• Washington’s economy remained among the strongest in the nation, despite slowed growth in the second half of 2017 due to a weakened manufacturing industry. Job growth stayed well above the national average, but slowed in the past year. Unemployment was high compared to the nation, with unemployment concentrated outside of the tech-supported Seattle metro area. Although home building outpaced the nation on a per capita basis, housing markets remained undersupplied, contributing to home price appreciation.

• Washington’s banks had mixed results in the second half of 2017. Return on average assets declined below the national average due to one-time write-downs of deferred tax assets, although pre-tax return on average assets increased year-over-year. The average non-performing assets ratio improved since mid-2017 and was again among the lowest in the nation. Regulatory capital did not keep pace with risk-weighted asset growth, which was increasingly centered in commercial real estate loans. Continued loan growth caused on-balance sheet liquidity to tighten year-over-year; however, liquid investments were higher than pre-crisis levels.

Key Economic Metrics

<table>
<thead>
<tr>
<th>Economic Metric</th>
<th>Data as of 12/31/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year-over-Year Job Growth: 2.7%</td>
<td>Rank: #4</td>
</tr>
<tr>
<td>Unemployment: 4.7%</td>
<td>Rank: #9</td>
</tr>
<tr>
<td>Year-over-Year Home Price Growth: 11.1%</td>
<td>Rank: #2</td>
</tr>
<tr>
<td>Single Family Permits / 1,000 Residents: 3.1</td>
<td>Rank: #14</td>
</tr>
</tbody>
</table>

The opinions expressed in this publication are those of the authors. Opinions are intended only for informational purposes, and are not formal opinions of, nor binding on, the Federal Reserve Bank of San Francisco or the Board of Governors of the Federal Reserve System.
Banks at a Glance: Washington

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

**Year to Date Return on Average Assets: 0.81%**
- Rank: #29
- Net income / average assets, adjusted for S-Corps, annualized

**Year-over-Year Net Loan Growth: 9.0%**
- Rank: #10

**Nonperforming Assets / Total Assets: 0.34%**
- Rank: #45

**Total Risk-Based Capital Ratio: 14.6%**
- Rank: #41

**CRE Concentration: 237%**
- Rank: #4

**Securities and Liquid Invest. / Total Assets: 23.8%**
- Rank: #38

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 37 for the state and 4,882 for the nation.

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