1978 ANNUAL REPORT OF THE FEDERAL DEPOSIT INSURANCE CORPORATION

LETTER OF TRANSMITTAL

FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D.C., November 26, 1979

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 1978. This report is a reprint of the report issued on March 15, 1979, expanded to include bank merger decisions, statistical tables and other updated information pertinent to the operations of the Corporation.

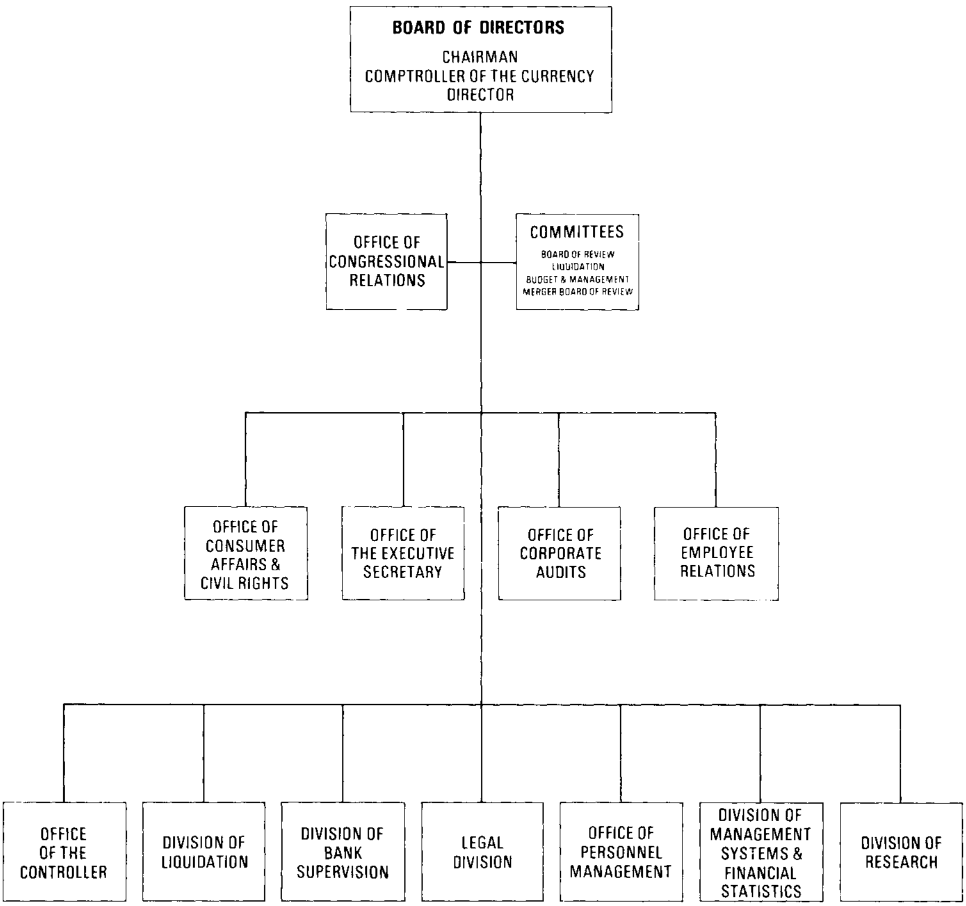
Very truly yours,

Irvine H. Sprague
Irvine H. Sprague
Chairman

THE PRESIDENT OF THE SENATE

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES

FEDERAL DEPOSIT INSURANCE CORPORATION



FEDERAL DEPOSIT INSURANCE CORPORATION

BOARD OF DIRECTORS

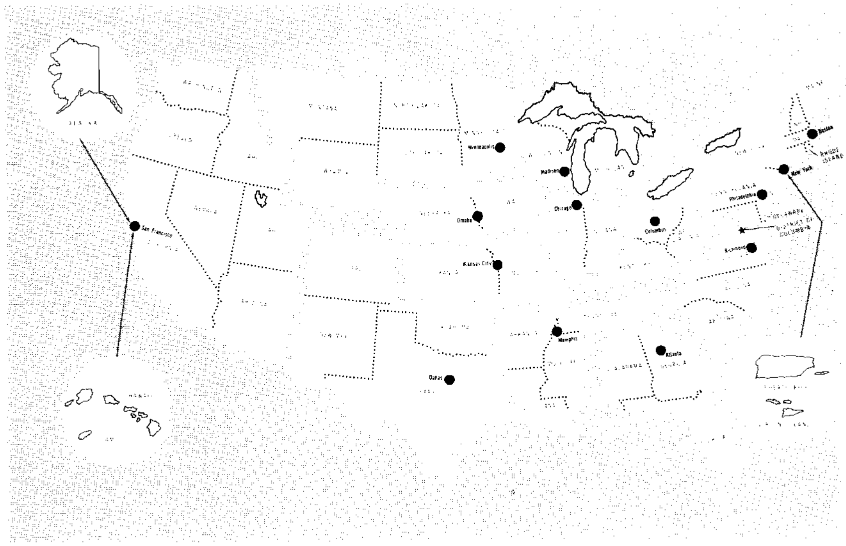
Acting Chairman .... John G. Heimann
Director .... William M. Isaac
Comptroller of the Currency .... John G. Heimann

OFFICIALS

Deputy to the Chairman .... Lewis G. Odom, Jr.
Special Assistant to the Chairman .... Sherwin R. Koopmans
Special Assistant to the Chairman .... Douglas H. Jones
Special Assistant to the Chairman .... Leonard Lapidus
Special Assistant to the Chairman .... Harold Nathan
Assistant to the Chairman .... Alfred H. Teichler, Jr.
Assistant to the Director .... Edwin B. Burr
Special Assistant to the Director .... David B. Jacobsohn
Special Assistant to the Director .... Alison L. Falls
Assistant to the Director (Comptroller of the Currency) .... David C. Motter
Executive Secretary .... Alan R. Miller
Director, Division of Bank Supervision .... John J. Early
Acting General Counsel .... Reford J. Wedel
Controller .... James A. Davis
Director, Division of Liquidation .... George W. Hill
Director, Division of Management Systems and Financial Statistics .... Robert P. Rogers
Director of Research .... Stanley C. Silverberg
Director, Office of Corporate Audits .... Robert D. Hoffman
Acting Director, Office of Consumer Affairs and Civil Rights .... Carmen J. Sullivan
Director, Office of Personnel Management .... Jack C. Pleasant
Director, Office of Employee Relations .... Joe S. Arnold
Assistant to the Board of Directors .... Sydney S. Sterns

December 31, 1978

FEDERAL DEPOSIT INSURANCE CORPORATION REGIONS



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December 31, 197

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

CONTENTS

TABLES

INCOME OF INSURED BANKS:

BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES:
FDIC INCOME, DISBURSEMENTS, AND LOSSES

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 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 8,500 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 15,205 banks in operation in the United States at year-end 1978, 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

An improvement in the nation's general economic condition during 1978 resulted in a strengthening of the banking system. Preliminary profit figures indicate a recovery by many banks from the depressed levels of the 1974-76 period. Industry improvement was reflected by the decline in the number of banks on the FDIC's problem list. Also, seven insured banks failed in 1978, continuing the decline begun in 1977 from the large number of failures in 1975 and 1976.

Maintaining the safety and soundness of the banking system is a primary function of the FDIC. While the FDIC's activities in carrying out this function have grown as banks have grown in size and expanded their services, it also has been given responsibilities for enforcing compliance by banks with an increasing number of laws designed to protect consumers and to safeguard equal opportunities and civil rights.

The FDIC's supervisory role was expanded greatly in 1978 by the enactment of two new laws—the International Banking Act of 1978 and the Financial Institutions Regulatory and Interest Rate Control Act of 1978. The International Banking Act provides for Federal regulation of foreign banking activities in domestic financial markets. The Financial Institutions Regulatory and Interest Rate Control Act covers several subjects relating to commercial and mutual savings banks, savings and loan associations, and credit unions. Among the provisions of the act most relevant to the FDIC are the expansion of the FDIC's enforcement powers, restrictions on loans by banks to their insiders, prohibitions on certain bank management interlocks, the authority over the establishment and operation of foreign branches by insured State nonmember banks, the authority to disapprove changes in control of insured State nonmember banks, and the raising of the deposit insurance limit on time and savings deposits in Individual Retirement Accounts and Keogh accounts to $100,000.

Several regulations of major significance to banks and their depositors were issued during the year. The automatic transfer of funds from savings to checking accounts maintained in the same institution was authorized. Regulations governing savings and time deposits were amended to authorize the issuance of 6-month "money market" certificates of deposit and 8-year certificates paying a maximum of 7-3/4 percent for commercial banks. The payment of interest on Treasury Tax and Loan Accounts was also authorized.

The Board in conjunction with the other Federal banking supervisory agencies has sought to obtain uniformity in many regulations applicable to all types of banks, and in some cases to all types of depository financial institutions. A number of uniform regulations and procedures were adopted during the past year, among them uniform rating systems for bank condition and electronic data processing and trust operations, guidelines for enforcing truth-in-lending laws, and factors for evaluating country risk in foreign loans. The Board has also sought, wherever statutes permit, to simplify regulations and paperwork and, if possible, to avoid the imposition of additional regulations.

The recent emphasis on consumer protection, equal opportunities, and civil rights continued in 1978. As a result, an increasing amount of the Corporation's resources has been devoted to these activities. Regulations were adopted late in the year to carry out the provisions of the Community Reinvestment Act. New regulations also were adopted relating to the FDIC's enforcement of the Fair Housing Act and the Equal Credit Opportunity

Act, as it affects the home mortgage market. Some major studies are underway to assess the impact and effectiveness of some of the consumer protection laws. They include a study on the Home Mortgage Disclosure Act and another on mortgage market trends in Brooklyn, New York. The study of the Home Mortgage Disclosure Act is a comprehensive one being funded jointly by the FDIC and the Federal Home Loan Bank Board. The mortgage market study of Brooklyn will analyze real estate transactions from 1969 to 1978. Examiners will use these data when conducting Community Reinvestment Act examinations, and economic analysis will attempt to explain trends in this market.

The examination process continues to be a focal point of FDIC regulatory activities; however, the examination perspective has changed in response to the changing banking industry and regulatory environment. More emphasis is being placed on management policies of banks and the effectiveness of director oversight and less time is being directed to physical verification of assets held by banks. Direct communication with bank boards by the examining staff has increased, particularly in problem bank situations. Examination priorities have been established so that large banks or banks that present supervisory problems are examined more frequently and extensively than small banks or banks that do not present problems.

Utilizing condition and income reports submitted by banks, financial analysts at the FDIC monitor bank performance between examinations through a computerized information system. This system compiles data that permit an analyst to evaluate a bank's current condition.

Finally, examinations have been specialized due to the increasing scope of examinations and growth in technology and size of banks. Thus, the examination process has evolved from one report to a number of specialized examinations. Electronic data processing, trust, and consumer protection and civil rights compliance examinations have been added in recent years.

Over the years the Corporation's expanding activities have reflected the changes in the banking and regulatory environment. We at the FDIC feel that our organization has responded rapidly and effectively to these changes and are confident of our ability to do so in the future.

John G. Heimann
Acting Chairman

OPERATIONS OF THE CORPORATION
PART ONE

ADMINISTRATION OF THE CORPORATION

Board of Directors. The FDIC is headed by a three-member Board of Directors, including the Comptroller of the Currency who acts as an ex-officio member. Two of the directors are appointed by the President with the advice and consent of the Senate for 6-year terms, and one of those directors is elected Chairman by the Board. The Comptroller is also appointed by the President, but for a 5-year term. As required by law, Mr. John G. Heimann, Comptroller of the Currency, became the acting Chairman on August 16, 1978, following the retirement of Mr. George A. LeMaistre. Mr. LeMaistre had served as a member of the Board since August 1, 1973 and as Chairman since June 1, 1977. Mr. William M. Isaac was appointed as a member of the Corporation's Board of Directors on March 28, 1978. The remaining position on the Board was vacant at year-end.

Organizational changes. On February 16, 1978, the Board of Directors established a Budget and Management Committee. The committee is responsible for reviewing existing and proposed projects, programs, and routine operating procedures, in terms of (1) the Corporation's mission and objectives, (2) cost effectiveness, (3) impact within and outside the Corporation, and (4) urgency and priority of resource allocations. The committee consists of the Deputy to the Chairman, the principal assistants to the other two members of the Board, the Controller, the Executive Secretary, and the General Counsel.

On April 25, 1978, the Board adopted a resolution creating the Office of Congressional Relations. This office is responsible for congressional and legislative relations and related matters, and such other matters as may be designated by the Chairman and the Board of Directors. The office, which reports directly to the Board, was staffed by reassignment of certain positions and employees previously assigned to the Executive Office and Legal Division. On May 30, 1978, the Board dissolved the Office of Corporate Planning and the responsibilities of that office were assumed by the Division of Research, the Budget and Management Committee, and the Office of the Controller.

Employees. The total employment of the Corporation increased by 82 in 1978 to a year-end total of 3,773. Approximately 70 percent of the Corporation's employees were assigned to the Division of Bank Supervision, and about 74 percent of that division's employees were field bank examiners. During the year, the number of commissioned examiners rose by 115 to a total of 1,138 at year-end. The turnover rate for field examiners was 8.0 percent compared to 8.2 percent in 1977. Of the 158 examiners who left the FDIC during the year, 40 found employment in banks. The turnover rate for all employees excluding temporary personnel and college students participating in the cooperative work-study program was 16.6 percent in 1978, compared to 11.2 percent in 1977.

The percentage of women in the Corporation's general schedule workforce increased from 28.8 percent as of December 31, 1977, to 30.0 percent as of December 31, 1978. During the same 12-month period, the percentage of minorities rose from 13.1 percent to 13.8 percent. Continued progress is evident in the recruitment of women and minorities for positions as bank examiners. As of December

NUMBER OF OFFICIALS AND EMPLOYEES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION DECEMBER 31, 1977 AND 1978

Unit	Total		Washington office		Regional and field offices	
	1978	1977	1978	1977	1978	1977
Total	**3,773***	**3,691***	**1,201**	**1,183**	**2,572**	**2,508**
Directors	2	2	2	2	0	0
Executive Offices	44	54**	44	54	0	0
Legal Division	105	104	86	87	19	17
Division of Bank Supervision	2,648	2,564	376	372	2,272	2,192
Division of Liquidation	459	479	194	195	265	284
Division of Management Systems and Financial Statistics	191	191	191	191	0	0
Division of Research	31	17	31	17	0	0
Office of Congressional Relations	5	0	5	0	0	0
Office of the Controller	186	178	170	163	16	15
Office of Corporate Audits	34	30	34	30	0	0
Office of Consumer Affairs and Civil Rights	13	11	13	11	0	0
Office of Employee Relations	9	9	9	9	0	0
Office of Personnel Management	46	52	46	52	0	0

*Includes nonpermanent employees on short-term appointment or when actually employed: 528 in 1978 and 511 in 1977. Nonpermanent employees include college students participating in the work-study program, clerical workers employed on a temporary basis at banks in process of liquidation, and other personnel.

**Includes employees in the Office of Corporate Planning, which was dissolved in 1978.

31, 1977, 9.3 percent and 5.5 percent of the examiner workforce were respectively women and minorities; by December 31, 1978, those percentages had increased to 10.9 percent and 6.0 percent.

Late in 1978, the FDIC adopted amendments to its regulations dealing with actual or apparent conflicts of interest by its employees. In general, these amendments (1) prohibit senior policymakers from obtaining credit from banks or affiliates of banks primarily supervised by the FDIC, (2) establish guidelines for ownership of bank-related securities, (3) eliminate disclosure requirements for certain financial interests owned by an employee's spouse or dependents, (4) greatly increase the number of employees required to file disclosure statements, (5) establish formal guidelines for processing these statements, and (6) unite in one regulation the various disclosure systems used by the FDIC.

During 1978, four petitions to serve as exclusive representatives for bargaining units of Corporation employees were filed with the Department of Labor by labor organizations. By year-end 1978, two bargaining units of bank examiners and one unit of clerical employees were represented by a labor organization, two of which were added during the year; two petitions for representation of other units remained pending.

SUPERVISION OF BANKS

The FDIC has some supervisory authority over all insured banks, but its primary supervisory responsibilities are for insured State-chartered banks that are not members of the Federal Reserve System (insured State nonmember banks). As of December 31, 1978, there were 9,152 insured nonmember commercial and mutual savings banks with assets of $453.6 billion. These banks accounted for 60.2 percent of all the nation's banks and 30.5 percent of the assets of all banks in the United States.

Examination activities. The FDIC's examination policy takes into account examination priorities, frequency, and scope, and specifies areas where the FDIC Regional Directors may use discretion while still maintaining a uniformity of approach. Banks with known supervisory or financial problems are given first priority and receive a full-scale examination by the FDIC at least once every 12 months. Large banks (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. For smaller banks, a modified examination may be alternated with a full-scale examination if the banks do not present supervisory or financial problems and meet criteria indicating satisfactory management, adequate capital, acceptable fidelity

BANK EXAMINATION ACTIVITIES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1977 AND 1978

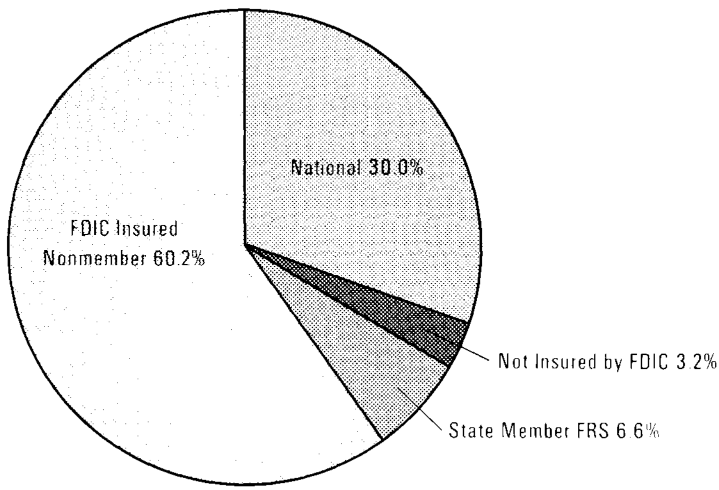
Activity	Number 1978	1977
Bank examination activities — total	**20,248**	**21,746***
Safety and soundness examinations	**6,961**	**7,473**
Regular examination of insured banks not members of Federal Reserve System	6,745	7,265
Re-examinations	149	181
Other examinations	67	27
Consumer protection examinations	**6,684**	**7,061**
Examinations of departments	**2,092**	**2,162**
Trust departments	1,387	1,425
Data processing facilities	705	737
Investigations	**2,755**	**3,007**
Application reviews	**1,756**	**2,043**
New banks: State banks members of Federal Reserve System	26	9
New banks: Banks not members of Federal Reserve System	136	160
New branches	877	931
Mergers and consolidations	103	122
Other	614	821

*This total does not agree with the total shown in the 1977 Annual Report (27,502) because of a new table format. For more meaningful reporting, the number of branches examined (7,314) was deleted and the number of examinations of data processing facilities (237) and certain application reviews (821) were added.

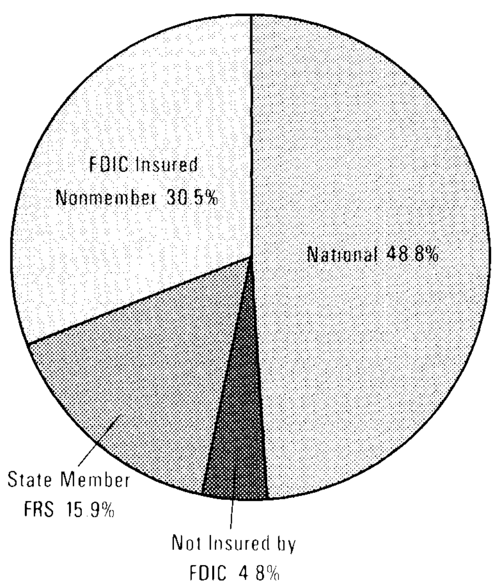
SUPERVISORY CLASSES OF BANKS IN THE UNITED STATES, DECEMBER 31, 1978

Commercial Banks and Mutual Savings Banks

NUMBER OF BANKS



ASSETS OF BANKS



coverage, good earnings, and adequate internal routine and controls. To increase director participation in the supervisory process, the examiner-in-charge meets 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 his designated representative participates in the meetings if the banks has been or may be formally designated as a problem bank.

The Corporation also reviews Reports of Examination for national and State-chartered banks that are members of the Federal Reserve System (State member banks). The reports for large banks that are not of special supervisory concern are reviewed annually and the reports for smaller banks are reviewed at least once every 3 years. Examination reports of banks that are of special concern, regardless of deposit size, are reviewed as soon as they are made available. Reports on the condition of bank holding companies, prepared by the Federal Reserve, are also reviewed regularly.

For the past several years, the Corporation has participated with various State banking departments in programs that share or reduce routine examination activities. In 1978 the Corporation entered into a Divided Examination Program with the States of Missouri and New Jersey. That program was initiated in Georgia in 1977 and continued there in 1978. Under the program, problem banks, other banks in need of special supervision, and large banks are examined by both the FDIC and the State supervisor at least once each year. Examinations of the remaining banks are divided between the State supervisor and the FDIC and the supervisors alternate examination of these banks annually. Either supervisor may modify or cancel the divided examination arrangement without prior notice.

Problem banks. The general decline in the number of banks on the FDIC's list of problem banks, which had peaked at 385 in November 1976, continued through 1978. After remaining relatively steady during the first few months of the year, the list of problem banks declined to 342 by year-end 1978, a net reduction of 26 for the year. The continued reduction of the number of problem banks reflected the improvement in the economy and, in particular, the continuing improvement in the real estate sector and improved agricultural prices, areas that had caused problems for many banks in the recent past.

The problem bank list is far from static and most banks do not remain on the list very long. During 1978, 192 banks were removed from problem status, while 166 banks were added to the list. Problems in the newly designated problem banks included lack of adequate liquidity, asset deficiencies resulting from mismanagement or insider abuses, poor earnings, and inadequate capital. Of those banks on the list at the end of 1978, 50 percent had been in problem status for 18 months or less, while only 23 percent had been on the list for more than 3 years.

In light of the FDIC's role as the insurer of bank deposits, the FDIC problem list includes national banks and State member banks as well as nonmember insured banks. There is some overlap between those banks considered by the Comptroller of the Currency and the Federal Reserve to be in need of close supervision and the banks on the FDIC's problem bank list, but not all banks being closely supervised by the Comptroller of the Currency and the Federal Reserve are on the FDIC's problem list. Many of those banks are strictly supervisory problems and do not represent an undue risk to the Corporation's insurance fund. The FDIC Regional Offices maintain similar lists of banks in need of close supervision but not formally designated as problems by the Corporation.

For purposes of insurance risk exposure, the FDIC list divides the problem banks into three categories:

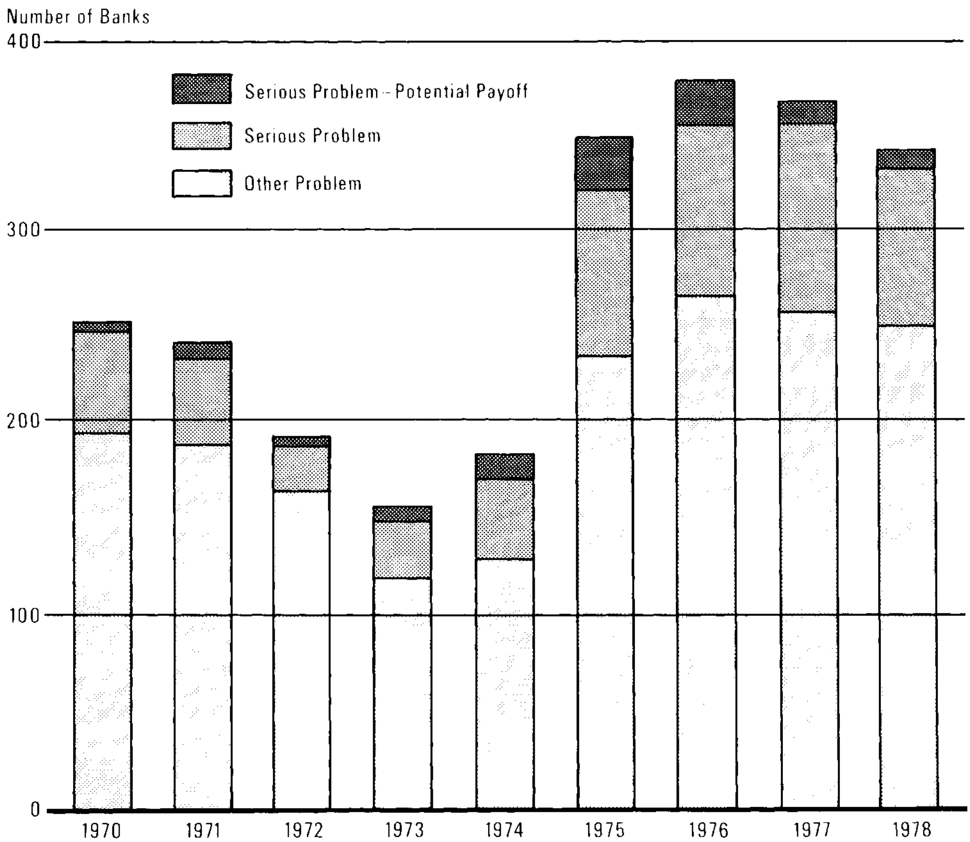
Serious Problem - Potential Payoff: An advanced serious problem situation with an estimated 50 percent chance or more of requiring financial assistance from the FDIC.

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.

A review of the problem bank list since year-end 1973 indicates that about 30 percent of the banks that at one time or another were considered Serious Problem-Potential Payoff ultimately did fail. An additional 10 percent were merged with other banks without financial assistance from the Corporation. Financial assistance from

NUMBER OF PROBLEM BANKS
1970—1978



the Corporation was received by 2 percent. Fifty percent received a less severe rating or were removed from problem status. The two most serious categories accounted for 93 of the problem banks at year-end 1978, down from 112 at the end of 1977.

The number of problem banks at year-end 1978 broken down by deposit size was:

Deposit size	Number of banks
Less than $25 million	233
$25-$50 million	48
$50-$100 million	24
$100-$500 million	26
$500 million-$1 billion	5
Over $1 billion	6
TOTAL	342

Banks on the problem list had total deposits of $64 billion. The total number of banks on the problem list represented only about 2 percent of all the banks insured by the FDIC.

During 1978 the FDIC expanded its program of notifying the directors of nonmember banks when their bank is recommended for problem status, a program that had been tried experimentally in two regions during 1977. Also, the examiner-in-charge and a representative of the Regional Office meet with the directors of a problem bank at the conclusion of each examination. This program is useful not only in keeping the directors of problem banks informed of the Corporation's concern about their bank, but also in pointing out the responsibilities and duties of the directors in developing and implementing corrective programs.

Trust departments. A State nonmember bank wishing to operate a trust department must receive the Corporation's consent to exercise trust powers. The Corporation supervised 2,017 trust departments in State nonmember banks, with 58 new ones beginning operations, in 1978. Each of these trust departments is regularly examined by FDIC examiners.

Beginning in 1978, the annual survey that trust departments submit to the FDIC was revised to require that banks report only those assets over which they exercise investment discretion. The objective of this change is to provide more meaningful information about the extent of investment authority and control over trust and agency assets administered by bank trust departments.

Examiner training. The Corporation has a well-established training program directed toward maintaining highly qualified examiners. Courses on such subjects as bank examination fundamentals, examination of computerized banks, accounting and auditing techniques, financial analysis, and FDIC policies and regulations are offered. Content of these courses is updated and new courses are frequently added to the program in response to current banking developments. In recent years, extensive training on consumer protection laws and their enforcement has been provided. In 1978, EDP training was expanded to include a course in mini-computers and a course in bank analysis using externally available information was added.

Uniform supervision. The Corporation works with the other Federal banking agencies to develop to the extent possible uniform supervisory policies and procedures and to eliminate unnecessary duplication of regulatory effort. An Interagency Supervisory Committee, which includes representatives from the three Federal banking agencies as well as the Federal Home Loan Bank Board and the National Credit Union Administration, was established in early 1977 to coordinate certain supervisory policies and procedures. The committee already has a number of accomplishments, including the establishment of uniform bank, EDP, and trust rating systems; the continuation of a program for rating and reviewing shared national credits (loans of $20 million or more to one borrower shared by two or more banks); agreement upon a definition of a concentration of credit; the adoption of the annual Trust Department Report and the Country Exposure Report; and the issuance of a joint policy statement and the establishment of examination procedures covering improper or illegal payments by banks and bank holding companies.

The uniform interagency system for rating the condition and soundness of the nation's banks, adopted in 1978, is based upon an evaluation by examiners of five key measures of a bank's operation that reflect an institution's financial condition, compliance with banking statutes and regulations, and overall operating soundness. The specific dimensions appraised are capital adequacy, asset quality, management, earnings, and liquidity. Based on its summary rating, a bank is placed in one of five groups, ranging from banks that are sound in almost every respect to those with weaknesses that require immediate corrective action and constant supervisory attention.

The agreement by the Federal bank supervisory agencies on what constitutes the main elements of a bank's operation and condition, and on how these elements can be combined into an overall rating, provides a basis for comparable appraisals by the agencies of all of the nation's federally insured banks. The adoption of the uniform rating system also makes possible more meaningful reporting on the condition of the nation's banking system to the Congress and the public. The ratings for individual insured nonmember banks are confidential.

A new uniform interagency trust rating system also was implemented in 1978. Bank examiners assess a trust department's administration and operations in such areas as the department's management capabilities, the soundness of the policies and procedures to carry out the department's fiduciary obligations, the quality of service rendered to the public, and the effect of the department's activities on the soundness of the bank. As in the past, these ratings are considered confidential by the banking agencies.

Financial Institutions Regulatory and Interest Rate Control Act of 1978. Bank supervision in a number of areas was affected by a comprehensive act passed late in 1978. The Financial Institutions Regulatory and Interest Rate Control Act of 1978 (FIRIRCA) expands the Federal financial regulatory agencies' enforcement powers, imposes restrictions on lending to "bank insiders," and authorizes the agencies to disapprove changes in control of financial institutions. The FIRIRCA also provides the FDIC with authority over the establishment and operation of foreign branches and foreign bank acquisitions by insured State nonmember banks. Other provisions of the act that importantly affect the FDIC are the raising of the deposit insurance limit for time and savings deposits in Individual Retirement Accounts and Keogh accounts from $40,000 to $100,000, and the extension of the authority to establish ceilings on interest rates paid by financial institutions on time and savings deposits.

Interest rate regulations. The FDIC amended its regulations to permit insured State nonmember banks to transfer funds automatically from an individual's savings account to a checking or other account of the same depositor. The FIRIRCA subsequently imposed a limitation requiring that the interest rate that could be paid on savings deposits from which automatic transfers may be made was not to exceed the maximum rate of interest a commercial bank may pay on savings deposits. The FDIC amended its regulations to limit the maximum rate payable by mutual savings banks on savings deposits subject to automatic transfer authorizations to not more than the commercial bank rate.

Another amendment made in 1978 provides for a money market certificate of deposit. This is a variable rate time deposit of $10,000 or more with a maximum rate equivalent to each week's Treasury auction discount rate on 6-month Treasury bills and with a fixed term of 26 weeks. This deposit category is designed to permit banks to compete for short-term money market funds.

The regulations were also amended to provide for a new category of 8-year time deposits with a 7-3/4 percent maximum interest rate for commercial banks and an 8 percent maximum for mutual savings banks. Individual Retirement Account, Keogh Plan, and public unit time deposits were made eligible for the 8 percent rate.

Effective May 11, 1978, an amendment was made to allow insured State nonmember banks to pay interest on Treasury tax and loan accounts (TTLs). According to recent Treasury regulations, interest must be paid on such accounts that are in the nature of overnight borrowings. In effect, the Treasury regulations require payment of a higher rate of interest than the rate which normally may be paid on a bank's short-term funds. The amendment to the FDIC regulation has the effect of exempting TTLs from the interest rate restrictions in Section 329.10 by expanding the regulation's exceptions to include obligations of both the United States and its agencies.

Enforcement proceedings. Upon finding that an insured State nonmember bank has operated in an unsafe or unsound manner or has violated an applicable law, rule, regulation, or written agreement entered into with the FDIC, the FDIC may initiate a cease-and-desist proceeding if the bank does not correct the violations or unsound banking practices. If the bank does not observe a cease-and-desist order, the FDIC may seek enforcement in a U.S. District Court or it may initiate proceedings to terminate deposit insurance. Also, where an insured bank's condition has become unsound, the FDIC may initiate proceedings to terminate the bank's deposit insurance.

The FDIC may issue cease-and-desist orders under Sections 8(b) and 8(c) of the Federal Deposit Insurance Act. During 1978, there were 51 such actions authorized by the Board of Directors which resulted in the issuance of 26 final orders under Section 8(b) and 5 temporary cease-and-desist orders under Section 8(c). In addition, six final orders were issued during the year covering the cease-and-desist proceedings initiated during 1977. During 1978, 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.

The Corporation has used its authority to issue cease-and-desist orders as a means to achieve correction of certain weaknesses in banks more frequently in recent years. It first used the authority in 1971 and from 1971 through 1975 issued 37 cease-and-desist orders. In the last 3 years it has issued 118 orders under Sections 8(b) and 8(c). For the first time the

FDIC issued a cease-and-desist order during 1978 against a bank for the sole purpose of correcting unsatisfactory operations in the bank's trust department operations. Four other cease-and-desist orders were issued to correct violations of various consumer-oriented laws and regulations. The remaining 32 orders were issued primarily for the purpose of correcting unsatisfactory financial conditions or management practices.

The FIRIRCA gives the Federal banking supervisors expanded authority to issue cease-and-desist orders. In addition, it gives the banking supervisors the power to levy fines of up to $1,000 per day on both banks and bankers for certain violations.

The FDIC may initiate termination-of-insurance proceedings under Section 8(a) of the Federal Deposit Insurance Act if it finds that a bank has been conducting its affairs in an unsafe or unsound manner and is in an unsafe or unsound financial condition. If a bank does not correct deficiencies noted by the FDIC within a prescribed time period after notification, an administrative hearing is held at which the bank can respond to the Corporation's charges. If the charges are substantiated, the FDIC may terminate the insured status of the bank. The depositors of the bank are then notified of the termination, but each deposit (less subsequent withdrawals) continues to be insured for 2 years.

During 1978, the FDIC initiated three termination-of-insurance proceedings by issuing Findings of Unsafe or Unsound Practices and Condition and Orders of Correction. All three proceedings were still pending at year-end. From 1934 to 1978, action was taken under Section 8(a) against a total of

CEASE-AND-DESIST ORDERS AND ACTIONS TO CORRECT SPECIFIC UNSAFE OR UNSOUND PRACTICES OR VIOLATIONS OF LAW OR REGULATIONS, 1976, 1977, AND 1978

	1978	1977	1976
Actions authorized by Board of Directors	**51**	**50**	**41**
Actions in negotiation at end of year	**22**	**6**	**15**
Cease-and-desist orders outstanding at beginning of year-total	**65**	**36**	**15**
Section 8(b)	63	34	15
Section 8(c)	2	2	0
Cease-and-desist orders issued during year-total	**31**	**39**	**26**
Section 8(b)	26	31	21
Section 8(c)	5	8	5
Cease-and-desist orders issued in actions authorized in prior year-total	**6**	**13**	**3**
Section 8(b)	6	13	3
Cease-and-desist orders terminated-total	**32**	**23**	**8**
Section 8(b)	28	15	5
Section 8(c)	4	8	3
Cease-and-desist orders in force at end of year-total	**70**	**65**	**36**
Section 8(b)	67	63	34
Section 8(c)	3	2	2

243 banks, and 240 cases had been closed at the end of 1978. In slightly less than one-half of the closed cases, corrections 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 15 cases, insurance was terminated or the bank ceased operations following the fixing of a date for insurance termination.

Under Section 8(e) of the Federal Deposit Insurance Act, the FDIC may 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 individual's action also must involve personal dishonesty and entail substantial financial damage to the bank, or seriously prejudice the interests of the bank's depositors. The FIRIRCA amended Section 8(e) to allow for action where the individual has received financial gain or has demonstrated a willful or continuing disregard for the safety and soundness of the bank. During 1978, 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. Three individuals were suspended during 1978.

Bank control and insider transactions. Insured State nonmember banks must report to the FDIC any change in the bank's outstanding voting stock that will result in a change of control of the bank. During 1978, 521 notices were filed with the Corporation. In connection with a change in control, an insured bank must also report the change or replacement of its chief executive officer or any director occurring within the subsequent 12-month peiod.

The FIRIRCA gives the Corporation and the other Federal banking agencies the power to disapprove changes in control of insured banks and bank holding companies. Persons acquiring control of an insured State nonmember bank will be required to provide 60 days' prior written notice of their intentions to the Corporation, including detailed personal background and financial data, contemplated organizational changes, and information relating to the terms and financing of the proposed acquisition. After considering the views of the State supervisory authority, the Corporation may disapprove the proposed acquisition on the basis of anticompetitive considerations, or if the financial status, competence, experience, and integrity of the acquiring persons or their management might jeopardize the financial stability of the bank or would prejudice the interests of the depositors. In addition, the reports required relating to changes in chief executive officers and directors occurring within 12 months of a change in control have been expanded by the 1978 legislation to include information on past and present business and professional affiliations.

The FIRIRCA also addresses many of the areas covered by a special survey of bank stock loans, loans to officials and major shareholders of other banks, and insider loans and overdrafts, which was conducted at the request of the U.S. Senate Banking Committee in October 1977. This survey of all insured commercial banks, conducted jointly by the three Federal bank supervisory agencies, was completed in March 1978 and revealed that in a small percentage of cases, a bank's insiders, insiders of other banks, or public officials were given special consideration. The majority of instances of preferential interest rates reported by State nonmember banks had already been identified during FDIC examinations.

The FIRIRCA imposes restrictions on lending to bank insiders of correspondent banks. It prohibits loans or extensions of credit to these individuals that are not made on substantially the same terms as those for comparable transactions with other persons. The act also places limits on borrowings from a bank by its executive officers and shareholders owning 10 percent or more of its stock.

International banking. The Corporation's involvement in the area of international banking increased markedly during 1978 and resulted in new supervisory approaches to this important segment of the banking business. Much of the increase can be traced to the FIRIRCA and the International Banking Act of 1978, which added significantly to the Corporation's supervisory responsibilities.

Under the FIRIRCA, State nonmember insured banks must now obtain the prior written consent of the Corporation before establishing or operating a foreign branch, or before obtaining any interest in a bank or other entity organized under the laws of a foreign country.

The International Banking Act is intended to provide a framework for Federal supervision and regulation of foreign banks operating in the United States through branches, agencies, or commercial lending companies in a manner similar to domestic banks. Specifically, it provides foreign banks with the option of establishing a Federal branch, with the approval of the Office of the Comptroller of the Currency, in any State where the establishment of a branch or agency is not prohibited by State law and where the bank does not presently have State-chartered branches or agencies. It gives the Corporation primary supervisory responsibility for insured State-licensed branches. This act also provides for interstate branching by foreign banks under certain conditions.

Under the International Banking Act, no foreign bank may establish or operate a Federal branch that receives deposits of less than $100,000 without obtaining Federal deposit insurance. In States that require deposit insurance for State-chartered banks, State branches that receive deposits of less than $100,000 must be insured. An exemption from mandatory deposit insurance may be granted, by the FDIC in the case of a State-licensed branch or by the Comptroller of the Currency in the case of a Federal branch, if the branch is not engaging in domestic retail deposit activity. Foreign bank branches that are not subject to mandatory insurance may voluntarily apply for Federal deposit insurance coverage.

In keeping with the objective of striving toward a uniform approach to common examination problems, the three Federal banking agencies adopted procedures for evaluating and commenting on country risk factors in the international loan portfolios of U.S. banks. Country risk in bank lending refers to the possibility that economic, political, or social conditions in a country might create a situation in which borrowers in that country would be unable to service or repay their debts to foreign lenders in a timely manner.

Under the new system, examiners will segregate country risk factors from the evaluation of other lending risks and will assess bank management's ability to analyze and monitor country risk in its international lending. The new procedure will emphasize diversification of exposure to individual countries as the primary method of moderating country risk in international portfolios. Examiners will adversely classify a bank's aggregate credits to a country on the basis of country risk only when there has been an interruption in debt servicing or when such an interruption is considered imminent. The commercial credit risks in the bank's international portfolios will continue to be assessed on an individual loan basis in accordance with traditional standards of credit analysis.

The Country Exposure Report is an outgrowth of an experimental program initiated by the three Federal bank supervisory agencies in June 1977. Due to the success of this program, the agencies agreed to make the report mandatory for any domestic bank with a foreign branch, a foreign subsidiary, or an Edge Act or Agreement corporation and aggregate foreign claims in excess of $20 million. This semi-annual report is intended to capture data on foreign credit activity of U.S. banks in all countries, by type of borrower and maturity of claims. Banks are also required to report firm commitments to extend additional credit in any country.

In response to the Corporation's increased involvement in international banking, a concerted effort has been made to enhance the expertise of its staff in this area. A number of examiners have attended specialized courses and seminars designed to increase their knowledge of international banking activities. In 1979, it is anticipated that the Corporation will join with the other two Federal bank supervisory agencies in a joint 2-week international banking school with the objective of making this program a required course for examiners encountering international activities in their bank examination work. The Corporation has also created a staff position in its Washington Office with the specific responsibility of focusing on international activities of domestic banks and domestic operations of foreign banks.

Applications. State nonmember banks must apply to the FDIC to obtain deposit insurance. The Corporation's approval is also required before an insured nonmember bank may establish a new branch office or relocate an existing office. The FDIC also rules on merger transactions when the surviving bank is to be an insured State non-

FDIC APPLICATIONS

	1978	1977
Deposit insurance—total	**98**	**104**
Approved	94	98
Denied	4	6
New branches (prior consent)—total	**1,055**	**974**
Approved	1,045	969
Branch	680	691
Limited Branch	162	194
Remote Service Facility	203	84
Denied	10	5
Mergers*—total	**70**	**76**
Approved	65	72
Denied	5	4

*Certain mergers undertaken as part of internal reorganizations not included.

member bank, or in any merger of an insured bank with a noninsured institution. During 1978, the FDIC considered 98 applications for Federal deposit insurance, including 36 from State member banks which applied for continuation of their insured status following voluntary withdrawal of their membership from the Federal Reserve System, and 1,055 applications to establish new branches or operate limited branch facilities. It acted on 70 merger-type proposals, including 7 emergency cases, in 1978.

In approving or denying such applications, the Corporation considers such factors as the bank's financial history and condition, its capital adequacy, its future earnings prospects and management, the needs of the community to be served, and in a merger or consolidation, the competitive effects of the transaction. In addition, as required by the Community Reinvestment Act of 1977 which became effective in 1978, the Corporation also takes into account the record of a financial institution in meeting the credit needs of its community, including low- and moderate-income neighborhoods. A bank's poor performance in meeting the credit needs of its community may be grounds for denial of an application.

Reports and surveys. In carrying out its broad supervisory responsibilities, the FDIC requires reports on certain activities of insured nonmember banks. The Corporation administers and enforces the registration and reporting provisions of the Securities Exchange Act of 1934 with respect to insured nonmember banks. The number of registered banks reporting to the FDIC was 377 at year-end 1978 compared to 357 the year earlier. State nonmember banks acting as registrars and transfer agents for certain classes of securities must also register with the Corporation. Late in 1978, amendments to FDIC regulations made its securities disclosure requirements substantially similar to those of the Securities and Exchange Commission, in accordance with Section 12(i) of the Securities Exchange Act.

All federally insured banks are required to file Reports of Income and Condition with their respective Federal bank supervisory agency. State nonmember banks and mutual savings banks file their reports with the FDIC. The FDIC may assess a penalty against a bank for late filing of these reports. In the first court challenge to a penalty imposed under Section 7(a)(1) of the Federal Deposit Insurance Act, a Federal judge in Texas recently upheld a $1,000 fine assessed against a Texas bank. The court dismissed the allegation that the Corporation's action was arbitrary, capricious, and an abuse of discretion (*Federal Deposit Insurance Corporation* v. *The Bevans State Bank of Menard,* No. CA-6-78-0025 (N.D. Tex. Nov. 22, 1978)).

The Reports of Income and Condition for commercial banks were revised at the end of 1978. As a result of these revisions, which were made jointly by the three Federal bank agencies, more information will be provided on banks with foreign offices. Also, for the first time, small banks (those with less than $100 million in total assets) could choose to file shorter versions of the Reports of Income and Condition. Revisions to the Reports of Income and Condition for mutual savings banks, after being presented to the industry for comments, were adopted at year-end and will go into effect with the March 1979 reports.

In addition to its continuing surveys, the Corporation in conjunction with the Federal Reserve Board conducted statistical sample surveys on money market certificate activity and the automated transfer of funds from savings to checking accounts. Information from these surveys is used by the Federal Reserve Board to assess and monitor the economic effect of these new financial transactions. Also in 1978, information on holdings of New York City obligations and of Cleveland obligations was requested from certain banks.

Computerized analysis. The Integrated Monitoring System (IMS) is a computerized information system designed to monitor bank performance between examinations and aid in the examination process. Currently this system is applied only to insured nonmember commercial banks, but it is expected to be expanded to include insured mutual savings banks in 1979.

From data submitted by banks in their Reports of Condition and Income, the IMS performs certain basic tests which measure a bank's capital adequacy, liquidity, asset and liability mix and growth, and profitability. If a bank fails one or more of the tests, additional data are obtained for further analysis. Where analysis indicates a potential problem or adverse condition, appropriate supervisory action is initiated, such as a visitation or an early examination. The system enables the Corporation to identify with greater accuracy banks, or particular aspects of a bank's operation, that especially merit closer supervisory attention, thereby facilitating a swifter and more effective response by the Corporation.

In the coming year, the Comparative Performance Report will serve to supplement the Integrated Monitoring System data given to FDIC examiners and financial analysts. This report is a revision of the Comparative Performance Tables the FDIC sends to banks, which show data based on their Reports of Income and Condition. Many of the changes in the report resulted from the responses of nearly 4,300 bankers to a survey of their informational needs sent in early 1978.

In 1978 the Corporation's computerized on-line system was upgraded to improve the speed and efficiency with which examination and other bank reports are edited and processed. The system is designed to accommodate additions, such as those required by the new interagency uniform bank rating system, and modifications to the examination and report forms. By redesigning the computerized bank structure data base and the systems for processing banks' Reports of Income and Condition, and by installing a new computer which processes data three times faster than the model it replaced, the Corporation is now able to provide information more quickly to the banking community.

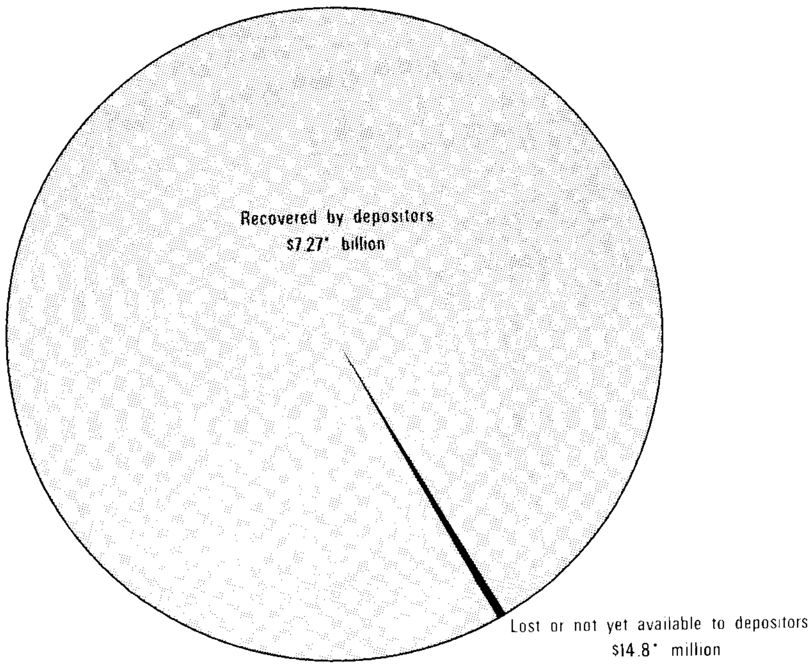
BANK CLOSINGS AND LIQUIDATION ACTIVITIES

Federal deposit insurance covers the aggregate deposits of individuals and businesses in each insured bank up to $40,000 and, as provided by the Financial Institutions Regulatory and Interest Rate Control Act of 1978, covers Individual Retirement Accounts and Keogh accounts up to $100,000. 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. On December 31, 1978, nearly 98 percent of all commercial banks in the United States and about 70 percent of all mutual savings banks were covered by Federal deposit insurance.

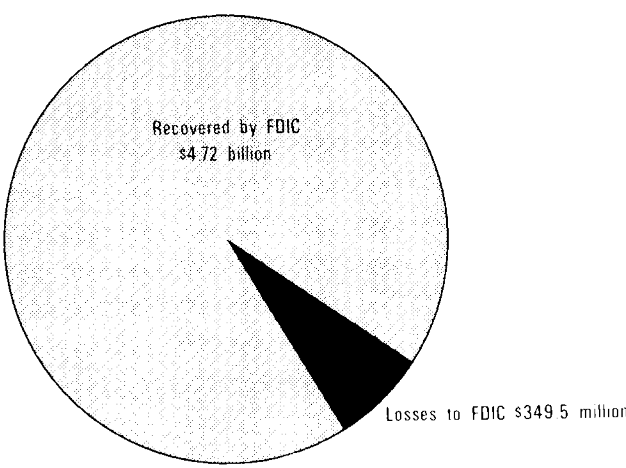
When an insured bank fails, the FDIC has two principal methods available to protect the depositors: the deposit assumption method and the deposit payoff method. In the 548 insured bank failures that have required Corporation disbursements since 1934,

DEPOSITS AND LOSSES IN ALL INSURED BANKS REQUIRING DISBURSEMENTS BY FDIC, 1934–1978

TOTAL DEPOSITS
$7.29* billion



DISBURSEMENTS BY FDIC**
$5.07 billion



*Revised

**Includes collections and disbursements by liquidators in the field ($1.5 billion) which were previously excluded from this chart.

244 were deposit assumption cases and 304 were direct payoff cases. In a deposit assumption case, the depositors' accounts in the failed bank become deposit accounts in the assuming bank. All depositors are thereby 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. Payments of the uninsured portions of deposits are made from the proceeds of liquidated assets and other sources.

The FDIC may also provide direct assistance to an operating insured bank in danger of failing to enable it to remain open if that bank is essential to maintain adequate banking services in a community. It has provided such assistance in four cases, most recently in 1976.

In the 548 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 1978, and 99.8 percent of the *total* deposits had been paid or made available to them. In the 304 deposit payoff cases, more than 98.8 percent of depositors had received full recovery, and while the recovery of uninsured deposits varies between individual cases, in the aggregate almost 97 percent of total deposits had been paid or made available. About 70 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.

Bank failures in 1978. Seven insured banks ranging in deposit size from about $1 million to about $608 million failed in 1978. The Corporation used the direct payoff method in one case and assisted sound banks to assume the deposits of the other six banks. The assuming banks paid purchase premiums totaling $42.3 million. The purchase premiums are added to the capital cushion available to the FDIC to absorb losses.

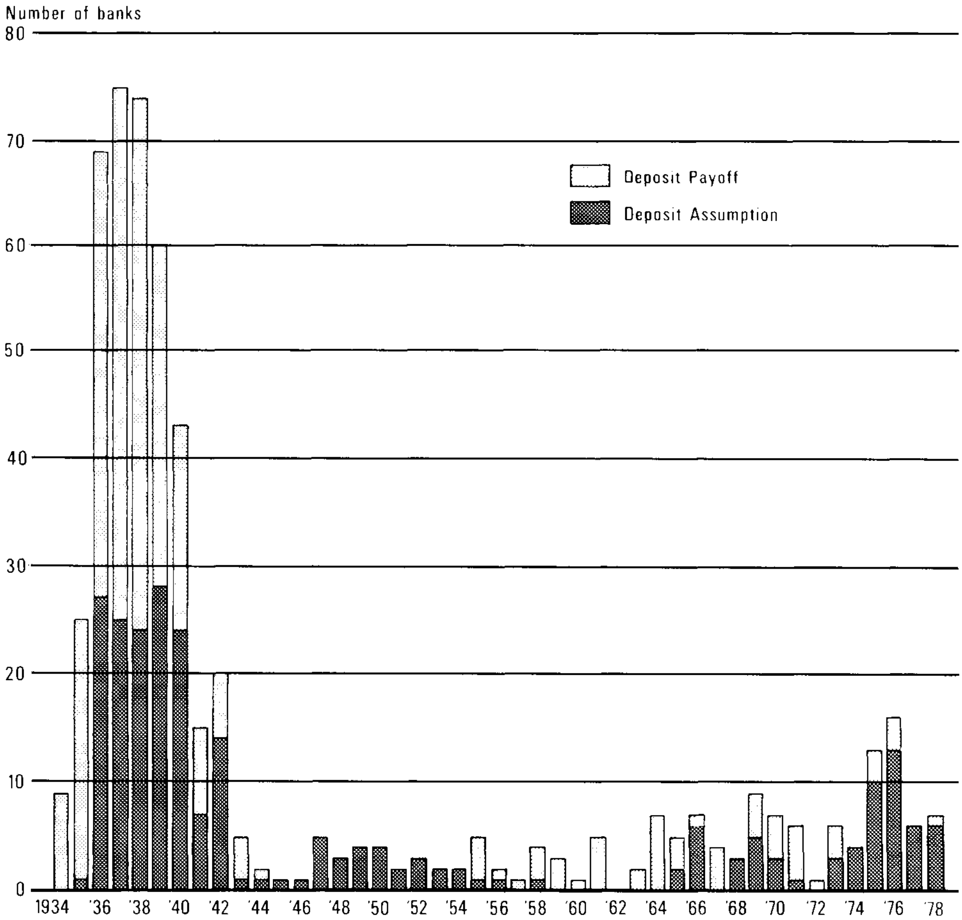
In the largest insured bank failure in 1978, the Corporation arranged an assumption of the $607.6 million in deposits of Banco Credito y Ahorro Ponceno, Ponce, Puerto Rico—and for the first time, the deposits of a failed bank were divided between two assuming banks. Banco Popular de Puerto Rico, San Juan, acquired 36 offices comprising approximately two-thirds of the deposits of the failed bank and also the bank's trust department. The other 14 offices, including the New York branch office, were taken over by Banco de Santander-Puerto Rico, San Juan. By allowing the two purchasers to select those branches which more closely fit their operations and competitive requirements, substantial purchase premiums were received, and the anticompetitive effects of one very large bank acquiring another were avoided.

The one statutory payout in 1978 was of the Watkins Banking Company in Faunsdale, Alabama, a small bank with less than 500 depositors. Virtually all the deposits of approximately $1 million were either secured or within the $40,000 FDIC insurance maximum.

Litigation on standby letters of credit. After United States National Bank failed in October 1973, the FDIC arranged for Crocker National Bank to assume approximately $1 billion in deposit and other liabilities. However, Crocker did not assume certain standby letters of credit issued by

USNB to guarantee the debts of companies dominated by C. Arnholt Smith and his associates. Two holders of such standby letters of credit, First Empire Bank and Societe Generale, sued the FDIC, maintaining that the bank's obligations to them should have been provided for in the same way as those assumed by Crocker since they were not associated with Smith. A federal district court in California held that the FDIC, in determining not to pay those suspect letters of credit, had properly exercised the discretion granted to it under Federal banking law. That decision was appealed to the Ninth Circuit Court of Appeals and was reversed in favor of the letter of credit holders (*First Empire bank* v. *Federal Deposit Insurance Corporation,* 572 F.2d 1361 (9th Cir. 1978)). In October 1978, the Supreme Court declined to review the Ninth Circuit's opinion. The effect of that denial is that the FDIC must pay the amount due on the letters of credit that were not assumed by Crocker. The FDIC has provided for the liability in its reserve for potential losses in litigation.

INSURED BANK FAILURES
1934–1978



INSURED BANKS CLOSED DURING 1978 REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION

Name and location	Date of deposit payout or assumption	Number of depositors or accounts	Amount of deposits (in millions of dollars)
The Drovers' National Bank of Chicago Chicago, Illinois	January 19, 1978	43,800	197.2
First Bank of Macon County Notasulga, Alabama	January 26, 1978	2,919	3.8
Wilcox County Bank Camden, Alabama	March 1, 1978	3,447	10.6
Banco Credito y Ahorro Ponceno Ponce, Puerto Rico	March 31, 1978	294,000	607.6
Watkins Banking Company Faunsdale, Alabama	July 21, 1978	492	1.3
Banco de Ahorro de Puerto Rico San Juan, Hato Rey, Puerto Rico	September 5, 1978	4,202	11.8
North Point State Bank Arlington Heights, Illinois	December 16, 1978	15,500	21.8

Liquidation activities. The Division of Liquidation was handling 79 open liquidation cases in 30 States, the Virgin Islands, and Puerto Rico at year-end 1978. There were over 75,000 assets having a book value of more than $2 billion to be liquidated. Approximately one-third of these assets were real estate related.

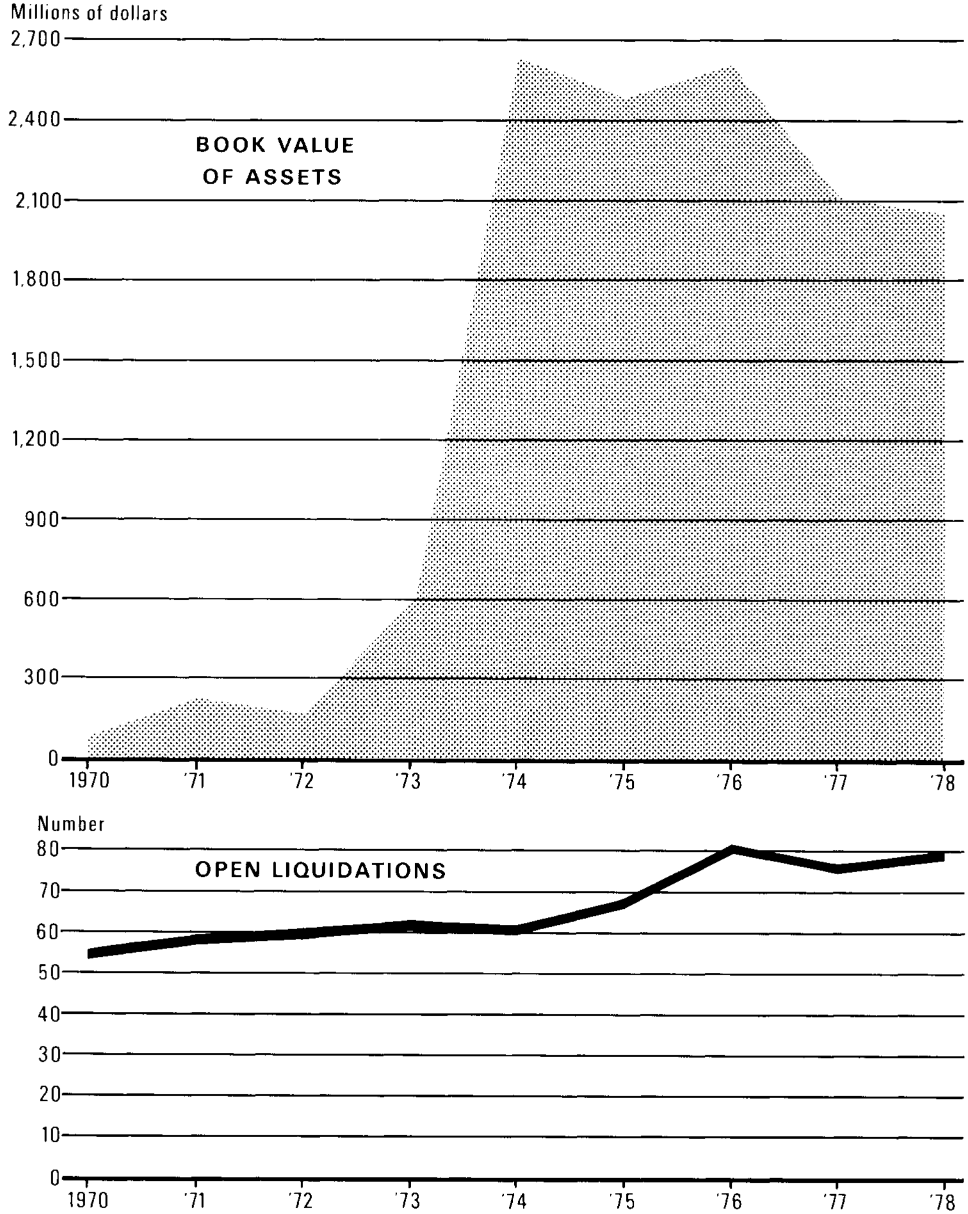
The FDIC's policy is to convert the assets of closed banks to cash as early as practical for distribution to the creditors and stockholders and to realize a maximum recovery through these efforts. The Division of Liquidation closed 31 transactions in 1978 involving bulk sales of assets totaling $202 million, setting an all-time collection record for the division of $812.8 million.

Sixty-six insured banks closed from January 1, 1970, to December 31, 1978, involving total assets of approximately $8 billion and total deposits of approximately $5 billion. In the 46 purchase and assumption transactions, new banks acquired approximately $3.6 billion of assets at book value from the FDIC, as receiver, which had the effect of immediately recovering those substantial amounts for the benefit of the creditors. For the same period, the FDIC, as liquidator, collected approximately $3.5 billion, in principal, interest, and costs, from the remaining assets. In addition, the Corporation recovered $317 million from purchase premiums paid by new banks for the right to acquire the failed banks' deposits and valuable banking locations.

The Corporation's liquidation expenses amounted to about $129 million versus collections of $3.5 billion for the period January 1, 1970, to December 31, 1978. This represents a very favorable 3.7 percent ratio of expenses to collections. Legal fees for the same period amounted to 1.1 percent of collections. Both ratios are exceptional when measured against typical expenses and legal fee results in bankruptcies.

Recovery for creditors and stockholders can also result in some

LIQUIDATION ACTIVITY
FEDERAL DEPOSIT INSURANCE CORPORATION, 1970–1978



cases from directors' liability actions initiated by the receiver. Because many bank closings are the direct result of bank directors' failure to use reasonable care in discharging their duties or their allowance of violations of banking laws, the FDIC normally investigates potential negligence and files claims against members of the bank's board when such action is warranted. In 1978, the FDIC filed 9 directors' liability suits; at the end of 1978, 28 such suits were pending.

Whenever it is determined that the bank suffered losses due to the fraudulent and dishonest acts of its employees, the Corporation pursues a claim against the bank's Bankers Blanket Bond carrier. Most claims are settled without litigation; however, at the end of 1978 there were 16 such suits pending.

CONSUMER AND CIVIL RIGHTS PROTECTION

The FDIC is responsible for enforcing a growing number of consumer protection and civil rights laws and regulations with respect to insured State nonmember banks. These laws include 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, the Fair Debt Collection Practices Act, and the Community Reinvestment Act.

The FDIC carries out these enforcement responsibilities primarily through a program of separate specialized examinations directed solely to checking for compliance with the various laws and regulations. These examinations are conducted by trained examiner specialists at times other than during the regular safety and soundness examinations, with special follow-up examinations or visitations as the circumstances may require.

Violations or exceptions noted in the compliance reports are routinely followed up by the Regional Offices to assure that corrective measures are taken. If voluntary compliance cannot be obtained by additional follow-up examinations, visitations, meetings with the boards of directors of the banks involved, or other means, the Division of Bank Supervision or the Office of Consumer Affairs and Civil Rights may recommend that formal enforcement action under Section 8(b) of the FDI Act be initiated. During 1978, the FDIC's Board of Directors issued four such orders involving in whole or in part violations of consumer protection or civil rights laws and regulations.

Fair housing. A new FDIC regulation became effective in mid-1978 that is intended to provide a basis for a more effective FDIC housing lending enforcement program under the Fair Housing and Equal Credit Opportunity Acts. The regulation establishes recordkeeping requirements for insured State nonmember banks with respect to inquiries and applications for home loans. A home loan is defined as any extension of credit relating to the purchase, construction, refinancing, improvement, repair, or maintenance of a one- to four-family residential dwelling which an applicant intends to occupy as a principal residence and which is used to secure the loan. All banks subject to the regulation are required to request and retain information on the name, address, race, national origin, sex, marital status, and age of persons who inquire about or apply for home loans, and on the location of the property to be financed. If a bank is located within a Standard Metropolitan Statistical Area (SMSA) and has assets of more than $10 million, it is also required to obtain extensive credit-related information about the financial status of the loan applicant and the characteristics of the property involved and the loan being requested.

The purpose of this data collection effort is to provide a valid statistical basis for detection of possible home loan discrimination. The Corporation began developing a computerized Fair Housing statistical analysis system in 1978 to analyze the home loan inquiry and application data maintained by State nonmember banks. The relationship between inquiries and applications, the relationship between successful and unsuccessful applications, and the loan terms granted to borrowers will be categorized and compared by the race, sex, age, and marital status of inquirers and applicants. Use of this system will not definitely establish the existence of illegal discrimination but should identify for FDIC examiners those banks requiring more extensive examination and follow-up efforts.

Mortgage disclosure. Substantial progress was made on a study of housing-related loan data required of certain depository institutions under the Home Mortgage Disclosure Act. The study, which is being jointly funded by the FDIC and the Federal Home Loan Bank Board, is designed to assess the accuracy with which depository institutions are compiling the loan disclosure reports and to identify the proportion of mortgage loans made by institutions subject to the act. A series of reports will be prepared on a variety of issues, including the costs of compliance, possible amendments to the act and the implementing Regulation C to increase the usefulness of these data to the public and the regulatory agencies, and improvements in location coding and enforcement procedures. Although the study was originally scheduled to be completed by late 1978, the breadth of the issues addressed and technical problems associated with collection of certain of the necessary information have caused a postponement in the anticipated completion date to early 1979.

Community reinvestment. Late in 1977 a new Federal law, the Community Reinvestment Act, directed the Federal financial regulatory agencies to encourage the institutions they regulate to help meet the credit needs of their communities, including low- and moderate-income neighborhoods. The agencies were further required to assess the institutions' records in doing so and to take those records into account when evaluating applications requiring prior agency approval. To implement this law, the FDIC issued jointly with the Comptroller of the Currency, the Federal Home Loan Bank Board, and the Federal Reserve Board final regulations which became effective in late 1978.

The regulations give FDIC-supervised banks 90 days in which to prepare Community Reinvestment Act Statements. These statements must define the bank's local community, without excluding any low- and moderate-income neighborhoods, and identify the types of credit needs within that community which the bank is prepared to serve. Both the statement and any written comments on it must be made available to the public. FDIC examiners will review the CRA Statements during regular compliance examinations, with the results weighing heavily in Corporation decisions concerning pending bank applications.

The Housing and Community Development Amendments Act of 1978 established a National Neighborhood Reinvestment Corporation. The Chairman of the FDIC is a member of the board of directors. The Neighborhood Reinvestment Corporation was created for the purpose of promoting reinvestment in older neighborhoods through the efforts of local financial institutions, community groups, and local government.

Consumer complaints and inquiries. The Office of Consumer Affairs and Civil Rights is responsible for the appropriate disposition of consumer complaints and inquiries directed to the FDIC. During 1978, 2,263 complaints and 2,474 inquiries were received by the FDIC nationwide, up 6.5 percent and down 1.3 percent respectively over the number processed during 1977. The increase in consumer complaints and inquiries, which is expected to continue over the next few years, is attributable primarily to greater consumer awareness of their rights under the various consumer protection and civil rights statutes. Also, more consumers may be filing complaints as a result of the FDIC's consumer information brochure explaining how to file a complaint. Corrective action is sought in all cases where a bank error or violation of law is discovered as a result of a complaint and follow-up action is taken to ensure subsequent compliance.

Consumer and banker education. During 1978, the staff from the Office of Consumer Affairs and Civil Rights made numerous presentations to bankers and industry groups. They participated in a series of eight workshops, sponsored by the American Bankers Association and held at various locations around the country, to promote banker education in the areas of consumer protection and civil rights. Also, a special 2-day FDIC training program on the new Community Reinvestment

CONSUMER COMPLAINTS AND INQUIRIES, 1977 AND 1978

	1978	1977
Complaints and inquiries — total	**4,737**	**4,657**
Deposit function	**1,315**	**962**
Payment of interest	158	131
Account differences	182	238
Advertising	34	35
Early withdrawal penalties	217	148
Policies and practices	574	332
Other	150	78
Loan function	**1,931**	**1,601**
State or contract law	115	101
Equal Credit Opportunity Act	543	508
Fair Credit Reporting Act	133	165
Individual bank loan policy	308	242
Collection and repossession	100	58
Fair housing	70	49
Truth in lending	183	145
Other Federal laws	48	21
Other	431	312
Trust services	**68**	**55**
Safe deposit — safekeeping services	**32**	**42**
Insurance coverage	**685**	**822**
General	**706**	**1,175**

Act regulation was presented in late 1978 to examiner personnel in all 14 Regional Offices. The program's major goal was to provide instruction and training in CRA examination techniques to the special compliance examiners, who will, in turn, be providing similar instruction and guidance to the bankers who must comply with the regulations. It was felt this approach offered the best opportunity for maximizing the number of examiners and bankers to be reached in the shortest possible time.

The FDIC also distributed more than half a million pamphlets on consumer information, fair credit billing, truth in lending, and equal credit opportunity during 1978.

FINANCES OF THE CORPORATION

Deposit insurance fund. The Corporation's basic financial resource for the protection of depositors is the deposit insurance fund which has been accumulated entirely from net income over the years. The fund increased by $803.2 million during the year to a total of $8.8 billion. That amount equaled about 1.2 percent of estimated insured deposits. Should additional funds ever be needed, the Corporation is authorized to borrow up to $3 billion from the U.S. Treasury, but it has never exercised this authority.

The Corporation disbursed $470.7 million in the failures of seven insured banks during 1978. Based on current estimates, approximately 1.7 percent of this amount will not be recovered by the Corporation, and accordingly, $7.8 million of the disbursement was charged against current income. In addition, the Corporation purchased $4.3 million in capital notes from banks that acquired the major part of the assets and liabilities of two of the current year's failed banks.

Income. Assessments and interest income are the two principal sources of Corporation income. During 1978, gross assessments of $810.5 million accounted for 58.1 percent of total income and interest on the portfolio of U.S. Government securities of $567 million equaled 40.6 percent of the total. Other income is primarily from interest earned on capital notes.

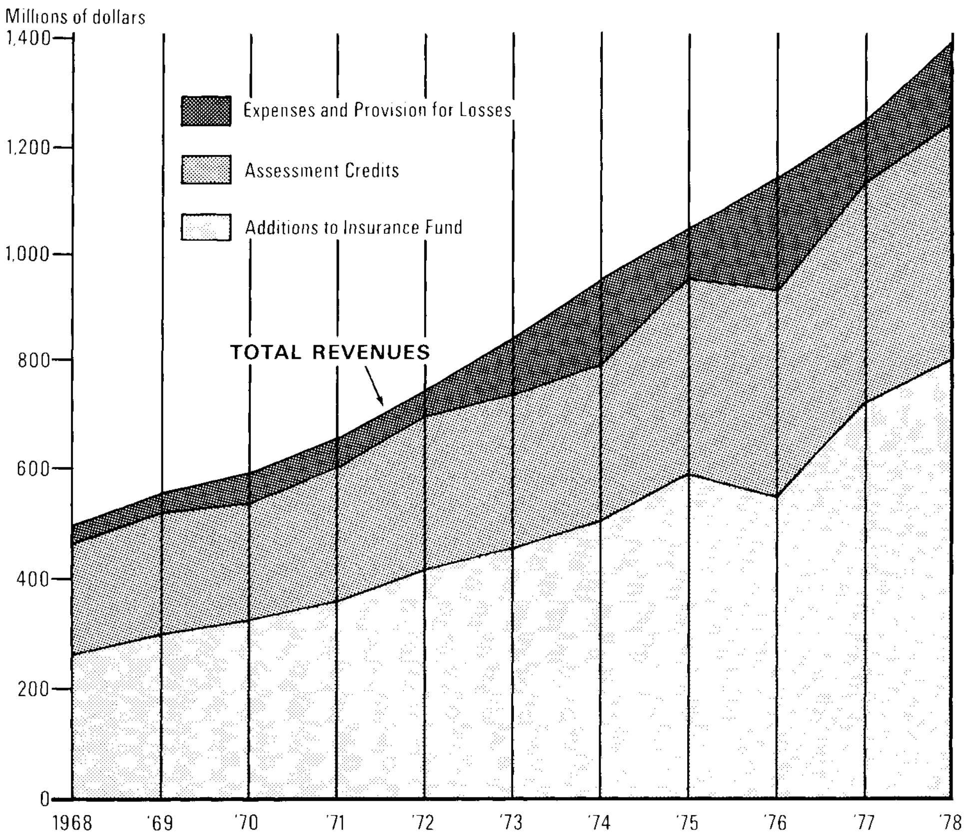
The basic assessment rate paid by insured banks has been 1/12 of one percent of total assessable deposits since 1935, but legislation enacted in 1950 in effect reduced the statutory rate of assessment by providing a credit to be applied against gross assessments levied, after subtracting the Corporation's expenses and provision for losses, each year. This credit to insured banks has been 66-2/3 percent since December 31, 1961. After allowing for the FDIC's administrative and operating expenses of $103.2 million and provision for insurance losses and expenses incurred to protect depositors of $41.9 million, the statutory credit to banks amounted to approximately $443.1 million in 1978, an increase of $ 31.5 million from the previous year. This made the net assessment paid by insured banks equal to approximately 1/26 of one percent of assessable deposits in 1978. The assessment credit for 1978, which becomes available to the insured banks on July 1, 1979, constituted 91 percent of the FDIC's liabilities at year-end.

Interest on U.S. Government securities increased by $ 73 million from year-end 1977 and the yield on cost rose from 7.15 percent to 7.55 percent. The improved yield in large part is due to the Corporation's ability to take advantage of changes in general market conditions which favorably influenced the current year's net purchases of about $1.1 billion, and to some extent is due to the replacement of a limited amount of securities with others more in line with prevailing yields. Following conventional accounting principles, the approximately $3 million loss on the sale of the low-yield issue was charged against current income.

Audits. In mid-1978, the Board of Directors adopted a resolution redefining the functions of the Office of Corporate Audits in a manner consistent with Government policies on audits of Federal operations and programs. In the past, the Office of Corporate Audits has been charged with evaluating whether the FDIC's financial, fiscal, and accounting operations are properly conducted and accurately reported. The resolution expands the Office's jurisdiction to include the determination of whether applicable laws and regulations have been complied with, resources are managed in an efficient manner, and desired results and objectives are being achieved in an effective manner.

In addition to the continuing internal audit activity, the Corporation's financial operations are audited annually by the General Accounting Office and audit results are reported to Congress. The Federal Banking Agency Audit Act (Public Law 95-320), which was enacted during 1978, authorizes the General Accounting Office to conduct periodic performance audits of the Corporation also.

APPLICATION OF REVENUES
FEDERAL DEPOSIT INSURANCE CORPORATION
1968–1978



COMPARATIVE STATEMENT
OF FINANCIAL CONDITION (In thousands)

ASSETS:

	December 31, 1978	December 31, 1977
Cash	**$ 4,343**	**$ 8,663**
U.S. Government obligations:		
Securities at amortized cost	8,210,441	7,129,055
Accrued interest	162,720	137,957
	8,373,161	**7,267,012**
Equity in assets acquired from deposit payoff cases and insured banks assisted under Section 13(e) of the FDI Act:		
Depositors' claims paid	33,980	49,764
Depositors' claims unpaid	861	900
Loans and assets purchased	940,309	1,171,083
Assets purchased outright	19,104	19,122
Notes purchased plus accrued interest	135,568	132,155
Less reserves for losses	273,949	244,741
	855,873	**1,128,283**
Equity in assets acquired from insured banks assisted under Section 13(c) of the FDI Act:		
Assets purchased outright	23,936	27,765
Notes purchased plus accrued interest	37,028	37,423
Less reserves for losses	20,700	15,400
	40,264	**49,788**
Miscellaneous assets	**2,759**	**2,370**
Land and office building, less depreciation on building	**6,283**	**6,418**
Total Assets	**$9,282,683**	**$8,462,534**

FEDERAL DEPOSIT INSURANCE CORPORATION

LIABILITIES AND THE DEPOSIT INSURANCE FUND:

	December 31, 1978	December 31, 1977
Accounts payable and accrued liabilities	**$ 4,963**	**$ 5,947**
Earnest money, escrow funds, and collections held for others	**4,893**	**12,086**
Accrued annual leave	**4,716**	**4,316**
Due insured banks:		
Net assessment income credits:		
Available July 1, 1978	0	411,947
Available July 1, 1979	443,101	0
Other	11,990	16,789
	455,091	**428,736**
Liabilities incurred in failures of insured banks:		
Notes payable plus accrued interest	16,166	17,761
Depositors' claims unpaid	861	900
	17,027	**18,661**
Total Liabilities	**486,690**	**469,746**
Deposit Insurance Fund	**8,795,993**	**7,992,788**
Total Liabilities and the Deposit Insurance Fund	**$9,282,683**	**$8,462,534**

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

	For the twelve months ended December 31, 1978	December 31, 1977
Revenues:		
Assessments earned	$ 810,532	$ 731,468
Interest on U.S. Government securities	567,042	493,990
Amortization of premiums and discounts (net)	(1,264)	9,171
Interest earned on notes receivable	11,974	14,841
Other income	7,313	442
Total	**1,395,597**	**1,249,912**
Assessment Credits, Expenses, and Losses:		
Provision for assessment credits	443,534	412,086
Administrative and operating expenses (net)	103,289	89,344
Nonrecoverable insurance expenses	5,409	3,492
Provision for insurance losses	36,532	20,827
Loss on sale of securities	3,628	0
Total	**592,392**	**525,749**
Net Income	**803,205**	**724,163**
Deposit Insurance Fund-January 1	**7,992,788**	**7,268,625**
Deposit Insurance Fund-December 31	**$8,795,993**	**$7,992,788**

COMPARATIVE STATEMENT OF CHANGES IN FINANCIAL POSITION (In thousands)

FEDERAL DEPOSIT INSURANCE CORPORATION

	For the twelve months ended December 31, 1978	December 31, 1977
Financial Resources Were Provided From:		
Operations:		
Net deposit insurance assessments	$ 366,998	$ 319,382
Interest on U.S. Government obligations	567,042	493,990
Interest on notes receivable	11,974	14,841
Other income	7,313	442
Total	**953,327**	**828,655**
Less:		
Administrative and operating expenses, net of depreciation	103,154	89,209
Nonrecoverable insurance expense	5,409	3,492
Total	**108,563**	**92,701**
Resources provided from operations	844,764	735,954
Maturity and sale of U.S. Government obligations, less, $3,628 net loss in 1978	794,469	1,369,625
Collections received on assets acquired in receivership and deposit assumption transactions, excluding $261,000 in 1977 in Franklin National Bank liquidation collections applied directly to the reduction of the F.R.B. indebtedness before F.R.B. payoff	799,248	419,095
Increase in assessment credits due banks	26,355	21,956
Decrease in cash	4,320	14,197
Total Financial Resources Provided	**$2,469,156**	**$2,560,827**
Financial Resources Were Applied To:		
Purchase of U.S. Government obligations	$1,686,705	$1,877,394
Increase (decrease) in U.S. Treasury one-day certificates	194,042	(18,000)
(Total purchases - $37,679,123 in 1978 and $32,543,000 in 1977		
Total maturities - $37,485,081 in 1978 and $32,561,000 in 1977)		
Acquisition of Assets acquired in receivership and deposit assumption transactions, excluding $19,100 in 1977 representing the increase in principal and accrued interest on the F.R.B. indebtedness and other notes payable before F.R.B. payoff	554,280	95,880
Increase in accrued interest on securities	24,763	7,844
Net change in other assets and liabilities	9,366	(10,167)
Payment of F.R.B. indebtedness:		
Principal	0	389,000
Accrued interest	0	218,876
Total Financial Resources Applied	**$2,469,156**	**$2,560,827**

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.

ACCOUNTING POLICIES

U.S. Government obligations. Securities are shown at amortized costs 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 six-month period and credited to income each month. Section 7(d) of the Federal Deposit Insurance Act states that each July 1, sixty-six and two-thirds percent of the Corporation's net assessment income from the prior calendar year be 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 six months and adjusted as required, based on the financial developments which accrue during each six-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 were made in the 1977 financial statements to conform to the presentation used in 1978.

U.S. GOVERNMENT OBLIGATIONS

Investment in securities at December 31, 1978 and 1977 was:

	(in thousands) 1978	1977
Face Value	$8,210,911	$7,119,458
Purchase Price	8,216,348	7,132,322
Market Value	7,718,383	7,073,876

RESERVE FOR LOSSES

As of December 31, 1978 and 1977 the Corporation's reserve for losses on deposit payoff cases and on banks assisted under Sections 13(c) and 13(e) of the Federal Deposit Insurance Act are as follows:

	1978	1977
Depositors' claims paid	$ 14,475,000	$ 16,032,000
Loans and assets purchased	240,763,500	210,709,400
Assets purchased outright	39,410,000	33,400,000
	$294,648,500	$260,141,400

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, 1978 and 1977 are:

	1978	1977
Clearing Bank	$ 1,000,000	$ 1,500,000
Marine National Exchange Bank of Milwaukee	1,500,000	1,500,000
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.	6,666,667	7,500,000
European-American Bancorp.	85,000,000	85,000,000
Drovers Bank of Chicago	4,000,000	–
Town-Country National Bank	250,000	–
	$132,416,667	$129,500,000

NOTES PURCHASED TO ASSIST OPERATING BANKS

The Corporation's outstanding principal on notes receivable, purchased under authority of Section 13(c) of the Federal Deposit Insurance Act, at December 31, 1978 and 1977 are:

	1978	1977
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

Notes payable. This amount represents 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 agreement. As of December 31, 1978 and 1977, FUNB's outstanding principal due on the loan totaled $6.6 million and $7.4 million, respectively.

ENFORCEMENT PROCEEDINGS
PART TWO

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

The Corporation has issued 33 termination of insurance orders since January 1971; 3 were issued in 1978. In each case, the bank was found to be in unsafe or unsound condition.

Also, a number of other termination of insurance actions have been recommended but were withdrawn by the Board of Directors because of favorable interim affirmative actions by the bank involved. As in the case of cease-and-desist actions, the threat of termination of insurance has caused many of the banks to take affirmative steps to correct deficiencies, thus eliminating the need for finalizing the actions.

Summary of cases

Bank No.

31 Deposits—$101.3 million
Notice of intention to terminate insured status issued on April 19, 1978. Bank ordered to provide acceptable management; eliminate or reduce adversely classified assets; reduce loan volume; establish a plan to control operating losses; correct violations of laws, rules, and regulations; take necessary steps to comply, where appropriate, with the Order to Cease and Desist issued on January 25, 1978 and the Letter Agreement dated June 16, 1977; adopt and follow acceptable loan and investment policies; implement a plan to provide stability and diversification to the deposit structure; discontinue cash dividends; and obtain a certain level of capital if continued insured status was desired.

32 Deposits—$3.7 million
Notice of intention to terminate insured status issued on June 9, 1978. Bank ordered to provide acceptable management; eliminate or reduce adversely classified assets; reduce overdue loans; correct violations of laws, rules, regulations, and loan documentation exceptions; discontinue cash dividends; and obtain a certain level of capital if continued insured status was desired.

33 Deposits—$30.8 million
Notice of intention to terminate insured status issued on September 15,1978. Bank ordered to provide acceptable management; eliminate or reduce adversely classified assets; obtain current credit and other supporting documentation for all existing loans; eliminate all concentrations of credit; eliminate without loss or liability to the bank all overdrafts and prohibit future overdrafts to directors, officers, and employees, or their interests; adopt and follow acceptable loan policies; adopt an acceptable audit program; correct internal routine and control deficiencies; correct 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 137 cease-and-desist orders since January 1971; 32 were issued in 1978. In addition, 18 temporary cease-and-desist orders have been issued, including 5 in 1978. In each case, the bank was ordered to cease and desist from unsafe or unsound practices and to take affirmative action to correct conditions. Several such actions are now in various stages of processing.

In addition, a number of other cease-and-desist proceedings were terminated when the banks involved, in response to a threatened cease-and-desist order, took affirmative steps to correct the problems.

In four other cases, one in 1978, formal written agreements between banks and the Corporation were ratified by the FDIC Board of Directors. Noncompliance with these formal written agreements can result in a cease-and-desist action.

Summary of cases

Bank No.

106 Deposits—$18.0 million
Consent cease-and-desist order entered on January 25, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management; reduction of adversely classified assets; adoption of acceptable loan policies; limitations on credit to any person or concern, including any person related to such person or concern; and credit to or for the

benefit of two or more unrelated obligors where repayment is based upon the assets or revenue derived from the same source; compliance with laws, rules, and regulations; and elimination of loan documentation deficiencies.

107 Deposits—$7.8 million
Consent cease-and-desist order entered on January 25, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management; reduction of adversely classified assets and overdue loans; adoption of acceptable loan and investment policies; compliance with laws, rules, and regulations; disclosures and restrictions relating to a credit life insurance agency operated on bank premises by insiders; and discontinuance of cash dividends.

108 Deposits—$3.4 million
Consent cease-and-desist order entered on January 25, 1978 to replace a temporary order to cease and desist. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management; reduction of adverse classifications; adoption of written lending policies; collection of outstanding and limitations on future out-of-area loans; limitations on credits to insiders or for the benefit of two or more obligors where payment is based on the assets of or revenue derived from the same source; elimination of loan documentation deficiencies; prohibition of repurchase of participations sold without recourse; recording on the books any liability for repurchase agreements outstanding; adopting a schedule for the periodic balancing of all general ledger accounts; correction of all violations of laws and regulations; injection of new capital; review of and restrictions on all compensation to, and expense allowance of, directors and officers; review of income and expense statements monthly; maintenance of adequate records for Federal and State income taxes; disclosures and restrictions relating to a credit life insurance agency operated on bank premises by insiders; restrictions on payment of cash dividends; compliance with a separate letter agreement between the bank and the chartering authority; and efforts to collect loans made to or related to control owners and prohibition of any new credit to these individuals.

109 Deposits—$102.5 million
Consent cease-and-desist order entered on January 25, 1978 to replace a temporary order to cease and desist. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to 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.

110 Deposits—$20.1 million
Consent cease-and-desist order entered on March 14, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to compliance with laws and regulations relating to consumer protection, financial recordkeeping and reporting, and bank protection.

111 Deposits—$24.8 million
Consent cease-and-desist order entered on March 14, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management; reduction of adversely classified assets; adoption of acceptable loan policies; restrictions on new loans to certain insiders; internal control procedures; injection of new capital; and discontinuance of cash dividends.

112 Deposits—$526.0 million
Consent cease-and-desist order entered on March 14, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management; reduction of adversely classified assets and delinquent loans; injection of new capital; adoption of acceptable loan policies; elimination of loan documentation deficiencies; and discontinuance of cash dividends.

113 Deposits—$12.2 million
Consent cease-and-desist order entered on April 7, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative

action with respect to acceptable management; reduction of adversely classified assets; compliance with laws, rules, and regulations; reduction of loan volume and overdue loans; adoption of acceptable loan policies; increasing and maintaining capital at a specified relationship to assets; provision for adequate liquidity; and internal control procedures.

114 Deposits—$109.7 million
Consent cease-and-desist order entered on April 7, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to compliance with consumer protection laws and regulations pertaining to bank protection and real estate settlement procedures.

115 Deposits—$3.5 million
Consent cease-and-desist order entered on April 19, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management; reduction of adversely classified and special mentioned assets and loan volume; adoption of acceptable loan and investment policies; compliance with laws, rules, and regulations; provisions for increasing capital; discontinuance of cash dividends; procurement of fidelity insurance; and disclosures and restrictions related to the sale of credit life insurance or any other type of insurance written by bank personnel or written on bank premises incidental to bank loans.

116 Deposits—$12.4 million
Notice of charges issued on April 19, 1978 and consent cease-and-desist order entered on May 5, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management; increasing capital; reduction of adversely classified assets and overdue loans; limitations on credit to directors, officers, their affiliates and interests, or any two unrelated directors, officers, their affiliates and interests where payment is based upon the assets of or derived from the same source; adoption of acceptable loan policies; compliance with laws, rules, and regulations; restrictions on credit to out-of-trade-area borrowers and/or loans secured by collateral located out of trade area; elimination of loans secured by certain bank stocks and loans made for the purpose of facilitating the carrying of investment in such bank stocks; and elimination of loan documentation deficiencies.

117 Deposits—$1.6 million
Notice of charges issued on April 19, 1978 and consent cease-and-desist order entered on June 9, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management; reduction of adversely classified assets and loan volume; adoption of acceptable loan policies; limitations of credit to any person or concern, including any person who controls, is controlled by or under common control with such person or concern, or any two or more unrelated obligors where payment is based upon the assets of or revenue derived from the same source; prohibition of extensions of credit to out-of-trade-area borrowers and brokered deposits with tie-in loans; elimination of loan documentation deficiencies; compliance with laws, rules, and regulations; internal control procedures; and discontinuance of cash dividends.

118 Deposits—$7.1 million
Consent cease-and-desist order entered on April 25, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management; reduction of adversely classified assets and overdue loans; adoption of acceptable loan policies; compliance with laws, rules, and regulations; elimination of loan documentation deficiencies; discontinuance of cash dividends; increasing capital; internal control procedures; obtaining shareholder and board of director approval of the conduct of an insider related insurance business on bank premises and assurance from the bank's insurer that such operations will not adversely affect blanket bond coverage; and review of the structure for salaries of officers, directors, and employees.

119 Deposits—$7.3 million
Notice of charges issued on May 19, 1978 and consent cease-and-desist order entered September 6, 1978.

Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management; reduction of adversely classified assets and a concentration of credit; adoption of acceptable loan policies; compliance with laws, rules, and regulations; provisions for increasing capital; restrictions on payment of cash dividends; and disclosures and restrictions relating to a credit life insurance agency operated on bank premises.

120 Deposits—$7.8 million
Consent cease-and-desist order entered on May 24, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management; reductions of adversely classified assets and loan volume; repurchasing adversely classified assets sold to a certain bank; prohibition of the sale or purchase of any assets or services from a certain bank; adoption of acceptable loan and investment policies; compliance with laws, rules, and regulations; disclosures and restrictions relating to a credit life insurance agency operated on bank premises by insiders; and discontinuance of cash dividends.

121 Deposits—$6.1 million
Notice of charges issued on June 9, 1978 and consent cease-and-desist order entered on July 14, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management; reduction of adversely classified assets, concentrations of credit, and overdue loans; provisions for an adequate loan valuation reserve and liquidity; elimination of loan documentation deficiencies; restrictions on loans to insiders; adoption of acceptable loan and investment policies; and internal control procedures.

122 Deposits—$2.7 million
Notice of charges issued on June 9, 1978 and consent cease-and-desist order entered on August 11, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management; reduction of adversely classified assets and overdue loans; provision for an adequate loan valuation reserve; maintenance of an acceptable level of capital; adoption of acceptable loan policies; and obtaining written appraisals for all criticized real estate loans.

123 Deposits—$4.2 million
Notice of charges issued on June 26, 1978 and consent cease-and-desist order entered on August 2, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management; increasing capital; compliance with laws, rules, and regulations; reduction of adversely classified assets, loan volume, and overdue loans; restriction on credit to insiders and reduction of concentrations of credit to insiders or former insiders; adoption of acceptable loan policies; restrictions on credit to out-of-trade-area borrowers and/or loans secured by collateral located out of trade area; and elimination of loan documentation deficiencies.

124 Deposits—$35.3 million
Notice of charges issued on July 14, 1978 and consent cease-and-desist order entered on September 6, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management in the trust department; elimination of estimated losses; compliance with the Corporation's Statement of Principles of Trust Department Management; maintenance of accurate and adequate files and documentation; discontinuance of investing trust funds in notes secured by junior liens on real estate; a written program for the orderly disposition of all imprudent trust investments; compliance with laws, rules, and regulations; provisions for a comprehensive outside audit of the trust department; and provisions for adequate internal audit control.

125 Deposits—$109.0 million
Notice of charges issued on July 14, 1978 and consent cease-and-desist order entered on August 11, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management; reduction of adversely classified assets; provisions for an adequate loan valuation reserve; adoption of acceptable loan policies;

elimination of loan documentation deficiencies; internal control procedures; compliance with laws, rules, and regulations; and provisions for an outside audit.

126 Deposits—$3.2 million
Notice of charges issued on August 2, 1978 and consent cease-and-desist order entered on September 6, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management; increasing capital; compliance with laws, rules, and regulations; reduction of adversely classified assets and loan volume; restrictions on credit to insiders; adoption of acceptable loan policies; provisions for an adequate loan valuation reserve; overdraft limitation; elimination of loan documentation deficiencies; and provisions for an outside audit.

127 Deposits—$3.7 million
Consent cease-and-desist order entered on August 2, 1978 to replace a temporary order to cease and desist. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to entering into any business transaction with and/or from extending direct or indirect credit of any kind to or for the benefit of the controlling shareholder and/or any person related to that person; acceptable management; reductions of adversely classified assets; adoption of acceptable loan policies; prohibition of credit to borrowers who reside out of bank's trade area; compliance with laws, rules, and regulations; and the discontinuance of cash dividends.

128 Deposits—$13.0 million
Notice of charges issued on August 11, 1978 and consent cease-and-desist order entered on September 15, 1978. Bank ordered to cease and desist from unsafe or unsound practices, and take affirmative action with respect to compliance with consumer protection laws and regulations pertaining to financial recordkeeping and reporting.

129 Deposits—$13.7 million
Notice of charges issued on September 6, 1978 and consent cease-and-desist order entered on November 8, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management; reduction of adversely classified assets and loan volume; adoption of an acceptable loan policy; elimination of loan documentation deficiencies; injection of new capital; provisions for an adequate loan valuation reserve; and discontinuance of cash dividends.

130 Deposits—$7.2 million
Notice of charges issued on September 6, 1978 and consent cease-and-desist order entered on November 17, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management; reduction of adversely classified assets and overdue loans; provision for an adequate loan valuation reserve; implementation of a reasonable repayment schedule for one type of loan; elimination of loan documentation deficiencies; adoption of acceptable loan policies; internal control procedures; compliance with laws, rules, and regulations; and reviewing the appropriateness of and providing documentation with respect to fees or compensation for services paid to any director or business interests of any officer or director.

131 Deposits—$7.4 million
Notice of charges issued on September 6, 1978 and consent cease-and-desist order entered on November 17, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management; provisions for increasing capital; adoption of acceptable investment and loan policies; reduction of adversely classified assets; provisions for an adequate loan valuation reserve; restrictions on overdrafts and adoption of an acceptable overdraft policy and extensions of credit to insiders; and compliance with laws, rules, and regulations.

132 Deposits—$12.1 million
Notice of charges issued on September 28, 1978 and consent cease-and-desist order entered on December 20, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with

respect to acceptable management; reduction of adversely classified assets and a concentration of credit; prohibition of the sale and/or purchase of assets involving indebtedness of certain persons or their interests; adoption of policies relating to excess funds sold and loans; compliance with laws, rules, and regulations; injection of new capital; disclosures and restrictions relating to a credit life insurance agency operated on bank premises by insiders; and discontinuance of cash dividends.

133 Deposits—$4.5 million
Notice of charges issued on September 28, 1978 and consent cease-and-desist order entered on December 20, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management; reduction of adversely classified assets and a concentration of credit; prohibition on the sale and/or purchase of assets involving indebtedness of certain persons or their interests; adoptions of policies relating to excess funds sold and loan policies; compliancee with laws, rules, and regulations; provisions for an adequate loan valuation reserve; adequate documentation of securities transactions; and discontinuance of cash dividends.

134 Deposits—$2.2 million
Notice of charges issued on September 28, 1978 and consent cease-and desist order entered on December 20, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management; reduction of adversely classified assets and a concentration of credit; prohibition of the sale and/or purchase of assets involving indebtedness of certain persons or their interests; compliance with laws, rules, and regulations; remuneration to an insider; adoptions of policies relating to excess funds sold and loans; injection of new capital; discontinuance of cash dividends; disclosures and restrictions relating to a credit life insurance agency operated on bank premises by an interest of insiders; and assurance that deposit balances at other banks are maintained at reasonable levels.

135 Deposits—$12.8 million
Notice of charges issued on October 12, 1978 and consent cease-and-desist order entered on December 7, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management and board membership requirements; reduction of adversely classified assets and loan volume; adoption of acceptable loan policies; overdraft and cash item restrictions to a certain corporation; restrictions and limitations on extensions of credit to any person or concern, including any person who controls, is controlled by or under common control with such person or concern, or any two or more unrelated obligors where repayment is based upon the assets of or revenue derived from the same source, and the sale of excess funds to another financial institution; compliance with laws, rules, and regulations; elimination of loan documentation deficiencies; injection of new capital; limitations and restrictions on the payment of cash dividends; provision for an adequate loan valuation reserve; policies regarding other real estate; obtaining appraisals for other real estate and reducing book values accordingly; disclosure and restrictions related to the sale of credit life insurance or any other type of insurance written by bank personnel or written on bank premises incidental to bank loans; and internal control procedures.

136 Deposits—$5.5 million
Notice of charges issued on November 8, 1978 and consent cease-and-desist order entered on December 20, 1978. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management; reduction of adversely classified assets and overdue loans; provision for an adequate loan valuation reserve; and adoption of acceptable loan policies.

137 Deposits—$5.3 million
Consent cease-and-desist order entered on November 17, 1978 to replace a temporary order to cease and desist. Bank ordered to cease and desist from unsafe or unsound practices and take affirmative action with respect to acceptable management;

reduction of adversely classified assets and overdue loans; provision for adequate liquidity; prohibition as lender to a certain corporation; prohibition of acting as lead bank in any loan, with or without guarantee, which exceeds the bank's legal lending limit; collection of or conditions under which obligations of two insiders may be continued; limitation on loan volume; adoption of acceptable loan policies; prohibition against providing compensating balances at other banks for the benefit of the bank's customers except as permitted by law and upon approval by the supervisory authorities; compliance with violations of laws and regulations; and elimination of loan documentation deficiencies.

Formal Written Agreement
Federal Deposit Insurance Act-Section 8(b)

Summary of cases

Bank No.

4 Deposits—$5.1 million
Written Agreement entered into on November 8, 1978. Bank agreed for purposes of effecting correction of unsafe or unsound practices to provide acceptable management; reduce loan volume; remove all nongovernmental out-of-trade-area rate-sensitive deposits; correct violations of laws, rules, regulations, and technical exceptions; adopt an acceptable loan policy; reduce concentrations of credit and adversely classified assets; submit a plan to increase capital and, until such time as a satisfactory capital condition is achieved, take commissions from the sale of credit life into the income of the bank; contract for an independent outside audit; and discontinue cash dividends.

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

Bank No.

14 Deposits—$3.7 million
Temporary cease-and-desist order issued on April 25, 1978. Bank was ordered to cease and desist from entering into any business transaction with and/or from extending direct or indirect credit of any kind to or for the benefit of the controlling shareholder and/or any person related to that person.

A permanent cease-and-desist order was issued on August 2, 1978.

15 Deposits—$5.3 million
Temporary cease-and-desist order issued on June 16, 1978. Bank was ordered to cease and desist from acting as lender in a proposed guaranteed extension of credit; and participating as lead bank in any loan, with or without guarantee, which exceeds the bank's legal lending limit, without prior approval from the supervisory authorities.

A permanent cease-and-desist order was issued on November 17, 1978.

16 Deposits—$12.8 million
Temporary cease-and-desist order issued on August 2, 1978. Bank was ordered to cease and desist from extending any additional credit, directly or indirectly, to or for the benefit of a director, or any payment against uncollected funds; engaging in the sale of any loan participation with recourse; and repurchasing any loan or participation sold by the bank without approval from the supervisory authorities. The order also placed certain restrictions on credit to insiders and the bank's loan volume.

The order was outstanding at year-end.

17 Deposits—$13.1 million
Temporary cease-and-desist order issued on August 4, 1978. Bank was ordered to cease and desist from engaging in any business transaction with an uninsured affiliated bank; extending credit, directly or indirectly, to or for the benefit of the controlling stockholder, his interests, or persons related to him; transacting business of the affiliate in any authorized office of the bank; and permitting any employee of the bank from serving simultaneously as an employee of the affiliate.

The order was outstanding at year-end.

18 Deposits—$103.9 million
Temporary cease-and-desist order issued on December 15, 1978. Bank was ordered to cease and desist from entering into or consummating any transaction for the sale of any bank asset, whether book or nonbook, for

any amount less than face value.

The order was outstanding at year-end.

Suspension and Prohibition Actions Federal Deposit Insurance Act-Section 8(g)

When an officer, director, or other person who participates in the management of an insured nonmember bank is charged, in an information, indictment, or complaint authorized by a U.S. Attorney, with the commission of, or participation in, a felony involving dishonesty or a breach of trust, the Corporation may suspend or prohibit the person from participating in the affairs of the bank. Suspension proceedings are initiated by the issuance of a Notice and Order of Suspension and Prohibition, which is served on the individual involved, specifies the charges, and orders the individual to be suspended from his position and prohibited from participating in the affairs of the bank. The suspension and/or prohibition remains in effect until the matter is disposed of or terminated by the FDIC. If convicted of the offense, a removal order may be issued. After the statutory authority for suspending individuals was ruled unconstitutional by a Federal district court in 1976 (*Feinberg* v. *FDIC,* 420 F. Supp. 109 (D.D.C. 1976)), the FDIC issued regulations during November 1977 to address the deficiencies found by the court. The FIRIRCA provides hearing requirements for section 8(g) actions and thus remedies the constitutional defects found by the court. Four such orders were issued in 1978 against three individuals serving as officers and/or directors of four banks.

MERGER DECISIONS OF THE CORPORATION
PART THREE

BANKS INVOLVED IN ABSORPTION APPROVED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1978

State	Town or City	Bank	Page
Alabama	Cullman	First Alabama Bank of Cullman (in organization)	102
		First State Bank of Cullman, Alabama, Inc.	102
	Rogersville	Bank of East Lauderdale (in organization; change title to East Lauderdale Banking Company)	102
		East Lauderdale Banking Company	102
California	Cloverdale	Healdsburg Branch—The First National Bank of Cloverdale	95
	Encino (Los Angeles)	First State Bank of Encino (in organization)	80
	La Jolla	La Jolla Bank & Trust Company	94
	Los Angeles (Sun Valley)	American Pacific State Bank	53
	Los Angeles	Imperial Bank	60
	North Hollywood	North Hollywood Branch—The Hongkong Bank of California	53
	Oceanside	West Coast National Bank	94
	Palo Alto	*San Jose and San Francisco Branches—Camino—California Bank	60
	San Francisco	Encino Branch—The Hongkong Bank of California	80
	Santa Rosa	Bank of Sonoma County	95
Connecticut	Hartford	Colonial Bank of Hartford	82
	New Haven	Colonial Bank of New Haven (change title to Colonial Bank)	82
	Plainville	Colonial Bank of Plainville	82
	Waterbury	Colonial Bank of Waterbury	82
Florida	Auburndale	Barnett Bank of Auburndale (change title to Barnett Bank of East Polk County)	100
	Brooksville	Hernando State Bank	100
	Cocoa	Southeast National Bank of Cocoa	100
	Collier County (P.O. Naples)	Barnett Bank of Collier County	100
	Deerfield Beach	Southeast Bank of Deerfield Beach	100
	Dunedin	Southeast National Bank of Dunedin	100
	Fort Lauderdale	Southeast Everglades Bank of Fort Lauderdale (change title to Southeast Bank of Broward)	100
		Southeast Bank of Galt Ocean Mile	100
	Haines City	The Exchange Bank of Central Florida (change title to Exchange Bank of Polk County)	100
	Hernando County (P.O. Spring Hill)	First American National Bank of Hernando County	100
	Hollywood	Southeast Bank of Hollywood Hills	100
	Indialantic	Landmark Bank of Brevard	100
	Jacksonville	Atlantic Bank of Lake Forest	100
		Atlantic Bank of Normandy	100
		Atlantic Bank of South Jacksonville	100
		Atlantic Bank of Springfield (change title to Atlantic Bank of Jacksonville)	100
		Atlantic Bank of West Jacksonville	100
		Atlantic University Bank	100

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

State	Town or City	Bank	Page
		Flagship State Bank of Arlington	100
		Flagship State Bank of Jacksonville (change title to Flagship Bank of Jacksonville)	100
		Flagship State Bank of North Jacksonville	100
		Flagship State Bank of South Jacksonville	100
	Lake Worth	First American Bank of Lake Worth, National Association	96
	Largo	Southeast First Bank of Largo (change title to Southeast Bank of Pinellas)	100
	Lauderhill	Pan American Bank of Inverrary (change title to Pan American Bank of Broward)	101
	Melbourne	Landmark Bank of Melbourne, National Association	100
		Southeast Bank of Melbourne	100
	Miami	Commercial Bank & Trust Company	68
		North Miami Branch—City National Bank of Miami	68
	Miramar	Southeast Bank of Miramar	100
	Naples	Barnett Bank of Naples	100
	North Palm Beach	First American Bank of North Palm Beach (change title to First American Bank of Palm Beach County)	96
	Oakland Park	Pan American Bank of Broward County, National Association	101
	Orlando	Flagship Bank of Orlando	101
		Flagship Bank of West Orlando, National Association	101
	Pensacola	The Bank of West Florida	90
		The West Pensacola Bank (change title to The West Florida Bank)	90
	Pinellas Park	Southeast Bank of Pinellas Park	100
	Sanford	Flagship U.S. Bank of Seminole	100
		Flagship Bank of Sanford (change title to Flagship Bank of Seminole)	100
	Satellite Beach	Southeast First National Bank of Satellite Beach	100
	South Pasadena	Southeast National Bank of St. Petersburg	100
	Tallahassee	Flagship American Bank of Tallahassee	101
		Flagship Peoples Bank of Tallahassee	101
		The Gulf National Bank	100
		The Lewis State Bank	100
	Titusville	Southeast Bank of Titusville (change title to Southeast Bank of Brevard)	100
	Winter Haven	Barnett Bank of East Polk County, National Association	100
		The Exchange National Bank of Winter Haven	100
Georgia	Dalton	Hardwick Bank & Trust Company	56
		Normandy Carpets Employees' Credit Union	56
	Columbus	CB&T Second Mortgage Company (in organization)	102
		Columbus Bank and Trust Company	102
	Griffin	CBT-Interim, Inc. (in organization)	102
		Commercial Bank & Trust Company	102
	Montezuma	The Citizens Bank of Montezuma (change title to The Bank of Macon County)	54
	Oglethorpe	Bank of Oglethorpe	54

State	Town or City	Bank	Page
	Valdosta	Investors of Georgia, Inc.	56
		The Park Avenue Bank	56
Illinois	Arlington Heights	*North Point State Bank	98
		The Bank & Trust Company of Arlington Heights	98
	Chicago	Drovers Bank of Chicago (in organization)	54
		*The Drovers' National Bank of Chicago	54
Indiana	Cross Plains	The Cross Plains State Bank	57
	East Enterprise	East Enterprise State Bank	85
	New Albany	American Bank	63
		Floyd County Bank	63
	Versailles	Bank of Versailles	57
	Vevay	Vevay Deposit Bank	85
Kentucky	Cynthiana	Harrison State Bank Company (in organization)	102
		The Harrison Deposit Bank and Trust Company	102
Maine	Bangor	Depositors Trust Company of Bangor (change title to Depositors Trust Company of Eastern Maine)	98
	Ellsworth	The Liberty National Bank in Ellsworth	98
	Gardiner	Gardiner Savings Institution	86
	Hallowell	Hallowell Savings and Loan Association	86
	Portland	Depositors Trust Company of Portland (change title to Depositors Trust Company of Southern Maine)	99
	Springvale	Springvale National Bank	99
Maryland	Baltimore	The Equitable Trust Company	83
	Hancock	Blue Ridge Trust Company (in organization; change title to The Peoples National Bank of Hancock)	102
		The Peoples National Bank of Hancock	102
	Hyattsville	Suburban Trust Company	75
	Potomac	Free State Bank and Trust Company	75
	Salisbury	Truckers and Savings Bank	83
	Silver Spring	American Bank of Maryland (change title to First American Bank of Maryland	87
	Towson	Chesapeake National Bank	87
Michigan	Brighton	BSB Bank (in organization)	102
		The Brighton State Bank	102
	Frankenmuth	Frankenmuth Bank & Trust	88
	Hartford	VB State Bank (in organization; change title to Van Buren State Bank)	102
		Van Buren State Bank	102
	Merrill	The Farmers and Merchants State Bank of Merrill	88
	Newport	Newport Bank (in organization; change title to The Newport State Bank)	102
		The Newport State Bank	102
Missouri	Hawk Point	Peoples Bank of Hawk Point (change title to Peoples Bank of Lincoln County)	91
	Troy	Citizens Bank of Troy	91

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

State	Town or City	Bank	Page
New Jersey	Atlantic City	Guarantee Bank	69
	Clifton	Phillipsburg and Pohatcong Branches—New Jersey Bank (National Association)	64
	Delran Township (P.O. Delran)	Bank of West Jersey	97
	Moorestown	Burlington County Trust Company	97
	Swedesboro	Swedesboro Trust Company	69
	Raritan Township (P.O. Flemington)	The Town & Country Bank	64
New York	Albany	Albany Savings Bank	71
	Attica	The Citizens Bank	81
	Buffalo	Erie Federal Savings and Loan Association	58
	Le Roy	The Bank of Le Roy (change title to Genesee Country Bank)	81
	New York (Manhattan)	East River Savings Bank	58
		The New York Bank for Savings	84
	Oneida	Oneida Federal Savings and Loan Association	71
	Port Jervis	First Chartered Savings and Loan Association	84
North Carolina	Fayetteville	The Cumberland Bank	81
	Jacksonville	Morehead Plaza Branch—Bank of North Carolina, National Association	79
	Morehead City	County Bank & Trust Company (in organization)	79
	Rocky Mount	Peoples Bank & Trust Company	81
Ohio	Harpster	The Harpster Bank	65
	Union Township (P.O. Morristown)	F. S. B. C. State Bank (in organization; change title to The Eastern Ohio Bank)	102
		The Eastern Ohio Bank	102
	Upper Sandusky	The Commercial Savings Bank	65
Oregon	Coos Bay	Western Bank	89
	Lincoln City	Lincoln Bank	67
	McMinnville	Yamhill County Bank	67
	Medford	Crater National Bank	89
Pennsylvania	Abbottstown	Abbottstown State Bank	73
	Bedford	The First National Bank in Bedford	60
	Brockway	Brockway Citizens Bank	72
	Brookville	Brookville Bank and Trust Company	72
	Hanover	Farmers Bank and Trust Company of Hanover	73
	Hawley	The First National Bank of Hawley	76
	Johnstown	Johnstown Bank and Trust Company	60
	Scranton	West Side Bank (change title to First State Bank)	76
South Dakota	Morristown	First Security Bank	93
	Watertown	Farmers and Merchants Bank and Trust of Watertown	93

State	Town or City	Bank	Page
Texas	Austin	900 Congress State Bank (in organization; change title to Texas State Bank)	102
		Texas State Bank	102
	Clifton	Clifton Bank	102
		New Clifton State Bank (in organization)	102
	Dallas	Greenville Avenue Bank & Trust	102
		Walnut Hill & Greenville Bank (in organization; change title to Greenville Avenue Bank and Trust)	102
	Fort Worth	Bank of Fort Worth	102
		Camp Bowie Bank (in organization; change title to Ridglen Bank)	102
		New Bank of Fort Worth (in organization; change title to Bank of Fort Worth)	102
		Ridglen Bank	102
	Houston	Allied Champions Bank (in organization)	102
		Champions Bank	102
		East Freeway State Bank (in organization; change title to First State Bank and Trust Company of Houston)	102
		First State Bank and Trust Company of Houston	102
		Main Bank of Houston	102
		New Main Bank of Houston (in organization)	102
	Lewisville	Lewisville State Bank	102
		New Lewisville State Bank (in organization)	102
Utah	Helper	The Helper State Bank	67
	Kamas	Kamas State Bank	77
	Logan	Commercial Security Bank of Logan	70
	Ogden	Commercial Security Bank	67
		Citizens National Bank (change title to The Citizens Bank)	77
	Salt Lake County (P.O. Salt Lake City)	Commercial Security Bank of Salt Lake	55
Virginia	Herndon	Arlington Trust Company, Incorporated (change title to First American Bank of Virginia)	59
	McLean	Clarendon Bank & Trust	59
	Springfield	Alexandria National Bank of Northern Virginia	59
Other Areas			
Puerto Rico	Mayaguez	Banco Comercial de Mayaguez	78
	Ponce	*Banco Credito y Ahorro Ponceno	62
	San Juan (P.O. Hato Rey)	*Banco de Ahorro de Puerto Rico	78
	San Juan	Banco de Santander-Puerto Rico	62
		Banco Popular de Puerto Rico	62

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

BANKS INVOLVED IN ABSORPTIONS DENIED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1978

State	Town or City	Bank	Page
Indiana	Edinburg	The Edinburg State Bank	103
	Franklin	Franklin Bank and Trust Company	103
Mississippi	Magnolia	Southwest Mississippi Bank (change title to First Bank of Southwest Mississippi)	105
	McComb	Bank of McComb	105
New Jersey	Linwood	The Mainland Bank	107
	Westmont	First Peoples Bank of New Jersey	107

BANK ABSORPTIONS APPROVED BY THE CORPORATION

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
American Pacific State Bank Los Angeles (Sun Valley), California	16,584	1	2
to acquire assets and assume deposit liabilities of			
North Hollywood Branch— The Hongkong Bank of California North Hollywood	3,372*	1	

*Total deposits of office to be transferred by the Hongkong Bank of California. Assets not reported by office.

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,
January 11, 1978

American Pacific State Bank, Los Angeles, California ("American"), a State nonmember insured bank with total resources of $16,584,000 and IPC deposits of $12,279,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the FDIC's prior consent to acquire a portion of the assets of and assume liability to pay a portion of the deposits made in The Hongkong Bank of California, San Francisco, California ("Hongkong"), and to establish the North Hollywood Branch (total deposits $3,372,000) of the latter as a branch of American, increasing the number of its offices to two.

Competition. American operates its sole office in Sun Valley, a section of the city of Los Angeles located approximately 15 miles northwest of the downtown area.

Hongkong operates nine offices with its head office and one branch in San Francisco, five branches in Los Angeles County, one branch in Sacramento, and one in Agana, Guam. Hongkong has indicated its intention to confine its operations to major financial and foreign trade centers and to reduce its retail business, and the disposition of its North Hollywood Branch is a part of this retrenching program.

The proposed transaction would have its most direct and immediate effects in the trade area of Hongkong's North Hollywood Branch. This branch is located approximately 11 miles northwest of downtown Los Angeles in a section of the city known locally as North Hollywood (estimated population 93,000). The area is primarily a "bedroom" community with economic activity limited to retail and service type businesses. In this local area, five banks maintain seven offices holding aggregate IPC deposits of $198,368,000. Hongkong holds the smallest share ($2,946,000), a nominal 1.5 percent of IPC deposits. American is not represented in the trade area. Following the proposed transaction, American would acquire Hongkong's small share of these deposits.

Hongkong's North Hollywood Branch is located approximately 4 road-miles southwest of American's sole office. Both banks are located in the Los Angeles metropolitan area which can be approximated by Los Angeles County. Within Los Angeles County, American ranks as the 64th largest commercial banking organization and has a 0.04-percent share of the countywide IPC deposits. Hongkong ranks 31st with a 0.16-percent share. Although some existing competition between the two banks would be eliminated by the proposed transaction, the addition of Hongkong's deposits to American's totals would constitute a *de minimus* addition to existing concentration levels within the county and would not perceptibly affect its commercial banking structure.

As California law provides for statewide branching, American could enter the trade area through *de novo* branching, although expansion into this area dominated by other banks is not anticipated. Hongkong is retrenching and is not likely to expand its operations in the area through *de novo* branching.

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. American has satisfactory financial and managerial resources and the proposed transaction should have no adverse effect on these resources. Its future prospects appear favorable.

Convenience and Needs of the Community to be Served. American will not offer the trust and international services presently offered by Hongkong, and American's lending limits are lower. The effect on convenience and needs is not considered meaningful, however, as the two largest banks in the State serve the area and can provide these services to the small segment of the population within the community of Sun Valley who require them. American will offer more aggressive retail services in this 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
Drovers Bank of Chicago (in organization) Chicago, Illinois	12,127	0	1
to purchase certain assets and assume the deposit liabilities of			
The Drovers' National Bank of Chicago Chicago	260,275	1	

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

Basis for Corporation approval, January 19, 1978

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance on behalf of Drovers Bank of Chicago, Chicago, Illinois, a newly chartered State nonmember bank having $12,126,501 in capital, and for consent to its purchase of certain assets of and assumption of liability to pay deposits made in The Drovers' National Bank of Chicago, Chicago, Illinois, with total resources of $260,275,000 as of June 30, 1977.

As of January 19, 1978, The Drovers' National Bank of Chicago had deposit and other liabilities of some $233,100,000 and operated one office. On January 19, 1978, the Federal Deposit Insurance Corporation was appointed as Receiver of The Drovers' National Bank of Chicago.

The Board of Directors finds that the failure of The Drovers' National Bank of Chicago requires it to act immediately and thus waives publication 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 Citizens Bank of Montezuma Montezuma, Georgia (change title to The Bank of Macon County)	13,729	1	2
to consolidate with			
Bank of Oglethorpe Oglethorpe	8,831	1	

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, January 25, 1978

The Citizens Bank of Montezuma, Montezuma, Georgia ("Citizens Bank"), an insured State nonmember bank with total resources of $13,729,000 and total IPC deposits of $10,022,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to consolidate with the Bank of Oglethorpe, Oglethorpe, Georgia ("Oglethorpe Bank"), an insured State nonmember bank with total resources of $8,831,000 and total IPC deposits of $7,267,000, under a new charter with the title "The Bank of Macon County." Oglethorpe Bank's sole office would become the only branch of the resultant bank.

Competition. The two banks are located in cities situated about 2 miles apart in Macon County which is in south-central Georgia. The county had a 1970 population of 12,933 which represented a 1.8-percent decline from the 1960 figure. In this very sparsely populated agricultural area, the banking market most relevant to an evaluation of this proposed transaction would, in our opinion, be an area within a radius of approximately 20 road-miles of Montezuma and Oglethorpe. This would include all of Macon County and adjoining portions of Sumter, Schley, Taylor, Crawford, Peach, Houston, and Dooly Counties. This area is primarily rural with an economy predicated chiefly upon agriculture. The city of Americus, with a 1970 population of 16,091, is located

17 road-miles southwest of Oglethorpe and serves as the area's economic center. Americus and the city of Perry, which had a 1970 population of 7,771 and is about 20 road-miles northeast of Montezuma, provide the major sources of nonfarm employment and shopping convenience to local residents. The relevant market, with the exception of Americus and Perry, has experienced a moderate decline in population. Its median household buying level is substantially below the 1976 state median.

Some direct competition would be eliminated by this proposal. The competitive effect of the transaction, however, is regarded as insignificant in light of the number of alternative sources of commercial banking services available. Of the 18 banks operating 22 banking offices in the relevant area, the proponents rank 6th and 12th in percentage of total deposits held. The resultant bank would hold merely 10.2 percent of such deposits and would rank third. It appears that a competitive banking climate would continue and no significant adverse competitive effects would accrue as a result of the proposed consolidation.*

Under Georgia's statutes, each bank may branch within Macon County, and as a result, the prospect of increased competition between the proponents by their *de novo* expansion would be eliminated by the proposal. In light of the low population density, below average economic indices (such as median household buying levels), and the current employment and shopping commutation patterns, however, such expansion does not appear to be likely.

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, and the resultant bank would have favorable future prospects.

Convenience and Needs of the Community to be Served. The proposed consolidation would not substantially change the services now available to customers of either bank, except that the resultant bank would have an increased lending limit.

*Principals of Citizens Bank acquired effective stock control of Oglethorpe Bank on June 27, 1977. 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.

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
Commercial Security Bank Ogden, Utah	323,987	15	17
to merge with **Commercial Security Bank of Salt Lake** Salt Lake County (P.O. Salt Lake City)	20,865	2	

Summary report by Attorney General, November 15, 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, January 25, 1978

Commercial Security Bank, Ogden, Utah ("Applicant"), an insured State nonmember bank with total resources of$323,987,000 and total IPC deposits of $238,877,000, 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 Security Bank of Salt Lake, Salt Lake County (P.O. Salt Lake City), Utah ("Other Bank"), an insured State nonmember bank with total resources of $20,865,000 and total IPC deposits of $14,956,000. The banks would merge under the charter and title of Applicant, and incident to the transaction, the 2 offices of Other Bank would be established as branches of the resulting bank bringing the total number of its offices to 17.

Competition. Essentially a corporate reorganization, the proposal would provide a means by which Commercial Security Bancorporation, Ogden, Utah, a registered bank holding company, may consolidate most of its operations. The proponents have been under common control since 1974. The proposed merger would not affect the structure of commercial banking or the concentration of banking resources within any relevant market.

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, 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. The financial and managerial resources of the resultant bank would be satisfactory and its future prospects appear favorable.

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
Hardwick Bank & Trust Company Dalton, Georgia	49,972	4	4
to purchase the assets and assume the liabilities of **Normandy Carpets Employees' Credit Union** Dalton	99		

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

Basis for Corporation approval,
February 16, 1978

Pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, Hardwick Bank & Trust Company, Dalton, Georgia, a State nonmember insured bank with total resources of $49,972,000 and total IPC deposits of $41,468,000, has applied for the Corporation's prior consent to purchase the assets and assume the liabilities of Normandy Carpets Employees' Credit Union, Dalton, Georgia ("Credit Union"), a State-chartered, noninsured financial institution with total resources of $99,000 and liabilities of $91,000.

The Board of Directors finds that the fact that the Georgia Department of Banking and Finance has taken possession as receiver of Credit Union requires it to act immediately and thus waives publication of notice and 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 Park Avenue Bank Valdosta, Georgia	11,237	2	2
to merge with **Investors of Georgia, Inc.** Valdosta	271		

Summary report by Attorney General,
November 30, 1977

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

Basis for Corporation approval,
February 16, 1978

The Park Avenue Bank, Valdosta, Georgia ("Park Bank"), an insured State nonmember bank with total resources of$11,237,000 and total IPC deposits of $8,734,000, 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 Investors of Georgia, Inc., Valdosta, Georgia ("Company"), a noninsured financial company with total resources of $271,000 (as of November 14, 1977). Park Bank presently operates one branch in the city of Valdosta. Company occupies office space at Park Bank's main office, and no additional offices are involved in the proposed merger.

Competition. Both institutions operate in Lowndes County, Georgia, which borders on the State of Florida. The county, which had a 1970 population of 55,112, is primarily rural with an economy predicated chiefly upon agriculture. The city of Valdosta, (1970 population 32,303) serves as the county seat and the area's economic center. Six banking organizations operated a total of 14 banking offices in the county. The local banking market is dominated by three offices of the State's largest banking organization, which holds 37.8 percent of the county's IPC deposits. Park Bank holds 7.3 percent of such deposits and ranks fourth in the county by that measure. The proposed transaction will have no effect upon these percentages and is not regarded as having any significant effect upon competition in Lowndes County.

Due to the asset structure and nature of Company, and the fact that it was established by the principal shareholders of Park Bank, it is doubtful that direct competition with Park Bank has ever existed. As Company is phasing down its activities with a view toward possible dissolution, the potential for future competition is nonexistent and not regarded as material to the consideration of the proposed transaction.

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 institutions have adequate financial and managerial resources for the purpose of this proposal. With the contemplated increase in capital, the resultant bank would have favorable future prospects.

Convenience and Needs of the Community to be Served. The proposed merger would have no material effect on services now available to customers in the service area. Considerations of convenience and needs of the community are consistent with approval of the application.

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 Versailles Versailles, Indiana	7,257	2	3
to merge with **The Cross Plains State Bank** Cross Plains	1,957	1	

Summary report by Attorney General, September 14, 1977

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

Basis for Corporation approval, February 16, 1978

Bank of Versailles, Versailles, Indiana, a State nonmember insured bank, with total resources of $7,257,000 and total IPC deposits of $5,602,000, 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 Cross Plains State Bank, Cross Plains, Indiana ("State Bank"), a State nonmember insured bank with total resources of $1,957,000 and total IPC deposits of $1,510,000. Incident to the transaction, the sole office of State Bank would be established as a branch of the resultant bank.

Competition. The proponents are located in Ripley County, which is in southeastern Indiana. Bank of Versailles operates a main office and a branch in Versailles (1970 population 1,120), the county seat, approximately 10 road-miles northwest of Cross Plains where State Bank maintains its sole office. Ripley County (1970 population 21,138) is rural with an economy predicated chiefly upon agricultural activities. The southern portions of the county experienced a population decline in the period 1960 to 1970 with the town of Versailles recording a 12-percent loss. The county ranks substantially below the 1976 State median household buying level.

Of the 8 commercial banks operating 11 offices in Ripley County, Bank of Versailles and State Bank are the smallest 2, holding 5.0 percent and 1.3 percent of the county's IPC deposits, respectively. The resultant bank would hold 6.3 percent of such deposits and continue to rank as the county's smallest commercial bank in IPC deposit holdings. It would appear that the structure of commercial banking in Ripley County would not be significantly effected by the proposed transaction.*

Under Indiana statutes, banks headquartered in Ripley County may branch *de novo* and merge only within the confines of the county, subject to home office protection. In light of the limited scope of operation of the proponents and the limited number of towns in the county which are not already served by a home office or branch of an established bank, *de novo* branching appears an unlikely vehicle for increased future competition between these two banks.

The primary trade area most affected by the proposed transaction would be the area within a 10-mile radius of Cross Plains, including the southern portion of Ripley County and adjoining portions of Dearborn, Ohio, Switzerland, and Jefferson Counties. The population of the area is approximately 8,700. A total of four commercial banks operate five offices in the area with the proponents ranking third and fourth in percentage of IPC deposits held. The resultant bank would hold 30.3 percent of such deposits

*On May 23, 1977, Mr. John House, principal stockholder of the Bank of Versailles, purchased effective stock control of State Bank. In December, 1977, effective stock control of both proponents was sold to Frank L. Farrar. 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.

and remain the smallest competitor in the trade area. Due to the depressed economic situation and relatively small market area, the slight increase in concentration that will result from this merger is not competitively significant.

A number of alternate sources of commercial banking services are available in the nearby urban areas of Madison and Lawrenceburg-Aurora, where a number of the trade area's residents commute for shopping alternatives and nonfarm employment. It would appear that a competitive banking climate would continue in the market and that no significant adverse competitive effect would accrue as a result of the proposed transaction.

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. The considerations relating to financial and managerial resources of each institution have been satisfactorily resolved. The resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served: The proposed merger would result in no substantial change in the services now available to customers of either bank. Considerations of convenience and needs of the community are consistent with approval of the application.

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
East River Savings Bank New York (Manhattan), New York	1,495,334	13	17
to merge with **Erie Federal Savings and Loan Association** Buffalo	57,384	4	

Summary report by Attorney General, January 4, 1977

The closest offices of Applicant and Erie are 450 miles apart, and according to the application, each has an insignificant number of accounts originating from the area served by the other. The proposed transaction, therefore, would not eliminate any significant existing competition. Erie holds the seventh largest share (1.2 percent) of deposits held by the 10 thrift institutions presently operating in Erie County (three savings banks, which hold approximately .91 percent of Erie County thrift institutions deposits, and four savings and loan associations).

In view of Erie's size and position among Erie County thrift institutions, Applicant's entry into Buffalo by means of the proposed acquisition would not have an adverse effect upon competition.

Basis for Corporation approval, February 24, 1978

East River Savings Bank, New York (Manhattan), New York ("Savings Bank"), an insured mutual savings bank with total resources of $1,495,334,000 and total deposits of $1,391,594,000, 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 Erie Federal Savings and Loan Association, Buffalo, New York ("Association"), a federally insured savings and loan association with total resources of $57,384,000 and total deposits of $51,357,000. Incident to the merger, the 4 offices of Association would become branches of the resultant bank, increasing to 17 the number of its offices.

Competition. The market most affected by the proposed transaction would be Erie County, New York, where Association operates its head office and three branches. Erie County (1970 population 1,113,491) is located in the northwestern portion of New York State adjacent to the Canadian border. Buffalo (1970 population 462,768) is the area's largest city and chief economic center and is regarded as a regional center for wholesale, retail, and foreign trade. While the city of Buffalo has sustained a decrease in population in the period 1960 to 1970 and ranks below the 1976 State median household buying level, the surrounding area of Erie County has shown a reversal of those trends. Erie County has a stable, diversified economic base predicated upon heavy industry, manufacturing, transportation, service, and retail business.

The Erie County thrift institution market contains 3 mutual savings banks and 7 savings and loan associations operating a total of 60 banking offices. Association is the seventh largest of these institutions, holding 1.3 percent of the county's thrift institution deposits.

The primary service area of Savings Bank consists of the New York City - Long Island metropolitan market which is located in the extreme southeastern portion of New York State. The trade areas of the two proponents are regarded as separate and distinct, with a distance of more than 400 miles separating their nearest offices. It is evident that there is no significant existing competition between the two institutions which would be eliminated by their merger.

Any possibility that competition may develop between the proponents through *de novo* branching appears remote. The modest size of Association would seem to preclude its entry into the distant, intensively competitive metropolitan New York City market. Savings Bank, governed by a State statute limiting its *de novo* expansion to one such office each year, would likely prefer entry into an area less distant than the Buffalo market.

Under the 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 each institution, and of the resulting bank, are considered satisfactory. With the contemplated addition of subordinated debentures to the surplus, the future prospects of the resulting bank are favorable.

Convenience and Needs of the Community to be Served. Savings Bank's entry into the Buffalo market would make available certain services not now offered by Association. Considerations of convenience and needs of the community to be served are consistent with approval of the application.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Arlington Trust Company, Incorporated Herndon, Virginia (change title to First American Bank of Virginia)	276,603	15	43
to merge with **Clarendon Bank & Trust** McLean	248,595	16	
and **Alexandria National Bank of Northern Virginia** Springfield	148,222	12	

Summary report by Attorney General,
December 20, 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,
February 24, 1978

Arlington Trust Company, Incorporated, Herndon, Virginia ("Arlington Trust"), an insured State nonmember bank with total resources of$276,603,000 and total IPC deposits of $209,248,000, has filed an application pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, seeking the Corporation's prior written approval to merge with Clarendon Bank & Trust, McLean, Virginia ("Clarendon Bank"), with total resources of $248,595,000 and total IPC deposits of $204,137,000, and Alexandria National Bank of Northern Virginia, Springfield, Virginia ("Alexandria National"), with total resources of $148,222,000 and total IPC deposits of $126,991,000. The resultant bank will operate under the charter of Arlington Trust and with the title First American Bank of Virginia. The 17 offices of Clarendon Bank (including 1 approved but unopened branch) and 12 offices of Alexandria National would be established as branches of the resultant bank, and incident to the merger, the main office location would be redesignated to the present main office site of Clarendon Bank. The resultant bank would commence operations with a total of 44 offices.

Competition. All three banks are controlled by Financial General Bankshares, Inc., Washington, D.C. This holding company is the eighth largest commercial banking organization in Virginia, controlling eight commercial banks whose total deposits aggregate $773,670,000, or 5.0 percent of the State's total commercial bank deposits. The sole purpose of the proposed merger is to enable Financial General Bankshares, Inc. to consolidate its operations in Northern Virginia. The proposed merger is essentially a corporate reorganization and would not affect the structure of commercial banking or the concentration of banking resources in any relevant market area.

Under those 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. Each of the three proponents has adequate financial and managerial resources for the business they conduct, as would the resultant bank. The future prospects of the resultant bank are favorable.

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

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Imperial Bank Los Angeles, California	315,854	13	15
to purchase certain assets and assume the deposit liabilities of			
San Jose and San Francisco Branches—Camino—California Bank Palo Alto	10,386*	2	

*Total IPC deposits of two branches of Camino—California Bank to be acquired by Imperial Bank. Assets not reported by office.

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

Basis for Corporation approval, March 10, 1978

Pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, Imperial Bank, Los Angeles, California, an insured State nonmember bank with total resources of$315,854,000 and total IPC deposits of $246,176,000, has applied for the Corporation's prior consent to purchase certain assets and assume the liability to pay deposits made in two branches of Camino — California Bank, Palo Alto, California ("Camino Bank"), also an insured State nonmember bank, with total resources of $22,111,000 and total IPC deposits of $17,267,000. The San Jose and the San Francisco branches (total IPC deposits of $10,386,000) of Camino Bank would be established as branches of Imperial Bank under the terms of the proposed transaction.

The Board of Directors finds that the probability of imminent failure of the Camino Bank requires it to act immediately and thus waives publication of notice and 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
Johnstown Bank and Trust Company Johnstown, Pennsylvania	149,748	16	20
to merge with			
The First National Bank in Bedford Bedford	30,191	4	

Summary report by Attorney General, December 13, 1977

Bank's office locations are limited to Bedford County, where Applicant at present has no offices. The closest offices of the two institutions are approximately 25 miles apart and are located in different markets. No branch offices of either bank will be closed if the merger is consummated. Accordingly, the merger should have no appreciable effect on actual competition in the market area now served by Bank.

The proposed merger, however, will have an adverse effect on potential competition in Bedford County. At present eight banks have office locations there, of which Bank is the second largest. Banking is highly concentrated: the top two banks have a combined market share of 51 percent and the top four have a combined market share of 76 percent. Bank's market share is approximately 21 percent. As a relatively large regional bank, Applicant has the resources to enter the Bedford County market *de novo* or by a less anticompetitive acquisition of one of the smaller banks. However, there are numerous potential entrants into the market from among the banks located in counties surrounding Bedford County, under Pennsylvania's contiguous county branching laws.

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

Basis for Corporation approval,
March 14, 1978

Johnstown Bank and Trust Company, Johnstown, Pennsylvania ("Johnstown Bank"), an insured State nonmember bank with total resources of $149,748,000 and total IPC deposits of $127,228,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the FDIC's prior consent to merge with The First National Bank in Bedford, Bedford, Pennsylvania ("Bedford Bank"), with total resources of $30,191,000 and total IPC deposits of $25,840,000, under the charter and title of Johnstown Bank. Incident to the merger, the 4 existing offices of Bedford Bank would become branches of the resultant bank, increasing the number of its authorized offices to 21.

Competition. Johnstown Bank operates 16 offices: its main office and 7 branches in Cambria County, 6 branches in Somerset County, and 2 branches in Westmoreland County. It has received approval to establish an additional branch in Cambria County. Bedford Bank operates four offices in Bedford County: its main office and one branch in Bedford, one branch in Schellsburg, and one branch in Manns Choice.

Bedford County (1970 population 42,353, down from 42,451 in 1960) is situated immediately southeast of Cambria County. Approximately two-thirds of Bedford County is forest land while the remainder is devoted primarily to agricultural pursuits. Light manufacturing, retail establishments, service enterprises, and tourism provide some diversification for the county's economy. Bedford County's 1976 median household buying level was $11,399, some 21 percent below the comparable State figure.

The effects of the proposed merger would be confined primarily to the central portion of Bedford County within a radius of approximately 12 road-miles of the town of Bedford. Bedford Bank is one of five commercial banks operating a total of nine offices in this portion of the county and holds the largest share, 32.5 percent, of IPC deposits as of June 30, 1977. The First National Bank of Everett, located 10 miles east of Bedford, and The Hartley National Bank of Bedford each hold 24.4 percent, which is the next largest share of IPC deposits. Johnstown Bank is not represented in Bedford County and would merely succeed to Bedford Bank's share of the deposits. Thus, the structure of commercial banking in the local market would not be affected by the proposed merger.

There is no significant existing competition between the two proponents. Travel between Johnstown and Bedford is impeded by the mountainous terrain. Major highways in the area run north to south, and except for the Pennsylvania Turnpike, east-west travel is quite limited. Residents of the two areas are not likely to cross commute for shopping or employment. The closest offices of the proponents are 35 miles apart, and neither bank draws a significant measure of business from the other's primary trade area.

Pennsylvania law limits commercial bank expansion by either merger or *de novo* branching to the county in which the main office is located and to contiguous counties. Johnstown Bank has a maximum legal branching area consisting of Bedford, Blair, Cambria, Clearfield, Indiana, Somerset, and Westmoreland Counties. Thus, each proponent could legally branch *de novo* into areas presently served by the other. Bedford County, however, recorded a slight population decline between 1960 and 1970, and its income level is substantially below that of the State as a whole, which makes *de novo* expansion into Bedford County unattractive for Johnstown Bank. Bedford Bank is not likely to attempt further *de novo* expansion due to its relatively limited financial and managerial resources. Therefore, the proposed merger would not eliminate any significant potential competition between the proponents.

As of June 30, 1976, within its maximum legal branching area, Johnstown Bank had the sixth largest share of the total deposits of $2.8 billion with 4.4 percent of such deposits. The proposed merger would add only 0.9 percent to that share. The proposed merger would not eliminate any significant existing or potential competition between Johnstown Bank and Bedford Bank, nor would it materially affect the structure of commercial banking in any relevant area.

Based on the preceding, 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 and the resultant bank would have favorable future prospects.

Convenience and Needs of the Community to be Served. As a result of the proposed merger, Bedford Bank's customers will enjoy higher savings deposit interest rates, higher certificate of deposit rates, easier access to trust services, and a substantially increased legal lending limit.

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
Banco de Santander—Puerto Rico San Juan, Puerto Rico	51,664	1	15
to purchase a portion of the assets and assume a portion of the deposit liabilities of			
Banco Credito y Ahorro Ponceno Ponce	196,852*	14	

*Deposits of 14 offices of Banco Credito y Ahorro Ponceno to be acquired by Banco de Santander — Puerto Rico.

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

Basis for Corporation approval, March 31, 1978

Banco de Santander—Puerto Rico, San Juan, Puerto Rico, an insured Commonwealth-chartered nonmember bank with total resources of $51,664,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's consent to purchase a portion of the assets of and assume a portion of the liability to pay deposits made in Banco Credito y Ahorro Ponceno, Ponce, Puerto Rico, an insured Commonwealth-chartered nonmember bank. As an incident to the transaction, 14 offices of Banco Credito y Ahorro Ponceno with deposits of $196,852,000 would become branches of Banco de Santander-Puerto Rico.

As of March 31, 1978, Banco Credito y Ahorro Ponceno had deposits and other liabilities of some $640 million and operated 50 offices. On that date Puerto Rico Secretary of the Treasury Julio Cesar Perez closed the bank, and the FDIC was named Receiver. This purchase and assumption transaction is a companion to another transaction by which Banco Popular de Puerto Rico, San Juan, Puerto Rico, acquired the other 36 offices of Banco Credito y Ahorro Ponceno. The majority of the offices acquired by Banco Santander-Puerto Rico were in close proximity to existing branches of Banco Popular de Puerto Rico.

The Board of Directors finds that the failure of Banco Credito y Ahorro Ponceno 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 Popular de Puerto Rico San Juan, Puerto Rico	1,250,233	82	118
to purchase a portion of the assets and assume a portion of the deposit liabilities of			
Banco Credito y Ahorro Ponceno Ponce	401,346*	36	

*Deposits of 36 offices of Banco Credito y Ahorro Ponceno to be acquired by Banco Popular de Puerto Rico.

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

Basis for Corporation approval, March 31, 1978

Banco Popular de Puerto Rico, San Juan, Puerto Rico, an insured Commonwealth-chartered nonmember bank with total resources of $1,250,233,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's consent to purchase a portion of the assets and assume a portion of the liability to pay deposits made in Banco Credito y Ahorro Ponceno, Ponce, Puerto Rico, an insured Commonwealth-chartered nonmember bank. As an incident to the transaction, 36 offices of Banco Credito y Ahorro Ponceno with deposits of $401,346,000 would become branches of Banco Popular de Puerto Rico.

As of March 31, 1978, Banco Credito y Ahorro Ponceno had deposits and other liabilities of some $640 million and operated 50 offices. On that date Puerto Rico Secretary of the Treasury Julio Cesar Perez closed the bank, and the FDIC was named Receiver. This purchase and assumption transaction is a companion to another transaction by which Banco de Santander-Puerto Rico, San Juan, Puerto Rico, acquired the other 14 offices of Banco Credito y Ahorro Ponceno, most of which were in close proximity to offices of Banco Popular de Puerto Rico.

The Board of Directors finds that the failure of Banco Credito y Ahorro Ponceno 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
Floyd County Bank New Albany, Indiana	40,099	3	7
to purchase the assets and assume the deposit liabilities of			
American Bank New Albany	19,266	4	

Summary report by Attorney General, March 14, 1978

The main offices of Applicant and Bank are approximately 1 mile apart in New Albany, plus Applicant operates two branch offices and Bank operates one branch in New Albany. It is therefore obvious that Applicant and Bank are direct competitors and that the proposed acquisition would eliminate existing competition to a significant degree.

Selection of an appropriate geographic market within which to assess the effect of the proposed merger on concentration in commercial banking is very difficult because of the proximity to New Albany of the commercial area of Clark County and of the city of Louisville, Kentucky. Neither the application nor other data presently available to the department contains information sufficient to permit a precise calculation of a relevant geographic market. We note, however, that of the eight commercial banks presently operating in Floyd and Clark Counties, Indiana, Applicant, as of June 30, 1977, was the fifth largest and Bank was the eighth largest with 11.3 percent and 5.5 percent respectively, of the total deposits held by the commercial banks in those two counties. If the merger were consummated, the resulting bank would become the third largest bank with 16.9 percent of the total commercial bank deposits in the two-county area, and the four-firm concentration ratio in that area would increase from 69.2 percent to 73.6 percent.

Basis for Corporation approval, April 7, 1978

Floyd County Bank, New Albany, Indiana ("Applicant"), an insured State nonmember bank with total resources of $40,099,000 and total IPC deposits of $34,005,000, 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 American Bank, New Albany, Indiana, an insured State nonmember bank with total resources of $19,266,000 and total IPC deposits of $15,772,000. The four offices of American Bank would be operated as branches of Applicant, increasing the number of its offices to seven. In order to effectuate the transaction, the resultant bank will issue 30,000 shares of common stock and place $1,400,000 in subordinated capital notes to augment its capital structure.

Competition. Floyd County, the State's second smallest county in land area is located in southern Indiana and is part of the five-county Louisville, Kentucky-Indiana Standard Metropolitan Statistical Area. With only a limited amount of industry and manufacturing activity, the county's economy is largely dependent upon and closely tied to that of Louisville and Jefferson County, Kentucky, where an estimated one-half of its work force commutes for employment.

Shopping patterns also point to a close economic tie between Floyd County and the neighboring, more populous Clark County, where recent development activity has centered. Floyd County's median household buying level of $13,162 (1976) was substantially lower than that of the Louisville metropolitan area and that of Jefferson County, Kentucky.

The proponents' main offices are approximately 1 mile distant from each other along Spring Street in New Albany, which is a major east-west artery connecting the city with the urbanized area of adjoining Clark County. The main office and drive-in branch of American Bank are located in the downtown section of New Albany while Applicant's main office is situated at the junction of a major north-south highway providing access to the city of Louisville on the south. Other offices of the proponents serve the western and northern portions of developed areas of the county and are not regarded to be in direct competition with each other. Of the four commercial banks headquartered in Floyd County, the proponents rank as the two smallest in share of deposits held. The resultant bank would hold 34.2 percent of the county's commercial bank deposits and would rank as the second largest of three banks in the county by such a measure.

Intense competition exists in Floyd County emanating from banks headquartered in neighboring Jefferson County, Kentucky, which due to their relative size and central location exert a significant competitive influence throughout the entire Louisville metropolitan area. In light of the established commutation patterns, existence of common communication media, and strong economic ties, the three-county area of Floyd and Clark Counties, Indiana and Jefferson County, Kentucky is regarded as the relevant geographic market for purposes of determining the competitive effects of the proposed transaction.

The three largest Louisville-based commercial banks together hold 70.5 percent of the area's commercial bank deposits. In comparison, Applicant and American Bank aggregately hold only 1.6 percent of the market's commercial bank deposits and rank as the 11th and 15th largest banks, respectively. Considering the modest relative size and market share of the proponents, the proposed transaction is seen as having little competitive impact on the structure of commercial banking in the market. Likewise, although a potential exists for increased competition between the proponents through future *de novo* branching activity, because of the dominance of the Jefferson County-based banking organizations, elimination of such future competition is regarded as having only a limited competitive significance.

Under the circumstances, 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. The considerations relating to financial and managerial resources have been satisfactorily resolved. The resultant bank, with the proposed additions to its capital structure, is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served. The proposed transaction would result in no substantial change in the services now available to customers of either bank. Considerations of convenience and needs of the community are consistent with approval of the application.

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 Town & Country Bank Raritan Township (P.O. Flemington), New Jersey	36,612	3	5
to purchase the assets and assume the deposit liabilities of			
Phillipsburg and Pohatcong Branches— New Jersey Bank (National Association) Clifton	18,435*	2	

*Total IPC deposits of two offices to be transferred by New Jersey Bank (National Association). Assets not reported by office.

Summary report by Attorney General, January 30, 1978

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

Basis for Corporation approval, May 5, 1978

The Town & Country Bank, Raritan Township (P.O. Flemington), New Jersey ("Town Bank"), an insured State nonmember bank with total resources of $36,612,000 and total IPC deposits of $27,410,000, 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 two branches of New Jersey Bank (National Association), Clifton, New Jersey ("National Bank"), with total resources of $834,511,000 and total IPC deposits of $684,272,000. The Phillipsburg and Pohatcong branches of National Bank, with total IPC deposits of $18,435,000, would be established as branches of Town Bank.

Competition. The proposed transaction involves National Bank's only two branches in Warren County, which are located approximately 72 miles west of its main office. Warren County (1970 population 73,879) is located in the western portion of the State adjoining the Delaware River boundary with Pennsylvania. Both branches to be acquired are located along major traffic arteries, north of and southeast of the downtown section of Phillipsburg. These branches, which are approximately 15 road-miles distant from the nearest branch of Town Bank, are regarded as competing in a market area which includes the town of Phillipsburg, the borough of Alpha, and the townships of Pohatcong, Lopatcong, and Greenwich in New Jersey and the city of Easton, Pennsylvania. The market, which had a 1970 population of approximately 60,000, has a diversified economy encompassing industrial, agricultural, and commercial activity.

Ten commercial banks operate a total of 20 offices in this market area, with the 3 largest institutions holding a 77.6-percent market share of IPC deposits. National Bank presently holds 7.1 percent of such deposits and ranks as the market's fifth largest competitor. Town Bank does not compete in this market and thus, the proposed transaction is regarded as having no effect on existing competition or on the local market structure.

State statutes permit *de novo* branching activity throughout New Jersey, subject to certain home office protection provisions Town Bank, as an aggressive, rapidly growing Hunterdon County institution can be regarded as a potential competitor in adjoining Warren County markets.

National Bank has embarked upon a retrenchment program with its management desirous of concentrating their efforts in markets in the northeastern portion of the State where they are more heavily represented. The potential for increased future competition by National Bank in this market is not regarded as significant.

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 considerations relating to financial and managerial resources have been satisfactorily resolved. The resultant bank, with the contemplated addition to its capital structure, is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served. The proposed transaction would result in no substantial change in the services now available in the market. Considerations of convenience and needs of the community are consistent with approval of the application.

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 Commercial Savings Bank Upper Sandusky, Ohio	39,324	2	3
to acquire the assets and assume the deposit liabilities of			
The Harpster Bank Harpster	7,978	1	

Summary report by Attorney General, January 13, 1978

Ohio law, presently prohibiting branches across State lines, permits statewide operation of multibank holding companies. Hence, an out-of-county bank could acquire Bank as a means of entering the Wyandot County market. The proposed acquisition eliminates Bank as an entry vehicle.

Given the relatively small size of the banks and the rural nature of the area, it appears that the relevant geographic market is—at most—Wyandot County. Applicant, on the other hand, states that the relevant market includes adjacent Marion County. While we recognize that some residents may go to Marion County to satisfy their banking needs, a situation common to most rural banking markets, it nevertheless appears that the preponderance of Wyandot County residents bank within the county. None of the Marion County banks are so large that they could offer substantially different services than Applicant.

Applicant and Bank are direct competitors. Bank is 7 miles from Applicant's main office in Upper Sandusky and 17 miles from its branch in Carey. There are no intervening banks between Applicant's main office and Bank. Two other banks also have offices in Upper Sandusky. The county's other banks are in Carey, Sycamore, and Wharton. Those towns are each 10 miles on the "far" side of Upper Sandusky from Harpster. The nearest banks to Bank outside the county are the three previously mentioned Marion County banks, 15 miles from Bank. Thus the three banks in Upper Sandusky, including Applicant, are Bank's only meaningful competitors. Applicant admits that it has attracted 350 customers from Bank in recent years.

Six banks operate in Wyandot County. Applicant is the second largest in terms of total deposits, with a 28 percent market share. It is the largest in terms of net loans with a 33 percent market share. Bank is the second smallest with 6 percent of deposits and 7 percent of net loans. If the proposed acquisition is consummated Applicant will increase its share of the market by 6 percent to 34 percent, although its rank as second largest in terms of deposits and largest in terms of net loans will remain constant.

In sum, the proposed acquisition would eliminate existing direct competition, increase concentration, and diminish potential competition—in short, it would adversely affect competition. It clearly would be more consistent with the public interest for an out-of-county bank, via the holding company vehicle, to acquire bank as a means of entering the market *de novo* than for the second largest bank and a direct competitor to acquire Bank.

Basis for Corporation approval,
May 5, 1978

The Commercial Savings Bank, Upper Sandusky, Ohio ("Applicant"), a State nonmember insured bank with total resources of $39,324,000 and total IPC deposits of $33,447,000, 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 liability to pay deposits made in The Harpster Bank, Harpster, Ohio ("Other Bank"), with total resources of $7,978,000 and total IPC deposits of $6,983,000. Incident to the transaction, the sole office of Other Bank would be established as a branch of Applicant.

Competition. Applicant operates its main office in Upper Sandusky, in central Wyandot County, and one branch in Carey, in northwest Wyandot County. Other Bank operates its sole office in Harpster, in south-central Wyandot County. Wyandot County is located in the northwest portion of Ohio. The area is primarily agriculturally oriented with some small industry in the Upper Sandusky area. The population of the county was 21,826 in 1970, an increase of 178 persons over 1960. Upper Sandusky's population in 1970 was 5,645, while Harpster's population in 1970 was 291. The 1976 median household buying level in Wyandot County was $12,071, considerably less than the State level of $14,648.

The primary trade area of Applicant is the whole of Wyandot County. Applicant has the second largest share, 29.7 percent, of IPC deposits aggregating $11 million held by 11 offices of 6 commercial banks located in the county.

Other Bank's trade area is the southern one-half of Wyandot County, including the town of Upper Sandusky, and the upper portion of adjoining Marion County, including the town of Marion. The market had a population estimated at 45,072 in 1970, having registered an increase of some 2,184 persons since 1960. Other Bank has the second smallest share, 3.2 percent, of IPC deposits aggregating $215 million held by 17 offices of 7 commercial banks located in the area.

Upper Sandusky and Harpster are only 7 road-miles apart with no other banking offices intervening. Therefore, it is evident that some degree of overlapping of trade areas exists.

Although the proposed transaction would eliminate some competition between the two proponents, customers in Other Bank's trade area would still have a number of choices for commercial banking services. The resulting bank would still have only the fourth largest share, 16.5 percent, of the IPC deposits held by 17 offices of the 6 commercial banks remaining in the area.

Although both banks may legally establish *de novo* branches in Wyandot County, it does not appear likely that Applicant will establish a branch in the Harpster area due to the limited deposit potential there. It also does not appear likely that Other Bank would establish a branch in Upper Sandusky considering the fact that Other Bank has been in business for approximately 95 years and is still operating as a unit bank. In addition, the elimination of Other Bank as an independent institution is not regarded as significant since the bank is not considered a viable competitor and its future growth potential is considered weak under present economic conditions.

Although the Board of Directors recognizes that consummation of the proposal would have some serious anticompetitive effects, Other Bank's weakened condition prevents it from providing effective competitive banking services.

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 financial and managerial resources of Applicant are considered satisfactory. Other Bank has experienced sizable operating losses during the past few years and its financial resources are considered marginal. With the contemplated addition to capital, the future prospects of the resulting bank are favorable.

Convenience and Needs of the Community to be Served. The proposed transaction would assure more competitive banking services in the local market of Other Bank.

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
Lincoln Bank Lincoln City, Oregon	41,045	7	8
to merge with **Yamhill County Bank** McMinnville	2,992	1	

Summary report by Attorney General,
February 24, 1978

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

Basis for Corporation approval,
May 19, 1978

Lincoln Bank, Lincoln City, Oregon, an insured State nonmember bank with total resources of $41,045,000 and total IPC deposits of $32,040,000,has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the FDIC's consent to merge, under its charter and title, with Yamhill County Bank, McMinnville, Oregon ("County Bank"), a State member bank with total resources of $2,992,000 and total IPC deposits of $2,469,000. The sole office of County Bank would be established as a branch of Lincoln Bank increasing the total number of its offices to eight.

Competition. Lincoln Bank operates seven offices in three counties on the coast of Oregon, with its head office located in Lincoln City. County Bank operates as a unit bank in McMinnville, approximately 45 road-miles northeast of Lincoln City.

The proposed merger would have its most direct and immediate impact in Yamhill County. Yamhill County, with a 1970 population of 40,213, is located on the eastern side of the Coast Range of mountains in Oregon's most heavily developed corridor running between Portland and Eugene. The county is considered to have a primarily agricultural economy. McMinnville, with a 1970 population of 10,125, is the largest city and serves as the county seat. The city has experienced rapid growth in recent years and has a favorable economic outlook.

Six commercial banks operate a total of 12 offices in Yamhill County. Dominating the area is a Portland-based bank with five offices and 51.5 percent of the market's IPC deposits. County Bank is the smallest institution in the market holding only a 2.1-percent market share of the IPC deposits. Lincoln Bank operates one branch in Willamina (located approximately 21 road-miles southwest of McMinnville) which holds 5.4 percent of the county's IPC deposits. The resultant bank's 7.5-percent market share of the IPC deposits would have no significant effect on competition or on the structure of the local market.

State statutes preclude branching into communities of less than 50,000 population that already have banking offices. Lincoln Bank, therefore, is precluded from engaging in any *de novo* expansion into McMinnville. County Bank's modest size and limited resources preclude any expansion activity at this time. The potential for increased future competition between these two institutions is not regarded as significant.

Financial and Managerial Resources; Future Prospects. Lincoln Bank has satisfactory financial and managerial resources. The resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served. Comparisons of loan rate schedules indicate that Lincoln Bank's rates are generally lower than the prevailing rates in effect at County Bank. This, along with an increased lending limit, should be favorably received by customers in Yamhill 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
Commercial Security Bank Ogden, Utah	353,852	19	22
to purchase the assets and assume the deposit liabilities of **The Helper State Bank** Helper	15,969	3	

Summary report by Attorney General,
May 11, 1978

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

Basis for Corporation approval,
May 24, 1978

Commercial Security Bank, Ogden, Utah ("Commercial Bank"), an insured State nonmember bank with total resources of $353,852,000 and total IPC deposits of $253,833,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the FDIC's consent to purchase the assets of and assume the liability to pay deposits made in The Helper State Bank, Helper, Utah ("State Bank"), an insured State nonmember bank with total resources of $15,969,000 and total IPC deposits of $13,666,000.* Incident to the transaction, the 3 offices of State Bank would be established as branches of Commercial Bank, increasing the number of its offices to 22.

Competition. Commercial Bank's operations are primarily confined to the central portion of the State in an area known as the "Wasatch Front." This highly developed strip running north-south is bordered on the west by mountains, desert, and the Great Salt Lake, and on the east by rugged mountainous terrain. The Wasatch Front, while representing less than 5 percent of the State's land area, holds more than 75 percent of its population in an urbanized area that includes most of Utah's major cities.

State Bank operates in Carbon and Emery Counties located on a plateau east of these mountains. This area's 1970 population was 20,784 and it had a 1976 median household buying level substantially below the State's figure. Population declines are in evidence for the period 1960 to 1970; however, the future economic prospects appear favorable due to vast deposits of coal found in the area. The city of Price (1970 population 6,218) serves as the seat of Carbon County and is a principal commercial center.

The proposed transaction would have its most direct and immediate effect in Carbon and Emery Counties, which contain 5 commercial banks operating 12 offices. State Bank, Utah's 24th largest bank, holds 15.4 percent of this market's commercial bank deposits thereby ranking as the market's 3rd largest bank. The State's three largest commercial banks are represented in this market and aggregately hold 82.8 percent of the deposits. Since Commercial Bank, the State's fourth largest bank, is not represented, the proponents operate in separate, distinct markets and are not in direct competition. Therefore, consummation of the proposed transaction would have no significant effect on existing competition.

Utah statutes permit statewide branching, except in cities or towns where banks already do business. Although Commercial Bank is presently prohibited from branching into the community of Helper, it could establish *de novo* offices at other sites in State Bank's trade area. However, in light of the number of existing banking offices in this large, but relatively sparsely populated area, the elimination of some potential for future competition between the proponents is not regarded as significant. State Bank's modest size and limited financial and managerial resources appear to preclude any meaningful *de novo* expansion into areas now served by Commercial Bank.

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 acceptable financial and managerial resources and the proposed transaction should have no adverse effect on these resources. The future prospects of the resultant bank appear favorable.

Convenience and Needs of the Community to be Served. Consummation of the proposed transaction will provide residents with a number of commercial banking services not presently available at State Bank, including trust services, credit card plans, mortgage banking, and a substantially increased lending limit.

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

*Data concerning Commercial Security Bank, Ogden, Utah have been adjusted to reflect the merger of that bank with Commercial Security Bank of Salt Lake, Salt Lake County (P.O. Salt Lake City), Utah, effected February 28, 1978.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Commercial Bank & Trust Company Miami, Florida	95,223	3	4
to purchase assets and assume deposit liabilities of			
North Miami Branch—City National Bank of Miami Miami	12,513*	1	

*Total deposits of office to be transferred by City National Bank of Miami. Assets not reported by office.

Summary report by Attorney General, April 11, 1978

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

Basis for Corporation approval,
June 26, 1978

Commercial Bank & Trust Company, Miami, Florida ("Commercial Bank"), an insured State nonmember bank with total resources of $95,223,000 and total IPC deposits of $80,628,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the FDIC's prior consent to purchase the assets of and assume the liability to pay certain deposits made in the North Miami branch of City National Bank of Miami, Miami, Florida ("City Bank"), with total resources of $396,451,000 and total IPC deposits of $332,750,000. The North Miami branch, with aggregate deposits of approximately $12,513,000, would be operated as a branch of Commercial Bank.

Competition. The proposed transaction would have its most direct and immediate impact in Dade County. The economy of the area relies primarily upon recreation and tourism. The county's population as of year-end 1976 was approximately 1.5 million.

Commercial Bank operates its three offices in the county. City Bank's North Miami branch is located approximately 5 miles north of Commercial Bank's nearest office. Given the proximity of the applicant's offices to the North Miami branch, approval of the proposed transaction would eliminate some direct competition between City Bank and Commercial Bank. However, within Dade County, 71 banks, representing 47 banking organizations, operate 161 offices. Commercial Bank holds 1.3 percent of the county's IPC deposits, thereby ranking 18th largest in IPC deposits among commercial banks. The proposed transaction would transfer only 0.2 percent of the deposits to Commercial Bank, increasing its share of the deposits to 1.5 percent. The deposits to be acquired appear even more inconsequential when the existing concentration level of commercial banking in the county is analyzed. The three largest banking organizations hold an aggregate share of 41 percent. Overall, given Commercial Bank's small deposit percentage and the existing level of commercial banking concentration in Dade County, the proposed transaction would have no significant effects on existing competition.

Consummation of the proposed transaction would not affect future competition in the county. The proponents would continue to operate in the county and the deposits to be acquired by Commercial Bank constitute such an insignificant share of the total deposit base that Commercial Bank would not derive any major competitive advantage over other banks in the area.

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 considerations relating to financial and managerial resources have been satisfactorily resolved. The resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served. The proposed transaction would serve to substitute Commercial Bank for City Bank at the North Miami branch site and would result in little change in the level of services offered the community. Considerations of convenience and needs of the community are consistent with approval of the 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
Guarantee Bank Atlantic City, New Jersey	252,102	16	18
to merge with **Swedesboro Trust Company** Swedesboro	21,025	2	

Summary report by Attorney General,
April 27, 1978

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

Basis for Corporation approval,
June 26, 1978

Guarantee Bank, Atlantic City, New Jersey, an insured State nonmember bank with total resources of $252,102,000 and total IPC deposits of $200,412,000, has applied, under Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the FDIC's prior consent to merge with Swedesboro Trust Company, Swedesboro, New Jersey, a State-chartered member bank with total resources of $21,025,000 and total IPC deposits of $18,176,000. The proposed merger would be effected under the charter and title of Guarantee Bank.

Competition. Guarantee Bank operates 15 branches in Atlantic, Cape May, and Cumberland Counties in southeast New Jersey. Swedesboro Trust Company operates its main office in Swedesboro and a branch in Woolwich Township located approximately 3 road-miles from its main office. Both offices are located in western Gloucester County in an area that has remained relatively rural and undeveloped. The borough of Swedesboro (1970 population of 2,287) and surrounding area are experiencing some new commercial and residential construction and appear to have favorable future prospects.

The relevant market in which to assess the impact of the proposed merger is regarded as the area within an approximate 10-road-mile radius of Swedesboro, which includes portions of Gloucester and Salem Counties. Thirteen commercial banks operate a total of 28 offices in this market, with representatives of several of the State's larger banking organizations included.

Swedesboro Trust Company holds 9.9 percent of the market's IPC deposits and ranks as the fifth largest bank in the market by such a measure. Guarantee Bank is not represented in the market as its nearest office is located approximately 30 road-miles from Swedesboro. The proponents, therefore, are not in direct competition and the transaction is viewed as having no significant effect on existing competition.

State statutes permit *de novo* branching throughout New Jersey, subject to certain home office protection provisions. Swedesboro Trust Company, which presently operates only one branch a short distance from its main office, does not possess the financial or managerial resources to mount any meaningful *de novo* expansion into areas relatively distant from Swedesboro. Guarantee Bank, while experienced in *de novo* activity and branch operation, has confined its operations to the southeast portion of the State. Although Guarantee Bank is capable of successfully branching into the Swedesboro market, it is not likely to do so in light of the number and size of other competitors already established in the area and the distance of that market from its present base of operation. Thus, the elimination of some potential for increased future competition between the proponents is regarded as having little competitive impact.

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 considerations relating to financial and managerial resources have been satisfactorily resolved. While capitalization of Guarantee Bank is considered to be below desired levels, the proposed merger will have a slightly positive effect due to the strong capitalization of Swedesboro Trust Company. The resultant bank would appear to have favorable future prospects.

Convenience and Needs of the Community to be Served. The proposed transaction would result in no substantial change in the services now available in the Swedesboro market. The considerations of convenience and needs of the community, however, are consistent with approval of the application.

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
Commercial Security Bank Ogden, Utah	353,852	19	20
to merge with **Commercial Security Bank of Logan** Logan	7,694	1	

Summary report by Attorney General, April 11, 1978

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 26, 1978

Commercial Security Bank, Ogden, Utah ("Applicant"), an insured State nonmember bank with total resources of $353,852,000 and total IPC deposits of $253,833,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the FDIC's prior consent to merge with Commercial Security Bank of Logan, Logan, Utah ("Other Bank"), an insured State nonmember bank with total resources of

$7,694,000 and total IPC deposits of $6,247,000.* The banks would merge under the charter and title of Applicant, and the sole office of Other Bank would be established as a branch of the resultant bank, increasing the total number of its offices to 20.**

Competition. Essentially a corporate reorganization, the proposed transaction would provide a means by which Commercial Security Bancorporation, Ogden, Utah, a registered bank holding company, may consolidate its operations. The proponents have been under common control since 1973 when Other Bank was organized as a wholly owned subsidiary of the holding company. The proposal would not affect the structure of commercial banking or the concentration of banking resources within any relevant area, nor would it have any significant effect on existing or potential 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. The resultant bank would appear to have favorable future prospects.

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 available through either proponent.

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

*Financial data as of June 30, 1977. Data concerning Commercial Security Bank, Ogden, Utah, have been adjusted to reflect the merger of that institution with Commercial Security Bank of Salt Lake, Salt Lake County (P.O. Salt Lake City), Utah, effected February 18, 1978.

**On May 24, 1978, the Board of Directors of the Federal Deposit Insurance Corporation granted its approval to Applicant to purchase the assets of and assume the liability to pay deposits made in The Helper State Bank, Helper, Utah. The Helper State Bank operates three offices and, as of June 30, 1977, had total resources of $15,969,000 and total IPC deposits of $13,666,000.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Albany Savings Bank Albany, New York	829,643	12	13
to merge with			
Oneida Federal Savings and Loan Association Oneida	26,544	1	

Summary report by Attorney General, May 2, 1978

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

Basis for Corporation approval, August 2, 1978

Albany Savings Bank, Albany, New York ("Savings Bank"), an insured mutual savings bank with total resources of $829,643,000 and total deposits of $771,298,000, 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 Oneida Federal Savings and Loan Association, Oneida, New York ("Association"), a federally insured savings and loan association with total resources of $26,544,000 and total deposits of $24,334,000, upon the latter institution's conversion to a State charter. Incident to the merger, the sole office of Association would be established as a branch of the resultant bank.

Competition. Savings Bank operates 12 offices in central and northern New York State and has received regulatory approval for an additional *de novo* branch. Branches in Glens Falls, Johnstown, and Troy have been acquired since 1970 through mergers with three State-chartered savings and loan associations. Association, established in 1887, operates its sole office in the city of Oneida, approximately 120 road-miles west of Albany, New York. Oneida (1970 population 11,658) is situated in the eastern portion of Madison County adjoining the Oneida County boundary. A good highway system provides ready access to the neighboring city of Rome (1970 population 50,148) which is regarded as the economic center for the area.

The relevant market in which to assess the competitive impact of the proposed merger is regarded as the area within an approximate 15-road-mile radius of the city of Oneida, which includes portions of Madison and Oneida Counties. Six thrift institutions operate a total of 10 offices in the market with mutual savings banks holding the dominant market share. Association ranks as the fourth largest thrift institution in the market, holding 7.4 percent of the market's institution deposits. Savings Bank, whose nearest office is located north of the city of Syracuse, approximately 25 road-miles distant from Oneida, is not represented in the market and the proponents are thus not in direct competition. Consummation of the transaction will merely serve to substitute a large mutual savings bank for a relatively small, local savings and loan association and will have no significant adverse effect on existing competition.

The possibility that competition may develop between the proponents through *de novo* branching appears remote. The modest size and conservative management of Association, which has operated as a unit institution since inception, would seem to preclude any meaningful expansion activity into areas now served by Savings Bank. Savings Bank, governed by State statutes limiting such *de novo* expansion to a single branch each year, is viewed as an unlikely entrant into the Oneida market in the near 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. The financial and managerial resources of each institution, and of the resultant bank, are considered satisfactory. The future prospects of the resultant bank are regarded as favorable.

Convenience and Needs of the Community to be Served. Savings Bank's entry into the Oneida market would make available an additional alternative for certain thrift institution services not now offered by Association. Considerations of convenience and needs of the community to be served are consistent with approval of the application.

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
Brookville Bank and Trust Company Brookville, Pennsylvania (change title to Unibank)	46,206	3	4
to merge with			
Brockway Citizens Bank Brockway	27,443	1	

Summary report by Attorney General, May 2, 1978

Jefferson County (1970 population 47,000) is located in the west-central portion of Pennsylvania. Its economy is based primarily on farming, coal mining, and lumbering and, according to the application, is expected to experience slow but steady growth.

Bank's sole office in Brockway is approximately 15 miles northeast of Brookville in which Applicant operates its main office and one branch. There are no bank offices in the intervening area (which is sparsely populated), although Deposit National Bank, DuBois, operates a branch in both Brookville and Brockway. It appears, therefore, that the proposed transaction would eliminate some direct competition between Applicant and Bank.

Nine banks currently operate offices in Jefferson County. As of June 30, 1977, Applicant held the second largest share (17.3 percent) and Bank held the fifth largest share (9.8 percent) of the total deposits held in Jefferson County banking offices. If the proposed transaction is consummated, the resulting bank would be the largest bank in the county with a 27.1-percent share of deposits held in county banking offices. Concentration among the four largest banks in the county (in terms of county deposits) would increase from 77.1 percent to 87.0 percent. We note, however, that the proposed transaction's effect on concentration would be less substantial if the banking offices in DuBois, in adjacent Clearfield County, were considered to be in the same market area as the Jefferson County banking offices.

Overall, in our view, the proposed transaction would have an adverse effect on competition.

Basis for Corporation approval, August 2, 1978

Brookville Bank and Trust Company, Brookville, Pennsylvania ("Brookville Bank"), an insured State nonmember bank with total resources of $46,206,000 and total IPC deposits of $37,675,000, 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 Brockway Citizens Bank, Brockway, Pennsylvania ("Citizens Bank"), with total resources of $27,443,000 and total IPC deposits of $22,240,000, under the charter of Brookville Bank and with the title "Unibank". Incident to the merger, the one existing office of Citizens Bank would become a branch of the resultant bank, increasing the number of its offices to four.

Competition. Brookville Bank operates its main office in Brookville, one branch just outside Brookville, and one branch in Summerville. Citizens Bank operates its sole office in Brockway. All offices of both banks are located in Jefferson County, which is in the west-central portion of Pennsylvania.

Jefferson County's 1970 population was 43,695, a decline from 46,792 in 1960. Approximately 70 percent of Jefferson County is forest lands and 16 percent is pasture and crop lands. Lumbering, agriculture, and light manufacturing are the main economic activities. The county's median buying level in 1976 was $11,266, some 22 percent below the State figure.

Essentially, the effects of this merger would be limited to Citizens Bank's local market area, encompassing the northeast section of Jefferson County, the southern part of Elk County, and the northwest portion of Clearfield County. Citizens Bank is one of six commercial banks operating in the local market area and holds 11.5 percent of the IPC deposits. Brookville Bank is not represented in this market and would merely succeed to Citizens Bank's share of the deposits. The structure of commercial banking in the local market would not be affected by the proposed merger.

The trade areas of the proponents are distinct, and travel between the two areas is impeded by mountainous terrain and a limited number of roads. The major highway in the area, Interstate Highway 80, runs east-west close to Brookville, but other highways are restricted by mountain ranges. The closest offices of the proponents are 18 miles distant, and neither bank draws a significant measure of business from the other's service area. No significant existing competition would be eliminated by the proposed merger.

Pennsylvania law limits commercial bank expansion by either merger or *de novo* branching to the county in which the main office is located and to contiguous counties. Thus, each proponent could branch *de novo* in Jefferson County and the surrounding counties of Forest, Clarion, Armstrong, Indiana, Clearfield, and Elk. Neither Brookville Bank nor Citizens Bank are likely to attempt *de novo* expansion into distant markets where much larger banks are well established, and economic conditions and the low population per banking office in Jefferson County are not conducive to such expansion there. It, therefore, appears unlikely that any substantial potential for increased competition between the proponents through their *de novo* branching in the future would be eliminated by the proposed merger.

Within its maximum legal branching area, Brookville Bank holds 2.7 percent of the total commercial bank deposits. The proposed merger would increase Brookville Bank's total deposit share to 4.2 percent. Thus, the commercial banking structure in the legal branching area would not be materially affected.

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 competiton, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects. The proponents have satisfactory financial and managerial resources for the business they conduct, as would the resultant bank. The future prospects for both existing banks and the resultant bank appear favorable.

Convenience and Needs of the Community to be Served. The proposed merger would bring Citizens Bank's customers trust services and larger lending limits. Although there are other alternative sources for these services in the market, the considerations of convenience and needs are consistent with approval of the application.

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
Farmers Bank and Trust Company of Hanover Hanover, Pennsylvania	107,232	4	5
to merge with			
Abbottstown State Bank Abbottstown	2,914	1	

Summary report by Attorney General, June 8, 1978

Each bank at present operates in different counties. Adams County, where Bank is located, had a 1970 population of 56,937. York County, where Applicant is located, had a 1970 population of 272,603. At present 10 banks operate a total of 24 offices in Adams County; 8 of these banks are headquartered in the county. Bank is the smallest of these institutions, with 1.1 percent of total deposits in the county. Fifteen banks operate a total of 82 offices in York County; 10 banks are headquartered there. Applicant ranks fifth among the banks in York County with 7.5 percent of county deposits.

Although Applicant and Bank at present operate their offices in separate counties, the acquisition will have a direct impact on actual competition in the Abbottstown area. Hanover, where Applicant is located, is a commercial hub for the rural area surrounding it, including Abbottstown, and Applicant is one of the dominant banks in this area. Abbottstown and Hanover are only 7 miles apart; in fact, Applicant concedes that the primary service areas of the two banks overlap. Within Bank's service area, Applicant holds 88 percent of the total loans and 69 percent of the total deposits, Bank having 1.2 percent and 2.1 percent, respectively. The overlap of the two banks' service areas is of concern because Bank is the only commercial bank in Abbottstown, although other banks are located in the vicinity. A purchaser with a smaller presence in this area would obviously be preferable to Applicant.

Overall, in our view, the proposed transaction would have an adverse impact on competition.

Basis for Corporation approval, August 2, 1978

Farmers Bank and Trust Company of Hanover, Hanover, Pennsylvania ("Farmers Bank"), an insured State nonmember bank with total resources of $107,232,000 and total IPC deposits of $89,988,000, 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 Abbottstown State Bank, Abbottstown, Pennsylvania ("State Bank"), with total resources of $2,914,000 and total IPC deposits of $2,542,000. The banks would merge under the charter and title of Farmers Bank and the sole office of State Bank would be operated as a branch of the resultant bank, which would commence operation with a total of five offices.

Competition. Farmers Bank operates its head office and three branches in Hanover (1970 population 15,623) and its environs in the western portion of York County, in south-central Pennsylvania. The borough of Abbottstown (1970 population 552) is located 7 road-miles north of Hanover in the extreme eastern portion of adjoining Adams County. Hanover functions as the service and commercial center of the large, generally rural area encompassing the western portion of York County and the eastern portion of Adams County in Pennsylvania and a small adjoining portion of the State of Maryland. While agricultural pursuits remain the area's chief economic activity, steady growth in residential construction and industrial expansion has been in evidence. The median household buying levels for both Pennsylvania counties are above the comparable figure for the State. Future economic prospects appear favorable as the Hanover area is expected to continue to attract industrial development due to its skilled, stable work force and proximity to large urban markets.

The relevant market area in which to assess the competitive impact of the proposed transaction is regarded as the area within a 12 road-mile radius of the borough of Abbottstown, which would include the commercial center of Hanover and surrounding portions of Adams and York Counties. Ten commercial banks operate a total of 22 offices in the market with State Bank (the State's smallest commercial bank) holding only a nominal 0.9 percent of the market's IPC deposits.

State Bank is located only 7 road-miles north of the closest office of Farmers Bank. As the major portion of State Bank's service area is contained within the service area of Farmers Bank and the local shopping and commutation patterns indicate that Hanover is the likely and probable source of retail, commercial, and alternate banking services for residents of the area in which State Bank is located, clearly the proponents are in direct competition. Elimination of this existing competition, however, is not regarded as significant in light of the *de minimis* volume of deposits generated by State Bank in its over 58 years of operation and its stagnant growth pattern in a market in which other competitors have been able to increase their deposit volume substantially in recent years.

Represented among the 10 banks already in the local market are several regional banks with substantial deposit bases and branching networks. Among these are National Central Bank, Lancaster; Dauphin Deposit Trust Company, Harrisburg; and Cumberland County National Bank and Trust Company, New Cumberland, which have organizational deposits ranging from approximately $225 million to $910 million. There appears to be a sufficient number of alternate sources of commercial banking services to assure the continuance of a competitive banking environment in the market if the proposed merger is consummated. Farmers Bank's share of the market coupled with State Bank's minute volume of deposits, therefore, does not have an adverse effect upon competition. In addition, a total of six other commercial banks, each with deposits greater than $100,000,000, have the ability under State statutes to branch *de novo* into this local market. Although some potential for future competition between the proponents would be eliminated by the proposal, in light of the limited resources of State Bank and the number of other large competitors now serving or able to enter this market, the effect on the potential for future competition would be insignificant.

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 considered satisfactory. Potential problems concerning aging management and management succession at State Bank would be resolved by the proposed merger. The resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served. Farmers Bank offers a wider range of customer services, including a modest-sized trust department, and pays higher rates of interest on savings and time deposits than presently available at State Bank. Adoption of Farmers Bank's interest rate schedule and the availability of additional banking services should be of benefit to the present customers of State Bank. The considerations of convenience and needs of the community to be served are factors in favor of approval of the application.

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
Suburban Trust Company Hyattsville, Maryland	1,057,686	65	67
to merge with			
Free State Bank and Trust Company Potomac	14,484	2	

Summary report by Attorney General, July 14, 1978

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

Basis for Corporation approval, August 11, 1978

Suburban Trust Company, Hyattsville, Maryland ("Suburban Trust"), an insured State nonmember bank with total resources of $1,057,686,000 and total IPC deposits of $882,266,000, 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 Free State Bank and Trust Company, Potomac, Maryland ("FSB"), with total resources of $14,484,000 and total IPC deposits of $12,466,000. Suburban Trust is a wholly owned subsidiary of Suburban Bancorporation, a registered bank holding company which controls three Maryland banks. The proponents would merge under the charter and title of Suburban Trust and the two offices of FSB would be operated as branches of the resultant bank.

Competition. Suburban Trust, headquartered in Hyattsville, operates 65 offices in 5 counties and the city of Baltimore. Fifty-one of these offices, holding almost 90 percent of the bank's aggregate deposits, are located in the Maryland portion of the Washington, D.C. Standard Metropolitan Statistical Area, with a total of 24 offices serving Montgomery County. Required approvals have been obtained to establish an additional two offices in Montgomery County: one in Gaithersburg and another in Rockville. FSB commenced operation in Potomac in the southern portion of Montgomery County in August 1972. One *de novo* branch, established in May 1977, is operated in Rockville, approximately 6.8 road-miles northeast of Potomac.

Montgomery County, Maryland (1970 population 552,809), adjoins the District of Columbia and has an economy that can be considered intricately tied to the city of Washington. A number of the county's residents are employed in the District of Columbia and there is substantial commutation daily between the two areas. This common economic tie is particularly in evidence in the southern portion of the county, which includes the communities of Potomac and Rockville. Median household buying levels for Montgomery County for 1976 were significantly higher than comparable figures for neighboring counties and 42.1 percent higher than the State's figure. Intense competition exists between banks in Montgomery County and those in the city of Washington, and thus, it is appropriate to consider the combined area of the District of Columbia and Montgomery County, Maryland, as the relevant geographic market in which to consider the competitive impact of the proposed transaction.*

A total of 38 commercial banks operate 330 offices in this market. Suburban Trust, which holds 7.2 percent of the market's total deposits, ranks as the area's fifth largest competitor by such a measure. FSB ranks as the 31st largest bank in the market, holding only 0.2 percent of the total deposits. Upon consummation of the proposed transaction, Suburban Trust would increase its market share of deposits only a nominal amount to 7.4 percent, which would have no significant effect on the structure of commercial banking in the market.

The proponents' closest offices are located approximately 2 road-miles apart in the city of Rockville, with a second Rockville branch of Suburban Trust located 4 miles south of FSB's branch office. FSB's main office in Potomac is located approximately 5 miles west of one of Suburban Trust's Bethesda branches. While the proximity of offices indicates that some existing competition between the proponents would be eliminated by the proposed transaction, the existence of numerous offices of other banks in the immediate area indicates that a competitive banking environment would continue in the market if the merger were consummated.

Maryland State statutes permit statewide merging and *de novo* branching. Due, however, to restrictive zoning ordinances, Suburban Trust has been effectively prevented from *de novo* entry into Potomac. FSB, which has experienced initial start-up problems, lacks the financial and managerial resources to mount effectively any meaningful expansion into other areas now served by Suburban Trust. Thus, the effect of the proposed transaction on the potential for future competition would be of little significance.

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. FSB experienced initial start-up problems and presently lacks the financial and managerial resources to develop into an effective competitor, while Suburban Trust has had a satisfactory record in both of these areas of consideration. The resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served. The services to be offered by the resultant bank are presently available at offices of a number of large competitors in the relevant market. The proposed transaction, thus, would have a minimal effect on the convenience and needs of the community to be served.

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

*See *Basis for Corporation Approval* of the merger of The Commerce Bank and Trust Company of Maryland, Bethesda, Maryland, and Potomac National Bank, Potomac, Maryland. *FDIC Annual Report-1977*, pp.80-81.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
West Side Bank Scranton, Pennsylvania (change title to First State Bank)	67,495	4	7
to merge with			
The First National Bank of Hawley Hawley	20,151	3	

Summary report by Attorney General, May 25, 1978

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

Basis for Corporation approval, August 11, 1978

West Side Bank, Scranton, Pennsylvania ("West Bank"), an insured State nonmember bank with total resources of $67,495,000 and total IPC deposits of $60,554,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's consent to merge, under its charter, with The First National Bank of Hawley, Hawley, Pennsylvania ("First National"), with total resources of $20,151,000 and total IPC deposits of $18,220,000. Incident to the transaction, the three offices of First National would be established as branches of West Bank and the present main office of First National would be designated as the main office of the resultant bank, which would commence operation with seven offices and with the title "First State Bank".

Competition. West Bank operates its main office and three branches in the Scranton area of Lackawanna County. First National operates two offices in Hawley, Wayne County, and one office in Lackawaxen Township, Pike County.

The borough of Hawley (1970 population 1,331) is located in the relatively sparsely populated hill region on the northern fringe of the Pocono Mountains. The borough of Honesdale (1970 population 5,224), located approximately 10 road-miles northwest of Hawley, serves as the area's principal commercial center. Wayne and Pike Counties contain a large percentage of crop and pasture land, with the principal agricultural activity being dairy farming. While some manufacturing activity is in evidence, recreational activity and tourism have grown in economic importance in recent years. A sizable number of seasonal or "second" homes are located in the two-county area. While the median household buying levels for Wayne and Pike Counties are somewhat below the comparable figure of the State, the area has experienced increases in population and has a favorable economic prospect.

The relevant market in which to assess the competitive impact of the proposed transaction is regarded as the area within a 15-to-20-road-mile radius of Hawley which would include portions of Wayne and Pike Counties. Ten commercial banks operate a total of 14 offices in this market, with First National holding a 10.3-percent share of the market's IPC deposits. First National ranks as the fourth largest bank in the market by such a measure, with the three larger institutions, based in neighboring Honesdale, aggregately holding 51.8 percent of the IPC deposits in the market. As West Bank is not represented in this market (proponents' nearest offices are located approximately 35 road-miles apart), they are not regarded as being in direct competition and the proposed transaction is seen as having no significant effect on existing competition or on the structure of commercial banking in the local market.

Pennsylvania statutes permit *de novo* branching activity in a bank's home office county and in contiguous counties, and as such, each proponent is permitted to enter the market now served by the other. West Bank, based in the western portion of the city of Scranton, has limited its branching activity to the urbanized area in and around that city and appears an unlikely candidate for *de novo* expansion into the rural Hawley market in light of the numerous banking offices already serving the relatively limited population of the area. First National does not possess the financial resources to mount any meaningful expansion effort into the urban area of Scranton now served by West Bank. It therefore follows that no significant potential for increased future competition between the proponents would be eliminated by consummation of the proposed transaction.

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 considerations relating to financial and managerial resources have been satisfactorily resolved. The resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served. The proposed transaction would not substantially change the services now available to the customers of either bank. The considerations of convenience and needs of the community are consistent with approval of the application.

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 National Bank Ogden, Utah (change title to The Citizens Bank)	23,119	3	4
to consolidate with **Kamas State Bank** Kamas	7,462	1	

Summary report by Attorney General,
April 27, 1978

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

Basis for Corporation approval,
August 11, 1978

Citizens National Bank, Ogden, Utah ("Citizens Bank"), with total resources of $23,119,000 and total IPC deposits of $14,915,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to consolidate with Kamas State Bank, Kamas, Utah ("Kamas Bank"), with total resources of $7,462,000 and total IPC deposits of $5,487,000, under a new State charter with the title "The Citizens Bank". The sole office of Kamas Bank would be established as a branch of the resultant bank which would commence operation as an insured State nonmember bank operating a total of four offices.

Both proponents have been under effective common control since December 1968. The principal shareholders of Kamas Bank hold a majority of the outstanding shares of Citizens Bankshares, Inc., a one-bank holding company, whose principal asset and subsidiary is Citizens Bank. The eight members of Citizens Bank's board of directors are members of the nine-member board of directors of Kamas Bank. Senior officers of Citizens Bank serve in a dual capacity with corresponding titles and responsibilities of Kamas Bank.

Competition. Citizens Bank has confined its operations to three offices located in the urbanized Ogden-Salt Lake City corridor along the eastern shore of the Great Salt Lake. They serve an area described as a narrow strip of developed land bounded on the east by a formidable mountain range which serves as a natural barrier restricting travel and easy access. Kamas Bank operates its sole office east of the mountains approximately 40 road-miles east of Salt Lake City (site of nearest office of Citizens Bank) and approximately 75 road-miles southeast of Ogden. Kamas Bank is the third largest commercial bank in its local market holding 14.6 percent of the market's IPC deposits. The State's largest and third-largest banking organizations are represented in this market and both hold larger market shares than Kamas Bank; together they hold 62.1 percent of the market's IPC deposits.

Due to the geographic barrier and distance between the proponents' closest offices, little or no existing competition is in evidence. Likewise, and because of the modest size and resources of the two proponents, the prospects for increased future competition are regarded as remote.

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 considerations relating to financial resources of each bank and of the resultant bank have been satisfactorily resolved. The managements of both institutions are essentially identical and would be unaffected by the proposed transaction. The future prospects of the resultant bank are regarded as favorable.

Convenience and Needs of the Community to be Served. There would be no significant effect on the volume or types of services to be offered upon consummation of the proposed transaction. Considerations of convenience and needs of the community are, therefore, consistent with approval of the application.

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
Banco Comercial de Mayaguez Mayaguez, Puerto Rico	74,102	3	4
to purchase the assets and assume the deposit liabilities of			
Banco de Ahorro de Puerto Rico San Juan (P.O. Hato Rey)	13,565	1	

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

Basis for Corporation approval,
September 5, 1978

Banco Comercial de Mayaguez, Mayaguez, Puerto Rico, an insured State nonmember bank with total resources of $74,102,000, 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 the liability to pay deposits made in Banco de Ahorro de Puerto Rico, San Juan (P.O. Hato Rey), Puerto Rico, an insured State nonmember bank with total resources of $13,565,000. Incident to the proposed transaction, the sole office of Banco de Ahorro de Puerto Rico would become a branch of Banco Comercial de Mayaguez.

As of September 5, 1978, Banco de Ahorro de Puerto Rico had deposits of $11,900,000 and operated one office. On September 5, 1978, the Federal Deposit Insurance Corporation was appointed as Receiver of Banco de Ahorro de Puerto Rico.

The Board of Directors finds that the failure of Banco de Ahorro de Puerto Rico 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
County Bank & Trust Company (in organization) Morehead City, North Carolina	—	—	1
to purchase the assets and assume the deposit liabilities of			
Morehead Plaza Branch—Bank of North Carolina, National Association Jacksonville	2,352*	1	

*Total IPC deposits of office to be transferred by "Bank of North Carolina, National Association". Assets not reported by office.

Summary report by Attorney General,
May 11, 1978

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

Basis for Corporation approval,
September 6, 1978

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed on behalf of County Bank & Trust Company, Morehead City, North Carolina ("CBT"), a proposed new bank in organization, for Federal deposit insurance and for the Corporation's prior consent to purchase the assets of and assume the liability to pay deposits made in the Morehead Plaza branch of Bank of North Carolina, National Association, Jacksonville, North Carolina ("BNC"). The Morehead Plaza branch, with total IPC deposits of $2,352,000, would be operated as the sole office of CBT.

Competition. The proposed transactions are a vehicle by which a group of Carteret County, North Carolina, businessmen can establish an independent, locally owned commercial bank in the Morehead City area. Carteret County (1970 population 31,603) is located in southeastern coastal North Carolina. It is of irregular shape of some 50 miles from east to west and 10 to 15 miles from north to south, occupying a peninsula and series of coastal islands between Pamlico Sound and the Atlantic Ocean. A large portion of the county's land is described as low swampy woodland unsuitable for extensive cultivation and sparsely populated. The county has a diversified economic base encompassing manufacturing of apparel, processing of fish products, and tourism. Agricultural activities include the raising of tobacco, potatoes, and vegetables. Morehead City has a large port facility operated by the State and has developed into a deep water harbor and shipping center. Only two major highways connect the county with other centers of commercial activity. New Bern (1970 population 14,660) is located approximately 35 road-miles northwest of Morehead City and Jacksonville (1970 population 16,021) is located approximately 45 road-miles west.

Morehead City (1970 population 5,233) and the neighboring town of Beaufort (1970 population of 3,368), located 3 road-miles east, form the principal economic and commercial centers of the county. The proposed site of the new bank is in the Morehead Plaza Shopping Center located on U.S. Route 70 in Morehead City, which contains over 200,000 square feet of retail space. It is expected to attract residents from throughout the county and has the potential of replacing the downtown portion of Morehead City as the area's chief retail center.

The relevant market in which to assess the competitive impact of the proposed transactions is regarded as Carteret County, where 4 banks operate a total of 14 offices. Under the proposal, BNC, which holds a modest 1.7 percent of the county's IPC deposits, will withdraw from representation in thee market and be replaced by CBT, which hopes to capture a larger market share by aggressively marketing its characteristics as a locally owned, independent bank. Eleven of the remaining 13 banking offices in the county are offices of the State's largest and fifth largest banks, which aggregately hold 90.3 percent of the market's IPC deposits. The proposed transaction is seen as having no significant effect on existing competition or on the structure of commercial banking in this local market.

North Carolina statutes concerning *de novo* branching permit statewide activity. BNC has operated its sole office in Carteret County since February 1973 and has failed to make a significant market penetration. It is thus seen as unlikely to attempt a further expansion in the area in light of the number of other banking offices present. In this concentrated market, with large, well established statewide institutions, it is believed that the proposed transactions would have little effect on the potential for future competition between the proponents.

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 resultant bank would have an adequate volume of capital funds for the type and nature of business it is expected to draw during its early years of operation, and its financial resources are anticipated to be satisfactory. CBT's management is also considered adequate, and its future prospects are regarded as acceptable.

Convenience and Needs of the Community to be Served. It is anticipated that CBT will develop into an effective competitor. CBT proposes to offer free checking accounts and expanded banking hours, which are expected to be favorably received by potential customers in the Morehead City market. The considerations of convenience and needs of the community are consistent with approval of the applications.

Based on the foregoing, the Board of Directors has concluded that approval of the application for Federal deposit insurance and the application to purchase assets and assume liabilities is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
First State Bank of Encino (in organization) Encino (Los Angeles), California	—	—	1
to purchase the assets and assume the deposit liabilities of			
Encino Branch— The Hongkong Bank of California San Francisco	5,537*	1	

Summary report by Attorney General, June 26, 1978

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

*Total deposits of office to be transferred by The Hongkong Bank of California. Assets not available by office.

Basis for Corporation approval, September 28, 1978

Pursuant to Sections 5, 18(c), and other provisions of the Federal Deposit Insurance Act, applications have been filed on behalf of First State Bank of Encino, Encino (Los Angeles), California ("First Bank"), a proposed new bank in organization, for Federal deposit insurance and for the FDIC's prior consent to purchase the assets of and assume the liability to pay deposits made in the Encino Branch of The Hongkong Bank of California, San Francisco, California ("HKB"). The Encino Branch, with total deposits of $5,537,000, would be operated as the sole office of First Bank.

Competition. The proposed transaction would have its most direct and immediate impact in the trade area of Encino. Encino is an approximately 15-to-20-square-mile community containing an estimated population of 44,000. Ventura Boulevard serves as a major east-west thoroughfare in the San Fernando Valley and has experienced extensive "strip" commercial development along much of its 17-mile route. In this corridor, several distinct retail and commercial centers are in evidence with residential development centered on the north and south side of the boulevard. In Encino, several high-rise office buildings have opened and the community serves as a focal point for extensive retail and commercial activity.

Ten commercial banks operate a total of 12 offices in the above-described Encino market. Represented in this group are the five largest banking organizations in California. Under the proposals, HKB, which presently holds only a modest 2.8 percent of the market's IPC deposits, will withdraw from representation in Encino and be replaced by First Bank which will be locally owned and managed. Thus, the proposed transaction is seen as having no significant adverse effect on existing competition or on the structure of commercial banking in the local market. The possibility of potential competition developing between the subject banks is remote since HKB desires to withdraw from this area.

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. The proposed First Bank would have an adequate level of capital funds to support the type and nature of business it is expected to draw during its early years of operation. Its financial resources are anticipated to be satisfactory and its management is regarded as adequate. First Bank's future prospects appear to be favorable.

Convenience and Needs of the Community to be Served. The proposals will not affect the number of banks or banking offices serving the Encino community and will merely serve to substitute an independent, locally owned and managed commercial bank for a branch of an out-of-area bank whose interests appear to lie in other fields. It is anticipated that the new bank will attain sufficient deposit volume to become a profitable operation. The considerations of convenience and needs of the community to be served are consistent with approval of the transactions.

Based on the foregoing, the Board of Directors has concluded that approval of the application for Federal deposit insurance and the application to purchase assets and assume liabilities is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
The Bank of Le Roy Le Roy, New York (change title to Genesee Country Bank)	37,285	3	5
to merge with **The Citizens Bank** Attica	20,096	2	

Summary report by Attorney General, July 14, 1978

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, September 28, 1978

The Bank of Le Roy, Le Roy, New York ("Applicant"), an insured State nonmember bank with total resources of $37,285,000 and total IPC deposits of $24,648,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the FDIC's prior consent to merge with The Citizens Bank, Attica, New York ("Other Bank"), with total resources of $20,096,000 and total IPC deposits of $16,883,000. The banks would merge under the charter of Applicant with the title "Genesee Country Bank," and the two offices of Other Bank would become branches of the resultant bank, which would commence operations with a total of five offices.

Competition. Essentially a corporate reorganization, the proposal would provide a means whereby Security New York State Corporation, Rochester, New York, the 19th largest of the State's commercial banking organizations, controlling nine banks with aggregate total deposits of $968,957,000 (0.7 percent of New York State's total deposits), may consolidate its operations in Genesee and Wyoming Counties. The proponents have been owned by Security New York State Corporation since 1970, and their proposed merger would not affect the structure of commercial banking or the concentration of banking resources within the relevant market.

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. While the proponents' capital positions are somewhat below desired levels, their financial and managerial resources are considered adequate for purposes of this proposal. The resultant bank should be able to operate more efficiently and its future prospects appear favorable.

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 from those presently offered by each proponent. The considerations of convenience and needs of the community are consistent with approval of the transaction.

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	294,674	42	47
to merge with **The Cumberland Bank** Fayetteville	23,334	5	

Summary report by Attorney General, August 30, 1978

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

Basis for Corporation approval, October 5, 1978

Peoples Bank & Trust Company, Rocky Mount, North Carolina ("Peoples Bank"), an insured State nonmember bank with total resources of $294,674,000 and total IPC deposits of $232,129,000, 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 Cumberland Bank, Fayetteville, North Carolina ("Cumberland Bank"), with total resources of $23,334,000 and total IPC deposits of $16,412,000. The banks would merge under the charter and title of Peoples Bank, and incident to the merger, the 5 existing offices of Cumberland Bank would become branches of the resultant bank, increasing the number of its offices to 47.

Competition. Peoples Bank is the 11th largest banking organization in North Carolina. It currently operates 42 offices located predominantly in the northeastern portion of the State. The nearest office of Peoples Bank to an office of Cumberland Bank is located in Raleigh, approximately 60 miles north. Cumberland Bank operates four offices in Fayetteville and one in nearby Spring Lake. The areas served by the two banks do not overlap.

The effects of this proposal would be most pronounced in Cumberland County, the primary market of Cumberland Bank. Fayetteville is the only urban area in the county, but Fort Bragg, one of the Nation's largest military installations, and adjoining Pope Air Force Base add considerable population to the area. There are 9 banking institutions, operating 65 banking offices, located in the county. This includes 7 of the State's 10 largest banking organizations. Cumberland Bank has 5.8 percent of the total IPC deposits in the county. Peoples Bank is not represented in the county, and inasmuch as the proposal would merely substitute Peoples Bank for Cumberland Bank, at the same sites, it is not expected that relative local market shares would be affected.

Under North Carolina law each bank could establish *de novo* branches in areas serviced by the other bank. Because of its limited resources and the distances involved, Cumberland Bank is unlikely to engage in any such *de novo* branching activity. Peoples Bank has the capability for *de novo* branching, but there is little incentive to enter by this means because of the number of commercial banking offices already in Cumberland County. It therefore appears unlikely that any significant potential competition would be eliminated by the proposed merger.

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 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 merger would make available larger lending limits and more sophisticated banking services to Cumberland Bank's customers. These services are available at a number of other large commercial banks in the area, but the considerations of convenience and needs are nevertheless consistent with approval of the proposed merger.

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
Colonial Bank of New Haven New Haven, Connecticut (change title to Colonial Bank)	292,064	20	66
to merge with			
Colonial Bank of Waterbury	523,834	34	
and			
Colonial Bank of Hartford Hartford	42,134	6	
and			
Colonial Bank of Plainville Plainville	43,336	6	

Summary report by Attorney General, June 26, 1978

The merging banks are all 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, October 12, 1978

Colonial Bank of New Haven, New Haven, Connecticut ("Applicant"), an insured State nonmember bank with total resources of $292,064,000 and total IPC deposits of $238,224,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the FDIC's prior consent to merge with Colonial Bank of Waterbury, Waterbury, Connecticut, with total resources of $523,834,000 and total IPC deposits of

$340,417,000; Colonial Bank of Hartford, Hartford, Connecticut, with total resources of $42,134,000 and total IPC deposits of $37,841,000; and Colonial Bank of Plainville, Plainville, Connecticut, with total resources of $43,336,000 and total IPC deposits of $35,047,000. These banks would merge under the charter of Applicant and, with the title "Colonial Bank." The 46 authorized offices of the other banks would be established as branches of the resultant bank. The main office location will be redesignated to the present main office site of Colonial Bank of Waterbury.

Competition. Essentially a corporate reorganization, the proposal would provide a means by which Colonial Bancorp, Inc., Waterbury, Connecticut, a bank holding company which controls these four banks only, may consolidate its operations. The proponents have been under common control since 1977. The proposed merger would not affect the structure of commercial banking or the concentration of banking resources within the relevant markets.

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. The financial and managerial resources of the resultant bank would be satisfactory and its future prospects appear favorable.

Convenience and Needs of the Community to be Served. The services to be offered in the relevant markets 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
The Equitable Trust Company Baltimore, Maryland	1,448,598	95	99
to merge with			
Truckers and Savings Bank Salisbury	18,220	4	

Summary report by Attorney General, August 28, 1978

We have reviewed this proposed transaction and conclude that it is essentially a corporate reorganization and would have no effect on competition.

Basis for Corporation approval, October 12, 1978

The Equitable Trust Company, Baltimore, Maryland ("Applicant"), an insured State nonmember bank with total resources of $1,448,598,000 and total IPC deposits of $1,138,728,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the FDIC's prior consent to merge with Truckers and Savings Bank, Salisbury, Maryland ("Truckers"), with total resources of $18,220,000 and total IPC deposits of $14,827,000. These banks would merge under the charter and with the title of Applicant and the four existing and one approved but unopened offices of Truckers would be established as branches of the resultant bank.

Competition. Applicant and Truckers are wholly owned subsidiaries of Equitable Bancorporation, Baltimore, Maryland, a bank holding company, and have been under common control since 1974. Essentially a corporate reorganization, this proposal would result in the business of these two banks being conducted under the charter and title of Applicant. The proposed merger would not affect the structure of commercial banking or the concentration of banking resources within the relevant market.

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. The financial and managerial resources of the resultant bank would be acceptable and its future prospects appear favorable.

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
The New York Bank for Savings New York, (Manhattan), New York	3,765,557	26	32
to merge with **First Chartered Savings and Loan Association** Port Jervis	96,265*	6	

*Total deposits.

Summary report by Attorney General, August 8, 1978

The closest offices of the merging parties (Applicant's Bedford Hills office in Westchester County and First Chartered's Nyack office in Rockland County) are 21 miles apart. The application indicates that, based upon a sampling of accounts, the merging parties have a negligible number of common depositors. However, according to the application, there is some deposit overlap between Applicant and First Chartered; thus, as of December 31, 1977, Applicant held $27.7 million in deposits drawn from First Chartered's primary and secondary service areas, and First Chartered held $2.3 million in deposits drawn from Applicant's primary and secondary service areas. It therefore appears that the proposed merger would eliminate some existing competition between Applicant and First Chartered. However, it does not appear that concentration among thrift institutions would be significantly increased in any relevant market. Finally, under New York law, thrift institutions may establish one *de novo* branch office per year. The potential for increased future competition between Applicant and First Chartered through *de novo* branching is therefore limited.

Basis for Corporation approval, October 30, 1978

The New York Bank for Savings, New York (Manhattan), New York ("NYBS"), an insured mutual savings bank with total resources of $3,765,557,000 and total deposits of $3,359,764,000, 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 Chartered Savings and Loan Association, Port Jervis, New York ("First Chartered"), a Federally insured savings and loan association with total deposits of $96,265,000. The 2 institutions would merge under the charter and title of NYBS, and incident to the merger, the 6 offices of First Chartered would become branches of the resultant bank, which would commence operating with a total of 32 offices and 1 approved, but unopened office.

Competition. NYBS operates its main office and 16 branches in Manhattan, 2 branches in Westchester County, 3 branches in the Rochester area of Monroe County, and 4 branches in the Syracuse area of Onondaga County. An additional branch has been approved for the Syracuse area. NYBS is the third largest thrift institution in New York State.

The relevant market in which to assess the competitive impact of the proposed transaction is regarded as Orange and Rockland Counties, where First Chartered operates its six offices. While there is some evidence of commutation to New York City and other nearby areas for employment, the majority of the residents of the two-county area are employed locally. Several well-known industrial firms have established manufacturing facilities in this market and contribute to a stable economic base.

There are 31 thrift institutions operating 65 offices in the relevant market. First Chartered, which ranks as the market's fifth largest thrift institution, holds a modest 6.4 percent of the area's thrift institution deposits. NYBS, whose nearest office is located 21 road-miles distant from the closest office of First Chartered, is not represented in this market. The proposed transaction would have no significant effect on existing competition between the proponents or on the structure of thrift institution banking in the local market. NYBS's ranking as the State's third largest thrift institution would not be materially affected by the relatively modest volume of deposits held by First Chartered. The potential for substantial competition to develop between the two banks through *de novo* branching is considered remote due to the very strong competition First Chartered would encounter in the New York City area and the statutory limitation of one *de novo* branch a year applicable to NYBS.

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. The considerations relating to financial and managerial resources have been satisfactorily resolved, and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served. NYBS's entry into the Orange and Rockland Counties market would make available an additional alternative for certain thrift institution services not now offered by First Chartered. The considerations of convenience and needs of the community to be served are consistent with approval of the application.

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
Vevay Deposit Bank Vevay, Indiana	16,568	1	2
to merge with			
East Enterprise State Bank East Enterprise	2,979	1	

Summary report by Attorney General, August 28, 1978

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

Basis for Corporation approval, November 8, 1978

Pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, an application has been filed on behalf of Vevay Deposit Bank, Vevay, Indiana ("Applicant"), an insured State nonmember bank with total resources of $16,568,000 and total IPC deposits of $13,252,000, for the FDIC's prior consent to merge, under its charter and title, with East Enterprise State Bank, East Enterprise, Indiana ("State Bank"), also an insured State nonmember bank, with total resources of $2,979,000 and total IPC deposits of $2,434,000. The sole office of State Bank would be established as a branch of the resultant bank.

Competition. Applicant operates its sole office in the town of Vevay (1970 population 1,463) in the southern portion of Switzerland County of southeastern Indiana and has received approval to establish its first *de novo* branch, also in Vevay. State Bank operates its sole office at the village of East Enterprise (estimated population 150) in the northern part of Switzerland County approximately 12 road-miles northeast of Vevay.

Switzerland County and adjoining Ohio County (1970 population 6,306 and 4,289, respectively), which form the relevant market in which to assess the competitive impact of the proposed transaction, are among the smallest of Indiana's counties in both area and population. These counties are located in the rural, extreme southeastern portion of the State adjoining the Ohio River. The terrain is generally hilly and the economy predicated, to a large extent, upon livestock production and agriculture. The city of Madison (1970 population 13,081) and the Aurora-Lawrenceburg area (estimated population 9,000) contain diversified industry and manufacturing plants which serve, to some extent, as centers for nonagricultural employment for the market's rural residents.

In the relevant market, four commercial banks each operate a single office. Applicant, holding 38.7 percent of the market's IPC deposits, ranks as its largest bank; State Bank is the smallest, holding a 6.8-percent share of such funds which are drawn from a limited local area. The two-county market is sparsely populated with the city of Madison and the Aurora-Lawrenceburg area providing, to some extent, an alternate source of commercial banking service. Represented in these cities are banks of a substantially larger size than the institutions competing in Switzerland and Ohio Counties.

While the proposed merger would eliminate some existing competition between the proponents and increase concentration levels in the market, these consequences have only limited significance in light of the small size of the relevant market and its deposit potential. Although the proposed merger would reduce from four to three the number of commercial banks in this market, the effectiveness of State Bank as a competitor appears limited. State Bank, organized in 1909, has attained less than $3 million in total deposits in its almost 70-year history and presently administers a loan portfolio of only $770,000.

Indiana statutes permit *de novo* branching throughout a bank's home office county, subject to a home office protection provision. State Bank's limited size, however, appears to preclude its expansion by such means. Applicant, while possessing the necessary resources and ability to engage in *de novo* branching, is hampered by Switzerland County's limited population, particularly in the northern portion of the county in the vicinity of East Enterprise. The proposed transaction is thus viewed as having no significant effect on the potential for future competition between the proponents.

Under the 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 financial and managerial resources of both proponents and of the resultant bank are considered adequate for purposes of this proposal. The resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served. State Bank's limited resources have prevented it from offering many full service commercial banking services that would be available at the resultant bank. In addition, a modernization program is planned for State Bank's building, and a drive-up facility would be added. The considerations of convenience and needs of the community to be served appear to add some weight in favor of approval of the application.

Available information indicates that no inconsistencies with the purposes of the Community Reinvestment Act appear to exist.

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
Gardiner Savings Institution Gardiner, Maine	50,058	3	4
to merge with **Hallowell Savings and Loan Association** Hallowell	4,618	1	

Summary report by Attorney General, October 3, 1978

The primary service area of Applicant overlaps that of Bank. The main offices of both are located 4.3 miles apart in Kennebec County. In view of the overlapping service areas of Applicant and Bank and the closeness of their offices, the proposed acquisition would eliminate both present and future direct competition for deposits.

As of June 30, 1977, Applicant was the seventh largest banking institution in Kennebec County, with 7.9 percent of total savings deposits in all financial institutions. Bank is the smallest of four savings associations in the county, with 1.1 percent of total savings deposits in financial institutions. Consummation of the proposed acquisition would give the resulting bank a total of 9.0 percent of savings deposits in county financial institutions.

In sum, the proposed merger would have a slightly adverse effect upon competition.

Basis for Corporation approval, November 8, 1978

Gardiner Savings Institution, Gardiner, Maine ("Gardiner Savings"), an insured mutual savings bank with total resources of $50,058,000 and total deposits of $45,730,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the FDIC's prior consent to merge with Hallowell Savings and Loan Association, Hallowell, Maine ("S&L"), a federally insured savings and loan association with total resources of $4,618,000 and total deposits of $4,441,000. The merger would be effected under the charter and title of Gardiner Savings and the sole office of S&L would be established as a branch of the resultant bank.

Competition. Gardiner Savings operates three offices in the three-county area in the capital region of Maine, with its main office in Gardiner, Kennebec County, approximately 7 miles south of the city of Augusta, and branches 10 miles south and 17 miles southeast of Gardiner, in Richmond, Sagadahoc County, and Wiscasset, Lincoln County, respectively. Gardiner Savings is the 16th largest mutual savings bank in Maine having 2.3 percent of deposits held by all mutual savings banks in the State. S&L's sole office is located in Hallowell (1970 population 2,814), approximately 4 miles north of Gardiner Savings' main office.

S&L's service area is located wholly within the service area of Gardiner Savings. In addition to Hallowell, the relevant trade area in which to assess the competitive impact of the proposed transaction consists of the cities of Augusta to the north and Gardiner to the south, along with the surrounding municipalities of Farmingdale, West Gardiner, Pittston, Randolph, and Chelsea. The combined population of this area in 1970 was 40,755, a modest increase of 2.5 percent over 1960. The area serves as a shopping and service center for a number of surrounding towns, in addition to having heavy manufacturing, some tourism, and a concentration of governmental activity.

Gardiner Savings holds approximately 20.8 percent of deposits held by thrift institution offices in the relevant market. It ranks third in market share among five thrift institutions which operate a total of seven offices in the trade area. S&L is the smallest of these five institutions, holding 2.9 percent of area thrift institution deposits. In view of S&L's relatively small size, limited resources, and weakened condition, the proposed transaction is seen as having no significant effect on existing competition or on the potential for increased future competition between the proponents.

Under the 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 Gardiner Savings are satisfactory. S&L's financial resources have deteriorated to the point where the institution functions as only a weak competitor. Its acquisition by Gardiner Savings will eliminate such problems. The future prospects of the resultant bank are regarded as satisfactory.

Convenience and Needs of the Community to be Served. S&L's sole office would become a branch of Gardiner Savings which will offer a broader range of thrift institution services than have been available to S&L's patrons. The replacement of a small, weakened, and unaggressive institution with a sound and more aggressive one should benefit local residents. The considerations of convenience and needs of the community appear to add some support to approval of the transaction.

Available information indicates that no inconsistencies with the purposes of the Community Reinvestment Act appear to exist.

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
American Bank of Maryland Silver Spring, Maryland (change title to First American Bank of Maryland)	212,570	20	24
to merge with **Chesapeake National Bank** Towson	41,963	4	

Summary report by Attorney General, August 8, 1978

The merging banks are both majority-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, November 8, 1978

American Bank of Maryland, Silver Spring, Maryland ("American"), an insured State nonmember bank with total resources of $212,570,000 and total IPC deposits of $184,338,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the FDIC's prior consent to merge with Chesapeake National Bank, Towson, Maryland ("Chesapeake"), with total resources of $41,963,000 and total IPC deposits of $36,182,000. These banks would merge under the charter of American and with the title "First American Bank of Maryland." The four existing offices of Chesapeake would be established as branches of the resultant bank.

Competition. Essentially a corporate reorganization, the proposal would provide a vehicle by which Financial General Bankshares, Inc., Washington, D.C., a multi-bank holding company, may consolidate its operations in central Maryland. The proponents are both partially owned by a wholly owned subsidiary of the holding company, Financial General Corporation of Maryland, which owns 45.8 percent of American and 93.6 percent of Chesapeake.

American, based in Silver Spring, operates a total of 20 offices serving central Maryland from the Baltimore area to suburban Washington, D.C. Chesapeake, based in Towson north of the city of Baltimore, operates four offices in the Baltimore and Annapolis areas. While the primary service areas of the proponents do overlap to some minor extent, the service areas are viewed as generally complementary. Effective, direct competition, absent the common ownership factor, is in evidence only at offices located in the vicinity of Annapolis. In light of the number of other banking alternatives available to residents of that area, consummation of the proposed transaction would have little competitive impact.

The common ownership interest in both proponents by the holding company precludes any significant existing or potential competition. Chesapeake was established in 1964 and has remained under majority control of the holding company since that time. Minority "control" of American dates from 1955, and while actual ownership of that institution by the holding company is slightly less than 50 percent, it seems unlikely that the actual majority control of the institution would be allowed to pass to another individual or group.

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 the purposes of this proposal. The financial and managerial resources of the resultant bank would be acceptable, and its future prospects appear favorable.

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 or available at competing banks. The considerations of convenience and needs of the community, however, are consistent with approval of the transaction.

Available information indicates that no inconsistencies with the purposes of the Community Reinvestment Act appear to exist.

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
Frankenmuth Bank & Trust Frankenmuth, Michigan	193,139	14	15
to consolidate with **The Farmers and Merchants State Bank of Merrill** Merrill	9,210	1	

Summary report by Attorney General, June 26, 1978

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

Basis for Corporation approval, November 8, 1978

Frankenmuth Bank & Trust, Frankenmuth, Michigan ("Frankenmuth Bank"), an insured State nonmember bank with total resources of $193,139,000 and total IPC deposits of $158,085,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to consolidate with The Farmers and Merchants State Bank of Merrill, Merrill, Michigan ("Farmers Bank"), an insured State member bank with total resources of $9,210,000 and total IPC deposits of $7,703,000, under the charter and title of Frankenmuth Bank. Farmers Bank's sole office would be operated as a branch of the resultant bank.

Competition. The two banks are located in cities situated about 30 miles apart in Saginaw County, which is in east-central Michigan. The county had a 1970 population of 219,743, which was a 15.2-percent increase from the 1960 population figure. The banking market most relevant to an evaluation of this proposed transaction would be an area within an approximate 20-road-mile radius of Merrill, including portions of Saginaw, Midland, and Gratiot Counties. Much of the area is rural with the economy chiefly predicated upon agriculture. The cities of Saginaw, 1970 population 91,849, and Midland, 1970 population 34,921, serve as the area's economic centers and provide nonfarm employment and shopping convenience to residents of the trade area. The area, with the exception of the city of Saginaw, has experienced a moderate growth in population, and except for Gratiot County, income averages are near or above the 1977 State median household buying level.

The proponents are in direct competition to the extent that two of Frankenmuth Bank's branches are in the relevant market of Farmers Bank. The competitive effect of the transaction, however, is regarded as nominal in light of the number of alternate sources of commercial banking available in the market area and the relative size of such competing institutions. The closest offices of the two banks are 14 miles apart with offices of other banks in the intervening area.

Of the 14 banks operating a total of 53 offices in the relevant market, the proponents rank 7th and 13th in percentage of total deposits held. The resultant bank would hold 4.4 percent of such deposits and would continue to rank seventh in the market. It would appear that a competitive banking climate would continue in the market and that the proposed consolidation would not have any material effect on the structure of commercial banking.

Under Michigan statutes, each bank may branch within 25 miles of its main office within Saginaw County or any of the counties contiguous thereto, but no *de novo* branch may be established in any community in which another bank is already in operation. Thus, the potential for competition to increase via *de novo* branching is not significant.

The proposed consolidation of Frankenmuth Bank and Farmers Bank would not eliminate any significant existing or potential competition between them, nor would it materially affect the concentration of banking resources in the local market.

Based upon 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, and the resultant bank, with the proposed addition to its capital structure, would have favorable future prospects.

Convenience and Needs of the Community to be Served. The proposed consolidation would result in some improvement in the services available to the customers of Farmers Bank. The resultant bank would have an increased lending limit and would provide trust services and expertise in specialized lending areas. The considerations of convenience and needs of the community are consistent with approval of the application.

Available information indicates that no inconsistencies with the purposes of the Community Reinvestment Act appear to exist.

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
Western Bank Coos Bay, Oregon	246,616	26	35
to merge with **Crater National Bank** Medford	48,072	9	

Summary report by Attorney General, October 13, 1978

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

Basis for Corporation approval, November 8, 1978

Western Bank, Coos Bay, Oregon, an insured State nonmember bank with total resources of $246,616,000 and total IPC deposits of $189,797,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the FDIC's prior consent to merge, under its charter and title, with Crater Natonal Bank, Medford, Oregon ("Crater Bank"), with total resources of $48,072,000 and total IPC deposits of $39,450,000. The nine offices of Crater Bank will be established as branches of the resultant bank. Incident to the transaction, Class A Convertible Preferred Stock will be issued, and the FDIC's advance consent to the retirement thereof is also sought.

Competition. Based in Coos Bay on the southwestern coast of Oregon, Western Bank operates 26 offices in 12 of the State's counties. Crater Bank operates all of its nine offices within Jackson County in southern Oregon, which is regarded as the relevant market in which to assess the competitive impact of the proposed transaction.

Jackson County (1970 population 94,533) has experienced rapid growth in recent years with development most evident along a series of valleys and centered at the city of Medford (1970 population 28,454), which serves as a principal commercial, retail, and economic center for a wide area. Approximately one-third of the county's manufacturing is engaged in the wood products industry; however, tourism, related recreational pursuits, and specialized agricultural crops contribute to a stable economic base.

Seven commercial banks operate a total of 28 offices in this market, including offices of the State's three largest commercial banks. Crater Bank, which is ranked as the third largest commercial bank in this market, holds 12.4 percent of its IPC deposits. This market share is significantly smaller than the 72.0-percent combined share held by the two Portland-based commercial banks that dominate this local market as well as other markets in the State. Western Bank, whose nearest office is more than 40 road-miles from any office of Crater Bank and separated by mountainous terrain, is not represented in the market. Its merger with Crater Bank would have no effect on existing competition between the institutions or on the structure of the local market.

Oregon State statutes prohibit *de novo* branching in communities of less than 50,000 population that contain existing banking offices. Western Bank is therefore precluded from *de novo* entry into the city of Medford and most other developed areas of Jackson County. While some potential *de novo* branch sites do remain, Western Bank is not viewed as likely to expend the time and resources necessary to make a significant market penetration in light of the number of established banking offices in the developed portions of the county and the concentrated nature of the local banking market. Crater Bank, which has chosen to confine its operations to Jackson County, is not anticipated to expand into geographic areas removed from this base to become a major competitor of Western Bank in the near future. The proposed transaction is thus seen as having no significant effect on potential competition between the proponents.

Western Bank, ranked as Oregon's fifth largest commercial bank with 2.2 percent of the State's total commercial bank deposits, would acquire only an additional 0.4 percent of such funds as a consequence of the proposed transaction. This modest increase in share of State deposits would have little material effect on the concentration of banking resources in light of the substantially larger shares held by the State's two largest commercial banks, which aggregately hold 55.3 percent of Oregon's commercial bank deposits.

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. The financial and managerial resources of both proponents are regarded as satisfactory. With the proposed additions to the resultant bank's capital structure, its future prospects appear favorable.

Convenience and Needs of the Community to be Served. The resultant bank will offer more extensive commercial banking services than are presently available at Crater Bank. These services are available at local offices of Oregon's three largest banks, but the proposed merger would bring another source for such services to the local market. The considerations of convenience and needs of the community to be served are consistent with approval of the application.

Available information indicates that no inconsistencies with the purposes of the Community Reinvestment Act appear to exist.

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 West Pensacola Bank Pensacola, Florida (change title to The West Florida Bank)	37,883	2	4
to merge with			
The Bank of West Florida Pensacola	13,797	2	

Summary report by Attorney General, August 30, 1978

Both Applicant and Bank operate in the Pensacola SMSA, which consists of Escambia and Santa Rosa Counties. Bank's home office is located 8.7 miles north of Applicant's home office; Applicant's branch office is 3.5 miles east of the home office of Bank. However, numerous other banking institutions operate in the area served by Bank and Applicant. Applicant ranks sixth of 20 banks in the SMSA, controlling 6.85 percent of total deposits. Bank ranks 15th in the SMSA, controlling 2.18 percent of total deposits. In Escambia County Applicant ranks 6th with 8.2 percent of total deposits and Bank ranks 11th with 2.60 percent of total deposits of 16 banks in the county. The resulting bank would rank 5th with 9.04 percent of total deposits in the SMSA and 5th with 10.7 percent of total deposits in the county.

It thus appears that the two institutions compete directly in both Escambia County and the Pensacola SMSA and that the proposed merger would eliminate some existing competition. In view of the size of the institutions, their relative market shares, and the presence of alternative banking institutions, we conclude that this merger would have a slightly adverse effect on competition.

Basis for Corporation approval, November 17, 1978

The West Pensacola Bank, Pensacola, Florida ("West Pensacola"), an insured State nonmember bank with total resources of $37,883,000 and total IPC deposits of $27,100,000, 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, with The Bank of West Florida, Pensacola, Florida ("West Florida"), an insured State nonmember bank with total resources of $13,797,000 and total IPC deposits of $11,186,000. Incident to the transaction, the main office and one branch of West Florida would be established as branches of the resultant bank which would commence operation with four offices and with the title "The West Florida Bank".

Competition. The proponents are located in Escambia County, the westernmost county in the Florida panhandle. West Pensacola operates its head office near downtown Pensacola (1970 population 59,507), the county seat, and its only branch approximately 9 miles to the north. West Florida's main office is located approximately 9 miles northwest of downtown Pensacola and its only branch is located 16 miles north of the main office in the town of Molena, Florida. In addition to the Pensacola Naval Air Station and support facilities which are the principal contributors to the local economy, a number of manufacturing plants are important to the economy of Escambia County (1970 population 205,334), as are commercial and sport fishing and shipping. The county experienced a population increase of 18.1 percent in the period 1960 to 1970.

Of the 13 commercial banks operating 25 banking offices in Escambia County, West Pensacola and West Florida are ranked sixth and ninth by deposit size, holding 8.1 percent and 2.8 percent of the county's total deposits, respectively. The resultant bank would hold 10.9 percent of such deposits, making it the fifth largest bank in the county. It would appear that the structure of commercial banking in Escambia County would not be significantly affected by the proposed transaction.*

While the proponents' nearest offices are located less than 4 miles apart in the unincorporated Ensley portion of the county, and the proponents' head offices are only 9 miles distant, actual direct competition between the two institutions appears to be somewhat limited. West Pensacola, established in 1950, has grown into a commercially oriented institution centered near the downtown business district of Pensacola, while West Florida, established in 1967, has chosen to operate principally as a consumer-oriented bank serving outlying portions of the county. In light of the proponents' differing customer bases and the presence of numerous offices of other banks, consummation of the proposed transaction is viewed as having no significant adverse impact on existing competition.

Under Florida statutes, banks headquartered in Escambia County may branch *de novo* and merge only within the confines of the county. Each operating bank may establish two branches per calendar year, in addition to those acquired via merger. The impact of the proposed transaction on the potential for future competition is regarded as nominal.

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. The considerations relating to financial and managerial resources of each institution have been satisfactorily resolved and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served. The proposed merger would result in no substantial change in the services now available to customers of either bank. The considerations of convenience and needs of the community are consistent with approval of the application.

Available information indicates that no inconsistencies with the purposes of the Community Reinvestment Act appear to exist.

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

*In August 1977, Mr. James H. Baroco, principal stockholder of West Pensacola, began purchasing and now has effective stock control of West Florida. 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, in accordance with past agency practice, the Board of Directors has ignored the affiliation in its assessment of the proposal.

	Resources (in thousands of dollars)	Banking offices in operation: Before	After
Peoples Bank of Hawk Point Hawk Point, Missouri (change title to Peoples Bank of Lincoln County)	14,218	1	2
to merge with **Citizens Bank of Troy** Troy	5,340	2	

Summary report by Attorney General, August 8, 1978

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

Basis for Corporation approval,
November 17, 1978

Pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, an application has been filed on behalf of Peoples Bank of Hawk Point, Hawk Point, Missouri ("Peoples Bank"), an insured State nonmember bank with total resources of $14,218,000 and total IPC deposits of $12,496,000, for the Corporation's prior consent to merge, under its charter, with Citizens Bank of Troy, Troy, Missouri ("Citizens Bank"), also an insured State nonmember bank, with total resources of $5,340,000 and total IPC deposits of $3,751,000. Peoples Bank seeks to redesignate its main office location to the present site of the main office of Citizens Bank and to establish the sole office of Peoples Bank as a branch of the resultant bank, which would bear the title "Peoples Bank of Lincoln County." Citizens Bank's present branch (facility) at Moscow Mills will be discontinued. Incident to the transaction, the proponents have proposed raising $600,000 as an addition to the resultant bank's capital structure. Such capital funds would include $400,000 in subordinated capital notes and the Corporation's advance consent to their mandatory retirement provision is also sought.

Competition. Peoples Bank operates its sole office in Hawk Point (1970 population 354) in the western part of Lincoln County, Missouri. Citizens Bank is headquartered in the city of Troy (1970 population 2,538), located in the south-central portion of Lincoln County approximately 8 road-miles east of Hawk Point, and operates a branch (facility) at Moscow Mills (1970 population 399), located approximately 6 road-miles southeast of Troy. Lincoln County (1970 population 18,041) is located in east-central Missouri approximately 40 miles northwest of the St. Louis metropolitan area. While an increasing number of the county's residents commute daily for employment to the St. Louis area, the county is still primarily rural with agricultural pursuits providing the major source of income. The completion of Interstate Route 70 (a major east-west artery) approximately 5 miles below the county's boundary has served to accelerate the area's residential development. While the 1970 median household buying level for Lincoln County was lower than comparable figures for the State and St. Louis metropolitan area, its geographic location adjoining rapidly growing St. Charles County and its stable economic base indicate that the area has favorable economic prospects.

The relevant market in which to assess the competitive impact of the proposed transaction is regarded as the area within approximately 15 miles of the city of Troy, which includes most of Lincoln County and adjoining portions of Warren and St. Charles Counties. There are 11 commercial banks operating a total of 13 offices in this market with Peoples Bank holding 11.2 percent of the area's IPC deposits and ranking as the third largest bank by such a measure. Citizens Bank, with only 3.4 percent of the market's IPC deposits, is the smallest commercial bank in the market and, based in Troy, faces intense competition from the substantially larger Boatmen's Bank of Troy, an affiliate of one of Missouri's largest banking organizations. The resultant bank will hold 14.6 percent of the market's IPC deposits and remain as the area's third largest commercial bank. The proposed transaction would, therefore, have little effect on the structure of commercial banking in the relevant market.

The proponents' head offices are located approximately 8 road-miles apart and, to some extent, must be considered to be in direct competition. Citizens Bank, however, in its 5 years of operation, has failed to achieve any significant market penetration and has not developed into a major competitive factor in the county. In addition, the market already contains a number of other, larger commercial banks, and the elimination of this existing competition is not viewed as having any significant adverse effect upon competition.

Missouri statutes severely restrict *de novo* branch activity with the proponents limited to the operation of only one branch (facility) in towns within 15 miles of the head office with a population of not more than 1,550 that contain no existing banking services. Both proponents are, thus, effectively barred from any such *de novo* expansion activity. The proposed transaction would have little effect on the potential for future competition between the proponents.

Under the 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 factors relating to financial and managerial resources have been satisfactorily resolved. The resultant bank, with the proposed additions to its capital structure, is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served. As a direct result of the proposal, the Moscow Mills branch (facility) will be discontinued. This office was opened in February 1975 and has failed to develop a sufficient customer base to justify economically its continued operation. The closing of the Moscow

Mills office is expected to have little material impact on the convenience and needs of the community.

The proposed merger would result in no significant change in the level or pricing of commercial banking services. The considerations of convenience and needs of the community are consistent with approval of the applications.

Available information indicates that no inconsistencies with the purposes of the Community Reinvestment Act appear to exist.

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
Farmers and Merchants Bank and Trust of Watertown Watertown, South Dakota	51,740	2	4
to purchase the assets and assume the deposit liabilities of			
First Security Bank Morristown	7,232	2	

Summary report by Attorney General, June 8, 1978

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

Basis for Corporation approval, November 17, 1978

Farmers and Merchants Bank and Trust of Watertown, Watertown, South Dakota ("Farmers"), an insured State nonmember bank with total resources of $51,740,000 and total IPC deposits of $41,380,000, 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 First Security Bank, Morristown, South Dakota ("Security"), also an insured State nonmember bank, with total resources of $7,232,000 and total IPC deposits of $5,828,000, and to establish the two offices of Security as branches of Farmers. Application has also been made to issue $900,000 in capital notes as an addition to the capital structure of the resultant bank and for advance consent to retire said notes

Competition. Farmers is the 12th largest banking organization in the State of South Dakota. It currently operates two offices, both in the eastern portion of the State, and has approval to open an additional branch, also in this area. The two offices of Security are located in Corson County, in the northwestern portion of the State.

This proposal would have its greatest impact on the market area of Security. This area, predominantly agricultural, is very sparsely populated, with only a limited network of roads. There are no other banks in the relevant market area and the nearest commercial banking office is located in Lemmon, South Dakota, approximately 25 miles west of Security's main office. The main offices of the proponents are separated by approximately 270 miles and the closest branches are approximately 220 miles apart. There is, therefore, no overlap in respective market areas. This proposal would not eliminate any existing competition between the two banks or have any significant effect on the structure of commercial banking in the market. In view of the size of the two proponents, consummation of this transaction would have no material effect on the structure of commercial banking in the State.

The probability of *de novo* branching by Farmers into the Morristown-McIntosh area is limited by home office protection provisions of the South Dakota banking law, as well as by the sparse population of the area. Conversely, while South Dakota statutes would permit Security to branch into Farmers' market area, it does not appear to possess the resources necessary to mount any meaningful expansion into distant areas. The transaction would therefore have no significant effect on the potential for increased future competition between the proponents.

Under the 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 financial and managerial resources of the proponents and of the resultant bank are regarded as satisfactory. The resultant bank, with the proposed addition to its capital structure, would appear to have favorable future prospects.

Convenience and Needs of the Community to be Served. The communities now served by Security would enjoy a higher legal lending limit and trust services to be offered by the resultant bank. The considerations of convenience and needs of the community appear consistent with approval of the transaction.

Available information indicates that no inconsistencies with the purposes of the Community Reinvestment Act appear to exist.

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
La Jolla Bank & Trust Company La Jolla, California	51,944	2	7
to merge with **West Coast National Bank** Oceanside	31,003	5	

Summary report by Attorney General, October 13, 1978

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

Basis for Corporation approval, November 30, 1978

La Jolla Bank & Trust Company, La Jolla, California ("Applicant"), an insured State nonmember bank with total resources of $51,944,000 and total IPC deposits of $43,382,000, 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 West Coast National Bank, Oceanside, California ("WCNB"), with total resources of $31,003,000 and total IPC deposits of $23,640,000. The five offices of WCNB would be established as branches of the resultant bank.

Competition. Applicant operates its head office in La Jolla, in the northern coastal portion of the city of San Diego approximately 10 miles northwest of the central business district, and a branch in the adjacent University City portion of San Diego. WCNB operates its head office and three branches in the city of Oceanside and a branch in the city of Carlsbad, located about 25 road-miles north of La Jolla. In 1977, WCNB discontinued its Del Mar branch (located approximately 8 miles north of La Jolla) and one of its newly established branches in Oceanside.

Both proponents are located in western San Diego County in a narrow, highly developed strip of communities along the Pacific Coast. Growth and residential development have been rapid in the Oceanside, Carlsbad, and Vista area, which is regarded as the relevant market in which to assess the competitive impact of the proposed transaction. This area (estimated 1970 population 115,000) also contains a large "nonpermanent" population with a number of "second homes" in evidence. Inland from Oceanside is an area noted for its avocado groves which, along with other agricultural activity, serve to broaden the economic base of this beach-resort area. Located just north of Oceanside is the vast Camp Pendleton Marine Base, which is considered to have a major economic impact on the local economy and forms a logical northern boundary to the relevant market.

In the relevant market 10 commercial banks operate a total of 33 offices. WCNB, with a 9.0-percent share of the market's IPC deposit base, ranks as its fifth largest bank by such a measure, a market share that is substantially smaller than those held by Bank of America National Trust and Savings Association and Security Pacific National Bank. These two institutions, which are the State's largest and second largest commercial banks respectively, dominate the local market with more than one-third of its banking offices and 52.5 percent of its IPC deposits. Several other large statewide banking organizations are also represented in the local market, providing intense competition. Applicant is not represented in this Oceanside market area, and the proposed transaction is viewed as having no significant effect on the structure of commercial banking there.

The proponents both serve localized markets, with their nearest offices located approximately 25 road-miles apart along a congested corridor containing a number of intervening banking offices; thus, they are not regarded as being in direct competition. California statutes permit statewide *de novo* branching activity and each proponent has the potential to expand by such a vehicle into the other's service area.

Applicant has enjoyed rapid growth and is regarded as an effective competitor. Until this time, however, Applicant has chosen to confine its operations to a small localized sphere in the northern coastal residential areas of San Diego. WCNB's attempts at branch expansion southward toward San Diego met with failure, resulting in the discontinuance of its Del Mar branch in 1977. The potential for meaningful competition to develop between the proponents in the near future is regarded as minimal.

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 considerations relating to financial and managerial resources have been satisfactorily resolved. With the proposed $1,500,000 addition to the resultant bank's capital structure, its future prospects appear favorable.

Convenience and Needs of the Community to be Served. The proposed transaction would result in no substantial change in either the level or pricing of commercial banking services in the community now served by WCNB. While the resultant bank will offer a higher legal lending limit and use of Applicant's modest-sized trust department at offices of WCNB, these services are available in the market at larger institutions. The considerations of convenience and needs of the community, however, are consistent with approval of the transaction.

Available information indicates that no inconsistencies with the purposes of the Community Reinvestment Act appear to exist.

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 Sonoma County Santa Rosa, California	71,434	4	5
to purchase the assets and assume the deposit liabilities of			
Healdsburg Branch—The First National Bank of Cloverdale Cloverdale	7,345*	1	

*IPC deposits of office to be transferred by The First National Bank of Cloverdale. Assets not available by office.

Summary report by Attorney General, July 31, 1978

The banks involved 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 30, 1978

Bank of Sonoma County, Santa Rosa, California, an insured State nonmember bank with total resources of $71,434,000 and total IPC deposits of $60,239,000, 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 the Healdsburg branch ($7,327,000 as of March 31, 1978) of The First National Bank of Cloverdale, Cloverdale, California, with total resources of $31,678,000 and total IPC deposits of $26,837,000. The Healdsburg branch would be established as a branch of Bank of Sonoma County.

Competition. The proponents have been wholly owned (except for directors' qualifying shares) subsidiaries of Independent Bankshares Corporation, San Rafael, California, a bank holding company, since 1972. The proposed transaction, essentially a restructuring of certain aspects of each bank, would result in a branch of one subsidiary being acquired by another subsidiary. The subsequent operation of the branch at the same location would result in no change in concentration of banking resources or in the structure of commercial banking in any relevant area.

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 appear to be adequate for the purposes of this proposal. The financial and managerial resources of the resultant bank, with the contemplated addition to capital, would be satisfactory and its future prospects appear favorable.

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.

Available information indicates that no inconsistencies with the purposes of the Community Reinvestment Act appear to exist.

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
First American Bank of North Palm Beach North Palm Beach, Florida (change title to First American Bank of Palm Beach County)	80,237	5	8
to merge with			
First American Bank of Lake Worth, National Association Lake Worth	95,317	3	

Summary report by Attorney General, August 28, 1978

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

Basis for Corporation approval, November 30, 1978

First American Bank of North Palm Beach, North Palm Beach, Florida ("PB"), an insured State nonmember bank with total resources of $80,237,000 and total IPC deposits of $60,240,000, 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 American Bank of Lake Worth, National Association, Lake Worth, Florida ("LW"), with total resources of $95,317,000 and total IPC deposits of $67,146,000. The banks would merge under the charter of PB and with the title "First American Bank of Palm Beach County." Incident to the merger the 3 existing offices and the 1 approved, but unopened office of LW, would become branches of the resultant bank, increasing the number of its approved offices to 10.

Competition. PB was organized in 1959, and while a number of the original founding shareholders continue to own stock in the bank, a group of investors headed by Roy W. Talmo purchased a substantial interest in the bank in 1966. Mr. Talmo and his interests control approximately 34 percent of the bank's stock and he serves as chairman of the board. PB's main office is located in North Palm Beach and it operates four branches, including one drive-in facility, all located within 8 miles of the main office. An application for an additional office, to be located in Tequesta, Florida (approximately 10 miles north of the main office), recently received supervisory approval.

LW was organized in 1956, and control of the bank was acquired by Roy W. Talmo and his interests through stock purchases in 1965 and 1973. Mr. Talmo and his interests presently control approximately 28 percent of the stock and he serves as chairman of the board. LW's main office and one branch are located in Lake Worth with another branch located approximately 10 miles west of the main office in West Palm Beach. An additional branch has recently been approved for Pahokee, Florida (40 miles northwest of the main office).

Florida banking law prohibits branching outside of a bank's home county. All offices of both banks are located in Palm Beach County. Their closest offices are separated by only 7 miles, and while the service areas of the proponents overlap, PB's offices serve mainly the northeastern portion of the county and LW's offices the central portion. Actual direct competition between the two appears to be somewhat limited. The approved, but unopened branch of LW will serve the western portion of the county. If the merger is approved, the service area of the resultant bank would cover all major population centers in the county. The relevant area of impact for this proposal is therefore considered to be Palm Beach County.

Palm Beach County, located on the southeastern coast of Florida approximately 40 miles north of Miami, is a rapidly growing area. Its 1970 population was 348,753, representing a 52.9-percent increase over the 1960 population of 228,106, and its estimated population for 1977 was 485,600. The 1977 median effective household buying level for the county was $13,801, compared to $12,106 for the State. As of June 30, 1978, there were 26 banking organizations represented in the county, operating 93 banking offices. The proponents ranked 11th and 12th, controlling 3.6 percent and 3.3 percent of the IPC deposits in the county. If the merger is approved the resultant bank would become the fourth largest banking organization in the county, holding 6.9 percent of such deposits. It would appear that the structure of commercial banking in Palm Beach County would not be significantly affected by the proposed transaction.*

*PB and LW have 12 stockholders in common, who control 47.5 percent and 41.3 percent of the outstanding stock of the banks respectively. Since this affiliation between the two banks has not heretofore been subject to regulatory scrutiny, the affiliation is of no persuasive value in determining, for the purposes of the Bank Merger Act, what competitive impact, if any, the proposed transaction may have. Therefore, in accordance with past agency practice, the Board of Directors has ignored the affiliation in its assessment of the proposal.

Six of the State's 10 largest holding companies operate in the county. In view of the small relative market shares held by the proponents, and the size and number of competing banking organizations, there appears to be little potential for significant competition to develop between the proponents in the near future.

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. The considerations relating to financial and managerial resources have been satisfactorily resolved, and resultant bank is anticipated to have favorable future prospects.

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. The considerations of convenience and needs of the community to be served, however, are consistent with approval of the application.

Available information indicates that no inconsistencies with the purposes of the Community Reinvestment Act appear to exist.

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
Burlington County Trust Company Moorestown, New Jersey	181,983	10	14
to merge with **Bank of West Jersey** Delran Township (P.O. Delran)	46,333	4	

Summary report by Attorney General, September 13, 1978

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, November 30, 1978

Burlington County Trust Company, Moorestown, New Jersey ("Applicant"), an insured State nonmember bank with total resources of $181,983,000 and total IPC deposits of $147,688,000, 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 West Jersey, Delran Township (P.O. Delran), New Jersey ("Other Bank"), with total resources of $46,333,000 and total IPC deposits of $39,399,000. The banks would merge under the charter and title of Applicant and the 4 offices of Other Bank would be established as branches of the resultant bank, which would commence operations with a total of 14 offices.

Competition. Essentially a corporate reorganization, the proposal would provide a means whereby Fidelity Union Bancorporation, Newark, New Jersey, the State's fourth largest banking organization owning six banking subsidiaries with aggregate total deposits of $1,637,875,000 (6.4 percent of New Jersey's total deposits), may consolidate its operations in Burlington County.* Other Bank has been owned by Fidelity Union Bancorporation since 1971. Applicant was recently acquired (July 1978) by the parent with the approval of the Board of Governors of the Federal Reserve System. The proposed merger would not affect the structure of commercial banking or the concentration of banking resources within the relevant market.

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. The proponents' financial and managerial resources are considered adequate for the purposes of this proposal, and the future prospects of the resultant bank appear favorable.

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. The considerations of convenience and needs of the community are consistent with approval of the transaction.

Available information indicates that no inconsistencies with the purposes of the Community Reinvestment Act appear to exist.

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

*Fidelity Union Bancorporation figures adjusted to include July 1978 acquisition of Applicant.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
The Bank & Trust Company of Arlington Heights Arlington Heights, Illinois	93,021	2	3
to purchase the assets and assume the deposit liabilities of **North Point State Bank** Arlington Heights	29,207	1	

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

Basis for Corporation approval, December 16, 1978

The Bank & Trust Company of Arlington Heights, Arlington Heights, Illinois, an insured State nonmember bank with total resources of $93,021,000, 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 the liability to pay deposits made in North Point State Bank, Arlington Heights, Illinois, an insured State nonmember bank with total resources of $29,207,000. Incident to the transaction, the sole office of North Point State Bank would become a facility of The Bank & Trust Company of Arlington Heights.

As of December 16, 1978, North Point State Bank had deposits of approximately $20,800,000 and operated one office. On December 16, 1978, the Federal Deposit Insurance Corporation was appointed as Receiver of North Point State Bank.

The Board of Directors finds that the failure of North Point 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
Depositors Trust Company of Bangor Bangor, Maine (change title to Depositors Trust Company of Eastern Maine)	27,673	4	8
to merge with **The Liberty National Bank in Ellsworth** Ellsworth	20,771	4	

Summary report by Attorney General, September 13, 1978

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, December 20, 1978

Depositors Trust Company of Bangor, Bangor, Maine ("Applicant"), an insured State nonmember bank with total resources of $27,673,000 and total IPC deposits of $21,743,000, 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 Liberty National Bank in Ellsworth, Ellsworth, Maine ("Other Bank"), with total resources of $20,771,000 and total IPC deposits of $17,022,000. These banks would merge under the charter of Applicant and with the title "Depositors Trust Company of Eastern Maine." The four existing offices of Other Bank would be established as branches of the resultant bank.

Competition. Essentially a corporate reorganization, the proposal would provide a means by which Depositors Corporation, Augusta, Maine, a bank holding company, may consolidate its operations in eastern Maine. The proponents have been commonly controlled since 1969. The proposed merger would not affect the structure of commercial banking or the concentration of banking resources within the relevant market.

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. The financial and managerial resources of the resultant bank would be satisfactory and its future prospects appear favorable.

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.

Available information indicates that no inconsistencies with the purposes of the Community Reinvestment Act appear to exist.

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
Depositors Trust Company of Portland Portland, Maine (change title to Depositors Trust Company of Southern Maine)	26,476	4	6
to merge with **Springvale National Bank** Springvale	17,166	2	

Summary report by Attorney General, August 8, 1978

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, December 20, 1978

Depositors Trust Company of Portland, Portland, Maine ("Applicant"), an insured State nonmember bank with total resources of $26,476,000 and total IPC deposits of $22,195,000, 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 Springvale National Bank, Springvale, Maine ("Other Bank"), with total resources of $17,166,000 and total IPC deposits of $14,892,000. The banks would merge under the charter of Applicant and with the title "Depositors Trust Company of Southern Maine." The two offices of Other Bank would become branches of the resultant bank, which would commence operations with a total of six offices. Additionally, Applicant requests the prior approval of the Corporaton for the resultant bank to exercise trust powers.

Competition. Essentially a corporate reorganization, the proposal would provide a means whereby Depositors Corporation, Augusta, Maine, the State's second largest banking organization owning six banking subsidiaries with aggregate total deposits of $358,000,000 (15.0 percent of Maine's total deposits), may consolidate its operations in southern Maine. Applicant and Other Bank have been owned by Depositors Corporation since 1972 and 1971, respectively, and their proposed merger would not affect the structure of commercial banking or the concentration of banking resources within the relevant market.

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. The proponents' financial and managerial resources are considered adequate for purposes of this proposal, and the future prospects of the resultant bank appear favorable.

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. The considerations of convenience and needs of the community are consistent with approval of the transaction.

Available information indicates that no inconsistencies with the purposes of the Community Reinvestment Act appear to exist.

On the basis of the foregoing information, 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. In response to this change the following 15 merger applications involving affiliates of the same holding company in Florida were filed during 1978. Although they did not involve a "phantom bank," these 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.

Southeast Everglades Bank of Fort Lauderdale, Fort Lauderdale, Florida (change title to *Southeast Bank of Broward);* offices: 1; resources: 57,113 ($000); to merge with *Southeast Bank of Broward,* Fort Lauderdale; offices: 2; resources: 25,229 ($000); and *Southeast Bank of Deerfield Beach,* Deerfield Beach; offices: 2; resources: 91,283 ($000); and *Southeast Bank of Galt Ocean Mile,* Fort Lauderdale; offices: 1; resources: 39,258 ($000); and *Southeast Bank of Hollywood Hills,* Hollywood; offices: 1; resources: 72,351 ($000); and *Southeast Bank of Miramar,* Miramar; offices: 1; resources: 29,576 ($000). Approved: January 11.

The Lewis State Bank, Tallahassee, Florida; offices: 3; resources: 72,784 ($000); to merge with *The Gulf National Bank,* Tallahassee; offices: 1; resources: 13,619 ($000). Approved: January 25.

Barnett Bank of Auburndale, Auburndale, Florida (change title to *Barnett Bank of East Polk County);* offices: 1; resources: 9,754 ($000); to merge with *Barnett Bank of East Polk County, National Association,* Winter Haven; offices: 3; resources: 71,209 ($000). Approved: February 24.

Landmark Bank of Brevard, Indialantic, Florida; offices: 1; resources: 15,680 ($000); to merge with *Landmark Bank of Melbourne, National Association,* Melbourne; offices: 2; resources: 25,059 ($000). Approved: March 14.

Flagship State Bank of Jacksonville, Jacksonville, Florida (change title to *Flagship Bank of Jacksonville);* offices: 1; resources: 54,447 ($000); to merge with *Flagship State Bank of Arlington,* Jacksonville; offices: 1; resources: 15,037 ($000); and *Flagship State Bank of North Jacksonville,* Jacksonville; offices: 1; resources: 7,650 ($000); and *Flagship State Bank of South Jacksonville,* Jacksonville; offices: 1; resources: 4,909 ($000). Approved: March 14.

Barnett Bank of Naples, Naples, Florida; offices: 2; resources: 90,387 ($000); to merge with *Barnett Bank of Collier County,* Collier County (P.O. Naples); offices: 1; resources: 22,218 ($000). Approved: March 14.

Flagship Bank of Sanford, Sanford, Florida (change title to *Flagship Bank of Seminole);* offices: 1; resources: 34,643 ($000); to merge with *Flagship U.S. Bank of Seminole,* Sanford; offices: 2; resources: 20,163 ($000). Approved: May 5.

Hernando State Bank, Brooksville, Florida; offices: 5; resources: 46,855 ($000); to merge with *First American National Bank of Hernando County,* Hernando County (P.O. Spring Hill); offices: 1; resources: 19,578 ($000). Approved: June 26.

Atlantic Bank of Springfield, Jacksonville, Florida (change title to *Atlantic Bank of Jacksonville);* offices: 3; resources: 101,920 ($000); to merge with *Atlantic Bank of West Jacksonville,* Jacksonville; offices: 2; resources: 46,454 ($000); and *Atlantic Bank of Lake Forest,* Jacksonville; offices: 1; resources: 43,902 ($000); and *Atlantic Bank of South Jacksonville,* Jacksonville; offices: 1; resources: 32,773 ($000); and *Atlantic Bank of Normandy,* Jacksonville; offices: 1; resources: 18,948 ($000); and *Atlantic University Bank,* Jacksonville; offices: 1; resources: 13,308 ($000). Approved: August 11.

Southeast First Bank of Largo, Largo, Florida (change title to *Southeast Bank of Pinellas);* offices: 1; resources: 88,931 ($000); to merge with *Southeast National Bank of Dunedin,* Dunedin; offices: 1; resources: 61,828 ($000); and *Southeast Bank of Pinellas Park,* Pinellas Park; offices: 1; resources: 14,239 ($000); and *Southeast National Bank of St. Petersburg,* South Pasadena; offices: 1; resources: 43,261 ($000). Approved: September 6.

Southeast Bank of Titusville, Titusville, Florida (change title to *Southeast Bank of Brevard);* offices: 1; resources: 34,525 ($000); to merge with *Southeast First National Bank of Satellite Beach,* Satellite Beach; offices: 1; resources: 27,389 ($000); and *Southeast Bank of Melbourne,* Melbourne; offices: 1; resources: 19,140 ($000); and *Southeast National Bank of Cocoa,* Cocoa; offices: 1; resources: 12,288 ($000). Approved: September 6.

The Exchange Bank of Central Florida, Haines City, Florida (change title to *Exchange Bank of Polk County);* offices: 2; resources: 14,972 ($000); to merge with *The Exchange National Bank of Winter Haven,* Winter Haven;

offices: 3; resources: 111,261 ($000). Approved: October 30.

Pan American Bank of Inverrary, Lauderhill, Florida (change title to *Pan American Bank of Broward)*; offices: 2; resources: 19,043 ($000); to merge with *Pan American Bank of Broward County, National Association,* Oakland Park; offices: 1; resources: 22,840 ($000). Approved: November 17.

Flagship Bank of Orlando, Orlando, Florida; offices: 1; resources: 59,636 ($000); to merge with *Flagship Bank of West Orlando, National Association,* Orlando; offices: 1; resources: 8,486 ($000). Approved: November 30.

Flagship Peoples Bank of Tallahassee, Tallahassee, Florida; offices: 2; resources: 24,736 ($000); to merge with *Flagship American Bank of Tallahassee,* Tallahassee; offices: 1; resources: 3,235 ($000). Approved: November 30.

Merger transactions were involved in the acquisitions of banks by holding companies in the following approvals in 1978. 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.

Blue Ridge Trust Company, Hancock, Maryland, in organization; offices: 0; resources: 120 ($000); to merge with and change title to *The Peoples National Bank of Hancock,* Hancock, Maryland; offices: 2; resources: 10,493 ($000). Approved: February 23.

Camp Bowie Bank, Fort Worth, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *Ridglen Bank,* Fort Worth, Texas; offices: 1; resources: 91,252 ($000). Approved: March 29.

East Freeway State Bank, Houston, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *First State Bank and Trust Company of Houston,* Houston, Texas; offices: 2; resources: 65,718 ($000). Approved: May 22.

Clifton Bank, Clifton, Texas; offices: 1; resources: 27,526 ($000); to merge with *New Clifton State Bank,* Clifton, Texas, in organization; offices: 0; resources: 50 ($000). Approved: May 23.

The Brighton State Bank, Brighton, Michigan; offices: 5; resources: 79,387 ($000); to consolidate with *BSB Bank,* Brighton, Michigan, in organization; offices: 0; resources: 120 ($000). Approved: May 24.

Newport Bank, Newport, Michigan, in organization; offices: 0; resources: 120 ($000); to consolidate and change title to *The Newport State Bank* Newport, Michigan; offices: 2; resources: 12,962 ($000). Approved: July 12.

Walnut Hill & Greenville Bank, Dallas, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *Greenville Avenue Bank & Trust,* Dallas, Texas; offices: 1; resources: 66,222 ($000). Approved: July 12.

First Alabama Bank of Cullman, Cullman, Alabama, in organization; offices: 0; resources: 100 ($000); to merge with *First State Bank of Cullman, Alabama, Inc.,* Cullman, Alabama; offices: 2; resources: 14,876 ($000). Approved: August 24.

Bank of East Lauderdale, Rogersville, Alabama, in organization; offices: 0; resources: 25 ($000); to merge with and change title to *East Lauderdale Banking Company,* Rogersville, Alabama; offices: 2; resources: 20,338 ($000). Approved: August 29.

Columbus Bank and Trust Company, Columbus, Georgia; offices: 15; resources: 212,031 ($000); to merge with *CB&T Second Mortgage Company,* Columbus, Georgia, in organization; offices: 0; resources: 1,642 ($000). Approved: August 29.

Commercial Bank & Trust Company, Griffin, Georgia; offices: 4; resources: 93,103 ($000); to merge with *CBT-Interim, Inc.,* Griffin, Georgia, in organization; offices: 0; resources: 1 ($000). Approved: September 13.

Lewisville State Bank, Lewisville, Texas; offices: 1; resources: 33,118 ($000); to merge with *New Lewisville State Bank,* Lewisville, Texas, in organization; offices: 0; resources: 200 ($000). Approved: October 12.

New Bank of Fort Worth, Fort Worth, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *Bank of Fort Worth,* Fort Worth, Texas; offices: 1; resources: 100,318 ($000). Approved: October 16.

F. S. B. C. State Bank, Union Township (P.O. Morristown), Ohio, in organization; offices: 0; resources: 313 ($000); to merge with and change title to *The Eastern Ohio Bank,* Union Township (P.O. Morristown), Ohio; offices: 1; resources: 4,696 ($000). Approved: October 31.

Allied Champions Bank, Houston, Texas, in organization; offices: 0; resources: 100 ($000); to merge with *Champions Bank,* Houston, Texas; offices: 1; resources: 58,914 ($000). Approved: November 20.

VB State Bank, Hartford, Michigan, in organization; offices: 0; resources: 120 ($000); to merge with and change title to *Van Buren State Bank,* Hartford, Michigan; offices: 2; resources: 21,851 ($000). Approved: November 28.

900 Congress State Bank, Austin, Texas, in organization; offices: 0; resources: 200 ($000); to merge with and change title to *Texas State Bank,* Austin, Texas; offices: 1; resources: 104,038 ($000). Approved: November 29.

Main Bank of Houston, Houston, Texas; offices: 1; resources: 68,430 ($000); to merge with *New Main Bank of Houston,* Houston, Texas, in organization; offices: 0; resources: 211 ($000). Approved: November 29.

The Harrison Deposit Bank and Trust Company, Cynthiana, Kentucky; offices: 1; resources: 13,633 ($000); to merge with *Harrison State Bank Company,* Cynthiana, Kentucky, in organization; offices: 0; resources: 0. Approved: November 30.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Franklin Bank and Trust Company Franklin, Indiana	69,671	5	8
to merge with **The Edinburg State Bank** Edinburg	18,674	3	

Summary report by Attorney General, March 20, 1978

All of the proponents' offices are located in Johnson County. Their closest offices, Applicant's main office in Franklin (population 11,477) and Bank's branch office in Franklin, are about 2 miles apart. Applicant's Franklin branch office is about 4 miles from Bank's Franklin branch. The only other bank in Franklin has three offices. In addition, Applicant's Whiteland branch office is located about 2 miles from Bank's New Whiteland branch. Bank's main office is located about 12 miles from Applicant's nearest branch. It thus appears that the proposed acquisition would eliminate a significant amount of existing direct competition.

Selection of an appropriate geographic market within which to assess the effect of the proposed merger on concentration in commercial banking is difficult because of the proximity to Johnson County of the Indianapolis suburbs to the north and Columbus to the south. Data presently available to the department is insufficient to permit a precise calculation of a relevant geographic market. We note, however, that there are 5 banking institutions, accounting for a total of 21 offices, in Johnson County. As of June 30, 1977, Applicant had approximately 26 percent of the total deposits held by commercial banks in the county, and Bank had 7 percent. The largest bank in the county, National Bank of Greenwood, had 33 percent of such deposits; the other two banks accounted for 25 percent and 8 percent. If the proposed merger is consummated, the resulting bank would have about 33 percent of the total commercial bank deposits in the county, and the three-firm concentration ratio in the county would increase from approximately 84 percent to 91 percent.

Basis for Corporation denial, May 19, 1978

Franklin Bank and Trust Company, Franklin, Indiana ("Applicant"), an insured State nonmember bank with total resources of $69,671,000 and total IPC deposits of $52,390,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the FDIC's consent to merge, under its charter and title, with The Edinburg State Bank, Edinburg, Indiana ("State Bank"), an insured State nonmember bank with total resources of $18,674,000 and total IPC deposits of $12,593,000. Incident to the transaction, Applicant would establish the three offices of State Bank as branches of the resultant bank, increasing to eight the number of offices operated. Consent to issue $2,000,000 in subordinated capital notes as an addition to the bank's capital structure and advance consent to their mandatory retirement is also sought.

Competition. Both proponents are headquartered in Johnson County, which has a primarily rural economy and is located in south-central Indiana (1970 population 61,138). The city of Franklin (1970 population 11,477), which is located near the geographic center of Johnson County, serves as the county seat and as a principal commercial center. Applicant operates its head office and a branch in the city of Franklin and one branch each in Whiteland (5 road-miles north), Greenwood (10 road-miles north), and Ninevah (12 road-miles south). State Bank, headquartered in Edinburg (1970 population 4,456), operates branches at Franklin (10 road-miles northwest) and at New Whiteland (16 road-miles northwest). Due to its head office location in the extreme southeastern corner of Johnson County, State Bank is seen as competing in a market that includes much of Johnson County and adjoining portions of Shelby and Bartholomew Counties.

If the transaction were approved, the resultant bank would be competing in an area which would include all of Johnson County and adjoining portions of Shelby and Bartholomew Counties, where 8 commercial banks operate a total of 37 offices. In share of total deposits held, Applicant and State Bank rank as the market's third and seventh largest banks, respectively. The resultant bank would hold 17.7 percent of these deposits and rank as the third largest of the banks. This would reflect an increase in the concentration of deposits, with the three largest banks holding 69.1 percent.

Johnson County, which is the legal branching and merging area for both banks involved in this proposal, contains 5 commercial banks operating 22 offices. Subsequent to the transaction, the resultant bank would operate eight of these offices and hold 33.0 percent of the county's commercial bank deposits, making it the second largest institution. This would increase the level of concentration of commercial bank deposits with the two largest banks holding 66.4 percent of the county's deposits and the three largest holding 91.6 percent of the deposits.

The consummation of this transaction would preclude future competition between the proponents in a number of areas in Johnson County. As both institutions have demonstrated their willingness and ability to establish *de novo* branches in portions of the county removed from their headquarters location, there is no evidence to suggest that, in the absence of this proposal, additional *de novo* expansion activity would not be conducted by either or both institutions. The consummation of this merger would forever foreclose this potential for increased competition.

The proposed transaction, if consummated, would (1) eliminate significant existing competition between the proponents, (2) increase substantially the deposit concentration in both the legal branching area and the relevant market, (3) reduce the number of banking alternatives available to residents of the market area, and (4) eliminate the potential for increased future competition between the two banks. On the basis of the foregoing, and in consideration of the standards established by the Supreme Court in cases involving mergers of banks which compete in the same local market, the Board of Directors is of the opinion that the proposed merger would "substantially lessen competition" within the relevant area.

Financial and Managerial Resources; Future Prospects. The financial and managerial resources of the proponents are considered satisfactory, and each has favorable future prospects as an independent institution.

Convenience and Needs of the Community to be Served. There is little evidence to suggest that, subsequent to the transaction, any significant change in the type of banking services would result. No new services would be offered to the community. Inasmuch as the proposed transaction would have a substantial anticompetitive impact, this effect does not appear to be outweighed by other considerations of public interest.

The Board of Directors, accordingly, believes that the application should be and it hereby is, denied.

Statement upon reconsideration,
August 11, 1978

On May 19, 1978, Franklin Bank and Trust Company, Franklin, Indiana ("Applicant"), an insured State nonmember bank, was denied the Corporation's prior approval to merge with The Edinburg State Bank, Edinburg, Indiana ("State Bank"), an insured State nonmember bank. The proponents subsequently petitioned the Corporation to reconsider its denial. The FDIC Board of Directors, having reconsidered its earlier decision, affirms its denial with the following statement.

The Board of Directors concluded in its original decision that the proposed merger, if consummated, would (1) eliminate significant existing competition between the proponents, (2) increase substantially the deposit concentration in both the legal branching area and the relevant market, (3) reduce the number of banking alternatives available to residents of the market area, and (4) eliminate the potential for increased future competition between the two applicant banks. On the basis of the foregoing, the Board of Directors was of the opinion that the proposed merger would "substantially lessen competition" within the relevant banking market.

In seeking reconsideration of the Corporation's previous denial, the proponents have presented a number of facts, figures, and exhibits to support their contention that Marion County and the city of Indianapolis should be included in the delineation of the relevant market, thus rendering the market shares held by the proponents to be nominal. In such an enlarged market, the existing and potential competition between the proponents would appear less substantial, and could possibly be termed as insignificant. The city of Greenwood and its environs are shown to be the principal commercial center of Johnson County, containing a major portion of the population and recent commercial development. A significant portion of Johnson County's work force was shown as commuting to Marion County for employment. The proponents indicate that Johnson County is intricately tied economically with neighboring Marion County and in particular to the city of Indianapolis. It is, therefore, advanced that in light of a common economic tie, intense competition exists with larger Indianapolis-based banks, some of which have branches at or near the Johnson-Marion County boundary.

Greenwood (1970 population 11,408) is located in the extreme northern portion of Johnson County, adjoining the Marion County boundary, approximately 10 road-miles northwest of Franklin (1970 population 11,477) and approximately 20 road-miles northwest of Edinburg (1970 population of 4,456). Greenwood and its environs have grown at a more rapid pace than other communities in Johnson County and have experienced commercial development that could be characterized as suburban growth emanating from the city of Indianapolis. Applicant maintains only a single branch office in this northern portion of Johnson County, at Greenwood (established in July, 1974). This office holds IPC deposits of $1,054,000, or a mere 2.0 percent of Applicant's total IPC deposit base of $52,390,000. State Bank is not represented in this portion of the county.

Four of Applicant's five offices, providing 98 percent of its IPC deposit base, and all offices of State Bank are located in the central and southeastern portion of Johnson County, where the economic characteristics are more agriculturally oriented than in the northern section. While a number of offices of Indianapolis-based banks are located in the proximity of the Johnson County line, these institutions are restricted by State statutes from *de novo* branching activity outside their head office county. Neither Applicant nor State Bank are engaged, to any significant degree, in intense "head-on" competition with offices of these larger Indianapolis-based banks and no information has been presented that would indicate that either proponent derives any sizable volume of business from any portion of Marion County.

In the central and southeastern portion of Johnson County, seven of the proponents' eight offices are located in close proximity. At Whiteland and New Whiteland, the proponents' offices are located only 1 mile apart with no intervening banking offices present. State Bank's Franklin branch is located 1.5 miles from the head office of Applicant, again with no intervening banking offices present. The proponents' head offices are located only 10 road-miles distant with two major highway arteries providing easy access and permitting significant interaction between the two communities.

In light of the foregoing, the FDIC adheres to its original conclusion and finds nothing in the record to cast doubt on the initial determination that the proposed transaction would result in substantially anticompetitive effects. The FDIC's Board of Directors again concludes that approval of the proposed merger of Franklin Bank and Trust Company and The Edinburg State Bank is not warranted and should be denied.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Southwest Mississippi Bank Magnolia, Mississippi (change title to First Bank of Southwest Mississippi)	27,239	3	7
to consolidate with			
Bank of McComb McComb	33,920	4	

Summary report by Attorney General, May 18, 1978

The appropriate area within which to assess the competitive effects of the proposed transaction is Pike County where all the offices of Applicant and Bank are located.

The head offices of the two banks are 10 miles apart. Branches are as close as 5 miles. Within a distance of 13 miles covering four communities are six of the banks' seven offices; the seventh is in Osyka, 18 miles south of Magnolia. These are the only banking communities in the county.

The county's population dropped from 35,000 in 1960 to 31,800 in 1970. Supplemental information reports the 1975 population as 34,000. Two forecasts have been made jointly by U.S. Departments of Agriculture and Commerce. One in 1972 projected a gain to about 40,000 in 2020, and one in 1976 projected a loss to about 31,700 in 2020. Per capita annual income in Pike County of $2,775 is more than 10 percent below the statewide figure of $3,098, itself the lowest in the nation. The county does not appear to be a good prospect for new bank entry.

Bank is the second largest in deposits in the county with 24 percent and Applicant is tied for third with 19 percent. Deposit Guaranty National Bank, the State's largest bank, operates five offices in Pike County and First National Bank of Jackson, the State's second largest, operates three offices in the county. All these offices are in McComb. Deposit Guaranty is the largest in the county, with 38 percent of deposits, and First National of Jackson has 19 percent of county deposits; thus, the State's two largest banks have 57 percent of county deposits. First National also has the closest branches in adjoining counties, 85 percent of deposits in the county to the east and 100 percent of deposits in the county to the west of Pike County.

The application lists three Brookhaven banks and one in Tylertown as competitors, as well as two banks in Louisiana. Brookhaven is more than 27 miles north of McComb. Tylertown, 20 miles east, is where First National of Jackson has 85 percent of county deposits. A Brookhaven bank has a branch in Bogue Chitto about 20 miles north of McComb. This may be an alternative for customers roughly midway between McComb and Bogue Chitto but it is hardly a realistic alternative for the bulk of the residents of the McComb-Magnolia area. The other banks are even farther away. None of these banks are in Pike County.

The application itself estimates that at least 15 percent of customers have accounts at both banks and that they account for at least 15 percent of IPC deposits. This means that customers having deposits of about $17-18 million out of total IPC deposits of $118 million at both banks would lose the benefit of competition between the banks which presumably led them to open these accounts.

Accordingly, it appears that the proposed transaction is a merger of two direct competitors with 43 percent of deposits in an area now served by four banks and that it would eliminate a significant amount of existing competition without any likelihood of new entry. Consummation of the proposed merger would change market shares in terms of total deposits from 38 percent, 24 percent, 19 percent, and 19 percent to 43 percent, 38 percent and 19 percent.

Overall, the proposed transaction would have a significant adverse effect upon competition in commercial banking in Pike County.

Basis for Corporation denial, May 19, 1978

Southwest Mississippi Bank, Magnolia, Mississippi ("Southwest Bank"), an insured State nonmember bank with total resources of $27,239,000 and total IPC deposits of $21,494,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the FDIC's consent to consolidate under its charter with Bank of McComb, McComb, Mississippi, an insured State nonmember bank with total resources of $33,920,000 and total IPC deposits of $27,102,000. Southwest Bank seeks to establish the four offices of Bank of McComb as branches of the resultant bank, with the title "First Bank of Southwest Mississippi," and to redesignate its main office site to the present main office site of Bank of McComb. The resultant bank would operate seven offices.

Competition. Southwest Bank operates branches at Fernwood (3 road-miles north of Magnolia) and at Osyka (14 road-miles south of Magnolia). Bank of McComb operates three offices in the city of McComb and a branch at Summit (5 road-miles north of McComb). These offices of the proponents are in Pike County.

Pike County (1970 population 31,756) is located in the southwestern portion of the State adjoining the Louisiana boundary. The economy is chiefly predicated upon agriculture; however, some industrial firms have located along Interstate Route 55 and U.S. Route 51 (running north-south) in the McComb area. While Magnolia (1970 population 1,913) is the county seat, the city of McComb (1970 population 11,969) serves as the county's chief commercial center. The economic picture of this area can best be described as static with moderate declines in both population and agricultural activity in evidence. The effective median household buying level of $8,441 (1976) is significantly lower than the state figure as well as substantially below the national average.

The two banks are headquartered in communities located less than 8 road-miles apart, connected by Interstate Route 55 and U.S. Route 51, with the Fernwood branch of Southwest Bank located approximately 4 road-miles from the nearest office of Bank of McComb and within 6 miles of three of its offices. The Interstate Route 55 corridor provides residents easy access throughout the developed portion of the county. Additionally, Southwest Bank, with a branch at Osyka, located in the southern portion of the county only 6 road-miles from Kentwood, Louisiana, is regarded as competing not only in Pike County, but also in adjoining portions of Tangipahoa Parish, Louisiana. Due to the ease of access and the proximity of five of the proponents' seven offices, the two banks are in direct, significant competition throughout Pike County and approval of the proposed consolidation would eliminate this competition.

This market area contains 6 commercial banks operating a total of 17 offices. The proponents rank as the second and third largest banks in the market in total deposits held, with Bank of McComb holding a 21.6-percent market share and Southwest Bank a 17.3-percent market share. The resultant bank would hold 38.9 percent of the market's total commercial bank deposits and rank as the area's largest bank. This would significantly increase deposit concentration with the two largest banks, subsequent to the transaction, holding 73.2 percent of the market's deposits. In addition, the proposal would reduce from two to one, the number of banks headquartered in Pike County, eliminating a viable, local alternative to the Jackson-based banks in the market as a source of commercial banking services.

Under Mississippi statutes, both proponents may branch *de novo* throughout much of Pike County and other areas within a 100-mile radius. The Bank of McComb and Southwest

Bank are well established institutions with experience in *de novo* branching and possess the managerial and financial resources to engage in such continued expansion. It therefore follows that there is the potential for increased future competition between the proponents, and that this potential competition would be eliminated by consummation of this transaction.

The proposed consolidation of these two banks would (1) eliminate substantial existing competition, (2) increase significantly the level of deposit concentration in the local market, (3) reduce the number of alternative sources of commercial banking services in the market, eliminating one of the two locally based banks, and (4) eliminate the potential for increased future competition between the proponents. On the basis of the foregoing, 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. While the proponents point out that certain economies of scale and resultant cost savings would result in the combined institution and hold out the prospect of a possible increase in trust activities, it is felt that no significant change in the type, level, or pricing of present services would result from the proposed consolidation. Moreover, approval 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 hereby is, denied.

Statement upon reconsideration,
August 2, 1978

On May 19, 1978, Southwest Mississippi Bank, Magnolia, Mississippi, an insured State nonmember bank with total resources of $27,239,000 and total IPC deposits of $21,494,000, was denied the Corporation's prior approval to consolidate with Bank of McComb, McComb, Mississippi, an insured State nonmember bank with total resources of $33,920,000 and total IPC deposits of $27,102,000. Southwest Mississippi Bank and Bank of McComb subsequently petitioned the Corporation to reconsider its denial. The FDIC's Board of Directors, having reconsidered its earlier decision, affirms its denial with the following statement.

The Board of Directors concluded in its original decision that the proposed consolidation if consummated would, (1) eliminate substantial existing competition, (2) increase significantly the level of deposit concentration in the local market, (3) reduce the number of alternative sources of commercial banking services in the market, eliminating one of the two locally based banks, and (4) eliminate the potential for increased future competition between the proponents. On the basis of the foregoing, the Board of Directors was of the opinion that the proposed transaction would "substantially lessen competition" within the relevant banking market.

In seeking reconsideration of the Corporation's previous denial, the proponents reiterated that the banks operate in separate markets (northern and southern sections of Pike County) and, therefore, are not in direct competition. Such an argument had been previously considered by the Board of Directors which found that "Due to the ease of access and the proximity of five of the proponents' seven offices, the two banks are in direct, significant competition . . . and approval of the proposed consolidation would eliminate this competition." As no new facts or information which would cast doubt upon the initial determination that the proposed transaction would result in substantially anticompetitive effects have been presented, the FDIC's Board of Directors again concludes that approval of the proposed consolidation of the Bank of McComb with Southwest Mississippi Bank is not warranted and should be denied.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
First Peoples Bank of New Jersey Westmont, New Jersey	760,315	46	51
to acquire the assets and assume the deposit liabilities of			
The Mainland Bank Linwood	35,884	5	

Summary report by Attorney General,
May 2, 1978

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

Basis for Corporation denial,
October 5, 1978

Pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, an application has been filed on behalf of First Peoples Bank of New Jersey, Westmont, New Jersey ("Peoples Bank"), an insured State nonmember bank with total resources of $760,315,000 and total IPC deposits of $590,467,000, for the Corporation's prior consent to acquire the assets of and assume the liability to pay deposits made in The Mainland Bank, Linwood, New Jersey, also an insured State nonmember bank, with total resources of $35,884,000 and total IPC deposits of $28,015,000. The five offices of The Mainland Bank would be established as branches of Peoples Bank.

Peoples Bank was chartered in 1921 and operated as a national bank until March 21, 1978, when it withdrew from the Federal Reserve System and converted into a State-chartered insured nonmember bank. It presently operates 46 offices in 8 counties of southern New Jersey and has received the necessary regulatory authority approvals to establish 2 additional *de novo* branch offices. Peoples Bank has experienced rapid expansion in the last decade as a result of seven merger transactions since late 1969.

The instant expansion proposal to acquire The Mainland Bank was submitted in substantially the same form to the Office of the Comptroller of the Currency ("OCC") in 1977 when Peoples Bank was under that agency's jurisdiction. That proposal was denied on December 1, 1977, when the OCC found that Peoples Bank's financial and managerial resources were inadequate to support additional expansion plans as proposed.

Competition. The relevant market in which to assess the competitive impact of the proposed transaction is regarded as the trade area presently served by The Mainland Bank which includes the eastern portion of Atlantic County, New Jersey, but excluding those communities located on the barrier islands which are separated from the mainland by a continuous series of bays, rivers, and inlets. Seven commercial banks operate a total of 26 offices in the market, with The Mainland Bank holding 14.3 percent of the area's IPC deposits. The Mainland Bank ranks as the market's second largest bank, but its market share is significantly smaller than the 45.2 percent held by First National Bank of South Jersey, which operates nine offices and dominates this local market.

Peoples Bank is not represented in the relevant geographic market and is not considered to be in direct competition with The Mainland Bank. Peoples Bank's nearest offices bound the market on the north and to the south. It has one office at Hammonton, in Atlantic County, approximately 13 miles north of The Mainland Bank's Weymouth Branch. Its closest offices north of the market are 7 miles distant from The Mainland Bank's offices, but are located in another county. To the south, Peoples Bank's nearest offices are located in Cape May County, approximately 12 miles distant.

New Jersey statutes permit statewide *de novo* branching activity, subject to certain home office protection provisions. The advent of legalized casino gambling in nearby Atlantic City and the potential effects of off-shore oil exploration are anticipated to have a favorable economic impact throughout much of the service area of The Mainland Bank. This area is regarded as a prime potential market for *de novo* expansion not only by Peoples Bank, but also by a number of other commercial banking organizations in the State. The number of potential entrants to the market seems to assure the continuation of a competitive banking climate, regardless of the considerations of the financial and managerial resources of the proponents involved in the proposed transaction. The potential for future competition between the proponents, which would be foreclosed by the proposed acquisition, is not viewed as having a significant adverse impact.

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 Mainland Bank's financial and managerial resources are at unacceptable levels and the bank has effectively ceased to function as a viable competitor in the market. Peoples Bank has undergone extensive expansion in recent years, which has placed a considerable strain upon its financial and managerial resources. Capital funds have failed to keep pace with the rapid asset and deposit growth. Peoples Bank has not resolved problems that have arisen from its prior acquisitions and has failed to demonstrate that it is presently capable of an additional acquisition. The Corporation is of the opinion that the proposed transaction would serve to further dilute the financial and managerial resources of Peoples Bank and would prove to be a substantial additional burden, adversely affecting the future prospects of the resulting bank.

Convenience and Needs of the Community to be Served. The Mainland Bank's weakened financial and managerial resources have precluded it from effectively competing in the market and the proposed transaction would offer one possible means of restoring full service commercial banking services at the offices of The Mainland Bank. While such considerations relating to the convenience and needs of the community to be served add some weight in favor of approval of the proposed transaction, the additional services to be provided by Peoples Bank are already available in the market at a number of competing institutions. The overall benefit to the community would clearly not outweigh the negative aspects inherent in the proposal.

Based on the foregoing, the Board of Directors concludes that approval of the application is not warranted.

REGULATIONS AND LEGISLATION
PART FOUR

International Banking Act. The International Banking Act of 1978, Public Law 95-369, provides for the Federal regulation of foreign banks in domestic financial markets. Specifically, it provides foreign banks with the option of establishing a Federal branch, with the approval of the Office of the Comptroller of the Currency, in any State where the establishment of a branch or agency is not prohibited by State law and where the bank does not presently have State-chartered branches or agencies. This act also provides for interstate branching by foreign banks, after the foreign bank has designated a home State, if such branching is in compliance with State law and deposits in all States other than the home State are related to international transactions or foreign activities. A grandfather clause exempts branches that were established or applied for by July 27, 1978.

This act provides for insurance coverage of certain deposits in domestic branches of foreign banks. It mandates Federal deposit insurance if such branches accept deposits of $100,000 or less, unless the branch is determined *not* to be engaged in domestic retail deposit activities. Other branches may obtain deposit insurance on an optional basis.

The act further subjects foreign banks with domestic branches to Federal Reserve reserve requirements and to provisions in the Bank Holding Company Act of 1956. Additionally, it amends the Edge Act by eliminating provisions which discriminated against foreign banks and by deleting the statutory restriction on leveraging equity capital.

The act also requires the FDIC to participate in the preparation of reports to Congress relating to the treatment of United States banks in foreign countries and an evaluation of the McFadden Act restrictions on branching by national banks.

Financial Institutions Regulatory and Interest Rate Control Act. The Financial Institutions Regulatory and Interest Rate Control Act (FIRIRCA), Public Law 95-630, is a comprehensive package of legislation affecting a number of areas relating to bank supervision. It expands the administrative enforcement powers of the financial regulatory agencies by authorizing them to issue cease-and-desist orders against directors and officers of financial institutions and to impose civil money penalties for violations of law or final cease-and-desist orders. It also permits such agencies to remove directors and officers who threaten the soundness of a financial institution. The act imposes additional restrictions on lending to bank insiders and to insiders of correspondent banks. In addition, prohibitions are placed on certain interlocking directorate and employment relationships between financial institutions.

The act gives financial regulatory agencies the authority to disapprove changes in control of financial institutions. Furthermore, the FDIC is given express authority over the establishment and operation of foreign branches and the acquisition of the shares of foreign banks by State nonmember insured banks. This authority is similar to that exercised by the Federal Reserve with respect to foreign branches and foreign bank acquisitions of member banks.

This act also establishes the right of privacy for customers of financial institutions, authorizes Federal charters for mutual savings banks, and raises the deposit insurance limit on Individual Retirement Accounts (IRA) and Keogh accounts from $40,000 to $100,000. Moreover, this act creates a Federal Financial Institutions Examination

Council. The council consists of the Chairman of the FDIC, the Comptroller of the Currency, a Governor of the Board of Governors of the Federal Reserve Board, the Chairman of the Federal Home Loan Bank Board, and the Chairman of the National Credit Union Administration Board. The primary function of this council is to establish uniform examination standards for financial institutions. Public Law 95-630 also requires banks to disclose material facts through annual reports to the appropriate Federal banking agency.

This act extends to December 15, 1980, and gives the Federal financial regulatory agencies the authority to establish ceilings on interest rates paid by financial institutions on time and savings deposits. It eliminates, however, the interest rate differential between commercial banks and thrifts institutions on savings deposits or accounts from which automatic transfers may be made, pursuant to a prearranged agreement, to cover checks drawn by the depositor. The act also authorizes NOW (negotiable order of withdrawal) accounts in New York. It contains other provisions affecting credit unions and savings and loan associations, extending the Export-Import Bank for 5 years, and establishing certain consumer-protection safeguards in the electronic funds transfer area.

Federal Banking Agency Audit Act. The Federal Banking Agency Audit Act, Public Law 95-320, authorizes the General Accounting Office to conduct periodic performance audits of the FDIC, the Federal Reserve System, and the Office of the Comptroller of the Currency. Prior to the enactment of this act, these three financial regulatory agencies were not subject to such GAO audits, although the FDIC has been subject to GAO audits of its financial operations for the past 32 years.

Still exempt from this audit authority are transactions conducted by or on behalf of a foreign bank or government or an internatonal financing organization, matters relating to monetary policy, and transactions by the Federal Open Market Committee.

Housing and Community Development Amendments. Title VI of the Housing and Community Development Amendments of 1978, Public Law 95-557, established a National Neighborhood Reinvestment Corporation. Its board of directors consists of the Chairman of the FDIC, the Chairman of the Federal Home Loan Bank Board, a member of the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Chairman of the National Credit Union Administration Board. The Neighborhood Reinvestment Corporation was created for the purpose of promoting reinvestment in older neighborhoods through the efforts of local financial institutions, community groups, and local government.

RULES AND REGULATIONS

Development and review of FDIC rules and regulations (Part 302). On November 15, 1978, the FDIC published a proposed amendment to Part 302 of its regulations which would revise and codify its rulemaking procedures. As revised, Part 302 would describe the general procedures by which the FDIC develops and reviews its rules and regulations. The revision was proposed to comply with Executive Order 12044 ("Improving Government Regulations") and to make the FDIC's rulemaking procedures more responsive to banks and the public at large. Some of the objectives of the proposed FDIC procedures are (1) regulations will be clearly and understandably written; (2) their need and purpose will be clearly established; (3) the FDIC Board of Directors will exercise effective oversight of their development; (4) the public will be given an opportunity to participate in the rulemaking process; (5) alternative approaches will be considered; and (6) burdens on the public will be minimized.

Interest Rate Regulations (Part 329). Effective November 1, 1978, the FDIC amended Part 329 of its regulations to permit insured State nonmember banks to transfer funds automatically from a savings account to a checking or other account of the same individual depositor. Section 329.7 of the FDIC's regulations was amended in October 1978 to limit the maximum rate payable on savings deposits that are subject to such automatic transfer authorizations to not more than the commercial bank rate, as required by Title XVI of the FIRIRCA.

Part 329 was further amended on June 1, 1978, to provide for a money market certificate of deposit. This is a variable rate time deposit of less than $100,000, the maximum rate of which is equivalent to the Treasury auction discount rate on 6-month Treasury bills. It has a fixed term of 26 weeks. This deposit category is designed to permit banks to compete for short-term money market funds.

Part 329 was also amended to provide for a new category of 8-year time deposits with a 7-3/4 percent maximum interest rate for commercial banks and 8 percent maximum for mutual savings banks. The amendment also makes IRA, Keogh Plan, and public unit time deposits eligible for the 8 percent rate. This amendment took effect June 1, 1978.

Another amendment to Part 329 allows mutual savings banks in the State of Washington to issue 8-year time certificates of deposits at the 8 percent rate, despite the provisions of a Washington State law that prohibit payment of interest on a time deposit for a period in excess of 6 years. The amendment allows payment at the 8 percent rate for 6 years subject to compulsory call by the bank if the Washington law remains unchanged at the end of the 6-year period. The purpose of this amendment is to provide adequate time for the Washington State legislature to conform the law to the FDIC's regulations and, at the same time, avoid placing mutual savings banks in Washington at a competitive disadvantage because of the Washington law restrictions.

Finally, on May 11, 1978, the FDIC amended Section 329.10 of its regulations to allow insured State nonmember banks to pay interest on Treasury tax and loan accounts (TTLs). According to recent Treasury regulations, interest must be paid on such accounts that are in the nature of overnight borrowings. In effect, the Treasury regulations require payment of a higher rate of interest than the rate that normally may be paid on a bank's short-term funds. The amendment to the FDIC regulation has the effect of exempting TTLs from the interest rate restrictions in Section 329.10 by expanding the regulation's exceptions to include obligations of both the United States and its agencies.

Deposit Insurance (Part 330). Effective March 15, 1978, Part 330 was amended to provide separate insurance coverage for interests in pension and other trusteed employee benefit funds. The trust interest of each employee will be insured up to $40,000, as if each trust interest had vested, whether the trust is actually vested or nonvested. In the past, there were no specific provisions for deposit insurance of such funds, but vested and ascertainable interests were separately insured to the maximum of $40,000 based on principles of insurance of trust interests, and the aggregated nonvested interests in such funds were insured up to $40,000.

Insurance Coverage of Time and Savings Deposits of Keogh and Individual Retirement Account Funds (Parts 330 and 331). On December 7, 1978, amendments to sections 330.1, 330.10, and 331.1 were approved to reflect the separate insurance coverage of $100,000 for time and savings deposits of Keogh and IRA funds. The separate coverage was provided for by Title XIV of the FIRIRCA, which took effect on November 10, 1978.

Securities of Insured State Nonmember Banks (Part 335). The FDIC adopted amendments to Part 335 on December 20, 1978. These amendments make the FDIC securities disclosure requirements similar to those of the Securities and Exchange Commission, as required by Section 12(i) of the Securities Exchange Act. The amendments also correct a number of errors and make minor technical revisions.

Employee Responsibilities and Conduct (Part 336). On December 20, 1978, the FDIC adopted amendments to Part 336 which are designed to avoid actual conflicts of interest or the appearance of conflicts of interest. The amendments (1) prohibit senior policy makers from obtaining certain credit; (2) establish guidelines concerning ownership of bank-related securities; (3) eliminate disclosure requirements for certain financial interests owned by an employee's spouse or dependent; (4) greatly increase the number of employees required to file disclosure statements; (5) establish formal guidelines for processing these statements; and (6) unite in one regulation the various disclosure systems employed by the FDIC.

Fair Housing (Part 338). An amendment to Part 338 became effective on July 3, 1978. The regulation is an outgrowth of the FDIC's duty to compel insured State nonmember banks to comply with the Fair Housing Act and the Equal Credit Opportunity Act. Part 338 incorporates an amended version of the advertising and poster requirements that were formerly contained in the FDIC's policy statement on fair housing entitled "Nondiscrimination in Real Estate Loan Activities." It also establishes recordkeeping requirements for monitoring insured State nonmember banks' compliance with the Federal fair housing laws. The intent of the regulations is to provide a basis for a more effective FDIC fair housing enforcement program.

Recordkeeping and Confirmation Requirements for Securities Transactions (Part 344). On February 23, 1978, the FDIC published for comment proposed Part 344 which would establish recordkeeping, written procedure, and confirmation requirements for certain securities transactions effected by insured State nonmember banks for trust department and other bank customers. These proposals are in response to recommendations in the SEC's Final Report on Bank Securities Activities. The report includes a recommendation to Congress that the Federal banking agencies be required to issue and enforce specific regulations governing the conduct of banks in effecting securities transactions for the accounts of others. Based on the comments received, on November 6, 1978, the FDIC published for comment a revised Part 344.

Community Reinvestment Act of 1977 (Parts 345 and 303). Part 345 became effective on November 6, 1978, and implements the Community Reinvestment Act of 1977 (CRA). Part 345 is intended to encourage insured State nonmember banks to help meet the credit needs of their communities, including low- and moderate-income neighborhoods, in conformity with the safe and sound operation of such banks. Under the regulations, the FDIC will assess the banks' records in meeting the credit needs of their communities and, after assessing those records, will take them into account when evaluating applications by those banks. Applications affected are those for deposit insurance in connection with a newly chartered bank, for establishment of a new branch or other deposit-accepting facility, for relocation of a main or branch office, and for approval of a merger, consolidation, acquisition of assets, or assumption of liabilities.

To implement these requirements, Part 303 was amended to specify that a bank must increase (1) the number of times that notice of the filing of applications for branches, for relocation, and for deposit insurance must be published and (2) the number of communities in which notice of application for branches and relocations must be published. In the case of relocation applications, notice must be published in the lobby of the office which is to be moved. These amendments are designed to improve application procedures and enhance public awareness of prospective actions of those banks to which the CRA applies. These amendments took effect on November 6, 1978.

Remote Service Facility Procedures (Parts 303, 304, and 328). Proposed amendments to Parts 303, 304, and 328, published for comment on October 12, 1978, would revise the current FDIC procedures relating to remote service facilities. Included in the designation "remote service facilities" are automated teller machines, cash dispensing machines, point-of-sale terminals, and other remote electronic facilities where deposits are received, checks are paid, or money is lent. The rules are designed to comply with court decisions classifying such remote service facilities as branches, to minimize the administrative burden on banks which seek to establish such facilities and on the FDIC, and to provide the FDIC with the information needed to regulate these remote service facilities.

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, Pennsylvania, 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 saving 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;

Fedeal 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 operates 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 1978

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	Nondeposit trust companies[1]	Total	Insured	Non-insured
ALL BANKING OFFICES													
Number of offices, December 31, 1978	**52,604**	**51,699**	**905**	**49,598**	**49,182**	**22,731**	**5,721**	**20,730**	**315**	**101**	**3,006**	**2,517**	**489**
Number of offices, December 31, 1977	**50,695**	**49,825**	**870**	**47,914**	**47,523**	**22,294**	**5,610**	**19,619**	**292**	**99**	**2,781**	**2,302**	**479**
Net change during year	**+1,909**	**+1,874**	**+35**	**+1,684**	**+1,659**	**+437**	**+111**	**+1,111**	**+23**	**+2**	**+225**	**215**	**+10**
Offices opened	**2,426**	**2,371**	**55**	**2,165**	**2,129**	**990**	**199**	**940**	**33**	**3**	**261**	**242**	**19**
Banks	184	150	34	182	148	37	17	94	31	3	2	2	0
Branches	2,242	2,221	21	1,983	1,981	953	182	846	2	0	259	240	19
Offices closed	**517**	**509**	**8**	**481**	**477**	**223**	**85**	**169**	**3**	**1**	**36**	**32**	**4**
Banks	185	179	6	181	178	62	14	102	2	1	4	1	3
Branches	332	330	2	300	299	161	71	67	1	0	32	31	1
Changes in classification	**0**	**+12**	**−12**	**0**	**+7**	**−330**	**−3**	**+340**	**−7**	**0**	**0**	**+5**	**−5**
Among banks	0	+4	−4	0	+3	66	−18	+87	−3	0	0	+1	−1
Among branches	0	+8	−8	0	+4	264	+15	+253	−4	0	0	+4	4
BANKS													
Number of banks, December 31, 1978	**15,206**	**14,716**	**490**	**14,741**	**14,391**	**4,564**	**1,000**	**8,827**	**261**	**89**	**465**	**325**	**140**
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**
Net change during year	**−1**	**−25**	**+24**	**+1**	**−27**	**−91**	**−15**	**+79**	**+26**	**+2**	**−2**	**+2**	**−4**
Banks beginning operation	**184**	**150**	**34**	**182**	**148**	**37**	**17**	**94**	**31**	**3**	**2**	**2**	**0**
New banks	180	150	30	178	148	37	17	94	27	3	2	2	0
Banks added to count[6]	4	0	4	4	0	0	0	0	4	0	0	0	0
Banks ceasing operation	**185**	**179**	**6**	**181**	**178**	**62**	**14**	**102**	**2**	**1**	**4**	**1**	**3**
Absorptions, consolidations, and mergers	182	178	4	178	177	62	14	101	1	0	4	1	3
Closed because of financial difficulties	1	1	0	1	1	0	0	1	0	0	0	0	0
Other liquidations	0	0	0	0	0	0	0	0	0	0	0	0	0
Discontinued deposit operations	1	0	1	1	0	0	0	0	1	0	0	0	0
Banks deleted from count	1	0	1	1	0	0	0	0	0	1	0	0	0
Noninsured banks becoming insured	**0**	**+4**	**−4**	**0**	**+3**	**0**	**0**	**+3**	**−3**	**0**	**0**	**+1**	**−1**

Other changes in classification	**0**	**0**	**0**	**0**	**0**	**−66**	**−18**	**+84**	**0**	**0**	**0**	**0**	**0**
National succeeding State bank	0	0	0	0	0	+3	0	−3	0	0	0	0	0
State succeeding national bank	0	0	0	0	0	−69	+7	+62	0	0	0	0	0
Admission of insured bank to F.R. System	0	0	0	0	0	0	+12	−12	0	0	0	0	0
Withdrawal from F.R. System with continued insurance	0	0	0	0	0	0	−37	+37	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	332	316	16	330	315	79	22	214	15	0	2	1	1
Change in location	27	24	3	26	24	6	1	17	0	2	1	0	1
Change in title and location	24	22	2	24	22	3	1	18	2	0	0	0	0
Change in name of location	5	5	0	5	5	4	1	0	0	0	0	0	0
Change in location within city	233	225	8	233	225	53	9	163	6	2	0	0	0
Change in corporate powers													
Granted trust powers	58	58	0	57	57	0	0	57	0	0	1	1	0
BRANCHES													
Number of branches, December 31, 1978[5]	**37,398**	**36,983**	**415**	**34,857**	**34,791**	**18,167**	**4,721**	**11,903**	**54**	**12**	**2,541**	**2,192**	**349**
Number of branches, December 31, 1977[5]	**35,488[2]**	**35,084[3]**	**404[4]**	**33,174[2]**	**33,105[3]**	**17,639[3]**	**4,595**	**10,871[3]**	**57[4]**	**12**	**2,314**	**1,979**	**335**
Net change during year	**+1,910**	**+1,899**	**+11**	**+1,683**	**+1,686**	**+528**	**+126**	**+1,032**	**−3**	**0**	**+227**	**+213**	**+14**
Branches opened for business	**2,242**	**2,221**	**21**	**1,983**	**1,981**	**953**	**182**	**846**	**2**	**0**	**259**	**240**	**19**
Facilities designated by Treasury	0	0	0	0	0	0	0	0	0	0	0	0	0
Absorbed bank converted to branch	162	159	3	158	158	51	29	78	0	0	4	1	3
Branch replacing head office relocated	48	48	0	48	48	14	2	32	0	0	0	0	0
New branches	1,968	1,961	7	1,732	1,730	865	144	721	2	0	236	231	5
Branches and/or facilities added to count[6]	64	53	11	45	45	23	7	15	0	0	19	8	11
Branches discontinued	**332**	**330**	**2**	**300**	**299**	**161**	**71**	**67**	**1**	**0**	**32**	**31**	**1**
Facilities designated by Treasury	3	3	0	3	3	2	0	1	0	0	0	0	0
Branches	267	267	0	236	236	117	66	53	0	0	31	31	0
Branches and/or facilities deleted from count	62	60	2	61	60	42	5	13	1	0	1	0	1
Other changes in classification	**0**	**+8**	**−8**	**0**	**+4**	**−264**	**+15**	**+253**	**−4**	**0**	**0**	**+4**	**−4**
Branches changing class as a result of conversion	0	0	0	0	0	−202	+23	+179	0	0	0	0	0
Branches of noninsured banks admitted to insurance	0	+8	−8	0	+4	0	0	+4	−4	0	0	+4	−4
Branches transferred through absorption, consolidation, or merger	0	0	0	0	0	−62	+117	−55	0	0	0	0	0
Branches of insured banks withdrawing from F.R.S.	0	0	0	0	0	0	−125	+125	0	0	0	0	0
Changes not involving number in any class													
Changes in operating powers of branches	5	5	0	5	5	3	0	2	0	0	0	0	0
Branches transferred through absorption, consolidation, or merger	255	254	1	250	250	85	7	158	0	0	5	4	1
Changes in title, location, or name of location	405	403	2	375	374	162	37	175	0	1	30	29	1

1 Includes noninsured nondeposit trust companies, members of the Federal Reserve System.
2 1977 branch totals adjusted.
3 Revised.
4 Fourteen noninsured branches of insured banks previously classified noninsured are now classified as insured branches.
5 Includes facilities established at the request of the Treasury or commanding officer of government installations, and also a few seasonal branches that were not in operation as of December 31.
6 Banks or branches opened prior to 1978 but not included in count as of December 31, 1977.

Table 102. CHANGES IN NUMBER OF COMMERCIAL BANKS AND BRANCHES IN THE UNITED STATES (STATES AND OTHER AREAS) DURING 1978, BY STATE

State	In operation				Net change during 1978		Beginning operation in 1978				Ceasing operation in 1978			
	Dec. 31, 1978		Dec. 31, 1977				Banks		Branches		Banks		Branches	
	Banks	Branches	Banks	Branches	Banks	Branches	New	Other	New	Other	Absorptions	Other	Branches	Other
Total United States	**14,741**	**34,857**	**14,740**	**33,174**[1]	**+1**	**+1,683**	**178**	**4**	**1,777**	**206**	**178**	**3**	**236**	**64**
50 States and D.C.	**14,711**	**34,575**	**14,710**	**32,893**	**+1**	**+1,682**	**177**	**3**	**1,772**	**204**	**176**	**3**	**232**	**62**
Other areas	**30**	**282**	**30**	**281**	**0**	**+1**	**1**	**1**	**5**	**2**	**2**	**0**	**4**	**2**
States														
Alabama	312	553	310	509	+2	+44	5	0	43	3	2	1	2	0
Alaska	12	112	12	106	NA	+6	0	0	7	1	0	0	1	1
Arizona	28	484	25	465	+3	+19	4	0	21	0	0	1	2	0
Arkansas	262	372	262	353	NA	+19	0	0	22	0	0	0	3	0
California	244	3,906	235	3,778	+9	+128	13	0	137	4	4	0	12	1
Colorado	394	81	372	64	+22	+17	19	3	18	0	0	0	1	0
Connecticut	65	587	72	577	−7	+10	1	0	5	7	8	0	2	0
Delaware	19	147	19	143	NA	+4	0	0	4	0	0	0	0	0
District of Columbia	17	138	16	133	+1	+5	1	0	5	0	0	0	0	0
Florida	617	743	686	507	−69	+236	6	0	160	77	75	0	0	1
Georgia	440	786	441	752	−1	+34	1	0	33	4	2	0	3	0
Hawaii	11	160	11	158	NA	+2	0	0	3	0	0	0	0	1
Idaho	24	228	24	215	NA	+13	0	0	13	0	0	0	0	0
Illinois	1,277	394	1,270	306	+7	+88	9	0	85	4	2	0	1	0
Indiana	406	1,035	409	995	−3	+40	2	0	42	6	5	0	8	0
Iowa	657	500	656	509	+1	−9	1	0	22	2	0	0	6	27
Kansas	617	256	616	208	+1	+48	1	0	47	1	0	0	0	0
Kentucky	344	644	344	606	NA	+38	0	0	40	0	0	0	2	0
Louisiana	256	715	254	670	+2	+45	2	0	44	2	0	0	1	0
Maine	43	293	43	297	NA	−4	0	0	4	0	0	0	7	1
Maryland	106	855	108	812	−2	+43	1	0	43	4	3	0	3	1
Massachusetts	152	924	148	927	+4	−3	4	0	13	0	0	0	12	4
Michigan	365	1,793	362	1,704	+3	+89	5	0	91	2	2	0	4	0
Minnesota	761	176	754	76	+7	+100	7	0	98	3	0	0	0	1
Mississippi	185	635	185	604	0	+31	1	0	30	2	1	0	1	0
Missouri	720	399	719	372	+1	+27	2	0	29	4	1	0	5	1
Montana	163	23	160	21	+3	+2	3	0	2	0	0	0	0	0
Nebraska	459	199	458	177	+1	+22	1	0	24	0	0	0	2	0
Nevada	9	130	8	119	+1	+11	1	0	11	0	0	0	0	0
New Hampshire	79	135	79	126	0	+9	2	0	8	2	2	0	1	0

New Jersey	184	1,535	188	1,501[1]	−4	+34	0	0	35	4	4	0	5	0
New Mexico	87	227	84	216	+3	+11	3	0	12	0	0	0	1	0
New York	298	3,317	295	3,313	+3	+4	12	0	68	9	8	1	66	7
North Carolina	89	1,683	90	1,654	−1	+29	1	0	39	2	2	0	11	1
North Dakota	174	117	173	110	+1	+7	1	0	7	0	0	0	0	0
Ohio	482	1,941	487	1,827	−5	+114	0	0	121	6	5	0	10	3
Oklahoma	485	217	483	175	+2	+42	2	0	42	0	0	0	0	0
Oregon	63	525	55	495	+8	+30	10	0	29	2	2	0	1	0
Pennsylvania	378	2,427	387	2,360	−9	+67	2	0	75	11	11	0	16	3
Rhode Island	17	226	17	225	NA	+1	0	0	1	0	0	0	0	0
South Carolina	87	662	88	629	−1	+33	0	0	33	1	1	0	1	0
South Dakota	156	149	158	137	−2	+12	0	0	8	4	2	0	0	0
Tennessee	350	953	348	910	+2	+43	2	0	49	1	0	0	6	1
Texas	1,401	203	1,382	176	+19	+27	19	0	27	0	0	0	0	0
Utah	68	253	73	229	−5	+24	5	0	15	10	10	0	1	0
Vermont	30	147	31	145	−1	+2	0	0	7	0	1	0	4	1
Virginia	263	1,302	280	1,255	−17	+47	6	0	39	25	23	0	16	1
Washington	103	785	96	766	+7	+19	7	0	20	1	0	0	2	0
West Virginia	231	56	227	51	+4	+5	4	0	5	0	0	0	0	0
Wisconsin	633	444	628	427	+5	+17	5	0	36	0	0	0	13	6
Wyoming	88	3	82	3	+6	NA	6	0	0	0	0	0	0	0
Other areas														
Pacific Islands	3	24	1	26	+2	−2	1	1	1	0	0	0	1	2
Canal Zone	0	2	0	2	NA	NA	0	0	0	0	0	0	0	0
Puerto Rico	21	232	23	229	−2	+3	0	0	4	2	2	0	3	0
Virgin Islands	6	24	6	24	NA	NA	0	0	0	0	0	0	0	0

[1] 1977 branch totals adjusted.
NA-No activity.

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1978
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
United States—all offices	**52,604**	**51,699**	**905**	**49,598**	**49,182**	**22,731**	**5,721**	**20,730**	**315**	**101**	**3,006**	**2,517**	**489**	**98.3**	**99.2**	**83.7**
Banks	15,206	14,716	490	14,741	14,391	4,564	1,000	8,827	261	89	465	325	140	96.8	97.6	69.9
Unit Banks	*8,410*	*8,060*	*350*	*8,348*	*8,025*	*2,276*	*500*	*5,249*	*242*	*81*	*62*	*35*	*27*	*95.8*	*96.1*	*56.5*
Banks operating branches	*6,796*	*6,656*	*140*	*6,393*	*6,366*	*2,288*	*500*	*3,578*	*19*	*8*	*403*	*290*	*113*	*97.9*	*99.6*	*72.0*
Branches[4]	37,398	36,983	415	34,857	34,791	18,167	4,721	11,903	54	12	2,541	2,192	349	98.9	99.8	86.3
50 States & D.C.—all offices	**52,292**	**51,419**	**873**	**49,286**	**48,902**	**22,671**	**5,721**	**20,510**	**285**	**99**	**3,006**	**2,517**	**489**	**98.3**	**99.2**	**83.7**
Banks	15,176	14,703	473	14,711	14,378	4,564	1,000	8,814	246	87	465	325	140	96.9	97.7	69.9
Unit Banks	*8,393*	*8,056*	*337*	*8,331*	*8,021*	*2,276*	*500*	*5,245*	*231*	*79*	*62*	*35*	*27*	*96.0*	*96.3*	*56.5*
Banks operating branches	*6,783*	*6,647*	*136*	*6,380*	*6,357*	*2,288*	*500*	*3,569*	*15*	*8*	*403*	*290*	*113*	*98.0*	*99.6*	*72.0*
Branches[4]	37,116	36,716	400	34,575	34,524	18,107	4,721	11,696	39	12	2,541	2,192	349	98.9	99.9	86.3
Other Areas—all offices	**312**	**280**	**32**	**312**	**280**	**60**	**0**	**220**	**30**	**2**	**0**	**0**	**0**	**89.7**	**89.7**	**0.0**
Banks	30	13	17	30	13	0	0	13	15	2	0	0	0	43.3	43.3	0.0
Unit Banks	*17*	*4*	*13*	*17*	*4*	*0*	*0*	*4*	*11*	*2*	*0*	*0*	*0*	*23.5*	*23.5*	*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]	282	267	15	282	267	60	0	207	15	0	0	0	0	94.7	94.7	0.0
State																
Alabama—all offices	**865**	**865**	**0**	**865**	**865**	**448**	**48**	**369**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	312	312	0	312	312	99	23	190	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*147*	*147*	*0*	*147*	*147*	*32*	*14*	*101*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*165*	*165*	*0*	*165*	*165*	*67*	*9*	*89*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	553	553	0	553	553	349	25	179	0	0	0	0	0	100.0	100.0	0.0
Alaska—all offices	**129**	**129**	**0**	**124**	**124**	**90**	**0**	**34**	**0**	**0**	**5**	**5**	**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	*2*	*2*	*0*	*1*	*1*	*0*	*0*	*1*	*0*	*0*	*1*	*1*	*0*	*100.0*	*100.0*	*100.0*
Banks operating branches	*12*	*12*	*0*	*11*	*11*	*6*	*0*	*5*	*0*	*0*	*1*	*1*	*0*	*100.0*	*100.0*	*100.0*
Branches	115	115	0	112	112	84	0	28	0	0	3	3	0	100.0	100.0	100.0
Arizona—all offices	**512**	**504**	**8**	**512**	**504**	**323**	**0**	**181**	**0**	**8**	**0**	**0**	**0**	**98.4**	**98.4**	**0.0**
Banks	28	20	8	28	20	3	0	17	0	8	0	0	0	71.4	71.4	0.0
Unit Banks	*18*	*10*	*8*	*18*	*10*	*1*	*0*	*9*	*0*	*8*	*0*	*0*	*0*	*55.6*	*55.6*	*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	484	484	0	484	484	320	0	164	0	0	0	0	0	100.0	100.0	0.0

Arkansas—all offices	**634**	**631**	**3**	**634**	**631**	**245**	**24**	**362**	**1**	**2**	**0**	**0**	**0**	**99.5**	**99.5**	**0.0**
Banks	262	259	3	262	259	69	6	184	1	2	0	0	0	98.9	98.9	0.0
Unit banks	*111*	*108*	*3*	*111*	*108*	*16*	*1*	*91*	*1*	*2*	*0*	*0*	*0*	*97.3*	*97.3*	*0.0*
Banks operating branches	*151*	*151*	*0*	*151*	*151*	*53*	*5*	*93*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	372	372	0	372	372	176	18	178	0	0	0	0	0	100.0	100.0	0.0
California—all offices	**4,150**	**4,126**	**24**	**4,150**	**4,126**	**2,789**	**344**	**993**	**0**	**24**	**0**	**0**	**0**	**99.4**	**99.4**	**0.0**
Banks	244	229	15	244	229	53	7	169	0	15	0	0	0	93.9	93.9	0.0
Unit banks	*78*	*69*	*9*	*78*	*69*	*10*	*0*	*59*	*0*	*9*	*0*	*0*	*0*	*88.5*	*88.5*	*0.0*
Banks operating branches	*166*	*160*	*6*	*166*	*160*	*43*	*7*	*110*	*0*	*6*	*0*	*0*	*0*	*96.4*	*96.4*	*0.0*
Branches[4]	3,906	3,897	9	3,906	3,897	2,736	337	824	0	9	0	0	0	99.8	99.8	0.0
Colorado—all offices	**475**	**380**	**95**	**475**	**380**	**186**	**28**	**166**	**95**	**0**	**0**	**0**	**0**	**80.0**	**80.0**	**0.0**
Banks	394	299	95	394	299	137	22	140	95	0	0	0	0	75.9	75.9	0.0
Unit Banks	*327*	*232*	*95*	*327*	*232*	*97*	*18*	*117*	*95*	*0*	*0*	*0*	*0*	*70.9*	*70.9*	*0.0*
Banks operating branches	*67*	*67*	*0*	*67*	*67*	*40*	*4*	*23*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	81	81	0	81	81	49	6	26	0	0	0	0	0	100.0	100.0	0.0
Connecticut—all offices	**1,021**	**1,021**	**0**	**652**	**652**	**220**	**88**	**344**	**0**	**0**	**369**	**369**	**0**	**100.0**	**100.0**	**100.0**
Banks	130	130	0	65	65	19	2	44	0	0	65	65	0	100.0	100.0	100.0
Unit banks	*17*	*17*	*0*	*12*	*12*	*3*	*0*	*9*	*0*	*0*	*5*	*5*	*0*	*100.0*	*100.0*	*100.0*
Banks operating branches	*113*	*113*	*0*	*53*	*53*	*16*	*2*	*35*	*0*	*0*	*60*	*60*	*0*	*100.0*	*100.0*	*100.0*
Branches	891	891	0	587	587	201	86	300	0	0	304	304	0	100.0	100.0	100.0
Delaware—all offices	**192**	**190**	**2**	**166**	**164**	**10**	**0**	**154**	**0**	**2**	**26**	**26**	**0**	**99.0**	**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	*8*	*6*	*2*	*8*	*6*	*1*	*0*	*5*	*0*	*2*	*0*	*0*	*0*	*75.0*	*75.0*	*0.0*
Banks operating branches	*13*	*13*	*0*	*11*	*11*	*4*	*0*	*7*	*0*	*0*	*2*	*2*	*0*	*100.0*	*100.0*	*100.0*
Branches	171	171	0	147	147	5	0	142	0	0	24	24	0	100.0	100.0	100.0
D.C.—all offices	**155**	**155**	**0**	**155**	**155**	**152**	**0**	**3**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	17	17	0	17	17	16	0	1	0	0	0	0	0	100.0	100.0	0.0
Unit Banks	*4*	*4*	*0*	*4*	*4*	*4*	*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	138	138	0	138	138	136	0	2	0	0	0	0	0	100.0	100.0	0.0
Florida—all offices	**1,360**	**1,356**	**4**	**1,360**	**1,356**	**579**	**44**	**733**	**1**	**3**	**0**	**0**	**0**	**99.7**	**99.7**	**0.0**
Banks	617	613	4	617	613	236	27	350	1	3	0	0	0	99.4	99.4	0.0
Unit banks	*292*	*288*	*4*	*292*	*288*	*101*	*17*	*170*	*1*	*3*	*0*	*0*	*0*	*98.6*	*98.6*	*0.0*
Banks operating branches	*325*	*325*	*0*	*325*	*325*	*135*	*10*	*180*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	743	743	0	743	743	343	17	383	0	0	0	0	0	100.0	100.0	0.0
Georgia—all offices	**1,226**	**1,226**	**0**	**1,226**	**1,226**	**415**	**85**	**726**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	440	440	0	440	440	64	9	367	0	0	0	0	0	100.0	100.0	0.0
Unit banks	*199*	*199*	*0*	*199*	*199*	*13*	*2*	*184*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Bank operating branches	*241*	*241*	*0*	*241*	*241*	*51*	*7*	*183*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	786	786	0	786	786	351	76	359	0	0	0	0	0	100.0	100.0	0.0
Hawaii—all offices	**171**	**165**	**6**	**171**	**165**	**13**	**0**	**152**	**0**	**6**	**0**	**0**	**0**	**96.5**	**96.5**	**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*
Bank operating branches	*10*	*8*	*2*	*10*	*8*	*2*	*0*	*6*	*0*	*2*	*0*	*0*	*0*	*80.0*	*80.0*	*0.0*
Branches	160	157	3	160	157	11	0	146	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, 1978—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]	Nondeposit trust companies[3]	Total	Insured	Non-insured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
Idaho—all offices	**252**	**252**	**0**	**252**	**252**	**184**	**10**	**58**	**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	*6*	*6*	*0*	*6*	*6*	*0*	*2*	*4*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*18*	*18*	*0*	*18*	*18*	*6*	*2*	*10*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	228	228	0	228	228	178	6	44	0	0	0	0	0	100.0	100.0	0.0
Illinois—all offices	**1,671**	**1,635**	**36**	**1,671**	**1,635**	**605**	**92**	**938**	**29**	**7**	**0**	**0**	**0**	**97.8**	**97.8**	**0.0**
Banks	1,277	1,241	36	1,277	1,241	419	67	755	29	7	0	0	0	97.2	97.2	0.0
Unit Banks	*952*	*916*	*36*	*952*	*916*	*272*	*50*	*594*	*29*	*7*	*0*	*0*	*0*	*96.2*	*96.2*	*0.0*
Banks operating branches	*325*	*325*	*0*	*325*	*325*	*147*	*17*	*161*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	394	394	0	394	394	186	25	183	0	0	0	0	0	100.0	100.0	0.0
Indiana—all offices	**1,447**	**1,445**	**2**	**1,441**	**1,439**	**627**	**90**	**722**	**1**	**1**	**6**	**6**	**0**	**99.9**	**99.9**	**100.0**
Banks	410	408	2	406	404	121	41	242	1	1	4	4	0	99.5	99.5	100.0
Unit Banks	*135*	*133*	*2*	*133*	*131*	*28*	*20*	*83*	*1*	*1*	*2*	*2*	*0*	*98.5*	*98.5*	*100.0*
Banks operating branches	*275*	*275*	*0*	*273*	*273*	*93*	*21*	*159*	*0*	*0*	*2*	*2*	*0*	*100.0*	*100.0*	*100.0*
Branches	1,037	1,037	0	1,035	1,035	506	49	480	0	0	2	2	0	100.0	100.0	100.0
Iowa—all offices	**1,157**	**1,150**	**7**	**1,157**	**1,150**	**234**	**92**	**824**	**6**	**1**	**0**	**0**	**0**	**99.4**	**99.4**	**0.0**
Banks	657	650	7	657	650	99	44	507	6	1	0	0	0	98.9	98.9	0.0
Unit Banks	*386*	*379*	*7*	*386*	*379*	*48*	*23*	*308*	*6*	*1*	*0*	*0*	*0*	*98.2*	*98.2*	*0.0*
Banks operating branches	*271*	*271*	*0*	*271*	*271*	*51*	*21*	*199*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	500	500	0	500	500	135	48	317	0	0	0	0	0	100.0	100.0	0.0
Kansas—all offices	**873**	**872**	**1**	**873**	**872**	**291**	**24**	**557**	**1**	**0**	**0**	**0**	**0**	**99.9**	**99.9**	**0.0**
Banks	617	616	1	617	616	151	19	446	1	0	0	0	0	99.8	99.8	0.0
Unit Banks	*484*	*483*	*1*	*484*	*483*	*100*	*15*	*368*	*1*	*0*	*0*	*0*	*0*	*99.8*	*99.8*	*0.0*
Banks operating branches	*133*	*133*	*0*	*133*	*133*	*51*	*4*	*78*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	256	256	0	256	256	140	5	111	0	0	0	0	0	100.0	100.0	0.0
Kentucky—all offices	**988**	**987**	**1**	**988**	**987**	**335**	**103**	**549**	**1**	**0**	**0**	**0**	**0**	**99.9**	**99.9**	**0.0**
Banks	344	343	1	344	343	79	10	254	1	0	0	0	0	99.7	99.7	0.0
Unit Banks	*135*	*134*	*1*	*135*	*134*	*17*	*3*	*114*	*1*	*0*	*0*	*0*	*0*	*99.3*	*99.3*	*0.0*
Banks operating branches	*209*	*209*	*0*	*209*	*209*	*62*	*7*	*140*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	644	644	0	644	644	256	93	295	0	0	0	0	0	100.0	100.0	0.0

Louisiana—all offices	**971**	**971**	**0**	**971**	**971**	**344**	**52**	**575**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	256	256	0	256	256	54	7	195	0	0	0	0	0	100.0	100.0	0.0
Unit Banks	*72*	*72*	*0*	*72*	*72*	*12*	*1*	*59*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*184*	*184*	*0*	*184*	*184*	*42*	*6*	*136*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	715	715	0	715	715	290	45	380	0	0	0	0	0	100.0	100.0	0.0
Maine—all offices	**451**	**451**	**0**	**336**	**336**	**134**	**40**	**162**	**0**	**0**	**115**	**115**	**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	*9*	*9*	*0*	*4*	*4*	*1*	*0*	*3*	*0*	*0*	*5*	*5*	*0*	*100.0*	*100.0*	*100.0*
Banks operating branches	*64*	*64*	*0*	*39*	*39*	*16*	*3*	*20*	*0*	*0*	*25*	*25*	*0*	*100.0*	*100.0*	*100.0*
Branches	378	378	0	293	293	117	37	139	0	0	85	85	0	100.0	100.0	100.0
Maryland—all offices	**1,019**	**1,019**	**0**	**961**	**961**	**393**	**109**	**459**	**0**	**0**	**58**	**58**	**0**	**100.0**	**100.0**	**100.0**
Banks	109	109	0	106	106	34	6	66	0	0	3	3	0	100.0	100.0	100.0
Unit Banks	*25*	*25*	*0*	*25*	*25*	*5*	*0*	*20*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*84*	*84*	*0*	*81*	*81*	*29*	*6*	*46*	*0*	*0*	*3*	*3*	*0*	*100.0*	*100.0*	*100.0*
Branches	910	910	0	855	855	359	103	393	0	0	55	55	0	100.0	100.0	100.0
Massachusetts—all offices	**1,700**	**1,204**	**496**	**1,076**	**1,069**	**521**	**72**	**476**	**6**	**1**	**624**	**135**	**489**	**70.8**	**99.3**	**21.6**
Banks	315	169	146	152	146	73	7	66	5	1	163	23	140	53.7	96.1	14.1
Unit Banks	*52*	*19*	*33*	*22*	*16*	*8*	*0*	*8*	*5*	*1*	*30*	*3*	*27*	*36.5*	*72.7*	*10.0*
Banks operating branches	*263*	*150*	*113*	*130*	*130*	*65*	*7*	*58*	*0*	*0*	*133*	*20*	*113*	*57.0*	*100.0*	*15.0*
Branches[4]	1,385	1,035	350	924	923	448	65	410	1	0	461	112	349	74.7	99.9	24.3
Michigan—all offices	**2,158**	**2,155**	**3**	**2,158**	**2,155**	**993**	**569**	**593**	**3**	**0**	**0**	**0**	**0**	**99.9**	**99.9**	**0.0**
Banks	365	364	1	365	364	125	83	156	1	0	0	0	0	99.7	99.7	0.0
Unit Banks	*72*	*72*	*0*	*72*	*72*	*13*	*17*	*42*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*293*	*292*	*1*	*293*	*292*	*112*	*66*	*114*	*1*	*0*	*0*	*0*	*0*	*99.7*	*99.7*	*0.0*
Branches	1,793	1,791	2	1,793	1,791	868	486	437	2	0	0	0	0	99.9	99.9	0.0
Minnesota—all offices	**938**	**935**	**3**	**937**	**934**	**285**	**40**	**609**	**2**	**1**	**1**	**1**	**0**	**99.7**	**99.7**	**100.0**
Banks	762	759	3	761	758	205	32	521	2	1	1	1	0	99.6	99.6	100.0
Unit Banks	*623*	*620*	*3*	*622*	*619*	*151*	*25*	*443*	*2*	*1*	*1*	*1*	*0*	*99.5*	*99.5*	*100.0*
Banks operating branches	*139*	*139*	*0*	*139*	*139*	*54*	*7*	*78*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	176	176	0	176	176	80	8	88	0	0	0	0	0	100.0	100.0	0.0
Mississippi—all offices	**820**	**819**	**1**	**820**	**819**	**292**	**18**	**509**	**0**	**1**	**0**	**0**	**0**	**99.9**	**99.9**	**0.0**
Banks	185	184	1	185	184	37	5	142	0	1	0	0	0	99.5	99.5	0.0
Unit Banks	*42*	*41*	*1*	*42*	*41*	*4*	*2*	*35*	*0*	*1*	*0*	*0*	*0*	*97.6*	*97.6*	*0.0*
Banks operating branches	*143*	*143*	*0*	*143*	*143*	*33*	*3*	*107*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	635	635	0	635	635	255	13	367	0	0	0	0	0	100.0	100.0	0.0
Missouri—all offices	**1,119**	**1,113**	**6**	**1,119**	**1,113**	**169**	**89**	**855**	**0**	**6**	**0**	**0**	**0**	**99.5**	**99.5**	**0.0**
Banks	720	714	6	720	714	101	52	561	0	6	0	0	0	99.2	99.2	0.0
Unit Banks	*406*	*400*	*6*	*406*	*400*	*55*	*26*	*319*	*0*	*6*	*0*	*0*	*0*	*98.5*	*98.5*	*0.0*
Banks operating branches	*314*	*314*	*0*	*314*	*314*	*46*	*26*	*242*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	399	399	0	399	399	68	37	294	0	0	0	0	0	100.0	100.0	0.0
Montana—all offices	**186**	**183**	**3**	**186**	**183**	**67**	**49**	**67**	**0**	**3**	**0**	**0**	**0**	**98.4**	**98.4**	**0.0**
Banks	163	160	3	163	160	56	45	59	0	3	0	0	0	98.2	98.2	0.0
Unit Banks	*141*	*138*	*3*	*141*	*138*	*56*	*41*	*51*	*0*	*3*	*0*	*0*	*0*	*97.9*	*97.9*	*0.0*
Banks operating branches	*22*	*22*	*0*	*22*	*22*	*10*	*4*	*8*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	23	23	0	23	23	11	4	8	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, 1978—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]	Nondeposit trust companies[3]	Total	Insured	Non-insured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
Nebraska—all offices	**658**	**651**	**7**	**658**	**651**	**259**	**10**	**382**	**0**	**7**	**0**	**0**	**0**	**98.9**	**98.9**	**0.0**
Banks	459	452	7	459	452	117	8	327	0	7	0	0	0	98.5	98.5	0.0
Unit Banks	*381*	*374*	*7*	*381*	*374*	*80*	*7*	*287*	*0*	*7*	*0*	*0*	*0*	*98.2*	*98.2*	*0.0*
Banks operating branches	*78*	*78*	*0*	*78*	*78*	*37*	*1*	*40*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	199	199	0	199	199	142	2	55	0	0	0	0	0	100.0	100.0	0.0
Nevada—all offices	**139**	**139**	**0**	**139**	**139**	**89**	**24**	**26**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	9	9	0	9	9	4	1	4	0	0	0	0	0	100.0	100.0	0.0
Unit Banks	*2*	*2*	*0*	*2*	*2*	*1*	*0*	*1*	*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	130	130	0	130	130	85	23	22	0	0	0	0	0	100.0	100.0	0.0
New Hampshire—all offices	**282**	**281**	**1**	**214**	**213**	**137**	**5**	**71**	**0**	**1**	**68**	**68**	**0**	**99.6**	**99.5**	**100.0**
Banks	105	104	1	79	78	39	3	36	0	1	26	26	0	99.0	98.7	100.0
Unit Banks	*34*	*33*	*1*	*26*	*25*	*7*	*2*	*16*	*0*	*1*	*8*	*8*	*0*	*97.1*	*96.2*	*100.0*
Banks operating branches	*71*	*71*	*0*	*53*	*53*	*32*	*1*	*20*	*0*	*0*	*18*	*18*	*0*	*100.0*	*100.0*	*100.0*
Branches	177	177	0	135	135	98	2	35	0	0	42	42	0	100.0	100.0	100.0
New Jersey—all offices	**1,901**	**1,901**	**0**	**1,719**	**1,719**	**1,069**	**24**	**436**	**0**	**0**	**182**	**182**	**0**	**100.0**	**100.0**	**100.0**
Banks	204	204	0	184	184	96	15	73	0	0	20	20	0	100.0	100.0	100.0
Unit Banks	*30*	*30*	*0*	*27*	*27*	*12*	*0*	*15*	*0*	*0*	*3*	*3*	*0*	*100.0*	*100.0*	*100.0*
Banks operating branches	*174*	*174*	*0*	*157*	*157*	*84*	*15*	*58*	*0*	*0*	*17*	*17*	*0*	*100.0*	*100.0*	*100.0*
Branches	1,697	1,697	0	1,535	1,535	973	199	363	0	0	162	162	0	100.0	100.0	100.0
New Mexico—all offices	**314**	**313**	**1**	**314**	**313**	**159**	**19**	**135**	**0**	**1**	**0**	**0**	**0**	**99.7**	**99.7**	**0.0**
Banks	87	86	1	87	86	40	6	40	0	1	0	0	0	98.9	98.9	0.0
Unit Banks	*22*	*21*	*1*	*22*	*21*	*10*	*2*	*9*	*0*	*1*	*0*	*0*	*0*	*95.5*	*95.5*	*0.0*
Banks operating branches	*65*	*65*	*0*	*65*	*65*	*30*	*4*	*31*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	227	227	0	227	227	119	13	95	0	0	0	0	0	100.0	100.0	0.0
New York—all offices	**4,727**	**4,643**	**84**	**3,615**	**3,531**	**1,606**	**1,650**	**275**	**79**	**5**	**1,112**	**1,112**	**0**	**98.2**	**97.7**	**100.0**
Banks	413	340	73	298	225	124	47	54	68	5	115	115	0	82.3	75.5	100.0
Unit Banks	*133*	*69*	*64*	*130*	*66*	*33*	*11*	*22*	*59*	*5*	*3*	*3*	*0*	*51.9*	*50.8*	*100.0*
Banks operating branches	*280*	*271*	*9*	*168*	*159*	*91*	*36*	*32*	*9*	*0*	*112*	*112*	*0*	*96.8*	*94.6*	*100.0*
Branches[4]	4,314	4,303	11	3,317	3,306	1,482	1,603	221	11	0	997	997	0	99.7	99.7	100.0

North Carolina—all offices	**1,772**	**1,761**	**11**	**1,772**	**1,761**	**832**	**7**	**922**	**11**	**0**	**0**	**0**	**0**	**99.4**	**99.4**	**0.0**
Banks	89	88	1	89	88	27	2	59	1	0	0	0	0	98.9	98.9	0.0
Unit Banks	*17*	*17*	*0*	*17*	*17*	*3*	*1*	*13*	*0*	*0*	*0*	*0.*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*72*	*71*	*1*	*72*	*71*	*24*	*1*	*46*	*1*	*0*	*0*	*0*	*0*	*98.6*	*98.6*	*0.0*
Branches	1,683	1,673	10	1,683	1,673	805	5	863	10	0	0	0	0	99.4	99.4	0.0
North Dakota—all offices	**291**	**288**	**3**	**291**	**288**	**87**	**6**	**195**	**1**	**2**	**0**	**0**	**0**	**99.0**	**99.0**	**0.0**
Banks	174	171	3	174	171	43	3	125	1	2	0	0	0	98.3	98.3	0.0
Unit Banks	*100*	*97*	*3*	*100*	*97*	*18*	*1*	*78*	*1*	*2*	*0*	*0*	*0*	*97.0*	*97.0*	*0.0*
Banks operating branches	*74*	*74*	*0*	*74*	*74*	*25*	*2*	*47*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	117	117	0	117	117	44	3	70	0	0	0	0	0	100.0	100.0	0.0
Ohio—all offices	**2,423**	**2,422**	**1**	**2,423**	**2,422**	**1,375**	**572**	**475**	**1**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	482	481	1	482	481	217	110	154	1	0	0	0	0	99.8	99.8	0.0
Unit Banks	*131*	*130*	*1*	*131*	*130*	*38*	*36*	*56*	*1*	*0*	*0*	*0*	*0*	*99.2*	*99.2*	*0.0*
Banks operating branches	*351*	*351*	*0*	*351*	*351*	*179*	*74*	*98*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	1,941	1,941	0	1,941	1,941	1,158	462	321	0	0	0	0	0	100.0	100.0	0.0
Oklahoma—all offices	**702**	**695**	**7**	**702**	**695**	**359**	**18**	**318**	**5**	**2**	**0**	**0**	**0**	**99.0**	**99.0**	**0.0**
Banks	485	478	7	485	478	191	16	271	5	2	0	0	0	98.6	98.6	0.0
Unit Banks	*368*	*361*	*7*	*368*	*361*	*122*	*14*	*225*	*5*	*2*	*0*	*0*	*0*	*98.1*	*98.1*	*0.0*
Banks operating branches	*117*	*117*	*0*	*117*	*117*	*69*	*2*	*46*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	217	217	0	217	217	168	2	47	0	0	0	0	0	100.0	100.0	100.0
Oregon—all offices	**604**	**598**	**6**	**588**	**582**	**335**	**1**	**246**	**6**	**0**	**16**	**16**	**0**	**99.0**	**99.0**	**100.0**
Banks	65	62	3	63	60	6	1	53	3	0	2	2	0	95.4	95.2	100.0
Unit Banks	*27*	*25*	*2*	*27*	*25*	*1*	*1*	*23*	*2*	*0*	*0*	*0*	*0*	*92.6*	*92.6*	*0.0*
Banks operating branches	*38*	*37*	*1*	*36*	*35*	*5*	*0*	*30*	*1*	*0*	*2*	*2*	*0*	*97.4*	*97.2*	*100.0*
Branches[4]	539	536	3	525	522	329	0	193	3	0	14	14	0	99.4	99.4	100.0
Pennsylvania—all offices	**2,999**	**2,989**	**10**	**2,805**	**2,795**	**1,644**	**194**	**957**	**8**	**2**	**194**	**194**	**0**	**99.7**	**99.6**	**100.0**
Banks	386	378	8	378	370	226	12	132	6	2	8	8	0	97.9	97.9	100.0
Unit Banks	*113*	*106*	*7*	*113*	*106*	*75*	*3*	*28*	*5*	*2*	*0*	*0*	*0*	*93.8*	*93.8*	*0.0*
Banks operating branches	*273*	*272*	*1*	*265*	*264*	*151*	*9*	*104*	*1*	*0*	*8*	*8*	*0*	*99.6*	*99.6*	*100.0*
Branches[4]	2,613	2,611	2	2,427	2,425	1,418	182	825	2	0	186	186	0	99.9	99.9	100.0
Rhode Island—all offices	**317**	**304**	**13**	**243**	**230**	**120**	**0**	**110**	**12**	**1**	**74**	**74**	**0**	**95.9**	**94.7**	**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*	*1*	*5*	*0*	*6*	*2*	*0*	*6*	*6*	*0*	*89.5*	*84.6*	*100.0*
Branches	294	284	10	226	216	115	0	101	10	0	68	68	0	96.6	95.6	100.0
South Carolina—all offices	**749**	**749**	**0**	**749**	**749**	**349**	**17**	**383**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	87	87	0	87	87	18	7	62	0	0	0	0	0	100.0	100.0	0.0
Unit Banks	*20*	*20*	*0*	*20*	*20*	*1*	*2*	*17*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*67*	*67*	*0*	*67*	*67*	*17*	*5*	*45*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	662	662	0	662	662	331	10	321	0	0	0	0	0	100.0	100.0	0.0
South Dakota—all offices	**305**	**304**	**1**	**305**	**304**	**123**	**44**	**137**	**0**	**1**	**0**	**0**	**0**	**99.7**	**99.7**	**0.0**
Banks	156	155	1	156	155	32	28	95	0	1	0	0	0	99.4	99.4	0.0
Unit Banks	*105*	*104*	*1*	*105*	*104*	*19*	*19*	*66*	*0*	*1*	*0*	*0*	*0*	*99.0*	*99.0*	*0.0*
Banks operating branches	*51*	*51*	*0*	*51*	*51*	*13*	*9*	*29*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	149	149	0	149	149	91	16	42	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, 1978—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	**1,303**	**1,301**	**2**	**1,303**	**1,301**	**483**	**59**	**759**	**1**	**1**	**0**	**0**	**0**	**99.8**	**99.8**	**0.0**
Banks	350	348	2	350	348	72	10	266	1	1	0	0	0	99.4	99.4	0.0
Unit Banks	*98*	*96*	*2*	*98*	*96*	*7*	*1*	*88*	*1*	*1*	*0*	*0*	*0*	*98.0*	*98.0*	*0.0*
Banks operating branches	*252*	*252*	*0*	*252*	*252*	*65*	*9*	*178*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	953	953	0	953	953	411	49	493	0	0	0	0	0	100.0	100.0	0.0
Texas—all offices	**1,604**	**1,598**	**6**	**1,406**	**1,598**	**645**	**57**	**896**	**6**	**0**	**0**	**0**	**0**	**99.6**	**99.6**	**0.0**
Banks	1,401	1,395	6	1,401	1,395	609	40	746	6	0	0	0	0	99.6	99.6	0.0
Unit Banks	*1,226*	*1,220*	*6*	*1,226*	*1,220*	*580*	*26*	*614*	*6*	*0*	*0*	*0*	*0*	*99.5*	*99.5*	*0.0*
Banks operating branches	*175*	*175*	*0*	*175*	*175*	*29*	*14*	*132*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	203	203	0	203	203	36	17	150	0	0	0	0	0	100.0	100.0	0.0
Utah—all offices	**321**	**319**	**2**	**321**	**319**	**126**	**100**	**93**	**0**	**2**	**0**	**0**	**0**	**99.4**	**99.4**	**0.0**
Banks	68	66	2	68	66	10	13	43	0	2	0	0	0	97.1	97.1	0.0
Unit Banks	*43*	*41*	*2*	*43*	*41*	*6*	*7*	*28*	*0*	*2*	*0*	*0*	*0*	*95.3*	*95.3*	*0.0*
Banks operating branches	*25*	*25*	*0*	*25*	*25*	*4*	*6*	*15*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	253	253	0	253	253	116	87	50	0	0	0	0	0	100.0	100.0	0.0
Vermont—all offices	**202**	**201**	**1**	**177**	**176**	**59**	**1**	**116**	**0**	**1**	**25**	**25**	**0**	**99.5**	**99.4**	**100.0**
Banks	36	35	1	30	29	13	1	15	0	1	6	6	0	97.2	96.7	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	*27*	*27*	*0*	*22*	*22*	*9*	*0*	*13*	*0*	*0*	*5*	*5*	*0*	*100.0*	*100.0*	*100.0*
Branches	166	166	0	147	147	46	0	101	0	0	19	19	0	100.0	100.0	100.0
Virginia—all offices	**1,565**	**1,564**	**1**	**1,565**	**1,564**	**777**	**475**	**312**	**0**	**1**	**0**	**0**	**0**	**99.9**	**99.9**	**0.0**
Banks	263	262	1	263	262	88	79	95	0	1	0	0	0	99.6	99.6	0.0
Unit Banks	*74*	*73*	*1*	*74*	*73*	*14*	*29*	*30*	*0*	*1*	*0*	*0*	*0*	*98.6*	*98.6*	*0.0*
Banks operating branches	*189*	*189*	*0*	*189*	*189*	*74*	*50*	*65*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	1,302	1,302	0	1,302	1,302	689	396	217	0	0	0	0	0	100.0	100.0	0.0
Washington—all offices	**1,016**	**1,006**	**10**	**888**	**878**	**629**	**40**	**209**	**9**	**1**	**128**	**128**	**0**	**99.0**	**98.9**	**100.0**
Banks	112	102	10	103	93	20	5	68	9	1	9	9	0	91.1	90.3	100.0
Unit Banks	*41*	*31*	*10*	*41*	*31*	*2*	*3*	*26*	*9*	*1*	*0*	*0*	*0*	*75.6*	*75.6*	*0.0*
Banks operating branches	*71*	*71*	*0*	*62*	*62*	*18*	*2*	*42*	*0*	*0*	*9*	*9*	*0*	*100.0*	*100.0*	*100.0*
Branches[4]	904	904	0	785	785	609	35	141	0	0	119	119	0	100.0	100.0	100.0

West Virginia—all offices	**287**	**287**	**0**	**287**	**287**	**134**	**35**	**118**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	231	231	0	231	231	106	29	96	0	0	0	0	0	100.0	100.0	0.0
Unit Banks	*175*	*175*	*0*	*175*	*175*	*78*	*23*	*74*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Banks operating branches	*56*	*56*	*0*	*56*	*56*	*28*	*6*	*22*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	56	56	0	56	56	28	6	22	0	0	0	0	0	100.0	100.0	0.0
Wisconsin—all offices	**1,080**	**1,075**	**5**	**1,077**	**1,072**	**284**	**47**	**741**	**0**	**5**	**3**	**3**	**0**	**99.5**	**99.5**	**100.0**
Banks	636	631	5	633	628	129	27	472	0	5	3	3	0	99.2	99.2	100.0
Unit Banks	*411*	*406*	*5*	*408*	*403*	*82*	*18*	*303*	*0*	*5*	*3*	*3*	*0*	*98.8*	*98.8*	*100.0*
Banks operating branches	*225*	*225*	*0*	*225*	*225*	*47*	*9*	*169*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*0.0*
Branches	444	444	0	444	444	155	20	269	0	0	0	0	0	100.0	100.0	0.0
Wyoming—all offices	**91**	**91**	**0**	**91**	**91**	**47**	**16**	**28**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**0.0**
Banks	88	88	0	88	88	46	16	26	0	0	0	0	0	100.0	100.0	0.0
Unit Banks	*85*	*85*	*0*	*85*	*85*	*45*	*16*	*24*	*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**	**25**	**2**	**27**	**25**	**9**	**0**	**16**	**2**	**0**	**0**	**0**	**0**	**92.6**	**92.6**	**0.0**
Banks	3	1	2	3	1	0	0	1	2	0	0	0	0	33.3	33.3	0.0
Unit Banks	*2*	*0*	*2*	*2*	*0*	*0*	*0*	*0*	*2*	*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]	24	24	0	24	24	9	0	15	0	0	0	0	0	100.0	100.0	0.0
Canal Zone—all offices	**2**	**2**	**0**	**2**	**2**	**2**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**100.0**	**100.0**	**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	2	0	2	2	2	0	0	0	0	0	0	0	100.0	100.0	0.0
Puerto Rico—all offices	**253**	**229**	**24**	**253**	**229**	**25**	**0**	**204**	**22**	**2**	**0**	**0**	**0**	**90.5**	**90.5**	**0.0**
Banks	21	12	9	21	12	0	0	12	7	2	0	0	0	57.1	57.1	0.0
Unit Banks	*9*	*4*	*5*	*9*	*4*	*0*	*0*	*4*	*3*	*2*	*0*	*0*	*0*	*44.4*	*44.4*	*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]	232	217	15	232	217	25	0	192	15	0	0	0	0	93.5	93.5	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, 1978—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 9 noninsured branches of insured banks: 7 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: 18 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, Midway Islands and Northern Mariana Islands.
Trust Territories: Caroline Islands and Marshall Islands.
[6] Pacific Islands: 23 branches—
American Samoa: 1 insured branch operated by a State nonmember bank in Hawaii.
Guam: 11 insured branches operated by 2 State nonmember banks in Hawaii, a State nonmember bank 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.
Northern Mariana Islands: 4 insured branches operated by a national bank and a State 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.
[7] Canal Zone: 2 noninsured branches operated by 2 national banks in New York. Branch deposits are not insurable in the Canal Zone. Branches are listed with the parent bank.
[8] Puerto Rico: 25 insured branches operated by 2 national banks in New York, and a national bank in California.
[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, 1978

BANKS GROUPED BY CLASS AND ASSET SIZE

(In thousands of dollars)

Asset size	All banks	Insured commercial banks				Non-insured banks and trust companies	Mutual savings banks	
		Total	Members F.R. System		Nonmembers F.R. System		Insured	Non-insured
			National	State				
Number of banks								
Less than $5.0 million	1,158	973	122	47	804	185	—	—
$5.0 to 9.9 million	2,386	2,352	379	127	1,846	29	3	2
$10.0 to 24.9 million	4,882	4,836	1,366	312	3,158	25	12	9
$25.0 to 49.9 million	3,284	3,214	1,208	228	1,778	14	29	27
$50.0 to 99.9 million	1,749	1,615	711	127	777	10	77	47
$100.0 to 299.9 million	1,116	938	495	88	355	34	98	46
$300.0 to 499.9 million	222	166	92	20	54	18	31	7
$500.0 to 999.9 million	190	135	83	17	35	18	35	2
$1.0 to 4.9 billion	193	139	95	24	20	16	38	—
$5.0 billion or more	25	23	13	10	—	—	2	—
Total banks	**15,205**	**14,391**	**4,564**	**1,000**	**8,827**	**349**	**325**	**140**
			(In thousands of dollars)					
Amount of assets								
Less than $5.0 million	3,733,754	3,442,950	462,208	160,306	2,820,436	290,804	0	0
$5.0 to 9.9 million	17,861,356	17,612,878	2,880,462	960,260	13,772,156	210,134	24,623	13,721
$10.0 to 24.9 million	81,083,384	80,317,611	23,349,459	5,220,457	51,747,695	378,660	210,113	177,000
$25.0 to 49.9 million	115,209,026	112,461,978	43,230,564	7,944,305	61,287,109	518,446	1,220,925	1,007,677
$50.0 to 99.9 million	121,937,721	112,083,102	49,753,340	9,066,934	53,262,828	672,109	5,632,306	3,550,204
$100.0 to 299.9 million	179,803,835	149,148,495	78,505,925	14,895,206	55,747,364	5,973,107	17,265,671	7,416,562
$300.0 to 499.9 million	86,145,080	64,143,777	35,742,352	8,305,360	20,096,065	7,065,630	12,358,436	2,577,237
$500.0 to 999.9 million	128,435,555	89,317,803	56,259,595	11,802,251	21,255,957	12,539,548	25,457,195	1,121,009
$1.0 to 4.9 billion	373,342,428	276,041,619	197,917,134	46,978,917	31,145,568	28,174,939	69,125,870	0
$5.0 billion or more	375,495,215	364,437,560	234,183,992	130,253,568	0	0	11,057,655	0
Total assets	**1,483,047,354**	**1,269,007,773**[1]	**722,285,031**	**235,587,564**	**311,135,178**	**55,823,377**	**142,352,794**	**15,863,410**

[1]Domestic assets only; 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, 1978
BANKS GROUPED BY ASSET SIZE AND STATE
(Amounts in thousands of dollars)

State	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 United States and other areas[2]											
Banks	14,740	1,158	2,381	4,861	3,228	1,625	971	181	154	154	27
Total assets[3]	1,563,884,529	3,733,754	17,823,012	80,667,627	112,980,424	112,755,261	154,819,475	70,109,541	101,919,447	304,872,796	604,203,192
Total deposits[3]	1,260,413,601	3,105,410	15,873,003	72,346,990	100,737,029	99,697,023	131,515,551	56,838,684	78,749,306	230,599,357	470,951,248
States											
Alabama											
Banks	312	10	43	151	68	19	13	1	5	2	0
Assets	14,737,005	35,260	333,364	2,559,046	2,431,653	1,220,080	2,037,087	388,356	2,950,393	2,781,766	0
Deposits	12,657,531	28,589	292,434	2,292,779	2,175,900	1,083,690	1,784,845	337,022	2,447,110	2,215,162	0
Alaska											
Banks	12	0	0	0	2	5	3	1	1	0	0
Assets	1,921,515	0	0	0	77,058	317,579	492,572	425,859	608,447	0	0
Deposits	1,569,933	0	0	0	68,049	270,151	389,185	336,397	506,151	0	0
Arizona											
Banks	27	9	3	6	1	2	1	1	1	3	0
Assets	10,184,089	15,334	20,612	93,142	35,705	168,133	243,374	367,256	502,033	8,738,500	0
Deposits	8,870,955	5,161	16,918	84,199	33,713	154,943	221,910	327,238	452,112	7,574,761	—0
Arkansas											
Banks	262	16	37	101	63	28	13	3	1	0	0
Assets	9,267,552	47,009	282,538	1,619,318	2,157,452	1,794,312	1,844,189	977,383	545,351	0	0
Deposits	8,022,468	39,735	251,313	1,458,021	1,924,575	1,590,054	1,601,804	745,898	411,068	0	0
California											
Banks	244	17	25	53	58	35	33	2	10	5	6
Assets	191,914,025	33,855	184,675	968,278	2,063,645	2,496,993	5,788,913	684,002	5,417,505	10,820,270	163,455,889
Deposits	158,779,375	8,185	147,951	865,697	1,831,974	2,231,063	5,203,582	568,901	4,783,724	9,060,605	134,077,693
Colorado											
Banks	394	110	59	121	56	28	16	0	2	2	0
Assets	13,374,211	284,501	443,046	1,934,391	2,024,367	2,029,833	2,246,096	0	1,324,365	3,087,612	0
Deposits	11,263,754	203,909	366,526	1,720,929	1,808,823	1,789,699	1,929,657	0	1,077,245	2,366,966	0
Connecticut											
Banks	65	1	3	20	18	9	6	1	3	4	0
Assets	11,992,218	4,697	21,159	328,831	602,119	636,020	861,772	471,054	1,918,156	7,148,410	0
Deposits	10,061,666	4,270	17,798	289,600	523,105	566,491	730,044	408,642	1,645,417	5,876,299	0
Delaware											
Banks	19	2	3	6	2	2	0	1	2	1	0
Assets	3,410,922	593	19,907	92,617	59,703	158,485	0	430,028	1,196,642	1,452,947	0
Deposits	2,611,134	0	17,675	83,564	51,615	143,330	0	388,436	1,003,077	923,437	0
District of Columbia											
Banks	17	0	2	2	3	3	2	1	2	2	0
Assets	7,086,581	0	16,831	26,311	135,645	210,041	230,258	467,864	1,505,449	4,494,182	0
Deposits	5,838,979	0	12,366	24,713	116,127	184,917	201,923	423,789	1,191,562	3,683,582	0

Florida												
Banks	617	14	48	210	152	96	81	11	4	1	0
Assets	37,448,956	41,901	366,123	3,613,083	5,518,544	6,777,964	12,141,651	4,295,415	2,541,653	2,152,622	0
Deposits	32,213,996	26,144	315,856	3,207,674	4,943,724	6,039,172	10,632,469	3,551,714	1,971,316	1,525,927	0
Georgia												
Banks	440	38	82	179	98	20	17	2	—	4	0
Assets	20,792,659	121,748	615,057	2,997,827	3,374,862	1,488,179	2,497,786	767,945	—	8,929,255	0
Deposits	16,590,099	107,735	548,388	2,688,649	2,990,964	1,297,451	2,183,131	628,409	—	6,145,372	0
Hawaii												
Banks	11	1	1	1	1	—	4	1	—	2	0
Assets	4,211,864	415	9,726	11,404	35,209	—	773,030	352,465	—	3,029,615	0
Deposits	3,704,915	0	0	0	32,653	—	702,752	325,073	—	2,644,437	0
Idaho												
Banks	24	0	5	7	3	4	1	1	1	2	0
Assets	4,296,491	0	42,915	122,442	103,641	274,358	165,203	351,131	516,770	2,720,031	0
Deposits	3,602,347	0	38,417	108,777	94,986	227,622	147,044	307,859	435,791	2,241,851	0
Illinois												
Banks	1,277	88	195	423	268	166	117	11	4	2	3
Assets	121,380,290	329,052	1,478,692	6,896,554	9,697,377	11,615,249	18,394,929	4,507,316	2,666,848	6,869,059	58,925,214
Deposits	94,253,364	268,032	1,320,189	6,143,738	8,556,167	10,128,739	14,344,279	3,492,192	1,702,169	5,335,982	42,961,877
Indiana												
Banks	406	8	37	121	113	76	38	7	3	3	0
Assets	28,220,927	20,612	283,426	2,085,095	3,923,407	5,396,050	6,229,265	2,540,739	1,774,475	5,967,858	0
Deposits	23,701,770	14,588	253,135	1,894,361	3,529,460	4,828,147	5,405,230	2,121,254	1,453,535	4,202,060	0
Iowa												
Banks	657	33	173	244	146	41	15	4	1	0	0
Assets	17,882,365	118,363	1,340,038	3,990,087	4,968,673	2,893,601	2,155,393	1,572,450	843,760	0	0
Deposits	15,627,714	105,872	1,213,731	3,615,812	4,481,834	2,586,949	1,825,115	1,220,471	577,930	0	0
Kansas												
Banks	617	123	154	197	93	36	11	2	1	0	0
Assets	13,568,762	420,176	1,120,666	3,159,100	3,202,375	2,339,220	1,916,118	715,338	695,769	0	0
Deposits	11,706,613	376,177	1,009,312	2,844,679	2,849,207	2,069,256	1,450,809	578,793	528,380	0	0
Kentucky												
Banks	344	20	45	129	92	34	18	2	2	2	0
Assets	16,046,662	68,539	347,149	2,158,637	3,190,763	2,305,715	2,450,315	794,440	1,415,168	3,315,936	0
Deposits	13,689,911	60,345	308,312	1,950,175	2,881,389	2,051,083	2,209,391	604,933	1,136,385	2,487,898	0
Louisiana												
Banks	256	7	16	75	84	40	21	5	7	1	0
Assets	19,156,370	23,674	121,557	1,308,829	3,013,635	2,661,798	3,798,079	1,886,750	4,734,975	1,607,073	0
Deposits	16,290,978	20,011	109,553	1,176,285	2,715,899	2,368,774	3,295,153	1,593,806	3,755,632	1,255,865	0
Maine												
Banks	43	0	3	12	15	6	5	2	0	0	0
Assets	3,008,695	0	22,798	224,013	518,531	427,108	1,059,579	756,666	0	0	0
Deposits	2,591,264	0	20,178	199,574	459,828	367,676	913,215	630,793	0	0	0
Maryland												
Banks	106	1	16	26	28	20	8	0	2	5	0
Assets	14,041,272	2,338	122,718	436,677	981,097	1,436,391	1,177,655	0	1,094,048	8,790,348	0
Deposits	11,576,093	1,722	107,946	390,950	872,721	1,290,829	1,049,923	0	870,853	6,991,149	0
Massachusetts												
Banks	152	4	8	42	33	30	21	7	3	3	1
Assets	28,062,311	14,026	62,995	697,514	1,192,606	2,149,197	3,160,839	2,844,213	1,681,130	5,862,931	10,396,860
Deposits	21,832,912	7,788	55,670	578,906	1,007,254	1,851,865	2,658,280	2,380,360	1,394,232	4,261,903	7,636,654

Table 105. NUMBER, ASSETS, AND DEPOSITS OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1978—CONTINUED

BANKS GROUPED BY ASSET SIZE AND STATE

(Amounts in thousands of dollars)

State	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
Michigan											
Banks	365	6	23	100	105	61	51	6	4	8	1
Assets	48,165,374	15,871	185,582	1,629,576	3,656,172	4,236,363	8,524,058	2,446,149	2,400,057	16,025,143	9,046,403
Deposits	40,583,398	10,626	163,784	1,470,635	3,290,238	3,818,840	7,630,634	2,179,786	2,123,012	12,883,103	7,012,740
Minnesota											
Banks	761	75	215	283	119	47	16	3	0	3	0
Assets	25,007,859	277,365	1,571,840	4,551,647	4,155,567	3,191,123	2,345,884	966,089	0	7,948,344	0
Deposits	20,524,811	245,955	1,437,855	4,107,826	3,727,029	2,855,146	2,028,401	740,562	0	5,382,037	0
Mississippi											
Banks	185	5	25	71	51	19	10	2	0	2	0
Assets	9,444,942	18,021	186,806	1,183,557	1,788,725	1,344,802	1,798,178	706,753	0	2,418,100	0
Deposits	8,314,275	11,836	165,864	1,074,544	1,610,462	1,196,867	1,611,613	637,627	0	2,005,462	0
Missouri											
Banks	720	76	150	244	150	64	29	1	2	4	0
Assets	29,247,195	255,289	1,107,927	4,034,657	5,153,265	4,319,091	4,598,435	353,835	1,792,492	7,632,204	0
Deposits	23,494,859	223,319	996,024	3,622,968	4,557,731	3,777,227	3,761,788	309,979	1,269,488	4,976,335	0
Montana											
Banks	163	11	34	65	33	13	7	0	0	0	0
Assets	4,458,263	29,853	257,170	1,008,496	1,088,881	949,804	1,124,059	0	0	0	0
Deposits	3,955,345	24,866	231,321	914,993	985,983	837,096	961,086	0	0	0	0
Nebraska											
Banks	459	104	134	145	45	22	4	3	2	0	0
Assets	9,562,484	319,611	964,970	2,347,642	1,454,812	1,437,498	445,986	1,246,929	1,345,036	0	0
Deposits	8,192,532	281,250	868,540	2,115,502	1,300,842	1,275,101	397,473	987,017	966,807	0	0
Nevada											
Banks	9	1	0	1	0	1	3	1	1	1	0
Assets	3,286,806	1,770	0	17,189	0	95,277	723,063	437,731	704,339	1,307,437	0
Deposits	2,876,931	1,241	0	14,131	0	88,156	635,733	371,479	626,977	1,139,214	0
New Hampshire											
Banks	79	5	10	28	23	8	5	0	0	0	0
Assets	2,711,275	13,267	74,010	489,354	806,376	543,769	784,499	0	0	0	0
Deposits	2,394,142	10,658	65,888	438,619	716,485	464,849	697,643	0	0	0	0
New Jersey											
Banks	184	1	1	32	53	33	33	11	15	5	0
Assets	32,197,257	751	9,871	567,569	1,978,575	2,374,932	5,250,694	4,317,441	10,698,820	6,998,604	0
Deposits	27,492,713	8	8,013	499,984	1,770,997	2,099,194	4,641,744	3,733,870	9,204,066	5,534,837	0
New Mexico											
Banks	87	3	6	24	31	15	6	0	2	0	0
Assets	4,905,028	8,152	46,153	424,784	1,122,952	1,086,807	954,992	0	1,261,188	0	0
Deposits	4,295,090	6,714	40,043	380,972	1,012,728	980,259	823,385	0	1,050,989	0	0
New York											
Banks	298	18	10	52	48	38	48	21	28	26	9
Assets	404,994,263	47,532	72,863	890,560	1,656,583	2,701,219	8,200,374	8,225,748	19,638,555	53,129,265	310,431,564
Deposits	304,462,470	37,515	60,883	775,425	1,420,428	2,243,314	6,130,322	5,072,382	11,198,388	35,231,927	242,291,886

North Carolina											
Banks	89	4	6	22	24	14	7	6	1	5	0
Assets	20,645,978	16,647	44,370	345,619	820,784	981,582	1,296,139	2,218,631	544,852	14,377,354	0
Deposits	17,039,049	12,762	36,826	304,336	726,506	854,803	1,132,033	1,949,428	488,938	11,533,417	0
North Dakota											
Banks	174	13	38	85	21	9	7	0	1	0	0
Assets	4,435,241	44,747	295,812	1,361,115	759,376	587,672	810,468	0	576,051	0	0
Deposits	3,858,809	38,296	268,343	1,228,516	679,408	520,384	721,541	0	402,321	0	0
Ohio											
Banks	482	7	49	146	123	82	48	10	7	10	0
Assets	49,285,117	26,829	358,775	2,505,308	4,380,875	5,833,082	7,467,320	3,989,606	5,154,278	19,569,044	0
Deposits	40,156,082	24,173	319,486	2,235,646	3,798,990	5,079,522	6,405,648	3,383,670	4,125,027	14,783,920	0
Oklahoma											
Banks	485	52	126	152	91	47	11	2	2	2	0
Assets	17,036,048	188,352	923,160	2,492,412	3,121,069	3,230,388	1,695,280	768,891	1,918,821	2,697,675	0
Deposits	14,604,562	163,403	821,615	2,242,379	2,785,444	2,860,181	1,455,012	648,059	1,565,795	2,062,674	0
Oregon											
Banks	63	8	10	17	11	8	4	2	1	2	0
Assets	11,589,899	18,659	75,804	280,467	369,005	561,850	656,715	719,328	614,296	8,293,775	0
Deposits	9,502,515	9,795	64,912	250,050	334,194	507,637	571,092	629,058	529,240	6,606,537	0
Pennsylvania											
Banks	378	5	31	96	91	71	48	13	10	10	3
Assets	78,536,921	10,605	239,574	1,650,524	3,345,592	4,934,762	7,892,285	5,055,882	6,484,211	23,217,875	25,705,611
Deposits	61,903,490	4,334	203,293	1,481,166	2,989,162	4,411,080	6,962,142	4,422,805	5,599,728	18,422,800	17,406,980
Rhode Island											
Banks	17	2	1	4	3	1	3	—	—	3	0
Assets	5,672,218	1,751	9,760	58,620	103,714	53,052	451,846	—	—	4,993,475	0
Deposits	4,529,062	1,210	8,975	49,860	91,147	48,134	386,251	—	—	3,943,485	0
South Carolina											
Banks	87	10	9	35	15	11	2	1	3	1	0
Assets	6,281,452	40,771	69,714	547,249	508,185	708,930	426,479	369,193	2,308,193	1,302,738	0
Deposits	5,282,889	35,172	59,098	483,098	440,035	627,717	381,416	331,053	1,872,560	1,052,740	0
South Dakota											
Banks	156	20	51	54	16	8	5	2	0	0	0
Assets	4,216,179	74,481	389,084	838,026	564,223	539,909	941,664	868,792	0	0	0
Deposits	3,784,679	65,553	354,653	757,536	510,747	485,162	839,690	771,338	0	0	0
Tennessee											
Banks	350	17	49	120	89	46	19	2	3	5	0
Assets	20,042,647	54,653	357,279	1,991,217	3,054,416	3,183,533	2,645,892	779,018	1,794,642	6,181,997	0
Deposits	17,289,047	47,860	319,513	1,793,580	2,726,389	2,855,373	2,347,703	661,237	1,448,288	5,089,104	0
Texas											
Banks	1,401	106	232	448	342	160	78	16	9	7	3
Assets	88,921,401	354,002	1,727,000	7,536,856	11,781,442	11,176,623	12,263,542	6,008,972	5,683,503	13,348,747	19,040,714
Deposits	74,359,518	304,299	1,536,873	6,772,554	10,570,728	10,034,518	10,797,805	4,945,755	4,760,960	10,263,328	14,372,698
Utah											
Banks	68	10	19	19	9	3	4	1	1	2	0
Assets	5,848,372	27,647	134,300	311,403	298,299	202,638	892,458	441,263	690,108	2,850,256	0
Deposits	4,950,802	21,732	115,361	279,804	271,698	176,140	743,998	380,427	587,956	2,373,686	0
Vermont											
Banks	30	4	1	6	10	4	4	1	0	0	0
Assets	2,038,970	12,399	6,183	120,848	330,827	309,477	900,853	358,383	0	0	0
Deposits	1,842,360	11,071	5,454	108,976	301,736	280,218	809,577	325,328	0	0	0

Table 105. NUMBER, ASSETS, AND DEPOSITS OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1978—CONTINUED

BANKS GROUPED BY ASSET SIZE AND STATE

(Amounts in thousands of dollars)

State	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
Virginia											
Banks	263	12	35	90	65	32	18	2	4	5	0
Assets	20,937,087	38,183	271,095	1,491,678	2,301,131	1,998,728	3,106,450	883,350	2,515,344	8,331,128	0
Deposits	17,854,396	28,616	238,255	1,334,532	2,073,183	1,795,749	2,728,125	738,576	2,115,259	6,802,101	0
Washington											
Banks	103	10	16	33	18	10	7	3	1	4	1
Assets	20,124,059	26,153	120,807	517,390	614,255	642,222	1,295,501	1,116,084	628,390	7,962,320	7,200,937
Deposits	15,223,096	17,512	96,982	461,464	546,603	519,576	694,215	771,463	541,318	6,383,243	5,190,720
West Virginia											
Banks	231	10	29	84	63	28	16	1	0	0	0
Assets	8,617,368	31,148	217,081	1,455,440	2,160,752	1,936,597	2,415,506	400,844	0	0	0
Deposits	7,397,586	24,131	191,494	1,296,249	1,923,483	1,681,694	1,998,071	282,464	0	0	0
Wisconsin											
Banks	633	46	99	245	156	57	25	1	2	2	0
Assets	23,886,226	161,568	749,766	4,136,500	5,368,247	3,921,385	3,824,514	352,163	1,233,334	4,138,749	0
Deposits	19,975,830	134,703	682,470	3,741,048	4,797,281	3,428,699	3,205,273	288,891	928,500	2,768,965	0
Wyoming											
Banks	88	11	12	27	24	11	3	0	0	0	0
Assets	2,711,701	35,584	83,216	454,384	848,010	730,767	559,740	0	0	0	0
Deposits	2,404,163	28,537	74,014	409,033	762,252	638,686	491,641	0	0	0	0
Other areas											
Guam											
Banks	3	1	1	0	0	1	0	0	0	0	0
Assets	68,037	0	8,263	0	0	59,774	0	0	0	0	0
Deposits	56,199	0	5,218	0	0	50,981	0	0	0	0	0
Puerto Rico											
Banks	21	1	0	6	1	0	6	4	0	3	0
Assets	6,846,096	−0	0	90,275	31,376	0	862,498	1,481,796	0	4,380,151	0
Deposits	4,609,872	−0	0	69,104	24,377	0	644,755	1,304,450	0	2,567,186	0
Virgin Islands											
Banks	6	2	1	1	1	1	0	0	0	0	0
Assets	157,024	−0	8,785	14,069	48,871	85,299	0	0	0	0	0
Deposits	145,258	−0	8,285	13,378	40,776	82,819	0	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 Data are from fully consolidated Reports of Condition, including domestic and foreign offices.

ASSETS AND LIABILITIES OF BANKS

Table 106. Assets and liabilities of all commercial banks in the United States (States and other areas), June 30, 1978
Banks grouped by insurance status and class of bank

Table 107. Assets and liabilities of all commercial banks in the United States (States and other areas), December 31, 1978
Banks grouped by insurance status and class of bank

Table 108. Assets and liabilities of all mutual savings banks in the United States (States and other areas), June 30, 1978, and December 31, 1978
Banks grouped by insurance status

Table 109. Assets and liabilities of insured commercial banks in the United States (States and other areas), December call dates, 1973—1978

Table 110. Assets and liabilities of insured commercial banks (domestic and foreign offices), United States and other areas, 1973—1977

Table 110A. Assets and liabilities of insured commercial banks (domestic and foreign offices), United States and other areas, December 31, 1978.

Table 111. Assets and liabilities of insured mutual savings banks in the United States (States and other areas), December call dates, 1973—1978

Table 112. Percentages of assets, liabilities, and equity capital of insured commercial banks operating throughout 1978 in the United States (States and other areas), December 31, 1978
Banks grouped by amount of assets

Table 113. Percentages of assets and liabilities of insured mutual savings banks operating throughout 1978 in the United States (States and other areas), December 31, 1978
Banks grouped by amount of assets

Table 114. Distribution of insured commercial banks in the United States (States and other areas), December 31, 1978
Banks grouped according to amount of assets and by ratios of selected items to assets or deposits

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 tables on pages 143-164 contain only the domestic assets and liabilities of banks. Beginning in 1969, all majority-owned premises subsidiaries are fully consoldated; 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.

In 1978 an abbreviated Report of Condition was instituted for banks with less than $100 million in total consolidated assets. Beginning with December 1978, other liabilities for borrowed money include interest-bearing demand notes issued to the U.S. Treasury.

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 December 31, 1977, and June 30, 1978, 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.* (Beginning with June 30, 1977, foreign office assets and liabilities itemized by State are published in *Assets and Liabilities—Commercial and Mutual Savings Banks.)* In December 1978, a revised fully consolidated domestic and foreign Report of Condition was instituted.

Sources of data

Insured banks: see p. 166; 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, 1978

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

Asset, liability or expense 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	**1,226,811,222**	**1,181,635,323**	**893,037,057**	**675,652,397**	**217,384,660**	**288,598,266**	**45,175,899**	**44,520,620**	**655,279**
Cash and due from banks—total	**166,914,083**	**158,605,576**	**134,197,812**	**91,140,392**	**43,057,420**	**24,407,764**	**8,308,507**	**8,256,580**	**51,927**
Cash items in process of collection	69,513,707	69,406,346	66,610,739	42,637,380	23,973,359	2,795,607	107,361	107,066	295
Demand balances with commercial banks in the United States	42,125,244	38,341,352	23,267,303	14,887,500	8,379,803	15,074,049	3,783,892	3,746,362	37,530
All other balances with depository institutions in the U.S. and with banks in foreign countries	13,739,692	9,344,894	6,047,769	3,980,366	2,067,403	3,297,125	4,394,798	4,389,000	5,798
Balances with Federal Reserve Banks	29,573,900	29,565,825	29,565,777	22,824,689	6,741,088	48	8,075	0	8,075
Currency and coin	11,961,540	11,947,159	8,706,224	6,810,457	1,895,767	3,240,935	14,381	14,152	229
Securities—total	**265,265,377**	**262,154,356**	**180,259,997**	**138,532,714**	**41,727,283**	**81,894,359**	**3,111,021**	**2,979,465**	**131,556**
U.S. Treasury securities	94,507,369	93,457,638	63,361,685	47,530,326	15,831,359	30,095,953	1,049,731	1,007,896	41,835
Obligations of other U.S. Government agencies and corporations[3]	38,941,568	38,566,812	24,217,200	19,599,400	4,617,800	14,349,612	374,756	372,526	2,230
Obligations of States and political subdivisions in the U.S.	116,823,564	115,911,368	81,010,888	62,967,559	18,043,329	34,900,480	912,196	877,808	34,388
All other securities	14,992,876	14,218,538	11,670,224	8,435,429	3,234,795	2,548,314	774,338	721,235	53,103
Federal funds sold and securities purchased under agreements to resell	**49,129,592**	**44,006,310**	**34,561,671**	**27,858,330**	**6,703,341**	**9,444,639**	**5,123,282**	**4,932,473**	**190,809**
Loans, net	**657,146,270**	**633,416,957**	**471,570,168**	**365,803,116**	**105,767,052**	**161,846,789**	**23,729,313**	**23,680,873**	**48,440**
Plus: Allowances for possible loan losses	7,387,279	7,206,816	5,680,613	4,244,820	1,435,793	1,526,203	180,463	180,035	428
Loans, total	664,533,549	640,623,773	477,250,781	370,047,936	107,202,845	163,372,992	23,909,776	23,860,908	48,868
Plus: Unearned income on loans	16,293,868	16,233,433	10,830,179	8,999,537	1,830,642	5,403,254	60,435	60,435	0
Loans, gross	**680,827,417**	**656,857,206**	**488,080,960**	**379,047,473**	**109,033,487**	**168,776,246**	**23,970,211**	**23,921,343**	**48,868**
Real estate loans—total	194,466,700	194,072,142	132,711,372	107,117,013	25,594,359	61,360,770	394,558	390,178	4,380
Construction and land development	*24,093,792*	*24,033,847*	*17,943,749*	*13,991,371*	*3,952,378*	*6,090,098*	*59,945*	*59,945*	*0*
Secured by farmland	*8,206,458*	*8,187,723*	*3,565,146*	*2,937,594*	*627,552*	*4,622,577*	*18,735*	*18,212*	*523*
Secured by 1—4 family residential properties	*105,954,695*	*105,727,323*	*73,461,997*	*60,365,313*	*13,096,684*	*32,265,326*	*227,372*	*224,084*	*3,288*
Secured by multifamily (5 or more) residential properties	*5,365,072*	*5,344,087*	*3,901,064*	*2,798,069*	*1,102,995*	*1,443,023*	*20,985*	*20,602*	*383*
Secured by nonfarm nonresidential properties	*50,846,683*	*50,779,162*	*33,839,416*	*27,024,666*	*6,814,750*	*16,939,746*	*67,521*	*67,335*	*186*
Loans to financial institutions	45,109,367	35,637,177	33,494,435	22,717,002	10,777,433	2,142,742	9,472,190	9,472,190	0
Loans for purchasing or carrying securities	16,187,862	15,677,418	14,647,374	8,521,451	6,125,923	1,030,044	510,444	505,539	4,905
Loans to finance agricultural production and other loans to farmers	27,070,112	27,011,475	14,813,042	12,919,968	1,893,074	12,198,433	58,637	58,633	4
Commercial and industrial loans	224,500,545	212,791,169	171,842,593	130,475,963	41,366,630	40,948,576	11,709,376	11,709,093	283
Loans to individuals—total	154,834,239	154,628,563	106,084,221	86,634,049	19,450,172	48,544,342	205,676	205,566	110
To purchase private passenger automobiles on instalment basis	*56,132,760*	*56,088,199*	*35,799,321*	*29,705,735*	*6,093,586*	*20,288,878*	*44,561*	*44,512*	*49*
Credit cards and related plans	*20,258,046*	*20,247,198*	*17,816,200*	*14,504,290*	*3,311,910*	*2,430,998*	*10,848*	*10,848*	*0*
To purchase mobile homes (excluding travel trailers)	*9,387,071*	*9,386,253*	*6,553,424*	*5,749,721*	*803,703*	*2,832,829*	*818*	*813*	*5*
All other instalment loans for household, family and other personal expenditures	*39,499,733*	*39,405,897*	*25,747,957*	*20,816,194*	*4,931,763*	*13,657,940*	*93,836*	*93,825*	*11*
Single payment loans for household, family and other personal expenditures	*29,556,629*	*29,501,016*	*20,167,319*	*15,858,109*	*4,309,210*	*9,333,697*	*55,613*	*55,568*	*45*
All other loans	18,658,592	17,039,262	14,487,923	10,662,027	3,825,896	2,551,339	1,619,330	1,580,144	39,186
Total loans and securities	**971,541,239**	**939,577,623**	**686,391,836**	**532,194,160**	**154,197,676**	**253,185,787**	**31,963,616**	**31,592,811**	**370,805**

Table 106. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1978—CONTINUED
BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK
(Amounts in thousands of dollars)

Asset, liability or expense 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				
Lease financing receivables	6,308,427	6,307,591	5,923,957	4,706,740	1,217,217	383,634	836	725	111
Bank premises, furniture and fixtures, and other assets representing bank premises	19,553,205	19,445,038	14,126,179	11,353,602	2,772,577	5,318,859	108,167	87,381	20,786
Real estate owned other than bank premises	2,992,379	2,958,975	2,435,518	1,829,256	606,262	523,457	33,404	15,943	17,461
All other assets	59,501,889	54,740,520	49,961,755	34,428,247	15,533,508	4,778,765	4,761,369	4,567,180	194,189
Total liabilities and equity capital	**1,226,811,222**	**1,181,635,323**	**893,037,057**	**675,652,397**	**217,384,660**	**288,598,266**	**45,175,899**	**44,520,620**	**655,279**
Business and personal deposits—total	**814,625,532**	**800,407,750**	**576,204,271**	**448,441,174**	**127,763,097**	**224,203,479**	**14,217,782**	**14,191,743**	**26,039**
Individuals, partnerships, and corporations—demand	282,856,150	281,143,967	208,191,570	159,693,042	48,498,528	72,952,397	1,712,183	1,691,160	21,023
Individuals, partnerships, and corporations—savings	*221,815,219*	*221,180,985*	*151,943,732*	*121,651,070*	*30,292,662*	*69,237,253*	*634,234*	*632,270*	*1,964*
Individuals and nonprofit organizations—savings	*211,001,245*	*210,391,492*	*144,506,281*	*115,834,518*	*28,671,763*	*65,885,211*	*609,753*	*607,789*	*1,964*
Corporations and other profit organizations—savings	10,813,974	10,789,493	7,437,451	5,816,552	1,620,899	3,352,042	24,481	24,481	0
Individuals, partnerships, and corporations—time	291,860,056	283,063,584	204,517,200	160,091,782	44,425,418	78,546,384	8,796,472	8,796,188	284
Deposits accumulated for payment of personal loans—time	90,163	90,163	72,141	53,791	18,350	18,022	0	0	0
Certified and officers' checks, travelers' checks, letters of credit—demand	18,003,944	14,929,051	11,479,628	6,951,489	4,528,139	3,449,423	3,074,893	3,072,125	2,768
Government deposits—total	**88,961,056**	**88,434,444**	**60,272,525**	**48,781,923**	**11,490,602**	**28,161,919**	**526,612**	**526,577**	**35**
United States Government—demand	8,225,839	8,207,390	5,877,197	4,719,195	1,158,002	2,330,193	18,449	18,414	35
United States Government—savings	63,022	63,022	52,931	43,766	9,165	10,091	0	0	0
United States Government—time	999,270	999,000	793,494	703,821	89,673	205,506	270	270	0
States and political subdivisions—demand	18,527,984	18,441,142	12,463,533	10,009,601	2,453,932	5,977,609	86,842	86,842	0
States and political subdivisions—savings	4,553,165	4,531,310	2,884,063	2,135,267	748,796	1,647,247	21,855	21,855	0
States and political subdivisions—time	56,591,776	56,192,580	38,201,307	31,170,273	7,031,034	17,991,273	399,196	399,196	0
All other deposits—total	**70,553,857**	**63,938,050**	**61,128,729**	**32,979,285**	**28,149,444**	**2,809,321**	**6,615,807**	**6,594,038**	**21,769**
Demand	49,679,789	47,165,399	45,643,969	22,456,549	23,187,420	1,521,430	2,514,390	2,492,621	21,769
Savings	34,272	34,074	30,809	18,482	12,327	3,265	198	198	0
Time	20,839,796	16,738,577	15,453,951	10,504,254	4,949,697	1,284,626	4,101,219	4,101,219	0
Total deposits	**974,140,445**	**952,780,244**	**697,605,525**	**530,202,382**	**167,403,143**	**255,174,719**	**21,360,201**	**21,312,358**	**47,843**
Demand	*377,293,706*	*369,886,949*	*283,655,897*	*203,829,876*	*79,826,021*	*86,231,052*	*7,406,757*	*7,361,162*	*45,595*
Savings	*226,465,678*	*225,809,391*	*154,911,535*	*123,848,585*	*31,062,950*	*70,897,856*	*656,287*	*654,323*	*1,964*
Time	*370,381,061*	*357,083,904*	*259,038,093*	*202,523,921*	*56,514,172*	*98,045,811*	*13,297,157*	*13,296,873*	*284*
Miscellaneous liabilities—total	**162,460,020**	**139,793,108**	**129,301,431**	**95,334,106**	**33,967,325**	**10,491,677**	**22,666,912**	**22,334,098**	**332,814**
Federal funds purchased and securities sold under agreements to repurchase	93,463,393	89,240,327	83,081,243	63,190,787	19,890,456	6,159,084	4,223,066	4,223,066	0
Interest bearing demand notes issued to the U.S. Treasury and other liabilities for borrowed money	14,004,039	9,444,033	9,031,947	5,788,011	3,243,936	412,086	4,560,006	4,495,302	64,704
Mortgage indebtedness and liability for capitalized leases	1,762,742	1,757,257	1,425,462	1,006,172	419,290	331,795	5,485	816	4,669
All other liabilities	53,229,846	39,351,491	35,762,779	25,349,136	10,413,643	3,588,712	13,878,355	13,614,914	263,441

Total liabilities (excluding subordinated notes and debentures)	**1,136,600,465**	**1,092,573,352**	**826,906,956**	**625,536,488**	**201,370,468**	**265,666,396**	**44,027,113**	**43,646,456**	**380,657**
Subordinated notes and debentures	**5,874,090**	**5,794,411**	**4,440,123**	**3,095,982**	**1,344,141**	**1,354,288**	**79,679**	**78,327**	**1,352**
Equity capital—total	**84,336,667**	**83,267,560**	**61,689,978**	**47,019,927**	**14,670,051**	**21,577,582**	**1,069,107**	**795,837**	**273,270**
Preferred stock—par value	107,486	101,245	32,605	26,193	6,412	68,640	6,241	5,840	401
Preferred stock—shares outstanding (in thousands)	7,333	7,252	3,725	640	3,085	3,527	81	58	23
Common stock—par value	17,960,748	17,765,826	12,743,176	9,740,275	3,002,901	5,022,650	194,922	141,674	53,248
Common stock—shares outstanding (in thousands)	1,916,794	1,905,831	1,274,992	1,038,952	236,040	630,839	10,963	6,913	4,050
Surplus	32,478,290	31,956,866	22,905,774	16,878,681	6,027,093	9,051,092	521,424	466,175	55,249
Undivided profits and reserve for contingencies and other capital reserves	33,790,143	33,443,623	26,008,423	20,374,778	5,633,645	7,435,200	346,520	182,148	164,372
PERCENTAGES									
Of total assets:									
Cash and due from depository institutions	13.61	13.42	15.03	13.49	19.81	8.46	18.39	18.55	7.92
U.S. Treasury securities and obligations of other U.S. Government agencies and corporations	10.88	11.17	9.81	9.94	9.41	15.40	3.15	3.10	6.72
All other securities	10.74	11.01	10.38	10.57	9.79	12.98	3.73	3.59	13.35
Loans (including federal funds sold and securities purchased under agreements to resell)	58.17	57.94	57.31	58.89	52.40	59.88	64.27	64.67	36.58
All other assets	6.60	6.45	7.48	7.12	8.60	3.28	10.46	10.09	35.42
Total equity capital[4]	6.87	7.05	6.91	6.96	6.75	7.48	2.37[5]	1.79[5]	41.70
Of total assets other than cash and U.S. Treasury securities:									
Total equity capital[4]	8.74	8.96	8.87	8.76	9.26	9.22	2.98[5]	2.26[5]	48.67
Memoranda									
Standby letters of credit—total	18,973,556	17,818,040	16,749,967	11,664,412	5,085,555	1,068,073	1,155,516	1,155,516	0
Time certificates of deposits in denominations of $100,000 or more	158,075,933	153,217,336	124,263,101	91,354,122	32,908,979	28,954,235	4,858,597	4,858,597	0
Other time deposits in amounts of $100,000 or more	27,893,775	25,990,674	22,275,385	18,485,486	3,789,899	3,715,289	1,903,101	1,902,817	284
Number of banks at end of period	14,729	14,395	5,621	4,616	1,005	8,774	334	246	88

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. 141-142.

Table 107. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1978
BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK
(Amounts in thousands of dollars)

Asset, liability or expense item	Total	Insured banks					Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System	Total	Banks of deposit	Nondeposit trust companies
			Total	National	State				
Total assets	**1,329,012,482**	**1,273,189,105**	**961,885,965**	**726,298,401**	**235,587,564**	**311,303,140**	**55,823,377**	**54,899,771**	**923,606**
Cash and due from depository institutions—total	188,549,964	178,327,313	150,423,347	103,043,189	47,380,158	27,903,966	10,222,651	10,059,115	163,536
Cash items in process of collection	75,434,689	75,291,809	72,337,585	47,859,893	24,477,692	2,954,224	142,880	142,536	344
Demand balances with commercial banks in the United States	46,970,200	42,572,323	25,548,882	15,277,879	10,271,003	17,023,441	4,397,877	4,245,277	152,600
All other balances with depository institutions in the U.S. and with banks in foreign countries	16,148,997	10,493,618	6,554,683	4,415,649	2,139,034	3,938,935	5,655,379	5,646,147	9,232
Balances with Federal Reserve Banks	34,400,640	34,398,107	34,398,101	26,442,687	7,955,414	6	2,533	1,234	1,299
Currency and coin	15,595,438	15,571,456	11,584,096	9,047,081	2,537,015	3,987,360	23,982	23,921	61
Securities—Total	**272,157,479**	**268,777,856**	**183,888,222**	**140,681,359**	**43,206,863**	**84,889,634**	**3,379,623**	**3,072,300**	**307,323**
U.S. Treasury securities	90,644,189	89,699,426	60,118,003	45,285,125	14,832,878	29,581,423	944,763	873,515	71,248
Obligations of other U.S. Government agencies and corporations	42,704,588	42,316,375	26,513,332	21,308,168	5,205,164	15,803,043	388,213	380,694	7,519
Obligations of States and political subdivisions in the U.S.	124,577,088	123,510,734	86,434,476	66,743,327	19,691,149	37,076,258	1,066,354	930,876	135,478
All other securities	14,231,614	13,251,321	10,822,411	7,344,739	3,477,672	2,428,910	980,293	887,215	93,078
Federal funds sold and securities purchased under agreements to resell	**54,999,683**	**48,755,878**	**37,569,069**	**31,023,186**	**6,545,883**	**11,186,809**	**6,243,805**	**6,131,115**	**112,690**
Loans, net	**711,880,293**	**682,866,654**	**507,672,255**	**392,751,243**	**114,921,012**	**175,194,399**	**29,013,639**	**28,956,371**	**57,268**
Plus: Allowances for possible loan losses	7,891,213	7,714,708	6,053,426	4,565,741	1,487,685	1,661,282	176,505	175,923	582
Loans, total	719,771,506	690,581,362	513,725,681	397,316,984	116,408,697	176,855,681	29,190,144	29,132,294	57,850
Plus: Unearned income on loans	17,789,386	17,726,868	11,822,995	9,788,830	2,034,165	5,903,873	62,518	62,198	320
Loans, gross	**737,560,894**	**708,308,232**	**525,548,678**	**407,105,816**	**118,442,862**	**182,759,554**	**29,252,662**	**29,194,492**	**58,170**
Real estate loans—Total	214,050,007	213,625,237	145,814,742	118,039,653	27,775,089	67,810,495	424,770	419,002	5,768
Construction and land development	*27,323,235*	*27,269,354*	*20,326,538*	*15,978,933*	*4,347,605*	*6,942,816*	*53,881*	*53,783*	*98*
Secured by farmland	*8,501,381*	*8,480,930*	*3,684,116*	*3,057,249*	*626,867*	*4,796,814*	*20,451*	*19,934*	*517*
Secured by 1-4 family residential properties	*118,719,540*	*118,476,776*	*82,149,670*	*67,711,791*	*14,437,879*	*36,327,106*	*242,764*	*239,507*	*3,257*
Secured by multifamily (5 or more) residential properties	*5,742,247*	*5,723,046*	*4,106,992*	*3,013,995*	*1,092,997*	*1,616,054*	*19,201*	*18,823*	*378*
Secured by nonfarm nonresidential properties	*53,763,604*	*53,675,131*	*35,547,426*	*28,277,685*	*7,269,741*	*18,127,705*	*88,473*	*86,955*	*1,518*

Loans to financial institutions	55,532,743	43,459,007	41,172,828	27,193,870	13,978,958	2,286,179	12,073,736	12,069,448	4,288
Loans for purchasing or carrying securities	14,854,702	14,380,222	13,338,296	7,983,537	5,354,759	1,041,926	474,480	472,580	1,900
Loans to finance agricultural production and other loans to farmers	28,250,090	28,191,763	15,464,961	13,430,975	2,033,986	12,726,802	58,327	58,327	0
Commercial and industrial loans	236,856,746	223,243,865	179,584,844	135,756,018	43,828,826	43,659,021	13,612,881	13,610,791	2,090
Loans to individuals—total	167,937,855	167,675,391	115,239,517	93,793,563	21,445,954	52,435,874	262,464	261,278	1,186
To purchase private passenger automobiles on installment basis	*61,107,896*	*61,051,302*	*39,018,985*	*32,301,433*	*6,717,552*	*22,032,317*	*56,594*	*56,077*	*517*
Credit cards and related plans	*24,508,763*	*24,496,572*	*21,689,272*	*17,600,614*	*4,088,658*	*2,807,300*	*12,191*	*12,191*	*0*
To purchase mobile homes (excluding travel trailers)	*9,736,157*	*9,734,878*	*6,677,296*	*5,897,301*	*779,995*	*3,057,582*	*1,279*	*1,279*	*0*
All other instalment loans for household, family and other personal expenditures	*41,971,994*	*41,853,614*	*27,323,946*	*21,753,399*	*5,570,547*	*14,529,668*	*118,380*	*117,897*	*483*
Single payment loans for household, family and other personal expenditures	*30,613,045*	*30,539,025*	*20,530,018*	*16,240,816*	*4,289,202*	*10,009,007*	*74,020*	*73,834*	*186*
All other loans	20,078,751	17,732,747	14,933,490	10,908,200	4,025,290	2,799,257	2,346,004	2,303,066	42,938
Total loans and securities	**1,039,037,455**	**1,000,400,388**	**729,129,546**	**546,455,788**	**164,673,758**	**271,270,842**	**38,637,067**	**38,159,786**	**477,281**
Lease financing receivables	7,660,080	7,657,996	7,084,293	5,567,229	1,517,064	573,703	2,084	2,084	0
Bank premises, furniture and fixtures, and other assets representing bank premises	20,671,128	20,551,097	14,843,212	11,968,634	2,874,578	5,707,885	120,031	92,425	27,606
Real estate owned other than bank premises	2,517,740	2,475,901	1,985,969	1,544,012	441,957	489,932	41,839	19,289	22,550
All other assets	70,756,115	63,776,410	58,419,598	39,719,549	18,700,049	5,356,812	6,799,705	6,567,072	232,633
Total liabilities and equity capital	**1,329,012,482**	**1,273,189,105**	**961,885,965**	**726,298,401**	**235,587,564**	**311,303,140**	**55,823,377**	**54,899,771**	**923,606**
Business and personal deposits—total	875,036,279	857,642,324	615,760,269	480,270,853	135,489,416	241,882,055	17,393,955	17,346,200	47,755
Individuals, partnerships, and corporations—demand	311,312,230	309,347,998	228,317,516	175,953,695	52,363,821	81,030,482	1,964,232	1,921,131	43,101
Individuals, partnerships, and corporations—savings	217,165,009	216,503,446	147,023,837	118,019,703	29,004,134	69,479,609	661,563	661,431	132
Individuals and nonprofit organizations—savings	*206,185,405*	*205,568,072*	*139,673,675*	*112,232,683*	*27,440,992*	*65,894,397*	*617,333*	*617,201*	*132*
Corporations and other profit organizations—savings	*10,979,604*	*10,935,374*	*7,350,162*	*5,787,020*	*1,563,142*	*3,585,212*	*44,230*	*44,230*	*0*
Individuals, partnerships, and corporations—time	327,425,692	316,146,234	228,399,626	178,960,744	49,438,882	87,746,608	11,279,458	11,279,458	0
Deposits accumulated for payment of personal loans—time	109,598	109,598	87,539	64,277	23,262	22,059	0	0	0
Certified and officers' checks, travelers' checks, letters of credit—demand	19,023,750	15,535,048	11,931,751	7,272,434	4,659,317	3,603,297	3,488,702	3,484,180	4,522
Government deposits—total	**88,767,961**	**88,240,496**	**59,254,334**	**47,962,022**	**11,292,312**	**28,986,162**	**527,465**	**526,593**	**872**
United States Government—demand	2,732,227	2,725,862	1,900,487	1,518,949	381,538	825,375	6,365	6,362	3
United States Government—savings	82,737	82,733	57,496	51,049	6,447	25,237	4	0	4
United States Government—time	866,499	866,499	675,944	520,376	155,568	190,555	0	0	0
States and political subdivisions—demand	19,335,289	19,202,176	12,667,760	10,367,327	2,300,433	6,534,416	133,113	133,113	0
States and political subdivisions—savings	4,314,253	4,298,654	2,603,398	1,995,931	607,467	1,695,256	15,599	14,734	865
States and political subdivisions—time	61,436,956	61,064,572	41,349,249	33,508,390	7,840,859	19,715,323	372,384	372,384	0
All other deposits—total	**79,445,876**	**70,501,728**	**67,392,909**	**35,969,502**	**31,423,407**	**3,108,819**	**8,944,148**	**8,939,096**	**5,052**
Demand	56,136,821	53,474,157	51,656,332	26,185,705	25,470,627	1,817,825	2,662,664	2,657,612	5,052
Savings	45,369	43,766	30,689	23,665	7,024	13,077	1,603	1,603	0
Time	23,263,686	16,983,805	15,705,888	9,760,132	5,945,756	1,277,917	6,279,881	6,279,881	0

Table 107. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1978—CONTINUED
BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK
(Amounts in thousands of dollars)

Assset, liability or expense item	Total	Insured banks						Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System		Total	Banks of deposit	Nondeposit trust companies
			Total	National	State					
Total deposits	**1,043,250,116**	**1,016,384,548**	**742,407,512**	**564,202,377**	**178,205,135**	**273,977,036**		**26,865,568**	**26,811,889**	**53,679**
Demand	408,540,317	400,285,241	306,473,846	221,298,110	85,175,736	93,811,395		8,255,076	8,202,398	52,678
Savings	221,607,368	220,928,599	149,715,420	120,090,348	29,625,072	71,213,179		678,769	677,768	1,001
Time	413,102,431	395,170,708	286,218,246	222,813,919	63,404,327	108,952,462		17,931,723	17,931,723	0
Miscellaneous liabilities—total	**191,280,293**	**163,522,078**	**150,643,528**	**109,823,930**	**40,819,598**	**12,878,550**		**27,758,215**	**27,182,693**	**575,522**
Federal funds purchased and securities sold under agreements to repurchase	96,283,820	91,291,670	84,973,167	64,908,212	20,064,955	6,318,503		4,992,150	4,980,833	11,317
Interest bearing demand notes issued to the U.S. Treasury and other liabilities for borrowed money	29,287,827	22,791,813	20,723,962	13,266,921	7,457,041	2,067,851		6,496,014	6,419,012	77,002
Mortgage indebtedness and liability for capitalized leases	2,042,992	2,035,029	1,655,394	1,232,722	422,672	379,635		7,963	739	7,224
All other liabilities	63,665,654	47,403,566	43,291,005	30,416,075	12,874,930	4,112,561		16,262,088	15,782,109	479,979
Total liabilities (excluding subordinated notes and debentures)	**1,234,530,409**	**1,179,906,626**	**893,051,040**	**674,026,307**	**219,024,733**	**286,855,586**		**54,623,783**	**53,994,582**	**629,201**
Subordinated notes and debentures	5,945,067	5,864,838	4,401,101	3,065,280	1,335,821	1,463,737		80,229	78,915	1,314
Equity capital—total	**88,537,005**	**87,417,641**	**64,433,824**	**49,206,807**	**15,227,017**	**22,983,817**		**1,119,364**	**826,273**	**293,091**
Preferred stock—par value	120,187	113,851	32,170	28,772	3,398	81,681		6,336	5,934	402
Preferred stock—shares outstanding (in thousands)	5,948	5,866	1,632	1,151	481	4,234		82	59	23
Common stock—par value	18,355,101	18,157,997	12,940,287	9,911,602	3,028,685	5,217,710		197,104	142,399	54,705
Common stock—shares outstanding (in thousands)	2,254,594	2,244,476	1,303,588	1,054,938	248,650	940,888		10,118	6,779	3,339
Surplus	33,714,192	33,202,557	23,493,743	17,290,549	6,203,194	9,708,814		511,635	453,315	58,320
Undivided profits and reserve for contingencies and other capital reserves	36,347,525	35,943,236	27,967,624	21,975,884	5,991,740	7,975,612		404,289	224,625	179,664

Percentages									
Of total assets:									
Cash and due from depository institutions	14.19	14.01	15.64	14.19	20.11	8.96	18.31	18.32	17.71
U.S. Treasury securities and obligations of other U.S. Government agencies and corporations	10.03	10.37	9.01	9.17	8.51	14.58	2.39	2.28	8.53
All other securities	10.44	10.74	10.11	10.20	9.83	12.69	3.67	3.31	24.75
Loans (including Federal funds sold and securities purchased under agreements to resell)	58.30	58.07	57.31	58.98	52.19	60.40	63.48	64.23	18.46
All other assets	7.04	6.81	7.93	7.47	9.36	3.36	12.16	11.85	30.55
Total equity capital	6.66	6.87	6.70	6.78	6.47	7.38	2.01	1.51	31.73
Of total assets other than cash and U.S. Treasury securities:									
Total equity capital	**8.44**	**8.70**	**8.58**	**8.51**	**8.80**	**9.06**	**2.51**	**1.88**	**42.55**
Memoranda									
Standby letters of credit—total	20,249,831	19,019,271	17,790,776	11,693,263	6,097,513	1,228,495	1,230,560	1,230,560	0
Time certificates of deposit in denominations of $100,000 or more	184,551,337	178,119,339	143,905,524	105,680,494	38,225,030	34,213,815	6,431,998	6,431,998	0
Other time deposits in amounts of $100,000 or more	29,421,386	26,827,041	23,133,864	19,274,722	3,859,142	3,693,177	2,594,345	2,594,345	0
Number of banks at end of period	14,740	14,391	5,564	4,564	1,000	8,827	349	262	87

Table 108. ASSETS AND LIABILITIES OF ALL MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1978, AND DECEMBER 31, 1978

BANKS GROUPED BY INSURANCE STATUS

(Amounts in thousands of dollars)

Asset, liability, or surplus account item	June 30, 1978			December 31, 1978		
	Total	Insured	Noninsured	Total	Insured	Noninsured
Total assets	**153,165,725**	**137,667,745**	**15,497,980**	**158,216,204**	**142,352,794**	**15,863,410**
Cash, balances with banks, and collection items—total	**2,198,250**	**1,975,613**	**222,637**	**3,779,649**	**3,570,970**	**208,679**
Currency and coin	424,967	353,289	71,678	478,801	411,640	67,161
Demand balances with banks in the United States	779,348	660,657	118,691	968,325	861,088	107,237
Other balances with banks in the United States	773,553	766,938	6,615	2,152,100	2,136,238	15,862
Cash items in process of collection	220,382	194,729	25,653	180,423	162,004	18,419
Securities—total	**47,540,306**	**43,252,114**	**4,288,192**	**47,847,827**	**43,546,458**	**4,301,369**
United States Government and agency securities—total	17,768,774	15,867,408	1,901,366	18,032,040	16,215,435	1,816,605
Securities maturing in 1 year or less	*1,550,037*	*1,354,087*	*195,950*	*1,595,436*	*1,371,969*	*223,467*
Securities maturing in 1 to 5 years	*4,130,637*	*3,531,436*	*599,201*	*3,836,804*	*3,270,419*	*566,385*
Securities maturing in 5 to 10 years	*1,971,321*	*1,674,630*	*296,691*	*1,796,268*	*1,517,745*	*278,523*
Securities maturing after 10 years	*10,116,779*	*9,307,255*	*809,524*	*10,803,532*	*10,055,302*	*748,230*
Corporate bonds	17,869,546	16,716,233	1,153,313	17,390,387	16,376,504	1,013,883
State, county, and municipal obligations	3,015,514	2,948,680	66,834	3,358,312	3,297,215	61,097
Other bonds, notes, and debentures	4,075,434	3,634,645	440,789	4,280,175	3,587,862	692,313
Corporate stock—total	4,811,038	4,085,148	725,890	4,786,913	4,069,442	717,471
Bank	*557,871*	*395,171*	*162,700*	*554,289*	*387,736*	*166,553*
Other	*4,253,167*	*3,689,977*	*563,190*	*4,232,624*	*3,681,706*	*550,918*
Federal funds sold and securities purchased under agreements to resell	**3,360,326**	**3,025,758**	**334,568**	**2,124,608**	**1,889,991**	**234,617**
Other loans—total	**96,015,044**	**85,708,417**	**10,306,627**	**100,265,735**	**89,478,402**	**10,787,333**
Real estate loans—total	91,626,048	81,926,715	9,699,333	95,217,878	85,110,267	10,107,611
Construction loans	*1,444,577*	*1,300,404*	*144,173*	*1,687,918*	*1,506,918*	*181,000*
Secured by farmland	*46,659*	*37,929*	*8,730*	*48,193*	*38,425*	*9,768*
Secured by residential properties:						
Secured by 1— to 4—family residential properties:						
Insured by Federal Housing Administration	*11,062,735*	*10,411,496*	*651,239*	*10,835,874*	*10,221,738*	*614,136*
Guaranteed by Veterans Administration	*11,992,407*	*11,028,650*	*963,757*	*11,895,197*	*10,941,774*	*953,423*
Not insured or guaranteed by FHA or VA	*36,769,505*	*30,636,633*	*6,132,872*	*40,017,561*	*33,464,642*	*6,552,919*
Secured by multifamily (5 or more) residential properties:						
Insured by Federal Housing Administration	*2,969,710*	*2,938,085*	*31,625*	*2,970,824*	*2,940,909*	*29,915*
Not insured by FHA	*12,305,885*	*11,720,942*	*584,943*	*12,320,741*	*11,780,535*	*540,206*
Secured by other properties	*15,034,570*	*13,852,576*	*1,181,994*	*15,441,570*	*14,215,326*	*1,226,244*
Loans to domestic commercial and foreign banks	11,351	11,351	0	97,670	97,670	0
Loans to other financial institutions	66,063	65,890	173	117,426	117,296	130
Loans to brokers and dealers in securities	0	0	0	2,000	2,000	0
Other loans for purchasing or carrying securities	1,825	1,293	532	2,278	1,688	590
Loans to farmers (excluding loans on real estate)	1,318	1,318	0	1,167	1,167	0
Commercial and industrial loans	420,628	410,855	9,773	385,176	375,396	9,780

Loans to individuals for personal expenditures	3,783,043	3,216,884	566,159	4,328,283	3,685,543	642,740
All other loans (icluding overdrafts)	104,768	74,111	30,657	113,857	87,375	26,482
Total loans and securities	**146,915,676**	**131,986,289**	**14,929,387**	**150,238,170**	**134,914,851**	**15,323,319**
Bank premises, furniture and fixtures, and other assets representing bank premises	1,355,659	1,206,642	149,017	1,423,555	1,266,509	157,046
Real estate owned other than bank premises	465,477	420,531	44,946	430,301	382,005	48,296
Investments in subsidiaries not consolidated	140,785	121,155	19,630	138,106	119,910	18,196
Other assets	2,089,878	1,957,515	132,363	2,206,423	2,098,549	107,874
Total liabilities and surplus accounts	**153,165,725**	**137,667,745**	**15,497,980**	**158,216,204**	**142,352,794**	**15,863,410**
Deposits—total	**139,657,342**	**125,700,097**	**13,957,245**	**143,684,179**	**129,449,932**	**14,234,247**
Savings and time deposits—total	137,824,190	123,939,877	13,884,313	141,778,046	127,600,309	14,177,737
Savings deposits	*77,946,128*	*69,651,486*	*8,294,642*	*72,340,668*	*64,291,598*	*8,049,070*
Deposits accumulated for payment of personal loans	*1*	*1*	*0*	*37*	*37*	*0*
Fixed maturity and other time deposits	*59,878,061*	*54,288,390*	*5,589,671*	*69,437,341*	*63,308,674*	*6,128,667*
Demand deposits—total	1,833,152	1,760,220	72,932	1,906,133	1,849,623	56,510
Miscellaneous liabilities—total	**3,004,951**	**2,673,337**	**331,614**	**3,633,409**	**3,250,493**	**382,916**
Securities sold under agreements to repurchase	436,104	433,960	2,144	594,397	578,706	15,691
Other borrowings	732,668	709,259	23,409	1,076,612	1,025,607	51,005
Other liabilities	1,836,179	1,530,118	306,061	1,962,400	1,646,180	316,220
Total liabilities	**142,662,293**	**128,373,434**	**14,288,859**	**147,317,588**	**132,700,425**	**14,617,163**
Minority interest in consolidated subsidiaries	**60**	**60**	**0**	**122**	**60**	**62**
Surplus accounts—total	**10,503,372**	**9,294,251**	**1,209,121**	**10,898,494**	**9,652,309**	**1,246,185**
Capital notes and debentures	350,601	350,017	584	353,956	353,956	0
Other surplus accounts	10,152,771	8,944,234	1,208,537	10,544,538	9,298,353	1,246,185
PERCENTAGES						
Of total assets:						
Cash and balances with other banks	1.4	1.4	1.4	2.4	2.5	1.3
U.S. Government and agency securities	11.6	11.5	12.3	11.4	11.4	11.5
Other securities	19.4	19.9	15.4	18.8	19.2	15.7
Loans (including federal funds sold and securities purchased under agreements to resell)	64.9	64.5	68.7	64.7	64.2	69.5
Other assets	2.6	2.7	2.2	2.7	2.7	2.1
Total surplus accounts	6.9	6.8	7.8	6.9	6.8	7.9
Of total assets other than cash and U.S. Government obligations:						
Total surplus accounts	7.9	7.8	9.0	8.0	7.9	9.0
Number of banks	467	324	143	465	325	140

Table 109. ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1973—1978

(Amounts in thousands of dollars)

Asset, liability, or expense item	Dec. 31, 1973[2]	Dec. 31, 1974[2]	Dec. 31, 1975[2]	Dec. 31, 1976	Dec. 31, 1977	Dec. 31, 1978
Total assets	**820,689,664**	**899,056,643**	**938,888,209**	**1,011,273,832**	**1,137,794,616**	**1,273,189,105**
Cash and due from banks—total	**116,940,118**	**126,069,289**	**129,022,793**	**130,210,127**	**160,382,169**	**178,327,313**
Cash items in process of collection	44,662,237	47,279,797	47,332,735	48,368,126	66,451,288	75,291,809
Demand balances with commercial banks in the United States	30,129,625	34,399,470	32,168,664	33,022,240	39,238,490	42,572,323
All other balances with depository institutions in the U.S. and with banks in foreign countries	3,558,726	5,546,812	10,387,072	10,664,363	11,351,612	10,493,618
Balances with Federal Reserve Banks	27,820,742	27,116,210	26,779,065	25,964,340	29,339,126	34,398,107
Currency and coin	10,768,788	11,727,000	12,355,257	12,191,058	14,001,653	15,571,456
Securities—total	**188,230,007**	**193,877,525**	**227,831,583**	**249,964,940**	**258,404,575**	**268,777,856**
U.S. Treasury securities	*55,293,390*	*51,867,904*	*81,008,162*	*96,884,312*	*95,960,613*	*89,699,426*
Obligations of other U.S. Government agencies and corporations	*27,537,760*	*31,090,271*	*33,285,855*	*34,324,587*	*35,812,026*	*42,316,375*
Obligations of States and political subdivisions in the U.S.	*91,227,221*	*96,771,409*	*100,801,799*	*103,505,149*	*112,898,620*	*123,510,734*
All other securities	*14,171,636*	*14,147,941*	*12,735,767*	*15,250,892*	*13,733,316*	*13,251,321*
Federal funds sold and securities purchased under agreements to resell	**34,379,920**	**38,944,238**	**37,361,788**	**45,855,864**	**49,881,414**	**48,755,878**
Loans, net	**447,786,537**	**493,064,162**	**488,721,442**	**518,737,329**	**591,327,780**	**682,866,654**
Plus: Allowances for possible loan losses	5,274,856	5,871,660	6,070,344	6,195,279	694,793	7,714,708
Loans, total	453,061,393	498,935,822	494,791,786	524,932,608	598,022,573	690,581,362
Plus: Unearned income on loans	6,694,937	7,258,209	7,489,884	12,625,341	14,702,996	17,726,870
Loans, gross	**459,756,330**	**506,194,031**	**502,281,670**	**537,557,949**	**612,725,569**	**708,308,232**
Real estate loans—total	118,789,396	131,739,920	136,196,154	150,986,919	178,632,320	213,625,237
Construction and land development[1]	*0*	*0*	*0*	*17,347,914*	*21,389,331*	*27,269,354*
Secured by farmland	*5,419,112*	*6,030,121*	*6,370,212*	*6,718,186*	*7,730,264*	*8,480,930*
Secured by 1— to 4—family residential properties	*67,794,978*	*74,580,012*	*77,029,917*	*81,110,248*	*96,757,037*	*118,476,776*
Secured by multi-family (5 or more) residential properties	*6,922,145*	*7,543,920*	*5,899,737*	*4,440,412*	*4,907,100*	*5,723,046*
Secured by nonfarm nonresidential properties	*38,653,161*	*43,585,867*	*46,896,288*	*41,370,159*	*47,848,588*	*53,675,131*
Loans to financial institutions	39,695,760	45,204,515	38,967,664	35,848,326	36,816,981	43,459,007
Loans for purchasing or carrying securities	11,925,517	9,187,663	10,879,410	15,088,146	17,110,918	14,380,222
Loans to finance agricultural production and other loans to farmers	17,149,902	18,226,897	20,138,952	23,216,369	25,713,073	28,191,763
Commercial and industrial loans	158,690,504	184,074,531	175,946,906	178,635,361	197,076,515	223,243,865
Loans to individuals—total	100,393,366	103,692,681	106,848,796	118,863,153	141,257,446	167,675,391
To purchase private passenger automobiles on instalment basis	*33,480,736*	*32,942,938*	*33,509,251*	*39,824,875*	*49,861,799*	*61,051,302*
Credit cards and related plans	*9,130,563*	*11,126,994*	*12,351,630*	*14,430,339*	*18,475,596*	*24,496,572*
To purchase mobile homes (excluding travel trailers)	*8,380,191*	*9,001,883*	*8,667,742*	*8,737,928*	*9,125,428*	*9,734,878*
All other instalment loans for household, family and other personal expenditures	*25,647,787*	*27,631,598*	*29,099,650*	*31,549,012*	*35,852,029*	*41,853,614*
Single payment loans for household, family and other personal expenditures	*23,754,089*	*22,989,268*	*23,220,523*	*24,320,999*	*27,942,594*	*30,539,025*
All other loans	13,111,885	14,067,824	13,303,788	14,919,675	16,118,316	17,732,747
Total loans and securities	**670,396,464**	**725,885,925**	**753,914,813**	**814,558,133**	**899,613,769**	**1,000,400,388**

Lease financing receivables	2,136,002	3,056,755	4,413,014	5,119,280	5,810,261	7,657,996
Bank premises, furniture and fixtures, and other assets representing bank premises	12,788,824	14,288,523	15,598,231	16,702,977	18,344,595	20,551,097
Real estate owned other than bank premises	433,997	811,239	1,909,555	2,894,011	3,095,496	2,475,901
All other assets	17,994,259	28,944,912	34,029,803	41,789,304	50,548,326	63,776,410
Total liabilities and equity capital	**820,689,664**	**899,056,643**	**938,888,209**	**1,011,273,832**	**1,137,794,616**	**1,273,189,105**
Business and personal deposits—total	**557,465,547**	**606,374,826**	**647,239,798**	**697,387,703**	**777,177,835**	**857,642,324**
Individuals, partnerships, and corporations—demand	233,115,295	237,069,468	247,869,290	256,806,660	287,843,595	309,347,998
Individuals, partnerships, and corporations—savings	127,775,141	136,074,273	160,653,632	197,660,954	215,197,708	216,503,446
Individuals and nonprofit organizations—savings	*127,775,141*	*136,074,273*	*160,653,632*	*189,028,878*	*204,453,839*	*205,568,072*
Corporations and other profit organizations—savings[1]	*0*	*0*	*0*	*8,632,076*	*10,743,869*	*10,935,374*
Individuals, partnerships, and corporations—time	185,200,805	222,482,603	227,691,785	231,211,673	259,896,427	316,146,234
Deposits accumulated for payment of personal loans—time	513,460	369,690	279,512	144,385	100,303	109,598
Certified and officers' checks, travelers' checks, letters of credit—demand	10,860,846	10,378,792	10,745,579	11,564,031	14,139,802	15,535,048
Government deposits—total	**73,661,450**	**74,215,373**	**70,707,733**	**71,946,030**	**84,641,977**	**88,240,496**
United States Government—demand	9,886,922	4,822,299	3,126,631	3,042,572	7,341,318	2,725,862
United States Government—savings[1]	0	0	0	56,735	58,209	82,733
United States Government—time	440,649	500,147	588,481	686,053	828,852	866,499
States and political subdivisions—demand	18,747,431	18,706,776	18,879,180	17,989,214	19,208,773	19,202,176
States and political subdivisions—savings[1]	0	0	0	6,050,857	4,789,442	4,298,654
States and political subdivisions—time	44,586,448	50,186,151	48,113,441	44,120,599	52,415,383	61,064,572
All other deposits—total	**50,494,156**	**65,522,043**	**63,078,870**	**61,593,152**	**67,453,933**	**70,501,728**
Demand	*36,497,159*	*43,322,732*	*40,800,386*	*44,566,366*	*50,222,044*	*53,474,157*
Savings[1]	*0*	*0*	*0*	*113,672*	*28,235*	*43,766*
Time	*13,996,997*	*22,199,311*	*21,998,972*	*16,913,114*	*17,203,654*	*16,983,805*
Total deposits	**681,621,153**	**746,112,242**	**780,746,889**	**830,926,885**	**929,273,745**	**1,016,384,548**
Demand	*309,107,653*	*314,300,067*	*321,421,066*	*333,968,843*	*378,755,532*	*400,285,241*
Savings	*127,775,141*	*136,074,273*	*160,653,632*	*203,882,218*	*220,073,594*	*220,928,599*
Time	*244,738,359*	*295,737,902*	*298,672,191*	*293,075,824*	*330,444,619*	*395,170,708*
Miscellaneous liabilities—total	**79,820,189**	**88,107,647**	**87,786,577**	**102,975,877**	**123,501,267**	**163,522,078**
Federal funds purchased and securities sold under agreements to repurchase	50,469,996	51,217,439	52,189,647	70,298,626	82,952,495	91,291,670
Interest bearing demand notes issued to the U.S. Treasury and other liabilities for borrowed money	7,118,442	4,814,560	4,604,259	5,080,647	6,694,413	22,791,813
Mortgage indebtedness and liability for capitalized leases	771,519	725,190	775,396	804,996	1,038,857	2,035,029
All other liabilities	21,460,232	31,350,458	30,217,275	26,791,608	32,815,502	47,403,566
Total liabilities (excluding subordinated notes and debentures)	**761,441,342**	**834,219,889**	**868,533,466**	**933,902,762**	**1,052,775,012**	**1,179,906,626**
Subordinated notes and debentures	**4,117,351**	**4,258,989**	**4,398,892**	**5,122,527**	**5,739,194**	**5,864,838**
Equity capital—total	**55,130,971**	**60,577,765**	**65,955,851**	**72,248,543**	**79,280,410**	**87,417,641**
Preferred stock—par value	65,650	43,460	47,881	67,328	98,791	113,851
Common stock—par value	13,846,071	14,788,893	15,565,026	16,221,264	17,265,237	18,157,997
Surplus	23,593,350	25,312,574	26,706,053	28,894,323	31,085,492	33,202,557
Undivided profits and reserve for contingencies and other capital reserves	17,625,900	20,432,838	23,636,891	27,065,628	30,830,890	35,943,236

Table 109. ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1973–1978—CONTINUED

(Amounts in thousands of dollars)

Asset, liability, or expense item	Dec. 31, 1973[2]	Dec. 31, 1974[2]	Dec. 31, 1975[2]	Dec. 31, 1976	Dec. 31, 1977	Dec. 31, 1978
PERCENTAGES						
Of total assets:						
Cash and due from depository institutions	14.25	14.02	13.74	12.88	14.10	14.01
U.S. Treasury securities and obligations of other U.S. Goverment agencies and corporations	10.09	9.23	12.17	12.97	11.58	10.37
All other securities	12.84	12.34	12.09	11.74	11.13	10.74
Loans (including federal funds sold and securities purchased under agreements to resell)	59.39	59.83	56.68	56.44	56.94	58.07
All other assets	3.42	4.59	5.31	5.96	6.25	6.81
Total equity capital	6.72	6.74	7.02	7.14	6.97	6.87
Of total assets other than cash and U.S. Treasury securities:						
Total equity capital	8.50	8.40	9.05	9.21	8.99	8.70
Number of banks at end of period	13,976	14,228	14,384	14,411	14,412	14,391

[1]Not available before 1976.
[2]Where possible, figures are restated to reflect current reporting requirements. For amounts on an "as reported" basis, see Annual Reports of prior years.

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 subsidiares 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 142.
[3]Data not available prior to 1976.

Table 110A. ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS (DOMESTIC AND FOREIGN OFFICES), UNITED STATES AND OTHER AREAS, DECEMBER 31, 1978[1]

		Banks with foreign offices			
	Domestic only banks and reporting branches	Foreign offices and Edge and agreement subsidiaries	Domestic offices	Consolidated reports	Consolidated Total — Columns 1 and 4
Total Assets	**660,586,728**	**239,209,434**	**608,421,045**	**847,630,479**	**1,508,217,207**
Cash and due from depository institutions	71,047,051	96,181,149	106,832,727	203,013,876	274,060,927
Cash items in process of collection and unposted debits	17,115,855	1,883,165	58,020,871	59,904,036	77,019,891
Demand balances with commercial banks in the U.S.	25,597,499	4,610,696	16,959,173	21,569,869	47,167,368
Time and savings balances with commercial banks in U.S.	2,673,411	1,118,505	983,473	2,101,978	4,775,389
Balances with other depository institutions in the U.S.	2,063,973	230,887	75,165	306,052	2,370,025
Balances with banks in foreign countries	1,347,451	83,642,267	3,080,125	86,722,392	88,069,843
With foreign branches of other U.S. banks	N/A	18,391,587	529,493	18,921,080	N/A
With other banks in foreign countries	N/A	65,250,680	2,550,632	67,801,312	N/A
Balances with central banks	12,553,829	4,459,660	21,866,740	26,326,400	38,880,229
Balances with Federal Reserve banks	12,553,829	566,068	21,844,206	22,410,274	34,964,103
Balances with other central banks	N/A	3,893,592	22,534	3,916,126	N/A
Currency and coin	9,695,033	235,969	5,847,180	6,083,149	15,778,182
Securities—total	**174,474,133**	**7,724,550**	**94,121,950**	**101,846,500**	**276,320,633**
U.S. Treasury securities	59,070,019	41,607	30,629,407	30,671,014	89,741,033
Obligations of U.S. Government agencies and corporations	30,077,067	4,278	12,239,201	12,243,479	42,320,546
Obligations of States and political subdivisions	80,683,209	203,293	42,645,915	42,849,208	123,532,417
Other bonds, notes, and debentures	3,836,329	6,611,403	1,544,865	8,156,268	11,992,597
Corporate stock	483,294	171,520	954,465	1,125,985	1,609,279
Trading account securities	324,215	692,449	6,108,097	6,800,546	7,124,761
Federal funds sold and securities purchased under agreements to resell	**24,919,434**	**199,066**	**23,809,210**	**24,008,276**	**48,927,710**
Loans, net	**366,064,370**	**143,903,749**	**314,040,754**	**457,944,503**	**824,008,873**
Less: reserve for possible loan losses	3,575,398	242,417	4,138,994	4,381,411	7,956,809
Loans, total	369,639,768	144,146,166	318,179,748	462,325,914	831,965,682
Less: unearned income on loans	12,473,258	1,026,444	5,175,576	6,202,020	18,675,278
Loans, gross	382,113,026	145,172,608	323,355,326	468,527,934	850,640,960
Real estate loans (including only loans secured primarily by real estate)	138,175,458	4,335,879	74,579,460	78,915,339	217,090,797
Loans to financial institutions	4,505,362	22,780,815	38,812,812	61,593,628	66,098,990
To real estate investment trusts and mortgage companies	1,095,496	80,891	7,218,826	7,299,717	8,395,213
To commercial banks in the U.S.	560,278	2,348,304	4,202,316	6,550,620	7,110,898
To U.S. branches and agencies of foreign banks	N/A	447,723	1,670,141	2,117,864	N/A
To other commercial banks in the U.S.	N/A	1,900,581	2,532,175	4,432,756	N/A
To banks in foreign countries	228,130	15,540,309	9,922,082	25,462,391	25,690,521
To foreign branches of other U.S. banks	N/A	377,057	466,657	843,714	N/A
To other banks in foreign countries	N/A	15,163,252	9,455,425	24,618,677	N/A
To finance companies in the U.S.	633,144	284,177	8,066,647	8,350,825	8,983,969
To other financial institutions	1,988,314	4,527,134	9,402,941	13,930,075	15,918,389
Loans for purchasing or carrying securitites (secured and unsecured)	2,574,469	961,145	11,805,591	12,766,736	15,341,205
Loans to farmers	23,951,853	455,782	4,238,840	4,694,622	28,646,475
Commercial and industrial loans (except those secured primarily by real estate)	93,274,518	85,542,095	128,818,212	214,360,307	307,634,824
To U.S. addressees (domicile)	N/A	3,379,190	119,830,128	123,209,318	N/A
To non-U.S. addressees (domicile)	N/A	82,162,905	8,988,084	91,150,989	N/A
Loans to individuals for household, family and other personal expenditures	113,376,495	4,787,396	53,740,786	58,528,182	171,904,677
All other loans	6,254,872	26,309,497	11,359,623	37,669,120	43,923,992
Loans to foreign government and official institutions	N/A	22,991,591	2,429,658	25,421,249	N/A
Other loans	N/A	3,317,906	8,929,965	12,247,871	N/A
Direct lease financing	1,696,007	1,405,246	5,955,448	7,360,694	9,056,701
Bank premises, furniture and fixtures, and other assets representing bank premises	12,363,283	824,681	8,149,433	8,974,114	21,337,397
Real estate owned other than bank premises	922,603	119,810	1,464,912	1,584,722	2,507,325

Investments in unconsolidated subsidiaries and associated companies	47,549	−1,337,566	2,361,274	1,023,708	1,071,257
Customer's liability of acceptances outstanding	343,721	3,797,994	18,657,383	22,455,377	22,799,098
Other assets	8,708,577	−13,609,245	33,027,954	19,418,709	28,127,286
Total liabilities and equity capital	**660,586,728**	**239,209,434**	**608,421,045**	**847,630,479**	**1,508,217,207**
Total deposits	573,201,984	220,619,569	439,811,012	660,430,581	1,233,632,565
Individuals, partnerships and corporations	496,960,075	68,307,952	342,052,178	410,360,130	907,320,205
Demand	171,258,720	N/A	137,446,898	N/A	N/A
Savings	146,437,961	N/A	69,656,522	N/A	N/A
Time	179,263,394	N/A	134,948,758	N/A	N/A
U.S. Government	2,067,676	203,789	1,590,578	1,794,367	3,862,043
Demand	1,629,925	N/A	1,079,468	N/A	N/A
Savings	56,212	N/A	26,456	N/A	N/A
Time	381,545	N/A	484,654	N/A	N/A
States and political subdivisions in the U.S.	57,227,388	225,363	27,145,004	27,370,367	84,597,755
Demand	14,275,286	N/A	4,876,954	N/A	N/A
Savings	3,566,455	N/A	714,585	N/A	N/A
Time	39,385,647	N/A	21,553,465	N/A	N/A
Foreign governments and official institutions	155,951	33,490,372	8,128,766	41,619,138	41,775,089
Demand	40,300	N/A	1,797,711	N/A	N/A
Savings	1,139	N/A	16,101	N/A	N/A
Time	114,515	N/A	6,314,954	N/A	N/A
Deposits of commercial banks in the U.S.	8,679,749	15,696,373	42,652,868	58,349,241	67,028,990
Demand	7,147,904	N/A	35,310,734	N/A	N/A
Savings	3,188	N/A	414	N/A	N/A
Time	1,528,657	N/A	7,341,720	N/A	N/A
Deposits of banks in foreign countries	475,196	99,950,405	9,404,204	109,354,609	109,829,805
Demand	228,107	N/A	8,222,583	N/A	N/A
Savings	0	N/A	195	N/A	N/A
Time	247,089	N/A	1,181,426	N/A	N/A
All other deposits	983,252	N/A	N/A	N/A	983,252
Demand	719,797	N/A	N/A	N/A	N/A
Savings	22,729	N/A	N/A	N/A	N/A
Time	240,726	N/A	N/A	N/A	N/A
Certified and officers checks, travelers checks, and letters of credit sold for cash	6,652,697	2,745,315	8,837,414	11,582,729	18,235,426
Federal funds purchased and securities sold under agreements to repurchase	21,137,970	109,666	70,153,700	70,263,366	91,401,336
Interest-bearing demand notes and other liabilities for borrowed money	6,218,268	10,181,142	16,569,445	26,750,587	32,968,855
Mortgage indebtedness	905,452	43,135	1,128,767	1,171,902	2,077,354
Acceptances executed and outstanding	344,036	3,838,014	18,839,318	22,677,332	23,021,368
Other liabilities	7,591,874	4,100,385	19,823,468	23,923,853	31,515,727
Total liabilities (excluding subordinated notes and debentures)	609,399,584	238,891,911	566,325,710	805,217,621	1,414,617,205
Subordinated notes and debentures	2,575,147	293,832	3,289,691	3,583,523	6,158,670
Equity capital—total	**48,611,997**	**23,691**	**38,805,644**	**38,829,335**	**87,441,332**
Memoranda					
Standby letters of credit outstanding	2,428,292	6,852,521	16,438,715	23,291,236	25,719,528
Time certificates of $100,000 or more:					
Time certificates of deposits	67,456,718	N/A	110,068,449	N/A	N/A
Other time deposits	9,423,712	N/A	17,139,007	N/A	N/A
Number of banks	14,236	—	—	155	14,391
Number of reporting branches	19	—	—	—	19

[1]Totals for items that are not explicitly reported are derived mathematically.
N/A Not available.

Table 111. ASSETS AND LIABILITIES OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1973—1978

(Amounts in thousands of dollars)

Asset, liability, or surplus account item	Dec. 31, 1973	Dec. 31, 1974	Dec. 31, 1975	Dec. 31, 1976	Dec. 31, 1977	Dec. 31, 1978
Total assets	**93,012,515**	**95,589,401**	**107,280,765**	**120,839,827**	**132,201,371**	**142,352,794**
Cash, balances with banks, and collection items—total	**1,847,776**	**2,053,353**	**2,195,390**	**2,188,926**	**2,214,478**	**3,570,970**
Currency and coin	226,905	268,102	308,887	338,001	386,038	411,640
Demand balances with banks in the United States	711,172	683,943	706,116	925,344	761,624	861,088
Other balances with banks in the United States	817,495	1,022,757	1,091,274	807,240	922,001	2,136,238
Cash items in process of collection	92,204	78,551	89,113	118,341	144,815	162,004
Securities—total	**21,871,412**	**22,684,614**	**30,421,034**	**37,984,627**	**42,219,724**	**43,546,458**
United States Government and agency securities—total	5,971,200	5,967,835	9,468,682	13,194,506	15,496,605	16,215,435
Securities maturing in 1 year or less	*831,719*	*712,274*	*1,312,116*	*1,981,205*	*1,857,506*	*1,371,969*
Securities maturing in 1 to 5 years	*1,513,476*	*1,604,165*	*2,761,242*	*3,237,461*	*3,427,509*	*3,270,419*
Securities maturing in 5 to 10 years	*789,936*	*694,251*	*1,167,218*	*1,383,006*	*1,751,417*	*1,517,745*
Securities maturing after 10 years	*2,836,069*	*2,957,145*	*4,228,106*	*6,592,834*	*8,460,173*	*10,055,302*
State, county, and municipal obligations	907,013	882,620	1,488,631	2,301,574	2,770,854	16,376,504
Corporate bonds	10,026,920	10,560,303	13,503,561	15,781,623	16,449,941	3,297,215
Other bonds, notes, and debentures	1,713,867	1,856,557	2,329,685	3,019,191	3,503,057	3,587,862
Corporate stock—total	3,252,412	3,417,299	3,630,475	3,687,733	3,999,267	4,069,442
Bank	*364,066*	*348,290*	*374,851*	*387,161*	*409,239*	*387,736*
Other	*2,888,346*	*3,069,009*	*3,255,624*	*3,300,572*	*3,590,028*	*3,681,706*
Federal funds sold and securities purchased under agreements to resell	**1,252,753**	**964,856**	**897,063**	**1,322,316**	**1,880,491**	**1,889,991**
Other loans—total	**65,870,714**	**67,449,217**	**70,812,040**	**75,990,422**	**82,307,795**	**89,478,402**
Real estate loans—total	63,946,513	65,339,748	68,371,859	72,820,626	78,739,467	85,110,267
Construction loans	*1,090,262*	*821,250*	*824,494*	*854,499*	*1,117,143*	*1,506,918*
Secured by farmland	*51,160*	*49,185*	*48,239*	*46,364*	*39,101*	*38,425*
Secured by residential properties:						
Secured by 1— to 4—family residential properties:						
Insured by Federal Housing Administration	*12,828,775*	*12,052,069*	*11,587,451*	*11,147,343*	*10,587,327*	*10,221,738*
Guaranteed by Veterans Administration	*11,728,249*	*11,501,239*	*11,342,670*	*11,221,051*	*11,027,870*	*10,941,774*
Not insured or guaranteed by FHA or VA	*17,087,533*	*18,275,751*	*20,123,915*	*23,393,029*	*28,437,445*	*33,464,642*
Secured by multifamily (5 or more) residential properties:						
Insured by Federal Housing Administration	*1,523,751*	*1,688,126*	*1,949,245*	*2,428,166*	*2,695,114*	*2,940,909*
Not insured by FHA	*9,416,887*	*10,076,268*	*10,693,613*	*10,874,242*	*11,360,282*	*11,780,535*
Secured by other properties	*10,219,896*	*10,875,860*	*11,802,232*	*12,855,932*	*13,475,185*	*14,215,326*
Loans to domestic commercial and foreign banks	13,679	18,339	25,275	26,955	10,254	97,670
Loans to other financial institutions	29,473	26,324	32,714	57,234	56,679	117,296
Loans to brokers and dealers in securities	4,441	743	0	0	30,000	2,000
Other loans for purchasing or carrying securities	2,221	930	1,480	1,494	1,285	1,688
Loans to farmers (excluding loans on real estate)	1,323	1,416	1,456	918	1,407	1,167
Commercial and industrial loans	173,322	175,360	288,976	599,849	506,372	375,396
Loans to individuals for personal expenditures	1,665,365	1,812,329	2,052,147	2,412,478	2,892,234	3,685,543
All other loans (including overdrafts)	34,377	74,028	38,133	70,868	70,097	87,375
Total loans and securities	**88,994,879**	**91,098,687**	**102,130,137**	**115,297,365**	**126,408,010**	**134,914,851**

Bank premises, furniture and fixtures, and other assets representing bank premises	760,289	857,879	963,664	1,063,867	1,161,551	1,266,509
Real estate owned other than bank premises	180,671	233,775	418,233	490,059	444,012	382,005
Investments in subsidiaries not consolidated	64,883	82,292	94,253	112,754	115,357	119,910
Other assets	1,164,017	1,263,415	1,479,088	1,686,856	1,857,963	2,098,549
Total liabilities and surplus accounts	**93,012,515**	**95,589,401**	**107,280,765**	**120,839,827**	**132,201,371**	**142,352,794**
Deposits—total	**84,890,128**	**86,814,415**	**98,126,107**	**110,998,759**	**121,265,988**	**129,449,932**
Savings and time deposits—total	84,008,571	85,904,825	97,133,340	109,895,767	119,734,061	127,600,309
Savings deposits	*57,591,849*	*56,497,626*	*62,050,661*	*67,295,029*	*70,382,619*	*64,291,598*
Deposits accumulated for payment of personal loans	*476*	*295*	*430*	*1*	*19*	*37*
Fixed maturity and other time deposits	*26,416,246*	*29,406,904*	*35,082,249*	*42,600,737*	*49,351,423*	*63,303,674*
Demand deposits—total	881,557	909,590	992,767	1,102,992	1,531,927	1,849,623
Miscellaneous liabilities—total	**1,609,538**	**1,952,443**	**1,815,359**	**1,865,047**	**2,125,609**	**3,250,493**
Securities sold under agreements to repurchase	26,089	217,561	108,715	69,118	169,166	578,706
Other borrowings	445,901	667,256	465,279	356,329	483,710	1,025,607
Other liabilities	1,137,548	1,067,626	1,241,365	1,439,600	1,472,733	1,646,180
Total liabilities	**86,499,666**	**88,766,858**	**99,941,466**	**112,863,806**	**123,391,597**	**132,700,425**
Minority interest in consolidated subsidiaries	**0**	**0**	**70**	**61**	**61**	**60**
Surplus accounts—total	**6,512,849**	**6,822,543**	**7,339,229**	**7,975,960**	**8,809,713**	**9,652,309**
Capital notes and debentures	114,953	169,460	190,279	213,264	353,386	353,956
Other surplus accounts	6,397,896	6,653,083	7,148,950	7,762,696	8,456,327	9,298,353
PERCENTAGES						
Of total assets:						
Cash and balances with other banks	2.0	2.1	2.0	1.8	1.7	2.5
U.S. Government and agency securities	6.4	6.2	8.8	10.9	11.7	11.4
Other securities	17.1	17.5	19.5	20.5	20.2	19.2
Loans (including federal funds sold and securities purchased under agreements to resell)	72.2	71.6	66.8	64.0	63.7	64.2
Other assets	2.3	2.5	2.8	2.8	2.7	2.7
Total surplus accounts	7.0	7.1	6.8	6.6	6.7	6.8
Of total assets other than cash and U.S. Government and agency securities:						
Total surplus accounts	7.6	7.8	7.7	7.6	7.7	7.9
Number of banks	322	320	329	329	323	325

Table 112. PERCENTAGES OF ASSETS, LIABILITIES, AND EQUITY CAPITAL OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1978 IN THE UNITED STATES (STATES AND OTHER AREAS) DECEMBER 31, 1978

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 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 depository institutions	14.0	10.5	9.2	9.0	9.1	9.5	10.9	13.2	13.8	15.4	18.7
U.S. Treasury securities[1]	7.1	15.2	12.8	10.1	9.2	8.6	8.8	8.1	8.3	6.5	4.2
Obligations of other U.S. Government agencies and corporations	3.3	9.4	8.1	6.5	5.0	4.5	4.3	3.9	3.0	2.6	1.6
Obligations of States and political subdivisions[1]	9.7	3.9	7.1	11.0	13.1	13.7	13.3	11.9	11.4	9.2	5.5
All other securities	1.0	.6	.5	.5	.6	.7	.7	.9	1.1	1.0	1.7
Federal funds sold and securities purchased under agreements to resell	3.8	7.0	5.1	3.9	3.2	2.9	3.4	4.5	5.0	4.9	3.2
Loans, net	53.6	51.1	54.5	56.0	56.4	56.7	55.0	53.3	52.9	53.1	51.3
Unearned income on loans	1.4	1.4	1.6	1.9	2.1	2.1	1.9	1.7	1.6	1.1	.7
Allowance for possible loan losses	.6	.4	.4	.5	.5	.5	.6	.6	.6	.6	.7
Loans, gross	55.6	52.8	57.5	58.4	59.0	59.3	57.5	55.6	55.1	54.8	52.7
Real estate loans	*16.8*	*13.8*	*17.2*	*20.6*	*22.5*	*22.6*	*21.9*	*18.8*	*17.9*	*14.7*	*11.2*
Loans to financial institutions	*3.4*	*.1*	*.1*	*.1*	*.2*	*.3*	*.6*	*1.3*	*2.0*	*4.2*	*7.5*
Loans for purchasing or carrying securities	*1.1*	*.1*	*.1*	*.1*	*.2*	*.2*	*.4*	*1.0*	*.9*	*1.1*	*2.4*
Loans to finance agricultural production and other loans to farmers	*2.2*	*16.2*	*14.2*	*9.5*	*5.6*	*2.9*	*1.4*	*1.1*	*.8*	*.8*	*.7*
Commercial and industrial loans	*17.5*	*7.3*	*8.7*	*10.4*	*11.8*	*14.3*	*15.7*	*16.5*	*17.1*	*19.3*	*21.9*
Loans to individuals for household, family and other personal expenditures	*10.8*	*11.1*	*11.7*	*12.9*	*13.9*	*14.4*	*13.8*	*13.4*	*12.6*	*10.6*	*6.1*
Single-payment loans for personal expenditures	*2.4*	*3.2*	*3.4*	*3.8*	*3.8*	*3.7*	*3.0*	*2.7*	*2.6*	*2.2*	*1.0*
All other loans	*1.4*	*1.0*	*1.0*	*1.0*	*.9*	*.9*	*.8*	*.9*	*1.2*	*1.8*	*1.8*
All other assets	7.4	2.3	2.6	2.8	3.3	3.5	3.8	4.2	4.5	7.4	13.8
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	79.8	88.4	89.7	89.8	89.3	88.7	86.8	84.2	82.0	75.8	70.3
Demand deposits	*31.5*	*36.5*	*31.6*	*30.5*	*29.8*	*29.8*	*30.3*	*32.2*	*33.5*	*31.7*	*32.4*
Time and savings	*48.3*	*51.8*	*58.1*	*59.3*	*59.6*	*58.9*	*56.5*	*52.0*	*48.6*	*44.1*	*37.9*
Individuals, partnerships, and corporations—demand	24.3	32.6	27.7	26.6	26.2	26.0	25.6	26.0	26.8	24.9	20.7
Individuals, partnerships, and corporations—time and savings	41.8	45.0	51.7	53.2	53.3	52.0	49.0	44.3	41.4	37.6	32.0
U.S. Government	.3	.2	.3	.4	.3	.3	.3	.3	.3	.3	.2
States and political subdivisions	6.6	9.8	8.9	8.5	8.3	8.7	9.1	9.0	8.0	7.1	2.9
Certified and officers' checks	1.2	.7	.8	.9	1.0	1.0	1.0	1.1	1.3	1.0	1.7
All other deposits	5.6	.2	.2	.2	.2	.7	1.9	3.5	4.2	4.9	12.8
Federal funds purchased and securities sold under agreements to repurchase	7.2	.3	.5	.7	1.0	1.5	3.3	5.6	7.5	11.0	11.6
Interest-bearing demand notes issued to the U.S. Treasury and other liabilities for borrowed money	1.8	.0	.1	.2	.3	.5	.9	1.4	1.6	2.4	3.0
All other liabilities[2]	3.7	.4	.5	.7	1.1	1.2	1.3	1.4	1.6	3.6	8.0
Subordinated notes and debentures	.5	.1	.1	.2	.2	.3	.5	.5	.6	.7	.4
Equity capital	6.9	10.9	9.1	8.3	7.9	7.5	7.1	6.8	6.4	6.1	6.5
Number of banks	14,243	874	2,317	4,829	3,210	1,614	936	166	135	139	23

[1]Securities held in trading accounts are included in "Other assets."
[2]Includes minority interest in consolidated subsidiaries.

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 1978 Report of Income), December 31, 1978.

Table 113. PERCENTAGES OF ASSETS AND LIABILITIES OF INSURED MUTUAL SAVINGS BANKS OPERATING THROUGHOUT 1978 IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1978
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	2.5	3.4	2.2	2.6	2.2	2.4	2.6	2.5	2.5
United States Government and agency securities	11.4	7.0	13.1	8.7	8.4	10.3	12.0	12.7	11.4
Corporate bonds	11.5	6.0	6.3	6.1	5.6	7.0	7.3	9.3	14.3
State, county and municipal obligations	2.3	.0	1.3	.6	.6	1.3	1.2	2.2	2.9
Other securities	5.4	4.4	4.7	5.4	5.0	5.0	4.0	5.2	5.8
Federal funds sold and securities purchased under agreements to resell	1.3	3.5	1.6	1.7	1.4	1.3	1.9	1.5	1.2
Other loans and discounts	62.9	73.6	69.3	72.5	74.3	70.1	68.6	63.7	59.2
Real estate loans—total	59.8	65.7	63.4	66.7	68.3	66.2	64.6	60.3	56.8
Construction loans	*1.1*	*1.0*	*.4*	*1.2*	*1.8*	*1.9*	*1.8*	*1.0*	*.7*
Secured by farmland	*.0*	*.7*	*.6*	*.2*	*.2*	*.1*	*.0*	*.0*	*.0*
Secured by residential properties:									
Insured by FHA	*9.2*	*.6*	*1.2*	*1.5*	*2.7*	*3.7*	*7.0*	*9.9*	*11.2*
Guaranteed by VA	*7.7*	*.2*	*3.6*	*2.9*	*3.8*	*4.5*	*7.1*	*7.9*	*8.8*
Not insured or guaranteed by FHA or VA	*31.8*	*56.3*	*52.2*	*54.6*	*53.3*	*48.7*	*41.7*	*31.4*	*24.8*
Secured by other properties	*10.0*	*6.9*	*5.4*	*6.3*	*6.5*	*7.3*	*7.0*	*10.1*	*11.3*
Commercial and industrial loans	.3	.3	.5	.1	.3	.1	.3	.2	.3
Loans to individuals for personal expenditures	2.6	7.6	5.2	5.6	5.5	3.6	3.5	3.1	1.8
All other loans including overdrafts	.2	.0	.2	.1	.2	.2	.2	.1	.3
Other assets	2.7	2.2	1.5	2.4	2.5	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	90.9	91.3	90.5	90.7	90.9	90.9	90.8	91.1	90.9
Savings deposits	*45.2*	*63.1*	*50.8*	*54.3*	*50.2*	*48.3*	*45.1*	*48.7*	*42.9*
Deposits accumulated for payment of personal loans	*.0*	*0*	*.0*	*.0*	*.0*	*.0*	*.0*	*.0*	*.0*
Fixed maturity and other time deposits	*44.4*	*28.0*	*38.9*	*35.3*	*39.7*	*41.5*	*44.5*	*40.9*	*46.7*
Demand deposits	*1.3*	*.2*	*.8*	*1.1*	*1.0*	*1.1*	*1.2*	*1.5*	*1.3*
Miscellaneous liabilities	2.3	.1	1.5	1.4	1.5	1.9	2.3	2.0	2.5
Surplus accounts	6.8	8.6	8.0	7.9	7.6	7.2	6.9	6.9	6.6
Capital notes and debentures	*.2*	*1.3*	*.3*	*.2*	*.1*	*.1*	*.2*	*.2*	*.3*
Other surplus accounts	*6.6*	*7.3*	*7.7*	*7.7*	*7.5*	*7.1*	*6.7*	*6.7*	*6.3*
Number of banks	325	3	12	29	77	98	31	35	40

[1]Dollar amounts of assets and liabilities (in $000) of insured mutual savings banks in *Assets and Liabilities—Commercial and Mutual Savings Banks* (with 1977 Report of Income), December 31, 1977.

Table 114. DISTRIBUTION OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1978
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 depository institutions to total assets of—											
Less than 3.0	143	14	35	60	21	8	4	0	0	1	0
3.0 to 5.99	2,741	168	537	1,074	614	241	93	7	4	3	0
6.0 to 8.99	4,937	298	807	1,723	1,198	587	259	35	19	11	0
9.0 to 11.99	3,349	183	463	1,071	794	460	275	37	36	28	2
12.0 to 14.99	1,697	104	252	518	339	190	181	42	34	30	7
15.0 to 17.99	783	84	120	190	155	84	75	17	20	33	5
18.0 to 20.99	344	36	59	107	48	26	25	11	13	15	4
21.0 to 23.99	160	22	36	42	21	7	10	6	5	11	0
24.0 or more	237	64	43	51	24	12	16	11	4	7	5
Ratios of U.S. Treasury securities to total assets of—											
Less than 3.0	2,023	133	253	712	477	232	135	31	18	25	7
3.0 to 5.99	2,946	128	360	954	730	400	230	55	36	44	9
6.0 to 8.99	2,813	132	358	924	674	395	218	32	38	37	5
9.0 to 11.99	2,125	113	348	731	500	216	167	16	18	15	1
12.0 to 14.99	1,423	91	278	479	323	151	74	7	10	10	0
15.0 to 17.99	998	80	229	351	190	89	41	10	4	3	1
18.0 to 20.99	664	57	155	230	129	51	28	6	6	2	0
21.0 to 23.99	464	52	112	163	75	39	16	3	3	1	0
24.0 to 26.99	241	29	60	91	36	14	9	1	0	1	0
27.0 to 29.99	193	37	47	59	30	10	7	2	0	1	0
30.0 to 32.99	126	26	40	32	14	8	4	2	0	0	0
33.0 to 35.99	104	22	27	36	12	3	3	1	0	0	0
36.0 or more	271	73	85	74	24	7	6	0	2	0	0

Ratios of obligations of States and political subdivisions to total assets of—											
Zero	1,110	331	364	328	63	16	7	1	0	0	0
Less than 1.0	534	138	160	127	66	21	15	2	3	2	0
1.0 to 2.49	590	135	204	156	56	12	13	5	3	5	1
2.5 to 4.99	1,035	132	325	326	134	61	22	7	6	14	8
5.0 to 7.49	1,419	87	324	517	264	113	53	14	17	22	8
7.5 to 9.99	1,863	45	326	729	389	165	120	25	24	36	4
10.0 to 12.49	2,149	45	253	802	515	269	164	35	28	36	2
12.5 to 14.99	2,050	18	172	644	583	340	213	41	23	76	0
15.0 to 17.49	1,542	13	96	514	467	251	159	17	19	6	0
17.5 to 19.99	986	12	58	311	326	180	82	11	5	1	0
20.0 to 24.99	838	14	44	286	258	145	76	8	6	1	0
25.0 or more	275	3	26	96	93	42	14	0	1	0	0
Ratios of net loans to total assets of—											
Less than 20	138	58	26	27	15	6	4	1	1	0	0
20.0 to 24.99	104	29	27	24	16	5	3	0	0	0	0
25.0 to 29.99	220	49	51	66	31	15	6	1	0	1	0
30.0 to 34.99	385	53	86	146	49	27	19	4	0	0	1
35.0 to 39.99	607	72	111	208	108	49	36	9	8	5	1
40.0 to 44.99	920	88	180	298	179	85	47	12	11	15	5
45.0 to 49.99	1,496	107	268	509	318	124	100	24	20	22	4
50.0 to 54.99	2,257	116	353	702	515	271	191	40	32	34	3
55.0 to 59.99	2,827	133	393	869	704	386	226	37	39	36	4
60.0 to 64.99	2,777	136	395	941	668	387	191	22	15	17	5
65.0 to 69.99	1,803	73	296	697	424	197	86	15	8	7	0
70.0 to 74.99	669	38	118	276	156	56	24	1	0	0	0
75.0 or more	188	21	48	73	31	7	5	0	1	2	0
Ratios of total demand deposits to total deposits of—											
Less than 20	676	27	83	260	182	74	37	5	5	3	0
20.0 to 24.99	1,721	51	259	619	441	224	109	10	3	5	0
25.0 to 29.99	2,764	119	442	994	679	320	164	23	11	11	1
30.0 to 34.99	2,960	175	507	1,000	662	350	209	24	13	18	2
35.0 to 39.99	2,346	147	405	744	508	283	168	30	35	22	4
40.0 to 44.99	1,687	122	271	541	342	187	133	31	29	27	4
45.0 to 49.99	1,039	92	171	329	225	98	57	22	14	28	3
50.0 to 54.99	529	63	86	165	95	42	36	13	15	11	3
55.0 to 59.99	255	39	47	73	49	19	9	3	5	9	2
60.0 to 64.99	151	27	32	52	16	7	6	4	3	2	2
65.0 or more	263	111	49	59	15	11	10	1	2	3	2

Table 114. DISTRIBUTION OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1978 (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	345	6	17	71	79	51	65	15	15	22	4
5.0 to 5.49	405	3	26	83	87	65	72	22	23	21	3
5.50 to 5.99	722	8	52	178	198	113	93	27	24	25	4
6.00 to 6.49	1,126	19	99	337	281	194	131	17	22	22	4
6.50 to 6.99	1,521	44	193	472	384	231	131	23	16	25	2
7.00 to 7.49	1,833	59	260	632	446	275	125	14	9	11	2
7.50 to 7.99	1,699	80	279	586	408	203	110	20	9	3	1
8.00 to 8.49	1,503	55	251	579	387	143	70	9	5	3	1
8.50 to 8.99	1,168	81	216	439	278	100	48	3	2	1	0
9.00 to 9.49	903	59	176	369	191	68	33	3	3	0	1
9.50 to 9.99	692	60	150	256	143	57	16	4	2	4	0
10.00 to 10.49	468	49	96	179	90	36	12	4	2	0	0
10.50 to 10.99	379	47	73	167	62	20	8	1	1	0	0
11.00 to 11.49	307	44	66	121	55	13	3	2	1	1	1
11.50 to 11.99	261	36	77	85	43	10	8	1	0	1	0
12.00 or more	1,059	323	321	282	82	36	13	1	1	0	0
Ratios of total equity capital to total assets other than cash and government securities of—											
Less than 7.0	658	4	24	143	158	114	120	32	28	29	6
7.0 to 8.49	2,142	26	147	573	589	394	259	44	45	59	6
8.5 to 9.99	3,301	63	350	1,093	911	511	249	40	41	36	7
10.0 to 11.49	2,792	95	435	1,070	698	295	155	26	9	7	2
11.5 to 12.99	1,861	119	356	728	407	156	77	9	4	4	1
13.5 to 14.49	1,121	101	288	429	193	56	38	6	5	4	1
15.5 to 15.99	737	73	200	298	114	29	18	4	1	0	0
16.0 to 17.49	468	65	136	173	59	19	12	2	2	0	0
17.5 to 18.99	298	44	106	105	27	10	5	1	0	0	0
19.0 to 20.49	205	48	66	62	16	13	0	0	0	0	0
20.5 to 21.99	151	26	52	54	12	5	1	1	0	0	0
22.0 or more	657	309	192	108	30	13	4	1	0	0	0
Number of banks	14,391	973	2,352	4,836	3,214	1,615	938	166	135	139	23

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 p. 167).

In December 1978 an abbreviated Report of Income was instituted for banks with total consolidated assets less than $100 million.

"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.

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 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 banks 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 — 1978

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 separetely 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 "provisions 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 ware 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), 1973—1978

(Amounts in thousands of dollars)

Income item	1973	1974	1975	1976[1]	1977[1]	1978[1]
Operating income—total	**53,036,327**	**68,160,779**	**66,558,502**	**80,663,853**	**90,357,541**	**113,581,682**
Interest and fees on loans	35,375,638	47,138,740	43,379,504	51,645,260	58,990,506	76,182,124
Interest on balances with depository institutions[2]	....	....	....	4,486,655	4,887,917	6,712,575
Income on federal funds sold and securities purchased under agreements to resell in domestic offices	2,486,695	3,712,304	2,294,621	1,984,757	2,476,313	3,682,320
Interest on U.S. Treasury securities and on obligations of other U.S. Goverment agencies and corporations[3]	4,937,659	5,459,834	6,789,577	8,391,374	8,863,977	9,384,132
Interest on obligations of States and political subdivisions of the U.S.[3]	3,864,785	4,453,876	4,918,518	5,134,676	5,365,327	6,038,829
Income from all other securities[3]	371,987	467,873	533,244	856,053	968,672	1,094,853
Income from direct lease financing[2]	....	....	....	534,254	699,273	861,989
Income from fiduciary activities	1,459,879	1,506,206	1,601,968	1,794,732	1,980,395	2,139,266
Service charges on deposit accounts in domestic offices	1,326,992	1,459,858	1,555,360	1,635,463	1,806,509	2,048,989
Other service charges, commissions, and fees	1,251,651	1,408,525	1,653,549	2,182,927	2,408,698	2,937,435
Other income[3]	1,961,041	2,553,563	3,832,161	2,017,702	1,909,954	2,499,170
Operating expenses—total	**44,330,459**	**58,910,355**	**57,582,040**	**70,750,168**	**78,791,583**	**98,480,372**
Salaries and employee benefits	10,127,808	11,586,433	12,686,720	14,752,297	16,346,067	18,743,800
Interest on time certificates of deposit of $100,000 or more issued by domestic offices[4]	....	....	....	7,111,054	6,763,105	11,736,511
Interest on deposits in foreign offices[2]	....	....	....	8,749,673	10,215,971	14,558,371
Interest on other deposits	19,834,817	27,888,772	26,245,936	19,143,238	21,832,936	23,918,087
Expense of federal funds purchased and securities sold under agreements to repurchase in domestic offices	3,899,016	5,985,504	3,322,993	3,311,741	4,542,669	7,264,001
Interest on demand notes issued to the U.S. Treasury and other borrowed money	503,941	917,638	377,195	667,197	818,374	1,457,931
Interest on subordinated notes and debentures	254,458	283,203	294,098	344,952	392,274	448,488
Occupancy expense of bank premises, net, and furniture and equipment expense	1,782,956	2,052,345	2,324,644	2,764,804	3,049,121	5,584,768
Provision for possible loan losses	1,264,695	2,286,132	3,612,410	3,691,378	3,301,041	3,524,704
Other operating expenses	5,461,527	6,549,607	7,185,305	8,492,452	9,599,250	11,243,711
Income before income taxes and securities gains or losses	**8,705,868**	**9,250,424**	**8,976,462**	**9,913,685**	**11,565,958**	**15,101,310**
Applicable income taxes	**2,121,100**	**2,084,028**	**1,792,696**	**2,290,772**	**2,831,871**	**4,162,112**
Income before securities gains or losses	**6,584,768**	**7,166,396**	**7,183,766**	**7,622,913**	**8,734,087**	**10,939,198**
Securities gains or losses, gross	**−73,458**	**−161,247**	**34,376**	**312,267**	**141,674**	**−447,124**
Applicable income taxes	−46,323	−74,195	−2,690	118,233	43,189	−222,230
Securities gains or losses, net	−27,135	−87,052	37,066	194,034	98,485	−224,894
Income before extraordinary items	**6,557,633**	**7,079,344**	**7,220,832**	**7,816,947**	**8,832,572**	**10,714,304**
Extraordinary items, gross	**30,817**	**17,877**	**46,823**	**28,104**	**55,082**	**43,737**
Applicable income taxes	9,256	5,957	13,044	1,774	8,249	−1,493
Extraordinary items, net	21,561	11,920	33,779	26,330	46,833	45,230
Net income	**6,579,194**	**7,091,264**	**7,254,611**	**7,843,277**	**8,879,405**	**10,759,534**

Memoranda						
Dividends declared on equity capital—total	2,429,330	2,768,104	3,032,444	3,036,222	3,304,789	3,721,926
Cash dividends declared on common stock	*2,425,633*	*2,765,674*	*3,030,230*	*3,033,628*	*3,301,525*	*3,718,211*
Cash dividends declared on preferred stock	*3,697*	*2,430*	*2,214*	*2,594*	*3,264*	*3,715*
Provision for income taxes—total	1,715,439	1,759,739	1,727,041	2,410,779	2,883,309	3,938,389
U.S. Federal income taxes	*1,336,317*	*1,357,934*	*1,225,927*	*1,371,638*	*1,773,219*	*2,537,962*
U.S. State and local income taxes	*379,122*	*402,345*	*501,114*	*491,712*	*525,833*	*656,274*
Foreign income taxes[2]	. . . .	. . . .	. . . .	*547,429*	*584,257*	*744,153*
Net loan losses or recoveries—total	−1,159,187	−1,956,931	−3,242,830	−3,503,246	−2,797,105	−2,496,977
Recoveries on loans	*388,846*	*461,350*	*547,380*	*687,401*	*813,900*	*1,074,435*
Losses on loans	*−1,548,033*	*−2,418,281*	*−3,790,210*	*−4,190,647*	*−3,611,005*	*3,571,412*
Average assets, liabilities, and equity capital[5]						
Assets—total	**776,702,572**	**871,394,495**	**924,946,738**	**1,123,469,176**	**1,249,961,111**	**1,403,493,088**
Cash and due from depository institutions	110,168,143	122,224,773	126,838,007	194,312,500	218,357,890	248,632,890
U.S. Treasury securities and obligations of other U.S. agencies and corporations[3]	58,603,925	52,822,043	65,992,148	88,520,749	96,664,647	131,799,055
Obligations of states and political subdivisions	89,241,780	94,524,535	98,953,279	102,733,896	108,429,263	117,331,876
Other securities[3]	29,355,715	35,256,603	39,203,344	51,110,347	54,293,953	20,129,242
Net loans[6]	453,238,907	519,572,131	536,061,723	632,696,842	709,816,228	764,772,496
All other assets	36,094,102	46,994,410	57,898,237	54,094,842	62,399,129	74,589,592
Liabilities and equity capital—total	**776,702,572**	**871,394,495**	**924,946,738**	**1,123,469,176**	**1,249,961,111**	**1,403,493,088**
Total deposits	640,806,208	710,029,868	756,948,586	944,238,914	1,043,478,575	1,157,408,490
Demand deposits	*293,708,282*	*307,363,186*	*313,836,391*	*320,488,016*	*347,903,682*	*377,305,796*
Time and savings deposits	*347,097,926*	*402,666,682*	*443,112,195*	*474,499,317*	*519,939,386*	*592,066,952*
Deposits in foreign offices	. . . .	. . . .	. . . .	*149,251,581*	*175,635,507*	*188,034,718*
Subordinated notes and debentures	4,044,715	4,204,891	4,328,561	4,865,972	5,500,132	5,952,193
Other borrowings and all other liabilities	80,677,846	100,573,737	101,918,202	105,647,909	125,239,154	156,087,365
Total equity capital	51,173,803	56,585,999	61,751,389	68,716,381	75,743,250	84,028,113
Number of employees on payroll (end of period)	1,093,616	1,160,585	1,226,415	1,255,025	1,320,598	1,319,828
Number of banks (end of period)	13,976	14,228	14,384	14,411	14,412	14,391

[1]Data are from fully consolidated reports of income, including domestic and foreign offices.
[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, 1977, 1978 averages are based on consolidated reports, domestic and foreign.
[6]For years before 1976, data are gross loans. Includes federal funds sold.

Table 116. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1973—1978

Income item	1973	1974	1975	1976[1]	1977[1]	1978[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]	71.39	74.60	68.62	66.49	68.03	70.31
Interest on balances with depository institutions[3]	......	......	......	5.56	5.41	5.91
Interest on U.S. Treasury securities and on obligations of other U.S. Government agencies and corporations	6.53	5.05	6.67	7.41	7.08	8.26
Interest on obligations of States and political subdivisions	7.29	6.53	7.39	6.37	5.94	5.32
Income from all other securities	3.48	3.65	4.33	4.05	3.80	.96
Income from fiduciary activities	2.75	2.21	2.41	2.23	2.19	1.88
Service charges on deposit accounts in domestic offices	2.50	2.14	2.34	2.03	2.00	1.80
Other service charges, commissions, and fees	2.36	2.07	2.48	2.71	2.67	2.59
Other operating income	3.70	3.75	5.76	3.16	2.88	2.96
Operating expenses—total	**83.58**	**86.43**	**86.51**	**87.71**	**87.20**	**86.70**
Salaries and employee benefits	19.10	17.00	19.06	18.29	18.09	16.50
Interest on deposits in domestic offices	37.40	40.92	39.43	32.55	31.65	31.39
Interest on deposits in foreign offices[3]	......	......	......	10.85	11.31	12.82
Interest on demand notes issued to the U.S. Treasury and other borrowed money[4]	8.78	10.54	6.00	5.36	6.37	8.07
Occupancy expense of bank premises, net, and furniture and equipment expense	5.62	5.01	5.79	5.56	5.51	4.92
Provision for possible loan losses	2.38	3.35	5.43	4.57	3.65	3.10
Other operating expenses	10.30	9.61	10.80	10.53	10.62	9.90
Income before income taxes and securities gains or losses	**16.42**	**13.57**	**13.49**	**12.29**	**12.80**	**13.30**
Amounts per $100 of total assets[5]						
Operating income—total	6.83	7.82	7.20	7.18	7.23	8.09
Operating expenses—total	5.71	6.76	6.23	6.30	6.30	7.02
Income before income taxes and securities gains or losses	1.12	1.06	.97	.88	.93	1.08
Net income	.85	.81	.78	.70	.71	.77
Recoveries credited to allowance	......	......	......	......	......	.08
Losses charged to allowance	......	......	......	......	......	—.25
Provision for possible loan losses	......	......	......	......	......	.25
Amounts per $100 of total equity capital[5]						
Net income	12.86	12.53	11.75	11.41	11.72	12.80
Cash dividends declared on common stock	4.74	4.89	4.91	4.42	4.36	4.42
Net change in capital accounts (less cash dividends on common and preferred stock)	8.11	7.64	6.84	6.99	7.36	14.79[6]
Special ratios[5]						
Income on loans per $100 of loans[2]	8.35	9.79	8.52	8.48	8.66	9.76
Income on U.S. Treasury and other U.S. Government agency and corporation securities per $100 of those securities	5.91	6.51	6.73	6.75	6.62	7.12
Income on obligations of states and political subdivisions per $100 of those obligations	4.33	4.71	4.97	5.00	4.95	4.80
Service charges on demand deposits in domestic offices per $100 of those deposits	.45	.47	.50	.51	.52	.54
Interest paid on time and savings deposits in domestic offices per $100 of those deposits	5.71	6.93	5.92	5.53	5.50	6.02
Number of banks at end of period	13,976	14,228	14,384	14,411	14,412	14,391

1Based on consolidated (including foreign) reports of income—see table 115, note 1.
2Includes federal funds sold.
3Not available before 1976.
4Includes interest on federal funds purchased, subordinated notes and debentures, and other borrowed money.
5Ratios are based on averages of assets and liabilities—see table 115 notes 5 and 6.
6Includes all changes; prior to 1978 the ratio represents changes due to net income only.

Table 117. INCOME OF ALL INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1978
BANKS GROUPED BY CLASS OF BANK
(Amounts in thousands of dollars)

Income item	Total	Members F.R. System		Non-members F.R. System	Operating throughout the year	Operating less than full year
		National	Member			
Operating income—total	**113,581,682**	**67,842,394**	**21,288,380**	**24,450,908**	**113,521,758**	**59,924**
Interest and fees on loans	76,182,124	45,997,682	13,927,640	16,256,802	76,151,465	30,659
Interest on balances with depository institutions	6,712,575	4,407,311	1,979,252	326,012	6,710,554	2,021
Income on federal funds sold and securities purchased under agreements to resell in domestic offices	3,682,320	2,197,794	610,418	874,108	3,673,011	9,309
Interest on U.S. Treasury securities and on obligations of other U.S. Government agencies and corporations	9,384,132	4,721,572	1,457,909	3,204,651	9,372,333	11,799
Interest on obligations of States and political subdivisions	6,038,829	3,252,138	1,003,170	1,783,521	6,037,652	1,177
Income from all other securities	1,094,853	693,157	201,213	200,483	1,094,541	312
Income from direct lease financing	861,989	639,358	166,597	56,034	861,988	1
Income from fiduciary activities	2,139,266	1,214,782	697,045	227,439	2,138,961	305
Service charges on deposit accounts in domestic offices	2,048,989	1,089,525	244,502	714,962	2,047,616	1,373
Other service charges, commissions, and fees	2,937,435	1,932,197	467,186	538,052	2,936,362	1,073
Other operating income	2,499,170	1,696,878	533,448	268,844	2,497,275	1,895
Operating expenses—total	**98,480,372**	**58,975,758**	**18,807,300**	**20,697,314**	**98,419,998**	**60,374**
Salaries and employee benefits	18,743,800	10,845,175	3,270,921	4,627,704	18,727,918	15,882
Interest on time certificates of deposit of $100,000 or more issued by domestic offices	11,736,511	7,021,874	2,564,736	2,149,901	11,731,711	4,800
Interest on deposits in foreign offices	14,558,371	10,139,704	4,260,520	158,147	14,558,221	150
Interest on other deposits	23,918,087	12,873,945	2,947,332	8,096,810	23,900,369	17,718
Expense of federal funds purchased and securities sold under agreement to repurchase in domestic offices	7,264,001	4,989,628	1,813,834	460,539	7,262,047	1,954
Interest on demand notes issued to the U.S. Treasury and other borrowed money	1,457,931	1,023,090	380,086	54,755	1,457,819	112
Interest on subordinated notes and debentures	448,488	234,334	99,349	114,805	448,164	324
Occupancy expense of bank premises, net, and furniture and equipment expense	5,584,768	3,194,270	1,029,957	1,360,541	5,579,539	5,229
Provision for possible loan loss	3,524,704	2,131,211	639,573	753,920	3,522,959	1,745
Other operating expenses	11,243,711	6,522,527	1,800,992	2,920,192	11,231,251	12,460
Income before income taxes and securities gains or losses	**15,101,310**	**8,866,636**	**2,481,080**	**3,753,594**	**15,101,760**	**−450**
Applicable income taxes	**4,162,112**	**2,591,042**	**735,925**	**835,145**	**4,161,110**	**1,002**
Income before securities gains or losses	**10,939,198**	**6,275,594**	**1,745,155**	**2,918,449**	**10,940,650**	**−1,452**
Securities gains (losses), gross	**−447,124**	**−253,528**	**−124,518**	**−69,078**	**−447,171**	**47**
Applicable income taxes	−222,230	−125,232	−68,229	−28,769	−222,253	23
Securities gains (losses), net	−224,894	−128,296	−56,289	−40,309	−224,918	24
Income before extraordinary items	**10,714,304**	**6,147,298**	**1,688,866**	**2,878,140**	**10,715,732**	**−1,428**
Extraordinary items, gross	**43,737**	**26,858**	**−1,902**	**18,781**	**43,808**	**−71**
Applicable income taxes	−1,493	808	−2,625	324	−1,482	−11
Extraordinary items, net	45,230	26,050	723	18,457	45,290	−60

Table 117. INCOME OF ALL INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1978
BANKS GROUPED BY CLASS OF BANK—CONTINUED
(Amounts in thousands of dollars)

Income item	Total	Members F.R. System		Non-members F.R. System	Operating throughout the year	Operating less than full year
		National	Member			
Net income	**10,759,534**	**6,173,348**	**1,689,589**	**2,896,597**	**10,761,022**	**—1,488**
MEMORANDA						
Dividends declared on equity capital—total	**3,721,926**	**2,196,029**	**732,044**	**793,853**	**3,721,592**	**334**
Cash dividends declared on common stock	*3,718,211*	*2,194,664*	*731,852*	*791,695*	*3,717,877*	*334*
Cash dividends declared on preferred stock	*3,715*	*1,365*	*192*	*2,158*	*3,715*	*0*
Provision for income taxes—total	**3,938,389**	**2,466,618**	**665,071**	**806,700**	**3,937,380**	**1,009**
U.S. Federal income taxes	*2,537,962*	*1,582,351*	*295,850*	*659,761*	*2,537,038*	*924*
U.S. State and local income taxes	*656,274*	*338,712*	*176,103*	*141,459*	*656,189*	*85*
Foreign income taxes	*744,153*	*545,555*	*193,118*	*5,480*	*744,153*	*0*
Net loan losses (recoveries)—total	**—2,496,977**	**—1,438,705**	**—499,799**	**—558,473**	**—2,496,000**	**—977**
Recoveries credited to allowance	*1,074,435*	*685,906*	*178,857*	*209,672*	*1,074,235*	*200*
Losses charged to allowance	*3,571,412*	*2,124,611*	*678,656*	*768,145*	*3,570,235*	*1,177*
Number of full-time equivalent employees at end of period	1,319,828	733,696	207,653	378,479	1,318,040	1,788
Number of banks	14,391	4,564	1,000	8,827	14,243	148

Table 118. INCOME OF ALL INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1978 IN THE UNITED STATES (STATES AND OTHER AREAS)
BANKS GROUPED BY AMOUNTS OF ASSETS
(Amounts in thousands of dollars)

Income item	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	**113,521,758**	**238,241**	**1,332,840**	**6,171,621**	**8,702,436**	**8,677,812**	**11,411,770**	**4,890,473**	**6,801,841**	**20,809,009**	**44,485,715**
Interest and fees on loans	76,151,465	142,972	845,519	4,052,450	5,832,373	5,895,812	7,658,493	3,232,540	4,495,531	13,720,268	30,275,507
Interest on balances with depository institutions	6,710,554	2,244	9,299	36,099	48,571	52,424	93,483	42,749	108,572	999,469	5,317,644
Income on federal funds sold and securities purchased under agreements to resell in domestic offices	3,673,011	17,000	73,840	272,925	323,307	272,558	350,453	206,338	270,900	773,975	1,111,715
Interest on U.S. Treasury securities and on obligations of other U.S. Government agencies and corporations	9,372,333	52,659	246,613	939,734	1,165,330	1,063,396	1,404,176	554,606	703,835	1,685,213	1,556,771
Interest on obligations of States and political subdivisions	6,037,652	7,209	62,930	431,260	714,525	737,408	939,665	357,400	471,848	1,125,864	1,189,543
Income from all other securities	1,094,541	1,562	7,258	34,588	53,699	56,544	76,143	38,801	74,696	122,784	628,466
Income from direct lease financing	861,988	62	877	4,567	10,053	19,186	32,092	27,562	48,036	148,924	570,629
Income from fiduciary activities	2,138,961	268	3,886	24,224	28,956	84,176	185,613	118,152	176,283	671,659	845,744
Service charges on deposit accounts in domestic offices	2,047,616	6,711	39,980	197,458	269,872	244,291	285,551	112,445	160,211	402,017	329,080
Other service charges, commissions, and fees	2,936,362	5,038	28,907	123,217	173,395	162,764	258,567	137,511	185,778	660,252	1,200,933
Other operating income	2,497,275	2,516	13,731	55,099	82,355	89,253	127,534	62,369	106,151	498,584	1,459,683
Operating expenses—total	**98,419,998**	**203,550**	**1,136,041**	**5,138,235**	**7,221,122**	**7,278,994**	**9,729,278**	**4,207,121**	**5,917,614**	**18,228,388**	**39,359,655**
Salaries and employee benefits	18,727,918	60,092	281,980	1,165,882	1,558,028	1,568,375	2,104,519	923,527	1,306,713	3,718,621	6,040,181
Interest on time certificates of deposit of $100,000 or more issued by domestic offices	11,731,711	6,803	46,900	284,468	518,995	686,448	1,142,244	555,596	848,299	2,683,512	4,958,446
Interest on deposits in foreign offices	14,558,221	0	0	0	0	0	5,755	2,174	76,125	1,074,685	13,399,482
Interest on other deposits	23,900,369	82,125	510,208	2,377,949	3,304,283	3,107,305	3,691,152	1,349,948	1,635,555	4,043,536	3,798,308
Expense of federal funds purchased and securities sold under agreement to repurchase in domestic offices	7,262,047	689	5,144	34,815	66,980	117,822	351,222	275,278	496,861	2,169,336	3,743,900
Interest on demand notes issued to the U.S. Treasury and other borrowed money	1,457,819	138	1,414	6,274	16,730	20,695	36,474	18,655	29,222	167,540	1,160,677
Interest on subordinated notes and debentures	448,164	143	1,146	10,303	22,005	28,570	55,666	24,150	39,184	133,232	133,765
Occupancy expense of bank premises, net, and furniture and equipment expense	5,579,539	12,699	71,449	312,836	446,275	467,386	668,393	302,288	448,849	1,156,158	1,693,206
Provision for possible loan loss	3,522,959	7,517	47,188	187,004	255,683	250,022	315,942	139,112	217,246	749,099	1,354,146
Other operating expenses	11,231,251	33,344	170,612	758,704	1,032,143	1,032,371	1,357,911	616,393	819,560	2,332,669	3,077,544
Income before income taxes and securities gains or losses	**15,101,760**	**34,691**	**196,799**	**1,033,386**	**1,481,314**	**1,398,818**	**1,682,492**	**683,352**	**884,227**	**2,580,621**	**5,126,060**
Applicable income taxes	**4,161,110**	**6,647**	**41,304**	**222,532**	**329,013**	**299,103**	**337,580**	**143,317**	**184,216**	**648,887**	**1,948,511**

Table 118. INCOME OF ALL INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1978 IN THE UNITED STATES (STATES AND OTHER AREAS)—CONTINUED
BANKS GROUPED BY AMOUNTS OF ASSETS
(Amounts in thousands of dollars)

Income 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
Income before securities gains or losses	**10,940,650**	**28,044**	**155,495**	**810,854**	**1,152,301**	**1,099,715**	**1,344,912**	**540,035**	**700,011**	**1,931,734**	**3,177,549**
Securities gains (losses), gross	**−447,171**	**−498**	**−3,506**	**−15,109**	**−25,312**	**−28,316**	**−38,478**	**−19,269**	**−17,493**	**−108,612**	**−190,578**
Applicable income taxes	−222,253	−102	−819	−4,924	−9,611	−11,964	−19,006	−9,510	−9,128	−53,696	−103,493
Securities gains (losses), net	−224,918	−396	−2,687	−10,185	−15,701	−16,352	−19,472	−9,759	−8,365	−54,916	−87,085
Income before extraordinary items	**10,715,732**	**27,648**	**152,808**	**800,669**	**1,136,600**	**1,083,363**	**1,325,440**	**530,276**	**691,646**	**1,876,818**	**3,090,464**
Extraordinary items, gross	**43,808**	**119**	**823**	**4,219**	**7,316**	**7,373**	**13,943**	**7,118**	**3,875**	**4,322**	**−5,300**
Applicable income taxes	−1,482	6	9	367	823	−36	693	−265	434	−643	−2,870
Extraordinary items, net	45,290	113	814	3,852	6,493	7,409	13,250	7,383	3,441	4,965	−2,430
Net income	**10,761,022**	**27,761**	**153,622**	**804,521**	**1,143,093**	**1,090,772**	**1,338,690**	**537,659**	**695,087**	**1,881,783**	**3,088,034**
Memoranda											
Dividends declared on equity capital—total	**3,721,592**	**6,739**	**33,058**	**179,766**	**286,873**	**319,734**	**433,208**	**180,793**	**272,076**	**776,079**	**1,233,266**
Cash dividends declared on common stock	*3,717,877*	*6,739*	*33,044*	*179,487*	*286,186*	*319,100*	*432,252*	*180,204*	*272,053*	*775,546*	*1,233,266*
Cash dividends declared on preferred stock	*3,715*	*0*	*14*	*279*	*687*	*634*	*956*	*589*	*23*	*533*	*0*
Provision for income taxes—total	**3,937,380**	**6,551**	**40,494**	**217,975**	**320,225**	**287,103**	**319,267**	**133,542**	**175,522**	**594,548**	**1,842,148**
U.S. Federal income taxes	*2,537,038*	*5,624*	*34,772*	*189,286*	*281,306*	*249,175*	*268,449*	*114,824*	*138,091*	*440,018*	*815,488*
U.S. State and local income taxes	*656,189*	*927*	*5,722*	*28,689*	*38,919*	*37,928*	*50,797*	*18,685*	*35,524*	*106,064*	*332,934*
Foreign income taxes	*744,153*	*0*	*0*	*0*	*0*	*0*	*21*	*33*	*1,907*	*48,466*	*693,726*
Net loan losses (recoveries)—total	**−2,496,000**	**−5,860**	**−36,912**	**−136,077**	**−184,118**	**−178,899**	**−227,845**	**−116,587**	**−163,886**	**−525,427**	**−920,389**
Recoveries credited to allowance	*1,074,235*	*2,647*	*14,620*	*60,309*	*85,934*	*76,362*	*89,149*	*45,264*	*60,591*	*196,788*	*442,571*
Losses charged to allowance	*3,570,235*	*8,507*	*51,532*	*196,386*	*270,052*	*255,261*	*316,994*	*161,851*	*224,477*	*722,215*	*1,362,960*
Number of full-time equivalent employees at end of period	1,318,040	5,515	23,268	94,541	128,132	129,205	170,476	72,978	101,723	262,175	330,027
Number of banks	14,243	874	2,317	4,829	3,210	1,614	935	164	135	138	27

[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 ALL INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1978 IN THE UNITED STATES (STATES AND OTHER AREAS)[1]
BANKS GROUPED BY AMOUNT OF ASSETS

Income 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
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**	**$100.00**
Interest and fees on loans	67.08	60.01	63.44	65.66	67.02	67.94	67.11	66.10	66.09	65.93	68.06
Interest on balances with depository institutions	5.91	.94	.70	.58	.56	.60	.82	.87	1.60	4.80	11.95
Income on federal funds sold and securities purchased under agreements to resell in domestic offices	3.24	7.14	5.54	4.42	3.72	3.14	3.07	4.22	3.98	3.72	2.50
Interest on U.S. Treasury securities and on obligations of other U.S. Government agencies and corporations[2]	8.26	22.10	18.50	15.23	13.39	12.25	12.30	11.34	10.35	8.10	3.50
Interest on obligations of States and political subdivisions	5.32	3.03	4.72	6.99	8.21	8.50	8.23	7.31	6.94	5.41	2.67
Income from all other securities[2]	.96	.66	.54	.56	.62	.65	.67	.79	1.10	.59	1.41
Income from fiduciary activities	1.88	.11	.29	.39	.33	.97	1.63	2.42	2.59	3.23	1.90
Service charges on deposit accounts in domestic offices	1.80	2.82	3.00	3.20	3.10	2.82	2.50	2.30	2.36	1.93	.74
Other service charges, commissions, and fees	2.59	2.11	2.17	2.00	1.99	1.88	2.27	2.81	2.73	3.17	2.70
Other operating income[2]	2.96	1.08	1.10	.97	1.06	1.25	1.40	1.84	2.26	3.12	4.55
Operating expenses—total	**86.70**	**85.44**	**85.23**	**83.26**	**82.98**	**83.88**	**85.26**	**86.03**	**87.00**	**87.60**	**88.48**
Salaries and employee benefits	16.50	25.22	21.16	18.89	17.90	18.07	18.44	18.88	19.21	17.87	13.58
Interest on deposits in domestic offices	31.39	37.33	41.80	43.14	43.93	43.72	42.35	38.96	36.52	32.33	19.68
Interest on deposits in foreign offices	12.82	.00	.00	.00	.00	.00	.05	.04	1.12	5.16	30.12
Expense of federal funds purchased and securities sold under agreements to repurchase in domestic offices	6.40	.29	.39	.56	.77	1.36	3.08	5.63	7.30	10.42	8.42
Interest on demand notes issued to the U.S. Treasury and other borrowed money	1.28	.06	.11	.10	.19	.24	.32	.38	.43	.81	2.61
Occupancy expense of bank premises, net, and furniture and equipment expense	5.32	5.38	5.43	5.25	5.39	5.71	6.35	6.50	7.18	6.20	4.11
Provision for possible loan loss	3.10	3.16	3.54	3.03	2.94	2.88	2.77	2.84	3.19	3.60	3.04
Other operating expenses	9.89	14.00	12.80	12.29	11.86	11.90	11.90	12.60	12.05	11.21	6.92
Income before income taxes and securities gains or losses	**13.30**	**14.56**	**14.77**	**16.74**	**17.02**	**16.12**	**14.74**	**13.97**	**13.00**	**12.40**	**11.52**
Amounts per $100 of total assets[3]											
Operating income—total	8.09	6.48	7.20	7.65	8.12	8.04	8.27	7.70	7.96	8.35	8.11
Operating expenses—total	7.02	5.54	6.14	6.37	6.74	6.75	7.05	6.62	6.92	7.31	7.17
Income before income taxes and securities gains or losses	1.08	.94	1.06	1.28	1.38	1.30	1.22	1.08	1.03	1.04	.93
Net income	.77	.76	.83	1.00	1.07	1.01	.97	.85	.81	.75	.56

Table 119. RATIOS OF INCOME OF ALL INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1978 IN THE UNITED STATES (STATES AND OTHER AREAS)[1] —CONTINUED
BANKS GROUPED BY CLASS OF BANK — CONTINUED

Income 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
Recoveries credited to allowance	.08	.07	.08	.07	.08	.07	.06	.07	.07	.08	.08
Losses charged to allowance	—.25	—.23	—.28	—.24	—.25	—.24	—.23	—.25	—.26	—.29	—.25
Provision for possible loan losses	.25	.20	.25	.23	.24	.23	.23	.22	.25	.30	.25
Amounts per $100 of equity capital[3]											
Net income	12.93	6.62	8.92	11.97	13.59	13.47	13.79	12.44	12.45	12.73	13.17
Cash dividends declared on common stock	—4.47	—1.61	—1.92	—2.67	—3.40	—3.94	—4.45	—4.17	—4.87	—5.25	—5.26
Net change in capital accounts (less cash dividends on common and preferred stock)	14.70	7.57	10.59	13.65	15.48	15.28	16.10	14.11	15.45	15.73	13.65
Special ratios[3]											
Income on loans per $100 of loans	9.87	7.53	8.35	8.99	9.70	9.70	10.06	9.39	9.80	10.20	9.99
Income on U.S. Treasury and on other U.S. Government agency and corporation securities per $100 of those securities	7.12	5.93	6.45	6.80	7.29	7.05	7.40	6.85	7.05	7.31	7.09
Income on obligations of State and political subdivisions per $100 of those obligations	5.15	4.74	4.47	4.75	5.05	4.95	5.11	4.78	4.90	5.28	5.72
Service charge on demand deposits in domestic offices per $100 of those deposits	.55	.52	.69	.81	.85	.76	.69	.56	.57	.54	.29
Interest paid on time and savings deposits in domestic offices per $100 of those deposits	6.15	4.59	5.14	5.51	5.93	5.91	6.15	5.70	6.00	6.40	6.66
Number of banks at end of period	14,243	874	2,317	4,829	3,210	1,614	935	164	135	138	27

[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 repooted at end of year.

Table 120. INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1973—1978

(Amounts in thousands of dollars)

Income item	1973	1974	1975	1976[1]	1977[1]	1978[1]
Operating income—total	**6,064,895**	**6,483,654**	**7,179,294**	**8,312,692**	**9,405,550**	**10,638,687**
Interest and fees on real estate mortgage loans, net	4,171,520	4,503,214	4,817,741	5,225,101	5,744,885	6,500,885
Interest and fees on real estate mortgage loans, gross	*4,240,926*	*4,570,902*	*4,883,664*	*5,290,560*	*5,809,758*	*6,565,682*
Less: Mortgage servicing fees	*69,406*	*67,688*	*65,923*	*65,459*	*64,873*	*64,797*
Interest and fees on other loans	283,506	337,844	283,416	334,625	433,413	601,510
Interest on U.S. Government and agency securities	414,359	403,940	567,577	869,038	1,096,826	1,229,607
Interest on corporate bonds	730,132	743,944	929,613	1,166,755	1,294,753	1,324,370
Interest on State, county, and municipal obligations	52,982	47,028	74,858	142,958	166,939	191,868
Interest on other bonds, notes, and debentures	116,901	125,718	150,841	200,849	255,319	293,024
Dividends on corporate stock	148,781	170,273	191,401	207,398	227,541	261,677
Income from service operations	35,771	27,875	32,968	39,825	47,585	57,307
Other operating income	110,943	123,818	130,879	126,143	138,289	178,439
Operating expenses—total	**811,689**	**938,705**	**1,083,192**	**1,310,921**	**1,465,245**	**1,758,846**
Salaries	307,030	344,304	388,061	440,284	497,563	570,838
Pensions and other employee benefits	72,567	83,338	98,268	114,310	128,539	148,166
Interest on borrowed money	28,907	66,110	55,168	45,365	46,827	122,436
Occupancy expense of bank premises (including taxes, depreciation, maintenance, rentals), net	96,128	114,206	135,754	158,044	172,095	189,459
Furniture and equipment (including recurring depreciation)	37,104	43,815	52,543	62,285	73,948	88,131
Actual net loan losses (charge-offs less recoveries)	8,994	10,034	21,836	78,732	69,975	109,426
Other operating expenses	260,959	276,898	331,562	411,901	476,298	530,390
Net operating income before interest and dividends on deposits	**5,253,206**	**5,544,949**	**6,096,102**	**7,001,771**	**7,940,305**	**8,879,841**
Interest and dividends on deposits—total	**4,480,901**	**4,916,724**	**5,495,842**	**6,287,966**	**6,997,464**	**7,706,674**
Savings deposits	3,567,595	3,607,170	3,778,695	4,160,435	4,222,013	3,930,597
Other time deposits	913,306	1,309,554	1,717,147	2,127,531	2,775,451	3,776,077
Net operating income after interest and dividends on deposits	**772,305**	**628,225**	**600,260**	**713,805**	**942,841**	**1,173,167**
Net realized gains or losses on—total	**−92,357**	**−148,844**	**−63,283**	**20,260**	**18,562**	**−53,484**
Securities	−65,973	−111,501	−25,899	49,283	47,625	−44,941
Real estate mortgage loans	−20,187	−38,556	−22,904	−21,554	−40,988	−22,612
Real estate	−673	588	−7,169	−423	−2,804	−2,013
Other transactions	−5,524	625	−7,311	−7,046	14,729	16,082
Less minority interest in consolidated subsidiaries	**0**	**0**	**37**	**5**	**1**	**0**
Net income before taxes	**679,948**	**479,381**	**536,940**	**734,060**	**961,402**	**1,119,683**
Franchise and income taxes—total	**201,792**	**161,870**	**171,549**	**227,088**	**280,260**	**310,945**
Federal income tax	114,500	81,089	66,543	107,801	139,242	171,002
State and local franchise and income taxes	87,292	80,781	105,006	119,287	141,018	139,943
Net income	**478,156**	**317,511**	**365,391**	**506,972**	**681,142**	**808,738**

Table 120. INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1973—1978—CONTINUED

(Amounts in thousands of dollars)

Income item	1973	1974	1975	1976[1]	1977[1]	1978[1]
Memoranda						
Change in surplus accounts, net	561,695	369,166	407,314	545,665	834,461	826,213
Discount on securities, total	27,805	32,406	109,383	41,722	40,381	44,280
Average assets and liabilities[1]						
Assets—total	**90,850,840**	**94,426,708**	**101,714,468**	**114,044,800**	**126,744,049**	**137,407,307**
Cash and due from banks	1,676,216	1,825,066	2,067,540	1,934,535	2,102,650	2,587,020
U.S. Government and agency securities	6,299,082	5,950,081	7,823,837	11,482,069	14,456,447	15,859,816
Other securities	16,238,983	16,410,896	19,035,575	23,065,574	25,823,209	27,146,283
Real estate mortgage loans	61,600,178	64,695,689	66,698,116	70,314,531	75,523,639	81,925,483
Other loans and discounts	2,967,740	3,250,960	3,388,551	4,084,414	5,355,664	6,171,468
Other real estate	170,868	207,125	320,468	457,255	478,620	415,516
All other assets	1,897,773	2,086,891	2,380,381	2,706,422	3,003,820	3,301,721
Liabilities and surplus accounts—total	**90,850,840**	**94,426,708**	**101,714,468**	**114,044,800**	**126,744,049**	**137,407,307**
Total deposits	83,212,442	85,994,384	92,850,364	104,554,349	116,405,474	125,472,005
Savings and time deposits	*82,350,237*	*85,097,902*	*91,885,361*	*103,540,616*	*115,084,387*	*123,758,082*
Demand deposits	*862,205*	*896,482*	*965,003*	*1,013,733*	*1,321,087*	*1,713,923*
Other liabilities	1,381,121	1,763,885	1,803,741	1,849,625	1,947,906	2,683,144
Total surplus accounts	6,257,277	6,668,439	7,060,363	7,640,826	8,390,669	9,252,158
Number of employees (end of period)	35,668	37,494	40,261	45,040	49,466	53,806
Number of banks (end of period)	322	320	329	329	323	325

[1] Averages of amounts reported at beginning, middle, and end of year.

Table 121. RATIO OF INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1973—1978

Income item	1973	1974	1975	1976[1]	1977[1]	1978[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 real estate mortgage loans—net	68.78	69.45	67.10	62.85	61.08	61.11
Interest and fees on other loans	4.68	5.21	3.95	4.03	4.61	5.65
Interest on U.S. Government and agency securities	6.83	6.23	7.91	10.45	11.66	11.56
Interest on corporate bonds	12.04	11.47	12.95	14.04	13.77	12.45
Interest on State, county, and municipal obligations	.87	.73	1.04	1.72	1.77	1.80
Interest on other bonds, notes, and debentures	1.93	1.94	2.10	2.42	2.71	2.75
Dividends on corporate stock	2.45	2.63	2.67	2.49	2.42	2.46
Income from service operations	.59	.43	.46	.48	.51	.54
Other operating income	1.83	1.91	1.82	1.52	1.47	1.68
Operating expense—total	13.38	14.48	15.09	15.77	15.58	16.53
Salaries	5.06	5.31	5.41	5.30	5.29	5.37
Pensions and other employee benefits	1.20	1.29	1.37	1.38	1.37	1.39
Interest on borrowed money	.48	1.02	.77	.55	.50	1.15
Occupancy expense of bank premises (including taxes, depreciation, maintenance, rentals)—net	1.58	1.76	1.89	1.90	1.83	1.78
Furniture and equipment (including recurring depreciation)	.61	.68	.73	.75	.79	.83
Actual net loan losses (charge-offs less recoveries)	.15	.15	.30	.95	.74	1.03
Other operating expenses	4.30	4.27	4.62	4.94	5.06	4.98
Net operating income before interest and dividends on deposits	86.62	85.52	84.91	84.23	84.42	83.47
Interest and dividends on deposits—total	73.88	75.83	76.55	75.64	74.40	72.44
Savings deposits[2]	58.82	55.63	52.63	50.05	44.89	36.95
Other time deposits[2]	15.06	20.20	23.92	25.59	29.51	35.49
Net operating income after interest and dividends on deposits	12.74	9.69	8.36	8.59	10.02	11.03
Net realized gains (or losses) on—total	−1.53	−2.30	−.88	.24	.20	−.50
Securities	−1.09	−1.72	−.36	.59	.51	−.42
Real estate mortgage loans	−.34	−.60	−.32	−.26	−.44	−.21
Real estate	−.01	.01	−.10	−.01	−.03	−.02
Other transactions	−.09	.01	−.10	−.08	.16	.15
Less minority interest in consolidated subsidiaries	.00	.00	(1)	(1)	(1)	.00
Net income before taxes	11.21	7.39	7.48	8.83	10.22	10.53
Franchise and income taxes—total	3.33	2.49	2.39	2.73	2.98	2.93
Federal income tax	1.89	1.25	.93	1.30	1.48	1.61
State and local franchise and income taxes	1.44	1.24	1.46	1.43	1.50	1.32
Net income	7.88	4.90	5.09	6.10	7.24	7.60

Table 121. RATIO OF INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1973–1978—CONTINUED

Income item	1973	1974	1975	1976[1]	1977[1]	1978[1]
Amounts per $100 of total assets[2]						
Operating income—total	6.68	6.87	7.06	7.29	7.42	7.74
Operating expense—total	.90	.99	1.06	1.15	1.16	1.28
Net operating income before interest and dividends on deposits	5.78	5.88	5.99	6.14	6.26	6.46
Interest and dividends on deposits—total	4.93	5.21	5.40	5.51	5.52	5.61
Net operating income after interest and dividends on deposits	.85	.67	.59	.63	.74	.85
Net realized gains (or losses)—total	–.10	–.16	–.06	.02	.01	–.04
Net income before taxes	.75	.51	.53	.64	.76	.81
Franchise and income taxes—total	.22	.17	.17	.20	.22	.23
Net income	.53	.34	.36	.44	.54	.59
Special ratios[2]						
Interest on U.S. Government and agency securities per $100 of U.S. Government and agency securities	6.58	6.79	7.25	7.57	7.59	7.75
Interest and dividends on other securities per $100 of other securities	6.46	6.62	7.07	7.45	7.53	7.63
Interest and fees on real estate mortgage loans per $100 of real estate loans	6.77	6.96	7.22	7.43	7.61	7.94
Interest and fees on other loans per $100 of other loans	9.55	10.39	8.36	8.19	8.09	9.75
Interest and dividends on deposits per $100 of savings and time deposits	5.44	5.78	5.98	6.07	6.08	6.23
Net income per $100 of total surplus accounts	7.64	4.76	5.18	6.64	8.12	8.74
Number of banks (end of period)	322	320	329	329	323	325

[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 1978.

For detailed data regarding noninsured banks that suspended in the years 1934-1962, see the *Annual Report* for 1963, pp. 27-41. For 1963-1978, 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, 1978.

Table 122. NUMBER AND DEPOSITS OF BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES, 1934—1978

Year	Number					Deposits (in thousands of dollars)				
			Insured					Insured		
	Total	Non-insured[1]	Total	Without disbursements by FDIC[2]	With disbursements by FDIC[3]	Total	Non-insured[1]	Total	Without disbursements by FDIC[2]	With disbursements by FDIC[3]
Total	**692**	**136**	**556**	**8**	**548**	**6,081,926**	**143,500**	**5,938,426**	**41,147**	**5,897,279**
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
1978	7	...	7	...	7	854,154	...	854,154	...	854,154

[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, 1978.
[4] Revised.

Table 123. INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION DURING 1978

Case number	Name and location	Class of bank	Number of depositors or accounts[1]	Date of closing or deposit assumption	First payment to depositors or disbursements by FDIC	FDIC disbursement[2]	Receiver or liquidating agent or assuming bank
Deposit payoff							
310	Watkins Banking Company Faunsdale, Alabama	NM	492	July 21, 1978	July 24, 1978	$ 818,259	Federal Deposit Insurance Corporation
Deposit assumption							
239	The Drovers' National Bank of Chicago, Illinois	N	43,800	January 19, 1978		118,745,794	Drovers' Bank of Chicago Chicago, Illinois
240	First Bank of Macon County Notasulga, Alabama	NM	2,919	January 26, 1978		2,129,469	First Alabama Bank Notasulga, Alabama
241	Wilcox County Bank Camden, Alabama	NM	3,447	March 1, 1978		8,200,572	Town-Country National Bank Camden, Alabama
242	Banco Credito y Ahorro Ponceno Ponce, Puerto Rico	NM	294,000	March 31, 1978		323,513,861	Banco Popular de Puerto Rico San Juan, Puerto Rico; Banco de Santander-Puerto Rico San Juan, Puerto Rico
243	Banco de Ahorro de Puerto Rico San Juan, Hato Rey, Puerto Rico	NM	4,202	September 5, 1978		9,526,147	Banco Commercial de Mayaguez Mayaguez, Puerto Rico
244	North Point State Bank Arlington Heights, Illinois	NM	15,500	December 16, 1978		14,739,518	The Bank & Trust Company of Arlington Heights Arlington Heights, Illinois

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 payoff												
310	$ 140,240	$ 417,857	$ 69,170	$ 996,973	$ 33,074		$ 2,518	$ 1,659,832	$ 1,282,300	$ 261,967	$ 25,000	$ 90,565
Deposit assumption												
239	25,812,566	33,407,874	24,773,620	118,385,283	3,395,957	15,022,418	6,028,710	226,826,428	197,165,861	29,744,830	5,500,000	(5,584,263)
240	249,770	748,225	19,656	3,489,851	5,898	13,264	11,661	4,538,325	3,825,059	348,588	100,000	264,678
241	277,637	1,906,739	849,012	9,345,874	212,095	24,038	36,713	12,652,108	10,585,424	1,723,777	250,000	92,907
242	36,606,190	42,325,511	81,539,041	492,269,015	3,785,452	7,023,155	48,991,770	712,540,134	607,610,688	79,455,389	13,457,525	12,016,532
243	691,320	300,000	—	7,244,109	213,698	701,533	201,353	9,352,013	11,831,012	393,369	519,674	(3,392,042)
244	2,717,464	498,850	2,990,488	18,756,940	432,472	—	1,069,784	26,465,998	21,850,142	1,716,013	410,000	2,489,843

[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, 1978, plus additional disbursements estimated to be required in these cases.

Table 124. DEPOSITORS, DEPOSITS, AND DISBURSEMENTS IN FAILED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934—1978

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	**548**	**304**	**244**	**3,764,874**	**623,546**	**3,141,328**	**5,897,279**	**469,533**	**5,427,746**	**4,678,866**[8]	**325,951**	**4,352,915**	**9,148**	**204,637**
Class of bank														
National	101	36	65	1,538,957	108,812	1,430,145	3,262,117	113,780	3,148,337	3,061,622	65,230	2,996,392	2,917	106,286
State member F.R.S.	30	10	20	428,129	88,894	339,235	438,232	34,388	403,844	322,675	26,500	296,175	1,112	23,953
Nonmember F.R.S.	417	258	159	1,797,788	425,840	1,371,948	2,196,930	321,365	1,875,565	1,294,569	234,221	1,060,348	5,119	74,398
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—1978—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 depositor[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	....	349	......
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	11,431	10,958	473	640	123
1966	7	1	6	95,424	1,012	94,412	103,523	774	102,749	8,732	735	7,997	35	1,609
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	....	1,114
1969	9	4	5	27,374	6,544	20,830	40,134	9,012	31,122	37,619	7,599	30,020	300	4,401
1970	7	4	3	31,433	20,403	11,030	54,821	33,489	21,332	49,318	29,354	19,964	698	1,859
1971	6	5	1	71,950	31,850	40,100	132,152	74,605	57,547	162,089	53,790	108,299	788	10,795
1972	1	1	...	23,655	23,655	....	20,480	20,480	....	16,274	16,274	....	375	......
1973	6	3	3	349,699	8,382	341,317	971,296	25,795	945,501	410,768	16,802	393,966	1,320	1,001
1974	4	...	4	704,283	......	704,283	1,575,832	......	1,575,832	2,257,630[8]	......	2,257,630	....	82,003
1975	13	3	10	110,367	21,925	88,442	339,574	39,902	299,672	303,131	25,992	277,139	1,316	19,551
1976	16	3	13	340,731	8,246	332,485	864,859	18,859	846,000	549,376	11,630	537,746	1,097	21,713
1977	6	...	6	95,548	24	95,524	205,208	108	205,100	21,810[9]	......	21,810	....	1,761
1978	7	1	6	364,384	516	363,868	854,154	1,286	852,868	494,903	818	494,085	37	11,156
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	36,057	20,962	15,095	444	2,352
$1,000,000 to $2,000,000	59	22	37	211,352	70,846	140,506	79,547	29,173	50,374	46,466	22,886	23,580	738	3,950
$2,000,000 to $5,000,000	58	22	36	302,665	89,127	213,538	190,451	70,385	120,066	114,576	52,052	62,524	1,177	9,329
$5,000,000 to $10,000,000	34	7	27	294,630	50,445	244,185	231,127	55,868	175,259	127,930	37,964	89,966	950	12,534
$10,000,000 to $25,000,000	24	9	15	375,371	146,454	228,917	384,848	148,421	236,427	237,983	108,954	129,029	2,544	12,181
$25,000,000 to $50,000,000	7	1	6	308,637	12,481	296,156	257,585	40,176	217,409	118,732	9,700	109,032	581	27,613
$50,000,000 to $100,000,000	6	1	5	244,265	27,403	216,862	525,377	66,902	458,475	344,942	47,021	297,921	513	23,156
$100,000,000 to $500,000,000	7	...	7	394,670	......	394,670	1,142,879	......	1,142,879	705,757[9]	......	705,757	810	36,726
$500,000,000 to $1,000,000,000	2	...	2	629,000	......	629,000	1,539,566	......	1,539,566	728,329	......	728,329	930	3,894
$1,000,000,000 or more	1	...	1	630,000	......	630,000	1,444,982	......	1,444,982	2,184,571[8]	......	2,184,571	....	71,962
State														
Alabama	7	3	4	16,048	2,571	13,477	21,865	5,270	16,595	14,927	3,384	11,543	131	572
Arizona	1	...	1	2,692	......	2,692	5,044	......	5,044	5,082	......	5,082	....	394
Arkansas	8	6	2	6,350	4,541	1,809	4,836	1,942	2,894	3,408	1,576	1,832	43	293
California	6	3	3	390,819	17,890	372,929	1,032,658	46,220	986,438	442,093	12,946	429,147	1,605	3,809
Colorado	8	4	4	18,852	6,082	12,770	24,749	6,404	18,345	13,926	4,611	9,315	292	2,476

Connecticut	3	2	1	8,839	5,379	3,460	4,326	1,526	2,800	3,375	1,242	2,133	8	496
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	36,993	1,551	35,442	33	2,096
Idaho	2	2	...	2,451	2,451	...	1,894	1,894	...	1,493	1,493	...	29	...
Illinois	25	10	15	160,955	44,383	116,572	334,275	28,972	305,303	212,366	23,924	188,442	513	10,647
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	17,670	6,469	11,201	149	730
Kansas	11	6	5	8,065	3,824	4,241	7,665	4,358	3,307	5,672	3,601	2,071	60	288
Kentucky	26	20	6	40,313	19,352	20,961	16,072	5,768	10,304	12,479	5,041	7,438	156	621
Louisiana	6	4	2	79,117	8,999	70,118	176,274	9,735	166,539	141,915	4,937	136,978	149	3,982
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	374	1,994
Michigan	14	5	9	172,607	10,452	162,155	194,399	13,477	180,922	142,516	12,242	130,274	204	13,677
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	12,012	257	11,755	5	518
Missouri	52	38	14	55,554	37,977	17,577	29,153	18,167	10,986	21,492	14,028	7,464	330	1,185
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	...	151	...
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	121,994	40,049	81,945	519	22,790
New York	28	3	25	925,621	28,440	897,181	1,755,500	13,286	1,742,214	2,407,859[8]	10,836	2,397,023	842	82,809
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	4,388
Oklahoma	13	8	5	28,672	20,149	8,523	20,720	11,053	9,667	11,665	7,936	3,729	178	800
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	67,485	10,133	57,352	75	10,736
South Carolina	3	1	2	68,080	403	67,677	113,553	136	113,417	60,650	136	60,514	...	8,751
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	128,008	1,164	126,844	28	8,289
Texas	46	33	13	125,988	80,965	45,023	210,359	142,151	68,208	137,947	97,279	40,668	1,760	4,010
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	305	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	117,980	5,096	112,884	54	10,255
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	...	897	...
Puerto Rico	3	...	3	369,840	...	369,840	789,442	...	789,442	351,522[9]	...	351,522	...	4,053

[1]Adjusted to December 31, 1978. In assumption cases, number of depositors refers to number of deposit accounts.
[2]Excludes $1,429 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 $192,387 thousand, all of which have been fully recovered by the Corporation, and $12,250 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]Includes disbursements by liquidators in field ($1.5 billion) which were previously excluded from this table.
[9]In 1977 the assets of Banco Economias were purchased outright by the Corporation. Disbursements in the case are included in table 126 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 DISBURSMENTS FOR PROTECTION OF DEPOSITORS, 1934—78

(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 disbursements	Recoveries to Dec. 31, 1978	Estimated additional recoveries	Losses[1]	Number of banks	Principal disbursements[2]	Recoveries to Dec. 31, 1978	Estimated additional recoveries	Losses[1]	Number of banks	Principal disbursements[3]	Recoveries to Dec. 31, 1978	Estimated additional recoveries	Losses[1]
Total	**548**	**4,678,866**	**3,539,242**	**852,326**	**287,298**	**304**	**325,951**	**272,345**	**20,366**	**33,240**	**244**	**4,352,915**	**3,266,897**	**831,960**	**254,058**
Status															
Active	73	4,281,170	3,173,606	852,326	255,238	23	173,997	139,156	20,366	14,475	50	4,107,173	3,034,450	831,960	240,763
Terminated	475	397,696	365,636		32,060	281	151,954	133,189		18,765	194	245,742	232,447		13,295
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	438		2	19,230	18,792	438						
1964	7	13,744	12,080	18	1,646	7	13,744	12,080	18	1,646					
1965	5	11,431	6,761	606	4,063	3	10,958	6,435	606	3,917	2	473	326		146
1966	7	8,732	8,238	9	487	1	735	735			6	7,997	7,503	9	487
1967	4	8,120	7,016	30	1,074	4	8,120	7,016	30	1,074					
1968	3	5,586	5,575	1	11						3	5,586	5,575	1	11
1969	9	37,619	37,463	52	105	4	7,599	7,444	50	105	5	30,020	30,019	2	
1970	7	49,318	45,386	2,961	970	4	29,354	25,857	2,778	720	3	19,964	19,529	183	250
1971	6	162,089	159,387	2,438	263	5	53,790	51,091	2,436	263	1	108,299	108,296	2	
1972	1	16,274	10,630	1,645	4,000	1	16,274	10,630	1,645	4,000					
1973	6	410,768	192,154	68,382	150,232	3	16,802	16,771	31		3	393,966	175,383	68,351	150,232
1974	4	2,257,630[5]	1,881,708	369,922	6,000						4	2,257,630	1,881,708	369,922	6,000
1975	13	303,131	215,260	49,536	38,335	3	25,992	13,950	10,107	1,935	10	277,139	201,310	39,429	36,400
1976	16	549,376	349,860	159,891	39,625	3	11,630	6,886	1,709	3,035	13	537,746	342,974	158,182	36,590
1977	6	21,810	11,287	7,123	3,400						6	21,810	11,287	7,123	3,400
1978	7	494,903	297,828	189,270	7,805	1	818		518	300	6	494,085	297,828	188,752	7,505

[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.
[5]Includes collections and disbursements by liquidators in the field ($1.5 billion), previously excluded from this table.

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, 1978
(In thousands)

Type of disbursement	Disbursements	Recoveries[1]	Losses
All disbursements—total	**$5,074,071**[2]	**$4,724,535**[2]	**$349,536**
Principal disbursements in deposit assumption and payoff cases—total	**4,678,866**	**4,391,568**	**287,298**
Loans and assets purchased in liquidations (244 deposit assumption cases):			
To December 31, 1978	4,119,165	3,165,564	254,058
Estimated additional	....	699,543	....
Notes purchased to facilitate deposit assumptions, mergers, or consolidations:			
To December 31, 1978	233,750	101,333	0
Estimated additional	....	132,417	......
Deposits paid (304 deposit payoff cases):[3]			
To December 31, 1978	325,090	272,345	33,240
Estimated additional	861	20,366	....
Advances and expenses in deposit assumption and payoff cases—total[1]	**213,785**	**192,387**	**21,398**
Expenses in liquidating assets:			
Advances to protect assets	106,172	106,172	0
Liquidation expenses	86,215	86,215	0
Insurance expenses[4]	12,250	0	12,250
Field payoff and other insurance expenses in deposit payoff cases[4]	9,148	0	9,148
Other disbursements—total	**181,420**	**140,580**	**40,840**
Corporation purchases:			
To facilitate termination of liquidations:			
To December 31, 1978	9,936	5,282	4,111
Estimated additional	....	543	......
To purchase assets from operating insured banks:			
To December 31, 1978	34,574	9,171	20,700
Estimated additional	....	4,703	....
Other assets purchased outright:			
To December 31, 1978	15,281	440	14,600
Estimated additional	....	241	....
Unallocated insurance expenses[4]	1,429	0	1,429
Assistance to operating insued banks:			
To December 31, 1978[5]	120,200	83,200	0
Estimated additional	....	37,000	....

[1]Excludes amounts returned to closed bank equity-holders and $92.2 million of interest and allowable return received by the FDIC.
[2]Includes collections and disbursements by liquidators in the field ($1.5 billion), previously excluded from this table.
[3]Includes estimated amounts for pending and unpaid claims in active cases.
[4]Not recoverable.
[5]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, 1978

(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	**$10,266.1**	**$5,022.3**	**$5,243.8**	**$1,470.1**	**$355.9**	**$80.6**	**$1,033.6**	**$8,796.0**
1978	952.1	367.0	585.1	148.9[5]	45.6	....	103.3	803.2
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	0.1	....	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	0.1	....	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 1978, 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 $5,291 million.

[2]Includes $21 million of interest and allowable return received on funds advanced to receivership and deposit assumption cases and $73 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 in 1976 and $3.6 million in 1978.

[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—1978

Item	All cases (548 banks)		Deposit payoff cases (304 banks)		Deposit assumption cases (244 banks)	
	Number or amount	Percent	Number or amount	Percent	Number or amount	Percent
Number of depositors or accounts—total[1]	**3,764,874**	**100.0**	**623,546**	**100.0**	**3,141,328**	**100.0**
Full recovery received or available	**3,757,114**	**99.8**	**615,786**	**98.8**	**3,141,328**	**100.0**
From FDIC[2]	3,709,590	98.5	568,262[3]	91.1	3,141,328	100.0
From offset[4]	41,099	1.1	41,099	6.6	...	...
From security or preference[5]	3,283	0.1	3,283	0.6	...	...
From asset liquidation[6]	3,142	0.1	3,142	0.5	...	
Full recovery not received as of December 31, 1978	**7,760**	**0.2**	**7,760**	**1.2**		
Terminated cases	3,725	0.1	3,725	0.6	...	
Active cases	4,035	0.1	4,035	0.6	...	...
Amount of deposits (in thousands)—total	**5,897,279**	**100.0**	**469,533**	**100.0**	**5,427,746**	**100.0**
Paid or made available	**5,882,479**	**99.8**	**454,733**	**96.8**	**5,427,746**	**100.0**
By FDIC[2]	5,754,400	97.6	326,654[7]	69.6	5,427,746	100.0
By offset[8]	23,755	0.4	23,755	5.0	...	...
By security or preference[9]	54,478	0.9	54,478	11.6	...	...
By asset liquidation[10]	49,846	0.9	49,846	10.6	...	
Not paid as of December 31, 1978	**14,800**	**0.2**	**14,800**	**3.2**		
Terminated cases	3,172	0.0	3,172	0.7	...	...
Active cases[11]	11,628	0.2	11,628	2.5	...	...

[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 $4,352,915 thousand, in deposit assumption cases.
[3]Includes 60,913 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 $516 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 $2,985 thousand representing deposits available, expected through offset, or expected from proceeds of liquidation.

Table 129. INSURED DEPOSITS AND THE DEPOSIT INSURANCE FUND, 1934—1978

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
1978	$1,145,835	$760,706	66.4%	$8,796.0	.77%	1.16%
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.

INDEX