# ANNUAL REPORT OF THE FEDERAL DEPOSIT INSURANCE CORPORATION 1977

## LETTER OF TRANSMITTAL

FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D.C., August 15, 1978

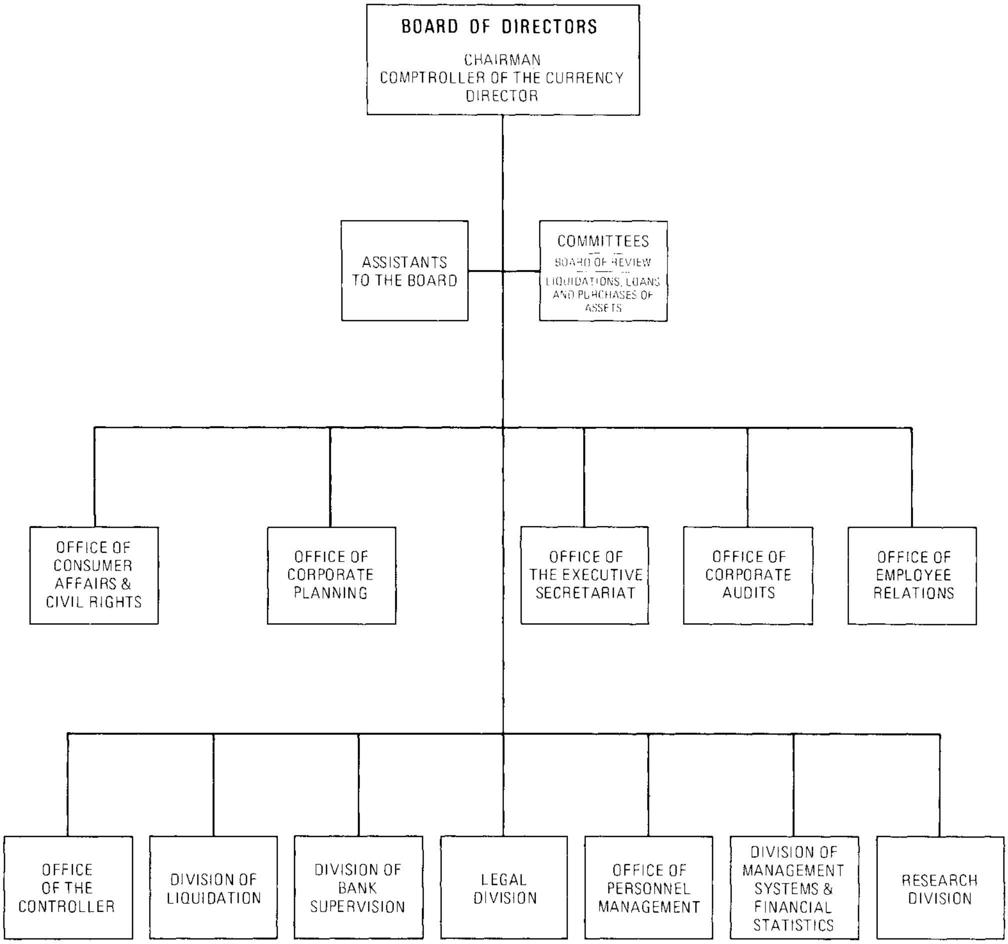
SIRS: In accordance with the provisions of section 17(a) of the Federal Deposit Insurance Act, the Federal Deposit Insurance Corporation is pleased to submit its annual report for the calendar year 1977. This report is a reprint of the report issued on March 1 expanded to include bank merger decisions, statistical tables, and other updated information pertinent to the operations of the Corporation.

Very truly yours,

George A. LeMaistre
George A. LeMaistre
Chairman

THE PRESIDENT OF THE SENATE
THE SPEAKER OF THE HOUSE OF REPRESENTATIVES

## FEDERAL DEPOSIT INSURANCE CORPORATION



# FEDERAL DEPOSIT INSURANCE CORPORATION

## BOARD OF DIRECTORS

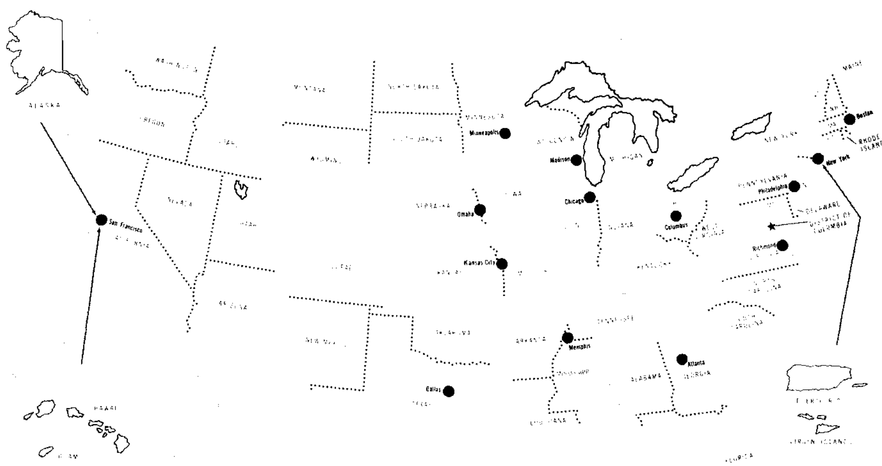
*Chairman*. . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .George A. LeMaistre
*Director*. . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . Vacant
*Comptroller of the Currency* . . . . . . . . . . . . . . . . . . . . . . . . John G. Heimann

## OFFICIALS

*Deputy to the Chairman* . . . . . . . . . . . . . . . . . . . . . . . . . . Lewis G. Odom, Jr.
*Counsel to the Chairman*. . . . . . . . . . . . . . . . . . . . . . . . . . .C.F. Muckenfuss, III
*Special Assistant to the Chairman* . . . . . . . . . . . . . . . . Sherwin R. Koopmans
*Special Assistant to the Chairman* . . . . . . . . . . . . . . . . .William A. Longbrake
*Special Assistant to the Chairman* . . . . . . . . . . . . . . . . . . . . Leonard Lapidus
*Assistant to the Chairman* . . . . . . . . . . . . . . . . . . . . . . Alfred H. Teichler, Jr.
*Assistant to the Director*
*(Comptroller of the Currency)* . . . . . . . . . . . . . . . . . . . . . .Joseph M. Ream
*Executive Secretary*. . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .Alan R. Miller
*Director, Division of Bank Supervision* . . . . . . . . . . . . . . . . . . . John J. Early
*General Counsel* . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .Miles A. Cobb
*Acting Controller* . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .William A. Longbrake
*Chief, Division of Liquidation*. . . . . . . . . . . . . . . . . . . . . . . . . George W. Hill
*Director, Division of Management Systems*
*and Financial Statistics* . . . . . . . . . . . . . . . . . . . . . . . . . . Robert P. Rogers
*Acting Director, Research Division* . . . . . . . . . . . . . . . . . . . . Gary G. Gilbert
*Director, Office of Corporate Planning* . . . . . . . . . . . . . Stanley C. Silverberg
*Director, Office of Corporate Audits*. . . . . . . . . . . . . . . . Robert D. Hoffman
*Acting Director, Office of Consumer Affairs*
*and Civil Rights*. . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .Thomas C. O'Nell
*Director, Office of Personnel Management* . . . . . . . . . . . . . . Jack C. Pleasant
*Director, Office of Employee Relations* . . . . . . . . . . . . . . . . . . .Joe S. Arnold
*Executive Assistant to the Board*. . . . . . . . . . . . . . . .Timothy J. Reardon, Jr.
*Assistant to the Board*. . . . . . . . . . . . . . . . . . . . . . . . . . . . . Sydney S. Sterns
*Information Officer*. . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . Harriett S. Scholl

December 31, 1977

# FEDERAL DEPOSIT INSURANCE CORPORATION REGIONS



## REGIONAL DIRECTORS

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December 31, 1977

FEDERAL DEPOSIT INSURANCE CORPORATION
Main Office: 550 17th Street, N. W., Washington, D. C. 20429

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INCOME OF INSURED BANKS:



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## BACKGROUND

The Federal Deposit Insurance Corporation came into being during the economic and banking crises of the early 1930s, when thousands of banks were forced to close their doors. For over a century, it had proved impossible to overcome the impact of bank failures on noteholders and depositors. A number of States had tried various forms of insurance or guaranty plans, some with fair success, but all of these had become inoperative by 1933. While during the period 1886-1933 numerous attempts were made to provide insurance protection to bank depositors on a national rather than statewide basis, it took the severe depression of the 1930s to convince the people of the nation that positive measures were required to eliminate the disastrous losses associated with bank failures.

The Federal Deposit Insurance Corporation was created by the Banking Act of 1933 to protect depositors in the nation's banks, to help maintain confidence in the banking system, and to promote safe and sound banking practices. The Corporation accomplishes these purposes through a program of Federal deposit insurance and through the regulation and supervision at the Federal level of the more than 9,000 FDIC-insured State-chartered banks that are not members of the Federal Reserve System.

Incorporated banks and trust companies that are engaged in the business of receiving deposits may participate in Federal deposit insurance. This insurance is mandatory for national banks and State bank members of the Federal Reserve System. Of the 15,207 banks in operation in the United States at the end of 1977, including commercial banks and mutual savings banks, about 97 percent were insured by the FDIC.

Each depositor in an insured bank is protected by Federal deposit insurance on the aggregate of all deposits held in the same right and capacity up to the maximum limit provided by the Federal Deposit Insurance Act. The maximum was $2,500 when Federal deposit insurance became effective on January 1, 1934. Over the 44-year life of the deposit insurance program, the amount has been increased several times, with the most recent increase becoming effective on November 27, 1974, when the general limit was raised to $40,000.

## CHAIRMAN'S STATEMENT

During 1977, there was a general improvement in the condition of the banking industry. Bank earnings were up from 1976 levels and bank loan losses declined. Only 6 banks failed in 1977 compared to 16 in 1976 and 13 in 1975. Another reflection of the general improvement was a slight decline in the number of banks on the FDIC's list of problem banks.

In response to dramatic changes in the banking industry and to the economic difficulties that have occurred in recent years, the Corporation continued its efforts to supervise banks more effectively by improving examination and supervisory procedures. One improvement involved the adoption, after several years of experimentation and testing, of a computerized financial data analysis system. This system is designed to aid the examination process by monitoring banks between examinations and by identifying possible adverse trends or developing problems in a particular bank as well as in the banking industry in general. The Corporation continued the rigorous use of cease-and-desist orders begun in 1976 to achieve correction by banks of certain conditions that endanger a bank's safety and soundness. In 1977, 52 final orders were issued under section 8 of the Federal Deposit Insurance Act; 29 such orders were issued in 1976, but from 1971-75 the number of such orders issued per year was 10 or fewer.

Meetings between Corporation examiners and bank boards of directors following the completion of an examination were made standard policy. It was also decided that a bank's directors should be notified when the Corporation recommends that their bank be assigned to the "problem" list. Finally, the Corporation embarked upon a major internal review of bank supervisory policies and procedures.

Several other matters worthy of note involved the Corporation during 1977. In response to the significant increase in the volume and complexity of assets being liquidated by the Corporation, a comprehensive review of liquidation practices, policies, and procedures was undertaken.

In the area of consumer and bank customer protection, the Corporation settled a suit in May by agreeing to institute more vigorous enforcement of the Fair Housing Act of 1968. At the close of the year, the Corporation was reviewing comments on its proposed fair housing recordkeeping regulation. In September, the FDIC joined the Federal Home Loan Bank Board in a study of Home Mortgage Disclosure Act data. At the close of the year, the Corporation was reviewing comments submitted in response to the proposed truth-in-lending guidelines and was participating in an interagency task force on the Community Reinvestment Act.

Toward the end of the year, the FDIC was engaged in responding to congressional requests for information on bank lending to insiders and officials of other banks and overdraft practices to determine the extent of preferential treatment or other abuses.

Six insured banks, ranging in deposit size from $1.8 million to $170 million, required Corporation assistance in 1977. This represented a return to the average over a number of years of about five bank failures per year. In all six banks, a purchase and assumption transaction was arranged.

The Corporation's largest liquidation continues to be Franklin National Bank, New York, New York. A milestone was reached in this liquidation on October 7, 1977, when the FDIC paid the remaining indebtedness incurred when it assumed Franklin's outstanding "window" loan due to the Federal Reserve Bank of New York following the closing of Franklin National Bank. The indebtedness, which originally amounted to $1.7 billion, had been reduced to $608 million when the FDIC made the final payment. Corporation projections indicate that there will be sufficient collections from the remaining assets to recover all of its disbursements. The outcome could be altered, however, by several factors which cannot be predicted precisely at this time, including the length of the receivership, which is now estimated at an additional 8 to 12 years; future economic conditions; the pace of receivership collections; and the outcome of certain major pending litigations.

During 1977, the dollar amount of assets administered by the Division of Liquidation declined to about $2.1 billion from $2.6 billion at the close of 1976. Substantial collections during 1977 exceeded the small amount of new assets placed in liquidation. Although the FDIC acquired fewer assets as the result of fewer distressed bank situations in 1977, the experience gained over the period 1973-76 clearly indicated that the FDIC should be prepared to handle a large volume of bank closings and have the capability to administer a large volume of diverse and sometimes poor quality assets. Recognizing this and because of a desire to enhance the efficiency of the liquidation function generally, the Board of Directors commissioned a review of the major aspects of liquidation activities. In August 1977, a task force was established for this purpose which consists of personnel from various offices and divisions within the Corporation as well as an outside consulting firm. The task force is scheduled to submit recommendations during 1978.

Following a 2-½ year period when the FDIC's list of problem banks more than doubled, 1977 was a year of stabilization and trend reversal. The list, which includes national and State member banks as well as nonmember banks, declined slightly during the year to 368 banks, a net reduction of 11 from year-end 1976.

While a bank is generally placed on the problem list because of unsound loans, mediocre management, or insider abuses, there is a direct relation between the condition of the economy and the number of banks on the list. When there is an economic decline, banks holding large amounts of low quality loans tend to get into financial difficulties. Because of delays due to the scheduling of examinations, the time to conduct an examination, and the period required to prepare the Report of Examination and to review it, there is a considerable time lag between the beginning of an economic upturn and a declining trend in the number of problem banks. The number of banks on the problem list peaked in November 1976, but did not begin to decline until June 1977. Continued economic improvements during 1977 should lead to a further decline in the number of problem banks during 1978. The decline may be gradual, however, due to the nature and severity of problems related to real-estate-related and other loans affected by the 1973-75 recession which still remain in banks' loan portfolios.

In 1977, the Corporation continued its policy of examining insured nonmember banks in accordance with changes initiated in 1976 relating to the priorities, frequency, and scope of examinations. The revised system recognizes that there are differences among banks of various sizes and thus, relatively more time is allocated to the examination of larger banks and banks that require more attention.

Recognizing the need to enhance director awareness of and involvement in the Corporation's supervisory efforts, in 1977 the Corporation instructed examiners to meet more frequently with bank directors. The examiner-in-charge will now meet with either the board of directors or an appropriate committee of the board after each full-scope examination. The Regional Director or a member of his staff will participate in such meetings where the bank has been or may be formally designated as a problem bank.

Also during 1977, the Corporation began an experimental program in certain FDIC Regions of notifying bank directors when their bank's condition was such that problem bank designation was being recommended. Notification seemed well received by bank directors and no significant difficulties were noted. It was decided to extend the program to all regions and to adopt notification procedures as a general requirement in all insured nonmember bank problem situations effective January 1, 1978.

In August, the Board of Directors commissioned a study to investigate the relationship between State and Federal regulation of banks. The study will focus on possible reforms in the current statutory and regulatory structure, with a view toward reducing or eliminating unnecessary overlap and duplication, and will measure the effectiveness of State and Federal authorities in meeting regulatory goals. The study will consider the costs and benefits of the present system of double supervision of State-chartered banks and the interaction between Federal and State regulatory authorities.

In the fall of 1977, the Senate Committee on Banking, Housing and Urban Affairs and the House Committee on Banking, Finance and Urban Affairs requested the Corporation to provide information about the lending and overdraft practices of banks to facilitate congressional deliberations on the need for additional banking legislation. As a result of these requests, the FDIC conducted four surveys to determine, among other things, the extent of preferential practices involved in bank lending and overdraft extensions. One of these surveys was still being processed at year-end.

The results of the completed surveys indicated that relatively few State nonmember insured banks engage in financing loans to purchase bank stock to any significant degree. A substantial proportion of the surveyed banks, however, had extended loans to officers of other banks. While there were instances of loan terms that appeared preferential, the completed surveys did not indicate widespread abuse associated with loans to officers of other banks or loans secured by bank stock. The information obtained about overdrafts indicated that the dollar amount of overdrafts by bank officers, directors, stockholders, and their interests is small in relation to the aggregate amount of overdrafts of all bank customers.

The survey currently in process was conducted by the Federal Deposit Insurance Corporation, in cooperation with the other Federal banking agencies. All insured commercial banks were asked for information on loans secured by bank stock, insider loans, loans to insiders of other banks, and overdrafts. The survey results are to be used by the committees in assessing the need for legislation to control these forms of bank lending. The Corporation expects that the survey results will assist it in carrying out its supervisory responsibilities.

On November 1, 1977, the Honorable Fernand J. St Germain, Chairman, House Subcommittee on Financial Institutions Supervision, Regulation and Insurance, requested the Corporation to review a sample of the most recent examination reports of State nonmember banks for information on loans to bank insiders, overdrafts, loans to insiders of correspondent banks, loans secured by bank stock, and violations of law and supervisory agreements. This review was conducted in the Corporation's Regional Offices and the results were transmitted to Congressman St Germain at the beginning of 1978.

During 1977, the FDIC increased its efforts to enforce bank customer oriented laws and regulations. These efforts are an outgrowth of programs that were previously initiated by the Corporation and a response on the part of the Board of Directors to the increasing responsibilities placed upon the regulatory agencies by Federal consumer protection statutes.

In May 1977, the Corporation reached an out-of-court settlement in a lawsuit, initiated by a coalition of civil rights and consumer advocate groups, that contended that the FDIC, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Home Loan Bank Board were not enforcing the Fair Housing Act of 1968. As part of the settlement, the Corporation agreed to develop a data collection and analysis system to monitor bank compliance with statutory prohibitions against discrimination in housing-related loans based on age, race, color, religion, sex, marital status, and national origin. A pilot survey of approximately 300 banks, conducted in cooperation with the Office of the Comptroller of the Currency, was completed in mid-February 1977. The results of this survey have been instrumental in designing a data collection and analysis system. The settlement agreement also required the Corporation to hire a civil rights specialist and to improve examiner training in the area of civil rights. Proposed regulations, which would impose certain recordkeeping requirements and require a fair housing poster in the lobby of each insured State nonmember banking office, were issued for public comment in October 1977.

Concern in Congress over the availability of financing for home mortgages in urban areas led to the passage of the Home Mortgage Disclosure Act of 1975. In September 1977, the FDIC and the Federal Home Loan Bank Board decided to fund a study of the Home Mortgage Disclosure Act. This study is intended to analyze the usefulness and accuracy of information banks must generate as a result of that act. The FDIC-FHLBB study, among other things, is designed to assess the accuracy and usefulness of the current reports, to assess the need for revisions in the act, and to devise cost-effective means of centralized collection and dissemination of these data and of enforcement of the provisions of the Home Mortgage Disclosure Act.

In October 1977, the Community Reinvestment Act was enacted. It requires the bank regulatory agencies and the Federal Home Loan Bank Board to consider a depository institution's record of meeting the credit needs of communities it serves, including low- and moderate-income neighborhoods, during the course of regular examinations and in reviewing applications for new charters, deposit insurance, branches, and mergers. The agencies are required to issue final regulations implementing this act no later than November 1978. A joint interagency task force has been convened to work on developing those regulations. Hearings are to be held in Washington, D.C., Atlanta, Dallas, San Francisco, and Chicago in the spring of 1978.

The Corporation also is attempting to improve the enforcement of the truth-in-lending laws and regulations and is giving more attention to the technical aspects of Regulation Z which implements the requirements of the Truth in Lending Act. In addition to staff studies designed to devise means to overcome possible deficiencies, the depository regulatory agencies have jointly issued proposed enforcement guidelines for comment which, if adopted, will help to ensure consistently applied enforcement standards for all depository institutions.

George A. LeMaistre

George A. LeMaistre
Chairman

# OPERATIONS OF THE CORPORATION
# PART ONE

## PROMOTING SOUND BANKING

The FDIC has some supervisory authority with respect to all insured banks; however, the agency's primary supervisory responsibilities relate to insured State-chartered commercial banks that are not members of the Federal Reserve System and FDIC-insured mutual savings banks. Of the three Federal bank supervisory agencies, the FDIC has primary supervisory responsibility for the largest number of banks. On December 31, 1977, a total of 14,735 insured commercial banks and mutual savings banks were in operation in the United States, with assets amounting to $1,270 billion; nonmember insured banks accounted for 59.6 percent of the number of banks and 30.5 percent of assets of banks on that date. For mutual savings banks, over 89 percent of the total assets were held in the 323 mutual savings banks insured by the FDIC.

**Examinations.** In 1977, the Corporation continued its policy of examining insured nonmember banks in accordance with General Memorandum No. 1. General Memorandum No. 1, which was implemented in 1976 and slightly revised in 1977, sets forth the policy on examination priorities, frequency, and scope and defines areas where the FDIC Regional Directors may use discretion while still maintaining a uniformity of approach. General Memorandum No. 1 defines two types of examinations: the modified examination, which emphasizes management policies and performance, and the full-scale examination, which is designed to make full use of the bank's own reporting capabilities and is tailored to the size and complexity of the bank.

Top priority in examination is given to banks with known supervisory or financial problems. These banks receive a full-scale examination by the FDIC at least once every 12 months, with follow-up examinations or visitations as deemed necessary. Commercial banks with assets of $100 million or more and mutual savings banks with assets of $500 million or more that do not present supervisory or financial problems receive a full-scale examination during each 18-month period, with no more than 24 months between examinations. A modified examination may be alternated with a full-scale examination for commercial banks with assets of less than $100 million and for mutual savings banks with assets of less than $500 million that do not present supervisory or financial problems, and that meet criteria indicating satisfactory management, adequate capital, acceptable fidelity coverage, good earnings, and adequate internal routine and controls. Such banks are examined once in each 18-month period, again with no more than 24 months between examinations.

Other special investigations are conducted by the FDIC in connection with applications for Federal deposit insurance, mergers, establishment of branches, and other actions that require the prior approval of the Corporation.

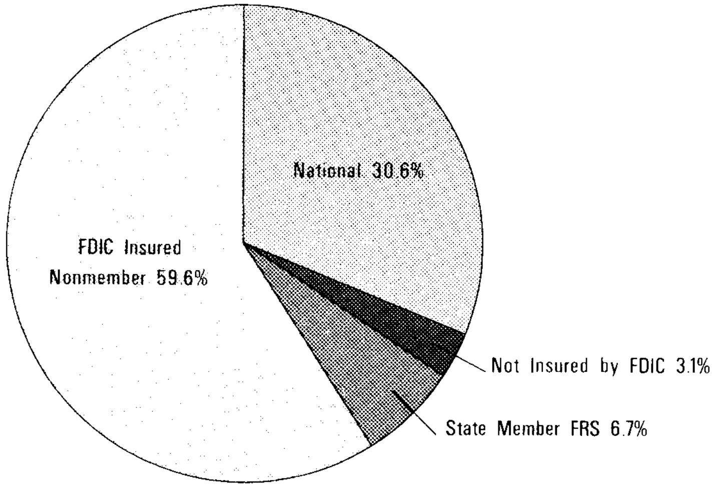
**Meetings with directors and trustees.** To increase the effectiveness of director participation in the supervisory process, in 1977 examiners were instructed to meet more frequently with bank directors (trustees in the case of mutual savings banks). General Memorandum No. 2 sets the criteria for such meetings. The examiner-in-charge will meet with either the board of directors or an appropriate committee of the board at each full-scale examination, and more often if necessary. The Regional Director or a member of his staff will participate in meetings with the bank's board or committee if the bank has been or may be formally designated as a problem bank. Beginning in 1978, a Regional Director will formally notify bank directors when he recommends that their bank be placed on the FDIC's problem bank list.

**Divided Examination Program.** As part of the Corporation's continuing effort to concentrate supervisory resources in priority areas, during the year the Corporation entered into a Divided Examination Program with the State of Georgia. Under the

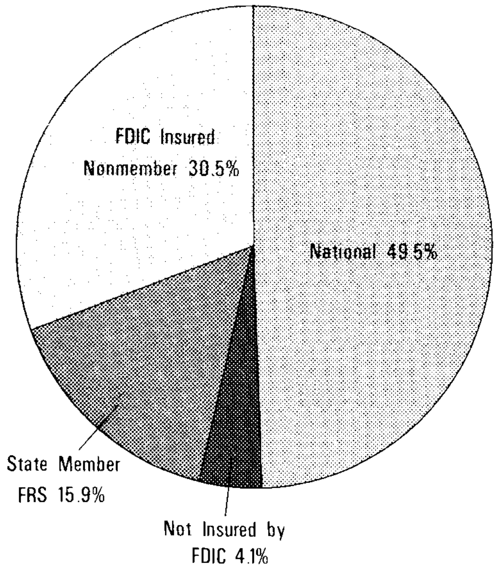
## SUPERVISORY CLASSES OF BANKS IN THE UNITED STATES, DECEMBER 31, 1977

### Commercial Banks and Mutual Savings Banks

NUMBER OF BANKS




ASSETS OF BANKS

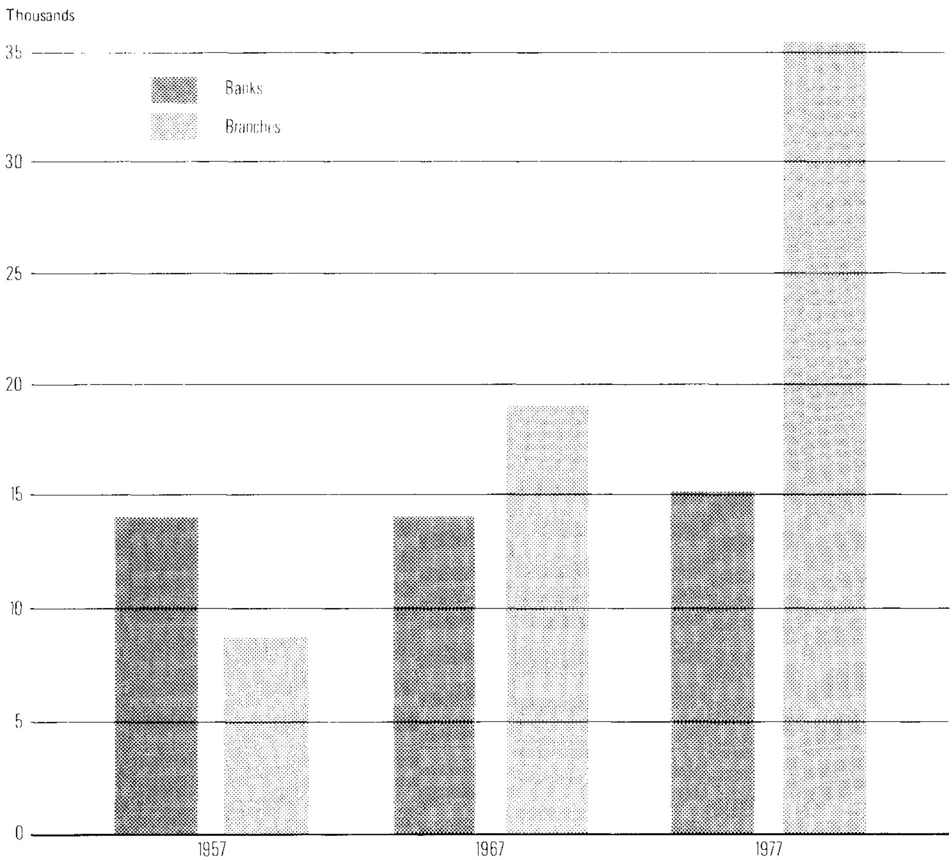


program, problem banks, other banks in need of special supervision, and banks with assets of $100 million or more ("pool" banks) are examined by both the FDIC and the State supervisor at least once each year. About half of the remaining banks ("other" banks) are examined by the State with the remainder examined by the FDIC. The supervisors will alternate examination of these banks annually. Either supervisory agency, upon completion of examination of that agency's portion of "other" banks, may examine others for which it is not primarily responsible for the year and also may add banks to the group of "pool" banks at any time. Either supervisor has the right to modify or cancel the divided examination arrangement without prior notice.

These arrangements for examining and follow-up surveillance of banks with supervisory or financial problems parallel the requirements of General Memorandum No. 1. While the examination schedule for the "other" banks—one full examination by the Corporation every 2 years—is a departure from the designated two examinations (one modified) every 3 years, with the utilization of State examination reports for "off years," the condition of these banks can be followed satisfactorily. It is anticipated that one or more States

**BANKS (HEAD OFFICES) AND BRANCHES IN THE UNITED STATES, 1957, 1967, 1977**

**Commercial Banks and Mutual Savings Banks**



## BANK EXAMINATION ACTIVITIES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1976 AND 1977

| Activity | Number 1977 | Number 1976 |
|---|---|---|
| **Field examinations and investigations—total** | **27,502** | **29,713** |
| **Examinations of main offices** | **7,473** | **8,037** |
| Regular examinations of insured banks not members of Federal Reserve System | 7,265 | 7,829 |
| Re-examinations or other | 181 | 187 |
| Entrance examinations of operating noninsured banks | 21 | 19 |
| Special examinations | 6 | 2 |
| **Examinations of departments and branches** | **8,739** | **9,691** |
| Examinations of trust departments | 1,425 | 1,491 |
| Examinations of branches | 7,314 | 8,200 |
| **Investigations** | **4,229** | **3,812** |
| New bank investigations | 169 | 162 |
| State banks members of Federal Reserve System | 9 | 16 |
| Banks not members of Federal Reserve System | 160 | 146 |
| New branch investigations | 931 | 952 |
| Mergers and consolidations | 122 | 118 |
| Miscellaneous investigations | 3,007 | 2,580 |
| **Compliance examinations** | **7,061** | **8,173** |

will be added to the Divided Examination Program in 1978.

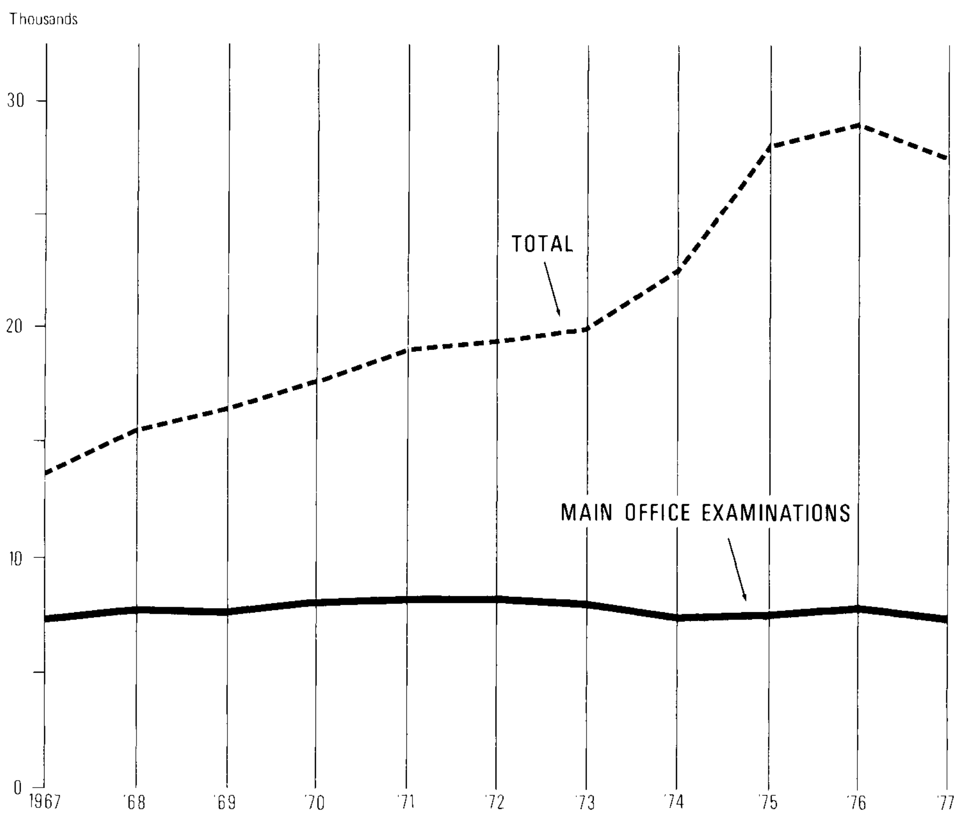
**Review of examination reports.** Reports of Examination of national banks and State member banks, conducted by examiners of the Office of the Comptroller of the Currency and the various Federal Reserve Banks respectively, are reviewed at the Corporation's Washington Office on a regular basis. Reports of Examination of national and State member banks that are not of special supervisory concern and have total deposits of $100 million or more are reviewed annually; Reports of Examination of such banks with total deposits of less than $100 million are reviewed at least once every 3 years. For banks of special supervisory concern, regardless of size, the Reports of Examination are reviewed as soon as they are made available to the Corporation. Effective January 1, 1978, the review of Reports of Examination of national banks and State member banks will be performed in the various Regional Offices of the Corporation.

**Bank holding company supervision.** All bank holding company examinations are conducted by the Federal Reserve. Reports of Inspection or Reports of Visitation of bank holding companies with insured State nonmember bank affiliates are reviewed in the Corporation's Washington Office as the reports are made available to the Corporation. Reports on holding companies with only national and State member bank affiliates are provided for FDIC review upon request. In 1977, the Corporation reviewed 309 holding company reports.

During 1977, Chairman LeMaistre proposed that bank holding company supervision could be improved if all of a holding company's subsidiaries were supervised by the same Federal agency. He suggested that each bank holding company and its subsidiaries be examined by the Federal banking agency having primary supervisory responsibility for the lead bank in the holding company. The Chairman has also recommended that the Federal Reserve should continue to determine permissible activities for holding companies and to approve formations and acquisitions, but should defer to the primary Federal supervisor on matters pertaining to the financial and managerial resources and future prospects of the affected banking affiliates.

**Shared national credits.** During the past 2 years, the Federal Deposit Insurance Corporation has participated with the Office of the Comptroller of the Currency and the Federal Reserve System in an annual review of shared national credits. Shared national credits are defined as those loans aggregating $20 million or more to one borrower that are participated in or shared by two or more banks. The review and classification of these credits is conducted independently of regular bank examinations and is the responsibility of specially selected Comptroller of the Currency or Federal Reserve and FDIC examiner teams assigned to the lead banks or agents for such credits. Ordinarily, shared national credits are reviewed and analyzed annually; however, banks involved may request that the review and analysis be made more often. The appraisal of the credit

**BANK EXAMINATIONS AND INVESTIGATIONS**
**FEDERAL DEPOSIT INSURANCE CORPORATION, 1967–1977**



assigned at the lead bank, including any substandard, doubtful, or loss classification or special mention, is applied to all participations or shares of those credits held by any national, State member, or State nonmember insured bank. The appraisal remains in effect until the next regular annual review unless changed in an interim review requested by an affected bank. A total of 168 State nonmember insured banks participated in shared national credits in 1977.

**Examination of bank trust activities.** During the first quarter of 1977, a revised trust report of examination was placed in use. While the main concept of the examination has not been materially changed, greater emphasis is placed on the evaluation of policies, practices, and procedures through the use of questionnaire-type report pages and worksheet checklists. The new report was developed to cover various types of trust activities and designed to be flexible in its use, including special pages for registered transfer agents and a single examination page for some small and relatively inactive trust departments.

The Corporation's Board of Directors, on September 7, 1976, authorized the creation of 14 bank examiner trust specialists, and these positions were filled in early 1977. The specialists are assigned to the regions in which the larger and more complicated trust departments are located.

**Cease-and-desist orders.** If the FDIC finds that an insured State nonmember bank has been conducting its business in an unsafe or unsound manner or has violated a law, rule or regulation, or any agreement with a condition imposed in writing by the FDIC, it may initiate a cease-and-desist proceeding pursuant to section 8(b) of the Federal Deposit Insurance Act. The FDIC first attempts to achieve correction of the deficiencies by the bank through a consent cease-and-desist order. Bank management is given a proposed Notice of Charges detailing the objectionable practices and is also presented with a proposed Order to Cease and Desist which contains a program for compliance. If, after a meeting with the bank and the appropriate State supervisory authority, the bank does not consent to comply with the proposed order, the Corporation will initiate formal proceedings by issuing a Notice of Charges. A hearing is held before an administrative law judge, where both the bank and the FDIC present evidence. The administrative law judge recommends an order to the Board of Directors of the Corporation, and subsequently the Corporation issues an order based upon an independent review of the entire case. The Corporation's order can be appealed to a Federal Circuit Court of Appeals. In 1977, there were no formal hearings under section 8(b).

The FDIC may also issue temporary cease-and-desist orders pursuant to section 8(c) of the Federal Deposit Insurance Act after a determination that continuation of certain practices would cause substantial financial damage to the bank or prejudice the interests of its depositors. These summary orders take effect when they are served on the bank and remain in effect until completion of cease-and-desist proceedings pursuant to section 8(b).

During 1977, there were 45 section 8 actions authorized by the Board of Directors which resulted in the issuance of 31 final orders pursuant to section 8(b) and 8 temporary cease-and-desist orders pursuant to section 8(c). Six actions were still being negotiated with affected banks at the end of 1977. In addition, 13 final orders were issued during the year covering cease-and-desist proceedings initiated during 1976. During 1977 the FDIC also brought an enforcement action in the appropriate United States District Court against one bank for violations of a section 8(b) order. Since first using the cease-and-desist power in 1971, the FDIC has issued 105 orders under section 8(b) and 13 under section 8(e).

**Reasons for cease-and-desist orders.** Some of the unsafe or unsound banking practices that resulted in enforcement actions by the FDIC were:

(1) inadequate capital in relation to the kind and quality of assets
(2) inadequate provisions for liquidity
(3) failure of the bank to diversify its portfolio resulting in a risk to capital
(4) extension of credit to insiders and affiliates of the bank who were not creditworthy, sometimes at a preferred rate
(5) weak and self-serving management
(6) hazardous lending practices involving extension of credit with inadequate documentation or for the purpose of speculation in real estate
(7) an excessive portfolio of poor quality loans in relation to capital
(8) failure to comply with consumer protection laws and regulations

**Termination of insurance.** When the FDIC determines that a bank has been conducting its affairs in an unsafe or unsound manner and is in an unsafe or unsound financial condition, it may initiate termination-of-insurance proceedings under section 8(a) of the Federal Deposit Insurance Act. The FDIC advises the bank, and the primary State or Federal regulatory authority, of its findings and permits the bank up to 120 days to correct the deficiencies. If the deficiencies are not corrected, the FDIC may terminate the insured status of the bank after an administrative hearing and due deliberation. The depositors of the bank are then notified of the termination, but each deposit (less subsequent withdrawals) continues to be insured for 2 years.

From 1934 to 1977, action had been taken under section 8(a) against a total of 240 banks, and 236 cases had been closed at the end of 1977. In slightly less than one-half of the closed cases, corrections

## CEASE-AND-DESIST ORDERS AND ACTIONS TO CORRECT SPECIFIC UNSAFE OR UNSOUND PRACTICES OR VIOLATIONS OF LAW OR REGULATIONS, 1976 AND 1977

| | 1977 | 1976 |
|---|---|---|
| **Actions authorized by Board of Directors** | **45** | **41** |
| **Actions in negotiation at end of year** | **6** | **15** |
| **Cease-and-desist orders outstanding at beginning of year—total** | **36** | **15** |
| Section 8(b) | 34 | 15 |
| Section 8(c) | 2 | 0 |
| **Cease-and-desist orders issued during year—total** | **39** | **26** |
| Section 8(b) | 31 | 21 |
| Section 8(c) | 8 | 5 |
| **Cease-and-desist orders issued in actions authorized in prior year—total** | **13** | **3** |
| Section 8(b) | 13 | 3 |
| **Cease-and-desist orders terminated—total** | **23** | **8** |
| Section 8(b) | 15 | 5 |
| Section 8(c) | 8 | 3 |
| **Cease-and-desist orders in force at end of year—total** | **65** | **36** |
| Section 8(b) | 63 | 34 |
| Section 8(c) | 2 | 2 |

were made, and in most of the other closed cases, the banks were absorbed by other insured banks or ceased operations prior to the establishment of a date for deposit insurance termination. In 13 cases, insurance was terminated or the bank ceased operations following the fixing of a date for insurance termination.

At the beginning of 1977, six termination-of-insurance proceedings were in progress. Administrative hearings were held in three cases. After the completion of a hearing against one bank, it was merged and the proceeding was terminated. The remaining two administrative proceedings were still pending at year-end. Of the three remaining section 8(a) proceedings pending at the beginning of 1977, one action was terminated after the bank consented to the issuance of a section 8(b) cease-and-desist order. One bank complied with the order of correction and the proceeding was terminated. The corrective period for the remaining bank was extended.

During 1977, the FDIC issued three Findings of Unsafe or Unsound Practices and Condition and Orders of Correction. After the issuance of these orders, one bank's financial condition improved sufficiently to terminate the proceeding. The other two proceedings were still pending, and as a result, five deposit insurance termination proceedings were pending at year-end 1977.

**Removal of bank officers and directors.** The FDIC may also, under section 8(e) of the Federal Deposit Insurance Act, remove an officer, director, or other person participating in the management of an insured State nonmember bank if it determines that the person has violated a law, rule, regulation, or final cease-and-desist order; has engaged in unsafe or unsound banking practices; or has breached his fiduciary duty. The act must involve personal dishonesty and entail substantial financial damage to the bank, or seriously prejudice the interests of the bank's depositors. Such a person may be suspended pending the outcome of the removal proceeding in order to protect the bank and its depositors. During 1977, no removal proceedings were initiated.

Section 8(g) of the Federal Deposit Insurance Act authorizes the Corporation to suspend or remove officers, directors, and other persons participating in the affairs of insured State nonmember banks who are indicted for a felony involving dishonesty or a breach of trust. The statutory authority for suspending individuals was ruled unconstitutional by a three-judge Federal district court in 1976 (*Feinberg* v. *FDIC,* 420 F. Supp. 109 (D.D.C. 1976)), and legislation was proposed to Congress in 1977 to cure the constitutional defects found by the court. In addition, the Corporation has issued regulations to cover the deficiencies in the statute found by the court.

**Problem banks.** Problem status generally is accorded after analysis of the most recent examination report of a bank or consideration of other pertinent information. The FDIC's problem list includes national and State member banks as well as the nonmember banks it supervises. Both the Office of the Comptroller of the Currency and the Federal Reserve maintain special supervisory lists of banks they supervise; their lists contain some of the same banks as the FDIC's list, but they are not duplicative of each other. The FDIC's problem bank list is divided into three categories:

**Serious Problem-Potential Payoff:** An advanced serious problem situation with an estimated 50 percent chance or more of requiring financial assistance from the FDIC.

**Serious Problem:** A situation that threatens ultimately to involve the FDIC in a financial outlay unless drastic changes occur.

**Other Problem:** A situation wherein a bank contains significant weaknesses, but where the FDIC is less vulnerable. Such banks require more than ordinary concern and aggressive supervision.

After reaching a peak of 385 in November 1976, the number of problem banks had declined to 368 by year-end 1977, representing about 2.5 percent of all insured banks. Banks do not usually remain on the problem list for very long; for example, at year-end 1977, 62 percent of the listed banks had been in problem status for 2 years or less and 86 percent for no longer than 3 years.

During 1977, 165 banks were added to the list and 176 banks were removed (4 by actual failure). The net decrease of 11 was represented by decreases of 12 in the Serious Problem-Potential Payoff and 8 in the Other Problem groups and an increase of 9 in the Serious Problem group. These changes represent an improvement over the dramatic increases in 1975 and the modest increases in 1976. During 1975 and 1976, most banks that were added to the problem list had loan portfolio weaknesses which could not be resolved quickly because of the nature of the types of credit involved.

Of the 368 banks on the problem list at year-end, 44 were affiliates of multi-bank holding companies, while 52 were owned by one-bank holding companies. From a deposit-size standpoint, 298 problem banks had deposits less than $50 million, 25 between $50 and $100 million, 31 between $100 and $500 million, 7 between $500 million and $1 billion, and 7 with $1 billion or more.

There were no banks of over $750 million considered Serious Problem-Potential Payoff; 10 of the 12 banks in that category had deposits of less than $25 million. Analysis of the problem bank list since year-end 1973 indicates that about 31 percent of the banks that were included at one time or another in the Serious Problem-Potential Payoff category ultimately did fail. An additional 11 percent were merged with other banks without financial assistance by the Corporation, 2 percent received financial assistance from the FDIC, and the remaining 56 percent received a less severe rating or were removed from problem status.

The closer supervision that is the

**NUMBER OF PROBLEM BANKS, DECEMBER 31, 1976 AND 1977**

| | 1977 | 1976 |
|---|---|---|
| **NONMEMBER** | | |
| Serious Problem—Potential Payoff | 10 | 19 |
| Serious Problem | 82 | 72 |
| Other Problem | 194 | 210 |
| Total | 286 | 301 |
| **STATE MEMBER** | | |
| Serious Problem—Potential Payoff | 1 | 1 |
| Serious Problem | 3 | 3 |
| Other Problem | 18 | 15 |
| Total | 22 | 19 |
| **NATIONAL** | | |
| Serious Problem—Potential Payoff | 1 | 4 |
| Serious Problem | 15 | 16 |
| Other Problem | 44 | 39 |
| Total | 60 | 59 |
| **ALL PROBLEM BANKS** | | |
| Serious Problem—Potential Payoff | 12 | 24 |
| Serious Problem | 100 | 91 |
| Other Problem | 256 | 264 |
| Total | 368 | 379 |

FDIC's policy with respect to problem banks includes, among other things, more frequent examinations and meetings with directors and management. In this connection, 376 regular examinations and 123 re-examinations of problem banks were conducted in 1977. Additionally, representatives of the Corporation met with the directors or management of problem banks on 793 occasions during 1977.

**Integrated Monitoring System (IMS).** The IMS, a computerized analysis system for monitoring bank performance between examinations, was implemented nationwide on November 1, 1977. The system is based on data submitted by the banks in their Reports of Condition and Income. Although the IMS is not a substitute for the examination process, it enables the Corporation to identify with more accuracy banks, or particular aspects of a bank's operation, that especially merit closer supervisory attention; it promotes more efficient use of limited manpower resources, both in the actual examination itself and in the review process; and it should serve to alert the Corporation to the presence of a deteriorating situation before it assumes serious proportions and thereby facilitate a swifter response by the Corporation. As presently structured, the IMS is limited in its application to insured commercial State nonmember banks.

The IMS utilizes eight basic tests which measure a bank's capital adequacy, liquidity, profitability, and asset and liability mix and growth against a predetermined standard. If a bank fails one or more of the eight basic tests, additional data are provided to facilitate in-depth and detailed analysis of the apparent problem. Where analysis indicates a potential problem or deteriorating conditions, appropriate action is initiated, which could be an early examination, bank visitation, or other follow-up activity.

**Loans to lesser developed countries.** The subject of increased private bank lending to lesser developed countries (LDCs) received a good deal of publicity during 1977. Concern was expressed over the spiraling debt burden of these countries and their ability to meet debt service requirements. Further, there was concern about the impact of LDC lending on the operations of domestic banks, the stability of the U.S. banking system, and the deposit insurance fund.

Based on the information the Corporation reviews as a matter of course, recent commitments to LDCs appear to pose no significant danger to the overall stability of the U.S. banking system. Only a few of the largest U.S. banks have substantial commitments to LDCs. These commitments generally have been made to the higher income, traditionally more creditworthy LDCs and are in a relatively liquid form. Notwithstanding the increased dollar volume of international loans, the ratio of losses on such credits has generally been less than that for domestic lending. These patterns appear essentially unchanged from 1975 experience, indicating that the vulnerability of U.S. banks to default on debt payments by LDCs has not worsened over the last year. While large current account deficits persist in several LDCs, adjustment processes such as monetary and fiscal restraint and multilateral debt restructuring to correct balance of payments deficits and shortages of foreign exchange reserves were begun in 1976 in many of these countries, reflecting a sincere desire to stabilize financial imbalances.

Although lending to LDCs seems to be under control, a survey of insured State nonmember banks with assets of $300 million or more was conducted in 1977, in cooperation with the other Federal bank regulatory agencies, to investigate the nature, extent, and geographic distribution of overseas lending. Of the 67 insured State nonmember banks asked to complete the report, 26 reported some form of foreign credit activity (bank placements, loans, or securities exceeding $1 million). As of June 30, 1977, these banks reported total foreign investments of $2.7 billion. A geographic breakdown of total foreign claims was:

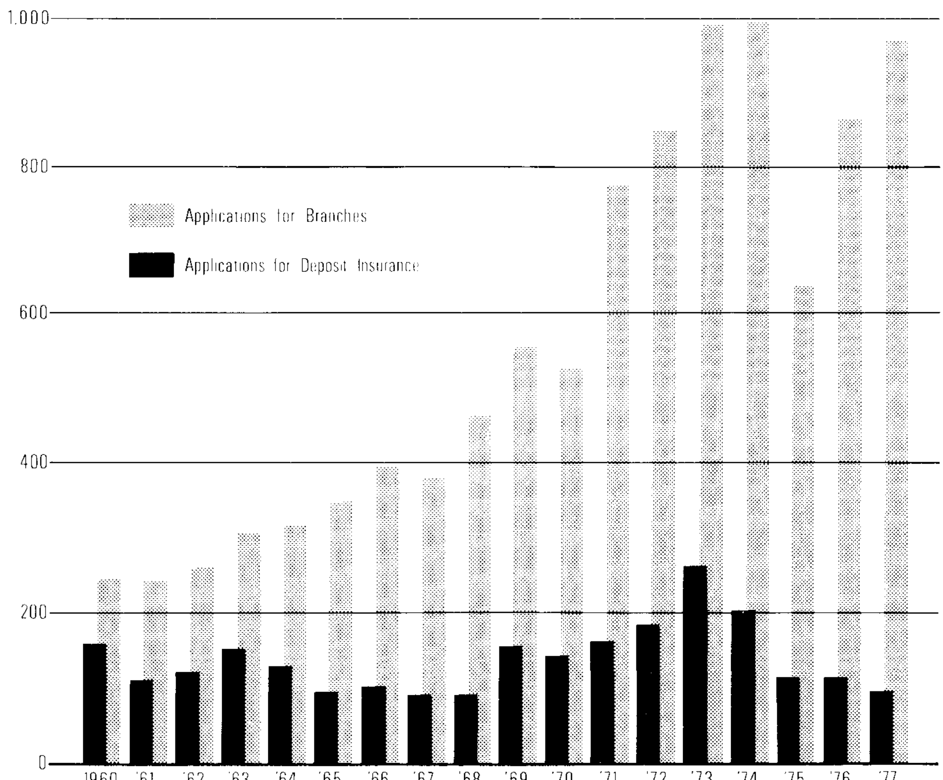
| | |
|---|---|
| Latin America | $ 604 million |
| Western Europe | 556 million |
| Caribbean | 457 million |
| Asia/Pacific | 433 million |
| Africa | 309 million |
| North America | 230 million |
| Middle East | 115 million |
| Eastern Europe | 42 million |
| | $2,746 million |

It is the Corporation's intention to conduct this survey on a regular basis. The Corporation believes that the aggregate data will also be useful to the banking industry.

**Applications for deposit insurance.** The FDIC is required under section 6 of the Federal Deposit Insurance Act to consider a bank's financial history and condition, the adequacy of its capital structure, its future earnings prospects, the general character of its management, the convenience and needs of the community, and the consistency of the bank's corporate powers with the purposes of the act when the bank applies for deposit insurance. State nonmember banks apply directly to the Corporation for deposit insurance. The Comptroller of the Currency certifies that these criteria are met before it will grant a national charter, and the Federal Reserve certifies that a State bank meets the criteria before it grants membership in the Federal Reserve System.

Of 104 applications for Federal deposit insurance considered by the Corporation's Board of Directors in 1977, 98 were approved and 6 were denied. One application was denied again after reconsideration. Thirty-one of the approved applications came from the 11 unit-banking States.

**APPLICATIONS FOR DEPOSIT INSURANCE AND BRANCHES APPROVED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1960–1977**



Twenty-six State member banks applied for continuation of their insured status following voluntary withdrawal of their membership from the Federal Reserve System; 25 of these applications were approved under delegated authority by the Corporation's 14 Regional Directors, and 1 was approved by the Board of Directors.

**Applications for branches.** The Corporation's approval is also required before an insured nonmember bank may establish or change the location of a branch office. Section 3(o) of the Federal Deposit Insurance Act defines a "branch" as " . . . any branch place of business . . . at which deposits are received, or checks paid, or money lent." Tellers' windows and other limited service facilities are included under this definition even though they may not be "branches" under the laws of the respective States.

During 1977, the Corporation considered 696 applications for prior consent to establish new branches. The Corporation's Board of Directors approved 69 applications and 622 were approved under delegated authority by the Director of the FDIC's Division of Bank Supervision or by the Corporation's 14 Regional Directors. Five applications were denied because of unfavorable findings with regard to one or more of the statutory factors considered: the financial history and condition of the bank, the adequacy of its capital structure, its future earnings prospects, the general character of its management, and the convenience and needs of the community to be served by the bank.

Of 278 applications considered in 1977 for the Corporation's prior consent to the operation of limited branch facilities (84 of which were unmanned operations), 87 were approved by the Corporation's Board of Directors, and 191 were approved under delegated authority. In addition, the Corporation accepted 266 notifications of unmanned remote service facilities which were to be established without the Corporation's approval but subject to publication and a 30-day waiting period. The Corporation also accepted notifications by 129 banks that they intended to share 464 remote service facilities owned and operated by other banks, also without approval as branches. Remote service facility activity among insured State nonmember banks has been heaviest in Iowa, Nebraska, New York, Oklahoma, Tennessee, and Wisconsin.

**Policy on legal fees in insurance and branch applications.** On October 25, 1977, the Corporation's Board of Directors adopted a new statement of policy on legal fees and other expenses incident to applications for insurance and consent to establish branches, amending and superseding the statement of policy previously adopted on August 25, 1972. Fees for legal services or other organizational expenses will no longer be questioned solely because of amount. In the future, *all* such fees for legal services and other organizational expenses must be accompanied by supportive documentation. In the case of legal fees, such documentation may consist of material such as itemized time sheets showing the time actually expended by counsel on the applications concerned, the hourly rate charged, and the specific circumstances, including unusual complexities, the necessity for agency or court appearances, and the like, necessitating the time expended. The reasonableness of the fees will be considered with certain guidelines. The Board of Directors in adopting the revised statement of policy concluded that fee limitations based upon presumptive dollar amounts are unrealistic because of variable factors influencing the amount of legal fees charged, for example, variations in the cost of living among geographic areas which are reflected in the costs of legal and other professional services, and additional work expended in connection with unusually complex organizations.

The legal fees or organizational expenses will be reviewed for reasonableness even though they may be absorbed wholly or partially by another entity such as a holding company. Also, expenses for legal or other services rendered by organizers, present or prospective board members, or major shareholders will receive special scrutiny for any evidence of self-dealing to the detriment of the bank or its other shareholders. In no case will an FDIC application be approved where the payment of a fee, in whole or in part, is contingent upon any act or forbearance by the Corporation or by any other Federal or State agency or official. Such contingent arrangements, while permissible in some States in adversary civil litigation, are considered totally inappropriate in matters relating to Federal deposit insurance or FDIC branch applications.

**Mergers.** The authority of the Federal bank supervisory agencies to regulate merger transactions is specified in the Bank Merger Act of 1960 and the Bank Merger Act of 1966 which amended section 18(c) of the Federal Deposit Insurance Act. Before any insured bank may engage in a merger transaction, as defined in the Federal Deposit Insurance Act, it must have the approval of a Federal bank supervisory agency. The Corporation is the deciding agency when the surviving institution is to be an insured nonmember bank, or in any merger of an insured bank with a noninsured institution.

Before approving any proposed merger of an insured bank, the deciding Federal agency must consider the effect of the transaction on competition, the financial and managerial resources of the banks, the future prospects of the existing and proposed institutions, and the convenience and needs of the community to be served. The agency may not approve any merger that would further an attempt to monopolize or that would result in a monopoly under the Sherman Antitrust Act. The agency may approve a merger that would substantially lessen competition in any section of the country, or tend to create a monopoly, only if the responsible agency finds these anticompetitive effects are clearly outweighed in the public interest by the probable effects on the needs and convenience of the community to be served. The Justice Department may, within 30 days (or in emergency cases, within 5 days) following approval of a bank merger by the Federal supervisory agency, bring an action under the antitrust laws to prevent the merger.

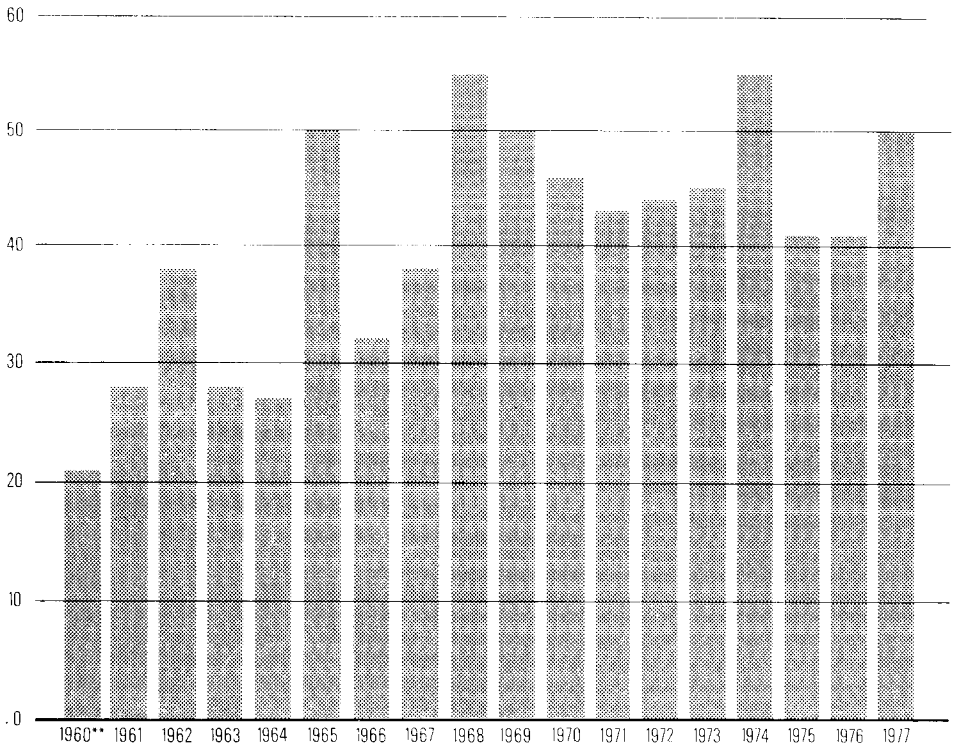
The Corporation approved 72 merger proposals under section 18(c) during 1977 (including 6 emergency cases) and denied 4. There were 27 applications involving corporate reorganizations, which had no competitive effect, that were also approved, including 22 in connection with the acquisitions of banks by holding companies. Additionally, Florida banking statutes were changed, effective January 1, 1977, to allow county-wide branching. As a result, the Corporation approved 22 merger applications involving affiliates of the same holding company, which, although they did not involve a "phantom bank," were essentially corporate reorganizations having no effect on competition. The act requires that descriptive material on each merger case that is approved, the basis for approval, and the Attorney General's advisory report be published in the deciding agency's annual report. This information for 1977 is published on pages 53-119 of this report.

The deciding agency must also request from the other two Federal bank supervisory agencies and from the Attorney General of the United States a report on the competitive factors involved in the case before deciding on any application, unless the agency finds that it must act immediately to prevent the probable failure of one of the banks involved. In 1977, 60 advisory reports were filed on the competitive factors involved in merger transactions in which the resulting institution would be a national or State member bank. In nine of these reports, the deciding agency was informed that the Corporation considered the competitive factors presented to be adverse in one or more respects. The Board of Governors of the Federal Reserve System subsequently denied one of these applications and approved another. The Comptroller of the Currency approved four of the applications and had taken no action on the other three applications by the end of the year.

There has been no case in recent years where any significant competitive question raised in the reports submitted to the Corporation had not already been brought to light by its own staff and considered fully in rendering a decision. That being the case and in order to expedite processing, the Board of Directors delegated to the Executive Secretary the authority to act on its behalf to furnish reports to the other bank supervisory agencies if the proposed merger would have no significant competitive effects. During 1977, 49 of the 60 competitive reports sent to the other agencies were done under delegated authority. The Corporation continues to believe that the advisory opinions required by the Bank Merger Act are an expensive and time-consuming exercise which could be eliminated with no effect on the careful consideration given to each case by the responsible agency.

**Change in bank control and loans secured by bank stock.** The chief executive officer of an insured bank is required by section 7(j) of the Federal Deposit Insurance Act to report to the appropriate Federal supervisory agency any change in ownership of a bank's outstanding voting stock that involves 10 percent or more of the outstanding shares and results in a change of control of the bank. The Corporation received 507 notices of change in control involving insured nonmember banks during 1977. Banks must also report any change of the chief executive officer or of any director occurring within a 12-month period following the change of

**MERGERS APPROVED* BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1960–1977**




*Certain mergers undertaken as part of internal reorganizations not included—see text.
**Period beginning May 13, 1960, to end of year.

control. With certain exceptions, whenever any insured bank makes a loan secured by 25 percent or more of the outstanding stock of a bank, the lending bank must file a report with the supervisory agency having primary regulatory responsibility for the bank whose stock secures the loan. These reports constitute important supervisory tools which enable the Federal banking agencies to assess promptly the impact upon the bank resulting from a change in control.

During 1977, legislation was introduced in Congress (H.R. 9086) which would expand section 7 of the Federal Deposit Insurance Act to give the Corporation the authority to deny in advance any change in control of an insured bank. The proposed legislation would also subject all bank stock to the margin requirements established by securities laws and would require full disclosure to the Federal Deposit Insurance Corporation of loans secured by 25 percent or more of an insured bank's stock. No final action had been taken on that legislation by year-end.

**Bank security.** The Bank Protection Act of 1968 provided for the establishment of minimum standards for the installation, maintenance, and operation of security devices and procedures to discourage external bank crimes and to assist in the apprehension of persons who commit those crimes. Part 326 of the Corporation's Rules and Regulations implements the Bank Protection Act and requires each insured nonmember bank to submit a Report of Crime following the perpetration or attempted perpetration of a robbery, burglary, or nonbank-employee larceny. The Corporation received 1,013 Reports of Crime during 1977. Part 326 also requires banks to file a Report on Security Devices and Procedures within 30 days of becoming insured and for each newly opened banking office.

As of the last business day in June, each insured nonmember bank must complete a report certifying its compliance with the security requirements of Part 326. Section 326.5 of the Corporation's Rules and Regulations was amended in 1977 to require retention of these reports in the banks' files for review by FDIC examiners. The regulation previously required submission of these reports to the Corporation.

A combined Report on Security Devices and Report of Crime has been designed and was in the final stages of development at year-end 1977. The new form represents a combined effort by the staffs of the three bank regulatory agencies, the Federal Home Loan Bank Board, and the National Credit Union Administration to simplify reporting of external crimes by financial institutions and to update current files containing information on security devices.

**GAO study of Federal supervision of banks.** Although the Corporation has been subject to a General Accounting Office (GAO) audit of its financial operations for the past 32 years, its bank supervisory function had never been audited. In 1976 several congressional committees, concerned over large bank failures and reports of large problem banks, requested the GAO to study the bank supervisory activities of the Corporation as well as those of the Federal Reserve System and the Office of the Comptroller of the Currency. In April 1976, the Corporation and the GAO agreed to a GAO study of the FDIC's bank supervisory activities under operating guidelines that gave the GAO unlimited access to bank examination reports and other related records held by the Corporation, but that prohibited the GAO from disclosing any information gained in the conduct of the study concerning specific banks, bank officers, or bank customers. The GAO submitted the completed study of Federal supervision of State and national banks to Congress in January 1977.

As a direct outgrowth of this GAO study, the Corporation agreed to permit the GAO to perform a similar study of its supervisory activities on an annual basis over a 3-year period, subject to the terms and conditions of the earlier agreement. On December 22, 1977, the GAO forwarded to Congress the results of its audit for calendar-year 1976 of the Federal Deposit Insurance Corporation. The GAO in its letter to Chairman LeMaistre indicated that the 1976 Audit Report was the first one since 1964 to include an unqualified opinion on the Corporation's 1976 and 1975 financial statements. The GAO was again granted unrestricted access to the Corporation's examination reports, files, and other records relating to insured banks.

**Reports of Income and Condition.** During 1977, the Federal Deposit Insurance Corporation, along with the Board of Governors of the Federal Reserve System and the Comptroller of the Currency, completed and issued for public comment a number of proposed revisions of the Reports of Income and Condition for banks. The proposed revisions relate mainly to additional information on some operations of "large" banks, and on the foreign operations of banks, continuing a plan of revisions which was partially implemented in 1976. The three Federal banking agencies have decided to implement the proposed revisions, as modified by consideration of the comments received from banks and others, with the December 1978 Reports of Condition and Income.

During the year, the Corporation participated in a number of "Call Report Clinics" which were sponsored by the Bank Administration Institute to assist banks in the preparation of the Reports of Income and Condition. There were approximately 5,000 participants in the 40 sessions held in various parts of the United States.

**Surveys.** The FDIC began participating with the Board of Governors in a new quarterly survey of lending terms to business and to farmers in 1977. The survey was undertaken in an effort to investigate the factors that enter into the cost of credit to small business and farmers and also in response to requests from congressional committees and various government agencies for more information on loans to small businesses.

Also beginning in 1977, the survey of selected operating statistics for all mutual savings banks, which had previously been conducted monthly, was changed to a quarterly basis and the amount of data collected by the survey was reduced. Following a joint review by the FDIC and the Commission on Federal Paperwork, the FDIC decided that its needs could be met with less frequent collection of the data.

In June 1977, the regular survey of deposits in each banking office was conducted. Dollar amounts of deposits of various types in individual banking offices, which are collected in this survey, are available to the public. In September another similar survey obtained both the amount of deposits and the number of accounts, in various size categories, from each insured bank, providing data for estimating the Corporation's potential insurance liability.

In July 1977, the FDIC implemented a survey of a sample of nonmember banks which collects weekly data on vault cash and deposits. The FDIC had collected this information in a pilot survey from June 1974 through May 1975. These data are designed to assist the Federal Reserve in measuring the deposits of insured nonmember banks which are included in the money supply.

Continuing in 1977 were surveys that obtained information on mortgage rates and mortgage lending, interest rates on time and savings deposits, and trust assets of insured commercial banks. At the request of the Senate and House banking committees, special surveys were conducted to obtain information about lending to bank insiders and about overdraft extensions. One of these surveys, which was in process at year-end, collected information from all insured banks on bank stock loans, overdrafts, and loans to bank officers, directors, and major stockholders.

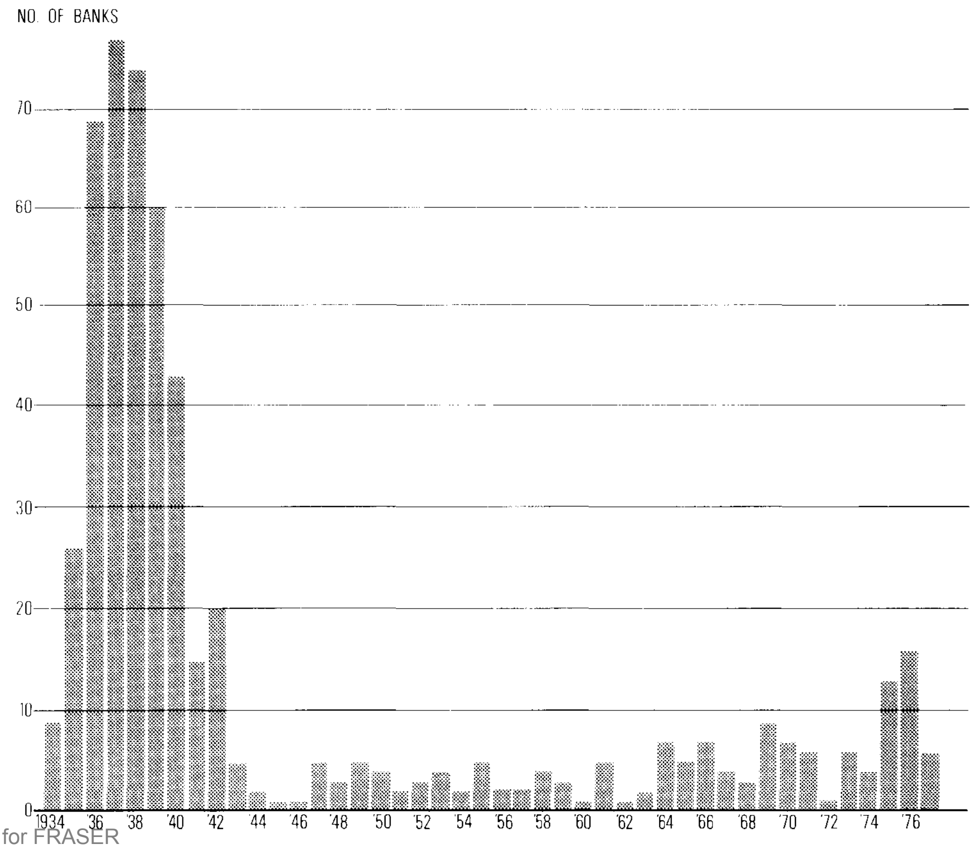
## PROTECTING DEPOSITORS

Federal deposit insurance is available to incorporated banks and trust companies that receive deposits. All national banks and State-chartered banks that are members of the Federal Reserve System are required by statute to participate in the Federal deposit insurance program. On December 31, 1977, nearly 98 percent of all commercial banks in the United States, and about 69 percent of all mutual savings banks, were covered by Federal deposit insurance. The 144 mutual savings banks that were not insured by the FDIC were located in Massachusetts and were covered under the deposit insurance program of that State. Each individual or business depositor is protected by Federal deposit insurance up to $40,000 in each insured bank. Time and savings deposits held by government units (except deposits held in out-of-State banks) are insured up to $100,000 for each depositor.

The principal methods available to the FDIC to protect depositors in failing insured banks are the deposit assumption method and the direct payoff method. Since 1934, 541 insured bank failures have required Corporation disbursements, including 238 deposit assumption cases and 303 direct payoff cases.

The FDIC is authorized under section 13(e) of the Federal Deposit Insurance Act to financially assist a purchase and assumption transaction whenever its Board of Directors finds that the expected loss or risk to the Corporation will thereby be reduced. This assistance may take several forms. The FDIC may purchase the assets or grant a loan secured by the assets of a failing bank. It may also indemnify the absorbing insured bank against loss due to its assumption of liabilities and acquisition of assets in the deposit assumption transaction. Under the deposit assumption

**INSURED BANK FAILURES, 1934–1977**



method, all depositors are afforded full protection with minimal, or no, disruption of banking services to the community.

When the deposit payoff method is used, the FDIC pays directly to depositors the net amount eligible for deposit insurance. These payments begin usually within 5 to 7 days of the bank closing. To find the net amount of insured deposits for each depositor, the Corporation's claim agents use the claims presented by depositors and the records of the bank to determine a total from which the matured debts owed by the depositor to the bank may be deducted.

**Bank failures in 1977.** The six insured banks that failed in 1977 ranged in deposit size from under $2 million to $170 million. This contrasts with the 16 failures that occurred in 1976 including 3 banks with deposits of more than $100 million. Purchase and assumption transactions were arranged in five of the cases in 1977, and the FDIC advanced $19 million in those transactions. The sixth transaction, which is discussed below, involved assistance to Banco Economias, San German, Puerto Rico. The assuming banks paid purchase premiums totaling $2.9 million for the right to acquire the failed banks' deposit liabilities. When a significant price for a transaction is paid by the acquiring bank, this is added to the capital cushion available to the FDIC to absorb losses.

The FDIC provided assistance in the case of the distressed Banco Economias, San German, Puerto Rico, an insured nonmember bank, under the authority granted in section 13(e). To facilitate the acquisition of Banco Economias by the newly chartered, FDIC-insured Banco Central Y Economias, a wholly owned subsidiary of Banco Central, S.A., Madrid, Spain, the FDIC purchased for cash $15 million book value of assets of Banco Economias. The market value of these assets is believed to be considerably less.

As agreed also, Banco Central of Madrid placed $10 million of capital in Banco Central Y Economias. The subordinated noteholders and common stockholders of Banco Economias received a contingent interest in capital notes in the new bank which total $5.4 million. The notes are payable between 10 and 20 years after the date of the transaction. The plan provides that interest and principal payments on the capital notes will accrue to the FDIC until any FDIC loss on the assets it purchased is recovered. Any amounts remaining unpaid on the notes after repayment of the FDIC loss will be paid to the shareholders and subordinated noteholders of Banco Economias. The stockholders of Banco Economias also will receive warrants to purchase common stock of Banco Central Y Economias. The transaction was approved by the directors, stockholders, and subordinated creditors of Banco Economias, the Federal and Puerto Rican bank regulatory authorities, and the appropriate governmental authorities in Spain.

**Repayment of loans to assist deposit assumptions.** In December 1977, 10 months prior to the scheduled maturity date, the Corporation received payment in full from Crocker National Bank of its $50-million capital note. The loan was made by the FDIC on October 22, 1973, to facilitate the assumption of deposits and certain other liabilities of the failed United States National Bank, San Diego, California.

Also in 1977, the FDIC received early payment in full of its $5-million loan to Southeast Banking Corporation of Miami, Florida. The loan was made by the FDIC on January 9, 1976, as part of a potential $10-million assistance package designed to facilitate the takeover of the distressed Palmer First National Bank and Trust Company of Sarasota, Florida, by Southeast First National Bank of Sarasota. The $5-million loan was due on December 1, 1978. The FDIC had agreed to make another $5 million available to Southeast should any of its banking subsidiaries require additonal capital because of a deterioration in the quality of certain assets acquired from Palmer First National Bank and Trust Company. This facility was not needed and it was cancelled as part of the transaction. With repayment and termination of the loan agreement, the FDIC and Southeast successfully concluded their joint undertaking.

**Direct assistance to operating insured banks.** If an operating insured bank is both in danger of closing and essential to maintain adequate banking services in the community, the FDIC may offer direct assistance to the bank, as authorized in 1950 under section 13(c) of the Federal Deposit Insurance Act. The Corporation has made use of this authority in assisting four insured banks in danger of closing. The first instance came in 1971 and the most recent in 1976 in assisting the Farmers Bank of the State of Delaware.

The original program of assistance to Farmers Bank was consummated on June 10, 1976, but subsequent developments led to the need for revisions in 1977. It became apparent that the bank had a higher level of severely classified assets than originally estimated, against which it had to establish additional reserves. The effect of this problem on the bank's financial condition was heightened by its accountant's interpretation of certain accounting rules which made the original plan less attractive than contemplated.

The revised assistance package consists of three agreements:

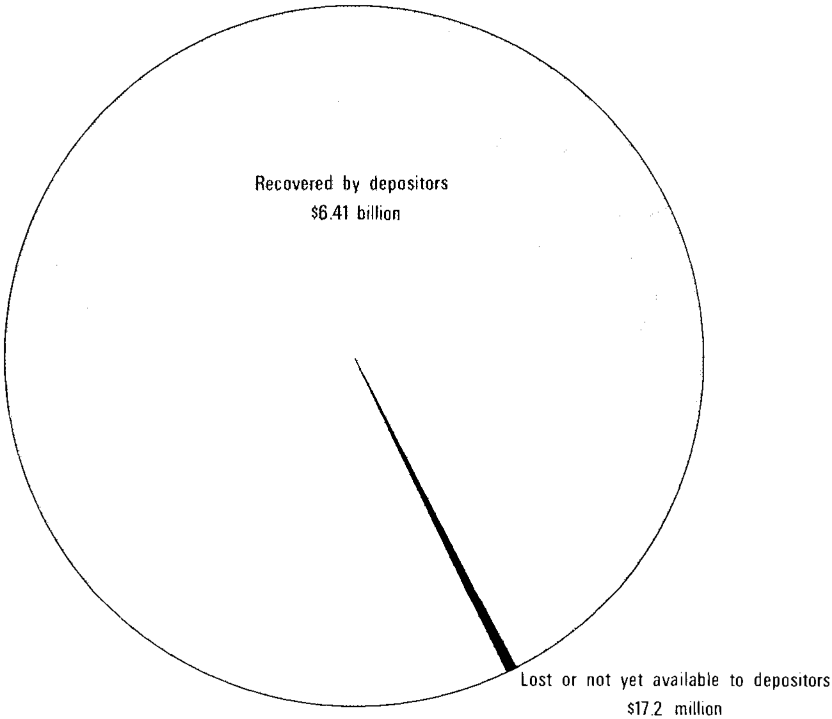
(1) The FDIC cancelled the obligation of Farmers Bank to pay any loss the FDIC may incur on the assets it purchased from the bank in the 1976 transaction. The Corporation purchased for $32 million bank assets with a book value of $40 million. Originally, the bank agreed to repay the Corporation 40 percent of any loss suffered in collecting the $32 million, with a maximum liability of $8 million. Full repayment was to have been made probably no sooner than 1996 and out of future earnings. Therefore, the liability which is being forgiven had a significant con-

**INSURED BANKS CLOSED DURING 1977 REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION**

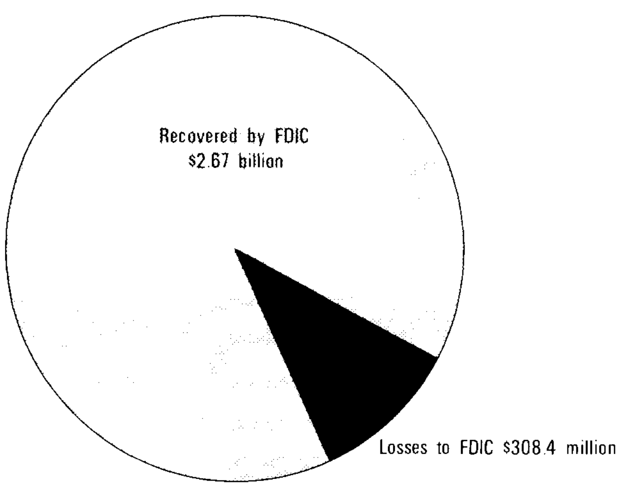
| Name and location | Date of deposit assumption | Number of depositors or accounts | Amount of deposits (In millions of dollars) |
|---|---|---|---|
| First State Bank<br>Foss, Oklahoma | March 10, 1977 | 1,022 | 1.8 |
| The Monroe Bank and Trust Company<br>Monroe, Connecticut | March 28, 1977 | 3,460 | 2.8 |
| First Augusta Bank & Trust Company<br>Augusta, Georgia | May 20, 1977 | 14,904 | 20.0 |
| Republic National Bank of Louisiana<br>New Orleans, Louisiana | July 29, 1977 | 3,118 | 4.9 |
| Donahue Savings Bank<br>Donahue, Iowa | August 26, 1977 | 1,382 | 5.6 |
| Banco Economias<br>San German, Puerto Rico | September 2, 1977 | 71,638 | 170.0 |

## DEPOSITS AND LOSSES IN ALL INSURED BANKS REQUIRING DISBURSEMENTS BY FDIC, 1934–1977

TOTAL DEPOSITS
$6.43 billion




DISBURSEMENTS BY FDIC
$2.98 billion



tingency nature and a present value substantially less than the $8 million maximum liability.

(2) The State of Delaware immediately transferred to the FDIC $2 million of the $20 million of Farmers Bank 6-percent preferred stock which the State purchased in 1976 as part of its assistance to the bank. Redemptions will be received pro rata by the State and the FDIC.

(3) The State of Delaware, which had been required to maintain its demand deposits in Farmers Bank at a minimum level of $75 million, gave up its previous right to reduce that level to $50 million by early 1978 and will instead maintain the $75 million minimum until the end of 1980.

The amendments represent a continuation of the principle embodied in the original assistance plan that the FDIC and the State should share in the costs of aid to the bank through a recognition of their mutual interests arising from the FDIC's role as insurer of deposits and the State's position as the bank's largest depositor and shareholder. By increasing the bank's income potential and allowing it to remove from its books a significant liability, the program will allow Farmers Bank to continue to be a viable banking entity, furnishing essential services to the Delaware economy.

The Corporation usually receives a number of informal inquiries each year for 13(c) assistance that never reach the formal application stage. In 1977, a total of five formal applications were presented to the Board of Directors; however, none of the applications were approved. In denying these applications, no assistance was given because in the opinion of the board the applicant banks did not meet the condition of essentiality, and also in some cases because the assistance requested was not expected to result in a viable banking institution. Of the five denials, one of the banks has since failed.

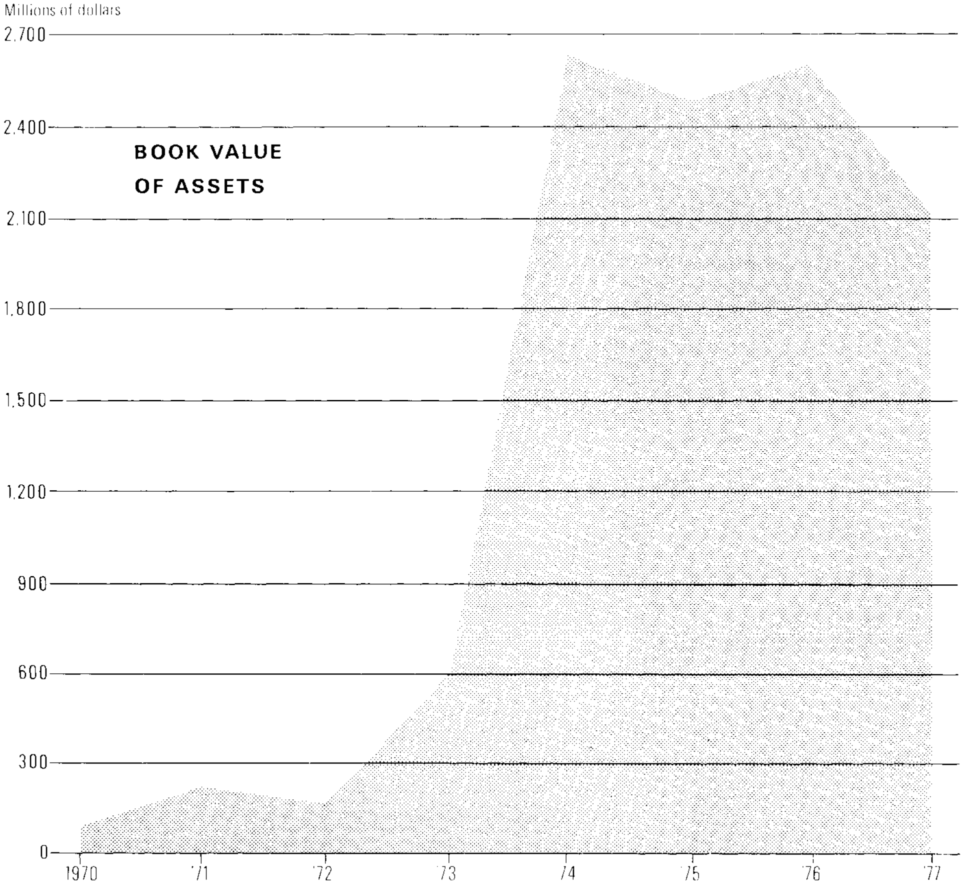
**Disbursements in deposit insurance transactions.** From January 1, 1934 through December 31, 1977, the Corporation disbursed approximately $3.0 billion to protect depositors in 545 insured banks with aggregate deposits of about $6.4 billion. The Corporation's total losses, including losses currently expected on assets in process of liquidation, amounted to $308.4 million through the end of 1977.

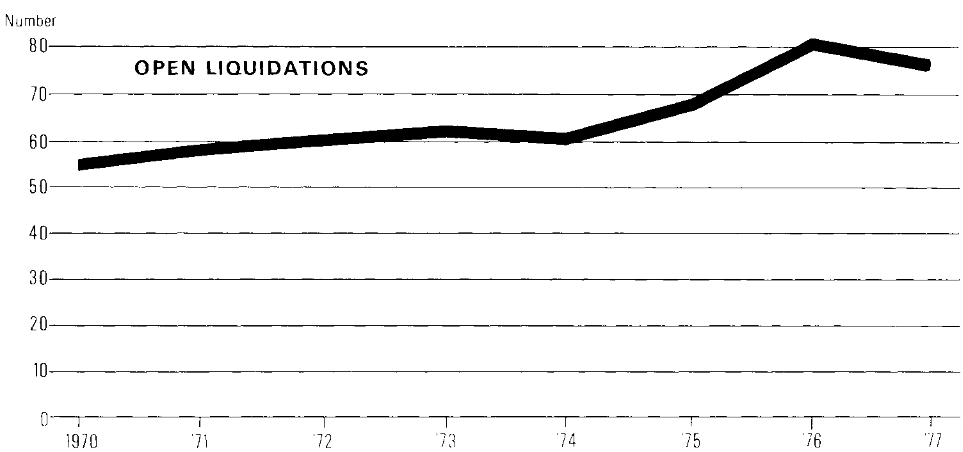
In the 541 failed bank cases, 99.8 percent of the depositors had received or were assured of payments of their deposits in full at the end of 1977, and 99.6 percent of the total deposits had been paid or made available to them. In deposit payoff cases, more than 99 percent of depositors had received full recovery, and while the recovery of uninsured deposits is subject to variation between individual cases, in the aggregate over 96 percent of total deposits had been paid or made available. About 72 percent of the total amount already recovered by or made available to depositors in deposit payoff cases was provided by FDIC payments of insured deposits, with additional amounts provided from the proceeds of liquidated assets, offsets against indebtedness, and pledged assets.

**Liquidation activities.** The FDIC's Division of Liquidation administers a large portfolio of assets of closed banks held by the Corporation either directly or as receiver. It began the year with over 72,000 assets with a book value of approximately $2.6 billion, over $900 million of which was real estate related. Although the six insured bank failures this year added 4,300 assets totaling $44 million, the division was able to collect $628 million, ending 1977 with a portfolio of 64,000 assets with an approximate book value of $2.1 billion.

In its largest liquidation, Franklin National Bank, New York, New York, the FDIC paid, on October 7, 1977, the remaining indebtedness to the Federal Reserve Bank of New York. The FDIC incurred this debt in its corporate capacity following the closing of Franklin National Bank when it assumed Franklin's outstand-

## LIQUIDATION ACTIVITY
## FEDERAL DEPOSIT INSURANCE CORPORATION, 1970–1977



ing "window" loan which amounted to $1.7 billion plus one day's interest of $472 thousand. Since February 1975, the FDIC had been paying this debt on a daily basis from collections on the Franklin assets it holds. These assets were acquired by the FDIC because they were not acceptable to the assuming bank. As of October 7, 1977, the FDIC had collected $1.4 billion on these assets. Interest of 7.52 percent on the note, which was due not later than October 8, 1977, was paid on October 7, 1977. The final installment of $389 million principal plus $219 million accrued interest was paid by the Corporation out of its cash reserves. The total amount of $608 million will be repaid to the Corporation out of the future liquidation of Franklin's assets plus interest computed on the unpaid balance at 6-½ percent per annum.

The Corporation's liquidation procedures are continually evaluated to ensure that all available avenues are being pursued in the liquidations of closed banks consistent with the Corporation's objective of converting the assets to cash expeditiously while realizing a maximum recovery for distribution to creditors and stockholders. The Division of Liquidation in 1977 was successful in closing 13 transactions involving bulk sales of assets and collected over $82 million.

Recovery for creditors and stockholders can also result in some cases from directors' liability actions initiated by the receiver. Because many bank closings are the direct result of bank directors' failure to use reasonable or ordinary care in discharging their duties or their allowance of violations of banking laws, it is a normal practice for the Corporation as receiver or liquidator of the failed bank to investigate potential negligence and to file claims against members of the bank's board when such action is warranted. In 1977, the Corporation filed 7 directors' liability suits; at the end of 1977, 24 such suits were pending.

Whenever it is determined that the bank had suffered losses due to the fraudulent and dishonest acts of its employees, the Corporation as receiver or liquidator of the failed bank pursues a claim against the bank's banker's blanket bond carrier. Most claims are settled without litigation; however, at the end of 1977 there were seven such suits pending.

## ENFORCING CONSUMER LEGISLATION

The FDIC is responsible for the enforcement of a number of consumer protection laws and regulations, including the Truth in Lending Act, the Fair Credit Reporting Act, the Real Estate Settlement Procedures Act, the Equal Credit Opportunity Act, the Fair Housing Act, the Home Mortgage Disclosure Act, and the Community Reinvestment Act with respect to insured State nonmember banks. In most cases, the Corporation is explicitly given this responsibility by a governing statute. In some cases, however, this responsibility evolves from the broader supervisory responsibility of assuring that insured State nonmember banks comply with applicable Federal law.

**Compliance examinations.** The FDIC carries out its responsibility to enforce various consumer protection laws primarily through the examination and supervisory process. In the past, FDIC examiners checked for compliance with these laws for the most part during regular bank examinations. In May 1977, the FDIC began a new program directed solely to checking for compliance with the various laws and their related regulations in separate specialized examinations. Such examinations are conducted at times other than during the regular safety and soundness examinations. These compliance examinations are conducted by trained examiner specialists assigned to the compliance examination and enforcement function for a period of 6 months. Under this program, each insured nonmember bank is scheduled for a specialized compliance examination at least once every 15 months. In addition, follow-up examinations or visitations are scheduled as the circumstances require.

The compliance examinations are normally done by reviewing a sample of pertinent transactions and documents and through discussions with bank management. Violations and other exceptions discovered in the examination process are reported and followed up by the staffs of the various Regional Offices to assure that appropriate corrective measures are taken. The consumer affairs specialists in each of the FDIC's 14 Regional Offices coordinate this function and serve as the focal point within each Regional Office for matters related to compliance.

Each Regional Office staff makes every effort to resolve exceptions and obtain compliance voluntarily with applicable requirements, by means of moral suasion, additional follow-up examinations, visitations, and meetings with the boards of directors of the banks involved, or other means. If voluntary compliance cannot be obtained in this manner, a formal administrative proceeding under section 8(b) of the Federal Deposit Insurance Act may be initiated and may lead to the issuance, by the FDIC's Board of Directors, of a cease-and-desist order. During 1977, the Board issued 13 such orders relating in whole or in part to violations of consumer protection laws and regulations.

Five States (Connecticut, Maine, Massachusetts, Oklahoma, and Wyoming) have State truth-in-lending requirements, and in these States, FDIC examiners check for compliance only with applicable Federal truth-in-lending requirements, that is, those requirements for which the five States have not received an exemption. Enforcing compliance with the State requirements that are substantially similar to Federal requirements and for which the five States have received an exemption is the responsibility of the appropriate State authority.

**Fair housing lending.** In the area of fair housing, the FDIC has proposed new regulations intended to provide a basis for a more effective fair housing lending enforcement program under the Fair Housing Act and the Equal Credit Opportunity Act. Data pertaining to applications for and inquiries about home mortgage loans and home improvement loans on one- to four-family residential units, including race and sex identification, would be collected and analyzed to detect whether the possibility of illegal discrimination should be investigated. The system proposed was the basis for an out-of-court settlement entered into between the plaintiffs and the FDIC in *National Urban League, et al.* v. *Comptroller of the Currency, et al.,* which was signed on May 13, 1977. Since that time, the FDIC and the former plaintiffs have been actively cooperating in an effort to ensure that the system finally implemented directly addresses the problem areas for which it is designed.

The proposed regulations also include an amended version of the fair housing advertising and poster provisions which are now contained in the FDIC's policy statement entitled "Nondiscrimination in Real Estate Loan Activities." These provisions require insured State nonmember banks to indicate, both in their home loan advertisements and at the locations where their home loans are made, that they are equal housing lenders. Further, the advertising provision would prohibit the banks from engaging in discriminatory advertising practices which violate the Fair Housing Act or the Equal Credit Opportunity Act.

At the request of the Senate Committee on Banking, Housing, and Urban Affairs, the FDIC joined with the Federal Home Loan Bank Board in contracting for a study of the mortgage loan data depository institutions are required to prepare and make available to the public under the Home Mortgage Disclosure Act. The study will focus on the accuracy of the data presently being compiled, how the data may be used in fair housing lending enforcement activities, and possible ways in which the Home Mortgage Disclosure Act may be amended to enhance the usefulness of the data in enforcement activities. The study will be confined to banks and savings and loan associations located in the San Diego, Chicago, and Buffalo Standard Metropolitan Statistical Areas and is expected to be completed in the latter part of 1978.

**Bank customer interests and other compliance activities.** The Office of Consumer Affairs and Civil Rights coordinates FDIC efforts to protect the interests of bank customers. The office processes bank customer complaints and inquiries, most of which deal with alleged violations of consumer protection laws and various banking matters. A brochure describing the FDIC's consumer complaint handling function and giving information on consumer laws was published in 1977. Also, a series of consumer information pamphlets explaining the Truth in Lending, Fair Credit Billing, and Equal Credit Opportunity Acts was published during 1977.

Reviewing proposed legislation and regulations to assess their impact on bank customers is an important function of the Office of Consumer Affairs and Civil Rights. The office also reviews compliance reports on a selected basis and may recommend cease-and-desist actions involving alleged violations of consumer laws. In addition, the office participated with the other Federal financial regulatory agencies in drafting a proposed statement of enforcement policy with respect to the Truth in Lending Act in 1977.

## ENFORCING INVESTOR LEGISLATION

Publicly held insured State nonmember banks fall under the Corporation's explicit regulatory authority for public reporting, proxy solicitations, and trading by insiders of their own bank stock. The Corporation also supervises disclosure with respect to take-over attempts and other purchases of publicly held securities of banks subject to its primary jurisdiction. Newer statutory responsibilities have engaged the Corporation in the regulation of insured nonmember banks that act as transfer agents or deal in municipal securities.

These increasing statutory responsibilities in the securities disclosure area have coincided with the Corporation's increased interest and concern in securities disclosure problems even where it has no explicit statutory mandate. The Corporation, for example, has actively encouraged the use of offering circulars in connection with bank stock and debenture offerings and has become more concerned with general questions of bank accounting and disclosure by bank holding companies regulated by the Securities and Exchange Commission. It has also monitored banks' securities marketing devices and banks' involvement in the market for their own stock.

**Securities Exchange Act — Registration and reporting.** The Corporation administers and enforces the registration, company-reporting, and related provisions of the Securities Exchange Act of 1934 with respect to insured nonmember banks. These provisions are applicable to banks with more than $1 million in assets that have 500 or more holders of any class of equity security. Such banks are required to file an initial registration statement and periodic reports (annually, semi-annually, and quarterly) as well as a special report covering any material event which occurred in the preceding month. To comply with the Corporation's regulations, any matter presented for a vote of security holders must be effectuated through a proxy statement, or an information statement if proxies are not solicited, and where directors are to be elected, the proxy or information statement must be accompanied or preceded by an annual report disclosing the financial condition of the bank. Officers and directors of a bank whose securities are registered and any person or related group of persons holding more than 5 percent of such securities must report their holdings and any changes in their holdings to the Corporation. All required statements and reports filed with the Corporation under the Securities Exchange Act are public documents and are available for inspection at the Corporation's headquarters and elsewhere.

During 1977, 33 banks filed registration statements, 3 banks converted from a national to a State charter, and 1 bank was spun-off by a holding company pursuant to an exchange offer. Sixteen banks terminated registration during the year. The year-end total of registered banks was 357 compared to 336 the year earlier.

**Banks acting as municipal securities dealers, transfer agents, or clearing agents.** The Securities Acts Amendments of 1975 placed upon the Corporation the responsibility for enforcing compliance with certain securities laws by insured State nonmember banks that are registered as municipal securities dealers, transfer agents, or clearing agents.

As of December 31, 1977, 52 State nonmember banks were registered with the Securities and Exchange Commission and the Corporation as municipal securities dealers and 448 were registered with the Corporation as transfer agents. No State nonmember banks were registered as clearing agents. The Corporation also shares enforcement responsibility with the Securities and Exchange Commission for their Rules 17f-1 regarding lost and stolen securities and 17f-2 concerning fingerprinting of certain bank employees.

In cooperation with the other bank regulatory agencies, the Municipal Securities Rulemaking Board, the Securities and Exchange Commission, and the National Association of Securities Dealers, the Corporation developed examination procedures and a compliance report covering the municipal securities dealer activities of insured nonmember banks. During 1977, the Corporation added to its Rules and Regulations Part 343 which implements the reporting requirements of the Municipal Securities Rulemaking Board Rules and Part 342 which prescribes procedures for application for a stay or review of actions of bank clearing agencies. Also, Part 310 of the Corporation's Rules and Regulations was amended to establish the "Municipal Securities Principals and Representatives System," a system of records containing background and other information on municipal securities principals and representatives who are employed by nonmember insured banks.

## ADMINISTRATION OF THE CORPORATION

**Board of Directors.** Mr. George A. LeMaistre succeeded Mr. Robert E. Barnett as Chairman of the Board of Directors on June 1, 1977. Chairman LeMaistre has served as a member of the Corporation's Board of Directors since August 1, 1973.

As of the end of the year, the Director position vacated by Chairman LeMaistre had not been filled. Comptroller of the Currency John G. Heimann, an ex officio member of the Board, was appointed on July 12, 1977. Mr. Robert Bloom had served as the Acting Comptroller of the Currency since July 30, 1976.

**Research Division.** The Board of Directors established the Research Division on June 13, 1977, and later in the year, the Economic Analysis Section of the Division of Management Systems and Economic Analysis was incorporated into the Research Division. The Division of Management Systems and Economic Analysis was renamed the Division of Management Systems and Financial Statistics.

The Research Division is responsible for analyzing policy issues, proposed legislation, economic trends, and developments affecting financial institutions and markets. The Division of Management Systems and Financial Statistics continues to process and analyze bank Reports of Condition and Income and other financial data surveys and to provide data processing systems, information system design, and management analysis support to other FDIC divisions and offices.

**Office of Personnel Management.** On June 27, 1977, the Board adopted a resolution creating the Office of Personnel Management to be responsible for personnel programs management, personnel policies and related matters, and other matters designated by the Chairman and the Board of Directors. Previously the personnel functions of the Corporation were carried out through the Office of Employee Relations. The Office of Employee Relations continues to administer the Corporation's Equal Employment Opportunity and Upward Mobility Programs and its Grievance Procedure System, coordinate its labor relations program, serve as liaison on matters related to the Employee Advisory Councils, consult with the Office of Personnel Management on matters related to changes in employee programs, and perform special tasks assigned by the Office of the Chairman. Despite the organizational separation of these two offices, a close working relationship has and will continue to exist because of the interrelationship of their respective responsibilities.

**Office of Consumer Affairs and Civil Rights.** Effective October 25, 1977, the Office of Bank Customer Affairs became part of the new Office of Consumer Affairs and Civil Rights, which consists of three operating subdivisions. The Office of Bank Customer Affairs will be primarily responsible for handling and coordinating matters pertaining to consumer complaints and the enforcement of consumer protection statutes. It will also be responsible for preparing various reports, such as the truth-in-lending report. The Civil Rights Branch will be primarily responsible for handling and coordinating matters involving discrimination and the civil rights of bank customers. Initially, a major function of this office will be participation in implementing the Corporation's fair housing enforcement program. It will also be responsible for preparing the equal credit opportunity report. The Special Projects Branch will have responsibility for tracking consumer and civil rights legislation, assisting in the preparation of regulations and policy statements, conducting surveys and research as needed, and assisting in the planning of educational programs for examiners, bankers, and bank customers.

**Number of employees.** The total employment of the Corporation increased by 156 in 1977 to a year-end total of 3,691. Approximately 70 percent of the Corporation's employees were assigned to the Division of Bank Supervision, and about 73 percent of that division's employees were field bank examiners. During the year, the number of commissioned examiners rose by 61 to a total of 1,085 at year-end.

The turnover rate for field examiners was 8.2 percent compared to 10.1 percent for 1976. Of the 151 examiners who left the program during the year, 35 found employment in banks. For all employees, exclusive of temporary field liquidation personnel, college students participating in the Corporation's cooperative work-study program, and temporary summer personnel, the turnover rate was 11.2 percent as compared to 13.3 percent for 1976.

**Equal Employment Opportunity Program.** The Corporation's program of Equal Employment Opportunity is administered by three full-time professionals, two secretarial support personnel, and approximately 60 employees who are assigned specific EEO responsibilities on a collateral or part-time basis. A full-time Federal Women's Program coordinator and a part-time discrimination complaint administrator were added to the staff of the Director of Equal Employment Opportunity in 1977 and a program assistant (investigator) will be added to the EEO staff in 1978, providing additional support in the areas of EEO and grievance investigations. The Corporation's 1978 EEO Plan was approved by the Civil Service Commission on November 18, 1977, and stresses continued affirmative recruitment efforts, as well as expanded outreach and coordination of the program at the regional and field levels, among other objectives.

The percentage of women in the Corpo-

## NUMBER OF OFFICIALS AND EMPLOYEES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION DECEMBER 31, 1976 AND 1977

| Unit | Total | | Washington office | | Regional and field offices | |
|---|---|---|---|---|---|---|
| | 1977 | 1976 | 1977 | 1976 | 1977 | 1976 |
| Total | 3,691* | 3,535* | 1,183 | 1,110 | 2,508 | 2,425 |
| Directors | 2 | 3 | 2 | 3 | 0 | 0 |
| Executive Offices | 54† | 57†† | 54† | 57†† | 0 | 0 |
| Legal Division | 104 | 92 | 87 | 79 | 17 | 13 |
| Division of Bank Supervision | 2,564 | 2,450 | 372 | 389 | 2,192 | 2,061 |
| Division of Liquidation | 479 | 501 | 195 | 165 | 284 | 336 |
| Division of Management Systems and Financial Statistics | 191 | 192 | 191 | 192 | 0 | 0 |
| Research Division | 17 | – | 17 | – | 0 | – |
| Office of the Controller | 178 | 175 | 163 | 160 | 15 | 15 |
| Office of Corporate Audits | 30 | 24 | 30 | 24 | 0 | 0 |
| Office of Consumer Affairs and Civil Rights | 11 | – | 11 | – | 0 | 0 |
| Office of Employee Relations | 9 | 41 | 9 | 41 | 0 | 0 |
| Office of Personnel Management | 52 | – | 52 | – | 0 | – |

*Includes 511 nonpermanent employees on short-term employment or when actually employed in 1977 and 624 in 1976. Nonpermanent employees include primarily college students participating in the work-study program, and clerical workers employed on a temporary basis at banks in process of liquidation.
†Includes Office of Corporate Planning.
††Includes Office of Bank Customer Affairs and Office of Corporate Planning.

ration's general schedule workforce increased from 27.2 percent as of March 27, 1976, to 28.8 percent as of December 3, 1977. During the same 20-month period, the percentage of minorities rose from 12.2 percent to 13.1 percent. Considerable progress is evident in the recruitment of women and minorities for positions as bank examiners. While as of June 30, 1976, only 7.9 percent and 4.2 percent of the examiner workforce were respectively women and minorities, by December 3, 1977, those percentages had increased to 9.3 percent and 5.6 percent.

Of the 13 structured upward mobility positions filled during the latter part of 1976 and in 1977, 2 employees completed their training and were assigned to the designated target positions. Additional upward mobility position opportunities will be offered under this program during 1978.

**Supervisory and other training activities.** To maintain a highly qualified bank examination staff, the Corporation conducts courses in various bank examination functions, such as auditing, credit analysis, investments, and Corporation regulations and policy, in the Division of Bank Supervision Training Center. Consumer protection law training is provided for compliance examination specialists who have not received such training previously. In 1977, 51 sessions were held, with nearly 1,400 students participating. Since the Training Center was established in 1970, approximately 7,700 students have participated in the 286 sessions held. While training is directed primarily toward FDIC personnel, 159 State examiners, 18 students nominated by foreign government banking authorities, and 7 Federal Reserve examiners attended FDIC schools in 1977.

In addition to the regular courses, the Training Center continued during 1977 the annual workshop in fair housing, and also held three interagency training sessions about consumer protection laws and advanced trust matters. To expand examiner knowledge in the trust examination area, various training programs have been developed over the years to supplement the on-the-job training. An annual trust examiner's workshop, which was initiated in 1976, was held again in 1977. Thirty-five Corporation examiners attended the 1977 session.

The Training Center also handles the enrollment of senior examiners in 10 different graduate schools of banking. During 1977, 140 examiners attended the schools; 74 were new students enrollments.

In addition to the courses offered through the Division of Bank Supervision Training Center, the Office of Personnel Management, through the Corporation's Tuition Reimbursement Policy, provides the opportunity for all employees to enroll in American Institute of Banking and other correspondence courses, career-related college training, seminars and workshops in specialized areas, and other job-related training.

**Implementation and administration of the Freedom of Information Act.** The Corporation received 200 requests under the Freedom of Information Act during 1977. Twenty requests were not acted upon because they were either withdrawn by the requester, misdirected to the Corporation, or involved records that were not in the Corporation's possession.

The Corporation is authorized under provisions of the Freedom of Information Act to deny requests involving (1) matters that are contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of any agency responsible for the regulation or supervision of financial institutions; (2) trade secrets and commercial or financial information obtained from a person that are privileged or confidential; (3) inter-agency memorandums or letters that would not be available by law to a party other than an agency in litigation with the agency; and (4) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

The Corporation granted in full 69 requests and denied in full 64 requests. Thirty-seven requests were granted in part and denied in part. Ten requests were outstanding as of December 31, 1977. Twenty-one initial denials were appealed to the Board of Directors. The Board sustained 16 initial denials and granted in part and denied in part the appeals from 5 initial denials.

**Audit.** The Corporation's Office of Corporate Audits performs independent audits of financial and operational activities within the Corporation and reports the audit results to the Board of Directors. If special requirements arise, qualified CPA firms are used to supplement the resources of the Office of Corporate Audits. The General Accounting Office also audits the Corporation's financial transactions annually and reports the results to the Congress.

## FINANCES OF THE CORPORATION

**Assets and liabilities.** At the close of business in 1977 the Corporation's assets totaled \$8.5 billion. Of this total, \$7.3 billion was in cash and United States Government securities valued at amortized cost plus accrued interest. Equity in assets acquired from failed banks in purchase and assumption and depositor payoff transactions, in notes purchased to facilitate deposit assumptions and mergers, and in direct assistance to operating banks totaled \$1.2 billion after deducting \$260 million for reserves for losses.

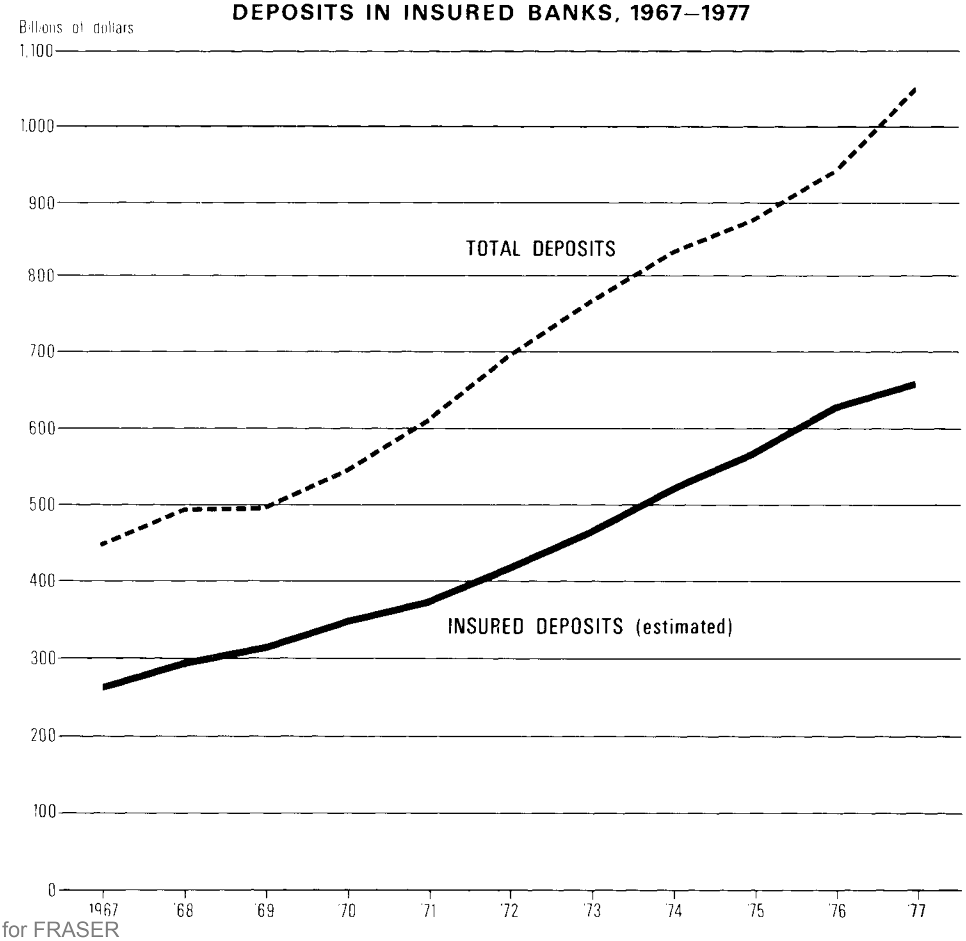
The Corporation's liabilities totaled \$470 million at year-end 1977. Of this total, \$429 million represented assessment credits due to banks, most of which will become available on July 1, 1978.

Liabilities decreased \$818 million from December 31, 1976. The major portion of this decrease was due to the payment of the outstanding principal balance and accrued interest on a note held by the Federal Reserve Bank of New York. This indebtedness, which was incurred by Franklin National Bank before its assumption by European-American Bank & Trust Company in 1974, was assumed by the Corporation as part of the assumption agreement between the Corporation, the receiver, and the Federal Reserve Bank of New York.

**Deposit insurance fund.** The deposit insurance fund, which is the Corporation's basic financial resource for the protection of depositors, amounted to nearly $8.0 billion at the end of 1977. As the excess of the Corporation's assets over its liabilities, the fund represents its accumulated net income since the beginning of deposit insurance in 1934. Additionally, the Corporation is authorized to borrow up to $3 billion from the U.S. Treasury whenever in the judgment of its Board of Directors the funds are needed for insurance purposes. The FDIC has never exercised this authority.

**Revenues, expenses, and assessment credits.** The Corporation's revenues rose to $1.2 billion in 1977, an increase of $106 million from 1976. This increase was due primarily to increases in assessment income associated with continued deposit growth during the year and interest income from the Corporation's investment portfolio of U.S. Government securities. Gross assessments earned amounted to $731 million, 59 percent of total revenues. Revenues from investments in U.S. Government securities amounted to $503 million in 1977, with $494 million from interest

**DEPOSITS IN INSURED BANKS, 1967–1977**

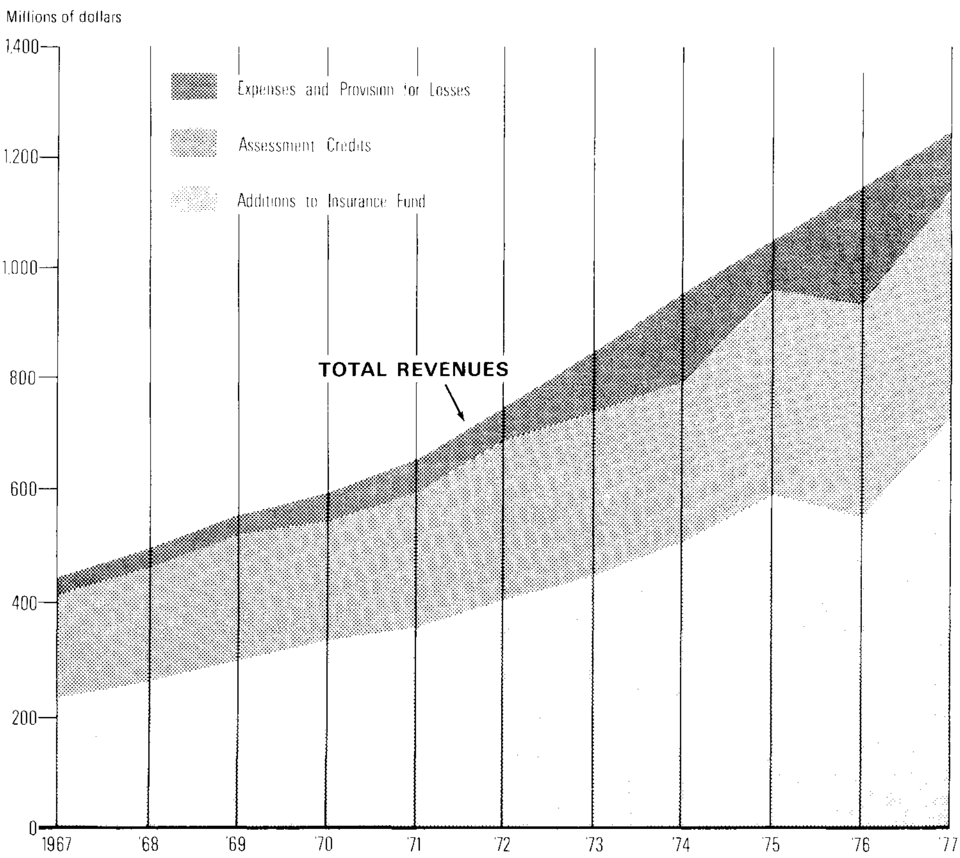


on investments in U.S. Government obligations and $9 million from net amortized premiums and discounts. Other revenues, amounting to $15 million, were derived principally from interest on notes receivable related to assumption transactions.

The Corporation's administrative and operating expenses totaled $89 million. Provision for insurance losses and expenses incurred to protect depositors amounted to $24 million. The addition to the deposit insurance fund in 1977 was $724 million.

Since 1935 the basic assessment rate to be paid by insured banks has been 1/12 of one percent of total assessable deposits. Legislation enacted in 1950 in effect reduced the statutory rate of assessment by providing a credit to be applied against gross assessments levied each year. Following another legislative change, this credit to insured banks has been 66-2/3 percent since December 31, 1961. This percentage is applied to the gross assessments due from banks in the calendar year after subtracting the Corporation's administrative and operating expenses, insurance losses, and additions to reserve for losses in that calendar year. The statutory credit to banks amounted to approximately $412 million in 1977, an increase of $32 million from the previous year. This made the net assessment paid by insured banks equal to approximately 1/27 of one percent of assessable deposits in 1977.

## APPLICATION OF REVENUES
## FEDERAL DEPOSIT INSURANCE CORPORATION
## 1967—1977



## COMPARATIVE STATEMENT OF FINANCIAL CONDITION (In thousands)

### ASSETS:

| | December 31, 1977 | December 31, 1976 |
|---|---|---|
| **Cash** | **$ 8,663** | **$ 22,860** |
| **U.S. Government obligations:** | | |
| Securities at amortized cost | 7,129,055 | 6,630,116 |
| Accrued interest | 137,957 | 130,113 |
| | **7,267,012** | **6,760,229** |
| **Equity in assets acquired from payoff cases and insured banks assisted under section 13(e) of the FDI Act:** | | |
| Depositors' claims paid | 49,764 | 62,598 |
| Depositors' claims unpaid | 900 | 1,280 |
| Loans and assets purchased | 1,171,083 | 1,664,321 |
| Assets purchased outright | 19,122 | 4,326 |
| Notes purchased plus accrued interest | 132,155 | 204,627 |
| Less reserves for losses | 244,741 | 223,401 |
| | **1,128,283** | **1,713,751** |
| **Equity in assets acquired from insured banks assisted under section 13(c) of the FDI Act:** | | |
| Assets purchased outright | 27,765 | 30,834 |
| Notes purchased plus accrued interest | 37,423 | 37,007 |
| Less reserves for losses | 15,400 | 17,200 |
| | **49,788** | **50,641** |
| **Miscellaneous assets** | **2,370** | **1,869** |
| **Land and office building, less depreciation on building** | **6,418** | **6,553** |
| **Total Assets** | **$8,462,534** | **$8,555,903** |

FEDERAL DEPOSIT INSURANCE CORPORATION

## LIABILITIES AND THE DEPOSIT INSURANCE FUND:

| | December 31, 1977 | December 31, 1976 |
|---|---|---|
| **Accounts payable and accrued liabilities** | **$ 5,947** | **$ 3,927** |
| **Earnest money, escrow funds, and collections held for others** | **12,086** | **3,963** |
| **Accrued annual leave** | **4,316** | **3,791** |
| **Due insured banks:** | | |
| Net assessment income credits: | | |
| Available July 1, 1977 | 0 | 379,595 |
| Available July 1, 1978 | 411,947 | 0 |
| Other | 16,789 | 27,185 |
| | **428,736** | **406,780** |
| **Liabilities incurred in failures of insured banks:** | | |
| F.R.B. indebtedness | 0 | 848,846 |
| Other notes payable | 17,761 | 18,691 |
| Depositors claims unpaid | 900 | 1,280 |
| | **18,661** | **868,817** |
| **Total Liabilities** | **469,746** | **1,287,278** |
| **Deposit Insurance Fund** | **7,992,788** | **7,268,625** |
| **Total Liabilities and Deposit Insurance Fund** | **$8,462,534** | **$8,555,903** |

## COMPARATIVE STATEMENT OF INCOME AND THE DEPOSIT INSURANCE FUND (In thousands)

| | For the twelve months ended December 31, 1977 | December 31, 1976 |
|---|---|---|
| **Revenues:** | | |
| Assessments earned | $ 731,468 | $ 675,987 |
| Interest on U.S. Government securities | 493,990 | 444,699 |
| Amortization of premiums and discounts (net) | 9,171 | 4,995 |
| Interest earned on notes receivable | 14,841 | 17,697 |
| Other income | 442 | 1,001 |
| **Total Revenues** | **1,249,912** | **1,144,379** |
| **Expenses, Losses, And Assessment Credits:** | | |
| Net loss on sales of securities | 0 | 105,595 |
| Provision for assessment credits | 412,086 | 379,487 |
| Administrative and operating expenses | 89,344 | 74,849 |
| Provision for insurance losses | 20,827 | 28,001 |
| Nonrecoverable insurance expenses | 3,492 | 3,861 |
| **Total Expenses** | **525,749** | **591,793** |
| **Net Income** | **724,163** | **552,586** |
| **Deposit Insurance Fund—January 1** | **7,268,625** | **6,716,039** |
| **Deposit Insurance Fund—December 31** | **$7,992,788** | **$7,268,625** |

## COMPARATIVE STATEMENT OF CHANGES IN FINANCIAL POSITION (In thousands)

FEDERAL DEPOSIT INSURANCE CORPORATION

| | For the twelve months ended December 31, 1977 | December 31, 1976 |
|---|---|---|
| **Financial Resources Were Provided From:** | | |
| Operations: | | |
| Net deposit insurance assessments | $ 319,382 | $ 296,500 |
| Interest on U.S. Government obligations | 493,990 | 444,699 |
| Interest on notes receivable | 14,841 | 17,697 |
| Other income | 442 | 1,001 |
| Less: | | |
| Administrative and operating expenses, net of depreciation | 89,209 | 74,714 |
| Nonrecoverable insurance expense | 3,492 | 3,861 |
| | **735,954** | **681,322** |
| Maturity and sale of U.S. Government obligations, less, $105,595 net loss in 1976 | 3,264,625 | 2,606,985 |
| Collections received on assets acquired in receivership and deposit assumption transactions, excluding $261,000 in 1977 and $475,000 in 1976 in Franklin National Bank liquidation collections applied directly to the reduction of the F.R.B. indebtedness before F.R.B. payoff | 419,095 | 362,579 |
| Increase in assessment credits due banks | 21,956 | 43,254 |
| Net change in other assets and liabilities | 10,167 | 1,908 |
| Decrease (increase) in cash | 14,197 | (5,501) |
| **Total financial resources provided** | **$4,465,994** | **$3,690,547** |
| **Financial Resources Were Applied To:** | | |
| Purchase of U.S. Government obligations | $3,754,394 | $2,971,611 |
| Acquisition of Assets acquired in receivership and deposit assumption transactions, excluding $19,100 in 1977 and $82,690 in 1976 representing the increase in principal and accrued interest on the F.R.B. indebtedness and other notes payable before F.R.B. payoff | 95,880 | 695,027 |
| Increase in accrued interest on securities | 7,844 | 23,909 |
| Payment of F.R.B. indebtedness: | | |
| Principal | 389,000 | 0 |
| Accrued Interest | 218,876 | 0 |
| **Total financial resources applied** | **$4,465,994** | **$3,690,547** |

## NOTES TO FINANCIAL STATEMENTS

### GENERAL

These statements do not include accountability for assets and liabilities of closed insured banks for which the Corporation acts as receiver or liquidating agent. Periodic and final accountability reports of its activities as receiver or liquidating agent are furnished by the Corporation to courts, supervisory authorities, and others as required.

These statements do include transactions in unaudited collection and disbursement reports from liquidators of Franklin National Bank, Farmers Bank of the State of Delaware, and First State Bank for the month of December 1977. Also included were transactions reflected in unaudited collection and disbursement reports from liquidators of Franklin National Bank, Northeast Bank of Houston, The Hamilton Bank and Trust Company, and Centennial Bank for the month of December 1976.

### ACCOUNTING POLICIES

**U.S. Government obligations.** Securities are shown at amortized cost which is the purchase price of the securities less the amortized premium or plus the accreted discount. Such amortization and accretion are computed on a daily straight-line basis from the date of acquisition to the date of maturity.

**Deposit insurance assessments.** The Corporation assesses insured banks at the rate of 1/12 of one percent per year on the bank's average deposit liability less certain exclusions and deductions. Assessments are due in advance for each 6-month period and credited to income when earned each month. Each July 1, 66-2/3 percent of the Corporation's net assessment income from the prior calendar year is made available to insured banks as a prorated credit against the current assessment due.

**Reserve for losses.** It is the policy of the Corporation to establish an estimated reserve for loss at the time a bank fails. These reserves are reviewed every 6 months and adjusted as required, based on the financial developments which accure during each 6-month period. The Corporation does not state its estimated contingent liability for unknown future bank closings because such estimates are impossible to make. The Corporation's contingent liability for eventual net losses depends upon factors which cannot be assessed until or after a bank has actually failed. The Corporation's entire deposit insurance fund and borrowing authority are available, however, for such contingencies.

**Depreciation.** The headquarters building is depreciated on a straight-line basis over a 50-year estimated life. The cost of furniture, fixtures, and equipment is expensed at time of acquisition.

**Reclassifications.** Certain reclassifications have been made in the 1976 financial statements to conform to the presentation used in 1977.

### U.S. GOVERNMENT OBLIGATIONS

Investment in securities at December 31, 1977 and 1976 was as follows:

| | (in thousands) | |
|---|---|---|
| | **1977** | **1976** |
| Face Value | $7,119,458 | $6,622,083 |
| Purchase Price | 7,132,322 | 6,629,974 |
| Market Value | 7,073,876 | 6,867,815 |

### EQUITY IN ASSETS ACQUIRED FROM PAYOFF CASES AND INSURED BANKS ASSISTED UNDER SECTION 13(e) OF THE FDI ACT

Equity in assets acquired under agreements with insured banks totaled $1,171 million and $1,664 million at December 31, 1977 and 1976, respectively. Of these totals, approximately $537 million for 1977 and $849 million for 1976 represent equity in assets acquired as a result of the closing of Franklin National Bank on October 8, 1974.

**Reserve for losses.** As of December 31, 1977 and 1976, the Corporation's reserve for losses on payoff cases and on banks assisted under Section 13(e) of the FDI Act were as follows:

| | 1977 | 1976 |
|---|---|---|
| Depositors claims paid | $ 16,032,000 | $ 21,073,000 |
| Loans and assets purchased | 210,709,400 | 198,328,300 |
| Assets purchased outright | 18,000,000 | 4,000,000 |
| | $244,741,400 | $223,401,300 |

**Notes purchased to facilitate deposit assumptions.** The Corporation's outstanding principal on notes receivable, purchased to facilitate deposit assumptions and mergers of closed insured banks under Section 13(e) of the Federal Deposit Insurance Act, at December 31, 1977 and 1976 was:

| | 1977 | 1976 |
|---|---|---|
| Crocker National Corporation | | $ 50,000,000 |
| European-American Bank and Trust Company | -- | 100,000,000 |
| Clearing Bank | 1,500,000 | 1,500,000 |
| Marine National Exchange Bank of Milwaukee | 1,500,000 | 2,500,000 |
| First Tennessee National Corporation | 16,000,000 | 16,000,000 |
| First Tennessee National Bank | 8,000,000 | 8,000,000 |
| Bank Leumi Trust Company of New York | 10,000,000 | 10,000,000 |
| New Orleans Bancshares, Inc. | 7,500,000 | 7,500,000 |
| Southeast Banking Corporation | -- | 5,000,000 |
| European-American Bancorp. | 85,000,000 | |
| | $129,500,000 | $200,500,000 |

## EQUITY IN ASSETS ACQUIRED FROM INSURED BANKS UNDER SECTION 13(c) OF THE FDI ACT

The Corporation's outstanding principal on notes receivable, purchased under authority of Section 13(c) of the Federal Deposit Insurance Act, at December 31, 1977 and 1976 was:

| | 1977 | 1976 |
|---|---|---|
| Unity Bank and Trust Company | $ 1,500,000 | $ 1,500,000 |
| Bank of the Commonwealth | 35,500,000 | 35,500,000 |
| | $37,000,000 | $37,000,000 |

## LIABILITIES INCURRED IN FAILURES OF INSURED BANKS

**Federal Reserve Bank of New York indebtedness.** On October 7, 1977, the Corporation paid the Federal Reserve Bank of New York the outstanding principal balance of $389 million due on the Federal Reserve Bank of New York indebtedness plus $219 million of interest that was accrued for 1,095 days at the rate of 7.52 percent simple interest per annum on the unpaid principal balance and after deducting $15 million for certain out-of-pocket expenses incurred by the Corporation as provided in the agreement of sale.

**Other notes payable.** These amounts represent the unpaid principal and accrued interest on the Corporation's unsecured notes designated "5.775% Series A Notes due January 1, 1988" and "5.775% Series B Notes due January 1, 1990" as set forth in the consents, exchange agreement, and agreements of release and satisfaction related to the sale of Franklin Buildings, Inc. to European-American Bank and Trust Company.

## CONTINGENT LIABILITIES

**Southern Bancorporation note receivable.** On December 9, 1976, Southern Bancorporation repaid in full the $8 million note that the Corporation had purchased on September 24, 1974. Southern Bancorporation financed this transaction by obtaining a loan from First Union National Bank of North Carolina. To induce FUNB to enter the loan agreement, the FDIC agreed to guarantee the payment of 75 percent of the unpaid principal amount of the loan on the terms and conditions set forth in the guarantee agreeemnt. As of December 31, 1977 and 1976, FUNB's outstanding principal due on the loan is $7.4 million and $8.0 million, respectively.

# ENFORCEMENT PROCEEDINGS
# PART TWO

### Actions to Terminate Insured Status
### Federal Deposit Insurance Act - Section 8(a)

The Corporation has issued 30 termination of insurance actions since January 1971; 3 were issued during 1977. In each case, the bank was found to be in unsafe and unsound condition.

Also, a number of other termination of insurance actions have been recommended but were withdrawn prior to action by the Board because of favorable interim affirmative actions on the part of either the banks or management-shareholders. As in the case of cease-and-desist actions, the threat of termination of insurance has caused many affirmative action programs on the part of banks which negated the need for finalizing the actions.

#### Summary of cases

**Bank No.**

28 Deposits—$12.6 million

Notice of intention to terminate insured status issued on April 19, 1977. Bank ordered to provide acceptable management, eliminate or reduce adversely classified assets, reduce overdue loans to a specific level, eliminate concentrations of credit, correct violations of laws and regulations, increase capital, provide a plan for controlling expenses, eliminate loan documentation deficiencies, limit its loan volume to a specific relationship to deposits, adopt and follow an acceptable written loan policy, discontinue cash dividends, adopt acceptable internal control and audit procedures, adopt a policy prohibiting preferential treatment to insiders, and obtain a certain level of capital if continued insured status was desired.

29 Deposits—$27.6 million

Notice of intention to terminate insured status issued on September 19, 1977. Bank ordered to provide acceptable management; not to extend credit directly or indirectly to or for the benefit of the controlling shareholder, his relatives, or related interests; to eliminate or reduce adversely classified assets; to eliminate concentrations of credit; to correct violations of laws and regulations; to adopt and follow acceptable loan and investment policies; to discontinue cash dividends; to adopt an investment policy to provide adequate liquidity; to eliminate loan documentation deficiencies; to provide additional capital; and to obtain a certain level of capital if continued insured status was desired.

Order terminated on September 24, 1977 following a sale of controlling interest and agreement to remove a significant volume of losses.

30 Deposits—$8.8 million

Notice of intention to terminate insured status issued on December 16, 1977. Bank ordered to provide acceptable management; eliminate or reduce adversely classified assets; obtain current credit and other supporting documentation for all existing loans and other extensions of credit; eliminate concentrations of credit; eliminate without loss or liability to the bank all overdrafts to and prohibit future overdrafts to directors, officers, employees, or their interests; establish specific parameters for extensions of credit to insiders; restrict loan volume; adopt and adhere to an internal audit program and loan and investment policies; develop adequate liquidity; correct internal control deficiencies and violations of laws, rules, and regulations; discontinue cash dividends; and obtain a certain level of capital if continued insured status was desired.

### Cease-and-Desist Actions
### Federal Deposit Insurance Act - Section 8(b)

The Corporation has issued 105 cease-and-desist actions since January 1971; 44 were issued during 1977. In addition, 13 temporary cease-and-desist orders have been issued, including 8 issued during 1977. In each case, the bank was ordered to cease and desist from unsafe and unsound practices and to take affirmative action to correct certain conditions. Several such actions are now in various stages of processing.

In addition to these cases, a number of other cease-and-desist actions have been authorized by the Corporation's Board of Directors which were never consented to by banks or adopted in final form by the Board because of favorable interim affirmative actions by either the banks or management-shareholders. In effect, the threat of a cease-and-desist action has caused many banks to undertake favorable affirmative action programs, which negated the need for finalizing the authorized cease-and-desist actions.

Section 8(m) of the Federal Deposit Insurance Act provides the State supervisory authorities with the opportunity to initiate independent corrective action after the Corporation has served notice of intent to take formal action. While in most cases the State supervisory authorities choose to join the Corporation in any such action, some State banking laws do provide for independent cease-and-desist actions which have been utilized in a number of instances—either prior or subsequent to notice of intent by the Corporation. A compilation of these State supervisory authority cease-and-desist actions is not maintained by the FDIC, but the corrective orders are analyzed and checked for compliance on a case-by-case basis at each examination of the involved banks.

**Summary of cases**

**Bank No.**

62 Deposits—$8.5 million
Consent cease-and-desist order entered on January 5, 1977. Bank ordered to reduce adversely classified assets and delinquent loans, adopt an appropriate written loan policy, prohibit overdrafts to the bank's official family, and comply with laws, rules, and regulations.

63 Deposits—$6.8 million
Consent cease-and-desist order entered on February 1, 1977, following the issuance of a temporary cease-and-desist order. Bank ordered to cease and desist from extending credit of any kind, direct or indirect, in any amount in excess of $5,000 to any insider of the bank or person related to an insider, and from entering into any business transaction in any amount in excess of $5,000 with any insider or person related to an insider of the bank.

64 Deposits—$18.7 million
Consent cease-and-desist order entered on February 1, 1977. Bank ordered to reduce adversely classified assets; prepare a list of, and eliminate, overdrafts to insiders; inject new capital; provide adequate internal controls, outside audit, and loan policy; and comply with laws, rules, and regulations, including consumer protection laws.

65 Deposits—$6.2 million
Consent cease-and-desist order entered on February 1, 1977. Bank ordered to take affirmative action with regard to a comprehensive audit, develop and implement adequate internal controls, comply fully and completely with consumer protection statutes, and correct all other violations of laws, rules, and regulations.

**Bank No.**

66 Deposits—$7.7 million
Consent cease-and-desist order entered on February 1, 1977. Bank ordered to provide acceptable management; reduce classified assets; adopt an appropriate written loan policy; comply with laws, rules and regulations; eliminate adversely classified loans to insiders and loans to persons residing outside the bank's normal trade area; reduce the volume of loans to the bank's official family and delinquent loans; maintain adequate cash reserves; reduce salaries, bonuses, expense allowances, and management fees to the president and one director; and discontinue cash dividends.

67 Deposits—$16.6 million
Consent cease-and-desist order entered on February 1, 1977. Bank ordered to provide acceptable management, reduce adversely classified assets, inject capital, comply with laws, adopt and follow acceptable loan and investment policies, reduce credit extended to insiders, reduce total overdue loans, and discontinue cash dividends.

68 Deposits—$18.9 million
Consent cease-and-desist order entered on March 15, 1977. Bank ordered to provide acceptable management, make independent and realistic appraisals of real estate maintained as collateral, eliminate assets classified "loss" and "doubtful," discontinue loans to certain insiders, limit lines of credit to and reduce concentrations of credit to a specific relationship to capital and reserves, inject capital, eliminate loan documentation deficiencies, prohibit repurchase of asset participations sold without recourse, restrict participations sold to a nonrecourse basis, comply with laws, and discontinue cash dividends.

69 Deposits—$9.3 million
Consent cease-and-desist order entered on June 27, 1977. Bank ordered to eliminate "loss" and 50 percent of "doubtful" classifications, prohibit extensions of credit to certain insiders, limit lines of credit to a specific relationship to capital and reserves, reduce concentrations of credit, inject capital, eliminate loan documentation exceptions, prohibit repurchase of asset participations sold without recourse, restrict participations sold to a nonrecourse basis, comply with laws, and discontinue cash dividends.

70 Deposits—$9.5 million
Consent cease-and-desist order entered

Bank No.

on February 15, 1977. Bank ordered to provide acceptable management, reduce adversely classified assets, establish repayment schedules for loans, eliminate loan documentation exceptions, reduce concentrations of credit, discontinue overdrafts to insiders, reduce total outstanding loan volume, adopt written loan and investment policies, adopt a program to provide adequate liquidity, inject capital, adopt a written internal audit program, comply with laws and regulations, and discontinue cash dividends.

71 Deposits—$12.0 million

Consent cease-and-desist order entered on March 15, 1977. Bank ordered to provide acceptable management; reduce classified assets and overdue loans; adopt written lending, collection, and investment policies; discontinue participation transactions with and reduce deposit balances with related banks; eliminate adversely classified loans to insiders; reduce loan volume; restrict salaries, fees, bonuses, and expense allowances to amounts commensurate with services performed by directors, officers, and employees; correct violations of law; discontinue cash dividends; and inject capital.

72 Deposits—$14.6 million

Consent cease-and-desist order entered on March 15, 1977. Bank ordered to provide acceptable management; reduce adversely classified assets; adopt lending, collection, and investment policies; reduce remuneration paid to the bank's president; discontinue participation transactions and reduce deposit balances with related banks; eliminate loans originating outside the bank's normal trading area; eliminate adversely classified loans to insiders; reduce loan volume; inject capital; correct violations of law; and discontinue cash dividends.

73 Deposits—$15.2 million

Consent cease-and-desist order entered on April 5, 1977. Bank was ordered to provide acceptable management; reduce adversely classified assets; adopt acceptable lending, collection, and investment policies; reduce concentrations of credit; correct violations of law; correct loan documentation deficiencies; implement proper accrual accounting methods; disclose to shareholders all details concerning an insider-operated credit life insurance agency on the bank's premises, and reimburse the bank for use of its premises, personnel, and equipment; and prohibit extensions of credit to a certain insider.

Bank No.

74 Deposits—$10.5 million

Consent cease-and-desist order entered on June 13, 1977 after a preliminary hearing. Bank ordered to reduce adversely classified assets; eliminate extensions of credit in the form of overdrafts to employees, limit its trade area; provide adequate collateral and credit file documentation, internal controls, and outside audit; inject new capital; provide acceptable management; and comply with laws, rules, and regulations.

75 Deposits—$9.1 million

Consent cease-and-desist order entered on April 19, 1977. Bank ordered to comply with insider regulations; reduce adversely classified assets; inject new capital; provide adequate liquidity, comply with laws, rules, and regulations; adopt a loan policy; and discontinue cash dividends.

76 Deposits—$24.7 million

Consent cease-and-desist order entered on April 19, 1977. Bank ordered to cease and desist from violations of consumer protection laws and to correct these violations and develop procedures to assure future compliance.

77 Deposits—$3.0 million

Consent cease-and-desist order entered on May 3, 1977 to assure additional correction following simultaneous discontinuance of a section 8(a) citation. Bank ordered to provide acceptable management; reduce adversely classified assets, restrict loan volume and type of securities investments; limit insider loans and eliminate those adversely classified; provide adequate liquidity; inject new capital; comply with laws, rules, and regulations, adopt a loan policy; and discontinue cash dividends.

78 Deposits—$6.8 million

Consent cease-and-desist order entered on May 23, 1977. Bank ordered to provide acceptable management; reduce adversely classified assets; adopt written lending, collection, and investment policies; inject new capital; correct violations; reduce loan volume; and discontinue cash dividends.

79 Deposits—$7.3 million

Consent cease-and-desist order entered on May 23, 1977. Bank ordered to correct violations of the Truth-in-Lending Act and comply with that act in the future.

**Bank No.**

80 Deposits—$21.8 million

Consent cease-and-desist order entered on June 13, 1977. Bank ordered to provide acceptable management; adopt a loan policy; reduce adversely classified assets and concentrations of credit; restrict insider loans; eliminate use of methods that avoid recognition of past due loans; comply with laws, rules, and regulations; provide administration of the trust department; and discontinue cash dividends.

81 Deposits—$20.0 million

Consent cease-and-desist order entered on June 13, 1977. Bank ordered to provide acceptable management, reduce adversely classified assets, adopt a loan policy, reduce loan volume, and discontinue cash dividends.

82 Deposits—$29.8 million

Consent cease-and-desist order entered on June 13, 1977. Bank ordered to reduce adversely classified assets, reduce overdue loans, eliminate loan documentation deficiencies, and adopt loan policy.

83 Deposits—$12.6 million

Consent cease-and-desist order entered on June 13, 1977 to replace a temporary cease-and-desist order. Bank ordered to reduce loans to the chairman and his interests, prohibit additional credit to the chairman until his loans were reduced below that level, restrict opening an approved but unopened branch office until changes in the plans for the branch were approved, provide acceptable management, reduce classified assets, increase capital to a certain level, adopt loan and investment policies, comply with laws and regulations, and discontinue cash dividends.

84 Deposits—$10.5 million

Consent cease-and-desist order entered on June 13, 1977. Bank ordered to provide acceptable management, provide additional directors, reduce adversely classified assets and overdue loans, adopt a loan policy, and discontinue cash dividends.

85 Deposits—$9.4 million

Consent cease-and-desist order entered on June 27, 1977 to replace a temporary order to cease and desist. Bank ordered to reduce adverse classifications; adopt written lending policies; collect outstanding out-of-area loans and limit such loans in the future; limit credits to or for the benefit of one borrower; eliminate loan documentation deficiencies; prohibit repurchase of participations sold without recourse, recording on the books any liability for repurchase agreements outstanding; correct all violations of laws and regulations, including consumer law violations; inject new capital; review all compensation to bank officers; limit bonuses and expense allowances to or for officers; review income and expense statements monthly; disclose to the shareholders all details on an insider credit life insurance agency operated on the premises; require approval by two-thirds of the shareholders of any decision not to retain such income for the bank, but in any event provide reasonable reimbursement to the bank for use of premises, personnel, and equipment; discontinue cash dividends; comply with a separate letter agreement between the bank and the chartering authority; obtain reimbursement for nonbank-related expenses paid to the former controlling shareholder and also require the former control owners to repay such expenses; make efforts to collect loans made to or related to the former control owners and prohibit any new credit to these individuals; and review and possibly revise the interest rate being paid on a certificate of deposit held by the present control owners.

86 Deposits—$13.3 million

Consent cease-and-desist order entered on July 14, 1977. Bank ordered to provide acceptable management, inject new capital, adopt and adhere to acceptable written lending and investment policies, reduce adverse classifications, eliminate overdrafts to insiders, eliminate certain insider loans, and comply with laws, rules, and regulations.

87 Deposits—$7.2 million

Consent cease-and-desist order entered on July 28, 1977, replacing a temporary cease-and-desist order. Bank ordered to correct violations of law, review the compensation paid to the chairman of the board and his interests, reduce classified assets, continue efforts to obtain fidelity coverage, and discontinue dividends.

88 Deposits—$51.0 million

Consent cease-and-desist order entered on September 9, 1977. Bank ordered to correct violations of consumer protection laws and comply with these laws in the future.

89 Deposits—$5.6 million

Consent cease-and-desist order entered on October 25, 1977 to replace a tempo-

Bank No.

rary order to cease and desist. Bank ordered to reduce loan volume; adopt written lending policies; collect outstanding out-of-area loans and limit these loans in the future; limit credit to or for the benefit of two or more obligors where payment is based upon the assets of or revenue derived from the same source; eliminate loan documentation deficiencies; prohibit repurchase of participations sold without recourse; record on the books any liability for repurchase agreements outstanding; correct all violations of laws and regulations; review and restrict all compensation to and expense allowances of directors and officers; restrict payment of cash dividends; comply with a separate letter agreement between the bank and the chartering authority; make efforts to collect loans made to or related to the former control owners and prohibit any new credit to these individuals; correct internal control deficiencies; and retain future and seek reimbursement of past commissions from a credit life insurance business operated on the premises by present and former insiders.

90 Deposits—$8.7 million

Consent cease-and-desist order entered on October 25, 1977. Bank ordered to provide acceptable management; reduce adversely classified assets and loan volume; restrict loans, salaries, and bonuses to insiders; restrict participation loans; correct internal control and loan documentation deficiencies; adopt acceptable loan policy; and comply with laws, rules, and regulations.

91 Deposits—$7.3 million

Consent cease-and-desist order entered on October 25, 1977 to replace a temporary order to cease and desist. Bank ordered to reduce adverse classifications and loan volume; adopt written lending policies; collect outstanding out-of-area loans and limit such loans in the future; limit credits to insiders and credit to or for the benefit of two or more obligors where payment is based upon the assets of or revenue derived from the same source; prohibit repurchase of participations sold without recourse; record on the books any liability for repurchase agreements outstanding; correct all violations of laws and regulations; review and restrict all compensation to and expense allowances of directors and officers; disclose to the shareholders all details of a credit life insurance agency operated on the premises by present and former insiders; require approval by two-thirds of the shareholders of any decision not to retain such income for the bank but in any event to obtain reasonable reimbursement to the bank for use of premises, personnel, and equipment; restrict payment of cash dividends; and make efforts to collect loans made to or related to the former control owners and prohibit any new credit to these individuals.

92 Deposits—$6.6 million

Consent cease-and-desist order entered on November 14, 1977. Bank ordered to provide acceptable management; reduce adversely classified assets and loan volume; inject new capital; adopt loan and investment policies; comply with laws, rules, and regulations; provide adequate internal controls and loan valuation reserve; and discontinue cash dividends.

93 Deposits—$8.8 million

Consent cease-and-desist order entered on November 14, 1977. Bank ordered to prohibit a former executive officer from participating in the affairs of the bank as his request for such participation was denied by the Corporation under Section 19 of the FDI Act.

94 Deposits—$4.6 million

Consent cease-and-desist order entered on November 14, 1977. Bank ordered to reduce adversely classified assets; restrict loans involving affiliates; comply with laws, rules, and regulations; adopt a loan policy; inject new capital; and discontinue cash dividends.

95 Deposits—$133.2 million

Consent cease-and-desist order entered on November 30, 1977. Bank ordered to provide executive committee supervision; provide acceptable management; reduce adversely classified assets and concentrations of credit; restrict credit extended to insiders or any obligor and their related interest; adopt a loan policy; inject new capital; and comply with laws, rules, and regulations.

96 Deposits—$11.2 million

Consent cease-and-desist order entered on December 16, 1977 to replace a temporary order to cease and desist. Bank ordered to provide acceptable management; reduce adverse classifications, loan volume, and concentrations of credit; adopt written lending policies; collect outstanding out-of-area loans and limit future out-of-area loans; limit credits to insiders or for the benefit of two or more obligors where payment is based on the

**Bank No.**

assets of or revenue derived from the same source; eliminate loan documentation deficiencies; prohibit repurchase of participations sold without recourse; record on the books any liability for repurchase agreements outstanding; correct all violations of laws and regulations; inject new capital; review and restrict all compensation to and expense allowances of directors and officers; review income and expense statements monthly; disclose to the shareholders all details of a credit life insurance agency operated on the premises by present and former insiders, and require approval by two-thirds of the shareholders of any decision not to retain such income for the bank, but in any event require reasonable reimbursement to the bank for use of premises, personnel, and equipment; restrict payment of cash dividends; comply with a separate letter agreement between the bank and the chartering authority; make efforts to collect loans made to or related to the former control owners and prohibit any new credit to these individuals; prohibit use of brokered deposits; correct internal control deficiencies; and follow accurate accrual accounting procedures.

97 Deposits—$4.4 million

Consent cease-and-desist order entered on December 16, 1977. Bank ordered to provide acceptable management; reduce adversely classified assets, loan volume, and overdue loans; adopt and adhere to written loan policies; comply with laws and regulations; eliminate out-of-territory loans; maintain adequate cash reserves; inject new capital; and discontinue cash dividends.

98 Deposits—$32.2 million

Consent cease-and-desist order entered on December 16, 1977. Bank ordered to provide acceptable management; reduce adversely classified assets, loan volume, and concentrations of credit; restrict loans to any obligor or related interests; revise its loan policy; reduce other real estate; conserve earnings by reduction of expenses; correct internal control deficiencies; comply with laws, rules, and regulations; inject new capital; and discontinue dividends.

99 Deposits—$6.2 million

Consent cease-and-desist order entered on December 16, 1977. Bank ordered to provide acceptable management, restrict extensions of credit to any one obligor and related interests, restrict present and future obligations of a certain insider and the bank's audit firm, adopt a written loan policy, correct violations of laws and regulations, eliminate internal control and loan documentation deficiencies, restrict loan volume, retain credit life and accident insurance commissions, limit cash dividends, and comply with the provisions of an outstanding State order.

100 Deposits—$6.3 million

Consent cease-and-desist order entered on December 16, 1977. Bank ordered to reduce adversely classified and criticized assets and loan volume; restrict loans to one obligor and related interests; adopt and comply with loan and investment policies; correct violations of laws, rules, and regulations; inject new capital; and discontinue dividends.

101 Deposits—$29.2 million

Consent cease-and-desist order entered on December 16, 1977. Bank ordered to provide acceptable management, reduce adversely classified assets and loan volume; adopt and comply with loan and investment policies; restrict compensation and expense allowances paid directors; collect classified loans to insiders and restrict other loans to insiders; disclose and restrict a credit life insurance business operated on the premises by an insider; inject new capital; comply with laws, rules, and regulations; and discontinue cash dividends.

102 Deposits—$23.5 million

Cease-and-desist order entered on December 16, 1977. Bank ordered to provide acceptable management; inject new capital; reduce adversely classified loans, loan volume, and concentrations of credit; restrict credit extended to one obligor and his interests; collect and prohibit overdrafts to insiders; adopt a loan policy; disclose fees paid to the law firm of a director; and comply with laws, rules, and regulations.

103 Deposits—$9.6 million

Cease-and-desist order entered on December 16, 1977. Bank ordered to provide acceptable management; reduce adversely classified assets and overdue loans; adopt a loan policy; limit overdraft volume; collect and prohibit overdrafts to insiders; adopt an overdraft policy; collect and prohibit new loans to a certain borrower; restrict extensions of credit to insiders and out-of-area borrowers; limit fees and compensation to directors; eliminate loan documentation deficiencies;

Bank No.

obtain fidelity coverage; obtain an outside audit; comply with laws, rules, and regulations; develop liquidity provisions; and discontinue cash dividends.

104 Deposits—$4.1 million

Consent cease-and-desist order entered on December 16, 1977. Bank ordered to provide acceptable management; reduce adversely classified assets and overdue loans; eliminate out-of-area loans; adopt acceptable loan policies; comply with laws, rules, and regulations; develop audit procedures; disclose and restrict a credit life insurance business operated on bank premises by an insider; discontinue dividends; and inject new capital.

105 Deposits—$4.5 million

Consent cease-and-desist order entered on December 16, 1977. Bank ordered to provide acceptable management; reduce adversely classified assets and overdue loans; comply with laws, rules, and regulations; adopt a loan policy; inject new capital; and discontinue dividends.

**Federal Deposit Insurance Act—Section 8(c) Temporary Cease and Desist Actions**

6 Deposits—$12.6 million

Temporary cease-and-desist order issued on March 17, 1977. Bank was ordered to cease and desist from extending any credit to or for the benefit of the bank's chairman of the board or to any individual or entity whereby the proceeds of such credit would accrue, directly or indirectly, to the benefit of the chairman of the board. The bank was also ordered to cease and desist from opening a previously approved but unopened branch office pending completion of these administrative proceedings.

A permanent cease-and-desist order was issued on June 13, 1977.

7 Deposits—$7.0 million

Temporary cease-and-desist order issued on April 1, 1977. Bank and its officials were ordered to cease and desist from offering, selling, and offering for sale and transferring on the bank's books any stock of subject bank owned directly, indirectly, or beneficially by any of the directors; making any further payments of any kind under a lease between the bank and a partnership composed of the directors; and entering into any business transactions or extension of credit with any bank insider or person related to a bank insider.

The temporary order was terminated on June 13, 1977.

8 Deposits—$11.2 million

Temporary cease-and-desist order issued on May 11, 1977. Bank was ordered to cease and desist from entering into any business transaction with and from extending direct or indirect credit to or for the benefit of the bank's former chairman of the board, his wife, or any persons related to them.

A permanent cease and desist order was issued on December 16, 1977.

9 Deposits—$5.6 million

Temporary cease-and-desist order issued on May 11, 1977. Bank was ordered to cease and desist from entering into any business transaction with and from extending direct or indirect credit to or for the benefit of the bank's former chairman of the board, his wife, or any person related to them.

A permanent cease and desist order was issued on October 25, 1977.

10 Deposits—$3.4 million

Temporary cease-and-desist order issued on May 11, 1977. Bank was ordered to cease and desist from entering into any business transaction with and from extending direct or indirect credit to or for the benefit of the bank's executive vice president, his wife, or any person related to them.

The temporary order was outstanding at year-end.

11 Deposits—$9.4 million

Temporary cease-and-desist order issued on May 11, 1977. Bank was ordered to cease and desist from entering into any business transaction with and from extending any direct or indirect credit to or for the benefit of the former chairman of the board, his wife, or any person related to them.

A permanent cease and desist order was issued on June 17, 1977.

12 Deposits—$7.3 million

Temporary cease-and-desist order issued on May 11, 1977. Bank was ordered to cease and desist from entering into any business transaction with and from extending any direct or indirect credit to or for the benefit of the former chairman of the board, his wife, or any person related to them.

**Bank No.**

A permanent cease and desist order was issued on October 25, 1977.

13 Deposits—$102.6 million

Temporary cease-and-desist order issued on September 19, 1977. Bank was ordered to cease and desist from entering into any business transactions which exceed $10,000 in the aggregate with the chairman of the board, his interests, or any person related to him.

The order was outstanding at year-end.

# MERGER DECISIONS OF THE CORPORATION
# PART THREE

# BANKS INVOLVED IN ABSORPTIONS APPROVED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1977

| State | Town or City | Bank | Page |
|---|---|---|---|
| Alabama | Ashford | The Farmers & Merchants Bank (change title to The Farmers & Merchants Bank of Ashford) | 111 |
| | | Houston County Bank (in organization) | 111 |
| California | Downey | Golden State Bank | 108 |
| | El Toro | Mission Bank | 76 |
| | Los Angeles | First Pacific Bank | 89 |
| | | United California Bank | 112 |
| | | Westac, Inc. (in organization) | 112 |
| | Oxnard | Commercial and Farmers National Bank | 105 |
| | San Francisco | The Bank of California, National Association | 92 |
| | | The Chartered Bank of London | 105 |
| | | The Sanwa Bank of California (change title to Golden State Sanwa Bank) | 108 |
| | | The Sumitomo Bank of California | 92 |
| | Santa Monica | Ocean State Bank (change title to First Pacific Bank) | 89 |
| | Ventura | American Commercial Bank | 64 |
| | | Ventura Branch—The Bank of California | 64 |
| | Vista | Southwest Bank | 76 |
| Connecticut | Bridgeport | James Staples and Company | 93 |
| | Monroe | *The Monroe Bank and Trust Company | 64 |
| | Shelton | The Valley Bank and Trust Company | 93 |
| | Stratford | *Bank of Stratford | 104 |
| | | The NAB Bank & Trust Company (in organization; change title to The North American Bank & Trust Company) | 104 |
| | Wolcott | North American Bank and Trust Company | 64 |
| | | The North American Bank and Trust Company | 104 |
| Delaware | Wilmington | Peoples Bank & Trust Company | 111 |
| | | Peoples Corporation (in organization) | 111 |
| Florida | Bal Harbour | Sun Bank of Bal Harbour, National Association | |
| | Boca Raton | First Marine Bank of Boca Raton | 109 |
| | Boynton Beach | First Bank and Trust (change title to First Bank and Trust, Palm Beach County) | 110 |
| | Broward County | Barnett Bank of Jacaranda | 109 |
| | (P.O. Plantation) | | 109 |
| | Casselberry | ComBank/Casselberry (change title to ComBank/Seminole County) | 109 |
| | Clearwater | Community Bank of Clearwater | 110 |
| | | Community Bank of Countryside | 110 |
| | Coral Gables | Sun Bank of Coral Gables | 109 |
| | Dade County (P.O. Miami) | Sun Bank of West Dade | 109 |
| | Davenport | Davenport Flagship Bank | 109 |
| | Daytona Beach | Barnett Bank of Daytona Beach | 109 |
| | | Sun Bank of Volusia County | 109 |
| | Daytona Beach Shores | Sun Bank of Daytona Bank Shores | 109 |
| | Delray Beach | Barnett Bank of Delray Beach, National Association | 110 |
| | | First Bank, Delray Beach, Florida | 109 |

*Banks absorbed in "emergency" approvals under provisions of section 18(c).

| State | Town or City | Bank | Page |
|---|---|---|---|
| | Escambia County (P.O. Pensacola) | Barnett Bank of North Pensacola | 109 |
| | Fort Lauderdale | Barnett Bank of Fort Lauderdale | 109 |
| | | Barnett Bank of Port Everglades | 109 |
| | | Barnett Bank of Riverland | 109 |
| | Fort Pierce | Sun Bank of Fort Pierce | 109 |
| | | Sun Bank of St. Lucie County | 109 |
| | Haines City | Flagship Bank of Haines City (change title to Flagship Bank of Polk County) | 109 |
| | Highlands County (P.O. Lake Placid) | Barnett Bank of Lake Placid | 110 |
| | Hillsborough County (P.O. Tampa) | Landmark Bank of North Tampa | 110 |
| | Holly Hill | Sun Bank of Holly Hill | 109 |
| | Hollywood | Barnett Bank of Hollywood | 109 |
| | | Barnett Bank of West Hollywood | 109 |
| | Kendall | Capital Bank of Kendale | 96 |
| | Lake Alfred | Flagship Bank of Lake Alfred | 109 |
| | Largo | Community Bank of Largo | 110 |
| | Lighthouse Point | Florida Coast Bank of Lighthouse Point | 109 |
| | Longwood | ComBank/Longwood | 109 |
| | Miami | Capital Bank of Miami, N.A. | 96 |
| | | Intercontinental Bank of Miami | 95 |
| | | Sun Bank of Miami | 109 |
| | | Sun Bank of Midtown | 109 |
| | | Sun Bank of Riverside | 109 |
| | Miami Beach | Intercontinental Bank of Miami Beach (change title to Intercontinental Bank) | 95 |
| | North Bay Village | Capital Bank of North Bay Village (change title to Capital Bank) | 96 |
| | Orlando | Atlantic Bank of Conway (change title to Atlantic Bank of Orlando) | 109 |
| | | Atlantic Bank of Orlando | 109 |
| | | Atlantic Bank of West Orlando | 109 |
| | Ormond Beach | Barnett Bank at Ormond Beach | 109 |
| | Palm Beach County (P.O. Delray Beach) | Barnett Bank of West Delray Beach (change title to Barnett Bank of Delray Beach) | 110 |
| | Palm Beach County (P.O. Lake Worth) | Barnett Bank of Palm Springs | 110 |
| | | Barnett Bank of West Lake Worth, National Association | 110 |
| | | First Bank West | 109 |
| | Palm Beach County (P.O. West Palm Beach) | First Forest Hill Bank of Palm Beach County | 109 |
| | Palm Beach Gardens | First Marine Bank of Palm Beach Gardens | 110 |
| | Palm Springs | First Marine National Bank | 110 |
| | Pensacola | Barnett Bank of Pensacola | 109 |
| | Plantation | Barnett Bank of Plantation (change title to Barnett Bank of Broward County) | 109 |
| | Pompano Beach | Florida Coast Bank of Oceanside | 109 |
| | | Florida Coast Bank of Pompano Beach | 109 |
| | Redington Shores | Community Bank of Redington | 110 |
| | Riviera Beach | First Marine Bank & Trust Company of the Palm Beaches | 110 |
| | Sebring | Barnett Bank at Sebring (change title to Barnett Bank of Highlands County) | 110 |

| State | Town or City | Bank | Page |
|---|---|---|---|
| | Seminole | Community Bank of Seminole (change title to Community Bank of Pinellas County) | 110 |
| | St. Augustine | Barnett Bank of Anastasia Island (change title to Barnett Bank of St. Johns County) | 110 |
| | | Barnett Bank of St. Augustine, National Association | 110 |
| | St. Petersburg | Community Bank of Northside | 110 |
| | | Community Bank of St. Petersburg | 110 |
| | | Sun Bank and Trust Company of St. Petersburg | 109 |
| | | Sun Coast Bank of St. Petersburg | 109 |
| | Tallahassee | Barnett Bank of Tallahassee | 109 |
| | | Barnett Bank of Tallahassee North | 109 |
| | Tampa | Landmark Bank of Tampa | 110 |
| | Vero Beach | First Citrus Bank of Indian River County | 109 |
| | | First Westside Bank of Vero Beach | 109 |
| | West Palm Beach | Barnett Bank of West Palm Beach (change title to Barnett Bank of Palm Beach County) | 110 |
| | | Citizens Bank of Palm Beach County | 109 |
| | Winter Park | Atlantic National Bank of Winter Park | 109 |
| Georgia | Clarkston | Citizens DeKalb Bank | 98 |
| | DeKalb County (P.O. Decatur) | DeKalb Exchange Bank | 98 |
| | Greensboro | The Citizens Bank (change title to Citizens Union Bank) | 59 |
| | Union Point | Bank of Union Point | 59 |
| Idaho | Grace | The First National Bank of Grace | 91 |
| | Malad City | First Bank & Trust of Idaho | 91 |
| Indiana | Batesville | First Bank & Trust Company of Batesville | 94 |
| | Milan | The State Bank of Milan | 94 |
| Iowa | Burlington | Burlington Bank Realty Company | 111 |
| | | Hawkeye Bank and Trust | 111 |
| | Denver | Denver Realty Company, Inc. | 111 |
| | | Denver Savings Bank | 111 |
| | Keokuk | The State Central Savings Bank | 63 |
| | Stockport | Iowa State Bank | 63 |
| Louisiana | New Orleans | First City Bank | 80 |
| | | *Republic National Bank of Louisiana | 80 |
| Maine | Augusta | Depositors Corporation | 111 |
| | | Depositors Trust Company | 111 |
| | Bangor | Bangor Savings Bank | 60 |
| | Brewer | Brewer Savings Bank | 72 |
| | Bucksport | Bucksport Loan and Building Association | 72 |
| | Eastport | Eastport Savings Bank | 60 |
| Maryland | Bethesda | The Commerce Bank and Trust Company of Maryland (change title to Potomac Valley Bank) | 80 |
| | Chevy Chase | Chevy Chase Bank and Trust Company | 85 |

*Banks absorbed in "emergency" approvals under provisions of section 18(c).

| State | Town or City | Bank | Page |
|---|---|---|---|
| | Elkton | Elkton Banking and Trust Company of Maryland (change title to County Banking and Trust Company) | 78 |
| | Havre de Grace | The Citizens National Bank of Havre de Grace | 78 |
| | Potomac | Potomac National Bank | 80 |
| | Riverdale | Citizens Bank and Trust Company of Maryland | 85 |
| Massachusetts | Boston | The First National Bank of Boston | 67 |
| Michigan | Gladwin | Mid Michigan Bank | 111 |
| | | State Bank of Harrison and Gladwin (in organization) | 111 |
| | Grand Blanc | First Security Bank of Grand Blanc | 111 |
| | | GBB Bank (in organization) | 111 |
| Mississippi | Canton | The First National Bank of Canton | 99 |
| | Carthage | Bank of Central Mississippi | 73 |
| | Jackson | The Mississippi Bank | 99 |
| | Sebastopol | The Bank of Sebastopol | 73 |
| New Hampshire | Hanover | First United Bank (in organization) | 111 |
| | | Hanover Bank & Trust Company | 111 |
| New Jersey | Bridgewater Township | Somerset Trust Company | 61 |
| | Dunellen | The First National Bank of Dunellen | 103 |
| | Jersey City | Provident Savings Bank | 103 |
| | Manville | State Bank of Manville | 61 |
| | Montvale | Peoples Bank (change title to United Jersey Bank/North) | 74 |
| | Princeton | Princeton Bank and Trust Company | 106 |
| | Ridgewood | United Jersey Bank/Ridgewood | 74 |
| | Woodbridge Township (P.O. Fords) | Mid-Jersey National Bank | 106 |
| New York | New York (Brooklyn) | Anchor Savings Bank | 87 |
| | | Fulton Savings Bank, Kings County | 100 |
| | | Metropolitan Savings Bank | 100 |
| | New York (Manhattan) | The New York Bank for Savings | 86 |
| | | J. Henry Schroder Banking Corporation | 101 |
| | | Schroder Trust Company (change title to J. Henry Schroder Bank & Trust Company) | 101 |
| | New York (P.O. Port Richmond) | Mutual Savings and Loan Association of Richmond County | 77 |
| | | Northfield Savings Bank | 77 |
| | Syracuse | First Federal Savings and Loan Association of Syracuse | 86 |
| | Tarrytown | Westchester County Savings Bank (change title to Peoples Westchester County Savings Bank) | 75 |
| | White Plains | North New York Savings Bank | 87 |
| | Yonkers | Peoples Savings Bank of New York | 75 |
| North Carolina | Roanoke Rapids | Roanoke Rapids Branch-Southern National Bank of North Carolina | 102 |
| | Rocky Mount | Peoples Bank & Trust Company | 102 |

| State | Town or City | Bank | Page |
|---|---|---|---|
| Ohio | Aurora | A-V Bank Company (in organization) | 111 |
| | | The Village Bank of Aurora | 111 |
| Oklahoma | Foss | *First State Bank | 62 |
| | | Washita State Bank | 62 |
| Pennsylvania | La Porte | Sullivan County National Bank | 82 |
| | Ralston | Citizens & Northern Bank | 82 |
| | Shamokin | The Guarantee Trust and Safe Deposit Bank of Shamokin, Pa. | 83 |
| | Williamsport | Northern Central Bank | 83 |
| Rhode Island | Providence | Old Stone Bank | 111 |
| | | Old Stone Mortgage and Realty Trust | 111 |
| South Carolina | Columbia | First-Citizens Bank and Trust Company of South Carolina | 62 |
| | Greenville | *First Piedmont Bank and Trust Company | 62 |
| | | Southern Bank and Trust Company | 90 |
| | Spartanburg | Morgan Bank and Trust | 90 |
| Tennessee | Auburntown | Bank of Auburn | 69 |
| | Cookeville | Bank of Cookeville | 68 |
| | Madisonville | Bank of Madisonville | 66 |
| | Monterey | Bank of Putnam County | 68 |
| | Sweetwater | Monroe County Bank | 66 |
| | Woodbury | Bank of Commerce | 69 |
| Texas | Addicks | Addicks Bank | 112 |
| | | Allied Addicks Bank (in organization) | 112 |
| | Baytown | Peoples State Bank | 111 |
| | | West Main State Bank (in organization; change title to Peoples State Bank) | 111 |
| | Beaumont | Beaumont State Bank | 111 |
| | | Calder Avenue State Bank (in organization; change title to Beaumont State Bank) | 111 |
| | Carrollton | First Bank & Trust | 111 |
| | | Josey State Bank (in organization; change title to First Bank & Trust) | 111 |
| | Dallas | East Dallas Bank | 111 |
| | | New East Dallas Bank (in organization) | 111 |
| | Houston | Allied Hillcroft Bank (in organization) | 112 |
| | | Hillcroft Bank | 112 |
| | | Meyerland Bank | 112 |
| | | Meyerland Bank of Commerce (in organization; change title to Meyerland Bank) | 112 |
| | Lubbock | American State Bank | 111 |
| | | Second American State Bank (in organization; change title to American State Bank) | 111 |
| | San Antonio | Nacogdoches Road Bank (in organization; change title to Northern Hills Bank of San Antonio) | 111 |
| | | Northern Hills Bank of San Antonio | 111 |
| | Winnie | Allied Gulf Coast Bank (in organization) | 112 |
| | | Gulf Coast State Bank | 112 |
| Utah | American Fork | Mountain View Bank | 111 |
| | | New Mountain View Bank (in organization) | 111 |

*Banks absorbed in "emergency" approvals under provisions of section 18(c).

| State | Town or City | Bank | Page |
|---|---|---|---|
| | Lehi | New State Bank of Lehi (in organization) | 111 |
| | | State Bank of Lehi | 111 |
| | Pleasant Grove | Bank of Pleasant Grove | 111 |
| | | New Bank of Pleasant Grove (in organization) | 111 |
| | Salt Lake City | Walker Bank and Trust Company | 112 |
| | | Waltac, Inc. (in organization) | 112 |
| Vermont | White River Junction | The First National Bank of White River Junction | 97 |
| | | Inter-State Trust Company (change title to First Inter-State Bank) | 97 |
| Virginia | Augusta County (P.O. Fisherville) | Augusta Bank & Trust Company (change title to Planters Bank & Trust Company of Virginia) | 84 |
| | Bristol | Bank of Virginia-Southwest | 70 |
| | Hillsville | Bank of Carroll | 111 |
| | | Carroll Bank (in organization; change title to Bank of Carroll) | 111 |
| | Roanoke | Bank of Virginia, N.A. | 70 |
| | Staunton | Planters Bank and Trust Company | 84 |
| West Virginia | Gassaway | Bank of Gassaway | 111 |
| | | Community Investment Company, Inc. | 111 |
| Wisconsin | Green Bay | Peoples Marine Bank of Green Bay | 65 |
| | Hartford | Valley Bank of Hartford | 71 |
| | New Franken | New Franken Bank | 65 |
| | North Lake | Bank of North Lake | 71 |
| Other Areas | | | |
| Puerto Rico | San German | *Banco Economias | 80 |
| | San Juan (Hato Rey) | Banco Central y Economias | 80 |
| Uruguay | Montevideo | Banco Internacional, S.A. | 67 |

## BANKS INVOLVED IN ABSORPTIONS DENIED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1977

| | | | |
|---|---|---|---|
| Massachusetts | Lynn | Essex County Bank and Trust Company | 115 |
| | Marblehead | The Marblehead Bank and Trust Company | 115 |
| Michigan | Alpena | Alpena Savings Bank | 113 |
| | Hillman | Hillman State Bank | 113 |
| Mississippi | Baldwyn | Baldwyn State Bank | 117 |
| | Tupelo | The Peoples Bank and Trust Company | 117 |

*Banks absorbed in "emergency" approvals under provisions of section 18(c).

## BANK ABSORPTIONS APPROVED BY THE CORPORATION

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **The Citizens Bank**<br>Greensboro, Georgia<br>(change title to Citizens Union Bank) | 8,577 | 1 | 2 |
| *to merge with*<br>**Bank of Union Point**<br>Union Point | 4,845 | 1 | |

Summary report by Attorney General, November 16, 1976

Both banks are located in Greene County, a sparsely populated rural county whose population decreased from 11,193 in 1960 to 10,212 in 1970. Almost 50 percent of the residents of Greene County live in Greensboro (1970 population of 2,583), the county seat, and Union Point (1970 population of 1,624), which are only 7 miles apart.

The county currently is served by four single office banks. Applicant and Bank are only 7 miles apart and each, respectively, receives 19 percent and 18 percent of its IPC deposits and 18 percent and 10 percent of its loans and discounts from the overlapping service area. The proposed merger will thus obviously eliminate a significant volume of existing direct competition. Inasmuch as Applicant and Bank, if merged, will have a combined total of 30.6 percent of total county deposits, the proposed acquisition will also produce increased concentration. However, the remaining two banks, one of which is located in Greensboro and the other in Union Point, have market shares of 36.7 percent and 32.7 percent, respectively, and thus both are larger than the bank to be created via the proposed merger. Georgia law permits Applicant and Bank to establish *de novo* branches in the area served by the other, but the economic feasibility of doing so is absent.

The proposed acquisition will eliminate existing direct competition, will produce increased concentration, and will not importantly impede potential competition. However, the size of the banks and the relevant geographic market, coupled with the apparently sluggish performance of the two banks during the recent past, somewhat mitigate the adverse competitive consequences of the merger. Overall, the proposed acquisition would have an adverse competitive effect.

Basis for Corporation approval, February 1, 1977

The Citizens Bank, Greensboro, Georgia ("Citizens"), an insured State nonmember bank having total resources of $8,577,000 and total IPC deposits of $7,344,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Bank of Union Point, Union Point, Georgia ("BUP"), an insured State nonmember bank, with total resources of $4,845,000 and total IPC deposits of $4,178,000. The merger would be effected under the charter of Citizens and with the title "Citizens Union Bank." Incident to the transaction, the sole office of BUP would be established as a branch of the resultant bank, which would commence operations with a total of two offices.

*Competition.* Citizens operates its sole office in Greensboro, a city in northeastern Georgia located approximately 75 road-miles east of downtown Atlanta. BUP has its office in Union Point, which is located 7 road-miles northeast of Greensboro.

Both banks are located in Greene County, which forms most of the trade area of each proponent. This county and the adjacent counties are largely rural areas devoted to crop production and livestock. Greene County and most of the surrounding counties experienced declining populations over the last decade. Greene County had a 1970 population of 10,212, representing an 8.8 percent decrease from 1960. Similarly, the area's 1975 median household buying level was substantially below the State median. Greene County's median household buying level was $8,692, compared with the statewide level of $11,235.

The most appropriate geographic area in which to assess the competitive effects of the proposed transaction would be that area within a 20-mile radius of Greensboro. This market would encompass all of Greene County and portions of Oglethorpe, Oconee, Morgan, Putnam, Hancock, Taliaferro, and Wilkes Counties. The 1970 population of the market area was approximately 35,000. The communities of Greensboro and Union Point had 1970 populations of 2,583 and 1,624, respectively. There are seven commercial banks, including both of the proponents, operating in this area. BUP represents the market's smallest bank with 7.2 percent of the market's commercial bank IPC deposits. Controlling 12.7 percent of such deposits, Citizens represents the market's fifth largest bank. Therefore, existing competition would be eliminated as a result of the proposed merger. Upon consummation of the proposal, the resultant bank would be second largest in the market with a 19.9 percent market share. Three other banks operating in the market would hold market shares of 22.7 percent, 18.8 percent, and 16.5 percent.

Under Georgia law, either proponent may establish *de novo* branches within Greene County. In view of the county's population decline, low median buying level, and low population per office (main office of 4 banks together with 1 automated facility to serve approximately 10,200 persons), however, such expansion is unlikely.

Although existing competition would be eliminated as a result of this proposal, it is not viewed as detrimental. In view of its recent financial difficulties, BUP is not regarded as a viable competitor. Moreover, both of the proponents are relatively small institutions and the market area has a sparse and declining population. Therefore; the Board of Directors has concluded that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Citizens has satisfactory financial and managerial resources. Those of BUP are less than acceptable. The resultant bank would have satisfactory financial and managerial resources and its future prospects appear to be favorable.

*Convenience and Needs of the Community to be Served.* The proposed merger would have little effect on public convenience and needs in Greene County and its environs.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Bangor Savings Bank** Bangor, Maine | 190,122 | 7 | 8 |
| *to merge with* | | | |
| **Eastport Savings Bank** Eastport | 6,516 | 1 | |

Summary report by Attorney General, January 6, 1977

Neither Applicant nor Bank operates offices in the primary service area or in any county in which the other operates. Although Applicant's closest branch office is over 100 miles from Bank's office, Applicant nonetheless derives 3 percent of its total deposits from Bank's service area. Similarly, Bank draws 1 percent of its deposits from Applicant's service area. Thus, it appears that the acquisition will eliminate a limited amount of direct competition between the two institutions.

A total of 19 banking organizations operate 99 banking offices in the 5-county area served by Applicant and Bank. The four largest holding companies in this five-county area control 68.3 percent of total deposits, an indication of a concentrated market. As of June 30, 1975, Applicant was the second largest bank in its four-county area with a market share of 21.15 percent. Bank is the fifth largest, of seven banking institutions, in Washington County with an 8-percent share of total deposits in the county. Consummation of the proposed merger will create a situation in which the resulting bank will maintain its second place position in the five-county area in terms of total deposits, with a 21.94-percent market share. In sum, consummation of the proposed acquisition will slightly increase concentration in the five-county area.

Maine permits statewide branching except in limited circumstances which do not appear to exist in the present application. The size of the Applicant and the growth patterns over the last several years in Washington County suggest that Applicant is a likely candidate for *de novo* entry into the county. *De novo* entry by Applicant into the Washington market would, of course, produce a much more pro-competitive situation because it would introduce a new competitor into the market, rather than eliminating a competitor via merger. Thus, the proposed acquisition would eliminate potential competition.

In sum, it appears that the proposed merger will have some adverse competitive consequences.

Basis for Corporation approval, February 15, 1977

Bangor Savings Bank, Bangor, Maine ("Bangor Savings"), an insured mutual savings bank with total resources of $190,122,000 and total deposits of $174,589,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Eastport Savings Bank, Eastport, Maine ("Eastport Savings"), an insured mutual savings bank with total resources of $6,516,000 and total deposits of $5,876,000. The banks would merge under the charter and title of Bangor Savings. As an incident of the merger, the office of Eastport Savings would be established as a branch of the resultant bank, increasing the number of its approved offices to nine.

*Competition.* Bangor Savings operates seven offices: two in Bangor in southern Penobscot County and one each in Belfast (Waldo County), Ellsworth (Hancock County), and Millinocket (northern Penobscot County), and in Dover-Foxcroft and Greenville (Piscataquis County). It also has approval to establish a branch in Orono (southern Penobscot County). Bangor Savings is the second largest thrift institution in the State. Its primary trade area comprises Penobscot, Hancock, and Waldo Counties and southern Piscataquis County. Within its primary trade area, Bangor Savings is the largest of seven thrift institutions, controlling 52.7 percent of the area thrift institution deposits. When area IPC time and savings deposits of commercial banks are included, Bangor Savings market share becomes 17.5 percent, representing the largest of 22 financial institutions.*

Eastport Savings operates its sole office in the city of Eastport (population 1,989), located in easternmost Washington County on a peninsula which lies west of Campobello Island in Passamaquoddy Bay. Besides Eastport Savings, one commercial bank, The Merrill Trust Company, operates an office in Eastport. Thrift institutions closest to Eastport Savings are Calais Federal Savings and Loan Association, 28 road-miles to the northwest of Eastport, and Machias Savings Bank, 46 road-miles to the southwest. The closest banked community other than Calais is Lubec, located 40 road-miles on a circular route to the south. The primary trade area of Eastport Savings extends some 17 road-miles northwest of Eastport to include Robbinston and to the west 20 road-miles to include Dennysville. This market had an estimated 1970 population of 4,150, representing a decrease of some 10.8 percent since 1960. The economy of the market area is dependent on commercial fishing, tourism, lumbering, and limited agriculture. Washington County had a 1975 median buying level of $8,214, which is more than $2,000 below that of any other county in Maine. Eastport Savings has 64.1 percent of the market's $9.2-million IPC deposits; The Merrill Trust Company has the remainder.

Bangor Savings' closest office is in Ellsworth, which is located 103 road-miles southwest of Eastport. The proponents' primary trade areas are separate and distinct. Both institutions may branch *de novo* or merge throughout the State. Eastport Savings, however, is not likely to undertake *de novo* expansion because of limited financial and managerial resources. Bangor Savings, on the other hand, has the resources and expertise for *de novo* expansion, but would not be attracted to the local market of Eastport Savings because of its prevailing low income levels and adverse population trend. Accordingly, there appears to be no significant existing or potential competition between the proponents which their merger would eliminate.

In light of the foregoing, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Because of the increased parity between thrift institutions and commercial banks in the State of Maine, the Board of Directors has taken the position that commercial realities require a viewing of a combined thrift institution-commercial bank market when weighing the competitive impact of any proposed merger in this State. See *Basis for Corporation Approval* of the proposed merger of the Bangor Savings Bank, Bangor, Maine, and Piscataquis Savings Bank, Dover-Foxcroft, Maine, *FDIC Annual Report - 1976, pp. 78-79.*

*Financial and Managerial Resources; Future Prospects.* The financial and managerial resources of each institution are generally satisfactory. The future prospects of the resultant bank are considered favorable.

*Convenience and Needs of the Community to be Served.* The merger would establish one of Maine's major thrift institutions in the Eastport market. A greatly increased lending limit and pool of credit, under a more sophisticated management, should be beneficial to the relevant market. Personal checking accounts and NOW accounts would become available to Eastport Savings' customers, as would loans for the purchase of automobiles and mobile homes, home improvement loans, and education loans which heretofore have not been offered.

On the basis of the foregoing information, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Somerset Trust Company** Bridgewater Township, New Jersey | 133,228 | 7 | 8 |
| *to merge with* **State Bank of Manville** Manville | 6,689 | 1 | |

Summary report by Attorney General, February 8, 1977

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation approval, March 1, 1977

Somerset Trust Company, Bridgewater Township, New Jersey ("Somerset"), a State nonmember insured bank, with total resources of $133,228,000 and total IPC deposits of $92,374,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with State Bank of Manville, Manville, New Jersey ("State"), a State nonmember insured bank with total resources of $6,689,000 and total IPC deposits of $4,547,000. The banks would merge under the charter and title of Somerset, and incident to the transaction, the sole office of State would be established as a branch of the resultant bank, increasing to eight the number of its offices.

*Competition.* Somerset operates its main office and five branches in Somerville and its environs and one branch in Watchung, 13 road-miles east of the main office, all in Somerset County in north-central New Jersey. State has its sole office in Manville, an industrial community of 13,029 in Somerset County, 4 road-miles southeast of Somerset's main office and 1.8 miles south of the latter's nearest branch.

The most appropriate area in which to assess the competitive effects of the proposed transaction would be Somerset County and adjacent Middlesex Borough in Middlesex County. Located on the western fringe of the Newark-New York metropolitan area, this market had a 1970 population of 213,410, representing a 38.0 percent increase from 1960. Of the $569.0 million in IPC deposits held by 55 offices of 17 commercial banks operating in this market, Somerset held 16.2 percent, the 3rd largest share; State held 0.8 percent, the 13th largest share. The resultant bank would continue to be the third largest in the market, with 17.0 percent of the market's commercial bank IPC deposits.

Both of the proponents operate in the market area, and consummation of the proposed transaction would eliminate existing competition. The result of the merger, however, would have only slight competitive significance. State is a relatively small institution and its financial condition is precarious, a situation which severely limits its competitive stature and casts grave doubt on its continued viability. Thus, it appears that the merger would eliminate neither significant existing competition nor the potential for increased competition between the proponents.

Considering the foregoing information, the Board of Directors has concluded that the proposed merger of Somerset and State would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* The financial resources of State are inadequate and its continued viability is in grave doubt. Somerset has a generally sound asset structure and satisfactory management. The resultant bank's future prospects would be favorable.

*Convenience and Needs of the Community to be Served.* Consummation of the proposal would preclude any interruption of banking services for the clientele of State. A greatly increased lending limit and pool of credit, under experienced and capable management, should be beneficial to the Manville market. Also, trust services, a national credit card plan, and overdraft banking privileges would be available for the first time to State's customers.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation: Before | After |
|---|---|---|---|
| **Washita State Bank** Foss, Oklahoma | 250 | — | 1 |
| *to purchase certain assets and assume the deposit liabilities of* | | | |
| **First State Bank** Foss | 1,850 | 1 | |

Approved under emergency provisions. No report requested from the Attorney General.

Basis for Corporation approval, March 11, 1977

Washita State Bank, Foss, Oklahoma, a newly chartered State nonmember bank having $250,000 in capital, has applied, pursuant to Section 18(c) of the Federal Deposit Insurance Act, for the Corporation's consent to purchase certain assets of and assume the liability to pay deposits made in First State Bank, Foss, Oklahoma, an insured State nonmember bank with total resources of $1,850,000 as of December 31, 1976.

As of March 11, 1977, First State Bank had deposits and other liabilities of some $1,800,000 and operated one office. On March 11, 1977, the Federal Deposit Insurance Corporation was appointed as Receiver of First State Bank.

The Board of Directors finds that the failure of First State Bank requires it to act immediately and thus waives publication of notice, dispenses with the solicitation of competitive reports from other agencies, and authorizes the transaction to be consummated immediately.

| | Resources (in thousands of dollars) | Banking offices in operation: Before | After |
|---|---|---|---|
| **First-Citizens Bank and Trust Company of South Carolina** Columbia, South Carolina | 233,275 | 42 | 47 |
| *to acquire the assets and assume the deposit liabilities of* | | | |
| **First Piedmont Bank and Trust Company** Greenville | 54,819 | 5 | |

Approved under emergency provisions. No report requested from the Attorney General.

Basis for Corporation approval, March 11, 1977

First-Citizens Bank and Trust Company of South Carolina, Columbia, South Carolina ("Citizens"), an insured State nonmember bank with total resources of $233,275,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to acquire the assets of and assume the liability to pay deposits made in First Piedmont Bank and Trust Company, Greenville, South Carolina ("Piedmont"), an insured State nonmember bank with total resources of $54,819,000. As an incident to the proposed transaction, the main office and four branches of Piedmont would become branches of Citizens. Application also has been made pursuant to Section 18(i) of the FDI Act for the Corporation's consent to the prepayment of a $3,100,000 capital note and advance consent to the retirement provisions of a capital note in the principal amount of $7,100,000, which is being sold to another bank as an integral part of this transaction.

For reasons related to the condition of Piedmont and the fact that the Corporation has been advised by the South Carolina Board of Financial Institutions that if the transaction is not effected it may be necessary to close Piedmont, the Board of Directors finds that the Corporation must act immediately in order to prevent the probable failure of Piedmont and thus waives publication of notice, dispenses with the solicitation of competitive reports from other agencies, and authorizes the transaction to be consummated immediately.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **The State Central Savings Bank** Keokuk, Iowa | 39,782 | 5 | 6 |
| *to acquire the assets and assume the deposit liabilities of* | | | |
| **Iowa State Bank** Stockport | 3,583 | 1 | |

Summary report by Attorney General, December 21, 1976

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation approval, March 15, 1977

The State Central Savings Bank, Keokuk, Iowa ("Central"), an insured State nonmember bank with total resources of $39,782,000 and total IPC deposits of $31,800,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets of and assume the liability to pay deposits made in Iowa State Bank, Stockport, Iowa, an insured State nonmember bank with total resources of $3,583,000 and total IPC deposits of $3,010,000. Central, establishing the sole office of Iowa State Bank as a branch, would operate a total of six offices.

*Competition.* Central operates its main office and two branches in Lee County, which is located in extreme southeastern Iowa. It also operates two branches in adjacent Van Buren County. Iowa State Bank operates its sole office in Stockport in northeastern Van Buren County.

Both Lee County and Van Buren County experienced a population decline during the 1960s. Lee County's population decreased by 2.7 percent, to a total of 42,996, and Van Buren County's by 11.6 percent, to a total of 8,643. In contrast, Iowa experienced a statewide population increase of 2.4 percent during the same period. The easternmost portion of Lee County, bordering the Mississippi River, contains a significant amount of industry; however, the remainder of the two-county region is rural and has an agricultural economic base.

The area principally affected by this transaction is Iowa State Bank's trade area, which would consist of an area situated within approximately 20 road-miles of Stockport. This would include the towns of Salem to the east, Bonaparte to the south, Keosauqua to the southwest, and the city of Fairfield to the northwest. Iowa State Bank has the fifth largest share, 4.5 percent, of the IPC deposits held at the 10 offices of 7 commercial banks being operated in this market. Central holds 3.5 percent of such deposits at its branch in Bonaparte, 16 road-miles south of Stockport. There appears to be a partial overlapping of the proponents' service areas in this local market, but the modest shares of area IPC deposits held by each proponent render of little significance the elimination of existing competition between them which would result from the consummation of the proposal.

An Iowa commercial bank may legally branch *de novo* in its main office county and in unbanked communities of all contiguous or cornering counties. Although there are opportunities for *de novo* branching by both proponents in the relevant market, Iowa State Bank has neither financial and managerial resources nor the inclination to embark on an office expansion program. Central, for its part, would likely find the relevant market unattractive for *de novo* expansion because of its declining population and a low population per banking office figure of 1,910. The proposed transaction, accordingly, would not eliminate any significant potential for competition to increase between Central and Iowa State Bank through their *de novo* branching in the future.

Based on the foregoing, the Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.*

*Financial and Managerial Resources; Future Prospects.* Both proponents have satisfactory financial and managerial resources and future prospects, as would the resultant bank.

*Convenience and Needs of the Community to be Served.* The proposed transaction would have little effect on the convenience and needs of the local market. The resulting institution would offer no services that are not currently available from alternative sources in the relevant area.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **North American Bank and Trust Company** Wolcott, Connecticut | 18,946 | 2 | 3 |
| *to purchase the assets and assume the deposit liabilities of* | | | |
| **The Monroe Bank and Trust Company** Monroe | 4,444 | 1 | |

Approved under emergency provisions. No report requested from the Attorney General.

Basis for Corporation approval, March 28, 1977

North American Bank and Trust Company, Wolcott, Connecticut, an insured State nonmember bank with total resources of $18,946,000, has applied, pursuant to Section 18(c) of the Federal Deposit Insurance Act, for the Corporation's consent to purchase the assets of and assume liability to pay deposits made in The Monroe Bank and Trust Company, Monroe, Connecticut, an insured State nonmember bank with total resources of $4,444,000. As an incident to the proposed transaction, the sole office of The Monroe Bank and Trust Company would become a branch of North American Bank and Trust Company.

As of March 28, 1977, The Monroe Bank and Trust Company had deposits of some $2.6 million and operated one office. On March 28, 1977, the Federal Deposit Insurance Corporation was appointed as Receiver of The Monroe Bank and Trust Company.

The Board of Directors finds that the failure of The Monroe Bank and Trust Company requires it to act immediately and thus waives publication of notice, dispenses with the solicitation of competitive reports from other agencies, and authorizes the transaction to be consummated immediately.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **American Commercial Bank** Ventura, California | 10,065 | 2 | 3 |
| *to purchase a portion of the assets and assume a portion of the deposit liabilities of* | | | |
| **Ventura Branch—The Bank of California** Ventura | 3,402* | 1 | |

*IPC deposits. Assets not available by office.

Summary report by Attorney General, January 26, 1977

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation Approval, April 5, 1977

American Commercial Bank, Ventura, California ("American Commercial"), a State nonmember insured bank with total resources of $10,065,000 and total IPC deposits of $7,757,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase a portion of the assets of and assume a portion of the deposits made in The Bank of California, National Association, San Francisco, California ("Bank of California"). American Commercial also has applied for consent to establish Bank of California's Ventura Branch ("Ventura Branch"), with total IPC deposits of $3,402,000, as a branch, increasing the number of its offices to three.

*Two senior officers of Central acquired stock control of Iowa State Bank in June 1972. Since the current affiliation of the two banks has not heretofore been subject to regulatory scrutiny, the affiliation is of no persuasive value in determining, for purposes of the Bank Merger Act, what competitive impact, if any, the proposed transaction may have. Therefore, the Board of Directors has ignored the affiliation in its assessment of the proposal.

*Competition.* American Commercial operates its two offices within a two-block area of downtown Ventura. Organized in 1973, American Commercial is a locally owned, independent bank, and it represents the 174th largest of California's commercial banks.

Bank of California represents the State's seventh largest commercial bank and it operates its Ventura Branch approximately 3 road-miles east of American Commercial's two offices. The Ventura Branch represents Bank of California's only office within the city of Ventura.

American Commercial's primary trade area, as well as that of the Ventura Branch, is the city of Ventura. There are 18 banking offices of 10 banks, including the proponents' 3 offices, operating within Ventura. Including Bank of California, 6 of the State's 10 largest banks operate in the city. Competition within Ventura is extremely concentrated with the two largest banks controlling 63.7 percent of the commercial bank IPC deposits and the four largest banks controlling 80.7 percent of such deposits. With 3.9 and 1.7 percent of the IPC deposits, American Commercial and Bank of California, respectively, have the seventh and ninth largest shares of the banks operating in the city. Upon consummation of the proposed transaction, American Commercial will increase its position by merely one place, to the sixth largest institution, with 5.6 percent of the IPC deposits. Although there is some existing competition between the proponents, in light of their modest shares of the trade area and the city's concentrated condition, the competitive effects of the proposed transaction would appear to be insignificant. Due to the proponents' relatively small operations within an area dominated by major statewide banks, there also appears to be little potential for significant competition to develop between the proponents in the foreseeable future. Thus, approval of this application would neither eliminate significant existing or potential competition between the two proponents nor significantly affect the structure of commercial banking in the relevant area.

Under these circumstances, the Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* The proponents' financial and managerial resources are considered adequate for purposes of this proposal. The financial and managerial resources of the resultant bank would be acceptable and its future prospects appear to be favorable.

*Convenience and Needs of the Community to be Served.* No significant impact on public convenience is likely to result from this proposal.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Peoples Marine Bank of Green Bay**<br>Green Bay, Wisconsin | 120,364 | 2 | 3 |
| *to merge with* | | | |
| **New Franken Bank**<br>New Franken | 11,276 | 1 | |

Summary report by Attorney General, March 4, 1977

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation approval, April 19, 1977

Peoples Marine Bank of Green Bay, Green Bay, Wisconsin ("Peoples Marine"), a State nonmember insured bank with total resources of $120,364,000 and total IPC deposits of $99,525,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with New Franken Bank, New Franken, Wisconsin ("NFB"), a State nonmember insured bank with total resources of $11,276,000 and total IPC deposits of $10,087,000. The two institutions would merge under the charter and title of Peoples Marine, and incident to the merger, the sole office of NFB would be established as a branch of the resultant bank.

*Competition.* Peoples Marine operates its main office in downtown Green Bay and one branch in Allouez, in the southern portion of the Green Bay metropolitan area. Peoples Marine is owned by The Marine Corporation, Milwaukee, Wisconsin, a holding company which controls 16 Wisconsin banks with aggregate IPC deposits of $827,997,000, or 6.1 percent of the State's total IPC deposits. The proposed transaction would have no perceptible effect on this percentage.

NFB operates its sole office in the unincorporated village of New Franken. NFB is owned by New Shares, Inc., New Franken, Wisconsin, a one-bank holding company.

Green Bay, with a 1970 population of 87,800, is located in Brown County, which is in northeastern Wisconsin approximately 100 miles north of Milwaukee. New Franken, with a population of 200, is also in Brown County, about 11 miles east of Green Bay.

Both of the proponents operate within the same general trade area, which consists of Brown County (excluding the community of Wrightstown in the southwestern corner of the county) and a small portion of western Kewaunee County. There are 27 offices of 17 banks operating within this market. Ten of these banks are controlled by 8 different holding companies, including 6 of the State's 10 largest holding companies. Peoples Marine is the only bank operating in this market that is owned by The Marine Corporation and, with a 16.6 percent market share, it has the second largest share of IPC deposits held by all banking organizations in the market. NFB has the second smallest share with 1.7 percent of the IPC deposits. The closest offices of the proponents are approximately 11 miles apart, and there are a number of offices of competing banks in the intervening area. The proposed merger, therefore, would not eliminate any significant existing competition, and although it would increase local market concentration slightly, numerous meaningful alternative sources of commercial banking services would remain.

The potential for further competition to develop between Peoples Marine and NFB through *de novo* branching appears remote. Wisconsin's restrictive branching law precludes Peoples Marine from branching into New Franken. NFB has experienced asset and capital problems, and it has neither the financial nor the managerial resources to expand.

In view of the foregoing, the Board of Directors has concluded that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* The financial and managerial resources of Peoples Marine are satisfactory and its future prospects are favorable, as would be the case for the resultant bank. The proposed transaction would resolve NFB's asset and capital problems and assure its future as a branch of Peoples Marine.

*Convenience and Needs of the Community to be Served.* The benefits to the New Franken community include the introduction of such banking services as trust services, data processing services, and leasing services.

Based on the foregoing information, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Bank of Madisonville**<br>Madisonville, Tennessee | 23,157 | 2 | 3 |
| *to merge with*<br>**Monroe County Bank**<br>Sweetwater | 6,149 | 1 | |

Summary report by Attorney General, March 1, 1977

Sweetwater (1970 population 4,591) is the largest city in Monroe County, while Madisonville (1970 population 2,614) is the county seat. Monroe County is primarily an agricultural and residential area, located about 50 miles southwest of Knoxville. The area has experienced some industrial growth in the past 10 years, but remains primarily an agricultural economy. The county appears to be relying upon the completion of the Tellico Dam to provide an economic boost to the area.

The offices of Applicant are approximately 9 miles and 23 miles from the sole office of Bank. Accordingly, the proposed acquisition would eliminate some existing competition.

Bank is the smallest of three financial institutions which have a total of five offices in Sweetwater. Sweetwater Valley Bank, the largest bank in Monroe County, has its home office and two branches in Sweetwater. City and County Bank, Tellico Plains, Tennessee, the third largest, has a branch in Sweetwater. Applicant, the second largest, has no branch in Sweetwater. Tennessee banking law permits branch banking only in counties where home offices are located. Thus, Applicant could theoretically enter Sweetwater *de novo.* However, the presence of five bank offices in Sweetwater and the small population of the town suggest that Applicant is unlikely to enter the town *de novo.*

Four banks operate a total of 12 offices in Monroe County. Applicant ranks second with approximately 31 percent of total county deposits and Bank ranks as the fourth and smallest with approximately 8 percent. Thus, the proposed acquisition will increase Applicant's share of the market to 39 percent, although Applicant will continue to hold its rank as the second largest county bank.

In sum, the proposed acquisition would eliminate existing competition to some degree and will increase concentration by eliminating one of the four banking institutions in the county. Overall, the proposed acquisition would have an adverse effect on competition.

Basis for Corporation approval, May 3, 1977

Bank of Madisonville, Madisonville, Tennessee ("BOM"), an insured State nonmember bank with total resources of $23,157,000 and total IPC deposits of $18,674,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Monroe County Bank, Sweetwater, Tennessee ("Monroe"), an insured State nonmember bank with total resources of $6,149,000 and total IPC deposits of $4,496,000. The merger would be effected under the charter and title of BOM. Incident to the transaction, the sole office of Monroe would be established as a branch of the resultant bank, which would then operate three offices.

*Competition.* Both of the proponents operate in Monroe County, which is located in southeastern Tennessee. BOM operates its main office in Madisonville and a branch in Tellico Plains, located 15 miles southeast of Madisonville. Monroe has its sole office in Sweetwater, which is approximately 9 road-miles northwest of Madisonville.

With a large portion of the county occupied by a national forest and a wildlife management area, Monroe County has a predominantly agricultural economy. The county had a 1970 population of 23,457, representing merely a 0.7 percent increase from 1960. Its median household buying level is $8,439, which is substantially below the statewide median level of $10,993. Madisonville and Sweetwater, respectively, had populations of 2,614 and 4,340.

The effects of the proposed merger would be most direct and immediate in that area within a 15-mile radius of Sweetwater. This includes Madisonville. It also includes the communities of Loudon, located 12 miles northeast of Sweetwater, and Athens, located 15 miles southwest of Sweetwater (both of these communities are connected with Sweetwater by interstate highway). A total of 11 commercial banks operate 25 offices in this local banking market. As of June 30, 1976, BOM held 12.8 percent and Monroe held 3.1 percent of the IPC deposits held by area commercial bank offices, representing, respectively, the fourth and ninth largest shares of deposits. There is existing competition between the proponents, but the proposal's elimination of this competition would have only slight competitive significance. Although the resultant bank would have 15.9 percent of the market's IPC deposits, five other competitors would each have area IPC deposit shares exceeding 11.0 percent. With a total of 10 banks remaining in the market after the merger, a satisfactory competitive climate would continue.

Although under Tennessee law each proponent may establish *de novo* branches throughout Monroe County, expansion by either of the proponents is unlikely due to the county's limited population growth, its low median buying level, and the existing banking structure, which provides an office for each 1,956 residents.

Under the foregoing circumstances, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competion, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* BOM has satisfactory managerial and financial resources. Those of Monroe are acceptable. The resultant bank would have satisfactory financial and managerial resources and its future prospects appear to be favorable.

*Convenience and Needs of the Community to be Served.* The proposed merger would have little effect on public convenience and needs in Monroe County.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **The First National Bank of Boston**<br>Boston, Massachusetts | 7,811,661 | 41* | 41 |
| *to acquire the assets and assume the liabilities of* | | | |
| **Banco Internacional, S.A.**<br>Montevideo, Uruguay | 6,234 | 3 | |

*Domestic offices.

Summary report by Attorney General,
March 14, 1977

The merging banks are both wholly owned subsidiaries of the same bank holding company. As such, their proposed merger is essentially a corporate reorganization and would have no effect on competition.

Basis for Corporation approval, May 23, 1977

The First National Bank of Boston, Boston, Massachusetts ("FNBB"), a national banking association having total resources of $7,811,661,000, has applied, pursuant to Section 18(c) of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets and assume the liabilities of Banco Internacional, S.A., Montevideo, Uruguay ("BISA"), a noninsured, directly owned subsidiary of FNBB with total resources of $6,234,000. FNBB has an application pending with the Board of Governors of the Federal Reserve System for permission to establish branches at BISA's three locations in Montevideo.

The proposed transaction is in effect a corporate reorganization whose purpose is to change the legal form under which FNBB conducts its operations in the Uruguayan market. The transaction consummated, FNBB would carry on essentially the same business at its Montevideo branches as has heretofore been conducted by BISA.

*Competition.* The proposed transaction would have no effect on either existing or potential competition between FNBB and BISA or on the structure of commercial banking in any relevant area.

*Financial and Managerial Resources; Future Prospects.* These factors are acceptable for both FNBB and BISA, and the proposed transaction would have no adverse impact on the proponents.

*Convenience and Needs of the Community to be Served.* The proposal would have no perceptible effect on the convenience and needs of any of FNBB's domestic markets or of the Uruguayan market.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Bank of Putnam County**<br>Monterey, Tennessee | 14,139 | 2 | 3 |
| *to merge with*<br>**Bank of Cookeville**<br>Cookeville | 17,924 | 1 | |

Summary report by Attorney General, March 16, 1977

Cookeville, Tennessee (1970 population 14,270; 1975 estimated population 17,800), located half way between Nashville and Knoxville, Tennessee, is the principal city in and the county seat of Putnam County. It has a balanced economy consisting of manufacturing, distribution, and educational industries. According to the application, economic growth in Cookeville and Putnam County has been substantial within the last 5 years, and the prospects for future growth appear to be unusually bright.

Applicant's Cookeville branch is located less than 1 mile from Bank in downtown Cookeville. In addition, in 1974 Bank received approval to establish a branch office in Cookeville, at a location approximately two blocks from Applicant's branch. (The application states that the Corporation extended the time within which Bank could establish the branch to February 1, 1977.) The other two banks presently operating in Putnam County operate a total of eight offices in Cookeville.

Applicant and Bank have been aggressive and effective competitors in Putnam County. According to the application, from 1971 through 1975 each institution has at least doubled its IPC demand and time deposits, its loans, and its net income. Their success, the application states (p.22), "was the result of their intense efforts to compete with [the two larger Putnam County banks] for loans and deposits through the personal solicitation of accounts . . . ." It is evident that the proposed acquisition would eliminate substantial existing competition and the potential for increased competition between Applicant and Bank.

Putnam County is presently served by 4 banks which operate a total of 13 offices. As of June 30, 1976, the two largest banks controlled 42 percent and 38 percent, respectively, of Putnam County commercial bank deposits; Bank controlled 11 percent and Applicant controlled 8 percent. The proposed acquisition would reduce from four to three the number of banking alternatives in Putnam County and would further concentrate an already highly concentrated banking market. Moreover, under Tennessee law a bank may only branch within the county in which it is headquartered, and *de novo* expansion into Putnam County by the bank holding device is prohibited until after January 1, 1980. Putnam County, therefore, is insulated from entry, a factor which serves to increase the anticompetitive effects of the proposed merger.

We conclude that the proposed merger would have a significantly adverse effect on competition.

Basis for Corporation approval, May 23, 1977

Bank of Putnam County, Monterey, Tennessee ("BPC"), a State nonmember insured bank having total resources of $14,139,000 and total IPC deposits of $9,870,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Bank of Cookeville, Cookeville, Tennessee ("Cookeville Bank"), a State nonmember insured bank having total resources of $17,924,000 and total IPC deposits of $12,622,000. The merger would be effected under the charter and title of BPC, and incident to the transaction, the sole office of Cookeville Bank would be established as a branch of the resultant bank, which would then operate three offices.

*Competition.* BPC has its main office in Monterey, a town of 2,351 residents, and a branch in Cookeville, which has a population of 14,270 and is located 15 road-miles west of Monterey. Both Monterey and Cookeville are located in Putnam County. Cookeville Bank's sole office is approximately 1 mile east of BPC's branch in Cookeville.

Putnam County is located in central Tennessee. The county's economy is based on agriculture, manufacturing, mining, and distribution. Putnam County had a 1970 population of 35,487. This represented a 21.4 percent increase from 1960, a rate of growth that was more than twice that of the State as a whole. Although the county has undergone significant population growth, its 1975 median household buying level of $8,991 lags considerably below the statewide median of $10,993.

The city of Cookeville is the county seat of Putnam County. Situated 80 road-miles east of Nashville and 110 road-miles west of Knoxville, it serves as the economic center for the Upper Cumberland Region. Cookville represents the sole urban area of Putnam County. Approximately two-fifths of the county's population resides in Cookeville, and all but 4 of the 13 banking offices operating in the county are located in Cookville.

The effects of the proposed merger would be most immediate and direct within the primary trade area of Cookeville Bank. This market, comprising communities located within approximately 18 road-miles of Cookeville, includes Putnam County and adjoining portions of southern Overton County and northern White County. There are 21 offices of 9 commercial banks being operated within this market, serving an estimated 1970 population of 54,750. Of the IPC deposits aggregating $214.6 million held by these offices, Cookeville Bank and BPC have 5.9 percent and 4.6 percent, respectively, the seventh and eighth largest shares. The resultant bank, with 10.5 percent of such deposits, would become fifth largest in the market.

Under Tennessee law, the proponents may branch throughout Putnam County. Both banks have the resources to facilitate such expansion and, as Putnam County continues to grow, may be expected to branch *de novo* within the foreseeable future. However, two other commercial banks, both headquartered in Cookeville and holding respective shares of 25.1 percent and 20.1 percent of the IPC deposits of Cookeville Bank's primary market, would also be candidates for similar expansion. Moreover, Putnam County's recent substantial growth strengthens that market's attractiveness for the establishment of additional banks.* This likelihood of additional banks being established and *de novo* expansion by the present Putnam County banks mitigates the significance of the proposed merger's elimination of the potential for competition to increase between the proponents through their future *de novo* expansion.

Under these circumstances, the Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Both proponents have adequate financial resources for the business they conduct and their managerial resources are satisfactory. Such resources for the resultant bank are considered adequate and its future prospects are favorable.

*Convenience and Needs of the Community to be Served.* The proposed merger would have little effect on public convenience and needs in Putnam County.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

*Organizers of a new bank in Putnam County have recently applied to the State banking authorities for a charter. The new bank would be headquartered in Cookeville.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Bank of Commerce**<br>Woodbury, Tennessee | 29,505 | 2 | 3 |
| *to merge with*<br>**Bank of Auburn**<br>Auburntown | 2,516 | 1 | |

Summary report by Attorney General,
March 25, 1977

Applicant operates in Woodbury, the county seat (population 1,700) of Cannon County (population 8,500) which is only 10 miles away from Auburntown (population 200), where Bank operates. There are no competing banks in the intervening area. Thus, the proposed acquisition will eliminate existing competition.

There are four banks operating a total of five offices in Cannon County. As of June 30, 1976, Applicant ranked first with about 79 percent of total county deposits and Bank ranked third with about 7 percent of deposits. The second largest bank is Bank of Cannon County, a subsidiary of Tennessee National Bancshares, Inc., with total deposits of $4.2 million. Mellons Bank, with total deposits of $245 thousand is the smallest of the four county banks. The proposed acquisition would increase Applicant's share of the county deposits from 79 percent to 86 percent and thus obviously would increase concentration.

Tennessee is a limited branching State where commercial banks can only branch in the county in which a bank is headquartered. Accordingly, Applicant and Bank are free to branch in each other's towns. However, Auburntown has only 200 residents and thus is an unlikely place for Applicant to establish a branch. In addition, it is questionable whether Bank possesses the resources to branch into Woodbury. Accordingly, the proposed acquisition would not eliminate potential competition in any important respect.

In sum, the proposed acquisition—though it involves small banks in a very sparsely populated rural area—would eliminate existing competition and would increase concentration. It would obviously be preferable were Bank to serve as a toehold acquisition by an out-of-county bank. Overall, the acquisition would have an adverse effect upon competition.

Basis for Corporation approval, May 23, 1977

Bank of Commerce, Woodbury, Tennessee, a State nonmember insured bank with total resources of $29,505,000 and total IPC deposits of $24,652,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Bank of Auburn, Auburntown, Tennessee, with total resources of $2,516,000 and total IPC deposits of $2,181,000, under the charter and title of Bank of Commerce. Incident to the merger, the one existing office of Bank of Auburn would become a branch of the resultant bank, thereby increasing its total offices to three.

*Competition.* Woodbury is located in central Tennessee approximately 50 miles southeast of Nashville. It serves as the seat of Cannon County and is the principal commercial center for the county. Woodbury's population was 1,725 in 1970. With a 1970 population of merely 213, which represented a 16.8 percent decrease from 1960, the town of Auburntown is located 10 road-miles north of Woodbury, in northern Cannon County. Median household income in Cannon County was $8,051 in 1974, which was 17.3 percent below the statewide median. The economy of the county is based primarily on agriculture, timber, and various small factories in and around Woodbury, including clothing manufacturing.

The local banking market most relevant to an evaluation of the proposed merger would be Auburntown and the surrounding area within 20 road-miles. This market includes the city of Murfreesboro, which is located 20 road-miles southwest of Auburntown. There are 12 commercial banks in this market, with total IPC deposits of approximately $168.8 million on June 30, 1976. Holding 14.4 percent of these deposits, Bank of Commerce has the market's third largest share of deposits. Bank of Auburn has only 1.2 percent of the market's IPC deposits and it is the smallest insured bank operating in the market. Upon consummation of the proposed merger, the resultant bank would hold 15.6 percent of the deposits and it would retain its third place market position. Although some existing competition between the two proponents would be eliminated by the proposed merger, the addition of Bank of Auburn's deposits and loans to Bank of Commerce's totals would constitute a *de minimis* addition to existing concentration levels within the market area and would not perceptibly affect its commercial banking structure. Moreover, after the consummation of the proposed merger, 10 banks would remain as alternative sources of banking services within the market area.

Under Tennessee law each of the proponents may establish *de novo* branches throughout Cannon County. There appears to be little likelihood of increased competition between Bank of Commerce and Bank of Auburn in the future, however, because of the limited population in the Auburntown area and the lack of financial and managerial resources on the part of Bank of Auburn.

On the basis of the foregoing information, the Board of Directors is of the opinion that the proposal would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Both banks have adequate financial and managerial resources for the business they do as independent institutions, and both would have adequate prospects for the future. The same would be true of the resultant bank.

*Convenience and Needs of the Community to be Served.* The proposed merger would have little effect on the market area as a whole, but present customers of Bank of Auburn would have access to a variety of services that the bank's current conservative management has not offered. Among these services are consumer instalment loans, safe deposit boxes, various types of officers' and travelers' checks, certificates of deposit, an after-hours depository, and computer services.

Based on the foregoing, the Board of Directors has concluded that approval of the proposed merger is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Bank of Virginia - Southwest** Bristol, Virginia | 143,600 | 15 | 33 |
| *to merge with* **Bank of Virginia N.A.** Roanoke | 161,539 | 18 | |

Summary report by Attorney General, April 11, 1977

The merging banks are both wholly owned subsidiaries of the same bank holding company. As such, their proposed merger is essentially a corporate reorganization and would have no effect on competition.

Basis for Corporation approval, May 23, 1977

Bank of Virginia-Southwest, Bristol, Virginia ("Southwest"), an insured State nonmember bank with total resources of $143,600,000 and total IPC deposits of $117,866,000, has filed application, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, seeking the Corporation's prior consent to merge with Bank of Virginia N.A., Roanoke, Virginia ("BOVNA"), with total resources of $161,539,000 and total IPC deposits of $131,923,000. The merger would be effected under the charter and title of Southwest. The 18 offices of BOVNA would be established as branches of the resultant bank, and incident to the merger, the former main office of BOVNA would be designated the main office of the resultant bank while the main office of Southwest would become a branch. The resultant bank would commence operations with a total of 33 offices.

*Competition.* Southwest and BOVNA are wholly owned subsidiaries of Bank of Virginia Company, Richmond, Virginia ("BOVC"). This holding company is the fifth largest commercial bank organization in Virginia, controlling 10 commercial banks whose IPC deposits on June 30, 1976, aggregated $964.7 million—7.7 percent of the State's total commercial bank IPC deposits. The sole purpose of the proposed merger is to enable BOVC to consolidate its operations in western and central western Virginia. The two subject banks are located in separate service areas and there is no significant existing competition between them. Both operate under the supervision of a single chief executive officer, have a common marketing image, and receive support of BOVC in such areas as investment, personnel, data processing, marketing, and audit. The proposal, therefore, would not change the structure or concentration of commercial banking in the relevant areas.

Under these circumstances, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Both proponents have adequate financial and managerial resources for the business they do, as would the resultant bank. The future prospects of the resultant bank are favorable.

*Convenience and Needs of the Community to be Served.* The proposed merger represents an internal reorganization. No effect on the convenience and needs of the community is expected to result therefrom.

On the basis of the foregoing, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Valley Bank of Hartford** Hartford, Wisconsin | 18,784 | 1 | 2 |
| *to consolidate with* | | | |
| **Bank of North Lake** North Lake | 7,003 | 1 | |

Summary report by Attorney General, November 22, 1976

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation approval, May 23, 1977

Valley Bank of Hartford, Hartford, Wisconsin ("Valley Bank"), an insured State nonmember bank with total assets of $18,784,000 and total IPC deposits of $14,854,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to consolidate under its charter and title with Bank of North Lake, North Lake, Wisconsin, an insured State nonmember bank with total assets of $7,003,000 and total IPC deposits of $5,628,000, and to establish a branch at the location of the sole office of the latter.

*Competition.* Valley Bank has its office in Hartford, Washington County, in southeastern Wisconsin, approximately 34 road-miles northwest of downtown Milwaukee. Valley Bank is a wholly owned subsidiary of Valley Bancorporation. This holding company, the sixth largest commercial bank organization in Wisconsin, controls 14 commercial banks whose aggregate deposits of $272 million at June 30, 1976, represented 1.8 percent of the State's total commercial bank deposits.

Bank of North Lake operates its office in North Lake, an unincorporated village within the town of Merton, which is located in northwestern Waukesha County approximately 12 road-miles south of Hartford.

The effects of the proposed consolidation would be most immediate and direct within the primary trade area of Bank of North Lake, which consists of that area within approximately 10 road-miles of North Lake. This area encompasses northwestern Waukesha County and small portions of adjacent Dodge and Washington Counties and includes the communities of Sussex, Delafield, and Oconomowoc. Primarily residential in character, this area is developing as a suburb of Milwaukee. With a 1970 population of approximately 37,300, the area experienced a population increase of over 37.0 percent during the 1960s.

A total of 8 commercial banks with 11 offices operate within Bank of North Lake's trade area. Included among these are subsidiaries of the third and seventh largest commercial bank organizations in Wisconsin. Bank of North Lake has the smallest share, 5.4 percent, of the $96.1-million IPC deposits held on June 30, 1976, by these offices. Valley Bank is located merely 12 miles from Bank of North Lake; however, there appears to be no significant existing competition between the proponents. Instead, Valley Bank would appear to operate in a separate, but adjacent service area.* The nearest office to Bank of North Lake of any other subsidiary of Valley Bancorporation is the Allentown Branch of Valley Bank, Kewaskum, located 22 road-miles north of North Lake.

Wisconsin banking law permits a commercial bank to establish *de novo* branches in its main office county and in adjoining counties within 25 miles of its main office, but not within 3 miles of an existing bank office. Thus, neither proponent may enter the main office community of the other. There being no population center attractive for *de novo* entry situated between their respective locations, it appears that no significant potential exists for competition to increase between Valley Bank and Bank of North Lake through their *de novo* branching in the foreseeable future. Should the relevant market become attractive for *de novo* entry as the northwestern suburbs of Milwaukee continue to expand, there are a number of commercial banks, including subsidiaries of several of the State's major bank organizations, legally capable of *de novo* entry into the area.

Valley Bancorporation presently operates three subsidiary banks in Valley Bank's maximum legal branching area. These subsidiaries' area offices controlled 4.1 percent of the IPC deposits held on June 30, 1976, by all such offices of the 43 commercial bank organizations operating in this area. The proposed consolidation would increase Valley Bancorporation's share of these deposits to 4.6 percent.

The Board of Directors, in consideration of the foregoing, is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Both proponents have adequate financial and managerial resources, as would the resultant bank. Its future prospects are favorable.

*Convenience and Needs of the Community to be Served.* The consolidation would provide North Lake and its vicinity with an office of an aggressively operated bank. Offering services which reflect the expertise of Valley Bancorporation, the resultant bank should contribute significantly to the development and growth of the relevant area.

In light of the foregoing, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Brewer Savings Bank** Brewer, Maine | 24,211 | 2 | 2 |
| *to merge with* | | | |
| **Bucksport Loan and Building Association** Bucksport | 363 | 1 | |

Summary report by Attorney General, May 3, 1977

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation approval, June 13, 1977

Brewer Savings Bank, Brewer, Maine ("Brewer Savings"), an insured mutual savings bank with total resources of $24,211,000 and total deposits of $22,590,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Bucksport Loan and Building Association, Bucksport, Maine ("L&B"), a noninsured mutual loan and building association with total resources of $363,000 and total deposits of $323,000. The merger would be effected under the charter and title of Brewer Savings. The sole office of L&B would be discontinued.

*Competition.* Brewer Savings has its main office in Brewer, Penobscot County, in central Maine, and a branch in Bucksport, Hancock County, 19 road-miles to the south of Brewer.

L&B's sole office is located in Bucksport and it operates from quarters within the residence of an officer of the institution. The office is open only one day a month. L&B has 50 loan customers and approximately 200 deposit accounts. Maine law

*A complete review of customer accounts of the proponents reveals two depositors having accounts at both banks. The business each bank draws from the primary trade area of the other would, therefore, appear to be of slight competitive significance.

presently requires a depository institution to be federally insured, and as a result, L&B's trustees have decided either to negotiate a merger or to liquidate.

The town of Bucksport had a 1970 population of 3,756. In addition to the branch of Brewer Savings (deposits $2 million), Bucksport contains a branch of The Merrill Trust Company (IPC deposits $5 million) and a branch of The Liberty National Bank in Ellsworth (IPC deposits $3.8 million). Banked communities closest to Bucksport are Ellsworth, 20 miles to the east, in which 2 savings banks and 3 commercial banks are represented; Searsport, 18 miles to the southwest, with a branch of 1 savings bank and 1 commercial bank within the town; and the Bangor-Brewer area, 19 miles to the north, with 4 offices of 3 savings banks and 23 offices of 6 commercial banks.

L&B is not an aggressively operated institution, and in view of its miniscule size, this transaction represents a *de minimis* addition to Brewer Savings' deposit and loan totals. As a result, no significant existing competition between the proponents would be eliminated by their merger. In addition, the likely alternative to the proposed merger is liquidation of the institution. Thus, there also is no significant potential for competition to increase between the proponents.

Under these circumstances, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* The financial and managerial resources of Brewer Savings are generally satisfactory. Its surplus position is statistically low, a situation which will be remedied by the bank's issuance of subordinated capital notes within a few months. The future prospects of the resultant bank are satisfactory.

*Convenience and Needs of the Community to be Served.* L&B's accounts would be transferred to the Bucksport branch of Brewer Savings. A broader range of savings plans and loan types would be available to L&B's patrons and the institution's depositors would gain the protection of Federal deposit insurance.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Bank of Central Mississippi** Carthage, Mississippi | 9,386 | 2 | 3 |
| *to merge with* | | | |
| **The Bank of Sebastopol** Sebastopol | 1,629 | 1 | |

Summary report by Attorney General, March 31, 1977

Applicant has its main office in Carthage, population 3,000, and a branch in Madden, population 200, in Leake County, about 50 miles northeast of Jackson. Bank's only office is in a community of 300, about 20 miles from Applicant.

Sebastopol is in Scott County at its junction with both Leake and Neshoba Counties. There are seven other banks, ranging in size from the State's ninth largest to one with $6 million of deposits within about 20 miles. This is a merger of the seventh and ninth largest in size in the largely rural area where they operate. In view of their small size, the competitive effect is not adverse.

Basis for Corporation approval, June 13, 1977

Bank of Central Mississippi, Carthage, Mississippi, a State nonmember insured bank with total assets of $9,386,000 and total IPC deposits of $6,174,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with The Bank of Sebastopol, Sebastopol, Mississippi ("Bank of Sebastopol"), a State nonmember insured bank with total assets of $1,629,000 and total IPC deposits of $1,337,000. Incident to the merger, the office of Bank of Sebastopol would be established as a branch of the resultant bank, which would commence operating with a total of three offices.

*Competition.* Bank of Central Mississippi has its main office in Carthage and its sole branch in Madden, located 15 road-miles to the east of Carthage, both in Leake County in central Mississippi.

Bank of Sebastopol operates its sole office in Sebastopol, a town in extreme northeastern Scott County, located approximately 22 road-miles southeast of Carthage and 14 road-miles south of Madden.

Bank of Central Mississippi serves Leake County and small adjoining portions of the counties of Madison, Scott, and Neshoba, including the town of Sebastopol, all located within a radius of approximately 20 road-miles of Carthage. Largely an agricultural area, its estimated 1970 population of 20,300 recorded no significant change during the 1960s. Five commercial banks are represented in the market, their nine area offices holding IPC deposits of $39.7 million at June 30, 1976. Bank of Central Mississippi had the third largest share of such deposits, 11.9 percent, and Bank of Sebastopol had 3.5 percent, the smallest share.

Bank of Sebastopol, drawing the bulk of its business from northeastern Scott County, southeastern Leake County, southwestern Neshoba County, and northwestern Newton County, has a primary trade area which includes communities within some 18 to 20 road-miles of Sebastopol. The 1970 population of this agricultural area, an estimated 22,300, showed a 3.5 percent decrease during the preceding decade. Bank of Sebastopol is one of six commercial banks having offices in this $63-million IPC-deposit market and it held 2.2 percent of such deposits at mid-1976. Bank of Central Mississippi held 1.1 percent of such deposits at its Madden branch.

The existing competition between the proponents that would be eliminated by their merger, measured by the modest share each has of the relevant market, is of no competitive significance. Additionally, as there are no communities legally available within the primary trade area of either proponent of sufficient size to warrant *de novo* entry, there appears to be no significant potential for increased competition between the banks through their future *de novo* expansion.

The proposed merger would result in an extension of Bank of Central Mississippi's primary trade area. In this expanded market, the resultant bank would have 6.5 percent, the sixth largest share, of IPC deposits aggregating $93.4 million held on June 30, 1976, by 13 area offices of 7 commercial banks.

From the foregoing, it appears that the proposed merger would not have a significant effect on competition in any relevant area. The Board of Directors, accordingly, is of the opinion that the proposal would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Both of the proponents have adequate financial and managerial resources, as would the resultant bank. Its future prospects are favorable.

*Convenience and Needs of the Community to be Served.* The merger would make available consumer loans, a broader spectrum of savings programs, and safe deposit boxes to residents, businessmen, and farmers located in that portion of Bank of Sebastopol's primary trade area which is not presently served by Bank of Central Mississippi. To the extent that such services are available at the offices of other banks in the relevant area, those offered by the resultant bank would be an additional alternative for public choice.

After consideration of the foregoing, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Peoples Bank**<br>Montvale, New Jersey<br>(change title to United Jersey Bank/North) | 26,122 | 2 | 5 |
| *to merge with*<br>**United Jersey Bank/Ridgewood**<br>Ridgewood | 33,884 | 3 | |

Summary report by Attorney General, March 14, 1977

The merging banks are both wholly owned subsidiaries of the same bank holding company. As such, their proposed merger is essentially a corporate reorganization and would have no effect on competition.

Basis for Corporation approval, June 13, 1977

Peoples Bank, Montvale, New Jersey, an insured State nonmember bank with total resources of $26,122,000 and total IPC deposits of $22,719,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with United Jersey Bank/Ridgewood, Ridgewood, New Jersey ("United Jersey/Ridgewood"), with total resources of $33,884,000 and total IPC deposits of $28,448,000. The merger would be effected under the charter of Peoples Bank and with the title "United Jersey Bank/North. The three offices of United Jersey/Ridgewood would be established as branches of the resultant bank and the latter would commence operations with a total of five offices.

*Competition.* Both Peoples Bank and United Jersey/Ridgewood are wholly owned subsidiaries of United Jersey Banks. This Princeton-based holding company is the second largest commercial bank organization in New Jersey, controlling 12 banks whose aggregate deposits of $1,590 million at June 30, 1976, represented 7.2 percent of the State's total commercial bank deposits.

The sole purpose of the proposed merger is to enable United Jersey Banks to consolidate its operations in northern Bergen County. The two institutions are located in essentially separate service areas. There is no significant existing competition between them, nor is there a potential for such competition to develop. The proposal, therefore, would not change the structure or concentration of commercial banking in any relevant area.

The Board of Directors is of the opinion that the transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Both of the proponents have financial and managerial resources that are acceptable for the purposes of this proposal, as would the resultant bank. Its future prospects appear to be favorable.

*Convenience and Needs of the Community to be Served.* The proposed merger represents an internal reorganization. No significant effect on the convenience and needs of the community is expected to result therefrom.

On the basis of the foregoing, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Westchester County Savings Bank** Tarrytown, New York (change title to Peoples Westchester County Savings Bank) | 271,234 | 8 | 13 |
| *to merge with* **Peoples Savings Bank of New York** Yonkers | 377,683 | 5 | |

Summary report by Attorney General, February 15, 1977

The primary effect of the merger will be the entry of Applicant into Yonkers by the acquisition of Bank's four offices. Yonkers, the fourth largest city in the State, is immediately north of New York City along the Hudson River. Its population has dropped from 205,000 in 1970 to an estimated 198,000 in 1976; it is a mature economic market. About 34 percent of Yonkers' residents work in New York City. The entire southern Westchester area has lost 6 percent of its population over the 6-year period while the northern Westchester area has grown by 15 percent.

The closest offices of Applicant and Bank are about a mile apart in southern Westchester. Applicant's seven other offices, however, are located in the northern half of Westchester County. According to the application, Applicant's and Bank's primary service areas do not overlap, although each draws a small percentage of its deposits from the other's secondary service area. Thus, Applicant had 290 regular accounts (0.6 percent) with deposits of \$1.9 million (0.9 percent) and 163 time accounts (0.3 percent) with \$830,000 (0.4 percent) in Bank's area. Bank had 2,271 regular accounts (2.9 percent) with deposits of \$12.2 million (3.8 percent) and 840 time accounts (1.1 percent) with deposits of \$4.4 million (1.4 percent) in Applicant's area. The number of common depositors and borrowers is *de minimis.*

Deconcentration of the business conducted by financial institutions in Westchester County may be expected as a result of the removal of some limitations on geographic expansion and on the activities permitted to non-bank financial institutions. Statewide branching, which became effective last year, and the entry of very large New York City banks, both savings and commercial, into the county promise to realign its banking structure, although *de novo* expansion by savings banks is limited to one branch per year. In addition, the authorization of checking account service for savings banks and savings and loan associations has widened the area of effective competition for demand deposits.

There are 20 savings banks operating in Westchester County* (an area which may overstate the market) which held total county savings deposits of \$2.6 billion as of June 30, 1975. As of the same date, 18 savings and loan associations operated in the county; they held total county savings deposits of \$919.2 million.**

Applicant, the fifth largest of the 38 thrift institutions in terms of their total county savings deposits, held, as of June 30, 1975, \$196.1 million in county savings deposits, 5.5 percent of total county thrift institution savings deposits. As of June 30, 1975, Bank, the third largest of the 38 thrift institutions operating in the county in terms of county deposits, held \$312.4 million in total county deposits which accounted for 8.8 percent of total county thrift institution savings deposits. The four largest thrift institutions in Westchester County held 38.8 percent of total county savings deposits held by all thrift institutions operating in the county. If the proposed merger were consummated, the resulting bank would be the largest thrift institution in the county, accounting for 14.4 percent of total county savings deposits held by the thrift institutions operating there. The share of county savings deposits held by the top four thrift institutions would increase from 38.8 percent to 44.3 percent.

The proposed merger would elmiminate the relatively small degree of existing competition between the merging parties, and would increase concentration among Westchester County thrift institutions. However, the increase in concentration which would result from the merger may be substantially offset by the commuting habits of Westchester County residents (approximately one-third

*This assumes the merger of Manhattan Savings Bank and Yonkers Savings Bank which the Corporation approved on November 30, 1976.

**As of June 30, 1975, the 15 commercial banks operating in Westchester County held \$1.5 billion in county IPC time and savings deposits.

of whom work in New York City), and by the presence of large and numerous financial institutions located in New York City, some of which also have branches in the county. Thus, among the New York City savings banks operating in Westchester County are six of the country's largest. The smallest of these, which ranks 18th among New York City savings banks, has total deposits more than double the amount that the bank resulting from this proposed merger would hold, even though its Westchester County deposits are only $23 million. In addition, there are many branch offices of New York City's largest commercial banks presently operating in Westchester County.

In sum, although it is conceivable that the long-range effects of the recent amendments in New York banking law could reduce the competitive significance of the proposed merger, it appears that the more immediate competitive effect of the proposal would be adverse.

Basis for Corporation approval, June 13, 1977

Westchester County Savings Bank, Tarrytown, New York ("Westchester"), an insured mutual savings bank with total resources of $271,234,000 and total deposits of $252,540,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Peoples Savings Bank of New York, Yonkers, New York ("Peoples"), an insured mutual savings bank having total resources of $377,683,000 and total deposits of $343,931,000. The two banks would merge under the charter of Westchester with the title "Peoples Westchester County Savings Bank," and incident to the merger, the 5 approved offices of Peoples would be established as branches of the resultant bank, increasing to 13 the number of its offices.

*Competition.* Westchester presently operates all of its eight offices in Westchester County. It ranks as the sixth largest thrift institution in the county with 5.7 percent of the total deposits held by the 110 area offices of 22 mutual savings banks and 17 federally insured savings and loan associations.

Peoples operates its main office and three branches within the city of Yonkers in Westchester County and it has approval for an additional branch in Yonkers. Holding 8.0 percent of the total deposits, Peoples represents Westchester County's second largest thrift institution.

Westchester County is situated immediately north of New York City. Approximately 30.0 percent of the county's workers are employed in New York City, chiefly in the Bronx and Manhattan, the two boroughs closest to Westchester County. Westchester County had a 1970 population of 894,104, representing a 10.5 percent increase from 1960. It had a 1975 median household buying level of $18,564 which is 36.0 percent above the statewide median.

The relevant market, within which effects of the merger would be most immediate and direct, comprises Westchester County, the Bronx, and Manhattan. A total of 40 mutual savings banks, including both of the proponents, and 33 federally insured savings and loan associations operate within this market. Westchester and Peoples hold 0.76 percent and 1.09 percent of the market's deposits, respectively, representing the 30th and 24th largest thrift institutions. Some existing competition between the proponents will be eliminated as a result of the proposed merger; however, in view of the proponents' modest market shares, the resulting elimination is not significant.

New York laws limit *de novo* expansion by a mutual savings bank to one branch each year. This limitation effectively restricts the development of significant competition between Westchester and Peoples through additional branches in Westchester County.

The Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Both proponents have satisfactory financial and managerial resources, as would the resultant bank. The future prospects of the resultant bank appear favorable.

*Convenience and Needs of the Community to be Served.* The resultant bank would be a more aggressive bank in Westchester County, and with an increased loan capability, it should offer stronger competition to numerous other lenders in the market. Services to be made available at the present offices of Peoples include cooperative apartment loans, savings bank life insurance, and Saturday banking hours.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Southwest Bank** Vista, California | 83,437 | 10 | 13 |
| *to merge with* **Mission Bank** El Toro | 33,955 | 3 | |

Summary report by Attorney General, March 1, 1977

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation approval, June 27, 1977

Southwest Bank, Vista, California, a State nonmember insured bank with total resources of $83,437,000 and total IPC deposits of $61,848,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Mission Bank, El Toro, California, a State nonmember insured bank with total resources of $33,955,000 and total IPC deposits of $25,178,000, under the charter and title of Southwest Bank. Incident to the merger, the 3 offices of Mission Bank would be established as branches of the resultant bank, thus providing it with a total of 14 authorized offices.

*Competition.* Southwest Bank operates its main office in Vista and nine branches, all within approximately 20 miles of the main office, in northwestern San Diego County. It also has the approvals to establish a branch in Oceanside, 7 miles west of the main office.

Mission Bank has its main office in El Toro, in southern Orange County some 45 miles northwest of Vista, and one branch each in Mission Viejo and Laguna Beach, 6 miles south and 8 miles southwest, respectively, of the main office.

There is no significant existing competition between the proponents. Their primary trade areas are separated by approximately 25 miles, with 20 miles of this distance lying within Camp Pendleton, a U.S. Marine Corps reservation. Neither bank draws a significant amount of business from the primary market of the other.

Effects of the proposed merger would be most direct in Mission Bank's market, which consists of the El Toro-Laguna Niguel-Laguna Beach area of southern Orange County. This market had a 1970 population of approximately 67,000. Mission Bank is 1 of 9 commercial banks with 26 area offices holding a total of $347.0 million in IPC deposits. Mission Bank has the fourth largest share, 6.6 percent, of these deposits. Three of the five largest banks in California control an aggregate of 87.5 percent of such deposits.

Each proponent may legally enter *de novo* the primary trade area of the other. The proponents are both of relatively modest size, however, and their markets are heavily banked. Intense competition prevails in both markets, and competitors include the 2 largest banks in California as well as several other banks which rank among the 10 largest in the State. Therefore, expansion by either of the proponents would not result in development of significant competition between them.

Based on the foregoing, the Board of Directors has concluded that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Southwest Bank has satisfactory financial and managerial resources. The financial resources of Mission Bank are acceptable; its managerial resources are satisfactory. The resultant bank would have satisfactory managerial resources, and with additional capital funds to be provided in connection with the merger, its future prospects are favorable.

*Convenience and Needs of the Community to be Served.* The proposed transaction would have little effect on the convenience and needs of the local market. The resultant institution would offer no services that are not currently available from alternative sources in the relevant area.

In light of the above information, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Northfield Savings Bank** New York (P.O. Port Richmond), New York | 73,320 | 5 | 7 |
| *to merge with* | | | |
| **Mutual Savings and Loan Association of Richmond County** New York (P.O. Port Richmond) | 24,447 | 2 | |

Summary report by Attorney General,
April 11, 1977

There are 5 mutual savings banks which operate a total of 20 offices on Staten Island. As of June 30, 1976, Applicant held 9.5 percent, the third largest share, of the $697.9 million in local deposits held by these institutions.

Mutual is the eighth largest in terms of local deposits of the 9 savings and loan associations which operate a total of 22 offices on Staten Island. Its deposits of $21.5 million represent 4.8 percent of the local deposits of $439.2 million held by these institutions.

Thus, Applicant holds 5.9 percent and Mutual holds 1.9 percent of the $1.1 billion in deposits held by the 14 thrift institutions on Staten Island. In addition to the 14 thrift institutions, there are 7 commercial banks which operate a total of 38 offices on Staten Island. As of June 30, 1976, these commercial bank offices held total savings and time IPC deposits of $218.5 million.

We conclude that although the proposed merger would eliminate direct competition between Applicant and Mutual, its effect upon competition would not be significantly adverse because of the relatively small size of the institutions and the presence of many competitors on Staten Island.

Basis for Corporation approval, June 27, 1977

Northfield Savings Bank, New York (P.O. Port Richmond), New York ("Northfield"), an insured mutual savings bank with total resources of $73,320,000 and total deposits of $67,765,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Mutual Savings and Loan Association of Richmond County, New York (P.O. Port Richmond), New York ("Mutual"), a federally insured savings and loan association with total resources of $24,447,000 and total deposits of $21,544,000. The two institutions would merge under the charter and title of Northfield, and incident to the merger, the two offices of Mutual would be established as branches of the resultant bank, which would commence operations with a total of seven offices.

*Competition.* Northfield and Mutual have their main offices less than 100 yards apart in the Port Richmond section of northern-central Staten Island. Northfield has three branches in locations less than 2 miles south of the main office and a fourth branch is 6 miles southwest of its main office, in Eltingville. Mutual's sole branch is located about 2 miles east of its main office.

Both institutions draw most of their deposits from a section of northern and northern-central Staten Island that is located within approximately 3 miles of their main offices. Holding 8.9 percent and 3.1 percent, respectively, of the $691-million deposits held at the 26 offices of 12 thrift institutions in this market, Northfield and Mutual have the fourth and ninth largest shares of such deposits. Staten Island Savings Bank is the major competitor within this market, with 30.7 percent of the area thrift institution deposits. Richmond County Savings Bank has the second largest share, 17.6 percent. The next five largest thrift institutions hold area deposit shares which range from 9.6 percent to 6.8 percent. The proposed merger would eliminate existing competition between the proponents. This consequence, however, as well as the emergence of the resultant institution with 12.0 percent, the third largest share, of the area's thrift institution deposits, is not considered of sufficient competitive significance to warrant denial of the application. Numerous thrift institutions would continue as alternatives to serve the public, maintaining the strong competitive climate which exists within this local market.

New York banking law limits *de novo* expansion by a thrift institution to one branch each year. In view of this restriction, the modest size of each proponent in the relevant market, and the existing thrift institution structure of the area, there appears to be no potential for significant competition to increase between Northfield and Mutual through their *de novo* branching in the foreseeable future.

The Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Northfield has satisfactory financial and managerial resources. Mutual's financial resources are satisfactory. It has a management succession problem, which the proposed merger would solve. The future prospects of the resultant institution are favorable.

*Convenience and Needs of the Community to be Served.* No significant enhancement of public convenience is likely to result from the proposed merger. The resultant institution would offer no services that are not currently available from alternative sources in the relevant market.

On the basis of the foregoing information, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Elkton Banking and Trust Company of Maryland** Elkton, Maryland (change title to County Banking and Trust Company) | 42,675 | 5 | 7 |
| *to merge with* | | | |
| **The Citizens National Bank of Havre de Grace** Havre de Grace | 10,523 | 2 | |

Summary report by Attorney General, May 23, 1977

Cecil County (1970 population 53,000) is located in the extreme northeastern portion of Maryland. Cecil County and the eastern portion of Harford County (which abuts Cecil County to the west) is a combination of agricultural, residential, and commercial areas and, according to the application, is changing from a predominantly agricultural area to an increasingly important residential area. Havre de Grace (1970 population 10,000) is located in the extreme eastern portion of Harford County on the Susquehanna River, which separates Harford and Cecil Counties. Havre de Grace is one of the major employment centers in Harford County and has been experiencing economic growth in recent years.

Applicant's main office in Elkton is approximately 15 miles from Bank's main and branch offices in Havre de Grace. Applicant's closest office to Bank is located in the town of North East, Cecil County, approximately 9 miles northeast of Havre de Grace. A total of five other banks operate offices in North East, Havre de Grace, and the intervening area. It thus appears that there is some direct competition between Applicant and Bank which would be eliminated by the proposed acquisition.

The effect of the proposed acquisition upon competition will be most pronounced in the area within approximately 15 miles of Havre de Grace. There are presently 13 banks operating there, including branches of the State's 3 largest banks (Maryland National Bank, total deposits $2.0 billion; Equitable Trust Company, total deposits $1.0 billion; and First National Bank of Maryland, total deposits $965 million). As of June 30, 1976, Applicant was the third largest banking organization in the area, controlling $33.7 million, 11.9 percent of the area's deposits, and Bank was the ninth largest, controlling $8.8 million, 3.1 percent of the area's deposits. Banking is concentrated within the area; the four largest banks, in terms of the area's deposits, controlled, as of June 30, 1976, approximately 62.8 percent of the deposits held in all banking offices in the area. If the proposed acquisition is consummated, Applicant would remain the third largest bank, controlling 15.1 percent of area deposits, and the concentration among the four largest banks would increase from 62.8 percent to 66 percent.

In sum, we conclude that the proposed acquisition would have an adverse effect upon competition.

Basis for Corporation approval, July 14, 1977

Elkton Banking and Trust Company of Maryland, Elkton, Maryland ("EB&T"), an insured State nonmember bank with total assets of $42,675,000 and total IPC deposits of $30,291,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The Citizens National Bank of Havre de Grace, Havre de Grace, Maryland ("Citizens National"), with total assets of $10,523,000 and total IPC deposits of $9,053,000. The banks would merge under the charter of EB&T with the title "County Banking and Trust Company." Incident to the merger, the two offices of Citizens National would be established as branches of the resultant bank.

*Competition.* EB&T operates its five offices throughout Cecil County, which is located in extreme northeastern Maryland. Seven commercial banks operate in the county. EB&T controls 33.1 percent, the largest share, of the IPC deposits held by the local offices of the commercial banks operating in Cecil County.

Citizens National has its two offices in Havre de Grace in adjacent Harford County. It draws the bulk of its business from Harford County and the Port Deposit-Perryville area of Cecil County.

Effects of the proposed merger would be most pronounced in Citizens National's market. Agriculture, light industry, tourism and recreational facilities, retail services, and several military installations all contribute to the economy of this market. The population of the market increased 43 percent during the 1960s to a 1970 total of 128,560. Citizens National has the sixth largest share, 3.9 percent, of the IPC deposits held at area offices of the 10 commercial banks operating within this market. Of the 43 such offices in the market, 27 are operated by 4 of Maryland's 5 largest banks.

EB&T's closest office to Citizens National is its North East branch, which is located 10 road-miles northeast of Havre de Grace. This branch has been in operation only since July of 1976. EB&T's next closest location, its main office in Elkton, is 16 road-miles northeast of Havre de Grace. There is no significant existing competition between the proponents. Although there is a small overlap in their trade areas, neither proponent draws a significant amount of business from the primary trade area of the other.

The proponents may legally establish *de novo* branches throughout Maryland. Citizens National has an aging and unaggressive management, however, and is unlikely to undertake *de novo* expansion. On the other hand, EB&T may find adjacent Harford County attractive for its *de novo* entry. Havre de Grace lies approximately 32 road-miles northeast of Baltimore on the Interstate 95 corridor, and as a result, the area has been experiencing substantial population growth during recent years. In addition, it has a median household buying level that closely approximates that of the State as a whole. The area, therefore, can be expected to attract other *de novo* entrants. This probability, together with the modest size of Citizens National, renders insignificant any elimination of potential competition between the proponents occasioned by their merger.

It appears from the foregoing that the proposed merger would not have a significant effect on competition in any relevant area. Thus, the Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* The financial resources of both proponents are adequate. The managerial resources of EB&T are satisfactory; however, the managerial resources of Citizens National are limited by the lack of a successor for its aging president. Consummation of the proposed merger would eliminate this succession problem. The future prospects of the resultant bank are considered favorable.

*Convenience and Needs of the Community to be Served.* The proposed transaction would have little effect on the convenience and needs of the local market. The resultant bank would offer no services that are not currently available from alternative sources in the relevant area.

The Board of Directors, in light of the foregoing, has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **First City Bank** New Orleans, Louisiana | 600 | — | 1 |
| *to purchase certain assets and assume the deposit liabilities of* | | | |
| **Republic National Bank of Louisiana** New Orleans | 6,654 | 1 | |

Approved under emergency provisions. No report requested from the Attorney General.

Basis for Corporation approval, July 29, 1977

First City Bank, New Orleans, Louisiana, a newly chartered State nonmember bank having capital funds of $600,000, has applied, pursuant to Sections 5 and 18(c) of the Federal Deposit Insurance Act, for Federal deposit insurance and for consent to purchase certain assets of and assume the liability to pay deposits made in Republic National Bank of Louisiana, New Orleans, Louisiana, which had total resources of $6,654,300 as of July 28, 1977.

As of July 29, 1977, Republic National Bank of Louisiana had deposits of $5,001,000 and operated one office. On July 29, 1977, the Federal Deposit Insurance Corporation was appointed as Receiver of Republic National Bank of Louisiana.

The Board of Directors finds that the failure of Republic National Bank of Louisiana requires it to act immediately and thus waives publication of notice, dispenses with the solicitation of competitive reports from other agencies, and authorizes the transaction to be consummated immediately.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Banco Central y Economias** San Juan (Hato Rey), Puerto Rico | 10,000 | — | 11 |
| *to purchase a portion of the assets and assume the deposit liabilities of* | | | |
| **Banco Economias** San German | 235,606 | 11 | |

Approved under emergency provisions. No report requested from the Attorney General.

Basis for Corporation approval, July 29, 1977

Banco Central y Economias, San Juan (Hato Rey), Puerto Rico, a newly chartered Commonwealth nonmember bank having capital funds of $10,000,000, has applied, pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, for Federal deposit insurance and for consent to its purchase of a portion of the assets and assumption of the liability to pay deposits made in Banco Economias, San German, Puerto Rico, an insured Commonwealth nonmember bank with total assets of $235,605,900 as of April 30, 1977.

The Board of Directors finds that it must act immediately to prevent the probable failure of Banco Economias and thus waives publication of notice, dispenses with solicitation of competitive reports from other agencies, and authorizes the transaction to be consummated immediately.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **The Commerce Bank and Trust Company of Maryland** Bethesda, Maryland (change title to Potomac Valley Bank) | 11,998 | 3 | 6 |
| *to merge with* **Potomac National Bank** Potomac | 39,671 | 3 | |

Summary report by Attorney General, June 15, 1977

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation approval, August 8, 1977

The Commerce Bank and Trust Company of Maryland, Bethesda, Maryland ("Commerce"), a State nonmember insured bank having total assets of $11,998,000 and total IPC deposits of $8,754,000, has filed application, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and with the title "Potomac Valley Bank" with Potomac National Bank, Potomac, Maryland ("Potomac National"), a national bank having total assets of $39,671,000 and total IPC deposits of $33,876,000. The four approved offices of the latter would be established as branches of the resultant bank, which could commence business with a total of seven approved offices. It is contemplated that an $800,000 subordinated capital debenture, presently an obligation of Potomac National, would be repaid following consummation of the proposed merger, and consent to the retirement of this debenture is also requested.

*Competition.* Commerce operates its three offices in Montgomery County, its main office and one branch in Bethesda and a branch in Gaithersburg, 13 road-miles northwest of the main office. Potomac National has its main office in Potomac, 6 road-miles northwest of Bethesda, and one branch each in Sumner and Rockville at locations respectively 7 road-miles southeast and a like distance northeast of Potomac, all in Montgomery County. Potomac National has approval to establish a branch in Poolesville, 18 road-miles northwest of Potomac.

Montgomery County, situated immediately north of the District of Columbia, is a segment of the Washington, D.C.-Maryland-Virginia SMSA. Many of the county's residents are employed in the District and there is substantial commutation daily between the two areas. Strong competition exists between the banks of the county and those of the District, and thus, it is appropriate to consider these two areas as the relevant geographic market for purposes of weighing the antitrust implications of the proposed merger.*

Montgomery County, 90 percent urbanized, had a 1970 population of 522,809, representing a 53.3 percent increase since 1960. The County's 1975 median household buying level of $20,674 was the highest of any Maryland county and 43.7 percent higher than the statewide median level. In contrast, the District of Columbia recorded a slight population loss during the 1960s, to a total of 756,510 in 1970, and its 1975 median household buying level was $13,416.

A total of 39 commercial banks operate 280 offices within the relevant market area, holding IPC deposits aggregating $4.4 billion at June 30, 1976. Commerce, a subsidiary of Mercantile Bankshares Corporation, has 0.2 percent of such deposits while its affiliate, The Citizens National Bank, Laurel, has 0.1 percent. Potomac National has 0.7 percent of such deposits. The proponents have offices located within 3 miles of each other and there is existing competition between them which the proposed merger would eliminate. However, in view of the modest IPC deposit market shares held by Potomac National and by Commerce and its affiliate, it is concluded that the merger would have little competitive significance.

The merger's elimination of potential competition between the proponents, which may arise through their *de novo* expansion, is also of little competitive significance. Considering the modest shares of the relevant market held by each proponent and the intense competition provided by the State's 10 largest banking organizations (all represented within Montgomery County) plus the District banks in the District of Columbia, it is doubtful that the proponents, through the establishment of *de novo* branches, may be expected to attain in the future a degree of competition between them which would militate against approval of the proposal.

Under the circumstances presented, it appears that the proposed merger would not have a significant effect on competition, existing or potential, in any relevant area. Accordingly, the Board of Directors is of the opinion that the proposal would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Both proponents have adequate financial and managerial resources, as would the resultant bank. Its future prospects are favorable.

*Convenience and Needs of the Community to be Served.* The services to be offered by the resultant bank are presently available at offices of many substantially larger competitors in the relevant market. The merger, thus, would have minimal effect on the convenience and needs of the market.

The Board of Directors, in light of the foregoing, has concluded that approval of the application is warranted.

*See Basis for Corporation Approval of the merger of Clarendon Bank & Trust Company, Arlington County, Virginia and Woodlawn National Bank, Fairfax County, Virginia. *FDIC Annual Report - 1973, pp. 44-49.*

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Citizens & Northern Bank** Ralston, Pennsylvania | 91,394 | 10 | 12 |
| *to merge with* | | | |
| **Sullivan County National Bank** LaPorte | 8,156 | 2 | |

Summary report by Attorney General, May 23, 1977

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation approval, August 8, 1977

Citizens & Northern Bank, Ralston, Pennsylvania ("Citizens"), a State nonmember insured bank with total resources of $91,394,000 and total IPC deposits of $76,852,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Sullivan County National Bank, LaPorte, Pennsylvania ("Sullivan"), with resources of $8,156,000 and total IPC deposits of $6,865,000, under the charter and title of Citizens. As an incident to the merger, the two offices of Sullivan would become branches of the resulting bank.

*Competition.* Citizens operates 10 offices in 3 counties where it may legally branch or merge under Pennsylvania law. Citizens operates in Lycoming, Bradford, and Tioga Counties. In addition, it may legally operate in Clinton, Columbia, Montour, Northumberland, Potter, Sullivan, and Union Counties. Citizens is a full-service bank with a trust department.

Sullivan operates its main office in LaPorte (1970 population 207) and a branch in Dushore (1970 population 718), 10 miles to the north. Sullivan's trade area is Sullivan County. This county is about 85 percent mountainous and forested. The balance is devoted to agriculture with a limited amount of industry and coal mining.

Citizens' three-county trade area had a population of 210,949 in 1970, up 5.0 percent from the 1960 census. The trade area of Citizens, like Sullivan's, is predominantly mountainous and forested with the balance used for agriculture. Each of the three counties served had 1975 median household buying levels significantly below the $13,365 statewide figure.

Effects of the proposed merger would be most direct and immediate within the primary trade area of Sullivan. In this market, the sole competitor, Northern Central Bank, holds 71.4 percent of the IPC deposits. Sullivan holds the remaining 28.6 percent. The population of this trade area was 5,961 in 1970, representing a 4.6 percent decline from 1960. Citizens' Monroeton Office and Sullivan's Dushore Office are the closest offices of the two banks. These offices, at a distance of 17 miles from each other, are considered to be serving separate trade areas.

Sullivan, in operation since 1909, established a *de novo* branch in 1973. It has followed conservative marketing practices and has chosen not to extend its area beyond Sullivan County, although legally permitted to branch or merge into the six adjacent counties. Citizens has chosen growth by merger, having increased by five branches, since 1970, four of which were the result of mergers. While Citizens could branch *de novo* into Sullivan County, it is not considered likely in view of the declining population of the county and apparent absence of a need for additional banking offices.

There are 54 commercial banks operating 157 offices within the 10-county legal branching area of Citizens. These offices held approximately $1.5 billion in total IPC deposits as of June 30, 1976, and Citizens ranked fourth with 4.9 percent. The proposed merger would add 0.5 percent to Citizens' market share with the resultant bank holding 5.4 percent and remaining fourth in rank. The merger is thus viewed as not having a significant effect on the structure of commercial banking or the concentration of banking resources in the trade area.

Based on the foregoing, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Both banks have satisfactory financial and managerial resources for the business they do as independent institutions, and the same would be true of the resulting bank. Its future prospects appear favorable.

*Convenience and Needs of the Community to be Served.* Consummation of the proposed merger would bring to customers of Sullivan the broad range of services of the larger bank, such as significantly larger lending limits, bank credit card services, computer services, trust services, and a more complete line of credit services.

On the basis of the foregoing information, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Northern Central Bank** Williamsport, Pennsylvania | 216,981 | 13 | 16 |
| *to merge with* **The Guarantee Trust and Safe Deposit Bank of Shamokin, Pa.** Shamokin | 30,580 | 3 | |

Summary report by Attorney General, July 8, 1977

The only county in which both Applicant and Bank now compete is Northumberland. Currently 17 banks have offices in the county, with 13 of the 17 being headquartered there. Of those 13, only 1 — First National Trust Bank of Sunbury — has branch facilities located outside the county. In terms of *total* deposits, the largest six banks represented in the county rank in overall size as follows: (1) Pennsylvania National Bank & Trust Co. (Schuylkill County), $254 million; (2) Applicant, $185 million; (3) First National Trust Bank of Sunbury (Northumberland County), $80 million; (4) Tri-County National Bank (Snyder County), $58 million; (5) Mid-Penn Bank (Dauphin County), $31 million; and (6) Bank, $27 million. The remaining seven banks, all located solely in the county, have deposits of under $25 million.

The 31 banking offices in Northumberland are mainly clustered around 5 towns: Sunbury (1970 population 13,025), Shamokin (1970 population 11,719), Mount Carmel (1970 population 9,317), Milton (1970 population 7,723), and Watsontown (1970 population 2,514). Applicant has a full-service branch and two satellite facilities in and around Sunbury, plus two branch facilities in Milton. Bank has its main office and a branch in Shamokin, plus a branch in nearby Elysburg. The closest offices of the two banks are located approximately 15 miles apart. Offices of other banks are located in both Shamokin and Sunbury, but there are no intervening offices between the towns. While it appears that the acquisition may eliminate some existing competition in the Sunbury-Shamokin-Mount Carmel area, the effect on existing competition would not be significant.

Moreover, the proposed transaction should not have an adverse effect on potential competition. As noted above, seven locally owned banks with under $25 million in deposits would be left in the county as potential toe-hold acquisitions for other banks deciding to enter the market. Under Pennsylvania's branching law, which permits contiguous county branching, potential entrants would include banks located in seven counties, including large banks located in Harrisburg. *De novo* entry as an alternative to acquisition is unlikely, as the region is economically depressed and the population-to-bank ratio is already a low 1,595.

We have reviewed this proposed transaction and conclude that it would not have a substantially adverse effect on competition.

Basis for Corporation approval, August 8, 1977

Northern Central Bank, Williamsport, Pennsylvania ("Central"), a State nonmember insured bank with total resources of $216,981,000 and total IPC deposits of $189,473,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The Guarantee Trust and Safe Deposit Bank of Shamokin, Pa., Shamokin, Pennsylvania ("Guarantee"), with total resources of $30,580,000 and total IPC deposits of $26,586,000. These banks would merge under the charter and title of Central. The resultant bank would have a total of 16 offices, including the 3 offices presently operated by Guarantee.

*Competition.* Central operates a total of 13 offices: its main office and 2 branches in Williamsport and 2 branches in the Montgomery area, about 11 road-miles southeast of Williamsport, all in Lycoming County; 2 branches in the Milton area, about 25 road-miles southeast of Williamsport, and 3 branches in the Sunbury area, some 36 miles southeast of Williamsport, all in Northumberland County; 1 branch in Athens, in northern Bradford County, approximately 80 road-miles northeast of Williamsport; and 1 branch each in Dushore and Eagles Mere, about 50 road-miles northeast and 35 miles northeast of Williamsport, respectively, in Sullivan County. An approved, not yet open office is located in Muncy Township, 14 road-miles from Williamsport in Lycoming County.

Guarantee operates its three offices in Northumberland County: its main office and one branch in Shamokin and a branch in Elysburg, 8 road-miles north of Shamokin. Northumberland County (population 99,190) is known for its picturesque scenery, agricultural activities, and coal mining, although the latter has declined over the years.

The competitive impact of the proposed merger would be most immediate and direct in the local area of Pennsylvania which extends 10 to 12 road-miles from Shamokin. This trade area is served by 19 offices of 10 different banks. Guarantee's share of this market's total commercial bank IPC deposits amounts to 12.7 percent and is the third largest. Central is not located in this market, its nearest office being about 14 miles from Elysburg. Only a minimal amount of business is drawn by either proponent from the service area of the other, and thus, it appears that no significant existing competition between the two banks would be eliminated by their proposed merger.

Pennsylvania law permits a commercial bank to branch *de novo* in its main office county and in all counties contiguous thereto. Central may, accordingly, enter *de novo* locations in Northumberland County like Shamokin and Elysburg, but in view of the number of existing banking offices, *de novo* branching would not be expected. Guarantee has been conservative and has evidenced no interest in *de novo* expansion. The proposed merger, thus, would eliminate no significant potential for increased competition between the two banks through *de novo* branching in the future.

Within the 10-county region in which Central may expand *de novo* or by merger (its maximum potential market since Pennsylvania law does not permit the operation of multibank holding companies), a total of 54 commercial banks operate 157 offices and hold IPC area deposits aggregating $1.5 billion.

Central has 10.0 percent—the largest share—of such deposits and 8.3 percent of the area's commercial banking offices. The proposed transaction would increase Central's IPC deposit share in this region to 11.7 percent and its share of the commercial banking offices to 10.2 percent. Central together with the next four ranking banks in the region would then hold an aggregate of 35.9 percent of such deposits and 35.7 percent of such offices. In view of the relatively unconcentrated nature of this 10-county area and the presence of other competitors of substantial size, it does not appear that the proposed merger would have any significant adverse effect on concentration of banking resources or the future structure of commercial banking in this relevant area.

Under these circumstances, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Both Central and Guarantee have satisfactory financial and managerial resources. Their future prospects are favorable. The resultant bank would have satisfactory financial and managerial resources and favorable future prospects.

*Convenience and Needs of the Community to be Served.* The merger would bring the specialized services of another of the region's major banks to the market area of Guarantee. More sophisticated credit services would be offered by an aggressive management operating with an increased lending limit of about $1.8 million. Enhanced data processing and trust services are expected to become available at Guarantee locations.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Augusta Bank & Trust Company** Augusta County (P.O. Fishersville), Virginia (change title to Planters Bank & Trust Company of Virginia) | 4,738 | 2 | 7 |
| *to merge with* | | | |
| **Planters Bank and Trust Company** Staunton | 44,730 | 5 | |

Summary report by Attorney General, June 9, 1977

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation approval, August 8, 1977

Augusta Bank & Trust Company, Augusta County (P.O. Fishersville), Virginia ("Augusta"), a State nonmember insured bank with total assets of $4,738,000 and total IPC deposits of $3,948,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Planters Bank and Trust Company, Staunton, Virginia ("Planters"), a State nonmember insured bank with total assets of $44,730,000 and total IPC deposits of $35,601,000. The merger would be effected under the charter of Augusta and with the title "Planters Bank & Trust Company of Virginia." The five offices of Planters would be established as branches of the resultant bank, which would commence operating with a total of seven offices. Consent is also sought for resultant bank to exercise full trust powers.

*Competition.* Augusta was established September 1, 1972, by directors and shareholders of Planters for the purpose of providing eventually a broader geographic market for Planters' operations. Planters' present legal branching area comprises the city of Staunton and its Augusta County environs within 5 miles. Under the charter of Augusta, it could legally establish branches throughout Augusta County and in the cities of Staunton and Waynesboro.

Since its origin, Augusta has functioned as a *de facto* part of Planters. Individuals who own stock control of Augusta also own stock control of Planters while 6 of Planters' 13 directors serve on Augusta's 12-member board. There is no significant competition, existing or potential, between these closely related banks.

In view of the foregoing, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Both Augusta and Planters have adequate financial and managerial resources, as would the resultant bank. Its future prospects are favorable.

*Convenience and Needs of the Community to be Served.* The merger would have no discernible effect on the convenience and needs of the relevant market.

The Board of Directors, after consideration of the foregoing, has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Citizens Bank and Trust Company of Maryland** Riverdale, Maryland | 457,006 | 47 | 50 |
| *to merge with* **Chevy Chase Bank and Trust Company** Chevy Chase | 35,250 | 3 | |

Summary report by Attorney General, August 5, 1977

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation approval, August 22, 1977

Citizens Bank and Trust Company of Maryland, Riverdale, Maryland ("Citizens"), an insured State nonmember bank with total assets of $457,006,000 and total IPC deposits of $371,659,000, has filed an application, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with Chevy Chase Bank and Trust Company, Chevy Chase, Maryland ("Chevy Chase Bank"), an insured State nonmember bank with total assets of $35,250,000 and total IPC deposits of $29,331,000. The 3 offices of the latter would be established as branches of the resultant bank, which would commence business with a total of 55 approved offices.

*Competition.* Citizens operates 47 offices: 27 including its main office in Prince Georges County, 12 in Montgomery County, 5 in the Baltimore area, 2 in Anne Arundel County, and 1 office in Charles County. It has approvals for five additional offices: two to be located in Prince Georges County and three in Montgomery County.

Chevy Chase Bank has its main office in Chevy Chase, Montgomery County, and a branch in the same community 2.7 miles south of the main office near the District of Columbia boundary. A second branch is operated in College Park, Prince Georges County, approximately 8 miles east of the main office.*

The area within which effects of the proposed merger would be most direct and immediate comprises Montgomery County and the District of Columbia. The county is situated immediately north of the District; both are segments of the Washington, D.C.-Maryland-Virginia SMSA. Montgomery County, approximately 90 percent urbanized, had a 1970 population of 522,809, representing a 53.3 percent increase during the preceding decade. Its 1975 median household buying level of $20,674 was the highest of any Maryland county and 43.7 percent higher than the statewide comparable figure. In contrast, the District recorded a slight population loss during the 1960s, to a 1970 total of 756,510, and its 1975 median household buying level was $13,416. Many residents of the county are employed in the District, commuting daily between the two areas. Strong competition exists between the commercial banks of the county and those of the District and it is appropriate to consider these two areas as the relevant geographic market for purposes of weighing the antitrust implications of the proposed merger.**

Within the relevant market, 39 commercial banks operate a total of 280 offices. These banks had area IPC deposits of $4.4 billion on June 30, 1976. Citizens had 1.9 percent of these deposits; Chevy Chase Bank had 0.6 percent. Citizens has an office in Silver Spring which is located less than 3 miles east of the main office of Chevy Chase Bank and there appears to be some existing competition between the proponents which the proposal would eliminate. Also, Citizens has approvals to establish a branch in Bethesda, to be located approximately 1.5 miles distant from each of Chevy Chase Bank's two Montgomery County offices, and it has an application pending for approval to establish a branch less than 2 miles east of the main office of

*Chevy Chase Bank's College Park branch is located within the Student Union Building of the University of Maryland. Operated under an exclusive franchise, this branch represents the only banking office on campus. Serving a university-oriented clientele, it is not a competitive force within Prince Georges County as a whole.

**See Basis for Corporation Approval of the proposed merger of The Commerce Bank and Trust Company of Maryland, Bethesda, Maryland and Potomac National Bank, Potomac, Maryland, pp. 80.

Chevy Chase Bank. This potential for increased competition between the proponents also would be eliminated by the proposed merger. These consequences have little competitive significance, however, in view of the modest IPC deposit shares of the relevant market held by each proponent. The resultant bank would have 2.5 percent of the area's commercial bank IPC deposits, the eighth largest share. A total of 21 other banks in Montgomery County, including representatives of each of Maryland's 10 largest banking organizations, and 16 banks within the District of Columbia would maintain the intense competitive climate which prevails within the relevant market.

From the foregoing it appears that the proposed merger would not have a significant effect on competition, existing or potential, in any relevant area. The Board of Directors, accordingly, is of the opinion that the proposal would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Both proponents have adequate financial resources, as would the resultant bank. Citizens' capable management, administering the affairs of Chevy Chase Bank as a part of the resultant bank, would remedy a managerial problem which exists at the latter. The resultant bank's future prospects are favorable.

*Convenience and Needs of the Community to be Served.* Trust services would become available for the first time at Chevy Chase Bank's locations as a result of the merger. These and the other services to be offered by the resultant bank, however, are presently available at offices of numerous competitors in the relevant market. Thus, the merger would have little effect on the convenience and needs of the area to be served.

On the basis of the foregoing information, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **The New York Bank for Savings** New York (Manhattan), New York | 3,371,152 | 21 | 25 |
| *to merge with* | | | |
| **First Federal Savings and Loan Association of Syracuse** Syracuse | 76,492 | 4 | |

Summary report by Attorney General, December 23, 1976

First Federal's four offices are located in Onondaga County. The county's population of 495,000 represents about 75 percent of the population of the Syracuse SMSA, which also includes two adjoining counties. The city of Syracuse has a population of about 187,000, down from its high of 216,000 in 1960; its 1980 population forecast is 177,000. Based on First Federal's deposit sources, the county appears to be the appropriate market area.

The closest of First Federal's offices and Bank for Savings' Rochester offices are 86 miles apart. The closest New York City area office of Bank for Savings is 240 miles from First Federal.

First Federal draws about 77 percent in dollar amount of its deposits from the city of Syracuse and three adjoining communities and 90 percent from an area only slightly larger. Within this area, Bank for Savings has 163 savings accounts with total deposits of $731,800, equal to 1.1 percent of First Federal's deposits. First Federal has 34 accounts with total deposits of $153,000 from Bank for Savings' New York metropolitan area, an insignificant amount. Only 32 individual depositors have accounts at both institutions. Neither institution has a significant amount of loans in the area served by the other. It therefore appears that direct competition between Bank for Savings and First Federal is insubstantial.

Among the four savings and loan associations operating in Onondaga County, First Federal is the second largest in terms of deposits with 32.3 percent. The other three hold, respectively, 38.3 percent, 14.8 percent, and 14.6 percent of the total deposits of $203 million held by the four savings and loan associations. In addition, 5 savings banks operate about 27 offices in the county which together hold deposits of $1.2 billion, and 12 commercial banks, including Citibank, Chase Manhattan Bank, Chemical Bank, Bankers Trust Company, The Bank of New York, Marine Midland Bank, and several large regional banks, operate more than 100 offices there which together hold deposits of $1.2 billion. Since thrift institutions in New York can now offer free personal checking accounts, there appears to be a greater degree of competition than formerly between the thrifts and the commercial banks for individual accounts.

New York law allows savings banks to open only one branch a year. Thus, the likelihood of Bank for Savings branching into the Syracuse area is remote.

We conclude that the proposed merger would not have an adverse effect upon competition.

Basis for Corporation approval, August 22, 1977

The New York Bank for Savings, New York (Manhattan), New York ("Applicant"), an insured mutual savings bank with total resources of $3,371,152,000 and total deposits of $2,994,629,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with First Federal Savings and Loan Association of Syracuse, Syracuse, New York ("First"), a federally insured savings and loan association with total resources of $76,492,000 and total deposits of $69,962,000.

*Competition.* Applicant operates its main office and 16 branches in Manhattan, 2 branches in Westchester County, and 2 branches in Monroe County. It also has the approvals to establish another branch in Monroe County. Applicant is the third largest of New York's thrift institutions, holding 3.5 percent of their aggregate deposits.

First has its main office and one branch in Syracuse and one branch each in the suburban communities of DeWitt and North Syracuse. Syracuse, centrally located in Onondaga County, is the largest city in central New York State. Onondaga County's 1970 population of 472,835 represented an increase of 11.8 percent over 1960. Its 1975 median household buying level of $14,360 was 5.2 percent above the comparable statewide figure.

The Onondaga County thrift institution market is shared by six mutual savings banks and four federally insured savings and loan associations. First has the fifth largest share, 4.4 percent, of deposits aggregating $1.536 billion held by all offices of thrift institutions in this market.

The proponents' closest offices are located some 80 road-miles apart. Their primary trade areas are separate and distinct and no significant existing competition between the proponents would be eliminated by their merger. In addition, the possibility of significant competition developing between Applicant and First through their *de novo* branching is limited. Modest-sized First would not find feasible its entry into the distant and intensely competitive areas within which Applicant maintains its offices. New York law limits to one the number of *de novo* branches a thrift institution may establish each year. As a result, there is little potential for the development of a significant amount of competition in the foreseeable future if Applicant were to branch *de novo* into the Syracuse market.

Based on the foregoing, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* While some weaknesses are noted in the condition of Applicant's assets and the level of its surplus accounts, its financial and managerial resources are considered adequate for purposes of this proposal. First's financial and managerial resources are acceptable. The financial and managerial resources of the resultant bank would be acceptable. The future prospects of the resultant bank also appear to be acceptable.

*Convenience and Needs of the Community to be Served.* The proposed merger would have little effect on the convenience and needs of the Syracuse market. The resultant institution would offer no services that are not today available from alternative sources in the relevant area.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Anchor Savings Bank** New York (Brooklyn), New York | 1,308,655 | 14 | 19 |
| *to merge with* | | | |
| **North New York Savings Bank** White Plains | 167,228 | 5 | |

Summary report by Attorney General,
April 21, 1977

Bank has two offices in White Plains and one in Orangeburg, Rockland County, across the Hudson River, and two offices in the Bronx, New York City. Applicant has six offices in Brooklyn, four in Manhattan, one in Staten Island, two in Nassau County, and one proposed in Suffolk County.

The closest offices of the two banks are Applicant's on Madison Avenue at 88th Street in Manhattan and Bank's on East Fordham Road in the Bronx, 8.3 miles apart, with many competing offices between them.

About 70 percent of Applicant's total deposits come from Brooklyn, 8 percent from Manhattan, and another 8 percent from Nassau County. Bank's principal sources of deposits are the Bronx, accounting for almost half, Westchester County about one quarter, and Rockland County about 8 percent.

The banks report that 243 depositors in common hold 0.9 percent of total deposits of Applicant, and 1.2 percent of Bank. This is not competitively significant. There are no borrowers in common.

Among the 18 savings banks operating 74 offices in Brooklyn, Applicant ranks fifth with 7.3 percent of total savings banks' deposits of $11 billion. Among all 36 commercial and savings banks operating 259 offices with total deposits of $13.7 billion, Applicant holds 5.9 percent. Among the 26 savings banks operating 143 offices in Manhattan with total deposits of $20.7 billion, Applicant's $163 million represents 0.8 percent. As total deposits of both commercial and savings banks in Manhattan exceed $118 billion, Applicant's share is infinitesimal. In the Bronx, Bank's deposits of $98.6 million represent 3.3 percent of deposits of $3 billion for the 8 savings banks with 25 offices, and 2.2 percent of all deposits of $4.5 billion of the 22 banks of both kinds with 144 offices.

In Westchester County, Bank's headquarters, its $42.5 million in deposits represents 1.3 percent of deposits of $3.2 billion of the 22 savings banks with 64 offices, and 0.7 percent of the 38 banks of both types with 300 offices and deposits of $5.9 billion.

In the areas in which each bank now competes, neither is a major figure. The resulting bank would hold 2.75 percent of assets of all New York City-headquartered savings banks, up 0.31 percent from Applicant's present 2.44 percent.

New York law allows savings banks to open one *de novo* branch annually. Statewide branching has broadened the competitive pressures, and many of the savings banks in New York City have already moved into Westchester, by acquisition or *de novo* entry. Applicant is one of the remaining banks seeking to enter Westchester County.

In sum, it does not appear that the proposed acquisition would have any important adverse competitive consequences.

Basis for Corporation approval,
August 31, 1977

Anchor Savings Bank, New York (Brooklyn), New York ("Anchor"), an insured mutual savings bank with total resources of $1,308,655,000 and total deposits of $1,175,353,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with North New York Savings Bank, White Plains, New York ("North"), an insured mutual savings bank with total resources of $167,228,000 and total deposits of $157,061,000, under the charter and title of the former, and to establish the 5 offices of the latter as branches of the resultant bank, increasing to 19 the number of its offices.

*Competition.* Anchor operates a total of 14 offices: its main office and 5 branches in Brooklyn, 4 branches in Manhattan, and 1 on Staten Island in New York City; as well as 2 branches in Nassau County and 1 in Suffolk County on Long Island. A public accommodation office is being proposed as a satellite to the Staten Island branch.

North has its main office and one branch in Westchester County, two branches in Bronx County, and one in Rockland County.

Anchor draws the bulk of its deposits from the Boroughs of Brooklyn, Manhattan, and Richmond and Nassau County. North's deposits originate in major part in Westchester, Rockland, and Bronx Counties.

Bronx County is situated immediately south of Westchester County; the latter is separated from Rockland County by the Hudson River. The Bronx, wholly urbanized, had a 1970 population of 1,471,701, a 3.3 percent increase during the 1960s, and a 1975 median household buying level of $10,114, 25.9 percent below the statewide level. Westchester and Rockland Counties had respective 1970 populations of 894,104, a 10.5 percent increase during the decade, and 229,903, a concurrent growth of 68.1 percent. Their 1975 median household buying levels, respectively $18,564 and $18,924, were substantially above the State's level of $13,649. North has 1.7 percent, the 19th largest share, of deposits held at offices of 30 mutual savings banks and 26 federally insured savings and loan associations in these 3 areas. Anchor reports that only a modest proportion of its deposits originate in this market.

The five boroughs of New York City and the neighboring counties of Rockland and Westchester are segments of the New York, New York-New Jersey SMSA. These areas, as well as Nassau and Suffolk Counties, all have close economic ties. A significant proportion of the working population of each of the several counties is employed in New York City, and the metropolitan thrift institutions advertise and are otherwise intensely competitive throughout the region. Of this larger economically integrated market, Anchor holds 1.7 percent, the 17th largest share, of the deposits held at area offices of 63 mutual savings banks and 79 federally insured savings and loan associations. North holds 0.2 percent of such deposits. Both proponents have modest shares of the relevant market, and the proposed merger would not eliminate significant existing competition between them.

New York law limits *de novo* expansion by a mutual savings bank to one branch each year. This limitation effectively restricts the development of significant competition between Anchor and North.

Anchor is the 20th largest of New York thrift institutions, holding approximately 1.4 percent of their aggregate deposits. Resultant bank, with some 1.6 percent of such deposits, would become the 14th largest thrift institution in the State.

The Board of Directors, accordingly, is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Both proponents have adequate financial resources. North has a management succession problem which Anchor's satisfactory management, administering the affairs of the resultant bank, would solve. Future prospects of the resultant bank are favorable.

*Convenience and Needs of the Community to be Served.* Two protestants filed objections to the merger application, principally on the basis that Anchor had failed to serve the "convenience and needs" of Brooklyn in the area of mortgage and home improvement loans. Anchor was provided with copies of the protestants' data and invited to respond. Subsequently, after Anchor had entered into negotiations with the protestants, the protests were withdrawn.

The resultant institution would offer services that are competitive with those currently available from numerous alternative sources in the relevant market. The convenience and needs factor is resolved in favor of the Applicant.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Ocean State Bank** Santa Monica, California (change title to First Pacific Bank) | 10,493 | 1 | 3 |
| *to acquire the assets and assume the liabilities of* | | | |
| **First Pacific Bank** Los Angeles | 28,734 | 2 | |

Summary report by Attorney General, August 5, 1977

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation approval, September 19, 1977

Ocean State Bank, Santa Monica, California ("Ocean State"), a State nonmember insured bank with total resources of $10,493,000 and total IPC deposits of $8,419,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets and assume the liabilities of First Pacific Bank, Los Angeles, California ("First Pacific"), with total resources of $28,734,000 and total IPC deposits of $23,849,000. The proposed transaction would be effected under the charter of Ocean State and with the title of First Pacific Bank. Incident to the transaction, the two offices of First Pacific would be established as branches of the resultant bank, thus providing it with a total of three offices.

*Competition.* Ocean State's single office services primarily the city of Santa Monica and the communities of Venice and Ocean Park, south of Santa Monica. First Pacific has its main office in the city of Los Angeles, servicing primarily an area within a 2-mile radius, encompassing most of the West Hollywood district and a small portion of western Los Angeles. Its only branch is located in the Pacific Design Center, approximately ½ mile west of the main office. The proponents' primary trade areas are separated by approximately 5 miles, with 9 miles separating their closest offices. Neither bank draws a significant amount of business from the primary market of the other.

Effects of the proposed transaction would be most direct and immediate in Santa Monica, a semi-resort and residential market from which Ocean State draws the majority of its business. Ocean State is 1 of 12 commercial banks represented in the area. The 22 area offices of these banks serve Santa Monica's resident population of 93,500, as well as the small adjacent communities to the south of the city, and hold total IPC deposits of $486 million. Ocean State has the 10th largest share, 1.6 percent, of these deposits. California's nine largest banks control an aggregate of 78.4 percent of such deposits.

The proponents operate in the Los Angeles-Long Beach SMSA. First Pacific and Ocean State respectively hold 0.1 percent and .03 percent of the IPC deposits held by the 88 banks operating in this area. The resultant bank would hold 0.2 percent, the 32nd largest share, of the area's IPC deposits.

There is no significant existing competition between the proponents. Consummation of the proposed transaction would not have any substantial effect on competition in any relevant market.

Each proponent may legally enter *de novo* the primary trade area of the other, but such expansion by either would not result in development of significant competition between them. Both banks are of relatively modest size, their markets are heavily banked, and intense competition prevails.

Based on the foregoing, the Board of Directors has concluded that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* First Pacific Bank has satisfactory financial and managerial resources. The resultant bank will be headed by the existing board and senior management of First Pacific, which should result in implementation of more aggressive and competitive policies which would be better attuned to customer needs. Future prospects are considered favorable.

*Convenience and Needs of the Community to be Served.* Consummation of the proposed transaction will not provide any additional services to customers of Ocean State, except larger lending limits. The potential for improved community service rests with the more aggressive and cohesive management team of the resultant bank.

On the basis of the foregoing information, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Southern Bank and Trust Company** Greenville, South Carolina | 337,163 | 64 | 66 |
| *to merge with* | | | |
| **Morgan Bank and Trust** Spartanburg | 15,869 | 2 | |

Summary report by Attorney General, July 29, 1977

Southern Bank and Trust and Morgan Bank are headquartered about 31 miles apart. Though both banks are in the same SMSA, they are not in direct competition in the same county. The resulting bank would control approximately 11.6 percent of the total deposits in the SMSA, increasing Southern's market share by 1.3 percent. However, since the SMSA is not highly concentrated, this merger would have very little effect on competition.

In sum, the proposed acquisition will eliminate some existing competition and will slightly increase concentration in commercial banking in the Greenville-Spartanburg SMSA.

Basis for Corporation approval, September 19, 1977

Southern Bank and Trust Company, Greenville, South Carolina ("Southern"), an insured State nonmember bank with total resources of $337,163,000 and total IPC deposits of $259,924,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Morgan Bank and Trust, Spartanburg, South Carolina ("Morgan"), an insured State nonmember bank with total resources of $15,869,000 and total IPC deposits of $10,268,000. The merger would be accomplished under the charter and title of Southern. Following the transaction, the 2 offices of Morgan would be established as branches of the resultant bank, which would then have 66 approved offices.

*Competition.* Southern has 64 approved offices in 20 counties. Its service area encompasses all sections of the State except the eastern and central-eastern portions. Major markets are Greenville and Pickens Counties in the northwestern section, Richland and Lexington Counties including the capital city of Columbia in the central portion, Orangeburg County in the central-southwestern section, and York County in the extreme northern part of the State. Much of the trade area is economically dependent on large industrial manufacturing plants. While these plants were generally limited to textile manufacture in the past, there has been expansion into various other manufacturing areas in the last 10 years. Columbia, the State capital and seat of government of Richland County is located near the geographic center of South Carolina. In addition to the various State agencies based here, the area benefits from Fort Jackson which is a large army training center.

Morgan operates its main office and a branch in Spartanburg, Spartanburg County. While this is in the northwestern quadrant of the State, it is a county not presently served by Southern. The economy of this area is dependent upon approximately 40 large textile plants located in Spartanburg and its environs. The population of Spartanburg County was 173,724 in 1970, representing a 10.8 percent increase from a decade earlier.

The effects of the proposed merger would be most immediate and direct in Spartanburg County. A total of 10 banks operate 41 offices in the county. Of the 10 banks, Morgan ranked sixth as of June 30, 1976, with 4.0 percent and 3.6 percent of total deposits and total IPC deposits, respectively. The four leading banks held an aggregate of 80.8 percent and 81.6 percent, respectively. Southern does not operate in this market. The proponents' closest offices are over 20 miles apart. Thus, the proposed transaction would neither eliminate existing competition nor increase concentration in the relevant market.

South Carolina law permits statewide *de novo* branching. Morgan is not expected to seek *de novo* branches in light of deficit earnings for 1975 and 1976. If it were to seek a *de novo* branch in the future, it would probably locate it within its present trade area so as to maintain adequate management control. Southern has a history of aggressive *de novo* branching, and absent the proposed transaction, it could be expected to enter the market *de novo* in the future. There are a large number of banks and banking offices currently in the county, however, including most of the State's largest banks. These factors mitigate the significance of any potential for the development of competition that would be eliminated as a result of this proposal.

The Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* The financial resources of both proponents are adequate. The managerial resources of Southern are satisfactory. Future prospects of the resultant bank are favorable.

*Convenience and Needs of the Community to be Served.* No change in the services presently available at numerous commercial bank offices in the relevant market would result from the consummation of the proposed transaction.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **First Bank & Trust of Idaho** Malad City, Idaho | 24,896 | 4 | 5 |
| *to merge with* **The First National Bank of Grace** Grace | 7,067 | 1 | |

Summary report by Attorney General,
May 11, 1977

Both Applicant and Bank operate in Caribou County which is located in the lower southeastern corner of Idaho near the Wyoming and Utah borders. Bank's only office is located in Grace, Idaho, and Applicant's nearest branch is located in Soda Springs about 10 miles northeast of Grace. Grace is a small community, basically agrarian in nature, with very little population growth and limited commercial development. The whole of Caribou County is basically agrarian in nature. As of the 1970 census, Caribou County had a population of 6,534 while Grace's population was 826. According to Applicant, the area is growing rapidly.

As stated above, Applicant's nearest branch to Bank is about 10 miles northeast of Grace. There are no intervening banks, savings and loan associations, or loan companies. In fact, there are only four banks in Caribou County, one of which has just recently been organized (Security State Bank, total deposits of $500,000). Bank is the only bank in Caribou County not located in Soda Springs. It therefore appears that there is direct competition between Applicant and Bank which the proposed merger would eliminate.

In addition to eliminating direct competition between Applicant and Bank, the proposed merger will eliminate potential competition in Grace and Caribou County. Applicant could theoretically enter Grace *de novo* by establishing a branch, which is permissible under Idaho banking law, but the size of the town suggests that this is a rather remote possibility. The merger of Applicant and Bank will not only have the effect of eliminating Applicant as a potential entrant into Grace but it may also close the market to future entry, firmly entrenching Applicant as the leading bank in Caribou County.

Further, the proposed merger will produce a significant increase in concentration in Caribou County. Presently, Applicant and Bank control about 27 percent and 24 percent, respectively, of Caribou County's total deposits and after the merger Applicant will hold about 51 percent of the county's total deposits and it will be the largest bank in the county.

We therefore conclude that overall the proposed merger would have an adverse effect upon competition.

Basis for Corporation approval,
September 30, 1977

First Bank & Trust of Idaho, Malad City, Idaho ("First Bank"), an insured State nonmember bank with total resources of $24,896,000 and total IPC deposits of $19,384,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with The First National Bank of Grace, Grace, Idaho ("FNB Grace"), with total resources of $7,067,000 and total IPC deposits of $5,988,000. Consent is also sought to establish the sole office of FNB Grace as a branch of the resultant bank, which would commence operating with a total of five offices.

*Competition.* First Bank has its main office in Malad City, one branch in Preston 35 miles to the east, and two branches in Soda Springs approximately 75 road-miles to the northeast, all in the southeastern corner of Idaho. These communities are respectively the county seats and major population centers of Oneida, Franklin, and Caribou Counties. Composing First Bank's primary trade area, these three counties had a combined 1970 population of 16,771, representing an overall 7.0 percent decrease since 1960. The area's economy is largely agricultural, with field crops and livestock being major income sources.

FNB Grace operates its sole office in Grace, a city of 826 residents in southwestern Caribou County. The bank draws most of its business from Grace and its environs, including the unincorporated communities of Alexander, 6 miles to the north, and Thatcher, 11 miles to the south. FNB Grace is the only commercial bank that operates in Grace.

The proposed transaction would have its most immediate competitive effects in Caribou County. The county had a 1970 population of 6,534, representing a 9.3 percent increase during the preceding decade. Its median household buying level in 1975 was $16,459, which was 38 percent above the comparable statewide figure. Caribou County's economy is largely based on agriculture, although phosphate mining has become a significant industry.

There are four commercial banks with a total of five offices operating in Caribou County. Four of the offices, including a branch and a recently opened drive-in facility of First Bank, are located in the city of Soda Springs, the county seat. The city of Grace and FNB Grace's office are located 11 miles southwest of Soda Springs. FNB Grace and First Bank are respectively the county's second and third largest commercial banks, holding 26.7 percent and 25.0 percent of the total commercial bank IPC deposits as of June 30, 1976. The Soda Springs office of The Idaho First National Bank, a $1.0-billion deposit institution and the State's largest commercial bank, holds 48.3 percent of the county's IPC deposits. In addition, Security State Bank of Mud Lake recently established an office in Soda Springs. Upon consummation of the proposed merger, the resultant bank will hold 51.7 percent of the commercial bank IPC deposits, representing the largest share. Although the proponents report that each draws only minimal business from the community in which the other has its office, existing competition between the proponents will be eliminated by their merger. In view of the market's very limited population and the presence of the State's largest commercial bank, however, this elimination of competition is not viewed to be of sufficient significance to warrant denial of the application.

Idaho banks may establish *de novo* branches throughout the State. The potential for significant increased competition to develop between the proponents through such expansion, however, is considered to be minimal. FNB Grace is an ultraconservative operation and its competitive stature has waned during recent years. Despite significant economic improvement in the local Grace market, FNB Grace has seen its IPC deposits increase by only 10 percent during the 2 years prior to year-end 1976. While First Bank may be considered likely to expand in the market through *de novo* branching should the local economy continue to grow, there are other banks, including the State's two major commercial banks, which also would be attracted to the area. Currently, The Idaho First National Bank has a branch in Soda Springs and First Security Bank of Idaho, National Association, the State's second largest commercial bank, has a branch located 40 miles south of Grace.

It appears from the foregoing that the proposed merger would not have a significant effect on competition in any relevant area. The Board of Directors, accordingly, is of the opinion that the proposal would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Both proponents have adequate financial resources, and the resultant bank, under First Bank's satisfactory management, would have favorable future prospects.

*Convenience and Needs of the Community to be Served.* Customers of FNB Grace's local market should benefit from an expanded pool of credit, available under increased lending limits and offered by the aggressive management of First Bank. Trust facilities, credit cards, and automated banking would be available for the first time to FNB Grace's customers.

After consideration of the foregoing, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **The Sumitomo Bank of California** San Francisco, California | 841,048 | 24 | 43 |
| *to purchase a portion of the assets and assume a portion of the deposit liabilities of* | | | |
| **The Bank of California, National Association** San Francisco | 178,112* | 19* | |

*IPC deposits of the 19 offices of The Bank of California to be transferred in this transaction (assets not reported by office).

Summary report by Attorney General, October 18, 1977

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation approval, October 25, 1977

The Sumitomo Bank of California, San Francisco, California ("Sumitomo"), a State nonmember insured bank with total resources of $841,048,000 and total IPC deposits of

$571,975,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase a portion of the assets of and assume liability to pay a portion of the deposits made in The Bank of California, National Association, San Francisco, California ("Other Bank"). Sumitomo also has applied for consent to establish 19 of the branches of The Bank of California, National Association, which had aggregate IPC deposits of $178,112,000 as of June 30, 1976, as branches, thereby increasing the number of its California offices to 43.

*Competition.* Sumitomo operates 24 California offices, primarily in the San Francisco and Los Angeles urbanized areas, and an uninsured Nassau office. It is the 10th largest commercial bank in the State, controlling 0.8 percent of total commercial bank deposits.

Other Bank represents the State's seventh largest commercial bank. As a part of an internal restructuring program, Other Bank has announced that it proposes to sell 33 of its offices. The 19 offices involved in this proposal result from this announced plan to sell.

Ten of the branches Sumitomo proposed to purchase are located within the Los Angeles-Long Beach Standard Metropolitan Statistical Area. These branches hold 0.4 percent of commercial bank IPC deposits held in the SMSA. Seven branches are located in the four-county area of Alameda, San Francisco, San Mateo, and Santa Clara. These branches hold 0.2 percent of the area's commercial bank IPC deposits. In addition, one branch each is located in the cities of Watsonville and Monterey. These branches hold relatively small portions of the commercial bank IPC deposits of their respective markets.

Sumitomo operates offices in both the Los Angeles-Long Beach SMSA market and the four-county market of Alameda, San Francisco, San Mateo, and Santa Clara. There would be some elimination of existing competition in these areas as a result of this proposal; however, it would not be significant. Sumitomo controls no more than 1.0 percent of the IPC deposits in either of these markets. Both of these markets are dominated by the State's largest banks and in each market the aggregate IPC deposit share held by the three largest banks exceeds 65 percent.

Upon approval of the proposal, Sumitomo would retain its position as the 10th largest commercial bank in the State and hold only small market shares in its primary market areas. State law permits statewide branch banking and Sumitomo has been relatively active in *de novo* branching. Therefore, it is considered likely that Sumitomo would be active in *de novo* branching in the market areas involved in this proposal. Other Bank, having expressed a desire to reduce its branch system, would not be expected to consider further *de novo* activity. While some potential competition would be eliminated by approval of this proposal, Other Bank has made clear its intention of divesting itself of these branches. Sumitomo is a modest-sized entity among California banks, where the markets are dominated by major statewide banks. Acquisition of the branches by Sumitomo would be less anticompetitive than would acquisition by any of the State's larger banks.

For these reasons, it appears that the approval of this application would not eliminate significant existing or potential competition between the two proponents, nor would it affect the structure of commercial banking in any relevant area. The Board of Directors, therefore, has concluded that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Sumitomo has satisfactory financial and managerial resources and favorable future prospects. The acquisition of the 19 additional branches should have no adverse effect upon these factors.

*Convenience and Needs of the Community to be Served.* As both Sumitomo and Other Bank offer a wide range of banking services, little change in public convenience is expected to result from approval of this proposal.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **The Valley Bank and Trust Company**<br>Shelton, Connecticut | 17,397 | 1 | 2 |
| *to merge with*<br>**James Staples and Company**<br>Bridgeport | 2,124 | 1 | |

Summary report by Attorney General, August 8, 1977

We have examined the proposal and conclude that it is not adverse to competition.

Basis for Corporation approval, October 25, 1977

The Valley Bank and Trust Company, Shelton, Connecticut ("Valley Bank"), an insured State nonmember bank with total assets of $17,397,000 and total IPC deposits of $11,288,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with James Staples and Company, Bridgeport, Connecticut ("Other Bank"), an uninsured private banking company with total assets of $2,124,000 and total IPC deposits of $1,924,000. The banks would merge under the title and charter of Valley Bank. The single office of Other Bank would become the main office of the resultant bank, with Valley Bank's present main office redesignated as a branch.

*Competition.* Valley Bank operates a single office in Fairfield County which is located in southwestern Connecticut. It has an approved but unopened branch which will be located approximately 3 miles from its main office.

Other Bank operates a single office in the central business district of Bridgeport, the largest city in Fairfield County. Other Bank is unique as it is the only remaining private banking firm in the State.

Valley Bank and Other Bank are 2 of the 27 commercial banks represented in Fairfield County. The 211 commercial banking offices operated within the county hold an aggregate of $2,123,787,000 in IPC deposits. Valley Bank's share of these deposits is only 0.4 percent, while Other Bank holds only 0.1 percent.

The effects of the proposed merger would be most direct and immediate within the primary trade area of Other Bank. This trade area, the city of Bridgeport, is a manufacturing and retail center. The 1970 population of the trade area, 156,542, represents a 0.1 percent decline from 1960. Other Bank has the smallest share, 0.5 percent, of the IPC deposits held by the seven commercial banks operating within this trade area. Valley Bank does not operate within this market.

Significant competition does not exist between the two banks. The offices of Valley Bank and Other Bank are approximately 11 miles apart. Valley Bank also has an approved but unopened branch which will be located approximately 8 miles from Other Bank, but numerous offices of other commercial banks lie between the two locations. While Valley Bank does have some deposit accounts with Bridgeport addresses, the majority result from director-related accounts and residents of Shelton who operate businesses in Bridgeport.

There is little likelihood that significant competition could develop between the proponents. Other Bank may not branch *de novo* due to State law. Valley Bank may not branch *de novo* into Bridgeport due to home office protection.

It appears from the foregoing that the proposed merger would not have a significant effect on competition in any relevant area. Thus, the Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* The financial and managerial resources of Valley Bank and the resultant bank would be satisfactory, and the proposed transaction would eliminate the management continuation difficulty faced by Other Bank. The future prospects of the resultant bank are considered favorable.

*Convenience and Needs of the Community to be Served.* The proposed transaction would make available to those businesses and individuals located within Other Bank's primary trade area a much more competitive banking alternative. The existing customers of Other Bank would receive the benefit of higher interest rates on deposits, a higher lending limit, and Federal deposit insurance. The loss of home office protection for the city of Shelton, which would result from the transaction, would open the city to *de novo* branching.

The Board of Directors, in light of the foregoing, has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **First Bank & Trust Company of Batesville** Batesville, Indiana | 28,646 | 1 | 2 |
| *to merge with* | | | |
| **The State Bank of Milan** Milan | 12,978 | 1 | |

Summary report by Attorney General, August 8, 1977

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation approval, October 25, 1977

First Bank & Trust Company of Batesville, Batesville, Indiana ("First Bank"), a State nonmember insured bank with total resources of $28,646,000 and total IPC deposits of $22,420,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to effect a merger with The State Bank of Milan, Milan, Indiana ("State Bank"), with total resources of $12,978,000 and total IPC deposits of $10,804,000, under the charter and title of First

Bank. Incident to the transaction, the sole office of State Bank would become a branch of the resultant bank.

*Competition.* First Bank operates its only office in Batesville which is on the extreme northern edge of Ripley County. State Bank operates its only office in Milan which is in the eastern part of the county. Ripley County is located in southeastern Indiana, roughly 65 miles southeast of Indianapolis, the State capital, and 45 miles northwest of Cincinnati, Ohio.

Ripley County is agriculturally oriented. Both Batesville and Milan serve as trade centers for their respective communities. The Batesville economy is based, to some extent, on small industry. The Milan area is more rural. The population of Ripley County in 1970 was 21,138, which represents an increase of only 2.4 percent from 1960. Batesville's population of 3,799 in 1970 represented a 13.4 percent increase over 1960. Milan experienced only a slight population increase during the same period from 1,174 in 1960 to 1,260 in 1970.

Batesville and Milan are both located in the northern half of Ripley County about 20 road-miles apart. There are three commercial bank offices in this intervening area, including the largest bank in the county. Road access between the two towns is not direct. Although both First Bank and State Bank have offices in the same county, neither originates any appreciable volume of business from the local area served by the other. Each bank faces competition from other larger commercial banks at closer locations.

The proposed merger would have its most immediate competitive impact in and around Milan, the area served by the smaller of these two predominantly rural banks. Within a 10-mile radius of Milan, there are offices of six commercial banks. State Bank holds 17.4 percent of their combined IPC deposits. First Bank has no offices within this market. Given these facts, it appears that there is no significant existing competition between the two banks which would be eliminated by the proposed merger.

Either of the participating banks could establish *de novo* branches anywhere in Ripley County, subject to home office protection. This does not appear likely, however, in view of both the localized scope of operation of each bank and the limited number of towns which are not already served by a home office of an existing bank. In addition, there is already 1 bank for each 2,349 persons in Ripley County, even without considering the easily accessible commercial banking offices located in the Greensburg and Lawrenceburg-Aurora areas in the neighboring counties of Decatur and Dearborn. The proposed merger would therefore eliminate no significant potential for the development of competition between the two banks.

In Ripley County, the maximum legal branching and merging area of both banks, there are 9 commercial banks operating a total of 11 offices. These banks hold aggregate IPC deposits of $109 million. First Bank holds 20.6 percent and State holds 9.9 percent of these deposits, ranking second and fifth respectively. The resultant bank would rank first with 30.5 percent. While the proposed merger would create a larger concentration of deposits for the resultant bank, it is not believed this concentration would significantly affect commercial bank competition within the county, and county residents would not experience any meaningful decline in suitable alternatives from which to do their banking business.

Under these circumstances, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Financial and managerial resources of each institution, and of the resultant bank, are considered satisfactory. The future prospects of the resultant bank are favorable.

*Convenience and Needs of the Community to be Served.* The benefits presently available to customers of both banks will remain basically unchanged. State Bank's customers would have available daily interest on savings deposits; customers of both banks may benefit from the increased lending limits of the resultant bank.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Intercontinental Bank of Miami Beach**<br>Miami Beach, Florida<br>(change title to Intercontinental Bank) | 88,595 | 3 | 6 |
| *to merge with*<br>**Intercontinental Bank of Miami**<br>Miami | 40,795 | 3 | |

Summary report by Attorney General,
July 29, 1977

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation approval,
November 14, 1977

Intercontinental Bank of Miami Beach, Miami Beach, Florida ("Applicant"), an insured State nonmember bank with total resources of $88,595,000 and total IPC deposits of $52,770,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Intercontinental Bank of Miami, Miami, Florida, with total resources of $40,795,000 and total IPC deposits of $27,858,000. These banks would merge under the charter of Applicant and with the title "Intercontinental Bank." The three existing offices of the other bank would be established as branches of the resultant bank.

*Competition.* The participating banks share common management and the majority of the stock of each bank is owned by the same family.* The initial affiliation of the proponents did not eliminate any significant existing or potential competition between the two banks, and it did not have any material effect on the local structure of commercial banking. Both banks were inconsequential factors in commercial bank competition in Dade County at the time of their affiliation, and they remain so today. In Dade County there were 46 banking organizations operating 144 offices with aggregate IPC deposits of $4,706,052,000 at June 30, 1976. The bank resulting from the proposed merger would have merely 1.4 percent of these deposits. Therefore, the proposed merger would have no significant effects on competition.

In view of the foregoing, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* The proponents' financial and managerial resources are considered adequate for the purposes of this proposal, as would be the case for the resultant bank. The future prospects of the resultant bank appear more favorable than those of the two banks operating individually.

*Convenience and Needs of the Community to be Served.* The services to be offered in the relevant market by the resultant bank would not differ materially from those presently offered by each proponent.

On the basis of the foregoing information, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Capital Bank of North Bay Village** North Bay Village, Florida (change title to Capital Bank) | 27,730 | 2 | 6 |
| *to merge with* | | | |
| **Capital Bank of Kendale** Kendall | 28,236 | 2 | |
| *and* | | | |
| **Capital Bank of Miami, N.A.** Miami | 15,796 | 2 | |

Summary report by Attorney General,
August 24, 1977

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation approval,
November 14, 1977

Capital Bank of North Bay Village, North Bay Village, Florida ("Applicant"), an insured State nonmember bank with total resources of $27,730,000 and total IPC deposits of $23,460,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Capital Bank of Kendale, Kendall, Florida, with total resources of $28,236,000 and total IPC deposits of $24,059,000, and Capital Bank of Miami, N.A., Miami, Florida, with total resources of $15,796,000 and total IPC deposits of $9,905,000. These banks would merge under the charter of Applicant and with the title "Capital Bank." The four existing offices of the other banks would be established as branches of the resultant bank.

*The proponents have been affiliated since 1975. The Corporation has consistently taken the position that where control of a bank is acquired by stock acquisition not subject to regulatory scrutiny, the effect of a merger may be the circumvention of the competitive standards of the Bank Merger Act. In such circumstances, the Board of Directors has ignored the affiliation in its assessment of the proposal. Therefore, in the instant application, since the proponents' affiliation has not heretofore been subject to regulatory scrutiny, the affiliation is of no persuasive value in determining for purposes of the Bank Merger Act, what competitive impact, if any, the proposed transaction may have.

*Competition.* The participating banks share common management and effective stock control of each bank rests with the same individual.* The proponents' initial affiliation did not eliminate any significant existing or potential competition, and it did not have any material effect on the local structure of commercial banking. At the time of their affiliation, all three banks were inconsequential factors in commercial bank competition in Dade County, and they remain so today. In Dade County there were 46 banking organizations operating 144 offices with aggregate IPC deposits of $4,706,052,000 at June 30, 1976. The bank resulting from the proposed merger would have merely 1.1 percent of these deposits. Therefore, the merger now proposed would have no significant effects on competition.

In view of the foregoing, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* The proponents' financial and managerial resources, after capital addition is completed, would be considered adequate for the purposes of this proposal. The future prospects of each proponent would appear more favorable as part of the resultant bank.

*Convenience and Needs of the Community to be Served.* The services to be offered in the relevant market by the resultant bank would not differ materially from those presently offered by each proponent.

On the basis of the foregoing information, the Board of Directors has concluded that approval of the application is warranted.

*The proponents have been affiliated since 1975. The Corporation has consistently taken the position that where control of a bank is acquired by stock acquisition not subject to regulatory scrutiny, the effect of a merger may be the circumvention of the competitive standards of the Bank Merger Act. In such circumstances, the Board of Directors has ignored the affiliation in its assessment of the proposal. Therefore, in the instant application, since the proponents' affiliation has not heretofore been subject to regulatory scrutiny, the affiliation is of no persuasive value in determining, for purposes of the Bank Merger Act, what competitive impact, if any, the proposed transaction may have.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Inter-State Trust Company**<br>White River Junction, Vermont<br>(change title to First Inter-State Bank) | 22,010 | 4 | 4 |
| *to merge with* | | | |
| **The First National Bank of White River Junction**<br>White River Junction | 11,968 | 4 | |

Summary report by Attorney General,
August 24, 1977

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation approval,
November 14, 1977

Inter-State Trust Company, White River Junction, Vermont ("Inter-State"), an insured State nonmember bank with total assets of $22,010,000 and total IPC deposits of $19,481,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The First National Bank of White River Junction, White River Junction, Vermont ("First National"), with total resources of $11,968,000 and total IPC deposits of $8,398,000. The two banks would merge under the charter of Inter-State and with the title "First Inter-State Bank." Incident to the merger would be the consolidation of operations at the four offices currently shared by Inter-State and First National.

*Competition.* Inter-State and First National operate four offices, all in Windsor County, Vermont. Windsor County is located in eastern Vermont, contiguous to the New Hampshire border. First National's main office is interconnected by a doorway with the main office of Inter-State and its three branches are located in shared quarters with those of Inter-State. The parties to the merger agreement are affiliated through a common directorate and common shareholders. At the time of establishment of Inter-State, national banking laws prohibited the granting of real estate loans by national banks. For this reason, the then-directors of First National obtained a State charter and formed Inter-State to receive savings accounts and make real estate loans. Since its inception, Inter-State has primarily confined its activities to those generally associated with thrift institutions.

The primary market areas of the proponents are identical. This market would include the Vermont towns of Thetford, Strafford, Sharon, Pomfret, Hartford, Hartland, and Norwich, as well as the New Hampshire communities of Hanover and Lebanon. The population of this market area was 31,587 in 1970, representing an 8.7 percent increase over 1960. White River Junction and the nearby New Hampshire area serve as a center of business activity for the Upper Connecticut River Valley. Eight commercial banks operate 16 offices within the designated market area. Inter-State is the third largest commercial bank in this market, holding 20.7 percent of the commercial bank IPC deposits. Only a small amount of these deposits are IPC demand deposits. First National is the fourth largest commercial bank operating within this market area, holding 9.3 percent of commercial bank IPC deposits. The resultant bank would rank number one in the market area, holding 30.0 percent of the commercial bank IPC deposits.

Although the proponents serve the same primary market, they tend to complement, rather than actively compete, with each other. Inter-State functions primarily as a thrift institution, accepting time and savings deposits and making real estate loans, while First National functions as a commercial bank. If savings banks were included as competition to the applying banks, the primary market share of the resultant bank would drop to 12.9 percent, and it would become the third largest of the commercial and savings banks represented in the market. Although approval of the proposed merger would technically allow the resultant bank to hold a large portion of its primary market IPC deposits, the practical effect of the merger on competition would be negligible as the two applying banks have been so closely related since 1911 that they already resemble a single banking institution.

Vermont banking laws provide for statewide branching. Future *de novo* competition between Inter-State and First National seems highly unlikely due to stock ownership similarities, identical directorates, and shared banking offices. If this proposal were to be approved, the resultant bank would become the 11th largest commercial bank in the State, but it would hold only 2.0 percent of the State's commercial bank deposits.

It appears that consummation of the proposed merger would have no significant effect on competition in any relevant area and would merely formalize a relation that has existed for over 65 years. In view of the foregoing, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Both Inter-State and First National have adequate financial and managerial resources as would the resultant bank. The future prospects of the resultant bank appear favorable.

*Convenience and Needs of the Community to be Served.* Other than an increased lending limit, the services to be offered by the resultant bank would be little different from those offered by the existing banks.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Citizens DeKalb Bank** Clarkston, Georgia | 8,835 | 3 | 6 |
| *to merge with* | | | |
| **DeKalb Exchange Bank** DeKalb County (P.O. Decatur) | 7,197 | 3 | |

Summary report by Attorney General, September 21, 1977

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation approval, November 22, 1977

Citizens DeKalb Bank, Clarkston, Georgia ("Citizens Bank"), an insured State nonmember bank with total assets of $8,835,000 and total IPC deposits of $7,341,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with DeKalb Exchange Bank, DeKalb County (P.O. Decatur), Georgia ("Exchange Bank"), also an insured State nonmember bank, with total resources of $7,197,000 and total IPC deposits of $6,183,000. Incident to the merger, the three offices of Exchange Bank would be established as branches of the resultant bank.

*Competition.* Citizens Bank and Exchange Bank each operate three offices within DeKalb County. The two banks have been affiliated through common stock ownership since the inception of Exchange Bank in 1970. J. Mack Robinson, the principal shareholder in each of the applying banks, was instrumental in the formation of both. The same individual presently serves as chairman of the board of directors of both banks. DeKalb County contains a small portion of the city of Atlanta, and it and 14 other counties compose the Atlanta Standard Metropolitan Statistical Area.

The population of DeKalb County was 415,387 in 1970, representing a 61.8 percent increase from 1960.

The 95 offices of the 16 commercial banks operating in DeKalb County hold $596,420,000 in commercial bank IPC deposits. The Citizens and Southern Bank system dominates the DeKalb County banking market, holding 32.8 percent of the commercial bank IPC deposits. Exchange Bank holds merely 0.9 percent of such deposits, the fourth smallest share, and Citizens Bank holds 1.2 percent, the fifth smallest share. The resultant bank would hold only 2.1 percent of the commercial bank IPC deposits in DeKalb County, and it would be in competition with some of the largest banks in the State.* Although the banking markets of the applicants overlap and their closest offices are only 2 ½ miles apart, the banks do not actively compete with each other due to their common ownership.

Although disaffiliation of the two banks is possible, such an event is unlikely because stock control of the banks has been held by the same individual since the inception of each. Thus, the proposal would eliminate no significant potential competition. Consummation of the proposal would formally recognize these two noncompeting banks as being one banking institution.

From the foregoing data it appears that the proposed merger would have no significant effect on competition in any relevant area. Thus, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Approval of the proposal would strengthen the financial and managerial resources of the applying banks. The resultant bank would appear to have favorable prospects.

*Convenience and Needs of the Community to be Served.* The merger would have little effect on the services now offered by each of the participating banks.

On the basis of the foregoing information, the Board of Directors has concluded that approval of the application is warranted.

*Besides controlling the proponents, Mr. Robinson controls Roswell Bank, Roswell, Georgia. Roswell Bank operates in DeKalb County and holds 1.4 percent of the commercial bank IPC deposits in DeKalb County.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **The Mississippi Bank** Jackson, Mississippi | 178,163 | 13 | 15 |
| *to merge with* | | | |
| **The First National Bank of Canton** Canton | 18,401 | 2 | |

Summary report by Attorney General, September 14, 1977

Although Applicant's main office is about 25 miles south of Bank's main office, three of Applicant's branches are located within approximately 7 miles of Bank's Ridgefield branch. Offices of other banks provide competitive alternatives in the intervening area, and the application indicates that there is only a slight overlap in the parties' service areas. Nevertheless, it appears that the proposed merger would eliminate some existing competition. Moreover, Applicant could, under Mississippi law, establish branches in the vicinity of Ridgefield in southern Madison County, a growing residential area according to the application. The proposed merger, therefore, would eliminate the potential for increased competition in the future. However, it does not appear that concentration in commercial banking will be substantially increased in any relevant banking market.

Basis for Corporation approval, November 22, 1977

The Mississippi Bank, Jackson, Mississippi ("Jackson Bank"), an insured State nonmember bank with total resources of $178,163,000 and total IPC deposits of $73,862,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with The First National Bank of Canton, Canton, Mississippi ("First Canton"), with total resources of $18,401,000 and total IPC deposits of $13,770,000. Incident to the merger, the 3 approved offices of First Canton would be established as branches of the resultant bank, increasing to 16 the total number of its approved offices.

*Competition.* Jackson Bank operates 13 offices in southwest Mississippi, near the city of Jackson. Jackson is the largest city in the State, with its 1970 population of 153,968 representing a 6.6 percent increase over 1960.

First Canton operates its main office in Canton, approximately 20 miles from the northern edge of Jackson, and a single branch in Ridgeland, approximately 5 miles from the northern edge of Jackson. It has received approval for a new but unopened drive-in branch to be located near its main office. Canton, with a 1970 population of 10,503, is centrally located in Madison County. Madison County had a 1970 population of 29,737, representing a decrease of 9.6 percent from 1960. Its 1976 median household buying level of $8,636 was substantially below that of the Jackson metropolitan area, $12,996, and the State level of $9,830.

Effects of the proposed merger would be most immediate and direct in First Canton's primary market area which is composed of Madison County and, due to Ridgeland's proximity, the city of Jackson. There are 64 offices of 12 commercial banks operating within this market. Jackson Bank has the third largest share of commercial bank IPC deposits within this market area, 5.8 percent; however, the two largest banks in the State dominate this market with 84.7 percent of its commercial bank IPC deposits. First Canton has the sixth largest share of the market, with 1.7 percent. Although this proposal would merge banks with the third and sixth largest shares of First Canton's primary market area, the resultant bank would control only 7.5 percent of the market's commercial bank IPC deposits. Approval of the proposal, therefore, would eliminate a small amount of competition between the applying banks. Adequate banking alternatives would remain, however, including offices of the two largest banks in the State.

Mississippi law provides for branch banking and the legal branching areas of the applying banks overlap to a considerable extent. First Canton has established only one *de novo* branch (Ridgeland in 1962) other than the in-process, drive-in facility, and it would not be expected to undertake an active course in *de novo* branching. Jackson Bank has been active in *de novo* branching; however, the city of Canton, already served by offices of three commercial banks, appears adequately banked and would not offer an attractive *de novo* market. Jackson Bank is already represented in the north Jackson-Ridgeland area and it would not be expected to engage in any further *de novo* branching in this area in the foreseeable future. Thus, approval of this proposal would not result in a significant lessening of potential competition.

From the foregoing data, it appears that the proposed merger would have no significant effect on competition in any relevant area; and thus the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Both Jackson Bank and First Canton have adequate financial and managerial resources. With the anticipated injection of additional capital, the resultant bank would have favorable future prospects.

*Convenience and Needs of the Community to be Served.* The merger would provide increased services to customers of First Canton, including a larger lending limit, computer services, and expanded trust services.

On the basis of the foregoing information, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Metropolitan Savings Bank**<br>New York (Brooklyn), New York | 1,186,923 | 13 | 18 |
| *to merge with*<br>**Fulton Savings Bank, Kings County**<br>New York (Brooklyn) | 407,059 | 5 | |

Summary report by Attorney General,
August 5, 1977

The two closest offices of the banks are in Brooklyn and 1.9 miles apart. Their offices in the other counties are farther apart, and in all cases there are competitive alternatives conveniently accessible in the surrounding areas. The application reports that a sampling survey showed no loan overlap and a very small deposit overlap between the parties.

Applicant ranks 19th among the 43 savings banks headquartered in New York City and 7th among the 18 savings banks with offices in Kings County, holding 6.8 percent of the 18 banks' total Kings County deposits which exceed $11 billion. Bank ranks 36th among the 43 savings banks headquartered in New York City and 14th among the 18 savings banks with offices in Kings County, holding 2.3 percent of the $11 billion in deposits.

While the proposal would eliminate some existing competition and the potential for increased competition in the future, it apparently would not significantly increase concentration among savings banks in any relevant market.

Basis for Corporation approval,
November 22, 1977

Metropolitan Savings Bank, New York (Brooklyn), New York ("Metropolitan"), an insured mutual savings bank with total resources of $1,186,923,000 and total deposits of $1,056,510,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit

Insurance Act, for the Corporation's prior consent to merge with Fulton Savings Bank, Kings County, New York (Brooklyn), New York ("Fulton"), with total resources of $407,059,000 and total deposits of $368,821,000. The merger would be effected under the charter and title of Metropolitan. Incident to the transaction, the 5 operating offices and 1 approved but unopened office of Fulton would become branches of the resultant bank, increasing to 19 the number of its approved offices.

*Competition.* Metropolitan presently operates a total of 13 offices: its main office and 7 branches in Brooklyn, 1 office in Queens, and 2 offices in both Manhattan and Nassau County. Metropolitan's primary trade area comprises the boroughs of Brooklyn, Manhattan, and Queens in New York City, and adjacent Nassau County.

Fulton has its main office and one branch in Brooklyn, one office in Queens, and two offices in Nassau County. A second office to be located in Queens has been approved but is unopened. Fulton services essentially the same trade area as Metropolitan with the exception of Manhattan.

The proponents' closest offices are branch locations situated in Brooklyn, approximately 1.85 miles apart. In this densely populated area, however, local service areas are generally confined to small neighborhoods, and there are numerous thrift institution offices in the intervening and surrounding areas. Thus, there is no significant existing competition between the two banks which would be eliminated by the proposed merger.

Within the overall trade area, Metropolitan and Fulton hold 1.9 percent and 0.7 percent, respectively, of the $51.6 billion in deposits held by area offices of 40 mutual savings banks and 55 federally insured savings and loan associations. Metropolitan is the 21st largest of New York's thrift institutions, holding 1.1 percent of their aggregate deposits. The resultant bank, with 1.6 percent of such deposits, would rank 12th. In light of the size of each of the two institutions relative to the market as a whole and the numerous competing thrift institutions, the proposed merger would have a negligible effect on the concentration of thrift institution resources.

New York law permits thrift institutions to establish only one *de novo* branch per year. In view of the relative size of each of the proponents and the intense competition prevailing within the market, there appears to be little potential for significant competition to develop between Metropolitan and Fulton in the foreseeable future.

In light of the foregoing, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Both Metropolitan and Fulton have satisfactory financial and managerial resources. The proposed merger would combine the strong surplus position of Fulton with the good earnings record of Metropolitan. Potential managerial succession problems at both banks would be eliminated. Each of the proponent banks has enjoyed favorable deposit growth in recent years, and future prospects for the resultant bank appear favorable.

*Convenience and Needs of the Community to be Served.* The proposed merger would produce a larger institution which would be in a better position to provide funds for both residential and commercial mortgages to present and future customers in the trade area. In addition, the resultant bank will offer home improvement loans, apartment and commercial construction loans, and cooperative apartment loans which are not presently available at Fulton offices.

The Board of Directors, considering the foregoing information, has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Schroder Trust Company** New York (Manhattan), New York (change title to J. Henry Schroder Bank & Trust Company) | 155,420 | 1 | 1 |
| *to merge with* **J. Henry Schroder Banking Corporation** New York (Manhattan) | 463,987 | 1* | |

*Domestic offices

Summary report by Attorney General, August 31, 1977

The banks are both wholly owned subsidiaries of the same bank holding company. As such, the proposed transaction is essentially a corporate reorganization and would have no effect on competition.

Basis for Corporation approval, November 22, 1977

Schroder Trust Company, New York (Manhattan), New York ("Schroder Trust"), a State member bank with total resources of $155,420,000 and total deposits of $138,576,000, has applied, pursuant to Section 18(c) of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with J. Henry Schroder

Banking Corporation, New York (Manhattan), New York ("Schroder Banking"), a noninsured institution with total resources of $463,987,000 and total credit balances of $382,161,000. The merger would be consummated under the charter of Schroder Trust and with the title "J. Henry Schroder Bank & Trust Company."

*Competition.* Schroder Trust and Schroder Banking are both wholly owned (except for directors' qualifying shares) subsidiaries of Schroders Limited, a major English financial holding company. The proposed merger represents a restructuring of the holding company's United States banking interests.

Inasmuch as the proposed merger is in the nature of an internal corporate reorganization and involves no new acquisitions, its consummation would have no effect on competition in any relevant area. Therefore, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* The financial and managerial resources of the proponents are satisfactory. With the proposed capital infusion, future prospects for the resultant bank appear favorable.

*Convenience and Needs of the Community to be Served.* The proposed merger would be a corporate reorganization and would not affect the convenience and needs of the community.

On the basis of the foregoing information, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Peoples Bank & Trust Company** Rocky Mount, North Carolina | 279,587 | 40 | 41 |
| *to purchase the assets and assume the deposit liabilities of* | | | |
| **Roanoke Rapids Branch-Southern National Bank of North Carolina** Roanoke Rapids | 1,952* | 1 | |

*IPC deposits. Assets not reported by office.

Summary report by Attorney General, October 6, 1977

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation approval, November 22, 1977

Peoples Bank & Trust Company, Rocky Mount, North Carolina ("Peoples Bank"), an insured State nonmember bank with total resources of $279,587,000 and total IPC deposits of $212,586,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's consent to a purchase and assumption transaction with Southern National Bank of North Carolina, Lumberton, North Carolina ("Southern National"), with total resources of $374,728,000 and total IPC deposits of $289,642,000. By the agreement, Peoples Bank would purchase the assets of and assume the liability to pay deposits made in the Roanoke Rapids Branch of Southern National, increasing the number of approved offices of Peoples Bank by 1 to 42.

*Competition.* The main office of Peoples Bank is located in Rocky Mount, North Carolina, and its 40 offices service central and northern portions of the State. Southern National, headquartered in Lumberton, North Carolina, has 61 offices and services central and southern portions of North Carolina. The proponents represent the State's 10th and 7th largest commercial banks, holding 1.9 percent and 2.6 percent, respectively, of the aggregate deposits held by commercial banks operating in the State.

The city of Roanoke Rapids is located in northeastern North Carolina near the Virginia State border. Southern National established its Roanoke Rapids Branch in 1971 as the initial step of an expansion into the northeastern portion of the State. Since its opening, the branch has not prospered and Southern National has made no further attempts to expand within this area.

The effects of the proposed transaction would be most pronounced in that area within 15 roadmiles of the Roanoke Rapids Branch. There are presently 14 offices of 6 commercial banks, including 1 branch of Peoples Bank, operating within this market. Southern National, through the Roanoke Rapids Branch, controls merely 3.0 percent of the market's IPC deposits, the least significant portion of any bank in the market. Peoples Bank controls 10.0 percent of such deposits, the fourth largest share. Upon consummation of the proposed transaction, Peoples Bank's relative market position would not change. In addition, there would be no reduction in the number of banking offices within the trade area, and five significant alternatives for commercial banking services would remain.

Based on the foregoing, the Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Both proponents have satisfactory financial and managerial resources, as would the resultant bank. The future prospects appear favorable.

*Convenience and Needs of the Community to be Served.* Consummation of this proposed transaction would have no material effect in the trade area now being served. The level of services would not be changed and the number of banking alternatives appears to be adequate.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Provident Savings Bank** Jersey City, New Jersey | 561,928 | 19 | 21 |
| *to purchase the assets and assume the liabilities of* | | | |
| **The First National Bank of Dunellen** Dunellen | 25,973 | 2 | |

Summary report by Attorney General, October 6, 1977

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation approval, November 30, 1977

Provident Savings Bank, Jersey City, New Jersey ("Provident"), an insured mutual savings bank with total resources of $561,928,000 and total deposits of $518,484,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase the assets of and to assume the liability to pay the deposits made in The First National Bank of Dunellen, Dunellen, New Jersey ("First National"), with total resources of $25,973,000 and total deposits of $22,497,000. Incident to the transaction, the two offices of First National would be established as branches of the resultant bank.

*Competition.* Provident operates 19 offices, and has approval for 2 new but unopened offices, in eastern and northeastern New Jersey, primarily in the area of Jersey City. As of December 31, 1976, Provident was the fourth largest savings bank in New Jersey, holding 7.7 percent of the State's savings banks' total deposits.

First National operates its main office in the borough of Dunellen (Middlesex County) and a single branch in nearby Green Brook Township (Somerset County). The two offices are located in north-central New Jersey, approximately 20 road-miles southwest of Newark. The 1970 populations of Dunellen and Green Brook Township were 7,072 and 4,302, respectively.

The effects of the proposed transaction would be most immediate and direct in First National's trade area which is composed of the extreme north-central portion of Middlesex County (Dunellen and Middlesex Boroughs and the contiguous portion of Piscataway Township), south-central Somerset County (North Plainfield Borough and Green Brook and Warren Townships), and the city of Plainfield in Union County. The 1970 population of this trade area was approximately 104,000, which represents a 17 percent increase over 1960. Eleven commercial banks operate 22 offices in this area. As of June 30, 1976, these offices held $264,342,000 in IPC deposits, and First National held the fourth largest share, 7.6 percent, of these deposits. In addition, one mutual savings bank operates four offices within this trade area.

There would appear to be no present competition between the applying banks, as Provident is not represented in First National's market area. Their main offices are 31 road-miles apart, and the nearest of their offices are 27 road-miles apart.

Although First National is a commercial bank while Provident is a savings bank, it appears that most of the services presently being performed by First National could be performed by Provident. Most affected by the proposal would be businessmen and merchants who would lose a commercial banking source. While approval of the proposal would result in only a single commercial banking office remaining in Dunellen Borough and no commercial banking offices remaining in Green Brook Township, it appears that there are adequate commercial banking alternatives remaining in the trade area and located only a few miles from both Dunellen and Green Brook Township.

New Jersey law permits statewide branching for both commercial banks and mutual savings banks, subject to certain limitations. First National has not been active in *de novo* branching, opening only one such branch in its 70-year history. Provident has been active in *de novo* branching; however, the populations of Dunellen Borough and Green Brook Township have reportedly stabilized since 1970, making *de novo* entry by Provident unlikely.

From the foregoing data, it appears that the proposed transaction would have no significant effect on competition in any relevant area. Therefore, the Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Both Provident and First National have adequate financial and managerial resources, as would the resultant bank. The future prospects of the resultant bank would appear favorable.

*Convenience and Needs of the Community to be Served.* As previously mentioned, the proposed transaction would eliminate a commercial banking source in Dunellen and Green Brook Township. Approval of the proposal would serve to benefit the community, however, by the resultant bank paying higher rates on savings deposits, offering time deposits (which First National has ceased to do), and offering competitive mortgage rates.

Based on the foregoing information, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **The NAB Bank & Trust Company (in organization)** Stratford, Connecticut (change title to The North American Bank & Trust Company) | — | — | 5 |
| *to merge with* | | | |
| **The North American Bank and Trust Company** Wolcott | 22,023 | 3 | |
| *and purchase the assets and assume the deposit liabilities of* | | | |
| **Bank of Stratford** Stratford | 13,092 | 2 | |

Summary report by Attorney General,
December 7, 1977

North American's nearest office to Stratford is in Monroe, about 18 miles away, and there are several communities and many banks in the intervening area. Its other two offices are north of Waterbury, more than 30 miles away from Stratford. It therefore appears that there is little direct competition between North American and Bank of Stratford.

The proposed transaction contemplates that the resulting bank will be headquartered in Stratford, and thus no other existing commercial bank will be permitted to open a *de novo* branch there. However, several of the State's largest banks already have offices in Stratford.

In view of the relatively small size of the two banks, the absence of competition between them, and the condition of Bank of Stratford (its loss of approximately $1.3 million over the 2-year period 1975-1976 has apparently severely reduced its operating effectiveness), the competitive effect of the proposed transaction does not appear adverse.

Basis for Corporation approval,
December 16, 1977

Pursuant to Section 5 of the Federal Deposit Insurance Act, application has been filed for Federal deposit insurance on behalf of The NAB Bank & Trust Company, Stratford, Connecticut ("NAB Bank"), a proposed new bank in organization. In addition, application has been filed, under Section 18(c) and other provisions of the Federal Deposit Insurance Act, for consent for NAB Bank to merge with The North American Bank and Trust Company, Wolcott, Connecticut ("North American"), an insured State nonmember bank with total resources of $22,023,000 and total IPC deposits of $17,456,000, under the charter of NAB Bank and with the title "The North American Bank & Trust Company," and to purchase the assets of and assume the liability to pay deposits made in Bank of Stratford, Stratford, Connecticut ("Stratford Bank"), an insured State nonmember bank with total resources of $13,092,000 and total IPC deposits of $10,923,000. NAB Bank would commence operation with its main office at the present location of the main office of Stratford Bank and would establish the sole branch of the latter and the three existing offices of North American as branches of the resultant bank.

The Corporation, upon the request of the Bank Commissioner of the State of Connecticut, has advised the Attorney General, the Board of Governors of the Federal Reserve System, and the Comptroller of the Currency of the existence of an emergency requiring expeditious action pursuant to paragraph 6 of Section 18(c) of the Federal Deposit Insurance Act. The publication required by the Bank Merger Act has been completed.

*Competition.* In its present precarious financial condition, Stratford Bank cannot be considered a significant competitor. In any event it has only 2.4 percent of the IPC deposits in Stratford and adjacent Bridgeport. The larger Bridgeport banks dominate the area, and North American is not represented in the local market. Its closest office is in

Monroe, about 11 miles north; but the towns of Shelton and Trumbull intervene and there are numerous alternative banking offices there. Further, North American is among the smaller banks in Connecticut, and its acquisition (via NAB Bank) of Stratford Bank would appear to present virtually no anticompetitive problems.

Under these circumstances, the Board of Directors has concluded that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Resources of Stratford Bank are inadequate and its future viability is in grave doubt. North American has a sound asset structure and satisfactory management. Prospects for the resultant bank are satisfactory.

*Convenience and Needs of the Community to be Served.* Consummation of the proposal would preclude any interruption of banking services for the clientele of Stratford Bank. These individuals should also benefit from the resulting larger, sound institution.

Based on the foregoing, the Board of Directors has concluded that approval of the applications is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **The Chartered Bank of London** San Francisco, California | 284,870 | 17 | 33 |
| *to merge with* **Commercial and Farmers National Bank** Oxnard | 101,010 | 16 | |

Summary report by Attorney General, November 21, 1977

The main offices of the parties are approximately 300 miles apart, and their two nearest offices (Applicant's in downtown Los Angeles and Bank's in Simi Valley) are separated by at least 40 road-miles, and by a large number of commercial banking alternatives. The application indicates that there is an insignificant, if any, amount of deposit and loan overlap between the parties. Therefore, it does not appear that the proposed merger would have any appreciable effect on existing competition.

Under California law, which permits unlimited branching, Applicant could enter *de novo* the areas presently served by Bank. Although Applicant considered alone might not be deemed to be a significant potential entrant, its parent is an international holding company which held assets on March 31, 1976, of 6.7 billion pounds (then equivalent to $12.9 billion). It is this holding company, moreover, that plans to provide $7 million to finance the proposed merger. The presence of this ample and willing source of funds, Applicant's demonstrated willingness to expand by *de novo* branching, its expressed desire to achieve statewide representation, and the attractiveness of the area in which Bank operates for *de novo* entry establish Applicant as a likely *de novo* entrant into that area. Ventura County, in which 11 of Bank's 14 offices are located, is one of the fastest growing areas in California. Its population has grown 18 percent since 1970, to 451,700. The county is primarily residential, and most of its population is in several large towns in the county's southern tier, along the freeways leading to Los Angeles.

Commercial banking in Ventura County is highly concentrated. On June 30, 1976, the four largest banks held 77 percent of the county's IPC demand deposits, and the two largest held 52 percent. Bank is the fourth largest in the county, holding 9 percent of county IPC demand deposits.

In sum, while there are other banking organizations of substantial size which could enter Ventura County *de novo,* the proposed merger would eliminate Applicant as a potential competitor in that area and its consummation, therefore, would have some adverse competitive effects.

Basis for Corporation approval, December 16, 1977

The Chartered Bank of London, San Francisco, California ("Chartered Bank"), a State nonmember insured bank with total resources of $284,870,000 and total IPC deposits of $221,440,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Commercial and Farmers National Bank, Oxnard, California ("Commercial"), with total resources of $101,010,000 and total IPC deposits of $66,719,000. The banks would merge under the charter and title of Chartered Bank, and incident to the merger, the 16 existing offices of Commercial would become branches of the resulting bank, increasing the number of its offices to 33.

*Competition.* Chartered Bank operates 17 offices. Ten of these offices are located in the San Francisco area, six are located in the San Diego area, and one is in Los Angeles. Chartered Bank is the 22nd largest bank in the State holding 0.3 percent of total commercial bank deposits.

Commercial operates 16 offices in Ventura and Santa Barbara Counties in southern California. Commercial is the 49th largest bank in the State holding 0.1 percent of total commercial bank deposits.

The proposed merger would have its most direct effects in the two trade areas in which Commercial operates. These are Ventura County and the Santa Barbara metropolitan area.

Ventura County had a 1970 population of 378,497. Fourteen banks operate 97 offices and hold aggregate IPC deposits of $742,892,000 in this market. Commercial operates 13 offices in this market and it holds 6.9 percent of the market's IPC deposits, the fourth largest share. Chartered Bank does not operate in this market. Within Ventura County, the two largest banks in the State hold 32.3 percent and 25.1 percent, respectively, of the IPC deposits, and the three largest banks hold 72.7 percent of the IPC deposits.

The Santa Barbara metropolitan area banking market consists of that portion of Santa Barbara County south of the Santa Ynez Mountains. A total of 12 commercial banks, including some of the State's largest, operate in this market. With 1.4 percent of the IPC deposits, Commercial is the market's third smallest bank. Chartered Bank does not operate in this market.

Chartered Bank is not presently represented in either of the relevant markets. Commercial's shares of the markets are relatively minor and the markets are dominated by the State's largest banks. The proposed merger would eliminate no significant existing competition.

California law permits statewide *de novo* branching. Chartered Bank has demonstrated a willingness to expand by *de novo* branching and it has expressed a desire to achieve statewide representation. It is considered likely, therefore, that Chartered Bank would enter the relevant markets through *de novo* branching. Commercial is not contemplating expansion into the trade areas serviced by Chartered Bank because of the costs involved and the heavy competition already existing in these markets. While the proposed merger would eliminate some potential competition, in view of the proponents' relative sizes and the dominance of the relevant markets by a small number of institutions, this is not viewed as significant.

For these reasons, it appears that the approval of the merger would not eliminate significant existing or potential competition between the two proponents, nor would it affect the structure of commercial banking in any relevant area. The Board of Directors, therefore, has concluded that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Both banks have satisfactory financial and managerial resources and the proposed merger should have no adverse effect on these resources. The future prospects appear favorable.

*Convenience and Needs of the Community to be Served.* Consummation of the proposed merger would result in higher lending limits being made available to customers of both banks. In addition, trust and international banking services will become available to customers of Commercial.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Princeton Bank and Trust Company**<br>Princeton, New Jersey | 149,086 | 8 | 12 |
| *to purchase the assets and assume the deposit liabilities of* | | | |
| **Mid-Jersey National Bank**<br>Woodbridge Township (P.O. Fords) | 32,309 | 4 | |

Summary report by Attorney General, November 10, 1977

The main offices of Bank and Applicant are approximately 26 miles apart, no branches of the two institutions are within 20 miles of each other, and all of American's offices are more than 25 miles from any office of Bank. There are numerous offices of other commercial banks in the areas between the offices of Bank and Horizon Bancorp's two subsidiaries. The application indicates that there is very little deposit and loan overlap between Applicant and Bank, and it is probable that there is even less deposit and loan overlap between Bank and American in view of the greater distance between them. It therefore appears that Bank and Horizon Bancorp's two subsidiary banks do not compete to any significant degree in each other's service area.

Under New Jersey law, which permits statewide branching subject to certain home office protections not applicable here, Horizon Bancorp, through either of its subsidiary banks, could enter Bank's service area *de novo.* As of December 31, 1976, Applicant controlled 8.6 percent of total bank deposits in Mercer County and was one of the larger banks operating in the northern and eastern portions of the county. In addition, American, Horizon Bancorp's other subsidiary bank, held total deposits of $372.5 million, and was the largest commercial bank operating in Morris County, with approximately 14 percent of total bank deposits in that county as of December 31, 1976. Therefore, Horizon Bancorp, which owns two banks of substantial size located near Bank's primary service area, appears to be a potential entrant into Bank's service area. However, in view of Bank's relatively small size (it controls less than 2 percent of the total deposits held by the 24 commercial banks operating in Middlesex County), and the existence of a large number of banking organizations of substantial size which could enter Middlesex County, it appears that the proposed acquisition will have only slightly adverse effects on potential competition.

In sum, it appears that the proposed acquisition will have no significant effect on existing competition and only slightly adverse effects on potential competition.

Basis for Corporation approval,
December 16, 1977

Princeton Bank and Trust Company, Princeton, New Jersey ("Princeton"), a State nonmember insured bank with total resources of $149,086,000 and total IPC deposits of $121,042,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase the assets of and assume the liability to pay deposits made in Mid-Jersey National Bank, Woodbridge Township (P.O. Fords), New Jersey ("Mid-Jersey"), with total resources of $32,309,000 and total IPC deposits of $27,164,000. Incident to the transaction, the 4 existing offices of Mid-Jersey would become branches of Princeton, increasing the number of its offices to 12.

*Competition.* Princeton, a wholly owned subsidiary of Horizon Bancorp, Morristown, New Jersey, operates eight offices, all located in Mercer County in central New Jersey. An application to establish another branch in Mercer County is currently pending. Horizon Bancorp's one other bank subsidiary is American National Bank and Trust of New Jersey, Montclair, New Jersey ("American"), with total resources of $481,109,000 and total IPC deposits of $359,357,000.

Mid-Jersey operates four offices in Woodbridge Township, Middlesex County, in northeastern New Jersey. Woodbridge Township is a part of the New York, New York-Northeastern New Jersey Standard Consolidated Area and is within easy commuting distance of New York City.

The proposed transaction would have its most direct and immediate effects in Woodbridge Township and those communities in Union and Middlesex Counties which are contiguous to Woodbridge Township and located north of the Raritan River and south of the Rahway River. The population of this local market was 291,973 in 1970, representing a 12.4 percent increase since 1960. In this market, 14 banks maintain 51 offices holding aggregate IPC deposits of $442,370,000. Mid-Jersey holds 5.2 percent of these IPC deposits, the ninth largest share, while Princeton and its affiliate, American, are not represented.* The ninth largest bank in the State holds 22.4 percent of IPC deposits in the market and four banks hold 51.8 percent of such deposits. Following the proposed transaction, Princeton would acquire Mid-Jersey's minor share of the market.

New Jersey law provides for statewide branching except in communities having fewer than 10,000 residents and containing the main office of another bank. It is considered likely that either Princeton or American would enter the relevant market through *de novo* branching. Mid-Jersey is not considering further expansion through *de novo* branching because of the costs involved in relation to its size. While some potential competition would be eliminated by the proposal, it should be noted that the resulting bank will hold a small share of a market in which competition is intense with numerous alternatives for banking services available.

For these reasons, it appears that the approval of the transaction would not eliminate significant existing or potential competition between the proponents, nor would it affect the structure of commercial banking in any relevant area. The Board of Directors, therefore, has concluded that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Both banks have acceptable financial and managerial resources and the proposed transaction should have no adverse effect on these resources. Future prospects appear favorable.

*Convenience and Needs of the Community to be Served.* Following consummation of the proposed transaction, Princeton will offer trust services not presently offered by Mid-Jersey to its customers. Additionally, services provided by Horizon Bancorp and its non-bank subsidiaries will be made available.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

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*The nearest offices of Princeton and American are, respectively, approximately 25 miles and 15 miles distant from the nearest offices of Mid-Jersey with numerous banking offices intervening.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **The Sanwa Bank of California** San Francisco, California (change title to Golden State Sanwa Bank) | 250,349 | 8 | 19 |
| *to merge with* **Golden State Bank** Downey | 132,036 | 11 | |

Summary report by Attorney General, August 15, 1977

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation approval, December 27, 1977

The Sanwa Bank of California, San Francisco, California ("Sanwa Bank"), an insured State nonmember bank with total resources of $250,349,000 and total IPC deposits of $173,002,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the FDIC's consent to merge with Golden State Bank, Downey, California ("Golden State"), an insured State nonmember bank with total resources of $132,036,000 and total IPC deposits of $100,213,000. The transaction would be consummated under the charter of Sanwa Bank and with the title "Golden State Sanwa Bank." The 11 offices of Golden State would be operated as branches of Sanwa Bank, increasing the number of its offices to 19.

*Competition.* Sanwa Bank operates a total of eight offices. Its main office is in San Francisco. In addition, it has offices in Los Angeles County, San Jose, Oakland, and Sacramento. Except for directors' qualifying shares, Sanwa Bank is a wholly owned subsidiary of The Sanwa Bank, Ltd., Osaka, Japan.

Golden State operates 11 offices. Nine of these offices are located in Los Angeles County and the remaining two are in the northern portion of adjacent Orange County.

The proposed merger would have its most direct and immediate impact in Los Angeles County. Sanwa Bank has one office in downtown Los Angeles and three other offices to the west and southwest of the downtown area. Golden State operates nine offices to the east and southeast of downtown Los Angeles. The population of Los Angeles County was 7,036,881 in 1970, having increased 16.5 percent between 1960 and 1970. The metropolitan area has a widely diversified economy with notable concentrations in the electronics, aerospace, petroleum, and entertainment industries and a rapidly growing volume of foreign trade. Area growth is continuing, although at a slower pace than in the 1960s.

A total of 83 commercial banks, including the State's 10 largest, operate 1,125 offices in Los Angeles County. Golden State represents the 17th largest commercial bank with 0.4 percent of the IPC deposits held by offices operating in the county. Sanwa represents the 22nd largest institution with a 0.2 percent market share. Holding a 0.6 percent market share, the resultant bank would represent the market's 15th largest commercial bank. Los Angeles County is dominated by the State's largest banks and the two largest together control over 54 percent of the market's commercial bank IPC deposits. While some existing competition would be eliminated as a result of the proposed merger, this effect would not be significant.

Under California law, commercial banks may branch *de novo* statewide. Sanwa could be expected both to expand in Los Angeles County and enter Orange County *de novo* should this proposal be denied. Golden State also is a viable competitor and could be expected to expand in the future. Therefore, there is some potential for the development of increased competition between the proponents. In view of their relative sizes, however, and the large number of potential competitors which would remain if this merger is consummated, the elimination of potential competition which would result from the proposal is not significant.

Based on the foregoing, the Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

*Financial and Managerial Resources; Future Prospects.* Both banks have satisfactory financial and managerial resources, as would the resultant bank. The future prospects for the resultant bank are favorable.

*Convenience and Needs of the Community to be Served.* Consummation of this proposed transaction would have no perceptible effect in the trade area now being served by either bank due to the substantial number of banking alternatives available. The resultant bank plans to continue the services presently offered by Golden State and to add international banking services.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

Effective January 1, 1977, Florida banking statutes were changed to allow county-wide branching. As a result, the Corporation approved the following 22 merger applications involving affiliates of the same holding company in Florida, which, although they did not involve a "phantom bank," were essentially corporate reorganizations having no effect on competition. In each instance, the Attorney General's report stated that the proposed transaction would have no effect on competition. The Corporation's basis for approval in each case stated that all factors required to be considered pertinent to the application were favorably resolved.

*Barnett Bank of Pensacola,* Pensacola, Florida; offices: 2; resources: 79,047 ($000); to merge with *Barnett Bank of North Pensacola,* Escambia County (P.O. Pensacola); offices: 1; resources: 8,463 ($000). Approved: August 8.

*Citizens Bank of Palm Beach County,* West Palm Beach, Florida; offices: 1; resources: 32,943 ($000); to merge with *First Forest Hill Bank of Palm Beach County,* Palm Beach; offices: 1; resources: 6,662 ($000). Approved: August 8.

*Barnett Bank of Daytona Beach,* Daytona Beach, Florida; offices: 1; resources: 18,923 ($000); to merge with *Barnett Bank at Ormond Beach,* Ormond Beach; offices: 1; resources: 25,269 ($000). Approved: August 22.

*Barnett Bank of Tallahassee,* Tallahassee, Florida; offices: 2; resources: 76,853 ($000); to merge with *Barnett Bank of Tallahassee North,* Tallahassee; offices: 1; resources: 13,216 ($000). Approved: August 22.

*First Bank and Trust,* Boynton Beach, Florida (change title to *First Bank and Trust,* Palm Beach County); offices: 2; resources: 87,279 ($000); to merge with *First Bank, Delray Beach, Florida,* Delray Beach; offices: 2; resources: 11,824 ($000); and *First Bank West,* Palm Beach County (P.O. Lake Worth); offices: 1; resources: 8,698 ($000). Approved: September 9.

*Atlantic Bank of Conway,* Orlando, Florida (change title to *Atlantic Bank of Orlando*); offices: 1; resources: 8,179 ($000); to merge with *Atlantic National Bank of Winter Park,* Winter Park; offices: 1; resources: 20,363 ($000); and *Atlantic Bank of Orlando,* Orlando; offices: 1; resources: 24,510 ($000); and *Atlantic Bank of West Orlando,* Orlando; offices: 1; resources: 11,972 ($000). Approved: September 20.

*First Citrus Bank of Indian River County,* Vero Beach, Florida; offices: 1; resources: 59,624 ($000); to merge with *First Westside Bank of Vero Beach,* Vero Beach; offices: 1; resources: 8,596 ($000). Approved: September 30.

*Sun Bank of St. Lucie County,* Fort Pierce, Florida; offices: 3; resources: 74,223 ($000); to merge with *Sun Bank of Fort Pierce,* Fort Pierce; offices: 1; resources: 13,473 ($000). Approved: October 25.

*Sun Bank of Miami,* Miami, Florida; offices: 2; resources: 36,561 ($000); to merge with *Sun Bank of West Dade,* Dade County (P.O. Miami); offices: 1; resources: 9,821 ($000); and *Sun Bank of Riverside,* Miami; offices: 2; resources: 77,960 ($000); and *Sun Bank of Coral Gables,* Coral Gables; offices: 1; resources: 24,348 ($000); and *Sun Bank of Midtown,* Miami; offices: 2; resources: 25,850 ($000); and *Sun Bank of Bal Harbour, National Association,* Bal Harbour; offices: 1; resources: 70,591 ($000). Approved: October 25.

*Barnett Bank of Plantation,* Plantation, Florida (change title to *Barnett Bank of Broward County*); offices: 2; resources: 42,382 ($000); to merge with *Barnett Bank of Fort Lauderdale,* Fort Lauderdale; offices: 2; resources: 37,198 ($000); and *Barnett Bank of Port Everglades,* Fort Lauderdale; offices: 1; resources: 6,445 ($000); and *Barnett Bank of Riverland,* Fort Lauderdale; offices: 1; resources: 12,275 ($000); and *Barnett Bank of Jacaranda,* Broward County (P.O. Plantation): offices: 1; resources: 19,028 ($000); and *Barnett Bank of West Hollywood*; Hollywood; offices: 1; resources: 15,277 ($000); and *Barnett Bank of Hollywood,* Hollywood; offices: 3; resources: 105,119 ($000). Approved: October 25.

*Florida Coast Bank of Pompano Beach,* Pompano Beach, Florida; offices: 1; resources: 82,765 ($000); to merge with *Florida Coast Bank of Lighthouse Point,* Lighthouse Point; offices: 2; resources: 43,133 ($000); and *Florida Coast Bank of Oceanside,* Pompano Beach; offices: 1; resources: 27,217 ($000). Approved: October 25.

*Sun Bank and Trust Company of St. Petersburg,* St. Petersburg, Florida; offices: 1; resources: 59,656 ($000); to merge with *Sun Coast Bank of St. Petersburg,* St. Petersburg; offices: 2; resources: 13,648 ($000). Approved: October 25.

*ComBank/Casselberry,* Casselberry, Florida (change title to *ComBank/Seminole County*); offices: 1; resources: 35,329 ($000); to merge with *ComBank/Longwood,* Longwood; offices: 1; resources: 9,313 ($000). Approved: November 14.

*Sun Bank of Volusia County*,Daytona Beach, Florida; offices: 2; resources: 56,277 ($000); to merge with *Sun Bank of Holly Hill,* Holly Hill; offices: 1; resources: 19,589 ($000); and *Sun Bank of Daytona Beach Shores,* Daytona Beach Shores; offices: 1; resources: 12,625 ($000). Approved: November 14.

*Flagship Bank of Haines City,* Haines City, Florida (change title to *Flagship Bank of Polk County*); offices: 1; resources: 27,779 ($000); to merge with *Flagship Bank of Lake Alfred,* Lake Alfred; offices: 1; resources: 15,022 ($000); and *Daven-*

*port Flagship Bank,* Davenport; offices: 1; resources: 4,689 ($000). Approved: November 14.

*First Marine Bank & Trust Company of the Palm Beaches,* Riviera Beach, Florida; offices: 2; resources: 88,859 ($000); to merge with *First Marine Bank of Palm Beach Gardens,* Palm Beach Gardens; offices: 1; resources: 15,190 ($000); and *First Marine National Bank,* Palm Springs; offices: 1; resources: 25,706 ($000); and *First Marine Bank of Boca Raton,* Boca Raton; offices: 1; resources: 11,049 ($000). Approved: November 14.

*Barnett Bank at Sebring,* Sebring, Florida (change title to *Barnett Bank of Highlands County*); offices: 1; resources: 68,366 ($000); to merge with *Barnett Bank of Lake Placid,* Highlands County (P.O. Lake Placid); offices: 1; resources: 7,770 ($000). Approved: November 14.

*Barnett Bank of West Palm Beach,* West Palm Beach, Florida (change title to *Barnett Bank of Palm Beach County*); offices: 1; resources: 33,157 ($000); to merge with *Barnett Bank of Palm Springs,* Palm Beach County (P.O. Lake Worth); offices: 1; resources: 15,018 ($000); and *Barnett Bank of West Lake Worth, National Association,* Palm Beach County (P.O. Lake Worth); offices: 1; resources: 9,817 ($000). Approved: November 14.

*Barnett Bank of West Delray Beach,* Palm Beach County (P.O. Delray Beach), Florida (change title to *Barnett Bank of Delray Beach);* offices: 1; resources: 19,668 ($000); to merge with *Barnett Bank of Delray Beach, National Association,* Delray Beach; offices: 2; resources: 53,349 ($000). Approved: November 30.

*Barnett Bank of Anastasia Island,* St. Augustine, Florida (change title to *Barnett Bank of St. Johns County*); offices: 1; resources: 9,602 ($000); to merge with *Barnett Bank of St. Augustine, National Association,* St. Augustine; offices: 2; resources: 39,562 ($000); Approved: November 30.

*Landmark Bank of Tampa,* Tampa, Florida; offices: 2; resources: 70,385 ($000); to merge with *Landmark Bank of North Tampa,* Hillsborough County (P.O. Tampa); offices: 1; resources: 10,242 ($000). Approved: November 30.

*Community Bank of Seminole,* Seminole, Florida (change title to *Community Bank of Pinellas County*); offices: 4; resources: 91,444 ($000); to merge with *Community Bank of St. Petersburg,* St. Petersburg; offices: 2; resources: 18,434 ($000); and *Community Bank of Largo,* Largo; offices: 3; resources: 24,679 ($000); and *Community Bank of Northside,* St. Petersburg; offices: 2; resources: 15,263 ($000); and *Community Bank of Clearwater,* Clearwater; offices: 2; resources: 17,554 ($000); and *Community Bank of Countryside,* Clearwater; offices: 2; resources: 8,597 ($000); and *Community Bank of Redington,* Redington Shores; offices: 1; resources: 8,851 ($000). Approved: December 16.

The Corporation approved the following 27 applications involving corporate reorganizations, including 22 in connection with the acquisitions of banks by holding companies, which had no competitive effect. In each instance, the Attorney General's report stated that the proposed transaction would have no effect on competition. The Corporation's basis for approval in each case stated that the proposed transaction would not, per se, change the competitive structure of banking, nor affect the banking services that the (operating) bank has provided in the past, and that all other factors required to be considered pertinent to the application were favorably resolved.

*First Security Bank of Grand Blanc,* Grand Blanc, Michigan; offices: 2; resources: 16,939 ($000); to consolidate with *GBB Bank,* Grand Blanc, in organization; offices: 0; resources: 120 ($000). Approved: February 15.

*Mountain View Bank,* American Fork, Utah; offices: 1; resources: 5,461 ($000); to merge with *New Mountain View Bank,* American Fork, in organization; offices: 0; resources: 0. Approved: March 1.

*State Bank of Lehi,* Lehi, Utah; offices: 1; resources: 13,963 ($000); to merge with *New State Bank of Lehi,* Lehi, in organization; offices: 0; resources: 0. Approved: March 1.

*Bank of Pleasant Grove,* Pleasant Grove, Utah; offices: 1; resources: 20,373 ($000); to merge with *New Bank of Pleasant Grove,* Pleasant Grove, in organization; offices: 0; resources: 0. Approved: March 1.

*Nacogdoches Road Bank,* San Antonio, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *Northern Hills Bank of San Antonio,* San Antonio; offices: 1; resources: 8,108 ($000). Approved: March 4.

*Hanover Bank & Trust Company,* Hanover, New Hampshire; offices: 1; resources: 9,061 ($000); to merge with *First United Bank,* Hanover, in organization; offices: 0; resources: 0. Approved: March 14.

*Depositors Trust Company,* Augusta, Maine; offices: 58; resources: 235,385 ($000); to acquire the assets and assume the liabilities of *Depositors Corporation,* Augusta; offices: 0; resources: 31,416 ($000). Approved: April 19.

*Old Stone Bank,* Providence, Rhode Island; offices: 34; resources: 955,263 ($000); to acquire the assets and assume the liabilities of *Old Stone Mortgage and Realty Trust,* Providence; offices: 1; resources: 29,484 ($000). Approved: April 19.

*East Dallas Bank,* Dallas, Texas; offices: 1; resources: 29,960 ($000); to merge with *New East Dallas Bank,* Dallas, in organization; offices: 0; resources: 200 ($000). Approved: April 25.

*West Main State Bank,* Baytown, Texas, in organization; offices: 0; resources: 100 ($000); to merge with and change title to *Peoples State Bank,* Baytown; offices: 1; resources: 34,778 ($000). Approved: May 17.

*Mid Michigan Bank,* Gladwin, Michigan; offices: 4; resources: 42,999 ($000); to consolidate with *State Bank of Harrison and Gladwin,* Gladwin, in organization; offices: 0; resources: 120 ($000). Approved: May 31.

*Calder Avenue State Bank,* Beaumont, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *Beaumont State Bank,* Beaumont; offices: 2; resources: 53,847 ($000). Approved: May 31.

*Hawkeye Bank and Trust,* Burlington, Iowa; offices: 6; resources: 67,292 ($000); to merge with *Burlington Bank Realty Company,* Burlington; offices: 0; resources: 624 ($000). Approved: June 27.

*Houston County Bank,* Ashford, Alabama, in organization; offices: 0; resources: 100 ($000); to merge with *The Farmers & Merchants Bank,* Ashford (change title to *The Farmers & Merchants Bank of Ashford);* offices: 2; resources: 9,965 ($000). Approved: August 11.

*Denver Savings Bank,* Denver, Iowa; offices: 1; resources: 9,144 ($000); to merge with *Denver Realty Company, Inc.,* Denver; offices: 0; resources: 70 ($000). Approved: August 22.

*Peoples Bank & Trust Company,* Wilmington, Delaware; offices: 5; resources: 23,816 ($000); to merge with *Peoples Corporation,* Wilmington, in organization; offices: 0; resources: 0.1 ($000). Approved: September 12.

*Carroll Bank,* Hillsville, Virginia, in organization; offices: 0; resources: 0; to merge with and change title to *Bank of Carroll,* Hillsville; offices: 1; resources: 7,641 ($000). Approved: September 19.

*Josey State Bank,* Carrollton, Texas, in organization; offices: 0; resources: 75 ($000); to merge with and change title to *First Bank & Trust,* Carrollton; offices: 1; resources: 16,371 ($000). Approved: October 12.

*Second American State Bank,* Lubbock, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *American State Bank,* Lubbock; offices: 1; resources: 175,693 ($000). Approved: October 19.

*Bank of Gassaway,* Gassaway, West Virginia; offices: 1; resources: 25,893 ($000); to merge with *Community Investment Company, Inc.,* Gassaway; offices: 0; resources: 1,219 ($000). Approved: November 14.

*The Village Bank of Aurora,* Aurora, Ohio; offices: 2; resources: 10,379 ($000); to merge with *A-V Bank Company,* Aurora, in organization; offices: 0; resources: 502 ($000). Approved: November 21.

*Allied Addicks Bank,* Addicks, Texas, in organization; offices: 0; resources: 50 ($000); to merge with *Addicks Bank,* Addicks; offices: 1; resources: 12,553 ($000). Approved: November 22.

*Allied Hillcroft Bank,* Houston, Texas, in organization; offices: 0; resources: 200 ($000); to merge with *Hillcroft Bank,* Houston; offices: 1; resources: 14,213 ($000). Approved: November 22.

*Allied Gulf Coast Bank,* Winnie, Texas, in organization; offices: 0; resources: 50 ($000); to merge with *Gulf Coast State Bank,* Winnie; offices: 1; resources; 23,082 ($000). Approved: November 22.

*United California Bank,* Los Angeles, California; offices: 279; resources: 8,415,967 ($000); to merge with *Westac, Inc.,* Los Angeles, in organization; offices: 0; resources: 7 ($000). Approved: December 15.

*Walker Bank and Trust Company,* Salt Lake City, Utah; offices: 28; resources: 558,038 ($000); to merge with *Waltac, Inc.,* Salt Lake City, in organization; offices: 0; resources: 1 ($000). Approved: December 15.

*Meyerland Bank of Commerce,* Houston, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *Meyerland Bank,* Houston; offices: 1; resources: 31,617 ($000). Approved: December 20.

## BANK ABSORPTIONS DENIED BY THE CORPORATION

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Alpena Savings Bank**<br>Alpena, Michigan | 84,216 | 8 | 10 |
| *to consolidate with*<br>**Hillman State Bank**<br>Hillman | 6,047 | 2 | |

Summary report by Attorney General, December 30, 1976

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation denial, May 23, 1977

Alpena Savings Bank, Alpena, Michigan, a State nonmember insured bank with total resources of $84,216,000 and total IPC deposits of $68,029,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to consolidate under its charter and title with Hillman State Bank, Hillman, Michigan, a State nonmember insured bank with total resources of $6,047,000 and total IPC deposits of $5,177,000, and to establish the two offices of the latter as branches of the resultant bank.

*Competition.* Alpena Savings Bank operates six offices in Alpena County, with its main office and four branches in the city of Alpena and its suburbs and one branch located in Hubbard Lake, approximately 13 miles southwest of Alpena. In addition, it operates a branch in Harrisville, 31 road-miles southeast of Alpena, and in Lincoln, 27 road-miles south of Alpena, both of which are located in Alcona County. Alpena Savings Bank is the 63rd largest of Michigan's commercial banks, with 0.22 percent of their total deposits.

Hillman State Bank has its main office in the village of Hillman, which is located in the extreme eastern portion of Montmorency County, and it operates a branch in the unincorporated village of Lachine in Green Township, Alpena County. These offices are located, respectively, 24 road-miles and 15 road-miles west of Alpena.

The proponents are located in a sparsely populated portion of Michigan's Lower Peninsula. The economy of the area is primarily based upon agriculture, although the city of Alpena has developed a diversified industrial base. Alpena is the commercial and financial center for much of the area. With a 1970 population of 13,805, it was the only community within a 100-mile radius with a population exceeding 6,350.

The primary trade area of Alpena Savings Bank is represented by that area within a 25-mile radius of Alpena and comprises Alpena County and adjacent eastern Presque Isle, northeastern Alcona and eastern Montmorency Counties. This area is essentially coextensive with Alpena Savings Bank's legal branching area. The population of this area is estimated to have been 39,100 in 1970, representing a 7.3 percent increase from 1960. Three commercial banks operate within this area. Their 17 area offices held, at June 30, 1976, a total of $120 million IPC deposits. Alpena Savings Bank represented the area's largest bank, with 51.8 percent of the commercial bank IPC deposits, and Hillman State Bank represented the smallest bank, with 4.4 percent of such deposits. The remaining 43.8 percent of the deposits was held by Peoples Bank and Trust of Alpena.

Hillman State Bank has a primary trade area which consists of the villages of Hillman and Lachine and that area lying within a distance of approximately 18 road-miles of either of the two. This would include the Alpena metropolitan area to the east and the villages of Posen to the north and Atlanta to the southwest. The economy of the market, with the exception of the city of Alpena, is primarily agricultural and Alpena provides employment for a significant number of the market's rural residents. Four commercial banks operate in this market. The 14 area offices of these banks held, at June 30, 1976, $104 million IPC deposits. Controlling 45.1 percent and 5.0 percent of these deposits, respectively, Alpena Savings Bank and Hillman State Bank had the market's second and third largest shares. Peoples Bank and Trust of Alpena had the market's largest share with 47.8 percent of the deposits. Lewiston State Bank's Atlanta office held the remaining 2.1 percent of the market's deposits. The proponents are in direct competition in this market area and the resultant bank would have 50.1 percent of the IPC deposits, representing the largest share. Moreover, after the proposed transaction, two banks would control 97.9 percent of the market's commercial bank IPC deposits.

The primary trade area of Hillman State Bank is substantially overlapped by that of Alpena Savings Bank. Upon consummation of the proposed transaction, Alpena Savings Bank would acquire an enlarged primary trade area. Within this market, Alpena Savings Bank would emerge as the largest commercial bank with 55.2 percent of the IPC deposits. As a result of the elimination of Hillman State Bank, Peoples Bank and Trust Company would remain as the only significant competitor. Lewiston State Bank, at its Atlanta office located 40 road-miles west of Alpena, would hold merely

1.8 percent of this enlarged market's commercial bank IPC deposits.

There appears to be no significant potential for competition to increase between the proponents through their future *de novo* branching. Hillman State Bank does not have financial or managerial resources to facilitate such expansion, while Alpena Savings Bank would be unlikely to find the Hillman-Lachine area attractive for *de novo* expansion due to the area's sparse population and lack of prospects for significant economic expansion, in the foreseeable future. Increased competition between the proponents could occur, however, if Hillman State Bank were acquired by either a bank other than Alpena Savings Bank or a holding company. Such an acquisition may result in the eventual erosion of the current market domination by Alpena Savings Bank and Peoples Bank and Trust of Alpena and, from a competitive standpoint, would be preferable to the proposed consolidation.

The proposed consolidation, if consummated, would: (1) eliminate significant existing competition between Alpena Savings Bank and Hillman State Bank, (2) increase substantially the deposit concentration in the relevant markets, and (3) reduce from four to three the number of banking sources available to residents of the market area. On the basis of the foregoing, and in consideration of the standards established by the Supreme Court in cases involving horizontal mergers of banks which compete in the same local market, the Board of Directors is of the opinion that the proposed transaction would "substantially lessen competition" within the relevant area.

*Financial and Managerial Resources; Future Prospects.* The financial and managerial resources of Alpena Savings Bank are satisfactory. Hillman State Bank has recently experienced significant deterioration in the quality of its assets. Furthermore, the bank has a problem with top management, with its president serving only on a temporary basis. This problem is not insurmountable, however, and may be solved by means other than the proposal. Future prospects of the resultant bank would be favorable.

*Convenience and Needs of the Community to be Served.* An increased lending limit would be available as a result of the proposal and would be of convenience to a few of the borrowers in the local market of Hillman State Bank. In addition, an interest rate of 5 percent on Hillman State Bank's 90-day passbook accounts would be increased to 5.5 percent and the 10-percent rate charged on residential mortgage loans would be decreased to 9 percent or 9.25 percent. These added conveniences, however, do not, in the opinion of the Board, outweigh the adverse competitive effects of the proposed transaction.

The Board of Directors, accordingly, believes that the application should be, and it hereby is, denied.

Statement upon reconsideration, July 28, 1977

Alpena Savings Bank, Alpena, Michigan, a State nonmember insured bank with total resources of $84,216,000 and total IPC deposits of $68,029,000, was denied, on May 23, 1977, the FDIC's prior approval to consolidate with Hillman State Bank, Hillman, Michigan, a State nonmember insured bank with total resources of $6,047,000 and total IPC deposits of $5,177,000. Alpena Savings Bank and Hillman State Bank subsequently petitioned the FDIC to reconsider its denial. The FDIC's Board of Directors, having reconsidered its earlier decision, affirms its denial with the following additional statement.

The Board of Directors concluded in its original decision that the proposed transaction would, if consummated: (1) eliminate significant existing competition between Alpena Savings Bank and Hillman State Bank, (2) increase substantially the deposit concentration in the relevant market, and (3) reduce from four to three the number of banking sources available to the residents of the market area. Based on these conclusions and on the standards established by the Supreme Court in cases involving horizontal mergers of banks already competing in the same local market, the Board of Directors was of the opinion that the proposed transaction would "substantially lessen competition" within the relevant local banking market.

In seeking reconsideration of the FDIC's previous denial, the proponents present no new facts which cast doubt upon the initial determination that the proposed transaction would result in substantially anticompetitive effects. Indeed, the proponents do not question this conclusion. Instead, they argue that such adverse competitive consequences are outweighed by the convenience and needs of the market served.

The standards applied by the FDIC in passing upon consolidation applications are set forth in the Bank Merger Act of 1966 (12 U.S.C. Section 1828(c)) which provides that the FDIC shall not approve a consolidation transaction:

> whose effect in any section of the country may be substantially to lessen competition . . . unless it finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served.

Accordingly, where substantial anticompetitive effects may result from a proposed consolidation, the FDIC is obligated under the act to balance such anticompetitive effects with the benefits which are likely to arise out of the consolidation and to approve the transaction only where such benefits "clearly" outweigh the foreseen anticompetitive effects.

In support of their application, the proponents present four arguments as to why the proposed transaction would benefit the convenience and needs of the community. First, the proponents argue that new capital is necessary to improve Hillman State Bank's deteriorated asset condition and such capital is not available from the populace of the community of Hillman. Second, the proponents contend Hillman State Bank cannot compete with the larger banks in Alpena and as a result, the bank is losing customers. If the proposed transaction is consummated, services such as trust services, computer services, credit card services, daily interest on savings accounts, and larger lending limits would be available to the customers of Hillman State Bank. Third, the proponents contend that no less anticompetitive alternatives are available. The only two banks, outside those located in Alpena, which, under Michigan law, could consolidate with Hillman State Bank do not have adequate resources to effect such a consolidation. Also, according to the proponents, Alpena is an attractive city for holding company entry and the Alpena banks are often approached by holding companies as prospective purchasers. For this reason, no holding company would acquire the Hillman State Bank. To do so, the proponents argue, would foreclose the acquiring holding company from subsequently acquiring either of the Alpena banks due to the resulting anticompetitive effect. Also, as a result of Michigan banking law, if a holding company acquired Hillman State Bank it would be prevented from branching into the Alpena area, which is the economic center of the relevant market area. Lastly, the proponents argue that Hillman State Bank faces serious management succession problems.

The Bank Merger Act permits application of the convenience and needs defense where merger is necessary either to avoid the risk of bank failure, to solve management problems, or to provide essential services not previously offered by banks in the community. At the same time, none of these benefits can justify a merger when a less anticompetitive solution is available (*United States* v. *Third National Bank in Nashville,* 390 U.S. 171, 189 (1968)). The convenience and needs defense also does not justify an anticompetitive merger where the benefit is simply to create a larger bank to serve the needs of larger customers (*United States* v. *Phillipsburg National Bank,* 399 U.S. 350, 369-72 (1970)).

While Hillman State Bank has experienced a deterioration in the quality of its assets, it is not likely the bank will fail absent the proposed consolidation. Also, the proponents have stated that when the citizens of Hillman "go to town" they go to Alpena. So, any new services that would be provided by the consolidation are already conveniently available to the residents of Hillman. Hillman State Bank does have a management succession problem. The bank admits, however, it did not try to find a new executive officer, although it does state that it now has started seeking applicants for the position in case the proposed transaction is not allowed. Finally, Hillman State Bank admits that it only sought a consolidation with the Alpena banks and that it never approached any other potential purchasers.

In the light of the foregoing, the FDIC adheres to its original conclusion and finds nothing in the record to warrant a conclusion that the proposed transaction would result in the realization of significant public benefit. Therefore, the FDIC's Board of Directors again concludes that approval of the proposed consolidation of Hillman State Bank with Alpena Savings Bank is not warranted and should be denied.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **Essex County Bank and Trust Company**<br>Lynn, Massachusetts | 170,707 | 15 | 17 |
| *to acquire the assets and assume the liabilities of* | | | |
| **The Marblehead Bank and Trust Company**<br>Marblehead | 10,180 | 2 | |

Summary report by Attorney General, May 17, 1977

Both parties maintain offices in Swampscott. As of February 10, 1977, Applicant drew $15.6 million or 9.2 percent of its total deposits and $7.4 million or 6 percent of its total loans from Swampscott. During the same period, Bank drew $900,000 or 11 percent of its total deposits and $318,900 or 4.1 percent of its total loans from Swampscott. As of February 10, 1977, Applicant also drew $24.9 million or 17.3 percent of its total deposits and $18.8 million or 16.8 percent of the total loans from Bank's service area. For the same period, Bank drew $1.7 million or 20.5 percent of the total deposits and $4.6 million or 20 percent of total loans from communities where Applicant maintains offices. Therefore, consummation of the proposed merger would eliminate direct competition between the participants.

There are 45 commercial and mutual savings banks in Essex County operating a total of 144 branches and 189 offices. As of June 30, 1976, these institutions held total deposits of $3 billion. Applicant ranks 6th in terms of total deposits with 7 percent of the county market and Bank ranks 41st in terms of total deposits with .002 percent of the market. Consummation of the proposed merger would result in a negligible increase in Applicant's market share in Essex County, and slightly increase concentration. As of June 30, 1976, there were 14 commercial banks operating in the 10-community service area of Applicant and Bank. In this market, Applicant ranked first with 32.3 percent of the total commercial bank IPC time deposits and Bank ranked ninth with a 2 percent share. Consummation of the proposed merger would increase Applicant's market share to 34.3 percent, slightly increasing concentration. Additionally, there are a total of 16 thrift institutions, with third-party payment powers (NOW accounts), operating in the combined relevant service area. In terms of total IPC deposit figures for both commercial banks and thrift institutions, Applicant maintains a 7.9 percent market share and Bank has a .5 percent market share. Once again, consummation of the proposed merger would increase Applicant's market share to 8.4 percent, thereby slightly increasing concentration.

Massachusetts banking law permits branching and *de novo* entry. Branches may be established in the same city as a bank's principal office and in other towns in the same county having no or inadequate banking facilities. Given Applicant's size, proximity to Bank's service area, its historical proclivity for *de novo* entry as its means of expansion into new markets, and its present predisposition to enter Bank's market, it is clearly a likely *de novo* entrant into the latter's market. *De novo* entry, rather than the proposed merger, would preserve the existence of a small yet viable competitor in the marketplace. There is no evidence that Bank is in a position or predisposed to expand into Applicant's service area.

Overall, the proposed merger would have some adverse competitive consequences.

Basis for Corporation denial, July 28, 1977

Essex County Bank and Trust Company, Lynn, Massachusetts ("Essex Bank"), an insured State nonmember bank with total resources of $170,707,000 and total IPC deposits of $137,958,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets and assume the liabilities of The Marblehead Bank and Trust Company, Marblehead, Massachusetts ("Marblehead Bank"), an insured State nonmember bank with total assets of $10,180,000 and total IPC deposits of $8,760,000. Incident to the transaction, the 2 offices of Marblehead Bank would be established as branches of the resultant bank, which would commence operations with a total of 17 offices.

*Competition.* Essex Bank has its 15 offices in northeastern Massachusetts: its main office and 13 branches in the city of Lynn and 5 neighboring communities in southern Essex County and 1 branch in the central-eastern portion of the county. Essex County had a population of 637,887 in 1970, representing a 12.1 percent increase during the preceding decade, and a 1975 median household buying level of $14,636 which exceeded the statewide median level by 3.5 percent.

Marblehead Bank operates its two offices some 2.5 miles apart in Marblehead, a southern Essex County community. Marblehead lies adjacent to the community of Swampscott, within which Essex Bank maintains two branches.

The primary market of Marblehead Bank is the area located within approximately 5 miles of the bank's main office or branch, thus comprising Marblehead, Salem, and Swampscott and adjacent portions of Peabody, Danvers, Beverly, and the eastern third of the city of Lynn. These communities, with the exception of Lynn, are primarily residential with above-average income levels and expanding populations. Many of their employed residents commute to the Boston area, 10 to 20 miles to the southwest. Lynn, formerly a prosperous shoe and textile city, has suffered depressed economic conditions for many years. Its population declined approximately 4.5 percent during the 1960s and its 1975 median household buying level of $11,968 was 15.3 percent below the comparable statewide level.

Marblehead Bank is 1 of 10 commercial banks represented in the relevant market. Marblehead Bank has the eighth largest share, 3.0 percent, of the IPC deposits held at the 31 area offices of such banks. Essex Trust has its main office and seven branches within this market and holds 34.8 percent, the largest share, of the area commercial bank IPC deposits. Upon consummation of the proposed transaction, Essex Trust's market share would increase to 37.8 percent. There is significant existing competition between the two banks which the proposed transaction would eliminate. The proponents have offices only 0.8 miles apart and a recent analysis of the proponents accounts indicates that Essex Bank draws 73.2 percent of its deposits from the seven communities in which 79.7 percent of Marblehead Bank's deposits originate.

Massachusetts law permits countywide *de novo* branching by commercial banks. Marblehead Bank has financial and managerial problems and would be unlikely to consider such expansion. Essex Trust also has experienced financial difficulties. Essex Trust, however, has established three branches within the past 5 years. As recently as 1974 Essex Trust evidenced interest in acquiring additional representation within the relevant area, and when its capital and earnings improve, it may be expected to open additional *de novo* branches in the market. Thus, there is a potential for increased competition between the proponents through their future *de novo* branching which the proposed transaction would eliminate.

The proposed transaction, if consummated, would: (1) eliminate significant existing competition between Essex Bank and Marblehead Bank, (2) increase substantially the deposit concentration in the relevant market, and (3) eliminate a potential for the development of increased competition in the relevant market area. In view of the foregoing, and in consideration of the standards established by the Supreme Court in cases involving horizontal mergers of banks which compete in the same local market, the Board of Directors is of the opinion that the proposed transaction would "substantially lessen competition" within the relevant area.

*Financial and Managerial Resources; Future Prospects.* Although the managerial resources and future prospects of Essex Bank appear to be satisfactory, its capital is statistically low and it has a history of low net earnings. Increased growth can be expected to place additional pressure on Essex Bank's capital and the proposed transaction would require a cash payout at a time when additional capital is needed. Furthermore, Essex Bank has an excessive investment in fixed assets. It would be unwise, at this time, to permit it to acquire Marblehead Bank, which has significant asset problems.

These financial considerations lead to the conclusion that Essex Bank should expend its efforts to strengthen its own financial resources and to bolster its earnings performance rather than to expand by acquisition. Accordingly, it is the view of the Board of Directors that financial considerations lend weight toward denial of the application.

*Convenience and Needs of the Community to be Served.* No change in the services presently available at numerous commercial bank offices in the relevant market would result from consummation of the proposed transaction.

In the light of the foregoing, the Board of Directors has concluded that the application by Essex Bank for consent to its acquisition of Marblehead Bank should be denied.

| | Resources (in thousands of dollars) | Banking offices in operation | |
|---|---|---|---|
| | | Before | After |
| **The Peoples Bank and Trust Company** Tupelo, Mississippi | 149,867 | 18 | 19 |
| *to merge with* **Baldwyn State Bank** Baldwyn | 5,451 | 1 | |

Summary report by Attorney General, March 31, 1977

Lee County, in which Applicant maintains its main office and 10 of its branch offices, is located in northeastern Mississippi. Its population increased from 40,600 in 1960 to 46,100 in 1970, an increase of approximately 13 percent; the population of Tupelo, the county seat and only city in Lee County, increased from 17,200 to 20,500 in the same period, an increase of approximately 18 percent. The population of Prentiss County, which abuts Lee County to the north grew from 18,000 to 20,000 during that period, an increase of 11 percent. The economy of the area is primarily agricultural. According to the application industrial output has been increasing, and the economic prospects for the area are bright.

Bank is one of two banks located in Baldwyn (population approximately 2,400). Bank's sole office is located approximately 20 miles north of Applicant's main office in Tupelo, 5 miles north of Applicant's Guntown (population approximately 300) office in Lee County, and 11 miles south of Applicant's three offices in Booneville (population approximately 5,900), the county seat of Prentiss County. All four towns are located on a major highway, U.S. 45.

Applicant maintains the only banking office in Guntown, and three of the six banking offices in Booneville, where it holds the largest share of local deposits. Thus, Applicant is the major competitor in the towns immediately north and south of Bank. There are 29 individuals, partnerships, and corporations which have deposits or loans or both at Applicant and Bank. These common customers had deposits of $259,230 at Applicant (0.2 percent of its IPC deposits) and $153,425 at Bank (3.8 percent of its IPC deposits), and loans of $66,350 at Applicant (0.8 percent of its loans) and $67,825 at Bank (3.04 percent of its loans). It is evident that the proposed merger will eliminate direct competition between Applicant and Bank.

Six banks operate a total of 37 offices in Lee and Prentiss Counties, the approximate area of effective competition between Applicant and Bank. Banking is highly concentrated in this market. As of June 30, 1976, Applicant controlled 41.4 percent of the area's commercial bank deposits, the largest share; Bank of Mississippi controlled 32.6 percent, the second largest share; and First Citizens National Bank controlled 17.4 percent, the third largest share. Thus, the two largest banks controlled 74 percent of the area's deposits, and the three largest controlled 91 percent. Bank controlled 1.6 percent of the area's deposits as of the same date. If the proposed merger is consummated, the two largest banks in Lee and Prentiss Counties would control over three-fourths of the area's commercial bank deposits, and the number of independent banks there would be reduced from six to five.

Deposits at Applicant's Guntown and Booneville offices have recently exhibited favorable growth trends. According to the application, deposits at its Guntown office increased 4.5 percent and 20.14 percent in 1975 and 1976, respectively, and deposits at its Booneville branches increased from 4.6 percent to 10.1 percent annually since 1973. Bank's deposits increased by $2.6 million in 1975 and $1.6 million in 1976 (an increase of 54.5 percent). It is thus apparent that the area is capable of supporting the successful operation of both banks. Moreover, we note that according to the application, Bank's interest rates for certain types of loans are somewhat lower than Applicant's (the application states that the loan rates after the proposed merger will be similar to Applicant's, which would entail an increase for certain of Bank's loan rates). This apparent effort to compete aggressively for loans may have contributed to Bank's growth during the short time it has been operating.

We conclude that the proposed merger will have an adverse effect upon competition, and we urge the Corporation to deny the application.

Basis for Corporation denial,
November 22, 1977

The Peoples Bank and Trust Company, Tupelo, Mississippi ("Peoples Bank"), a State nonmember insured bank with total resources of $149,867,000 and total IPC deposits of $119,112,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with Baldwyn State Bank, Baldwyn, Mississippi, a State nonmember insured bank with total resources of $5,451,000 and total IPC deposits of $4,271,000. Peoples Bank has applied also to establish the sole office of Baldwyn State Bank as a branch of the resultant bank.

*Competition.* Peoples Bank operates 18 offices in northeastern Mississippi. It has its main office and nine branches in Lee County, three branches in Prentiss County, three in Clay County, and two in Pontotoc County. Its main office is located in the city of Tupelo. As of December 31, 1976, Peoples Bank was the eighth largest commercial bank in Mississippi, holding 2.0 percent of total commercial bank deposits.

Baldwyn State Bank was established in 1974 and operates its sole office in Baldwyn, a town straddling the Prentiss County-Lee County boundary. Baldwyn is located approximately 20 miles north of Tupelo. Since its opening, Baldwyn State Bank has been a profitable institution and a viable competitor.

The primary trade area of Baldwyn State Bank is represented by that area within 12 road-miles of Baldwyn. This market is composed of southern Prentiss County as far north as Boonesville, sparsely populated northeastern Union County, and northern Lee County as far south as Saltillo. In this market, 5 commercial banks operate a total of 12 offices. This market area had a 1970 population of approximately 24,650, which represents an increase of 10 percent over 1960. Of commercial bank IPC deposits aggregating $59,961,000 held on June 30, 1976, by these offices, Baldwyn State Bank had the fourth largest share, 5.5 percent. Peoples Bank held the largest share of these deposits, 54.3 percent, at its five offices located in the market area. Of the offices of Peoples Bank located in this market, three are in Boonesville, 11 road-miles north of Baldwyn.. Also, one is in Guntown and one is in Saltillo. Guntown and Saltillo are located, respectively, 5 road-miles and 11 road-miles south of Baldwyn. The communities of Boonesville, Guntown, and Saltillo are connected with Baldwyn by U.S. Highway 45, the major north-south thoroughfare in the area. Due to the proximity of the five offices of Peoples Bank to the single office of Baldwyn State Bank and the market deposit shares held by the two banks, significant existing competition between the banks would be eliminated by approval of the proposed merger. In addition, upon consummation of the proposed transaction, the number of competing banks represented in this expanding market would be reduced from five to four. Moreover, Peoples Bank would emerge from the transaction operating 6 of the area's 12 banking offices and controlling 59.8 percent of the area's commercial bank IPC deposits. Therefore, substantial market concentration also will result.

The legal branching areas of the applying banks overlap to a considerable degree; however, there appears to be no significant potential for competition to increase between them through their *de novo* expansion in the future. In the relevant market of Baldwyn State Bank, the only community of significant population presently open for *de novo* entry by either proponent is Boonesville. Peoples Bank, however, has three of the six offices now operating in this community and would likely find it unattractive for further expansion. Baldwyn State Bank, for its part, would be unlikely to enter Boonesville to compete directly with the three commercial banks presently established therein.

The proposed merger, if consummated, would: (1) eliminate significant existing competition between the applying banks, (2) increase substantially the deposit concentration in the relevant market, and (3) reduce from five to four the number of banking alternatives available to residents of the market area. On the basis of the foregoing, and in consideration of the standards established by the Supreme Court in cases involving horizontal mergers of banks which compete in the same local market, the Board of Directors is of the opinion that the proposed transaction would "substantially lessen competition" within the relevant area.

*Financial and Managerial Resources; Future Prospects.* The financial and managerial resources of the applying banks are satisfactory, and each has favorable future prospects. The future prospects of the resultant bank would also be favorable.

*Convenience and Needs of the Community to be Served.* Approval of the proposed merger would result in no new services to residents of the market area. The services, including availability of a trust department and larger loan limits, that would be offered by the resultant bank are available at the nearby offices of Peoples Bank. The application for merger indicates that the loan rates of Peoples Bank would be used by the resultant bank. Such action would apparently result in slight increases in the charges for some types of loans. Moreover, approval of the proposal would result in a lessening of the commercial banking alternatives available in this market.

The Board of Directors, accordingly, believes that the application should be, and it hereby is, denied.

## REGULATIONS AND LEGISLATION
## PART FOUR

## LEGISLATION — 1977

**Depository Institutions Amendments of 1977 Act.** The Depository Institutions Amendments of 1977 Act, Public Law 95-22, has three titles. Title I extended until December 15, 1977, the flexible Regulation Q authority of the Federal financial regulatory agencies to establish ceilings on rates paid by financial institutions on time and savings deposits. (The expiration date was extended again later in the year to December 15, 1978.) Title II of the act extended until October 1, 1977, the authority of Federal Reserve Banks to deal directly with the Treasury in the purchase and sale of obligations of the United States; that authority was extended until May 1, 1978, by Public Law 95-154. Title III enlarged significantly the powers of Federal credit unions, primarily by raising dollar limits and extending maturities on loans, secured and unsecured. The most important of these changes now permits real estate loans with maturities of up to 30 years. The previous maturity limit on these loans was 10 years.

**Fair Debt Collection Practices Act.** Public Law 95-109 added Title VIII, Fair Debt Collection Practices Act, to the Consumer Credit Protection Act, which becomes effective on March 20, 1978. The stated purpose of this act is to protect consumers from unfair, harassing, and deceptive debt collection practices without imposing unnecessary restrictions on ethical debt collectors. A debt collector may not seek location information about a consumer debtor from a third person after he knows that the debtor has counsel. In most cases, the collector may not communicate with the debtor at an unusual time or place. The collector may not use false or misleading representations in connection with collection, and he may be held liable in damages if he does so. Also, if he brings suit, the collector must sue the debtor where he resides, where he signed the contract sued on, or where any real estate securing the debt may be located. The Federal Trade Commission has primary administrative enforcement responsibility under this act, but the bank regulatory agencies have enforcement powers for banks subject to their primary jurisdiction that collect debts for other banks which are the principal creditors.

**Community Reinvestment Act.** The Community Reinvestment Act of 1977, Title VIII of the Housing and Community Development Act of 1977, Public Law 95-128, directs the Federal financial supervisory agencies to take into account a financial institution's record of meeting the credit needs of communities it serves, including low- and moderate-income neighborhoods, when it considers any application for a national charter, deposit insurance, the establishment or relocation of a branch, or a merger or consolidation or the acquisition of the shares of assets of financial institutions. The agencies are required to issue regulations to implement the act by November 1978. Title VII of the same act repealed the prohibition on loans by federally regulated financial institutions secured by property in areas with special flood hazards if the community is not participating in the flood insurance program, substituting a requirement that the lender notify property owners whether Federal disaster relief will be available to such property if a flood occurs.

**Tax and Loan Accounts Bill.** Public Law 95-147, the Tax and Loan Accounts Bill, authorizes the Secretary of the Treasury to invest excess cash in interest-bearing obligations of federally insured banks, savings and loan associations, and credit unions. Up until this time, only commercial banks could hold tax and loan accounts (as demand deposits). By permitting the conversion of this type of deposit liability into short-term borrowings, the general statutory prohibition on paying interest on demand deposits does not apply. This legislation also repealed a 1933 Joint Resolution declaring that contractual provisions calling for the payment of an obligation in gold or any particular kind of currency, or in an amount of money measured thereby, were against public policy. This restores the enforceability of these so-called gold clauses in domestic contracts entered into on and after October 28, 1977.

**Public Law 95-188.** Title I of Public Law 95-188 extended Regulation Q authority for a year until December 15, 1978. Title II provides for congressional oversight hearings on monetary and credit policies, for Senate confirmation of future Federal Reserve Chairmen and Vice-Chairmen, and for increased numbers of Federal Reserve Bank directors representing the public. Title III amended the Bank Holding Company Act to authorize the Board of Governors to grant an extension of the time period within which a regulated financial institution must dispose of shares acquired as security for a debt previously contracted and to provide for expedited approvals in failing bank situations.

## RULES AND REGULATIONS

**Rules of practice and procedures (Part 308).** On November 14, 1977, the FDIC adopted rules (sections 308.50-.58) providing hearing procedures and standards for individuals suspended or prohibited from participating in the affairs of insured State nonmember banks. The FDIC has authority under section 8(g) of the Federal Deposit Insurance Act to suspend or prohibit from participation in the affairs of an insured State nonmember bank any officer, director, or other person who is charged with a felony involving dishonesty or breach of trust. The new rules were intended to make available to such persons specific procedures for hearings in such cases and were designed to meet constitutional due process requirements.

**Privacy Act (Part 310).** Part 310 was amended to permit an individual whose request for records under the Privacy Act is initially denied to appeal the denial to the FDIC's Board of Directors. Also, the FDIC's "systems of records" were revised and two new systems of records were added ("Municipal Securities Principals and Representatives System" and "Medical Records and Emergency Contact Information System").

**Government in the Sunshine Act (Part 311).** Part 311, implementing the requirements of the Government in the Sunshine Act, became effective on March 12, 1977. The objective of the act and of Part 311 is to provide the public with the fullest practicable information about the decision-making process of the agency consistent with protecting the rights of individuals and the ability of the FDIC to carry out its responsibilities. Under the Government in the Sunshine Act, meetings or portions of meetings of the FDIC's Board of Directors must be open to the public unless the information to be discussed comes within the act's exemptions and the necessity for closing the meeting outweighs the public interest in having an open meeting. Among the act's exemptions are information contained in or related to bank examination, condition, or operation reports; information the premature disclosure of which would significantly endanger the stability of a financial institution; and privileged or confidential commercial or financial information.

**Interest on deposits (Part 329).** Part 329 was amended to provide that "banking companies" in Massachusetts are to be treated as mutual savings banks for purposes of interest rate regulation. Only two such banks operate in Massachusetts.

Part 329 was also amended, effective July 6, 1977, to allow payment of 7-3/4 percent interest on Individual Retirement Account and Keogh Plan deposits with 3-year minimum maturities. This is the highest rate of interest that may be paid on any kind of deposit obligation of less than $100,000 by any federally regulated financial institution, including thrift institutions.

The FDIC temporarily suspended premature withdrawal penalties on time deposits (section 329.4(d)) for flood victims in certain areas of Pennsylvania, Missouri, and Kansas. The suspensions gave victims of the flood disasters ready access to their time deposit funds for reconstruction and similar purposes. Each insured nonmember bank was given the discretion to decide whether or not to allow such penalty-free withdrawals. In the case of the Pennsylvania flood disaster, the suspension was made retroactive to July 21, 1977, and expires on January 31, 1978. In the case of the Missouri and Kansas flood disasters, the suspensions were made retroactive to September 14, 1977, and September 20, 1977, respectively, and expire on March 31, 1978.

Section 329.4(d) was also amended, effective April 13, 1977, to permit premature withdrawal of that portion of a depositor's time deposit funds which become uninsured as the result of the merger of two insured banks. In other words, a depositor who had a $40,000 time deposit in *each* of two merged insured banks could withdraw $40,000 from the combined $80,000 time deposit in the resulting bank before maturity of the deposit, and without any penalty, if he notifies the bank of his intentions to do so within one year of the merger.

On April 19, 1977, the FDIC decided *not* to adopt an amendment to Part 329 proposed in March 1976 which would have prohibited insured nonmember banks from paying interest on pooled time deposits of $100,000 or more at a rate in excess of existing rate ceilings established for time deposits of less than $100,000. Opposition to the proposal focused on the view that it would be unfair to small depositors. Because of this and concern that the proposal, if adopted, might prove difficult to enforce, the FDIC decided against adopting the proposed amendment.

**Deposit insurance coverage (Parts 330, 331).** Under the FDIC insurance regulations, the deposit accounts of a corporation are insured up to $40,000 in any one insured bank. On February 15, 1977, the FDIC adopted amendments to its insurance regulations designed to apply this same rule to deposit accounts of any registered investment company, even if that company is organized in some noncorporate form. Specifically, for deposit insurance purposes, the FDIC will treat as a corporation any trust or other business arrangement registered, or required to be registered, with the Securities and Exchange Commission as an investment company under the Investment Company

FEDERAL DEPOSIT INSURANCE COVERAGE
PER DEPOSITOR 1934-1977

| Amount (each insured bank) | Effective date |
|---|---|
| $ 2,500 | January 1, 1934 |
| 5,000 | July 1, 1934 |
| 10,000 | September 21, 1950 |
| 15,000 | October 16, 1966 |
| 20,000 | December 23, 1969 |
| 40,000 | November 27, 1974 |
| 100,000 - Time and savings deposits of government units (except state and local government deposits held in out-of-state banks) | November 27, 1974 |

Act of 1940. The amendments do not cover trusts that are not subject to registration under that act, such as employees' pension and profit-sharing trusts; charitable trusts, and common trust funds maintained by bank trust departments.

The amendments were intended to clarify the extent of insurance coverage on deposits of certain business trusts and other entities which may be viewed as *de facto* corporations because of their public ownership and business objectives. Some confusion had existed as to whether such deposits are insured according to each individual investor's beneficial interest in the trust or, alternatively, according to the aggregate deposits held by the trust in each insured bank.

**Securities of insured State nonmember banks.** On March 3, 1977, the FDIC amended Part 335 to revise quarterly disclosure requirements for insured State nonmember banks that have registered securities subject to the registration, reporting, and proxy provisions of the Securities Exchange Act of 1934. The amendments were intended to render the Corporation's requirements regarding quarterly disclosure of interim results in financial reports substantially similar to comparable reporting requirements of the SEC.

On April 5, 1977, the FDIC adopted a new regulation (Part 342) dealing with applications for a stay or review by the FDIC of certain actions taken by registered bank clearing agencies that clear securities transactions. Part 342 implements the requirements of the Securities Act Amendments of 1975.

On May 27, 1977, the FDIC released for comment a revision of a previously proposed regulation (Part 340). The revised regulation would establish minimum standards for the use of offering circulars and the disclosure of material facts in connection with the public issuance of securities by insured State nonmember banks. The proposed regulation would require that offerings of bank securities meeting certain specified criteria be accomplished through the use of an offering circular filed with the Corporation which conforms to the requirements set forth in the regulation.

As part of its continuing responsibility to enforce compliance with applicable statutes and rules by insured State nonmember banks that act as municipal securities dealers, the FDIC adopted a new regulation (Part 343) prescribing the forms and method to be used by bank municipal securities dealers and their associated persons in complying with rules adopted by the Municipal Securities Rulemaking Board.

**Failure to file required reports.** Section 303.13 was amended to delegate to the General Counsel or his designee the authority to levy and collect civil penalties pursuant to section 7(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. section 1817(a)(1)). Section 7(a)(1) authorizes the FDIC to impose a penalty on any insured State nonmember bank that fails to file a timely Report of Condition, Report of Income, or other required report.

**Information requests.** Part 309 was revised, among other purposes, to simplify the procedures for allowing public access to information under the Freedom of Information Act and to clarify the delegated authority of the General Counsel and the Director of the Division of Bank Supervision to disclose confidential FDIC documents. Under the revised delegations of authority, disclosure of confidential information must generally be authorized by either the Chairman of the FDIC's Board of Directors or its Director of the Division of Bank Supervision. The authority of the General Counsel is generally limited to requests made in connection with administrative or judicial proceedings.

**Flood insurance.** Section 703 of Public Law 95-128 amended section 202(b) of the Flood Disaster Protection Act of 1973 and had the effect of revoking section 339.2 of the Corporation's regulations. Section 339.2 generally prohibited insured State nonmember banks from making, increasing, extending, or renewing any loans secured by improved real estate or a mobile home located in a designated flood hazard area if the community in which the property is located was not participating in the national flood insurance program. As required under the provisions of section 703 of Public Law 95-128, the FDIC amended its regulations to require insured State nonmember banks, as a condition of making, increasing, extending, or renewing any loan secured by improved real estate or a mobile home located in a designated flood hazard area, to notify the purchaser or lessee of the property as to whether Federal disaster relief assistance will be available for the property in the event the property is damaged by a flood during a federally declared disaster.

**Fair housing.** On October 7, 1977, the FDIC published for comment fair housing regulations pertaining to the home loan practices of insured State nonmember banks (Part 338). The proposed regulations would (1) establish recordkeeping requirements for insured State nonmember banks pertaining to home purchase and home improvement loans and (2) incorporate an amended version of the advertising and poster requirements contained in the policy statement on fair housing entitled "Nondiscrimination in Real Estate Loan Activities." The proposed regulations are intended to provide a basis for a more effective FDIC fair housing enforcement program.

**Truth-in-lending enforcement guidelines.** On October 21, 1977, the FDIC, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Home Loan Bank Board, and the National Credit Union Administration jointly published for comment proposed uniform enforcement guidelines with respect to the Truth in Lending Act and its regulations. The purpose of the guidelines is to provide the public with an indication of the criteria the financial supervisory agencies will apply in enforcing this act and its regulations. Consideration of uniform criteria was felt to be advisable because the guidelines would cut across jurisdictional lines.

STATISTICS OF BANKS
AND DEPOSIT INSURANCE
PART FIVE

## NUMBER OF BANKS AND BRANCHES

*Banks:* **Commercial banks** include the following categories of banking institutions:

National banks;

Incorporated State banks, trust companies, and bank and trust companies regularly engaged in the business of receiving deposits, whether demand or time, except mutual savings banks;

Stock savings banks, including guaranty savings banks in New Hampshire;

Industrial and Morris Plan banks which operate under general banking codes, or are specifically authorized by law to accept deposits and in practice do so, or the obligations of which are regarded as deposits for deposit insurance;

A regulated certificated bank in Georgia; government-operated banks in North Dakota and Puerto Rico; a savings institution, known as a "trust company," operating under special charter in Texas; the Savings Banks Trust Company in New York; the Savings Bank and Trust Company Northwest Washington in the State of Washington; and branches of foreign banks engaged in a general deposit business in Illinois, Massachusetts, New York, Oregon, Washington, Guam, Puerto Rico, and Virgin Islands;

Private banks under State supervision, and such other private banks as are reported by reliable unofficial sources to be engaged in deposit banking.

**Nondeposit trust companies** include institutions operating under trust company charters which are not regularly engaged in deposit banking but are engaged in fiduciary business other than that incidental to real estate title or investment activities.

**Mutual savings banks** include all banks operating under State banking codes applying to mutual savings banks.

**Institutions excluded.** Institutions in the following categories are excluded, though such institutions may perform many of the same functions as commercial and savings banks:

Banks that have suspended operations or have ceased to accept new deposits and are proceeding to liquidate their assets and pay off existing deposits;

Building and loan associations, savings and loan associations, credit unions, personal loan companies, and similar institutions, chartered under laws applying to such institutions or under general incorporation laws, regardless of whether such institutions are authorized to accept deposits from the public or from their members and regardless of whether such institutions are called "banks" (a few institutions accepting deposits under powers granted in special charters are included);

Morris Plan companies, industrial banks, loan and investment companies, and similar institutions except those mentioned in the description of institutions included;

Branches of foreign banks and private banks which confine their business to foreign exchange dealings and do not receive "deposits" as that term is commonly understood;

Institutions chartered under banking or trust company laws, but operating as investment or title insurance companies and not engaged in deposit banking or fiduciary activities;

Federal Reserve Banks and other banks, such as the Federal Home Loan Banks and the Savings and Loan Bank of the State of New York, which operate as rediscount banks and do not accept deposits except from financial institutions.

*Branches:* Branches include all offices of a bank other than its head office, at which deposits are received, checks paid, or money lent. Banking facilities separate from a banking house, banking facilities at government establishments, offices, agencies, paying or receiving stations, drive-in facilities, and other facilities operated for limited purposes are defined as branches under the Federal Deposit Insurance Act, section 3(o), regardless of the fact that in certain States, including several that prohibit the operation of branches, such limited facilities are not considered branches within the meaning of State law.

**Table 101.** CHANGES IN NUMBER AND CLASSIFICATION OF BANKS AND BRANCHES IN THE UNITED STATES (STATES AND OTHER AREAS) DURING 1977

| Type of change | All banks | | | Commercial banks and nondeposit trust companies | | | | | | | Mutual savings banks | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Insured | | | | Noninsured | | | | |
| | | | | | | Members F.R. System | | | | | | | |
| | Total | Insured | Non-insured | Total | Total | National | State | Not members F.R. System | Banks of deposit | Non-deposit trust companies[1] | Total | Insured | Non-insured |
| **ALL BANKING OFFICES** | | | | | | | | | | | | | |
| **Number of offices, December 31, 1977** | 50,692 | 49,808 | 884 | 47,911 | 47,506 | 22,285 | 5,610 | 19,611 | 306 | 99 | 2,781 | 2,302 | 479 |
| **Number of offices, December 31, 1976** | 48,653 | 47,857 | 796 | 46,100 | 45,732 | 21,459[2] | 5,695 | 18,578 | 278 | 90 | 2,553 | 2,125 | 428 |
| **Net change during year** | +2,039 | +1,951 | +88 | +1,811 | +1,774 | +826 | −85 | +1,033 | +28 | +9 | +228 | +177 | +51 |
| **Offices opened** | 2,522 | 2,415 | 107 | 2,264 | 2,211 | 1,283 | 146 | 782 | 41 | 12 | 258 | 204 | 54 |
| Banks | 206 | 157 | 49 | 206 | 157 | 39 | 17 | 101 | 38 | 11 | 0 | 0 | 0 |
| Branches | 2,316 | 2,258 | 58 | 2,058 | 2,054 | 1,244 | 129 | 681 | 3 | 1 | 258 | 204 | 54 |
| **Offices closed** | 483 | 469 | 14 | 452 | 441 | 245 | 70 | 126 | 9 | 2 | 31 | 28 | 3 |
| Banks | 169 | 159 | 10 | 163 | 153 | 83 | 4 | 66 | 8 | 2 | 6 | 6 | 0 |
| Branches | 314 | 310 | 4 | 289 | 288 | 162 | 66 | 60 | 1 | 0 | 25 | 22 | 3 |
| **Changes in classification** | 0 | +5 | −5 | −1 | +4 | −212 | −161 | +377 | −4 | −1 | +1 | +1 | 0 |
| Among banks | 0 | +3 | −3 | 0 | +3 | −38 | −21 | +62 | −2 | −1 | 0 | 0 | 0 |
| Among branches | 0 | +2 | −2 | −1 | +1 | −174 | −140 | +315 | −2 | 0 | +1 | +1 | 0 |
| **BANKS** | | | | | | | | | | | | | |
| **Number of banks, December 31, 1977** | 15,207 | 14,741 | 466 | 14,740 | 14,418 | 4,655 | 1,015 | 8,748 | 235 | 87 | 467 | 323 | 144 |
| **Number of banks, December 31, 1976** | 15,170 | 14,740 | 430 | 14,697 | 14,411 | 4,737 | 1,023 | 8,651 | 207 | 79 | 473 | 329 | 144 |
| **Net change during year** | +37 | +1 | +36 | +43 | +7 | −82 | −8 | +97 | +28 | +8 | −6 | −6 | 0 |
| **Banks beginning operation** | 206 | 157 | 49 | 206 | 157 | 39 | 17 | 101 | 38 | 11 | 0 | 0 | 0 |
| New banks | 195 | 157 | 38 | 195 | 157 | 39 | 17 | 101 | 33 | 5 | 0 | 0 | 0 |
| Banks added to count[3] | 11 | 0 | 11 | 11 | 0 | 0 | 0 | 0 | 5 | 6 | 0 | 0 | 0 |
| **Banks ceasing operation** | 169 | 159 | 10 | 163 | 153 | 83 | 4 | 66 | 8 | 2 | 6 | 6 | 0 |
| Absorptions, consolidations, and mergers | 161 | 158 | 3 | 155 | 152 | 82 | 4 | 66 | 3 | 0 | 6 | 6 | 0 |
| Closed because of financial difficulties | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other liquidations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Discontinued deposit operations | 4 | 1 | 3 | 4 | 1 | 1 | 0 | 0 | 3 | 0 | 0 | 0 | 0 |
| Banks deleted from count | 4 | 0 | 4 | 4 | 0 | 0 | 0 | 0 | 2 | 2 | 0 | 0 | 0 |
| **Noninsured banks becoming insured** | 0 | +3 | −3 | 0 | +3 | 0 | 0 | +3 | −2 | −1 | 0 | 0 | 0 |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Other changes in classification** | 0 | 0 | 0 | 0 | 0 | −38 | −21 | +59 | 0 | 0 | 0 | 0 | 0 |
| National succeeding State bank | 0 | 0 | 0 | 0 | 0 | +6 | −1 | −5 | 0 | 0 | 0 | 0 | 0 |
| State succeeding national bank | 0 | 0 | 0 | 0 | 0 | −44 | +1 | +43 | 0 | 0 | 0 | 0 | 0 |
| Admission of insured bank to F.R. System | 0 | 0 | 0 | 0 | 0 | 0 | +5 | −5 | 0 | 0 | 0 | 0 | 0 |
| Withdrawal from F.R. System with continued insurance | 0 | 0 | 0 | 0 | 0 | 0 | −26 | +26 | 0 | 0 | 0 | 0 | 0 |
| Insured bank becoming noninsured bank | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mutual savings bank converted to commercial bank | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Changes not involving number in any class** | | | | | | | | | | | | | |
| Change in title | 273 | 263 | 10 | 268 | 258 | 85 | 15 | 158 | 9 | 1 | 5 | 5 | 0 |
| Change in location | 25 | 25 | 0 | 25 | 25 | 10 | 1 | 14 | 0 | 0 | 0 | 0 | 0 |
| Change in title and location | 7 | 7 | 0 | 7 | 7 | 2 | 2 | 3 | 0 | 0 | 0 | 0 | 0 |
| Change in name of location | 12 | 12 | 0 | 12 | 12 | 3 | 1 | 8 | 0 | 0 | 0 | 0 | 0 |
| Change in location within city | 226 | 220 | 6 | 220 | 216 | 71 | 3 | 142 | 2 | 2 | 6 | 4 | 2 |
| **Change in corporate powers** | | | | | | | | | | | | | |
| Granted trust powers | 65 | 65 | 0 | 63 | 63 | 0 | 0 | 63 | 0 | 0 | 2 | 2 | 0 |
| **BRANCHES** | | | | | | | | | | | | | |
| **Number of branches, December 31, 1977[4]** | **35,485** | **35,067** | **418** | **33,171** | **33,088** | **17,630** | **4,595** | **10,863** | **71** | **12** | **2,314** | **1,979** | **335** |
| **Number of branches, December 31, 1976[4]** | **33,483** | **33,117** | **366** | **31,403** | **31,321** | **16[2]** | **4,672** | **9,927** | **71** | **11** | **2,080** | **1,796** | **284** |
| **Net change during year** | **+2,002** | **+1,950** | **+52** | **+1,768** | **+1,767** | **+908** | **−77** | **+936** | **0** | **+1** | **+234** | **+183** | **+51** |
| **Branches opened for business** | **2,316** | **2,258** | **58** | **2,058** | **2,054** | **1,244** | **129** | **681** | **3** | **1** | **258** | **204** | **54** |
| Facilities designated by Treasury | 3 | 3 | 0 | 3 | 3 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Absorbed bank converted to branch | 144 | 144 | 0 | 139 | 139 | 85 | 4 | 50 | 0 | 0 | 5 | 5 | 0 |
| Branch replacing head office relocated | 40 | 40 | 0 | 39 | 39 | 16 | 2 | 21 | 0 | 0 | 1 | 1 | 0 |
| New branches | 1,959 | 1,930 | 29 | 1,739 | 1,736 | 1,029 | 115 | 592 | 2 | 1 | 220 | 194 | 26 |
| Branches and/or facilities added to count[3] | 170 | 141 | 29 | 138 | 137 | 111 | 8 | 18 | 1 | 0 | 32 | 4 | 28 |
| **Branches discontinued** | **314** | **310** | **4** | **289** | **288** | **162** | **66** | **60** | **1** | **0** | **25** | **22** | **3** |
| Facilities designated by Treasury | 3 | 3 | 0 | 3 | 3 | 2 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Branches | 270 | 267 | 3 | 247 | 246 | 140 | 53 | 53 | 1 | 0 | 23 | 21 | 2 |
| Branches and/or facilities deleted from count | 41 | 40 | 1 | 39 | 39 | 20 | 13 | 6 | 0 | 0 | 2 | 1 | 1 |
| **Other changes in classification** | **0** | **+2** | **−2** | **−1** | **+1** | **−174** | **−140** | **+315** | **−2** | **0** | **+1** | **+1** | **0** |
| Branches changing class as a result of conversion | 0 | 0 | 0 | 0 | 0 | −161 | +5 | +156 | 0 | 0 | 0 | 0 | 0 |
| Branches of noninsured banks admitted to insurance | 0 | +2 | −2 | 0 | +2 | 0 | 0 | +2 | −2 | 0 | 0 | 0 | 0 |
| Branches transferred through absorption, consolidation, or merger | 0 | 0 | 0 | −1 | −1 | −13 | −6 | +18 | 0 | 0 | +1 | +1 | 0 |
| Branches of insured banks withdrawing from F.R.S. | 0 | 0 | 0 | 0 | 0 | 0 | −139 | +139 | 0 | 0 | 0 | 0 | 0 |
| **Changes not involving number in any class** | | | | | | | | | | | | | |
| Changes in operating powers of branches | 4 | 4 | 0 | 4 | 4 | 3 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Branches transferred through absorption, consolidation, or merger | 116 | 110 | 6 | 116 | 100 | 59 | 6 | 35 | 0 | 0 | 10 | 10 | 0 |
| Changes in title, location, or name of location | 507 | 504 | 3 | 507 | 465 | 244 | 37 | 184 | 0 | 0 | 42 | 39 | 3 |

[1] Includes noninsured nondeposit trust companies, members of the Federal Reserve System.
[2] Revised.
[3] Banks or branches opened prior to 1977 but not included in count as of December 31, 1976.
[4] Includes facilities established at the request of the Treasury or commanding officer of government installations, and also a few seasonal branches.

**Table 102.** CHANGES IN NUMBER OF COMMERCIAL BANKS AND BRANCHES IN THE UNITED STATES (STATES AND OTHER AREAS) DURING 1977, BY STATE

| State | In operation | | | | Net change during 1977 | | Beginning operation in 1977 | | | | Ceasing operation in 1977 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31, 1977 | | Dec. 31, 1976 | | | | Banks | | Branches | | Banks | | Branches | |
| | Banks | Branches | Banks | Branches | Banks | Branches | New | Other | New | Other | Absorptions | Other | Branches | Other |
| **Total United States** | **14,740** | **33,171** | **14,697** | **31,402[1]** | **+43** | **+1,769** | **195** | **11** | **1,877** | **181** | **155** | **8** | **247** | **42** |
| **50 States and D.C.** | **14,710** | **32,890** | **14,671** | **31,119** | **+39** | **+1,771** | **192** | **8** | **1,873** | **180** | **154** | **7** | **241** | **41** |
| **Other areas** | **30** | **281** | **26** | **283** | **+4** | **–2** | **3** | **3** | **4** | **1** | **1** | **1** | **6** | **1** |
| **States** | | | | | | | | | | | | | | |
| Alabama | 310 | 509 | 303 | 484 | +7 | +25 | 7 | 0 | 28 | 0 | 0 | 0 | 3 | 0 |
| Alaska | 12 | 106 | 12 | 98 | NA | +8 | 0 | 0 | 10 | 0 | 0 | 0 | 2 | 0 |
| Arizona | 25 | 465 | 24 | 458 | +1 | +7 | 1 | 0 | 11 | 0 | 0 | 0 | 4 | 0 |
| Arkansas | 262 | 353 | 261 | 341 | +1 | +12 | 2 | 0 | 14 | 0 | 0 | 1 | 1 | 1 |
| California | 235 | 3,778 | 225 | 3,696 | +10 | +82 | 15 | 0 | 103 | 6 | 4 | 1 | 21 | 6 |
| Colorado | 372 | 64 | 359 | 56 | +13 | +8 | 11 | 2 | 10 | 0 | 0 | 0 | 2 | 0 |
| Connecticut | 72 | 577 | 72 | 572 | 0 | +5 | 1 | 0 | 8 | 1 | 1 | 0 | 4 | 0 |
| Delaware | 19 | 143 | 18 | 142 | +1 | +1 | 1 | 0 | 3 | 0 | 0 | 0 | 2 | 0 |
| District of Columbia | 16 | 133 | 16 | 131 | NA | +2 | 0 | 0 | 3 | 0 | 0 | 0 | 1 | 0 |
| Florida | 686 | 507 | 757 | 226 | –71 | +281 | 7 | 0 | 206 | 79 | 78 | 0 | 4 | 0 |
| Georgia | 441 | 752 | 442 | 718 | –1 | +34 | 1 | 0 | 42 | 3 | 2 | 0 | 8 | 3 |
| Hawaii | 11 | 158 | 11 | 156 | NA | +2 | 0 | 0 | 3 | 0 | 0 | 0 | 1 | 0 |
| Idaho | 24 | 215 | 24 | 211 | 0 | +4 | 1 | 0 | 3 | 1 | 1 | 0 | 0 | 0 |
| Illinois | 1,270 | 306 | 1,255 | 233 | +15 | +73 | 17 | 0 | 73 | 3 | 1 | 1 | 3 | 0 |
| Indiana | 409 | 995 | 408 | 948 | +1 | +47 | 1 | 0 | 54 | 2 | 0 | 0 | 8 | 1 |
| Iowa | 656 | 509 | 659 | 421 | –3 | +88 | 0 | 0 | 86 | 5 | 3 | 0 | 3 | 0 |
| Kansas | 616 | 208 | 616 | 169 | 0 | +39 | 1 | 0 | 37 | 3 | 1 | 0 | 1 | 0 |
| Kentucky | 344 | 606 | 343 | 560 | +1 | +46 | 1 | 0 | 47 | 1 | 0 | 0 | 1 | 1 |
| Louisiana | 254 | 670 | 254 | 634 | 0 | +36 | 1 | 0 | 44 | 2 | 1 | 0 | 7 | 3 |
| Maine | 43 | 297 | 43 | 291 | NA | +6 | 0 | 0 | 8 | 0 | 0 | 0 | 1 | 1 |
| Maryland | 108 | 812 | 113 | 783 | –5 | +29 | 0 | 0 | 30 | 6 | 5 | 0 | 6 | 1 |
| Massachusetts | 148 | 927 | 148 | 928 | 0 | –1 | 0 | 2 | 14 | 0 | 2 | 0 | 13 | 2 |
| Michigan | 362 | 1,704 | 360 | 1,633 | +2 | +71 | 3 | 0 | 77 | 1 | 1 | 0 | 7 | 0 |
| Minnesota | 754 | 76 | 752 | 57 | +2 | +19 | 2 | 0 | 22 | 0 | 0 | 0 | 1 | 2 |
| Mississippi | 185 | 604 | 184 | 577 | +1 | +27 | 4 | 0 | 25 | 3 | 3 | 0 | 1 | 0 |
| Missouri | 719 | 372 | 711 | 339 | +8 | +33 | 5 | 3 | 33 | 3 | 0 | 0 | 2 | 1 |
| Montana | 160 | 21 | 158 | 18 | +2 | +3 | 2 | 0 | 3 | 0 | 0 | 0 | 0 | 0 |
| Nebraska | 458 | 177 | 456 | 98 | +2 | +79 | 2 | 0 | 79 | 0 | 0 | 0 | 0 | 0 |
| Nevada | 8 | 119 | 8 | 113 | NA | +6 | 0 | 0 | 6 | 0 | 0 | 0 | 0 | 0 |
| New Hampshire | 79 | 126 | 79 | 119 | 0 | +7 | 1 | 0 | 8 | 0 | 0 | 1 | 1 | 0 |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| New Jersey | 188 | 1,498 | 195 | 1,461[2] | –7 | +37 | 3 | 0 | 37 | 10 | 10 | 0 | 6 | 4 |
| New Mexico | 84 | 216 | 83 | 210 | +1 | +6 | 1 | 0 | 6 | 0 | 0 | 0 | 0 | 0 |
| New York | 295 | 3,313 | 277 | 3,265[1] | +18 | +48 | 24 | 0 | 125 | 4 | 4 | 2 | 69 | 12 |
| North Carolina | 90 | 1,654 | 92 | 1,621 | –2 | +33 | 0 | 0 | 42 | 2 | 2 | 0 | 10 | 1 |
| North Dakota | 173 | 110 | 171 | 94 | +2 | +16 | 4 | 0 | 14 | 2 | 2 | 0 | 0 | 0 |
| Ohio | 487 | 1,827 | 490 | 1,739 | –3 | +88 | 2 | 0 | 83 | 6 | 5 | 0 | 1 | 0 |
| Oklahoma | 483 | 175 | 475 | 104 | +8 | +71 | 8 | 1 | 71 | 0 | 1 | 0 | 0 | 0 |
| Oregon | 55 | 495 | 48 | 478 | +7 | +17 | 7 | 0 | 23 | 0 | 0 | 0 | 6 | 0 |
| Pennsylvania | 387 | 2,360 | 392 | 2,324 | –5 | +36 | 0 | 0 | 45 | 5 | 5 | 0 | 13 | 1 |
| Rhode Island | 17 | 225 | 17 | 224 | NA | +1 | 0 | 0 | 2 | 0 | 0 | 0 | 1 | 0 |
| South Carolina | 88 | 629 | 90 | 607 | –2 | +22 | 0 | 0 | 22 | 2 | 2 | 0 | 2 | 0 |
| South Dakota | 158 | 137 | 157 | 129 | +1 | +8 | 1 | 0 | 7 | 1 | 0 | 0 | 0 | 0 |
| Tennessee | 348 | 910 | 348 | 814 | 0 | +96 | 3 | 0 | 98 | 8 | 3 | 0 | 10 | 0 |
| Texas | 1,382 | 176 | 1,363 | 157 | +19 | +19 | 20 | 0 | 16 | 3 | 0 | 1 | 0 | 0 |
| Utah | 73 | 229 | 67 | 209 | +6 | +20 | 8 | 0 | 18 | 2 | 2 | 0 | 0 | 0 |
| Vermont | 31 | 145 | 30 | 142 | +1 | +3 | 2 | 0 | 3 | 1 | 1 | 0 | 1 | 0 |
| Virginia | 280 | 1,255 | 284 | 1,211 | –4 | +44 | 4 | 0 | 44 | 8 | 8 | 0 | 7 | 1 |
| Washington | 96 | 766 | 91 | 722 | +5 | +44 | 7 | 0 | 42 | 3 | 2 | 0 | 1 | 0 |
| West Virginia | 227 | 51 | 222 | 49 | +5 | +2 | 5 | 0 | 4 | 0 | 0 | 0 | 2 | 0 |
| Wisconsin | 628 | 427 | 630 | 347 | –2 | +80 | 2 | 0 | 80 | 4 | 4 | 0 | 4 | 0 |
| Wyoming | 82 | 3 | 78 | 2 | +4 | +1 | 4 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| **Other areas** | | | | | | | | | | | | | | |
| Pacific Islands | 1 | 26 | 1 | 29 | 0 | –3 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 0 |
| Canal Zone | 0 | 2 | 0 | 2 | 0 | NA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Puerto Rico | 23 | 229 | 18 | 226 | +5 | +3 | 3 | 3 | 3 | 1 | 1 | 0 | 1 | 0 |
| Virgin Islands | 6 | 24 | 7 | 26 | –1 | –2 | 0 | 0 | 1 | 0 | 0 | 1 | 2 | 1 |

[1] Revised.
[2] Does not include one commercial branch that transferred to an insured mutual savings bank.
NA—No activity.

**TABLE 103.** NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1977
BANKS GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

| State and type of bank or office | All banks | | | Commercial banks and nondeposit trust companies | | | | | | | Mutual savings banks | | | Percentage insured[1] | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Insured | Non-insured | Total | Insured | | | | Noninsured | | Total | Insured | Non-insured | All banks of deposit | Commercial banks of deposit | Mutual savings banks |
| | | | | | Total | Members F.R. System | | Non-members F.R. System | Banks of deposit[2] | Non-deposit trust companies[3] | | | | | | |
| | | | | | | National | State | | | | | | | | | |
| **United States—all offices** | **50,692** | **49,808** | **884** | **47,911** | **47,506** | **22,285** | **5,610** | **19,611** | **306** | **99** | **2,781** | **2,302** | **479** | **98.3** | **99.2** | **82.8** |
| Banks | 15,207 | 14,741 | 466 | 14,740 | 14,418 | 4,655 | 1,015 | 8,748 | 235 | 87 | 467 | 323 | 144 | 96.9 | 97.8 | 69.2 |
| *Unit Banks* | *8,747* | *8,422* | *325* | *8,679* | *8,384* | *2,427* | *509* | *5,448* | *216* | *79* | *68* | *38* | *30* | *96.3* | *96.6* | *55.9* |
| *Banks operating branches* | *6,460* | *6,319* | *141* | *6,061* | *6,034* | *2,228* | *506* | *3,300* | *19* | *8* | *399* | *285* | *114* | *97.8* | *99.6* | *71.4* |
| Branches[4] | 35,485 | 35,067 | 418 | 33,171 | 33,088 | 17,630 | 4,595 | 10,863 | 71 | 12 | 2,314 | 1,979 | 335 | 98.8 | 99.7 | 85.5 |
| **50 States & D.C.—all offices** | **50,381** | **49,541** | **840** | **47,600** | **47,239** | **22,232** | **5,610** | **19,397** | **264** | **97** | **2,781** | **2,302** | **479** | **98.3** | **99.2** | **82.8** |
| Banks | 15,177 | 14,726 | 451 | 14,710 | 14,403 | 4,654 | 1,015 | 8,734 | 222 | 85 | 467 | 323 | 144 | 97.0 | 97.9 | 69.2 |
| *Unit banks* | *8,730* | *8,416* | *314* | *8,662* | *8,378* | *2,426* | *509* | *5,443* | *207* | *77* | *68* | *38* | *30* | *96.4* | *96.7* | *55.9* |
| *Banks operating branches* | *6,447* | *6,310* | *137* | *6,048* | *6,025* | *2,228* | *506* | *3,291* | *15* | *8* | *399* | *285* | *114* | *97.9* | *99.6* | *71.4* |
| Branches[4] | 35,204 | 34,815 | 389 | 32,890 | 32,836 | 17,578 | 4,595 | 10,663 | 42 | 12 | 2,314 | 1,979 | 335 | 98.9 | 99.8 | 85.5 |
| **Other Areas—all offices** | **311** | **267** | **44** | **311** | **267** | **53** | **0** | **214** | **42** | **2** | **0** | **0** | **0** | **85.9** | **85.9** | **0.0** |
| Banks | 30 | 15 | 15 | 30 | 15 | 1 | 0 | 14 | 13 | 2 | 0 | 0 | 0 | 50.0 | 50.0 | 0.0 |
| *Unit banks* | *17* | *6* | *11* | *17* | *6* | *1* | *0* | *5* | *9* | *2* | *0* | *0* | *0* | *35.3* | *35.3* | *0.0* |
| *Banks operating branches* | *13* | *9* | *4* | *13* | *9* | *0* | *0* | *9* | *4* | *0* | *0* | *0* | *0* | *69.2* | *69.2* | *0.0* |
| Branches[4] | 281 | 252 | 29 | 281 | 252 | 52 | 0 | 200 | 29 | 0 | 0 | 0 | 0 | 89.7 | 89.7 | 0.0 |
| **State** | | | | | | | | | | | | | | | | |
| **Alabama—all offices** | **819** | **819** | **0** | **819** | **819** | **419** | **44** | **356** | **0** | **0** | **0** | **0** | **0** | **100.0** | **100.0** | **0.0** |
| Banks | 310 | 310 | 0 | 310 | 310 | 97 | 21 | 192 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| *Unit banks* | *157* | *157* | *0* | *157* | *157* | *34* | *13* | *110* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| *Banks operating branches* | *153* | *153* | *0* | *153* | *153* | *63* | *8* | *82* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 509 | 509 | 0 | 509 | 509 | 322 | 23 | 164 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **Alaska—all offices** | **122** | **122** | **0** | **118** | **118** | **89** | **0** | **29** | **0** | **0** | **4** | **4** | **0** | **100.0** | **100.0** | **100.0** |
| Banks | 14 | 14 | 0 | 12 | 12 | 6 | 0 | 6 | 0 | 0 | 2 | 2 | 0 | 100.0 | 100.0 | 100.0 |
| *Unit banks* | *3* | *3* | *0* | *2* | *2* | *0* | *0* | *2* | *0* | *0* | *1* | *1* | *0* | *100.0* | *100.0* | *100.0* |
| *Banks operating branches* | *11* | *11* | *0* | *10* | *10* | *6* | *0* | *4* | *0* | *0* | *1* | *1* | *0* | *100.0* | *100.0* | *100.0* |
| Branches | 108 | 108 | 0 | 106 | 106 | 83 | 0 | 23 | 0 | 0 | 2 | 2 | 0 | 100.0 | 100.0 | 100.0 |
| **Arizona—all offices** | **490** | **482** | **8** | **490** | **482** | **312** | **0** | **170** | **0** | **8** | **0** | **0** | **0** | **98.4** | **98.4** | **0.0** |
| Banks | 25 | 17 | 8 | 25 | 17 | 3 | 0 | 14 | 0 | 8 | 0 | 0 | 0 | 68.0 | 68.0 | 0.0 |
| *Unit banks* | *15* | *7* | *8* | *15* | *7* | *1* | *0* | *6* | *0* | *8* | *0* | *0* | *0* | *46.7* | *46.7* | *0.0* |
| *Banks operating branches* | *10* | *10* | *0* | *10* | *10* | *2* | *0* | *8* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 465 | 465 | 0 | 465 | 465 | 309 | 0 | 156 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Arkansas–all offices** | **615** | **612** | 3 | **615** | **612** | **243** | **23** | **346** | **1** | **2** | **0** | 0 | **0** | **99.5** | **99.5** | **0.0** |
| Banks | 262 | 259 | 3 | 262 | 259 | 72 | 6 | 181 | 1 | 2 | 0 | 0 | 0 | 98.9 | 98.9 | 0.0 |
| *Unit banks* | *115* | *112* | *3* | *115* | *112* | *17* | *1* | *94* | *1* | *2* | *0* | *0* | *0* | *97.4* | *97.4* | *0.0* |
| *Banks operating branches* | *147* | *147* | *0* | *147* | *147* | *55* | *5* | *87* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 353 | 353 | 0 | 353 | 353 | 171 | 17 | 165 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **California–all offices** | **4,013** | **3,989** | **24** | **4,013** | **3,989** | **2,805** | **338** | **846** | **0** | **24** | **0** | **0** | **0** | **99.4** | **99.4** | **0.0** |
| Banks | 235 | 220 | 15 | 235 | 220 | 58 | 7 | 155 | 0 | 15 | 0 | 0 | 0 | 93.6 | 93.6 | 0.0 |
| *Unit banks* | *77* | *68* | *9* | *77* | *68* | *12* | *0* | *56* | *0* | *9* | *0* | *0* | *0* | *88.3* | *88.3* | *0.0* |
| *Banks operating branches* | *158* | *152* | *6* | *158* | *152* | *46* | *7* | *99* | *0* | *6* | *0* | *0* | *0* | *96.2* | *96.2* | *0.0* |
| Branches[4] | 3,778 | 3,769 | 9 | 3,778 | 3,769 | 2,747 | 331 | 691 | 0 | 9 | 0 | 0 | 0 | 99.8 | 99.8 | 0.0 |
| **Colorado–all offices** | **436** | **352** | **84** | **436** | **352** | **171** | **22** | **159** | **84** | **0** | **0** | **0** | **0** | **80.7** | **80.7** | **0.0** |
| Banks | 372 | 288 | 84 | 372 | 288 | 133 | 18 | 137 | 84 | 0 | 0 | 0 | 0 | 77.4 | 77.4 | 0.0 |
| *Unit banks* | *315* | *231* | *84* | *315* | *231* | *97* | *15* | *119* | *84* | *0* | *0* | *0* | *0* | *73.3* | *73.3* | *0.0* |
| *Banks operating branches* | *57* | *57* | *0* | *57* | *57* | *36* | *3* | *18* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 64 | 64 | 0 | 64 | 64 | 38 | 4 | 22 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **Connecticut–all offices** | **1,001** | **1,000** | 1 | **649** | **648** | **226** | 83 | **339** | **1** | **0** | **352** | **352** | **0** | **99.9** | **99.8** | **100.0** |
| Banks | 137 | 136 | 1 | 72 | 71 | 21 | 2 | 48 | 1 | 0 | 65 | 65 | 0 | 99.3 | 98.6 | 100.0 |
| *Unit banks* | *19* | *18* | *1* | *14* | *13* | *3* | *0* | *10* | *1* | *0* | *5* | *5* | *0* | *94.7* | *92.9* | *100.0* |
| *Banks operating branches* | *118* | *118* | *0* | *58* | *58* | *18* | *2* | *38* | *0* | *0* | *60* | *60* | *0* | *100.0* | *100.0* | *100.0* |
| Branches | 864 | 864 | 0 | 577 | 577 | 205 | 81 | 291 | 0 | 0 | 287 | 287 | 0 | 100.0 | 100.0 | 100.0 |
| **Delaware–all offices** | **187** | **185** | **2** | **162** | **160** | **9** | **0** | **151** | **0** | **2** | **25** | **25** | **0** | **98.9** | **98.8** | **100.0** |
| Banks | 21 | 19 | 2 | 19 | 17 | 5 | 0 | 12 | 0 | 2 | 2 | 2 | 0 | 90.5 | 89.5 | 100.0 |
| *Unit banks* | *9* | *7* | *2* | *9* | *7* | *2* | *0* | *5* | *0* | *2* | *0* | *0* | *0* | *77.8* | *77.8* | *0.0* |
| *Banks operating branches* | *12* | *12* | *0* | *10* | *10* | *3* | *0* | *7* | *0* | *0* | *2* | *2* | *0* | *100.0* | *100.0* | *100.0* |
| Branches | 166 | 166 | 0 | 143 | 143 | 4 | 0 | 139 | 0 | 0 | 23 | 23 | 0 | 100.0 | 100.0 | 100.0 |
| **D.C.–all offices** | **149** | **149** | **0** | **149** | **149** | **146** | **0** | **3** | **0** | **0** | **0** | **0** | **0** | **100.0** | **100.0** | **0.0** |
| Banks | 16 | 16 | 0 | 16 | 16 | 15 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| *Unit banks* | *3* | *3* | *0* | *3* | *3* | *3* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| *Banks operating branches* | *13* | *13* | *0* | *13* | *13* | *12* | *0* | *1* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 133 | 133 | 0 | 133 | 133 | 131 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **Florida–all offices** | **1,193** | **1,189** | **4** | **1,193** | **1,189** | **522** | **41** | **626** | **1** | **3** | **0** | **0** | **0** | **99.7** | **99.7** | **0.0** |
| Banks | 686 | 682 | 4 | 686 | 682 | 263 | 30 | 389 | 1 | 3 | 0 | 0 | 0 | 99.4 | 99.4 | 0.0 |
| *Unit banks* | *406* | *402* | *4* | *406* | *402* | *143* | *21* | *238* | *1* | *3* | *0* | *0* | *0* | *99.0* | *99.0* | *0.0* |
| *Banks operating branches* | *280* | *280* | *0* | *280* | *280* | *120* | *9* | *151* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 507 | 507 | 0 | 507 | 507 | 259 | 11 | 237 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **Georgia–all offices** | **1,193** | **1,192** | **1** | **1,193** | **1,192** | **404** | **82** | **706** | **1** | **0** | **0** | **0** | **0** | **99.9** | **99.9** | **0.0** |
| Banks | 441 | 440 | 1 | 441 | 440 | 64 | 9 | 367 | 1 | 0 | 0 | 0 | 0 | 99.8 | 99.8 | 0.0 |
| *Unit banks* | *208* | *207* | *1* | *208* | *207* | *13* | *2* | *192* | *1* | *0* | *0* | *0* | *0* | *99.5* | *99.5* | *0.0* |
| *Banks operating branches* | *233* | *233* | *0* | *233* | *233* | *51* | *7* | *175* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 752 | 752 | 0 | 752 | 752 | 340 | 73 | 339 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **Hawaii–all offices** | **169** | **163** | **6** | **169** | **163** | **13** | **0** | **150** | **0** | **6** | **0** | **0** | **0** | **96.4** | **96.4** | **0.0** |
| Banks | 11 | 8 | 3 | 11 | 8 | 2 | 0 | 6 | 0 | 3 | 0 | 0 | 0 | 72.7 | 72.7 | 0.0 |
| *Unit banks* | *1* | *0* | *1* | *1* | *0* | *0* | *0* | *0* | *0* | *1* | *0* | *0* | *0* | *0.0* | *0.0* | *0.0* |
| *Banks operating branches* | *10* | *8* | *2* | *10* | *8* | *2* | *0* | *6* | *0* | *2* | *0* | *0* | *0* | *80.0* | *80.0* | *0.0* |
| Branches | 158 | 155 | 3 | 158 | 155 | 11 | 0 | 144 | 0 | 3 | 0 | 0 | 0 | 98.1 | 98.1 | 0.0 |

## TABLE 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1977—CONTINUED

### BANKS GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

| State and type of bank or office | All banks | | | Commercial banks and nondeposit trust companies | | | | | | | Mutual savings banks | | | Percentage insured[1] | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total | Insured | Non-insured | Total | Insured | | | | Noninsured | | Total | Insured | Non-insured | All banks of deposit | Commercial banks of deposit | Mutual savings banks |
| | | | | | Total | Members F.R. System | | Non-members F.R. System | Banks of deposit[2] | Non-deposit trust companies[3] | | | | | | |
| | | | | | | National | State | | | | | | | | | |
| **Idaho—all offices** | **239** | **239** | **0** | **239** | **239** | **176** | **10** | **53** | **0** | **0** | **0** | **0** | **0** | **100.0** | **100.0** | **0.0** |
| Banks | 24 | 24 | 0 | 24 | 24 | 6 | 4 | 14 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| *Unit banks* | *9* | *9* | *0* | *9* | *9* | *0* | *2* | *7* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| *Banks operating branches* | *15* | *15* | *0* | *15* | *15* | *6* | *2* | *7* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 215 | 215 | 0 | 215 | 215 | 170 | 6 | 39 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **Illinois—all offices** | **1,576** | **1,541** | **35** | **1,576** | **1,541** | **573** | **90** | **878** | **28** | **7** | **0** | **0** | **0** | **97.8** | **97.8** | **0.0** |
| Banks | 1,270 | 1,235 | 35 | 1,270 | 1,235 | 423 | 68 | 744 | 28 | 7 | 0 | 0 | 0 | 97.2 | 97.2 | 0.0 |
| *Unit banks* | *1,001* | *966* | *35* | *1,001* | *966* | *298* | *49* | *619* | *28* | *7* | *0* | *0* | *0* | *96.5* | *96.5* | *0.0* |
| *Banks operating branches* | *269* | *269* | *0* | *269* | *269* | *125* | *19* | *125* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 306 | 306 | 0 | 306 | 306 | 150 | 22 | 134 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **Indiana—all offices** | **1,410** | **1,408** | **2** | **1,404** | **1,402** | **618** | **87** | **697** | **1** | **1** | **6** | **6** | **0** | **99.9** | **99.9** | **100.0** |
| Banks | 413 | 411 | 2 | 409 | 407 | 121 | 41 | 245 | 1 | 1 | 4 | 4 | 0 | 99.5 | 99.5 | 100.0 |
| *Unit banks* | *147* | *145* | *2* | *145* | *143* | *30* | *20* | *93* | *1* | *1* | *2* | *2* | *0* | *98.6* | *98.6* | *100.0* |
| *Banks operating branches* | *266* | *266* | *0* | *264* | *264* | *91* | *21* | *152* | *0* | *0* | *2* | *2* | *0* | *100.0* | *100.0* | *100.0* |
| Branches | 997 | 997 | 0 | 995 | 995 | 497 | 46 | 452 | 0 | 0 | 2 | 2 | 0 | 100.0 | 100.0 | 100.0 |
| **Iowa—all offices** | **1,165** | **1,158** | **7** | **1,165** | **1,158** | **256** | **96** | **806** | **6** | **1** | **0** | **0** | **0** | **99.4** | **99.4** | **0.0** |
| Banks | 656 | 649 | 7 | 656 | 649 | 99 | 46 | 504 | 6 | 1 | 0 | 0 | 0 | 98.9 | 98.9 | 0.0 |
| *Unit banks* | *392* | *385* | *7* | *392* | *385* | *49* | *25* | *311* | *6* | *1* | *0* | *0* | *0* | *98.2* | *98.2* | *0.0* |
| *Banks operating branches* | *264* | *264* | *0* | *264* | *264* | *50* | *21* | *193* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 509 | 509 | 0 | 509 | 509 | 157 | 50 | 302 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **Kansas—all offices** | **824** | **823** | **1** | **824** | **823** | **261** | **23** | **539** | **1** | **0** | **0** | **0** | **0** | **99.9** | **99.9** | **0.0** |
| Banks | 616 | 615 | 1 | 616 | 615 | 160 | 18 | 437 | 1 | 0 | 0 | 0 | 0 | 99.8 | 99.8 | 0.0 |
| *Unit banks* | *492* | *491* | *1* | *492* | *491* | *112* | *14* | *365* | *1* | *0* | *0* | *0* | *0* | *99.8* | *99.8* | *0.0* |
| *Banks operating branches* | *124* | *124* | *0* | *124* | *124* | *48* | *4* | *72* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 208 | 208 | 0 | 208 | 208 | 101 | 5 | 102 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **Kentucky—all offices** | **950** | **949** | **1** | **950** | **949** | **330** | **99** | **520** | **1** | **0** | **0** | **0** | **0** | **99.9** | **99.9** | **0.0** |
| Banks | 344 | 343 | 1 | 344 | 343 | 82 | 10 | 251 | 1 | 0 | 0 | 0 | 0 | 99.7 | 99.7 | 0.0 |
| *Unit banks* | *141* | *140* | *1* | *141* | *140* | *20* | *3* | *117* | *1* | *0* | *0* | *0* | *0* | *99.3* | *99.3* | *0.0* |
| *Banks operating branches* | *203* | *203* | *0* | *203* | *203* | *62* | *7* | *134* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 606 | 606 | 0 | 606 | 606 | 248 | 89 | 269 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Louisiana—all offices** | **924** | **924** | **0** | **924** | **924** | **323** | **51** | **550** | **0** | **0** | 0 | 0 | 0 | **100.0** | **100.0** | **0.0** |
| Banks | 254 | 254 | 0 | 254 | 254 | 53 | 7 | 194 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| *Unit banks* | *74* | *74* | *0* | *74* | *74* | *11* | *1* | *62* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| *Banks operating branches* | *180* | *180* | *0* | *180* | *180* | *42* | *6* | *132* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 670 | 670 | 0 | 670 | 670 | 270 | 44 | 356 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **Maine—all offices** | **447** | **447** | **0** | **340** | **340** | **135** | **39** | **166** | **0** | **0** | **107** | **107** | **0** | **100.0** | **100.0** | **100.0** |
| Banks | 73 | 73 | 0 | 43 | 43 | 17 | 3 | 23 | 0 | 0 | 30 | 30 | 0 | 100.0 | 100.0 | 100.0 |
| *Unit banks* | *10* | *10* | *0* | *4* | *4* | *1* | *0* | *3* | *0* | *0* | *6* | *6* | *0* | *100.0* | *100.0* | *100.0* |
| *Banks operating branches* | *63* | *63* | *0* | *39* | *39* | *16* | *3* | *20* | *0* | *0* | *24* | *24* | *0* | *100.0* | *100.0* | *100.0* |
| Branches | 374 | 374 | 0 | 297 | 297 | 118 | 36 | 143 | 0 | 0 | 77 | 77 | 0 | 100.0 | 100.0 | 100.0 |
| **Maryland—all offices** | **974** | **974** | **0** | **920** | **920** | **377** | **103** | **440** | **0** | **0** | **54** | **54** | **0** | **100.0** | **100.0** | **100.0** |
| Banks | 111 | 111 | 0 | 108 | 108 | 36 | 6 | 66 | 0 | 0 | 3 | 3 | 0 | 100.0 | 100.0 | 100.0 |
| *Unit banks* | *29* | *29* | *0* | *29* | *29* | *6* | *1* | *22* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| *Banks operating branches* | *82* | *82* | *0* | *79* | *79* | *30* | *5* | *44* | *0* | *0* | *3* | *3* | *0* | *100.0* | *100.0* | *100.0* |
| Branches | 863 | 863 | 0 | 812 | 812 | 341 | 97 | 374 | 0 | 0 | 51 | 51 | 0 | 100.0 | 100.0 | 100.0 |
| **Massachusetts—all offices** | **1,678** | **1,195** | **483** | **1,075** | **1,071** | **523** | **75** | **473** | **3** | **1** | **603** | **124** | **479** | **71.2** | **99.6** | **20.6** |
| Banks | 314 | 167 | 147 | 148 | 145 | 72 | 7 | 66 | 2 | 1 | 166 | 22 | 144 | 53.2 | 98.0 | 13.3 |
| *Unit banks* | *52* | *19* | *33* | *18* | *15* | *7* | *0* | *8* | *2* | *1* | *34* | *4* | *30* | *36.5* | *83.3* | *11.8* |
| *Banks operating branches* | *262* | *148* | *114* | *130* | *130* | *65* | *7* | *58* | *0* | *0* | *132* | *18* | *114* | *56.5* | *100.0* | *13.6* |
| Branches[4] | 1,364 | 1,028 | 336 | 927 | 926 | 451 | 68 | 407 | 1 | 0 | 437 | 102 | 335 | 75.4 | 99.9 | 23.3 |
| **Michigan—all offices** | **2,066** | **2,063** | **3** | **2,066** | **2,063** | **959** | **573** | **531** | **3** | **0** | **0** | **0** | **0** | **99.9** | **99.9** | **0.0** |
| Banks | 362 | 361 | 1 | 362 | 361 | 123 | 86 | 152 | 1 | 0 | 0 | 0 | 0 | 99.7 | 99.7 | 0.0 |
| *Unit banks* | *82* | *82* | *0* | *82* | *82* | *17* | *17* | *48* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| *Banks operating branches* | *280* | *279* | *1* | *280* | *279* | *106* | *69* | *104* | *1* | *0* | *0* | *0* | *0* | *99.6* | *99.6* | *0.0* |
| Branches | 1,704 | 1,702 | 2 | 1,704 | 1,702 | 836 | 487 | 379 | 2 | 0 | 0 | 0 | 0 | 99.9 | 99.9 | 0.0 |
| **Minnesota—all offices** | **831** | **829** | **2** | **830** | **828** | **242** | **33** | **553** | **2** | **0** | **1** | **1** | **0** | **99.8** | **99.8** | **100.0** |
| Banks | 755 | 753 | 2 | 754 | 752 | 204 | 31 | 517 | 2 | 0 | 1 | 1 | 0 | 99.7 | 99.7 | 100.0 |
| *Unit banks* | *688* | *686* | *2* | *687* | *685* | *174* | *29* | *482* | *2* | *0* | *1* | *1* | *0* | *99.7* | *99.7* | *100.0* |
| *Banks operating branches* | *67* | *67* | *0* | *67* | *67* | *30* | *2* | *35* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 76 | 76 | 0 | 76 | 76 | 38 | 2 | 36 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **Mississippi—all offices** | **789** | **788** | **1** | **789** | **788** | **269** | **24** | **495** | **0** | **1** | **0** | **0** | **0** | **99.9** | **99.9** | **0.0** |
| Banks | 185 | 184 | 1 | 185 | 184 | 36 | 6 | 142 | 0 | 1 | 0 | 0 | 0 | 99.5 | 99.5 | 0.0 |
| *Unit banks* | *46* | *45* | *1* | *46* | *45* | *5* | *2* | *38* | *0* | *1* | *0* | *0* | *0* | *97.8* | *97.8* | *0.0* |
| *Banks operating branches* | *139* | *139* | *0* | *139* | *139* | *31* | *4* | *104* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 604 | 604 | 0 | 604 | 604 | 233 | 18 | 353 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **Missouri—all offices** | **1,091** | **1,084** | **7** | **1,091** | **1,084** | **190** | **103** | **791** | **1** | **6** | **0** | **0** | **0** | **99.4** | **99.4** | **0.0** |
| Banks | 719 | 712 | 7 | 719 | 712 | 113 | 61 | 538 | 1 | 6 | 0 | 0 | 0 | 99.0 | 99.0 | 0.0 |
| *Unit banks* | *425* | *418* | *7* | *425* | *418* | *59* | *31* | *328* | *1* | *6* | *0* | *0* | *0* | *98.4* | *98.4* | *0.0* |
| *Banks operating branches* | *294* | *294* | *0* | *294* | *294* | *54* | *30* | *210* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 372 | 372 | 0 | 372 | 372 | 77 | 42 | 253 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **Montana—all offices** | **181** | **178** | **3** | **181** | **178** | **65** | **49** | **64** | **0** | **3** | **0** | **0** | **0** | **98.3** | **98.3** | **0.0** |
| Banks | 160 | 157 | 3 | 160 | 157 | 56 | 45 | 56 | 0 | 3 | 0 | 0 | 0 | 98.1 | 98.1 | 0.0 |
| *Unit banks* | *139* | *136* | *3* | *139* | *136* | *47* | *41* | *48* | *0* | *3* | *0* | *0* | *0* | *97.8* | *97.8* | *0.0* |
| *Banks operating branches* | *21* | *21* | *0* | *21* | *21* | *9* | *4* | *8* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 21 | 21 | 0 | 21 | 21 | 9 | 4 | 8 | 0 | 3 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |

**TABLE 103.** NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1977—CONTINUED

BANKS GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

| State and type of bank or office | All banks | | | Commercial banks and nondeposit trust companies | | | | | | | Mutual savings banks | | | Percentage insured[1] | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Insured | | | | Noninsured | | | | | | | |
| | | | | | | Members F.R. System | | | | | | | | | | |
| | Total | Insured | Non-insured | Total | Total | National | State | Non-members F.R. System | Banks of deposit[2] | Non-deposit trust companies[3] | Total | Insured | Non-insured | All banks of deposit | Commercial banks of deposit | Mutual savings banks |
| **Nebraska—all offices** | **635** | **628** | **7** | **635** | **628** | **242** | **10** | **376** | **0** | **7** | **0** | **0** | **0** | **98.9** | **98.9** | **0.0** |
| Banks | 458 | 451 | 7 | 458 | 451 | 117 | 8 | 326 | 0 | 7 | 0 | 0 | 0 | 98.5 | 98.5 | 0.0 |
| *Unit banks* | *385* | *378* | *7* | *385* | *378* | *82* | *7* | *289* | *0* | *7* | *0* | *0* | *0* | *98.2* | *98.2* | *0.0* |
| *Banks operating branches* | *73* | *73* | *0* | *73* | *73* | *35* | *1* | *37* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 177 | 177 | 0 | 177 | 177 | 125 | 2 | 50 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **Nevada—all offices** | **127** | **127** | **0** | **127** | **127** | **85** | **20** | **22** | **0** | **0** | **0** | **0** | **0** | **100.0** | **100.0** | **0.0** |
| Banks | 8 | 8 | 0 | 8 | 8 | 4 | 1 | 3 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| *Unit banks* | *1* | *1* | *0* | *1* | *1* | *1* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| *Banks operating branches* | *7* | *7* | *0* | *7* | *7* | *3* | *1* | *3* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 119 | 119 | 0 | 119 | 119 | 81 | 19 | 19 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **New Hampshire—all offices** | **269** | **268** | **1** | **205** | **204** | **134** | **5** | **65** | **0** | **1** | **64** | **64** | **0** | **99.6** | **99.5** | **100.0** |
| Banks | 105 | 104 | 1 | 79 | 78 | 41 | 3 | 34 | 0 | 1 | 26 | 26 | 0 | 99.0 | 98.7 | 100.0 |
| *Unit banks* | *34* | *33* | *1* | *25* | *24* | *8* | *2* | *14* | *0* | *1* | *9* | *9* | *0* | *97.1* | *96.0* | *100.0* |
| *Banks operating branches* | *71* | *71* | *0* | *54* | *54* | *33* | *1* | *20* | *0* | *0* | *17* | *17* | *0* | *100.0* | *100.0* | *100.0* |
| Branches | 164 | 164 | 0 | 126 | 126 | 93 | 2 | 31 | 0 | 0 | 38 | 38 | 0 | 100.0 | 100.0 | 100.0 |
| **New Jersey-all offices** | **1,857** | **1,857** | **0** | **1,686** | **1,686** | **1,141** | **233** | **312** | **0** | **0** | **171** | **171** | **0** | **100.0** | **100.0** | **100.0** |
| Banks | 208 | 208 | 0 | 188 | 188 | 100 | 19 | 69 | 0 | 0 | 20 | 20 | 0 | 100.0 | 100.0 | 100.0 |
| *Unit banks* | *32* | *32* | *0* | *29* | *29* | *12* | *0* | *17* | *0* | *0* | *3* | *3* | *0* | *100.0* | *100.0* | *100.0* |
| *Banks operating branches* | *176* | *176* | *0* | *159* | *159* | *88* | *19* | *52* | *0* | *0* | *17* | *17* | *0* | *100.0* | *100.0* | *100.0* |
| Branches | 1,649 | 1,649 | 0 | 1,498 | 1,498 | 1,041 | 214 | 243 | 0 | 0 | 151 | 151 | 0 | 100.0 | 100.0 | 100.0 |
| **New Mexico—all offices** | **300** | **299** | **1** | **300** | **299** | **157** | **21** | **121** | **0** | **1** | **0** | **0** | **0** | **99.7** | **99.7** | **0.0** |
| Banks | 84 | 83 | 1 | 84 | 83 | 40 | 7 | 36 | 0 | 1 | 0 | 0 | 0 | 98.8 | 98.8 | 0.0 |
| *Unit banks* | *20* | *19* | *1* | *20* | *19* | *9* | *2* | *8* | *0* | *1* | *0* | *0* | *0* | *95.0* | *95.0* | *0.0* |
| *Banks operating branches* | *64* | *64* | *0* | *64* | *64* | *31* | *5* | *28* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 216 | 216 | 0 | 216 | 216 | 117 | 14 | 85 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **New York—all offices** | **4,583** | **4,509** | **74** | **3,608** | **3,534** | **1,592** | **1,736** | **206** | **69** | **5** | **975** | **975** | **0** | **98.4** | **97.9** | **100.0** |
| Banks | 410 | 346 | 64 | 295 | 231 | 127 | 55 | 49 | 59 | 5 | 115 | 115 | 0 | 84.4 | 78.3 | 100.0 |
| *Unit banks* | *125* | *69* | *56* | *122* | *66* | *35* | *10* | *21* | *51* | *5* | *3* | *3* | *0* | *55.2* | *54.1* | *100.0* |
| *Banks operating branches* | *285* | *277* | *8* | *173* | *165* | *92* | *45* | *28* | *8* | *0* | *112* | *112* | *0* | *97.2* | *95.4* | *100.0* |
| Branches[4] | 4,173 | 4,163 | 10 | 3,313 | 3,303 | 1,465 | 1,681 | 157 | 10 | 0 | 860 | 860 | 0 | 99.8 | 99.7 | 100.0 |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **North Carolina—all offices** | **1,744** | **1,733** | **11** | **1,744** | **1,733** | **824** | **6** | **903** | **11** | **0** | **0** | **0** | **0** | **99.4** | **99.4** | **0.0** |
| Banks | 90 | 89 | 1 | 90 | 89 | 28 | 2 | 59 | 1 | 0 | 0 | 0 | 0 | 98.9 | 98.9 | 0.0 |
| *Unit banks* | *17* | *17* | *0* | *17* | *17* | *4* | *1* | *12* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| *Banks operating branches* | *73* | *72* | *1* | *73* | *72* | *24* | *1* | *47* | *1* | *0* | *0* | *0* | *0* | *98.6* | *98.6* | *0.0* |
| Branches | 1,654 | 1,644 | 10 | 1,654 | 1,644 | 796 | 4 | 844 | 10 | 0 | 0 | 0 | 0 | 99.4 | 99.4 | 0.0 |
| **North Dakota—all offices** | **283** | **276** | **7** | **283** | **276** | **82** | **7** | **187** | **6** | **1** | **0** | **0** | **0** | **97.5** | **97.5** | **0.0** |
| Banks | 173 | 170 | 3 | 173 | 170 | 43 | 4 | 123 | 2 | 1 | 0 | 0 | 0 | 98.3 | 98.3 | 0.0 |
| *Unit banks* | *102* | *100* | *2* | *102* | *100* | *20* | *2* | *78* | *1* | *1* | *0* | *0* | *0* | *98.0* | *98.0* | *0.0* |
| *Banks operating branches* | *71* | *70* | *1* | *71* | *70* | *23* | *2* | *45* | *1* | *0* | *0* | *0* | *0* | *98.6* | *98.6* | *0.0* |
| Branches | 110 | 106 | 4 | 110 | 106 | 39 | 3 | 64 | 4 | 0 | 0 | 0 | 0 | 96.4 | 96.4 | 0.0 |
| **Ohio—all offices** | **2,314** | **2,313** | **1** | **2,314** | **2,313** | **1,296** | **560** | **457** | **1** | **0** | **0** | **0** | **0** | **100.0** | **100.0** | **0.0** |
| Banks | 487 | 486 | 1 | 487 | 486 | 218 | 113 | 155 | 1 | 0 | 0 | 0 | 0 | 99.8 | 99.8 | 0.0 |
| *Unit banks* | *143* | *142* | *1* | *143* | *142* | *43* | *39* | *60* | *1* | *0* | *0* | *0* | *0* | *99.3* | *99.3* | *0.0* |
| *Banks operating branches* | *344* | *344* | *0* | *344* | *344* | *175* | *74* | *95* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 1,827 | 1,827 | 0 | 1,827 | 1,827 | 1,078 | 447 | 302 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **Oklahoma—all offices** | **658** | **651** | **7** | **658** | **651** | **323** | **16** | **312** | **5** | **2** | **0** | **0** | **0** | **98.9** | **98.9** | **0.0** |
| Banks | 483 | 476 | 7 | 483 | 476 | 193 | 15 | 268 | 5 | 2 | 0 | 0 | 0 | 98.6 | 98.6 | 0.0 |
| *Unit banks* | *374* | *367* | *7* | *374* | *367* | *128* | *14* | *225* | *5* | *2* | *0* | *0* | *0* | *98.1* | *98.1* | *0.0* |
| *Banks operating branches* | *109* | *109* | *0* | *109* | *109* | *65* | *1* | *43* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 175 | 175 | 0 | 175 | 175 | 130 | 1 | 44 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **Oregon—all offices** | **558** | **553** | **5** | **550** | **545** | **332** | **1** | **212** | **5** | **0** | **8** | **8** | **0** | **99.1** | **99.1** | **100.0** |
| Banks | 56 | 54 | 2 | 55 | 53 | 7 | 1 | 45 | 2 | 0 | 1 | 1 | 0 | 96.4 | 96.4 | 100.0 |
| *Unit banks* | *20* | *19* | *1* | *20* | *19* | *1* | *1* | *17* | *1* | *0* | *0* | *0* | *0* | *95.0* | *95.0* | *0.0* |
| *Banks operating branches* | *36* | *35* | *1* | *35* | *34* | *6* | *0* | *28* | *1* | *0* | *1* | *1* | *0* | *97.2* | *97.1* | *100.0* |
| Branches[4] | 502 | 499 | 3 | 495 | 492 | 325 | 0 | 167 | 3 | 0 | 7 | 7 | 0 | 99.4 | 99.4 | 100.0 |
| **Pennsylvania—all offices** | **2,938** | **2,930** | **8** | **2,747** | **2,739** | **1,615** | **201** | **923** | **6** | **2** | **191** | **191** | **0** | **99.7** | **99.7** | **100.0** |
| Banks | 395 | 389 | 6 | 387 | 381 | 233 | 14 | 134 | 4 | 2 | 8 | 8 | 0 | 98.5 | 98.4 | 100.0 |
| *Unit banks* | *121* | *116* | *5* | *121* | *116* | *79* | *4* | *33* | *3* | *2* | *0* | *0* | *0* | *95.9* | *95.9* | *0.0* |
| *Banks operating branches* | *274* | *273* | *1* | *266* | *265* | *154* | *10* | *101* | *1* | *0* | *8* | *8* | *0* | *99.6* | *99.6* | *100.0* |
| Branches[4] | 2,543 | 2,541 | 2 | 2,360 | 2,358 | 1,382 | 187 | 789 | 2 | 0 | 183 | 183 | 0 | 99.9 | 99.9 | 100.0 |
| **Rhode Island—all offices** | **316** | **303** | **13** | **242** | **229** | **120** | **0** | **109** | **12** | **1** | **74** | **74** | **0** | **95.9** | **94.6** | **100.0** |
| Banks | 23 | 20 | 3 | 17 | 14 | 5 | 0 | 9 | 2 | 1 | 6 | 6 | 0 | 87.0 | 82.4 | 100.0 |
| *Unit banks* | *4* | *3* | *1* | *4* | *3* | *0* | *0* | *3* | *0* | *1* | *0* | *0* | *0* | *75.0* | *75.0* | *0.0* |
| *Banks operating branches* | *19* | *17* | *2* | *13* | *11* | *5* | *0* | *6* | *2* | *0* | *6* | *6* | *0* | *89.5* | *84.6* | *100.0* |
| Branches | 293 | 283 | 10 | 225 | 215 | 115 | 0 | 100 | 10 | 0 | 68 | 68 | 0 | 96.6 | 95.6 | 100.0 |
| **South Carolina—all offices** | **717** | **717** | **0** | **717** | **717** | **329** | **16** | **372** | **0** | **0** | **0** | **0** | **0** | **100.0** | **100.0** | **0.0** |
| Banks | 88 | 88 | 0 | 88 | 88 | 19 | 7 | 62 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| *Unit banks* | *23* | *23* | *0* | *23* | *23* | *2* | *3* | *18* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| *Banks operating branches* | *65* | *65* | *0* | *65* | *65* | *17* | *4* | *44* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 629 | 629 | 0 | 629 | 629 | 310 | 9 | 310 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **South Dakota—all offices** | **295** | **294** | **1** | **295** | **294** | **115** | **42** | **137** | **0** | **1** | **0** | **0** | **0** | **99.7** | **99.7** | **0.0** |
| Banks | 158 | 157 | 1 | 158 | 157 | 32 | 28 | 97 | 0 | 1 | 0 | 0 | 0 | 99.4 | 99.4 | 0.0 |
| *Unit banks* | *108* | *107* | *1* | *108* | *107* | *19* | *20* | *68* | *0* | *1* | *0* | *0* | *0* | *99.1* | *99.1* | *0.0* |
| *Banks operating branches* | *50* | *50* | *0* | *50* | *50* | *13* | *8* | *29* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 137 | 137 | 0 | 137 | 137 | 83 | 14 | 40 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |

**TABLE 103.** NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1977—CONTINUED

BANKS GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

| State and type of bank or office | All banks | | | Commercial banks and nondeposit trust companies | | | | | | | Mutual savings banks | | | Percentage insured[1] | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Insured | | | | Noninsured | | | | | | | |
| | | | | | | Members F.R. System | | | | | | | | | | |
| | Total | Insured | Non-insured | Total | Total | National | State | Non-members F.R. System | Banks of deposit[2] | Non-deposit trust companies[3] | Total | Insured | Non-insured | All banks of deposit | Commercial banks of deposit | Mutual savings banks |
| **Tennessee—all offices** | **1,258** | **1,256** | **2** | **1,258** | **1,256** | **474** | **64** | **718** | **1** | **1** | **0** | **0** | **0** | **99.8** | **99.8** | **0.0** |
| Banks | 348 | 346 | 2 | 348 | 346 | 73 | 12 | 261 | 1 | 1 | 0 | 0 | 0 | 99.4 | 99.4 | 0.0 |
| *Unit banks* | *103* | *101* | *2* | *103* | *101* | *7* | *2* | *92* | *1* | *1* | *0* | *0* | *0* | *98.1* | *98.1* | *0.0* |
| *Banks operating branches* | *245* | *245* | *0* | *245* | *245* | *66* | *10* | *169* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 910 | 910 | 0 | 910 | 910 | 401 | 52 | 457 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **Texas—all offices** | **1,558** | **1,553** | **5** | **1,558** | **1,553** | **634** | **53** | **866** | **5** | **0** | **0** | **0** | **0** | **99.7** | **99.7** | **0.0** |
| Banks | 1,382 | 1,377 | 5 | 1,382 | 1,377 | 604 | 39 | 734 | 5 | 0 | 0 | 0 | 0 | 99.6 | 99.6 | 0.0 |
| *Unit banks* | *1,226* | *1,221* | *5* | *1,226* | *1,221* | *579* | *26* | *616* | *5* | *0* | *0* | *0* | *0* | *99.6* | *99.6* | *0.0* |
| *Banks operating branches* | *156* | *156* | *0* | *156* | *156* | *25* | *13* | *118* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 176 | 176 | 0 | 176 | 176 | 30 | 14 | 132 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **Utah—all offices** | **302** | **300** | **2** | **302** | **300** | **122** | **87** | **91** | **0** | **2** | **0** | **0** | **0** | **99.3** | **99.3** | **0.0** |
| Banks | 73 | 71 | 2 | 73 | 71 | 12 | 10 | 49 | 0 | 2 | 0 | 0 | 0 | 97.3 | 97.3 | 0.0 |
| *Unit banks* | *47* | *45* | *2* | *47* | *45* | *7* | *5* | *33* | *0* | *2* | *0* | *0* | *0* | *95.7* | *95.7* | *0.0* |
| *Banks operating branches* | *26* | *26* | *0* | *26* | *26* | *5* | *5* | *16* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 229 | 229 | 0 | 229 | 229 | 110 | 77 | 42 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **Vermont—all offices** | **196** | **195** | **1** | **176** | **175** | **62** | **1** | **112** | **0** | **1** | **20** | **20** | **0** | **99.5** | **99.4** | **100.0** |
| Banks | 37 | 36 | 1 | 31 | 30 | 14 | 1 | 15 | 0 | 1 | 6 | 6 | 0 | 97.3 | 96.8 | 100.0 |
| *Unit banks* | *9* | *8* | *1* | *8* | *7* | *4* | *1* | *2* | *0* | *1* | *1* | *1* | *0* | *88.9* | *87.5* | *100.0* |
| *Banks operating branches* | *28* | *28* | *0* | *23* | *23* | *10* | *0* | *13* | *0* | *0* | *5* | *5* | *0* | *100.0* | *100.0* | *100.0* |
| Branches | 159 | 159 | 0 | 145 | 145 | 48 | 0 | 97 | 0 | 0 | 14 | 14 | 0 | 100.0 | 100.0 | 100.0 |
| **Virginia—all offices** | **1,535** | **1,534** | **1** | **1,535** | **1,534** | **819** | **306** | **409** | **0** | **1** | **0** | **0** | **0** | **99.9** | **99.9** | **0.0** |
| Banks | 280 | 279 | 1 | 280 | 279 | 103 | 68 | 108 | 0 | 1 | 0 | 0 | 0 | 99.6 | 99.6 | 0.0 |
| *Unit banks* | *75* | *74* | *1* | *75* | *74* | *15* | *24* | *35* | *0* | *1* | *0* | *0* | *0* | *98.7* | *98.7* | *0.0* |
| *Banks operating branches* | *205* | *205* | *0* | *205* | *205* | *88* | *44* | *73* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 1,255 | 1,255 | 0 | 1,255 | 1,255 | 716 | 238 | 301 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **Washington—all offices** | **985** | **975** | **10** | **862** | **852** | **622** | **39** | **191** | **9** | **1** | **123** | **123** | **0** | **99.0** | **98.8** | **100.0** |
| Banks | 105 | 95 | 10 | 96 | 86 | 21 | 4 | 61 | 9 | 1 | 9 | 9 | 0 | 90.5 | 89.6 | 100.0 |
| *Unit banks* | *38* | *28* | *10* | *38* | *28* | *2* | *2* | *24* | *9* | *1* | *0* | *0* | *0* | *73.7* | *73.7* | *0.0* |
| *Banks operating branches* | *67* | *67* | *0* | *58* | *58* | *19* | *2* | *37* | *0* | *0* | *9* | *9* | *0* | *100.0* | *100.0* | *100.0* |
| Branches[4] | 880 | 880 | 0 | 766 | 766 | 601 | 35 | 130 | 0 | 0 | 114 | 114 | 0 | 100.0 | 100.0 | 100.0 |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **West Virginia—all offices** | **278** | **278** | **0** | **278** | **278** | **131** | **35** | **112** | **0** | **0** | **0** | **0** | **0** | **100.0** | **100.0** | **0.0** |
| Banks | 227 | 227 | 0 | 227 | 227 | 106 | 29 | 92 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| *Unit banks* | *176* | *176* | *0* | *176* | *176* | *81* | *23* | *72* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| *Banks operating branches* | *51* | *51* | *0* | *51* | *51* | *25* | *6* | *20* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 51 | 51 | 0 | 51 | 51 | 25 | 6 | 20 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **Wisconsin—all offices** | **1,058** | **1,053** | **5** | **1,055** | **1,050** | **278** | **48** | **724** | **0** | **5** | **3** | **3** | **0** | **99.5** | **99.5** | **100.0** |
| Banks | 631 | 626 | 5 | 628 | 623 | 128 | 28 | 467 | 0 | 5 | 3 | 3 | 0 | 99.2 | 99.2 | 100.0 |
| *Unit banks* | *413* | *408* | *5* | *410* | *405* | *82* | *19* | *304* | *0* | *5* | *3* | *3* | *0* | *98.8* | *98.8* | *100.0* |
| *Banks operating branches* | *218* | *218* | *0* | *218* | *218* | *46* | *9* | *163* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 427 | 427 | 0 | 427 | 427 | 150 | 20 | 257 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **Wyoming—all offices** | **85** | **85** | **0** | **85** | **85** | **47** | **15** | **23** | **0** | **0** | **0** | **0** | **0** | **100.0** | **100.0** | **0.0** |
| Banks | 82 | 82 | 0 | 82 | 82 | 46 | 15 | 21 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| *Unit banks* | *79* | *79* | *0* | *79* | *79* | *45* | *15* | *19* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| *Banks operating branches* | *3* | *3* | *0* | *3* | *3* | *1* | *0* | *2* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches | 3 | 3 | 0 | 3 | 3 | 1 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| **Other areas** | | | | | | | | | | | | | | | | |
| **Pacific Islands—all offices**[5] | **27** | **15** | **12** | **27** | **15** | **5** | **0** | **10** | **12** | **0** | **0** | **0** | **0** | **55.6** | **55.6** | **0.0** |
| Banks | 1 | 1 | 0 | 1 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |
| *Unit banks* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0.0* | *0.0* | *0.0* |
| *Banks operating branches* | *1* | *1* | *0* | *1* | *1* | *0* | *0* | *1* | *0* | *0* | *0* | *0* | *0* | *100.0* | *100.0* | *0.0* |
| Branches[6] | 26 | 14 | 12 | 26 | 14 | 5 | 0 | 9 | 12 | 0 | 0 | 0 | 0 | 53.8 | 53.8 | 0.0 |
| **Canal Zone—all offices** | **2** | **0** | **2** | **2** | **0** | **0** | **0** | **0** | **2** | **0** | **0** | **0** | **0** | **0.0** | **0.0** | **0.0** |
| Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 0.0 | 0.0 |
| *Unit banks* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0.0* | *0.0* | *0.0* |
| *Banks operating branches* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0.0* | *0.0* | *0.0* |
| Branches[7] | 2 | 0 | 2 | 2 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0.0 | 0.0 | 0.0 |
| **Puerto Rico—all offices** | **252** | **228** | **24** | **252** | **228** | **24** | **0** | **204** | **22** | **2** | **0** | **0** | **0** | **90.5** | **90.5** | **0.0** |
| Banks | 23 | 14 | 9 | 23 | 14 | 1 | 0 | 13 | 7 | 2 | 0 | 0 | 0 | 60.9 | 60.9 | 0.0 |
| *Unit banks* | *11* | *6* | *5* | *11* | *6* | *1* | *0* | *5* | *3* | *2* | *0* | *0* | *0* | *54.5* | *54.5* | *0.0* |
| *Banks operating branches* | *12* | *8* | *4* | *12* | *8* | *0* | *0* | *8* | *4* | *0* | *0* | *0* | *0* | *66.7* | *66.7* | *0.0* |
| Branches[8] | 229 | 214 | 15 | 229 | 214 | 23 | 0 | 191 | 15 | 0 | 0 | 0 | 0 | 93.4 | 93.4 | 0.0 |
| **Virgin Islands—all offices** | **30** | **24** | **6** | **30** | **24** | **24** | **0** | **0** | **6** | **0** | **0** | **0** | **0** | **80.0** | **80.0** | **0.0** |
| Banks | 6 | 0 | 6 | 6 | 0 | 0 | 0 | 0 | 6 | 0 | 0 | 0 | 0 | 0.0 | 0.0 | 0.0 |
| *Unit banks* | *6* | *0* | *6* | *6* | *0* | *0* | *0* | *0* | *6* | *0* | *0* | *0* | *0* | *0.0* | *0.0* | *0.0* |
| *Banks operating branches* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0* | *0.0* | *0.0* | *0.0* |
| Branches[9] | 24 | 24 | 0 | 24 | 24 | 24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 100.0 | 100.0 | 0.0 |

**Table 103.** NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1977—CONTINUED

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

[1] Nondeposit trust companies are excluded in computing these percentages.

[2] Includes 14 noninsured branches of insured banks: 12 in the Pacific Islands and 2 in the Canal Zone.

[3] Includes noninsured nondeposit trust companies that are members of the Federal Reserve System.

[4] California: 1 branch operated by a State nonmember bank in Puerto Rico.
Massachusetts: 1 branch operated by a noninsured bank in New York.
New York: 19 branches operated by 3 State nonmember banks in Puerto Rico.
Oregon: 1 branch operated by a national bank in California.
Pennsylvania: 2 branches operated by a noninsured bank in New York and a national bank in New Jersey.
Washington: 3 branches operated by a national bank in California.

[5] United States possessions: American Samoa, Guam, and Midway Islands.
Trust Territories: Caroline Islands, Mariana Islands, and Marshall Islands.

[6] Pacific Islands: 25 branches—
American Samoa: 1 insured branch operated by a State nonmember bank in Hawaii.
Guam: 12 insured branches operated by 2 State nonmember banks in Hawaii, 2 State nonmember banks and a national bank in California, and 2 national banks in New York.
Caroline Islands: 4 noninsured branches operated by a national bank in California and a State nonmember bank in Hawaii.
Mariana Islands: 4 noninsured branches operated by a national bank and a nonmember bank in California and a State nonmember bank in Hawaii.
Marshall Islands: 3 noninsured branches operated by a national bank in California and a State nonmember bank in Hawaii.
Midway Islands: 1 noninsured branch operated by a State nonmember bank in Hawaii.

[7] Canal Zone: 2 noninsured branches operated by 2 national banks in New York.

[8] Puerto Rico: 23 insured branches operated by 2 national banks in New York.

[9] Virgin Islands: 24 insured branches operated by 2 national banks in New York, a national bank in California, and a national bank in Pennsylvania.

**Table 104.** NUMBER AND ASSETS OF ALL COMMERCIAL AND MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1977
BANKS GROUPED BY CLASS AND ASSET SIZE

| Asset size | All banks | Insured commercial banks | | | | Noninsured banks and trust companies | Mutual savings banks | |
|---|---|---|---|---|---|---|---|---|
| | | Total | Members F.R. System | | Nonmembers F.R. System | | Insured | Noninsured |
| | | | National | State | | | | |
| **Number of banks** | | | | | | | | |
| Less than $5.0 million | 1,376 | 1,197 | 155 | 56 | 986 | 179 | 0 | 0 |
| $5.0 to $9.9 million | 2,630 | 2,593 | 461 | 139 | 1,993 | 30 | 4 | 3 |
| $10.0 to $24.9 million | 4,955 | 4,911 | 1,441 | 334 | 3,136 | 21 | 11 | 12 |
| $25.0 to $49.9 million | 3,053 | 2,980 | 1,197 | 206 | 1,577 | 11 | 33 | 29 |
| $50.0 to $99.9 million | 1,629 | 1,485 | 688 | 125 | 672 | 17 | 80 | 47 |
| $100.0 to $299.9 million | 999 | 824 | 446 | 83 | 295 | 33 | 96 | 46 |
| $300.0 to $499.9 million | 198 | 157 | 91 | 21 | 45 | 9 | 26 | 6 |
| $500.0 to $999.9 million | 181 | 124 | 81 | 21 | 22 | 17 | 39 | 1 |
| $1.0 to $4.9 billion | 162 | 120 | 82 | 21 | 17 | 9 | 33 | 0 |
| $5.0 billion or more | 22 | 21 | 13 | 8 | 0 | 0 | 1 | 0 |
| **Total banks** | **15,205** | **14,412** | **4,655** | **1,014** | **8,743** | **326** | **323** | **144** |
| | (In thousands of dollars) | | | | | | | |
| **Amount of assets** | | | | | | | | |
| Less than $5.0 million | 4,485,634 | 4,217,165 | 577,116 | 194,234 | 3,445,815 | 268,469 | 0 | 0 |
| $5.0 to $9.9 million | 19,510,768 | 19,258,378 | 3,486,474 | 1,058,466 | 14,713,438 | 196,618 | 32,461 | 23,311 |
| $10.0 to $24.9 million | 81,729,001 | 81,024,773 | 24,304,421 | 5,638,845 | 51,081,507 | 296,169 | 184,261 | 223,798 |
| $25.0 to $49.9 million | 106,087,564 | 103,274,788 | 41,940,067 | 7,152,978 | 54,181,743 | 425,849 | 1,325,163 | 1,061,764 |
| $50.0 to $99.9 million | 113,359,839 | 102,909,383 | 48,124,355 | 8,798,703 | 45,986,325 | 1,267,160 | 5,690,457 | 3,492,839 |
| $100.0 to $299.9 million | 162,190,220 | 132,354,409 | 71,474,453 | 13,159,149 | 47,720,807 | 5,514,453 | 16,897,069 | 7,424,289 |
| $300.0 to $499.9 million | 76,896,819 | 60,466,177 | 35,527,425 | 8,130,055 | 16,808,697 | 3,757,971 | 10,336,859 | 2,335,812 |
| $500.0 to $999.9 million | 126,969,939 | 85,370,106 | 57,007,316 | 14,456,326 | 13,906,464 | 12,379,452 | 28,654,591 | 565,790 |
| $1.0 to $4.9 billion | 307,516,802 | 229,081,899 | 159,514,864 | 45,870,318 | 23,696,717 | 14,700,178 | 63,734,725 | 0 |
| $5.0 billion or more | 320,815,571 | 315,469,828 | 209,487,450 | 105,982,378 | 0 | 0 | 5,345,743 | 0 |
| **Total assets** | **1,319,562,157** | **1,133,426,906**[1] | **651,443,941** | **210,441,452** | **271,541,513** | **38,806,319** | **132,201,329** | **15,127,603** |

[1] Does not include assets of branches of U.S. banks in "Other areas."

**Table 105.** NUMBER, ASSETS, AND DEPOSITS OF ALL COMMERCIAL BANKS[1] IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1977
BANKS GROUPED BY ASSET SIZE AND STATE
(Amounts in thousands of dollars)

| State | All banks | Banks with assets of— Less than $5.0 million | $5.0 million to $9.9 million | $10.0 million to $24.9 million | $25.0 million to $49.9 million | $50.0 million to $99.9 million | $100.0 million to $299.9 million | $300.0 million to $499.9 million | $500.0 million to $999.9 million | $1.0 billion to $4.9 billion | $5.0 billion or more |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total United States and other areas**[2] | | | | | | | | | | | |
| Banks | 14,738 | 1,376 | 2,623 | 4,932 | 2,991 | 1,502 | 857 | 166 | 141 | 129 | 21 |
| Total assets[3] | 1,172,233,225 | 4,485,634 | 19,454,996 | 81,320,942 | 103,700,637 | 104,176,543 | 137,868,862 | 64,224,148 | 97,749,558 | 243,782,077 | 315,469,828 |
| Total deposits[3] | 943,622,546 | 3,832,573 | 17,408,710 | 73,553,343 | 93,336,565 | 92,770,409 | 118,813,635 | 53,894,214 | 75,465,469 | 186,210,460 | 228,337,168 |
| **State** | | | | | | | | | | | |
| **Alabama** | | | | | | | | | | | |
| Banks | 310 | 14 | 54 | 140 | 65 | 19 | 10 | 2 | 4 | 2 | 0 |
| Assets | 13,579,232 | 49,814 | 422,145 | 2,306,270 | 2,205,134 | 1,289,586 | 1,531,485 | 853,812 | 2,415,783 | 2,505,203 | 0 |
| Deposits | 11,701,473 | 41,552 | 372,100 | 2,073,643 | 1,989,957 | 1,150,536 | 1,377,791 | 771,392 | 1,901,784 | 2,022,718 | 0 |
| **Alaska** | | | | | | | | | | | |
| Banks | 12 | 0 | 0 | 0 | 5 | 2 | 3 | 1 | 1 | 0 | 0 |
| Assets | 1,769,252 | 0 | 0 | 0 | 205,048 | 103,423 | 503,678 | 371,703 | 585,400 | 0 | 0 |
| Deposits | 1,518,727 | 0 | 0 | 0 | 179,111 | 94,493 | 434,453 | 317,203 | 493,467 | 0 | 0 |
| **Arizona** | | | | | | | | | | | |
| Banks | 25 | 8 | 5 | 3 | 1 | 1 | 2 | 2 | 0 | 3 | 0 |
| Assets | 8,737,781 | 7,627 | 39,685 | 45,878 | 26,941 | 60,843 | 337,866 | 725,623 | 0 | 7,493,318 | 0 |
| Deposits | 7,600,727 | 16 | 34,223 | 42,089 | 25,475 | 57,105 | 296,359 | 656,818 | 0 | 6,488,642 | 0 |
| **Arkansas** | | | | | | | | | | | |
| Banks | 262 | 17 | 48 | 97 | 61 | 23 | 14 | 1 | 1 | 0 | 0 |
| Assets | 8,554,069 | 46,810 | 376,868 | 1,550,383 | 2,062,928 | 1,445,817 | 2,161,262 | 365,928 | 544,073 | 0 | 0 |
| Deposits | 7,447,339 | 39,389 | 338,439 | 1,401,063 | 1,857,958 | 1,291,692 | 1,846,832 | 261,759 | 410,207 | 0 | 0 |
| **California** | | | | | | | | | | | |
| Banks | 235 | 17 | 23 | 60 | 48 | 34 | 32 | 8 | 3 | 5 | 5 |
| Assets | 124,810,166 | 33,117 | 156,193 | 1,065,267 | 1,640,895 | 2,364,678 | 5,391,975 | 3,271,593 | 1,979,053 | 12,188,742 | 96,718,653 |
| Deposits | 101,010,238 | 14,353 | 120,035 | 956,558 | 1,497,345 | 2,109,257 | 4,871,634 | 2,916,064 | 1,738,535 | 10,181,616 | 76,604,841 |
| **Colorado** | | | | | | | | | | | |
| Banks | 375 | 106 | 61 | 114 | 51 | 26 | 13 | 0 | 2 | 2 | 0 |
| Assets | 11,551,269 | 256,073 | 446,614 | 1,799,422 | 1,756,472 | 1,851,652 | 1,728,389 | 0 | 1,166,436 | 2,546,211 | 0 |
| Deposits | 9,874,451 | 190,723 | 397,008 | 1,607,884 | 1,580,017 | 1,644,119 | 1,503,569 | 0 | 949,996 | 2,001,135 | 0 |
| **Connecticut** | | | | | | | | | | | |
| Banks | 72 | 3 | 4 | 26 | 16 | 11 | 4 | 1 | 5 | 2 | 0 |
| Assets | 10,385,315 | 11,707 | 29,255 | 437,994 | 558,579 | 814,291 | 779,324 | 407,271 | 3,346,829 | 4,000,065 | 0 |
| Deposits | 8,989,140 | 10,286 | 24,519 | 386,388 | 499,450 | 723,346 | 693,792 | 359,894 | 2,822,019 | 3,469,446 | 0 |
| **Delaware** | | | | | | | | | | | |
| Banks | 19 | 1 | 3 | 7 | 2 | 2 | 0 | 2 | 1 | 1 | 0 |
| Assets | 3,118,504 | 4,761 | 19,968 | 109,634 | 68,080 | 140,896 | 0 | 830,468 | 619,022 | 1,325,675 | 0 |
| Deposits | 2,427,684 | 4,194 | 12,055 | 98,152 | 25,878 | 127,469 | 0 | 752,993 | 524,384 | 882,559 | 0 |
| **District of Columbia** | | | | | | | | | | | |
| Banks | 16 | 0 | 0 | 3 | 4 | 3 | 1 | 1 | 2 | 2 | 0 |
| Assets | 5,379,190 | 0 | 0 | 39,997 | 159,955 | 218,957 | 114,439 | 373,050 | 1,321,889 | 3,150,903 | 0 |
| Deposits | 4,391,857 | 0 | 0 | 35,273 | 142,725 | 198,346 | 102,014 | 340,624 | 1,051,293 | 2,521,582 | 0 |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Florida** | | | | | | | | | | | | |
| Banks | 680 | 21 | 70 | 244 | 166 | 111 | 55 | 9 | 3 | 1 | 0 |
| Assets | 34,016,433 | 77,930 | 551,430 | 3,978,506 | 5,850,658 | 8,071,189 | 8,288,245 | 3,375,559 | 1,787,274 | 2,035,642 | 0 |
| Deposits | 29,722,712 | 57,831 | 481,436 | 3,582,609 | 5,313,192 | 7,284,914 | 7,405,621 | 2,809,853 | 1,324,705 | 1,462,551 | 0 |
| **Georgia** | | | | | | | | | | | |
| Banks | 441 | 48 | 92 | 179 | 83 | 22 | 11 | 2 | 1 | 3 | 0 |
| Assets | 17,970,746 | 155,591 | 693,572 | 2,945,053 | 2,795,751 | 1,742,227 | 1,725,646 | 715,186 | 900,493 | 6,297,227 | 0 |
| Deposits | 14,583,703 | 137,454 | 622,460 | 2,653,502 | 2,497,786 | 1,521,087 | 1,513,786 | 602,820 | 622,910 | 4,411,898 | 0 |
| **Hawaii** | | | | | | | | | | | |
| Banks | 11 | 1 | 1 | 1 | 1 | 0 | 5 | 0 | 0 | 2 | 0 |
| Assets | 3,513,123 | 361 | 9,790 | 10,999 | 28,150 | 0 | 973,208 | 0 | 0 | 2,490,615 | 0 |
| Deposits | 3,116,352 | 0 | 0 | 0 | 26,279 | 0 | 889,649 | 0 | 0 | 2,200,424 | 0 |
| **Idaho** | | | | | | | | | | | |
| Banks | 24 | 1 | 4 | 7 | 5 | 2 | 1 | 2 | 0 | 2 | 0 |
| Assets | 3,776,880 | 4,467 | 32,286 | 108,477 | 178,814 | 141,208 | 162,284 | 757,409 | 0 | 2,391,935 | 0 |
| Deposits | 3,288,468 | 3,176 | 29,564 | 96,449 | 154,158 | 128,929 | 143,050 | 671,076 | 0 | 2,062,066 | 0 |
| **Illinois** | | | | | | | | | | | |
| Banks | 1,270 | 99 | 213 | 422 | 258 | 158 | 101 | 11 | 3 | 3 | 2 |
| Assets | 90,728,122 | 359,534 | 1,597,853 | 6,783,884 | 9,366,693 | 11,027,093 | 15,409,096 | 4,282,448 | 2,194,975 | 9,863,376 | 29,843,170 |
| Deposits | 69,738,986 | 297,995 | 1,418,880 | 6,127,719 | 8,310,444 | 9,637,312 | 12,333,108 | 3,165,140 | 1,644,050 | 7,096,604 | 19,707,734 |
| **Indiana** | | | | | | | | | | | |
| Banks | 409 | 14 | 42 | 127 | 115 | 66 | 35 | 5 | 2 | 3 | 0 |
| Assets | 25,556,252 | 44,911 | 326,939 | 2,170,157 | 3,980,782 | 4,673,851 | 6,017,485 | 1,816,573 | 1,248,765 | 5,276,789 | 0 |
| Deposits | 21,804,327 | 38,327 | 294,560 | 1,982,433 | 3,614,273 | 4,240,528 | 5,311,767 | 1,547,637 | 991,479 | 3,783,323 | 0 |
| **Iowa** | | | | | | | | | | | |
| Banks | 656 | 44 | 189 | 242 | 127 | 35 | 15 | 3 | 1 | 0 | 0 |
| Assets | 16,116,934 | 162,815 | 1,405,523 | 3,908,212 | 4,202,955 | 2,403,527 | 2,212,135 | 1,071,820 | 749,947 | 0 | 0 |
| Deposits | 14,245,251 | 146,344 | 1,272,206 | 3,561,878 | 3,818,123 | 2,169,863 | 1,871,817 | 859,840 | 545,180 | 0 | 0 |
| **Kansas** | | | | | | | | | | | |
| Banks | 616 | 142 | 153 | 195 | 86 | 28 | 9 | 2 | 1 | 0 | 0 |
| Assets | 12,478,768 | 478,639 | 1,097,765 | 3,095,023 | 2,997,843 | 1,870,760 | 1,621,180 | 653,151 | 664,407 | 0 | 0 |
| Deposits | 10,805,294 | 429,730 | 995,790 | 2,792,972 | 2,700,242 | 1,606,799 | 1,247,971 | 528,548 | 503,242 | 0 | 0 |
| **Kentucky** | | | | | | | | | | | |
| Banks | 344 | 25 | 54 | 135 | 79 | 29 | 16 | 2 | 2 | 2 | 0 |
| Assets | 14,105,491 | 84,958 | 401,510 | 2,286,192 | 2,720,199 | 1,949,329 | 2,004,260 | 732,852 | 1,247,526 | 2,678,665 | 0 |
| Deposits | 12,182,544 | 74,019 | 362,647 | 2,076,598 | 2,476,882 | 1,755,057 | 1,823,461 | 578,769 | 1,014,468 | 2,020,643 | 0 |
| **Louisiana** | | | | | | | | | | | |
| Banks | 254 | 7 | 23 | 86 | 78 | 30 | 18 | 4 | 7 | 1 | 0 |
| Assets | 17,214,264 | 24,418 | 172,921 | 1,521,438 | 2,802,566 | 2,034,208 | 3,258,739 | 1,413,177 | 4,462,989 | 1,523,808 | 0 |
| Deposits | 14,724,661 | 22,003 | 155,063 | 1,374,964 | 2,539,667 | 1,816,488 | 2,859,526 | 1,187,728 | 3,550,654 | 1,218,568 | 0 |
| **Maine** | | | | | | | | | | | |
| Banks | 43 | 0 | 4 | 13 | 13 | 7 | 4 | 2 | 0 | 0 | 0 |
| Assets | 2,730,879 | 0 | 30,891 | 242,660 | 413,442 | 480,676 | 891,803 | 671,407 | 0 | 0 | 0 |
| Deposits | 2,391,136 | 0 | 27,557 | 218,718 | 371,549 | 425,241 | 758,381 | 589,690 | 0 | 0 | 0 |
| **Maryland** | | | | | | | | | | | |
| Banks | 108 | 1 | 18 | 31 | 26 | 18 | 7 | 1 | 1 | 5 | 0 |
| Assets | 12,478,108 | 4,989 | 134,989 | 536,417 | 916,971 | 1,278,924 | 981,260 | 465,795 | 518,986 | 7,639,777 | 0 |
| Deposits | 10,618,049 | 4,251 | 119,187 | 486,151 | 825,781 | 1,161,349 | 892,312 | 391,874 | 458,872 | 6,278,272 | 0 |
| **Massachusetts** | | | | | | | | | | | |
| Banks | 148 | 4 | 11 | 39 | 34 | 29 | 19 | 6 | 2 | 3 | 1 |
| Assets | 20,754,160 | 11,421 | 89,726 | 644,333 | 1,182,360 | 2,124,893 | 3,109,949 | 2,365,993 | 1,095,039 | 4,867,283 | 5,263,163 |
| Deposits | 16,352,760 | 8,845 | 81,066 | 571,098 | 1,031,610 | 1,905,969 | 2,748,853 | 2,047,247 | 941,488 | 3,564,393 | 3,452,191 |

**Table 105.** NUMBER, ASSETS, AND DEPOSITS OF ALL COMMERCIAL BANKS[1] IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1977—CONTINUED
BANKS GROUPED BY ASSET SIZE AND STATE
(Amounts in thousands of dollars)

| State | All banks | Banks with assets of— Less than $5.0 million | $5.0 million to $9.9 million | $10.0 million to $24.9 million | $25.0 million to $49.9 million | $50.0 million to $99.9 million | $100.0 million to $299.9 million | $300.0 million to $499.9 million | $500.0 million to $999.9 million | $1.0 billion to $4.9 billion | $5.0 billion or more |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Michigan** | | | | | | | | | | | |
| Banks | 362 | 7 | 33 | 112 | 94 | 55 | 43 | 7 | 4 | 6 | 1 |
| Assets | 41,789,018 | 20,027 | 262,404 | 1,894,466 | 3,326,268 | 3,871,172 | 7,052,553 | 2,874,696 | 3,078,452 | 12,248,880 | 7,160,100 |
| Deposits | 36,101,334 | 13,657 | 231,690 | 1,719,211 | 3,034,548 | 3,525,364 | 6,419,235 | 2,570,706 | 2,719,854 | 10,400,096 | 5,466,973 |
| **Minnesota** | | | | | | | | | | | |
| Banks | 754 | 94 | 231 | 258 | 112 | 44 | 11 | 1 | 0 | 3 | 0 |
| Assets | 21,762,234 | 353,451 | 1,665,053 | 4,094,757 | 3,833,431 | 3,079,165 | 1,975,461 | 322,572 | 0 | 6,438,344 | 0 |
| Deposits | 18,036,483 | 321,645 | 1,525,764 | 3,729,414 | 3,470,173 | 2,794,979 | 1,657,891 | 238,686 | 0 | 4,297,931 | 0 |
| **Mississippi** | | | | | | | | | | | |
| Banks | 185 | 8 | 33 | 71 | 41 | 21 | 7 | 2 | 1 | 1 | 0 |
| Assets | 8,346,731 | 30,136 | 249,287 | 1,194,228 | 1,386,006 | 1,437,699 | 1,309,937 | 635,368 | 946,784 | 1,157,286 | 0 |
| Deposits | 7,351,258 | 26,396 | 219,073 | 1,089,144 | 1,256,964 | 1,296,297 | 1,175,333 | 569,462 | 805,686 | 912,903 | 0 |
| **Missouri** | | | | | | | | | | | |
| Banks | 719 | 89 | 161 | 251 | 128 | 56 | 27 | 1 | 3 | 3 | 0 |
| Assets | 26,086,631 | 286,673 | 1,161,122 | 4,147,944 | 4,352,001 | 3,665,467 | 4,076,337 | 301,523 | 2,541,430 | 5,554,134 | 0 |
| Deposits | 21,290,704 | 252,117 | 1,049,355 | 3,752,803 | 3,897,377 | 3,282,388 | 3,423,369 | 261,676 | 1,865,391 | 3,506,228 | 0 |
| **Montana** | | | | | | | | | | | |
| Banks | 160 | 14 | 39 | 62 | 25 | 14 | 6 | 0 | 0 | 0 | 0 |
| Assets | 4,007,008 | 47,593 | 286,445 | 992,634 | 801,985 | 967,693 | 910,658 | 0 | 0 | 0 | 0 |
| Deposits | 3,600,215 | 41,225 | 258,821 | 909,941 | 732,260 | 865,391 | 792,577 | 0 | 0 | 0 | 0 |
| **Nebraska** | | | | | | | | | | | |
| Banks | 458 | 137 | 121 | 137 | 36 | 20 | 2 | 3 | 2 | 0 | 0 |
| Assets | 8,577,883 | 427,112 | 874,428 | 2,193,894 | 1,191,383 | 1,299,893 | 221,733 | 1,141,936 | 1,227,504 | 0 | 0 |
| Deposits | 7,396,731 | 379,542 | 784,257 | 1,984,880 | 1,075,641 | 1,155,128 | 200,155 | 915,557 | 901,571 | 0 | 0 |
| **Nevada** | | | | | | | | | | | |
| Banks | 8 | 0 | 0 | 1 | 0 | 1 | 3 | 1 | 1 | 1 | 0 |
| Assets | 2,718,936 | 0 | 0 | 16,263 | 0 | 76,394 | 637,823 | 342,739 | 545,649 | 1,100,068 | 0 |
| Deposits | 2,431,116 | 0 | 0 | 13,496 | 0 | 69,998 | 574,384 | 294,153 | 496,950 | 982,135 | 0 |
| **New Hampshire** | | | | | | | | | | | |
| Banks | 79 | 5 | 13 | 30 | 20 | 7 | 4 | 0 | 0 | 0 | 0 |
| Assets | 2,433,940 | 14,675 | 101,264 | 519,943 | 696,245 | 493,892 | 607,921 | 0 | 0 | 0 | 0 |
| Deposits | 2,163,701 | 12,854 | 90,575 | 473,303 | 621,954 | 431,059 | 533,956 | 0 | 0 | 0 | 0 |
| **New Jersey** | | | | | | | | | | | |
| Banks | 188 | 1 | 6 | 31 | 59 | 32 | 31 | 10 | 14 | 4 | 0 |
| Assets | 29,503,816 | 940 | 48,428 | 522,277 | 2,132,822 | 2,389,367 | 5,227,521 | 4,028,697 | 9,780,536 | 5,373,228 | 0 |
| Deposits | 25,709,684 | 0 | 40,288 | 465,597 | 1,918,426 | 2,143,539 | 4,728,201 | 3,546,145 | 8,532,855 | 4,334,633 | 0 |
| **New Mexico** | | | | | | | | | | | |
| Banks | 84 | 4 | 3 | 27 | 29 | 13 | 6 | 1 | 1 | 0 | 0 |
| Assets | 4,303,607 | 12,633 | 23,227 | 468,639 | 996,367 | 861,023 | 820,833 | 443,037 | 677,848 | 0 | 0 |
| Deposits | 3,831,070 | 10,066 | 20,830 | 424,091 | 906,921 | 782,738 | 740,518 | 360,318 | 585,588 | 0 | 0 |
| **New York** | | | | | | | | | | | |
| Banks | 295 | 23 | 14 | 55 | 49 | 38 | 50 | 15 | 26 | 16 | 9 |
| Assets | 224,288,074 | 53,794 | 107,175 | 951,091 | 1,732,515 | 2,835,538 | 8,268,237 | 5,945,909 | 18,672,042 | 29,371,236 | 156,350,537 |
| Deposits | 154,554,178 | 37,929 | 89,242 | 844,232 | 1,468,060 | 2,215,582 | 6,103,514 | 4,174,532 | 10,033,565 | 20,079,870 | 109,507,652 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **North Carolina** | | | | | | | | | | | |
| Banks | 90 | 2 | 9 | 26 | 22 | 13 | 10 | 2 | 1 | 5 | 0 |
| Assets | 17,413,991 | 8,094 | 61,971 | 427,748 | 740,226 | 887,462 | 2,232,608 | 833,675 | 504,036 | 11,718,171 | 0 |
| Deposits | 14,486,462 | 6,536 | 52,504 | 377,501 | 660,313 | 776,087 | 1,999,728 | 730,643 | 455,599 | 9,427,551 | 0 |
| **North Dakota** | | | | | | | | | | | |
| Banks | 173 | 17 | 42 | 77 | 22 | 9 | 5 | 0 | 1 | 0 | 0 |
| Assets | 4,002,649 | 61,600 | 330,917 | 1,162,240 | 761,448 | 627,606 | 544,309 | 0 | 514,529 | 0 | 0 |
| Deposits | 3,529,881 | 53,982 | 300,481 | 1,056,146 | 687,035 | 565,918 | 490,262 | 0 | 376,057 | 0 | 0 |
| **Ohio** | | | | | | | | | | | |
| Banks | 487 | 10 | 62 | 155 | 113 | 79 | 44 | 9 | 7 | 8 | 0 |
| Assets | 43,289,863 | 38,125 | 462,813 | 2,652,881 | 3,962,070 | 5,479,070 | 6,995,080 | 3,565,935 | 5,670,959 | 14,462,930 | 0 |
| Deposits | 36,274,525 | 34,012 | 417,148 | 2,393,119 | 3,525,590 | 4,841,470 | 6,178,010 | 3,143,649 | 4,644,280 | 11,097,247 | 0 |
| **Oklahoma** | | | | | | | | | | | |
| Banks | 483 | 72 | 128 | 149 | 82 | 38 | 9 | 1 | 2 | 2 | 0 |
| Assets | 15,144,982 | 251,387 | 927,344 | 2,462,838 | 2,816,095 | 2,561,379 | 1,530,320 | 436,151 | 1,802,853 | 2,356,615 | 0 |
| Deposits | 13,171,502 | 217,624 | 830,012 | 2,234,069 | 2,548,800 | 2,292,422 | 1,370,384 | 339,260 | 1,509,528 | 1,829,403 | 0 |
| **Oregon** | | | | | | | | | | | |
| Banks | 55 | 3 | 13 | 13 | 11 | 8 | 3 | 1 | 1 | 2 | 0 |
| Assets | 9,921,139 | 10,661 | 92,896 | 230,667 | 376,511 | 592,892 | 498,624 | 304,217 | 527,236 | 7,287,435 | 0 |
| Deposits | 7,917,087 | 8,514 | 82,413 | 209,168 | 343,094 | 524,622 | 432,283 | 280,149 | 470,058 | 5,566,786 | 0 |
| **Pennsylvania** | | | | | | | | | | | |
| Banks | 387 | 6 | 34 | 105 | 96 | 65 | 47 | 12 | 9 | 11 | 2 |
| Assets | 64,916,813 | 19,523 | 263,299 | 1,786,754 | 3,425,786 | 4,334,800 | 7,453,100 | 4,487,311 | 5,575,068 | 23,063,302 | 14,507,870 |
| Deposits | 51,864,517 | 14,898 | 227,132 | 1,614,809 | 3,083,830 | 3,904,049 | 6,665,580 | 4,005,433 | 4,982,194 | 17,898,505 | 9,468,087 |
| **Rhode Island** | | | | | | | | | | | |
| Banks | 17 | 2 | 2 | 4 | 3 | 0 | 3 | 0 | 0 | 3 | 0 |
| Assets | 4,851,014 | 1,698 | 13,819 | 52,850 | 98,571 | 0 | 401,815 | 0 | 0 | 4,282,261 | 0 |
| Deposits | 3,873,212 | 1,211 | 10,703 | 45,345 | 89,839 | 0 | 358,989 | 0 | 0 | 3,367,125 | 0 |
| **South Carolina** | | | | | | | | | | | |
| Banks | 88 | 11 | 13 | 32 | 17 | 8 | 2 | 1 | 3 | 1 | 0 |
| Assets | 5,779,497 | 41,686 | 107,996 | 485,995 | 589,458 | 491,261 | 408,835 | 365,559 | 2,136,314 | 1,152,393 | 0 |
| Deposits | 4,966,699 | 36,421 | 93,281 | 432,305 | 521,921 | 442,437 | 365,962 | 334,170 | 1,786,771 | 953,431 | 0 |
| **South Dakota** | | | | | | | | | | | |
| Banks | 158 | 23 | 56 | 53 | 11 | 9 | 4 | 2 | 0 | 0 | 0 |
| Assets | 3,825,188 | 83,608 | 417,213 | 817,795 | 389,931 | 578,875 | 763,952 | 773,814 | 0 | 0 | 0 |
| Deposits | 3,442,995 | 71,506 | 380,224 | 739,565 | 354,772 | 519,610 | 680,808 | 696,510 | 0 | 0 | 0 |
| **Tennessee** | | | | | | | | | | | |
| Banks | 348 | 21 | 55 | 124 | 80 | 46 | 12 | 3 | 3 | 4 | 0 |
| Assets | 18,127,883 | 69,773 | 396,272 | 2,020,646 | 2,706,865 | 3,167,505 | 1,749,941 | 1,219,876 | 2,083,213 | 4,713,792 | 0 |
| Deposits | 15,840,713 | 60,174 | 354,528 | 1,831,074 | 2,433,739 | 2,867,806 | 1,564,372 | 1,066,180 | 1,694,350 | 3,968,490 | 0 |
| **Texas** | | | | | | | | | | | |
| Banks | 1,382 | 134 | 247 | 469 | 294 | 139 | 68 | 16 | 7 | 8 | 0 |
| Assets | 71,775,439 | 453,703 | 1,820,574 | 7,919,958 | 10,114,377 | 9,515,386 | 10,777,449 | 6,314,984 | 4,777,590 | 20,081,418 | 0 |
| Deposits | 60,287,033 | 394,071 | 1,629,137 | 7,186,385 | 9,157,523 | 8,594,679 | 9,609,210 | 5,299,607 | 3,989,829 | 14,426,592 | 0 |
| **Utah** | | | | | | | | | | | |
| Banks | 73 | 17 | 16 | 22 | 7 | 3 | 4 | 1 | 2 | 1 | 0 |
| Assets | 5,006,443 | 46,466 | 108,186 | 371,455 | 229,388 | 183,650 | 744,118 | 359,787 | 1,567,589 | 1,395,804 | 0 |
| Deposits | 4,374,514 | 37,226 | 96,685 | 336,913 | 208,824 | 161,868 | 653,262 | 314,918 | 1,388,003 | 1,176,815 | 0 |
| **Vermont** | | | | | | | | | | | |
| Banks | 31 | 4 | 1 | 10 | 7 | 4 | 4 | 1 | 0 | 0 | 0 |
| Assets | 1,844,086 | 8,701 | 5,294 | 195,673 | 213,204 | 288,035 | 810,525 | 322,654 | 0 | 0 | 0 |
| Deposits | 1,677,857 | 7,180 | 4,552 | 178,662 | 195,251 | 259,749 | 741,354 | 291,109 | 0 | 0 | 0 |

**Table 105.** NUMBER, ASSETS, AND DEPOSITS OF ALL COMMERCIAL BANKS[1] IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1977—CONTINUED
BANKS GROUPED BY ASSET SIZE AND STATE
(Amounts in thousands of dollars)

| State | All banks | Banks with assets of— Less than $5.0 million | $5.0 million to $9.9 million | $10.0 million to $24.9 million | $25.0 million to $49.9 million | $50.0 million to $99.9 million | $100.0 million to $299.9 million | $300.0 million to $499.9 million | $500.0 million to $999.9 million | $1.0 billion to $4.9 billion | $5.0 billion or more |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Virginia** | | | | | | | | | | | |
| Banks | 280 | 13 | 49 | 86 | 68 | 29 | 24 | 5 | 4 | 2 | 0 |
| Assets | 18,882,800 | 46,500 | 377,910 | 1,446,863 | 2,382,093 | 1,780,743 | 4,109,281 | 2,099,353 | 3,113,896 | 3,526,161 | 0 |
| Deposits | 16,417,876 | 39,197 | 335,246 | 1,310,256 | 2,164,562 | 1,594,900 | 3,670,420 | 1,824,313 | 2,548,340 | 2,930,642 | 0 |
| **Washington** | | | | | | | | | | | |
| Banks | 96 | 11 | 14 | 32 | 17 | 8 | 7 | 1 | 2 | 3 | 1 |
| Assets | 15,942,255 | 33,802 | 102,221 | 491,014 | 600,698 | 551,360 | 1,315,051 | 419,619 | 1,478,589 | 5,323,566 | 5,626,335 |
| Deposits | 12,462,521 | 26,851 | 89,010 | 431,703 | 542,768 | 385,287 | 747,500 | 363,874 | 1,286,051 | 4,459,787 | 4,129,690 |
| **West Virginia** | | | | | | | | | | | |
| Banks | 227 | 12 | 29 | 84 | 60 | 27 | 14 | 1 | 0 | 0 | 0 |
| Assets | 8,129,471 | 43,211 | 219,750 | 1,426,750 | 2,003,433 | 1,850,002 | 2,185,260 | 401,065 | 0 | 0 | 0 |
| Deposits | 6,980,006 | 34,376 | 195,041 | 1,279,643 | 1,802,378 | 1,638,247 | 1,754,454 | 275,867 | 0 | 0 | 0 |
| **Wisconsin** | | | | | | | | | | | |
| Banks | 628 | 48 | 110 | 252 | 142 | 49 | 22 | 1 | 3 | 1 | 0 |
| Assets | 21,453,874 | 163,500 | 809,972 | 4,218,742 | 4,876,842 | 3,417,479 | 3,252,699 | 343,287 | 2,070,739 | 2,300,614 | 0 |
| Deposits | 18,538,624 | 141,802 | 736,009 | 3,853,725 | 4,396,321 | 3,074,743 | 2,806,476 | 293,686 | 1,564,784 | 1,671,078 | 0 |
| **Wyoming** | | | | | | | | | | | |
| Banks | 82 | 10 | 11 | 30 | 21 | 8 | 2 | 0 | 0 | 0 | 0 |
| Assets | 2,425,007 | 36,619 | 78,566 | 519,028 | 800,676 | 580,035 | 410,083 | 0 | 0 | 0 | 0 |
| Deposits | 2,156,312 | 31,073 | 71,979 | 470,407 | 722,659 | 504,339 | 355,855 | 0 | 0 | 0 | 0 |
| **Other areas** | | | | | | | | | | | |
| **Guam** | | | | | | | | | | | |
| Banks | 2 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Assets | 49,276 | 0 | 6,550 | 0 | 42,726 | 0 | 0 | 0 | 0 | 0 | 0 |
| Deposits | 42,616 | 0 | 5,496 | 0 | 37,120 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Puerto Rico** | | | | | | | | | | | |
| Banks | 23 | 2 | 4 | 3 | 0 | 2 | 7 | 1 | 2 | 2 | 0 |
| Assets | 6,118,532 | 0 | 31,269 | 48,713 | 0 | 157,812 | 1,254,151 | 419,566 | 1,607,816 | 2,599,205 | 0 |
| Deposits | 4,128,734 | 0 | 24,013 | 40,295 | 0 | 144,390 | 977,190 | 346,642 | 1,339,432 | 1,256,772 | 0 |
| **Virgin Islands** | | | | | | | | | | | |
| Banks | 6 | 3 | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 |
| Assets | 190,207 | 0 | 5,408 | 0 | 0 | 65,860 | 118,939 | 0 | 0 | 0 | 0 |
| Deposits | 186,507 | 0 | 4,426 | 0 | 0 | 65,424 | 116,657 | 0 | 0 | 0 | 0 |

[1] Includes nondeposit trust companies: 8 in Arizona, 2 in Arkansas, 15 in California, 2 in Delaware, 3 in Florida, 3 in Hawaii, 7 in Illinois, 1 in Indiana, 1 in Iowa, 1 in Massachusetts, 1 in Mississippi, 6 in Missouri, 3 in Montana, 7 in Nebraska, 1 in New Hampshire, 1 in New Mexico, 5 in New York, 2 in Oklahoma, 2 in Pennsylvania, 1 in Rhode Island, 1 in South Dakota, 1 in Tennessee, 2 in Utah, 1 in Vermont, 1 in Virginia, 1 in Washington, and 5 in Wisconsin.
[2] Excludes data for branches in U.S. territories of banks headquartered in the United States, and excludes data for 19 insured branches in New York of 3 insured nonmember banks in Puerto Rico and 1 insured branch in California of an insured nonmember bank in Puerto Rico.
[3] Does not include assets and deposits of branches of U.S. banks located in "Other areas."

**Commercial banks**

Insured banks having resources of $25 million or more are required to report their assets and liabilities on the basis of accrual accounting. Where the results would not be significantly different, at the option of the bank, trust department accounts and certain other accounts may be reported on a cash basis. All banks, regardless of size or accounting system, are required to report unearned income on loans in the Report of Condition, Schedule A (loans). All banks, regardless of size or accounting system, are required to report income taxes on a current accrual basis. The income taxes must be computed on the amount of income and expense included in the Report of Income.

Each insured bank having foreign offices is required to submit a consolidated report including these offices; however, except for table 110 the tables on pages 153-174 contain only the domestic assets and liabilities of banks. Beginning in 1969, all majority-owned premises subsidiaries are fully consolidated; other majority-owned domestic subsidiaries (but not commercial bank subsidiaries) are consolidated if they meet any of the following criteria: (a) any subsidiary in which the parent bank's investment represents 5 percent or more of its equity capital accounts, (b) any subsidiary whose gross operating revenues amount to 5 percent of the parent bank's gross operating revenues, or (c) (beginning in December 1972) any subsidiary whose "Income (loss) before income taxes and securities gains or losses" amounts to 5 percent or more of the "income (loss) before income taxes and securities gains or losses" of the parent bank. Beginning in 1972, investments in subsidiaries not consolidated in which the bank directly or indirectly exercises effective control are reported on an equity (rather than cost) basis with the investment and undivided profits adjusted to include the parent's share of the subsidiaries' net worth.

In the case of insured banks with branches outside the 50 States, net amounts due from such branches are included in "Other assets" and net amounts due to such branches are included in "Other liabilities." Branches of insured banks outside the 50 States are treated as separate entities but are not included in the count of banks. Data for such branches are not included in the figures for the States in which the parent banks are located.

From 1969 through 1975, all reserves on loans and securities, including the reserves for bad debts set up pursuant to Internal Revenue Service rulings, were included in "Reserves on loans and securities" on the liability side of the balance sheet. Beginning in 1976, the IRS reserve is divided as follows: (a) the "valuation" portion of the reserve (plus any other loan loss reserve) is shown on the asset side of the face of the report as an offset to gross loans; (b) the "deferred income tax" portion is included in "other liabilities"; and (c) the "contingency" portion is included in "undivided profits," or "reserves for contingencies and other capital reserves" (preferably the former). The valuation reserve on securities, formerly shown on the liabilities side, is included in "reserve for contingencies and other capital reserves" beginning in 1976.

"Unearned income on loans," previously reported in "other liabilities," is reported separately as an exclusion from total loans and total assets beginning December 31, 1976.

Individual loan items are reported gross. Instalment loans, however, are ordinarily reported net if the instalment payments are applied directly to the reduction of the loan. Such loans are reported gross if, under contract, the payments do not immediately reduce the unpaid balances of the loan but are assigned or pledged to assure repayment at maturity.

The category "Trading account securities" was added to the condition report of commercial banks in 1969 to obtain this segregation for banks that regularly deal in securities with other banks or with the public. Banks occasionally holding securities purchased for possible resale report these under "Investment securities."

Assets and liabilities held in or administered by a savings, bond, insurance, real estate, foreign, or any other department of a bank, except a trust department, are consolidated with the respective assets and liabilities of the commercial department. "Deposits of individuals, partnerships, and corporations" include trust funds deposited by a trust department in a commercial or savings department. Other assets held in trust are not included in statements of assets and liabilities.

Demand balances with, and demand deposits due to, banks in the United States, except private banks and American branches of foreign banks, exclude reciprocal interbank deposits. (Reciprocal interbank deposits arise when two banks maintain deposit accounts with each other.)

In 1976, the caption "Capital notes and debentures" was changed to "subordinated notes and debentures," to be shown in the liabilities section of the Report of Condition. Accordingly, "capital accounts" became the "equity capital" section.

Asset and liability data for noninsured banks are tabulated from reports pertaining to the individual banks. In a few cases, these reports are not as detailed as those submitted by insured banks.

Additional data on assets and liabilities of all banks as of June 30, 1977 and December 31, 1977, are shown in the Corporation's semiannual publication *Assets and Liabilities—Commercial and Mutual Savings Banks.*

**Mutual savings banks**

The Reports of Condition and Income for mutual savings banks were revised in major respects in 1971. Among the changes was a requirement for consolidating the accounts of branches and subsidiaries with the parent bank, on a comparable basis with commercial bank reports (see above). A 1972 revision broadened the criteria for consolidated reporting; it also provided for the reporting of investments in unconsolidated subsidiaries on an equity basis, comparable with commercial bank reporting.

One objective of the revisions in 1971 was to provide a simplified reporting form. To this end, the schedules for deposits and securities were condensed and simplified.

Several changes were made in the reporting of specific items. Loans are reported in somewhat more detail than formerly. In real estate loans, construction loans are shown separately, and loans secured by residential properties are detailed as to those secured by 1- to 4-family properties and by multifamily (5 or more) properties.

Another important change shifted various reserve accounts which had been carried as deductions against assets (about $200 million in 1971) into the surplus accounts.

Beginning June 30, 1972, mutual savings banks with total resources of $25 million or more are required to prepare Reports of Condition on the basis of accrual accounting. All banks, regardless of size, are required to report income taxes on an accrual basis.

**Foreign assets of banks**

Since June 30, 1974, a consolidated statement of domestic and foreign assets and liabilities of U.S. banks has been published semiannually by the Corporation in *Assets and Liabilities—Commercial and Mutual Savings Banks.* On December 31, 1977, the consolidated assets of insured commercial banks totaled $1,339.4 billion, compared to domestic assets of $1,137.7 billion (see table 107). The 148 insured commercial banks that reported foreign operations held consolidated assets of $738.2 billion. (Beginning with June 30, 1977, foreign office assets and liabilities itemized by State are published in *Assets and Liabilities—Commercial and Mutual Savings Banks.)*

**Sources of data**

Insured banks: see p. 176; noninsured banks: State banking authorities and reports from individual banks.

**Table 106.** ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1977

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

| Asset, liability, or equity capital item | Total | Insured banks | | | | | Noninsured banks | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Total | Members of Federal Reserve System | | | Not members of F.R. System | Total | Banks of deposit[1] | Nondeposit trust companies[2] |
| | | | Total | National | State | | | | |
| **Total assets** | **1,084,679,218** | **1,048,910,610** | **799,455,048** | **603,999,516** | **195,455,532** | **249,455,562** | **35,768,608** | **35,254,563** | **514,045** |
| **Cash and due from banks–total** | **140,148,390** | **131,686,565** | **110,910,005** | **74,991,307** | **35,918,698** | **20,776,560** | **8,461,825** | **8,426,058** | **35,767** |
| Cash items in process of collection | 53,494,803 | 53,344,906 | 51,364,527 | 31,072,671 | 20,291,856 | 1,980,379 | 149,897 | 149,214 | 683 |
| Demand balances with banks in the United States | 36,421,862 | 30,674,836 | 18,165,898 | 12,266,045 | 5,899,853 | 12,508,938 | 5,747,026 | 5,716,914 | 30,112 |
| Other balances with banks in the United States | 6,463,778 | 5,162,407 | 3,013,869 | 2,642,124 | 371,745 | 2,148,538 | 1,301,371 | 1,297,189 | 4,182 |
| Including interest bearing balances | 5,630,803 | 4,946,356 | 2,910,104 | 2,569,928 | 340,176 | 2,036,252 | 684,447 | 682,099 | 2,348 |
| Balances with banks in foreign countries | 5,417,309 | 4,173,992 | 3,466,762 | 1,967,698 | 1,499,064 | 707,230 | 1,243,317 | 1,243,317 | 0 |
| Including interest bearing balances | 4,266,645 | 3,614,473 | 2,938,079 | 1,670,280 | 1,267,799 | 676,394 | 652,172 | 652,172 | 0 |
| Currency and coin | 12,812,545 | 12,793,045 | 9,361,570 | 7,248,188 | 2,113,382 | 3,431,475 | 19,500 | 19,424 | 76 |
| Reserve with Federal Reserve Bank | 25,538,093 | 25,537,379 | 25,537,379 | 19,794,581 | 5,742,798 | 0 | 714 | 0 | 714 |
| **Securities–total** | **257,550,962** | **254,643,100** | **179,620,704** | **137,167,408** | **42,453,296** | **75,022,396** | **2,907,862** | **2,784,001** | **123,861** |
| Investment securities–total | 248,877,182 | 246,013,917 | 171,372,722 | 131,853,698 | 39,519,024 | 74,641,195 | 2,863,265 | 2,768,825 | 94,440 |
| U.S. Treasury securities[3] | 98,383,404 | 97,186,037 | 68,976,021 | 51,262,750 | 17,713,271 | 28,210,016 | 1,197,367 | 1,163,301 | 34,066 |
| *Maturity–1 year and less* | ... | *35,148,518* | *24,780,822* | *19,038,279* | *5,742,543* | *10,367,696* | ... | ... | ... |
| *Maturity–Over 1 through 5 years* | ... | *51,942,413* | *37,699,507* | *27,391,633* | *10,307,874* | *14,242,906* | ... | ... | ... |
| *Maturity–Over 5 through 10 years* | ... | *9,322,216* | *5,958,692* | *4,397,624* | *1,561,068* | *3,363,524* | ... | ... | ... |
| *Maturity–Over 10 years* | ... | *772,890* | *537,000* | *435,214* | *101,786* | *235,890* | ... | ... | ... |
| Obligations of other U.S. Government agencies and corps.[3] | 34,965,542 | 34,386,360 | 20,940,352 | 16,769,737 | 4,170,615 | 13,446,008 | 579,182 | 576,143 | 3,039 |
| *Maturity–1 year and less* | ... | *9,827,271* | *5,637,456* | *4,504,814* | *1,132,642* | *4,189,815* | ... | ... | ... |
| *Maturity–Over 1 through 5 years* | ... | *15,249,204* | *9,231,262* | *7,348,233* | *1,883,029* | *6,017,942* | ... | ... | ... |
| *Maturity–Over 5 through 10 years* | ... | *4,082,594* | *2,380,638* | *1,827,671* | *552,967* | *1,701,956* | ... | ... | ... |
| *Maturity–Over 10 years* | ... | *5,227,291* | *3,690,996* | *3,089,019* | *601,977* | *1,536,295* | ... | ... | ... |
| Obligations of States and political subdivisions[3] | 109,339,738 | 108,599,217 | 77,571,353 | 60,749,389 | 16,821,964 | 31,027,864 | 740,521 | 707,191 | 33,330 |
| *Maturity–1 year and less* | ... | *18,396,455* | *14,504,285* | *11,546,747* | *2,957,538* | *3,892,170* | ... | ... | ... |
| *Maturity–Over 1 through 5 years* | ... | *30,992,349* | *20,804,320* | *16,491,676* | *4,312,644* | *10,188,029* | ... | ... | ... |
| *Maturity–Over 5 through 10 years* | ... | *32,176,079* | *21,818,545* | *17,320,386* | *4,498,159* | *10,357,534* | ... | ... | ... |
| *Maturity–Over 10 years* | ... | *27,034,334* | *20,444,203* | *15,390,580* | *5,053,623* | *6,590,131* | ... | ... | ... |
| Other bonds, notes, and debentures[3] | 6,188,498 | 5,842,303 | 3,884,996 | 3,071,822 | 813,174 | 1,957,307 | 346,195 | 322,190 | 24,005 |
| *Maturity–1 year and less* | ... | *966,355* | *596,573* | *463,689* | *132,884* | *369,782* | ... | ... | ... |
| *Maturity–Over 1 through 5 years* | ... | *2,425,341* | *1,703,604* | *1,359,641* | *343,963* | *721,737* | ... | ... | ... |
| *Maturity–Over 5 through 10 years* | ... | *1,192,641* | *779,293* | *617,203* | *162,090* | *413,348* | ... | ... | ... |
| *Maturity–Over 10 years* | ... | *1,257,966* | *805,526* | *631,289* | *174,237* | *452,440* | ... | ... | ... |
| Corporate stock | 1,618,926 | 1,580,432 | 1,332,373 | 992,903 | 339,470 | 248,059 | 38,494 | 9,100 | 29,394 |
| Trading account securities | 7,054,854 | 7,048,751 | 6,915,609 | 4,320,807 | 2,594,802 | 133,142 | 6,103 | 6,076 | 27 |
| **Federal funds sold and securities purchased under agreements to resell–total** | **44,606,528** | **40,845,487** | **33,044,321** | **27,525,292** | **5,519,029** | **7,801,166** | **3,761,041** | **3,656,079** | **104,962** |
| With domestic commercial banks | 37,695,236 | 34,121,696 | 26,506,717 | 22,317,779 | 4,188,938 | 7,614,979 | 3,573,540 | 3,468,578 | 104,962 |
| With brokers and dealers in securities and funds | 4,349,128 | 4,310,828 | 4,218,987 | 3,375,547 | 843,440 | 91,841 | 38,300 | 38,300 | 0 |
| With others | 2,562,164 | 2,412,963 | 2,318,617 | 1,831,966 | 486,651 | 94,346 | 149,201 | 149,201 | 0 |

**Table 106.** ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1977–CONTINUED

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

| Asset, liability, or equity capital item | Total | Insured banks | | | | | | Noninsured banks | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Total | Members of Federal Reserve System | | | Not members of F.R. System | | Total | Banks of deposit[1] | Nondeposit trust companies[2] |
| | | | Total | National | State | | | | | |
| **Loans, net** | **563,069,738** | **545,079,124** | **408,847,631** | **315,166,535** | **93,681,096** | **136,231,493** | | **17,990,614** | **17,948,478** | **42,136** |
| Plus: Reserve for possible loan losses | 6,636,935 | 6,483,970 | 5,119,112 | 3,758,720 | 1,360,392 | 1,364,858 | | 152,965 | 152,455 | 510 |
| Loans, total | 569,706,673 | 551,563,094 | 413,966,743 | 318,925,255 | 95,041,488 | 137,596,351 | | 18,143,579 | 18,100,933 | 42,646 |
| Plus: Unearned income on loans | 13,716,438 | 13,659,484 | 9,208,222 | 7,624,116 | 1,584,106 | 4,451,262 | | 56,954 | 56,954 | 0 |
| **Loans, gross** | **583,423,111** | **565,222,578** | **423,174,965** | **326,549,371** | **96,625,594** | **142,047,613** | | **18,200,533** | **18,157,887** | **42,646** |
| Real estate loans–total | 163,007,362 | 162,658,332 | 112,485,392 | 90,173,343 | 22,312,049 | 50,172,940 | | 349,030 | 344,128 | 4,902 |
| *Construction and land development* | *19,002,395* | *18,955,556* | *14,549,071* | *11,317,741* | *3,231,330* | *4,406,485* | | *46,839* | *46,839* | *0* |
| *Secured by farmland* | *7,360,487* | *7,341,435* | *3,129,299* | *2,551,260* | *578,039* | *4,212,136* | | *19,052* | *18,425* | *627* |
| *Secured by 1– to 4–family residential properties:* | | | | | | | | | | |
| *Insured by FHA and guaranteed by VA* | *8,056,445* | *8,005,588* | *6,765,734* | *5,635,922* | *1,129,812* | *1,239,854* | | *50,857* | *50,804* | *53* |
| *Conventional* | *79,743,449* | *79,588,362* | *54,851,039* | *44,774,198* | *10,076,841* | *24,737,323* | | *155,087* | *151,540* | *3,547* |
| *Secured by multi-family (5 or more) residential properties:* | | | | | | | | | | |
| *Insured by FHA* | *370,316* | *369,553* | *282,111* | *160,029* | *122,082* | *87,442* | | *763* | *763* | *0* |
| *Conventional* | *4,185,986* | *4,180,549* | *2,990,687* | *2,191,785* | *798,902* | *1,189,862* | | *5,437* | *5,047* | *390* |
| *Secured by nonfarm nonresidential properties* | *44,288,284* | *44,217,289* | *29,917,451* | *23,542,408* | *6,375,043* | *14,299,838* | | *70,995* | *70,710* | *285* |
| Loans to financial institutions–total | 40,421,005 | 33,532,945 | 31,517,200 | 21,496,051 | 10,021,149 | 2,015,745 | | 6,888,060 | 6,888,060 | 0 |
| *To real estate investment trusts and mortgage companies* | *9,307,069* | *9,293,224* | *8,892,390* | *6,327,219* | *2,565,171* | *400,834* | | *13,845* | *13,845* | *0* |
| *To domestic commercial banks* | *4,684,617* | *2,475,639* | *1,913,912* | *1,436,817* | *477,095* | *561,727* | | *2,208,978* | *2,208,978* | *0* |
| *To banks in foreign countries* | *10,384,883* | *6,166,289* | *6,013,716* | *3,620,939* | *2,392,777* | *152,573* | | *4,218,594* | *4,218,594* | *0* |
| *To other depository institutions* | *1,260,259* | *1,243,654* | *1,126,339* | *904,032* | *222,307* | *117,315* | | *16,605* | *16,605* | *0* |
| *To other financial institutions* | *14,784,177* | *14,354,139* | *13,570,843* | *9,207,044* | *4,363,799* | *783,296* | | *430,038* | *430,038* | *0* |
| Loans for purchasing or carrying securities–total | 14,579,215 | 14,315,911 | 13,367,955 | 8,011,991 | 5,355,964 | 947,956 | | 263,304 | 262,464 | 840 |
| *To brokers and dealers in securities* | *10,436,139* | *10,180,167* | *9,942,620* | *5,263,228* | *4,679,392* | *237,547* | | *255,972* | *255,132* | *840* |
| *Other loans for purchasing or carrying securities* | *4,143,076* | *4,135,744* | *3,425,335* | *2,748,763* | *676,572* | *710,409* | | *7,332* | *7,332* | *0* |
| Loans to farmers | 25,776,937 | 25,632,829 | 14,156,547 | 12,342,028 | 1,814,519 | 11,476,282 | | 144,108 | 144,108 | 0 |
| Commercial and industrial loans | 194,653,208 | 185,329,613 | 150,156,296 | 113,245,951 | 36,910,345 | 35,173,317 | | 9,323,595 | 9,313,337 | 10,258 |
| Loans to individuals–total | 128,729,693 | 128,548,841 | 88,507,907 | 71,632,022 | 16,875,885 | 40,040,934 | | 180,852 | 180,748 | 104 |
| *To purchase private passenger automobiles on instalment basis* | *44,992,611* | *44,971,525* | *28,857,677* | *23,858,878* | *4,998,799* | *16,113,848* | | *21,086* | *21,020* | *66* |
| *Credit cards and related plans:* | | | | | | | | | | |
| *Retail (charge account) credit card plans* | *11,653,373* | *11,653,110* | *10,364,943* | *8,411,134* | *1,953,809* | *1,288,167* | | *263* | *263* | *0* |
| *Check credit and revolving credit plans* | *3,380,446* | *3,373,193* | *2,768,496* | *1,871,078* | *897,418* | *604,697* | | *7,253* | *7,253* | *0* |
| *To purchase other retail consumer goods on instalment basis:* | | | | | | | | | | |
| *Mobile homes (excluding travel trailers)* | *8,838,223* | *8,837,186* | *6,224,972* | *5,412,829* | *812,143* | *2,612,214* | | *1,037* | *1,030* | *7* |
| *Other retail consumer goods* | *7,822,241* | *7,816,252* | *5,083,893* | *4,287,046* | *796,847* | *2,732,359* | | *5,989* | *5,987* | *2* |
| *Instalment loans to repair and modernize residential property* | *6,690,521* | *6,685,665* | *4,472,678* | *3,604,873* | *867,805* | *2,212,987* | | *4,856* | *4,848* | *8* |
| *Other instalment loans for household, family, and other personal expenditures* | *19,044,942* | *18,957,895* | *12,378,898* | *9,896,895* | *2,482,003* | *6,578,997* | | *87,047* | *87,046* | *1* |
| *Single-payment loans for household, family, and other personal expenditures* | *26,307,336* | *26,254,015* | *18,356,350* | *14,289,289* | *4,067,061* | *7,897,665* | | *53,321* | *53,301* | *20* |
| All other loans | 16,255,691 | 15,204,107 | 12,983,668 | 9,647,985 | 3,335,683 | 2,220,439 | | 1,051,584 | 1,025,042 | 26,542 |
| **Total loans and securities** | **820,620,700** | **799,722,224** | **588,468,335** | **452,333,943** | **136,134,392** | **211,253,889** | | **20,898,476** | **20,732,479** | **165,997** |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Direct lease financing | 5,173,167 | 5,173,117 | 4,849,417 | 3,952,410 | 897,007 | 323,700 | 50 | 50 | 0 |
| Bank premises, furniture and fixtures, and other assets representing bank premises | 17,423,956 | 17,336,894 | 12,636,824 | 10,249,565 | 2,387,259 | 4,700,070 | 87,062 | 71,229 | 15,833 |
| Real estate owned other than bank premises | 3,082,167 | 3,058,817 | 2,507,160 | 1,850,836 | 656,324 | 551,657 | 23,350 | 8,185 | 15,165 |
| Investments in unconsolidated subsidiaries and associated companies | 2,677,691 | 2,594,050 | 2,557,322 | 1,932,726 | 624,596 | 36,728 | 83,641 | 81,867 | 1,774 |
| Customers' liability on acceptances outstanding | 12,760,340 | 11,886,441 | 11,458,371 | 7,596,300 | 3,862,071 | 428,070 | 873,899 | 873,899 | 0 |
| Other assets | 38,186,279 | 36,607,015 | 33,023,293 | 23,567,137 | 9,456,156 | 3,583,722 | 1,579,264 | 1,404,717 | 174,547 |
| **Total liabilities and equity capital** | **1,084,679,218** | **1,048,910,610** | **799,455,048** | **603,999,516** | **195,455,532** | **249,455,562** | **35,768,608** | **35,254,563** | **514,045** |
| **Business and personal deposits—total** | **727,545,475** | **717,214,067** | **521,371,366** | **405,073,043** | **116,298,323** | **195,842,701** | **10,331,408** | **10,307,148** | **24,260** |
| Individuals, partnerships, and corporations—demand | 254,179,813 | 252,746,638 | 189,720,626 | 144,187,866 | 45,532,760 | 63,026,012 | 1,433,175 | 1,415,665 | 17,510 |
| Individuals, partnerships, and corporations—savings | 211,665,107 | 211,011,986 | 148,853,371 | 118,531,532 | 30,321,839 | 62,158,615 | 653,121 | 651,203 | 1,918 |
| *Individuals and nonprofit organizations—savings* | *201,560,497* | *200,929,245* | *141,555,072* | *112,871,643* | *28,683,429* | *59,374,173* | *631,252* | *629,334* | *1,918* |
| *Corporations and other profit organizations—savings* | *10,104,610* | *10,082,741* | *7,298,299* | *5,659,889* | *1,638,410* | *2,784,442* | *21,869* | *21,869* | *0* |
| Individuals, partnerships, and corporations—time | 245,921,323 | 239,452,303 | 171,559,744 | 135,098,791 | 36,460,953 | 67,892,559 | 6,469,020 | 6,464,188 | 4,832 |
| Deposits accumulated for payment of personal loans—time | 133,913 | 133,913 | 108,187 | 79,760 | 28,427 | 25,726 | 0 | 0 | 0 |
| Certified and officers' checks, travelers' checks, letters of credit—demand | 15,645,319 | 13,869,227 | 11,129,438 | 7,175,094 | 3,954,344 | 2,739,789 | 1,776,092 | 1,776,092 | 0 |
| **Government deposits—total** | **73,969,880** | **73,466,357** | **50,623,022** | **40,873,367** | **9,749,655** | **22,843,335** | **503,523** | **503,339** | **184** |
| United States Government—demand | 2,850,339 | 2,832,289 | 2,007,830 | 1,636,230 | 371,600 | 824,459 | 18,050 | 17,871 | 179 |
| United States Government—savings | 61,313 | 61,266 | 52,468 | 46,027 | 6,441 | 8,798 | 47 | 47 | 0 |
| United States Government—time | 759,514 | 759,046 | 601,677 | 510,488 | 91,189 | 157,369 | 468 | 468 | 0 |
| States and political subdivisions—demand | 18,116,198 | 18,027,079 | 12,375,349 | 10,012,579 | 2,362,770 | 5,651,730 | 89,119 | 89,114 | 5 |
| States and political subdivisions—savings | 5,360,554 | 5,347,954 | 3,733,246 | 2,744,156 | 989,090 | 1,614,708 | 12,600 | 12,600 | 0 |
| States and political subdivisions—time | 46,821,962 | 46,438,723 | 31,852,452 | 25,923,887 | 5,928,565 | 14,586,271 | 383,239 | 383,239 | 0 |
| **Domestic interbank deposits—total** | **46,143,709** | **44,704,852** | **42,367,855** | **23,806,761** | **18,561,094** | **2,336,997** | **1,438,857** | **1,433,048** | **5,809** |
| Commercial banks in the United States—demand | 37,615,937 | 36,980,926 | 35,764,271 | 19,523,423 | 16,240,848 | 1,216,655 | 635,011 | 629,202 | 5,809 |
| Commercial banks in the United States—savings | 21,689 | 20,476 | 15,757 | 9,828 | 5,929 | 4,719 | 1,213 | 1,213 | 0 |
| Commercial banks in the United States—time | 6,519,045 | 5,910,597 | 4,996,333 | 3,434,068 | 1,562,265 | 914,264 | 608,448 | 608,448 | 0 |
| Mutual savings banks in the United States—demand | 1,621,407 | 1,443,492 | 1,257,383 | 644,736 | 612,647 | 186,109 | 177,915 | 177,915 | 0 |
| Mutual savings banks in the United States—savings | 2,550 | 2,550 | 1,625 | 1,475 | 150 | 925 | 0 | 0 | 0 |
| Mutual savings banks in the United States—time | 363,081 | 346,811 | 332,486 | 193,231 | 139,255 | 14,325 | 16,270 | 16,270 | 0 |
| **Foreign government and bank deposits—total** | **21,576,422** | **18,196,502** | **17,509,285** | **9,646,444** | **7,862,841** | **687,217** | **3,379,920** | **3,377,488** | **2,432** |
| Foreign governments, central banks—demand | 1,908,836 | 1,453,922 | 1,381,890 | 660,527 | 721,363 | 72,032 | 454,914 | 452,482 | 2,432 |
| Foreign governments, central banks—savings | 43,526 | 43,438 | 41,973 | 15,737 | 26,236 | 1,465 | 88 | 88 | 0 |
| Foreign governments, central banks—time | 9,591,355 | 7,967,947 | 7,635,414 | 4,661,415 | 2,973,999 | 332,533 | 1,623,408 | 1,623,408 | 0 |
| Banks in foreign countries—demand | 7,318,285 | 6,616,934 | 6,470,970 | 2,756,385 | 3,714,585 | 145,964 | 701,351 | 701,351 | 0 |
| Banks in foreign countries—savings | 408 | 408 | 283 | 16 | 267 | 125 | 0 | 0 | 0 |
| Banks in foreign countries—time | 2,714,012 | 2,113,853 | 1,978,755 | 1,552,364 | 426,391 | 135,098 | 600,159 | 600,159 | 0 |
| **Total deposits** | **869,235,486** | **853,581,778** | **631,871,528** | **479,399,615** | **152,471,913** | **221,710,250** | **15,653,708** | **15,621,023** | **32,685** |
| *Demand* | *339,256,134* | *333,970,507* | *260,107,757* | *186,596,840* | *73,510,917* | *73,862,750* | *5,285,627* | *5,259,692* | *25,935* |
| *Savings* | *217,155,147* | *216,488,078* | *152,698,723* | *121,348,771* | *31,349,952* | *63,789,355* | *667,069* | *665,151* | *1,918* |
| *Time* | *312,824,205* | *303,123,193* | *219,065,048* | *171,454,004* | *47,611,044* | *84,058,145* | *9,701,012* | *9,696,180* | *4,832* |
| **Miscellaneous liabilities—total** | **133,336,233** | **114,291,605** | **106,771,016** | **78,637,778** | **28,133,238** | **7,520,589** | **19,044,628** | **18,808,893** | **235,735** |
| Federal funds purchased and securities sold under agreements to repurchase—total | 79,376,020 | 75,604,360 | 71,575,658 | 53,756,956 | 17,818,702 | 4,028,702 | 3,771,660 | 3,770,660 | 1,000 |
| *With domestic and commercial banks* | *42,568,806* | *39,706,000* | *37,889,905* | *30,051,814* | *7,838,091* | *1,816,095* | *2,862,806* | *2,861,806* | *1,000* |
| *With brokers and dealers in securities and funds* | *9,506,088* | *9,481,555* | *8,979,214* | *6,643,030* | *2,336,184* | *502,341* | *24,533* | *24,533* | *0* |
| *With others* | *27,301,126* | *26,416,805* | *24,706,539* | *17,062,112* | *7,644,427* | *1,710,266* | *884,321* | *884,321* | *0* |
| Other liabilities for borrowed money | 9,620,229 | 5,966,023 | 5,658,047 | 3,758,717 | 1,899,330 | 307,976 | 3,654,206 | 3,627,033 | 27,173 |
| Mortgage indebtedness | 831,500 | 828,734 | 572,833 | 447,901 | 124,932 | 255,901 | 2,766 | 1,236 | 1,530 |
| Acceptances outstanding | 13,418,525 | 12,540,148 | 12,111,977 | 7,685,225 | 4,426,752 | 428,171 | 878,377 | 878,377 | 0 |
| Other liabilities | 30,089,959 | 19,352,340 | 16,852,501 | 12,988,979 | 3,863,522 | 2,499,839 | 10,737,619 | 10,531,587 | 206,032 |

## Table 106. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1977—CONTINUED

### BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

| Asset, liability, or equity capital item | Total | Insured banks | | | | | Noninsured banks | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Total | Members of Federal Reserve System | | | Not members of F.R. System | Total | Banks of deposit[1] | Nondeposit trust companies[2] |
| | | | Total | National | State | | | | |
| **Total liabilities (excluding subordinated notes and debentures)** | **1,002,571,719** | **967,873,383** | **738,642,544** | **558,037,393** | **180,605,151** | **229,230,839** | **34,698,336** | **34,429,916** | **268,420** |
| **Subordinated notes and debentures** | **5,434,531** | **5,357,474** | **4,224,556** | **2,815,397** | **1,409,159** | **1,132,918** | **77,057** | **75,983** | **1,074** |
| **Equity capital—total** | **76,672,968** | **75,679,753** | **56,587,948** | **43,146,726** | **13,441,222** | **19,091,805** | **993,215** | **748,664** | **244,551** |
| Preferred stock—par value | 77,227 | 71,113 | 28,418 | 21,559 | 6,859 | 42,695 | 6,114 | 5,712 | 402 |
| Preferred stock—shares outstanding (in thousands) | 6,758 | 6,690 | 3,476 | 388 | 3,088 | 3,214 | 68 | 57 | 11 |
| Common stock—par value | 16,806,986 | 16,703,120 | 12,087,106 | 9,295,127 | 2,791,979 | 4,616,014 | 103,866 | 52,433 | 51,433 |
| Common stock—shares authorized (in thousands) | 2,257,271 | 2,156,237 | 1,310,944 | 1,081,186 | 229,758 | 845,293 | 101,034 | 57,558 | 43,476 |
| Common stock—shares outstanding (in thousands) | 1,782,800 | 1,770,099 | 1,212,049 | 998,516 | 213,533 | 558,050 | 12,701 | 10,071 | 2,630 |
| Surplus | 30,386,256 | 29,809,422 | 21,797,335 | 16,257,521 | 5,539,814 | 8,012,087 | 576,834 | 522,826 | 54,008 |
| Undivided profits | 27,592,079 | 27,352,104 | 21,488,483 | 16,586,711 | 4,901,772 | 5,863,621 | 239,975 | 113,961 | 126,014 |
| Reserve for contingencies and other capital reserves | 1,810,420 | 1,743,994 | 1,186,606 | 985,808 | 200,798 | 557,388 | 66,426 | 53,732 | 12,694 |
| **PERCENTAGES** | | | | | | | | | |
| **Of total assets:** | | | | | | | | | |
| Cash and due from banks | 12.9 | 12.6 | 13.9 | 12.4 | 18.4 | 8.3 | 23.7 | 23.9 | 7.0 |
| U.S. Treasury securities and obligations of other U.S. Government agencies and corporations | 12.3 | 12.5 | 11.2 | 11.3 | 11.2 | 16.7 | 5.0 | 4.9 | 7.2 |
| Other securities | 11.5 | 11.7 | 11.2 | 11.4 | 10.5 | 13.4 | 3.2 | 3.0 | 16.9 |
| Loans (including federal funds sold and securities purchased under agreements to resell) | 56.0 | 55.9 | 55.3 | 56.7 | 50.8 | 57.7 | 60.8 | 61.3 | 28.6 |
| Other assets | 7.3 | 7.3 | 8.4 | 8.1 | 9.1 | 3.9 | 7.4 | 6.9 | 40.3 |
| Total equity capital[4] | 7.1 | 7.2 | 7.1 | 7.1 | 6.9 | 7.7 | 2.8[5] | 2.1[5] | 47.6 |
| **Of total assets other than cash and U.S. Teasury securities:** | | | | | | | | | |
| Total equity capital[4] | 9.1 | 9.2 | 9.1 | 9.0 | 9.5 | 9.5 | 3.8[5] | 2.9[5] | 55.1 |
| Number of banks | 14,746 | 14,441 | 5,722 | 4,703 | 1,019 | 8,719 | 305 | 222 | 83 |

[1] Includes asset and liability figures for branches of foreign banks (tabulated as banks) licensed to do a deposit business. Capital is not allocated to these branches by the parent banks.

[2] Amounts shown as deposits are special accounts and uninvested trust funds, with the latter classified as demand deposits of individuals, partnerships, and corporations.

[3] Because noninsured commercial banks are not required to submit Schedule B, "Securities—Distribution by Remaining Maturity," these distributions are not available for noninsured banks and for "All commercial banks."

[4] Only asset and liability data are included for branches located in "other areas" of banks headquartered in one of the 50 States; because no capital is allocated to these branches, they are excluded from the computation of ratios of equity capital to assets.

[5] Data for branches of foreign banks referred to in footnote 1 have been excluded in computing this ratio for noninsured banks of deposit and in "total" columns.

Note: Further information on the reports of assets and liabilities of banks may be found on pp. 151-152.

**Table 107.** ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1977

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

| Asset, liability, or equity capital item | Total | Insured banks | | | | | | Noninsured banks | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Total | Members of Federal Reserve System | | | Not members of F.R. System | | Total | Banks of deposit[1] | Nondeposit trust companies[2] |
| | | | Total | National | State | | | | | |
| **Total assets** | **1,176,607,887** | **1,137,686,982** | **865,757,704** | **655,316,252** | **210,441,452** | **271,929,278** | | **38,920,905** | **38,335,759** | **585,146** |
| **Cash and due from banks–total** | **169,974,725** | **160,352,697** | **134,703,102** | **92,397,806** | **42,305,296** | **25,649,595** | | **9,622,028** | **9,584,395** | **37,633** |
| Cash items in process of collection | 66,625,825 | 66,447,697 | 63,972,198 | 41,618,707 | 22,353,491 | 2,475,499 | | 178,128 | 178,128 | 0 |
| Demand balances with banks in the United States | 44,880,798 | 39,240,406 | 23,089,101 | 14,894,956 | 8,194,145 | 16,151,305 | | 5,640,392 | 5,606,803 | 33,589 |
| Other balances with banks in the United States | 7,286,398 | 5,915,123 | 3,326,223 | 2,588,556 | 737,667 | 2,588,900 | | 1,371,275 | 1,367,540 | 3,735 |
| Including interest bearing balances | 6,211,183 | 5,362,957 | 2,878,894 | 2,507,213 | 371,681 | 2,484,063 | | 848,226 | 847,700 | 526 |
| Balances with banks in foreign countries | 7,825,298 | 5,410,379 | 4,575,824 | 2,620,317 | 1,955,507 | 834,555 | | 2,414,919 | 2,414,919 | 0 |
| Including interest bearing balances | 6,502,077 | 4,551,868 | 3,823,352 | 2,150,504 | 1,672,848 | 728,516 | | 1,950,209 | 1,950,209 | 0 |
| Currency and coin | 14,016,009 | 13,998,824 | 10,399,488 | 8,089,567 | 2,309,921 | 3,599,336 | | 17,185 | 17,005 | 180 |
| Reserve with Federal Reserve Bank | 29,340,397 | 29,340,268 | 29,340,268 | 22,585,703 | 6,754,565 | 0 | | 129 | 0 | 129 |
| **Securities–total** | **260,997,185** | **258,408,158** | **180,808,621** | **138,537,386** | **42,271,235** | **77,599,537** | | **2,589,027** | **2,467,927** | **121,100** |
| Investment securities–total | 252,944,370 | 250,392,895 | 173,175,950 | 133,713,186 | 39,462,764 | 77,216,945 | | 2,551,475 | 2,459,745 | 91,730 |
| U.S. Treasury securities[3] | 97,044,604 | 95,961,373 | 66,682,996 | 50,037,441 | 16,645,555 | 29,278,377 | | 1,083,231 | 1,045,920 | 37,311 |
| *Maturity–1 year and less* | ...... | *36,481,917* | *25,164,420* | *19,700,310* | *5,464,110* | *11,317,497* | | ...... | ...... | ...... |
| *Maturity–Over 1 through 5 years* | ...... | *49,411,277* | *35,203,090* | *25,403,555* | *9,799,535* | *14,208,187* | | ...... | ...... | ...... |
| *Maturity–Over 5 through 10 years* | ...... | *8,860,522* | *5,460,945* | *4,151,729* | *1,309,216* | *3,399,577* | | ...... | ...... | ...... |
| *Maturity–Over 10 years* | ...... | *1,207,657* | *854,541* | *781,847* | *72,694* | *353,116* | | ...... | ...... | ...... |
| Obligations of other U.S. Government agencies and corps.[3] | 36,117,116 | 35,812,115 | 22,433,924 | 17,832,093 | 4,601,831 | 13,378,191 | | 305,001 | 303,609 | 1,392 |
| *Maturity–1 year and less* | ...... | *9,318,756* | *5,639,602* | *4,400,114* | *1,239,488* | *3,679,154* | | ...... | ...... | ...... |
| *Maturity–Over 1 through 5 years* | ...... | *14,905,716* | *8,977,074* | *7,101,125* | *1,875,949* | *5,928,642* | | ...... | ...... | ...... |
| *Maturity–Over 5 through 10 years* | ...... | *4,878,770* | *2,890,692* | *2,277,007* | *613,685* | *1,988,078* | | ...... | ...... | ...... |
| *Maturity–Over 10 years* | ...... | *6,708,873* | *4,926,556* | *4,053,847* | *872,709* | *1,782,317* | | ...... | ...... | ...... |
| Obligations of States and political subdivisions[3] | 113,659,779 | 112,900,214 | 80,282,128 | 62,870,206 | 17,411,922 | 32,618,086 | | 759,565 | 726,863 | 32,702 |
| *Maturity–1 year and less* | ...... | *18,429,872* | *14,525,161* | *11,365,861* | *3,159,300* | *3,904,711* | | ...... | ...... | ...... |
| *Maturity–Over 1 through 5 years* | ...... | *31,617,986* | *21,028,127* | *17,000,724* | *4,027,403* | *10,589,859* | | ...... | ...... | ...... |
| *Maturity–Over 5 through 10 years* | ...... | *33,222,146* | *22,217,732* | *18,185,623* | *4,032,109* | *11,004,414* | | ...... | ...... | ...... |
| *Maturity–Over 10 years* | ...... | *29,630,210* | *22,511,108* | *16,317,998* | *6,193,110* | *7,119,102* | | ...... | ...... | ...... |
| Other bonds, notes, and debentures[3] | 6,122,871 | 5,719,193 | 3,776,902 | 2,973,446 | 803,456 | 1,942,291 | | 403,678 | 383,353 | 20,325 |
| *Maturity–1 year and less* | ...... | *923,827* | *514,259* | *369,978* | *144,281* | *409,568* | | ...... | ...... | ...... |
| *Maturity–Over 1 through 5 years* | ...... | *2,437,129* | *1,722,824* | *1,337,457* | *385,367* | *714,305* | | ...... | ...... | ...... |
| *Maturity–Over 5 through 10 years* | ...... | *1,087,293* | *716,209* | *594,960* | *121,249* | *371,084* | | ...... | ...... | ...... |
| *Maturity–Over 10 years* | ...... | *1,270,944* | *823,610* | *671,051* | *152,559* | *447,334* | | ...... | ...... | ...... |
| Corporate stock | 1,648,059 | 1,611,533 | 1,366,337 | 1,010,201 | 356,136 | 245,196 | | 36,526 | 7,156 | 29,370 |
| Trading account securities | 6,404,756 | 6,403,730 | 6,266,334 | 3,813,999 | 2,452,335 | 137,396 | | 1,026 | 1,026 | 0 |
| **Federal funds sold and securities purchased under agreements to resell–total** | **54,241,823** | **49,875,314** | **38,968,667** | **32,175,663** | **6,793,004** | **10,906,647** | | **4,366,509** | **4,232,098** | **134,411** |
| *With domestic commercial banks* | *45,315,639* | *41,302,685* | *30,774,733* | *26,069,473* | *4,705,260* | *10,527,952* | | *4,012,954* | *3,885,843* | *127,111* |
| *With brokers and dealers in securities and funds* | *5,498,720* | *5,490,720* | *5,236,538* | *3,907,050* | *1,329,488* | *254,182* | | *8,000* | *8,000* | *0* |
| *With others* | *3,427,464* | *3,081,909* | *2,957,396* | *2,199,140* | *758,256* | *124,513* | | *345,555* | *338,255* | *7,300* |

**Table 107.** ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1977—CONTINUED
BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK
(Amounts in thousands of dollars)

| Asset, liability, or equity capital item | Total | Insured banks | | | | | Noninsured banks | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Total | Members of Federal Reserve System | | | Not members of F.R. System | Total | Banks of deposit[1] | Nondeposit trust companies[2] |
| | | | Total | National | State | | | | |
| **Loans, net** | **610,530,162** | **591,312,754** | **443,659,971** | **343,242,890** | **100,417,081** | **147,652,783** | **19,217,408** | **19,167,337** | **50,071** |
| Plus: Reserve for possible loan losses | 6,858,724 | 6,692,291 | 5,257,375 | 3,896,036 | 1,361,339 | 1,434,916 | 166,433 | 165,771 | 658 |
| Loans, total | 617,388,886 | 598,005,045 | 448,917,346 | 347,138,926 | 101,778,420 | 149,087,699 | 19,383,841 | 19,333,108 | 50,729 |
| Plus: Unearned income on loans | 14,873,516 | 14,701,242 | 9,859,230 | 8,183,618 | 1,675,612 | 4,842,012 | 172,274 | 172,278 | 0 |
| **Loans, gross** | **632,262,402** | **612,706,287** | **458,776,576** | **355,322,544** | **103,454,032** | **153,929,711** | **19,556,115** | **19,505,386** | **50,729** |
| Real estate loans—total | 178,979,392 | 178,606,540 | 123,055,114 | 99,055,856 | 23,999,258 | 55,551,426 | 372,852 | 368,019 | 4,833 |
| *Construction and land development* | *21,449,220* | *21,395,222* | *16,157,687* | *12,675,071* | *3,482,616* | *5,237,535* | *53,998* | *53,998* | *0* |
| *Secured by farmland* | *7,751,582* | *7,732,003* | *3,330,211* | *2,729,789* | *600,422* | *4,401,792* | *19,579* | *18,935* | *644* |
| *Secured by 1— to 4—family residential properties:* | | | | | | | | | |
| *Insured by FHA and guaranteed by VA* | *7,988,871* | *7,867,781* | *6,665,606* | *5,530,156* | *1,135,450* | *1,202,175* | *121,090* | *121,037* | *53* |
| *Conventional* | *88,990,943* | *88,897,254* | *61,022,004* | *49,976,300* | *11,045,704* | *27,875,250* | *93,689* | *90,084* | *3,605* |
| *Secured by multi-family (5 or more) residential properties:* | | | | | | | | | |
| *Insured by FHA* | *411,640* | *404,915* | *336,338* | *208,273* | *128,065* | *68,577* | *6,725* | *6,725* | *0* |
| *Conventional* | *4,508,428* | *4,506,100* | *3,218,353* | *2,366,952* | *851,401* | *1,287,747* | *2,328* | *1,940* | *388* |
| *Secured by nonfarm nonresidential properties* | *47,878,708* | *47,803,265* | *32,324,915* | *25,569,315* | *6,755,600* | *15,478,350* | *75,443* | *75,300* | *143* |
| Loans to financial institutions—total | 43,889,525 | 36,816,160 | 34,645,402 | 23,494,674 | 11,150,728 | 2,170,758 | 7,073,365 | 7,073,365 | 0 |
| *To real estate investment trusts and mortgage companies* | *9,088,641* | *9,074,089* | *8,684,471* | *6,328,052* | *2,356,419* | *389,618* | *14,552* | *14,552* | *0* |
| *To domestic commerical banks* | *5,206,446* | *3,152,158* | *2,503,148* | *1,794,826* | *708,322* | *649,010* | *2,054,288* | *2,054,288* | *0* |
| *To banks in foreign countries* | *11,515,939* | *7,245,433* | *6,994,754* | *4,006,522* | *2,988,232* | *250,679* | *4,270,506* | *4,270,506* | *0* |
| *To other depository institutions* | *1,935,487* | *1,747,259* | *1,594,506* | *1,309,555* | *284,951* | *152,753* | *188,228* | *188,228* | *0* |
| *To other financial institutions* | *16,143,012* | *15,597,221* | *14,868,523* | *10,055,719* | *4,812,804* | *728,698* | *545,791* | *545,791* | *0* |
| Loans for purchasing or carrying securities—total | 17,410,917 | 17,111,350 | 16,036,411 | 9,596,661 | 6,439,750 | 1,074,939 | 299,567 | 292,963 | 6,604 |
| *To brokers and dealers in securities* | *13,059,925* | *12,781,182* | *12,440,159* | *6,694,648* | *5,745,511* | *341,023* | *278,743* | *276,813* | *1,930* |
| *Other loans for purchasing or carrying securities* | *4,350,992* | *4,330,168* | *3,596,252* | *2,902,013* | *694,239* | *733,916* | *20,824* | *16,150* | *4,674* |
| Loans to farmers | 25,741,427 | 25,713,832 | 14,182,665 | 12,359,358 | 1,823,307 | 11,531,167 | 27,595 | 27,591 | 4 |
| Commercial and industrial loans | 207,300,420 | 197,091,783 | 159,711,418 | 121,613,702 | 38,097,716 | 37,380,365 | 10,208,637 | 10,206,830 | 1,807 |
| Loans to individuals—total | 141,461,081 | 141,252,072 | 97,394,958 | 79,157,181 | 18,237,777 | 43,857,114 | 209,009 | 208,936 | 73 |
| *To purchase private passenger automobiles on instalment basis* | *49,905,368* | *49,863,681* | *31,936,161* | *26,444,010* | *5,492,151* | *17,927,520* | *41,687* | *41,630* | *57* |
| *Credit cards and related plans:* | | | | | | | | | |
| *Retail (charge account) credit card plans* | *14,695,303* | *14,695,085* | *13,106,566* | *10,722,027* | *2,384,539* | *1,588,519* | *218* | *218* | *0* |
| *Check credit and revolving credit plans* | *3,787,695* | *3,779,288* | *3,123,274* | *2,196,369* | *926,905* | *656,014* | *8,407* | *8,407* | *0* |
| *To purchase other retail consumer goods on instalment basis:* | | | | | | | | | |
| *Mobile homes (excluding travel trailers)* | *9,126,789* | *9,125,850* | *6,401,102* | *5,598,966* | *802,136* | *2,724,748* | *939* | *934* | *5* |
| *Other retail consumer goods* | *8,386,410* | *8,378,364* | *5,473,494* | *4,633,127* | *840,367* | *2,904,870* | *8,046* | *8,043* | *3* |
| *Instalment loans to repair and modernize residential property* | *7,324,936* | *7,321,124* | *4,856,879* | *3,923,338* | *933,541* | *2,464,245* | *3,812* | *3,804* | *8* |
| *Other instalment loans for household, family, and other personal expenditures* | *20,238,136* | *20,151,494* | *13,131,183* | *10,509,353* | *2,621,830* | *7,020,311* | *86,642* | *86,642* | *0* |
| *Single-payment loans for household, family, and other personal expenditures* | *27,996,444* | *27,937,186* | *19,366,299* | *15,129,991* | *4,236,308* | *8,570,887* | *59,258* | *59,258* | *0* |
| All other loans | 17,479,640 | 16,114,550 | 13,750,608 | 10,045,112 | 3,705,496 | 2,363,942 | 1,365,090 | 1,327,682 | 37,408 |
| **Total loans and securities** | **871,527,347** | **849,720,912** | **624,468,592** | **481,780,276** | **142,688,316** | **225,252,320** | **21,806,435** | **21,635,264** | **171,171** |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Direct lease financing | 5,810,574 | 5,810,261 | 5,461,321 | 4,409,964 | 1,051,357 | 348,940 | 313 | 305 | 8 |
| Bank premises, furniture and fixtures, and other assets representing bank premises | 18,439,587 | 18,343,828 | 13,353,988 | 10,826,017 | 2,527,971 | 4,989,840 | 95,759 | 74,835 | 20,924 |
| Real estate owned other than bank premises | 3,123,557 | 3,091,478 | 2,550,822 | 1,879,751 | 671,071 | 540,656 | 32,079 | 14,103 | 17,976 |
| Investments in unconsolidated subsidiaries and associated companies | 3,059,954 | 2,960,330 | 2,920,229 | 2,251,540 | 668,689 | 40,101 | 99,624 | 95,679 | 3,945 |
| Customers' liability on acceptances outstanding | 12,564,445 | 11,491,826 | 11,021,641 | 6,800,372 | 4,221,269 | 470,185 | 1,072,619 | 1,072,619 | 0 |
| Other assets | 37,865,875 | 36,040,336 | 32,309,342 | 22,794,863 | 9,514,479 | 3,730,994 | 1,825,539 | 1,626,461 | 199,078 |
| **Total liabilities and equity capital** | **1,176,607,887** | **1,137,686,982** | **865,757,704** | **655,316,252** | **210,441,452** | **271,929,278** | **38,920,905** | **38,335,759** | **585,146** |
| **Business and personal deposits—total** | **786,316,946** | **775,303,681** | **562,477,790** | **438,765,449** | **123,712,341** | **212,825,891** | **11,013,265** | **10,989,097** | **24,168** |
| Individuals, partnerships, and corporations—demand | 287,965,027 | 286,433,822 | 214,471,987 | 164,496,240 | 49,975,747 | 71,961,835 | 1,531,205 | 1,511,850 | 19,355 |
| Individuals, partnerships, and corporations—savings | 215,879,936 | 215,213,611 | 149,770,739 | 119,641,706 | 30,129,033 | 65,442,872 | 666,325 | 664,407 | 1,918 |
| *Individuals and nonprofit organizations—savings* | *205,116,274* | *204,474,934* | *142,215,474* | *113,746,692* | *28,468,782* | *62,259,460* | *641,340* | *639,422* | *1,918* |
| *Corporations and other profit organizations—savings* | *10,763,662* | *10,738,677* | *7,555,265* | *5,895,014* | *1,660,251* | *3,183,412* | *24,985* | *24,985* | *0* |
| Individuals, partnerships, and corporations—time | 266,096,170 | 259,417,816 | 187,180,390 | 147,827,593 | 39,352,797 | 72,237,426 | 6,678,354 | 6,677,308 | 1,046 |
| Deposits accumulated for payment of personal loans—time | 100,350 | 100,350 | 77,672 | 55,858 | 21,814 | 22,678 | 0 | 0 | 0 |
| Certified and officer's checks, travelers' checks, letters of credit—demand | 16,275,463 | 14,138,082 | 10,977,002 | 6,744,052 | 4,232,950 | 3,161,080 | 2,137,381 | 2,135,532 | 1,849 |
| **Government deposits—total** | **85,077,116** | **84,606,557** | **58,245,738** | **46,938,476** | **11,307,262** | **26,360,819** | **470,559** | **470,477** | **82** |
| United States Government—demand | 7,352,543 | 7,333,614 | 5,419,565 | 4,177,708 | 1,241,857 | 1,914,049 | 18,929 | 18,852 | 77 |
| United States Government—savings | 58,209 | 58,126 | 47,822 | 44,653 | 3,169 | 10,304 | 83 | 83 | 0 |
| United States Government—time | 828,522 | 828,113 | 681,378 | 603,266 | 78,112 | 146,735 | 409 | 409 | 0 |
| States and political subdivisions—demand | 19,300,975 | 19,206,313 | 12,955,989 | 10,423,444 | 2,532,545 | 6,250,324 | 94,662 | 94,657 | 5 |
| States and political subdivisions—savings | 4,811,859 | 4,788,885 | 3,084,863 | 2,337,068 | 747,795 | 1,704,022 | 22,974 | 22,974 | 0 |
| States and political subdivisions—time | 52,725,008 | 52,391,506 | 36,056,121 | 29,352,337 | 6,703,784 | 16,335,385 | 333,502 | 333,502 | 0 |
| **Domestic interbank deposits—total** | **51,081,687** | **49,296,809** | **46,706,832** | **27,132,687** | **19,574,145** | **2,589,977** | **1,784,878** | **1,779,841** | **5,037** |
| Commercial banks in the United States—demand | 41,433,686 | 40,569,108 | 39,098,947 | 21,802,129 | 17,296,818 | 1,470,161 | 864,578 | 859,541 | 5,037 |
| Commercial banks in the United States—savings | 5,602 | 5,602 | 3,503 | 2,756 | 747 | 2,099 | 0 | 0 | 0 |
| Commercial banks in the United States—time | 7,661,107 | 7,019,284 | 6,091,170 | 4,551,177 | 1,539,993 | 928,114 | 641,823 | 641,823 | 0 |
| Mutual savings banks in the United States—demand | 1,646,459 | 1,382,465 | 1,203,036 | 567,648 | 635,388 | 179,429 | 263,994 | 263,994 | 0 |
| Mutual savings banks in the United States—savings | 791 | 791 | 667 | 563 | 104 | 124 | 0 | 0 | 0 |
| Mutual savings banks in the United States—time | 334,042 | 319,559 | 309,509 | 208,414 | 101,095 | 10,050 | 14,483 | 14,483 | 0 |
| **Foreign government and bank deposits—total** | **24,596,143** | **19,962,329** | **19,246,527** | **10,396,612** | **8,849,915** | **715,802** | **4,633,814** | **4,628,874** | **4,940** |
| Foreign governments, central banks—demand | 2,228,738 | 1,724,620 | 1,684,180 | 819,815 | 864,365 | 40,440 | 504,118 | 499,178 | 4,940 |
| Foreign governments, central banks—savings | 22,598 | 22,316 | 21,361 | 14,396 | 6,965 | 955 | 282 | 282 | 0 |
| Foreign governments, central banks—time | 11,088,369 | 8,189,798 | 7,926,624 | 4,753,775 | 3,172,849 | 263,174 | 2,898,571 | 2,898,571 | 0 |
| Banks in foreign countries—demand | 8,681,308 | 7,935,403 | 7,700,263 | 3,278,905 | 4,421,358 | 235,140 | 745,905 | 745,905 | 0 |
| Banks in foreign countries—savings | 317 | 317 | 6 | 6 | 0 | 311 | 0 | 0 | 0 |
| Banks in foreign countries—time | 2,574,813 | 2,089,875 | 1,914,093 | 1,529,715 | 384,378 | 175,782 | 484,938 | 484,938 | 0 |
| **Total deposits** | **947,071,892** | **929,169,376** | **686,676,887** | **523,233,224** | **163,443,663** | **242,492,489** | **17,902,516** | **17,868,289** | **34,227** |
| *Demand* | *384,884,199* | *378,723,427* | *293,510,969* | *212,309,941* | *81,201,028* | *85,212,458* | *6,160,772* | *6,129,509* | *31,263* |
| *Savings* | *220,779,312* | *220,089,648* | *152,928,961* | *122,041,148* | *30,887,813* | *67,160,687* | *689,664* | *687,746* | *1,918* |
| *Time* | *341,408,381* | *330,356,301* | *240,236,957* | *188,882,135* | *51,354,822* | *90,119,344* | *11,052,080* | *11,051,034* | *1,046* |
| **Miscellaneous liabilities—total** | **143,411,041** | **123,490,575** | **115,420,843** | **84,049,418** | **31,371,425** | **8,069,732** | **19,920,466** | **19,640,244** | **280,222** |
| Federal funds purchased and securities sold under agreements to repurchase—total | 86,345,894 | 82,945,795 | 78,718,925 | 59,363,945 | 19,354,980 | 4,226,870 | 3,400,099 | 3,400,099 | 0 |
| *With domestic and commercial banks* | *46,941,319* | *44,290,140* | *42,667,501* | *33,389,454* | *9,278,047* | *1,622,639* | *2,651,179* | *2,651,179* | *0* |
| *With brokers and dealers in securities and funds* | *7,875,177* | *7,862,052* | *7,384,069* | *5,278,836* | *2,105,233* | *477,983* | *13,125* | *13,125* | *0* |
| *With others* | *31,529,398* | *30,793,603* | *28,667,355* | *20,695,655* | *7,971,700* | *2,126,248* | *735,795* | *735,795* | *0* |
| Other liabilities for borrowed money | 10,637,438 | 6,758,340 | 6,386,849 | 4,012,153 | 2,374,696 | 371,491 | 3,879,098 | 3,829,445 | 49,653 |
| Mortgage indebtedness | 1,045,778 | 1,038,594 | 748,305 | 474,641 | 273,664 | 290,289 | 7,184 | 1,238 | 5,946 |
| Acceptances outstanding | 13,161,524 | 12,083,714 | 11,613,531 | 6,851,918 | 4,761,613 | 470,183 | 1,077,810 | 1,077,810 | 0 |
| Other liabilities | 32,220,407 | 20,664,132 | 17,953,233 | 13,346,761 | 4,606,472 | 2,710,899 | 11,556,275 | 11,331,652 | 224,623 |

**Table 107. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1977—CONTINUED**

**BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK**

(Amounts in thousands of dollars)

| Asset, liability, or equity capital item | Total | Insured banks | | | | | | Noninsured banks | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Total | Members of Federal Reserve System | | | Not members of F.R. System | | Total | Banks of deposit[1] | Nondeposit trust companies[2] |
| | | | Total | National | State | | | | | |
| **Total liabilities (excluding subordinated notes and debentures)** | 1,090,482,933 | 1,052,659,951 | 802,097,730 | 607,282,642 | 194,815,088 | 250,562,221 | | 37,822,982 | 37,508,533 | 314,449 |
| **Subordinated notes and debentures** | 5,818,888 | 5,738,994 | 4,476,961 | 3,034,830 | 1,442,131 | 1,262,033 | | 79,894 | 78,842 | 1,052 |
| **Equity capital—total** | 80,306,066 | 79,288,037 | 59,183,013 | 44,998,780 | 14,184,233 | 20,105,024 | | 1,018,029 | 748,384 | 269,645 |
| Preferred stock—par value | 104,905 | 98,791 | 31,655 | 25,246 | 6,409 | 67,136 | | 6,114 | 5,712 | 402 |
| Preferred stock—shares outstanding (in thousands) | 7,253 | 7,172 | 3,722 | 635 | 3,087 | 3,449 | | 82 | 57 | 25 |
| Common stock—par value | 17,371,574 | 17,265,206 | 12,506,675 | 9,551,745 | 2,954,930 | 4,758,531 | | 106,368 | 53,594 | 52,774 |
| Common stock—shares authorized (in thousands) | 2,355,181 | 2,233,696 | 1,362,602 | 1,100,211 | 262,391 | 871,094 | | 121,485 | 77,483 | 44,002 |
| Common stock—shares outstanding (in thousands) | 1,845,088 | 1,835,966 | 1,257,142 | 1,019,298 | 237,844 | 578,824 | | 9,122 | 5,976 | 3,146 |
| Surplus | 31,672,066 | 31,078,285 | 22,573,754 | 16,649,723 | 5,924,031 | 8,504,531 | | 593,781 | 537,482 | 56,299 |
| Undivided profits | 29,324,724 | 29,084,773 | 22,836,780 | 17,733,303 | 5,103,477 | 6,247,993 | | 239,951 | 97,596 | 142,355 |
| Reserve for contingencies and other capital reserves | 1,832,797 | 1,760,982 | 1,234,149 | 1,038,763 | 195,386 | 526,833 | | 71,815 | 54,000 | 17,815 |
| PERCENTAGES | | | | | | | | | | |
| **Of total assets:** | | | | | | | | | | |
| Cash and due from banks | 14.4 | 14.1 | 15.6 | 14.1 | 20.1 | 9.4 | | 24.7 | 25.0 | 6.4 |
| U.S. Treasury securities and obligations of other U.S. Government agencies and corporations | 11.3 | 11.6 | 10.3 | 10.4 | 10.1 | 15.7 | | 3.6 | 3.5 | 6.6 |
| Other securities | 10.9 | 11.1 | 10.6 | 10.8 | 10.0 | 12.9 | | 3.1 | 2.9 | 14.1 |
| Loans (including federal funds sold and securities purchased under agreements to resell) | 56.5 | 56.4 | 55.7 | 57.3 | 50.9 | 58.3 | | 60.6 | 61.0 | 31.5 |
| Other assets | 6.9 | 6.8 | 7.8 | 7.5 | 8.9 | 3.7 | | 8.0 | 7.5 | 41.3 |
| Total equity capital[4] | 6.8 | 7.0 | 6.8 | 6.9 | 6.7 | 7.4 | | 2.6[5] | 2.0[5] | 46.1 |
| **Of total assets other than cash and U.S. Treasury securities:** | | | | | | | | | | |
| Total equity capital[4] | 8.8 | 9.0 | 8.9 | 8.8 | 9.4 | 9.3 | | 3.6[5] | 2.7[5] | 52.9 |
| Number of banks | 14,738 | 14,412 | 5,669 | 4,655 | 1,014 | 8,743 | | 326 | 241 | 85 |

[1, 2, 3, 4, 5] See notes to table 106.

Note: Further information on the report of assets and liabilities of banks may be found on pp. 151-152.

**Table 108.** ASSETS AND LIABILITIES OF ALL MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1977, AND DECEMBER 31, 1977
BANKS GROUPED BY INSURANCE STATUS
(Amounts in thousands of dollars)

| Asset, liability, or surplus account item | June 30, 1977 | | | December 31, 1977 | | |
|---|---|---|---|---|---|---|
| | Total | Insured | Noninsured | Total | Insured | Noninsured |
| **Total assets** | **141,801,400** | **127,190,954** | **14,610,446** | **147,328,974** | **132,201,371** | **15,127,603** |
| **Cash, balances with banks, and collection items—total** | **2,099,459** | **1,904,548** | **194,911** | **2,421,300** | **2,214,478** | **206,822** |
| Currency and coin | 418,524 | 350,115 | 68,409 | 453,014 | 386,038 | 66,976 |
| Demand balances with banks in the United States | 783,246 | 685,404 | 97,842 | 870,286 | 761,624 | 108,662 |
| Other balances with banks in the United States | 752,656 | 746,085 | 6,571 | 929,988 | 922,001 | 7,987 |
| Cash items in process of collection | 145,033 | 122,944 | 22,089 | 168,012 | 144,815 | 23,197 |
| **Securities—total** | **44,903,677** | **40,634,618** | **4,269,059** | **46,577,507** | **42,219,724** | **4,357,783** |
| United States Government and agency securities—total | 16,392,891 | 14,678,230 | 1,714,661 | 17,444,176 | 15,496,605 | 1,947,571 |
| *Securities maturing in 1 year or less* | *2,358,517* | *2,082,835* | *275,682* | *2,092,179* | *1,857,506* | *234,673* |
| *Securities maturing in 1 to 5 years* | *3,970,881* | *3,437,312* | *533,569* | *4,011,763* | *3,427,509* | *584,254* |
| *Securities maturing in 5 to 10 years* | *2,202,965* | *1,908,801* | *294,164* | *2,046,723* | *1,751,417* | *295,306* |
| *Securities maturing after 10 years* | *7,860,528* | *7,249,282* | *611,246* | *9,293,511* | *8,460,173* | *833,338* |
| Corporate bonds | 17,454,053 | 16,328,521 | 1,125,532 | 17,593,343 | 16,449,941 | 1,143,402 |
| State, county, and municipal obligations | 2,551,273 | 2,466,897 | 84,376 | 2,841,951 | 2,770,854 | 71,097 |
| Other bonds, notes, and debentures | 3,943,208 | 3,307,248 | 635,960 | 3,964,367 | 3,503,057 | 461,310 |
| Corporate stock—total | 4,562,252 | 3,853,722 | 708,530 | 4,733,670 | 3,999,267 | 734,403 |
| *Bank* | *566,520* | *390,520* | *176,000* | *570,598* | *409,239* | *161,359* |
| *Other* | *3,995,732* | *3,463,202* | *532,530* | *4,163,072* | *3,590,028* | *573,044* |
| **Federal funds sold and securities purchased under agreements to resell** | **2,957,327** | **2,698,798** | **258,529** | **2,082,437** | **1,880,491** | **201,946** |
| **Other loans—total** | **88,023,210** | **78,438,089** | **9,585,121** | **92,349,348** | **82,307,795** | **10,041,553** |
| Real estate loans—total | 84,076,139 | 75,010,824 | 9,065,315 | 88,227,030 | 78,739,467 | 9,487,563 |
| *Construction loans* | *1,034,683* | *926,861* | *107,822* | *1,241,409* | *1,117,143* | *124,266* |
| *Secured by farmland* | *51,858* | *43,296* | *8,562* | *48,360* | *39,101* | *9,259* |
| *Secured by residential properties:* | | | | | | |
| *Secured by 1– to 4–family residential properties:* | | | | | | |
| *Insured by Federal Housing Administration* | *11,603,033* | *10,873,212* | *729,821* | *11,261,432* | *10,587,327* | *674,105* |
| *Guaranteed by Veterans Administration* | *12,117,755* | *11,099,172* | *1,018,583* | *12,024,425* | *11,027,870* | *996,555* |
| *Not insured or guaranteed by FHA or VA* | *30,838,894* | *25,429,991* | *5,408,903* | *34,330,388* | *28,437,445* | *5,892,943* |
| *Secured by multifamily (5 or more) residential properties:* | | | | | | |
| *Insured by Federal Housing Administration* | *2,578,376* | *2,558,391* | *19,985* | *2,726,025* | *2,695,114* | *30,911* |
| *Not insured by FHA* | *11,745,724* | *11,160,238* | *585,486* | *11,938,029* | *11,360,282* | *577,747* |
| *Secured by other properties* | *14,105,816* | *12,919,663* | *186,153* | *14,656,962* | *13,475,185* | *1,181,777* |
| Loans to domestic commercial and foreign banks | 20,280 | 20,280 | 0 | 10,254 | 10,254 | 0 |
| Loans to other financial institutions | 87,218 | 87,107 | 111 | 56,924 | 56,679 | 245 |
| Loans to brokers and dealers in securities | 20,720 | 20,720 | 0 | 30,000 | 30,000 | 0 |
| Other loans for purchasing or carrying securities | 1,470 | 998 | 472 | 2,764 | 1,285 | 1,479 |
| Loans to farmers (excluding loans on real estate) | 1,350 | 1,350 | 0 | 1,407 | 1,407 | 0 |
| Commercial and industrial loans | 637,116 | 622,428 | 14,688 | 519,576 | 506,372 | 13,204 |

**Table 108.** ASSETS AND LIABILITIES OF ALL MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1977, AND DECEMBER 31, 1977—CONTINUED
BANKS GROUPED BY INSURANCE STATUS
(Amounts in thousands of dollars)

| Asset, liability, or surplus account item | June 30, 1977 | | | December 31, 1977 | | |
|---|---|---|---|---|---|---|
| | Total | Insured | Noninsured | Total | Insured | Noninsured |
| Loans to individuals for personal expenditures | 3,082,314 | 2,604,060 | 478,254 | 3,412,579 | 2,892,234 | 520,345 |
| All other loans (including overdrafts) | 96,603 | 70,322 | 26,281 | 88,814 | 70,097 | 18,717 |
| **Total loans and securities** | **135,884,214** | **121,771,505** | **14,112,709** | **141,009,292** | **126,408,010** | **14,601,282** |
| Bank premises, furniture and fixtures, and other assets representing bank premises | 1,238,068 | 1,104,539 | 133,529 | 1,304,438 | 1,161,551 | 142,887 |
| Real estate owned other than bank premises | 550,315 | 501,789 | 48,526 | 492,074 | 444,012 | 48,062 |
| Investments in subsidiaries not consolidated | 126,282 | 117,365 | 8,917 | 125,200 | 115,357 | 9,843 |
| Other assets | 1,903,062 | 1,791,208 | 111,854 | 1,976,670 | 1,857,963 | 118,707 |
| **Total liabilities and surplus accounts** | **141,801,400** | **127,190,954** | **14,610,446** | **147,328,974** | **132,201,371** | **15,127,603** |
| **Deposits—total** | **130,165,124** | **116,951,678** | **13,213,446** | **134,916,762** | **121,265,988** | **13,650,774** |
| Savings and time deposits—total | 128,801,214 | 115,623,335 | 13,177,879 | 133,325,014 | 119,734,061 | 13,590,953 |
| *Savings deposits* | *77,896,119* | *69,596,204* | *8,299,915* | *78,732,494* | *70,382,619* | *8,349,875* |
| *Deposits accumulated for payment of personal loans* | *1* | *1* | *0* | *369* | *19* | *350* |
| *Fixed maturity and other time deposits* | *50,905,094* | *46,027,130* | *4,877,964* | *54,592,151* | *49,351,423* | *5,240,728* |
| Demand deposits—total | 1,363,910 | 1,328,343 | 35,567 | 1,591,748 | 1,531,927 | 59,821 |
| **Miscellaneous liabilities—total** | **2,126,509** | **1,852,879** | **273,630** | **2,433,353** | **2,125,609** | **307,744** |
| Securities sold under agreements to repurchase | 102,033 | 102,033 | 0 | 169,166 | 169,166 | 0 |
| Other borrowings | 298,958 | 294,073 | 4,885 | 496,123 | 483,710 | 12,413 |
| Other liabilities | 1,725,518 | 1,456,773 | 268,745 | 1,768,064 | 1,472,733 | 295,331 |
| **Total liabilities** | **132,291,633** | **118,804,557** | **13,487,076** | **137,350,115** | **123,391,597** | **13,958,518** |
| **Minority interest in consolidated subsidiaries** | **61** | **61** | **0** | **61** | **61** | **0** |
| **Surplus accounts—total** | **9,509,706** | **8,386,336** | **1,123,370** | **9,978,798** | **8,809,713** | **1,169,085** |
| Capital notes and debentures | 225,417 | 253,152 | 2,265 | 356,272 | 353,386 | 2,886 |
| Other surplus accounts | 9,254,289 | 8,133,184 | 1,121,105 | 9,622,526 | 8,456,327 | 1,166,199 |
| **PERCENTAGES** | | | | | | |
| **Of total assets:** | | | | | | |
| Cash and balances with other banks | 1.5 | 1.5 | 1.3 | 1.6 | 1.7 | 1.4 |
| U.S. Government and agency securities | 11.6 | 11.5 | 11.7 | 11.8 | 11.7 | 12.9 |
| Other securities | 20.1 | 20.4 | 17.5 | 19.8 | 20.2 | 15.9 |
| Loans (including federal funds sold and securities purchased under agreements to resell) | 64.2 | 63.8 | 67.4 | 64.1 | 63.7 | 67.7 |
| Other assets | 2.7 | 2.8 | 2.1 | 2.6 | 2.7 | 2.1 |
| Total surplus accounts | 6.7 | 6.6 | 7.7 | 6.8 | 6.7 | 7.7 |
| **Of total assets other than cash and U.S. Government obligations:** | | | | | | |
| Total surplus accounts | 7.7 | 7.6 | 8.8 | 7.8 | 7.7 | 9.0 |
| Number of banks | 469 | 325 | 144 | 467 | 323 | 144 |

## Table 109. ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1972–1977

(Amounts in thousands of dollars)

| Asset, liability, or equity capital item | Dec. 31, 1972 | Dec. 31, 1973 | Dec. 31, 1974 | Dec. 31, 1975 | Dec. 31, 1976 | Dec. 31, 1977 |
|---|---|---|---|---|---|---|
| **Total assets** | **737,699,385** | **832,658,280** | **912,529,261** | **952,451,011** | **1,011,329,205**[5] | **1,137,686,982**[5] |
| **Cash and due from banks–total** | **111,844,113** | **116,939,181** | **126,081,191** | **129,024,072** | **130,221,094** | **160,352,697** |
| Cash items in process of collection | 45,386,844 | 44,661,826 | 47,281,289 | 47,332,821 | 48,366,003 | 66,447,697 |
| Demand balances with banks in the United States | 28,156,064 | 30,128,768 | 34,414,497 | 32,168,464 | 33,022,738 | 39,240,406 |
| Other balances with banks in the United States | 2,783,379 | 2,771,041 | 4,090,428 | 7,566,509 | 5,874,949 | 5,915,123 |
| Including interest bearing balances[1] | ........ | ........ | ........ | ........ | 5,568,150 | 5,362,957 |
| Balances with banks in foreign countries | 739,928 | 787,960 | 1,449,086 | 2,820,929 | 4,796,214 | 5,410,379 |
| Including interest bearing balances[1] | ........ | ........ | ........ | ........ | 4,409,156 | 4,551,868 |
| Currency and coin | 8,703,008 | 10,768,844 | 11,727,595 | 12,355,374 | 12,192,210 | 13,998,824 |
| Reserve with Federal Reserve Bank | 26,074,890 | 27,820,742 | 27,118,296 | 26,779,975 | 25,968,980 | 29,340,268 |
| **Securities–total** | **183,760,796** | **188,230,092** | **193,902,967** | **227,847,169** | **249,976,105** | **258,408,158** |
| Investment securities–total | 178,632,700 | 179,574,763 | 185,919,136 | 222,515,186 | 240,552,476 | 250,392,895 |
| *U.S. Treasury securities* | *64,709,715* | *55,293,300* | *51,873,986* | *81,011,010* | *96,883,068* | *95,961,373* |
| *Obligations of other U.S. Government agencies and corporations* | *21,156,678* | *27,538,214* | *31,087,341* | *33,298,668* | *34,326,811* | *35,812,115* |
| *Obligations of States and political subdivisions* | *87,418,538* | *91,227,882* | *96,791,360* | *100,801,477* | *103,505,764* | *112,900,214* |
| *Other bonds, notes, and debentures* | *5,347,769* | *5,515,367* | *6,166,449* | *7,404,031* | *5,836,833* | *5,719,193* |
| Corporate stock[1] | ........ | ........ | ........ | ........ | 1,541,489 | 1,611,533 |
| Trading account securities | 5,128,096 | 8,655,329 | 7,983,831 | 5,331,983 | 7,882,140 | 6,403,730 |
| **Federal funds sold and securities purchased under agreements to resell–total** | **25,634,862** | **34,379,920** | **38,937,288** | **37,345,238** | **45,869,893** | **49,875,314** |
| **Loans, net** | ........ | ........ | ........ | ........ | **518,731,657** | **591,312,754** |
| Plus: Reserve for possible loan losses[1] | ........ | ........ | ........ | ........ | 6,186,775 | 6,692,291 |
| Loans, total | ........ | ........ | ........ | ........ | 524,918,432 | 598,005,045 |
| Plus: Unearned income on loans[1] | ........ | ........ | ........ | ........ | 12,617,065 | 14,701,242 |
| **Loans, gross** | **388,902,133** | **459,755,788** | **506,378,800** | **502,289,682** | **537,535,497** | **612,706,287** |
| Real estate loans–total | 99,086,276 | 118,787,181 | 131,751,383 | 136,186,930 | 150,904,938 | 178,606,540 |
| *Construction and land development*[1] | ........ | ........ | ........ | ........ | *17,273,179* | *21,395,222* |
| *Secured by farmland* | *4,752,270* | *5,420,190* | *6,030,620* | *6,370,913* | *6,716,845* | *7,732,003* |
| *Secured by 1– to 4–family residential properties:* | | | | | | |
| *Insured by FHA and guaranteed by VA* | *10,418,222* | *10,156,517* | *9,348,308* | *8,869,801* | *8,198,789* | *7,867,781* |
| *Conventional* | *46,425,199* | *57,639,300* | *65,204,281* | *68,149,590* | *72,881,477* | *88,897,254* |
| *Secured by multi-family (5 or more) residential properties:* | | | | | | |
| *Insured by FHA* | *1,225,769* | *1,293,191* | *939,083* | *513,947* | *423,194* | *404,915* |
| *Conventional* | *4,550,113* | *5,636,229* | *6,652,445* | *5,401,104* | *4,158,942* | *4,506,100* |
| *Secured by nonfarm nonresidential properties* | *31,714,703* | *38,641,754* | *43,576,646* | *46,881,575* | *41,252,512* | *47,803,265* |
| Loans to financial institutions–total | 29,527,538 | 39,696,478 | 45,202,429 | 38,966,705 | 35,900,747 | 36,816,160 |
| *To real estate investment trusts and mortgage companies*[1] | ........ | ........ | ........ | ........ | *9,939,141* | *9,074,089* |
| *To domestic commercial banks* | *6,119,843* | *9,155,496* | *10,082,525* | *9,556,714* | *2,782,815* | *3,152,158* |
| *To banks in foreign countries* | | | | | *6,620,910* | *7,245,433* |
| *To other depository institutions* | *23,407,695* | *30,540,982* | *35,119,904* | *29,409,991* | *1,348,516* | *1,747,259* |
| *To other financial institutions*[2] | | | | | *15,209,365* | *15,597,221* |
| Loans for purchasing or carrying securities–total | 15,632,717 | 11,926,687 | 9,195,911 | 10,879,642 | 15,089,724 | 17,111,350 |
| *To brokers and dealers in securities* | *11,165,572* | *7,625,741* | *5,192,896* | *7,055,262* | *11,074,748* | *12,781,182* |
| *Other loans for purchasing or carrying securities* | *4,467,145* | *4,300,946* | *4,003,015* | *3,824,380* | *4,014,976* | *4,330,168* |
| Loans to farmers | 14,302,106 | 17,150,320 | 18,225,296 | 20,135,056 | 23,268,314 | 25,713,832 |
| Commercial and industrial loans | 132,497,555 | 158,688,202 | 184,216,999 | 175,922,939 | 178,751,008 | 197,091,783 |

**Table 109.** ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1972–1977–CONTINUED
(Amounts in thousands of dollars)

| Asset, liability, or equity capital item | Dec. 31, 1972 | Dec. 31, 1973 | Dec. 31, 1974 | Dec. 31, 1975 | Dec. 31, 1976 | Dec. 31, 1977 |
|---|---|---|---|---|---|---|
| Loans to individuals—total | 87,629,904 | 100,382,510 | 103,714,164 | 106,819,480 | 118,905,722 | 141,252,072 |
| *To purchase private passenger automobiles on instalment basis* | *29,084,924* | *33,477,132* | *32,949,382* | *33,455,998* | *39,806,519* | *49,863,681* |
| *Credit cards and related plans:* | | | | | | |
| *Retail (charge account) credit card plans* | *5,443,349* | *6,878,593* | *8,327,292* | *9,551,255* | *11,373,566* | *14,695,085* |
| *Check credit and revolving credit plans* | *1,780,153* | *2,262,700* | *2,810,808* | *2,827,207* | *3,054,209* | *3,779,288* |
| *To purchase other retail consumer goods on instalment basis:* | | | | | | |
| *Mobile homes (excludes travel trailers)* | *6,436,145* | *8,371,286* | *8,998,167* | *8,720,369* | *8,743,103* | *9,125,850* |
| *Other retail consumer goods* | *5,170,118* | *6,206,851* | *6,514,415* | *6,720,411* | *7,246,252* | *8,378,364* |
| *Instalment loans to repair and modernize residential property* | *4,326,916* | *4,906,940* | *5,625,691* | *5,955,100* | *6,567,706* | *7,321,124* |
| *Other instalment loans for household, family, and other personal expenditures* | *12,903,659* | *14,538,048* | *15,491,334* | *16,455,919* | *17,792,293* | *20,151,494* |
| *Single-payment loans for household, family, and other personal expenditures* | *22,484,640* | *23,740,960* | *22,997,075* | *23,133,221* | *24,322,074* | *27,937,186* |
| All other loans | 10,226,037 | 13,124,410 | 14,072,618 | 13,378,930 | 14,715,044 | 16,114,550 |
| **Total loans and securities** | **598,297,791** | **682,365,800** | **739,219,055** | **767,482,089** | **814,577,655** | **899,596,226** |
| Direct lease financing[1] | . . . . . . . . | . . . . . . . . | . . . . . . . . | . . . . . . . . | 5,118,065 | 5,810,261 |
| Bank premises, furniture and fixtures, and other assets representing bank premises | 11,524,646 | 12,788,763 | 14,296,959 | 15,598,230 | 16,694,773 | 18,343,828 |
| Real estate owned other than bank premises | 369,193 | 433,860 | 811,080 | 1,908,880 | 2,894,630 | 3,091,478 |
| Investments in unconsolidated subsidiaries and associated companies | 1,077,700 | 1,403,400 | 1,739,054 | 1,992,754 | 2,303,869 | 2,960,330 |
| Customers' liability on acceptances outstanding | 3,471,203 | 4,356,527 | 10,653,382 | 8,687,996 | 9,153,957 | 11,491,826 |
| Other assets | 11,114,739 | 14,370,749 | 19,728,540 | 27,756,990 | 30,365,162 | 36,040,336 |
| **Total liabilities and equity capital** | **737,699,385** | **832,658,280** | **912,529,261** | **952,451,011** | **1,011,329,205** | **1,137,686,982** |
| **Business and personal deposits—total** | **504,283,757** | **555,151,799** | **604,637,647** | **645,305,033** | **695,593,860** | **775,303,681** |
| Individuals, partnerships, and corporations—demand | 221,204,645 | 231,956,880 | 235,984,680 | 246,710,621 | 255,418,592 | 286,433,822 |
| Individuals, partnerships, and corporations—savings | 124,188,716 | 127,818,434 | 136,268,612 | 160,716,975 | 197,697,188 | 215,213,611 |
| *Individuals and nonprofit organizations—savings* | . . . . . . . . | . . . . . . . . | . . . . . . . . | . . . . . . . . | *189,038,090* | *204,474,934* |
| *Corporations and other profit organizations—savings*[1] | . . . . . . . . | . . . . . . . . | . . . . . . . . | . . . . . . . . | *8,659,098* | *10,738,677* |
| Individuals, partnerships, and corporations—time | 147,083,850 | 184,010,925 | 221,618,614 | 226,851,406 | 230,768,986 | 259,417,816 |
| Deposits accumulated for payment of personal loans—time | 554,001 | 503,468 | 386,635 | 280,452 | 146,318 | 100,350 |
| Certified and officers' checks, travelers' checks, letters of credit—demand | 11,252,545 | 10,862,092 | 10,379,106 | 10,745,579 | 11,562,776 | 14,138,082 |
| **Government deposits—total** | **67,554,342** | **73,660,934** | **74,219,736** | **70,704,640** | **71,883,024** | **84,606,557** |
| United States Government—demand | 10,939,672 | 9,887,668 | 4,821,969 | 3,126,532 | 3,039,886 | 7,333,614 |
| United States Government—savings | . . . . . . . . | . . . . . . . . | . . . . . . . . | . . . . . . . . | 56,306 | 58,126 |
| United States Government—time | 614,035 | 440,641 | 500,147 | 588,481 | 679,580 | 828,113 |
| States and political subdivisions—demand | 18,672,774 | 18,746,900 | 18,710,659 | 18,879,179 | 17,985,499 | 19,206,313 |
| States and political subdivisions—savings | . . . . . . . . | . . . . . . . . | . . . . . . . . | . . . . . . . . | 6,057,276 | 4,788,885 |
| States and political subdivisions—time | 37,327,861 | 44,585,725 | 50,186,961 | 48,110,448 | 44,064,477 | 52,391,506 |
| **Domestic interbank deposits—total** | **33,677,534** | **37,444,862** | **45,328,505** | **44,280,973** | **44,480,526** | **49,296,809** |
| Commercial banks in the United States—demand | 28,569,727 | 29,861,879 | 35,101,553 | 33,491,673 | 35,958,351 | 40,569,108 |
| Commercial banks in the United States—savings | . . . . . . . . | . . . . . . . . | . . . . . . . . | . . . . . . . . | 10,871 | 5,602 |
| Commercial banks in the United States—time | 3,548,503 | 5,783,907 | 8,563,604 | 9,129,775 | 6,807,485 | 7,019,284 |
| Mutual savings banks in the United States—demand | 1,205,688 | 1,155,682 | 1,197,332 | 1,159,714 | 1,384,810 | 1,382,465 |
| Mutual savings banks in the United States—savings | . . . . . . . . | . . . . . . . . | . . . . . . . . | . . . . . . . . | 1,232 | 791 |
| Mutual savings banks in the United States—time | 353,616 | 643,394 | 466,016 | 499,811 | 317,777 | 319,559 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Foreign government and bank deposits—total** | **11,391,934** | **15,361,830** | **22,227,034** | **20,458,022** | **18,966,712** | **19,962,329** |
| Foreign governments, central banks—demand | 908,731 | 1,355,645 | 1,882,054 | 1,659,374 | 1,846,518 | 1,724,620 |
| Foreign governments, central banks—savings | ......... | .......... | ......... | ......... | 102,796 | 22,316 |
| Foreign governments, central banks—time | 6,517,493 | 8,506,931 | 12,078,963 | 11,374,159 | 8,482,379 | 8,189,798 |
| Banks in foreign countries—demand | 3,637,309 | 5,279,635 | 6,339,583 | 5,649,939 | 6,766,596 | 7,935,403 |
| Banks in foreign countries—savings | ......... | .......... | ......... | ......... | 5 | 317 |
| Banks in foreign countries—time | 328,401 | 219,619 | 1,926,434 | 1,774,550 | 1,768,418 | 2,089,875 |
| **Total deposits** | **616,907,567** | **681,619,425** | **746,412,922** | **780,748,668** | **830,924,122** | **929,169,376** |
| *Demand* | *296,391,091* | *309,106,381* | *314,416,936* | *321,422,611* | *333,963,028* | *378,723,427* |
| *Savings* | *124,188,716* | *127,818,434* | *136,268,612* | *160,716,975* | *203,925,674* | *220,089,648* |
| *Time* | *196,327,760* | *244,694,610* | *295,727,374* | *298,609,082* | *293,035,420* | *330,356,301* |
| **Miscellaneous liabilities—total** | **61,514,816** | **85,391,650** | **94,152,187** | **93,975,434** | **103,020,572** | **123,490,575** |
| Federal funds purchased and securities sold under agreements to repurchase—total | 33,731,069 | 50,480,996 | 51,224,639 | 52,190,147 | 70,320,490 | 82,945,795 |
| Other liabilities for borrowed money | 3,919,796 | 7,179,644 | 4,867,119 | 4,651,050 | 5,127,666 | 6,758,340 |
| Mortgage indebtedness | 1,160,675 | 771,519 | 724,845 | 774,094 | 799,100 | 1,038,594 |
| Acceptances outstanding | 3,570,900 | 4,486,309 | 11,226,448 | 9,275,803 | 9,762,309 | 12,083,714 |
| Other liabilities[3] | 19,132,376 | 22,473,182 | 26,109,136 | 27,084,340 | 17,011,007 | 20,664,132 |
| **Total liabilities(excluding subordinated notes and debentures)** | **678,422,383** | **767,011,075** | **840,565,109** | **874,724,102** | **933,944,694** | **1,052,659,951** |
| **Subordinated notes and debentures** | **4,092,820** | **4,117,351** | **4,259,531** | **4,407,892** | **5,123,725** | **5,738,994** |
| **Reserves on loans and securities—total[4]** | **6,909,306** | **7,808,584** | **8,676,953** | **9,010,387** | ......... | ......... |
| Reserves for bad debt losses on loans | 6,623,801 | 7,526,744 | 8,376,683 | 8,654,714 | ......... | ......... |
| Other reserves on loans | 112,167 | 107,994 | 131,581 | 169,113 | ......... | ......... |
| Reserves on securities | 173,338 | 173,846 | 168,689 | 186,560 | ......... | ......... |
| **Equity capital—total** | **48,274,876** | **53,721,270** | **59,027,668** | **64,308,630** | **72,260,786** | **79,288,037** |
| Preferred stock—par value | 68,924 | 65,650 | 43,460 | 47,881 | 67,328 | 98,791 |
| Common stock—par value | 12,853,653 | 13,846,071 | 14,789,463 | 15,565,026 | 16,219,259 | 17,265,206 |
| Surplus | 21,528,422 | 23,593,311 | 25,313,257 | 26,712,935 | 28,893,882 | 31,078,285 |
| Undivided profits | 13,012,232 | 15,361,857 | 17,969,789 | 21,182,330 | 25,251,535 | 29,084,773 |
| Reserve for contingencies and other capital reserves | 811,645 | 854,381 | 911,699 | 800,458 | 1,828,782 | 1,760,982 |
| **PERCENTAGES** | | | | | | |
| **Of total assets:** | | | | | | |
| Cash and due from banks | 15.2 | 14.0 | 13.8 | 13.5 | 12.9[5] | 14.1[5] |
| U.S. Treasury securities and obligations of other U.S. Government agencies and corporations | 11.6 | 9.9 | 9.1 | 12.0 | 13.0[5] | 11.6[5] |
| Other securities | 13.3 | 12.7 | 12.2 | 11.9 | 11.7[5] | 11.1[5] |
| Loans (including federal funds sold and securitie purchased under agreements to resell) | 56.2 | 59.3 | 59.8 | 56.7 | 55.8[5] | 56.4[5] |
| Other assets | 3.7 | 4.0 | 5.2 | 5.9 | 6.6[5] | 6.8[5] |
| Total equity capital | 6.5 | 6.5 | 6.5 | 6.8 | 7.1[5] | 7.0[5] |
| **Of total assets other than cash and U.S. Treasury securities:** | | | | | | |
| Total equity capital | 8.6 | 8.1 | 8.0 | 8.7 | 9.2[5] | 9.0[5] |
| Number of banks | 13,733 | 13,976 | 14,228 | 14,384 | 14,411 | 14,412 |

[1]Not available before 1976.
[2]Before 1976 included loans to real estate investment trusts and mortgage companies.
[3]Includes minority interest in consolidated subsidiaries.
[4]Reporting of reserves for losses on loans and securities was revised in 1976; see page 152.
[5]Total asset data are based on "Loans, net."

**Table 110.** ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS (DOMESTIC AND FOREIGN OFFICES), UNITED STATES AND OTHER AREAS, 1974–1977

| | Dec. 31, 1974 | Dec. 31, 1975 | Dec. 31, 1976 | June 30, 1977 | Dec. 31, 1977[1] |
|---|---|---|---|---|---|
| **Total assets** | **1,045,972,427** | **1,095,388,957** | **1,182,390,845** | **1,228,366,375** | **1,339,393,026** |
| Cash and due from banks | 178,295,259 | 189,406,997 | 203,772,449 | 208,283,772 | 242,983,142 |
| Securities—total | 197,019,318 | 231,527,434 | 254,383,382 | 259,474,871 | 264,525,796 |
| *U.S. Treasury securities* | *51,886,435* | *80,963,492* | *96,874,136* | *97,233,796* | *96,026,151* |
| *Obligations of U.S. Government agencies and corporations* | *31,088,271* | *33,281,405* | *34,323,582* | *34,389,521* | *35,818,251* |
| *Obligations of States and political subdivisions* | *96,800,855* | *100,873,178* | *103,588,597* | *108,720,777* | *113,019,592* |
| *Other bonds, notes, and debentures* | *9,201,132* | *10,710,644* | *9,594,671* | *9,864,455* | *10,542,996* |
| *Corporate stock* | | | *1,750,989* | *1,809,269* | *1,853,806* |
| *Trading account securities* | *8,042,625* | *5,698,715* | *8,251,407* | *7,457,053* | *7,265,000* |
| Federal funds sold and securities purchased under agreements to resell | 39,005,103 | 36,992,511 | 45,861,131 | 40,899,161 | 49,845,033 |
| Loans, net | .......... | .......... | 620,866,854 | 656,224,103 | 715,851,991 |
| Plus: Reserve for possible loan losses[2] | .......... | .......... | 6,347,839 | 6,674,638 | 6,894,344 |
| Loans, total | 580,596,623 | 586,055,773 | 627,214,693 | 662,898,741 | 722,746,335 |
| Direct lease financing | 3,273,680 | 4,054,812 | 5,816,434 | 6,186,765 | 6,977,301 |
| Bank premises, furniture and fixtures, and assets representing bank premises | 14,674,995 | 16,054,291 | 17,242,930 | 17,944,356 | 19,010,491 |
| Real estate owned other than bank premises | 828,853 | 1,935,839 | 2,974,073 | 3,162,192 | 3,134,042 |
| Investments in unconsolidated subsidiaries and associated companies | 750,218 | 789,718 | 954,500 | 941,211 | 987,244 |
| Customers liability on acceptances outstanding | 10,632,747 | 7,095,983 | 11,864,784 | 14,433,352 | 14,280,877 |
| Other assets | 20,895,631 | 21,475,599 | 18,654,308 | 20,816,592 | 21,797,109 |

| | | | | | |
|---|---|---|---|---|---|
| **Total liabilities and equity capital** | **1,045,972,427** | **1,095,388,957** | **1,182,390,845** | **1,228,366,375** | **1,339,393,026** |
| Total deposits | 871,225,194 | 915,856,039 | 991,913,006 | 1,022,062,067 | 1,116,617,556 |
| Federal funds purchased and securities sold under agreements to repurchase | 50,980,062 | 52,609,050 | 70,435,494 | 75,820,815 | 83,315,006 |
| Other liabilities for borrowed money | 8,368,159 | 7,934,301 | 9,510,108 | 11,563,041 | 13,146,839 |
| Mortgage indebtedness | 725,166 | 774,450 | 826,196 | 856,439 | 1,048,297 |
| Acceptances executed and outstanding | 14,131,257 | 11,291,867 | 12,048,179 | 14,594,467 | 14,432,321 |
| Other liabilities | 28,426,938 | 29,031,187 | 20,171,609 | 22,334,880 | 25,711,530 |
| Total liabilities (excluding subordinated notes and debentures) | 973,856,776 | 1,017,496,894 | 1,104,904,592 | 1,147,231,709 | 1,254,271,549 |
| Subordinated notes and debentures | 4,261,373 | 4,422,484 | 5,220,566 | 5,450,465 | 5,830,565 |
| Reserves on loans and securities—total[2] | 8,779,607 | 9,193,375 | ......... | ......... | ......... |
| *Reserve for losses on loans* | *8,466,353* | *8,791,680* | ......... | ......... | ......... |
| *Other reserves on loans* | *144,446* | *212,260* | ......... | ......... | ......... |
| *Reserves on securities* | *168,808* | *189,435* | ......... | ......... | ......... |
| Equity capital—total | 59,074,671 | 64,276,204 | 72,265,687 | 75,684,201 | 79,290,912 |
| **Memoranda** | | | | | |
| Standby letters of credit outstanding[3] | ...... | ........ | 16,410,420 | 17,198,835 | 20,043,593 |
| Time certificates of $100,000 or more:[3] | | | | | |
| Time certificates of deposit | ......... | ......... | 114,172,181 | 112,053,745 | 135,756,267 |
| Other time deposits | ......... | ......... | 23,307,985 | 24,503,572 | 26,366,568 |
| Number of banks | 14,228 | 14,384 | 14,411 | 14,441 | 14,412 |

[1] For more detailed 1977 data, see *Assets and Liabilities, Commercial and Mutual Savings Banks, December 31, 1977.*
[2] Changes in the reporting of loan losses beginning in 1976 are discussed on page 152.
[3] Data not available prior to 1976.

**Table 111.** ASSETS AND LIABILITIES OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1972–1977

(Amounts in thousands of dollars)

| Asset, liability, or surplus account item | Dec. 31, 1972 | Dec. 31, 1973 | Dec. 31, 1974 | Dec. 31, 1975 | Dec. 31, 1976 | Dec. 31, 1977 |
|---|---|---|---|---|---|---|
| **Total assets** | **87,650,051** | **93,012,515** | **95,589,401** | **107,280,765** | **120,839,827** | **132,201,371** |
| **Cash, balances with banks, and collection items—total** | **1,520,399** | **1,847,776** | **2,053,353** | **2,195,390** | **2,188,926** | **2,214,478** |
| Currency and coin | 215,345 | 226,905 | 268,102 | 308,887 | 338,001 | 386,038 |
| Demand balances with banks in the United States | 568,211 | 711,172 | 683,943 | 706,116 | 925,344 | 761,624 |
| Other balances with banks in the United States | 627,530 | 817,495 | 1,022,757 | 1,091,274 | 807,240 | 922,001 |
| Cash items in process of collection | 109,313 | 92,204 | 78,551 | 89,113 | 118,341 | 144,815 |
| **Securities—total** | **22,636,737** | **21,871,412** | **22,684,614** | **30,421,034** | **37,984,627** | **42,219,724** |
| United States Government and agency securities—total | 6,386,003 | 5,971,200 | 5,967,835 | 9,468,682 | 13,194,506 | 15,496,605 |
| *Securities maturing in 1 year or less* | *968,157* | *831,719* | *712,274* | *1,312,116* | *1,981,205* | *1,857,506* |
| *Securities maturing in 1 to 5 years* | *1,915,014* | *1,513,476* | *1,604,165* | *2,761,242* | *3,237,461* | *3,427,509* |
| *Securities maturing in 5 to 10 years* | *1,095,116* | *789,936* | *694,251* | *1,167,218* | *1,383,006* | *1,751,417* |
| *Securities maturing after 10 years* | *2,407,716* | *2,836,069* | *2,957,145* | *4,228,106* | *6,592,834* | *8,460,173* |
| State, county, and municipal obligations | 857,353 | 907,013 | 882,620 | 1,488,631 | 2,301,574 | 2,770,854 |
| Corporate bonds | 11,086,004 | 10,026,920 | 10,560,303 | 13,503,561 | 15,781,623 | 16,449,941 |
| Other bonds, notes, and debentures | 1,370,862 | 1,713,867 | 1,856,557 | 2,329,685 | 3,019,191 | 3,503,057 |
| Corporate stock—total | 2,936,515 | 3,252,412 | 3,417,299 | 3,630,475 | 3,687,733 | 3,999,267 |
| *Bank* | *329,426* | *364,066* | *348,290* | *374,851* | *387,161* | *409,239* |
| *Other* | *2,607,089* | *2,888,346* | *3,069,009* | *3,255,624* | *3,300,572* | *3,590,028* |
| **Federal funds sold and securities purchased under agreements to resell** | **596,255** | **1,252,753** | **964,856** | **897,063** | **1,322,316** | **1,880,491** |
| **Other loans—total** | **60,950,481** | **65,870,714** | **67,449,217** | **70,812,040** | **75,990,422** | **82,307,795** |
| Real estate loans—total | 59,094,330 | 63,946,513 | 65,339,748 | 68,371,859 | 72,820,626 | 78,739,467 |
| *Construction loans* | *1,002,712* | *1,090,262* | *821,250* | *824,494* | *854,499* | *1,117,143* |
| *Secured by farmland* | *51,459* | *51,160* | *49,185* | *48,239* | *46,364* | *39,101* |
| *Secured by residential properties:* | | | | | | |
| *Secured by 1– to 4–family residential properties:* | | | | | | |
| *Insured by Federal Housing Administration* | *13,388,433* | *12,828,775* | *12,052,069* | *11,587,451* | *11,147,343* | *10,587,327* |
| *Guaranteed by Veterans Administration* | *11,413,769* | *11,728,249* | *11,501,239* | *11,342,670* | *11,221,051* | *11,027,870* |
| *Not insured or guaranteed by FHA or VA* | *14,804,568* | *17,087,533* | *18,275,751* | *20,123,915* | *23,393,029* | *28,437,445* |
| *Secured by multifamily (5 or more) residential properties:* | | | | | | |
| *Insured by Federal Housing Administration* | *1,399,794* | *1,523,751* | *1,688,126* | *1,949,245* | *2,428,166* | *2,695,114* |
| *Not insured by FHA* | *8,265,926* | *9,416,887* | *10,076,268* | *10,693,613* | *10,874,242* | *11,360,282* |
| *Secured by other properties* | *8,767,669* | *10,219,896* | *10,875,860* | *11,802,232* | *12,855,932* | *13,475,185* |
| Loans to domestic commercial and foreign banks | 29,751 | 13,679 | 18,339 | 25,275 | 26,955 | 10,254 |
| Loans to other financial institutions | 29,927 | 29,473 | 26,324 | 32,714 | 57,234 | 56,679 |
| Loans to brokers and dealers in securities | 28,922 | 4,441 | 743 | 0 | 0 | 30,000 |
| Other loans for purchasing or carrying securities | 3,446 | 2,221 | 930 | 1,480 | 1,494 | 1,285 |
| Loans to farmers (excluding loans on real estate) | 1,305 | 1,323 | 1,416 | 1,456 | 918 | 1,407 |
| Commercial and industrial loans | 252,438 | 173,322 | 175,360 | 288,976 | 599,849 | 506,372 |
| Loans to individuals for personal expenditures | 1,451,401 | 1,665,365 | 1,812,329 | 2,052,147 | 2,412,478 | 2,892,234 |
| All other loans (including overdrafts) | 58,961 | 34,377 | 74,028 | 38,133 | 70,868 | 70,097 |
| **Total loans and securities** | **84,183,473** | **88,994,879** | **91,098,687** | **102,130,137** | **115,297,365** | **126,408,010** |

| | | | | | | |
|---|---|---|---|---|---|---|
| Bank premises, furniture and fixtures, and other assets representing bank premises | 661,118 | 760,289 | 857,879 | 963,664 | 1,063,867 | 1,161,551 |
| Real estate owned other than bank premises | 147,340 | 180,671 | 233,775 | 418,233 | 490,059 | 444,012 |
| Investments in subsidiaries not consolidated | 59,309 | 64,883 | 82,292 | 94,253 | 112,754 | 115,357 |
| Other assets | 1,078,412 | 1,164,017 | 1,263,415 | 1,479,088 | 1,686,856 | 1,857,963 |
| **Total liabilities and surplus accounts** | **87,650,051** | **93,012,515** | **95,589,401** | **107,280,765** | **120,839,827** | **132,201,371** |
| **Deposits—total** | **80,571,993** | **84,890,128** | **86,814,415** | **98,126,107** | **110,998,759** | **121,265,988** |
| Savings and time deposits—total | 79,781,381 | 84,008,571 | 85,904,825 | 97,133,340 | 109,895,767 | 119,734,061 |
| *Savings deposits* | *60,573,427* | *57,591,849* | *56,497,626* | *62,050,661* | *67,295,029* | *70,382,619* |
| *Deposits accumulated for payment of personal loans* | *25* | *476* | *295* | *430* | *1* | *19* |
| *Fixed maturity and other time deposits* | *19,207,929* | *26,416,246* | *29,406,904* | *35,082,249* | *42,600,737* | *49,351,423* |
| Demand deposits—total | 790,612 | 881,557 | 909,590 | 992,767 | 1,102,992 | 1,531,927 |
| **Miscellaneous liabilities—total** | **1,114,469** | **1,609,538** | **1,952,443** | **1,815,359** | **1,865,047** | **2,125,609** |
| Securities sold under agreements to repurchase | 22,757 | 26,089 | 217,561 | 108,715 | 69,118 | 169,166 |
| Other borrowings | 98,980 | 445,901 | 667,256 | 465,279 | 356,329 | 483,710 |
| Other liabilities | 992,732 | 1,137,548 | 1,067,626 | 1,241,365 | 1,439,600 | 1,472,733 |
| **Total liabilities** | **81,686,462** | **86,499,666** | **88,766,858** | **99,941,466** | **112,863,806** | **123,391,597** |
| **Minority interest in consolidated subsidiaries** | **0** | **0** | **0** | **70** | **61** | **61** |
| **Surplus accounts—total** | **5,963,589** | **6,512,849** | **6,822,543** | **7,339,229** | **7,975,960** | **8,809,713** |
| Capital notes and debentures | 59,372 | 114,953 | 169,460 | 190,279 | 213,264 | 353,386 |
| Other surplus accounts | 5,904,217 | 6,397,896 | 6,653,083 | 7,148,950 | 7,762,696 | 8,456,327 |
| **PERCENTAGES** | | | | | | |
| **Of total assets:** | | | | | | |
| Cash and balances with other banks | 1.7 | 2.0 | 2.1 | 2.0 | 1.8 | 1.7 |
| U.S. Government and agency securities | 7.3 | 6.4 | 6.2 | 8.8 | 10.9 | 11.7 |
| Other securities | 18.5 | 17.1 | 17.5 | 19.5 | 20.5 | 20.2 |
| Loans (including federal funds sold and securities purchased under agreements to resell) | 70.2 | 72.2 | 71.6 | 66.8 | 64.0 | 63.7 |
| Other assets | 2.2 | 2.3 | 2.5 | 2.8 | 2.8 | 2.7 |
| Total surplus accounts | 6.8 | 7.0 | 7.1 | 6.8 | 6.6 | 6.7 |
| **Of total assets other than cash and U.S. Government and agency securities:** | | | | | | |
| Total surplus accounts | 7.5 | 7.6 | 7.8 | 7.7 | 7.6 | 7.7 |
| Number of banks | 326 | 322 | 320 | 329 | 329 | 323 |

**Table 112. PERCENTAGES OF ASSETS, LIABILITIES, AND EQUITY CAPITAL OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1977 IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1977**
**BANKS GROUPED BY AMOUNT OF ASSETS**

| Asset, liability, or equity capital item | All banks | Banks with assets of– | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Less than $5 million | $5.0 million to $9.9 million | $10.0 million to $24.9 million | $25.0 million to $49.9 million | $50.0 million to $99.9 million | $100.0 million to $299.9 million | $300.0 million to $499.9 million | $500.0 million to $999.9 million | $1.0 billion to $4.9 billion | $5.0 billion or more |
| **Total assets** | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Cash and due from banks | 14.2 | 11.0 | 9.8 | 9.6 | 9.7 | 10.0 | 11.4 | 13.0 | 14.1 | 15.4 | 19.0 |
| U.S. Treasury securities[1] | 8.4 | 15.5 | 13.3 | 11.2 | 10.4 | 9.9 | 10.1 | 9.5 | 8.7 | 8.1 | 5.5 |
| Obligations of other U.S. Government agencies and corporations[1] | 3.2 | 8.0 | 7.1 | 6.0 | 5.0 | 4.6 | 4.4 | 3.6 | 2.9 | 2.2 | 1.4 |
| Obligations of States and political subdivisions[1] | 10.0 | 4.5 | 8.0 | 11.2 | 13.1 | 13.8 | 12.9 | 11.8 | 11.1 | 9.2 | 6.2 |
| Other securities[1] | .6 | .7 | .5 | .6 | .6 | .7 | .8 | .9 | 1.0 | .7 | .3 |
| Federal funds sold and securities purchased under agreements to resell | 4.3 | 7.3 | 5.7 | 4.9 | 4.0 | 3.5 | 3.9 | 4.8 | 5.7 | 5.3 | 3.5 |
| Loans, net | 52.0 | 50.8 | 53.1 | 53.8 | 54.0 | 54.1 | 52.8 | 52.4 | 51.8 | 50.8 | 50.5 |
| Unearned income on loans | 1.3 | 1.4 | 1.5 | 1.7 | 1.9 | 1.9 | 1.8 | 1.6 | 1.4 | 1.0 | .6 |
| Reserve for possible loan losses | .5 | .3 | .4 | .4 | .4 | .5 | .5 | .5 | .5 | .5 | .7 |
| Loans, gross | 53.8 | 52.5 | 55.0 | 55.9 | 56.3 | 56.5 | 55.1 | 54.5 | 53.7 | 52.3 | 51.8 |
| *Real estate loans* | *15.7* | *13.4* | *16.5* | *19.4* | *21.1* | *21.1* | *20.3* | *18.5* | *16.3* | *13.7* | *10.1* |
| *Loans to financial institutions* | *3.3* | *.2* | *.2* | *.2* | *.2* | *.4* | *.9* | *1.3* | *2.3* | *4.5* | *7.0* |
| *Loans to purchase or carry securities* | *1.6* | *.2* | *.2* | *.2* | *.2* | *.4* | *.5* | *1.2* | *1.2* | *1.5* | *3.5* |
| *Loans to farmers (excluding loans on real estate)* | *2.3* | *16.9* | *13.8* | *9.1* | *5.1* | *2.6* | *1.3* | *1.2* | *.8* | *.7* | *.8* |
| *Commercial and industrial loans* | *17.3* | *7.1* | *8.7* | *10.2* | *11.6* | *14.2* | *15.8* | *15.6* | *17.3* | *19.0* | *22.3* |
| *Instalment loans for personal expenditures* | *9.9* | *10.8* | *11.6* | *12.5* | *13.6* | *13.6* | *12.7* | *13.0* | *11.8* | *8.8* | *5.3* |
| *Single payment loans for personal expenditures* | *2.4* | *3.0* | *3.2* | *3.5* | *3.7* | *3.5* | *2.8* | *2.9* | *2.8* | *2.3* | *1.0* |
| *All other loans* | *1.3* | *.9* | *.8* | *.8* | *.8* | *.7* | *.8* | *.8* | *1.2* | *1.8* | *1.8* |
| All other assets | 7.3 | 2.2 | 2.5 | 2.7 | 3.2 | 3.4 | 3.7 | 4.0 | 4.7 | 8.3 | 13.6 |
| **Total liabilities and equity capital** | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Deposits–total | 81.6 | 88.8 | 90.0 | 90.5 | 90.2 | 89.6 | 88.1 | 86.2 | 82.5 | 77.8 | 72.3 |
| *Demand* | *33.3* | *36.3* | *32.3* | *31.4* | *30.8* | *31.0* | *31.7* | *33.9* | *35.3* | *34.3* | *34.8* |
| *Time and savings* | *48.3* | *52.5* | *57.7* | *59.1* | *59.4* | *58.6* | *56.4* | *52.3* | *47.2* | *43.5* | *37.5* |
| Individuals, partnerships, and corporations–demand | 25.4 | 31.9 | 27.7 | 26.8 | 26.5 | 26.6 | 26.2 | 26.9 | 27.2 | 26.6 | 22.1 |
| Individuals, partnerships, and corporations–time and savings | 41.8 | 46.1 | 51.5 | 53.1 | 53.3 | 52.0 | 49.1 | 44.8 | 40.6 | 37.3 | 31.1 |
| U.S. Government | .7 | .4 | .7 | .9 | .8 | .7 | .6 | .7 | 1.0 | .8 | .6 |
| States and political subdivisions | 6.7 | 9.6 | 9.1 | 8.6 | 8.5 | 8.6 | 9.0 | 8.8 | 8.3 | 6.8 | 2.9 |
| Foreign governments and official institutions | .8 | (3) | (3) | (3) | (3) | (3) | (3) | .1 | (3) | .2 | 2.8 |
| Commercial banks | 5.0 | .2 | .2 | .2 | .2 | .7 | 2.2 | 3.8 | 4.2 | 5.1 | 11.1 |
| Certified and officers' checks | 1.2 | .6 | .8 | .9 | .9 | 1.0 | 1.0 | 1.1 | 1.2 | 1.0 | 1.7 |
| Federal funds purchased and securities sold under agreements to repurchase | 7.4 | .2 | .4 | .4 | .7 | 1.4 | 3.0 | 5.1 | 8.2 | 11.3 | 13.0 |
| Other liabilities for borrowed money | .5 | (3) | (3) | (3) | (3) | .1 | .1 | .1 | .5 | .7 | 1.2 |
| All other liabilities[2] | 3.0 | .4 | .5 | .7 | 1.1 | 1.2 | 1.3 | 1.3 | 1.6 | 3.1 | 6.2 |
| Subordinated notes and debentures | .6 | .1 | .1 | .2 | .3 | .3 | .6 | .5 | .6 | .8 | .5 |
| Equity capital | 6.9 | 10.5 | 9.0 | 8.1 | 7.7 | 7.4 | 6.9 | 6.8 | 6.6 | 6.3 | 6.8 |
| Number of banks | 14,255 | 1,101 | 2,546 | 4,902 | 2,977 | 1,485 | 822 | 157 | 124 | 120 | 21 |

[1] Securities held in trading accounts are included in "Other assets."
[2] Includes minority interest in consolidated subsidiaries.
[3] Less than 0.05 percent.

Note: For income and expense data by size of bank, see tables 118 and 119. Dollar amounts of assets and liabilities (in $000) of insured commercial banks by size of bank are contained in *Assets and Liabilities–Commercial and Mutual Savings Banks* (with 1977 Report of Income), December 31, 1977.

**Table 113.** PERCENTAGES OF ASSETS AND LIABILITIES OF INSURED MUTUAL SAVINGS BANKS OPERATING THROUGHOUT 1977 IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1977
BANKS GROUPED BY AMOUNT OF ASSETS

| Asset, liability, or surplus account item | All banks[1] | Banks with assets of— Less than $10.0 million | $10.0 million to $24.9 million | $25.0 million to $49.9 million | $50.0 million to $99.9 million | $100.0 million to $299.9 million | $300.0 million to $499.9 million | $500.0 million to $999.9 million | $1 billion or more |
|---|---|---|---|---|---|---|---|---|---|
| **Total assets** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** |
| Cash and due from banks | 1.7 | 3.0 | 2.4 | 2.0 | 1.6 | 1.7 | 1.6 | 1.5 | 1.8 |
| United States Government and agency securities | 11.7 | 8.0 | 14.5 | 9.7 | 10.0 | 10.6 | 14.0 | 13.1 | 11.3 |
| Corporate bonds | 12.4 | 6.1 | 6.7 | 7.1 | 6.7 | 7.6 | 8.9 | 10.7 | 15.5 |
| State, county, and municipal obligations | 2.1 | (2) | 1.0 | 1.0 | .7 | 1.4 | 1.4 | 2.0 | 2.5 |
| Other securities | 5.7 | 4.0 | 5.4 | 5.7 | 5.5 | 5.3 | 4.3 | 5.3 | 6.2 |
| Federal funds sold and securities purchased under agreements to resell | 1.4 | 3.0 | 2.3 | 1.5 | 1.6 | 1.3 | 2.1 | 1.3 | 1.4 |
| Other loans and discounts | 62.3 | 73.3 | 66.4 | 70.8 | 71.6 | 69.5 | 65.3 | 63.3 | 58.7 |
| Real estate loans—total | 59.6 | 64.3 | 61.7 | 65.6 | 66.5 | 65.9 | 62.5 | 60.6 | 56.4 |
| *Construction loans* | *.8* | *.8* | *.5* | *1.5* | *1.7* | *1.5* | *1.4* | *.7* | *.6* |
| *Secured by farmland* | (2) | *.5* | *.6* | *.2* | *.2* | *.1* | (2) | (2) | (2) |
| *Secured by residential properties:* | | | | | | | | | |
| *Insured by FHA* | *10.0* | *.6* | *1.5* | *1.7* | *3.4* | *4.5* | *9.4* | *10.7* | *12.0* |
| *Guaranteed by VA* | *8.3* | *.6* | *4.3* | *3.4* | *4.5* | *4.8* | *9.4* | *8.7* | *9.3* |
| *Not insured or guaranteed by FHA or VA* | *30.1* | *56.5* | *47.7* | *52.4* | *50.1* | *47.6* | *35.4* | *30.7* | *22.7* |
| *Secured by other properties* | *10.2* | *5.4* | *7.1* | *6.3* | *6.6* | *7.5* | *6.9* | *9.8* | *11.9* |
| Commercial and industrial loans | .4 | .8 | .4 | .2 | .3 | .2 | .1 | .3 | .5 |
| Loans to individuals for personal expenditures | 2.2 | 8.1 | 4.2 | 4.9 | 4.6 | 3.3 | 2.5 | 2.4 | 1.5 |
| All other loans including overdrafts | .1 | (2) | .2 | .1 | .2 | .1 | .1 | (2) | .2 |
| Other assets | 2.7 | 2.6 | 1.2 | 2.2 | 2.4 | 2.6 | 2.4 | 2.9 | 2.7 |
| **Total liabilities and surplus accounts** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** |
| Deposits—total | 91.7 | 91.2 | 91.0 | 91.4 | 91.4 | 91.7 | 91.9 | 91.6 | 91.8 |
| *Savings deposits* | *53.2* | *65.2* | *53.8* | *59.1* | *55.6* | *54.7* | *54.4* | *56.5* | *51.1* |
| *Deposits accumulated for payment of personal loans* | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) |
| *Fixed maturity and other time deposits* | *37.3* | *24.9* | *35.9* | *31.4* | *34.9* | *35.9* | *36.4* | *33.7* | *39.7* |
| *Demand deposits* | *1.2* | *1.1* | *1.3* | *.9* | *.9* | *1.0* | *1.1* | *1.5* | *1.1* |
| Miscellaneous liabilities | 1.6 | .4 | 1.4 | .9 | 1.1 | 1.4 | 1.2 | 1.5 | 1.8 |
| Surplus accounts | 6.7 | 8.3 | 7.6 | 7.7 | 7.4 | 6.9 | 6.9 | 6.9 | 6.4 |
| *Capital notes and debentures* | *.3* | *1.0* | *.2* | *.1* | *.2* | *.1* | *.1* | *.2* | *.4* |
| *Other surplus accounts* | *6.4* | *7.3* | *7.4* | *7.5* | *7.3* | *6.8* | *6.8* | *6.7* | *6.0* |
| Number of banks | 323 | 4 | 11 | 33 | 80 | 96 | 26 | 39 | 34 |

[1] Dollar amounts of assets and liabilities (in $000) of insured mutual savings banks are shown in *Assets and Liabilities—Commercial and Mutual Savings Banks* (with 1977 Report of Income), December 31, 1977.
[2] Zero or less than 0.05 percent.

**Table 114.** DISTRIBUTION OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1977

**BANKS GROUPED ACCORDING TO AMOUNT OF ASSETS AND BY RATIOS OF SELECTED ITEMS TO ASSETS OR DEPOSITS**

| Ratios (In percent) | All banks | Banks with assets of– | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Less than $5 million | $5.0 million to $9.9 million | $10.0 million to $24.9 million | $25.0 million to $49.9 million | $50.0 million to $99.9 million | $100.0 million to $299.9 million | $300.0 million to $499.9 million | $500.0 million to $999.9 million | $1.0 billion to $4.9 billion | $5.0 billion or more |
| **Ratios of cash and due from banks to total assets of–** | | | | | | | | | | | |
| Less than 5.0 | 1,062 | 100 | 241 | 410 | 190 | 87 | 26 | 1 | 3 | 4 | 0 |
| 5.0 to 7.49 | 3,631 | 243 | 704 | 1,394 | 793 | 338 | 134 | 17 | 7 | 1 | 0 |
| 7.5 to 9.99 | 3,953 | 268 | 657 | 1,378 | 905 | 459 | 222 | 32 | 20 | 12 | 0 |
| 10.0 to 12.49 | 2,607 | 211 | 454 | 815 | 545 | 285 | 201 | 41 | 27 | 25 | 3 |
| 12.5 to 14.99 | 1,446 | 124 | 234 | 444 | 277 | 183 | 112 | 21 | 25 | 19 | 7 |
| 15.0 to 17.49 | 735 | 90 | 115 | 217 | 132 | 69 | 56 | 18 | 16 | 19 | 3 |
| 17.5 to 19.99 | 404 | 47 | 70 | 106 | 65 | 35 | 30 | 13 | 15 | 22 | 1 |
| 20.0 to 24.99 | 356 | 53 | 69 | 107 | 52 | 19 | 22 | 9 | 6 | 15 | 4 |
| 25.0 to 29.99 | 126 | 30 | 27 | 26 | 12 | 8 | 15 | 3 | 1 | 3 | 1 |
| 30.0 or more | 92 | 31 | 22 | 14 | 9 | 2 | 6 | 2 | 4 | 0 | 2 |
| **Ratios of U.S. Treasury securities to total assets of–** | | | | | | | | | | | |
| Less than 5.0 | 3,260 | 232 | 497 | 1,171 | 717 | 350 | 179 | 41 | 26 | 36 | 11 |
| 5.0 to 9.99 | 4,362 | 242 | 686 | 1,444 | 965 | 532 | 305 | 64 | 64 | 51 | 9 |
| 10.0 to 14.99 | 3,027 | 224 | 512 | 1,029 | 668 | 330 | 204 | 24 | 15 | 20 | 1 |
| 15.0 to 19.99 | 1,705 | 162 | 364 | 585 | 349 | 148 | 66 | 14 | 10 | 7 | 0 |
| 20.0 to 24.99 | 924 | 109 | 230 | 316 | 151 | 64 | 37 | 8 | 6 | 3 | 0 |
| 25.0 to 29.99 | 481 | 73 | 126 | 166 | 71 | 24 | 16 | 2 | 1 | 2 | 0 |
| 30.0 to 34.99 | 272 | 44 | 77 | 91 | 24 | 23 | 8 | 3 | 1 | 1 | 0 |
| 35.0 to 39.99 | 161 | 30 | 41 | 58 | 17 | 10 | 5 | 0 | 0 | 0 | 0 |
| 40.0 to 44.99 | 102 | 34 | 26 | 27 | 9 | 2 | 2 | 1 | 1 | 0 | 0 |
| 45.0 to 49.99 | 50 | 22 | 10 | 11 | 4 | 2 | 1 | 0 | 0 | 0 | 0 |
| 50.0 or more | 68 | 25 | 24 | 13 | 5 | 0 | 1 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Ratios of obligations of States and political subdivisions to total assets of–** | | | | | | | | | | | |
| Zero | 1,186 | 370 | 401 | 339 | 56 | 16 | 4 | 0 | 0 | 0 | 0 |
| More than 0.0, but less than 1.0 | 518 | 151 | 139 | 132 | 50 | 24 | 17 | 3 | 1 | 1 | 0 |
| 1.0 to 2.49 | 550 | 158 | 138 | 159 | 49 | 14 | 18 | 4 | 5 | 4 | 1 |
| 2.5 to 4.99 | 1,144 | 160 | 338 | 356 | 149 | 69 | 35 | 10 | 6 | 14 | 7 |
| 5.0 to 7.49 | 1,400 | 115 | 374 | 457 | 243 | 83 | 65 | 15 | 17 | 23 | 8 |
| 7.5 to 9.99 | 1,854 | 87 | 376 | 706 | 358 | 151 | 90 | 25 | 26 | 31 | 4 |
| 10.0 to 12.49 | 2,079 | 59 | 304 | 800 | 460 | 232 | 144 | 31 | 24 | 24 | 1 |
| 12.5 to 14.99 | 2,008 | 42 | 214 | 688 | 557 | 293 | 148 | 32 | 23 | 11 | 0 |
| 15.0 to 17.49 | 1,486 | 20 | 121 | 504 | 411 | 257 | 140 | 14 | 10 | 9 | 0 |
| 17.5 to 19.99 | 953 | 18 | 82 | 326 | 283 | 148 | 79 | 12 | 4 | 1 | 0 |
| 20.0 to 24.99 | 908 | 12 | 78 | 331 | 258 | 148 | 65 | 9 | 5 | 2 | 0 |
| 25.0 or more | 326 | 5 | 28 | 113 | 106 | 50 | 19 | 2 | 3 | 0 | 0 |
| **Ratios of net loans to total assets of–** | | | | | | | | | | | |
| Less than 20.0 | 174 | 64 | 41 | 38 | 22 | 4 | 4 | 1 | 0 | 0 | 0 |
| 20.0 to 24.99 | 143 | 38 | 28 | 42 | 16 | 10 | 7 | 0 | 1 | 1 | 0 |
| 25.0 to 29.99 | 293 | 53 | 65 | 109 | 41 | 17 | 6 | 2 | 0 | 0 | 0 |
| 30.0 to 34.99 | 481 | 66 | 98 | 179 | 64 | 41 | 23 | 5 | 3 | 2 | 0 |
| 35.0 to 39.99 | 822 | 94 | 160 | 280 | 147 | 66 | 42 | 11 | 9 | 11 | 2 |
| 40.0 to 44.99 | 1,292 | 123 | 271 | 428 | 247 | 102 | 81 | 9 | 11 | 13 | 7 |
| 45.0 to 49.99 | 1,786 | 135 | 329 | 573 | 397 | 175 | 104 | 27 | 23 | 21 | 2 |
| 50.0 to 54.99 | 2,431 | 148 | 371 | 770 | 541 | 322 | 176 | 42 | 30 | 31 | 0 |
| 55.0 to 59.99 | 2,627 | 147 | 389 | 883 | 604 | 321 | 192 | 32 | 28 | 23 | 8 |
| 60.0 to 64.99 | 2,314 | 147 | 395 | 805 | 524 | 272 | 126 | 17 | 15 | 11 | 2 |
| 65.0 to 69.99 | 1,346 | 104 | 264 | 534 | 256 | 119 | 52 | 9 | 3 | 5 | 0 |
| 70.0 to 74.99 | 519 | 45 | 121 | 213 | 100 | 30 | 8 | 1 | 0 | 1 | 0 |
| 75.0 or more | 184 | 33 | 61 | 57 | 21 | 6 | 3 | 1 | 1 | 1 | 0 |
| **Ratios of total demand deposits to total deposits of–** | | | | | | | | | | | |
| Less than 25.0 | 2,091 | 87 | 379 | 791 | 464 | 236 | 112 | 9 | 9 | 4 | 0 |
| 25.0 to 29.99 | 2,620 | 146 | 448 | 963 | 623 | 273 | 130 | 26 | 3 | 8 | 0 |
| 30.0 to 34.99 | 2,950 | 213 | 547 | 1,031 | 613 | 320 | 184 | 18 | 11 | 10 | 3 |
| 35.0 to 39.99 | 2,461 | 203 | 436 | 798 | 513 | 279 | 159 | 25 | 27 | 19 | 2 |
| 40.0 to 44.99 | 1,747 | 160 | 286 | 555 | 372 | 185 | 106 | 30 | 28 | 21 | 4 |
| 45.0 to 49.99 | 1,157 | 105 | 230 | 368 | 214 | 105 | 68 | 25 | 16 | 23 | 3 |
| 50.0 to 54.99 | 631 | 79 | 112 | 193 | 108 | 46 | 40 | 18 | 15 | 18 | 2 |
| 55.0 to 59.99 | 299 | 49 | 51 | 105 | 41 | 21 | 11 | 2 | 7 | 9 | 3 |
| 60.0 to 64.99 | 161 | 31 | 44 | 46 | 12 | 9 | 6 | 2 | 5 | 6 | 0 |
| 65.0 to 69.99 | 89 | 20 | 21 | 22 | 10 | 7 | 0 | 1 | 3 | 2 | 3 |
| 70.0 to 79.99 | 78 | 31 | 17 | 20 | 4 | 2 | 4 | 0 | 0 | 0 | 0 |
| 80.0 to 89.99 | 42 | 16 | 9 | 7 | 5 | 1 | 3 | 0 | 0 | 0 | 1 |
| 90.0 or more | 86 | 57 | 13 | 12 | 1 | 1 | 1 | 1 | 0 | 0 | 0 |

**Table 114.** DISTRIBUTION OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1977—CONTINUED

BANKS GROUPED ACCORDING TO AMOUNT OF ASSETS AND BY RATIOS OF SELECTED ITEMS TO ASSETS OR DEPOSITS

| Ratios (In percent) | All banks | Banks with assets of— | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Less than $5 million | $5.0 million to $9.9 million | $10.0 million to $24.9 million | $25.0 million to $49.9 million | $50.0 million to $99.9 million | $100.0 million to $299.9 million | $300.0 million to $499.9 million | $500.0 million to $999.9 million | $1.0 billion to $4.9 billion | $5.0 billion or more |
| **Ratios of total equity capital to total assets of—** | | | | | | | | | | | |
| Less than 5.0 | 426 | 6 | 21 | 118 | 91 | 63 | 75 | 19 | 16 | 13 | 4 |
| 5.0 to 5.99 | 1,246 | 27 | 100 | 364 | 299 | 184 | 154 | 39 | 37 | 37 | 5 |
| 6.0 to 6.99 | 2,802 | 98 | 368 | 920 | 698 | 387 | 221 | 35 | 33 | 37 | 5 |
| 7.0 to 7.99 | 3,483 | 174 | 564 | 1,242 | 816 | 405 | 203 | 29 | 23 | 24 | 3 |
| 8.0 to 8.99 | 2,562 | 188 | 492 | 973 | 541 | 243 | 95 | 18 | 6 | 4 | 2 |
| 9.0 to 9.99 | 1,449 | 140 | 344 | 539 | 269 | 102 | 37 | 8 | 5 | 4 | 1 |
| 10.0 to 10.99 | 851 | 109 | 210 | 318 | 140 | 45 | 22 | 5 | 1 | 0 | 1 |
| 11.0 to 11.99 | 527 | 96 | 145 | 184 | 64 | 26 | 10 | 0 | 1 | 1 | 0 |
| 12.0 to 12.99 | 305 | 59 | 97 | 105 | 25 | 12 | 3 | 3 | 1 | 0 | 0 |
| 13.0 to 14.99 | 306 | 63 | 112 | 88 | 29 | 10 | 3 | 1 | 0 | 0 | 0 |
| 15.0 to 16.99 | 144 | 54 | 54 | 30 | 3 | 3 | 0 | 0 | 0 | 0 | 0 |
| 17.0 or more | 311 | 183 | 86 | 30 | 5 | 5 | 1 | 0 | 1 | 0 | 0 |
| **Ratios of total equity capital to total assets other than cash and due from banks, U S. Treasury securities, and obligations of other U.S. Government agencies and corporations of—** | | | | | | | | | | | |
| Less than 7.5 | 1,168 | 11 | 60 | 336 | 289 | 187 | 168 | 37 | 39 | 35 | 6 |
| 7.5 to 9.99 | 4,862 | 145 | 578 | 1,597 | 1,262 | 697 | 378 | 68 | 63 | 65 | 9 |
| 10.0 to 12.49 | 4,070 | 230 | 739 | 1,554 | 903 | 400 | 181 | 35 | 12 | 12 | 4 |
| 12.5 to 14.99 | 1,935 | 182 | 465 | 749 | 328 | 117 | 66 | 11 | 7 | 8 | 2 |
| 15.0 to 17.49 | 988 | 147 | 310 | 342 | 117 | 46 | 21 | 4 | 1 | 0 | 0 |
| 17.5 to 19.99 | 463 | 94 | 152 | 152 | 40 | 18 | 5 | 1 | 1 | 0 | 0 |
| 20.0 to 22.49 | 280 | 73 | 90 | 87 | 19 | 10 | 1 | 0 | 0 | 0 | 0 |
| 22.5 to 24.99 | 156 | 51 | 60 | 33 | 10 | 1 | 0 | 0 | 1 | 0 | 0 |
| 25.0 to 29.99 | 208 | 81 | 71 | 38 | 8 | 7 | 2 | 1 | 0 | 0 | 0 |
| 30.0 to 34.99 | 87 | 38 | 37 | 10 | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| 35.0 to 39.99 | 62 | 44 | 10 | 4 | 2 | 0 | 2 | 0 | 0 | 0 | 0 |
| 40.0 or more | 133 | 101 | 21 | 9 | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| Number of banks | 14,412 | 1,197 | 2,593 | 4,911 | 2,980 | 1,485 | 824 | 157 | 124 | 120 | 21 |

# INCOME OF INSURED BANKS



The income data received and published by the Corporation relate to commercial and mutual savings banks insured by the Corporation.

**Commercial banks**

Banks having assets of $25 million or more are required to report consolidated income accounts on an accrual basis. Where the results would not be significantly different, certain accounts may be reported on a cash basis. Smaller banks continue to have the option of submitting their reports on a cash or an accrual basis, except that unearned income on loans, and income taxes, must be reported on a current accrual basis.

Prior to 1976, insured banks were required to submit a consolidated Report of Income, including all majority-owned domestic premises subsidiaries and other nonbank subsidiaries that were significant according to certain tests. Beginning in 1976, the consolidated income report must include also all majority-owned Edge Act and Agreement Corporations, and all majority-owned significant foreign subsidiaries and associated companies to the extent that the income of such subsidiaries is remittable.

Banks were required to report income and expenses more frequently beginning in 1976. Banks having assets of $300 million or more submit quarterly statements and other insured banks submit semiannual reports. In this report, income data are included for all insured banks operating at the end of the respective years, unless indicated otherwise. In addition, when appropriate, adjustments have been made for banks in operation during part of the year but not at the end of the year.

Several changes were made in 1976 in the format of the income reports submitted by banks, mainly involving additional separate items on the face of the report. Those changes are indicated in several historical data tables to follow, with explanatory notes where necessary.

In 1976, the method used for determining "provision for possible loan losses" was changed significantly. Also, beginning in 1976, "memoranda" data in table 115 and elsewhere on charge-offs and recoveries to loan loss reserves include also the gross charge-offs and recoveries on loans by banks not on a reserve basis of accounting (see pp. 177).

"Applicable income taxes" on income before securities gains or losses is an estimate of the tax liability that a bank would incur if its taxes were based solely on operating income and expenses; that is, if there were no security gains or losses, no extraordinary items, etc. The amount reported by each bank consists of Federal, State and local, and foreign income taxes, estimated using the tax rates applicable to the reporting bank. Income taxes currently payable, and deferred income taxes, are included.

The memoranda item "total provision for income taxes" includes applicable taxes on operating income, applicable taxes on securities gains and losses and extraordinary items, and tax effects on differences between the provision for loan losses charged to operating expense and transfers to the reserve for bad debt losses on loans. For banks generally the transfers to reserve for bad debts have exceeded the provision for loan losses and consequently have tended to reduce tax liability. (Since enactment of the Tax Reform Act of 1969, additions to loan loss reserves for Federal tax purposes have been subject to a schedule of limitations that will eventually put these reserves on a current experience basis.)

**Mutual savings banks**

For a discussion of the report of income and expenses for mutual savings banks prior to 1971, see the 1951 *Annual Report,* pp. 50-52.

Beginning December 31, 1971, income and expenses for mutual savings banks are reported on a consolidated basis in the same manner as required of commercial banks, including all domestic branches, domestic bank premises subsidiaries, and other significant nonbanking domestic subsidiaries (see page 175).

Beginning in 1972, banks with total resources of $25 million or more are required to prepare their reports on the basis of accrual accounting. All banks are required to report income taxes on an accrual basis.

Under operating income, certain income from securities formerly in the "other" category are shown separately beginning in 1971. Income from U.S. Treasury securities is combined with income from U.S. Government agency and corporation securities. Somewhat fewer items are detailed under operating expenses. Beginning in 1971, actual net loan losses (charge-offs less recoveries) are included as an expense item in the operating section of the report (see discussion below). In 1970 and prior years (table 120), the amounts shown for this expense item were "recoveries credited to valuation adjustment provisions on real estate mortgage loans" less the "realized losses charged to valuation adjustment provisions on [these] loans," which were reported in those years in the memoranda section.

The nonoperating sections of the report were condensed in 1971, with realized gains and losses on securities, mortgage loans, and real estate reported "net" rather than in separate sections and captions as before. Detailed data formerly reported on reconcilement of valuation adjustment provisions were almost entirely eliminated, except for a simple reconciliation of surplus.

**Sources of data**

National banks and State banks in the District of Columbia not members of the Federal Reserve System: Office of the Comptroller of the Currency.

State bank members of the Federal Reserve System: Board of Governors of the Federal Reserve System.

Other insured banks: Federal Deposit Insurance Corporation.

## REPORTING OF LOSSES AND RESERVES FOR LOSSES ON LOANS, 1948 – 1977

**Commercial banks**

Use of the reserve method of loan accounting was greatly encouraged when, in 1947, the Internal Revenue Service set formal standards for loan loss transfers to be permitted for Federal tax purposes. In their reports submitted to the Federal bank supervisory agencies prior to 1948, insured commercial banks included in non-operating income the amounts of recoveries on loans (applicable to prior charge-offs for losses) which included, for banks using the reserve method, transfers from loan loss reserves. Direct charge-offs and losses on loans, and transfers to reserves were included together in non-operating expenses. Banks using the reserve method were not required to report separately their actual losses, that is, charges against loan loss reserves. (In statements of condition prior to 1948, insured banks reported loans on a net basis only, after allowance for loan loss reserves. Beginning with the June 30, 1948 report, banks were required to report gross loans, with total valuation reserves, those set up pursuant to Internal Revenue Service regulations, and other reserves shown separately. However, instalment loans ordinarily continued to be reported net if the instalment payments were applied directly to the reduction of the loan.)

Beginning with the year 1948, the income reports were revised to show separately, in a memoranda section, the losses charged to reserves. These items continued to be combined in the non-operating expense section until 1961. Recoveries credited to reserves were also itemized in the memoranda section beginning in 1948, as were the amounts transferred to and from reserves during the year. Each of these debits and credits was segregated as to reserves set up pursuant to IRS regulations, and other reserves. Losses and recoveries, and transfers to and from reserves, but not the specific tax-related transfers, were separately reported in the Corporation's published statistics.

Several important revisions were made in the format of the income reports of commercial banks in 1969. A new entry entitled "provision for loan losses" was included under operating expenses. This item included actual loan losses (charge-offs less recoveries) during the year or, at the option of the bank, an amount derived by applying the average loan loss percentage for the five most recent years to the average amount of loans during the current year. Banks had the option also of providing a larger amount in any year than the amount indicated by the formula. Beginning in 1976, required use of the formulas was discontinued. Banks are instructed to expense an amount which in the judgment of bank management will maintain an adequate reserve, and to provide a fully reviewable record for bank examination purposes of the basis for the determination of the loan-loss provision.

Also beginning in 1976, banks not on a reserve basis report gross charge-offs and recoveries; the difference—net losses—is reported as the "provision for loan losses" in operating expenses. Banks continue to report all transfers to and from reserves in the memoranda section of the income statement, but this detailed information is not included in the tables to follow.

**Mutual savings banks**

While mutual savings banks reported loan losses and transfers to loss reserves prior to 1951, the Corporation's published statistics did not show these data separately, as was the case also for recoveries and transfers from reserves. When the reporting form was revised extensively in 1951, these various nonoperating expenses were itemized, and a memoranda section was added to show also the losses and recoveries in reserve accounts. "Realized" losses (and recoveries) for which no provision had been made, and transfers were included in the nonoperating expense (income) section, while direct write-downs and other loan losses for which provision had been made, were reported separately in a memoranda account.

Following 1951, the loan loss section of the reports of condition and income and expense remained unchanged until 1971. Beginning in 1971, the income report was revised in a manner similar to changes in 1969 applicable to commercial banks, to show actual net loan losses as operating expenses. (Mutual savings banks did not have the option available to commercial banks of reporting losses based on recent years' average experience.) At the same time, all valuation reserves were merged into surplus accounts on statements of condition submitted to the Federal supervisory agencies.

**Table 115.** INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1972–1977
(Amounts in thousands of dollars)

| Income item | 1972 | 1973 | 1974 | 1975 | 1976[1] | 1977[1] |
|---|---|---|---|---|---|---|
| **Operating income—total** | **40,247,555** | **53,036,327** | **68,160,779** | **66,558,502** | **80,663,853** | **90,357,541** |
| Interest and fees on loans | 25,630,498 | 35,375,638 | 47,138,740 | 43,379,504 | 51,645,260 | 58,990,506 |
| Interest on balances with banks[2] | ........ | ........ | ........ | ........ | 4,486,655 | 4,887,917 |
| Income on federal funds sold and securities purchased under agreements to resell in domestic offices | 1,026,550 | 2,486,695 | 3,712,304 | 2,294,621 | 1,984,757 | 2,476,313 |
| Interest on U.S. Treasury securities[3] | 3,396,365 | 3,465,192 | 3,441,273 | 4,440,640 | 5,976,210 | 6,394,514 |
| Interest on obligations of other U.S. Government agencies and corporations[3] | 1,144,761 | 1,472,467 | 2,018,561 | 2,348,937 | 2,415,164 | 2,469,463 |
| Interest on obligations of States and political subdivisions of the U.S.[3] | 3,493,981 | 3,864,785 | 4,453,876 | 4,918,518 | 5,134,676 | 5,365,327 |
| Interest on other bonds, notes, and debentures[3] | 322,239 | 371,987 | 467,873 | 533,244 | 751,007 | 859,077 |
| Dividends on stock | | | | | 105,046 | 109,595 |
| Income from direct lease financing[2] | ........ | ........ | ........ | ........ | 534,254 | 699,273 |
| Income from fiduciary activities | 1,366,455 | 1,459,879 | 1,506,206 | 1,601,968 | 1,794,732 | 1,980,395 |
| Service charges on deposit accounts in domestic offices | 1,262,022 | 1,326,992 | 1,459,858 | 1,555,360 | 1,635,463 | 1,806,509 |
| Other service charges, commissions, and fees | 1,083,104 | 1,251,651 | 1,408,525 | 1,653,549 | 2,182,927 | 2,408,698 |
| Other income[3] | 1,521,580 | 1,961,041 | 2,553,563 | 3,832,161 | 2,017,702 | 1,909,954 |
| **Operating expenses—total** | **32,997,271** | **44,330,459** | **58,910,355** | **57,582,040** | **70,750,168** | **78,791,583** |
| Salaries and employee benefits | 9,085,213 | 10,127,808 | 11,586,433 | 12,686,720 | 14,752,297 | 16,346,067 |
| Interest on time certificates of deposit of $100,000 or more issued by domestic offices[4] | ........ | ........ | ........ | ........ | 7,111,054 | 6,763,105 |
| Interest on deposits in foreign offices[2] | ........ | ........ | ........ | ........ | 8,749,673 | 10,215,971 |
| Interest on other deposits | 13,844,020 | 19,834,817 | 27,888,772 | 26,245,936 | 19,143,238 | 21,832,936 |
| Expense of federal funds purchased and securities sold under agreements to repurchase in domestic offices | 1,429,171 | 3,899,016 | 5,985,504 | 3,322,993 | 3,311,741 | 4,542,669 |
| Interest on other borrowed money | 115,240 | 503,941 | 917,638 | 377,195 | 667,197 | 818,374 |
| Interest on subordinated notes and debentures | 213,532 | 254,458 | 283,203 | 294,098 | 344,952 | 392,274 |
| Occupancy expense of bank premises, gross | 1,926,695 | 2,152,621 | 2,438,528 | 2,754,742 | 3,262,005 | 3,603,117 |
| *Less: Rental income* | *343,157* | *369,665* | *386,183* | *430,098* | *497,201* | *553,996* |
| *Occupancy expense of bank premises, net* | *1,583,538* | *1,782,956* | *2,052,345* | *2,324,644* | *2,764,804* | *3,049,121* |
| Furniture and equipment | 1,087,844 | 1,201,241 | 1,360,721 | 1,532,739 | 1,721,382 | 1,930,775 |
| Provision for possible loan losses | 973,238 | 1,264,695 | 2,286,132 | 3,612,410 | 3,691,378 | 3,301,041 |
| Other expenses | 4,665,475 | 5,461,527 | 6,549,607 | 7,185,305 | 8,492,452 | 9,599,250 |
| **Income before income taxes and securities gains or losses** | **7,250,284** | **8,705,868** | **9,250,424** | **8,976,462** | **9,913,685** | **11,565,958** |
| **Applicable income taxes** | **1,707,495** | **2,121,100** | **2,084,028** | **1,792,696** | **2,290,772** | **2,831,871** |
| **Income before securities gains or losses** | **5,542,789** | **6,584,768** | **7,166,396** | **7,183,766** | **7,622,913** | **8,734,087** |
| **Securities gains or losses, gross** | **166,730** | **−73,458** | **−161,247** | **34,376** | **312,267** | **141,674** |
| Applicable income taxes | 74,274 | −46,323 | −74,195 | −2,690 | 118,233 | 43,189 |
| Securities gains or losses, net | 92,456 | −27,135 | −87,052 | 37,066 | 194,034 | 98,485 |
| **Income before extraordinary items** | **5,635,245** | **6,557,633** | **7,079,344** | **7,220,832** | **7,816,947** | **8,832,572** |
| **Extraordinary items, gross** | **23,953** | **30,817** | **17,877** | **46,823** | **28,104** | **55,082** |
| Applicable income taxes | 4,800 | 9,256 | 5,957 | 13,044 | 1,774 | 8,249 |
| Extraordinary items, net | 19,153 | 21,561 | 11,920 | 33,779 | 26,330 | 46,833 |
| **Net income** | **5,654,398** | **6,579,194** | **7,091,264** | **7,254,611** | **7,843,277** | **8,879,405** |

| Memoranda | | | | | | |
|---|---|---|---|---|---|---|
| Dividends declared on equity capital—total | 2,196,868 | 2,429,330 | 2,768,104 | 3,032,444 | 3,036,222 | 3,304,789 |
| *Cash dividends declared on common stock* | *2,193,052* | *2,425,633* | *2,765,674* | *3,030,230* | *3,033,628* | *3,301,525* |
| *Cash dividends declared on preferred stock* | *3,816* | *3,697* | *2,430* | *2,214* | *2,594* | *3,264* |
| Provision for income taxes—total | 1,598,869 | 1,715,439 | 1,759,739 | 1,727,041 | 2,410,779 | 2,883,309 |
| *U.S. Federal income taxes* | *1,288,725* | *1,336,317* | *1,357,934* | *1,225,927* | *1,371,638* | *1,773,219* |
| *U.S. State and local income taxes* | *310,144* | *379,122* | *402,345* | *501,114* | *491,712* | *525,833* |
| *Foreign income taxes[2]* | ........ | ........ | ........ | ........ | *547,429* | *584,257* |
| Net loan losses or recoveries—total | −887,326 | −1,159,187 | −1,956,931 | −3,242,830 | −3,503,246 | −2,797,105 |
| *Recoveries on loans* | *363,663* | *388,846* | *461,350* | *547,380* | *687,401* | *813,900* |
| *Losses on loans* | *−1,250,989* | *−1,548,033* | *−2,418,281* | *−3,790,210* | *−4,190,647* | *−3,611,005* |
| Trading account income, net[2] | ........ | ........ | ........ | ........ | 717,655 | 421,148 |
| **Average assets, liabilities, and equity capital[5]** | | | | | | |
| **Assets—total** | **679,113,973** | **776,702,572** | **871,394,495** | **924,946,738** | **1,123,469,176** | **1,249,961,111** |
| Cash and due from banks | 102,969,933 | 110,168,143 | 122,224,773 | 126,838,007 | 194,312,500 | 218,357,890 |
| U.S. Treasury securities[3] | 61,978,490 | 58,603,925 | 52,822,043 | 65,992,148 | 88,520,749 | 96,664,647 |
| Obligations of States and political subdivisions[3] | 84,210,396 | 89,241,780 | 94,524,535 | 98,953,279 | 102,733,896 | 108,429,263 |
| Other securities[3] | 23,863,051 | 29,355,715 | 35,256,603 | 39,203,344 | 51,110,347 | 54,293,953 |
| Net loans[6] | 376,543,347 | 453,238,907 | 519,572,131 | 536,061,723 | 632,696,842 | 709,816,228 |
| All other assets | 29,548,756 | 36,094,102 | 46,994,410 | 57,898,237 | 54,094,842 | 62,399,129 |
| **Liabilities and equity capital—total** | **679,113,973** | **776,702,572** | **871,394,495** | **924,946,738** | **1,123,469,176** | **1,249,961,111** |
| Total deposits | 568,240,268 | 640,806,208 | 710,029,868 | 756,948,586 | 944,238,914 | 1,043,478,575 |
| *Demand deposits* | *271,122,732* | *293,708,282* | *307,363,186* | *313,836,391* | *320,488,016* | *347,903,682* |
| *Time and savings deposits* | *297,117,536* | *347,097,926* | *402,666,682* | *443,112,195* | *474,499,317* | *519,939,386* |
| *Deposits in foreign offices* | ........ | ........ | ........ | ........ | *149,251,581* | *175,635,507* |
| Subordinated notes and debentures | 3,546,497 | 4,044,715 | 4,204,891 | 4,328,561 | 4,865,972 | 5,500,132 |
| Other borrowings and all other liabilities | 61,179,885 | 80,677,846 | 100,573,737 | 101,918,202 | 105,647,909 | 125,239,154 |
| Total equity capital | 46,147,323 | 51,173,803 | 56,585,999 | 61,751,389 | 68,716,381 | 75,743,250 |
| Number of employees on payroll (end of period) | 1,025,997 | 1,093,616 | 1,160,585 | 1,226,415 | 1,255,025 | 1,320,598 |
| Number of banks (end of period) | 13,733 | 13,976 | 14,228 | 14,384 | 14,411 | 14,412 |

[1] Data are from fully consolidated reports of income, including domestic and foreign offices (see page 175).
[2] Figures not available before 1976.
[3] Securities held in trading accounts are included in "All other assets"; income from these securities is included in "Other income."
[4] Included in "Interest on other deposits" before 1976.
[5] Averages of amounts reported at beginning, middle, and end of year. 1976 and 1977 averages are based on consolidated reports, domestic and foreign.
[6] For years before 1976, data are gross loans (see page 152 and table 109). Includes federal funds sold.

**Table 116.** RATIOS OF INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1972–1977

| Income item | 1972 | 1973 | 1974 | 1975 | 1976[1] | 1977[1] |
|---|---|---|---|---|---|---|
| **Amounts per $100 of operating income** | | | | | | |
| **Operating income—total** | **$100.00** | **$100.00** | **$100.00** | **$100.00** | **$100.00** | **$100.00** |
| Interest and fees on loans[2] | 66.23 | 71.39 | 74.60 | 68.62 | 66.49 | 68.03 |
| Interest on balances with banks[3] | ...... | ...... | ...... | ...... | 5.56 | 5.41 |
| Interest on U.S. Treasury securities | 8.44 | 6.53 | 5.05 | 6.67 | 7.41 | 7.08 |
| Interest on obligations of States and political subdivisions of the U.S. | 8.65 | 7.29 | 6.53 | 7.39 | 6.37 | 5.94 |
| Interest and dividends on other securities | 3.64 | 3.48 | 3.65 | 4.33 | 4.05 | 3.80 |
| Income from fiduciary activities | 3.40 | 2.75 | 2.21 | 2.41 | 2.23 | 2.19 |
| Service charges on deposit accounts in domestic offices | 3.14 | 2.50 | 2.14 | 2.34 | 2.03 | 2.00 |
| Other charges, commissions, and fees | 2.67 | 2.36 | 2.07 | 2.48 | 2.71 | 2.67 |
| Other income | 3.78 | 3.70 | 3.75 | 5.76 | 3.16 | 2.88 |
| **Operating expenses—total** | **81.98** | **83.58** | **86.43** | **86.51** | **87.71** | **87.20** |
| Salaries and employee benefits | 22.57 | 19.10 | 17.00 | 19.06 | 18.29 | 18.09 |
| Interest on deposits in domestic offices | 34.40 | 37.40 | 40.92 | 39.43 | 32.55 | 31.65 |
| Interest on deposits in foreign offices[3] | ...... | ...... | ...... | ...... | 10.85 | 11.31 |
| Interest on other borrowed money[4] | 4.37 | 8.78 | 10.54 | 6.00 | 5.36 | 6.37 |
| Occupancy expense of bank premises, net | 3.93 | 3.36 | 3.01 | 3.49 | 3.43 | 3.38 |
| Furniture and equipment | 2.70 | 2.26 | 2.00 | 2.30 | 2.13 | 2.14 |
| Provision for possible loan losses | 2.42 | 2.38 | 3.35 | 5.43 | 4.57 | 3.65 |
| Other expenses | 11.59 | 10.30 | 9.61 | 10.80 | 10.53 | 10.62 |
| **Income before income taxes and securities gains or losses** | **18.02** | **16.42** | **13.57** | **13.49** | **12.29** | **12.80** |
| **Amounts per $100 of total assets[5]** | | | | | | |
| Operating income—total | 5.93 | 6.83 | 7.82 | 7.20 | 7.18 | 7.23 |
| Operating expenses—total | 4.86 | 5.71 | 6.76 | 6.23 | 6.30 | 6.30 |
| Income before income taxes and securities gains or losses | 1.07 | 1.12 | 1.06 | .97 | .88 | .93 |
| Net income | .83 | .85 | .81 | .78 | .70 | .71 |
| **Amounts per $100 of total equity capital[5]** | | | | | | |
| Net income | 12.25 | 12.86 | 12.53 | 11.75 | 11.41 | 11.72 |
| Cash dividends declared on common stock | 4.75 | 4.74 | 4.89 | 4.91 | 4.42 | 4.36 |
| Net additions to capital from income | 7.49 | 8.11 | 7.64 | 6.84 | 6.99 | 7.36 |
| **Special ratios[5]** | | | | | | |
| Income on loans per $100 of loans[2] | 7.08 | 8.35 | 9.79 | 8.52 | 8.48 | 8.66 |
| Income on U.S. Treasury securities per $100 of U.S. Treasury securities | 5.48 | 5.91 | 6.51 | 6.73 | 6.75 | 6.62 |
| Income on obligations of States and political subdivisions per $100 of obligations of States and political subdivisions | 4.15 | 4.33 | 4.71 | 4.97 | 5.00 | 4.95 |
| Service charges on demand deposits in domestic offices per $100 of those deposits | .47 | .45 | .47 | .50 | .51 | .52 |
| Interest paid on time and savings deposits in domestic offices per $100 of those deposits | 4.66 | 5.71 | 6.93 | 5.92 | 5.53 | 5.50 |
| Number of banks (end of period) | 13,733 | 13,976 | 14,228 | 14,384 | 14,411 | 14,412 |

[1] Based on consolidated (including foreign) reports of income—see table 115, note 1.
[2] Includes federal funds sold.
[3] Not available before 1976.
[4] Includes interest on federal funds purchased, subordinated notes and debentures, and other borrowed money.
[5] Ratios are based on averages of assets and liabilities—see table 115 notes 5 and 6.

# Table 117. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1977
## BANKS GROUPED BY CLASS OF BANK
(Amounts in thousands of dollars)

| Sources and disposition of income | Total | Members F.R. System | | Non-members F.R. System | Operating throughout the year | Operating less than full year |
|---|---|---|---|---|---|---|
| | | National | State | | | |
| **Operating income—total** | **90,357,541** | **53,788,919** | **16,728,589** | **19,840,033** | **90,319,028** | **38,513** |
| Interest and fees on loans | 58,990,506 | 35,446,288 | 10,614,729 | 12,929,489 | 58,967,878 | 22,628 |
| Interest on balances with banks | 4,887,917 | 3,243,048 | 1,429,766 | 215,103 | 4,885,579 | 2,338 |
| Income on federal funds sold and securities purchased under agreements to resell in domestic offices | 2,476,313 | 1,532,133 | 386,332 | 557,848 | 2,471,440 | 4,873 |
| Interest on U.S. Treasury securities | 6,394,514 | 3,319,382 | 1,159,554 | 1,915,578 | 6,390,688 | 3,826 |
| Interest on obligations of other U.S. Government agencies and corporations | 2,469,463 | 1,212,580 | 296,758 | 960,125 | 2,468,681 | 782 |
| Interest on obligations of States and political subdivisions of the U.S. | 5,365,327 | 2,929,628 | 864,975 | 1,570,724 | 5,364,530 | 797 |
| Interest on other bonds, notes, and debentures | 859,077 | 578,815 | 134,116 | 146,146 | 858,503 | 574 |
| Dividends on stock | 109,595 | 61,291 | 30,578 | 17,726 | 109,396 | 199 |
| Income from direct lease financing | 699,273 | 537,633 | 126,586 | 35,054 | 699,182 | 91 |
| Income from fiduciary activities | 1,980,395 | 1,131,299 | 645,001 | 204,095 | 1,980,381 | 14 |
| Service charges on deposit accounts in domestic offices | 1,806,509 | 986,925 | 219,597 | 599,987 | 1,805,435 | 1,074 |
| Other service charges, commissions, and fees | 2,408,698 | 1,566,644 | 401,308 | 440,746 | 2,407,747 | 951 |
| Other income | 1,909,954 | 1,243,253 | 419,289 | 247,412 | 1,909,588 | 366 |
| **Operating expenses—total** | **78,791,583** | **46,955,595** | **14,754,928** | **17,081,060** | **78,741,273** | **50,310** |
| Salaries and employee benefits | 16,346,067 | 9,486,853 | 2,908,540 | 3,950,674 | 16,331,727 | 14,340 |
| Interest on time certificates of deposit of $100,000 or more issued by domestic offices | 6,763,105 | 4,031,501 | 1,431,037 | 1,300,567 | 6,760,033 | 3,072 |
| Interest on deposits in foreign offices | 10,215,971 | 7,123,000 | 3,000,674 | 92,297 | 10,215,971 | 0 |
| Interest on other deposits | 21,832,936 | 11,956,920 | 2,822,129 | 7,053,887 | 21,823,198 | 9,738 |
| Expense of federal funds purchased and securities sold under agreements to repurchase in domestic offices | 4,542,669 | 3,116,094 | 1,205,304 | 221,271 | 4,541,924 | 745 |
| Interest on other borrowed money | 818,374 | 603,986 | 185,560 | 28,828 | 817,999 | 375 |
| Interest on subordinated notes and debentures | 392,274 | 202,668 | 100,971 | 88,635 | 392,123 | 151 |
| Occupancy expense of bank premises, gross | 3,603,117 | 2,082,507 | 721,343 | 799,267 | 3,599,181 | 3,936 |
| *Less: rental income* | *553,996* | *372,213* | *86,382* | *95,401* | *553,758* | *238* |
| *Occupancy expense of bank premises, net* | *3,049,121* | *1,710,294* | *634,961* | *703,866* | *3,045,423* | *3,698* |
| Furniture and equipment | 1,930,775 | 1,140,820 | 315,235 | 474,720 | 1,928,926 | 1,849 |
| Provision for possible loan losses | 3,301,041 | 1,985,113 | 647,901 | 668,027 | 3,298,536 | 2,505 |
| Other expenses | 9,599,250 | 5,598,346 | 1,502,616 | 2,498,288 | 9,585,413 | 13,837 |
| **Income before income taxes and securities gains or losses** | **11,565,958** | **6,833,324** | **1,973,661** | **2,758,973** | **11,577,755** | **−11,797** |
| **Applicable income taxes** | **2,831,871** | **1,767,061** | **543,834** | **520,976** | **2,832,128** | **−257** |
| **Income before securities gains or losses** | **8,734,087** | **5,066,263** | **1,429,827** | **2,237,997** | **8,745,627** | **−11,540** |
| **Securities gains or losses, gross** | **141,674** | **52,456** | **−111** | **89,329** | **141,662** | **12** |
| Applicable income taxes | 43,189 | 16,000 | −4,581 | 31,770 | 43,188 | 1 |
| Securities gains or losses, net | 98,485 | 36,456 | 4,470 | 57,559 | 98,474 | 11 |
| **Income before extraordinary items** | **8,832,572** | **5,102,719** | **1,434,297** | **2,295,556** | **8,844,101** | **−11,529** |
| **Extraordinary items, gross** | **55,082** | **43,662** | **2,623** | **8,797** | **55,095** | **−13** |
| Applicable income taxes | 8,249 | 7,633 | 161 | 455 | 8,249 | 0 |
| Extraordinary items, net | 46,833 | 36,029 | 2,462 | 8,342 | 46,846 | −13 |

**Table 117.** INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1977—CONTINUED
BANKS GROUPED BY CLASS OF BANK
(Amounts in thousands of dollars)

| Sources and disposition of income | Total | Members F.R. System | | Non-members F.R. System | Operating throughout the year | Operating less than full year |
|---|---|---|---|---|---|---|
| | | National | State | | | |
| **Net income** | **8,879,405** | **5,138,748** | **1,436,759** | **2,303,898** | **8,890,947** | **−11,542** |
| **MEMORANDA** | | | | | | |
| **Dividends declared on equity capital—total** | **3,304,789** | **1,994,266** | **646,476** | **664,047** | **3,304,760** | **29** |
| *Cash dividends declared on common stock* | *3,301,525* | *1,993,176* | *646,280* | *662,069* | *3,301,496* | *29* |
| *Cash dividends declared on preferred stock* | *3,264* | *1,090* | *196* | *1,978* | *3,264* | *0* |
| **Provision for income taxes—total** | **2,883,309** | **1,790,694** | **539,414** | **553,201** | **2,883,565** | **−256** |
| *U.S. Federal income taxes* | *1,773,219* | *1,100,342* | *224,863* | *448,014* | *1,773,654* | *−435* |
| *U.S. State and local income taxes* | *525,833* | *254,929* | *171,311* | *99,593* | *525,654* | *179* |
| *Foreign income taxes* | *584,257* | *435,423* | *143,240* | *5,594* | *584,257* | *0* |
| **Net loan losses or recoveries—total** | **−2,797,105** | **−1,670,903** | **−569,330** | **−556,872** | **−2,796,237** | **−868** |
| *Recoveries on loans* | *813,900* | *508,933* | *129,164* | *175,803* | *813,863* | *37* |
| *Losses on loans* | *−3,611,005* | *−2,179,836* | *−698,494* | *−732,675* | *−3,610,100* | *−905* |
| Trading account income, net | 421,148 | 299,278 | 107,830 | 14,040 | 421,146 | 2 |
| Number of employees on payroll (end of period) | 1,320,598 | 759,240 | 202,799 | 358,559 | 1,318,489 | 2,109 |
| Number of banks (end of period) | 14,412 | 4,655 | 1,014 | 8,743 | 14,255 | 157 |

**Table 118.** INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1977 IN THE UNITED STATES
(STATES AND OTHER AREAS)
BANKS GROUPED BY AMOUNT OF ASSETS
(Amounts in thousands of dollars)

| Sources and disposition of income | All banks[1] | Banks with assets of— | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Less than $5 million | $5.0 million to $9.9 million | $10.0 million to $24.9 million | $25.0 million to $49.9 million | $50.0 million to $99.9 million | $100.0 million to $299.9 million | $300.0 million to $499.9 million | $500.0 million to $999.9 million | $1.0 billion to $4.9 billion | $5.0 billion or more |
| **Operating income—total** | **90,319,028** | **284,682** | **1,371,236** | **5,842,539** | **7,469,565** | **7,414,273** | **9,378,901** | **4,267,924** | **5,853,848** | **16,509,878** | **31,926,182** |
| Interest and fees on loans | 58,967,878 | 173,057 | 868,567 | 3,778,044 | 4,907,330 | 4,876,259 | 6,072,659 | 2,752,837 | 3,743,629 | 10,323,340 | 21,472,156 |
| Interest on balances with banks | 4,885,579 | 2,773 | 8,353 | 30,870 | 39,360 | 51,742 | 77,351 | 28,130 | 85,335 | 848,790 | 3,712,875 |
| Income on federal funds sold and securities purchased under agreements to resell in domestic offices | 2,471,440 | 14,306 | 52,566 | 199,426 | 226,204 | 197,700 | 257,019 | 143,368 | 204,533 | 588,683 | 587,635 |
| Interest on U.S. Treasury securities | 6,390,688 | 42,145 | 171,474 | 614,363 | 727,873 | 690,216 | 890,683 | 383,965 | 477,991 | 1,220,141 | 1,171,837 |
| Interest on obligations of other U.S. Government agencies and corporations | 2,468,681 | 22,825 | 97,125 | 348,666 | 366,366 | 333,235 | 412,771 | 154,644 | 169,777 | 326,188 | 237,084 |
| Interest on obligations of States and political subdivisions of the U.S. | 5,364,530 | 9,741 | 76,310 | 446,975 | 658,098 | 672,800 | 803,584 | 331,299 | 453,973 | 1,005,499 | 906,251 |
| Interest on other bonds, notes, and debentures | 858,503 | 1,833 | 6,147 | 33,416 | 45,718 | 50,943 | 72,830 | 31,954 | 57,222 | 101,952 | 456,488 |
| Dividends on stock | 109,396 | 136 | 1,041 | 4,463 | 6,243 | 5,787 | 9,388 | 7,047 | 8,915 | 25,763 | 40,613 |
| Income from direct lease financing | 699,182 | 158 | 565 | 4,202 | 9,073 | 16,928 | 26,593 | 30,257 | 34,770 | 131,572 | 445,064 |
| Income from fiduciary activities | 1,980,381 | 498 | 3,174 | 22,652 | 29,334 | 83,445 | 180,798 | 126,546 | 171,559 | 640,618 | 721,757 |
| Service charges on deposit accounts in domestic offices | 1,805,435 | 7,736 | 42,185 | 185,416 | 238,302 | 215,944 | 240,542 | 101,653 | 149,192 | 338,066 | 286,399 |
| Other service charges, commissions, and fees | 2,407,747 | 6,558 | 31,128 | 120,751 | 143,362 | 139,753 | 212,347 | 116,642 | 188,775 | 501,263 | 947,168 |
| Other income | 1,909,588 | 2,916 | 12,601 | 53,295 | 72,302 | 79,521 | 122,336 | 59,582 | 108,177 | 458,003 | 940,855 |
| **Operating expenses—total** | **78,741,273** | **246,490** | **1,179,451** | **4,950,127** | **6,283,661** | **6,298,004** | **8,116,139** | 3,737,475 | 5,183,609 | **14,493,370** | **28,252,947** |
| Salaries and employee benefits | 16,331,727 | 72,309 | 296,652 | 1,128,563 | 1,378,077 | 1,394,775 | 1,837,481 | 870,866 | 1,215,534 | 3,203,698 | 4,933,772 |
| Interest on time certificates of deposit of $100,000 or more issued by domestic offices | 6,760,033 | 6,919 | 39,445 | 219,472 | 363,883 | 456,109 | 705,809 | 340,042 | 497,087 | 1,551,431 | 2,579,836 |
| Interest on deposits in foreign offices | 10,215,971 | 0 | 0 | 0 | 0 | 8,683 | 14,023 | 2,280 | 46,192 | 919,479 | 9,225,314 |
| Interest on other deposits | 21,823,198 | 102,901 | 540,807 | 2,345,352 | 2,949,107 | 2,775,222 | 3,252,138 | 1,325,272 | 1,581,904 | 3,586,493 | 3,364,002 |
| Expense of federal funds purchased and securities sold under agreements to repurchase in domestic offices | 4,541,924 | 547 | 3,465 | 19,738 | 35,603 | 67,544 | 194,722 | 159,805 | 338,100 | 1,431,603 | 2,290,797 |
| Interest on other borrowed money | 817,999 | 265 | 947 | 5,686 | 8,044 | 8,701 | 15,720 | 6,721 | 19,625 | 100,451 | 651,839 |
| Interest on subordinated notes and debentures | 392,123 | 170 | 1,096 | 9,485 | 18,752 | 25,110 | 46,213 | 20,638 | 30,955 | 122,036 | 117,668 |
| Occupancy expense of bank premises, gross | 3,599,181 | 9,297 | 44,728 | 188,436 | 256,024 | 282,645 | 422,217 | 214,207 | 292,128 | 798,561 | 1,090,938 |
| *Less: Rental income* | *553,758* | *454* | *2,111* | *9,895* | *19,377* | *29,551* | *72,896* | *40,605* | *49,932* | *184,553* | *144,384* |
| *Occupancy expense of bank premises, net* | *3,045,423* | *8,843* | *42,617* | *178,541* | *236,647* | *253,094* | *349,321* | *173,602* | *242,196* | *614,008* | *946,554* |
| Furniture and equipment | 1,928,926 | 6,854 | 33,436 | 134,133 | 167,670 | 175,105 | 245,142 | 123,268 | 179,739 | 401,982 | 461,597 |
| Provision for possible loan losses | 3,298,536 | 8,108 | 43,309 | 173,484 | 202,838 | 205,529 | 272,761 | 145,113 | 245,515 | 663,918 | 1,337,961 |
| Other expenses | 9,585,413 | 39,574 | 177,677 | 735,673 | 923,040 | 928,132 | 1,182,809 | 569,868 | 786,762 | 1,898,271 | 2,343,607 |
| **Income before income taxes and securities gains or losses** | **11,577,755** | **38,192** | **191,785** | **892,412** | **1,185,904** | **1,116,269** | **1,262,762** | **530,449** | **670,239** | **2,016,508** | **3,673,235** |
| **Applicable income taxes** | **2,832,128** | 7,582 | **36,984** | **175,962** | **227,242** | **202,217** | **207,239** | **85,854** | **108,912** | 435,581 | **1,344,555** |

**Table 118.** INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1977 IN THE UNITED STATES (STATES AND OTHER AREAS)—CONTINUED
BANKS GROUPED BY AMOUNT OF ASSETS
(Amounts in thousands of dollars)

| Sources and disposition of income | All banks[1] | Banks with assets of— Less than $5 million | $5.0 million to $9.9 million | $10.0 million to $24.9 million | $25.0 million to $49.9 million | $50.0 million to $99.9 million | $100.0 million to $299.9 million | $300.0 million to $499.9 million | $500.0 million to $999.9 million | $1.0 billion to $4.9 billion | $5.0 billion or more |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Income before securities gains or losses** | 8,745,627 | 30,610 | 154,801 | 716,450 | 958,662 | 914,052 | 1,055,523 | 444,595 | 561,327 | 1,580,927 | 2,328,680 |
| **Securities gains or losses, gross** | 141,662 | 1,165 | 6,247 | 30,722 | 36,707 | 25,819 | 37,927 | 10,346 | 28,573 | −3,019 | −32,825 |
| Applicable income taxes | 43,188 | 173 | 1,213 | 8,439 | 11,798 | 9,951 | 17,045 | 4,526 | 13,677 | −475 | −23,159 |
| Securities gains or losses, net | 98,474 | 992 | 5,034 | 22,283 | 24,909 | 15,868 | 20,882 | 5,820 | 14,896 | −2,544 | −9,666 |
| **Income before extraordinary items** | 8,844,101 | 31,602 | 159,835 | 738,733 | 983,571 | 929,920 | 1,076,405 | 450,415 | 576,223 | 1,578,383 | 2,319,014 |
| **Extraordinary items, gross** | 55,095 | 27 | 821 | 4,173 | 5,673 | 3,986 | 7,414 | 4,779 | 7,020 | 21,202 | 0 |
| Applicable income taxes | 8,249 | 8 | 31 | 260 | 973 | −129 | 454 | 922 | 1,676 | 4,054 | 0 |
| Extraordinary items, net | 46,846 | 19 | 790 | 3,913 | 4,700 | 4,115 | 6,960 | 3,857 | 5,344 | 17,148 | 0 |
| **Net income** | 8,890,947 | 31,621 | 160,625 | 742,646 | 988,271 | 934,035 | 1,083,365 | 454,272 | 581,567 | 1,595,531 | 2,319,014 |
| **Memoranda** | | | | | | | | | | | |
| **Dividends declared on equity capital—total** | 3,304,760 | 7,759 | 35,561 | 172,789 | 249,638 | 283,682 | 369,641 | 176,121 | 258,141 | 719,347 | 1,032,081 |
| *Cash dividends declared on common stock* | *3,301,496* | *7,757* | *35,505* | *172,576* | *249,267* | *283,246* | *368,571* | *175,560* | *257,781* | *719,152* | *1,032,081* |
| *Cash dividends declared on preferred stock* | *3,264* | *2* | *56* | *213* | *371* | *436* | *1,070* | *561* | *360* | *195* | *0* |
| **Provision for income taxes—total** | 2,883,565 | 7,763 | 38,228 | 184,661 | 240,013 | 212,039 | 224,738 | 91,302 | 124,265 | 439,160 | 1,321,396 |
| *U.S. Federal income taxes* | *1,773,654* | *6,614* | *32,411* | *159,805* | *207,341* | *182,556* | *183,868* | *75,464* | *96,212* | *316,366* | *513,017* |
| *U.S. State and local income taxes* | *525,654* | *1,149* | *5,817* | *24,856* | *32,672* | *29,273* | *39,394* | *15,678* | *26,274* | *76,891* | *273,650* |
| *Foreign income taxes* | *584,257* | *0* | *0* | *0* | *0* | *210* | *1,476* | *160* | *1,779* | *45,903* | *534,729* |
| **Net loan losses or recoveries—total** | −2,796,237 | −6,474 | −35,515 | −140,380 | −164,071 | −166,553 | −221,180 | −119,357 | −208,965 | −536,090 | −1,197,652 |
| *Recoveries on loans* | *813,863* | *2,858* | *13,355* | *53,156* | *75,948* | *67,201* | *81,664* | *40,766* | *57,543* | *145,134* | *276,238* |
| *Losses on loans* | *−3,610,100* | *−9,332* | *−48,870* | *−193,536* | *−240,019* | *−233,754* | *−302,844* | *−160,123* | *−266,508* | *−681,224* | *−1,473,890* |
| Trading account income, net | 421,146 | 2 | 1 | 61 | 249 | 1,924 | 4,780 | 7,942 | 25,522 | 139,507 | 241,158 |
| Number of employees on payroll (end of period) | 1,318,489 | 7,100 | 27,666 | 104,195 | 129,539 | 129,388 | 166,778 | 76,254 | 104,664 | 250,444 | 322,461 |
| Number of banks (end of period) | 14,255 | 1,101 | 2,546 | 4,902 | 2,977 | 1,485 | 822 | 157 | 124 | 120 | 21 |

[1]This group of banks is the same as the group shown in table 117 under the heading "Operating throughout the year."

Table 119. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1977 IN THE UNITED STATES (STATES AND OTHER AREAS)[1]
BANKS GROUPED ACCORDING TO AMOUNT OF ASSETS

| Income item | Less than $5 million | Banks with assets of— $5.0 million to $9.9 million | $10.0 million to $24.9 million | $25.0 million to $49.9 million | $50.0 million to $99.9 million | $100.0 million to $299.9 million | $300.0 million to $499.9 million | $500.0 million to $999.9 million | $1.0 billion to $4.9 billion | $5.0 billion or more |
|---|---|---|---|---|---|---|---|---|---|---|
| **Amounts per $100 of operating income** | | | | | | | | | | |
| **Operating income—total** | **$100.00** | **$100.00** | **$100.00** | **$100.00** | **$100.00** | **$100.00** | **$100.00** | **$100.00** | **$100.00** | $100.00 |
| Interest and fees on loans | 60.79 | 63.34 | 64.66 | 65.70 | 65.81 | 64.83 | 64.25 | 63.92 | 63.27 | 66.77 |
| Interest on balances with banks | 0.97 | 0.61 | 0.53 | 0.53 | 0.61 | 0.68 | 1.13 | 1.15 | 4.38 | 11.81 |
| Income of federal funds sold and securities purchased with agreements to resell in domestic offices | 5.03 | 3.83 | 3.41 | 3.03 | 2.67 | 2.73 | 3.37 | 3.54 | 3.54 | 1.90 |
| Interest on U.S. Treasury securities[2] | 14.80 | 12.51 | 10.52 | 9.74 | 9.31 | 9.53 | 8.93 | 8.29 | 7.28 | 3.82 |
| Interest on obligations of other U.S. Government agencies and corporations[2] | 8.02 | 7.08 | 5.97 | 4.90 | 4.51 | 4.41 | 3.58 | 2.87 | 2.10 | 0.74 |
| Interest on obligations of States and politicial subdivisions of the U.S.[2] | 3.42 | 5.57 | 7.65 | 8.81 | 9.09 | 8.60 | 7.68 | 7.90 | 6.07 | 2.94 |
| Interest and dividends on other securities[2] | 0.69 | 0.52 | 0.65 | 0.70 | 0.77 | 0.84 | 1.00 | 1.13 | 0.81 | 1.52 |
| Income from direct lease financing | 0.06 | 0.04 | 0.07 | 0.12 | 0.23 | 0.28 | 0.70 | 0.62 | 0.80 | 1.37 |
| Income from fiduciary activities | 0.17 | 0.23 | 0.39 | 0.39 | 1.13 | 1.94 | 2.93 | 2.86 | 3.84 | 2.33 |
| Service charges on deposit accounts in domestic offices | 2.72 | 3.08 | 3.17 | 3.19 | 2.92 | 2.58 | 2.35 | 2.60 | 2.15 | 0.88 |
| Other charges, commissions, and fees | 2.30 | 2.27 | 2.07 | 1.92 | 1.89 | 2.27 | 2.71 | 3.28 | 3.01 | 2.97 |
| Other income[2] | 1.02 | 0.92 | 0.91 | 0.97 | 1.07 | 1.31 | 1.39 | 1.84 | 2.76 | 2.94 |
| **Operating expenses—total** | **86.58** | **86.01** | **84.73** | **84.12** | **84.91** | **86.52** | **87.62** | **88.36** | **88.06** | **88.38** |
| Salaries and employee benefits | 25.40 | 21.63 | 19.32 | 18.45 | 18.83 | 19.65 | 20.23 | 20.84 | 19.87 | 15.36 |
| Interest on time certificates of deposit of $100,000 or more issued by domestic offices | 2.43 | 2.88 | 3.76 | 4.87 | 6.16 | 7.41 | 8.19 | 8.59 | 9.08 | 8.25 |
| Interest on deposits in foreign offices | (4) | (4) | (4) | (4) | (4) | 0.04 | 0.49 | 0.25 | 4.55 | 28.70 |
| Interest on other deposits | 36.15 | 39.44 | 40.14 | 39.48 | 37.50 | 34.80 | 30.71 | 27.26 | 22.62 | 10.46 |
| Expense of federal funds purchased and securities sold under agreements to repurchase in domestic offices | 0.19 | 0.25 | 0.34 | 0.48 | 0.89 | 2.08 | 3.75 | 5.76 | 8.30 | 7.38 |
| Interest on other borrowed money | 0.09 | 0.07 | 0.10 | 0.11 | 0.12 | 0.15 | 0.19 | 0.34 | 0.57 | 2.01 |
| Interest on subordinated notes and debentures | 0.06 | 0.08 | 0.16 | 0.25 | 0.34 | 0.48 | 0.52 | 0.50 | 0.77 | 0.37 |
| Occupancy expense of bank premises, net | 3.11 | 3.11 | 3.06 | 3.17 | 3.41 | 3.73 | 4.05 | 4.16 | 3.83 | 2.94 |
| Furniture and equipment | 2.41 | 2.44 | 2.30 | 2.24 | 2.36 | 2.62 | 2.86 | 3.12 | 2.47 | 1.45 |
| Provision for possible loan losses | 2.85 | 3.16 | 2.97 | 2.72 | 2.77 | 2.91 | 3.39 | 4.21 | 4.16 | 4.12 |
| Other expenses | 13.90 | 12.96 | 12.59 | 12.36 | 12.52 | 12.64 | 13.25 | 13.33 | 11.84 | 7.34 |
| **Income before income taxes and securities gains or losses** | **13.42** | **13.99** | **15.27** | **15.88** | **15.09** | **13.48** | **12.38** | **11.64** | **11.94** | **11.62** |
| **Amounts per $100 of total assets[3]** | | | | | | | | | | |
| Operating income—total | 7.22 | 7.23 | 7.22 | 7.24 | 7.20 | 7.10 | 7.01 | 6.83 | 6.67 | 6.37 |
| Operating expenses—total | 6.25 | 6.22 | 6.12 | 6.09 | 6.11 | 6.14 | 6.15 | 6.03 | 5.88 | 5.63 |
| Income before income taxes and securities gains or losses | 0.97 | 1.01 | 1.10 | 1.15 | 1.09 | 0.96 | 0.87 | 0.79 | 0.80 | 0.74 |
| Net income | 0.80 | 0.85 | 0.92 | 0.96 | 0.91 | 0.82 | 0.74 | 0.69 | 0.64 | 0.47 |
| **Memoranda** | | | | | | | | | | |
| Recoveries credited to reserve for possible loan losses | 0.07 | 0.07 | 0.07 | 0.07 | 0.07 | 0.06 | 0.07 | 0.07 | 0.06 | 0.05 |
| Losses charged to reserve for possible loan losses | 0.24 | 0.26 | 0.24 | 0.23 | 0.23 | 0.23 | 0.26 | 0.31 | 0.29 | 0.29 |
| Provision for possible loan losses | 0.21 | 0.23 | 0.22 | 0.20 | 0.20 | 0.21 | 0.24 | 0.29 | 0.28 | 0.26 |

**Table 119.** RATIOS OF INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1977 IN THE UNITED STATES (STATES AND OTHER AREAS)[1] —CONTINUED
BANKS GROUPED ACCORDING TO AMOUNT OF ASSETS

| Income item | Banks with assets of— | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Less than $5 million | $5.0 million to $9.9 million | $10.0 million to $24.9 million | $25.0 million to $49.9 million | $50.0 million to $99.9 million | $100.0 million to $299.9 million | $300.0 million to $499.9 million | $500.0 million to $999.9 million | $1.0 billion to $4.9 billion | $5.0 billion or more |
| **Amounts per $100 of total equity capital[3]** | | | | | | | | | | |
| Net income | 7.69 | 9.40 | 11.34 | 12.50 | 12.26 | 11.90 | 10.94 | 10.59 | 10.75 | 10.89 |
| Cash dividends declared on common stock | 1.89 | 2.08 | 2.63 | 3.15 | 3.72 | 4.06 | 4.21 | 4.48 | 4.99 | 4.81 |
| Net additions to capital from income | 7.02 | 8.98 | 10.37 | 11.10 | 10.05 | 9.26 | 7.98 | 9.73 | 7.34 | 8.74 |
| **Memoranda** | | | | | | | | | | |
| Recoveries credited to reserve for possible loan losses | 0.69 | 0.78 | 0.81 | 0.96 | 0.88 | 0.89 | 0.98 | 1.06 | 1.01 | 1.26 |
| Losses charged to reserve for possible loan losses | 2.27 | 2.86 | 2.95 | 3.04 | 3.07 | 3.33 | 3.84 | 4.82 | 4.82 | 6.68 |
| Provision for possible loan losses | 2.06 | 2.61 | 2.70 | 2.64 | 2.73 | 3.01 | 3.51 | 4.43 | 4.69 | 6.07 |
| **Special ratios[3]** | | | | | | | | | | |
| Return on total loans | 8.57 | 8.55 | 8.62 | 8.74 | 8.67 | 8.63 | 8.56 | 8.31 | 8.09 | 7.72 |
| Return on U.S. Treasury securities | 6.87 | 6.83 | 6.76 | 6.78 | 6.71 | 6.66 | 6.63 | 6.42 | 6.47 | 6.81 |
| Return on obligations of States and political subdivisions | 5.49 | 5.09 | 4.92 | 4.86 | 4.75 | 4.71 | 4.66 | 4.81 | 4.78 | 4.58 |
| Return on other securities | 7.28 | 7.24 | 7.14 | 7.24 | 7.20 | 7.33 | 7.18 | 7.20 | 6.69 | 7.16 |
| Service charges on demand deposits in domestic offices | 0.54 | 0.69 | 0.73 | 0.75 | 0.68 | 0.58 | 0.49 | 0.51 | 0.44 | 0.26 |
| Interest paid on time and savings deposits | 5.30 | 5.30 | 5.36 | 5.40 | 5.35 | 5.31 | 5.27 | 5.15 | 5.15 | 5.02 |
| Number of banks (end of period) | 1,101 | 2,546 | 4,902 | 2,977 | 1,484 | 820 | 160 | 120 | 121 | 24 |

[1] This group of banks is the same as the group shown in table 117 under "Operating throughout the year."
[2] Income from securities held in trading accounts is included in "Other operating income."
[3] Ratios are based on assets and liabilities reported at end of year.
[4] Less than 0.005.

Table 120. INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1972–1977
(Amounts in thousands of dollars)

| Income item | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 |
|---|---|---|---|---|---|---|
| **Operating income—total** | **5,295,449** | **6,064,895** | **6,483,654** | **7,179,294** | **8,312,692** | **9,405,550** |
| Interest and fees on real estate mortgage loans, net | 3,690,871 | 4,171,520 | 4,503,214 | 4,817,741 | 5,225,101 | 5,744,885 |
| *Interest and fees on real estate mortgage loans, gross* | *3,760,908* | *4,240,926* | *4,570,902* | *4,883,664* | *5,290,560* | *5,809,758* |
| *Less: Mortgage servicing fees* | *70,037* | *69,406* | *67,688* | *65,923* | *65,459* | *64,873* |
| Interest and fees on other loans | 178,126 | 283,506 | 337,844 | 283,416 | 334,625 | 433,413 |
| Interest on U.S. Government and agency securities | 352,297 | 414,359 | 403,940 | 567,577 | 869,038 | 1,096,826 |
| Interest on corporate bonds | 726,665 | 730,132 | 743,944 | 929,613 | 1,166,755 | 1,294,753 |
| Interest on State, county, and municipal obligations | 30,857 | 52,982 | 47,028 | 74,858 | 142,958 | 166,939 |
| Interest on other bonds, notes, and debentures | 91,856 | 116,901 | 125,718 | 150,841 | 200,849 | 255,319 |
| Dividends on corporate stock | 126,256 | 148,781 | 170,273 | 191,401 | 207,398 | 227,541 |
| Income from service operations | 30,072 | 35,771 | 27,875 | 32,968 | 39,825 | 47,585 |
| Other operating income | 68,449 | 110,943 | 123,818 | 130,879 | 126,143 | 138,289 |
| **Operating expenses—total** | **671,818** | **811,689** | **938,705** | **1,083,192** | **1,310,921** | **1,465,245** |
| Salaries | 270,353 | 307,030 | 344,304 | 388,061 | 440,284 | 497,563 |
| Pensions and other employee benefits | 63,882 | 72,567 | 83,338 | 98,268 | 114,310 | 128,539 |
| Interest on borrowed money | 6,713 | 28,907 | 66,110 | 55,168 | 45,365 | 46,827 |
| Occupancy expense of bank premises (including taxes, depreciation, maintenance, rentals), net | 82,820 | 96,128 | 114,206 | 135,754 | 158,044 | 172,095 |
| Furniture and equipment (including recurring depreciation) | 32,237 | 37,104 | 43,815 | 52,543 | 62,285 | 73,948 |
| Actual net loan losses (charge-offs less recoveries) | 4,500 | 8,994 | 10,034 | 21,836 | 78,732 | 69,975 |
| Other operating expenses | 211,313 | 260,959 | 276,898 | 331,562 | 411,901 | 476,298 |
| **Net operating income before interest and dividends on deposits** | **4,623,631** | **5,253,206** | **5,544,949** | **6,096,102** | **7,001,771** | **7,940,305** |
| **Interest and dividends on deposits—total** | **3,943,233** | **4,480,901** | **4,916,724** | **5,495,842** | **6,287,966** | **6,997,464** |
| Savings deposits | 3,392,798 | 3,567,595 | 3,607,170 | 3,778,695 | 4,160,435 | 4,222,013 |
| Other time deposits | 550,435 | 913,306 | 1,309,554 | 1,717,147 | 2,127,531 | 2,775,451 |
| **Net operating income after interest and dividends on deposits** | **680,398** | **772,305** | **628,225** | **600,260** | **713,805** | **942,841** |
| **Net realized gains or losses on—total** | **–14,896** | **–92,357** | **–148,844** | **–63,283** | **20,260** | **18,562** |
| Securities | 3,481 | –65,973 | –111,501 | –25,899 | 49,283 | 47,625 |
| Real estate mortgage loans | –25,944 | –20,187 | –38,556 | –22,904 | –21,554 | –40,988 |
| Real estate | –509 | –673 | 588 | –7,169 | –423 | –2,804 |
| Other transactions | 8,076 | –5,524 | 625 | –7,311 | –7,046 | 14,729 |
| **Less minority interest in consolidated subsidiaries** | **34** | **0** | **0** | **37** | **5** | **1** |
| **Net income before taxes** | **665,468** | **679,948** | **479,381** | **536,940** | **734,060** | **961,402** |
| **Franchise and income taxes—total** | **186,303** | **201,792** | **161,870** | **171,549** | **227,088** | **280,260** |
| Federal income tax | 108,679 | 114,500 | 81,089 | 66,543 | 107,801 | 139,242 |
| State and local franchise and income taxes | 77,624 | 87,292 | 80,781 | 105,006 | 119,287 | 141,018 |
| **Net income** | **479,165** | **478,156** | **317,511** | **365,391** | **506,972** | **681,142** |

**Table 120.** INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1972–1977–CONTINUED
(Amounts in thousands of dollars)

| Income item | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 |
|---|---|---|---|---|---|---|
| **Memoranda** | | | | | | |
| Change in surplus accounts, net | 534,229 | 561,695 | 369,166 | 407,314 | 545,665 | 834,461 |
| Discount on securities, total | 19,630 | 27,805 | 32,406 | 109,383 | 41,722 | 40,381 |
| **Average assets and liabilities**[1] | | | | | | |
| **Assets–total** | **82,995,606** | **90,850,840** | **94,426,708** | **101,714,468** | **114,044,800** | **126,744,049** |
| Cash and due from banks | 1,329,972 | 1,676,216 | 1,825,066 | 2,067,540 | 1,934,535 | 2,102,650 |
| U.S. Government and agency securities | 5,740,097 | 6,299,082 | 5,950,081 | 7,823,837 | 11,482,069 | 14,456,447 |
| Other securities | 15,033,388 | 16,238,983 | 16,410,896 | 19,035,575 | 23,065,574 | 25,823,209 |
| Real estate mortgage loans | 56,553,602 | 61,600,178 | 64,695,689 | 66,698,116 | 70,314,531 | 75,523,639 |
| Other loans and discounts | 2,566,460 | 2,967,740 | 3,250,960 | 3,388,551 | 4,084,414 | 5,355,664 |
| Other real estate | 116,406 | 170,868 | 207,125 | 320,468 | 457,255 | 478,620 |
| All other assets | 1,655,681 | 1,897,773 | 2,086,891 | 2,380,381 | 2,706,422 | 3,003,820 |
| **Liabilities and surplus accounts–total** | **82,995,606** | **90,850,840** | **94,426,708** | **101,714,468** | **114,044,800** | **126,744,049** |
| Total deposits | 76,226,170 | 83,212,442 | 85,994,384 | 92,850,364 | 104,554,349 | 116,405,474 |
| *Savings and time deposits* | *75,472,194* | *82,350,237* | *85,097,902* | *91,885,361* | *103,540,616* | *115,084,387* |
| *Demand deposits* | *753,976* | *862,205* | *896,482* | *965,003* | *1,013,733* | *1,321,087* |
| Other liabilities | 1,074,401 | 1,381,121 | 1,763,885 | 1,803,741 | 1,849,625 | 1,947,906 |
| Total surplus accounts | 5,695,035 | 6,257,277 | 6,668,439 | 7,060,363 | 7,640,826 | 8,390,669 |
| Number of employees (end of period) | 32,866 | 35,668 | 37,494 | 40,261 | 45,040 | 49,466 |
| Number of banks (end of period) | 326 | 322 | 320 | 329 | 329 | 323 |

[1] Averages of amounts reported at beginning, middle, and end of year.

## Table 121. RATIOS OF INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1972–1977

| Income item | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 |
|---|---|---|---|---|---|---|
| **Amounts per $100 of operating income** | | | | | | |
| **Operating income—total** | $100.00 | $100.00 | $100.00 | $100.00 | $100.00 | $100.00 |
| Interest and fees on real estate mortgage loans—net | 69.70 | 68.78 | 69.45 | 67.11 | 62.86 | 61.08 |
| Interest and fees on other loans | 3.36 | 4.68 | 5.21 | 3.95 | 4.03 | 4.61 |
| Interest on U.S. Government and agency securities | 6.65 | 6.83 | 6.23 | 7.91 | 10.45 | 11.66 |
| Interest on corporate bonds | 13.72 | 12.04 | 11.47 | 12.95 | 14.04 | 13.77 |
| Interest on State, county, and municipal obligations | .58 | .87 | .73 | 1.04 | 1.72 | 1.77 |
| Interest on other bonds, notes, and debentures | 1.74 | 1.93 | 1.94 | 2.10 | 2.42 | 2.71 |
| Dividends on corporate stock | 2.39 | 2.45 | 2.63 | 2.67 | 2.49 | 2.42 |
| Income from service operations | .57 | .59 | .43 | .46 | .48 | .51 |
| Other operating income | 1.29 | 1.83 | 1.91 | 1.82 | 1.52 | 1.47 |
| **Operating expense—total** | 12.69 | 13.38 | 14.48 | 15.09 | 15.77 | 15.58 |
| Salaries | 5.11 | 5.06 | 5.31 | 5.41 | 5.30 | 5.29 |
| Pensions and other employee benefits | 1.21 | 1.20 | 1.29 | 1.37 | 1.38 | 1.37 |
| Interest on borrowed money | .13 | .48 | 1.02 | .77 | .55 | .50 |
| Occupancy expense of bank premises (including taxes, depreciation, maintenance, rentals)—net | 1.56 | 1.58 | 1.76 | 1.89 | 1.90 | 1.83 |
| Furniture and equipment (including recurring depreciation) | .61 | .61 | .68 | .73 | .75 | .79 |
| Actual net loan losses (charge-offs less recoveries) | .08 | .15 | .15 | .30 | .95 | .74 |
| Other operating expenses | 3.99 | 4.30 | 4.27 | 4.62 | 4.96 | 5.06 |
| **Net operating income before interest and dividends on deposits** | 87.31 | 86.62 | 85.52 | 84.91 | 84.23 | 84.42 |
| **Interest and dividends on deposits—total** | 74.46 | 73.88 | 75.83 | 76.55 | 75.64 | 74.40 |
| Savings deposits[2] | 64.07 | 58.82 | 55.63 | 52.63 | 50.05 | 44.89 |
| Other time deposits[2] | 10.39 | 15.06 | 20.20 | 23.92 | 25.59 | 29.51 |
| **Net operating income after interest and dividends on deposits** | 12.85 | 12.74 | 9.69 | 8.36 | 8.59 | 10.02 |
| **Net realized gains (or losses) on—total** | –.28 | –1.53 | –2.30 | –.88 | .24 | .20 |
| Securities | .07 | –1.09 | –1.72 | –.36 | .59 | .51 |
| Real estate mortgage loans | –.49 | –.34 | –.60 | –.32 | –.26 | –.44 |
| Real estate | –.01 | –.01 | .01 | –.10 | –.01 | –.03 |
| Other transactions | .15 | –.09 | .01 | –.10 | –.08 | .16 |
| **Less minority interest in consolidated subsidiaries** | (1) | .00 | .00 | (1) | (1) | (1) |
| **Net income before taxes** | 12.57 | 11.21 | 7.39 | 7.48 | 8.83 | 10.22 |
| **Franchise and income taxes—total** | 3.52 | 3.33 | 2.49 | 2.39 | 2.73 | 2.98 |
| Federal income tax | 2.05 | 1.89 | 1.25 | .93 | 1.30 | 1.48 |
| State and local franchise and income taxes | 1.47 | 1.44 | 1.24 | 1.46 | 1.43 | 1.50 |
| **Net income** | 9.05 | 7.88 | 4.90 | 5.09 | 6.10 | 7.24 |

**Table 121.** RATIOS OF INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS) 1972–1977–CONTINUED

| Income item | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 |
|---|---|---|---|---|---|---|
| **Amounts per $100 of total assets[2]** | | | | | | |
| Operating income–total | 6.38 | 6.68 | 6.87 | 7.06 | 7.29 | 7.42 |
| Operating expense–total | .81 | .90 | .99 | 1.06 | 1.15 | 1.16 |
| Net operating income before interest and dividends on deposits | 5.57 | 5.78 | 5.88 | 5.99 | 6.14 | 6.26 |
| Interest and dividends on deposits–total | 4.75 | 4.93 | 5.21 | 5.40 | 5.51 | 5.52 |
| Net operating income after interest and dividends on deposits | .82 | .85 | .67 | .59 | .63 | .74 |
| Net realized gains (or losses)–total | –.02 | –.10 | –.16 | –.06 | .02 | .01 |
| Net income before taxes | .80 | .75 | .51 | .53 | .64 | .76 |
| Franchise and income taxes–total | .22 | .22 | .17 | .17 | .20 | .22 |
| Net income | .58 | .53 | .34 | .36 | .44 | .54 |
| **Special ratios[2]** | | | | | | |
| Interest on U.S. Government and agency securities per $100 of U.S. Government and agency securities | 6.14 | 6.58 | 6.79 | 7.25 | 7.57 | 7.59 |
| Interest and dividends on other securities per $100 of other securities | 6.49 | 6.46 | 6.62 | 7.07 | 7.45 | 7.53 |
| Interest and fees on real estate mortgage loans per $100 of real estate loans | 6.53 | 6.77 | 6.96 | 7.22 | 7.43 | 7.61 |
| Interest and fees on other loans per $100 of other loans | 6.94 | 9.55 | 10.39 | 8.36 | 8.19 | 8.09 |
| Interest and dividends on deposits per $100 of savings and time deposits | 5.22 | 5.44 | 5.78 | 5.98 | 6.07 | 6.08 |
| Net income per $100 of total surplus accounts | 8.41 | 7.64 | 4.76 | 5.18 | 6.64 | 8.12 |
| Number of banks (end of period) | 326 | 322 | 320 | 329 | 329 | 323 |

[1]Less than 0.005.
[2]See note to table 120.

## BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES; FDIC INCOME, DISBURSEMENTS, AND LOSSES

**Deposit insurance disbursements**

Disbursements by the Federal Deposit Insurance Corporation to protect depositors are made when the insured deposits of banks in financial difficulties are paid off, or when the deposits of a failing bank are assumed by another insured bank with the financial aid of the Corporation. In deposit payoff cases, the disbursement is the amount paid by the Corporation on insured deposits. In deposit assumption cases, the principal disbursement is the amount loaned to failing banks, or the price paid for assets purchased from them; additional disbursements are made in those cases as advances for protection of assets in process of liquidation and for liquidation expenses.

Under its section 13(c) authority, the Corporation has made disbursements to four operating banks. The amounts of these disbursements are included in table 126, but are not included in tables 124 and 125.

**Noninsured bank failures**

Statistics in this report on failures of noninsured banks are compiled from information obtained from State banking departments, field supervisory officials, and other sources. The Corporation received no reports of noninsured bank closures due to financial difficulties in 1977.

For detailed data regarding noninsured banks that suspended in the years 1934-1962, see the *Annual Report* for 1963, pp. 27-41. For 1963-1977, see table 122 of this report, and previous reports for respective years.

**Sources of data**

Insured banks: books of bank at date of closing; and books of FDIC, December 31, 1977.

**Table 122.** NUMBER AND DEPOSITS OF BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES, 1934–1977

| Year | Number | | | | | Deposits (in thousands of dollars) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Insured | | | | | Insured | | |
| | Total | Noninsured[1] | Total | Without disbursements by FDIC[2] | With disbursements by FDIC[3] | Total | Noninsured[1] | Total | Without disbursements by FDIC[2] | With disbursements by FDIC[3] |
| **Total** ......... | **685** | **136** | **549** | **8** | **541** | **5,227,772** | **143,500** | **5,084,272** | **41,147** | **5,043,125** |
| 1934 ......... | 61 | 52 | 9 | .... | 9 | 37,332 | 35,364 | 1,968 | ...... | 1,968 |
| 1935 ......... | 32 | 6 | 26 | 1 | 25 | 13,988 | 583 | 13,405 | 85 | 13,320 |
| 1936 ......... | 72 | 3 | 69 | .... | 69 | 28,100 | 592 | 27,508 | ...... | 27,508 |
| 1937 ......... | 84 | 7 | 77 | 2 | 75 | 34,205 | 528 | 33,677 | 328 | 33,349 |
| 1938 ......... | 81 | 7 | 74 | .... | 74 | 60,722 | 1,038 | 59,684 | ...... | 59,684 |
| 1939 ......... | 72 | 12 | 60 | .... | 60 | 160,211 | 2,439 | 157,772 | ...... | 157,772 |
| 1940 ......... | 48 | 5 | 43 | .... | 43 | 142,788 | 358 | 142,430 | ...... | 142,430 |
| 1941 ......... | 17 | 2 | 15 | .... | 15 | 29,796 | 79 | 29,717 | ...... | 29,717 |
| 1942 ......... | 23 | 3 | 20 | .... | 20 | 19,540 | 355 | 19,185 | ...... | 19,185 |
| 1943 ......... | 5 | .... | 5 | .... | 5 | 12,525 | ...... | 12,525 | ...... | 12,525 |
| 1944 ......... | 2 | .... | 2 | .... | 2 | 1,915 | ...... | 1,915 | ...... | 1,915 |
| 1945 ......... | 1 | .... | 1 | .... | 1 | 5,695 | ...... | 5,695 | ...... | 5,695 |
| 1946 ......... | 2 | 1 | 1 | .... | 1 | 494 | 147 | 347 | ...... | 347 |
| 1947 ......... | 6 | 1 | 5 | .... | 5 | 7,207 | 167 | 7,040 | ...... | 7,040 |
| 1948 ......... | 3 | .... | 3 | .... | 3 | 10,674 | ...... | 10,674 | ...... | 10,674 |
| 1949 ......... | 9 | 4 | 5 | 1 | 4 | 9,217 | 2,552 | 6,665 | 1,190 | 5,475 |
| 1950 ......... | 5 | 1 | 4 | .... | 4 | 5,555 | 42 | 5,513 | ...... | 5,513 |
| 1951 ......... | 5 | 3 | 2 | .... | 2 | 6,464 | 3,056 | 3,408 | ...... | 3,408 |
| 1952 ......... | 4 | 1 | 3 | .... | 3 | 3,313 | 143 | 3,170 | ...... | 3,170 |
| 1953 ......... | 5 | 1 | 4 | 2 | 2 | 45,101 | 390 | 44,711 | 26,449 | 18,262 |
| 1954 ......... | 4 | 2 | 2 | .... | 2 | 2,948 | 1,950 | 998 | ...... | 998 |
| 1955 ......... | 5 | .... | 5 | .... | 5 | 11,953 | ...... | 11,953 | ...... | 11,953 |
| 1956 ......... | 3 | 1 | 2 | .... | 2 | 11,690 | 360 | 11,330 | ...... | 11,330 |
| 1957 ......... | 3 | 1 | 2 | 1 | 1 | 12,502 | 1,255 | 11,247 | 10,084 | 1,163 |
| 1958 ......... | 9 | 5 | 4 | .... | 4 | 10,413 | 2,173 | 8,240 | ...... | 8,240 |
| 1959 ......... | 3 | .... | 3 | .... | 3 | 2,593 | ...... | 2,593 | ...... | 2,593 |
| 1960 ......... | 2 | 1 | 1 | .... | 1 | 7,965 | 1,035 | 6,930 | ...... | 6,930 |
| 1961 ......... | 9 | 4 | 5 | .... | 5 | 10,611 | 1,675 | 8,936 | ...... | 8,936 |
| 1962 ......... | 3 | 2 | 1 | 1 | .... | 4,231 | 1,220 | 3,011 | 3,011 | ......... |
| 1963 ......... | 2 | .... | 2 | .... | 2 | 23,444 | ...... | 23,444 | ...... | 23,444 |
| 1964 ......... | 8 | 1 | 7 | .... | 7 | 23,867 | 429 | 23,438 | ...... | 23,438 |
| 1965 ......... | 9 | 4 | 5 | .... | 5 | 45,256 | 1,395 | 43,861 | ...... | 43,861 |
| 1966 ......... | 8 | 1 | 7 | .... | 7 | 106,171 | 2,648 | 103,523 | ...... | 103,523 |
| 1967 ......... | 4 | .... | 4 | .... | 4 | 10,878 | ...... | 10,878 | ...... | 10,878 |
| 1968 ......... | 3 | .... | 3 | .... | 3 | 22,524 | ...... | 22,524 | ...... | 22,524 |
| 1969 ......... | 9 | .... | 9 | .... | 9 | 40,134 | ...... | 40,134 | ...... | 40,134 |
| 1970 ......... | 8[4] | 1[4] | 7 | .... | 7 | 55,244[4] | 423[4] | 54,821 | ...... | 54,821 |
| 1971 ......... | 6 | .... | 6 | .... | 6 | 132,152 | ...... | 132,152 | ...... | 132,152 |
| 1972 ......... | 3 | 2 | 1 | .... | 1 | 99,784 | 79,304 | 20,480 | ...... | 20,480 |
| 1973 ......... | 6 | .... | 6 | .... | 6 | 971,296 | ...... | 971,296 | ...... | 971,296 |
| 1974 ......... | 4 | .... | 4 | .... | 4 | 1,575,832 | ...... | 1,575,832 | ...... | 1,575,832 |
| 1975 ......... | 14[4] | 1[4] | 13 | .... | 13 | 340,574[4] | 1,000[4] | 339,574 | ...... | 339,574 |
| 1976 ......... | 17 | 1 | 16 | .... | 16 | 865,659 | 800 | 864,859 | ...... | 864,859 |
| 1977 ......... | 6 | .... | 6 | .... | 6 | 205,208 | ...... | 205,208 | ...... | 205,208 |

[1] For information regarding each of these banks, see table 22 in the 1963 *Annual Report* (1963 and prior years), and explanatory notes to tables regarding banks closed because of financial difficulties in subsequent annual reports. One noninsured bank placed in receivership in 1934, with no deposits at time of closing, is omitted (see table 22, note 9). Deposits are unavailable for seven banks.

[2] For information regarding these cases, see table 23 of the *Annual Report* for 1963.

[3] For information regarding each bank, see the *Annual Report* for 1958, pp. 48–83 and pp. 98–127, and tables regarding deposit insurance disbursements in subsequent annual reports. Deposits are adjusted as of December 31, 1977.

[4] Revised.

Table 123. INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION DURING 1977

| Case number | Name and location | Class of bank | Number of depositors or accounts[1] | Date of deposit assumption | FDIC disbursement[2] | Assuming bank |
|---|---|---|---|---|---|---|
| Deposit assumption | | | | | | |
| 233 | First State Bank Foss, Oklahoma | NM | 1,022 | March 10, 1977 | $1,387,409 | Washita State Bank Foss, Oklahoma |
| 234 | The Monroe Bank and Trust Company Monroe, Connecticut | NM | 3,460 | March 28, 1977 | 2,132,221 | The North American Bank and Trust Company Wolcott, Connecticut |
| 235 | First Augusta Bank & Trust Company Augusta, Georgia | NM | 14,904 | May 20, 1977 | 12,044,376 | The First National Bank of Atlanta Atlanta, Georgia |
| 236 | Republic National Bank of Louisiana New Orleans, Louisiana | N | 3,118 | July 29, 1977 | 2,983,991 | First City Bank New Orleans, Louisiana |
| 237 | Donahue Savings Bank Donahue, Iowa | NM | 1,336 | August 26, 1977 | 2,819,050 | Davenport Bank and Trust Company Davenport, Iowa |
| 238 | Banco Economias San German, Puerto Rico | NM | 71,638 | September 2, 1977 | 15,001,065 | Banco Central Madrid, Spain |

| Case number | Assets[1] | | | | | | | Total | Liabilities and capital accounts | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Cash and due from banks | U.S. Government obligations | Other securities | Loans, discounts, and overdrafts | Banking house, furniture, and fixtures | Other real estate | Other assets | | Deposits | Other liabilities | Capital stock | Other capital accounts |
| Deposit assumption | | | | | | | | | | | | |
| 233 | $ 90,814 | $ 220,000 | – | $ 1,503,978 | $ 16,270 | – | $ 213,311 | $ 2,044,373 | $ 1,762,812 | $ 25,972 | $ 25,000 | $ 230,589 |
| 234 | 329,434 | 254,125 | 518,875 | 2,902,597 | 181,008 | 107,301 | 21,287 | 4,314,627 | 2,790,582 | 1,034,165 | 1,000,000 | (510,121) |
| 235 | 902,820 | 2,747,207 | 260,291 | 18,105,769 | 869,336 | 227,829 | 1,109,659 | 24,222,911 | 20,017,238 | 2,054,795 | 655,948 | 1,494,929 |
| 236 | 352,590 | 2,046,003 | 714,831 | 2,644,992 | 408,723 | – | 99,652 | 6,266,791 | 4,912,008 | 1,373,160 | 500,000 | (518,376) |
| 237 | 922,255 | 199,620 | 687,325 | 3,509,636 | 164,332 | | 25,541 | 5,508,709 | 5,094,191[3] | 65,844 | 120,000 | 228,674 |
| 238 | 24,773,854 | 17,708,663 | 12,362,932 | 118,235,558 | 1,920,187 | – | 15,253,089 | 190,254,283 | 169,998,585 | 31,985,831 | 7,084,790 | (18,814,923) |

[1] Figures as determined by FDIC agents after adjustments of books of the bank immediately following its closing.
[2] Includes disbursements made to December 31, 1977, plus additional disbursements estimated to be required in these cases.
[3] Deposit liability total will increase as accounts of some depositors are reconstructed to reflect their true balances.

**Table 124.** DEPOSITORS, DEPOSITS, AND DISBURSEMENTS IN FAILED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934–1977

BANKS GROUPED BY CLASS OF BANK, YEAR OF DEPOSIT PAYOFF OR DEPOSIT ASSUMPTION, AMOUNT OF DEPOSITS, AND STATE

| Classification | Number of banks | | | Number of depositors[1] | | | Deposits[1] (in thousands of dollars) | | | Disbursements by FDIC[1] (in thousands of dollars) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Principal disbursements | | | Advances and expenses[2] | |
| | Total | Payoff cases | Assumption cases | Total | Payoff cases | Assumption cases | Total | Payoff cases | Assumption cases | Total | Payoff cases[3] | Assumption cases[4] | Payoff cases[5] | Assumption cases[6] |
| **All banks** | **541** | **303** | **238** | **3,400,490** | **623,030** | **2,777,460** | **5,043,125** | **468,247** | **4,574,878** | **2,685,710** | **325,183** | **2,360,527** | **8,284** | **108,549** |
| **Class of bank** | | | | | | | | | | | | | | |
| National | 100 | 36 | 64 | 1,495,157 | 108,812 | 1,386,345 | 3,064,951 | 113,780 | 2,951,171 | 1,455,696 | 65,235 | 1,390,461 | 2,824 | 24,513 |
| State member F.R.S. | 30 | 10 | 20 | 428,129 | 88,894 | 339,235 | 438,232 | 34,388 | 403,844 | 313,946 | 26,500 | 287,446 | 1,010 | 22,654 |
| Nonmember F.R.S. | 411 | 257 | 154 | 1,477,204 | 425,324 | 1,051,880 | 1,539,942 | 320,079 | 1,219,863 | 916,068 | 233,448 | 682,620 | 4,450 | 61,382 |
| Year[7] | | | | | | | | | | | | | | |
| 1934 | 9 | 9 | ... | 15,767 | 15,767 | ... | 1,968 | 1,968 | ... | 941 | 941 | ... | 43 | ... |
| 1935 | 25 | 24 | 1 | 44,655 | 32,331 | 12,324 | 13,320 | 9,091 | 4,229 | 8,891 | 6,026 | 2,865 | 108 | 272 |
| 1936 | 69 | 42 | 27 | 89,018 | 43,225 | 45,793 | 27,508 | 11,241 | 16,267 | 14,460 | 7,735 | 6,725 | 67 | 934 |
| 1937 | 75 | 50 | 25 | 130,387 | 74,148 | 56,239 | 33,349 | 14,960 | 18,389 | 19,481 | 12,365 | 7,116 | 103 | 905 |
| 1938 | 74 | 50 | 24 | 203,961 | 44,288 | 159,673 | 59,684 | 10,296 | 49,388 | 30,479 | 9,092 | 21,387 | 93 | 4,902 |
| 1939 | 60 | 32 | 28 | 392,718 | 90,169 | 302,549 | 157,772 | 32,738 | 125,034 | 67,770 | 26,196 | 41,574 | 162 | 17,603 |
| 1940 | 43 | 19 | 24 | 256,361 | 20,667 | 235,694 | 142,430 | 5,657 | 136,773 | 74,134 | 4,895 | 69,239 | 89 | 17,237 |
| 1941 | 15 | 8 | 7 | 73,005 | 38,594 | 34,411 | 29,717 | 14,730 | 14,987 | 23,880 | 12,278 | 11,602 | 50 | 1,479 |
| 1942 | 20 | 6 | 14 | 60,688 | 5,717 | 54,971 | 19,185 | 1,816 | 17,369 | 10,825 | 1,612 | 9,213 | 38 | 1,076 |
| 1943 | 5 | 4 | 1 | 27,371 | 16,917 | 10,454 | 12,525 | 6,637 | 5,888 | 7,172 | 5,500 | 1,672 | 53 | 72 |
| 1944 | 2 | 1 | 1 | 5,487 | 899 | 4,588 | 1,915 | 456 | 1,459 | 1,503 | 404 | 1,099 | 9 | 37 |
| 1945 | 1 | ... | 1 | 12,483 | ... | 12,483 | 5,695 | ... | 5,695 | 1,768 | ... | 1,768 | ... | 96 |
| 1946 | 1 | ... | 1 | 1,383 | ... | 1,383 | 347 | ... | 347 | 265 | ... | 265 | ... | 11 |
| 1947 | 5 | ... | 5 | 10,637 | ... | 10,637 | 7,040 | ... | 7,040 | 1,724 | ... | 1,724 | ... | 393 |
| 1948 | 3 | ... | 3 | 18,540 | ... | 18,540 | 10,674 | ... | 10,674 | 2,990 | ... | 2,990 | ... | 200 |
| 1949 | 4 | ... | 4 | 5,671 | ... | 5,671 | 5,475 | ... | 5,475 | 2,552 | ... | 2,552 | ... | 166 |
| 1950 | 4 | ... | 4 | 6,366 | ... | 6,366 | 5,513 | ... | 5,513 | 3,986 | ... | 3,986 | ... | 524 |
| 1951 | 2 | ... | 2 | 5,276 | ... | 5,276 | 3,408 | ... | 3,408 | 1,885 | ... | 1,885 | ... | 127 |
| 1952 | 3 | ... | 3 | 6,752 | ... | 6,752 | 3,170 | ... | 3,170 | 1,369 | ... | 1,369 | ... | 195 |
| 1953 | 2 | ... | 2 | 24,469 | ... | 24,469 | 18,262 | ... | 18,262 | 5,017 | ... | 5,017 | ... | 428 |
| 1954 | 2 | ... | 2 | 1,811 | ... | 1,811 | 998 | ... | 998 | 913 | ... | 913 | ... | 145 |
| 1955 | 5 | 4 | 1 | 17,790 | 8,080 | 9,710 | 11,953 | 6,503 | 5,450 | 6,784 | 4,438 | 2,346 | 106 | 665 |
| 1956 | 2 | 1 | 1 | 15,197 | 5,465 | 9,732 | 11,330 | 4,702 | 6,628 | 3,458 | 2,795 | 663 | 87 | 51 |
| 1957 | 1 | 1 | ... | 2,338 | 2,338 | ... | 1,163 | 1,163 | ... | 1,031 | 1,031 | ... | 20 | ... |
| 1958 | 4 | 3 | 1 | 9,587 | 4,380 | 5,207 | 8,240 | 4,156 | 4,084 | 3,026 | 2,796 | 230 | 38 | 31 |
| 1959 | 3 | 3 | ... | 3,073 | 3,073 | ... | 2,593 | 2,593 | ... | 1,835 | 1,835 | ... | 51 | ... |
| 1960 | 1 | 1 | ... | 11,171 | 11,171 | ... | 6,930 | 6,930 | ... | 4,765 | 4,765 | ... | 82 | ... |

**Table 124.** DEPOSITORS, DEPOSITS, AND DISBURSEMENTS IN FAILED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934–1977—CONTINUED

BANKS GROUPED BY CLASS OF BANK, YEAR OF DEPOSIT PAYOFF OR DEPOSIT ASSUMPTION, AMOUNT OF DEPOSITS, AND STATE

| Classification | Number of banks | | | Number of depositors[1] | | | Deposits[1] (in thousands of dollars) | | | Disbursements by FDIC[1] (in thousands of dollars) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Principal disbursements | | | Advances and expenses[2] | |
| | Total | Payoff cases | Assumption cases | Total | Payoff cases | Assumption cases | Total | Payoff cases | Assumption cases | Total | Payoff cases[3] | Assumption cases[4] | Payoff cases[5] | Assumption cases[6] |
| 1961 | 5 | 5 | ... | 8,301 | 8,301 | ....... | 8,936 | 8,936 | ....... | 6,201 | 6,201 | ....... | 154 | ...... |
| 1963 | 2 | 2 | ... | 36,433 | 36,433 | ....... | 23,444 | 23,444 | ....... | 19,230 | 19,230 | ....... | 348 | ...... |
| 1964 | 7 | 7 | ... | 19,934 | 19,934 | ....... | 23,438 | 23,438 | ....... | 13,744 | 13,744 | ....... | 599 | ...... |
| 1965 | 5 | 3 | 2 | 15,817 | 14,363 | 1,454 | 43,861 | 42,889 | 972 | 11,430 | 10,957 | 473 | 640 | 123 |
| 1966 | 7 | 1 | 6 | 95,424 | 1,012 | 94,412 | 103,523 | 774 | 102,749 | 8,732 | 735 | 7,997 | 35 | 1,605 |
| 1967 | 4 | 4 | ... | 4,729 | 4,729 | ....... | 10,878 | 10,878 | ....... | 8,120 | 8,120 | ....... | 241 | ...... |
| 1968 | 3 | ... | 3 | 12,850 | ...... | 12,850 | 22,524 | ...... | 22,524 | 5,586 | ...... | 5,586 | .... | 1,113 |
| 1969 | 9 | 4 | 5 | 27,374 | 6,544 | 20,830 | 40,134 | 9,012 | 31,122 | 37,624 | 7,604 | 30,020 | 299 | 4,382 |
| 1970 | 7 | 4 | 3 | 31,433 | 20,403 | 11,030 | 54,821 | 33,489 | 21,332 | 49,318 | 29,354 | 19,964 | 698 | 1,817 |
| 1971 | 6 | 5 | 1 | 71,950 | 31,850 | 40,100 | 132,152 | 74,605 | 57,547 | 162,090 | 53,791 | 108,299 | 781 | 10,249 |
| 1972 | 1 | 1 | ... | 23,655 | 23,655 | ....... | 20,480 | 20,480 | ....... | 16,275 | 16,275 | ....... | 370 | ...... |
| 1973 | 6 | 3 | 3 | 349,699 | 8,382 | 341,317 | 971,296 | 25,795 | 945,501 | 398,810 | 16,802 | 382,008 | 1,247 | 917 |
| 1974 | 4 | ... | 4 | 704,283 | ...... | 704,283 | 1,575,832 | ...... | 1,575,832 | 780,929 | ...... | 780,929 | .... | 11,641 |
| 1975 | 13 | 3 | 10 | 110,367 | 21,925 | 88,442 | 339,574 | 39,902 | 299,672 | 303,187 | 25,991 | 277,196 | 716 | 14,265 |
| 1976 | 16 | 3 | 13 | 340,731 | 8,246 | 332,485 | 864,859 | 18,859 | 846,000 | 540,183 | 11,675 | 528,508 | 957 | 14,092 |
| 1977 | 6 | ... | 6 | 95,548 | 24 | 95,524 | 205,208 | 108 | 205,100 | 21,347[8] | .... | 21,347 | .... | 794 |
| **Banks with deposits of:** | | | | | | | | | | | | | | |
| Less than $100,000 | 107 | 83 | 24 | 38,347 | 29,695 | 8,652 | 6,418 | 4,947 | 1,471 | 5,000 | 4,309 | 691 | 88 | 154 |
| $100,000 to $250,000 | 109 | 86 | 23 | 83,370 | 65,512 | 17,858 | 17,759 | 13,920 | 3,839 | 12,906 | 11,554 | 1,352 | 209 | 173 |
| $250,000 to $500,000 | 62 | 37 | 25 | 92,179 | 57,287 | 34,892 | 22,315 | 12,921 | 9,394 | 15,615 | 10,549 | 5,066 | 164 | 611 |
| $500,000 to $1,000,000 | 72 | 36 | 36 | 160,388 | 74,296 | 86,092 | 54,424 | 26,820 | 27,604 | 36,062 | 20,967 | 15,095 | 435 | 2,352 |
| $1,000,000 to $2,000,000 | 58 | 21 | 37 | 210,840 | 70,334 | 140,506 | 78,262 | 27,888 | 50,374 | 45,648 | 22,068 | 23,580 | 698 | 3,875 |
| $2,000,000 to $5,000,000 | 57 | 22 | 35 | 299,742 | 89,123 | 210,619 | 186,625 | 70,384 | 116,241 | 112,436 | 52,059 | 60,377 | 1,163 | 8,393 |
| $5,000,000 to $10,000,000 | 34 | 7 | 27 | 294,630 | 50,445 | 244,185 | 231,127 | 55,868 | 175,259 | 127,502 | 37,962 | 89,540 | 944 | 11,685 |
| $10,000,000 to $25,000,000 | 21 | 9 | 12 | 352,222 | 146,454 | 205,768 | 340,582 | 148,421 | 192,161 | 205,360 | 108,994 | 96,366 | 1,929 | 10,356 |
| $25,000,000 to $50,000,000 | 7 | 1 | 6 | 308,637 | 12,481 | 296,156 | 257,585 | 40,176 | 217,409 | 118,562 | 9,700 | 108,862 | 581 | 27,210 |
| $50,000,000 to $100,000,000 | 6 | 1 | 5 | 244,265 | 27,403 | 216,862 | 525,377 | 66,902 | 458,475 | 344,647 | 47,021 | 297,626 | 507 | 19,236 |
| $100,000,000 to $500,000,000 | 6 | ... | 6 | 350,870 | ...... | 350,870 | 945,713 | ...... | 945,713 | 579,752[8] | .... | 579,752 | 709 | 21,557 |
| $500,000,000 to $1,000,000,000 | 1 | ... | 1 | 335,000 | ...... | 335,000 | 931,955 | ...... | 931,955 | 374,342 | ...... | 374,342 | 857 | ...... |
| $1,000,000,000 or more | 1 | ... | 1 | 630,000 | ...... | 630,000 | 1,444,982 | ...... | 1,444,982 | 707,876 | ...... | 707,876 | .... | 2,945 |
| **State** | | | | | | | | | | | | | | |
| Alabama | 4 | 2 | 2 | 9,170 | 2,059 | 7,111 | 6,170 | 3,985 | 2,185 | 3,561 | 2,566 | 995 | 94 | 91 |
| Arizona | 1 | ... | 1 | 2,692 | ...... | 2,692 | 5,044 | ...... | 5,044 | 5,082 | ...... | 5,082 | .... | 283 |
| Arkansas | 8 | 6 | 2 | 6,350 | 4,541 | 1,809 | 4,836 | 1,942 | 2,894 | 3,408 | 1,576 | 1,832 | 43 | 241 |
| California | 6 | 3 | 3 | 390,819 | 17,890 | 372,929 | 1,032,658 | 46,220 | 986,438 | 429,849 | 12,946 | 416,903 | 1,533 | 3,206 |
| Colorado | 8 | 4 | 4 | 18,852 | 6,082 | 12,770 | 24,748 | 6,403 | 18,345 | 13,926 | 4,612 | 9,314 | 280 | 2,274 |

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Connecticut | 3 | 2 | 1 | 8,839 | 5,379 | 3,460 | 4,326 | 1,526 | 2,800 | 3,371 | 1,242 | 2,129 | 8 | 231 |
| Florida | 5 | 2 | 3 | 14,082 | 1,725 | 12,357 | 17,665 | 2,668 | 14,997 | 11,171 | 2,139 | 9,032 | 65 | 698 |
| Georgia | 12 | 8 | 4 | 32,442 | 8,797 | 23,645 | 53,981 | 1,870 | 52,111 | 36,803 | 1,551 | 35,252 | 33 | 1,394 |
| Idaho | 2 | 2 | ... | 2,451 | 2,451 | ....... | 1,894 | 1,894 | ....... | 1,493 | 1,493 | ....... | 29 | ...... |
| Illinois | 23 | 10 | 13 | 101,651 | 44,379 | 57,272 | 115,259 | 28,972 | 86,287 | 80,350 | 23,924 | 56,426 | 511 | 2,833 |
| Indiana | 20 | 15 | 5 | 30,006 | 12,549 | 17,457 | 13,595 | 3,933 | 9,662 | 6,197 | 3,096 | 3,101 | 39 | 384 |
| Iowa | 11 | 5 | 6 | 25,206 | 5,736 | 19,470 | 29,964 | 8,535 | 21,429 | 17,244 | 6,469 | 10,775 | 148 | 622 |
| Kansas | 11 | 6 | 5 | 8,065 | 3,824 | 4,241 | 7,665 | 4,358 | 3,307 | 5,672 | 3,601 | 2,071 | 60 | 264 |
| Kentucky | 26 | 20 | 6 | 40,313 | 19,352 | 20,961 | 16,072 | 5,768 | 10,304 | 12,484 | 5,046 | 7,438 | 146 | 599 |
| Louisiana | 6 | 4 | 2 | 79,117 | 8,999 | 70,118 | 176,274 | 9,735 | 166,539 | 141,884 | 4,937 | 136,947 | 149 | 2,212 |
| Maine | 1 | ... | 1 | 9,710 | ...... | 9,710 | 5,450 | ...... | 5,450 | 2,346 | ...... | 2,346 | .... | 665 |
| Maryland | 5 | 2 | 3 | 22,567 | 6,643 | 15,924 | 4,566 | 828 | 3,738 | 3,109 | 735 | 2,374 | 9 | 371 |
| Massachusetts | 5 | 1 | 4 | 42,279 | 23,655 | 18,624 | 38,696 | 20,480 | 18,216 | 27,257 | 16,275 | 10,982 | 369 | 1,668 |
| Michigan | 14 | 5 | 9 | 172,607 | 10,452 | 162,155 | 194,399 | 13,477 | 180,922 | 142,510 | 12,242 | 130,268 | 206 | 13,024 |
| Minnesota | 5 | 5 | ... | 2,650 | 2,650 | ....... | 818 | 818 | ....... | 640 | 640 | ....... | 17 | ...... |
| Mississippi | 4 | 3 | 1 | 14,351 | 1,651 | 12,700 | 15,686 | 334 | 15,352 | 12,024 | 257 | 11,767 | 5 | 462 |
| Missouri | 52 | 38 | 14 | 55,554 | 37,977 | 17,577 | 29,153 | 18,167 | 10,986 | 21,491 | 14,027 | 7,464 | 323 | 1,183 |
| Montana | 5 | 3 | 2 | 1,500 | 849 | 651 | 1,095 | 215 | 880 | 639 | 186 | 453 | 6 | 21 |
| Nebraska | 8 | 8 | ... | 7,773 | 7,773 | ....... | 11,644 | 11,644 | ....... | 8,116 | 8,116 | ....... | 150 | ...... |
| New Hampshire | 1 | ... | 1 | 1,780 | ...... | 1,780 | 296 | ...... | 296 | 117 | ...... | 117 | .... | 8 |
| New Jersey | 42 | 13 | 29 | 563,917 | 113,692 | 450,225 | 250,383 | 49,122 | 201,261 | 121,991 | 40,049 | 81,942 | 519 | 22,138 |
| New York | 28 | 3 | 25 | 925,621 | 28,440 | 897,181 | 1,755,500 | 13,286 | 1,742,214 | 922,442 | 10,836 | 911,606 | 741 | 13,792 |
| North Carolina | 7 | 2 | 5 | 10,408 | 3,677 | 6,731 | 3,266 | 1,421 | 1,845 | 2,387 | 1,156 | 1,231 | 23 | 179 |
| North Dakota | 29 | 18 | 11 | 14,103 | 6,760 | 7,343 | 3,830 | 1,552 | 2,278 | 2,656 | 1,397 | 1,259 | 24 | 203 |
| Ohio | 5 | 2 | 3 | 21,251 | 7,585 | 13,666 | 102,838 | 2,345 | 100,493 | 90,788 | 1,610 | 89,178 | 7 | 3,224 |
| Oklahoma | 13 | 8 | 5 | 28,672 | 20,149 | 8,523 | 20,720 | 11,053 | 9,667 | 11,665 | 7,936 | 3,729 | 178 | 726 |
| Oregon | 2 | 1 | 1 | 3,439 | 1,230 | 2,209 | 2,670 | 1,368 | 1,302 | 1,948 | 986 | 962 | 11 | 81 |
| Pennsylvania | 31 | 8 | 23 | 182,590 | 43,828 | 138,762 | 96,907 | 14,340 | 82,567 | 67,482 | 10,133 | 57,349 | 75 | 10,508 |
| South Carolina | 3 | 1 | 2 | 68,080 | 403 | 67,677 | 113,553 | 136 | 113,417 | 60,650 | 136 | 60,514 | .... | 7,526 |
| South Dakota | 23 | 22 | 1 | 12,515 | 11,412 | 1,103 | 2,988 | 2,862 | 126 | 2,411 | 2,388 | 23 | 26 | 9 |
| Tennessee | 13 | 8 | 5 | 132,358 | 9,993 | 122,365 | 338,234 | 1,620 | 336,614 | 127,982 | 1,164 | 126,818 | 28 | 4,918 |
| Texas | 46 | 33 | 13 | 125,988 | 80,965 | 45,023 | 210,359 | 142,151 | 68,208 | 137,986 | 97,324 | 40,662 | 1,720 | 3,382 |
| Utah | 1 | ... | 1 | 3,254 | ...... | 3,254 | 5,992 | ...... | 5,992 | 3,538 | ...... | 3,538 | .... | 300 |
| Vermont | 3 | 2 | 1 | 11,057 | 8,687 | 2,370 | 3,725 | 3,375 | 350 | 3,445 | 3,259 | 186 | 21 | 22 |
| Virginia | 9 | 4 | 5 | 35,715 | 12,638 | 23,077 | 17,779 | 7,652 | 10,127 | 8,263 | 3,867 | 4,396 | 304 | 505 |
| Washington | 1 | ... | 1 | 4,179 | ...... | 4,179 | 1,538 | ...... | 1,538 | 935 | ...... | 935 | .... | 512 |
| West Virginia | 3 | 3 | ... | 8,346 | 8,346 | ....... | 2,006 | 2,006 | ....... | 1,458 | 1,458 | ....... | 11 | ...... |
| Wisconsin | 33 | 20 | 13 | 62,247 | 18,739 | 43,508 | 112,627 | 5,966 | 106,661 | 118,023 | 5,096 | 112,927 | 54 | 7,770 |
| Wyoming | 1 | ... | 1 | 3,212 | ...... | 3,212 | 2,033 | ...... | 2,033 | 202 | ...... | 202 | .... | 19 |
| **Other areas** | | | | | | | | | | | | | | |
| Virgin Islands | 1 | 1 | ... | 11,073 | 11,073 | ....... | 14,219 | 14,219 | ....... | 8,712 | 8,712 | ....... | 320 | ...... |
| Puerto Rico | 1 | ... | 1 | 71,638 | ...... | 71,638 | 170,000 | ...... | 170,000 | (8) | ...... | ....... | .... | ...... |

[1]Adjusted to December 31, 1977. In assumption cases, number of depositors refers to number of deposit accounts.
[2]Excludes $1,134 thousand of nonrecoverable insurance expenses in cases that were resolved without payment of claims or a disbursement to facilitate assumption of deposits by another insured bank and other expenses of field liquidation employees not chargeable to liquidation activities.
[3]Includes estimated additional disbursements in active cases.
[4]Excludes excess collections turned over to banks as additional purchase price at termination of liquidation.
[5]These disbursements are not recoverable by the Corporation; they consist almost wholly of field payoff expenses.
[6]Includes advances to protect assets and liquidation expenses of $99,845 thousand, all of which have been fully recovered by the Corporation, and $8,704 thousand of nonrecoverable expenses.
[7]No cases in 1962 required disbursements. Disbursement totals for each year relate to cases occurring during that year, including disbursements made in subsequent years.
[8]In 1977 the assets of Banco Economias were purchased outright by the Corporation. Disbursements in the case are included in table 125 under "Other disbursements" and are not included in this table.
Note: Due to rounding differences, components may not add to totals.

**Table 125.** RECOVERIES AND LOSSES BY THE FEDERAL DEPOSIT INSURANCE CORPORATION ON PRINCIPAL DISBURSEMENTS FOR PROTECTION OF DEPOSITORS, 1934–77

(Amounts in thousands of dollars)

| Liquidation status and year of deposit payoff or deposit assumption | All cases | | | | | Deposit payoff cases | | | | | Deposit assumption cases | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Number of banks | Principal disburse-ments | Recoveries to Dec. 31, 1977 | Estimated additional recoveries | Losses[1] | Number of banks | Principal disburse-ments[2] | Recoveries to Dec. 31, 1977 | Estimated additional recoveries | Losses[1] | Number of banks | Principal disburse-ments[3] | Recoveries to Dec. 31, 1977 | Estimated additional recoveries | Losses[1] |
| **Total** ....... | **541** | **2,685,710** | **1,323,434** | **1,105,495** | **256,781** | **303** | **325,183** | **256,590** | **34,632** | **33,961** | **238** | **2,360,527** | **1,066,844** | **1,070,863** | **222,820** |
| **Status** | | | | | | | | | | | | | | | |
| Active ...... | 71 | 2,314,847 | 982,611 | 1,105,495 | 226,741 | 25 | 182,511 | 131,847 | 34,632 | 16,032 | 46 | 2,132,336 | 850,764 | 1,070,863 | 210,709 |
| Terminated ... | 470 | 370,863 | 340,823 | ...... | 30,040 | 278 | 142,672 | 124,743 | ..... | 17,929 | 192 | 228,191 | 216,080 | ...... | 12,111 |
| **Year[4]** | | | | | | | | | | | | | | | |
| 1934 ....... | 9 | 941 | 734 | ...... | 207 | 9 | 941 | 734 | ..... | 207 | ... | ...... | ...... | ...... | ..... |
| 1935 ....... | 25 | 8,891 | 6,206 | 3 | 2,682 | 24 | 6,026 | 4,274 | ..... | 1,752 | 1 | 2,865 | 1,932 | 3 | 930 |
| 1936 ....... | 69 | 14,460 | 12,127 | ...... | 2,333 | 42 | 7,735 | 6,397 | ..... | 1,338 | 27 | 6,725 | 5,730 | ...... | 995 |
| 1937 ....... | 75 | 19,481 | 15,808 | ...... | 3,672 | 50 | 12,365 | 9,718 | ..... | 2,647 | 25 | 7,116 | 6,090 | ...... | 1,025 |
| 1938 ....... | 74 | 30,479 | 28,055 | ...... | 2,425 | 50 | 9,092 | 7,908 | ..... | 1,184 | 24 | 21,387 | 20,147 | ...... | 1,241 |
| 1939 ....... | 60 | 67,770 | 60,618 | ...... | 7,152 | 32 | 26,196 | 20,399 | ..... | 5,797 | 28 | 41,574 | 40,219 | ...... | 1,355 |
| 1940 ....... | 43 | 74,134 | 70,338 | ...... | 3,796 | 19 | 4,895 | 4,313 | ..... | 582 | 24 | 69,239 | 66,025 | ...... | 3,214 |
| 1941 ....... | 15 | 23,880 | 23,290 | ...... | 591 | 8 | 12,278 | 12,065 | ..... | 213 | 7 | 11,602 | 11,225 | ...... | 378 |
| 1942 ....... | 20 | 10,825 | 10,136 | ...... | 688 | 6 | 1,612 | 1,320 | ..... | 292 | 14 | 9,213 | 8,816 | ...... | 396 |
| 1943 ....... | 5 | 7,172 | 7,048 | ...... | 123 | 4 | 5,500 | 5,376 | ..... | 123 | 1 | 1,672 | 1,672 | ...... | ..... |
| 1944 ....... | 2 | 1,503 | 1,462 | ...... | 40 | 1 | 404 | 363 | ..... | 40 | 1 | 1,099 | 1,099 | ...... | ..... |
| 1945 ....... | 1 | 1,768 | 1,768 | ...... | ..... | ... | ..... | ..... | ..... | ..... | 1 | 1,768 | 1,768 | ...... | ..... |
| 1946 ....... | 1 | 265 | 265 | ...... | ..... | ... | ..... | ..... | ..... | ..... | 1 | 265 | 265 | ...... | ..... |
| 1947 ....... | 5 | 1,724 | 1,666 | 1 | 58 | ... | ..... | ..... | ..... | ..... | 5 | 1,724 | 1,666 | 1 | 58 |
| 1948 ....... | 3 | 2,990 | 2,349 | ...... | 641 | ... | ..... | ..... | ..... | ..... | 3 | 2,990 | 2,349 | ...... | 641 |
| 1949 ....... | 4 | 2,552 | 2,183 | ...... | 369 | ... | ..... | ..... | ..... | ..... | 4 | 2,552 | 2,183 | ...... | 369 |
| 1950 ....... | 4 | 3,986 | 2,601 | ...... | 1,385 | ... | ..... | ..... | ..... | ..... | 4 | 3,986 | 2,601 | ...... | 1,385 |
| 1951 ....... | 2 | 1,885 | 1,885 | ...... | ..... | ... | ..... | ..... | ..... | ..... | 2 | 1,885 | 1,885 | ...... | ..... |
| 1952 ....... | 3 | 1,369 | 577 | ...... | 792 | ... | ..... | ..... | ..... | ..... | 3 | 1,369 | 577 | ...... | 792 |
| 1953 ....... | 2 | 5,017 | 5,017 | ...... | ..... | ... | ..... | ..... | ..... | ..... | 2 | 5,017 | 5,017 | ...... | ..... |
| 1954 ....... | 2 | 913 | 654 | ...... | 258 | ... | ..... | ..... | ..... | ..... | 2 | 913 | 654 | ...... | 258 |
| 1955 ....... | 5 | 6,784 | 6,554 | ...... | 230 | 4 | 4,438 | 4,208 | ..... | 230 | 1 | 2,346 | 2,346 | ...... | ..... |
| 1956 ....... | 2 | 3,458 | 3,245 | ...... | 213 | 1 | 2,795 | 2,582 | ..... | 213 | 1 | 663 | 663 | ...... | ..... |
| 1957 ....... | 1 | 1,031 | 1,031 | ...... | ..... | 1 | 1,031 | 1,031 | ..... | ..... | ... | ...... | ...... | ...... | ..... |
| 1958 ....... | 4 | 3,026 | 2,998 | ...... | 28 | 3 | 2,796 | 2,768 | ..... | 28 | 1 | 230 | 230 | ...... | ..... |
| 1959 ....... | 3 | 1,835 | 1,738 | ...... | 97 | 3 | 1,835 | 1,738 | ..... | 97 | ... | ...... | ...... | ...... | ..... |
| 1960 ....... | 1 | 4,765 | 4,765 | ...... | ..... | 1 | 4,765 | 4,765 | ..... | ..... | ... | ...... | ...... | ...... | ..... |
| 1961 ....... | 5 | 6,201 | 4,699 | ...... | 1,502 | 5 | 6,201 | 4,699 | ..... | 1,502 | ... | ...... | ...... | ...... | ..... |
| 1963 ....... | 2 | 19,230 | 18,792 | 108 | 330 | 2 | 19,230 | 18,792 | 108 | 330 | ... | ...... | ...... | ...... | ..... |
| 1964 ....... | 7 | 13,744 | 11,949 | 160 | 1,635 | 7 | 13,744 | 11,949 | 160 | 1,635 | ... | ...... | ...... | ...... | ..... |
| 1965 ....... | 5 | 11,431 | 6,761 | 506 | 4,163 | 3 | 10,958 | 6,435 | 506 | 4,017 | 2 | 473 | 326 | ...... | 146 |
| 1966 ....... | 7 | 8,732 | 8,232 | 12 | 490 | 1 | 735 | 735 | ..... | ..... | 6 | 7,997 | 7,497 | 12 | 490 |
| 1967 ....... | 4 | 8,120 | 6,894 | 127 | 1,099 | 4 | 8,120 | 6,894 | 127 | 1,099 | ... | ...... | ...... | ...... | ..... |
| 1968 ....... | 3 | 5,586 | 5,572 | 4 | 11 | ... | ..... | ..... | ..... | ..... | 3 | 5,586 | 5,572 | 4 | 11 |
| 1969 ....... | 9 | 37,624 | 37,463 | 47 | 115 | 4 | 7,604 | 7,444 | 45 | 115 | 5 | 30,020 | 30,019 | 2 | ..... |
| 1970 ....... | 7 | 49,318 | 45,396 | 2,996 | 925 | 4 | 29,354 | 25,857 | 2,773 | 725 | 3 | 19,964 | 19,539 | 223 | 200 |
| 1971 ....... | 6 | 162,090 | 152,609 | 9,080 | 400 | 5 | 53,791 | 46,095 | 7,296 | 400 | 1 | 108,299 | 106,514 | 1,784 | ..... |
| 1972 ....... | 1 | 16,274 | 10,630 | 1,645 | 4,000 | 1 | 16,274 | 10,630 | 1,645 | 4,000 | ... | ...... | ...... | ...... | ..... |
| 1973 ....... | 6 | 398,810 | 149,997 | 98,458 | 150,355 | 3 | 16,802 | 16,771 | 31 | ..... | 3 | 382,008 | 133,226 | 98,427 | 150,355 |
| 1974 ....... | 4 | 780,929 | 141,451 | 635,878 | 3,600 | ... | ..... | ..... | ..... | ..... | 4 | 780,929 | 141,451 | 635,878 | 3,600 |
| 1975 ....... | 13 | 303,187 | 185,257 | 85,294 | 32,636 | 3 | 25,991 | 7,663 | 16,393 | 1,935 | 10 | 277,196 | 177,594 | 68,901 | 30,701 |
| 1976 ....... | 16 | 540,183 | 255,265 | 260,428 | 24,490 | 3 | 11,675 | 2,667 | 5,548 | 3,460 | 13 | 528,508 | 252,598 | 254,880 | 21,030 |
| 1977 ....... | 6 | 21,347 | 7,349 | 10,748 | 3,250 | ... | ..... | ..... | ..... | ..... | 6 | 21,347 | 7,349 | 10,748 | 3,250 |

[1] Includes estimated losses in active cases. Not adjusted for interest or allowable return, which was collected in some cases in which the disbursement was fully recovered.
[2] Includes estimated additional disbursements in active cases.
[3] Excludes excess collections turned over to banks as additional purchase price at termination of liquidation.
[4] No case in 1962 required disbursements.

Note: Due to rounding differences, components may not add to totals.

**Table 126. ANALYSIS OF DISBURSEMENTS, RECOVERIES, AND LOSSES IN DEPOSIT INSURANCE TRANSACTIONS, JANUARY 1, 1934—DECEMBER 31, 1977**
(In thousands)

| Type of disbursement | Disbursements | Recoveries[1] | Losses |
|---|---|---|---|
| **All disbursements—total[2]** | **$2,982,596** | **$2,674,293** | **$308,303** |
| **Principal disbursements in deposit assumption and payoff cases—total** | **2,685,710** | **2,428,929** | **256,781** |
| Loans and assets purchased in liquidations (238 deposit assumption cases): | | | |
| To December 31, 1977 | 2,151,027 | 986,844 | 222,820 |
| Estimated additional | ....... | 941,363 | ...... |
| Notes purchased to facilitate deposit assumptions, mergers, or consolidations: | | | |
| To December 31, 1977 | 209,500 | 80,000 | 0 |
| Estimated additional | ....... | 129,500 | ...... |
| Deposits paid (303 deposit payoff cases): | | | |
| To December 31, 1977 | 324,283 | 256,590 | 33,961 |
| Estimated additional | 900 | 34,632 | ...... |
| **Advances and expenses in deposit assumption and payoff cases—total[1]** | **$ 116,833** | **$ 99,845** | **$ 16,988** |
| Expenses in liquidating assets: | | | |
| Advances to protect assets | 59,379 | 59,379 | 0 |
| Liquidation expenses | 40,466 | 40,466 | 0 |
| Insurance expenses | 8,704 | 0 | 8,704 |
| Field payoff and other insurance expenses in deposit payoff cases[3] | 8,284 | 0 | 8,284 |
| **Other disbursements—total** | **$ 180,053** | **$ 145,519** | **$ 34,534** |
| Corporation purchases: | | | |
| To facilitate termination of liquidations: | | | |
| To December 31, 1977 | 9,886 | 5,190 | 4,000 |
| Estimated additional | ....... | 696 | ...... |
| To purchase assets from operating insured banks: | | | |
| To December 31, 1977 | 33,667 | 4,636 | 15,400 |
| Estimated additional | ....... | 13,631 | ...... |
| Other assets purchased outright: | | | |
| To December 31, 1977 | 15,166 | 111 | 14,000 |
| Estimated additional | ....... | 1,055 | ...... |
| Unallocated insurance expenses[3] | 1,134 | 0 | 1,134 |
| Assistance to operating insured banks: | | | |
| To December 31, 1977[4] | 120,200 | 83,200 | 0 |
| Estimated additional | ....... | 37,000 | ...... |

[1]Excludes amounts returned to closed bank equity-holders and $73.7 million of interest and allowable return received by the FDIC.
[2]Includes estimated amounts for pending and unpaid claims in active cases.
[3]Not recoverable.
[4]Excludes $32 million originally disbursed as assistance to Farmers Bank of the State of Delaware and subsequently applied to assets purchased from operating insured banks.

**Table 127.** INCOME AND EXPENSES, FEDERAL DEPOSIT INSURANCE CORPORATION, BY YEAR, FROM BEGINNING OF OPERATIONS, SEPTEMBER 11, 1933, TO DECEMBER 31, 1977
(In millions)

| Year | Income | | | Expenses and losses | | | | Net income added to deposit insurance fund[4] |
|---|---|---|---|---|---|---|---|---|
| | Total | Deposit insurance assessments[1] | Investments and other sources[2] | Total | Deposit insurance losses and expenses | Interest on capital stock[3] | Administrative and operating expenses | |
| **Total** | **$9,314.0** | **$4,655.3** | **$4,658.7** | **$1,321.2** | **$310.3** | **$80.6** | **$930.3** | **$7,992.8** |
| 1977 | 837.8 | 319.4 | 518.4 | 113.6 | 24.3 | ..... | 89.3 | 724.2 |
| 1976 | 764.9 | 296.5 | 468.4 | 212.3[5] | 31.9 | ..... | 180.4[5] | 552.6 |
| 1975 | 689.3 | 278.9 | 410.4 | 97.5 | 29.8 | ..... | 67.7 | 591.8 |
| 1974 | 668.1 | 302.0 | 366.1 | 159.2 | 100.0 | ..... | 59.2 | 508.9 |
| 1973 | 561.0 | 246.0 | 315.0 | 108.2 | 53.8 | ..... | 54.4 | 452.8 |
| 1972 | 467.0 | 188.5 | 278.5 | 59.7 | 10.1 | ..... | 49.6 | 407.3 |
| 1971 | 415.3 | 175.8 | 239.5 | 60.3 | 13.4 | ..... | 46.9 | 355.0 |
| 1970 | 382.7 | 159.3 | 223.4 | 46.0 | 3.8 | ..... | 42.2 | 336.7 |
| 1969 | 335.8 | 144.0 | 191.8 | 34.5 | 1.0 | ..... | 33.5 | 301.3 |
| 1968 | 295.0 | 132.4 | 162.6 | 29.1 | .1 | ..... | 29.0 | 265.9 |
| 1967 | 263.0 | 120.7 | 142.3 | 27.3 | 2.9 | ..... | 24.4 | 235.7 |
| 1966 | 241.0 | 111.7 | 129.3 | 19.9 | .1 | ..... | 19.8 | 221.1 |
| 1965 | 214.6 | 102.2 | 112.4 | 22.9 | 5.2 | ..... | 17.7 | 191.7 |
| 1964 | 197.1 | 93.0 | 104.1 | 18.4 | 2.9 | ..... | 15.5 | 178.7 |
| 1963 | 181.9 | 84.2 | 97.7 | 15.1 | 0.7 | ..... | 14.4 | 166.8 |
| 1962 | 161.1 | 76.5 | 84.6 | 13.8 | 0.1 | ..... | 13.7 | 147.3 |
| 1961 | 147.3 | 73.4 | 73.9 | 14.8 | 1.6 | ..... | 13.2 | 132.5 |
| 1960 | 144.6 | 79.6 | 65.0 | 12.5 | 0.1 | ..... | 12.4 | 132.1 |
| 1959 | 136.5 | 78.6 | 57.9 | 12.1 | 0.2 | ..... | 11.9 | 124.4 |
| 1958 | 126.8 | 73.8 | 53.0 | 11.6 | ..... | ..... | 11.6 | 115.2 |
| 1957 | 117.3 | 69.1 | 48.2 | 9.7 | 0.1 | ..... | 9.6 | 107.6 |
| 1956 | 111.9 | 68.2 | 43.7 | 9.4 | 0.3 | ..... | 9.1 | 102.5 |
| 1955 | 105.7 | 66.1 | 39.6 | 9.0 | 0.3 | ..... | 8.7 | 96.7 |
| 1954 | 99.7 | 62.4 | 37.3 | 7.8 | 0.1 | ..... | 7.7 | 91.9 |
| 1953 | 94.2 | 60.2 | 34.0 | 7.3 | 0.1 | ..... | 7.2 | 86.9 |
| 1952 | 88.6 | 57.3 | 31.3 | 7.8 | 0.8 | ..... | 7.0 | 80.8 |
| 1951 | 83.5 | 54.3 | 29.2 | 6.6 | .... | ..... | 6.6 | 76.9 |
| 1950 | 84.8 | 54.2 | 30.6 | 7.8 | 1.4 | ..... | 6.4 | 77.0 |
| 1949 | 151.1 | 122.7 | 28.4 | 6.4 | 0.3 | ..... | 6.1 | 144.7 |
| 1948 | 145.6 | 119.3 | 26.3 | 7.0 | 0.7 | 0.6 | 5.7 | 138.6 |
| 1947 | 157.5 | 114.4 | 43.1 | 9.9 | 0.1 | 4.8 | 5.0 | 147.6 |
| 1946 | 130.7 | 107.0 | 23.7 | 10.0 | 0.1 | 5.8 | 4.1 | 120.7 |
| 1945 | 121.0 | 93.7 | 27.3 | 9.4 | 0.1 | 5.8 | 3.5 | 111.6 |
| 1944 | 99.3 | 80.9 | 18.4 | 9.3 | 0.1 | 5.8 | 3.4 | 90.0 |
| 1943 | 86.6 | 70.0 | 16.6 | 9.8 | 0.2 | 5.8 | 3.8 | 76.8 |
| 1942 | 69.1 | 56.5 | 12.6 | 10.1 | 0.5 | 5.8 | 3.8 | 59.0 |
| 1941 | 62.0 | 51.4 | 10.6 | 10.1 | 0.6 | 5.8 | 3.7 | 51.9 |
| 1940 | 55.9 | 46.2 | 9.7 | 12.9 | 3.5 | 5.8 | 3.6 | 43.0 |
| 1939 | 51.2 | 40.7 | 10.5 | 16.4 | 7.2 | 5.8 | 3.4 | 34.8 |
| 1938 | 47.7 | 38.3 | 9.4 | 11.3 | 2.5 | 5.8 | 3.0 | 36.4 |
| 1937 | 48.2 | 38.8 | 9.4 | 12.2 | 3.7 | 5.8 | 2.7 | 36.0 |
| 1936 | 43.8 | 35.6 | 8.2 | 10.9 | 2.6 | 5.8 | 2.5 | 32.9 |
| 1935 | 20.8 | 11.5 | 9.3 | 11.3 | 2.8 | 5.8 | 2.7 | 9.5 |
| 1933–34 | 7.0 | (4) | 7.0 | 10.0 | 0.2 | 5.6 | 4.2[6] | –3.0 |

[1] For the period from 1950 to 1977, inclusive, figures are net after deducting the portion of net assessment income credited to insured banks pursuant to provisions of the Federal Deposit Insurance Act of 1950, as amended. Assessment credits to insured banks for these years amount to $4,847 million.

[2] Includes $14 million of interest and allowable return received on funds advanced to receivership and deposit assumption cases and $61 million of interest on capital notes advanced to facilitate deposit assumption transactions and assistance to open banks.

[3] Paid in 1950 and 1951, but allocated among years to which it applies. Initial capital of $289 million was retired by payments to the U.S. Treasury in 1947 and 1948.

[4] Assessments collected from members of the temporary insurance funds which became insured under the permanent plan were credited to their accounts at the termination of the temporary funds and were applied toward payment of subsequent assessments becoming due under the permanent insurance fund, resulting in no income to the Corporation from assessments during the existence of the temporary insurance funds.

[5] Includes net loss on sales of U.S. Government securities of $105.6 million.

[6] Net after deducting the portion of expenses and losses charged to banks withdrawing from the temporary insurance funds on June 30, 1934.

**Table 128.** PROTECTION OF DEPOSITORS OF FAILED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934–1977

| Item | All cases (541 banks) | | Deposit payoff cases (303 banks) | | Deposit assumption cases (238 banks) | |
|---|---|---|---|---|---|---|
| | Number or amount | Percent | Number or amount | Percent | Number or amount | Percent |
| **Number of depositors or accounts—total[1]** | **3,400,490** | **100.0** | **623,030** | **100.0** | **2,777,460** | **100.0** |
| **Full recovery received or available** | **3,395,245** | **99.8** | **617,785** | **99.2** | **2,777,460** | **100.0** |
| From FDIC[2] | 3,347,732 | 98.4 | 570,272[3] | 91.6 | 2,777,460 | 100.0 |
| From offset[4] | 41,092 | 1.2 | 41,092 | 6.6 | ....... | ..... |
| From security or preference[5] | 3,279 | 0.1 | 3,279 | 0.5 | ....... | ..... |
| From asset liquidation[6] | 3,142 | 0.1 | 3,142 | 0.5 | ....... | ..... |
| **Full recovery not received as of December 31, 1977** | **5,245** | **0.2** | **5,245** | **0.8** | ....... | ..... |
| Terminated cases | 3,505 | 0.1 | 3,505 | 0.5 | ....... | ..... |
| Active cases | 1,740 | 0.1 | 1,740 | 0.3 | ....... | ..... |
| **Amount of deposits (in thousands)—total** | **5,043,125** | **100.0** | **468,247** | **100.0** | **4,574,878** | **100.0** |
| **Paid or made available** | **5,025,932** | **99.7** | **451,054** | **96.3** | **4,574,878** | **100.0** |
| By FDIC[2] | 4,900,561 | 97.2 | 325,683[7] | 69.5 | 4,574,878 | 100.0 |
| By offset[8] | 23,706 | 0.5 | 23,706 | 5.1 | ....... | ..... |
| By security or preference[9] | 53,487 | 1.0 | 53,487 | 11.4 | ....... | ..... |
| By asset liquidation[10] | 48,178 | 1.0 | 48,178 | 10.3 | ....... | ..... |
| **Not paid as of December 31, 1977** | **17,193** | **0.3** | **17,193** | **3.7** | ....... | ..... |
| Terminated cases | 2,962 | 0.1 | 2,962 | 0.6 | ....... | ..... |
| Active cases[11] | 14,231 | 0.2 | 14,231 | 3.1 | ....... | ..... |

[1] Number of depositors in deposit payoff cases; number of accounts in deposit assumption cases.
[2] Through direct payment to depositors in deposit payoff cases; through assumption of deposits by other insured banks, facilitated by FDIC disbursements of $2,360,527 thousand, in deposit assumption cases.
[3] Includes 60,586 depositors, in terminated cases, who failed to claim their insured deposits (see note 7).
[4] Includes only depositors with claims offset in full; most of these would have been fully protected by insurance in the absence of offsets.
[5] Excludes depositors, paid in part by the FDIC, whose deposit balances were less than the insurance maximum.
[6] The insured portions of these depositor claims were paid by the Corporation.
[7] Includes $352 thousand unclaimed insured deposits in terminated cases (see note 3).
[8] Includes all amounts paid by offset.
[9] Includes all secured and preferred claims paid from asset liquidation; excludes secured and preferred claims paid by the Corporation.
[10] Includes unclaimed deposits paid to authorized public custodians.
[11] Includes $4,805 thousand representing deposits available, expected through offset, or expected from proceeds of liquidation.

**Table 129.** INSURED DEPOSITS AND THE DEPOSIT INSURANCE FUND, 1934–1977

| Year (December 31) | Deposits in insured banks (in millions) | | Percentage of deposits insured | Deposit insurance fund (in millions) | Ratio of deposit insurance fund to– | |
|---|---|---|---|---|---|---|
| | Total | Insured[1] | | | Total deposits | Insured deposits |
| 1977 | $1,050,435 | $692,533 | 65.9% | $7,992.8 | .76% | 1.15% |
| 1976 | 941,923 | 628,263 | 66.7 | 7,268.6 | .77 | 1.16 |
| 1975 | 875,985 | 569,101 | 65.0 | 6,716.0 | .77 | 1.18 |
| 1974 | 833,277 | 520,309 | 62.5 | 6,124.2 | .73 | 1.18 |
| 1973 | 766,509 | 465,600 | 60.7 | 5,615.3 | .73 | 1.21 |
| 1972 | 697,480 | 419,756 | 60.2 | 5,158.7 | .74 | 1.23 |
| 1971 | 610,685 | 374,568[4] | 61.3[4] | 4,739.9 | .78 | 1.27[4] |
| 1970 | 545,198 | 349,581 | 64.1 | 4,379.6 | .80 | 1.25 |
| 1969 | 495,858 | 313,085 | 63.1 | 4,051.1 | .82 | 1.29 |
| 1968 | 491,513 | 296,701 | 60.2 | 3,749.2 | .76 | 1.26 |
| 1967 | 448,709 | 261,149 | 58.2 | 3,485.5 | .78 | 1.33 |
| 1966 | 401,096 | 234,150 | 58.4 | 3,252.0 | .81 | 1.39 |
| 1965 | 377,400 | 209,690 | 55.6 | 3,036.3 | .80 | 1.45 |
| 1964 | 348,981 | 191,787 | 55.0 | 2,844.7 | .82 | 1.48 |
| 1963 | 313,304[2] | 177,381 | 56.6 | 2,667.9 | .85 | 1.50 |
| 1962 | 297,548[3] | 170,210[4] | 57.2[4] | 2,502.0 | .84 | 1.47[4] |
| 1961 | 281,304 | 160,309[4] | 57.0[4] | 2,353.8 | .84 | 1.47[4] |
| 1960 | 260,495 | 149,684 | 57.5 | 2,222.2 | .85 | 1.48 |
| 1959 | 247,589 | 142,131 | 57.4 | 2,089.8 | .84 | 1.47 |
| 1958 | 242,445 | 137,698 | 56.8 | 1,965.4 | .81 | 1.43 |
| 1957 | 225,507 | 127,055 | 56.3 | 1,850.5 | .82 | 1.46 |
| 1956 | 219,393 | 121,008 | 55.2 | 1,742.1 | .79 | 1.44 |
| 1955 | 212,226 | 116,380 | 54.8 | 1,639.6 | .77 | 1.41 |
| 1954 | 203,195 | 110,973 | 54.6 | 1,542.7 | .76 | 1.39 |
| 1953 | 193,466 | 105,610 | 54.6 | 1,450.7 | .75 | 1.37 |
| 1952 | 188,142 | 101,842 | 54.1 | 1,363.5 | .72 | 1.34 |
| 1951 | 178,540 | 96,713 | 54.2 | 1,282.2 | .72 | 1.33 |
| 1950 | 167,818 | 91,359 | 54.4 | 1,243.9 | .74 | 1.36 |
| 1949 | 156,786 | 76,589 | 48.8 | 1,203.9 | .77 | 1.57 |
| 1948 | 153,454 | 75,320 | 49.1 | 1,065.9 | .69 | 1.42 |
| 1947 | 154,096 | 76,254 | 49.5 | 1,006.1 | .65 | 1.32 |
| 1946 | 148,458 | 73,759 | 49.7 | 1,058.5 | .71 | 1.44 |
| 1945 | 157,174 | 67,021 | 42.4 | 929.2 | .59 | 1.39 |
| 1944 | 134,662 | 56,398 | 41.9 | 804.3 | .60 | 1.43 |
| 1943 | 111,650 | 48,440 | 43.4 | 703.1 | .63 | 1.45 |
| 1942 | 89,869 | 32,837 | 36.5 | 616.9 | .69 | 1.88 |
| 1941 | 71,209 | 28,249 | 39.7 | 553.5 | .78 | 1.96 |
| 1940 | 65,288 | 26,638 | 40.8 | 496.0 | .76 | 1.86 |
| 1939 | 57,485 | 24,650 | 42.9 | 452.7 | .79 | 1.84 |
| 1938 | 50,791 | 23,121 | 45.5 | 420.5 | .83 | 1.82 |
| 1937 | 48,228 | 22,557 | 46.8 | 383.1 | .79 | 1.70 |
| 1936 | 50,281 | 22,330 | 44.4 | 343.4 | .68 | 1.54 |
| 1935 | 45,125 | 20,158 | 44.7 | 306.0 | .68 | 1.52 |
| 1934 | 40,060 | 18,075 | 45.1 | 291.7 | .73 | 1.61 |

[1] Figures estimated by applying, to the deposits in the various types of account at the regular Call dates, the percentages insured as determined from special reports secured from insured banks.
[2] December 20, 1963.
[3] December 28, 1962.
[4] Revised.

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