FEDERAL RESERVE BANK OF SAN FRANCISCO

Banks at a Glance: Washington

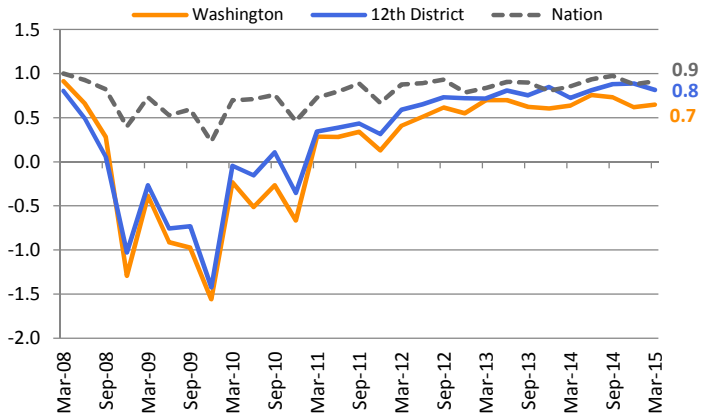
Federal Reserve Bank of San Francisco
Financial Institution Supervision and Credit

Data as of 03/31/15

Overview:

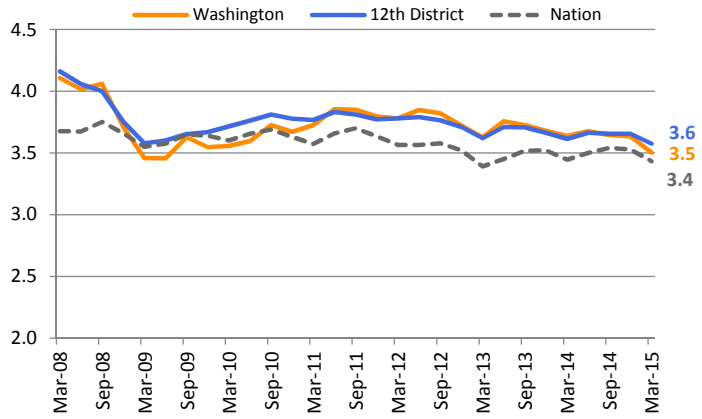
- Washington banks' average quarterly ROAA was relatively flat year-over-year and continued to trail the nation. Declines in net interest margins and noninterest revenue ratios were generally offset by lower overhead and provision expense ratios. Although declining, the state's average noninterest expense ratio remained above-average, led by high personnel costs.
- Average net loan growth was relatively flat, rising 7.4% year-over-year. Over the past two years Washington banks have experienced a slight shift from commercial & industrial loans towards multifamily mortgages.
- Average asset quality metrics showed improvement from quarter-to-quarter and year-over-year. With banks working off foreclosed real estate, the average nonperforming assets ratio dropped to 1.0%, just above the national average.

Average 1-Quarter Return on Avg. Assets (%)



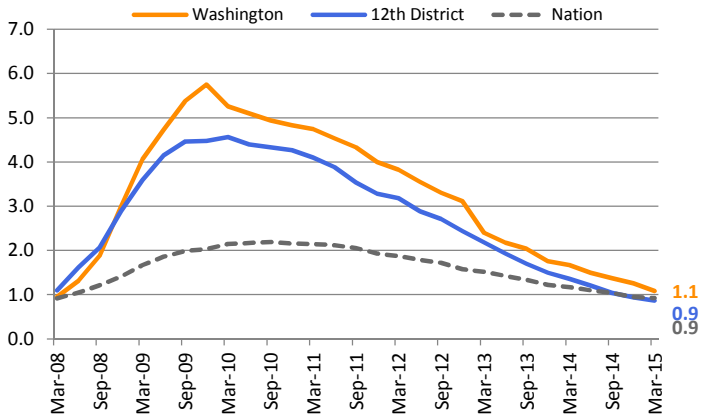
Quarterly net income / average assets, annualized

Avg. Net Interest Income (TE) / Avg. Assets (%)



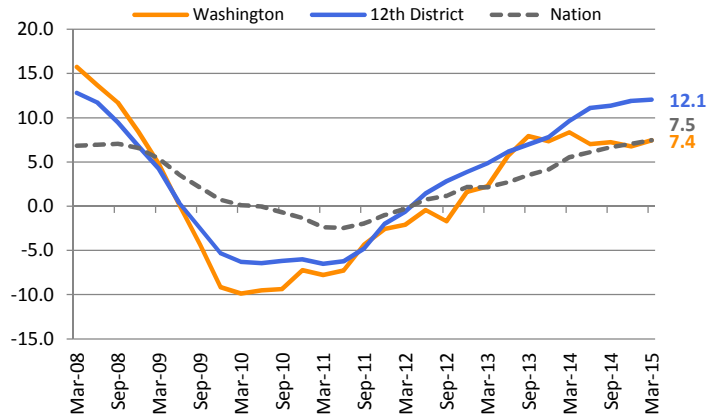
Quarterly, annualized, TE: tax equivalency basis

Avg. Nonperforming Assets / Total Assets (%)

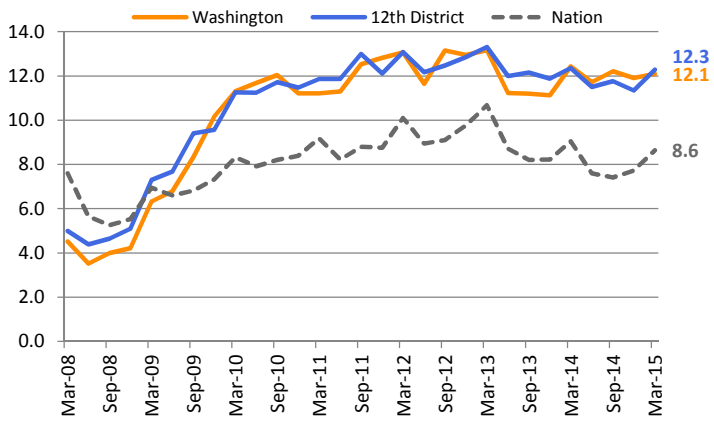


Nonperforming: 90 + days past due + nonaccrual + other real estate owned

Avg. Net Loan Growth Rate, Year-Over-Year (%)

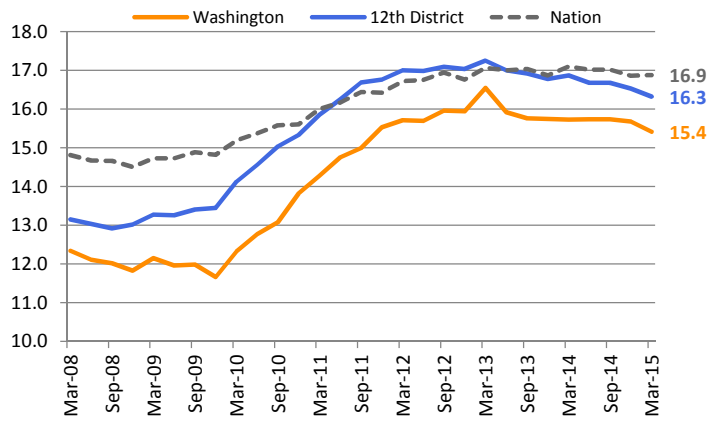


Avg. Short-Term Investments / Total Assets (%)



Short-term investments: < = 1 year

Average Total Risk-Based Capital Ratio (%)



Total capital / risk-based assets

Note: Ratios represent 10% trimmed means (highest and lowest 10% of ratios are trimmed before averaging), ROAA is return on average assets.

Banking Trends *(commercial banks only)* *Data as of 03/31/15*

I. Summary Items	Washington			United States		
	Mar-15	Dec-14	Mar-14	Mar-15	Dec-14	Mar-14
median bank asset size (millions)	$205	$182	$230	$176	$173	$167
number of banks	46	47	50	5,501	5,572	5,742
-state member	2	2	2	814	822	828
-national	7	7	7	1,048	1,064	1,130
-nonmember	37	38	41	3,639	3,686	3,784
memo: number < 5 yrs. old	0	0	1	11	13	25

II. Balance Sheet Highlights	Average Washington Bank (trimmed 10%)			Average U.S. Bank (trimmed 10%)		
	Mar-15	Dec-14	Mar-14	Mar-15	Dec-14	Mar-14
Selected Loan Concentrations (% Total Risk-Based Capital)	%	%	%	%	%	%
total CRE (excl. owner-occupied nonfarm-nonresidential)	200.8	201.8	204.9	115.9	116.0	113.7
-construction & land development	37.3	37.3	37.3	27.3	27.6	26.0
-nonfarm nonresidential (excl. owner-occupied)	117.4	116.1	117.0	65.5	65.5	65.5
-multi-family	32.6	33.5	33.3	11.8	11.8	11.6
nonfarm nonresidential owner-occupied	125.2	125.1	125.5	70.2	70.2	71.7
1-4 family residential (includes home equity)	95.4	92.4	89.3	139.4	140.0	137.3
agricultural & farmland secured	20.2	23.2	22.5	64.3	66.2	60.0
commercial & industrial	110.6	109.7	115.8	76.2	76.9	76.3
consumer	11.8	12.0	13.1	21.7	22.5	22.5
Liquidity, Funding, and Capital	%	%	%	%	%	%
net loan growth rate (year-over-year)	7.4	6.8	8.4	7.5	7.0	5.5
net loans / assets	67.1	67.6	67.5	61.1	61.6	59.1
core deposits / total assets (w/CDs <= $250K)	81.3	81.5	81.6	79.5	79.2	80.2
net noncore funding dependence (w/CDs > $250K)	-5.9	-6.3	-7.2	-0.6	1.0	-1.4
securities / assets	11.2	11.1	11.1	21.9	22.0	22.9
tier 1 leverage ratio	10.6	10.4	10.4	10.4	10.3	10.3
total risk-based capital ratio	15.4	15.7	15.7	16.9	16.9	17.1

III. Performance Measures	Mar-15	Dec-14	Mar-14	Mar-15	Dec-14	Mar-14
Earnings (year-to-date annualized)	%	%	%	%	%	%
return on average assets	0.65	0.71	0.64	0.91	0.92	0.85
net interest income (tax equivalent) / average assets	3.50	3.65	3.64	3.43	3.50	3.44
noninterest revenues / average assets	0.51	0.57	0.58	0.58	0.60	0.57
overhead expenses / average assets	3.21	3.34	3.34	2.83	2.91	2.88
loan loss provisions / average assets	0.02	0.06	0.05	0.06	0.09	0.07
efficiency ratio	77.89	76.72	76.52	69.47	69.60	70.53
Asset Quality	%	%	%	%	%	%
noncurrent loans / total loans	0.78	0.89	1.29	0.97	0.97	1.23
loans past due 30-89 days / total loans	0.29	0.32	0.51	0.76	0.68	0.86
loans past due 30+ days or nonaccrual / total loans	1.24	1.33	2.02	1.88	1.81	2.26
allowance for losses / loans & leases not held for sale	1.58	1.66	1.85	1.45	1.45	1.58
net charge-offs / average loans (YTD annualized)	0.02	0.12	0.05	0.04	0.14	0.07

Population of banks includes commercial banks only. De Novo banks (<5 years old) are omitted. CRE = Commercial Real Estate.
Averages are trimmed (upper/lower 10% of observations are removed before averaging).
Sources: Regulatory Condition & Income Reports and Federal Reserve financial databases.
For this and other publications, see: http://www.frbsf.org/banking/publications.

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