

Banks at a Glance: California

Economic and Banking Highlights

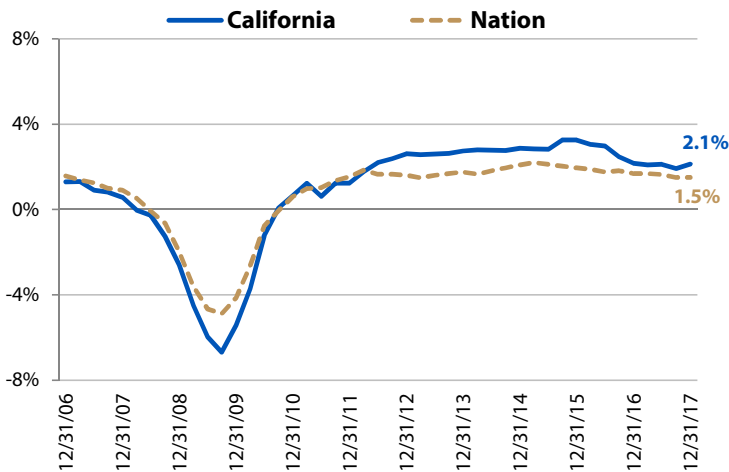
Data as of 12/31/2017

- California's economy continued to grow faster than the national average. Job growth accelerated despite an increasingly tight labor market and unemployment declined to its lowest level in decades. Single family permit activity continued its upward trajectory but remained below the national average due to a variety of supply constraints, which, coupled with strong demand, pushed the pace of home price appreciation higher.
- California banks lent at the fourth highest rate in the nation, putting further downward pressure on capital ratios, though the pace moderated relative to a few years prior. Profitability dipped slightly, as margin expansion was generally offset by one-time tax reform-related deferred tax asset write-downs, which were more prominent in the west due to sharper losses during the financial crisis. At 270%, the state's average commercial real estate concentration was the second highest in the nation, but remained below its 2007 peak of 309%. Nonperforming assets remained low and on-balance sheet liquidity continued trending downward.

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

Year-over-Year Job Growth: 2.1%

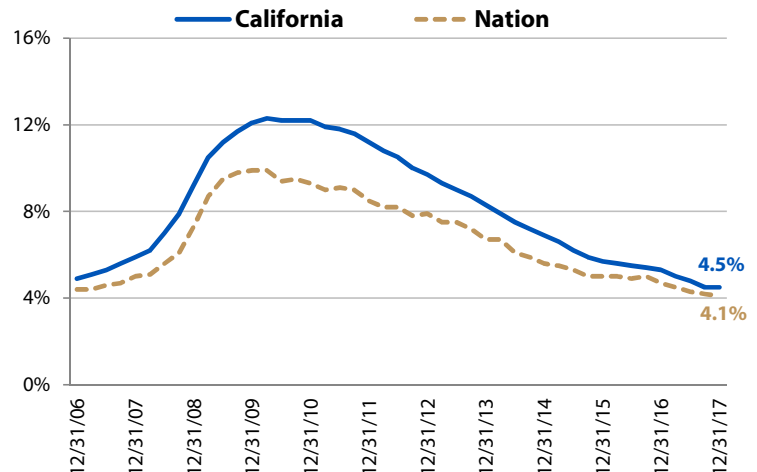
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Establishment Survey, nonfarm payrolls, quarterly average, seasonally adjusted
Source: Bureau of Labor Statistics

Unemployment: 4.5%

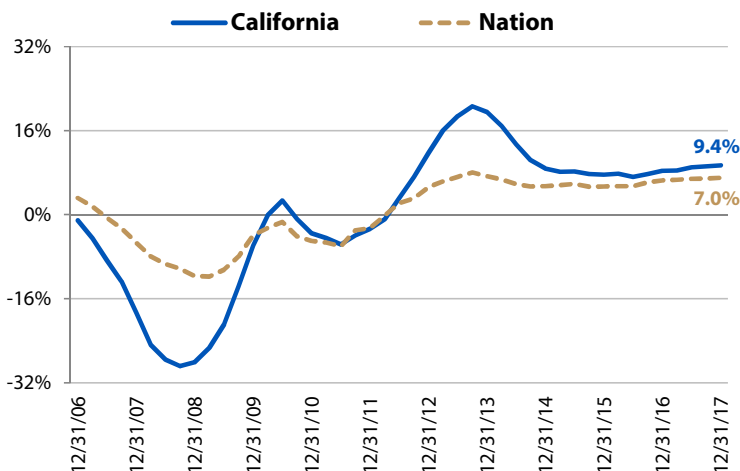
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Household Employment Survey, end of period, seasonally adjusted
Source: Bureau of Labor Statistics

Year-over-Year Home Price Growth: 9.4%

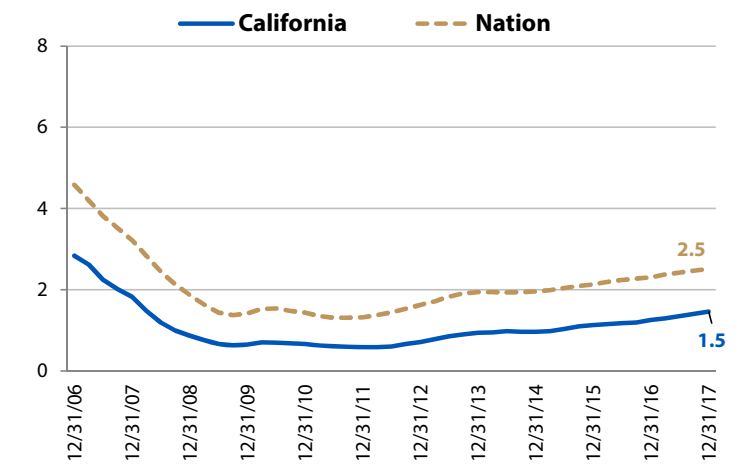
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Housing Price Index, year-over-year change of average home prices
Source: Federal Housing Finance Agency

Single Family Permits / 1,000 Residents: 1.5

Rank: #41

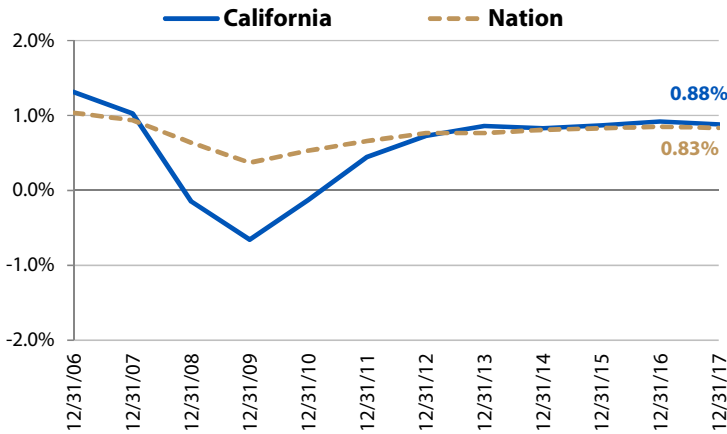


Trailing twelve month single family permits / average twelve month population in thousands, by state
Source: Census Bureau

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

Year to Date Return on Average Assets: 0.88%

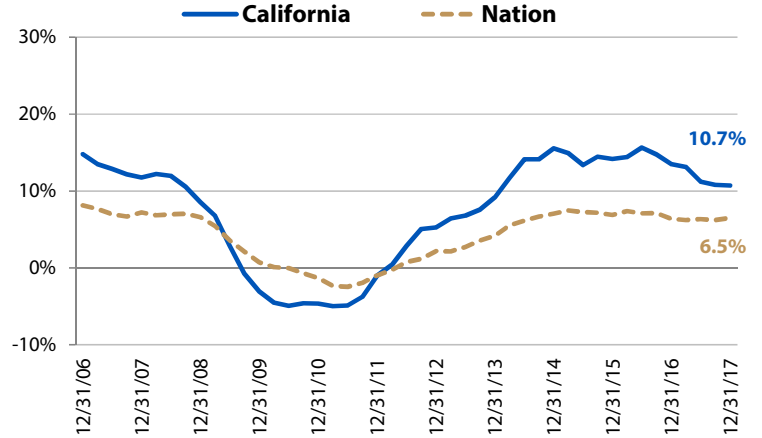
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Net income / average assets, adjusted for S-Corps, annualized

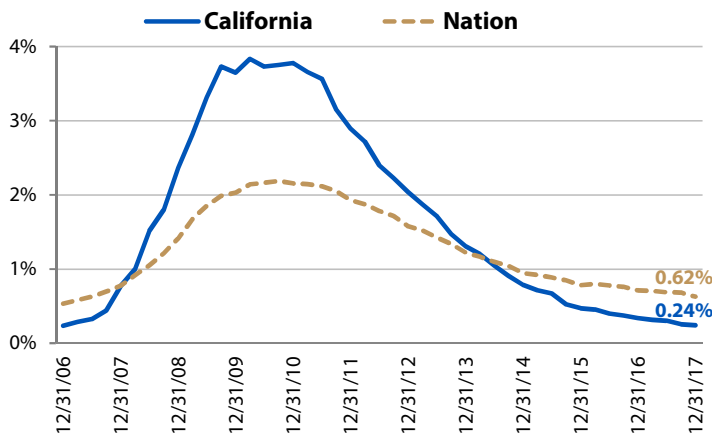
Year-over-Year Net Loan Growth: 10.7%

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Nonperforming Assets / Total Assets: 0.24%

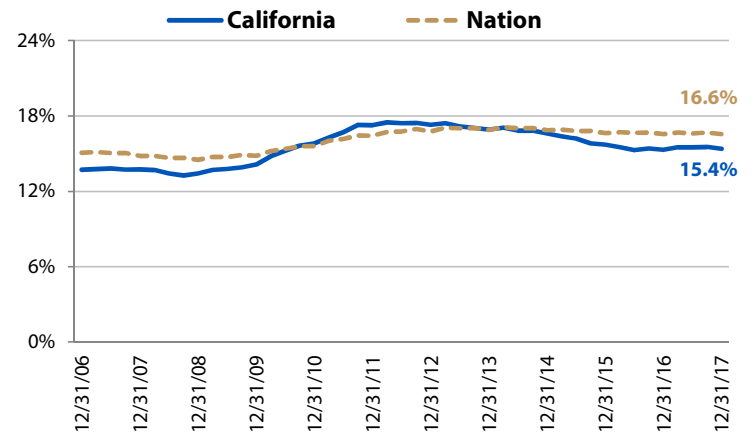
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90+ days past due + nonaccruals + other real estate owned / total assets

Total Risk-Based Capital Ratio: 15.4%

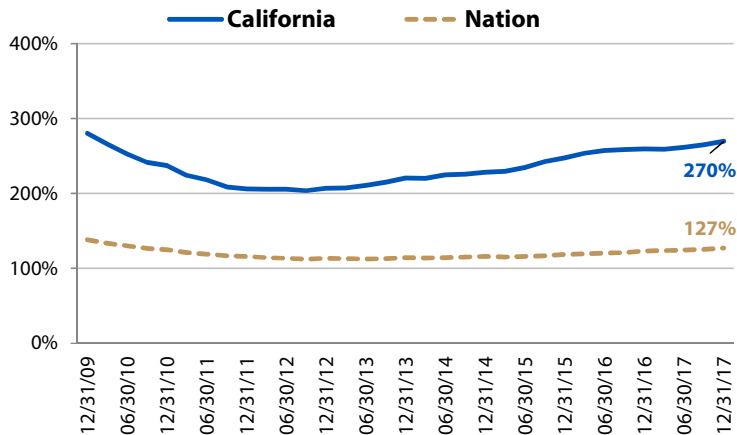
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Total capital / risk-weighted assets

CRE Concentration: 270%

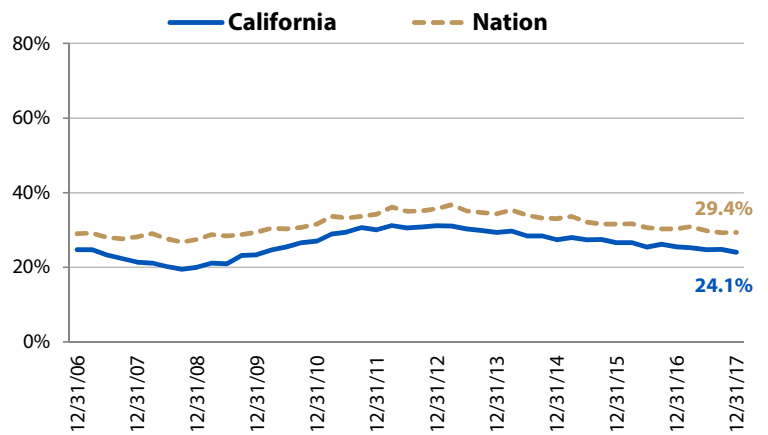
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Total nonowner-occupied commercial real estate / total capital (data first available in 2009)

Securities and Liquid Invest. / Total Assets: 24.1%

Rank: #37



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 152 for the state and 4,882 for the nation.