

Forbes



America's Best Banks 2017

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It has been a turbulent decade for the banking sector. Banks have mostly recovered from the late 2000s financial crisis after a multitude of asset write-downs, settlements and fines. There have been only 13 bank failures the past two years, compared to 297 during 2009 and 2010. “The banking industry is healthy. Across the board, banks are well-capitalized and credit quality is strong,” says Chris Vanderpool, Senior Analyst at S&P Global Market Intelligence. “Despite those things, loan growth has been sluggish and profit margins are compressed.”

To gauge the financial condition of the biggest banks, Forbes turned to S&P Global Market Intelligence, for data regarding


growth, credit quality and profitability for the 100 largest banks and thrifts by assets. The result: America’s Best Banks 2017. The 10 metrics used in the rankings are based on regulatory filings through Sept. 30. The data is compliments of S&P Global Market Intelligence, but the rankings are done solely by Forbes.

The No. 1-ranked bank this year is Los Angeles-based PacWest Bancorp, the holding company for Pacific Western Bank. The \$21 billion-in-assets bank scores in the top 20 in eight of the 10 metrics we measured, including a 5.4% net interest margin, third-best among the 100 largest banks, and 1.6% return on average assets, which ranked fourth.

PacWest offers commercial banking ser-

vices at 77 branches throughout the state of California. The firm also has one office in Durham, N.C., acquired in the fourth quarter of 2015 when PacWest bought 10-year-old Square 1 Financial for \$815 million — it focuses on lending to venture capital and private equity investors. The Square 1 purchase added \$3.1 billion in assets and was the 28th acquisition for PacWest since it was founded in 1999.

PacWest’s stock is up 38% over the last 12 months, but it still trades at just 1.5 times its book value compared to an average of 2.1 times book for the rest of the banks ranked in the top 20.

Rounding out the top five are Community Bank System, Western Alliance Bancorp and Glacier Bancorp. 

Rank	Company	Total assets (\$bil)	ROATCE	NPAs/ assets	CET1 ratio	Efficiency ratio	LTM revenue growth
1	PacWest Bancorp	21	16.00%	1.20%	12.80%	41%	24%
2	CVB Financial	8	11.9	0.5	16.6	45	2
3	Community Bank System	9	14.3	0.3	15.7	62	15
4	Western Alliance Bancorp	17	18.3	0.8	9.8	44	40
5	Glacier Bancorp	9	12.8	1.3	13.9	56	9
6	First Republic Bank	68	14.2	0.1	10.5	56	19
7	Bank of Hawaii	16	16.4	0.4	13.4	58	7
8	Home BancShares	10	20.3	0.8	11	39	22
9	Prosperity Bancshares	21	18.1	0.3	14.4	41	-3
10	FCB Financial Holdings	9	12.6	0.5	11.8	46	65

If data is not reported at the holding company level, the banking subsidiary data was used.

NA: Not available; LTM: Latest 12-months. ROATCE: return on average tangible common equity; NPAs: nonperforming assets, excluding government-guaranteed loans and other real estate owned under FDIC loss-share plans; CET1 ratio: common equity Tier 1 capital as a percentage of risk-weighted assets; prior to reporting under Basel III, the CET1 ratio was known as the Tier 1 common ratio under the general risk-based rules. Source: S&P Global Market Intelligence.

*For a detailed methodology, please visit www.forbes.com **Excerpted rankings shown above. For full list, please visit www.forbes.com

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