Banking Brief
Research Department

Third Quarter 2023

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>Community Banking Organizations</th>
<th>Large Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nation</td>
<td>Tri-State</td>
</tr>
<tr>
<td></td>
<td>$ Bill</td>
<td>% Change From</td>
</tr>
<tr>
<td></td>
<td>23Q3</td>
<td>23Q2</td>
</tr>
<tr>
<td>Total Assets</td>
<td>3,209.4</td>
<td>8.63</td>
</tr>
<tr>
<td>Total Loans</td>
<td>2,215.5</td>
<td>12.54</td>
</tr>
<tr>
<td>C&amp;I</td>
<td>318.9</td>
<td>2.12</td>
</tr>
<tr>
<td>Real Estate</td>
<td>1,661.0</td>
<td>12.00</td>
</tr>
<tr>
<td>Consumer</td>
<td>107.9</td>
<td>17.93</td>
</tr>
<tr>
<td>Total Deposits</td>
<td>2,682.8</td>
<td>9.43</td>
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<tr>
<td>Ratios (in %)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income/Avg Assets (ROA)</td>
<td>1.09</td>
<td>1.15</td>
</tr>
<tr>
<td>Net Interest Inc/Avg Assets (NIM)</td>
<td>3.25</td>
<td>3.28</td>
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<tr>
<td>Noninterest Inc/Avg Assets</td>
<td>0.76</td>
<td>0.76</td>
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<tr>
<td>Noninterest Exp/Avg Assets</td>
<td>2.47</td>
<td>2.43</td>
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<tr>
<td>Loans/Deposits</td>
<td>82.58</td>
<td>82.01</td>
</tr>
<tr>
<td>Equity/Assets</td>
<td>9.38</td>
<td>9.54</td>
</tr>
<tr>
<td>Nonperforming Loans/Total Loans</td>
<td>0.59</td>
<td>0.52</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, 2022, 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, 2022, 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, 2022, including assets of only their commercial bank subsidiaries. **U.S.** excludes tristate banks. The sample includes 99 small tristate banks, 3,541 small U.S. banks, and 95 large U.S. banks.
Part 1: Earnings Ratios
CHART 1
Return on Average Assets
Percent

2022Q3 2022Q4 2023Q1 2023Q2 2023Q3

Large Banks
Small Banks — U.S.
Small Banks — Tristate
CHART 2

Net Interest Margin
Percent

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

2022Q3 2022Q4 2023Q1 2023Q2 2023Q3
Part 2: Annual Growth Rates
Annual Growth of Quarterly Net Income

Percent

<table>
<thead>
<tr>
<th>Year</th>
<th>Large Banks</th>
<th>Small Banks — U.S.</th>
<th>Small Banks — Tristate</th>
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</thead>
<tbody>
<tr>
<td>2022Q3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022Q4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023Q1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023Q2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023Q3</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CHART 4

Annual Growth of Total Assets
Percent

-10 -5 0 5 10 15

2022Q3 2022Q4 2023Q1 2023Q2 2023Q3

Small Banks — U.S.

Large Banks

Small Banks — Tristate

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CHART 5

Annual Growth of Total Loans
Percent

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

2022Q3 2022Q4 2023Q1 2023Q2 2023Q3
Annual Growth of RRE Loans
Percent

CHART 5a

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

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CHART 5b

Annual Growth of CRE Loans
Percent

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

Graph showing the annual growth of CRE loans for Small Banks in the U.S. and Tristate, as well as Large Banks, from 2022Q3 to 2023Q3.
CHART 5c

Annual Growth of Construction Loans

Percent

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

2022Q3 2022Q4 2023Q1 2023Q2 2023Q3
CHART 5d

Annual Growth of Loans Secured by Multifamily Properties

Percent

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

CHART 5e

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

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CHART 5f

Annual Growth of Commercial and Industrial Loans
Percent

-30 -20 -10 0 10 20

2022Q3 2022Q4 2023Q1 2023Q2 2023Q3

Large Banks

Small Banks — U.S.

Small Banks — Tristate
CHART 5g

Annual Growth of Consumer Loans
Percent

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

2022Q3  2022Q4  2023Q1  2023Q2  2023Q3
CHART 6
Annual Growth of Total Deposits
Percent

-10 -6 -2 2 6 10

2022Q3 2022Q4 2023Q1 2023Q2 2023Q3

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

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Part 3: Asset Quality Ratios
CHART 7

Nonperforming Assets as a Share of Total Assets
Percent

- Small Banks — Tristate
- Small Banks — U.S.
- Large Banks
CHART 8
Nonperforming Loans as a Share of Total Loans
Percent

Large Banks

Small Banks — Tristate

Small Banks — U.S.
CHART 9

Residential Real Estate Nonperforming Loan Ratio
Percent

2022Q3 2022Q4 2023Q1 2023Q2 2023Q3

Large Banks
Small Banks — U.S.
Small Banks — Tristate
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
CHART 12

Consumer Nonperforming Loan Ratio

Percent

![Graph showing the Consumer Nonperforming Loan Ratio for Large Banks, Small Banks in the U.S., and Small Banks in the Tristate area from 2022Q3 to 2023Q3.]
Part 4: Loan Loss Provisioning and Reserves
CHART 13

Loan Loss Reserves as a Share of Total Assets

Percent

2022Q3 2022Q4 2023Q1 2023Q2 2023Q3

Small Banks — U.S.
Small Banks — Tristate
Large Banks
CHART 14

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

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

2022Q3 2022Q4 2023Q1 2023Q2 2023Q3
Chart 15

Loan Loss Provision as a Share of Operating Income

Percent

-4 -2 0 2 4 6 8 10
2022Q3 2022Q4 2023Q1 2023Q2 2023Q3

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

Loan Loss Coverage Ratio

Percent

- Small Banks — U.S.
- Large Banks
- Small Banks — Tristate
Part 5: Capital Ratios
CHART 17

Total Equity as a Share of Total Assets
Percent

Small Banks — Tristate
Large Banks
Small Banks — U.S.
CHART 18

Tier One Leverage Ratio
Percent

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

Time periods: 2022Q3 to 2023Q3
CHART 19
Risk-Based Capital Ratio
Percent

Large Banks

Small Banks — U.S.

Small Banks — Tristate

2022Q3 2022Q4 2023Q1 2023Q2 2023Q3
Part 6: Liquidity Ratios
CHART 20

Loan-to-Deposit Ratio

Percent

Small Banks — Tristate

Small Banks — U.S.

Large Banks

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Core Deposits as a Share of Total Deposits

Percent

Chart showing the core deposits as a share of total deposits for Small Banks — U.S., Small Banks — Tristate, and Large Banks from 2022Q3 to 2023Q3.
CHART 22

Liquid Assets as a Share of Total Assets

Percent

2022Q3 2022Q4 2023Q1 2023Q2 2023Q3
Part 7: Market Conditions
CHART 23

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


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