• Hawaii’s economy remained strong. The unemployment rate ranked among the lowest in the nation and job growth improved recently. Demand for housing, coupled with low permit activity, stoked single-family home price growth and strained affordability further.

• Hawaii’s five commercial banks performed on par with the nation in the first half of 2017 in terms of average profitability. Loan growth ranked eleventh best, yet slowed in recent quarters. The average nonperforming assets ratio remained the lowest in the nation, fully recovered from the crisis. On average, equity formation improved at a faster pace than asset growth, due partly to lower dividend payouts, lifting regulatory capital ratios. The level of securities and liquid investments to total assets continued to trend above the nation.

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: Hawaii

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

Year-to-Date Return on Average Assets: 0.86%
Rank: #25

Year-over-Year Net Loan Growth: 9.1%
Rank: #11

Nonperforming Assets / Total Assets: 0.09%
Rank: #50

Total Risk-Based Capital: 14.6%
Rank: #40

CRE Concentration: 152%
Rank: #23

Securities and Liquid Invest. / Total Assets: 30.6%
Rank: #14

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 five for the state and 4,978 for the nation.

For this and other publications, see: http://www.frbsf.org/banking/publications
Contact Media Relations for press inquiries: http://www.frbsf.org/our-district/contact-us/