



# **The Transformation of Banking and Its Impact on Local Economies**

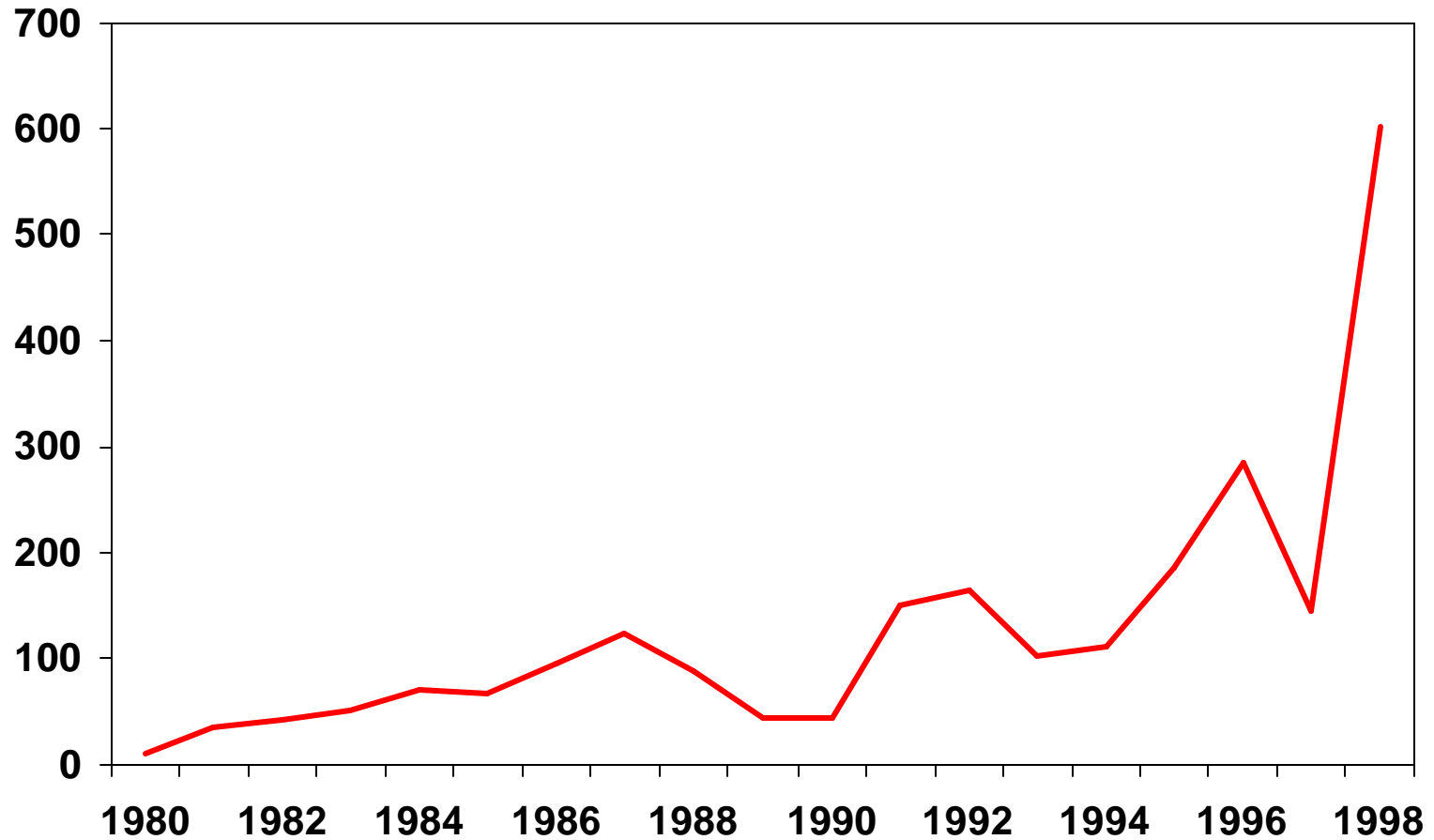
**Bill Keeton**  
**Senior Economist**  
**Federal Reserve Bank of Kansas City**

**October 2000**

Chart 1

# Assets Acquired in Bank Mergers

Billions of dollars



## Chart 2

# Deposit Distribution by Size of Banking Organization

Percent of total deposits

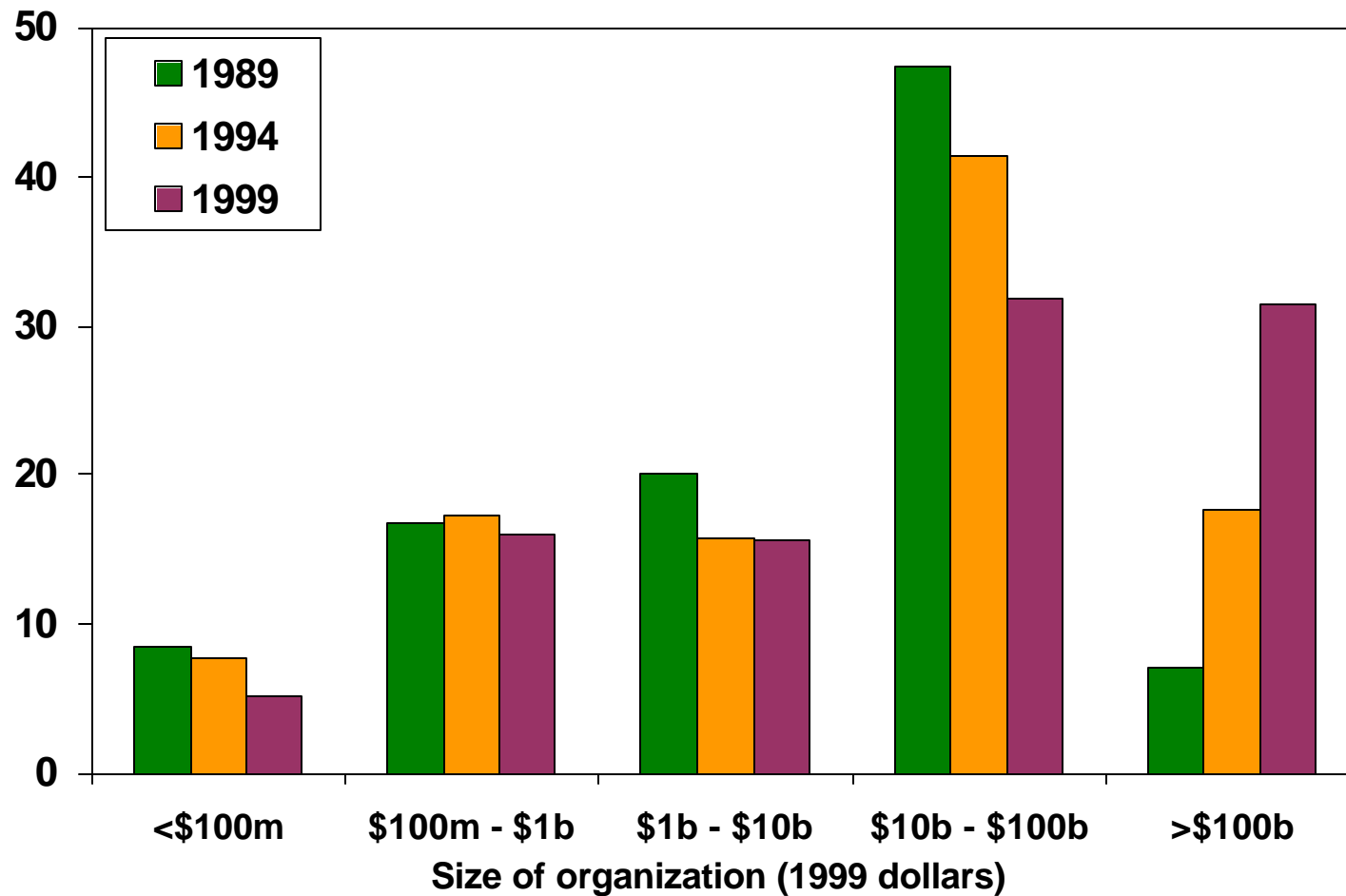
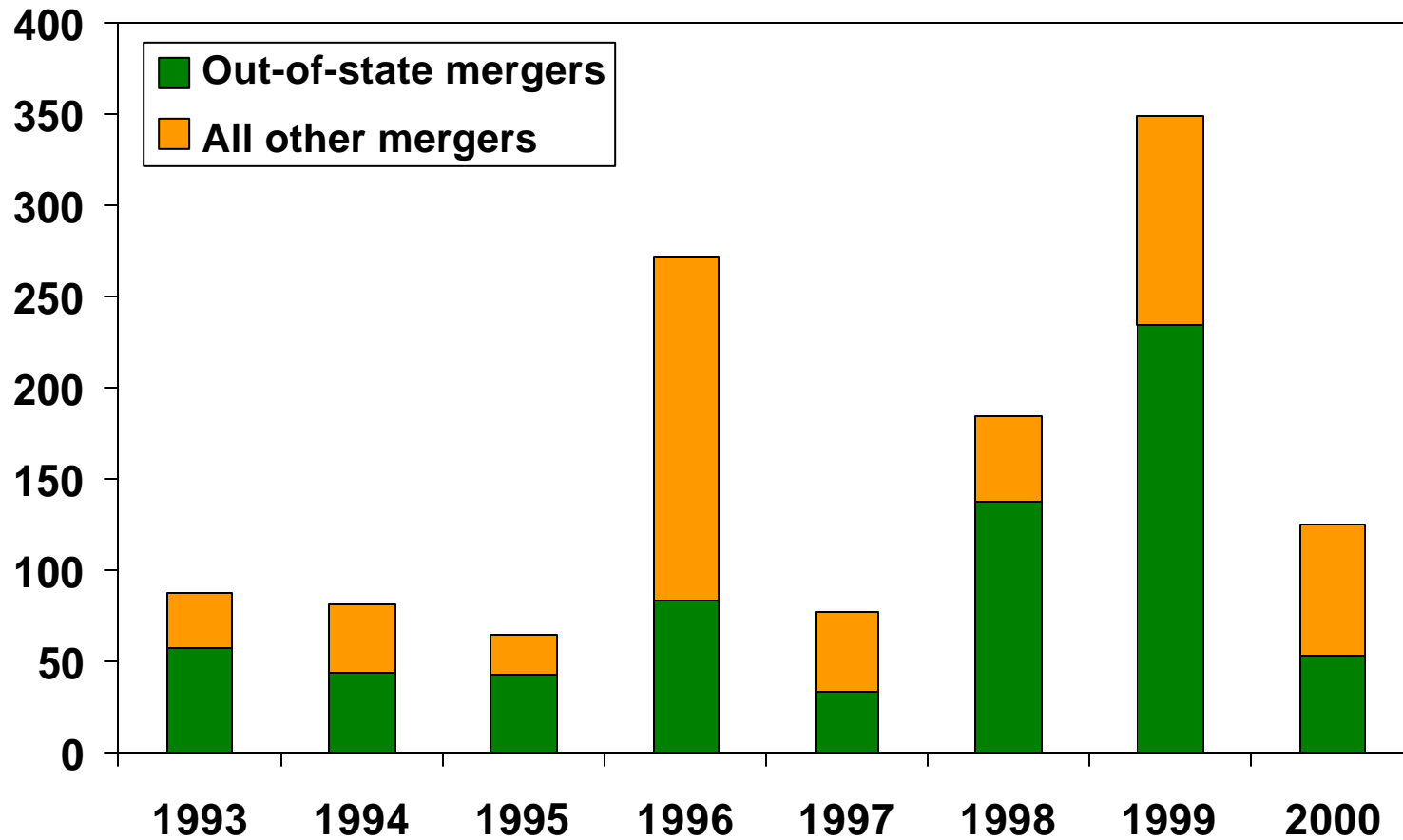


Chart 3

# Deposits Acquired in Mergers\*

Billions of dollars



\* For 12-month periods ending in June

Chart 4

# Deposit Distribution by Geographic Ownership

Percent of total deposits

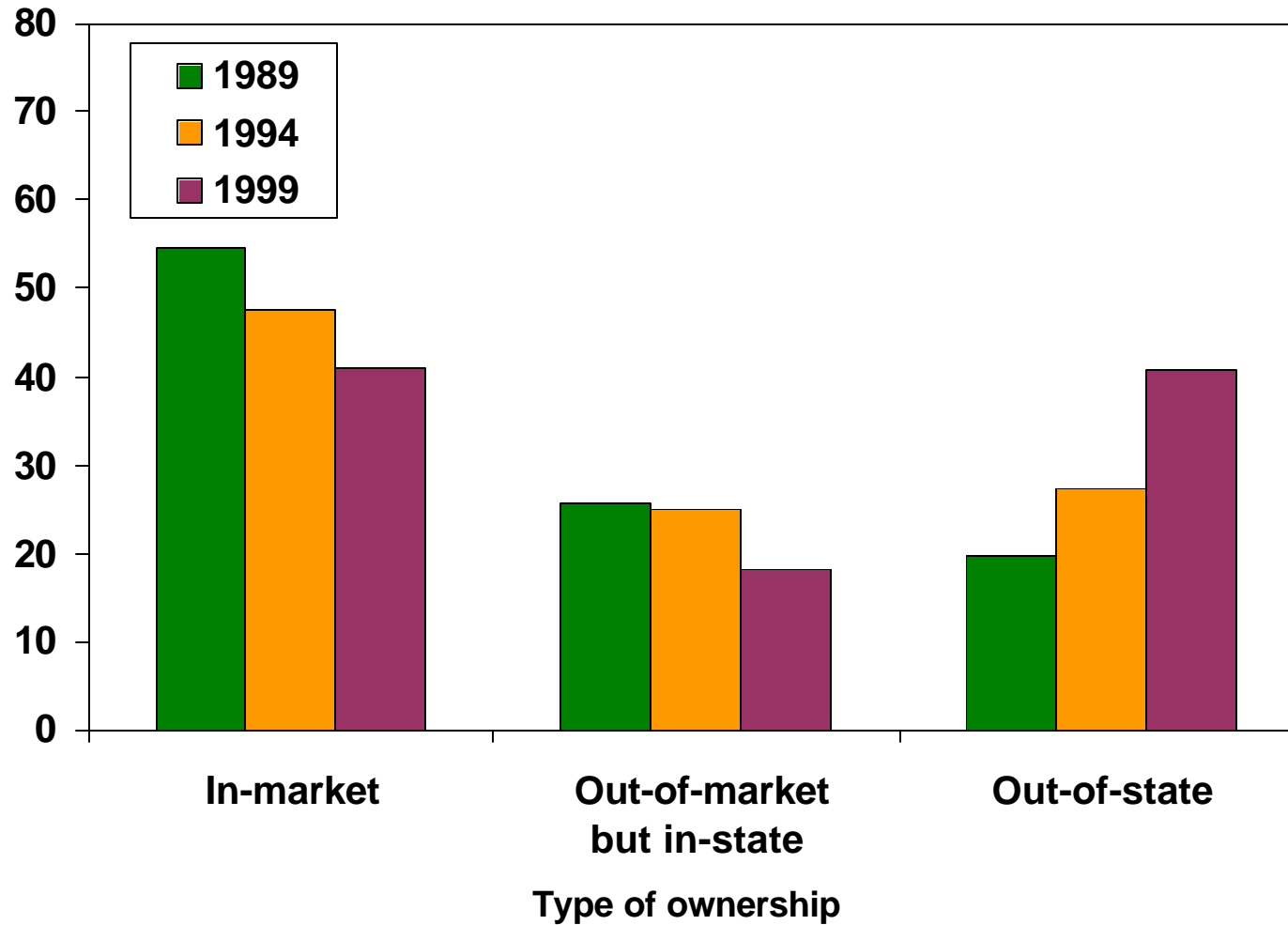
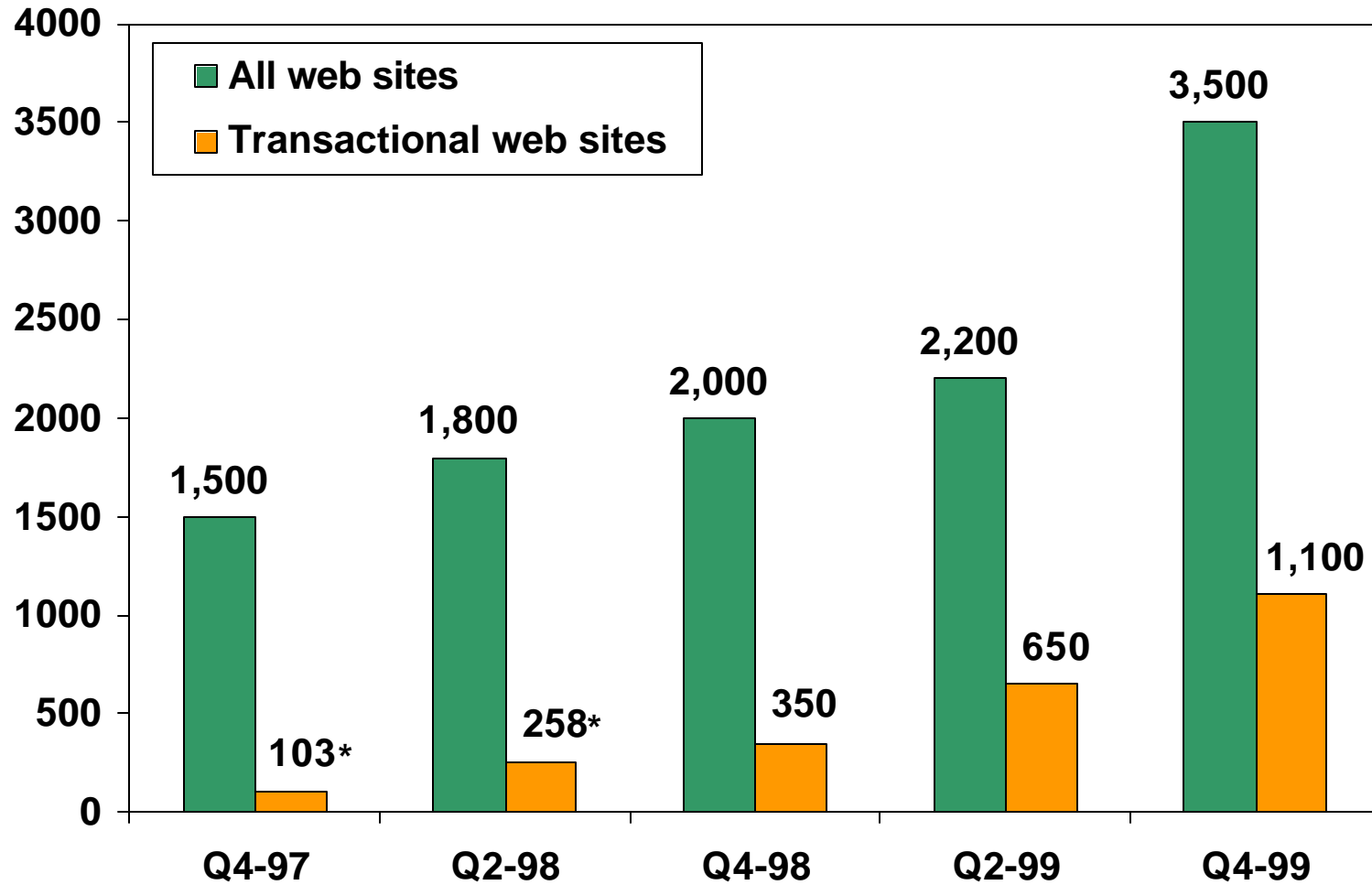


Chart 5

# Estimated Bank and Thrift Web Sites

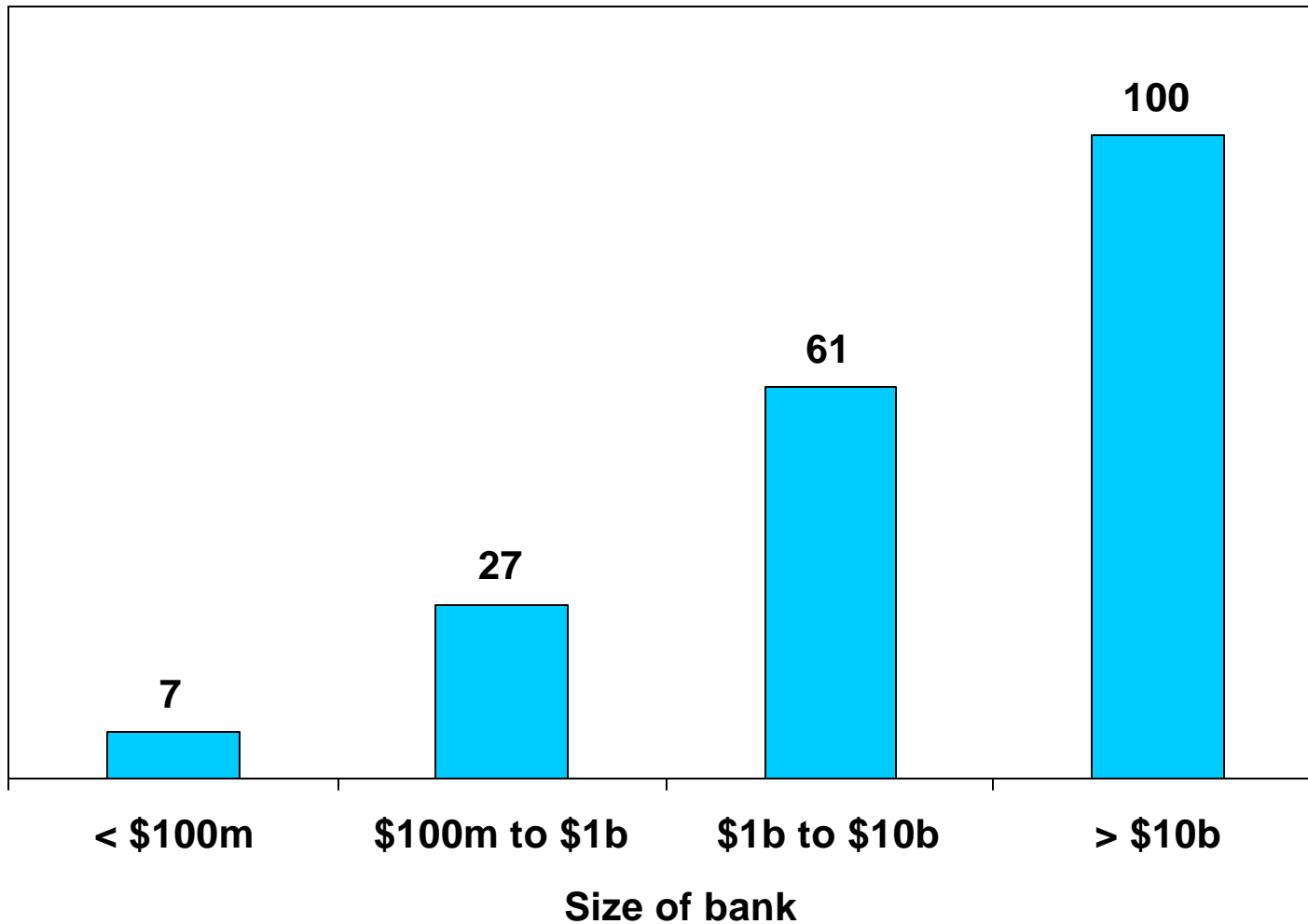


\* Actual  
Source: OCC

Chart 6

# National Banks With Transactional Websites by Size of Bank

Percent of banks



Source: OCC

Chart 7

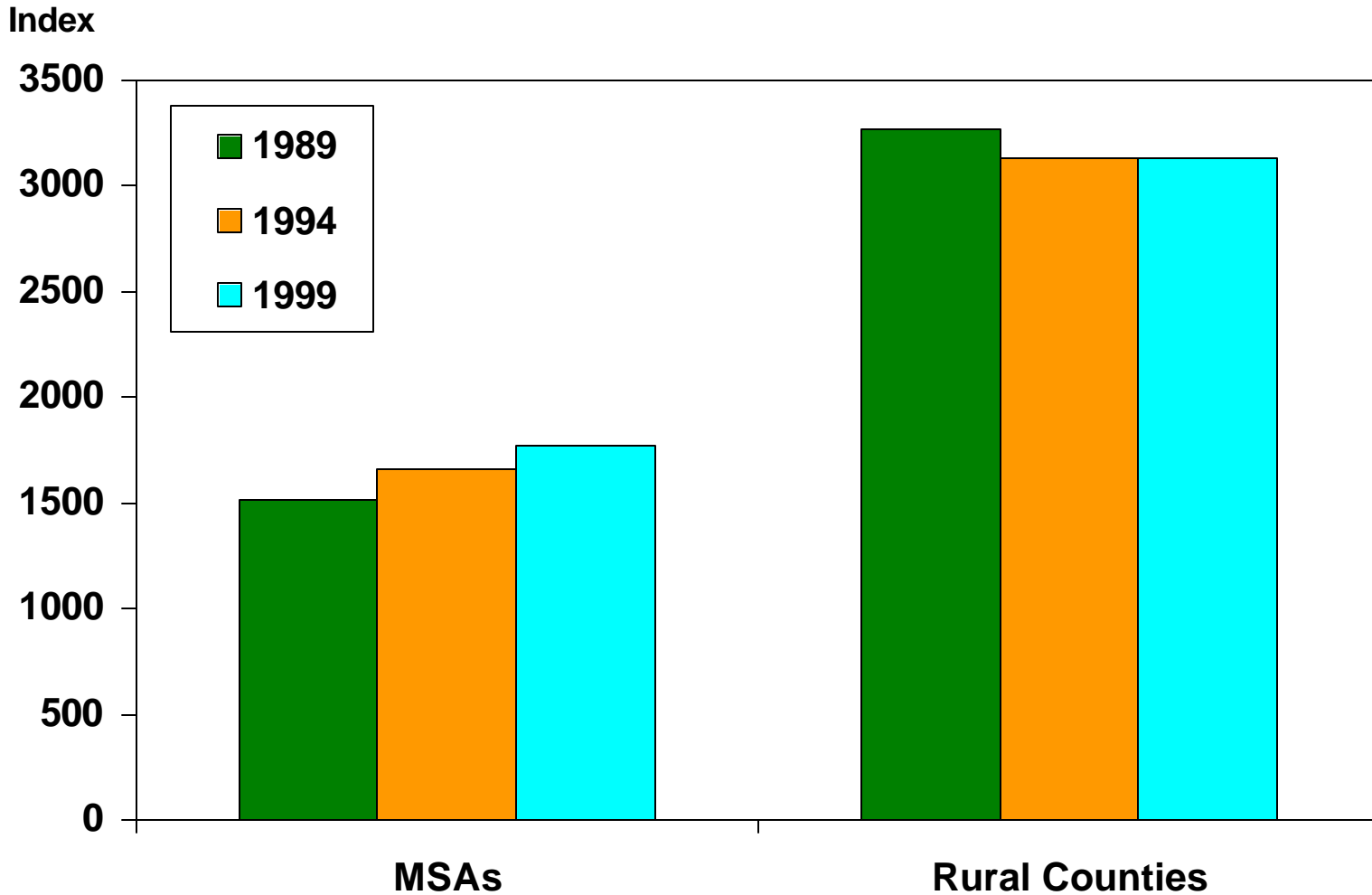
# **Key Provisions of Gramm-Leach-Bliley Act of 1999**

- **Bank holding companies can merge with insurance and securities companies and cross-sell products**
- **Bank holding companies can engage in new financial activities:**
  - **Securities underwriting**
  - **Insurance sales and underwriting**
  - **Merchant banking (equity investments in business firms)**



Chart 8

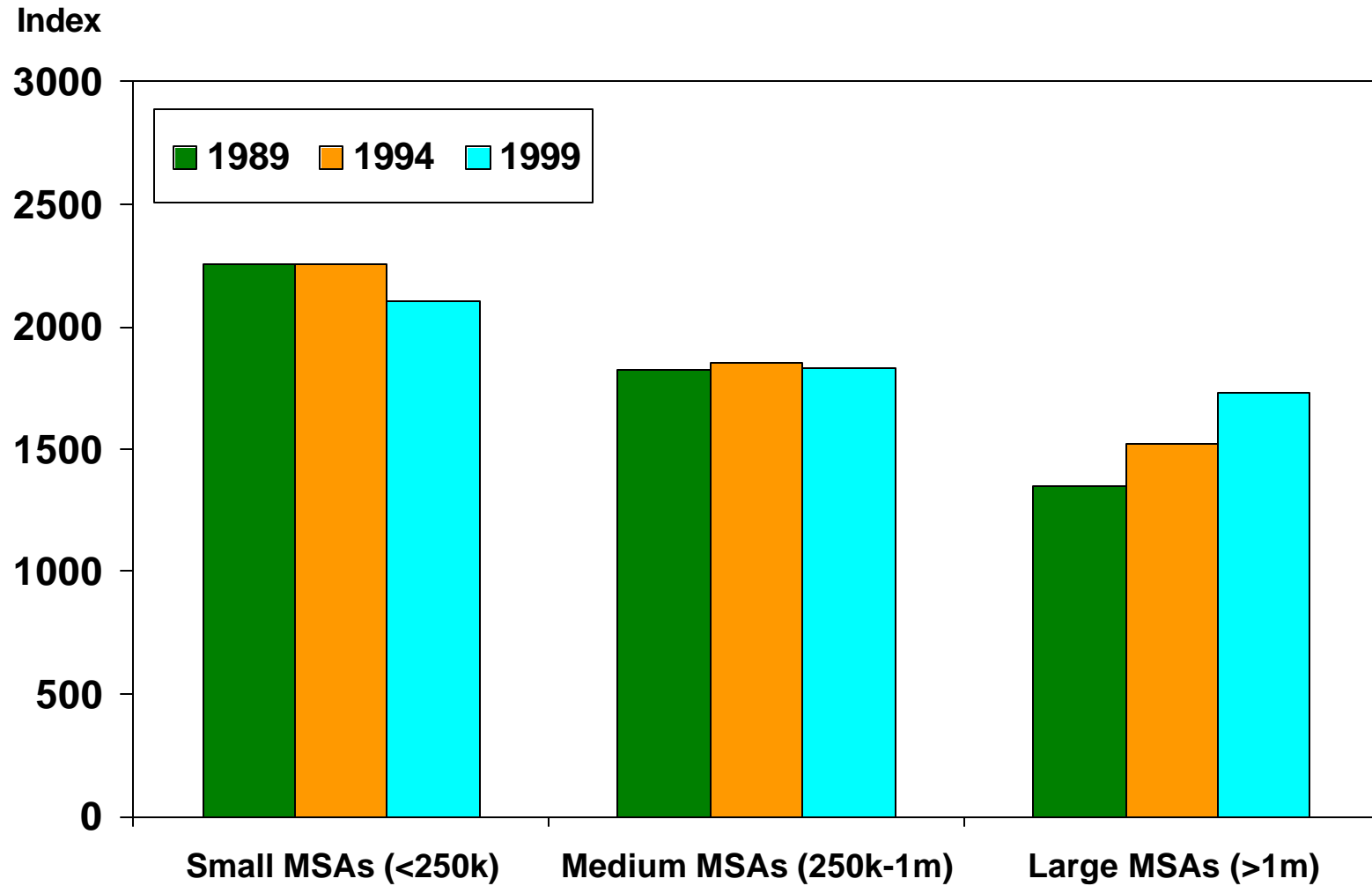
# Concentration of Local Banking Markets\*



\* Weighted average of Herfindahl Index

Chart 9

# Banking Concentration in Urban Markets\*



\* Weighted average of Herfindahl Index

Chart 10

# Average Retail Banking Fees in 1999 by Type of Banking Organization

	<u>Single- State</u>	<u>Multi- State</u>	<u>Unadjusted Difference</u>	<u>Adjusted for Size &amp; Location</u>
<b>Stop-payment orders</b>	<b>\$14.50</b>	<b>\$20.10</b>	<b>\$5.60</b>	<b>\$2.70</b>
<b>Bounced checks</b>	<b>\$17.00</b>	<b>\$21.80</b>	<b>\$4.80</b>	<b>\$2.40</b>

Chart 11

# Business Loans by Size of Banking Organization

June 2000

Percent of domestic assets

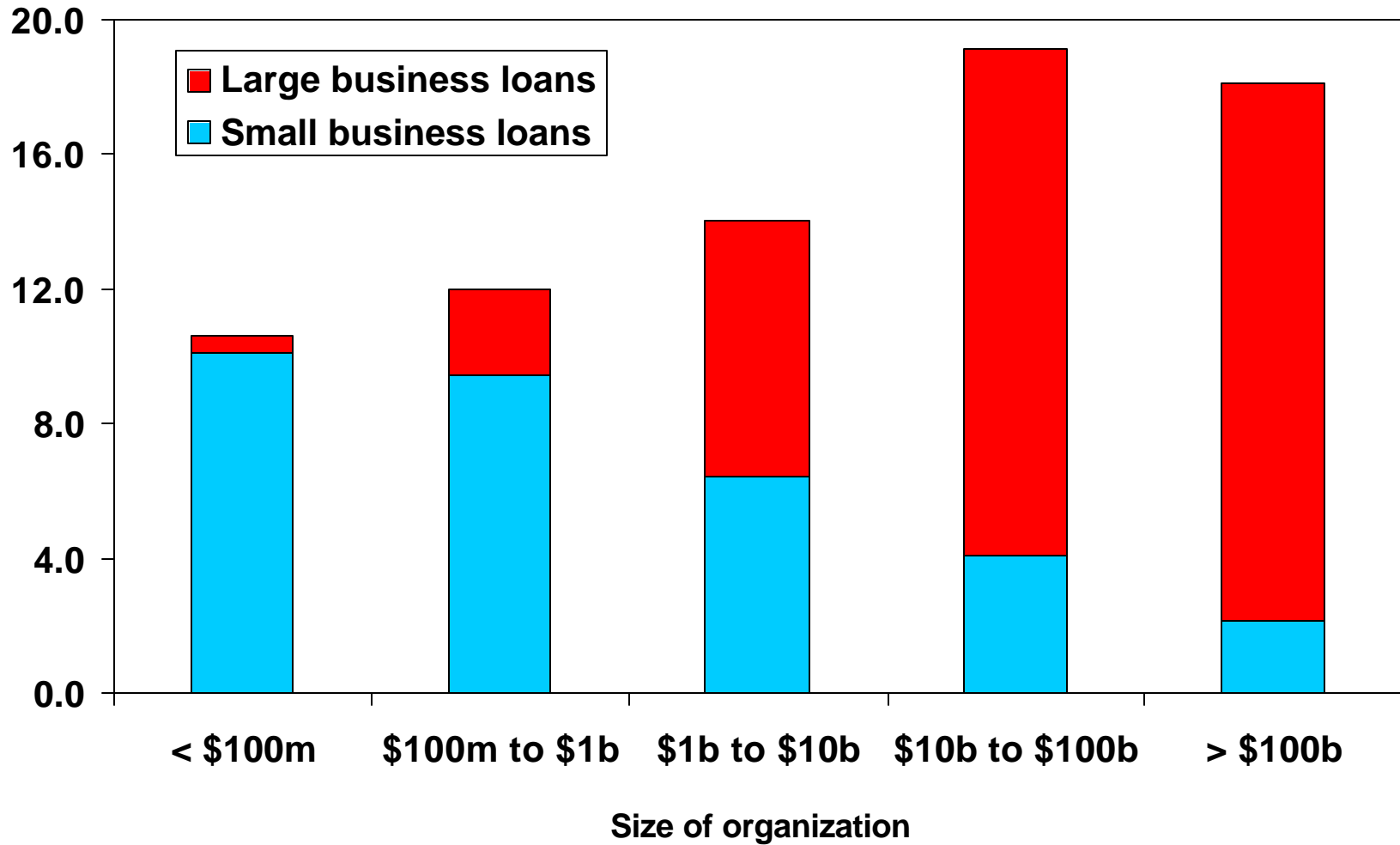


Chart 12

# New Bank Charters

Number

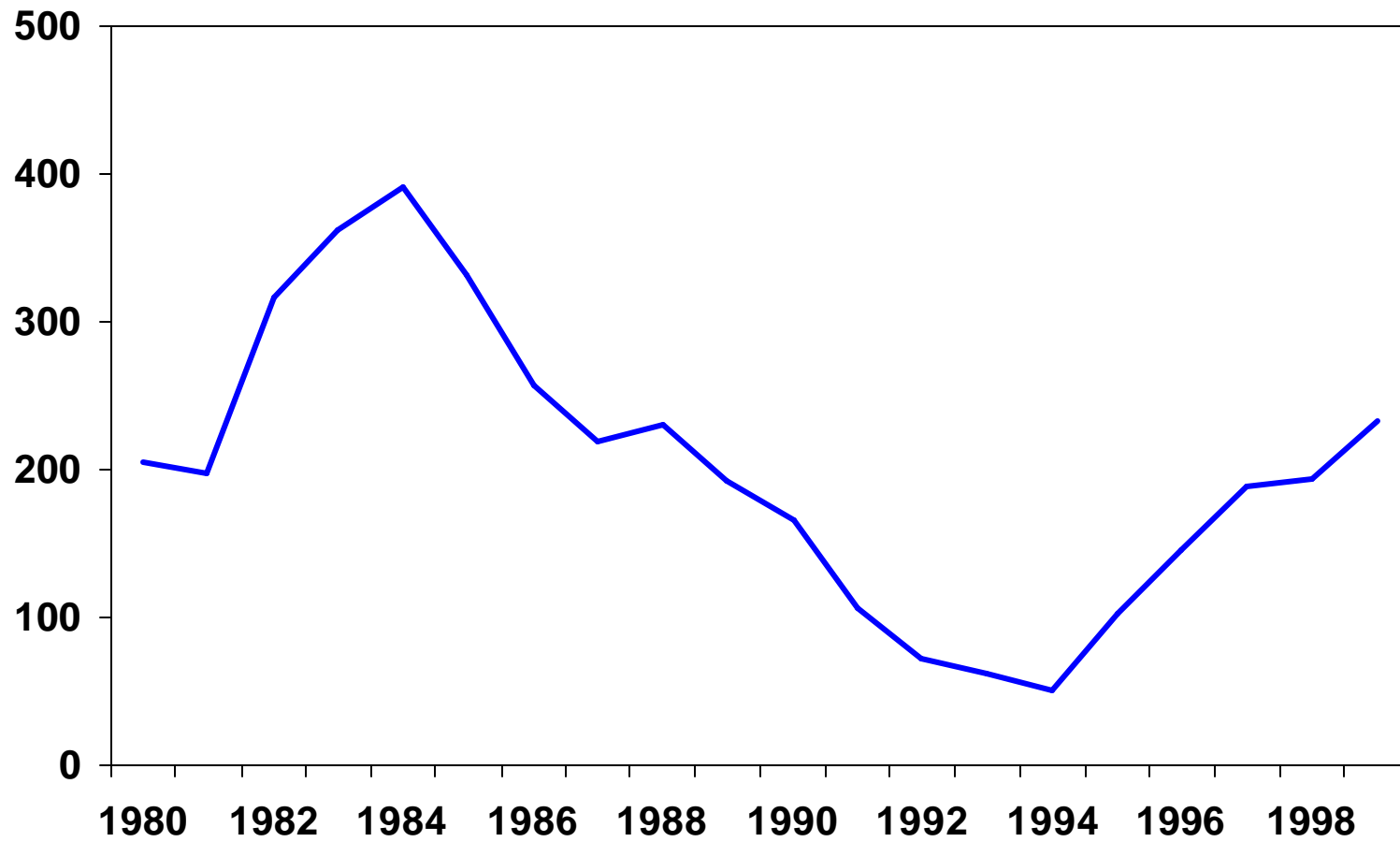
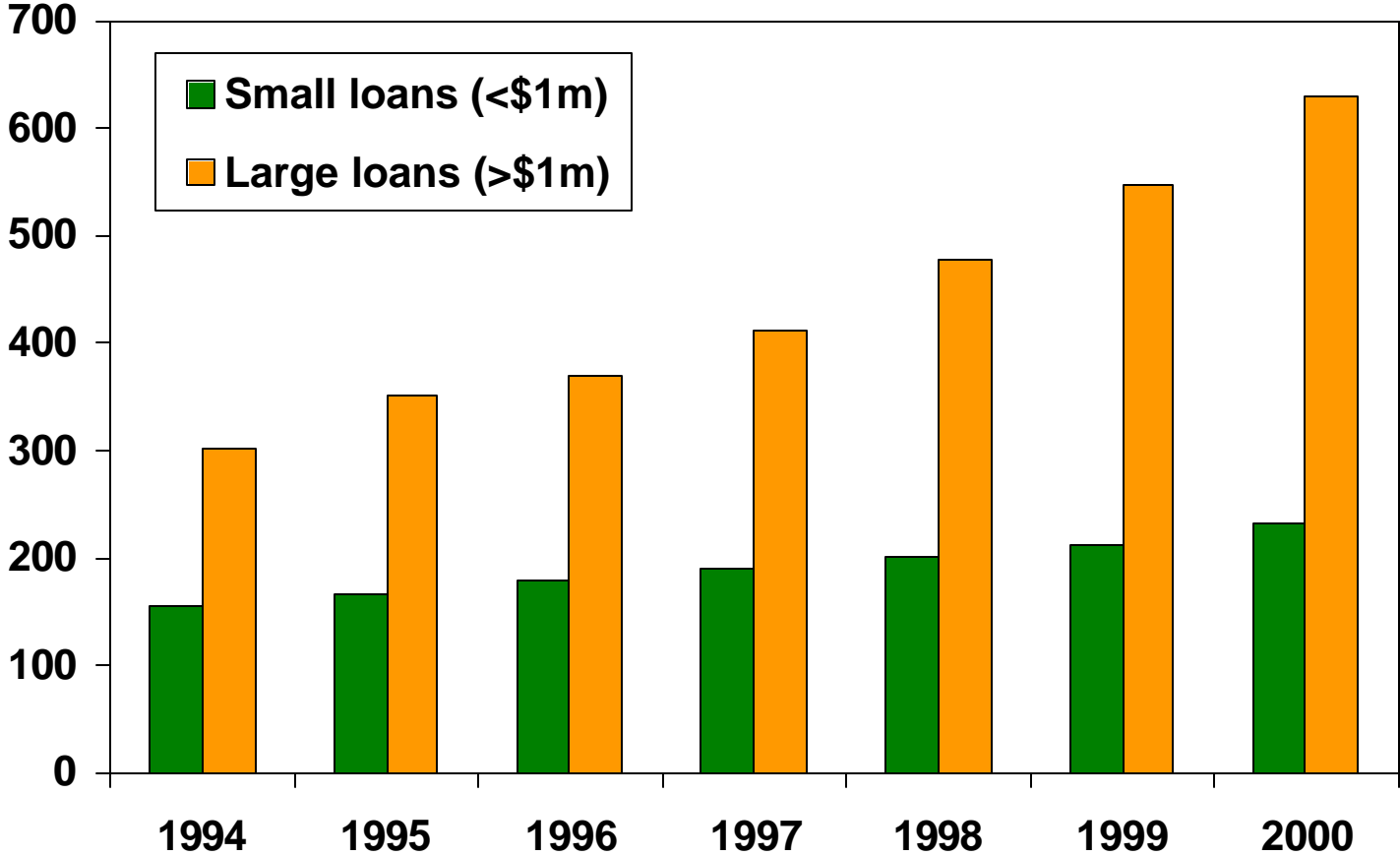


Chart 13

# Business Loans at U.S. Banks\*

Billions of dollars



\* As of June 30

Chart 14

# Loan-Deposit Ratio at U.S. Banks

