Alaska’s economy continued to struggle, driven by weaknesses in the energy sector. Job growth turned positive for a few years post-recession, but trended negative over the past year. The unemployment rate was the second highest in the nation with little relative movement over the past decade. Home prices weathered the recession fairly well and were relatively steady, yet have been weak compared to other states.

Despite the struggling economy, Alaska's four commercial banks have performed relatively well. The average return on assets ratio continued to trend above the nation, however average loan growth was volatile and ended 2016 in negative territory. Asset quality was generally stronger than the nation during the economic recovery, although the average nonperforming assets ratio increased in recent quarters. Alaska banks have been holding more capital and balance sheet liquidity since the recession, partly a reflection of weak loan growth.

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

<table>
<thead>
<tr>
<th>Metric</th>
<th>Alaska</th>
<th>Nation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year-over-Year Job Growth:</strong></td>
<td>-2.2%</td>
<td></td>
</tr>
<tr>
<td>Rank</td>
<td>#49</td>
<td></td>
</tr>
<tr>
<td><strong>Unemployment:</strong></td>
<td>6.6%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Rank</td>
<td>#2</td>
<td>#15</td>
</tr>
<tr>
<td><strong>Year-over-Year Home Price Growth:</strong></td>
<td>0.5%</td>
<td></td>
</tr>
<tr>
<td>Rank</td>
<td>#47</td>
<td></td>
</tr>
<tr>
<td><strong>Housing Permit Volume:</strong></td>
<td>1,061</td>
<td></td>
</tr>
<tr>
<td>Rank</td>
<td>#39</td>
<td></td>
</tr>
</tbody>
</table>

**Year-over-Year Job Growth:**
- Alaska: -2.2%
- Nation: 1.6%

**Unemployment:**
- Alaska: 6.6%
- Nation: 4.7%

**Year-over-Year Home Price Growth:**
- Alaska: 0.5%
- Nation: 7.0%

**Housing Permit Volume:**
- Alaska: 1,061
- Nation: 747,350

---

Establishment Survey, nonfarm payrolls, quarterly average, seasonally adjusted
Source: Bureau of Labor Statistics

Household Employment Survey, end of period, seasonally adjusted
Source: Bureau of Labor Statistics

Housing Price Index, year-over-year change of average home prices
Source: Federal Housing Finance Agency

Single family permits, trailing four quarter total; ranking based on number of new permit volumes / estimated total households by state
Source: Census Bureau
### Key Banking Metrics

- **Year-to-Date Return On Assets**: 0.96%
  - Rank: #11
  - **Alaska**
  - **Nation**

- **Year-over-Year Net Loan Growth**: -1.6%
  - Rank: #50
  - **Alaska**
  - **Nation**

- **Nonperforming Assets / Total Assets**: 0.83%
  - Rank: #18
  - **Alaska**
  - **Nation**

- **Total Risk-Based Capital**: 17.8%
  - Rank: #9
  - **Alaska**
  - **Nation**

- **CRE Concentration**: 140%
  - Rank: #26
  - **Alaska**
  - **Nation**

- **Net Noncore Funding Dependence**: 1.9%
  - Rank: #45
  - **Alaska**
  - **Nation**

**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 and net noncore funding dependence which display 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 5,082 for the nation.

For this and other publications, see: [http://www.frbsf.org/banking/publications](http://www.frbsf.org/banking/publications)

Contact Media Relations for press inquiries: [http://www.frbsf.org/our-district/contact-us/](http://www.frbsf.org/our-district/contact-us/)