

Banks at a Glance: Washington

Economic and Banking Highlights

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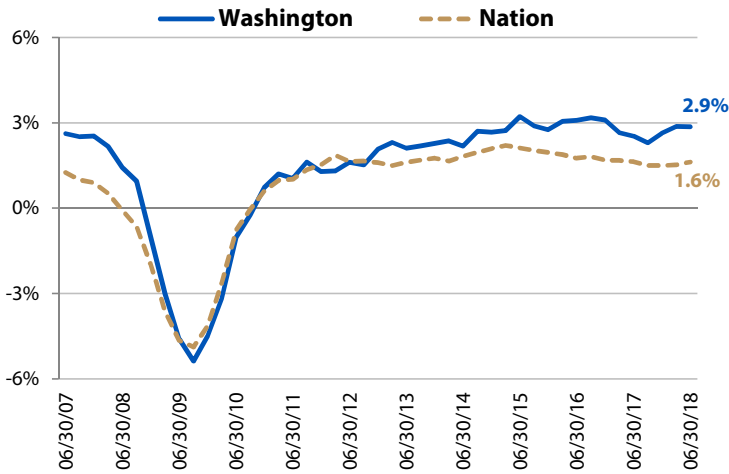
Data as of 6/30/2018

- Washington's economy continued to perform well in the first half of 2018. Job growth ranked fifth in the nation and the unemployment rate held steady. Helped by consistent population growth, the demand for single-family housing continued to outpace the rate of homebuilding and intensified residential price pressures on purchases and rentals.
- Washington's banking sector showed overall solid results in the first half of 2018. The average return on average assets ratio improved considerably, from the bottom half of states in 2017 to a near top ten ranking, and approached its pre-crisis level, mainly from wider margins and lower tax rates. Average nonperforming assets drifted up, but remained among the lowest in the nation. On-balance sheet liquidity and total risk-based capital ratios were flat and continued to compare unfavorably to national averages due in part to Washington banks' high investments in less-liquid commercial real estate credits.

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

Year-over-Year Job Growth: 2.9%

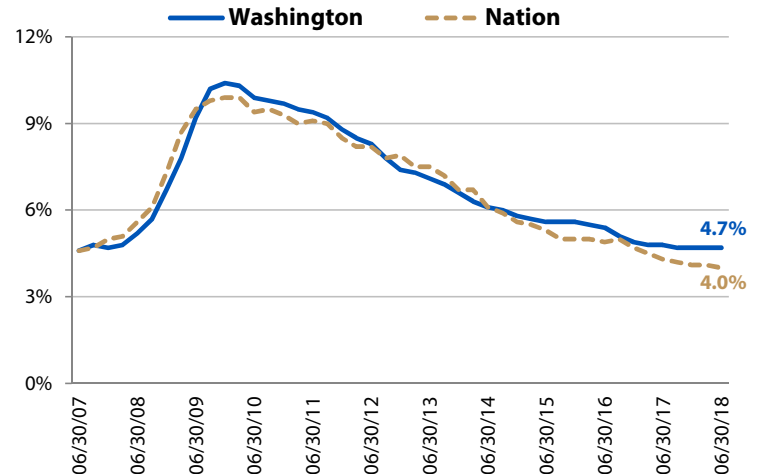
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Establishment Survey, nonfarm payrolls, quarterly average, seasonally adjusted
Source: Bureau of Labor Statistics

Unemployment: 4.7%

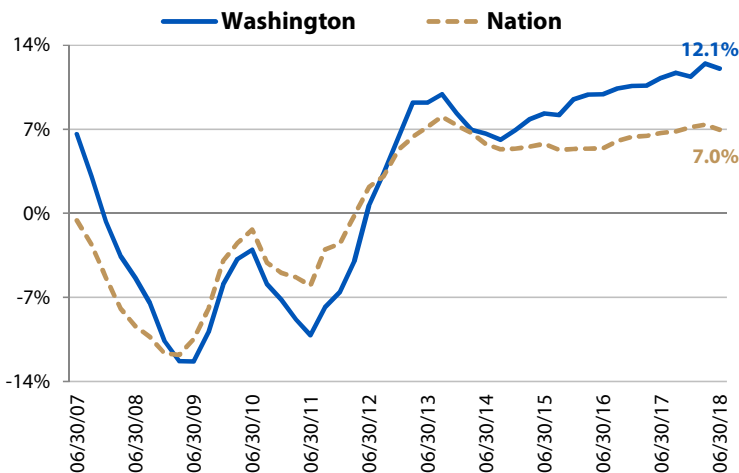
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Household Employment Survey, end of period, seasonally adjusted
Source: Bureau of Labor Statistics

Year-over-Year Home Price Growth: 12.1%

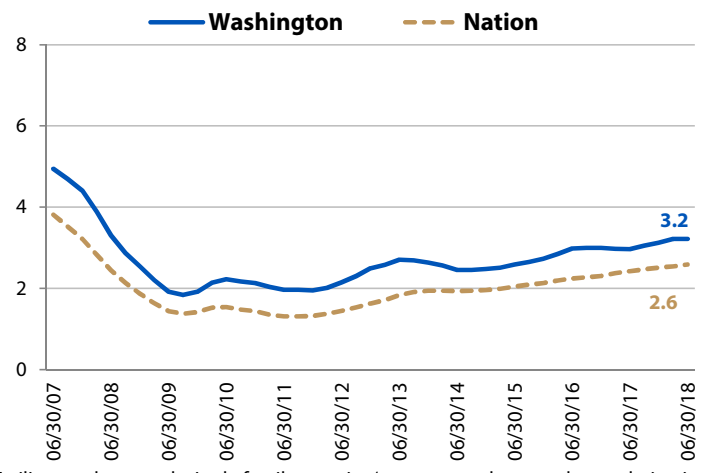
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Housing Price Index, year-over-year change of average home prices
Source: Federal Housing Finance Agency

Single Family Permits / 1,000 Residents: 3.2

Rank: #14



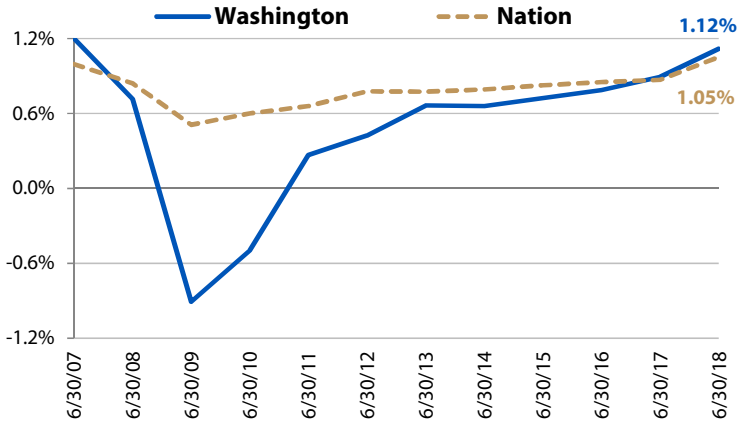
Trailing twelve month single family permits / average twelve month population in thousands, by state
Source: Census Bureau

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

Year to Date Return on Average Assets: 1.12%

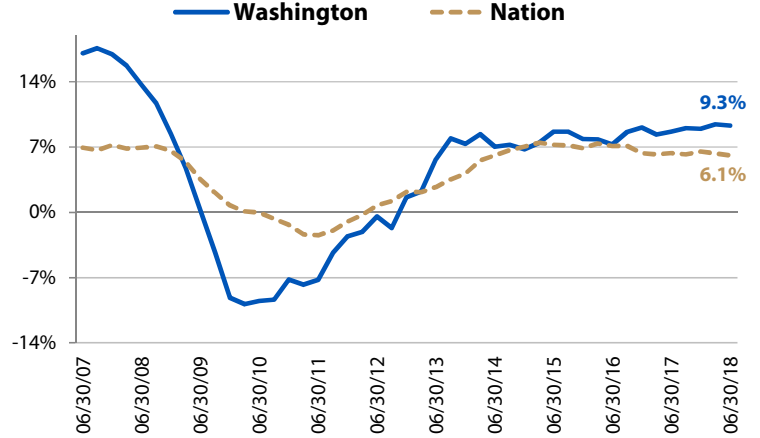
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Net income / average assets, adjusted for S-Corps, annualized

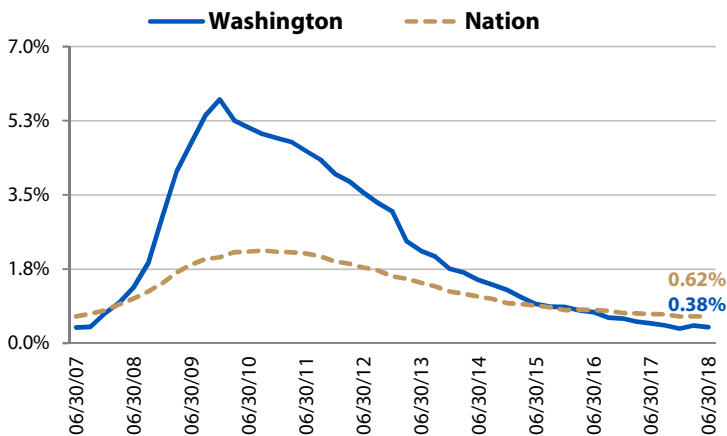
Year-over-Year Net Loan Growth: 9.3%

Rank: #8



Nonperforming Assets / Total Assets: 0.38%

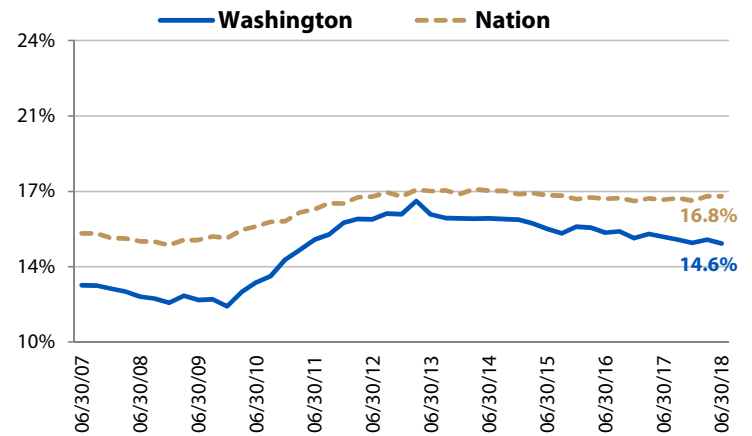
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90+ days past due + nonaccruals + other real estate owned / total assets

Total Risk-Based Capital Ratio: 14.6%

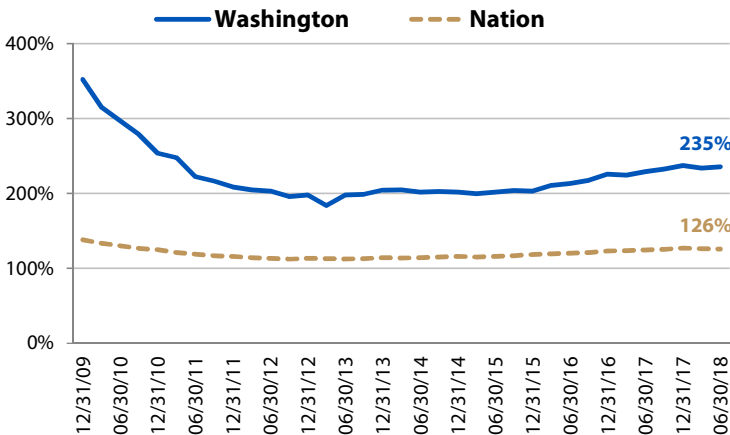
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Total capital / risk-weighted assets

CRE Concentration: 235%

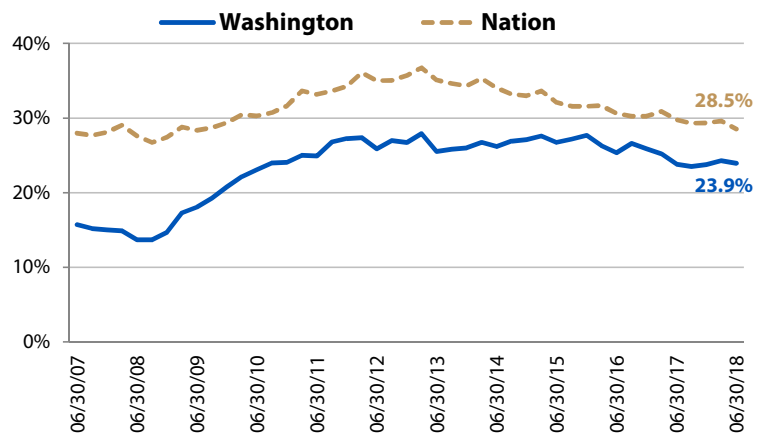
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Total nonowner-occupied commercial real estate / total capital (data first available in 2009)

Securities and Liquid Invest. / Total Assets: 23.9%

Rank: #36



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