

## Summary

*Conrad, Alexander, Neuberger, Doris, and Schneider-Reißig, Maria*

“Geographic and Demographic Bank Outreach: Evidence from Germany’s Three-Pillar Banking System”

This paper investigates the performance of Germany’s three-pillar banking system in providing financial services nationwide, regarding different outreach indicators. At the federal state level, bank outreach shows South-North and West-East gaps. Combining regional and bank data at the district level for 2005, we examine the determinants of geographic and demographic branch penetration of the regional savings and cooperative banks. Both banking groups provide a larger branch penetration in more wealthy regions, but maintain a larger number of branches per inhabitant in less densely populated regions, easing access to retail banking services. With their comparatively large branch penetration in less wealthy regions, public savings banks help to reduce regional economic disparities. The branch penetration of both banking groups increases with the share of elder people and bank size in a region. Because of their public mission to serve all regions, public savings banks foster competition. (JEL G21, L1, L2)