Banks at a Glance: Washington

Economic and Banking Highlights

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FEDERAL RESERVE BANK OF SAN FRANCISCO

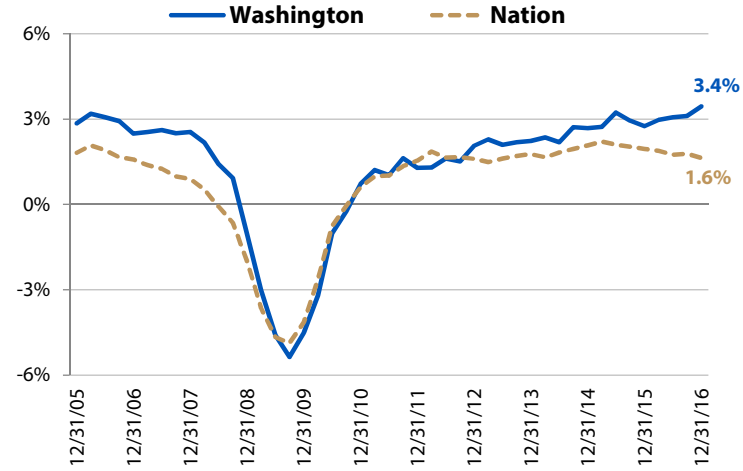
Data as of 12/31/2016

- Washington's economy continued to expand. Job growth and home prices have more than recovered from the recession and the unemployment rate continued its downward trend. Strong population and job growth fueled multifamily construction while single family housing permit volumes were steady. Deteriorating home affordability remained a concern in key metro areas.
- Washington banks were solid performers. Loan growth was strong and the average level of nonperforming assets to total assets improved significantly since its peak of 5.8% during the financial crisis. Concentrations in CRE remained relatively high although the typically more risky construction and land development loan portion equaled a relatively modest 25% of capital on average. Although average risk-based capital ratios remained above pre-crisis levels, they compared unfavorably the national average, reflecting in part elevated CRE loan concentrations. Average net noncore funds reliance was one of the lowest among all states.

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

Year-over-Year Job Growth: 3.4%

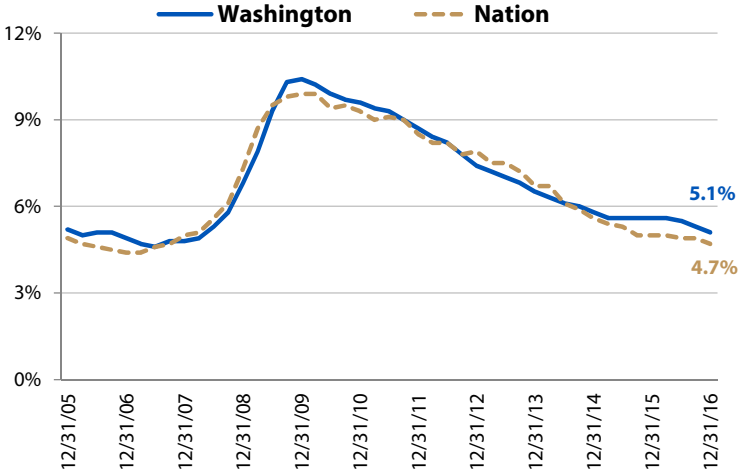
Rank: #3



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

Unemployment: 5.1%

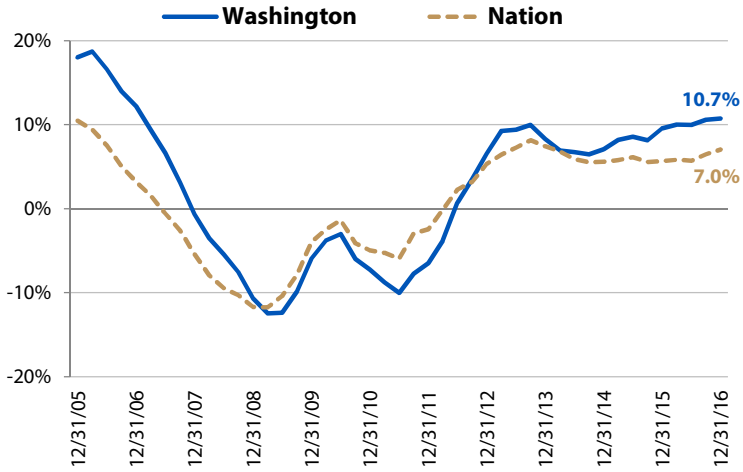
Rank: #12



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

Year-over-Year Home Price Growth: 10.7%

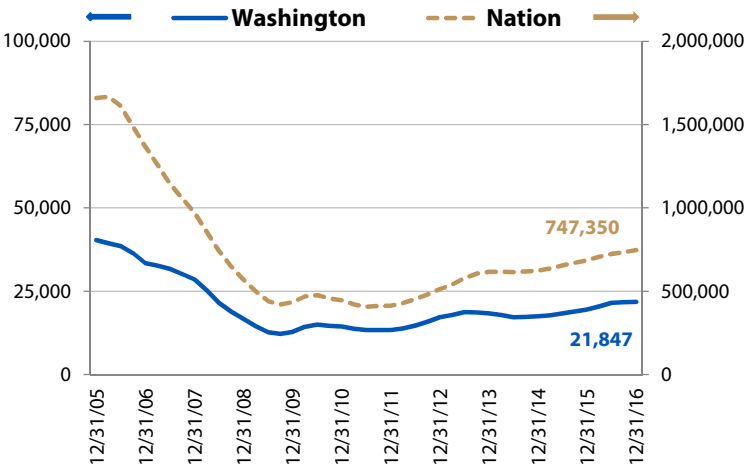
Rank: #3



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

Housing Permit Volume: 21,847

Rank: #15



Single family permits, trailing four quarter total; ranking based on number of new permit volumes / estimated total households by state
Source: Census Bureau

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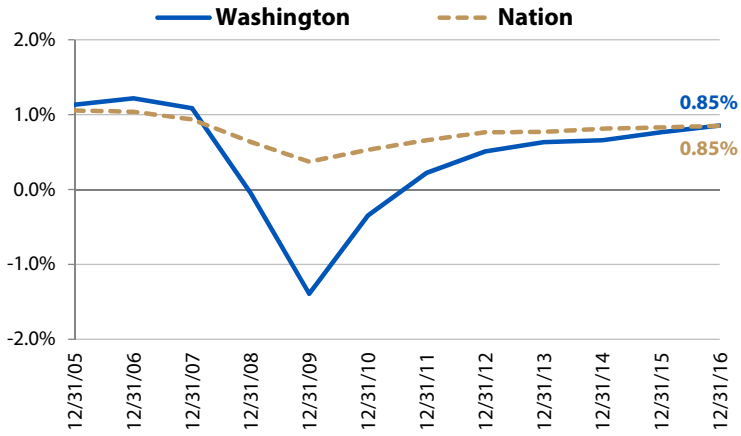
Key Banking Metrics (averages across banks; ranking #1 = highest in the nation)

Year-to-Date Return On Assets: 0.85%

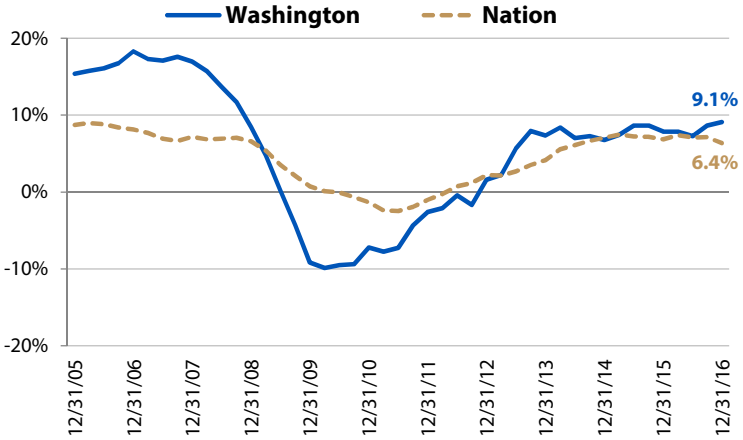
Rank: #27



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

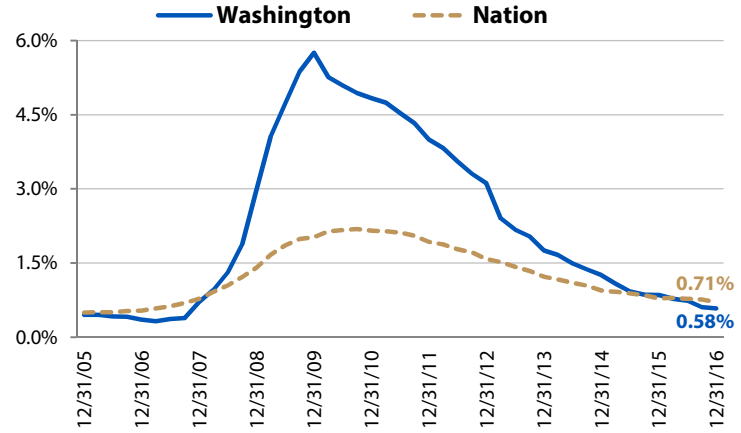
Year-over-Year Net Loan Growth: 9.1%

Rank: #11



Nonperforming Assets / Total Assets: 0.58%

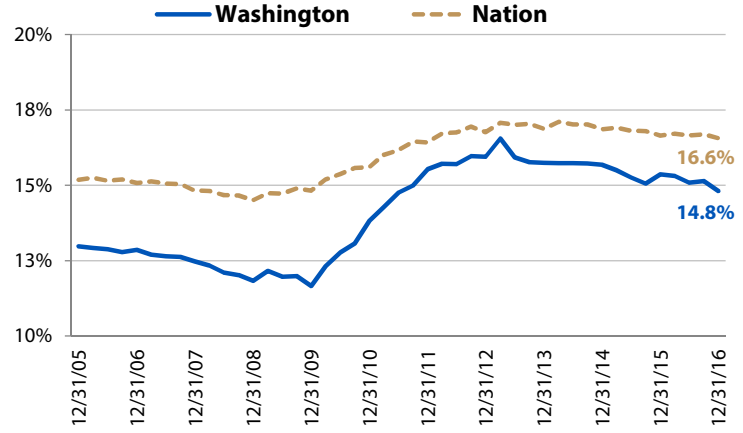
Rank: #37



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

Total Risk-Based Capital: 14.8%

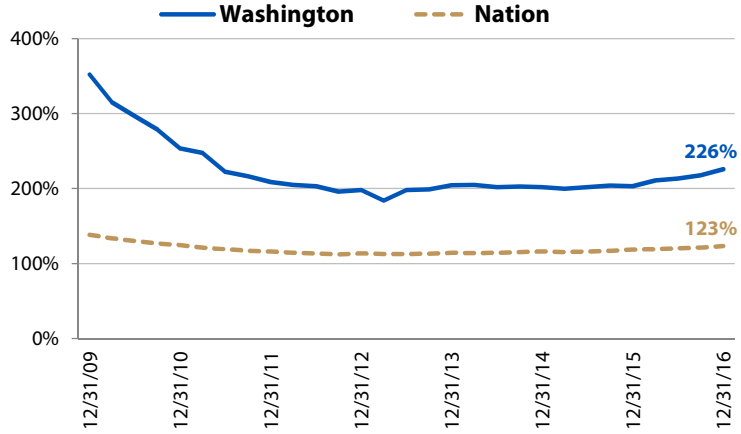
Rank: #38



Total capital / risk-weighted assets

CRE Concentration: 226%

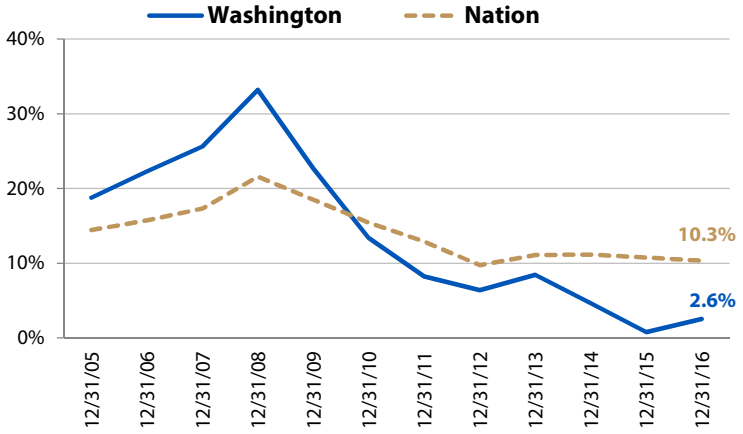
Rank: #7



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

Net Noncore Funding Dependence: 2.6%

Rank: #44



Noncore liabilities (using 100k threshold) less short term investments / long term assets

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 and net noncore funding dependence which display 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 39 for the state and 5,082 for the nation.

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