Second Quarter 2019 Highlights
Summary Table of Bank Structure and Conditions — Second Quarter 2019

<table>
<thead>
<tr>
<th></th>
<th>Small Banks</th>
<th>Large Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ Billion</td>
<td>% Change From</td>
</tr>
<tr>
<td></td>
<td>2019Q2</td>
<td>2019Q1</td>
</tr>
<tr>
<td>Total Assets</td>
<td>2,339.7</td>
<td>6.80</td>
</tr>
<tr>
<td>Total Loans</td>
<td>1,657.5</td>
<td>11.03</td>
</tr>
<tr>
<td>C&amp;I</td>
<td>256.0</td>
<td>11.32</td>
</tr>
<tr>
<td>Real Estate</td>
<td>1,222.4</td>
<td>9.61</td>
</tr>
<tr>
<td>Consumer</td>
<td>68.2</td>
<td>12.64</td>
</tr>
<tr>
<td>Total Deposits</td>
<td>1,927.9</td>
<td>3.59</td>
</tr>
<tr>
<td><strong>Ratios (in %)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income/Avg. Assets (ROA)</td>
<td>1.25</td>
<td>1.24</td>
</tr>
<tr>
<td>Net Interest Inc./Avg. Assets (NIM)</td>
<td>3.50</td>
<td>3.49</td>
</tr>
<tr>
<td>Noninterest Inc./Avg. Assets</td>
<td>0.90</td>
<td>0.90</td>
</tr>
<tr>
<td>Noninterest Exp./Avg. Assets</td>
<td>2.79</td>
<td>2.79</td>
</tr>
<tr>
<td>Loans/Deposits</td>
<td>85.97</td>
<td>84.50</td>
</tr>
<tr>
<td>Equity/Assets</td>
<td>11.79</td>
<td>11.57</td>
</tr>
<tr>
<td>Nonperforming Loans/Total Loans</td>
<td>0.71</td>
<td>0.72</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, 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

Percent

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

2018Q2 2018Q3 2018Q4 2019Q1 2019Q2
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
Percent

*Incorporates JPMorgan Chase adjustment.
CHART 4
Commercial Real Estate Loan Growth Slowed at Small Banks, Particularly at Tristate Area Banks

Percent

Small Banks — U.S.

Small Banks — Tristate

Large Banks

2018Q2  2018Q3  2018Q4  2019Q1  2019Q2
CHART 5
Commercial & Industrial Loans Continued to Grow at a Strong Pace

Percent

0 2 4 6 8 10 12 14

Small Banks — Tristate

Large Banks

Small Banks — U.S.

2018Q2 2018Q3 2018Q4 2019Q1 2019Q2
CHART 6
Nonperforming Loans Continued to Decline, Especially at Large Banks

Percent

Large Banks

Small Banks — U.S.

Small Banks — Tristate

2018Q2  2018Q3  2018Q4  2019Q1  2019Q2