Washington's economy continued to perform well in the first half of 2018. Job growth ranked fifth in the nation and the unemployment rate held steady. Helped by consistent population growth, the demand for single-family housing continued to outpace the rate of homebuilding and intensified residential price pressures on purchases and rentals.

Washington’s banking sector showed overall solid results in the first half of 2018. The average return on average assets ratio improved considerably, from the bottom half of states in 2017 to a near top ten ranking, and approached its pre-crisis level, mainly from wider margins and lower tax rates. Average nonperforming assets drifted up, but remained among the lowest in the nation. On-balance sheet liquidity and total risk-based capital ratios were flat and continued to compare unfavorably to national averages due in part to Washington banks' high investments in less-liquid commercial real estate credits.

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

#### Year-over-Year Job Growth: 2.9%
- Rank: #5

![Year-over-Year Job Growth Graph](image)

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

#### Unemployment: 4.7%
- Rank: #4

![Unemployment Graph](image)

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

#### Year-over-Year Home Price Growth: 12.1%
- Rank: #3

![Year-over-Year Home Price Growth Graph](image)

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

#### Single Family Permits / 1,000 Residents: 3.2
- Rank: #14

![Single Family Permits Graph](image)

Trailing twelve month single family permits / average twelve month population in thousands, by state
Source: Census Bureau

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**Banks at a Glance: Washington**

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

**Year to Date Return on Average Assets: 1.12%**

Rank: #13

**Year-over-Year Net Loan Growth: 9.3%**

Rank: #8

**Nonperforming Assets / Total Assets: 0.38%**

Rank: #45

**Total Risk-Based Capital Ratio: 14.6%**

Rank: #42

**CRE Concentration: 235%**

Rank: #4

**Securities and Liquid Invest. / Total Assets: 23.9%**

Rank: #36

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

**Nonperforming Assets / Total Assets**

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

**Total capital / risk-weighted assets**

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

**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 36 for the state and 4,794 for the nation.

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