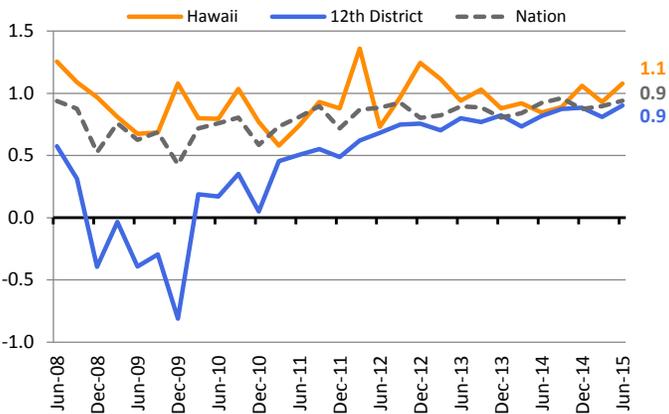


## Overview:

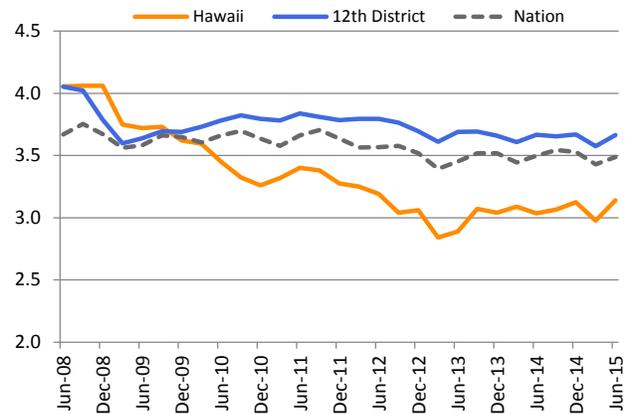
- Hawaii banks' average year-to-date annualized ROAA increased to 1.02%, the second highest in the District. Improvements in average net interest income and noninterest expense ratios contributed to the increase.
- The average nonperforming assets ratio continued to improve, decreasing 31 basis points year-over-year to 0.35%, the lowest in the District. Hawaii banks' average annual loan growth was still strong at 8.9%, led by 1-4 family residential loans. The average short-term investments ratio continued to decrease as funds moved to lending.
- Given the small number of Hawaii banks, comparability across quarters may be less meaningful due to the merger of Pacific Rim Bank into a California bank in 2Q15.

### Average 1-Quarter Return on Avg. Assets (%)



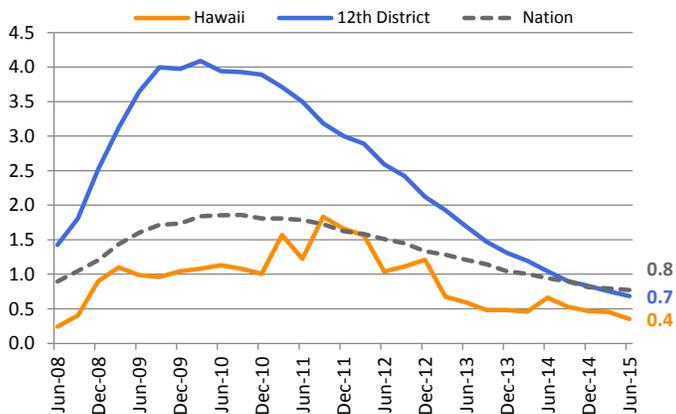
Quarterly net income / average assets, annualized

### Avg. Net Interest Income (TE) / Avg. Assets (%)



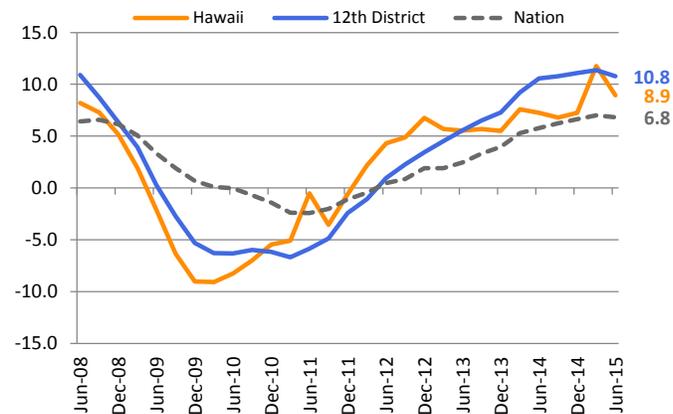
Quarterly, annualized, TE: tax equivalency basis

### Avg. Nonperforming Assets / Total Assets (%)

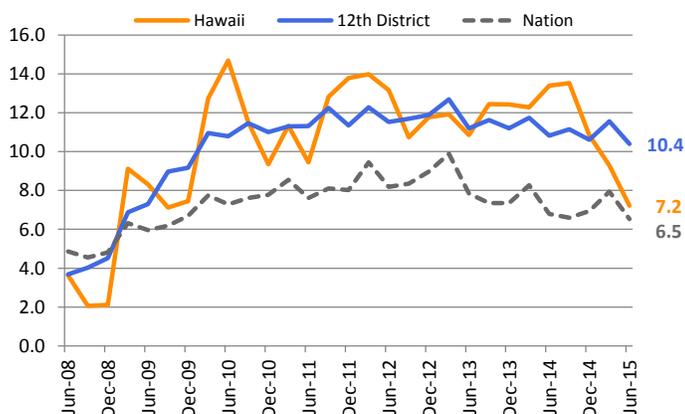


Nonperforming: 90 + days past due + nonaccrual + other real estate owned

### Avg. Net Loan Growth Rate, Year-Over-Year (%)

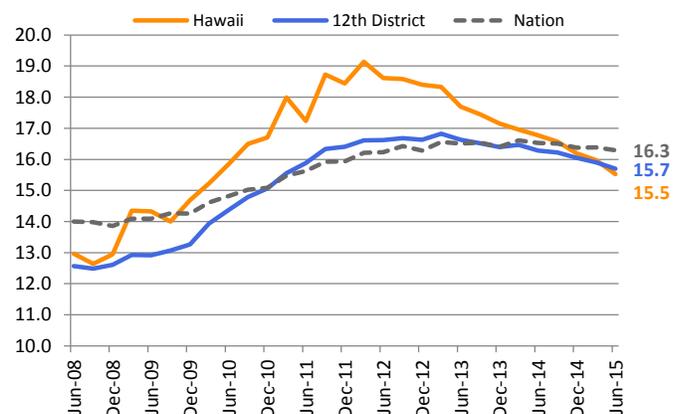


### Avg. Short-Term Investments / Total Assets (%)



Short-term investments: <= 1 year

### Average Total Risk-Based Capital Ratio (%)



Total capital / risk-based assets

Note: Ratios represent 25% trimmed means (highest and lowest 25% of ratios are trimmed before averaging), ROAA is return on average assets.

I. Summary Items	Hawaii			United States		
	Jun-15	Mar-15	Jun-14	Jun-15	Mar-15	Jun-14
median bank asset size (millions)	\$4,941	\$2,794	\$2,668	\$177	\$176	\$167
number of banks	5	6	6	5,441	5,502	5,694
-state member	1	1	1	818	814	827
-national	1	1	1	1,025	1,048	1,108
-nonmember	3	4	4	3,598	3,640	3,759
memo: number < 5 yrs. old	0	0	0	10	11	17

II. Balance Sheet Highlights	Average Hawaii Bank (trimmed 25%)			Average U.S. Bank (trimmed 25%)		
	Jun-15	Mar-15	Jun-14	Jun-15	Mar-15	Jun-14
<b>Selected Loan Concentrations (% Total Risk-Based Capital)</b>	%	%	%	%	%	%
total CRE (excl. owner-occupied nonfarm-nonresidential)	118.2	142.6	138.9	110.1	109.5	108.4
-construction & land development	15.2	16.6	17.3	24.2	24.0	23.1
-nonfarm nonresidential (excl. owner-occupied)	82.8	98.1	91.0	60.7	60.5	60.7
-multi-family	29.2	28.1	27.5	9.5	9.4	9.3
nonfarm nonresidential owner-occupied	40.5	62.9	65.9	67.1	67.2	68.8
1-4 family residential (includes home equity)	203.8	202.6	172.5	134.4	133.7	133.3
agricultural & farmland secured	0.4	0.3	0.3	47.3	44.8	43.8
commercial & industrial	86.4	109.9	105.9	72.8	71.8	72.7
consumer	57.1	37.3	37.6	19.5	19.2	20.1
<b>Liquidity, Funding, and Capital</b>	%	%	%	%	%	%
net loan growth rate (year-over-year)	8.9	11.8	7.2	6.8	7.0	5.8
net loans / assets	58.9	58.7	56.3	63.4	61.8	61.2
core deposits / total assets (w/CDs <= \$250K)	73.5	73.5	74.1	79.4	80.0	80.0
net noncore funding dependence (w/CDs > \$250K)	12.8	11.1	6.8	2.3	0.0	1.4
securities / assets	26.3	24.2	22.3	21.0	21.2	22.3
tier 1 leverage ratio	9.9	9.3	9.5	10.3	10.2	10.1
total risk-based capital ratio	15.5	16.0	16.8	16.3	16.4	16.5

III. Performance Measures	Jun-15	Mar-15	Jun-14	Jun-15	Mar-15	Jun-14
<b>Earnings (year-to-date annualized)</b>	%	%	%	%	%	%
return on average assets	1.02	0.93	0.88	0.92	0.90	0.88
net interest income (tax equivalent) / average assets	3.11	2.98	3.07	3.46	3.43	3.47
noninterest revenues / average assets	0.78	0.78	0.79	0.56	0.54	0.56
overhead expenses / average assets	2.57	2.81	2.79	2.81	2.81	2.86
loan loss provisions / average assets	0.00	0.00	0.00	0.05	0.04	0.05
efficiency ratio	66.01	75.54	75.22	68.48	69.12	69.42
<b>Asset Quality</b>	%	%	%	%	%	%
noncurrent loans / total loans	0.50	0.24	0.87	0.80	0.84	0.98
loans past due 30-89 days / total loans	0.23	0.29	0.26	0.51	0.64	0.59
loans past due 30+ days or nonaccrual / total loans	0.58	0.72	1.23	1.51	1.70	1.81
allowance for losses / loans & leases not held for sale	1.43	1.48	1.68	1.38	1.41	1.48
net charge-offs / average loans (YTD annualized)	0.05	0.04	-0.01	0.04	0.02	0.07

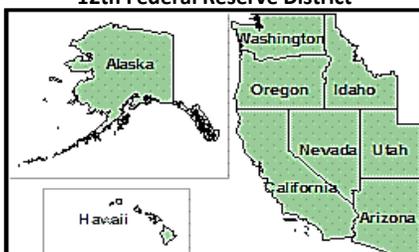
Population of banks includes commercial banks only. De Novo banks (<5 years old) are omitted. CRE = Commercial Real Estate.

Averages are trimmed (upper/lower 25% of observations are removed before averaging).

Sources: Regulatory Condition & Income Reports and Federal Reserve financial & databases.

For this and other publications, see: <http://www.frbsf.org/banking/publications>

#### 12th Federal Reserve District



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