

## METRICS & MEASURES

### Mid-Tier Ranking

Performance among banks and thrifts with \$2 billion to \$10 billion of assets has not changed much over the past year, judging from our annual ranking.

This year 52 institutions show a three-year average return on equity in the double digits, up only slightly from last year's 49, according to data from SNL Financial.

It is perhaps even more telling that for just as many institutions in this size range — fully 52 of them — net income fell in 2013 compared with the year earlier. Two others posted losses in both years, with just one of those narrowing the loss for 2013.

Republic Bancorp's 79% drop in annual net income stands out as the harshest change. The Louisville, Ky., company, which, due to regulatory pressure, exited its lucrative tax-refund anticipation loan business as of 2013, still managed to stay in our top 10. It slid only four notches to seventh place, with a 16.62% three-year average ROE buoyed by the results for 2012 and 2011. But the 4.65% ROE it posted for 2013 hardly bodes well.

Of those in the top 25, all but eight are repeats from last year, though in most cases their order is shuffled around. At least three of those newbies — Olney Bancshares of Texas, Farmers & Merchants Bancorp. and CNB Financial Corp. — are making their debut on the list, having grown their

assets past the \$2 billion threshold by yearend.

Just as the majority of the best performers are familiar names from last year, so are the poor performers. But some are making dramatic changes that might help improve their standings.

Sun Bancorp, which is among those languishing near the bottom of the ranking once again, announced in July a major cost-cutting initiative under its newly appointed president and CEO, Thomas O'Brien. It plans to eliminate 242 jobs, or nearly 40% of its work force, and exit its retail mortgage, health care and asset-based lending businesses, in an effort to slash annual expenses by nearly \$17 million.

Our ranking uses regulatory data, but since those registered as subchapter S corporations are not subject to federal corporate income tax, the ROEs for those institutions are adjusted accordingly to allow for a fair comparison with their peers.

To minimize the impact of deferred tax assets, the ranking excludes 28 institutions for which a negative provision for taxes contributed more than 10% to net income in 2013, 2012 or 2011. Also excluded are 34 institutions for which a three-year average ROE is unavailable.

These exclusions — along with several others listed in the footnotes — narrowed the list of public and private institutions in this ranking to 153, out of the 251 nationwide that are in the mid-tier size range. —Bonnie McGeer

#### MID-TIERS, RANKED BY 3-YEAR AVERAGE ROE

Rank	Company	City, state	Total Assets (\$B)	3-year ROAE (%)	2013								2012 Net Income (\$M)
					ROAE (%)	ROAA (%)	Tangible Equity/Tang. Assets (%)	Efficiency Ratio FTE (%)	NIM (%)	Total Noninterest Income (\$M)	Net Income (\$M)		
121	Simmons First National Corp.	Pine Bluff, AR	4.38	6.24	5.69	0.64	7.23	78.08	4.09	42,757	23,231	27,684	
122	Happy Bancshares	Canyon, TX	2.45	6.24	7.99	0.73	7.83	73.52	3.65	26,818	16,213	11,166	
123	Firsttrust Savings Bank*	Conshohocken, PA	2.54	6.09	5.38	0.70	12.07	75.40	4.28	20,917	25,047	29,338	
124	1867 Western Financial Corp.	Stockton, CA	2.24	5.86	5.92	0.82	12.48	63.60	3.97	15,663	17,048	16,610	
125	MB Financial	Chicago, IL	9.64	5.84	7.59	1.05	9.55	66.20	3.59	188,648	98,455	90,374	
126	Brookline Bancorp	Boston, MA	5.33	5.80	5.74	0.68	8.87	62.09	3.64	13,249	35,386	37,142	
127	Liberty Bank	Middletown, CT	3.59	5.75	5.60	0.86	15.73	74.78	3.54	26,199	30,237	28,247	
128	Renasant Corp.	Tupelo, MS	5.75	5.58	6.01	0.71	6.64	71.97	3.97	67,956	33,487	26,637	
<b>129</b>	<b>The Bancorp Bank</b>	<b>Wilmington, DE</b>	<b>4.71</b>	<b>5.55</b>	<b>7.24</b>	<b>0.61</b>	<b>7.49</b>	<b>61.36</b>	<b>2.54</b>	<b>80,101</b>	<b>25,110</b>	<b>16,624</b>	
130	CBFH	Beaumont, TX	2.46	5.00	5.63	0.75	10.33	62.76	4.06	14,180	15,223	11,441	
131	TriState Capital Holdings	Pittsburgh, PA	2.29	4.69	4.84	0.59	12.83	60.91	2.92	5,000	12,867	10,672	
132	West Suburban Bancorp	Lombard, IL	2.04	4.64	4.39	0.37	8.29	75.84	2.95	9,441	7,503	8,088	
133	First Commonwealth Financial	Indiana, PA	6.22	4.39	5.70	0.67	9.09	66.93	3.41	60,130	41,482	41,954	
134	South Plains Financial *	Lubbock, TX	2.28	4.17	8.15	0.55	6.55	79.78	3.48	30,346	15,607	12,724	
135	United Financial Bancorp	Glastonbury, CT	2.31	3.97	4.76	0.66	12.92	73.55	3.50	15,323	14,227	15,797	
136	Valley View Bancshares	Overland Park, KS	3.14	3.86	4.73	0.72	13.46	63.21	3.42	10,256	23,280	18,209	
137	CenterState Banks	Davenport, FL	2.42	3.76	4.47	0.51	9.40	83.94	4.72	23,532	12,243	9,905	

This ranking is based on regulatory data as of June 30. Rank is determined by the average ROE across three years (2013, 2012 and 2011). Unless otherwise noted, additional data shown in the chart is for the full year ending Dec. 31, 2013. Analysis limited to operating top tier bank holding companies, commercial banks and savings banks with three years of data availability. Excludes industrial companies, non-depository trusts and foreign-owned companies. Excludes companies with credit card loans to total loans greater than 25%, loans to deposits less than 20% or loans to assets less than 20%. Also excludes institutions for which negative provision for taxes contributed more than 10% to net income in 2013, 2012, or 2011. Using the preceding criteria, 153 companies with \$2 billion to \$10 billion of assets qualified for the ranking, out of 251 in this size range as of yearend. \* Denotes a company with subchapter S (S-Corp) status. ROAA and ROAE are adjusted to reflect this status using an assumed tax rate.

Source: SNL Financial