

Banks, thrifts cut over 300 branches in Q1 as mobile banking grows

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The U.S. saw 332 net bank and thrift branch closures in the first quarter as banks continue to trim costs and adapt to an increasingly mobile world.

From April 1, 2014, through March 31, 2015, the country's banks and thrifts opened 1,023 branches and closed 2,464 for a net loss of 1,441 branches. These totals exclude credit unions.

With 38 net closings, PNC Financial Services Group Inc. was the leading branch closer in the most recent quarter. Over the past four quarters, the bank had 55 net branch closures.

According to the company's recent earnings release, approximately 50% of consumers used nonteller channels for the majority of their transactions during the first quarter of 2015, compared to 49% in the previous quarter and 43% in the year-ago quarter. Deposit transactions via ATM and mobile channels also increased to 40% of total deposit transactions, compared to 38% for the fourth quarter of 2014 and 31% for the first quarter of 2014.

PNC's noninterest expenses decreased quarter over quarter partially due to lower branch occupancy costs as it converted 127 branches to a smaller, more automated format.

JPMorgan Chase & Co. closed 31 branches on a net basis in the first quarter, in line with the February announcement that the company would shutter 300 branches by the end of 2016. According to a transcript of the company's April 14 first-quarter earnings call, CFO Marianne Lake said that expenses in the company's consumer and business banking segment fell by 3% year over year due to branch efficiency improvements.

At the company's Feb. 24 investor day, Barry Sommers, JPMorgan's CEO of Consumer Banking, said that 45 million transactions, or 10% of total deposits, took place on a mobile phone in 2014, according to a transcript of the event.

Tulsa, Okla.-based BOK Financial Corp. closed 28 net branches in the first quarter as part of a plan to discontinue its in-store branching strategy. "The decision comes as consumer trends lean more towards use of digital banking for everyday transactions and banking center visits for in-person advice or consult," BOK Financial said when announcing the move in November 2014.

Even with only four net openings, Toronto-Dominion Bank was the most active branch opener in the most recent quarter.

"It is not enough to build upon our existing strengths," Group President and CEO Bharat Masrani said at Toronto-Dominion's March 26 shareholder meeting, according to a transcript. "We must make them more relevant to our customers' evolving preferences. People expect their bank to be a tap away, a click away, a call away, a block away." The bank opened two branches in the Miami-Fort Lauderdale-West Palm Beach, Fla., metro and another two in the New York-Newark-Jersey City, N.Y.-N.J.-Pa., metro area during the first quarter.

Michigan lost 28 net branches in the first quarter, the most of any state. Nineteen of those closures were JPMorgan branches, 17 of which were located in the Detroit metro area. Of those 17 branches, 16 were located inside a Meijer store.

Branch openings/closings by state and territory in Q1'15*

State/territory	Total branches [^]	Net		
		openings/closings	Openings Closings	
Arkansas	1,384	3	7	4
Maine	502	1	1	0
Alaska	130	1	1	0
North Dakota	428	1	3	2
Delaware	282	1	2	1
New Hampshire	428	1	2	1
West Virginia	657	1	3	2
Wyoming	228	0	1	1
Mississippi	1,173	0	4	4
Virginia	2,519	0	3	3
Rhode Island	260	-1	1	2
South Dakota	459	-1	2	3
Idaho	519	-1	1	2
Louisiana	1,594	-1	6	7
New York	5,312	-1	12	13
Alabama	1,542	-2	4	6
Utah	568	-2	0	2
Massachusetts	2,217	-2	1	3
Indiana	2,217	-3	8	11
Kansas	1,482	-3	3	6
Minnesota	1,740	-3	3	6
South Carolina	1,337	-3	5	8
Missouri	2,357	-3	4	7
Nebraska	1,088	-4	2	6
Nevada	510	-4	1	5
Colorado	1,560	-5	4	9
Connecticut	1,250	-5	4	9
Maryland	1,656	-5	5	10
New Mexico	502	-7	0	7
Puerto Rico	381	-7	0	7
Oregon	1,045	-7	4	11
Tennessee	2,213	-8	5	13
New Jersey	3,162	-8	7	15
Iowa	1,580	-9	1	10
Florida	5,424	-9	18	27
Texas	6,826	-9	22	31
Arizona	1,293	-11	1	12
Ohio	3,863	-11	11	22
Wisconsin	2,197	-12	1	13
Kentucky	1,709	-12	2	14
North Carolina	2,540	-15	3	18
Pennsylvania	4,441	-16	11	27
Georgia	2,482	-23	6	29
Illinois	4,651	-24	12	36
Oklahoma	1,361	-25	4	29
Washington	1,797	-25	4	29
California	7,202	-26	13	39
Michigan	2,806	-28	3	31
Total U.S.	94,109	-332	221	553

Data compiled April 16, 2015.

* Ranking based on net openings/closings for the first quarter of 2015.

[^] Total branches for the state are pro forma for any branch openings or closings since the FDIC's Summary of Deposits data for June 30, 2014.

Branch openings and closings are limited to cases where opening and closing date was available.

Excludes credit unions.

Source: SNL Financial



Most active branch openers and closers in Q1'15*

Company (top-level ticker)	Total branches [^]	Net openings/closings					Openings				Closings			
		Q1'15	Q4'14	Q3'14	Q2'14	Total	Q1'15	Q4'14	Q3'14	Q2'14	Q1'15	Q4'14	Q3'14	Q2'14
Net increase														
Toronto-Dominion Bank (TD)	1,325	4	-12	4	8	4	4	10	4	9	0	22	0	1
Investors Bancorp Inc. (ISBC)	137	2	2	0	1	5	3	2	2	1	1	0	2	0
BCB Bancorp Inc. (BCBP)	15	2	1	1	0	4	2	1	1	0	0	0	0	0
First Commerce Bank	7	2	0	0	1	3	2	0	0	1	0	0	0	0
First Southwest Corp.	13	2	0	0	1	3	2	0	0	1	0	0	0	0
Jeff Davis Bancshares Inc. (JDVB)	23	2	0	0	1	3	2	0	0	1	0	0	0	0
Market Street Bancshares Inc.	22	2	0	0	1	3	2	0	0	1	0	0	0	0
PriorityOne Capital Corp.	14	2	0	0	1	3	2	0	0	1	0	0	0	0
Amarillo National Bancorp Inc.	19	2	0	0	0	2	2	0	0	0	0	0	0	0
Carolina Trust Bank (CART)	9	2	0	0	0	2	2	0	0	0	0	0	0	0
First Bancorp Inc.	24	2	0	0	0	2	2	0	0	0	0	0	0	0
Net decrease														
PNC Financial Services Group Inc. (PNC)	2,793	-38	5	-10	-12	-55	3	11	3	5	41	6	13	17
Regions Financial Corp. (RF)	1,637	-32	-5	-5	0	-42	2	0	0	0	34	5	5	0
JPMorgan Chase & Co. (JPM)	5,616	-31	-6	-34	6	-65	3	16	12	23	34	22	46	17
BOK Financial Corp. (BOKF)	139	-28	0	-2	0	-30	1	0	0	0	29	0	2	0
Guaranty Financial Corp. (MHC) (GFCJ)	126	-27	-1	-3	0	-31	0	0	0	0	27	1	3	0
Mitsubishi UFJ Financial Group Inc. (8306)	385	-22	-1	-8	0	-31	0	1	1	0	22	2	9	0
First Niagara Financial Group Inc. (FNFG)	406	-18	0	0	-2	-20	0	0	0	0	18	0	0	2
BNP Paribas SA (BNP)	626	-15	0	-14	1	-28	1	1	1	1	16	1	15	0
Hilltop Holdings Inc. (HTH)	73	-14	0	1	0	-13	0	2	1	0	14	2	0	0
Bank of America Corp. (BAC)	4,886	-13	-53	-40	-45	-151	4	5	2	3	17	58	42	48
Total U.S.	94,109	-332	-293	-394	-422	-1,441	221	269	243	290	553	562	637	712

Data compiled April 16, 2015.

* Ranking based on net openings/closings for the first quarter of 2015.

Ranking includes the companies with the most net openings/closings for first quarter 2015. In the event of a tie, all companies at the relevant net openings/closings mark were included in the chart.

In an event of a merger or an acquisition, SNL retroactively adjusts current-year openings/closings to the single, highest-level holding company.

[^] Total branches for the institution are pro forma for completed mergers and acquisitions and any branch openings or closings since the FDIC's Summary of Deposits data for June 30, 2014.

Branch openings and closings are limited to cases where opening and closing date was available.

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

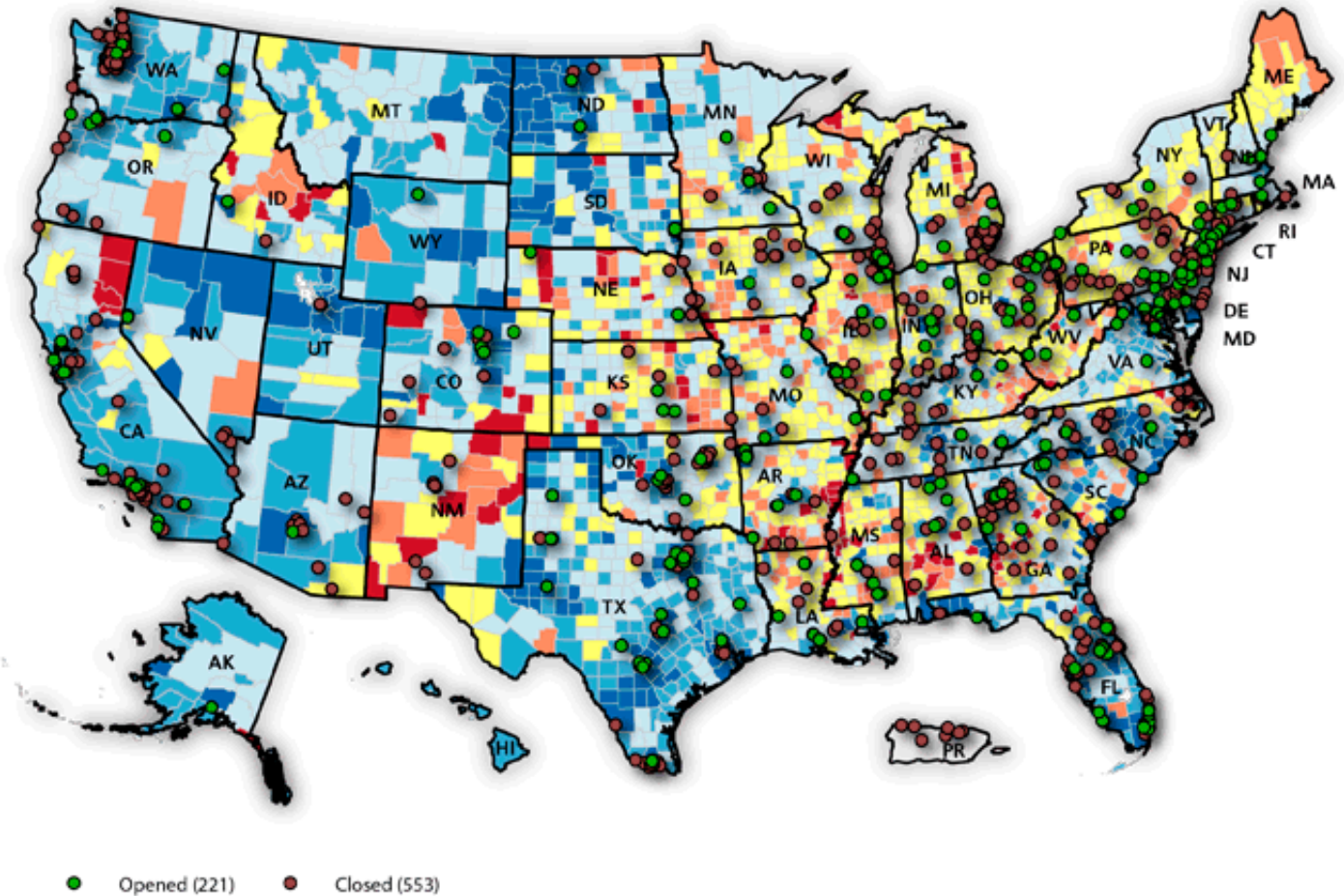
Excludes credit unions.

Source: SNL Financial



All in all, 25 branches were closed in the Detroit metro area in the first quarter, including four Guaranty Financial Corp. (MHC) branches, two PNC branches, one Bank of America Corp. branch and one Huntington Bancshares Inc. branch. *i*

Openings and closings across US and territories Jan. 1, 2015, to March 31, 2015



Change in projected population 2015-2020 (%)*



Data compiled April 16, 2015.

Branch openings/closings are identified as those that have opened/closed between Jan. 1, 2015, and March 31, 2015.

* Represents projected population change in each county from 2015 to 2020.

Branch openings and closings are limited to cases where opening and closing date was available.

Excludes credit unions.

Sources: SNL Financial, Nielsen Pop-Facts 2015

Map credit: Alip Artates