Banks at a Glance
Washington

Economic and Banking Highlights

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FEDERAL RESERVE BANK OF SAN FRANCISCO

Data as of 6/30/2019

Economy

Washington's economy showed strength in 2Q19. Job growth accelerated to the second-fastest pace in the nation due to jumps in construction, professional/business services, and government hiring. Job market strength was primarily due to Seattle's tech sector. Manufacturing hiring slowed but remained positive as Boeing faced continued production delays. The unemployment rate ticked up in 2019, but this was due to an increase in the labor force participation rate. Meanwhile, the pace of home price growth slowed to below the national average in 2Q19 for the first time in five years, possibly due to oversupply in the high-end market segment, and permitting activity has trended downward since late-2017.

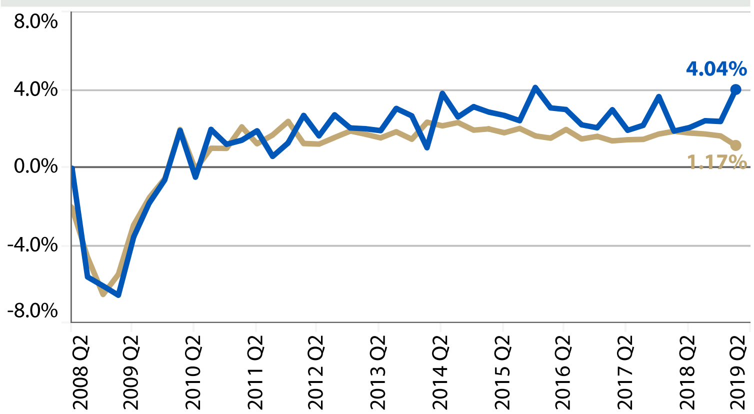
Banks

Wider net interest margins boosted average bank profitability in Washington in 2Q19, even as loan growth slowed across most loan categories--with the exception of nonfarm-nonresidential real estate lending, which grew steadily. A moderate increase in dividend payout ratios, combined with a shift in assets towards higher risk-weighted loans, contributed to a minor decrease in average risk-based based capital ratios in 2Q19; however, average capital ratios remained notably above mid-2018 levels. Capital accretion helped mute the effects of CRE loan growth on CRE concentration-to-capital ratios. Recently, state banks decreased their relative investments in liquid instruments and increased reliance on more expensive noncore funding sources.

Key Economic Metrics (ranking #1 = highest among 50 states)

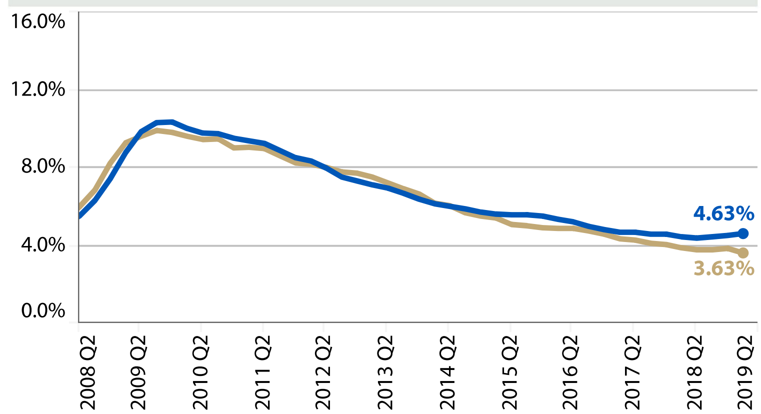
Washington   Nation

Job Growth: 4.04%
State Rank: #2



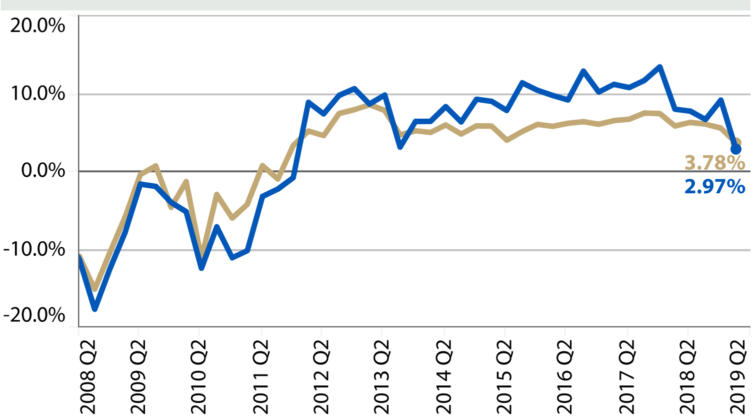
Quarterly average nonfarm payrolls, seasonally adjusted annual rate. Source: Bureau of Labor Statistics (Establishment Survey) via Haver Analytics.

Unemployment Rate: 4.63%
State Rank: #6



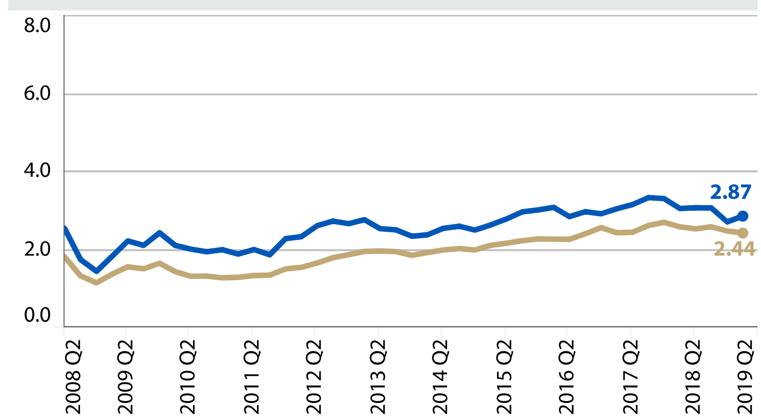
Quarterly average, seasonally adjusted. Source: Bureau of Labor Statistics (Household Employment Survey) via Haver Analytics.

Home-Price Growth: 2.97%
State Rank: #35



Expanded House Price Index, seasonally adjusted annual rate. Source: Federal Housing Finance Agency via Haver Analytics.

Single-Family Permits per 1,000 Residents: 2.87
State Rank: #14



Quarterly average single-family permits (seasonally adjusted annual rate) / quarterly population in thousands. Source: Census Bureau via Haver Analytics.

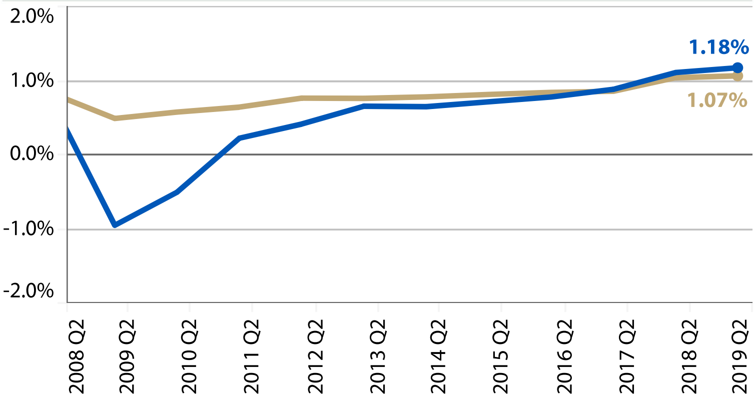
Banks at a Glance: Washington

Key Banking Metrics (averages across banks; ranking #1 = highest among 50 states)

Washington Nation

Year-to-Date Return on Average Assets: 1.18%

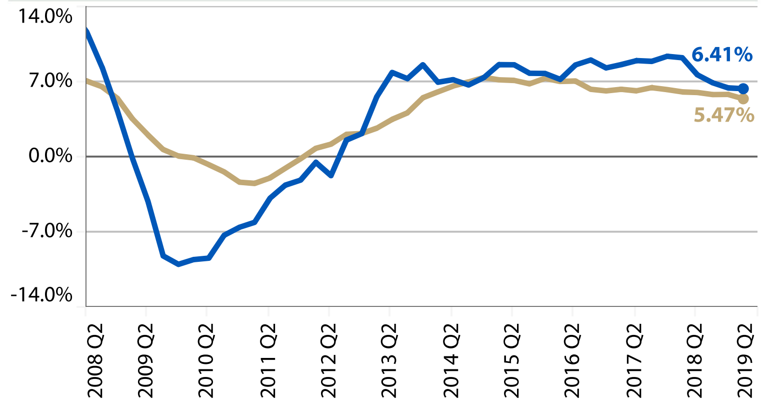
State Rank: #10



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

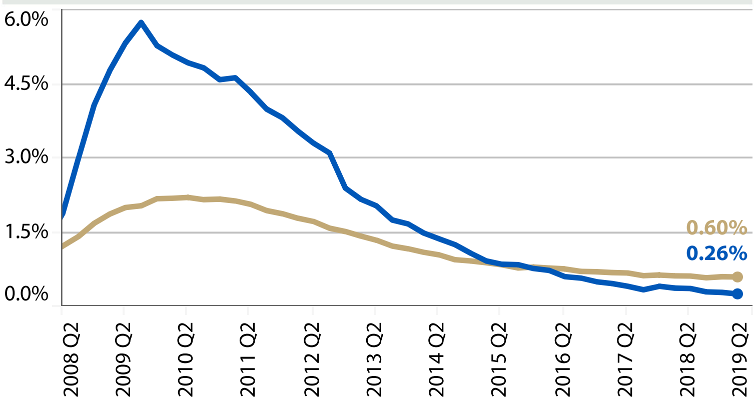
Year-over-Year Net Loan Growth: 6.41%

State Rank: #15



Nonperforming Assets / Total Assets: 0.26%

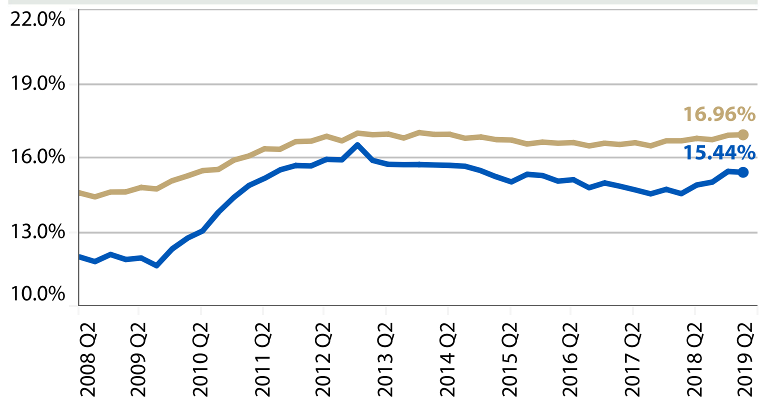
State Rank: #46



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

Total Risk-Based Capital: 15.44%

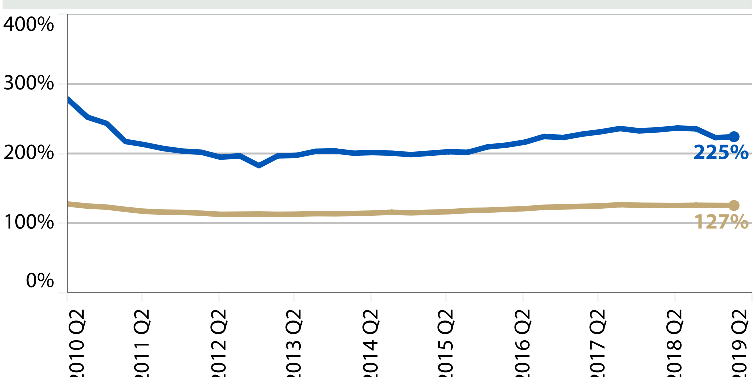
State Rank: #38



Total capital / risk-weighted assets.

CRE Concentration: 225%

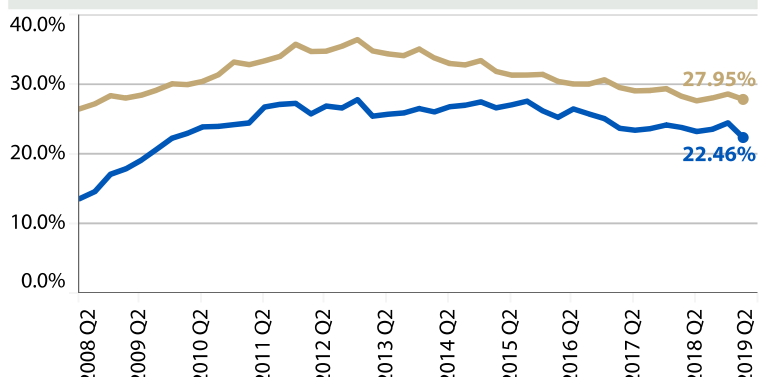
State Rank: #5



Total non-owner-occupied commercial real estate / total capital.

Securities & Liquid Investments / Total Assets: 22.46%

State Rank: #39



Liquid investments = cash, due-from balances, interest-bearing bank balances, and fed funds sold and securities purchased under agreement to resell.

Source: Call Report data for commercial banks based upon headquarters location. Averages are "trimmed" by removing the highest and lowest 10% of values prior to averaging to prevent distortion by 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 (less than five years old), zero-loan banks, and banks where credit card lending is more than 80% of total lending. As of the latest period, the count of banks included in these statistics were 32 for the state and 4,605 for the nation.

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