

Banks at a Glance: Arizona

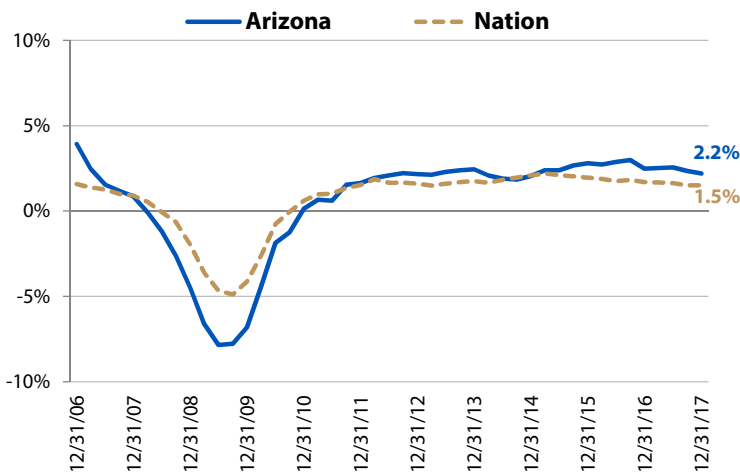
Economic and Banking Highlights

- Arizona's job growth continued to slow in recent quarters, but remained among the highest in the nation. Strength in healthcare and other sectors made up for weaknesses in finance and information technology. Job growth also helped push down the unemployment rate, although it was still ranked ninth highest nationally. With strong in-migration and limited supply of new and existing homes for sale, home prices grew at the nation's tenth highest pace, yet single family permits continued to increase.
- Arizona banks' average return on average assets ratio inched closer to the nation on solid year-over-year loan growth and strong net interest margins that were among the best in the nation. Yet, high noninterest expenses held back returns, with an average efficiency ratio of 75% compared to 66% for the nation. Commercial and industrial loans had the highest growth rate at 12.0%, while real estate loans grew at 7.8%. Commercial real estate loan concentrations saw a commensurate increase in recent quarters, yet capital ratios remained healthy.

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

Year-over-Year Job Growth: 2.2%

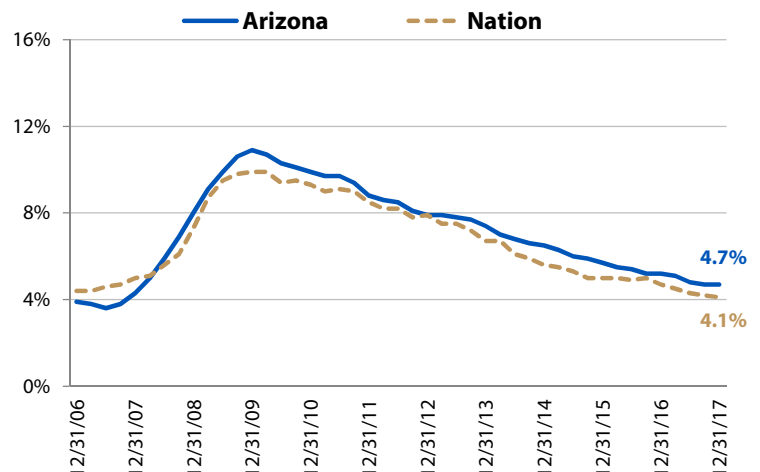
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Establishment Survey, nonfarm payrolls, quarterly average, seasonally adjusted
Source: Bureau of Labor Statistics

Unemployment: 4.7%

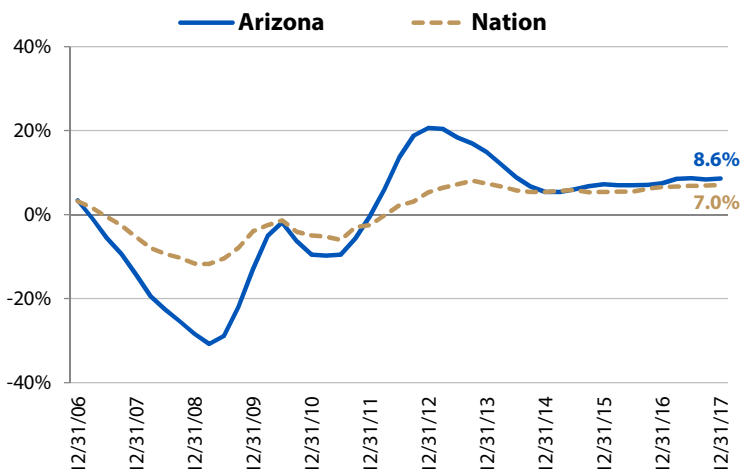
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Household Employment Survey, end of period, seasonally adjusted
Source: Bureau of Labor Statistics

Year-over-Year Home Price Growth: 8.6%

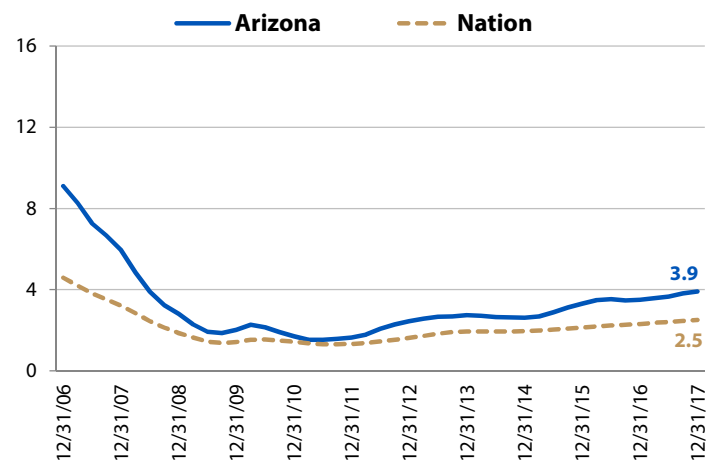
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Housing Price Index, year-over-year change of average home prices
Source: Federal Housing Finance Agency

Single Family Permits / 1,000 Residents: 3.9

Rank: #11

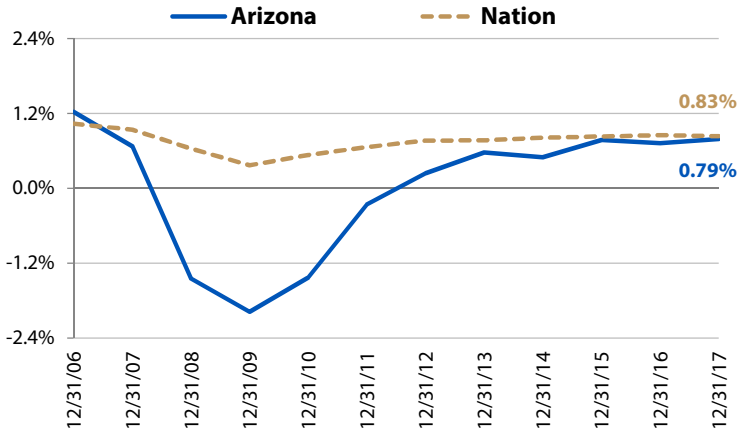


Trailing twelve month single family permits / average twelve month population in thousands, by state
Source: Census Bureau

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

Year to Date Return on Average Assets: 0.79%

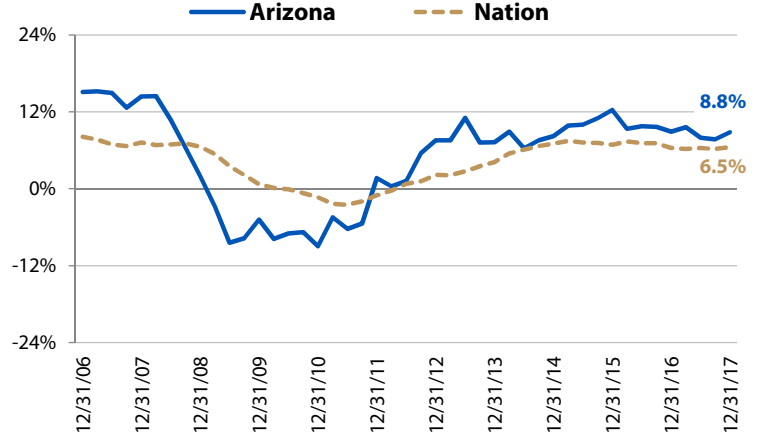
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Net income / average assets, adjusted for S-Corps, annualized

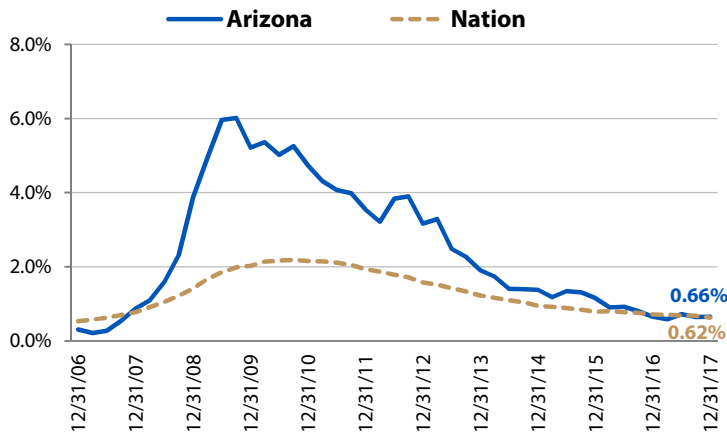
Year-over-Year Net Loan Growth: 8.8%

Rank: #11



Nonperforming Assets / Total Assets: 0.66%

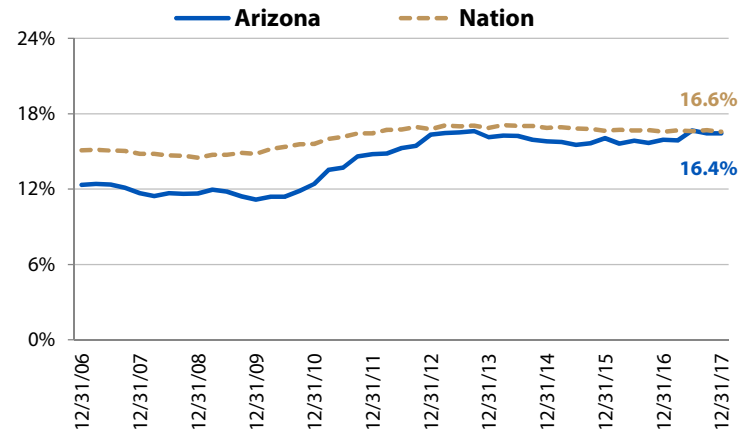
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90+ days past due + nonaccruals + other real estate owned / total assets

Total Risk-Based Capital Ratio: 16.4%

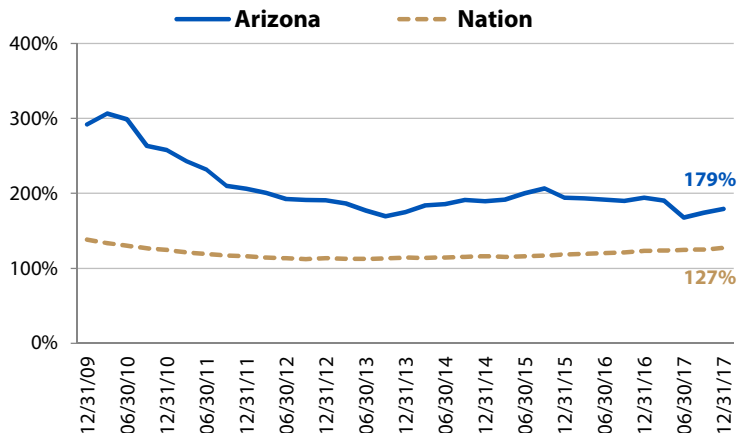
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Total capital / risk-weighted assets

CRE Concentration: 179%

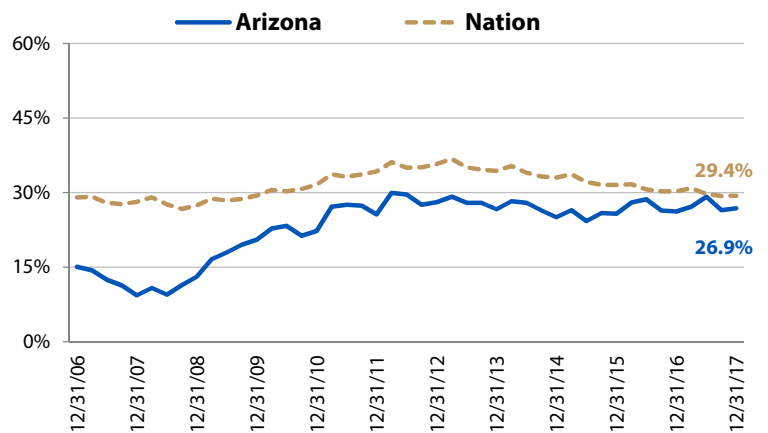
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Total nonowner-occupied commercial real estate / total capital (data first available in 2009)

Securities and Liquid Invest. / Total Assets: 26.9%

Rank: #30



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 4,882 for the nation.