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# BankDirector®

GUIDED BY ONE PRINCIPLE: STRONG BOARDS BUILD STRONG BANKS

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# IS SMALLER BETTER?



**Why do small and mid-sized banks consistently outperform big ones?**

FEATURE:

**How Live Oak is Building the Next Generation Bank**

2018 **BANK  
PERFORMANCE  
SCORE  
CARD**



Small banks might not have the scale or breadth of products of their larger competitors, but they still outperform them.

# IS SMALLER

**C**onsolidation of the U.S. banking industry over the past 30-plus years has created a class of very large and highly diversified institutions, including four that have well over \$1 trillion in assets. But these much bigger banks aren't necessarily better, at least when it comes to their financial performance. Size often brings organizational complexity that makes it more difficult to manage such a large enterprise efficiently and effectively than it would be with a smaller company.

The performance disparity between large and small banks is on full display in Bank Director's 2018 Bank Performance Scorecard, a ranking of the 300 largest publicly traded banks, where the largest of the 25 top performing banks regardless of size has just \$37 billion in assets. The top ranked bank is \$1.7 billion asset RBB Bancorp, which is headquartered in Los Angeles and focuses primarily on Chinese-American business customers. Placing second is Little Rock, Arkansas-based Bank of the Ozarks, a perennial Bank Performance Scorecard high performer, with \$21 billion in assets. The bank's performance is driven in large measure by a nationwide commercial real estate lending program. In third place is Live Oak Bancshares, a \$2.7 billion bank located in Wilmington, North Carolina, which is the largest originator of Small Business Administration loans in the country. (Read more about Live Oak on page 32.) All three banks have

two things in common: They are relatively small compared to some of the country's largest banks, and they have focused business strategies that enable them to dominate their markets.

The Scorecard uses five metrics that measure performance across a spectrum of attributes that capture what it means to be a good bank. Return on average assets (ROAA) and return on average equity (ROAE) are used to measure profitability. The ratio of tangible common equity (TCE) to total assets is used to measure capitalization, while the ratio of nonperforming assets (NPA) to total assets and other real estate owned, and the ratio of net charge offs (NCO) to average loans, are used to gauge the strength of a bank's asset quality. The banks receive a numerical score for each of the metrics, which are then added across. The lower the overall score, the higher the finish. For scoring purposes, ROAA, ROAE and the TCE ratio are given a full weighting, while the two asset quality metrics are each given a half weighting. Banks that rank high on the Scorecard typically do well in all of the metrics rather than dominate just one or two. The Scorecard rewards banks that are well balanced across the full spectrum of profitability, capitalization and asset quality, but with a slight bias toward profitability.

The Scorecard ranking was put together by Sandler O'Neill + Partners in New York, using data

# BETTER?



provided by S&P Global Market Intelligence in Charlottesville, Virginia. The industry's 2017 earnings were impacted by the the recently enacted tax law, which cut the corporate tax rate from 35 percent to 21 percent. A consequence of the new law is that banks were required to revalue their deferred tax assets or liabilities. Those companies with net deferred tax assets were negatively impacted while, those with a net deferred tax liability were positively impacted. In order to adjust for this event and give a clearer picture of core profitability, expenses related to tax reform arising from deferred tax assets and liabilities (as defined by S&P) were removed on a best-effort basis.

This year, the banks were ranked in two ways. As in past years, the Scorecard is divided into three asset categories: \$50 billion and above, \$5 billion to \$50 billion and \$1 billion to \$5 billion. But for the first time, the 300 largest public banks are also ranked against each other as a single group, and the results drive home the point that small institutions tend to be the leaders when it comes to financial performance. For example, in the all-300 ranking, the top three performing banks with \$50 billion or more in assets are Dallas-based Comerica Corp., at \$71 billion, in 50th place, followed by State Street Corp. in Boston, with \$238 billion, at 54th, and Cincinnati, Ohio-based Fifth Third Bancorp, with \$142 billion, in 69th place.

Formed as a de novo in 2008, RBB and its Royal Business Bank subsidiary focus primarily on the Chinese-American business market in Southern California. It has expanded to 14 other locations in California and Las Vegas through de novo branching and a string of acquisitions of other Chinese-American banks. RBB went public in July of last year through an initial public offering that raised \$86 million in capital. (The bank's ranking is based on its full year 2017 performance data.)

RBB posted strong loan and deposit growth in 2017, of 12.5 percent and 16 percent, respectively, in a year-over-year comparison. The bank's ROAA of 1.84 and ROAE of 12.99 are second and 15th, respectively, in the all-300 comparison, and it had an efficiency ratio of 37.65 percent for the year. "We had a milestone year in 2017, completing our initial public offering and generating the highest level of net income in the history of the company," said Chairman and CEO Alan Thain when the bank announced its earnings in January.

Aaron Deer, an equity analyst at Sandler O'Neill who covers RBB, says the bank's performance last year was the culmination of a strategy that it has been pursuing for the last several years, "which is to run a solid franchise with good organic growth characteristics, while also benefiting from some of the acquisitions they made. In a sense, RBB has become the go-to consolidator among the smaller Chinese-

American niche banks.” That trend continued in April when RBB announced that it was acquiring First American International Corp., a bank that serves the Chinese-American communities in the New York boroughs of Manhattan, Brooklyn and Queens. While it might seem unusual that a small bank would have outposts on both coasts with nothing in between, both Los Angeles and New York have large Asian-American populations. “Many of the characteristics [of the two markets] do translate from one market to the next,” says Deer.

Fifth Third ties for first with Comerica in the \$50 billion and above category due in part to its excellent profitability metrics. The bank’s ROAA of 1.45 and ROAE of 12.26 rank first and second, respectively, out of that category’s 23 banks, while it also has the ninth best TCE ratio. In an interview, Chairman and CEO Greg Carmichael cites a solid 5-percent gain in net interest income and a 20 percent improvement in fee income in 2017 as important contributing factors in the bank’s success. “The other highlight of the year is that we did a nice job of managing expenses,” he says. “If you exclude the one-time [employee] bonuses we gave as a result of tax reform, our expenses were flat year-over-year while we invested heavily in our digital transformation [and] in investments in our core business units.

That was a strong, strong outcome for us.”

The fee income gains and expense control are attributable to Project North Star, an initiative launched in September 2016 that focused on lowering expenses, de-risking the balance sheet and developing new fee-based products. Carmichael says that effort has been so successful that the bank has upped its original performance targets to a return on common tangible equity above 15 percent, a return on assets of between 1.35 and 1.5, and an efficiency ratio in the mid-50s.

Fifth Third’s 2017 earnings also included a \$679 million after-tax gain from the sale of shares it owned in Vantiv, a publicly-traded payment processing company. Vantiv was formed in 2009 when the bank spun off its payments subsidiary in a joint venture with another payments company.

Comerica had the sixth-best ROAA of 1.23 in the \$50 billion-plus category, the eighth-best ROAE of 11.03 and the best TCE ratio of 10.32. Comerica’s balance sheet is extremely asset sensitive, which enabled the bank to take advantage of a rising interest rate environment last year. “Our balance sheet is sensitive to movement in interest rates,” wrote Chairman and CEO Ralph Babb Jr., in an email response to *Bank Director* magazine. “Our loan portfolio represents a significant portion of our total assets, and approximately 90 percent of our loans are floating rate. Therefore, as rates rise our portfolio is expected to reprice quickly.” Sandler analyst Scott Siefers adds, “Virtually no one does better in terms of asset yield repricing than Comerica does when the short end of the [yield] curve moves up.”

The bank also benefited from the successful execution of its GEAR Up program, launched in mid-2016 and focused on improving fee income and lowering expenses. Fees were up 4 percent in 2017 while expenses were down 4 percent. According to Siefers, the bank has reported lower costs in five of the last six quarters. “They took a lot out of the cost base ... at a time when rates started going up, meaning their revenues started to go up,” says Siefers. “So you’ve had this really enormous positive operating leverage creation over the last year or two at Comerica.”

FCB Financial Holdings, which places third in the \$5 billion to \$50 billion category and seventh overall, is a well-managed bank that focuses on middle-market commercial and industrial (C&I), commercial real estate and residential mortgage lending in Florida. FCB was formed as a de novo in 2009 to pursue an organic growth strategy that, in the words of President and CEO Kent Ellert, would make it “the largest pure play in the state of Florida.” FCB

“Virtually no one does better in terms of asset yield repricing than Comerica does when the short end of the [yield] curve moves up.”

SCOTT SIEFERS,  
SANDLER O’NEILL + PARTNERS


 2018  
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passed \$10 billion in assets last year, making it the largest independent Florida bank.

Ellert says the bank's strong loan growth in recent years, including a 22-percent increase in 2017, is mostly attributable to its success in C&I lending, particularly with Florida middle-market companies that are too large to be serviced by the state's community banks and yet too small to truly interest the big banks that FCB competes against. "We like the nature of C&I banking," Ellert says. "We like the depository nature, the treasury management nature, the length of relationship [and] exclusivity you can have with the client. And so, we've built a very strong discipline around that, probably one of the best platforms in the state, I would think."

"They're not in a whole bunch of business lines; they're largely a spread bank," says Sandler analyst Stephen Scouten. "They do it well, they're growing, and they've got a good team."

A Reuters news story in April said that FCB was working with Sandler O'Neill to explore a possible sale. Ellert would not comment on the story. Scouten says he doesn't know if FCB is working with the investment bankers at his firm or not, but the eventual sale of the bank wouldn't surprise him. "A lot of people, when [FCB] did their IPO a few years back, really thought the bank would have been sold long before now," Scouten says. "They did that IPO in late 2014, and I don't think many people thought it would be around past 2016."

Scouten says that FCB still has plenty of organic growth opportunities in front of it, but he doesn't expect Ellert to wait around for the next downturn. "Yes, I do think they are a seller ultimately," he says. "Kent doesn't want to go through the next cycle in Florida. I think he would rather sell this bank and come back and do it again one day down the road."

If large banks generally did worse on the Scorecard than smaller ones, the country's four largest institutions performed especially poorly. JPMorgan Chase & Co., at \$2.5 trillion in assets, ranked 241st, followed by \$1.9 trillion Wells Fargo & Co. at 266th, Citigroup, with \$1.8 trillion, at 287th and \$2.2 trillion Bank of America Corp. at 293rd.

Analysts say that each bank had its own factors that impacted last year's earnings. JPMorgan, which is generally considered to be the best man-

aged of the four megabanks, spent heavily on technology. Wells Fargo was heavily affected by its account-opening scandal, which continued into 2017. Bank of America continued to work at becoming more efficient. And Citi saw only a modest gain in revenues compared to 2016.

While it might be unreasonable to expect a \$2.5 trillion bank to be managed as efficiently as a \$2.5 billion one, Sandler analyst Jeffrey Harte, who covers JPMorgan, Bank of America and Citi for the firm, doesn't dispute the notion that those three companies should be performing better than they are. "For Morgan, the question becomes, are the investments going to pay off?" he says. "For Bank of America, the question becomes, can they get as efficient as they should be, because they're not there yet. And for Citi, can they generate the revenue growth? They each have their own little area to be working on."

Wells Fargo's problems in 2017 were essentially twofold: Sluggish top-line growth as the bank de-emphasized certain lending businesses, such as auto, home equity and commercial real estate, combined with the fallout from the ongoing scandal. "I'm sure it has been an enormous drag on management's time and attention," says Siefers, who covers the bank.

One factor that could help level the performance playing field between large and small banks is technology. While scale hasn't always worked to the advantage of very large banks because of inefficient processes, technology could change that and turn scale into an advantage. "I think we're hitting a point where technology is making it easier to manage these organizations effectively," Harte says.

Harte also believes that the megabanks need to do a better job of managing their businesses at the business unit level. "You need to be able to manage your investment bank like Goldman Sachs," he says. "You need to be able to manage your retail bank like one of the larger U.S. retail banks. You've got to push that responsibility down to management of each of the businesses, I think, to really make it work." **[BD]**

Jack Milligan is editor in chief of *Bank Director* magazine.

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KENT ELLERT,  
CEO, FCB FINANCIAL HOLDINGS



## TOP 25 BANKS

Rank	Company Name	Ticker	State	Total Assets (\$millions)	Profitability				Capital Adequacy			Asset Quality			Final Score
					Core ROAA (%)	ROA Rank	Core ROAE (%)	ROE Rank	Tang Common Equity/Tang Assets (%)	TCE Rank	NPA/Loans & REO (%)	NPA Rank	NCOs/Avg Loans (%)	NCOs Rank	
1	RBB Bancorp	RBB	CA	1,691	1.84	4	12.99	23	14.09	10	0.21	18	-0.05	16	54.0
2	Bank of the Ozarks	OZRK	AR	21,276	1.92	3	12.06	40	13.38	13	0.24	23	0.07	132	133.5
3	Live Oak Bancshares	LOB	NC	2,758	2.11	1	15.66	8	15.71	3	0.33	35	0.21	227	143.0
4	Lakeland Financial Corp.	LKFN	IN	4,683	1.38	29	13.63	14	9.91	77	0.32	33	-0.01	32	152.5
5	Eagle Bancorp	EGBN	MD	7,479	1.61	11	12.60	30	11.45	34	0.42	59	0.06	108	158.5
6	Sterling Bancorp	SBT	MI	2,962	1.56	16	20.39	2	9.20	136	0.13	11	-0.04	22	170.5
7	FCB Financial Holdings	FCB	FL	10,677	1.40	24	12.43	34	10.33	67	0.34	37	0.00	56	171.5
8	BofI Holding	BOFI	CA	8,916	1.65	8	16.64	5	9.74	83	0.49	70	0.05	103	182.5
9	FB Financial Corp.	FBK	TN	4,728	1.58	14	12.89	24	9.72	88	0.81	147	-0.11	4	201.5
10	Stock Yards Bancorp	SYBT	KY	3,240	1.45	20	13.42	17	10.25	70	0.41	56	0.07	138	204.0
11	Carolina Financial Corp.	CARO	SC	3,519	1.49	18	11.86	48	9.73	85	0.53	76	0.00	48	213.0
12	Western Alliance Bancorp.	WAL	AZ	20,329	1.65	7	15.01	10	9.63	96	0.76	136	0.01	66	214.0
13	First Financial Bankshares	FFIN	TX	7,255	1.60	12	12.66	29	10.99	47	0.57	86	0.12	180	221.0
14	First Bancorp	FBLV	VA	1,713	1.35	31	12.48	32	10.62	54	1.11	187	-0.02	30	225.5
15	People's Utah Bancorp	PUB	UT	2,124	1.57	15	11.55	58	10.87	51	0.42	61	0.09	154	231.5
16	Luther Burbank Corp.	LBC	CA	5,704	1.17	97	15.06	9	9.58	98	0.24	22	-0.01	34	232.0
17	Preferred Bank	PFBC	CA	3,770	1.43	23	16.03	7	9.39	113	0.36	42	0.08	142	235.0
18	NASB Financial	NASB	MO	2,011	1.33	39	11.56	57	11.50	33	1.73	263	-0.05	17	269.0
19	Wilson Bank Holding Co.	WBHC	TN	2,317	1.20	81	10.52	95	11.37	36	0.34	36	0.03	81	270.5
20	German American Bancorp	GABC	IN	3,144	1.30	43	11.17	70	9.99	74	0.53	77	0.04	97	274.0
21	West Bancorp.	WTBA	IA	2,114	1.28	51	14.37	13	8.42	200	0.04	3	-0.02	27	279.0
22	Cathay General Bancorp	CATY	CA	15,640	1.35	32	10.26	104	10.45	64	1.05	179	-0.06	15	297.0
23	BankUnited	BKU	FL	30,347	2.06	2	22.59	1	9.74	84	0.97	169	0.37	271	307.0
24	East West Bancorp	EWBC	CA	37,150	1.39	27	13.50	15	9.14	144	0.59	93	0.08	151	308.0
24	Hills Bancorp.	HBIA	IA	2,963	1.18	91	10.87	83	10.44	65	0.71	120	-0.05	18	308.0
				Median	1.05		9.36		9.09		0.83		0.08		
				Mean	1.05		9.52		9.35		1.11		0.17		

► Source: Sandler O'Neill + Partners, S&P Global Market Intelligence, company reports and regulatory filings

\*Data includes only banks and thrifts as defined by S&P Global Market Intelligence that have reported 2017 earnings as of April 10, 2018. Capital adequacy and asset quality figures are as of calendar year-end 2017. Profitability figures are for the calendar year ending in 2017 and are based on core income as defined by S&P Global Market Intelligence where available. Asset quality figures are as of calendar year-end 2017. Nonperforming assets and average loans in the NCO calculation are net of guaranteed loans. The NPA calculation includes accruing TDRs if disclosure is available through company filings. The median and average ratios are for all 300 banks.

# \$1 BILLION UP TO \$5 BILLION

Rank	Company Name	Ticker	State	Total Assets (\$millions)	Profitability				Capital Adequacy			Asset Quality				Final Score
					Core ROAA (%)	ROA Rank	Core ROAE (%)	ROE Rank	Tang Common Equity/Tang Assets (%)	TCE Rank	NPAs/Loans & REO (%)	NPA Rank	NCOs/Avg Loans (%)	NCOs Rank		
1	RBB Bancorp	RBB	CA	1,691	1.84	2	12.99	15	14.09	7	0.21	13	-0.05	10	35.5	
2	Live Oak Bancshares	LOB	NC	2,758	2.11	1	15.66	4	15.71	3	0.33	23	0.21	129	84.0	
3	Lakeland Financial Corp.	LKFN	IN	4,683	1.38	13	13.63	7	9.91	46	0.32	21	-0.01	23	88.0	
4	Sterling Bancorp	SBT	MI	2,962	1.56	7	20.39	1	9.20	83	0.13	7	-0.04	14	101.5	
5	FB Financial Corp.	FBK	TN	4,728	1.58	5	12.89	16	9.72	51	0.81	76	-0.11	3	111.5	
6	Stock Yards Bancorp	SYBT	KY	3,240	1.45	9	13.42	9	10.25	43	0.41	37	0.07	86	122.5	
7	Carolina Financial Corp.	CARO	SC	3,519	1.49	8	11.86	30	9.73	49	0.53	44	0.00	35	126.5	
8	First Bancorp	FBLV	VA	1,713	1.35	15	12.48	21	10.62	35	1.11	95	-0.02	21	129.0	
9	NASB Financial	NASB	MO	2,011	1.33	16	11.56	33	11.50	19	1.73	129	-0.05	11	138.0	
10	People's Utah Bancorp	PUB	UT	2,124	1.57	6	11.55	34	10.87	32	0.42	38	0.09	95	138.5	
11	Preferred Bank	PFBC	CA	3,770	1.43	11	16.03	3	9.39	68	0.36	28	0.08	88	140.0	
12	West Bancorp.	WTBA	IA	2,114	1.28	21	14.37	6	8.42	108	0.04	2	-0.02	19	145.5	
13	Wilson Bank Holding Co.	WBHC	TN	2,317	1.20	31	10.52	58	11.37	21	0.34	24	0.03	54	149.0	
14	German American Bancorp	GABC	IN	3,144	1.30	18	11.17	41	9.99	44	0.53	45	0.04	65	158.0	
15	Hills Bancorp.	HBIA	IA	2,963	1.18	37	10.87	48	10.44	40	0.71	65	-0.05	12	163.5	
16	Farmers & Merchants Bancorp	FMCB	CA	3,075	1.13	50	11.55	35	9.72	50	0.32	20	0.02	48	169.0	
17	Oritani Financial Corp.	ORIT	NJ	4,122	1.18	34	8.74	102	13.28	9	0.41	35	-0.01	22	173.5	
18	River City Bank	RCBC	CA	2,038	1.11	53	11.87	29	9.07	90	0.01	1	-0.08	4	174.5	
19	Hingham Institution for Savings	HIFS	MA	2,285	1.22	25	14.83	5	8.15	122	0.19	11	0.00	36	175.5	
20	Southern Missouri Bancorp	SMBC	MO	1,777	1.22	24	12.69	20	9.47	65	0.94	84	0.03	55	178.5	
21	State Bank Financial Corp.	STBZ	GA	4,959	1.39	12	9.64	77	11.23	24	0.39	34	0.13	116	188.0	
22	Hamilton State Bancshares	HMBH	GA	1,787	1.18	33	9.99	67	10.59	36	0.46	41	0.06	80	196.5	
23	City Holding Co.	CHCO	WV	4,132	1.43	10	11.84	31	10.46	39	1.48	119	0.13	115	197.0	
24	Guaranty Bancorp	GBNK	CO	3,699	1.31	17	12.08	24	8.99	91	0.83	77	0.04	61	201.0	
25	Home Bancorp	HBCP	LA	2,228	1.29	19	10.70	53	9.71	52	1.70	126	0.00	37	205.5	
26	Heritage Commerce Corp	HTBK	CA	2,843	1.17	41	11.98	26	7.88	131	0.16	8	-0.03	16	210.0	
27	Cashmere Valley Bank	CSHX	WA	1,516	1.17	40	10.09	65	11.34	22	1.18	101	0.05	67	211.0	
28	Merchants Financial Group	MFGI	MN	1,659	1.68	3	18.01	2	8.72	99	1.36	111	0.11	106	212.5	
29	Waterstone Financial	WSBF	WI	1,806	1.58	4	6.95	130	22.79	1	0.95	86	0.06	74	215.0	
30	Farmers National Banc Corp.	FMNB	OH	2,159	1.26	22	11.45	37	9.31	75	0.75	69	0.13	114	225.5	
31	Sierra Bancorp	BSRR	CA	2,340	1.12	51	10.66	56	9.64	56	1.40	115	-0.04	15	228.0	
32	Central Valley Community Bancorp	CVCY	CA	1,662	1.15	45	9.36	86	9.52	62	0.71	67	-0.08	6	229.5	
33	Unity Bancorp	UNTY	NJ	1,455	1.16	44	13.07	12	8.02	126	0.36	26	0.06	78	234.0	
34	National Commerce Corp.	NCOM	AL	2,738	1.16	43	8.11	117	10.49	37	0.18	9	0.05	71	237.0	
35	Bear State Financial	BSF	AR	2,161	1.18	36	10.57	57	9.64	55	1.17	99	0.07	81	238.0	
36	Charter Financial Corp.	CHFN	GA	1,644	1.08	60	7.78	119	10.96	30	0.62	54	-0.07	7	239.5	
36	Old Line Bancshares	OLBK	MD	2,106	1.17	42	11.84	32	8.50	104	0.38	30	0.08	93	239.5	
38	First Bancshares	FBMS	MS	1,813	0.99	86	10.26	61	11.06	29	1.47	118	-0.02	18	244.0	
39	Washington Trust Bancorp	WASH	RI	4,530	1.21	28	13.01	14	7.63	137	0.61	52	0.06	79	244.5	
40	1867 Western Financial Corp.	WFCL	CA	3,004	1.23	23	7.63	123	14.55	6	0.94	85	0.11	104	246.5	
41	CBTX	CBTX	TX	3,081	1.06	67	8.26	114	11.98	14	0.94	83	0.00	28	250.5	

# \$1 BILLION UP TO \$5 BILLION

Rank	Company Name	Ticker	State	Total Assets (\$Millions)	Profitability				Capital Adequacy			Asset Quality				Final Score
					Core ROAA (%)	ROA Rank	Core ROAE (%)	ROE Rank	Tang Common Equity/ Tang Assets (%)	TCE Rank	NPA's/ Loans & REO (%)	NPA Rank	NCOs/ Avg Loans (%)	NCOs Rank		
42	Nicolet Bankshares	NCBS	WI	2,932	1.35	14	10.84	49	8.41	111	0.69	64	0.08	91	251.5	
43	Metropolitan Bank Holding Corp.	MCB	NY	1,760	0.92	101	10.73	51	12.66	11	0.43	39	0.32	143	254.0	
44	Peoples Bancorp	PPBB	WA	1,666	1.00	83	9.88	71	10.86	33	0.68	62	0.06	77	256.5	
45	Farmers Capital Bank Corp.	FFKT	KY	1,674	1.04	74	9.04	95	11.55	17	2.00	135	-0.07	8	257.5	
46	Civista Bancshares	CIVB	OH	1,526	1.10	55	9.71	74	9.31	74	0.77	73	0.02	44	261.5	
47	First National Bank Alaska	FBAK	AK	3,653	1.18	38	8.50	108	13.60	8	1.72	127	0.08	89	262.0	
48	Cambridge Bancorp	CATC	MA	1,950	1.00	84	13.22	11	7.57	140	0.10	5	0.02	50	262.5	
49	Exchange Bank	EXSR	CA	2,584	1.12	52	12.69	19	7.86	133	1.42	116	-0.16	2	263.0	
50	Macatawa Bank Corp.	MCBC	MI	1,890	1.07	64	11.08	42	9.15	86	2.10	139	-0.08	5	264.0	
51	Arrow Financial Corp.	AROW	NY	2,760	1.06	66	11.88	28	8.25	119	0.38	33	0.06	76	267.5	
52	First of Long Island Corp.	FLIC	NY	3,895	0.96	95	10.72	52	9.10	88	0.07	3	0.04	63	268.0	
53	Summit Financial Group	SMMF	WV	2,134	1.19	32	12.77	18	8.26	118	3.99	150	0.02	52	269.0	
54	First Financial Corp.	THFF	IN	3,001	1.20	30	8.20	116	12.74	10	1.16	97	0.22	130	269.5	
55	Bryn Mawr Bank Corp.	BMTC	PA	4,450	1.29	20	11.00	44	7.61	138	0.45	40	0.10	96	270.0	
56	CoBiz Financial	COBZ	CO	3,846	1.05	71	12.33	22	8.54	102	2.08	138	-0.04	13	270.5	
57	First Farmers Financial Corp.	FFMR	IN	1,677	1.21	27	13.43	8	8.56	101	2.56	144	0.19	127	271.5	
58	Community Bank	CYHT	CA	3,747	0.90	102	9.64	76	9.37	70	0.54	47	-0.18	1	272.0	
59	Mercantile Bank Corp.	MBWM	MI	3,287	1.06	68	9.40	84	9.56	59	0.61	51	0.06	73	273.0	
60	Community Trust Bancorp	CTBI	KY	4,136	1.20	29	9.39	85	11.43	20	3.27	147	0.24	133	274.0	
60	Horizon Bancorp	HBNC	IN	3,964	1.14	49	10.19	64	8.48	105	0.60	50	0.04	62	274.0	
62	ACNB Corp.	ACNB	PA	1,595	1.09	57	11.21	40	8.38	114	0.86	80	0.02	49	275.5	
62	Alerus Financial Corp.	ALRS	ND	2,137	1.18	35	13.29	10	6.06	152	0.41	36	0.16	121	275.5	
64	First Community Bancshares	FCBC	VA	2,388	1.22	26	8.25	115	10.88	31	1.63	123	0.08	90	278.5	
65	Veritex Holdings	VBTX	TX	2,946	1.03	76	6.14	140	11.21	25	0.07	4	0.06	75	280.5	
66	Bank First National Corp.	BFNC	WI	1,753	1.11	54	12.00	25	8.28	117	1.75	130	0.02	43	282.5	
67	Franklin Financial Network	FSB	TN	3,844	0.96	94	11.41	39	7.68	135	0.22	14	-0.02	20	285.0	
67	Territorial Bancorp	TBNK	HI	2,004	0.87	111	7.11	128	11.72	16	0.37	29	0.00	31	285.0	
69	Bankwell Financial Group	BWFG	CT	1,797	0.99	90	11.02	43	8.81	97	0.64	58	0.03	53	285.5	
70	Old Second Bancorp	OSBC	IL	2,383	1.08	62	13.06	13	8.06	124	1.46	117	0.03	57	286.0	
70	Southern First Bancshares	SFST	SC	1,625	1.03	77	11.50	36	9.21	82	0.91	82	0.10	100	286.0	
72	Independent Bank Corp.	IBCP	MI	2,789	1.01	80	10.21	63	9.45	66	3.40	148	-0.06	9	287.5	
73	TrustCo Bank Corp NY	TRST	NY	4,908	0.99	88	10.77	50	9.33	72	1.08	94	0.05	69	291.5	
74	United Community Financial Corp.	UCFC	OH	2,650	1.08	63	9.67	75	10.28	42	1.64	124	0.11	102	293.0	
75	Great Southern Bancorp	GSBC	MO	4,415	1.02	78	9.99	68	10.46	38	1.06	92	0.26	135	297.5	
76	Bank of Marin Bancorp	BMRC	CA	2,468	0.98	91	8.49	109	10.71	34	1.01	88	0.01	41	298.5	
77	BankFinancial Corp.	BFIN	IL	1,626	0.77	128	6.17	139	12.14	13	0.36	27	-0.02	17	302.0	
78	Heritage Financial Corp.	HFWA	WA	4,113	1.14	48	9.06	93	9.61	57	1.20	102	0.12	108	303.0	
79	First Foundation	FFWM	CA	4,541	0.89	105	10.91	46	8.02	127	0.38	31	-0.01	24	305.5	
80	Northfield Bancorp	NFBK	NJ	3,991	0.88	109	5.38	144	15.16	4	0.78	74	-0.01	27	307.5	
81	American National Bankshares	AMNB	VA	1,816	1.00	85	8.42	111	9.24	80	0.33	22	0.02	45	309.5	
82	Dacotah Banks	DBIN	SD	2,407	0.99	89	8.65	104	11.10	28	1.98	134	0.02	47	311.5	



# \$1 BILLION UP TO \$5 BILLION

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					Core ROAA (%)	ROA Rank	Core ROAE (%)	ROE Rank	Tang Common Equity/Tang Assets (%)	TCE Rank	NPA's/Loans & REO (%)	NPA Rank	NCO's/Avg Loans (%)	NCO's Rank		
83	Grandpoint Capital	GPNC	CA	3,194	1.00	82	8.33	113	9.26	79	0.56	49	0.00	33	315.0	
84	Univest Corp. of Pennsylvania	UVSP	PA	4,555	1.07	65	8.83	99	9.68	54	0.77	72	0.17	124	316.0	
85	First Citizens Bancshares	FIZN	TN	1,656	1.04	75	10.01	66	8.87	96	0.85	78	0.07	87	319.5	
86	MutualFirst Financial	MFSF	IN	1,589	0.92	100	9.85	72	9.35	71	0.62	55	0.10	99	320.0	
87	Triumph Bancorp	TBK	TX	3,499	1.18	39	9.85	73	9.26	78	1.67	125	0.28	138	321.5	
88	Peoples Bancorp	PEBO	OH	3,582	1.14	47	8.87	96	9.20	84	0.76	70	0.15	120	322.0	
88	Revere Bank	REVB	MD	2,099	0.96	96	10.69	54	7.61	139	0.18	10	0.03	56	322.0	
90	TriCo Bancshares	TCBK	CA	4,761	1.06	69	9.60	78	9.30	76	1.25	107	0.08	92	322.5	
91	First Defiance Financial Corp.	FDEF	OH	2,993	1.14	46	9.29	89	9.31	73	1.95	133	0.10	97	323.0	
92	Camden National Corp.	CAC	ME	4,065	1.09	59	10.67	55	7.66	136	0.73	68	0.07	85	326.5	
93	QCR Holdings	QCRH	IL	3,983	1.05	70	11.92	27	8.01	128	1.04	90	0.19	126	333.0	
94	First Mid-Illinois Bancshares	FMBH	IL	2,842	1.08	61	10.22	62	8.59	100	1.05	91	0.23	131	334.0	
95	Blue Hills Bancorp	BHBK	MA	2,669	0.63	142	4.03	150	14.60	5	0.55	48	0.00	34	338.0	
96	Canandaigua National Corp.	CNND	NY	2,662	1.01	79	12.88	17	7.22	144	0.67	60	0.30	140	340.0	
96	Century Bancorp	CNBK.A	MA	4,786	0.66	141	12.11	23	5.39	154	0.20	12	0.00	32	340.0	
98	Western New England Bancorp	WNEB	MA	2,083	0.81	118	6.77	133	11.17	26	0.90	81	0.04	59	347.0	
99	First Bancorp	FNLC	ME	1,843	1.09	58	10.93	45	8.35	115	2.78	146	0.13	113	347.5	
100	Enterprise Bancorp	EBTC	MA	2,818	0.89	104	10.50	59	8.04	125	1.16	98	-0.01	25	349.5	
101	Burke & Herbert Bank & Trust Co.	BHRB	VA	3,089	0.94	98	8.54	107	11.13	27	1.23	103	0.27	136	351.5	
102	Codorus Valley Bancorp	CVLY	PA	1,709	0.89	107	9.07	92	9.49	64	0.61	53	0.18	125	352.0	
103	Guaranty Bancshares	GNTY	TX	1,963	0.86	112	8.86	98	9.58	58	0.69	63	0.11	107	353.0	
104	Premier Financial Bancorp	PFBI	WV	1,493	1.04	73	8.59	105	9.94	45	4.47	152	0.12	109	353.5	
105	Peapack-Gladstone Financial Corp.	PGC	NJ	4,261	0.84	115	9.50	83	8.97	92	0.68	61	0.05	68	354.5	
106	Access National Corp.	ANCX	VA	2,874	1.09	56	8.06	118	8.79	98	0.32	19	0.41	147	355.0	
106	Peoples Financial Services Corp.	PFIS	PA	2,169	0.99	87	7.77	120	9.44	67	0.64	57	0.11	105	355.0	
108	Kearny Financial Corp.	KRNY	NJ	4,844	0.40	151	1.79	153	18.59	2	0.65	59	0.02	46	358.5	
109	Bancorp	TBBK	DE	4,708	0.88	108	11.44	38	6.78	150	0.23	15	0.12	112	359.5	
110	STAR Financial Group	SFIGA	IN	1,935	0.89	106	8.43	110	10.40	41	1.50	120	0.09	94	364.0	
111	American Business Bank	AMBZ	CA	1,874	0.74	135	8.87	97	8.16	121	0.13	6	-0.01	26	369.0	
112	HomeTrust Bancshares	HTBI	NC	3,251	0.77	132	6.12	141	11.31	23	1.83	131	0.00	30	376.5	
113	SmartFinancial	SMBK	TN	1,721	0.77	129	6.29	137	9.28	77	0.38	32	0.00	39	378.5	
114	Southern BancShares (N.C.)	SBNC	NC	2,655	0.90	103	8.40	112	8.41	110	0.50	43	0.04	66	379.5	
115	Three Shores Bancorp.	TSHR	FL	1,733	0.80	124	10.48	60	5.65	153	0.53	46	0.00	40	380.0	
116	Bar Harbor Bankshares	BHB	ME	3,565	0.95	97	9.51	81	7.12	146	0.62	56	0.04	58	381.0	
117	First Internet Bancorp	INBK	IN	2,768	0.74	134	9.59	79	7.94	129	0.30	18	0.05	70	386.0	
118	Equity Bancshares	EQBK	KS	3,171	1.05	72	8.76	101	8.42	107	2.26	141	0.06	72	386.5	
119	BSB Bancorp	BLMT	MA	2,677	0.71	139	9.89	70	6.65	151	0.24	16	0.00	38	387.0	
120	TriState Capital Holdings	TSC	PA	4,778	0.86	113	9.93	69	6.87	149	0.24	17	0.10	98	388.5	
121	Byline Bancorp	BY	IL	3,366	0.81	122	6.25	138	11.51	18	1.02	89	0.31	142	393.5	
122	CNB Financial Corp.	CCNE	PA	2,769	0.97	92	10.90	47	7.46	142	1.28	108	0.16	122	396.0	
123	Northrim BanCorp	NRIM	AK	1,519	0.82	116	6.43	136	11.75	15	3.59	149	0.14	118	400.5	

# \$1 BILLION UP TO \$5 BILLION

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					Core ROAA (%)	ROA Rank	Core ROAE (%)	ROE Rank	Tang Common Equity/ Tang Assets (%)	TCE Rank	NPAs/ Loans & REO (%)	NPA Rank	NCOs/ Avg Loans (%)	NCOs Rank	
124	Investar Holding Corp.	ISTR	LA	1,623	0.73	136	6.69	134	9.53	61	0.71	66	0.07	84	406.0
125	Green Bancorp	GNBC	TX	4,262	1.00	81	9.14	90	8.88	95	2.23	140	0.31	141	406.5
126	West Suburban Bancorp	WNRP	IL	2,269	0.80	123	8.59	106	9.49	63	5.04	153	0.07	82	409.5
127	HarborOne Bancorp (MHC)	HONE	MA	2,685	0.38	152	2.95	151	12.35	12	1.73	128	0.04	64	411.0
128	First Connecticut Bancorp	FBNK	CT	3,055	0.71	138	7.73	121	8.92	93	0.80	75	0.02	51	415.0
128	Midland States Bancorp	MSBI	IL	4,413	0.97	93	9.55	80	7.70	134	0.86	79	0.28	137	415.0
130	Penns Woods Bancorp	PWOD	PA	1,474	0.88	110	8.77	100	8.22	120	1.08	93	0.07	83	418.0
131	C&F Financial Corp.	CFFI	VA	1,509	0.93	99	9.50	82	8.42	109	1.25	105	1.70	153	419.0
132	SI Financial Group	SIFI	CT	1,581	0.57	145	5.37	145	9.69	53	1.36	112	0.01	42	420.0
133	Fidelity Southern Corp.	LION	GA	4,577	0.78	126	9.32	87	8.53	103	1.33	109	0.11	103	422.0
134	Atlantic Capital Bancshares	ACBI	GA	2,891	0.60	144	5.14	147	9.91	47	0.47	42	0.23	132	425.0
135	Republic First Bancorp	FRBK	PA	2,322	0.81	121	7.54	124	9.56	60	2.44	143	0.13	117	435.0
136	National Bank Holdings Corp.	NBHC	CO	4,843	0.78	127	6.67	135	9.85	48	1.25	106	0.36	145	435.5
137	Financial Institutions	FISI	NY	4,105	0.81	119	9.05	94	7.17	145	0.35	25	0.38	146	443.5
138	Orrstown Financial Services	ORRF	PA	1,559	0.70	140	7.39	125	9.22	81	1.18	100	0.10	101	446.5
139	Allegiance Bancshares	ABTX	TX	2,860	0.80	125	7.21	126	9.38	69	1.38	113	0.36	144	448.5
140	First Business Financial Services	FBIZ	WI	1,794	0.82	117	8.72	103	8.89	94	1.85	132	0.57	151	455.5
141	BCB Bancorp	BCBP	NJ	1,943	0.72	137	9.11	91	8.40	113	2.02	136	0.12	110	464.0
142	Isabella Bank Corp.	ISBA	MI	1,813	0.76	133	6.93	131	8.29	116	2.43	142	0.00	29	465.5
143	Southern National Bancorp of Virginia	SONA	VA	2,614	0.86	114	6.88	132	8.47	106	1.00	87	0.51	149	470.0
144	First Guaranty Bancshares	FGBI	LA	1,750	0.77	130	9.29	88	7.87	132	1.39	114	0.54	150	482.0
145	Bridge Bancorp	BDGE	NY	4,430	0.81	120	7.68	122	7.39	143	0.76	71	0.29	139	490.0
146	MidWestOne Financial Group	MOFG	IA	3,212	0.77	131	7.10	129	8.41	112	1.12	96	0.51	148	494.0
147	ESSA Bancorp	ESSA	PA	1,822	0.45	149	4.37	148	9.08	89	1.24	104	0.25	134	505.0
148	Entegra Financial Corp.	ENFC	NC	1,581	0.43	150	4.31	149	7.93	130	1.61	122	0.04	60	520.0
149	MVB Financial Corp.	MVBF	WV	1,534	0.55	146	5.47	142	8.13	123	1.33	110	0.12	111	521.5
150	Chemung Financial Corp.	CHMG	NY	1,708	0.63	143	7.17	127	7.48	141	1.60	121	0.17	123	533.0
151	Carter Bank & Trust	CARE	VA	4,112	0.25	153	2.44	152	9.19	85	13.69	154	1.58	152	543.0
152	MidSouth Bancorp	MSL	LA	1,881	0.02	154	0.16	154	9.12	87	4.40	151	2.20	154	547.5
153	Marquette National Corp.	MNAT	IL	1,581	0.47	148	5.39	143	7.04	148	2.05	137	0.19	128	571.5
154	Capital City Bank Group	CCBG	FL	2,899	0.53	147	5.27	146	7.09	147	2.60	145	0.14	119	572.0
				Median	1.03		9.62		9.27		0.84		0.06		
				Mean	1.01		9.61		9.59		1.16		0.12		

► Source: Sandler O'Neill + Partners, S&P Global Market Intelligence, company reports and regulatory filings

\*Data includes only banks and thrifts as defined by S&P Global Market Intelligence that have reported 2017 earnings as of April 10, 2018. Capital adequacy and asset quality figures are as of calendar year-end 2017. Profitability figures are for the calendar year ending in 2017 and are based on core income as defined by S&P Global Market Intelligence where available. Asset quality figures are as of calendar year-end 2017. Nonperforming assets and average loans in the NCO calculation are net of guaranteed loans. The NPA calculation includes accruing TDRs if disclosure is available through company filings.