

Banks at a Glance: Hawaii

Economic and Banking Highlights

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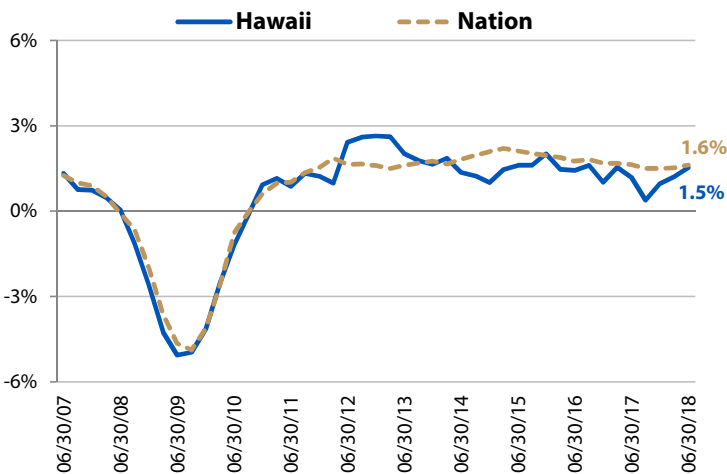
Data as of 6/30/2018

- Hawaii's economy continued growing during the first half of 2018 amid exceptional labor constraints. Job growth, driven by outsized gains in the critical leisure/hospitality sector, was on par with the national average, while unemployment remained the lowest in the nation. Rising wages continued to create demand for housing, but migration outflows, rising interest rates, and affordability strains slowed home price appreciation. The Kilauea volcanic eruption in May and Hurricane Lane in August reduced visitor expenditures into the third quarter and could have a longer, lagging effect on the state's economy.
- Hawaiian bank profitability performed in-line with the national average in the first half of 2018 as more favorable tax rates and more attractive margins sharply raised the average return on average assets. Net loan growth outpaced the national average, but moderated in recent quarters and came at the expense of on-balance sheet liquidity. The state again took first place for the lowest average nonperforming assets ratio. The average total risk-based capital ratio slipped as dividend payouts climbed.

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

Year-over-Year Job Growth: 1.5%

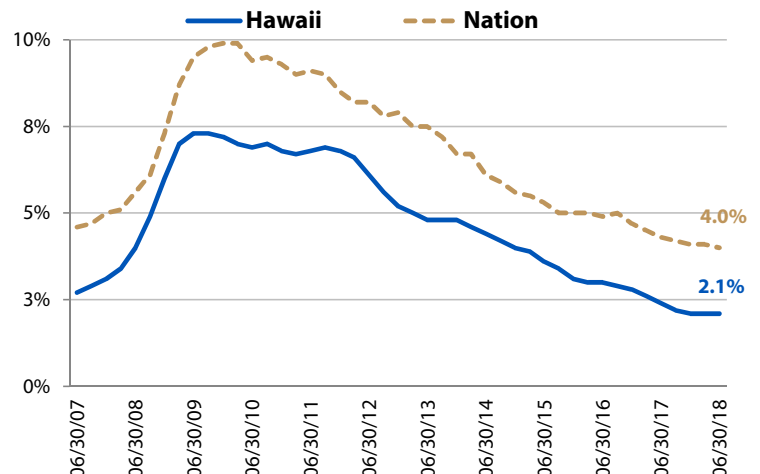
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Establishment Survey, nonfarm payrolls, quarterly average, seasonally adjusted
Source: Bureau of Labor Statistics

Unemployment: 2.1%

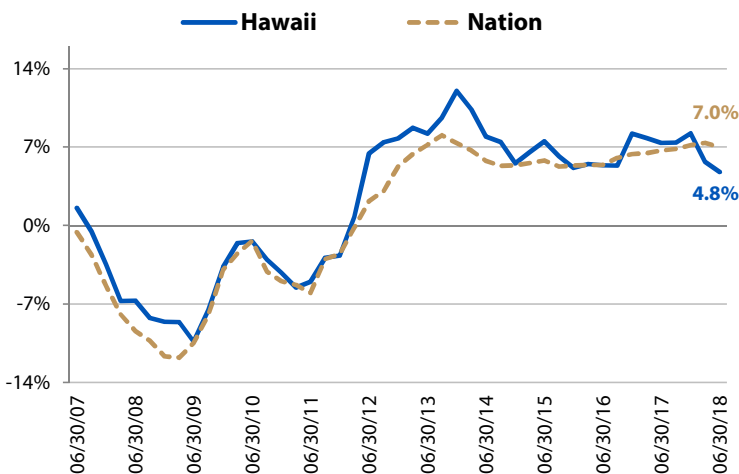
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Household Employment Survey, end of period, seasonally adjusted
Source: Bureau of Labor Statistics

Year-over-Year Home Price Growth: 4.8%

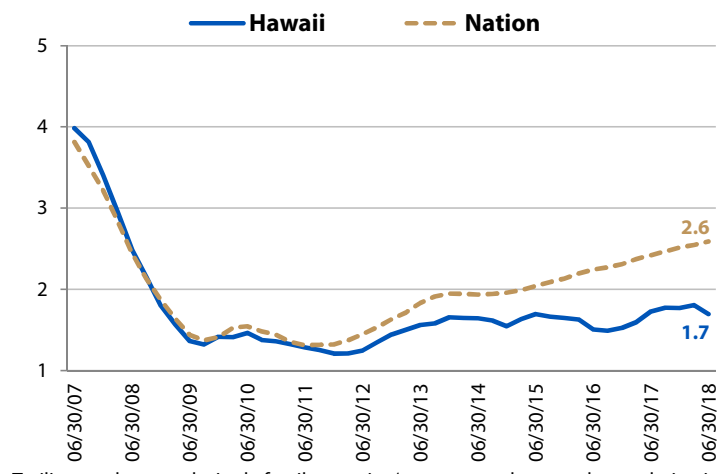
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Housing Price Index, year-over-year change of average home prices
Source: Federal Housing Finance Agency

Single Family Permits / 1,000 Residents: 1.7

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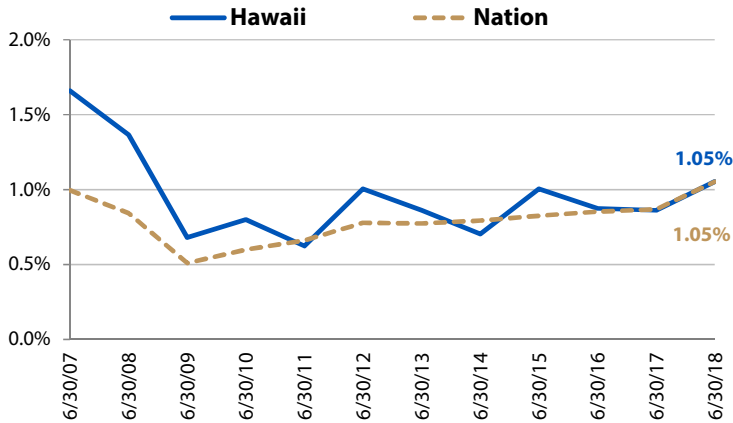


Trailing twelve month single family permits / average twelve month population in thousands, by state
Source: Census Bureau

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

Year to Date Return on Average Assets: 1.05%

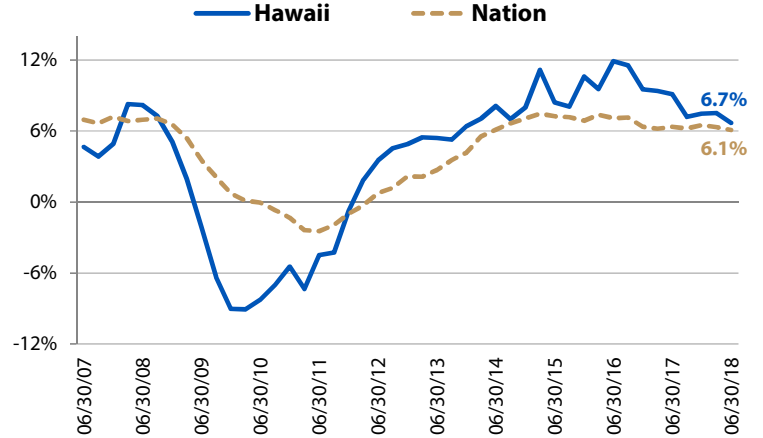
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Net income / average assets, adjusted for S-Corps, annualized

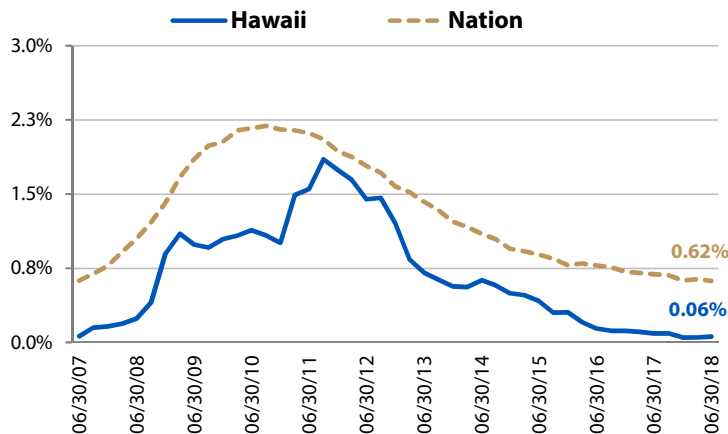
Year-over-Year Net Loan Growth: 6.7%

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Nonperforming Assets / Total Assets: 0.06%

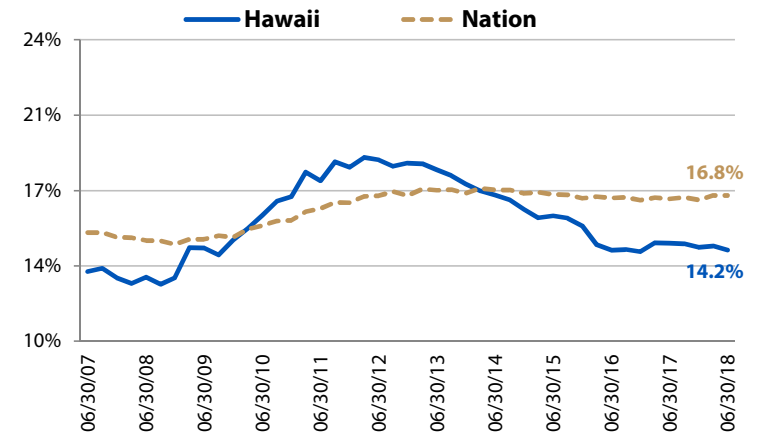
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90+ days past due + nonaccruals + other real estate owned / total assets

Total Risk-Based Capital Ratio: 14.2%

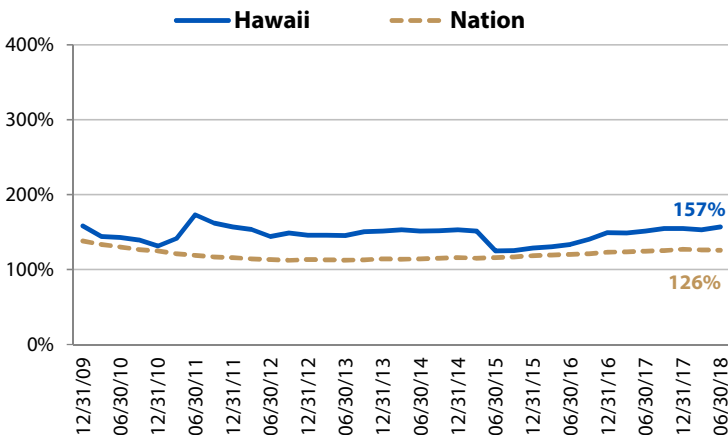
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Total capital / risk-weighted assets

CRE Concentration: 157%

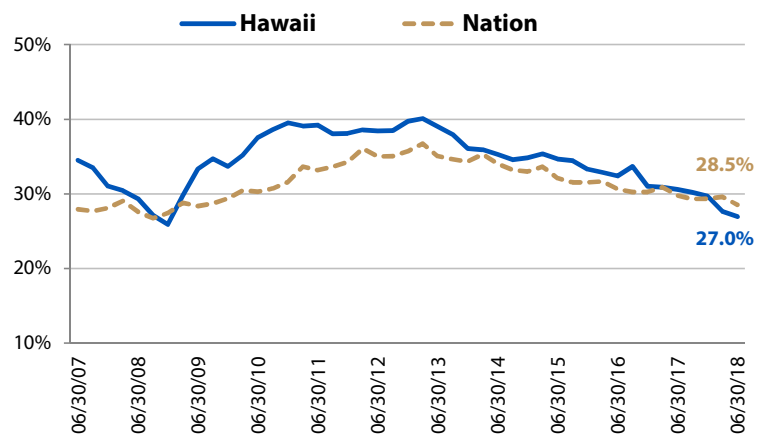
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Total nonowner-occupied commercial real estate / total capital (data first available in 2009)

Securities and Liquid Invest. / Total Assets: 27.0%

Rank: #24



Liquid investments = cash, due from balances, interest bearing bank balances, and Fed funds sold and securities purchased under agreements to resell

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 5 for the state and 4,794 for the nation.