U.S.

Large Banks

2021Q1 2021Q2 2021Q3 2021Q4 2022Q1
Liquid Assets as a Share of Total Assets

Percent

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

CHART 22
Part 7: Market Conditions
New and Existing Total U.S. Home Sales
Thousands

Existing Home Sales

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


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