PRESERVATION AND PROMOTION OF MINORITY DEPOSITORY INSTITUTIONS

2023 REPORT TO CONGRESS

FDIC FEDERAL DEPOSIT INSURANCE CORPORATION

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.

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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 of 2010, this report provides a summary profile of MDIs as of the end of 2023; a description of the FDIC's MDI program; and detailed information on the FDIC's 2023 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's research study, **Minority Depository Institutions: Structure, Performance, and Social Impact**, published in 2019, found that MDIs play a vital role in providing mortgage credit, small business lending, and other banking services to minority and LMI communities. MDIs are anchor institutions in their communities and play a key role in building a more inclusive financial system. As such, the preservation and promotion of MDIs remains a long-standing priority for the FDIC.

In accordance with the **Statement of Policy Regarding Minority Depository Institutions** (see Attachment 1), 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.

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.

Structure

As of December 31, 2023, FDIC-insured MDIs totaled 148 institutions with combined total assets of almost $350 billion and 35,827 employees (see Attachment 2, List of Minority Depository Institutions). The FDIC supervised 98 of the 148 MDIs as their primary federal regulator. Of these institutions, 96 are state chartered institutions that are not members of the Federal Reserve, one is a state savings and loan association, and one is a state savings bank.

Figure 1: FDIC-Insured MDIs by Federal Regulator as of December 31, 2023

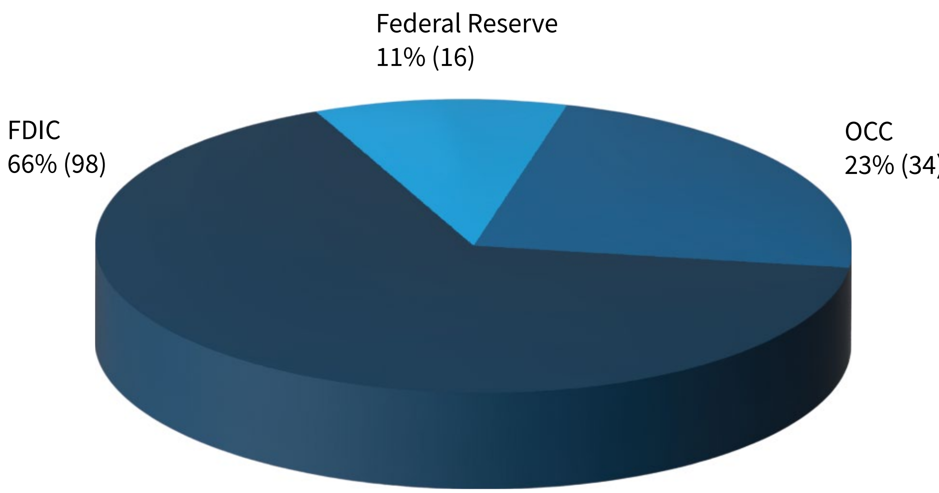


Table 1: Asset Distribution for all FDIC-Insured Institutions as of December 31, 2023

Asset Size	Total MDIs	Approximate Percentage of all FDIC-insured MDIs
Less than $50 million	5	3%
$50 million to $100 million	18	12%
$100 million to $300 million	34	23%
$300 million to $1 billion	51	35%
$1 billion to $10 billion	33	22%
Greater than $10 billion	7	5%
Total	**148**	**100%**

At the start of 2023, there were 147 FDIC-insured MDIs with combined total assets of over $330 billion. During the year, two new de novo MDIs opened their doors, one African American and one Hispanic American institution. In addition, three institutions were designated as MDIs: one African American, one Asian American, and one Multi-racial American. Three Asian American and one Hispanic American MDI were removed from the list during the year due to merger or acquisition with non-MDIs.

FDIC-insured MDIs are located in 34 states and territories. Twenty-two states and territories do not have any MDIs.

Figure 2: FDIC-Insured MDIs by Minority Status as of December 31, 2023

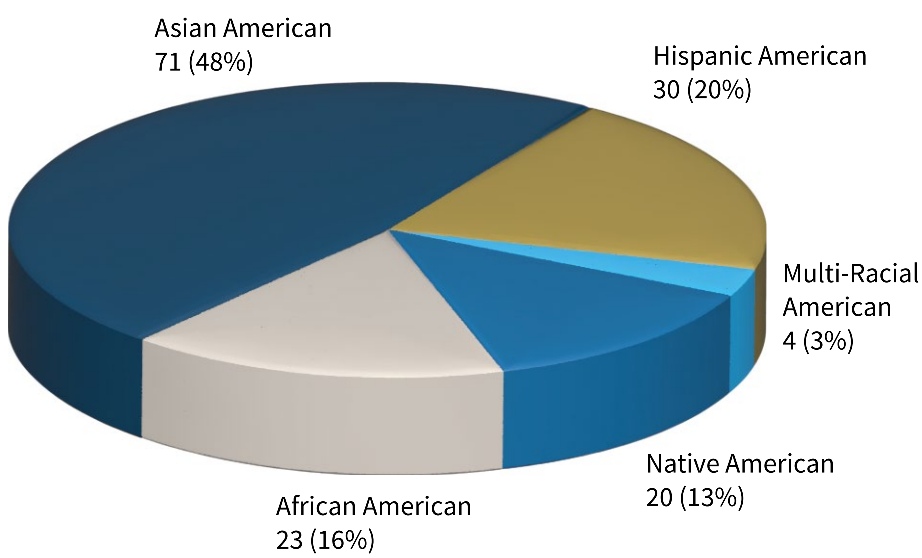
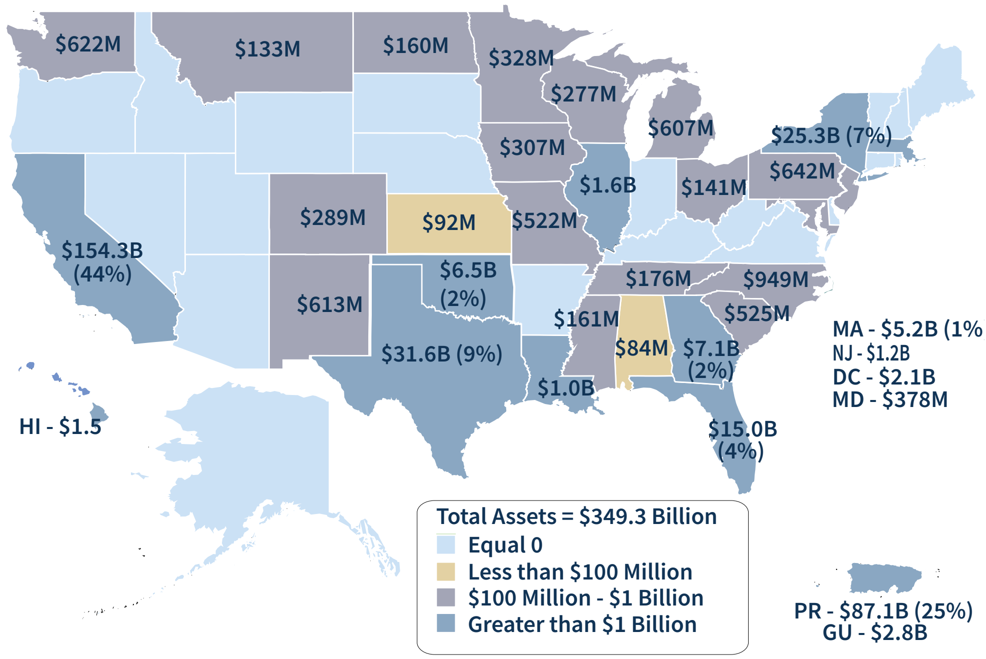
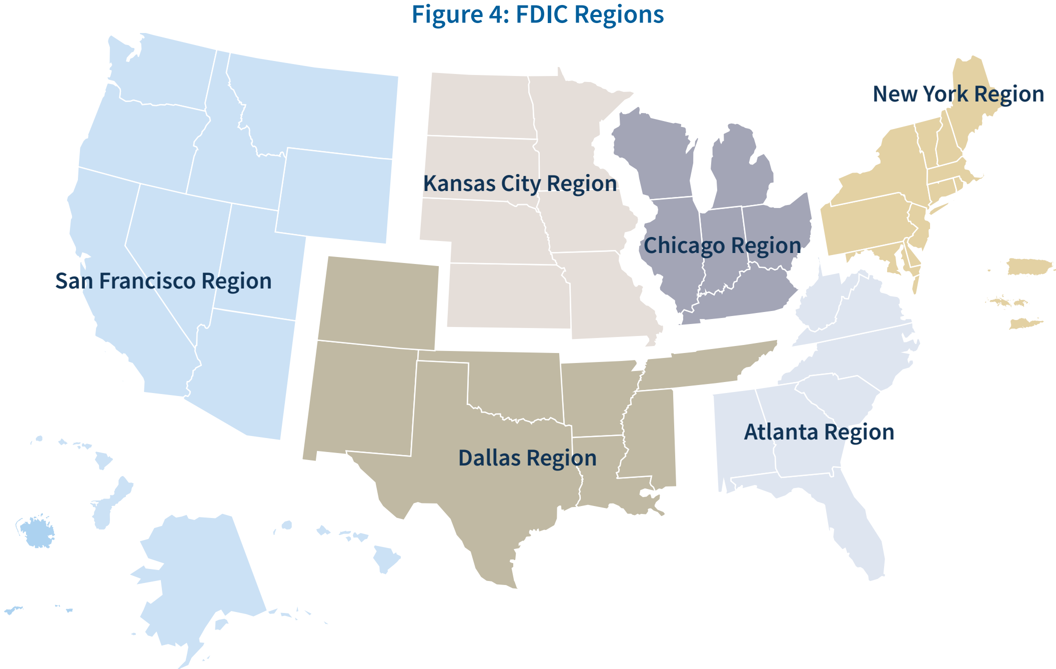


Figure 3: FDIC-Insured MDI Assets by State as of December 31, 2023



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 26 MDIs, the New York region with 14 MDIs, the Atlanta region with 15 MDIs, and the Chicago and Kansas City regions with 8 and 4 MDIs, respectively.

Figure 4: FDIC Regions



A further breakdown discloses that FDIC-supervised MDIs are located in 28 states and territories across the country with the heaviest concentrations in California with 25 FDIC-supervised MDIs and Texas with 15 FDIC-supervised MDIs. A total of 14 states and territories only have one FDIC-supervised MDI. Twenty states do not have any MDIs.

Figure 5: FDIC-Insured MDIs by State as of December 31, 2023

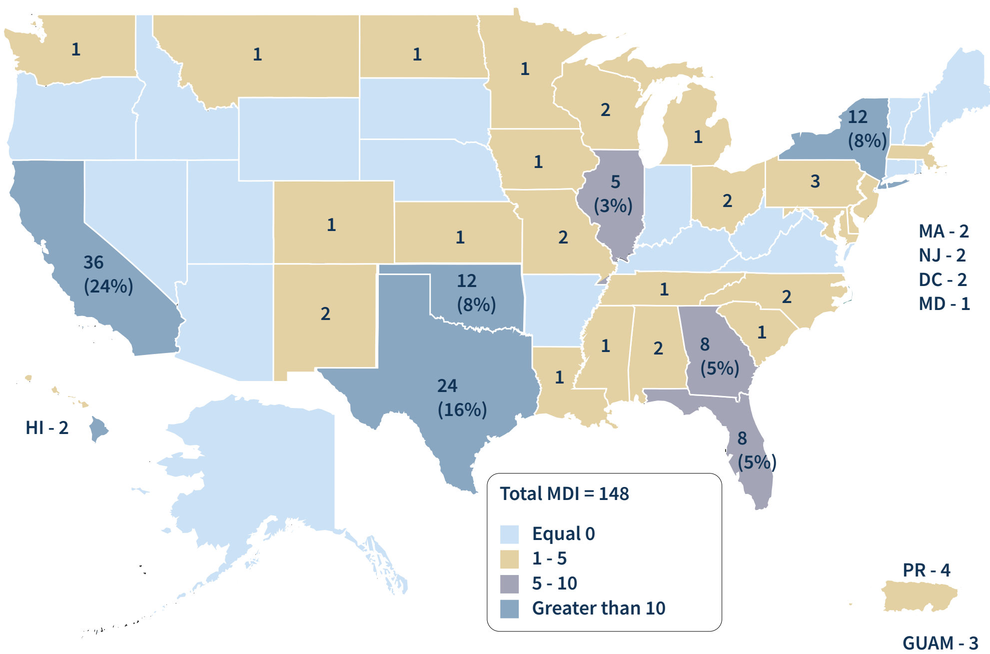


Table 2: Asset Distribution for FDIC-Supervised institutions as of December 31, 2023

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	24	24%
$300 million to $1 billion	29	30%
$1 billion to $10 billion	25	26%
Greater than $10 billion	4	4%
Total	**98**	**100%**

The majority of all FDIC-supervised MDIs (94 MDIs or 96 percent) are banks with total assets of less than $10 billion.

Financial Performance

As of December 31, 2023, the banking industry as a whole reported modest declines in net income; however, the overall financial performance of FDIC-insured MDIs remains sound. Some performance ratios have declined since year-end 2022 due to various factors including rising market interest rates, the FDIC's special assessment at a few large firms, and increasing loan growth and deposit expense. Net income has declined slightly since 2022. MDI full-year 2023 net income was $4.4 billion, a $400 million decrease (8.33 percent) compared to full-year 2022. The primary driver in the decrease was the increase in noninterest expense coupled with a decrease in net interest income. The pretax return on assets (pretax ROA) ratio decreased to 1.67 percent in 2023 compared to 1.88 percent at year-end 2022. This ratio remains 45 basis points higher than the community bank pretax ROA ratio of 1.22 percent.

The decline in net income in MDIs, and the banking industry as a whole, was due in large part to non-recurring, noninterest expenses recognized by large banks during the fourth quarter. The largest contributor to the decline was the expense related to a special assessment to recover the estimated loss to the Deposit Insurance Fund attributable to the protection of uninsured depositors following the failure of two banks during spring 2023. Six MDIs were subject to the FDIC's special assessment totaling $20.5 million for fourth quarter 2023, which also accounted for an estimated 84.3 percent of the increase in noninterest expense during the quarter.

The total special assessment amount for the six MDIs is $163.7 million.[2] Further, noninterest expenses also increased with the increase in provision expenses. 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. Provision expenses in 2023 totaled $696 million compared to $380 million in 2022. The aggregate allowance for credit losses represented 1.44 percent of total loans at year-end 2023, comparable to year-end 2022. Noninterest expense increased $662 million (9.4 percent) from one year earlier, primarily due to a rise in other noninterest expenses (up $399.3 million or 14.6 percent) and salaries and employee benefits expense (up $211.6 million or 6.1 percent).

2 The special assessment will be shown as an additional charge on the regular quarterly deposit insurance invoice beginning with the first quarterly assessment period of 2024 (i.e. January 1 through March 31, 2024) with a payment date of June 28, 2024. Refer to FDIC's Final Rule on Special Assessment Pursuant to Systemic Risk Determination, 12 CFR Part 327, for additional information.

The overall profitability of MDIs experienced a marginal decline with the decrease in pretax ROA. Less than half of MDIs (41.2 percent) reported year-over-year earnings growth for the full year in 2023, compared with 61.0 percent reporting such growth in 2022. The percentage of MDIs that reported a net loss for the year increased to 16.2 percent, higher than the community bank rate of 11.0 percent. The percentage of profitable MDIs remained relatively stable over the year at 87.84 percent. The percentage of unprofitable MDIs decreased to 12.16 percent and remains higher than the percentage of both community banks and all banks that are unprofitable, at 5.24 percent and 5.21 percent, respectively. Unprofitable institutions are generally smaller, and many are located either in urban areas that experienced significant economic distress during periods of 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.

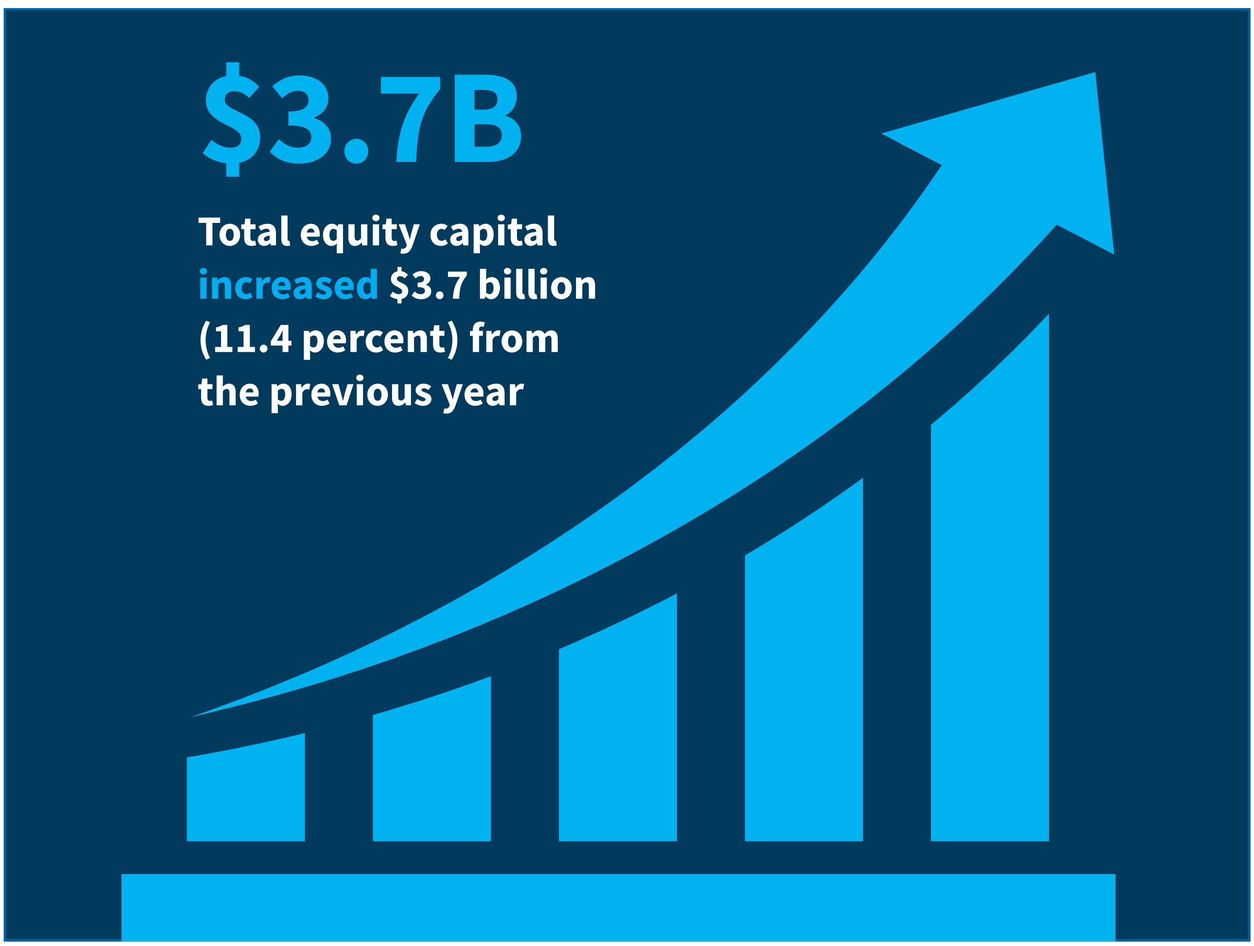
The MDI sector increased its total loans by $15.9 billion (7.1 percent) from one year earlier. Commercial real estate (CRE) loan categories accounted for $7.5 billion of total loan growth, mostly from nonfarm nonresidential CRE loans ($4.6 billion) and multifamily CRE loans ($1.7 billion). Growth in 1–4 family residential loans accounted for an additional $4.9 billion. The MDI sector loan growth rate for the quarter (increasing 2.3 percent) and the year-over-year growth rate (increasing 7.1 percent) compares favorably to that of all community banks, increasing 1.8 percent and 7.8 percent, respectively. Paycheck Protection Program (PPP) loan balances fell to $107.2 million in fourth quarter 2023 from $279.0 million in fourth quarter 2022. The PPP loan balance for fourth quarter 2023 was 0.04 percent of the total MDI loan balance.

Asset quality metrics were generally favorable overall, although deterioration is evident in CRE and consumer loan portfolios. Total noncurrent loan balances decreased $102 million (5.1 percent) since year-end 2022. The decline is primarily driven by decreases in noncurrent 1-4 family residential loans (down $196.0 million or 18.4 percent). However, the decline in noncurrent loan balances was partially offset by increases in noncurrent CRE loans (up $65.1 million or 14.4 percent), driven by increases in noncurrent nonfarm nonresidential loans (up $43.7 million or 12.1 percent). Further, noncurrent consumer loans increased $16.1 million (13.3 percent), and noncurrent Commercial & Industrial (C&I) loans increased $14.7 million (5.7 percent) since year-end 2022. The level of noncurrent loan balances has been highly impacted by the weak demand in office space reducing net operating income, as well as higher interest rates affecting the credit quality and refinancing ability of office and other types of CRE loans. Further, consumer loan delinquency has been impacted by economic conditions.

The MDI noncurrent rate was 0.78 percent is roughly the same as third quarter 2023, but higher than the community bank noncurrent rate of 0.54 percent. Net charge-off balances and the net charge-off rate increased. Net charge-off balances increased $57.8 million (67.3 percent) from fourth quarter 2022, and the rate increased 9 basis points to 0.24 percent. The MDI net charge-off rate was higher than the community bank net charge-off rate of 0.18 percent reported for fourth quarter 2023. Higher consumer net charge-off balances of $36 million (up 62.7 percent) and C&I loan net charge-off balances of $22.0 million (up 297.0 percent) drove the increase. The coverage ratio (allowance for credit losses to noncurrent loans and leases) increased to 183.2 percent, up from 162.8 percent a year earlier. A decline in noncurrent loans from the previous year (down $101.9 million or 5.1 percent) and an increase in the allowance for credit losses (up $218.8 million or 6.8 percent) caused the year-over-year rise. The MDI coverage ratio remained below the community bank coverage ratio of 227.8 percent.

The capital levels of MDIs continue to improve due to retained earnings and investments from private organizations. Total equity capital increased $3.7 billion (11.4 percent) from the previous year to $35.9 billion and increased $2.0 billion (6.0 percent) from third quarter 2023. Growth in retained earnings was the main contributor to the year-over-year increase in equity capital of $2.1 billion (11.2 percent). In addition, many organizations continue to support the efforts of mission driven banks through capital investments. Further, unrealized losses on available-for-sale securities decreased $1.8 billion in fourth quarter 2023 and decreased $1.1 billion over the year. The majority of MDIs (88.5 percent) reported an increase in equity capital from a year earlier.

The overall performance of the MDI sector continues to reflect many of the economic headwinds facing the banking industry as a whole. While the MDI sector's overall performance has remained sound over the past year, ongoing economic and geopolitical uncertainty, continuing inflationary pressures, volatility in market interest rates, and emerging risks in some bank loan portfolios pose significant downside risks to the banking industry overall and for MDIs.



FDIC MINORITY DEPOSITORY INSTITUTIONS PROGRAM

The FDIC's **Statement of Policy Regarding Minority Depository Institutions** (see Attachment 1) outlines the framework for the agency's MDI program. The Office of Minority and Community Development Banking (OMCDB) was created to fully support ongoing strategic and direct engagement with MDIs and Community Development Financial Institutions (CDFI banks), collectively known as "mission-driven banks," provide overall leadership for the MDI Program, and spearhead nationwide initiatives.

The OMCDB frequently 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 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. The FDIC's MDI program is integrated into the supervision, consumer protection, insurance, and resolution business lines.

Executives, MDI coordinators and other 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 and senior management 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.


OMCDB staff: Whitney Toussaint, Sonja Ellis, Betty Rudolph, Misty Mobley, and Khalid Kemp

The OMCDB frequently 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. 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; provide technical assistance; 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 (www.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 regional MDI coordinators.

2023 INITIATIVES SUPPORTING MINORITY DEPOSITORY INSTITUTIONS

In recent years, significant new sources of private and public funding have become available to support FDIC-insured MDIs and CDFI banks. During 2023, 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; promoting the MDI sector through advocacy; providing outreach, technical assistance, and education and training for MDIs; and building internal capacity.

Engagement and Representation

The FDIC's MDI Subcommittee of the Advisory Committee on Community Banking (CBAC) is composed of nine MDI executives representing all types of MDIs across the country with varying asset sizes and lines of business. The MDI Subcommittee meetings provide a venue for minority bankers to discuss key issues, share feedback on program initiatives, and showcase MDI best practices. 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 from left seated to standing: former member Deron Burr, former member Alden J. McDonald, Jr., FDIC Chairman Martin J. Gruenberg, Russell Lau, Jeff Bowman, former member Gilbert Narvaez, Warren Huang, Doyle Mitchell Jr., Farid Tan, and former member Angel Reyes.

MDI Subcommittee meeting at FDIC Headquarters in Washington, DC on October 4, 2023.

In 2023, the MDI Subcommittee held two in-person meetings at the FDIC headquarters in Washington, DC. The meetings included discussions on topics such as banking and economic conditions, supervisory issues, third-party risk guidance, cybersecurity, and an update on the Deposit Insurance Fund. The meetings also included an MDI Spotlight segment that featured three private funds that provide resources to MDIs and bank executives sharing their experiences with new, unconventional growth opportunities.

Members of the MDI Subcommittee also participated in video recordings discussing the impact of MDIs, challenges and opportunities encountered by MDIs, and the future role of MDIs in banking. The recorded videos are an effective tool for the FDIC to promote the support that MDIs provide in their communities.

MDI CEO Jeff Bowman responding to questions from the FDIC's Office of Communications prior to the MDI Subcommittee meeting on October 4, 2023.

Also, during 2023, the FDIC continued to engage with mission-driven bank trade groups and large and regional financial institutions to facilitate effective deployment of some of the new resources becoming available to mission-driven banks.

Facilitating Partnerships

The FDIC co-sponsored the biennial interagency MDI and CDFI Bank Conference in November 2023, along with the Federal Reserve and OCC at the Federal Reserve Bank of Dallas. The two-day conference entitled, *MDI and CDFI Bank Partnership Exchange*, featured opportunities for MDIs and CDFI banks to explore partnership and collaboration opportunities with large and regional banks, as well as available supportive resources offered by various Federal agencies.

The well attended conference had over 99 MDI and CDFI bankers representing 72 banks and 68 large or regional bankers representing 59 banks as well as 9 exhibitors and 9 federal agency representatives present. The principals for the FDIC, OCC and Federal Reserve participated in the conference by providing prerecorded video messages welcoming the bankers and delivering introductions to upcoming sessions. The conference commenced with an interactive panel of top banking regulatory officials who provided recent policy updates and their insights on these topics for MDI and CDFI Banks.

MDI and CDFI bankers at the interagency conference listening to opening remarks.

Bank regulatory executives Art Lindo (Federal Reserve), Kristie Elmquist (FDIC), and Troy Thornton (OCC) discussing supervision policy updates.

The subsequent panel allowed various Federal agencies and private sector representatives to discuss their programs and initiatives that could benefit MDIs and CDFI banks. Attendees were provided an opportunity to meet with many of these organizations in the afternoon Connect and Collaborate sessions at their respective sponsored tables.

Panelists Noel Poyo (U.S. Treasury), Greg Hettrick (Federal Home Loan Bank of Dallas) and Paul Kirwin (U.S. Small Business Administration) discussing programs and initiatives with moderator, Betty Rudolph (FDIC).

CRA subject matter expert panel featuring Jessica Farr (Federal Reserve), Pamela Freeman (FDIC), and Andrea Shearin (OCC).

The Connect and Collaborate sessions provided opportunities for attendees to engage in one-on-one conversations with federal banking regulatory subject matter experts regarding supervisory topics that included: Capital Management, Liquidity Management and Interest Rate Risk, Third Party Oversight, Commercial Real Estate, FedNow Service, Bank Term Funding and Discount Window, Special Purpose Credit Programs, and the Emergency Capital Investment Program (ECIP). Attendees were also provided an opportunity to join their regulator for lunch for an informal discussion on trending topics and to exchange ideas on navigating changing environments.

The large and regional bank attendees joined the conference during the first day's closing panel as all participants were able to engage in a dialogue with regulatory experts from the three sponsoring agencies regarding the final interagency rule to modernize the Community Reinvestment Act (CRA) regulations.

The conference concluded with networking roundtables held on the second day where MDIs and CDFI banks had the opportunity to meet one-on-one with large and regional banks that they were matched with based on a completed Collaboration Inventory form that listed various partnership and collaboration categories derived from qualifying activities outlined in the CRA. These meetings allowed large and regional banks an opportunity to initiate discussions that could lead to partnerships that would be supportive of mission-driven banks. The bankers provided very positive feedback on the information and networking opportunities that were provided during the conference.

Whitney Toussaint (FDIC) providing introductory remarks for the networking roundtable session.

MDI and CDFI bank CEOs participating the networking roundtables with large and regional bank CEOs.

Policies

In October 2023, the FDIC, Federal Reserve, and OCC adopted a final rule to strengthen and modernize the CRA. The final rule continues to encourage banks to expand access to credit, investment, and banking services in low- and moderate-income communities. The Final Rule updates the CRA regulations to adapt to changes in the banking industry, including mobile and online banking; provides greater clarity and consistency in the application of the regulations; and tailors performance standards and data collection to bank size and type.

By establishing a clear and straightforward standard that allows a bank's loans, investments, and services with MDIs, Women's Depository Institutions (WDIs), Low-Income Credit Union (LICUs), and CDFIs to receive community development consideration, the final rule will increase certainty and transparency concerning treatment of activities in partnership with these entities relative to former practice.

The agencies included several provisions focused on activities with these entities including adding new definitions for MDIs, WDIs, LICUs and CDFIs; specifying that retail lending-focused partnerships with these entities will be considered when assessing the responsiveness of a bank's credit products under the Retail Services and Products Test; the creation of a new community development category that comprises activities with MDIs, WDIs, LICUs or CDFIs; clarifies that community development loans, investments and services undertaken by any bank in cooperation with these entities will receive consideration; describes that all community development activities with MDIs, WDIs, LICUs, and CDFIs receive CRA consideration, regardless of geography; and includes an impact and responsiveness factor for bank activities with these entities to recognize these activities as receptive and effective.

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 2023, 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.

MDI CEO Alden McDonald

The FDIC also continued recording the FDIC Podcast Series, *Banking on Inclusion,* to showcase public- and private-sector efforts to preserve and promote MDIs and advance diversity and inclusion across financial services. The joint series discussed the important role of minority-owned and -operated institutions within the broader financial services sector. One episode was published in 2023 addressing topics that are critical to the minority, LMI, and rural communities they serve where families often lack access to financial services. Throughout the year, 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.

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.

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.

Outreach, Technical Assistance, and Education

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 2023, the FDIC provided 152 individual technical assistance sessions on approximately 38 risk management, consumer compliance, and resolution topics, including:

- Applications for branch openings and closures,
- Anti-Money Laundering/Countering the Financing of Terrorism,
- Community Reinvestment Act,
- Compliance Management,
- Capital Planning and Management,
- Current Expected Credit Losses accounting methodology,
- Corporate Governance and Strategic Planning,
- Fair Lending,
- Funding and liquidity,
- Home Mortgage Disclosure Act,
- Information technology risk management and cybersecurity,
- Internal audit, and
- Unfair or Deceptive Acts or Practices.

In response to questions raised by MDIs, the FDIC hosted two interagency technical assistance webinars along with the Federal Reserve and OCC to discuss supervisory expectations for MDIs and CDFI banks awarded funds from the U.S. Treasury Emergency Capital Investment Program and other new investments. The webinars addressed bank management's questions 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 new investments and awards.

The FDIC also held outreach, training, and educational programs for MDIs through conference calls and regional banker roundtables. In 2023, topics of discussion for these sessions included many of those listed above, as well as liquidity, interest rate risk and deposit monitoring practices, accounting, emerging risks and areas of concern, commercial real estate trends and activity, information technology vendor management, and industry and customer reactions to bank failures.

Building Internal Capacity

In 2023, the FDIC continued an initiative that started in December 2022, of providing MDI Program refresher training to all examination and supervisory staff responsible for the supervision of MDIs. The training has focused on awareness of internal processes and procedures related to examining MDIs, as well as the importance of understanding the often unique business models of MDIs and applying that understanding and other factors when assessing performance and assigning ratings. 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.

The OMCDB routinely updates and creates resources for examination and supervisory staff to ensure staff have the tools to perform duties associated with the supervision of MDIs. The FDIC also continued quarterly meetings of its interdivisional task force on MDIs to share information, identify new opportunities for supporting mission-driven banks, and ensure appropriate resources support program initiatives.

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 2023.

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: FDIC's Statement of Policy Regarding Minority Depository Institutions
- Attachment 2: List of Minority Depository Institutions as of December 31, 2023

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) composed 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 financial institution 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, 2023										
NAME	CITY	STATE	EST. DATE	CERT	CLASS	REGULATOR	MINORITY STATUS Alpha	MINORITY STATUS Numeric	FDIC REGION	TOTAL ASSETS ($000)
ALAMERICA BANK	BIRMINGHAM	AL	1/28/2000	35314	NM	FDIC	B	1	ATLANTA	17,282
COMMONWEALTH NATIONAL BANK	MOBILE	AL	2/19/1976	22229	N	OCC	B	1	ATLANTA	66,944
U. S. CENTURY BANK	DORAL	FL	10/28/2002	57369	NM	FDIC	H	2	ATLANTA	2,338,378
BANESCO USA	MIAMI	FL	1/10/2006	57815	NM	FDIC	H	7	ATLANTA	3,808,125
INTERAMERICAN BANK, A FSB	MIAMI	FL	8/23/1976	31823	SB	OCC	H	2	ATLANTA	249,325
INTERNATIONAL FINANCE BANK	MIAMI	FL	11/30/1983	24823	NM	FDIC	H	7	ATLANTA	1,049,917
OCEAN BANK	MIAMI	FL	12/9/1982	24156	NM	FDIC	H	2	ATLANTA	6,444,352
SUNSTATE BANK	MIAMI	FL	3/15/1999	34643	NM	FDIC	H	7	ATLANTA	470,521
ANCHOR BANK	PALM BEACH GARDENS	FL	3/22/2005	57931	SM	FED	H	7	ATLANTA	319,832
CENTRAL BANK	TAMPA	FL	2/26/2007	58377	NM	FDIC	A	3	ATLANTA	297,999
TOUCHMARK NATIONAL BANK	ALPHARETTA	GA	1/28/2008	58687	N	OCC	A	3	ATLANTA	528,314
CITIZENS TRUST BANK	ATLANTA	GA	6/18/1921	8033	SM	FED	B	1	ATLANTA	741,413
FIRST IC BANK	DORAVILLE	GA	1/31/2000	34998	NM	FDIC	A	3	ATLANTA	1,155,557
METRO CITY BANK	DORAVILLE	GA	4/4/2006	58181	NM	FDIC	A	3	ATLANTA	3,482,906
PROMISEONE BANK	DULUTH	GA	11/6/2008	58657	NM	FDIC	A	3	ATLANTA	715,272
LOYAL TRUST BANK	JOHNS CREEK	GA	11/18/2019	59182	NM	FDIC	A	8	ATLANTA	198,661
EMBASSY NATIONAL BANK	LAWRENCEVILLE	GA	3/5/2007	58413	N	OCC	A	3	ATLANTA	142,856
CARVER STATE BANK	SAVANNAH	GA	1/1/1927	16584	NM	FDIC	B	1	ATLANTA	81,906
MECHANICS & FARMERS BANK	DURHAM	NC	3/1/1908	12266	NM	FDIC	B	1	ATLANTA	429,605
LUMBEE GUARANTY BANK	PEMBROKE	NC	12/22/1971	20568	NM	FDIC	N	4	ATLANTA	519,650
OPTUS BANK	COLUMBIA	SC	3/26/1999	35241	NM	FDIC	B	1	ATLANTA	524,934
CITIZENS BANK OF CHATSWORTH	CHATSWORTH	IL	12/7/1903	10843	NM	FDIC	A	3	CHICAGO	38,746
AMERICAN METRO BANK	CHICAGO	IL	1/29/1997	34334	NM	FDIC	A	3	CHICAGO	92,548
GN BANK	CHICAGO	IL	1/1/1934	29399	SB	OCC	B	1	CHICAGO	63,898
INTERNATIONAL BANK OF CHICAGO	CHICAGO	IL	10/26/1992	33708	NM	FDIC	A	3	CHICAGO	939,301
MILLENNIUM BANK	DES PLAINES	IL	7/2/2007	58348	NM	FDIC	A	3	CHICAGO	485,451

DECEMBER 31, 2023										
NAME	CITY	STATE	EST. DATE	CERT	CLASS	REGULATOR	MINORITY STATUS Alpha	MINORITY STATUS Numeric	FDIC REGION	TOTAL ASSETS ($000)
FIRST INDEPENDENCE BANK	DETROIT	MI	5/14/1970	20179	NM	FDIC	B	1	CHICAGO	607,167
WARSAW FEDERAL SAVINGS AND LOAN ASSOCIATION	CINCINNATI	OH	8/9/1989	28217	SB	OCC	B	6	CHICAGO	96,974
ADELPHI BANK	COLUMBUS	OH	1/18/2023	59292	NM	FDIC	B	1	CHICAGO	43,945
BAY BANK	GREEN BAY	WI	8/21/1995	34052	NM	FDIC	N	4	CHICAGO	249,416
COLUMBIA SAVINGS AND LOAN ASSOCIATION	MILWAUKEE	WI	1/1/1924	28480	SL	FDIC	B	1	CHICAGO	27,374
NATIVE AMERICAN BANK, NATIONAL ASSOCIATION	DENVER	CO	7/27/1987	27026	N	OCC	N	4	DALLAS	288,297
LIBERTY BANK AND TRUST COMPANY	NEW ORLEANS	LA	11/16/1972	20856	NM	FDIC	B	1	DALLAS	1,048,899
GRAND BANK FOR SAVINGS, FSB	HATTIESBURG	MS	1/1/1968	31864	SB	OCC	B	1	DALLAS	161,125
COMMUNITY 1ST BANK LAS VEGAS	LAS VEGAS	NM	11/23/1949	16854	NM	FDIC	H	2	DALLAS	198,963
CENTINEL BANK OF TAOS	TAOS	NM	3/1/1969	19904	NM	FDIC	H	2	DALLAS	414,563
FIRSTBANK	ANTLERS	OK	1/1/1901	14331	SM	FED	N	4	DALLAS	588,108
ALLNATIONS BANK	CALUMET	OK	1/1/1901	4051	SM	FED	N	4	DALLAS	54,330
F & M BANK	EDMOND	OK	1/1/1902	12761	NM	FDIC	N	4	DALLAS	737,969
BANK OF GRAND LAKE	GROVE	OK	6/9/2005	57915	NM	FDIC	H	2	DALLAS	240,951
LOCAL BANK	HULBERT	OK	12/1/1908	2327	SM	FED	N	4	DALLAS	338,007
GATEWAY FIRST BANK	JENKS	OK	3/2/1935	15118	NM	FDIC	N	4	DALLAS	2,114,715
CHICKASAW COMMUNITY BANK	OKLAHOMA CITY	OK	1/1/1903	11521	SM	FED	N	4	DALLAS	447,038
FIRST SECURITY BANK AND TRUST COMPANY	OKLAHOMA CITY	OK	4/6/1951	17001	NM	FDIC	B	1	DALLAS	119,349
THE PAULS VALLEY NATIONAL BANK	PAULS VALLEY	OK	1/1/1905	4173	N	OCC	N	4	DALLAS	317,682
SOVEREIGN BANK	SHAWNEE	OK	10/29/1984	25738	SM	FED	N	4	DALLAS	962,783
CARSON COMMUNITY BANK	STILWELL	OK	2/3/1903	2320	NM	FDIC	N	4	DALLAS	165,817
SECURITY STATE BANK OF OKLAHOMA	WEWOKA	OK	12/5/1911	8980	NM	FDIC	N	4	DALLAS	370,782
CITIZENS SAVINGS BANK AND TRUST COMPANY	NASHVILLE	TN	1/4/1904	10319	NM	FDIC	B	1	DALLAS	176,277
THE FIRST STATE BANK	ABERNATHY	TX	1/1/1909	11175	NM	FDIC	N	4	DALLAS	100,013
FREEDOM BANK	ALAMO	TX	7/12/1958	17881	NM	FDIC	H	2	DALLAS	197,015
INTERNATIONAL BANK OF COMMERCE	BROWNSVILLE	TX	10/9/1984	25679	NM	FDIC	H	7	DALLAS	3,917,989

DECEMBER 31, 2023										
NAME	CITY	STATE	EST. DATE	CERT	CLASS	REGULATOR	MINORITY STATUS Alpha	MINORITY STATUS Numeric	FDIC REGION	TOTAL ASSETS ($000)
GLOBAL ONE BANK	CHAPPELL HILL	TX	1/1/1907	11570	NM	FDIC	A	3	DALLAS	119,213
AMERICAN BANK, NATIONAL ASSOCIATION	DALLAS	TX	5/2/1974	21567	N	OCC	A	3	DALLAS	451,309
ONE WORLD BANK	DALLAS	TX	4/4/2005	57901	NM	FDIC	A	3	DALLAS	219,005
STATE BANK OF TEXAS	DALLAS	TX	10/19/1987	27074	NM	FDIC	A	3	DALLAS	2,569,549
SPECTRA BANK	FORT WORTH	TX	6/30/1986	26708	NM	FDIC	A	3	DALLAS	84,128
AMERICAN FIRST NATIONAL BANK	HOUSTON	TX	5/18/1998	34656	N	OCC	A	3	DALLAS	2,588,150
GOLDEN BANK, NATIONAL ASSOCIATION	HOUSTON	TX	5/3/1985	26223	N	OCC	A	3	DALLAS	1,768,297
SOUTHWESTERN NATIONAL BANK	HOUSTON	TX	11/3/1997	34319	N	OCC	A	3	DALLAS	1,109,185
UNITY NATIONAL BANK OF HOUSTON	HOUSTON	TX	8/1/1985	26351	N	OCC	B	1	DALLAS	209,014
COMMERCE BANK	LAREDO	TX	3/31/1982	23772	NM	FDIC	H	7	DALLAS	643,245
FALCON INTERNATIONAL BANK	LAREDO	TX	12/10/1986	26856	NM	FDIC	H	2	DALLAS	1,913,349
INTERNATIONAL BANK OF COMMERCE	LAREDO	TX	9/2/1966	19629	NM	FDIC	H	7	DALLAS	8,979,372
BANK OF SOUTH TEXAS	MCALLEN	TX	7/8/1986	26727	NM	FDIC	H	2	DALLAS	169,830
RIO BANK	MCALLEN	TX	2/11/1985	25886	NM	FDIC	H	7	DALLAS	802,811
TEXAS NATIONAL BANK	MERCEDES	TX	11/26/1920	3337	N	OCC	H	2	DALLAS	830,269
LONE STAR NATIONAL BANK	PHARR	TX	1/24/1983	24347	N	OCC	H	2	DALLAS	2,942,962
CITIZENS STATE BANK	ROMA	TX	5/15/1978	22657	NM	FDIC	H	2	DALLAS	82,478
FIRST STATE BANK	SHALLOWATER	TX	10/8/1960	18301	NM	FDIC	A	3	DALLAS	129,757
WALLIS BANK	WALLIS	TX	10/28/1972	20845	NM	FDIC	A	3	DALLAS	1,215,508
INTERNATIONAL BANK OF COMMERCE	ZAPATA	TX	2/6/1984	24961	NM	FDIC	H	7	DALLAS	464,333
ZAPATA NATIONAL BANK	ZAPATA	TX	11/16/1961	18454	N	OCC	H	2	DALLAS	88,752
PINNACLE BANK	MARSHALLTOWN	IA	5/5/1927	252	SM	FED	N	4	KANSAS CITY	307,135
CBW BANK	WEIR	KS	1/1/1892	13959	NM	FDIC	A	3	KANSAS CITY	91,687
WOODLANDS NATIONAL BANK	HINCKLEY	MN	10/1/1908	1417	N	OCC	N	4	KANSAS CITY	327,784
PARAMOUNT BANK	HAZELWOOD	MO	12/30/2004	57884	NM	FDIC	M	10	KANSAS CITY	94,248
PEOPLE'S BANK OF SENECA	SENECA	MO	3/15/1996	34146	NM	FDIC	N	4	KANSAS CITY	427,842
TURTLE MOUNTAIN STATE BANK	BELCOURT	ND	12/3/2007	58586	NM	FDIC	N	4	KANSAS CITY	160,393

DECEMBER 31, 2023										
NAME	CITY	STATE	EST. DATE	CERT	CLASS	REGULATOR	MINORITY STATUS Alpha	MINORITY STATUS Numeric	FDIC REGION	TOTAL ASSETS ($000)
CITY FIRST BANK, NATIONAL ASSOCIATION	WASHINGTON	DC	11/24/1998	34352	N	OCC	B	6	NEW YORK	1,377,778
INDUSTRIAL BANK	WASHINGTON	DC	8/18/1934	14679	NM	FDIC	B	1	NEW YORK	739,181
LEADER BANK, NATIONAL ASSOCIATION	ARLINGTON	MA	5/8/2002	57134	N	OCC	A	3	NEW YORK	4,434,341
THE HARBOR BANK OF MARYLAND	BALTIMORE	MD	9/13/1982	24015	NM	FDIC	B	6	NEW YORK	377,946
KEB HANA BANK USA, NATIONAL ASSOCIATION	FORT LEE	NJ	9/16/1986	26790	N	OCC	A	3	NEW YORK	430,106
NEW MILLENNIUM BANK	FORT LEE	NJ	7/19/1999	35151	NM	FDIC	A	8	NEW YORK	783,832
PONCE BANK	BRONX	NY	3/31/1960	31189	SB	OCC	H	7	NEW YORK	2,736,531
AMERASIA BANK	FLUSHING	NY	6/20/1988	27267	NM	FDIC	A	3	NEW YORK	825,595
NEWBANK	FLUSHING	NY	9/29/2006	58203	NM	FDIC	A	3	NEW YORK	649,281
ABACUS FEDERAL SAVINGS BANK	NEW YORK	NY	11/29/1984	32257	SB	OCC	A	3	NEW YORK	322,380
CARVER FEDERAL SAVINGS BANK	NEW YORK	NY	1/1/1948	30394	SB	OCC	B	6	NEW YORK	776,913
EASTBANK, NATIONAL ASSOCIATION	NEW YORK	NY	11/26/1984	25749	N	OCC	A	3	NEW YORK	159,576
GLOBAL BANK	NEW YORK	NY	3/12/2007	58263	NM	FDIC	A	3	NEW YORK	247,575
PIERMONT BANK	NEW YORK	NY	7/1/2019	59154	NM	FDIC	M	10	NEW YORK	578,346
POPULAR BANK	NEW YORK	NY	1/2/1999	34967	SM	FED	H	7	NEW YORK	13,811,520
SHINHAN BANK AMERICA	NEW YORK	NY	10/18/1990	33188	NM	FDIC	A	8	NEW YORK	1,750,849
UNITED ORIENT BANK	NEW YORK	NY	4/9/1981	23373	NM	FDIC	A	3	NEW YORK	98,241
WOORI AMERICA BANK	NEW YORK	NY	1/27/1984	24920	NM	FDIC	A	8	NEW YORK	3,391,054
ASIAN BANK	PHILADELPHIA	PA	6/9/1999	34759	SM	FED	A	3	NEW YORK	512,940
TIOGA-FRANKLIN SAVINGS BANK	PHILADELPHIA	PA	3/31/1873	33802	SI	FDIC	B	6	NEW YORK	73,000
UNITED BANK OF PHILADELPHIA	PHILADELPHIA	PA	3/23/1992	33568	NM	FDIC	B	1	NEW YORK	55,719
BANCO POPULAR DE PUERTO RICO	SAN JUAN	PR	1/2/1999	34968	SM	FED	H	7	NEW YORK	56,876,000
NAVE BANK	SAN JUAN	PR	9/18/2023	59324	SM	FED	H	7	NEW YORK	109,165
ORIENTAL BANK	SAN JUAN	PR	3/25/1965	31469	NM	FDIC	H	7	NEW YORK	11,232,529
FIRSTBANK PUERTO RICO	SANTURCE	PR	1/17/1949	30387	NM	FDIC	H	7	NEW YORK	18,901,836
FIRST COMMERCIAL BANK (USA)	ALHAMBRA	CA	5/20/1997	34496	NM	FDIC	A	8	SAN FRANCISCO	862,889

DECEMBER 31, 2023										
NAME	CITY	STATE	EST. DATE	CERT	CLASS	REGULATOR	MINORITY STATUS Alpha	MINORITY STATUS Numeric	FDIC REGION	TOTAL ASSETS ($000)
NEW OMNI BANK, NATIONAL ASSOCIATION	ALHAMBRA	CA	2/12/1980	23086	N	OCC	A	3	SAN FRANCISCO	538,454
AMERICAN PLUS BANK, N.A.	ARCADIA	CA	8/8/2007	58469	N	OCC	A	3	SAN FRANCISCO	673,257
AMERICAN CONTINENTAL BANK	CITY OF INDUSTRY	CA	10/6/2003	57444	NM	FDIC	A	3	SAN FRANCISCO	350,626
EVERTRUST BANK	CITY OF INDUSTRY	CA	5/3/1995	34010	NM	FDIC	A	8	SAN FRANCISCO	871,052
UNITED PACIFIC BANK	CITY OF INDUSTRY	CA	5/11/1982	23805	NM	FDIC	A	3	SAN FRANCISCO	151,042
COMMUNITY COMMERCE BANK	CLAREMONT	CA	10/1/1976	26363	NM	FDIC	H	2	SAN FRANCISCO	378,011
US METRO BANK	GARDEN GROVE	CA	9/15/2006	58310	NM	FDIC	A	3	SAN FRANCISCO	1,225,106
BANK IRVINE	IRVINE	CA	10/18/2022	59296	NM	FDIC	M	10	SAN FRANCISCO	199,420
CALIFORNIA BUSINESS BANK	IRVINE	CA	11/1/2005	58037	NM	FDIC	A	3	SAN FRANCISCO	100,589
COMMERCIAL BANK OF CALIFORNIA	IRVINE	CA	5/15/2003	57417	NM	FDIC	H	2	SAN FRANCISCO	2,425,518
BANK OF HOPE	LOS ANGELES	CA	3/18/1986	26610	NM	FDIC	A	8	SAN FRANCISCO	19,126,316
CATHAY BANK	LOS ANGELES	CA	4/19/1962	18503	NM	FDIC	A	3	SAN FRANCISCO	23,056,487
COMMONWEALTH BUSINESS BANK	LOS ANGELES	CA	3/3/2005	57873	SM	FED	A	3	SAN FRANCISCO	1,760,375
CTBC BANK CORP. (USA)	LOS ANGELES	CA	4/27/1965	19416	NM	FDIC	A	8	SAN FRANCISCO	5,277,406
EASTERN INTERNATIONAL BANK	LOS ANGELES	CA	2/26/1985	32277	NM	FDIC	A	3	SAN FRANCISCO	115,335
HANMI BANK	LOS ANGELES	CA	12/15/1982	24170	NM	FDIC	A	8	SAN FRANCISCO	7,534,939
OPEN BANK	LOS ANGELES	CA	6/10/2005	57944	NM	FDIC	A	3	SAN FRANCISCO	2,147,667
PCB BANK	LOS ANGELES	CA	9/18/2003	57463	NM	FDIC	A	3	SAN FRANCISCO	2,789,471
PREFERRED BANK	LOS ANGELES	CA	12/23/1991	33539	NM	FDIC	A	3	SAN FRANCISCO	6,659,765
ROYAL BUSINESS BANK	LOS ANGELES	CA	11/18/2008	58816	NM	FDIC	A	8	SAN FRANCISCO	4,019,691
LEGACY BANK	MURRIETA	CA	6/10/2022	59204	NM	FDIC	N	4	SAN FRANCISCO	62,155
GENESIS BANK	NEWPORT BEACH	CA	8/2/2021	59245	NM	FDIC	M	10	SAN FRANCISCO	198,670

DECEMBER 31, 2023										
NAME	CITY	STATE	EST. DATE	CERT	CLASS	REGULATOR	MINORITY STATUS Alpha	MINORITY STATUS Numeric	FDIC REGION	TOTAL ASSETS ($000)
GATEWAY BANK, F.S.B.	OAKLAND	CA	6/8/1990	33103	SB	OCC	A	3	SAN FRANCISCO	197,665
METROPOLITAN BANK	OAKLAND	CA	9/1/1983	25869	NM	FDIC	A	3	SAN FRANCISCO	222,389
EAST WEST BANK	PASADENA	CA	1/1/1972	31628	SM	FED	A	8	SAN FRANCISCO	69,478,848
FIRST GENERAL BANK	ROWLAND HEIGHTS	CA	10/13/2005	58060	NM	FDIC	A	3	SAN FRANCISCO	1,149,802
BANK OF THE ORIENT	SAN FRANCISCO	CA	3/17/1971	20387	SM	FED	A	3	SAN FRANCISCO	885,240
CALIFORNIA PACIFIC BANK	SAN FRANCISCO	CA	10/16/1980	23242	NM	FDIC	A	3	SAN FRANCISCO	86,502
MISSION NATIONAL BANK	SAN FRANCISCO	CA	2/16/1982	23749	N	OCC	A	3	SAN FRANCISCO	201,297
ASIAN PACIFIC NATIONAL BANK	SAN GABRIEL	CA	7/25/1990	33013	N	OCC	A	3	SAN FRANCISCO	56,953
MEGA BANK	SAN GABRIEL	CA	2/5/2008	58401	NM	FDIC	A	3	SAN FRANCISCO	492,376
PACIFIC ALLIANCE BANK	SAN GABRIEL	CA	12/27/2006	58234	NM	FDIC	A	3	SAN FRANCISCO	394,118
UNIVERSAL BANK	WEST COVINA	CA	11/17/1954	30722	SB	OCC	A	3	SAN FRANCISCO	370,662
CALIFORNIA INTERNATIONAL BANK, N.A.	WESTMINSTER	CA	11/30/2005	57974	N	OCC	A	3	SAN FRANCISCO	56,042
BANK OF WHITTIER, NATIONAL ASSOCIATION	WHITTIER	CA	12/20/1982	24211	N	OCC	A	3	SAN FRANCISCO	175,831
ANZ GUAM, INC.	HAGATNA	GU	1/11/1991	33316	NM	FDIC	A	8	SAN FRANCISCO	37,424
BANK OF GUAM	HAGATNA	GU	12/11/1972	20884	NM	FDIC	A	3	SAN FRANCISCO	2,542,708
BANKPACIFIC, LTD	HAGATNA	GU	1/1/1953	30692	NM	FDIC	A	3	SAN FRANCISCO	188,154
FINANCE FACTORS, LTD.	HONOLULU	HI	5/14/1952	25158	NM	FDIC	A	3	SAN FRANCISCO	674,138
HAWAII NATIONAL BANK	HONOLULU	HI	9/16/1960	18296	N	OCC	A	3	SAN FRANCISCO	797,347
ONEUNITED BANK	BOSTON	MA	8/2/1982	23966	NM	FDIC	B	1	SAN FRANCISCO	755,706
EAGLE BANK	POLSON	MT	7/25/2006	58282	NM	FDIC	N	4	SAN FRANCISCO	133,437
UNIBANK	LYNNWOOD	WA	11/1/2006	58407	SM	FED	A	3	SAN FRANCISCO	622,422
			TOTAL COUNT	**148**					**TOTAL COMBINED ASSETS**	**$349,274,382**

148 MDIs as of December 31, 2023

Count	**Minority Status**
23	**B -** Black or African American
30	**H -** Hispanic American
71	**A -** Asian or Pacific Islander American
20	**N -** Native American or Alaskan Native American
4	**M -** Multi-racial American

Class	**Definitions of Class Types**
96	**NM -** State bank, not a member of the Federal Reserve
16	**SM -** State bank, member of the Federal Reserve
25	**N -** National bank
9	**SB -** State or Federal savings bank
1	**SI -** Savings Institution
1	**SL -** State or Federal savings and loan association

Regulator	**Definitions by Primary Federal Supervisory Agency**
98	**FDIC** - Federal Deposit Insurance Corporation
34	**OCC** - Office of the Comptroller of the Currency
16	**FED** - Federal Reserve

Count	**Minority Status by Ownership Type**
18	1 - Black or African American owned
15	2 - Hispanic American owned
59	3 - Asian or Pacific Islander American owned
20	4 - Native American or Alaskan Native American owned
0	5 - Multi-racial American owned
5	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
4	10 - Majority of the Board Multi-racial American, serving a minority community