

FDIC State Profile

Hawaii

Second Quarter 2017

ECONOMIC INDICATORS

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

| | Q2-17 | Q1-17 | Q2-16 | 2016 | 2015 |
|--|-------|-------|-------|-------|------|
| Total Nonfarm (share of trailing four quarter employment in parentheses) | 1.3% | 0.9% | 1.3% | 1.4% | 1.8% |
| Manufacturing (2%) | -2.4% | -3.3% | -0.2% | -0.5% | 1.9% |
| Other (non-manufacturing) Goods-Producing (6%) | -1.0% | -1.9% | 10.8% | 8.2% | 8.8% |
| Private Service-Providing (73%) | 1.8% | 1.3% | 1.2% | 1.4% | 1.8% |
| Government (19%) | 0.6% | 0.6% | -0.6% | -0.1% | 0.1% |
| Unemployment Rate (% of labor force) | 2.7% | 2.8% | 3.1% | 3.0% | 3.6% |

Other Indicators (change from year ago, unless noted)

| | Q2-17 | Q1-17 | Q2-16 | 2016 | 2015 |
|---|--------|-------|--------|--------|--------|
| Single-Family Home Permits | 33.6% | 18.4% | -23.4% | -7.1% | 7.0% |
| Multifamily Building Permits | -77.0% | 11.7% | 37.0% | -56.4% | 250.8% |
| Home Price Index | 6.0% | 3.6% | 6.6% | 6.7% | 6.6% |
| Nonbusiness Bankruptcy Filings per 1000 people (quarterly annualized level) | 0.88 | 0.93 | 0.96 | 0.96 | 1.07 |

BANKING TRENDS

General Information

| | Q2-17 | Q1-17 | Q2-16 | 2016 | 2015 |
|--------------------------------|--------|--------|--------|--------|--------|
| Institutions (#) | 8 | 8 | 8 | 8 | 8 |
| Total Assets (in millions) | 52,725 | 51,679 | 49,558 | 51,122 | 49,037 |
| New Institutions (# < 3 years) | 0 | 0 | 0 | 0 | 0 |
| Subchapter S Institutions | 0 | 0 | 0 | 0 | 0 |

Asset Quality

| | Q2-17 | Q1-17 | Q2-16 | 2016 | 2015 |
|--|-------|-------|-------|------|------|
| Past-Due and Nonaccrual Loans / Total Loans (median %) | 0.36 | 0.40 | 0.48 | 0.42 | 0.64 |
| Noncurrent Loans / Total Loans (median %) | 0.23 | 0.24 | 0.34 | 0.28 | 0.45 |
| ALLL/Total Loans (median %) | 1.13 | 1.15 | 1.20 | 1.16 | 1.23 |
| ALLL/Noncurrent Loans (median multiple) | 5.55 | 6.73 | 4.77 | 5.79 | 3.62 |
| Net Loan Losses / Total Loans (median %) | 0.01 | 0.07 | 0.02 | 0.02 | 0.02 |

Capital / Earnings

| | Q2-17 | Q1-17 | Q2-16 | 2016 | 2015 |
|--|-------|-------|-------|------|-------|
| Tier 1 Leverage (median %) | 9.52 | 9.43 | 9.44 | 9.34 | 10.11 |
| Return on Assets (median %) | 0.94 | 0.96 | 0.89 | 0.92 | 0.96 |
| Pretax Return on Assets (median %) | 1.52 | 1.48 | 1.41 | 1.44 | 1.45 |
| Net Interest Margin (median %) | 3.44 | 3.40 | 3.40 | 3.39 | 3.38 |
| Yield on Earning Assets (median %) | 3.65 | 3.63 | 3.69 | 3.63 | 3.54 |
| Cost of Funding Earning Assets (median %) | 0.25 | 0.23 | 0.25 | 0.25 | 0.24 |
| Provisions to Avg. Assets (median %) | 0.04 | 0.08 | 0.01 | 0.02 | 0.00 |
| Noninterest Income to Avg. Assets (median %) | 0.82 | 0.80 | 0.81 | 0.83 | 0.76 |
| Overhead to Avg. Assets (median %) | 2.49 | 2.45 | 2.54 | 2.61 | 2.63 |

Liquidity/Sensitivity

| | Q2-17 | Q1-17 | Q2-16 | 2016 | 2015 |
|--|-------|-------|-------|-------|-------|
| Net Loans to Assets (median %) | 65.71 | 65.46 | 63.94 | 65.61 | 62.60 |
| Noncore Funding to Assets (median %) | 12.59 | 14.72 | 14.37 | 14.34 | 13.73 |
| Long-term Assets to Assets (median %, call filers) | 53.28 | 46.20 | 44.53 | 43.60 | 42.55 |
| Brokered Deposits (number of institutions) | 2 | 2 | 2 | 2 | 2 |
| Brokered Deposits to Assets (median % for those above) | 2.09 | 1.69 | 0.21 | 1.03 | 0.14 |

Loan Concentrations (median % of Qualifying Total Capital)

| | Q2-17 | Q1-17 | Q2-16 | 2016 | 2015 |
|-------------------------------------|--------|--------|--------|--------|--------|
| Commercial and Industrial | 70.61 | 72.01 | 73.47 | 73.97 | 76.41 |
| Commercial Real Estate | 166.95 | 166.08 | 161.18 | 169.90 | 152.95 |
| Construction & Development | 25.85 | 23.91 | 21.10 | 21.78 | 17.51 |
| Multifamily Residential Real Estate | 28.88 | 29.96 | 26.57 | 29.46 | 24.60 |
| Nonresidential Real Estate | 115.45 | 114.86 | 109.91 | 114.59 | 103.17 |
| Residential Real Estate | 322.29 | 316.56 | 310.15 | 319.57 | 298.13 |
| Consumer | 20.74 | 20.32 | 18.08 | 19.38 | 17.21 |
| Agriculture | 0.39 | 0.37 | 0.31 | 0.32 | 0.22 |

BANKING PROFILE

Largest Deposit Markets (from 2016 Summary of Deposits)

| | Institutions in Market | Deposits (\$ millions) | Asset Distribution | Institutions |
|-----------------------------|------------------------|------------------------|--------------------------------|--------------|
| Urban Honolulu, HI | 12 | 33,384 | < \$100 million | 0 (0%) |
| Kahului-Wailuku-Lahaina, HI | 7 | 3,152 | \$100 million to \$250 million | 1 (12.5%) |
| | | | \$250 million to \$1 billion | 2 (25%) |
| | | | \$1 billion to \$10 billion | 3 (37.5%) |
| | | | > \$10 billion | 2 (25%) |