First Quarter 2019 Highlights
## Summary Table of Bank Structure and Conditions — First Quarter 2019

<table>
<thead>
<tr>
<th></th>
<th>Small Banks</th>
<th></th>
<th>Large Banks</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ Billion</td>
<td>% Change From 2018Q4</td>
<td>$ Billion</td>
<td>% Change From 2018Q4</td>
</tr>
<tr>
<td>Total Assets</td>
<td>2,348.7</td>
<td>6.37</td>
<td>154.9</td>
<td>5.28</td>
</tr>
<tr>
<td>Total Loans</td>
<td>1,648.1</td>
<td>3.80</td>
<td>117.5</td>
<td>6.10</td>
</tr>
<tr>
<td>C&amp;I</td>
<td>253.9</td>
<td>5.21</td>
<td>16.2</td>
<td>12.27</td>
</tr>
<tr>
<td>Real Estate</td>
<td>1,218.3</td>
<td>4.46</td>
<td>89.5</td>
<td>4.45</td>
</tr>
<tr>
<td>Consumer</td>
<td>68.5</td>
<td>0.75</td>
<td>5.5</td>
<td>14.05</td>
</tr>
<tr>
<td>Total Deposits</td>
<td>1,950.3</td>
<td>8.19</td>
<td>126.3</td>
<td>6.77</td>
</tr>
<tr>
<td>Ratios (in %)</td>
<td>2019Q1</td>
<td>2018Q4</td>
<td>2019Q1</td>
<td>2018Q4</td>
</tr>
<tr>
<td>Net Income/Avg. Assets (ROA)</td>
<td>1.24</td>
<td>1.23</td>
<td>1.13</td>
<td>1.14</td>
</tr>
<tr>
<td>Net Interest Inc./Avg. Assets (NIM)</td>
<td>3.50</td>
<td>3.49</td>
<td>3.22</td>
<td>3.23</td>
</tr>
<tr>
<td>Noninterest Inc./Avg. Assets</td>
<td>0.91</td>
<td>0.93</td>
<td>1.06</td>
<td>1.08</td>
</tr>
<tr>
<td>Noninterest Exp./Avg. Assets</td>
<td>2.79</td>
<td>2.81</td>
<td>2.75</td>
<td>2.76</td>
</tr>
<tr>
<td>Loans/Deposits</td>
<td>84.51</td>
<td>85.38</td>
<td>83.59</td>
<td>93.04</td>
</tr>
<tr>
<td>Equity/Assets</td>
<td>11.61</td>
<td>11.41</td>
<td>11.13</td>
<td>10.87</td>
</tr>
<tr>
<td>Nonperforming Loans/Total Loans</td>
<td>0.73</td>
<td>0.71</td>
<td>0.66</td>
<td>0.68</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, 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, 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 124 small tristate banks, 4,135 small U.S. banks, and 100 large U.S. banks.
Recent Trends in Tristate and U.S. Banking Markets

In the first quarter of 2019, profitability continued to increase at both small and large banks. Loans grew at a healthy rate for small banks, but growth in loans has moderated over the last several quarters. This is especially true for commercial real estate (CRE) loans. Loans grew slower at large banks, mainly because of declining growth in residential real estate (RRE) loans. Commercial and Industrial (C&I) loans grew at a vigorous rate at both large and small banks. Loan quality remained strong as nonperforming loans continued to fall. At large banks, nonperforming RRE loans continued to fall, but there was a small increase in nonperforming consumer loans. Bank capital in the form of equity-to-assets ratios rose.
CHART 1
Profitability Continued to Increase at Both Large and Small Banks

Percent

<table>
<thead>
<tr>
<th></th>
<th>2018Q1</th>
<th>2018Q2</th>
<th>2018Q3</th>
<th>2018Q4</th>
<th>2019Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Banks</td>
<td>1.10</td>
<td>1.20</td>
<td>1.30</td>
<td>1.40</td>
<td></td>
</tr>
<tr>
<td>Small Banks — U.S.</td>
<td>1.05</td>
<td>1.15</td>
<td>1.25</td>
<td>1.35</td>
<td></td>
</tr>
<tr>
<td>Small Banks — Tristate</td>
<td>0.95</td>
<td>1.05</td>
<td>1.15</td>
<td>1.25</td>
<td>1.35</td>
</tr>
</tbody>
</table>
CHART 2
Loan Growth Continued to Moderate

Percent

2018Q1 2018Q2 2018Q3 2018Q4 2019Q1

Small Banks — Tristate

Small Banks — U.S.

Large Banks
CHART 3
Commercial Loan Growth Accelerated at Large Banks

Percent

Small Banks – Tristate
Large Banks
Small Banks – U.S.

2018Q1 2018Q2 2018Q3 2018Q4 2019Q1
CHART 4
Residential Real Estate Loans Slowed at Large Banks

Percent

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

2018Q1  2018Q2  2018Q3  2018Q4  2019Q1
Nonperforming Loans Continued to Fall

Percent

Large Banks

Small Banks — U.S.

Small Banks — Tristate

2018Q1 2018Q2 2018Q3 2018Q4 2019Q1
CHART 6
Nonperforming Residential Real Estate Loans Fell at Large Banks

Percent

Large Banks

Small Banks — Tristate

Small Banks — U.S.

2018Q1  2018Q2  2018Q3  2018Q4  2019Q1
CHART 7
Nonperforming Consumer Loans Grew at Large Banks

Percent

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

2018Q1 2018Q2 2018Q3 2018Q4 2019Q1
CHART 8
Capital Levels Increased, Especially at Small Banks

Percent

2018Q1  2018Q2  2018Q3  2018Q4  2019Q1

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