Banking Brief
Research Department
Second 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>Second Quarter 2022</th>
<th>Small Banks</th>
<th>Tristate</th>
<th>Large Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>U.S.</td>
<td>Tristate</td>
<td>U.S.</td>
</tr>
<tr>
<td></td>
<td>$ Billion</td>
<td>% Change From</td>
<td>$ Billion</td>
</tr>
<tr>
<td></td>
<td>22Q2</td>
<td>22Q1</td>
<td>21Q2</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>3,044.0</td>
<td>2.01</td>
<td>6.61</td>
</tr>
<tr>
<td><strong>Total Loans</strong></td>
<td>1,934.6</td>
<td>21.15</td>
<td>7.40</td>
</tr>
<tr>
<td><strong>C&amp;I</strong></td>
<td>299.9</td>
<td>11.12</td>
<td>-15.09</td>
</tr>
<tr>
<td><strong>Real Estate</strong></td>
<td>1,439.3</td>
<td>21.37</td>
<td>12.96</td>
</tr>
<tr>
<td><strong>Consumer</strong></td>
<td>85.2</td>
<td>54.80</td>
<td>24.53</td>
</tr>
<tr>
<td><strong>Total Deposits</strong></td>
<td>2,628.9</td>
<td>0.52</td>
<td>8.41</td>
</tr>
<tr>
<td><strong>Ratios (in %)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Income/Avg. Assets (ROA)</strong></td>
<td>1.20</td>
<td>1.23</td>
<td>1.29</td>
</tr>
<tr>
<td><strong>Net Interest Inc./Avg. Assets (NIM)</strong></td>
<td>3.03</td>
<td>3.01</td>
<td>3.09</td>
</tr>
<tr>
<td><strong>Noninterest Inc./Avg. Assets</strong></td>
<td>0.95</td>
<td>1.00</td>
<td>1.16</td>
</tr>
<tr>
<td><strong>Noninterest Exp./Avg. Assets</strong></td>
<td>2.46</td>
<td>2.47</td>
<td>2.58</td>
</tr>
<tr>
<td><strong>Loans/Deposits</strong></td>
<td>73.59</td>
<td>70.24</td>
<td>74.28</td>
</tr>
<tr>
<td><strong>Nonperforming Loans/Total Loans</strong></td>
<td>0.54</td>
<td>0.56</td>
<td>0.70</td>
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</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, 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. 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 2

Net Interest Margin
Percent

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

<table>
<thead>
<tr>
<th>2021Q2</th>
<th>2021Q3</th>
<th>2021Q4</th>
<th>2022Q1</th>
<th>2022Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.0</td>
<td>3.1</td>
<td>3.0</td>
<td>2.9</td>
<td>3.0</td>
</tr>
<tr>
<td>3.0</td>
<td>3.1</td>
<td>3.0</td>
<td>2.9</td>
<td>3.0</td>
</tr>
<tr>
<td>2.0</td>
<td>1.9</td>
<td>1.8</td>
<td>1.7</td>
<td>1.8</td>
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</tbody>
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Part 2: Annual Growth Rates
CHART 3

Annual Growth of Quarterly Net Income

Percent

-100 0 100 200 300 400 500 600
2021Q2 2021Q3 2021Q4 2022Q1 2022Q2

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

Annual Growth of Total Assets
Percent

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

2021Q2 2021Q3 2021Q4 2022Q1 2022Q2
CHART 5
Annual Growth of Total Loans
Percent

-6 -4 -2 0 2 4 6 8 10
2021Q2 2021Q3 2021Q4 2022Q1 2022Q2

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

Annual Growth of RRE Loans
Percent

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

Annual Growth of CRE Loans
Percent

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

2021Q2 2021Q3 2021Q4 2022Q1 2022Q2
**CHART 5c**

**Annual Growth of Construction Loans**

**Percent**

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

The chart shows the annual growth of construction loans over the quarters from 2021Q2 to 2022Q2 for small banks in the U.S., small banks in the Tristate region, and large banks.
Annual Growth of Loans Secured by Multifamily Properties
Percent

- Small Banks — Tristate
- Small Banks — U.S.
- Large Banks
Annual Growth of Commercial Mortgages
Percent

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

Time Period: 2021Q2 to 2022Q2
Annual Growth of Commercial and Industrial Loans
Percent

CHART 5f

-50
-40
-30
-20
-10
0
10
20

2021Q2 2021Q3 2021Q4 2022Q1 2022Q2

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

Percent

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

Yearly growth rates for consumer loans from 2021Q2 to 2022Q2.
CHART 6
Annual Growth of Total Deposits
Percent

Small Banks — U.S.
Large Banks
Small Banks — Tristate
Part 3: Asset Quality Ratios
CHART 7

Nonperforming Assets as a Share of Total Assets
Percent

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

2021Q2 2021Q3 2021Q4 2022Q1 2022Q2
Nonperforming Loans as a Share of Total Loans
Percent

Chart 8

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

Percent
CHART 10

Commercial Real Estate Nonperforming Loan Ratio
Percent

[Line graph showing the trend of commercial real estate nonperforming loan ratio for Large Banks and Small Banks in the U.S. and Tristate regions over the quarters 2021Q2 to 2022Q2.]
CHART 12

Consumer Nonperforming Loan Ratio

Percent

2021Q2 2021Q3 2021Q4 2022Q1 2022Q2

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

Small Banks — U.S.
Small Banks — Tristate
Large Banks
Net Charge-Offs as a Share of Loan Loss Provisions

Percent

CHART 14

Year: 2021Q2, 2021Q3, 2021Q4, 2022Q1, 2022Q2

Small Banks — U.S.

Small Banks — Tristate

Large Banks
CHART 15

Loan Loss Provision as a Share of Operating Income
Percent

Small Banks — Tristate

Small Banks — U.S.

Large Banks

Federal Reserve Bank of Philadelphia
Research Department
CHART 16

Loan Loss Coverage Ratio
Percent

Small Banks — U.S.

Large Banks

Small Banks — Tristate

2021Q2 2021Q3 2021Q4 2022Q1 2022Q2
Part 5: Capital Ratios
CHART 17

Total Equity as a Share of Total Assets
Percent

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

2021Q1 2021Q2 2021Q3 2022Q1 2022Q2
CHART 18

Tier One Leverage Ratio
Percent

2021Q1 2021Q2 2021Q3 2022Q1 2022Q2

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

2021Q2 2021Q3 2021Q4 2022Q1 2022Q2
Part 6: Liquidity Ratios
CHART 20

Total Loans as a Share of Total Deposits
Percent

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

2021Q2 2021Q3 2021Q4 2022Q1 2022Q2
Core Deposits as a Share of Total Deposits
Percent

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

Chart showing trends in core deposits as a share of total deposits for different types of banks from 2021Q2 to 2022Q2.
Liquid Assets as a Share of Total Assets
Percent

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