

Banks at a Glance: Utah

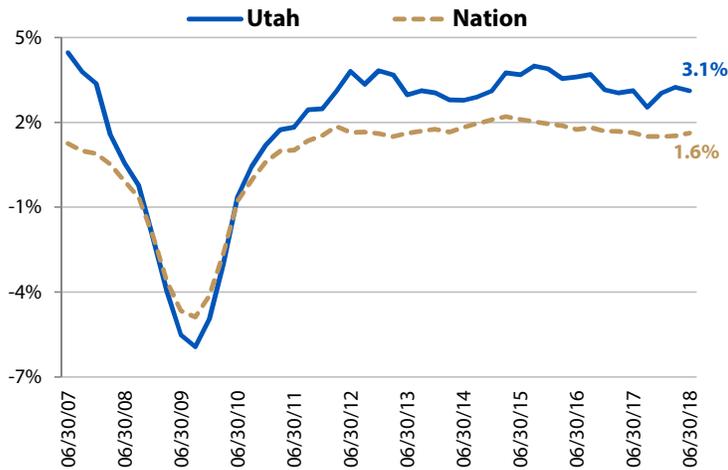
Economic and Banking Highlights

- Utah's economy remained among the strongest in the nation in the first half of 2018. The state's broad-based job growth continued to exceed the national average and pushed the state's unemployment rate down to 3%. Gains in home prices ranked fourth in the nation, spurred by income growth and positive migration trends. Builders responded to demand as total housing permits neared new highs, driven by multifamily construction but also helped by a steady increase in single family permits.
- Utah's banks thrived amid the state's economic expansion, with the average return on average assets and annual loan growth ratios both leading the nation. Profit ratios were driven by expanding net interest margins and lower tax expenses. Higher loan-to-asset ratios benefitted margins but at the expense of on-balance sheet liquidity and risk-based capital ratios. Notwithstanding significant construction activity, bank construction loan concentrations remained well below pre-crisis peaks.

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

Year-over-Year Job Growth: 3.1%

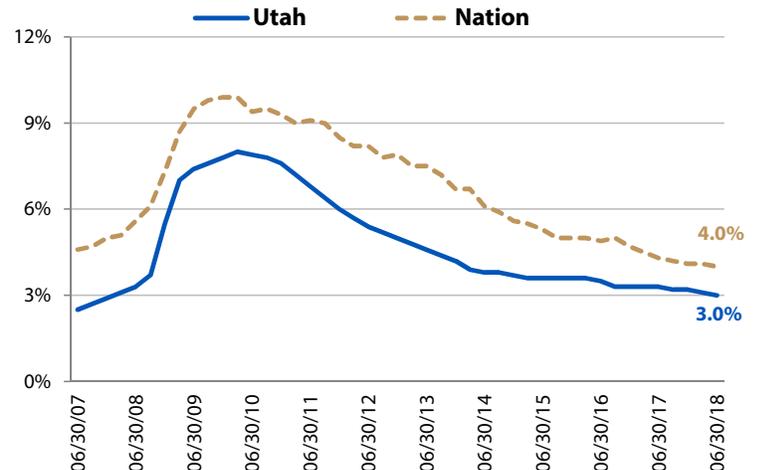
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Establishment Survey, nonfarm payrolls, quarterly average, seasonally adjusted
Source: Bureau of Labor Statistics

Unemployment: 3.0%

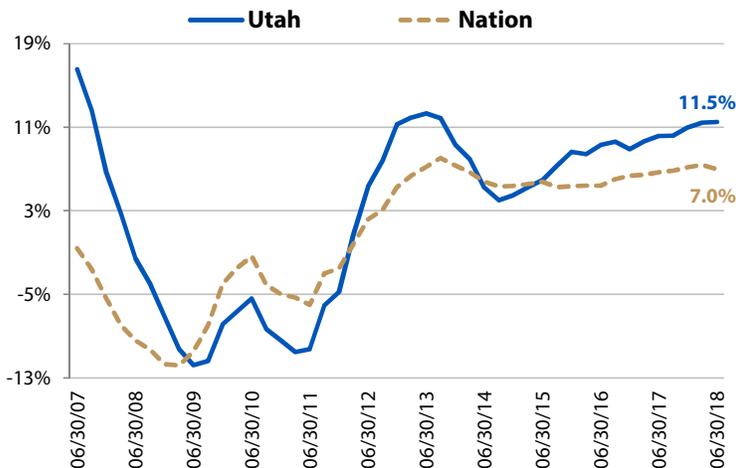
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Household Employment Survey, end of period, seasonally adjusted
Source: Bureau of Labor Statistics

Year-over-Year Home Price Growth: 11.5%

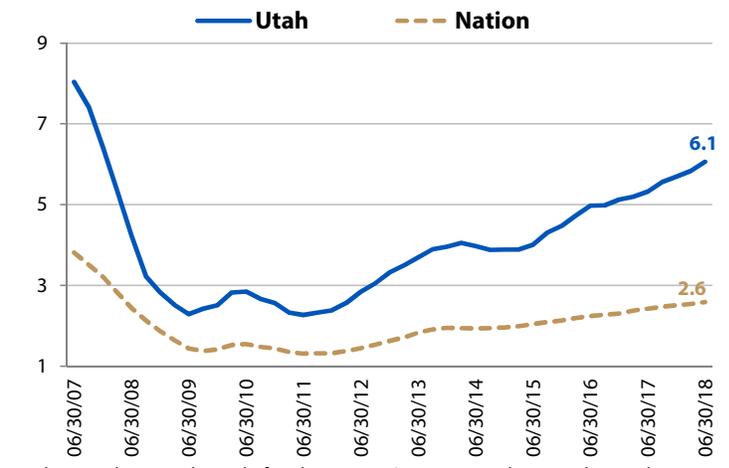
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Housing Price Index, year-over-year change of average home prices
Source: Federal Housing Finance Agency

Single Family Permits / 1,000 Residents: 6.1

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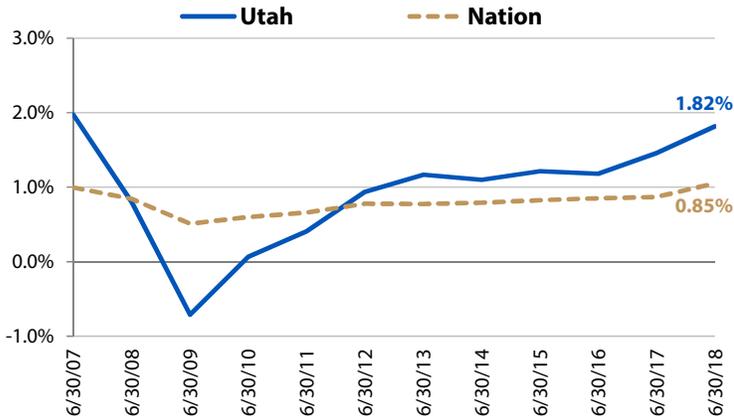


Trailing twelve month single family permits / average twelve month population in thousands, by state
Source: Census Bureau

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

Year to Date Return on Average Assets: 1.82%

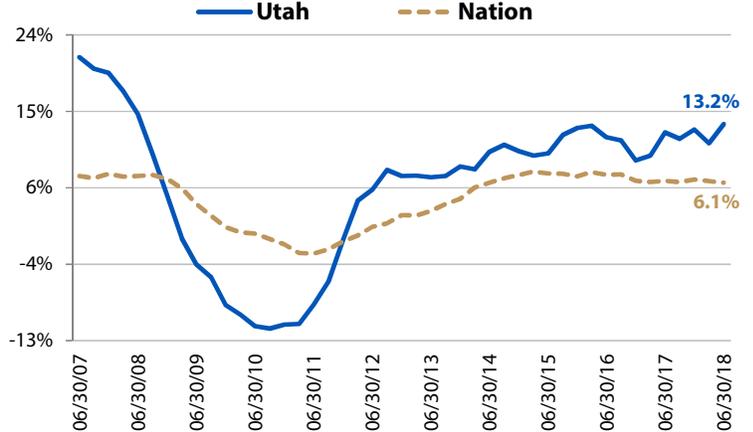
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Net income / average assets, adjusted for S-Corps, annualized

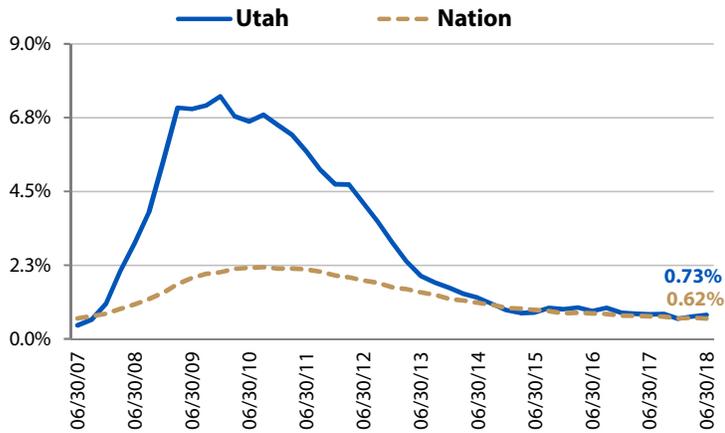
Year-over-Year Net Loan Growth: 13.2%

Rank: #1



Nonperforming Assets / Total Assets: 0.73%

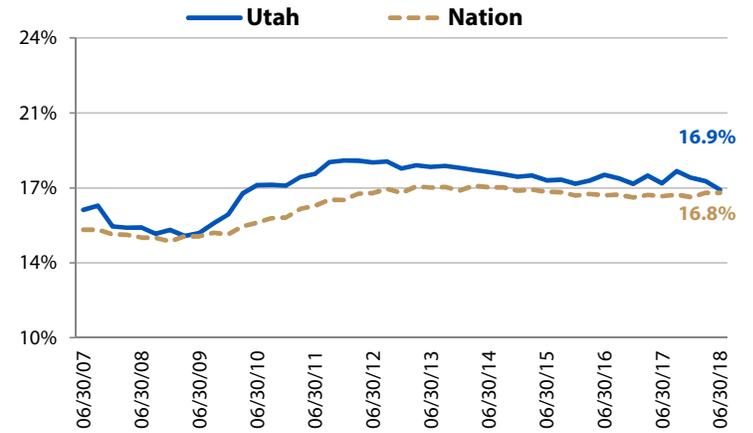
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90+ days past due + nonaccruals + other real estate owned / total assets

Total Risk-Based Capital Ratio: 16.9%

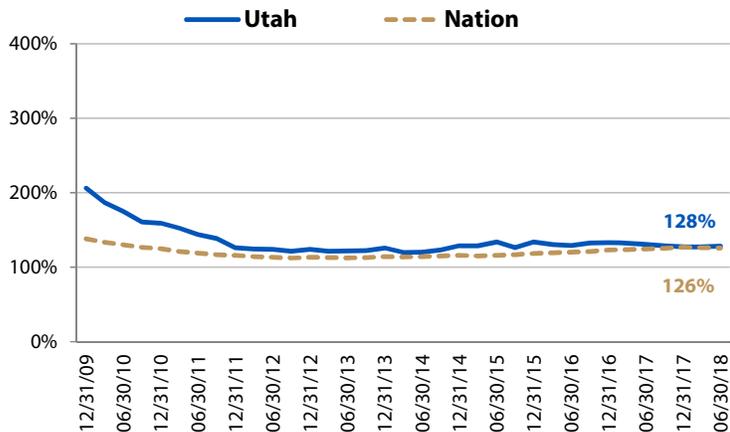
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Total capital / risk-weighted assets

CRE Concentration: 128%

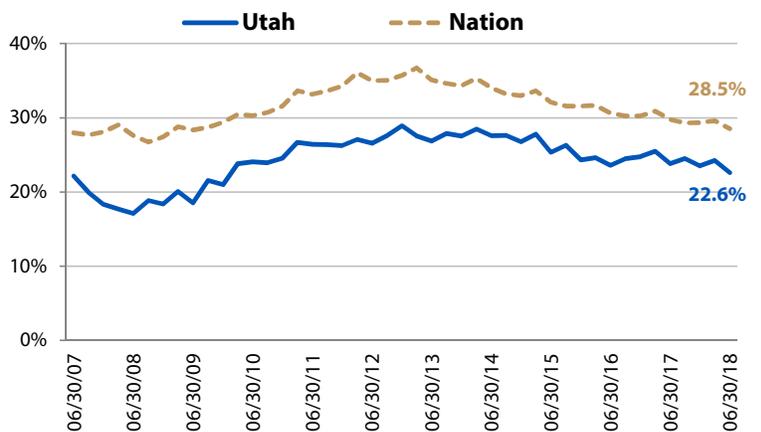
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Total nonowner-occupied commercial real estate / total capital (data first available in 2009)

Securities and Liquid Invest. / Total Assets: 22.6%

Rank: #41



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 27 for the state and 4,794 for the nation. Utah banking averages reflect the specialty business models of several banks in the state (even after excluding industrial banks). These lenders often report elevated off-balance sheet activity, non-CRE loan concentrations, and high usage of noncore funding.

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