

Banks at a Glance: Hawaii

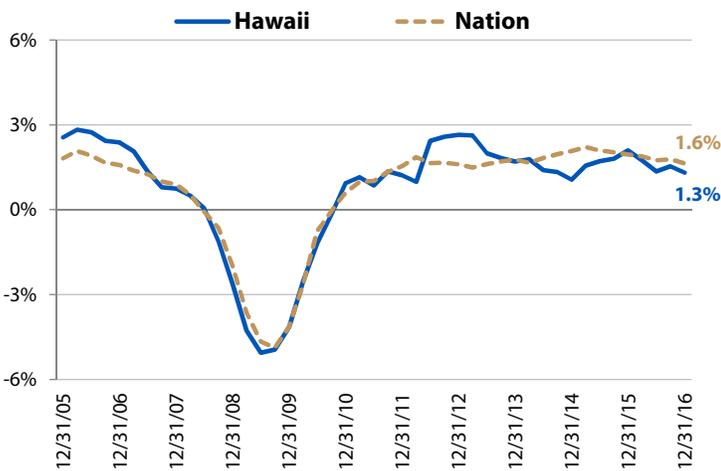
Economic and Banking Highlights

- Hawaii's economy remained healthy. Unemployment ranked third lowest in the nation, which together with steady population growth and a very attractive climate, continued to drive demand for housing. Home affordability remained a concern as average home prices were well above pre-crisis highs, with the latest year-over-year increase ranking sixth highest in the nation. Per Zillow, the state consistently had the highest home price-to-rent ratio in the nation for over the past five years. While housing permits have been slow to pick up, Moody's Analytics expects permits and construction (both single- and multi-family) to climb sharply in the next two to three years.
- Hawaii's commercial banks continued to perform well. The average return on assets ratio was in line with the nation. Loan growth during 2016 ranked among the top ten states and exceeded pre-financial crisis levels, but showed signs of slowing. Asset quality, as reflected in the average nonperforming assets to total assets ratio, ranked the best in the nation. Noncore funding dependence increased due to declining levels of short-term investments.

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

Year-over-Year Job Growth: 1.3%

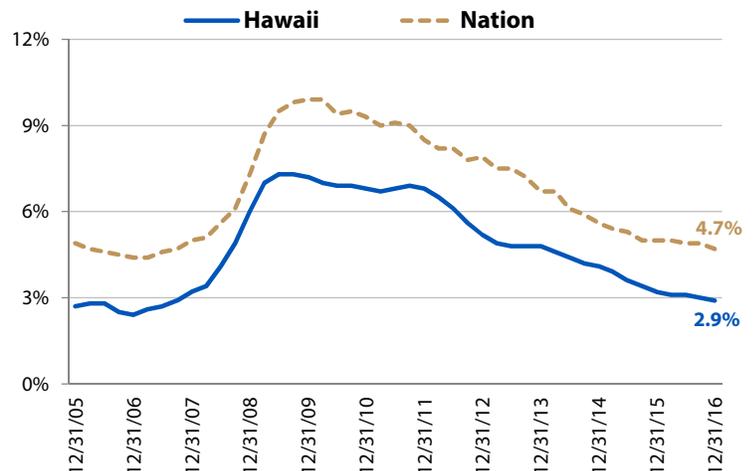
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Establishment Survey, nonfarm payrolls, quarterly average, seasonally adjusted
Source: Bureau of Labor Statistics

Unemployment: 2.9%

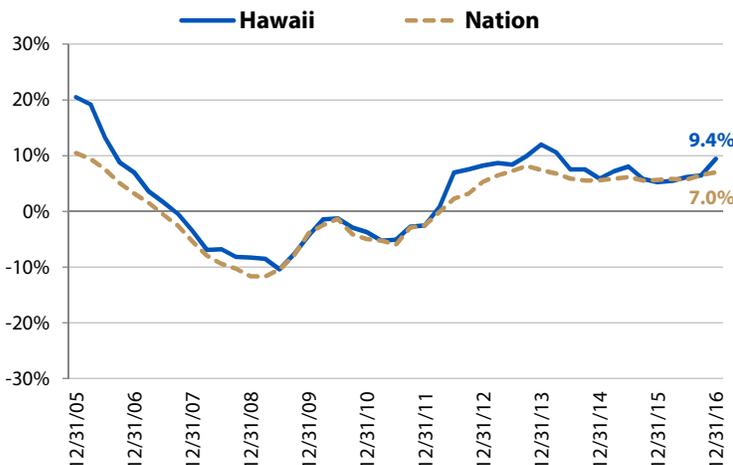
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Household Employment Survey, end of period, seasonally adjusted
Source: Bureau of Labor Statistics

Year-over-Year Home Price Growth: 9.4%

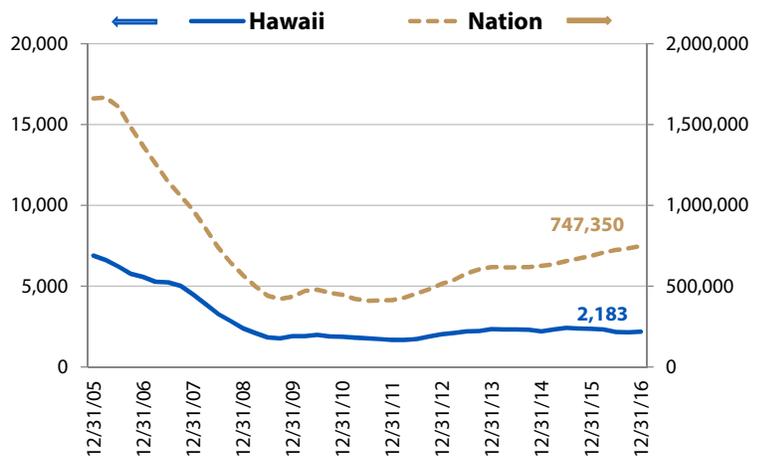
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Housing Price Index, year-over-year change of average home prices
Source: Federal Housing Finance Agency

Housing Permit Volume: 2,183

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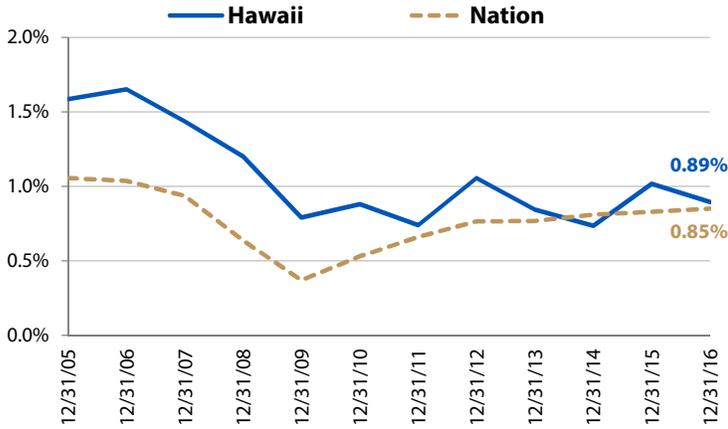


Single family permits, trailing four quarter total; ranking based on number of new permit volumes / estimated total households by state
Source: Census Bureau

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

Year-to-Date Return On Assets: 0.89%

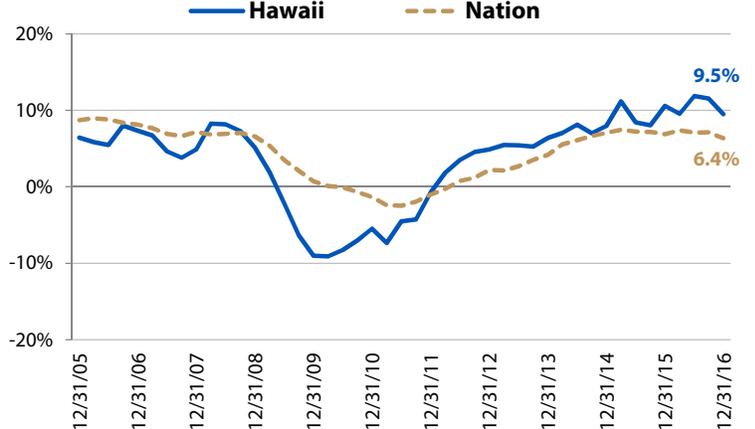
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Net income / average assets, adjusted for S-Corps, annualized

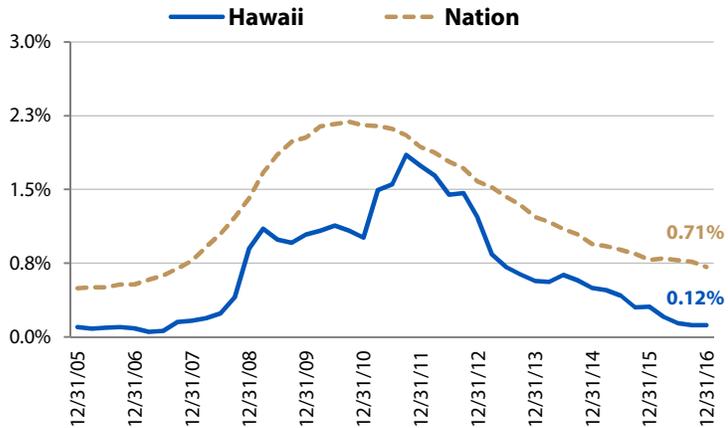
Year-over-Year Net Loan Growth: 9.5%

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Nonperforming Assets / Total Assets: 0.12%

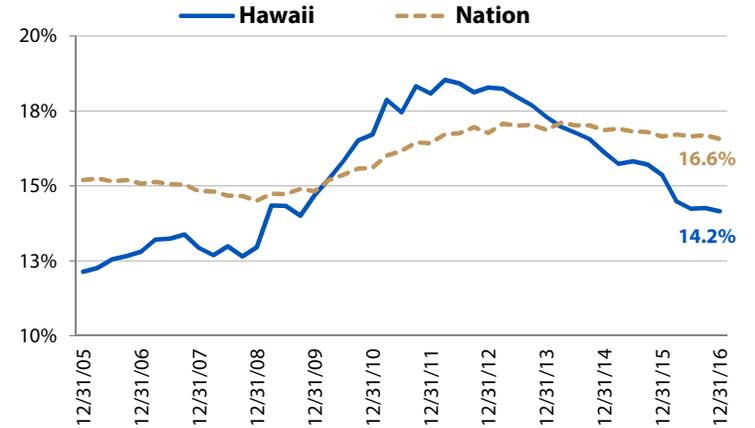
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90+ days past due + nonaccruals + other real estate owned / total assets

Total Risk-Based Capital: 14.2%

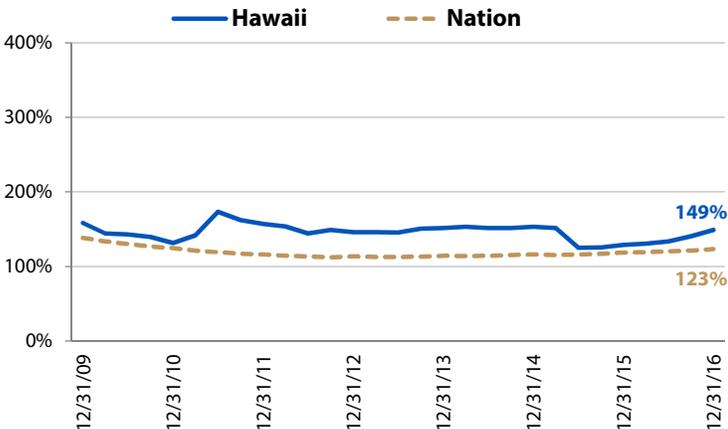
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Total capital / risk-weighted assets

CRE Concentration: 149%

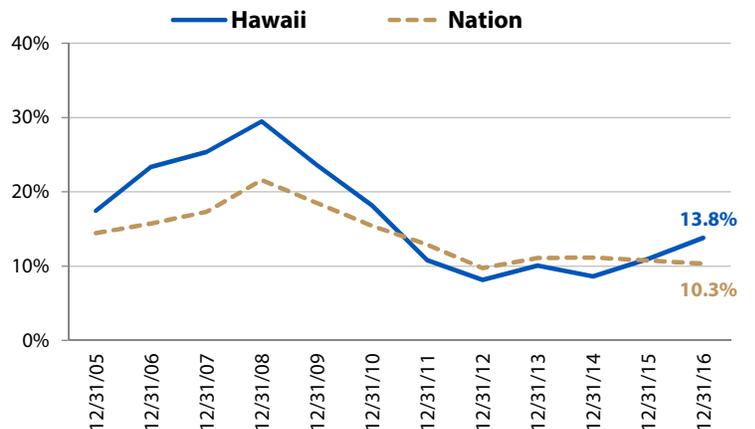
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Total nonowner-occupied commercial real estate / total capital (data first available in 2009)

Net Noncore Funding Dependence: 13.8%

Rank: #19



Noncore liabilities (using 100k threshold) less short term investments / long term assets

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 and net noncore funding dependence which display 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 five for the state and 5,082 for the nation.