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## Iowa banks rank highest among community banks with less than \$500M in assets

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Heaven? No, it is Iowa.

Iowa banks top SNL's ranking of the 100 best-performing community banks with less than \$500 million in assets. Placing No. 1 and No. 2 were [Dentel BanCorp.](#) subsidiaries Victor State Bank in Victor, Iowa, and Maxwell State Bank in Maxwell, Iowa, respectively. While neither bank was best in their class for any one metric, strong performances in all the scoring categories garnered the top positions. A total of 17 Iowa banks reached the top 100, the most for any state. Trailing Iowa was Oklahoma with ten banks in the top 100, followed by a three-way tie between North Dakota, Nebraska and Texas, each with nine banks.

For the rankings, SNL looked at commercial banks with less than \$500 million in assets and 60 or fewer offices. Companies with a parent with more than \$500 million in assets were also excluded, except for those whose parent grew to more than \$500 million in 2010 but has not yet filed on a consolidated basis. Additionally, banks had to be well-capitalized. Based on the above criteria, 4,832 banks were eligible for the rankings. Companies meeting the criteria received scores based on their percentile rank on each of the following six metrics: return on average tangible assets before tax, net charge-offs as a percent of average loans, adjusted nonperforming loans as a percent of total loans, operating expenses as a percent of operating revenue, net interest margin and loan growth. All metrics were equally weighted.

*Click [here](#) to see the top 100.*

## Best-performing community banks under \$500M in assets

| Rank | Company                                     | City, state      | Parent                       | Total assets (\$000) | Scoring metrics      |                    |                          |                       |                               |                      |
|------|---|------------------|------------------------------|----------------------|----------------------|--------------------|--------------------------|-----------------------|-------------------------------|----------------------|
|      |   |                  |                              |                      | ROATA before tax (%) | NCOs/avg loans (%) | Adj. NPL/total loans (%) | Oper exp/oper rev (%) | Net interest margin (FTE) (%) | Loan growth rate (%) |
| 1    | Victor State Bank                           | Victor, IA       | Dentel BanCorp.              | 39,087               | 3.19                 | 0.00               | 0.00                     | 30.01                 | 5.74                          | 15.78                |
| 2    | Maxwell State Bank                          | Maxwell, IA      | Dentel BanCorp.              | 24,921               | 1.99                 | 0.00               | 0.00                     | 40.83                 | 5.00                          | 25.41                |
| 3    | Horizon Bank                                | Waverly, NE      |                              | 168,822              | 2.50                 | 0.00               | 0.00                     | 42.07                 | 4.74                          | 25.96                |
| 4    | First National Bk of Kinmundy               | Kinmundy, IL     | South Central Bancorp Inc.   | 33,895               | 3.27                 | 0.00               | 0.00                     | 48.29                 | 6.21                          | 8.00                 |
| 5    | Tri-State Bank & Trust                      | Haughton, LA     | Tri-State Bancshares Inc.    | 33,586               | 4.20                 | 0.00               | 0.00                     | 36.74                 | 5.84                          | 6.40                 |
| 6    | Prime Bank                                  | Edmond, OK       | Prime Bank Group Inc.        | 97,664               | 2.25                 | 0.02               | 0.00                     | 51.59                 | 4.83                          | 49.46                |
| 7    | Sargent County Bank                         | Forman, ND       | Sargent Bankshares Inc.      | 86,717               | 2.24                 | 0.00               | 0.00                     | 46.84                 | 4.86                          | 11.13                |
| 8    | Amerasia Bank                               | Flushing, NY     |                              | 228,167              | 2.74                 | 0.07               | 0.00                     | 43.01                 | 5.40                          | 15.75                |
| 9    | Bank of Billings                            | Billings, MO     | First Miami Bancshares Inc.  | 52,372               | 2.68                 | 0.01               | 0.05                     | 46.55                 | 5.29                          | 20.96                |
| 10   | Walker State Bank                           | Walker, IA       | Country BanCorp.             | 35,469               | 1.87                 | 0.00               | 0.00                     | 55.31                 | 4.70                          | 24.41                |
| 11   | Citizens State Bank of Clayton              | Clayton, WI      | Clayton Bankshares Inc.      | 97,322               | 3.02                 | 0.03               | 0.04                     | 47.26                 | 4.79                          | 20.46                |
| 12   | Peoples State Bank                          | Rocksprings, TX  |                              | 58,374               | 2.71                 | 0.01               | 0.00                     | 36.90                 | 4.39                          | 15.54                |
| 13   | Commercial Capital Bank                     | Delhi, LA        | Capital Bancorp Inc.         | 40,312               | 2.29                 | 0.10               | 0.00                     | 57.50                 | 5.11                          | 25.78                |
| 14   | Security State Bank                         | Sutherland, IA   | Old O'Brien Banc Shares Inc. | 75,006               | 2.66                 | 0.01               | 0.00                     | 44.17                 | 4.62                          | 8.03                 |
| 15   | Bank of Morton                              | Morton, MS       | Morton Bancorp Inc.          | 57,640               | 2.03                 | 0.03               | 0.00                     | 58.98                 | 5.52                          | 9.49                 |
| 16   | Community Bank                              | Longview, TX     | East Texas Bancorp Inc.      | 128,795              | 2.28                 | 0.02               | 0.00                     | 55.96                 | 4.91                          | 8.46                 |
| 17   | Citizens State Bank                         | Miles, TX        | CSB Financial Corp.          | 77,020               | 1.98                 | 0.06               | 0.00                     | 54.75                 | 4.82                          | 14.87                |
| 18   | Goodfield State Bank                        | Goodfield, IL    | Goodfield Financial Corp.    | 70,753               | 3.43                 | -0.11              | 0.03                     | 41.52                 | 4.91                          | 3.93                 |
| 19   | State Bank of Bellingham                    | Bellingham, MN   | Bellingham Corp.             | 32,105               | 2.06                 | 0.00               | 0.00                     | 51.11                 | 4.45                          | 9.83                 |
| 20   | Farmers & Merchants State Bk of Cawker City | Cawker City, KS  | F & M State Bancshares Inc.  | 16,079               | 1.91                 | 0.00               | 0.00                     | 55.56                 | 4.56                          | 10.75                |
| 21   | First National Bank of Chadron              | Chadron, NE      | C.S.B. Co.                   | 107,148              | 1.90                 | -0.01              | 0.00                     | 57.22                 | 4.71                          | 7.77                 |
| 22   | Pony Express Community Bank                 | Saint Joseph, MO | Pony Express Bancorp Inc.    | 67,990               | 2.09                 | -0.13              | 0.38                     | 64.65                 | 5.69                          | 56.45                |
| 23   | Corydon State Bank                          | Corydon, IA      | Dentel BanCorp.              | 72,769               | 3.93                 | 0.07               | 0.30                     | 22.61                 | 5.39                          | 9.81                 |
| 24   | Liberty State Bank                          | Powers Lake, ND  | Liberty BanCorp. Inc.        | 47,979               | 2.22                 | 0.01               | 0.00                     | 45.76                 | 4.32                          | 11.50                |
| 25   | Premier Bank                                | Rock Valley, IA  | Premier Holdings Ltd         | 220,760              | 2.81                 | 0.04               | 0.00                     | 34.13                 | 4.31                          | 11.41                |

Financial data current as of April 12, 2011.

For the purposes of this ranking, SNL defined community banks as commercial banks with 60 or fewer offices.

Excludes banks with a parent over \$500M in assets, except for those whose parent grew to more than \$500 million in 2010 but has not yet filed on a consolidated basis at the parent level.

Excludes industrial, cooperative and trust chartered banks.

Excludes banks with a tier 1 risk-based ratio less than 6%, total risk-based capital ratio less than 10%, or a leverage ratio less than 5%.

Data is based on 2010 year regulatory data. All ranking metrics must be reported for company to be included.

FTE = Fully taxable equivalent.

ROATA is return on average tangible assets.

Source: SNL Financial

The story of the top Iowa community banks is a tale of two families, the Dentels and the Bernaus. Dentel BanCorp. is a family-owned bank holding company that had four of its six banks appear in the top 50 best-performers. In addition to the top two banks, Dentel BanCorp. owns 23rd-ranked Corydon, Iowa-based [Corydon State Bank](#), the most efficient bank on the list by operating expense to operating revenue, and 48th-ranked Pocahontas, Iowa-based [Pocahontas State Bank](#). The Bernau family controls [Country BanCorp.](#), a bank holding company that owns seven banks, three of which appear in the top 100. Country BanCorp.'s top bank is [Walker State Bank](#) in Walker, Iowa, positioned at 10th in the rankings.

## Parent companies with multiple subs in top 100

| Parent           | Community bank sub              | City, state       | Rank | Total assets (\$000) |
|------------------|---------------------------------|-------------------|------|----------------------|
| Country BanCorp. | Walker State Bank               | Walker, IA        | 10   | 35,469               |
|                  | Center Point Bank and Trust Co. | Center Point, IA  | 33   | 27,190               |
|                  | White State Bank                | South English, IA | 67   | 29,061               |
| Dentel BanCorp.  | Victor State Bank               | Victor, IA        | 1    | 39,087               |
|                  | Maxwell State Bank              | Maxwell, IA       | 2    | 24,921               |
|                  | Corydon State Bank              | Corydon, IA       | 23   | 72,769               |
|                  | Pocahontas State Bank           | Pocahontas, IA    | 48   | 77,354               |

Source: SNL Financial

Troy, Mich.-based [Crestmark Bank](#) posted the highest net interest margin exceeding 16% and highest return on average tangible assets of the top 100. This pushed it to 28th place. More than 90% of Crestmark's loan portfolio is composed of commercial and industrial loans, which yielded close to 19%.

Teaneck, N.J.-based [Cross River Bank](#), established in mid-2008, ranked 31st and doubled its loan portfolio from the prior year with a heavy concentration in commercial real estate. While it had the highest loan growth at 107%, it also accounted for the highest operating expense as a percentage of operating revenue at 72%. On Jan. 1, the FDIC issued the company a "needs to improve" CRA rating.

| <b>States by number of banks in top 100</b> |                                   |                                    |                           |
|---|-----------------------------------|------------------------------------|---------------------------|
| <b>State</b>                                | <b>Number of banks in top 100</b> | <b>Number of banks in analysis</b> | <b>Percent in top 100</b> |
| Iowa  | 17                                | 283                                | 6.01                      |
| Oklahoma                                    | 10                                | 212                                | 4.72                      |
| North Dakota                                | 9                                 | 78                                 | 11.54                     |
| Nebraska                                    | 9                                 | 190                                | 4.74                      |
| Texas                                       | 9                                 | 449                                | 2.00                      |
| Illinois                                    | 7                                 | 394                                | 1.78                      |
| Kansas                                      | 7                                 | 278                                | 2.52                      |
| Louisiana                                   | 7                                 | 111                                | 6.31                      |
| Missouri                                    | 4                                 | 241                                | 1.66                      |
| Minnesota                                   | 3                                 | 314                                | 0.96                      |
| <b>Analysis totals</b>                      | <b>100</b>                        | <b>4,832</b>                       | <b>2.07</b>               |

Only top 10 states included.  
Source: SNL Financial