

# My bank first united bank and trust research paper example

[Sociology](#), [Community](#)



## **INTRODUCTION**

The role of community banks is an important on the United States. In United States, there are a number of community banks; among these banks there are some that are very large banks however at the same time there are some banks that are smaller in sizes than others. This part of the report identifies and analyzes the competitors of My First United Bank and then the report analyzes the demand of the community banks and the changes that have occurred in the industry.

## **IDENTIFICATION OF IMPORTANT COMPETITORS**

There are different banks that can be considered as the competitors of My First United Bank and the major competitors are:

- 1st Colonial Community Bank
- BCB Community Bank
- Citizens South Banking Corp.
- Community Bank of Bergen County, N. J.
- Community First Bank
- CommunityOne Bank
- First National Bank of Shelby
- Harvest Community Bank
- Heritage Community bank
- HillTop Community Bank
- Hopewell Valley Community Bank
- New Jersey Community Bank
- New York Community Bank

- Pascack Community Bank
- Peoples Bancorp of N. C. Inc.
- Shore Community Bank
- Community bank of the Bay
- Two River Community Bank
- Yadkin Valley Financial Corp. (State of New Jersey, 2013)

## **MAJOR COMPETITORS**

The above list contains some of the names of the community banks operating in the United States. However this part of the report discusses about two of the major competitors of My First United Bank:

- Community bank of the bay
- Peoples Bancorp of N. C. Inc.

## **PEOPLES BANCORP OF NORTH CAROLINA**

One of the major competitors of My First United Bank is the Peoples Bancorp of North Carolina. This bank is also a community bank and has 22 locations in different areas such as Lincolnton, Newton, Denver, Catawba, Conover, Maiden, Claremont, Hiddenite, Hickory, Charlotte, Monroe, Cornelius, Mooresville and Raleigh North Carolina. Thus it can be said that the bank has sufficient branches to target a number of customers from different parts of the United States. Peoples Bancorp of North Carolina also has a loan production office in Denver, North Carolina.

Peoples Bancorp of North Carolina offers services to business as well as individuals. The bank offers a range of services which mainly includes; deposits account, loans, merchant services, remote deposit capture, etc

(Peoples Bank, 2013). The bank relies on quality services along with branches at different parts of North Carolina. Moreover, the bank also encourages by rewarding \$100 to its existing consumers to help others to open their account with the bank. The bank markets potential customers by highlighting features that are being offered to the account holders as well as online accessibility and locations in different areas.

## **COMMUNITY BANK OF THE BAY**

The other community bank is the Community Bank of the Bay. The bank has been operating since 1996 and it has expanded its offices with the passage of time. The bank has its offices now in Oakland, Danville and San Jose, California (Community Bank Bay, 2013). The bank has total assets equaled to \$128.5 million. The deposits of the bank are worth \$105.3 million. However the total assets of the bank have been showing an increasing trend particularly in the last five years (Bank Encyclopedia, 2013).

### **(Bank Encyclopedia, 2013)**

The bank mainly is targeting both the businesses as well as individuals. The bank markets consumers with exceptional personal and one-to-one services along with the professionals that are forward thinkers that can understand the needs of businesses. Moreover, the bank emphasizes on the way the bank operates and its quality services. The bank offers a range of services; from loans to deposits, from credit cards to saving accounts. Thus the bank has a range of products and services to meet the needs of the customers. Although the bank has not been able to show high profits in the last few years and recession has a major impact on this lower profitability of the

bank, however the trend has been changing and the bank has started showing improvements in its financial statements as well.

## **DEMAND OF THE INDUSTRY**

There are a number of banks operating in different parts of United States and these banks include both the conventional banks as well as the community banks. However with the number of mergers that has occurred in the last 20 years or so and it has resulted in decreasing the number of large community banks in the United States. Thus it has resulted in a situation where the number of smaller community banks operating are more than larger banks, thus the situation poses little systematic risk (Kahn, 2003). The role of community bank has always remained important in the overall economic situation of United States. The share of community banks has been showing a decrease trend. Over the last 20 years or so, the share of community banks has drastically reduced. However the community banks are not the only one in the industry that has suffered over this time period as regional banks have also lost their shares. On the other hand, the mega banks have been the most beneficiary party in this time period as their sizes of deposits have grown drastically. The following graph shows the changes in the deposits of the different categories of banks:

### **(Kahn, 2003)**

Community banks though their share has been decreasing but still they form almost one third of all the banking offices of the country. The demand of loans from the community bank has also been an important in the economic situation. The following table shows the loans that the community banks has

been providing and it can be found that the community banks have a lot to offer in the overall loans provided by all the banks (Kahn, 2003). To be precise, the share of community banks in providing loans is almost 13% as shown in the table below.

### **(Kahn, 2003)**

The role of community bank is also critical for the farmers and in farm lending. The following table shows that the loans from the community banks to the farm real estate in terms of overall banks are almost 65%. Moreover, when it comes to operations and managing the operations of the farming then the ratio of community bank to the overall other banks is almost 60.6%. Thus it highlights that the community is an important role in the overall farming in the country (Kahn, 2003).

### **(Kahn, 2003)**

In terms of deposit share of the community banks by size of the accounts then it can be found that almost 19.3% of all the deposits are at the community banks. Moreover when these deposits are further segmented then it can be found that accounts that are worth less than \$100K have a ratio of 23.5% thus indicating that smaller businesses or individuals would have relationship with these banks. On the other hand, accounts worth more than \$100K have a lower ratio of 14.8% which indicates that even businesses and large businesses do have relationship with such banks.

## CONCLUSION

Community banks have an important role in the overall economy of the United States. The number of larger sized community banks has decreased in the last 20 years particularly because of the mergers that have occurred. And thus this has resulted in community banks that are smaller in sizes. Although the number of community banks have reduced in the years, but still there is a significant share of the community banks in the overall market and overall market share. Recession has made an impact on the overall economic situation and this too resulted in decreasing the profitability of the community banks. However as the economic situation is improving with the passage of time therefore with the improving economic condition, the community banks can be able to capitalize on the improving situations and thus improve their profits.

## References

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