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REGIONAL★ALL-STARS

2019

RANKING BANKING[®] REGIONAL★ALL-STARS

What Defines Excellence in Banking?

In many ways, banking is a commodity business. Banks make loans, and they hold deposits—these are the two primary functions common to all FDIC-insured institutions. Because of this, it's critical that they stand out in the marketplace, but too many financial institutions fail to differentiate themselves in terms of their products and services, delivery methods, and cultures.

But a closer look at the nation's top-performing banks reveals a variety of strategies and strengths. This is what drives Bank Director's annual RankingBanking study, a multi-layered project that examines areas important to the industry to uncover the strengths of banks that are influencing the future of the financial sector. What you'll find is a deep-dive analysis that includes more than 60 data points to determine the best bank in each region—and the best overall—across several key categories in banking.

Last year, we ranked the 10 biggest banks, ultimately crowning JPMorgan Chase & Co. the winner. However, there are a number of strong regional banks across the U.S.—institutions that may not garner national attention, but are important components of the economies in their markets. So for 2019, we wanted to focus on strong, regional players with a great track record—organizations we truly believe represent some of the best in banking.

Within each region—the South, the West, the Midwest and the Northeast—Bank Director identified the top five public U.S. retail and commercial banks between \$10 billion and \$250 billion in assets. The resulting list is a group of 20 high-performing banks that warrant a deeper analysis to understand why these banks excel and the areas where they're most successful.

As you read through the study, remember that these are all outstanding banks. Each bank has its strengths, as you will find. There's inspiration to be found for the more than 5,400 FDIC-insured institutions that comprise the U.S. banking industry.

Emily McCormick

Vice President, Research
Bank Director

CONTENTS

- 2** Letter
- 4** Ranking Regional All-Stars
- 8** Best Branch Network Strategy
- 12** Best Core Deposit Strategy
- 16** Best Retail Strategy
- 20** Best Technology Strategy
- 24** Best Small Business Strategy
- 28** Best Commercial Lending Strategy
- 32** Best Corporate Citizen
- 36** Best Bank for Millennial Employees
- 40** Best M&A Strategy
- 44** Best Board
- 48** Acknowledgments

RANKING REGIONAL ALL-STARS

It seems easy to identify a high-performing bank—but what are the components that create it?

Each bank has its own unique markets, strategy and focus—some of which result in a higher level of performance than others. The 2019 RankingBanking study seeks to better understand these high performers.

To do this, we selected a group of 20 best-in-class banks—five within four regional categories, as defined by the U.S. Census Bureau: South, West, Midwest and Northeast. Within each region, Bank Director identified the top five publicly-traded retail and commercial banks with more than \$10 billion but less than \$250 billion in assets, based on profitability (average

return on assets and average return on equity) over a three-year period, as well as total shareholder return over a 10-year period. This naturally weights the selection of the banks we ranked toward current performance, with a slight balance toward long-term performance as a public company.

We limited the analysis to banks between \$10 billion and \$250 billion in assets for several reasons. First, we excluded banks above \$250 billion in assets because, in many ways, these banks operate in a different universe. Regulatory restrictions have prevented most of them from participating in M&A, for example, which has restricted their growth. In fact, banks between \$10 billion and \$50 billion have been much more active acquirers in recent years. And to compare banks around the \$100 billion asset mark—such as M&T Bank Corp. in Buffalo, New York, Huntington Bancshares in Columbus, Ohio, and Fifth Third Bancorp in Cincinnati—to banks below \$10 billion would be misleading. Due to the Dodd-Frank Act, banks above \$10 billion are subject to enhanced regulatory oversight, and economies of scale are more potent at

that size.

The banks were evaluated in 10 categories that are important factors in bank performance. These are:

- Best Branch Network Strategy
- Best Core Deposit Strategy
- Best Retail Strategy
- Best Technology Strategy
- Best Small Business Strategy
- Best Commercial Lending Strategy
- Best Corporate Citizen
- Best Bank for Millennial Employees
- Best M&A Strategy
- Best Board

For each category, Bank Director’s research team gathered quantitative data from sources such as the Federal Deposit Insurance Corp. and company filings. Qualitative data, in the form of case studies and analyst opinions, were also collected. An algorithm was developed specific to each category, in which both qualitative and quantita-

How The Top Regional Banks Ranked



| | | SCORE | ASSET SIZE (MILLIONS) | TICKER |
|-----------|-----------------------------|-------------|-----------------------|--------|
| | South State Corp. | 2.29 | | |
| NORTHEAST | ★ 1 Webster Financial Corp. | 2.38 | \$27,346 | WBS |
| | 2 M&T Bank Corp. | 2.71 | \$116,828 | MTB |
| | 3 Community Bank System | 2.78 | \$10,660 | CBU |
| | 4 Sterling Bancorp | 2.90 | \$31,261 | STL |
| | 5 Signature Bank | 3.67 | \$45,871 | SBNY |
| MIDWEST | ★ 1 Huntington Bancshares | 2.47 | \$105,652 | HBAN |
| | 2 Fifth Third Bancorp | 2.73 | \$141,685 | FITB |
| | 3 Commerce Bancshares | 2.87 | \$25,062 | CBSH |
| | 4 Chemical Financial Corp. | 2.97 | \$20,905 | CHFC |
| | 5 Great Western Bancorp | 3.34 | \$12,009 | GWB |
| SOUTH | ★ 1 South State Corp. | 2.29 | \$14,522 | SSB |
| | 2 Bank OZK | 2.63 | \$22,087 | OZK |
| | 3 Home Bancshares | 3.05 | \$14,913 | HOMB |
| | 4 BankUnited | 3.21 | \$31,514 | BKU |
| | 5 FCB Financial Holdings | 3.37 | \$12,433 | FCB |
| WEST | ★ 1 First Republic Bank | 2.52 | \$96,094 | FRC |
| | 2 Bank of Hawaii Corp. | 2.63 | \$16,992 | BOH |
| | 3 Western Alliance Bancorp. | 2.90 | \$22,176 | WAL |
| | 4 East West Bancorp | 2.98 | \$39,073 | EWBC |
| | 5 Cathay General Bancorp | 3.37 | \$16,462 | CATY |

tive data were ranked on a 1 to 5 scale per region, with the lower score indicating a better performance. This determined the winner for each region. The regional winners were then scored again and compared against each other to determine each overall category winner.

A similar methodology was developed to determine the overall winner for the 2019 RankingBanking study. Each category score factored into this algorithm, with three key categories receiving extra weight: the board category, given the important role directors play in their oversight of a bank; the core deposit category, due to the importance of growing sticky deposits to fund loan growth in today's rising-rate environment; and finally, the score for appealing to millennial employees, given the important role the millennial workforce will play in the future growth and sustainability of a bank. The millennial category also includes metrics that touch on a bank's reputation in the marketplace.

To balance the category scoring with long-term performance, total shareholder return over a five-year period was included in the algorithm. A safety and soundness score was also tabulated using each bank's net charge-off ratio and common equity tier 1 capital ratio as of June 2018, based on FDIC data.

Proving that biggest doesn't mean best, South State Corp. won the overall ranking. The Columbia, South Carolina-based financial services company, with \$14.5 billion in assets, earned the top spot due to its strong overall performance in retail banking and its ability to attract younger employees who will help grow the business in the future. It was also a regional winner in the corporate citizen, branch network, core deposit and commercial lending categories, and it scored second in the South for its acquisition and technology strategies.

In fact, South State scored first or second within its region in eight of the 10 categories in this ranking.

"They've been successful organically growing both consumer and commercial" sides of the business, says Chris Marinac, director of research at FIG Partners. While many banks opt to focus more on the commercial side, "South State has a much more balanced attack. Their plan has

always been to do a large consumer business, which is primarily local, and it drives more deposits," he says. "It's also given them a more defensible revenue stream."

Bank OZK—formerly Bank of the Ozarks, and based in Little Rock, Arkansas, with \$22 billion in assets—placed second overall in the South. An active acquirer that has snatched up seven banks in Arkansas, Georgia, Florida, North Carolina, Texas and New York over the past five years, Bank OZK topped the region on the strength of its acquisition strategy, its board, its core deposit strategy and its technology strategy. Nearby Conway, Arkansas-based Home Bancshares, with \$15 billion in assets, placed first in the region for its small business strategy. BankUnited, in Miami Lakes, Florida, with \$32 billion in assets, scored well within the South for its board, as well as its appeal to millennial employees and its community outreach initiatives. FCB Financial Holdings, with \$12 billion in assets, scored third within the region for its retail strategy, commercial lending strategy, acquisition strategy and appeal as a millennial employer. The Weston, Florida-based holding company has been acquired by \$32 billion asset Synovus Financial Corp. The deal is scheduled to close in 2019.

Webster Financial Corp., based in Waterbury, Connecticut, with \$27 billion in assets, was the top performer in the Northeast and scored second overall. Webster topped its region for its board, and its small business and technology strategies, and ranked second regionally for its commercial lending strategy, community outreach initiatives and work in attracting millennial employees.

M&T came in second in the Northeast, and was an overall winner in the corporate citizen category. It also tied for an overall win in the M&A category. The \$117 billion asset bank also topped the region for its retail strategy and millennial hiring practices. Coming in third was Dewitt, New York-based Community Bank System, the smallest bank in the study at \$11 billion in assets and the overall winner for its core deposit strategy. Sterling Bancorp, with \$31 billion in assets in Montebello, New York, came in fourth, and topped the region for its branch network and commercial lending strategies. New York-based Signature Bank, with

\$46 billion in assets, rounded out the region, drawing note for its branch-light strategy, earning a second place in that category regionally.

“South State has a much more balanced attack. Their plan has always been to do a large consumer business, which is primarily local, and it drives more deposits. It’s also given them a more defensible revenue stream.”

Chris Marinac / FIG Partners

Emerging at the top in the Midwest, and third overall, Huntington, at \$106 billion in assets, was the overall winner for its small business and commercial lending strategies, and finished first in the region on the strength of its board makeup and branch network strategy. Fifth Third, with \$142 billion in assets, placed second in the region and was the overall winner for its technology strategy. It also earned regional wins for community outreach and its strategy around hiring millennials. In third, \$25 billion asset Commerce Bancshares, headquartered in Kansas City, Missouri, topped the core deposit, branch network and retail categories within the region. Detroit-based Chemical Financial Corp., with \$21 billion in assets, placed fourth, earning second place within the region in the retail, small business, community outreach and M&A categories. Great Western Bancorp, based in Sioux Falls, South Dakota, with \$12 billion in assets, topped the region for its acquisition strategy.

Finally, \$96 billion asset First Republic Bank topped the West and placed fourth overall. The San Francisco-based bank, which focuses on affluent customers, was the overall winner in the branch network category, and a regional winner for its retail strategy and millennial ap-

peal. It also scored highly for its core deposit, commercial lending and technology strategies.

Bank of Hawaii Corp., based in Honolulu with \$17 billion in assets, placed second in the West and was the overall winner in the board category. It was a regional winner in the corporate citizen and technology categories, and placed second within the region for its millennial hiring and retail strategy.

In third, Phoenix, Arizona-based Western Alliance Bancorp., with \$22 billion in assets, tied with M&T as the overall winner in the M&A category, and led the region for its commercial lending and core deposit strategies. In fourth, East West Bancorp, based in Pasadena, California, with \$39 billion in assets, topped the region for its small business strategy. Los Angeles-based Cathay General Bancorp, with \$16 billion in assets, earned a regional second place for its small business and acquisition strategies.

Transparency and brand awareness were not direct factors in scoring the performance of these banks, but they did indirectly contribute to our analysis. While this is a business-focused, rather than a consumer-focused ranking—meaning, our purpose is to understand how each line of business or area of interest benefits the bank, rather than the customer—the study uses publicly available information to better understand each bank, from their retail offerings to how they present themselves to prospective employees. Banks that better convey their mission and culture, and products, services and delivery channels to the world—through digital platforms, social media channels and other forms—provided more information for our examination. Doing so also makes it easier for prospective clients and employees in their markets to choose a bank, which is vital to building a brand and driving future performance.

A large, stylized silhouette of an eagle with its wings spread wide, positioned in the upper left quadrant of the page. The eagle is rendered in a dark olive green color.

RANKING BANKING®

BEST BRANCH NETWORK STRATEGY



First Republic Bank

Summary Analysis



Branch banking may be in flux in the digital age, but physical locations remain a central component of most banks' distribution models. Lest there be any doubt, JPMorgan Chase & Co., the nation's largest bank, announced in early 2018 that it will build 400 new branches—a number roughly equal to the 25th largest branch network in the country.


Bank leaders with a firm vision about where they want to be and accurate market data to make informed decisions are best positioned to balance efficiency and growth in their branch networks, says John Smith, the CEO of DBSI, a retail banking consultant.

"You have the data, you have your strategy of where you want to be, and now it's about proper execution," he says.

Bank Director developed two metrics to measure the effectiveness of a bank's branches. Deposits per branch (as of March 2018) and employees per branch (as of December 2017) were analyzed to create an efficiency score. A growth score was developed by measuring the expansion of branch networks over a two-year period, ending June 2017—the most recent data available from S&P Global Market Intelligence on the number of branches for each bank—as well as growth in core deposits from March 2016 to March 2018.

To supplement these quantitative metrics, Bank Director conducted a qualitative analysis designed to reward branding, innovation and alignment with strategic goals. Bank analysts also provided their perspective.

Each bank was scored relative to its regional peers. Regional winners were then scored against each other to determine the overall category winner. Due to this second scoring, the overall winner's final score differs



"I have never heard any other person talk about a bank the way that people talk about First Republic and the service that they provide. That is what they're known for."

David Long / Raymond James

from its regional score.

When it comes to the efficacy of its branch network, First Republic Bank topped the West and the category overall. Thanks to its focus on high-net-worth customers, its network is extremely efficient, with 55 employees and \$976 million in deposits per branch.

“When you’re talking about the high-net-worth individuals, they’re typically much larger balance deposits,” says David Long, an analyst with Raymond James. “The average deposit size for First Republic is going to be much larger than most banks.”

Beyond pure numbers, First Republic distinguishes itself when it comes to the quality of service. Fresh-baked cookies have greeted First Republic’s customers in its branches since 2001. Its high-touch strategy to serve an affluent clientele means branches still play a key role—but not in the usual way.

“I have never heard any other person talk about a bank the way that people talk about First Republic and the service that they provide,” says Long. “That is what they’re known for.” Clients come in to get advice from their personal banker, not to deposit a check.

First Republic’s branch network has grown by just 1.39 percent, but it grew deposits by 35 percent in the two years ending March 2018. And compared to many other high performers in this category, its growth was organic, not obtained via acquisition.

Earning top place for its branch network in the Northeast, Sterling Bancorp is also highly efficient, with \$522 million in deposits per branch (second behind only Signature Bank in that region) and 52 employees per branch, almost on par with First Republic.

Sterling has grown its core deposits by 114 percent—thanks largely to its acquisition of Astoria Financial Corp. But as Sterling continues transitioning from a retail-oriented thrift to a commercially-focused bank—as well as integrating Astoria—it’s trimming those acquired branches, which explains why Sterling reduced its branch network by 33 percent over two years.

HIGHEST LEVEL OF BRANCH NETWORK GROWTH

Bank OZK

52%

MOST EFFICIENT BRANCH NETWORK

Signature Bank

\$1.1B deposits per branch

South State Corp.’s branch network stands out compared to its peers in the South. While it is moderately efficient, at 21 employees and \$89 million in deposits per branch, it saw growth in core deposits of 61 percent—largely through M&A—and modestly expanded its branch network, by 8 percent.

In the Midwest, Huntington Bancshares and Commerce Bancshares tied for their branch network strategies. Between the two, Commerce was more efficient than the much bigger Huntington, but Huntington saw greater growth in both core deposits and the expansion of its branch network. (Huntington acquired FirstMerit Corp. in 2016.)

Huntington’s branch network includes smaller in-store locations that take advantage of frequent foot traffic. Meanwhile, Commerce has focused on updating its branches. A new branch that opened in 2017 features an “exploration center,” for instance, where customers can access online banking. It’s also designed so a banker greets the customer at the door, rather than waiting for them at a traditional teller line—indicating the bank has shifted to a universal banker model that can better serve customers’ needs. Commerce was also an early adopter of instant card replacement, and some locations even feature electric car charging stations, implemented through a partnership with Nissan.

How They Ranked: Best Branch Network Strategy



| | | SCORE | DEPOSITS PER BRANCH (THOUSANDS) | BRANCH NETWORK GROWTH |
|-----------|---------------------------------|-------------|---------------------------------|-----------------------|
| | First Republic Bank | 2.11 | | |
| NORTHEAST | ★ 1 Sterling Bancorp | 2.06 | \$521,999 | -33.33% |
| | 2 Signature Bank | 2.39 | \$1,123,202 | 3.33% |
| | 3 Webster Financial Corp. | 2.78 | \$127,936 | 1.81% |
| | 4 Community Bank System | 3.56 | \$39,200 | 22.7% |
| | 5 M&T Bank Corp. | 3.89 | \$109,859 | 16.38% |
| MIDWEST | ★ 1 Huntington Bancshares (TIE) | 2.33 | \$77,313 | 38.07% |
| | ★ 1 Commerce Bancshares (TIE) | 2.33 | \$111,919 | -3.65% |
| | 3 Fifth Third Bancorp | 2.89 | \$93,282 | -12.35% |
| | 4 Chemical Financial Corp. | 3.17 | \$55,924 | 32.28% |
| | 5 Great Western Bancorp | 3.50 | \$53,384 | 9.26% |
| SOUTH | ★ 1 South State Corp. | 2.56 | \$89,202 | 8.26% |
| | 2 Bank OZK | 2.72 | \$73,999 | 51.57% |
| | 3 Home Bancshares | 3.06 | \$68,336 | -3.16% |
| | 4 FCB Financial Holdings | 3.39 | \$206,413 | -6.12% |
| | 5 BankUnited | 3.61 | \$234,175 | -8.57% |
| WEST | ★ 1 First Republic Bank | 1.67 | \$976,097 | 1.39% |
| | 2 Western Alliance Bancorp. | 2.22 | \$475,694 | -9.76% |
| | 3 Cathay General Bancorp | 3.17 | \$221,516 | 9.26% |
| | 4 Bank of Hawaii Corp. | 3.22 | \$211,325 | 1.43% |
| | 5 East West Bancorp | 3.72 | \$270,765 | -2.42% |

SOURCES: Federal Deposit Insurance Corp., S&P Global Market Intelligence, bank annual reports and other public information



RANKING BANKING®

BEST CORE DEPOSIT STRATEGY



Community Bank System

Summary Analysis

A

s the Federal Reserve continues to raise interest rates in the face of a strengthening economy, the industry is increasingly focused on competition for core deposits, a “sticky” form of funding comprised of checking and savings accounts from customers who are less likely to chase rates. These provide banks with a stable source of funding at a low cost.

“Core deposits are one of the most valuable things we can do as a bank,” says Harold Wentworth, senior vice president of retail banking, sales and marketing at Community Bank System. “If you can get that checking account, you have the opportunity to

help that customer in a variety of ways,” he says, through loans or fee-producing products.

Bank Director sought to recognize those banks that demonstrate strong core deposit growth while also effectively managing costs. To reward growth, we examined growth in core deposits from March 2016 to March 2018, and determined the percentage of core deposits gained organically, rather than via acquisition. Additionally, we examined net interest margin as of March 2018, as well as cost of funds, fee income from deposit accounts, expressed in absolute terms and as a percentage of net income, and checking account profitability, based on an analysis by Moebs Services, a research and consulting firm. We also included core deposits as a percentage of total deposits in our algorithm.

Each bank was scored compared to its regional peers. Regional winners were then compared to one another and scored again to determine the overall category winner. Due to this second scoring, the overall winner’s final score differs from its regional score.

“Core deposits are one of the most valuable things we can do as a bank.”

Harold Wentworth / Community Bank System

Community Bank System topped the category overall and for the Northeast region. The bank has seen moderate growth in core deposits and touts an extremely low cost of funds at 0.17 percent, as well as a high level of deposit fee income as a percentage of net income, at 28 percent. More than 99 percent of its total deposits are core deposits.

“Several years ago we started focusing heavily [and] put a lot of resources toward growing checking accounts and savings accounts,” says Wentworth. The bank simplified its product offerings, and devoted more dollars and resources to marketing and employee training.

The bank was even willing to pay a small premium to acquire branches when other banks were chasing loans. “They were doing branch deals at a 2 percent core deposit premium,” says Joe Fenech, a managing director at Hovde Group. “When everybody was awash in funding—including them—they foresaw that situation wouldn’t last forever.”

While Community Bank System operates in mostly low-growth markets, it offsets that by having a large share of the market. “These are communities in upstate New York that fly well under the radar,” says Fenech. “But they offer those sticky deposits [at a] low cost, and CBU is the dominant bank in most of those markets.”

South State Corp. and Bank OZK tied in the South. Both exhibited a high level of core deposit growth, at 61 percent and 112 percent, respectively, and a tout net interest margins above 4 percent (as does OZK’s Arkansas neighbor, Home Bancshares).

Commerce Bancshares boasts the best core deposit strategy for the Midwest, relying mostly on organic growth. While deposit growth was modest—a little more than 2 percent—the bank’s cost of funds are low—just 0.19 percent—and 24 percent of its net income is generated through deposit fees.

Western Alliance Bancorp. topped the category in the West. It managed to grow core deposits by 48 percent and has a high net interest margin, at 4.54 percent, and a low cost of funds, at 0.34 percent. It also exhibited the best performance for checking profitability.

It should be noted that checking accounts were not prof-

LOWEST COST OF FUNDS

Community Bank System
0.17%

HIGHEST NET INTEREST MARGIN

Bank OZK
4.57%

MOST GROWTH IN CORE DEPOSITS

Sterling Bancorp
113.9%

itable at any of these banks. Those doing best are in fact losing *less* money, rather than making money, on their checking accounts. Banks could bring costs down by simplifying their product selection, says Mike Moebs, CEO of Moebs Services. He also believes banks should reexamine their fee structure. “Having a lower fee can produce more volume and therefore, more revenue,” he says.

Banks are using a number of competitive tactics, the most common of which is to simply increase the interest rates paid on deposits. Almost three-quarters of the executives and directors responding to Bank Director’s 2019 Bank M&A Survey indicated they’ve done just that—though how much those have increased was not revealed.

Traditionally, banks paid 50 percent of the federal funds rate on deposits, according to Moebs. Today, the average financial institution is paying just 7 percent. And that’s a problem for banks competing with nonbank entities like PayPal for consumer dollars: When your bank isn’t giving you much for your money, it’s an easier choice to move your dollars to another provider.

How They Ranked: Best Core Deposit Strategy



| | | SCORE | COST OF FUNDS | GROWTH IN CORE DEPOSITS |
|-----------|--------------------------------------|-------------|---------------|-------------------------|
| | Community Bank System | 2.24 | | |
| NORTHEAST | ★ 1 Community Bank System | 2.18 | 0.17% | 22.7% |
| | 2 M&T Bank Corp. | 2.78 | 0.42% | -1.81% |
| | 3 Signature Bank | 2.96 | 0.81% | 23.9% |
| | 4 Webster Financial Corp. | 3.40 | 0.53% | 14.5% |
| | 5 Sterling Bancorp | 3.58 | 0.69% | 113.9% |
| MIDWEST | ★ 1 Commerce Bancshares | 2.53 | 0.19% | 2.4% |
| | 2 Fifth Third Bancorp | 2.73 | 0.68% | 5.9% |
| | 3 Huntington Bancshares | 2.96 | 0.63% | 41.2% |
| | 4 Great Western Bancorp | 3.20 | 0.58% | 18.7% |
| | 5 Chemical Financial Corp. | 3.51 | 0.62% | 69.8% |
| SOUTH | ★ 1 Bank OZK (TIE) | 1.96 | 0.88% | 111.9% |
| | ★ 1 South State Corp. (TIE) | 1.96 | 0.3% | 60.8% |
| | 3 Home Bancshares | 2.89 | 0.82% | 54.9% |
| | 4 BankUnited | 3.96 | 1.19% | 23.1% |
| | 5 FCB Financial Holdings | 4.24 | 1.08% | 52.3% |
| WEST | ★ 1 Western Alliance Bancorp. | 1.98 | 0.34% | 47.7% |
| | 2 First Republic Bank | 2.16 | 0.5% | 34.8% |
| | 3 Bank of Hawaii Corp. | 2.96 | 0.34% | 7.3% |
| | 4 East West Bancorp | 3.56 | 0.55% | 13.9% |
| | 5 Cathay General Bancorp | 4.18 | 0.62% | 25.7% |

SOURCES: Federal Deposit Insurance Corp., Federal Financial Institutions Examination Council, Moebs Services and S&P Global Market Intelligence



RANKING BANKING®

BEST RETAIL STRATEGY



WINNER:
SOUTH STATE
CORP.

South State Corp.



Summary Analysis

Thanks to the way Amazon and other online retailers have revolutionized the retail experience, financial institutions can no longer rely exclusively on bankers in branches to sell loans, deposit accounts and other financial products. Banks must now factor customers' digital experience into the equation as well.

Some banks have even begun to retreat from retail banking, particularly from compliance-heavy mortgages, to focus instead on commercial opportunities that leverage their niche strengths. Others still see value in the retail sector, given that financial services remain a critical component of consumers' lives.

To examine the retail strategies of high-performing banks, Bank Director looked at deposit-gathering efficiency, based on core deposits per employee; lending efficacy, based on the loan-to-deposit ratio; and the size of each bank's retail loan portfolio, based on mortgage and consumer loans on each bank's balance sheet—all as of March 2018. Growth in market share, from June 2013 to June 2018, and mortgage and consumer loan portfolios, over a two-year period ending March 2018, were factored in, too, as was the quality of those portfolios, assessed by examining loan charge-offs as of March 2018. In recognition of the digital evolution in banking, we created a mobile satisfaction score to examine each bank's retail mobile app, based on app store ratings (September 2018), and analyzed each bank's app features.

In addition, we studied each bank's retail products, as well as their use of technology for things like online account opening. Bank analysts were also surveyed.

Each bank was scored relative to its regional peers. To determine the overall category winner, regional winners were then scored against each



“[South State] has potential to grow, because there are still big banks they can win business away from, so I feel like that process of winning new business is not over.”

Chris Marinac / FIG Partners

other. Due to this second scoring, the overall winner's final score differs from its regional score.

South State Corp. has the best retail strategy of the group, according to our analysis.

The bank's diverse loan offerings include mortgage loans, manufactured housing loans, and loans to purchase cars, motorcycles, boats, personal watercraft and RVs. Its mortgage loan portfolio, at \$3.7 billion, is second only to BankUnited (\$4.8 billion) in the region, and at \$573 million, its individual loan portfolio—which includes auto loans, credit cards and other consumer loans—is second to Bank OZK (\$1.7 billion). Those portfolios have grown by 41 percent (mortgages) and 17 percent (individual loans).

Customers of South State Corp. have access to a robust selection of deposit products, which feature online account opening for checking and some savings accounts. Its customers can also apply online for most of the bank's loans and lines of credit.

South State operates in markets that are growing faster than the national average—namely, South Carolina, North Carolina, Virginia and Georgia. This drives organic growth, says Chris Marinac, director of research at FIG Partners. "It has potential to grow, because there are still big banks they can win business away from, so I feel like that process of winning new business is not over."

First Republic Bank was assessed to have the best retail strategy in the West. With \$16.5 million in core deposits per employee, the bank employs one of the more efficient deposit-gathering operations among the banks analyzed—as detailed in its overall win in the branch network category, found on pg. 8.

Of all the high-performing banks, First Republic has the largest mortgage portfolio on its balance sheet, at \$35 billion, as well as a large portfolio of consumer loans, at \$3.2 billion. Its mortgage offerings include options for vacation and second homes—appropriate for its focus on affluent customers.

"First Republic focuses on high-net-worth individuals, and typically they start with the jumbo mortgage loan,"

MOST IN-REGION MARKET SHARE GROWTH

Huntington Bancshares

0.82%

HIGHEST MORTGAGE LOAN VOLUME

First Republic Bank

\$35B

says David Long, an analyst with Raymond James. From there, the bank cross-sells wealth management services or services for their businesses.

Commerce Bancshares topped the Midwest, due in large part to its focus on the digital experience. Its mobile banking app rated a 4.1 out of 5—exceeding an average 3.4 rating for the banks we analyzed—and is one of the few to offer card management tools. Like South State, Commerce also offers an instant balance option, so customers can access their account balance without logging into their mobile app. And along with First Republic, Commerce includes a travel notification feature within its mobile app.

Finally, M&T Bank Corp., with \$24 billion in mortgage loans and \$8 billion in individual loans, was recognized in the Northeast for its retail strategy. Its mortgage offering includes unique options such as biweekly payments, so customers can pay off their mortgages faster. Despite its size, it grew consumer loans by 41 percent.

M&T recently upgraded its mobile offering by launching Zelle in September (after Bank Director wrapped its analysis). The regional bank joins the big banks, along with just two of our high performers—Fifth Third Bancorp and Bank of Hawaii Corp.—in giving their customers access to the real-time payments solution.

How They Ranked: Best Retail Strategy



| | | SCORE | MOBILE SATISFACTION SCORE (AVG OUT OF 5) | MORTGAGE LOAN VOLUME (THOUSANDS) |
|-----------|--------------------------------|-------------|--|----------------------------------|
| | South State Corp. | 1.96 | | |
| NORTHEAST | ★ 1 M&T Bank Corp. | 2.38 | 3.15 | \$24,107,583 |
| | 2 Sterling Bancorp | 2.50 | 1.65 | \$5,213,172 |
| | 3 Community Bank System | 3.09 | 2.55 | \$2,699,168 |
| | 4 Webster Financial Corp. | 3.23 | 2.30 | \$6,835,625 |
| | 5 Signature Bank | 3.69 | 3.40 | \$742,258 |
| MIDWEST | ★ 1 Commerce Bancshares | 2.52 | 4.10 | \$2,760,953 |
| | 2 Chemical Financial Corp. | 2.68 | 2.30 | \$4,129,297 |
| | 3 Huntington Bancshares | 2.78 | 3.60 | \$19,546,370 |
| | 4 Fifth Third Bancorp | 3.22 | 4.45 | \$22,393,225 |
| | 5 Great Western Bancorp | 3.51 | 4.65 | \$740,591 |
| SOUTH | ★ 1 South State Corp. | 2.29 | 3.10 | \$3,670,596 |
| | 2 Bank OZK | 2.47 | 3.20 | \$1,099,699 |
| | 3 FCB Financial Holdings | 2.79 | 3.20 | \$2,721,629 |
| | 4 Home Bancshares | 2.98 | 2.90 | \$1,915,346 |
| | 5 BankUnited | 3.79 | 4.65 | \$4,841,602 |
| WEST | ★ 1 First Republic Bank | 2.18 | 3.95 | \$35,357,813 |
| | 2 Bank of Hawaii Corp. | 2.72 | 4.35 | \$5,073,209 |
| | 3 Cathay General Bancorp | 2.92 | 2.95 | \$4,083,714 |
| | 4 East West Bancorp | 3.00 | 4.55 | \$7,106,388 |
| | 5 Western Alliance Bancorp. | 3.60 | 3.40 | \$418,128 |



RANKING BANKING®

BEST TECHNOLOGY STRATEGY



Fifth Third Bancorp

Summary Analysis

Technology has been transforming the banking industry for decades, but its impact can be difficult to quantify—at least to the outside observer. Banks are reticent to reveal how much they spend on innovative solutions or their return on investment. And it's hard to uncover which companies they're partnering with in the tech startup community, as many of these solutions are white-labeled or operate behind the scenes.

Bank Director used a case-study approach to develop two metrics to rate each bank's technology strategy. The first considers technology expertise, both at the board level and in executive-level staffing.

This looked at titles beyond the standard chief technology officer or chief information officer, to consider which banks have brought executives on who are focused on the customer or user experience, digital strategy, data or innovation.

The second piece examines known activities and results by these banks, from new and innovative products that have been released into the market in the past two years, to establishing innovation labs and working with technology accelerators, to known partnerships and investments.

Each bank was scored relative to its regional peers. Regional winners were then scored again compared to each other to determine the overall category winner. Due to this second scoring, the overall winner's final score differs from its regional score.

The efficiency ratio was not included in determining the impact of technology for the purposes of this category ranking, as so many factors have an impact on it. However, we have included it in the accompanying table, as a bank's technology initiatives can work to make it more efficient—which

"I think of innovation as being customer-centric first, and having empathy for our customers or our potential customers, and the communities that we serve."

Joel Kashuba / Fifth Third Bancorp

can ultimately impact that metric. As you'll see, a better efficiency score doesn't necessarily correlate with innovation.

Fifth Third Bancorp topped the technology category overall and in the Midwest. The big regional bank has certainly staffed up for innovation. Tim Spence, Fifth Third's executive vice president of payments, strategy and digital solutions, was featured in *American Banker* as "the visionary" on innovation at the bank. The team also includes Chief Digital Officer Melissa Stevens, Head of Digital Lending Ben Hoffman, Chief Customer Experience Officer Katie Liebel and Joel Kashuba, senior vice president of design and innovation. One-quarter of the board has technology expertise, and the bank's chief executive officer, Greg Carmichael, is a former CIO at the bank and has a degree in computer science.

Support for innovation comes from the top: Fifth Third's innovation lab, dubbed ONE67 Innovation Center, was established in 2017 to develop new products. It's located right next to the C-suite, and that support trickles down throughout the organization.

"We believe innovation doesn't rest on the shoulders of only the innovation team," says Kashuba. "It is very meaningful to me that [executives have] bought into innovation and our mandate, but what's even more exciting to me is that it is something that is driven by the curiosity of every member of Fifth Third, and that we have countless partners across the enterprise that we collaborate with."

Since innovation is all about solving problems, the team starts with the customer—not technology—in mind. "I think of innovation as being customer-centric first, and having empathy for our customers or our potential customers, and the communities that we serve," says Kashuba. "What are our customers' definitions of success for their businesses, for their lives, what they're trying to manage financially?"

That focus on customers' unmet needs has resulted in products such as Fifth Third's Momentum app, in which customers can link their debit cards to their student loan servicer and round up their purchases to the next dollar to accelerate the repayment of their loan.

NOTABLE PARTNERSHIP

Bank OZK
Google

SMART TECHNOLOGY ACQUISITION

First Republic Bank
Gradifi

GREAT CULTURAL IDEA

Commerce Bancshares
Innovation Breakfasts to Share Ideas

Bank OZK came out on top in the South. Its OZK Labs, which in July 2018 announced a partnership with Google around machine learning, was acquired through the bank's acquisition of C1 Financial in 2016. Bank OZK launched a new online account-opening platform in 2018, too.

In the Northeast, Webster Financial Corp. topped the category. Twenty percent of its board has technology expertise, and the bank has executives focused on digital banking and the user experience. HSA Bank—a nationwide platform focused on health savings accounts—is Webster's fastest-growing business line. The online and mobile platform touts a seamless experience for HSA users and their employers, and uses data analytics to improve the customer experience.

Finally, Bank of Hawaii Corp.'s technology strategy stood out in the West. Executives at the bank focus on customer experience, strategy and digital innovation, and one-quarter of its board has expertise in technology. In addition, Bank of Hawaii has focused strongly on branch modernization, and its commercial banking group launched a product innovation lab in 2017.

How They Ranked: Best Technology Strategy



| | | SCORE | EFFICIENCY RATIO | % DIRECTORS W/TECH BACKGROUND | |
|-----------------------|-----|--------------------------------|------------------|-------------------------------|-------|
| Overall Winner | | Fifth Third Bancorp | 1.40 | | |
| NORTHEAST | ★ 1 | Webster Financial Corp. | 1.20 | 58.2% | 20% |
| | 2 | M&T Bank Corp. | 2.40 | 54.3% | 5.9% |
| | 3 | Sterling Bancorp | 3.00 | 39.4% | - |
| | 4 | Signature Bank | 3.80 | 42.7% | - |
| | 5 | Community Bank System | 4.00 | 54% | - |
| MIDWEST | ★ 1 | Fifth Third Bancorp | 1.60 | 51.3% | 25% |
| | 2 | Commerce Bancshares | 2.00 | 58% | 25% |
| | 3 | Huntington Bancshares | 2.60 | 52.4% | 50% |
| | 4 | Great Western Bancorp | 4.00 | 46.5% | 12.5% |
| | 5 | Chemical Financial Corp. | 4.40 | 51.3% | 7.7% |
| SOUTH | ★ 1 | Bank OZK | 1.60 | 36.8% | 6.3% |
| | 2 | South State Corp. | 1.80 | 64% | 13.3% |
| | 3 | BankUnited | 3.00 | 57% | 10% |
| | 4 | Home Bancshares | 3.40 | 35.1% | - |
| | 5 | FCB Financial Holdings | 5.00 | 40.5% | - |
| WEST | ★ 1 | Bank of Hawaii Corp. | 1.20 | 57.3% | 25% |
| | 2 | First Republic Bank | 1.80 | 64.2% | 8.3% |
| | 3 | Western Alliance Bancorp. | 3.20 | 40.8% | - |
| | 4 | Cathay General Bancorp | 3.80 | 41.2% | - |
| | 5 | East West Bancorp | 4.00 | 41.5% | - |

SOURCES: Bank websites, filings, LinkedIn and other information



RANKING BANKING®

BEST SMALL BUSINESS STRATEGY

Huntington Bancshares



WINNER:
HUNTINGTON
BANCSHARES

Summary Analysis




Small businesses are crucial to the U.S. economy, creating 63 percent (14.3 million) of private sector jobs between 1993 and mid-2013, according to the U.S. Small Business Administration (SBA).

Banks—particularly regional and community financial institutions—play a vital role in their local economies by serving the needs of these small businesses. Small business loans accounted for 51 percent of small business financing in 2012, far exceeding other forms of capital infusion, according to the SBA.

With small businesses more optimistic today, according to the Wells Fargo/Gallup Small Business Index, this could lead them to invest more in their operations, representing new opportunities for the banks that serve them. But as digital lending platforms that focus on the small business market continue to evolve, banks need to work harder to compete for their business.

Bank Director evaluated a number of factors to determine which bank has the best small business strategy. Small business loan volume, based on Federal Deposit Insurance Corp. data as of March 2018, was examined, as well as small business loan growth and SBA loan approvals—both quantity and volume—over a two-year period, ending in March 2018. Because lending isn't the only product that's important to small businesses, a case study analysis examined the robustness of each bank's small business product set compared to regional peers as well as any unique services offered by the bank, and how technology is used to meet client needs. The perspectives of bank analysts were also included in the algorithm.

Each bank was scored compared to its regional peers. Regional winners were then scored against each other to determine the overall category



“If you want to serve businesses, you have to serve them through their whole life cycle—from startup [to] expansion [to] succession planning.”

Andy Harmening / Huntington Bancshares

winner. Due to this second scoring, the overall winner's final score differs from its regional score.

Huntington Bancshares topped the small business ranking, both overall and among banks in the Midwest, and clearly views small business as an area that can positively impact the rest of the organization. "If you want to serve businesses, you have to serve them through their whole life cycle—from startup [to] expansion [to] succession planning," says Andy Harmening, senior executive vice president of consumer and business banking at Huntington. All big companies start out small: Huntington knows if you earn a customer's loyalty at the start, you'll keep that customer as they grow their business.

It's one of the reasons why the bank is such a big SBA lender, approving more than 8,800 SBA loans, for a total exceeding \$1.6 billion in the period examined by Bank Director. Huntington also had \$1.9 billion in small business loans on the books and grew small business loans by 17 percent.

Huntington also offers checking and savings products tiered as the business grows, along with cash management, insurance, employee benefits and business succession planning services. Its "Voice" business credit card—which mirrors its consumer card—lets business owners choose which category of spending is most important to them—office supplies, for instance—and offers 4 percent cash back in that category. (In other categories, the reward is 1 percent.)

Home Bancshares excelled for small business banking in the South, due in large part to a high level of small business loan growth (34 percent over two years). The bank offers online account opening for small-business deposit accounts and features a checking account tailored for troubled businesses "looking to re-establish a strong financial reputation."

In the West, East West Bancorp ranked high due to its focus on SBA lending, with almost 500 loans approved, for a total of \$245 million. It also exhibited the highest level of small business loan volume for the region, at \$763 million, and features a robust slate of products, including cash management services, merchant services, insurance

TOTAL SMALL BUSINESS LOAN VOLUME

All Ranked Banks

\$13.9B

MOST SBA LOANS APPROVED

Huntington Bancshares

8,804

NOTABLE PRODUCT

Cathay General Bancorp

Bank@Work Program

and business planning. Its "analyzed business checking" product encourages a deeper relationship with the bank by giving the customer a monthly credit for the balance in the account, which can be applied to offset fees.

Webster Financial Corp. topped the category for the Northeast, due to a high level of SBA activity for the region—270 loans, for \$74 million—and a product offering that includes a health savings account (HSA) program for employers, complete with business succession planning and an employee benefits analysis. The bank also stands out for offering online checking and loan applications, and guarantees a loan decision within 48 hours.

Of the banks rated by Bank Director, few offer online deposit or loan applications. As small business customers more frequently expect a seamless, digital experience from their financial partner—and as online lenders continue to grow—this represents a gap that should be addressed by banks that value their small business programs.

How They Ranked: Best Small Business Strategy



| | | SCORE | SMALL BUSINESS LOANS (THOUSANDS) | SBA LOAN APPROVALS |
|-----------|------------------------------|-------------|-------------------------------------|--------------------|
| | Huntington Bancshares | 1.61 | | |
| NORTHEAST | ★ 1 Webster Financial Corp. | 2.00 | \$503,996 | 270 |
| | 2 M&T Bank Corp. | 2.11 | \$2,173,233 | 3,085 |
| | 3 Community Bank System | 2.94 | \$378,862 | 64 |
| | 4 Sterling Bancorp | 3.83 | \$321,629 | 6 |
| | 5 Signature Bank | 4.33 | \$231,129 | - |
| MIDWEST | ★ 1 Huntington Bancshares | 1.50 | \$1,907,024 | 8,804 |
| | 2 Chemical Financial Corp. | 2.50 | \$1,159,567 | 293 |
| | 3 Fifth Third Bancorp | 2.78 | \$907,448 | 787 |
| | 4 Commerce Bancshares | 3.50 | \$394,016 | 128 |
| | 5 Great Western Bancorp | 3.83 | \$467,174 | 84 |
| SOUTH | ★ 1 Home Bancshares | 2.22 | \$897,824 | 64 |
| | 2 Bank OZK | 2.44 | \$676,632 | 69 |
| | 3 South State Corp. | 3.00 | \$1,103,135 | 5 |
| | 4 BankUnited | 3.11 | \$338,774 | 397 |
| | 5 FCB Financial Holdings | 4.22 | \$135,269 | 7 |
| WEST | ★ 1 East West Bancorp | 2.44 | \$762,616 | 493 |
| | 2 Cathay General Bancorp | 2.50 | \$652,351 | 69 |
| | 3 Western Alliance Bancorp. | 2.72 | \$533,116 | 125 |
| | 4 Bank of Hawaii Corp. | 2.94 | \$113,325 | 69 |
| | 5 First Republic Bank | 4.33 | \$276,609 | - |

SOURCES: Federal Deposit Insurance Corp., U.S. Small Business Administration, bank analysts, bank websites, filings, press releases and other public information



RANKING BANKING®

**BEST
COMMERCIAL
LENDING
STRATEGY**

Huntington Bancshares



Summary Analysis

C

Commercial lending is core to the business of banking. "A lot of banks tend to be 80 percent or more commercial," says Chris Marinac, director of research at FIG Partners. Nationwide, the Federal Reserve reported a mixed bag for commercial loan demand as of October 2018, from "continued strong demand," reported by the Atlanta Fed, to softening demand, reported by the Cleveland Fed. But overall, both commercial real estate (CRE) and commercial and industrial (C&I) loans trended higher in 2018.

Bank Director's analysis of each bank's commercial lending strategy included the size of their CRE and C&I portfolios as of March 2018, as well as the growth in those portfolios over the previous two years. Of course, these alone don't present a full picture of a bank's commercial lending program, as a bank could chase every loan in its marketplace, good or bad, to grow its commercial loan portfolio. This is especially true right now, given the well-seasoned credit and economic cycles. Thus, to help balance out the analysis, C&I and CRE net charge-offs as of March 2018 were also examined. The data for all of this came from the Federal Deposit Insurance Corp., and was supplemented by a more subjective analysis that incorporated the perspectives of bank analysts and public information to better understand each bank's niche expertise, as well as anything unique to the bank's approach.

Each bank was scored relative to its regional peers. Regional winners were then scored against each other to determine the overall category winner. Due to this second scoring, the overall winner's final score differs from its regional score.

Huntington Bancshares was the overall winner, and the regional winner

"Instead of asking the customer what keeps them up at night, we should be telling them what should be keeping them up at night."

Rick Remiker / Huntington Bancshares

in the Midwest, due to the size and growth (38 percent average over two years) of its CRE and C&I portfolios, combined with a low level of net charge-offs.

Four years ago, Huntington put a team in place to provide the bank's commercial lenders with better information about each client's needs. It's difficult for a commercial lender to be an expert in every industry Huntington serves, so the bank's research team fills a vital knowledge gap. Before, the bank would perform a needs assessment for each prospective client, with the lender asking clients to share their challenges, says Rick Remiker, Huntington's senior executive vice president of commercial banking. Now, "instead of asking the customer what keeps them up at night, we should be telling them what should be keeping them up at night," he says.

Health care is a big focus for Huntington, says Remiker. The sector is virtually recession proof—everyone needs medical care—and accounted for almost 17 percent of U.S. GDP in 2015, according to the World Bank. Aging demographics in the U.S. also promise growth in the sector as the need for senior living facilities increases. Franchises, energy, and food and agribusiness are other key niches for the bank. And in July 2018, Huntington hired a veteran banker to lead its technology, media and telecommunications vertical.

Western Alliance Bancorp. topped the West for its commercial lending strategy. It grew CRE loans by 46 percent over a two-year period, and C&I loans by 26 percent. Western Alliance is known for acquiring the expertise it needs to better serve its commercial clients in areas including technology, life sciences, hotel franchises and homeowners' associations.

"If I was building a bank today, I would start to think about the [Western Alliance] model and what lines of business are less serviced than others," says Brett Rabatin, a senior research analyst with Piper Jaffray.

In the South, South State Corp. came out on top due in large part to its significant commercial loan growth—106 percent for its C&I portfolio and 99 percent for its CRE

TOTAL CRE/C&I LOAN VOLUME

All Ranked Banks

\$239B

MOST CRE LOAN GROWTH

Chemical Financial Corp.

106%

MOST C&I LOAN GROWTH

Bank OZK

171%

portfolio over a two-year period.

Similar to South State, Sterling Bancorp won the category for the Northeast region due in part to its growth: 54 percent for CRE loans and 37 percent for C&I loans.

Most of the banks in the ranking exhibited a low level of net charge-offs for C&I and CRE loans. The one exception is Signature Bank, with C&I charge-offs exceeding 11 percent of its C&I portfolio on an annualized basis in the first quarter of 2018, according to FDIC data. It's a number that's been unusually high over the last two years, as the New York-based bank has written down loans collateralized by taxi medallions, which have plummeted in value under pressure from ride-share companies Uber and Lyft. By the second quarter of 2018, Signature's C&I charge-offs appear to have settled at more manageable levels.

According to its 2017 annual report, Signature worked on limiting its exposure through 2017 and promoted two employees to split the responsibilities of its retiring chief credit officer, a move CEO Joseph DePaolo said "better reflects the proper credit structure for a bank our size."

How They Ranked: Best Commercial Lending Strategy



| | | SCORE | COMBINED CRE/C&I LOAN VOLUME (THOUSANDS) | CRE LOAN GROWTH |
|-----------|-------------------------------|-------------|--|-----------------|
| | Huntington Bancshares | 2.04 | | |
| NORTHEAST | ★ 1 Sterling Bancorp | 2.41 | \$8,222,192 | 53.6% |
| | 2 Webster Financial Corp. | 2.70 | \$8,837,745 | 21.1% |
| | 3 Signature Bank | 2.78 | \$14,769,765 | 39.6% |
| | 4 M&T Bank Corp. | 2.85 | \$38,512,905 | 9.7% |
| | 5 Community Bank System | 3.26 | \$1,803,171 | 55.5% |
| MIDWEST | ★ 1 Huntington Bancshares | 1.81 | \$28,547,762 | 38.7% |
| | 2 Commerce Bancshares | 2.56 | \$5,239,615 | 11.4% |
| | 3 Chemical Financial Corp. | 2.85 | \$6,401,917 | 106.4% |
| | 4 Fifth Third Bancorp | 3.07 | \$42,452,251 | -9.3% |
| | 5 Great Western Bancorp | 3.81 | \$4,570,586 | 39.9% |
| SOUTH | ★ 1 South State Corp. | 1.93 | \$4,624,895 | 99% |
| | 2 Bank OZK | 2.33 | \$5,134,538 | 22.3% |
| | 3 FCB Financial Holdings | 2.70 | \$4,406,742 | 83.3% |
| | 4 Home Bancshares | 3.00 | \$5,982,384 | 63.1% |
| | 5 BankUnited | 3.48 | \$9,480,051 | 41.4% |
| WEST | ★ 1 Western Alliance Bancorp. | 2.00 | \$9,780,449 | 45.9% |
| | 2 First Republic Bank | 2.52 | \$12,210,791 | 29% |
| | 3 East West Bancorp | 3.00 | \$18,095,737 | 13.3% |
| | 4 Cathay General Bancorp | 3.67 | \$7,407,462 | 18.3% |
| | 5 Bank of Hawaii Corp. | 3.93 | \$2,355,133 | 18.3% |

M&T

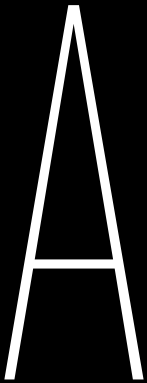
RANKING BANKING®

BEST CORPORATE CITIZEN



M&T Bank Corp.

Summary Analysis



bank is only as successful as the community it serves.

That's a philosophy that drove Robert Wilmers, the late chief executive officer of M&T Bank Corp. "[Bankers] know that when our communities succeed, we all succeed. It's why bankers actively work to make their communities better places in which to live and work," he said at M&T's shareholder meeting in 2015. "While such support positions the banker as a leading corporate citizen, he or she also acknowledges a certain 'enlightened self-interest' in giving, knowing that the bank can only do well when

the community does well."

Being a good corporate citizen isn't just ethically good. It doesn't just benefit the community or build the bank's reputation. If a rising tide lifts all boats, then strengthening the community makes the bank stronger, too.

To determine which of the ranked banks have the greatest impact in their communities, Bank Director examined philanthropic donations in 2017—both in absolute amount and as a percentage of assets, the latter to reward smaller banks that might be big givers for their size. Some banks are more transparent about this information than others. Six of the banks do not disclose their charitable contributions. For four of these, Bank Director relied on press releases for 2017 to calculate the volume of philanthropic donations. For Sterling Bancorp, the information was sourced through the 2016 IRS filing for its charitable organization. The sixth, First Republic Bank, does not share this information.

The bank's most recent Community Reinvestment Act score was also included, as that score is designed to assess how well a bank addresses the

"[Bankers] know that when our communities succeed, we all succeed. It's why bankers actively work to make their communities better places in which to live and work."

Robert Wilmers / M&T Bank Corp.

credit needs of low- and moderate-income areas, how those areas are serviced, and how a bank invests in community development. We also incorporated a score developed by CSRHub, a corporate social responsibility benchmarking firm, that gauges community development and philanthropy based on a number of external data points from sources including Thomson Reuters and Newsweek rankings. Finally, we analyzed community outreach as a cultural value, based on employee volunteer efforts.

Each bank was scored relative to its regional peers. Regional winners were then scored again relative to each other to determine the overall category winner. Due to this second scoring, the overall winner's final score differs from its regional score.

Wilmers—who served as CEO of M&T from 1983 until his passing in late 2017—would likely be very proud of his bank today. Not only was M&T the best corporate citizen in the Northeast, it also topped the category as the best corporate citizen overall. The numbers don't lie: \$28 million in philanthropic donations, representing 0.024 percent of the bank's \$118 billion in assets. An outstanding CRA score. A solid rating from CSRHub.

"Bob talked the talk, and he walked the walk. To him, the bank was all about the community [it] served," says Brian Klock, a managing director at Keefe, Bruyette and Woods and former M&T vice president.

M&T employees are given 40 hours of paid time off annually to volunteer in their communities. In 2017, this resulted in 370,000 hours, with employees supporting nearly 4,800 nonprofit organizations across the bank's footprint.

Darren King, M&T's chief financial officer, confirms that Wilmer's legacy of community outreach will live on at the bank as a core value. "We think that it's important to be a good citizen, that all of our employees are involved in things where they live and where they work that are important to them in their community," says King.

Fifth Third Bancorp earned the top place as the best corporate citizen in the Midwest, due to its high volume of philanthropic donations, at \$22 million, a high rating from

HIGHEST VOLUME OF PHILANTHROPIC DONATIONS

M&T Bank Corp.

\$28M

MOST CHARITABLE REGION

Midwest

\$42M

CSRHub and an outstanding CRA score. Employees at Fifth Third donated more than 100,000 hours of their time in the community in 2017, and the big regional bank partners with a number of community initiatives, including Project SEARCH, a transition-to-work program for young adults with disabilities that got its start in the bank's hometown of Cincinnati.

Bank of Hawaii Corp. came out on top for the West. Its \$2.8 million in donations represents 0.016 percent of the bank's assets, and it also earned an outstanding CRA score and a high rating from CSRHub. Its "Bankoh Blue Crew" donated more than 16,000 hours in the community—and considering its workforce is just a bit more than one-tenth the size of Fifth Third's, that's something to boast about.

South State Corp. outpaced other Southern banks as a corporate citizen. The bank had a higher CSRHub rating compared to its regional peers, and employees donated more than 3,000 hours of their time by volunteering in the community.

Corporate social responsibility can yield competitive benefits, says Cynthia Figge, CEO of CSRHub. "Millennials and Gen Z [members] are increasingly attracted to [and] reward companies that are aligned with their values," she says, meaning they're more likely to purchase from—or work for—a bank they believe is doing good in the world.

How They Ranked: Best Corporate Citizen



| | | SCORE | PHILANTHROPIC DONATIONS | CRA SCORE |
|-----------|---------------------------------|-------------|-------------------------|--------------|
| | M&T Bank Corp. | 1.33 | | |
| NORTHEAST | ★ 1 M&T Bank Corp. | 1.00 | \$28,000,000 | Outstanding |
| | 2 Webster Financial Corp. | 2.00 | \$4,500,000 | Outstanding |
| | 3 Community Bank System | 3.00 | \$2,478,064 | Satisfactory |
| | 4 Sterling Bancorp | 3.67 | \$401,333* | Satisfactory |
| | 5 Signature Bank | 4.00 | \$500,000* | Satisfactory |
| MIDWEST | ★ 1 Fifth Third Bancorp | 1.33 | \$21,700,000 | Outstanding |
| | 2 Chemical Financial Corp. | 2.17 | \$4,400,000 | Outstanding |
| | 3 Huntington Bancshares | 2.50 | \$12,500,000 | Outstanding |
| | 4 Commerce Bancshares | 3.67 | \$1,532,836 | Outstanding |
| | 5 Great Western Bancorp | 3.83 | \$2,160,000 | Satisfactory |
| SOUTH | ★ 1 South State Corp. | 1.50 | \$800,000 | Satisfactory |
| | 2 BankUnited | 2.67 | \$567,000* | Satisfactory |
| | 3 Home Bancshares | 2.83 | \$1,454,173 | Satisfactory |
| | 4 FCB Financial Holdings | 3.00 | \$31,666* | Satisfactory |
| | 5 Bank OZK | 4.17 | \$50,000* | Satisfactory |
| WEST | ★ 1 Bank of Hawaii Corp. | 1.17 | \$2,800,000 | Outstanding |
| | 2 East West Bancorp | 2.67 | \$3,650,000 | Satisfactory |
| | 3 First Republic Bank (TIE) | 3.00 | undisclosed | Satisfactory |
| | 3 Cathay General Bancorp (TIE) | 3.00 | \$2,300,000 | Satisfactory |
| | 5 Western Alliance Bancorp. | 3.67 | \$2,645,729 | Satisfactory |

*Indicates alternate sourcing for this data and might not reflect all charitable giving

SOURCES: Federal Financial Institutions Examination Council, CSRHub, bank websites, press releases and other public information



RANKING BANKING®

BEST BANK FOR MILLENNIAL EMPLOYEES



WINNER:
SOUTH STATE
CORP.

South State Corp.



Summary Analysis

Pew Research Center reported in early 2018 that millennials, who are now between 22 and 37 years old, will surpass baby boomers as the largest living adult generation in 2019. With baby boomers—the youngest of whom are now in their mid-50s—retiring, and Generation X too small to fill the gap, the growing importance of millennials in the workforce can't be overstated.

Twenty-four percent of the directors and executives responding to Bank Director's 2018 Compensation Survey said recruiting younger talent was one of the top-three compensation-related challenges facing

their bank. Given the unemployment rate is at a 49-year low, it's a problem that isn't going away anytime soon—particularly for banks that don't adapt their culture, hiring practices and the rewards offered to employees.

Bank Director developed two key metrics to understand which of our high-performing banks demonstrated the best approach to attracting and retaining millennial employees. The first is a reputation score. More than 80 percent of millennials are active on Facebook, and more than half on Instagram, according to the market research firm eMarketer. With this in mind, the reputation score was calculated using each bank's activity on social media platforms—Facebook, Twitter, Instagram and YouTube—as well as the number of followers each bank had on those platforms, expressed as a percentage of assets to normalize for bank size. Social media benchmarking firm Rival IQ supplied this data. The reputation metric also included the level of each bank's social media activity, based on number of posts in 2018 (through August 10), and the average of each bank's ratings, as of September 2018, on Glassdoor and Indeed, two popular websites for

Millennials will surpass baby boomers as the largest living adult generation in 2019.

Pew Research Center

job seekers that allow current and prospective employees to rate employers.

The second metric is workplace appeal. This was determined by examining each bank's culture, training programs, and benefits and perks, based on information gleaned from the bank's websites and social media outlets. (Bank Director also reached out to the banks and included that input in the analysis where provided.)

Each bank was scored on these metrics and ranked relative to its regional peers. Regional winners were then scored against each other to determine the overall category winner. Due to this second scoring, the overall winner's final score differs from its regional score.

South State Corp. excelled in the South for its ability to attract and retain younger talent, and came out on top in the overall category. South State has a strong social media presence relative to its size, with more than 34,000 followers across platforms. The bank posts on these channels an average of four times a day.

South State has multiple practices in place that appeal to young workers. Its talent acquisition team includes historically black colleges and universities on the list of schools it visits in order to attract diverse talent. The bank offers discounted tuition to two local colleges, as well as external training options and an internal program that includes informal mentoring as well as executive, leadership and career development roadmaps.

For millennials looking to start a family, South State offers maternity and paternity leave, and access to childcare referrals and resources. South State also offers onsite resources to make employees' lives easier, such as dry-cleaning pickup and car detailing.

First Republic Bank, which is almost as active as South State on social media, is the best bank in the West for millennials. It boasts a high average score on Glassdoor and Indeed, at 3.85 out of 5, compared to an average 3.46 for the group. In addition to extensive training and wellness programs, First Republic offers pet insurance and—of particular interest to employees grappling with student loan

HIGHEST GLASSDOOR/INDEED RATING

First Republic Bank

3.85

MOST SOCIAL MEDIA ACTIVITY

South State Corp.

>4 posts per day

debt—a student loan repayment benefit, through Gradifi. The bank liked the student loan-focused fintech so much, in fact, that it bought the company in 2016.

Fifth Third Bancorp edged out Huntington Bancshares as the bank of choice for Midwestern millennial employees. The bank provides a variety of programs attractive to younger employees. One of Fifth Third's most recent initiatives is its maternity concierge program, launched in 2017. The program offers a bevy of resources to help working moms, including assistance finding childcare, scheduling meal deliveries and planning for expenses. More than 400 employees have used the program and among these women, 86 percent chose to keep working at Fifth Third after taking leave, according to *Working Mother*, compared to 62 percent for women who didn't enroll in the program. Millennials are raising families, and benefits like these help them do so while staying employed at the bank.

M&T Bank Corp.'s work in its communities—a cultural trait well-liked by millennials—played a strong role in its designation as the best bank for millennials in the Northeast. Employees are given 40 hours a year paid time off to volunteer in the community—which also contributed to M&T's overall win in the Corporate Citizen category, which you can read more about on pg. 32.

How They Ranked: Best Bank for Millennial Employees



| | | | SCORE | SOCIAL MEDIA AUDIENCE | GLASSDOOR/INDEED RATING, OUT OF 5 (AVG) |
|-----------|-----|---------------------------------|-------------|-----------------------|---|
| | | South State Corp. | 1.67 | | |
| NORTHEAST | ★ 1 | M&T Bank Corp. | 2.00 | 94,200 | 3.5 |
| | 2 | Webster Financial Corp. | 2.17 | 25,100 | 3.45 |
| | 3 | Community Bank System | 3.00 | 20,500 | 3.75 |
| | 4 | Sterling Bancorp (TIE) | 3.83 | 99 | 2.9 |
| | 4 | Signature Bank (TIE) | 3.83 | 134 | 3.65 |
| MIDWEST | ★ 1 | Fifth Third Bancorp | 1.67 | 255,000 | 3.45 |
| | 2 | Huntington Bancshares | 1.83 | 268,000 | 3.45 |
| | 3 | Commerce Bancshares | 2.83 | 39,200 | 3.65 |
| | 4 | Chemical Financial Corp. | 3.00 | 14,600 | 3.55 |
| | 5 | Great Western Bancorp | 5.00 | 1,940 | 3.35 |
| SOUTH | ★ 1 | South State Corp. | 1.17 | 34,400 | 3.55 |
| | 2 | BankUnited | 2.33 | 24,200 | 3.6 |
| | 3 | FCB Financial Holdings | 3.50 | 977 | 3.25 |
| | 4 | Bank OZK | 4.00 | 13,500 | 3.3 |
| | 5 | Home Bancshares | 4.33 | 9,550 | 3.4 |
| WEST | ★ 1 | First Republic Bank | 1.67 | 125,000 | 3.85 |
| | 2 | Bank of Hawaii Corp. | 2.17 | 41,200 | 3.7 |
| | 3 | East West Bancorp | 2.67 | 2,560 | 3.4 |
| | 4 | Cathay General Bancorp (TIE) | 4.33 | 1,840 | 3.15 |
| | 4 | Western Alliance Bancorp. (TIE) | 4.33 | 155 | 3.25 |

SOURCES: Rival IQ, Glassdoor, Indeed, bank websites, press releases and other public information

M&T

RANKING BANKING®

BEST M&A
STRATEGY

WA



M&T Bank Corp.
Western Alliance Bancorp.

Summary Analysis

A

bank's M&A strategy is only as good as its latest acquisition.

To identify the banks with the best M&A strategies, Bank Director examined the acquisition activity for each bank over a five-year period ending June 2018. We looked at assets gained via acquisition, both in absolute terms and as a percentage of total assets, which normalizes the category for bank size. We also factored in how many growth markets each bank entered through M&A, based on the Milken Institute's index of the best-performing cities, which evaluates growing markets.

To understand the financial impact of deals, we looked at how much the acquiring banks paid relative to the average tangible book value of targets for the year. We also looked at how the announcement of each deal impacted the acquiring bank's stock price. Banks were rewarded as well if their deals were all accretive to earnings in the first year. We also analyzed growth in tangible book value and earnings per share, to understand the long-term impact of each bank's acquisition strategy. Bank analysts were also surveyed.

Each bank was scored relative to its regional peers. Regional winners were then scored again relative to each other to determine the overall category winner. Due to this second scoring, the overall winner's final score differs from its regional score.

Two banks topped the overall category for the best M&A strategy: M&T Bank Corp., in the Northeast, and Western Alliance Bancorp., in the West.

M&T gained more than \$35 billion in assets—30 percent of its total assets—as a result of its 2015 acquisition of New Jersey-based Hudson City

“We’re cautious not to go too big, because then it increases the risk—because it’s tougher to combine the cultures.”

Darren King / M&T Bank Corp.

Bancorp, a deal that took more than three years to close due to regulatory concerns around Bank Secrecy Act and anti-money-laundering compliance practices at M&T.

M&T is a notoriously disciplined buyer, which was reflected in its latest acquisition. It bought Hudson City for a steal: 38 percent below the average tangible book value for the year. Wall Street liked it. M&T's stock rose almost 3 percent the day after the deal was announced.

Patience isn't just a virtue at M&T—it's central to the bank's culture and strategy, says Chief Financial Officer Darren King. The bank focuses on in-market deals, or those in contiguous markets. It looks for sellers where local management is willing to stay through the integration. And it takes a Goldilocks approach in terms of target size. "We're cautious not to go too big, because then it increases the risk—because it's tougher to combine the cultures," says King. And since some risks aren't dependent on size, M&T avoids targets that are too small. "If you're going to take on that risk, it needs to be worth the trip," he says.

Western Alliance has cultivated a similar reputation as an astute acquirer.

Thirty-six percent—more than \$7 billion—of its assets have come from bank acquisitions completed over the five-year period we examined. The bank also saw the highest gain in tangible book value per share over the same period among the banks examined in this category, at 266 percent.

"Everything that they've done has been additive," says Brett Rabatin, a senior research analyst with Piper Jaffray.

The newly renamed Bank OZK (formerly Bank of the Ozarks) was the top acquirer in the South. Its \$9.6 billion in assets gained through acquisition account for 45 percent of the bank's existing assets, with an average stock price increase of 2.74 percent immediately post-announcement, though its stock suffered more broadly in the latter half of 2018, as charge-offs have climbed in its portfolio of out-of-market commercial real estate loans. Bank OZK has been more than willing to expand outside its Arkansas home. It entered 115 growth markets with its acquisitions

BIGGEST TRANSACTION

M&T Bank Corp.
Hudson City Bancorp
\$35B in assets

BIGGEST IMPACT BY M&A

Sterling Bancorp
68% of assets

BEST PRICING

M&T Bank Corp.
Hudson City Bancorp
38% below average TBV

in Florida, Georgia, North Carolina, Texas, Arkansas and New York.

Rounding out the category, Great Western Bancorp topped the Midwest for its accretive, well-priced acquisition of HF Financial Corp. in 2016. It paid a 35 percent premium to tangible book value, just below the broader industry average for the year of a 37 percent premium.

Signature Bank, Webster Financial Corp., BankUnited, Bank of Hawaii Corp., First Republic Bank and Fifth Third Bancorp were not scored in this category because they did not acquire another bank in the five-year period we examined. (Fifth Third's acquisition of Chicago-based MB Financial isn't expected to close until the first quarter 2019.) Excluding these banks from this category does not harm their position in the overall ranking revealed on pg. 4.

How They Ranked: Best M&A Strategy



| | | | SCORE | TOTAL BANK ASSETS GAINED VIA ACQUISITION (THOUSANDS) | ASSETS GAINED VIA ACQUISITION AS % OF TOTAL ASSETS |
|-----------|-----|---------------------------------|-------|--|--|
| | | Western Alliance Bancorp. (TIE) | 1.81 | | |
| | | M&T Bank Corp. (TIE) | 1.81 | | |
| NORTHEAST | ★ 1 | M&T Bank Corp. | 1.30 | \$35,099,327 | 29.6% |
| | 2 | Sterling Bancorp | 1.48 | \$20,655,761 | 68% |
| | 3 | Community Bank System | 2.04 | \$3,072,552 | 28.6% |
| MIDWEST | ★ 1 | Great Western Bancorp | 2.11 | \$1,140,169 | 9.7% |
| | 2 | Chemical Financial Corp. | 2.22 | \$9,908,783 | 51.4% |
| | 3 | Huntington Bancshares | 2.30 | \$26,929,025 | 25.9% |
| | 4 | Commerce Bancshares | 4.04 | \$256,220 | 1% |
| SOUTH | ★ 1 | Bank OZK | 1.70 | \$9,624,632 | 45.2% |
| | 2 | South State Corp. | 2.04 | \$8,242,411 | 57% |
| | 3 | FCB Financial Holdings | 2.22 | \$1,541,012 | 14.4% |
| | 4 | Home Bancshares | 2.37 | \$7,582,759 | 52.5% |
| WEST | ★ 1 | Western Alliance Bancorp. | 1.33 | \$7,244,498 | 35.7% |
| | 2 | Cathay General Bancorp | 1.93 | \$1,608,804 | 10.3% |
| | 3 | East West Bancorp | 2.74 | \$1,636,209 | 4.4% |

SOURCES: Federal Deposit Insurance Corp., Federal Financial Institutions Examination Council, S&P Global Market Intelligence, Yahoo! Finance, The Milken Institute, Sperling's Best Places, bank websites, filings and other public information



RANKING BANKING®

BEST BOARD



Bank of Hawaii Corp.

Summary Analysis

In its guidelines regarding heightened standards for larger banks, the Office of the Comptroller of the Currency outlines its expectation that bank boards provide a credible challenge to management. To do so, directors should be independent, and the board should represent a diverse set of skills, backgrounds and experiences that allow it to ask tough questions.

Since a board's composition plays a significant role in ensuring its effectiveness, Bank Director developed two metrics to understand the makeup of each bank's board. A diversity score examines the percentage of directors who are female, ethnically diverse, or aged 53 or younger (representing Generation X and millennials). A skills score includes expertise important to overseeing a bank, including risk, audit and technology. This information was largely obtained through each bank's latest proxy filing.

"There's no doubt that having diverse views and perspectives on a board enhances decision making," says David Larcker, senior faculty at Stanford University's Rock Center for Corporate Governance.

To examine board performance, we looked at compensation relative to return on equity (ROE). (Compensation can differ due to the number of meetings attended by a director, as well as committee assignments, so we calculated the median value.) Shareholder approval—based on votes at the bank's annual meeting—and governance and board ratings from Institutional Shareholder Services (ISS) were also included.

Each bank was scored relative to its regional peers. Regional winners were then compared to each other to determine the overall category winner. Due to this second scoring, the overall winner's final score differs from

"There's no doubt that having diverse views and perspectives on a board enhances decision making."

David Larcker / Stanford University
Rock Center for Corporate Governance

its regional score.

Bank of Hawaii Corp. topped the overall category and the West due in large part to its diverse board—one-third are female, 42 percent are ethnically diverse and one-quarter represent Generation X.

Diversity—by ethnicity, gender, age and socio-economic background—is a key component of the board, says nominating and governance chair Mary Bitterman. “Unless people throughout the multi-island state of Hawaii and in the West Pacific region [where the bank has several branches] feel comfortable with members of our staff and board, and believe that we understand their challenges and aspirations and can be of help to them in realizing their financial goals, we will never be as effective as we would like to be,” she says.

Youth on the board is important, she adds. “The median age of Hawaii’s population is 38.5 years. We are a state of young people, on the one hand, and have the highest life expectancy in the United States for people over the age of 65, on the other,” says Bitterman. Representing diverse ages within the makeup of the board can help directors better plan for the needs of a diverse array of customers.

At a median compensation of \$113,305 in 2017, Bank of Hawaii is one of the lower paid boards in the ranking, but had a high ROE as of March 2018, at 18.6 percent.

Bank of Hawaii’s board is also highly skilled: 42 percent are current CEOs of other companies, and one-third have accounting or audit expertise. One-quarter have an independent banking background—past experience at a bank unaffiliated with Bank of Hawaii—and one-quarter have technology or cybersecurity expertise.

The board’s first “tech expert” was elected in the 1990s, says Bitterman. “Having this expertise at the board level provides informed contributions to staff development, strategic planning and evaluation of bank operations from a technology viewpoint,” she says.

In the Northeast, Webster Financial Corp. took top honors for its board. It is also more diverse than its peers, comprised of 30 percent who are women and 20 percent who are ethnically diverse. Forty percent are current CEOs,

HIGHEST PAID BOARD

Signature Bank
\$423K (median)

MOST MILLENNIALS/GEN XERS ON THE BOARD

Community Bank System
36%

MOST TECHNOLOGY EXPERTISE

Huntington Bancshares
50%

and 20 percent have technology or cybersecurity expertise. Also, 40 percent have an independent banking background. The board exhibits a good balance of pay and performance, with an ROE of 13.7 percent and median board compensation of \$124,283.

Huntington Bancshares topped the category in the Midwest due to its highly skilled board: 75 percent have risk or compliance expertise, half have technology or cybersecurity expertise, and 42 percent are current CEOs. One-third of its directors are female.

Finally, Bank OZK was recognized for its strong board in the South. Like Bank of Hawaii, one-quarter are younger. The board’s pay is low relative to performance: Median compensation was \$154,973, with an ROE of 13 percent.

Boards can be required to make difficult decisions to ensure their institution’s long-term performance and should be constructed to reflect the challenges a bank faces today. This requires new skills—technology and cybersecurity, in particular—and diverse viewpoints and backgrounds that reflect changing demographics in the U.S.

How They Ranked: Best Board



| | | SCORE | TOTAL DIRECTORS | % FEMALE DIRECTORS |
|-----------|------------------------------------|-------------|-----------------|--------------------|
| | Bank of Hawaii Corp. | 1.67 | | |
| NORTHEAST | ★ 1 Webster Financial Corp. | 2.11 | 10 | 30% |
| | 2 Sterling Bancorp | 2.36 | 14 | 21.4% |
| | 3 Community Bank System | 2.75 | 11 | 9.1% |
| | 4 M&T Bank Corp. | 3.83 | 17 | 11.8% |
| | 5 Signature Bank | 3.92 | 9 | 22.2% |
| MIDWEST | ★ 1 Huntington Bancshares | 2.56 | 12 | 33.3% |
| | 2 Commerce Bancshares | 2.61 | 12 | 16.7% |
| | 3 Great Western Bancorp | 2.81 | 8 | 12.5% |
| | 4 Fifth Third Bancorp | 3.03 | 12 | 33.3% |
| | 5 Chemical Financial Corp. | 3.28 | 13 | 15.4% |
| SOUTH | ★ 1 Bank OZK | 2.31 | 16 | 25% |
| | 2 BankUnited | 2.33 | 10 | 30% |
| | 3 Home Bancshares | 2.97 | 14 | 7.1% |
| | 4 South State Corp. | 3.28 | 15 | 20% |
| | 5 FCB Financial Holdings | 3.86 | 11 | - |
| WEST | ★ 1 Bank of Hawaii Corp. | 1.72 | 12 | 33.3% |
| | 2 East West Bancorp | 2.06 | 8 | 25% |
| | 3 First Republic Bank | 3.31 | 12 | 33.3% |
| | 4 Cathay General Bancorp | 3.81 | 12 | 8.3% |
| | 5 Western Alliance Bancorp. | 3.83 | 14 | 7.1% |

Acknowledgments



ata used in the 2019 RankingBanking analysis were gathered from the Federal Deposit Insurance Corp., the Federal Financial Institutions Examination Council, and each company's Securities and Exchange Commission filings, websites and other public information. Each company was also contacted to provide additional details. Source data was collected thanks to the following: S&P Global Market Intelligence, Moeb's Services, the U.S. Small Business Administration, Institutional Shareholder Services, Sandler O'Neill, the Milken Institute, Rival IQ, CSRHub, Glassdoor, Indeed and Sperling's Best Places.

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About Bank Director

Since 1991, Bank Director has served as a leading information resource for the directors and officers of financial institutions. Through *Bank Director* magazine, its executive-level research, annual conferences and website, BankDirector.com, Bank Director reaches the leaders of the institutions that comprise America's banking industry. Its FinXTech division connects U.S. bank leaders with technology partners at the forefront of innovation. Both are headquartered in Brentwood, Tennessee.

Contact

Bank Director
201 Summit View Dr.
Suite 250
Brentwood, TN 37027
Tel: 615.777.8450
Fax: 615.777.8449
www.BankDirector.com

Inquiries about our research: Emily McCormick, vice president of research, emccormick@bankdirector.com

Inquiries about reprints: Claire Kennedy, circulation manager, ckennedy@bankdirector.com

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