

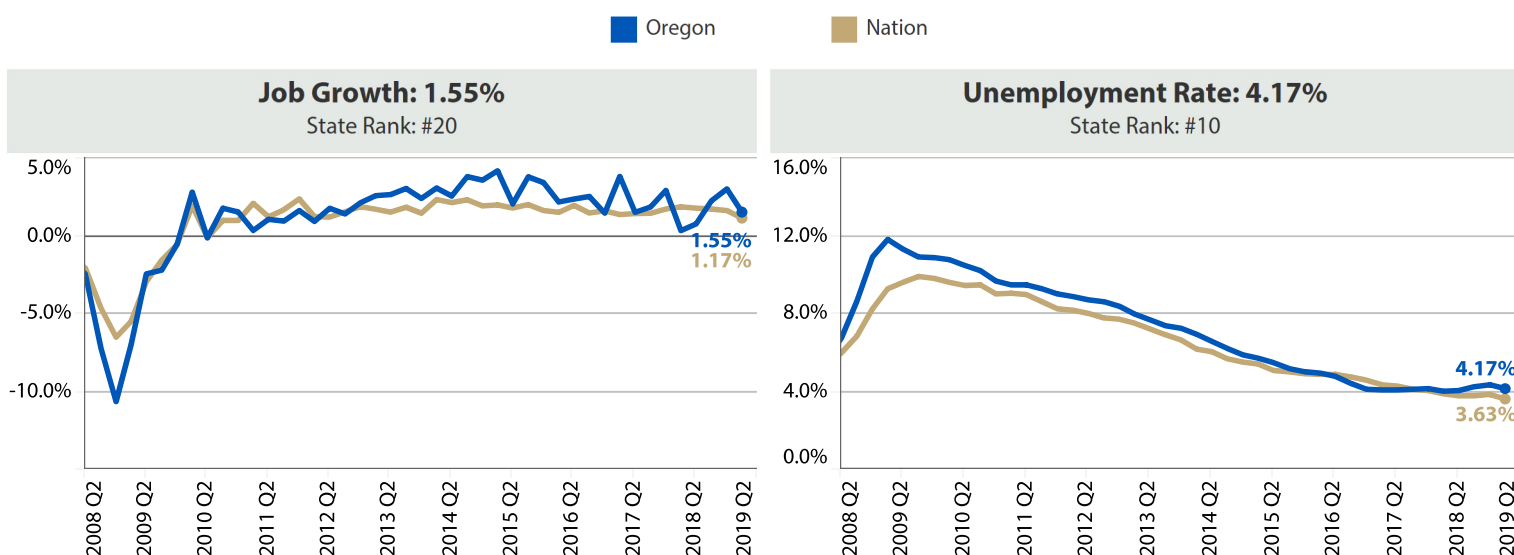
Economy

Oregon's economic trajectory converged with the national average in recent quarters, despite a 1Q19 jump in job growth attributable to a faster hiring in the education/health services, construction, and manufacturing sectors. In 2Q19, job growth slowed or stalled across most sectors. Meanwhile, the unemployment rate was roughly stable amid a multi-year slowdown in the labor force growth rate. The state's relatively export-intensive economy is vulnerable to trade tensions and global economic slowing. Home-price growth and single-family permitting have both matched national averages in recent quarters. Although housing affordability improved slightly in 2019 due to lower mortgage rates, it remained near pre-recession lows.

Banks

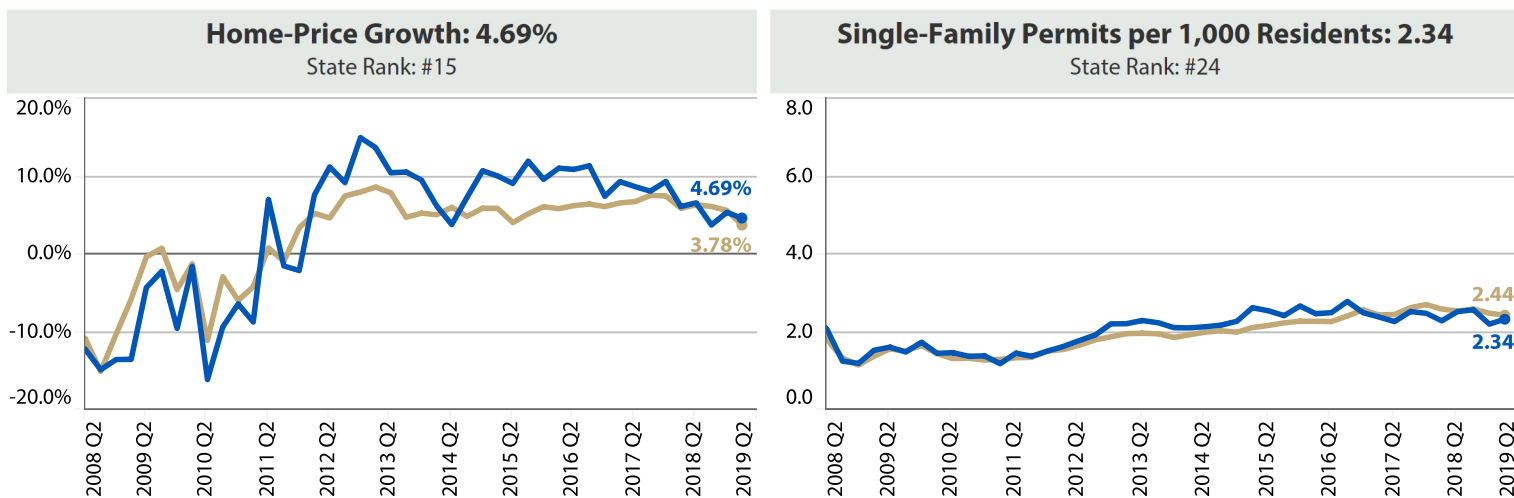
Oregon posted the fastest average annual net loan growth in the nation in 2Q19, with increases widespread across multiple loan categories. Loan growth outpaced increases in liquid instruments, crimping on-balance sheet liquidity--although Oregon banks had relatively low reliance on noncore funding, on average. Year-to-date average profitability and net interest margin ratios were flat from a year earlier in 2Q19, but restrained dividends allowed the average risk-based capital ratio to increase. The state average nonperforming asset ratio remained low. Oregon's average CRE concentration-to-capital ratio edged higher in 2Q19, although it has moderated since mid-2016 thanks to strengthening earnings and capital accretion.

Key Economic Metrics (ranking #1 = highest among 50 states)



Quarterly average nonfarm payrolls, seasonally adjusted annual rate. Source: Bureau of Labor Statistics (Establishment Survey) via Haver Analytics.

Quarterly average, seasonally adjusted. Source: Bureau of Labor Statistics (Household Employment Survey) via Haver Analytics.



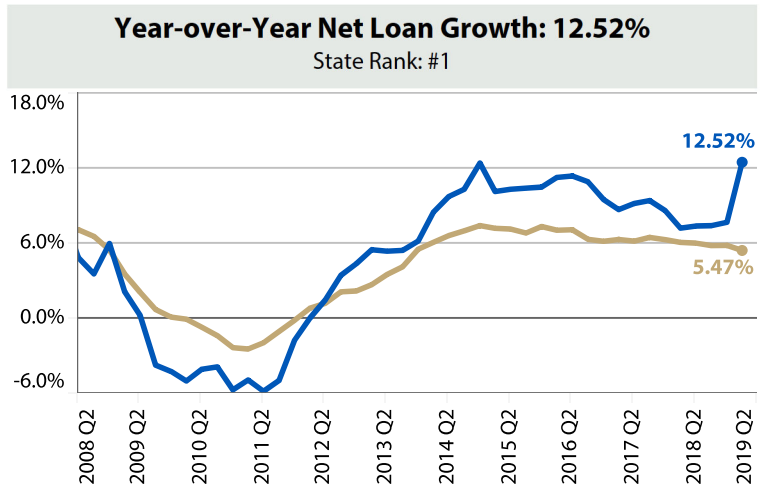
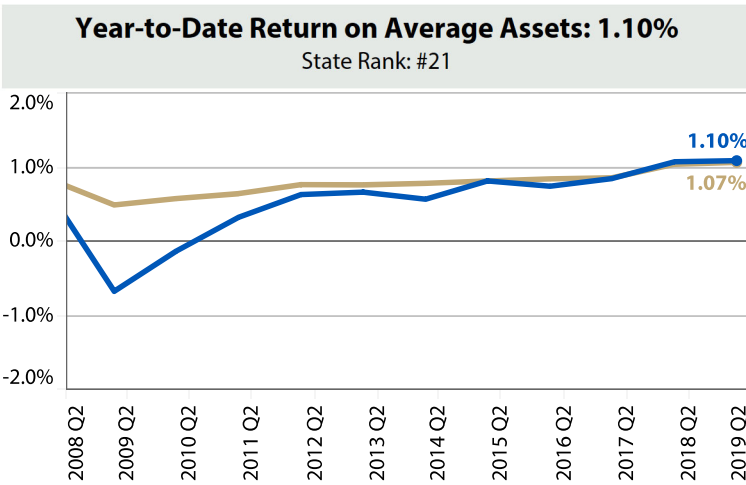
Expanded House Price Index, seasonally adjusted annual rate. Source: Federal Housing Finance Agency via Haver Analytics.

Quarterly average single-family permits (seasonally adjusted annual rate) / quarterly population in thousands. Source: Census Bureau via Haver Analytics.

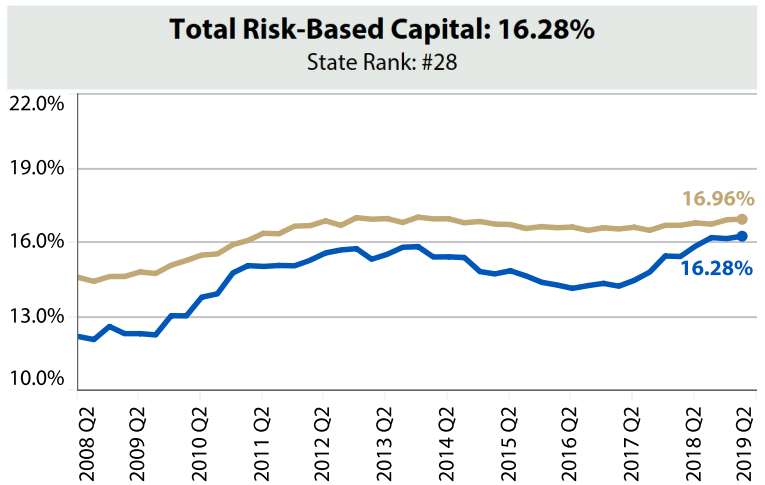
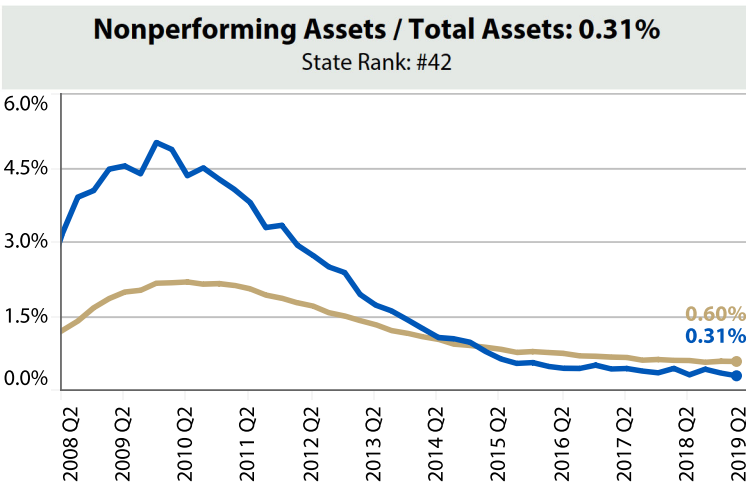
Key Banking Metrics (averages across banks; ranking #1 = highest among 50 states)

■ Oregon

■ Nation

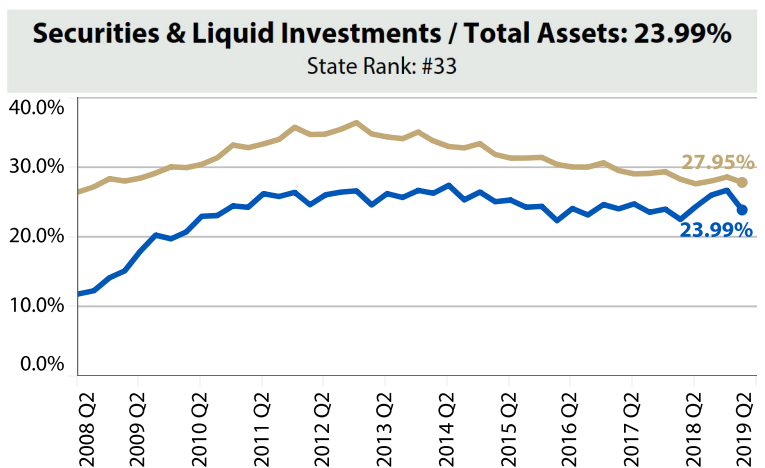
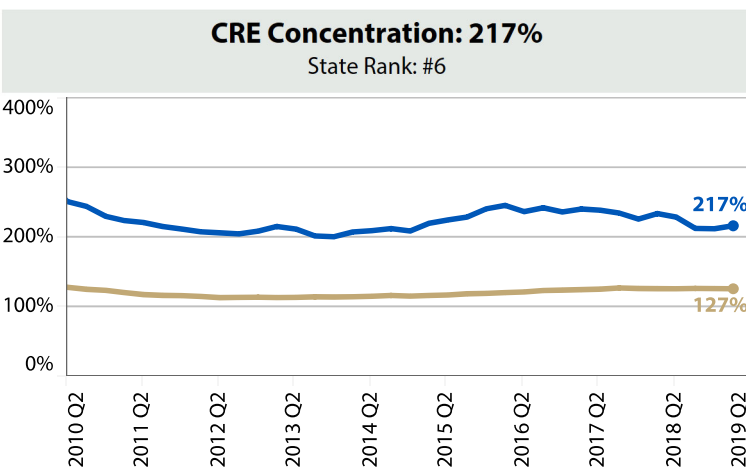


Net income / average assets, adjusted for S-Corps, annualized.



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

Total capital / risk-weighted assets.



Total non-owner-occupied commercial real estate / total capital.

Liquid investments = cash, due-from balances, interest-bearing bank balances, and fed funds sold and securities purchased under agreement to resell.

Source: Call Report data for commercial banks based upon headquarters location. Averages are "trimmed" by removing the highest and lowest 10% of values prior to averaging to prevent distortion by 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 (less than five years old), zero-loan banks, and banks where credit card lending is more than 80% of total lending. As of the latest period, the count of banks included in these statistics were 14 for the state and 4,605 for the nation.