# U.S. Bank Closures Analysis Report

Comprehensive Data Analysis | State & Temporal Trends

Dataset: FDIC Bank Closures (2000–2023)

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Exploring the distribution of bank closures across states and over time, with focus on the 2008–2013 financial crisis.

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# 1. Executive Summary

This report provides an exploratory analysis of U.S. bank closures from 2000 through 2023. The dataset includes bank names, locations, certification numbers, acquiring institutions, and closure dates. The analysis reveals dramatic geographic concentration and a massive spike tied to the 2008 financial crisis.

| ~553 | 40+ | 2010 | 157 |
|---|---|---|---|
| Total Closures | States Affected | Peak Year | Peak Closures |

**Key Finding:** The 2008–2013 financial crisis accounts for approximately 88% of all bank closures in the dataset. Georgia (82), Florida (70), and Illinois (69) were the three hardest-hit states. After 2013, closures dropped to near-zero levels, suggesting significant regulatory and economic recovery.

# 2. Introduction & Objectives

The dataset contains details of bank closures including the name, location, certification number, acquiring institution, and closure date. The aim is to uncover patterns and trends in bank closures across the United States, with particular attention to geographic concentration and temporal patterns.

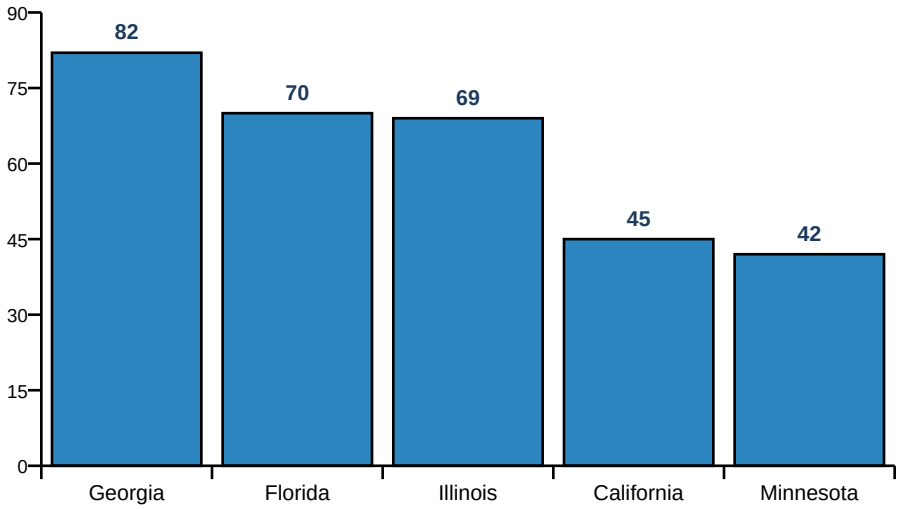
## Analysis Objectives

1. Map the distribution of bank closures across all U.S. states.
2. Identify temporal trends and peak closure periods.
3. Analyze the impact of the 2008 financial crisis on bank failures.
4. Identify the most-affected states and potential regional patterns.
5. Provide context for risk assessment and regulatory insights.

# 3. State Distribution Analysis

Bank closures are highly concentrated geographically. The top 5 states account for over half of all closures, with Georgia leading at 82 closures. Southeastern states were disproportionately affected, likely reflecting the region's heavy exposure to real estate lending during the housing bubble.

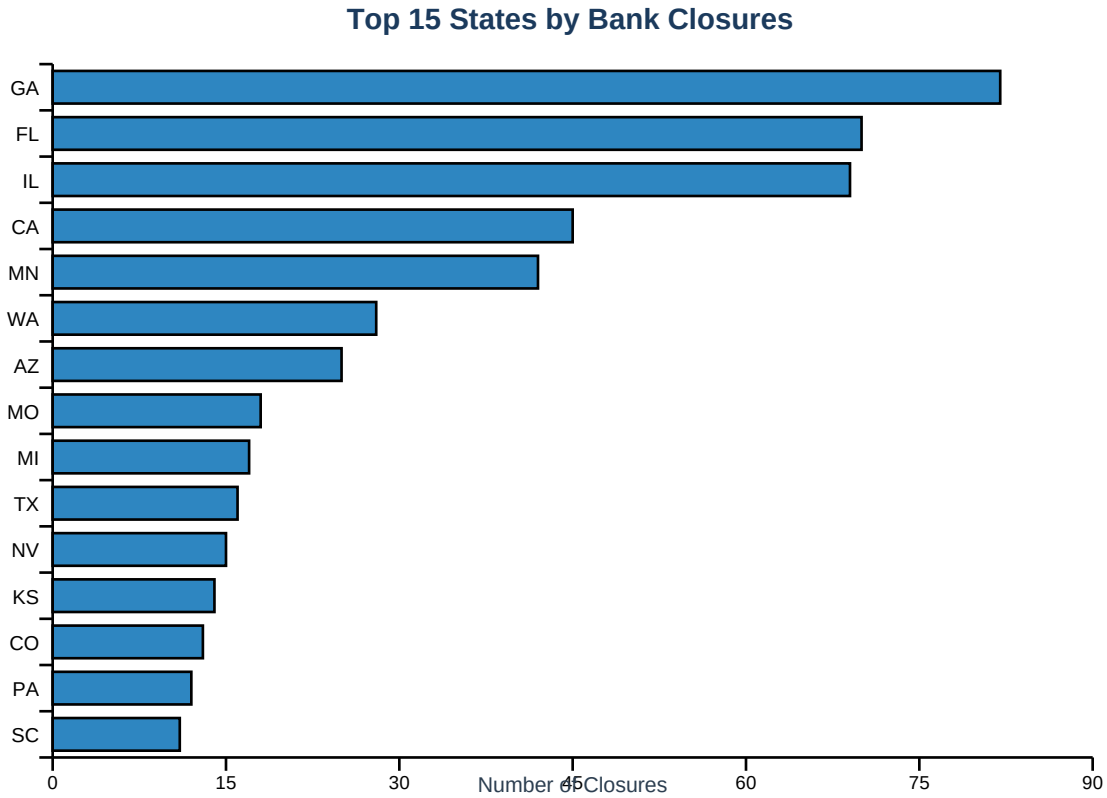
**Top 5 States: Bank Closures**




| Rank | State | Closures | Share of Total |
|---|---|---|---|
| 1 | Georgia | 82 | ~15% |
| 2 | Florida | 70 | ~13% |
| 3 | Illinois | 69 | ~12% |
| 4 | California | 45 | ~8% |
| 5 | Minnesota | 42 | ~8% |
| 6 | Washington | 28 | ~5% |
| 7 | Arizona | 25 | ~5% |
| 8–40+ | Other States | 192 | ~34% |

## Full State Distribution

The horizontal bar chart below shows all states ranked by closure count, illustrating the long-tail distribution — a handful of states dominate while many have fewer than 5 closures.

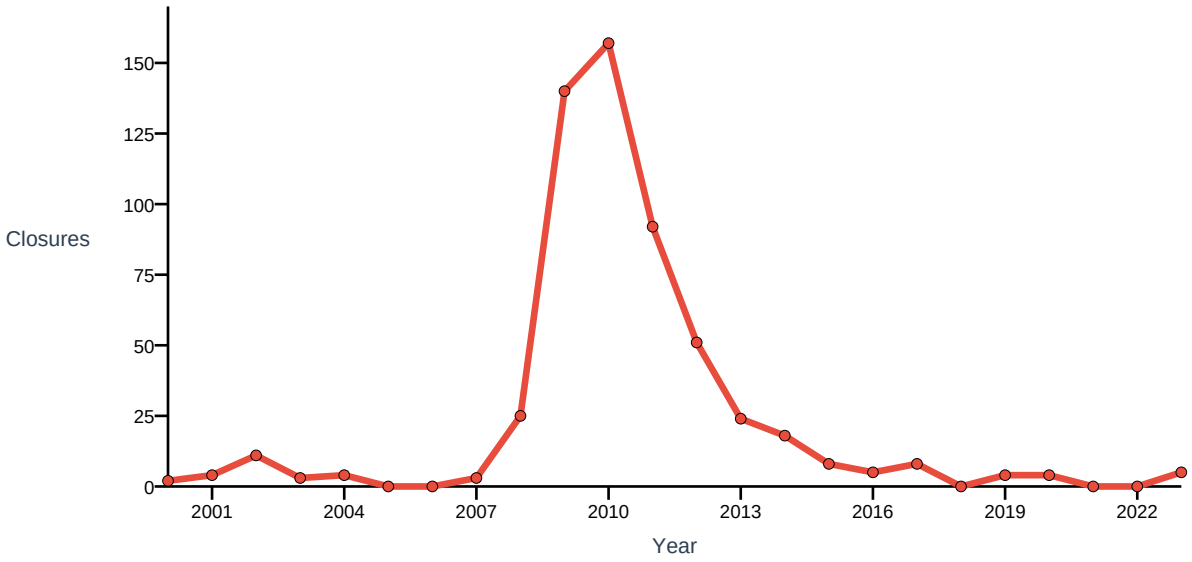



**Geographic Pattern:** The top 3 states (Georgia, Florida, Illinois) alone account for 40% of all closures. These states had significant exposure to subprime mortgages, speculative real estate development, and community banking sectors that were highly vulnerable to the housing downturn.

# 4. Temporal Trend Analysis

The timeline of bank closures tells a dramatic story. Closures were minimal from 2000–2007 (averaging fewer than 5 per year), then exploded in 2008–2010 as the financial crisis unfolded. The peak year was 2010 with 157 closures. After 2013, closures returned to near-zero levels.

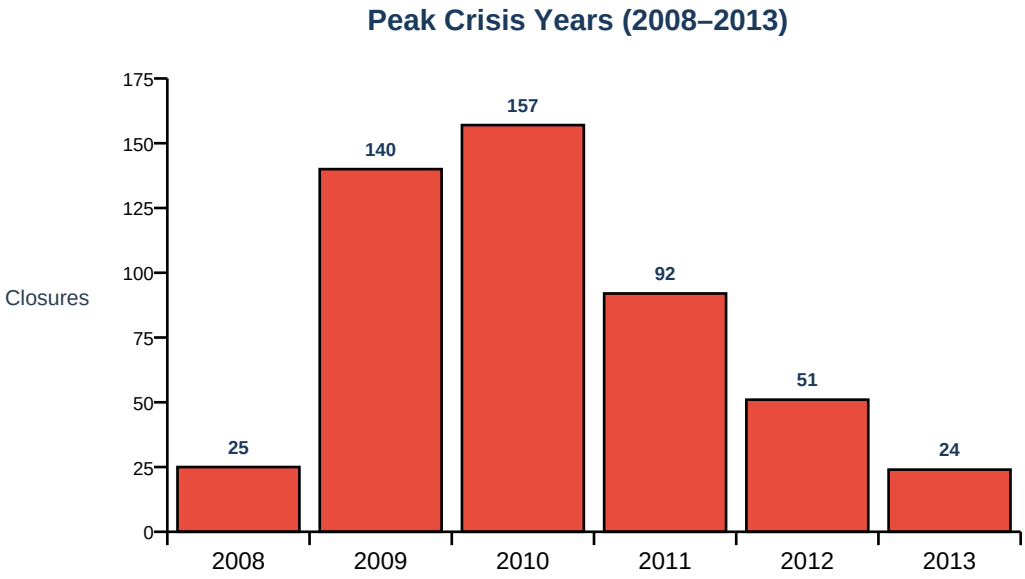
**Bank Closures by Year**

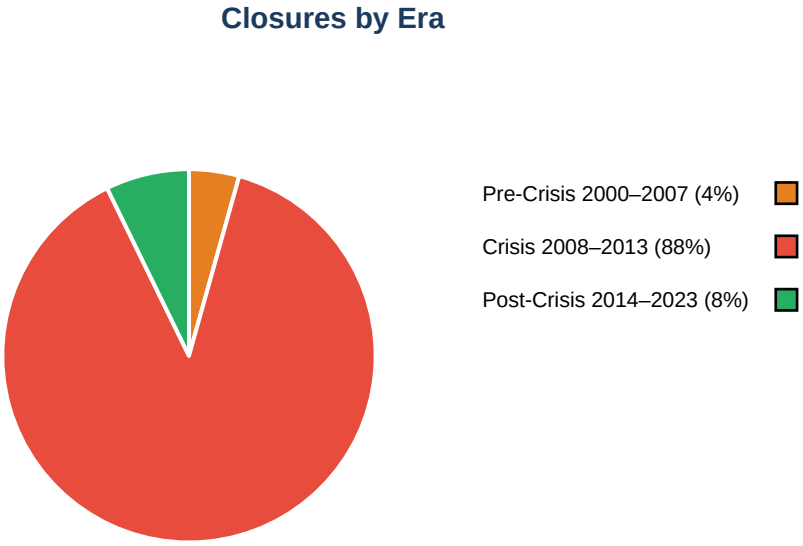



| Period | Avg Closures/Year | Phase | Key Driver |
|---|---|---|---|
| 2000–2004 | ~5 | Pre-crisis baseline | Normal attrition |
| 2005–2007 | ~1 | Quiet period | Credit expansion |
| 2008 | 25 | Crisis onset | Lehman/housing collapse |
| 2009–2010 | ~149 | Peak crisis | Widespread failures |
| 2011–2013 | ~56 | Wind-down | Continued stress |
| 2014–2023 | ~3 | Post-crisis | Recovery/regulation |

# 5. Crisis Era Deep Dive (2008–2013)

The 2008–2013 period saw approximately 489 bank closures — roughly 88% of the entire dataset. The peak in 2010 (157 closures) came with a lag after the initial financial shock of 2008, reflecting the time it takes for loan losses to materialize and regulators to act.



**Crisis Timeline:** The initial shock (Lehman Brothers, Sept 2008) triggered 25 closures that year. Losses accelerated through 2009–2010 as real estate values collapsed. The lag reflects the regulatory process — banks don't fail immediately but deteriorate over quarters as loan portfolios sour.

# 6. Key Findings

### Finding 1: Financial Crisis Dominated

The 2008–2013 period accounts for 88% of all bank closures. The peak year (2010) saw 157 failures — more than 30x the pre-crisis average.

### Finding 2: Extreme Geographic Concentration

Georgia, Florida, and Illinois account for 40% of all closures. Southeastern states were disproportionately hit due to real estate exposure.

### Finding 3: Lagged Peak After Initial Shock

Closures peaked in 2010, two years after the Lehman Brothers collapse in 2008, reflecting the time required for loan losses to fully materialize.

### Finding 4: Sharp Recovery Post-2013

After 2013, closures dropped to near-zero, suggesting that regulatory reforms (Dodd-Frank) and economic recovery effectively stabilized the banking sector.

# 7. Discussion & Conclusion

The data suggests strong regional and temporal trends in bank closures, driven primarily by the 2008 financial crisis and concentrated in states with heavy real estate lending exposure. These findings have implications for the banking sector, particularly for risk assessment, regulatory practices, and investment strategy.

## Implications

**Risk Assessment:** Geographic concentration of failures highlights the danger of regional economic dependence, particularly on real estate.

**Regulatory Policy:** The post-2013 stabilization suggests Dodd-Frank and enhanced supervision were effective in preventing further failures.

**Investment Strategy:** Understanding historical closure patterns helps investors assess banking sector risk by geography and economic cycle.

**Future Monitoring:** The 2023 failures (including SVB and Signature Bank) suggest that new risk vectors — like interest rate exposure — may emerge even in a well-regulated environment.

**Bottom Line:** U.S. bank closures are overwhelmingly a crisis-era phenomenon. The data shows a clear pattern: minimal failures during normal conditions, a massive spike during the financial crisis concentrated in real estate-heavy states, and a sharp recovery driven by regulatory reform. Continued vigilance is needed as new risk factors emerge.

*This report was prepared by Kevyn.ai for financial sector data analysis.*