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Banks closing branches in  
wealthier and low-income  
areas alike  
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## Banks closing branches in wealthier and low-income

As banks and thrifts continue to cut branches across the U.S., even wealthier areas are being affected.

Between July 1, 2015 and June 30, 2016, a net 1,623 bank and thrift branches were cut across the U.S. – 452 in "upper-income" census tracts, 745 in "middle income" tracts, 347 in "moderate income" tracts and 79 in "low-income" tracts. This is the seventh year in a row that more branches were shuttered than opened across all four income designations.

### Branch openings, closings by census tract income level designation

CRA tract income designation	2006 total branches	Openings										Total since 2006	Change relative to base year <sup>1</sup> (%)
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
Upper	26,608	1,686	1,579	1,104	621	592	613	575	496	437	365	8,068	30.32
Middle	44,711	1,657	1,568	1,005	629	553	523	523	467	410	399	7,734	17.30
Moderate	18,627	665	596	383	258	220	258	210	196	182	148	3,116	16.73
Low	4,603	172	156	99	77	96	75	58	86	61	55	935	20.31
<b>Total</b>	<b>94,549</b>	<b>4,180</b>	<b>3,899</b>	<b>2,591</b>	<b>1,585</b>	<b>1,461</b>	<b>1,469</b>	<b>1,366</b>	<b>1,245</b>	<b>1,090</b>	<b>967</b>	<b>19,853</b>	<b>21.00</b>

CRA tract income designation	2006 total branches	Closings										Total since 2006	Change relative to base year <sup>1</sup> (%)
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
Upper	26,608	521	664	788	904	611	692	703	859	723	817	7,282	27.37
Middle	44,711	735	885	927	1,080	820	1,041	1,064	1,307	1,103	1,144	10,106	22.60
Moderate	18,627	340	403	430	552	376	474	515	500	492	495	4,577	24.57
Low	4,603	108	108	131	153	111	130	140	135	131	134	1,281	27.83
<b>Total</b>	<b>94,549</b>	<b>1,704</b>	<b>2,060</b>	<b>2,276</b>	<b>2,689</b>	<b>1,918</b>	<b>2,337</b>	<b>2,422</b>	<b>2,801</b>	<b>2,449</b>	<b>2,590</b>	<b>23,246</b>	<b>24.59</b>

CRA tract income designation	2006 total branches	Net openings/(closings)										Total since 2006	Change relative to base year <sup>1</sup> (%)
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		
Upper	26,608	1,165	915	316	-283	-19	-79	-128	-363	-286	-452	786	2.95
Middle	44,711	922	683	78	-451	-267	-518	-541	-840	-693	-745	-2,372	-5.31
Moderate	18,627	325	193	-47	-294	-156	-216	-305	-304	-310	-347	-1,461	-7.84
Low	4,603	64	48	-32	-76	-15	-55	-82	-49	-70	-79	-346	-7.52
<b>Total</b>	<b>94,549</b>	<b>2,476</b>	<b>1,839</b>	<b>315</b>	<b>-1,104</b>	<b>-457</b>	<b>-868</b>	<b>-1,056</b>	<b>-1,556</b>	<b>-1,359</b>	<b>-1,623</b>	<b>-3,393</b>	<b>-3.59</b>

Data compiled July 18, 2016.

Branch openings/closings are for 12 months ended June 30 of each year.

2016 census tract income level designation assigned according to the Community Reinvestment Act.

Analysis excludes branches in markets that do not have 2016 census tract income level designations. Credit Union branches are also excluded from the analysis.

<sup>1</sup> Represents the percentage change in branch count for U.S. banks and thrifts from June 30, 2006 to June 30, 2016.

Source: SNL Financial, an offering of S&P Global Market Intelligence

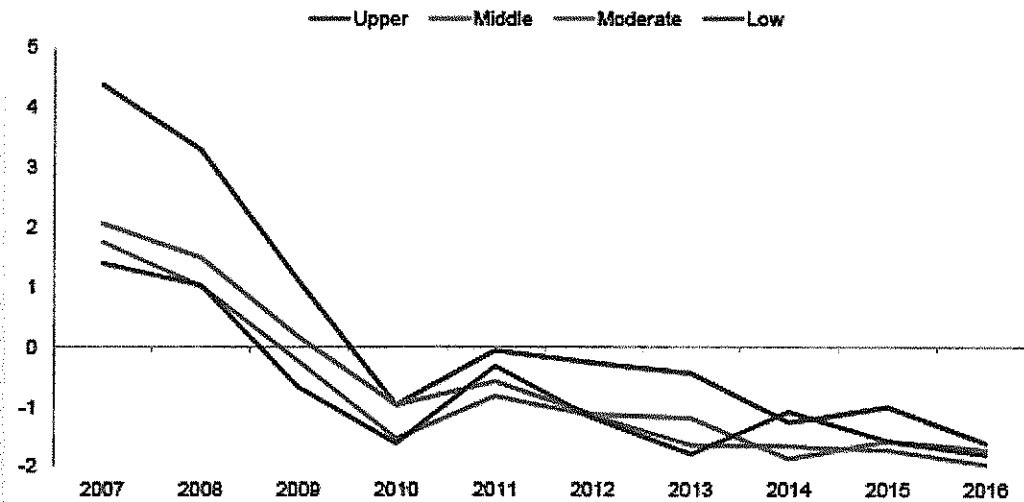
To conduct this analysis, S&P Global Market Intelligence examined bank and thrift branch activity at the census tract level based on Community Reinvestment Act income designations. These designations are based on tract classifications as defined by the Home Mortgage Disclosure Act and CRA regulations. A "low-income" census tract has a median family income that is less than 50% of the median family income for the broader area, (the metropolitan area containing the tract or the entire non-metropolitan area of the state). A "moderate-income" census tract has a median family income between 50% and 80% of the broader area, a "middle-income" census tract falls between 80% and 120% and an "upper-income" census tract comes in at 120% or more of the median family income for the broader area. To make the data comparable from 2006 to 2016, S&P Global

Market Intelligence used the 2016 CRA income designation for every year. The analysis excludes branches in markets that do not have 2016 census tract income level designations.

Despite the recent streak of closings, the banking industry has still added a net 786 branches in upper-income census tracts since June 30, 2006 - an increase of almost 3%. On the other hand, branches in low-, moderate- and middle-income designated tracts have fallen by more than 5% over the same ten-year period.

### Branch openings and closures by census tract income level designation\*

Represents net openings and closings YOY



Data compiled July 18, 2016.

\* Represents net openings/closings for 12 months ended June 30, each year, as a percentage of the prior year total number of branches within the respective income market.

Analysis excludes branches in markets that do not have 2016 census tract income level designations. Credit union branches are also excluded from the analysis.

Opening and closing dates are based on information publicly available.

2016 census tract income level designation assigned according to the Community Reinvestment Act.

YOY = year over year

Source: SNL Financial, an offering of S&P Global Market Intelligence

Bank of America Corp.'s multi-year cost-cutting effort has been one of the factors contributing to the number of branch closures. Since June 30, 2006, BofA has closed a net 383 branches in low- and moderate-income census tracts and 767 branches in middle- and upper-income markets for a combined tally of 1,150 branch closures.

Over the same time frame, the nation's largest bank, JPMorgan Chase & Co. has closed a net 72 branches across low- and moderate-income census tracts, along with 16 others in middle- and upper-income census tracts.

## Branch openers/closers in low- and moderate-income census tracts

Company (top-level ticker)	Net branch growth/(decline) in low- and moderate-income-level designation census tracts											Branch growth/(decline) across all markets 2007-2016
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total	
<b>Net increase*</b>												
Woodforest Financial Group Inc.	19	34	26	20	1	1	9	0	0	-3	107	516
First Community Bancshares Inc.	4	1	0	0	3	21	9	4	2	-4	40	93
TrustCo Bank Corp NY (TRST)	2	1	3	1	1	1	0	1	0	0	10	62
Lauritzen Corp.	0	3	6	1	1	-1	1	-1	-1	0	9	-2
Axiom Bancshares Inc.	1	7	1	0	0	-1	0	0	0	0	8	20
Central Banco, Inc. (CBCYB)	0	0	10	0	1	1	-1	-1	-1	-1	8	1
Comerica Inc. (CMA)	0	2	7	-1	3	0	-2	0	0	-1	8	14
Toronto-Dominion Bank (TD)	-4	5	-2	6	3	-1	-1	0	4	-2	8	-86
Lone Star National Bancshares--Texas Inc.	2	0	0	1	3	1	0	0	0	0	7	14
<b>Net decrease</b>												
Bank of America Corp. (BAC)	-16	2	1	-31	-44	-65	-85	-63	-49	-33	-383	-1150
Wells Fargo & Co. (WFC)	-45	-56	-1	-59	-51	-17	-5	1	-12	-15	-260	-793
PNC Financial Services Group Inc. (PNC)	-6	-15	-9	-37	4	-8	-30	-32	-13	-18	-164	-573
Regions Financial Corp. (RF)	8	-57	-19	-37	-3	-8	-2	-1	-8	-13	-140	-434
SunTrust Banks Inc. (STI)	-14	-6	-8	-6	-4	-7	-47	-22	-10	-15	-139	-373
M&T Bank Corp. (MTB)	-3	-9	-5	-26	-9	-10	-6	-7	-3	-4	-82	-273
JPMorgan Chase & Co. (JPM)	-25	-11	-65	-12	26	39	10	28	-19	-43	-72	-88
Citizens Financial Group, Inc. (CFG) <sup>^</sup>	-8	-3	-12	-1	0	-12	-8	-8	-5	-4	-61	-202
Popular Inc. (BPOP)	2	-4	-17	-23	-7	-4	-1	-4	0	-2	-60	-151
Old National Bancorp (ONB)	1	-2	-1	-8	-4	-15	-7	-10	-5	-2	-53	-171

Data compiled July 18, 2016.

Ranking based on net openings and closings from 2007 to 2016 in low- and moderate-income level designation census tracts.

\* Limited to companies with seven or more net openings from 2007 to 2016 in low- and moderate-income level designation census tracts.

<sup>^</sup> Represents branch data for Royal Bank of Scotland Group Plc prior to the initial public offering of Citizens Financial Group Inc. in 2014.

Branch openings/closings are for 12 months ended June 30 of each year.

Opening and closing dates are based on information publically available.

Analysis excludes branches in markets that do not have 2016 census tract income level designations. Credit Union branches are also excluded from the analysis.

Top-level ticker is based on the home country stock exchange of the highest traded entity within the corporate structure.

Source: SNL Financial, an offering of S&P Global Market Intelligence

Meanwhile, The Woodlands, Texas-based Woodforest Financial Group Inc. has opened a net 107 branches in low- and moderate-income areas since 2006, the most of any bank or thrift in the country. As of July 18, 2016, Woodforest had 745 branches scattered across all income-designated census tracts with almost 95% of them in-store branches and 687 of them inside a Wal-Mart.

Killeen, Texas-based First Community Bancshares Inc. has opened a net 40 branches in low- and moderate-income tracts since June 30, 2006. First Community had 315 active branches scattered across all income-designated census tracts as of July 18, 2016 and around 95% were in-store branches and 182 were inside a Wal-Mart.

Both Woodforest and First Community rely on service charges tied to consumer deposit accounts for a large portion of revenue. In the first quarter of 2016, consumer deposit service charges accounted for 43.69% of operating revenue at First Community's banking subsidiary, First National Bank Texas and 43.59% at Woodforest National Bank.

## Branch distribution by census tract income level designation for openers/closers

Company (top-level ticker)	2006 branches <sup>2</sup>	Branch distribution (%)									Lower income markets <sup>1</sup> /total markets (%)	
		2006 <sup>2</sup>				Present <sup>1</sup>					2007-2016	
		Low	Moderate	Middle	Upper	Low	Moderate	Middle	Upper	Present branches <sup>1</sup>	Openings	Closings
<b>Net increase<sup>2</sup></b>												
Woodforest Financial Group Inc.	224	3.57	24.55	35.71	36.16	2.28	20.81	46.31	30.60	745	19.65	10.17
First Community Bancshares Inc.	222	5.41	20.72	40.99	32.88	5.71	25.40	42.22	26.67	315	35.77	20.45
TrustCo Bank Corp. NY (TRST)	84	5.95	9.52	50.00	34.52	3.42	12.33	45.89	38.36	146	15.38	0.00
Lauritzen Corp.	20	0.00	15.00	80.00	5.00	1.67	20.00	50.83	27.50	120	56.52	16.00
Axlom Bancshares Inc.	1	100.00	0.00	0.00	0.00	4.76	38.10	38.10	19.05	21	37.93	33.33
Central Banco Inc. (CBCYB)	97	6.19	19.59	51.55	22.68	4.55	24.03	43.51	27.92	154	52.00	20.83
Comerica Inc. (CMA)	385	8.83	15.58	36.10	39.48	7.89	17.27	36.46	38.38	469	26.36	21.88
Toronto-Dominion Bank (TD)	617	6.97	15.07	49.59	28.36	4.67	16.74	41.59	36.99	1,284	22.11	15.00
Lone Star National Bancshares--Texas Inc.	18	0.00	27.78	38.89	33.33	3.03	33.33	27.27	36.36	33	50.00	50.00
<b>Net decrease</b>												
Bank of America Corp. (BAC)	5,778	7.36	23.02	37.50	32.12	7.26	22.06	34.49	36.18	4,723	22.86	30.51
Wells Fargo & Co. (WFC)	3,211	6.45	22.55	43.51	27.50	6.09	21.44	39.30	33.17	6,226	23.65	28.88
PNC Financial Services Group Inc. (PNC)	868	5.30	15.55	39.17	39.98	6.11	17.67	40.98	35.24	2,699	20.71	25.53
Regions Financial Corp. (RF)	1,396	6.16	25.14	42.41	26.29	6.50	22.74	39.85	30.92	1,601	20.48	29.00
SunTrust Banks Inc. (STI)	1,751	4.97	23.81	36.44	34.78	4.92	21.64	35.98	37.46	1,423	19.49	32.99
M&T Bank Corp. (MTB)	683	6.59	17.42	49.05	26.94	4.85	17.09	43.42	34.64	866	17.39	27.49
JPMorgan Chase & Co. (JPM)	2,711	7.56	19.96	35.30	37.18	6.51	20.03	34.43	39.03	5,393	17.43	21.40
Citizens Financial Group, Inc. (CFG) <sup>3</sup>	1,652	5.51	18.16	47.58	28.75	5.27	16.97	48.52	29.24	1,214	15.04	24.76
Popular Inc. (BPOP)	312	13.46	31.41	27.56	27.56	15.31	28.23	23.44	33.01	209	54.84	42.31
Old National Bancorp (ONB)	122	3.28	29.51	50.00	17.21	3.76	26.29	47.42	22.54	213	33.33	31.15

Data compiled July 18, 2016.

Ranking based on net openings and closings from 2007 to 2016 in low- and moderate-income level designation census tracts.

Branch openings/closings are for 12 months ended June 30 of each year.

Opening and closing dates are based on when the information is made public.

Analysis excludes branches in markets that do not have 2016 census tract income level designations. Credit Union branches are also excluded from the analysis.

<sup>1</sup> 2006 branch count is based on FDIC Summary of Deposits filings as of June 30, 2006.

<sup>2</sup> Represents branches as of July 18, 2016.

<sup>3</sup> Lower income markets represents low- and moderate-income level designation census tracts

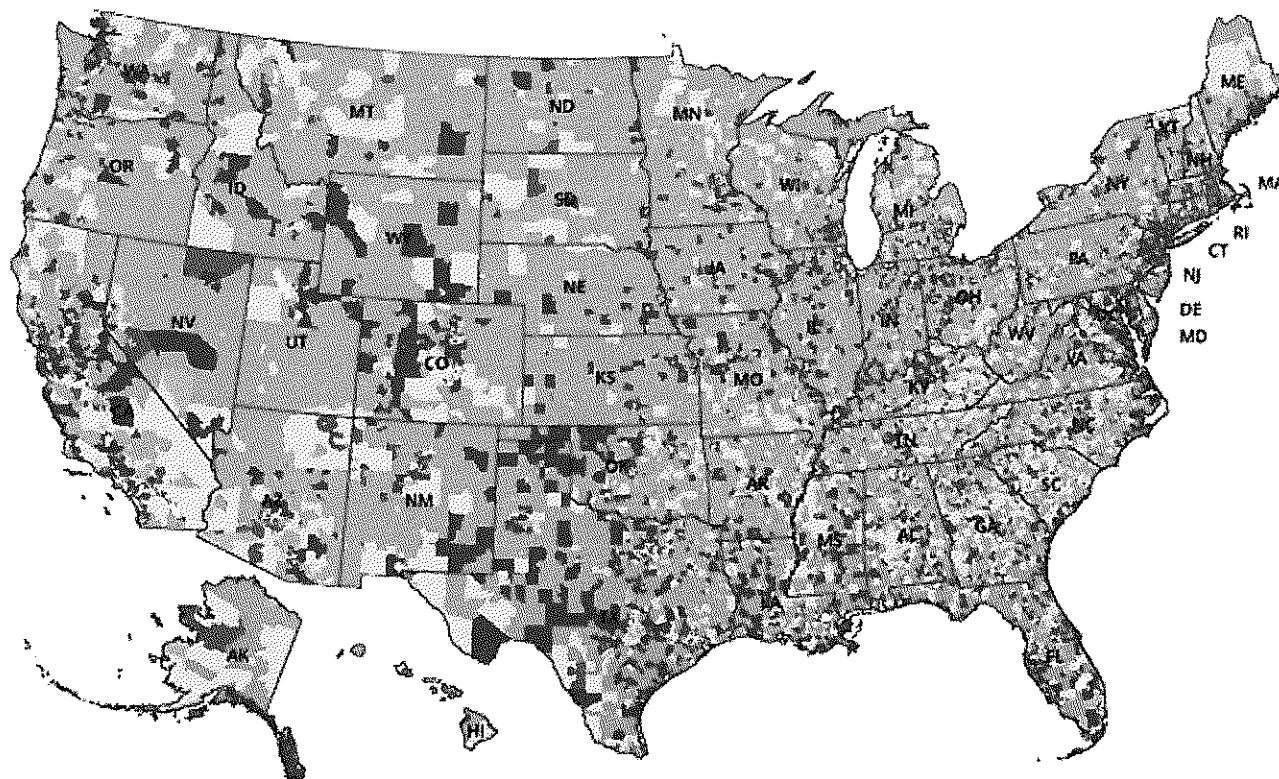
<sup>4</sup> Limited to companies with seven or more net openings from 2007 to 2016 in low- and moderate-income level designation census tracts.

<sup>5</sup> Represents branch data for Royal Bank of Scotland Group Plc prior to the initial public offering of Citizens Financial Group Inc. in 2014.

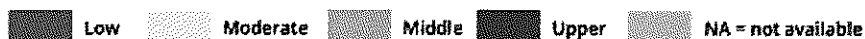
Top-level ticker is based on the home country stock exchange of the highest traded entity within the corporate structure.

Source: SNL Financial, an offering of S&P Global Market Intelligence

## US markets by census tract income designation



### Census tract income designation\*



Data compiled July 18, 2016.

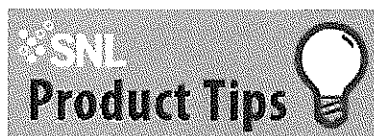
\* Represents the 2016 census tract income level designation assigned according to the Community Reinvestment Act.

Limited to markets that have 2016 census tract income level designation assigned.

Source: SNL Financial, an offering of S&P Global Market Intelligence

Map credit: Alip Artates

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*Click [here](#) for a template that allows a user to compare a company's current and historical branch distribution compared to peers based on census tract CRA income designation.*

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*Click [here](#) to access a market share tool that allows you to generate market share reports for specific companies or U.S. markets.*

*S&P Global Market Intelligence combines bank branch data along with demographic information, which can be accessed via the market demographics page under the U.S market analysis section of a company's briefing book page on the SNL website or in SNLxI.*

