Preservation and Promotion of

MINORITY DEPOSITORY INSTITUTIONS

2022 Report to Congress

FDIC FEDERAL DEPOSIT INSURANCE CORPORATION

Preservation and Promotion of MINORITY DEPOSITORY INSTITUTIONS

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Pursuant to Section 367 of the Dodd-Frank Wall Street Reform and Consumer Protection Act enacted in 2010 and Section 308 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989

FEDERAL DEPOSIT INSURANCE CORPORATION

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INTRODUCTION

Section 308 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) established the following goals: to preserve the number of minority depository institutions (MDIs); to preserve the minority character in cases involving merger or acquisition of an MDI; to provide technical assistance to help prevent insolvency of MDIs; to promote and encourage creation of new MDIs; and to provide for training, technical assistance, and educational programs for MDIs.

Pursuant to Section 367 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, this report provides a summary profile of MDIs as of the end of 2022; a description of the FDIC's MDI program; and detailed information on the FDIC's 2022 initiatives supporting MDIs.

The FDIC defines an MDI as any federally insured depository institution for which: (1) 51 percent or more of the voting stock is owned by minority individuals; or (2) a majority of the Board of Directors is minority and the community that the institution serves is predominantly minority. Ownership must be by U.S. citizens or permanent legal U.S. residents to be counted in determining minority ownership. The FDIC's Statement of Policy Regarding Minority Depository Institutions provides additional information (see Attachment 1).

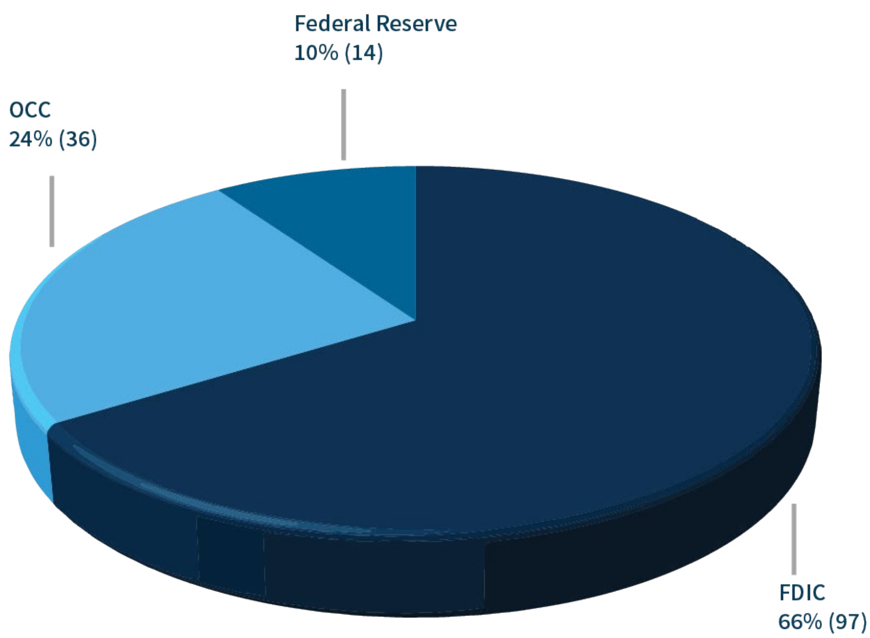
SUMMARY PROFILE OF MINORITY DEPOSITORY INSTITUTIONS

The FDIC maintains a list and tracks the insured MDIs it supervises, i.e., state-chartered institutions that are not members of the Federal Reserve System, as well as MDIs that are supervised by the Office of the Comptroller of the Currency (OCC) and the Board of Governors of the Federal Reserve System (Federal Reserve).[1] The FDIC takes this broad approach given its role in considering applications for deposit insurance and in resolving institutions in the event an MDI were to fail.

Structure

As of December 31, 2022, FDIC-insured MDIs totaled 147 institutions with combined total assets of over $330 billion and 35,576 employees (see Attachment 2, List of Minority Depository Institutions). The FDIC-supervised 97 of the 147 MDIs as their primary federal regulator. Of these institutions, 94 are state chartered institutions that are not members of the Federal Reserve, two are state or federal savings and loan associations, and one is a savings institution.

Figure 1: FDIC-insured MDIs by Primary Federal Regulator as of 12/31/2022

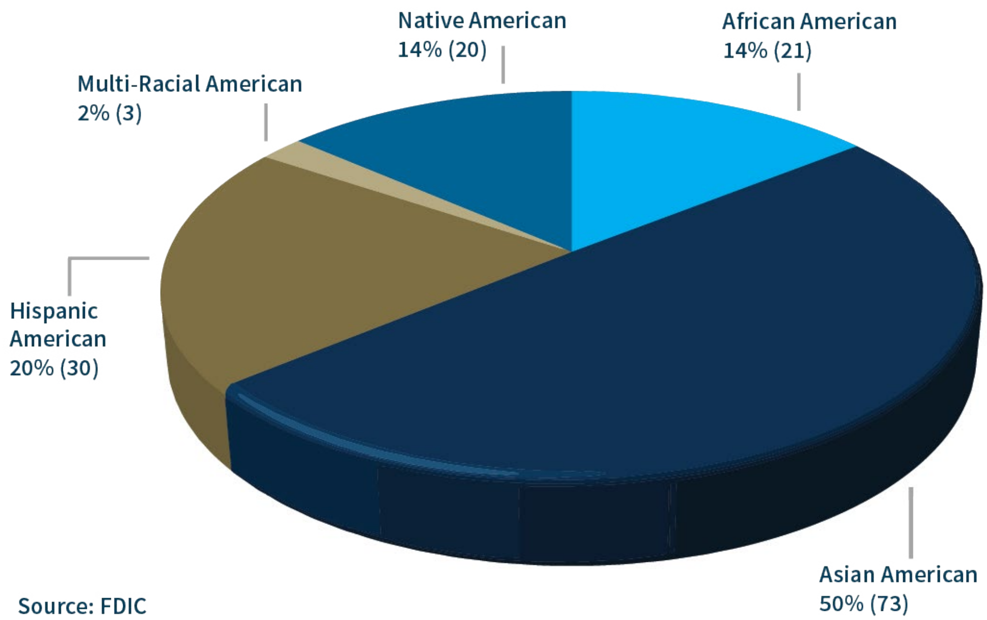


Source: FDIC

[1] The FDIC's published list of FDIC-insured MDIs does not include women-owned or women-managed institutions because they are not included in the statutory definition.

At the start of 2022, there were 143 FDIC-insured MDIs with combined total assets of over $326 billion. During the year, two new de novo MDIs opened their doors, one Native American and one Multi-racial institution. In addition, four institutions were designated as MDIs: two African American, one Native American, and one Hispanic American. Two Hispanic American MDIs were removed from the list during the year due to merger or acquisition with non-MDIs.

Figure 2: FDIC-insured MDIs by Minority Status as of 12/31/2022



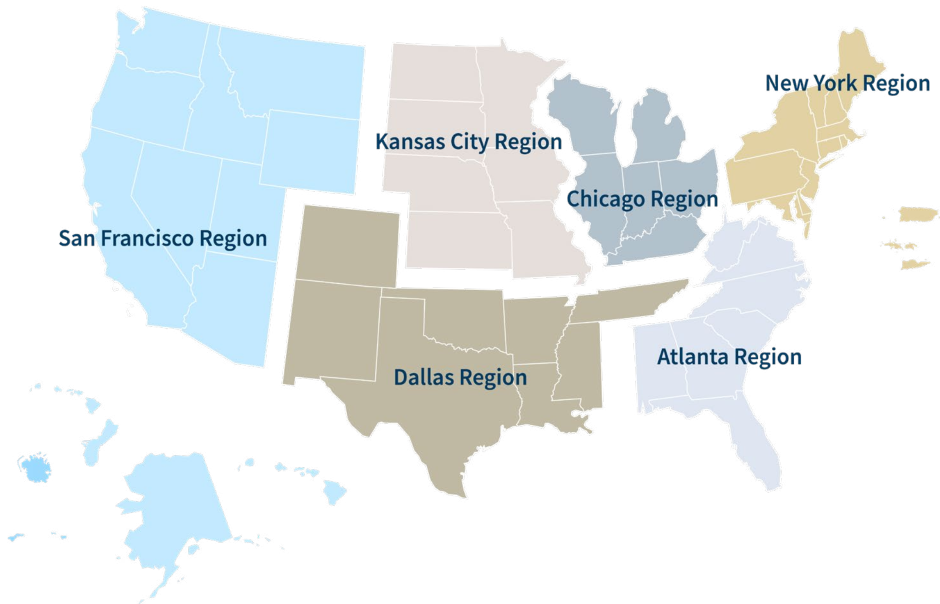
Source: FDIC

Table 1: Asset Distribution for all FDIC-Insured institutions (as of December 31, 2022)

Asset Size	Total MDIs	Approximate Percentage of all FDIC-insured MDIs
Less than $50 million	5	3%
$50 million to $100 million	17	12%
$100 million to $300 million	35	24%
$300 million to $1 billion	52	35%
$1 billion to $10 billion	32	22%
Greater than $10 billion	6	4%
Total	147	100%

FDIC-supervised banks are divided into six geographical regions for supervisory oversight. Of all FDIC-supervised MDIs, the San Francisco region includes the most MDIs with 31, followed by the Dallas region with 25 MDIs, the New York region with 15 MDIs, the Atlanta region with 16 MDIs, and the Chicago and Kansas City regions with 7 and 3 MDIs respectively.

Figure 3: FDIC Regions



A further breakdown discloses that FDIC-supervised MDIs are located in 27 states and territories across the country with the heaviest concentrations in California with 25 MDIs and Texas with 15 MDIs. A total of 14 states and territories only have one MDI.

Table 2: Asset Distribution for FDIC-Supervised institutions (as of December 31, 2022)

Asset Size	Total MDIs	Approximate Percentage of all FDIC-supervised MDIs
Less than $50 million	5	5%
$50 million to $100 million	11	11%
$100 million to $300 million	23	24%
$300 million to $1 billion	30	31%
$1 billion to $10 billion	25	26%
Greater than $10 billion	3	3%
Total	97	100%

The majority of FDIC-supervised MDIs (94 MDIs or 97 percent) are banks with total assets of $10 billion or less.

Performance

As of December 31, 2022, the overall financial performance of FDIC-insured MDIs remains sound. Key performance ratios have improved since year-end 2021 due to various factors including rising market interest rates and an increase in loan demand. Net income has improved since 2021. MDI full-year 2022 net income was $4.8 billion, a $400 million increase (9.09 percent) compared to full-year 2021. The primary driver in the increase in net income was the increase in net interest income, which resulted from rising market interest rates during the year. Net interest income improved $1.8 billion (19.32 percent) due to a $2.6 billion increase in interest income. A major contributor to the increase in interest income were the increases in loan income (up $1.7 billion or 18.9 percent), mostly the result of higher average yields (up 43 basis points year-over-year to 5.11 percent) and bolstered by loan volume growth of $24.0 billion (12.0 percent).

While net income improved, increased provision expense and noninterest expense, as well as lower noninterest income partially offset the income growth. Provision expenses in 2022 totaled $376 million compared to negative $287 million in 2021. Provision expenses increase the amount set aside by institutions to protect against future credit losses and reflect continued loan growth and economic uncertainty that may affect future credit quality. The aggregate allowance for credit losses represented 1.4 percent of total loans as of year-end 2022 compared to 1.5 percent in 2021. Noninterest expense increased $571 million (10.9 percent) from one year earlier, primarily due to a rise in salaries and employee benefits expense (up $293.8 million) and other expenses (up $239.5 million).

Despite the increase in noninterest expense, the MDI efficiency ratio (noninterest expense as a percentage of net interest income plus noninterest income) decreased from 53.91 percent to 51.4 percent due to a greater rise in net interest income. The MDI efficiency ratio continued to compare favorably to the community bank efficiency ratio of 61.36 percent. This means that MDIs spent about 51 cents to bring in a dollar of revenue, while community banks overall spent over 61 cents to bring in a dollar of revenue. Noninterest income decreased $143 million from one year earlier, largely the result of lower net gains on loan sales, reduced servicing fees, and lower net gains on the sale of other assets.

The overall profitability of MDIs remained stable despite a decline in the percentage of profitable MDIs. The pretax return on assets (PROA) ratio remained stable at 1.89 percent in 2022 compared to 1.86 percent at year-end 2021, as growth in net income outpaced growth in total average assets. This ratio is 49 basis points higher than the community bank PROA ratio of 1.40 percent. Fifty-seven percent of MDIs reported year-over-year earnings growth for the full year in 2022, compared with 86.2 percent reporting such growth in 2021. Year-over-year earnings growth is partially attributable to the increase in the yield on earning assets of 4.15 percent for full year 2022 compared to 3.50 percent for 2021. Further, the net interest margin widened from 3.25 percent to 3.66 percent, as net interest income rose at a faster pace than earning assets (up $2.4 billion or 0.8 percent).

The percentage of profitable MDIs declined slightly over the year from 92 percent in 2021 to 89 percent of all MDIs in 2022. The percentage of unprofitable MDIs increased to 10.88 percent and remains higher than the percentage of both community banks and all banks that are unprofitable, at 3.45 percent and 3.40 percent, respectively. Unprofitable institutions are generally smaller, and many are located either in urban areas that experienced significant economic distress during the financial crisis and the pandemic or smaller rural markets with economic challenges exacerbated by the pandemic. Unprofitable MDIs also include de novo, newly chartered institutions that are generally unprofitable during the first three years of operation.

Loan growth has been robust during the past year, driven by pent-up demand from both consumers and businesses as well as higher inflation. MDIs experienced substantial loan growth during the year that was primarily concentrated in one lending segment:: commercial real estate (CRE) loans accounted for $13.3 billion of the $24.0 billion in total loan growth. This growth was primarily comprised of nonfarm nonresidential loans ($8.1 billion) and multifamily loans ($3.4 billion). Growth in 1-4 family residential loans accounted for an additional $7.0 billion. Paycheck Protection Program (PPP) loan balances fell to $290.5 million in fourth quarter 2022 from $3.2 billion in fourth quarter 2021. The PPP loan balance for year-end 2022 was 0.1 percent of the total MDI loan balance. Excluding PPP loans, loan growth from year-end 2021 to year-end 2022 would have been 13.7 percent, which was below the loan growth rate for community banks—net of PPP—of 16.2 percent.

As loan volume continued to grow during the year, loan portfolio performance continued to improve as the level of noncurrent loans decreased ($464.3 million or 19.4 percent) during the year. The MDI noncurrent rate was 0.86 percent, down 33 basis points from year-end 2021, but it remained higher than the community bank noncurrent rate of 0.44 percent. The net charge-off balances and the net charge-off rate increased. Net charge-off balances increased $49.6 million (139.8 percent) from year-end 2021, and the rate increased eight basis points from year-end 2021 to 0.15 percent. Higher net charge-offs on total consumer loans (up $35.9 million, or 167.0 percent) and non-owner occupied nonfarm nonresidential CRE loans (up $28.1 million from a net recovery a year previous) drove the increase. Lower net charge-offs on 1-4 family residential loans (down $19.7 million to a net recovery during the quarter) offset part of the increase in other portfolios. MDIs' ability to absorb expected credit losses improved. The coverage ratio (allowance for loan and lease losses to noncurrent loans and leases) increased to 167.1 percent, up from 125.3 percent a year ago. The decline in noncurrent loans and increase in provision expense caused the year-over-year rise in the coverage ratio. The MDI coverage ratio remains well below the community bank coverage ratio of 274.3 percent.

All MDIs were considered well capitalized at the end of 2022, even though capital levels declined for a number of MDIs during the year. Capital levels remain adequate to support operations and absorb losses. Total equity capital decreased $1.3 billion (3.9 percent) from the previous year to $32.2 billion but increased $1.4 billion (4.4 percent) from third quarter 2022. Unrealized losses on available-for-sale securities, which grew $5.5 billion, were the main contributor to the year-over-year decline. Unrealized losses improved from third quarter 2022, contributing to the quarter-over-quarter rise in equity capital. Despite the annual equity capital decline, more than half of MDIs (59.9 percent) reported an increase in equity capital from a year earlier.

Within the MDI sector, the financial performance of a small subset of institutions has been uneven. Generally, smaller MDIs and those serving low- and moderate-income communities, including both urban and rural markets, continue to face significant challenges, in part reflecting the continuing economic challenges faced by many of the communities they serve.

Further, the economic strain caused by the pandemic disproportionately affected these communities. During 2022, financial performance has shown improvement due to the impact of rising interest rate and loan growth on net income. However, the banking industry continues to face significant downside risks from the effects of inflation, rising market interest rates, and continued geopolitical uncertainty.

FDIC MINORITY DEPOSITORY INSTITUTIONS PROGRAM

The FDIC's Statement of Policy Regarding Minority Depository Institutions (see Attachment 1) provides the framework for the agency's MDI Program. At the end of 2021, the FDIC created a new permanent organization, the Office of Minority and Community Development Banking (OMCDB), to support the agency's ongoing strategic and direct engagement with MDIs and Community Development Financial Institutions (CDFI banks), provide overall leadership for the MDI Program, and spearhead nationwide initiatives. In early 2022, the OMCDB hired new staff and developed a strategic plan.

The OMCDB advises the Chairman and other senior leaders on FDIC activities and initiatives that support mission-driven banks and consults with other FDIC divisions to provide appropriate resources across the agency to support program initiatives. The FDIC's MDI Program is fully integrated into the supervision, consumer protection, insurance, and resolution business lines. The OMCDB Director reports to the Directors of the Division of Risk Management Supervision and the Division of Depositor and Consumer Protection to leverage resources and expertise in the two divisions.

Along with the support of the designated MDI Coordinators located within each of the six FDIC regions, the OMCDB frequently engages with the MDIs and CDFI banks to understand their challenges and needs, while developing strategies to support them. MDI Coordinators are essential as they function as each region's subject matter experts for the MDI Program, coordinate regional outreach, technical assistance, and training and education efforts, serve as the contact persons for MDI matters in their regions, and prepare reports for Headquarters.

Executives and staff in the FDIC's six regional offices communicate with each MDI regularly to outline the FDIC's efforts to promote and preserve minority ownership and management of financial institutions; offer to have a member of regional management meet with the institution's board of directors to discuss issues of interest; hold roundtable discussions and training sessions; and seek input regarding any training or other technical assistance the institution may desire.

The OMCDB collaborates with MDIs and their trade associations to discuss potential training and technical assistance initiatives and explore options for preserving and promoting minority ownership and management of depository institutions.

OMCDB staff from left: Betty Rudolph, Sonja Ellis, Khalid Kemp, Misty Mobley, Whitney Thomas Toussaint, and Giao Nguyen.

Additionally, the OMCDB partners with government and private-sector organizations to build capacity in the mission-driven banking sector; conduct FDIC research on mission-driven banks; develop strategies to encourage the creation of new MDIs and CDFIs; and promote partnerships between mission-driven banks, other financial institutions, and the private sector.

Staff in the OMCDB also regularly meet with Federal banking agency colleagues to discuss outreach and training efforts, to share ideas, and to identify opportunities where the agencies can work together to support MDIs. The FDIC also coordinates with other Federal agencies that provide programs that can assist MDIs. The FDIC has a website (fdic.gov/mdi) dedicated to the MDI program that houses the FDIC's Annual Reports to Congress, a list of MDIs that is updated quarterly, research studies on MDIs, upcoming MDI events and other helpful resources. These resources include information on how collaborations with MDIs can result in sound and profitable lending and investments that meet the needs of underserved communities, updates on the FDIC's MDI Subcommittee meetings, and contact information for the Office and MDI coordinators.

2022 INITIATIVES SUPPORTING MINORITY DEPOSITORY INSTITUTIONS

The preservation and promotion of MDIs remains a long-standing, top priority for the FDIC. The FDIC's research study, Minority Depository Institutions: Structure, Performance, and Social Impact, published in 2019, found that MDIs have played a vital role in providing mortgage credit, small business lending, and other banking services to minority and low- and moderate-income (LMI) communities. MDIs are anchor institutions in their communities and play a key role in building a more inclusive financial system.

Since 2020, significant new sources of private and public funding have become available to support FDIC-insured MDIs and CDFI banks, collectively known as "mission-driven banks." This includes more than $8.3 billion in funding from the U.S. Department of the Treasury (Treasury) through the Emergency Capital Investment Program, as well as $3 billion in new grant funding for CDFI banks, including up to $1.2 billion set aside for minority lending institutions.

During 2022, the FDIC pursued several strategies to support MDIs. These included increasing engagement and representation, facilitating partnerships to provide new capital and other tools and resources, updating policies, and promoting the MDI sector through advocacy, as well as by providing outreach, technical assistance, and education and training for MDIs. The FDIC also undertook initiatives to build internal capacity – appropriate staffing, tools and expertise – to effectively carry out the MDI program. Each of these strategies is described in detail below.

Engagement and Representation

The FDIC's MDI Subcommittee of the Advisory Committee on Community Banking (CBAC) held one virtual and one in-person meeting in 2022. The subcommittee is composed of nine MDI executives representing all types of MDIs and provides a venue for minority bankers to discuss key issues, share feedback on program initiatives, and showcase MDI best practices. In 2022, the MDI Spotlight featured MDI executives sharing best practices for strategic planning and succession management and experiences with forging successful large bank partnerships. In addition, FDIC staff presented a new interactive mapping tool to help bankers and others identify potential business opportunities for serving minority communities. Bankers provided input that will be used to enhance the tool scheduled for release in 2023.

Representatives from four MDIs also serve on the 18-member CBAC and one serves on the Advisory Committee on Economic Inclusion to further bring MDI perspectives and issues to the table.

MDI Subcommittee members from left: Warren Huang, Gilbert Narvaez, Jr., Benjamin Lin, Russell Lau, Deron Burr, Alden McDonald, Jr., James H. Sills, III, and Kyle Chavis. Not pictured: Angel Reyes.

The MDI Subcommittee continues to be a valuable resource as it allows the FDIC to better understand and support mission-driven banks and promote the important work they do in underserved communities.

In the second half of 2022, the FDIC hosted, along with the OCC and Federal Reserve, a series of four listening sessions with FDIC-insured MDIs and CDFI banks to assess the evolving needs of mission-driven banks. This open forum provided an opportunity for the three bank regulatory agencies to directly engage with MDIs and CDFI banks to identify challenges and opportunities and receive feedback on agency efforts to support mission-driven banks. The FDIC also engaged in deeper relationships with trade groups that support mission-driven banks to facilitate effective implementation of some of the new resources becoming available to mission-driven banks throughout the year.

Partnerships

The FDIC worked with staff in other Federal agencies that have programs that may be of interest to MDIs. For example, staff worked with the Treasury to share information with MDIs about opportunities to form partnerships through the Treasury Mentor-Protégé Program that pairs MDIs with large banks that contract with Treasury. The FDIC also worked with Treasury's State Small Business Credit Initiative (SSBCI) program to inform MDIs and CDFI banks of business opportunities through credit enhancements supported with Treasury funding. The SSBCI program provides a combined $10 billion to states, the District of Columbia, territories, and Tribal governments to empower small businesses to access capital needed to invest in job-creating opportunities as the country emerges from the pandemic.

Another partnership the FDIC initiated in 2022 is with the Department of Transportation's (DOT) Office of Small and Disadvantaged Business Utilization. DOT received significant infrastructure funding from the Infrastructure Investment and Jobs Act enacted in November 2021 and relies on contracts with small businesses, including disadvantaged businesses, to implement the legislation. DOT determined that many small businesses need access to bridge financing either prior to or upon contract award and MDIs and CDFI banks may be a possible source of funding.

In December 2022, Microsoft and Truist Financial Corporation, the anchor investors in the Mission-Driven Bank Fund, announced the hiring of a Fund manager to underwrite investments and manage the Fund. The Fund was established in 2021 with the encouragement of the FDIC. Its purpose is to provide funding and other support for FDIC-insured MDIs and CDFIs.

Policies

In May 2022, the FDIC issued Financial Institution Letter 24-2022, Minority Depository Institution Designations, which outlines the process by which FDIC-supervised institutions or applicants for deposit insurance can make a request to be designated as an MDI. The instructions provide transparency to the public on the procedures to follow and criteria that must be fulfilled for designating an institution as an MDI. In 2022, two new FDIC-supervised de novo MDIs opened for business, four other existing institutions were designated as MDIs, and the FDIC granted conditional approval of an application for deposit insurance for a de novo MDI.

Advocacy

It is important to promote the visibility of MDIs, to tell their stories, and showcase the important role they play in their communities. In 2022, the FDIC recorded four videos of MDI executives sharing their institutions' "origin stories," highlighting the reasons their institutions were formed, and describing how they have served their communities over time. In addition, senior agency leaders emphasized the significance of mission-driven banks in numerous external speaking engagements and through posts on FDIC social media channels and its website.

The FDIC also developed a new joint series of podcasts to showcase public- and private-sector efforts to preserve and promote MDIs and advance diversity and inclusion across financial services. The Banking on Inclusion FDIC Podcast series discussed the important role of minority-owned and -operated institutions within the broader financial services sector. Three episodes were published in 2022 addressing topics that are critical to the minority, LMI, and rural communities they serve where families often lack access to financial services.

Outreach, Technical Assistance, Education

During the year, the FDIC continued efforts to improve communication and interaction with MDIs and to respond to the concerns of minority bankers. The agency maintains active outreach with MDI trade groups and offers to arrange annual meetings between FDIC regional management and each MDI's Board of Directors to discuss issues of interest. The FDIC conducts an annual survey to obtain feedback from MDIs and to help assess the effectiveness of the MDI program.

Technical assistance is a key component of the FDIC's strategies to support MDIs. At the conclusion of each examination of an MDI supervised by the FDIC, the staff is available to return to the institution to provide technical assistance by reviewing areas of concern or topics of interest to the institution. The purpose of return visits is to assist management in understanding and implementing examination recommendations, not to identify new problems.

Through its public website (www.fdic.gov), the FDIC invites inquiries and provides contact information for any MDI to request technical assistance at any time.

In 2022, the FDIC provided 148 individual technical assistance sessions on approximately 49 risk management, consumer compliance, and resolution topics, including:

- **Accounting,**
- **Applications for branch openings and closures,**
- **Anti-Money Laundering (AML)/Countering the Financing of Terrorism (CFT),**
- **Community Reinvestment Act (CRA),**
- **Compliance management,**
- **Capital Planning and Management,**
- **Current Expected Credit Losses (CECL) accounting methodology,**
- **Fair Lending,**
- **Funding and liquidity,**
- **Information technology risk management and cybersecurity,**
- **Internal audit, and**
- **Loan modifications and Troubled Debt Restructuring.**

In response to concerns raised by MDIs, the FDIC held a webinar to discuss supervisory expectations for MDIs and CDFI banks awarded funds from the U.S. Treasury Emergency Capital Investment Program. The webinar addressed questions bank management had regarding the FDIC's examination approach for FDIC-supervised MDIs and CDFI banks deploying the funds. FDIC staff discussed several risk management practices institutions must consider when anticipating significant asset growth, expanding into new markets, and developing new product offerings. Staff also addressed questions regarding strategic and capital planning associated with the award.

The FDIC also held outreach, training, and educational programs for MDIs through conference calls and regional banker roundtables. In 2022, topics of discussion for these sessions included many of those listed above, as well as strategic and management succession planning, FDIC economic inclusion initiatives, emerging risks and areas of concern, IT vendor management, and innovation and emerging technology. Further, during the regional roundtables, representatives from Treasury and the DOT presented information on the Mentor-Protégé Program, SSBCI, and small business initiatives discussed above.

Building Internal Capacity

In 2022 the FDIC undertook two initiatives to build additional tools and resources to assist examination staff and other employees that carry out the MDI program. In January, the FDIC launched the MDI Economic and Banking Dashboard to assist examination and supervisory staff in assessing, monitoring, and examining MDIs. The dashboard allows staff to pull key information on economic indicators and demographics of the communities in which the MDIs operate. Specifically, examiners can use the data included in the dashboard to gather information to better understand several aspects of the bank's primary market, which is a key part of understanding an institution and its business model.

In December, the FDIC launched just-in-time refresher training for examiners of MDIs to reinforce the understanding of the application of examination standards. The training illustrates consideration of the unique business models of MDIs and the recognition of unique characteristics when assessing performance and assigning ratings. In addition, the training provides information and case studies on many of the new funding sources coming into MDIs and CDFI banks as well as information regarding tools to help understand the communities served by MDIs.

Failing Institutions

In accordance with Section 308 of FIRREA and FDIC policy, the FDIC seeks to preserve the minority character of failing institutions before and during the resolution process. The FDIC provides ongoing supervisory oversight of institutions prior to failure, through regular on-site examinations, visitations, off-site monitoring, and through many offers of technical assistance.

In the event of a potential MDI failure, the FDIC contacts all MDIs nationwide that qualify to bid on failing institutions. The FDIC solicits qualified MDIs' interest in the failing institution and discusses the bidding process. The FDIC also provides technical assistance regarding completion of the bid forms and use of the FDIC's secured website for conducting due diligence. During the resolution process, the appropriate Federal and State regulators must clear institutions to bid on the failing bank.

The FDIC provides a two-week franchise marketing window exclusively for MDIs. During this window, the FDIC contacts all qualified MDIs on the bid list to ensure they received an invitation to bid and provides full access to the data room if an MDI is interested. The FDIC also describes the failing bank transaction and offers technical assistance on the bidding process. Following the two-week period, the FDIC invites all other qualified bidders to the failing bank project.

No MDIs failed in 2022.

CONCLUSION

The FDIC recognizes that MDIs play a unique role in promoting economic viability in minority and underserved neighborhoods and providing access to capital in their communities. The FDIC has long recognized the importance of MDIs in the financial system and takes steps to preserve and encourage minority ownership and management of insured financial institutions.

MDI bankers provide valuable input to the FDIC, including unique insight and experiences, as active members of two FDIC Advisory Committees that shape FDIC priorities and policy: the Advisory Committee on Economic Inclusion and the Advisory Committee on Community Banking.

The MDI Subcommittee to CBAC also provides an opportunity for minority bankers to discuss key issues and share feedback with FDIC Board Members and senior management and to promote collaboration, partnerships, and best practices.

Preserving, promoting, and building capacity in these institutions are top priorities for the FDIC. The FDIC continually seeks to identify initiatives that will enable it to carry out its commitment to preserve MDIs and the minority character of these institutions.

ATTACHMENTS

Attachment 1: Statement of Policy Regarding Minority Depository Institutions

The FDIC has long recognized the importance of minority depository institutions (MDIs) in the financial system and their unique role in promoting the economic viability of minority and underserved communities. The FDIC historically has implemented programs to preserve and promote these financial institutions. This Statement of Policy describes the framework the FDIC has put into place and the initiatives the FDIC will undertake to fulfill its statutory goals with respect to minority depository institutions (MDI Program).

Statutory Framework

In August 1989, Congress enacted the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). Section 308 of FIRREA established the following goals:

- Preserve the number of minority depository institutions;
- Preserve the minority character in cases of merger or acquisition;
- Provide technical assistance to prevent insolvency of institutions not now insolvent;
- Promote and encourage creation of new minority depository institutions; and
- Provide for training, technical assistance, and educational programs.

Definitions

Section 308 of FIRREA defines ‘‘minority depository institution’’ as any federally insured depository institution where 51 percent or more of the voting stock is owned by one or more ‘‘socially and economically disadvantaged individuals.’’ ‘‘Minority,’’ as defined by Section 308 of FIRREA, means any ‘‘Black American, Native American, Hispanic American, or Asian American.’’ Therefore, for the purposes of this Statement of Policy, ‘‘minority depository institution’’ is defined as any federally insured depository institution where 51 percent or more of the voting stock is owned by minority individuals. This includes institutions collectively owned by a group of minority individuals, such as a Native American Tribe. Ownership must be by U.S. citizens or permanent legal U.S. residents to be counted in determining minority ownership. In addition to the institutions that meet the ownership test, for the purposes of this Statement of Policy, institutions will be considered minority depository institutions if a majority of the Board of Directors consists of minority individuals and the community that the institution serves is predominantly minority.

Identification of Minority Depository Institutions

To ensure that all minority depository institutions are able to participate in the MDI program, the FDIC will maintain a list of federally insured minority depository institutions. Institutions that are not already identified as minority depository institutions can request to be designated as such by certifying that they meet the above definition. For institutions supervised directly by the FDIC, examiners will review the appropriateness of their inclusion on the list during the examination process. In addition, case managers in regional offices will note changes to the list while processing deposit insurance applications, merger applications, change of control notices, or failures of minority depository institutions. The FDIC will work closely with the other federal banking regulators to capture accurately on the list institutions not directly supervised by the FDIC. In addition, the FDIC will periodically provide the list to relevant trade associations and seek input regarding the accuracy of the list. Inclusion in the FDIC's MDI Program is voluntary. Any minority depository institution not wishing to participate in the MDI program will be removed from the official list upon request.

Organizational Structure

The FDIC has designated a national director for the FDIC's MDI program in the Washington Office and a regional coordinator in each Regional Office. The national director will consult with officials from the following FDIC Divisions to ensure appropriate personnel are involved and resources are made available with regard to MDI Program initiatives: Division of Risk Management Supervision, Division of Depositor and Consumer Protection, Division of Resolutions and Receiverships, Division of Insurance and Research, Legal Division, and the Office of Minority and Women Inclusion. The national director will also consult with other organizations within the FDIC as appropriate.

As the primary federal regulator for State nonmember banks and State savings associations, the FDIC will focus its efforts on minority depository institutions with those charters. However, the national director will meet periodically with the other Federal banking regulators to discuss each agency's outreach efforts, to share ideas, and to identify opportunities where the agencies can work together to assist minority depository institutions. Representatives of other divisions and offices may participate in these meetings.

Engagement with Minority Depository Institutions

The FDIC's MDI program will provide for continual engagement with minority depository institutions through ongoing interaction with the Washington, Regional, and Field Office staff. This interaction includes providing technical assistance to share information and expertise on supervisory topics, outreach initiatives to provide opportunities for open dialogue with senior FDIC staff, and training initiatives to offer opportunities to gain additional knowledge about specific regulatory requirements.

Further, trade associations affiliated with minority depository institutions serve as a significant resource in identifying specific interests or concerns for those institutions. The national director will regularly contact minority depository institution trade associations to seek feedback on the FDIC's efforts under the MDI program, discuss possible training initiatives, and explore options for promoting and preserving minority depository institutions.

The national director and the regional coordinators also will solicit information from trade associations, including national and state bankers' associations, and other organizations about groups that may be interested in establishing new minority depository institutions. FDIC representatives will be available to address such groups to discuss the application process, the requirements of becoming FDIC insured, and the various programs supporting minority depository institutions. The regional coordinators will contact all new minority state nonmember banks and state savings associations identified through insurance applications, merger applications, or change in control notices to familiarize the institutions with the resources available through the MDI program.

Technical Assistance

Technical assistance, as defined by the FDIC's MDI program, is individual assistance that a regulator will provide to a minority depository institution in response to an institution's request for assistance in understanding supervisory topics or findings. At any time, the FDIC will share information and expertise with bank management on various topics including, but not limited to, understanding bank regulations, FDIC policies, examination procedures, accounting practices, supervisory recommendations, risk management procedures, and compliance management procedures. In providing technical assistance, FDIC staff will not actually perform tasks expected of an institution's management or employees. For example, FDIC staff may explain Call Report instructions as they relate to specific accounts but will not assist in preparing an institution's Call Report. FDIC staff may provide information on community reinvestment opportunities but will not recommend a specific transaction.

An institution can contact its field office representatives, case manager, or review examiner to request technical assistance. In addition, the regional coordinators and the institution's assigned case manager and review examiner are knowledgeable about minority bank issues and are available to answer questions or to direct inquiries to the appropriate FDIC office or staff member with expertise on the subject for response. Case managers can explain the application process and the type of analysis and information required for different applications. Field office representatives also serve as a significant resource to minority depository institutions by readily answering examination related questions and explaining regulatory requirements. Other staff members within the FDIC with expertise in various regulatory topics will also be available to share knowledge to assist minority depository institutions in complying with regulations or implementing supervisory recommendations.

During examinations, the FDIC expects examiners to fully explain supervisory recommendations and offer to help management understand satisfactory methods to address such recommendations. At the conclusion of each examination of a minority depository institution directly supervised by the FDIC, the FDIC will be available to return to the institution to provide technical assistance by reviewing areas of concern or topics of interest to the institution. The purpose of return visits is to assist management in understanding and implementing examination recommendations, not to identify new problems.

Technical assistance is a tool to provide on-going support to institutions in an effort to ensure timely implementation of recommendations, full understanding of regulatory requirements, and in some instances, the viability of the institution. Technical assistance is not a supervisory activity and is not intended to present additional regulatory burden. Further, examination teams will not view requests for, or acceptance of, technical assistance negatively when evaluating institution performance or assigning ratings.

Outreach

Outreach, as defined by the FDIC's MDI program, consists of FDIC representatives meeting with financial institutions with a primary focus of building relationships and open communication and providing information and resources. Outreach is generally offered by the FDIC and can include meetings between financial institution management and senior FDIC management.

The FDIC maintains an MDI Subcommittee of its Advisory Committee on Community Banking (CBAC) comprised of executives of minority depository institutions. The MDI Subcommittee serves as a source of feedback on FDIC strategies to fulfill statutory goals to preserve and promote minority depository institutions. The MDI Subcommittee may also make recommendations or offer ideas to the CBAC for consideration and presentation to the FDIC. The MDI Subcommittee provides a platform for minority depository institutions to promote collaboration, partnerships, and best practices. The Subcommittee will also identify ways to highlight the work of minority depository institutions in their communities.

Executives and staff in the FDIC's regional offices will communicate regularly with each minority depository institution to outline the FDIC's efforts to promote and preserve minority depository institutions; will offer annually to have a member of regional management meet with the institution's board of directors to discuss issues of interest, including through roundtable discussions and training sessions; and will seek input regarding any training or other technical assistance the institution may desire.

The FDIC will explore opportunities to facilitate collaboration and partnering initiatives among minority depository institutions or between minority depository institutions and non-minority depository institutions. The FDIC recognizes that by facilitating these collaborative relationships, institutions can have opportunities to better meet the needs of their communities.

Training and Educational Programs

Training and educational programs, as defined by the FDIC's MDI program, consist of instruction designed to impart proficiency or skills related to a particular job, process, or regulatory policy. The FDIC will work with other banking regulatory agencies and trade associations representing minority depository institutions to periodically assess the need for, and provide for, training and educational opportunities. The FDIC will partner with other Federal banking agencies and trade associations to offer training programs. This training and education can be provided in person, through webinars or conference calls, or in a conference setting.

Reporting

The regional coordinators will report regional office activities related to the MDI Program to the national director quarterly. The national director will develop a comprehensive report on all MDI Program activities and submit the report quarterly to the Chairman. The FDIC's efforts to preserve and promote minority depository institutions will also be highlighted in the FDIC's Annual Report and the Annual Report to Congress on the Preservation and Promotion of Minority Depository Institutions pursuant to Section 367 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and Section 308 of FIRREA.

Measuring Program Effectiveness

The national director and the regional office staff will routinely solicit feedback from minority depository institutions to assess the effectiveness of the FDIC's technical assistance, outreach, and training/education efforts and the MDI Program in general. The FDIC will track instances of technical assistance, outreach, and training and education and solicit feedback on the effectiveness of these activities by administering periodic surveys and holding discussions with bank management.

Examinations

All insured institutions must be operated in a safe and sound manner, in accordance with FDIC's regulations. Likewise, all examinations must be conducted within the parameters of FDIC exam policies and should consistently measure the risk an institution poses to the FDIC's deposit insurance fund. Notwithstanding, and consistent with the Uniform Financial Institutions Rating System (UFIRS) and the Uniform Interagency Consumer Compliance Rating System (UICCR), examiners are expected to recognize the distinctive characteristics and differences in core objectives of each institutions and to consider those unique factors when evaluating an institution's financial condition and risk management practices.

Under the UFIRS and UICCR, each financial institution is assigned a composite rating based on an evaluation of specific components, which are also rated. For UFIRS, these component ratings reflect an institution's capital adequacy, asset quality, management capabilities, earnings sufficiency, liquidity position, and sensitivity to market risk (commonly referred to as the CAMELS ratings). Likewise, the UICCR is organized under broad components that assess the institution's board and management oversight, compliance program, and violations of law and consumer harm. The uniform rating systems and evaluation and rating criteria are specific to the examination types performed. Further, the assignment of the rating is based solely on the subject institution's individual performance under the specific components.

Management practices, particularly as they relate to risk management, vary considerably among financial institutions depending on size and sophistication, the nature and complexity of business activities, and risk profile. Each institution must properly manage risks and have appropriate policies, processes, or practices in place that management follows and uses. Activities undertaken in a less complex institution engaging in less sophisticated risk-taking activities may need only basic management and control systems compared to the detailed and formalized systems and controls used for the broader and more complex range of activities undertaken at a larger and more complex institution.

Peer comparison data are not included in the rating systems. The principal reason is to avoid over reliance on statistical comparisons to justify the component rating being assigned. Avoiding such overreliance is very important when evaluating minority depository institutions due to their unique characteristics. For example, many minority depository institutions were established to serve an otherwise under-served market. High profitability may not be as essential to the organizers and shareholders of the institution. Instead, community development, improving consumer services, and promoting banking services to the unbanked or under-banked segment of its community may drive many of the organization's decisions.

The UFIRS allows for consideration of the characteristics by considering not only the level of an institution's earnings, but also the trend and stability of earnings, the ability to provide for adequate capital, the quality and sources of earnings, and the adequacy of budgeting systems.

Examiners are instructed to consider all relevant factors when assigning a component rating. The rating systems are designed to reflect an assessment of the individual institution, including its size and sophistication, the nature and complexity of its business activities, and risk profile.

Failing Institutions

The FDIC will attempt to preserve the minority character of failing institutions during the resolution process. In the event of a potential failure of a minority depository institution, the Division of Resolutions and Receiverships will contact all minority depository institutions nationwide that qualify to bid on failing institutions. The Division of Resolutions and Receiverships will solicit qualified minority depository institutions' interest in the failing institution, discuss the bidding process, and offer to provide technical assistance regarding completion of the bid forms. In addition, the Division of Resolutions and Receiverships, with assistance from the Office of Minority and Women Inclusion, will maintain a list of minority individuals and nonbank entities that have expressed an interest in acquiring failing minority depository institutions and have been pre-approved by the Division of Risk Management Supervision and the chartering authority for access to the FDIC's virtual data room for online due diligence.

Internet Site

The FDIC will maintain a website to promote the MDI program. Among other things, the website will describe the tools and resources available under the program. The website will include the name, phone number, and email address of the national director, each regional coordinator, and additional staff. The website will also contain links to the list of minority depository institutions, pertinent trade associations, and other federal agency programs. The FDIC will also explore the feasibility and usefulness of posting other items to the page, such as statistical information and comparative data for minority depository institutions. Visitors will have the opportunity to provide feedback regarding the FDIC's program and the usefulness of the website.

Federal Deposit Insurance Corporation
By order of the Board of Directors.
Dated at Washington, DC, on June 15, 2021.
Link to FR Doc. 2021–12972 Published 6-23-21

Attachment 2: List of Minority Depository Institutions

December 31, 2022										
NAME	CITY	STATE	EST. DATE	CERT	CLASS	REGULATOR	MINORITY STATUS Alpha	MINORITY STATUS Numeric	FDIC REGION	TOTAL ASSETS ($000)
ALAMERICA BANK	BIRMINGHAM	AL	20000128	35314	NM	FDIC	B	1	ATLANTA	15,784
COMMONWEALTH NATIONAL BANK	MOBILE	AL	19760219	22229	N	OCC	B	1	ATLANTA	61,329
BANESCO USA	CORAL GABLES	FL	20060110	57815	NM	FDIC	H	7	ATLANTA	2,994,822
U.S. CENTURY BANK	DORAL	FL	20021028	57369	NM	FDIC	H	2	ATLANTA	2,085,834
INTERAMERICAN BANK, F.S.B	MIAMI	FL	19760823	31823	SB	OCC	H	2	ATLANTA	262,016
INTERNATIONAL FINANCE BANK	MIAMI	FL	19831130	24823	NM	FDIC	H	7	ATLANTA	944,447
OCEAN BANK	MIAMI	FL	19821209	24156	NM	FDIC	H	2	ATLANTA	5,916,905
PLUS INTERNATIONAL BANK	MIAMI	FL	20010914	57083	NM	FDIC	H	7	ATLANTA	59,341
SUNSTATE BANK	MIAMI	FL	19990315	34643	NM	FDIC	H	7	ATLANTA	465,916
ANCHOR BANK	PALM BEACH GARDENS	FL	20050322	57931	SM	FED	H	7	ATLANTA	300,187
CENTRAL BANK	TAMPA	FL	20070226	58377	NM	FDIC	A	3	ATLANTA	255,465
TOUCHMARK NATIONAL BANK	ALPHARETTA	GA	20080128	58687	N	OCC	A	3	ATLANTA	341,242
CITIZENS TRUST BANK	ATLANTA	GA	19210618	8033	SM	FED	B	1	ATLANTA	806,801
FIRST IC BANK	DORAVILLE	GA	20000131	34998	NM	FDIC	A	3	ATLANTA	1,028,049
METRO CITY BANK	DORAVILLE	GA	20060404	58181	NM	FDIC	A	3	ATLANTA	3,443,765
PROMISEONE BANK	DULUTH	GA	20081106	58657	NM	FDIC	A	3	ATLANTA	700,124
LOYAL TRUST BANK	JOHNS CREEK	GA	20191118	59182	NM	FDIC	A	8	ATLANTA	135,640
EMBASSY NATIONAL BANK	LAWRENCEV-ILLE	GA	20070305	58413	N	OCC	A	3	ATLANTA	111,370
CARVER STATE BANK	SAVANNAH	GA	19270101	16584	NM	FDIC	B	1	ATLANTA	84,015
QUANTUM NATIONAL BANK	SUWANEE	GA	19951227	34110	N	OCC	A	3	ATLANTA	663,593
MECHANICS & FARMERS BANK	DURHAM	NC	19080301	12266	NM	FDIC	B	1	ATLANTA	429,685
LUMBEE GUARANTY BANK	PEMBROKE	NC	19711222	20568	NM	FDIC	N	4	ATLANTA	484,339
OPTUS BANK	COLUMBIA	SC	19990326	35241	NM	FDIC	B	1	ATLANTA	405,324

December 31, 2022										
NAME	CITY	STATE	EST. DATE	CERT	CLASS	REGULATOR	MINORITY STATUS Alpha	MINORITY STATUS Numeric	FDIC REGION	TOTAL ASSETS ($000)
CITIZENS BANK OF CHATSWORTH	CHATSWORTH	IL	19031207	10843	NM	FDIC	A	3	CHICAGO	39,396
AMERICAN METRO BANK	CHICAGO	IL	19970129	34334	NM	FDIC	A	3	CHICAGO	81,652
GN BANK	CHICAGO	IL	19340101	29399	SB	OCC	B	1	CHICAGO	71,844
INTERNATIONAL BANK OF CHICAGO	CHICAGO	IL	19921026	33708	NM	FDIC	A	3	CHICAGO	963,828
MILLENNIUM BANK	DES PLAINES	IL	20070702	58348	NM	FDIC	A	3	CHICAGO	343,376
FIRST INDEPENDENCE BANK	DETROIT	MI	19700514	20179	NM	FDIC	B	1	CHICAGO	468,425
BAY BANK	GREEN BAY	WI	19950821	34052	NM	FDIC	N	4	CHICAGO	212,280
COLUMBIA SAVINGS AND LOAN ASSOCIATION	MILWAUKEE	WI	19240101	28480	SL	FDIC	B	1	CHICAGO	24,537
NATIVE AMERICAN BANK, NATIONAL ASSOCIATION	DENVER	CO	19870727	27026	N	OCC	N	4	DALLAS	227,206
LIBERTY BANK AND TRUST COMPANY	NEW ORLEANS	LA	19721116	20856	NM	FDIC	B	1	DALLAS	1,086,331
GRAND BANK FOR SAVINGS, F.S.B	HATTIESBURG	MS	19680101	31864	SB	OCC	B	1	DALLAS	116,006
COMMUNITY 1ST BANK LAS VEGAS	LAS VEGAS	NM	19491123	16854	NM	FDIC	H	2	DALLAS	174,580
CENTINEL BANK OF TAOS	TAOS	NM	19690301	19904	NM	FDIC	H	2	DALLAS	388,302
FIRSTBANK	ANTLERS	OK	19010101	14331	SM	FED	N	4	DALLAS	589,276
ALLNATIONS BANK	CALUMET	OK	19010101	4051	SM	FED	N	4	DALLAS	51,484
F & M BANK	EDMOND	OK	19020101	12761	NM	FDIC	N	4	DALLAS	647,283
BANK OF GRAND LAKE	GROVE	OK	20050609	57915	NM	FDIC	H	2	DALLAS	233,881
BANK OF CHEROKEE COUNTY	HULBERT	OK	19081201	2327	SM	FED	N	4	DALLAS	295,070
GATEWAY FIRST BANK	JENKS	OK	19350302	15118	NM	FDIC	N	4	DALLAS	2,037,606
CHICKASAW COMMUNITY BANK	OKLAHOMA CITY	OK	19030101	11521	SM	FED	N	4	DALLAS	479,101

December 31, 2022										
NAME	CITY	STATE	EST. DATE	CERT	CLASS	REGULATOR	MINORITY STATUS Alpha	MINORITY STATUS Numeric	FDIC REGION	TOTAL ASSETS ($000)
FIRST SECURITY BANK AND TRUST COMPANY	OKLAHOMA CITY	OK	19510406	17001	NM	FDIC	B	1	DALLAS	79,084
THE PAULS VALLEY NATIONAL BANK	PAULS VALLEY	OK	19050101	4173	N	OCC	N	4	DALLAS	304,845
FIRST NATIONAL BANK AND TRUST COMPANY	SHAWNEE	OK	19841029	25738	N	OCC	N	4	DALLAS	814,463
CARSON COMMUNITY BANK	STILWELL	OK	19030203	2320	NM	FDIC	N	4	DALLAS	159,374
SECURITY STATE BANK OF OKLAHOMA	WEWOKA	OK	19111205	8980	NM	FDIC	N	4	DALLAS	332,437
CITIZENS SAVINGS BANK AND TRUST COMPANY	NASHVILLE	TN	19040104	10319	NM	FDIC	B	1	DALLAS	150,072
THE FIRST STATE BANK	ABERNATHY	TX	19090101	11175	NM	FDIC	N	4	DALLAS	82,463
FREEDOM BANK	ALAMO	TX	19580712	17881	NM	FDIC	H	2	DALLAS	145,647
INTERNATIONAL BANK OF COMMERCE	BROWNSVILLE	TX	19841009	25679	NM	FDIC	H	7	DALLAS	3,892,731
AMERICAN BANK, NATIONAL ASSOCIATION	DALLAS	TX	19740502	21567	N	OCC	A	3	DALLAS	372,209
ONE WORLD BANK	DALLAS	TX	20050404	57901	NM	FDIC	A	3	DALLAS	147,775
STATE BANK OF TEXAS	DALLAS	TX	19871019	27074	NM	FDIC	A	3	DALLAS	2,054,921
SPECTRA BANK	FORT WORTH	TX	19860630	26708	NM	FDIC	A	3	DALLAS	83,210
AMERICAN FIRST NATIONAL BANK	HOUSTON	TX	19980518	34656	N	OCC	A	3	DALLAS	2,489,041
GOLDEN BANK, NATIONAL ASSOCIATION	HOUSTON	TX	19850503	26223	N	OCC	A	3	DALLAS	1,530,912
SOUTHWESTERN NATIONAL BANK	HOUSTON	TX	19971103	34319	N	OCC	A	3	DALLAS	972,145
UNITY NATIONAL BANK OF HOUSTON	HOUSTON	TX	19850801	26351	N	OCC	B	1	DALLAS	206,417
COMMERCE BANK	LAREDO	TX	19820331	23772	NM	FDIC	H	7	DALLAS	644,949

December 31, 2022										
NAME	CITY	STATE	EST. DATE	CERT	CLASS	REGULATOR	MINORITY STATUS Alpha	MINORITY STATUS Numeric	FDIC REGION	TOTAL ASSETS ($000)
FALCON INTERNATIONAL BANK	LAREDO	TX	19861210	26856	NM	FDIC	H	2	DALLAS	1,920,444
INTERNATIONAL BANK OF COMMERCE	LAREDO	TX	19660902	19629	NM	FDIC	H	7	DALLAS	8,748,621
BANK OF SOUTH TEXAS	MCALLEN	TX	19860708	26727	NM	FDIC	H	2	DALLAS	155,610
RIO BANK	MCALLEN	TX	19850211	25886	NM	FDIC	H	7	DALLAS	820,297
TEXAS NATIONAL BANK	MERCEDES	TX	19201126	3337	N	OCC	H	2	DALLAS	679,005
LONE STAR NATIONAL BANK	PHARR	TX	19830124	24347	N	OCC	H	2	DALLAS	3,060,712
CITIZENS STATE BANK	ROMA	TX	19780515	22657	NM	FDIC	H	2	DALLAS	86,106
FIRST STATE BANK	SHALLOWATER	TX	19601008	18301	NM	FDIC	A	3	DALLAS	139,666
WALLIS BANK	WALLIS	TX	19721028	20845	NM	FDIC	A	3	DALLAS	1,062,134
INTERNATIONAL BANK OF COMMERCE	ZAPATA	TX	19840206	24961	NM	FDIC	H	7	DALLAS	449,571
ZAPATA NATIONAL BANK	ZAPATA	TX	19611116	18454	N	OCC	H	2	DALLAS	87,183
PINNACLE BANK	MARSHALL-TOWN	IA	19270505	252	SM	FED	N	4	KANSAS CITY	285,368
CBW BANK	WEIR	KS	18920101	13959	NM	FDIC	A	3	KANSAS CITY	78,714
WOODLANDS NATIONAL BANK	HINCKLEY	MN	19081001	1417	N	OCC	N	4	KANSAS CITY	336,404
PEOPLE'S BANK OF SENECA	SENECA	MO	19960315	34146	NM	FDIC	N	4	KANSAS CITY	384,036
TURTLE MOUNTAIN STATE BANK	BELCOURT	ND	20071203	58586	NM	FDIC	N	4	KANSAS CITY	183,214
CITY FIRST BANK, NATIONAL ASSOCIATION	WASHINGTON	DC	19981124	34352	N	OCC	B	6	NEW YORK	1,183,734
INDUSTRIAL BANK	WASHINGTON	DC	19340818	14679	NM	FDIC	B	1	NEW YORK	722,995
LEADER BANK, NATIONAL ASSOCIATION	ARLINGTON	MA	20020508	57134	N	OCC	A	3	NEW YORK	3,907,635

December 31, 2022										
NAME	CITY	STATE	EST. DATE	CERT	CLASS	REGULATOR	MINORITY STATUS Alpha	MINORITY STATUS Numeric	FDIC REGION	TOTAL ASSETS ($000)
THE HARBOR BANK OF MARYLAND	BALTIMORE	MD	19820913	24015	NM	FDIC	B	6	NEW YORK	362,596
KEB HANA BANK USA, NATIONAL ASSOCIATION	FORT LEE	NJ	19860916	26790	N	OCC	A	3	NEW YORK	385,677
NEW MILLENNIUM BANK	FORT LEE	NJ	19990719	35151	NM	FDIC	A	8	NEW YORK	774,320
PONCE BANK	BRONX	NY	19600331	31189	SB	OCC	H	7	NEW YORK	2,300,787
AMERASIA BANK	FLUSHING	NY	19880620	27267	NM	FDIC	A	3	NEW YORK	778,489
NEWBANK	FLUSHING	NY	20060929	58203	NM	FDIC	A	3	NEW YORK	591,676
ABACUS FEDERAL SAVINGS BANK	NEW YORK	NY	19841129	32257	SB	OCC	A	3	NEW YORK	310,557
CARVER FEDERAL SAVINGS BANK	NEW YORK	NY	19480101	30394	SB	OCC	B	6	NEW YORK	712,939
EASTBANK, NATIONAL ASSOCIATION	NEW YORK	NY	19841126	25749	N	OCC	A	3	NEW YORK	151,014
GLOBAL BANK	NEW YORK	NY	20070312	58263	NM	FDIC	A	3	NEW YORK	251,155
PIERMONT BANK	NEW YORK	NY	20190701	59154	NM	FDIC	M	10	NEW YORK	467,080
POPULAR BANK	NEW YORK	NY	19990102	34967	SM	FED	H	7	NEW YORK	11,556,290
SHINHAN BANK AMERICA	NEW YORK	NY	19901018	33188	NM	FDIC	A	8	NEW YORK	1,910,220
UNITED ORIENT BANK	NEW YORK	NY	19810409	23373	NM	FDIC	A	3	NEW YORK	105,857
WOORI AMERICA BANK	NEW YORK	NY	19840127	24920	NM	FDIC	A	8	NEW YORK	3,104,798
NOAH BANK	ELKINS PARK	PA	20060717	58196	NM	FDIC	A	3	NEW YORK	266,220
ASIAN BANK	PHILADELPHIA	PA	19990609	34759	SM	FED	A	3	NEW YORK	451,784
TIOGA-FRANKLIN SAVINGS BANK	PHILADELPHIA	PA	20000701	33802	SI	FDIC	B	6	NEW YORK	66,257
UNITED BANK OF PHILADELPHIA	PHILADELPHIA	PA	19920323	33568	NM	FDIC	B	1	NEW YORK	59,416
BANCO POPULAR DE PUERTO RICO	SAN JUAN	PR	19990102	34968	SM	FED	H	7	NEW YORK	56,050,000
ORIENTAL BANK	SAN JUAN	PR	19650325	31469	NM	FDIC	H	7	NEW YORK	9,709,667
FIRSTBANK PUERTO RICO	SANTURCE	PR	19490117	30387	NM	FDIC	H	7	NEW YORK	18,626,645

December 31, 2022										
NAME	CITY	STATE	EST. DATE	CERT	CLASS	REGULATOR	MINORITY STATUS Alpha	MINORITY STATUS Numeric	FDIC REGION	TOTAL ASSETS ($000)
CANYON COMMUNITY BANK, NATIONAL ASSOCIATION	TUCSON	AZ	20001010	35547	N	OCC	A	3	SAN FRANCISCO	197,648
FIRST COMMERCIAL BANK (USA)	ALHAMBRA	CA	19970520	34496	NM	FDIC	A	8	SAN FRANCISCO	852,776
NEW OMNI BANK, NATIONAL ASSOCIATION	ALHAMBRA	CA	19800212	23086	N	OCC	A	3	SAN FRANCISCO	549,989
AMERICAN PLUS BANK, N.A.	ARCADIA	CA	20070808	58469	N	OCC	A	3	SAN FRANCISCO	642,608
AMERICAN CONTINENTAL BANK	CITY OF INDUSTRY	CA	20031006	57444	NM	FDIC	A	3	SAN FRANCISCO	339,087
UNITED PACIFIC BANK	CITY OF INDUSTRY	CA	19820511	23805	NM	FDIC	A	3	SAN FRANCISCO	148,675
COMMUNITY COMMERCE BANK	CLAREMONT	CA	19761001	26363	NM	FDIC	H	2	SAN FRANCISCO	330,991
US METRO BANK	GARDEN GROVE	CA	20060915	58310	NM	FDIC	A	3	SAN FRANCISCO	1,121,394
BANK IRVINE	IRVINE	CA	20221018	59296	NM	FDIC	M	10	SAN FRANCISCO	39,216
CALIFORNIA BUSINESS BANK	IRVINE	CA	20051101	58037	NM	FDIC	A	3	SAN FRANCISCO	114,127
COMMERCIAL BANK OF CALIFORNIA	IRVINE	CA	20030515	57417	NM	FDIC	H	2	SAN FRANCISCO	2,129,841
BANK OF HOPE	LOS ANGELES	CA	19860318	26610	NM	FDIC	A	8	SAN FRANCISCO	19,159,409
CATHAY BANK	LOS ANGELES	CA	19620419	18503	NM	FDIC	A	3	SAN FRANCISCO	21,974,243
COMMONWEALTH BUSINESS BANK	LOS ANGELES	CA	20050303	57873	SM	FED	A	3	SAN FRANCISCO	1,812,448
CTBC BANK CORP. (USA)	LOS ANGELES	CA	19650427	19416	NM	FDIC	A	8	SAN FRANCISCO	4,942,746
EASTERN INTERNATIONAL BANK	LOS ANGELES	CA	19850226	32277	NM	FDIC	A	3	SAN FRANCISCO	122,046
HANMI BANK	LOS ANGELES	CA	19821215	24170	NM	FDIC	A	8	SAN FRANCISCO	7,348,419

December 31, 2022										
NAME	CITY	STATE	EST. DATE	CERT	CLASS	REGULATOR	MINORITY STATUS Alpha	MINORITY STATUS Numeric	FDIC REGION	TOTAL ASSETS ($000)
OPEN BANK	LOS ANGELES	CA	20050610	57944	NM	FDIC	A	3	SAN FRANCISCO	2,094,001
PACIFIC CITY BANK	LOS ANGELES	CA	20030918	57463	NM	FDIC	A	3	SAN FRANCISCO	2,419,997
PREFERRED BANK	LOS ANGELES	CA	19911223	33539	NM	FDIC	A	3	SAN FRANCISCO	6,422,497
ROYAL BUSINESS BANK	LOS ANGELES	CA	20081118	58816	NM	FDIC	A	8	SAN FRANCISCO	3,915,530
LEGACY BANK	MURRIETA	CA	20220610	59204	NM	FDIC	N	4	SAN FRANCISCO	30,861
GENESIS BANK	NEWPORT BEACH	CA	20210802	59245	NM	FDIC	M	10	SAN FRANCISCO	166,528
GATEWAY BANK, F.S.B.	OAKLAND	CA	19900608	33103	SB	OCC	A	3	SAN FRANCISCO	181,369
METROPOLITAN BANK	OAKLAND	CA	19830901	25869	NM	FDIC	A	3	SAN FRANCISCO	227,141
EAST WEST BANK	PASADENA	CA	19720101	31628	SM	FED	A	8	SAN FRANCISCO	64,087,895
EVERTRUST BANK	PASADENA	CA	19950503	34010	NM	FDIC	A	8	SAN FRANCISCO	839,512
FIRST GENERAL BANK	ROWLAND HEIGHTS	CA	20051013	58060	NM	FDIC	A	3	SAN FRANCISCO	1,175,415
BANK OF THE ORIENT	SAN FRANCISCO	CA	19710317	20387	SM	FED	A	3	SAN FRANCISCO	845,747
CALIFORNIA PACIFIC BANK	SAN FRANCISCO	CA	19801016	23242	NM	FDIC	A	3	SAN FRANCISCO	82,288
MISSION NATIONAL BANK	SAN FRANCISCO	CA	19820216	23749	N	OCC	A	3	SAN FRANCISCO	186,374
ASIAN PACIFIC NATIONAL BANK	SAN GABRIEL	CA	19900725	33013	N	OCC	A	3	SAN FRANCISCO	57,366
MEGA BANK	SAN GABRIEL	CA	20080205	58401	NM	FDIC	A	3	SAN FRANCISCO	473,379
PACIFIC ALLIANCE BANK	SAN GABRIEL	CA	20061227	58234	NM	FDIC	A	3	SAN FRANCISCO	390,790
UNIVERSAL BANK	WEST COVINA	CA	19541117	30722	SB	OCC	A	3	SAN FRANCISCO	334,499
CALIFORNIA INTERNATIONAL BANK, N.A.	WESTMINSTER	CA	20051130	57974	N	OCC	A	3	SAN FRANCISCO	55,256
BANK OF WHITTIER, NATIONAL ASSOCIATION	WHITTIER	CA	19821220	24211	N	OCC	A	3	SAN FRANCISCO	181,083

December 31, 2022										
NAME	CITY	STATE	EST. DATE	CERT	CLASS	REGULATOR	MINORITY STATUS Alpha	MINORITY STATUS Numeric	FDIC REGION	TOTAL ASSETS ($000)
ANZ GUAM, INC.	HAGATNA	GU	19910111	33316	NM	FDIC	A	8	SAN FRANCISCO	150,100
BANK OF GUAM	HAGATNA	GU	19721211	20884	NM	FDIC	A	3	SAN FRANCISCO	2,537,627
BANKPACIFIC, LTD.	HAGATNA	GU	19530101	30692	SL	FDIC	A	3	SAN FRANCISCO	204,607
FINANCE FACTORS, LTD.	HONOLULU	HI	19520514	25158	NM	FDIC	A	3	SAN FRANCISCO	596,976
HAWAII NATIONAL BANK	HONOLULU	HI	19600916	18296	N	OCC	A	3	SAN FRANCISCO	846,991
ONEUNITED BANK	BOSTON	MA	19820802	23966	NM	FDIC	B	1	SAN FRANCISCO	743,590
EAGLE BANK	POLSON	MT	20060725	58282	NM	FDIC	N	4	SAN FRANCISCO	119,574
UNIBANK	LYNNWOOD	WA	20061101	58407	SM	FED	A	3	SAN FRANCISCO	586,651
		TOTAL COUNT		**147**			**TOTAL COMBINED ASSETS**			**$330,054,352**

Count	Minority Status
21	B - Black or African American
30	H - Hispanic American
73	A - Asian or Pacific Islander American
20	N - Native American or Alaskan Native American
3	M - Multi-racial American

Class	Definitions of Class Types
94	NM - State bank, not a member of the Federal Reserve
14	SM - State bank, member of the Federal Reserve
28	N - National bank
8	SB - State or Federal savings bank
1	SI - Savings Institution
2	SL - State or Federal savings and loan association

Regulator	Definitions by Primary Federal Supervisory Agency
97	FDIC - Federal Deposit Insurance Corporation
36	OCC - Office of the Comptroller of the Currency
14	FED - Federal Reserve

Count	Minority Status by Ownership Type
17	1 - Black or African American owned
15	2 - Hispanic American owned
61	3 - Asian or Pacific Islander American owned
20	4 - Native American or Alaskan Native American owned
0	5 - Multi-racial American owned
4	6 - Majority of the Board African American, serving a minority community
15	7 - Majority of the Board Hispanic American, serving a minority community
12	8 - Majority of the Board Asian or Pacific Islander, serving a minority community
0	9 - Majority of the Board Native American or Alaskan Native American, serving a minority community
3	10 - Majority of the Board Multi-racial American, serving a minority community