

# FDIC State Profile

Arizona

## Second Quarter 2021

### ECONOMIC INDICATORS (NOT SEASONALLY ADJUSTED, UNLESS NOTED)

<b>Employment Growth Rates (% change from year ago, unless noted)</b>	<b>Q2-21</b>	<b>Q1-21</b>	<b>Q2-20</b>	<b>2020</b>	<b>2019</b>
Total Nonfarm (share of trailing four quarter employment in parentheses)	6.7%	-3.6%	-6.5%	-3.1%	3.0%
Manufacturing (6%)	2.6%	-1.6%	-1.5%	-0.9%	3.8%
Other (non-manufacturing) Goods-Producing (6%)	1.1%	-1.7%	0.7%	1.3%	7.7%
Private Service-Providing (73%)	9.2%	-3.7%	-8.3%	-3.9%	2.8%
Government (14%)	-1.2%	-5.0%	-2.4%	-2.4%	1.6%
Unemployment Rate (% of labor force, seasonally adjusted)	6.7%	6.8%	11.8%	7.9%	4.9%
<b>Other Indicators (% change of 4-qtr moving total, unless noted)</b>	<b>Q2-21</b>	<b>Q1-21</b>	<b>Q2-20</b>	<b>2020</b>	<b>2019</b>
Single-Family Home Permits	40.2%	26.6%	10.7%	26.2%	4.4%
Multifamily Building Permits	7.3%	-9.8%	28.7%	23.3%	28.3%
Home Price Index (change from year ago)	18.7%	12.3%	7.2%	8.2%	6.6%
Nonbusiness Bankruptcy Filings per 1000 people (quarterly annualized level)	1.52	1.27	1.83	1.78	2.26

### BANKING TRENDS

<b>General Information</b>	<b>Q2-21</b>	<b>Q1-21</b>	<b>Q2-20</b>	<b>2020</b>	<b>2019</b>
Institutions (#)	13	13	13	13	14
Total Assets (in millions)	54,784	49,329	36,608	41,951	31,210
New Institutions (# < 3 years)	0	0	0	0	0
Subchapter S Institutions (#)	0	0	0	0	0

<b>Asset Quality</b>	<b>Q2-21</b>	<b>Q1-21</b>	<b>Q2-20</b>	<b>2020</b>	<b>2019</b>
Past-Due and Nonaccrual Loans / Total Loans (median %)	0.42	0.31	0.51	0.43	0.96
Noncurrent Loans / Total Loans (median %)	0.08	0.12	0.33	0.32	0.31
Loan and Lease Allowance / Total Loans (median %)	1.09	1.14	1.08	1.16	1.12
Loan and Lease Allowance / Noncurrent Loans (median multiple)	3.96	3.44	2.37	2.59	2.86
Net Loan Losses / Total Loans (median %, year-to-date annualized)	0.00	0.00	0.00	0.00	0.01

<b>Capital / Earnings (year-to-date annualized, unless noted)</b>	<b>Q2-21</b>	<b>Q1-21</b>	<b>Q2-20</b>	<b>2020</b>	<b>2019</b>
Tier 1 Leverage (median %, end of period)	8.43	8.52	9.22	9.09	10.50
Return on Assets (median %)	1.26	1.13	1.24	1.22	1.03
Pretax Return on Assets (median %)	1.47	1.49	1.52	1.51	1.35
Net Interest Margin (median %)	3.44	3.42	4.04	3.69	4.37
Yield on Earning Assets (median %)	3.60	3.60	4.37	4.11	4.88
Cost of Funding Earning Assets (median %)	0.19	0.19	0.51	0.40	0.75
Provisions to Avg. Assets (median %)	0.03	0.03	0.11	0.18	0.06
Noninterest Income to Avg. Assets (median %)	0.64	0.57	0.47	0.59	0.65
Overhead to Avg. Assets (median %)	2.70	2.61	3.16	3.05	3.51

<b>Liquidity/Sensitivity</b>	<b>Q2-21</b>	<b>Q1-21</b>	<b>Q2-20</b>	<b>2020</b>	<b>2019</b>
Net Loans to Assets (median %)	62.04	61.85	65.94	64.43	67.34
Noncore Funding to Assets (median %)	2.90	5.40	9.10	5.84	5.16
Long-term Assets to Assets (median %, call filers)	36.01	30.27	27.87	33.02	33.40
Brokered Deposits (number of institutions)	4	6	5	5	6
Brokered Deposits to Assets (median % for those above)	1.51	1.73	1.60	1.52	2.32

<b>Loan Concentrations (median % of Tier 1 Capital plus the Reserve for Loan and Lease Losses)</b>	<b>Q2-21</b>	<b>Q1-21</b>	<b>Q2-20</b>	<b>2020</b>	<b>2019</b>
Commercial and Industrial	175	197	248	206	121
Commercial Real Estate	348	328	325	331	336
Construction & Development	34	39	41	40	46
Multifamily Residential Real Estate	13	8	10	8	10
Nonresidential Real Estate	260	277	267	276	260
Residential Real Estate	66	75	79	74	72
Consumer	2	2	3	2	2
Agriculture	1	1	0	0	1

### BANKING PROFILE

<b>Largest Deposit Markets (from 2021 Summary of Deposits)</b>	<b>Institutions in Market</b>	<b>Deposits (\$ millions)</b>	<b>Asset Distribution</b>	<b>Institutions</b>
Phoenix-Mesa-Chandler, AZ	58	156,725	< \$100 million	0 (0%)
Tucson, AZ	20	20,558	\$100 million to \$250 million	5 (38.5%)
Prescott Valley-Prescott, AZ	13	5,417	\$250 million to \$1 billion	5 (38.5%)
Lake Havasu City-Kingman, AZ	11	4,419	\$1 billion to \$10 billion	2 (15.4%)
Flagstaff, AZ	9	3,187	> \$10 billion	1 (7.7%)