Banking Brief
Research Department

First Quarter 2024

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></th>
<th>Large Organizations</th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Nation</td>
<td>Tri-State</td>
<td>Nation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ Bill</td>
<td>% Change From</td>
<td>$ Bill</td>
<td>% Change From</td>
</tr>
<tr>
<td></td>
<td>24Q1</td>
<td>23Q4</td>
<td>23Q1</td>
<td>24Q1</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>3,178.3</td>
<td>3.58</td>
<td>5.35</td>
<td>199.9</td>
</tr>
<tr>
<td><strong>Total Loans</strong></td>
<td>2,192.3</td>
<td>4.37</td>
<td>8.59</td>
<td>149.5</td>
</tr>
<tr>
<td><strong>C&amp;I</strong></td>
<td>322.1</td>
<td>4.61</td>
<td>5.98</td>
<td>17.3</td>
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<tr>
<td><strong>Real Estate</strong></td>
<td>1,656.7</td>
<td>4.78</td>
<td>8.63</td>
<td>118.8</td>
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<tr>
<td><strong>Consumer</strong></td>
<td>89.2</td>
<td>-0.71</td>
<td>1.70</td>
<td>7.9</td>
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<tr>
<td><strong>Total Deposits</strong></td>
<td>2,661.0</td>
<td>5.03</td>
<td>4.77</td>
<td>163.5</td>
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<tr>
<td><strong>Ratios (in %)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Income/Avg Assets (ROA)</strong></td>
<td>1.03</td>
<td>1.03</td>
<td>1.17</td>
<td>0.96</td>
</tr>
<tr>
<td><strong>Net Interest Inc/Avg Assets (NIM)</strong></td>
<td>3.19</td>
<td>3.19</td>
<td>3.25</td>
<td>3.02</td>
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<tr>
<td><strong>Noninterest Inc/Avg Assets</strong></td>
<td>0.78</td>
<td>0.75</td>
<td>0.76</td>
<td>0.93</td>
</tr>
<tr>
<td><strong>Noninterest Exp/Avg Assets</strong></td>
<td>2.55</td>
<td>2.50</td>
<td>2.37</td>
<td>2.59</td>
</tr>
<tr>
<td><strong>Loans/Deposits</strong></td>
<td>82.39</td>
<td>82.52</td>
<td>79.49</td>
<td>91.42</td>
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<tr>
<td><strong>Equity/Assets</strong></td>
<td>9.89</td>
<td>9.87</td>
<td>9.54</td>
<td>10.53</td>
</tr>
<tr>
<td><strong>Nonperforming Loans/Total Loans</strong></td>
<td>0.67</td>
<td>0.63</td>
<td>0.51</td>
<td>1.12</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, 2023, 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, 2023. 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, 2023, including assets of only their commercial bank subsidiaries. U.S. excludes tristate banks. The sample includes 97 small tristate banks, 3,578 small U.S. banks, and 100 large U.S. banks.
Part 1: Earnings Ratios
**Return on Average Assets**

Percent

**Chart 1**

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Small Banks — U.S.</th>
<th>Large Banks</th>
<th>Small Banks — Tristate</th>
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</thead>
<tbody>
<tr>
<td>2023Q1</td>
<td>1.2</td>
<td>1.0</td>
<td>0.8</td>
</tr>
<tr>
<td>2023Q2</td>
<td>1.15</td>
<td>1.0</td>
<td>0.75</td>
</tr>
<tr>
<td>2023Q3</td>
<td>1.1</td>
<td>1.0</td>
<td>0.7</td>
</tr>
<tr>
<td>2023Q4</td>
<td>1.05</td>
<td>1.0</td>
<td>0.65</td>
</tr>
<tr>
<td>2024Q1</td>
<td>1.0</td>
<td>1.0</td>
<td>0.6</td>
</tr>
</tbody>
</table>
CHART 2

Net Interest Margin
Percent

2023Q1 2023Q2 2023Q3 2023Q4 2024Q1

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

Annual Growth of Quarterly Net Income
Percent

2023Q1 2023Q2 2023Q3 2023Q4 2024Q1

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

Annual Growth of Total Assets
Percent

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

Annual Growth of Total Loans
Percent

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

Graph showing the annual growth of total loans for Small Banks — Tristate, Small Banks — U.S., and Large Banks from 2023Q1 to 2024Q1.
CHART 5a

Annual Growth of RRE Loans
Percent

-5 0 5 10 15 20 25

2023Q1 2023Q2 2023Q3 2023Q4 2024Q1

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

Annual Growth of CRE Loans
Percent

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

Percent

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

2023Q1 2023Q2 2023Q3 2023Q4 2024Q1
Annual Growth of Loans Secured by Multifamily Properties

Percent

CHART 5d

Federal Reserve Bank of Philadelphia
Research Department
CHART 5e

Annual Growth of Commercial Mortgages
Percent

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

Annual Growth of Consumer Loans

Percent
CHART 6

Annual Growth of Total Deposits
Percent

-10  -8  -6  -4  -2  0  2  4  6

2023Q1  2023Q2  2023Q3  2023Q4  2024Q1

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

Federal Reserve Bank of Philadelphia
Research Department
CHART 8

Nonperforming Loans as a Share of Total Loans
Percent

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

2023Q1 2023Q2 2023Q3 2023Q4 2024Q1
Residential Real Estate Nonperforming Loan Ratio

Percent

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

-2 -1 0 1 2 3 4 5 6 7 8 9 10 11 12 13 14

2023Q1 2023Q2 2023Q3 2023Q4 2024Q1

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

Federal Reserve Bank of Philadelphia
Research Department
CHART 12

Consumer Nonperforming Loan Ratio
Percent

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

2023Q1 2023Q2 2023Q3 2023Q4 2024Q1
Part 4: Loan Loss Provisioning and Reserves
Loan Loss Reserves as a Share of Total Assets
Percent

CHART 13

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

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

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

Graph showing the net charge-offs as a share of loan loss provisions for small banks in the U.S., small banks in the Tristate region, and large banks, from 2023Q1 to 2024Q1.
CHART 15

Loan Loss Provision as a Share of Operating Income
Percent

-4 -2 0 2 4 6 8 10

2023Q1 2023Q2 2023Q3 2023Q4 2024Q1

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

2023Q1 2023Q2 2023Q3 2023Q4 2024Q1
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

2023Q1 2023Q2 2023Q3 2023Q4 2024Q1
CHART 19

Risk-Based Capital Ratio
Percent

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

2023Q1 2023Q2 2023Q3 2023Q4 2024Q1
Part 6: Liquidity Ratios
CHART 20

Loan-to-Deposit Ratio

Percent

Small Banks — Tristate

Small Banks — U.S.

Large Banks

<table>
<thead>
<tr>
<th>Year</th>
<th>Small Banks — Tristate</th>
<th>Small Banks — U.S.</th>
<th>Large Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023Q1</td>
<td>85</td>
<td>75</td>
<td>65</td>
</tr>
<tr>
<td>2023Q2</td>
<td>86</td>
<td>76</td>
<td>66</td>
</tr>
<tr>
<td>2023Q3</td>
<td>87</td>
<td>77</td>
<td>67</td>
</tr>
<tr>
<td>2023Q4</td>
<td>88</td>
<td>78</td>
<td>68</td>
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<tr>
<td>2024Q1</td>
<td>89</td>
<td>79</td>
<td>69</td>
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</table>
CHART 21

Core Deposits as a Share of Total Deposits

Percent
CHART 22

Liquid Assets as a Share of Total Assets

Percent

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

2023Q1, 2023Q2, 2023Q3, 2023Q4, 2024Q1
Part 7: Market Conditions
New and Existing Total U.S. Home Sales
Thousands

New Home Sales (Right Axis)

Existing Home Sales (Left Axis)