

# Banks at a Glance: Hawaii

## Economic and Banking Highlights

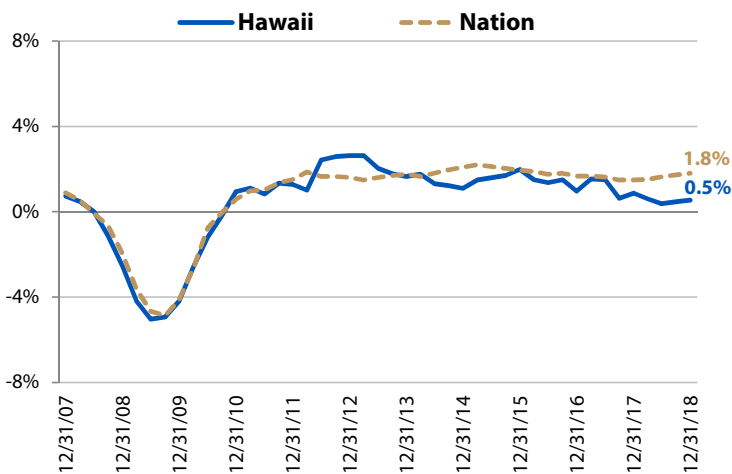
Data as of 12/31/2018

- Hawaii's economy plateaued in the second half of 2018 as visitor spending growth slowed, possibly due to volcanic and hurricane events in the middle of the year. Job growth accelerated slightly as more government hiring offset slower retail, education/health, and leisure/hospitality hiring, but it remained low amid a very tight labor market. Net out-migration continued to drag on home-price growth, and, while single-family permitting ticked up, overall residential permitting declined in the second half due to the multifamily segment.
- Hawaii-based banks' profits increased year-over-year and edged above the national average. Earnings were lifted by lower tax expenses and slightly wider margins. Loan growth accelerated slightly in the fourth quarter as stronger commercial loan growth more than offset slowing real estate lending growth. Favorably, nonperforming asset ratios remained the lowest in the nation. Above-average dividend payout ratios, which spiked at year-end, kept quarterly capital growth low relative to risk-weighted asset growth. The average risk-based capital ratio remained among the lowest in the nation, reflecting the large average size of banks in the state. Balance sheet liquidity improved slightly in the fourth quarter after several quarters of decline, but still ended at levels akin to year-end 2008.

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

### Year-over-Year Job Growth: 0.5%

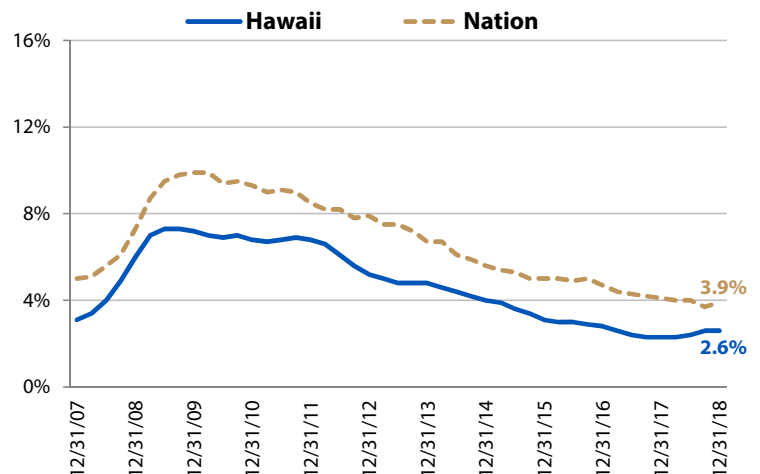
State Rank: #44



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

### Unemployment: 2.6%

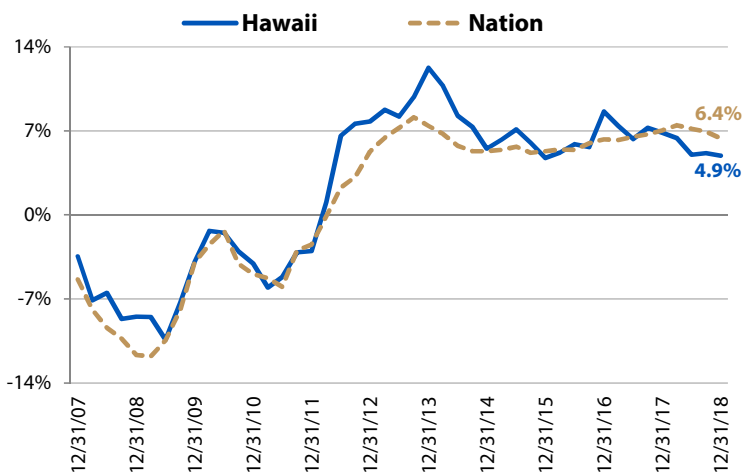
State Rank: #46



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

### Year-over-Year Home Price Growth: 4.9%

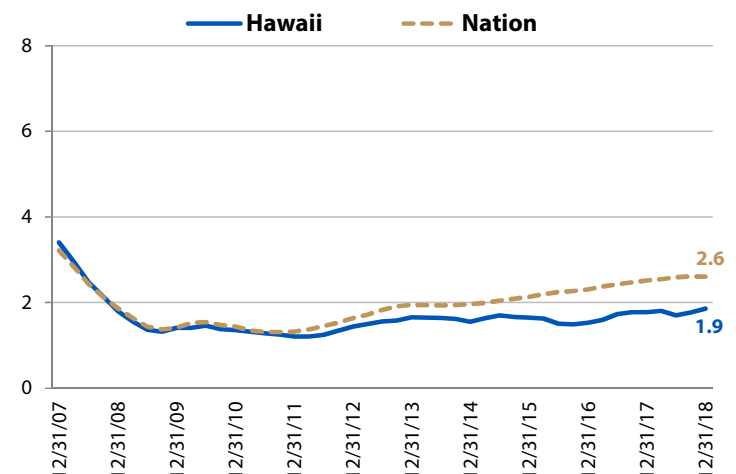
State Rank: #33



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

### Single Family Permits / 1,000 Residents: 1.9

State Rank: #34

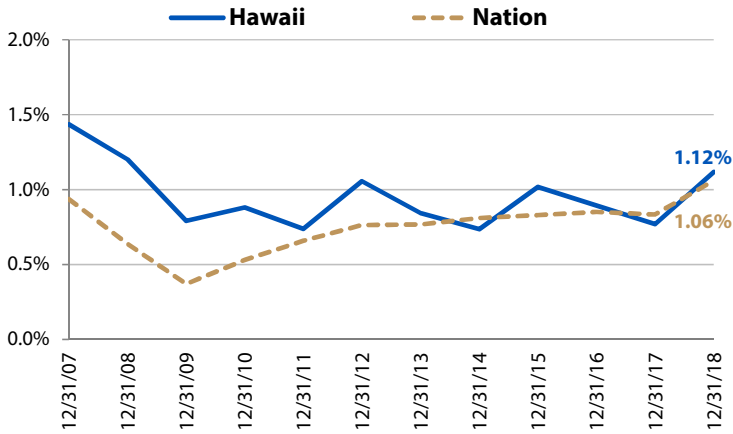


Trailing twelve month single family permits / average twelve month population in thousands, by state. Source: Census Bureau

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

### Year to Date Return on Average Assets: 1.12%

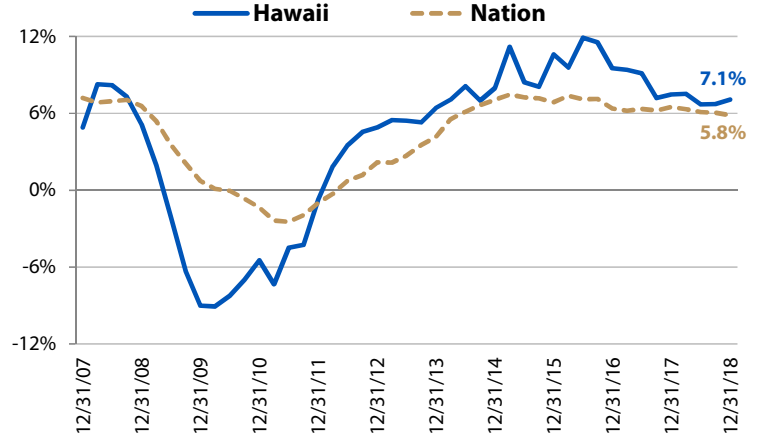
State Rank: #17



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

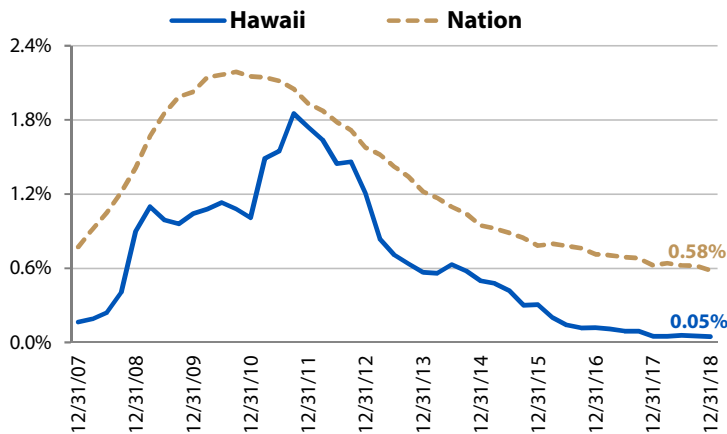
### Year-over-Year Net Loan Growth: 7.1%

State Rank: #17



### Nonperforming Assets / Total Assets: 0.05%

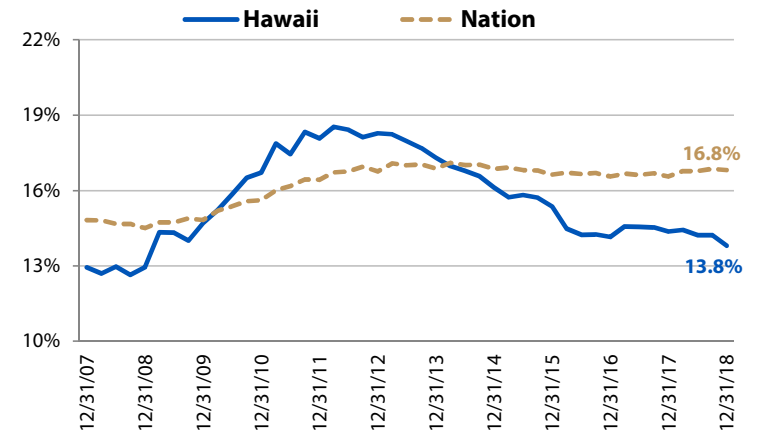
State Rank: #50



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

### Total Risk-Based Capital: 13.8%

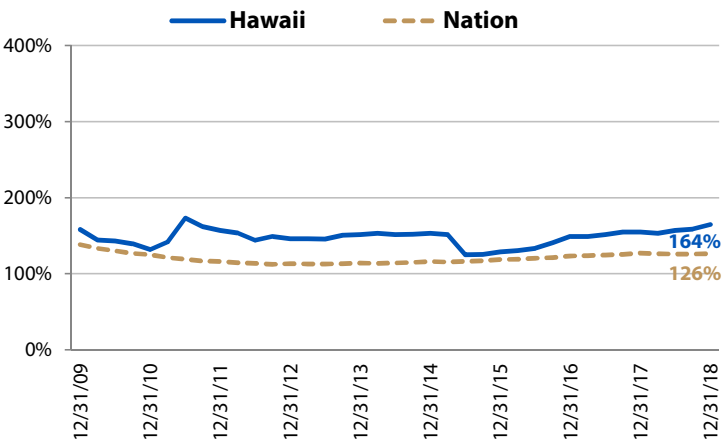
State Rank: #48



Total capital / risk-weighted assets

### CRE Concentration: 164%

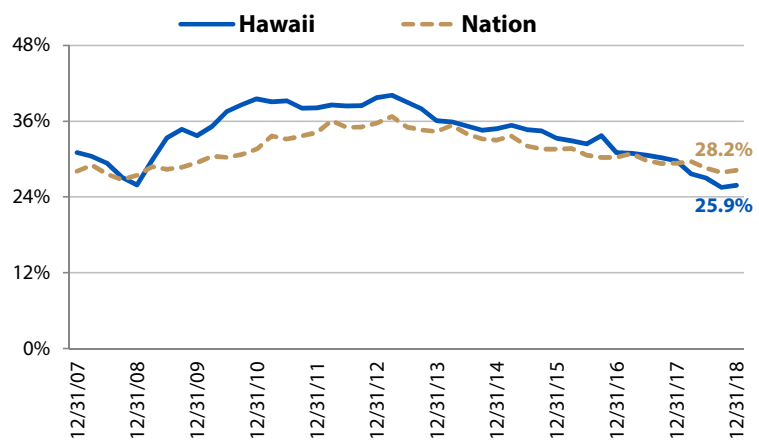
State Rank: #20



Total nonowner-occupied commercial real estate / total capital

### Securities and Liquid Invest. / Total Assets: 25.9%

State Rank: #31



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 4,677 for the nation. For this and other publications, see: <http://www.frbsf.org/banking/publications>