

DATA DISPATCH

Illinois records more bank branch closures than openings

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By Rica Dela Cruz and Syed Muhammad Ghaznavi
Market Intelligence

US banks closed more Illinois branches than they opened but increased their number of full-time employees in the state.

In the 12 months ended April 30, banks recorded 64 net branch closings in Illinois, as they shuttered 90 branches and opened 26, resulting in 3,730 active branches in the state, according to S&P Global Market Intelligence data. As of March 31, there were 76,437 full-time employees (FTEs) in Illinois-based bank branches, up 17.3% year over year.

Overall, US banks recorded 1,366 net closings in the 12 months ended April 30, with 2,307 branches closed and 941 opened. Their total FTE count was 2,128,044 as of March 31, representing a yearly increase of 1.9%.

Branch closures across the US have slowed compared to the torrid pace of closures during the COVID-19 pandemic as banks have attempted to strike a balance between increasing digital adoption and maintaining physical locations.

Most active net closers, net openers

JPMorgan Chase & Co. was the top net branch closer in Illinois with 12 closings and only one opening as of the 12 months ended April 30.

JPMorgan will build more branches than it will shutter as it continues a market expansion strategy that has been driving deposit share outperformance, executives said May 22 at the company's investor day.

PNC Financial Services Group Inc., Associated Banc-Corp and Old National Bancorp tied for the second-most net closures in Illinois with six each.

PNC anticipates bank branch traffic to keep declining across the country.

"We'll adjust our physical footprint and increase our digital footprint if that's what clients demand as that continues to happen," Chairman, President and CEO William Demchak said April 26 during the company's 2023 annual meeting of shareholders.



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Commerce Bancshares Inc. ranked third with five closings and no openings. The company is focused on growing its digital channel, President and CEO John Kemper said April 19 during the company's 2023 annual meeting of shareholders.

"We're making a lot of technology investments these days," Kemper said. "This area has been a real focus for us in recent years as customers have shown more appetite for digital interaction."

Several banks were tied as the most active net openers in Illinois with one branch opening each, including Wintrust Financial Corp. and Western Alliance Bancorp.

Most active Illinois bank branch openers, closers

Ranked by net openings/closings and then by full-time employees

Company (ticker)	Total active branches ²	12 months ended April 30, 2023			FTE (actual) ¹	
		Net openings/ closings	Openings	Closings	March 31, 2023	YOY change (%)
Net closings						
JPMorgan Chase & Co. (JPM)	284	-11	1	12	292,393	8.6
PNC Financial Services Group Inc. (PNC)	158	-6	0	6	60,830	0.6
Associated Banc-Corp (ASB)	36	-6	0	6	4,246	4.7
Old National Bancorp (ONB)	84	-6	0	6	4,023	-7.2
Commerce Bancshares Inc. (CBSH)	12	-5	0	5	4,637	1.6
Huntington Bancshares Inc. (HBAN)	134	-4	0	4	20,232	2.3
Net openings						
Wintrust Financial Corp. (WTFC)	147	1	1	0	5,194	0.9
Western Alliance Bancorp. (WAL)	1	1	1	0	3,407	3.9
Tri-County Financial Group Inc. (TYFG)	19	1	1	0	343	0.0
Spring Bancorp Inc.	13	1	1	0	322	0.0
BankFinancial Corp. (BFIN)	21	1	1	0	202	0.0
Lakeside Bancorp Inc.	10	1	1	0	186	0.0
Hometown Financial Group Inc.	7	1	1	0	139	0.0
First Secure Bank Group Inc.	19	1	1	0	132	0.0
Waterman Acquisition Group LLC	3	1	1	0	43	0.0
Premier Commerce Bancorp Inc.	3	1	1	0	41	0.0
Tremont Bancorp Inc.	4	1	1	0	36	0.0
Goodfield Financial Corp.	5	1	1	0	30	0.0
CBT Bancorp Inc.	2	1	1	0	20	0.0
Perry County Bancorp Inc.	5	1	1	0	19	0.0
Total Illinois	3,730	-64	26	90	76,437	17.3
Total US	78,475	-1,366	941	2,307	2,128,044	1.9

Data compiled June 1, 2023.

FTE = full-time employees.

Ranking based on Illinois bank and thrift branch net openings/closings for the 12 months ended April 30, 2023, and limited to companies with at least one net opening or four or more net closings. Branch openings and closings are pro forma adjusted for completed and announced mergers and acquisitions.

¹ Data based on top-tier consolidated US banks and thrifts. Data shown for the subsidiary bank where top-tier data was not available.

² Active branch data based on the Federal Deposit Insurance Corp.'s June 30, 2022, Summary of Deposits filings and pro forma adjusted for branch openings or closings as of April 30, 2023.

In the event of a merger or an acquisition, S&P Global Market Intelligence retroactively adjusts current-year openings and closings to the single, highest-level holding company.

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

Branch data collected on a best-efforts basis.

Excludes foreign banking organization branches and credit unions.

Source: S&P Global Market Intelligence.

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Quarterly trend

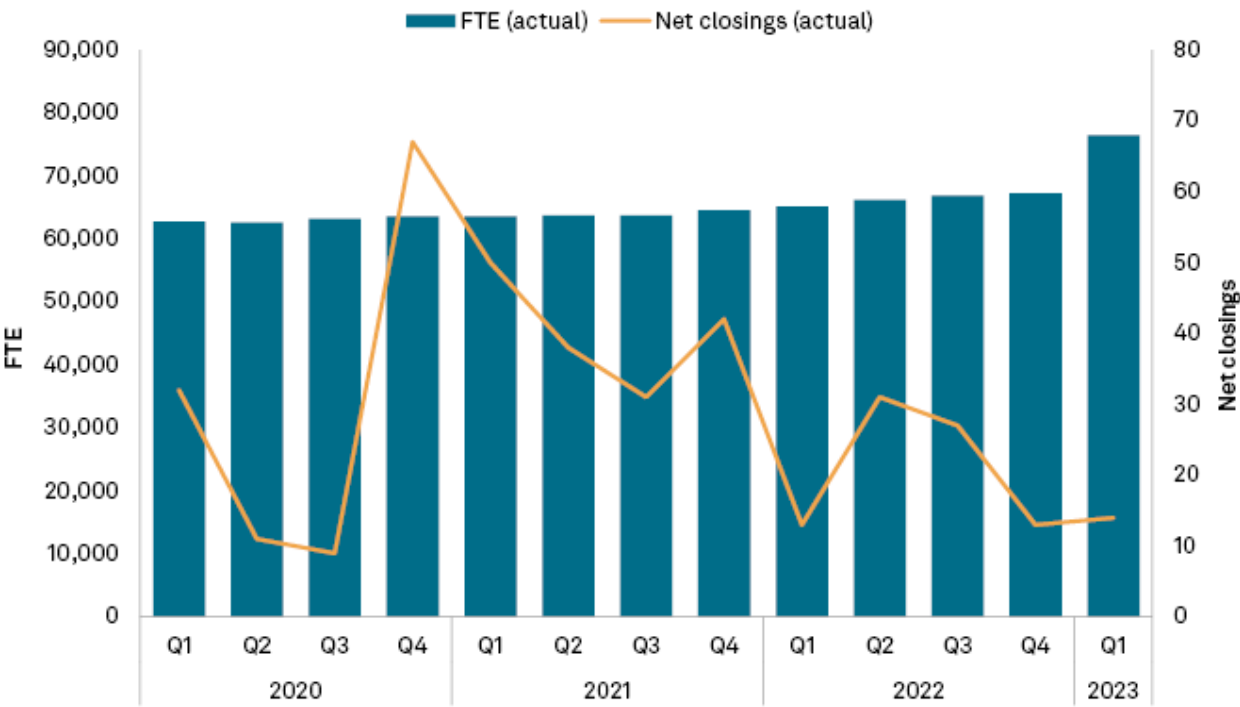
During 2020, banks booked a record number of net branch closings amid the COVID-19 pandemic.

Data from 2020 to the first quarter of 2023 shows that net branch closings in Illinois were the highest during the fourth quarter of 2020 at 67. Net closings in the state were the lowest in the third quarter of 2020 at nine.

Banks logged the highest number of FTEs in Illinois in the first quarter of 2023 and the lowest in the second quarter of

2020.

Quarterly trend of branch net closings, FTE across Illinois



Data compiled June 1, 2023.
FTE = full-time employees.
Branch data includes bank and thrift branches located across Illinois. Foreign banking organization branches and credit unions are excluded.
FTE data limited to US commercial banks, savings banks and savings and loan associations. Nondepository trusts and banks with a foreign banking organization charter are excluded.
Branch openings and closings are limited to cases where opening and closing dates are available.
Branch data collected on a best-efforts basis.
Source: S&P Global Market Intelligence.
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