ANNUAL REPORT OF THE

FEDERAL DEPOSIT INSURANCE CORPORATION

1965

LETTER OF TRANSMITTAL

FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D. C., September 22, 1966

SIRS: Pursuant to the provisions of Section 17(a) of the Federal Deposit Insurance Act, the Federal Deposit Insurance Corporation is pleased to submit its annual report. Part One of the report, separately submitted earlier in the year, is included in this volume.

Respectfully yours.

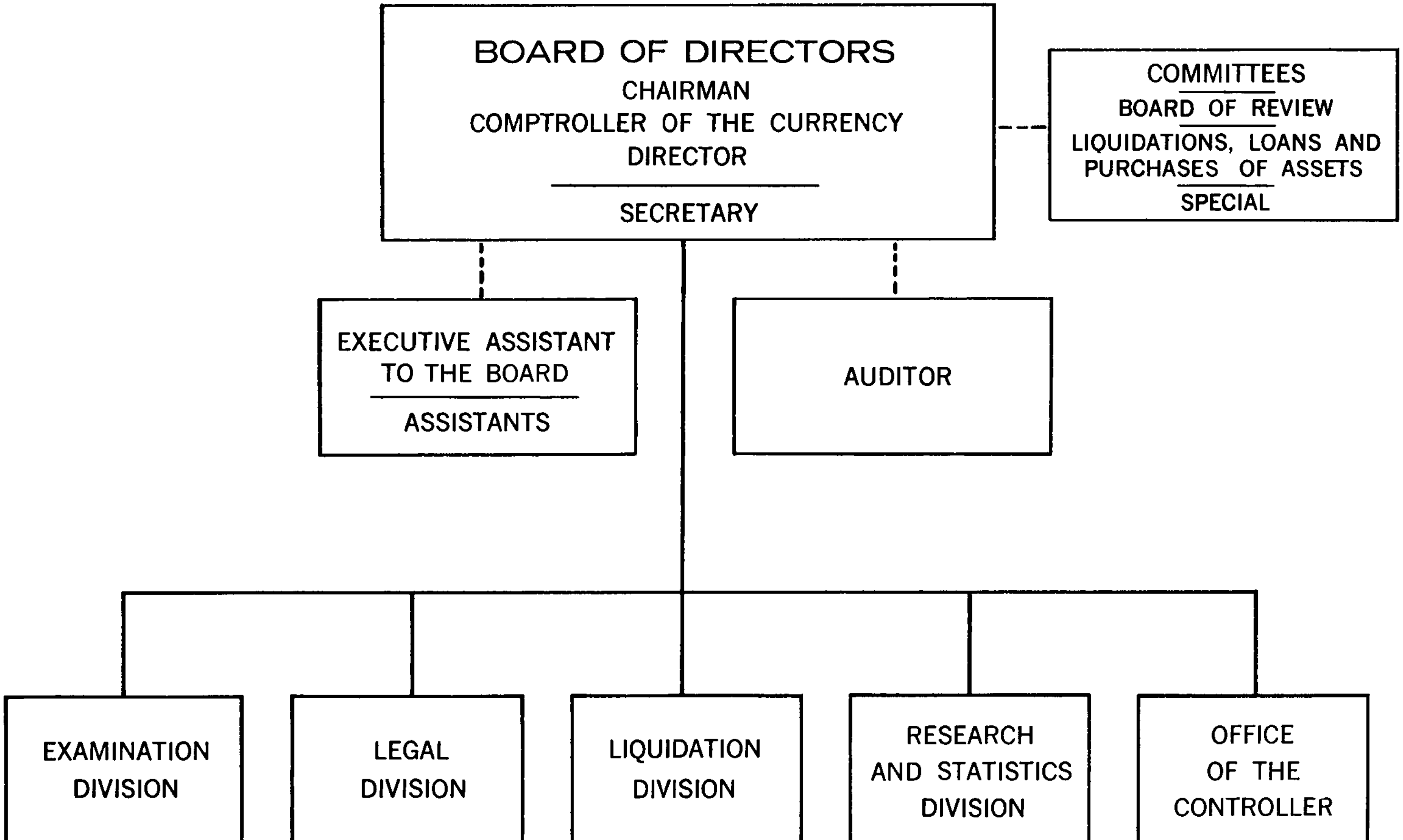
K. A. Randall

K. A. RANDALL,
Chairman

THE PRESIDENT OF THE SENATE

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES

FEDERAL DEPOSIT INSURANCE CORPORATION



FEDERAL DEPOSIT INSURANCE CORPORATION

BOARD OF DIRECTORS

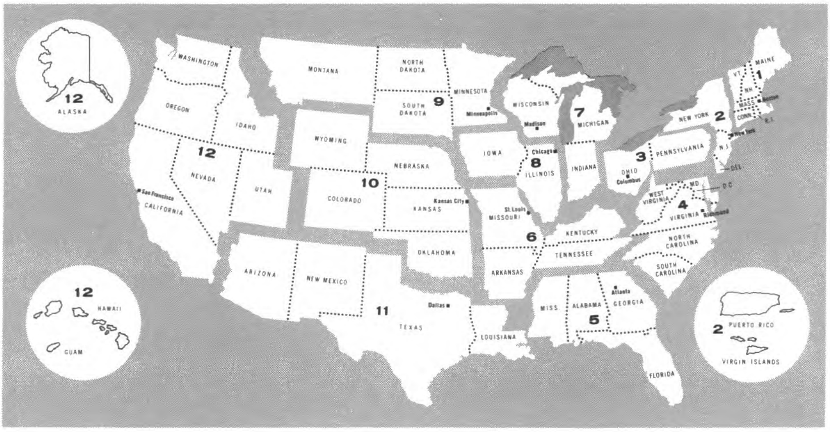
Chairman	K. A. Randall
Director	William W. Sherrill
Comptroller of the Currency	James J. Saxon

OFFICIALS

Assistant to the Chairman	John L. Flannery
Assistant to the Director	Thano Dameris
Assistant to the Director (Comptroller of the Currency)	Albert J. Faulstich
Chief, Division of Examination	Edward H. DeHority
General Counsel	John F. Lee
Controller	Edward F. Phelps, Jr.
Chief, Division of Research and Statistics	Raymond E. Hengren
Chief, Division of Liquidation	A. E. Anderson
Auditor	James J. Bogart
Secretary	E. F. Downey
Executive Assistant to the Board	Timothy J. Reardon, Jr.
Assistant to the Board	William M. Moroney
Assistant to the Board	Frank E. Tracy
Assistant to the Board	Raoul D. Edwards
Special Assistant to the Chairman	Lynn Mah
Special Assistant to the Chairman	Raymond T. Cahill

September 22, 1966

FEDERAL DEPOSIT INSURANCE CORPORATION DISTRICTS



DISTRICT OFFICES AND SUPERVISING EXAMINERS

1. Lewis S. Rough, Jr., Suite 805, State Street Bank Building, 225 Franklin Street, Boston, Massachusetts 02110

2. Philip C. Lods, 74 Trinity Place, New York, New York 10006

3. William D. Allen, Suite 600, Huntington Trust Building, 37 West Broad Street, Columbus, Ohio 43215

4. Albert E. Clark, 403 East Grace Street, Richmond, Virginia 23219

5. Roger C. Eagleton, 1000 Bank of Georgia Building, Atlanta, Georgia 30303

6. Lewis C. Beasley, 420 Locust Building, 1015 Locust Street, St. Louis, Missouri 63101

7. Wallace A. Ryen, 715 Tenney Building, Madison, Wisconsin 53703

8. Claude C. Phillippe, 164 West Jackson Boulevard, Chicago, Illinois 60604

9. Roger B. West, 748 Roanoke Building, Minneapolis, Minnesota 55402

10. Stanley Pugh, 1207 Federal Reserve Bank Building, Kansas City, Missouri 64106

11. Lloyd Thomas, Federal Reserve Bank Building, Station K, Dallas, Texas 75222

12. Walter W. Smith, Suite 1700, 582 Market Street, San Francisco, California 94104

FEDERAL DEPOSIT INSURANCE CORPORATION

Main Office: 550 17th Street, N. W., Washington, D. C. 20429

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THE YEAR IN BRIEF

The number of banks insured by the Federal Deposit Insurance Corporation totaled 13,876 at the end of 1965, following a gain of 56 during the year. About 97 percent of all operating banks and trust companies in the United States were insured.

At the end of the year, the Corporation's insurance fund totaled $3,036 million, amounting to 0.80 percent of total deposits in insured banks, and 1.45 percent of estimated insured deposits.

Disbursements by the Corporation were required in five failed bank cases during 1965. Together these banks had approximately 16,000 depositors and nearly $44 million in deposits. Three were closed by their chartering agency, whereupon the Corporation paid their depositors up to the $10,000 maximum; it also accepted appointment as receiver in each case. Liabilities of the other two banks were, with the Corporation's assistance, assumed by individual insured banks which made deposits of the absorbed banks available in full to the depositors.

Supervisory activities of the Corporation continued to increase in 1965. Field examinations and investigations conducted by the Corporation, totaling almost 13,000, were appreciably greater than in 1964. During the year the banking industry and the Corporation became substantially involved for the first time with Federal registration and reporting of bank securities. The first full year of operation was completed also under Public Law 88-593, providing for notice to the appropriate Federal banking agency of changes in control of insured banks.

The number of banking offices in the United States rose by 1,231 during 1965 to a total of 30,958. Virtually all of the increase was due to net increases in branches.

Assets of all banks totaled $437 billion at the end of 1965, after a gain of 8.6 percent during the year. Much of this increase reflected the continued rapid growth of loans. Total deposits climbed 8.1 percent to nearly $387 billion, most of the rise occurring in the time and savings category. Net income after taxes of insured commercial banks rose 10.1 percent above 1964, and represented a return of 8.45 percent on total capital accounts.

OPERATIONS OF THE CORPORATION

PART ONE

THE CORPORATION AND BANKING DEVELOPMENTS

The Federal Deposit Insurance Corporation was established for the purpose of protecting bank depositors and helping to bring about sound conditions in the nation's banking system. Through Federal deposit insurance, individual depositors in insured banks presently are protected to a maximum of $10,000. The protection afforded by the Corporation has buttressed the use of bank deposits as the major component of the nation's money supply. As a bank supervising agency, stemming from its function as an insurer, the Corporation's role has increased in scope and complexity with the changes and rapid growth in the banking system.

Created by the Banking Act of 1933 at the depth of the Depression, the Corporation's first urgent role was to help restore public confidence in banks. During the years immediately following, its efforts were directed largely toward rescuing weak banks and paying off deposits in closed banks. The success of the Corporation in these early operations was essential to the establishment of deposit insurance on a sound basis. While the probability of recurrence of banking difficulties of such severity is quite remote, maintenance of confidence in banks is a lasting concern of the Corporation.

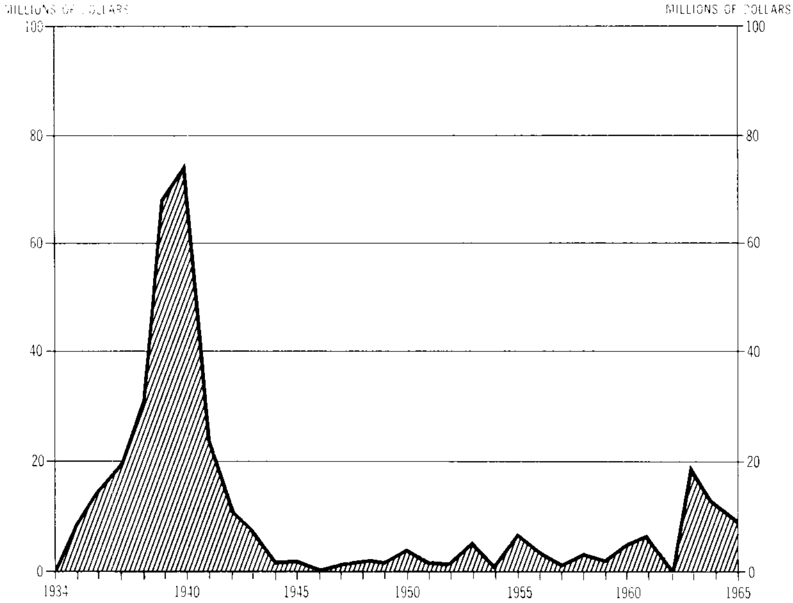
Two years after its beginning, under the Banking Act of 1935, the Corporation acquired certain additional powers of vital importance to its supervisory functions. The Act of 1935 clarified and made permanent the Corporation's authority to examine insured banks not members of the Federal Reserve System and to review examination reports of members of the System. Provision was made for termination of the insured status of any bank which persistently engaged in unsafe or unsound practices or in violation of laws or regulations. Among other provisions, the Act conferred upon the Corporation the power to pass upon certain mergers, branching activity, and changes in capitalization by nonmember insured banks, to require reports of condition, and to prescribe regulations regarding the payment of interest on deposits by these banks.

The Act of 1935 completed the basic structure of deposit insurance as it has served the nation during the ensuing three decades. Although given specific functions in administering the insurance program, the Corporation actually has quite limited powers. It can neither charter nor close a bank, and it has passed upon only about one-half of all banks recently admitted to deposit insurance. In effect, the supervisory powers and activities of the Corporation serve to complement and strengthen those of other Federal and State banking agencies. In the exercise of its powers, the Corporation since its inception has recognized its responsibilities for fostering the sound operation of insured banks.

Following the turbulent era of the 1930's, when failures were numerous, the Corporation was able to concentrate more of its efforts on the improvement of conditions and practices in operating banks. Its operations in failed bank cases meanwhile had dropped sharply following the early 1940's, as indicated by the trend of disbursements shown in Chart A. From an average of 52 failures of insured banks per year in 1934-1939, the rate fell to 26 annually in 1940-1942 and to an average of about 3 per year in subsequent years. At the same time, banks were entering an era of rapid growth, as total deposits in commercial banks more than doubled between 1941 and 1945.

CHART A

FDIC PRINCIPAL DISBURSEMENTS IN FAILED BANK CASES REACHED A PEAK IN 1940

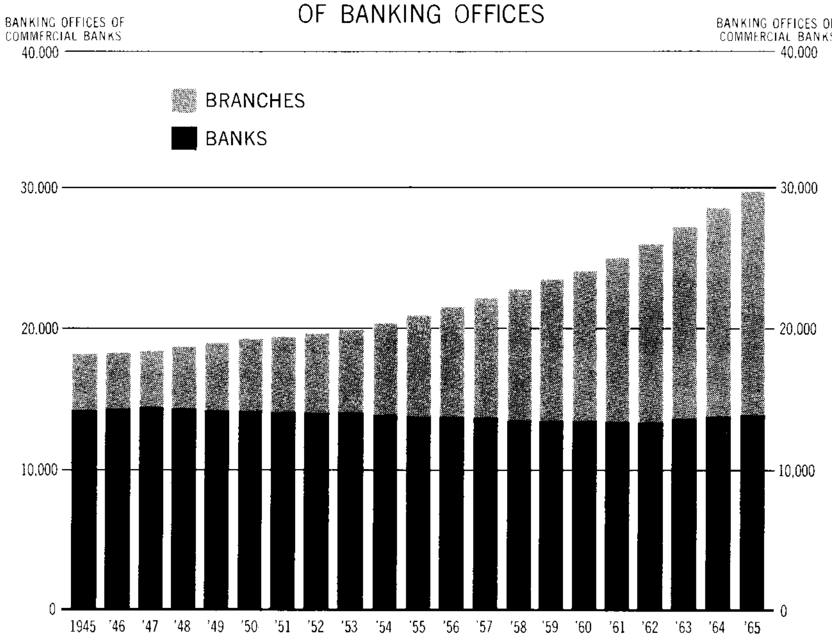


During the decade after World War II the number of insured banking institutions in the United States declined slightly; nevertheless the Corporation's supervisory activities in bank examinations and in other areas were considerably developed and expanded. Of great importance to the Corporation's activities at that time and since have been the close liaison and working relationships with the other Federal and State bank supervisory agencies. An agreement among the agencies, for example, made in 1938 and reaffirmed in 1949, provided for uniform examination methods in appraising bank assets. Another facet of this cooperation has been the conduct of examinations on a joint or concurrent basis with State authorities.

In its capacity as insurer of deposits in all national banks, virtually all State-chartered commercial banks, and most mutual savings banks, the Corporation for many years has assembled, processed, and made available statistics for all banks. In 1947, under a cooperative arrangement worked out by the Bureau of the Budget and the three Federal banking agencies, the Corporation was given specific responsibilities for compiling and publishing the "all bank" data, including data for noninsured banks.

The period since the late 1940's has been one of vast growth and change in the banking system. Shifts and growth of population, and efforts to increase market penetration have led to a continuing rise in the number of banking offices, much of this in the form of branching activity. Chart B shows that in the past two decades the number of banks changed little, while branches rose almost threefold. Statewide branching, limited-area branching, and unit banking are each prevalent in about one-third of the States, reflecting in part the legal status of branch banking within each

CHART B
BRANCHES HAVE ACCOUNTED FOR A RISING PROPORTION OF BANKING OFFICES

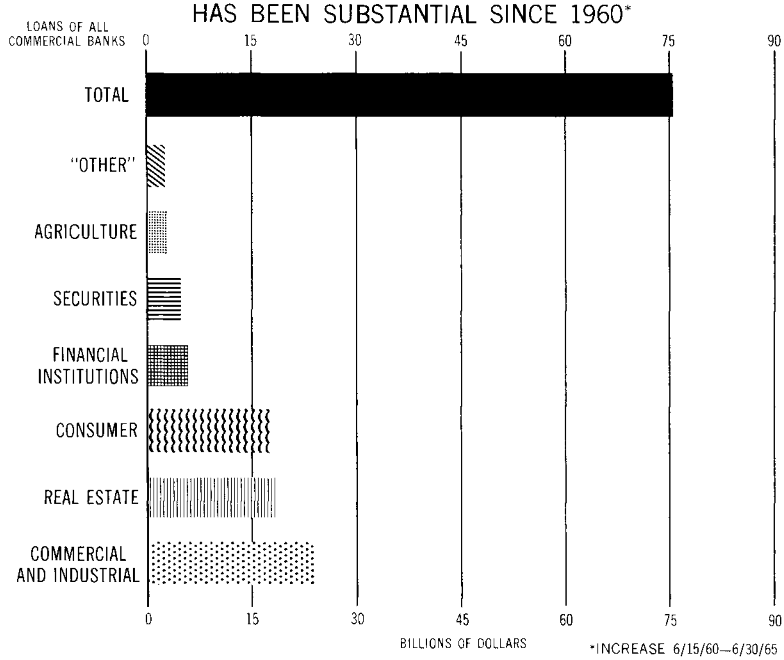


State. Where branching is permitted, continuing merger activity has also contributed to the increase in branches.

One of the most spectacular changes in recent years has been the rapid growth of commercial banks' loan portfolios. In the past five years, for example, commercial banks increased their loans by 64 percent, while adding about 46 percent to total assets. Chart C shows the increments in each of the major segments of bank loans between 1960 and 1965.

CHART C

GROWTH AND DIVERSIFICATION OF BANK LENDING HAS BEEN SUBSTANTIAL SINCE 1960*



*INCREASE 6/15/60—6/30/65

Banks have moved to accommodate the mounting volume of loan demand in various ways, including greater use of amortized credit. They have also adjusted to increased credit demands through a more fully developed market for Federal funds, which has brought a more efficient use of reserves. New uses of time certificates of deposit and the development of capital notes and debentures, along with higher interest rate ceilings on time and savings deposits, have enabled banks to compete more effectively for funds.

Benefitting by the economy's growth, banks have continued to fulfill their traditional role as lenders to business and industry, but in doing so have also moved ahead in developing an imaginative array of techniques to finance new industries. Equipment leasing, accounts receivable financing, and instruments for financing exports are but a few examples of such areas of innovation or development.

Commercial banks have become the predominant suppliers of consumer instalment credit, as their loans of this type have risen from less than $1 billion at the end of World War II to over $43 billion in 1965. Since 1960, consumer credit advanced by commercial banks has continued to rise faster than their total loans. In addition to the funds which banks supply to other lenders, they directly provide over two-fifths of the funds used in consumer instalment credit. Similarly, the participation of banks in the field of mortgage financing has had a marked development. The fact that real estate credit of commercial banks rose from $28 billion to $46 billion during the past five years, but still declined slightly as a percentage of total loans, dramatizes the great expansion in bank lending.

One of the most dynamic areas of banking operations today is the expanding range of non-credit services offered. Banks find themselves increasingly in the role of middlemen with respect to customers and different segments of the money market. Financial counseling requires services of an ever more sophisticated nature. Trust services provided by banks have expanded rapidly to keep pace with the flourishing economy, the increasing affluence of our citizens, and the proliferation of pension funds. At the same time the ever-rising volume of deposit and check transactions has continued unabated.

Fortunately, the development of computer systems seems to promise deliverance from an otherwise almost insurmountable problem of handling the burgeoning volume of check clearings. Paradoxically, the day may be envisioned when payments of money on deposit by the average individual will be handled through automated systems without the use of checks. Now employed also in the preparation of payrolls, in the provision of check reconciliation services for customers, and in various other activities, adaptations of computers to more numerous and difficult tasks are rapidly being developed.

As an insuring and supervisory agency, the Federal Deposit Insurance Corporation has a direct concern in these developments that affect the sound operation of banks and the quality of banking services. Aware that it cannot itself stand still in the face of these developments, the Corporation is currently engaged in a program to strengthen its own capability to serve insured banks. It foresees in particular the possibility of significant advances in the quality of research in the areas of banking markets and banking structure.

Progress was made by the Corporation during the past year in preparing to provide banks with data designed to assist them in evaluating their performance. Early in 1966 the Corporation installed a new computer system that has a capability for vastly more rapid and extensive analysis of banking data than hitherto possible.

The many applications of the new equipment are promising, both for supervisory purposes and in direct benefits to all banks. Among other uses, it will permit the Corporation to meet more effectively its responsibilities in the area of banking statistics. The computer-supplied information made available by the Corporation should in turn be useful to banks for many purposes—such as market penetration studies, cost analyses, and evaluation of investment alternatives.

Recent years have brought greater management and supervisory recognition of the importance of bank auditing. Significant opportunities exist for further development of the complementary relationships between auditing and the supervisory examination. As a management tool, moreover, the detailed audit is assuming greater importance with the growth and increasing complexity of bank operations. At present, the Corporation is studying the more specific audit phases of its examination procedures and added emphasis in this direction is planned in its regular assignments.

In summary, the promotion of a sound banking system which merits public confidence is a traditional, and still vital, concern of the Corporation. The challenge of this task is sharpened by the vast growth in size and complexity of the nation's economy and banking system. Banks have proven themselves adaptable, through improvement of facilities, more efficient operating methods, and imaginative programs for development of customer services. The Corporation has responded to the needs of the day by instituting programs designed to help banks adapt to change and improve their abilities to meet growing needs for their services.

DEPOSIT INSURANCE PARTICIPATION AND COVERAGE

At the end of 1965, the number of banks insured by the Corporation totaled 13,876, after a rise of 56 during the year. About 97 percent of all operating banks and trust companies in the United States were insured.

Incorporated commercial banks, trust companies which receive deposits, and mutual savings banks may qualify for participation in Federal deposit insurance. National banks are insured upon their chartering by the Comptroller of the Currency; those State banks which become members of the Federal Reserve System must be admitted to insurance. Other banks become insured upon application to and approval by the Corporation's Board of Directors.

The 448 banks not participating in Federal deposit insurance reflected a continuing decline in the number of such banks. Over one-third of these banks, including nondeposit trust companies, private banks, industrial banks, branches in the United States of banks chartered in foreign countries, and several banks operating under special codes or charters are not eligible for insurance. Of the remaining noninsured banks, 177 are mutual savings banks, virtually all of which are located in Massachusetts and covered under an insurance system in that State.

Maximum insured protection for each depositor in an insured bank was first established at $2,500 by the Banking Act of 1933. Coverage was lifted to $5,000 in mid-1934, and subsequently remained unchanged until increased in 1950 to its present level of $10,000. The maximum insurance per depositor in an insured bank applies to deposits owned in the same right and capacity. Coverage may of course be extended readily by opening accounts at other insured banks.

About 55 percent of all deposits in insured banks is covered by Federal deposit insurance, this estimate being based upon the results of a survey in 1964 and subsequent deposit trends. The proportion varies considerably among types of accounts. It is substantially higher, for example, for the deposits of business firms and individuals than for deposits of public funds, the latter being protected also by surety bonds or pledges of securities in addition to deposit insurance.

INSURANCE OPERATIONS TO PROTECT DEPOSITORS OF FAILING BANKS

Banks failing in 1965. The Corporation made disbursements to protect depositors in five banks which failed in 1965. The number of depositors affected was somewhat below the number assisted in the seven banks which failed in 1964, but the five banks held almost twice as much in deposits. The name, location, and other data concerning these banks are given in Table 1.

The five insured banks failing in 1965 had approximately 16,000 depositors and almost $44 million in deposits. One bank alone accounted for 80-90 percent of the respective totals. Three of the banks, including this one, were closed by their chartering agency and placed in receivership, with the Corporation being named receiver in each case. Depositors of each bank were promptly paid their insured deposits.

The liabilities of the other two banks were assumed by individual insured banks, where deposits of the absorbed banks were immediately made available in full to depositors. The Corporation made this possible by disbursing $456,882 to purchase assets of the distressed banks which were unacceptable to the assuming banks.

Table 1. INSURED BANKS CLOSED DURING 1965 REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION[1]

Case number	Name and location	Date of closing or deposit assumption	Number of depositors' accounts	Amount of deposits (in thousands)[2]	Date of first payment to depositors or disbursement by FDIC	Depositors receiving full recovery	Deposits paid (in thousands)[3]
Total	....	....	15,810	$43,837	....	14,377	$19,720
Deposit payoff							
275	The Brighton National Bank, Brighton, Colorado	January 22, 1965	1,374	2,254	January 28, 1965	1,283	928
276	San Francisco National Bank, San Francisco, California	January 22, 1965	12,484	40,176	January 29, 1965	11,198	17,523
277	Winona State Bank, Winona, Texas	February 5, 1965	498	435	February 10, 1965	442	297
Deposit assumption							
183	Malone State Bank, Malone, Texas[4]	February 25, 1965	695	525	February 25, 1965	695	525
184	First State Bank, Covington, Texas[5]	April 5, 1965	759	447	April 5, 1965	759	447

[1] Figures adjusted to and as of December 31, 1965.
[2] Includes certain certificates of deposit carried on the books of some of the closed banks as deposits which are in litigation to determine whether they represent funds received by the banks in the usual course of business.
[3] Includes $8,559 thousand paid by FDIC claim agents in deposit payoff cases. All deposits were made available in full through assuming banks, with FDIC assistance, in deposit assumption cases.
[4] Liabilities assumed by First State Bank, Hubbard, Texas.
[5] Liabilities assumed by The First National Bank of Itasca, Itasca, Texas.

Of the nearly 16,000 depositors in the five failing banks, about 1,500 had not received full recovery by the end of 1965. Almost two-thirds of this number can obtain full recovery simply by presenting their claims to the Corporation or through offset against their debts to the bank. Included amdng the remaining accounts are deposits in excess of the $10,000 maximum insurance coverage, and certain certificates of deposit carried on the books of some of the banks as deposits, the insured status of which is now in litigation. Less than half of the amounts in these accounts in the five banks had been paid at the end of 1965.

Recovery of disbursements made by the Corporation in these five cases is proceeding. In its capacity as receiver in the three receivership cases, the Corporation is liquidating the banks' assets and it shares *pro rata* with the owners of uninsured claims and other common creditors in the proceeds from the liquidation. Assets acquired by the Corporation in the two assumption cases are likewise being liquidated. The Corporation estimates that after it has recovered all it can, it will have lost about $6.4 million in the five cases.

Banks failing, 1934-1965. During its 32 years of operation the Corporation has made disbursements to protect depositors in 459 failing banks. These banks had over 1.5 million depositors or accounts, and total deposits of $702 million. The extent and method of this protection are shown in Table 2.

The Corporation has used two methods in meeting its insurance obligation. In the deposit payoff method, employed in 275 cases, payment of deposits up to the insured maximum was made directly to depositors by the Corporation's claim agents. Reflecting changes in the deposit insurance maximum, one case involved protection up to $2,500 per depositor, 244 cases up to $5,000, and 30 cases up to $10,000.

The deposit assumption method, which protects depositors in full and makes their deposits available immediately, has been used

Table 2. PROTECTION OF DEPOSITORS OF INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934-1965

Item	All cases (459 banks)		Deposit payoff cases (275 banks)		Deposit assumption cases (184 banks)	
	Number or amount	Percent	Number or amount	Percent	Number or amount	Percent
Number of depositors or accounts—total [1]	1,532,325	100.0%	496,138	100.0%	1,036,187	100.0%
Full recovery received or available	1,520,593	99.2	484,406	97.6	1,036,187	100.0
From FDIC [2]	1,474,827	96.2	438,640[3]	88.4	1,036,187	100.0
From offset [4]	39,621	2.6	39,621	8.0	....	....
From security or preference [5]	2,944	.2	2,944	.6	....	....
From asset liquidation [6]	3,201	.2	3,201	.6	....	....
Full recovery not received as of December 31, 1965	11,732	.8	11,732	2.4	....	....
Terminated cases	2,863	.2	2,863	.6	....	....
Active cases [7]	8,869	.6	8,869	1.8	....	....
Amount of deposits (in thousands)—total	$701,615	100.0%	$234,116	100.0%	$467,499	100.0%
Paid or made available	671,538	95.7	204,039	87.2	467,499	100.0
By FDIC [2]	618,582	88.2	151,083[8]	64.5	467,499	100.0
By offset [9]	12,316	1.7	12,316	5.3	....	....
By security or preference [10]	24,283	3.5	24,283	10.4	....	....
By asset liquidation [11]	16,357	2.3	16,357	7.0	....	....
Not paid as of December 31, 1965	30,077	4.3	30,077	12.8	....	....
Terminated cases	1,804	.3	1,804	.8	....	....
Active cases [12]	28,273	4.0	28,273	12.0	....	....

[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 $198,531 thousand, in deposit assumption cases.
[3] Includes 57,453 depositors in terminated cases who failed to claim their insured deposits (see note 8).
[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 FDIC whose deposit balances were less than the insurance maximum.
[6] The insured portions of these depositor claims were paid by the Corporation.
[7] Full recovery available to 7,957 of these depositors.
[8] Includes $200 thousand unclaimed insured deposits in terminated cases (see note 3).
[9] Includes all amounts paid by offset.
[10] Includes all secured and preferred claims paid from asset liquidation; excludes secured and preferred claims paid by Corporation.
[11] Includes unclaimed deposits paid to authorized public custodians.
[12] Includes $10,196 thousand representing deposits available but unclaimed, expected through offset, or expected from proceeds of liquidations; and $3,770 thousand representing up to $10,000 of each of certain certificates of deposit whose insured status is in litigation.

in 184 cases. Under this procedure the Corporation acquires, by purchase or loan, the assets of the distressed bank which are unacceptable to the absorbing bank, enabling the latter to assume the liabilities of the distressed bank. Use of this method is limited to situations wherein the Corporation expects it will reduce its risk or avert a threatened loss, and to where the action will facilitate a merger with another insured bank. The method is not ordinarily suitable for situations where much uncertainty exists as to the nature and extent of a bank's deposit liabilities.

The Corporation has built its insurance operations around the twin objectives of restoring deposits to depositors as promptly as possible, while at the same time seeking to maximize recovery on its disbursements. The latter objective, which requires patience and, above all, avoidance of any disruption of local markets, accounts for the time required to liquidate assets acquired in these cases, a problem accentuated by the necessarily adverse quality of the assets. At the end of 1965, some assets remained to be liquidated from 29 failed bank cases, including the five initiated during 1965. These active cases account for the major part of the accounts and deposits not yet paid shown in Table 2. Even including these, however, less than 1 percent of the accounts in the 459 insured banks closed since January 1, 1934, had not been paid in full by the end of 1965.

Corporation disbursements and losses, 1934-1965. Since beginning operations, the Corporation has disbursed or expects to disburse $402 million in fulfilling its insurance obligation. Principal disbursements in the 184 assumption cases totaled $199 million through 1965; and in the 275 deposit payoff cases, $152 million.

Recoveries made or expected at the end of 1965 totaled $360 million, resulting in a loss to the Corporation estimated at $42 million, excluding $9 million of interest and allowable return received by the Corporation on its advances. Details of disbursements, recoveries and losses are shown in Table 3.

Provision of facilities when banks are failing. The Corporation's responsibility to depositors goes beyond protecting their deposits to providing them a banking facility, an objective that neither payoffs nor assumptions are necessarily able to accomplish.

Since its establishment the Corporation has had the authority to organize and operate a "Deposit Insurance National Bank", restricted primarily to accepting and paying deposits. Such a bank normally replaces a failed bank and provides limited banking service to a community until permanent facilities are available. The limited and temporary character of such a facility is indicated by its inability to make loans, and by the requirement that it be liquidated

Table 3. ANALYSIS OF DISBURSEMENTS, RECOVERIES AND LOSSES IN DEPOSIT INSURANCE TRANSACTIONS, JANUARY 1, 1934-DECEMBER 31, 1965
(In thousands)

Type of disbursement	Disbursements	Recoveries[1]	Losses
All disbursements—total	$402,196	$359,877	$42,319
Principal disbursements in deposit assumption and payoff cases—total	$350,181	$310,105	$40,076
Loans and assets purchased (184 deposit assumption cases):			
To December 31, 1965	$198,531	$184,959	$13,280
Estimated additional	....	292	
Deposits paid (275 deposit payoff cases):			
To December 31, 1965	150,873	115,583	26,796
Estimated additional	777	9,271	
Advances and expenses in deposit assumption and payoff cases—total	$ 50,044	$ 47,338	$ 2,706
Expenses in liquidating assets in 184 deposit assumption cases:			
Advances to protect assets	$ 32,875	$ 32,875	....
Liquidation expenses	14,463	14,463	....
Insurance expenses	248	([2])	$ 248
Field payoff and other insurance expenses in 275 deposit payoff cases	2,458	([2])	2,458
Other disbursements—total	$ 1,971	$ 2,434	$ (463)[3]
Assets purchased to facilitate termination of liquidations:			
To December 31, 1965	$ 1,772	$ 2,419	$ (662)[4]
Estimated additional	....	15	
Unallocated insurance expenses	199	([2])	199

[1] Excludes recoveries in excess of amounts due the Corporation, which were returned to stockholders and holders of capital obligations of failed banks. Does not include $9.3 million of interest and allowable return received by the Corporation on its advances.
[2] Not recoverable.
[3] Net recovery in excess of disbursements.
[4] Net profit and net income.

if it has not been transferred to private ownership within two years.

The first such banks, numbering 24, were organized solely to pay depositors of insured banks placed in receivership during the operation of the temporary insurance plan, and were terminated when payoffs were completed. After this procedure for paying depositors was made optional in the Banking Act of 1935, only three such banks have been organized. One, organized in 1935, was capitalized and chartered as a privately-owned bank the next year, and continued in operation until it consolidated with another bank in 1958. No further use of this authority was made until 1964, when two Deposit Insurance National Banks were organized, and these continued in operation during all of 1965 under Corporation auspices.

In 1950 the Corporation was given another tool to meet situations where an insured bank which has closed or is threatened with failure provides vital banking services. If continued operation of such a bank is deemed essential to provide adequate banking service in the community, the Corporation may make loans, purchase assets, or deposit funds in the bank. So far this authority has not been exercised.

SUPERVISORY ACTIVITIES

That the activities of banks substantially affect the public interest, and that consequently these institutions should be subject to some measure of public regulation has long been recognized. Banks, whose checking deposits provide the lubricant which makes possible the functioning of a modern economy, are also a primary means for channeling the economy's savings into productive outlets. As the cornerstone of the nation's financial structure, banks have the responsibility of providing a safe depository for funds and a continuity of basic services, while actively supporting growth and development of their communities.

Supervision of banks is a basic function of the bank chartering agencies. National banks are chartered and supervised by the U.S. Comptroller of the Currency. State banks are chartered under the various State laws, and those State banks which are members of the Federal Reserve System are supervised also by the Federal Reserve authorities. Although the Corporation does not charter banks, as insurer of deposits it has direct supervisory functions with respect to State nonmember banks, and some aspects of its supervision extend to all insured banks.

Applications to become insured or operate a branch. Through the power to regulate the formation of banks and acquisition of branches, the bank supervisory agencies seek to promote soundness and a desirable degree of competition in banking. Before approval of an application for insurance, the law requires that the Corporation must give consideration to the financial history and condition of the bank, the adequacy of its capital structure, its future earnings prospects, the general character of its management, the convenience and needs of the community to be served by the bank, and finally, whether or not the bank's corporate powers are consistent with the purposes of the Federal deposit insurance law.

The Corporation passes upon applications by State nonmember banks for deposit insurance; national and State member banks become insured upon certification by the appropriate Federal chartering or supervisory authority after consideration of the six factors. Throughout most of the Corporation's life, the chartering authorities have sought its opinion regarding a bank's insurance eligibility before issuing a charter.

Applications submitted by nonmember insured banks and approved by the Board of Directors in 1965 are shown in Table 4. Approvals included 97 admissions to insurance, of which 79 were new banks, and 440 applications for branches. During the year, 9 applications for insurance, 2 applications for branches, and 4 other applications were disapproved. These data relate to formal applications submitted to the Board of Directors; the number of disapprovals tends to be reduced by withdrawal or improvement of applications after preliminary discussion prior to their submission to the Board.

Table 4. APPLICATIONS APPROVED BY THE BOARD OF DIRECTORS OF THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1964 AND 1965

Type of application	1965	1964
All applications [1]	1,004	895
Admission to insurance—total	97	130
New banks	79	112
Operating banks	18	18
Continuation of insurance of banks withdrawing from Federal Reserve System	18	23
Change in type of business—total	52	70
To engage in trust business or to provide additional fiduciary services [2]	45	65
To enlarge powers of a branch	5	5
Change from industrial or savings banking to commercial	2	....
Assumption of deposit liabilities—total	52	33
Of another insured bank	45	27[3]
Of a noninsured bank	5	1
Of a nondeposit financial institution	2	3[4]
Of a branch of a noninsured foreign bank	....	2
Operation of branches—total	440	368
New branch offices	349	318
Banks becoming branches as result of absorbtion	38	26
Continue branches of absorbed predecessor	46	24
Conversion of mobile branch to stationary branch	7	....
Change of location—total	289	248
Main offices	206	168
Branches	83	80
Retirement or adjustment of capital	48	21
Service of person convicted of dishonesty or breach of trust	3	2
Exemption from requirements of Securities Exchange Act of 1934	3	....
Other	2	....

[1] Excludes applications supplementary to a primary application; for example, for an extension of time with respect to an insurance commitment for a new bank. Also excludes a few applications acted upon in prior years on which additional action was taken during 1964 and 1965.
[2] Includes permission to four new banks in 1964, and two in 1965, to do a trust business.
[3] In one case only a branch of an insured bank was absorbed.
[4] Includes two safe deposit companies and one savings and loan association.

Merger transactions. Bank mergers have constituted one of the most active areas of banking in recent years. Concern for preservation of the benefits from competition in the face of increasing numbers of mergers has led Congress to invest the bank supervisory agencies with greater responsibilities in this area.

The Bank Merger Act of 1960 requires approval by the appropriate Federal banking authority for an insured bank to engage in any absorption transaction. Consent of the Corporation is required for any transaction in which the resulting bank is an insured bank not a member of the Federal Reserve System and is outside the District

TABLE 5. MERGERS, CONSOLIDATIONS, ACQUISITIONS OF ASSETS AND ASSUMPTIONS OF LIABILITIES APPROVED UNDER SECTION 18(c) OF THE FEDERAL DEPOSIT INSURANCE ACT DURING 1965

Banks	Number of banks[1]	Resources (in thousands)[2]	Offices operated[2]	
			Prior to transaction	After transaction
ALL CASES				
Banks involved	298	$26,638,773	2,063	2,057
Absorbing banks	131	24,543,175	1,775	2,057
Absorbed banks[3]	167	2,095,598	288	......
National[4]	66	951,130	111	......
State banks members FRS	20	399,445	45	......
Not members FRS[5]	74	719,578	124	......
Noninsured institutions[3]	7	25,445	8	......
CASES WITH RESULTING BANK A NATIONAL BANK				
Banks involved	151	$14,905,078	1,253	1,257
Absorbing banks	63	13,864,528	1,097	1,257
Absorbed banks	88	1,040,550	156	......
National	44	436,225	77	......
State banks members FRS	10	138,594	18	......
Not members FRS	34	465,731	61	......
Noninsured institutions	......	......	......	......
CASES WITH RESULTING BANK A STATE BANK MEMBER OF THE FEDERAL RESERVE SYSTEM				
Banks involved	48	$ 8,095,636	435	437
Absorbing banks	21	7,579,643	397	437
Absorbed banks	27	515,993	38	......
National	8	351,217	11	......
State banks members FRS	6	88,046	7	......
Not members FRS	13	76,730	20	......
Noninsured institutions	......	......	......	......
CASES WITH RESULTING BANK NOT A MEMBER OF THE FEDERAL RESERVE SYSTEM				
Banks involved	99	$ 3,638,059	375	363
Absorbing banks	47	3,099,004	281	363
Absorbed banks	52	539,055	94	......
National[4]	14	163,688	23	......
State banks members FRS	4	172,805	20	......
Not members FRS[5]	27	177,117	43	......
Noninsured institutions[3]	7	25,445	8	......

[1] The number of resulting banks is smaller than the number of cases, which totaled 149, because a few banks participated in more than one case.
[2] Where an absorbing bank engaged in more than one transaction, the resources included are those of the bank before the latest transaction, and the number of offices before the first and after the last transaction.
[3] Includes 2 institutions other than banks (one holding company and one safe deposit company).
[4] Includes one case in which a State bank not a member of the FRS absorbed 2 branches of a national bank; resources and offices of branches (counted as 2 banks) are included in this table.
[5] In one case a newly organized State bank not a member of the FRS absorbed a branch (counted in the table as a bank) of a bank of the same class; resources and office of branch are included in this table.

of Columbia, or which involves a noninsured bank or institution. The other Federal banking agencies have similar authority over merger transactions in which the resulting bank is under their jurisdiction.

In making their determinations in 1965, each agency was required to consider the effect of the transaction on competition, including any tendency toward monopoly, in addition to the six banking factors enumerated above. Each of the agencies, along with the Attorney General, submitted advisory reports concerning the effect of the transaction on competition to the agency responsible for decision in the given case.

There were 298 banks involved in merger applications approved by the three Federal agencies during 1965. The 167 absorbed financial institutions, mostly banks, had resources totaling $2,096 million; nearly all continued in operation as banking offices. Further information regarding the applications approved during 1965 is shown in Table 5.

Merger applications approved by the Corporation during 1965 involved the absorption of 52 financial institutions with resources of $539 million. Data concerning these cases, with a statement for each giving the basis for approval and a summary by the Attorney General of his report regarding the competitive factors involved, are shown in Table 15, pp. 33-77.

Bank examinations. As a basic supervisory tool, the bank examination develops information which forms a basis for the Corporation's decisions affecting individual banks. Included in examination reports are details of the bank's financial condition, a report of any violations of pertinent banking laws and regulations, and finally an evaluation of the bank's management.

Table 6. BANK EXAMINATION ACTIVITIES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1964 AND 1965

Activity	Number	
	1965	1964
Field examinations and investigations—total	**12,981**	**12,484**
Examinations of main offices	**6,796**	**6,753**
Regular examinations of insured banks not members of Federal Reserve System	6,618	6,592
Re-examinations; or other than regular examinations	146	124
Entrance examinations of operating noninsured banks	32	37
Examinations of departments and branches	**4,439**	**3,977**
Examinations of trust departments	1,056	981
Examinations of branches	3,383	2,996
Investigations	**1,748**	**1,754**
New bank investigations	151	214
State banks members of Federal Reserve System	*6*	*5*
Banks not members of Federal Reserve System	*145*	*209*
New branch investigations	435	373
Mergers and consolidations	144	147
Miscellaneous investigations	1,016	1,020
Washington office review of reports of examination of insured banks—total	**9,077**	**7,600**
National banks	1,607	57
State banks members of Federal Reserve System	603	1,134
State banks not members of Federal Reserve System	6,867	6,409

The policy of the Corporation is to examine each bank under its supervision at least once each year. More than one examination may be made if corrective action is involved, or if otherwise deemed necessary. Although authorized by law to examine any insured bank for insurance purposes, in practice the Corporation reviews the examination reports of the Federal supervisory agencies and rarely makes its own examinations of national banks or State member banks.

Numbers of examinations and investigations made in 1964 and 1965, along with reviews of reports, are shown in Table 6.

Citations for unsafe or unsound banking practices and violations of law. When examination of a bank reveals continuation of unsafe or unsound banking practices or violation of law or regulations, the Corporation has the authority and duty to begin proceedings for termination of the bank's insured status. These proceedings, prescribed under Section 8 (a) of the Federal Deposit Insurance Act, are started only after cooperative actions between the bank and the Corporation have been exhausted. After formal notice of the violations or objectionable practices, the bank is given a stipulated period for their correction, and later opportunity, if the proceeding is continued, to present its case at an administrative hearing. If and when insurance is withdrawn, the insured deposit of each depositor on the date of termination, less later withdrawals, continues to be insured for two years.

During 1965, proceedings were instituted against four banks. One case was closed when the bank suspended. Four cases were still pending at the year's end, including one case begun in 1964.

During the Corporation's entire period of operation, actions to terminate insurance have been taken against 193 banks. In only 12 cases have proceedings reached the ultimate stage of actual or scheduled termination. A summary of the outcome of all termination proceedings is given in Table 7.

Regulation of bank securities. During 1965 the banking industry for the first time became substantially involved with Federal securities regulation. Public Law 88-467, approved by the President on August 20, 1964, extended the registration and reporting provisions of the Securities Exchange Act of 1934 to securities traded in the over-the-counter market, including securities issued by banks. Under new section 12(g) of the Act, an issuer of securities, having assets exceeding one million dollars and a class of equity security held of record by 750 or more persons (500 after July 1, 1966), is required to register such security within 120 days after the last day of its first fiscal year on which it meets the minimum standards. Additional reporting requirements are contained in sections 13, 14(a), 14(c) and 16 of the Act. The responsibility for administering and enforcing the Act with respect to insured banks is vested by section 12(i) in the three Federal bank supervisory authorities. The

Table 7. ACTIONS TO TERMINATE INSURED STATUS OF BANKS CHARGED WITH UNSAFE OR UNSOUND BANKING PRACTICES OR VIOLATIONS OF LAW OR REGULATIONS, 1936-1965

Disposition or status	1936-1965[1]	Started during 1965
Total banks against which action was taken	193	4
Cases closed	189	1
Corrections made	74	....
Banks absorbed or succeeded by other banks	68	....
With financial aid of the Corporation	62	....
Without financial aid of the Corporation	6	....
Banks suspended prior to setting date of termination of insured status by Corporation	35	1
Insured status terminated, or date for such termination set by Corporation, for failure to make corrections	12	....
Banks suspended prior to or on date of termination of insured status	9	....
Banks continued in operation [2]	3	....
Cases not closed December 31, 1965	4	3
Correction period not expired	1	....
Action deferred pending analysis of examination	2	2
Date set for hearing	1	1

[1] No action to terminate the insured status of any bank was taken before 1936. In 5 cases where initial action was replaced by action based upon additional charges, only the latter action is included.
[2] One of these suspended 4 months after its insured status was terminated.

Federal Deposit Insurance Corporation has this responsibility for all insured State nonmember banks.

Regulations of the Corporation implementing the Act became effective January 1, 1965, and were published in the Federal Register of January 12, 1965. Designated Part 335, these regulations set forth procedures for meeting registration and reporting requirements. Forms and instructions provide itemized requirements for the content of each of the reports and statements specified in the Act: (1) the registration statement; (2) the annual report; (3) the current report; (4) the quarterly report; (5) the proxy statement; and (6) reports by directors, officers, and large stockholders of their transactions in the bank's stock.

Because of certain built-in delays in the statute and the fact that almost all banks have a fiscal year that coincides with the calendar year, the new legislation had little impact upon banks until 1965. By April 30, 1965, the 120-day deadline as specified in the Act, 42 insured State nonmember banks had filed registration statements with the Corporation. Later in the year, after being granted an extension of time, 34 additional banks filed registration statements, bringing to 76 the total number of such statements filed with the Corporation during 1965. Under its authority to exempt a bank from the registration and reporting requirements, the Corporation approved three of five applications for such exemption for a period of one year.

Since registration does not become effective until 60 days after the filing of the registration statement, and no additional reports are required until such date, periodic and supplemental reporting was principally confined to the last several months of 1965. During the year, 20 current reports were filed by 17 banks, and 209 quarterly reports were received. Proxy soliciting material was filed by management for special meetings of stockholders in 13 cases. Initial statements of beneficial ownership of securities were received from 1,686 "insiders," or an average of almost 23 per bank, along with 438 statements of changes in beneficial ownership of securities.

Within the Corporation, administration of the statute and regulations is assigned to the Division of Examination. Registration statements and other reports are examined for compliance with the regulations and the standards of adequate disclosure. If the document is materially deficient, an amendment is requested. In the case of proxy solicitations, material is filed in preliminary form prior to the date of the proposed solicitation. Where preliminary material fails to comply with requirements, the responsible party is advised informally of necessary corrections prior to furnishing security holders with definitive proxy material. In neither situation does the review or clearance of material imply approval or certify the accuracy of any statement.

To make this information widely available to investors, statements and reports of banks under the Corporation's jurisdiction are available for public inspection both at its main office in Washington and at each of the twelve Federal Reserve Banks. The statements and reports of State banks supervised by the Federal Reserve System also are available at these locations. Copies of all public filings are available in reasonable quantities free of charge from the Corporation.

Reports from banks. Reports obtained from banks antedate examination as a supervisory tool, and continue to provide valuable information useful both in supervision and in the analysis of economic conditions. Each year since 1934 the Corporation has obtained reports from insured banks regarding their assets, liabilities and income. Since 1935 it has also collected data concerning assets and liabilities of noninsured banks, and in 1947 was assigned responsibility for preparing and issuing data relating to all banks operating in the United States.

Until 1961 each insured bank submitted reports of condition at or near the middle and end of each year. Since the beginning of 1961, and as a result of statutory changes in the method of computing deposit insurance assessments, each insured bank has filed four reports of condition a year. In 1965, reports were required for April 26, June 30, October 13, and December 31. Data from the mid-year and year-end reports are tabulated and, classified by State, are published separately by the Corporation.

Reports of income of all banks insured by the Corporation are submitted on a calendar year basis and, consolidated and classified in different ways, are published in the Corporation's Annual Report. No information is received by the Corporation on the income of noninsured banks.

Tabulations of the assets and liabilities of both insured and noninsured banks, and data on the income of insured banks, will be published in the forthcoming full Annual Report.

Conferences of supervisors of State banks. The Corporation added a new dimension to its long history of cooperation with State supervisors of banks by inaugurating a series of conferences in mid-1964. At the first conference, in June of that year, the Corporation was host to supervisors of banks in the States comprising FDIC District 12. In the first half of 1965 two further conferences were held. At the one in February, the guests were State supervisors of banks in the States making up FDIC Districts 1 and 2. Another in May brought together supervisors of banks in the States comprising FDIC Districts 3, 6, 7 and 8. Attendance and other details concerning these conferences were included in the Corporation's Reports to Insured Banks for June 30, 1964 and June 30, 1965, respectively.

The series of conferences was continued on November 16-18, 1965 when officials of the Corporation met with bank supervisors and their senior staff aides from States in FDIC Districts 4 and 5. The discussions ranged over a variety of subjects, including proposed or pending legislation at both the State and Federal levels, developments in bank auditing, shifting patterns in assets and liabilities of banks, the outlook for branch banking and competition with other financial institutions. Through exchange of attitudes and information on these and other matters the Corporation believes it has contributed to better understanding among bank supervisors generally.

LEGAL DEVELOPMENTS

Federal legislation. In 1965 both the domestic and international operations of banks were the subject of Federal legislation. Measures pertaining to certain types of bank lending included Public Law 88-59, approved on June 30, 1965, which provides additional necessary assistance to victims of natural disasters under existing SBA programs. The act increases the maturity of Small Business Administration disaster loans from 20 to 30 years. It provides for a suspension of up to 5 years on the payment of principal and interest on disaster loans at the discretion of the Small Business Administration upon showing of need. If the disaster loan upon which a suspension is granted is a participation loan, SBA shall, at the request of the lender, (1) purchase the participating lender's portion of the loan; or (2) in order to avoid default of the loan, make payments to the participating lender on behalf of the borrower during the suspension period.

The Housing and Urban Development Act of 1965 provides additional authorizations and funds to continue Federally assisted housing and urban development programs for 4 years and makes improvements affecting nearly every housing program. This act, Public Law 89-117, approved August 10, 1965, includes 11 titles and approximately 98 sections. Under Title XI, Section 24 of the Federal Reserve Act is amended, extending from 18 to 24 months the maximum maturity of construction loans made by commercial banks.

The Coinage Act of 1965 (Public Law 89-81) was approved on July 23, 1965. This act is intended to conserve the nation's dwindling stock of silver by providing for minting 10- and 25-cent pieces containing no silver, and 50-cent pieces of 40 percent silver content. The act makes numerous changes in coinage laws to smooth the transition to the new coins. Under certain circumstances, the use of coins as security for loans may also be prohibited.

On August 28, 1965, the President approved Public Law 89-145 to permit government agencies to draw a single check, representing payments to one or more persons, in favor of a financial institution used by such persons as a depository.

Federal legislation in 1965 included several measures relating to balance-of-payments transactions and conservation of the nation's gold. Public Law 89-3, approved on March 3, 1965, eliminated the requirement that Federal Reserve Banks maintain a gold certificate reserve of at least 25 percent against their deposit liabilities. A similar reserve requirement with respect to Federal Reserve notes was not affected.

The President signed Public Law 89-79 on July 21, 1965, extending for three additional years the provisions in sec. 19 of the Federal Reserve Act and sec. 18(g) of the Federal Deposit Insurance Act permitting domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors.

Public Law 89-175, signed on September 9, 1965, established a program of voluntary agreements among banks and other financial institutions directed to the curtailment of the private flow of dollar funds and credit from the United States to foreign countries. Participants are given immunity from antitrust laws.

Rules and regulations of the Corporation. On December 7, 1965, Part 329 of the Corporation's regulations was amended to conform with an amendment adopted by the Board of Governors of the Federal Reserve System providing for payment of a maximum permissible rate of interest of 5½ percent per annum on certain deposits by national and other member banks. Section 329.6 was amended to permit insured State nonmember banks to pay a maximum permissible rate of 5½ percent per annum, compounded quarterly, regardless of the basis upon which such interest may be computed, on any time deposit, and to pay a maximum permissible rate of 4 percent per annum, compounded quarterly, regardless of the basis upon which such interest may be computed, on any savings deposit.

Ruling of Commissioner of Internal Revenue. A revised method for computing annual additions to reserves for bad debts by banks for taxable years ending after December 31, 1964 was provided in a ruling by the Commissioner of Internal Revenue (Rev. Rul. 65-92, also released as Technical Information Release 707, March 15, 1965). It superseded previous rulings issued December 8, 1947 (mimeograph 6209, C.B. 1947-2, 26) and April 8, 1954 (mimeograph 54-55, Rev. Rul. 54-148, C.B. 1954-1, 60).

The 1947 ruling authorized a bank to use a 20-year moving average, including the taxable year, in determining annual additions to bad debt reserves which can be deducted from taxable income. For any portion of such 20-year period during which the bank was not in existence, the bank was authorized to use the average experience of other similar banks with respect to the same type of loans. The 1954 ruling gave a bank the alternative of computing its loss experience on the basis of any 20 consecutive years of its own experience after 1927.

The new ruling effective for 1965 is intended to minimize the differences in permissible reserves existing among banks under prior rulings. In lieu of using a loss experience factor determined on an individual basis, a bank is now allowed deductions for additions to its reserve for bad debts until the reserve equals 2.4 percent of loans outstanding at the close of the taxable year, subject to certain exceptions and limitations.

Text of statutes, regulations, and rulings. Pertinent provisions of the foregoing statutes, regulations, and rulings, along with a summary of significant State banking legislation, will be published in the full report to be released later.

ADMINISTRATION OF THE CORPORATION

Structure and employees. Management of the Corporation is vested in a Board of Directors consisting of three members, two of whom are appointed for six-year terms by the President, by and with the advice and consent of the Senate. One of the two Directors so appointed serves as Chairman of the Board. The Comptroller of the Currency (also a Presidential appointee) serves *ex officio* as the third member of the Board. Not more than two Directors may be members of the same political party.

Mr. K. A. Randall, Chairman of the Board, was appointed a Director on March 10, 1964. He was elected to his present position on April 25, 1965, after designation of Chairman Joseph W. Barr to become Under Secretary of the Treasury. Mr. Barr continued as Director until his resignation effective April 29, 1965. Mr. James J. Saxon, Comptroller of the Currency, was on the Board throughout 1965. The Board was returned to full strength by the appointment as Director of Mr. William W. Sherrill to a full term beginning March 4, 1966.

Corporation officials are listed on page v, opposite an organizational chart of the Corporation. During the year a realignment of audit functions resulted in the elimination of the former Audit Division, and transfer of its responsibilities for the Corporation's independent internal audit and liquidation audit to the newly-created position of Auditor of the Corporation. The field personnel of the former Audit Division were transferred to the Assessment Branch of the Office of the Controller, and audit responsibilities in the examination area were assigned to the Examination Division.

In 1965 the increase of Corporation personnel totaled 58, consisting of 17 in the Washington office and 41 in the District offices. In the home office, the increase was spread among the Legal, Liquidation, Examination, and Research and Statistics Divisions. Outside of Washington, the increase occurred entirely in the Division of Examination field offices. Transfers of audit personnel were reflected primarily in the increase of Executive Offices employees and in the addition of field staff in the Office of the Controller. A distribution of the Corporation's employees at the end of 1964 and 1965 is shown in Table 8.

Table 8. NUMBER OF OFFICERS AND EMPLOYEES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION, DECEMBER 31, 1964 AND 1965

Unit	Total		Washington office		District and other field offices	
	1965	1964	1965	1964	1965	1964
Total	**1,446**	**1,388**	**363**	**346**	**1,083**	**1,042**
Directors	2	3	2	3	0	0
Executive Offices	43	29	43	29	0	0
Legal Division	36	26	36	26	0	0
Division of Examination	1,078	1,013	62	58	1,016	955
Division of Liquidation	101	108	45	41	56	67
Division of Research and Statistics	72	65	72	65	0	0
Office of the Controller	114	106	103	106	11	0
Audit Division	....	38	....	18	....	20

From an average employment of 831 field bank examiners, 111 left the employ of the Corporation in 1965. Forty-four of the examiners went to banks or to State or Federal supervisory agencies. For all employees, exclusive of temporary personnel, the turnover rate was 16 per 100, the same as in 1964. Among field bank examiners, who comprise the largest class of employees, the rate was 13 per 100. However, excluding several examiners who accelerated their retirement under Public Law 89-314, the turnover ratio was 12 per 100, again equal to the 1964 rate.

During the year, 148 temporary field liquidation employees were hired and 167 were separated. At year-end, the employment of temporary field liquidation personnel totaled 48. These temporary field personnel, who perform primarily clerical tasks, are appointed at the site of each bank liquidation and their services terminated as individual liquidations are completed.

Employee benefits and programs. Corporation personnel are covered under benefit plans generally available to Federal employees. These include retirement annuities, group life insurance, hospitalization and medical payments insurance, compensation for on-the-job injuries, unemployment benefits, and competitive leave allowances. In such of these programs as provide an option, upwards of 90 percent of the employees participate. The Corporation also provides facilities for an employees' credit union; this is particularly helpful to examiners, who are prohibited by law from borrowing from insured banks.

For many years, the Corporation has had a program under which on-the-job training of examiners is supplemented by extensive educational courses. These consist of correspondence courses offered by the American Institute of Banking, graduate schools of banking at several leading universities, and supervisory agency schools conducted jointly with the Federal Reserve Board. The latter include schools for trainees and junior examiners, as well as training exercises in the fields of bank automation and trust department examinations. At the end of 1965, 95 percent of all examiners were enrolled under these various programs.

FINANCES OF THE CORPORATION

Assets and liabilities. Assets and liabilities of the Corporation on December 31, 1965, are presented in Table 9.

At the end of 1965, assets of the Corporation totaled $3,212 million. United States Government obligations, valued at amortized cost, with accrued interest, comprised $3,190 million. Of the nearly $22 million remaining, nearly half consisted of the estimated net value of assets acquired in insurance transactions. The Corpora-

Table 9. STATEMENT OF FINANCIAL CONDITION, FEDERAL DEPOSIT INSURANCE CORPORATION, DECEMBER 31, 1965

ASSETS		
Cash		$ 3,753,929
U. S. Government obligations:		
Securities at amortized cost (face value $3,171,999,000; market or redemption value $2,985,975,804)	$3,157,732,051	
Accrued interest receivable	32,476,155	3,190,208,206
Assets acquired in receivership and deposit assumption transactions: [1]		
Subrogated claims of depositors against closed insured banks	$ 20,691,811	
Net insured balances of depositors in closed insured banks, to be subrogated when paid—see related liability [2]	777,182	
Loans to insured banks	953,780	
Equity in assets acquired under purchase agreements	1,741,348	
Assets purchased outright	15,011	
	$ 24,179,132	
Less reserves for losses	14,600,500	9,578,632
Miscellaneous assets		151,195
Land and office building, less depreciation on building		8,040,515
Furniture, fixtures, and equipment (cost $1,082,076)		1
Total assets		$3,211,732,478
LIABILITIES AND DEPOSIT INSURANCE FUND [3]		
Accounts payable and accrued liabilities		$ 1,101,175
Earnest money, escrow funds, and collections held for others		209,279
Accrued annual leave of employees		1,268,909
Due insured banks:		
Net assessment income credits available July 1, 1966[4] (See Table 11)	$ 158,337,888	
Other assessment credits available immediately	13,712,295	172,050,183
Net insured balances of depositors in closed insured banks —see related asset		777,182
Total liabilities		$ 175,406,728
Deposit insurance fund, net income accumulated since inception [5] (See Table 10)		3,036,325,750
Total liabilities and deposit insurance fund		$3,211,732,478

The following notes are an integral part of this statement.

[1] Reported hereunder is the book value of assets in process of liquidation. An analysis of all assets acquired in receivership and deposit assumption transactions, including those assets which have been liquidated, is furnished in Table 3.

[2] The amount reported under this caption does not include any portion of certain certificates of deposit carried on the books of some of the closed banks as deposits which are in litigation to determine whether they represent funds received by the banks in the usual course of business. If the courts find that all such certificates of deposit were acquired in the usual course of business, the holders would be entitled to recover the insured portion from the Corporation, amounting to about $3.8 million. The Corporation would in turn have a common claim against the banks' assets in like amount.

[3] Capital stock was retired by payments to the United States Treasury in 1947 and 1948 pursuant to the Acts of August 5, 1947 (61 Stat. 773) and June 29, 1948 (62 Stat. 1092), with total interest payments made thereon in 1950 and 1951, pursuant to the Act of September 21, 1950 (64 Stat. 873).

[4] Represents the portion of the Corporation's net assessment income for 1965 which, pursuant to the Federal Deposit Insurance Act (12 U.S.C. 1817), shall be credited to assessments becoming due from insured banks after June 30, 1966. These credits in effect reduce insured banks' assessments for 1965 from the statutory rate of one-twelfth of 1 percent of assessable deposits to an effective rate of almost one-thirty-second of 1 percent of such deposits.

[5] The deposit insurance fund represents the accumulated net income of the Corporation and is available for insuring deposits and payment of expenses. On June 30, 1965 the Fund amounted to 1.50 percent of insured deposits, estimated at $195.6 billion; and to 0.83 percent of total deposits in all insured banks, amounting to approximately $355.0 billion. In addition to this Fund, the Corporation is authorized to borrow from the United States Treasury, and the Secretary of the Treasury is authorized and directed to loan to the Corporation on such terms as may be fixed by the Corporation and the Secretary, not to exceed $3 billion outstanding at any one time, when in the judgment of the Board of Directors of the Corporation such funds are required for insurance purposes. No borrowiings have been made under this authorization.

NOTE: This statement does not include accountability for the assets and liabilities of either the closed insured banks for which the Corporation acts as receiver or liquidating agent or those of the two wholly owned Deposit Insurance National Banks in operation on December 31, 1965. Periodic and final accountability reports of its activities as receiver or liquidating agent are furnished by the Corporation to the courts, supervisory authorities, and others, as required. The operating deficits of the two Deposit Insurance National Banks, amounting to $74,877, are reflected in the Corporation's statement of income and deposit insurance fund.

tion's office building and site were valued at $8 million, and cash amounted to almost $4 million.

Liabilities totaled $175 million on December 31, 1965, and consisted almost entirely of net assessment income credits due insured banks. Credits not available immediately will be available July 1, 1966 for application against assessments then due.

The excess of the Corporation's assets over its liabilities, representing its accumulated income or surplus, constitutes the deposit insurance fund. This fund, which comprises the Corporation's basic resource for protection of depositors, amounted to $3,036 million at the end of 1965. Further resources are available to the Corporation through its authority to borrow up to $3 billion from the United States Treasury whenever the Corporation's Board of Directors adjudges such funds are needed for insurance purposes. This borrowing authority has never been used.

Income and expenses in 1965. A statement of the Corporation's income and expenses in 1965, showing also the change in the deposit insurance fund for the year, is presented in Table 10.

Net income added to the insurance fund in 1965, after expenses, losses, and assessment credits, amounted to $192 million. Interest

Table 10. STATEMENT OF INCOME AND THE DEPOSIT INSURANCE FUND, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1965

Income:		
Deposit insurance assessments:		
Assessments earned in 1965	$260,497,027	
Less net assessment income credits to insured banks	158,336,297	$ 102,160,730
Adjustments of assessments earned in prior years		10,154
		$ 102,170,884
Net income from U. S. Government securities		112,278,146
Other income		201,726
Total income		**$ 214,650,756**
Expenses and losses:		
Administrative and operating expenses:		
Salaries and wages	$ 11,834,062	
Civil Service retirement fund and F.I.C.A. payments	763,813	
Travel expenses	3,065,924	
Office rentals, communications and other expenses	2,009,040	$ 17,672,839
Provisions for insurance losses:		
Applicable to banks assisted in 1965	$ 6,375,000	
Adjustments appllicabe to banks assisted in prior years	1,698,441	4,676,559
Non-recoverable insurance expenses incurred to protect depositors—net		640,824
Total expenses and losses		**$ 22,990,222**
Net addition to the deposit insurance fund—1965		**$ 191,660,534**
Deposit insurance fund, January 1, 1965		**2,844,665,216**
Deposit insurance fund, December 31, 1965, net income accumulated since inception (See Table 9 and note 5 of Table 9)		**$3,036,325,750**

on United States Government securities, plus adjustments for portfolio changes, provided $112 million. Assessment income allocated to the Corporation amounted to $102 million. Operating expenses aggregated less than $18 million while insurance losses and expenses exceeded $5 million.

The statutory assessment rate of one-twelfth of 1 percent of assessable deposits would have yielded assessment income of $260 million in 1965. However, two-thirds of this amount, after deduction of the Corporation's expenses and losses, was credited to insured banks, under further statutory provisions. This assessment credit, which amounted to $158 million in 1965, reduced the effective assessment rate in 1965 to approximately one-thirty-second of 1 percent of assessable deposits. The determination and distribution of net assessment income in 1965 is shown in Table 11.

Table 11. DETERMINATION AND DISTRIBUTION OF NET ASSESSMENT INCOME, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1965

Determination of net assessment income:		
Total assessments which became due during the calendar year		$260,497,027
Less:		
Administrative and operating expenses		17,672,839
Net additions to reserve to provide for insurance losses:		
Provisions applicable to banks assisted in 1965	$ 6,375,000	
Adjustments to provisions for banks assisted in prior years	1,698,441	4,676,559
Insurance expenses		643,183[1]
Total deductions		$ 22,992,581
Net assessment income for 1965		$237,504,446
Distribution of net assessment income, December 31, 1965:		
Net assessment income for 1965:		
33⅓ % transferred to the deposit insurance fund		$ 79,168,149
66⅔% credited to insured banks		158,336,297
Total		$237,504,446
Allocation of net assessment income credit among insured banks, December 31, 1965:		Percentage of total assessment becoming due in 1965
Credit for 1965	$158,336,297	60.782%
Adjustments of credits for prior years	1,591	.001
Total	$158,337,888	60.783%

[1] Insurance expenses reported in Table 10 are net after applying a credit of $2,359, representing income not applicable to net assessment income.

Other funds at the disposal of the Corporation during 1965 consisted principally of funds arising from the redemption and sale of U. S. Government securities. These were reinvested, along with other income, in similar obligations of the United States. The sources and uses of all funds handled by the Corporation in 1965 are shown in Table 12.

Income and expenses, 1934-1965. The cumulative income of the Corporation since its establishment reached $3,393 million at the end of 1965, as shown in Table 13. Almost two-thirds of it came from insurance assessments, but these have come to comprise a much smaller proportion of annual income in recent years. As the insurance fund grows larger, and holdings of U. S. Government obligations, in which it is invested, increase, income from these investments provides a steadily larger proportion of income.

Table 12. SOURCES AND APPLICATION OF FUNDS, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1965

Funds provided by:	
Net deposit insurance assessments	$102,170,884
Income from U. S. Government securities, less amortized net discounts	112,153,659
Maturities and sales of U. S. Government securities	611,577,953
Collections on assets acquired in receivership and deposit assumption transactions	9,464,007
Increase in assessment credits due insured banks	10,958,893
Total funds provided	**$846,325,396**
Funds applied to:	
Administrative, operating and insurance expenses, less miscellaneous credits	$ 17,976,301
Acquisition of assets in receivership and deposit assumption transactions	9,347,021
Purchases of U. S. Government securities	814,131,189
Net changes in other assets and liabilities	4,870,885
Total funds applied	**$846,325,396**

Operating expenses, insurance losses and expenses, and interest paid on capital stock have required $357 million, or about 10 percent of total income. The difference between total income and these expenses and losses comprises the deposit insurance fund.

The relationship of the insurance fund to the Corporation's contingent liability, specifically, insured deposits, has long been of interest. Attention is focused on it particularly when proposals are made to increase the amount of insurance per depositor, or to curtail additions to the fund. The ratio of the fund to insured deposits has ranged between rather narrow limits during the Corporation's 32 years of operation, as shown in Table 14; at the end of 1965 it stood at 1.45 percent. By itself, of course, the ratio can neither prove nor disprove the adequacy of the fund. For on one hand it ignores the Corporation's borrowing capacity; and on the other, our economy has yet to experience banking stresses which would seriously test the Corporation's full resources.

Audit. A continuous internal audit is made of the Corporation's operations. An Audit Division, which formerly performed this function, was abolished in 1965, and its duties with respect to internal audit were transferred to the newly designated office of Auditor.

Table 13. INCOME AND EXPENSES, FEDERAL DEPOSIT INSURANCE CORPORATION, BY YEAR, FROM BEGINNING OF OPERATIONS, SEPTEMBER 11, 1933, TO DECEMBER 31, 1965, ADJUSTED TO DECEMBER 31, 1965

(In millions)

Year	Income			Expenses and losses				Net income added to deposit insurance fund[4]
	Total	Deposit insurance assess-ments[1]	Invest-ments and other sources[2]	Total	Deposit Insurance losses and expenses	Interest on capital stock[3]	Adminis-trative and operating expenses	
1933-65...	$3,393.1	$2,180.1	$1,213.0	$356.8	$42.3	$80.6	$233.9	$3,036.3
1965......	214.6	102.2	112.4	24.1	6.4	....	17.7	190.5
1964......	197.1	93.0	104.1	18.9	3.4	....	15.5	178.2
1963......	181.9	84.2	97.7	16.4	2.0	....	14.4	165.5
1962......	161.1	76.5	84.6	13.8	.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	.1	....	12.4	132.1
1959......	136.5	78.6	57.9	12.1	.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	.1	....	9.6	107.6
1956......	111.9	68.2	43.7	9.6	.5	....	9.1	102.3
1955......	105.7	66.1	39.6	9.0	.3	....	8.7	96.7
1954......	99.7	62.4	37.3	7.8	.1	....	7.7	91.9
1953......	94.2	60.2	34.0	7.3	.1	....	7.2	86.9
1952......	88.6	57.3	31.3	7.8	.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	.3	....	6.1	144.7
1948......	145.6	119.3	26.3	7.0	.7	.6	5.7	138.6
1947......	157.5	114.4	43.1	9.9	.1	4.8	5.0	147.6
1946......	130.7	107.0	23.7	10.0	.1	5.8	4.1	120.7
1945......	121.0	93.7	27.3	9.4	.1	5.8	3.5	111.6
1944......	99.3	80.9	18.4	9.3	.1	5.8	3.4	90.0
1943......	86.6	70.0	16.6	9.8	.2	5.8	3.8	76.8
1942......	69.1	56.5	12.6	10.1	.5	5.8	3.8	59.0
1941......	62.0	51.4	10.6	10.1	.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	([5])	7.0	10.0	.2	5.6	4.2[6]	−3.0[7]

[1] For the period from 1950 to 1965, 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 amounted to $1,614 million, equal to 58.5% of gross assessments.

[2] Includes $9.3 million of interest and allowable return received on funds advanced by the Corporation in 162 receivership and deposit assumption cases.

[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 United States Treasury in 1947 and 1948.

[4] The amounts shown herein give effect to adjustments to the deposit insurance fund in the years to which they are applicable, whereas the amounts of the Fund shown in Table 14 represent the Fund as reported on the dates specified. Hence the deposit insurance fund reported in Table 14 cannot be computed by annual addition of income reported herein, except for the Fund as of December 31, 1965.

[5] 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.

[6] Net after deducting the portion of expenses and losses charged to banks withdrawing from the temporary insurance funds on June 30, 1934.

[7] Deduction.

Table 14. INSURED DEPOSITS AND THE DEPOSIT INSURANCE FUND, 1934-1965

Year (Dec. 31)	Deposits in insured banks (in millions)		Percent of deposits insured	Deposit insurance fund (in millions)	Ratio of deposit insurance fund to—	
	Total	Insured[1]			Total deposits	Insured deposits
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	158,174	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	333.0	.83	1.84

[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.

In addition, an independent audit of the Corporation has been made each year since its establishment, first by private firms and later by the General Accounting Office. In the 1950 enactment of the Federal Deposit Insurance Act the Corporation recommended, and the Congress enacted, legislation providing that the financial transactions of the Corporation shall be audited by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States.

Table 15. DESCRIPTION OF EACH MERGER, CONSOLIDATION, ACQUISITION OF ASSETS OR ASSUMPTION OF LIABILITIES APPROVED BY THE CORPORATION DURING 1965

Case No. 1	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Security State Bank of Ephrata, Ephrata, Washington (change title to Security Bank of Washington)	5,667	3	5
to merge with			
Douglas County Bank, East Wenatchee, Washington	4,971	2	

Summary report by Attorney General, October 8, 1964

The Security State Bank, a small resident-owned banking institution located in Ephrata, with total assets of $5,616,000 and two branch offices, proposes to merge with the Douglas County Bank of East Wenatchee which has total assets of $4,373,000 and a single branch office. Neither of the participating banks has previously been involved in a merger or acquisition and direct competition between the two is practically nonexistent. While one independent bank will be eliminated by this merger, it is noted that Douglas County Bank has experienced operating difficulties and has considered merger with a large Seattle-based bank. Three such banks, the only competitors of the resulting bank, will suffer no conceivable competitive disadvantages.

We conclude that the proposed merger will not have a substantially adverse effect upon competition.

Basis for Corporation approval, January 7, 1965

This merger involves two relatively small locally-owned banks located in central Washington. Security operates its main office and two branches in Grant County and Douglas operates its main office and one branch in Douglas County. The main offices of the two banks are located 46 miles apart and the nearest offices of each are some 30 to 33 miles apart. The service areas are contiguous but do not overlap and there is little or no competition between the two banks which would be eliminated as a result of the merger.

The two banks have been under the same principal management since 1960 and are now commonly owned to a considerable degree. Although one independent bank will be eliminated, there will be no diminution in the number of banking offices and no impairment in service or convenience to the public should occur. Competition is provided by eight area offices of the three largest branch systems in Washington and the expanded resources and larger lending limits of the resulting bank should tend to increase, somewhat, competition with these banks. On a statewide basis, the resulting bank will hold only a fraction of one percent of deposits and loans and but 14.2 percent and 11.6 percent of deposits and loans, respectively, in the relevant service area. The proposed merger will enable better overall supervision of activities of the two banks, which are already closely related, and should result in improved and more efficient banking services for the community.

There is no tendency toward monopoly indicated and in view of the foregoing, the proposed merger is considered to be in the public interest.

Case No. 2	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
The Savings Society Commercial Bank, Springfield, Ohio (change title to The Springfield Bank)	10,604	3	4
to merge with			
The First State Bank, South Charleston	3,620	1	
to acquire the assets and assume liabilities of			
The Springfield Savings Society of Clark County, Ohio, Springfield	27,326	3	

Summary report by Attorney General, December 2, 1964

The conjunction of the Commercial Bank, the Savings Society, and the State Bank will result in one commercial bank in Clark County, Ohio, under the ownership and control of Transcontinental Investing Corporation through an intermediary Ohio Center Corp., another general purpose corporation.

Direct competition between the banks is not substantial and of little significance because of present common ownership in the Savings Society. The creation of a single entity will render more remote the possibility of eventual deconcentration in the area. The degree of existing concentration shown in the application indicates that the possibility of deconcentration might well be preserved.

It is considered that the potential effects on competition resulting from these multiple transactions will be adverse.

Basis for Corporation approval, January 22, 1965

The proposed transactions involve a merger of two commercial banks and the purchase of assets and assumption of liabilities of a mutual savings bank by the resulting merged bank. The mutual savings bank owns all of the common stock outstanding in the two commercial banks except for directors' qualifying shares, and its three offices are shared by one of the commercial banks. Depositors of the mutual savings bank have approved the "Agreement for purchase and Sale of Stock and Other Assets." The mutual savings bank and one commercial bank are located in Springfield, Ohio, which is situated in the west-central sector of the State. The other commercial bank is located in South Charleston, 12 miles southeast from Springfield in an agricultural area.

The three banks involved are commonly controlled and managed and there will be no elimination of competition or increase in concentration of banking resources. The resulting bank will hold 22.8 percent of aggregate IPC deposits and 26.0 percent of aggregate loans held by all banks in the service area. It will be exceeded in size by a national bank in Springfield which holds 28.0 percent of aggregate IPC deposits and 28.8 percent of aggregate loans. The national bank is one of 22 banks affiliated with the BancOhio Corporation, a registered bank holding company, operating 68 offices throughout Ohio with aggregate resources exceeding $854,000,000.

A favorable finding has been made on each of the banking factors and on the competitive factor. The resulting bank, operating as a single unit, could more efficiently provide banking services than can the three banks operating independently, and the proposed transactions are concluded to be in the public interest.

Case No. 3	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Industrial Trust & Savings Bank, Muncie, Indiana	20,814	3	4
to merge with			
Yorktown State Bank, Yorktown	3,332	1	

Summary report by Attorney General, November 30, 1964

If the proposed merger of Industrial and Yorktown is approved, Yorktown's only office will be converted to a branch of the resulting bank. Yorktown's share of IPC deposits and loans and discounts (less than 6 percent in either category), its size relative to that of its competitors (approximately 10 percent as large as its smallest competitor, Industrial), the location of a competing bank's branch office in the same town as Yorktown, and the ownership of its entire capital stock by persons who are officials of Industrial all tend to dull Yorktown's competitive vigor. Of the four banks listed as competing in the resulting bank's service area, Yorktown is the only one without branch offices. Without branches in such a geographically large, but sparsely settled, service area, Yorktown's capacity for competing for deposits and loans is limited. Moreover, at present, Merchants, the largest bank, is more than two times larger than American, the second largest, and the resulting bank would approximate the position held by American in IPC deposits and loans.

The proposed merger would not appear to have significantly adverse effects upon competition.

Basis for Corporation approval, January 27, 1965

The proposed merger involves two banks located 6 miles apart in the central and western portion of Delaware County, Indiana. Applicant operates its head office and two branches in Muncie, the county seat, which is located in an extremely rich agricultural area. Muncie is the location of a teachers college, a business college, a conservatory of music, and several large industries. State Bank operates its sole office in Yorktown, 6 miles west from applicant in a primarily agricultural area.

The respective trade areas overlap only to a minor extent. Direct competition is afforded State Bank by a branch of the American National Bank and Trust Company of Muncie and applicant is in direct competition with three offices of this bank and eight offices of another national bank in Muncie. It appears that there is little, if any, competition between the participating banks.

Applicant's relative deposit position in the combined service area will not be elevated by the addition of State Bank's deposits. The resulting bank will be the third largest with 20.6 percent of aggregate IPC deposits but applicant will move from third to second largest bank, based on the proportion of total loans held or from 19.2 percent to 21.0 percent. The increase in concentration is not substantial, 2.6 percent in IPC deposits and 1.8 percent in loans, and the resulting bank will be the smallest in the combined service area, based on IPC deposit size. The Merchants National Bank of Muncie with eight offices and 55.7 percent of the IPC deposits dominates that combined service area. Competition with the branch of American National Bank and Trust Company of Muncie in State Bank's service area should be substantially increased under the proposal and there should be no discernible adverse effects upon competition in applicant's service area.

The proposed merger will have no significant adverse effect upon overall competition, but will introduce expanded and improved banking services, especially to the Yorktown area, and is concluded to be in the public interest.

Case No. 4	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Peoples Bank & Trust Company, Owenton, Kentucky	4,765	1	2
to acquire the assets and assume liabilities of			
The First State Bank, Monterey	758	1	

Summary report by Attorney General, November 30, 1964

The proposed transaction will eliminate all competition between Peoples and First State, which are in communities 10 miles apart. The competition thus eliminated, however, does not appear to be critically significant. But the acquiring bank presently has 49 percent of the loans and 44 percent of the deposits in the service area; the proposed transaction would increase those percentages to 57 percent and 51.4 percent, respectively, in addition to decreasing the banking alternatives in the service area. It may also induce the second and third largest banks in the area to acquire the remaining two banks in order to compete successfully with the resulting bank.

However, because of the small size and location of the merging banks we do not feel that the proposed acquisition will have a significant adverse effect upon competition.

Basis for Corporation approval, February 23, 1965

This proposal unites the smallest with the largest of six banks in Owen County. Competition between these two banks is limited and the small size of State and its location in Monterey, a small farming community of 211 population, has restricted its competitive ability with other banks in the area. Any limited competition which may exist between the participating banks is largely eliminated through 88 percent ownership of the common stock of State by officers of the applicant.

Owen County with a population of about 8,000 has six banks and the elimination of the smallest with its replacement by a branch of a larger bank will result in no diminution of banking offices and will have no significant competitive effects. The applicant will increase its holding of the area IPC deposits by less than 6 percent.

The services which State has offered its customers in the past have been limited; as a branch of the larger applicant bank, it will afford broader and improved banking services to the public in Monterey. These services will include a wider range of types of loans and credit facilities, a larger lending limit, trust services, and savings accounts which State does not now provide. Also, State has managerial problems which the acquisition will correct.

No tendency toward monopoly is involved and in view of the benefits to be derived in the Monterey community, the transaction is considered to be in the public interest.

Case No. 5	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Industrial Bank of Commerce of Albany, Albany, New York (change title to Community State Bank)	10,009	2	4
to merge with			
Industrial Bank of Schenectady, Schenectady	13,189	2	

Summary report by Attorney General, January 18, 1965

Industrial Bank of Commerce of Albany, Albany, New York (Albany Bank) is the smallest of 11 banks in the city of Albany with deposits of $8,164,000 (about 0.4 percent of total deposits of Albany banks).

Schenectady Bank is the smallest of six banks in the city of Schenectady with deposits of $10,780,000 (about 3 percent of total deposits of Schenectady banks).

Neither bank has had any prior merger or acquisition activity. Financial General Corporation is the owner of 94.1 percent of Albany Bank and 73.7 percent of Schenectady Bank. Prior to the filing of its application to merge, Albany Bank had applied to the New York State Banking authorities for approval of its plan of conversion from an industrial bank to a State bank under the name of Community State Bank. The resulting bank would bear this name.

Existing direct competition between the participating banks is very limited. They are located in sizeable cities 16 mles apart (Albany, populaton 129,726, and Schenectady, population 81,682). In addition, because of the relatively small size of the merging banks and the presence of several other much larger banks in each of the service areas, it does not appear that the proposed merger, if consummated, would have a significantly adverse effect upon competition.

Basis for Corporation approval, February 23, 1965

This transaction involves the merger of a $13 million industrial bank into a $10 million industrial bank and the conversion of the resulting bank from industrial to commercial bank status under the title of "Community State Bank." Applicant operates its two offices in Albany, and Industrial operates its two offices in Schenectady, New York, with the closest offices located about 15 miles apart. Each of the participating banks serves primarily the immediate area of their respective offices and there is virtually no competition between them which would be eliminated through this proposal. The resulting bank will have its main office and one branch in Albany and two branches in Schenectady.

The participating banks are by far the smallest when compared to other commercial and savings banks operating in Albany or Schenectady and the resulting bank will continue to be the smallest, holding but 2.4 percent and 1.8 percent of the IPC deposits and loans, respectively, held by all commercial banks in the relevant service area. Although the resulting bank will be the only bank having offices in both Albany and Schenectady, there are many convenient competitive alternatives, all larger, in both cities and between them, and it does not appear that the proposed merger will alter the competitive picture to any significant degree.

The proposed merger and conversion which will enable the resulting bank, with its expanded resources and larger lending base, to provide broader services to the communities which it serves and which will have no significant effect on competition, is concluded to be in the public interest.

Case No. 6	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
First State Bank, Hubbard, Texas, Hubbard, Texas	3,716	1	1
to acquire the assets and assume liabilities of			
Malone State Bank, Malone	763	1	

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

Basis for Corporation approval, February 23, 1965

The elimination of the substantial volume of cash items and out-of-territory, nonconforming loans classified loss and doubtful would exceed the capital structure and impair Malone's deposits. Attempts by the owners of stock control to obtain additional financing or collection of the assets considered doubtful and loss were unfruitful, and the bank was faced with the threat of closing. Since the amount of deposit liabilities in excess of the insurance limit of $10,000 is moderate, the Corporation determined it to be in the public interest to make a loan to or purchase the unacceptable assets of Malone so a deposit assumption transaction could be effected with Hubbard. Texas law does not permit branching so the office at Malone will be closed; however, Hubbard is located only 9 miles away and management of that institution is familiar with the service area and customers of Malone through previous ownership of that bank.

Case No. 7	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Washington Mutual Savings Bank, Seattle, Washington	463,341	12	15
to consolidate with			
Liberty Mutual Savings Bank, Yakima	17,135	3	

Summary report by Attorney General, December 14, 1964

The proposed consolidation closely parallels the proposal of Washington Mutual to consolidate with Citizens Mutual Savings Bank of Spokane, approval of which was given by the Corporation November 12, 1964. Liberty Mutual, like Citizens Mutual, was a savings and loan association prior to its conversion to the status of a mutual savings bank preparatory to the proposed consolidation.

The lack of any substantial competition between the applicants, the strength of the remaining competition in Liberty Mutual's service area, and the fact that the consolidation would increase only slightly the size of Washington Mutual would indicate that the adverse competitive effects of the proposal, in and of itself, may not be substantial. The fact that this proposal follows so closely, both in time and circumstances, the application of Washington Mutual to consolidate with Citizens Mutual, however, gives rise to the possibility that a series of such transactions may be contemplated by Washington Mutual as an avenue of expansion. Any such program, when carried on by this, the largest mutual savings bank west of the Mississippi, is a cause for concern. Accordingly, future merger transactions by Washington Mutual would appear to bear close scrutinization in order to prevent the elimination of potential competition on a wide scale.

Basis for Corporation approval, March 17, 1965

This transaction involves a mutual savings bank which is insured by the Federal Deposit Insurance Corporation and a state-chartered savings and loan association which is insured by the Federal Savings and Loan Insurance Corporation. Liberty Mutual does not and will not operate as a mutual savings bank, being presently in operation as Liberty Savings and Loan Association, Yakima. Because applicable State law does not provide for the consolidation of a mutual savings bank and a savings and loan association, the desired consolidation requires the prior conversion of the savings and loan association into a mutual savings bank. It is planned that the conversion and consolidation will be effected on the same date with a minimum of intervening time.

Washington Mutual, the largest of four savings banks in Washington, operates eight branches in the Seattle metropolitan area, two branches in Spokane and a branch at Pullman. An additional branch has been approved for Seattle but has not yet opened. Washington Mutual has enjoyed considerable success and is a primary competitor for mortgage loans and thrift deposit services in its service area. The consolidation will have no effect on competition in these banking fields in the present service area of Washington Mutual where it is in direct competition with 18 commercial or savings banks and 15 savings and loan associations in the Seattle area together with 4 savings and loan associations in the Spokane area.

Liberty Savings and Loan Association is a relatively small association with its main office in Yakima, about 140 miles from Seattle; one branch in Grandview, about 190 miles from Seattle; and a branch in Kennewick, 230 miles from Seattle. In Yakima it is competitive with three savings and loan associations, and in Kennewick it is competitive wth five such assocations. The converting/consolidating association is competitive with four commercial banks in Yakima, two in Grandview, and five in Kennewick, with this competition including branches of banks in Seattle and Tacoma which have deposits ranging from $213 million to $1.1 billion.

At the present time, there is no mutual savings bank within 140 miles of any office of Liberty Savings and introduction of this form of financial competition to the areas served by the three offices of the association should be a beneficial addition to the competitive situation, as well as contributing significantly to the convenience of existing and potential mutual savings bank customers in these areas.

There is no tendency toward monopoly involved or adverse aspects relative to the statutory factors to be considered, and the consolidation is considered to be in the public interest.

Case No. 8	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Wright County State Bank, Clarion, Iowa	3,695	2	3
to acquire the assets and assume liabilities of			
Bank of Galt, Galt	727	1	

Summary report by Attorney General, December 14, 1964

These two small banks presently compete with nine others of comparable size in serving the banking needs of rural Wright County, Iowa. Bank of Galt is a single office, owner-operated bank. The proposed merger would not significantly affect competition or increase concentration in this area. The proposed merger would have little, if any, adverse effect on competition in banking in Iowa but it does represent another addition by acquisition to an established holding company chain.

Basis for Corporation approval, March 18, 1965

The proposal involves the acquisition of a small noninsured bank, owned as a copartnership, by a subsidiary of an established bank holding company which controls 13 other Iowa banks. The participating banks are located in rural Wright County, Iowa, which is situated in the north-central section of the State. Applicant's main office is located at Clarion, a residential and retail center for the surrounding agricultural area, and its branch at Rowan, 10 miles east from the main office, serves a small rural community. The noninsured bank is located in Galt, a residential hamlet in economic decline, 10 miles southeast from Clarion and 5 miles southwest from Rowan.

The service areas of the participating banks geographically overlap to some extent but the nominal volume of common deposits and loans and the variances in their respective loan portfolios indicates there is little, if any, competition between them which would be eliminated by the proposed transaction.

Applicant's relative position as fourth largest among the banks in Wright County will remain unchanged as a result of the proposal. The resulting bank would hold 13.0 percent of aggregate deposits and 15.6 percent of aggregate loans and would be but slightly more than one-half of the deposit size of the largest bank, its local and primary competitor. The resulting concentration of deposits in the holding company within the overall service area, represented by the combined deposits of the resulting bank and the other subsidiary located

14 miles southwest from Clarion, would also be exceeded, although modestly, by the competing Clarion bank. Competition in the area served by the bank at Galt should be enhanced by the introduction of expanded and improved banking services which will be offered by the resulting bank.

Favorable findings have been made on all banking factors and there should be no significant adverse effects on competition. The proposed transaction will bring to the residents of the Galt area improved banking services, the benefits of Federal deposit insurance, assurance of continued banking facilities for as long as a need exists and is concluded to be in the public interest.

Case No. 9	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Tioga County Savings and Trust Company, Wellsboro, Pennsylvania (change title to Commonwealth Bank and Trust Company)	8,754	1	4
to merge with			
The First National Bank of Galeton, Galeton	3,790	1	
The First National Bank of Lawrenceville, Lawrenceville	1,719	1	
Farmers and Traders National Bank of Westfield, Westfield	2,710	1	

Summary report by Attorney General, January 27, 1965

Tioga County Savings and Trust Co. conducts commercial banking through one office located in Wellsboro, Pennsylvania. As of October 1, 1964 it had total deposits of $7,832,000 and total net loans and discounts of $4,483,000.

First National Bank of Galeton has one office located in the town of Galeton, Pennsylvania. As of October 1, 1964 it had total deposits of $3,292,000 and total net loans and discounts of $1,895,000.

First National Bank of Lawrenceville has one office located in the town of Lawrenceville, Pennsylvania. As of October 1, 1964 it had total deposits of $1,474,000 and total net loans and discounts of $928,000.

Farmers and Traders National Bank has one office located in Westfield, Pennsylvania. As of October 1, 1964 it had total deposits of $2,232,000 and total net loans and discounts of $1,254,000.

The applicant and other banks are located in small towns in Tioga and Potter Counties 20-34 miles apart. Both counties are primarily rural. There is little, if any, direct competition between these banks.

If the proposed merger is approved certain communities of the county would lose accessible alternative banking sources. The resulting bank, Tioga County's second largest, would hold 32 percent of total IPC deposits in the county. Over 75 percent of the total IPC deposits would be concentrated in the two largest banks in Tioga County and only four banks would remain in the county. However, in view of the size and location of the banks involved in the proposed merger it is our view that the effect on competition will not be significantly adverse.

Basis for Corporation approval, March 18, 1965

The proposed merger involves three banks in Tioga County, Pennsylvania, and one bank located 2 miles west of the county line in adjoining Potter County. Tioga County is situated in the north-central part of the State and its northern border forms part of the Pennsylvania-New York State boundary line. Applicant's sole office is located in Wellsboro, the approximate geographic center of Tioga County, and none of the three other participating banks' sole offices are nearer to applicant or each other than 19 miles.

Applicant is located in Wellsboro, an industrial and mountainous resort area, and the three other banks are located in Galeton (Potter County), a manufacturing and resort area; Lawrenceville, a residential town with its economy largely dependent upon industries in nearby areas of New York State; and Westfield which has one industry, a leather tanning plant, and is located in a farming area.

The distances between the participating banks, the rugged terrain, the lack of common depositors and borrowers and the negligible amount of business derived from each others' service areas indicate there is little, if any, competition between them which would be eliminated as a result of the proposal.

Applicant will increase its deposit size significantly as a result of the proposed merger, but the resulting bank will be only fourth largest of all banks offering competition within the overall service area. Applicant's share of IPC deposits held by all banks with offices in this area will increase from 8.7 percent to 16.4 percent, and the resulting bank will be roughly equal in deposit size to its major competitor, Northern National Bank and Trust Company, Wellsboro, Pennsylvania, which recently effected a purchase and assumption transaction involving three other Tioga County banks. The proposed merger should enhance competition and enable the resulting bank to compete more favorably with Nortnern National and its four branches. There should be no significant adverse effects in the areas of the Lawrenceville Bank and Westfield Bank, where the nearest competing banking offices are those of applicant's major competitor, or in the Galeton Bank service area where the nearest competing bank is 19 miles distant.

Favorable findings have been made on all banking factors, the overall effect on competition would not be unfavorable and, in view of the enlarged and expanded banking services to be available at each of the participating bank locations, the proposed merger is concluded to be in the public interest.

Case No. 10	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Security State Bank, Sheldon, Iowa	7,024	1	2
to merge with			
State Bank of Archer, Archer	1,296	1	

Summary report by Attorney General, January 12, 1965

The Security State Bank of Sheldon, Iowa (Security) has requested permission to merge with the State Bank of Archer, Archer, Iowa (State Bank). Security intends to operate the acquired banking facilities as a branch office.

Although the banks are located 8 miles apart, because of the rural nature of the area, their service areas overlap in large measure. Security presently is the largest bank in the area with approximately 29 percent of all deposits. State Bank is the smallest in the area with approximately 5 percent of all deposits. Security presently has twice the amount of deposits as its next largest competitor and as a result of the proposed merger its deposits will be three times as great as the third largest bank in the area.

In addition to Security, the Citizens State Bank is the only other bank located in the town of Sheldon. Citizens State Bank was not organized until 1962 and is about one-third the size of Security and will probably be most affected by the merger.

All actual and potential competition between the merging banks will be eliminated.

Thus the proposed merger would eliminate competition and further increase the size of the largest bank in the area and may place the smaller banks at a greater competitive disadvantage, thereby increasing the probability of further merger activity with a resultant adverse effect on competition.

Basis for Corporation approval, March 25, 1965

State Bank of Archer is the smallest of nine banks presently competing in the relevant service area, holding, as of June 30, 1964, 4.2 percent of the aggregate deposits and 4.4 percent of the loans. Security State Bank is the largest, holding almost one-fourth of the aggregate deposits and 22.1 percent of the loans. Following the merger, it will hold 29.0 percent and 26.5 percent, respectively, in each category, thereby extending its already largest position. It will be a little more than twice the size of the next two largest banks among eight remaining in the area and more than three times the size of one other bank in Sheldon. However, the seven remaining competing banks are well established and have developed sufficient deposit volume and earning assets to provide effective competition to Security in their respective immediate service areas. There are no other banks in Archer and there will be no reduction in the number of banking offices because State's sole office will be continued as a branch of Security.

The service area of State lies within the larger service area of Security and there are no banks or other financial institutions intervening. The two banks are located about 12 miles apart. Consequently, there is overlapping of the service areas, although that of State extends mostly northeastward from Archer where President Sterling Archer of State and his family have extensive land holdings, rather than northwestward toward Sheldon. The evidence indicates that the present deposit and loan volume of State has been maintained only because of Mr. Archer's strong influence and popularity in this area northeast of Archer. The main effect of the merger will be to eliminate one small independent unit bank and substitute in its place a branch of Security; however, numerous banking choices will remain which are easily accessible to the public.

Because of health reasons, President Archer of State desires early future retirement and in the absence of a qualified successor, the bank will be left with a management succession problem. Archer is a small declining rural community (population 200) with poor future prospects and it is unlikely that a bank the size of State could attract a qualified executive officer from outside its present personnel ranks. The merger will correct this deficiency.

The loan limit of State is but $20,000, while that of Security is $60,000 and that of the resulting bank will be $101,000. Many of the business people of the Archer area, especially farmers, must travel to other points to satisfy their credit needs. Consequently, the greater resources and larger capital of Security, along with its stronger management staff and personnel, will permit expanded services in the Archer Community, and a wider variety of loans will be made available to the public. As it now stands, almost 90 percent of State's loans are represented by loans to farmers. In addition, as a result of the merger, the public in the Archer service area will be assured of continued local banking facilities inasmuch as a branch of Security can be sustained more profitably on a relatively small deposit volume than can the unit State bank.

There is no tendency toward monopoly involved and in view of the foregoing, it is concluded that the merger would be in the public interest.

Case No. 11	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Rumford Bank and Trust Company, Rumford, Maine	12,895	4	6
to acquire the assets and assume liabilities of			
Rangeley Trust Company, Rangeley	2,467	2	

Summary report by Attorney General, February 17, 1965

The proposed acquisition of the Rangeley Trust Company by Rumford Bank and Trust Company would consolidate the only two banks headquartered in this area of west-central Maine. Although the two banks are located some 35 miles apart, there are no other banking institutions in the area between them, nor are there any banks between Rumford and Phillips, 20 miles to the northeast where Rangeley Trust Co. has a branch.

However, in view of the relative small size of the merging bank and the lack of significant competition between the merging banks, the effect on competition does not appear to be significantly adverse.

Basis for Corporation approval, March 25, 1965

Applicant, an insured commercial bank located in Rumford, Maine, proposes to acquire the assets and assume the liabilities of a small noninsured trust company headquartered in Rangeley, 50 miles distant. The banks are located in the west-central section of the State, a mixed agricultural, industrial and recreational area.

The closest operating offices of the two banks are 34 miles apart. There are no banking offices intervening but the terrain is mountainous and sparsely populated and neither bank holds a significant amount of business which originates in the other's service area. There is virtually no competition between the participating banks which would be eliminated by the proposed transaction.

Applicant's only local competitor is a branch of a bank which operates 24 offices in southern Maine and is six times larger than applicant in terms of total resources. The noninsured trust company's closest competitor is a noninsured mutual savings bank, 16 miles distant from its branch and 43 miles from the main office. Two commercial banks, each roughly twice the IPC deposit size of the trust company, also serve the latter's trade area. The proposed transaction should have no significant effect on competition in the combined service area and should enhance competition in the trust company's service area.

The banking and competitive factors requiring consideration have been determined to be favorable to the proposal and, in view of the benefits of Federal deposit insurance which will become available to the residents of the Rangeley area and the improved and more adequate lending services which the larger, well-managed applicant bank will introduce, the proposed transaction is concluded to be in the public interest.

Case No. 12	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
The South Omaha Bank, Omaha, Nebraska (change title to Center Bank, and move head office within Omaha from 4840 South Twenty-fourth Street to 4131 Center Street)	9,848	2	1
to acquire the assets and assume liabilities of			
The Center Bank, Omaha	16,916	1	

Summary report by Attorney General, February 1, 1965

South Omaha Bank is an affiliate of Northwest Bancorporation, a registered bank holding company, which also controls two other banks in Omaha, one of which is the second largest in that city.

The banking industry in Omaha is highly concentrated, the three largest banking interests accounting for 87 percent of both loans and deposits. The proposed transaction would increase this figure to over 89 percent. Such increase when viewed in the context of this highly concentrated area is extremely significant. As the Supreme Court has stated, if "concentration is already great, the importance of preventing even slight increases in concentration and so preserving the possibility of eventual deconcentration is correspondingly great." *United States* v. *Philadelphia Nat'l Bank,* 374 U. S. 321, 365, n. 42.

The proposed transaction would also eliminate present and future competition between Center Bank and the Banco affiliates. According to the map submitted by the applicants, Center Bank derives 15 percent of its deposits from the area immediately surrounding U. S. National's home office. That Center Bank is a significant factor is unquestioned. The application states, "The Center Bank has had unusual growth since its opening in 1955, leading all banks in the Omaha area in 1957." (p. 12)

Consummation of the proposed transaction will appreciably enhance Banco's favorable competitive position in Omaha since its three banks will be located in the three most economically significant parts of the city.

In our view, approval of the proposed transaction would result in serious adverse competitive effects.

Basis for Corporation approval, March 25, 1965

The proposal involves two banks located in Omaha, Nebraska, reportedly the world's largest livestock and meatpacking center. Applicant, a subsidiary of Northwest Bancorporation which is a registered bank holding company, would acquire the assets and assume the deposit liabilities of Center, a nonaffiliated bank. Prior thereto in a similar transaction, which recently has been approved by the Comptroller of the Currency, applicant's assets and deposit liabilities would be acquired and assumed by a national bank in Omaha, also a subsidiary of the holding company. Applicant will retain its charter and, under the subject proposal, will move to Center's location, operate under Center's present management, as a subsidiary of the holding company, with essentially the same asset structure and identical deposit liabilities as Center presently owns.

The subject proposal will not result in significant elimination of competition between the participating banks or between Center and other affiliates of the holding company since competition is reportedly as strong and vigorous between affiliates as with nonaffiliated banks. The proposed transaction will not increase the concentration of banking resources with respect to the participating banks and the holding company will not increase the number of its affiliated banks but will control an additional 3.0 percent of aggregate IPC deposits and 2.4 percent of aggregate loans in Omaha. The largest Omaha bank holds 38.5 percent of aggregate IPC deposits and the holding company will control less than 30 percent of such deposits. Under the subject proposal there will be no elimination of a banking office, the transaction being the substitution of the charter of one bank for that of another.

Favorable findings have been accorded all banking factors and it is concluded that the proposed transaction, which will have no material effect on competition, is in the public interest.

Case No. 13	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Bank of Sonoma County, Sebastopol, California	17,779	3	3
to merge with			
Sebastopol National Securities Company, Sebastopol	358		

Summary report by Attorney General, March 31, 1964

This merger which was consummated on June 18, 1963 had no significant adverse effect on competition, in our opinion, because Sebastopol National Securities Company was a holding company whose only significant investment was its ownership of all the stock of Bank of Sonoma County. The Securities Company was not engaged in the banking business.

Basis for Corporation approval, April 1, 1965

This transaction involved the merger of a parent holding company into a bank whose stock was the holding company's chief asset, and was effected because the reasons for which the holding company was organized were no longer operative. The holding company was not engaged in the banking business and the merger had no significant effect on the condition of the bank or upon competition. The transaction, which eliminated a form of ownership which was obsolete and expensive, was concluded to be in the public interest.

The proposal will eliminate one small affiliated bank and the limited competition it provides but in view of the declining population trend in evidence for the area it is believed that two banks of comparable size in Centerville can adequately serve the banking needs of the community. Moreover, the resulting bank, with its expanded resources and larger lending limit, and which will erect new and modern banking quarters, including drive-in and off-street parking facilities, will be better able to provide improved banking services to the public. There will still remain an alternative source to the public for both commercial banking and trust services.

There is no tendency toward monopoly involved, and in view of the benefits to be derived from the merger without any unfavorable competitive effects, it is concluded that the proposal is in the public interest.

Case No. 14	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Iowa Trust and Savings Bank, Centerville, Iowa (change location of head office within Centerville from 300 North 12th Street to 200 North 10th Street)	6,036	2	2
to merge with			
The First National Bank of Centerville, Centerville	4,741	1	

Summary report by Attorney General, December 14, 1964

These two banks have been under common ownership and management for 68 years, doing business in offices one block apart in Centerville, serving Appanoose County, Iowa. The proposed merger would merely unite them under one roof in a new building, enabling the resulting bank to offer more modern banking services to its customers. Two other presently competing banks in the county are comparable in size and strength to the resulting bank. Since the merger would neither eliminate competition between the applicants nor give them any additional substantial advantage over their competitors, the resulting effect on competition would not be adverse except to the degree that by the union the opportunity for the development of any meaningful competition between the units will be permanently foreclosed.

Basis for Corporation approval, April 1, 1965

This proposal involves the merger of two banks which have been commonly owned and managed for many years. The main offices of the participating banks are located about one block apart in Centerville and the service area of each is confined primarily to Appanoose County, Iowa. Census reports indicate that the populations of both Centerville and Appanoose County have been in a declining trend for the past two decades.

Applicant, which is now the second largest, would become the largest of the three banks in Centerville and after the merger would hold more than half the IPC deposits in the county but less than half the loans. It would not be significantly larger than its principal competitor, however, which would hold over 45 percent of the IPC deposits and over 56 percent of the loans. Because of the existing close relationship of the participating banks, there is no effective competition between them which would be eliminated and the investigation indicates the merger would not alter the competitive situation in the area to any significant degree.

Case No. 15	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Kendall State Bank, Valley Falls, Kansas	2,947	1	1
to consolidate with			
The Citizens State Bank, Valley Falls	2,060	1	

Summary report by Attorney General, March 2, 1965

Kendall and Citizens are the only two banks competing in the Valley Falls, Kansas area, and are located a short distance from each other. The application admits that the service areas of the two banks are the same. Kansas is a unit banking State, and the nearest banks to Valley Falls, Kansas are 12 miles away. Thus, approval of this application would eliminate the competition between Kendall and Citizens, and, in addition, would result in Kendall's being the only source of commercial banking services in the Valley Falls, Kansas area. The proposed consolidatiaon would appear to have an adverse effect upon competition in the Valley Falls, Kansas area.

Basis for Corporation approval, April 15, 1965

The proposal involves two independent banks located less than one block apart in Valley Falls, Kansas. The town is a small community situated in a fairly stable agricultural area.

The participating banks serve the same trade area but the aggregate volume of common deposits and loans is not significant. Interest rates, service charges and general services offered the public are similar and, reportedly, there is very little competition between them.

The applicant bank will substantially increase its share of the aggregate IPC deposits and loans owned by all banks located in the overall service area but the resulting concentration of banking resources will not be disproportionate. The resulting bank would hold 16.2 percent and 17.9 percent of the aggregate IPC deposits and loans, respectively, and would be the second largest bank in the area. The nearest competing bank is located 12 miles from Valley Falls, beyond the ten-mile radial area from which applicant derives 80 percent of its deposit volume. There should be no significant adverse effects on competition in the overall service area as a result of this proposal.

The proposal will eliminate a banking source in Valley Falls but should cause no inconvenience because of the proximity of the existing banking offices, and the resulting bank will be able to meet the larger credit requirements of the area and provide certain additional banking services.

The banking and competitive factors requiring consideration are determined to be favorable to the proposal, and in consideration of the larger lending capacity and additional conveniences which are planned to be offered by the resulting bank, the proposed consolidation is concluded to be in the public interest.

Case No. 16	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
The Farmers & Merchants Bank, Aiken, South Carolina	12,945	2	4
to acquire the assets and assume liabilities of two branches of			
The Citizens and Southern National Bank of South Carolina, Charleston	1,727[1]	2[2]	

Summary report by Attorney General, March 2, 1965

Farmers & Merchants, the largest local bank in Aiken, South Carolina, serving an area encompassing the towns of Graniteville and Langley, 6 and 8 miles from Aiken, respectively, proposes to acquire the assets and assume liability to pay the deposits of two branch offices of the Citizens and Southern National Bank of Charleston, such branches being located at Graniteville and North Augusta, South Carolina. The total deposits of the branches are $1,669,000 of which an estimated $1,200,000 is deposited at the Graniteville branch. There is some direct competition between the acquiring bank and the branch at Graniteville due to the proximity of their respective offices, but very little, if any, competition between the acquiring bank and the branch at North Augusta, which is 18 miles from Aiken.

If the acquisition is consummated, there may be a slight adverse effect on competition in the Aiken-Graniteville service area by reason of some elimination of competition and increase in concentration. There would be no adverse effect in the North Augusta area, however, where the result would be the substitution of a branch of the largest local bank in Aiken, South Carolina, for a branch of the State's second largest bank.

We conclude that the proposed acquisition would not have a significant adverse effect upon competition in the two areas.

Basis for Corporation approval, April 15, 1965

The Graniteville and North Augusta branches of Citizens and Southern operated as the main office and branch of an independent bank for many years prior to their acquisition by Citizens and Southern on May 23, 1964 and, both as an independent bank and branches of Citizens and Southern, have provided convenience to the public and served its needs. Citizens and Southern, which has operated these branches less than one year, now expresses a desire to dispose of them (because they are too far removed from that bank's principal service areas) to Farmers & Merchants, a local Aiken County bank, in order that these banking facilities can be continued. Farmers & Merchants is a progressive bank which can provide continuance of adequate banking services to the public. It is a relatively small bank which faces strong competition from three branches of State Bank and Trust Company (two in Aiken and one in Langley), the State's fourth largest bank, and one branch in Aiken of The South Carolina National Bank of Charleston, by far the State's largest bank. The latter also operates a branch in North Augusta.

There is no tendency toward monopoly involved and the acquisition will have no significant effect on competition, other than to increase but slightly the size of Farmers & Merchants and expand its service area slightly through two branch locations. It is concluded that the purchase and assumption transaction would be in the public interest.

Case No. 17	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Dauphin Deposit Trust Company, Harrisburg, Pennsylvania	138,117	11	15
to merge with			
Lemoyne Trust Company, Lemoyne	29,045	4	

Summary report by Attorney General, March 22, 1965

The Dauphin Deposit Trust Company has total assets of $138,138,000 and conducts commercial banking through eleven offices, nine of which are located throughout the city of Harrisburg and surrounding suburbs east of the Susquehanna River, and through two offices located in Carlisle, Pennsylvania, which is 18 miles west of the city of Harrisburg. Since 1955 this bank has acquired seven offices as a result of five mergers and has established three *de novo* branch offices.

The Lemoyne Trust Company has total assets of $29,045,000 and conducts commercial banking in Lemoyne, Pennsylvania, and the adjoining town of Camp Hill, Pennsylvania. Lemoyne is located on the west bank of the Susquehanna River, and the main office of the Lemoyne Trust Company is located across the river about a mile-and-one-half west of the main office of the Dauphin Deposit Trust Company. This bank has four offices, none acquired by merger.

There is direct competition between the banks and in view of the ability of each to establish competing branches, there is a possibility of considerably more competition. Dauphin Deposit Trust Company now has an application pending to establish a branch office about 5 miles west of the Camp Hill office of the Lemoyne Trust Company.

The merger of Dauphin and Lemoyne will result in the elimination of direct, albeit limited, competition between the merging banks. Further, and more important, the merger will continue and perhaps aggravate an already excessive trend toward concentration in the Harrisburg-Lemoyne area by merger and acquisition. The primary service area affected, the Lemoyne, Pa. area, is already highly concentrated in six banks—the proposal will reduce the number to five. In the Harrisburg-Lemoyne area, commercial banking is now concentrated in seven banks and the proposal will eliminate one of these. Finally, as a result of the proposal, the two largest banks, one of which is the acquiring bank, will possess 68 percent of the Lemoyne area deposits and 66 percent of the Harrisburg-Lemoyne area deposits. Thus the proposal, if consummated, would have a seriously adverse effect on competition.

Basis for Corporation approval, April 28, 1965

The proposed merger will combine the $138 million applicant bank, located in Harrisburg, Pennsylvania, and Lemoyne Trust, a $29 million bank headquartered in Lemoyne, 1.5 miles west and across the Susquehanna River from applicant's main office. None of applicant's 10 branches are closer to any of Lemoyne Trust's 3 branches than their respective main offices.

An analysis of the participating banks' deposit and loan accounts indicates each serves a definite area or areas with a low degree of overlapping and a negligible amount of common accounts. There is only minor competition between the merging banks which would be eliminated by the proposal.

Applicant is the second largest bank, in terms of total IPC deposits, which operates offices in the overall service area, and both merging banks face their major competition from the largest bank which operates 5 branches in Harrisburg and one branch in Camp Hill, 1 mile from Lemoyne Trust's nearest office. The resulting bank will hold 25.4 percent of the aggregate IPC deposits represented in the combined service area compared to 30.3 percent owned by the largest and principal competitor.

Lemoyne Trust, in addition to competition from the largest area bank, is faced with competition from two other larger banks operating seven offices in its service area as well as from large Pittsburgh, Philadelphia, and New York banks which regularly solicit customers in this area.

The proposed merger will further, to a small degree, the concentration of banking resources in the three largest banks which presently own an aggregate of 70.1 percent of the IPC deposits. However, applicant's competitive position will not be significantly enhanced and competition should be stimulated in Lemoyne Trust's service area by the introduction of improved and expanded banking services which the applicant can offer.

The proposed merger, while it will nominally increase the concentration in the three large area banks, will not, of itself, have a significantly unfavorable effect on competition; will combine two banks for which all banking factors have been determined to be favorable to the proposal; and in view of the additional and improved services in the forms of data processing, broader trust services, larger lending limit, and an improved and aggressive banking staff familiar with all phases of banking which will be introduced to the Lemoyne Trust service area, the proposed transaction is concluded to be in the public interest.

Case No. 18	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Southern Bank and Trust Company, Greenville, South Carolina	19,477	6	7
to merge with			
Bank of Clover, Clover	3,179	1	

Summary report by Attorney General, March 16, 1965

The banking trend in South Carolina is experiencing a conspicuous trend toward concentration, with the four largest banks accounting for 70 percent and 60 percent, respectively, of the State's total loans and deposits. The proposed merger, which is the second such transaction by the Southern Bank in recent months, would contribute to that general trend. In assessing the competitive aspects of the proposed merger three geographic areas are relevant. The merger would have its most noticeable effect in the area now served by the Clover Bank, where the combined deposits of the three remaining banks would total only one-third of the amount of deposits of the resulting bank. In the Rock Hill area, which is now served by one branch of the Southern Bank and three branches of both the Rock Hill National Bank and the Citizens and Southern National Bank, the impact of the proposed merger would be much less noticeable since the competitive positions of the banks presently located in that area would not be appreciably altered. In the Greenville area, the anticompetitive effects of the merger would likewise be insignificant, as Southern Bank, South Carolina's 14th largest bank, would still be faced with competition from branches of that State's 2nd largest bank. We therefore feel that the proposed merger would not have significant anticompetitive effects.

Basis for Corporation approval, May 6, 1965

The proposal would merge a small unit bank in Clover, South Carolina into a moderately large bank, Southern, headquartered in Greenville, 90 miles distant. Southern operates six offices and none are closer to Clover Bank than 22 miles. The respective service areas do not overlap and no competition between the participating banks will be eliminated.

Southern's service area is dominated by two large banks which operate branches in Greenville. The two banks hold, in the aggregate, more than 80 percent of the total deposits owned by the banks operating offices in Southern's service area. The third largest bank is headquartered in Greenville and is more than twice the deposit size of Southern. Clover Bank's only local competitor, located two blocks distant, owns more than 94 percent of the total deposits of all banks operating in the Clover area. The increase in Southern's resources will be nominal and should have no significant competitive effects in Southern's service area. The small Clover Bank will be replaced by a branch of a moderately large bank which should enhance competition, to some degree, with the substantially larger competitor in Clover.

All banking factors are favorable to the proposal which will have no significant competitive effects, and in view of the improved banking services that the larger resulting bank should be in a position to offer in the Clover area, the proposed merger is concluded to be in the public interest.

Case No. 19	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
The Delaware County Bank, Delaware, Ohio	8,786	2	3
to merge with			
The Bank of Galena Company, Galena	1,112	1	

Summary report by Attorney General, April 2, 1965

The Delaware County Bank, Delaware, Ohio, an independent bank with its head office and drive-in facilities at the seat of Delaware County, proposes to acquire by merger The Bank of Galena Company, Galena, Ohio, a small unit bank 13 miles southeast of Delaware. The principal competitor of The Delaware County Bank is First National Bank, a member of the BancOhio System. In view of the strong competitive position of the competitor of Delaware Bank in its own service area and of the insufficient credit services presently rendered in the Galena Bank service area, it is believed that the impact of the proposed merger upon banking competition in the two service areas will not be adverse.

Basis for Corporation approval, May 13, 1965

Both the applicant and Galena Bank face their major competition from affiliates of BancOhio Corporation, a registered bank holding company, which controls one bank in Delaware, about twice the size of the applicant. The latter bank has an application pending to merge with a bank in Sunbury, about two miles from Galena Bank which is its closest competitor. There is no significant competition which will be eliminated as a result of this proposal and the substitution of a branch of the applicant in place of the unit Galena Bank will result in improved banking services to the Galena community. In view of existing competition there is no tendency toward monopoly involved and it is concluded that the proposed merger is in the public interest.

Case No. 20	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
The Bank of Prince William, Woodbridge, Virginia	15,104	7	9
to merge with			
Guardian National Bank of Fairfax County, Springfield	3,002	2	

Summary report by Attorney General, April 12, 1965

The application shows that in the service area of the main office of Guardian National Bank of Fairfax County (Guardian), The Bank of Prince William (applicant bank), which is a subsidiary of Virginia Commonwealth Corporation, a registered bank holding company, has no current branch. There are, however, three competing banks, to wit: Mt. Vernon National Bank, Springfield branch, owned by The First Virginia Corporation, a holding company; the First and Citizens National Bank, Springfield branch, owned by another holding company in the State, United Virginia Bankshares, Incorporated; and The Northern Virginia Bank, an independent bank, with its main office in Springfield, each larger than the resulting bank.

The application further shows that in the service area of the authorized branch of Guardian at the Lee Plaza shopping center, the applicant bank has no current branch. However, there is competition from two branches of the aforesaid Mt. Vernon National Bank, to wit: The Jefferson Manor branch and the Beaconfield branch.

The principal effect of the proposed acquisition will be that the applicant bank will enter the service areas of Guardian for the first time.

While one more independent bank in Virginia will be eliminated by the proposed merger, it would appear that the acquisition of Guardian by the applicant bank will not appreciably enhance the size or competitive power of Virginia Commonwealth Corporation, the holding company which owns the acquiring bank. Except for the increasing domination of the Guardian service areas on the part of banks controlled by bank holding companies, the proposal would not appear to have more than a slight adverse competitive effect in the service areas involved.

Basis for Corporation approval, May 14, 1965

This merger would combine a relatively new bank which has been in operation for only about one year, and which presently operates two offices in Fairfax County, with a well-established bank presently operating seven offices, all of which are located in Prince William County. The two banks are located 9 miles apart, their service areas do not overlap, and there is virtually no competition between them which would be eliminated by this proposal.

Within its service area Guardian National is now competing with one bank which is nearly five times its size and with a branch of another nearly thirty times its size. Moreover, the largest bank in Northern Virginia has also been authorized to establish a branch in Springfield which could further intensify competition in this area. While this proposal would eliminate one independent bank there will be no elimination of banking facilities or alternates and its replacement with branches of The Bank of Prince William should enable it to compete more effectively with the larger institutions in the Springfield area. The resulting bank would remain the third largest bank in the Springfield area, being less than one-third the size of the now dominant bank and slightly smaller in size than its next largest competitor. The moderate amount of resources to be gained by The Bank of Prince William through the proposed merger would not enhance its competitive position in Prince William County to any significant extent.

The Guardian National Bank has experienced serious managerial and operational problems, as well as loan administration problems, during its relatively short period of existence. Correction of these deficiencies should be accomplished through the merger.

In view of the foregoing, the proposed merger, which will not have an unfavorable effect on competition but which will result in a strengthened management and provide a solution to the other problems with which Guardian National Bank is presently confronted, is concluded to be in the public interest.

Case No. 21	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Farmers Trust Company, Franklin, Indiana (change title to Franklin Bank and Trust Company)	8,792	2	3
to merge with			
The Johnson County National Bank of Franklin, Franklin	4,851	1	

Summary report by Attorney General, September 30, 1964

The proposed merger of the Farmers Trust Company, Franklin, Indiana, with The Johnson County National Bank, Franklin, Indiana, under the charter of Farmers Trust Company and with the title Franklin Bank and Trust Company, Franklin, Indiana, will eliminate one of the three banks now competing in Franklin. It will reduce the number of commercial banks in Johnson County to five and upset such competitive balance as presently exists among the banks now operating there. It, therefore, may tend to initiate a trend toward other mergers in that area. The competitive effect on commercial banking thus will be adverse.

Basis for Corporation approval, May 18, 1965

The primary service area involved in this proposal is considered to consist mostly of Johnson County, which is contiguous to Marion County to the north, wherein is located Indianapolis, the county seat and State capital. Franklin is the seat of Johnson County and is but 21 miles south of downtown Indianapolis, and its Whiteland branch is but 15 miles away.

Among Johnson County banks (six) the applicant now ranks third and National fifth. As a result of the merger, the applicant will gain first position, as measured in terms of IPC deposits, holding 31.4 percent of the county's aggregate bank IPC deposits, but still will be of comparable size with the other bank in Franklin, which holds 25.4 percent. With respect to loans, the resulting bank still will rank third, holding less than 26 percent of aggregate loans, as compared to 30.4 percent held by the other bank in Franklin and 26.1 percent by a bank in Greenwood, which is north of Franklin toward Indianapolis. Our examiner indicates that the growth potential of this bank and the Union Bank and Trust Company, Franklin, which has recently opened a branch 13 miles northwest of Franklin toward Indianapolis, is greater than that of the resulting bank. The northern part of Johnson County is its most populous and fastest growing area. Not to be ignored, from a competitive standpoint, are the banks in Indianapolis, two of which exceed $600 million in total resources and one in excess of $300 million, and these banks exert considerable competitive influence in Johnson County, especially with respect to instalment loans. Many of Johnson County's residents commute to Indianapolis for employment.

Although one Franklin bank, among three, will be eliminated from the scene as a result of the merger and to this extent one source of competition will be eliminated, it is concluded that this effect on competition would be offset by the betterment in capacity and services that the resulting bank can provide the public. Such improved services and facilities will be manifested in an increased loan limit, expanded loan facilities and services, improved trust facilities, parking and drive-in facilities (not now possible at ether bank individually), and a farm management program. Also, walk-up windows, which are presently inadequate, will be improved and the merged bank will be in a position in the future to install and provide automation services to its customers.

In view of the alternate banking facilities available to the public and the much improved services and facilities that the resulting bank can offer (as compared to the two banks now operating separately), it is concluded that there is no tendency toward monopoly, that the merger would be in the public interest.

Case No. 22	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
The Howard Savings Institution, Newark, New Jersey	625,054	8	10
to acquire the assets and assume liabilities of			
Irvington State Bank, Irvington	10,000	2	

Summary report by Attorney General, March 19, 1965

The acquiring bank, The Howard Savings Institution, is a savings bank with eight offices throughout the Newark area. It is the largest bank in Newark, either savings or commercial, and is larger than all the other savings banks in Newark combined. The other bank, Irvington State Bank, is a commercial bank with two offices within the urban area of Newark. It is a relatively new bank, having been incorporated in 1957, and it has grown and prospered since. Because of their geographic proximity, the two banks are directly competitive with each other in the types of banking business they both offer. However, Irvington State Bank, being a commercial bank, engages in a wider range of activity, and its business would be restricted should it be acquired by the larger savings bank. The Newark banking market is already concentrated with The Howard Savings Institution being the principal factor in this concentration. Counting all banks, savings and commercial, the two largest have about 37 percent of the market, the three largest over half of the market and the four largest about two-thirds of the market. Accordingly, should the proposed acquisition be effected it would have a seriously adverse effect on competition.

Basis for Corporation approval, June 3, 1965

The applicant, a $625.1 million mutual savings bank, will acquire by the proposed transaction the two offices of Irvington, a $10.0 million commercial bank. These banks are located in the adjoining towns of Newark and Irvington in Essex County, New Jersey, and applicant's much larger service area entirely overlaps that of Irvington. The nature of the two institutions precludes competition between them in some areas of banking, but Irvington's deposit and loan structures are heavily weighted with time deposits and mortgage loans. Some competition, therefore, is indicated between them; however, an analysis of customer and area overlapping disclosed that applicant derives less than 20 percent of its deposit volume and slightly more than 6 percent of its mortgage portfolio from Irvington's service area and that common customers are even smaller in number and amount. The degree of competition between the participating banks which would be eliminated is not significantly adverse. The resulting bank, as a mutual savings bank, would not be competitive in the commercial banking field and to this extent overall competition in Irvington's service area would be lessened.

The increase in concentration of IPC deposits and loans resulting from the proposal is nominal in both service areas. The resulting bank would hold 21.0 percent of the aggregate IPC deposits in applicant's service area and 26.3 percent in Irvington's service area, based on total IPC deposits of all banks in both instances. The existing competitive situation would not be materially changed in this respect. Irvington's deposit and loan structures are concentrated in the fields of banking in which the applicant, by its nature, places its greatest emphasis and is most experienced and equipped to service. In addition, the applicant will bring personal trust services to the proposed Irvington branches for the first time, and the utilization of a unique computer service which will be offered will be an additional convenience for the Irvington residents.

Consummation of the proposed transaction will resolve a declining earnings situation and capital problem now in evidence at Irvington, and would improve the asset condition and strengthen the management factor. There would be no significantly unfavorable effect on competition and, in view of the benefits to be derived, the proposed transaction is concluded to be in the public interest.

Case No. 23	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Farmers Bank, Owenton, Ky., Inc., Owenton, Kentucky (change title to First Farmers Bank and Trust Company)	1,539	1	2
to merge with			
The First National Bank in Owenton, Owenton and	1,223	1	
Gratz Deposit Bank, Gratz	1,189	1	

Summary report by Attorney General, March 24, 1965

Farmers Bank and First National, each of which has its only office in Owenton, Kentucky, the county seat, are located 7 miles northeast of the only office of Gratz Deposit Bank, Gratz, Kentucky. A controlling interest in each of the Owenton banks and a 25 percent interest in Gratz Deposit was recently acquired by Garvice D. Kincaid and associates who, according to the application, own "about fourteen banks" in the State of Kentucky.

This application comes on the heels of the elimination of still another independent bank in Owen County through the merger of Peoples Bank and First State Bank, approval of which was given by the Corporation in February 1965. By virtue of that merger and the proposed one, the number of banks in Owen County will be reduced from six to three. First Farmers (the resulting bank) will have 38.7 percent of the IPC deposits and 34.5 percent of the loans, while Peoples Bank will have 51.7 percent of IPC deposits and 57.8 percent of the loans of the three banks.

Because of the small size of the merging banks and the fact that the large degree of common ownership undoubtedly precludes aggressive competition among them even in the absence of a merger, the adverse competitive effect of the proposed merger probably is not substantial. Nevertheless, we do view with some concern the rapid decline in the number of independent banking units in this area and the continuing diminution of prospects for eventual deconcentration.

Basis for Corporation approval, June 10, 1965

The proposal would merge the two smallest of three banks in Owenton, Kentucky, and a small bank in Gratz, 9 miles southwest. The two Owenton banks, which are one block apart, would be combined into one office of the resulting bank and a branch would be established at Gratz. The Owenton banks are commonly owned and controlled and the same ownership exercises effective control of the Gratz bank. The small size of the three merging banks and the degree of common ownership indicates there is no significant competition between them which would be eliminated by the proposal.

The applicant bank in Owenton holds 11.3 percent of the aggregate IPC deposits owned by the nine banks operating in the combined service area. Although applicant's share of such deposits would be increased substantially, the resulting bank would hold slightly less than 30 percent of the aggregate IPC deposits compared to almost 40 percent held by its local competitor, the largest bank in the area. Gratz Bank's closest competitor is a branch of the largest bank in the combined service area and competition should be enhanced in both the Gratz and Owenton areas.

The resulting bank would be in a position to accommodate much larger credit requests and furnish a greater variety of loans to present and potential customers than can the merging banks operating independently. Additionally, trust services will be available at the resulting bank locations as a result of the proposal and savings accounts, not presently offered by the Gratz Bank, will be available to the Gratz area residents.

The proposed merger, which will have no unfavorable effect on competition, will result in enlarged and improved banking services, resolve the problem of declining earnings in the two Owenton banks, and is concluded to be in the public interest.

Case No. 24	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Bank of Turtle Lake, Turtle Lake, North Dakota (proposed new bank)	----	----	1
to acquire the assets and assume liabilities of 1 branch of			
The Farmers Security Bank of Washburn, Washburn	1,977[3]	1[4]	

Summary report by Attorney General, April 30, 1965

Farmers Security Bank of Washburn, North Dakota (Farmers Security Bank), operates a main office in Washburn and a paying and receiving station at Turtle Lake, about 26 miles to the northeast. This station has only limited banking authority. In order to have an institution with full banking powers in Turtle Lake, the owners of Farmers Security Bank had the Bank of Turtle Lake chartered in 1964, and propose to transfer roughly half of its assets and business to the new institution as of April 1, 1965. As an end result of the transaction as planned, the

Farmers Security Bank and Bank of Turtle Lake would have identical owners. The proposed acquisition appears unlikely to have adverse effects on competition in the relevant area.

Basis for Corporation approval, June 25, 1965

The transaction involves an operating bank in Washburn, North Dakota and a proposed new bank to be located in Turtle Lake, the site of the Washburn bank's paying and receiving station. Washburn and Turtle Lake are located 24 miles apart and each serves a primarily agricultural area.

The effect of the proposals will be to supplant a limited power station with a full service bank. It is apparent that no competition exists between the participating banks and the common ownership and control of the resulting banks precludes potential competition between them which would be eliminated. There will be no increase in concentration of banking resources and competition may be enhanced in the Turtle Lake area by the introduction of full service banking.

The proposed transaction, which will have no unfavorable effect on competition and will bring the benefits of full service banking to the Turtle Lake area, is concluded to be in the public interest.

Case No. 25	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
State Bank and Trust Company, Greenwood, South Carolina	78,514	22	24
to merge with			
The Saluda County Bank, Saluda	4,338	2	

Summary report by Attorney General, May 20, 1965

Applicant bank is the fourth largest bank operating in the State of South Carolina, having 21 offices and over $78,000,000 in total assets. Although little if any competition between the merging banks would be eliminated, the proposed merger would eliminate the only bank serving the Saluda, South Carolina area, and would add a seventh independent bank to applicant's list of acquisitions throughout the State during the past 10 years. This is another in a series of eliminations of independent banks by statewide chains which continues a conspicuous trend toward concentration in South Carolina. Aside from such trend, the effect of the merger on competition would not be significantly adverse.

Basis for Corporation approval, June 1, 1965

This proposal would merge a relatively small bank in Saluda, South Carolina, with a much larger bank (the fourth largest in the State), headquartered in Greenwood, 30 miles northwest of Saluda. State Bank operates 22 offices in 15 cities or towns situated generally west and southwest of Columbia (including four in Columbia), but none closer to Saluda Bank than 23 miles. The respective service areas of the merging banks do not overlap and there is no competition between them which will be eliminated.

Principal banking competition for State Bank emanates from offices of the State's 3 largest banks which, among 20 banks with offices in the relevant service area(s), collectively hold more than four-fifths of the aggregate bank deposits, as compared to less than 10 percent held by State Bank and Saluda Bank combined. Among these banks, the largest holds more than four times the volume of deposits held by State Bank and the third largest holds twice the volume of State Bank. The latter's deposit volume, as a result of the merger, would be increased by less than one-half of 1 percent. To a small degree, the enlarged lending limit that would result for State Bank would enable it to compete more effectively with its large competitors; otherwise, the merger would have no significant effect on banking competition in the areas presently served by State Bank.

Saluda Bank now is the only bank serving Saluda and its immediate trade area and the competition it faces from other banks does not loom large, its nearest competitor being located 13 miles away. The substitution of branches of the larger bank in place of the two Saluda offices of Saluda Bank should prove beneficial to the public in that area because of State Bank's greater resources and more aggressive management policies; moreover, competition as it presently exists would not be altered or lessened to any significant degree because there are no other banks in the immediate area. In Saluda, the small bank which is strictly local in its outlook and service to the public would be replaced by branches of a bank of substantial size which is in a position to expand the range of banking services.

There is no tendency toward monopoly involved and it is concluded that the merger would be in the public interest.

Case No. 26	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Peoples Bank of Radford, Radford, Virginia	3,289	2	3
to acquire the assets and assume liabilities of			
Bank of Dublin, Inc., Dublin	3,033	1	

Summary report by Attorney General, June 16, 1965

Peoples Bank of Radford, with assets of $3,284,069, proposes to acquire the assets of and assume liability to pay deposits made in Bank of Dublin, a bank with assets of $3,032,650 and located 8 miles southwest of Radford, Virginia. According to the application, competition between the two banks is insignificant.

Peoples Bank will shortly become a subsidiary of The First Virginia Corporation, a bank holding company, such acquisition having been approved by the Federal Reserve Board on April 12, 1965.

However, the important factor in this proposed acquisition is the impending failure of the Dublin Bank. The application points out that Dublin is insolvent due to fraudulent dealings by one of its customers who was indebted to Dublin Bank in the amount of $730,000. To meet the loss which will result from this indebtedness, Charter Bank has arranged to acquire the assets of and assume liability to pay deposits made in Dublin Bank by advancing $730,000 to Dublin Bank. This sum will be used to create a capital reserve against which all losses on the indebtedness of the defrauding borrower will be charged. This $730,000 which Charter Bank has advanced was secured by Charter Bank through a loan of $500,000 from First Virginia Corporation and by First Virginia Corporation making a deposit of $230,000 in Charter Bank.

The outstanding stock of Dublin Bank has been placed in a voting trust and any equity remaining after depositors are paid will be distributed to the stockholders of Dublin Bank in the form of stock in Bank of Radford.

Under these special circumstances we voice no adverse comment on competitive grounds to the proposed acquisition.

Basis for Corporation approval, July 1, 1965

This transaction would combine the sixth and seventh largest of eight banks serving a mixed agricultural-industrial area in Montgomery and Pulaski counties in southwestern Virginia. Peoples presently operates its main office and one branch in Radford, and Bank of Dublin operates its only office and provides the only banking facility in Dublin (population—1,427), which is situated about 8 miles southwest of Radford. The service areas of the participating banks are predominantly local in nature and consequently any competition between them which would be eliminated through this transaction would be minimal.

Bank of Dublin was recently faced with an emergency situation arising from fraudulent activities of one of its customers who had taken his own life. As a result, directors of the bank became convinced that its assets contained such a volume of spurious loans and related items as to render the bank insolvent, and the bank was faced with the threat of suspension of its operations. To avoid this probability, an arrangement was made for its acquisition by Peoples which was in process of becoming affiliated with First Virginia Corporation, a registered bank holding company, whereby the latter provided an escrow deposit in a sufficient amount to offset potential losses in the assets of Bank of Dublin, assure its solvency and permit it to continue normal operations until the proposed transaction could be arranged.

Our investigation of the proposal disclosed no objection from any of the competing bankers and the consensus was that it would be beneficial to the public and banking since it would save such services for the people of Dublin. The increase in Peoples' resources as a result of this transaction would about double its size but it would still be the sixth largest of seven remaining banks and would hold but slightly over 10 percent of the IPC deposits and loans held by all banks represented in the area.

In view of the emergency situation described above, it did not appear likely that Bank of Dublin would be able to continue to be competitive or function effectively as an independent unit. Under these circumstances, the proposed transaction which would solve the serious problems at the Bank of Dublin and assure continuance of the only banking facility at Dublin, and which would have no significantly unfavorable effect on competition, was concluded to be in the public interest.

Case No. 27	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Manufacturers Bank, Los Angeles, California	47,859	1	2
to merge with			
Guardian Bank, Hollywood	7,659	1	

Summary report by Attorney General, June 30, 1965

Guardian Bank, Hollywood, California, has assets of about $7.7 million, and Manufacturers Bank in nearby Los Angeles has assets of about $48 million. Both are unit banks and both are new entrants in the banking field in the Los Angeles area, Manufacturers having begun operations in 1962 and Guardian in 1963.

Analysis of the position each bank occupies relative to others in the area is complicated by the fact that most other banking offices are branches of large California-wide or regional banks and assignment of realistic financial figures to individual offices is difficult if not impossible. However, data developed by the Federal Deposit Insurance Corporation indicate that Manufacturers has about 11.4 percent of the deposits in the relevant area and 20.5 percent of the loans, resulting in a ranking of fourth in deposits and third in loans. The addition of the Guardian Bank business would increase Manufacturers Bank's totals to 12.6 percent of deposits, still ranking fourth, and 23.4 percent of the loans, raising it to second position.

After initial losses, both banks appear to be operating profitably. Each therefore may be regarded as providing a significant stimulus to competition in the concentrated banking market of the Los Angeles area. We think it important to preserve the contributions of new entry. Nevertheless, in light of the facts in this case, it does not appear that the proposed merger is likely to have significant adverse competitive effects.

Basis for Corporation approval, July 2, 1965

The proposal would merge two small unit banks, Manufacturers Bank and Guardian Bank, which are located 9 miles apart in Los Angeles, California. Each bank serves a separate area and faces direct competition from four of the State's large branch bank systems. There is virtually no competition between the participating banks which would be eliminated by the proposal.

The applicant, Manufacturers Bank, would nominally increase its share of aggregate IPC deposits to 12.7 percent of the total owned by all banking offices in the combined service area. Thirteen offices of three large branch banks hold an aggregate of 70.2 percent of such deposits. There would be no unfavorable effects on competition in the service area of either merging bank and competition should be enhanced in Guardian's service area.

Guardian is operating with an impaired common capital account and attempts to sell additional stock have been unsuccessful. The bank faces the possibility of closure. The proposed merger will serve to prevent the forced liquidation of Guardian and is determined to be in the public interest.

Case No. 28	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Broad Street Trust Company, Philadelphia, Pennsylvania (change title to Continental Bank and Trust Company and change location of head office to Norristown)	244,627	23	37
to merge with			
Montgomery County Bank and Trust Company, Norristown	131,924	14	

Summary report by Attorney General, June 8, 1965

Broad Street Trust Company, which operates 28 offices in Philadelphia and the surrounding three-county area, seeks to merge with Montgomery County Bank and Trust Company, under the charter of Broad Street and with the title of Continental Bank and Trust Company. Broad Street, with assets now exceeding $242,603,000, has made three acquisitions in the past 10 years.

Montgomery County Bank and Trust Company, Norristown, Pennsylvania, was chartered in 1884 and has made three acquisitions since 1955. With total assets of $131,000,000, it operates 15 offices, 13 of which are located in Montgomery County, and is about to open branches in six adjoining counties.

Seven banks headquartered in Philadelphia, including Broad Street, account for approximately 82 percent of total deposits and approximately 85 percent of total loans in the area. Twenty-two remaining banks, according to the application, hold a combined share of only 17.31 percent of total deposits and 14.13 percent of total loans.

Broad Street is now the seventh largest bank in Philadelphia and the resulting bank would be sixth among 28 banks with approximately 6 percent of the commercial banking business in the area.

The probable effect on commercial banking in the Philadelphia area would be adverse.

Basis for Corporation approval, July 6, 1965

Broad Street Trust Company, the applicant, operates 19 of its 23 offices in Philadelphia, Pennsylvania, and is the seventh largest bank in the combined service area. The proposed merger with Montgomery County Bank and Trust Company, headquartered in Norristown, 16 miles northwest, would advance applicant's position to sixth largest bank and provide it with 15 additional offices. The respective service areas do not overlap and virtually no competition between the merging banks would be eliminated by the proposal.

The resulting bank would hold but 5.6 percent of the aggregate IPC deposits owned by the 32 commercial banks located in the combined service area. The next larger bank holds 9.6 percent and the largest bank holds almost one-fifth of such deposits. Competition in Philadelphia, applicant's primary service area, would not be changed significantly by the proposed merger. A number of offices of five of the six largest banks furnish competition in Montgomery County Bank's service area and direct competition with four of these large banks is provided at five of Montgomery County Bank's locations. Competition will be enhanced materially in this service area as a result of applicant's more aggressive policies and increased size.

There will be no unfavorable effect on competition and the proposed merger, which would strengthen management with greater depth and aggressiveness and provide improved and specialized lending and trust services to the areas served by both banks, is concluded to be in the public interest.

Case No. 29	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Citizens Bank of Michigan City, Indiana, Michigan City, Indiana	30,133	6	7
to acquire the assets and assume liabilities of			
State Bank of Westville, Westville	2,793	1	

Summary report by Attorney General, June 22, 1965

The Citizens Bank, which operates a head office and two branch offices in Michigan City, Indiana, as well as two additional branch offices in the center and the south of LaPorte County, Indiana, proposes to acquire by merger the State Bank of Westville, Indiana, also in LaPorte County 12 miles south of Michigan City. Though the State Bank's service area is included in the larger service area of Citizens Bank and the two banks obviously competed with each other in the past, competition has practically been eliminated since the purchase by the President and Chairman of the Board of Citizens Bank of most of State Bank's outstanding capital stock.

In the service area of Citizens Bank, the resulting bank would remain the second largest bank, increasing its share of deposits from 15.7 percent to 17.2 percent. The increase in the share of loans and discounts would be from 17.4 percent to 18.4 percent. By comparison, the largest bank in the service area, First Merchants National Bank, Michigan City, has a share of deposits amounting to 19.7 percent and loans and discounts of 22.7 percent.

In the smaller State Bank service area—within the Citizens Bank area—there is, at Wanatah, a branch office of the aforementioned First Merchants National Bank, Michigan City, and at Union Mills a branch of LaPorte Bank and Trust Co. It is therefore not believed that the vigor of competition in the State Bank service area will suffer as a result of the merger.

It does not appear that the merger, if approved, will have a substantial impact upon competition in commercial banking in the service areas of the two banks.

Basis for Corporation approval, July 23, 1965

The purchase and assumption transaction involves two banks located 12 miles apart in LaPorte County, Indiana. Applicant, with its head office and three branches in Michigan City, operates two additional branches in the county and is the third largest bank in the relevant service area in terms of IPC deposits owned. The selling bank is a small unit bank in Westville which serves a limited area situated within the larger service area of the applicant. The closest offices of applicant to Westville are those in Michigan City.

Competition between the two banks in the past appears to have been minimal by virtue of the difference in their size and proximity of other larger banks. Control of Westville bank was acquired by applicant's president in April, 1965 with the intention of effecting the proposal.

The increase in applicant's resources would be nominal and the resulting bank, as second largest in the area, would hold 17.1 percent of the aggregate IPC deposits. The largest bank holds slightly more than one-fifth of such deposits and is applicant's local and principal competitor. The third largest bank is roughly equal in deposit size to applicant and is located 12 miles from the main office of each participating bank. Westville bank's closest competitor, 8 miles south, is a branch of the largest bank. A branch of a bank five times the deposit size of Westville competes from a location 9 miles southeast. The small increase in concentration will have no significant effect on competition in applicant's service area and competition should be intensified in the smaller service area of the Westville bank.

The seven statutory factors are favorable to the proposal and there is no tendency toward monopoly involved. The proposed transaction, which will bring capable, aggressive management and enlarged and improved lending and trust services to Westville, is concluded to be in the public interest.

Case No. 30	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Southern Bank and Trust Company, Greenville, South Carolina	22,656	7	8
to merge with			
Bank of Piedmont, Piedmont	1,948	1	

Summary report by Attorney General, June 4, 1965

The banking industry in the State of South Carolina is presently concentrated and a substantial increase in banking concentration has taken place in recent years because of numerous mergers. The proposed merger is the third merger involving the Southern Bank and Trust Company in recent months.

This merger, because of the presence of common ownership and common directors, will, in and of itself, have little direct effect upon competition. It will, however, eliminate an alternative source of credit and increase concentration in banking in an area where concentration is already substantial and where a trend toward greater concentration appears to be well established. At the present time, the four largest banks in South Carolina operate 41 percent of the total banking offices in the State and hold over 60 percent of the State's total deposits. In the area served by Southern Bank and Trust Company five banks hold over 90 percent of the total deposits. Approval of this merger will allow the continuation of the merger trend and in all probability encourage banks in the area to expand still further via the merger route.

The over-all effect of the proposed merger on competition will not be substantially adverse.

Basis for Corporation approval, July 23, 1965

Consummation of this merger would have very little effect on the competitive ability and position of Southern, as opposed to its larger competitors in Greenville. There are four banks in Greenville among which Southern is the smallest, and following the merger it will be less than one-half the size of the third largest. It will be substantially smaller than the two largest banks in Greenville. In Piedmont the merger would have the effect of replacing a small unit bank which is strictly local in its outlook and service to the public by a branch of a larger bank which is aggressive in its policies and banking practices.

For several years Piedmont Bank has had difficult management problems which the merger will solve. Moreover, its asset condition leaves much to be desired and the management of Southern is more capable of dealing with these problems. Its management can supply the personnel and policy direction which is needed. Furthermore, the larger bank is in a position to provide a broader range of banking services and conveniences to the public.

All banking factors are favorable to the proposal and with no tendency toward monopoly involved it is concluded that the merger would be in the public interest.

Case No. 31	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
The Bank of Asheville, Asheville, North Carolina	19,570	5	6
to merge with			
Swannanoa Bank & Trust Company, Swannanoa	2,270	1	

Summary report by Attorney General, June 7, 1965

The proposed merger would eliminate the competition which presently exists between the applicants. The small size of the merging bank and the Asheville Bank's concentration on local service suggest that the competition between the participants is minimal. Moreover, the merger will not significantly alter the present distribution of banking power in Buncombe County. The resulting bank will be faced with competition from branches of four of North Carolina's five largest banks. Nor will this merger thrust a large bank into a market previously occupied by a number of small institutions.

We therefore feel that the proposed merger would not have significant anticompetitive effects.

Basis for Corporation approval, August 6, 1965

Asheville Bank serves a broad area in Buncombe County, North Carolina which includes the smaller service area of Swannanoa Bank, located 11 miles east. The small size of Swannanoa Bank and the differences in the composition of their loan portfolios minimize the competition between them which would be eliminated by the proposal.

Asheville Bank competes in Asheville with four of the five largest branch bank systems in the State. The five Asheville branches of the largest bank represented in the area hold more than three times the deposit volume of Asheville Bank and almost one-half the aggregate deposits owned by all banking offices in the area. The second largest bank's seven branches in the area hold slightly more than one-fourth of the aggregate deposits, and all offices of Asheville Bank hold 13.2 percent. The proposed merger would increase Asheville Bank's deposits to 14.8 percent of the aggregate owned by all offices represented in the service area. Three of the State's largest banks compete with Swannanoa Bank through their four branches located within 5 to 8 miles of Swannanoa.

The proposal does not involve a tendency toward monopoly and there would be no unfavorable effect on competition in either merging bank's service area. The Asheville Bank would bring a broader range of banking services to the immediate Swannanoa area and provide highly capable management for the Swannanoa Bank which is presently operating under temporary active management. The proposed merger is concluded to be in the public interest.

Case No. 32	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Greenfield Citizens Bank, Greenfield, Indiana (change title to Hancock County Bank)	3,850	1	4
to merge with			
Hancock County Bank, Willow Branch	3,653	3	

Summary report by Attorney General, July 9, 1965

The Greenfield Citizens Bank, Greenfield, Indiana, which operates its head office in Greenfield and has obtained permission to open a drive-in and walk-up facility 500 feet north of its office, proposes to acquire by merger the Hancock County Bank in Willow Branch, 10 miles northeast of Greenfield. Hancock County Bank has a branch office in Greenfield, approximately 1 mile north of the applicant bank and another branch office 6 miles northwest of Greenfield. The service areas of the two banks overlap more than 50 percent.

Early this year three directors of Greenfield Citizens Bank acquired controlling interest in Hancock County Bank and also became directors of that bank. Though competition between the banks which derive the predominant part of their business from the same area has been reduced as a result of the transaction, the merger, if approved, would permanently eliminate all competition between the two banks. The resulting bank would operate 50 percent of all banking offices in the Hancock-Greenfield area and control approximately 25 percent of all IPC deposits and loans there. The share of the two largest among five banks operating in the area would exceed 60 percent of all IPC deposits and loans.

In view of the lack of meaningful competition between the merging banks at present and their relatively small size it would appear that the effect of their merger on competition would not be significantly adverse.

Basis for Corporation approval, August 23, 1965

The primary service area of Citizens and Hancock Bank consists mostly of Hancock County which is contiguous to Marion County to the west wherein is located Indianapolis, the State capital. Greenfield is the seat of Hancock County and is but 21 miles east of downtown Indianapolis. Willow Branch, location of the main office of Hancock, is 10 miles northeast of Greenfield. It is estimated that the service areas of the merging banks overlap about 50 percent; hence, there is some competition between them which would be eliminated.

Among 12 banks competing in the service area of Citizens and Hancock, Citizens ranks seventh in size and Hancock eighth, as measured in terms of IPC deposits. As a result of the merger, Citizens will gain third position, holding 13.1 percent of the aggregate IPC deposits held by 11 banks. It will be less than two-thirds the size of its local competitor in Greenfield and substantially smaller than an Indianapolis bank which operates two branches in the area. Not to be ignored from a competitive standpoint are the Indianapolis banks, two of which exceed $600 million in total resources and one in excess of $300 million. These banks, operating a multiple number of banking offices, exert considerable competitive influence in Hancock County, as many of its residents commute to Indianapolis for employment.

Although one bank competing in the relevant service area will be eliminated along with one source of competition, 11 banks will still remain, providing ample alternative sources with which the public can choose its banking relations. The greater resources and enlarged capital base of the resultant bank, and the improved services it can offer, should prove beneficial to the public. Moreover, the increased lending limit and expanded loan facilities and other services, which the resultant bank will provide, will assist in the future growth of Hancock County. The asset structure and condition, capital position, earnings performance and active management of Hancock are characteristics favorable to the proposal in that the merger with Citizens would tend to correct these unfavorable situations. These factors outweigh the elimination of competition that would result.

There is no tendency toward monopoly involved and it is concluded that the proposed merger would be in the public interest.

Case No. 33	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Brownstown Loan and Trust Co., Brownstown, Indiana (change title to The Peoples Bank	4,549	2	2
to consolidate with			
The First National Bank of Brownstown, Brownstown	3,068	1	

Summary report by Attorney General, August 3, 1965

The Brownstown Loan and Trust Co., Brownstown, Indiana, was organized May 13, 1919. It has a branch at Crothersville, Indiana, about 13 miles southeast of Brownstown.

The First National Bank was organized April 4, 1908. The main office of the Brownstown Loan and Trust Co. and the office of the First National Bank are both on Main Street in Brownstown, a community of 3,000 population.

The consolidation will eliminate competition between two banks that have been successfully competing with each other since 1919. One of three banking alternatives in the community of Brownstown will be eliminated. The consolidation will give the resultant bank 67.1 percent of deposits and 54.4 percent of loans in Brownstown. If the service area is Jackson and adjacent counties, the consolidated bank with total deposits of $6,921,000 and loans of $2,623,000 will be third in size with 22.2 percent of total deposits of $31,166,000 and 19.6 percent of total loans of $13,363,000 in that area.

The effect of the proposed merger on competition will be adverse. However, since the merging banks are relatively small banks operating in a sparsely populated area, it does not appear that this effect will be substantial.

Basis for Corporation approval, September 7, 1965

Among eight banks located in the defined service area, applicant ranks fourth in size and National sixth, as measured in terms of IPC deposits, and among three banks in Brownstown applicant is largest by a narrow margin and National is smallest. The resulting bank will continue to rank fourth among seven banks in the relevant service area, holding 17.1 percent of aggregate IPC deposits. The two largest banks, both located in Seymour, 10 miles northeast of Brownstown, will hold more than one-half of the IPC deposits, and they provide strong competition to the three banks in Brownstown. The public will continue to have alternative banking choices available and the overall effect of the consolidation on competition will not be unfavorable. This conclusion was confirmed by officials of competing banks in the area.

The present quarters of both the applicant and National are congested and inadequate, and neither bank provides drive-in facilities. The consolidation will provide a capital structure sufficient to enable the resulting bank to construct modern quarters, conveniently located and with ample inside space, drive-in facilities, and adequate to serve the needs of the public. The increased lending limit of the resulting bank will aid in servicing the credit needs of the community, inasmuch as some persons now must go elsewhere to have their credit needs supplied. Moreover, it is contemplated that consumer and instalment lending will be considerably expanded, along with trust department facilities. It is concluded that the resulting bank will better serve the convenience and needs of the community through improved and enlarged facilities and a management representing a broader range of experience.

There is no tendency toward monopoly involved and in view of the foregoing, it is concluded that the consolidation will be in the public interest.

Case No. 34	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Guaranty Bank & Trust Company, Worcester, Massachusetts	86,624	11	14
to consolidate with			
First National Bank of Webster, Webster	15,430	3	

Summary report by Attorney General, August 16, 1965

Guaranty Bank & Trust Company of Worcester, Massachusetts, with assets of $83,429,000, proposes to consolidate with the First National Bank of Webster, Webster, Massachusetts, with assets of $15,655,000, under the charter and title of the former.

Competition between the banks is minimal, and not of significance. The proposed consolidation would remove one of two small, independent banks in the primary service area of Webster, and would require that the remaining bank compete with a branch office of the second ranked bank in Worcester County.

To this extent the proposed merger may have an adverse effect on competition.

Basis for Corporation approval, September 24, 1965

The relevant service area in this consolidation extends through Worcester County in central Massachusetts, from the State line on the north to the southern border of the County and State, occupying approximately the eastern one-half of the County. The area is highly developed with diversified industry constituting the principal economic base. The main offices of the participating banks are 20 miles apart and the nearest offices are 6 miles apart. A comprehensive survey of the deposit and loan accounts of the two banks reveals an insignificant amount of competition between them which would be eliminated.

Guaranty is the second largest commercial bank among 12 operating in the relevant service area and this rank will be unchanged as a result of the consolidation. It will hold approximately 23.5 percent of the IPC deposits held by the remaining 11 commercial banks in the area, an increase of 3.5 percent. The resultant bank would be less than one-half the size of its major commercial bank competitor in Worcester, as measured in terms of IPC deposits, and would be operating 14 offices compared to 26 for the largest bank. The relative rank and service areas of the numerous financial institutions competitive in the overall area would be unchanged by the consolidation. Of strong competitive significance is the presence in the area of 16 mutual savings banks which, combined, hold more than two-thirds of the aggregate IPC deposits held by all banks, or more than twice the volume of IPC deposits held by the commercial banks. Moreover, out-of-territory banks in larger cities, particularly Boston, are competitive in the area for the accounts of the larger industrial firms. Expanded services, including greater resources and lending capacity, trust facilities, and the advantages of Guaranty's automation equipment would be immediately available to the residents of the Webster area where the principal noticeable effect of the consolidation would be the substitution of branches of Guaranty for the present offices of National.

It is concluded that the consolidation, which will not have an unfavorable effect on competition or the banking structure of the area, and which will provide increased banking services and greater availability of banking resources for support of the economy of the area, without tendency toward monopoly, is in the public interest.

Case No. 35	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
The Colorado State Bank of Denver, Denver, Colorado	26,362	1	1
to acquire the assets and assume liabilities of			
Citizens Savings Bank, Denver	10,629	1	

Summary report by Attorney General, June 29, 1965

The proposed transaction would unite two of the small banks in Denver, Colorado, whose combined shares of loans and IPC deposits would not exceed 3 percent. Moreover, the Denver banking market is dominated by two of the 26 competing banks. Approval of this transaction would strengthen the resulting institution without significant anticompetitive results. The proposed acquisition of assets and assumption of liabilties would not appear to have a significant adverse effect upon competition.

Basis for Corporation approval, October 15, 1965

The proposed transaction will unite two small banks in Denver, Colorado, which are located five blocks apart. The selling bank is authorized to conduct a general banking business but operates as a savings bank. The nature of its operation indicates there is little competition between the participating banks which would be eliminated by the proposal.

The service area is dominated by two large banks which hold an aggregate of more than one-half the IPC deposits and loans owned by the 26 banks in Denver. The resulting bank would hold less than 3 percent of such deposits and loans. The elimination of the selling bank will not substantially lessen competition with other area banks and numerous banking alternatives are available within a short distance. The selling bank's customers will benefit from the added services available at the applicant bank which include checking accounts, safe deposit box rental and drive-up facilities.

The banking factors requiring consideration are determined to be favorable to the proposal and the effect of the transaction on competition would not be unfavorable. Consummation of the proposal will provide added banking services to the selling bank's present customers and is concluded to be in the public interest.

Case No. 36	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Altoona Central Bank and Trust Company, Altoona, Pennsylvania (change title to Mid-State Bank and Trust Company)	58,267	8	12
to merge with			
First Bellefonte Bank and Trust Company, Bellefonte	20,790	4	

Summary report by Attorney General, August 27, 1965

Altoona Central Bank and Trust Company, Altoona, Pennsylvania (Altoona Bank) is the largest of nine banks in its service area with IPC deposits of $47,728,000 (about 33.7 percent of such deposits held by banks located there). It operates eight offices in Altoona and the surrounding area. Since 1953 Altoona Bank has acquired four banks with total deposits of $15,966,578.

First Bellefonte Bank and Trust Company, Bellefonte, Pennsylvania (Bellefonte Bank) is the second largest of eight banks in its Bellefonte-State College service area with IPC deposits of $16,573,000 (29 percent of such deposits held by banks located there) although it is largest in loans and discounts with 36 percent. It operates four offices in this area. Since 1954 Bellefonte Bank has acquired two banks with total deposits in excess of $6,320,723.

Existing competition between the participating banks is very limited, largely because their nearest offices are 35 miles apart.

If the proposed merger is consummated, the other banks in the Altoona-State College service areas, respectively, will henceforth be competing against a banking institution with greatly increased resources. In Altoona Bank's service area the resulting bank would have 40 percent of total IPC deposits of banks located there, whereas at the present time Altoona Bank has 33.7 percent of such deposits. Likewise, in the Bellefonte-State College service area, the resulting bank would have 62 percent of total IPC deposits of banks located there, whereas at the present time Bellefonte Bank has 29 percent of such deposits. In both areas the resulting bank would be the largest by a substantial margin.

This merger would serve to further accelerate the trend toward concentration of bank resources in this central Pennsylvania area and enhance the competitive imbalance already existing between the participating banks and the smaller banks in their respective service areas. Thus, the proposed merger, if consummated, may have an adverse effect upon competition.

Basis for Corporation approval, October 21, 1965

The applicant is the larger of 2 banks in Altoona and the largest of 12 in the Altoona service area. Also, it is larger than each of the 8 banks in the Bellefonte-State College service area. First is the second largest bank in the Bellefonte-State College service area although it holds the largest volume of loans. The service areas are separate. Altoona and Bellefonte are 50 miles apart and the nearest offices of the applicant and First are 36 miles apart. Therefore, the merger would not reduce the number of banking choices available to the public, insofar as each area is concerned. There is no competition between the two banks which would be eliminated. Although the largest bank will become larger, the remaining banks are well established and have successfully competed with larger banks in the past.

There is strong evidence of the need for a larger bank in the service areas involved, especially in the Bellefonte-State College area where the growth trend in recent years has been substantial, both with respect to industry and housing, as well as the constantly increasing enrollment at Pennsylvania State University. The legal lending limit of First is inadequate to service the credit needs of several of its industrial and larger business customers and on many occasions it has had to resort to loan participations with correspondent banks in order to provide these credit needs. Moreover, in order to assist in financing the growing housing needs of the area, it has had to sell mortgage loans to other financial institutions. The resulting bank, with its greater resources and larger capital base, will alleviate this problem and it will be in a better position to assist in the expansion and growth of the area. Improved trust services, including applicant's common trust fund, will become available to the customers of First and a farm representative and agricultural department will be able to develop more effective relations with farmers in Blair and Centre counties which contain very fertile farm land. The applicant already has installed automation equipment and as a result of the merger the resultant bank will be of sufficient size to develop and expand this service for the benefit of both banks and their customers.

All banking factors are considered to be favorable to the proposal. It is concluded that the merger which will not have unfavorable effects on competition and which will provide greater benefits to the public and assist in the economic growth of the area, without tendency toward monopoly, is in the public interest.

Case No. 37	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Binford State Bank, Binford, North Dakota (change title to Farmers and Merchants Bank in Cooperstown, and change location of head office to Cooperstown)	1,693	1	2
to merge with			
Security Trust Company, Cooperstown	1,140	1	

Summary report by Attorney General, June 30, 1965

Each of the merging banks has assets of less than $2 million and operates one office. The banks are located 19 miles apart in a sparsely populated area that is predominantly agricultural, with some light industry around Cooperstown. Both banks are owned and operated by the same individuals. In fact, Security Trust Co. was organized in 1963 by the owners and officers of Binford State Bank.

The service areas of the two banks overlap to a degree. Their common ownership and management, however, suggest that there is little significant competition between them that would be eliminated by this merger.

The resulting bank will be comparable in size to the four other banks operating in its service area. It will be in most direct competition with the area's largest bank (First State Bank in Cooperstown), an affiliate of First Bank Stock Corp. of Minneapolis. On the other hand, the owners and officers of the resulting bank also own and operate Citizens State Bank in Finley, one of the area's four other banks. Because of this relationship the same individuals control 35-40 percent of the area's banking business. It seems unlikely that there will be especially vigorous competition between the resulting bank and Citizens in Finley for this significant amount of business. In terms of concentration, however, this relationship does not appear serious, so long as these banks remain separate.

In our opinion, the overall effect of this merger on competition will not be adverse.

Basis for Corporation approval, October 29, 1965

Among four banks in Griggs County, including Security, and seven in the relevant service area, the applicant and Security are the two smallest and following their merger will be of about equal rank with one other bank as third largest among six banks in the area. Cooperstown is the location of the largest bank in the area, holding approximately one-fourth of the local IPC deposits, as compared to less than 16 percent which will be held by the bank to result from the merger. The increase in size for the applicant is not an important factor in this proposal.

Both the applicant and Security are commonly owned and managed. The control of the applicant was acquired in 1954, and that of Security when it was organized as a trust company in 1963. Because of recent changes in the North Dakota banking law, a trust company can no longer engage in a general banking business. Because of the common ownership and managemet, elimination of competition, also, is not an important factor in the proposal.

Binford, the present location of the applicant and 18 miles northwest of Cooperstown, is a small community of about 260 population, which is on a declining trend, and the community contains but about 10 business establishments. Cooperstown, the seat of Griggs County, has a present estimated population of almost 1,600 which is increasing, and it has about 85 business establishments. Cooperstown is the trading center for Griggs County and the surrounding area for a radius of from 15 to 25 miles in all directions. The owners of the applicant and Security have been residents of Cooperstown for about 40 years, and through other business interests have supplied credit needs in substantial amounts in the area. The growth of Security in its approximate 2½ years of existence, without the benefit of Federal deposit insurance, despite the competition by an insured local competitor (the largest bank in the area), is evidence that it is providing a community need and convenience. The change of location of the applicant (a full-service bank) from Binford to Cooperstown should increase competition in the area and improve services to the public because the services presently provided by Security are limited by legal restrictions. It is indicated that the residents of Binford already are going in increasing numbers to Cooperstown to purchase their goods and services; thus, the conversion from a full-service bank in Binford with poor future growth prospects to a paying and receiving station should result in no significant inconvenience to the public in that community. The State Banking Board in its written opinion concurs in this view. Full-service branch banks are prohibited in North Dakota.

There is no tendency toward monopoly involved, and it is concluded that the merger and change of main office location from Binford to Cooperstown would be in the public interest.

Case No. 38	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Citizens' Bank of Albany, Albany, Oregon (change title to Citizens Valley Bank)	11,823	2	5
to merge with			
Bank of Lebanon, Lebanon	11,712	3	

Summary report by Attorney General, September 3, 1965

Citizens' Bank of Albany (Citizens), Albany, Oregon, has requested permission to merge the Bank of Lebanon (Lebanon), Lebanon, Oregon. The Citizens' Bank intends to operate the acquired facilities as branches. The merged bank will have approximately $23,000,000 in deposits and $13,500,000 in loans. Service areas of the two banks overlap and they are presently competitors for those services offered by both, namely deposits, commercial loans and agricultural loans. In the service area of the resulting bank are two large statewide banking chains (First National Bank of Oregon and U. S. National Bank of Oregon) which control 8 percent of the loans and deposits throughout the entire State and are substantial factors in the resulting bank's area.

The competitive effects of the proposed merger probably would be adverse in that all presently existing competition between the two banks would be eliminated. In view of the limited size of the two banks in relation to their large competitors such anticompetitive effects would not appear to be substantial.

Basis for Corporation approval, November 10, 1965

The merger involves two relatively small banks of similar size whose main, and closest, offices are located 13 miles apart in Linn County, Oregon. There are no intervening bank offices and the applicant and merging bank reportedly derive business from each other's area "to quite an extent". The proposal would eliminate the direct competition between them; however, the merging bank's financial condition seriously threatens its ability to continue in operation. The proposal, under this circumstance, would have the effect of preserving, rather than lessening, competition by assuring the continued operation of the merging bank offices as branches of the applicant.

The applicant would slightly more than double its size but the resulting bank, with $23.0 million in deposits, would continue to compete with the two largest branch bank systems in Oregon. Each of the large banks holds in excess of $1.0 billion in deposits and competes directly with the participating banks' main offices and at one of the merging bank's branch locations. Competition would be enhanced with the large competitors, and the applicant's increased size could enable it to offer improved and additional banking services not presently provided by the individual participating banks.

The proposal would not have significant adverse effects on competition and would provide a solution to the merging bank's management and asset problems. Continued operation of the merging bank's offices would be assured and it is concluded that the proposed merger is in the public interest.

Case No. 39	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Union Bank & Trust Co., Erie, Erie, Pennsylvania	35,677	6	9
to merge with			
The Bank of Erie, Erie	14,439	3	

Summary report by Attorney General, August 10, 1965

Union Bank & Trust Co., Erie, Erie, Pennsylvania, with total assets of $33,793,000, and five branch offices, proposes to merge the Bank of Erie, which has total assets of $14,000,000 and two branch offices. Applicant bank and the merging bank are the two smallest of five banks in the city of Erie. Applicant bank has made no acquisitions since chartered in 1923 except for the purchase of Home National Bank of Union City, Pennsylvania in 1959, which has since operated as a branch office.

Although the resulting bank will continue to rank last in the Erie area, the proposed acquisition would eliminate all competition between two of five competing banks in Erie and reduce the banking alternatives from five to four, thereby adversely affecting competition in the Erie, Pennsylvania area.

Basis for Corporation approval, November 10, 1965

The relevant service area in this proposal is the city of Erie and is considered to extend approximately 3 miles beyond the city limits. Within this area there are 22 offices of five banks, of which Union operates 5 and Bank of Erie 3. The participants are the two smallest of the five Erie banks, together holding 15.4 percent of the aggregate resources and Bank of Erie holding but 4.5 percent. The two largest Erie banks, combined, hold more than two-thirds, each being of almost equal size. There is competition between the merging banks which will be eliminated, but the improved competitive standing of Union will more than compensate for the loss of the smallest competitive source. The broader and improved services which Union can introduce into the offices of Bank of Erie and the larger lending base of the resulting bank will tend to increase competition with the three larger banks. There will be no reduction in the number of banking offices.

Bank of Erie presently is the only bank in Erie not operating a trust department. In addition to trust facilities, Union will provide the customers of that bank with the advantages of electronic data processing equipment, and the larger lending base will be beneficial to the resulting bank in attracting and holding new customers. Moreover, Bank of Erie lacks management depth and is faced with a management problem which the merger will solve.

In view of the competition provided by the three larger banks, there is no tendency toward monopoly, and it is concluded that the merger is in the public interest.

Case No. 40	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
The Northwestern Bank, North Wilkesboro, North Carolina	239,953	66	67
to merge with			
Bryson City Bank, Bryson City	3,095	1	

Summary report by Attorney General, July 21, 1965

Northwestern Bank, North Wilkesboro, North Carolina, proposes to acquire by merger the Bryson City Bank, Bryson City, North Carolina. Northwestern Bank is the fifth largest bank in North Carolina, with resources in excess of $225 million. It operates 63 offices in 58 cities concentrated in the Piedmont and western regions of North Carolina. Since 1960 it has acquired nine independent banks with 16 offices and combined resources of over $52.7 million.

The Bryson City Bank operates its only office in Swain County and is the only bank in that county. It is 25 miles from the nearest office of Northwestern Bank. As of December 31, 1964, the Bryson City Bank had total resources of over $2.7 million. Competition between the merging banks is virtually non-existent.

The banking industry in North Carolina is highly concentrated with the six largest banks accounting for over 66 percent and 68 percent of the State's total deposits and resources, respectively. Northwestern Bank presently accounts for 4.9 percent of the State's total deposits and 5 percent of total resources, while corresponding figures for the State's largest bank, Wachovia Bank and Trust Co., are 22.1 percent and 22.9 percent, respectively. Northwestern Bank claims that the proposed merger is necessary to enable it to compete with the State's larger institutions.

The instant merger would not have anticompetitive effects.

Basis for Corporation approval, November 17, 1965

Banking resources in North Carolina are concentrated largely in six major branch systems operating on a statewide or regional basis and among which Northwestern ranks fifth in volume of deposits and number of banking offices. Among 152 banks in the State, as of December 31, 1964, these six banks held more than two-thirds of the total bank deposits and operated more than one-half of the State's 831 banking offices. Northwestern held less than 5 percent of the total banking deposits and it now operates 66 offices. By contrast, the State's largest bank with 92 offices holds 22 percent of the State's total bank deposits and the fourth largest bank holds 9 percent. Northwestern, ranking fifth, is only a little more than one-half the size of the State's fourth largest bank.

Northwestern faces direct competition from the State's four largest branch bank systems at several locations although its operations are confined to the north-central and the western sections of the State. It does not presently compete with the unit Bryson City Bank; therefore, elimination of competition is not a factor in this proposal. Bryson City Bank holds less than 0.06 percent of the State's total deposits and its merger into Northwestern will have no significant effects on competition in the areas where Northwestern presently has offices. The nearest competitor for Bryson City Bank is the Cherokee branch of First Union National Bank of North Carolina, Charlotte, 10 miles northeast (the State's third largest bank). Although competition in the service area of Bryson City Bank is limited because of the mountainous terrain, to the extent that it may exist, the absorption of the relatively small unit Bryson City Bank by Northwestern would have no significant adverse competitive effects. The latter bank is in a position to offer a much broader range of services to the public, particularly trust facilities, an agricultural advisory department, data processing, and other specialized loan services.

It is concluded that the merger is in the public interest.

Case No. 41	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Kings County Trust Company, Brooklyn, New York (change title to Kings County Lafayette Trust Company)	100,569	3	10
to merge with			
Lafayette National Bank of Brooklyn in New York, Brooklyn	114,988	7	

Summary report by Attorney General, October 13, 1965

Kings County Trust Company (hereinafter called Kings County) was organized on August 6, 1889. It has received authority to establish a branch office at 1532 Flatbush Avenue, Brooklyn, and expects to do so in about three months. The average net operating income of this bank for the five years 1959 to 1963 has been $1,263,000 annually. For 1964 it was $1,084,000.

Lafayette National Bank of Brooklyn in New York (hereinafter called Lafayette) was organized on February 26, 1926. Lafayette has a head office and six branches, all in Brooklyn. The average net operating income of this bank for the five years 1959 to 1963 has been $1,610,000 annually. For 1964 it was $1,977,000.

The application indicates that both banks compete in the same service areas and maintain commercial, personal loans and trust departments in the service area involved. There are four competing Brooklyn banks with the following IPC deposits, loans and discounts as of June 30, 1965:

Name of bank	IPC deposits	Total net loans and discounts
Kings County	$ 84,633,000	$ 46,436,000
Lafayette	105,707,000	71,093,000
Central State Bank	33,812,000	21,231,000
Franklin National Bank of L. I.	1,257,370,000	874,851,000

In addition, six large New York City banks have branches in the primary service area of the proposed merging banks in Brooklyn, to wit: Bankers Trust Co., Chase Manhattan Bank, Chemical Bank New York Trust Co., First National City Bank, Manufacturers Hanover Trust Co. and Royal National Bank.

Considering the continuing trend toward concentration of banking resources in the New York City metropolitan area, this merger will serve to accelerate that trend and eliminate one of the four local banks in the Brooklyn service area. The elimination of each bank creates a competitive disadvantage for local businessmen as well as for the remaining banks. Therefore, the proposed merger, if consummated, would have a substantial adverse effect on competition.

Basis for Corporation approval, November 24, 1965

The proposal would merge two commercial banks of similar size with main offices 3½ blocks apart in Brooklyn, New York. Applicant had been a single-office bank engaged predominantly in wholesale banking until 1965. Lafayette operates seven offices and its banking business is primarily retail in nature. The participating banks operate for deposits predominantly in different markets and there is no significant competition between them to be eliminated by the proposed merger.

The resulting bank would hold a nominal proportion of the aggregate deposits and loans owned by the 17 commercial banks operating 126 offices in Brooklyn. Lafayette is in direct competition with five banks, each holding in excess of $1.0 billion in deposits, which have branches in the same block as Lafayette's main office. Applicant's main office competes directly with three banks, each holding in excess of $5.0 billion in deposits, which have branches within two blocks.

There would be no material change in the competitive situation in Brooklyn or in the immediate areas of the participating bank's main offices.

Such limited unfavorable effects on competition as might result from the merger would be outweighed by the resolution of the capital, asset and management problems of Lafayette. The merger, therefore, is concluded to be in the public interest.

Case No. 42	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
American Bank and Trust Co. of Pa., Reading, Pennsylvania	243,770	14	15
to merge with			
The First National Bank of Coaldale, Coaldale	3,383	1	

Summary report by Attorney General, September 1, 1965

This merger by itself does not appear likely to have significant anticompetitive effects. It will result in the conversion of the small independent other bank, currently the only bank located in Coaldale, into a branch office of applicant bank, which is, by a substantial margin, the largest bank centered in Berks County and also in the six surrounding counties. Because the resources of the other bank are relatively small, this merger will not add significantly to the market share of applicant bank, either in its present service area, or Berks County plus Pottsville and Reamstown, or in the larger seven-county area which the resulting bank claims it will serve.

However, the merger will be another step in the growth-by-merger process by which the applicant bank has achieved its present position as the largest bank in the area. Of applicant's $220 million in deposits, $52 million came by the merger route, $28 million in the last six years. But for these resources acquired by some nine mergers, the applicant would be comparable in size and competitive strength to other area banks. The proposed merger, then, while it would add only another $3 million to the applicant's deposits, will serve to enhance further its current competitive advantages.

Basis for Corporation approval, December 6, 1965

The main offices of the merging banks are located 44 miles apart in eastern Pennsylvania. Applicant, whose main office is in Reading, 60 miles northwest of Philadelphia, operates 12 offices in Berks County, one branch in Lancaster County and one branch in Schuylkill County. National is a unit bank located in Coaldale, Schuylkill County, and applicant's nearest office is 19 miles southwest in Pottsville. Offices of competing banks intervene the closest offices of the participating banks, and the deposit and loan accounts derived by either bank from the other's service area are negligible. There is no significant competition between the merging banks which would be eliminated by the proposal.

Applicant is a progressive, well-managed bank with a history of service to its community, particularly in providing financial and other support for industrial diversification and expansion.

Coaldale, located near the northeast border of Schuylkill County, is in the center of an anthracite mining area. The decline of this industry has been accompanied by a population decline and high unemployment and the area continues to be economically distressed. Applicant's Pottsville office is managed by a staff and advisory committee which has furnished leadership in the continuing industrialization of a radius of about 5 miles surrounding Pottsville. The resulting bank can enlarge the capabilities of this group, particularly in Schuylkill County, and accomplish a stated purpose of the merger: to increase the job-creating potential in the northeast section of Schuykill County. The resulting bank could provide complete banking and fiduciary services beneficial to the people, industry, and commercial establishments in this area which the local banks now provide to a lesser extent. The services include electronic data processing, a larger lending limit, full-scale consumer credit and personal loan financing and more extensive and competitive trust services.

The service area of the resulting bank would include Berks, Schuylkill, and Lancaster counties as well as portions of four other contiguous counties in which the applicant is authorized to establish branches under State law and a small portion of Carbon County near Coaldale. Applicant is and will be the largest bank with offices in this area but there would be no appreciable increase in its resources through the proposed merger.

It is concluded, since there would be no significant unfavorable effects on competition, the extension of applicant's broader services and aggressive management, with its record of improving the economy of the area it serves, to an economically distressed area would benefit that community and, therefore, the proposed merger is in the public interest.

Case No. 43	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
The Boone County State Bank, Lebanon, Indiana	12,764	2	3
to acquire the assets and assume liabilities of			
State Bank of Advance, Advance	1,732	1	

Summary report by Attorney General, October 27, 1965

The Boone County State Bank of Lebanon, Indiana, with assets of $12,765,000, proposes to acquire the assets and assume the liabilities of the State Bank of Advance, Advance, Indiana.

The acquisition by Boone, the largest bank in the area, of the assets of Advance would increase Boone's dominance in the service area, and would encourage further concentration of banking facilities. However, in view of the size of the merging bank, the lack of substantial competition to be eliminated and the availability of alternate sources of banking services in the general area, it does not appear that the proposed acquisition would have significant anticompetitive effects.

Basis for Corporation approval, December 16, 1965

The two banks involved in the purchase and assumption transaction are located 11 miles apart in Boone County, Indiana. No banking offices intervene the two participating banks and their service areas overlap to a limited extent. There is some competition betweeen them which would be eliminated but the amount is not significant.

The increase in applicant's resources would not materially affect competition in Lebanon, the location of applicant's two offices. The selling bank has less than $2 million in resources and is the only bank located in Advance. There is no competition in Advance to be affected by the introduction of the applicant. The nearest competitors to Advance Bank are 5 to 8 miles distant and are small banks serving primarily their own communities. There would be no significant adverse effect on competition which may exist with these banks.

Present and potential customers in Advance Bank's service area would benefit from the resulting bank's larger lending limit, the availability of applicant's farm representative and expanded consumer credit facilities.

The proposed transaction which would have no significant unfavorable effects on competition, but which would provide enlarged and expanded services in Advance Bank's area and resolve the lack of depth in active management at Advance Bank, is concluded to be in the public interest.

Case No. 44	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Pontiac State Bank, Pontiac, Michigan	62,818	9	10
to merge with			
Clarkston State Bank, Clarkston	8,803	1	

Summary report by Attorney General, November 15, 1965

The proposed merger between a small, unprogressive, and futureless bank on the one hand and a thriving, up-to-date and imaginative bank on the other, neither of which is significantly in competition with the other, would only improve banking services in a rapidly growing community where there is a need for such an improvement.

The merger would not increase Pontiac State's banking power appreciably. On the other hand, it would permit Pontiac State to compete more effectively with its much larger competitor in the area, Community National Bank.

No anticompetitive effects are seen in the proposed merger.

Basis for Corporation approval, December 16, 1965

The Pontiac Bank serves an area a portion of which is contiguous to, but does not include a significant portion of, the Clarkston Bank's service area, located some 10 miles northwest of the applicant's main office. Business it derives from the Clarkston area is mostly unsolicited, and results from the inability of the Clarkston Bank to take care of the area's credit requirements with its present size and loan policies.

Competition felt by the Clarkston Bank in the past has been small because the larger banks have not been interested in the type of account it was handling, but the early establishment of an office of a large Pontiac bank nearby would put it, as a small, unit bank, in a very disadvantageous competitive situation. On the other hand, merger into the Pontiac Bank will provide its community with offices of both Pontiac banks to choose between, and thus will improve the area's competitive situation. Furthermore, the proposal will enable the applicant to maintain its competitive position relative to the larger Pontac bank and the banks headquartered in Detroit and Flint which have branched into the Greater Pontiac Area. These outside banks presently handle about 97 percent of the banking business of the Detroit-Pontiac-Flint section of the State of Michigan, and the National Bank in Pontiac handles about 67 percent of the volume left for the four existent locally headquartered banks. While the proposed merger will increase the applicant's share of the latter volume only some 3 percent to 4 percent, it will enable it to maintain its competitive position in the Clarkston area as well as in the rest of Pontiac's service area.

The Pontiac Bank is in a position to bring a much broader range of banking services to the Clarkston area, and vastly better credit facilities, under a management considered highly competent, whereas the Clarkston Bank has been unable, due to its small size and lack of perceptible future prospects, to find a suitable successor or assistant for its present executive officer. The proposed merger is concluded to be in the public interest.

Case No. 45	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Empire Trust Company, New York, New York	316,497	2	2
to merge with			
Empire Safe Deposit Company, New York	286		

Summary report by Attorney General, November 26, 1965

Empire Trust Company proposes to merge into it Empire Safe Deposit Company, its subsidiary, which is engaged in the business of renting vaults and safe deposit boxes. The stated purpose of the merger is to simplify administration and to effect possible local tax savings. The proposed transaction would have no effect on competition.

Basis for Corporation approval, December 20, 1965

Empire Trust Company owns all but Directors' qualifying shares of the Empire Safe Deposit Company whose operation is limited to a safe deposit business conducted in leased portions of the bank's two offices. All officers of the safe deposit company are also officers of Empire Trust Company. The objective of the proposed transaction is to simplify administration and to possibly accomplish some savings in local taxes by eliminating the affiliation and having the bank furnish safe deposit service on a direct basis. Consummation of the merger should have no effect on the condition or prospects of the applicant nor upon banking competition. Favorable findings have been made on the seven factors required to be considered by the Corporation and it is concluded that the merger is in the public interest.

Case No. 46	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Keystone Bank, Freeport, Pennsylvania (change location of head office to Lower Burrell)	14,795	5	6
to merge with			
The Union National Bank of Rockwood, Rockwood	3,056	1	

Summary report by Attorney General, August 16, 1965

Keystone Bank operates four offices in southwestern Pennsylvania on the fringes or within the industrial complex of Pittsburgh. It has pending applications for two branch offices to be located within this area. As of June 1, 1965, Keystone reported total assets of $14,395,000, net loans and discounts of $9,214,000 and total deposits of $12,826,000.

Union National Bank of Rockwood operates a single office in Rockwood, Pennsylvania, a small agricultural and recreational community approximately 65 miles southeast of the nearest office of Keystone Bank. As of June 1, 1965, Union National Bank reported total assets of $2,896,000, net loans and discounts of $1,610,000 and total deposits of $2,645,000.

Because of the great distance separating the offices of the two banks and the apparently local nature of their respective operations, competition between them appears to be insignificant. Neither bank is a substantial factor in its respective service area, and the impact of the merger from the standpoint of competition or concentration in either service area is slight. We conclude that the effects of the merger upon competition will not be adverse.

Basis for Corporation approval, December 20, 1965

The areas served by the Keystone Bank and the Union Bank, whose closest offices are more than 60 miles apart, are not contiguous and the banks have never competed with each other. Consequently, there would be no elimination of competition between the merging banks.

Union Bank has failed to grow or prosper because of local economic conditions and, until recently, an unprogressive management. Keystone Bank's management now holds a substantial stock interest, effective control of policy and a strong position on the board of Union Bank. Keystone Bank is in a position to bring a much broader range of banking services to the Rockwood area, vastly better credit facilities and a highly competitive management. Union Bank's senior officers are approaching retirement age and the bank faces a management succession problem. The resulting bank, with its superior credit facilities and aggressive management, can prove to be a major factor in stimulating the local Rockwood economy and developing the region as a resort area, a prospect which would be very beneficial to the local community.

Keystone Bank presently handles less than one-half of 1 percent of the banking business in its present service area, and the proposal would have no adverse effect on competition therein. Union Bank presently holds about 8 percent of the deposits and loans in its immediate service area. The entry of Keystone Bank into the Rockwood area would stimulate competition with the larger banks represented there without adverse effects on competition with other banks serving the area.

The proposed merger, which would have no unfavorable effects on competition, would bring broader banking services and improved credit facilities to the Rockwood area which can be a factor in stimulating the local economy and development of the region, is concluded to be in the public interest.

Case No. 47	Resources (in thousands of dollars)	Banking offices	
		In operation	To be operated
Security State Bank of Colby, Colby, Wisconsin	4,285	2	3
to consolidate with			
Colby State Bank, Colby	3,703	2	

Summary report by Attorney General, October 27, 1965

This is a proposal to consolidate Security State Bank and Colby State Bank, the two commercial banks of Colby, Wisconsin, a city of 1,200 in the west-central part of the State. The head offices of the consolidating banks are half a block apart; each bank also operates a branch office near the town. The head office of Colby State would be discontinued after the banks are combined. Both banks have been profitable independent institutions and are about equal in size to their nearest competitors.

The proposed consolidation would extinguish the competition which now prevails between Security State and Colby State and would eliminate the latter as an independent competitor in Colby and the surrounding area. It would also upset the relative competitive balance which prevails among the banks nearest Colby, and might thereby stimulate further merger activity in the area.

For these reasons, it is our opinion that the proposed consolidation of these two small, country banks would have an adverse effect on competition in commercial banking in Colby but would not appear to adversely affect competition beyond the confines of rural Colby and vicinity.

Basis for Corporation approval, December 29, 1965

The proposal would consolidate two banks located one-half block apart in Colby, Wisconsin, each with less than $5.0 million in resources. State law prohibits branch banks and one office in Colby would be discontinued. The applicant and the other bank each has a station, 3 miles north and 4 miles south of Colby, respectively, which would be operated as stations of the resulting bank.

The IPC deposits of the applicant would be almost doubled and the resulting bank would hold 23.3 percent of the aggregate of such deposits owned by the nine banks serving the general area. The seven other banks are located outside of Colby and its vicinity and primarily serve their immediate areas. The increased size of the applicant would have no significant adverse effect on competition with these banks. One large bank and four savings and loan associations located outside the general area offer strong competition to the area banks. The proposal would stimulate competition with these outside institutions to some degree.

The competition existing in Colby between the two small consolidating banks would be eliminated but present banking facilities and services would be improved and expanded and the resulting bank could offer additional services beneficial to the community. The larger lending limit would enable essentially all of the area's credit requirements to be met by the resulting bank, the present inadequate physical facilities would be enlarged, a number of additional services would be offered, and the resulting bank would be in a position to consider establishment of a trust department and data processing techniques. The proposal would eliminate one banking source in Colby but would cause no inconvenience because of the proximity of the existing bank offices.

The overall effect of the transaction on competition would not be unfavorable and the proposed consolidation, which would resolve applicant's lack of depth in active management and provide improved facilities and additional services beneficial to the community, is concluded to be in the public interest.

[1] Assets of branches being absorbed.
[2] Two branches being absorbed. This bank will continue to operate its other offices.
[3] Assets to be transferred.
[4] Branch only is being absorbed. The Farmers Security Bank of Washburn will continue to operate its main office.
[5] Operates two offices in quarters leased from Empire Trust Company as part of offices of the latter. Will be continued in operation.

LEGISLATION AND REGULATIONS

PART TWO

FEDERAL BANKING LEGISLATION—1965

Public Law 89-3
89th Congress, H. R. 3818
March 3, 1965

AN ACT

To eliminate the requirement that Federal Reserve banks maintain certain reserves in gold certificates against deposit liabilities.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of the third paragraph of section 16 of the Federal Reserve Act, as amended (12 U.S.C. 413), is further amended by striking out "reserves in gold certificates of not less than 25 per centum against its deposits and".

Sec. 2. The eighteenth paragraph of section 16 of the Federal Reserve Act, as amended (12 U.S.C. 467), is further amended by substituting a period for the comma after the word "notes" and striking out the remainder of the paragraph.

Approved March 3, 1965.

Public Law 89-59
89th Congress, S. 1796
June 30, 1965

AN ACT

To amend the Small Business Act to provide additional assistance for disaster victims.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 7(b) of the Small Business Act is amended by striking out "twenty years.", in the second sentence, and inserting in lieu thereof the following: "thirty years: *Provided,* That the Administrator may consent to a suspension in the payment of principal and interest charges on, and to an extension in the maturity of, the Federal share of any loan under this subsection for a period of not to exceed five years, if (A) the borrower under such loan is a homeowner or a small-business concern, (B) the loan was made to enable (i) such homeowner to repair or replace his home, or (ii) such concern to repair or replace plant or equipment which was damaged or destroyed as the result of a disaster meeting the requirements of clause (A) or (B) of paragraph (2) of this subsection, and (C) the Administrator determines such action is necessary to avoid severe financial hardship: *Provided further,* That the provisions of paragraph (1) of subsection (c) of this section shall not be applicable to any such loan having a maturity in excess of twenty years."

(b) Section 7(c) of such Act is amended by inserting "(1)" after "(c)", and by adding at the end thereof a new paragraph as follows:

"(2) During any period in which principal and interest charges are suspended on the Federal share of any loan, as provided in subsection (b), the Administrator shall, upon the request of any person, firm, or corporation having a participation in such loan, purchase such participation, or assume the obligation of the borrower, for the balance of such period, to make principal and interest payments on the non-Federal share of such loan: *Provided,* That no such payments shall be made by the Administrator in behalf of any borrower unless (i) the Administrator determines that such action is necessary in order to avoid a default, and (ii) the borrower agrees to make payments to the Administration in an aggregate amount equal to the amount paid in its behalf by the Administrator, in such manner and at such times (during or after the term of the loan) as the Administrator shall determine having due regard to the purposes sought to be achieved by this paragraph."

(c) Section 4(c) of such Act is amended by—

(1) Inserting "7(c)(2)," after "7(b)," in the first sentence;

(2) inserting "and 7(c)(2)" after "7(b)" where "7(b)" first appears in the fourth sentence; and

(3) deleting "section 7(b)" from clause (2) in the fourth sentence and inserting "sections 7(b) and 7(c)(2)".

Sec. 2. Section 4(c) of the Small Business Act is amended—

(1) by striking out "$1,666,000,000" and inserting in lieu thereof $1,716,000,-000"; and

(2) by striking out "$1,325,000,000" and inserting in lieu thereof $1,375,000,-000".

Approved June 30, 1965.

Public Law 89-79
89th Congress, H. R. 5306
July 21, 1965

AN ACT

To continue the authority of domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of the fourteenth paragraph (12 U.S.C. 371b) of section 19 of the Federal Reserve Act is amended by changing "the effective date of this sentence and ending upon the expiration of three years after such date," to read "October 15, 1962, and ending on October 15, 1968,".

Sec. 2. The last sentence of section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended by changing "the effective date of this sentence and ending upon the expiration of three years after such date," to read "October 15, 1962, and ending on October 15, 1968,".

Approved July 21, 1965.

Public Law 89-81
89th Congress, S. 2080
July 23, 1965

AN ACT

To provide for the coinage of the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Coinage Act of 1965".

TITLE II—AMENDMENTS TO EXISTING LAW

"§337. *Coins as security for loans*

"Whoever lends or borrows money or credit upon the security of such coins of the United States as the Secretary of the Treasury may from time to time designate by proclamation published in the Federal Register, during any period designated in such a proclamation, shall be fined not more than $10,000 or imprisoned not more than one year, or both."

(b) The table of sections at the beginning of such chapter is amended by adding at the end:

"337. Coins as security for loans."

(c) The amendments made by this section shall apply only with respect to loans made, renewed, or increased on or after the 31st day after the date of enactment of this Act.

Approved July 23, 1965.

Public Law 89-117
89th Congress, H. R. 7984
August 10, 1965

AN ACT

To assist in the provision of housing for low- and moderate-income families, to promote orderly urban development, to improve living environments in urban areas, and to extend and amend laws relating to housing, urban renewal, and community facilities.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing and Urban Development Act of 1965".

TITLE XI—MISCELLANEOUS

FEDERAL RESERVE ACT

76 Stat. 663. 12 USC 371.

Sec. 1111. Section 24 of the Federal Reserve Act is amended by striking out "eighteen months", wherever it appears in the third paragraph, and inserting in lieu thereof "twenty-four months".

Approved August 10, 1965.

Public Law 89-145
89th Congress, S. 1309
August 28, 1965

AN ACT

To authorize checks to be drawn in favor of financial organizations for the credit of a person's account, under certain conditions.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3620 of the Revised Statutes, as amended (31 U.S.C. 492), is amended—

(1) by inserting the designation "(a)" before the word "It" at the beginning thereof; and

(2) by adding the following new subsections at the end thereof:

"(b) Notwithstanding subsection (a) or any other provision of law, and under regulations to be prescribed by the Secretary of the Treasury, the head of an agency may, upon the written request of a person to whom a payment is to be made, authorize a disbursing officer to make the payment—

"(1) by sending to the financial organization designated by that person a check that is drawn in favor of that organization and for credit to the account of that person; or

"(2) if more than one person to whom a payment is to be made designates the same financial organization, by sending to the organization a check that is drawn in favor of the organization for the total amount due those persons and by specifying the amount to be credited to the account of each of those persons.

In this subsection, 'agency' means any department, agency, independent establishment, board, office, commission, or other establishment in the executive, legislative, or judicial branch, of the Government, any wholly owned or controlled Government corporation, and the municipal government of the District of Columbia; 'financial organization' means any bank, savings bank, savings and loan association or similar institution, or Federal or State chartered credit union.

"(c) Payment by the United States of a check, drawn in accordance with subsection (b) and properly endorsed, shall constitute a full acquittance for the amount due to the person requesting payment."

Approved August 28, 1965.

Public Law 89-175
89th Congress, H. R. 5280
September 9, 1965

AN ACT

To provide for exemptions from the antitrust laws to assist in safeguarding the balance of payments position of the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is declared to be the policy of Congress to safeguard the position of the United States with respect to its international balance of payments. To effectuate this policy the President shall undertake continuous surveillance over the private flow of dollar funds from the United States to foreign countries, the solicitation of cooperation by banks, investment bankers and companies, securities brokers and dealers, insurance companies, finance companies, pension funds, charitable trusts and foundations, and educational institutions, to curtail expansion of such flow, and the authorization of such voluntary agreements or programs as may be necessary and appropriate to safeguard the position of the United States with respect to its international balance of payments.

Approved September 9, 1965.

RULES AND REGULATIONS OF THE CORPORATION

TITLE 12—BANKS AND BANKING

CHAPTER III—FEDERAL DEPOSIT INSURANCE CORPORATION

PART 329—PAYMENT OF DEPOSITS AND INTEREST THEREON BY INSURED NONMEMBER BANKS

§329.6 maximum rates [12] *of interest payable on time and savings deposits by insured nonmember banks—(a) Maximum rate of 4½ percent.*

No insured nonmember bank shall pay interest accruing at a rate in excess of 5½ percent per annum, compounded quarterly,[13] regardless of the basis upon which such interest may be computed, on any time deposit.

(b) *Maximum rate of 4 percent.* No insured nonmember bank shall pay interest accruing at a rate in excess of 4 percent per annum, compounded quarterly, regardless of the basis upon which such interest may be computed, on any savings deposit. [Effective Dec. 7, 1965] (Sec. 9, 64 Stat. 881; 12 U.S.C. 1819 Interprets or applies Sec. 18, 64 Stat. 891; 12 U.S.C. 1828). [F.R. Doc. 65-13221; Filed Dec. 9, 1965; 8:47 a.m.]

[12] The maximum rates of interest payable by insured nonmember banks on time and savings deposits as prescribed herein are not applicable to any deposit which is payable only at an office of an insured nonmember bank located outside of the States of the United States and the District of Columbia.

[13] This limitation is not to be interpreted as preventing the compounding of interest at other than quarterly intervals: **Provided,** That the aggregate amount of such interest so compounded does not exceed the aggregate amount of interest at the rate above prescribed when compounded quarterly.

INTERPRETATION

The purpose of the amendment is to increase the rate of interest that insured State nonmember banks are permitted to pay on time deposits, including certificates of deposit. Formerly, insured State nonmember banks were permitted to pay interest up to 4½ percent per annum on a time deposit with maturity of 90 days or more and to pay interest up to 4 percent on any such deposit with maturity of less than 90 days. Insured State nonmember banks are now permitted to pay interest up to 5½ percent per annum on any time deposit with maturity of 30 days or more.

INTERNAL REVENUE RULING 65-92[1]

SECTION 166—BAD DEBTS

Revised method for computing annual additions to reserves for bad debts by banks for taxable years ending after December 31, 1964.

Mimeograph 6209, C.B. 1947-2, 26, and Revenue Ruling 54-148, C.B. 1954-1, 60, superseded; Revenue Procedure 64-51, C.B. 1964-2, 1003, Revenue Rulings 57-210, C.B. 1957-1, 94, 57-509, C.B. 1957-2, 145, 58-259, C.B. 1958-1, 116, 63-122, C.B. 1963-2, 98, and G.C.M. 25605, C.B. 1948-1, modified.

SECTION 1. PURPOSE.

The purpose of this Revenue Ruling is to provide a uniform percentage for computing annual additions to reserves for bad debts by banks in order to minimize the large differences in permissible reserves now existing among banks under prior rulings. . . .

SEC. 3. UNIFORM RESERVE RATIO.

In lieu of reserve computations made through the use of a loss experience factor determined on an individual basis as provided in section 7 of this Revenue Ruling, a bank will be allowed deductions for additions to its reserve for bad debts until the reserve equals 2.4 percent of loans outstanding at the close of the taxable year, subject to the exceptions and limitations prescribed in sections 4, 5, and 6 of this Revenue Ruling.

SEC. 4. RESERVE LESS THAN UNIFORM RATIO.

If the dollar balance of a bank's reserve, as of the close of its taxable year immediately preceding the year of the change, is less than 2.4 percent of loans outstanding at such time, the amount of the difference (referred to herein as the deficiency in the reserve) may be included in the bank's annual addition to the reserve in an amount not exceeding one-tenth of the deficiency in the reserve, commencing with the year of the change. Such amount need not be added in any specific taxable year but not more than one-tenth of the deficiency will be permitted in any one year. A bank computing its annual reserve addition under this section will also be permitted to include in such addition an amount equal to net bad debts charged to the reserve during the year. Further, it will be permitted to include in such addition 2.4 percent of the increase in its loans outstanding at the end of the taxable year over loans outstanding at the end of the year preceding the year of change, to the extent that a reserve addition with respect to such increase has not been taken in a prior year. The sum of the foregoing amounts, however, may not exceed an amount sufficient to increase the reserve to 2.4 percent of outstanding loans at the end of the taxable year. Thus, if a decrease in a bank's year-end outstanding loans has resulted in a reserve ratio in excess of 2.4 percent, no addition to the reserve would be permitted for that year. If a bank changes to the reserve method of accounting, it shall be treated, for purposes of this section, as having a reserve of zero for the taxable year immediately preceding the year of the change.

SEC. 5. RESERVE EXCEEDING UNIFORM RATIO.

If the dollar balance of a bank's reserve, as of the close of its taxable year ending in 1964, exceeds 2.4 percent of loans outstanding at such time, the addition to the reserve in any taxable year shall not increase the reserve above the greater of (i) such dollar balance, or (ii) 2.4 percent of loans outstanding at the close of the taxable year. Thus, a bank which has reserves exceeding 2.4 percent of outstanding loans may maintain the dollar balance of its reserve by making additions to its reserve equal to the net amount of bad debts charged to the reserve during the year. Notwithstanding the preceding rules of this section, if the amount of loans outstanding at the close of the taxable year is less than the amount of loans outstanding at the close of the taxable year ending in 1964, the addition to the reserve shall not increase the reserve at the close of the taxable year to a percentage of outstanding loans which is larger than the percentage which the reserve bore to outstanding loans at the close of the taxable year ending in 1964.

SEC. 6. MAXIMUM ANNUAL RESERVE ADDITION.

Notwithstanding the provisions of sections 4 and 5 of this ruling, the addition to the reserve that a bank will be permitted in a taxable year through the use of the uniform reserve ratio shall not exceed an amount equal to 0.8 percent of loans outstanding at the end of the taxable year, or an amount sufficient to bring the reserve to 0.8 percent of loans outstanding at the end of the taxable year, whichever amount is greater.

SEC. 7. PROBABLE EXPERIENCE METHOD.

In lieu of reserve computations made through the use of the uniform reserve ratio under sections 3 through 6 of this Revenue Ruling, a bank may compute its annual reserve additions under the method provided in this section. If a bank so computes its addition, it must establish, to the satisfaction of the District Director of Internal Revenue, that the amount computed is necessary in order to absorb the bad debts probably arising on loans outstanding at the close of the taxable year. In such event, the reasonableness of the proposed addition for the taxable year shall be determined under the provisions of section 166(c) of the Code in light of the facts existing at the close of such year. Thus, the reasonableness of the addition shall depend upon the total amount of the existing reserve and current business conditions, the nature of the bank's loans, the bank's past experience, and other factors, which may reasonably be expected to have a significant effect on the collection of the loans outstanding at the close of the taxable year. The reasonableness of the addition shall not, however, be based upon mere speculation, possibility, or contingency. For purposes of this section, the addition to the reserve for any taxable year will be regarded as reasonable if it does not increase the balance of the reserve (as of the close of such year) above an amount equal to the total amount of loans outstanding at the close of such year multiplied by the "moving average experience percentage" for such year. In determining the moving average experience percentage, reference shall be made to the bad debt experience of the bank with respect to its loans for a 6-year period comprising the taxable year and the 5 preceding taxable years. The moving average percentage shall be computed as the ratio which the total amount of net bad debts sustained on loans during such 6-year period bears to the sum of the total amounts of loans outstanding at the close of each taxable year in such period.

If the bank has not been in existence for the full 6-year period, then, for the portion of such period during which it was not in existence, the taxpayer may use the average bad debt experience of comparable banks with respect to comparable loans.

SEC. 8. DEFINITIONS OF TERMS.

.01 The term "banks" as used herein means banks or trust companies incorporated and doing business under the laws of the United States (including laws relating to the District of Columbia), of any State, or of any Territory, a substantial part of the business of which consists of receiving deposits and making loans and discounts. Such term does not include a mutual savings bank not having capital stock represented by shares, a domestic building and loan association as defined in section 7701(a)(19) of the Code, or a cooperative bank as defined in section 7701(a)(32) of the Code.

.02 The term "loans" as used in sections 3 through 6 of this ruling does not include Government insured or guaranteed loans to the extent so insured or guaranteed.

.03 The term "the year of change" means the first taxable year ending after December 31, 1964, or, in the case of a bank changing from the specific charge-off method to the reserve method in a later year, the year in which the change is made.

SEC. 9. BANKS ON SPECIFIC CHARGE-OFF METHOD.

Where a bank on the specific charge-off method of accounting for bad debts desires to change to the reserve method, application to make such a change shall be made in the manner prescribed by section 3 of Revenue Procedure 64-51, C.B. 1964-2, 1003, but the amount of the reserve at the end of the year of change and subsequent years shall be determined in accordance with the provisions of this Revenue Ruling.

SEC. 10. EFFECTIVE DATE.

The provisions of this Revenue Ruling are applicable for taxable years ending after December 31, 1964. . . .

[1] Also released as Technical Information Release 707, dated Mar. 15, 1965.

STATE BANKING LEGISLATION—1965

In 1965, the legislatures of 48 States held regular sessions and 20 held special sessions. Some of the more important State banking legislation enacted during 1965 is summarized below on a State-by-State basis.

ALABAMA (Regular and three Special Sessions)

Definition of corporate status of production credit associations and provision for method of taxation (same as imposed on national banks)	HB 153
Authorization for any bank to pledge acceptable assets as security for the deposits of public funds	HB 202
Authorization for certain banks to establish branches	HB 540 HB 822

	HB 1125 HB 1156 HB 59—XX SB 608 SB 56—X SB 57—X SB 68—X SB 99—X
Enactment of Uniform Commercial Code	Act 549 SB 2
Withdrawal of funds deposited through error or mistake made unlawful	Ch. 664 SB 36
Reserve requirements	SB 38

ALASKA (Regular Session)

Authorization for banks to act as executors or administrators of estates of less than $75,000 without giving bond	Ch. 18 HB 38
Trustees and investments of mutual savings banks	Ch. 89 HB 189
Exemption of State and national banks from the corporation laws	Ch. 80 HB 237

ARIZONA (Regular Session)

Limitations and exemptions on disclosure of bank records	Ch. 77 SB 62
Permissible charges on instalment loans	Ch. 86 SB 235
Bond and audit procedures in deposit of public money	Ch. 73 SB 236

ARKANSAS (Regular Session)

Establishment of reserve requirements for State banks	Act 52 SB 44
Authorization for a maximum rate of interest that may be paid upon deposits by State banks	Act 45 SB 45
Authority for certain banks to establish tellers' windows	Act 93 HB 114
Issuance of pass book permissible rather than mandatory	Act 421 HB 145
Authorization to issue capital notes	Act 76 HB 191
Ownership of accounts and deposits	Act 78 HB 200
Requirements and responsibilities of Board of Directors	Act 432 HB 256
Receipt and payment of deposits of joint tenants	Act 444 HB 331

CALIFORNIA (Regular Session)

Certain acts *in re* procuring a loan or extension of credit from financial institutions declared a felony	Ch. 264 AB 735
Security for deposit of public funds	Ch. 293 AB 954
Restriction on loans by credit unions (no loan in excess of $1,000 without security)	Ch. 915 AB 999

Dissolution of credit unions	Ch. 812 AB 1001
Loan limitations of savings and loan associations	Ch. 1966 AB 1613
Fidelity bonding requirements of check sellers and cashiers	Ch. 870 AB 2006
Real property loans of savings and loan associations	Ch. 1837 AB 2938
Small loan interest ceilings	Ch. 3240 AB 3240
Investment of public pension and retirement funds	ACA 57
Bank loans	Ch. 628 SB 291

COLORADO (Regular Session)

Chartering and regulation of industrial banks	HB 1476
Criminal penalties for no account and short checks	SB 13
Enactment of Uniform Commercial Code	SB 104
Investment in trust company stocks by State banks	SB 216
Reserves, loans and investments of State banks	SB 304
State bank borrowing	SB 305
Powers of Banking Board	SB 308
Regulation of debt adjusters	SB 318

CONNECTICUT (Regular Session)

Powers of State banks and trust companies	PA 227 HB 2889
Limitation of powers of State banks and trust companies	PA 200 HB 3495
Amendment of Uniform Commercial Code	PA 377 HB 4718

DELAWARE (Regular Session)

Collection, payment and dishonor of demand items of banks and trust companies	HB 27

FLORIDA (Regular Session)

Authorization for State banks to issue and sell capital notes and debentures	HB 1299
Director of banks and trust companies	SB 46
Investments of banks and trust companies	SB 63 SB 415
"Sale of Money Orders Act"	SB 138
Banking business by unauthorized persons	SB 432
Enactment of Uniform Commercial Code	SB 474
Memorial to U.S. Congress urging preservation of the dual banking system	SB 917

GEORGIA (Regular Session)

Reporting requirements for change in control of a bank	Act 447 HB 153
Sales of Checks Act	Act 42 SB 2

Authorization for State banks and trust companies to issue capital notes and debentures	Act	435
	SB	55
Application for banking charter, additional capital stock	Act	440
	SB	100
	Act	436
	SB	113

HAWAII (Regular Session)

Enactment of Uniform Commercial Code	Act	208
	SB	138
Capital requirements of banks	Act	259
	SB	927

IDAHO (Regular Session)

Authorization for banks to issue capital notes and debentures	SB	67
Limitations on bank real estate loans	SB	71

ILLINOIS (Regular Session)

Criminal usury	HB	149
Development Credit Corporation Act	HB	964
Rate of interest on instalment loans	HB	1136
Amendments to Uniform Commercial Code	SB	713
Bank's liability for forged checks	SB	716
Definition of consumer fraud	SB	838
Duties of Financial Institutions Department	SB	1024
Amendments to Banking Act	SB	1025

INDIANA (Regular Session)

Loans and investments of building and loan associations	Act	35
	HB	1195
Deposit of public funds of municipal corporations	HB	1369
Savings bank investments	HB	1467
Amendments to Financial Institutions Act	SB	120
	SB	290
Definitions of common trust funds	SB	271

IOWA (Regular Session)

Enactment of Uniform Commercial Code	SB	227

KANSAS (Regular Session)

Public moneys—bonds and security given by depositories	HB	631
Rates of interest on deposits	HB	845
Interest and other charges on loans	HB	897
Enactment of Uniform Commercial Code	SB	4
Examination of banks and trust companies	SB	276
Capital notes and debentures in banks	SB	278

MAINE (Regular Session)

Municipal investments, common trust funds	HB	309
Enactment of Model Joint Obligations Act	HB	499
Amendments to savings bank laws	HB	620
Amendments to Uniform Commercial Code	HB	816

Loans and interest defined	HB	990
Small loan agencies and companies	SB	350
	SB	509
Amendments to banking laws	SB	379

MARYLAND (Regular Session)

Investments of building or homestead associations	HB	617
Reports of banks and trust companies	SB	131
Amendment of Uniform Commercial Code, destruction of records	SB	304
County investments of insured banking institutions	SB	502

MASSACHUSETTS (Regular Session)

Increases in limit of personal loans by savings banks	HB	1251
Prohibition of unauthorized banking	HB	3306
Investments of savings banks	HB	3481
Conversion of cooperative banks into Federal savings and loan associations	HB	3576
Authorization of trust companies to issue and sell capital notes and debentures	SB	879

MICHIGAN (Regular Session)

An Act to revise and codify the laws relating to financial institutions	PA	21
	HB	2140
Charitable trusts, rules and regulations	PA	353
	HB	2211
Home Improvement Finance Act	PA	332
	HB	2360
Amendments to Uniform Securities Act	PA	322
	SB	553
	PA	339
	SB	644

MINNESOTA (Regular Session)

Enactment of Uniform Commercial Code	HB	162
Investments of mutual savings banks	HB	327
Receipt of deposits by insolvent banking institutions	HB	399
Bank organization and incorporation	HB	506
Interest on deposits paid by banks and trust companies	HB	811
Sale and registration of securities	SB	1102

MISSOURI (Regular Session)

Rights and powers of banks	HB	466
Amendments to Uniform Commercial Code	SB	241
	SB	324

MONTANA (Regular Session)

Branch banking, drive-in, walk-up facilities	SB	67

NEBRASKA (Regular Session)

Disclosure of loan rates on sales contracts	LB	4
Personal loans by banks and trust companies	LB	52
Instalment Sales Act	LB	283

Bank embezzlement and fraud	LB	432
Sale of Checks Act	LB	530

NEVADA (Regular Session)

Enactment of Uniform Commercial Code	SB	15
Authorization of banks to sell capital notes and debentures	SB	111

NEW HAMPSHIRE (Regular Session)

Verification of savings accounts	HB	147
Amendments to Uniform Commercial Code	HB	278
Organization of savings banks	HB	432

NEW JERSEY (Regular Session)

Capital stock and surplus of banks	AB	187
Advertising of loan rates	SB	102

NEW MEXICO (Regular Session)

Authority of banks to sell capital notes and debentures	HB	147
Rates of interest on loans	HB	360

NEW YORK (Regular Session)

Resolution calling for a general revision of the banking laws	AB	192
Criminally usurious loans	AB	5855
Amendments to Uniform Commercial Code	SB	2742

NORTH CAROLINA (Regular Session)

Enactment of Uniform Commercial Code	HB	218

NORTH DAKOTA (Regular Session)

Enactment of Uniform Commercial Code	SB	60
Bank loan limitations	SB	196

OHIO (Regular Session)

Amendments to Uniform Commercial Code	SB	48

OKLAHOMA (Regular Session)

Banking Code of 1965 (a general revision of the banking laws)	SB	1

OREGON (Regular Session)

Real estate loans of banks and trust companies	SB	145
Maximum interest rates on bank loans	SB	266
Sale of Checks Act	SB	287
Misrepresentation of financial condition	SB	342

PENNSYLVANIA (Regular Session)

Licensing of money order and check sale businesses	HB	1336
Banking Code of 1965	SB	665

RHODE ISLAND (Regular Session)

Capital debentures of financial institutions	HB	1648

SOUTH CAROLINA (Regular Session)

Enactment of State Bank Holding Company Act	HB	1404

TENNESSEE (Regular Session)

Authority to issue capital notes and debentures	SB	148
Licensing for selling checks and other instruments	SB	646

TEXAS (Regular Session)

Enactment of Uniform Commercial Code	SB	141

UTAH (Regular Session)

Enactment of Uniform Commercial Code	SB	46

VERMONT (Regular Session)

Authority to issue capital notes and debentures	HB	292

WASHINGTON (Regular Session)

Enactment of Uniform Commercial Code	SB	122

WEST VIRGINIA (Regular Session)

Authority to issue capital notes and debentures	HB	990

WISCONSIN (Regular Session)

Legislative study to determine need for branch banks and bank holding companies	SJR.	98

WYOMING (Regular Session)

Real estate loans of State banks	SB	18

BANKING DEVELOPMENTS

PART THREE

SUPERVISORY STATUS OF BANKS

Banks operating in the United States at the end of 1965 consisted of 13,818 commercial banks and 506 mutual savings banks. All but 3 percent were covered by Federal deposit insurance, a protection available to all banks and trust companies incorporated in the United States engaged in the business of receiving deposits.

Commercial banks and trust companies may be chartered, that is, given authority to operate, by the Federal government or by the respective State governments. Mutual savings banks may be chartered only by those State governments that have enabling legislation. Chartering authorities have general supervisory responsibilities, such as presiding at both the inception and liquidation of a bank as well as regulating certain activities and structural changes.

Federal participation in bank supervision comes not only through deposit insurance and chartering, but also through bank membership in the Federal Reserve System. Such membership is required of Federally-chartered banks, but is optional for State-chartered banks. About one-sixth of the banks having the option of Federal Reserve membership currently exercise that option; these are typically the larger banks.

These different avenues of regulatory involvement with banks have led to an interwoven supervisory structure. The Comptroller of the Currency, who charters national banks, examines and regulates them; he also examines nonnational banks located in the District of Columbia. The Federal Reserve Board exercises certain authority over all member banks, such as that relating to legal reserve requirements and maximum interest rates payable on time deposits. In addition, the Federal Reserve Banks examine State banks that are members of the System, and require from them periodic reports of condition. Both national banks and State banks that are members of the Federal Reserve System are required to be insured by the Federal Deposit Insurance Corporation; however, the Corporation focuses its supervisory authority, including examination, call reports, and action on applications for mergers and branches, upon those insured banks not members of the Federal Reserve System.

The first full year of experience in a new area of Federal banking supervision was completed in 1965 under terms of Public Law 88-593, which requires an insured bank to report to the appropriate Federal banking authority any change in ownership in the bank's outstanding voting stock resulting in a change in the control of the bank. During 1965 there were 409 changes in control reported under these terms, almost two-thirds of them relating to banks supervised by the Corporation. Most of the banks reporting changes in control were relatively small, four-fifths of them having assets of less than $10 million. Three-fourths of the changes occurred in unit banking States. Under an allied requirement, 191 insured banks reported loans in 1965 which were secured by 25 percent or more of the stock of a bank. The underlying purpose of the statute is to alert the Corporation to changes in control, thereby enabling it to evaluate the new management.

This tripartite structure of Federal supervision of insured banks is buttressed by State supervision of banks chartered by the individual States and subject to the respective State regulations. Where Federal controls impinge on State banks, as in the case of bank examination and reporting requirements, cooperation between the supervisory agencies has tended to minimize the burden on both banks and supervisors. State-chartered banks that are not insured by the Federal Deposit Insurance Corporation are examined or

TABLE 16. ALL BANKS IN THE UNITED STATES CLASSIFIED BY SUPERVISORY STATUS AND FEDERAL DEPOSIT INSURANCE PARTICIPATION, DECEMBER 31, 1965 [1]

Supervisory status	All banks			Commercial banks and nondeposit trust companies [2]		Mutual savings banks	
	Total	Insured	Non-insured	Insured	Non-insured	Insured	Non-insured [3]
Number of banks and trust companies—total	**14,324**	**13,876**	**448**	**13,547**	**271**	**329**	**177**
Banks of deposit	**14,274**	**13,876**	**398**	**13,547**	**221**	**329**	**177**
Examined by and reporting to: [4]							
Comptroller of the Currency [5]	4,822	4,822		4,822			
State authorities and Federal Reserve Banks [6]	1,401	1,401		1,401			
State authorities and Federal Deposit Insurance Corporation [7]	7,653	7,653		7,324		329	
State authorities only [8]	448		448		221		177
Trust companies not regularly engaged in deposit banking [9]	**50**		**50**		**50**		
Percentage insured and non-insured:							
All banks and trust companies	100.0%	96.9%	3.1%	98.0%	2.0%	65.0%	35.0%
Banks of deposit	100.0	97.2	2.8	98.4	1.6	65.0	35.0
Trust companies not regularly engaged in deposit banking	100.0		100.0		100.0		

[1] Includes the 50 States, District of Columbia, and other areas.
[2] Includes all banks and trust companies, except mutual savings banks, engaged in the business of accepting deposits from the public, and trust companies engaged in fiduciary business but not regularly engaged in deposit banking.
[3] 171 of these banks in Massachusetts were insured by the Mutual Savings Central Fund, Inc.
[4] Classification relates to regular examination and periodic submission of reports of condition (assets and liabilities).
[5] Includes all national banks and 7 nonnational banks in the District of Columbia; of the latter, 4 are members of the Federal Reserve System.
[6] Includes all State banks that are members of the Federal Reserve System except 4 commercial banks in the District of Columbia.
[7] Includes all insured banks not members of the Federal Reserve System except 3 in the District of Columbia.
[8] Includes 22 branches of foreign banks located in 3 States, Puerto Rico and the Virgin Islands. Also includes 66 unincorporated banks located in 7 States. Unincorporated banks in 3 of these States (Georgia, Iowa, and Texas) are not examined by the State authorities, and do not submit detailed periodic condition reports to the State authorities. Financial statements of 4 unincorporated banks were not available to the Corporation at the close of 1965.
[9] Subject to supervision by State authorities only, except for 1 which is a member of the Federal Reserve System but not insured by the Corporation. Excludes 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.

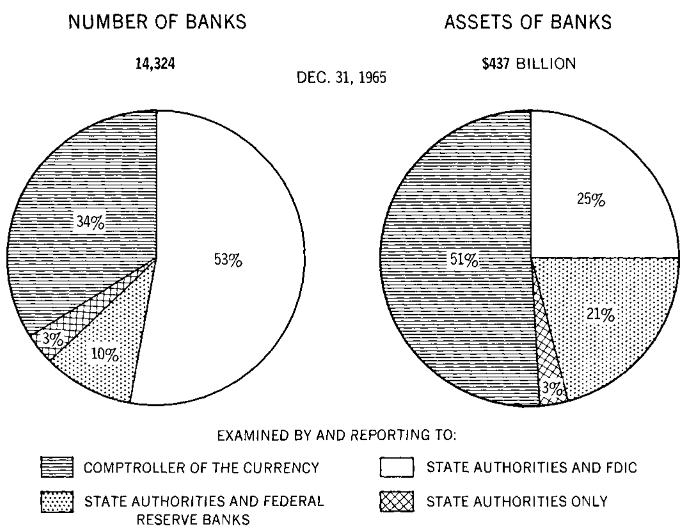
otherwise supervised only by State authorities.

About one-half of the 14,324 banks operating on December 31, 1965 were supervised by the Federal Deposit Insurance Corporation and the respective State authorities; one-third by the Comptroller of the Currency; and about one-tenth by the Federal Reserve Banks and the respective State authorities. The 448 noninsured banks were subject to examination only by their respective State authorities. Every bank is subject to examination and regulation under Federal law or by the banking authority of the State, Territory, or District in which it is located.

The number of banks operating on December 31, 1965, classified by supervisory status, type of bank, and participation in Federal deposit insurance, is shown in Table 16. Percentage distributions of the number of banks and amount of assets held by banks supervised by the different agencies are shown in Chart D.

CHART D

BANKS SUBJECT TO FDIC EXAMINATION, ABOUT HALF OF ALL BANKS, HOLD ONE-FOURTH OF ALL BANK ASSETS



NUMBER OF BANKING OFFICES

The number of banking offices in the United States increased by 1,231 in 1965, a somewhat slower growth than occurred in 1964. Nearly all of the growth in number of offices during 1965, as in other recent years, was in branches. Most were new branches, as distinct from branches arising from mergers.

There were 30,958 banking offices in the United States on December 31, 1965, slightly over one-half of them branches of banks. The total of offices includes offices of both commercial banks and mutual savings banks. An analysis of the increases and decreases in banking offices in 1965 is shown in Table 17.

TABLE 17. ANALYSIS OF CHANGES IN NUMBER OF BANKS AND BRANCHES IN THE UNITED STATES DURING 1965 [1]

Type of office and change	Total	Commercial banks and trust companies[2]	Mutual savings banks
ALL BANKING OFFICES			
Number, December 31, 1965	30,958	29,736	1,222
Net change during year	**+1,231**	**+1,190**	**+41**
BANKS			
Number, December 31, 1965	14,324	13,818	506
Net change during year	**+43**	**+43**	......
Banks beginning operations	202	199	3
Banks ceasing operations	159	156	3
Absorbed	149	147	2
Suspended	9	9	......
Other liquidation	1	......	1
BRANCHES[3]			
Number, December 31, 1965	16,634	15,918	716
Net change during year	**+1,188**	**+1,147**	**+41**
Branches beginning operations	1,247	1,203	44
Succeeded absorbed banks	130	128	2
Other new branches	1,117	1,075	42
Branches discontinued	54	52	2
Other or unclassified changes—net	−5	−4	−1

[1] Excludes changes not affecting number of banks or branches of commercial banks and trust companies or of mutual savings banks.
[2] Includes all banks and trust companies, except mutual savings banks, engaged in the business of accepting deposits from the public, and trust companies engaged in fiduciary business but not regularly engaged in deposit banking.
[3] Includes facilities established in or near military or other Federal Government installations at the request of the Treasury Department or the Commanding Officer of the installation.

Back data: See Annual Reports for 1964, page 136; and for 1963, p. 60.

The number of banking offices is influenced both by supervising authorities and business opportunities. Each State has controls over the opening of new banks; and every State but one, Wyoming, has statutes regulating branching. In about one-third of the States, unit banking prevails; in another one-third, limited-area branching is permitted; and in one-third, statewide branching is prevalent. National banks are chartered by the Comptroller of the Currency, and branches of national banks are opened in accordance with the branching regulations of the respective States.

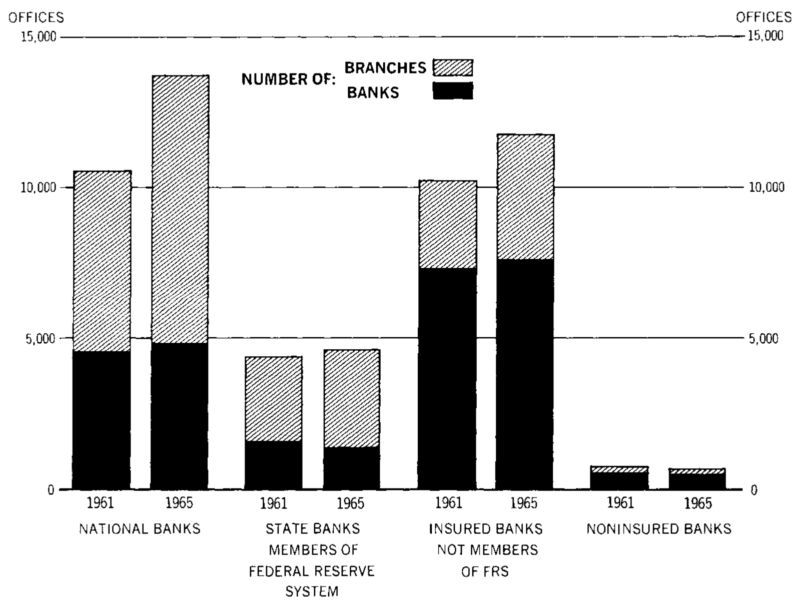
In each year from 1948 through 1962 there was a net decline in the number of banks. This trend was sharply reversed in 1963 and

1964 when the net increase in banks amounted to 141 and 189, respectively. Growth continued in 1965, but at a slower pace, as the net increase in operating banks slowed to 43.

The increase of 1,188 in the number of branches during 1965 was slightly greater than the growth in 1964. This rise continued the growth that has occurred in each year since 1933. From 1961 to 1965 there was a 38 percent increase in bank branches. During this period branches of State banks grew 27 percent, while branches of national banks increased 49 percent. At the end of 1965 slightly over one-half of all branches were branches of national banks, though such banks comprised but a third of all banks. Numbers of banks and branches in 1961 and 1965, distributed by class of bank, are shown in Chart E.

CHART E

BRANCHES OF NATIONAL BANKS HAVE ACCOUNTED FOR TWO-THIRDS OF THE INCREASE IN BRANCHES SINCE 1961



ASSETS AND LIABILITIES OF BANKS

Assets of all banks totaled $437 billion at the end of 1965. About 87 percent of total resources, or $379 billion, was held by commerical banks, and $58 billion by mutual savings banks.

The increase in bank assets during 1965 amounted to $34 billion, or 8.6 percent, slightly less than the rate of growth in 1964, but above the rate of any other year since World War II. Assets and liabilities of all banks in 1961, 1964 and 1965, along with percentage changes, are shown in Table 18.

TABLE 18. AMOUNTS AND PERCENTAGE CHANGES IN ASSETS AND LIABILITIES OF ALL BANKS IN THE UNITED STATES, DECEMBER 30, 1961, DECEMBER 31, 1964 and 1965

Asset or liability item	Amount (in millions)			Percentage change	
	1965	1964	1961	1961–1965	1964–1965
Assets—total	$437,119	$402,673	$322,336	35.6%	8.6%
Cash and funds due from banks	62,060	61,644	57,487	8.0	1.0
U. S. Government obligations	65,158	68,921	72,822	−10.5	−5.5
Other securities	50,459	44,362	29,719	69.8	13.7
Loans and discounts [1]	248,104	217,658	154,843	60.2	14.0
Other assets	11,338	10,088	7,466	51.9	12.4
Liabilities and capital accounts—total	437,119	402,673	322,336	35.6	8.6
Deposits—total	386,541	357,565	287,991	34.2	8.1
Other liabilities	15,524	12,812	8,050	92.8	21.2
Capital accounts—total	35,055	32,295	26,296	33.3	8.5
Loans—gross total [2]	252,350	221,446	157,689	60.0	14.0
Commercial and industrial	72,052	60,776	45,538	58.2	18.6
Agricultural (except real estate)	8,227	7,522	6,263	31.4	9.4
For carrying securities	8,521	8,418	6,213	37.1	1.2
Real estate loans	94,293	84,532	59,587	58.2	11.5
Other loans to individuals	46,354	40,521	28,277	63.9	14.4
To financial institutions	17,619	14,469	8,374	110.4	21.8
All other loans	5,284	5,206	3,436	53.8	1.5
Deposits—total	386,541	357,565	287,991	34.2	8.1
Business and personal deposits:					
Demand [3]	146,421	141,562	129,586	13.0	3.4
Time and savings	183,110	162,054	113,018	62.0	13.0
Government deposits:					
States and subdivisions	26,616	23,504	17,843	49.2	13.2
United States	5,844[4]	6,814	6,254	−6.6	−14.3
Interbank deposits	24,549[5]	23,631[6]	21,290[6]	15.3	3.9

[1] Net of valuation reserves.
[2] Includes valuation reserves.
[3] Includes certified checks, letters of credit, etc.
[4] Includes postal savings deposits.
[5] Includes domestic and foreign interbank deposits, and deposits of foreign governments.
[6] Includes postal savings deposits, domestic and foreign interbank deposits, and deposits of foreign governments.

Note: Due to rounding, components may not add to totals.

Growth in bank assets in 1965 was but one dimension of a flourishing economy which at year-end was in the 58th consecutive month of expansion. Output of goods and services during 1965 rose to a record $681 billion. Employment was at a peak of 72 million, while unemployment was the lowest since 1957. Both capital outlays and consumer expenditures reached new highs, placing mounting pressure on capacity which itself expanded sharply during the year.

Loans. In their role as the major supplier of credit, banks helped to shape, and were themselves influenced by, these economic developments. Total loans of all banks rose 14.0 percent during the year, continuing the vigorous growth of this category of assets. At year-end, loans comprised 56.8 percent of total assets, up from 48.0 percent in 1961.

Commercial and industrial loans, long the major type of credit supplied by banks, advanced 18.6 percent during 1965, more than twice the average annual rate of expansion from 1961 to 1964. The rapid growth in business loans, particularly since 1963, represented in part a resurgence of commercial banks' traditional role in such financing, following a period when business concerns were meeting a larger share of their financial needs from internal sources, particularly depreciation allowances and retained profits. Though such sources provided substantially more funds in 1965 than in 1964, they were not sufficient to meet the larger demands generated by the accelerated rate of economic expansion. Business firms, therefore, have turned increasingly, and notably in 1965, to banks and other suppliers of intermediate and longer-term business credit.

Further penetration of the market for longer-term credit was represented by the banks' 11.5 percent increase in total real estate loans in 1965, notwithstanding a relatively sluggish year for residential construction. Indeed, this increase exceeded the 1965 percentage rise in outstanding mortgages held by savings and loan associations, the primary lenders in this field. The nearly $10 billion increase in banks' real estate loans was not, however, wholly dependent on new residential construction, but represented in considerable part refinancing of mortgages on existing residences along with a 14.1 percent advance in nonresidential real estate loans.

Consumer loans extended by banks totaled $46 billion at the end of 1965, up 14.4 percent during the year. Banks supplied about half of the increase in total instalment credit during the year, maintaining their dominance in this type of lending. They gave further support to personal expenditures through their loans to nonbank financial institutions; loans to sales finance companies and other nonbank lenders increased over one-fifth in 1965 to a year-end total of $13 billion.

Securities. The types of assets held by banks reflect in general the kinds of debt instruments available and suitable for bank ownership, tailored where feasible to considerations of yield. In contrast to the five-fold advance in private debt since World War II, public debt during this period increased only by one-third. Most of this increase in public debt was in obligations of State and local governments, which has risen even faster than private debt since 1945, as outlays for schools, utilities, roads and similar services have exceeded rising State and local revenues and Federal grants-in-aid.

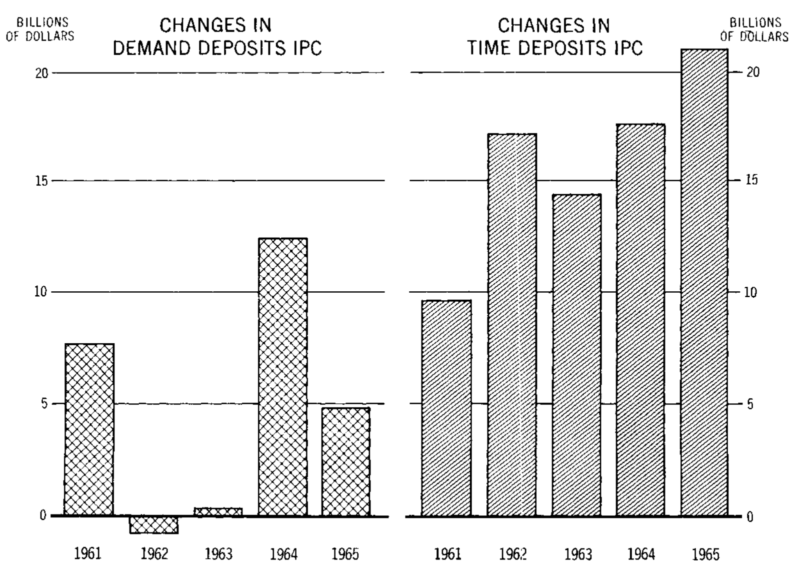
Though Federal government debt increased slightly in 1965, banks reduced their holdings of Federal obligations a little over 5 percent, putting the proceeds into more remunerative alternatives. Those alternatives included, along with the pressing loan demands, the growing obligations of State and local governments, whose tax-exempt status continued to make them attractive. Banks increased their holdings of "municipal" obligations by $5 billion, or 14.9 percent during 1965, absorbing almost one-half of total municipal bond offerings during the year.

Deposits. Total deposits of all banks approached $387 billion on December 31, 1965, an increase of 8.1 percent during the year. Nearly $334 billion was in commercial banks and $53 billion in mutual savings banks.

Continuing the trend of the last few years, most of the growth in deposits in 1965 was in time (including savings) deposits. Such deposits of business and individuals rose 13.0 percent during 1965, accounting for nearly three-fourths of the expansion in deposit volume. Demand deposits of business and individuals increased 3.4 percent during the year, about half as fast as in 1964. Chart F shows annual changes in demand and time deposits of business and individuals held by all banks from 1961 to 1965.

CHART F

MOST OF THE DEPOSIT GROWTH OF ALL BANKS IN THE LAST 5 YEARS HAS BEEN IN TIME DEPOSITS



Deposits are the main source of bank funds, and the expanding role of banks in the credit markets reflects a renewed ability of banks to compete for liquid balances. In the decade of the 1950's, banks lost deposits of interest-sensitive investors; large corporations and others tended to shift temporarily surplus funds out of idle (and non-interest bearing) demand deposit balances into such short-term instruments as Treasury bills and commercial paper, while longer-term funds gravitated to institutions paying a higher return, including savings and loan associations. Starting in 1957, and accelerating since 1962, a series of liberalizing revisions has increased the maximum rates that insured commerical banks may pay on savings and time deposits. Banks have responded to the opportunity by steadily increasing their rates and by developing new instruments to retain and attract such deposits.

Time certificates of deposit ("CD's") have been the principal medium for banks' sharpened competitiveness in obtaining funds for expansion. Such certificates evidence deposits with a bank which bear a stated rate of interest and are payable on a specific date or after a required period of notice, with maturities of not less than 30 days and usually not more than one year after issuance. In certain areas of the United States, time certificates have been issued for many years, largely to individuals by relatively small banks. Most of these were for relatively small amounts and were typically nonmarketable. The new circumstances which have made them a significant instrument since 1961 have been the development of a secondary market which provides high liquidity for negotiable CD's, the increasingly attractive yields, and the lower reserve requirements applicable to time deposits. Through their use, banks have not only retained types of funds which formerly escaped but have attracted funds from new sources. Their broad appeal to business corporations, State and local governments, individuals, and other financial institutions had raised negotiable CD's to a total of $16 billion at the end of 1965.

Borrowed funds. As pressures impinged increasingly on their liquidity positions during 1965, banks sought additional short-term funds apart from deposits. The distinction between deposits and certain types of borrowings has been confused somewhat by differences in supervisory requirements. Notwithstanding their differences, deposits and borrowings have in common the function of providing the short-term funds which were obtained in increasing amount in 1965.

Between the end of 1964 and the end of 1965, borrowings of all banks increased more than two-thirds to over $4½ billion. There was somewhat heavier reliance than in 1964 on the discount window of Federal Reserve Banks, and even greater willingness to borrow from other sources. One such source was "Federal funds"; that is, reserve balances at Federal Reserve Banks that member banks borrow and lend to each other, typically for one-day periods, to adjust reserve positions. Call report information, obtained separately for Federal funds for the first time, showed they totaled nearly $2½ billion at the end of 1965. Other borrowing instruments used considerably in 1965 were promissory notes and repurchase agreements.

Capital funds. Total capital and surplus accounts of all banks exceeded $35 billion on December 31, 1965, an increase of 8.5 percent during the year. Over $30 billion was held in commercial banks and nearly $5 billion in mutual savings banks.

Total capital and surplus accounts increased $2,760 million in 1965. Over 55 percent of the growth came from retained earnings, and nearly one-fourth from common stock. Again, as in 1964, capital accounts were strengthened substantially by the sale of capital notes and debentures. In the two years ended December 31, 1965, capital notes and debentures of all banks increased from $168 million to $1,701 million. This increase of $1,533 million, while representing fewer than 200 issues, comprised 30 percent of the growth in total capital and surplus accounts of all banks during the period. The greater resort to use of borrowed capital has been stimulated generally by tax advantages and the possibility, through greater leverage, of increased earnings.

The ratio of total capital and surplus accounts to total assets of all banks was 8.0 percent at the end of 1965, the same as a year earlier.

INCOME OF INSURED BANKS

Insured commercial banks. Total income of insured commercial banks amounted to $17.2 billion in 1965, a gain of 12.4 percent from 1964. The advance was due primarily to an increase in loan income of almost 15 percent. Income from U. S. Government securities declined slightly while income from "other" securities, including mainly obligations of States and subdivisions, rose 18.5 percent. Sizable gains occurred also in service charges on deposit accounts, trust department earnings, and in other current operating revenues. Recoveries, transfers from valuation reserves, and profits on securities sold were likewise greater than in 1964. Sources and disposition of income of insured commercial banks in 1961, 1964 and 1965 are shown in Table 19.

The results in 1965 followed in part certain existing trends evident in Chart G, which shows percentage changes in income from

TABLE 19. SOURCES AND DISPOSITION OF TOTAL INCOME OF INSURED COMMERCIAL BANKS, 1961, 1964, AND 1965

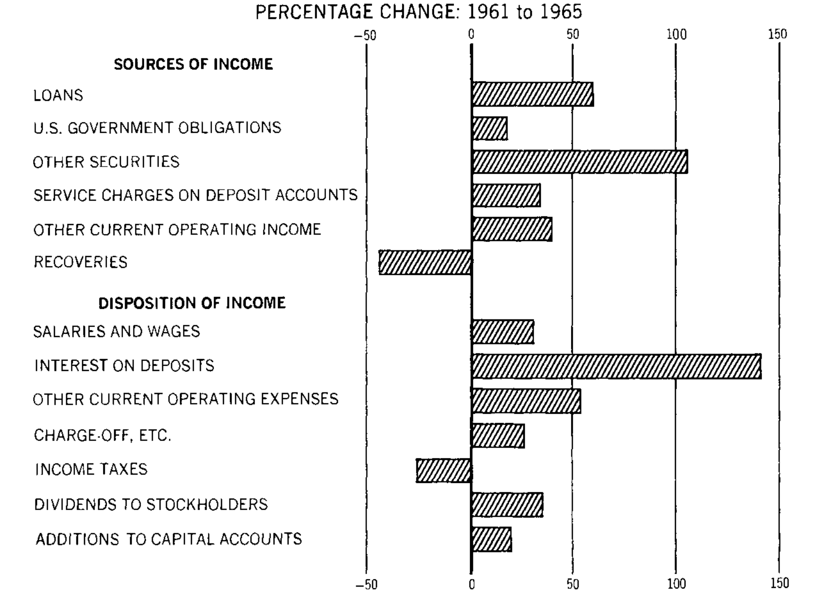
Income	Amount (in millions)			Percentage distribution		
	1965	1964	1961	1965	1964	1961
Total income	$17,208	$15,347	$11,778	100.0%	100.0%	100.0%
Sources						
Loans	11,205	9,785	7,009	65.1	63.8	59.5
U. S. Government obligations	2,225	2,240	1,902	13.0	14.6	16.2
Other securities	1,285	1,085	629	7.5	7.1	5.3
Service charges on deposits	843	781	630	4.9	5.1	5.4
Other current income	1,260	1,132	900	7.3	7.3	7.6
Recoveries, etc.	390	322	708	2.3	2.1	6.0
Disposition						
Salaries and wages	4,365	4,082	3,336	25.4	26.6	28.3
Interest on deposits	5,071	4,088	2,107	29.5	26.6	17.9
Other current expenses	3,051	2,727	1,998	17.7	17.8	17.0
Charge-offs, etc.	1,178	1,017	935	6.8	6.6	7.9
Income taxes	1,029	1,148	1,406	6.0	7.5	11.9
Dividends to stockholders	1,202	1,088	895	7.0	7.1	7.6
Additions to capital accounts	1,312	1,195	1,101	7.6	7.8	9.4

Note: Due to rounding, components may not add to totals.

1961 to 1965. Income on securities other than U. S. Government obligations experienced the greatest percentage growth, more than doubling between 1961 and 1965. Loan income, which advanced 60 percent in the four years, accounted for almost four-fifths of the increase in total income.

CHART G

INTEREST PAID ON DEPOSITS BY INSURED COMMERCIAL BANKS INCREASED 141 PERCENT BETWEEN 1961 AND 1965



Income from loans, totaling $11.2 billion in 1965, comprised slightly over 65 percent of insured commercial banks' total income as compared to less than 60 percent in 1961. At the same time, income from U. S. Government securities declined from 16.2 percent to 13.0 percent, while income from other securities rose from 5.3 to 7.5 percent of the total.

Growth in loan income has reflected principally the expansion of loan volume associated with the sustained uptrend of the economy, and greater diversification of credit outlets. Rising costs of operation have been responsible in part for some shifting in recent years in commercial bank loans and investments in the direction of higher yielding, less liquid assets, such as mortgages and tax-exempt securities. In turn, banks have acquired funds in part by liquidation of U. S. Government securities, which generally yield a lower return. Although funds moving into new loans and investments have brought generally higher rates, the average rates of return in 1965 on total portfolios were only slightly greater than in 1964.

Increases in operating expenses in 1965, as in other recent years, consumed most of the growth in current operating revenues. Rapidly rising interest payments on deposits have been responsible

TABLE 20. OPERATING DATA OF INSURED COMMERCIAL BANKS, 1950, 1955, 1961-1965 [1]

Item	1950	1955	1961	1962	1963	1964	1965
Current operating revenue per $100 of total assets	$2.36	$3.03	$3.98	$4.13	$4.32	$4.36	$4.49
Net current operating earnings per $100 of total assets	.89	1.15	1.31	1.23	1.22	1.20	1.16
Income on loans per $100 of loans	3.90	4.47	5.61	5.51	5.55	5.60	5.59
Income on U. S. Government obligations per $100 of U. S. Government obligations	1.66	2.18	2.87	3.17	3.45	3.58	3.76
Income on other securities per $100 of other securities	1.87	2.14	2.66	2.62	2.65	2.82	2.89
Current operating expense per $100 of current operating revenue	62.15	62.00	67.12	70.24	71.79	72.47	74.21
Salaries, wages, fees, and benefits per $100 of current operating revenue	31.19	30.28	30.93	29.86	28.88	27.83	25.94
Interest on time and savings deposits per $100 of current operating revenue	8.73	10.67	19.00	23.28	25.63	27.25	30.16
Interest paid per $100 of time and savings deposits	.94	1.35	2.54	2.90	3.09	3.21	3.44
Net current operating earnings per $100 of total capital accounts	13.22	16.09	16.40	15.33	15.06	15.18	14.54
Net income after taxes per $100 of total capital accounts	8.32	7.69	9.02	8.47	8.56	8.41	8.45

[1] Data relate to banks operating thoughout each of the respective years.

TABLE 21. INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS) WHICH REPORTED RESERVES FOR BAD DEBT LOSSES ON LOANS PURSUANT TO INTERNAL REVENUE SERVICE RULINGS, AND AMOUNT OF SUCH RESERVES, DECEMBER 31, 1961-1965

Class of bank	1965	1964	1963	1962	1961
	Number of banks using reserve method				
Insured commercial banks—total	10,014	8,615	8,270	7,948	7,660
National banks	3,830	3,382	3,201	3,049	2,970
State banks:					
Members of FRS	1,112	1,013	1,022	1,040	1,045
Not members of FRS	5,072	4,220	4,047	3,859	3,645
	Percentage of banks using reserve method				
Insured commercial banks—total	74%	64%	62%	61%	58%
National banks	80	71	69	68	66
State banks:					
Members of FRS	79	70	68	67	65
Not members of FRS	69	58	56	55	52
	Amount of reserves (in thousands) [1]				
Insured commercial banks—total	$3,835,811	$3,354,202	$3,007,517	$2,699,666	$2,402,327
National banks	2,346,133	1,903,619	1,676,023	1,498,405	1,331,851
State banks:					
Members of FRS	1,015,256	1,032,641	960,413	875,151	781,167
Not members of FRS	474,422	417,942	371,081	326,110	289,309

[1] Reserves set up in accordance with Internal Revenue Service rulings comprise the major portion of valuation reserves for loans; the latter totaled $4,011,273,000 on December 31, 1965.

for much of the recent increase in operating expenses, having nearly doubled between 1961 and 1964, and increased a further 24.0 percent in 1965. This upward trend of interest payments reflects both the expanding volume of time and savings deposits and escalating increases in rates permitted by higher ceilings and prompted by growing competition for funds. In 1965 interest payments again, as in 1964, exceeded salaries and wages as the largest category of expenses, notwithstanding a 6.9 percent increase in total employee compensation during the year.

Net current operating earnings of $4.3 billion were 4.9 percent greater than in 1964. As a proportion of total current operating revenue, however, they continued to decline, falling in 1965 to 25.8 percent. Net earnings represented a return of 1.16 percent on total assets, the lowest since 1955. Selected operating ratios of insured commercial banks in 1965 and other recent years are shown in Table 20.

Federal income tax liability declined in 1965 to its lowest level since 1959, reflecting among other factors the rising proportion of before-tax income received from tax-exempt securities, the reduction in tax rates enacted in 1964, and, effective in 1965, upward adjustments in loss reserves permitted under revised Treasury regulations. Additions to reserves for losses on loans were $159 million greater in 1965 than in 1964. There was an appreciable increase also in the number of banks reporting reserves for bad debt losses on loans, pursuant to Internal Revenue Service rulings, as indicated in Table 21.

Net income after related taxes was a record $2.5 billion, 10.1 percent greater than in 1964. This represented a return of 8.45 percent on total capital accounts, about the same as in the preceding three years. The proportion of net income paid to stockholders, 47.8 percent, was barely changed from 1964.

Insured mutual savings banks. Total income of insured mutual savings banks amounted to $2.5 billion in 1965, 8.7 percent higher than in 1964. Income from loans, which comprises approximately four-fifths of the total income of insured mutual savings banks, rose 12.4 percent during the year. The share of income from U. S. Government obligations declined slightly from 1964, while small increases occurred in income from other securities, and in other current income.

The proportion of loan income to total income increased from 71 percent in 1961 to nearly 81 percent in 1965, as shown in Table 22. Mortgage loans comprised 98 percent of loans held by insured mutual savings banks. Growth in volume of mortgage loans rather than higher average rates earned on them accounted primarily for the increase in loan income; the increase from 5.25 percent in 1964 to 5.27 percent in 1965 in the average rate of return on mortgage loans was somewhat less than the rises of other recent years.

TABLE 22. SOURCES AND DISPOSITION OF TOTAL INCOME OF INSURED MUTUAL SAVINGS BANKS, 1961, 1964 AND 1965

Income	Amount (in millions)			Percentage distribution		
	1965	1964	1961	1965	1964	1961
Total income	**$2,467**	**$2,270**	**$1,709**	**100.0%**	**100.0%**	**100.0%**
Sources						
Loans	1,993	1,772	1,213	80.8	78.1	71.0
U. S. Government obligations	148	153	152	6.0	6.8	8.9
Other securities	211	207	206	8.6	9.1	12.0
Other current income	55	50	42	2.2	2.2	2.5
Recoveries, etc.	60	87	96	2.4	3.8	5.6
Disposition						
Salaries and wages	177	168	142	7.2	7.4	8.3
Other current expenses	150	136	118	6.1	6.0	6.9
Dividends and interest on deposits	1,809	1,654	1,148	73.3	72.9	67.2
Charge-offs, etc.	78	75	98	3.2	3.3	5.7
Income taxes	30	26	16	1.2	1.1	1.0
Additions to surplus accounts	223	211	187	9.0	9.3	10.9

Note: Due to rounding, components may not add to totals.

Mutual savings banks distribute most of their income in the form of dividends or interest. The proportion has been gradually rising, amounting to 73.3 percent in 1965 compared with 67.2 percent in 1961. In responding to market conditions, the banks continued to raise the rates paid on deposits. The average dividend on savings and time deposits increased from 3.57 percent in 1961 to 4.15 percent in 1965. While this rate continued to be significantly higher than the average rate paid by insured commercial banks—3.44 percent in 1965—a narrowing of the gap in the last few years has sharpened the competition among various institutions for savings-type deposits.

Salaries and wages, and other current expenses of mutual savings banks, have also continued to rise, although not as rapidly as dividend payments. After expenses and taxes, $223 million remained for transfer to surplus in 1965, an amount 5.8 percent higher than in 1964.

STATISTICS OF BANKS AND DEPOSIT INSURANCE

PART FOUR

NUMBER, OFFICES, AND DEPOSITS OF BANKS

Table 101. Changes in number and classification of banks and branches in the United States (States and other areas) during 1965

Table 102. Number of banking offices in the United States (States and other areas), December 31, 1965

Grouped according to insurance status and class of bank, and by State or area and type of office

Table 103. Number and deposits of all banks in the United States (States and other areas), December 31, 1965

Banks grouped according to insurance status and by district and State

Tabulations for all banks are prepared in accordance with an agreement among the Federal bank supervisory agencies. Provision of deposit facilities for the general public is the chief criterion for distinguishing between banks and other types of financial institutions. However, trust companies engaged in general fiduciary business though not in deposit banking are included; and credit unions and savings and loan associations are excluded except in the case of a few which accept deposits under the terms of special charters.

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 which prohibit the operation of branches, such limited facilities are not considered branches within the meaning of State law.

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;

Special types of banks of deposit: cash depositories in South Carolina; a cooperative exchange in Arkansas; a savings and loan company operating under Superior Court charter in Georgia; government operated banks in American Samoa, North Dakota, and Puerto Rico; a cooperative bank, usually classified as a credit union, operating under a special charter in New Hampshire; a savings institution, known as a "trust company," operating under special charter in Texas; an employes' mutual banking association in Pennsylvania; the Savings Banks Trust Company in New York; and branches of foreign banks engaged in a general deposit business in New York, Oregon, Washington, Puerto Rico, and Virgin Islands.

Private banks under State supervision, and such other private banks as are reported by reliable unofficial sources to be engaged in deposit banking.

Nondeposit trust companies include institutions operating under trust company charters which are not regularly engaged in deposit banking but are engaged in fiduciary business other than that incidental to real estate title or investment activities.

Mutual savings banks include all banks operating under State banking codes applying to mutual savings banks.

Institutions excluded. Institutions in the following categories are excluded, though such institutions may perform many of the same functions as commercial and savings banks:

Banks which have suspended operations or have ceased to accept new deposits and are proceeding to liquidate their assets and pay off existing deposits;

Building and loan associations, savings and loan associations, credit unions, personal loan companies, and similar institutions, chartered under laws applying to such institutions or under general incorporation laws, regardless of whether such institutions are authorized to accept deposits from the public or from their members and regardless of whether such institutions are called "banks" (a few institutions accepting deposits under powers granted in special charters are included);

Morris Plan companies, industrial banks, loan and investment companies, and similar institutions except those mentioned in the description of institutions included;

Branches of foreign banks, and private banks, which confine their business to foreign exchange dealings and do not receive "deposits" as that term is commonly understood;

Institutions chartered under banking or trust company laws, but operating as investment or title insurance companies and not engaged in deposit banking or fiduciary activities;

Federal Reserve Banks and other banks, such as the Federal Home Loan Banks and the Savings and Loan Bank of the State of New York, which operate as rediscount banks and do not accept deposits except from financial institutions;

The postal savings system.

TABLE 101. CHANGES IN NUMBER AND CLASSIFICATION OF BANKS AND BRANCHES IN THE UNITED STATES (STATES AND OTHER AREAS) DURING 1965

Type of change	All banks			Commercial banks and nondeposit trust companies							Mutual savings banks		
					Insured				Noninsured				
						Members F. R. System							
	Total	Insured	Noninsured	Total	Total	National	State	Not members F. R. System	Banks of deposit	Nondeposit trust companies[1]	Total	Insured	Noninsured
ALL BANKING OFFICES													
Number of offices, December 31, 1965[2]	30,958	30,306	652	29,736	29,393	13,801	4,738	10,854	278	65	1,222	913	309
Number of offices, December 31, 1964[2]	29,727	29,072	655	28,546	28,196	12,954	4,759	10,483	288	62	1,181	876	305
Net change during year	+1,231	+1,234	—3	+1,190	+1,197	+847	—21	+371	—10	+3	+41	+37	+4
Offices opened	1,454	1,420	34	1,407	1,385	751	225	409	19	3	47	35	12
Banks	202	184	18	199	182	88	4	90	14	3	3	2	1
Branches	1,252	1,236	16	1,208	1,203	663	221	319	5	....	44	33	11
Offices closed	223	208	15	216	205	96	30	79	11	....	7	3	4
Banks	159	146	13	156	145	62	19	64	11	....	3	1	2
Branches	64	62	2	60	60	34	11	15	....	....	4	2	2
Changes in classification	....	+22	—22	—1	+17	+192	—216	+41	—18	....	+1	+5	—4
Among banks	....	+18	—18	....	+17	+16	—31	+32	—17	....	....	+1	—1
Among branches	....	+4	—4	—1	....	+176	—185	+9	—1	....	+1	+4	—3
BANKS													
Number of banks, December 31, 1965	14,324	13,876	448	13,818	13,547	4,815	1,405	7,327	221	50	506	329	177
Number of banks, December 31, 1964	14,281	13,820	461	13,775	13,493	4,773	1,451	7,269	235	47	506	327	179
Net change during year	+43	+56	—13	+43	+54	+42	—46	+58	—14	+3	....	+2	—2
Banks beginning operation	202	184	18	199	182	88	4	90	14	3	3	2	1
New banks	201	184	17	198	182	88	4	90	13	3	3	2	1
Suspended bank reopened	1	....	1	1	....	....	....	....	1	....	....	....	....
Banks ceasing operation	159	146	13	156	145	62	19	64	11	....	3	1	2
Closed because of financial difficulties[3]	9	5	4	9	5	2	....	3	4	....	....	....	....
Absorptions, consolidations, and mergers (without FDIC aid)	149	141	8	147	140	60	19	61	7	....	2	1	1
Other liquidations	1	....	1	....	....	....	....	....	....	....	1	....	1
Noninsured banks becoming insured	....	+17	—17	....	+16	....	....	+16	—16	....	....	+1	—1
Admission to insurance, operating banks	....	+17	—17	....	+16	....	....	+16	—16	....	....	+1	—1

Other changes in classification		+1	−1		+1	+16	−31	+16	−1				
National banks succeeding State banks		+1	−1		+1	+23	−10	−12	−1				
State banks succeeding national banks						−7		+7					
Admission to F. R. System							+1	−1					
Withdrawal from F. R. System							−22	+22					
Changes not involving number in any class:													
Succession [4]	1		1	1					1				
Change in title	141	136	5	140	135	46	22	67	5		1	1	
Change in location	12	12		12	12	5	2	5					
Change in title and location	3	3		3	3			3					
Change in name of location	4	3	1	4	3			3	1				
Change in corporate powers:													
Converted to commercial banks	4	3	1	4	3			3	1				
Granted trust powers[5]	43	43		43	43			43					
BRANCHES													
Number of branches, December 31, 1965 [2]	**16,634**	**16,430**	**204**	**15,918**	**15,846**	**8,986**	**3,333**	**3,527**	**57**	**15**	**716**	**584**	**132**
Number of branches, December 31, 1964 [2]	**15,446**	**15,252**	**194**	**14,771**	**14,703**	**8,181**	**3,308**	**3,214**	**53**	**15**	**675**	**549**	**126**
Net change during year	**+1,188**	**+1,178**	**+10**	**+1,147**	**+1,143**	**+805**	**+25**	**+313**	**+4**		**+41**	**+35**	**+6**
Branches opened for business	**1,252**	**1,236**	**16**	**1,208**	**1,203**	**663**	**221**	**319**	**5**		**44**	**33**	**11**
Facilities provided as agents of the government [6]	5	5		5	5	3		2					
Absorbed banks converted to branches	130	130		128	128	72	26	30			2	2	
Branches replacing head offices relocated	13	13		13	13	5		8					
Other branches opened [7]	1,099	1,085	14	1,057	1,054	583	194	277	3		42	31	11
Branches added to count [8]	5	3	2	5	3		1	2	2				
Branches discontinued	**64**	**62**	**2**	**60**	**60**	**34**	**11**	**15**			**4**	**2**	**2**
Facilities [6]	6	6		6	6	6							
Other branches [7]	48	48		46	46	23	11	12			2	2	
Branches deleted from count[8]	10	8	2	8	8	5		3			2		2
Other changes in classification (net)		+4	−4	−1		+176	−185	+9	−1		+1	+4	−3
Branches changing class as result of conversion						+171	−166	−5					
Branches of insured banks withdrawing from F. R. System							−11	+11					
Branch of noninsured bank admitted to insurance		+1	−1									+1	−1
Branches transferred through absorption, consolidation or merger		+3	−3	−1		+5	−8	+3	−1		+1	+3	−2
Changes not involving number in any class:													
Changes in operating powers of branches	10	10		10	10	5		5					
Branches transferred through absorption, consolidation or merger	80	80		80	80	70	2	8					
Changes in title, location, or name of location	373	372	1	368	368	201	87	80			5	4	1

[1] Includes one trust company member of the Federal Reserve System.
[2] Includes a few seasonal offices which were not in operation December 31.
[3] Includes one noninsured bank which suspended, and subsequently entered voluntary liquidation.
[4] Noninsured private (unincorporated) bank succeeded by noninsured State bank.
[5] Information available only for insured banks not members of Federal Reserve System.
[6] Facilities established in or near military or other Federal Government installations at request of the Treasury Department or the commanding officer of the installation.
[7] Excludes opening and closing of seasonal offices (except those newly established or permanently discontinued in 1965).
[8] Changes occurred prior to 1965, but were not recognized in count as of December 31, 1964.

TABLE 102. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1965

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	Noninsured	Total	Total	National	State	Not members F. R. System	Banks of deposit[2]	Nondeposit trust companies[3]	Total	Insured	Noninsured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
United States—all offices	**30,958**	**30,306**	**652**	**29,736**	**29,393**	**13,801**	**4,738**	**10,854**	**278**	**65**	**1,222**	**913**	**309**	**98.1**	**99.1**	**74.7**
Banks	14,324	13,876	448	13,818	13,547	4,815	1,405	7,327	221	50	506	329	177	97.2	98.4	65.0
Unit banks	*10,860*	*10,507*	*353*	*10,601*	*10,355*	*3,426*	*953*	*5,976*	*201*	*45*	*259*	*152*	*107*	*97.1*	*98.1*	*58.7*
Banks operating branches	*3,464*	*3,369*	*95*	*3,207*	*3,192*	*1,389*	*452*	*1,351*	*20*	*5*	*247*	*177*	*70*	*97.4*	*99.4*	*71.7*
Branches	16,634	16,430	204	15,918	15,846	8,986	3,333	3,527	57	15	716	584	132	98.9	99.6	81.6
50 States and D. C.—all offices	**30,776**	**30,148**	**628**	**29,556**	**29,237**	**13,776**	**4,738**	**10,723**	**254**	**65**	**1,220**	**911**	**309**	**98.2**	**99.1**	**74.7**
Banks	14,308	13,867	441	13,803	13,539	4,814	1,405	7,320	214	50	505	328	177	97.3	98.4	65.0
Unit banks	*10,855*	*10,506*	*349*	*10,596*	*10,354*	*3,426*	*953*	*5,975*	*197*	*45*	*259*	*152*	*107*	*97.2*	*98.1*	*58.7*
Banks operating branches	*3,453*	*3,361*	*92*	*3,207*	*3,185*	*1,388*	*452*	*1,345*	*17*	*5*	*246*	*176*	*70*	*97.5*	*99.5*	*71.5*
Branches	16,468	16,281	187	15,753	15,698	8,962	3,333	3,403	40	15	715	583	132	99.0	99.7	81.5
Other areas—all offices	**182**	**158**	**24**	**180**	**156**	**25**		**131**	**24**		**2**	**2**		**86.8**	**86.7**	**100.0**
Banks	16	9	7	15	8	1		7	7		1	1		56.3	53.3	100.0
Unit banks	*5*	*1*	*4*	*5*	*1*			*1*	*4*					*16.6*	*16.6*	
Banks operating branches	*11*	*8*	*3*	*10*	*7*	*1*		*6*	*3*		*1*	*1*		*80.0*	*77.8*	*100.0*
Branches	166	149	17	165	148	24		124	17		1	1		89.8	89.7	100.0
State																
Alabama—all offices	**426**	**426**		**426**	**426**	**214**	**33**	**179**						**100.0**	**100.0**	
Banks	263	263		263	263	86	24	153						100.0	100.0	
Unit banks	*216*	*216*		*216*	*216*	*57*	*19*	*140*						*100.0*	*100.0*	
Banks operating branches	*47*	*47*		*47*	*47*	*29*	*5*	*13*						*100.0*	*100.0*	
Branches	163	163		163	163	128	9	26						100.0	100.0	
Alaska—all offices	**67**	**65**	**2**	**65**	**63**	**50**		**13**	**2**		**2**	**2**		**97.0**	**96.9**	**100.0**
Banks	14	12	2	12	10	5		5	2		2	2		85.7	83.3	100.0
Unit banks	*6*	*4*	*2*	*4*	*2*			*2*	*2*		*2*	*2*		*66.7*	*50.0*	*100.0*
Banks operating branches	*8*	*8*		*8*	*8*	*5*		*3*						*100.0*	*100.0*	
Branches	53	53		53	53	45		8						100.0	100.0	
Arizona—all offices	**276**	**267**	**9**	**276**	**267**	**183**	**18**	**66**		**9**				**100.0**	**100.0**	
Banks	18	17	1	18	17	4	1	12		1				100.0	100.0	
Unit banks	*8*	*8*		*8*	*8*	*1*		*7*						*100.0*	*100.0*	
Banks operating branches	*10*	*9*	*1*	*10*	*9*	*3*	*1*	*5*		*1*				*100.0*	*100.0*	
Branches	258	250	8	258	250	179	17	54		8				100.0	100.0	

Arkansas—all offices	**354**	**350**	**4**	**354**	**350**	**123**	**35**	**192**	**3**	**1**				**99.2**	**99.2**	
Banks	246	242	4	246	242	65	19	158	3	1				98.8	98.8	
Unit banks	*183*	*179*	*4*	*183*	*179*	*36*	*12*	*131*	*3*	*1*				*98.4*	*98.4*	
Banks operating branches	*63*	*63*		*63*	*63*	*29*	*7*	*27*						*100.0*	*100.0*	
Branches	108	108		108	108	58	16	34						100.0	100.0	
California—all offices	**2,623**	**2,612**	**11**	**2,623**	**2,612**	**1,878**	**454**	**280**		**11**				**100.0**	**100.0**	
Banks	199	193	6	199	193	95	15	83		6				100.0	100.0	
Unit banks	*95*	*91*	*4*	*95*	*91*	*53*	*3*	*35*		*4*				*100.0*	*100.0*	
Banks operating branches	*104*	*102*	*2*	*104*	*102*	*42*	*12*	*48*		*2*				*100.0*	*100.0*	
Branches	2,424	2,419	5	2,424	2,419	1,783	439	197		5				100.0	100.0	
Colorado—all offices	**258**	**218**	**40**	**258**	**218**	**122**	**18**	**78**	**40**					**84.5**	**84.5**	
Banks	250	210	40	250	210	117	17	76	40					84.0	84.0	
Unit banks	*243*	*203*	*40*	*243*	*203*	*113*	*16*	*74*	*40*					*83.5*	*83.5*	
Banks operating branches	*7*	*7*		*7*	*7*	*4*	*1*	*2*						*100.0*	*100.0*	
Branches	8	8		8	8	5	1	2						100.0	100.0	
Connecticut—all offices	**555**	**551**	**4**	**381**	**377**	**196**	**92**	**89**	**3**	**1**	**174**	**174**		**99.5**	**99.2**	**100.0**
Banks	139	135	4	68	64	29	7	28	3	1	71	71		97.8	95.5	100.0
Unit banks	*60*	*56*	*4*	*27*	*23*	*11*		*12*	*3*	*1*	*33*	*33*		*94.9*	*88.5*	*100.0*
Banks operating branches	*79*	*79*		*41*	*41*	*18*	*7*	*16*			*38*	*38*		*100.0*	*100.0*	*100.0*
Branches	416	416		313	313	167	85	61			103	103		100.0	100.0	100.0
Delaware—all offices	**95**	**95**		**85**	**85**	**9**	**32**	**44**			**10**	**10**		**100.0**	**100.0**	**100.0**
Banks	22	22		20	20	5	2	13			2	2		100.0	100.0	100.0
Unit banks	*11*	*11*		*11*	*11*	*3*		*8*						*100.0*	*100.0*	*100.0*
Banks operating branches	*11*	*11*		*9*	*9*	*2*	*2*	*5*			*2*	*2*		*100.0*	*100.0*	*100.0*
Branches	73	73		65	65	4	30	31			8	8		100.0	100.0	100.0
D. C.—all offices	**103**	**103**		**103**	**103**	**56**	**36**	**11**						**100.0**	**100.0**	**100.0**
Banks	15	15		15	15	8	4	3						100.0	100.0	100.0
Unit banks	*1*	*1*		*1*	*1*	*1*								*100.0*	*100.0*	*100.0*
Banks operating branches	*14*	*14*		*14*	*14*	*7*	*4*	*3*						*100.0*	*100.0*	*100.0*
Branches	88	88		88	88	48	32	8						100.0	100.0	100.0
Florida—all offices	**461**	**458**	**3**	**461**	**458**	**207**	**8**	**243**	**2**	**1**				**99.6**	**99.6**	
Banks	443	440	3	443	440	195	8	237	2	1				99.5	99.5	
Unit banks	*426*	*423*	*3*	*426*	*423*	*184*	*8*	*231*	*2*	*1*				*99.5*	*99.5*	
Banks operating branches	*17*	*17*		*17*	*17*	*11*		*6*						*100.0*	*100.0*	
Branches	18	18		18	18	12		6						100.0	100.0	
Georgia—all offices	**625**	**583**	**42**	**625**	**583**	**184**	**42**	**357**	**42**					**93.3**	**93.3**	
Banks	429	387	42	429	387	57	14	316	42					90.2	90.2	
Unit banks	*360*	*318*	*42*	*360*	*318*	*31*	*8*	*279*	*42*					*88.3*	*88.3*	
Banks operating branches	*69*	*69*		*69*	*69*	*26*	*6*	*37*						*100.0*	*100.0*	
Branches	196	196		196	196	127	28	41						100.0	100.0	
Hawaii—all offices	**128**	**122**	**6**	**128**	**122**	**44**		**78**		**6**				**100.0**	**100.0**	
Banks	12	7	5	12	7	2		5		5				100.0	100.0	
Unit banks	*4*		*4*	*4*						*4*				*100.0*	*100.0*	
Banks operating branches	*8*	*7*	*1*	*8*	*7*	*2*		*5*		*1*				*100.0*	*100.0*	
Branches	116	115	1	116	115	42		73		1				100.0	100.0	

TABLE 102. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1965—CONTINUED

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	Noninsured	Total	Total	National	State	Not members F. R. System	Banks of deposit[2]	Nondeposit trust companies[3]	Total	Insured	Noninsured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
Idaho—all offices	**152**	**152**		**152**	**152**	**104**	**30**	**18**						**100.0**	**100.0**	
Banks	25	25		25	25	9	7	9						100.0	100.0	
Unit banks	*12*	*12*		*12*	*12*	*3*	*4*	*5*						*100.0*	*100.0*	
Banks operating branches	*13*	*13*		*13*	*13*	*6*	*3*	*4*						*100.0*	*100.0*	
Branches	127	127		127	127	95	23	9						100.0	100.0	
Illinois—all offices	**1,056**	**1,049**	**7**	**1,056**	**1,049**	**422**	**112**	**515**	**3**	**4**				**99.7**	**99.7**	
Banks	1,051	1,044	7	1,051	1,044	417	112	515	3	4				99.7	99.7	
Unit banks	*1,047*	*1,040*	*7*	*1,047*	*1,040*	*413*	*112*	*515*	*3*	*4*				*99.7*	*99.7*	
Banks operating branches	*4*	*4*		*4*	*4*	*4*								*100.0*	*100.0*	
Branches	5	5		5	5	5								100.0	100.0	
Indiana—all offices	**897**	**893**	**4**	**893**	**889**	**379**	**146**	**364**	**3**	**1**	**4**	**4**		**99.7**	**99.7**	**100.0**
Banks	426	422	4	422	418	122	88	208	3	1	4	4		99.3	99.3	100.0
Unit banks	*258*	*254*	*4*	*254*	*250*	*59*	*60*	*131*	*3*	*1*	*4*	*4*		*98.8*	*98.8*	*100.0*
Banks operating branches	*168*	*168*		*168*	*168*	*63*	*28*	*77*						*100.0*	*100.0*	
Branches	471	471		471	471	257	58	156						100.0	100.0	
Iowa—all offices	**908**	**894**	**14**	**908**	**894**	**129**	**79**	**686**	**13**	**1**				**98.6**	**98.6**	
Banks	673	659	14	673	659	101	62	496	13	1				98.1	98.1	
Unit banks	*489*	*475*	*14*	*489*	*475*	*75*	*47*	*353*	*13*	*1*				*97.3*	*97.3*	
Banks operating branches	*184*	*184*		*184*	*184*	*26*	*15*	*143*						*100.0*	*100.0*	
Branches	235	235		235	235	28	17	190						100.0	100.0	
Kansas—all offices	**648**	**645**	**3**	**648**	**645**	**195**	**48**	**402**	**3**					**99.5**	**99.5**	
Banks	599	596	3	599	596	170	41	385	3					99.5	99.5	
Unit banks	*552*	*549*	*3*	*552*	*549*	*147*	*34*	*368*	*3*					*99.5*	*99.5*	
Banks operating branches	*47*	*47*		*47*	*47*	*23*	*7*	*17*						*100.0*	*100.0*	
Branches	49	49		49	49	25	7	17						100.0	100.0	
Kentucky—all offices	**578**	**572**	**6**	**578**	**572**	**198**	**52**	**322**	**6**					**99.0**	**99.0**	
Banks	346	340	6	346	340	81	14	245	6					98.3	98.3	
Unit banks	*244*	*238*	*6*	*244*	*238*	*40*	*6*	*192*	*6*					*97.5*	*97.5*	
Banks operating branches	*102*	*102*		*102*	*102*	*41*	*8*	*53*						*100.0*	*100.0*	
Branches	232	232		232	232	117	38	77						100.0	100.0	

Louisiana—all offices	**462**	**461**	**1**	**462**	**461**	**178**	**36**	**247**	**1**	...	...	...	...	**99.8**	**99.8**	...
Banks	214	213	1	214	213	47	10	156	1	...	...	...	...	99.5	99.5	...
Unit banks	*130*	*129*	*1*	*130*	*129*	*17*	*3*	*109*	*1*	...	...	...	...	*99.2*	*99.2*	...
Banks operating branches	*84*	*84*	...	*84*	*84*	*30*	*7*	*47*	...	...	...	...	...	*100.0*	*100.0*	...
Branches	248	248	...	248	248	131	26	91	...	...	...	...	...	100.0	100.0	...
Maine—all offices	**264**	**244**	**20**	**219**	**205**	**93**	**58**	**54**	**14**	...	**45**	**39**	**6**	**92.4**	**93.6**	**86.7**
Banks	76	65	11	44	39	21	6	12	5	...	32	26	6	85.5	88.6	81.3
Unit banks	*36*	*28*	*8*	*11*	*9*	*6*	*2*	*1*	*2*	...	*25*	*19*	*6*	*77.8*	*81.8*	*76.0*
Banks operating branches	*40*	*37*	*3*	*33*	*30*	*15*	*4*	*11*	*3*	...	*7*	*7*	...	*92.5*	*90.1*	*100.0*
Branches	188	179	9	175	166	72	52	42	9	...	13	13	...	95.2	94.9	100.0
Maryland—all offices	**558**	**551**	**7**	**516**	**509**	**242**	**60**	**207**	**7**	...	**42**	**42**	...	**98.7**	**98.6**	**100.0**
Banks	128	127	1	122	121	50	7	64	1	...	6	6	...	99.2	99.2	100.0
Unit banks	*62*	*62*	...	*61*	*61*	*22*	*1*	*38*	...	...	*1*	*1*	...	*100.0*	*100.0*	*100.0*
Banks operating branches	*66*	*65*	*1*	*61*	*60*	*28*	*6*	*26*	*1*	...	*5*	*5*	...	*98.5*	*98.4*	*100.0*
Branches	430	424	6	394	388	192	53	143	6	...	36	36	...	98.6	98.5	100.0
Massachusetts—all offices	**1,066**	**755**	**311**	**729**	**721**	**415**	**153**	**153**	**6**	**2**	**337**	**34**	**303**	**71.0**	**99.2**	**10.1**
Banks	340	164	176	161	156	93	17	46	4	1	179	8	171	48.4	97.5	4.5
Unit banks	*148*	*44*	*104*	*45*	*42*	*27*	...	*15*	*3*	...	*103*	*2*	*101*	*29.7*	*64.3*	*1.9*
Banks operating branches	*192*	*120*	*72*	*116*	*114*	*66*	*17*	*31*	*1*	*1*	*76*	*6*	*70*	*62.8*	*58.4*	*7.9*
Branches [4]	726	591	135	568	565	322	136	107	2	1	158	26	132	81.5	99.6	16.5
Michigan—all offices	**1,247**	**1,243**	**4**	**1,247**	**1,243**	**495**	**459**	**289**	**3**	**1**	...	...	...	**99.8**	**99.8**	...
Banks	354	352	2	354	352	97	120	135	1	1	...	...	...	99.7	99.7	...
Unit banks	*176*	*175*	*1*	*176*	*175*	*41*	*59*	*75*	...	*1*	...	...	...	*100.0*	*100.0*	...
Banks operating branches	*178*	*177*	*1*	*178*	*177*	*56*	*61*	*60*	*1*	...	...	...	...	*99.4*	*99.4*	...
Branches	893	891	2	893	891	398	339	154	2	...	...	...	...	99.8	99.8	...
Minnesota—all offices	**733**	**728**	**5**	**732**	**727**	**199**	**28**	**500**	**5**	...	**1**	**1**	...	**99.3**	**99.3**	**100.0**
Banks	723	718	5	722	717	193	28	496	5	...	1	1	...	99.3	99.3	100.0
Unit banks	*717*	*712*	*5*	*716*	*711*	*191*	*28*	*492*	*5*	...	*1*	*1*	...	*99.3*	*99.3*	*100.0*
Banks operating branches	*6*	*6*	...	*6*	*6*	*2*	...	*4*	...	...	...	...	...	*100.0*	*100.0*	...
Branches	10	10	...	10	10	6	...	4	...	...	...	...	...	100.0	100.0	...
Mississippi—all offices	**417**	**417**	...	**417**	**417**	**105**	**18**	**294**	...	...	...	...	...	**100.0**	**100.0**	...
Banks	196	196	...	196	196	37	6	153	...	...	...	...	...	100.0	100.0	...
Unit banks	*98*	*98*	...	*98*	*98*	*10*	*1*	*87*	...	...	...	...	...	*100.0*	*100.0*	...
Banks operating branches	*98*	*98*	...	*98*	*98*	*27*	*5*	*66*	...	...	...	...	...	*100.0*	*100.0*	...
Branches	221	221	...	221	221	68	12	141	...	...	...	...	...	100.0	100.0	...
Missouri—all offices	**718**	**707**	**11**	**718**	**707**	**116**	**96**	**495**	**8**	**3**	...	...	...	**98.9**	**98.9**	...
Banks	655	644	11	655	644	96	81	467	8	3	...	...	...	98.9	98.8	...
Unit banks	*592*	*581*	*11*	*592*	*581*	*76*	*66*	*439*	*8*	*3*	...	...	...	*98.6*	*98.6*	...
Banks operating branches	*63*	*63*	...	*63*	*63*	*20*	*15*	*28*	...	...	...	...	...	*100.0*	*100.0*	...
Branches	63	63	...	63	63	20	15	28	...	...	...	...	...	100.0	100.0	...
Montana—all offices	**134**	**132**	**2**	**134**	**132**	**52**	**43**	**37**	**1**	**1**	...	...	...	**99.2**	**99.2**	...
Banks	131	129	2	131	129	50	42	37	1	1	...	...	...	99.2	99.2	...
Unit banks	*128*	*126*	*2*	*128*	*126*	*48*	*41*	*37*	*1*	*1*	...	...	...	*99.2*	*99.2*	...
Banks operating branches	*3*	*3*	...	*3*	*3*	*2*	*1*	...	...	...	...	...	...	*100.0*	*100.0*	...
Branches	3	3	...	3	3	2	1	...	...	...	...	...	...	100.0	100.0	...

TABLE 102. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1965—CONTINUED

GROUPED ACCORDING TO INSURANCE STATUS AND CLASS OF BANK, AND BY STATE OR AREA AND TYPE OF OFFICE

State and type of bank or office	All banks			Commercial banks and nondeposit trust companies							Mutual savings banks			Percentage insured[1]		
	Total	Insured	Noninsured	Total	Insured				Noninsured		Total	Insured	Noninsured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
					Total	Members F. R. System		Not members F. R. System	Banks of deposit[2]	Nondeposit trust companies[3]						
						National	State									
Nebraska—all offices	**464**	**458**	**6**	**464**	**458**	**144**	**14**	**300**	**1**	**5**				**99.8**	**99.8**	
Banks	436	430	6	436	430	126	13	291	1	5				99.8	99.8	
Unit banks	*410*	*404*	*6*	*410*	*404*	*109*	*12*	*283*	*1*	*5*				*99.8*	*99.8*	
Banks operating branches	*26*	*26*		*26*	*26*	*17*	*1*	*8*						*100.0*	*100.0*	
Branches	28	28		28	28	18	1	9						100.0	100.0	
Nevada—all offices	**72**	**72**		**72**	**72**	**37**	**24**	**11**						**100.0**	**100.0**	
Banks	9	9		9	9	3	3	3						100.0	100.0	
Unit banks	*3*	*3*		*3*	*3*	*1*		*2*						*100.0*	*100.0*	
Banks operating branches	*6*	*6*		*6*	*6*	*2*	*3*	*1*						*100.0*	*100.0*	
Branches	63	63		63	63	34	21	8						100.0	100.0	
New Hampshire—all offices	**142**	**139**	**3**	**101**	**98**	**74**	**1**	**23**	**3**		**41**	**41**		**97.9**	**97.0**	**100.0**
Banks	106	103	3	74	71	51	1	19	3		32	32		97.2	95.9	100.0
Unit banks	*76*	*73*	*3*	*52*	*49*	*32*	*1*	*16*	*3*		*24*	*24*		*96.1*	*94.2*	*100.0*
Banks operating branches	*30*	*30*		*22*	*22*	*19*		*3*			*8*	*8*		*100.0*	*100.0*	*100.0*
Branches	36	36		27	27	23		4			9	9		100.0	100.0	100.0
New Jersey—all offices	**957**	**954**	**3**	**906**	**903**	**572**	**222**	**109**		**3**	**51**	**51**		**100.0**	**100.0**	**100.0**
Banks	254	251	3	233	230	147	47	36		3	21	21		100.0	100.0	100.0
Unit banks	*86*	*83*	*3*	*76*	*73*	*47*	*13*	*13*		*3*	*10*	*10*		*100.0*	*100.0*	*100.0*
Banks operating branches	*168*	*168*		*157*	*157*	*100*	*34*	*23*			*11*	*11*		*100.0*	*100.0*	*100.0*
Branches	703	703		673	673	425	175	73			30	30		100.0	100.0	100.0
New Mexico—all offices	**159**	**159**		**159**	**159**	**87**	**14**	**58**						**100.0**	**100.0**	**100.0**
Banks	64	64		64	64	34	8	22						100.0	100.0	100.0
Unit banks	*25*	*25*		*25*	*25*	*15*	*4*	*6*						*100.0*	*100.0*	*100.0*
Banks operating branches	*39*	*39*		*39*	*39*	*19*	*4*	*16*						*100.0*	*100.0*	*100.0*
Branches	95	95		95	95	53	6	36						100.0	100.0	100.0
New York—all offices	**2,633**	**2,599**	**34**	**2,276**	**2,242**	**1,160**	**943**	**139**	**29**	**5**	**357**	**357**		**98.9**	**98.7**	**100.0**
Banks	470	442	28	344	316	198	83	35	23	5	126	126		95.1	93.2	100.0
Unit banks	*219*	*196*	*23*	*174*	*151*	*105*	*29*	*17*	*18*	*5*	*45*	*45*		*91.6*	*89.3*	*100.0*
Banks operating branches	*251*	*246*	*5*	*170*	*165*	*93*	*54*	*18*	*5*		*81*	*81*		*98.0*	*97.1*	*100.0*
Branches[4]	2,163	2,157	6	1,932	1,926	962	860	104	6		231	231		99.7	99.7	100.0

North Carolina—all offices	**883**	**878**	**5**	**883**	**878**	**292**	**102**	**484**	**5**					**99.4**	**99.4**	
Banks	146	145	1	146	145	30	4	111	1					99.3	99.3	
Unit banks	*64*	*64*		*64*	*64*	*9*	*1*	*54*						*100.0*	*100.0*	
Banks operating branches	*82*	*81*	*1*	*82*	*81*	*21*	*3*	*57*	*1*					*98.8*	*98.8*	
Branches	737	733	4	737	733	262	98	373	4					99.5	99.5	
North Dakota—all offices	**218**	**212**	**6**	**218**	**212**	**49**	**7**	**156**	**5**	**1**				**97.7**	**97.7**	
Banks	169	163	6	169	163	42	4	117	5	1				97.0	97.0	
Unit banks	*134*	*128*	*6*	*134*	*128*	*36*	*2*	*90*	*5*	*1*				*96.2*	*96.2*	
Banks operating branches	*35*	*35*		*35*	*35*	*6*	*2*	*27*						*100.0*	*100.0*	
Branches	49	49		49	49	7	3	39						100.0	100.0	
Ohio—all offices	**1,491**	**1,490**	**1**	**1,490**	**1,489**	**741**	**427**	**321**	**1**		**1**	**1**		**99.9**	**99.9**	**100.0**
Banks	543	542	1	542	541	224	128	189	1		1	1		99.8	99.8	100.0
Unit banks	*307*	*306*	*1*	*306*	*305*	*99*	*79*	*127*	*1*		*1*	*1*		*99.7*	*99.7*	*100.0*
Banks operating branches	*236*	*236*		*236*	*236*	*125*	*49*	*62*						*100.0*	*100.0*	
Branches	948	948		948	948	517	299	132						100.0	100.0	
Oklahoma—all offices	**459**	**458**	**1**	**459**	**458**	**253**	**26**	**179**		**1**				**100.0**	**100.0**	
Banks	421	420	1	421	420	222	24	174		1				100.0	100.0	
Unit banks	*385*	*384*	*1*	*385*	*384*	*193*	*22*	*169*		*1*				*100.0*	*100.0*	
Banks operating branches	*36*	*36*		*36*	*36*	*29*	*2*	*5*						*100.0*	*100.0*	
Branches	38	38		38	38	31	2	5						100.0	100.0	
Oregon—all offices	**317**	**314**	**3**	**316**	**313**	**222**	**15**	**76**	**2**	**1**	**1**	**1**		**99.4**	**99.4**	**100.0**
Banks	52	49	3	51	48	12	3	33	2	1	1	1		96.1	96.0	100.0
Unit banks	*27*	*24*	*3*	*26*	*23*	*7*	*2*	*14*	*2*	*1*	*1*	*1*		*92.3*	*92.0*	*100.0*
Banks operating branches	*25*	*25*		*25*	*25*	*5*	*1*	*19*						*100.0*	*100.0*	
Branches [4]	265	265		265	265	210	12	43						100.0	100.0	
Pennsylvania—all offices	**1,880**	**1,867**	**13**	**1,809**	**1,796**	**1,164**	**238**	**394**	**10**	**3**	**71**	**71**		**99.5**	**99.4**	**100.0**
Banks	578	568	10	571	561	373	44	144	7	3	7	7		98.8	98.8	100.0
Unit banks	*344*	*336*	*8*	*343*	*335*	*224*	*23*	*88*	*5*	*3*	*1*	*1*		*98.5*	*98.5*	*100.0*
Banks operating branches	*234*	*232*	*2*	*228*	*226*	*149*	*21*	*56*	*2*		*6*	*6*		*99.1*	*99.1*	*100.0*
Branches [4]	1,302	1,299	3	1,238	1,235	791	194	250	3		64	64		99.8	99.8	100.0
Rhode Island—all offices	**184**	**175**	**9**	**136**	**127**	**58**	**26**	**43**	**9**		**48**	**48**		**95.1**	**93.4**	**100.0**
Banks	18	16	2	11	9	4	1	4	2		7	7		88.9	81.8	100.0
Unit banks																
Banks operating branches	*18*	*16*	*2*	*11*	*9*	*4*	*1*	*4*	*2*		*7*	*7*		*88.9*	*81.8*	*100.0*
Branches	166	159	7	125	118	54	25	39	7		41	41		95.8	94.4	100.0
South Carolina—all offices	**399**	**395**	**4**	**399**	**395**	**205**	**9**	**181**	**4**					**99.0**	**99.0**	
Banks	129	125	4	129	125	25	5	95	4					96.9	96.9	
Unit banks	*68*	*64*	*4*	*68*	*64*	*5*	*3*	*56*	*4*					*94.1*	*94.1*	
Banks operating branches	*61*	*61*		*61*	*61*	*20*	*2*	*39*						*100.0*	*100.0*	
Branches	270	270		270	270	180	4	86						100.0	100.0	
South Dakota—all offices	**246**	**245**	**1**	**246**	**245**	**70**	**31**	**144**	**1**					**99.6**	**99.6**	
Banks	170	169	1	170	169	33	25	111	1					99.4	99.4	
Unit banks	*137*	*136*	*1*	*137*	*136*	*27*	*22*	*87*	*1*					*99.3*	*99.3*	
Banks operating branches	*33*	*33*		*33*	*33*	*6*	*3*	*24*						*100.0*	*100.0*	
Branches	76	76		76	76	37	6	33						100.0	100.0	

TABLE 102. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1965—CONTINUED

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	Noninsured	Total	Total	National	State	Not members F. R. System	Banks of deposit[2]	Nondeposit trust companies[3]	Total	Insured	Noninsured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
Tennessee—all offices	**627**	**622**	**5**	**627**	**622**	**281**	**33**	**308**	**4**	**1**				**99.4**	**99.4**	
Banks	298	294	4	298	294	76	9	209	3	1				99.0	99.0	
Unit banks	*192*	*189*	*3*	*192*	*189*	*25*	*4*	*160*	*2*	*1*				*99.0*	*99.0*	
Banks operating branches	*106*	*105*	*1*	*106*	*105*	*51*	*5*	*49*	*1*					*99.1*	*99.1*	
Branches	329	328	1	329	328	205	24	99	1					99.7	99.7	
Texas—all offices	**1,194**	**1,182**	**12**	**1,194**	**1,182**	**565**	**76**	**541**	**12**					**99.0**	**99.0**	
Banks	1,142	1,130	12	1,142	1,130	545	72	513	12					98.9	98.9	
Unit banks	*1,089*	*1,077*	*12*	*1,089*	*1,077*	*524*	*68*	*485*	*12*					*98.9*	*98.9*	
Banks operating branches	*53*	*53*		*53*	*53*	*21*	*4*	*28*						*100.0*	*100.0*	
Branches	52	52		52	52	20	4	28						100.0	100.0	
Utah—all offices	**165**	**165**		**165**	**165**	**71**	**43**	**51**						**100.0**	**100.0**	
Banks	56	56		56	56	13	13	30						100.0	100.0	
Unit banks	*36*	*36*		*36*	*36*	*9*	*6*	*21*						*100.0*	*100.0*	
Banks operating branches	*20*	*20*		*20*	*20*	*4*	*7*	*9*						*100.0*	*100.0*	
Branches	109	109		109	109	58	30	21						100.0	100.0	
Vermont—all offices	**113**	**112**	**1**	**105**	**104**	**58**		**46**		**1**	**8**	**8**		**100.0**	**100.0**	**100.0**
Banks	54	53	1	48	47	27		20		1	6	6		100.0	100.0	100.0
Unit banks	*31*	*30*	*1*	*27*	*26*	*15*		*11*		*1*	*4*	*4*		*100.0*	*100.0*	*100.0*
Banks operating branches	*23*	*23*		*21*	*21*	*12*		*9*			*2*	*2*		*100.0*	*100.0*	*100.0*
Branches	59	59		57	57	31		26			2	2		100.0	100.0	100.0
Virginia—all offices	**820**	**820**		**820**	**820**	**454**	**152**	**214**						**100.0**	**100.0**	
Banks	262	262		262	262	118	57	87						100.0	100.0	
Unit banks	*129*	*129*		*129*	*129*	*50*	*35*	*44*						*100.0*	*100.0*	
Banks operating branches	*133*	*133*		*133*	*133*	*68*	*22*	*43*						*100.0*	*100.0*	
Branches	558	558		558	558	336	95	127						100.0	100.0	
Washington—all offices	**533**	**532**	**1**	**509**	**508**	**378**	**37**	**93**	**1**		**24**	**24**		**99.8**	**99.8**	**100.0**
Banks	104	103	1	100	99	31	10	58	1		4	4		99.0	99.0	100.0
Unit banks	*59*	*58*	*1*	*58*	*57*	*15*	*5*	*37*	*1*		*1*	*1*		*98.3*	*98.3*	*100.0*
Banks operating branches	*45*	*45*		*42*	*42*	*16*	*5*	*21*			*3*	*3*		*100.0*	*100.0*	*100.0*
Branches[4]	429	429		409	409	347	27	35			20	20		100.0	100.0	100.0

West Virginia—all offices	**187**	**186**	**1**	**187**	**186**	**79**	**33**	**74**	**1**					**99.5**	**99.5**	
Banks	187	186	1	187	186	79	33	74	1					99.5	99.5	
Unit banks	*187*	*186*	*1*	*187*	*186*	*79*	*33*	*74*	*1*					*99.5*	*99.5*	
Banks operating branches																
Branches																
Wisconsin—all offices	**754**	**751**	**3**	**751**	**748**	**134**	**65**	**549**	**1**	**2**	**3**	**3**		**99.9**	**99.9**	**100.0**
Banks	584	581	3	581	578	110	52	416	1	2	3	3		99.8	99.8	100.0
Unit banks	*477*	*474*	*3*	*474*	*471*	*97*	*45*	*329*	*1*	*2*	*3*	*3*		*99.8*	*99.8*	*100.0*
Banks operating branches	*107*	*107*		*107*	*107*	*13*	*7*	*87*						*100.0*	*100.0*	
Branches	170	170		170	170	24	13	133						100.0	100.0	
Wyoming—all offices	**70**	**70**		**70**	**70**	**40**	**14**	**16**						**100.0**	**100.0**	
Banks	69	69		69	69	39	14	16						100.0	100.0	
Unit banks	*68*	*68*		*68*	*68*	*38*	*14*	*16*						*100.0*	*100.0*	
Banks operating branches	*1*	*1*		*1*	*1*	*1*								*100.0*	*100.0*	
Branches	1	1		1	1	1								100.0	100.0	
Other area																
Pacific Islands—all offices[5]	**13**	**4**	**9**	**13**	**4**	**3**		**1**	**9**					**30.8**	**30.8**	
Banks	1		1	1					1							
Unit banks[6]	*1*		*1*	*1*					*1*							
Banks operating branches																
Branches[7]	12	4	8	12	4	3		1	8					33.3	33.3	
Panama Canal Zone—all offices	**2**		**2**	**2**					**2**							
Banks																
Unit banks																
Banks operating branches																
Branches[8]	2		2	2					2							
Puerto Rico—all offices	**155**	**145**	**10**	**155**	**145**	**15**		**130**	**10**					**93.5**	**93.5**	
Banks	11	7	4	11	7			7	4					63.6	63.6	
Unit banks	*3*	*1*	*2*	*3*	*1*			*1*	*2*					*33.3*	*33.3*	
Banks operating branches	*8*	*6*	*2*	*8*	*6*			*6*	*2*					*75.0*	*75.0*	
Branches[9]	144	138	6	144	138	15		123	6					95.8	95.8	
Virgin Islands—all offices	**12**	**9**	**3**	**10**	**7**	**7**			**3**		**2**	**2**		**75.0**	**70.0**	**100.0**
Banks	4	2	2	3	1	1			2		1	1		50.0	33.3	100.0
Unit banks	*1*		*1*	*1*					*1*							*100.0*
Banks operating branches	*3*	*2*	*1*	*2*	*1*	*1*			*1*		*1*	*1*		*100.0*	*100.0*	*100.0*
Branches[10]	8	7	1	7	6	6			1		1	1		87.5	85.7	100.0

[1] Nondeposit trust companies are excluded in computing these percentages.
[2] Includes 10 noninsured branches of insured banks; 8 branches in the Pacific Islands and 2 in the Panama Canal Zone.
[3] Includes one trust company in Massachusetts, member of the F.R. System, operating one branch.
[4] Includes the following branches of banks located in other States or in Puerto Rico: 1 noninsured branch in Massachusetts and 1 in Pennsylvania of a noninsured bank in New York; 6 insured branches in New York of 2 insured banks in Puerto Rico not members of the F. R. System; 1 insured branch in Pennsylvania of a national bank in New Jersey; 1 insured branch in Oregon and 2 in Washington of a national bank in California.
[5] United States possessions (American Samoa, Guam, Midway Islands, and Wake Island); Trust Territories (Kwajalein, Palau Islands, Ponape Island, Saipan, and Truk Atoll).
[6] American Samoa.
[7] Consists of the following branches of a national bank in California: 1 noninsured in Caroline Islands, Truk Atoll (Moen Island) and 4 in the Mariana Islands (3 insured on Guam and 1 noninsured on Saipan); also 7 branches of an insured bank in Hawaii, not a member of the F. R. System, consisting of 1 insured branch on Guam and 6 noninsured branches; 2 in Caroline Islands, Palau Islands (Koror) and Ponape Island (Kolonia); 2 in Marshall Islands, Kwajalein Atoll; 1 in Midway Islands, Sand Island; and 1 on Wake Island.
[8] Two noninsured branches of two national banks in New York.
[9] Includes 15 insured branches of two national banks in New York.
[10] Includes 4 insured branches of a national bank in New York.

Back figures: See the Annual Report for 1964, pp. 160-167, and earlier reports.

Table 103. NUMBER AND DEPOSITS OF ALL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1965

BANKS GROUPED ACCORDING TO INSURANCE STATUS AND BY DISTRICT AND STATE

FDIC District and State	Number of banks								Deposits (in thousands of dollars)						
	All banks [1]	Commercial banks and nondeposit trust companies				Mutual savings banks			All banks	Commercial banks and nondeposit trust companies			Mutual savings banks		
		Total	Insured	Noninsured [1]		Total	Insured	Non-insured		Total	Insured	Non-insured [2]	Total	Insured	Non-insured
				Banks of deposit	Nondeposit trust companies										
Total United States	**14,324**	**13,818**	**13,547**	**221**	**50**	**506**	**329**	**177**	**386,540,654**	**333,779,458**	**331,512,681**	**2,266,777**	**52,761,196**	**45,887,291**	**6,873,905**
50 States and D. C.	**14,308**	**13,803**	**13,539**	**214**	**50**	**505**	**328**	**177**	**385,165,892**	**332,405,396**	**330,292,482**	**2,112,914**	**52,760,496**	**45,886,591**	**6,873,905**
Other areas	**16**	**15**	**8**	**7**		**1**	**1**		**1,374,762**	**1,374,062**	**1,220,199**	**153,863**	**700**	**700**	
FDIC District															
District 1	733	406	386	17	3	327	150	177	28,534,724	13,882,684	13,672,865	209,819	14,652,040	7,778,135	6,873,905
District 2 [3]	761	611	574	29	8	150	150		110,330,967	77,439,375	76,119,646	1,319,729	32,891,592	32,891,592	
District 3	1,121	1,113	1,102	8	3	8	8		38,878,807	35,674,272	35,641,232	33,040	3,204,535	3,204,535	
District 4	867	861	854	7		6	6		19,449,095	18,726,162	18,510,086	216,076	722,933	722,933	
District 5	1,331	1,331	1,286	44	1				17,619,242	17,619,242	17,579,627	39,615			
District 6	1,545	1,545	1,520	20	5				18,973,907	18,973,907	18,935,003	38,904			
District 7	1,364	1,357	1,348	5	4	7	7		27,535,992	27,430,037	27,400,466	29,571	105,955	105,955	
District 8	1,724	1,724	1,703	16	5				30,011,783	30,011,783	29,933,889	77,894			
District 9	1,193	1,192	1,178	12	2	1	1		9,754,885	9,286,429	9,168,369	118,060	468,456	468,456	
District 10	1,775	1,775	1,725	44	6				12,899,862	12,899,862	12,868,993	30,869			
District 11	1,438	1,438	1,424	13	1				25,266,910	25,266,910	25,223,098	43,812			
District 12 [4]	472	465	447	6	12	7	7		47,284,480	46,568,795	46,459,407	109,388	715,685	715,685	
State															
Alabama	263	263	263						3,235,941	3,235,941	3,235,941				
Alaska	14	12	10	2		2	2		355,533	338,449	332,631	5,818	17,084	17,084	
Arizona	18	18	17		1				2,105,124	2,105,124	2,096,061	9,063			
Arkansas	246	246	242	3	1				2,046,227	2,046,227	2,042,865	3,362			
California	199	199	193		6				35,341,253	35,341,253	35,341,253				
Colorado	250	250	210	40					2,897,785	2,897,785	2,870,104	27,681			
Connecticut	139	68	64	3	1	71	71		7,100,440	3,392,507	3,376,856	15,651	3,707,933	3,707,933	
Delaware	22	20	20			2	2		1,206,776	971,143	971,143		235,633	235,633	
District of Columbia	15	15	15						2,280,630	2,280,630	2,280,630				
Florida	443	443	440	2	1				7,710,154	7,710,154	7,686,166	23,988			
Georgia	429	429	387	42					4,612,943	4,612,943	4,597,316	15,627			
Hawaii	12	12	7		5				1,006,557	1,006,557	987,634	18,923			
Idaho	25	25	25						896,840	896,840	896,840				
Illinois	1,051	1,051	1,044	3	4				25,509,730	25,509,730	25,456,055	53,675			
Indiana	426	422	418	3	1	4	4		6,998,739	6,923,808	6,921,163	2,645	74,931	74,931	

Iowa	673	673	659	13	1				4,502,053	4,502,053	4,477,834	24,219			
Kansas	599	599	596	3					3,367,855	3,367,855	3,365,409	2,446			
Kentucky	346	346	340	6					3,450,162	3,450,162	3,440,141	10,021			
Louisiana	214	214	213	1					4,340,426	4,340,426	4,339,568	858			
Maine	76	44	39	5		32	26	6	1,466,086	846,426	817,345	29,081	619,660	566,405	53,255
Maryland	128	122	121	1		6	6		4,348,524	3,625,591	3,468,794	156,797	722,933	722,933	
Massachusetts	340	161	156	4	1	179	8	171	15,703,124	7,229,385	7,121,419	107,966	8,473,739	1,653,089	6,820,650
Michigan	354	354	352	1	1				14,127,902	14,127,902	14,102,094	25,808			
Minnesota	723	722	717	5		1	1		6,518,502	6,050,046	6,044,961	5,085	468,456	468,456	
Mississippi	196	196	196						2,060,204	2,060,204	2,060,204				
Missouri	655	655	644	8	3				8,416,347	8,416,347	8,401,548	14,799			
Montana	131	131	129	1	1				1,118,348	1,118,348	1,117,704	644			
Nebraska	436	436	430	1	5				2,280,603	2,280,603	2,280,228	375			
Nevada	9	9	9						697,963	697,963	697,963				
New Hampshire	106	74	71	3		32	32		1,432,683	586,438	573,949	12,489	846,245	846,245	
New Jersey	254	233	230		3	21	21		12,049,814	10,002,492	10,001,055	1,437	2,047,322	2,047,322	
New Mexico	64	64	64						945,214	945,214	945,214				
New York[5]	470	344	316	23	5	126	126		95,779,095	65,171,158	63,965,332	1,205,826	30,607,937	30,607,937	
North Carolina	146	146	145	1					4,483,903	4,483,903	4,438,708	45,195			
North Dakota	169	169	163	5	1				1,059,065	1,059,065	947,461	111,604			
Ohio	543	542	541	1		1	1		15,723,810	15,721,496	15,719,482	2,014	2,314	2,314	
Oklahoma	421	421	420		1				3,799,204	3,799,204	3,798,837	367			
Oregon	52	51	48	2	1	1	1		3,031,549	2,964,541	2,953,602	10,939	67,008	67,008	
Pennsylvania	578	571	561	7	3	7	7		23,154,997	19,952,776	19,921,750	31,026	3,202,221	3,202,221	
Rhode Island	18	11	9	2		7	7		2,066,837	1,258,110	1,213,478	44,632	808,727	808,727	
South Carolina	129	129	125	4					1,468,979	1,468,979	1,465,345	3,634			
South Dakota	170	170	169	1					1,058,970	1,058,970	1,058,243	727			
Tennessee	298	298	294	3	1				5,061,171	5,061,171	5,050,449	10,722			
Texas	1,142	1,142	1,130	12					17,876,146	17,876,146	17,842,255	33,891			
Utah	56	56	56						1,418,439	1,418,439	1,418,439				
Vermont	54	48	47		1	6	6		765,554	569,818	569,818		195,736	195,736	
Virginia	262	262	262						5,062,996	5,062,996	5,062,996				
Washington	104	100	99	1		4	4		4,456,866	3,825,273	3,792,962	32,311	631,593	631,593	
West Virginia	187	187	186	1					1,804,063	1,804,063	1,793,613	10,450			
Wisconsin	584	581	578	1	2	3	3		6,409,351	6,378,327	6,377,209	1,118	31,024	31,024	
Wyoming	69	69	69						554,415	554,415	554,415				
Other area															
Pacific Islands[6]	1	1		1					50,049	50,049	38,083	11,966			
Panama Canal Zone[7]									29,431	29,431		29,431			
Puerto Rico[8]	11	11	7	4					1,214,269	1,214,269	1,107,554	106,715			
Virgin Islands[9]	4	3	1	2		1	1		81,013	80,313	74,562	5,751	700	700	

[1] Includes 7 noninsured banks (1 in Illinois, 2 in Iowa, 1 in Nebraska, 1 in North Dakota, and 2 in Texas) for which data are not available.
[2] Includes figures for 16 branches of foreign banks (tabulated as banks) licensed to do a deposit business in the State of New York.
[3] Includes Puerto Rico and the Virgin Islands.
[4] Includes Alaska, Hawaii, Pacific Islands, and the Panama Canal Zone.
[5] Includes deposit data for 6 insured branches operated by 2 insured banks in Puerto Rico. See also footnote 2.
[6] In United States possessions (American Samoa, Guam, Midway Islands, and Wake Island) and Trust Territories (Kwajalein, Palau Islands, Ponape Island, Saipan, and Truk Atoll). Consists of deposit data for 1 noninsured bank in American Samoa and 5 branches of an insured bank in California, 1 noninsured in Caroline Islands, Truk Atoll (Moen Island) and 4 in the Mariana Islands (3 insured on Guam and 1 noninsured on Saipan). Also, 7 branches of an insured bank in Hawaii, consisting of 1 insured branch on Guam and 6 noninsured branches: 2 in Caroline Islands, Palau Islands (Koror) and Ponape Island (Kolonia); 2 in Marshall Islands, Kwajalein Atoll; 1 in Midway Islands, Sand Island; and 1 on Wake Island.
[7] Consists of deposit data for 2 noninsured branches operated by 2 insured banks in New York.
[8] Includes deposit data for 15 insured branches operated by 2 insured banks in New York.
[9] Includes deposit data for 4 insured branches operated by an insured bank in New York.

Note: Data for the branches described in footnotes 6, 7, 8, and 9 are not included in the figures for the States in which the parent banks are located.

Back figures: See the Annual Report for 1964, pp. 168-169, and earlier reports.

ASSETS AND LIABILITIES OF BANKS

Table 104. Assets and liabilities of all banks in the United States (States and other areas), June 30, 1965
Banks grouped according to insurance status and type of bank

Table 105. Assets and liabilities of all banks in the United States (States and other areas), December 31, 1965
Banks grouped according to insurance status and type of bank

Table 106. Assets and liabilities of all banks in the United States (States and other areas), December 31, 1965
Banks grouped by district and State

Table 107. Assets and liabilities of all insured banks in the United States (States and other areas), June and December call dates, 1962 through 1965

Table 108. Assets and liabilities of insured commercial and insured mutual savings banks in the United States (States and other areas), December and June call dates, 1963 through 1965

Table 109. Average assets and liabilities and assets and liabilities per $100 of total assets of insured commercial banks in the United States (States and other areas), 1965
By class of bank

Table 110. Assets and liabilities and assets and liabilities per $100 of total assets of insured commercial banks operating throughout 1965 in the United States (States and other areas), December 31, 1965
Banks grouped according to amount of deposits

Table 111. Average assets and liabilities of insured commercial banks in the United States (States and other areas), by State, 1965

Table 112. Distribution of insured commercial banks in the United States (States and other areas), December 31, 1965
Banks grouped according to amount of deposits and by ratios of selected items to assets

Statements of assets and liabilities are submitted by insured commercial banks upon either a cash or an accrual basis, depending upon the bank's method of bookkeeping. Assets reported represent aggregate book value, on the date of call, less valuation and premium reserves.

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.

In the case of banks with one or more domestic branches, the assets and liabilities reported are consolidations of figures for the head office and all domestic branches. In the case of a bank with foreign branches, net amounts due from its own foreign branches are included in "Other assets," and net amounts due to its own foreign branches are included in "Other liabilities." Branches outside the 50 States of insured banks in the United States are treated as separate entities but as in the case of other branches 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.

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.

Individual loan items are reported gross instead of net of valuation reserves. Accordingly, reserves for losses on loans are shown separately.

Instalment loans 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.

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, and some of the items reported have been allocated to more detailed categories according to the distribution of asset and liability data for insured State banks not members of the Federal Reserve System or for other noninsured banks.

Additional data on assets and liabilities of all banks as of June 30, 1965, and December 31, 1965, are shown in the Corporation's semiannual publication, "Assets, Liabilities, and Capital Accounts, Commercial and Mutual Savings Banks," Report of Call No. 72, and Report of Call No. 74. Data from Call No. 71, April 26, 1965, and Call No. 73, October 13, 1965, were not tabulated for all insured banks. Comparable tabulations for State and national banks were not feasible because of a change in the form used for national institutions.

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.

Noninsured banks: State banking authorities; and reports from individual banks.

Table 104. ASSETS AND LIABILITIES OF ALL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1965

BANKS GROUPED ACCORDING TO INSURANCE STATUS AND TYPE OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	All banks			Commercial banks and nondeposit trust companies				Mutual savings banks		
	Total	Insured	Non-insured	Total	Insured	Noninsured		Total	Insured	Non-insured
						Banks of deposit [1]	Non-deposit trust companies [2]			
Total assets	**412,492,741**	**401,601,386**	**10,891,355**	**356,109,973**	**352,795,164**	**3,023,731**	**291,078**	**56,382,768**	**48,806,222**	**7,576,546**
Cash, balances with other banks, and cash collection items—total	**58,240,700**	**57,577,382**	**663,318**	**57,221,034**	**56,667,724**	**505,530**	**47,780**	**1,019,666**	**909,658**	**110,008**
Currency and coin	5,163,280	5,115,726	47,554	5,012,452	4,990,981	19,987	1,484	150,828	124,745	26,083
Reserve with F. R. Banks (member banks)	17,842,470	17,842,470	....	17,842,470	17,842,470	....	....	....	....	....
Demand balances with banks in U. S.	13,172,520	12,677,379	495,141	12,667,174	12,246,917	391,160	29,097	505,346	430,462	74,884
Other balances with banks in U. S.	732,340	696,249	36,091	421,658	385,858	21,541	14,259	310,682	310,391	291
Balances with banks in foreign countries	309,605	259,824	49,781	309,605	259,824	49,766	15	....	....	....
Cash items in process of collection	21,020,485	20,985,734	34,751	20,967,675	20,941,674	23,076	2,925	52,810	44,060	8,750
Securities—total	**110,634,009**	**107,366,273**	**3,267,736**	**99,314,602**	**98,306,125**	**834,078**	**174,399**	**11,319,407**	**9,060,148**	**2,259,259**
U. S. Gov't obligations (including guaranteed)	62,739,439	60,471,005	2,268,434	56,985,944	56,495,520	433,870	56,554	5,753,495	3,975,485	1,778,010
Obligations of States and subdivisions	36,975,460	36,690,065	285,395	36,613,542	36,350,723	215,008	47,811	361,918	339,342	22,576
Securities of Federal agencies and corporations (not guaranteed by U. S.)	4,634,794	4,580,732	54,062	3,789,965	3,739,048	43,868	7,049	844,829	841,684	3,145
Other bonds, notes, and debentures	3,956,264	3,645,065	311,199	949,999	818,470	122,595	8,934	3,006,265	2,826,595	179,670
Corporate stocks	2,328,052	1,979,406	348,646	975,152	902,364	18,737	54,051	1,352,900	1,077,042	275,858
Loans and discounts, net—total	**232,784,202**	**226,088,437**	**6,695,765**	**189,687,753**	**188,118,000**	**1,532,761**	**36,992**	**43,096,449**	**37,970,437**	**5,126,012**
Valuation reserves	3,860,350	3,836,135	24,215	3,636,024	3,625,878	10,050	96	224,326	210,257	14,069
Loans and discounts, gross—total	**236,644,552**	**229,924,572**	**6,719,980**	**193,323,777**	**191,743,878**	**1,542,811**	**37,088**	**43,320,775**	**38,180,694**	**5,140,081**
Real estate loans—total	89,014,796	83,749,852	5,264,944	46,548,191	46,271,346	263,212	13,633	42,466,605	37,478,506	4,988,099
Secured by farm land	*2,845,016*	*2,818,473*	*26,543*	*2,793,884*	*2,772,387*	*20,410*	*1,087*	*51,132*	*46,086*	*5,046*
Secured by residential properties:										
Insured by FHA	*20,505,337*	*19,519,177*	*986,160*	*7,469,505*	*7,352,529*	*114,053*	*2,923*	*13,035,832*	*12,166,648*	*869,184*
Guaranteed by VA	*14,033,310*	*13,001,002*	*1,032,308*	*2,711,594*	*2,664,910*	*46,628*	*56*	*11,321,716*	*10,336,092*	*985,624*
Not insured or guaranteed by FHA or VA	*34,057,616*	*31,529,459*	*2,528,157*	*20,202,084*	*20,137,423*	*57,969*	*6,692*	*13,855,532*	*11,392,036*	*2,463,496*
Secured by other properties	*17,573,517*	*16,881,741*	*691,776*	*13,371,124*	*13,344,097*	*24,152*	*2,875*	*4,202,393*	*3,537,644*	*664,749*
Loans to commercial and foreign banks	3,802,661	3,694,422	108,239	3,791,073	3,682,834	107,982	257	11,588	11,588	....
Loans to other financial institutions	11,511,228	11,389,565	121,663	11,500,139	11,378,627	121,160	352	11,089	10,938	151
Loans to brokers and dealers in securities	6,105,765	5,964,537	141,228	6,065,862	5,924,659	132,822	8,381	39,903	39,878	25
Other loans for carrying securities	2,919,738	2,865,035	54,703	2,914,301	2,860,568	48,598	5,135	5,437	4,467	970
Loans to farmers directly guaranteed by the Commodity Credit Corporation	412,830	410,962	1,868	412,830	410,962	1,864	4	....	....	....
Other loans to farmers (excluding real estate)	7,672,328	7,652,108	20,220	7,670,275	7,650,055	19,918	302	2,053	2,053	....
Commercial and industrial loans	66,161,524	65,548,952	612,572	65,973,561	65,370,328	599,804	3,429	187,963	178,624	9,339
Other loans to individuals	43,848,886	43,518,906	329,980	43,271,578	43,077,851	191,683	2,044	577,308	441,055	136,253
All other loans (including overdrafts)	5,194,796	5,130,233	64,563	5,175,967	5,116,648	55,768	3,551	18,829	13,585	5,244
Miscellaneous assets—total	**10,833,830**	**10,569,294**	**264,536**	**9,886,584**	**9,703,315**	**151,362**	**31,907**	**947,246**	**865,979**	**81,267**
Bank premises, furniture and fixtures, and real estate	5,446,537	5,348,423	98,114	5,024,472	4,982,772	24,453	17,247	422,065	365,651	56,414
All other miscellaneous assets	5,387,293	5,220,871	166,422	4,862,112	4,720,543	126,909	14,660	525,181	500,328	24,853

Total liabilities and capital accounts	**412,492,741**	**401,601,386**	**10,891,355**	**356,109,973**	**352,795,164**	**3,023,731**	**291,078**	**56,382,768**	**48,806,222**	**7,576,546**
Business and personal deposits—total	**305,548,114**	**297,366,589**	**8,181,525**	**254,605,333**	**253,109,398**	**1,380,906**	**115,029**	**50,942,781**	**44,257,191**	**6,685,590**
Individuals, partnerships, and corporations—demand	125,932,774	125,025,810	906,964	125,552,047	124,664,936	809,233	77,878	380,727	360,874	19,853
Individuals, partnerships, and corporations—time	173,579,157	166,401,889	7,177,268	123,027,988	122,516,457	474,384	37,147	50,551,169	43,885,432	6,665,737
Savings deposits	*138,188,291*	*131,217,061*	*6,971,230*	*87,680,663*	*87,355,589*	*305,857*	*19,217*	*50,507,628*	*43,861,472*	*6,646,156*
Deposits accumulated for payment of personal loans	*1,001,772*	*999,966*	*1,806*	*1,001,426*	*999,892*	*1,534*	....	*346*	*74*	*272*
Other deposits of individuals, partnerships, and corporations	*34,389,094*	*34,184,862*	*204,232*	*34,345,899*	*34,160,976*	*166,993*	*17,930*	*43,195*	*23,886*	*19,309*
Certified and officers' checks, letters of credit, travelers' checks, etc.	6,036,183	5,938,890	97,293	6,025,298	5,928,005	97,289	4	10,885	10,885	....
Government deposits—total	**36,144,289**	**35,924,838**	**219,451**	**36,108,595**	**35,890,424**	**217,748**	**423**	**35,694**	**34,414**	**1,280**
United States Government—demand	11,826,783	11,782,734	44,049	11,820,022	11,776,596	43,003	423	6,761	6,138	623
United States Government—time	280,625	277,414	3,211	280,347	277,179	3,168	....	278	235	43
States and subdivisions—demand	13,387,010	13,281,655	105,355	13,385,275	13,279,920	105,355	....	1,735	1,735	....
States and subdivisions—time	10,649,871	10,583,035	66,836	10,622,951	10,556,729	66,222	....	26,920	26,306	614
Domestic interbank and postal savings deposits—total	**15,496,012**	**15,252,023**	**243,989**	**15,494,492**	**15,250,503**	**243,888**	**101**	**1,520**	**1,520**	....
Commercial banks in the U. S.—demand	13,838,027	13,785,308	52,719	13,837,928	13,785,209	52,618	101	99	99	....
Commercial banks in the U. S.—time	461,898	457,758	4,140	460,477	456,337	4,140	....	1,421	1,421	....
Mutual savings banks in the U. S.—demand	884,918	773,584	111,334	884,918	773,584	111,334	....	....	....	....
Mutual savings banks in the U. S.—time	293,261	217,469	75,792	293,261	217,469	75,792	....	....	....	....
Postal savings	17,908	17,904	4	17,908	17,904	4	....	....	....	....
Foreign government and bank deposits—total	**6,703,247**	**6,501,583**	**201,664**	**6,703,212**	**6,501,554**	**201,588**	**70**	**35**	**29**	**6**
Foreign governments, central banks, etc.—demand	809,162	782,664	26,498	809,127	782,635	26,447	45	35	29	6
Foreign governments, central banks, etc.—time	4,115,931	4,054,156	61,775	4,115,931	4,054,156	61,775	....	....	....	....
Banks in foreign countries—demand	1,476,596	1,387,455	89,141	1,476,596	1,387,455	89,116	25	....	....	....
Banks in foreign countries—time	301,558	277,308	24,250	301,558	277,308	24,250	....	....	....	....
Total deposits	**363,891,662**	**355,045,033**	**8,846,629**	**312,911,632**	**310,751,879**	**2,044,130**	**115,623**	**50,980,030**	**44,293,154**	**6,686,876**
Demand	*174,191,453*	*172,758,100*	*1,433,353*	*173,791,211*	*172,378,340*	*1,334,395*	*78,476*	*400,242*	*379,760*	*20,482*
Time	*189,700,209*	*182,286,933*	*7,413,276*	*139,120,421*	*138,373,539*	*709,735*	*37,147*	*50,579,788*	*43,913,394*	*6,666,394*
Miscellaneous liabilities—total	**14,477,226**	**13,588,903**	**888,323**	**13,610,069**	**12,923,639**	**661,813**	**24,617**	**867,157**	**665,264**	**201,893**
Rediscounts and other borrowed money	3,738,863	3,618,182	120,681	3,695,472	3,575,541	117,376	2,555	43,391	42,641	750
All other miscellaneous liabilities	10,738,363	9,970,721	767,642	9,914,597	9,348,098	544,437	22,062	823,766	622,623	201,143
Total liabilities (excluding capital accounts)	**378,368,888**	**368,633,936**	**9,734,952**	**326,521,701**	**323,675,518**	**2,705,943**	**140,240**	**51,847,187**	**44,958,418**	**6,888,769**
Capital accounts—total	**34,123,853**	**32,967,450**	**1,156,403**	**29,588,272**	**29,119,646**	**317,788**	**150,838**	**4,535,581**	**3,847,804**	**687,777**
Preferred capital	1,608,721	1,561,898	46,823	1,607,784	1,560,961	46,523	300	937	937	....
Common stock	8,499,316	8,368,486	130,830	8,499,316	8,368,486	86,354	44,476	....	....	....
Surplus	16,364,980	15,808,441	556,539	13,256,218	13,082,209	102,399	71,610	3,108,762	2,726,232	382,530
Undivided profits and reserves	7,650,836	7,228,625	422,211	6,224,954	6,107,990	82,512	34,452	1,425,882	1,120,635	305,247
Number of banks[3]	14,310	13,862	448	13,805	13,535	223	47	505	327	178

[1] Includes asset and liability figures for 16 branches of foreign banks (tabulated as banks) licensed to do a deposit business in the State of New York. Capital is not allocated to these branches by the parent banks.
[2] Amounts shown as deposits are special accounts and univested trust funds with the latter classified as demand deposits of individuals, partnerships, and corporations.
[3] Includes 4 noninsured banks of deposit for which asset and liability data are not available.
Back figures: See the Annual Report for 1964, pp. 172-173, and earlier reports.

Table 105. ASSETS AND LIABILITIES OF ALL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1965

BANKS GROUPED ACCORDING TO INSURANCE STATUS AND TYPE OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	All banks			Commercial banks and nondeposit trust companies				Mutual savings banks		
						Noninsured				
	Total	Insured	Non-insured	Total	Insured	Banks of deposit[1]	Non-deposit trust com-panies[2]	Total	Insured	Non-insured
Total assets	**437,119,198**	**425,893,827**	**11,225,371**	**378,899,228**	**375,394,111**	**3,189,519**	**315,598**	**58,219,970**	**50,499,716**	**7,720,254**
Cash, balances with other banks, and cash collection items—total	**62,059,968**	**61,340,719**	**719,249**	**61,042,575**	**60,436,719**	**560,332**	**45,524**	**1,017,393**	**904,000**	**113,393**
Currency and coin	5,056,194	5,008,401	47,793	4,887,698	4,865,803	20,417	1,478	168,496	142,598	25,898
Reserve with F. R. Banks (member banks)	17,992,395	17,992,395		17,992,395	17,992,395					
Demand balances with banks in U. S.	15,422,567	14,847,786	574,781	14,852,555	14,354,186	457,883	40,486	570,012	493,600	76,412
Other balances with banks in U. S.	718,376	697,010	21,366	506,126	484,817	20,608	701	212,250	212,193	57
Balances with banks in foreign countries	293,334	255,865	37,469	293,334	255,865	37,461	8			
Cash items in process of collection	22,577,102	22,539,262	37,840	22,510,467	22,483,653	23,963	2,851	66,635	55,609	11,026
Securities—total	**115,616,568**	**112,421,079**	**3,195,489**	**104,645,467**	**103,650,708**	**800,050**	**194,709**	**10,971,101**	**8,770,371**	**2,200,730**
U. S. Gov't. obligations (including guaranteed)	65,157,643	62,969,793	2,187,850	59,687,880	59,209,832	410,834	67,214	5,469,763	3,759,961	1,709,802
Obligations of States and subdivisions	39,049,539	38,780,622	268,917	38,727,956	38,480,349	195,892	51,715	321,583	300,273	21,310
Securities of Federal agencies and corporations (not guaranteed by U. S.)	5,470,571	5,355,470	115,101	4,624,862	4,513,114	103,767	7,981	845,709	842,356	3,353
Other securities[3]	5,938,815	5,315,194	623,621	1,604,769	1,447,413	89,557	67,799	4,334,046	3,867,781	466,265
Loans and discounts, net—total	**248,104,496**	**241,078,486**	**7,026,010**	**202,815,164**	**201,114,143**	**1,658,376**	**42,645**	**45,289,332**	**39,964,343**	**5,324,989**
Valuation reserves	4,245,353	4,220,604	24,749	4,022,793	4,011,273	11,273	247	222,560	209,331	13,229
Loans and discounts, gross—total	**252,349,849**	**245,299,090**	**7,050,759**	**206,837,957**	**205,125,416**	**1,669,649**	**42,892**	**45,511,892**	**40,173,674**	**5,338,218**
Real estate loans—total	94,292,537	88,829,612	5,462,925	49,675,214	49,393,933	265,677	15,604	44,617,323	39,435,679	5,181,644
Secured by farm land	*2,962,835*	*2,934,831*	*28,004*	*2,910,551*	*2,888,012*	*21,331*	*1,208*	*52,284*	*46,819*	*5,465*
Secured by residential properties:										
Insured by FHA	*21,493,279*	*20,503,429*	*989,850*	*7,702,346*	*7,592,405*	*106,712*	*3,229*	*13,790,933*	*12,911,024*	*879,909*
Guaranteed by VA	*14,095,367*	*13,064,822*	*1,030,545*	*2,687,718*	*2,637,439*	*50,156*	*123*	*11,407,649*	*10,427,383*	*980,266*
Not insured or guaranteed by FHA or VA	*36,894,597*	*34,175,196*	*2,719,401*	*21,997,366*	*21,929,584*	*59,598*	*8,184*	*14,897,231*	*12,245,612*	*2,651,619*
Secured by other properties	*18,846,459*	*18,151,334*	*695,125*	*14,377,233*	*14,346,493*	*27,880*	*2,860*	*4,469,226*	*3,804,841*	*664,385*
Loans to commercial and foreign banks	2,172,835	2,107,517	65,318	2,160,330	2,095,012	65,082	236	12,505	12,505	
Loans to other financial institutions	13,343,862	13,200,380	143,482	13,329,369	13,186,038	142,981	350	14,493	14,342	151
Federal funds sold (loaned)	2,102,552	2,064,215	38,337	2,102,552	2,064,215	38,337				
Loans to brokers and dealers in securities	5,279,457	5,109,279	170,178	5,257,843	5,087,694	161,610	8,539	21,614	21,585	29
Other loans for carrying securities	3,241,713	3,179,888	61,825	3,236,018	3,175,076	53,641	7,301	5,695	4,812	883
Loans to farmers directly guaranteed by the Commodity Credit Corporation	537,184	533,948	3,236	537,184	533,948	3,236				
Other loans to farmers (excluding real estate)	7,689,718	7,670,978	18,740	7,687,805	7,669,065	18,463	277	1,913	1,913	
Commercial and industrial loans	72,052,318	71,379,881	672,437	71,898,025	71,235,183	658,282	4,560	154,293	144,698	9,595
Other loans to individuals	46,353,962	46,013,134	340,828	45,698,638	45,497,461	199,151	2,026	655,324	515,673	139,651
All other loans (including overdrafts)	5,283,711	5,210,258	73,453	5,254,979	5,187,791	63,189	3,999	28,732	22,467	6,265
Miscellaneous assets—total	**11,338,166**	**11,053,543**	**284,623**	**10,396,022**	**10,192,541**	**170,761**	**32,720**	**942,144**	**861,002**	**81,142**
Bank premises, furniture and fixtures, and real estate—net of mortgages and other liens	5,624,591	5,525,447	99,144	5,187,819	5,144,222	24,360	19,237	436,772	381,225	55,547
All other miscellaneous assets	5,713,575	5,528,096	185,479	5,208,203	5,048,319	146,401	13,483	505,372	479,777	25,595

Total liabilities and capital accounts	**437,119,198**	**425,893,827**	**11,225,371**	**378,899,228**	**375,394,111**	**3,189,519**	**315,598**	**58,219,970**	**50,499,716**	**7,720,254**
Business and personal deposits—total	**329,531,661**	**321,054,130**	**8,477,531**	**276,810,698**	**275,205,357**	**1,476,965**	**128,376**	**52,720,963**	**45,848,773**	**6,872,190**
Individuals, partnerships, and corporations—demand	140,408,828	139,423,124	985,704	140,055,917	139,077,920	889,617	88,380	352,911	345,204	7,707
Deposits of savings and loan associations	*2,296,779*	*2,294,862*	*1,917*	*2,296,779*	*2,294,862*	*1,917*	.....	.....	.....	.....
Other deposits of individuals, partnerships, and corporations	*138,112,049*	*137,128,262*	*983,787*	*137,759,138*	*136,783,058*	*887,700*	*88,380*	*352,911*	*345,204*	*7,707*
Individuals, partnerships, and corporations—time	183,110,319	175,687,053	7,423,266	130,754,219	130,195,436	518,789	39,994	52,356,100	45,491,617	6,864,483
Savings deposits	*145,245,541*	*138,032,101*	*7,213,440*	*92,911,673*	*92,554,897*	*334,484*	*22,292*	*52,333,868*	*45,477,204*	*6,856,664*
Deposits accumulated for payment of personal loans	*1,080,137*	*1,078,235*	*1,902*	*1,079,923*	*1,078,207*	*1,716*	.....	*214*	*28*	*186*
Deposits of savings and loan associations	*923,540*	*922,485*	*1,055*	*923,540*	*922,485*	*1,055*	.....	.....	.....	.....
Other deposits of individuals, partnerships, and corporations	*35,861,101*	*35,654,232*	*206,869*	*35,839,083*	*35,639,847*	*181,534*	*17,702*	*22,018*	*14,385*	*7,633*
Certified and officers' checks, letters of credit, travelers' checks, etc.	6,012,514	5,943,953	68,561	6,000,562	5,932,001	68,559	2	11,952	11,952	.....
Government deposits—total	**32,459,855**	**32,253,974**	**205,881**	**32,421,009**	**32,216,843**	**203,874**	**292**	**38,846**	**37,131**	**1,715**
United States Government—demand	5,558,496	5,530,611	27,885	5,550,986	5,523,816	26,878	292	7,510	6,795	715
United States Government—time	285,065	281,737	3,328	284,610	281,330	3,280	.....	455	407	48
States and subdivisions—demand	14,351,303	14,243,803	107,500	14,349,223	14,241,724	107,499	.....	2,080	2,079	1
States and subdivisions—time	12,264,991	12,197,823	67,168	12,236,190	12,169,973	66,217	.....	28,801	27,850	951
Domestic interbank deposits—total	**17,541,234**	**17,313,105**	**228,129**	**17,539,847**	**17,311,718**	**227,676**	**453**	**1,387**	**1,387**	.....
Commercial banks in the U. S.—demand	15,825,351	15,779,184	46,167	15,825,229	15,779,062	45,714	453	122	122	.....
Commercial banks in the U. S.—time	515,629	511,424	4,205	514,364	510,159	4,205	.....	1,265	1,265	.....
Mutual savings banks in the U. S.—demand	989,003	860,378	128,625	989,003	860,378	128,625	.....	.....	.....	.....
Mutual savings banks in the U. S.—time	211,251	162,119	49,132	211,251	162,119	49,132	.....	.....	.....	.....
Foreign government and bank deposits—total	**7,007,904**	**6,778,763**	**229,141**	**7,007,904**	**6,778,763**	**228,838**	**303**	.....	.....	.....
Foreign governments, central banks, etc.—demand	921,633	892,867	28,766	921,633	892,867	28,523	243	.....	.....	.....
Foreign governments, central banks, etc.—time	4,150,871	4,086,126	64,745	4,150,871	4,086,126	64,745	.....	.....	.....	.....
Banks in foreign countries—demand	1,632,562	1,529,097	103,465	1,632,562	1,529,097	103,405	60	.....	.....	.....
Banks in foreign countries—time	302,838	270,673	32,165	302,838	270,673	32,165	.....	.....	.....	.....
Total deposits	**386,540,654**	**377,399,972**	**9,140,682**	**333,779,458**	**331,512,681**	**2,137,353**	**129,424**	**52,761,196**	**45,887,291**	**6,873,905**
Demand	*185,699,690*	*184,203,017*	*1,496,673*	*185,325,115*	*183,836,865*	*1,398,820*	*89,430*	*374,575*	*366,152*	*8,423*
Time	*200,840,964*	*193,196,955*	*7,644,009*	*148,454,343*	*147,675,816*	*738,533*	*39,994*	*52,386,621*	*45,521,139*	*6,865,482*
Miscellaneous liabilities—total	**15,523,841**	**14,631,509**	**892,332**	**14,728,525**	**13,976,496**	**722,572**	**29,457**	**795,316**	**655,013**	**140,303**
Federal funds purchased (borrowed)	2,440,413	2,438,413	2,000	2,440,413	2,438,413	2,000	.....	.....	.....	.....
Other liabilities for borrowed money	2,150,076	1,989,090	160,986	2,057,996	1,898,290	156,662	3,044	92,080	90,800	1,280
All other miscellaneous liabilities	10,933,352	10,204,006	729,346	10,230,116	9,639,793	563,910	26,413	703,236	564,213	139,023
Total liabilities (excluding capital accounts)	**402,064,495**	**392,031,481**	**10,033,014**	**348,507,983**	**345,489,177**	**2,859,925**	**158,881**	**53,556,512**	**46,542,304**	**7,014,208**
Capital accounts—total	**35,054,703**	**33,862,346**	**1,192,357**	**30,391,245**	**29,904,934**	**329,594**	**156,717**	**4,663,458**	**3,957,412**	**706,046**
Preferred capital	1,744,011	1,695,350	48,661	1,741,252	1,692,591	48,361	300	2,759	2,759	.....
Common stock	8,647,880	8,507,770	140,110	8,647,880	8,507,770	91,712	48,398	.....	.....	.....
Surplus	16,825,002	16,263,422	561,580	13,643,617	13,464,797	107,256	71,564	3,181,385	2,798,625	382,760
Undivided profits and reserves	7,837,810	7,395,804	442,006	6,358,496	6,239,776	82,265	36,455	1,479,314	1,156,028	323,286
Number of banks[4]	14,324	13,876	448	13,818	13,547	221	50	506	329	177

[1] Includes asset and liability figures for 16 branches of foreign banks (tabulated as banks) licensed to do a deposit business in the State of New York. Capital is not allocated to these branches by the parent banks.
[2] Amounts shown as deposits are special accounts and univested trust funds, with the latter classified as demand deposits of individuals, partnerships, and corporations.
[3] Excludes corporate stocks, other than Federal Reserve Bank stock, of national banks; reported with "Other assets".
[4] Includes 7 noninsured banks for which asset and liability data are not available.
Back figures, 1934-1964: See the preceding table and the Annual Report for 1964, pp. 174-175, and earlier reports.

Table 106. ASSETS AND LIABILITIES OF ALL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1965

BANKS GROUPED BY DISTRICT AND STATE

(Amounts in thousands of dollars)

FDIC District and State	Number of banks[1]	Assets: Cash and due from banks	Assets: U. S. Government obligations	Assets: Other securities[2]	Assets: Loans, discounts, and overdrafts	Assets: Miscellaneous assets	Total	Liabilities and capital accounts: Deposits: Business and personal[3]	Deposits: Government[4]	Deposits: Foreign gov't and interbank	Miscellaneous liabilities	Total capital accounts
Total United States	**14,324**	**62,059,968**	**65,157,643**	**50,458,925**	**248,104,496**	**11,338,166**	**437,119,198**	**329,531,661**	**32,459,855**	**24,549,138**	**15,523,841**	**35,054,703**
50 States and D. C.	**14,308**	**61,913,288**	**65,008,076**	**50,354,955**	**246,926,076**	**11,246,141**	**435,448,536**	**328,411,095**	**32,246,774**	**24,508,023**	**15,349,862**	**34,932,782**
Other areas	**16**	**146,680**	**149,567**	**103,970**	**1,178,420**	**92,025**	**1,670,662**	**1,120,566**	**213,081**	**41,115**	**173,979**	**121,921**
FDIC District												
District 1	733	2,743,215	4,810,706	3,149,926	21,118,521	576,525	32,398,893	26,399,551	1,345,891	789,282	1,014,377	2,849,792
District 2[5]	761	16,310,739	12,190,828	14,514,960	80,752,318	4,284,148	128,052,993	93,848,896	6,247,115	10,234,956	7,285,855	10,436,171
District 3	1,121	5,862,001	7,041,246	6,051,012	23,872,750	839,302	43,666,311	34,437,936	2,929,065	1,511,806	1,156,427	3,631,077
District 4	867	3,360,671	3,798,632	2,412,669	11,741,770	491,035	21,804,777	16,828,883	1,771,708	848,504	551,191	1,804,491
District 5	1,331	3,597,196	3,855,393	2,344,424	9,358,701	485,478	19,641,192	14,089,773	2,345,073	1,184,396	439,523	1,582,427
District 6	1,545	3,979,918	3,908,325	2,531,185	10,346,907	354,835	21,121,170	15,368,075	1,856,028	1,749,804	421,385	1,725,878
District 7	1,364	4,167,823	6,452,912	3,523,443	15,676,231	567,405	30,387,814	23,935,205	2,817,118	783,669	714,964	2,136,858
District 8	1,724	4,981,684	6,698,702	4,229,145	16,940,626	705,682	33,555,839	25,565,414	2,297,360	2,149,009	945,380	2,598,676
District 9	1,193	1,549,390	2,208,104	1,434,150	5,433,485	207,264	10,832,393	8,280,981	948,425	525,479	233,445	844,063
District 10	1,775	2,646,087	2,783,715	1,489,782	7,257,579	265,558	14,442,721	10,589,608	1,533,922	776,332	271,612	1,271,247
District 11	1,438	5,650,405	4,381,013	3,156,965	14,173,214	757,117	28,118,714	19,910,505	3,083,318	2,273,087	619,751	2,232,053
District 12[6]	472	7,210,839	7,028,067	5,621,264	31,432,394	1,803,817	53,096,381	40,276,834	5,284,832	1,722,814	1,869,931	3,941,970
State												
Alabama	263	622,895	733,318	491,037	1,677,520	61,191	3,585,961	2,643,340	446,950	145,651	55,903	294,117
Alaska	14	46,725	67,737	41,995	218,959	13,857	389,273	250,456	101,126	3,951	10,806	22,934
Arizona	18	318,698	257,871	227,836	1,457,548	94,741	2,356,694	1,833,703	237,488	33,933	54,443	197,127
Arkansas	246	453,589	359,504	307,305	1,087,925	35,390	2,243,713	1,723,166	202,755	120,306	19,125	178,361
California	199	5,354,718	5,013,210	4,165,673	23,949,585	1,369,916	39,853,102	30,117,634	3,736,296	1,487,323	1,579,792	2,932,057
Colorado	250	556,442	528,428	262,179	1,810,209	89,305	3,246,563	2,505,001	241,707	151,077	80,335	268,443
Connecticut	139	623,798	777,099	1,040,442	5,368,009	139,138	7,948,486	6,701,307	325,176	73,957	165,387	682,659
Delaware	22	185,229	227,152	211,901	712,709	23,682	1,360,673	1,061,628	132,140	13,008	30,682	123,215
District of Columbia	15	436,049	553,376	116,480	1,369,131	44,918	2,519,954	2,089,403	50,791	140,436	50,589	188,735
Florida	443	1,595,227	1,894,725	990,331	3,829,269	246,687	8,556,239	6,085,248	1,083,700	541,206	182,805	663,280
Georgia	429	982,883	824,211	513,009	2,786,424	128,786	5,235,313	3,686,459	562,338	364,146	170,950	451,420
Hawaii	12	152,723	164,338	120,660	665,664	64,718	1,168,103	791,867	186,128	28,562	37,730	123,816
Idaho	25	129,380	172,713	92,784	565,992	23,290	984,159	773,524	119,022	4,294	16,132	71,187
Illinois	1,051	4,211,411	5,555,216	3,657,592	14,530,044	648,093	28,602,356	21,610,986	1,958,282	1,940,462	910,165	2,182,461
Indiana	426	1,229,086	1,962,407	760,180	3,767,137	132,273	7,851,083	5,966,662	817,325	214,752	272,382	579,962
Iowa	673	770,273	1,143,486	571,553	2,410,582	57,589	4,953,483	3,954,428	339,078	208,547	35,215	416,215
Kansas	599	604,997	848,717	487,208	1,756,929	46,621	3,744,472	2,627,930	597,937	141,988	39,915	336,702
Kentucky	346	764,917	847,814	359,749	1,779,644	55,070	3,807,194	2,884,748	299,662	265,752	38,120	318,912
Louisiana	214	988,952	971,540	531,976	2,200,485	80,424	4,773,377	3,333,854	611,287	395,285	68,391	364,560
Maine	76	139,764	259,023	213,693	1,014,343	29,318	1,656,141	1,384,638	65,131	16,317	36,355	153,700

Maryland	128	626,969	827,193	526,173	2,747,422	128,257	4,856,014	3,870,220	341,863	136,441	102,745	404,745
Massachusetts	340	1,638,368	3,234,675	1,307,039	11,476,125	336,698	17,992,905	14,343,041	710,773	649,310	666,693	1,623,088
Michigan	354	1,968,194	2,897,001	1,957,530	8,365,241	301,936	15,489,902	12,278,268	1,499,368	350,266	331,622	1,030,378
Minnesota	723	1,101,659	1,344,314	949,028	3,728,249	136,181	7,259,431	5,529,135	537,130	452,237	177,323	563,606
Mississippi	196	396,191	403,139	350,047	1,065,488	48,814	2,263,679	1,674,726	252,085	133,393	29,865	173,610
Missouri	655	1,717,963	1,779,760	1,200,943	4,578,356	157,573	9,434,595	6,723,462	846,758	846,127	217,968	800,280
Montana	131	179,387	261,978	138,228	626,825	26,835	1,233,253	956,915	123,558	37,875	25,913	88,992
Nebraska	436	462,852	485,302	246,332	1,332,094	40,780	2,567,360	1,891,730	192,744	196,129	54,184	232,573
Nevada	9	91,849	141,426	93,891	421,392	28,396	776,954	589,979	102,079	5,905	13,561	65,430
New Hampshire	106	104,259	206,756	132,728	1,155,267	24,793	1,623,803	1,351,340	68,242	13,101	39,812	151,308
New Jersey	254	1,336,665	2,020,394	2,128,890	7,698,487	248,063	13,432,499	11,093,212	836,894	119,708	376,172	1,006,513
New Mexico	64	155,321	206,409	105,169	556,583	23,612	1,047,094	767,063	158,629	19,522	22,398	79,482
New York[7]	470	14,651,227	9,794,681	12,070,199	71,198,066	3,957,511	111,671,684	80,623,268	5,094,572	10,061,255	6,706,772	9,185,817
North Carolina	146	894,622	635,227	683,628	2,750,219	128,627	5,092,323	3,628,955	543,813	311,135	187,261	421,159
North Dakota	169	120,826	293,154	229,141	510,818	22,226	1,176,165	881,920	158,379	18,766	16,632	100,468
Ohio	543	2,587,934	3,305,886	2,204,965	9,113,694	298,609	17,511,088	13,839,962	1,414,858	468,990	375,698	1,411,580
Oklahoma	421	914,462	778,145	452,182	2,048,116	74,674	4,267,579	3,108,283	419,894	271,027	88,304	380,071
Oregon	52	452,281	545,067	419,358	1,812,550	112,652	3,341,908	2,553,373	442,274	35,902	78,686	231,673
Pennsylvania	578	3,274,067	3,735,360	3,846,047	14,759,056	540,693	26,155,223	20,597,974	1,514,207	1,042,816	780,729	2,219,497
Rhode Island	18	175,834	211,020	390,953	1,520,085	33,798	2,331,690	1,914,885	135,941	16,011	89,570	175,283
South Carolina	129	303,066	287,575	214,943	822,517	34,534	1,662,635	1,220,219	205,074	43,686	49,915	143,741
South Dakota	170	147,518	308,658	117,753	567,593	22,022	1,163,544	913,011	129,358	16,601	13,577	90,997
Tennessee	298	1,043,449	921,247	663,188	2,900,982	106,802	5,635,668	4,036,699	506,853	517,619	146,172	428,325
Texas	1,142	4,187,434	2,945,193	2,291,984	9,958,598	558,340	19,941,549	13,975,885	2,075,914	1,824,347	474,519	1,590,884
Utah	56	249,703	190,616	194,765	894,409	31,656	1,561,149	1,096,780	271,126	50,533	26,722	115,988
Vermont	54	61,192	122,133	65,071	584,692	12,780	845,868	704,340	40,628	20,586	16,560	63,754
Virginia	262	808,581	912,080	641,131	3,158,951	114,654	5,635,397	4,434,616	451,237	177,143	123,095	449,306
Washington	104	724,398	731,994	492,138	2,868,479	122,199	4,939,208	4,053,443	297,209	106,214	104,752	377,590
West Virginia	187	291,384	583,181	230,314	893,530	40,045	2,038,454	1,585,470	178,930	39,663	37,586	196,805
Wisconsin	584	970,543	1,593,504	805,733	3,543,853	133,196	7,046,829	5,690,275	500,425	218,651	110,960	526,518
Wyoming	69	107,334	143,123	41,881	310,231	14,178	616,747	456,664	81,640	16,111	8,874	53,458
Other area												
Pacific Islands[8]	1	7,836	966	...	31,773	12,339	52,914	33,015	16,909	125	1,570	1,295
Panama Canal Zone[9]	...	1,226	...	...	3,591	24,794	29,611	16,763	12,663	5	180	...
Puerto Rico[10]	11	131,530	140,220	102,254	1,090,111	38,138	1,502,253	1,015,160	158,166	40,943	169,884	118,100
Virgin Islands[11]	4	6,088	8,381	1,716	52,945	16,754	85,884	55,628	25,343	42	2,345	2,526

[1] Includes 7 noninsured banks (1 in Illinois, 2 in Iowa, 1 in Nebraska, 1 in North Dakota, and 2 in Texas) for which data are not available.
[2] Excludes corporate stocks, other than Federal Reserve Bank stock, of national banks; reported with "Miscellaneous assets".
[3] Demand and time deposits of individuals, partnerships, and corporations, certified and officers' checks, letters of credit, etc.
[4] Deposits of the United States Government, States and subdivisions and postal savings.
[5] Includes Puerto Rico and the Virgin Islands.
[6] Includes Alaska, Hawaii, Pacific Islands, and the Panal Canal Zone.
[7] Includes asset and liability data for 6 insured branches operated by 2 insured banks in Puerto Rico. See also Table 105, footnote 1.
[8] In United States possessions (American Samoa, Guam, Midway Islands, and Wake Island) and Trust Territories (Kwajalein, Palau Islands, Ponape Island, Saipan, and Truk Atoll). Consists of asset and liability data for 1 noninsured bank in American Samoa and 5 branches of an insured bank in California, 1 noninsured in Caroline Islands, Truk Atoll (Moen Island) and 4 in the Mariana Islands (3 insured on Guam and 1 noninsured on Saipan). Also, 7 branches of an insured bank in Hawaii, consisting of 1 insured branch on Guam and 6 noninsured branches: 2 in Caroline Islands, Palau Islands (Koror) and Ponape Island (Kolonia); 2 in Marshall Islands, Kwajalein Atoll; 1 in Midway Islands, Sand Island; and 1 on Wake Island.
[9] Consists of asset and liability data for 2 noninsured branches operated by 2 insured banks in New York.
[10] Includes asset and liability data for 15 insured branches operated by 2 insured banks in New York.
[11] Includes asset and liability data for 4 insured branches operated by an insured bank in New York.
Note: Data for branches described in footnotes 5, 6, 7, 8, and 9 are not included in the figures for the States in which the parent banks are located.
Back figures, 1945-1964: See the Annual Report for 1964, pp. 176-177, and earlier reports.

Table 107. ASSETS AND LIABILITIES OF ALL INSURED BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE AND DECEMBER CALL DATES, 1962 THROUGH 1965

(Amounts in thousands of dollars)

Assets	June 30, 1962	Dec. 28, 1962	June 29, 1963	Dec. 20, 1963	June 30, 1964	Dec. 31, 1964	June 30, 1965	Dec. 31, 1965
Total assets	**313,495,544**	**335,934,112**	**340,388,582**	**354,809,831**	**366,105,553**	**392,174,389**	**401,601,386**	**425,893,827**
Cash, balances with other banks, and cash collection items—total	**49,281,330**	**54,582,416**	**51,665,841**	**51,166,975**	**53,768,750**	**60,926,055**	**57,577,382**	**61,340,719**
Currency and coin	3,295,166	4,382,304	3,596,056	4,157,140	4,671,492	4,690,732	5,115,726	5,008,401
Reserve with Federal Reserve Banks (member banks)	16,839,174	17,679,794	16,529,350	17,149,613	16,773,717	17,580,743	17,842,470	17,992,395
Demand balances with banks in the United States (except private banks and American branches of foreign banks)	11,850,224	13,021,881	12,321,213	12,086,463	12,464,351	14,567,230	12,677,379	14,847,786
Other balances with banks in the United States	312,949	416,948	575,162	508,860	612,791	782,609	696,249	697,010
Balances with banks in foreign countries	178,081	237,431	245,254	298,992	365,678	300,841	259,824	255,865
Cash items in process of collection	16,805,736	18,844,058	18,398,806	16,965,907	18,880,721	23,003,900	20,985,734	22,539,262
Obligations of the U. S. Government, direct and guaranteed—total	**68,688,732**	**70,605,519**	**67,667,433**	**67,135,755**	**63,269,961**	**66,698,504**	**60,471,005**	**62,969,793**
Direct:								
Treasury bills	8,440,540	11,791,016	9,308,207	11,208,197	9,202,774	13,533,705	9,180,492	
Treasury certificates of indebtedness	3,657,486	3,996,330	3,255,341	1,670,638	32,445	....	....	
Treasury notes maturing in 1 year or less	11,467,088	5,322,085	4,627,951	6,138,257	6,552,501	7,225,361	7,212,091	
Treasury notes maturing after 1 year	15,362,125	19,150,662	19,844,588	16,757,376	17,064,558	12,152,456	7,635,127	
United States non-marketable bonds	569,852	449,760	421,017	393,648	368,416	339,889	316,039	(1)
Other bonds maturing in 1 year or less	1,058,937	2,285,148	1,508,840	1,155,685	1,873,321	1,915,555	1,005,734	
Other bonds maturing in 1 to 5 years	14,401,180	11,648,541	10,068,307	13,468,861	12,795,720	15,616,677	17,046,637	
Other bonds maturing in 5 to 10 years	10,072,252	13,598,734	15,957,065	13,667,498	12,710,246	13,588,921	15,483,680	
Other bonds maturing after 10 years	3,424,328	2,123,031	2,469,952	2,433,898	2,364,612	2,019,222	2,370,586	
Guaranteed obligations	234,944	240,212	206,165	241,697	305,368	306,718	220,619	
Other securities—total	**31,778,264**	**34,126,296**	**37,145,497**	**39,700,867**	**41,120,989**	**43,386,304**	**46,895,268**	**49,451,286**
Obligations of States and subdivisions	23,458,724	25,076,053	28,037,856	30,022,176	31,615,328	33,711,653	36,690,065	38,780,622
Securities of Federal agencies and corporations (not guaranteed by U. S.)	2,910,983	3,486,442	3,597,544	4,215,668	3,813,096	4,195,363	4,580,732	5,355,470
Other bonds, notes, and debentures	4,013,148	4,064,339	3,909,101	3,787,856	3,909,572	3,667,522	3,645,065	
Federal Reserve Bank stock	457,069	465,705	481,062	491,175	1,782,993	1,811,766	1,979,406	[2] 5,315,194
Other corporate stocks	938,340	1,033,757	1,119,934	1,183,992				
Total securities	**100,466,996**	**104,731,815**	**104,812,930**	**106,836,622**	**104,390,950**	**110,084,808**	**107,366,273**	**112,421,079**

Loans and discounts, net—total	**156,309,473**	**168,801,321**	**175,498,110**	**188,232,982**	**198,530,566**	**211,329,246**	**226,088,437**	**241,078,486**
Valuation reserves	2,878,319	2,909,688	3,226,382	3,213,551	3,461,096	3,762,450	3,836,135	4,220,604
Loans and discounts, gross—total	**159,187,792**	**171,711,009**	**178,724,492**	**191,446,533**	**201,991,662**	**215,091,696**	**229,924,572**	**245,299,090**
Real estate loans—total	59,043,989	62,750,776	67,032,568	70,980,241	75,153,728	79,556,374	83,749,852	88,829,612
Secured by farm land	*1,955,870*	*2,048,943*	*2,266,236*	*2,350,099*	*2,583,231*	*2,665,233*	*2,818,473*	*2,934,831*
Secured by residential properties:								
Insured by FHA	*14,328,907*	*15,176,739*	*16,255,516*	*17,016,748*	*17,780,208*	*18,771,324*	*19,519,177*	*20,503,429*
Guaranteed by VA	*11,151,068*	*11,472,042*	*12,054,896*	*12,317,825*	*12,598,984*	*12,813,742*	*13,001,002*	*13,064,822*
Not insured or guaranteed by FHA or VA	*20,862,495*	*22,471,202*	*23,930,946*	*25,767,552*	*27,693,182*	*29,550,691*	*31,529,459*	*34,175,196*
Secured by other properties	*10,745,649*	*11,581,850*	*12,524,974*	*13,528,017*	*14,498,123*	*15,755,384*	*16,881,741*	*18,151,334*
Loans to domestic commercial and foreign banks	1,476,902	2,560,370	1,915,015	3,610,250	2,859,830	3,437,217	3,694,422	2,107,517
Loans to other financial institutions	7,232,209	8,473,355	8,646,348	9,448,495	10,443,943	10,858,968	11,389,565	13,200,380
Federal funds sold (loaned)	([3])	([3])	([3])	([3])	([3])	([3])	([3])	2,064,215
Loans to brokers and dealers in securities	3,242,678	5,177,925	4,629,754	5,349,920	5,504,905	5,381,309	5,964,537	5,109,279
Other loans for purchasing or carrying securities	1,988,629	2,114,934	2,211,103	2,488,339	2,698,850	2,799,024	2,865,035	3,179,888
Loans to farmers directly guaranteed by the Commodity Credit Corporation	870,226	1,111,661	799,576	816,838	366,380	513,580	410,962	533,948
Other loans to farmers (excluding loans on real estate)	5,906,652	5,963,558	6,733,102	6,647,074	7,312,822	6,984,795	7,652,108	7,670,978
Commercial and industrial loans (including open market paper)	46,062,053	48,860,921	50,022,702	53,144,882	55,257,892	60,197,360	65,548,952	71,379,881
Other loans to individuals for personal expenditures—total	29,653,900	30,790,186	32,921,628	34,919,957	37,952,479	40,205,923	43,518,906	46,013,134
Passenger automobile instalment loans	*9,908,821*	*10,534,920*	*11,693,717*	*12,451,250*	*13,847,341*	*14,686,090*	*16,260,214*	*17,174,769*
Other retail consumer instalment loans	*2,756,744*	*2,858,885*	*3,008,854*	*3,201,535*	*3,494,772*	*3,749,799*	*3,938,527*	*4,178,989*
Residential repair and modernization instalment loans	*2,737,832*	*2,825,491*	*2,853,029*	*2,976,040*	*2,986,774*	*3,088,258*	*3,106,720*	*3,215,450*
Other instalment loans for personal expenditures	*4,828,838*	*5,092,511*	*5,475,283*	*5,807,404*	*6,256,116*	*6,567,231*	*7,136,733*	*7,587,860*
Single-payment loans for personal expenditures	*9,421,665*	*9,478,379*	*9,890,745*	*10,483,728*	*11,367,476*	*12,114,545*	*13,076,712*	*13,856,066*
All other loans (including overdrafts)	3,710,554	3,907,323	3,812,696	4,040,537	4,440,833	5,157,146	5,130,233	5,210,258
Total loans and securities	**256,776,469**	**273,533,136**	**280,311,040**	**295,069,604**	**302,921,516**	**321,414,054**	**333,454,710**	**353,499,565**
Bank premises, furniture and fixtures, and other real estate—total	**3,975,558**	**4,172,496**	**4,428,257**	**4,707,697**	**4,924,022**	**5,096,486**	**5,348,423**	[4] **5,525,447**
Bank premises	2,714,370	2,852,967	3,122,721	3,343,007				
Furniture and fixtures	778,152	819,099	838,200	892,555				
Real estate owned other than bank premises	123,522	126,659	128,093	112,159	([1])	([1])	([1])	([1])
Investments and other assets indirectly representing bank premises or other real estate	359,514	373,771	339,243	359,976				
Miscellaneous assets—total	**3,462,187**	**3,646,064**	**3,983,444**	**3,865,555**	**4,491,265**	**4,737,794**	**5,220,871**	**5,528,096**
Customers' liability on acceptances outstanding	1,456,612	1,618,937	1,549,880	1,591,458	1,690,721	1,697,120	1,824,831	1,862,571
Other assets	2,005,575	2,027,127	2,433,564	2,274,097	2,800,544	3,040,674	3,396,040	3,665,525
PERCENTAGES								
To total assets:								
Cash and balances with other banks	15.7%	16.2%	15.2%	14.4%	14.7%	15.5%	14.3%	14.4%
U. S. Government obligations, direct and guaranteed	21.9	21.0	19.9	18.9	17.3	17.0	15.1	14.8
Other securities	10.1	10.2	10.9	11.2	11.2	11.1	11.7	11.6
Loans and discounts	49.9	50.3	51.5	53.1	54.2	53.9	56.3	56.6
Other assets	2.4	2.3	2.5	2.4	2.6	2.5	2.6	2.6
Total capital accounts	8.3	8.1	8.1	8.2	8.2	8.0	8.2	8.0
To total assets other than cash and U. S. Government obligations:								
Total capital accounts	13.4	12.9	12.5	12.2	12.1	11.8	11.6	11.2

Table 107. ASSETS AND LIABILITIES OF ALL INSURED BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE AND DECEMBER CALL DATES, 1962 THROUGH 1965—CONTINUED

(Amounts in thousands of dollars)

Liabilities and capital	June 30, 1962	Dec. 28, 1962	June 29, 1963	Dec. 20, 1963	June 30, 1964	Dec. 31, 1964	June 30, 1965	Dec. 31, 1965
Total liabilities and capital accounts	**313,495,544**	**335,934,112**	**340,388,582**	**354,809,831**	**366,105,553**	**392,174,389**	**401,601,386**	**425,893,827**
Business and personal deposits—total	**233,748,980**	**252,498,086**	**253,187,093**	**266,669,373**	**273,587,716**	**295,697,698**	**297,366,589**	**321,054,130**
Individuals, partnerships, and corporations—demand	111,730,739	123,554,500	116,024,030	123,842,677	121,036,112	134,613,437	125,025,810	139,423,124
Deposits of savings and loan associations	(1)	(1)	(1)	(1)	(1)	(1)	(1)	*2,294,862*
Other deposits of individuals, partnerships, and corporations								*137,128,262*
Individuals, partnerships, and corporations—time	117,596,062	124,486,860	132,715,299	138,370,425	147,739,255	155,194,386	166,401,889	175,687,053
Savings deposits	*101,648,557*	*106,841,377*	*111,621,506*	*114,738,550*	*119,858,822*	*125,341,342*	*131,217,061*	*138,032,101*
Deposits accumulated for payment of personal loans	*765,933*	*784,531*	*790,380*	*837,081*	*895,387*	*957,210*	*999,966*	*1,078,235*
Deposits of savings and loan associations	*15,181,572*	*16,860,952*	*20,303,413*	*22,794,794*	*26,985,046*	*28,895,834*	*34,184,862*	*922,485*
Other deposits of individuals, partnerships, and corporations								*35,654,232*
Certified and officers' checks, letters of credit, travelers' checks, etc.	4,422,179	4,456,726	4,447,764	4,456,271	4,812,349	5,889,875	5,938,890	5,943,953
Government deposits—total	**27,970,218**	**25,611,034**	**31,127,763**	**27,171,277**	**31,764,288**	**30,103,156**	**35,924,838**	**32,253,974**
United States Government—demand	9,544,587	6,833,754	11,026,837	6,734,239	10,257,861	6,507,450	11,782,734	5,530,611
United States Government—time	295,840	266,199	250,834	268,300	257,574	270,984	277,414	281,737
States and subdivisions—demand	11,794,877	12,066,083	12,388,673	12,263,435	12,562,582	13,499,246	13,281,655	14,243,803
States and subdivisions—time	6,334,914	6,444,998	7,461,419	7,905,303	8,686,271	9,825,476	10,583,035	12,197,823
Domestic interbank and postal savings deposits—total	**13,341,497**	**14,889,921**	**13,980,532**	**14,270,000**	**14,261,223**	**16,756,448**	**15,252,023**	**17,313,105**
Commercial banks in the U. S.—demand	12,392,738	13,907,406	12,924,632	13,323,112	13,051,155	15,492,886	13,785,308	15,779,184
Commercial banks in the U. S.—time	218,066	241,908	281,667	269,914	359,132	384,815	457,758	511,424
Mutual savings banks in the U. S.—demand	669,337	684,285	710,091	610,294	749,168	740,382	773,584	860,378
Mutual savings banks in the U. S.—time	42,901	38,153	46,888	49,252	82,561	118,835	217,469	162,119
Postal savings	18,455	18,169	17,254	17,428	19,207	19,530	17,904	(1)
Foreign government and bank deposits—total	**4,138,626**	**4,548,654**	**4,854,482**	**5,193,098**	**5,733,893**	**6,424,074**	**6,501,583**	**6,778,763**
Foreign governments, central banks, etc.—demand	660,437	724,335	626,447	841,612	675,616	826,137	782,664	892,867
Foreign governments, central banks, etc.—time	2,162,539	2,431,688	2,856,924	3,045,448	3,574,254	3,893,693	4,054,156	4,086,126
Banks in foreign countries—demand	1,182,770	1,265,391	1,264,201	1,177,311	1,316,494	1,454,685	1,387,455	1,529,097
Banks in foreign countries—time	132,880	127,240	106,910	128,727	167,529	249,559	277,308	270,673
Total deposits	**279,199,321**	**297,547,695**	**303,149,870**	**313,303,748**	**325,347,120**	**348,981,376**	**355,045,033**	**377,399,972**
Demand	*152,397,664*	*163,492,480*	*159,412,675*	*163,248,951*	*164,461,337*	*179,024,098*	*172,758,100*	*184,203,017*
Time	*126,801,657*	*134,055,215*	*143,737,195*	*150,054,797*	*160,885,783*	*169,957,278*	*182,286,933*	*193,196,955*

Miscellaneous liabilities—total	**8,188,211**	**11,290,601**	**9,589,877**	**12,612,070**	**10,726,686**	**12,024,063**	**13,588,903**	**14,631,509**
Federal funds purchased (borrowed) / Other liabilities for borrowed money	782,362	3,590,812	1,516,411	3,614,177	2,059,441	2,611,535	3,618,182	
Federal funds purchased (borrowed)								2,438,413
Other liabilities for borrowed money								1,989,090
Acceptances outstanding	1,498,878	1,655,648	1,597,026	1,620,293	1,724,102	1,737,101	1,855,467	1,897,569
Other liabilities	5,906,971	6,044,141	6,476,440	7,377,600	6,943,143	7,675,427	8,115,254	8,306,437
Total liabilities (excluding capital accounts)	**287,387,532**	**308,838,296**	**312,739,747**	**325,915,818**	**336,073,806**	**361,005,439**	**368,633,936**	**392,031,481**
Capital accounts—total	**26,108,012**	**27,095,816**	**27,648,835**	**28,894,013**	**30,031,747**	**31,168,950**	**32,967,450**	**33,862,346**
Capital stock, notes, and debentures	6,826,298	6,937,502	7,172,516	7,451,066	8,304,806	8,739,510	9,930,384	10,203,120
Surplus	13,430,586	13,822,081	14,258,908	14,637,286	15,133,523	15,552,060	15,808,441	16,263,422
Undivided profits	5,024,430	5,488,605	5,363,677	5,941,518	5,661,210	5,872,927	6,165,156	6,259,687
Reserves	826,698	847,628	853,734	864,143	932,208	1,004,453	1,063,469	1,136,117
MEMORANDA								
Captial stock, notes, and debentures:								
Par or face value—total	**6,826,598**	**6,937,802**	**7,172,816**	**7,451,366**	**8,305,106**	**8,739,510**	**9,930,384**	**10,203,120**
Common stock	6,789,688	6,882,362	7,114,462	7,282,980	7,745,231	7,886,432	8,368,486	8,507,770
Capital notes and debentures	22,090	20,646	21,094	130,547	521,404	811,331	1,520,921	1,655,460
Preferred stock	14,820	34,794	37,260	37,839	38,471	41,747	40,977	39,890
Number of banks	13,442	13,457	13,527	13,621	13,728	13,820	13,862	13,876

[1] Not available.
[2] Excludes as of December 31, 1965, corporate stocks, other than Federal Reserve Bank stock, of national banks; reported with "Other assets".
[3] Prior to December 31, 1965, "Federal funds sold (loaned)" not reported separately; most were included with loans to banks.
[4] Net of mortgages and other liens; previously included with "Other liabilities".
Back figures, 1934-1962: See the Annual Report for 1962, pp. 126-129, and earlier reports.

Table 108. ASSETS AND LIABILITIES OF INSURED COMMERCIAL AND INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER AND JUNE CALL DATES, 1963 THROUGH 1965

(Amounts in thousands of dollars)

Assets	Insured commercial banks					Insured mutual savings banks				
	Dec. 20, 1963	June 30, 1964	Dec. 31, 1964	June 30, 1965	Dec. 31, 1965	Dec. 20, 1963	June 30, 1964	Dec. 31, 1964	June 30, 1965	Dec. 31, 1965
Total assets	**311,790,848**	**321,083,191**	**345,130,205**	**352,795,164**	**375,394,111**	**43,018,983**	**45,022,362**	**47,044,184**	**48,806,222**	**50,499,716**
Cash, balances with other banks, and cash collection items—total	**50,445,462**	**52,969,638**	**60,032,916**	**56,667,724**	**60,436,719**	**721,513**	**799,112**	**893,139**	**909,658**	**904,000**
Currency and coin	4,053,057	4,552,579	4,551,889	4,990,981	4,865,803	104,083	118,913	138,843	124,745	142,598
Reserve with Federal Reserve Banks (member banks)	17,149,613	16,773,717	17,580,743	17,842,470	17,992,395	....	....	....	....	....
Demand balances with banks in the United States (except private banks and American branches of foreign banks)	11,644,517	12,005,653	14,090,586	12,246,917	14,354,186	441,946	458,698	476,644	430,462	493,600
Other balances with banks in the United States	367,817	433,514	558,335	385,858	484,817	141,043	179,277	224,274	310,391	212,193
Balances with banks in foreign countries	298,992	365,678	300,841	259,824	255,865	....	....	....	....	....
Cash items in process of collection	16,931,466	18,838,497	22,950,522	20,941,674	22,483,653	34,441	42,224	53,378	44,060	55,609
Obligations of the U. S. Government, direct and guaranteed—total	**62,811,737**	**58,953,758**	**62,588,052**	**56,495,520**	**59,209,832**	**4,324,018**	**4,316,203**	**4,110,452**	**3,975,485**	**3,759,961**
Direct:										
Treasury bills	10,999,429	8,994,405	13,301,211	8,873,722		208,768	208,369	232,494	306,770	309,700
Treasury certificates of indebtedness	1,651,564	32,171	....	....		19,074	274	....	....	....
Treasury notes maturing in 1 year or less	5,921,023	6,313,028	7,097,197	7,110,395		217,234	239,473	128,164	101,696	146,292
Treasury notes maturing after 1 year	16,402,791	16,742,337	11,872,107	7,501,922		354,585	322,221	280,349	133,205	89,827
United States non-marketable bonds	277,927	267,411	247,362	230,805	(1)	115,721	101,005	92,527	85,234	67,037
Other bonds maturing in 1 year or less	1,141,495	1,862,679	1,904,040	999,112		14,190	10,642	11,515	6,622	31,850
Other bonds maturing in 1 to 5 years	12,931,738	12,021,002	14,766,228	16,168,820		537,123	774,718	850,449	877,817	851,953
Other bonds maturing in 5 to 10 years	12,244,036	11,487,935	12,481,688	14,393,676		1,423,462	1,222,311	1,107,233	1,090,004	975,170
Other bonds maturing after 10 years	1,137,045	1,097,971	778,067	1,113,357		1,296,853	1,266,641	1,241,155	1,257,229	1,177,097
Guaranteed obligations	104,689	134,819	140,152	103,711		137,008	170,549	166,566	116,908	111,035
Other securities—total	**34,660,292**	**36,056,681**	**38,371,648**	**41,810,605**	**44,440,876**	**5,040,575**	**5,064,308**	**5,014,656**	**5,084,663**	**5,010,410**
Obligations of States and subdivisions	29,611,314	31,230,057	33,343,807	36,350,723	38,480,349	410,862	385,271	367,846	339,342	300,273
Securities of Federal agencies and corporations (not guaranteed by U. S.)	3,503,243	3,099,001	3,446,144	3,739,048	4,513,114	712,425	714,095	749,219	841,684	842,356
Other bonds, notes, and debentures	784,083	931,823	762,790	818,470		3,003,773	2,977,749	2,904,732	2,826,595	2,731,805
Federal Reserve Bank stock	491,175	795,800	818,907	902,364	[2] 1,447,413	....	....	....	....	....
Other corporate stocks	270,477					913,515	987,193	992,859	1,077,042	1,135,976
Total securities	**97,472,029**	**95,010,439**	**100,959,700**	**98,306,125**	**103,650,708**	**9,364,593**	**9,380,511**	**9,125,108**	**9,060,148**	**8,770,371**

Loans and discounts, net—total	**155,933,367**	**164,480,262**	**175,096,194**	**188,118,000**	**201,114,143**	**32,299,615**	**34,050,304**	**36,233,052**	**37,970,437**	**39,964,343**
Valuation reserves	2,994,811	3,249,257	3,552,676	3,625,878	4,011,273	218,740	211,839	209,774	210,257	209,331
Loans and discounts, gross—total	**158,928,178**	**167,729,519**	**178,648,870**	**191,743,878**	**205,125,416**	**32,518,355**	**34,262,143**	**36,442,826**	**38,180,694**	**40,173,674**
Real estate loans—total	39,088,205	41,447,444	43,733,086	46,271,346	49,393,933	31,892,036	33,706,284	35,823,288	37,478,506	39,435,679
Secured by farm land	*2,303,251*	*2,535,533*	*2,616,604*	*2,772,387*	*2,888,012*	*46,848*	*47,698*	*48,629*	*46,086*	*46,819*
Secured by residential properties:										
Insured by FHA	*7,047,238*	*7,106,329*	*7,243,497*	*7,352,529*	*7,592,405*	*9,969,510*	*10,673,879*	*11,527,827*	*12,166,648*	*12,911,024*
Guaranteed by VA	*2,817,152*	*2,754,793*	*2,684,468*	*2,664,910*	*2,637,439*	*9,500,673*	*9,844,191*	*10,129,274*	*10,336,092*	*10,427,383*
Not insured or guaranteed by FHA or VA	*16,380,889*	*17,734,238*	*18,810,798*	*20,137,423*	*21,929,584*	*9,386,663*	*9,958,944*	*10,739,893*	*11,392,036*	*12,245,612*
Secured by other properties	*10,539,675*	*11,316,551*	*12,377,719*	*13,344,097*	*14,346,493*	*2,988,342*	*3,181,572*	*3,377,665*	*3,537,644*	*3,804,841*
Loans to domestic commercial and foreign banks	3,594,633	2,840,826	3,420,989	3,682,834	2,095,012	15,617	19,004	16,228	11,588	12,505
Loans to other financial institutions	9,441,479	10,435,192	10,849,646	11,378,627	13,186,038	7,016	8,751	9,322	10,938	14,342
Federal funds sold (loaned)	(3)	(3)	(3)	(3)	2,064,215					
Loans to brokers and dealers in securities	5,325,642	5,492,413	5,355,550	5,924,659	5,087,694	24,278	12,492	25,759	39,878	21,585
Other loans for purchasing or carrying securities	2,476,760	2,686,925	2,794,217	2,860,568	3,175,076	11,579	11,925	4,807	4,467	4,812
Loans to farmers directly guaranteed by the Commodity Credit Corporation	816,838	366,380	513,580	410,962	533,948					
Other loans to farmers (excluding loans on real estate)	6,644,575	7,310,676	6,982,643	7,650,055	7,669,065	2,499	2,146	2,152	2,053	1,913
Commercial and industrial loans (including open market paper)	52,984,200	55,120,779	60,040,383	65,370,328	71,235,183	160,682	137,113	156,977	178,624	144,698
Other loans to individuals for personal expenditures—total	34,531,746	37,598,158	39,814,778	43,077,851	45,497,461	388,211	354,321	391,145	441,055	515,673
Passenger automobile instalment loans	*12,437,272*	*13,828,325*	*14,661,720*	*16,230,256*	*17,139,214*	*13,978*	*19,016*	*24,370*	*29,958*	*35,555*
Other retail consumer instalment loans	*3,200,612*	*3,493,806*	*3,748,783*	*3,936,684*	*4,176,950*	*923*	*966*	*1,016*	*1,843*	*2,039*
Residential repair and modernization instalment loans	*2,909,590*	*2,916,619*	*3,012,861*	*3,025,310*	*3,126,804*	*66,450*	*70,155*	*75,397*	*81,410*	*88,646*
Other instalment loans for personal expenditures	*5,718,920*	*6,150,538*	*6,441,204*	*6,987,170*	*7,388,640*	*88,484*	*105,578*	*126,027*	*149,563*	*199,220*
Single-payment loans for personal expenditures	*10,265,352*	*11,208,870*	*11,950,210*	*12,898,431*	*13,665,853*	*218,376*	*158,606*	*164,335*	*178,281*	*190,213*
All other loans (including overdrafts)	4,024,100	4,430,726	5,143,998	5,116,648	5,187,791	16,437	10,107	13,148	13,585	22,467
Total loans and securities	**253,405,396**	**259,490,701**	**276,055,894**	**286,424,125**	**304,764,851**	**41,664,208**	**43,430,815**	**45,358,160**	**47,030,585**	**48,734,714**
Bank premises, furniture and fixtures, and other real estate—total	**4,394,800**	**4,587,288**	**4,753,588**	**4,982,772**	**[4] 5,144,222**	**312,897**	**336,734**	**342,898**	**365,651**	**381,225**
Bank premises	3,082,103					260,904	271,529	277,072	295,200	308,289
Furniture and fixtures	863,387					29,168	33,462	39,117	42,064	45,641
Real estate owned other than bank premises	89,334	(1)	(1)	(1)	(1)	22,825	31,743	26,709	28,387	27,295
Investments and other assets indirectly representing bank premises or other real estate	359,976									
Miscellaneous assets—total	**3,545,190**	**4,035,564**	**4,287,807**	**4,720,543**	**5,048,319**	**320,365**	**455,701**	**449,987**	**500,328**	**479,777**
Customers' liability on acceptances outstanding	1,591,458	1,690,721	1,697,120	1,824,831	1,862,571					
Other assets	1,953,732	2,344,843	2,590,687	2,895,712	3,185,748	320,365	455,701	449,987	500,328	479,777
PERCENTAGES										
To total assets:										
Cash and balances with other banks	16.2%	16.5%	17.4%	16.1%	16.1%	1.7%	1.8%	1.9%	1.9%	1.8%
U.S. Government obligations, direct and guaranteed	20.1	18.4	18.2	16.0	15.8	10.0	9.6	8.7	8.1	7.5
Other securities	11.1	11.2	11.1	11.9	11.8	11.7	11.2	10.7	10.4	9.9
Loans and discounts	50.0	51.2	50.7	53.3	53.6	75.1	75.6	77.0	77.8	79.1
Other assets	2.6	2.7	2.6	2.7	2.7	1.5	1.8	1.7	1.8	1.7
Total capital accounts	8.1	8.2	8.0	8.3	8.0	8.3	8.0	7.9	7.9	7.8
To total assets other than cash and U. S. Government obligations:										
Total capital accounts	12.8	12.7	12.4	12.2	11.7	9.4	9.1	8.9	8.8	8.6

Table 108. ASSETS AND LIABILITIES OF INSURED COMMERCIAL AND INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER AND JUNE CALL DATES, 1963 THROUGH 1965—CONTINUED

(Amounts in thousands of dollars)

Liabilities and capital	Insured commercial banks					Insured mutual savings banks				
	Dec. 20, 1963	June 30, 1964	Dec. 31, 1964	June 30, 1965	Dec. 31, 1965	Dec. 20, 1963	June 30, 1964	Dec. 31, 1964	June 30, 1965	Dec. 31, 1965
Total liabilities and capital accounts	**311,790,848**	**321,083,191**	**345,130,205**	**352,795,164**	**375,394,111**	**43,018,983**	**45,022,362**	**47,044,184**	**48,806,222**	**50,499,716**
Business and personal deposits—total	**228,042,312**	**232,821,964**	**252,983,403**	**253,109,398**	**275,205,357**	**38,627,061**	**40,765,752**	**42,714,295**	**44,257,191**	**45,848,773**
Individuals, partnerships, and corporations—demand	123,561,302	120,715,072	134,300,734	124,664,936	139,077,920	281,375	321,040	312,703	360,874	345,204
Deposits of savings and loan associations	(1)	(1)	(1)	(1)	*2,294,862*	.....	.....	.....	.....	.....
Other deposits of individuals, partnerships, and corporations					*136,783,058*	*281,375*	*321,040*	*312,703*	*360,874*	*345,204*
Individuals, partnerships, and corporations—time	100,033,046	107,304,540	112,804,696	122,516,457	130,195,436	38,337,379	40,434,715	42,389,690	43,885,432	45,491,617
Savings deposits	*76,413,701*	*79,447,955*	*82,966,971*	*87,355,589*	*92,554,897*	*38,324,849*	*40,410,867*	*42,374,371*	*43,861,472*	*45,477,204*
Deposits accumulated for payment of personal loans	*836,450*	*894,700*	*956,410*	*999,892*	*1,078,207*	*631*	*687*	*800*	*74*	*28*
Deposits of savings and loan associations	*22,782,895*	*26,961,885*	*28,881,315*	*34,160,976*	*922,485*	.....	.....	.....	.....	.....
Other deposits of individuals, partnerships, and corporations					*35,639,847*	*11,899*	*23,161*	*14,519*	*23,886*	*14,385*
Certified and officers' checks, letters of credit, travelers' checks, etc	4,447,964	4,802,352	5,877,973	5,928,005	5,932,001	8,307	9,997	11,902	10,885	11,952
Government deposits—total	**27,142,510**	**31,735,033**	**30,068,312**	**35,890,424**	**32,216,843**	**28,767**	**29,255**	**34,844**	**34,414**	**37,131**
United States Government—demand	6,729,214	10,251,709	6,500,876	11,776,596	5,523,816	5,025	6,152	6,574	6,138	6,795
United States Government—time	268,203	257,556	270,832	277,179	281,330	97	18	152	235	407
States and subdivisions—demand	12,261,389	12,561,082	13,497,662	13,279,920	14,241,724	2,046	1,500	1,584	1,735	2,079
States and subdivisions—time	7,883,704	8,664,686	9,798,942	10,556,729	12,169,973	21,599	21,585	26,534	26,306	27,850
Domestic interbank and postal savings deposits—total	**14,268,764**	**14,259,755**	**16,754,488**	**15,250,503**	**17,311,718**	**1,236**	**1,468**	**1,960**	**1,520**	**1,387**
Commercial banks in the U. S.—demand	13,323,080	13,051,094	15,492,798	13,785,209	15,779,062	32	61	88	99	122
Commercial banks in the U. S.—time	268,710	357,725	382,943	456,337	510,159	1,204	1,407	1,872	1,421	1,265
Mutual savings banks in the U. S.—demand	610,294	749,168	740,382	773,584	860,378	.....	.....	.....	.....	.....
Mutual savings banks in the U. S.—time	49,252	82,561	118,835	217,469	162,119	.....	.....	.....	.....	.....
Postal savings	17,428	19,207	19,530	17,904	(1)	.....	.....	.....	.....	.....
Foreign government and bank deposits—total	**5,193,043**	**5,733,851**	**6,424,074**	**6,501,554**	**6,778,763**	**55**	**42**	.....	**29**	.....
Foreign governments, central banks, etc.—demand	841,590	675,575	826,137	782,635	892,867	22	41	.....	29	.....
Foreign governments, central banks, etc.—time	3,045,415	3,574,254	3,893,693	4,054,156	4,086,126	33	.....	.....	.....	.....
Banks in foreign countries—demand	1,177,311	1,316,493	1,454,685	1,387,455	1,529,097	.....	1	.....	.....	.....
Banks in foreign countries—time	128,727	167,529	249,559	277,308	270,673	.....	.....	.....	.....	.....
Total deposits	**274,646,629**	**284,550,603**	**306,230,277**	**310,751,879**	**331,512,681**	**38,657,119**	**40,796,517**	**42,751,099**	**44,293,154**	**45,887,291**
Demand	*162,952,144*	*164,122,545*	*178,691,247*	*172,378,340*	*183,836,865*	*296,807*	*338,792*	*332,851*	*379,760*	*366,152*
Time	*111,694,485*	*120,428,058*	*127,539,030*	*138,373,539*	*147,675,816*	*38,360,312*	*40,457,725*	*42,418,248*	*43,913,394*	*45,521,139*

Miscellaneous liabilities—total	**11,821,823**	**10,118,845**	**11,461,821**	**12,923,639**	**13,976,496**	**790,247**	**607,841**	**562,242**	**665,264**	**655,013**
Federal funds purchased (borrowed)	3,576,530	2,039,406	2,591,133	3,575,541	2,438,413	....	....	....	....	....
Other liabilities for borrowed money					1,898,290	37,647	20,035	20,402	42,641	90,800
Acceptances outstanding	1,620,293	1,724,102	1,737,101	1,855,467	1,897,569	....	....	....	....	....
Other liabilities	6,625,000	6,355,337	7,133,587	7,492,631	7,742,224	752,600	587,806	541,840	622,623	564,213
Total liabilities (excluding capital accounts)	**286,468,452**	**294,669,448**	**317,692,098**	**323,675,518**	**345,489,177**	**39,447,366**	**41,404,358**	**43,313,341**	**44,958,418**	**46,542,304**
Capital accounts—total	**25,322,396**	**26,413,743**	**27,438,107**	**29,119,646**	**29,904,934**	**3,571,617**	**3,618,004**	**3,730,843**	**3,847,804**	**3,957,412**
Capital stock, notes, and debentures	7,450,533	8,304,128	8,738,836	9,929,447	10,200,361	533	678	674	937	2,759
Surplus	12,163,471	12,551,781	12,893,189	13,082,209	13,464,797	2,473,815	2,581,742	2,658,871	2,726,232	2,798,625
Undivided profits	5,113,403	4,913,133	5,113,007	5,362,653	5,437,575	828,115	748,077	759,920	802,503	822,112
Reserves	594,989	644,701	693,075	745,337	802,201	269,154	287,507	311,378	318,132	333,916
MEMORANDA										
Capital stock, notes, and debentures:										
Par or face value—total	**7,450,833**	**8,304,428**	**8,738,836**	**9,929,447**	**10,200,361**	**533**	**678**	**674**	**937**	**2,759**
Common stock	7,282,980	7,745,231	7,886,432	8,368,486	8,507,770	....	....	....	....	....
Capital notes and debentures	130,014	520,726	810,657	1,519,984	1,652,701	533	678	674	937	2,759
Preferred stock	37,839	38,471	41,747	40,977	39,890	....	....	....	....	....
Number of banks	13,291	13,401	13,493	13,535	13,547	330	327	327	327	329

[1] Not available.
[2] Excludes as of December 31, 1965, corporate stocks, other than Federal Reserve Bank stock, of national banks; reported with "Other assets".
[3] Prior to December 31, 1965, "Federal funds sold (loaned)" not reported separately; most were included with loans to banks.
[4] Net of mortgages and other liens; previously included with "Other liabilities".
Back figures, 1934-1963: See the Annual Report for 1963, pp. 140-143, and earlier reports.

Table 109. AVERAGE ASSETS AND LIABILITIES AND ASSETS AND LIABILITIES PER $100 OF TOTAL ASSETS OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1965

BY CLASS OF BANK

Asset or liability item	Total	Members F.R. System		Not members F.R. System
		National	State	
Average assets and liabilities (in thousands of dollars) [1]				
Assets—total	**357,214,409**	**209,723,566**	**89,789,067**	**57,701,776**
Cash and due from banks	59,013,596	36,052,146	15,863,727	7,097,723
United States Government obligations	59,419,551	32,733,320	12,959,311	13,726,920
Other securities [2]	41,540,772	24,317,652	10,338,330	6,884,790
Loans and discounts	187,661,591	110,846,392	47,927,616	28,887,583
All other assets	9,578,899	5,774,056	2,700,083	1,104,760
Liabilities and capital—total	**357,214,409**	**209,723,566**	**89,789,067**	**57,701,776**
Total deposits	315,643,533	185,333,844	78,327,285	51,982,404
Demand deposits	*178,089,360*	*104,888,829*	*45,809,958*	*27,390,573*
Time and savings deposits	*137,554,173*	*80,445,015*	*32,517,327*	*24,591,831*
Borrowings and other liabilities	12,750,015	7,597,295	4,215,451	937,269
Total capital accounts	28,820,861	16,792,427	7,246,331	4,782,103
Assets and liabilities per $100 of total assets [1]				
Assets—total	**$100.00**	**$100.00**	**$100.00**	**$100.00**
Cash and due from banks	16.52	17.19	17.67	12.30
United States Government obligations	16.63	15.61	14.43	23.79
Other securities [2]	11.63	11.60	11.51	11.93
Loans and discounts	52.54	52.85	53.38	50.06
All other assets	2.68	2.75	3.01	1.92
Liabilities and capital—total	**$100.00**	**$100.00**	**$100.00**	**$100.00**
Total deposits	88.36	88.37	87.23	90.09
Demand deposits	*49.85*	*50.01*	*51.02*	*47.47*
Time and savings deposits	*38.51*	*38.36*	*36.21*	*42.62*
Borrowings and other liabilities	3.57	3.62	4.70	1.62
Total capital accounts	8.07	8.01	8.07	8.29

[1] Asset and liability items are averages of the amounts reported for the following call dates: December 31, 1964; June 30, 1965; and December 31, 1965.
[2] Excludes as of December 31, 1965, corporate stocks, other than Federal Reserve Bank stock, of national banks; reported with "All other assets".
Note: For income data by class of bank, see Tables 115 and 116, pp. 156-159.
Back figures, 1934-1964: See Tables 113 and 114, pp. 152-155; the Annual Report for 1964, p. 186; and earlier reports.

Table 110. ASSETS AND LIABILITIES AND ASSETS AND LIABILITIES PER $100 OF TOTAL ASSETS OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1965 IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1965

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS

Asset or liability item	All banks[1]	Banks with deposits of—								
		Less than $1,000,000	$1,000,000 to $2,000,000	$2,000,000 to $5,000,000	$5,000,000 to $10,000,000	$10,000,000 to $25,000,000	$25,000,000 to $50,000,000	$50,000,000 to $100,000,000	$100,000,000 to $500,000,000	$500,000,000 or more
Assets and liabilities (in thousands of dollars)										
Assets—total	**373,994,597**	**447,353**	**3,054,395**	**16,118,898**	**23,741,467**	**38,878,993**	**26,118,929**	**24,963,647**	**68,798,509**	**171,872,406**
Cash and due from banks	60,276,798	84,984	474,996	2,357,381	3,314,447	5,151,557	3,456,325	3,533,788	11,213,644	30,689,676
United States Government obligations	59,012,116	141,125	944,466	4,457,141	5,797,710	8,543,127	5,316,455	4,662,523	10,499,726	18,649,843
Other securities[2]	44,365,449	26,920	234,891	1,668,837	3,018,538	5,306,693	3,543,296	3,253,062	8,255,868	19,057,344
Loans and discounts	200,216,192	190,135	1,366,929	7,391,564	11,215,891	19,139,674	13,276,232	12,991,328	37,277,412	97,367,027
All other assets	10,124,042	4,189	33,113	243,975	394,881	737,942	526,621	522,946	1,551,859	6,108,516
Liabilities and capital—total	**373,994,597**	**447,353**	**3,054,395**	**16,118,898**	**23,741,467**	**38,878,993**	**26,118,929**	**24,963,647**	**68,798,509**	**171,872,406**
Total deposits	330,309,463	388,846	2,707,335	14,468,893	21,501,660	35,278,953	23,637,742	22,529,077	61,485,591	148,311,366
Demand deposits	183,232,016	272,316	1,659,993	7,988,085	11,376,776	18,082,820	12,308,007	11,958,187	35,251,517	84,334,315
Time and savings deposits	147,077,447	116,530	1,047,342	6,480,808	10,124,884	17,196,133	11,329,735	10,570,890	26,234,074	63,977,051
Borrowings and other liabilities	13,917,033	1,984	16,057	129,338	253,479	610,503	548,895	579,127	2,027,213	9,750,437
Total capital accounts	29,768,101	56,523	331,003	1,520,667	1,986,328	2,989,537	1,932,292	1,855,443	5,285,705	13,810,603
Assets and liabilities per $100 of total assets										
Assets—total	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**
Cash and due from banks	16.12	19.00	15.55	14.63	13.96	13.25	13.23	14.16	16.30	17.86
United States Government obligations	15.78	31.55	30.92	27.65	24.42	21.97	20.35	18.68	15.26	10.85
Other securities[2]	11.86	6.02	7.69	10.35	12.72	13.65	13.57	13.03	12.00	11.09
Loans and discounts	53.53	42.50	44.75	45.86	47.24	49.23	50.83	52.04	54.18	56.65
All other assets	2.71	.93	1.09	1.51	1.66	1.90	2.02	2.09	2.26	3.55
Liabilities and capital—total	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**
Total deposits	88.32	86.92	88.64	89.76	90.57	90.74	90.50	90.25	89.37	86.29
Demand deposits	*48.99*	*60.87*	*54.35*	*49.56*	*47.92*	*46.51*	*47.12*	*47.90*	*51.24*	*49.07*
Time and savings deposits	*39.33*	*26.05*	*34.29*	*40.20*	*42.65*	*44.23*	*43.38*	*42.35*	*38.13*	*37.22*
Borrowings and other liabilities	3.72	.44	.52	.80	1.07	1.57	2.10	2.32	2.95	5.67
Total capital accounts	7.96	12.64	10.84	9.44	8.36	7.69	7.40	7.43	7.68	8.04
Number of banks, December 31	13,366	521	1,790	4,301	3,046	2,295	691	330	302	90

[1] This group of banks is the same as the group shown in Table 115 under the heading "Operating throughout the year". These ratios differ slightly from the ratios for all insured commercial banks shown in Table 114.

[2] Excludes corporate stocks, other than Federal Reserve Bank stock, of national banks; reported with "All other assets".

Note: For income and expense data by size of bank, see Tables 117 and 118, pp. 160-163.

Back figures, 1941-1964: See the Annual Report for 1964, p. 187, and earlier reports.

Table 111. AVERAGE ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), BY STATE, 1965 [1]

(Amounts in thousands of dollars)

State	Assets[1]					Total	Liabilities and capital accounts[1]				
	Cash and due from banks	U.S. Government obligations	Other securities[2]	Loans and discounts	All other assets		Deposits: Total	Deposits: Demand	Deposits: Time and savings	Borrowings and other liabilities	Total capital accounts
Total United States	**59,013,596**	**59,419,551**	**41,540,772**	**187,661,591**	**9,578,899**	**357,214,409**	**315,643,533**	**178,089,360**	**137,554,173**	**12,750,015**	**28,820,861**
50 States and D. C.	**58,926,033**	**59,329,470**	**41,473,943**	**187,142,758**	**9,549,462**	**356,421,666**	**314,953,928**	**177,784,544**	**137,169,384**	**12,718,396**	**28,749,342**
Other areas	**87,563**	**90,081**	**66,829**	**518,833**	**29,437**	**792,743**	**689,605**	**304,816**	**384,789**	**31,619**	**71,519**
State											
Alabama	564,833	686,742	440,958	1,581,887	60,199	3,334,619	3,001,159	1,855,558	1,145,601	51,962	281,498
Alaska	47,167	72,157	38,484	175,884	12,335	346,027	320,515	170,584	149,931	5,844	19,668
Arizona	293,226	254,679	215,320	1,411,818	84,968	2,260,011	2,023,561	1,032,196	991,365	53,928	182,522
Arkansas	421,140	339,053	288,541	1,018,987	33,792	2,101,513	1,912,249	1,248,918	663,331	18,707	170,557
California	5,560,484	5,147,517	3,904,948	22,812,318	1,279,503	38,704,770	34,457,175	15,338,618	19,118,557	1,393,132	2,854,463
Colorado	530,643	538,113	236,557	1,673,812	79,906	3,059,031	2,748,835	1,562,119	1,186,716	61,099	249,097
Connecticut	564,675	465,927	480,968	2,076,514	85,212	3,673,296	3,233,533	2,080,235	1,153,298	134,858	304,905
Delaware	197,453	227,202	119,675	495,550	21,367	1,061,247	934,614	685,191	249,423	28,979	97,654
District of Columbia	427,448	545,436	113,808	1,277,264	43,626	2,407,582	2,179,264	1,420,269	758,995	52,040	176,278
Florida	1,423,370	1,863,206	862,364	3,522,614	235,646	7,907,200	7,100,633	4,323,428	2,777,205	170,957	635,610
Georgia	919,443	796,832	451,906	2,564,097	115,545	4,847,823	4,284,913	2,767,834	1,517,079	131,588	431,322
Hawaii	137,015	159,867	103,636	618,056	56,757	1,075,331	936,303	483,759	452,544	33,578	105,450
Idaho	124,096	169,333	85,907	532,525	22,826	934,687	850,788	493,417	357,371	16,615	67,284
Illinois	4,048,068	5,567,455	3,511,843	13,453,980	597,538	27,178,884	24,328,123	13,185,311	11,142,812	810,505	2,040,256
Indiana	1,177,452	1,896,960	687,211	3,416,129	118,710	7,296,462	6,517,201	3,824,089	2,693,112	231,714	547,547
Iowa	727,430	1,093,777	514,027	2,245,310	55,279	4,635,823	4,199,585	2,501,900	1,697,685	36,036	400,202
Kansas	559,537	836,278	465,522	1,650,280	44,212	3,555,829	3,200,069	2,063,007	1,137,062	32,058	323,702
Kentucky	699,672	801,674	336,022	1,663,364	51,638	3,552,370	3,208,665	2,180,683	1,027,982	37,559	306,146
Louisiana	881,484	954,427	493,903	2,039,179	76,117	4,445,110	4,016,944	2,744,818	1,272,126	71,961	356,205
Maine	115,084	155,220	97,539	511,885	20,739	900,467	792,441	415,358	377,083	28,187	79,839
Maryland	575,371	679,596	380,316	1,999,243	71,771	3,706,297	3,325,360	2,035,153	1,290,207	86,305	294,632
Massachusetts	1,487,700	1,108,544	682,271	4,469,895	217,305	7,965,715	6,786,582	5,022,967	1,763,615	455,024	724,109
Michigan	1,936,326	2,986,828	1,855,377	7,606,234	274,364	14,659,129	13,359,128	5,790,181	7,568,947	312,402	987,599
Minnesota	1,046,395	1,344,282	763,578	3,132,571	122,171	6,408,997	5,760,894	3,056,335	2,704,559	148,049	500,054
Mississippi	362,752	383,511	332,214	995,507	46,829	2,120,813	1,922,267	1,255,056	667,211	31,352	167,194

Missouri	1,607,988	1,761,070	1,096,738	4,354,697	142,333	8,962,826	8,030,815	5,091,994	2,938,821	176,303	755,708
Montana	165,556	252,777	126,668	599,687	25,709	1,170,397	1,059,946	582,890	477,056	26,110	84,341
Nebraska	448,441	479,720	233,699	1,253,542	38,577	2,453,979	2,185,115	1,531,399	653,716	46,818	222,046
Nevada	94,519	134,728	73,899	419,791	27,029	749,966	676,225	365,963	310,262	14,290	59,451
New Hampshire	84,398	94,465	44,581	388,221	11,111	622,776	539,449	304,414	235,035	23,619	59,708
New Jersey	1,306,012	1,814,423	1,721,069	5,734,338	203,954	10,779,796	9,652,239	4,879,191	4,773,048	315,052	812,505
New Mexico	157,027	212,174	91,628	538,614	22,909	1,022,352	929,478	573,638	355,840	16,102	76,772
New York	13,787,126	7,911,920	8,709,479	39,100,440	3,045,302	72,554,267	61,294,088	37,235,584	24,058,504	5,176,820	6,083,359
North Carolina	816,897	637,644	605,146	2,531,516	120,912	4,712,115	4,122,362	2,561,995	1,560,367	192,967	396,786
North Dakota	105,209	247,646	145,510	468,834	21,629	988,828	898,204	472,886	425,318	13,811	76,813
Ohio	2,499,080	3,220,775	1,981,499	8,644,318	278,612	16,624,284	14,886,545	7,645,008	7,241,537	372,583	1,365,156
Oklahoma	835,378	783,603	399,348	1,921,573	71,405	4,011,307	3,569,719	2,390,676	1,179,043	70,235	371,353
Oregon	441,837	506,068	345,430	1,659,578	104,328	3,057,241	2,769,801	1,305,366	1,464,435	71,101	216,339
Pennsylvania	3,186,231	3,507,993	3,093,085	11,558,718	453,200	21,799,227	19,173,692	9,981,962	9,191,730	678,541	1,946,994
Rhode Island	152,526	137,545	250,018	761,730	20,174	1,321,993	1,162,817	540,034	622,783	57,937	101,239
South Carolina	279,021	285,935	189,800	758,532	33,361	1,546,649	1,364,868	1,058,952	305,916	44,188	137,593
South Dakota	137,320	298,459	104,912	543,063	21,246	1,105,000	1,004,777	547,725	457,052	12,997	87,226
Tennessee	985,487	919,937	605,616	2,716,587	97,340	5,324,967	4,796,549	2,749,266	2,047,283	126,269	402,149
Texas	3,900,169	2,934,287	2,050,864	9,441,865	542,845	18,870,030	16,884,929	10,775,045	6,109,884	442,530	1,542,571
Utah	238,130	184,817	150,896	848,635	28,733	1,451,211	1,312,538	653,943	658,595	27,132	111,541
Vermont	57,980	96,902	59,185	371,155	10,328	595,550	537,891	185,048	352,843	10,453	47,206
Virginia	771,044	898,987	577,149	2,936,325	107,850	5,291,355	4,736,232	2,479,200	2,257,032	121,079	434,044
Washington	670,342	653,804	398,394	2,190,412	113,901	4,026,853	3,617,462	2,031,921	1,585,541	96,515	312,876
West Virginia	283,421	565,230	195,761	844,150	37,231	1,925,793	1,704,458	988,454	716,004	32,659	188,676
Wisconsin	984,984	1,574,057	720,628	3,311,462	127,250	6,718,381	6,108,144	3,022,515	3,085,629	109,018	501,219
Wyoming	101,646	139,888	40,046	300,072	13,838	595,490	534,784	292,491	242,293	8,828	51,878
Other area											
Puerto Rico	84,763	83,132	65,613	498,569	29,005	761,082	661,769	295,381	366,388	29,987	69,326
Virgin Islands	2,800	6,949	1,216	20,264	432	31,661	27,836	9,435	18,401	1,632	2,193

[1] Asset and liability items are averages of the amounts reported for the following call dates: December 31, 1964; June 30, 1965; and December 31, 1965.
[2] Excludes as of December 31, 1965, corporate stocks, other than Federal Reserve Bank stock, of national banks; reported with "All other assets".
Note: For income data by State, see Table 119, pp. 164-173.
Back figures, 1946-1964: See the Annual Report for 1964, pp. 188-189, and earlier reports.

Table 112. DISTRIBUTION OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1965

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS AND BY RATIOS OF SELECTED ITEMS TO ASSETS

Ratios	All banks	Number of banks with deposits of—								
		Less than $1,000,000	$1,000,000 to $2,000,000	$2,000,000 to $5,000,000	$5,000,000 to $10,000,000	$10,000,000 to $25,000,000	$25,000,000 to $50,000,000	$50,000,000 to $100,000,000	$100,000,000 to $500,000,000	$500,000,000 or more
Ratios of obligations of States and subdivisions to total assets of—										
Zero	1,609	235	472	638	186	63	9	4	2	......
More than zero but less than 1 percent	893	65	296	393	84	42	5	4	3	1
1 to 5 percent	2,719	153	604	1,123	452	269	65	30	17	6
5 to 10 percent	3,616	67	295	1,121	938	712	223	103	118	39
10 to 15 percent	2,853	17	119	666	867	690	229	123	109	33
15 to 20 percent	1,252	17	40	267	347	367	118	52	38	6
20 percent or more	606	4	29	147	189	158	44	14	16	5
Ratios of U. S. Government obligations to total assets of—										
Less than 10 percent	865	33	92	257	175	156	49	30	43	30
10 to 20 percent	3,874	101	321	930	904	861	320	188	193	56
20 to 30 percent	4,406	140	493	1,372	1,154	863	240	83	57	4
30 to 40 percent	2,743	126	502	1,099	584	327	76	22	7	......
40 to 50 percent	1,142	90	276	494	194	73	6	7	2	......
50 to 60 percent	392	43	127	163	42	15	2	......	......	......
60 percent or more	126	25	44	40	10	6	......	......	1	......
Ratios of loans to total assets of—										
Less than 10 percent	29	16	4	6	1	2	......	......	......	......
10 to 20 percent	193	24	45	73	33	12	2	3	1	......
20 to 30 percent	838	68	188	334	167	63	8	8	2	......
30 to 40 percent	2,475	140	397	944	558	337	66	19	12	2
40 to 50 percent	4,387	142	589	1,396	1,072	799	235	84	64	6
50 to 60 percent	3,993	122	436	1,109	871	774	291	151	171	68
60 percent or more	1,633	46	196	493	361	314	91	65	53	14
Ratios of cash and due from banks to total assets of—										
Less than 10 percent	3,015	62	357	955	721	612	166	85	54	3
10 to 15 percent	5,334	144	687	1,655	1,250	1,014	329	130	100	25
15 to 20 percent	3,071	148	413	1,043	702	450	139	65	80	31
20 to 25 percent	1,353	90	219	439	279	174	50	40	42	20
25 to 30 percent	462	38	95	170	72	43	9	9	16	10
30 to 35 percent	175	36	48	56	22	5	......	......	7	1
35 percent or more	138	40	36	37	17	3	......	1	4	......

Ratios of total capital accounts to total assets other than cash and due from banks and U. S. Government obligations of—										
Less than 10 percent	1,860	4	40	236	446	629	259	128	96	22
10 to 15 percent	5,774	61	385	1,595	1,671	1,278	362	173	184	65
15 to 20 percent	3,100	102	535	1,391	664	309	59	20	17	3
20 to 25 percent	1,332	110	355	625	171	52	10	5	4	
25 to 30 percent	623	62	209	266	61	17	3	4	1	
30 to 35 percent	339	65	133	103	27	10			1	
35 to 40 percent	193	41	65	69	15	3				
40 percent or more	327	113	133	70	8	3				
Ratios of total capital accounts to total assets other than cash and due from banks, U. S. Government obligations, C.C.C. loans, and F.H.A. and V.A. real estate loans of—										
Less than 10 percent	1,533	4	35	195	362	536	217	103	71	10
10 to 15 percent	5,669	49	328	1,472	1,649	1,317	387	191	202	74
15 to 20 percent	3,208	95	503	1,406	730	347	72	27	22	6
20 to 25 percent	1,456	110	378	687	193	64	14	4	6	
25 to 30 percent	711	65	238	308	73	18	3	5	1	
30 to 35 percent	373	59	148	121	33	11			1	
35 to 40 percent	207	38	70	81	13	5				
40 percent or more	391	138	155	85	10	3				
Ratios of total capital accounts to total assets of—										
Less than 4 percent	47	2	1	7	8	12	8	8	1	
4 to 6 percent	1,010	2	19	139	255	364	136	47	43	5
6 to 8 percent	4,707	42	327	1,243	1,321	1,074	331	175	154	40
8 to 10 percent	4,074	100	520	1,490	965	621	173	81	86	38
10 to 12 percent	1,969	125	427	853	338	160	32	12	15	7
12 to 15 percent	1,065	145	321	409	118	50	11	7	4	
15 percent or more	676	142	240	214	58	20	2			
Number of banks	13,548	558	1,855	4,355	3,063	2,301	693	330	303	90

Back figures, 1958-1964: See the Annual Report for 1964, pp. 190-191, and earlier reports.

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

Reports of income and dividends are submitted to the Federal supervisory agencies on either a cash or an accrual basis.

Income data are included for all insured banks operating at the end of the respective years, unless indicated otherwise. In addition, appropriate adjustments have been made for banks in operation during part of the year but not at the end of year. Data for 4 insured branches in Guam of 2 insured banks in California and Hawaii, for 6 insured branches in New York of 2 insured banks in Puerto Rico, for 15 insured branches in Puerto Rico and for 4 insured branches in the Virgin Islands of insured banks in New York are not available.

The uniform Report of Income and Dividends (formerly called Report of Earnings and Dividends was revised extensively in 1961. New items were added, combining components previously included in other items; and some items were subsumed into new categories. Thus certain items, even carrying the same designation (e.g. other current operating expenses), are not comparable with data reported for prior years.

The revised form breaks out the following items not previously available separately: (1) benefits to officers and other employees; (2) net occupancy expense of bank premises, with a supporting schedule; (3) furniture and equipment expense (including costs related to the purchase or rental of automated data processing systems); and (4) losses on securities sold.

Two expense items previously reported separately have been combined with other items: (1) taxes other than on net income; and (2) recurring depreciation on banking house, furniture and fixtures. Taxes on bank premises, social security taxes paid in behalf of building employees, and recurring depreciation on banking house are now included under occupancy expense of bank premises. Other social security taxes are included with officer and employee benefits. Recurring depreciation on furniture and fixtures is now included with furniture and equipment expense.

Revenue and expenses incident to "Federal funds" transactions have been classified as "Interest and discount on loans" and "Interest and discount on borrowed money," respectively.

In addition to other minor changes in classification, new designations have been given to certain items. For example, the term "net income" is the new equivalent of the former term "net profits." A further change entailed the division of officers and other employees into two groups: those engaged in banking operations, and those concerned with building operations.

Mutual savings banks

The present report of income and dividends for mutual savings banks was first used by the Corporation for the calendar year 1951. For a discussion of the history and principles of this report see pp. 50-52 in Part Two of the 1951 Annual Report.

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.

Table 113. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1957-1965

(Amounts in thousands of dollars)

Income item	1957	1958	1959	1960	1961	1962	1963	1964	1965
Current operating revenue—total	**8,050,416**	**8,500,949**	**9,669,352**	**10,723,545**	**11,069,604**	**12,218,959**	**13,509,713**	**15,024,487**	**16,817,187**
Interest on U. S. Government obligations	1,442,379	1,544,023	1,732,174	1,790,341	1,901,732	2,093,207	2,176,454	2,240,389	2,224,711
Interest and dividends on other securities	412,497	501,978	546,253	578,783	629,134	759,030	921,060	1,085,334	1,285,287
Interest and discount on loans	4,879,676	5,046,782	5,856,688	6,698,655	6,891,442	7,578,200	8,516,837	9,612,079	10,999,867
Service charges and fees on loans	83,815	94,674	111,991	108,655	117,259	139,645	155,478	173,159	204,996
Service charges on deposit accounts	440,892	486,507	531,916	589,954	630,458	681,243	728,857	781,405	842,775
Other charges, commissions, fees, etc.	186,815	191,408	205,935	218,566	223,283	237,446	248,362	280,289	304,276
Trust department	354,520	379,395	426,016	460,251	502,871	543,916	573,252	629,694	689,628
Other current operating revenue	249,828	256,183	258,381	278,340	[1] 173,425	[1] 186,272	[1] 189,413	[1] 222,138	[1] 265,647
Current operating expenses—total	**5,119,182**	**5,612,723**	**6,264,207**	**6,932,820**	**7,440,492**	**8,589,177**	**9,714,980**	**10,897,460**	**12,486,120**
Salaries—officers	773,769	827,142	892,657	966,643	[2] 1,028,869	[2] 1,098,146	[2] 1,183,264	[2] 1,284,140	[2] 1,392,765
Salaries and wages—other employees	1,493,778	1,573,330	1,684,159	1,831,323	[2] 1,869,961	[2] 1,975,406	[2] 2,101,111	[2] 2,234,922	[2] 2,369,259
Officer and employee benefits	(3)	(3)	(3)	(3)	377,494	419,098	457,033	490,732	525,692
Fees paid to directors and committees	45,396	48,271	51,866	56,292	59,794	63,236	67,469	72,176	77,093
Interest on time and savings deposits	1,141,715	1,380,575	1,580,250	1,785,086	2,106,645	2,845,283	3,464,308	4,088,061	5,070,781
Interest on borrowed money	49,538	24,161	78,350	87,385	37,997	64,325	106,517	127,277	189,519
Taxes other than on net income	205,903	221,571	252,763	285,801	(4)	(4)	(4)	(4)	(4)
Recurring depreciation on banking house, furniture and fixtures	146,262	168,371	191,424	212,493	(5)	(5)	(5)	(5)	(5)
Occupancy expense of bank premises—net	(6)	(6)	(6)	(6)	510,691	555,670	608,462	670,243	731,573
Furniture and equipment	(7)	(7)	(7)	(7)	224,852	267,885	311,518	362,301	411,889
Other current operating expenses	1,262,823	1,369,305	1,532,739	1,707,797	[8] 1,224,189	[8] 1,300,128	[8] 1,415,298	[8] 1,567,608	[8] 1,717,549
Net current operating earnings	**2,931,235**	**2,888,223**	**3,405,145**	**3,790,725**	**3,629,112**	**3,629,782**	**3,794,733**	**4,127,027**	**4,331,067**
Recoveries, transfers from valuation reserves, and profits—total	**198,413**	**868,115**	**328,889**	**574,826**	**708,171**	**467,061**	**468,450**	**322,104**	**390,368**
On securities:									
Profits on securities sold or redeemed	64,368	681,554	47,277	329,322	453,730	256,987	167,445	74,723	84,619
Recoveries	9,295	9,646	27,946	12,927	9,934	6,241	4,046	6,633	7,114
Transfers from valuation reserves	20,751	57,145	111,447	55,568	86,574	56,761	60,516	57,284	97,435
On loans:									
Recoveries	21,183	22,439	20,551	25,684	16,825	16,902	17,913	17,383	17,962
Transfers from valuation reserves	39,757	42,158	57,607	70,211	51,817	56,610	131,235	62,313	84,001
All other	43,063	55,176	64,062	81,114	89,291	73,560	87,295	103,768	99,237
Losses, charge-offs, and transfers to valuation reserves—total	**757,432**	**783,213**	**1,361,515**	**978,422**	**935,461**	**836,665**	**883,637**	**1,017,299**	**1,177,540**
On securities:									
Losses on securities sold	237,480	93,657	745,081	219,767	44,290	58,939	49,887	88,397	85,045
Charge-offs prior to sale					21,354	12,603	12,827	11,256	9,224
Transfers to valuation reserves	84,996	268,159	168,003	156,232	224,678	95,039	63,530	72,213	63,370
On loans:									
Losses and charge-offs	25,636	25,053	25,459	35,760	31,194	30,107	29,588	32,385	36,188
Transfers to valuation reserves	321,870	282,227	318,965	451,667	481,200	528,710	609,059	666,040	846,877
All other	87,452	114,117	104,006	114,996	132,745	111,267	118,746	147,008	136,836
Net income before related taxes	**2,372,217**	**2,973,128**	**2,372,519**	**3,387,129**	**3,401,822**	**3,260,178**	**3,379,546**	**3,431,832**	**3,543,895**

Taxes on net income—total	**998,397**	**1,271,459**	**884,458**	**1,384,397**	**1,406,102**	**1,256,382**	**1,226,783**	**1,148,203**	**1,029,162**
Federal	947,998	1,198,890	832,797	1,300,940	1,317,292	1,159,725	1,130,629	1,050,624	927,423
State	50,401	72,570	51,661	83,457	88,810	96,657	96,154	97,579	101,739
Net income after related taxes	**1,373,821**	**1,701,667**	**1,448,061**	**2,002,732**	**1,995,720**	**2,003,796**	**2,152,763**	**2,283,629**	**2,514,733**
Dividends and interest on capital—total	**678,101**	**725,866**	**776,386**	**831,546**	**895,053**	**941,189**	**993,374**	**1,088,310**	**1,202,349**
Cash dividends declared on common stock	675,867	723,500	774,167	829,522	893,230	939,426	990,039	1,062,561	1,146,186
Dividends declared on preferred stock and interest on capital notes and debentures	2,234	2,366	2,219	2,024	1,823	1,763	3,335	25,749	56,163
Net additions to capital from income	**695,720**	**975,802**	**711,675**	**1,171,186**	**1,100,667**	**1,062,607**	**1,159,389**	**1,195,319**	**1,312,384**
Memoranda									
Recoveries credited to valuation reserves (not included in recoveries above):									
On securites	2,646	10,410	5,585	18,294	9,911	4,714	6,216	4,515	4,158
On loans	50,824	69,073	73,790	68,232	73,844	84,863	96,897	157,791	124,062
Losses charged to valuation reserves (not included in losses above):									
On securities	74,529	19,741	207,061	47,716	22,463	16,305	17,314	43,683	25,761
On loans	117,937	127,515	122,315	264,405	249,500	238,825	323,475	394,181	429,490
Average assets and liabilities [9]									
Assets—total	**214,790,440**	**228,359,687**	**237,577,389**	**246,776,722**	**254,198,199**	**274,220,778**	**298,940,778**	**325,490,626**	**357,214,409**
Cash and due from banks	45,474,318	46,766,041	46,881,654	49,317,003	46,613,211	49,438,670	50,997,566	54,449,343	59,013,596
United States Government obligations	57,238,574	62,355,819	61,878,548	57,773,429	61,792,135	64,519,914	64,058,431	61,439,390	59,419,551
Other securities	16,725,206	19,237,561	20,284,525	20,092,632	21,660,321	25,761,084	31,421,875	36,360,062	41,540,772
Loans and discounts	91,493,989	95,666,835	103,872,351	114,275,450	117,969,985	127,789,110	145,028,233	164,816,703	187,661,591
All other assets	3,858,353	4,333,431	4,660,311	5,318,208	6,162,547	6,712,000	7,434,673	8,425,128	9,578,899
Liabilities and capital—total	**214,790,440**	**228,359,687**	**237,577,389**	**246,776,722**	**254,198,199**	**274,220,778**	**298,940,778**	**325,490,626**	**357,214,409**
Total deposits	193,993,484	206,196,015	213,428,979	220,099,028	225,214,703	243,319,550	264,069,489	287,988,560	315,643,533
Demand deposits	*139,023,597*	*143,813,475*	*146,599,745*	*150,451,481*	*147,556,175*	*153,849,494*	*159,561,973*	*168,382,122*	*178,089,360*
Time and savings deposits	*54,969,887*	*62,382,540*	*66,829,234*	*69,647,547*	*77,658,528*	*89,470,056*	*104,507,516*	*119,606,438*	*137,554,173*
Borrowings and other liabilities	4,242,293	4,440,097	5,410,250	6,712,522	7,694,509	8,197,420	10,587,389	11,110,692	12,750,015
Total capital accounts	16,554,663	17,723,575	18,738,160	19,965,172	21,288,987	22,703,808	24,283,900	26,391,374	28,820,861
Number of employees (including building employees), December 31:									
Active officers	91,597	95,308	98,934	103,211	107,279	112,458	117,147	124,351	130,486
Other employees	452,218	457,023	481,666	506,596	526,101	543,695	531,820	578,307	601,677
Number of banks, December 31	13,165	13,124	13,114	13,126	13,115	13,124	13,291	13,493	13,547

[1] Excludes rentals from bank premises; included with "Occupancy expense of bank premises—net."
[2] Excludes compensation of building officers and other employees; included with "Occupancy expense of bank premises—net."
[3] Included with "Other current operating expenses", except Social Security taxes paid on bank's account which were included with "Taxes other than on net income."
[4] Included with "Officer and employee benefits", "Occupancy expense of bank premises—net", and "Other current operating expenses."
[5] Included with "Occupancy expense of bank premises—net", and "Furniture and equipment."
[6] Included with "Taxes other than on net income", "Recurring depreciation on banking house, furniture and fixtures", and "Other current operating expenses."
[7] Included with "Recurring depreciation on banking house, furniture and fixtures", and "Other current operating expenses."
[8] Not comparable with amounts reported for previous years; see footnotes 3, 4, 6, and 7.
[9] For 1957 through 1960 and for 1964 and 1965, averages of amounts reported at beginning, middle, and end of year. For 1961 and 1962, averages of amounts for four consecutive official call dates beginning with the end of the previous year and ending with the fall call of the current year. For 1963, averages of amounts reported at 1962 year-end, 1963 spring, mid-year, and year-end calls.

Note: Due to rounding differences, data for 1957-1959 may not add to totals.

Back figures, 1934-1956: See the following Annual Reports: 1956, pp. 116-117; 1950, pp. 250-251; and 1941, pp. 158-159.

Table 114. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1957-1965

Income item	1957	1958	1959	1960	1961	1962	1963	1964	1965
Amounts per $100 of current operating revenue									
Current operating revenue—total	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**
Interest on U. S. Government obligations	17.92	18.16	17.91	16.69	17.18	17.13	16.11	14.91	13.23
Interest and dividends on other securities	5.12	5.91	5.65	5.40	5.68	6.21	6.82	7.22	7.64
Income on loans	61.65	60.48	61.73	63.48	63.31	63.16	64.19	65.13	66.63
Service charges on deposit accounts	5.48	5.72	5.50	5.50	5.70	5.58	5.39	5.20	5.01
Other charges, commissions, fees, etc.	2.32	2.25	2.13	2.04	2.02	1.94	1.84	1.87	1.81
Other current operating revenue	7.51	7.48	7.08	6.89	[1]6.11	[1]5.98	[1]5.65	[1]5.67	[1]5.68
Current operating expenses—total	**63.59**	**66.02**	**64.78**	**64.65**	**67.22**	**70.29**	**71.91**	**72.53**	**74.25**
Salaries, wages, and fees	28.73	28.80	27.19	26.62	[2]26.73	[2]25.67	[2]24.81	[2]23.90	[2]22.83
Officer and employee benefits	(3)	(3)	(3)	(3)	3.41	3.43	3.38	3.27	3.13
Interest on time and savings deposits	14.18	16.24	16.34	16.65	19.03	23.28	25.64	27.21	30.15
Taxes other than on net income	2.56	2.61	2.61	2.66	(4)	(4)	(4)	(4)	(4)
Recurring depreciation on banking house, furniture and fixtures	1.82	1.98	1.98	1.98	(5)	(5)	(5)	(5)	(5)
Occupancy expense of bank premises—net	(6)	(6)	(6)	(6)	4.61	4.55	4.50	4.46	4.35
Furniture and equipment	(7)	(7)	(7)	(7)	2.03	2.19	2.31	2.41	2.45
Other current operating expenses	16.30	16.39	16.66	16.74	[8]11.41	[8]11.17	[8]11.27	[8]11.28	[8]11.34
Net current operating earnings	**36.41**	**33.98**	**35.22**	**35.35**	**32.78**	**29.71**	**28.09**	**27.47**	**25.75**
Amounts per $100 of total assets [9]									
Current operating revenue—total	3.74	3.72	4.07	4.35	4.35	4.45	4.52	4.62	4.71
Current operating expenses—total	2.38	2.46	2.64	2.81	2.92	3.13	3.25	3.35	3.50
Net current operating earnings	1.36	1.26	1.43	1.54	1.43	1.32	1.27	1.27	1.21
Recoveries, transfers from valuation reserves, and profits—total	.09	.38	.14	.23	.28	.17	.16	.10	.11
Losses, charge-offs, and transfers to valuation reserves—total	.35	.34	.57	.40	.37	.30	.30	.32	.33
Net income before related taxes	1.10	1.30	1.00	1.37	1.34	1.19	1.13	1.05	.99
Net income after related taxes	.64	.75	.63	.81	.79	.73	.72	.70	.70
Amounts per $100 of total capital accounts [9]									
Net current operating earnings	17.71	16.30	18.17	18.99	17.05	15.99	15.63	15.64	15.03
Recoveries, transfers from valuation reserves, and profits—total	1.20	4.89	1.76	2.88	3.32	2.06	1.93	1.22	1.35
Losses, charge-offs, and transfers to valuation reserves—total	4.58	4.42	7.27	4.90	4.39	3.69	3.64	3.86	4.08
Net income before related taxes	14.33	16.77	12.66	16.97	15.98	14.36	13.92	13.00	12.30
Taxes on net income	6.03	7.17	4.72	6.94	6.61	5.53	5.06	4.35	3.57
Net income after related taxes	8.30	9.60	7.94	10.03	9.37	8.83	8.86	8.65	8.73
Cash dividends declared	4.10	4.09	4.14	4.16	4.20	4.15	4.09	4.12	4.17
Net additions to capital from income	4.20	5.51	3.80	5.87	5.17	4.68	4.77	4.53	4.56
Special ratios [9]									
Income on loans per $100 of loans	5.42	5.37	5.75	5.96	5.94	6.04	5.98	5.94	5.97
Income on U. S. Government obligations per $100 of U. S. Government obligations	2.52	2.48	2.80	3.10	3.08	3.24	3.40	3.65	3.74
Income on other securities per $100 of other securities	2.47	2.61	2.69	2.88	2.90	2.95	2.93	2.98	3.09
Service charges per $100 of demand deposits	.32	.34	.36	.39	.43	.44	.46	.46	.47
Interest paid per $100 of time and savings deposits	2.08	2.21	2.36	2.56	2.71	3.18	3.31	3.42	3.69

Assets and liabilities per $100 of total assets[9]									
Assets—total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
Cash and due from banks	21.17	20.48	19.73	19.98	18.34	18.03	17.06	16.73	16.52
United States Government obligations	26.65	27.31	26.05	23.41	24.31	23.53	21.43	18.87	16.63
Other securities	7.79	8.42	8.54	8.14	8.52	9.39	10.51	11.17	11.63
Loans and discounts	42.60	41.89	43.72	46.31	46.41	46.60	48.51	50.64	52.54
All other assets	1.79	1.90	1.96	2.16	2.42	2.45	2.49	2.59	2.68
Liabilities and capital—total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
Total deposits	90.32	90.30	89.83	89.19	88.60	88.73	88.34	88.48	88.36
Demand deposits	*64.73*	*62.98*	*61.70*	*60.97*	*58.05*	*56.10*	*53.38*	*51.73*	*49.85*
Time and savings deposits	*25.59*	*27.32*	*28.13*	*28.22*	*30.55*	*32.63*	*34.96*	*36.75*	*38.51*
Borrowings and other liabilities	1.97	1.94	2.28	2.72	3.03	2.99	3.54	3.41	3.57
Total capital accounts	7.71	7.76	7.89	8.09	8.37	8.28	8.12	8.11	8.07
Number of banks, December 31	13,165	13,124	13,114	13,126	13,115	13,124	13,291	13,493	13,547

[1] Excludes rentals from bank premises; included with "Occupancy expense of bank premises—net."
[2] Excludes compensation of building officers and other employees; included with "Occupancy expense of bank premises—net."
[3] Included with "Other current operating expenses", except Social Security taxes paid on bank's account which were included with "Taxes other than on net income."
[4] Included with "Officer and employee benefits", "Occupancy expense of bank premises—net," and "Other current operating expenses."
[5] Included with "Occupancy expense of bank premises—net", and "Furniture and equipment."
[6] Included with "Taxes other than on net income," "Recurring depreciation on banking house, furniture and fixtures," and "Other current operating expenses."
[7] Included with "Recurring depreciation on banking house, furniture and fixtures", and "Other current operating expenses."
[8] Not comparable with amounts reported for previous years; see footnotes, 3, 4, 6, and 7.
[9] For 1957 through 1960 and for 1964 and 1965, averages of amounts reported at beginning, middle, and end of year. For 1961 and 1962, averages of amounts for four consecutive official call dates beginning with the end of the previous year and ending with the fall call of the current year. For 1963, averages of amounts reported at 1962 year-end, 1963 spring, mid-year, and year-end calls.

Back figures, 1934-1956: See the following Annual Reports: 1956, pp. 118-119; 1950, pp. 252-253; and 1941, pp. 160-161.

Table 115. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1965

BY CLASS OF BANK

(Amounts in thousands of dollars)

Income item	Total	Members F.R. System		Not members F.R. System	Operating throughout the year	Operating less than full year
		National	State			
Current operating revenue—total	**16,817,187**	**9,705,224**	**4,125,743**	**2,986,220**	**16,784,582**	**32,605**
Interest on U. S. Government obligations	2,224,711	1,210,140	475,901	538,670	2,217,838	6,873
Interest and dividends on other securities	1,285,287	755,865	322,934	206,488	1,283,430	1,857
Interest and discount on loans	10,999,867	6,454,216	2,673,104	1,872,547	10,979,742	20,125
Service charges and fees on loans	204,996	117,584	50,192	37,220	204,583	413
Service charges on deposit accounts	842,775	490,103	163,130	189,542	841,332	1,443
Other charges, commissions, fees, etc.	304,276	159,247	64,663	80,366	303,558	718
Trust department	689,628	356,173	301,418	32,037	688,855	773
Other current operating revenue	265,647	161,896	74,401	29,350	265,244	403
Current operating expenses—total	**12,486,120**	**7,189,491**	**3,010,098**	**2,286,531**	**12,455,607**	**30,513**
Salaries—officers	1,392,765	743,378	302,532	346,855	1,387,912	4,853
Salaries and wages—other employees	2,369,259	1,368,757	605,621	394,881	2,364,536	4,723
Officer and employee benefits	525,692	308,352	139,292	78,048	524,920	772
Fees paid to directors and committees	77,093	36,372	12,223	28,498	76,926	167
Interest on time and savings deposits	5,070,781	3,002,427	1,211,717	856,637	5,062,273	8,508
Interest on borrowed money	189,519	103,074	80,621	5,824	189,438	81
Occupancy expense of bank premises—net	731,573	409,065	188,753	133,755	729,269	2,304
Furniture and equipment	411,889	244,743	88,820	78,326	410,715	1,174
Other current operating expenses	1,717,549	973,323	380,519	363,707	1,709,618	7,931
Net current operating earnings	**4,331,067**	**2,515,733**	**1,115,645**	**699,689**	**4,328,975**	**2,092**
Recoveries, transfers from valuation reserves, and profits—total	**390,368**	**194,055**	**135,847**	**60,466**	**389,103**	**1,265**
On securities:						
Profits on securities sold or redeemed	84,619	50,401	17,055	17,163	84,128	491
Recoveries	7,114	1,535	3,598	1,981	7,110	4
Transfers from valuation reserves	97,435	41,128	49,826	6,481	97,346	89
On loans:						
Recoveries	17,962	8,950	1,574	7,438	17,927	35
Transfers from valuation reserves	84,001	35,368	37,737	10,896	83,775	226
All other	99,237	56,673	26,057	16,507	98,817	420
Losses, charge-offs, and transfers to valuation reserves—total	**1,177,540**	**676,330**	**306,043**	**195,167**	**1,174,251**	**3,289**
On securities:						
Losses on securities sold	85,045	49,104	20,874	15,067	84,855	190
Charge-offs prior to sale	9,224	4,017	833	4,374	9,198	26
Transfers to valuation reserves	63,370	41,058	13,118	9,194	63,183	187
On loans:						
Losses and charge-offs	36,188	16,557	2,745	16,886	35,796	392
Transfers to valuation reserves	846,877	483,442	240,555	122,880	845,592	1,285
All other	136,836	82,152	27,918	26,766	135,627	1,209
Net income before related taxes	**3,543,895**	**2,033,458**	**945,449**	**564,988**	**3,543,827**	**68**

Taxes on net income—total	**1,029,162**	**612,046**	**265,903**	**151,213**	**1,027,492**	**1,670**
Federal	927,423	552,132	234,856	140,435	925,864	1,559
State	101,739	59,914	31,047	10,778	101,628	111
Net income after related taxes	**2,514,733**	**1,421,412**	**679,546**	**413,775**	**2,516,335**	**1,602**
Dividends and interest on capital—total	**1,202,349**	**717,439**	**338,148**	**146,762**	**1,201,455**	**894**
Cash dividends declared on common stock	1,146,186	681,802	321,537	142,847	1,145,346	840
Dividends declared on preferred stock and interest on capital notes and debentures	56,163	35,637	16,611	3,915	56,109	54
Net additions to capital from income	**1,312,384**	**703,973**	**341,398**	**267,013**	**1,314,880**	**2,496**
Number of banking employees (exclusive of building employees), December 31:						
Active officers	130,042	67,215	24,074	38,753	129,463	579
Other employees	569,276	326,607	132,711	109,958	567,693	1,583
Memoranda						
Recoveries credited to valuation reserves (not included in recoveries above):						
On securities	4,158	3,115	588	455	4,158	....
On loans	124,062	77,961	22,315	23,786	123,696	366
Losses charged to valuation reserves (not included in losses above):						
On securities	25,761	14,777	6,561	4,423	25,758	3
On loans	429,490	260,180	86,020	83,290	427,838	1,652
Occupancy expense of bank premises						
Occupancy expense of bank premises, net—total	**731,573**	**409,065**	**188,753**	**133,755**	**729,269**	**2,304**
Rental and other income	166,867	109,968	42,276	14,623	166,707	160
Occupancy expense of bank premises, gross—total	**898,440**	**519,033**	**231,029**	**148,378**	**895,976**	**2,464**
Salaries—building department officers	2,716	1,657	774	285	2,713	3
Salaries and wages—building department employees	94,688	56,968	24,646	13,074	94,550	138
Building department personnel benefits	11,380	7,058	3,413	909	11,369	11
Recurring depreciation	160,888	96,423	38,494	25,971	160,435	453
Maintenance and repairs	101,322	60,896	22,333	18,093	101,035	287
Insurance and utilities	155,298	88,274	37,379	29,645	154,807	491
Rents paid	243,044	128,882	73,838	40,324	242,151	893
Taxes	129,104	78,875	30,152	20,077	128,916	188
Number of building employees, December 31:						
Officers	444	208	99	137	440	4
Other employees	32,401	17,822	6,928	7,651	32,322	79
Number of banks, December 31	13,547	4,815	1,405	7,327	13,366	181

Note: For average asset and liability data, see Table 109, p. 144.
Back figures, 1934-1964: See Table 113, pp. 152-153; the Annual Report for 1964, pp. 198-199, and earlier reports.

Table 116. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1965

BY CLASS OF BANK

Income item	Total	Members F.R. System		Not members F.R. System
		National	State	
Amounts per $100 of current operating revenue				
Current operating revenue—total	**$100.00**	**$100.00**	**$100.00**	**$100.00**
Interest on U. S. Government obligations	13.23	12.47	11.53	18.04
Interest and dividends on other securities	7.64	7.79	7.83	6.91
Income on loans	66.63	67.71	66.01	63.95
Service charges on deposit accounts	5.01	5.05	3.95	6.35
Other service charges, commissions, fees, etc.	1.81	1.64	1.57	2.69
Other current operating revenue	5.68	5.34	9.11	2.06
Current operating expenses—total	**74.25**	**74.08**	**72.96**	**76.57**
Salaries, wages, and fees	22.83	22.14	22.31	25.79
Officer and employee benefits	3.13	3.18	3.38	2.61
Interest on time and savings deposits	30.15	30.94	29.37	28.69
Occupancy expense of bank premises—net	4.35	4.21	4.57	4.48
Furniture and equipment	2.45	2.52	2.15	2.62
Other current operating expenses	11.34	11.09	11.18	12.38
Net current operating earnings	**25.75**	**25.92**	**27.04**	**23.43**
Amounts per $100 of total assets [1]				
Current operating revenue—total	4.71	4.63	4.59	5.17
Current operating expenses—total	3.50	3.43	3.35	3.96
Net current operating earnings	1.21	1.20	1.24	1.21
Recoveries, transfers from valuation reserves, and profits—total	.11	.09	.15	.11
Losses, charge-offs, and transfers to valuation reserves—total	.33	.32	.34	.34
Net income before related taxes	.99	.97	1.05	.98
Net income after related taxes	.70	.68	.76	.72
Memoranda				
Recoveries credited to valuation reserves (not included in recoveries above):				
On securities	(2)	(2)	(2)	(2)
On loans	.03	.04	.02	.04
Losses charged to valuation reserves (not included in losses above):				
On securities	.01	.01	.01	.01
On loans	.12	.12	.10	.14

Amounts per $100 of total capital accounts[1]				
Net current operating earnings	15.03	14.98	15.40	14.63
Recoveries, transfers from valuation reserves, and profits--total	1.35	1.16	1.87	1.26
Losses, charge-offs, and transfers to valuation reserves--total	4.08	4.03	4.22	4.08
Net income before related taxes	12.30	12.11	13.05	11.81
Taxes on net income	3.57	3.65	3.67	3.16
Net income after taxes	8.73	8.46	9.38	8.65
Cash dividends declared	4.17	4.27	4.67	3.07
Net additions to capital from income	4.56	4.19	4.71	5.58
Memoranda				
Recoveries credited to reserve accounts (not included in recoveries above):				
On securities	.01	.02	.01	.01
On loans	.43	.46	.31	.50
Losses charged to reserve accounts (not included in losses above):				
On securities	.09	.09	.09	.09
On loans	1.49	1.55	1.19	1.74
Special ratios[1]				
Income on loans per $100 of loans	5.97	5.93	5.68	6.61
Income on U.S. Government obligations per $100 of U.S. Government obligations	3.74	3.70	3.67	3.92
Income on other securities per $100 of other securities	3.09	3.11	3.12	3.00
Service charges per $100 of demand deposits	.47	.47	.36	.69
Interest paid per $100 of time and savings deposits	3.69	3.73	3.73	3.48
Occupancy expense of bank premises per $100 of current operating revenue				
Occupancy expense of bank premises, net—total	**4.35**	**4.21**	**4.57**	**4.48**
Rental and other income	.99	1.13	1.03	.49
Occupancy expense of bank premises, gross—total	**5.34**	**5.34**	**5.60**	**4.97**
Salaries and wages-- building department officers and employees	.58	.60	.62	.45
Building department personnel benefits	.07	.07	.08	.03
Recurring depreciation	.96	.99	.93	.87
Maintenance and repairs	.60	.63	.54	.61
Insurance and utilities	.92	.91	.91	.99
Rents paid	1.44	1.33	1.79	1.35
Taxes	.77	.81	.73	.67
Number of banks, December 31	13,547	4,815	1,405	7,327

[1] For average asset and liability data, see Table 109, p. 144.
[2] Less than .005.

Back figures, 1934-1964: See Table 114, pp. 154-155; the Annual Report for 1964, pp. 200-201; and earlier reports.

Table 117. INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1965 IN THE UNITED STATES (STATES AND OTHER AREAS)

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS

Income item	All banks[1]	Banks with deposits of—[2] Less than $1,000,000	$1,000,000 to $2,000,000	$2,000,000 to $5,000,000	$5,000,000 to $10,000,000	$10,000,000 to $25,000,000	$25,000,000 to $50,000,000	$50,000,000 to $100,000,000	$100,000,000 to $500,000,000	$500,000,000 or more
		(Amounts in thousands of dollars)								
Current operating revenue—total	**16,784,582**	**21,072**	**142,465**	**745,699**	**1,109,993**	**1,839,236**	**1,233,131**	**1,163,841**	**3,146,122**	**7,383,023**
Interest on U. S. Government obligations	2,217,838	5,339	34,601	165,093	214,626	323,874	204,751	182,389	402,882	684,283
Interest and dividends on other securities	1,283,430	731	6,664	43,854	80,842	142,208	94,889	90,597	235,451	588,194
Interest and discount on loans	10,979,742	12,540	86,954	461,084	695,545	1,156,029	775,222	739,044	2,065,974	4,987,350
Service charges and fees on loans	204,583	103	655	4,527	8,406	19,429	15,321	14,873	42,163	99,106
Service charges on deposit accounts	841,332	984	6,713	40,596	69,936	127,757	80,572	69,950	162,026	282,798
Other charges, commissions, fees, etc.	303,558	900	5,581	23,430	25,625	34,485	23,333	20,273	53,211	116,720
Trust department	688,855	194	72	701	5,060	18,117	25,600	32,405	148,279	458,427
Other current operating revenue	265,244	281	1,225	6,414	9,953	17,337	13,443	14,310	36,136	166,145
Current operating expenses—total	**12,455,607**	**16,168**	**107,241**	**570,040**	**838,849**	**1,403,810**	**942,201**	**888,751**	**2,331,393**	**5,357,154**
Salaries—officers	1,387,912	5,710	31,182	120,691	139,270	189,872	115,703	102,525	239,341	443,618
Salaries and wages—other employees	2,364,536	1,854	12,567	79,392	132,114	244,966	176,481	166,875	482,803	1,067,484
Officer and employee benefits	524,920	429	2,888	16,476	27,363	49,485	35,481	35,934	101,909	254,955
Fees paid to directors and committees	76,926	484	2,736	12,324	14,307	16,786	8,002	5,447	9,500	7,340
Interest on time and savings deposits	5,062,273	3,569	32,386	201,091	317,965	545,582	364,836	348,359	886,088	2,362,397
Interest on borrowed money	189,438	33	140	696	1,199	2,924	2,946	5,288	28,174	148,038
Occupancy expense of bank premises—net	729,269	919	5,512	30,678	47,066	82,137	56,525	54,959	138,880	312,593
Furniture and equipment	410,715	415	2,992	18,186	27,857	47,757	33,169	33,755	94,060	152,524
Other current operating expenses	1,709,618	2,755	16,838	90,506	131,708	224,301	149,058	135,609	350,638	608,205
Net current operating earnings	**4,328,975**	**4,904**	**35,224**	**175,659**	**271,144**	**435,426**	**290,930**	**275,090**	**814,729**	**2,025,869**
Recoveries, transfers from valuation reserves, and profits—total	**389,103**	**625**	**2,773**	**13,604**	**20,663**	**32,119**	**19,614**	**21,930**	**89,798**	**187,977**
On securities:										
Profits on securities sold or redeemed	84,128	36	346	3,156	6,385	10,111	5,936	6,481	20,588	31,089
Recoveries	7,110	35	70	390	857	1,242	543	138	497	3,338
Transfers from valuation reserves	97,346	5	63	269	1,326	2,950	2,689	3,579	21,720	64,745
On loans:										
Recoveries	17,927	421	1,474	5,116	4,710	2,862	894	526	548	1,376
Transfers from valuation reserves	83,775	41	316	2,106	3,020	5,171	3,427	3,733	17,731	48,230
All other	98,817	87	504	2,567	4,365	9,783	6,125	7,473	28,714	39,199
Losses, charge-offs, and transfers to valuation reserves—total	**1,174,251**	**1,365**	**7,719**	**46,726**	**72,778**	**120,131**	**75,913**	**73,288**	**202,252**	**574,079**
On securities:										
Losses on securities sold	84,855	31	242	2,568	5,091	10,928	7,611	7,162	18,528	32,694
Charge-offs prior to sale	9,198	20	80	1,189	2,419	1,986	1,198	1,585	185	536
Transfers to valuation reserves	63,183	12	143	653	1,621	3,590	2,357	4,688	16,232	33,887
On loans:										
Losses and charge-offs	35,796	813	2,806	12,231	9,134	7,232	1,748	309	1,332	191
Transfers to valuation reserves	845,592	330	3,334	23,512	44,787	80,440	52,993	50,829	140,118	449,249
All other	135,627	159	1,114	6,573	9,726	15,955	10,006	8,715	25,857	57,522
Net income before related taxes	**3,543,827**	**4,164**	**30,278**	**142,537**	**219,029**	**347,414**	**234,631**	**223,732**	**702,275**	**1,639,767**

Taxes on net income—total	**1,027,492**	**857**	**6,462**	**34,015**	**59,045**	**100,069**	**71,238**	**69,551**	**211,206**	**475,049**
Federal	925,864	795	5,880	31,264	54,927	94,343	67,276	65,740	198,252	407,387
State	101,628	62	582	2,751	4,118	5,726	3,962	3,811	12,954	67,662
Net income after related taxes	**2,516,335**	**3,307**	**23,816**	**108,522**	**159,984**	**247,345**	**163,393**	**154,181**	**491,069**	**1,164,718**
Dividends and interest on capital—total	**1,201,455**	**1,103**	**8,116**	**35,715**	**55,020**	**89,405**	**64,443**	**66,000**	**228,058**	**653,595**
Cash dividends declared on common stock	1,145,346	1,103	8,111	35,671	54,840	88,808	63,588	64,326	219,199	609,700
Dividends declared on preferred stock and interest on capital notes and debentures	56,109		5	44	180	597	855	1,674	8,859	43,895
Net additions to capital from income	**1,314,880**	**2,204**	**15,700**	**72,807**	**104,964**	**157,940**	**98,950**	**88,181**	**263,011**	**511,123**
Number of banking employees (exclusive of building employees), December 31:										
Active officers	129,463	1,195	4,993	15,574	15,693	18,955	10,644	8,628	19,809	33,972
Other employees	567,693	814	4,544	24,794	38,263	68,243	49,016	42,746	117,620	221,653
Memoranda										
Recoveries credited to valuation reserves (not included in recoveries above):										
On securities	4,158		7	109	91	278	138	301	570	2,664
On loans	123,696	77	881	6,567	11,279	19,215	11,496	10,104	21,476	42,601
Losses charged to valuation reserves (not included in losses above):										
On securities	25,758	1	1	175	293	1,326	1,050	1,991	7,436	13,485
On loans	427,838	208	2,186	16,664	31,798	57,698	36,813	35,408	77,622	169,441
Occupancy expense of bank premises										
Occupancy expense of bank premises, net—total	**729,269**	**919**	**5,512**	**30,678**	**47,066**	**82,137**	**56,525**	**54,959**	**138,880**	**312,593**
Rental and other income	166,707	52	385	2,519	4,092	9,237	10,558	14,676	51,919	73,269
Occupancy expense of bank premises, gross—total	**895,976**	**971**	**5,897**	**33,197**	**51,158**	**91,374**	**67,083**	**69,635**	**190,799**	**385,862**
Salaries—building department officers	2,713	1	8	31	32	82	92	220	757	1,490
Salaries and wages—building department employees	94,550	41	410	3,070	5,308	9,759	7,616	7,900	24,050	36,396
Building department personnel benefits	11,369	1	8	133	292	737	731	821	2,968	5,678
Recurring depreciation	160,435	100	1,006	6,656	10,891	19,215	12,525	12,156	31,820	66,066
Maintenance and repairs	101,035	146	892	4,161	6,101	11,255	8,828	8,823	21,999	38,830
Insurance and utilities	154,807	410	2,055	8,862	11,560	17,486	11,177	10,559	28,007	64,691
Rents paid	242,151	101	604	5,004	8,705	18,135	16,099	18,971	54,797	119,735
Taxes	128,916	171	914	5,280	8,269	14,705	10,015	10,185	26,401	52,976
Number of building employees, December 31:										
Officers	440	8	34	45	23	61	33	27	66	143
Other employees	32,322	131	842	3,284	3,197	3,981	2,771	2,774	7,139	8,203
Number of banks, December 31	13,366	521	1,790	4,301	3,046	2,295	691	330	302	90

[1] This group of banks is the same as the group shown in Table 115 under the heading "Operating throughout the year".
[2] For asset and liability data, see Table 110, p. 145.
Back figures, 1941-1964: See the Annual Report for 1964, pp. 202-203, and earlier reports.

Table 118. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1965 IN THE UNITED STATES (STATES AND OTHER AREAS)

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS

Income item	All banks[1]	Banks with deposits of—[2] Less than $1,000,000	$1,000,000 to $2,000,000	$2,000,000 to $5,000,000	$5,000,000 to $10,000,000	$10,000,000 to $25,000,000	$25,000,000 to $50,000,000	$50,000,000 to $100,000,000	$100,000,000 to $500,000,000	$500,000,000 or more
Amounts per $100 of current operating revenue										
Current operating revenue—total	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**
Interest on U. S. Government obligations	13.21	25.34	24.29	22.14	19.34	17.61	16.60	15.67	12.81	9.27
Interest and dividends on other securities	7.65	3.47	4.68	5.88	7.28	7.73	7.70	7.79	7.48	7.97
Income on loans	66.64	60.00	61.49	62.44	63.42	63.91	64.11	64.78	67.01	68.89
Service charges on deposit accounts	5.01	4.67	4.71	5.44	6.30	6.95	6.53	6.01	5.15	3.83
Other service charges, commissions, fees, etc.	1.81	4.27	3.92	3.14	2.31	1.87	1.89	1.74	1.69	1.58
Other current operating revenue	5.68	2.25	.91	.96	1.35	1.93	3.17	4.01	5.86	8.46
Current operating expenses—total	**74.21**	**76.73**	**75.28**	**76.44**	**75.57**	**76.33**	**76.41**	**76.36**	**74.10**	**72.56**
Salaries, wages, and fees	22.81	38.19	32.63	28.48	25.74	24.56	24.34	23.61	23.26	20.57
Officer and employee benefits	3.13	2.04	2.03	2.21	2.46	2.69	2.88	3.09	3.24	3.45
Interest on time and savings deposits	30.16	16.94	22.73	26.97	28.65	29.66	29.59	29.93	28.16	32.00
Occupancy expense of bank premises—net	4.35	4.36	3.87	4.11	4.24	4.47	4.58	4.72	4.41	4.23
Furniture and equipment	2.45	1.97	2.10	2.44	2.51	2.60	2.69	2.90	2.99	2.07
Other current operating expenses	11.31	13.23	11.92	12.23	11.97	12.35	12.33	12.11	12.04	10.24
Net current operating earnings	**25.79**	**23.27**	**24.72**	**23.56**	**24.43**	**23.67**	**23.59**	**23.64**	**25.90**	**27.44**
Amounts per $100 of total assets[2]										
Current operating revenue—total	4.49	4.71	4.66	4.63	4.67	4.73	4.72	4.66	4.57	4.30
Current operating expenses—total	3.33	3.61	3.51	3.54	3.53	3.61	3.61	3.56	3.39	3.12
Net current operating earnings	1.16	1.10	1.15	1.09	1.14	1.12	1.11	1.10	1.18	1.18
Recoveries, transfers from valuation reserves, and profits—total	.10	.14	.09	.08	.09	.08	.08	.09	.13	.11
Losses, charge-offs, and transfers to valuation reserves—total	.31	.31	.25	.29	.31	.31	.29	.29	.29	.34
Net income before related taxes	.95	.93	.99	.88	.92	.89	.90	.90	1.02	.95
Net income after related taxes	.67	.74	.78	.67	.67	.64	.63	.62	.71	.68
Memoranda										
Recoveries credited to valuation reserves (not included in recoveries above):										
On securities	(3)	....	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
On loans	.03	.02	.03	.04	.05	.05	.04	.04	.03	.02
Losses charged to valuation reserves (not included in losses above):										
On securities	.01	(3)	(3)	(3)	(3)	(3)	(3)	.01	.01	.01
On loans	.11	.05	.07	.10	.13	.15	.14	.14	.11	.10

Amounts per $100 of total capital accounts[2]										
Net current operating earnings	14.54	8.68	10.64	11.55	13.65	14.56	15.06	14.83	15.41	14.67
Recoveries, transfers from valuation reserves, and profits—total	1.31	1.10	.84	.89	1.04	1.07	1.01	1.18	1.70	1.36
Losses, charge-offs, and transfers to valuation reserves—total	3.95	2.41	2.33	3.07	3.66	4.01	3.93	3.95	3.82	4.16
Net income before related taxes	11.90	7.37	9.15	9.37	11.03	11.62	12.14	12.06	13.29	11.87
Taxes on net income	3.45	1.52	1.95	2.23	2.98	3.35	3.68	3.75	4.00	3.44
Net income after taxes	8.45	5.85	7.20	7.14	8.05	8.27	8.46	8.31	9.29	8.43
Cash dividends declared	4.03	1.95	2.46	2.35	2.77	2.99	3.34	3.56	4.31	4.73
Net additions to capital from income	4.42	3.90	4.74	4.79	5.28	5.28	5.12	4.75	4.98	3.70
Memoranda										
Recoveries credited to reserve accounts (not included in recoveries above):										
On securities	.01	....	(3)	.01	(3)	.01	.01	.02	.01	.02
On loans	.42	.14	.27	.43	.57	.64	.59	.54	.41	.31
Losses charged to reserve accounts (not included in losses above):										
On securities	.09	(3)	(3)	.01	.01	.04	.05	.11	.14	.10
On loans	1.44	.37	.66	1.10	1.60	1.93	1.91	1.91	1.47	1.23
Special ratios[2]										
Income on loans per $100 of loans	5.59	6.65	6.41	6.30	6.28	6.14	5.95	5.80	5.66	5.22
Income on U. S. Government obligations per $100 of U. S. Government obligations	3.76	3.78	3.66	3.70	3.70	3.79	3.85	3.91	3.84	3.67
Income on other securities per $100 of other securities	2.89	2.72	2.84	2.63	2.68	2.68	2.68	2.78	2.85	3.09
Service charges per $100 of demand deposits	.46	.36	.40	.51	.61	.71	.65	.58	.46	.34
Interest paid per $100 of time and savings deposits	3.44	3.06	3.09	3.10	3.14	3.17	3.22	3.30	3.38	3.69
Occupancy expense of bank premises per $100 of current operating revenue										
Occupancy expense of bank premises, net—total	**4.35**	**4.36**	**3.87**	**4.11**	**4.24**	**4.47**	**4.58**	**4.72**	**4.41**	**4.23**
Rental and other income	.99	.25	.27	.34	.37	.50	.86	1.26	1.65	1.00
Occupancy expense of bank premises, gross—total	**5.34**	**4.61**	**4.14**	**4.45**	**4.61**	**4.97**	**5.44**	**5.98**	**6.06**	**5.23**
Salaries and wages—building department officers and employees	.58	.20	.29	.41	.48	.54	.62	.70	.79	.51
Building department personnel benefits	.07	.01	.01	.02	.03	.04	.06	.07	.09	.08
Recurring depreciation	.96	.47	.71	.89	.98	1.04	1.02	1.04	1.01	.89
Maintenance and repairs	.60	.69	.63	.56	.55	.61	.72	.76	.70	.53
Insurance and utilities	.92	1.95	1.44	1.19	1.04	.95	.91	.91	.89	.88
Rents paid	1.44	.48	.42	.67	.78	.99	1.30	1.63	1.74	1.62
Taxes	.77	.81	.64	.71	.75	.80	.81	.87	.84	.72
Number of banks, December 31	13,366	521	1,790	4,301	3,046	2,295	691	330	302	90

[1] This group of banks is the same as the group shown in Table 115 under the heading "Operating throughout the year". These ratios differ slightly from the ratios for all insured commercial banks shown in Tables 114 and 116.

[2] For asset and liability data, see Table 110, p. 145.

[3] Less than .005.

Back figures, 1941-1964: See the Annual Report for 1964, pp. 204-205, and earlier reports.

Table 119. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), BY STATE, 1965

(Amounts in thousands of dollars)

Income item	Total United States	Other areas		50 States and D.C.	Alabama	Alaska	Arizona	Arkansas	California	Colorado	Connecticut
		Puerto Rico	Virgin Islands								
Current operating revenue—total	**16,817,187**	**48,714**	**2,040**	**16,766,433**	**163,266**	**22,402**	**128,236**	**96,072**	**2,049,372**	**161,549**	**196,877**
Interest on U. S. Government obligations	2,224,711	3,526	293	2,220,892	26,331	3,216	9,961	12,780	194,449	20,653	17,226
Interest and dividends on other securities	1,285,287	1,535	27	1,283,725	13,101	1,379	7,534	9,142	127,360	7,815	13,966
Interest and discount on loans	10,999,867	35,254	1,417	10,963,196	103,606	13,695	90,293	63,822	1,407,004	104,885	128,832
Service charges and fees on loans	204,996	2,852	156	201,988	1,365	1,411	3,695	297	51,372	2,391	1,832
Service charges on deposit accounts	842,775	1,641	29	841,105	10,789	1,743	9,735	5,518	137,125	13,276	12,507
Other charges, commissions, fees, etc.	304,276	3,143	75	301,058	3,248	674	2,411	2,656	33,385	3,222	3,025
Trust department	689,628	26		689,602	3,517	85	3,170	992	58,773	6,454	17,119
Other current operating revenue	265,647	737	43	264,867	1,309	199	1,437	865	39,904	2,853	2,370
Current operating expenses—total	**12,486,120**	**39,279**	**1,537**	**12,445,304**	**116,094**	**16,355**	**103,228**	**69,651**	**1,614,549**	**126,730**	**145,160**
Salaries—officers	1,392,765	4,411	172	1,388,182	16,727	2,510	11,393	11,595	156,804	16,788	18,712
Salaries and wages—other employees	2,369,259	9,064	363	2,359,832	22,451	3,895	22,117	12,080	312,207	23,821	33,806
Officer and employee benefits	525,692	1,515	56	524,121	4,442	653	3,971	2,516	61,152	4,254	8,001
Fees paid to directors and committees	77,093	190	9	76,894	985	51	164	1,101	1,640	1,131	891
Interest on time and savings deposits	5,070,781	12,488	604	5,057,689	42,236	4,888	38,981	23,094	755,078	44,699	44,112
Interest on borrowed money	189,519	321	22	189,176	128	35	378	263	20,744	1,145	759
Occupancy expense of bank premises—net	731,573	2,170	42	729,361	5,488	1,115	7,330	4,189	92,967	9,297	10,034
Furniture and equipment	411,889	1,256	40	410,593	4,554	759	4,489	2,596	51,002	5,680	6,607
Other current operating expenses	1,717,549	7,864	229	1,709,456	19,083	2,449	14,405	12,217	162,955	19,915	22,238
Net current operating earnings	**4,331,067**	**9,435**	**503**	**4,321,129**	**47,172**	**6,047**	**25,008**	**26,421**	**434,823**	**34,819**	**51,717**
Recoveries, transfers from valuation reserves, and profits—total	**390,368**	**1,665**	**8**	**388,695**	**2,433**	**456**	**4,026**	**1,367**	**49,125**	**4,128**	**7,140**
On securities:											
Profits on securities sold or redeemed	84,619	467		84,152	1,504	373	690	548	10,494	710	1,056
Recoveries	7,114			7,114	11		64	20	3,020	70	3
Transfers from valuation reserves	97,435			97,435	46		1,819	50	11,006	383	484
On loans:											
Recoveries	17,962	123		17,839	277		16	424	694	375	8
Transfers from valuation reserves	84,001	35		83,966	222		208	97	16,922	144	257
All other	99,237	1,040	8	98,189	373	83	1,229	228	6,989	2,446	5,332
Losses, charge-offs, and transfers to valuation reserves—total	**1,177,540**	**2,637**	**53**	**1,174,850**	**9,661**	**1,369**	**10,935**	**5,945**	**135,357**	**11,252**	**15,648**
On securities:											
Losses on securities sold	85,045	201		84,844	306	14	103	307	5,957	351	994
Charge-offs prior to sale	9,224			9,224	148			98	234	102	5
Transfers to valuation reserves	63,370	5		63,365	186	6	686	127	8,927	257	365
On loans:											
Losses and charge-offs	36,188	817		35,371	536		42	845	1,415	1,488	13
Transfers to valuation reserves	846,877	1,405	48	845,424	7,387	1,148	9,286	3,513	101,849	8,004	9,664
All other	136,836	209	5	136,622	1,098	201	818	1,055	16,975	1,050	4,607
Net income before related taxes	**3,543,895**	**8,463**	**458**	**3,534,974**	**39,944**	**5,134**	**18,099**	**21,843**	**348,591**	**27,695**	**43,209**

Taxes on net income—total	**1,029,162**	**827**	**257**	**1,028,078**	**11,727**	**1,782**	**4,724**	**5,083**	**111,123**	**8,909**	**13,544**
Federal	927,423	562	257	926,604	10,128	1,778	4,349	5,083	79,758	7,359	9,902
State	101,739	265		101,474	1,599	4	375		31,365	1,550	3,642
Net income after related taxes	**2,514,733**	**7,636**	**201**	**2,506,896**	**28,217**	**3,352**	**·13,375**	**16,760**	**237,468**	**18,786**	**29,665**
Dividends and interest on capital—total	**1,202,349**	**2,840**		**1,199,509**	**10,426**	**483**	**8,191**	**5,003**	**140,095**	**9,522**	**14,419**
Cash dividends declared on common stock	1,146,186	2,582		1,143,604	10,426	483	6,788	4,964	125,289	9,206	14,411
Dividends declared on preferred stock and interest on capital notes and debentures	56,163	258		55,905			1,403	39	14,806	316	8
Net additions to capital from income	**1,312,384**	**4,796**	**201**	**1,307,387**	**17,791**	**2,869**	**5,184**	**11,757**	**97,373**	**9,264**	**15,246**
Number of banking employees (exclusive of building employees), December 31:											
Active officers	130,042	526	13	129,503	1,745	168	1,063	1,363	14,703	1,575	1,529
Other employees	569,276	2,540	92	566,644	6,553	754	5,388	3,506	66,642	5,777	7,767
Memoranda											
Recoveries credited to valuation reserves (not included in recoveries above):											
On securities	4,158			4,158	7			5	205		8
On loans	124,062	15	44	124,003	1,773	765	1,585	845	14,099	1,987	902
Losses charged to valuation reserves (not included in losses above):											
On securities	25,761			25,761	7			1	3,415	85	33
On loans	429,490	681	52	428,757	5,531	1,469	8,153	2,452	66,940	7,011	3,946
Occupancy expense of bank premises											
Occupancy expense of bank premises, net—total	**731,573**	**2,170**	**42**	**729,361**	**5,488**	**1,115**	**7,330**	**4,189**	**92,967**	**9,297**	**10,034**
Rental and other income	166,867	399	6	166,462	1,037	134	1,166	579	10,308	3,080	1,567
Occupancy expense of bank premises, gross—total	**898,440**	**2,569**	**48**	**895,823**	**6,525**	**1,249**	**8,496**	**4,768**	**103,275**	**12,377**	**11,601**
Salaries—building department officers	2,716	10		2,706	23		52	7	319	27	8
Salaries and wages—building department employees	94,688	177		94,511	817	47	521	599	4,414	1,125	1,209
Building department personnel benefits	11,380	23		11,357	80	3	71	59	686	103	123
Recurring depreciation	160,888	309	6	160,573	1,266	228	1,423	1,268	12,821	1,407	1,978
Maintenance and repairs	101,322	419	3	100,900	702	191	644	456	15,177	1,469	1,135
Insurance and utilities	155,298	389	5	154,904	1,294	394	1,887	982	15,110	1,672	2,217
Rents paid	243,044	854	32	242,158	2,056	257	3,190	728	42,640	5,210	3,348
Taxes	129,104	388	2	128,714	287	129	708	669	12,108	1,364	1,583
Number of building employees, December 31:											
Officers	444	1		443	12		4	2	23	6	1
Other employees	32,401	58		32,343	408	10	135	316	963	354	324
Number of banks, December 31	13,547	7	1	13,539	263	10	17	242	193	210	64

Note: For average asset and liability data by State, see Table 111, pp. 146-147.
Back figures, 1946-1964: See the Annual Report for 1964, pp. 206-215, and earlier reports.

Table 119. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), BY STATE, 1965—CONTINUED

(Amounts in thousands of dollars)

Income item	Delaware	District of Columbia	Florida	Georgia	Hawaii	Idaho	Illinois	Indiana	Iowa	Kansas	Kentucky
Current operating revenue—total	**54,188**	**111,343**	**380,657**	**260,101**	**59,962**	**51,348**	**1,197,465**	**338,519**	**213,914**	**165,578**	**157,596**
Interest on U. S. Government obligations	8,491	20,360	70,530	31,299	6,032	6,356	208,105	70,786	41,924	33,003	30,478
Interest and dividends on other securities	4,481	3,176	26,424	13,900	3,353	2,834	110,219	19,708	15,133	13,639	10,466
Interest and discount on loans	28,601	71,244	221,141	168,065	42,828	34,578	730,293	209,691	135,545	101,233	99,459
Service charges and fees on loans	825	1,611	6,510	5,807	2,470	1,222	9,532	2,617	772	754	1,459
Service charges on deposit accounts	1,381	6,606	30,184	19,603	2,240	4,676	39,235	15,454	11,082	10,823	6,222
Other charges, commissions, fees, etc.	566	1,190	8,127	10,237	2,328	900	14,328	7,470	4,446	2,963	1,763
Trust department	8,422	6,384	11,787	8,783	....	357	62,171	9,229	3,135	1,645	6,092
Other current operating revenue	1,421	772	5,954	2,407	711	425	23,582	3,564	1,877	1,518	1,657
Current operating expenses—total	**31,086**	**75,889**	**294,154**	**192,220**	**45,262**	**37,040**	**883,777**	**250,178**	**157,351**	**115,569**	**108,944**
Salaries—officers	4,916	8,591	37,398	25,840	4,583	5,262	90,447	33,280	30,714	23,490	17,304
Salaries and wages—other employees	8,224	16,131	60,687	39,528	9,852	7,279	146,588	46,880	24,388	18,664	20,709
Officer and employee benefits	1,583	2,349	10,868	9,597	2,826	1,729	34,956	9,644	5,299	3,947	4,295
Fees paid to directors and committees	271	574	2,725	1,982	228	200	5,569	2,526	1,351	1,574	1,468
Interest on time and savings deposits	7,452	27,394	98,501	58,076	17,151	13,660	406,591	88,204	57,196	38,900	35,232
Interest on borrowed money	109	698	1,789	1,710	131	263	18,926	3,387	388	566	408
Occupancy expense of bank premises—net	1,939	5,243	17,630	13,311	2,586	1,901	42,088	14,808	8,324	6,280	6,427
Furniture and equipment	1,767	2,908	14,686	7,567	2,122	1,548	25,734	8,905	5,426	4,148	3,974
Other current operating expenses	4,825	12,001	49,870	34,609	5,783	5,198	112,878	42,544	24,265	18,000	19,127
Net current operating earnings	**23,102**	**35,454**	**86,503**	**67,881**	**14,700**	**14,308**	**313,688**	**88,341**	**56,563**	**50,009**	**48,652**
Recoveries, transfers from valuation reserves, and profits—total	**1,919**	**998**	**5,628**	**3,538**	**413**	**389**	**39,171**	**12,289**	**2,963**	**3,039**	**6,913**
On securities:											
Profits on securities sold or redeemed	893	282	971	1,451	49	27	10,730	1,732	1,185	649	1,412
Recoveries	154	....	71	137	....	5	375	71	26	190	76
Transfers from valuation reserves	25	....	290	90	....	212	12,710	5,185	74	111	420
On loans:											
Recoveries	33	117	295	276	4	59	684	271	513	931	432
Transfers from valuation reserves	598	26	1,246	403	....	....	6,172	1,145	584	303	2,664
All other	216	573	2,755	1,181	360	86	8,500	3,885	581	855	1,909
Losses, charge-offs, and transfers to valuation reserves—total	**5,956**	**5,454**	**30,282**	**18,294**	**3,033**	**1,953**	**75,433**	**28,158**	**10,732**	**12,152**	**11,309**
On securities:											
Losses on securities sold	95	502	1,790	997	633	527	9,288	3,395	1,273	588	387
Charge-offs prior to sale	1	14	229	62	....	2	746	271	273	342	232
Transfers to valuation reserves	367	....	196	337	....	19	8,184	3,840	237	147	1,043
On loans:											
Losses and charge-offs	50	259	2,164	442	....	138	1,363	448	586	2,482	820
Transfers to valuation reserves	3,255	4,020	22,628	13,688	2,099	1,136	45,557	15,667	6,302	6,361	6,900
All other	2,188	659	3,275	2,768	301	131	10,295	4,537	2,061	2,232	1,927
Net income before related taxes	**19,065**	**30,998**	**61,849**	**53,125**	**12,080**	**12,744**	**277,426**	**72,472**	**48,794**	**40,896**	**44,256**

Taxes on net income—total	**7,691**	**13,295**	**18,713**	**15,501**	**3,729**	**4,841**	**79,773**	**22,641**	**13,600**	**11,220**	**14,624**
Federal	7,222	13,295	18,713	15,501	3,426	3,972	79,773	22,641	13,600	10,223	14,624
State	469	....	....	....	303	869	....	....	....	997	....
Net income after related taxes	**11,374**	**17,703**	**43,136**	**37,624**	**8,351**	**7,903**	**197,653**	**49,831**	**35,194**	**29,676**	**29,632**
Dividends and interest on capital—total	**6,821**	**8,411**	**17,183**	**16,328**	**5,417**	**3,575**	**70,653**	**17,210**	**12,261**	**9,939**	**10,431**
Cash dividends declared on common stock	6,821	8,339	16,947	14,807	4,358	3,495	70,349	16,727	12,246	9,917	10,428
Dividends declared on preferred stock and interest on capital notes and debentures	....	72	236	1,521	1,059	80	304	483	15	22	3
Net additions to capital from income	**4,553**	**9,292**	**25,953**	**21,296**	**2,934**	**4,328**	**127,000**	**32,621**	**22,933**	**19,737**	**19,201**
Number of banking employees (exclusive of building employees), December 31:											
Active officers	413	623	3,765	2,624	403	490	7,585	3,266	3,163	2,578	2,071
Other employees	2,109	3,552	16,627	10,155	2,320	1,990	33,453	12,569	7,082	5,363	5,934
Memoranda											
Recoveries credited to valuation reserves (not included in recoveries above):											
On securities	....	....	50	26	12	....	2,269	70	9	10	73
On loans	180	374	4,568	2,086	281	179	7,444	3,199	1,472	1,386	1,207
Losses charged to valuation reserves (not included in losses above):											
On securities	735	....	112	51	12	....	2,806	328	99	5	105
On loans	226	2,385	19,351	5,370	1,447	683	25,927	9,334	3,276	4,271	3,004
Occupancy expense of bank premises											
Occupancy expense of bank premises, net—total	**1,939**	**5,243**	**17,630**	**13,311**	**2,586**	**1,901**	**42,088**	**14,808**	**8,324**	**6,280**	**6,427**
Rental and other income	250	994	5,166	2,287	758	366	8,603	3,488	1,347	1,339	1,265
Occupancy expense of bank premises, gross—total	**2,189**	**6,237**	**22,796**	**15,598**	**3,344**	**2,267**	**50,691**	**18,296**	**9,671**	**7,619**	**7,692**
Salaries—building department officers	....	8	94	32	45	1	163	34	16	31	4
Salaries and wages—building department employees	203	1,102	2,164	1,178	205	222	8,021	2,748	1,316	982	1,102
Building department personnel benefits	28	95	211	126	50	13	787	202	93	73	90
Recurring depreciation	382	866	4,118	2,231	446	572	8,827	3,686	1,759	1,519	1,442
Maintenance and repairs	216	722	2,699	2,083	472	162	6,135	2,502	1,082	999	1,032
Insurance and utilities	325	685	4,595	2,402	604	432	7,395	3,276	1,939	1,547	1,539
Rents paid	927	2,096	4,683	4,636	1,249	531	12,053	3,678	2,111	1,477	1,531
Taxes	108	663	4,232	2,910	273	334	7,310	2,170	1,355	991	952
Number of building employees, December 31:											
Officers	....	1	25	12	3	3	21	5	14	9	3
Other employees	73	312	713	487	94	89	2,165	1,059	812	507	557
Number of banks, December 31	20	15	440	387	7	25	1,044	418	659	596	340

Note: For average asset and liability data by State, see Table 111, pp. 146-147.
Back figures, 1946-1964: See the Annual Report for 1964, pp. 206-215, and earlier reports.

Table 119. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), BY STATE, 1965—CONTINUED

(Amounts in thousands of dollars)

Income item	Louisiana	Maine	Maryland	Massa-chusetts	Michigan	Minne-sota	Mis-sissippi	Missouri	Montana	Nebraska	Nevada
Current operating revenue—total	**199,031**	**47,501**	**180,619**	**396,741**	**706,651**	**312,530**	**102,736**	**391,458**	**60,336**	**116,202**	**42,537**
Interest on U. S. Government obligations	35,831	5,841	26,340	38,731	112,612	52,633	15,284	68,142	9,407	19,003	5,530
Interest and dividends on other securities	15,093	2,780	11,632	20,200	57,847	23,430	11,083	31,793	3,755	7,084	2,282
Interest and discount on loans	124,750	32,492	116,851	260,617	462,483	188,158	62,864	251,099	39,000	76,743	28,310
Service charges and fees on loans	1,402	459	3,411	3,846	7,536	2,291	395	2,144	1,022	460	1,065
Service charges on deposit accounts	11,818	2,942	13,050	25,016	28,874	17,838	6,468	15,948	4,143	6,707	2,932
Other charges, commissions, fees, etc.	6,355	569	3,452	12,819	11,055	15,941	4,404	5,894	1,761	2,298	641
Trust department	1,498	1,982	3,925	26,431	20,301	9,526	964	11,409	585	2,487	1,216
Other current operating revenue	2,284	436	1,958	9,081	5,943	2,713	1,274	5,029	663	1,420	561
Current operating expenses—total	**144,017**	**35,670**	**130,440**	**269,493**	**565,131**	**237,249**	**73,866**	**278,732**	**45,159**	**83,069**	**30,778**
Salaries—officers	18,469	4,340	13,124	33,704	42,871	35,616	11,787	36,115	7,331	17,666	3,941
Salaries and wages—other employees	27,593	7,647	29,568	69,780	98,234	38,105	13,382	51,691	7,072	14,132	6,559
Officer and employee benefits	5,508	1,293	5,606	15,263	21,457	9,327	3,269	9,518	1,999	3,651	953
Fees paid to directors and committees	1,929	391	1,082	1,553	2,439	2,207	1,022	2,694	380	1,166	89
Interest on time and savings deposits	44,017	12,222	42,588	64,047	282,838	94,278	23,310	107,167	15,681	23,453	11,154
Interest on borrowed money	2,265	209	1,628	6,810	3,087	3,694	1,135	3,993	301	1,089	50
Occupancy expense of bank premises—net	10,226	2,469	9,086	20,681	28,779	12,228	3,330	15,080	2,112	4,454	2,342
Furniture and equipment	5,234	1,257	5,634	12,125	15,179	8,140	2,677	9,523	1,594	3,682	1,320
Other current operating expenses	28,776	5,842	22,124	45,530	70,247	33,654	13,954	42,951	8,689	13,776	4,370
Net current operating earnings	**55,014**	**11,831**	**50,179**	**127,248**	**141,520**	**75,281**	**28,870**	**112,726**	**15,177**	**33,133**	**11,759**
Recoveries, transfers from valuation reserves, and profits—total	**4,420**	**543**	**2,637**	**10,817**	**18,947**	**5,520**	**3,517**	**12,959**	**3,369**	**2,308**	**4,197**
On securities:											
Profits on securities sold or redeemed	1,808	92	335	1,041	2,028	759	561	2,468	222	504	50
Recoveries	67	158	36	193	75	234	447	82	122	160	....
Transfers from valuation reserves	727	75	162	3,623	2,983	324	708	3,190	809	431	3,283
On loans:											
Recoveries	437	51	138	170	229	586	421	609	680	200	....
Transfers from valuation reserves	695	19	329	1,232	1,143	2,364	541	4,627	231	405	....
All other	686	148	1,637	4,558	12,489	1,253	839	1,983	1,305	608	864
Losses, charge-offs, and transfers to valuation reserves—total	**15,610**	**3,451**	**12,845**	**32,277**	**51,524**	**17,250**	**10,715**	**31,304**	**7,087**	**7,305**	**3,523**
On securities:											
Losses on securities sold	422	772	1,393	5,530	4,253	1,455	489	3,131	248	642	....
Charge-offs prior to sale	274	51	66	28	114	344	939	1,920	62	255	....
Transfers to valuation reserves	1,587	62	749	1,507	5,596	82	2,163	1,561	565	188	1,298
On loans:											
Losses and charge-offs	702	21	207	293	603	963	666	1,467	369	352	....
Transfers to valuation reserves	10,599	1,925	8,612	17,838	34,469	12,598	5,105	19,564	5,261	4,941	1,896
All other	2,026	620	1,818	7,081	6,489	1,808	1,353	3,661	582	927	329
Net income before related taxes	**43,824**	**8,923**	**39,971**	**105,788**	**108,943**	**63,551**	**21,672**	**94,381**	**11,459**	**28,136**	**12,433**

Taxes on net income—total	**14,052**	**2,774**	**13,159**	**41,881**	**19,351**	**21,482**	**5,369**	**29,788**	**4,053**	**8,098**	**3,237**
Federal	14,052	2,774	13,159	34,258	19,351	15,934	5,369	28,041	3,692	8,098	3,237
State	....	....	....	7,623	....	5,548	....	1,747	361	....	....
Net income after related taxes	**29,772**	**6,149**	**26,812**	**63,907**	**89,592**	**42,069**	**16,303**	**64,593**	**7,406**	**20,038**	**9,196**
Dividends and interest on capital—total	**11,693**	**2,945**	**11,804**	**34,519**	**38,454**	**18,437**	**6,584**	**26,668**	**4,038**	**7,467**	**3,162**
Cash dividends declared on common stock	11,498	2,940	11,577	34,219	35,910	18,198	6,556	25,386	4,038	7,462	3,100
Dividends declared on preferred stock and interest on capital notes and debentures	195	5	227	300	2,544	239	28	1,282	....	5	62
Net additions to capital from income	**18,079**	**3,204**	**15,008**	**29,388**	**51,138**	**23,632**	**9,719**	**37,925**	**3,368**	**12,571**	**6,034**
Number of banking employees (exclusive of building employees), December 31:											
Active officers	1,748	478	1,325	2,696	3,672	3,679	1,263	3,774	736	1,891	395
Other employees	7,190	2,196	7,800	16,651	23,932	10,207	3,839	13,879	1,935	3,994	1,519
Memoranda											
Recoveries credited to valuation reserves (not included in recoveries above):											
On securities	15	27	....	17	5	....	7	24	28	10	52
On loans	1,459	554	794	2,954	6,953	1,813	1,225	2,254	423	1,590	265
Losses charged to valuation reserves (not included in losses above):											
On securities	16	47	140	1,061	83	....	70	749	5	163	12
On loans	3,830	1,222	2,631	9,790	16,235	3,758	2,820	8,508	4,892	3,684	1,299
Occupancy expense of bank premises											
Occupancy expense of bank premises, net—total	**10,226**	**2,469**	**9,086**	**20,681**	**28,779**	**12,228**	**3,330**	**15,080**	**2,112**	**4,454**	**2,342**
Rental and other income	2,628	562	1,277	3,357	3,301	4,637	1,884	3,013	711	1,250	500
Occupancy expense of bank premises, gross—total	**12,854**	**3,031**	**10,363**	**24,038**	**32,080**	**16,865**	**5,214**	**18,093**	**2,823**	**5,704**	**2,842**
Salaries—building department officers	46	....	19	149	145	23	....	46	....	16	10
Salaries and wages—building department employees	1,900	458	814	2,565	4,129	1,324	501	2,211	384	734	328
Building department personnel benefits	143	33	100	418	555	95	52	268	40	74	20
Recurring depreciation	2,166	559	1,839	3,924	6,102	2,411	870	4,595	574	942	639
Maintenance and repairs	1,291	283	1,584	2,477	4,232	1,809	802	2,579	289	640	403
Insurance and utilities	1,840	493	1,655	4,535	5,786	3,431	1,076	3,337	486	986	497
Rents paid	2,542	775	3,279	4,810	6,921	5,418	733	3,295	459	1,525	607
Taxes	2,926	430	1,073	5,160	4,210	2,354	1,180	1,762	591	787	338
Number of building employees, December 31:											
Officers	5	....	3	27	17	8	1	17	....	7	1
Other employees	681	237	302	853	1,376	669	253	868	181	430	76
Number of banks, December 31	213	39	121	156	352	717	196	644	129	430	9

Note: For average asset and liability data by State, see Table 111, pp. 146-147.
Back figures, 1946-1964: See the Annual Report for 1964, pp. 206-215, and earlier reports.

Table 119. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), BY STATE, 1965—CONTINUED

(Amounts in thousands of dollars)

Income item	New Hampshire	New Jersey	New Mexico	New York	North Carolina	North Dakota	Ohio	Oklahoma	Oregon	Pennsylvania	Rhode Island
Current operating revenue—total	**33,416**	**515,340**	**54,178**	**3,086,702**	**236,818**	**50,413**	**753,587**	**186,834**	**158,269**	**1,028,629**	**66,813**
Interest on U. S. Government obligations	3,551	66,715	7,982	273,745	26,091	10,032	120,954	30,291	17,121	131,088	4,802
Interest and dividends on other securities	1,563	51,858	2,558	275,559	16,794	4,348	61,876	11,450	10,854	94,892	7,333
Interest and discount on loans	23,969	335,170	36,104	2,075,146	153,543	29,484	484,013	123,668	105,698	669,919	44,061
Service charges and fees on loans	281	4,624	520	29,245	4,947	334	5,205	1,318	2,160	8,236	538
Service charges on deposit accounts	2,536	29,432	4,184	91,582	14,944	2,585	35,875	12,562	14,422	34,235	3,164
Other charges, commissions, fees, etc.	485	5,959	1,507	42,145	10,153	2,872	9,204	2,934	1,967	12,858	887
Trust department	596	16,971	859	217,468	7,667	359	29,265	2,624	3,998	63,585	5,224
Other current operating revenue	435	4,611	464	81,812	2,679	399	7,195	1,987	2,049	13,816	804
Current operating expenses—total	**25,065**	**397,938**	**42,368**	**2,231,795**	**172,676**	**37,567**	**555,862**	**132,735**	**125,512**	**747,627**	**50,669**
Salaries—officers	3,367	39,412	6,253	173,901	24,843	6,460	52,247	24,012	16,659	74,239	4,127
Salaries and wages—other employees	4,427	81,455	8,846	444,394	37,450	5,166	102,278	23,014	23,312	138,807	9,221
Officer and employee benefits	1,083	17,701	1,308	119,000	7,284	1,436	18,987	5,061	4,389	33,888	2,738
Fees paid to directors and committees	345	3,127	408	5,322	960	408	3,351	1,364	292	6,189	226
Interest on time and savings deposits	8,955	153,862	12,602	983,112	58,409	15,419	241,902	44,534	54,755	305,744	24,296
Interest on borrowed money	77	3,602	134	69,065	1,582	110	4,820	1,676	371	11,363	371
Occupancy expense of bank premises—net	1,429	25,683	2,737	147,377	10,123	1,999	25,461	7,048	6,990	41,698	2,348
Furniture and equipment	1,011	14,158	2,013	51,731	6,408	1,226	16,511	5,223	4,261	26,044	1,582
Other current operating expenses	4,371	58,938	8,067	237,893	25,617	5,343	90,305	20,803	14,483	109,655	5,760
Net current operating earnings	**8,351**	**117,402**	**11,810**	**854,907**	**64,142**	**12,846**	**197,725**	**54,099**	**32,757**	**281,002**	**16,144**
Recoveries, transfers from valuation reserves, and profits—total	**1,373**	**10,442**	**1,446**	**59,862**	**5,769**	**834**	**15,640**	**3,220**	**7,172**	**24,300**	**7,474**
On securities:											
Profits on securities sold or redeemed	784	4,537	414	9,991	2,149	257	2,013	1,631	239	4,475	288
Recoveries	55	39	...	252	6	4	54	10	...	335	...
Transfers from valuation reserves	101	1,007	489	22,943	63	2	5,487	21	6,542	6,185	1,479
On loans:											
Recoveries	65	253	141	1,189	53	81	544	968	57	651	13
Transfers from valuation reserves	16	1,733	172	14,915	1,803	141	4,685	51	...	8,931	3,942
All other	352	2,873	230	10,572	1,695	349	2,857	539	334	3,723	1,752
Losses, charge-offs, and transfers to valuation reserves—total	**2,577**	**29,688**	**4,120**	**267,354**	**13,308**	**2,380**	**38,591**	**13,381**	**9,108**	**66,588**	**2,876**
On securities:											
Losses on securities sold	252	4,134	179	8,026	375	176	4,856	601	74	7,288	127
Charge-offs prior to sale	96	52	15	240	62	50	158	61	...	308	...
Transfers to valuation reserves	199	2,505	73	6,227	1,468	6	1,583	105	839	4,678	201
On loans:											
Losses and charge-offs	142	422	167	893	135	290	961	2,025	58	1,554	...
Transfers to valuation reserves	1,493	17,235	3,264	237,379	8,590	1,411	28,298	9,634	6,808	45,938	1,822
All other	395	5,340	422	14,589	2,678	447	2,735	955	1,329	6,822	726
Net income before related taxes	**7,147**	**98,156**	**9,136**	**647,415**	**56,603**	**11,300**	**174,774**	**43,938**	**30,821**	**238,714**	**20,742**

Taxes on net income—total	**2,344**	**21,693**	**2,948**	**160,398**	**20,224**	**3,482**	**50,744**	**14,714**	**8,793**	**62,121**	**3,590**
Federal	2,344	21,693	2,948	127,245	18,543	3,250	50,744	13,414	6,387	62,121	2,771
State				33,153	1,681	232		1,300	2,406		819
Net income after related taxes	**4,803**	**76,463**	**6,188**	**487,017**	**36,379**	**7,818**	**124,030**	**29,224**	**22,028**	**176,593**	**17,152**
Dividends and interest on capital—total	**1,624**	**34,681**	**3,208**	**292,231**	**15,149**	**3,146**	**48,428**	**15,221**	**9,781**	**91,951**	**5,217**
Cash dividends declared on common stock	1,624	32,718	3,172	270,097	13,422	3,146	48,231	14,370	9,781	90,870	5,217
Dividends declared on preferred stock and interest on capital notes and debentures		1,963	36	22,134	1,727		197	851		1,081	
Net additions to capital from income	**3,179**	**41,782**	**2,980**	**194,786**	**21,230**	**4,672**	**75,602**	**14,003**	**12,247**	**84,642**	**11,935**
Number of banking employees (exclusive of building employees), December 31:											
Active officers	370	3,425	604	12,232	2,476	734	4,588	2,502	1,700	6,991	362
Other employees	1,291	19,588	2,336	89,941	10,701	1,522	24,594	6,264	5,593	33,724	2,315
Memoranda											
Recoveries credited to valuation reserves (not included in recoveries above):											
On securities		14		461	86		82			142	
On loans	234	3,830	1,110	18,084	706	183	4,838	2,829	710	5,214	284
Losses charged to valuation reserves (not included in losses above):											
On securities		674		5,442	1,476		1,401	222		4,248	
On loans	856	11,257	3,552	75,914	3,005	484	12,093	8,559	2,594	18,308	884
Occupancy expense of bank premises											
Occupancy expense of bank premises, net—total	**1,429**	**25,683**	**2,737**	**147,377**	**10,123**	**1,999**	**25,461**	**7,048**	**6,990**	**41,698**	**2,348**
Rental and other income	165	2,996	518	30,193	2,105	415	12,522	4,229	398	6,780	1,622
Occupancy expense of bank premises, gross—total	**1,594**	**28,679**	**3,255**	**177,570**	**12,228**	**2,414**	**37,983**	**11,277**	**7,388**	**48,478**	**3,970**
Salaries—building department officers		40		418	34	1	148	35	73	194	38
Salaries and wages—building department employees	181	3,022	404	13,787	1,189	264	6,358	1,499	729	8,169	945
Building department personnel benefits	14	424	49	2,428	110	21	707	167	76	1,084	148
Recurring depreciation	297	4,915	640	33,218	2,622	615	6,902	2,169	1,731	9,101	593
Maintenance and repairs	132	4,285	411	14,175	1,406	171	4,645	1,141	1,158	4,963	335
Insurance and utilities	243	4,334	493	32,302	2,349	562	6,365	2,181	1,305	7,939	537
Rents paid	427	6,170	908	55,089	3,456	396	9,676	3,294	1,175	11,548	724
Taxes	300	5,489	350	26,153	1,062	384	3,182	791	1,141	5,480	650
Number of building employees, December 31:											
Officers		4		71	2	3	27	9	7	24	5
Other employees	95	950	130	3,158	561	175	2,201	588	206	2,808	279
Number of banks, December 31	71	230	64	316	145	163	541	420	48	561	9

Note: For average asset and liability data by State, see Table 111, pp. 146-147.
Back figures, 1946-1964: See the Annual Report for 1964, pp. 206-215, and earlier reports.

Table 119. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), BY STATE, 1965—CONTINUED

(Amounts in thousands of dollars)

Income item	South Carolina	South Dakota	Tennessee	Texas	Utah	Vermont	Virginia	Washington	West Virginia	Wisconsin	Wyoming
Current operating revenue—total	**76,634**	**57,550**	**244,705**	**837,061**	**77,175**	**31,398**	**271,605**	**212,256**	**90,157**	**302,224**	**29,882**
Interest on U. S. Government obligations	11,065	11,623	35,755	112,788	6,802	3,599	34,105	25,257	21,159	59,972	5,061
Interest and dividends on other securities	5,873	3,221	18,216	61,431	4,713	1,838	17,658	13,441	5,474	20,948	1,218
Interest and discount on loans	48,293	35,501	168,663	568,959	53,055	22,880	184,189	137,229	55,225	190,092	20,153
Service charges and fees on loans	436	301	2,486	8,959	1,831	273	4,109	3,333	780	1,804	295
Service charges on deposit accounts	5,459	3,184	9,221	43,403	5,910	1,717	15,843	18,570	2,981	13,508	1,853
Other charges, commissions, fees, etc.	3,081	2,650	3,844	12,906	2,306	247	5,323	4,750	1,413	4,624	815
Trust department	1,621	490	4,914	18,144	1,860	571	8,172	6,838	2,253	7,420	264
Other current operating revenue	806	580	1,606	10,471	698	273	2,206	2,838	872	3,856	223
Current operating expenses—total	**52,122**	**42,027**	**179,625**	**615,589**	**56,622**	**25,572**	**201,139**	**162,872**	**61,297**	**229,273**	**22,511**
Salaries—officers	9,742	8,177	20,718	85,159	6,409	2,724	24,290	20,209	8,430	31,944	3,542
Salaries and wages—other employees	13,998	6,262	30,661	100,527	9,686	3,864	37,074	36,037	11,250	35,254	3,779
Officer and employee benefits	2,958	1,780	6,292	20,578	1,976	796	7,353	7,330	2,277	9,260	720
Fees paid to directors and committees	580	543	1,202	6,135	414	328	1,849	419	916	2,806	327
Interest on time and savings deposits	8,700	15,916	76,546	221,033	25,098	13,115	80,093	61,236	22,875	98,769	8,518
Interest on borrowed money	84	53	2,463	12,644	711	27	1,144	864	102	1,656	169
Occupancy expense of bank premises—net	3,208	2,139	9,096	40,345	2,603	1,288	10,377	10,021	2,988	11,481	1,178
Furniture and equipment	2,811	1,412	6,523	21,571	2,335	630	6,852	6,501	2,223	7,718	1,012
Other current operating expenses	10,041	5,745	26,124	107,597	7,390	2,800	32,107	20,255	10,236	30,385	3,266
Net current operating earnings	**24,512**	**15,523**	**65,080**	**221,472**	**20,553**	**5,826**	**70,466**	**49,384**	**28,860**	**72,951**	**7,371**
Recoveries, transfers from valuation reserves, and profits—total	**1,993**	**566**	**5,307**	**11,569**	**1,321**	**442**	**4,761**	**3,233**	**1,954**	**4,323**	**525**
On securities:											
Profits on securities sold or redeemed	1,497	143	3,387	2,564	238	189	668	970	687	2,225	182
Recoveries	1	31	63	101	....	1	193	31	5	65	1
Transfers from valuation reserves	....	....	434	348	595	30	1,060	866	37	440	86
On loans:											
Recoveries	41	205	377	3,404	81	55	228	78	151	97	177
Transfers from valuation reserves	120	24	150	1,679	71	17	1,686	446	375	428	4
All other	334	163	896	3,473	336	150	926	842	699	1,068	75
Losses, charge-offs, and transfers to valuation reserves—total	**3,359**	**2,037**	**14,248**	**62,302**	**4,537**	**1,584**	**19,576**	**11,977**	**5,413**	**12,632**	**1,400**
On securities:											
Losses on securities sold	162	137	2,383	3,549	566	262	2,047	1,403	462	1,913	30
Charge-offs prior to sale	60	26	417	463	20	7	60	11	105	173	28
Transfers to valuation reserves	165	6	272	3,225	49	25	574	525	21	261	76
On loans:											
Losses and charge-offs	108	133	666	6,715	712	56	683	209	278	204	226
Transfers to valuation reserves	2,350	1,280	8,668	41,753	2,864	1,055	13,882	7,903	3,545	8,107	873
All other	514	455	1,842	6,597	326	179	2,330	1,926	1,002	1,974	167
Net income before related taxes	**23,146**	**14,052**	**56,139**	**170,739**	**17,337**	**4,684**	**55,651**	**40,640**	**25,401**	**64,642**	**6,496**

Taxes on net income—total	**8,036**	**4,772**	**18,177**	**49,874**	**5,695**	**1,270**	**17,610**	**13,966**	**8,841**	**20,693**	**2,329**
Federal	7,484	4,332	17,819	49,874	5,391	1,128	17,610	13,966	8,841	17,058	2,329
State	552	440	358	...	304	142	...	...	...	3,635	...
Net income after related taxes	**15,110**	**9,280**	**37,962**	**120,865**	**11,642**	**3,414**	**38,041**	**26,674**	**16,560**	**43,949**	**4,167**
Dividends and interest on capital—total	**5,776**	**3,355**	**13,189**	**60,725**	**5,875**	**1,632**	**19,000**	**12,181**	**5,541**	**17,670**	**1,789**
Cash dividends declared on common stock	5,775	3,336	13,035	58,859	5,727	1,558	18,893	12,169	5,541	17,443	1,735
Dividends declared on preferred stock and interest on capital notes and debentures	1	19	154	1,866	148	74	107	12	...	227	54
Net additions to capital from income	**9,334**	**5,925**	**24,773**	**60,140**	**5,767**	**1,782**	**19,041**	**14,493**	**11,019**	**26,279**	**2,378**
Number of banking employees (exclusive of building employees), December 31:											
Active officers	1,043	911	2,353	8,433	679	321	2,605	1,984	923	3,134	349
Other employees	4,344	1,801	8,529	26,517	2,669	1,110	10,772	8,413	3,059	9,935	943
Memoranda											
Recoveries credited to valuation reserves (not included in recoveries above):											
On securities	...	6	1	101	...	67	242	...	19	4	4
On loans	403	593	1,118	13,954	387	153	1,302	923	435	1,717	380
Losses charged to valuation reserves (not included in losses above):											
On securities	...	...	11	1,826	...	...	214	51	52	4	...
On loans	1,167	1,125	3,662	39,639	1,130	613	5,183	2,714	1,469	4,140	964
Occupancy expense of bank premises											
Occupancy expense of bank premises, net—total	**3,208**	**2,139**	**9,096**	**40,345**	**2,603**	**1,288**	**10,377**	**10,021**	**2,988**	**11,481**	**1,178**
Rental and other income	267	368	2,790	26,362	1,083	155	1,669	960	858	2,852	301
Occupancy expense of bank premises, gross—total	**3,475**	**2,507**	**11,886**	**66,707**	**3,686**	**1,443**	**12,046**	**10,981**	**3,846**	**14,333**	**1,479**
Salaries—building department officers	1	1	42	190	13	...	10	62	23	61	4
Salaries and wages—building department employees	297	297	1,513	6,650	492	200	1,709	880	632	1,810	161
Building department personnel benefits	39	29	129	607	35	20	175	144	61	187	12
Recurring depreciation	788	348	2,898	12,252	823	263	2,418	3,174	815	2,751	380
Maintenance and repairs	521	289	1,318	6,100	317	108	1,138	1,886	462	1,477	195
Insurance and utilities	836	579	2,101	11,655	592	241	2,341	1,918	724	2,608	282
Rents paid	796	532	1,639	13,315	967	428	3,267	1,832	608	2,991	155
Taxes	197	432	2,246	15,938	447	183	988	1,085	521	2,448	290
Number of building employees, December 31:											
Officers	1	12	7	21	1	...	2	6	3	6	2
Other employees	192	215	657	2,224	227	106	837	232	299	828	71
Number of banks, December 31	125	169	294	1,130	56	47	262	99	186	578	69

Note: For average asset and liability data by State, see Table 111, pp. 146-147.
Back figures, 1946-1964: See the Annual Report for 1964, pp. 206-215, and earlier reports.

Table 120. INCOME OF INSURED MUTUAL SAVINGS BANKS, 1957-1965
(Amounts in thousands of dollars)

Income item	1957	1958	1959	1960	1961	1962	1963	1964	1965
Current operating income—total	**1,026,327**	**1,149,643**	**1,280,347**	**1,461,763**	**1,595,183**	**1,755,582**	**1,946,776**	**2,164,115**	**2,391,753**
Interest on U. S. Government obligations	147,157	141,950	146,353	152,458	151,931	156,410	153,659	153,368	147,751
Interest and dividends on other securities	127,212	167,489	180,535	199,258	205,751	206,367	203,720	207,164	211,278
Interest and discount on real estate mortgage loans—net	720,215	808,975	921,315	1,070,173	1,194,282	1,342,896	1,534,446	1,738,621	1,950,930
Interest and discount on real estate mortgage loans—gross	*744,303*	*836,515*	*951,952*	*1,104,100*	*1,231,774*	*1,383,735*	*1,580,276*	*1,790,318*	*2,009,214*
Less: Mortgage servicing fees	*23,138*	*25,985*	*29,154*	*32,343*	*36,045*	*39,283*	*44,174*	*49,756*	*56,165*
Premium amortization	*950*	*1,555*	*1,483*	*1,584*	*1,447*	*1,556*	*1,656*	*1,941*	*2,119*
Interest and discount on other loans and discounts—net	10,848	11,749	12,669	18,407	18,767	22,733	27,576	33,538	41,773
Income on real estate other than bank building—net	31	2	−1	27	−38	−52	−108	−122	−97
Income on real estate other than bank building—gross	*140*	*139*	*216*	*397*	*379*	*302*	*296*	*421*	*541*
Less: Operating expense	*109*	*137*	*217*	*370*	*417*	*354*	*404*	*543*	*638*
Income on other assets	7,898	8,384	7,486	7,474	9,081	9,777	9,984	13,121	18,713
Income from service operations	12,966	11,094	11,990	13,966	15,409	17,451	17,499	18,425	21,405
Current operating expenses—total	**174,758**	**187,758**	**201,402**	**224,789**	**241,685**	**252,963**	**274,544**	**290,471**	**311,755**
Salaries—officers	28,590	30,099	32,082	36,608	38,158	40,466	42,792	45,391	48,514
Salaries and wages—other employees	58,310	61,797	64,396	71,295	75,303	79,165	84,514	89,514	93,680
Pension, hospitalization and group insurance payments, and other employee benefits	16,478	18,314	20,006	22,656	24,134	25,419	27,202	28,138	30,080
Fees paid to trustees and committee members	3,007	3,203	3,366	3,731	3,994	4,158	4,404	4,604	4,720
Occupancy, maintenance, etc. of bank premises (including taxes and recurring depreciation)—net	19,326	20,925	22,695	25,255	27,369	29,269	32,160	34,683	37,219
Occupancy, maintenance, etc. of bank premises (including taxes and recurring depreciation)—gross	*27,846*	*30,252*	*32,268*	*35,120*	*37,298*	*39,297*	*42,583*	*45,871*	*49,093*
Less: Income from bank building	*8,520*	*9,327*	*9,573*	*9,865*	*9,929*	*10,028*	*10,423*	*11,188*	*11,874*
Deposit insurance assessments	9,407	10,183	11,316	11,707	12,824	12,172	12,709	14,035	15,887
Furniture and fixtures (including recurring depreciation)	3,251	3,501	4,445	4,740	5,438	5,997	7,714	9,182	10,262
All other current operating expenses	36,389	39,736	43,096	48,797	54,465	56,317	63,049	64,924	71,393
Net current operating income	**851,569**	**961,885**	**1,078,945**	**1,236,974**	**1,353,498**	**1,502,619**	**1,672,232**	**1,873,644**	**2,079,998**
Franchise and income taxes—total	**9,060**	**10,342**	**11,649**	**13,637**	**16,011**	**17,966**	**22,587**	**26,022**	**29,487**
State franchise and income taxes	8,972	9,831	11,172	13,190	15,277	17,502	19,168	21,657	22,048
Federal income taxes	88	511	477	447	734	464	3,419	4,365	7,439
Net current operating income after taxes	**842,509**	**951,543**	**1,067,296**	**1,223,337**	**1,337,487**	**1,484,653**	**1,649,645**	**1,847,622**	**2,050,511**
Dividends and interest on deposits	**716,383**	**812,254**	**897,469**	**1,073,542**	**1,147,767**	**1,334,005**	**1,481,869**	**1,653,768**	**1,809,350**
Net current operating income after taxes and dividends	**126,126**	**139,289**	**169,827**	**149,795**	**189,720**	**150,648**	**167,776**	**193,854**	**241,161**
Non-recurring income, realized profits and recoveries credited to profit and loss, and transfers from valuation adjustment provisions—total	**48,148**	**66,160**	**91,205**	**142,009**	**113,763**	**105,907**	**113,085**	**105,454**	**75,130**
Non-recurring income	13,434	17,295	21,147	31,133	17,567	20,453	28,678	18,048	15,242
Realized profits and recoveries on:									
Securities sold or matured	16,022	30,974	39,498	34,860	54,263	55,751	28,752	36,472	27,375
Real estate mortgage loans	259	138	192	283	629	739	2,465	1,088	1,266
Other real estate	437	367	646	535	337	462	807	571	719
All other assets	431	624	2,498	6,576	459	957	871	1,096	1,532
Transfers from valuation adjustment provisions[1] on:									
Securities	5,939	8,345	14,270	57,588	10,873	5,460	26,995	22,029	11,817
Real estate mortgage loans	10,850	8,068	12,021	10,480	29,068	21,465	24,342	25,786	16,365
Other real estate	65	28	17	86	36	66	46	92	121
All other assets	711	321	916	468	531	554	129	272	693

Non-recurring expenses, realized losses charged to profit and loss, and transfers to valuation adjustment provisions—total	**83,870**	**79,852**	**126,876**	**123,664**	**116,143**	**109,192**	**101,611**	**88,234**	**93,036**
Non-recurring expenses	12,958	13,699	11,385	16,981	17,692	18,941	17,331	12,991	15,306
Realized losses on:									
Securities sold	35,526	25,056	66,875	63,846	40,851	31,379	47,629	39,884	48,124
Real estate mortgage loans	1,036	603	330	508	1,252	1,083	1,681	2,023	3,037
Other real estate	179	191	260	210	375	662	656	712	886
All other assets	191	684	440	315	404	424	655	936	927
Transfers to valuation adjustment provisions[1] on:									
Securities	18,062	21,946	30,347	23,352	19,337	30,925	11,548	8,692	6,524
Real estate mortgage loans	15,236	16,733	16,151	17,679	35,377	25,252	21,534	22,266	17,394
Other real estate	16	45	40	19	111	76	74	57	122
All other assets	666	895	1,048	754	744	450	503	673	716
Net additions to total surplus accounts from operations	**90,404**	**125,597**	**134,156**	**168,140**	**187,340**	**147,363**	**179,250**	**211,074**	**223,255**
Memoranda									
Recoveries credited to valuation adjustment provisions[1] (not included in recoveries above) on:									
Securities	972	571	173	471	278	1,658	3,389	756	341
Real estate mortgage loans	365	14	99	136	53	48	201	64	85
Other real estate	39	....	2	....	....	....	....	....	....
All other assets	5	5	37	585	6	35	14	13	24
Realized losses charged to valuation adjustment provisions[1] (not included in realized losses above) on:									
Securities	8,741	6,267	9,339	8,110	7,721	5,830	12,973	6,058	6,564
Real estate mortgage loans	342	217	197	1,131	720	501	5,136	765	841
Other real estate	127	3	26	13	5	6	190	....	118
All other assets	67	300	385	165	218	448	178	258	308
Average assets and liabilities[2]									
Assets—total	**26,904,256**	**29,160,570**	**31,248,671**	**34,339,564**	**35,916,590**	**38,152,221**	**41,180,616**	**44,609,410**	**48,466,656**
Cash and due from banks	723,830	742,225	689,698	721,308	757,912	794,362	786,298	768,719	891,727
United States Government obligations	5,592,025	5,338,796	5,236,825	5,092,512	4,791,909	4,748,691	4,563,328	4,351,966	4,030,731
Other securities	3,559,430	4,378,447	4,677,222	5,036,291	5,228,022	5,151,555	5,115,637	5,057,794	5,069,343
Real estate mortgage loans	16,445,982	18,045,621	19,937,652	22,628,058	24,255,437	26,435,337	29,538,513	33,121,502	36,991,670
Other loans and discounts	185,174	227,027	244,010	355,327	353,474	441,994	543,458	588,196	672,117
Other real estate	3,586	4,361	7,002	11,555	18,955	19,640	21,114	28,389	27,228
All other assets	394,229	424,093	456,262	494,513	510,881	560,642	612,268	692,844	783,840
Liabilities and surplus accounts—total	**26,904,256**	**29,160,570**	**31,248,671**	**34,339,564**	**35,916,590**	**38,152,221**	**41,180,616**	**44,609,410**	**48,466,656**
Total deposits	24,322,261	26,304,610	28,136,390	30,822,839	32,320,488	34,350,820	37,175,285	40,334,274	43,985,749
Savings and time deposits	*24,295,761*	*26,274,758*	*28,106,089*	*30,790,599*	*32,113,129*	*34,070,511*	*36,870,906*	*39,997,217*	*43,609,062*
Demand deposits	*26,500*	*29,852*	*30,301*	*32,240*	*207,359*	*280,309*	*304,379*	*337,057*	*376,687*
Other liabilities	318,445	431,019	512,192	598,011	506,744	537,630	588,622	660,037	653,614
Total surplus accounts	2,263,550	2,424,941	2,600,089	2,918,714	3,089,358	3,263,771	3,416,709	3,615,099	3,827,293
Number of active officers, December 31	2,239	2,356	2,504	2,885	2,977	3,085	3,170	3,281	3,423
Number of other employees, December 31	14,590	14,925	15,110	16,753	17,290	17,617	18,459	18,958	19,451
Number of banks, December 31	239	241	268	325	330	331	330	327	329

[1] Includes "Valuation reserves" and "Other asset valuation provisions (direct write-downs)."

[2] For 1957 through 1960, averages of figures reported at beginning, middle, and end of year. For 1961 through 1965, averages of amounts for four consecutive official call dates beginning with the end of the previous year and ending with the fall call of the current year.

Back figures, 1934-1956: Data for 1934-1950, which however are not comparable with figures for 1951-1965, may be found in the following Annual Reports: 1941, p. 173; and 1950, pp. 272-273. For 1951-1956, see the Annual Report for 1959, pp. 166-167.

Table 121. RATIOS OF INCOME OF INSURED MUTUAL SAVINGS BANKS, 1957-1965

Income item	1957	1958	1959	1960	1961	1962	1963	1964	1965
Amounts per $100 of current operating income									
Current operating income—total	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**	**$100.00**
Interest on U. S. Government obligations	14.34	12.35	11.43	10.43	9.52	8.91	7.89	7.09	6.18
Interest and dividends on other securities	12.40	14.57	14.10	13.63	12.90	11.76	10.46	9.57	8.83
Interest and discount on real estate mortgage loans—net	70.17	70.37	71.96	73.21	74.87	76.49	78.82	80.34	81.57
Interest and discount on other loans and discounts—net	1.06	1.02	.99	1.26	1.18	1.29	1.42	1.55	1.75
Income on other assets	.77	.73	.58	.51	.57	.56	.51	.60	.78
Income from service operations	1.26	.96	.94	.96	.96	.99	.90	.85	.89
Current operating expenses—total	**17.03**	**16.33**	**15.73**	**15.38**	**15.15**	**14.41**	**14.10**	**13.42**	**13.03**
Salaries—officers	2.79	2.62	2.51	2.50	2.39	2.30	2.20	2.10	2.03
Salaries and wages—other employees	5.68	5.37	5.03	4.88	4.72	4.51	4.34	4.14	3.92
Pension, hospitalization and group insurance payments, and other employee benefits	1.60	1.59	1.56	1.55	1.51	1.45	1.40	1.30	1.26
Fees paid to trustees and committee members	.29	.28	.26	.26	.25	.24	.23	.21	.20
Occupancy, maintenance, etc. of bank premises (including taxes and recurring depreciation), —net	1.88	1.82	1.77	1.73	1.72	1.67	1.65	1.60	1.55
Deposit insurance assessments	.92	.89	.88	.80	.80	.69	.65	.65	.66
Furniture and fixtures (including recurring depreciation)	.32	.30	.35	.32	.34	.34	.39	.42	.43
All other current operating expenses	3.55	3.46	3.37	3.34	3.42	3.21	3.24	3.00	2.98
Net current operating income	**82.97**	**83.67**	**84.27**	**84.62**	**84.85**	**85.59**	**85.90**	**86.58**	**86.97**
Franchise and income taxes—total	**.88**	**.90**	**.91**	**.93**	**1.00**	**1.02**	**1.16**	**1.20**	**1.24**
State franchise and income taxes	.87	.86	.87	.90	.96	1.00	.98	1.00	.93
Federal income taxes	.01	.04	.04	.03	.04	.02	.18	.20	.31
Net current operating income after taxes	**82.09**	**82.77**	**83.36**	**83.69**	**83.85**	**84.57**	**84.74**	**85.38**	**85.73**
Dividends and interest on deposits	**69.80**	**70.65**	**70.10**	**73.44**	**71.95**	**75.99**	**76.12**	**76.42**	**75.65**
Net current operating income after taxes and dividends	**12.29**	**12.12**	**13.26**	**10.25**	**11.90**	**8.58**	**8.62**	**8.96**	**10.08**

Amounts per $100 of total assets[1]									
Current operating income—total	3.81	3.94	4.10	4.26	4.44	4.60	4.73	4.85	4.93
Current operating expenses—total	.65	.64	.65	.66	.67	.66	.67	.65	.64
Net current operating income	3.16	3.30	3.45	3.60	3.77	3.94	4.06	4.20	4.29
State franchise and income taxes	.03	.04	.03	.04	.05	.05	.05	.06	.06
Net current operating income after taxes	3.13	3.26	3.42	3.56	3.72	3.89	4.01	4.14	4.23
Dividends and interest on deposits	2.66	2.78	2.87	3.12	3.19	3.50	3.60	3.71	3.73
Net current operating income after taxes and dividends	.47	.48	.55	.44	.53	.39	.41	.43	.50
Non-recurring income, realized profits and recoveries credited to profit and loss, and transfers from valuation adjustment provisions[2]—total	.18	.22	.29	.41	.31	.28	.27	.24	.15
Non-recurring expenses, realized losses charged to profit and loss, and transfers to valuation adjustment provisions[2]—total	.31	.27	.41	.36	.32	.28	.24	.20	.19
Net additions to total surplus accounts from operations	.34	.43	.43	.49	.52	.39	.44	.47	.46
Special ratios[1]									
Interest on U. S. Government obligations per $100 of U. S. Government obligations	2.63	2.66	2.79	2.99	3.17	3.29	3.37	3.52	3.67
Interest and dividends on other securities per $100 of other securities	3.57	3.83	3.86	3.96	3.94	4.01	3.98	4.10	4.17
Interest and discount on real estate mortgage loans per $100 of real estate mortgage loans	4.38	4.48	4.62	4.73	4.92	5.08	5.19	5.25	5.27
Interest and discount on other loans and discounts per $100 of other loans and discounts	5.86	5.18	5.19	5.18	5.31	5.14	5.07	5.70	6.22
Dividends and interest on deposits per $100 of savings and time deposits	2.95	3.09	3.19	3.49	3.57	3.92	4.02	4.13	4.15
Net additions to total surplus accounts from operations per $100 of total surplus accounts	3.99	5.18	5.16	5.76	6.06	4.52	5.25	5.84	5.83
Assets and liabilities per $100 of total assets[1]									
Assets—total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
Cash and due from banks	2.69	2.55	2.21	2.10	2.11	2.08	1.91	1.72	1.84
United States Government obligations	20.78	18.31	16.76	14.83	13.34	12.45	11.08	9.76	8.32
Other securities	13.23	15.01	14.97	14.67	14.56	13.50	12.42	11.34	10.46
Real estate mortgage loans	61.13	61.88	63.80	65.90	67.53	69.29	71.73	74.25	76.32
Other loans and discounts	.69	.78	.78	1.03	.99	1.16	1.32	1.32	1.39
Other real estate	.01	.02	.02	.03	.05	.05	.05	.06	.05
All other assets	1.47	1.45	1.46	1.44	1.42	1.47	1.49	1.55	1.62
Liabilities and surplus accounts—total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
Total deposits	90.40	90.20	90.04	89.76	89.99	90.04	90.27	90.42	90.75
Savings and time deposits	*90.30*	*90.10*	*89.94*	*89.67*	*89.41*	*89.30*	*89.53*	*89.66*	*89.98*
Demand deposits	*.10*	*.10*	*.10*	*.09*	*.58*	*.74*	*.74*	*.76*	*.77*
Other liabilities	1.19	1.48	1.64	1.74	1.41	1.41	1.43	1.48	1.35
Total surplus accounts	8.41	8.32	8.32	8.50	8.60	8.55	8.30	8.10	7.90
Number of banks, December 31	239	241	268	325	330	331	330	327	329

[1] For 1957 through 1960, averages of figures reported at beginning, middle, and end of year. For 1961 through 1965, averages of amounts for four consecutive official call dates beginning with the end of the previous year and ending with the fall call of the current year.

[2] Includes "Valuation reserves" and "Other asset valuation provisions (direct write-downs)".

Back figures, 1934, 1941-1950, and 1951-1956: Data for 1934 and 1941-1950, which however are not comparable with figures for 1951-1965, may be found in the following Annual Reports: 1947, pp. 156-157 and 1950, pp. 274-275. For 1951-1956, see the Annual Report for 1959, pp. 168-169.

BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES, AND DEPOSIT INSURANCE DISBURSEMENTS

Table 122. Number and deposits of banks closed because of financial difficulties, 1934-1965, by years

Table 123. Insured banks requiring disbursements by the Federal Deposit Insurance Corporation during 1965

Table 124. Depositors, deposits, and disbursements in insured banks requiring disbursements by the Federal Deposit Insurance Corporation, 1934-1965

Banks grouped by class of bank, year of deposit payoff or deposit assumption, amount of deposits, and State

Table 125. Recoveries and losses by the Federal Deposit Insurance Corporation on principal disbursements for protection of depositors, 1934-1965

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.

Noninsured bank failures

Four noninsured banks failed in 1965. These banks, with the dates of their closing and the amounts of their deposits, were:

The Citizens Bank, Stockbridge, Georgia (private); February 25, 1965; deposits, $622,000.

Exchange Bank, Ludowici, Georgia (private); August 7, 1965; deposits, $55,000.

Thompson Banking Company, Wrens, Georgia (private); September 14, 1965; deposits, $633,000.

Farmers and Merchants Bank, Portal, Georgia (private); October, 1965; deposits, $84,500.

For detailed data regarding noninsured banks which suspended in the years 1934-1962, see the Annual Report for 1963, pp. 27-41. For 1963 and 1964, see Table 122, 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, 1965.

Table 122. NUMBER AND DEPOSITS OF BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES, 1934-1965, BY YEARS

Year	Number					Deposits (in thousands)				
	Total	Non-insured[1]	Insured			Total	Non-insured[1]	Insured		
			Total	Without disbursements by FDIC[2]	With disbursements by FDIC[3]			Total	Without disbursements by FDIC[2]	With disbursements by FDIC[3]
Total	**594**	**130**	**464**	**8**	**456**	**$790,838**	**$59,325**	**$731,513**	**$41,147**	**$690,366**
1965	9	4	5	...	5	45,232	1,395	43,837	...	43,837
1964	8	1	7	...	7	23,751	429	23,322	...	23,322
1963	2	...	2	...	2	23,440	...	23,440	...	23,440
1962	3	2	1	1	...	4,231	1,220	3,011	3,011	...
1961	9	4	5	...	5	10,611	1,675	8,936	...	8,936
1960	2	1	1	...	1	7,965	1,035	6,930	...	6,930
1959	3	...	3	...	3	2,595	...	2,595	...	2,595
1958	9	5	4	...	4	10,413	2,173	8,240	...	8,240
1957	3	1	2	1	1	12,502	1,255	11,247	10,084	1,163
1956	3	1	2	...	2	11,689	360	11,329	...	11,329
1955	5	...	5	...	5	11,953	...	11,953	...	11,953
1954	4	2	2	...	2	2,948	1,950	998	...	998
1953	5	1	4	2	2	45,101	390	44,711	26,449	18,262
1952	4	1	3	...	3	3,313	143	3,170	...	3,170
1951	5	3	2	...	2	6,464	3,056	3,408	...	3,408
1950	5	1	4	...	4	5,555	42	5,513	...	5,513
1949	9	4	5	1	4	9,217	2,552	6,665	1,190	5,475
1948	3	...	3	...	3	10,674	...	10,674	...	10,674
1947	6	1	5	...	5	7,207	167	7,040	...	7,040
1946	2	1	1	...	1	494	147	347	...	347
1945	1	...	1	...	1	5,695	...	5,695	...	5,695
1944	2	...	2	...	2	1,915	...	1,915	...	1,915
1943	5	...	5	...	5	12,525	...	12,525	...	12,525
1942	23	3	20	...	20	19,541	355	19,186	...	19,186
1941	16	2	14	...	14	18,805	79	18,726	...	18,726
1940	48	5	43	...	43	142,787	358	142,429	...	142,429
1939	72	12	60	...	60	160,211	2,439	157,772	...	157,772
1938	80	7	73	...	73	60,444	1,038	59,406	...	59,406
1937	83	7	76	2	74	34,141	528	33,613	328	33,285
1936	72	3	69	...	69	28,100	592	27,508	...	27,508
1935	32	6	26	1	25	13,987	583	13,404	85	13,319
1934	61	52	9	...	9	37,332	35,364	1,968	...	1,968

[1] For information regarding each of these banks, see Table 22 in the Annual Report of the Federal Deposit Insurance Corporation for 1963, page 221 of the report for 1964, and page 179 of this Report. 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 7 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. Excludes the following cases requiring disbursements by the Corporation: 1 bank in voluntary liquidation in 1937 (payoff case no. 90); 1 noninsured bank with insured deposits at date of suspension, its insurance status having been terminated prior to suspension (payoff case no. 162); and 1 foreign-owned bank closed in 1941 by order of the Federal Government (payoff case no. 234). Only 2 cases involved mutual savings banks; 1 in 1938 (payoff case no. 157) with deposits of $2,479 thousand, and 1 in 1939 (deposit assumption case no. 83) with deposits of $1,585 thousand.

Table 123. INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION DURING 1965

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 disbursement by FDIC	Disbursement[2]	Receiver or liquidating agent or assuming bank
Deposit payoff							
275	The Brighton National Bank, Brighton, Colorado	N	1,375	January 22, 1965	January 28, 1965	$1,071,165	Federal Deposit Insurance Corporation
276	San Francisco National Bank, San Francisco, California	N	12,493	January 22, 1965	January 29, 1965	9,926,730	Federal Deposit Insurance Corporation
277	Winona State Bank, Winona, Texas	NM	498	February 5, 1965	February 10, 1965	385,341	Federal Deposit Insurance Corporation
Deposit assumption							
183	Malone State Bank, Malone, Texas	NM	695	February 25, 1965	February 25, 1965	378,428	First State Bank, Hubbard, Texas
184	First State Bank, Covington, Texas	NM	763	April 5, 1965	April 5, 1965	77,296	The First National Bank of Itasca, Itasca, Texas

Case number	Assets[3]							Total	Liabilities and capital accounts[3]			
	Cash and due from banks	U. S. Government obligations	Other securities	Loans, discounts, and overdrafts	Banking house, furniture & fixtures	Other real estate	Other assets[4]		Deposits	Other liabilities	Capital stock	Other capital accounts
Total	**$3,316,842**	**$11,227,193**	**$731,851**	**$40,844,025**	**$1,631,026**	**$112,393**	**$886,990**	**$58,750,320**	**$43,877,754**	**$9,768,772**	**$2,570,000**	**$2,533,794**
Deposit payoff												
275	128,972	326,821	111,851	2,252,871	76,578	105,394	12,622	3,015,109	2,254,355	409,623	250,000	101,131
276	2,674,534	10,849,996	620,000	37,929,071	1,547,462	....	440,119	54,061,182	40,175,911	9,335,711	2,250,000	2,299,560
277	6,536	....	....	40,039	2	....	432,647	479,224	434,588	23,438	20,000	1,198
Deposit assumption												
183	95,675	50,376	....	427,462	6,982	6,999	1,601	589,095	524,480	....	25,000	39,615
184	411,125	....	....	194,582	2	....	1	605,710	488,420	....	25,000	92,290

[1] At date of closing. Number of depositors in receivership cases; number of deposit accounts in deposit assumption cases.
[2] In receivership cases includes disbursements made to December 31, 1965, plus estimated additional disbursements.
[3] As determined by FDIC agents after adjustment of books of bank for liabilities or overdrafts discovered subsequent to closing.
[4] Includes in case number 277 a shortage account of $381,155.

Table 124. DEPOSITORS, DEPOSITS, AND DISBURSEMENTS IN INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934-1965

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 (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	**459**	**275**	**184**	**1,532,325**	**496,138**	**1,036,187**	**701,615**	**234,116**	**467,499**	**350,181**	**151,650**	**198,531**	**2,459**	**47,585**
Class of bank														
National banks	82	29	53	327,325	82,649	244,676	176,482	76,770	99,712	71,552	32,938	38,614	696	6,196
State banks members F. R. S.	24	8	16	372,545	86,939	285,606	190,536	29,418	161,119	103,265	22,994	80,271	151	19,273
Banks not members F. R. S.	353	238	115	832,455	326,550	505,905	334,597	127,929	206,668	175,364	95,718	79,647	1,612	22,117
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	13,319	9,091	4,229	8,890	6,026	2,865	108	272
1936	69	42	27	89,018	43,225	45,793	27,508	11,241	16,267	14,781	8,056	6,725	67	934
1937	75	50	25	130,387	74,148	56,239	33,349	14,960	18,389	19,160	12,045	7,116	103	905
1938	74	50	24	203,961	44,288	159,673	59,684	10,296	49,388	30,480	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	142,429	5,657	136,773	74,134	4,895	69,239	89	17,237
1941	15	8	7	73,005	38,594	34,411	29,718	14,730	14,987	23,880	12,278	11,602	50	1,479
1942	20	6	14	60,688	5,717	54,971	19,186	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		360
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	11,329	4,702	6,628	3,333	2,795	538	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		84	
1961	5	5		8,301	8,301		8,936	8,936		6,201	6,201		154	
1963	2	2		36,326	36,326		23,266	23,266		19,222	19,222		259	
1964	7	7		19,926	19,926		23,412	23,412		12,571	12,571		464	
1965	5	3	2	15,810	14,356	1,454	43,837	42,865	972	9,409	8,952	457	381	70
Banks with deposits of—														
Less than $100,000	107	83	24	38,347	29,695	8,652	6,418	4,947	1,471	4,999	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	61	37	24	91,206	57,275	33,931	21,857	12,897	8,961	15,051	10,608	4,443	161	603
$500,000 to $1,000,000	69	33	36	159,582	73,241	86,341	53,749	26,437	27,312	34,863	19,627	15,236	332	2,194
$1,000,000 to $2,000,000	50	17	33	205,975	66,768	139,207	71,025	22,208	48,817	38,886	16,707	22,179	327	3,317
$2,000,000 to $5,000,000	36	11	25	248,052	69,413	178,639	112,703	36,566	76,138	58,391	23,770	34,622	354	5,525
$5,000,000 to $10,000,000	16	4	12	222,948	32,665	190,283	105,189	27,715	77,474	43,880	17,596	26,284	360	5,491
$10,000,000 to $25,000,000	6	3	3	198,033	89,085	108,948	113,320	49,251	64,068	59,505	39,435	20,070	296	5,404
$25,000,000 to $50,000,000	5	1	4	284,812	12,484	272,328	199,594	40,176	159,418	81,699	8,045	73,653	331	24,723

State														
Alabama	3	1	2	7,905	794	7,111	2,285	100	2,185	1,089	94	995	1	91
Arkansas	6	5	1	4,434	3,529	905	1,764	1,168	596	984	841	144	8	48
California	4	3	1	21,055	17,886	3,169	47,284	46,205	1,078	11,773	10,911	861	421	138
Colorado	2	2		1,384	1,384		2,262	2,262		529	529		35	
Connecticut	2	2		5,379	5,379		1,526	1,526		1,242	1,242		8	
Florida	2	1	1	1,642	448	1,194	491	217	274	300	203	97	3	13
Georgia	10	8	2	9,410	8,797	613	1,959	1,870	89	1,620	1,551	69	33	33
Idaho	2	2		2,451	2,451		1,894	1,894		1,493	1,493		29	
Illinois	20	8	12	79,617	41,698	37,919	50,586	24,903	25,684	28,446	20,464	7,982	288	791
Indiana	20	15	5	30,006	12,549	17,457	13,593	3,932	9,662	6,197	3,096	3,101	39	384
Iowa	7	4	3	16,055	4,066	11,989	9,401	4,383	5,018	3,875	2,804	1,071	46	113
Kansas	9	5	4	5,145	2,254	2,891	1,234	539	694	974	482	492	5	72
Kentucky	23	18	5	36,139	18,490	17,649	8,888	3,953	4,934	5,455	3,329	2,126	44	201
Louisiana	3	3		6,087	6,087		1,652	1,652		668	668		10	
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	2		2	9,046		9,046	3,019		3,019	1,564		1,564		1,030
Michigan	9	4	5	32,819	2,084	30,735	14,765	1,392	13,372	7,362	1,212	6,150	39	760
Minnesota	5	5		2,650	2,650		818	818		640	640		17	
Mississippi	3	3		1,651	1,651		334	334		257	257		5	
Missouri	48	36	12	37,647	29,478	8,169	9,273	7,240	2,033	6,657	6,011	646	99	77
Montana	5	3	2	1,500	849	651	1,095	215	880	640	186	453	6	21
Nebraska	6	6		6,069	6,069		8,145	8,145		5,166	5,166		46	
New Hampshire	1		1	1,780		1,780	296		296	117		117		8
New Jersey	39	12	27	522,563	103,797	418,766	194,630	33,128	161,502	82,125	26,468	55,657	161	20,154
New York	26	3	23	269,621	28,440	241,181	145,439	13,286	132,153	67,872	10,836	57,036	32	10,847
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	2,657	1,397	1,259	24	203
Ohio	4	2	2	13,751	7,585	6,166	7,223	2,345	4,877	2,097	1,610	488	7	44
Oklahoma	11	8	3	25,070	20,149	4,921	13,765	11,053	2,712	9,256	7,945	1,311	180	104
Oregon	2	1	1	3,439	1,230	2,209	2,670	1,368	1,302	1,948	986	962	11	81
Pennsylvania	29	8	21	166,894	43,828	123,066	75,756	14,340	61,416	51,291	10,133	41,159	75	9,524
South Carolina	2	1	1	1,848	403	1,445	849	136	714	274	136	138		10
South Dakota	23	22	1	12,515	11,412	1,103	2,987	2,862	126	2,412	2,388	23	26	9
Tennessee	12	8	4	12,358	9,993	2,365	1,942	1,620	322	1,278	1,164	114	28	25
Texas	29	25	4	38,200	35,218	2,982	20,087	18,428	1,658	12,946	12,196	750	402	114
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	17,778	7,652	10,127	7,906	3,510	4,396	211	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	31	20	11	26,898	18,739	8,159	9,512	5,966	3,545	7,188	5,096	2,092	54	417
Wyoming	1		1	3,212		3,212	2,033		2,033	202		202		19

[1] Adjusted to December 31, 1965. In assumption cases, refers to number of deposit accounts.
[2] Excludes $199 thousand of non-recoverable insurance expenses in cases which 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 chargable 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 $47,338 thousand, all of which have been fully recovered by the Corporation, and $248 thousand of non-recoverable expenses.
[7] No case in 1962 required disbursements. Disbursement totals for each year relate to cases occurring during that year, including disbursements made in subsequent years.

Note: Due to rounding differences, components may not add to totals.

Table 125. RECOVERIES AND LOSSES BY THE FEDERAL DEPOSIT INSURANCE CORPORATION ON PRINCIPAL DISBURSEMENTS FOR PROTECTION OF DEPOSITORS, 1934-1965

(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, 1965[1]	Estimated additional recoveries	Losses[2]	Number of banks	Principal disbursements[3]	Recoveries to Dec. 31, 1965	Estimated additional recoveries	Losses[2]	Number of banks	Principal disbursements[4]	Recoveries to Dec. 31, 1965[1]	Estimated additional recoveries	Losses[2]
Total	**459**	**350,181**	**300,541**	**9,564**	**40,076**	**275**	**151,650**	**115,583**	**9,271**	**26,796**	**184**	**198,531**	**184,959**	**293**	**13,280**
Status															
Active	31	102,856	78,597	9,564	14,696	21	56,198	34,634	9,271	12,294	10	46,658	43,963	293	2,403
Terminated	428	247,324	221,945	...	25,380	254	95,452	80,949	...	14,503	174	151,873	140,996	...	10,877
Year[5]															
1934	9	941	734	...	207	9	941	734	...	207	...	...	...	...	...
1935	25	8,890	6,186	1	2,704	24	6,026	4,274	...	1,751	1	2,865	1,911	1	953
1936	69	14,781	12,326	...	2,455	42	8,056	6,595	...	1,460	27	6,725	5,730	...	995
1937	75	19,160	15,611	...	3,550	50	12,045	9,520	...	2,524	25	7,116	6,090	...	1,025
1938	74	30,480	28,055	...	2,425	50	9,092	7,908	...	1,184	24	21,387	20,147	...	1,241
1939	60	67,770	60,617	...	7,153	32	26,196	20,399	...	5,798	28	41,574	40,219	...	1,355
1940	43	74,134	70,241	120	3,773	19	4,895	4,313	...	582	24	69,239	65,928	120	3,190
1941	15	23,880	23,290	...	591	8	12,278	12,065	...	213	7	11,602	11,225	...	378
1942	20	10,825	10,137	...	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	1,628	25	72	...	...	...	...	...	5	1,724	1,628	25	72
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	1,792	91	3	...	...	...	...	...	2	1,885	1,792	91	3
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	651	1	260	...	...	...	...	...	2	913	651	1	260
1955	5	6,784	6,554	...	230	4	4,438	4,208	...	230	1	2,346	2,346	...	...
1956	2	3,333	3,038	35	260	1	2,795	2,500	35	260	1	538	538	...	...
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	1,722	8	105	3	1,835	1,722	8	105	...	...	...	...	...
1960	1	4,765	4,765	...	...	1	4,765	4,765	...	...	...	...	...	...	...
1961	5	6,201	4,507	149	1,546	5	6,201	4,507	149	1,546	...	...	...	...	...
1963	2	19,222	14,404	3,168	1,650	2	19,222	14,404	3,168	1,650	...	...	...	...	...
1964	7	12,571	6,810	3,109	2,652	7	12,571	6,810	3,109	2,652	...	...	...	...	...
1965	5	9,409	177	2,857	6,375	3	8,952	...	2,802	6,150	2	457	177	55	225

[1] Excludes in deposit assumption cases recovery of all advances for asset protection, totaling $32,875 thousand, and all liquidation expenses totaling $14,463 thousand.
[2] 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.
[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] No case in 1962 required disbursements.

Note: Due to rounding differences, components may not add to totals.

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