

## America's Best And Worst Banks

BY KURT BADENHAUSEN, FORBES STAFF

Banks have made great strides since the financial crisis, but there is still a big gap between the best and worst banks in the U.S. With that in mind, we turned to Charlottesville, Va. financial data provider SNL Financial for a fourth straight year to gauge the health of the biggest banks. SNL supplied data regarding the asset quality, capital adequacy and profitability of the 100 largest publicly traded banks and thrifts (we excluded nine thrifts that did not file data on capital ratios; we considered the next largest financial firms in their place). The eight metrics of financial health we ranked the banks on included: return on average equity; net interest margin; nonperforming loans (NPLs) as a percentage of loans; nonperforming assets as percentage of assets; reserves as a percentage of NPLs; two capital ratios (Tier 1 and risk-based); and leverage ratio. The data is based on regulatory filings of public banks and thrifts through the third quarter of 2012. The banks range in size from 1st Source with \$4.5 billion in assets to \$2.3 trillion in assets banking giant JPMorgan Chase. SNL provides the data, but the rankings are done by Forbes.



SIGNATURE BANK

Signature focuses on servicing the bank needs of privately held businesses in the New York metro area. Earnings are up more than 500% over the past five years.

### #3 Signature Bank

Headquarters: New York, N.Y.

Assets: \$16 billion

Price/Book value: 2.0

NPLs/Loans: 0.6%

Reserves/NPLs: 178%

Rank	Company	Total assets (\$bil)	Return on avg equity	NPLs/total loans	Reserves/NPLs*	Tier 1 ratio	Leverage ratio
1	State Street	\$204	9.9%	0.04%	431%	19.8%	7.6%
2	Bank of Hawaii	13	16.2	0.8	293	16.1	6.8
3	Signature Bank	16	12.0	0.6	178	16.2	9.6
4	Prosperity Bancshares	14	10.1	0.1	961	14.4	6.9
5	First Republic Bank	33	13.7	0.2	283	13.6	9.3

\*NPLs: Nonperforming loans include loans 90+ days past due and nonaccrual loans.

Source: SNL Financial