



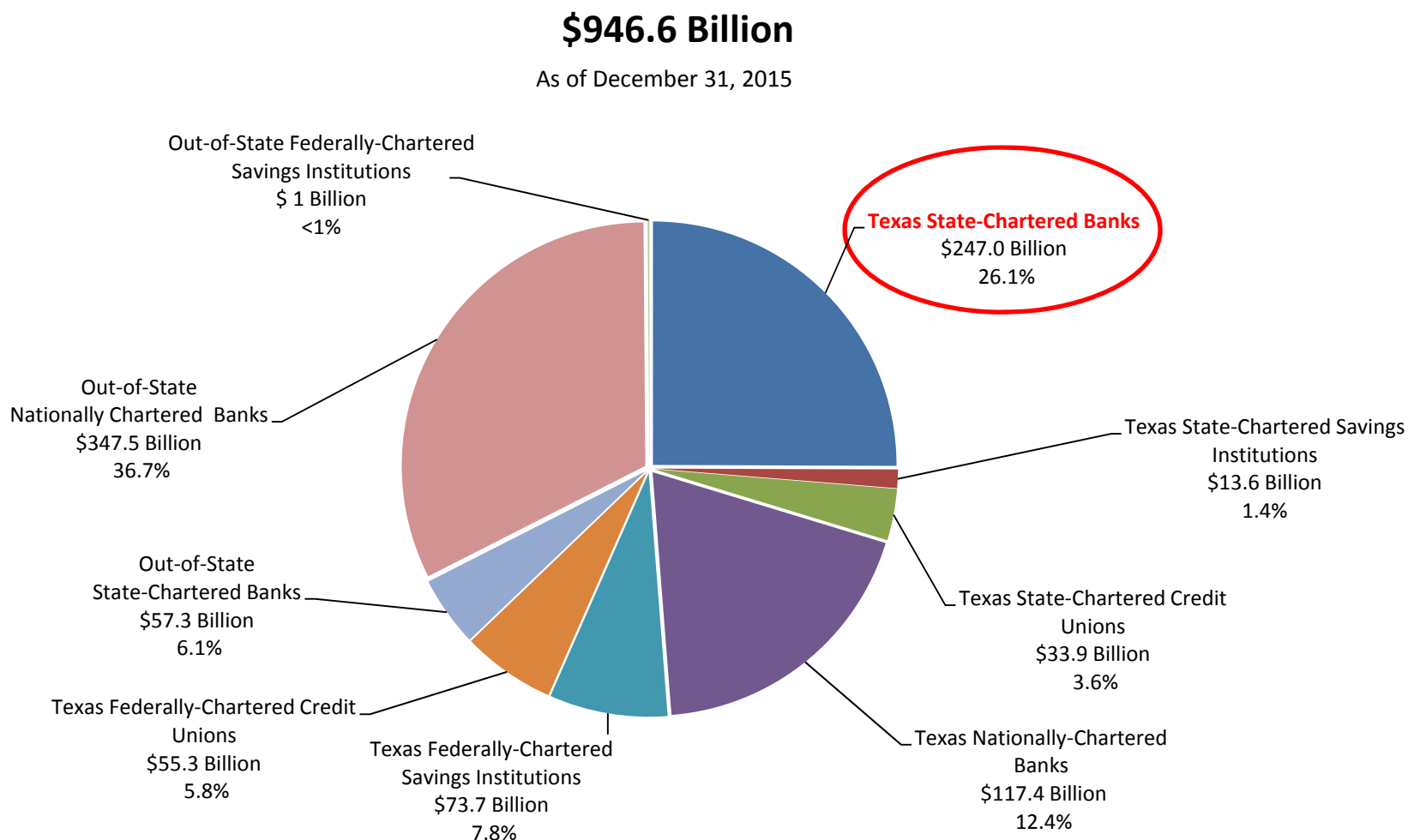
House Committee on Investments and Financial Services

April 12, 2016

Status of Community Banking

Charles G. Cooper, Banking Commissioner
Texas Department of Banking

Assets of Federally Insured Texas Financial Institutions



Source: FDIC

Presented by the Texas Department of Banking

7,658 All U.S. Banks

As of December 31, 2010

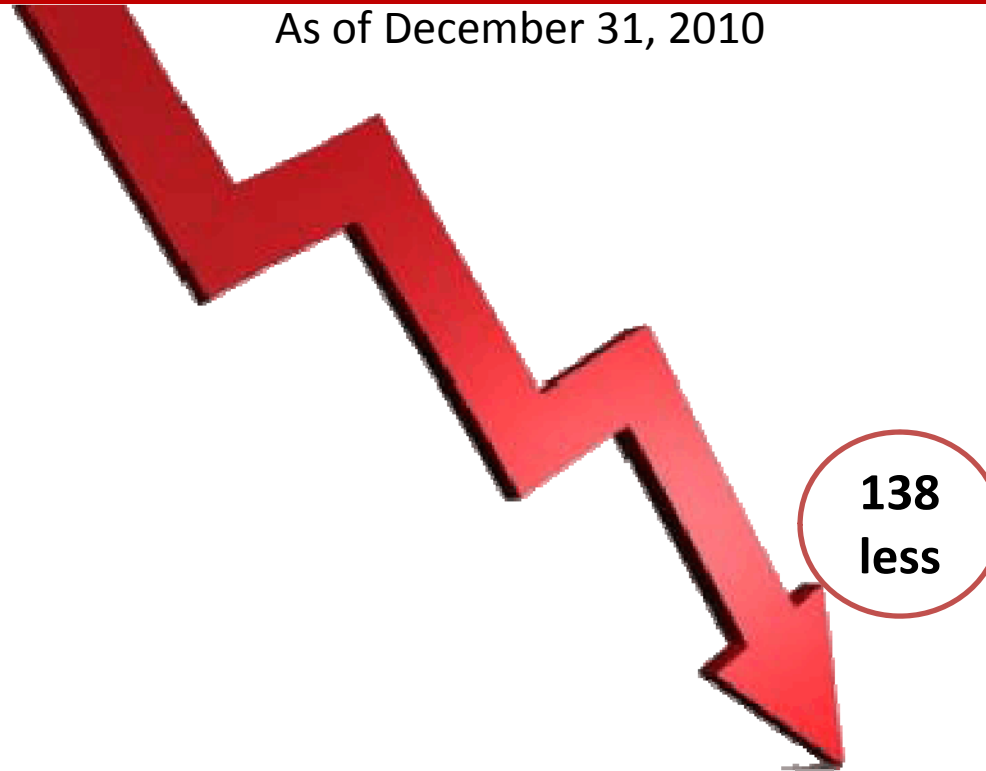


6,143 All U.S. Banks

As of March 24, 2016

615 All Texas Banks

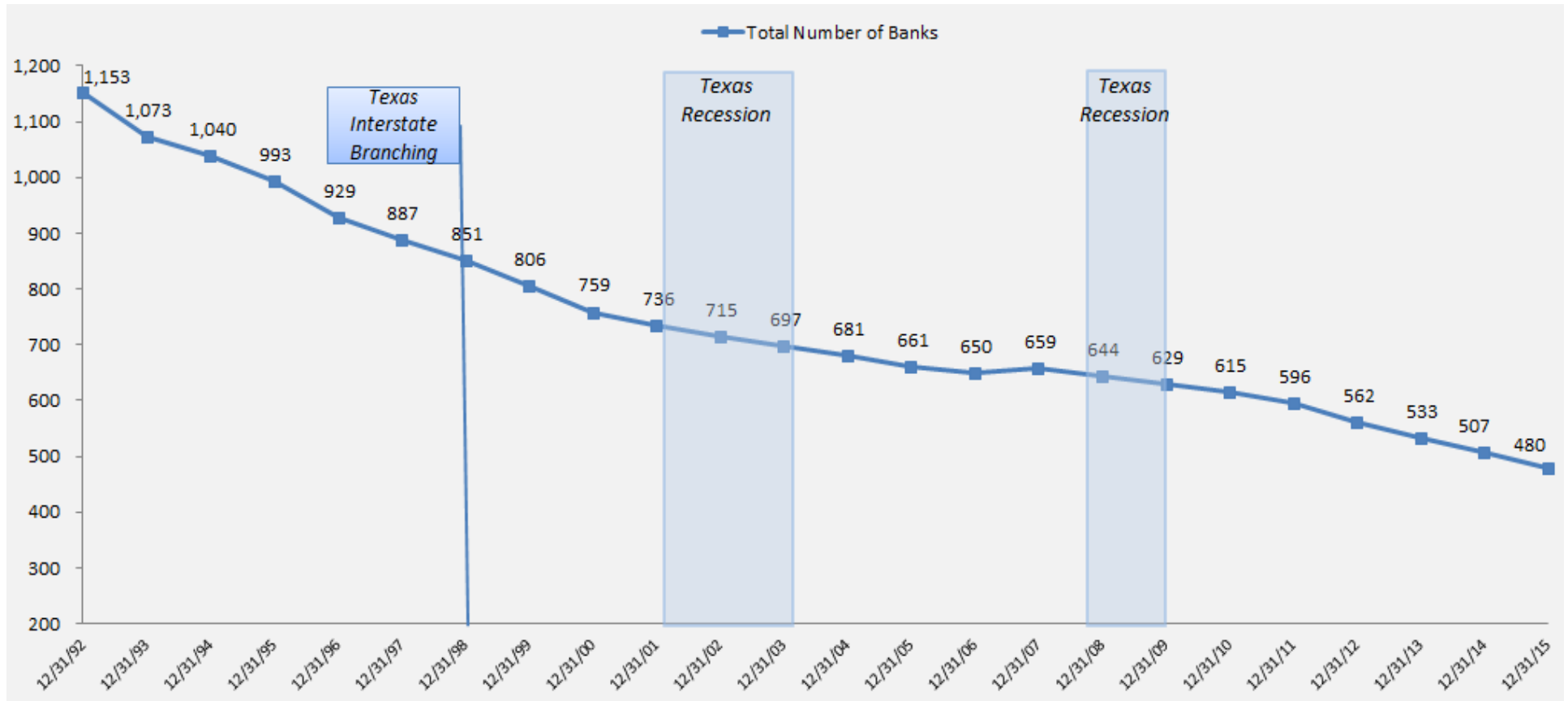
As of December 31, 2010



477 All Texas Banks

As of March 24, 2016

Historical Number of Bank Charters in Texas



Presented by the Texas Department of Banking

FDIC – Insured Institutions

Assets in Millions

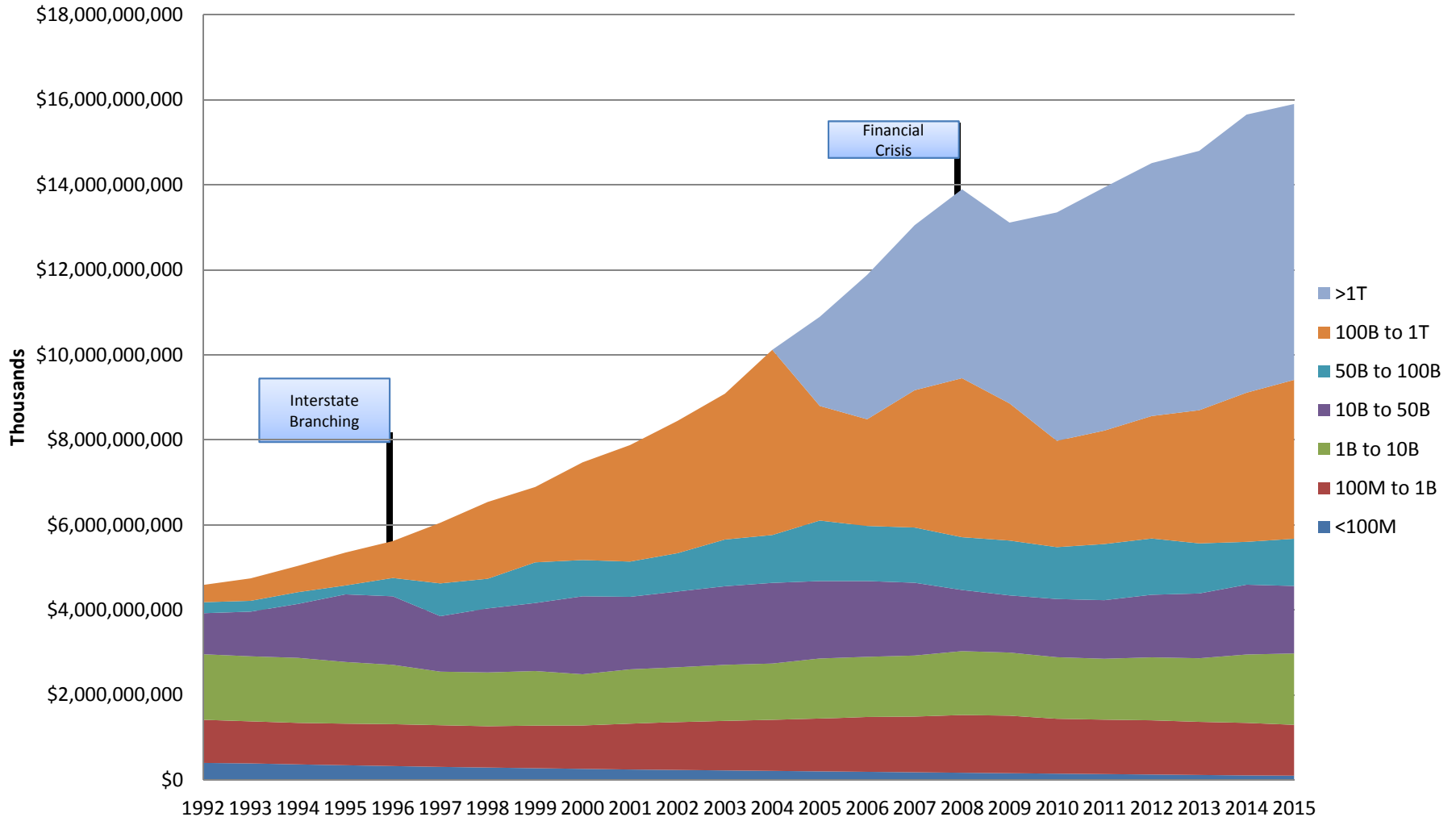
Year	TEXAS			NATIONALLY		
	Institutions	Assets		Institutions	Assets	
2015	480	\$451,731	235 ↓ ↑ 108%	6,182	\$15,967,923	3,172 ↓ ↑ 89%
2014	507	\$445,838		6,509	\$15,553,660	
2013	533	\$433,612		6,812	\$14,722,801	
2012	562	\$436,752		7,083	\$14,450,669	
2011	596	\$397,418		7,357	\$13,892,115	
2010	615	\$374,626		7,658	\$13,318,948	
2009	629	\$371,354		8,012	\$13,086,777	
2008	644	\$364,988		8,305	\$13,841,148	
2007	659	\$345,837		8,534	\$13,033,934	
2006	650	\$255,944		8,680	\$11,861,855	
2005	661	\$237,641		8,833	\$10,879,267	
2004	681	\$215,455		8,976	\$10,107,379	
2003	697	\$200,187		9,181	\$9,075,653	
2002	715	\$216,906		9,354	\$8,435,858	

Number of FDIC Insured Banks in Texas by Size

	12/31/2002	12/31/2004	12/31/2006	12/31/2008	12/31/2010	12/31/2012	12/31/2014	12/31/2015
\$100M or less	428	381	332	275	223	171	133	112
\$100M-\$250M	178	183	185	211	206	184	164	159
\$250M-\$500M	48	51	63	80	96	107	102	95
\$500M-\$1 billion	32	35	34	38	44	46	54	60
Over \$1 billion	29	31	36	40	46	54	54	54
Total	715	681	650	644	615	562	507	480

M = Millions

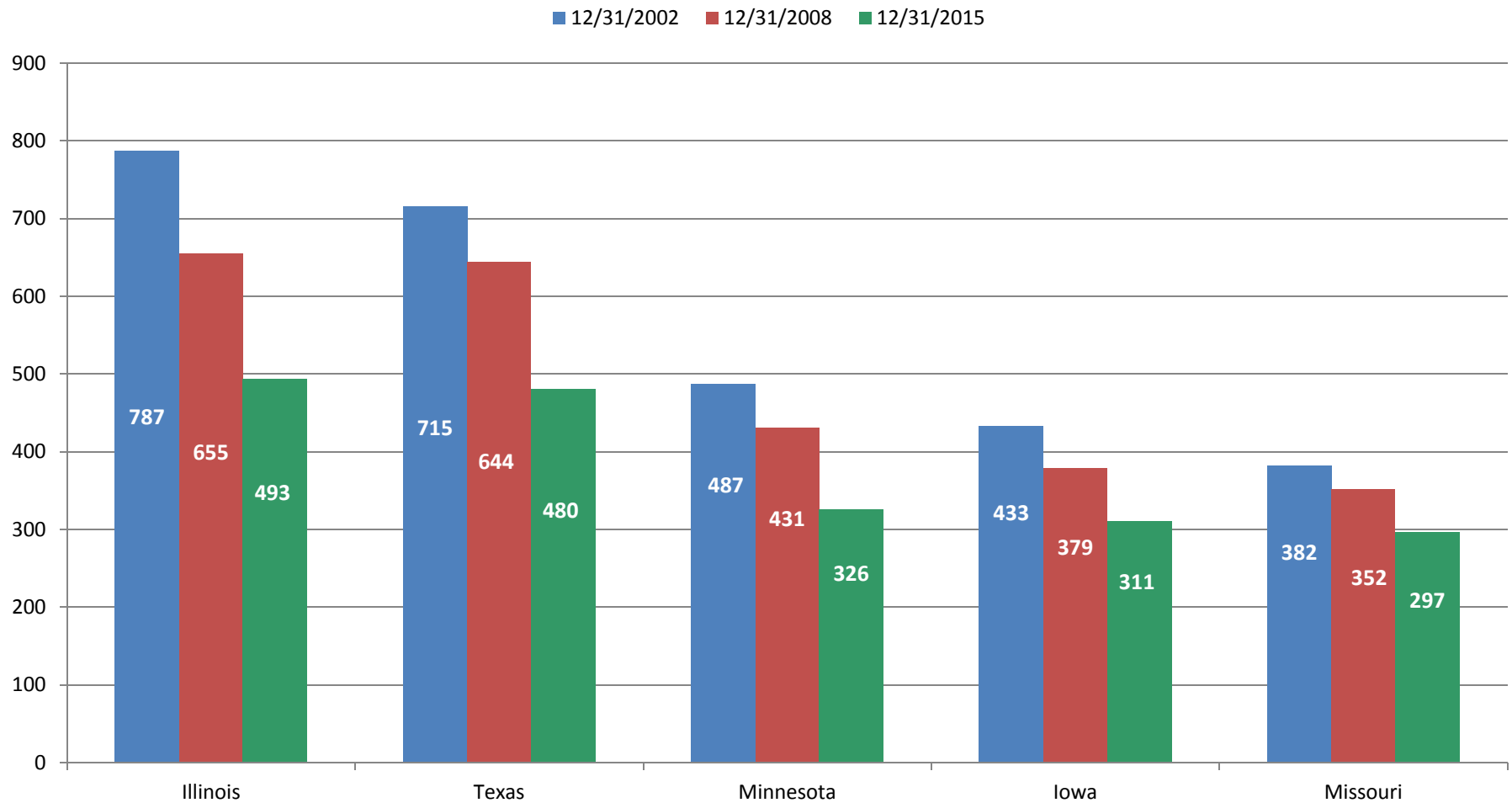
Growth in U.S. Banking Assets Since 1992 By Asset Group



Source: CSBS – Data as of December 2015

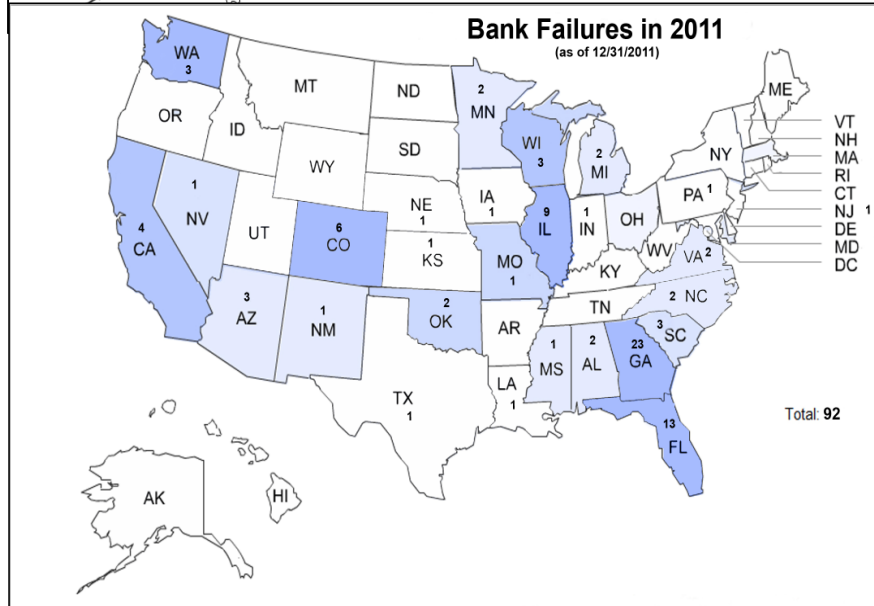
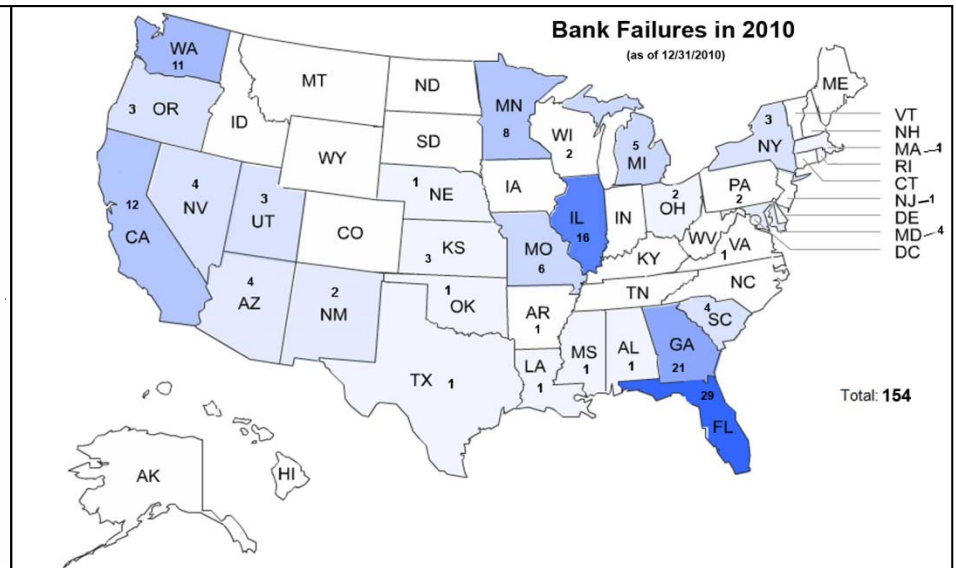
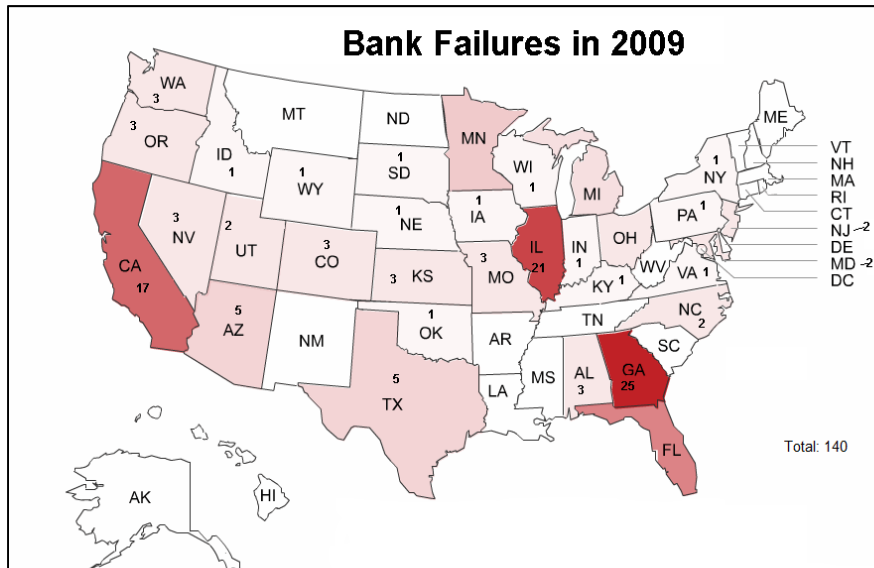
Presented by the Texas Department of Banking

Top 5 States with the Most Financial Institutions

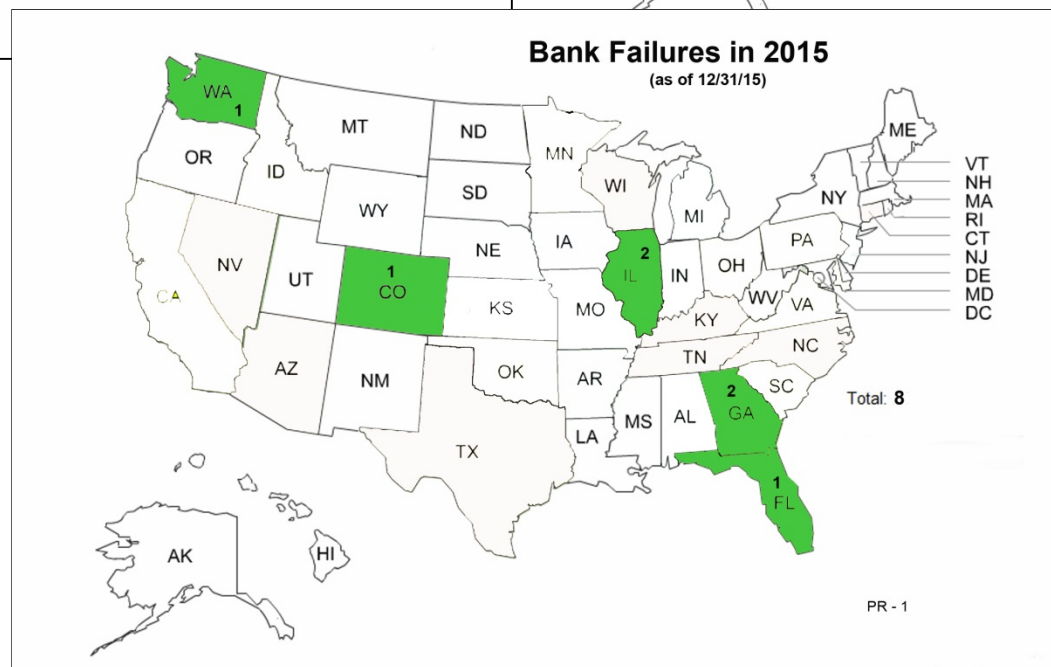
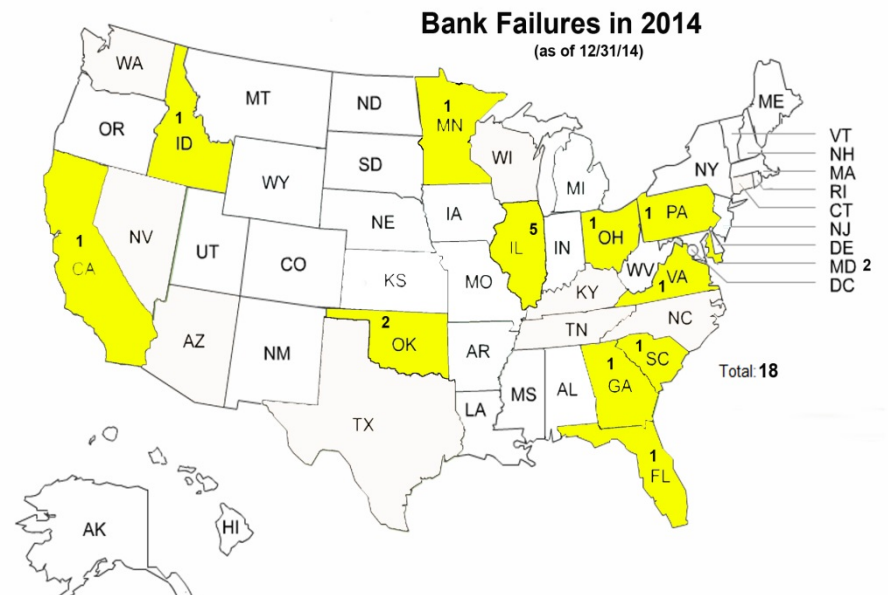


Presented by the Texas Department of Banking

Bank Failures - Nationwide



Bank Failures - Nationwide

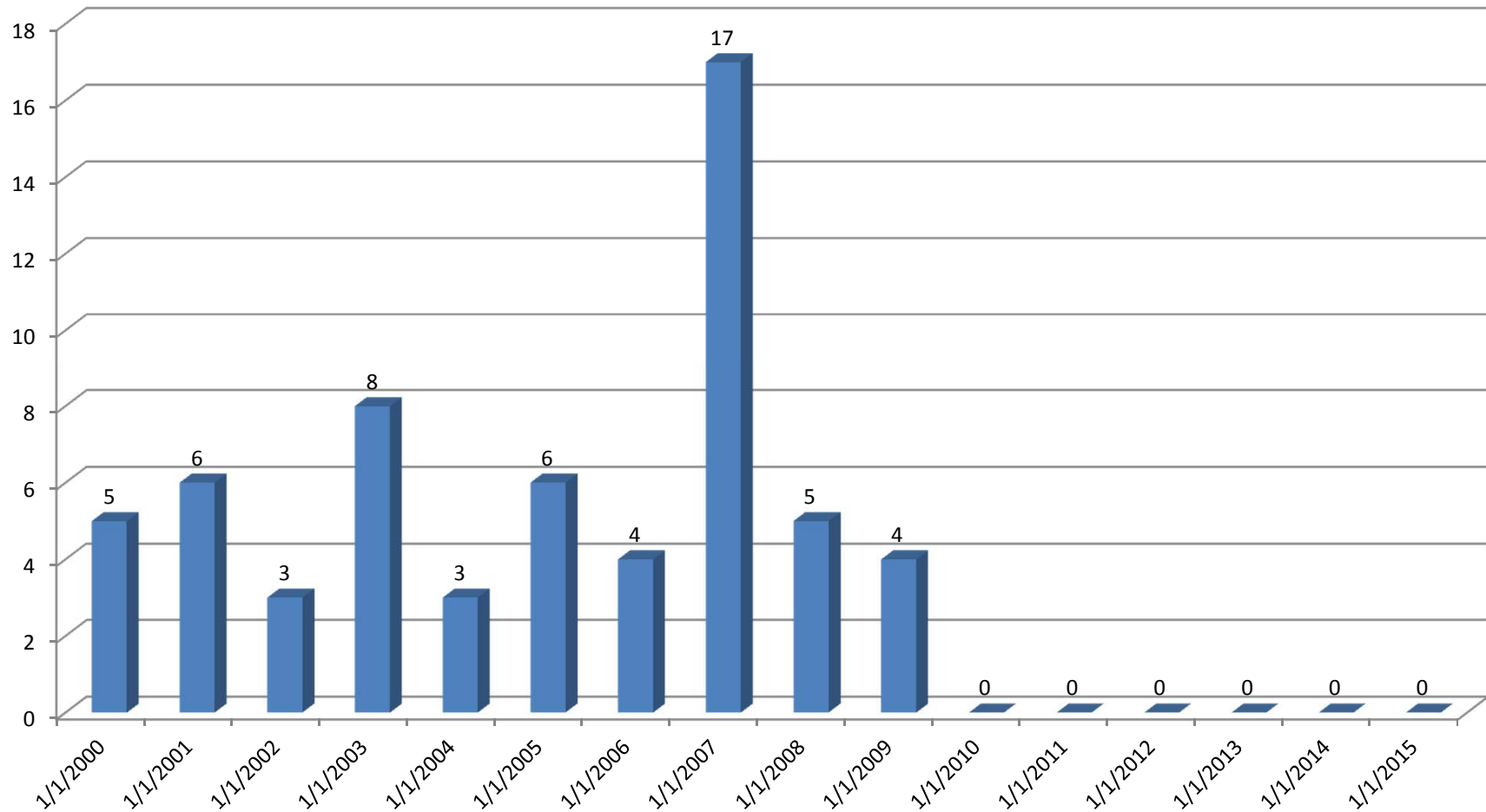


Bank Failures in Texas

2008			
Franklin Bank, SSB	State Savings	Houston	November
Sanderson State Bank	State Bank	Sanderson	December
2009			
Millennium State Bank of Texas	State Bank	Dallas	July
Guaranty Bank	Federal Thrift	Austin	August
Citizens National Bank	National	Teague	October
Madisonville State Bank	State Bank	Madisonville	October
North Houston Bank	State Bank	Houston	October
2010			
The La Coste National Bank	National	La Coste	February
2011			
First International Bank	State Bank	Plano	September
2013			
First National Bank aka The National Bank of El Paso	National	Edinburg	September
Texas Community Bank, National Association	National	The Woodlands	December

Presented by the Texas Department of Banking

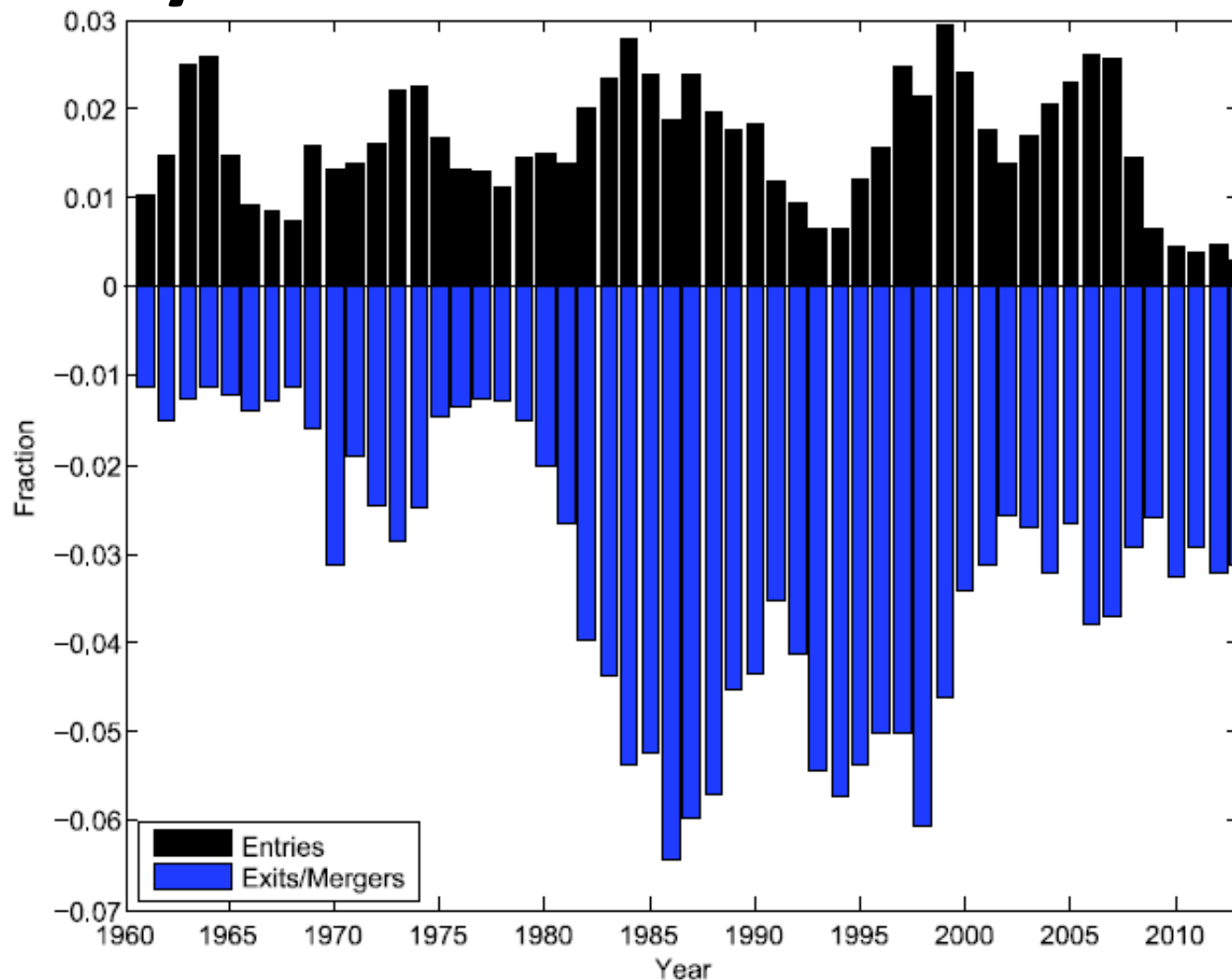
Number of De Novo State Bank Charters In Texas Since 2000



Presented by the Texas Department of Banking

Source: Texas Department of Banking Data

Banks that Enter and Exit by Fraction of Total Banks



Presented by the Texas Department of Banking

Source: Economic Quarterly – Volume 100, Number 1- First Quarter 2014, pages 23-50

Possible Reasons for Consolidation

Regulatory Burden

- Rising Compliance Cost in areas such as:
 - Fair Lending
 - Qualified Mortgages
 - Bank Secrecy/Anti-Money Laundering

Management Succession

- Aging management and owners are unable to find willing successors

Possible Impact on Consumers

Reduction of the communities' access to banking services and credit. Examples include:

- Higher fees for banking services
- Less competition on interest rates for loans
- Loss of convenience to services such as ATMs or safe deposit boxes
- Loss of personal customer service

Community Banking Research Resources

St. Louis Federal Reserve and Conference of State Bank Supervisors (CSBS)

- Community Banking in the 21st Century Research and Policy Conference - www.communitybanking.org

Other Federal Reserve Banks

- Minneapolis* - www.minneapolisfed.org/banking/community-banking-research
- Kansas City* - www.kansascityfed.org/banking/community

Federal Insurance Deposit Corporation (FDIC)

- 2012 Community Banking Study* - www.fdic.gov/regulations/resources/cbi/report/cbi-full.pdf