
Strategic Impact of Mergers in the Financial Sector

Effects of Mergers among
Financial Institutions on
Medium and Small Banks

John Conefry

Vice Chairman

Astoria Federal Financial Corporation

5/10/00

Chart 1

American Households Owning Stock

**(Includes Mutual Funds and
Retirement Accounts)**

1983	24%
1989	32%
1992	37%
1995	40%
1998	48%
1999	53%

Chart 2

1998 Households Owning Stock by Income Class

Annual Income	Percentage
\$250,000 plus	93
\$100M – 250M	89
\$75M – 100M	81
\$50M – 75M	71
\$25M – 50M	52
\$15M – 25M	29
Under \$15M	11

Chart 3

- **300,000 American households have FAFI of at least \$5,000,000.**
 - **Total more than \$3 Trillion**
 - **ML customer assets exceed \$1 Trillion**
- **36% of all households have portfolios worth at least \$10,000.**

Chart 4

US Millionaires

3.3M households

- **Penta Millionaire 600M**
- **Deci Millionaire 180M**
- **Billionaires 268**

**New Millionaires
per day in 1999 – 1,096**

Chart 5

US Annual Income

- **Greater than \$100M per year - 11 Million Americans**
- **Personal annual income all Americans - \$8Trillion**

Chart 6

Market CAP American Stocks

1990 \$3.2 Trillion

2000 \$16.7 Trillion

Margin Debt

- **NYSE debt more than \$250 Billion**
- **Estimate NASDAQ and private finance of securities averages \$750 Billion**

Chart7

Other Debt

**US Treasury – Debt =
\$5.8 Trillion**

**US Credit Card - Debt =
\$520 Billion**

**Consumer Installment Debt =
\$ 1.4 Trillion**

Chart 8

Average holding period for Internet stock 1.3 months

Average holding period for Dow Jones stock 11 months

Average holding period for 5 stocks

GE	22 months
IBM	11 months
MSFT	5 months
Amazon	13 days
Priceline	4 days

****Percent of millionaires who make fewer than one transaction per year = 42%**

Chart 9

Total US Bank Deposits

Savings and other	\$3 Trillion
Large Deposits	\$870 Billion
Transaction Deposits	\$600 Billion

Total = \$4.5 Trillion

Chart 10

American Banks - Total Assets **December 1999**

Asset Size	Commercial Banks	Savings Institutions	Total
Less than \$1 billion	8,186	1,493	9,679
\$1 billion to \$3 billion	216	96	312
\$3 billion to \$10 billion	102	35	137
\$10 billion or more	76	16	92

Chart 11

American Banks – Total Assets December 1999

Asset Size	
Less than \$1 billion	\$1,277 billion
\$1 billion to \$3 billion	\$518 billion
\$3 billion to \$10 billion	\$758 billion
\$10 billion or more	\$4,330 billion

Chart 12

Number of American Banks **1991 vs 1999**

Number of Institutions	1991	1999
Commercial	11,920	8,580
Savings	2,560	1,640
Total	14,480	10,220

Chart 13

Assets (Billions)

	1991	1999
Commercial	\$3,430	\$5,734
Savings	\$1,120	\$1,150
Total	\$4,550	\$6,884