

Banks at a Glance: Washington

Economic and Banking Highlights

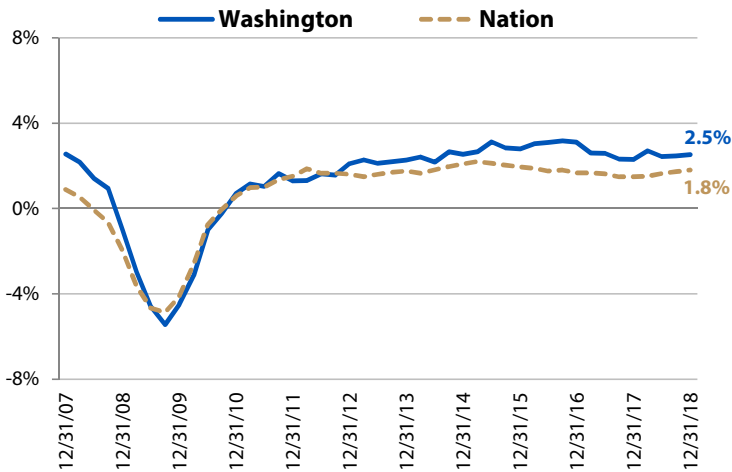
Data as of 12/31/2018

- Washington's job market remained buoyant in the second half of 2018, with the manufacturing sector leading payrolls growth slightly higher and labor force growth accelerating on rising wages. While manufacturing-sector job growth remained strong through the first two months of 2019, it may be volatile in the coming quarters due to recent developments in the aerospace subsector. The state's housing market also remained robust relative to national averages, but home-price growth and both single-family and multifamily permitting activity deteriorated as 2018 wore on, particularly in Seattle's high-price market segment.
- Rising net interest margins and lower tax expenses boosted Washington banks' profitability and capital accumulation. Slowing loan growth across most loan categories lowered risk-weighted asset growth and further lifted capital ratios in the second half of 2018. Noncurrent loan ratios continued to decline across most loan categories. The average commercial real estate concentration remained high and average balance sheet liquidity remained low, although slowing loan growth helped to stabilize both in the latter part of 2018.

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

Year-over-Year Job Growth: 2.5%

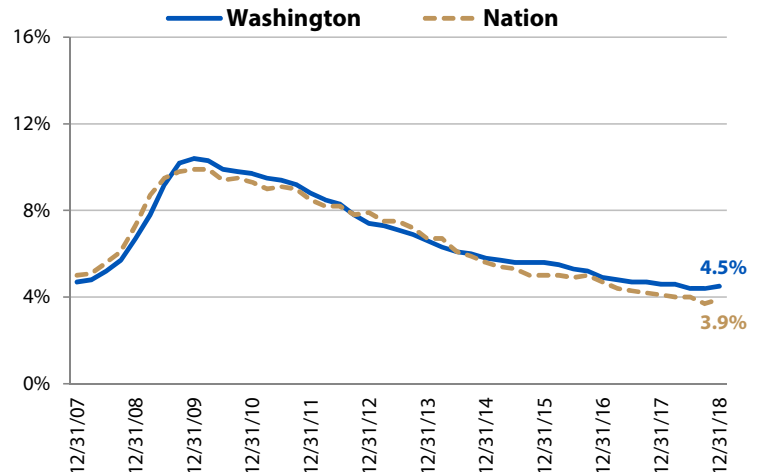
State Rank: #6



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

Unemployment: 4.5%

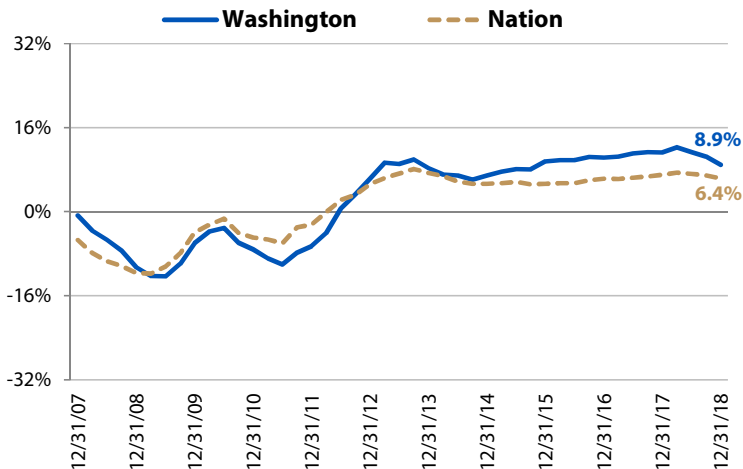
State Rank: #8



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

Year-over-Year Home Price Growth: 8.9%

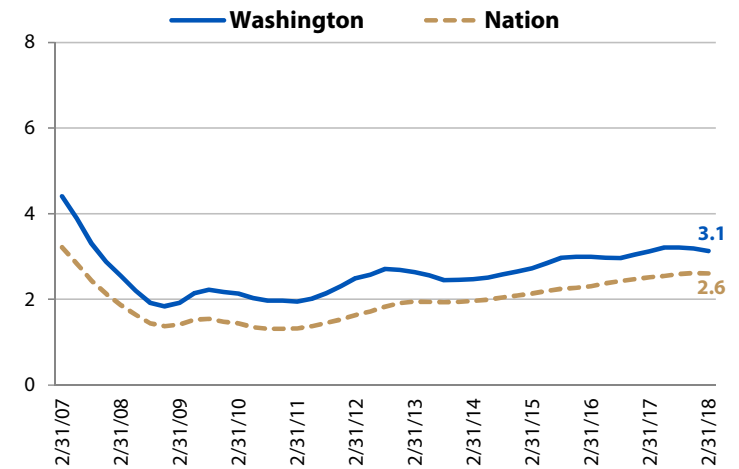
State Rank: #5



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

Single Family Permits / 1,000 Residents: 3.1

State Rank: #14

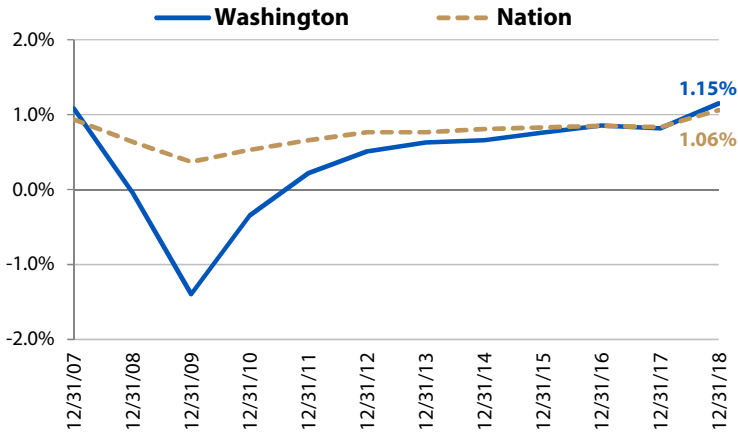


Trailing twelve month single family permits / average twelve month population in thousands, by state. Source: Census Bureau

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

Year to Date Return on Average Assets: 1.15%

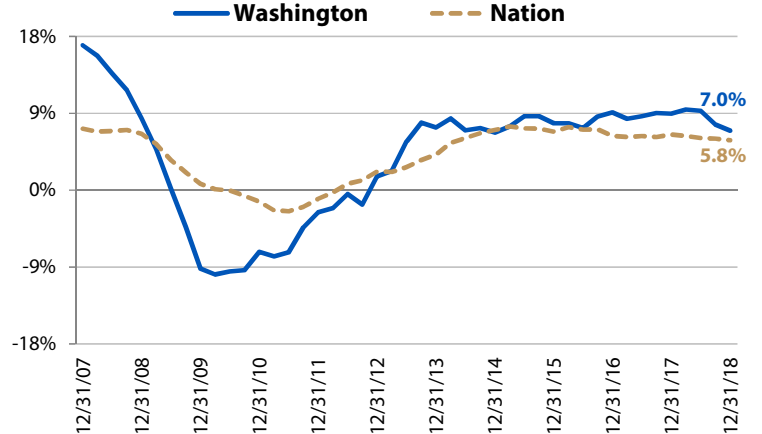
State Rank: #12



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

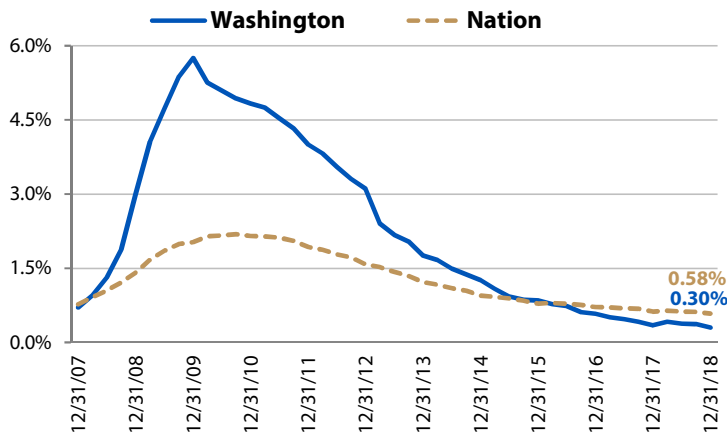
Year-over-Year Net Loan Growth: 7.0%

State Rank: #20



Nonperforming Assets / Total Assets: 0.30%

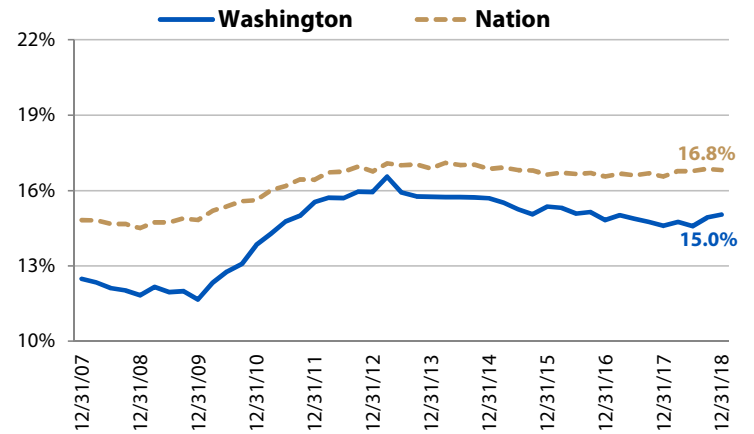
State Rank: #44



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

Total Risk-Based Capital: 15.0%

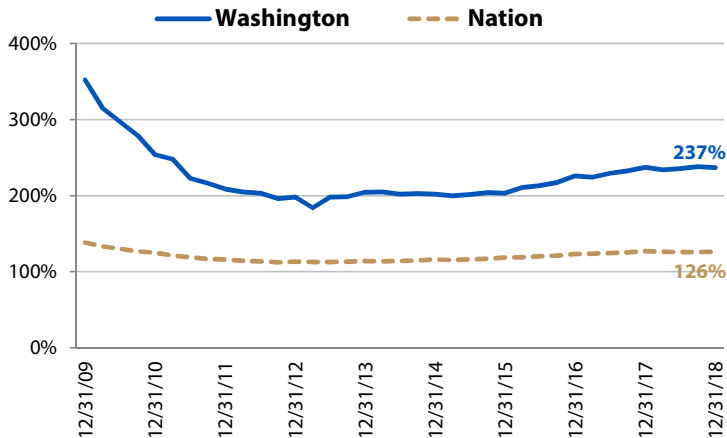
State Rank: #40



Total capital / risk-weighted assets

CRE Concentration: 237%

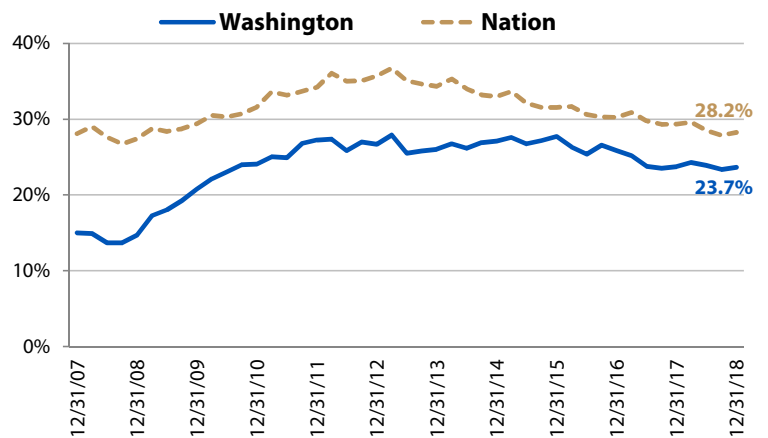
State Rank: #4



Total nonowner-occupied commercial real estate / total capital

Securities and Liquid Invest. / Total Assets: 23.7%

State Rank: #37



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