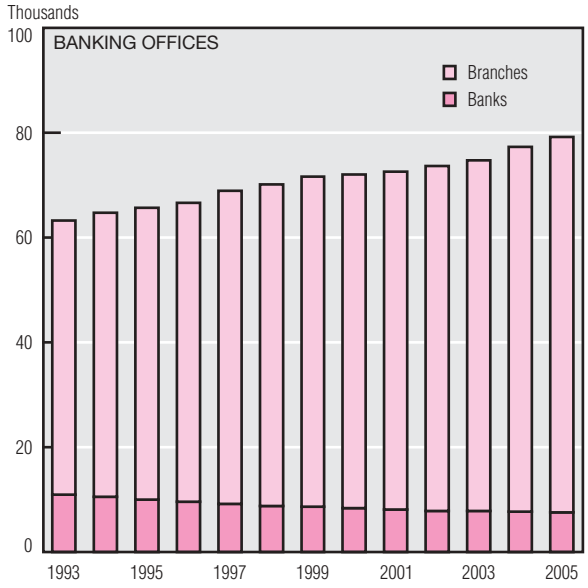
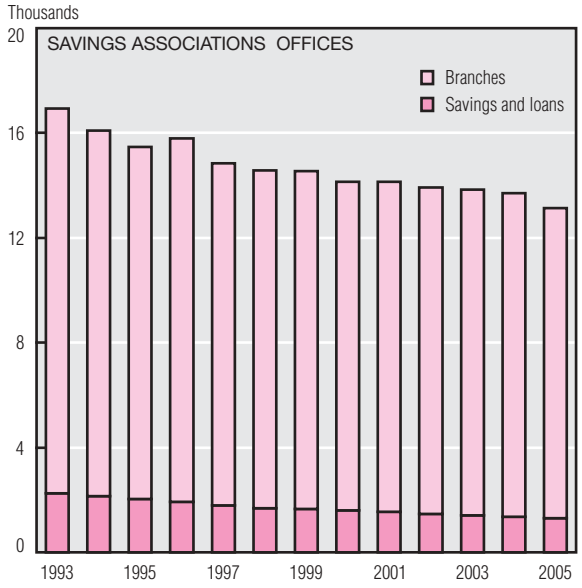
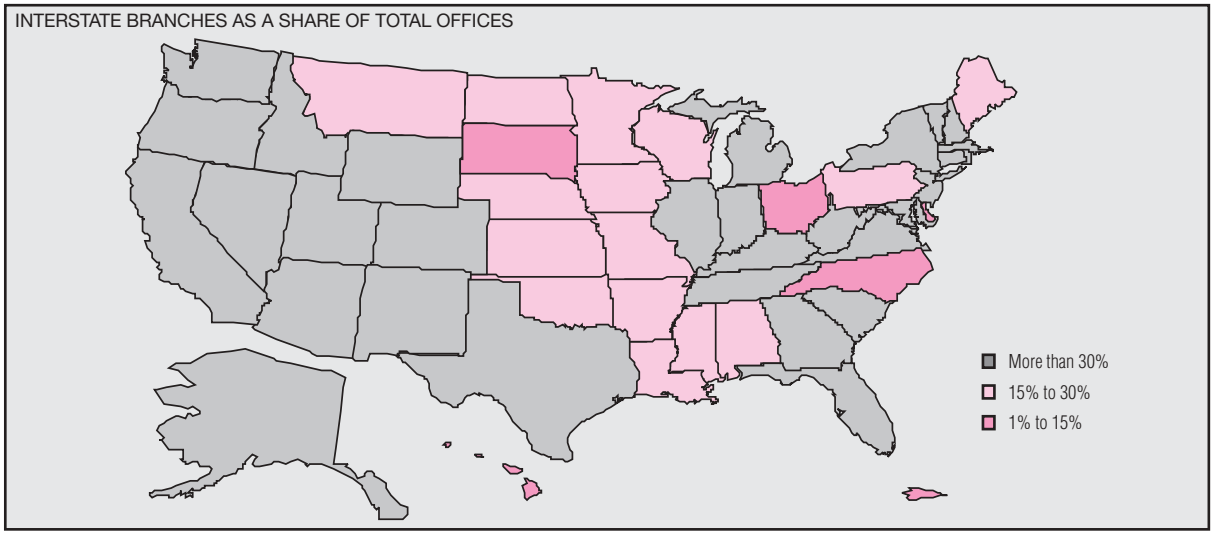
Banking Structure







SOURCES: Federal Deposit Insurance Corporation, *Quarterly Banking Profile* and *QBP Graph Book*, December 31, 2005.

Passage of the 1994 Reigle–Neal Act, which regulates interstate banking, has spurred the consolidation of depository institutions. The number of FDIC-insured commercial banks fell from 9,972 at the end of 1995 to 7,527 at the end of 2005, a decline of more than 24%. Over the same period, the number of FDIC-insured savings associations decreased more than 35%, from 2,030 in 1995 to 1,305 at the end of 2005.

The number of savings associations' offices also dropped, but less sharply than the number of institutions (only around 15%, from 15,461 in 1995 to 13,136 at the end of 2005). The total number of banking offices, however, grew more than 20% over that period, from 65,711 to 79,243. From the end of 1995 to the end of 2005, the total number of FDIC-insured depository institutions' offices increased almost 14%, from 81,172 to 92,379. 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 most consumers.

The effects of the banking industry's interstate consolidation are evident: All but six 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.