

Third Quarter 2018

ECONOMIC INDICATORS (NOT SEASONALLY ADJUSTED, UNLESS NOTED)

Employment Growth Rates (change from year ago, unless noted)

	Q3-18	Q2-18	Q3-17	2017	2016
Total Nonfarm (share of trailing four quarter employment in parentheses)	2.3%	1.5%	0.2%	0.3%	0.1%
Manufacturing (3%)	2.7%	3.3%	-1.1%	-1.6%	-3.4%
Other (non-manufacturing) Goods-Producing (8%)	5.1%	4.5%	8.1%	5.2%	-8.6%
Private Service-Providing (66%)	2.5%	1.7%	0.0%	0.4%	1.6%
Government (22%)	0.6%	-0.4%	-1.6%	-1.3%	-0.2%
Unemployment Rate (% of labor force, seasonally adjusted)	4.6%	5.1%	6.0%	6.2%	6.7%

Other Indicators (change from year ago, unless noted)

	Q3-18	Q2-18	Q3-17	2017	2016
Single-Family Home Permits	12.5%	12.0%	-4.8%	1.2%	0.2%
Multifamily Building Permits	-71.5%	-77.9%	100.8%	-17.5%	163.5%
Home Price Index	2.6%	5.0%	4.7%	4.0%	3.1%
Nonbusiness Bankruptcy Filings per 1000 people (quarterly annualized level)	1.50	1.63	1.48	1.55	1.52

BANKING TRENDS

General Information

	Q3-18	Q2-18	Q3-17	2017	2016
Institutions (#)	38	39	39	39	40
Total Assets (in millions)	13,347	13,478	13,150	13,275	14,785
New Institutions (# < 3 years)	0	0	0	0	0
Subchapter S Institutions	22	23	23	23	23

Asset Quality

	Q3-18	Q2-18	Q3-17	2017	2016
Past-Due and Nonaccrual Loans / Total Loans (median %)	0.91	1.44	1.95	1.88	1.42
Noncurrent Loans / Total Loans (median %)	0.60	0.70	0.95	1.04	0.74
ALLL/Total Loans (median %)	1.50	1.51	1.60	1.52	1.57
ALLL/Noncurrent Loans (median multiple)	1.54	1.51	1.38	1.39	1.83
Net Loan Losses / Total Loans (median %)	0.01	0.00	0.01	0.11	0.10

Capital / Earnings

	Q3-18	Q2-18	Q3-17	2017	2016
Tier 1 Leverage (median %)	10.76	10.43	10.44	10.16	10.32
Return on Assets (median %)	1.49	1.40	1.31	1.26	1.23
Pretax Return on Assets (median %)	1.78	1.61	1.52	1.52	1.34
Net Interest Margin (median %)	4.21	3.88	3.98	3.86	3.81
Yield on Earning Assets (median %)	4.61	4.31	4.27	4.14	3.99
Cost of Funding Earning Assets (median %)	0.32	0.29	0.26	0.25	0.25
Provisions to Avg. Assets (median %)	0.10	0.07	0.08	0.08	0.09
Noninterest Income to Avg. Assets (median %)	0.71	0.67	0.71	0.69	0.71
Overhead to Avg. Assets (median %)	2.91	2.87	2.87	2.81	2.83

Liquidity/Sensitivity

	Q3-18	Q2-18	Q3-17	2017	2016
Net Loans to Assets (median %)	52.34	49.29	48.63	46.87	45.76
Noncore Funding to Assets (median %)	6.99	7.17	7.17	7.05	6.76
Long-term Assets to Assets (median %, call filers)	35.49	31.13	33.88	33.13	32.52
Brokered Deposits (number of institutions)	4	5	10	10	9
Brokered Deposits to Assets (median % for those above)	2.63	2.63	2.66	2.31	3.10

Loan Concentrations (median % of Qualifying Total Capital)

	Q3-18	Q2-18	Q3-17	2017	2016
Commercial and Industrial	48	56	47	56	57
Commercial Real Estate	203	204	185	190	182
Construction & Development	37	33	32	37	34
Multifamily Residential Real Estate	9	10	10	10	12
Nonresidential Real Estate	120	126	118	116	121
Residential Real Estate	82	81	92	90	86
Consumer	6	7	8	8	9
Agriculture	15	16	19	18	22

BANKING PROFILE

Largest Deposit Markets (from 2018 Summary of Deposits)	Institutions in Market	Deposits (\$ millions)	Asset Distribution	
			Assets	Institutions
Albuquerque, NM	23	14,510	< \$100 million	5 (13.2%)
Santa Fe, NM	10	3,118	\$100 million to \$250 million	16 (42.1%)
Las Cruces, NM	18	2,102	\$250 million to \$1 billion	14 (36.8%)
Farmington, NM	8	1,470	\$1 billion to \$10 billion	3 (7.9%)
			> \$10 billion	0 (0%)