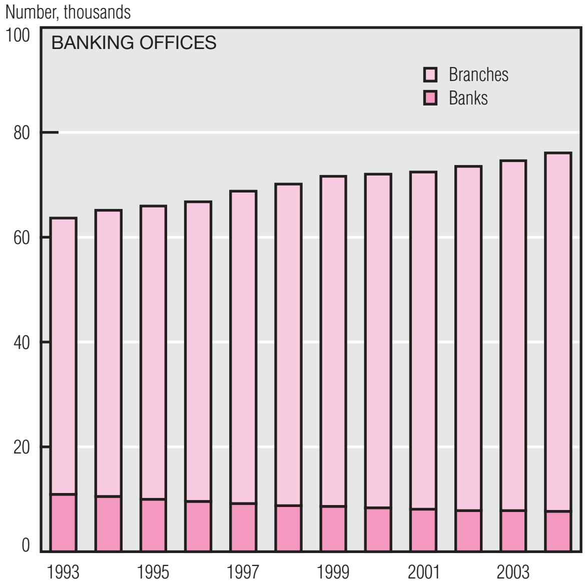
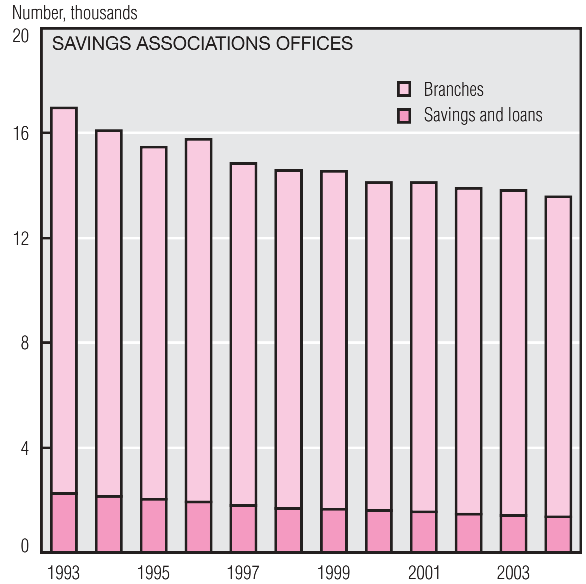
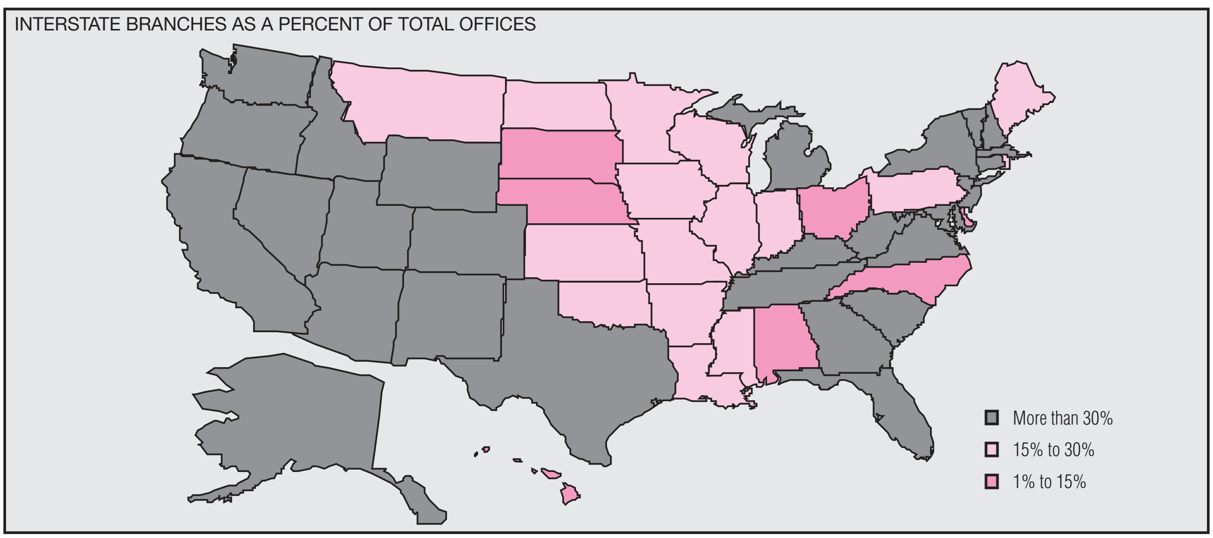
Banking Structure







NOTE: All 2004 data are as of the end of the third quarter.
SOURCES: Federal Deposit Insurance Corporation, *Quarterly Banking Profile* and *QBP Graph Book*, September 30, 2004.

Passage of the 1994 Reigle–Neal Act, which regulates interstate banking, spurred consolidation of depository institutions. The number of FDIC-insured commercial banks fell from 10,998 at the end of 1993 to 7,672 at the end of 2004:IIIQ, a decline of more than 30%. Over the same period, the number of FDIC-insured savings associations fell nearly 40%, from 2,262 in 1993 to 1,365 at the end of 2004:IIIQ.

The number of savings associations offices also declined, but less sharply than the number of institutions (only around 20%, from 16,953 in 1993 to 13,571 at the end of 2004:IIIQ). Total banking offices, however, increased nearly 20% over that period, from 63,622 to 76,102. From the end of 1993 to September 30, 2004, the total number of FDIC-insured depository institutions' offices increased 11%, from 80,575 to 89,673. This count does not include other channels for delivering banking services, such as automated teller machines, telephone banking, and online banking. Hence, the reduction in the number of insured depository institutions has not decreased the availability of bank services for the average consumer.

Finally, the effects of interstate consolidation of the banking industry are evident: All but seven states now report that more than 15% of depository institutions' branches are part of an out-of-state bank or savings association. And in over half the states, 30% or more of all branches are offices of out-of-state depository institutions.