Third Quarter 2019
Summary Table of Bank Structure and Conditions — Third Quarter 2019

<table>
<thead>
<tr>
<th></th>
<th>Small Banks</th>
<th>Large Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019Q3</td>
<td>2019Q2</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$2,363.0</td>
<td>7.73</td>
</tr>
<tr>
<td>Total Loans</td>
<td>1,669.6</td>
<td>7.01</td>
</tr>
<tr>
<td>C&amp;I</td>
<td>256.1</td>
<td>4.52</td>
</tr>
<tr>
<td>Real Estate</td>
<td>1,233.6</td>
<td>7.02</td>
</tr>
<tr>
<td>Consumer</td>
<td>67.5</td>
<td>6.93</td>
</tr>
<tr>
<td>Total Deposits</td>
<td>1,950.3</td>
<td>8.13</td>
</tr>
<tr>
<td><strong>Ratios (in %)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income/Avg. Assets (ROA)</td>
<td>1.26</td>
<td>1.25</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>0.92</td>
<td>0.90</td>
</tr>
<tr>
<td>Noninterest Exp./Avg. Assets</td>
<td>2.80</td>
<td>2.79</td>
</tr>
<tr>
<td>Loans/Deposits</td>
<td>85.61</td>
<td>85.83</td>
</tr>
<tr>
<td>Nonperforming Loans/Total Loans</td>
<td>0.71</td>
<td>0.71</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 123 small tristate banks, 4,042 small U.S. banks, and 102 large U.S. banks.

*Data for Large Banks were adjusted due to an internal merger at one institution during the second quarter in which credit card loans previously held at a nonbanking subsidiary were brought onto the bank’s balance sheet, thus making assets, loans, and consumer loans appear to grow at an extremely and artificially high rate.*
Part I: Earnings Ratios
CHART 1
Return on Average Assets

Percent

Large Banks

Small Banks — U.S.

Small Banks — Tristate

2018Q3  2018Q4  2019Q1  2019Q2  2019Q3
CHART 2
Net Interest Margin

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

Percent

2.2 2.4 2.6 2.8 3.0 3.2 3.4 3.6 3.8

2018Q3 2018Q4 2019Q1 2019Q2 2019Q3
Part II: Annual Growth Rates
CHART 3
Annual Growth of Quarterly Net Income

Percent

200
150
100
50
0
-50
2018Q3 2018Q4 2019Q1 2019Q2 2019Q3

Large Banks
Small Banks — U.S.
Small Banks — Tristate
*Data for Large Banks were adjusted due to an internal merger at one institution during the second quarter in which credit card loans previously held at a nonbanking subsidiary were brought onto the bank’s balance sheet, thus making assets, loans, and consumer loans appear to grow at an extremely and artificially high rate.
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CHART 5a
Annual Growth of RRE Loans

Percent

Small Banks — Tristate

Small Banks — U.S.

Large Banks

2018Q3 2018Q4 2019Q1 2019Q2 2019Q3
CHART 5b
Annual Growth of CRE Loans

Percent

<table>
<thead>
<tr>
<th>Period</th>
<th>Small Banks — U.S.</th>
<th>Small Banks — Tristate</th>
<th>Large Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018Q3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018Q4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019Q1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019Q2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019Q3</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2018Q3: Small Banks — U.S.
2018Q4: Small Banks — U.S.
2019Q1: Small Banks — U.S.
2019Q2: Small Banks — U.S.
2019Q3: Small Banks — U.S.
CHART 5c
Annual Growth of Construction Loans

Percent

<table>
<thead>
<tr>
<th>Year</th>
<th>Small Banks — U.S.</th>
<th>Small Banks — Tristate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018Q3</td>
<td>-3</td>
<td>6</td>
</tr>
<tr>
<td>2018Q4</td>
<td>-1</td>
<td>7</td>
</tr>
<tr>
<td>2019Q1</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>2019Q2</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>2019Q3</td>
<td>4</td>
<td>13</td>
</tr>
</tbody>
</table>

-2

Large Banks

-2

2018Q3 2018Q4 2019Q1 2019Q2 2019Q3
CHART 5d
Annual Growth of Loans Secured by Multifamily Properties

Percent

Small Banks — U.S.

Large Banks

Small Banks — Tristate

2018Q3 2018Q4 2019Q1 2019Q2 2019Q3
CHART 5e
Annual Growth of Commercial Mortgages

Percent

2018Q3  2018Q4  2019Q1  2019Q2  2019Q3

Small Banks — U.S.
Small Banks — Tristate
Large Banks
CHART 5f
Annual Growth of Commercial & Industrial Loans

Percent

Small Banks — Tristate

Small Banks — U.S.

Large Banks

<table>
<thead>
<tr>
<th></th>
<th>2018Q3</th>
<th>2018Q4</th>
<th>2019Q1</th>
<th>2019Q2</th>
<th>2019Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Banks — Tristate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small Banks — U.S.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large Banks</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

FEDERAL RESERVE BANK OF PHILADELPHIA
CHART 5g
Annual Growth of Consumer Loans*

Percent

2018Q3  2018Q4  2019Q1  2019Q2  2019Q3

Small Banks — Tristate (Right Axis)
Large Banks (Left Axis)
Small Banks — U.S. (Right Axis)

*Data for Large Banks were adjusted due to an internal merger at one institution during the second quarter in which credit card loans previously held at a nonbanking subsidiary were brought onto the bank’s balance sheet, thus making assets, loans, and consumer loans appear to grow at an extremely and artificially high rate.
CHART 6
Annual Growth of Total Deposits

Percent

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

2018Q3 2018Q4 2019Q1 2019Q2 2019Q3
Part III: Asset Quality Ratios
CHART 7
Nonperforming Assets as a Share of Total Assets

Percent

2018Q3      2018Q4      2019Q1      2019Q2      2019Q3

Small Banks — U.S.
Small Banks — Tristate
Large Banks
CHART 8
Nonperforming Loans as a Share of Total Loans

Percent

2018Q3 | 2018Q4 | 2019Q1 | 2019Q2 | 2019Q3
---|---|---|---|---
Large Banks
Small Banks — U.S.
Small Banks — Tristate
CHART 9
Residential Real Estate Nonperforming Loan Ratio

Percent

Large Banks

Small Banks — U.S.

Small Banks — Tristate

0 1 2 3 4
2018Q3 2018Q4 2019Q1 2019Q2 2019Q3
CHART 10
Commercial Real Estate Nonperforming Loan Ratio

Percent

Small Banks — Tristate

Small Banks — U.S.

Large Banks

2018Q3  2018Q4  2019Q1  2019Q2  2019Q3
CHART 11
Commercial and Industrial Nonperforming Loan Ratio

Percent

2018Q3 2018Q4 2019Q1 2019Q2 2019Q3

Small Banks — U.S.
Small Banks — Tristate

Large Banks
CHART 12
Consumer Nonperforming Loan Ratio

Percent

2018Q3 2018Q4 2019Q1 2019Q2 2019Q3

Large Banks
Small Banks — U.S.
Small Banks — Tristate
Part IV: Loan Loss Provisioning and Reserves
CHART 13
Loan Loss Reserves as a Share of Total Assets

Percent

Small Banks — U.S.

Small Banks — Tristate

Large Banks

2018Q3  2018Q4  2019Q1  2019Q2  2019Q3
CHART 14

Net Charge-Offs as a Share of Loan Loss Provisions

Percent

2018Q3 2018Q4 2019Q1 2019Q2 2019Q3

Large Banks

Small Banks — U.S.

Small Banks — Tristate
CHART 15
Loan Loss Provision as a Share of Operating Income

Percent

2018Q3  2018Q4  2019Q1  2019Q2  2019Q3

Large Banks
Small Banks — Tristate
Small Banks — U.S.
Part V: Capital Ratios
CHART 17
Total Equity as a Share of Total Assets

Percent

2018Q3  2018Q4  2019Q1  2019Q2  2019Q3

Small Banks — U.S.
Large Banks
Small Banks — Tristate
CHART 18
Tier One Leverage Ratio

Small Banks — U.S.
Small Banks — Tristate
Large Banks
CHART 19
Risk-Based Capital Ratio

Small Banks — U.S.

Large Banks

Small Banks — Tristate

Percent

2018Q3  2018Q4  2019Q1  2019Q2  2019Q3
Part VI: Liquidity Ratios
CHART 20
Total Loans as a Share of Total Deposits

Percent

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

2018Q3  2018Q4  2019Q1  2019Q2  2019Q3
CHART 21
Core Deposits as a Share of Total Deposits

Percent

2018Q3 2018Q4 2019Q1 2019Q2 2019Q3

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

FEDERAL RESERVE BANK OF PHILADELPHIA
CHART 22
Liquid Assets as a Share of Total Assets

Percent

Large Banks

Small Banks — U.S.

Small Banks — Tristate

2018Q3 2018Q4 2019Q1 2019Q2 2019Q3
Part VII: Market Conditions
CHART 23
New and Existing Home Sales

Sources: Census Bureau and National Association of Realtors, via Haver Analytics.
Questions and comments may be directed to James V. DiSalvo at 215-574-3820 or jim.disalvo@phil.frb.org.

For methodology documentation and back issues, visit www.philadelphifed.org/research-and-data/publications/banking-brief.

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