Banking Brief
Research Department

Fourth 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>Fourth 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>$ Billion</td>
<td>$ Billion</td>
</tr>
<tr>
<td></td>
<td>22Q4</td>
<td>22Q3</td>
<td>21Q4</td>
</tr>
<tr>
<td>Total Assets</td>
<td>3,138.4</td>
<td>2,095.6</td>
<td>1,569.4</td>
</tr>
<tr>
<td>% Change From</td>
<td>6.65</td>
<td>15.61</td>
<td>16.53</td>
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<tr>
<td>Total Loans</td>
<td>2,095.6</td>
<td>1,439.3</td>
<td>1,126.2</td>
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<tr>
<td>% Change From</td>
<td>15.61</td>
<td>8.69</td>
<td>11.57</td>
</tr>
<tr>
<td>C&amp;I</td>
<td>315.7</td>
<td>18.6</td>
<td>14.48</td>
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<tr>
<td>% Change From</td>
<td>12.84</td>
<td>8.69</td>
<td>11.57</td>
</tr>
<tr>
<td>Real Estate</td>
<td>1,569.4</td>
<td>112.6</td>
<td>3,612.4</td>
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<tr>
<td>% Change From</td>
<td>16.53</td>
<td>11.57</td>
<td>3,612.4</td>
</tr>
<tr>
<td>Consumer</td>
<td>96.5</td>
<td>7.7</td>
<td>1,391.3</td>
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<tr>
<td>% Change From</td>
<td>23.38</td>
<td>33.46</td>
<td>1,391.3</td>
</tr>
<tr>
<td>Total Deposits</td>
<td>2,659.8</td>
<td>161.5</td>
<td>14,672.3</td>
</tr>
<tr>
<td>% Change From</td>
<td>0.60</td>
<td>-2.10</td>
<td>14,672.3</td>
</tr>
<tr>
<td>Ratios (in %)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income/Avg. Assets (ROA)</td>
<td>1.21</td>
<td>1.20</td>
<td>1.30</td>
</tr>
<tr>
<td>Net Interest Inc./Avg. Assets (NIM)</td>
<td>3.25</td>
<td>3.13</td>
<td>3.05</td>
</tr>
<tr>
<td>Noninterest Inc./Avg. Assets</td>
<td>0.85</td>
<td>0.90</td>
<td>1.06</td>
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<tr>
<td>Noninterest Exp./Avg. Assets</td>
<td>2.47</td>
<td>2.46</td>
<td>2.50</td>
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<tr>
<td>Loans/Deposits</td>
<td>78.79</td>
<td>76.10</td>
<td>89.08</td>
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<tr>
<td>Nonperforming Loans/Total Loans</td>
<td>0.54</td>
<td>0.50</td>
<td>0.57</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, 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. 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, 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

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

2021Q4  2022Q1  2022Q2  2022Q3  2022Q4
CHART 2

Net Interest Margin
Percent

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

2021Q4 2022Q1 2022Q2 2022Q3 2022Q4
Part 2: Annual Growth Rates
CHART 3

Annual Growth of Quarterly Net Income

Percent

-60
-40
-20
0
20
40
60

2021Q4  2022Q1  2022Q2  2022Q3  2022Q4

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

Annual Growth of Total Assets
Percent

-5 0 5 10 15 20
2021Q4 2022Q1 2022Q2 2022Q3 2022Q4

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

Annual Growth of Total Loans
Percent

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

Annual Growth of RRE Loans

Percent

-5 0 5 10 15 20 25

2021Q4 2022Q1 2022Q2 2022Q3 2022Q4

Small Banks — U.S.

Large Banks

Small Banks — Tristate
Annual Growth of CRE Loans
Percent

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

CHART 5c

Small Banks — U.S.

Small Banks — Tristate

Large Banks
CHART 5d

Annual Growth of Loans Secured by Multifamily Properties
Percent

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

CHART 5e

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

- 2021Q4
- 2022Q1
- 2022Q2
- 2022Q3
- 2022Q4
CHART 5f
Annual Growth of Commercial and Industrial Loans
Percent

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

Large Banks

Small Banks — U.S.

Small Banks — Tristate

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

Annual Growth of Consumer Loans
Percent

Small Banks — Tristate

Small Banks — U.S.

Large Banks
CHART 6

Annual Growth of Total Deposits
Percent

-4 0 4 8 12 16

2021Q4 2022Q1 2022Q2 2022Q3 2022Q4

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

Federal Reserve Bank of Philadelphia
Research Department
Part 3: Asset Quality Ratios
Nonperforming Assets as a Share of Total Assets

Percent

Small Banks — Tristate

Small Banks — U.S.

Large Banks
Nonperforming Loans as a Share of Total Loans
Percent

Small Banks — Tristate

Large Banks

Small Banks — U.S.
CHART 9

Residential Real Estate Nonperforming Loan Ratio
Percent

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

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

Values:
- 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

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

Consumer Nonperforming Loan Ratio
Percent

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

Timeline:
- 2021Q4
- 2022Q1
- 2022Q2
- 2022Q3
- 2022Q4
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 15

Loan Loss Provision as a Share of Operating Income
Percent

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

Small Banks — U.S.
Small Banks — Tristate
Large Banks
Chart 16

Loan Loss Coverage Ratio
Percent

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

The chart illustrates the trend of loan loss coverage ratios for small and large banks, as well as a smaller group within the Tristate region, from 2021Q4 to 2022Q4.
Part 5: Capital Ratios
Chart 17: Total Equity as a Share of Total Assets

Percent

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

Data for 2021Q4 to 2022Q4.
CHART 18

Tier One Leverage Ratio
Percent

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

2021Q4 | 2022Q1 | 2022Q2 | 2022Q3 | 2022Q4
CHART 19

Risk-Based Capital Ratio
Percent

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

Y-axis: Risk-Based Capital Ratio (Percent)
X-axis: Time (Quarters 2021Q4 to 2022Q4)
Part 6: Liquidity Ratios
Total Loans as a Share of Total Deposits

Percent

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

2021Q4 to 2022Q4
Core Deposits as a Share of Total Deposits
Percent

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

Chart 21
CHART 22

Liquid Assets as a Share of Total Assets
Percent

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

Yearly data points from 2021Q4 to 2022Q4.
Part 7: Market Conditions
CHART 23

New and Existing Total U.S. Home Sales

Thousands

New Home Sales

Existing 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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