RESEARCH & ANALYSIS

2025 small community bank deposit rankings reward efficient franchises

Tuesday, March 31, 2026 8:01 AM ET

By Zain Tariq
Market Intelligence

Small banks with lean branch footprints and strong low-cost deposit bases led the 2025 S&P Global Market Intelligence small bank deposit rankings, underscoring the value of efficient, rate-resilient franchises in a competitive funding environment.

The ranking, which identifies the top 100 deposit franchises among US banks with less than $3 billion in assets, rewarded institutions that relied less on high-cost borrowings and certificates of deposit for funding. It also highlighted those that maintained operational efficiency through the Federal Reserve's tightening and subsequent easing cycles.

Seventy-two of the top 100 banks had less than $500 million in total deposits, and 19 operated with a single branch. Smaller banks tend to maintain a higher proportion of noninterest-bearing deposits and benefit from a lower cost of funds, while larger institutions achieve greater efficiency in deposit generation through scale.

On a median basis, the four-quarter average noninterest-bearing deposit concentration for banks with less than $100 million in deposits was 22.74%, 1.9 percentage points higher than for banks with more than $100 million in deposits. The gap widened further, to 2.9 percentage points, for banks with more than $1 billion in deposits.

Median deposit efficiency for banks below $100 million in deposits was 3.20%, compared to 2.83% for banks above $100 million and 2.74% for banks with more than $1 billion in deposits.

Integrity Bank, formerly known as Fowler State Bank, took the crown as the best small deposit franchise in the nation, rising from the second spot in the previous rankings as of June 30, 2025, and fifth in the Sept. 30, 2024, rankings.

As of Dec. 31, 2025, the bank, which is more than a century old, had $92.8 million in assets and operated with four brick-and-mortar branches. It outperformed the median for all eligible banks in the analysis in all ranking metrics except deposit efficiency, which aims to capture the cost of managing a deposit franchise beyond the cost of interest expense.

About this analysis

To compile this ranking, S&P Global Market Intelligence calculated scores for each company based on eight metrics: average noninterest-bearing deposits to total deposits, interest-bearing deposit beta, average time deposits to total deposits, average deposits to liabilities, eight-quarter average deposit growth, CDs maturing in 12 months to total deposits, cost of interest-bearing deposits, and deposits efficiency measured as noninterest expense excluding amortization and impairment less service charges on deposits to average deposits, weighted at 20%, 15%, 10%, 15%, 10%, 10%, 10% and 10%, respectively. Each company's standard deviation from the industry mean was calculated for every ranking metric, weighted, then combined to derive a performance score. To help normalize the data and mitigate the impact of outliers, caps and floors were applied for each metric.

Criteria for the ranking included a loans-to-deposits ratio of at least 25%. Additionally, nondepository trusts, companies with a bankers' bank certification, and banks with parent companies that have total assets of $3 billion or more, were omitted.

Based on the above criteria, 3,689 banks and thrifts were eligible for ranking.

Deposit conditions improved late in 2025 as rate cuts helped ease funding pressure. The median cost of deposits among banks in the analysis declined 8 basis points to 2.40%, with most of the improvement occurring in the fourth quarter. Deposit growth followed suit, rising 1.3% in the final quarter, compared with 0.1% and 0.7% in the second and third quarters.

Still, steady policy rates for most of the year and a funding need for stronger loan growth kept deposit competition elevated, even as the gap between the cost of deposits and the federal funds rate narrowed following late-year rate cuts.

Minneapolis-based Union Bank and Trust Co., with $239.4 million in total assets at the end of 2025, ranked second, rising from 65th place in the previous rankings. Established in 1976 by construction and trade unions, the bank focuses on serving union organizations. It had the highest average noninterest-bearing concentration among the top 100 deposit franchises and, similar to the top-ranked bank, it outperformed the peer median in all metrics except deposit efficiency.

The company's loan-to-deposit ratio stood at 48.47% at year-end, well below the peer median of 80.60%, with nearly three-fourths of the company's loans concentrated in commercial real estate.

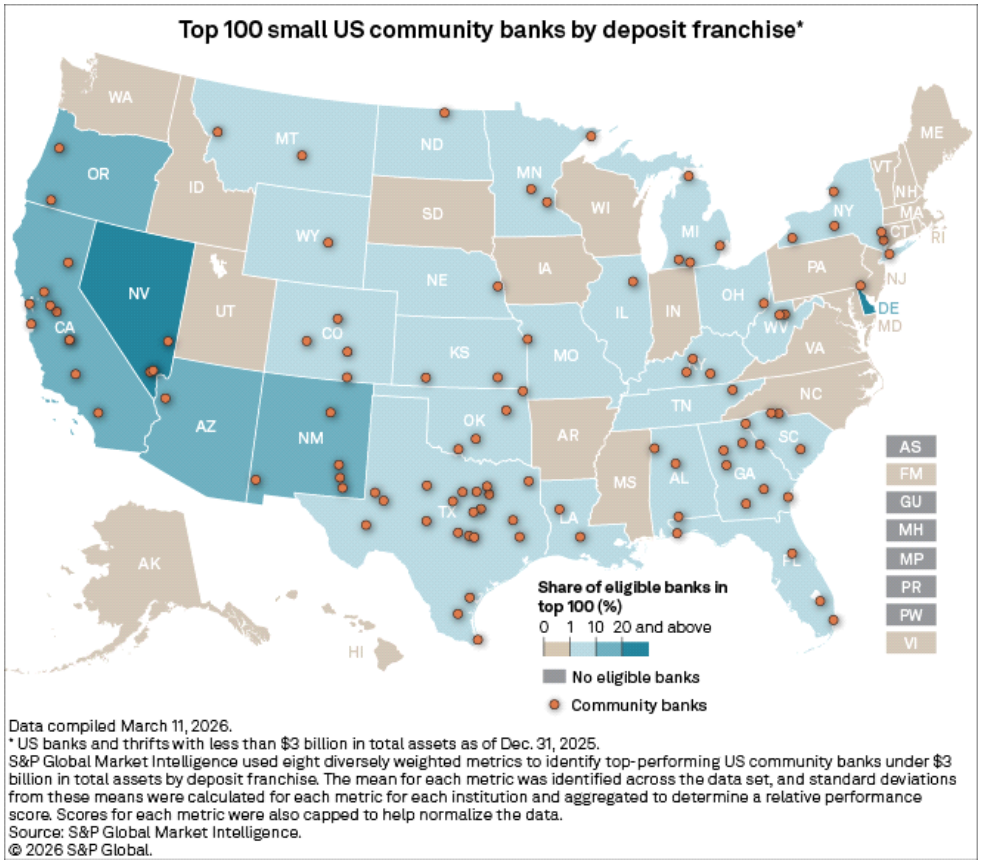
Learn More

– Download refreshable excel spreadsheets with the deposit metrics of the top franchises among community banks with less than $3 billion in assets.
– Click here for S&P Global Market Intelligence's ranking of 2025 best-performing small community banks.
– Download the pdf version of the top 50 deposit franchises among small community banks.

Two-time winner Titan Bank NA ranked third. The technology-forward institution's total assets increased by 41.4% during the year to $819.9 million. It maintained a noninterest-bearing deposit ratio more than twice the peer median and had the fifth-best deposit efficiency ratio among the top 100.

Since the third quarter of 2023, eight of the banks in the top 100 have announced or completed whole-bank deals, while two others became merger targets, reflecting ongoing consolidation among high-performing community lenders.

Twenty-one Texas-based banks made the top 100 list, the most among all states, followed by 10 from California.



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