Alaska's economy remained in recession due to its dependence on the weakened oil industry and decreased fiscal revenues. The unemployment rate ranked highest in the nation as the state continued to shed jobs on a year-over-year basis, albeit at a slower pace than last year. The economic slowdown has led to lower home prices, while the per capita volume of single family permits remained stable.

Despite the state's overall economic picture, Alaska's four commercial banks continued to perform relatively well. The average year-to-date return on assets ranked within the nation's top quartile but higher provision expenses contributed to a year-over-year dip. Partly due to weak loan growth, Alaska banks continued to report higher average capital and on-balance sheet liquidity ratios. Because of relatively modest loan-to-asset ratios, the state ranked among the top ten for average total risk-based capital ratio and second highest for average ratio of securities and liquid investments to total assets.

Key Economic Metrics (ranking #1 = highest in the nation)

<table>
<thead>
<tr>
<th>Economic Indicator</th>
<th>Alaska</th>
<th>Nation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year-over-Year Job Growth: -0.8%</td>
<td>Rank: #49</td>
<td></td>
</tr>
<tr>
<td>Unemployment: 6.8%</td>
<td>Rank: #1</td>
<td></td>
</tr>
<tr>
<td>Year-over-Year Home Price Growth: -1.6%</td>
<td>Rank: #50</td>
<td></td>
</tr>
<tr>
<td>Single Family Permits / 1,000 Residents:</td>
<td>1.5</td>
<td>Rank: #40</td>
</tr>
</tbody>
</table>

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Key Banking Metrics (averages across banks; ranking #1 = highest in the nation)

**Year-to-Date Return on Average Assets: 0.94%**
- Rank: #11

**Year-over-Year Net Loan Growth: 3.0%**
- Rank: #48

**Nonperforming Assets / Total Assets: 0.77%**
- Rank: #19

**Total Risk-Based Capital: 17.7%**
- Rank: #8

**CRE Concentration: 133%**
- Rank: #28

**Securities and Liquid Invest. / Total Assets: 44.2%**
- Rank: #2

Source: Call Report data for commercial banks based upon headquarters location. Averages are calculated on a “trimmed” basis by removing the highest 10% and lowest 10% of ratio values prior to averaging to prevent distortion from outliers. All charts display quarterly data, except for return on average assets which displays the same quarter in each year. Growth rates are not adjusted for mergers. Graphics and data exclude “De Novo” banks (banks less than five years old). As of the latest period, the count of banks included in these statistics were four for the state and 4,978 for the nation.

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