

Banks at a Glance: Washington

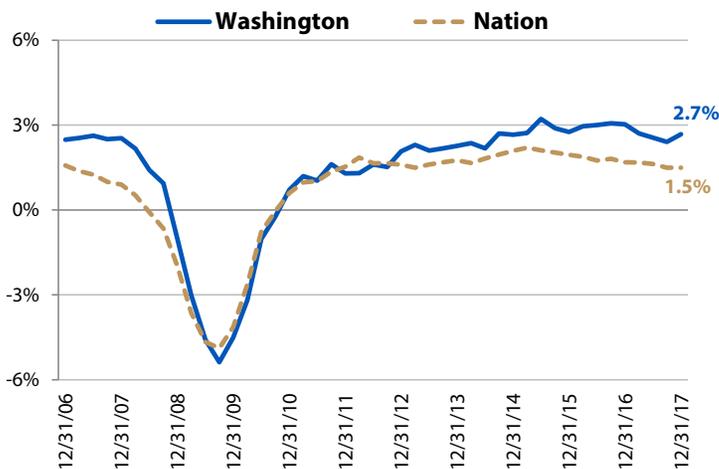
Economic and Banking Highlights

- Washington's economy remained among the strongest in the nation, despite slowed growth in the second half of 2017 due to a weakened manufacturing industry. Job growth stayed well above the national average, but slowed in the past year. Unemployment was high compared to the nation, with unemployment concentrated outside of the tech-supported Seattle metro area. Although home building outpaced the nation on a per capita basis, housing markets remained undersupplied, contributing to home price appreciation.
- Washington's banks had mixed results in the second half of 2017. Return on average assets declined below the national average due to one-time write-downs of deferred tax assets, although pre-tax return on average assets increased year-over-year. The average non-performing assets ratio improved since mid-2017 and was again among the lowest in the nation. Regulatory capital did not keep pace with risk-weighted asset growth, which was increasingly centered in commercial real estate loans. Continued loan growth caused on-balance sheet liquidity to tighten year-over-year; however, liquid investments were higher than pre-crisis levels.

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

Year-over-Year Job Growth: 2.7%

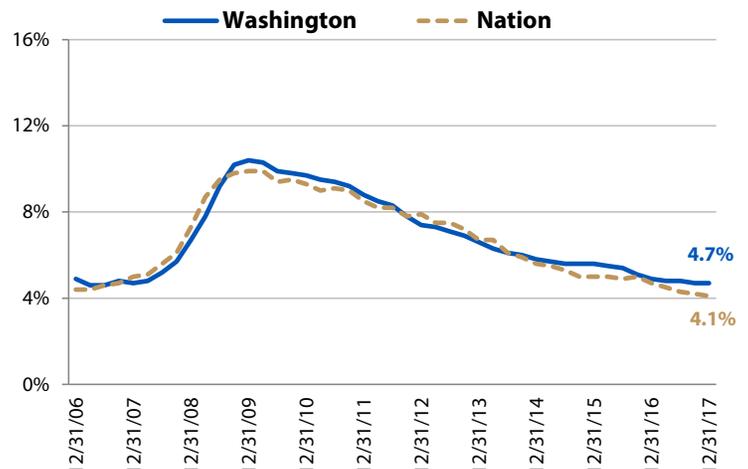
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Establishment Survey, nonfarm payrolls, quarterly average, seasonally adjusted
Source: Bureau of Labor Statistics

Unemployment: 4.7%

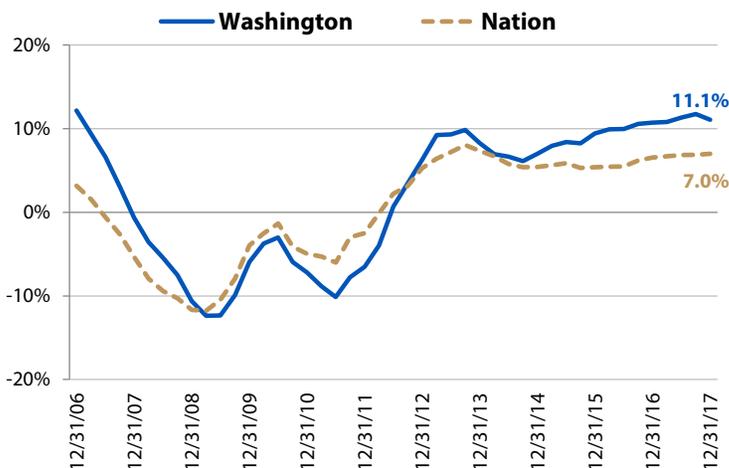
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Household Employment Survey, end of period, seasonally adjusted
Source: Bureau of Labor Statistics

Year-over-Year Home Price Growth: 11.1%

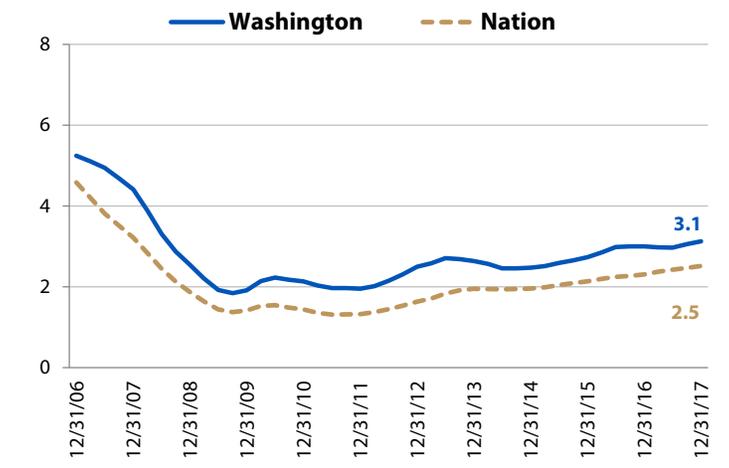
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Housing Price Index, year-over-year change of average home prices
Source: Federal Housing Finance Agency

Single Family Permits / 1,000 Residents: 3.1

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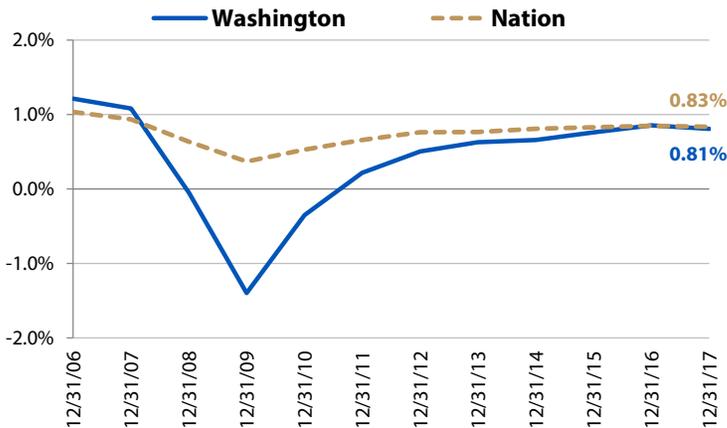


Trailing twelve month single family permits / average twelve month population in thousands, by state
Source: Census Bureau

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

Year to Date Return on Average Assets: 0.81%

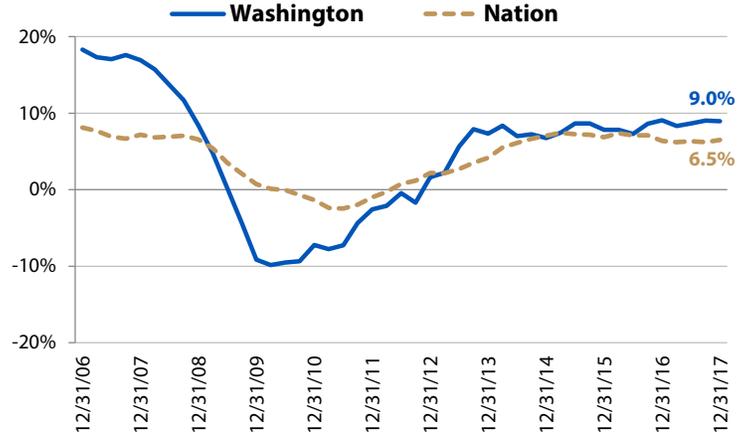
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Net income / average assets, adjusted for S-Corps, annualized

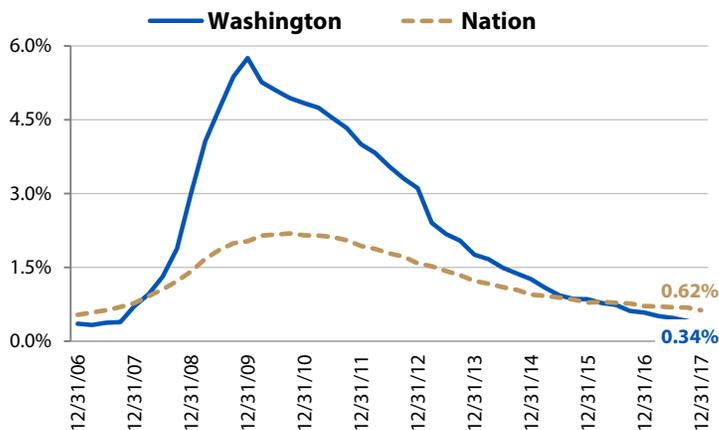
Year-over-Year Net Loan Growth: 9.0%

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Nonperforming Assets / Total Assets: 0.34%

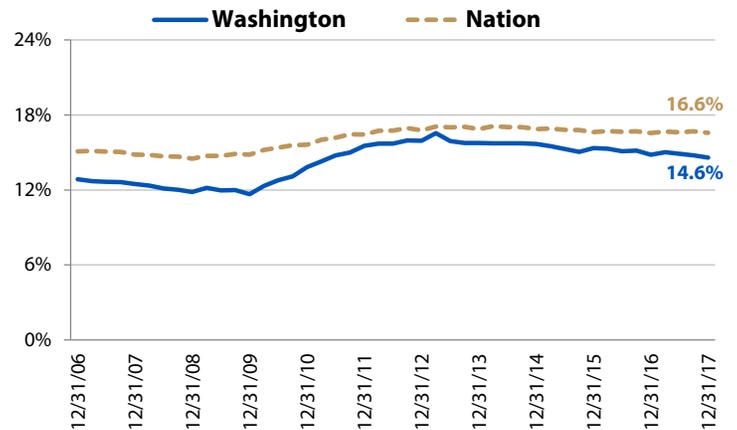
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90+ days past due + nonaccruals + other real estate owned / total assets

Total Risk-Based Capital Ratio: 14.6%

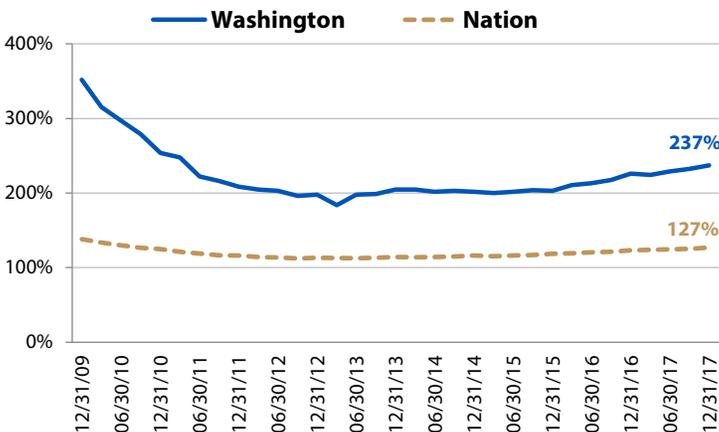
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Total capital / risk-weighted assets

CRE Concentration: 237%

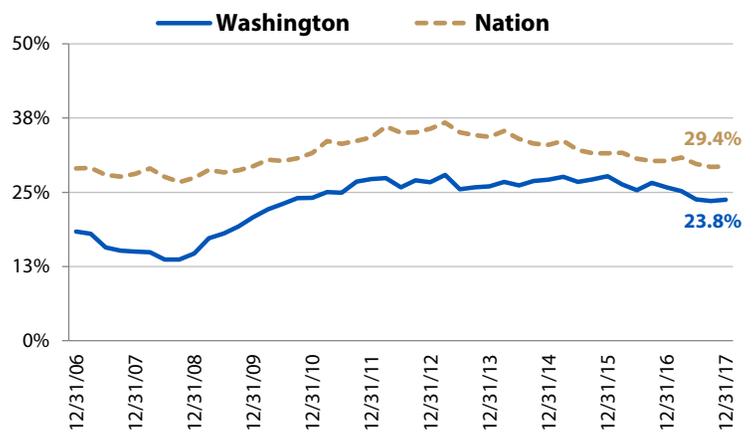
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Total nonowner-occupied commercial real estate / total capital (data first available in 2009)

Securities and Liquid Invest. / Total Assets: 23.8%

Rank: #38



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 37 for the state and 4,882 for the nation.