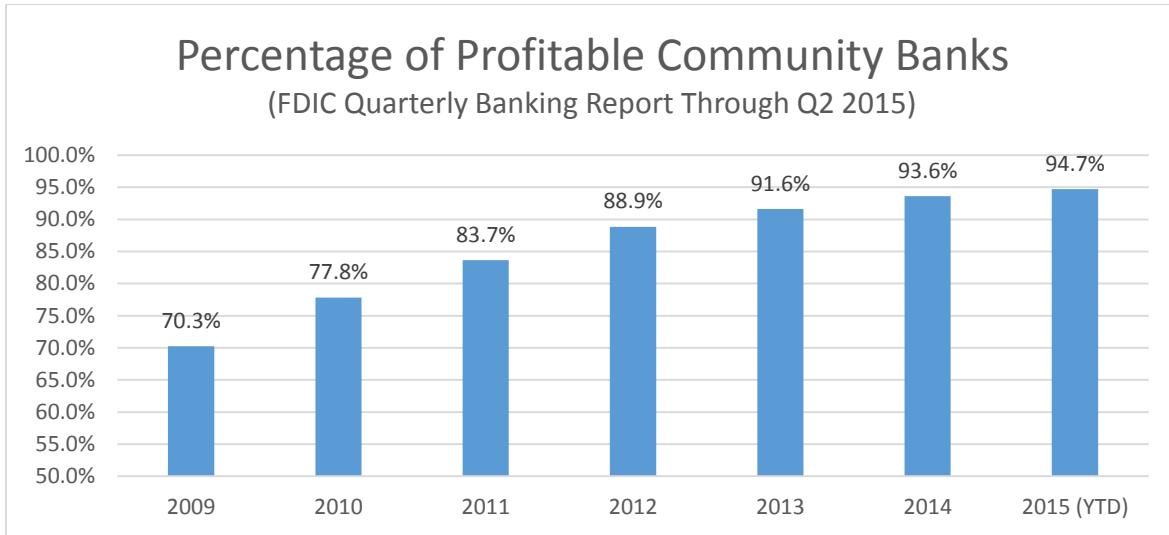


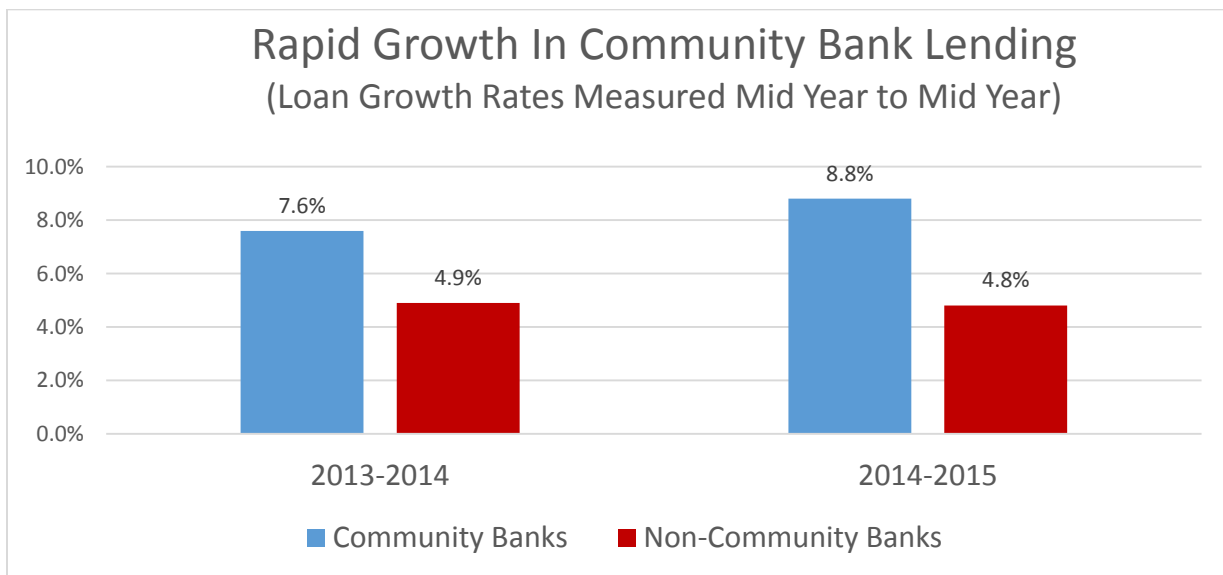
Community Banks Are Alive And Well Under Dodd-Frank

Community Banks Have Returned to Profitability: The percentage of community banks that are profitable has increased every year since 2009. Over the first half of 2015, almost 95% of the nation’s 5,880 community banks showed a profit.



Return on Equity is Up: Overall profit (Return on Equity) at community banks has also increased every single year since 2009, reaching a healthy 8.9% so far in 2015.

Community Bank Lending Growth is Strong, Exceeding the Rest of the Industry: Total loans made by community banks have grown 8.8% over the last year, almost twice the 4.8% growth rate in the rest of the industry. This follows 7.6% growth over 2013-2014, again far higher than the growth rate of 4.9% among larger banks.



Declines in the Number of Community Banks Long Pre-Date Dodd-Frank. It is true that the overall number of community banks is declining. However, this continues a long standing trend that far pre-dates recent regulatory changes. The number of community banks has declined every single year since 1984. The declining number of community banks is entirely due to the consolidation or closure of small banks with under \$1 billion in assets, with the majority of the issue related to a declining number of extremely small banks with under \$100 million in assets.¹

According to research from the Federal Reserve Bank of Richmond, since Dodd-Frank the failure rate of community banks has not increased.² However, changes in FDIC rules unrelated to Dodd-Frank have made it more difficult to get a de novo bank charter. This has led to a decline in the number of new banks entering the industry and therefore to greater declines in the total number of banks.

SOURCES: Unless otherwise specified, all data in this fact sheet is drawn from FDIC Quarterly Banking Profiles, available at <https://www.fdic.gov/bank/analytical/quarterly/>

¹ [FDIC Community Banking Study](#), Federal Deposit Insurance Corporation, December, 2012. See also more recent data from FDIC Quarterly Banking Profiles.

² McCord, Roisin, Edward Prescott and Tim Sablik, "[Explaining the Decline In The Number of Banks Since the Great Recession](#)", Federal Reserve Bank of Richmond Economic Brief, March, 2015.