

RESEARCH & ANALYSIS

Central Bank of Kansas City tops 2022 list of best-performing small banks

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Market Intelligence

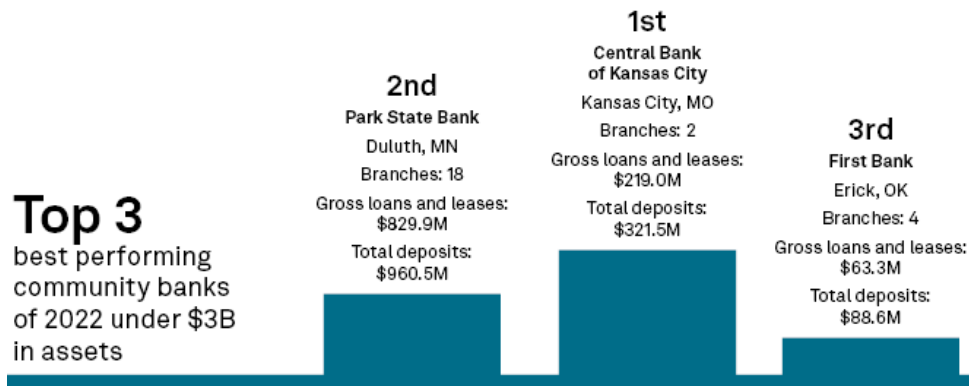
Missouri-based Central Bank of Kansas City was the best-performing U.S. community bank with less than \$3 billion in assets in 2022, according to an S&P Global Market Intelligence analysis.

About this analysis

To compile these rankings, S&P Global Market Intelligence calculated scores for each company based on seven metrics: pretax return on tangible common equity, efficiency ratio, cost of funds, five-year average operating revenue growth, five-year average net charge-offs to average loans and leases ratio, nonperforming assets and loans 90 days or more past due as a percentage of total assets and leverage ratio. Each company's standard deviation from the industry mean was calculated for every metric, weighted, then combined to derive a performance score. To help normalize the data and mitigate the impact of outliers, caps and floors were applied for each metric.

Criteria for the ranking included a gross loans and leases-to-total assets ratio of at least 33% with no more than half of those loans in credit cards; a leverage ratio of at least 5%; no active severe enforcement actions; a result other than "substantial noncompliance" or "needs to improve" in the bank's most recent Community Reinvestment Act exam; a yield on loans and leases of no more than 3x the industry median of 4.88%; and no more than half of the entity's revenue coming from nontraditional banking activities. Additionally, industrial banks, nondepository trusts, companies with a bankers' bank certification, and banks with parent companies that have total assets of \$10 billion or more were omitted.

Based on the above criteria, 3,782 banks and thrifts were eligible for this analysis.



Data compiled Mar. 3, 2023.
Source: S&P Global Market Intelligence.
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Established more than 70 years ago, Central Bank of Kansas City operates out of two brick-and-mortar branches in Kansas City and is certified as a community development financial institution. This is the second time in less than five years that it was named the best-performing community bank by S&P Global Market Intelligence, having topped the 2019 list of performers.

Central Bank of Kansas City outperformed all peers in 2022, reporting a 21.2% year-over-year surge in assets and a 20.5% increase in noninterest income. Even with those increases, the bank maintained a 41.38% efficiency ratio and zero nonperforming assets or loans 90-plus days past due as of Dec. 31, 2022. Altogether, the bank outperformed the top 100 median in all seven ranking metrics.

The bank's total noninterest expense dropped 16.6% year over year to \$18.8 million, primarily due to a \$1.8 million decline in salary and benefits and an almost \$2.0 million drop in other noninterest expenses.

Duluth, Minn.-based Park State Bank was the second-best-performing community bank of 2022 following a 22.3% year-over-year drop in total noninterest expense, which totaled \$22.3 million. Much of the decrease was attributable to a 67% plunge in other noninterest expense. Park State Bank, which was ranked as the 12th-best-performing bank in 2020, was established more than 100 years ago and currently operates out of 18 offices, all in Minnesota.

Erick, Okla.-based First Bank rounded out the top three after its total interest income surged 33.6% year over year to \$5.7 million. Much of that gain was attributable to a nearly 40% increase in interest income on commercial and industrial loans. That pushed the bank's return on average tangible common equity before tax and extraordinary items to more than 33%. First Bank, which was established more than 120 years ago, operates out of four branches in Oklahoma.

Best performing community banks of 2022 under \$3B in assets

Based on financials for the year ended Dec. 31, 2022

Rank	Company (top-level ticker)	City, state	Ranking metrics							
			Total assets (\$M)	ROATCE before tax and extra (%)	Efficiency ratio (%)	Cost of funds (%)	5-year avg. operating revenue growth (%)	5-year avg. NCOs/avg. loans and leases (%)	NPAs & loans 90+ PD/ total assets (%)	Leverage ratio (%)
1	Central Bank of Kansas City	Kansas City, MO	376.7	62.98	41.38	0.22	25.2	-0.13	0.00	12.98
2	Park State Bank	Duluth, MN	1,082.6	25.35	45.09	0.28	74.0	-0.10	0.25	9.96
3	First Bank	Erick, OK	101.1	33.58	41.70	0.16	8.5	-0.17	0.00	10.60
4	First General Bank	Rowland Heights, CA	1,175.4	25.15	23.00	0.49	14.2	0.00	0.08	17.52
5	First Bank and Trust Co. of Illinois	Palatine, IL	203.9	25.81	54.95	0.42	65.1	0.00	0.00	11.89
6	Santa Cruz County Bank (SCZC)	Santa Cruz, CA	1,744.5	27.55	38.52	0.12	21.6	0.00	0.18	10.39
7	Nebraska State Bank	Oshkosh, NE	66.8	26.14	34.42	0.49	3.7	0.00	0.42	16.40
8	M1 Bank	Clayton, MO	828.3	32.02	22.35	1.38	167.6	0.00	0.00	9.12
9	Brighton Bank	Salt Lake City, UT	297.8	34.03	45.75	0.02	11.5	0.00	0.07	10.64
10	Bank of Old Monroe	Old Monroe, MO	601.9	44.18	44.47	0.29	8.7	-0.02	0.01	11.92
11	Pioneer Trust Bank NA	Salem, OR	727.0	28.68	30.15	0.16	5.9	0.12	0.00	11.89
12	HCN Bank	Riverside, CA	970.6	26.84	39.35	0.08	6.5	0.01	0.00	10.08
13	American Interstate Bank	Elkhorn, NE	124.9	13.95	40.94	0.14	2.2	-0.09	0.00	17.31
14	Liberty State Bank	Powers Lake, ND	124.4	30.51	42.97	0.38	4.1	0.01	0.00	12.53
15	Winter Park National Bank	Winter Park, FL	714.0	25.02	39.94	0.51	175.7	0.00	0.00	6.76
16	Main Bank	Albuquerque, NM	244.5	28.30	41.71	0.18	14.7	-0.02	0.00	9.07
17	Mission Bank (MSBC)	Bakersfield, CA	1,492.5	25.54	43.38	0.11	19.3	0.01	0.00	10.09
18	Fresno First Bank (CFST)	Fresno, CA	1,293.2	31.23	39.32	0.08	31.1	0.04	1.42	11.68
19	Bank of Dade	Trenton, GA	147.2	43.27	50.71	0.15	7.3	-0.23	0.20	9.45
20	Titan Bank N.A.	Mineral Wells, TX	466.6	25.80	43.41	0.16	30.7	0.03	0.05	9.22
21	Douglas National Bank	Douglas, GA	248.8	32.43	45.61	0.20	5.6	-0.01	0.09	10.81
22	ValueBank Texas	Corpus Christi, TX	307.1	30.99	52.24	0.10	10.2	0.00	0.00	10.59
23	Bank of Kremlin	Kremlin, OK	368.3	22.98	43.32	0.47	104.3	0.05	0.61	9.93
24	Bank of Commerce	Ammon, ID	1,921.5	20.46	39.34	0.14	11.0	0.01	0.18	12.94
25	Primary Bank (PRMY)	Bedford, NH	653.9	20.97	39.81	0.43	51.5	0.01	0.37	11.38
26	Citizens Bank	Carthage, TN	726.8	19.94	26.84	0.40	4.5	0.06	0.18	18.46
27	North Valley Bank	Thornton, CO	236.6	23.94	43.41	0.20	7.2	0.01	0.00	11.83
28	St. Henry Bank	Saint Henry, OH	407.4	20.37	40.70	0.17	2.6	0.01	0.00	13.18
29	NorthStar Bank	Estherville, IA	221.6	14.78	46.23	0.36	413.0	0.00	0.00	10.82
30	Cumberland Security Bank Inc.	Somerset, KY	300.0	20.76	44.61	0.11	8.1	0.02	0.00	12.86
31	blueharbor bank (BLHK)	Mooresville, NC	406.4	22.13	43.85	0.17	17.9	0.00	0.02	11.21
32	State Bank of Texas	Dallas, TX	2,054.9	33.83	19.24	1.45	8.4	-0.01	0.43	14.99
33	Community Bank of Easton	Easton, IL	42.2	14.04	24.62	0.26	5.6	0.00	0.00	22.66
34	West Texas State Bank	Snyder, TX	224.1	22.26	47.48	0.49	291.0	0.16	0.01	10.27
35	Town-Country United Bank (UBAB)	Camden, AL	130.1	24.86	56.41	0.46	19.5	0.04	0.44	19.29
36	First Security Bank of Nevada	Las Vegas, NV	281.8	12.09	43.89	0.18	9.6	-0.04	0.00	20.22
37	Centinel Bank of Taos	Taos, NM	388.3	35.72	44.63	0.07	10.2	0.00	0.10	8.28
38	CommerceOne Bank	Birmingham, AL	556.4	18.85	40.77	0.98	109.8	0.00	0.00	11.15
39	WoodTrust Bank	Wisconsin Rapids, WI	644.1	30.74	41.41	0.29	8.0	-0.01	0.18	9.56
40	MRV Banks	Sainte Genevieve, MO	671.9	28.75	37.32	0.71	27.6	-0.03	0.00	9.69
41	Yellowstone Bank	Laurel, MT	1,189.9	15.33	42.41	0.19	5.8	-0.18	0.00	12.69
42	Liberty Bank Minnesota	Saint Cloud, MN	290.4	26.07	60.25	0.09	5.4	0.02	0.00	12.84
43	Bank of Montana	Missoula, MT	275.7	43.80	35.46	0.24	16.1	0.00	0.00	7.48
44	Bank of New England	Salem, NH	1,260.2	22.41	26.46	1.40	10.3	0.00	0.11	17.39
45	Surety Bank	Deland, FL	217.0	41.78	48.39	0.23	20.4	-0.01	0.71	10.77
46	Time Bank	Park Ridge, IL	482.5	18.03	37.59	0.34	10.5	0.00	0.11	14.16
47	Century Bank of Georgia	Cartersville, GA	348.3	27.01	53.77	0.19	8.3	-0.21	0.00	8.53
48	Charter Bank	Corpus Christi, TX	347.8	57.29	43.22	0.28	4.9	0.01	0.10	9.74
49	NewFirst National Bank	El Campo, TX	882.0	28.71	39.86	0.19	5.7	0.16	0.28	11.12
50	Plumas Bank (PLBC)	Quincy, CA	1,618.9	30.89	45.39	0.06	14.0	0.12	0.10	9.25
51	First Eagle Bank	Chicago, IL	573.1	14.92	38.07	0.38	2.9	0.00	0.00	19.08
52	Pinnacle Bank (PCLB)	Jasper, AL	331.9	40.59	54.88	0.18	8.5	0.03	0.01	10.73
53	Esquire Bank NA (ESQ)	Jericho, NY	1,377.9	34.33	45.86	0.16	27.4	0.35	0.00	10.98

54	Western Commerce Bank	Carlsbad, NM	673.4	30.52	46.10	0.08	12.4	0.03	0.08	7.99
55	Iowa Trust and Savings Bank	Centerville, IA	237.2	27.07	47.80	0.23	5.5	0.00	0.02	10.00
56	CommerceWest Bank (CWBK)	Irvine, CA	1,436.6	23.87	39.04	0.15	16.2	0.18	0.04	11.01
57	First State Bank of Golva	Golva, ND	107.8	39.19	47.17	0.09	3.5	0.00	0.03	8.47
58	WestStar Bank	El Paso, TX	2,790.2	30.09	49.25	0.25	6.0	0.01	0.04	10.00
59	First National Bank of Brookfield	Brookfield, IL	331.4	21.47	45.72	0.48	18.9	-0.18	0.00	10.25
60	HNB National Bank	Hannibal, MO	671.9	21.55	47.98	0.20	4.8	0.00	0.25	13.13
61	Northern Bank & Trust Co.	Woburn, MA	2,834.4	23.51	35.32	0.37	12.3	0.12	0.89	15.07
62	Cache Valley Bank	Logan, UT	2,930.6	31.14	35.90	0.43	15.1	0.03	0.28	9.48
63	First Bank of Owasso	Owasso, OK	552.4	22.60	41.86	0.56	9.8	0.01	0.00	12.89
64	Peoples Bank	Sheridan, AR	203.7	16.54	41.43	0.30	6.5	0.03	0.01	14.59
65	Security National Bank of South Dakota (SNLC)	Dakota Dunes, SD	233.3	22.40	45.16	0.34	5.4	0.00	0.00	12.31
66	Builtwell Bank	Chattanooga, TN	1,857.0	28.84	49.87	0.11	12.8	0.05	0.47	10.07
67	FirstBank of Nebraska	Wahoo, NE	384.2	27.43	42.27	0.59	8.1	0.00	0.04	10.81
68	Lindell Bank & Trust Co.	Saint Louis, MO	849.3	13.07	49.23	0.06	9.7	-0.15	0.25	13.74
69	Bippus State Bank	Huntington, IN	320.4	26.36	47.00	0.32	17.6	0.14	0.39	12.42
70	RSNB Bank	Rock Springs, WY	388.9	28.38	58.45	0.31	1.4	-0.07	0.00	11.01
71	Intracoastal Bank	Palm Coast, FL	488.5	32.06	50.21	0.25	11.3	0.01	0.00	9.15
72	Horizon Bank SSB	Austin, TX	2,362.3	34.84	41.60	0.32	17.1	0.05	0.00	7.84
73	Commercial Bank	Crawford, GA	422.1	41.45	46.88	0.19	20.9	0.06	0.47	9.18
74	Sherburne State Bank	Becker, MN	230.6	28.93	52.40	0.26	15.7	0.02	0.00	9.22
75	Providence Bank (PBNC)	Rocky Mount, NC	849.8	24.16	33.62	0.80	23.5	0.02	0.01	12.18
76	Bank of Cleveland	Cleveland, TN	369.1	15.05	54.48	0.25	3.8	-0.13	0.30	16.18
77	Citizens Community Bank	Winchester, TN	344.6	24.80	41.20	0.38	5.1	0.13	0.04	12.28
78	Signature Bank	Rosemont, IL	1,584.6	35.74	40.87	0.44	17.0	0.02	0.43	9.39
79	Buckholts State Bank	Buckholts, TX	117.0	15.09	42.06	0.21	9.7	0.08	0.06	14.83
80	Cogent Bank	Orlando, FL	1,476.5	19.47	56.69	0.52	97.4	-0.12	0.29	8.93
81	Frontier Bank	Lamar, CO	421.6	24.43	47.63	0.27	4.6	-0.04	0.03	10.29
82	Solera National Bank (SLRK)	Lakewood, CO	994.9	41.59	35.66	0.63	46.8	0.01	0.53	7.90
83	First State Bank	Louise, TX	809.2	33.96	53.20	0.10	13.2	0.07	0.14	9.43
84	Tolleson Pvt. Bank	Dallas, TX	918.8	27.50	42.45	0.43	11.2	0.00	0.03	8.78
85	First United Bank	Park River, ND	676.4	28.27	60.41	0.30	24.8	-0.03	0.11	9.62
86	First Metro Bank	Muscle Shoals, AL	887.0	24.42	44.95	0.30	6.7	0.05	0.03	10.97
87	Southeastern Bank (SEBC)	Darien, GA	667.0	21.52	54.87	0.07	8.1	-0.31	0.19	9.88
88	Watermark Bank	Oklahoma City, OK	267.9	10.17	54.35	0.80	77.3	0.00	0.00	16.22
89	First National Bank & Trust of Elk City	Elk City, OK	310.8	30.02	46.78	0.38	1.5	0.05	0.27	11.43
90	Exchange Bank and Trust Co.	Natchitoches, LA	196.1	36.64	48.08	0.11	7.8	0.00	0.65	9.50
91	Citizens Bank of Las Cruces	Las Cruces, NM	971.1	28.27	52.88	0.20	8.7	0.00	0.01	8.93
92	Central Valley Community Bank (CVCY)	Fresno, CA	2,421.5	22.43	52.91	0.06	6.8	-0.02	0.10	10.86
93	Citizens State Bank of Cheney Kansas	Cheney, KS	75.3	27.69	54.21	0.20	4.7	0.02	0.01	9.91
94	First National Bank & Trust of Newtown (FBIP)	Newtown, PA	1,263.0	33.25	53.48	0.06	6.5	0.10	0.01	9.39
95	Nodaway Valley Bank	Maryville, MO	1,332.7	32.22	58.34	0.16	7.6	0.02	0.03	9.94
96	Valley Bank of Kalispell	Kalispell, MT	181.3	26.98	56.14	0.11	10.6	0.01	0.26	9.98
97	Citizens State Bank	Miles, TX	221.1	26.58	40.50	0.41	7.9	0.04	0.01	9.10
98	Pueblo Bank and Trust Co.	Pueblo, CO	633.0	22.19	60.41	0.03	15.5	-0.09	0.16	10.38
99	Union Bank of Mena	Mena, AR	350.7	28.47	48.72	0.22	5.7	0.10	0.30	10.58
100	Municipal Trust and Savings Bank	Bourbonnais, IL	343.4	15.94	40.55	0.24	4.9	0.00	0.10	13.19
Top 100 median				26.91	44.18	0.24	10.0	0.00	0.04	10.75
Median for all 3,782 banks*				14.18	65.65	0.39	6.0	0.04	0.28	10.27

Data compiled Mar. 3, 2023.

ROATCE = return on average tangible common equity; NPA = nonperforming assets; PD = past due.

S&P Global Market Intelligence used seven diversely weighted metrics to identify top-performing U.S. community banks under \$3 billion in asset size. The mean for each metric was identified across the dataset, and standard deviations from these 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.

Criteria for the ranking included a gross loans and leases-to-total assets ratio of at least 33% with no more than half of those loans in credit cards; a leverage ratio of at least 5%; no active severe enforcement action; a result other than "substantial noncompliance" or "needs to improve" in the bank's most recent CRA exam; a yield on loans and leases of no more than three times the industry median of 4.89%; and no more than half of the entity's revenue coming from nontraditional banking activities. Additionally, industrial banks, nondepository trusts, companies with a bankers' bank certification, and banks with parent companies that have total assets of \$3 billion or more were omitted.

* Represents all eligible banks in the analysis.

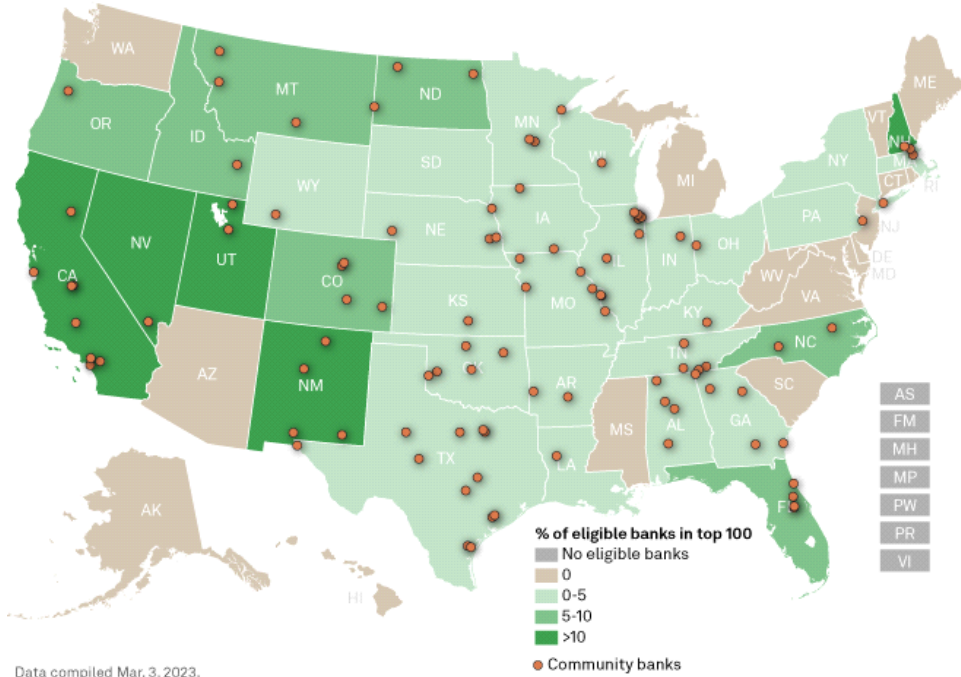
Rankings are based on regulatory filings. All ranking metrics must have been reported for company to be included.

Source: S&P Global Market Intelligence.

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Twelve community banks from Texas were in the top 100 in this analysis, more than any other state. Mineral Wells, Texas-based Titan Bank NA came in 20th in this year's ranking, with another five Lone Star State banks making it into the top 50. California placed eight banks in the top 100, the second most of any state.

100 best-performing community banks of 2022 under \$3B in assets



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 Map credit: Joe Felizadio.
 Source: S&P Global Market Intelligence.
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Download a refreshable template containing the underlying data used in the rankings and the list of the top 100.

Explore the top-performing community banks with less than \$3 billion in assets for 2021 and the top-performing banks with between \$3 billion and \$10 billion in assets.

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