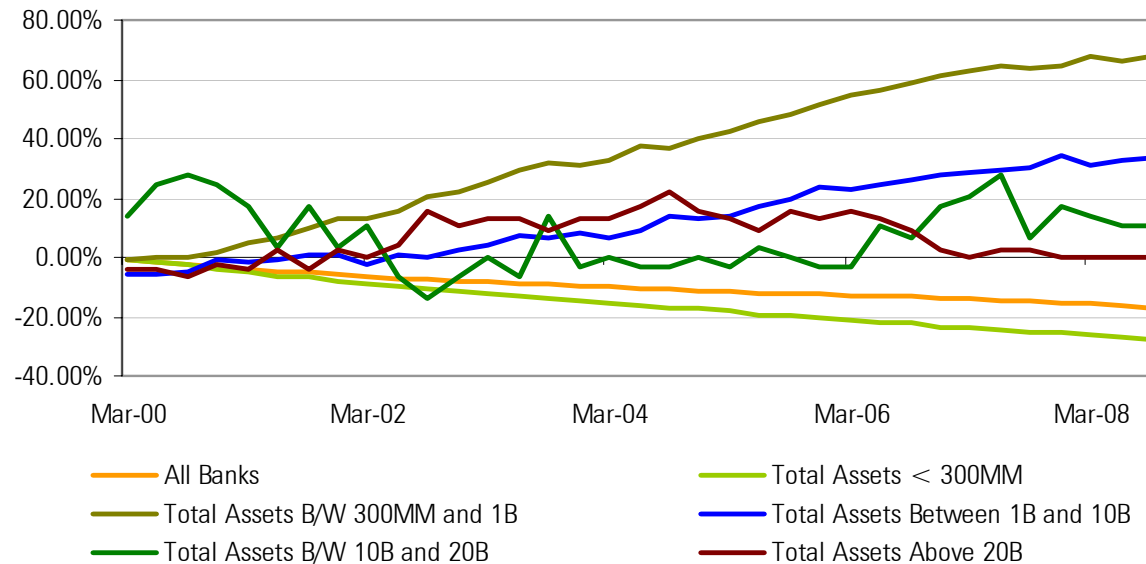


Looking Ahead in 2009 Part II:

Regional banks and the great consolidation moderation

**% Increase/Decrease in Number of Banks in the U.S.
2000-Present**



Quick Fact

Total bank failures made up **2.32%** of the total decrease in banks between 2000 and 2007. In contrast, that same figure during 2008 was **42.1%**.

(Data from FDIC and Federal Reserve)

- Overall **number of banks** in the U.S. (*orange line*) has been on a **declining trend** since at least 1988, as a **result of consolidation**.
- The flat trend in profitability between 2000 and 2007 made acquisitions attractive, as increased market share and economies of scale benefited acquirers.
- Now, with a severe collapse in profitability, acquisitions will make less sense for mid-size banks than containing costs and managing risks to sustain exiting revenue streams.