



Second Quarter 2017 Highlights

FEDERAL RESERVE BANK OF PHILADELPHIA
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Summary Table of Bank Structure and Conditions — Second Quarter 2017

	Small Banks						Large Banks			
	U.S.			Tristate			U.S.			
	\$ Billion	% Change From		\$ Billion	% Change From		\$ Billion	% Change From		
	2017Q2	2017Q1	2016Q2	2017Q2	2017Q1	2016Q2	2017Q2	2017Q1	2016Q2	
Total Assets	2,215.3	4.88	6.56	129.7	7.38	9.19	Total Assets	12,899.1	2.35	2.48
Total Loans	1,530.7	11.90	8.63	96.1	12.09	11.92	Total Loans	6,646.9	6.55	2.48
C&I	238.1	12.53	7.30	12.9	18.53	12.63	C&I	1,599.2	2.74	1.64
Real Estate	1,126.6	10.63	9.39	75.3	10.93	11.79	Real Estate	3,027.2	5.00	2.54
Consumer	63.8	10.27	8.22	4.0	25.23	20.42	Consumer	941.1	8.00	2.39
Total Deposits	1,826.1	1.36	6.76	104.8	2.85	9.37	Total Deposits	9,863.6	0.42	4.12
Ratios (in %)	2017Q2	2017Q1	2016Q2	2017Q2	2017Q1	2016Q2	Ratios (in %)	2017Q2	2017Q1	2016Q2
Net Income/Avg. Assets (ROA)	1.04	1.03	1.04	0.94	0.93	0.89	Net Income/Avg. Assets (ROA)	1.03	1.00	0.95
Net Interest Inc./Avg. Assets (NIM)	3.33	3.32	3.32	3.16	3.14	3.14	Net Interest Inc./Avg. Assets (NIM)	2.49	2.45	2.40
Noninterest Inc./Avg. Assets	0.96	0.98	0.95	1.13	1.14	1.14	Noninterest Inc./Avg. Assets	1.55	1.55	1.57
Noninterest Exp./Avg. Assets	2.82	2.84	2.85	2.93	2.94	3.03	Noninterest Exp./Avg. Assets	2.38	2.37	2.41
Loans/Deposits	83.82	81.77	82.37	91.77	89.82	89.68	Loans/Deposits	67.39	66.40	68.47
Equity/Assets	11.15	10.93	11.16	10.77	10.65	10.65	Equity/Assets	11.12	10.99	11.11
Nonperforming Loans/Total Loans	0.82	0.86	0.92	0.86	0.91	0.94	Nonperforming Loans/Total Loans	1.27	1.40	1.60

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, 2015, 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, 2016.

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, 2016, including assets of only their commercial bank subsidiaries.

U.S. excludes tristate banks.

The sample includes 140 small tristate banks, 4,454 small U.S. banks, and 104 large U.S. banks.

Recent Trends in Tristate and U.S. Banking Markets

In the second quarter of 2017, profitability continued to rise at large U.S. banks and small tristate banks but remained stable at small banks in the rest of the nation. Net interest income increased modestly at small banks, but more so at large banks. Asset growth decelerated at large banks but remained fairly strong at small banks across the nation. Loan growth at large U.S. banks slowed, mainly because of the continued cooling of commercial real estate (CRE) and commercial and industrial (C&I) lending. Loan growth remained strong for small banks across the nation and increased slightly at small tristate banks. CRE growth remained strong at both small U.S. banks and small tristate banks mostly because of to more nonfarm nonresidential lending. Asset quality continued to improve for all banks. There was a slight quarterly uptick in CRE nonperforming loans (NPLs) and a downtick in C&I NPLs at small tristate banks. Deposit growth remained strong at all banks.

CHART 1

Profitability Continued to Rise at Large Banks and Small Tristate Banks

Return on average assets (ROAA).

Percent

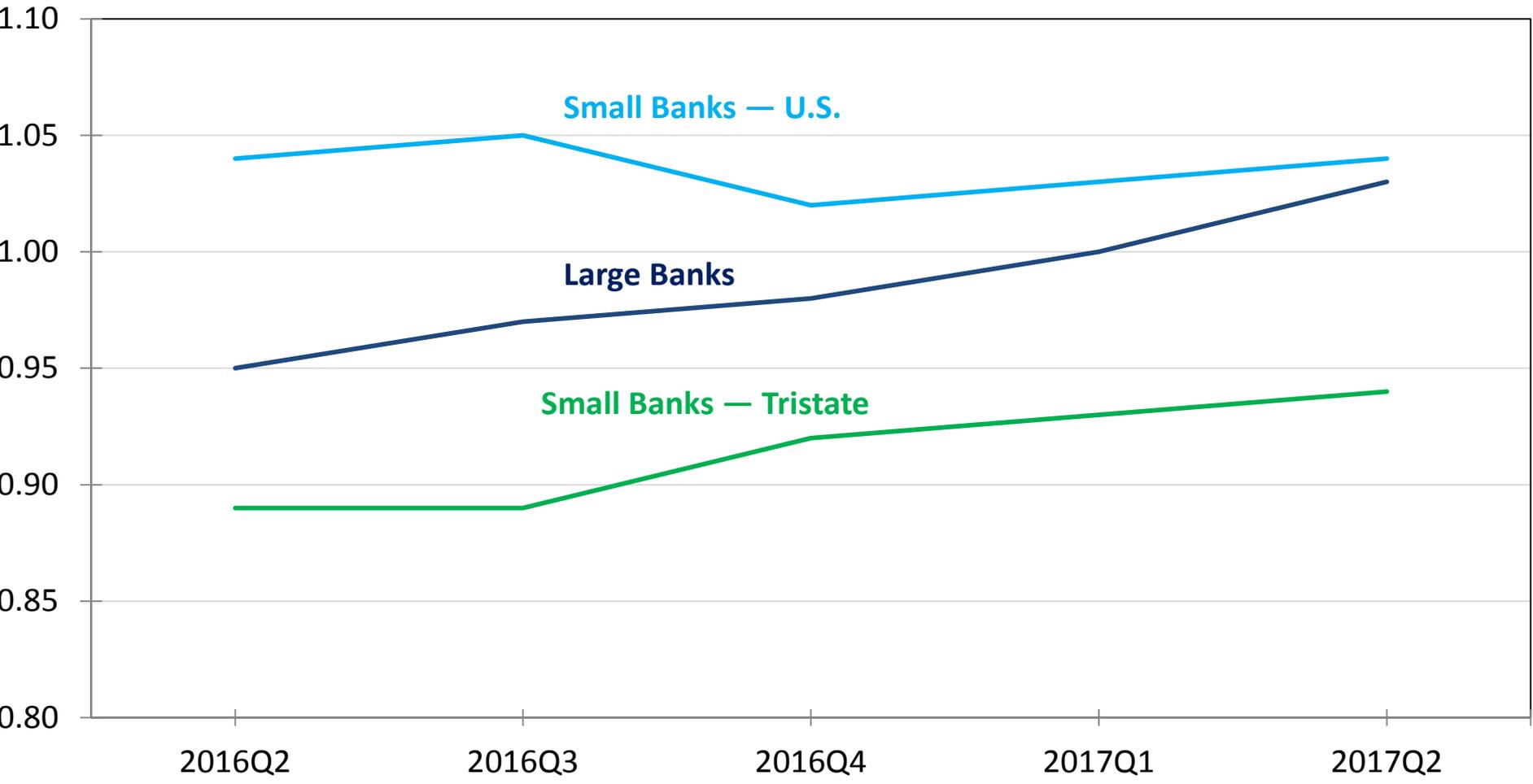
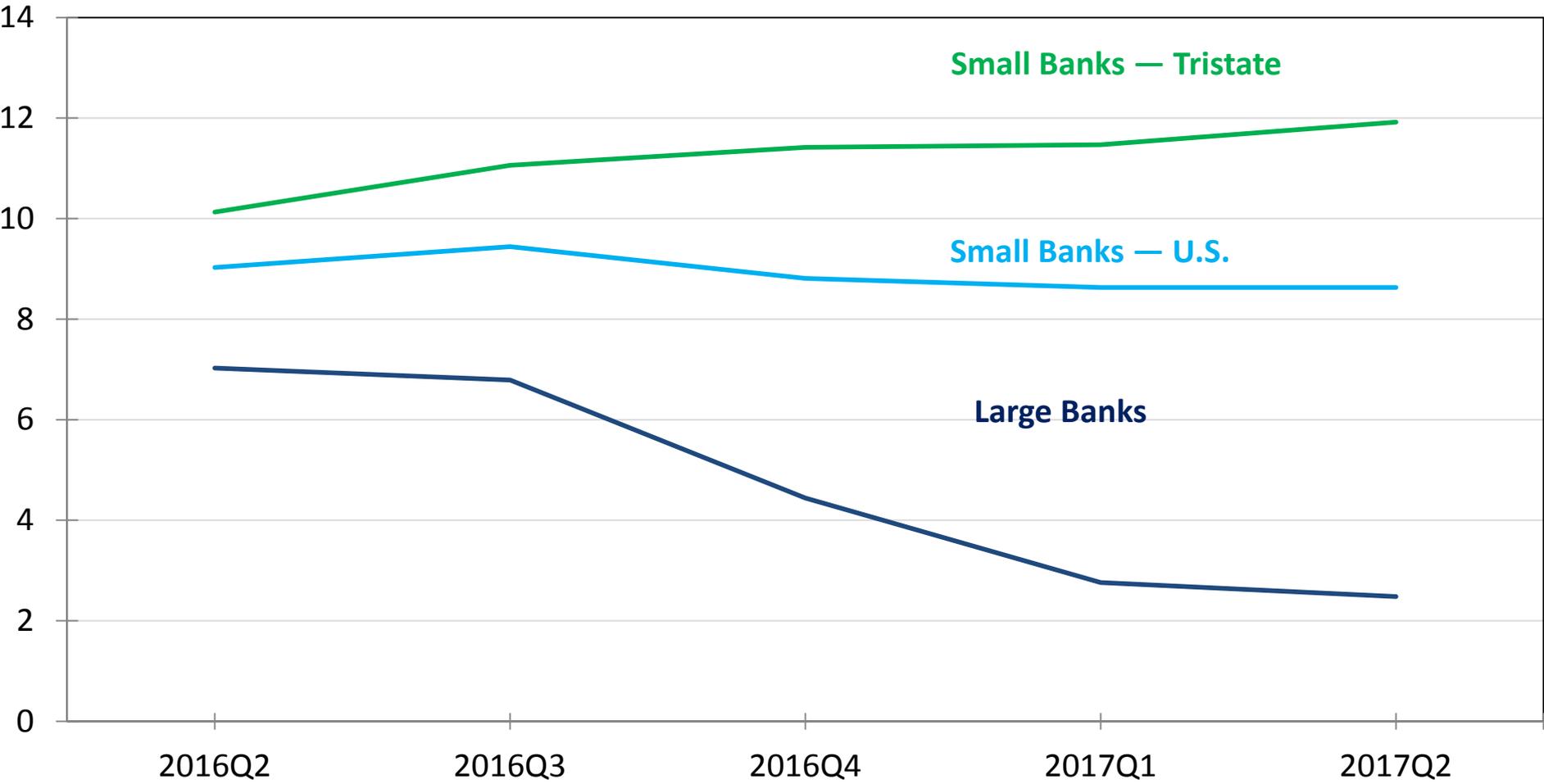


CHART 2

Loan Growth Remained Strong at Small Banks but Slowed at Large Banks

Annual growth rate of total loans.

Percent

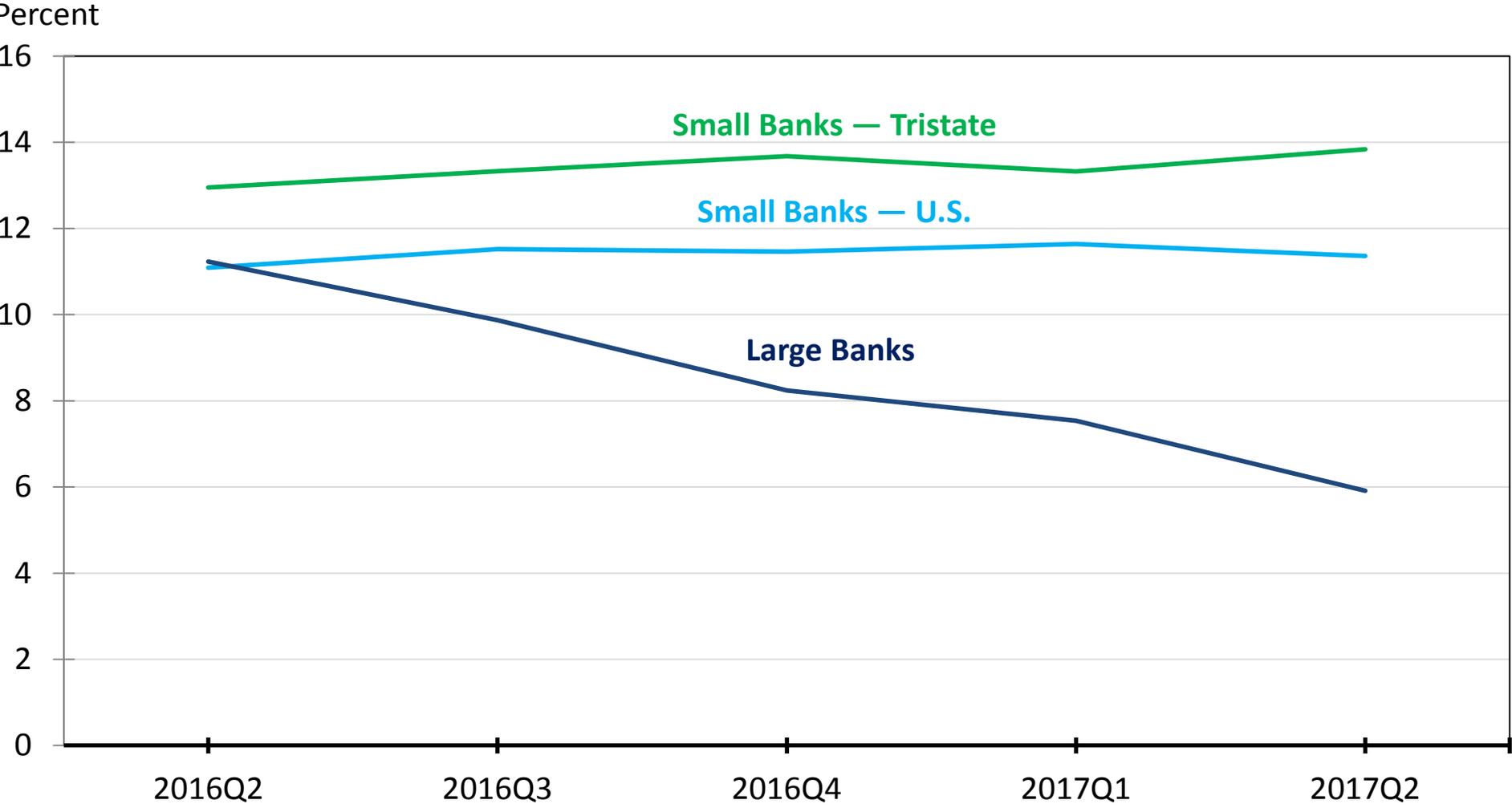


Loan growth at small banks was mainly driven by CRE and C&I loans.

CHART 3

CRE Loan Growth Slowed at Large Banks but Remained Stable at Small Banks

Annual growth rate of CRE loans.



Multifamily loans at large banks slowed from 16.2 percent in the second quarter of 2016 to 7.93 percent a year later.

CHART 4

C&I Lending Continued to Increase at Small Tristate Banks

Annual growth rate of C&I loans.

Percent

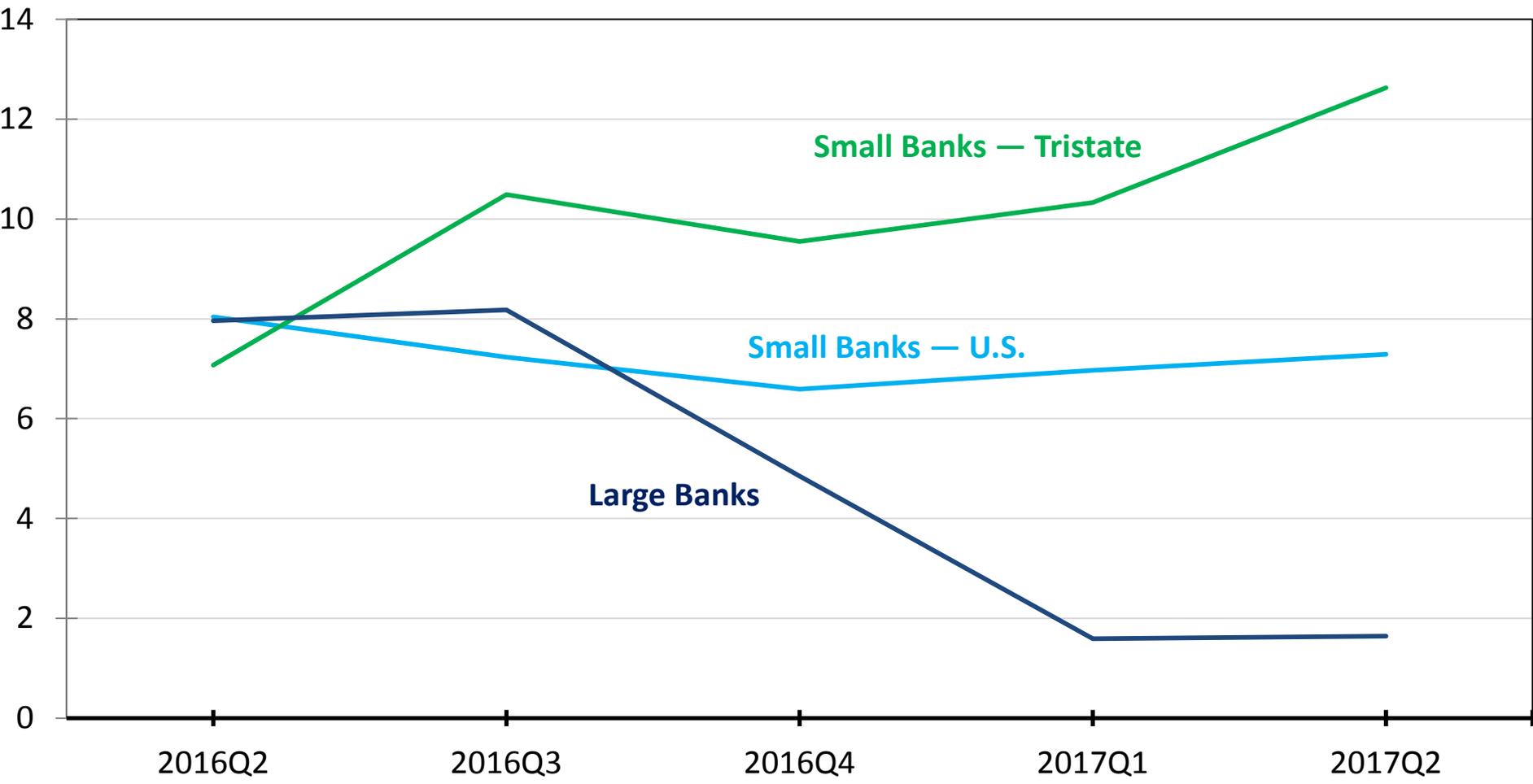


CHART 5

Asset Quality Continued to Improve at All Banks

Nonperforming assets as a share of total assets.

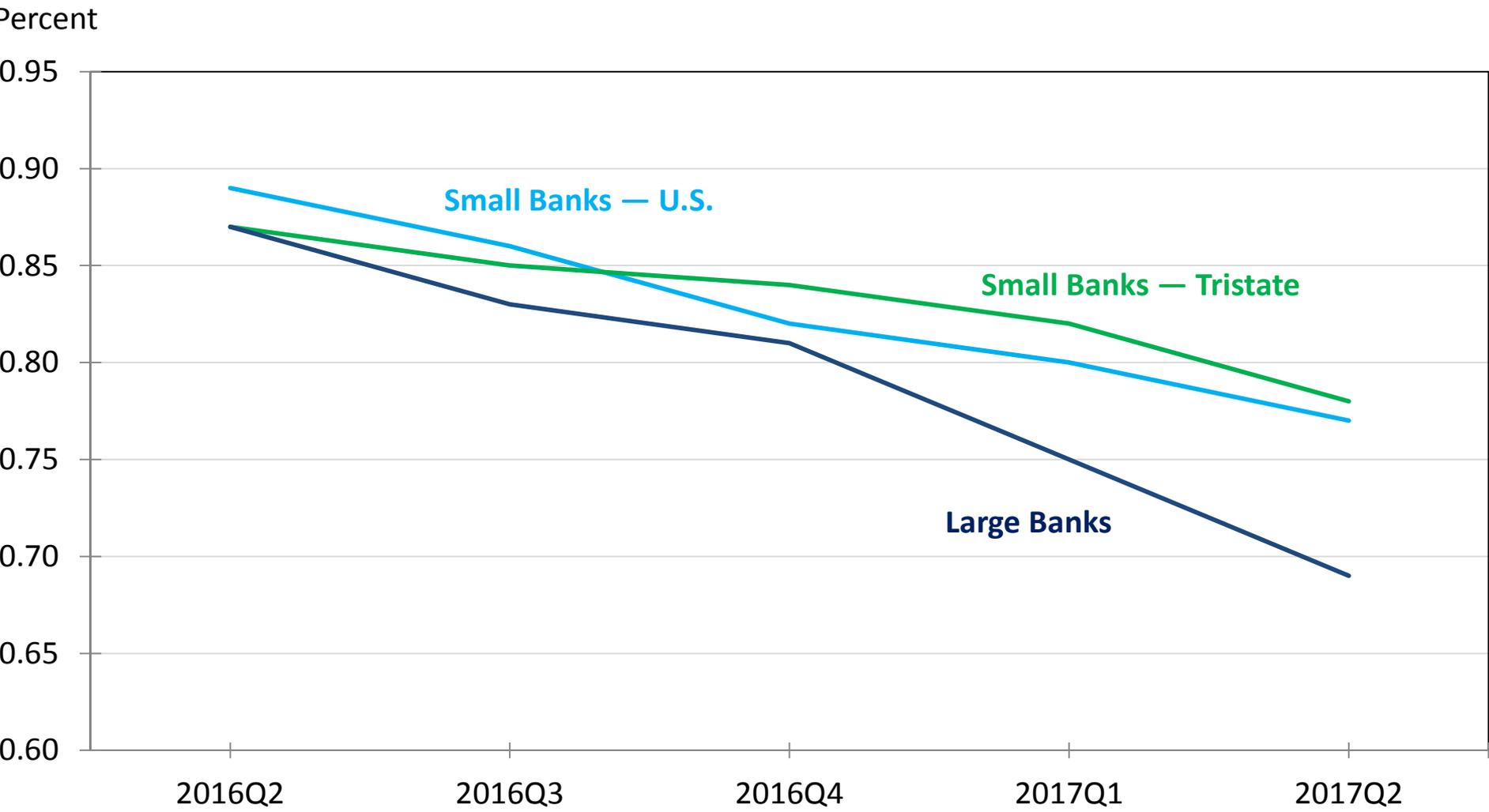
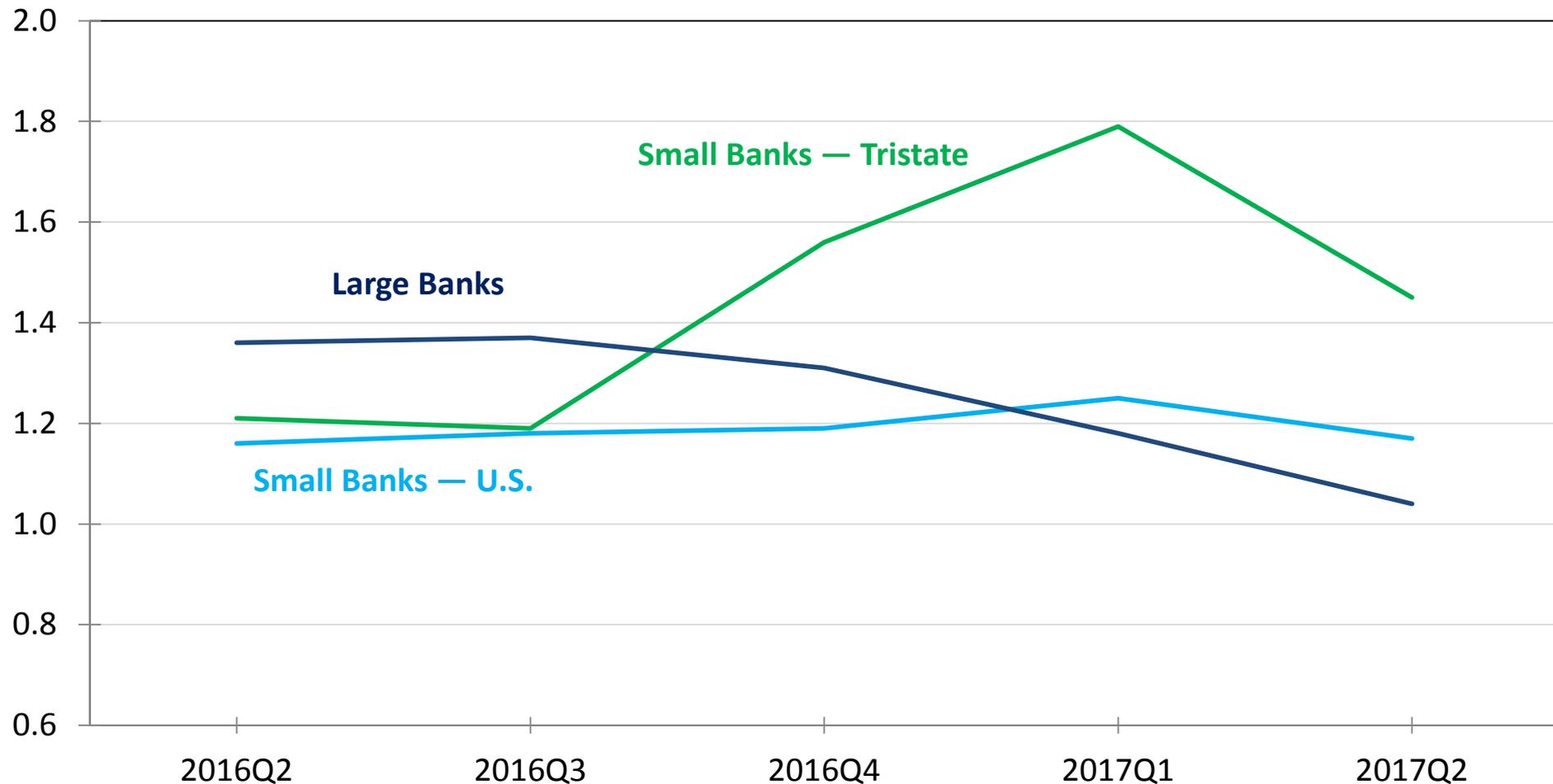


CHART 6

C&I NPLs Decreased

Nonperforming CRE loans as a share of total CRE loans.

Percent

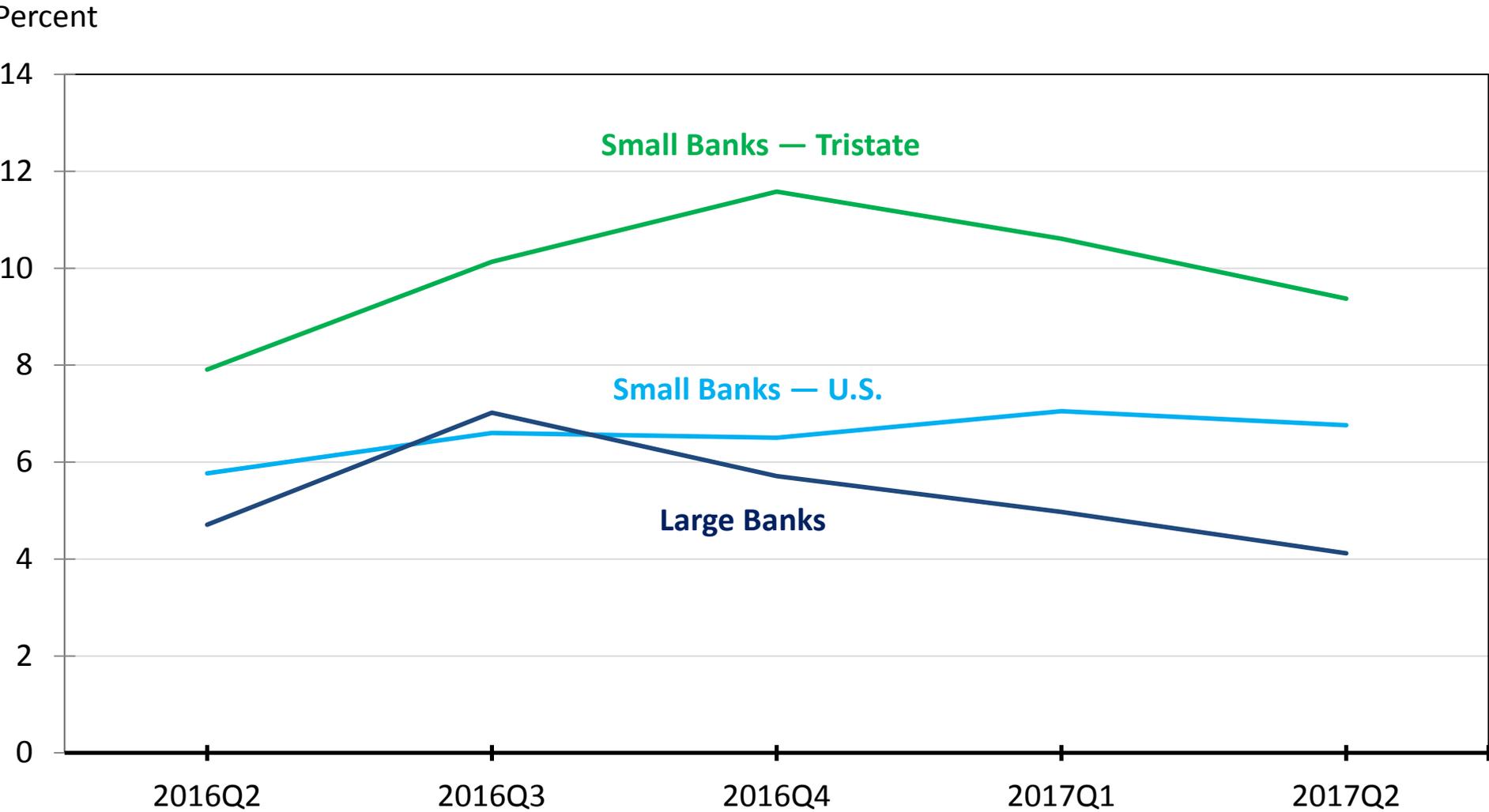


At small tristate banks, the C&I NPL ratio decreased from 1.79 percent in the first quarter of 2017 to 1.45 percent in the second quarter.

CHART 7

Deposit Growth Remained Strong at Tristate Banks

Annual growth of total deposits.





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