



## Fourth Quarter 2018 Highlights

FEDERAL RESERVE BANK OF PHILADELPHIA  
[WWW.PHILADELPHIAFED.ORG](http://WWW.PHILADELPHIAFED.ORG)

# Summary Table of Bank Structure and Conditions — Fourth Quarter 2018

	Small Banks						Large Banks			
	U.S.			Tristate			U.S.			
	\$ Billion	% Change From		\$ Billion	% Change From		\$ Billion	% Change From		
	2018Q4	2018Q3	2017Q4	2018Q4	2018Q3	2017Q4		2018Q4	2018Q3	2017Q4
Total Assets	2,208.7	6.68	5.29	152.4	8.37	6.72	Total Assets	13,580.8	5.75	2.34
Total Loans	1,560.8	6.06	7.20	115.4	7.84	7.47	Total Loans	7,178.5	8.97	3.84
C&I	239.9	11.57	8.03	15.7	22.36	10.13	C&I	1,769.6	17.67	7.82
Real Estate	1,151.4	6.05	7.52	88.2	5.81	7.13	Real Estate	3,189.3	0.72	0.86
Consumer	65.8	1.30	5.19	5.3	13.02	20.46	Consumer	998.1	8.93	1.83
Total Deposits	1,830.3	6.56	5.32	123.9	4.42	7.01	Total Deposits	10,464.7	8.76	2.59
<b>Ratios (in %)</b>	<b>2018Q4</b>	<b>2018Q3</b>	<b>2017Q4</b>	<b>2018Q4</b>	<b>2018Q3</b>	<b>2017Q4</b>	<b>Ratios (in %)</b>	<b>2018Q4</b>	<b>2018Q3</b>	<b>2017Q4</b>
Net Income/Avg. Assets (ROA)	1.23	1.12	1.00	1.14	1.01	0.87	Net Income/Avg. Assets (ROA)	1.29	1.11	0.91
Net Interest Inc./Avg. Assets (NIM)	3.49	3.46	3.38	3.23	3.21	3.16	Net Interest Inc./Avg. Assets (NIM)	2.69	2.65	2.56
Noninterest Inc./Avg. Assets	0.92	0.94	0.97	1.09	1.11	1.11	Noninterest Inc./Avg. Assets	1.53	1.53	1.51
Noninterest Exp./Avg. Assets	2.82	2.82	2.83	2.76	2.78	2.83	Noninterest Exp./Avg. Assets	2.42	2.45	2.42
Loans/Deposits	85.28	85.38	83.79	93.18	92.43	92.78	Loans/Deposits	68.60	68.56	67.77
Equity/Assets	11.31	11.20	11.05	10.87	10.82	10.68	Equity/Assets	11.09	11.13	11.09
Nonperforming Loans/Total Loans	0.72	0.75	0.77	0.67	0.67	0.72	Nonperforming Loans/Total Loans	0.94	0.99	1.21

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, 2017, 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, 2017.

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, 2017, including assets of only their commercial bank subsidiaries.

*U.S.* excludes tristate banks.

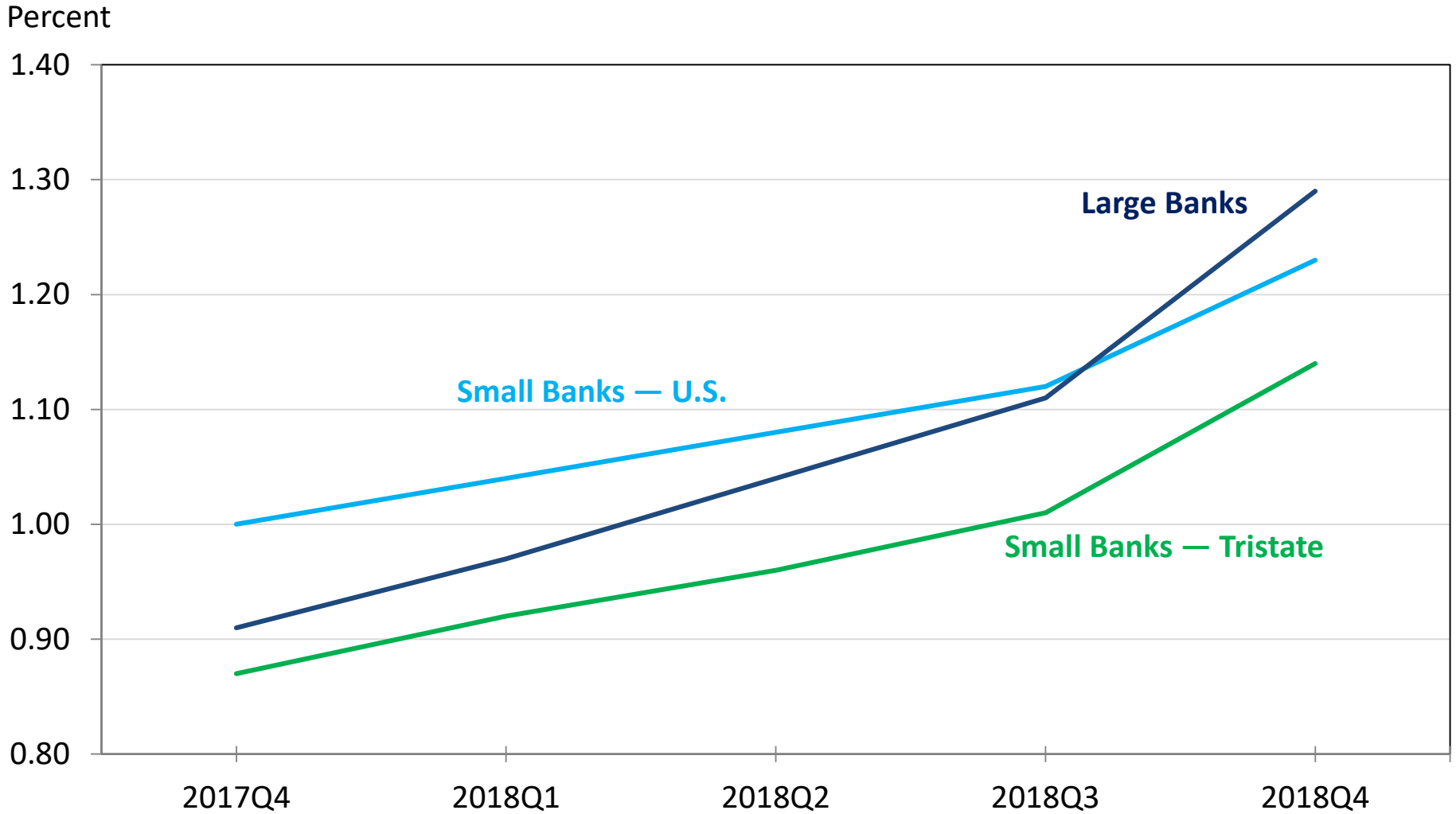
The sample includes 127 small tristate banks, 4,152 small U.S. banks, and 110 large U.S. banks.

## Recent Trends in Tristate and U.S. Banking Markets

In the fourth quarter of 2018, profitability increased dramatically at both small and large banks. A significant part of this increase was due to the rise in net interest income, but loan-to-deposit ratios increased as well. Reduced taxes due to the Tax Cuts and Jobs Act of 2017 also contributed to the rise in earnings. Loan growth was healthy for all categories of loans at small banks both in the nation and locally. C&I loan growth was particularly strong at banks in the Tristate region. At large banks total loan growth was more modest, but C&I loans showed strong growth. CRE loan growth continued to moderate at small banks both in the region and nationally. Nonperforming loan ratios continued to fall at all banks, dramatically so at large banks, driven by nonperforming C&I loans.

CHART 1

# Profitability Increased at Both Large and Small Banks



# CHART 2 Loan Growth Remained Strong

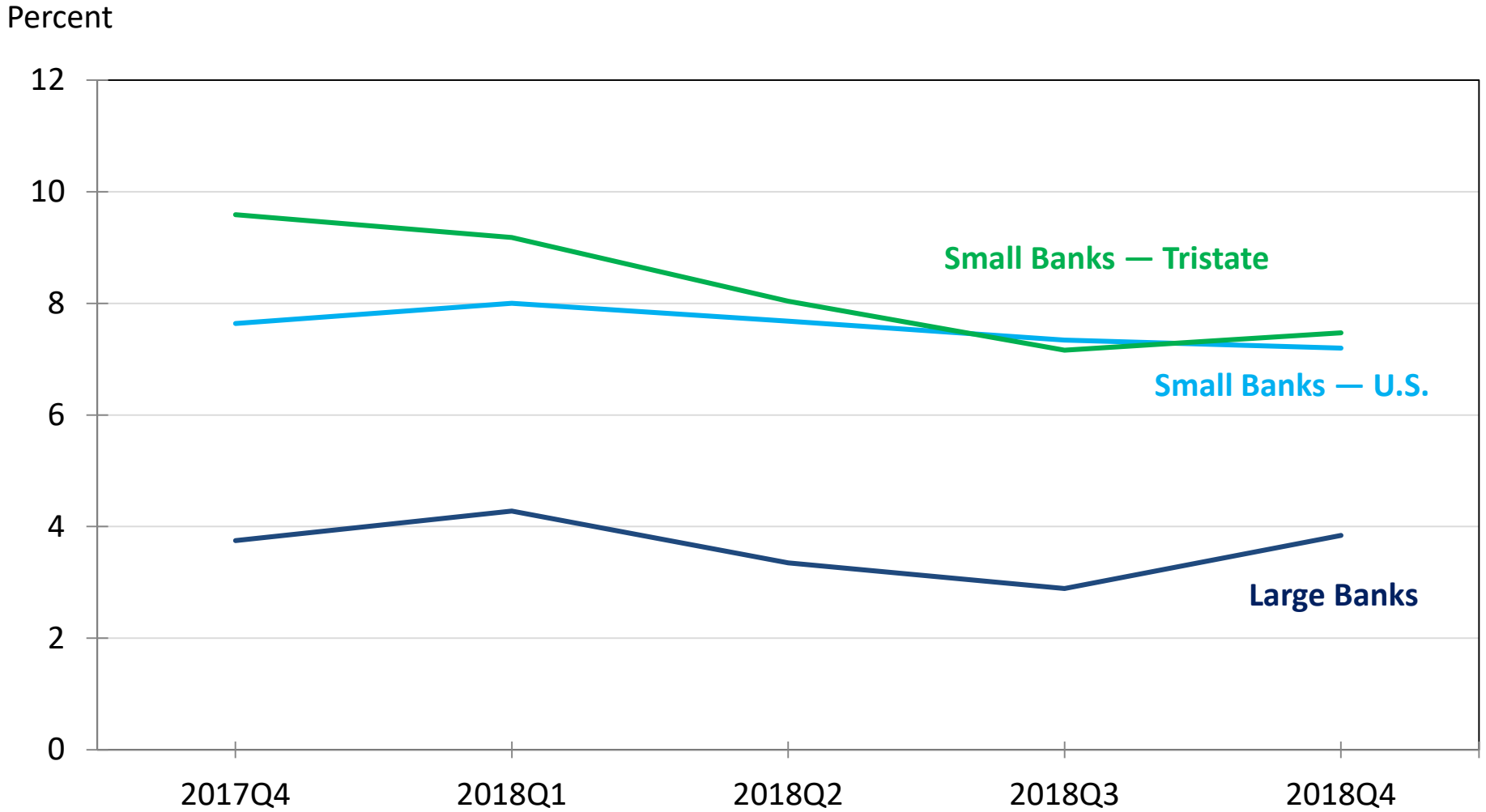
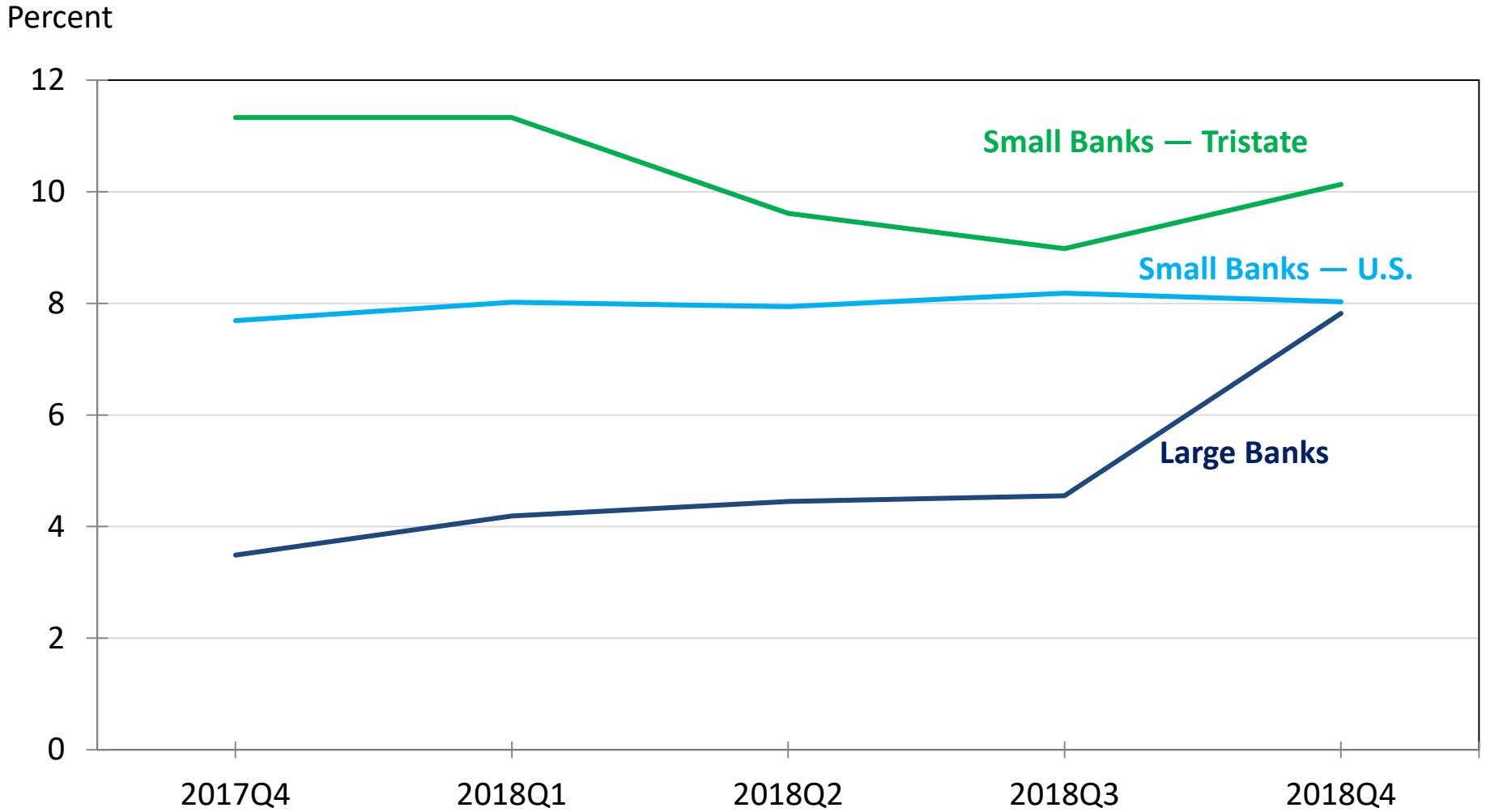


CHART 3

# C&I Loans Grew Dramatically at All Sizes of Banks



# CHART 4 CRE Loan Growth Moderated but Is Still Strong

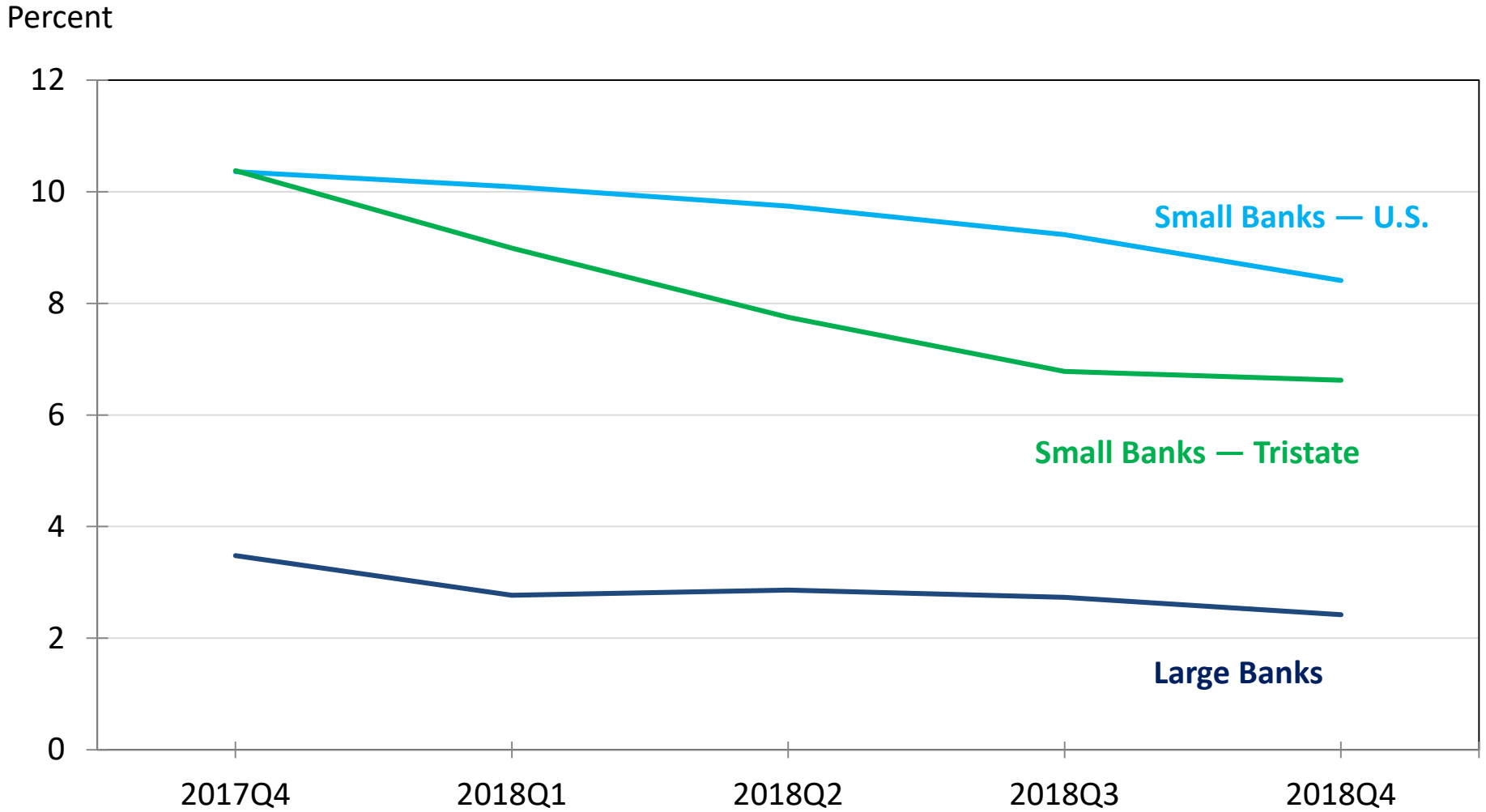


CHART 5

# Nonperforming Loans Continued to Fall at All Banks, Particularly Large Banks

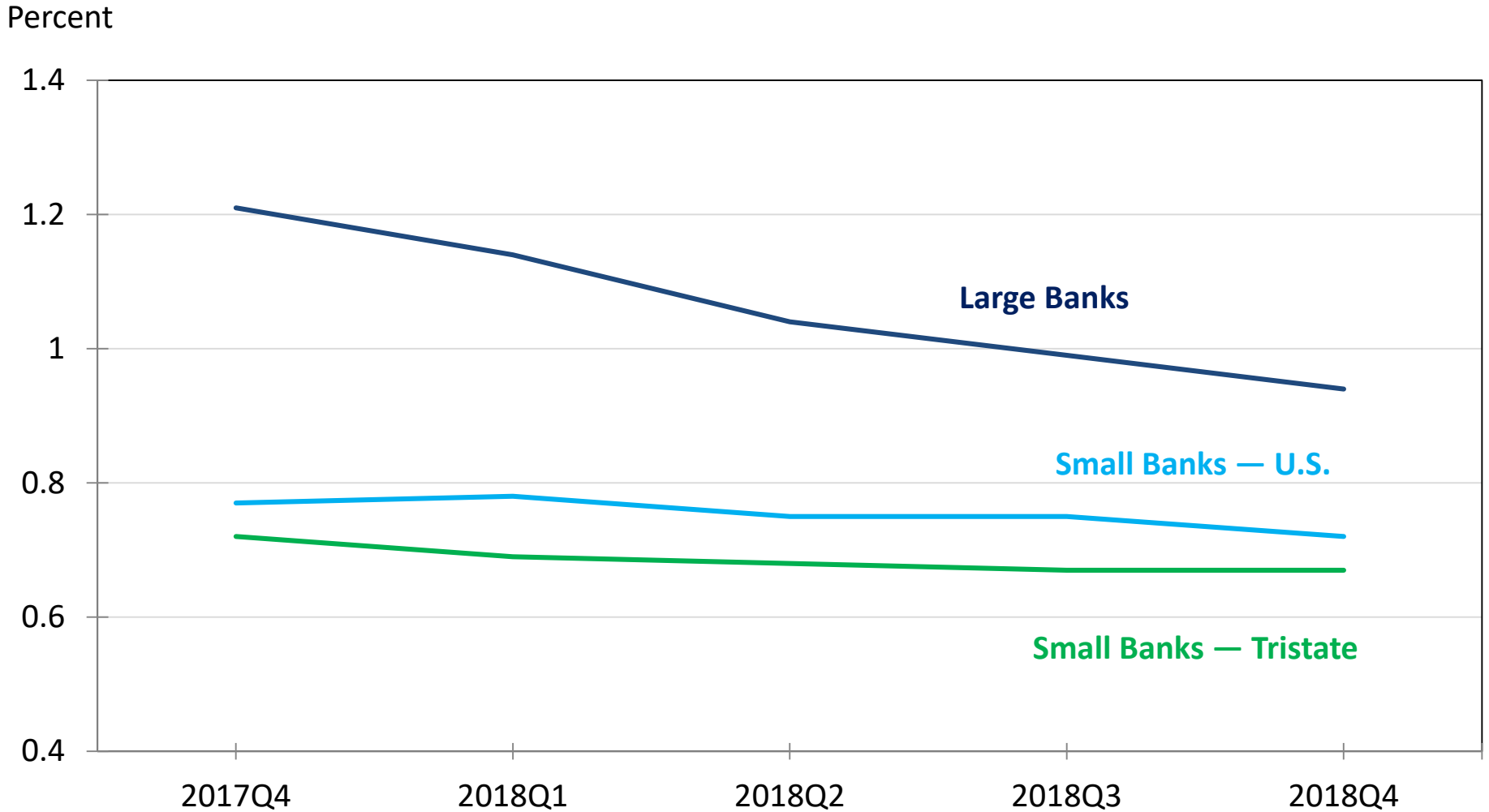
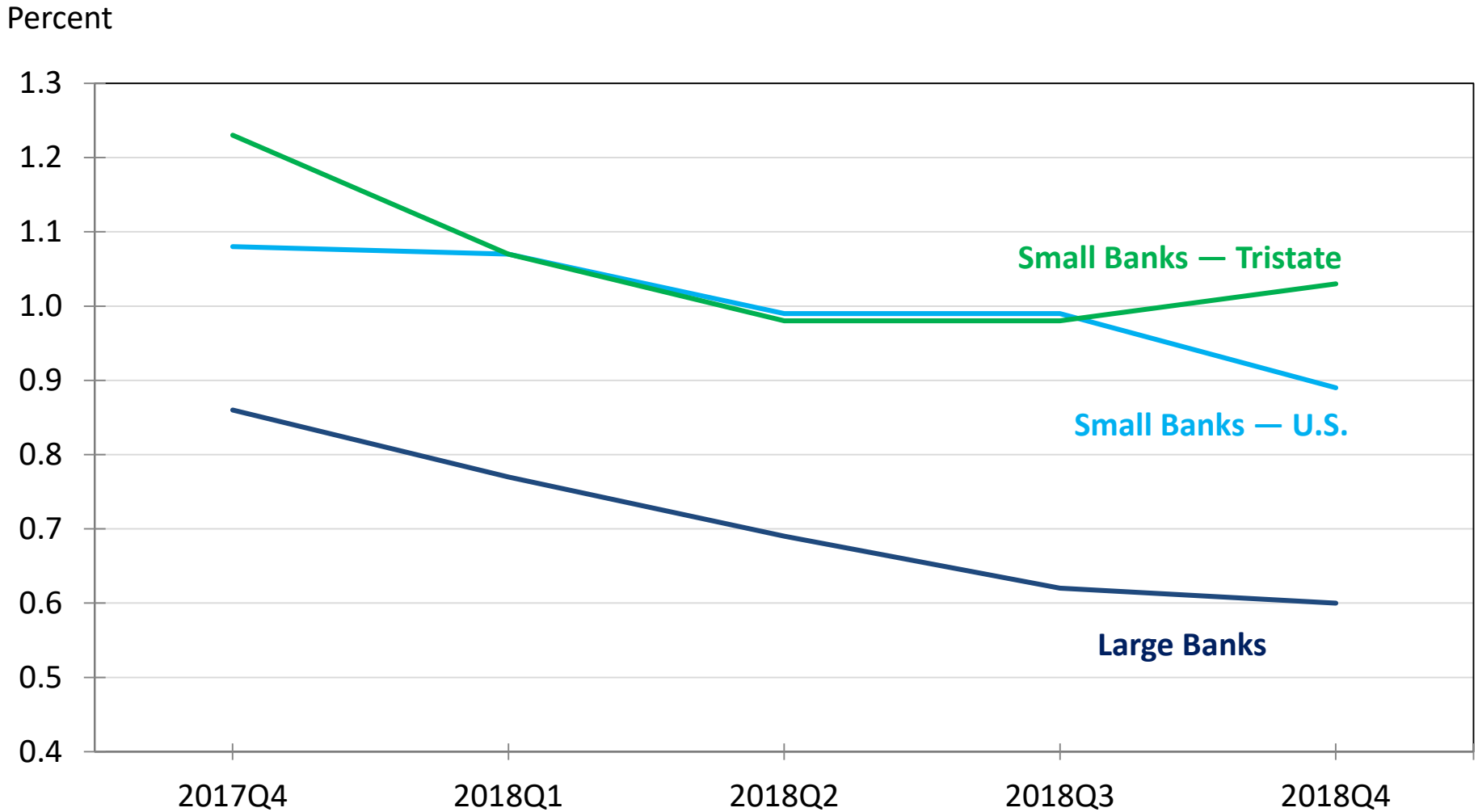




CHART 6

# Commercial and Industrial Loans Drove Much of the Fall in Nonperforming Loans





FEDERAL RESERVE BANK OF PHILADELPHIA