

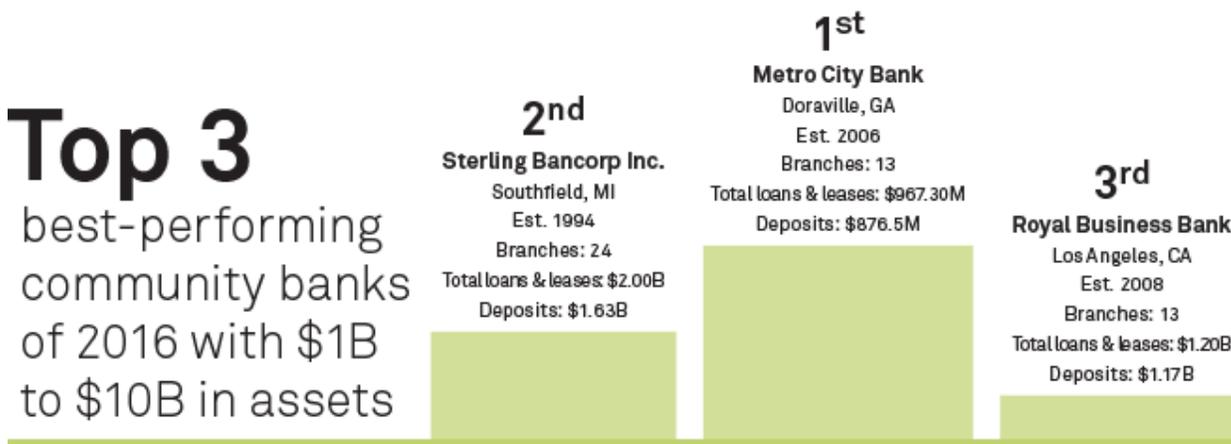


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Metro City Bank crowned top-performing bank between \$1B and \$10B in assets

By Chris Vanderpool and Zuhaib Gull

Strong growth and an enviable net interest margin propelled Doraville, Ga.-based [Metro City Bank](#) to the top spot in S&P Global Market Intelligence's ranking of the top-performing community banks between \$1 billion and \$10 billion in assets in 2016.



Source: SNL Financial, an offering of S&P Global Market Intelligence

Credit: Cat Weeks

Founded in 2006, Metro City operates 13 branches across six states. The [Korean-American](#) bank expanded its footprint significantly last year, opening two de novo branches in New York and New Jersey and [acquiring](#) two Texas branches from Lubbock, Texas-based [South Plains Financial Inc.](#)

Metro City's total loans increased by almost 70% during 2016, hitting \$967.3 million at year-end. This growth was driven primarily by one- to four-family loans, which grew by 274% last year to \$495.2 million. The bank was highly profitable as well, posting a 37.07% return before tax on average tangible common equity and a 4.86% taxable-equivalent net interest margin for 2016. Despite growing at a fast pace, Metro City reported an efficiency ratio of 44.26% for the year.

Ranking metrics

Among the 100 best-performing community banks of 2016 with assets between \$1 billion and \$10 billion

Highest ROATCE before tax

Company name (top-level ticker)	ROATCE before tax (%)	Overall rank
State Bankshares Inc.	45.55	50
Sterling Bancorp Inc.	39.05	2
First National Bank of America	38.00	8
Metro City Bank (MCBS)	37.07	1
NexBank Capital Inc.	35.76	10
Median (top 100 banks)	20.38	

Highest loan growth rate

Company name (top-level ticker)	Loan growth rate (%)	Overall rank
EB Acquisition Co. LLC	154.3	13
Revere Bank (REVB)	108.9	42
Nicolet Bankshares Inc. (NCBS)	78.7	39
Metro City Bank (MCBS)	69.7	1
First Busey Corp. (BUSE)	56.8	80
Median (top 100 banks)	16.42	

Lowest efficiency ratio

Company name (top-level ticker)	Efficiency ratio (%)	Overall rank
Clayton HC Inc.	30.92	61
Sterling Bancorp Inc.	31.70	2
Hingham Institution for Savings (HIFS)	32.14	22
Merchants Bancorp	32.40	25
BofI Holding Inc. (BOFI)	35.98	7
Median (top 100 banks)	54.78	

Highest NIM (FTE)

Company name (top-level ticker)	NIM (FTE) (%)	Overall rank
Stearns Financial Services Inc.	7.07	60
First National Bank of America	7.02	8
Clayton HC Inc.	5.58	61
First Security Bancorp	4.92	33
Metro City Bank (MCBS)	4.86	1
Home BancShares Inc. (HOMB)	4.86	12
Level One Bank	4.83	35
Median (top 100 banks)	3.88	

Lowest adjusted Texas ratio

Company name (top-level ticker)	Adj. Texas ratio (%)	Overall rank
Hometown Banc Corp	0.07	58
First Texas BHC Inc.	0.09	53
Inwood Bancshares Inc.	0.19	45
CU Bancorp (CUNB)	0.21	49
Pacific Premier Bancorp Inc. (PPBI)	0.44	5
Median (top 100 banks)	4.34	

Lowest NCOs/average loans

Company name (top-level ticker)	NCOs/ avg loans (%)	Overall rank
Central Valley Community Bancorp (CVCY)	-0.86	19
First Community Bank	-0.22	6
CVB Financial Corp. (CVBF)	-0.21	27
Charter Financial Corp. (CHFN)	-0.20	54
Bank of Marin Bancorp (BMRC)	-0.16	85
Median (top 100 banks)	0.02	

Data compiled March 10, 2017.

Analysis is based on the 100 best-performing community banks of 2016 with assets between \$1 and \$10 billion.

For the purposes of the ranking, community banks were defined as top-tier U.S. banks and thrifts with gross loans greater than 33.33% of assets, credit card loans less than 50% of the loan portfolio and assets between \$1 billion and \$10 billion.

Based on regulatory filings.

ROATCE = return on average tangible common equity

NIM (FTE) = net interest margin on a fully taxable equivalent basis

Adjusted Texas ratio = nonperforming assets plus loans 90 days or more past due net of delinquent government guaranteed loans and other real estate owned covered by loss-sharing agreements with the FDIC as a percentage of tangible equity and reserves

NCOs = net charge-offs

Source: SNL Financial, an offering of S&P Global Market Intelligence

To compile this ranking, S&P Global Market Intelligence calculated scores for each company based on six metrics: pretax return on average tangible common equity, net charge-offs as a percentage of average loans, efficiency ratio, adjusted Texas ratio, net interest margin on a fully taxable equivalent basis and loan growth. Each company's standard deviation from the industry mean was calculated for every ranking metric, equally weighted, then added together to calculate a performance score. To help normalize the data and mitigate the impact of outliers, caps and floors were applied for each metric.

For this year's ranking, pretax return on average tangible common equity replaced return on average tangible assets as one of the six metrics. All of the other ranking metrics remained the same.

To be eligible for this ranking, a bank or thrift had to possess a loan-to-asset ratio of at least 33% and no more than half of those loans could come from credit cards. Furthermore, the company had to be well-capitalized according to 2016 regulatory standards and no more than half of the institution's revenue could come from nontraditional banking activities.

Unlike in previous years, savings & loan holding companies, as well as savings banks and savings and loan associations were included in the ranking. Additionally, previous years' branch threshold of 60 was removed.

All companies were ranked at the holding company level if consolidated data was reported; otherwise, the commercial bank, savings bank or savings & loan association subsidiary was used. Companies with parents above \$10 billion in assets were excluded.

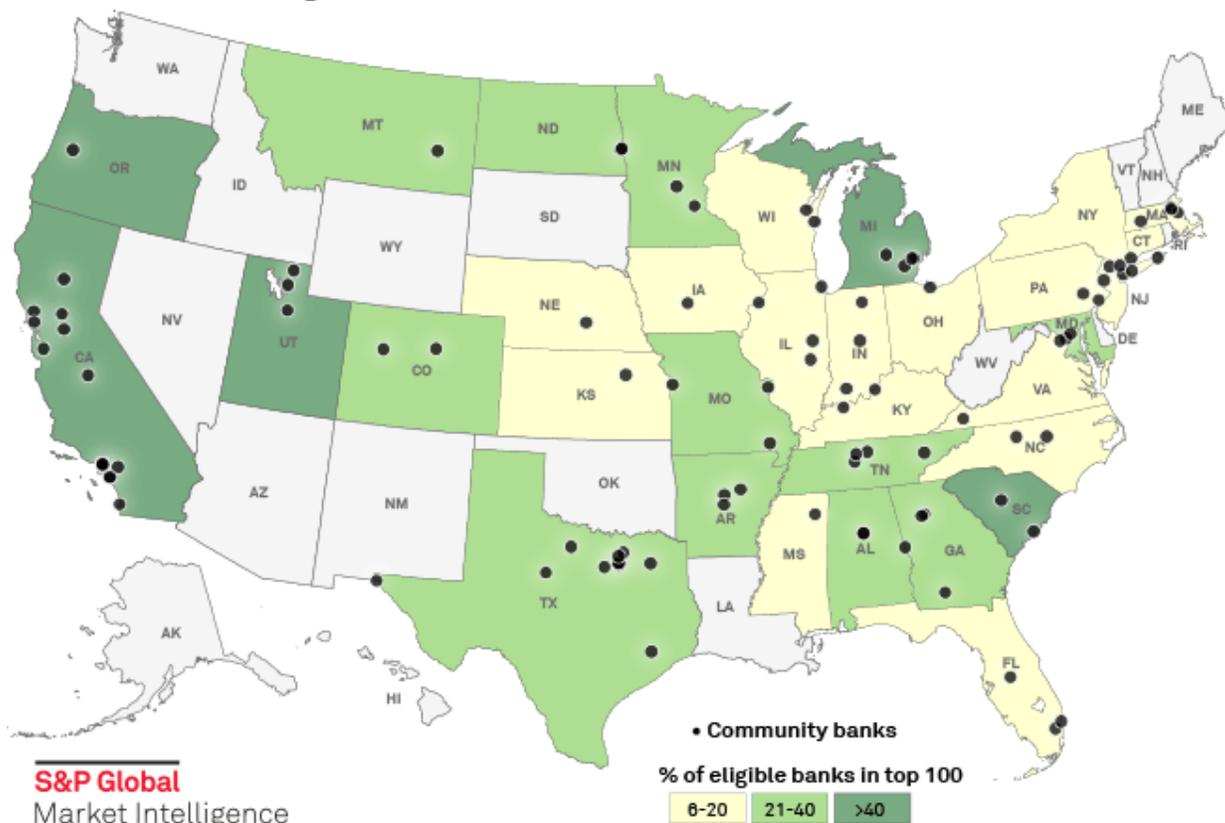
Based on the above criteria, 546 companies were eligible for the ranking.

[Click here](#) for an article on the top-performing community banks with less than \$1 billion in assets for 2016.

[Click here](#) for an article on the top-performing community banks with between \$1 billion and \$10 billion in assets for 2015.

[Click here](#) for an article on the top-performing community banks with less than \$1 billion in assets for 2015.

100 best-performing community banks of 2016 with assets between \$1B and \$10B



S&P Global

Market Intelligence

Data compiled March 10, 2017.

For the purposes of the ranking, community banks were defined as top-tier U.S. banks and thrifts with gross loans greater than 33.33% of assets, credit card loans less than 50% of the loan portfolio and assets between \$1 billion and \$10 billion.

Source: SNL Financial, an offering of S&P Global Market Intelligence

Map credit: Elizabeth Thomas

Southfield, Mich.-based [Sterling Bancorp Inc.](#) took the second spot in this year's ranking, helped by loan recoveries and 26.0% loan growth during the year. The bank has consistently grown its assets by double digits in each of the past four years. Sterling Bancorp posted the second-best return before tax on average tangible common equity at 39.05% among the top 100 institutions. The company also reported the second-lowest efficiency ratio among the top 100 at 31.70%.

Woburn, Mass.-based [Northern Bancorp Inc.](#), fell to the No. 4 spot this year after taking the gold in last year's ranking. The bank continued to expand, growing its loans & leases by 25.7% in 2016. Northern's net interest margin on a taxable equivalent basis equaled 4.23%, while its return before tax on average tangible common equity was 24.90%, both higher than the top 100 median. In addition, the holding company posted an efficiency ratio of 44.50% for the year, also better than the median.

California had 17 banks and thrifts in the top 100, more than any other state. Texas came in second with 12 institutions, followed by Georgia, Illinois, Massachusetts, Michigan and Tennessee at four apiece.

Best-performing community banks of 2016 with \$1B to \$10B in assets

Based on financials for year ended Dec. 31, 2016

Rank	Company (top-level ticker)	City, state	Total assets (\$M)	ROATCE before tax	NCOs/ average loans	Ranking metrics (%)			
						Efficiency ratio	Adjusted Texas ratio ¹	Net interest margin FTE	Loan growth rate
1	Metro City Bank (MCBS)	Doraville, GA	1,102.6	37.07	0.01	44.26	3.78	4.86	69.7
2	Sterling Bancorp Inc.	Southfield, MI	2,164.4	39.05	-0.14	31.70	1.96	4.10	26.0
3	Royal Business Bank	Los Angeles, CA	1,393.6	21.08	0.07	40.46	0.87	4.47	38.4
4	Northern Bancorp Inc.	Woburn, MA	1,694.6	24.90	0.02	44.50	1.42	4.23	25.7
5	Pacific Premier Bancorp Inc. (PPBI)	Irvine, CA	4,036.3	20.74	0.17	55.89	0.44	4.54	43.6
6	First Community Bank	Santa Rosa, CA	1,162.7	24.47	-0.22	36.60	17.20	4.14	23.5
7	BofI Holding Inc. (BOFI)	San Diego, CA	8,167.9	32.01	0.06	35.98	4.49	3.95	19.6
8	First National Bank of America	East Lansing, MI	1,121.4	38.00	0.11	42.75	37.56	7.02	38.3
9	WestStar Bank Holding Co. Inc.	El Paso, TX	1,517.9	21.26	0.02	56.82	8.38	4.27	37.8
10	NexBank Capital Inc.	Dallas, TX	4,646.7	35.76	-0.01	36.16	2.83	2.63	44.2
11	Pacific City Bank (PFCF)	Los Angeles, CA	1,226.7	22.87	0.03	54.18	3.29	4.19	22.1
12	Home BancShares Inc. (HOMB)	Conway, AR	9,808.5	32.67	0.11	37.57	9.96	4.86	11.2
13	EB Acquisition Co. LLC	Dallas, TX	5,591.1	25.02	0.00	64.97	4.28	3.89	154.3
14	Eagle Bancorp Inc. (EGBN)	Bethesda, MD	6,890.7	23.21	0.09	39.86	2.88	4.15	13.5
15	Bridgewater Bank	Bloomington, MN	1,255.6	22.34	0.11	43.08	8.06	4.06	25.4
16	Preferred Bank (PFBC)	Los Angeles, CA	3,223.5	21.25	0.11	39.43	3.64	3.77	25.6
17	Franklin Financial Network Inc. (FSB)	Franklin, TN	2,943.2	20.23	0.02	52.02	2.49	3.46	36.4
18	Arbor Bancorp Inc.	Ann Arbor, MI	1,217.7	24.18	0.06	53.81	2.93	4.63	7.8
19	Central Valley Community Bancorp (CVCY)	Fresno, CA	1,443.3	18.39	-0.86	68.36	4.02	4.10	26.5
20	FCB Financial Holdings Inc. (FCB)	Weston, FL	9,090.1	18.54	-0.02	44.55	4.44	3.51	28.1
21	Lakeside Bancorp Inc.	Chicago, IL	1,407.2	23.79	0.02	42.23	5.78	3.80	10.9
22	Hingham Institution for Savings (HIFS)	Hingham, MA	2,014.6	26.72	0.00	32.14	1.73	3.11	14.2
23	Heritage Commerce Corp (HTBK)	San Jose, CA	2,570.9	23.37	0.08	54.45	1.52	4.15	10.4
24	West Bancorp. Inc. (WTBA)	West Des Moines, IA	1,854.2	20.54	-0.01	46.04	0.56	3.52	12.3
25	Merchants Bancorp	Carmel, IN	2,725.7	35.25	0.00	32.40	1.14	2.09	23.4
26	Sterling Bank	Poplar Bluff, MO	1,401.6	15.25	0.00	51.35	2.28	3.35	37.5
27	CVB Financial Corp. (CVBF)	Ontario, CA	8,073.7	18.25	-0.21	45.54	3.19	3.48	9.4
28	German American Bancorp Inc. (GABC)	Jasper, IN	2,957.5	18.27	0.04	58.32	1.41	3.81	27.3
29	Plaza Bancorp (PLZZ)	Irvine, CA	1,219.5	17.95	0.02	64.54	1.60	4.76	15.9
30	ServisFirst Bancshares Inc. (SFBS)	Birmingham, AL	6,370.4	23.42	0.11	38.84	3.91	3.43	16.4
31	Veritex Community Bank (VBTX)	Dallas, TX	1,408.2	18.62	0.03	52.24	2.39	3.76	21.1
32	Dime Community Bancshares Inc. (DCOM)	Brooklyn, NY	6,005.4	27.35	0.00	38.12	3.25	2.68	20.0
33	First Security Bancorp	Searcy, AR	5,386.3	13.06	0.07	40.84	2.16	4.92	6.5
34	State Bank Financial Corp. (STBZ)	Atlanta, GA	4,225.3	14.53	0.11	61.38	4.87	4.62	29.4
35	Level One Bank	Farmington Hills, MI	1,125.9	19.76	0.08	59.15	12.84	4.83	26.2
36	River City Bank (RCBC)	Sacramento, CA	1,814.9	15.62	-0.03	46.04	2.29	3.00	31.2
37	BNC Bancorp (BNCN)	High Point, NC	7,401.7	17.22	-0.02	58.35	7.19	3.92	29.7
38	People's Utah Bancorp (PUB)	American Fork, UT	1,666.0	16.81	-0.02	55.80	4.41	4.69	7.0
39	Nicolet Bankshares Inc. (NCBS)	Green Bay, WI	2,302.0	18.07	0.02	63.31	10.93	4.17	78.7
40	Choice Financial Holdings Inc.	Fargo, ND	1,176.5	29.86	-0.05	55.10	10.78	4.37	3.7
41	Stonegate Bank (SGBK)	Pompano Beach, FL	2,903.1	16.89	-0.03	53.94	6.58	3.91	22.5
42	Revere Bank (REVB)	Laurel, MD	1,894.3	15.27	0.01	62.03	5.96	3.95	108.9
43	Olney Bancshares of Texas Inc.	Olney, TX	2,967.2	27.02	0.20	44.62	15.53	4.60	9.0
44	Cache Valley Bank	Logan, UT	1,000.6	23.24	0.01	52.52	12.75	4.44	8.5
45	Inwood Bancshares Inc.	Dallas, TX	2,387.9	23.99	-0.01	47.90	0.19	3.34	3.0
46	Independent Bank Group Inc. (IBTX)	McKinney, TX	5,852.8	22.37	0.12	54.35	4.30	3.86	14.5
47	Leader Bank NA	Arlington, MA	1,091.0	24.09	0.03	52.89	2.03	3.23	13.5
48	Enterprise Financial Services Corp (EFSC)	Clayton, MO	4,081.3	22.19	0.13	51.27	3.96	3.85	11.9
49	CU Bancorp (CUNB)	Los Angeles, CA	2,994.8	17.90	-0.02	56.35	0.21	3.79	11.8
50	State Bankshares Inc.	Fargo, ND	4,289.1	45.55	0.00	67.23	2.47	3.89	11.0
51	BTH Bank NA	Quitman, TX	1,198.9	10.73	0.02	51.19	0.46	3.17	35.1
52	Alpine Banks of Colorado	Glenwood Springs, CO	3,057.2	21.98	-0.10	64.21	12.56	4.30	14.7
53	First Texas BHC Inc.	Fort Worth, TX	2,129.4	15.96	0.00	62.23	0.09	3.82	20.1
54	Charter Financial Corp. (CHFN)	West Point, GA	1,467.8	10.43	-0.20	71.62	4.27	3.87	45.0
55	First Mid-Illinois Bancshares Inc. (FMBH)	Mattoon, IL	2,884.5	19.13	0.04	59.32	9.51	3.46	42.4
56	Customers Bancorp Inc. (CUBI)	Wyomissing, PA	9,382.7	24.03	0.02	46.50	4.16	2.87	14.1
57	Pacific Continental Corp. (PCBK)	Eugene, OR	2,541.9	15.54	0.02	61.42	13.68	4.23	32.3
58	Hometown Banc Corp	Grand Island, NE	1,266.8	16.78	-0.14	50.78	0.07	3.46	4.1
59	Bridge Bancorp Inc. (BDGE)	Bridgehampton, NY	4,054.2	21.69	0.02	53.99	0.98	3.46	7.9
60	Stearns Financial Services Inc.	Saint Cloud, MN	2,045.6	28.58	0.83	39.94	8.22	7.07	3.8

61	Clayton HC Inc.	Knoxville, TN	1,241.5	19.58	0.37	30.92	13.66	5.58	15.4
62	LegacyTexas Financial Group Inc. (LTXB)	Plano, TX	8,365.4	22.72	0.12	46.83	15.91	3.94	16.5
63	National Commerce Corp. (NCOM)	Birmingham, AL	1,950.8	17.35	0.07	59.20	2.90	4.16	12.5
64	South State Corp. (SSB)	Columbia, SC	8,900.6	21.40	0.05	62.39	6.67	4.22	11.3
65	Access National Corp. (ANCX)	Reston, VA	1,430.7	22.24	-0.03	63.04	5.99	3.59	16.5
66	BOU Bancorp Inc.	Ogden, UT	1,087.4	18.09	-0.01	55.92	3.25	4.09	4.3
67	CenterState Banks Inc. (CSFL)	Winter Haven, FL	5,078.6	15.52	0.01	69.65	10.36	4.24	32.2
68	Guaranty Bancorp (GBNK)	Denver, CO	3,366.4	15.16	-0.01	63.54	10.05	3.74	38.8
69	Hanmi Financial Corp. (HAFC)	Los Angeles, CA	4,701.3	17.31	0.18	55.28	5.16	3.92	21.0
70	Manhattan Banking Corp.	Manhattan, KS	1,689.7	24.79	0.07	48.20	10.64	3.45	10.6
71	Wilson Bank Holding Co. (WBHC)	Lebanon, TN	2,183.4	17.49	0.03	58.28	4.38	3.83	15.5
72	Carolina Financial Corp. (CARO)	Charleston, SC	1,684.2	17.39	-0.05	69.10	4.50	3.67	25.4
73	Lakeland Bancorp Inc. (LBAI)	Oak Ridge, NJ	5,093.4	18.57	0.11	59.19	6.85	3.41	30.5
74	Lakeland Financial Corp. (LKFN)	Warsaw, IN	4,290.3	18.80	0.03	47.51	3.64	3.20	12.7
75	Farmers & Merchants Bancorp (FMCB)	Lodi, CA	2,922.4	17.20	0.00	55.40	3.45	3.82	9.1
76	Ameris Bancorp (ABCB)	Moultrie, GA	6,892.0	22.18	0.07	64.06	21.81	4.15	33.6
77	Independence Bancshares Inc.	Owensboro, KY	2,006.1	21.10	0.10	58.11	4.04	3.95	7.8
78	FB Financial Corp (FBK)	Nashville, TN	3,276.9	27.09	0.06	76.11	8.73	4.10	19.3
79	Paragon Commercial Corp. (PBNC)	Raleigh, NC	1,504.8	16.43	0.03	55.97	4.17	3.56	17.3
80	First Busey Corp. (BUSE)	Champaign, IL	5,425.2	18.02	0.15	62.04	7.20	3.42	56.8
81	First Financial Bankshares Inc. (FFIN)	Abilene, TX	6,809.9	19.24	0.19	49.19	3.88	4.17	1.0
82	Civista Bancshares Inc. (CIVB)	Sandusky, OH	1,377.3	26.48	-0.02	63.69	9.56	3.92	5.3
83	TriCo Bancshares (TCBK)	Chico, CA	4,518.0	18.14	-0.09	67.30	8.00	4.28	9.4
84	Grandpoint Capital Inc. (GPNC)	Los Angeles, CA	3,326.9	17.81	-0.01	51.97	5.41	3.82	3.6
85	Bank of Marin Bancorp (BMRC)	Novato, CA	2,023.5	16.86	-0.16	56.83	7.76	3.97	2.4
86	Bear State Bank (BSF)	Little Rock, AR	2,051.1	14.32	0.10	62.94	11.57	3.95	42.2
87	Bank First National Corp. (BFNC)	Manitowoc, WI	1,316.0	19.54	-0.04	50.95	3.76	3.17	7.2
88	QCR Holdings Inc. (QCRH)	Moline, IL	3,301.9	14.60	0.14	63.82	7.11	3.75	33.8
89	Bankwell Financial Group Inc. (BWFG)	New Canaan, CT	1,628.9	13.60	0.01	56.82	2.78	3.50	19.1
90	Bryn Mawr Bank Corp. (BMTC)	Bryn Mawr, PA	3,421.5	22.14	0.11	60.77	5.72	3.75	11.7
91	Unity Bancorp Inc. (UNTY)	Clinton, NJ	1,189.9	24.13	0.15	56.46	7.06	3.66	9.5
92	Stock Yards Bancorp Inc. (SYBT)	Louisville, KY	3,043.0	18.69	0.07	57.72	3.53	3.57	13.2
93	Stockman Financial Corp.	Miles City, MT	3,240.6	20.53	0.19	52.59	4.28	3.59	11.6
94	Allegiance Bancshares Inc. (ABTX)	Houston, TX	2,455.2	14.13	0.04	58.58	8.80	4.39	12.5
95	Oritani Financial Corp. (ORIT)	Township of Washington, NJ	4,012.8	12.80	0.02	41.20	1.94	2.96	16.0
96	Renasant Corp. (RNST)	Tupelo, MS	8,699.9	21.76	0.12	64.63	10.13	4.22	13.2
97	Flushing Financial Corp. (FFIC)	Uniondale, NY	6,058.5	21.89	-0.02	51.99	7.36	3.08	10.2
98	First Bancorp Inc. (FBLV)	Lebanon, VA	1,649.0	18.19	-0.04	55.56	10.15	3.84	9.1
99	NASB Financial Inc. (NASB)	Grandview, MO	1,879.6	21.00	-0.06	68.16	14.65	3.82	22.4
100	Hometown Financial Group MHC	Easthampton, MA	2,028.2	11.12	0.02	63.98	5.16	3.46	52.9
Top 100 median				20.38	0.02	54.78	4.34	3.88	16.4

Data compiled March 10, 2017.

S&P Global Market Intelligence used six metrics to identify top-performing U.S. community banks between \$1 billion to \$10 billion in asset size by applying equal weights to each metric. The mean for each metric was identified across the data set, and standard deviations from said means were calculated for each metric for each institution and aggregated, to determine a relative performance score. Scores for each metric were also capped to help normalize the data.

For the purposes of this ranking, S&P Global Market Intelligence defined community banks as currently operating top-tier banks and thrifts.

Companies with gross loans/assets less than 33.33% or credit card loans/total loans greater than 50% are excluded. Companies with parents greater than \$10 billion in total assets are also excluded.

Companies with significant other noninterest income from nontraditional banking activities are excluded.

Excludes banks with a CET1 risk-based ratio less than 6.5%, a Tier 1 risk-based ratio less than 8%, a total risk-based capital ratio less than 10% or a leverage ratio less than 5%.

ROATCE = return on average tangible common equity

NCOs = net charge-offs

1 Adjusted Texas ratio = nonperforming assets plus loans 90 days or more past due, net of delinquent government guaranteed loans and OREO covered by loss-sharing agreements with the FDIC, as a percentage of tangible equity and reserves

FTE = fully taxable equivalent

Rankings are based on 2016 regulatory data. All ranking metrics must have been reported for company to be included.

Source: SNL Financial, an offering of S&P Global Market Intelligence.



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used in the rankings and the list of the top 100.

For S&P Global Market Intelligence's 2016 credit union ranking, click [here](#).