

# Banks at a Glance: Arizona

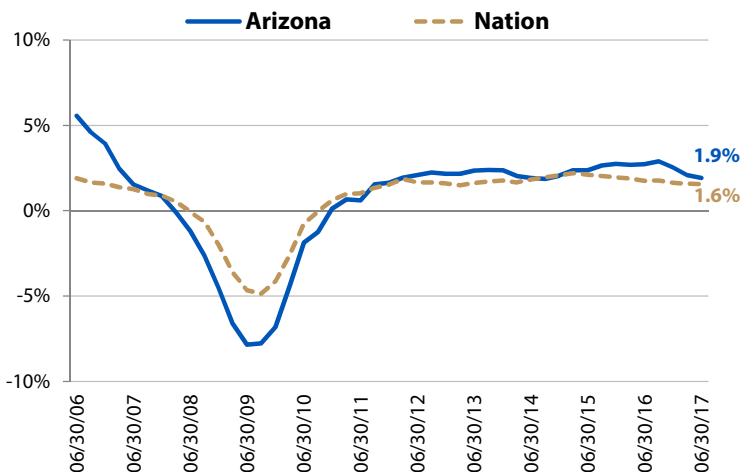
## Economic and Banking Highlights

- Arizona's economy continued to perform well, however job growth slowed to just above the national average. The unemployment rate also ticked up, primarily attributed to higher labor force participation rather than actual weakness. Home price gains were robust on a limited supply of new and existing homes for sale. Single family permits steadily increased, but at a rate still well below pre-crisis levels.
- The average Arizona bank return on average assets was among the lowest nationally. Compared to most other states, Arizona banks on average had higher net interest and noninterest income ratios, but returns were lowered by significantly higher overhead ratios. Year-to-date return on average assets dipped slightly year-over-year as earnings did not keep pace with asset growth. Asset growth slowed, particularly among higher yielding assets. Lower yielding assets such as securities and liquid investments increased, benefiting risk-based capital, liquidity, and commercial real estate concentration ratios.

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

### Year-over-Year Job Growth: 1.9%

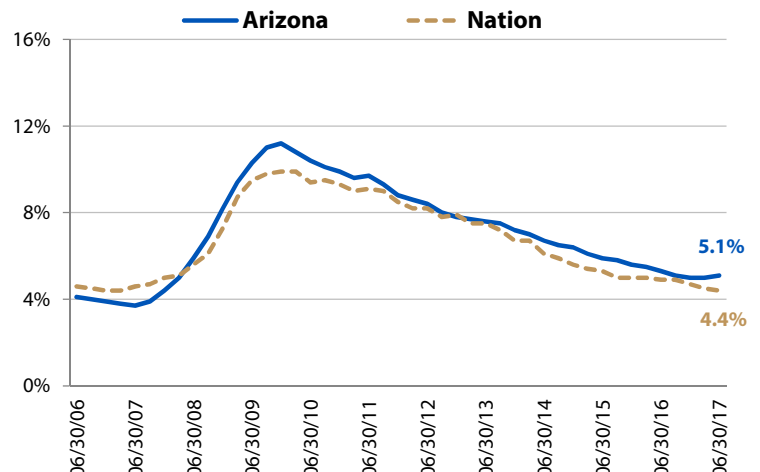
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Establishment Survey, nonfarm payrolls, quarterly average, seasonally adjusted  
Source: Bureau of Labor Statistics

### Unemployment: 5.1%

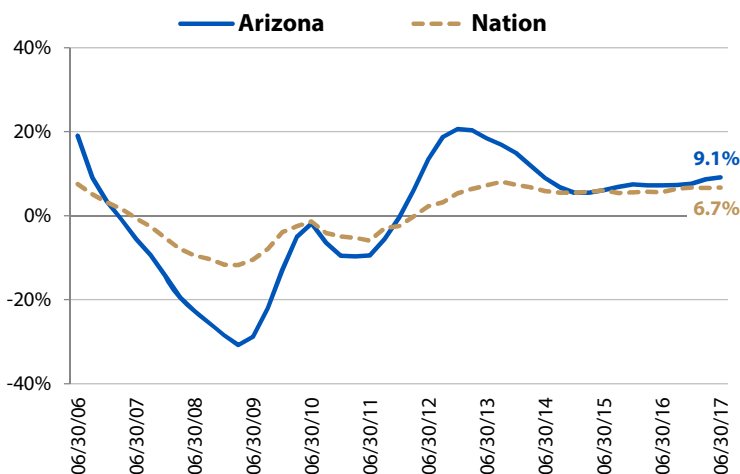
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Household Employment Survey, end of period, seasonally adjusted  
Source: Bureau of Labor Statistics

### Year-over-Year Home Price Growth: 9.1%

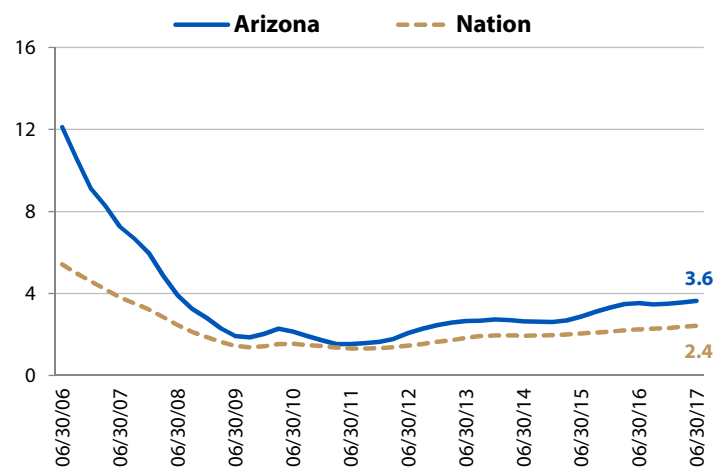
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Housing Price Index, year-over-year change of average home prices  
Source: Federal Housing Finance Agency

### Single Family Permits / 1,000 Residents: 3.6

Rank: #13

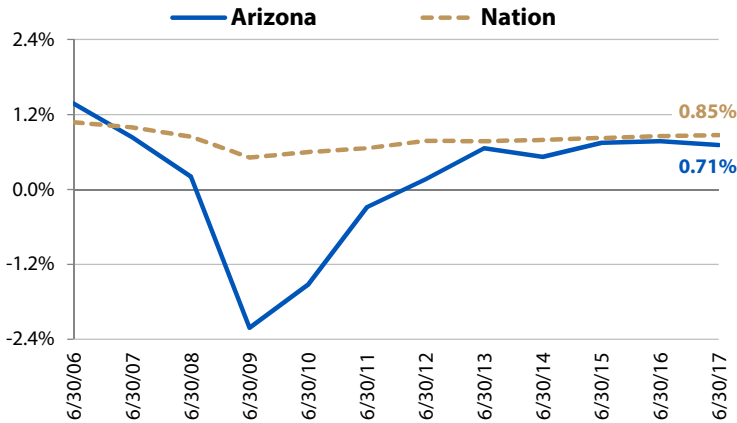


Trailing twelve month single family permits / average twelve month population in thousands, by state  
Source: Census Bureau

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

**Year-to-Date Return on Average Assets: 0.71%**

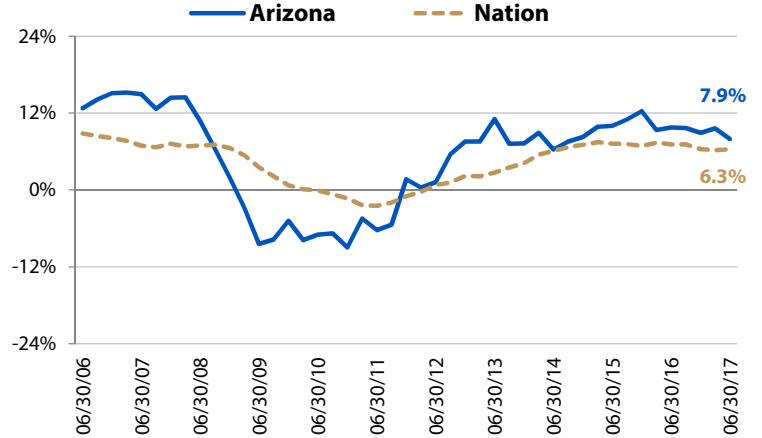
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Net income / average assets, adjusted for S-Corps, annualized

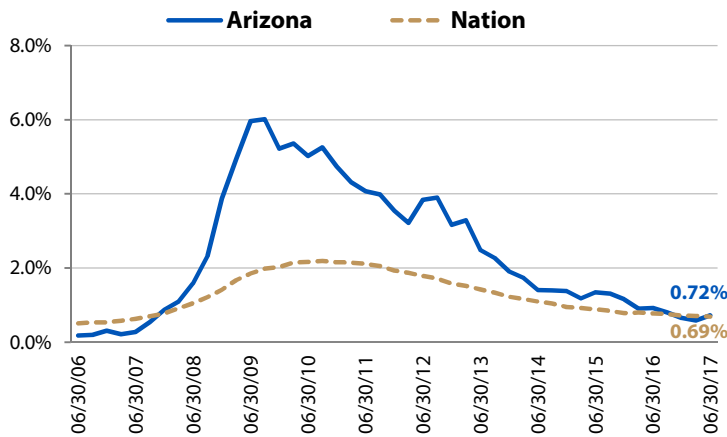
**Year-over-Year Net Loan Growth: 7.9%**

Rank: #20



**Nonperforming Assets / Total Assets: 0.72%**

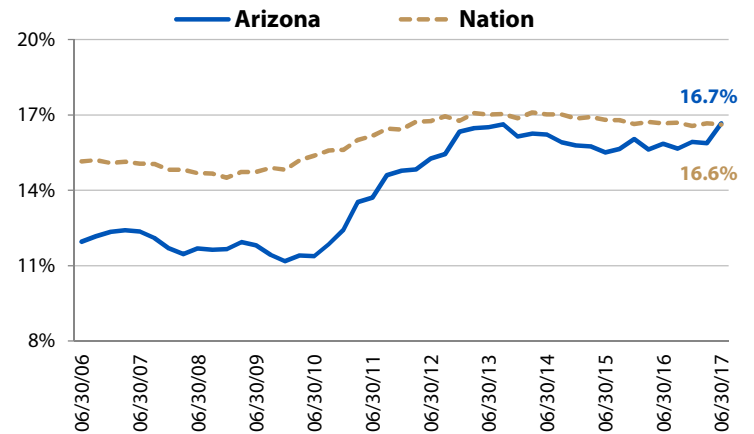
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90+ days past due + nonaccruals + other real estate owned / total assets

**Total Risk-Based Capital: 16.7%**

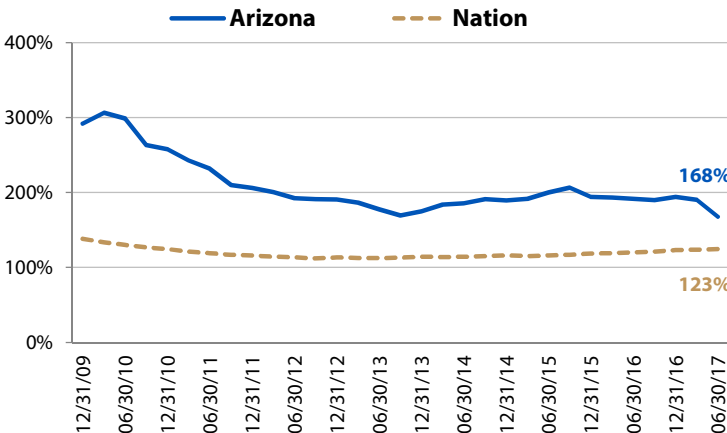
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Total capital / risk-weighted assets

**CRE Concentration: 168%**

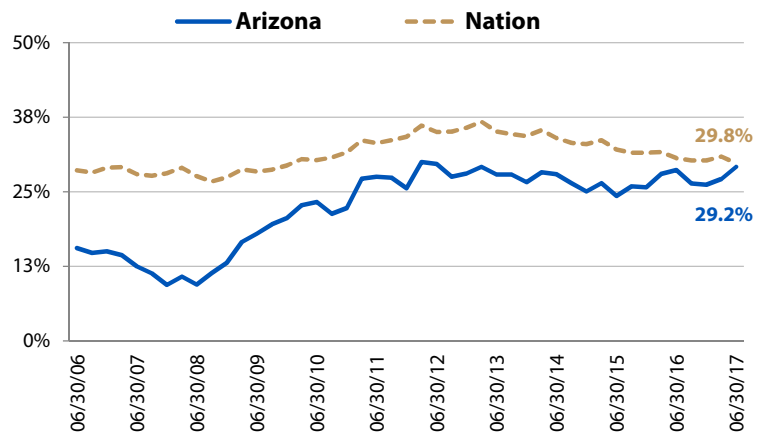
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Total nonowner-occupied commercial real estate / total capital (data first available in 2009)

**Securities and Liquid Invest. / Total Assets: 29.2%**

Rank: #21



Liquid investments = cash, due from balances, interest bearing bank balances, and Fed funds sold and securities purchased under agreements to resell

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 15 for the state and 4,978 for the nation.