

Banks at a Glance: Arizona

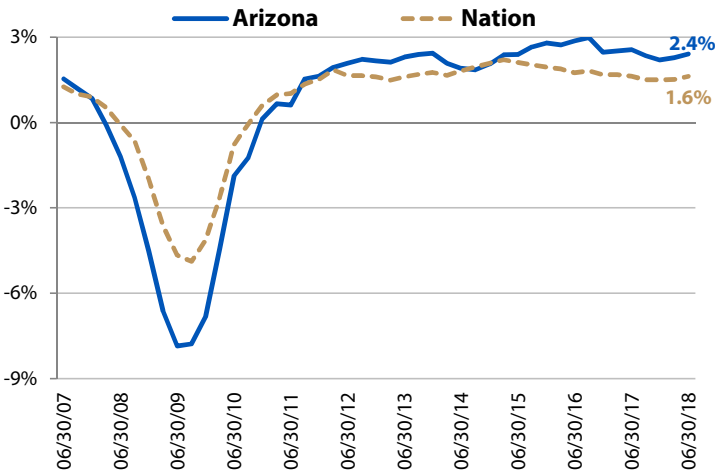
Economic and Banking Highlights

- Arizona saw improved job growth in the first half of 2018 after modest slowing in 2017, thanks mostly to the construction, education and health services, and manufacturing sectors. The combination of job growth and large labor force additions held unemployment relatively steady. Despite a continued surge of residential construction, home prices rose due to robust in-migration and a limited supply of existing homes for sale.
- Owing mostly to tax reform, Arizona banks' average year-to-date return on average assets ratio increased moderately since year-end 2017. Loan growth continued to be robust. Although capital accretion kept pace with loans, it trailed risk-weighted asset growth, weighing on the average total risk-based capital ratio. Average nonperforming loan ratios decreased across several categories and the average asset liquidity ratio was comparable to mid-2017, with quarterly variation due to seasonality.

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

Year-over-Year Job Growth: 2.4%

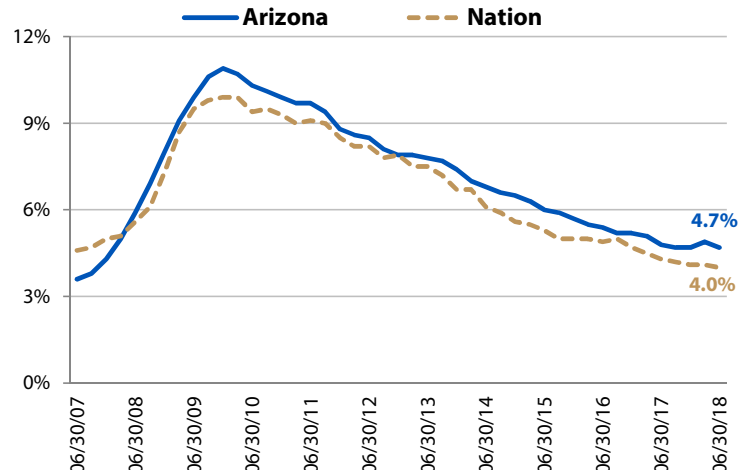
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Establishment Survey, nonfarm payrolls, quarterly average, seasonally adjusted
Source: Bureau of Labor Statistics

Unemployment: 4.7%

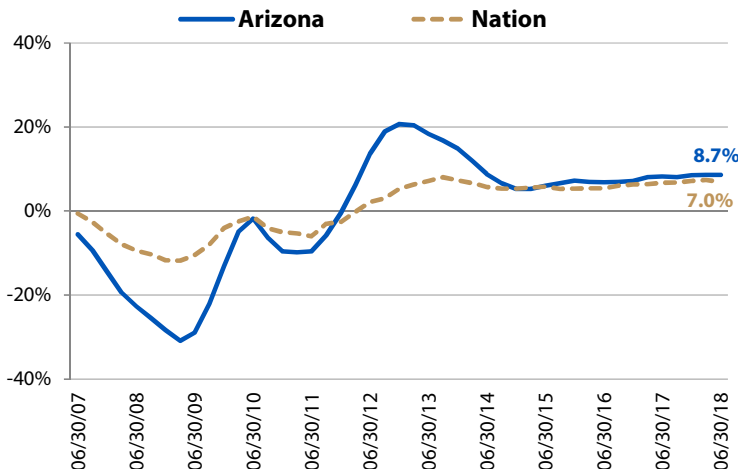
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Household Employment Survey, end of period, seasonally adjusted
Source: Bureau of Labor Statistics

Year-over-Year Home Price Growth: 8.7%

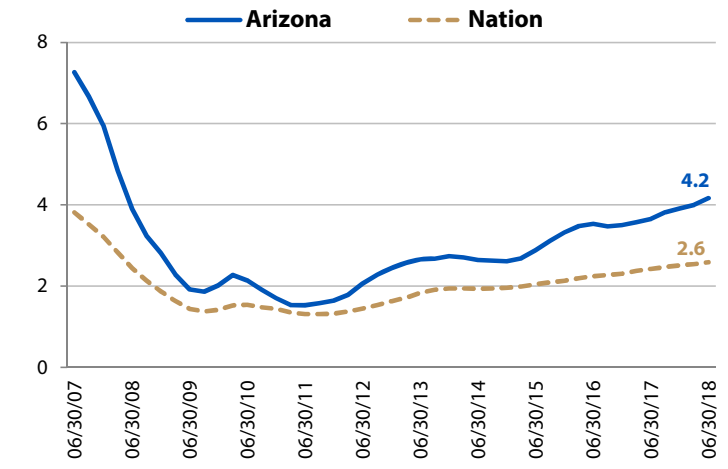
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Housing Price Index, year-over-year change of average home prices
Source: Federal Housing Finance Agency

Single Family Permits / 1,000 Residents: 4.2

Rank: #11

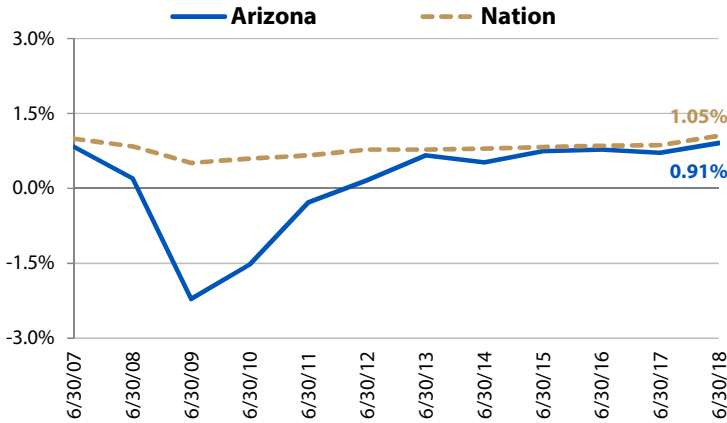


Trailing twelve month single family permits / average twelve month population in thousands, by state
Source: Census Bureau

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

Year to Date Return on Average Assets: 0.91%

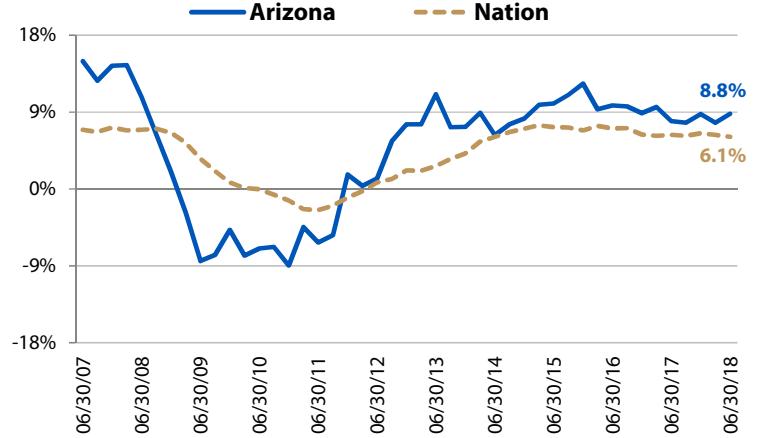
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Net income / average assets, adjusted for S-Corps, annualized

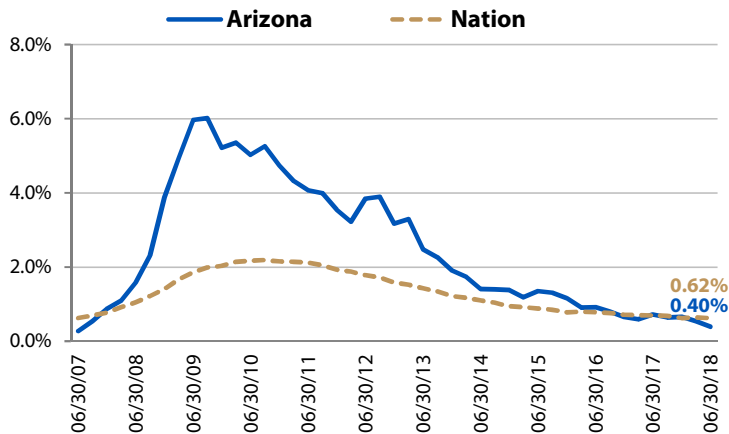
Year-over-Year Net Loan Growth: 8.8%

Rank: #11



Nonperforming Assets / Total Assets: 0.40%

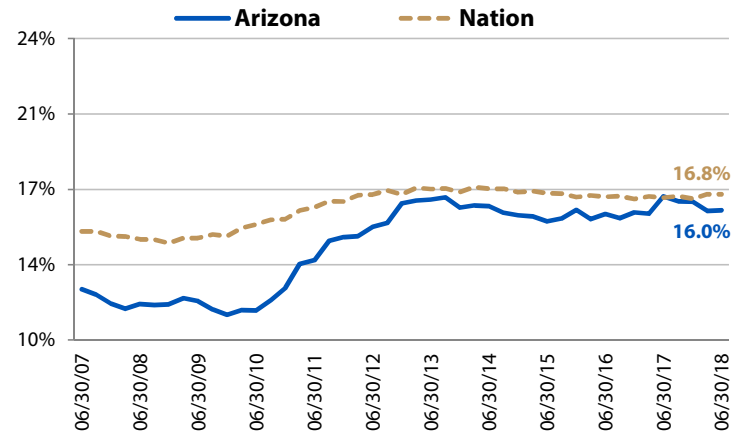
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90+ days past due + nonaccruals + other real estate owned / total assets

Total Risk-Based Capital Ratio: 16.0%

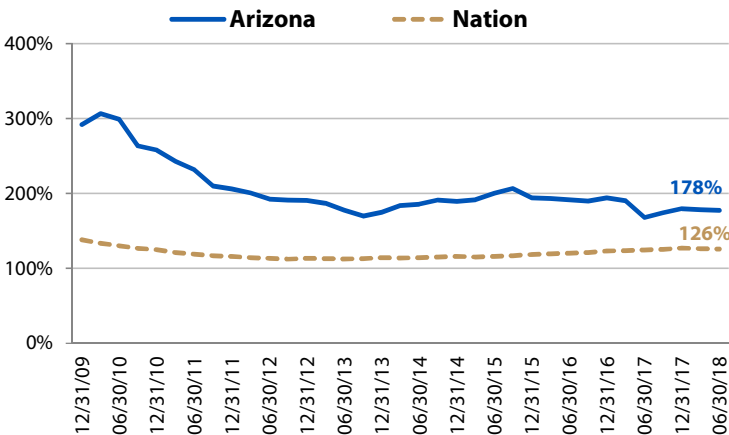
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Total capital / risk-weighted assets

CRE Concentration: 178%

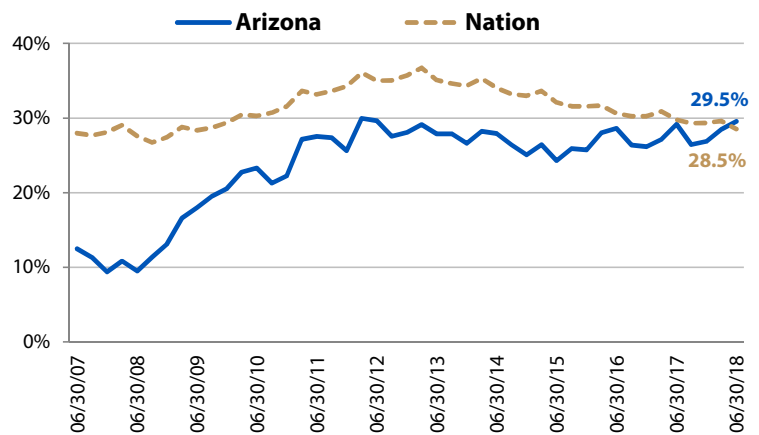
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Total nonowner-occupied commercial real estate / total capital (data first available in 2009)

Securities and Liquid Invest. / Total Assets: 29.5%

Rank: #15



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 4,794 for the nation.