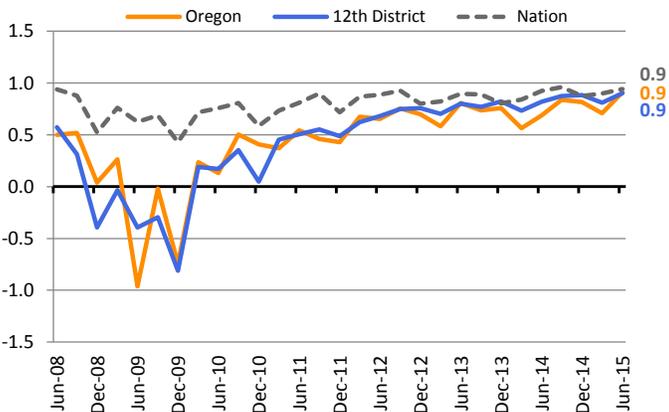


## Overview:

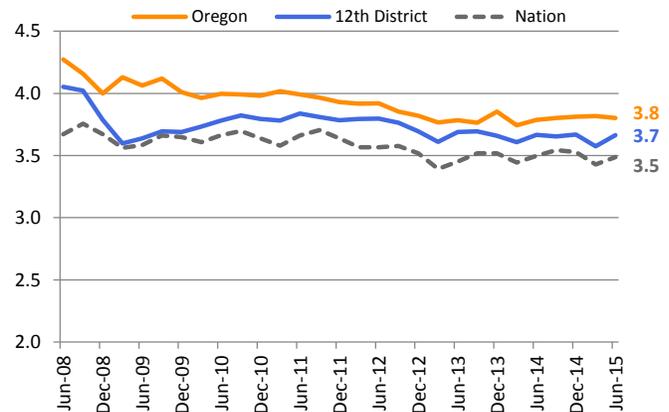
- Oregon banks' average year-to-date annualized ROAA increased to 0.86%, up 25 basis points over last year, continuing its long-term improving trend. Increases in the average net interest income and noninterest revenue ratios led earnings higher.
- Average net loan growth remained strong at 10.2%, led by commercial real estate (CRE). As a result, the average ratio of nonowner-occupied CRE to capital increased 18 percentage points to 225%, double the national average. One-to-four family and agricultural loan concentrations also edged higher.
- Oregon banks' average total risk-based capital ratio declined to 14.6% as average earnings retention did not keep pace with average asset growth, compounded by an increasing mix of higher-risk-weighted CRE loans.

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



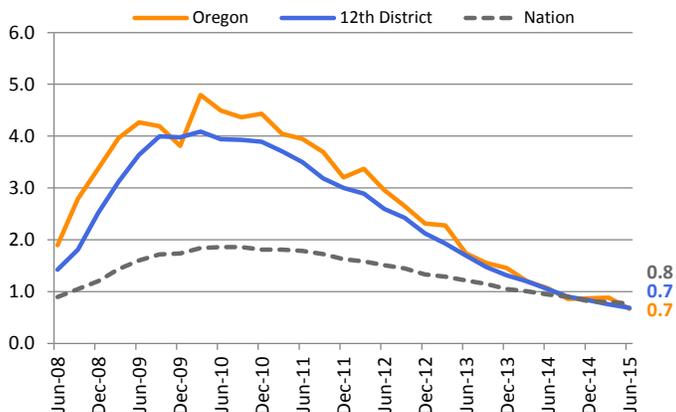
Quarterly net income / average assets, annualized

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



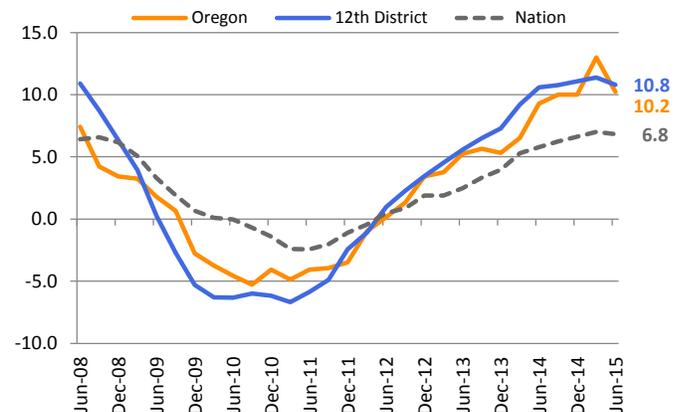
Quarterly, annualized, TE: tax equivalency basis

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

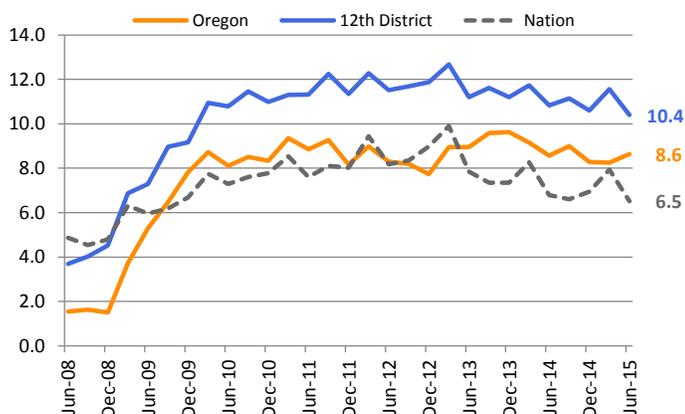


Nonperforming: 90 + days past due + nonaccrual + other real estate owned

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

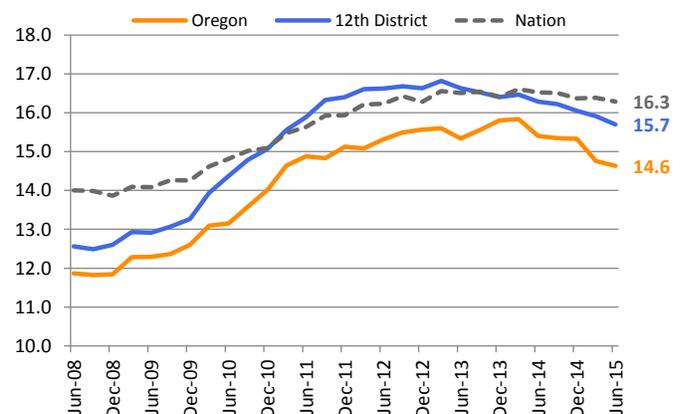


### Avg. Short-Term Investments / Total Assets (%)



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	Oregon			United States		
	Jun-15	Mar-15	Jun-14	Jun-15	Mar-15	Jun-14
median bank asset size (millions)	\$192	\$182	\$178	\$177	\$176	\$167
number of banks	22	23	25	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	20	21	23	3,598	3,640	3,759
memo: number < 5 yrs. old	0	0	0	10	11	17

II. Balance Sheet Highlights	Average Oregon 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)	225.4	210.6	207.3	110.1	109.5	108.4
-construction & land development	30.3	27.3	32.7	24.2	24.0	23.1
-nonfarm nonresidential (excl. owner-occupied)	137.7	136.1	125.9	60.7	60.5	60.7
-multi-family	32.2	32.8	33.1	9.5	9.4	9.3
nonfarm nonresidential owner-occupied	138.9	139.2	144.9	67.1	67.2	68.8
1-4 family residential (includes home equity)	83.6	82.5	78.3	134.4	133.7	133.3
agricultural & farmland secured	15.9	14.6	9.3	47.3	44.8	43.8
commercial & industrial	99.5	104.8	106.1	72.8	71.8	72.7
consumer	7.1	6.9	8.2	19.5	19.2	20.1
<b>Liquidity, Funding, and Capital</b>	%	%	%	%	%	%
net loan growth rate (year-over-year)	10.2	13.0	9.3	6.8	7.0	5.8
net loans / assets	68.3	66.6	66.4	63.4	61.8	61.2
core deposits / total assets (w/CDs <= \$250K)	82.5	82.7	81.2	79.4	80.0	80.0
net noncore funding dependence (w/CDs > \$250K)	-3.7	-4.6	-2.1	2.3	0.0	1.4
securities / assets	15.1	15.7	14.1	21.0	21.2	22.3
tier 1 leverage ratio	10.6	10.7	10.6	10.3	10.2	10.1
total risk-based capital ratio	14.6	14.8	15.4	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	0.86	0.71	0.61	0.92	0.90	0.88
net interest income (tax equivalent) / average assets	3.81	3.82	3.74	3.46	3.43	3.47
noninterest revenues / average assets	0.67	0.58	0.60	0.56	0.54	0.56
overhead expenses / average assets	3.47	3.43	3.48	2.81	2.81	2.86
loan loss provisions / average assets	0.02	0.02	0.01	0.05	0.04	0.05
efficiency ratio	72.56	76.32	79.30	68.48	69.12	69.42
<b>Asset Quality</b>	%	%	%	%	%	%
noncurrent loans / total loans	0.39	0.61	0.78	0.80	0.84	0.98
loans past due 30-89 days / total loans	0.14	0.13	0.16	0.51	0.64	0.59
loans past due 30+ days or nonaccrual / total loans	0.64	1.06	1.23	1.51	1.70	1.81
allowance for losses / loans & leases not held for sale	1.40	1.44	1.53	1.38	1.41	1.48
net charge-offs / average loans (YTD annualized)	0.00	0.00	0.05	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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