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Beware of the Zombies (The Bank Zombies)

In the 1990s Japanese banks were nicknamed “zombie” banks following that country’s collapse of asset values, including real estate and financial assets. With approval (or encouragement) of their regulators, these banks kept relatively large amounts of non-performing loans on their books at their original values, rather than writing them down and taking a massive hit to their equity capital that would have likely forced many of these institutions to seek to raise fresh equity capital or face liquidation.

This “extend and pretend” model of bank balance sheet management may help avoid Armageddon, yet it doesn’t come without a price. A bank that has a significant amount of book assets earning zero (or worse) cannot afford to grow meaningfully through new lending, and may even have a “negative carry” as its liabilities (deposits and borrowings) must still be paid. In the case of the Japanese banks, the contemporaneous collapse in interest rates attenuated this impact. Here in the US, in today’s banking world, we are not so fortunate.

Following the spectacular collapse of Silicon Valley Bank (see our “VCs go Meme” note dated 3/14/23 available at <https://www.sixtyguilders.com/research-papers>), as many are now aware, we have witnessed a rapid consolidation of deposits away from smaller, regional banks into either the money center banks or directly into financial assets (such as Treasury bills paying north of 4% interest). The problem with many of these banks is that they are losing deposits at the absolute worst time possible: now that rates are significantly higher than what they were as recently as one year ago, when they were buying very low yielding “safe” investments (such as US-backed mortgages and US Treasuries). When deposits were gushing into banks due to years of loose monetary policy and helicopter money from the US Treasury, the absence of lending opportunities caused many banks to amass large portfolios of mortgage-backed securities and US Treasuries earning measly yields, despite their longer maturities. As rates started increasing mid-last year (with the entire yield curve shifting up), banks started moving these securities to their “held-to-maturity” asset bucket, a regulatory-approved way to avoid taking a loss on these declining asset values. They got away with this for most of 2022, and into early 2023, until the SVB debacle. Once deposits started fleeing, these banks were short on liquidity having to provide cash to their fleeing depositors but not many assets readily available for sale without taking an actual loss of principal. The Federal Reserve immediately stepped in offering its emergency lending facility at market rates (estimated at 4.75%) taking as collateral these under-water securities, but granting 100 cents on the dollar collateral value.

In essence, the Federal Reserve was able to thwart the immediate “liquidity” crunch for these banks. But, to put it simply what it was really offering was no different than allowing banks to replace fleeing near-zero earning deposits with 4.75% capital lent by the Fed. When you have a portfolio of securities earning 2-2.5% that won’t mature for 7-10 or more years, financing it with 4.75% capital is not a long-term solution. This reminds us of Michael Scott of The Office, who upon being told that he’s selling paper at a lower price than his costs said “that’s ok, what we lose on margin, we’ll make up in volume!” Welcome to the zombie banks, US version.

So, who are the likely zombie bank candidates? In our opinion, banks that have bought large amounts (relative to total assets) of securities that had to be moved to the Held-to-Maturity (HTM) side of the ledger – avoiding having to take a mark-to-market loss) are prime candidates. Among those, the larger the relative mark-to-market loss avoided through the HTM reclassification, the greater the zombie status. With banks' equity capital as little as 10% of total assets, large HTMs with decreased fair market values (even if they are still booked at par), would face significantly eroded equity capital without the accounting privilege of not marking prices to market. Analyzing the regional banks comprising the S&P Regional Banking ETF (KRE) and using Q4 2022 financials, we have identified the following US regional banks whose HTM portfolios, were they to be marked to market, would erode their shareholders' equity materially. Here is the list of banks whose equity hit would fall beyond one standard deviation from the mean.

Zombie Banks

Symbol	Name	Stock Price	Trailing EPS	P/E Ratio	Most Recent Deposit Change / Shareholders Equity	Equity/Total Assets	Unbooked Difference (HTM Loss)	Unbooked Loss (as % of HTM value)	Unbooked Loss as % of Total Assets	Mark To Market Equity/Total Assets	
TMP	Tompkins Financial Corporation	\$59.96	\$5.89	10.2x	-54%	8.0%	(50)	-16%	0.7%	7%	
CAC	Camden National Corporation	\$33.51	\$4.18	8.0x	57%	8.0%	(41)	-7%	0.7%	7%	
FHB	First Hawaiian, Inc.	\$19.92	\$2.07	9.6x	-18%	9.2%	(506)	-12%	2.1%	7%	
BMRC	Bank of Marin Bancorp	\$20.26	\$2.95	6.9x	-80%	9.9%	(127)	-13%	3.1%	7%	
FISI	Financial Institutions, Inc.	\$18.07	\$3.65	5.0x	6%	7.0%	(15)	-8%	0.3%	7%	
CUBI	Customers Bancorp, Inc.	\$19.30	\$6.30	3.1x	45%	6.7%	(46)	-5%	0.2%	6%	
IBCP	Independent Bank Corporation	\$17.27	\$2.97	5.8x	15%	7.0%	(41)	-11%	0.8%	6%	
BPOP	Popular, Inc.	\$59.20	\$14.82	4.0x	-88%	6.1%	(85)	-1%	0.1%	6%	
UMBF	UMB Financial Corporation	\$58.18	\$8.87	6.6x	31%	6.9%	(579)	-10%	1.5%	5%	
CPF	Central Pacific Financial Corp.	\$16.07	\$2.72	5.9x	40%	6.1%	(68)	-10%	0.9%	5%	
AMAL	Amalgamated Financial Corp.	\$17.40	\$2.61	6.7x	-111%	6.5%	(127)	-8%	1.6%	5%	
HBNC	Horizon Bancorp, Inc.	\$10.40	\$2.14	4.9x	4%	8.6%	(341)	-17%	4.3%	4%	
BOH	Bank of Hawaii Corporation	\$49.33	\$5.48	9.0x	-21%	5.6%	(711)	-13%	3.0%	3%	
Standard deviation				3.1x		2.2%		7%	0.8%	2.2%	
Average + 1 standard deviation				11.7x		12.4%		-4%	1.4%	11.9%	
Average				8.6x		-7%		10.2%	-10%	0.6%	9.6%
Average - 1 standard deviation				5.4x		8.0%		-17%	-0.2%	7.4%	
Totals						8.3%		-11%	0.7%	7.6%	

Better Than 1 Standard Deviation from the mean
Up to 1 Standard Deviation better than the mean
Up to 1 Standard Deviation worse than the mean
More Than 1 Standard Deviation worse from the mean

Note: \$s, millions except for per share data.

Source: YCharts, Inc., Sixty Guilders Management, LLC

In our opinion, while these banks are not necessarily at a risk of immediate liquidity concerns (assuming a stable deposit outlook), the relative size of their HTMs and HTM mark-to-market losses in an environment of higher rates, makes it very hard for them to earn a decent return on assets for a significant portion of their balance sheet for the foreseeable future. Although long term rates have decreased since the end of the year, ameliorating some of these "losses", the reality of a continued increase in deposit costs, will put persistent pressure in their interest margins (the profit the banks between what they earn on their assets and what they have to pay to depositors and lenders). From this list, the banks whose name is listed in red font represent banks which have experienced material deposit losses as well, making them more susceptible to the aforementioned risks. In an environment of continued inflation and inflation-fighting by the Federal Reserve, we have a hard time foreseeing a scenario that allows these banks to grow out of their legacy, below market-rate, large scale securities investment portfolios in absence of a passage in time measured in years.

Appendix

KRE ETF Regional Banks Analysis

Symbol	Name	Stock Price	Trailing EPS	P/E Ratio	Most Recent Deposit			Unbooked Loss (as % of HTM value)	Unbooked Loss as % of Total Assets	Mark To Market Equity/Total Assets
					Change / Shareholders Equity	Equity/ Total Assets	Unbooked Difference (HTM Loss)			
OZK	Bank OZK	\$35.24	\$4.47	7.9x	23%	17.0%			17%	
TFIN	Triumph Financial, Inc.	\$52.43	\$3.96	13.2x	-30%	16.7%	1	35%	17%	
HOMB	Home Bancshares, Inc. (Conway, AR)	\$21.72	\$1.89	11.5x	-30%	16.1%	(161)	-13%	15%	
UBSI	United Bankshares, Inc.	\$33.93	\$2.81	12.1x	-12%	15.3%	0		15%	
INDB	Independent Bank Corp.	\$58.78	\$5.81	10.1x	-16%	15.0%	(180)	-11%	14%	
PB	Prosperity Bancshares, Inc.	\$60.85	\$5.70	10.7x	-11%	17.8%	(1,632)	-12%	13%	
WSBC	WesBanco, Inc.	\$28.75	\$3.06	9.4x	-13%	14.3%	(164)	-13%	13%	
STBA	S&T Bancorp, Inc.	\$27.81	\$3.74	7.4x	-21%	13.4%	0		13%	
IBOC	International Bancshares Corporation	\$42.09	\$4.79	8.8x	-11%	13.2%	0	0%	13%	
IBTX	Independent Bank Group, Inc.	\$41.15	\$4.70	8.8x	7%	13.1%	(45)	-22%	13%	
STEL	Stellar Bancorp, Inc.	\$22.57	\$2.06	11.0x	401%	12.7%	0		13%	
ABCB	Ameris Bancorp	\$34.02	\$5.00	6.8x	0%	12.8%	(20)	-15%	13%	
CNOB	ConnectOne Bancorp, Inc.	\$16.27	\$3.05	5.3x	4%	12.2%	0		12%	
FNB	F N B Corp	\$11.50	\$1.50	7.7x	5%	13.1%	(400)	-10%	12%	
SBCF	Seacoast Banking Corporation of Florida	\$22.69	\$1.67	13.6x	76%	13.2%	(129)	-17%	12%	
HTH	Hilltop Holdings Inc.	\$31.72	\$1.62	19.6x	-2%	12.5%	(90)	-10%	12%	
FFBC	First Financial Bancorp.	\$20.49	\$2.31	8.9x	18%	12.0%	(8)	-10%	12%	
MTB	M&T Bank Corporation	\$124.66	\$14.31	8.7x	-19%	12.5%	(1,154)	-9%	12%	
RNST	Renasant Corporation	\$28.06	\$3.00	9.4x	3%	12.6%	(117)	-9%	12%	
CTBI	Community Trust Bancorp, Inc.	\$35.75	\$4.56	7.8x	1%	11.9%	0		12%	
PNFP	Pinnacle Financial Partners, Inc.	\$54.82	\$7.29	7.5x	44%	12.6%	(334)	-11%	12%	
VBTX	Veritex Holdings, Inc.	\$17.68	\$2.73	6.5x	26%	11.9%	(27)	-15%	12%	
PPBI	Pacific Premier Bancorp, Inc.	\$22.21	\$2.97	7.5x	-14%	12.9%	(291)	-21%	12%	
HONE	HarborOne Bancorp, Inc.	\$11.37	\$0.97	11.7x	50%	11.5%	(1)	-5%	11%	
PFS	Provident Financial Services, Inc.	\$18.04	\$2.35	7.7x	-8%	11.6%	(15)	-4%	11%	
AUB	Atlantic Union Bankshares Corporation	\$32.71	\$2.97	11.0x	-26%	11.6%	(45)	-5%	11%	
CATY	Cathay General Bancorp	\$32.78	\$4.89	6.7x	-3%	11.3%	0		11%	
OCFC	OceanFirst Financial Corp.	\$16.27	\$2.46	6.6x	-18%	12.1%	(111)	-9%	11%	
NIC	Nicolet Bankshares, Inc.	\$57.95	\$6.02	9.6x	-49%	11.7%	(56)	-8%	11%	
EFSC	Enterprise Financial Services Corp	\$43.02	\$5.32	8.1x	-15%	11.7%	(81)	-11%	11%	
SRCE	1st Source Corporation	\$43.86	\$5.00	8.8x	20%	10.9%	0		11%	
PRK	Park National Corporation	\$111.50	\$8.39	13.3x	-7%	10.8%	0		11%	
BRKL	Brookline Bancorp, Inc.	\$10.11	\$1.45	7.0x	-22%	10.8%	0		11%	
WSFS	WSFS Financial Corporation	\$37.39	\$3.76	9.9x	-24%	11.1%	(71)	-6%	11%	
EBC	Eastern Bankshares, Inc.	\$11.72	\$1.20	9.8x	10%	10.9%	(53)	-11%	11%	
CFFN	Capitol Federal Financial, Inc.	\$6.64	\$0.58	11.4x	-11%	10.6%	0		11%	
SASR	Sandy Spring Bancorp, Inc.	\$23.77	\$3.60	6.6x	21%	10.9%	(39)	-15%	11%	
SSB	SouthState Corporation	\$68.93	\$6.96	9.9x	-26%	11.6%	(433)	-16%	11%	
CFG	Citizens Financial Group, Inc.	\$28.63	\$4.15	6.9x	-26%	10.9%	(792)	-8%	11%	
NBHC	National Bank Holdings Corporation	\$31.89	\$2.66	12.0x	69%	11.4%	(92)	-14%	11%	
PFC	Premier Financial Corp.	\$18.88	\$2.86	6.6x	20%	10.5%	0		10%	
HOPE	Hope Bancorp, Inc.	\$9.70	\$1.81	5.4x	12%	10.5%	(13)	-5%	10%	
UVSP	Univest Financial Corporation	\$21.52	\$2.65	8.1x	16%	10.8%	(21)	-14%	10%	
FBK	FB Financial Corporation	\$29.77	\$2.88	10.4x	86%	10.5%	0		10%	
FHN	First Horizon Corporation	\$18.38	\$1.63	11.3x	-53%	10.7%	(162)	-12%	10%	
TCBK	TriCo Bancshares	\$38.17	\$3.89	9.8x	-31%	10.5%	(11)	-7%	10%	
WAFD	Washington Federal, Inc.	\$28.72	\$4.09	7.0x	-7%	10.6%	(51)	-11%	10%	
BY	Byline Bancorp, Inc.	\$19.79	\$2.40	8.2x	11%	10.4%	0	0%	10%	
TCBI	Texas Capital Bancshares, Inc.	\$52.09	\$6.26	8.3x	-75%	10.8%	(119)	-13%	10%	
KRNY	Kearny Financial Corp.	\$7.74	\$0.70	11.1x	-16%	10.5%	(15)	-10%	10%	
HTBK	Heritage Commerce Corp	\$8.04	\$1.09	7.4x	-46%	12.3%	(101)	-14%	10%	
VLY	Valley National Bancorp	\$8.60	\$1.23	7.0x	36%	11.1%	(498)	-13%	10%	
UCBI	United Community Banks, Inc.	\$26.40	\$2.74	9.6x	55%	11.9%	(422)	-16%	10%	
RF	Regions Financial Corporation	\$18.33	\$2.24	8.2x	-23%	10.3%	(50)	-6%	10%	
OFG	OFG Bancorp	\$25.56	\$3.65	7.0x	-27%	10.8%	(66)	-12%	10%	
HFWA	Heritage Financial Corporation	\$18.65	\$2.30	8.1x	-39%	11.4%	(93)	-12%	10%	
BANF	BancFirst Corporation	\$82.57	\$5.76	14.3x	-7%	10.1%	0		10%	
EGBN	Eagle Bancorp, Inc.	\$25.75	\$3.75	6.9x	-105%	11.2%	(124)	-11%	10%	
ONB	Old National Bancorp	\$13.59	\$1.39	9.8x	-21%	11.0%	(445)	-14%	10%	
WBS	Webster Financial Corporation	\$38.31	\$5.66	6.8x	16%	11.1%	(804)	-12%	10%	
TRST	TrustCo Bank Corp NY	\$29.74	\$3.94	7.6x	-15%	10.0%	(0)	-1%	10%	
FCF	First Commonwealth Financial Corporation	\$11.88	\$1.40	8.5x	-7%	10.7%	(75)	-16%	10%	
CASH	Pathward Financial, Inc.	\$41.36	\$3.94	10.5x	-12%	9.9%	(3)	-7%	10%	
CHCO	City Holding Company	\$90.10	\$6.80	13.2x	-15%	9.8%	0		10%	
OBNK	Origin Bancorp, Inc.	\$31.72	\$3.44	9.2x	0%	9.8%	1	8%	10%	
PFBC	Preferred Bank	\$51.05	\$8.71	5.9x	16%	9.8%			10%	
NYCB	New York Community Bancorp, Inc.	\$9.22	\$1.10	8.4x	193%	9.8%	0		10%	
PEBO	Peoples Bancorp Inc.	\$25.59	\$3.61	7.1x	-19%	10.9%	(82)	-15%	10%	
FFIN	First Financial Bankshares, Inc.	\$28.52	\$1.62	17.6x	-11%	9.8%	0		10%	
MSBI	Midland States Bancorp, Inc.	\$19.95	\$4.39	4.5x	-4%	9.7%	0		10%	

Symbol	Name	Stock Price	Trailing EPS	P/E Ratio	Most Recent			Unbooked Loss (as % of HTM value)	Unbooked Loss as % of Total Assets	Mark To Market Equity/Total Assets
					Change / Shareholders Equity	Equity/ Total Assets	Unbooked Difference (HTM Loss)			
OZK	Bank OZK	\$35.24	\$4.47	7.9x	23%	17.0%			17%	
TFIN	Triumph Financial, Inc.	\$52.43	\$3.96	13.2x	-30%	16.7%	1	35%	17%	
HOMB	Home Bancshares, Inc. (Conway, AR)	\$21.72	\$1.89	11.5x	-30%	16.1%	(161)	-13%	15%	
UBSI	United Bankshares, Inc.	\$33.93	\$2.81	12.1x	-12%	15.3%	0		15%	
INDB	Independent Bank Corp.	\$58.78	\$5.81	10.1x	-16%	15.0%	(180)	-11%	14%	
PB	Prosperity Bancshares, Inc.	\$60.85	\$5.70	10.7x	-11%	17.8%	(1,632)	-12%	13%	
WSBC	WesBanco, Inc.	\$28.75	\$3.06	9.4x	-13%	14.3%	(164)	-13%	13%	
STBA	S&T Bancorp, Inc.	\$27.81	\$3.74	7.4x	-21%	13.4%	0		13%	
IBOC	International Bancshares Corporation	\$42.09	\$4.79	8.8x	-11%	13.2%	0	0%	13%	
IBTX	Independent Bank Group, Inc.	\$41.15	\$4.70	8.8x	7%	13.1%	(45)	-22%	13%	
STEL	Stellar Bancorp, Inc.	\$22.57	\$2.06	11.0x	401%	12.7%	0		13%	
ABCB	Ameris Bancorp	\$34.02	\$5.00	6.8x	0%	12.8%	(20)	-15%	13%	
NWBI	Northwest Bancshares, Inc.	\$11.69	\$1.07	10.9x	-28%	10.6%	(130)	-15%	10%	
CLBK	Columbia Financial, Inc.	\$19.20	\$0.84	22.9x	-6%	10.1%	(52)	-12%	10%	
MBWM	Mercantile Bank Corporation	\$28.53	\$4.51	6.3x	-53%	9.5%	0		10%	
AX	Axos Financial, Inc.	\$37.71	\$4.30	8.8x	29%	9.5%	0		10%	
THFF	First Financial Corporation	\$34.12	\$5.81	5.9x	-8%	9.5%	0		10%	
CBU	Community Bank System, Inc.	\$47.58	\$3.53	13.5x	-31%	9.8%	(45)	-4%	10%	
BOKF	BOK Financial Corporation	\$82.63	\$7.70	10.7x	-41%	9.8%	(167)	-7%	9%	
CVBF	CVB Financial Corp.	\$15.37	\$1.68	9.2x	-53%	11.8%	(399)	-16%	9%	
COLB	Columbia Banking System, Inc.	\$21.44	\$3.20	6.7x	-56%	10.9%	(311)	-15%	9%	
SFNC	Simmons First National Corporation	\$16.61	\$2.21	7.5x	12%	11.9%	(696)	-19%	9%	
FBMS	The First Bancshares, Inc.	\$23.99	\$3.06	7.8x	-9%	10.0%	(49)	-7%	9%	
FRME	First Merchants Corporation	\$30.13	\$3.81	7.9x	-3%	11.3%	(379)	-17%	9%	
CFB	CrossFirst Bankshares, Inc.	\$10.32	\$1.38	7.5x	109%	9.2%	0		9%	
GSBC	Great Southern Bancorp, Inc.	\$52.89	\$6.41	8.3x	11%	9.6%	(24)	-12%	9%	
PACW	PacWest Bancorp	\$11.51	\$3.60	3.2x	-7%	9.6%	(159)	-7%	9%	
TFC	Truist Financial Corporation	\$31.74	\$5.15	6.2x	-18%	10.9%	(9,922)	-17%	9%	
NBTB	NBT Bancorp Inc.	\$33.34	\$3.52	9.5x	-36%	10.0%	(107)	-12%	9%	
QCRH	QCR Holdings, Inc.	\$40.98	\$6.37	6.4x	6%	9.7%	(51)	-9%	9%	
GBCI	Glacier Bancorp, Inc.	\$35.07	\$2.79	12.6x	-45%	10.7%	(440)	-12%	9%	
WABC	Westamerica Bancorporation	\$41.03	\$5.20	7.9x	-93%	9.6%	(42)	-5%	9%	
FULT	Fulton Financial Corporation	\$12.35	\$1.73	7.1x	-2%	9.7%	(196)	-15%	9%	
BANC	Banc of California, Inc.	\$12.21	\$1.55	7.9x	-34%	9.6%	(66)	-20%	9%	
CADE	Cadence Bank	\$20.70	\$2.71	7.6x	-1%	8.9%			9%	
TBBK	The Bancorp, Inc.	\$27.38	\$2.32	11.8x	17%	8.8%	0		9%	
HWC	Hancock Whitney Corporation	\$36.66	\$6.03	6.1x	19%	9.4%	(237)	-8%	9%	
ASB	Associated Banc-Corp	\$17.76	\$2.34	7.6x	11%	10.2%	(559)	-14%	9%	
LBAI	Lakeland Bancorp, Inc.	\$14.82	\$1.74	8.5x	-10%	10.3%	(163)	-18%	9%	
BANR	Banner Corporation	\$49.64	\$5.83	8.5x	-71%	9.9%	(176)	-16%	9%	
FFWM	First Foundation Inc.	\$6.68	\$1.96	3.4x	72%	8.7%			9%	
HBAN	Huntington Bancshares Incorporated	\$11.29	\$1.58	7.2x	-6%	9.9%	(2,298)	-13%	9%	
FBNC	First Bancorp	\$32.67	\$4.23	7.7x	0%	9.7%	(108)	-20%	9%	
HAFC	Hanmi Financial Corporation	\$17.97	\$3.32	5.4x	-5%	8.6%	0		9%	
LKFN	Lakeland Financial Corporation	\$56.56	\$4.04	14.0x	-36%	8.8%	(17)	-13%	9%	
EWBC	East West Bancorp, Inc.	\$54.62	\$8.55	6.4x	14%	9.4%	(547)	-18%	9%	
SFBS	ServisFirst Bancshares, Inc.	\$51.11	\$4.61	11.1x	42%	9.2%	(98)	-9%	9%	
MCB	Metropolitan Bank Holding Corp.	\$33.30	\$5.84	5.7x	-99%	9.6%	(73)	-14%	8%	
OSBC	Old Second Bancorp, Inc.	\$12.95	\$1.74	7.4x	-77%	8.4%	0		8%	
PGC	Peapack-Gladstone Financial Corporation	\$27.32	\$4.01	6.8x	-18%	8.4%	0		8%	
CBSH	Commerce Bancshares, Inc.	\$54.37	\$3.89	14.0x	-105%	8.3%	0		8%	
HTLF	Heartland Financial USA, Inc.	\$35.80	\$4.91	7.3x	14%	8.6%	(53)	-6%	8%	
FIBK	First Interstate BancSystem, Inc.	\$27.79	\$2.81	9.9x	-26%	9.5%	(399)	-12%	8%	
DCOM	Dime Community Bancshares, Inc.	\$20.46	\$3.74	5.5x	-20%	8.9%	(80)	-14%	8%	

Symbol	Name	Stock Price	Trailing EPS	P/E Ratio	Most Recent			Unbooked Loss (as % of HTM value)	Unbooked Loss as % of Total Assets	Mark To Market Equity/Total Assets
					Change / Shareholders Equity	Equity/ Total Assets	Unbooked Difference (HTM Loss)			
LOB	Live Oak Bancshares, Inc.	\$23.87	\$3.92	6.1x	59%	8.2%	0	0.0%	8%	
BUSE	First Busey Corporation	\$18.92	\$2.29	8.3x	-46%	9.3%	(133)	-14%	8%	
FRC	First Republic Bank	\$15.76	\$8.24	1.9x	23%	8.2%			8%	
WTFC	Wintrust Financial Corporation	\$70.33	\$8.74	8.0x	-2%	9.5%	(692)	-19%	8%	
FFIC	Flushing Financial Corporation	\$13.36	\$2.49	5.4x	53%	8.0%	(12)	-16%	8%	
TRMK	Trustmark Corporation	\$23.86	\$1.16	20.6x	1%	8.3%	(88)	-6%	8%	
CCB	Coastal Financial Corporation	\$34.27	\$3.00	11.4x	-8%	7.7%	0	0%	8%	
WAL	Western Alliance Bancorporation	\$40.01	\$8.66	4.6x	-145%	7.8%	(172)	-13%	8%	
SBSI	Southside Bancshares, Inc.	\$33.17	\$3.27	10.1x	2%	9.9%	(177)	-13%	8%	
SNV	Synovus Financial Corp.	\$31.04	\$4.90	6.3x	26%	7.5%	0	0.0%	7%	
BHLB	Berkshire Hills Bancorp, Inc.	\$21.93	\$2.39	9.2x	8%	8.1%	(76)	-13%	7%	
AMTB	Amerant Bancorp Inc.	\$18.58	\$1.80	10.3x	96%	7.7%	(24)	-10%	7%	
TMP	Tompkins Financial Corporation	\$60.21	\$5.89	10.2x	-54%	8.0%	(50)	-16%	7%	
CAC	Camden National Corporation	\$33.33	\$4.18	8.0x	57%	8.0%	(41)	-7%	7%	
FHB	First Hawaiian, Inc.	\$19.93	\$2.07	9.6x	-18%	9.2%	(506)	-12%	7%	
FBP	First BanCorp.	\$11.40	\$1.59	7.2x	-32%	7.1%	(2)	0%	7%	
BMRC	Bank of Marin Bancorp	\$20.43	\$2.95	6.9x	-80%	9.9%	(127)	-13%	7%	
WASH	Washington Trust Bancorp, Inc.	\$30.37	\$4.11	7.4x	-11%	6.8%	0	0.0%	7%	
FISI	Financial Institutions, Inc.	\$17.95	\$3.65	4.9x	6%	7.0%	(15)	-8%	7%	
BKU	BankUnited, Inc.	\$21.67	\$3.55	6.1x	7%	6.6%	0	0.0%	7%	
CUBI	Customers Bancorp, Inc.	\$19.32	\$6.30	3.1x	45%	6.7%	(46)	-5%	6%	
IBCP	Independent Bank Corporation	\$17.25	\$2.97	5.8x	15%	7.0%	(41)	-11%	6%	
HMST	HomeStreet, Inc.	\$17.44	\$3.48	5.0x	150%	6.0%	0	0.0%	6%	
ZION	Zions Bancorporation, NA	\$28.72	\$5.87	4.9x	-131%	5.9%	113	1%	6%	
CFR	Cullen/Frost Bankers, Inc.	\$104.07	\$8.81	11.8x	-83%	5.9%	0	0%	6%	
BPOP	Popular, Inc.	\$59.31	\$14.82	4.0x	-88%	6.1%	(85)	-1%	6%	
UMBF	UMB Financial Corporation	\$58.30	\$8.87	6.6x	31%	6.9%	(579)	-10%	5%	
CPF	Central Pacific Financial Corp.	\$16.06	\$2.72	5.9x	40%	6.1%	(68)	-10%	5%	
AMAL	Amalgamated Financial Corp.	\$17.50	\$2.61	6.7x	-111%	6.5%	(127)	-8%	5%	
HBNC	Horizon Bancorp, Inc.	\$10.40	\$2.14	4.9x	4%	8.6%	(341)	-17%	4%	
BOH	Bank of Hawaii Corporation	\$49.53	\$5.48	9.0x	-21%	5.6%	(711)	-13%	3%	
Standard deviation				3.1x		2.2%		7%	0.8%	2.2%
Average + 1 standard deviation				11.7x		12.4%		-4%	1.4%	11.9%
Average				8.6x		-7%	10.2%	-10%	0.6%	9.6%
Average - 1 standard deviation				5.5x		8.0%		-17%	-0.2%	7.4%
Totals						7.7%		-8%	0.5%	7.2%
<div style="background-color: #4CAF50; color: white; padding: 2px;">Better Than 1 Standard Deviation from the mean</div> <div style="background-color: #8BC34A; color: white; padding: 2px;">Up to 1 Standard Deviation better than the mean</div> <div style="background-color: #FFCDD2; color: white; padding: 2px;">Up to 1 Standard Deviation worse than the mean</div> <div style="background-color: #FF0000; color: white; padding: 2px;">More Than 1 Standard Deviation worse from the mean</div>										

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