



Second Quarter 2019 Highlights

FEDERAL RESERVE BANK OF PHILADELPHIA
WWW.PHILADELPHIAFED.ORG

Summary Table of Bank Structure and Conditions — Second Quarter 2019

	Small Banks						Large Banks			
	U.S.			Tristate			U.S.			
	\$ Billion	% Change From		\$ Billion	% Change From		\$ Billion	% Change From		
	2019Q2	2019Q1	2018Q2	2019Q2	2019Q1	2018Q2		2019Q2	2019Q1	2018Q2
Total Assets	2,339.7	6.80	5.78	158.4	9.33	6.78	Total Assets*	13,940.7	5.79	4.43
Total Loans	1,657.5	11.03	6.64	120.6	10.80	7.16	Total Loans*	7,349.8	5.90	4.22
C&I	256.0	11.32	7.57	16.7	13.80	12.43	C&I	1,815.9	3.00	7.77
Real Estate	1,222.4	9.61	6.52	90.7	5.79	5.29	Real Estate	3,201.4	4.62	1.78
Consumer	68.2	12.64	5.84	6.2	63.23	29.77	Consumer*	1,105.0	10.92	4.13
Total Deposits	1,927.9	3.59	5.75	128.8	7.92	8.36	Total Deposits	10,610.4	5.99	4.54
Ratios (in %)	2019Q2	2019Q1	2018Q2	2019Q2	2019Q1	2018Q2	Ratios (in %)	2019Q2	2019Q1	2018Q2
Net Income/Avg. Assets (ROA)	1.25	1.24	1.09	1.13	1.13	0.96	Net Income/Avg. Assets (ROA)	1.31	1.30	1.03
Net Interest Inc./Avg. Assets (NIM)	3.50	3.49	3.44	3.21	3.22	3.21	Net Interest Inc./Avg. Assets (NIM)	2.74	2.71	2.62
Noninterest Inc./Avg. Assets	0.90	0.90	0.95	1.05	1.06	1.14	Noninterest Inc./Avg. Assets	1.49	1.51	1.53
Noninterest Exp./Avg. Assets	2.79	2.79	2.82	2.75	2.75	2.83	Noninterest Exp./Avg. Assets	2.39	2.40	2.45
Loans/Deposits	85.97	84.50	85.25	93.66	93.04	94.71	Loans/Deposits	69.27	68.38	68.56
Equity/Assets	11.79	11.57	11.15	11.14	11.07	10.71	Equity/Assets	11.40	11.18	11.16
Nonperforming Loans/Total Loans	0.71	0.72	0.73	0.63	0.66	0.68	Nonperforming Loans/Total Loans	0.89	0.95	1.05

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, 2018, 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, 2018.

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, 2018, including assets of only their commercial bank subsidiaries.

U.S. excludes tristate banks.

The sample includes 124 small tristate banks, 4,086 small U.S. banks, and 103 large U.S. banks.



Recent Trends in Tristate and U.S. Banking Markets

In the second quarter of 2019, profitability continued to increase at both small and large banks. The immediately depressing effect on profits of the Tax Cuts and Jobs Act of 2017 has now been fully absorbed. Both assets and loans continued to grow at a healthy rate, but growth in loans has moderated at small banks over the last several quarters. Both asset and loan growth accelerated at large banks, fueled by growth in loans of all types except real estate.* The growth of commercial real estate (CRE) loans has slowed significantly at small banks, particularly in the tristate area. Loan quality remained strong as nonperforming loans continued to fall.

*Growth rates for assets, loans, and consumer loans at JPMorgan Chase were adjusted because of an internal merger at one institution where credit card loans previously held at another subsidiary were brought onto the bank's balance sheet.

CHART 1
Profitability Continued to Increase

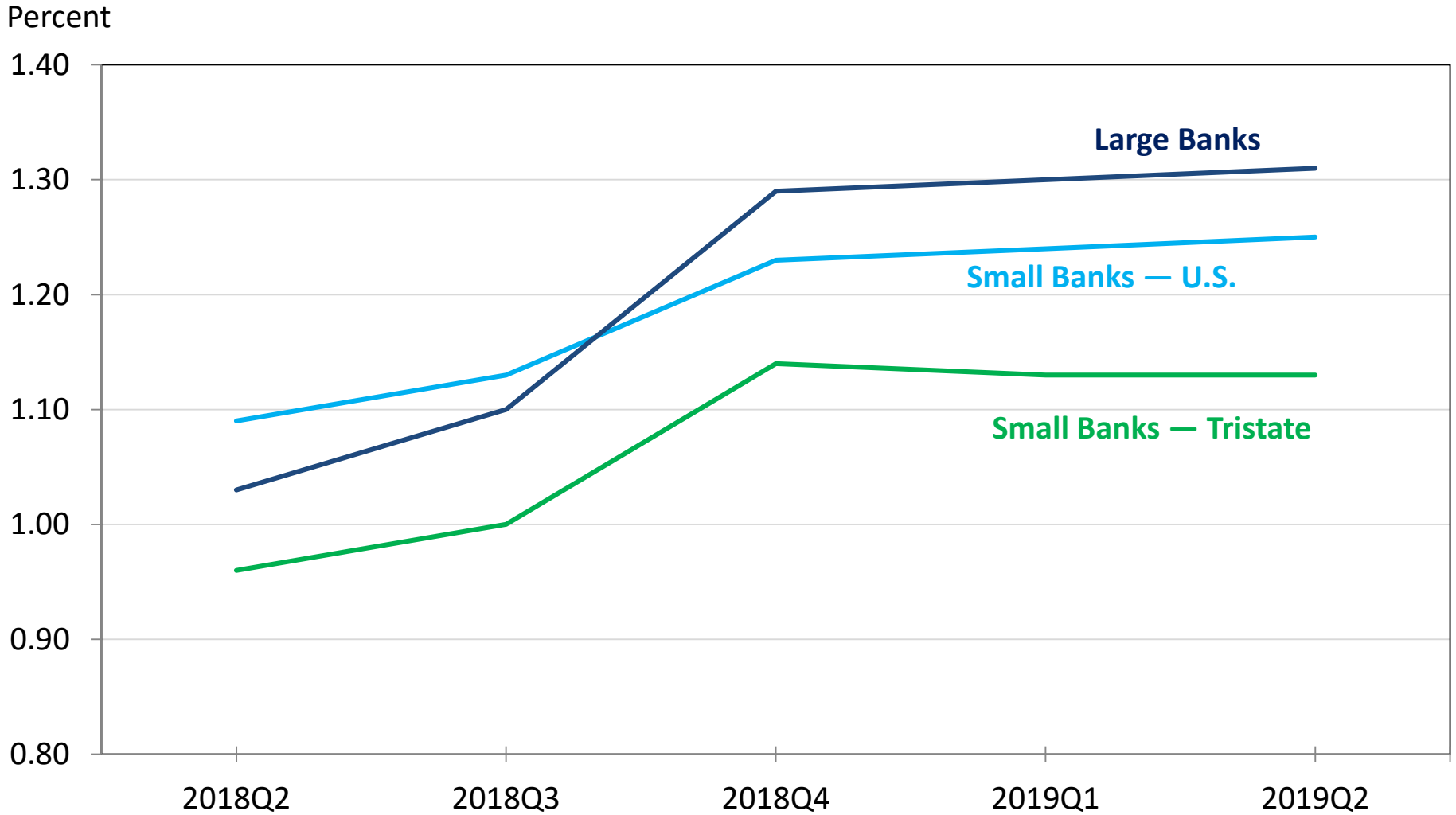
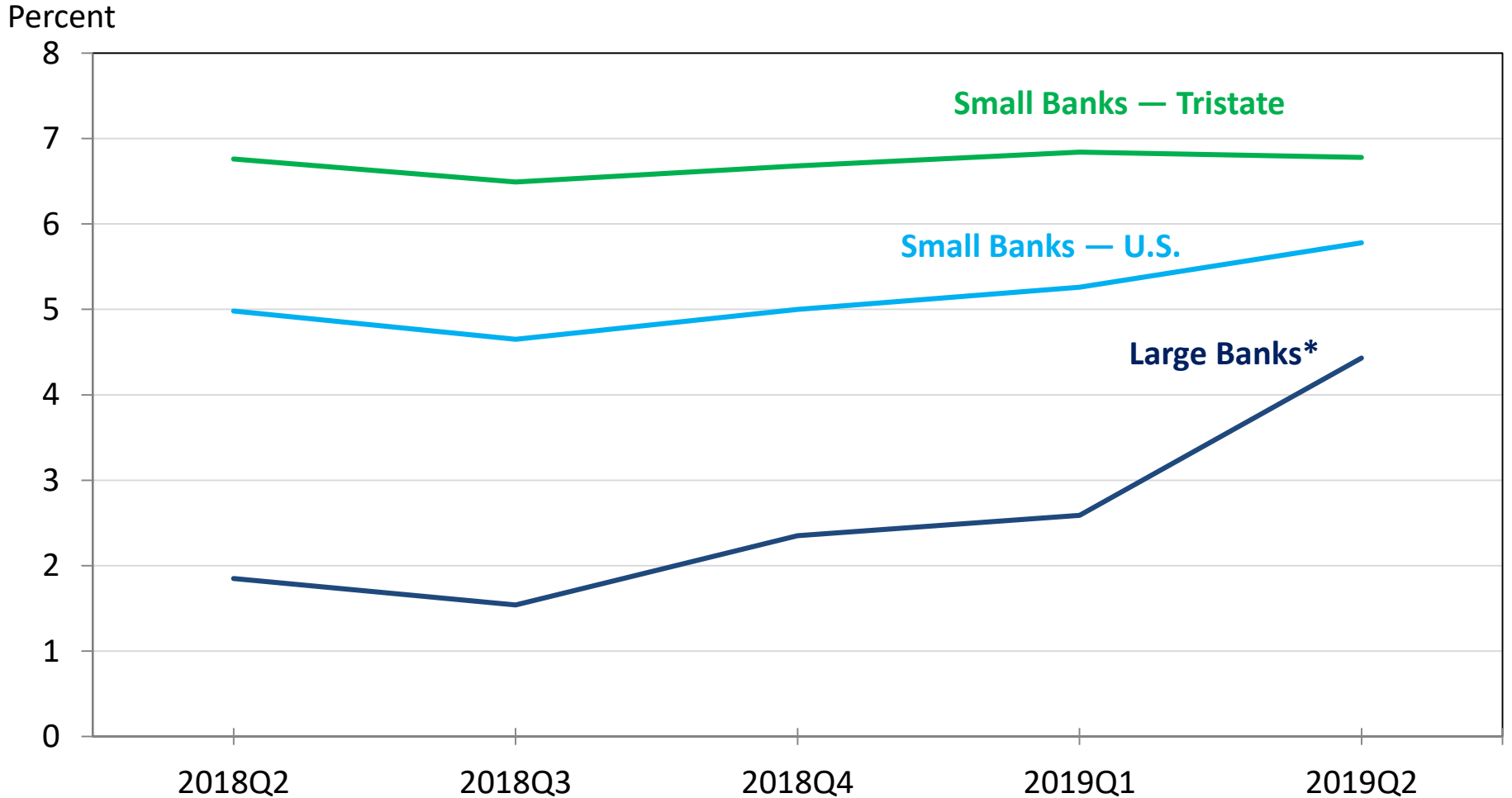


CHART 2

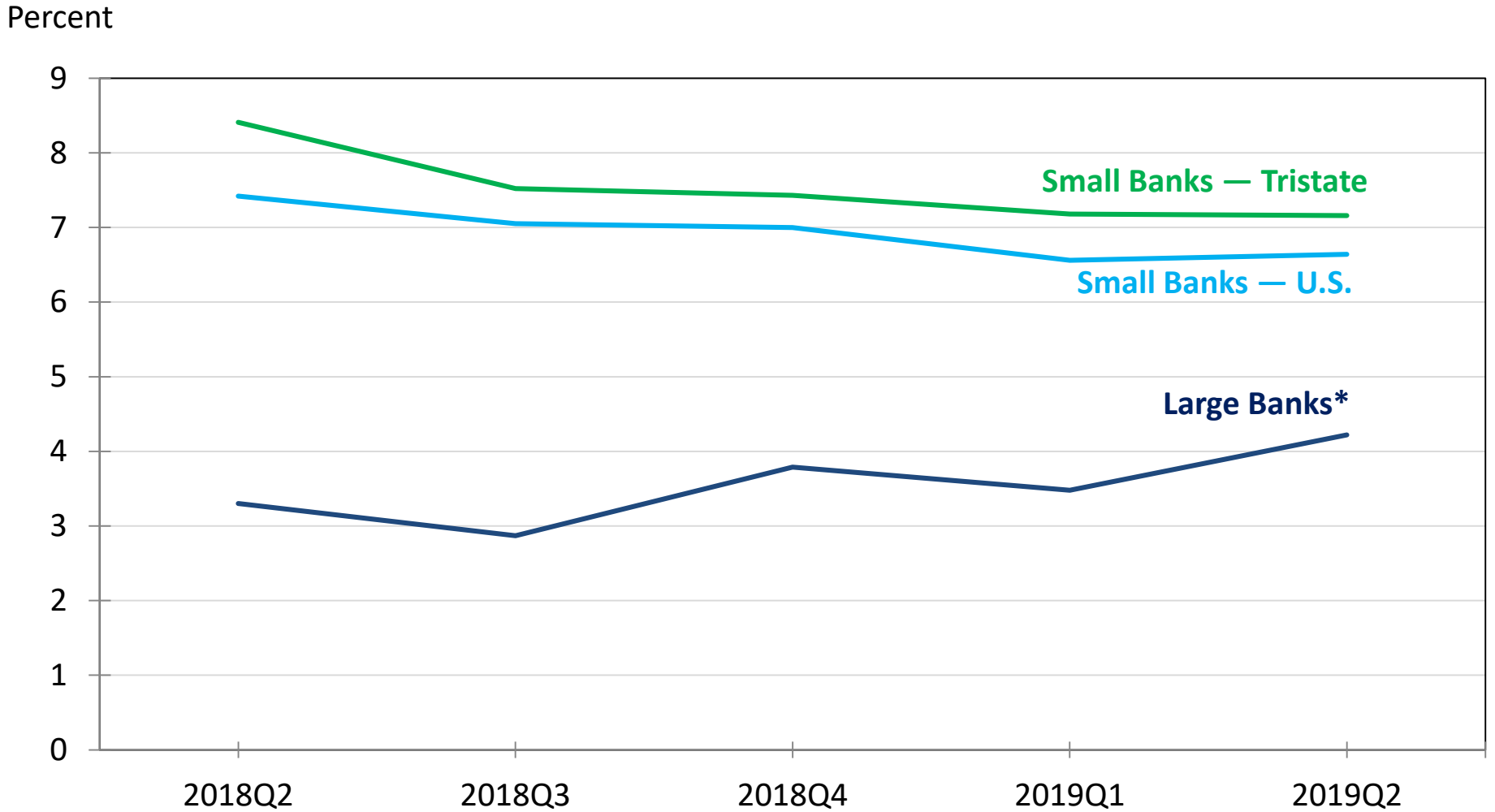
Total Assets Growth Was Strong, with Growth at Large Banks Accelerating



*Incorporates JPMorgan Chase adjustment.

CHART 3

Loan Growth Remained Strong, Slowing Slightly at Small Banks and Accelerating at Large Banks



*Incorporates JPMorgan Chase adjustment.

CHART 4
Commercial Real Estate Loan Growth Slowed at Small Banks, Particularly at Tristate Area Banks

Percent

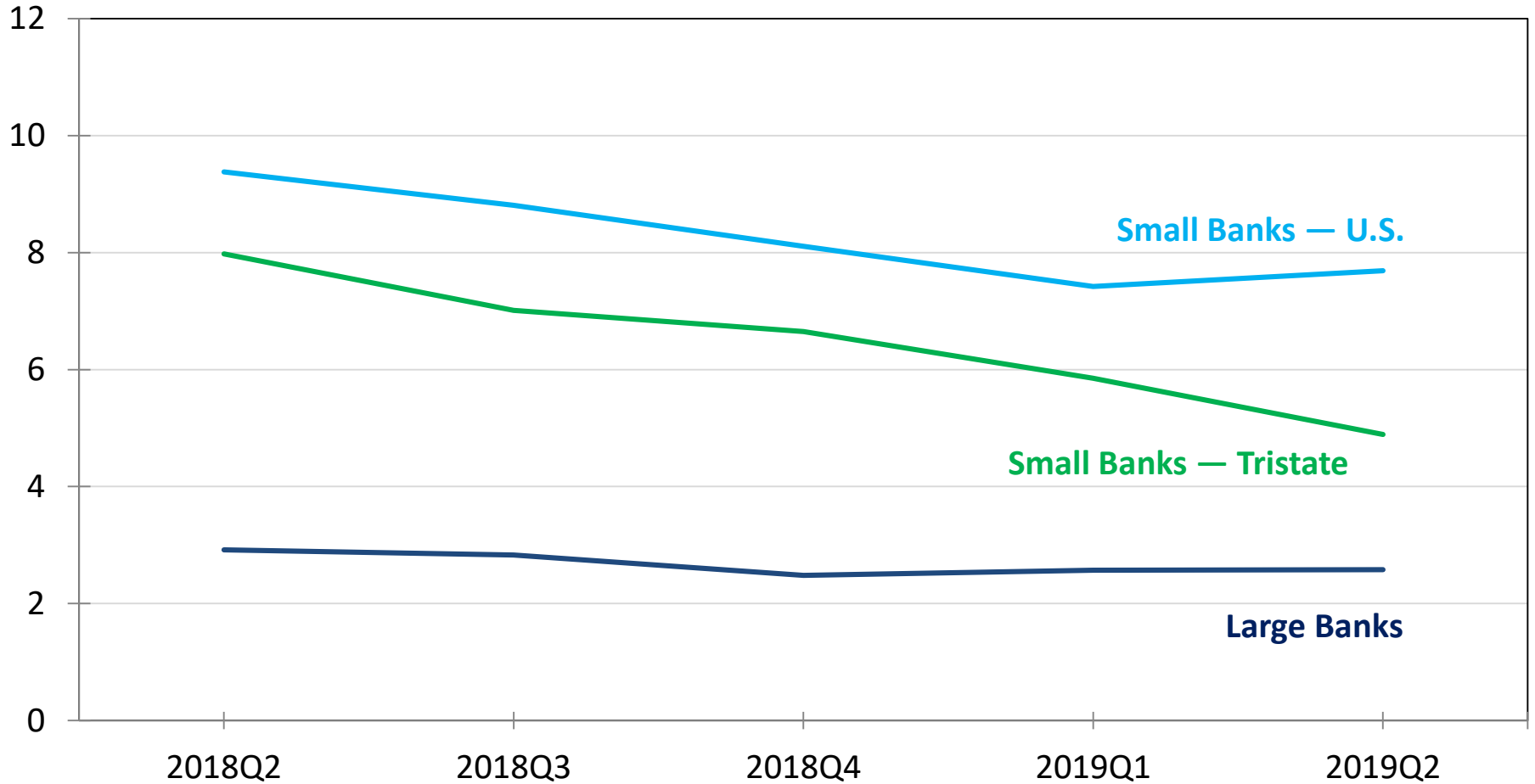


CHART 5

Commercial & Industrial Loans Continued to Grow at a Strong Pace

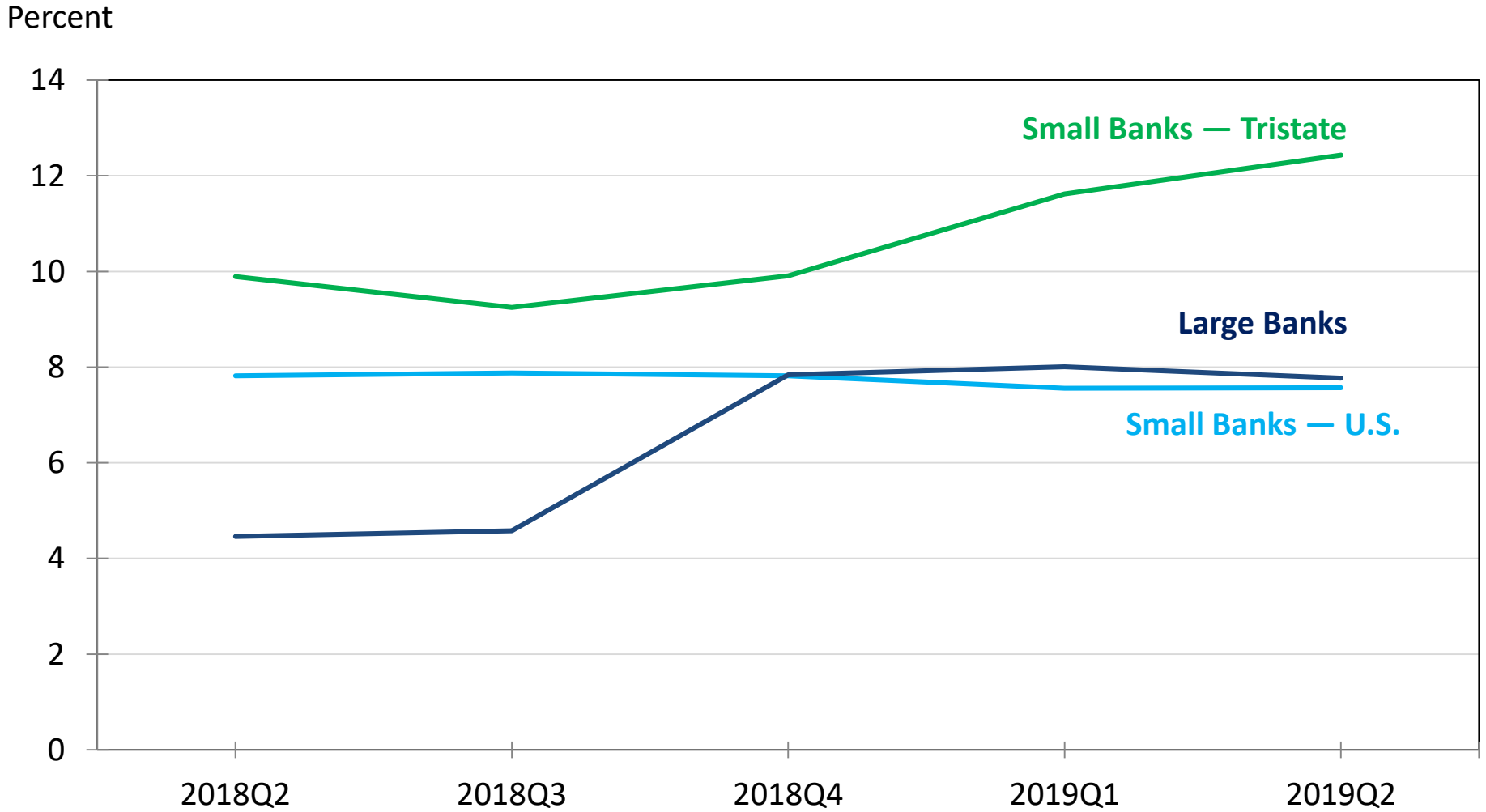
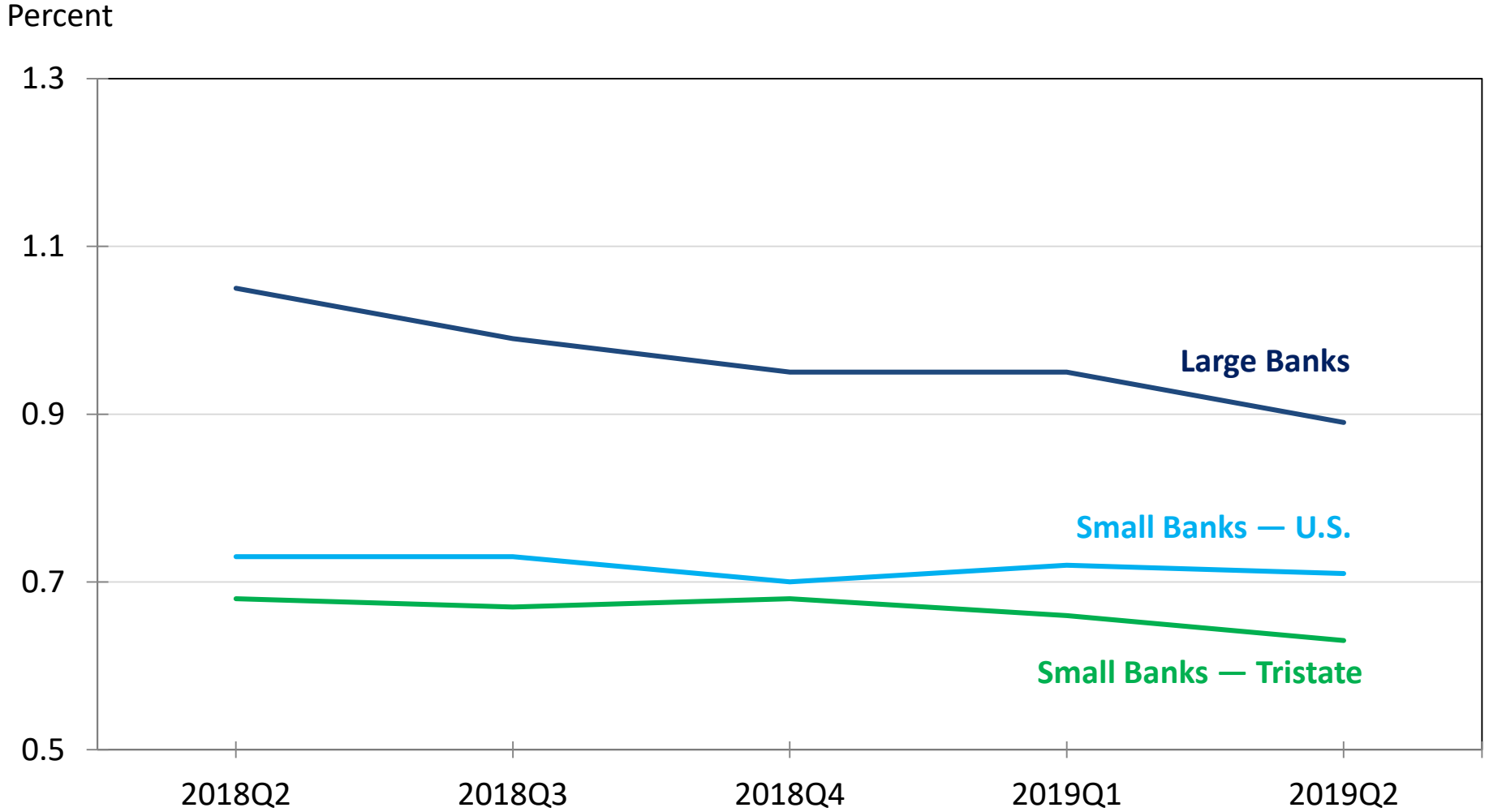


CHART 6

Nonperforming Loans Continued to Decline, Especially at Large Banks





FEDERAL RESERVE BANK OF PHILADELPHIA