

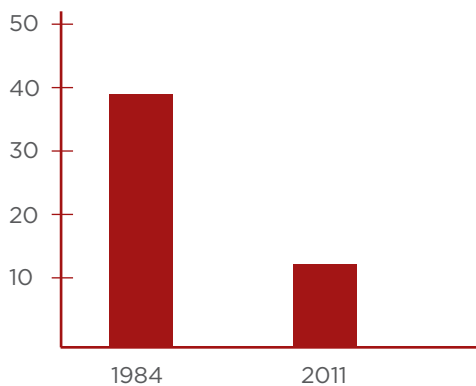
COMMUNITY BANKS

Essential and Endangered

Traditional banking

The value of community banks has always been associated with the unique combination of services they provide to their customers, as well as the manner in which they do business. Community banks tend to be relationship lenders, characterized by local ownership, local control, and local decision-making. By carrying out the traditional banking functions of lending and deposit gathering on a local scale, community banks foster economic growth and help to ensure that the financial resources of the local community are put to work on its behalf.

Assets down by half

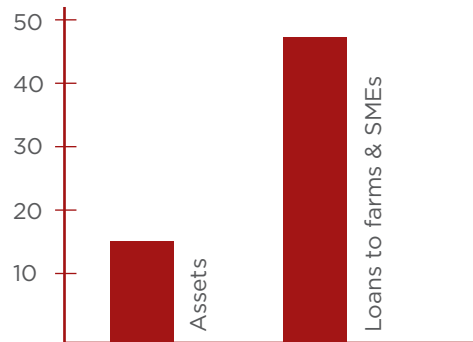


Share of U.S. banking assets held by community banks

Vital to rural areas

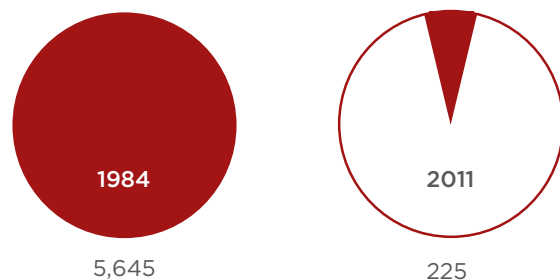
Community banks hold the majority of banking deposits in U.S. rural and metropolitan counties. More than 600 counties – almost one in five – have no other physical banking offices except those operated by community banks.

Supporting entrepreneurs



As of 2011, community banks held 14% of banking industry assets, but 46% of small loans to farms and businesses.

Declining numbers



From 1984 to 2011:

- Consolidation reduced the number of federally insured banks from 17,901 to 7,357.
- The number of banks with assets less than \$25 million declined by 96%.
- The decline in the number of banks with assets less than \$100 million accounted for all of the net decline in total banking charters.
- Banks with assets greater than \$10 billion grew elevenfold in size, raising their share of industry assets from 27% to 80%.

Source: FDIC