ANNUAL REPORT OF THE
FEDERAL DEPOSIT INSURANCE CORPORATION
1970

LETTER OF TRANSMITTAL

FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D. C., June 15, 1971

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 report for the calendar year 1970.

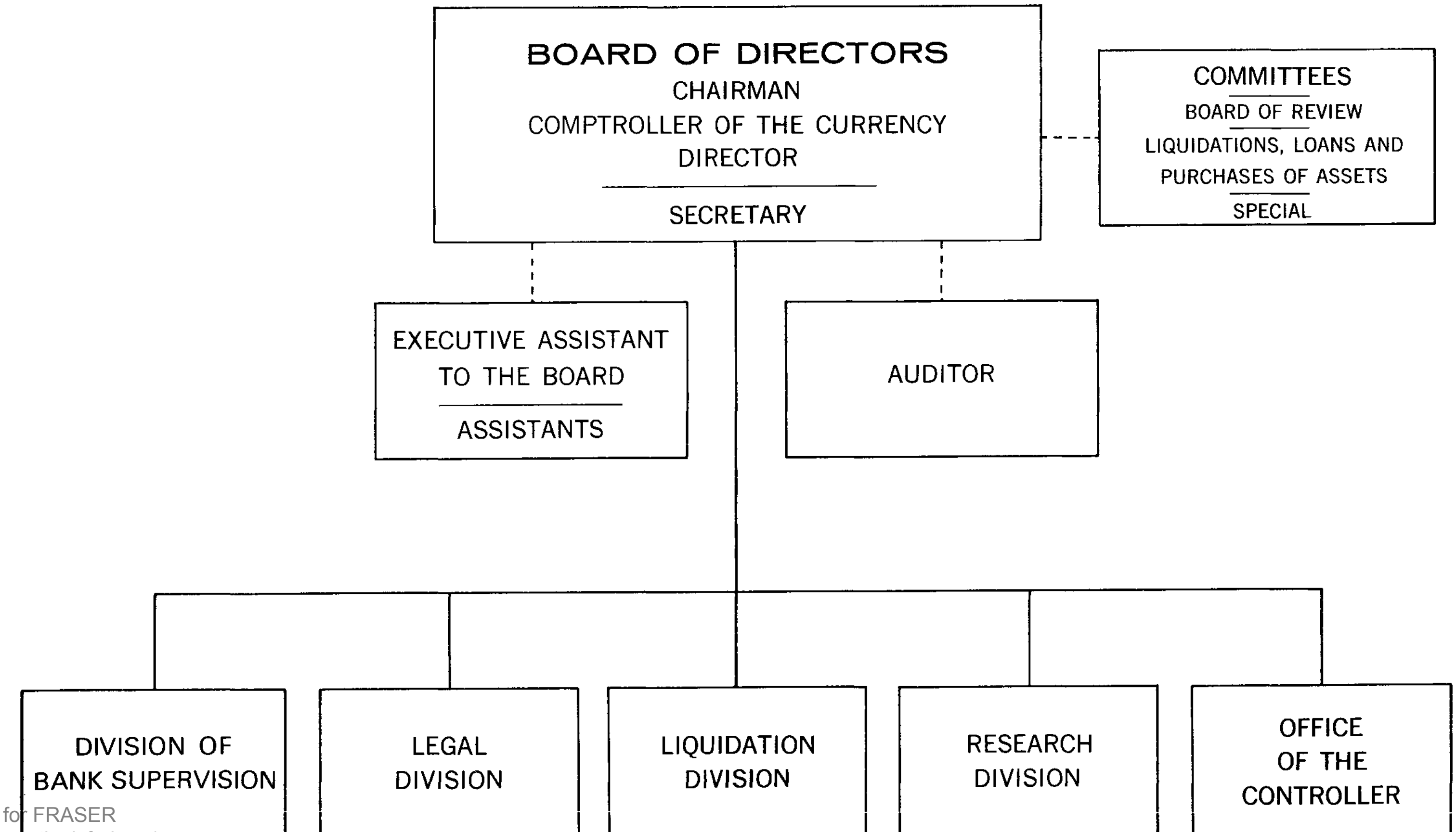
Respectfully yours,

Frank Wille

FRANK WILLE,
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 ....Frank Wille

Director .... Irvine H. Sprague

Comptroller of the Currency ....William B. Camp

OFFICIALS

Assistant to the Chairman ....Robert E. Barnett

Assistant to the Director ....Alan R. Miller

Assistant to the Director (Comptroller of the Currency) .... Albert J. Faulstich

Director, Division of Bank Supervision .... John L. Flannery

Associate Director, Division of Bank Supervision .... Edward J. Roddy

General Counsel .... William E. Murane

Controller ....Edward F. Phelps, Jr.

Director, Division of Research .... Paul M. Horvitz

Chief, Division of Liquidation ....John J. Slocum

Secretary ....E. F. Downey

Auditor (Acting) ....John D. Roderick

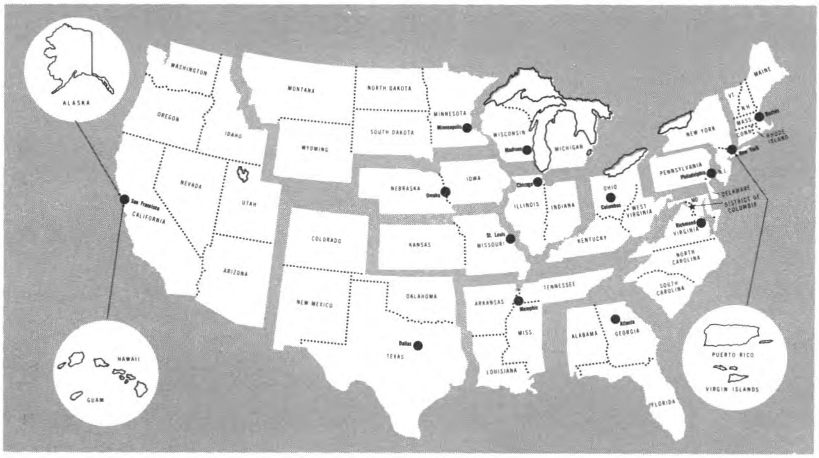
Senior Advisor to the Board ....Raymond E. Hengren

Executive Assistant to the Board ....Timothy J. Reardon, Jr.

Assistant to the Board ....William M. Moroney

June 15, 1971

FEDERAL DEPOSIT INSURANCE CORPORATION REGIONS



REGIONAL DIRECTORS

Atlanta
Lewis C. Beasley
2 Peachtree St., N.W., Suite 3030
Atlanta, Georgia 30303

Boston
Mark J. Laverick
2 Center Plaza, Room 810
Boston, Massachusetts 02108

Chicago
John J. Early
164 West Jackson Blvd., Rm. 1500
Chicago, Illinois 60604

Columbus
William D. Allen
37 West Broad Street, Suite 600
Columbus, Ohio 43215

Dallas
Quinton Thompson
300 North Ervay Street,Suite 3300
Dallas, Texas 75201

Madison
Wallace A. Ryen
110 E. Main Street, Room 715
Madison, Wisconsin 53703

Memphis
James W. Thompson
165 Madison Avenue, Suite 1010
Memphis, Tennessee 38103

Minneapolis
Roger B. West
109 South 7th Street, Suite 710
Minneapolis, Minnesota 55402

New York
Claude C. Phillippe
345 Park Avenue
New York, New York 10022

Omaha
Stanley Pugh
1700 Farnam Street, Suite 1200
Omaha, Nebraska 68102

Philadelphia
Charles E. Doster
5 Penn Center Plaza, Suite 2901
Philadelphia, Pennsylvania 19103

Richmond
Albert E. Clark
908 E. Main Street, Suite 435
Richmond, Virginia 23219

St. Louis
John Stathos
720 Olive Street, Suite 2909
St. Louis, Missouri 63101

San Francisco
Walter W. Smith
44 Montgomery Street, Suite 3600
San Francisco, California 94104

FEDERAL DEPOSIT INSURANCE CORPORATION

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

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BANKING OFFICES—ASSETS AND LIABILITIES—1970

A total of 13,705 commercial banks and 494 mutual savings banks were operating in the United States at the end of 1970. There were 185 new commercial banks chartered in 1970, the highest number since 1965. This increase in charters was reflected in a rise of 24 in the number of operating commercial banks, also the first such increase since 1965. The number of mutual savings banks declined by three. The total of branches of commercial banks rose by 1,462, and that of mutual savings banks by 101, in 1970.

The number of insured commercial banks increased by 38, to 13,511 at the end of the year. The total of insured commercial banks not members of the Federal Reserve System rose by 140, while declines of 48 and 54, respectively, occurred in the number of national banks and State member banks. Twelve noninsured commercial banks became insured with continuing nonmember status during the year, and one noninsured bank converted to a national charter. Details of changes in numbers of banks and branches during 1970 are shown in table 101 of this report.

Commercial banks experienced substantial gains in assets and deposits in 1970. The year was one in which financial market conditions changed rapidly from record-high interest rates and general tightness at the beginning of the year to declining interest rates and an easier market during the second half. Total assets of insured commercial banks rose during 1970 by 8.6 percent, to $576 billion, compared with a 6.1 percent gain in 1969. The 4 percent increase in loans (excluding Federal funds sold) was substantially less than the 17.4 percent increase in holdings of securities. Almost one-half of the additional funds channeled into securities were used to purchase State and local government obligations.

Deposits of insured commercial banks rose during the year by more than 10 percent, to $482 billion. Growth of time deposits produced most of this gain, which occurred almost entirely in the second half of the year, when lower rates of interest on competing money market instruments improved the relative attractiveness of both large-denomination and consumer certificates of deposit. Nondeposit liabilities decreased by more than 6 percent during the year.

Deposit inflows at mutual savings banks were favorably affected by the general easing in financial market conditions during 1970, particularly in the second half of the year. The deposit gain for the year was 6.7 percent, compared with 4.0 percent in 1969. The larger deposit inflows in 1970 were used in part to increase liquidity, as investments rose more than 13 percent, while cash assets were increased, and borrowings were reduced. Loans rose by less than 4 percent during the year.

DEPOSIT INSURANCE PARTICIPATION AND COVERAGE

About 98.6 percent of all commercial banks and 66.6 percent of all mutual savings banks in the United States were insured by the Corporation on December 31, 1970. The noninsured commercial banks consisted of 194 banks of deposit and nondeposit trust companies operating in 37 States. There were 165 noninsured mutual savings banks, of which 164 were located in Massachusetts and covered under that State's deposit insurance program.

A survey of deposits conducted by the Corporation on June 30, 1970, indicated that 99 percent of deposit accounts in insured banks were fully protected by Federal deposit insurance. The percentage of fully protected accounts has remained high because of the several increases in the maximum insurance available to each depositor. Most recently, by amendment to the Federal Deposit Insurance Act, effective on December 23, 1969, the insurance maximum was increased from $15,000 to $20,000. This maximum insurance coverage applies to the insurance afforded to each depositor on accounts held in the same right and capacity in any insured bank.

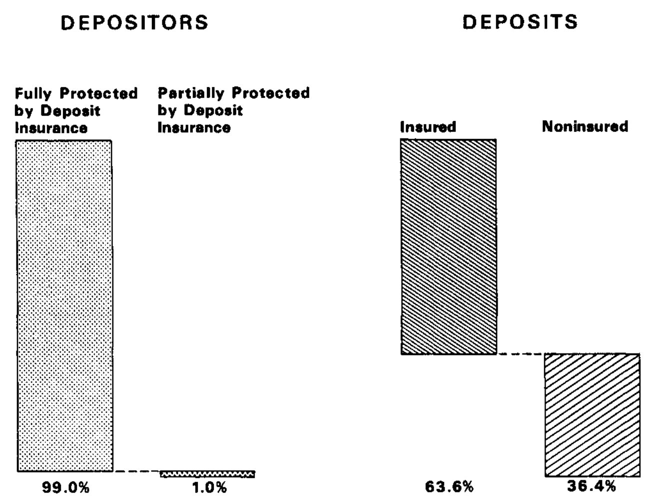
Because large accounts—commonly held by corporations, governments, and other large depositors—are only partially protected by

Chart A

DEPOSIT AND DEPOSITOR INSURANCE

All Insured Banks

(June 30, 1970)



Federal deposit insurance, the percentage of insured deposits to total deposits in insured banks is considerably lower than the proportion of fully protected accounts. For all insured banks, 63.6 percent of total deposits were insured on June 30, 1970 (chart A).

Reflecting the uneven distribution of large accounts, the percentage of insured to total deposits varies considerably among different types of accounts and classes of banks. For example, 95.1 percent of savings deposits were insured, while 55.5 percent of demand deposits of individuals and businesses, and only 14.3 percent of deposits of State and local governments, were insured on June 30, 1970. In banks with less than $10 million of deposits, 86.2 percent of total deposits were insured, although in banks with over $100 million of deposits the insurance coverage was 55.7 percent.

OPERATIONS OF THE CORPORATION
PART ONE

DISBURSEMENTS TO PROTECT DEPOSITORS

Banks failing in 1970. The Corporation disbursed a total of $46.4 million to protect depositors in seven failed banks during 1970 (table 1). In four of these cases, the banks were placed in liquidation with the Corporation appointed as receiver. In three cases, the failing banks were absorbed by other insured operating banks with the financial assistance of the Corporation.

Four of the seven failures involved brokered funds which tied in to classified loans or advances. In three of these cases, the classified tie-in loans or advances exhausted the banks' capital structures. One closing involved a large defalcation, and the remaining failures were the result of self-serving, unsafe, and unsound loan practices.

Deposits in insured banks failing during the year totaled $52.3 million. In the four deposit payoff cases, there were more than 20,100 depositors, of which 99.3 percent were fully protected by deposit insurance. Where banks were absorbed in deposit assumption cases, all deposit liabilities were assumed by the absorbing banks.

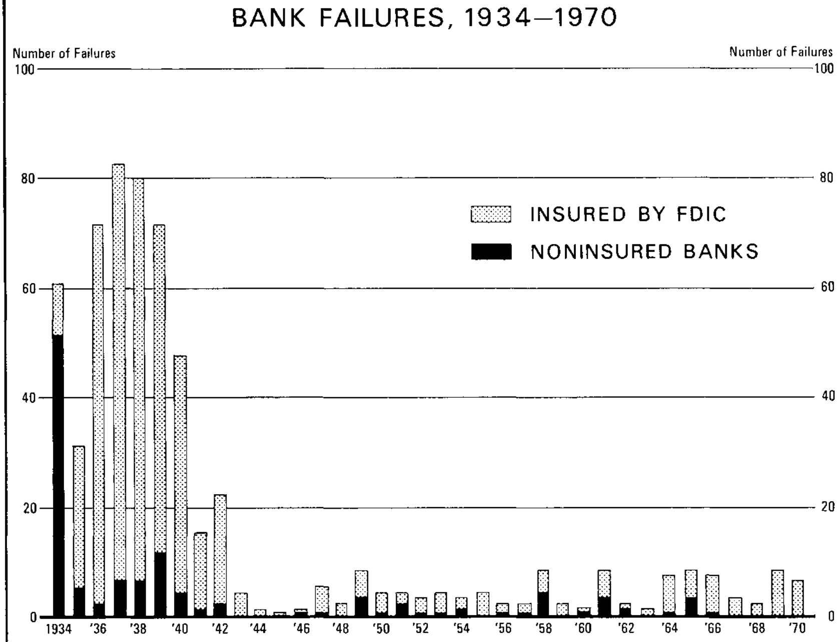
Since 1934, 625 commercial banks have failed (chart B), including 489 failures of insured banks requiring disbursements by the

Table 1. INSURED BANKS CLOSED DURING 1970 REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION [1]

Case number	Name and location	Date of closing or deposit assumption	Number of depositors	Amount of deposits (in thousands) [2]	Date of first payment to depositors or disbursement by FDIC	Depositors receiving full recovery	Deposits paid (in thousands) [2]
Total			31,167	$52,340		31,025	$49,277
Deposit payoff							
289	State Bank of Prairie City Prairie City, Iowa	February 22, 1970	1,670	3,897	February 26, 1970	1,643	3,720
290	The Peoples State Savings Bank Auburn, Michigan	April 18, 1970	8,089	9,940	April 24, 1970	8,057	8,429
291	Farmers Bank of Petersburg Petersburg, Kentucky	June 25, 1970	474	1,259	June 29, 1970	462	1,236
292	Eatontown National Bank Eatontown, New Jersey	August 7, 1970	9,904	15,912	August 15, 1970	9,833	14,560
Deposit assumption							
199	First State Bank of Bonne Terre Bonne Terre, Missouri	August 24, 1970	5,778	7,118	August 31, 1970	5,778	7,118
200	City Bank of Philadelphia Philadelphia, Pennsylvania	September 3, 1970	1,940	8,839	September 11, 1970	1,940	8,839
201	Berea Bank and Trust Company Berea, Kentucky	October 8, 1970	3,312	5,375	October 15, 1970	3,312	5,375

[1] Figures adjusted to and as of December 31, 1970.
[2] Includes $26,239 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.

Chart B



Corporation. Depositors have recovered a very high percentage of their total deposits in failed insured banks requiring FDIC assistance. From insurance payments, secured or preferred status, offsets, and liquidating distributions, 99.7 percent of the depositors received full recovery (chart C). Through 1970, 98.2 percent of the total deposits in these 489 banks had been paid or made available to depositors.

The Corporation disbursed $523 million in protecting depositors in the 489 cases. Losses, including estimated losses in active cases, to the Corporation have amounted to slightly under 13 percent of these disbursements.

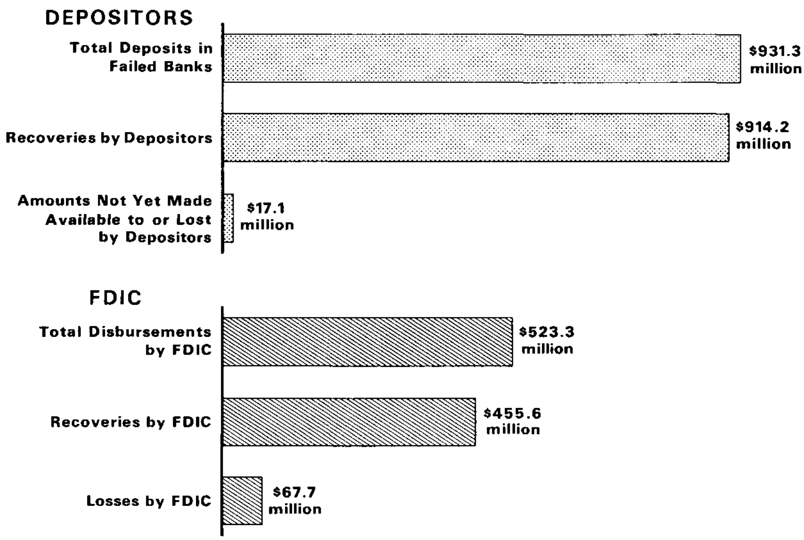
Further details on the extent and method of deposit insurance protection are shown in tables 2 and 3.

SUPERVISORY ACTIVITIES

Bank examinations. The Corporation has supervisory responsibilities primarily for insured State banks which are not members of the Federal Reserve System. The Corporation regularly conducts examinations of these banks to determine the current condition of banks, to evaluate bank management, and to discover and correct unsafe or unsound practices or violations of laws or regulations.

Chart C

DEPOSITS AND LOSSES IN FAILED INSURED BANKS
1934—1970



Examinations or investigations are made also in connection with banks' applications for deposit insurance, for mergers, for establishing branches, and for other such activities requiring the prior approval of the Corporation. The number of separate examinations to which banks are subject is reduced in approximately one-half of the States by the Corporation's conducting its examinations jointly or concurrently with those of the State authorities.

During 1970 the Corporation conducted approximately 17,700 field examinations and investigations, about 7.8 percent above the number in 1969 (table 4). Regular examinations of main offices accounted for 44 percent, examinations of departments and branches for 39 percent, and other examinations and investigations for 17 percent of the total activity during the year.

Citations contemplating termination of insurance. When an unsound or illegal banking practice is found to exist, and consultation between the appropriate supervisory authorities and the bank management involved fails to bring the desired corrective action, the Corporation is empowered under section 8(a) of the Federal Deposit Insurance Act to initiate proceedings which may lead to termination of the bank's insured status. When a termination action is started, the bank is formally notified, with a specified time allowed for compliance. The bank is given an opportunity to present its case at an administrative hearing before insurance may be terminated. If insurance must eventually be terminated, the Act provides that insurance shall continue on insured deposits held in such bank, less any subsequent withdrawals, for a period of two years from the date of termination.

Since 1934 the majority of the 210 cases initiated under section 8(a) were settled when corrective action was taken or when the bank was absorbed by another bank (table 5). Of the six cases which were active at the end of 1969, only two were still in process at the end of 1970. Situations had improved so that charges could be dropped against two banks, a type of consent cease and desist (written corrective program agreed to by the bank's board of directors) was obtained in one case, and a date was set to terminate deposit insurance (only the thirteenth such action in the history of the Corporation) in one situation. Of the two unresolved 1969 carryover cases at the end of 1970, one had moved to the hearing stage. The eight cases pending at the end of 1970 consisted of two

Table 2. PROTECTION OF DEPOSITORS OF INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934–1970

Item	All cases (489 banks)		Deposit payoff cases (288 banks)		Deposit assumption cases (201 banks)	
	Number or amount	Percent	Number or amount	Percent	Number or amount	Percent
Number of depositors or accounts—total [1]	1,703,984	100.0	528,675	100.0	1,175,309	100.0
Full recovery received or available	1,699,461	99.7	524,152	99.1	1,175,309	100.0
From FDIC [2]	1,653,319	97.0	478,010 [3]	90.4	1,175,309	100.0
From offset [4]	40,230	2.3	40,230	7.6	....	.....
From security or preference [5]	3,038	0.2	3,038	0.6	....	.....
From asset liquidation [6]	2,874	0.2	2,874	0.5	....	.....
Full recovery not received as of December 31, 1970	4,523	0.3	4,523	0.9	....	.....
Terminated cases	3,368	0.2	3,368	0.7	....	.....
Active cases	1,155	0.1	1,155	0.2	....	.....
Amount of deposits (in thousands)—total	$931,263	100.0	$286,036	100.0	$645,227	100.0
Paid or made available	914,224	98.2	268,997	94.0	645,227	100.0
By FDIC [2]	843,526	90.6	198,299 [7]	69.3	645,227	100.0
By offset [8]	14,593	1.5	14,593	5.1	....	.....
By security or preference [9]	27,566	3.0	27,566	9.6	....	.....
By asset liquidation [10]	28,539	3.1	28,539	10.0	....	.....
Not paid as of December 31, 1970	17,039	1.8	17,039	6.0	....	.....
Terminated cases	2,307	0.2	2,307	0.8	....	.....
Active cases [11]	14,732	1.6	14,732	5.2	....	.....

[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 $267,393 thousand, in deposit assumption cases.
[3] Includes 59,414 depositors in terminated cases who failed to claim their insured deposits (see note 7).
[4] Includes only depositors with claims offset in full; most of these would have been fully protected by insurance in the absence of offsets.
[5] Excludes depositors paid in part by FDIC whose deposit balances were less than the insurance maximum.
[6] The insured portions of these depositor claims were paid by the Corporation.
[7] Includes $224 thousand unclaimed insured deposits in terminated cases (see note 3).
[8] Includes all amounts paid by offset.
[9] Includes all secured and preferred claims paid from asset liquidation; excludes secured and preferred claims paid by the Corporation.
[10] Includes unclaimed deposits paid to authorized public custodians.
[11] Includes $15,218 thousand representing deposits available, expected through offset or expected from proceeds of liquidations.

Table 3. ANALYSIS OF DISBURSEMENTS, RECOVERIES, AND LOSSES IN DEPOSIT INSURANCE TRANSACTIONS, JANUARY 1, 1934–DECEMBER 31, 1970

(In thousands)

Type of disbursement	Disbursements	Recoveries [1]	Losses
All disbursements—total	**$523,314**	**$455,611**	**$67,703**
Principal disbursements in deposit assumption and payoff cases—total	**465,375**	**402,556**	**62,819**
Assets acquired under agreements with insured banks (201 deposit assumption cases):			
To December 31, 1970	267,393	225,778	26,972
Estimated additional	....	14,643	....
Deposits paid (288 deposit payoff cases):			
To December 31, 1970	197,224	137,214	35,847
Estimated additional	758	24,921	....
Advances and expenses in deposit assumption and payoff cases—total	**55,685**	**50,613**	**5,072**
Expenses in liquidating assets:			
Advances to protect assets	33,921	33,921	....
Liquidation expenses	16,692	16,692	....
Insurance expenses	1,398	(2)	1,398
Field payoff and other insurance expenses in 288 deposit payoff cases	3,674	....	3,674
Other disbursements—total	**2,254**	**2,442**	**(188)**
Assets purchased to facilitate termination of liquidations:			
To December 31, 1970	1,773	2,427	(669)
Estimated additional	....	15	....
Unallocated insurance expenses	481	(2)	481

[1] Excludes amounts returned to closed bank equity holders and $9.9 million of interest and allowable return received by FDIC.
[2] Not recoverable.

cases started before 1970 and six cases started in 1970. One case started in 1970 was closed when the bank involved was absorbed by another insured bank with the Corporation's financial assistance.

Applications for deposit insurance. Under provisions of section 4(b) of the Federal Deposit Insurance Act, all national banks and all State banks which are members of the Federal Reserve System must be insured by the Corporation. When a national bank charter is

Table 4. BANK EXAMINATION ACTIVITIES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1969 AND 1970

Activity	Number 1970	Number 1969
Field examinations and investigations—total	**17,688**	**16,412**
Examinations of main offices—total	**8,078**	**7,637**
Regular examinations of insured banks not members of Federal Reserve System	7,807	7,416
Reexaminations, or other than regular examinations	215	175
Entrance examinations of operating noninsured banks	43	36
Special examinations	13	10
Examinations of departments and branches	**6,953**	**6,328**
Examinations of trust departments	1,441	1,279
Examinations of branches	5,512	5,049
Investigations	**2,657**	**2,447**
New bank investigations	225	282
State banks members of Federal Reserve System	13	22
Banks not members of Federal Reserve System	212	260
New branch investigations	636	629
Mergers and consolidations	190	246
Miscellaneous investigations	1,606	1,290

Table 5. ACTIONS TO TERMINATE INSURED STATUS OF BANKS CHARGED WITH UNSAFE OR UNSOUND BANKING PRACTICES OR VIOLATIONS OF LAW OR REGULATIONS, 1936–1970

Disposition or status	1936–1970 [1]	Started during 1970
Total banks against which action was taken	**210**	**7**
Cases closed	**202**	**1**
Corrections made	81	
Banks absorbed or succeeded by other banks	71	1
With financial aid of the Corporation	64	1
Without financial aid of the Corporation	7	
Banks suspended prior to setting date of termination of insured status by Corporation	36	
Insured status terminated, or date for such termination set by Corporation, for failure to make corrections	13	
Banks suspended prior to or on date of termination of insured status	9	
Banks continued in operation [2]	4	
Formal written corrective program imposed and 8(a) action terminated	1	
Cases not closed December 31, 1970	**8**	**6**
Action deferred pending analysis of examination	3	2
In hearing stage	1	
Action deferred pursuant to written agreement	4	4

[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.

issued, or when membership in the Federal Reserve System is granted to a State-chartered bank, upon certification by the responsible agency the bank becomes insured by the Corporation. Nonmember banks apply directly to the Corporation for insured status. Before admitting any bank to deposit insurance, the appropriate Federal supervisory agency is required to consider specifically 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, and finally, the consistency of the bank's corporate powers with the purposes of the Act.

During 1970, the Corporation approved 147 applications for deposit insurance, of which 139 were for new banks. Twenty-two new banks were located in Texas, 18 in Florida, and 16 in Illinois; in all of these States, branching is prohibited by State law.

Applications for branches. The Federal supervisory agencies consider the same six factors listed above when they pass upon applications by insured banks to establish branches. The Corporation approved 527 applications for new branches in 1970, about 5 percent fewer than in 1969. In addition, 26 main offices were converted into branches of insured nonmember banks as a result of mergers during the year.

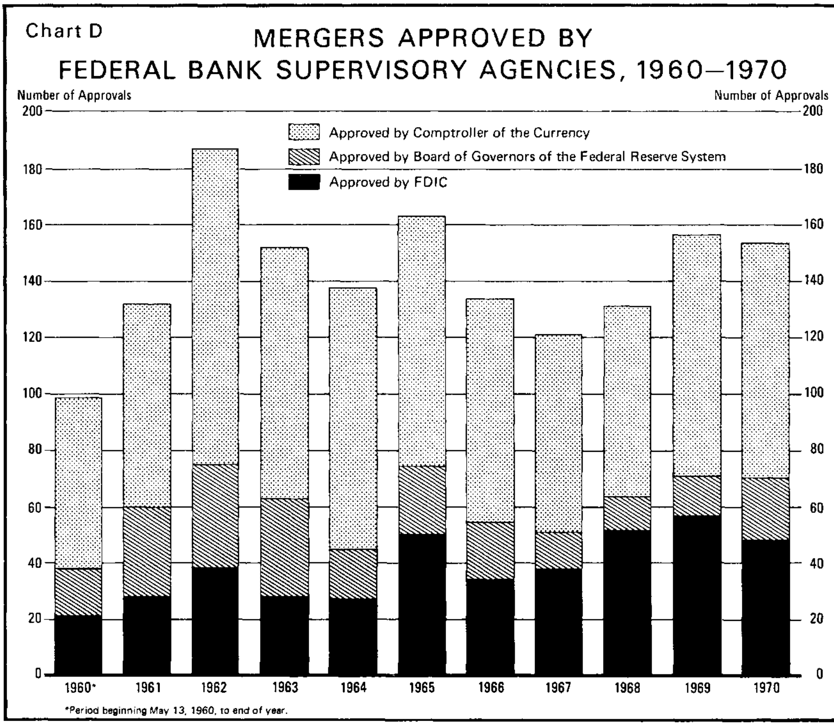
Mergers. Following substantial increases, during the 1950s, in the number of mergers involving insured banks, Congress in 1960 expanded the authority of the Federal supervisory agencies with respect to approval of such mergers. The Bank Merger Act, amending section 18(c) of the Federal Deposit Insurance Act, provides that prior approval of one of the Federal agencies is necessary before any insured bank may engage in a merger transaction. Approval of the Corporation is required if the surviving bank is to be an insured nonmember bank (outside the District of Columbia) and in any merger of a noninsured institution into an insured bank.

The Act, as further amended in 1966, provides that the responsible agency, in passing upon any merger application, shall consider specifically the effect of the transaction on competition in the areas, financial and managerial resources of the banks, future prospects of the existing and proposed institutions, and convenience and needs of the community to be served. A merger which would result in monopoly under the Sherman Antitrust Act may not be approved, nor may approval be given a merger which would substantially lessen competition, unless the anticompetitive factor is clearly outweighed in the public interest by the needs and convenience of the community to be served.

Since 1960 the Federal supervisory agencies have approved merger cases involving the absorption of over 1,500 operating banks (chart D). (The merger statistics used in this section do not include corporate reorganizations of individual banking institutions, such as banks in process of forming one-bank holding companies, which do not have the effect of lessening the number of existing operating banks.) Roughly 57 percent of these absorptions were approved by the Comptroller of the Currency, 16 percent by the Board of Governors of the Federal Reserve System, and the remaining 27 percent by the FDIC. Approximately 40 percent of the absorbed banks were national banks, 14 percent were State member banks, 43 percent were State nonmember insured banks, and 3 percent were noninsured institutions.

Statistics of merger cases approved by the Federal bank supervisory agencies during 1970 are shown in tables 6 and 7. Little change occurred in the combined number of mergers approved by the three agencies in 1970, as compared with the previous year. Small declines in numbers of approvals by the Comptroller of the Currency and the Corporation were about offset by a rise in Federal Reserve approvals. As in past years, virtually all merger approvals in 1970 involved banks located in States classified in table 7 as permitting some form of branch banking.

Delegations of authority. In order to speed the processing of applications, the Board of Directors adopted regulations, effective December 30, 1970, which delegate the Board's authority with respect to certain bank applications, under specified conditions, to the Director of the Division of Bank Supervision and the Corporation's Regional Directors. A summary of these changes may be found on pages 170-171 of this report.



Regulation of bank securities. Legislation enacted in 1964 extended the provisions of the Securities Exchange Act of 1934 to cover securities traded in the over-the-counter market. Responsibility for administering the Act for insured banks was given to the Federal bank regulatory agencies. Only those corporations now having 500 or more shareholders and more than $1 million in assets are covered.

The Corporation, during 1970, received registration statements from 26 insured State nonmember banks coming under the provisions of the Act, bringing the year-end total to 209, compared with 194 at the end of 1969. The 209 figure reflects the addition of three registered banks which withdrew from the Federal Reserve System and the termination of registration of 14 banks. Terminations resulted primarily from registered banks merging into other operating banks or becoming subsidiaries of one-bank holding companies.

In addition to registration statements, the Corporation requires banks, as well as individuals, to file substantial information for public inspection. For example, registered banks regularly file annual reports and documents used in soliciting shareholder proxies; officers, directors, and major shareholders report acquisitions and dispositions of a registered bank's outstanding shares; and

Table 6. MERGERS, CONSOLIDATIONS, ACQUISITIONS OF ASSETS AND ASSUMPTIONS OF LIABILITIES APPROVED UNDER SECTION 18(c) OF THE FEDERAL DEPOSIT INSURANCE ACT DURING 1970

Banks	Number of banks	Resources (in thousands)	Offices operated	
			Prior to transaction	After transaction
ALL CASES [1]				
Banks involved	287	$55,429,998	3,649	3,655
Absorbing banks	133 [2]	50,299,750 [3]	3,206 [3]	3,655 [3]
Absorbed banks	154	5,130,248	443	
National	56	2,055,091	221	
State member FRS	16	874,871	55	
Not member FRS	70	2,063,929	151	
Noninsured institutions	12	136,357	16	
CASES WITH RESULTING BANK A NATIONAL BANK				
Banks involved	150	34,966,923	2,527	2,541
Absorbing banks	68	32,268,785	2,254	2,541
Absorbed banks	82	2,698,138	273	
National	42	1,775,905	178	
State member FRS	8	400,066	25	
Not member FRS	32	522,167	70	
CASES WITH RESULTING BANK A STATE BANK MEMBER OF THE FEDERAL RESERVE SYSTEM				
Banks involved	45	10,487,999	401	403
Absorbing banks	21	9,738,197	332	403
Absorbed banks	24	749,802 [4]	69 [4]	
National	5	123,655	19	
State member FRS	6	444,576 [4]	28 [4]	
Not member FRS	13	181,571	22	
CASES WITH RESULTING BANK NOT A MEMBER OF THE FEDERAL RESERVE SYSTEM				
Banks involved	92	9,975,076	721	711
Absorbing banks	44	8,292,768	620	711
Absorbed banks	48 [5]	1,682,308	101	
National	9	155,531	24	
State member FRS	2	30,229	2	
Not member FRS	25	1,360,191	59	
Noninsured institutions	12 [5]	136,357	16	

[1] Omitted are corporate reorganizations and other absorptions involving banks which prior to the transaction did not individually operate an office in the United States (see note 4).
[2] The number of absorbing banks is smaller than the number of cases because a few banks participated in more than one case.
[3] 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 latest transaction.
[4] In one case, approval was given for a newly organized bank to acquire four branches of an operating bank; these branches and resources are included in this table.
[5] Includes nine savings and loan associations.

persons who have acquired, or who are attempting to tender offer to acquire, a sizeable part of a registered bank's outstanding shares file required information.

During 1970, amendments were made to those sections of the Act relating to acquisitions of, and tender offers for, sizeable amounts of registered securities. Such amendments are discussed under the heading "Federal Legislation" in Part 3 of this report.

Changes in bank ownership and loans secured by bank stock. In 1964 Congress enacted Public Law 88-593, which requires each insured bank to report any of its outstanding voting stock changes which would result in an alteration in stock control. Such reports to

Table 7. APPROVALS UNDER SECTION 18(c) OF THE FEDERAL DEPOSIT INSURANCE ACT DURING 1970
BANKS GROUPED BY SIZE AND IN STATES ACCORDING TO STATUS OF BRANCH BANKING

Absorbing banks		Absorbed banks							
Number of banks by size (resources in $mil)[1]		Number of banks	Number of branches	Resources (in thousands)	Number of banks by size (resources in $mil) -5	5-10	10-25	25-100	Over 100
Total—U.S.	133	154	289	$5,130,248	34	32	48	28	12
-5	7	6	8	219,308	3	0	2	0	1
5-10	5	5	3	53,314	3	0	1	1	0
10-25	11	11	6	59,298	4	5	2	0	0
25-100	33	36	35	481,415	10	9	12	5	0
100-500	54	66	163	3,226,289	12	12	22	11	9
500 or more	23	30	74	1,090,624	2	6	9	11	2
(A) Statewide branching [2]	51	62	102	1,114,015	16	10	26	9	1
-5	1	1	2	10,400	0	0	1	0	0
5-10	1	1	1	19,885	0	0	1	0	0
10-25	4	4	5	29,070	1	1	2	0	0
25-100	11	12	11	120,506	5	2	4	1	0
100-500	20	26	39	503,014	8	4	12	1	1
500 or more	14	18	44	431,140	2	3	6	7	0
(B) Limited area branching [2]	77	87	187	3,906,618	15	22	21	18	11
-5	5	4	6	208,359	2	0	1	0	1
5-10	3	3	2	30,424	2	0	0	1	0
10-25	7	7	1	30,228	3	4	0	0	0
25-100	21	23	24	358,927	4	7	8	4	0
100-500	32	38	124	2,619,196	4	8	9	9	8
500 or more	9	12	30	659,484	0	3	3	4	2
(C) Unit banking [2]	5	5	0	109,615	3	0	1	1	0
-5	1	1	0	549	1	0	0	0	0
5-10	1	1	0	3,005	1	0	0	0	0
25-100	1	1	0	1,982	1	0	0	0	0
100-500	2	2	0	104,079	0	0	1	1	0

[1] See table 6, note 1.
[2] For the purpose of analyzing branching activity, 19 States and the District of Columbia were included in group A, 16 in group B, and 15 in group C. It should be noted that for other purposes the classification of some States might differ from that used here.

the appropriate Federal banking agency must include any change or replacement of the bank's chief executive officer, or any director, that occurs during a 12-month period following the change in control. The law requires also that insured banks report any loans secured by 25 percent or more of the outstanding voting stock of an insured bank. The Corporation received over 400 such notices of change in control involving insured nonmember banks during 1970.

Publications and statistical reports from banks. Every insured bank reports its assets and liabilities each quarter, and income and expenses each year, to the appropriate Federal bank supervisory agency. The Corporation also obtains information on assets and liabilities, but not income, from noninsured commercial and noninsured mutual savings banks. For many years, the Corporation has had additional responsibilities, by agreement among the Federal supervisory agencies, for assembling and publishing statistics for all banks.

Tabulations of midyear and year-end reports of condition of banks are published semiannually in *Assets and Liabilities—Commercial and Mutual Savings Banks.* In 1970 the Corporation continued a program, initiated in 1967, of providing individual operating statistics to each reporting bank. These data permit comparison between a bank's own operations and those of similar-size banks, nationally and grouped by States and sub-State areas. These national, State, and area tables are published for year-end data in *Bank Operating Statistics. Trust Assets of Insured Commercial Banks—1969* was published by the Corporation in conjunction with the Board of Governors of the Federal Reserve System and the Comptroller of the Currency. In preparing this publication in cooperation with the other two agencies, the Corporation processed nearly 3,300 reports from banks holding trust assets.

To keep currently informed on developments in the markets for savings, the Corporation conducted four surveys—on January 31, April 30, July 31, and October 31—of interest rates paid on savings deposits by nonmember insured commercial and FDIC-insured mutual savings banks. Survey results for all insured banks were published by the Board of Governors. Tabulated data and other information obtained from the surveys were sent to each reporting bank.

The Corporation on June 30, 1970, conducted a survey of deposits in commercial banks and mutual savings banks to obtain additional information on deposits and its contingent liability in insuring deposits. As in 1968, the published data consist of separate national summaries for all commercial banks and all mutual savings banks, and for commercial banks in each of the fourteen FDIC Regions. Pages xii-xiii of this report contain information on insured deposits and the extent of depositor protection obtained from the survey.

The Corporation sponsored independent research which resulted in publication of *The Role of the Financial Sector in the Economic Development of Puerto Rico* in 1970. This 152-page book is concerned with evaluating the position of various financial institutions in aiding the development of the Puerto Rican economy.

During the past year, the Corporation encouraged research in banking and related fields by awarding four fellowships in banking, finance, and economics to Ph.D. candidates who were about to begin writing their dissertations.

The Corporation also supported continuing research in various areas of finance by staff as well as researchers at several colleges and universities. These studies have been published in banking trade publications, journals, and other forms.

Training programs for examiners. At various stages in their careers, examiners undergo formal training conducted in the Corporation's modern and versatile training center located in a nearby suburb of Washington, D.C. These training programs include three divisions of the Bank Examination School (Assistant Examiners, Examiners, and Trust) and a basic and intermediate version of the course in examining a computerized bank. Well over 600 examiners participated in these programs in 1970.

Thirty-one examiners are enrolled annually in the graduate schools of banking which are conducted on major college campuses throughout the country. Nearly 400 Corporation examiners have graduated from these programs during the past 21 years.

ADMINISTRATION OF THE CORPORATION

Structure and employees. The Corporation's Board of Directors consists of three members appointed by the President of the United States with the advice and consent of the Senate. The Chairman and the Director are each appointed as members of the Board for six-year terms. The Comptroller of the Currency serves *ex officio* as a member of the Board.

Chairman Frank Wille took the oath of office as a member of the Board on April 1, 1970, and was elected Chairman on the same day. Continuing as members of the Board were Director Irvine H. Sprague, whose term began on September 27, 1968, and Comptroller of the Currency William B. Camp, who became a Board member on February 1, 1967.

Corporation officials, Regional Directors, and Regional offices are listed on pages v and vi.

Employment at the Corporation rose during the year by 225 persons, to a total of 2,508 at the end of the year (table 8). As in 1969, the employment gain was attributable primarily to increased personnel in the Division of Bank Supervision. Field personnel of this Division represent about 71 percent of total Corporation employment and accounted for more than nine of every 10 additional employees in 1970.

A total of 146 examiners left the Corporation during 1970, including 30 who entered military service and 13 who obtained employment in other Government agencies. The turnover rate of field examiners was 10.0 percent, down significantly from the 15.8 percent experienced in 1969.

FINANCES OF THE CORPORATION

Assets and liabilities. The assets of the Corporation totaled $4,631 million on December 31, 1970 (table 9). Cash and U.S. Government securities valued at amortized cost amounted to $4,584 million. The subrogated claims of depositors against closed

Table 8. NUMBER OF OFFICERS AND EMPLOYEES OF THE FEDERAL DEPOSIT INSURANCE CORPORATION, DECEMBER 31, 1969 AND 1970

Unit	Total		Washington office		Regional and other field offices	
	1970	1969	1970	1969	1970	1969
Total	**2,508** [1]	**2,283** [1]	621	636	**1,887**	**1,647**
Directors	3	3	3	3	0	0
Executive Offices	46	49	46	49	0	0
Legal Division	54	55	48	49	6	6
Division of Bank Supervision	1,890	1,686	109	135	1,781	1,551
Division of Liquidation	175	159	85	77	90	82
Division of Research	176	165	176	165	0	0
Office of the Controller	164	166	154	158	10	8

[1] Includes 129 nonpermanent employees serving on a short-term appointment or when actually employed basis in 1970 and 151 in 1969. Nonpermanent employees include college students participating in the work-study program, clerical workers employed on a temporary basis at banks in process of liquidation, and other personnel.

insured banks and other assets acquired in receivership and deposit assumption transactions, less reserve for losses, totaled $39 million. Land and the main office building in Washington, D.C., less depreciation, were carried at about $7 million.

The Corporation's liabilities on December 31, 1970, totaled $251 million, of which $245 million were net assessment credits due insured banks. About 86 percent of the assessment credits were to become available on July 1, 1971, and the remainder were available immediately. The deposit insurance fund, consisting of the difference between the Corporation's total assets and liabilities, amounted to $4,379 million on December 31, 1970.

For the protection of depositors, the Corporation has other resources available to it by virtue of its authority to borrow from the Treasury of the United States. Section 14 of the Federal Deposit Insurance Act authorizes and directs the Secretary of the Treasury to lend to the Corporation such funds as in the judgment of the Corporation's Board of Directors are required for insurance purposes, up to $3 billion. Thus far the Corporation has not had occasion to use this borrowing authority.

Income and expenses. The total income of the Corporation in 1970 was $382 million (table 10), of which about 42 percent was provided by net deposit insurance assessments, and 58 percent by income from investments (chart E). After deduction of administrative and operating expenses and provision for insurance losses, an amount of $328 million was transferred to the deposit insurance fund.

Since 1935 the assessment rate has been set by statute at 1/12 of one percent. The amount of each bank's semiannual assessment is equal to one half of the annual assessment rate multiplied by the base of total deposits subject to assessment. In 1950, enactment of the Federal Deposit Insurance Act carried a provision for an assess-

Table 9. STATEMENT OF FINANCIAL CONDITION, FEDERAL DEPOSIT INSURANCE CORPORATION, DECEMBER 31, 1970

ASSETS		
Cash		$ 8,927,310
U.S. Government obligations:		
Securities at amortized cost (face value $4,538,878,000; cost $4,502,159,770)	$4,517,649,929	
Accrued interest receivable	57,454,193	4,575,104,122
Assets acquired in receivership and deposit assumption transactions:[1]		
Special assistance to insured banks	$ 8,676,257	
Subrogated claims of depositors against closed insured banks	43,642,500	
Net insured balances of depositors in closed insured banks, to be subrogated when paid—see related liability	757,932	
Equity in assets acquired under purchase agreements with insured banks	22,061,975	
Assets purchased outright	15,453	
	$ 75,154,117	
Less reserves for losses	35,574,000	39,580,117
Miscellaneous assets		390,715
Land and office building, less depreciation on building		7,364,495
Furniture, fixtures and equipment		1
Total assets		$4,631,366,760
LIABILITIES AND DEPOSIT INSURANCE FUND [2]		
Accounts payable and accrued liabilities		$ 2,835,374
Earnest money, escrow funds and collections held for others		1,043,519
Accrued annual leave of employees		2,098,259
Due insured banks:		
Net assessment income credits available July 1, 1971 (see table 11)	$ 210,021,036	
Other assessment credits available immediately	35,040,832	245,061,868
Net insured balances of depositors in closed insured banks—see related asset		757,932
Total liabilities		$ 251,796,952
Deposit insurance fund, net income accumulated since inception (see table 10)		4,379,569,808
Total liabilities and deposit insurance fund		$4,631,366,760

[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] Capital stock was retired by payments to the U.S. Treasury in 1947 and 1948.

NOTE: These statements do not include accountability for the assets and liabilities of the closed insured banks for which the Corporation acts as receiver or liquidating agent.

ment credit, resulting in a substantially reduced rate of net assessments. The credit, based on a percentage of the assessments earned by the Corporation during the year, after subtracting its operating expenses and insurance losses, is applied against the assessments paid during the ensuing year. Established at 60 percent in 1950, the assessment credit was raised in 1961 to its present level of 66-2/3 percent.

The assessment credit of $210 million in 1970 was about $10.2 million less than in 1969. Because deposits in insured banks increased only slightly during the assessment base period, assessments earned by the Corporation rose by less than $5 million, compared with an increase of almost $30 million in the previous year. Provision for insurance losses was up appreciably in 1970, and other expenses also were higher. Net assessments amounted to 1/28 of one percent of total assessable deposits in 1970.

Table 10. STATEMENT OF INCOME AND THE DEPOSIT INSURANCE FUND, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1970

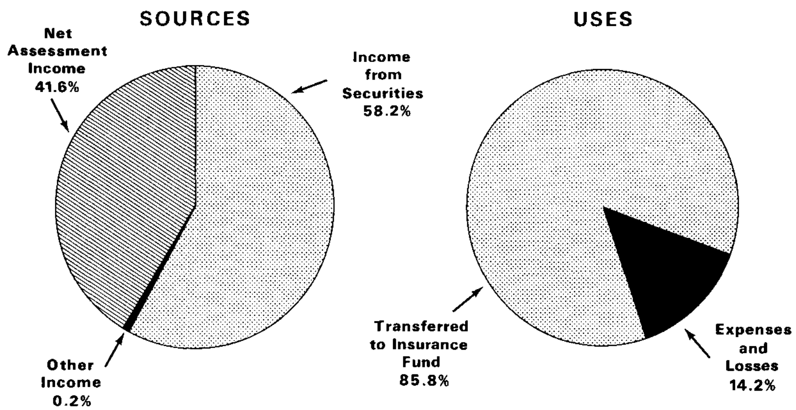
Income:		
Deposit insurance assessments:		
Assessments earned in 1970	$369,200,491	
Less net assessment income credits to insured banks	209,998,311	$ 159,202,180
Adjustments of assessments earned in prior years		121,621
		$ 159,323,801
Net income from U.S. Government securities		222,693,216
Other income		647,444
Total income		$ 382,664,461
Expenses and losses:		
Administrative and operating expenses:		
Salaries and wages	$ 26,949,768	
Civil Service retirement fund and FICA payments	1,866,209	
Travel expenses	7,342,060	
Office rentals, communications and other expenses	6,070,180	$ 42,228,217
Provisions for insurance losses:		
Applicable to banks assisted in 1970	$ 13,875,000	
Adjustments applicable to banks assisted in prior years	−2,736,898	11,138,102
Nonrecoverable insurance expenses incurred to protect depositors—net		836,706
Total expenses and losses		$ 54,203,025
Net addition to the deposit insurance fund—1970		$ 328,461,436
Deposit insurance fund, January 1, 1970		4,051,108,372
Deposit insurance fund, December 31, 1970, net income accumulated since inception		$4,379,569,808

Chart E

SOURCES AND USES OF INCOME

FEDERAL DEPOSIT INSURANCE CORPORATION

1970



The computation and allocation of net assessment income in 1970 are shown in table 11. Sources and application of the Corporation's funds in 1970 are shown in table 12.

Income and the deposit insurance fund, 1933-1970. The income of the Corporation, after allowance for expenses and deposit insurance losses, is transferred to the deposit insurance fund. The additions to the fund from the Corporation's income, amounting to over 89 percent of total income since 1934, constitute the entire amount of the fund (table 13). A total of $289 million of the

Table 11. DETERMINATION AND DISTRIBUTION OF NET ASSESSMENT INCOME, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1970

Determination of net assessment income:		
Total assessments which became due during the calendar year		$369,200,491
Less:		
Administrative and operating expenses		$ 42,228,217
Net additions to reserve to provide for insurance losses:		
Provisions applicable to banks assisted in 1970	$ 13,675,000	
Adjustments to provisions for banks assisted in prior years	−2,536,898	11,138,102
Insurance expenses		836,706
Total deductions		**$ 54,203,025**
Net assessment income for 1970		**$314,997,466**
Distribution of net assessment income, December 31, 1970:		
Net assessment income for 1970:		
33⅓% transferred to the deposit insurance fund		$104,999,155
66⅔% credited to insured banks		209,998,311
Total		**$314,997,466**
Allocation of net assessment income credit among insured banks, December 31, 1970:		Percentage of total assessments becoming due in 1970
Credit for 1970	$209,998,311	56.87921
Adjustments of credits for prior years	22,724	.00615
Total	**$210,021,035**	**56.88536**

Table 12. SOURCES AND APPLICATION OF FUNDS, FEDERAL DEPOSIT INSURANCE CORPORATION, YEAR ENDED DECEMBER 31, 1970

		Percent
Funds provided by:		
Net deposit insurance assessments	$159,323,801	19.2
Income from U.S. Government securities, less amortized net discounts	215,759,580	26.0
Maturities and sales of U.S. Government securities	430,703,730	51.9
Collections on assets acquired in receivership and deposit assumption transactions	19,771,795	2.4
Increase in assessment credits due insured banks	4,172,329	0.5
Total funds provided	**$829,731,235**	**100.0**
Funds applied to:		
Administrative, operating, and insurance expenses, less miscellaneous credits	$ 42,282,275	5.1
Acquisition of assets in receivership and deposit assumption transactions	47,986,760	5.8
Purchase of U.S. Government securities	731,490,244	88.1
Net changes in other assets and liabilities	7,971,956	1.0
Total funds applied	**$829,731,235**	**100.0**

Corporation's capital, which had been paid in by the U.S. Treasury and the Federal Reserve banks in 1933-1934, was retired through payments by the Corporation in 1947 and 1948.

Table 13. INCOME AND EXPENSES, FEDERAL DEPOSIT INSURANCE CORPORATION, BY YEAR, FROM BEGINNING OF OPERATIONS, SEPTEMBER 11, 1933, TO DECEMBER 31, 1970 ADJUSTED TO DECEMBER 31, 1970
(In millions)

Year	Income			Expenses and losses				Net income added to deposit insurance fund [4]
	Total	Deposit insurance assessments [1]	Investments and other sources [2]	Total	Deposit insurance losses and expenses	Interest on capital stock [3]	Administrative and operating expenses	
1933-70...	$4,910.6	$2,848.2	$2,062.4	$531.0	$67.6	$80.6	$382.8	$4,379.6
1970......	382.7	159.3	223.4	56.7	14.5	....	42.2	326.0
1969......	335.8	144.0	191.8	35.9	2.4	....	33.5	299.9
1968......	295.0	132.4	162.6	29.7	0.7	....	29.0	265.3
1967......	263.0	120.7	142.3	29.7	5.3	....	24.4	233.3
1966......	241.0	111.7	129.3	25.0	5.2	....	19.8	216.0
1965......	214.6	102.2	112.4	22.9	5.2	....	17.7	191.7
1964......	197.1	93.0	104.1	18.4	2.9	....	15.5	178.7
1963......	181.9	84.2	97.7	15.3	0.9	....	14.4	166.6
1962......	161.1	76.5	84.6	13.8	0.1	....	13.7	147.3
1961......	147.3	73.4	73.9	14.8	1.6	....	13.2	132.5
1960......	144.6	79.6	65.0	12.5	0.1	....	12.4	132.1
1959......	136.5	78.6	57.9	12.1	0.2	....	11.9	124.4
1958......	126.8	73.8	53.0	11.6	....	....	11.6	115.2
1957......	117.3	69.1	48.2	9.7	0.1	....	9.6	107.6
1956......	111.9	68.2	43.7	9.6	0.5	....	9.1	102.3
1955......	105.7	66.1	39.6	9.0	0.3	....	8.7	96.7
1954......	99.7	62.4	37.3	7.8	0.1	....	7.7	91.9
1953......	94.2	60.2	34.0	7.3	0.1	....	7.2	86.9
1952......	88.6	57.3	31.3	7.8	0.8	....	7.0	80.8
1951......	83.5	54.3	29.2	6.6	....	....	6.6	76.9
1950......	84.8	54.2	30.6	7.8	1.4	....	6.4	77.0
1949......	151.1	122.7	28.4	6.4	0.3	....	6.1	144.7
1948......	145.6	119.3	26.3	7.0	0.7	0.6	5.7	138.6
1947......	157.5	114.4	43.1	9.9	0.1	4.8	5.0	147.6
1946......	130.7	107.0	23.7	10.0	0.1	5.8	4.1	120.7
1945......	121.0	93.7	27.3	9.4	0.1	5.8	3.5	111.6
1944......	99.3	80.9	18.4	9.3	0.1	5.8	3.4	90.0
1943......	86.6	70.0	16.6	9.8	0.2	5.8	3.8	76.8
1942......	69.1	56.5	12.6	10.1	0.5	5.8	3.8	59.0
1941......	62.0	51.4	10.6	10.1	0.6	5.8	3.7	51.9
1940......	55.9	46.2	9.7	12.9	3.5	5.8	3.6	43.0
1939......	51.2	40.7	10.5	16.4	7.2	5.8	3.4	34.8
1938......	47.7	38.3	9.4	11.3	2.5	5.8	3.0	36.4
1937......	48.2	38.8	9.4	12.2	3.7	5.8	2.7	36.0
1936......	43.8	35.6	8.2	10.9	2.6	5.8	2.5	32.9
1935......	20.8	11.5	9.3	11.3	2.8	5.8	2.7	9.5
1933-34...	7.0	[4]	7.0	10.0	0.2	5.6	4.2 [5]	−3.0

[1] For the period from 1950 to 1970, inclusive, figures are net after deducting the portion of net assessment income credited to insured banks pursuant to provisions of the Federal Deposit Insurance Act of 1950, as amended. Assessment credits to insured banks for these years amount to $2,602 million.

[2] Includes $9.9 million of interest and allowable return received on funds advanced to receivership and deposit assumption cases by the Corporation.

[3] Paid in 1950 and 1951 but allocated among years to which it applies. Initial capital of $289 million was retired by payments to the U.S. Treasury in 1947 and 1948.

[4] Assessments collected from members of the temporary insurance funds which became insured under the permanent plan were credited to their accounts at the termination of the temporary funds and were applied toward payment of subsequent assessments becoming due under the permanent insurance fund, resulting in no income to the Corporation from assessments during the existence of the temporary insurance funds.

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

Total deposits in insured banks rose by $49 billion in 1970, while insured deposits rose by $36 billion (table 14). In 1969, total deposits in insured banks increased by only $4 billion, but insured deposits rose by $16 billion as a result of an increase in the statutory maximum insurance per depositor, effective late in 1969. The ratio of the deposit insurance fund both to total deposits in insured banks and to insured deposits fell slightly in 1970.

Audit. Since 1945 the financial transactions of the Corporation each year have been audited by the General Accounting Office. Previously these audits were conducted by private accounting firms engaged by the Corporation. A continuous internal audit is provided by the Office of the Auditor.

Table 14. INSURED DEPOSITS AND THE DEPOSIT INSURANCE FUND, 1934-1970

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
1970	$545,198	$349,581	64.1%	$4,379.6	.80%	1.25%
1969	495,858	313,085	63.1	4,051.1	.82	1.29
1968	491,513	296,701	60.2	3,749.2	.76	1.26
1967	448,709	261,149	58.2	3,485.5	.78	1.33
1966	401,096	234,150	58.4	3,252.0	.81	1.39
1965	377,400	209,690	55.6	3,036.3	.80	1.45
1964	348,981	191,787	55.0	2,844.7	.82	1.48
1963	313,304 [2]	177,381	56.6	2,667.9	.85	1.50
1962	297,548 [3]	170,210 [4]	57.2 [4]	2,502.0	.84	1.47 [4]
1961	281,304	160,309 [4]	57.0 [4]	2,353.8	.84	1.47 [4]
1960	260,495	149,684	57.5	2,222.2	.85	1.48
1959	247,589	142,131	57.4	2,089.8	.84	1.47
1958	242,445	137,698	56.8	1,965.4	.81	1.43
1957	225,507	127,055	56.3	1,850.5	.82	1.46
1956	219,393	121,008	55.2	1,742.1	.79	1.44
1955	212,226	116,380	54.8	1,639.6	.77	1.41
1954	203,195	110,973	54.6	1,542.7	.76	1.39
1953	193,466	105,610	54.6	1,450.7	.75	1.37
1952	188,142	101,842	54.1	1,363.5	.72	1.34
1951	178,540	96,713	54.2	1,282.2	.72	1.33
1950	167,818	91,359	54.4	1,243.9	.74	1.36
1949	156,786	76,589	48.8	1,203.9	.77	1.57
1948	153,454	75,320	49.1	1,065.9	.69	1.42
1947	154,096	76,254	49.5	1,006.1	.65	1.32
1946	148,458	73,759	49.7	1,058.5	.71	1.44
1945	157,174	67,021	42.4	929.2	.59	1.39
1944	134,662	56,398	41.9	804.3	.60	1.43
1943	111,650	48,440	43.4	703.1	.63	1.45
1942	89,869	32,837	36.5	616.9	.69	1.88
1941	71,209	28,249	39.7	553.5	.78	1.96
1940	65,288	26,638	40.8	496.0	.76	1.86
1939	57,485	24,650	42.9	452.7	.79	1.84
1938	50,791	23,121	45.5	420.5	.83	1.82
1937	48,228	22,557	46.8	383.1	.79	1.70
1936	50,281	22,330	44.4	343.4	.68	1.54
1935	45,125	20,158	44.7	306.0	.68	1.52
1934	40,060	18,075	45.1	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.

MERGER DECISIONS OF THE CORPORATION
PART TWO

BANKS INVOLVED IN ABSORPTIONS APPROVED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1970

State	Town or City	Bank	Page
Arizona	Phoenix	Great Western Bank & Trust Company	58
		Grecon, Inc.	58
		Pacesetter Financial Corporation	48
		United Bank of Arizona	48
California	Bell Gardens	Golden State Bank	82
	Beverly Hills	Republic National Bank and Trust Company	109
	San Francisco	The Hongkong and Shanghai Banking Corporation of California	109
	West Covina	Citrus National Bank	82
Delaware	Georgetown	Georgetown Building and Loan Association	27
	Seaford	Seaford Building and Loan Association	27
	Wilmington	Wilmington Savings Fund Society	27
		LBTC, Inc.	90
Iowa	Bloomfield	Davis County Investment Company	62
		Davis County Savings Bank	62
	Lone Tree	The Farmers and Merchants Savings Bank	117
		The Lone Tree Savings Bank	117
Kansas	Asherville	The Farmers State Bank of Asherville, Kansas	34
	Simpson	The Simpson State Bank (change title to The Farmers State Bank of Simpson, Kansas)	34
Kentucky	Berea	Berea Bank and Trust Company	96
		Peoples Bank and Trust Co.	96
	Fulton	Fulton Bank	70
	Shelbyville	Citizens Bank (change title to Citizens Union Bank)	71
	Simpsonville	Bank of Simpsonville	71
	Water Valley	Citizens Bank	70
Louisiana	New Orleans	The Intermediate Bank and Trust Company (change title to The International City Bank and Trust Company)	104
		The International City Bank and Trust Company	104

State	Town or City	Bank	Page
Maryland	Baltimore	National City Bank of Baltimore	63
	Hyattsville	Suburban Trust Company	63
	Riverdale	Citizens Bank and Trust Company of Maryland	65
	Waldorf	The Waldorf Bank	65
Missouri	Bonne Terre	Commerce Bank of Bonne Terre	78
		First State Bank of Bonne Terre	78
New Hampshire	Dover	Granite State Co-operative Bank	29
	Littleton	The Littleton Co-operative Bank	57
		The Littleton Savings Bank	57
	Manchester	The Manchester Trust Company of Manchester, New Hampshire (change title to Manchester Savings Bank and Trust Company)	88
		Manchester Savings Bank	88
	Somersworth	Somersworth-Rollinsford Savings Bank (change title to Granite State Savings Bank)	29
New Jersey	Burlington	Burlington Bank & Trust Company	49
	Jersey City	Hudson City Savings Bank	98
		The Fifth Ward Savings Bank	98
	Pennsauken Township	The Pennsauken Bank (change title to Fidelity Bank and Trust Company of New Jersey)	49
New York	Albany	Albany Savings Bank	40, 105
		Home Savings Bank of the City of Albany	83
	Glens Falls	Glens Falls Savings and Loan Association	40
	Greenwich	Greenwich Savings and Loan Association	83
	Johnstown	Johnstown Savings and Loan Association	105
	Mechanicville	Mechanicville Co-operative Savings and Loan Association	119
	Monroe	Orange County Savings and Loan Association	107
	New York (Brooklyn)	Brevoort Savings Bank	42
		Flatbush Savings Bank (change title to The Greater New York Savings Bank)	111
		Metropolitan Savings Bank	42
		The Greater New York Savings Bank	111
	New York (Manhattan)	Emigrant Savings Bank	35
	New York (Queens)	City Savings and Loan Association	35
	Salamanca	The First National Bank of Salamanca	60

State	Town or City	Bank	Page
	Schenectady	The Schenectady Savings Bank	119
	Warwick	The Warwick Savings Bank	107
	Wellsville	First Trust Union Bank	60
North Carolina	Biscoe	Citizens State Bank	56
	Burlington	North State Bank	32
	Cliffside	The Haynes Bank	121
	Durham	Central Carolina Bank & Trust Company	85
	Fuquay-Varina	Bank of Fuquay (change title to The Fidelity Bank)	56
	Lexington	industrial Bank of Lexington	73
	Monroe	American Anson Bank (change title to American Bank & Trust Company)	51
		American Bank & Trust Company	51
	Salisbury	Security Bank and Trust Company	73
	Smithfield	First-Citizens Bank & Trust Company	121
	Statesville	Bank of Statesville	113
	Stokesdale	Stokesdale Commercial Bank	85
	Stoneville	Bank of Stoneville	32
	Wilson	Branch Banking & Trust Company	113
Ohio	Middletown	The Barnitz Bank	59
		The Barnitz State Bank of Middletown (change title to The Barnitz Bank)	59
Oklahoma	Ardmore	Lincoln Bank & Trust Company	90
Oregon	Milwaukie	First State Bank of Oregon	91
	Portland	The Multnomah Bank	91
		The Oregon Bank	44, 74
	Rainier	State Bank of Rainier	74
	Reedsport	Umpqua National Bank	44
Pennsylvania	Doylestown	The Doylestown National Bank and Trust Company	38
	Frackville	The First National Bank in Frackville	79
	Franklin	The Exchange Bank and Trust Company	123
	Jenkintown	Industrial Valley Bank and Trust Company	115
	Milton	Milton Bank and Safe Deposit Company	52
	Norristown	Continental Bank	38
	Philadelphia	Penn Central Employes Mutual Savings Association	115
	Reading	American Bank and Trust Co. of Pa.	79
	Titusville	The Pennsylvania Bank and Trust Company	123
	Tunkhannock	The Citizens National Bank of Tunkhannock	101
	Wilkes-Barre	United Penn Bank	101

State	Town or City	Bank	Page
	Williamsport	Northern Central Bank and Trust Company	52
South Carolina	Columbia	First-Citizens Bank and Trust Company of South Carolina	76, 128
		The Commercial Bank and Trust Company of South Carolina	46
	Dillon	First-Citizens Bank and Trust Company of South Carolina	46
	Georgetown	State Bank of South Carolina	128
	Greenville	Southern Bank and Trust Company	68
	Spartanburg	National Bank of Commerce of Spartanburg	76
	York	State Bank	68
Tennessee	Nashville	Capital City Bank of Nashville, Tennessee	93
		The Nashville Bank and Trust Co. (change title to Nashville City Bank and Trust Co.)	93
Virginia	Galax	The Bank of Galax (change title to The Merchants and Farmers Bank of Galax)	97
		The Merchants and Farmers Bank of Galax	97
	Newport News	Bank of Hampton Roads	87
		The Coastal Bank (change title to Bank of Hampton Roads)	87
Washington	Bellevue	Bank of the West	31
	Prosser	Bank of Prosser	54
	Redmond	Redmond State Bank	31
	Yakima	Bank of Yakima	54
Wisconsin	Embarrass	Embarrass State Bank	126
	Greenleaf	State Bank of Greenleaf (change title to Greenleaf-Wayside Bank)	103
	Shawano	Citizens State Bank	126
	Wayside	Wayside State Bank	103

BANKS INVOLVED IN ABSORPTIONS DENIED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION IN 1970

Hawaii	Honolulu	Bank of Hawaii	137
		Hawaiian Trust Company, Limited	137
Tennessee	Knoxville	Bank of Knoxville	130
		Valley Fidelity Bank and Trust Company	130
Washington	Aberdeen	Grays Harbor Savings and Loan Association	141
	Seattle	Washington Mutual Savings Bank	141
	Tacoma	State Mutual Savings Bank	134
		United Mutual Savings Bank	134

BANK ABSORPTIONS APPROVED BY THE CORPORATION

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Wilmington Savings Fund Society Wilmington, Delaware	272,506	8	9
to acquire the assets and assume the liabilities of			
Seaford Building and Loan Association Seaford	1,414	1	
and			
Georgetown Building and Loan Association Georgetown	179	—	

Summary report by Attorney General, November 4, 1969

Seaford:

Wilmington Savings' closest branch is over forty miles from Seaford's only office. Nevertheless, Wilmington Savings does have 1,500 deposits in the amount of $1,800,000 from persons who reside in Seaford's service area. Seaford, on the other hand, has no depositors in Wilmington Savings' service area. Wilmington Savings holds 139 mortgages with a total balance of $4,046,037 in Seaford's service area. Of that amount, however, $1,900,000 is represented by one loan. Seaford has no loans in the Wilmington Savings service area. Hence, this merger will eliminate some existing competition in Sussex County.

As of September 1967, only one other savings and loan association maintained an office in Sussex County, the Bridgeville Building and Loan Association, with total assets of $777,746 and savings accounts of $616,319.

Branch offices may be established by savings and loan associations or savings banks in Delaware with permission of the State Board of Bank Incorporation, upon a showing that public convenience will be served. Because of Wilmington Savings' size and history of expansion, it must be considered a likely entrant into Sussex County. However, in view of the distances involved, and the size and declining market position of Seaford, we do not believe that the proposed acquisition would have a substantially adverse effect upon potential competition.

November 25, 1969

Georgetown Building:

The major impact of the proposed acquisition will be in the town of Georgetown. Georgetown has an approximate population of 1,765.

Georgetown Building has only 28 mortgage loans outstanding that comprise its total $138,000 in mortgage loans. Wilmington Savings has $1,800,000 in deposits and $4,046,037 in mortgage loans in the Georgetown area. Since Georgetown Building does not maintain an office, or a full time staff, it is not a substantial competitive factor. The proposed transaction is, therefore, unlikely to eliminate any substantial competition.

Delaware law would permit Wilmington Savings to establish a branch in the Georgetown area. However, in view of the nature of the community and the size and declining position of Georgetown Building, we conclude that the proposed transaction would be unlikely to have any substantially adverse effect on potential competition.

Basis for Corporation approval, January 8, 1970

Wilmington Savings Fund Society, Wilmington, Delaware ("Society"), an insured mutual savings bank with total deposits of $243 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets and assume the liabilities of Seaford Building and Loan Association, Seaford, Delaware ("Seaford B&L"), which has total share accounts of $1,300,000, and Georgetown Building and Loan Association, Georgetown, Delaware ("Georgetown B&L"), which has total share accounts of $162,000 under the charter and title of Society, and for consent to the establishment of the sole office of Seaford B&L at 310 High Street, Seaford, Delaware, as a branch of Society. The business of Georgetown B&L will be transferred to the proposed Seaford branch. The two transactions would increase the number of Society's offices to nine. As of the effective date of the sales, the share accounts of the sellers, including serial, full paid, and instalment full paid, will be converted to deposit accounts of the buyer without loss of interest and/or earnings.

Competition. Society operates eight offices: five in the Wilmington area; one in Newark, 13 miles southwest of Wilmington; and two in Dover, the State capital, 46 miles south of Wilmington. The latter city, by far the largest city in Delaware with a population of about 96,000, is a manufacturing and science center and the main commercial and service center for the State, as well as parts of nearby New Jersey, Maryland, and Pennsylvania. Seaford, with a population of about 6,000, is 37 miles south of Dover, and its economy is dependent upon agriculture and a DuPont nylon plant employing some 4,000 persons. Georgetown, the seat of Sussex County, in which Seaford also is located, is 35 miles southeast of Dover and 15 miles east of Seaford. Its economy depends largely on agriculture.

The acquisitions would have no competitive effects in the areas presently served by offices of Society. Any competitive effects would occur in the Seaford-Georgetown area in Sussex County, some 80 miles south of Wilmington. Competition is provided in this area by eight offices of five commercial banks: three in Seaford, two each in Georgetown and Laurel, and one in Bridgeville. Including the share accounts of Seaford B&L and Georgetown B&L with the time deposits of the eight local banking offices, the two building and loan associations combined hold only 4.5 percent of the total. In recent years, both Seaford B&L and Georgetown B&L have withdrawn from competition for time deposits and mortgage loans and have been considering dissolution. The increased participation in these markets by the branch of Society would tend to increase competition in these markets.

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

Financial and Managerial Resources; Future Prospects. These factors are resolved in favor of the proposals.

Convenience and Needs of the Community to Be Served. The two building and loan associations have experienced a declining volume in recent years as a result of service limitations and the inability of management to provide the means to sustain the associations as units capable of contributing to the communities in which they are located. Dissolution and liquidation appeared inevitable and would have occurred independent of the subject proposals. Although Society does not now have an office in the Seaford-Georgetown service area, it has considerable loan and deposit business from the area. The public would benefit from the expanded services of Society through its proposed Seaford branch; moreover, the present shareholders of the building and loan associations would receive the benefits of Federal deposit insurance.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Somersworth-Rollinsford Savings Bank Somersworth, New Hampshire (change title to Granite State Savings Bank)	34,659	3	4
to merge with			
Granite State Co-operative Bank Dover	2,097	1	

Summary report by Attorney General, December 17, 1969

The closest offices of the merging banks are about two miles apart and their main offices but four miles apart. Therefore, it would appear that this merger would eliminate direct competition between the merging banks.

Savings Bank presently controls 31 per cent of total savings deposits in the Somersworth-Dover area, which is defined as its service area. Co-Op Bank controls 1.8 per cent of these savings deposits. The resulting bank would have 32.8 per cent of such deposits. The Strafford Savings Bank of Dover presently has 40.2 per cent of these deposits. Thus, Savings Bank would retain its position as the second largest bank in its service area and would slightly increase its share of that area's savings deposit market.

Since this merger would combine two direct competitors, one of which has a substantial share of the relevant local market, we believe that it would have an adverse effect on competition therein.

Basis for Corporation approval, January 14, 1970

Somersworth-Rollinsford Savings Bank, Somersworth, New Hampshire ("Applicant"), an insured mutual savings bank with total deposits of $31.8 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Granite State Co-operative Bank, Dover, New Hampshire ("Granite Co-operative") which has total deposits of $2 million, under the charter of Applicant and with the title "Granite State Savings Bank." The one office of Granite Co-operative would become a branch of Applicant, increasing the number of its offices to four.

Competition. Both Applicant and Granite Co-operative are thrift-type institutions with almost identical asset and liability structures. Applicant operates its main office and one branch in Somersworth (population 9,000) and one branch in Rollinsford (population 1,200). Granite Co-operative operates one office in Dover (population 23,000). The shortest distance between offices of the participating banks is 2.4 miles, and there is some overlapping of trade areas. Of Applicant's total deposits and total loans, 4.7 percent and 4.9 percent, respectively, are from the primary trade area of Granite Co-operative, but it does not have any business from the primary trade area of Applicant. Granite Co-operative has not been a vigorous competitor. Its operations have been limited to granting small residential loans and, for the most part, the receipt of relatively small deposits. This proposed transaction would not eliminate any significant amount of competition between the two institutions and the resulting bank should be a more effective competitor in Dover than Granite Co-operative is at present.

Due to the home office protection provisions of State law, Applicant cannot establish a *de novo* branch in Dover. Granite Co-operative has not established any *de novo* branches in 40 years, and it does not seem likely that it would in the future. Thus, there is no potential competition which would be eliminated by this proposal.

Applicant is the second largest savings institution in the relevant service area, and it would continue to hold that position after consummation of this proposal. Granite Co-Operative has 1.9 percent of the relevant market, and the resulting bank would have 31.9 percent. The largest share of the market is held by Strafford Savings Bank, Dover, New Hampshire, with 39.2 percent of the market. This proposal would not reduce the number of offices, and other alternatives for time and savings accounts and mortgage loans will remain in the area.

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

Financial Resources. The growth of Granite Co-operative has been somewhat retarded, but the resulting bank would have adequate financial resources.

Managerial Resources. This proposed transaction would eliminate a potential management succession problem at Granite Co-operative, and the resulting bank would have satisfactory managerial resources.

Future Prospects. The future prospects for Granite Co-operative as a part of the resulting bank are better than they are for the bank operating as an independent unit, and the future prospects for the resulting bank are favorable.

Convenience and Needs of the Community to Be Served. The resulting bank should continue to adequately serve the convenience and needs of the communities of Somersworth and Rollinsford and also provide improved services to the community of Dover.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bank of the West Bellevue, Washington	32,070	7	8
to merge with **Redmond State Bank** Redmond	2,494	1	

Summary report by Attorney General, October 22, 1969

The closest offices of the two banks are presently four miles apart. However, West has applications for two new offices one of which would be two miles and the other four miles, respectively, from Redmond State's office. In the case of these two new offices there would be no intervening competing bank office. However, four other banks do maintain offices in or near to Redmond. This merger will eliminate whatever competition presently exists between the banks as well as the clear potential for increased competition.

Redmond State is the smallest bank in the area. Its acquisition is not likely substantially to increase the level of concentration in the Redmond-Bellevue area.

Basis for Corporation approval, January 23, 1970

Bank of the West, Bellevue, Washington ("Applicant"), a nonmember insured bank with total resources of $32,069,600, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Redmond State Bank, Redmond, Washington ("Redmond Bank"), a nonmember insured bank with total resources of $2,493,500. The banks would merge under the charter and title of Applicant; and, as an incident to the merger, the sole office of Redmond Bank would be established as a branch of Applicant, increasing its number of offices to eight.

Competition. Bellevue (population 43,000 is located 10 miles east of downtown Seattle. Redmond (population 9,213) is located 15 miles northeast of Seattle and 7 miles from Bellevue. The closest offices of the participating banks are 5 miles apart. Both banks are relatively new institutions; Applicant opened in 1965, and Redmond Bank in 1967. They primarily serve separate, although contiguous, areas. Several offices of other banks intervene their locations, and, although there is some minor overlapping of service areas, competition between them is minimal.

Several offices of some of the largest banks headquartered in the State are located in each of the merging bank's service area. The largest commercial bank in the State (total deposits $1.7 billion) holds the predominant position in the resulting bank's service area, with 15 of the 55 offices and 25.8 percent of total area deposits. Two of the other commercial banks and one mutual savings bank each would have about twice the volume of local deposits held by the resulting bank. Among seven other commercial banks with fewer local deposits than the resulting bank, three have total deposits greatly in excess of those of the resulting bank. The merger would result in a bank with but 7.2 percent of total local deposits, an increase of only 0.5 percent for Applicant, and would have no adverse effect on competition.

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

Financial and Managerial Resources; Future Prospects. These factors are favorable for the proposal. Future prospects for Redmond Bank, as a part of Applicant, would be improved under the more aggressive and progressive management of Applicant, which is responsive to the needs of the community.

Convenience and Needs of the Community to Be Served. The increased lending limit would benefit customers of both merging banks, which are located in economically expanding areas. The resulting bank will offer, to a greater extent, complete mortgage loan services demanded by the heavy residential building activity in both service areas. It is planned to extend the daily hours to the branch in Redmond for the convenience of the commuter population.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
North State Bank Burlington, North Carolina	11,598	5	6
to merge with **Bank of Stoneville** Stoneville	5,647	1	

Summary report by Attorney General, December 18, 1969

The closest offices of the merging banks are approximately 47 miles apart. It would appear that there is little if any existing competition between them which would be eliminated by the merger.

Under North Carolina law, State Bank could be permitted to establish a branch in Stoneville. However, in view of State Bank's relatively limited resources, and the existence of other larger and more likely potential entrants, we conclude that the proposed merger is unlikely to have any adverse effect on potential competition.

Basis for Corporation approval, January 30, 1970

North State Bank, Burlington, North Carolina ("North Bank"), an insured State nonmember bank with total deposits of $9,797,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with Bank of Stoneville, Stoneville, North Carolina ("Other Bank"), which has total deposits of $4,894,000. The banks would merge under the charter and title of North Bank; and, as an incident to the merger, the one office of Other Bank would become a branch of North Bank, increasing the number of its offices to six.

Competition. North Bank operates two offices in Burlington (population 40,000) and three other offices in communities within a 5-mile radius of Burlington in Alamance County. The economy of the trade area served by North Bank is a mixture of commerce, industry, and agriculture. Other Bank operates its only office in Stoneville (population 1,100) in the northwestern corner of Rockingham County.

Stoneville is 47 miles northwest of Burlington, and there are several commercial banking offices in the intervening area. There are no common customers, and neither of the participants has any business from the trade area of the other. There is no direct competition between the participating banks; thus, none would be eliminated by this proposed transaction.

Legally, either of the participating banks could establish *de novo* branches in the other bank's trade area; but, in view of its relatively small size and past history of not branching *de novo,* it is not likely that Other Bank would branch *de novo* into North Bank's trade area. The town of Stoneville is quite small, and it is also unlikely that North Bank would seek to establish a *de novo* branch at that location.

After consummation of this proposed transaction, the position of North Bank in relation to its competitor institutions would be virtually unchanged. In the Burlington area, North Bank is, and the resulting bank would be, in competition with four of the five largest banks in the State. Two of these much larger banks have total deposits of over $1 billion. Other Bank's competition includes two much larger institutions. One has total deposits of $132 million, and the other total deposits of $405 million. Consummation of this proposal would enable the resulting bank to compete more effectively with the much larger banks operating in the relevant trade area.

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

Financial and Managerial Resources. Financial and managerial resources are adequate with respect to both participating banks and are so projected for the resulting bank.

Future Prospects. North Bank has been a more aggressive competitor, and has grown faster, than Other Bank. The future prospects for the resulting bank are favorable.

Convenience and Needs of the Community to Be Served. This proposed merger would have no significant effect in the trade area served by North Bank, but it would improve the quantity and quality of banking services in the Stoneville area.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Simpson State Bank Simpson, Kansas (change title to The Farmers State Bank of Simpson, Kansas)	515	1	1
to merge with **The Farmers State Bank of Asherville, Kansas** Asherville	549	1	

Summary report by Attorney General, January 9, 1970

Farmers' office is located only three miles from Simpson Bank's office, and there are no intervening banks between them. The banks are or would be but for the existing common ownership, engaged in competition with each other. However, Farmers and Simpson Bank are the two smallest of the eight banks serving their market area, together having only 6.5 per cent of the area's total deposits.

In view of the small absolute and relative size of the merging banks, we conclude that the proposed merger is not likely to have a significantly adverse effect on competition.

Basis for Corporation approval, February 9, 1970

The Simpson State Bank, Simpson, Kansas ("Applicant"), a nonmember insured bank with total resources of $515,200, has applied, pursuant to Section 18(c) of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The Farmers State Bank of Asherville, Kansas, Asherville, Kansas ("Farmers"), a nonmember insured bank with total resources of $549,900, under the Applicant's charter and with the title "The Farmers State Bank of Simpson, Kansas." Branch banking is prohibited in Kansas; therefore, the sole office of Farmers will be discontinued.

Competition. Simpson and Asherville are rural agricultural communities located 3 miles apart in north-central Kansas, having populations of only about 150 and 40, respectively. Wheat and livestock are the principal sources of income. There has been very little economic growth in the area in the past 10 years; however, when the Solomon Valley Irrigation District and a nearby feed lot corporation are completed, agricultural production is expected to increase along with some stimulus to small commercial businesses.

There are no other banks in the immediate area of Simpson and Asherville, and the service areas of Applicant and Farmers overlap. Accordingly, there is competition between them which will be eliminated; however, this does not loom large in view of their relatively small size and the limited banking services they can offer as separate institutions. Much larger competing banks are located in Beloit, the county seat, located 10 miles northwest of Simpson, and three other communities located from 6 to 15 miles in various directions. Applicant and Farmers are by far the two smallest banks in the area, and the resulting bank will be by far smallest among six remaining banks—less than one-half the size of the next smallest bank, as measured in terms of IPC deposits. The resulting bank will have 4.2 percent of the area IPC deposits as compared with 32.9 percent for the largest bank and 9.6 percent for the next to the smallest bank.

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

Financial and Managerial Resources; Future Prospects. These factors are favorable for the proposal.

Convenience and Needs of the Community to Be Served. The merger will result in a bank better able to serve the financial needs of the Asherville-Simpson area, through greater resources, a larger capital base, and a lending limit more adequate to meet the growing credit needs of the surrounding agricultural community. Also, the larger bank will have sufficient resources and capital to provide a wider and more modern range of banking services, all of which will better serve the convenience and needs of the Simpson and Asherville communities.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Emigrant Savings Bank New York (Manhattan), New York	1,769,181	4	7
to merge with			
City Savings and Loan Association New York (Queens)	78,445	3	

Summary report by Attorney General, November 26, 1969

Since distances between offices of the two institutions are not great and in view of the large number of people who commute via mass transportation facilities into Manhattan from Queens, it would appear that the merging institutions compete to some extent for savings deposits. While the two institutions also compete in mortgage loans, it appears that neither institution has a significantly large share of the mortgage lending market in New York City.

According to the application and other available information, 17 savings banks, operating 92 offices in Manhattan, have total savings deposits of $14,285,374,000. Emigrant is the 3rd largest savings bank in New York City with approximately 12% of total savings deposits of the Manhattan savings banks.

Emigrant has approximately 10.6% of savings deposits of all savings banks and savings and loan associations in Manhattan and it has approximately 8.1% of savings deposits of all banks and savings and loan associations in both Manhattan and Queens.

As of September, 1967, 25 savings and loan associations in Queens, operating 53 offices, had approximately $1,473,974,600 in savings accounts. City Savings is the tenth largest savings and loan association in the County with about 4.4% of total Queens County savings and loan associations deposits.

City Savings has approximately 1.5% of all savings deposits of savings and loan associations and savings banks in Queens and it has approximately 0.3% of savings deposits of all savings and loan associations and savings banks in both Queens and Manhattan.

These figures indicate that while some direct competition will be eliminated by the proposed merger, the overall concentration in the two counties will not be greatly increased.

Ordinarily, Emigrant, as the 3rd largest savings bank in New York City, would have to be considered one of the leading potential entrants into the Queens market. However, New York banking law provides that a savings bank which has reached its statutory limit of four *de novo* branch offices can only enter other parts of New York City by acquisition of existing banks. While the application states that Emigrant has obtained permission to open its fifth branch, it does not state whether Emigrant has reached its statutory limit for *de novo* branches.

In any event, due to the large number of other potential entrants into the Queens area and the relatively small size of City Savings, we conclude that the proposed merger would not have a significantly adverse effect on potential competition.

Basis for Corporation approval, February 13, 1970

Emigrant Savings Bank, New York (Manhattan), New York ("Emigrant"), an insured mutual savings bank with total resources of $1,769,181,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with City Savings and Loan Association, Jamaica (Queens), New York, New York ("City"), an insured savings and loan association with total resources of $78,445,000, under Emigrant's charter and title and, incident thereto, to establish three branches at the present locations of City.

Competition. The merging institutions operate in widely separated service areas. Emigrant's four offices are located in midtown and downtown Manhattan; City's three offices are located in the Borough of Queens. The two service areas are connected only by a number of bridges over and tunnels under the East River, which separates Manhattan from Brooklyn and Queens. The nearest offices of Emigrant and City are 7½ miles apart.

Emigrant is the fourth largest savings bank by asset size among 48 mutual savings banks in New York City, based on June 30, 1969, statistics. It holds 5.4 percent of the deposits and 5.5 percent of the mortgage loans. Following the merger, Emigrant still would rank fourth, and its proportionate holdings of deposits and loans would increase only fractionally to 5.5 percent and 5.7 percent, respectively.

The proposed merger would not have any significant competitive effects in the Borough of Manhattan but would expand Emigrant's service area into the Borough of Queens. Queens is the largest of the five New York City boroughs, and it is the fastest growing. It covers an area of 118 square miles and has a residential population in excess of two million. Within its service area(s), City competes for deposits with 21 branches of 12 sizeable savings banks, five of which have main offices in Brooklyn and one with its main office in Manhattan. In addition, there are 17 branches of nine large Manhattan-based commercial banks and 10 offices of eight savings and loan associations. City has been unable to increase its dividend rate above 4½ percent; thus, has been unable to meet the higher interest and dividend rates paid by its larger competitors. The higher dividend rates of Emigrant at the three offices of City, in addition to other services it can provide the public, should tend to increase competition in City's service area. In view of the large number of alternative choices available to the public, for both deposit and loan relationships, and the small size of City, the reduction in alternatives would be competitively insignificant.

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

Financial and Managerial Resources; Future Prospects. The larger and more competitive Emigrant, paying higher dividend rates and offering additional services to the public, should be able to achieve better results, depositwise, than has City, with benefits to both participants. The prospects for future expansion of deposit volume through the newly acquired offices of City would improve the financial resources and future prospects of Emigrant, which presently is burdened by low-yielding investments made years ago.

Convenience and Needs of the Community to Be Served. The resulting bank would provide the customers of City with all services which mutual savings banks are permitted by statute to offer. These include the following services which are not presently available at the three offices of City: student loans, low-cost savings banks life insurance and annuities, foreign remittances, self-employed retirement plans, and computerized on-line banking facilities, making it possible for customers to transact business at any of the eight offices (includes one approved but unopened branch of Emigrant) in Manhattan and in Queens. Importantly, City, because of lack of funds, has been unable to meet the demand in its area for mortgage financing for small dwellings and has been unable to meet competitive dividend rates. Emigrant has a much greater capacity for meeting mortgage loan demands, would make available low-cost mortgage insurance, and would increase the 4½ percent dividend rate presently paid by City.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Continental Bank Norristown, Pennsylvania	558,117	42	48
to merge with **The Doylestown National Bank and Trust Company** Doylestown	43,562	6	

Summary report by Attorney General, November 28, 1969

Continental Bank has no offices in Bucks County. The closest offices of the merging banks are about 12 miles apart. There is apparently some amount of direct competition between the banks that will be eliminated by the proposed merger. According to the application, only a small percentage of loans and deposits originating in one bank's service area are held by the other bank. We note the reported existence of a small number of common depositors and loan customers.

Under Pennsylvania law, either bank could be permitted to establish *de novo* branch offices in the service area of the other. Continental Bank, as one of the larger banks in the greater Philadelphia area, has the resources and incentive to open *de novo* offices in that part of Bucks County served by Doylestown National.

Seven commercial banks operate offices in the service area of Doylestown National:

	Bucks County Deposits	Total Deposits
Philadelphia National Bank	$53.6 million	$1,700 million
Bucks County Bank and Trust	38.1	57
Doylestown National	35.7	37
Industrial Valley Bank & Trust	23.0	391
First Pennsylvania	16.5	2,000
Girard Trust Bank	15.9	1,500
Solebury National Bank	11.0	12

The Fidelity National Bank of Philadelphia (total deposits $1.2 billion) and the Cheltenham National Bank (total deposits $45 million) have also announced plans to establish *de novo* offices in the area.

Should the proposed merger be approved, Continental would be eliminated as a potential *de novo* entrant into the area of Bucks County served by Doylestown National and potential competition between the banks would be eliminated.

Basis for Corporation approval, March 3, 1970

Continental Bank, Norristown, Pennsylvania ("Applicant"), an insured non-member State bank with total deposits of $460,951,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with The Doylestown National Bank and Trust Company, Doylestown, Pennsylvania ("Other Bank"), which has total deposits of $38,083,000. The banks would merge under the charter and title of Applicant; and, as an incident to the merger, the six offices of Other Bank would become branches of Applicant, increasing the number of its offices to 48.

Competition. The service area of Applicant, of which the population is estimated at 2.3 million, is essentially Philadelphia and southeastern Pennsylvania. Of Applicant's 42 offices, 21 are in Philadelphia. The city of Philadelphia and the surrounding area are heavily industrialized with diversified activity, extensive commercial services, port facilities, and an expanding residential population. The economy in the communities in the surrounding counties (Montgomery, Chester, and Delaware) where Applicant presently has branches, for the most part, is geared to the economy of the greater Philadelphia area.

Other Bank operates six offices in central Bucks County, which is considered to be its trade area (estimated population 37,000), with some penetration into Montgomery County by its branch in Warminster, which is close to the county line. The nature of the economy in the trade area served by Other Bank is changing from agricultural to industrial, commercial, and residential.

Applicant has no offices in Bucks County, and the shortest distance between offices of the participating banks is the 10 miles separating Applicant's branch in Hatfield and Doylestown. There are offices of other commercial banks in the intervening area, and there appears to be no direct competition between the participating banks which would be eliminated by this proposal. Moreover, there appears to be little potential for competition. Other Bank would be unlikely to branch *de novo* into Applicant's trade area, in view of the much larger banks operating therein. The trade area served by Other Bank is well provided with existing and approved but unopened banking offices. Even if this area could support additional *de novo* branches, such an entry by Applicant would not be likely to lead to the development of significant competition between Applicant and Other Bank.

Applicant is the sixth largest commercial bank in its trade area as measured in terms of IPC deposits, and this proposal would not change that position. One commercial bank headquartered in Philadelphia has total IPC deposits of over $2 billion and three other Philadelphia-based banks have total IPC deposits of over $1 billion. In addition, one of the mutual savings banks in Philadelphia has total deposits of $1.8 billion. With respect to this market area, the merger would have no significant effect on competition.

Other Bank has been the only independent Doylestown bank since the recent merger of the other independent bank by a Jenkintown-based bank which now operates one branch in Doylestown. The first and second largest Philadelphia-based banks also operate one branch each in Doylestown. In addition, the third largest commercial bank and the largest mutual savings bank in Philadelphia have the necessary approvals to establish a *de novo* branch each in

Doylestown. Thus, bank competition in central Bucks County is now an integral part of the overall competitive picture in the Delaware Valley. This proposal would replace a small bank, which faces formidable competition, with a larger institution possessing the resources and management to compete more effectively. Consummation of this proposed transaction should tend to increase competition in the area now served by Other Bank.

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

Financial and Managerial Resources; Future Prospects. Financial and managerial resources are satisfactory with respect to both participating banks and are so projected for the resulting bank. The earning record of Other Bank has not been as good as Applicant's, and the future prospects of Other Bank, as a part of the resulting bank, would be enhanced. Future prospects for the resulting bank are favorable.

Convenience and Needs of the Community to Be Served. It is not anticipated that this proposal would significantly benefit the trade area served by Applicant, but it should permit the resulting bank to provide an alternate source for additional services in the trade area served by Other Bank.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Albany Savings Bank Albany, New York	337,217	3	5
to merge with **Glens Falls Savings and Loan Association** Glens Falls	14,086	2	

Summary report by Attorney General, February 26, 1970

The service area of Albany Bank includes primarily the SMSA noted above (Albany, Schenectady, Rensselaer and Saratoga Counties) and Washington County. Its secondary service area extends through broad areas of north central New York and includes Warren County where Glens Falls Savings' more limited service area is centered. The closest offices of the merging institutions are 47 miles apart, with numerous savings banks and savings and loan associations, as well as commercial banks, intervening. Nonetheless, both draw not insubstantial deposit and loan accounts from the primary service areas of each other. Their merger will eliminate some existing competition between them.

New York, with exceptions not relevant here, does not permit savings banks to open *de novo* branches beyond the county in which their head offices are located. Albany Bank is, therefore, not a potential *de novo* entrant into the area primarily served by Glens Falls Savings, or other parts of Warren and Washington Counties. According to the application, Albany Bank conducts extensive business by mail in these areas, and has substantial incentive to locate an office therein. Merger with one of the two substantially smaller savings institutions in Washington County could provide this office in a manner which would not eliminate the most able competitor among the very limited number of local savings institutions.

Basis for Corporation approval, March 6, 1970

Albany Savings Bank, Albany, New York ("Albany Savings"), an insured mutual savings bank with total resources of $337,217,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Glens Falls Savings and Loan Association, Glens Falls, New York ("Savings and Loan"), an insured savings and loan association with total resources of $14,086,000, under Albany Saving's charter and title and, incident thereto, to establish two branches at the present locations of Savings and Loan.

Competition. The merging institutions are situated in widely separated geographical areas. Albany Savings operates three offices, two in the city of Albany and one approximately 5 miles northwest in the town of Colonie. All are located within the Albany-Schenectady-Troy SMSA, which, with Washington County, comprises the primary trade area of Albany Savings, with a total population of 739,000. The two offices of Savings and Loan are located in the city of Glens Falls and in the township of Queensbury. The nearest offices of Albany Savings and Savings and Loan are 51 miles apart. There is little competition between the two institutions for loans, and competition for deposits is limited to business attracted by Albany Savings' service, "Bank By Mail." Nor is there any significant potential for competition in view of legal restrictions on *de novo* branching and on the types of service the respective institutions can offer.

In the primary service area of the merging institutions, there are eight mutual savings banks, the largest being Albany Savings, 13 savings and loan associations, of which Savings and Loan is fifth largest, and 20 commercial banks with total time and savings deposits and share balances of $2,454,405,000 and loans of $2,446,373,000. Albany Savings holds 11.9 percent of the deposits and 11.3 percent of the loans. Following the merger, Albany Savings' proportionate holdings of deposits and loans would increase only fractionally to 12.4 percent and 11.7 percent, respectively.

The proposed merger would not have any significant competitive effects within the primary service area of Albany Savings, but it should stimulate competition in the Glens Falls area. Savings and Loan has been unable to increase above 4¼ percent the dividend rate paid to the bulk of its depositors; thus, it has been unable to meet the higher interest and dividend rates paid by its competitors. The higher dividend rates of Albany Savings at the two offices of Savings and Loan, in addition to other services it can provide the public, should tend to increase competition in Savings and Loan's service area.

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

Financial and Managerial Resources; Future Prospects. Financial and managerial resources are, in general, satisfactory at both institutions and are so projected for the resulting bank. Albany Savings, paying higher dividend rates and offering additional services to the public, should be able to achieve better results, depositwise, than has Savings and Loan. Prospects for expanding deposit volume through acquisition of offices of Savings and Loan would improve the financial resources and future prospects of Albany Savings.

Convenience and Needs of the Community to Be Served. The customers of Savings and Loan would receive all services which mutual savings banks are permitted by statute to offer, including the following services which are not presently available at the two offices of Savings and Loan: student loans, low-cost savings banks life insurance and annuities, and computerized on-line banking facilities, making it possible for customers to transact business at any of the five offices of the resulting bank. Savings and Loan has been unable to meet the demand in its area for home mortgage financing and to meet competitive dividend rates. Albany Savings has a much greater mortgage lending capacity, would make available low-cost mortgage insurance, and would increase the dividend rate presently paid by Savings and Loan to 5 percent.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Metropolitan Savings Bank New York (Brooklyn), New York	245,011	4	9
to merge with **Brevoort Savings Bank** New York (Brooklyn)	298,629	5	

Summary report by Attorney General, February 26, 1970

Distances between offices of the two savings institutions are small since all save the newly opened branch of Brevoort Bank at Forest Hills are located in Brooklyn. The main office of Metropolitan Bank is less than a mile from the main office of Brevoort Bank, and one of its branch offices is about two miles from a branch office of Brevoort Bank. An analysis of sample accounts at the Metropolitan Bank determined that 79 per cent of its deposit accounts originated in the primary service area of Brevoort Bank and 11 per cent in the rest of New York City. A similar analysis at Brevoort Bank disclosed that 82 per cent of its deposit accounts originated in the primary service area of Metropolitan Bank and 7 per cent in the rest of New York City. Also, 5.9 per cent of the mortgage loans placed by Metropolitan Bank are located in Brooklyn, while

7.4 per cent of such loans are located in the rest of New York City. This compares with 16.4 per cent of its mortgage loans placed by Brevoort Bank in Brooklyn, and 5.1 per cent of such loans placed in the rest of New York City. These figures and the close proximity of the banks indicate that the proposed merger would eliminate substantial direct competition.

Metropolitan Bank ranks sixteenth out of twenty savings banks headquartered in Kings County (Brooklyn) and Brevoort Bank ranks fourteenth. As of June 30, 1968, Metropolitan Bank held some 2.6 per cent of total savings deposits held by offices of county savings banks while Brevoort Bank held about 3.2 per cent of such deposits. On that date, the largest share of these deposits was held by the Dime Savings Bank of Brooklyn, 19 per cent. The four largest savings banks held about 41 per cent of such deposits. The participants' combined share of such total savings would have been 5.8 per cent, resulting in the fourth largest savings bank based in Kings County. Inclusion of savings deposits held by savings and loan associations and commercial banks would reduce this total to about 5.1 per cent.

We conclude that this merger would eliminate substantial direct competition between the participants and would increase concentration among savings banks based in Kings county. Under these circumstances, its effect on competition would be adverse.

Basis for Corporation approval, March 6, 1970

Metropolitan Savings Bank, New York (Brooklyn), New York ("Metropolitan"), an insured mutual savings bank with total deposits of $224.6 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with the Brevoort Savings Bank, New York (Brooklyn), New York ("Brevoort"), an insured mutual savings bank which has total deposits of $272.5 million. The banks would merge under the charter and title of the applicant; and, incident to the merger, the five offices of Brevoort would become branches of the resulting bank, which would have a total of nine banking offices.

Competition. Metropolitan's four offices and Brevoort's main office and three of its branches are located in the Borough of Brooklyn. Brevoort operates an additional branch in the Borough of Queens. Each of the merging banks' offices serve separate neighborhoods, and their service areas overlap only in the vicinity of their main and closest offices, which are 4,500 feet apart. The overlap includes a small area in an overcrowded and substandard section of Brooklyn. Numerous offices of other savings banks, as well as commercial banks and savings and loan associations, intervene the merging banks' offices, and there is no significant competition between them.

The effect of the proposed merger on the concentration of savings bank resources in Brooklyn would be nominal, and virtually nonexistent in the larger New York City area. The merging banks rank 14th and 16th in deposit size among the 17 mutual savings banks in Brooklyn. The resulting bank would be eighth largest and have but 4.9 percent of the deposits held by Brooklyn mutual savings banks. It would be 24th in size among the 46 savings banks in New York City and have 1.6 percent of the deposits. In addition to the other mutual savings banks, competition is afforded by 823 commercial bank offices holding $4.6 billion savings deposits and by 143 savings and loan association offices holding savings of $4.4 billion.

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

Financial and Managerial Resources; Future Prospects; Convenience and Needs of the Community to Be Served. The banking factors are satisfactory with respect to each merging bank and are favorable with respect to the resulting bank. The resulting bank would be in a generally sound condition, with increased depth and calibre of management and greater prospects for operating economies and improved service to the community.

The Board of Directors, for the reasons stated above, has concluded that approval of the bank's application is warranted.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Oregon Bank Portland, Oregon	105,430	17	18
to acquire the assets and assume the deposit liabilities of			
Umpqua National Bank Reedsport	13,500	1	

Summary report by Attorney General, November 25, 1969

The closest office of Oregon Bank in Eugene is about ninety miles from Umpqua Bank. Therefore, it does not appear that any significant amount of direct competition would be eliminated by the proposed merger.

Under Oregon law, Oregon Bank is barred from opening a *de novo* branch in Reedsport proper. However, Oregon Bank could open an office in suburban areas of Reedsport so that it could in fact become a direct competitor of Umpqua Bank. Presently, Umpqua Bank controls nearly 75% of commercial bank deposits in Reedsport and 28.1% in the area of western Douglas, Lane and Coos Counties which it defines as its service area. In both of these areas Umpqua Bank is the largest bank in terms of deposits. Oregon Bank is the fourth largest bank in Oregon and has shown a recent interest in becoming a state-wide banking organization. Thus, Oregon Bank is a likely potential entrant into the Reedsport area.

Commercial banking in the State of Oregon is dominated by two banks which between them hold around 90% of deposits in Oregon banks. Both of these banks have branches in the general vicinity of Reedsport, and are therefore more likely *de novo* entrants into Reedsport area than is Oregon Bank. Furthermore, Oregon Bank is less than one-sixth the size of the two dominant banks in the state. The third largest bank in the state is a branch of a California bank which has only one office in the state and has shown no signs of expanding its business by opening new offices. Hence, Oregon Bank is one of three likely entrants into the Reedsport area but it is substantially smaller than are the two more likely entrants.

Basis for Corporation approval, March 6, 1970

The Oregon Bank, Portland, Oregon ("Oregon Bank"), a nonmember insured bank with total resources of $105,430,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets of $13,500,000 and assume liability to pay deposits made in Umpqua National Bank, Reedsport, Oregon ("Umpqua"), and to establish the sole office of Umpqua as a branch.

Competition. Oregon Bank's 17 offices serve seven separate and distinct areas, the largest and most important of which is the Portland metropolitan area. Its closest office to Umpqua is its Eugene branch, located approximately 90 miles to the northeast. There is no overlapping of the service areas and no competition between the two banks to be eliminated; also, the potential for competition through the establishment of a *de novo* branch by Oregon Bank in Reedsport is precluded by branch restrictions contained in Oregon statutes.

Banking in Oregon is concentrated in two statewide branch systems which, combined, hold 76.7 percent of total bank deposits, based on October 21, 1969, statistics. Oregon Bank, with 2.4 percent of the State's total bank deposits, and ranking fourth in size, is dwarfed by the two largest banks with which it competes in all but one of its seven service areas. The acquisition of Umpqua would have no effect on competition in the areas presently served by Oregon Bank, except for a larger loan limit.

Any competitive effects would occur in Reedsport and in the surrounding area, known as Lower Umpqua, of which Reedsport is the hub with a population of 4,200. In this area, offices of the State's two largest banks also hold the largest shares of the market among seven banks—nearly 30 percent for each, as measured in terms of total area deposits. Umpqua ranks about equally with one other bank as third largest, holding 14.2 percent and less than one-half the volume held by offices of each of the two largest banks. The entry of Oregon Bank into this area, with its greater resources and broader range of specialized services, should tend to increase competition.

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

Financial and Managerial Resources; Future Prospects. These factors are resolved as favorable for the proposal.

Convenience and Needs of the Community to Be Served. The acquisition would not cause a reduction in the number of banking offices, and there would be no effect as to the convenience and needs factor in the areas presently served by Oregon Bank, other than a larger loan limit. The public in the Reedsport area will benefit from the larger loan limit of the resulting bank and from the specialized services, not now available locally in Reedsport, which Oregon Bank can provide, including trust, credit card and international banking services, and automation facilities. The proposal will provide the residents and business establishments in the Reedsport community with a major banking source.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First Citizens Bank and Trust Company of South Carolina Dillon, South Carolina	37,903	8	12
to merge with			
The Commercial Bank and Trust Company of South Carolina Columbia	32,362	4	

Summary report by Attorney General, February 26, 1970

The two branch offices of Citizens Bank in Lancaster, about 56 miles north of Columbia, are the nearest existing offices to Commercial Bank. After Citizens Bank's merger with Bank of Great Falls, the nearest office of Citizens Bank to Commercial Bank will be forty miles to the north. In view of the substantial distance between the two banks and the existence of other banks in the intervening area, the proposed merger will have little, if any, effect on direct competition between the banks.

Under South Carolina law either bank could be permitted to establish a branch office in the market or markets served by the other bank. Lancaster (population 8,000) and Dillon are the largest markets that Citizens Bank presently serves. Its two offices in Lancaster compete with two banks in the town, and the main office in Dillon competes with an office of South Carolina National Bank (total deposits of $463.7 million) and two other banks in surrounding communities. While these markets may experience some industrial growth in the future and become attractive to entry by other banks, the large statewide banks are more likely to enter these areas *de novo* than Commercial Bank.

Commercial Bank's offices serve Columbia and the adjacent community of West Columbia, the largest banking market in South Carolina. Six commercial banks in addition to Commercial Bank have offices in Columbia, including the four largest banks in the state each of which have total deposits of over $150 million. As of June 1968, these seven banks operated 38 offices in Columbia. The five largest of these seven also operated eight offices in the adjoining communities of West Columbia and Cayce. In June 1968, Commercial Bank held the fifth largest share of deposits in Columbia and the two adjacent communities in Lexington County—about 6.4 percent of total IPC demand deposits and 10 percent of total deposits. The three largest banks, which are also the three largest in the state, accounted for about 81 percent of total IPC demand deposits and about 73 percent of total deposits in the Columbia area.

Citizens Bank, which has demonstrated an interest in expanding its operations into other banking markets by its acquisition of several other banks and pending application to establish an office *de novo* in Charleston, appears to be a likely *de novo* entrant into the growing Columbia area. However, Consolidation of Commercial Bank, one of the smaller banks in the Columbia area, and Citizens Bank could result in a stronger competitor to challenge the leading banks and reduce concentration. We conclude that the proposed merger would be unlikely to have any significantly adverse effect on potential competition.

Basis for Corporation approval, March 6, 1970

Citizens Bank of South Carolina, Dillon, South Carolina ("Citizens"), a State nonmember insured bank with total deposits of $33,645,000, whose title was changed subsequent to the filing of the applications, to First-Citizens Bank and Trust Company of South Carolina, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with The Commercial Bank and Trust Company of South Carolina, Columbia, South Carolina ("Commercial"), a State nonmember insured bank with total deposits of $28,596,000, and for consent to the establishment of the four offices of Commercial as branches of the resulting bank. The merger would increase the number of offices of Citizens from eight to 12. Approval is also requested to the change of location of the main office from Dillon to Columbia, to the exercise of trust powers, and to the retirement, at the option of the holders thereof, of the Series C convertible preferred stock to be issued in connection with the merger.

Competition. Citizens presently is headquartered in Dillon and operates branches in Lancaster, Clio, Nichols, Cheraw, Lake View, and Great Falls—all located in the northeastern quadrant of South Carolina. Among the banks with offices in its several service areas, Citizens holds the largest share of the local market (25.2 percent), as measured in terms of total local deposits, and has the largest number of local offices. This compares with 15.0 percent held by the bank which has the second largest share of the local market. However, this relationship in the local market would not change as a result of the merger. Citizens is in competition with branches of the State's largest and third largest banks and with the third and seventh largest banks in North Carolina. As a result of the merger, Citizens would be in a stronger competitive position with the larger banks, through greater overall resources, an increased lending limit, and the acquisition of trust powers.

Commercial's offices are all located in the greater Columbia metropolitan area in the center of the State. In this area, it holds 9 percent of the local deposits, ranking fifth, which is only a little more than one-half the volume of local deposits held by the bank ranking fourth. Commercial is in direct competition with 20 offices of the State's two largest banks (headquartered in Charleston) and with 19 offices of the State's third and fourth largest banks (headquartered in Columbia). As a result of its greater resources and expanded services, the resulting bank would be in a position to offer stronger competition in the Columbia area with the State's four largest banks.

Citizens and Commercial presently serve separate trade areas, and there is no competition between them which would be eliminated by their merger. Citizens' nearest location to Commercial is 42 miles north of Columbia. South Carolina statutes permit statewide branching, and Citizens could enter the Columbia market through *de novo* branching; however, with no established locations in Columbia and in the face of well-established locations of Commercial and the State's four largest banks (along with others), it is unlikely that *de novo* entry by Citizens could develop substantial competition for these other banks within a reasonable period of time. Also, it is unlikely that Commercial would seek to enter the areas served by Citizens through *de novo* branching.

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

Financial and Managerial Resources; Future Prospects. These factors are resolved in favor of the proposed merger. Commercial is confronted with a management problem due to advanced age of its present executive officer and lack of a successor, whereas Citizens possesses considerable management depth through its affiliation with First-Citizens Bank & Trust Company, Smithfield, North Carolina.

Convenience and Needs of the Community to Be Served. In the Columbia area, aside from changing the identity of the offices of Commercial from a small local branch system to the main office and resulting branches of a much larger institution, there will be several major improvements in services to the public, including a lending limit nearly triple that of Commercial, bank credit card plan, and other expanded services. In the service areas of Citizens, the loan limit will be nearly doubled and trust services will become available to its customers. In general, the merger will result in a wider range of enlarged banking services available at the offices of both Citizens and Commercial.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
United Bank of Arizona Phoenix, Arizona	117,807	13	13
to merge with **Pacesetter Financial Corporation** Phoenix	2,631	—	

Summary report by Attorney General, February 16, 1970

The proposed merger is part of a transaction which will result in United Bank of Arizona becoming a wholly-owned subsidiary of a one-bank holding company. Thus, this merger is merely part of a corporate reorganization and as such will have no effect on competition.

Basis for Corporation approval, March 26, 1970

United Bank of Arizona, Phoenix, Arizona ("Applicant"), a nonmember insured bank with total deposits of $100,394,700, has applied, pursuant to the provisions of Section 18(c)(1)(A) of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with Pacesetter Financial Corporation, Phoenix, Arizona, a nonbanking corporation formed for the sole purpose of facilitating the formation of a one-bank holding company to own applicant.

Applicant is the only operating bank involved in this proposal. It presently operates its main office and nine branches within the Phoenix Standard Metropolitan Statistical Area and one branch each in Casa Grande, Coolidge, and Yuma. This proposal, of itself, will not change the number of offices or the services presently offered by Applicant, which will continue operations at the same locations and with the same assets, liabilities, capital, and management.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Pennsauken Bank Pennsauken Township, New Jersey (change title to Fidelity Bank and Trust Company of New Jersey)	25,019	2	3
to merge with **Burlington Bank & Trust Company** Burlington	20,331	1	

Summary report by Attorney General, February 26, 1970

The distance between the closest offices of The Pennsauken Bank and Burlington Bank is 17 miles. There are several commercial banks in the intervening area. While each of the banks do have some deposits and loans and discounts originating in the service area of the other, the application states that this is a result of an allocation of business resulting from common ownership and management. For these reasons, it would appear that the proposed merger would not eliminate any significant amount of existing competition between the merging banks.

Under New Jersey law, either bank could be permitted to open *de novo* branches in the service area of the other, although not in communities subject to home office protection. The Pennsauken Bank is the sixth largest of eight banks situated in Camden County and controls about 2 per cent of total county deposits. Burlington Bank is the eighth largest of fifteen banks in Burlington County and controls about 5 per cent of total county deposits.

The merging banks have about 40 per cent common stock ownership and a common Chairman of the Board of Directors. Neither has a history of expansion. While both banks are in rapidly growing areas, neither Burlington Bank nor the Pennsauken Bank would appear to be among the most likely potential entrants into the other's service area.

We conclude that the proposed merger is unlikely to have a significantly adverse effect on competition.

Basis for Corporation approval, March 26, 1970

The Pennsauken Bank, Pennsauken Township, New Jersey ("Applicant"), a

State nonmember insured bank with total deposits of $21,841,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and with the title of "Fidelity Bank and Trust Company of New Jersey," with Burlington Bank & Trust Company, Burlington, New Jersey ("Other Bank"), a State member bank with total deposits of $17,865,000, and for consent to establish a branch at the one location where Other Bank is presently operating. The merger would increase the number of offices of Applicant to three. Applicant has also requested the Corporation's consent to exercise trust powers.

Competition. The two offices of Applicant are located in Pennsauken Township in Camden County, adjacent to the city of Camden. The one office of Other Bank is located within the city and county of Burlington, which adjoins Camden County to the north and east. Both of the participating banks are located in the Philadelphia, Pennsylvania-New Jersey SMSA, which had a population of 4.3 million in 1960. The New Jersey portion of the SMSA consists of Burlington, Camden, and Gloucester counties. Both service areas are experiencing growth, with that of Applicant leaning towards further industrialization while Other Bank's increase is to greater residential density with overtones of commercial activity.

Applicant's service area extends 5 miles east-west and 3 miles in a roughly north-south direction. Other Bank's trade area consists of most of Burlington Township, part of Florence Township to the east, and Edgewater Park Township to the southwest. The two main offices are approximately 17 air miles apart. The trade areas served by Applicant and Other Bank are separate and distinct with no overlapping. There is no direct competition between the participating banks, whose nearest service area borders are some 8 miles apart with a number of commercial banking offices of several institutions located in the intervening area.

There are seven banks with 13 offices in the trade area served by Applicant. A Camden-based bank with four offices and 31 percent of the IPC deposits has the greatest share of the market. Applicant has 12.6 percent, and four of the banks operating in the trade area have a greater share of the market than Applicant.

Only four banks with eight offices presently in operation compete in the service area of Other Bank. The other Burlington-based commercial bank has a total of 13 offices and total deposits of over $50 million. Three of its branches in Other Bank's trade area have 44.9 percent of the market. Other Bank is the second largest, with 23.8 percent of the market. The resulting bank should be able to compete more effectively with the other larger Burlington-based bank than Other Bank can at present.

In Applicant's trade area the resulting bank would be competing with two banks with total deposits in excess of $250 million and one with total deposits in excess of $100 million. The resulting bank would be only fifth in asset rank among the seven institutions competing in the Pennsauken area, while in the Burlington service area, the resulting bank would be substantially smaller than the other Burlington-based bank.

Due to legal limitations on *de novo* branching, common ownership, and other deterring factors, there is no significant amount of potential competition which would be eliminated by this proposal.

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

Financial and Managerial Resources; Future Prospects. Financial and managerial resources are adequate with respect to both participating banks and are so projected for the resulting bank. Future prospects for the resulting bank are favorable.

Convenience and Needs of the Community to Be Served. The resulting bank would be better equipped to supply the credit needs in both trade areas than the participating banks are at present. This proposal would also provide the residents of the Pennsauken area with an alternate source of trust services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
American Anson Bank Monroe, North Carolina (in organization; change title to American Bank & Trust Company)	300	—	14
to merge with **American Bank & Trust Company** Monroe	55,424	14	

Summary report by Attorney General, February 16, 1970

The proposed merger is part of a plan under which The Waccamaw Corporation proposes to acquire all of the voting shares of American Anson Bank, a non operating institution and to effect the merger of American Bank & Trust Company into American Anson Bank. The effect of these transactions will be to transfer control of an existing bank to The Waccamaw Corporation which will become a registered bank holding company. In and of itself, however, the proposed merger would merely combine an existing bank with a non operating institution; as such, and without regard to acquisition of the surviving bank by The Waccamaw Corporation, the proposed merger would have no effect on competition.

Basis for Corporation approval, March 26, 1970

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for American Anson Bank, Monroe, North Carolina, a proposed new bank in organization, and for consent to merge with American Bank & Trust Company, Monroe, North Carolina ("Old Bank"), an operating nonmember insured bank, and for permission to establish 17 branches. Old Bank presently operates 13 branch offices and has the necessary approvals to establish four additional *de novo* branches. As of September 30, 1969, Old Bank had total resources of $55,424,000. The resulting bank would operate under the charter of New Bank and with the title of Old Bank.

The proposal is designed to facilitate the acquisition of ownership of Old Bank by a one-bank holding company which will file the necessary applications with the Board of Governors of the Federal Reserve System to become a registered bank holding company. New Bank will not be in operation as a commercial bank prior to consummation of the proposed transaction, and it will begin business at the present locations of Old Bank with the latter's assets, liabilities, capital, and management.

Old Bank has provided banking services to its trade area on a convenient and successful basis for many years. The subject proposal, in and of itself, will not alter these services or the service area and, involving only a change in form of corporate organization, will, of itself, have no effect on competition. All factors required to be considered relative to each application are favorably resolved.

On the basis of the above information, the Board of Directors has concluded that approval of the applications is warranted.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Northern Central Bank and Trust Company Williamsport, Pennsylvania	60,275	3	4
to merge with **Milton Bank and Safe Deposit Company** Milton	9,898	1	

Summary report by Attorney General, January 26, 1970

The offices of NCB and Milton Bank are 20 miles apart, in different counties. Five banking offices, operated by four banks, intervene. The two banks have few common customers and each bank obtains only a small amount of deposits and loans from the service area of the other. Therefore, it appears that the merger would eliminate only a limited amount of competition between the banks.

NCB is the largest of 13 banks headquartered in Lycoming County, holding 20.7 per cent of the total deposits held by these banks. Two other banks, also headquartered in Williamsport, hold comparable shares. Milton Bank is fourth largest of nine banks operating within ten miles of Milton, holding 12.0 per cent of the total deposits held by these banks.

Under Pennsylvania law, both banks could branch *de novo* into the service areas of the other. Because of its relative size, NCB could be considered a likely potential *de novo* entrant into Milton Bank's service area. The merger would eliminate this potential competition between the two banks.

Basis for Corporation approval, March 26, 1970

Northern Central Bank and Trust Company, Williamsport, Pennsylvania ("Applicant"), an insured nonmember bank with total resources of $60 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Milton Bank and Safe Deposit Company, Milton, Pennsylvania ("Milton Bank"), which has total resources of $9.9 million, under the charter and title of Applicant and, incident thereto, to establish the sole office of Milton Bank as a branch.

Competition. The service area of Applicant's three offices covers Williamsport (population 42,000) and its environs. Industry is well diversified, and favorable transportation facilities together with educational and recreational opportunities contribute to continued economic growth.

The sole office of Milton Bank lies in the Borough of Milton (estimated population 8,600), and 54,000 persons live within a 15-mile radius. The outlying area is primarily agricultural, and several manufacturing firms have located in or near Milton.

The nearest offices of the two banks are separated by 20 miles, there is no significant overlapping of their trade areas, and there is no evidence of any direct competition between them which would be eliminated by the proposed merger. The limited resources of Milton Bank weigh against the possibility of branching *de novo* into the Williamsport area. The size of Applicant indicates a potential for competitive branching; however, the bank has not favored *de novo* branching in the past and would be unlikely to choose the Milton area for such an entry, since there are nine banks operating within a 10-mile radius.

While Applicant is the largest bank in its trade area measured in terms of IPC deposits, its margin over the second- and third-ranked banks is small and would be increased only slightly by this merger.

Neither Milton Bank nor its local competitor, which is of approximately equal size, are considered adequately equipped to meet the credit requirements and the need for a full scope of banking services resulting from the present and projected economic growth of the area. This proposal would enable local interests to compete more effectively against large banks in Philadelphia and New York City which historically have solicited the larger and more profitable commercial accounts throughout the region.

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

Financial and Managerial Resources; Future Prospects. These factors are satisfactory with respect to the participating banks and are projected favorably for the resulting bank.

Convenience and Needs of the Community to Be Served. Milton Bank, because of its modest resources and unit structure, is unable to provide the full range of banking services for which demand is increasing. The merger would introduce the advantages of a larger bank which could extend these services, thereby facilitating the development of the community. The only appreciable benefit to the Williamsport community would be the increased lending limit resulting from the merger.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bank of Yakima Yakima, Washington	25,982	6	7
to merge with **Bank of Prosser** Prosser	4,191	1	

Summary report by Attorney General, January 14, 1970

The home offices of the participating banks are 51 miles apart. The closest office of Yakima Bank at Sunnyside is some 15 miles from Prosser. There are several banks in the area between Sunnyside and Prosser, including branches of the National Bank of Commerce and the Old National Bank of Washington, with total deposits of $1.1 billion and $254 million, respectively. It would appear, therefore, that little if any, direct competition between the banks would be eliminated by the proposed merger.

Washington law prevents any banks from establishing a *de novo* branch in any additional city or town where any other bank regularly transacts business (although it does permit state wide expansion by acquisition or merger.) Accordingly, the only way in which Yakima Bank might enter Prosser is by means of merger with an existing bank. But Yakima Bank could open an office in any community adjacent to Prosser which did not presently have a bank and, thus, become a direct competitor of Prosser Bank. Yakima Bank is the fourth largest bank in terms of deposits in Yakima County. The three larger banks are all state wide organizations with many times the assets overall of Yakima Bank. As a result, Yakima Bank must be considered a significantly less likely entrant into the Prosser area than these three banks.

The overall competitive effect of this merger is not likely to be adverse.

Basis for Corporation approval, March 26, 1970

Bank of Yakima, Yakima, Washington ("Applicant"), an insured nonmember State bank with total deposits of $22,328,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with Bank of Prosser, Prosser, Washington ("Other Bank"), a State nonmember insured bank with total deposits of $3,734,000. The banks would merge under the charter and title of Applicant; and, as an incident to the merger, the one office of Other Bank would become a branch of Applicant, increasing the number of its offices to seven.

Competition. In addition to its main office, Applicant operates four branches in the city of Yakima (population 48,000) and one in Sunnyside (population 7,200), both in Yakima County. Sunnyside is 45 miles southeast of Yakima. The economy of the trade area served by Applicant is primarily dependent upon agricultural activities, and irrigation has been a major factor in the development of Yakima County.

Other Bank is located in Prosser (population 3,100) in Benton County. The economy of the trade area served by Other Bank is also predominantly agricultural. The shortest distance between offices of the participating banks is the 16 miles separating Sunnyside and Prosser. There are offices of other commercial banks in the intervening area as well as in Sunnyside and Prosser. Neither of the participating banks derives any significant amount of business from the trade area of the other, and there is no appreciable amount of direct competition which would be eliminated by this proposal.

State law prohibits *de novo* branching by a bank into a community where another bank maintains an office. At present there are two commercial bank offices in Prosser, and it does not appear that this small community could support a third office. The amount of potential competition which would be eliminated by this proposed merger is not significant.

The two largest commercial banks in the State of Washington hold 50 percent of the deposits held by commercial banks in the State. Applicant and Other Bank combined hold less than 1 percent of statewide deposits. Within the resulting bank's trade area, it would hold 12.7 percent of the deposits held by commercial banks and one mutual savings bank. The resulting bank would be competing with four commercial banks and one mutual savings bank. Based on trade area deposits, the resulting bank would rank fourth, but each of the competing institutions has total deposits greatly in excess of the resulting bank. The four competing commercial banks range in size from $264 million to $1.7 billion in deposits, and the one competing mutual savings bank has total deposits of $680 million. The resulting bank would be competing with four commercial banks and one mutual savings bank which are among the six largest banks headquartered in the State of Washington. Consummation of this proposed transaction should tend to increase competition, as the resulting bank should be able to compete more effectively with its giant competitors than the participants can as independent units.

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

Financial Resources. The financial history and present condition of each merging bank is generally satisfactory, and the resulting bank would have adequate financial resources.

Managerial Resources. The management of Applicant has established a record of satisfactory performance, and the resulting bank would have adequate managerial resources.

Future Prospects. The earnings record of Other Bank has not been as good as Applicant's, and the future prospects of Other Bank, as a part of the resulting bank, would be enhanced. Future prospects for the resulting bank are favorable.

Convenience and Needs of the Community to Be Served. It is not anticipated that this proposal would significantly benefit the trade area served by Applicant, but it should permit the resulting bank to provide an alternate source for additional services in the trade area served by Other Bank.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bank of Fuquay Fuquay-Varina, North Carolina (change title to The Fidelity Bank)	24,116	4	8
to merge with **Citizens State Bank** Biscoe	11,887	4	

Summary report by Attorney General, February 20, 1970

The head offices of the merging banks are 90 miles apart, their closest offices are about 80 miles apart, the counties in which each operates are separated by another county, there are several intervening banks, and three stockholders common to both banks (including an officer of Bank of Fuquay who is a director of both banks) own a controlling amount of stock in each bank. In view of these facts, the proposed merger would not eliminate any substantial amount of direct competition.

While North Carolina permits statewide *de novo* branching, it does not appear that, given the size and long-standing common ownership of the merging banks, either bank could be regarded as a likely potential entrant into the area served by the other.

Basis for Corporation approval, April 16, 1970

Bank of Fuquay, Fuquay-Varina, North Carolina ("Applicant"), an insured nonmember bank with total resources of $24.1 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Citizens State Bank, Biscoe, North Carolina ("Other Bank"), which has total resources of $11.9 million, under the charter of Applicant, with the title "The Fidelity Bank" and, incident thereto, to establish the four offices of Other Bank as branches.

Competition. Applicant's three branches are within 20 miles of its head office, which is located in an area historically dominated by agricultural pursuits, especially tobacco raising and marketing, but more recently witnessing a trend toward an industrialized and urbanized economy. Two branches are in Cary, a suburb of Raleigh, the State capital and county seat. All of these locations, as well as that of an approved application for a branch in Wake Forest, are in Wake County, which is coterminous with the Raleigh, North Carolina, SMSA. Other Bank is situated in a small town in the center of the State and, with its three branches, serves a local area dependent upon textile, hosiery, and rug manufacturing and several lumber mills.

The nearest offices of these two banks are separated by 68 miles; there is no overlapping of service areas, no known instance of either deriving business from the trade area of the other, and no evidence of common deposit or loan customers. These two banks have been commonly owned and managed for approximately 20 years by the Holding family, which also controls a number of other banks. One of these affiliates is the fourth largest bank in the State, with deposits of $611 million as of December 31, 1969, and another, The Bank of Candor, is located in the trade area of Other Bank.

While North Carolina permits statewide *de novo* branching, the potential for any such development here is seen as remote, in view of the localized nature and relatively small size of the banks involved, as well as the common ownership and management presently in evidence.

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

Financial and Managerial Resources; Future Prospects. Each of these factors is satisfactory with respect to both banks and is projected as favorable for the resulting bank.

Convenience and Needs of the Community to Be Served. The effect of the proposal in this respect is regarded as minimal. Some benefit may accrue from the increased lending limit.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Littleton Savings Bank Littleton, New Hampshire	34,633	1	1
to merge with **The Littleton Co-operative Bank** Littleton	284	1	

Summary report by Attorney General, March 12, 1970

The merging banks, across the street from one another, compete for savings deposits and loans. Two other banks serve Littleton, Littleton National Bank with deposits of $6 million and Peoples National Bank with deposits of $4 million. The merger will eliminate some competition.

Basis for Corporation approval, April 30, 1970

The Littleton Savings Bank, Littleton, New Hampshire ("Applicant"), an insured mutual savings bank with total deposits of $30 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The Littleton Co-operative Bank, Littleton, New Hampshire ("Littleton Co-operative"), a noninsured State institution which has total deposits of $218,000, under the charter and title of Applicant. The present office of Littleton Co-operative would be discontinued.

Littleton Co-operative is operated by one of its directors, who receives only token compensation for his services and provides office space at no cost in the quarters occupied by his own insurance business. Management of Littleton Co-operative desires to terminate its affairs.

Competition. Both Applicant and Littleton Co-operative are thrift-type institutions and operate single offices within 100 feet of each other. It is estimated that about 50 percent of Littleton Co-operative's depositors also have accounts at Applicant. Littleton Co-operative is a very small institution that has originated no new loans in the past year. Its deposits are declining, and its management intends to liquidate voluntarily if the merger is not consummated.

Applicant is the largest bank, and only mutual savings bank, in the relevant service area; and this proposal would increase its share of total IPC deposits in the service area from 65.6 percent to 66.1 percent.

In view of the unusual circumstances presented by Littleton Co-operative's small size, declining deposits, limited services, and intended liquidation, the Board of Directors is of the opinion that the proposed transaction would not substantially lessen present or potential competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial Resources. The declining size of Littleton Co-operative prevents it from offering any meaningful amount of services to the community, but the resulting bank will have adequate financial resources.

Managerial Resources. Applicant has adequate managerial resources to operate successfully the resulting bank.

Future Prospects. Applicant has been growing at a steady, though moderate, pace; and the prospects for the resulting bank are favorable.

Convenience and Needs of the Community to Be Served. The resulting bank should continue to serve adequately the convenience and needs of the community. Both Applicant and Littleton Co-operative pay 5 percent interest on their savings deposits, so depositors at Littleton Co-operative would not be penalized by this proposed merger.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Great Western Bank & Trust Company Phoenix, Arizona	116,560	19	19
to merge with **Grecon, Inc.** Phoenix	—	—	

Summary report by Attorney General, (received April 16, 1970)

This merger is part of a corporate reorganization and will combine an existing bank with a corporation which does no banking business. As such it will have no effect on competition.

Basis for Corporation approval, May 22, 1970

Great Western Bank & Trust Company, Phoenix, Arizona ("Applicant"), a nonmember insured bank with total deposits of $99,853,000, has applied, pursuant to the provisions of Section 18(c)(1)(A) of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with Grecon, Inc., Phoenix, Arizona, a nonbanking corporation formed for the sole purpose of facilitating the exchange of stock of Applicant held by minority stockholders for stock in Great Western Corporation, a one-bank holding company.

Applicant is the only operating bank involved in this proposal. At the present time, in addition to the main office, Applicant operates 18 offices: four in Tucson, two full-service branches and four facilities in Phoenix, and one each in Scottsdale, Kingman, Prescott, Holbrook, Window Rock, Snowflake, Winslow, and Tuba City. This proposal, of itself, will not change the number of offices or the services presently offered by Applicant, which will continue operations at the same locations and with essentially the same assets, liabilities, capital, and management.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Barnitz State Bank of Middletown Middletown, Ohio (in organization; change title to The Barnitz Bank)	500	—	3
to merge with **The Barnitz Bank** Middletown	40,584	3	

Summary report by Attorney General, May 20, 1970

The proposed merger is part of a plan under which First Banc Group of Ohio, a registered bank holding company, proposes to acquire all of the voting shares of Barnitz State Bank of Middletown (Org.), a non operating institution and as a contemporaneous transaction, to effect the merger of Barnitz Bank into Barnitz State Bank of Middletown (Org.). The effect of these transactions will be to transfer control of an existing bank to a registered bank holding company. In and of itself, however, the proposed merger would merely combine an existing bank with a non operating institution; as such, and without regard to acquisition of the surviving bank by First Banc Group of Ohio, the proposed merger would have no effect on competition.

Basis for Corporation approval, May 28, 1970

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for The Barnitz State Bank of Middletown, Middletown, Ohio ("New Bank"), a proposed new bank in organization, and for consent to merge with The Barnitz

Bank, Middletown, Ohio ("Old Bank"), an operating nonmember insured bank, and for permission to establish two branches. As of December 31, 1969, Old Bank operated two branches and had total resources of $40,584,000. The resulting bank would operate under the charter of New Bank and with the title of Old Bank.

The proposal is designed to facilitate the acquisition of ownership of Old Bank by First Banc Group of Ohio, Inc., a registered bank holding company which has received permission from the Board of Governors of the Federal Reserve System to acquire all of the voting shares of Old Bank. New Bank will not be in operation as a commercial bank prior to consummation of this proposed transaction, and it will begin business at the present locations of Old Bank, with the latter's assets, liabilities, capital, and management.

Old Bank has provided banking services to its trade area on a convenient and successful basis for many years. The subject proposal, in and of itself, will not alter these services or the service area and, involving only a change in form of corporate organization, will, of itself, have no effect on competition. All factors required to be considered relative to each application are favorably resolved.

On the basis of the above information, the Board of Directors has concluded that approval of the applications is warranted.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First Trust Union Bank Wellsville, New York	52,763	8	9
to merge with **The First National Bank of Salamanca** Salamanca	6,639	1	

Summary report by Attorney General, March 11, 1970

The nearest office of First Trust to First National is located in Franklinville about 21 miles northeast of Salamanca. The Franklinville branch of First Trust (total deposits $6.7 million) and First National's office in Salamanca each derives most of its business from the town in which it is located and the immediate area. There is some competitive overlap, however, in the Great Valley area between Franklinville and Salamanca. This direct competition between the banks would be eliminated by the merger. However, in view of the small amount of business each bank derives from the Great Valley area, and competition afforded by three banks in Olean, New York and a branch of Manufacturers & Traders Trust Co. (the second largest Buffalo bank) in Ellicottville, the proposed merger would not appear to have a significantly adverse effect on direct competition.

Under New York law, First Trust could not be permitted to establish a *de novo* branch in Salamanca. First National could, however, be permitted to establish a *de novo* office in any of the seven towns in which First Trust has a branch office. In view of the nature of these communities, however, and the presence of other potential entrants, we conclude that the merger would not have any significantly adverse effect on potential competition.

Basis for Corporation approval, July 23, 1970

First Trust Union Bank, Wellsville, New York ("First Trust"), an insured State nonmember bank with total deposits of $48,516,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with The First National Bank of Salamanca, Salamanca, New York ("First National"), which has total deposits of $6,428,000. The banks would merge under the charter and title of First Trust; and, as an incident to the merger, the one office of First National would become a branch of First Trust, increasing the number of its offices to nine.

Competition. First Trust operates its main office in Wellsville (population 8,300), six branches at other locations in Allegany County, and one branch office in Franklinville in Cattaraugus County. An application has been approved for another branch at Yorkshire Corners in the northeast portion of Cattaraugus County. The economy of the area served is a mixture of agriculture, commerce, and industry. First National operates its only office in Salamanca (population 8,500) in Cattaraugus County.

Wellsville is 50 miles east of Salamanca, and there are several offices of other commercial banks in the intervening area. Little business is generated by either First Trust or First National from areas served by the other, and they have few common customers. While some competition would be eliminated between First National and the Franklinville branch of First Trust, 21 miles to the northeast, the volume of business generated from the area of competitive overlap is minimal. A second local bank in Salamanca and a branch office of the second largest Buffalo bank (total assets $1.1 billion) in Ellicottville would continue to offer the Cattaraugus County public in this area reasonably convenient alternatives for banking services.

The home office protection features of the New York Banking Law do not permit First Trust to branch *de novo* into Salamanca or First National to branch *de novo* into Wellsville, but either could establish *de novo* branches in other places where they might become direct competitors. Increased competition between the two banks in the future is not regarded as likely for several reasons, including First National's limited resources, the relatively limited population served by each commercial bank office already in Allegany and Cattaraugus counties, the relatively low income levels prevailing in the two counties, and the slow rates of population growth anticipated for the two counties during the next 10 years.

First National is one of two local banks headquartered in Salamanca. It ranks sixth in asset size among the seven commercial banks headquartered in Cattaraugus County and 12th in asset size among the 13 commercial banks with offices there. The proposed merger would eliminate one of these banking alternatives and would increase First Trust's share of commercial bank deposits in Cattaraugus County to approximately 9 percent, and its share of commercial bank offices in Cattaraugus County to approximately 17 percent. A large number of commercial bank alternatives would remain after the merger, however, and they should be sufficiently numerous to insure vigorous competition in a county of only 80,000 people. The proposed merger would not affect First

Trust's competitive position within Allegany County, while its shares of commercial bank assets and offices in New York's Ninth Banking District would be increased to only 1.5 percent and 3.9 percent, respectively.

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

Financial and Managerial Resources. The financial and managerial resources of First National would be strengthened by the proposed merger, without significant effect on the resulting bank.

Future Prospects. First Trust has been an aggressive competitor within its service area, whereas First National has assumed a less competitive and more conservative posture in the Salamanca area. The future prospects of the resulting bank are favorable.

Convenience and Needs of the Community to Be Served. Within the immediate Salamanca area, the merger would result in the payment of higher rates on savings and other time deposits. In addition, larger loan limits, more liberal lending terms, trust department services, and several other banking services would become available, for the first time, to First National customers. While some of these services are available at the other bank locally headquartered in Salamanca and at Ellicottville, the merger would bring to the area's public the benefits of additional competition.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Davis County Savings Bank Bloomfield, Iowa	12,137	2	2
to merge with			
Davis County Investment Company Bloomfield	137	—	

Summary report by Attorney General, June 14, 1970

Davis County Investment Company is a wholly-owned subsidiary of Davis County Savings Bank and its only activity has been ownership of the banking houses of the latter bank. For this reason the proposed merger will have no adverse competitive effect.

Basis for Corporation approval, August 6, 1970

Davis County Savings Bank, Bloomfield, Iowa ("Davis"), with total resources of $12,137,000, has applied, pursuant to the provisions of Section 18(c)(1)(A) of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter with Davis County Investment Company, Bloomfield, Iowa ("Investment Company"), a wholly owned noninsured institution with no deposit liabilities which was organized for the sole purpose of holding title to the premises of Davis. Essentially, the proposal involves transfer of ownership of bank premises to Davis by means of merger.

Competition. Davis operates its main office in Bloomfield, Iowa, and a teller's facility in the community of Moulton, a distance of 18 miles west. The Exchange Bank, a private noninsured institution with deposits of approximately $2,500,000, is located in Bloomfield. Except for a teller's facility in Pulaski, Iowa, 10 miles east, there are only five other commercial banking offices with estimated deposits of $70,100,000 within 25 miles. Investment Company has never engaged in the business of banking, its sole purpose has been to hold title to the premises occupied by Davis and its facility under lease arrangements. The merger would not alter the number of banks in the area and, consequently, there would be no resulting effect on competition.

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

Financial and Managerial Resources; Future Prospects. These factors are generally satisfactory with respect to the merging institutions and are so projected for the resulting bank.

Convenience and Needs of the Community to Be Served. The transaction will not change the services and facilities presently provided by Davis; thus, the convenience and needs of the community will be served as in the past.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Suburban Trust Company Hyattsville, Maryland	527,327	45	49
to merge with			
National City Bank of Baltimore Baltimore	22,590	4	

Summary report by Attorney General, May 27, 1970

Although each of the merging banks draws isolated accounts from the other's service area, the proposed merger will not eliminate any significant amount of direct competition. Their closest offices are separated by substantial distances and numerous banking alternatives.

Under Maryland law, each of these banks may branch anywhere in the State. As the largest Maryland bank not now operating in Baltimore City and County, Suburban may be considered the most likely entrant into the Baltimore vicinity.

However, in view of the size and market position of Baltimore Bank, and the fact that Suburban may be expected to compete actively to increase its market position in the Baltimore area, we conclude that the proposed merger will have no significantly adverse effect on potential competition.

Basis for Corporation approval, August 6, 1970

Suburban Trust Company, Hyattsville, Maryland ("Suburban"), an insured State nonmember bank with total deposits of approximately $460 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with National City Bank of Baltimore, Baltimore, Maryland ("National City"), which has total deposits of approximately $20 million, under the charter and title of Suburban. Application is also made for consent to establish six branches at the four locations where National City is presently operating offices and at two approved but unopened locations for which National City has regulatory approval. After the establishment of these six branches, the resulting bank would have a total of 51 authorized offices.

Competition. The primary service area of Suburban is Prince Georges and Montgomery counties, from which it derives most of its business. Suburban also has branch approvals for Howard and Charles counties.

The primary service area of National City consists of the city of Baltimore and surrounding portions of Baltimore County. The city of Baltimore had a population of 939,000 at the time of the 1960 census, and it is estimated that the entire National City service area has a population of 1.6 million. The Baltimore metropolitan area is highly industrialized, and it has a stable economy with good prospects for the future. National City, which was organized in 1963, is the next to smallest commercial bank in Baltimore.

At present the Beltsville Branch of Suburban is the nearest location to an office of National City, and the distance involved is approximately 20 miles. Suburban and National City serve separate trade areas, although Suburban derives some isolated business from the Baltimore area, and there is no significant amount of direct competition between them which would be eliminated by the proposed merger. Suburban has the necessary approvals to establish a *de novo* branch at Columbia in Howard County, which is closer to Baltimore than its Beltsville branch. The establishment by Suburban of a branch at Columbia, however, is unlikely to result in significant direct competition between the participating banks since there are numerous offices of other commercial banks in the area between Columbia and the offices of National City.

Legally each of the participating banks could branch *de novo* into the trade area served by the other since Maryland law permits statewide branching. National City, being a relatively small commercial bank in direct competition with the largest banks in Maryland, is not considered likely to branch *de novo* into areas served by Suburban, but Suburban may be considered the most likely outside entrant into the Baltimore market, since it has had extensive success in opening *de novo* offices elsewhere, has an aggressive and expansion-minded management, and is the largest bank in the State of Maryland presently without offices in the growing Baltimore area. The elimination of this potential competition, however, is reduced in significance by National City's relatively small size, both in terms of deposits and number of offices, among Baltimore-based banks (its share of total deposits held by such banks being an estimated 0.25 percent, by the presence of a significant number of commercial bank alternatives in the Baltimore area, and by the likely efforts of Suburban, subsequent to the merger, to expand its share of the Baltimore market at the expense of the larger banks presently dominant there.

Suburban is the fourth largest bank in the State of Maryland, with 9.5 percent of the deposits held by all commercial banks in the State. Consummation of this proposed transaction would not change the position of Suburban as the fourth largest bank, although its share of statewide commercial bank deposits would increase to 9.8 percent. The first, second, and third largest commercial banks in the State would have 19.1 percent, 12.0 percent, and 10.6 percent, respectively, of statewide deposits.

The proposed transaction would have no significant effect in Suburban's present trade area, but in the Baltimore area the resulting bank should be able to compete more effectively with the largest banks in the State than National City can as an independent unit. This aspect of the proposed merger may be considered procompetitive.

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

Financial and Managerial Resources. Each of the participating banks has adequate financial resources, as would the resulting bank. The resulting bank would also have a satisfactory and diversified management.

Future Prospects. The future prospects for National City as a part of the resulting bank would appear to be brighter than as an independent unit in a major city. Future prospects for the resulting bank are favorable.

Convenience and Needs of the Community to Be Served. This proposed transaction would have no significant effect on the public convenience and needs in the trade area served by Suburban; but, by replacing the offices of National City with branches of the fourth largest bank in the State, an additional source for many specialized banking and trust services in the Baltimore area would be provided.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Citizens Bank and Trust Company of Maryland Riverdale, Maryland	231,113	32	34
to merge with **The Waldorf Bank** Waldorf	12,674	2	

Summary report by Attorney General, May 7, 1970

The closest office of Citizens to The Waldorf Bank is located in Fort Washington, some 10 miles north of the Accokeek branch of the latter and about 15 miles from Waldorf. Although the application states that there is only a negligible amount of competition between the merging banks, developing population patterns and commuter habits indicate that a limited amount of direct competition will be eliminated by the proposed merger.

Under Maryland law, Citizens, as well as any other commercial bank, could be permitted to open *de novo* offices throughout the state. As the application indicates, Citizens is actively pursuing a competitive program of *de novo* branching in other parts of the greater Washington area.

As southern portions of Prince Georges County and northern Charles County become more fully integrated into the Washington metropolitan area, commercial banks presently serving that area can be expected to seek entry into this region to follow existing customers and serve developing communities. Citizens should be considered high on the list of potential entrants into northern Charles County, for, as well as being the seventh largest commercial bank in Maryland, it holds a very strong position in adjoining Prince Georges County. Citizens presently holds the second leading position among commercial banks in Washington's Maryland suburbs; as of June 30, 1968, it held almost 25 percent of the commercial bank deposits in Prince Georges County. Suburban Trust Company, the state's fourth largest bank, held some 44 percent of such deposits.

The proposed merger would eliminate Citizens as a potential *de novo* entrant into northern Charles County. This adverse effect on potential competition is to some extent ameliorated by the existence of other potential entrants, including Suburban Trust Company and larger banks headquartered in Baltimore, but which are now increasing their efforts in the Washington suburbs.

Basis for Corporation approval, August 6, 1970

Citizens Bank and Trust Company of Maryland, Riverdale, Maryland ("Citizens"), an insured nonmember bank with total deposits of $203 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The Waldorf Bank, Waldorf, Maryland ("Other Bank"), which has total deposits of $12 million. The banks would merge under the charter and title of Citizens; and, as an incident to the merger, the two offices of Other Bank would become branches of Citizens.

Competition. The service area of Citizens lies primarily in Montgomery County and Prince Georges County, the two Maryland counties which are included in the fast growing Washington, D.C., SMSA. Citizens operates 31 offices and has approval to open five additional branches in these two counties. It also has one office in Anne Arundel County, but none in Charles County, where Other Bank is headquartered.

Because of the disparate size of the two banks, the most immediate impact of their proposed merger will be felt in the northern portion of Charles County and in the southern portion of Prince Georges County (which Other Bank serves from a branch office in Accokeek). This area is just beginning to realize the effects of accelerated expansion previously experienced by other suburban areas surrounding the District of Columbia.

The main offices of the two banks are separated by 28 miles, and the nearest Citizens branch is 7 miles from Other Bank's branch at Accokeek, and 16 miles from Other Bank's main office. There is little overlapping of the areas served by the two banks, however, and only a minimal amount of present competition would be eliminated.

Since statewide branch banking is permitted by Maryland law, and since the service area of Other Bank is now expected to experience steady growth, the two banks in the absence of merger might find themselves in increasing competition in the future through the establishment of *de novo* branches. While Other Bank may lack the resources for significant *de novo* branching in areas served by Citizens, Citizens has demonstrated in the past its capacity for extensive, *de novo* branch activity. However, the present population of the town of Waldorf (estimated at 1,200), which is served by three commercial bank offices, and the present population of Charles County (estimated at 42,000), which is served by eight commercial bank offices, provide little incentive to Citizens to establish *de novo* branches in the county, although future growth might make such branches increasingly attractive. Any such future growth, however, will also attract other large banks to Charles County, thereby reducing the significance of eliminating potential competition between Citizens and Other Bank through consummation of the proposed merger. Moreover, to the extent future growth includes persons who commute to Washington, D.C., the commercial bank alternatives available to them would include all of the District banks as well as local Maryland banks.

Citizens holds about 25 percent of the commercial bank deposits in Prince Georges County, the second largest share. The State's first, third, and fourth largest banks, however, also compete in the county. Other Bank holds about 19 percent of the commercial bank deposits in Charles County, the third largest share. It faces competition from Maryland's largest bank and from a newly established office of Suburban Trust Company, Hyattsville, Maryland's fourth largest bank.

Citizens is the seventh largest commercial bank in the State of Maryland, with 4.1 percent of the commercial bank deposits in the State. The proposed merger would raise this percentage to 4.3. Five Baltimore-based banks and Suburban Trust Company would continue to be larger in percentage shares of of statewide deposits.

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

Financial and Managerial Resources. The position of Citizens is satisfactory with respect to each of these factors. The managerial resources of Other Bank have become strained in recent years, with some resulting deterioration of its financial resources. Merger with Citizens would provide managerial talent in sufficient depth to overcome such deficiencies.

Future Prospects. The future prospects of both banks, and of the resulting bank, are satisfactory.

Convenience and Needs of the Community to Be Served. Customers of Other Bank would be convenienced by a broader range of banking services, including trust department services, higher lending limits, and Applicant's more aggressive management. The public in Other Bank's service area would also benefit from the convenient availability of another source for such commercial bank services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Southern Bank and Trust Company Greenville, South Carolina	73,318	18	19
to merge with			
State Bank York	2,128	1	

Summary report by Attorney General, May 7, 1970

Southern Bank presently operates two branch offices in York County. Its Rock Hill office lies about 15 miles east of State Bank, while its office in Clover is about 10 miles north of State Bank, with no other banking offices in the intervening areas. In addition, Southern Bank presently has another branch office in Rock Hill under construction. Thus, the proposed merger will eliminate some existing competition between the merging banks.

As of June 30, 1968, nine banks operated a total of 17 banking offices in York County. As of that date, the three largest of such banks held about 70 per cent of total commercial bank deposits in the county.

The proposed merger would cause an increase in commercial banking concentration in York County. Southern Bank, with the third largest share, holds approximately 13 per cent of total county commercial bank deposits; its merger with State Bank would increase this market share to 16 per cent, and cause a similar increase in the share of the York County market held by the three largest commercial banks.

Basis for Corporation approval, August 6, 1970

Southern Bank and Trust Company, Greenville, South Carolina ("Applicant"), an insured State nonmember bank with total deposits of $64 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with State Bank, York, South Carolina ("Merging Bank"), which has total deposits of $2 million. The banks would merge under the charter and title of Applicant; and, as an incident to the merger, the one office of State Bank would become a branch of Applicant, increasing the number of its operating and approved offices to 19.

Competition. Applicant operaties 16 offices in the northwest part of South Carolina, and two additional offices have been authorized by the supervisory authorities. Two of Applicant's existing offices are in York County: one at Clover, some 10 miles north of the town of York, and one at Rock Hill, some 16 miles to the east. In addition, an authorized but unopened office is under construction in Rock Hill. The Merging Bank operates its only office in the town of York (population 4,800) in the central part of York County. Because of the disparate size of the two banks, the most immediate impact of the proposed merger would be felt in the trade area served by the Merging Bank, i.e., the town of York and its surrounding environs. The economy of this area is relatively stable and is oriented toward textile manufacturing and agricultural activities.

The proposed merger would eliminate whatever competition presently exists between the Merging Bank and Applicant's branches in York County, but this is a factor of only limited significance since neither bank derives a significant amount of deposit or loan business from areas served by the other and since the Merging Bank has no trust department.

If the proposed merger is consummated, Applicant would control approximately 16 percent of the commercial bank deposits and offices in York County. It would be one of eight banks with offices in the county, including three much larger banks: one with a branch at Clover and two with branches in Rock Hill. In the town of York, Applicant would compete, as the Merging Bank has in the past, with a local bank having deposits of $6.4 million—more than three times the deposits held by the Merging Bank. In a county of some 85,000 persons, eight commercial bank alternatives should be adequate to insure a vigorously competitive climate in the future. Moreover, since statewide branch banking is authorized in South Carolina, other large banks may seek to enter York County by *de novo* branching if countywide growth makes this attractive, thus adding to the number of commercial bank alternatives available to the York County public.

Under South Carolina law, either bank involved in the proposed merger could find itself in greater competition with the other by establishing *de novo* branches in areas served by the other. The proposed merger would eliminate that potential for increased competition between them, but the likelihood that such *de novo* branch activity would take place is remote. Because of its small size, the Merging Bank is unlikely to undertake *de novo* branching to any significant extent. Applicant, on the other hand, has little incentive to branch into the area now served by the Merging Bank, because of the already low population per commercial bank office in the central part of York County and because that part of the county, unlike other parts of the county, is not expected to grow significantly in the foreseeable future.

Applicant ranks sixth in deposit size among commercial banks in South Carolina, with approximately 3 percent of the commercial bank deposits in the State. The approximate percentage shares controlled by the five largest commercial banks are, in decreasing order of magnitude, 23 percent, 14 percent, 10 percent, 9 percent, and 4 percent, and the three largest of these banks already have offices in York County. The proposed merger would have only nominal effect on Applicant's percentage share, while other merger alternatives open to the Merging Bank cannot be said to be clearly preferable to the proposed merger with Applicant.

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

Financial and Managerial Resources. Financial and managerial resources are adequate with respect to both participating banks and are so projected for the resulting bank.

Future Prospects. Applicant has been a much more aggressive competitor than the Merging Bank and has grown at a rapid rate. The future prospects for the resulting bank are favorable.

Convenience and Needs of the Community to Be Served. The proposed merger would have no significant effect in the areas presently served by the

Applicant, but it would improve the quality and quantity of banking services for customers of the Merging Bank. They would, for example, have conveniently available Applicant's more liberal and progressive loan policies, significantly higher lending limits than those of either local bank today, Applicant's certificates of deposit, and its various trust department services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Fulton Bank Fulton, Kentucky	8,118	1	1
to acquire the assets and assume the liabilities of			
Citizens Bank Water Valley	605	1	

Summary report by Attorney General, June 30, 1970

Citizens Bank ceased banking operations December 15, 1969, and liquidated its assets with the assistance of Fulton Bank.

In view of the size and financial condition of Citizens Bank, it is unlikely that this transaction would have an adverse effect on competition.

Basis for Corporation approval, August 21, 1970

Fulton Bank, Fulton, Kentucky ("Applicant"), an insured State nonmember bank with total deposits of $7,412,100, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's retroactive consent to its purchase of the assets and assumption of the liabilities of Citizens Bank, Water Valley, Kentucky ("Citizens Bank"), an uninsured bank with total deposits of $501,300 at the time it closed.

Competition. Applicant operates its main and only office in Fulton, Kentucky, which has an estimated population of 8,000. Prior to year-end 1969, Citizens Bank operated its main and only office in Water Valley, Kentucky, which has a population of less than 300. This office was closed permanently upon consummation of the transaction because Kentucky law authorizes a Fulton County bank to operate branches only in Fulton County. Water Valley is 6 miles from Fulton in Graves County.

While there were no intervening banking offices between Fulton and Water Valley, the amount of business each institution drew from the area served by the other was minimal. For a number of reasons, Citizens Bank had determined to liquidate, and a sizeable portion of Citizens Bank's deposits would have been transferred to Applicant in any event.

Applicant currently ranks second in size among the four banks in its competing area, based on total deposits. This position was not changed by the consummation of this transaction.

The Board of Directors is of the opinion that this transaction has not, in any section of the country, substantially lessened competition, tended to create a monopoly, or in any other way been in restraint of trade.

Financial and Managerial Resources; Future Prospects. The financial and managerial resources of the Applicant, and its future prospects, appear adequate for purposes of this transaction.

Convenience and Needs of the Community to Be Served. The voluntary closing of Citizens Bank left the community of Water Valley without a banking institution. Approximately 90 percent of the people in that community, however, travel the 6 miles to nearby Fulton to shop, and their banking requirements continue to be met with only slight inconvenience. In addition to the banks in Fulton, there are numerous other banks within reasonable driving distance of Water Valley.

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

	Resources (in thousands of dollars	Banking Offices	
		In operation	To be operated
Citizens Bank Shelbyville, Kentucky (change title to Citizens Union Bank)	4,387	1	2
to merge with **Bank of Simpsonville** Simpsonville	2,581	1	

Summary report by Attorney General, March 12, 1970

This proposal involves the merger of the second and fifth largest banks in Shelby County, Kentucky.

A distance of about eight miles separates the merging banks. There are no banks operating in the intervening area, and it appears that each bank draws some business from areas immediately served by the other. At least some competition exists between these banks; such competition, of course, will be eliminated by the proposed merger.

As of June 29, 1968, six commercial banks, holding some $17.6 million in total deposits, operated in Shelby County. Three banks, including Citizens Bank, held about 66 per cent of these deposits. Citizens Bank, the second largest, held 21.9 per cent and Simpsonville Bank, the fifth largest, held 10.1 per cent of these deposits. If the proposed merger is consummated, the resulting institution will be the largest bank in Shelby County and will hold about 32 per cent of total commercial bank deposits in Shelby County.

Basis for Corporation approval, August 21, 1970

Citizens Bank, Shelbyville, Kentucky ("Applicant"), an insured State nonmember bank with total deposits of $4,277,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with the Bank of Simpsonville, Simpsonville, Kentucky ("Other Bank"), an insured State nonmember bank which has total deposits of $2,208,000. The banks would merge under the charter of the Applicant with the title of "Citizens Union Bank." Incident to the merger, the one and only office of Other Bank would become a branch of Applicant.

Competition. Applicant operates its main and only office in Shelbyville, Kentucky, which has a current estimated population of 5,500. Other Bank operates its main and only office 8 miles to the west of Shelbyville in Simpsonville, Kentucky, which has a current population estimated at 1,000.

Applicant is presently fourth in deposit size among eight competing independent banks in its service area, two of which are on the southern border of Henry County to the north. Applicant has 12.2 percent of the total commercial bank deposits within this relevant market area, and consummation of the proposal would increase this percentage share to 18.5 percent. The resulting bank would be the largest institution by deposit size in Shelbyville, but it should not be a dominant influence in view of the similar size of the three other banks headquartered there.

A small amount of existing competition between the two banks would be eliminated by the proposed merger, but the relatively more aggressive management of Other Bank should bring a better competitive climate to Shelbyville itself. As to increased competition between the two banks in the future, Other Bank cannot branch *de novo,* into the city of Shelbyville under Kentucky law because of home office protection, while the sparsely populated unincorporated areas of Shelby County are not likely to provide much incentive to the Applicant to branch *de novo,* in view of the already low population per commercial bank office, the relatively low income levels that prevail, and the very slow population growth experienced by the county since 1950.

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

Financial and Managerial Resources. Financial and managerial resources of the resultant bank would be adequate, as they are for the merging banks.

Future Prosepcts. The future prospects for the resultant bank are regarded as favorable and somewhat stronger than for either bank as an independent institution.

Convenience and Needs of the Community to Be Served. Customers of Other Bank would obtain the convenience of a branch office in Shelbyville, the county seat, if the merger is consummated. In addition, the lending limit applicable to Other Bank's customers would be increased almost threefold, and the services of a small trust department would become available. The public generally would benefit from access to a passbook savings service and an installment loan department which actively solicits business.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Security Bank and Trust Company Salisbury, North Carolina	62,936	19	20
to merge with **Industrial Bank of Lexington** Lexington	4,276	1	

Summary report by Attorney General, June 3, 1970

Security Bank operates no Davidson County office, although its branches in Spencer and Salisbury, 12 and 15 miles southwest of Lexington, respectively, are readily accessible via interstate highway. The application indicates that Security Bank's Spencer office derives deposits from Lexington equivalent to about 10 per cent of Industrial Bank's total deposits and loans from Lexington equivalent to about 5 per cent of Industrial Bank's total loans. While Industrial Bank apparently has never utilized many of the powers of a commercial bank, it has been a vigorous institution. Its total assets have trebled and its total loans have almost quadrupled since December 31, 1960. It appears, consequently, that some direct competition exists between Industrial Bank and Security Bank. This competition, of course, would be permanently eliminated by the proposed merger.

Six banks, including branches of the largest and third largest banks in the State, operate 13 banking offices in Davidson County. The three largest banks in Davidson County held about 79 per cent of total county deposits. Industrial Bank, a small local institution, held less than 4 per cent of such deposits.

Basis for Corporation approval, August 21, 1970

Security Bank and Trust Company, Salisbury, North Carolina ("Security"), an insured State nonmember bank with total deposits of $53 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Industrial Bank of Lexington, Lexington, North Carolina ("Industrial"), an insured State nonmember bank with total deposits of $4 million. The merger would be effected under Security's charter and title; and, as an incident thereto, Industrial's one and only office would be operated as a branch, increasing the number of Security's offices to 22, including two authorized but unopened branches.

Competition. Security serves 11 communities in the south-central part of the State where its 19 offices are located. Industrial's one and only office is located in Lexington (estimated population 18,500), 16 miles northeast of Security's nearest office, where it competes with First Union National Bank of North Carolina, the State's third largest commercial bank, with $1 billion in assets, as well as an independent local bank six times its size. The Branch Banking and Trust Company, the State's sixth largest commercial bank, with $250 million in assets, recently received approval to open a branch in Lexington, thereby increasing by one the number of large-bank competitors in Industrial's trade area. Industrial has the smallest share (about 6 percent) of the local deposits held by commercial banks in this area.

Industrial is a closely held, limited service institution. In view of its small size, its distance from Security's present service area, and its limited range of services, only a small amount of existing competition would be eliminated by the proposed merger.

Under North Carolina law, which permits statewide *de novo* branching, either bank could find itself in increasing competition with the other in the future, by establishing *de novo* branches in areas served by the other. Industrial's small size, its lack of branch offices, and its limited services make it an unlikely potential competitor in areas served by Security. Security, however, is capable of *de novo* entry into the Lexington area, but it is not likely to find this attractive in view of the much larger banks presently authorized to do business there, and the already low population per commercial bank office in the Lexington area. Moreover, there are numerous banks in North Carolina, much larger than Security, that can be considered likely to enter Lexington by *de novo* branching if the area's future growth should make this attractive. The proposed merger is not likely, therefore, to have an adverse effect on future competition.

Security controls less than 1 percent of the commercial bank deposits in North Carolina, and this acquisition would have no appreciable effect on its competitive position statewide or on the structure of commercial banking in the State as a whole.

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

Financial and Managerial Resources; Future Prospects. These factors are satisfactory with respect to both banks, and they are so projected for the resultant bank.

Convenience and Needs of the Community to Be Served. The proposed merger would make available to Industrial's customers demand deposit services, credit card services, a lending limit almost 10 times greater than Industrial's present limit of $45,000, a larger amount of lendable funds, and a broad range of specialized loan services, without reducing the number of offices or commercial bank alternatives in the Lexington area. The public generally should benefit from the increased competition which would be afforded the other banks in Lexington.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Oregon Bank Portland, Oregon	123,017	18	19
to merge with **State Bank of Rainier** Rainier	4,112	1	

Summary report by Attorney General, February 26, 1970

State's office is about 40 miles from the nearest office of Oregon Bank, with several banks operating intervening offices. The proposed merger will not, therefore, eliminate any existing competition between the two banks.

Although Oregon Bank has shown a tendency to branch *de novo*, state law prohibits it from branching into Rainier itself. However, it could branch into areas adjacent to Rainier. Oregon banking is dominated by United States National Bank of Oregon (total deposits as of December 31, 1968, of $1.538 billion) and the First National Bank of Oregon, Portland, Oregon, (total deposits as of December 31, 1968, of $1.667 billion). U.S. National has an office in Columbia County, already, and First National's offices are as close to Rainier as are Oregon Banks. Given the vast size disparity between the dominant banks in Oregon and Oregon bank, and the relatively small size of State, we conclude that the proposed merger is not likely to have a substantially adverse effect on potential competition.

Basis for Corporation approval, August 21, 1970

The Oregon Bank, Portland, Oregon ("Applicant"), a nonmember insured bank with total resources of $123,017,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with State Bank of Rainier, Rainier, Oregon ("Other Bank"), a nonmember insured bank with total resources of $4,112,000, and to establish the sole office of Other Bank as a branch of the resulting bank. This would increase the number of offices operated by Applicant to 19.

Competition. Applicant's 18 offices serve eight separate and distinct areas, the largest and most important of which is the Portland metropolitan area. Applicant has no office in Columbia County (population 30,100), where Other Bank is located. The closest office of Applicant to Other Bank is some 50 miles from Rainier. There is no overlapping of service areas, and no present competition between the two banks which would be eliminated by the proposed merger. The potential, moreover, for future competition between the two banks, through the establishment of *de novo* branches, is limited. Applicant cannot branch *de novo* into Rainier, and neither bank can branch *de novo* into the other cities of Columbia County because of statutory branch restrictions. Other Bank's small size makes extensive *de novo* branch activity remote in any event, while the limited population per commercial bank office in Columbia County provides little incentive for Applicant to branch *de novo* into the area served by Other Bank.

Banking in Oregon is concentrated in two statewide branch systems which, combined, hold 78.0 percent of total commercial bank deposits, based on December 31, 1969, statistics. Applicant, with only 2.8 percent of the State's commercial bank deposits, ranks fourth in deposit size and competes against two large banks in all but one of its eight service areas. The acquisition of Other Bank would have no significant effect on competition in the areas presently served by Applicant.

The proposed merger would have its greatest impact in Rainier and in Columbia County. Within Other Bank's trade area in Columbia County, the second largest bank in the State has two offices and 37.8 percent of the deposit market, while Other Bank has 11.4 percent of the deposit market and one office, ranking fourth in deposit size among the five banks with offices in the county. The largest bank in the State is also one of the five, and Other Bank competes in addition with offices of the two largest banks in the State of Washington located 7 miles away in Longview. The entry of Applicant into this service area with its greater resources and broader range of specialized services should enhance competition with these four large banks.

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

Financial and Managerial Resources; Future Prospects. These factors are considered satisfactory for both banks and, accordingly, for the resulting bank.

Convenience and Needs of the Community to Be Served. The public in the Rainier area would benefit from the proposed merger through the significantly larger loan limit of the resulting bank and the specialized services, not now available locally in Rainier, which Applicant can provide, including trust department, credit card, automation, and international banking services. In addition, Applicant pays the highest interest rates allowed by law on time deposits, irrespective of amount or maturity, while Other Bank does not. At the same time, the proposed merger would not reduce the number of commercial bank offices or alternatives in Columbia County.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First-Citizens Bank and Trust Company of South Carolina Columbia, South Carolina	72,000	13	16
to merge with **National Bank of Commerce of Spartanburg** Spartanburg	8,378	3	

Summary report by Attorney General, June 3, 1970

The two branch offices of First-Citizens' at Lancaster, 77 miles distant from the head office of Spartanburg Bank, are its closest offices to Spartanburg Bank. Therefore, it would appear that the proposed merger will have little effect on direct competition between the banks.

Under South Carolina law either bank could be permitted to establish a branch office in the market or markets served by the other bank. In view of its size, Spartanburg Bank does not appear to be one of the more likely potential entrants into areas presently served by First-Citizens.

First-Citizens has demonstrated an interest in expanding its operations into new banking markets by its acquisition of several other banks and its application to establish a *de novo* office in Charleston. It has grown to the extent that it should be considered a likely potential entrant into the growing Spartanburg area. In addition to Spartanburg Bank, four commercial banks, including three of the largest statewide banks, operate offices in Spartanburg. These three large banks hold about 85 per cent of the total IPC deposits in the Spartanburg area, while Spartanburg Bank holds less than 1 per cent. Although First-Citizens should be considered a likely potential *de novo* entrant into Spartanburg, its acquisition of one of the smaller banks therein could result in stronger competition to the leading banks.

We conclude that the proposed merger is unlikely to have any significantly adverse effect on potential competition.

Basis for Corporation approval, August 21, 1970

First-Citizens Bank and Trust Company of South Carolina, Columbia, South Carolina ("Citizens"), a State nonmember insured bank with deposits of $62,820,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with the National Bank of Commerce of Spartanburg, Spartanburg, South Carolina ("National"), with deposits of $6,060,000, and for consent to the establishment of the three offices of National as branches of the resulting bank. The merger would increase the number of offices of Citizens from 13 to 17.

Competition. As of April 15, 1970, Citizens' main office was moved from Dillon to Columbia, and it now operates four branches in Columbia and vicinity, two in Lancaster, and one each in Dillon, Clio, Nichols, Cheraw, Lake View, and Great Falls. All of National's offices are located in the Spartanburg area, with one branch located 10 miles east at Pacolet. The nearest offices of the two banks are some 60 miles apart.

Citizens presently controls about 16.1 percent of the aggregate deposits in its service areas, ranking third behind the two largest banks in the State. The third largest bank in the State also controls 16.1 percent of the total deposits. On a statewide basis, Citizens ranks sixth in deposit size, along with Southern Bank and Trust Company, Greenville, each controlling 3.0 percent of the total commercial bank deposits in the State. The approximate percentage shares controlled by the five largest commercial banks are, in decreasing order of magnitude, 23, 14, 10, 9, and 4. This proposal would increase Citizens' share of statewide deposits to 3.4 percent.

Because of the disparate size of the two banks, the most immediate impact of the proposed merger would be felt in the trade area served by National. This trade area is in the Piedmont Industrial Crescent, a rapidly growing urban area. The local Spartanburg economy is relatively stable and is oriented toward textile manufacturing and agricultural activities.

In its trade area, National competes with four other banks, including the three largest in the State. The remaining competitor is a locally headquartered independent bank, more than three times National's deposit size. Based on local deposits, National has the smallest share (4.9 percent) of these five banks.

Citizens and National presently serve separate trade areas some 60 miles apart. There are numerous intervening banks and branch offices, and there is no competition presently existing between the two banks which would be eliminated by the proposed merger.

Under South Carolina law, which permits statewide branch banking, however, either bank could find itself in greater competition with the other by establishing *de novo* branches in areas served by the other. The proposed merger would eliminate that potential for increased competition between Citizens and National, but this is not considered a significant factor under the circumstances presented by this proposal. National is unlikely, because of its limited size, to undertake *de novo* branching into areas served by Citizens. Citizens, on the other hand, has the resources to branch *de novo* into the Spartanburg area, but the entrenched position of the three largest banks in the State, the smallest of which is three times Citizens' deposit size, is a disincentive to do so. Moreover, there are other large banks in South Carolina that could also enter the Spartanburg area should economic growth in the area in the future make such entry attractive. In the interim, Citizens will offer stronger competition to the larger banks in Spartanburg than National could as an independent institution.

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

Financial and Managerial Resources. Both banks have adequate financial and managerial resources, and there would be no diminution of capital funds or reduction in management talent as a result of this merger.

Future Prospects. The merging banks have had a satisfactory growth, and future prospects for the resulting bank are favorable.

Convenience and Needs of the Community to Be Served. The proposed merger would have no significant effect on the convenience and needs of the public in areas presently served by Citizens, but it would improve the quality and quantity of banking services for customers of National without reducing the number of offices or commercial bank alternatives in the Spartanburg area. Thus, in an industrialized area with significant demand for large lines of credit, the resulting bank would have a lending limit more than seven times greater than National alone and would offer more competitive rates on larger time deposits. Another large-bank source for trust services, credit card services, and specialized loan demands would also be available to the public generally in the area.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Commerce Bank of Bonne Terre Bonne Terre, Missouri (in organization)	6,605	—	1
to acquire a portion of the assets and assume the deposit liabilities of			
First State Bank of Bonne Terre Bonne Terre	8,128	1	

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

Basis for Corporation approval, August 28, 1970

Pursuant to Sections 5 and 18(c) of the Federal Deposit Insurance Act, applications have been made by Commerce Bank of Bonne Terre for Federal deposit insurance, for the establishment of a branch at Bonne Terre, and for consent to purchase certain assets and assume the deposit liabilities of First State Bank of Bonne Terre, Bonne Terre, Missouri, an insured nonmember bank which has been closed and is in the hands of the Commissioner of Finance of the State of Missouri.

The Commissioner of Finance took possession of the closed bank at the opening of business on August 24, 1970, for "liquidation or rehabilitation." It has been determined that rehabilitation is impossible, and various groups have been solicited to submit bids. The successful bidder is a group representing Commerce Bancshares, Inc., Kansas City, Missouri, a registered bank holding company which presently owns 15 insured banks in Missouri, none of which are in the competitive area served by the defunct bank.

Bonne Terre has a population of about 3,220, with a trade area population estimated at 25,000. First State Bank of Bonne Terre, the only bank in the community, had operated there for many years, developing a sizable volume of business before being closed. The closest banking facilities outside Bonne Terre are 10 miles distant. It is expected that the Commerce Bank of Bonne Terre will successfully replace the former institution.

Based on the above information, the Board of Directors has concluded that approval of the applications for Federal deposit insurance, for the establishment of a branch, and for consent to the assumption transaction is warranted.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
American Bank and Trust Co. of Pa. Reading, Pennsylvania	511,507	32	33
to merge with			
The First National Bank in Frackville Frackville	9,995	1	

Summary report by Attorney General, March 31, 1970

The closest branch of American is approximately seven miles south of Frackville in Pottsville. Three other American branches are also located in Schuylkill County, 13-17 miles north and east of Frackville. According to the application, in spite of this proximity, American has made little penetration into those areas of the county served by Frackville Bank. Although some alternative banking sources lie in the intervening and adjacent area, it is likely that the proposed merger will eliminate some amount of existing competition.

Moreover, under Pennsylvania law, American could be permitted to open a *de novo* office in the growing Frackville area. One of its major competitors in this area, Pennsylvania National Bank and Trust Company, is following this course. This proposed merger would eliminate American as a potential entrant in this manner.

As of June 30, 1968, 19 commercial banks operated a total of 42 banking offices in Schuylkill County. American held the third largest share of such deposits, about 12 per cent, while Frackville Bank held the eighth largest share, or about 3 per cent. Their combined share would make the resulting bank the second leading bank in Schuylkill County; the shares of the four leading banks would then total about 64 percent. The extremely strong position of the County's largest bank, Pennsylvania National Bank and Trust Company, in that part of the county surrounding Frackville, would, of course, remain unchanged.

We conclude that the overall effect of the proposed merger on competition would be adverse.

Basis for Corporation approval, September 3, 1970

American Bank and Trust Co. of Pa., Reading, Pennsylvania ("Applicant"), an insured State nonmember bank with total deposits of $438,293,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with The First National Bank in Frackville, Frackville, Pennsylvania ("First National"), which has total deposits of $9,119,000. The banks would merge under the charter and title of the Applicant; and, as an incident to the merger, the main office and the approved but unopened branch of First National would become branches of Applicant, increasing the number of its offices to 34.

Competition. Applicant's main office is in Reading, the seat of Berks County. It operates 31 branches in six of the seven counties in which it may legally establish such offices, including four in Schuylkill County, where First National is headquartered.

The proposed merger would have its greatest impact in First National's service area, which may be defined roughly as the city of Frackville and the surrounding area within a radius of approximately 8 miles. Within that area, First National's share of the total commercial bank deposits is estimated at 11.7 percent, ranking First National fourth among seven commercial banks with offices in its service area. Applicant's closest office to First National is at Pottsville, 8 miles south of Frackville, but a range of mountains running east to west on the south of Frackville, and a number of intervening offices of competing banks, significantly limit the area of competitive overlap. The two banks have only three customers in common, arising from loan participations in each case, and neither is believed to draw significantly from the deposit and loan business originating in areas served by the other. The proposed merger, therefore, would not eliminate significant existing competition between the two banks.

At year-end 1969, 17 commercial banks operated 42 offices in Schuylkill County (1970 estimated population 158,000). Applicant was the largest of these banks, but it had less than half the Schuylkill County deposits held by Pennsylvania National Bank and Trust Company, headquartered in Pottsville. This bank recently received regulatory approval to open a *de novo* branch in

Frackville, and Applicant clearly has the capacity to do so as well. Frackville, however, has a population of approximately 5,700 people, and the prospect of two new branch offices in addition to First National's main office makes additional *de novo* branching in the same area unattractive in the foreseeable future. First National, in turn, is unlikely, because of its limited resources, to open *de novo* branches in areas presently served by Applicant. The proposed merger, accordingly, is unlikely to eliminate significant future competition between Applicant and First National.

Within the seven-county area where it may branch or merge under Pennsylvania law, i.e., its headquarters county and all adjacent counties, Applicant holds 8 percent of the commercial bank offices and 11.4 percent of the commercial bank deposits. In one of the adjacent counties (Montgomery), where Applicant has 10 authorized branch offices, Applicant faces competition from six larger banks and two only slightly smaller. As more Philadelphia banks join the four which have already moved their main offices to Montgomery County, however, Applicant will find itself under increasing competition in Berks County, where its main office and 12 branches are located, and in Chester County, both of which are within the branching and merging area of Montgomery county banks. Thus, within Applicant's area of possible competition, its present share of commercial bank assets and offices may well diminish, rather than increase in the future.

Under these circumstances, the addition of a $9 million bank with two offices to Applicant's present holdings of commercial bank deposits and offices in the seven-county area within which it can legally operate is not likely to result in such a concentration of assets as to foreclose effective commercial bank competition in the area in the future.

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

Financial and Managerial Resources; Future Prospects. Each of these factors is favorable with respect to the merging banks, and they are so projected for the resulting bank.

Convenience and Needs of the Community to Be Served. The public in the Frackville area would benefit from the full range of specialized lending services, trust department services, credit card services, and automated data processing services offered by Applicant, and from the higher rate Applicant pays on passbook savings accounts. Local businesses would benefit from a legal lending limit almost 40 times larger than First National's present limit of $85,000, and from the availability of larger denomination certificates of deposits issued at the maximum interest rates allowed by current regulations. Following the opening of the authorized branch of Pennsylvania National Bank and Trust Company, the Frackville public would have a choice between two well-managed and aggressive banks for many of these services, with the resulting benefits of a more vigorously competitive banking system.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Golden State Bank Bell Gardens, California	49,600	5	7
to merge with **Citrus National Bank** West Covina	15,531	2	

Summary report by Attorney General, June 14, 1970

The closest offices of the merging banks are about 10 miles apart. There, however, are a number of banking offices of some of the largest banks in the state within the service area of the merging banks, including nine offices of Bank of America; six of Security Pacific National Bank; two of Crocker-Citizens National Bank; three of United California Bank; one of Wells Fargo Bank; one of First Western Bank & Trust Co.; one of United States National Bank. Hence, although competition may be eliminated by this merger, it is not likely to effect the overall competitive situation in the area. Hence, neither the elimination of competition nor the increase in concentration, as a result of this merger, is likely to be substantial.

We conclude that the proposed merger is not likely to have an adverse effect on competition.

Basis for Corporation approval, September 25, 1970

Golden State Bank, Bell Gardens, California ("Golden State"), an insured nonmember commercial bank with total deposits of approximately $44 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Citrus National Bank, West Covina, California ("Citrus"), with total deposits of approximately $13.5 million, under the charter and title of Golden State. Application is also made for consent to establish two branches at locations where Citrus is presently operating. After the establishment of these two branches, the resulting bank would have a total of seven operating offices.

Competition. Each bank competes in a separate, but economically similar, suburban area within the Los Angeles-Long Beach SMSA. The offices of the two banks serve specific segments of the metropolitan population, and their respective trade areas are limited to a 2-mile radius surrounding each office.

The closest Golden State office to Citrus is located at Pico Rivera, about 10 miles from the Citrus main office. Neither bank appears to derive a significant amount of business from areas served by the other, and their proposed merger will eliminate little, if any, present competition between them.

Citrus competes today with offices of five of the largest statewide banks in California. It holds 12.7 percent of the local deposits derived from its service area and ranks fourth among the commercial banks with offices in that area. Golden State is in a somewhat similar competitive position within its service area. Their proposed merger would create a bank holding less than 1 percent of all commercial bank deposits in the Los Angeles-Long Beach SMSA, but a bank better able to compete in its service area with the large statewide branch banks presently operating there.

Since statewide branch banking is permitted by California law, the two banks could branch *de novo* into each other's trade area. However, the large size of competing banks and the number of offices of such banks in both trade areas provide little incentive to adopt this course of action. Moreover, the fact that residents commute to Los Angeles and surrounding areas for employment appears to offer such residents access to other commercial banks not presently represented in the two trade areas.

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

Financial and Managerial Resources; Future Prospects. Each of the participating banks has satisfactory resources, and the management of both banks is considered to be capable and experienced. Prospects for each bank, and for the resulting bank, appear favorable.

Convenience and Needs of the Community to Be Served. The proposed merger would bring to customers of Citrus trust services, significantly larger lending limits, and a broader range of commercial bank services than those now offered by that bank. For the public generally in the area served by Citrus, the merger would provide a convenient local source for these services, in addition to the large statewide commercial banks with offices in the area.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Home Savings Bank of the City of Albany Albany, New York	117,360	3	4
to merge with			
Greenwich Savings and Loan Association Greenwich	2,569	1	

Summary report by Attorney General, June 29, 1970

The proposal would merge Greenwich S & L, the smaller of two savings and loan associations operating in Washington County, with Home Savings, the fourth largest of six mutual savings banks operating in Albany County.

The nearest offices of the merging institutions are about 40 miles apart. Numerous other savings and lending institutions, including commercial banks, operate in the intervening area, and neither institution obtains substantial business from the areas immediately served by the other. Therefore, significant direct competition probably does not exist between the merging institutions.

New York law would not permit Home Savings to establish *de novo* branches in Washington County. In view of this fact, and the size of the merging institution, we conclude that the proposed merger would be unlikely to have any significantly adverse effect on potential competition.

Basis for Corporation approval, September 25, 1970

Home Savings Bank of the City of Albany, Albany, New York ("HSB"), an insured mutual savings bank having total time deposits of approximately $109 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Greenwich Savings and Loan Association, Greenwich, New York ("Merging Association"), an operating noninsured institution having total time deposits of approximately $2.3 million, under the charter and title of HSB. Application is also made for consent to establish a branch at the sole existing location where Merging Association presently does business.

Competition. HSB operates its main office and one branch in the city of Albany and has one additional branch operating in the town of Colonie, an Albany suburb. Under New York law, it may open *de novo* branches only in Albany County, but can acquire branches by merger anywhere in the State's Fourth Banking District. The Merging Association operates its one office in Washington County, New York, and serves a stable agricultural trade area of 20,000 persons in Greenwich and in the bordering towns of Cambridge and Schuylerville. Under State law, Merging Association could open a *de novo* branch within 50 miles of its main office, including those portions of Albany County not subject to "home office protection." Merging Association is the only mutual institution serving its trade area.

Greenwich is 40 miles from the city of Albany, and the nearest offices of the two institutions are 35 miles apart. There is little direct competition between them at the present time, and almost no prospect of increased competition between them in the future because of the branching restrictions on HSB and because of Merging Association's small size.

HSB is the fourth largest savings bank headquartered in the city of Albany and the sixth largest mutual institution headquartered in the Fourth Banking District. At year-end 1969, it held 5.9 percent of all the deposits held by mutual savings institutions in the District, while the comparable percentage for Merging Association was 0.1.

The most immediate impact of the proposed merger will be in the Greenwich area, where increased lending limits and the introduction of services not before available at the Merging Association will increase the competition between resulting bank's branch and nearby commercial banks.

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

Financial and Managerial Resources; Future Prospects. The overall financial and managerial position of each institution, and of the resulting bank, is considered satisfactory. The future prospects of each institution, and of the resulting bank, are also considered satisfactory.

Convenience and Needs of the Community to Be Served. The major benefits to the public in the area served by Merging Association include higher rates on savings deposits, more liberal mortgage lending policies, larger size mortgage loans, and additional services such as FHA and VA loans, a 5 percent day-of-deposit-to-day-of-withdrawal account, time deposits, and savings bank life insurance.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Central Carolina Bank & Trust Company Durham, North Carolina	165,242	33	35
to merge with			
Stokesdale Commercial Bank Stokesdale	4,904	2	

Summary report by Attorney General, July 29, 1970

The proposal would merge the $4.7 million deposit Stokesdale Bank with Central Carolina, a $145.2 million deposit institution headquartered in Durham.

A distance of about 40 miles separates the nearest offices of the merging banks, and several banks operate offices in the intervening area. According to the Application, neither of the participating banks obtains any significant business from areas immediately served by the other. Consequently, it appears that there is little direct competition presently existing between these banks.

North Carolina law permits statewide branching, and Central Carolina, the eighth largest bank in the State has the ability to establish *de novo* offices in the growing Stokesdale-Summerfield area. Such potential competition will, of course, be eliminated by the proposed merger.

As of June 30, 1968, Stokesdale Bank held less than 1 per cent of total deposits held by banking offices in Guilford County, an area where the State's two largest banks held over 74 per cent of county total deposits and the four largest banks in the State controlled over 90 per cent of total deposits. Stokesdale Bank's share of total banking deposits in that portion of northern Guilford County where it is the only commercial bank, however, would be much higher.

In these circumstances, we conclude that this merger would not have any significantly adverse effect on competition.

Basis for Corporation approval, September 25, 1970

Central Carolina Bank & Trust Company, Durham, North Carolina ("Central"), an insured nonmember bank with total resources of $165 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with

Stokesdale Commercial Bank, Stokesdale, North Carolina ("Stokesdale Bank"), a nonmember insured bank with total resources of $4.9 million, under the charter and title of Central and, incident thereto, to establish branches at the two existing locations of Stokesdale Bank in Stokesdale and Summerfield, North Carolina.

Competition. Central, which operates 32 branches, is a regional bank offering a complete range of banking services. All but four of its offices are located within a 55-mile radius of Durham which, together with Chapel Hill and Research Triangle Park, comprise its principal service area. Stokesdale is located in Guilford County, about 75 miles northwest of Durham. Stokesdale Bank, which is the only bank in Stokesdale or Summerfield, serves a stable agricultural area of approximately 12,000 persons. It holds 1 percent of the total commercial bank deposits in Guilford County. Central has no offices in Guilford County.

The nearest offices of the two banks are 40 miles apart, and there is no overlapping of service areas. Neither bank derives deposit or loan business from areas served by the other, and there appear to be no common customers. Thus, the proposed merger would not eliminate any present competition between the two banks.

Central, ranking eighth in size among all North Carolina banks at year-end 1969, competes with offices of the largest banks in the State. It is much smaller than most of its major competitors, holding 2.2 percent of all commercial bank deposits in the State, as compared with 20.5 percent held by the largest bank and 16.8 percent and 13.4 percent held by the second and third largest banks, respectively. The proposed merger would increase Central's share of statewide deposits by less than 0.1 percent and would not change in any significant way its competitive position within North Carolina.

Under North Carolina law, either bank could branch *de novo* into areas served by the other. Such *de novo* branching by Stokesdale Bank may be considered remote in view of its small size and the distances involved, while Central has little incentive to branch *de novo* into a sparsely populated area already served by two offices of Stokesdale Bank and having numerous offices of several of the largest banks in the State within a 15-mile radius.

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

Financial and Managerial Resources; Future Prospects. These factors are satisfactory with respect to both participating banks and are so projected for the resulting bank.

Convenience and Needs of the Community to Be Served. Stokesdale Bank, because of its limited resources and conservative management, does not provide a full range of banking services. As a result of the merger, the Stokesdale-Summerfield area would gain the advantages of a large regional bank aggressively offering all types of banking services and facilities, including personal trust and consumer credit services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Coastal Bank Newport News, Virginia (in organization; change title to Bank of Hampton Roads)	50	—	5
to merge with **Bank of Hampton Roads** Newport News	23,530	5	

Summary report by Attorney General, June 14, 1970

The proposed merger is part of a plan under which Fidelity American Bankshares, Inc., a registered bank holding company, proposes to acquire all of the voting shares of Coastal Bank (organizing), a non operating institution and as a contemporaneous transaction, to effect the merger of Bank of Hampton Roads and Coastal Bank (organizing). The effect of these transactions will be to transfer control of an existing bank to a registered bank holding company. In and of itself, however, the proposed merger would merely combine an existing bank with a non operating institution; as such, and without regard to acquisition of the surviving bank by Fidelity American Bankshares, Inc., the proposed merger would have no effect on competition.

Basis for Corporation approval, September 25, 1970

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance and to exercise trust powers for The Coastal Bank, Newport News, Virginia ("Coastal"), a proposed new bank in organization, and for consent to its merger with Bank of Hampton Roads, Newport News, Virginia ("Hampton"), total resources $23,530,000, under Coastal's charter and with Hampton's title. The resulting bank will operate from the present main office and four branches of Hampton.

The new bank formation and merger are designed solely as a vehicle for Fidelity American Bankshares, Inc., Lynchburg, Virginia, a registered bank holding company, to acquire controlling ownership of Hampton. The holding company has filed the appropriate application with the Board of Governors of the Federal Reserve System for consent to the acquisition of 100 percent of the voting shares of the successor bank to the merger. Coastal will not be in operation as a commercial bank prior to the merger, following which it will operate the same banking business, plus trust activities, at the same locations as Hampton and with the same executive management. Except for the addition of trust powers, the proposal, of itself, will not change the banking services which Hampton has provided usefully and conveniently to the Newport News community for several years. Within the city of Newport News, Virginia, where the main office and three of its four branches are located, there are 16 other banking offices in operation, which include four offices of the second largest bank in the State. The other office of Hampton, located in the city of

Hampton, competes with 15 other banking offices, including seven of the State's largest bank. All factors required to be considered relative to each application are favorably resolved.

On the basis of the above information, the Board of Directors has concluded that approval of the applications is warranted.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Manchester Trust Company of Manchester, New Hampshire Manchester, New Hampshire (change title to Manchester Savings Bank and Trust Company)	2,850	3	3
to acquire the assets and assume the deposit liabilities of			
Manchester Savings Bank Manchester	142,948	3	

Summary report by Attorney General, February 11, 1969

Manchester Savings operates two offices in Manchester, New Hampshire, the largest city in the State. Manchester Trust, also located in Manchester, is presently inactive and has no deposits or loans. Since December 1, 1967, Manchester Trust has been a wholly-owned subsidiary of Manchester Savings.

Manchester is the principal industrial city in the State. In the past decade the Manchester area has experienced considerable growth. The city is presently served by three mutual savings banks and eight commercial banks (excluding Manchester Trust). Manchester Savings is the second largest of the eight banks.

While Manchester Trust is authorized by law to accept deposits and otherwise compete with Manchester Savings, it in fact, has not done so. This reflects both a practice common in New Hampshire by which savings banks and commercial banks often share common quarters and do not compete in overlapping areas of service and the fact that prior to its acquisition by Manchester Savings, Manchester Trust was controlled by the principals of Manchester National Bank. At present, Manchester Savings, Manchester Trust, and Manchester National Bank all have their head offices in the same building in Manchester, and since 1967, Manchester Trust has been a wholly-owned subsidiary of Manchester Savings. Since the merging institutions have never been active competitors, and are now affiliated, we conclude that this proposed merger will not have any significant adverse effect on competition in the Manchester area.

Basis for Corporation approval, October 1, 1970

The Manchester Trust Company of Manchester, New Hampshire, Manchester, New Hampshire ("Trust Company"), an insured State nonmember commercial bank with total deposits of $2.1 million, has applied, pursuant to Section 18(c) of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets of and assume the deposit liabilities of Manchester

Savings Bank, Manchester, New Hampshire ("Savings Bank"), an insured mutual savings bank with total deposits of $123 million. The resulting bank would operate under the charter of Trust Company and with the title of "Manchester Savings Bank and Trust Company" at three locations.

Competition. Trust Company, as permitted by New Hampshire law, is presently a relatively inactive affiliate of Savings Bank. They share banking quarters at each of the three locations at which Savings Bank does business: two of which are in Manchester and the other of which is in nearby Bedford. The end result of the acquisition proposed would be to convert Savings Bank into a commercial bank owned by a one-bank holding company. The terms of that exchange have been passed on favorably by the New Hampshire Supreme Court. In view of the present ownership of Trust Company, neither existing nor potential competition between the two would be eliminated by consummation of the acquisition.

In the Manchester area, the number of mutual savings banks would be reduced from three to two, while the number of active commercial banks would be increased from eight to nine. Trust Company would become the largest commercial bank in its service area and in the State of New Hampshire, but there is no showing and no empirical evidence that any existing commercial bank will find itself unable to compete successfully with the resulting bank, at least for the commercial bank business it now has. Savings Bank at present is the second largest of the three mutual savings banks, but all three are larger than any of the commercial banks in Manchester save one.

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

Financial and Managerial Resources. Due to the nature of the proposed transaction, the financial resources of Trust Company are not a significant factor. Savings Bank has adequate financial resources, as would the resulting bank. Management of the resulting bank would include an experienced commercial loan officer as well as Savings Bank's present management team.

Future Prospects. Initially there may be a reduction in the resulting bank's savings and time accounts since by regulation it could not pay as much interest on such accounts as Savings Bank is presently paying. The interest differential presently existing, however, is 0.25 percent for all accounts, and the deposit attrition may be only nominal in view of the interest which Savings Bank's present depositors would have, as stockholders, in the success of the resulting bank. The future prospects for the resulting bank should be at least as good as the future prospects of Savings Bank as an independent institution.

Convenience and Needs of the Community to Be Served. Manchester is the largest city in New Hampshire, located in the south-central portion of the State. The area is a well-diversified center of industry, commerce, and finance, with one-seventh of the State's total population and assessed property.

The resulting bank would have new capabilities in the commercial lending field: namely, loans based on accounts receivable, inventory, equipment, and machinery, as well as term and unsecured loans, all backed by substantial resources. The resulting bank would have a basic lending limit of $1,350,000.

Present and potential customers would benefit from this wider range of lending capabilities, while mutual savings bank options in Manchester would remain available for those deposit customers whose primary concern is obtaining the highest rate of return allowed by current regulations. Businessmen in the area, particularly the relatively new firms and the relatively large firms with significant financing requirements, would benefit from the local availability of a commercial bank with the highest lending limits in New Hampshire, the sizeable lending resources which would be available to it, and a greater choice among local area banks for the usual commercial bank services and for trust services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Lincoln Bank & Trust Company Ardmore, Oklahoma	9,654	1	1
to merge with **LBTC, Inc.** Wilmington, Delaware	701	—	

Summary report by Attorney General, June 14, 1970

The proposed merger is part of a plan of corporate reorganization through which Lincoln Bank & Trust Company will become a subsidiary of a one-bank holding company. As such, it will have no effect on competition.

Basis for Corporation approval, October 2, 1970

Lincoln Bank & Trust Company, Ardmore, Oklahoma ("Lincoln"), a nonmember insured bank with total resources of $9,654,000, has applied, pursuant to the provisions of Section 18(c)(1) of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and title with LBTC, Inc., Wilmington, Delaware, a nonbanking corporation formed for the sole purpose of facilitating the exchange of stock of Lincoln for stock in First Southwest Corporation, a one-bank holding company.

Lincoln is the only operating bank involved in this proposal. It operates its sole office in the town of Ardmore, Oklahoma, and except for two National banks in Ardmore with total deposits of $40 million, there are only two other banking institutions within 25 miles of the town. Lincoln will continue operations with essentially the same assets, liabilities, capital, and management. The merger will not alter the number of banks or banking offices in the area and, consequently, of itself, would have no effect on competition.

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

Financial and Managerial Resources; Future Prospects. These factors are found satisfactory with respect to the merging institutions and are so projected for the resulting bank.

Convenience and Needs of the Community to Be Served. The transaction will not change the services and facilities presently provided by Lincoln; thus the convenience and needs of the community will be served as in the past.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First State Bank of Oregon Milwaukie, Oregon	65,873	10	14
to merge with			
The Multnomah Bank Portland	21,236	4	

Summary report by Attorney General, May 7, 1970

The head offices of the merging banks are nine miles apart; however, two of their branch offices are two miles apart; and two others are only three miles apart. In addition, two branches of Multnomah are but three and four miles, respectively, from the home office of First State. Thus, it would appear that the proposed merger would eliminate considerable direct competition.

In the Portland Standard Metropolitan Statistical Area ("SMSA"), where all offices of the merging banks are located, nine banks operate 49 banking offices. First State ranks seventh among these nine banks and Multnomah last. First State controls about 2 per cent of the total deposits in this area, and Multnomah about .6 per cent of such deposits. Commercial banking in the Portland SMSA and the State of Oregon is dominated by two banks which between them hold over 90 per cent of deposits in Oregon banks. These banks are based in Portland, and they also control nearly 90 per cent of total commercial bank deposits in that area. The resulting bank's share of such total deposits would increase to 2.6 per cent and it would advance in rank from seventh to sixth.

We conclude that this merger would eliminate direct competition between the participants and would slightly increase concentration among commercial banks in the Portland area. However, in the context of the overwhelming dominance of commercial banking in the Portland SMSA by the two largest banks, this merger is not likely to have a significantly adverse effect on competition.

Basis for Corporation approval, October 2, 1970

First State Bank of Oregon, Milwaukie, Oregon ("First State"), an insured nonmember bank with total deposits of approximately $58.7 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The Multnomah Bank, Portland, Oregon ("Multnomah Bank"), which has total deposits of approximately $19.3 million. The banks would merge under the charter and title of First State; and, as an incident to the merger, the four offices of Multnomah Bank would become branches of First State.

Competition. First State's 10 offices are located in four separated suburban areas outside the city of Portland. It has no offices within the city of Portland, where Multnomah's main office and two of its three branches are located. Multnomah's third branch is in Progress, about 4½ miles west of Portland and 2½ miles from First State's nearest office. While there is some overlap of service areas in the vicinity of Progress, the direct competition between the two banks is not considered substantial in view of the total deposit and loan business originating in these service areas and the relatively recent establishment of their branch offices in and near Progress. Since First State can branch *de novo* into Progress and into the city of Portland, and since both banks can expand in the growing unincorporated areas, some potential for increased competition between the two banks would also be eliminated by the proposed merger, but the significance of this factor is reduced by the extensive *de novo* branching activity of the State's two largest branch banks and by the large number of commercial bank alternatives remaining in the three-county Portland area. Moreover, *de novo* entry by First State into Portland, where the State's two largest branch banks are headquartered and strongly entrenched, cannot be said to be clearly preferable to the proposed merger, since the merger would give First State a larger base from which to compete with nearby offices of these two banks and would assure a more aggressive competitor in the future than Multnomah Bank.

The two large statewide branch banks to which reference has been made hold 78.0 percent of all commercial bank deposits in the State of Oregon and a comparable percentage of commercial bank deposits in the Oregon portion of the Portland SMSA. Within that three-county area, First State accounts for approximately 2.8 percent of total commercial bank deposits, and Multnomah Bank for about 1.0 percent. First State ranks fifth in area deposits, while Multnomah Bank is one of the smaller banks operating in the three-county area.

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

Financial and Managerial Resources; Future Prospects. Both banks have adequate financial resources, as would the resulting bank. After merger, the resulting bank should have better earnings than the present combined earnings of the two banks as low-yielding assets of Multnomah Bank are reinvested. Management is considered capable and experienced. The future prospects of each bank, and of the resulting bank, are considered satisfactory.

Convenience and Needs of the Community to Be Served. If the proposed merger is approved, customers of Multnomah Bank would gain the convenience of more liberal lending terms on conventional home mortgages, FHA and VA mortgage services, a bank with the capacity to handle significantly larger loans, management policies which would free more funds for lending purposes, and personal trust services. The public, in areas served by Multnomah's four offices, would benefit from having an additional conveniently available alternative for all such services.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Nashville Bank and Trust Co. Nashville, Tennessee (change title to Nashville City Bank and Trust Co.)	38,281	3	8
to merge with **Capital City Bank of Nashville, Tennessee** Nashville	19,485	5	

Summary report by Attorney General, November 26, 1969

The head offices of the merging banks are approximately one block apart. The branch offices of NB&T and Capital City are, however, widely separated. No branch of the former is located within the neighborhood service area of the latter.

Nevertheless, the close proximity of the head offices, where the bulk of the accounts of the participating banks are maintained, indicates that a sizeable quantum of competition exists between these institutions. This competition will be eliminated if this merger is approved.

Eight banks presently operate in metropolitan Nashville, as follows:

	IPC Demand Deposits (000 Omitted)	% of Service Area	Nos. of Offices
First American	$179,382	42.2	22
Third National	158,881	37.1	16
Commerce Union	60,310	14.1	16
NB&T	13,337	3.1	3
Capital City	7,667	1.8	5
Goodlettsville	3,406	.8	1
Citizens	1,977	.5	1
White Creek	1,820	.4	1

NB&T holds approximately 2.3 percent of total deposits in all commercial banks located in Metropolitan Nashville, and Capital City holds 1.5 percent. For more than 20 years the 3 largest banks in this area have held in excess of 90 percent of such deposits. The proposed merger adds little, if anything, to this extreme concentration. A somewhat larger bank, with increased capital and deposits, will replace two small units. This may enable the resulting bank to compete more effectively with the "big three."

In light of the relatively small size and market shares of the banks proposing to merge, we conclude that the proposed merger is not likely to have a significantly adverse effect on competition.

Basis for Corporation approval, October 7, 1970

The Nashville Bank and Trust Co., Nashville, Tennessee ("Nashville Bank"), an insured nonmember bank with total resources of $38,281,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Capital City Bank of Nashville, Tennessee, Nashville, Tennessee ("Capital City"), an insured nonmember bank with total resources of $19,485,000, under Nashville Bank's charter and with the title "Nashville City Bank and Trust Co." and to establish five existing offices of Capital City as branches of the resulting bank. Approval is also requested for the retirement of the 4 percent convertible preferred stock to be issued in connection with this merger.

Competition. Nashville Bank commenced operations in December 1968 with three offices, $33 million in deposits, and a management team spun off from Third National Bank in Nashville. This action followed a consent decree which terminated a lengthy antitrust attack on the 1964 merger of that bank with the earlier Nashville Bank and Trust Company.

In determining whether the merger now proposed would itself violate Section 7 of the Clayton Act, as required under the Bank Merger Act of 1966, Davidson County (estimated population 470,000) may be considered the largest geographic area within which a merger of Nashville Bank and Capital City would have competitive significance. Both banks derive the bulk of their banking business from Davidson County, it is the area of reasonable banking choice for most customers of the two banks, and it is the geographic area to which the two banks and their competitors are limited by Tennessee law in the establishment of offices, either by merger or by *de novo* branching.

Eight commercial banks are headquartered in Davidson County. Nashville Bank is the fourth largest of these in terms of deposits, and Capital City is fifth largest. Both are substantially smaller than the three lead banks in the county, as indicated in the following table:[1]

	Total Deposits (000 Omitted)	% Total	Offices in County
First American National Bank of Nashville	$522,293	38.8	22
Third National Bank in Nashville	462,705	34.1	16
Commerce Union Bank	295,522	21.8	16
Nashville Bank	33,603	2.5	3
Capital City	19,890	1.5	5
The Bank of Goodlettsville	12,228	0.9	1
Citizens Savings Bank	5,373	0.4	1
Whites Creek Bank & Trust Company	5,132	0.4	1
	$1,356,764	100.0	65

[1]Figures as of December 31, 1969. If IPC deposits under $100,000 were separately tabulated in an effort to exclude large-account commercial business, for which Nashville Bank and Capital City do not presently compete, their respective market shares would not be substantially different from the percentages listed in the total deposit table.

The relative shares held by each bank of all commercial bank assets, IPC demand deposits, and loans in Davidson County are not materially different. Except for The Bank of Goodlettsville and Whites Creek Bank and Trust Company, which are located in suburban areas, all the banks listed are headquartered in the city of Nashville.

Capital city's main office is in the same block as Nashville Bank's main office, and each holds more than two-thirds of its deposits at that office. Within the limitations of size and office locations, each bank competes with the other for most types of commercial bank business. None of their branch offices are in close proximity, but *de novo* branching activity, which is particularly likely on the part of Nashville Bank, could bring each into increasing competition with the other in the future. Their merger would thus eliminate both existing and potential competition between them.

Because of the small percentage of commercial bank business held by each of the two banks in the relevant market, however, the Board cannot find, under current judicial precedents, that the effect of the proposed merger "may be *substantially* to lessen competition" in commercial banking in Davidson County within the meaning of Section 7 of the Clayton Act, as incorporated into the relevant provisions of the Bank Merger Act of 1966. While commercial banking in Davidson County is highly concentrated in three large banks, the merger proposed would not add to the share of the banking market held by any of them. Cf. *United States* v. *Philadelphia National Bank,* 374 U.S. 321 (1963); *United States* v. *Third National Bank in Nashville,* 390 U.S. 171 (1968) *United States* v. *Phillipsburg National Bank,*__U.S.__(decided June 29, 1970).

Even though the proposed merger does not appear to violate Section 7 of the Clayton Act, the Board does find the net effect of the proposal to be anticompetitive: at least some competition between the two banks, both existing and potential, would be eliminated; the already small number of commercial bank options available to the 470,000 residents of Davidson County for their retail banking needs would be reduced by one, while only a small number of commercial customers would benefit from the resulting bank's increased ability to compete with the three dominant banks; and finally, an independent bank would be removed from a concentrated banking market, a bank which could serve as a vehicle for the entry of significant new competition into that market in the course of Tennessee's growing multibank holding company movement.

Convenience and Needs of the Community to Be Served. The proposed merger would serve the convenience of at least some customers of the two banks. Eight offices, rather than only Capital City's five or Nashville Bank's three, would be available to those retail customers who do not wish to bank at one of the three large banks. Special checking accounts, not now offered by Capital City, would become available to Capital City customers, and more extensive installment lending could be expected. A fully staffed credit department would also be available. Nashville Bank's normal lending limits would increase by approximately 50 percent, thereby adding a fourth alternative to the local banking scene for those customers with financing requirements between $650,000 and $1,000,000. Construction loans, mortgage warehousing operations, certain types of specialized loan services, and trust services might become more feasible in time with a larger bank, but there is no commitment to the introduction of any of these services at any specified date in the future.

Since these services are conveniently available at least at the three large banks in Davidson County, and since there is no showing that any essential banking need is going unmet in the county at the present time, the Board believes that in this respect the likely benefits of the merger to the public at large in Davidson County would be modest. The merger's effect, however, in resolving the problems of Capital City discussed below should result in benefits generally to the consumers of banking services in the county.

Financial and Managerial Resources; Future Prospects. Nashville Bank began operations at year-end 1968 with a capable and well-rounded management team, in accordance with the terms of the consent decree with Third National Bank in Nashville. The bank's early deposit runoff has been reversed, and its asset condition and overall financial position are satisfactory. With the addition of Capital City's branch system and deposit base, its prospects for the future are brighter than they would be without the acquisition. Capital City, by contrast, has both managerial and financial problems. Opened in 1960, the bank has not been able to attract a strong management team and has been operating without a full-time chief executive officer since May. Recent supervisory concern has also centered on Capital City's lending policies and its internal routine and controls. These handicaps, together with its lack of management depth, raise serious questions about its ability to compete effectively in the Nashville market, at least in the near term. Merger with Nashville Bank should solve these Capital City problems. Since the number of less anticompetitive merger alternatives and holding company options available to Capital City that would also solve these problems are extremely limited, these banking factors lend significant weight to approval of the present application. In appropriate cases, moreover, it would appear that such factors may still be given decisive weight by a banking agency under the Bank Merger Act of 1966.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Peoples Bank and Trust Co. Berea, Kentucky (in organization)	650	—	1
to acquire certain assets and assume the deposit liabilities of			
Berea Bank and Trust Company Berea	5,411	1	

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

Basis for Corporation approval, October 15, 1970

Pursuant to Sections 5 and 18(c) of the Federal Deposit Insurance Act, applications have been made by Peoples Bank and Trust Co. for Federal deposit insurance and for consent to purchase certain assets and assume the deposit liabilities of Berea Bank and Trust Company, Berea, Kentucky, an insured nonmember bank which has been closed and is in the hands of the Commissioner of Banking of the Commonwealth of Kentucky.

The Commissioner of Banking took possession of the closed bank at the opening of business October 8, 1970, for "temporary custodianship." After close of business on October 8, 1970, it was determined that rehabilitation was impossible, and various groups subsequently submitted bids. The successful bidder was a group headed by Mr. Garvice Kincaid.

Berea has a population of about 4,302, with a trade area population estimated at 15,000. One other banking institution, The Berea National Bank, is headquartered in Berea. It is expected that Peoples Bank and Trust Co. will successfully replace Berea Bank and Trust Company.

Based on the above information, the Board of Directors has concluded that approval of the applications for Federal deposit insurance and for consent to the assumption transaction is warranted.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Bank of Galax Galax, Virginia (in organization; change title to The Merchants and Farmers Bank of Galax)	50	—	3
to merge with **The Merchants and Farmers Bank of Galax** Galax	17,458	3	

Summary report by Attorney General, August 13, 1970

The proposed merger is part of a plan under which Virginia Commonwealth Bankshares, Inc., a registered bank holding company, proposes to acquire all of the voting shares of Bank of Galax (organizing), a non operating institution and as a contemporaneous transaction, to effect the merger of Merchants and Farmers Bank of Galax and Bank of Galax (organizing). The effect of these transactions will be to transfer control of an existing bank to a non operating institution; as such, and without regard to acquisition of the surviving bank by Virginia Commonwealth Bankshares, Inc., the proposed merger would have no effect on competition.

Basis for Corporation approval, October 23, 1970

Pursuant to Sections 5 and 18(c) and the other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for The Bank of Galax, Galax, Virginia ("BOG"), a proposed new bank in organization, and for consent to its merger with The Merchants and Farmers

Bank of Galax, Galax, Virginia ("M&F Bank"), total resources $17,458,000, under BOG's charter and with M&F Bank's title. The resulting bank will operate from the present main office and two branches of M&F Bank.

The new bank formation and merger are designed solely as a vehicle for Virginia Commonwealth Bankshares, Inc., Richmond, Virginia, a registered bank holding company, to acquire controlling ownership in M&F Bank. The holding company has filed the appropriate application with the Board of Governors of the Federal Reserve System for consent to the acquisition of 100 percent of the voting shares of the successor bank to the merger. BOG will not be in operation as a commercial bank prior to the merger, following which it will operate the same banking business at the same locations as M&F Bank, and with the same executive management. The proposal will not, of itself, change the banking services which M&F Bank has provided usefully and conveniently to the Galax community for several years. Within the city of Galax, Virginia, where the main office and two branches are located, there is the main office and one branch of another bank. All factors required to be considered relative to each application are favorably resolved.

On the basis of the above information, the Board of Directors has concluded that approval of the applications is warranted.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Hudson City Savings Bank Jersey City, New Jersey	195,771	6	7
to merge with **The Fifth Ward Savings Bank** Jersey City	15,185	1	

Summary report by Attorney General, September 18, 1970

Hudson Bank operates three offices in Jersey City. Its closest office to Fifth Ward is about one mile away. It seems clear that direct competition exists between the merging banks; the application indicates that an interest rate differential has caused some of Fifth Ward's customers to establish banking relationships with Hudson Bank. Competition existing between the merging banks would, of course, be eliminated by the proposed merger.

Three mutual savings banks and two savings and loan associations operate a total of 15 banking offices in Jersey City. The three offices of Hudson Bank hold about 21 per cent of total time and savings deposits housed in these 15 offices, while Fifth Ward's sole office holds about 3.3 per cent. If time and savings deposits held by commercial banking offices located in Jersey City are considered, the shares of Hudson Bank and Fifth Ward would decrease to about 15 per cent and 2.4 per cent, respectively.

These percentages may overstate the effects of the proposed merger, as savings institutions in nearby metropolitan areas of New Jersey, as well as those in New York City, probably compete to some extent for savings deposits in Jersey City.

In view of the elimination of some direct competition between the merging banks, and the resulting increase in concentration among savings institutions in Jersey City, we conclude that the proposed merger would have an adverse effect on competition.

Basis for Corporation approval, October 30, 1970

Hudson City Savings Bank, Jersey City, New Jersey ("Hudson"), an insured mutual savings bank with total deposits of $175,691,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with The Fifth Ward Savings Bank, Jersey City, New Jersey ("Fifth Ward"), which has total deposits of $13,577,000. The banks would merge under the charter and title of Hudson, and the sole office of Fifth Ward would be established as a branch of Hudson, increasing the number of its offices to seven.

Competition. Hudson's main office and two of its five branches are in Jersey City, Hudson County. Its other branches are located in North Bergen, Oradell, and Waldick, the last two being recently opened offices in Bergen County. The one office of Fifth Ward is located in the easternmost section of Jersey City. There are three mutual savings banks and two savings and loan associations headquartered in Jersey City, but significant competition is also offered by mutual thrift institutions located in Manhattan, whose offices are conveniently available to the large number of Jersey City residents who commute to work in New York City.

Hudson's closest office to Fifth Ward is located approximately 1 mile distant. The two banks have a number of common customers, but the volume of business involved is not substantial. Fifth Ward receives its primary competition from the main office of Provident Savings Bank, the largest mutual thrift institution in Jersey City, only 0.7 mile distant, and from a branch of a savings and loan association, both of which pay 5 percent interest on passbook savings accounts, compared with Fifth Ward's 4½ percent. As its passbook rate indicates, Fifth Ward is not a significant competitor for thrift institution deposits in any relevant geographic market. It has lost deposits steadily over the past 10 years because of noncompetitive rates and the poor location of its main office. Moreover, it has made few mortgage loans in recent years. For these reasons, the Corporation concludes that the proposed merger would not eliminate significant existing competition between the two institutions.

Legally, Hudson and Fifth Ward could branch *de novo* anywhere in New Jersey's First Banking District, subject to home office protection. The area immediately surrounding Fifth Ward, however, has been razed as part of a long-term urban renewal program which is not expected to be completed for many years. Because of this, it is unlikely that any savings bank or savings and loan association headquartered in Jersey City would seek to establish a branch in Fifth Ward's area in the foreseeable future. The management of Fifth Ward, in turn, has neither the inclination nor the experience to open *de novo* branches elsewhere. The proposed merger, therefore, is unlikely to eliminate significant potential competition between Hudson and Fifth Ward.

Hudson is the second largest of the five mutual thrift institutions headquartered in Jersey City, holding approximately 24 percent of the total time and savings deposits held at their offices in Jersey City, while Fifth Ward is the smallest, with approximately 3 percent of such deposits. These figures, however, substantially overstate the likely competitive impact of the proposed merger, because of the convenient availability of mutual thrift institutions in Manhattan to the large number of Jersey City residents who commute to work in Manhattan. The inclusion in the market computation above merely of the deposits in Manhattan offices of New York City mutual savings banks would reduce the percentage held by Hudson and Fifth Ward to 0.76 percent and 0.09 percent, respectively.[1]

While Fifth Ward may have a limited number of less anticompetitive merger alternatives available to it from among the seven mutual savings banks in the First Banking District not headquartered in Jersey City, none of them has expressed interest in acquiring Fifth Ward or its problems. While not headquartered in Jersey City, four of the seven, moreover, are significantly larger than Hudson, thereby raising other competitive problems that would have to be considered. For the reasons stated, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects. Each of these factors is favorable with respect to Hudson and is so projected for the resulting bank.

Fifth Ward's prospects as an independent institution could hardly be less promising. While the net decline in its deposits over the past 10 years may be due in part to physical developments around its main and only office, a greater share of the responsibility for Fifth Ward's present condition must be placed on the bank's management. Payment of less than competitive dividend rates has accelerated the decline in deposits, while the necessity of meeting consequent withdrawal demands with liquid assets has acted to depress even further a poor earnings performance. Neither the relocation of the main office nor the establishment of *de novo* branches has been pursued. A part-time president is backed up by a superannuated operating officer without management depth or succession. The proposed merger should effectively resolve Fifth Ward's myriad problems with Hudson's aggressive and competent management and more secure financial condition.

Convenience and Needs of the Community to Be Served. Customers of Fifth Ward would benefit from the wider range of deposit accounts and the higher rates of return on them offered by Hudson. Thus, the rate on passbook savings accounts would be increased to a competitive 5 percent, rates on certificate accounts would be increased, a day-of-deposit-to-day-of-withdrawal account at 4-3/4 percent per annum would be made available, and 6 percent 2-year certificates would be offered. In addition, a greater volume of mortgage lending and student loan activity could be expected, and Fifth Ward customers would be able to obtain checking account services along with the more traditional thrift institution services.

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[1] In view of the authority of New Jersey savings banks to offer limited checking account services, it might be appropriate, even under applicable judicial precedents, to include in the same computation time and savings deposits of less than $100,000 held by commercial banks at offices located in the relevant market area. The inclusion of such deposits would make the percentages of the total market held by Hudson and Fifth Ward even smaller in both areas.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
United Penn Bank Wilkes-Barre, Pennsylvania	193,499	11	12
to merge with **The Citizens National Bank of Tunkhannock** Tunkhannock	10,226	1	

Summary report by Attorney General, July 28, 1970

Citizens Bank in Tunkhannock is approximately 30 miles up the North Branch of the Susquehanna River from United's home office in Wilkes-Barre. United's Dallas office is about 20 miles from Tunkhannock. Although no commercial banks operate offices between Dallas and Tunkhannock, the application indicates that the merging banks draw little banking business from one another's service area. It would appear that the proposed merger would eliminate no more than a limited amount of direct competition.

Six banks operate a total of eight banking offices in Wyoming County. Citizens Bank is one of two banks with offices in Tunkhannock. As of June 30, 1968, Citizens Bank held the largest share, about 24 per cent, of commercial bank deposits in Wyoming County.

Under Pennsylvania law, United could be permitted to open *de novo* branches in Wyoming County and in Tunkhannock. United is one of the largest banks legally capable of entering Wyoming County.

In view of recent industrial development, the Tunkhannock area should become increasingly attractive to banks in Wilkes-Barre, including United. It would appear that the proposed merger would eliminate some potential for increased competition.

Basis for Corporation approval, October 30, 1970

United Penn Bank, Wilkes-Barre, Pennsylvania ("United Penn"), an insured State nonmember bank with total deposits of $172,875,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with The Citizens National Bank of Tunkhannock, Tunkhannock, Pennsylvania ("Citizens"), which has total deposits of $9,197,000. The banks would merge under the charter and title of United Penn; and, as an incident to the merger, the only office of Citizens would become a branch of United Penn, increasing the number of its offices to 12.

Competition. Applicant's main office and nine branches are in Wilkes-Barre and the Wyoming Valley area of Luzerne County, while one branch is located in Bloomsburg in Columbia County, 35 miles southwest of Wilkes-Barre. Citizens has only one office, located in Tunkhannock, the county seat of Wyoming County.

United Penn's closest office to Citizens is at Dallas, 21 miles south of Tunkhannock. There are no intervening commercial bank offices, but the area is sparsely populated. The two banks have only a few common customers, and neither is believed to draw significantly from the deposit and loan business originating in areas served by the other. The proposed merger, therefore, would not eliminate significant existing competition between the two banks.

The proposed merger would have its greatest impact in the area presently served by Citizens, which can be roughly defined as the area within a radius of 13 miles of Tunkhannock (population 2,500). Within that area, five commercial banks operate six offices. Citizens, with $9.2 million in deposits holds 28.4 percent of the total commercial bank deposits held by these offices, the largest share of the market. Its principal competitor, however, is The Wyoming National Bank of Wilkes-Barre, a $66 million institution with a branch in Tunkhannock holding 21.5 percent of the local deposit market. The entry of United Penn should stimulate competition with this institution in Tunkhannock and in the surrounding area generally.

Under Pennsylvania law, United Penn could branch *de novo* anywhere in Wyoming County (population 18,000), and Citizens could branch *de novo* anywhere in Luzerne or Columbia counties, or in any other counties which adjoin their respective headquarters county. Because of its small size and the distances involved, however, Citizens is unlikely to open *de novo* branches in areas presently served by United Penn. While United Penn has the capacity and resources to open *de novo* branches in Wyoming County, this is unlikely to be attractive for several years in view of the limited population presently being served by each commercial bank office there and in view of the slow population growth which has accompanied the industrialization that has taken place in the county in recent years. Moreover, there are several sizeable banks headquartered in Wilkes-Barre and Scranton that also have the capacity and resources to enter Wyoming County *de novo* if the long-term future growth of the county warrants. United Penn, it should be noted, holds slightly less than 10 percent of the total commercial bank deposits in the eight-county area within which it may branch or merge under State law. The proposed merger, accordingly, would not eliminate significant potential competition in Wyoming County and would not establish any adverse precedent for commercial bank competition in the future in the broader eight-county area within which United Penn can compete.

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

Financial and Managerial Resources; Future Prospects. Each of these factors is favorable with respect to the merging banks and is so projected for the resulting bank.

Convenience and Needs of the Community to Be Served. Customers of Citizens would benefit from the full range of specialized lending services (including FHA and VA mortgage loans), trust department services, and additional funds for housing construction that United Penn can offer. Local businesses would benefit from a legal lending limit 11 times larger than Citizens' present limit of $93,200, and from the availability of large-denomination certificates of deposit issued at the maximum rates of interest allowed by current regulations. Consummation of this proposed transaction would provide the public generally in the Tunkhannock area with a choice between two relatively large banks for most of these services, with the resulting benefits of a more vigorously competitive banking structure.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
State Bank of Greenleaf Greenleaf, Wisconsin (change title to Greenleaf-Wayside Bank)	2,078	1	1
to merge with			
Wayside State Bank Wayside	1,646	1	

Summary report by Attorney General, July 29, 1970

Greenleaf (population 350) is situated about 10 miles northwest of Wayside (population 200) in the southern portion of Brown County, Wisconsin. Brown County, located about 80 miles north of Milwaukee in the eastern part of the state, is largely agricultural in character, especially in the area served by the merging banks. As of June 30, 1968, Brown County was served by 16 commercial banks with 21 banking offices. The merging banks are among the smallest in the county.

The merging banks are located 10 miles from each other, with no other banks in the intervening area. It would appear that some competition would exist between the merging banks which will be eliminated by this merger.

Basis for Corporation approval, October 30, 1970

State Bank of Greenleaf, Greenleaf, Wisconsin ("Greenleaf Bank"), an insured State nonmember bank with total deposits of $1.9 million, has applied, pursuant to Section 18(c) of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with the Wayside State Bank, Wayside, Wisconsin ("Wayside Bank"), an insured State nonmember bank with total deposits of $1.5 million. The merger would be effected under the Greenleaf Bank's charter and with the title "Greenleaf-Wayside Bank." Upon consummation of this proposed transaction, Wayside Bank would cease to operate. The State Attorney General has ruled that under Wisconsin law a bank may not file an application for permission to establish a branch unless the community in which the branch is to be located is "bankless." If the proposed merger is consummated, Greenleaf-Wayside Bank intends immediately to file the necessary applications for permission to establish a branch in Wayside.

Competition. Greenleaf Bank's sole office, in Greenleaf (population 350), is 9 miles from the one office of Wayside Bank, in Wayside (population 200). Their service areas overlap slightly, with no banks intervening, but there are few common customers. The same individual presently owns stock control and serves as executive officer of both banks. Neither bank operates a trust department. There is, in short, little direct competition between the two banks, each serving primarily its own agricultural community and surrounding areas.

There are nine other commercial banks within 15 miles of one or the other bank which may be regarded as competitive, and Greenleaf Bank and Wayside Bank are each smaller than any of them. The resulting bank would have total deposits of $3.3 million and would be the eighth largest of the then remaining 10 banks in the competitive area. The other banks have IPC deposits ranging from $2.0 million to $16.9 million. The proposed merger, accordingly, would have no adverse effect on competition.

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

Financial and Managerial Resources; Future Prospects. These are favorable with respect to the merging banks and are so projected for the resulting bank.

Convenience and Needs of the Community to Be Served. The Greenleaf Bank has experienced heavy loan demands from its agricultural customers, many of whom now require loans of larger amounts than the bank's $25,000 lending limit. While the Greenleaf Bank has been able to arrange participations with other banks, most often Wayside Bank, some increased convenience to customers of both banks may be expected in the ability of the resulting bank to accommodate directly loan requirements of up to $50,000. Temporarily at least, customers of Wayside Bank may be inconvenienced by the lack of a local banking facility, but this situation would be expected to last only a short period of time. Consequently, the convenience and needs of both service areas should continue to be satisfied.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Intermediate Bank and Trust Company New Orleans, Louisiana (in organization; change title to The International City Bank and Trust Company)	100	--	5
to merge with			
The International City Bank and Trust Company New Orleans	112,380	5	

Summary report by Attorney General, September 18, 1970

The proposed merger is part of a transaction which will result in International City Bank and Trust Company becoming a wholly-owned subsidiary of a one-bank holding company. Thus, this merger is merely part of a corporate reorganization and as such will have no effect on competition.

Basis for Corporation approval, November 6, 1970

Pursuant to Sections 5 and 18(c) and the other provisions of the Federal Deposit Insurance Act, applications have been filed for Federal deposit insurance for The Intermediate Bank and Trust Company, New Orleans, Louisiana ("New Bank"), a proposed new bank in organization, and for consent to its merger with The International City Bank and Trust Company, New Orleans, Louisiana ("Old Bank"), total resources $112,380,000, under New Bank's charter and with Old Bank's title. The resulting bank will operate from the present main office and four branches of Old Bank.

The new bank formation and merger are designed solely as a vehicle for The ICB Corporation, New Orleans, Louisiana, a newly formed one-bank holding company, to acquire controlling ownership in Old Bank. New Bank will not be in operation as a commercial bank prior to the merger, following which it will operate the same banking business at the same locations as Old Bank, and with the same executive management. The proposal will not, of itself, change the banking services which Old Bank has provided usefully and conveniently to its trade area since its organization, or have any effect on competition. All factors required to be considered relative to each application are favorably regarded.

On the basis of the above information, the Board of Directors has concluded that approval of the applications is warranted.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Albany Savings Bank Albany, New York	360,948	5	6
to merge with **Johnstown Savings and Loan Association** Johnstown	5,021	1	

Summary report by Attorney General, July 29, 1970

ASB's nearest office to Johnstown S&L is in Colonie, 43 miles southeast of Johnstown. Numerous savings banks, commercial banks, and savings and loan associations intervene.

ASB derives $2.8 million of deposits and $5.2 million of loans from Johnstown S&L's service areas. Johnstown S&L derives $321,885 of deposits and $706,562 of loans from ASB's service areas. Thus, if the proposed merger is approved, some existing competition for loans and deposits will be eliminated. However, the increase in ASB's shares of Fourth Banking District deposits and loans will not be substantial.

Under existing New York law, savings banks are not permitted to branch *de novo* outside of their home-office counties. ASB is not, therefore, a potential *de novo* entrant into Fulton County. Moreover, Johnstown S&L is the smallest thrift institution and mortgage lender in Fulton County. Thus, the proposed acquisition of Johnstown S&L would provide ASB with a means of entry into Fulton County for mortgage lending competition therein.

Basis for Corporation approval, November 6, 1970

Albany Savings Bank, Albany, New York ("ASB"), an insured mutual savings bank with total resources of $360,948,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Johnstown Savings and Loan Association, Johnstown, New York ("S&L"), a federally insured savings and loan association with total resources of $5,021,000, under ASB's charter and title and, incident thereto, to establish a branch in S&L's sole office.

Competition. ASB operates five offices in New York's Fourth Banking District: two in the city of Albany, one in the town of Colonie, an Albany suburb, and two in Warren County acquired by a recent merger with Glens Falls Savings and Loan Association. Under New York law, ASB may open *de novo* branches only in Albany County, but can acquire branches by merger anywhere in the State's Fourth Banking District. In that District, ASB is the largest mutual institution, holding 17.4 percent of the deposits and 9.8 percent of the offices of all mutual savings banks and savings and loan associations located therein.

S&L operates its one and only office in the city of Johnstown, Fulton County, some 43 miles northwest of ASB's nearest office. Its primary service area has a population of nearly 75,000, including the 29,000 residents of Johnstown and the neighboring community of Gloversville. This is a highly industralized area which produces a major share of the gloves manufactured in the United States. Since April 1, S&L has paid interest on its withdrawable shares at the rate of 4½ percent per annum, as compared with the 5 percent paid by ASB on its regular savings accounts. Under State law, S&L could open a *de novo* branch within 50 miles of its main office, including those portions of Albany County not subject to "home office protection." S&L is by far the smaller of the two mutual institutions located in Fulton County and holds only 0.2 percent of thrift institution deposits in the Fourth Banking District.

Because of the distance between S&L and the various offices of ASB, and because S&L has not been paying a competitive dividend on its savings accounts, there is little direct competition between the two institutions at the present time. The secondary areas served by ASB and S&L overlap to some extent in Montgomery County, and ASB has developed about $2.8 million in savings deposits from Fulton County through vigorous bank-by-mail promotions emphasizing the higher dividend rates it has been paying.

Neither has more than a nominal amount of mortgage business from areas served by the other. While some deposit competition between ASB and S&L will be eliminated by this proposal, that competition is attributable largely to the rate differential and cannot be considered significant in relation to the total thrift deposits originating from Fulton County residents. Furthermore, there is almost no prospect of increased competition between them in the future because of the *de novo* branching restrictions on ASB and because of S&L's small size and the distances involved.

Even a slight addition by merger to ASB's dominant size among mutual institutions in the Fourth Banking District requires careful regulatory scrutiny to the end that effective competition by other mutual institutions in the District will not be foreclosed in the future. The proposed merger, however, involves the smaller of two savings and loan associations in Fulton County, significant public benefits, and the likelihood of increased competition in the future for the deposits of Fulton County residents in S&L's trade area.

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

Financial and Managerial Resources; Future Prospects. Financial and managerial resources of both institutions are considered satisfactory and should continue to be so in the resulting bank. While S&L has not had impressive earnings or significant growth in deposit totals, ASB has been a highly successful mutual savings bank for many years, and the future prospects of the resulting bank should be good.

Convenience and Needs of the Community to Be Served. Because of the disparity in size and services of the two institutions, the proposed merger would have little, if any, effect in ASB's present service areas. The greatest impact of the proposed merger would be in S&L's service area, where the resulting bank will offer a 5 percent dividend rate on regular savings accounts and the following services not presently available at S&L: savings bank life insurance, "on-line" service at tellers' windows, day-of-deposit-to-day-of-withdrawal accounts at a 5 percent rate compounded daily, FHA and VA loan services, and more liberal mortgage lending policies backed up with the funds necessary to provide significant new competition in S&L's area for the financing of homes, apartments, and commercial properties.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Warwick Savings Bank Warwick, New York	25,364	1	3
to merge with			
Orange County Savings and Loan Association Monroe	5,966	2	

Summary report by Attorney General, June 14, 1970

The closest offices of the merging institutions are about 15 miles apart. No offices of other savings institutions, but numerous offices of commercial banks lie in the intervening area. According to the application, the primary service areas of the merging institutions are adjacent to one another, but do not overlap. However, the merging institutions do some deposit and loan business in areas served by each other. Existing competition between them will, of course, be eliminated by the proposed merger.

Warwick Savings is the third largest of five mutual savings banks operating in Orange County, and holds about 7.5 per cent of the total time and savings deposits in savings banks and savings and loan associations in the County. Orange Savings is the seventh largest of nine savings and loan associations in the county and holds about 2 per cent of such deposits. Consideration of the time and savings deposits in commercial banks with offices in Orange County would reduce these percentages to about 4.7 per cent and 1.3 percent, respectively.

We do not believe that the proposed merger would have a significantly adverse effect on competition.

Basis for Corporation approval, November 6, 1970

The Warwick Savings Bank, Warwick, New York ("WSB"), an insured mutual savings bank with total deposits of $23,546,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with Orange County Savings and Loan Association, Monroe, New York ("S&L"), which has total deposits of $5,503,000. The participants would merge under the charter and title of WSB; and, as an incident to the merger, the two offices of S&L would become branches of WSB, increasing the number of its offices to three.

Competition. WSB's only office is in the village and the town of Warwick, which are located in the south-central portion of Orange County, a part of New York's Third Banking District. Under New York law, WSB may open one *de novo* branch, which must be located in Orange County, but it can also acquire branches by merging with other mutual thrift institutions anywhere in the District. S&L operates two offices in central Orange County, 15 and 20 miles northeast of Warwick, and has one remaining branch privilege which it can use within 50 miles of its main office.

While there is some overlap of the areas served by the two institutions, and a small amount of deposit and loan business which each derives from the other's service area, the degree of competition which would be eliminated by their merger does not appear significant in view of the small size of S&L relative to other thrift institutions in Orange County. The loss of potential competition between the two institutions also appears insignificant in view of the fact that each has only one unused *de novo* branch privilege and in view of the large number of thrift institutions remaining in the county that could branch into southern Orange County as the area's anticipated growth in population and income takes place.

Neither in Orange County nor in the Third Banking District would there be a significant increase in the concentration of mutual thrift institution assets. In the District, WSB has less than 1 percent of all mutual thrift institution deposits and offices, while S&L has only 0.2 percent of the deposits and 1.8 percent of the offices of such institutions. In Orange County, WSB has 7.7 percent of the deposits and 6.3 percent of the offices of all mutuals, while S&L has only 1.8 percent of such deposits and 12.5 percent of such offices. In the local trade area of the two institutions, WSB holds 9.5 percent and S&L 2.5

percent of all mutual institution deposits. In all areas, numerous thrift institution alternatives would remain after the merger, there being four other savings banks and eight other savings and loan associations in Orange County.

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

Financial and Managerial Resources; Future Prospects. With S&L's increase last January in its rate on withdrawable shares from 4¼ percent to 5 percent, its future prospects now seem favorable, and each of the statutory factors referred to may now be considered satisfactory for each of the merging institutions and for the resulting bank.

Convenience and Needs of the Community to Be Served. While customers and potential customers of S&L would lose the benefits of higher interest payments on Christmas Club accounts and of lower down payment requirements on conventional home mortgages, they would gain the advantages of a stronger institution better able than S&L alone to meet the thrift institution needs of an expanding local economy. They would, for example, benefit from the convenient availability of the following additional services offered by WSB but not available at S&L: FHA and VA mortgage loans, day-of-deposit-to-day-of-withdrawal accounts, home improvement loans, student loans, savings bank life insurance, "on-line" depositor service, commercial mortgage loans, higher lending limits, and a greater supply of lendable funds.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Hongkong and Shanghai Banking Corporation of California San Francisco, California	91,226	4	9
to acquire the assets and assume the deposit liabilities of			
Republic National Bank and Trust Company Beverly Hills	25,110	5	

Summary report by Attorney General, October 1, 1970

The closest offices of Hongkong and Republic are about two miles apart in Los Angeles. Moreover, all of Republic's offices are within Los Angeles County. Thus, it would appear that some direct competition may be eliminated by the proposed transaction.

As of June 29, 1968, Republic and Hongkong together held less than 1 per cent of the total deposits held by all commercial bank offices in Los Angeles County. Since each bank holds a minor share of total bank deposits in Los

Angeles County, the proposed transaction will have little effect on commercial banking concentration in the county.

Basis for Corporation approval, November 10, 1970

The Hongkong and Shanghai Banking Corporation of California, San Francisco, California ("Applicant"), an insured State nonmember bank with total deposits of $72,034,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to acquire the assets of and assume liability to pay deposits made in Republic National Bank and Trust Company, Beverly Hills, California ("Republic"), which has total deposits of $21,112,000. The purchase and sale would be under the charter and title of Applicant; and, as an incident to the proposal, the five offices of Republic would become branches of Applicant, increasing the number of its offices to nine.

Competition. Applicant's main office and one of its three branches are located in San Francisco. It also operates a branch in Sacramento and one 400 miles south, in the heart of the Los Angeles financial district; another branch in San Jose has been approved but is as yet unopened. Republic's main office is in Beverly Hills, and its other offices in Los Angeles, North Hollywood, Encino, and Carson are also part of the metropolitan Los Angeles banking market. Republic opened for business in 1964, merged with Silver Lake National Bank in 1968, and now holds about 2 percent of the total deposits held by all commercial banks in its combined service areas. In four of its service areas, it competes with several of the largest California banks.

The proposed merger would have competitive impact primarily in the metropolitan Los Angeles banking market, and more specifically in Republic's service areas. Applicant's present office in Los Angeles is about 2 miles from Republic's nearest office, but there are numerous intervening commercial bank offices in this densely populated area. Applicant's existing share of the multibillion dollar Los Angeles deposit market is nominal; each bank draws from a different geographic area within that market; and neither derives any significant business from the trade area of the other. Although each bank could legally branch *de novo* into areas served by the other, limited resources make *de novo* entry into the central business district unlikely for Republic, while there are already a large number of commercial bank offices in Republic's service area that would discourage *de novo* entry by Applicant. The acquisition of Republic, in fact, may serve to make Applicant a more significant competitive force within the greater Los Angeles banking market, where each bank today faces a sizeable number of larger competitors.

California's 10 largest banks control 84 percent of the State's total commercial bank deposits, with four of these accountable for nearly 70 percent of the total. If the proposed merger is approved, the resulting bank would hold only 0.3 percent of the State's total commercial bank deposits.

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

Financial and Managerial Resources; Future Prospects. Each of these factors is favorable with respect to the merging banks and is so projected for the resulting bank.

Convenience and Needs of the Community to Be Served. In the trade areas served by Republic, the proposed transaction would provide another convenient bank alternative for large loans and for international banking services. Present customers of Republic would also benefit by somewhat lower service charges on checking accounts and lower interest rates on commercial, installment, and real estate loans.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Flatbush Savings Bank New York (Brooklyn), New York (change title to The Greater New York Savings Bank)	250,085	2	12
to merge with **The Greater New York Savings Bank** New York (Brooklyn)	728,223	10	

Summary report by Attorney General, August 19, 1970

Both of the merging banks operate offices in central Brooklyn. Their closest offices are less than two miles apart. According to the application, each bank draws substantial business from those areas primarily served by the other. The proposed merger would eliminate some direct competition between the banks for savings deposits.

Both banks also make substantial real estate loans in New York and indeed throughout the United States.

Fifteen savings banks operate over 60 offices in Brooklyn. Greater New York is the fifth largest Brooklyn savings bank; Flatbush is the fifteenth. The resulting bank would become the fourth largest of such institutions.

Greater New York holds about 6 per cent of total time and savings deposits in Brooklyn savings banks and savings and loan associations, while Flatbush holds about 2.5 per cent of such deposits. If time and savings deposits held by commercial banks in Brooklyn are included, these percentages will decrease slightly. The three leading savings institutions in Brooklyn share about 43 per cent of savings deposits therein.

It is unlikely that the proposed merger will significantly increase concentration among institutions making real estate loans in New York.

Basis for Corporation approval, November 10, 1970

Flatbush Savings Bank, New York (Brooklyn), New York ("Flatbush"), an insured mutual savings bank having total deposits of $233 million, has applied pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The Greater New York Savings Bank, New York (Brooklyn), New York ("GNY"), an insured mutual savings bank having total deposits of approximately $655 million, under the charter of Flatbush but with the title of GNY. Application also is made for consent to establish branches at the 10 locations where GNY presently does business. Request also is made, following the merger, to interchange the designation of the branch at 451 Fifth Avenue, Brooklyn, New York, and the main office at 1045 Flatbush Avenue, Brooklyn, New York.

Competition. GNY, the larger of the two banks, has 10 offices: seven in its headquarters borough, two recently established in Manhattan, and one recently established in Queens. In opening new offices in other boroughs of New York City, GNY has been taking advantage of relatively recent changes in State law and following a pattern established by other Brooklyn savings banks with one or more offices in stagnant or declining areas. GNY ranks fifth in asset size among the 16 savings banks headquartered in Brooklyn and 16th in asset size among the 45 savings banks headquartered in New York City. It has 6.2 percent of the assets of all mutual institutions headquartered in Brooklyn and 1.9 percent of the assets of all mutual institutions headquartered in New York City.

Flatbush has two offices, both in the relatively stable central section of Brooklyn. It ranks 15th in asset size among the 16 savings banks headquartered in Brooklyn and 39th in asset size among the 45 savings banks headquartered in New York City. It has 2.1 percent of the assets of all mutual institutions headquartered in Brooklyn and 0.7 percent of the assets of all mutual institutions headquartered in New York City. The two banks would merge under Flatbush's charter in order to preserve its six unused branching privileges, one of which may be utilized in Nassau or in Westchester County.

Two of GNY's 10 offices are within 2 miles of a Flatbush office, and the two banks derive more than $35 million in deposits from residents of the overlapping areas served by offices of both banks. The neighborhoods involved are densely populated with numerous high-rise apartment buildings. Two other savings banks serve the same area, and several savings and loan associations are also nearby. The degree of competition which would be eliminated by the proposed merger of Flatbush and GNY does not, however, in terms of their respective shares of the mutual savings market in Brooklyn and New York City, appear so great as to require a denial of the application. In both areas, numerous thrift institutions, conveniently available to the people served by both banks, would remain. Other thrift institutions throughout New York City can also be reached quickly by public transportation.

The same considerations minimize the importance of the potential competition between Flatbush and GNY which would be eliminated by their merger. Forty-three savings banks and a greater number of savings and loan associations, with numerous unused branch privileges, would remain to insure vigorous competition for thrift institution deposits both in Brooklyn and throughout New York City.

The resulting bank would become the fourth largest of 15 savings banks headquartered in Brooklyn, holding 8.3 percent of the deposits of all mutuals headquartered there, and the 12th largest of 44 savings banks headquartered in New York City, holding 2.6 percent of the deposits of all mutuals headquartered in the city.

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

Financial and Managerial Resources; Future Prospects. The financial condition of GNY is satisfactory, with good earnings and a surplus position which is above the statewide average. Flatbush has turned in a poor earnings performance in recent years as a result of past investment decisions. The bank has a heavy bond depreciation and an extremely low surplus position. Unlike most New York City-based savings banks, Flatbush is still unable to meet dividend costs and the mandatory transfer to surplus required by New York law, despite recent improvements in gross yields and net earnings. Its board of trustees is elderly, and its operating management unimaginative. Management succession is lacking. The future of Flatbush as an independent institution is obviously bleak, but under the leadership of GNY's management team, the future prospects of the resulting bank can be regarded as favorable.

Convenience and Needs of the Community to Be Served. Although both banks provide the basic savings bank services, Flatbush customers would gain some convenience in having available at offices of the resulting bank the following services which GNY offers but Flatbush does not: FHA loans, higher loan-value ratios and longer maturities on conventional and VA loans, 5¼ percent certificates of deposit, "on-line" depositor facilities, home modernization loans, uninsured student loans, and somewhat more liberal methods of calculating interest. These services, however, are already conveniently available at other mutual institutions in Brooklyn and elsewhere in New York City, so that the increase in public convenience and needs that would occur because of the proposed merger must be considered only slight.

Because the proposed merger provides a not unreasonable solution to the various operating problems Flatbush faces, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Branch Banking & Trust Company Wilson, North Carolina	257,640	50	52
to merge with **Bank of Statesville** Statesville	7,500	2	

Summary report by Attorney General, September 18, 1970

The head offices of Branch and Statesville Bank are 185 miles apart. The nearest office of Branch to Statesville Bank is located in Mocksville, approximately 21 miles away. According to the application, none of Branch's deposits or loans originate within the service area of Statesville Bank. Hence, it does not appear that there is any significant existing competition between the two banks which will be eliminated by the merger.

Because North Carolina permits statewide *de novo* branching, Branch is a potential entrant into the area now served by Statesville Bank. Indeed, as Branch is the sixth largest banking organization in North Carolina, and three of the five largest are already present in the market, Branch is one of the most likely entrants. The proposed merger will, therefore, eliminate Branch as a potential *de novo* entrant into Iredell County.

Basis for Corporation approval, November 25, 1970

Branch Banking & Trust Company, Wilson, North Carolina ("Branch B&T"), an insured State nonmember bank with total deposits of $220,278,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with Bank of Statesville, Statesville, North Carolina, an insured State nonmember bank which has total deposits of $6,361,000. The banks would merge under the charter and title of the applicant; and, as an incident to the merger, the two offices of Bank of Statesville would become branches of Branch B&T, increasing the number of its offices to 52.

Competition. Branch B&T presently operates its main office and three branches in Wilson, 44 additional branches throughout eastern North Carolina, and two branches, acquired by merger in 1967, in Mocksville in the Piedmont section of the State. Bank of Statesville's two offices are located in Statesville, Iredell County, also in the Piedmont section of the State.

The proposed merger would have its greatest impact in the Statesville service area, consisting of Statesville and its surrounding suburbs. Within that area, Bank of Statesville holds 8.3 percent of total deposits, the third largest share of four banks, and competes with offices of North Carolina National Bank, First Union National Bank, and The Northwestern Bank, respectively, the second, third, and fifth largest banks in the State. Branch B&T's closest offices to Bank of Statesville are in Mocksville, 21 miles to the northeast. There is no overlap in their service areas, and neither derives much business from the service area of the other. The proposed merger, therefore, would not eliminate significant existing competition between the two banks.

Legally, either bank participating in this proposal could branch *de novo* anywhere in North Carolina. Bank of Statesville is unlikely to do so in view of its limited resources and present operating problems. Branch B&T has the capacity to branch into Iredell County and the Statesville area *de novo,* but its incentive to do so is limited by the already low population per commercial bank office and by the presence of much larger banks in entrenched positions. The proposed merger, therefore, is unlikely to eliminate any significant potential for increased competition between the banks in the future.

Applicant holds 3.3 percent of total commercial bank deposits in North Carolina, ranking sixth largest in the State. It is less than one-sixth the size of the largest bank in the State and about half the size of the fifth largest bank in the State. Acquisition of a weak bank in territory new to Branch B&T will not place it in any dominating position in the Statesville area, while its relative size and rank in the State will remain virtually unchanged. At the same time, the acquisition should enhance competition in the Statesville area with three much larger banks without creating any adverse precedent for the future commercial bank structure of North Carolina. Under these circumstances, the Board of

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

Convenience and Needs of the Community to Be Served. The public in the Statesville area would benefit from the availability of a fourth convenient alternative source for trust department services, expanded loan facilities, and specialized services.

Financial and Managerial Resources; Future Prospects. Each of these factors is favorable with respect to Branch B&T and is so projected for the resulting bank. Bank of Statesville lacks adequate internal controls, holds a deteriorating loan portfolio, and needs new management. These pervasive operating problems will be corrected by the proposed merger and lend significant weight to supervisory approval.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Industrial Valley Bank and Trust Company Jenkintown, Pennsylvania	463,916	41	41
to acquire the assets and assume the deposit liabilities of			
Penn Central Employes Mutual Savings Association Philadelphia	16,888	1	

Summary report by Attorney General, October 21, 1970

Both institutions operate in Philadelphia, Pennsylvania, and there may have been some competition between them for the types of deposit and loan services offered by Penn Central Savings. The limited clientele of Penn Central Savings, however, coupled with the current financial difficulties of that institution, indicate that the amount of competition eliminated by this transaction would not be significant.

IVB is the eighth largest commercial bank operating in the Philadelphia area. There are also several mutual savings banks and savings and loan associations operating in the area. Two of these are also larger than IVB. In view of this fact, and in view of the relatively small size of Penn Central Savings, the increase in concentration caused by this transaction would not be substantial, and the effect on competition would not be adverse.

Basis for Corporation approval, November 25, 1970

Industrial Valley Bank and Trust Company, Jenkintown, Montgomery County, Pennsylvania ("IVB"), an insured State nonmember bank with deposits of $395 million, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase the assets and assume the deposit liabilities of the Penn Central Employes Mutual Savings Association, Philadelphia, Pennsylvania ("Penn Central Association"), which has deposits of $16 million, under the charter and title of IVB, and for consent to the retirement provisions of subordinated debentures.

Competition. IVB is the eighth largest commercial bank operating in the Philadelphia area. Four of its larger competitors each have deposits in excess of $1 billion. Penn Central Association is a savings association maintained by the Penn Central Transportation Company for the benefit of its employes and the employes of certain affiliated companies. Both deposit and loan payments are on a payroll deduction plan.

The proposed acquisition will have no competitive effect. Penn Central Association is an insolvent institution facing certain liquidation if the proposed acquisition is not consummated. It has never competed with IVB for the deposit or loan business of its members. IVB's relative standing in the Philadelphia area will not be affected by the acquisition of $16 million in deposits, nor will the acquisition significantly affect its competitive capabilities.

Financial and Managerial Resources; Future Prospects. The financial difficulties of the Penn Central Transportation Company prompted unusually heavy withdrawal demands on Penn Central Association in June and July 1970, amounting to more than $5 million. This caused the managers of the association to require 30 days' notice for all savings withdrawals and also to refuse new deposits, since its investment portfolio could not be liquidated except at sizeable losses which would have prevented its 23,000 members from receiving full payment of their accounts. On July 28, 1970, the U.S. District Court for the Eastern District of Pennsylvania enjoined the managers of Penn Central Association from paying out any moneys to depositors. The managers then began negotiations with various Philadelphia banks to purchase the assets and assume the liabilities of the association. Only its discussions with IVB were productive.

IVB's proposal, accepted by the managers and overwhelmingly approved by vote of the members of Penn Central Association, contemplates IVB's assumption of all the assets and liabilities of the association, including in the case of depositors:

a. The payment in cash of all deposit accounts of less than $10.

b. The conversion of all deposit accounts between $10 and $200 into an IVB passbook savings account for the full amount, to bear interest at the maximum rate allowed by Federal regulations.

c. The conversion of all deposit accounts over $200 into (1) an IVB passbook savings account for the first $200 at the maximum rate of interest so allowed, (2) a 6-year IVB certificate of deposit at 4½ percent per annum for 60 percent of the balance over $200, and (3) a 10-year IVB subordinated debenture at 6 percent per annum for the remaining 40 percent over $200.

IVB has the financial and managerial resources to effectuate the acquisition proposed and to enable all members of Penn Central Association to receive full payment of their deposit accounts in accordance with the plan. The future prosepcts of Penn Central Association, in the absence of this proposed transaction, appear to be nonexistent.

Convenience and Needs of the Community. This proposal will avoid any loss in savings to members of the Penn Central Association and, in that respect, will be in the public interest.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Farmers and Merchants Savings Bank Lone Tree, Iowa	5,598	2	2
to merge with **The Lone Tree Savings Bank** Lone Tree	3,005	1	

Summary report by Attorney General, August 31, 1970

The area surrounding Lone Tree (population 810) is mostly rural with the exception of the business districts of Lone Tree and Nichols. This area is primarily agricultural and residential with light industrial development anticipated. Lone Tree's prospects for growth are bettered due to its proximity to the industrial communities of Iowa City (15 miles) and Muscatine (22 miles) with populations of 40,000 and 20,000, respectively.

This merger involves the only two banks in the small community of Lone Tree. Eight other banks operate nine offices within a radius of 20 miles of Lone Tree; two of these banks have total deposits in excess of $30 million. The proposed merger would eliminate substantial direct competition between the merging banks and for this reason would have an adverse effect on competition in the Lone Tree area.

Basis for Corporation approval, December 1, 1970

The Farmers and Merchants Savings Bank, Lone Tree, Iowa ("Farmers & Merchants"), an insured State nonmember bank with total deposits of $5,142,700, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with The Lone Tree Savings Bank, Lone Tree, Iowa ("Lone Tree Bank"), which has total deposits of $2,801,100. The banks would merge under the charter and title of Farmers & Merchants. It is intended that the sole office of Lone Tree Bank would be discontinued.

Competition. The two banks proposed to be merged are the only banks located in Lone Tree, Iowa (population 810). From these offices, they serve an agricultural area with about 2,800 people. Farmers & Merchants also has an office, as permitted under Iowa law, in Nichols, 7 miles east, serving an area of 1,200 people. Both areas have been experiencing a decline in population, as small family farms have been consolidated into larger and more profitable operations.

Under applicable judicial precedents for assessing the competitive impact of a proposed merger, it is highly unlikely that a trade area as small as Lone Tree and its environs would be considered a separate, economically significant "section of the country." Both banks, in fact, are located within the trade area served by banks in Iowa City (population 46,444), 15 miles away, and by banks located in the nearby communities of Hills, Riverside, and West Liberty, respectively 8, 9, and 11 miles from Lone Tree.

Within this relevant market area, there are eight banks, among which Farmers & Merchants is the sixth largest in deposit size, and Lone Tree Bank the seventh largest. If the proposed merger is approved, the resulting bank would rank sixth out of seven banks and hold 6.4 percent of their total deposits and 5.0 percent of their total loans. By contrast, the three banks in Iowa City would hold 35.3 percent, 28.7 percent, and 6.6 percent of total deposits, the bank in Hills 13.7 percent, the bank in West Liberty 7.2 percent, and the bank in Riverside 2.1 percent of total deposits. The proposed merger should actually enhance competition with the five larger banks in the market area.

While the proposed merger would eliminate one small unit bank in Lone Tree (Iowa law would not permit the present main office of Lone Tree Bank to be maintained as an office of another bank so long as Farmers & Merchants had its main office in Lone Tree), area residents and businessmen are not likely to be seriously inconvenienced. The two banks have catered to somewhat different clientele: Farmers & Merchants emphasizing agricultural credits, and Lone Tree Bank the credit needs of nonfarmers and persons employed by others. Six other banks, within relatively easy driving distance, will remain as alternative sources of banking services should area residents or businessmen desire such alternatives.

It might also be noted that any merger by Lone Tree Bank with a bank not headquartered in Lone Tree would have the same result under Iowa law: its office in Lone Tree would have to be closed because Farmers & Merchants has its main office in Lone Tree.

For the reasons stated, the Board of Directors is of the opinion that the proposed merger would not, in any economically significant section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.[1]

Financial and Managerial Resources; Future Prospects. Except for a lack of depth in management, these factors are favorably resolved for Farmers & Merchants. Lone Tree Bank, also lacking depth in management, is faced with a deteriorating capital position, which is not likely to be overcome by the reten-

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[1]For purposes of this analysis, the Corporation has ignored the fact that the two participating banks were recently brought under common control through stock purchase of a controlling interest in Lone Tree Bank, apparently motivated by a desire to effectuate their merger. Absent unusual circumstances, such a stock purchase lends no persuasive weight to an approval of the merger. In fact, to adopt the argument that the banks do not compete because of the common stock ownership would, in many cases, defeat the very purpose of the Bank Merger Act, as amended.

tion of earnings. The resulting bank would have a relatively favorable capital position and greater management depth than either bank would have as an independent institution. Operating economies could be achieved by the resulting bank which would have the effect of utilizing more efficiently its financial and managerial resources.

Convenience and Needs of the Community to Be Served. The resulting bank would provide a wider range of services at one location within the Lone Tree community than either participating bank as a separate institution, in addition to having a larger lending capability. With increased depth in management, the resulting bank should be able to provide more effective banking and personal trust services to customers of both institutions.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Schenectady Savings Bank Schenectady, New York	339,079	2	3
to merge with			
Mechanicville Co-operative Savings and Loan Association Mechanicville	8,803	1	

Summary report by Attorney General, July 16, 1970

Schenectady Savings attracts approximately 75 per cent of its deposits from its primary service area, which does not include Saratoga County. The closest office of Schenectady Savings is approximately 14 miles from Mechanicville. As of December 31, 1969, Schenectady Savings had 283 regular savings accounts with a balance of $1,143,734 located in the primary service area of Mechanicville Savings. Therefore, some actual competition will be eliminated by the proposed merger.

Other savings institutions, primarily located in Albany County, provide some competition in southern Saratoga County.

Savings banks in New York are not permitted to branch *de novo* beyond the geographic limits of their home counties. Therefore, Schenectady Savings can only open an office in Saratoga County through merger. There are no other merger alternatives in Saratoga County for Schenectady Savings.

Basis for Corporation approval, December 1, 1970

The Schenectady Savings Bank, Schenectady, New York ("Schenectady SB"), an insured mutual savings bank with total resources of $339,079,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with

Mechanicville Co-operative Savings and Loan Association, Mechanicville, New York ("S&L"), an insured savings and loan association with total resources of $8,803,000, under the former's charter and title and, incident thereto, to establish a branch in S&L's sole office.

Competition. Schenectady SB operates two offices in the city of Schenectady, New York, and has one approved but unopened branch in Niskayuna, a town to the southeast of Schenectady. Under New York law, Schenectady SB may open one additional *de novo* branch, but may only open such branch in Schenectady County. With appropriate supervisory approvals, it may merge with any mutual savings bank or savings and loan association headquartered in the State's Fourth Banking District. Schenectady SB is the second largest mutual institution in that District, with 16.6 percent of the deposits held by all mutual institutions headquartered therein. It is the only mutual savings bank in Schenectady County, but the $86 million deposit Schenectady Savings and Loan Association also competes for thrift institution deposits.

S&L operates its only office in Mechanicville, a locality on the Hudson River in the southern part of Saratoga County, about 20 miles north of the city of Albany and 18 miles northeast of the city of Schenectady. Mechanicville S&L is the only mutual institution headquartered in Saratoga County, although the $20 million Gloversville Federal Savings and Loan Association, headquartered in Fulton County, has a small office in Saratoga County. S&L pays only 4½ percent compounded semiannually on its regular accounts and 5 percent on its income shares, as compared with Schenectady SB's 5 percent compounded quarterly on regular accounts, and even higher rates, as permitted by Federal regulations, on certificate accounts. Under New York law, S&L could open a *de novo* branch within 50 miles of its main office, including those portions of Schenectady County not subject to "home office protection." S&L holds only 0.4 percent of thrift institution deposits in the State's Fourth Banking District.

The primary service areas of the two institutions do not overlap, but Schenectady SB's secondary area overlaps S&L's trade area. S&L draws only a minor volume of deposits and loans from Schenectady SB's areas, but the latter has about $1 million in deposits and a sizeable volume of mortgage loans from the Mechanicville area, attributable to more attractive interest rates over the years than S&L and a vigorous mortgage lending operation in Saratoga County. While some competition between the two institutions will be eliminated by their proposed merger, that competition cannot be considered significant in relation to the total savings and mortgage business originating in lower Saratoga County. There is, moreover, almost no prospect of increased competition between them in the future because of the *de novo* branching restrictions on Schenectady SB and because of S&L's limited resources.

Schenectady SB is only slightly smaller than Albany Savings Bank, the largest mutual institution in New York's Fourth Banking District. As the Corporation stated in its recent approval of a proposed merger between Albany Savings Bank and Johnstown Savings and loan Association, even a slight addition by merger to the size of such a dominant institution requires careful regulatory scrutiny to the end that effective competition by other mutual institutions in the District will not be foreclosed in the future. Here, as there, the proposed merger involves a small savings and loan association, significant public benefits, and the likelihood of increased competition in the future for the deposits of residents in the association's trade area.

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

Financial and Managerial Resources; Future Prospects. Financial and managerial resources of both institutions are considered satisfactory and should continue to be so in the resulting bank. Schenectady SB offers more services to the public and pays a higher dividend rate than S&L. Its successful entrance into the Mechanicville area and the future prospects of the resulting bank seem assured.

Convenience and Needs of the Community to Be Served. Because of the disparity in size and services of the two institutions, the proposed merger would have little effect in Schenectady. SB's present service areas. The greatest impact of the proposed merger would be in S&L's service area, where the resulting bank will offer a 5 percent dividend rate compounded quarterly on regular savings accounts and the following services not presently available at S&L: 5 percent day-of-withdrawal accounts, 5¼ percent to 6 percent time deposits, depending on maturity, savings bank life insurance, safe deposit boxes, and student loans. In addition, the resulting bank would offer its more liberal mortgage lending terms and expects to commit significantly larger amounts than presently to mortgage lending operations generally in the Mechanicville area.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First-Citizens Bank & Trust Company Smithfield, North Carolina	722,901	142	144
to merge with **The Haynes Bank** Cliffside	2,829	2	

Summary report by Attorney General, July 28, 1970

The proposal would merge the $2.4 million deposit Haynes Bank, Cliffside, North Carolina, with First-Citizens Bank and Trust Company, a $571.0 million institution headquartered in Smithfield, North Carolina.

The nearest office of First-Citizens to Haynes Bank is in Shelby, about 16 miles east. Several banks operate offices in this intervening area, and according to the application, neither of the merging banks obtains significant business from areas primarily served by offices of the other. Under such circumstances and in view of the size of Haynes Bank, it is unlikely that substantial direct competition would be eliminated by the proposed merger.

North Carolina law permits statewide *de novo* branching and First-Citizens could establish *de novo* offices in the Cliffside-Henrietta area of southern Rutherford County (estimated population 15,000). Hence, some potential competition would, of course, be eliminated by the proposed merger.

Three banks operated offices in Rutherford County, an area which probably overstates the relevant market. Haynes Bank, the smallest, held 6.3 per cent of county total deposits of $31.5 million as of June 30, 1968. Its share of total deposits in the Cliffside-Henrietta area of southern Rutherford County where it is the only commercial bank, of course, would be considerably higher.

Basis for Corporation approval, December 1, 1970

First-Citizens Bank & Trust Company, Smithfield, North Carolina ("Citizens"), an insured State nonmember bank with total deposits of $585,251,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with The Haynes Bank, Cliffside, North Carolina ("Haynes"), an insured State nonmember bank with total deposits of $2,406,000. The banks would merge under the charter and title of Citizens; and, as an incident to the merger, the two offices of Haynes would become branches of Citizens, increasing the number of its offices to 144.

Competition. Citizens is the fourth largest bank in North Carolina. It has branches widely distributed throughout the State, but most of its 142 offices are located in eastern North Carolina. Citizens has no office in Rutherford County.

Haynes has its main office in Cliffside, a textile community of 1,275 in southern Rutherford County near the South Carolina border. Its one branch is located 2 miles north of Cliffside in the even smaller community of Henrietta. It is the only bank in these two communities. Within a 10-mile radius of Cliffside, however, Haynes competes with branches of Union Trust Company, a $38 million institution headquartered in Shelby, branches of The Northwestern Bank, North Carolina's fifth largest bank, and the main office of Chesnee State Bank, a $2.9 million institution located 10 miles south of Cliffside in Chesnee, South Carolina. Haynes is fourth ranking among these banks in terms of area deposits, holding 10.9 percent of the total.

The nearest office of Citizens to an office of Haynes is a recently established *de novo* branch in Shelby, 16 miles to the northeast. The areas served by the two banks do not overlap, and Union Trust Company has an intervening office in Boiling Springs. The proposed merger would eliminate no meaningful existing competition between Citizens and Haynes.

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

Financial and Managerial Resources; Future Prospects. These factors are adequate with respect to both merging banks and should be favorable for the resulting bank. Haynes would gain more aggressive management and greater management depth as a result of the proposed merger, and the resulting bank, because of the wider range of services it could offer, should have more favorable future prospects in the trade area served by Haynes than Haynes would as an independent institution.

Convenience and Needs of the Community to Be Served. Within the trade area served by Haynes, an additional source of trust services, large loans, and specialized credit services would be available to the public at large. Customers of Haynes would benefit from the various deposit instruments that Citizens offers, but Haynes does not, at rates exceeding 4½ percent per annum.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
The Pennsylvania Bank and Trust Company Titusville, Pennsylvania	120,323	13	16
to merge with **The Exchange Bank and Trust Company** Franklin	28,524	3	

Summary report by Attorney General, June 25, 1970

All of Exchange Bank's offices are in central Venango County. The closest office of Pennsylvania Bank is also in Venango County, some 18 miles northeast of Franklin. However, the major city of the county, Oil City, lies between these offices of the merging banks. The county's two leading banks operate a number of offices in this area. Because of the distance involved and the presence of intervening banking facilities, the proposed merger would probably eliminate only a limited amount of direct competition.

As of June 30, 1968, Exchange Bank held the third largest share of commercial bank deposits in the county, about 19 per cent, while Pennsylvania Bank held about 2 per cent of such deposits.

Pennsylvania Bank is the largest bank in this region able to open *de novo* branches in the Franklin-Oil City area which is not already operating therein. Accordingly, it will be eliminated as one of the most likely potential entrants into the area by the proposed merger. Exchange Bank is the smallest of the four banks operating in the central part of the county in terms of absolute size, but holds the third largest share of deposits.

In view of the elimination of potential competition that will attend Exchange Bank's merger into what is already one of the larger banks in the region, we conclude that is is likely to have an adverse effect on competition.

Basis for Corporation approval, December 1, 1970

The Pennsylvania Bank and Trust Company, Titusville, Pennsylvania ("Titusville Bank"), an insured State nonmember bank with total deposits of $109,867,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to merge with The Exchange Bank and Trust Company, Franklin, Pennsylvania ("Exchange Bank"), which has total deposits of $23,781,000. The banks would merge under the charter and title of Titusville Bank; and, as an incident to the merger, the three offices of Exchange Bank would become branches of Titusville Bank, increasing the number of its offices to 16.

Competition. The service area of Titusville Bank involves communities in widely separated areas in Crawford County, in the northern half of Warren County, in the eastern portions of Erie County, and in the area surrounding Pleasantville in northern Venango County. The economy of the areas served by Titusville Bank is mixed residential-industrial with some dairy farming, mining, and oil production.

Exchange Bank's main office and two drive-in facilities are all located in the Franklin area (1970 population 8,550) in the west-central part of Venango County. The economy of the Franklin area is similar to that of areas served by Titusville Bank, with steel and steel products dominating. Some oil production and strip mining are also represented.

The most significant effects on competition of the proposed merger would be felt in the central Venango County area, where Exchange Bank has been competing with the Franklin branches of First National Bank of Pennsylvania, Meadville ($183 million in total deposits), and with the Oil City offices, 8 miles east, of Northwest Pennsylvania Bank and Trust Company ($134 million in deposits) and of First Seneca Bank & Trust Company ($112 million in deposits). Within the Franklin-Oil City area, Exchange Bank is the third largest of the four banks in terms of local deposits, holding approximately 22 percent of the area's deposits.

Titusville Bank has one office in Venango County at Pleasantville, approximately 18 miles northeast of Franklin. There are offices of other commercial banks in the intervening areas, and there does not appear to be any significant existing competition between the participating banks that would be eliminated by the proposed merger.

Under Pennsylvania law, both banks may branch *de novo* within their headquarters county and within counties adjacent thereto. Accordingly, Titusville Bank could branch *de novo* into the Franklin-Oil City area of Venango County, and Exchange Bank could branch *de novo* into Oil City and the northern part of the county and into areas presently served by Titusville Bank in Crawford and Warren counties. In addition, both banks could branch *de novo* into Mercer County, where neither has an office today. While a merger such as the one proposed may be more attractive than *de novo* branching to each participant in view of the sizable banks that already compete in such areas, at least some *de novo* branching appears to be feasible in most of these areas. Both banks, moreover, have the resources necessary for more aggressive *de novo* branch activity. The proposed merger would eliminate this potential for increased competition in the future between the two institutions.

Within the five-county area of potential competition for Titusville Bank (i.e., the five counties—Erie, Crawford, Mercer, Venango, and Warren—within which Titusville Bank may branch or merge), Titusville Bank is the fourth ranking commercial bank in terms of deposits held at offices in these five counties, with slightly more than 10 percent of the total. Since it has no office in Mercer County, only one office in Venango County, and only two offices in Erie County, this figure substantially understates its relative competitive position in the areas it principally serves. Exchange Bank's share of the same five-county deposit total is 2.2 percent. The five banks with the largest holdings of local deposits in the five-county area each have more than $100 million in such deposits, and together hold 57.6 percent of the total. Under these circumstances, the supervisory authorities have an obligation to scrutinize carefully each merger proposed by any one of them to avoid a precedent which would significantly encourage a greater concentration of commercial banking resources in this relevant area.

In analyzing this application, the Corporation has noted with some concern for future competition in this western Pennsylvania area the ownership by Titusville Bank for its own account of common stock in 12 other banks which may branch or merge into one or more of the five counties listed. These banks include both banks in Oil City and each of the three larger banks headquartered elsewhere in the five-county area. The purchase and retention of such stock is authorized for State-chartered banks under Pennsylvania law, but as a practical matter can only be utilized by State banks which are not members of the Federal Reserve System (State member banks may not purchase or acquire such stock for their own account under the Federal Reserve Act except upon default of a debt previously contracted, while national banks in Pennsylvania are similarly prohibited from purchasing or acquiring such stocks for their own account under the National Bank Act). To avoid any artificial restraint on banking competition in the five-county area within which Titusville Bank may branch or merge, and to discourage the further concentration of commercial banking resources in that area, the Corporation deems it advisable, in view of the share of that market which the resulting bank would control after the proposed merger, to require a reasonably prompt divestiture of such stock as a condition to its approval of the proposed transaction. The Corporation intends to follow the same approach in similar applications in the future from banks in Pennsylvania and the nine other States which allow such holdings where the resulting bank would control a like percentage of the commercial bank deposits in the area within which it may branch or merge.

With the contemplated divestiture of Titusville Bank's investment in the common stock of actual and potential competitors, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects. The financial and managerial resources of both participating banks are satisfactory and are so projected for the resulting bank. Future prospects for the resulting bank are favorable.

Convenience and Needs of the Community to Be Served. While no claim is made that the banking requirements of residents and businessmen in the Franklin-Oil City area are going unmet today, the proposed merger would substitute for Exchange Bank a fourth large bank from which the public may choose for specialized bank services. Competition with the First National Bank of Pennsylvania's Franklin offices and with the two Oil City banks should be enhanced. Customers of Exchange Bank would benefit from the resulting bank's higher lending limit, from Titusville Bank's wider range of bank services, and from the greater diversification of management skills that would be available to serve them.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Citizens State Bank Shawano, Wisconsin	18,044	1	1
to consolidate with **Embarrass State Bank** Embarrass	1,816	1	

Summary report by Attorney General, September 18, 1970

The two banks are eight miles apart and no banks operate in the intervening area. The consolidation will, therefore, eliminate existing competition between the two banks.

In addition to the consolidating banks, there are five other banks within 13 miles of Shawano, two of which are within five miles of Embarrass. Citizens is the smaller of the two banks in Shawano and the second largest bank in the area. The consolidation will increase not insubstantially the dominant position of the two Shawano banks in this area.

Basis for Corporation approval, December 4, 1970

Citizens State Bank, Shawano, Wisconsin ("Citizens Bank"), an insured State nonmember bank with total deposits of $16,400,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to consolidate with the Embarrass State Bank, Embarrass, Wisconsin ("Embarrass Bank"), an insured State nonmember bank with total deposits of $1,600,000. The banks would consolidate under the charter and title of Citizens Bank. It is expected that the consolidated bank will apply to establish a branch at Embarrass Bank's sole office once the merger is consummated, under a provision of Wisconsin law which permits branches to be established in "bankless" communities.

Competition. Citizens Bank's sole office is located in Shawano, a community of approximately 6,500 persons in the east-central section of Wisconsin. The economy is primarily dairy farming, with some general farming and varied light industry. Five banks operate in Citizens Bank's service area. Citizens Bank is the smaller of two banks in Shawano and holds 29.5 percent of the total IPC deposits held by the five area banks. Its larger competitor, Shawano National Bank, holds 45.5 percent.

Embarrass Bank is a unit bank serving a farming community of 306 persons, located in Waupaca County, 11 miles southwest of Shawano. It is the smallest of three banks in its primary service area, which consists of the Clintonville-Embarrass area. Embarrass Bank holds 9.0 percent of area IPC deposits, while its two larger competitors, located 4 miles southwest in Clintonville, hold 35.4 percent and 55.6 percent of area IPC deposits. The smaller bank in Clintonville is a subsidiary of First National Corporation, the eighth largest bank holding company in Wisconsin.

The areas served by Citizens Bank and Embarrass Bank overlap slightly, but the two banks derive only nominal business from each other's service areas. The proposed merger would have little competitive impact in areas presently served by Citizens Bank, except insofar as the higher lending limit of the resulting bank would enable it to compete more effectively with its larger competitor in Shawano for certain agricultural credits. In the Embarrass-Clintonville area, the superior financial condition and more aggressive management of Citizens Bank should enhance competition with the two banks in Clintonville if a branch office is opened in Embarrass, as contemplated. The proposed merger would not change Citizens Bank's relative standing in Shawano nor in the combined service areas of the two banks. Since neither bank can branch *de novo* under Wisconsin law except into a bankless community, the proposed merger would not eliminate potential competition between them through the *de novo* branching route.

Under these circumstances, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.[1]

Financial and Managerial Resources; Future Prospects. Each of these factors is favorable with respect to Citizens Bank. Embarrass Bank has had financial and operational problems for the past 10 years, and several changes of control and management have occurred as a consequence. Its future prospects as an independent bank are not encouraging. These factors for the consolidated bank appear favorable, and lend affirmative weight to approval of the application.

Convenience and Needs of the Community to Be Served. If, as contemplated, the consolidated bank establishes a branch in Embarrass, area residents would gain the convenience of an additional source for certain banking services not now available at Embarrass Bank, including larger size agricultural credits, 5 percent Golden Passbook accounts, and somewhat lower interest charges on loans. Should a branch office not be established in Embarrass, the convenience of area residents in this sparsely settled community would be only moderately

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[1] For purposes of this analysis, the Corporation has ignored the fact that the two participating banks were recently brought under common control through the purchase of a controlling stock interest in Embarrass Bank, apparently motivated by a desire to effectuate their merger. Absent unusual circumstances, such a stock purchase lends no persuasive weight to approval of a merger. In fact, to adopt the argument that the banks do not compete because of such recently acquired common stock ownership would, in many cases, defeat the very purposes of the Bank Merger Act, as amended.

affected, as Clintonville and Shawano banks would remain within relatively easy driving distance.

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

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
First-Citizens Bank and Trust Company of South Carolina Columbia, South Carolina	81,019	17	18
to merge with **State Bank of South Carolina** Georgetown	1,360	1	

Summary report by Attorney General, November 3, 1970

Since most of the acquiring bank's offices are over 100 miles distant from Georgetown (the nearest First Citizen's branch is located in Charleston 60 miles distant), there is little or no existing competition between the two banks which would be eliminated by the merger.

Under South Carolina law, either bank could be permitted to establish a branch in the market or markets served by the other bank. Georgetown Depository's size, however, would preclude it from being a potential entrant into any area served by First Citizens. The latter has demonstrated an interest in expanding its operations into other banking markets by its recent acquisitions of several other banks and would be considered a likely entrant into the Georgetown area if an increase in the size of the community and an expansion of its economic structure were foreseeable. However, First Citizen's proposed acquisition of a small banking organization in Georgetown could be considered a "foothold" acquisition and may result in stronger competition to the larger banks operating there.

Basis for Corporation approval, December 18, 1970

First-Citizens Bank and Trust Company of South Carolina, Columbia, South Carolina ("Citizens"), an insured State nonmember bank with total deposits of $68,715,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with the State Bank of South Carolina, Georgetown, South Carolina ("Georgetown Bank"), an insured State nonmember bank with total deposits of $1,136,000, under Citizens' charter and title and, as an incident to the merger, to establish a branch in Georgetown Bank's sole office, increasing the number of its offices to 18.

Competition. Citizens, the sixth largest bank in South Carolina, operates 17 offices in nine service areas which are largely separate and distinct from each other. With 3.4 percent of statewide commercial bank deposits, Citizens ranks behind the five larger banks in the State which hold, respectively, 22.9 percent, 14.0 percent, 9.7 percent, 8.8 percent, and 3.9 percent of such deposits.

Georgetown Bank was organized in 1932 with limited powers but converted to an insured State nonmember bank under its present title on October 26, 1970. It operates its sole office in Georgetown (population 12,261), approximately 60 miles north of Citizens' nearest office in Charleston and over 100 miles from most of Citizens' other offices. Georgetown, the seat of Georgetown County, is a seaport community with its economy based on manufacturing, farming, and tourism.

Due to the distances between their offices and the small size of Georgetown Bank, the proposed merger of Citizens and Georgetown Bank would eliminate little, if any, existing competition between them. The proposed merger would have no competitive effect in Citizens' present service areas, but it should stimulate competition in the Georgetown area where Georgetown Bank competes with two offices of the largest bank in South Carolina, and a branch office of a smaller bank, each of which has more in area deposits than Georgetown Bank.

Under South Carolina law, which permits statewide branch banking, each bank could establish *de novo* branches in areas served by the other bank. Because of its limited resources, however, and the distances involved, Georgetown Bank is unlikely to engage in any such *de novo* branching activity. While Citizens has the capabilities for *de novo* branching, it has little incentive to enter the Georgetown area because of the number of commercial bank offices presently serving that market. Moreover, if economic growth in the area in the future should make additional *de novo* branching desirable, there are other large banks in South Carolina that could also enter the Georgetown area in this way. Because of this, the effect of the merger in eliminating a potential for increased competition between Georgetown Bank and Citizens through *de novo* branching is not considered significant.

Nor would the merger have any adverse effect as a precedent on the competitive structure of commercial banking in the State of South Carolina as a whole, in view of the share of the statewide market presently held by Citizens and the limited addition to that share represented by the acquisition of Georgetown Bank.

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

Financial and Managerial Resources; Future Prospects. Financial and managerial resources of both institutions are considered satisfactory and should continue to be satisfactory in the resulting bank. Georgetown Bank has had insignificant growth in recent years, but the future prospects of the resulting bank should be good.

Convenience and Needs of the Community to Be Served. The proposed merger would broaden the range of banking services available to customers of Georgetown Bank without reducing the number of offices or commercial bank alternatives in its service area. Additional services would include trust and credit card services, automated data processing services, specialized lending services, and a significantly larger lending limit. Other area residents would benefit from having an additional local source for these services.

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

BANK ABSORPTIONS DENIED BY THE CORPORATION

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Valley Fidelity Bank and Trust Company Knoxville, Tennessee	71,648	6	
to merge with **Bank of Knoxville** Knoxville	32,013	2	

Summary report by Attorney General, December 18, 1969

The proposed would merge Valley Bank, Knox County's third largest commercial bank, with Knoxville Bank, the county's fifth largest bank.

The head offices of the participating banks are located in the same block in downtown Knoxville. There is no doubt that significant direct competition exists between them. This competition will, of course, be eliminated by consummation of the proposed merger.

Commercial banking in Knox County is highly concentrated. As of June 30, 1968, six banks operated in the county with total deposits of about $443 million, the three largest controlling about 85 per cent of such deposits. Valley Bank, the third largest, held 12.1 per cent, and Knoxville Bank, the fifth largest, held 5.4 per cent of these deposits. Following consummation of the proposed merger, the resulting bank would hold 17.5 per cent, and the three largest banks, including the resulting bank, would hold more than 90 per cent.

The merger would eliminate significant direct competition existing between the participating banks and would result in a substantial increase in concentration in an already highly concentrated banking market. The over-all effect of this merger on competition will be significantly adverse.

Basis for Corporation denial, September 3, 1970

Valley Fidelity Bank and Trust Company, Knoxville, Tennessee (Valley Fidelity), a state nonmember insured bank with total deposits of $62,690,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under its charter and the title Valley Fidelity Bank of Knoxville, with Bank of Knoxville, Knoxville, Tennessee, a state nonmember insured bank with total deposits of $25,503,000, and for consent to establish three branches at the locations of Bank of Knoxville's main office, a drive-in facility, and an authorized but unopened branch. The proposed merger would give the resulting bank eight operating offices and two authorized but unopened offices.

Competition. Under the Bank Merger Act of 1966, as interpreted by the United States Supreme Court, it is clear that the appropriate banking agency, no less than the lower Federal Courts, is required, in assessing the merits of a typical bank merger, to engage in a two-step process, the first of which is to decide whether the transaction would violate the antitrust prohibitions of Section 7 of the Clayton Act. If such a violation is found, the agency or the court must then decide whether "the anticompetitive effects of the proposed transaction are clearly out-weighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served." The agencies and the lower Federal courts have been further advised that in the second step of the process, the burden of proof is on the merging banks to show that the probable effect of the transaction in meeting the convenience and needs of the public is likely to benefit all seekers of banking services in the area of competitive impact, rather than merely those interested in large loan and trust services, and that the expected gains in convenience and needs cannot reasonably be achieved through other, less anticompetitive, means.[1]

For purposes of the Section 7 analysis of the merger now before the Corporation, Knox County (estimated population 269,000) may be considered the largest geographic area within which a merger of Valley Fidelity and Bank of Knoxville would have competitive significance. Knox County is the area from which both banks derive the bulk of their banking business, it is the area of reasonable banking choice for most customers of the two banks, and it is the geographic area to which the two banks and their competitors are limited by Tennessee law in the establishment of offices.

Only six commercial banks are headquartered in Knox County. Valley Fidelity ranks third in deposit size among them, with 12.4% of all commercial bank deposits in Knox County, and Bank of Knoxville fifth, with 5.0% of all commercial bank deposits in Knox County. The other banks in Knox County, and the comparable deposit share for each is as follows:

	Deposits	% Total
Hamilton National Bank of Knoxville	$213,088,000	42.2
Park National Bank of Knoxville	152,511,000	30.2
Fountain City Bank	39,916,000	7.9
Volunteer State Bank (established 1964)	10,862,000	2.2

The relative shares held by each bank of all commercial bank assets, loans and IPC demand deposits in Knox County are not materially different. With the exception of Fountain City Bank, all of the banks in Knox County have their main offices in downtown Knoxville.

Bank of Knoxville's main office is in the same block as Valley Fidelity's main office, and its only other office, a drive-in facility, is two blocks away.

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1 *United States* v. *First City National Bank of Houston,* 386 U.S. 361 (1967); *United States* v. *Third National Bank in Nashville,* 390 U.S. 171 (1968); and *United States* v. *Phillipsburg National Bank,* ___ U.S. ___ (decided June 29, 1970).

The two banks are not significant competitors at the present time for certain types of commercial bank business, but they are significant competitors for IPC demand deposits, for time and savings deposits, for commercial and industrial loans, for single payment loans to individuals, for residential loans and for instalment loans. Changes in management policy and additional de novo branches, moreover, could bring both banks, as independent institutions, into increasing competition with each other in the future. Their merger would obviously eliminate both existing and potential competition between them.

A comparison with the facts recently before the United States Supreme Court in the *Phillipsburg* case compels the conclusion that a merger of Valley Fidelity with Bank of Knoxville would violate Section 7 of the Clayton Act. In that case, seven commercial banks were found to be competitors in the relevant geographic market. Here, there are six. The banks there seeking to merge ranked third and fifth among the seven, the larger having 13.7% of the total commercial bank deposits in the market. Here Valley Fidelity ranks third and Bank of Knoxville fifth among the competing banks, with Valley Fidelity holding 12.4% of the total commercial bank deposits in the market. There, the largest bank held 41.4% of all the commercial bank deposits in the market. Here, the largest bank holds 42.2%. There, the merger increased the share of deposits held by the three largest banks from 70% to 80%. Here, the comparable percentage would be increased from 85% to 90%. There, as here, the applicants made the claim that they are too small to serve their community effectively and to compete vigorously, and that the proposed merger would have pro-competitive effects by enhancing their competitive position against larger banks. The Court's response was that "such considerations are certainly relevant in determining the 'convenience and needs of the community' under the Bank Merger Act, [but] they are not persuasive in the context of the Clayton Act."

The Corporation finds, accordingly, that the effect of the proposed merger "may be substantially to lessen competition" in commercial banking in Knox County within the meaning of Section 7 of the Clayton Act, as incorporated into the relevant provisions of the Bank Merger Act of 1966.

Convenience and Needs of the Community to be Served. Customers of Bank of Knoxville would undoubtedly benefit from the more aggressive and innovative management of Valley Fidelity, the greater variety of specialized credit services now offered by Valley Fidelity and the extension of trust services presently available at Valley Fidelity but not at Bank of Knoxville. Customers of both banks would derive the benefit of the larger lending limits of the resulting bank and the possible introduction of new services for business customers. In addition, the applicants claim that the resulting bank would expand by a minimum of $4 million Valley Fidelity's present mortgage servicing operation, which is apparently unique among Knox County commercial banks, and that the banking public throughout Knox County would benefit significantly from the prompt establishment of new commercial bank branch offices in areas of the County not now conveniently served.

The claims related to trust services and the more convenient servicing of certain business customers are not compelling. Trust services are now available at several of the downtown Knoxville banks within convenient walking distance of Bank of Knoxville. The demand for the services that might be made available to business customers has not been demonstrated, and the increment in Valley Fidelity's lending limits which are likely to be used as a result of this merger would affect only a small number of businesses which have other sources available for loans over $1 million.[2]

Of the benefits claimed, the ones most likely to affect "all seekers of banking services in the community" are those relating to the immediate expansion of Valley Fidelity's mortgage servicing department and its branch system. As to the first, the funds for the proposed expansion can be said to be available within Valley Fidelity's present asset structure. The importance, moreover, to the Knox County public of a $4 million increase in Valley Fidelity's present mortgage servicing operation cannot properly be assessed without definitive information, not presented by the Applicant, as to the mortgage servicing operations of independent brokers and savings and loan associations also operating in the Knox County area. As to the second benefit claimed, both banks recognize the importance to their future prospects of *de novo* branching and have expressed their intention of pursuing such a course of action whether or not the merger is approved. It is relevant here that the Corporation recently approved two *de novo* branch applications in Knox County for Volunteer State Bank, the smallest competitor in the market and the one most recently established. It is also relevant to both claims of community benefit that the two banks are profitable and well-managed institutions: Valley Fidelity added more than $450,000 to capital funds after taxes and dividends in 1969, while Bank of Knoxville added more than $160,000 the same year. Thus, by natural growth, Valley Fidelity, if not Bank of Knoxville, should be able to provide the various benefits claimed to the Knox County public in the near future without the necessity for this merger.

On the record, the Board cannot find that the anticompetitive effects of the proposed merger are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the banking public in Knox County.

Financial and Managerial Resources; Future Prospects. Both banks have satisfactory financial and managerial resources for the business they do as independent institutions, and both have satisfactory prospects for the future. The same would be true of the resulting bank if the merger were to be approved, but consideration of these factors adds no significant weight either to approval or denial of an application in which a violation of Section 7 of the Clayton Act has been found.

Based on the foregoing, the Board of Directors has concluded that approval of the application is not warranted and that it must, accordingly, be denied.

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[2] State banks in Tennessee have a lending limit equal to 25% of capital funds, but Valley Fidelity limits its loans, except on rare occasions, to 15% of capital funds as a matter of prudence. The 15% limitation amounts today to approximately $900,000 and is increasing each year by $50,000 or more as earnings are retained. Fifteen percent of Bank of Knoxville's capital funds would add approximately $450,000 to Valley Fidelity's voluntary limit. The lending limits of the two larger national banks in Knoxville are, respectively, about $1.7 million and $1.1 million.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
United Mutual Savings Bank Tacoma, Washington	71,039	5	
to merge with **State Mutual Savings Bank** Tacoma	34,025	5	

Summary report by Attorney General, June 2, 1970

The head offices of the merging institutions are approximately eight miles apart, and their closest offices, at Bremerton, are about three miles apart. A branch of Seattle's Puget Sound Mutual Savings Bank (total deposits of $86 million) is the only other mutual savings bank in Pierce County. Hence, despite the presence of offices of several area commercial banks and savings and loan associations in the intervening area, analysis of the applicants' business indicates that they are presently in direct competition against each other, as might be expected from their similar character and the location of their offices. This direct competition, of course, would be eliminated by the proposed merger.

United Mutual and State Mutual are the dominant mutual savings banks in Pierce County, where they hold most of the mutual savings bank deposits. However, savings and loan associations provide reasonably direct competition for savings deposits; and they should be included in the same market. As of June 29, 1968, the total county savings in such thrift institutions was $309.7 million, of which the four largest held 78 percent. United Mutual had about 19 percent of that total amount and State Mutual had about 9 percent.

It is possible that savings deposits in commercial banks should also be considered, despite the rate differentials for savings that prevail between commercial banks and thrift institutions. As of June 29, 1968, the total savings at all financial institutions in Pierce County was $560 million savings deposits, of which the four largest held about 58 percent. United Mutual held about 10 percent of this total amount and State Mutual held about 5 percent. However, we recognize that these market share percentages may somewhat understate the anticompetitive effect of the proposed merger, which would substantially increase United Mutual's present leading position among mutual savings institutions in Pierce County.

We conclude that the proposed merger would eliminate substantial direct competition between the parties and increase concentration in the area. Accordingly, we find it is likely to have a significantly adverse effect upon competition.

Basis for Corporation denial, October 2, 1970

United Mutual Savings Bank, Tacoma, Washington (United Mutual), an insured mutual savings bank with total deposits of $65,541,000, has applied pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act for the Corporation's prior consent to merge with State Mutual

Savings Bank, Tacoma, Washington (State Mutual), an insured mutual savings bank with total deposits of $31,071,000. The participants would merge under the charter of United Mutual and with the title of State United Mutual Savings Bank. As an incident of the merger, the five offices of State Mutual would become branches of the resulting bank, increasing the number of its offices to ten.

Competition. United Mutual and State Mutual are mutual savings banks headquartered in Tacoma, Washington. In determining the competitive implications of their proposed merger for purposes of Section 7 of the Clayton Act, as incorporated into the Bank Merger Act as amended, consideration must first be given to a definition of the line or lines of commerce within which they compete.

Whenever the United States Supreme Court has considered the competitive implications of mergers between commercial banks, it has found that the *decisive* "line of commerce" for such purposes is commercial banking because of the unique "cluster" of services which commercial banks alone can offer. It has rejected the claims of defendent banks that the various services offered by commercial banks should be considered as constituting separate lines of commerce in which other types of financial institutions and even nonfinancial organizations may also compete. The Court's most recent bank merger decision (*United States* v. *Phillipsburg National Bank,* decided June 29, 1970) reaffirmed its earlier views on this point, but indicated that "submarkets" for commercial banking "would be clearly relevant, for example, in analyzing the effect on competition of a merger between a commercial bank and another type of financial institution."

In the State of Washington, where mutual savings and loan associations have the option to become mutual savings banks (State Mutual converted at the end of 1969), where both types of institutions may pay interest on deposits below $100,000 at the same rates and each at rates higher than commercial banks, where at least some differential in interest rates has persisted between thrift institutions and commercial banks at almost all times throughout the post World War II period, where both types of institutions are identified by the public as thrift institutions engaged primarily in mortgage lending, where both by statute have very similar powers, privileges, restrictions and liabilities, it would appear that the *decisive* line of commerce for assessing the competitive implications of a proposed merger of mutual savings banks should be "thrift institution banking" as offered by savings banks and savings and loan associations. As indicated, in the State of Washington, savings banks and savings and loan associations are uniquely able to compete for deposits under $100,000 and are generally considered interchangeable alternatives for thrift-type deposits and for deposit institutions emphasizing home mortgage lending.

The geographic area within which the proposed merger would have its greatest competitive impact is Pierce County (the Tacoma SMSA). Each institution has four offices in Pierce County, and each derives the bulk of its deposits and loan business from the growing residential areas of Tacoma and Pierce County. The proposed merger would also have a competitive impact in Kitsap County, since each bank has a fifth office in Bremerton, the county's largest community, and the State as a whole must also be considered, because it is the widest area within which savings banks in Washington may branch or merge.

The main offices of the two banks are eight blocks apart in downtown Tacoma, and their eight offices in Pierce County represented one-third of the 24 offices of savings banks and savings and loan associations located in the county at year-end 1969. United Mutual is the second largest of the 9 thrift institutions in the area, based on Pierce County deposits, and held approximately 20% of such deposits at year-end 1969. State Mutual is the fourth largest thrift institution in Pierce County, and held approximately 9.5% of the Pierce County deposits held by such institutions on the same date. While the largest thrift institution in Pierce County would be slightly larger than the resulting bank, the proposed merger would create a second-ranking thrift institution having almost 30% of the Pierce County deposits held by all such institutions.[1] The share of such deposits held by the two largest thrift institutions in Pierce County would be increased from 52.7% to 62.3%, and the share held by the three largest would be increased from 69.6% to 79.1%.

In Kitsap County, United Mutual and State Mutual each have one recently established office, located about three miles apart in Bremerton. They are the only savings banks with offices in the county, but they also compete with two savings and loan associations. The percentage share of thrift institution deposits which they hold in Kitsap County is small but growing.

While it is obvious that significant deposit competition presently existing between United Mutual and State Mutual would be eliminated by the proposed merger, the transaction would also eliminate the possibility of greatly increased competition between them in the future. Both may open *de novo* branches anywhere in the State of Washington, and each has demonstrated in Pierce and Kitsap Counties its ability and success in opening branch offices in locations where vigorous deposit competition is presented.

Based on the foregoing, the Corporation finds that the effect of the proposed merger "may be substantially to lessen competition" between thrift institutions in Pierce County within the meaning of Section 7 of the Clayton Act, as incorporated into the relevant provisions of the Bank Merger Act of 1966.

Convenience and Needs of the Community to be Served. Both United Mutual and State Mutual offer "on line" computer service to depositors, although significant business is also done by mail. Both pay the maximum rates on savings deposits and certificate accounts allowed by FDIC regulations. Both are profitable, well-managed and growing institutions. The application states that the resulting bank would extend FHA and VA mortgage lending services to the present offices of State Mutual, and that additional resources could be committed to central city and urban renewal needs in the Tacoma area. FHA and VA mortgage loans, however, are available at many of the financial institutions in Pierce County, and there has been no demonstration that the overall demand for such loans is going unsatisfied. As to additional lending in central city and

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[1] Even if the competitive deposit market, despite the differential in rates, were broadened to include the time and savings deposits held in Pierce County at commercial bank offices—an inclusion which would significantly understate the competitive position of United Mutual and State Mutual in the market for accounts below $100,000—the percentages held by each (10.9% and 5.2%, respectively) would still be sufficiently high to indicate a substantial lessening of competition for such accounts within the meaning of Section 7 of the Clayton Act.

urban renewal areas, United Mutual should be able to supply the sums mentioned even without the proposed merger by marketing a portion of its FHA loans through the newly formed Savings Bank Trust Company-Northwest and through similar secondary market operations. Finally, while applicants claim that the merger would result in certain economies of scale, similar economies of scale could be realized for each bank through other, less anticompetitive, mergers among the State's 71 thrift institutions.

On the record, the Board cannot find that the anticompetitive effects of the proposed merger are clearly outweighed in the public interest by the possible effect of the transaction in meeting the convenience and needs of the banking public in Pierce County.

Financial and Managerial Resources; Future Prospects. Both banks have satisfactory financial and managerial resources for the business they do as independent institutions, and both have satisfactory prospects for the future. The same would be true of the resulting bank if the merger were to be approved, but consideration of these factors adds no significant weight either to approval or denial of an application in which the proposed merger appears to violate Section 7 of the Clayton Act.

Based on the foregoing, the Board of Directors has concluded that approval of the application is not warranted and that it must, accordingly, be denied.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Bank of Hawaii Honolulu, Hawaii	647,049	66	
to merge with **Hawaiian Trust Company, Limited** Honolulu	24,154	2	

Summary report by Attorney General, June 10, 1970

On September 16, 1966, we submitted our original competitive report to you; in it we advised that the proposed merger would, in our view, have substantially adverse competitive effects. We stressed the particularly high degree of concentration in the commercial banking and the trust business in Hawaii and Honolulu County and the fact that the Applicants held dominant market positions in their respective fields. Bank of Hawaii ("Bank") then held over 40 per cent of total commercial bank deposits and Hawaiian Trust Company, Limited ("Trust Company") held over 40 per cent of the total assets of trust companies in the state and the county.

Nothing in the supplemental information in the Application or in other sources, indicates that the conditions of over-all concentration in the banking and trust markets or the dominant positions of the Applications in these markets have changed materially.

As of June 30, 1969, the two largest banks in Hawaii held 72.8 per cent of all bank deposits in the state. Bank, with total deposits of $605.7 million, then had 40.4 per cent of total deposits in the state. It was the largest bank in the state.

Trust Company had 46.8 per cent of the trust business in the state in 1968 and 45.5 per cent in 1969.

This merger would combine the largest bank in a highly concentrated banking market and the largest trust company in a highly concentrated trust market. With the removal of the previous statutory wall between them by Act 273 of 1965, the two institutions, however, are now substantial potential competitors in banking, trust, and other financial services.

As the largest institutions in their respective markets, each of the Applicants is the most likely entrant into the other's market. The proposed merger will defeat the unique opportunity afforded for a reduction in the unusually high concentration in both banking and trust services in Hawaii and the potential for greater competitive balance among the institutions serving the state. It will tend to entrench the leading positions of the existing leaders in their respective markets and perpetuate the Applicants' dominance of banking and trust services in Hawaii.

We confirm our original view that the competitive effects of the proposed merger would be substantially adverse. Moreover, we would stress that the competitive effects of this merger would be more serious than those at issue in *United States* v. *First National Bank of Hawaii.* Each of the merging parties here is a larger factor in its respective market.

Basis for Corporation denial, December 18, 1970

Bank of Hawaii, Honolulu, Hawaii, an insured, nonmember, commercial bank, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Hawaiian Trust Company, Limited, Honolulu, Hawaii (Trustco), a non-insured institution, under the charter and title of Bank of Hawaii.

Competition. Bank of Hawaii is the largest commercial bank in the State of Hawaii, with total deposits of $572 million, representing about 38 percent of commercial bank deposits Statewide. It has 58 authorized offices at locations throughout the Hawaiian Islands and eight other offices on various Pacific islands to the west. It has no trust department, although a State law enacted in 1965 permits commercial banks to exercise fiduciary powers and to merge with State-chartered trust companies.

There are only six other commercial banks in Hawaii, and the largest of these is First Hawaiian Bank, with total deposits of $495 million, representing about 32 percent of commercial bank deposits Statewide. The five remaining commercial banks range in deposit size from $71 to $112 million, representing 4.6 to 7.4 percent of total Statewide commercial bank deposits.

In November 1969, a consent decree terminated antitrust action filed in 1966 to enjoin First Hawaiian Bank's merger with Cooke Trust Company, Limited. At the time of its merger, Cooke Trust Company was the third largest State-chartered trust company administering about 10 percent of the total trust assets of all such fiduciaries. One other commercial bank, American Security Bank, with total deposits of $112 million, recently established a trust department *de novo*, but its fiduciary activities have so far been limited to acting as custodian for corporate pension and profit-sharing plans.

Trustco is the largest of three independent State-chartered trust companies in Hawaii, administering trust assets valued at approximately $1 billion. It is estimated that Trustco controls some 50 percent of the total corporate fiduciary business in Hawaii. Bishop Trust Company, Ltd. is the second-ranking trust company, controlling some 35 percent of the total corporate fiduciary business in Hawaii, including the trust assets administered by a wholly-owned affiliate located in Hilo. Honolulu Trust Company, Ltd., the remaining State-chartered trust company holds a relatively insignificant portion of the corporate fiduciary business in Hawaii. Trustco's main office is in Honolulu on the island of Oahu, and a recently opened branch is located in Hilo on the island of Hawaii.

Since Bank of Hawaii does not operate a trust department, and since Trustco does not conduct a general commercial banking business, the only area of competitive overlap today involves local lending where Trustco's share of the total would be relatively small. Accordingly, the amount of existing competition between Bank of Hawaii and Trustco which would be eliminated by their proposed merger may be deemed not significant.

Consummation of the proposed merger, however, would eliminate the possibility of future competition between the largest commercial bank in Hawaii and the largest trust company in Hawaii. Under the State law enacted in 1965, Bank of Hawaii can enter the fiduciary field *de novo* as well as by merger. Trustco, for its part, can enter the commercial banking field by merger with a much smaller commercial bank or by merger with a *de novo* commercial bank. A merger between these two institutions is obviously not required to permit Bank of Hawaii to exercise fiduciary powers or to permit Trustco to engage in commercial banking activities.

The Corporation recognizes that the establishment of a *de novo* trust department by Bank of Hawaii is likely to involve initial operating losses, a major effort to recruit qualified personnel, and a period of years to generate the fiduciary business necessary to make its activities in this area profitable. Smaller banks than Bank of Hawaii have successfully done so, however, and achieved profitable operations within a reasonable period of time. Bank of Hawaii, moreover, would start with certain advantages smaller banks might not have. Its financial and management resources, including investment skills, are obvious advantages, but more importantly, its influential customer relationships in the commercial banking field should help significantly to attract the large fiduciary accounts that most consistently make a trust department operation profitable. Bank of Hawaii, furthermore, is likely to have considerable incentive to enter the trust area, as indeed this application confirms. Its principal commercial bank competitor recently acquired a much smaller and less profitable trust operation than Trustco's. With proper management, successful trust department operations may add not only to the bank's profits but also to the bank's commercial banking business. Conversely, the absence of a trust department, when competitors have them, may in time inhibit the growth of Bank of Hawaii's commercial banking business. All of these considerations mark Bank of Hawaii as the one commercial bank most able and most likely to enter the trust field *de novo*.

In view of the concentrated nature of the commercial banking business in Hawaii and the even more concentrated nature of corporate fiduciary activities in the State, the Corporation believes Bank of Hawaii should be required to enter the trust business on a *de novo* basis, if it is to enter the field at all. The State has only two large commercial banks and two large trust operations. In both fields, the two largest institutions control 70 percent or more of the total business. There are, in addition, significant stockholdings by each of the two largest trust companies in each of the two largest commercial banks and a significant number of director interlocks and common stockholdings which intensify regulatory concern over the concentration of commercial banking and corporate fiduciary business in the State of Hawaii. Approval of the proposed merger would foreclose the substantial probability of increased competition in both fields, since Bank of Hawaii, as previously stated, is the one commercial bank in the State most able and most likely to enter the corporate trust field *de novo*, while Trustco is the corporate fiduciary most able to contribute significant new business to one of the smaller commercial banks or to enter the commercial banking field itself *de novo*. Approval of the proposed merger would serve also to perpetuate Bank of Hawaii's dominant position in commercial banking in Hawaii, and the dominant position of its trust department, acquired from Trustco, in the corporate fiduciary field. Finally, smaller commercial banks would have only one independent trust company of significant size remaining to which to refer the trust business of their customers.

While the immediate extension of trust services through Bank of Hawaii's branch system would be convenient to at least some potential users of trust services and would enhance competition in this field with First Hawaiian Bank, the Corporation believes that the longer-term effect of the proposed merger "may be substantially to lessen competition" in both commercial banking and the corporate fiduciary business in the State of Hawaii, to restrict the public's choice of alternative sources for both commercial banking and corporate fiduciary services, and to concentrate still further the banking and corporate fiduciary business in a market which is already highly concentrated.

Financial and Managerial Resources; Future Prospects. Both institutions are in sound financial condition, ably managed and profitable. Each has enjoyed substantial growth, and their future prospects are bright, irrespective of whether the proposed merger is consummated. While these factors would also be favorable for the resulting bank, they add no significant weight to a determination on the merits of the application.

Convenience and Needs of the Community to be Served. If the proposed merger is approved, users of trust services in Hawaii might find it convenient to transact their trust business through one of Bank of Hawaii's 58 branches located throughout the Islands, rather than being forced to transact such business at locations in Hilo or Honolulu. This convenience would be somewhat limited, at least initially, since Bank of Hawaii proposes to have its trust officers travel back and forth to branch locations as needed, centralizing its actual trust operations at its principal offices in Honolulu and Hilo. These arrangements would be similar to those now available at branches of First Hawaiian Bank. Whatever increase in convenience trust customers would actually experience as a result of the proposed merger, however, could also be achieved by Bank of Hawaii's establishment of a trust department *de novo*.

Based on the foregoing, the Board of Directors has concluded that the anticompetitive effects of the proposed merger are not clearly outweighed in the public interest by the probable effect of the proposal in meeting the convenience and needs of the community to be served and that the application of Bank of Hawaii should, accordingly, be denied.

	Resources (in thousands of dollars)	Banking Offices	
		In operation	To be operated
Washington Mutual Savings Bank Seattle, Washington	807,335	22	
to consolidate with **Grays Harbor Savings and Loan Association** Aberdeen	5,148	1	

Summary report by Attorney General, August 13, 1970

Aberdeen is about 40 miles west of Olympia, the location of the nearest office of The Washington Mutual Savings Bank ("Bank"). Bank currently obtains an insignificant portion of its deposits from the service area of The Grays Harbor Savings and Loan Association ("Association").

Bank could enter the Aberdeen area by opening a new office (RCWA 32.04.030). Association is the smallest of the three serving the Aberdeen area, and it has less than 8 per cent of the deposits in all such associations in Aberdeen. Hence, this consolidation is not likely to have any significantly adverse effect on potential competition.

Basis for Corporation denial, December 18, 1970

Washington Mutual Savings Bank, Seattle, Washington ("Washington Mutual"), an insured mutual savings bank with total deposits of $744,000,000, has applied, pursuant so Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to consolidate with Grays Harbor Savings and Loan Association, Aberdeen, Washington ("S&L") which has total withdrawable balances of $4,700,000. The institutions would consolidate under the charter and title of Washington Mutual and the only office of S&L would become a branch of Washington Mutual, increasing the number of its offices to twenty-three. Five of these branches resulted from mergers approved in 1964 and 1965.

Competition. Washington Mutual is an ably and aggressively managed savings bank. It is, by a substantial margin, the largest mutual thrift institution today in the State of Washington, holding approximately 22.9 percent of the total deposits held by such institutions—a percentage share which has increased steadily over the past seven years from the 17.9 percent share held at year-end 1963.[1] The next largest mutual thrift institution in the State is a savings and loan association, headquartered in Tacoma, less than one-third the size of Washington Mutual, holding approximately 6.8 percent of the total deposits held by such thrift institutions. Only two other thrift institutions exceed $100 million in deposit size, while the remaining 71 range from very small institutions up to $85 million in deposit size.[2]

Savings banks and savings and loan associations in Washington may branch *de novo* or by merger throughout the State. Mutual savings and loan associations under State law may become mutual savings banks and the two types of institutions may merge with one another following such a conversion.

Washington Mutual operates twenty-two offices throughout the State, and has three additional offices authorized but unopened. Its office nearest to Aberdeen, where S&L is located, is in Olympia, the State capital, fifty miles to the east. Neither institution derives more than a nominal amount of business from areas presently served by the other, and their proposed merger, accordingly, would not eliminate any meaningful existing competition.

S&L is the fourth largest of five mutual thrift institutions serving approximately 62,500 people in the Aberdeen-Hoquiam area. The three larger mutual thrift institutions have, respectively, $30 million, $17 million and $9 million in withdrawable shares. Because of its limited resources and the distances involved, S&L is unlikely to branch *de novo* into areas now served by Washington Mutual but Washington Mutual has a proven capability and success in opening *de novo* branches, and could in the normal course enter the Aberdeen-Hoquiam area in this way if the proposed merger is denied. The proposed merger would eliminate this potential for increased competition between Washington Mutual and S&L in the Aberdeen—Hoquiam area.

More importantly, the proposed merger would establish a significant precedent for the approval of additional mergers in highly concentrated markets in the State of Washington and elsewhere, among commercial banks as well as mutual thrift institutions, with the cumulative effect of further concentrating the banking resources of a given market in the largest institutions which operate there. As such concentration continues, the public's choice of alternate sources of banking services is likely to diminish. Given the fact that Washington Mutual is more than three times the size of the next largest mutual thrift institution in the State and that it already controls 22.9 percent of total thrift institution deposits on a Statewide basis, approval of the proposed merger could easily lead to other merger proposals on the part of Washington Mutual

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1 For the reasons stated in its October 1, 1970, statement accompanying the denial of the application of United Mutual Savings Bank, Tacoma, to merge with State Mutual Savings Bank, Tacoma, the Corporation considers the *decisive* line of commerce for assessing the competitive implications of the proposed merger to be "thrift institution banking" as offered by mutual savings banks and mutual savings and loan associations in the State of Washington.

2 Commercial banking is similarly concentrated in the State of Washington. Only two commercial banks exceed Washington Mutual in size and they hold 53.0 percent of total commercial bank deposits. Six other commercial banks exceed $100 million in deposit size, representing in the aggregate an additional 30.0 percent of total commercial bank deposits. Some 93 smaller commercial banks hold the balance.

to extend its branch system into new areas by the merger route rather than by the establishment of *de novo* branches, thus losing successive opportunities for increasing the public's choice of banking alternatives in each area. A denial of the proposed merger, on the other hand, would encourage S&L to seek out a different merger partner from among the State's 73 other mutual thrift institutions, thereby also preserving the possibility of more effective competition against Washington Mutual in the future from among the State's other thrift institutions.

The Corporation believes that the Bank Merger Act as amended requires consideration of the long-term competitive implications of a proposed merger as well as its short-term effects. In situations where one of the institutions involved in a proposed merger already has such a large share of its potential market as Washington Mutual, the Corporation further believes that additions by merger to its existing strength should be avoided unless (i) significant improvements in banking service can be achieved only by consummation of the proposed merger or (ii) the condition of the institution to be merged is such that an immediate resolution of its problems appears to be necessary to prevent a failure.

Convenience and Needs of the Community to be Served. The proposed merger would bring to S&L's customers certain services not presently offered by S&L: FHA and VA mortgage loans, home improvement loans, limited personal trust services, student loans, and certain other types of personal loan services, all of which Washington Mutual can and does offer in accordance with State law. No claim is made, however, that any banking needs of the public in the Aberdeen-Hoquiam area are going unmet today, and each of these services appears to be available at one or more of the mutual thrift institutions or commercial banks with offices in the area. S&L and Washington Mutual, moreover, pay the same rate of interest on regular deposits, i.e., the highest permitted under current Federal ceilings, and S&L also offers 5¼ percent and 6 percent certificates. The slight benefit in convenience of having one more local source for the services offered by Washington Mutual but not by S&L could also be achieved by S&L's merger with a number of the other mutual savings banks in the State. No finding, accordingly, can be made that there would be significant improvements in banking service in the Aberdeen-Hoquiam area or that these improvements can be achieved only by S&L's merger with Washington Mutual.

Financial and Managerial Resources; Future Prospects. The Corporation's examination of S&L as of the close of business July 13, 1970 disclosed a conservatively run association with no classified assets, minimal depreciation in the securities account, decent earnings, adequate surplus, and a record of slow deposit growth over the years. The only weakness in S&L's current condition involves the advanced age of its two principal operating officers (both of whom have been with S&L since 1924) and a lack of management depth. While the management succession problem could be resolved by the proposed merger, it could also be resolved by merger with a less dominant mutual thrift institution. The record, moreover, indicates no effort by S&L to recruit the successor management it claims to need or any inability on its part to pay the salaries needed to attract such management. In these circumstances, it cannot be said that the condition of S&L is such that an immediate resolution of its problems appears to be necessary to prevent a failure.

While the financial and managerial resources and future prospects of both institutions are consistent with approval, they lend no decisive weight to a determination on the application.

On these facts, the Corporation concludes that approval of the proposed merger is not warranted.

LEGISLATION AND REGULATIONS

PART THREE

FEDERAL LEGISLATION – 1970

Bank Holding Company Act Amendments of 1970. Many observers view the Bank Holding Company Act Amendments of 1970 (Public Law 91-607; 84 Stat. 1760) as the most significant item of banking legislation to emerge from Congress since enactment of the Banking Act of 1935 (49 Stat. 684) if not, indeed, since enactment of the Federal Reserve Act (38 Stat. 251) in 1913.

The basic objective in regulating bank holding companies is to restrict holding company operations to fields clearly related to banking and to prevent such companies from reducing competition in the banking industry. If these companies were unregulated, their ability to coordinate their banking subsidiaries with other business ventures would discourage competition for banking services. An absence of regulation might also tend to concentrate American business under the holding companies which control the lending resources of major banks. Prompted by changing business practices and especially by a sudden increase in the number of one-bank holding companies, Congress, through enactment of the Bank Holding Company Act Amendments of 1970, made a number of important adjustments in the Federal bank holding company laws.

The first of these amendments broadened the scope of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841-1849), by eliminating several exceptions. When the holding company laws were last reexamined in 1966, almost all the one-bank holding companies involved small or "country" banks. As a result, Congress continued the exemption given one-bank holding companies. However, during the next three years, a substantial number of the largest banks in the country became the property of one-bank holding companies, with dealings in many fields. Although Congress found no abuse of these arrangements, the potential for frustrating the objectives of the Act were so great that Congress felt compelled, in enacting the Bank Holding Company Act Amendments of 1970, to eliminate the exemption for one-bank holding companies. The exemption once given to partnerships which control banks was also eliminated, as was the exemption of a bank holding stock in trust when such bank has exclusive voting rights.

In recognition of the fact that even relatively small blocks of stock can control a widely held corporation, Congress tightened the definition of "control." It authorized the Board of Governors of the Federal Reserve System to determine that a company is in control of a bank, even when it holds less than 25 percent of any voting class of stock of the bank, if the company directly or indirectly exercises a controlling influence over the management or policies of the bank. When holdings exceed 25 percent, the Act retains the rule that the holding company has a controlling position.

The changes in scope just described could have created serious divestiture problems for the smaller banks which had never before been within the scope of the Bank Holding Company Act of 1956. Hence, Congress added a new section 4(d) to the Act. It permits the Board of Governors of the Federal Reserve System, in its discretion, to grant exemptions from the Act to any bank holding company which controlled only one bank on July 1, 1968, and has not since acquired a second bank. Any such exemption must, however, be consistent with the purposes of the Act. Appropriate situations for an exemption include (1) long-established business relationships which have never adversely affected the banks or communities involved, (2) cases where a forced sale of a small locally owned bank would transfer control to purchasers not as representative of community interests as the present owners, or (3) situations where the bank is so small in relation to the holding company's total interests and so small in relation to the local banking market as to minimize the likelihood that the bank's credit-granting powers can be used to influence the holding company's other interests.

To further alleviate the divestiture problem, Congress inserted a "grandfather clause" in section 4(a) of the Act. Since the evils to be remedied were prospective, Congress felt that it was unnecessary to force divestiture of all the large banks recently acquired by one-bank holding companies. Hence, the Bank Holding Company Act Amendments of 1970 allow a company which became a bank holding company as a result of the amendments to continue any activity in which it was lawfully engaged on June 30, 1968, or in which it became engaged after that date as a result of an acquisition pursuant to a binding contract entered into on or before June 30, 1968, so long as it or one of its subsidiaries has been continuously engaged in the activity since June 30, 1968. In order to prevent this exemption from becoming an umbrella for undesirable activities, the Board of Governors of the Federal Reserve System was given power to terminate the exemption whenever it determines that such action is necessary to prevent undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices. This decision must, however, be made within 2 years after December 31, 1970, if the banking subsidiary's assets exceed $60,000,000, or 2 years after the date on which the banking subsidiary's assets first exceed $60,000,000.

One of the most important parts of the Bank Holding Company Act of 1956 is section 4(c)(8). It establishes the primary test to be used by the Board of Governors of the Federal Reserve System in deciding whether an acquisition by or activity of a bank holding company is permissible. There was significant pressure in the Congress to liberalize this standard, and Congress did in fact redraft the test. There is, however, a division of opinion as to whether the change in wording amounts to a liberalization of the law.

Prior to amendment, section 4(c)(8) required the Board of Governors, after due notice and hearing, to find that the activities of an acquired company are—

> . . . of a financial, fiduciary, or insurance nature [and] . . . so closely related to the business of banking or of managing or controlling banks as to be a proper incident thereto and as to make it unnecessary for the prohibitions of this section [4] to apply in order to carry out the purposes of this Act; . . .

As amended, the subsection required the Board, after notice and opportunity for hearing, to find that the activities of an acquired company are—

> . . . so closely related to banking or managing or controlling banks as to be a proper incident thereto. In determining whether a particular activity is a proper incident to banking or managing or controlling banks the Board shall consider whether its performance by an affiliate of a holding company can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices . . . .

The Board is also permitted to distinguish newly created affiliates from acquired affiliates because the former more often tend to introduce additional competition.

It appears that this change may result in a widened range of approved activities for bank holding companies. The acquired operations need no longer be of a financial, fiduciary, or insurance nature, and the test balancing public benefits against adverse effects could easily extend the notion of what is a proper incident to banking.

The Board of Governors' present practice of allowing potential competitors of a new acquisition to appear as parties in interest is also confirmed and formalized by the amendments. As amended, the Act allows anyone who may become a competitor of an applicant or a subsidiary of an applicant to intervene with the full rights of a party in interest in Board proceedings when the applicant seeks authorization to acquire a bank or nonbank enterprise.

Finally, it should be noted that the entire authority for regulating bank holding companies and for implementing the Act remains with the Board of Governors of the Federal Reserve System and is not divided among the agencies which regulate the particular banks controlled by a holding company.

Tying arrangements involving banks. Section 106 of the Bank Holding Company Act Amendments of 1970 (Public Law 91-607; 84 Stat. 1766) contains provisions prohibiting any bank from extending credit or furnishing any other service, or varying the consideration therefor, upon condition that a customer obtain or provide any additional credit, property, or service from or to the lending bank (except a loan, discount, deposit, or trust service, or a service related thereto), its parent holding company, or any subsidiary of the holding company. It also prohibits any bank from extending credit or furnishing any other service on condition that the customer refrain from obtaining any credit or service from a competitor of the bank or of any affiliate thereof, except as may reasonably be necessary to assure the soundness of the credit extended. The Board of Governors has authority to grant such exceptions to these prohibitions as it considers not to be contrary to the purposes of section 106.

Section 106 applies to all banks, whether or not they are affiliated with holding companies. Its purpose is to prevent banks from engaging in certain anticompetitive practices. The legislative history makes clear, however, that there was no intent to interfere with the conduct of appropriate traditional banking practices. The report of the Senate Committee on Banking and Currency stated, for example, as follows:

> This will enable the customer to continue to negotiate with the bank on the basis of his entire relationship with the bank. For example, where the customer uses multiple banking services such as deposit, loan, fiduciary, and commercial accounts or facilities, the parties may be free to fix or vary the consideration for any services upon the existence or extent of utilization of such banking services. Similarly, the language is not intended to affect bank correspondent relationships, but insures that traditional correspondent relationships cannot be perverted by being tied to or conditioned upon maintenance or establishment of relationships with nonbank subsidiaries of bank holding companies, or with businesses operated within the bank or by the people controlling a bank. Also, the language is not intended to prevent such traditional banking practices which protect extensions of credit by agreement to restrict other borrowing, but insures that such agreements may not be tied to or conditioned upon an agreement not to do business with competitors of other subsidiaries of the bank holding company, the bank, or of the operators of the bank. (S. Rep. No. 91-1084, 91st Cong., 2d sess. 17 (1970)).

Enforcement of section 106 is the responsibility of the U.S. attorneys under the direction of the Attorney General. The section also gives private parties the right to sue for injunctive relief and for treble damages when they have sustained or are threatened with loss or damage as a result of a violation of the statutory prohibitions.

Financial recordkeeping and reporting. Title I of the Act of October 26, 1970 (Public Law 91-508; 84 Stat. 1114) contains provisions designed to subject certain financial transactions to greater public scrutiny. Through an amendment to the Federal Deposit Insurance Act, as amended (12 U.S.C. 1811-1831), it states findings by Congress—

> . . . that adequate records maintained by insured banks have a high degree of usefulness in criminal, tax, and regulatory investigations and proceedings [and] . . . that microfilm or other reproductions and other records made by banks of checks, as well as records kept by banks of the identity of persons maintaining or authorized to act with respect to accounts therein, have been of particular value in this respect.

Accordingly, the purpose of the amendment to the Federal Deposit Insurance Act is to require the maintenance of appropriate types of records by insured banks in the United States where such records have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings, in accordance with regulations prescribed by the Secretary of the Treasury.

While the amendment appears to give the Secretary considerable discretion in determining the types of records and other evidence to be maintained and the form and content thereof, it virtually directs him to prescribe certain regulations in this area. These regulations will require insured banks, at a minimum, to (1) maintain records and other evidence of the identity of each person having an account in the United States with them and of each person authorized to sign checks, make withdrawals, or otherwise act with respect to any such account; (2) make a microfilm or other reproduction of each check, draft, or similar instrument drawn on them and presented to them for payment; (3) make a record of each check, draft, or similar instrument received by them for deposit or collection, together with an identification of the party for whose account it is to be deposited or collected; and (4) retain evidence of the identity of any individual engaging in a transaction with them involving the payment, receipt, or transfer of U.S. currency.

Through an amendment to title IV of the National Housing Act, as amended (12 U.S.C. 1724-1730c), title I of the Act of October 26, 1970, also directs the Secretary of the Treasury to prescribe such regulations as are appropriate to carry out, with respect to institutions insured by the Federal Savings and Loan Insurance Corporation, the purposes set forth in the amendment to the Federal Deposit Insurance Act.

Finally, in recognition of the fact that noninsured banks and institutions and persons carrying on certain other functions engage in functions similar to those participated in by insured banks and institutions—namely, issuing or redeeming checks, money orders, travelers' checks, or similar instruments; transferring funds or credits domestically or internationally; operating a currency exchange or otherwise dealing in foreign currencies or credits; operating a credit card system; or performing such similar, related, or substitute functions for the functions enumerated or for banking—this title of the Act authorizes the Secretary of the Treasury to prescribe certain pertinent regulations. Such banks, institutions, or persons may be required to (1) require, retain, or maintain, with respect to their functions, any records or evidence of any type which the Secretary is authorized under the amendment to the Federal Deposit Insurance Act to require insured banks to require, retain, or maintain; and (2) maintain procedures designed to assure compliance with any such requirements. Moreover, it permits him to require noninsured banks and institutions of any type to make appropriate reports with respect to their ownership, control, and managements and any changes therein.

As to persons and organizations other than insured banks and institutions, whenever the Secretary has reasonable cause to believe that any person has engaged, is engaged, or is about to engage in any acts or practices constituting a violation of any regulation prescribed by him pursuant to this title of the Act of October 26, 1970, he may bring an action to enjoin such acts or practices. Furthermore, for each willful violation by any such person of any such regulation, he may assess upon any person to which the regulation applies—or, if the person is a partnership, corporation, or other entity, upon any partner, director, officer, or employee thereof who willfully participates in the violation—a civil penalty not exceeding $1,000. Finally, any such person who willfully violates any such regulation may, upon conviction, be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

Any person or organization (including any insured bank or insured institution) to whom or to which the Secretary's regulations may apply who willfully violates any such regulation, where the violation is committed in furtherance of the commission of any violation of Federal law punishable by imprisonment for not more than 1 year, is subject to a fine of not more than $10,000 or to imprisonment for not more than 5 years, or both.

The Secretary's responsibility for assuring compliance with the requirements of this title of the Act of October 26, 1970, may be delegated to the appropriate bank supervisory agency or other supervisory agency, in the discretion of the Secretary. Presumably, those agencies are authorized to invoke sanctions available to them under other statutes for the purpose of enforcing compliance with the Secretary's regulations.

Under the provisions of section 401 of the Act of October 26, 1970, the financial recordkeeping and reporting requirements of this title of the Act take effect on May 1, 1971. However, the Secretary of the Treasury may by regulation provide that the requirements shall be effective on any date not earlier than publication of the regulation in the Federal Register and not later than November 1, 1971.

Currency and Foreign Transactions Reporting Act. The Currency and Foreign Transactions Reporting Act, enacted by title II of the Act of October 26, 1970 (Public Law 91-508; 84 Stat. 1118), is designed to further the purpose of Congress to require certain reports or records where such reports or records have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings.

In its simplest terms, it requires transactions involving any domestic financial institution to be reported to the Secretary if they involve the payment, receipt, or transfer of U.S. currency, or such other monetary instruments as the Secretary may specify, in such amounts, denominations, or both, or under such circumstances, as the Secretary's regulations may require. "Domestic financial institution" is defined by the Act as including, among other things, an insured bank; a commercial bank or trust company; a private banker; an agency or a branch within the United States of any foreign bank; an institution insured by the Federal Savings and Loan Insurance Corporation; a savings bank, building and loan association, credit union, industrial bank, or other thrift institution; and any other type of business or institution performing similar, related, or substitute functions specified by the Secretary of the Treasury. The term "domestic," used with reference to "financial institution," limits the applicability of the requirement to the performance by such an institution of functions within the United States. The term "monetary instruments" means—

> . . . coin and currency of the United States, and in addition, such foreign coin and currencies, and such types of travelers checks, bearer negotiable instruments, bearer investment securities, bearer securities, and stock with title passing upon delivery, or the equivalent thereof, as the Secretary may by regulation specify . . . .

The Act requires reports of domestic currency transactions to be signed or otherwise made both by the domestic financial institution involved and by one or more of the other parties to or participants in any such transaction, as the Secretary may require. If any party to or participant in any such transaction is not an individual acting only for himself, the report must identify the person or persons on whose behalf the transaction is entered into and must be made by the individual acting as agent or bailee with respect thereto.

The form and content of reports with respect to domestic currency transactions, as well as the reporting procedure to be followed, are left largely to the discretion of the Secretary of the Treasury.

Secondly, the Act requires the filing of a report with the Secretary of the Treasury by any person who, whether as principal, agent, or bailee, or by an agent or bailee, knowingly (1) transports or causes to be transported monetary instruments in an amount exceeding $5,000 on any one occasion either from any place within the United States to or through any place outside the United States or to any place within the United States from or through any place outside the United States; or (2) receives monetary instruments in an amount exceeding $5,000 on any one occasion at the termination of their transportation to the United States from or through any place outside the United States. The Secretary may require that any such report identify (1) the legal capacity in which the person filing the report is acting with respect to the monetary instruments transported; (2) the origin, destination, and route of the transportation; (3) where the monetary instruments are not legally and beneficially owned by the person transporting them, or are transported for any purpose other than the use in his own behalf of the person transporting them, the identity of the person from whom the monetary instruments are received, or to whom they are to be delivered, or both; and (4) the amounts and types of monetary instruments transported. Monetary instruments transported in violation of these requirements, or with respect to which a report contains material omissions or misstatements, are subject to seizure and forfeiture to the United States. Moreover, the Secretary may assess a civil penalty, not exceeding the amount of monetary instruments with respect to whose transportation a report is required to be filed and reduced by the amount of any forfeiture, upon any person who fails to file a report regarding the exportation or importation of monetary instruments or who files a report containing any material omission or misstatement.

Finally, the Act directs the Secretary of the Treasury to prescribe regulations requiring residents or citizens of the United States, or persons in the United States and doing business therein, to maintain records and to file reports regarding their direct or indirect transactions or relationships with foreign financial agencies. The Secretary is required, in prescribing such regulations, to recognize the need to avoid impeding or controlling the export or import of currency or other monetary instruments and also the need to avoid unreasonably burdening persons who legitimately engage in transactions with foreign financial agencies. For the purposes of the requirement, the term "financial agency" means—

> . . . any person which acts in the capacity of a financial institution or in the capacity of a bailee, depository trustee, agent, or in any other similar capacity with respect to money, credit, securities, or gold or transactions therein, on behalf of any person other than a government, a monetary or financial authority when acting as such, or an international financial institution of which the United States is a member.

The Secretary's regulations may require that such records and reports set forth information regarding (1) the identities and addresses of the parties to any such transaction or relationship; (2) the legal capacities in which the parties to the transaction or relationship are acting and the identities of the real parties in interest if the parties are not acting solely as principals; and (3) a description of the transaction or relationship, including the amounts of money, credit, or other property involved. No person required to maintain any such records may be required to produce or otherwise disclose the contents of the records except in compliance with a subpoena or summons duly authorized and issued or as may otherwise be required by law.

The Act vests the Secretary of the Treasury with a variety of enforcement powers, both civil and criminal, for assuring compliance with the recordkeeping and reporting requirements imposed by the Act. Moreover, it authorizes him to prescribe such regulations as he may deem appropriate to carry out the purposes of the Act, to grant conditional or unconditional exemptions from any requirements otherwise imposed, and to delegate his responsibility for assuring compliance with the requirements of the Act to the appropriate bank supervisory agency or other supervisory agency.

Under the provisions of section 401 of the Act of October 26, 1970, the Currency and Foreign Transactions Reporting Act takes effect on May 1, 1971. However, the Secretary of the Treasury may by regulation provide that the Act shall be effective on any date not earlier than publication of the regulation in the Federal Register and not later than November 1, 1971.

Credit card legislation. In October, Congress enacted legislation which, effective upon the date of its enactment (October 26, 1970), prohibits the issuance of unsolicited credit cards and, 90 days after the date of enactment, limits the liability of a cardholder for the unauthorized use of his card.

Under the provisions of section 502 of the Act of October 26, 1970 (Public Law 91-508; 84 Stat. 1126), which adds new sections

132 through 134 to the Truth in Lending Act, as amended (15 U.S.C. 1601-1665), no credit card, except a credit card issued in renewal of or in substitution for an accepted credit card, may now be issued except in response to a request or application therefor.

After January 24, 1971, no cardholder is liable for the unauthorized use of a credit card issued after that date unless (1) the card is an accepted credit card, (2) the liability is not in excess of $50, (3) the card issuer has given adequate notice to the cardholder of the potential liability, (4) the card issuer has provided the cardholder with a self-addressed, prestamped notification to be mailed by the cardholder in the event of loss or theft of the card, (5) the unauthorized use occurs before the cardholder has notified the card issuer that an unauthorized use of the credit card has occurred or may occur as the result of loss, theft, or otherwise, and (6) the card issuer has provided a method whereby the user of the credit card can be identified as the person authorized to use it. After January 24, 1972, no cardholder is liable for the unauthorized use of any credit card—regardless of the date of its issuance—unless these prescribed conditions of liability are met.

On and after October 26, 1970, whoever, in a transaction affecting interstate or foreign commerce, uses any counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card to obtain goods or services, or both, having a retail value aggregating $5,000 or more may be fined not more than $10,000 or imprisoned not more than 5 years, or both.

Authority to prescribe regulations implementing these new sections of the Truth in Lending Act is vested in the Board of Governors of the Federal Reserve System by previously existing sections of that Act.

Fair Credit Reporting Act. A good credit record is one of the most valuable assets anyone can have. Yet, it has been almost impossible for an individual to keep his record complete and free of errors. Even the careless or intentional misuse of records has been beyond a consumer's control. To correct these and other inequities, Congress, by section 601 of the Act of October 26, 1970 (Public Law 91-508; 84 Stat. 1127), amended the Consumer Credit Protection Act, as amended (15 U.S.C. 1601-1675), by adding a new title VI, called the "Fair Credit Reporting Act," which takes effect on April 25, 1971.

The amendment imposes duties upon both suppliers and users of information gathered on individuals whenever (1) the information transmitted constitutes a "consumer report" and (2) the party supplying the information is a "consumer reporting agency." A "consumer report" is any communication of any information by a consumer reporting agency bearing on an individual's credit rating, character, reputation, personal characteristics, or mode of living which is collected for the purpose of serving as a factor in establishing the individual's eligibility for (1) credit or insurance used primarily for personal, family, or household purposes, (2) employment, or (3) any other privilege or benefit which arises from what would be a permissible use of a consumer report. The Act expressly excludes from this definition (1) reports relating solely to transactions or experiences between a consumer and the person making the report, (2) any authorization of a specific extension of credit by the issuer of a credit card or similar device, and (3) any report in which a person who has been requested by a third party to make a specific extension of credit to an individual conveys his decision about the request, so long as the third party and the person to whom the request was made make certain disclosures. A "consumer reporting agency" is any entity which, for monetary fees, dues, or on a cooperative nonprofit basis, regularly assembles or evaluates information on individuals for the purpose of furnishing consumer reports to third parties and which uses some means of interstate commerce in preparing or furnishing consumer reports.

The permissible purposes for which a consumer report may be given are restricted by the Act. Such a report may always be given in response to a valid court order or with the written permission of the individual described in the report. It is also permissible to use reported information about an individual in connection with (1) an extension of credit to, or the review or collection of an account of, the individual; (2) employment; (3) the underwriting of insurance involving the individual; or (4) a determination of the individual's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status. To assure that this specific list does not unnecessarily hamper commerce, the Act also permits reporting to any person or business having a legitimate business need for the information in connection with a business transaction involving the individual. In addition, a consumer reporting agency may furnish an individual's name and present as well as former addresses and places of employment to any governmental agency without regard to the agency's purpose.

Just as there are limits on those who may receive consumer reports, so too, the amendment regulates what may be included in a report. The agency must follow procedures which insure maximum accuracy and all obsolete information must be omitted from consumer reports except where large amounts of credit, insurance, or salary are involved. Most adverse information is considered obsolete if it antedates the report by more than 7 years. The sole exception is for bankruptcies, which may be reported unless the most recent adjudication antedates the report by more than 14 years.

While the restrictions on use and content offer some protection to individuals, the most valuable aspects of the amendment are its disclosure obligations and correction procedures. Every consumer reporting agency must disclose to an individual the nature and substance of almost all the information in its files on that individual, as well as the sources of the information and the names of all recent recipients of a consumer report on the individual. Medical information is excluded from this requirement. The other major exception excludes sources used and reports made prior to April 25, 1971, except to the extent that the nonmedical information involved remained in the files on that date. If an individual disputes the completeness or accuracy of any item disclosed to him, then the agency must reinvestigate that matter unless it reasonably believes the challenge is frivolous or irrelevant. If the information proves inaccurate or cannot be verified, it must be deleted, and, if reinvestigation does not resolve the dispute, the individual may file a brief statement describing his position. The consumer reporting agency must note the dispute and include the statement or a fair summary of it in every report discussing the disputed issue. Regardless of whether information is deleted or a notation is added, the consumer reporting agency must, upon request by the individual, furnish the statement or notice of the deletion to parties who recently received a consumer report.

All the obligations discussed above affect consumer reporting agencies, but the Act also places requirements on users of consumer reports. Anyone who uses a consumer report must give the individual to whom it relates the name and address of the reporting agency which supplied information that results in the user's adverse action on an application for employment or for credit or insurance for personal, family, or household purposes. Whenever the individual promptly requests it, the amendment also requires disclosure of the nature of the adverse information if it leads to a refusal of, or an increased charge for, personal, family, or household credit and came from someone other than a consumer reporting agency.

A somewhat different pattern of regulation applies to "investigative consumer reports." These consist of consumer reports supplemented with information on an individual's character, reputation, personal characteristics, or mode of living obtained through personal interviews. Because there would be no way to gather most investigative information if sources were disclosed, the Act does not apply a disclosure-of-source requirement to investigative consumer reports so long as the information is not used for a purpose different from that for which the report was prepared. Yet, this will generally make it impossible for an individual to use the procedure for disputing the accuracy of information. To compensate for this disadvantage, the Act provides that no adverse information, other than that taken from a public record, may be included in an investigative consumer report made more than 3 months subsequent to the last verification of the adverse information unless the information is again verified. For the same reason, a user must give the individual notice of the investigation no more than 3 days after requesting an investigative consumer report unless the report is required for employment considerations not specifically initiated by the individual. The notice must disclose that the individual may, by written request, force the procurer to disclose the nature and scope of the investigation.

Because employment is probably the most basic transaction requiring a good performance record, man of the Act's requirements are stronger when reports are, or were, sought for employment purposes. Even when a consumer reporting agency transmits information available in public records, the agency must notify the individual that this information is being reported and give the name and address of the recipient if the information might have an adverse effect on the individual's employment.

In order to assure compliance, the Act creates a Federal cause of action, without regard to the amount in controversy, for any individual damaged by noncompliance with the Act. There are also criminal sanctions against obtaining information under false pretenses or providing information to a person not authorized to receive it. Almost all the responsibility for enforcement of the Act is given to the Federal Trade Commission, and any violation of the Act will be considered an unfair or deceptive act or practice in violation of the Federal Trade Commission Act. With respect to insured banks, however, authority for administrative enforcement is vested in the three Federal bank regulatory agencies, following the pattern already established by title I of the Consumer Credit Protection Act. This means the Act can also be enforced as to banks through termination of insurance, cease-and-desist, and suspension or removal of directors or officers proceedings.

Margin requirements on foreign loans. Under section 7 of the Securities Exchange Act of 1934 (15 U.S.C. 78g), the Board of Governors of the Federal Reserve System has authority to regulate the extension of credit collateralized by securities. Prior to 1970, however, it was unclear whether this authority extended to borrowers as well as lenders. The increased use of foreign loans to finance the purchase of securities in the United States, particularly in connection with attempted corporate takeovers, led to the enactment in 1970 of legislation authorizing the Board of Governors to regulate borrowing abroad by U.S. persons, or foreign persons controlled thereby or acting on behalf thereof, for the purpose of purchasing or carrying securities.

Title III of the Act of October 26, 1970 (Public Law 91-508; 84 Stat. 1124) added a new subsection (f) to section 7 of the Securities Exchange Act of 1934 making it unlawful for any U.S. citizen or resident, any domestic organization, estate, or trust, or any foreign person controlled by or acting for such a U.S. person to borrow abroad for the purpose of purchasing or carrying any securities in the United States or any U.S. securities abroad, unless the loan complies with Federal Reserve margin regulations. The statute permits the Board of Governors to make this prohibition effective by regulation not later than November 1, 1971,

Housing and Urban Development Act of 1970. On December 31, 1970, the President approved the Housing and Urban Development Act of 1970 (Public Law 91-609; 84 Stat. 1770). The purpose of this Act, among other things, is to provide for the establishment of a national urban growth policy, to encourage and support the proper growth and development of the States, metropolitan areas, cities, counties, and towns, with emphasis upon new community and inner-city development, and to extend and amend laws relating to housing and urban development.

Briefly, the Act establishes a community development corporation within the Department of Housing and Urban Development to administer a new program of financial assistance for the development of new communities; extends and provides funds for existing housing and urban development programs; amends various statutes governing the administration and operation of many of those programs; and authorizes the Secretary of Housing and Urban Development to write essential property insurance for homeowners and small businessmen in those instances in which private insurance is either unavailable or is available only at unreasonable rates. It also amends statutes governing the operations of savings and loan associations to increase from 15 percent to 20 percent of assets the amount that a Federal savings and loan association may invest in multifamily housing and to increase from 1 year to 5 years the maturity on advances by the Federal home loan banks to member savings and loan associations.

Three sections of the Act should be of particular interest to insured banks.

Section 908 makes permanent the authority of the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Home Loan Bank Board, and the Federal Savings and Loan Insurance Corporation (1) to issue temporary and permanent cease-and-desist orders to insured institutions for violations of law, rule, regulation, charter, or written condition or agreement or for unsafe or unsound practices and (2) to take action to suspend or remove officers or directors of insured institutions for violations of law, rule, regulation, or final cease-and-desist order, or for engaging or participating in any unsafe or unsound practice, when personal dishonesty is involved. This section of the Act also makes permanent the authority of those regulatory agencies to suspend or remove persons convicted of any criminal offense involving dishonesty or a breach of trust or charged with a felony of that nature. By express provisions of the Financial Institutions Supervisory Act of 1966 (Public Law 89-695; 80 Stat. 1028), which originally conferred the authority, all of the authority had been scheduled to expire at the close of June 30, 1972.

Section 910 of the Housing and Urban Development Act of 1970 amends sections 3 and 7 of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1813, 1817), to make banks in American Samoa eligible for Federal deposit insurance, to include branches located in American Samoa within the definition of the term "branch," and to include obligations of a bank that are payable only at an office located in American Samoa within the definition of the term "deposit," thereby making such obligations a part of total deposits as well as a part of an insured deposit.

Finally, section 915 of the Act amends section 1014 of title 18, U.S. Code, so that, on and after December 31, 1970, whoever knowingly makes any false statement or report, or willfully overvalues any land, property, or security, for the purpose of influencing in any way the action of any insured bank upon any application, advance, discount, purchase, purchase agreement, repurchase agreement, commitment, or loan, or any change or extension thereof, by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, may be fined not more than $5,000 or imprisoned not more than 2 years, or both. Prior to the date of the amendment, section 1014 extended to false statements or reports and to overvaluations made to Federal savings and loan associations, small business investment companies, and Federal credit unions, among other types of financial organizations, but not to false statements or reports or to overvaluations made to federally insured banks.

Amendments to the Securities Exchange Act of 1934. Since 1965, the registration and reporting requirements imposed by sections 13(d), 13(e), 14(d), and 14(e) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78 m(d), 78m(e), 78n(d), and 78n(e)), have applied to securities issued by banks. With respect to securities issued by insured banks, the functions, powers, and duties vested in the Securities and Exchange Commission to administer and enforce sections 13(d), 13(e), and 14(d) of that Act are vested in the three Federal bank regulatory agencies.

Generally, sections 13(d) and 14(d) of the Securities Exchange Act of 1934 have required the filing of a statement with the Securities and Exchange Commission by any person who acquired the beneficial ownership of more than 10 percent of any equity security of a class which was registered under section 12 of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78l), or who made a tender offer for, or a request or invitation for tenders of, more than 10 percent of any class of equity security which was so registered. In addition to such other information as the Commission might have prescribed as necessary or appropriate in the public interest or for the protection of investors, the statement had to contain information bearing on (1) the identity, background, and plans of the person acquiring the security or making a tender offer for, or a request or invitation for tenders of, the security; (2) the size of the holdings of the person involved in the transaction; (3) the source of the funds used or to be used to acquire the security; (4) any contracts or arrangements relating to the security; and (5) if the purpose of the acquisition or tender offer was to acquire control of the business of the issuer of such security, any plans to liquidate the issuer, sell its assets, merge it with another company, or make any other major changes in its business or corporate structure.

In order to cure the inadequacies in and to supplement the protection already accorded investors under existing law, the Act of December 22, 1970 (Public Law 91-567; 84 Stat. 1497) extends the disclosure requirements of sections 13(d) and 14(d) of the Securities Exchange Act of 1934 to acquisitions of and tender offers for over 5 percent—rather than 10 percent—of any registered equity security. It also expressly authorizes the Securities and Exchange Commission to permit simpler reporting for persons who, although acquiring more than 5 percent of any equity security, have done so in the ordinary course of business and not for the purpose of changing or influencing the control of the security's issuer.

The December 22, 1970, amendments to sections 13(e), 14(d), and 14(e) of the Securities Exchange Act of 1934 sought to give investors a sounder basis for intelligent decisions and a higher measure of protection against fraudulent, deceptive, or manipulative acts or practices engaged in in connection with tender offers. They subject stock-for-stock exchange offers made pursuant to a registration statement filed under the Securities Act of 1933, as amended (15 U.S.C. 77a et seq.), to the disclosure requirements and investor protection provisions applicable to tender offers; and they authorize the Securities and Exchange Commission to distinguish between acquisitions by or for the issuer and acquisitions by or for a person in a controlling relationship with the issuer in adopting rules and regulations applicable to disclosures in connection with acquisitions by certain issuers of their own securities. Also, the Commission is required, by rules and regulations, to define and to prescribe means reasonably designed to prevent fraudulent, deceptive, or manipulative acts and practices sometimes engaged in by both sides in contested tender-offer situations.

Investment Company Amendments Act of 1970. On December 14, 1970, the President approved the Investment Company Amendments Act of 1970 (Public Law 91-547; 84 Stat. 1413), providing for important changes in the Investment Company Act of 1940, the Investment Advisers Act of 1940, and other laws. Although the Act was primarily directed at the mutual fund sector of the investment company industry, a large number of changes in the securities laws were effected in an effort to facilitate, update, and improve their administration and enforcement. Among the Act's provisions are several amendments designed to clarify the status of funds held by banks in various capacities.

Common trust funds or similar funds maintained by banks exclusively for the collective investment and reinvestment of moneys contributed thereto by the banks in their capacities as trustees, executors, administrators, or guardians have been exempt from the provisions of the Investment Company Act of 1940 since its enactment. The 1970 amendments exempt interests or participations in bank common trust funds from the registration requirements of the Securities Act of 1933 and the Securities Exchange Act of 1934, but not from the antifraud provisions of those Acts. The exemption is intended to apply to interests or participations in common trust funds maintained by banks for the collective investment of assets held by them in bona fide fiduciary capacities and incident to their traditional trust department activities. It does not exempt interests or participations in bank funds maintained as vehicles for direct investment by individual members of the public.

Collective trust funds maintained by banks, which consist solely of assets of employees' stock bonus, pension, or profit-sharing trusts meeting the requirements for qualification for tax-exempt treatment of income pursuant to section 401 of the Internal Revenue Code of 1954, are statutorily exempted from the regulatory pattern of the Investment Company Act of 1940 by the amendments. This exemption, which would include trust funds comprised of the assets of retirement trusts for self-employed individuals, often called "H.R. 10 trusts," reflects the prior administrative position of the Securities and Exchange Commission. The amendments exempt interests or participations in trusts comprised solely of assets of employees' stock bonus, pension, or profit-sharing trusts meeting the qualifications for tax-exempt treatment of income pursuant to section 401 of the Internal Revenue Code of 1954, other than trusts comprised of the assets of retirement trusts for self-employed individuals, from the registration provisions of the Securities Act of 1933 and the provisions of the Securities Exchange Act of 1934 that do not apply to "excepted securities" under that Act. These interests or participations would continue to be subject to the antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934. Interests or participations in bank collective trust funds issued in connection with H.R. 10 trusts remain subject to the registration provisions of the Securities Act of 1933 and the provisions of the Securities Exchange Act of 1934 with the exception of the over-the-counter registration provisions of the latter Act, from which they were exempted by the amendments.

The amendments took no legislative position on the question whether banks may enter the mutual fund business through the creation of commingled managing agency accounts or by other means. This question was accordingly left to the Supreme Court of the United States.

RULES AND REGULATIONS AND STATEMENTS OF GENERAL POLICY

Interest on deposits. On January 20, 1970, the Board of Directors announced changes in the maximum rates of interest payable on time and savings deposits by insured State nonmember commercial banks and by mutual savings banks insured by the Corporation. This action was taken to provide the small saver in commercial banks and thrift institutions a more equitable rate of return on his savings, in comparison with rates then available on comparable alternative investment outlets, and to bring commercial banks and thrift institutions into somewhat closer touch with then-existing market conditions and with financial flows from which they had become increasingly isolated over the preceding year as a result of rapidly rising interest rates.

In announcing modifications in the interest-rate structure, the Board stated that the changes were being made within the framework of continued credit restraint and that they did not signal any alteration in then-existing anti-inflationary policies. Combined with concurrent action by the Board of Governors of the Federal Reserve System and the Federal Home Loan Bank Board, the upward realignment of rate ceilings was intended to help maintain the flow of savings into commercial banks and thrift institutions to support housing and other essential financing requirements. It was also designed to minimize any disruptive flows among commercial banks, mutual savings banks, and savings and loan associations.

Under the changes in the rate structure, the maximum rate of interest payable by insured State nonmember commercial banks on savings deposits was increased from 4 to 4½ percent, originally effective January 21, 1970. On January 23, 1970, however, the Board of Directors expanded its previous decision, to avoid additional complexities in computing interest. Insured nonmember commercial banks which increased their rate of interest on passbook savings under the January 20 ceilings were allowed to compute interest at the new rate from January 1, 1970, on savings deposits held on January 20.

For insured State nonmember commercial banks, ceilings for single-maturity time deposits of less than $100,000 with maturities of from 1 year to less than 2 years and for those with maturities of 2 years and over were set at 5½ percent and 5¾ percent, respectively. The 5 percent rate previously in effect for all of these particular time deposits was retained for such deposits having maturities of 30 days or more but less than 1 year.

At the same time, a new maturity and rate structure was established for single-maturity time deposits of $100,000 and over held by insured nonmember commercial banks, as follows:

Maturity	Maximum rate payable (in percent)
30-59 days	6¼
60-89 days	6½
90-179 days	6¾
180 days or more but less than 1 year	7
1 year or more	7½

Previously, the maximum rates payable on such deposits had ranged from 5½ percent, on deposits with maturities of from 30-59 days, to 6¼ percent, on deposits with maturities of 180 days and over. This same maturity and rate structure was adopted for these types of deposits in FDIC-insured mutual savings banks and in mutual savings banks in Massachusetts not insured by the Corporation.

Although the maximum rate payable by insured nonmember commercial banks on multiple-maturity time deposits with maturities of from 30 to 89 days was increased from 4 to 4½ percent, the 5 percent rate was retained for those payable at intervals of at least 90 days.

The Board of Directors also modified other rate ceilings in effect for FDIC-insured mutual savings banks. These institutions were permitted to pay new maximum rates on single-maturity time deposits of less than $100,000: 5¼ percent on those with maturities of 90 days or more but less than 1 year, 5¾ percent on those with maturities of 1 year or more but less than 2 years, and 6 percent on those with maturities of 2 years or longer.

Additionally, the Board of Directors established interest- and dividend-rate ceilings applicable to mutual savings banks in Massachusetts not insured by the Corporation. The Board took this action under its authority, given in December 1969, to extend interest-rate controls to banks not insured by the Corporation in certain States. Effective January 21, 1970, those mutual savings banks were generally restricted to paying a rate not exceeding 5½ percent on regular savings deposits or on other special deposits. However, on single-maturity time deposits of less than $100,000 with maturities of 1 year or more but less than 2 years, they were permitted to pay a rate of interest or dividends not exceeding 5¾ percent per annum; and on those with maturities of 2 years or more, not exceeding 6 percent per annum.

All of the amendments—except those as to savings deposits, which were retroactive to January 1, 1970—were effective January 21, 1970.

In recognition of the convenience, to bank customers, of automatic renewal and the practice followed by the Federal Home Loan Bank Board in permitting automatic renewal of similar deposits in savings and loan associations, Part 329 of the Corporation's rules and regulations relating to interest on deposits was amended again on February 27, 1970. The amendment increased the maximum rates of interest payable on multiple-maturity time deposits of 1 year or more by insured State nonmember commercial and mutual savings banks and by savings banks in Massachusetts not insured by the Corporation. The new rates were similar to the rates that the banks affected could then pay on single-maturity time deposits of less than $100,000 with comparable maturity periods.

The amendments were designed to permit insured nonmember commercial banks, effective January 21, 1970, to pay 5½ percent per annum on multiple-maturity time deposits payable only 1 year or more after the date of deposit, or 1 year or more after the last preceding date on which they might have been paid, and 5¾ percent per annum on such deposits payable only 2 years or more after the date of deposit, or 2 years or more after the last preceding date on which they might have been paid. Rates then applicable to multiple-maturity time deposits payable at intervals of less than 1 year continued in effect unchanged.

The amendments applicable to insured mutual savings banks and savings banks in Massachusetts not insured by the Corporation permitted such banks, effective January 21, 1970, to pay 5¾ percent per annum on multiple-maturity time deposits payable only 1 year or more after the date of deposit, or 1 year or more after the last preceding date on which they might have been paid, and 6 percent per annum on such deposits payable only 2 years or more after the date of deposit, or 2 years or more after the last preceding date on which they might have been paid.

The increased rates were made applicable to multiple-maturity time deposits bearing the required maturity periods without regard to the amount of the deposits.

The Board of Governors of the Federal Reserve System issued similar regulations applicable to member banks.

The Corporation's rules and regulations relating to interest on deposits were next amended on June 23, 1970. At this time, the ceilings on the maximum rates of interest payable by all insured nonmember banks, and by savings banks in Massachusetts not insured by the Corporation, on single-maturity time deposits of $100,000 or more with maturities of 30 through 89 days were suspended, effective June 24, 1970. The Board of Governors of the Federal Reserve System simultaneously acted on ceilings on interest rates payable by member banks. No changes were made in the ceilings applicable to longer term certificates of deposit (CDs) of $100,000 or more. These stayed at 6¾ percent for deposits having maturities of 90 to 179 days, 7 percent for deposits having maturities of 180 days to 1 year, and 7½ percent for deposits having maturities of 1 year or more. Moreover, ceilings applicable to savings deposits or to time deposits (including CDs) of less than $100,000 remained the same.

On July 30, 1970, the Corporation's Board of Directors revoked that portion of Part 329 of its rules and regulations which established interest- and dividend-rate ceilings applicable to non-FDIC-insured mutual savings banks in Massachusetts. This action followed the adoption by the Commissioner of Banks for the Commonwealth of Massachusetts of regulations governing the payment of interest or dividends on deposits by "nonfederally insured" savings banks in that State. The Board believed that the Commissioner's action nullified its authority to regulate the rates of interest or dividends payable on deposits by savings banks in Massachusetts not insured by the Corporation.

At the same time, the Board amended section 329.7(f) of the Corporation's rules and regulations, relating to the maximum rates of interest or dividends payable on deposits by mutual savings banks in Massachusetts insured by the Corporation, to permit the eight FDIC-insured mutual savings banks in the State to pay the same maximum rates of interest or dividends on their deposits as those prescribed, as of July 31, 1970, by the Commissioner of Banks for the Commonwealth of Massachusetts for nonfederally insured thrift institutions in that State. The revocation and amendment were effective July 31, 1970.

Obligations other than deposits. By an amendment to section 18(g) of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1828(g)), section 4(b)(2) of the Act of December 23, 1969 (83 Stat. 374) authorized the Corporation's Board of Directors to apply statutes and regulations relating to interest on deposits to obligations other than deposits that are undertaken by insured nonmember banks or their affiliates to obtain funds to be used in the banking business. Pursuant to that authority, the Board of Directors, on November 25, 1970, amended Part 329 of the Corporation's rules and regulations to place all obligations other than deposits that are issued or undertaken by insured nonmember banks (including insured nonmember mutual savings banks) to obtain funds to be used in the banking business under the interest-rate control provisions of Part 329. For purposes of the amendment, the term "obligations" includes, but is not limited to, promissory notes, acknowledgements of advance, due bills, repurchase agreements, or similar obligations (written or oral).

The amendment does not apply to (1) "interbank" transactions, including obligations evidencing funds received from certain foreign governments and governmental entities, or funds received from agencies of the United States or the Government Development Bank of Puerto Rico; (2) obligations evidencing an indebtedness arising from a transfer of direct obligations of, or obligations fully guaranteed as to principal and interest by, the United States or an agency thereof that the bank is obligated to repurchase; (3) certain borrowings from securities dealers; or (4) certain subordinated notes or debentures.

For a subordinated note or debenture to be exempt from Part 329 under the amendment, it must have an original maturity of 7 years or more, be in an amount of at least $500, expressly state that it is not a deposit and is not insured by the Federal Deposit Insurance Corporation, and also state that it is subordinated to the claims of depositors. In addition, the obligation must be ineligible as collateral for a loan by the issuing bank and must be approved by the Federal Deposit Insurance Corporation as an addition to the bank's capital structure. The Corporation may approve the issuance of subordinated notes or debentures with a maturity of less than 7 years where exigent circumstances so require.

The amendment closely parallels provisions of regulations issued by the Board of Governors of the Federal Reserve System, which are applicable to member banks.

Time deposits of foreign governmental entities and international organizations. Effective February 10, 1970, the Board of Directors amended section 329.3(g) of the Corporation's rules and regulations, which exempts time deposits of foreign governmental entities and international organizations from ceilings on interest rates. The amendment clarifies the fact that the exemption applies only for foreign national governments and agencies thereof having national jurisdiction and that it does not apply for foreign states, provinces, municipalities, or other regional or local governmental units, or for agencies or instrumentalities thereof.

On March 18, 1970, in order to encourage the maintenance of time deposits belonging to foreign, international, or supranational entities in American banks, the Board of Directors designated certain entities whose time deposits are exempt from the interest-rate limitations payable on time deposits of 2 years or less. The action of the Board of Directors was effective March 6, 1970.

Brokered funds. On February 13, 1970, the Board of Directors of the Corporation approved a statement of policy concerning brokered funds. Inasmuch as the use of brokered funds has been associated with abuses in banking and has contributed to some recent bank closings, bankers were again urged to be on the alert for schemes which would expose depositors' and shareholders' funds to the risks involved in loans based on brokered "deposits."

Regulations issued by both the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation prohibit advertising of excessive yields on deposits solicited for federally supervised banks. The statement of policy advised that a bank is considered to be evading the purposes of the interest-rate regulations to the extent that it takes any part in these transactions. Where the bank pays a fee to a broker and knows or has reason to know that the fee is being shared with the depositor, the bank is also in violation of the regulations to the extent the yield to the depositor exceeds the maximum permissible rate.

Since such activities can result in "unsafe and unsound" situations and could adversely affect the overall condition of a bank, the Corporation instructed bank examiners to continue to report all cases where banks are obtaining deposits at premium rates, whatever the source of the premium, and also to scrutinize any tie-in loans. Appropriate corrective action will be required of all banks where such deposits and loans are found.

Premiums not considered payment of interest or dividends. Part 329 of the Corporation's regulations prohibits the payment of interest on demand deposits by insured nonmember banks and prescribes maximum rates of interest or dividends payable on time and savings deposits by insured nonmember commercial and mutual savings banks. A second statement of policy approved by the Board of Directors on February 13, 1970, announced that in applying these provisions on or after March 1, 1970, premiums given to depositors, whether in the form of merchandise, credit, or cash, will be considered an advertising or promotional expense rather than a payment of interest or dividends if (1) the premium is given to a depositor only at the time he opens a new account or adds to an existing account; (2) the premium is not given to any depositor on a recurring basis; and (3) the value of the premium or, in the case of articles of merchandise, the wholesale cost (excluding shipping and packaging costs) does not exceed $5, except that the value or wholesale cost may be not more than $10 if the amount of the deposit is $5,000 or more.

Until July 30, 1970, the statement of policy was also applicable to savings banks in Massachusetts not insured by the Corporation.

Information regarding computation of interest and dividends on deposits. Paragraph (f) of section 329.8 of the Corporation's rules and regulations pertains to the payment of interest and dividends on deposits, and it prohibits an insured nonmember bank from making any advertisement, announcement, or solicitation relating to the interest or dividends paid on deposits which is inaccurate or misleading or which misrepresents the deposit contracts.

The Board of Directors approved a third statement of policy on February 13, 1970, which seeks to avoid a misunderstanding on the part of a bank's customers. The statement urges every insured nonmember bank to inform the holder of a time or savings deposit, at the time of the opening of the account, as to the method that will be used in computing and paying interest or dividends on the account. This includes any provision for nonpayment of interest or dividends on deposits made after the beginning of an interest or dividend payment period or withdrawn before the end of the period. Notice of any change in the method used in computing and paying interest or dividends that will be less favorable to a depositor than the previous method should be mailed to each depositor at his last known address.

Until July 30, 1970, the statement of policy was applicable to savings banks in Massachusetts not insured by the Corporation.

Delegations of authority. In a major move to speed action on applications, the Board of Directors adopted regulations, effective December 30, 1970, which empower the Director of the Division of Bank Supervision and the Corporation's 14 Regional Directors to act on certain bank requests, under specified conditions.

Specifically, the Board delegated authority to the Director of the Division of Bank Supervision and, upon confirmation by the latter, to the Regional Director of the Region in which the applicant bank is located, to act on applications and requests from insured State nonmember banks for the Corporation's consent to (1) the establishment of teller's window, drive-in, or like facilities as adjuncts to a main office or a branch office; (2) the relocation of branches or main offices; (3) the operation of temporary banking facilities for no longer than 1 month; (4) the reduction or retirement of capital; (5) the issuance of subordinated capital debt under the provisions of section 329.10(b)(3) of the Corporation's rules and regulations; (6) the exercise of trust powers; (7) extensions of time within which to perform acts or conditions required by prior Corporation action on bank applications; and (8) minor or nominal deviations (10 percent or less of dollar requirements where applicable) from requirements prescribed by prior Corporation action. Certain administrative actions relating to bank service corporations, the Bank Protection Act of 1968, and the Securities Exchange Act of 1934 were included within the delegations.

In effect, the Director of the Division of Bank Supervision and, through him, the Regional Directors are now authorized to act upon applications in a wide range of cases which do not involve substantial changes in the overall competitive situation.

Operating instructions implementing these delegations of authority, available to the public at the various Regional offices of the Corporation and at its Washington office, have been furnished by the Director of the Division of Bank Supervision to each Regional Director.

STATISTICS OF BANKS AND DEPOSIT INSURANCE PART FOUR

NUMBER OF BANKS AND BRANCHES

Table 101. Changes in number and classification of banks and branches in the United States (States and other areas) during 1970

Table 102. Changes in number of commercial banks and branches in the United States (States and other areas) during 1970, by State

Table 103. Number of banking offices in the United States (States and other areas), December 31, 1970
Grouped according to insurance status and class of bank, and by State or area and type of office

Table 104. Number and deposits of all commercial and mutual savings banks (States and other areas), December 31, 1970
Banks grouped by class and deposit size

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.

Commerical 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; regulated certificated banks, and a savings and loan company operating under Superior Court charter in Georgia; government-operated banks in 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; 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 activties.

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.

Table 101. CHANGES IN NUMBER AND CLASSIFICATION OF BANKS AND BRANCHES IN THE UNITED STATES (STATES AND OTHER AREAS) DURING 1970

Type of change	All banks: Total	All banks: Insured	All banks: Noninsured	Commercial banks and nondeposit trust companies: Total	Insured: Total	Insured: Members F.R. System: National	Insured: Members F.R. System: State	Insured: Not members F.R. System	Noninsured: Banks of deposit	Noninsured: Nondeposit trust companies	Mutual savings banks: Total	Mutual savings banks: Insured	Mutual savings banks: Noninsured
ALL BANKING OFFICES													
Number of offices, December 31, 1970[1]	37,166	36,544	622	35,585	35,321	17,191	4,798	13,332	209	55	1,581	1,223	358
Number of offices, December 31, 1969[1]	35,582	34,959	623	34,099	33,821	16,428	4,683	12,710	221	57	1,483	1,138	345
Net change during year	+1,584	+1,585	−1	+1,486	+1,500	+763	+115	+622	−12	−2	+98	+85	+13
Offices opened	1,864	1,837	27	1,759	1,746	871	235	640	10	3	105	91	14
Banks	186	179	7	185	178	40	8	130	5	2	1	1	0
Branches	1,678	1,658	20	1,574	1,568	831	227	510	5	1	104	90	14
Offices closed	280	265	15	273	259	117	50	92	10	4	7	6	1
Banks	165	156	9	161	153	61	18	74	5	3	4	3	1
Branches	115	109	6	112	106	56	32	18	5	1	3	3	0
Change in classification	0	+13	−13	0	+13	+9	−70	+74	−12	−1	0	0	0
Among banks	0	+13	−13	0	+13	−27	−44	+84	−12	−1	0	0	0
Among branches	0	0	0	0	0	+36	−26	−10	0	0	0	0	0
BANKS													
Number of banks, December 31, 1970	14,199	13,840	359	13,705	13,511	4,621	1,147	7,743	147	47	494	329	165
Number of banks, December 31, 1969	14,178	13,804	374	13,681	13,473	4,669	1,201	7,603	159	49	497	331	166
Net change during year	+21	+36	−15	+24	+38	−48	−54	+140	−12	−2	−3	−2	−1
Banks beginning operation	186	179	7	185	178	40	8	130	5	2	1	1	0
New banks	186	179	7	185	178	40	8	130	5	2	1	1	0
Banks ceasing operation	−165	−156	−9	−161	−153	−61	−18	−74	−5	−3	−4	−3	−1
Absorptions, consolidations, and mergers	−155	−151	−4	−151	−148	−60	−18	−70	−2	−1	−4	−3	−1
Closed because of financial difficulty	−4	−4	0	−4	−4	−1	0	−3	0	0	0	0	0
Other liquidations	−4	−1	−3	−4	−1	0	0	−1	−2	−1	0	0	0
Discontinued deposit operation	−1	0	−1	−1	0	0	0	0	−1	0	0	0	0
Banks deleted from count	−1	0	−1	−1	0	0	0	0	0	−1	0	0	0
Noninsured banks becoming insured	0	+13	−13	0	+13	+1	0	+12	−12	−1	0	0	0

Other changes in classification	0	0	0	0	0	−28	−44	+72	0	0	0	0	0
National succeeding State bank	0	0	0	0	0	+11	−6	−5	0	0	0	0	0
State succeeding national bank	0	0	0	0	0	−39	0	+39	0	0	0	0	0
Withdrawal from F.R. System with continued insurance	0	0	0	0	0	0	−38	+38	0	0	0	0	0
Changes not involving number in any class													
Change in title	270	266	4	261	259	81	18	160	2	0	9	7	2
Change in location	25	25	0	23	23	9	3	11	0	0	2	2	0
Change in title and location	18	18	0	18	18	13	1	4	0	0	0	0	0
Change in name of location	8	8	0	8	8	4	0	4	0	0	0	[illegible]	0
Change in location within city	158	156	2	154	154	44	5	105	0	0	4	2	2
Changes in corporate powers													
Granted trust powers (State nonmember banks only)	52	52	0	52	52	0	0	52	0	0	0	0	0
BRANCHES													
Number of branches, December 31, 1970 [1]	22,967	22,704	263	21,880	21,810	12,570	3,651	5,589	62	8	87	894	193
Number of branches, December 31, 1969 [1]	21,404	21,155	249	20,418	20,348	11,759	3,482	5,107	62	8	986	807	179
Net change during year	+1,563	+1,549	+14	+1,462	+1,462	+811	+169	+482	0	0	+101	+87	+14
Branches opened for business	1,678	1,658	20	1,574	1,568	831	227	510	5	1	104	90	14
Facilities designated by Treasury	5	5	0	5	5	4	0	1	0	0	0	0	0
Absorbed bank converted to branch	131	129	2	128	127	79	22	26	0	1	3	2	1
Branch replacing head office relocated	26	26	0	26	26	15	1	10	0	0	0	0	0
New branches	1,496	1,479	17	1,397	1,392	724	202	466	5	0	99	87	12
Branches and/or facilities added to count [2]	20	19	1	18	18	9	2	7	0	0	2	1	1
Branches discontinued	115	109	6	112	106	56	32	18	5	1	3	3	0
Facilities designated by Treasury	4	4	0	4	4	3	0	1	0	0	0	0	0
Branches	102	96	6	99	93	46	30	17	5	1	3	3	0
Branches and/or facilities deleted from count	9	9	0	9	9	7	2	0	0	0	0	0	0
Other changes in classification	0	0	0	0	0	+36	−26	−10	0	0	0	0	0
Branches changing class as a result of conversion	0	0	0	0	0	−5	−7	+12	0	0	0	0	0
Branches transferred through absorption, consolidation, or merger	0	0	0	0	0	+41	−5	−36	0	0	0	0	0
Branches of insured banks withdrawing from FRS	0	0	0	0	0	0	−14	+14	0	0	0	0	0
Changes not involving number in any class													
Changes in operating powers of branches	7	7	0	7	7	6	0	1	0	0	0	0	0
Branches transferred through absorption, consolidation, or merger	221	218	3	214	214	188	7	19	0	0	7	4	3
Changes in title, location, or name of location	332	331	1	315	315	171	30	114	0	0	17	16	1

[1] Includes facilities established at request of the Treasury or Commanding Officer of Government installations, and also a few seasonal branches that were not in operation as of December 31.
[2] Branches opened prior to 1970 but not included in count as of December 31, 1969.

Table 102. CHANGES IN NUMBER OF COMMERCIAL BANKS AND BRANCHES IN THE UNITED STATES (STATES AND OTHER AREAS) DURING 1970, BY STATE

State	In operation				Net change during 1970		Beginning operation in 1970				Ceasing operation in 1970			
	Dec. 31, 1970		Dec. 31, 1969				Banks		Branches		Banks		Branches	
	Banks	Branches	Banks	Branches	Banks	Branches	New	Other	New	Other	Absorptions	Other	Branches	Other
Total United States	13,705	21,880	13,681	20,418	+24	+1,462	185	0	1,415	159	151	10	99	13
50 States and D.C.	13,686	21,644	13,661	20,197	+25	+1,447	185	0	1,398	159	151	9	97	13
Other Areas	19	236	20	221	−1	+15	0	0	17	0	0	1	2	0
State														
Alabama	272	272	268	247	+4	+25	4	0	23	2	0	0	0	0
Alaska	11	62	10	59	+1	+3	1	0	3	0	0	0	0	0
Arizona	12	323	12	299	NA	+24	0	0	26	0	0	0	2	0
Arkansas	250	165	249	155	+1	+10	1	0	11	0	0	0	1	0
California	152	3,033	155	2,900	−3	+133	7	0	133	10	10	0	5	5
Colorado	270	19	267	12	+3	+7	3	0	6	1	0	0	0	0
Connecticut	61	436	62	405	−1	+31	1	0	29	2	2	0	0	0
Delaware	18	87	19	79	−1	+8	0	0	8	1	1	0	1	0
District of Columbia	14	103	14	100	NA	+3	0	0	5	0	0	0	2	0
Florida	500	33	475	29	+25	+4	25	0	4	0	0	0	0	0
Georgia	441	296	433	270	+8	+26	9	0	29	0	0	1	3	0
Hawaii	10	140	11	129	−1	+11	0	0	10	1	1	0	0	0
Idaho	24	156	26	149	−2	+7	0	0	5	2	2	0	0	0
Illinois	1,108	98	1,088	74	+20	+24	20	0	23	1	0	0	0	0
Indiana	407	632	410	601	−3	+31	0	0	28	4	3	0	1	0
Iowa	666	318	668	298	−2	+20	1	0	18	2	2	1	0	0
Kansas	601	69	603	61	−2	+8	0	0	8	0	2	0	0	0
Kentucky	343	328	345	306	−2	+22	3	0	20	2	4	1	0	0
Louisiana	231	393	231	359	NC	+34	1	0	33	1	1	0	0	0
Maine	43	226	44	209	−1	+17	2	0	18	3	2	1	4	0
Maryland	115	521	122	491	−7	+30	0	0	26	7	7	0	3	0
Massachusetts	162	744	161	713	+1	+31	2	0	34	1	1	0	4	0
Michigan	331	1,203	332	1,153	−1	+50	4	0	60	4	4	1	14	0
Minnesota	729	11	724	10	+5	+1	6	0	1	0	1	0	0	0
Mississippi	182	348	181	321	+1	+27	1	0	27	0	0	0	0	0
Missouri	671	93	668	85	+3	+8	4	0	8	1	1	0	1	0
Montana	140	5	136	5	+4	NA	4	0	0	0	0	0	0	0
Nebraska	441	42	442	39	−1	+3	1	0	3	0	0	2	0	0
Nevada	8	86	8	81	NA	+5	0	0	5	0	0	0	0	0
New Hampshire	74	63	76	52	−2	+11	0	0	9	2	2	0	0	0

New Jersey	217	1,012	228	891	−11	+121	10	0	104	22	20	1	4	1
New Mexico	66	130	64	121	+2	+9	2	0	9	0	0	0	0	0
New York	311	2,441	320	2,298	−9	+143	3	0	139	12	11	1	8	0
North Carolina	98	1,119	109	1,016	−11	+103	1	0	96	12	12	0	4	1
North Dakota	169	71	169	68	NA	+3	0	0	3	0	0	0	0	0
Ohio	516	1,304	521	1,217	−5	+87	2	0	85	9	7	0	7	0
Oklahoma	434	60	426	58	+8	+2	8	0	4	1	0	0	2	1
Oregon	49	337	51	319	−2	+18	1	0	16	3	3	0	1	0
Pennsylvania	471	1,727	492	1,616	−21	+111	1	0	105	22	22	0	16	0
Rhode Island	13	171	13	161	NA	+10	0	0	11	0	0	0	1	0
South Carolina	102	418	105	380	−3	+38	0	0	38	3	3	0	3	0
South Dakota	161	98	163	94	−2	+4	0	0	2	2	2	0	0	0
Tennessee	308	488	305	449	+3	+39	4	0	42	3	1	0	3	3
Texas	1,191	76	1,166	67	+25	+9	26	0	9	0	1	0	0	0
Utah	48	139	51	126	−3	+13	1	0	10	4	4	0	1	0
Vermont	43	85	44	78	−1	+7	0	0	6	1	1	0	0	0
Virginia	233	825	233	765	NC	+60	5	0	57	8	5	0	4	1
Washington	91	558	92	523	−1	+35	7	0	27	9	8	0	1	0
West Virginia	200	5	195	5	+5	NA	5	0	0	0	0	0	0	0
Wisconsin	608	273	604	252	+4	+21	9	0	22	1	5	0	1	1
Wyoming	70	2	70	2	NA	NA	0	0	0	0	0	0	0	0
Other Areas														
Pacific Islands	0	20	0	16	NA	+4	0	0	5	0	0	0	1	0
Panama Canal Zone	0	2	0	2	NA	NA	0	0	0	0	0	0	0	0
Puerto Rico	13	190	13	183	NA	+7	0	0	8	0	0	0	1	0
Virgin Islands	6	24	7	20	−1	+4	0	0	4	0	0	1	0	0

NA—No activity
NC—No change

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1970

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	Total	Insured	Noninsured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
United States—all offices	37,166	36,544	622	35,585	35,321	17,191	4,798	13,332	209	55	1,581	1,223	358	98.5	99.4	77.4
Banks	14,199	13,840	359	13,705	13,511	4,621	1,147	7,743	147	47	494	329	165	97.8	98.9	66.6
Unit banks	*9,883*	*9,634*	*249*	*9,689*	*9,518*	*2,934*	*694*	*5,890*	*128*	*43*	*194*	*116*	*78*	*97.9*	*98.7*	*59.8*
Banks operating branches	*4,316*	*4,206*	*110*	*4,016*	*3,993*	*1,687*	*453*	*1,853*	*19*	*4*	*300*	*213*	*87*	*97.5*	*99.5*	*71.0*
Branches	22,967	22,704	263	21,880	21,810	12,570	3,651	5,589	62	8	1,087	894	193	98.9	99.7	82.2
50 States & D.C.—all offices	36,910	36,321	589	35,330	35,099	17,142	4,798	13,159	176	55	1,580	1,222	358	98.6	99.5	77.3
Banks	14,179	13,830	349	13,686	13,502	4,620	1,147	7,735	137	47	493	328	165	97.9	99.0	66.5
Unit banks	*9,874*	*9,632*	*242*	*9,681*	*9,517*	*2,934*	*694*	*5,889*	*121*	*43*	*193*	*115*	*78*	*98.0*	*98.7*	*59.6*
Banks operating branches	*4,305*	*4,198*	*107*	*4,005*	*3,985*	*1,686*	*453*	*1,846*	*16*	*4*	*300*	*213*	*87*	*97.6*	*99.6*	*71.0*
Branches	22,731	22,491	240	21,644	21,597	12,522	3,651	5,424	39	8	1,087	894	193	99.0	99.8	82.2
Other Areas—all offices	256	223	33	255	222	49	0	173	33	0	1	1	0	87.1	87.1	100.0
Banks	20	10	10	19	9	1	0	8	10	0	1	1	0	50.0	47.4	100.0
Unit banks	*9*	*2*	*7*	*8*	*1*	*0*	*0*	*1*	*7*	*0*	*1*	*1*	*0*	*22.2*	*12.5*	*100.0*
Banks operating branches	*11*	*8*	*3*	*11*	*8*	*1*	*0*	*7*	*3*	*0*	*0*	*0*	*0*	*72.7*	*72.7*	*.0*
Branches	236	213	23	236	213	48	0	165	23	0	0	0	0	90.3	90.3	.0
State																
Alabama—all offices	544	544	0	544	544	282	33	229	0	0	0	0	0	100.0	100.0	.0
Banks	272	272	0	272	272	89	20	163	0	0	0	0	0	100.0	100.0	.0
Unit banks	*183*	*183*	*0*	*183*	*183*	*42*	*15*	*126*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Banks operating branches	*89*	*89*	*0*	*89*	*89*	*47*	*5*	*37*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	272	272	0	272	272	193	13	66	0	0	0	0	0	100.0	100.0	.0
Alaska—all offices	75	74	1	73	72	60	0	12	1	0	2	2	0	98.7	98.6	100.0
Banks	13	12	1	11	10	5	0	5	1	0	2	2	0	92.3	90.9	100.0
Unit banks	*6*	*5*	*1*	*4*	*3*	*0*	*0*	*3*	*1*	*0*	*2*	*2*	*0*	*83.3*	*75.0*	*100.0*
Banks operating branches	*7*	*7*	*0*	*7*	*7*	*5*	*0*	*2*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	62	62	0	62	62	55	0	7	0	0	0	0	0	100.0	100.0	.0
Arizona—all offices	335	335	0	335	335	221	20	94	0	0	0	0	0	100.0	100.0	.0
Banks	12	12	0	12	12	3	1	8	0	0	0	0	0	100.0	100.0	.0
Unit banks	*3*	*3*	*0*	*3*	*3*	*1*	*0*	*2*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Banks operating branches	*9*	*9*	*0*	*9*	*9*	*2*	*1*	*6*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	323	323	0	323	323	218	19	86	0	0	0	0	0	100.0	100.0	.0

Arkansas—all offices	415	413	2	415	413	152	32	229	1	1	0	0	0	99.8	99.8	.0
Banks	250	248	2	250	248	69	12	167	1	1	0	0	0	99.6	99.6	.0
Unit banks	*167*	*165*	*2*	*167*	*165*	*35*	*5*	*125*	*1*	*1*	*0*	*0*	*0*	*99.4*	*99.4*	*.0*
Banks operating branches	*83*	*83*	*0*	*83*	*83*	*34*	*7*	*42*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	165	165	0	165	165	83	20	62	0	0	0	0	0	100.0	100.0	.0
California—all offices	3,185	3,172	13	3,185	3,172	2,466	298	408	0	13	0	0	0	100.0	100.0	.0
Banks	152	144	8	152	144	60	9	75	0	8	0	0	0	100.0	100.0	.0
Unit banks	*31*	*25*	*6*	*31*	*25*	*8*	*0*	*17*	*0*	*6*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Banks operating branches	*121*	*119*	*2*	*121*	*119*	*52*	*9*	*58*	*0*	*2*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	3,033	3,028	5	3,033	3,028	2,406	289	333	0	5	0	0	0	100.0	100.0	.0
Colorado—all offices	289	246	43	289	246	137	18	91	43	0	0	0	0	85.1	85.1	.0
Banks	270	227	43	270	227	122	17	88	43	0	0	0	0	84.1	84.1	.0
Unit banks	*253*	*210*	*43*	*253*	*210*	*109*	*16*	*85*	*43*	*0*	*0*	*0*	*0*	*83.0*	*83.0*	*.0*
Banks operating branches	*17*	*17*	*0*	*17*	*17*	*13*	*1*	*3*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	19	19	0	19	19	15	1	3	0	0	0	0	0	100.0	100.0	.0
Connecticut—all offices	716	713	3	497	494	247	122	125	2	1	219	219	0	99.7	99.6	100.0
Banks	130	127	3	61	58	26	4	28	2	1	69	69	0	98.4	96.7	100.0
Unit banks	*40*	*37*	*3*	*17*	*14*	*6*	*0*	*8*	*2*	*1*	*23*	*23*	*0*	*94.9*	*87.5*	*100.0*
Banks operating branches	*90*	*90*	*0*	*44*	*44*	*20*	*4*	*20*	*0*	*0*	*46*	*46*	*0*	*100.0*	*100.0*	*100.0*
Branches	586	586	0	436	436	221	118	97	0	0	150	150	0	100,0	100,0	100.0
Delaware—all offices	119	119	0	105	105	9	40	56	0	0	14	14	0	100.0	100.0	100.0
Banks	20	20	0	18	18	5	2	11	0	0	2	2	0	100.0	100.0	100.0
Unit banks	*9*	*9*	*0*	*9*	*9*	*3*	*0*	*6*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Banks operating branches	*11*	*11*	*0*	*9*	*9*	*2*	*2*	*5*	*0*	*0*	*2*	*2*	*0*	*100.0*	*100.0*	*100.0*
Branches	99	99	0	87	87	4	38	45	0	0	12	12	0	100.0	100.0	100.0
D.C.—all offices	117	117	0	117	117	78	30	9	0	0	0	0	0	100.0	100.0	.0
Banks	14	14	0	14	14	11	1	2	0	0	0	0	0	100.0	100.0	.0
Unit banks	*1*	*1*	*0*	*1*	*1*	*1*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Banks operating branches	*13*	*13*	*0*	*13*	*13*	*10*	*1*	*2*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	103	103	0	103	103	67	29	7	0	0	0	0	0	100.0	100.0	.0
Florida—all offices	533	528	5	533	528	227	10	291	2	3	0	0	0	99.6	99.6	.0
Banks	500	495	5	500	495	215	9	271	2	3	0	0	0	99.6	99.6	.0
Unit banks	*471*	*466*	*5*	*471*	*466*	*204*	*8*	*254*	*2*	*3*	*0*	*0*	*0*	*99.6*	*99.6*	*.0*
Banks operating branches	*29*	*29*	*0*	*29*	*29*	*11*	*1*	*17*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	33	33	0	33	33	12	1	20	0	0	0	0	0	100.0	100.0	.0
Georgia—all offices	737	730	7	737	730	234	46	450	7	0	0	0	0	99.1	99.1	.0
Banks	441	434	7	441	434	62	10	362	7	0	0	0	0	98.4	98.4	.0
Unit banks	*333*	*326*	*7*	*333*	*326*	*30*	*3*	*293*	*7*	*0*	*0*	*0*	*0*	*97.9*	*97.9*	*.0*
Banks operating branches	*108*	*108*	*0*	*108*	*108*	*32*	*7*	*69*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	296	296	0	296	296	172	36	88	0	0	0	0	0	100.0	100.0	.0
Hawaii—all offices	150	145	5	150	145	10	0	135	0	5	0	0	0	100.0	100.0	.0
Banks	10	7	3	10	7	1	0	6	0	3	0	0	0	100.0	100.0	.0
Unit banks	*2*	*0*	*2*	*2*	*0*	*0*	*0*	*0*	*0*	*2*	*0*	*0*	*0*	*.0*	*.0*	*.0*
Banks operating branches	*8*	*7*	*1*	*8*	*7*	*1*	*0*	*6*	*0*	*1*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	140	138	2	140	138	9	0	129	0	2	0	0	0	100.0	100.0	.0

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1970—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	Non-insured	Total	Total	National	State	Not members F. R. System	Banks of deposit [2]	Non-deposit trust companies [3]	Total	Insured	Non-insured	All banks of deposit	Commercial banks of deposit	Mutual savings banks
Idaho—all offices	180	180	0	180	180	116	34	30	0	0	0	0	0	100.0	100.0	.0
Banks	24	24	0	24	24	7	6	11	0	0	0	0	0	100.0	100.0	.0
Unit banks	*11*	*11*	*0*	*11*	*11*	*3*	*3*	*5*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Banks operating branches	*13*	*13*	*0*	*13*	*13*	*4*	*3*	*6*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	156	156	0	156	156	109	28	19	0	0	0	0	0	100.0	100.0	.0
Illinois—all offices	1,206	1,203	3	1,206	1,203	473	86	644	1	2	0	0	0	99.9	99.9	.0
Banks	1,108	1,105	3	1,108	1,105	414	78	613	1	2	0	0	0	99.9	99.9	.0
Unit banks	*1,014*	*1,011*	*3*	*1,014*	*1,011*	*358*	*70*	*583*	*1*	*2*	*0*	*0*	*0*	*99.0*	*99.9*	*.0*
Banks operating branches	*94*	*94*	*0*	*94*	*94*	*56*	*8*	*30*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	98	98	0	98	98	59	8	31	0	0	0	0	0	100.0	100.0	.0
Indiana—all offices	1,043	1,040	3	1,039	1,036	462	125	449	2	1	4	4	0	99.8	99.8	100.0
Banks	411	408	3	407	404	122	63	219	2	1	4	4	0	99.5	99.5	100.0
Unit banks	*218*	*215*	*3*	*214*	*211*	*48*	*40*	*123*	*2*	*1*	*4*	*4*	*0*	*99.1*	*99.1*	*100.0*
Banks operating branches	*193*	*193*	*0*	*193*	*193*	*74*	*23*	*96*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	632	632	0	632	632	340	62	230	0	0	0	0	0	100.0	100.0	.0
Iowa—all offices	984	976	8	984	976	153	79	744	7	1	0	0	0	99.3	99.3	.0
Banks	666	658	8	666	658	99	50	509	7	1	0	0	0	98.9	98.9	.0
Unit banks	*448*	*440*	*8*	*448*	*440*	*59*	*33*	*348*	*7*	*1*	*0*	*0*	*0*	*98.4*	*98.4*	*.0*
Banks operating branches	*218*	*218*	*0*	*218*	*218*	*40*	*17*	*161*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	318	318	0	318	318	54	29	235	0	0	0	0	0	100.0	100.0	.0
Kansas—all offices	670	669	1	670	669	205	39	425	1	0	0	0	0	99.9	99.9	.0
Banks	601	600	1	601	600	171	32	397	1	0	0	0	0	99.8	99.8	.0
Unit banks	*534*	*533*	*1*	*534*	*533*	*139*	*25*	*369*	*1*	*0*	*0*	*0*	*0*	*99.8*	*99.8*	*.0*
Banks operating branches	*67*	*67*	*0*	*67*	*67*	*32*	*7*	*28*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	69	69	0	69	69	34	7	28	0	0	0	0	0	100.0	100.0	.0
Kentucky—all offices	671	667	4	671	667	222	68	377	4	0	0	0	0	99.4	99.4	.0
Banks	343	339	4	343	339	80	14	245	4	0	0	0	0	98.8	98.8	.0
Unit banks	*208*	*204*	*4*	*208*	*204*	*36*	*6*	*162*	*4*	*0*	*0*	*0*	*0*	*98.1*	*98.1*	*.0*
Banks operating branches	*135*	*135*	*0*	*135*	*135*	*44*	*8*	*83*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	328	328	0	328	328	142	54	132	0	0	0	0	0	100.0	100.0	.0

Louisiana—all offices	624	623	1	624	623	230	47	346	1	0	0	0	0	99.8	99.8	.0
Banks	231	230	1	231	230	49	10	171	1	0	0	0	0	99.6	99.6	.0
Unit banks	98	97	1	98	97	11	1	85	1	0	0	0	0	99.0	99.0	.0
Banks operating branches	133	133	0	133	133	38	9	86	0	0	0	0	0	100.0	100.0	.0
Branches	393	393	0	393	393	181	37	175	0	0	0	0	0	100.0	100.0	.0
Maine—all offices	325	320	5	269	265	122	70	73	4	0	56	55	1	98.5	98.5	98.2
Banks	75	70	5	43	39	19	6	14	4	0	32	31	1	93.3	90.7	96.9
Unit banks	28	23	5	11	7	4	1	2	4	0	17	16	1	82.1	63.6	94.1
Banks operating branches	47	47	0	32	32	15	5	12	0	0	15	15	0	100.0	100.0	100.0
Branches	250	250	0	226	226	103	64	59	0	0	24	24	0	100.0	100.0	100.0
Maryland—all offices	684	677	7	636	629	299	75	255	7	0	48	48	0	99.0	98.9	100.0
Banks	120	119	1	115	114	42	7	65	1	0	5	5	0	99.2	99.1	100.0
Unit banks	44	44	0	44	44	11	1	32	0	0	0	0	0	100.0	100.0	.0
Banks operating branches	76	75	1	71	70	31	6	33	1	0	5	5	0	98.7	98.6	100.0
Branches	564	558	6	521	515	257	68	190	6	0	43	43	0	98.9	98.8	100.0
Massachusetts—all offices	1,306	943	363	906	900	514	171	215	6	0	400	43	357	72.2	99.3	10.7
Banks	334	166	168	162	158	86	15	57	4	0	172	8	164	49.7	97.5	4.7
Unit banks	119	39	80	40	37	22	0	15	3	0	79	2	77	32.8	92.5	2.5
Banks operating branches	215	127	88	122	121	64	15	42	1	0	93	6	87	59.1	99.2	6.5
Branches [3]	972	777	195	744	742	428	156	158	2	0	228	35	193	79.9	99.7	15.4
Michigan—all offices	1,534	1,530	4	1,534	1,530	662	531	337	3	1	0	0	0	99.8	99.8	.0
Banks	331	329	2	331	329	101	103	125	1	1	0	0	0	99.7	99.7	.0
Unit banks	129	128	1	129	128	30	38	60	0	1	0	0	0	100.0	100.0	.0
Banks operating branches	202	201	1	202	201	71	65	65	1	0	0	0	0	99.5	99.5	.0
Branches	1,203	1,201	2	1,203	1,201	561	428	212	2	0	0	0	0	99.8	99.8	.0
Minnesota—all offices	741	738	3	740	737	205	24	508	3	0	1	1	0	99.6	99.6	100.0
Banks	730	727	3	729	726	199	24	503	3	0	1	1	0	99.6	99.6	100.0
Unit banks	723	720	3	722	719	197	24	498	3	0	1	1	0	99.6	99.6	100.0
Banks operating branches	7	7	0	7	7	2	0	5	0	0	0	0	0	100.0	100.0	.0
Branches	11	11	0	11	11	6	0	5	0	0	0	0	0	100.0	100.0	.0
Mississippi—all offices	530	530	0	530	530	182	19	329	0	0	0	0	0	100.0	100.0	.0
Banks	182	182	0	182	182	38	6	138	0	0	0	0	0	100.0	100.0	.0
Unit banks	68	68	0	68	68	4	1	63	0	0	0	0	0	100.0	100.0	.0
Banks operating branches	114	114	0	114	114	34	5	75	0	0	0	0	0	100.0	100.0	.0
Branches	348	348	0	348	348	144	13	191	0	0	0	0	0	100.0	100.0	.0
Missouri—all offices	764	757	7	764	757	123	87	547	4	3	0	0	0	99.5	99.5	.0
Banks	671	664	7	671	664	98	71	495	4	3	0	0	0	99.4	99.4	.0
Unit banks	578	571	7	578	571	73	55	443	4	3	0	0	0	99.3	99.3	.0
Banks operating branches	93	93	0	93	93	25	16	52	0	0	0	0	0	100.0	100.0	.0
Branches	93	93	0	93	93	25	16	52	0	0	0	0	0	100.0	100.0	.0
Montana—all offices	145	144	1	145	144	51	43	50	0	1	0	0	0	100.0	100.0	.0
Banks	140	139	1	140	139	49	41	49	0	1	0	0	0	100.0	100.0	.0
Unit banks	135	134	1	135	134	47	39	48	0	1	0	0	0	100.0	100.0	.0
Banks operating branches	5	5	0	5	5	2	2	1	0	0	0	0	0	100.0	100.0	.0
Branches	5	5	0	5	5	2	2	1	0	0	0	0	0	100.0	100.0	.0

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1970—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
Nebraska—all offices	483	479	4	483	479	150	12	317	0	4	0	0	0	100.0	100.0	.0
Banks	441	437	4	441	437	125	11	301	0	4	0	0	0	100.0	100.0	.0
Unit banks	*401*	*397*	*4*	*401*	*397*	*101*	*10*	*286*	*0*	*4*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Banks operating branches	*40*	*40*	*0*	*40*	*40*	*24*	*1*	*15*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	42	42	0	42	42	25	1	16	0	0	0	0	0	100.0	100.0	.0
Nevada—all offices	94	94	0	94	94	65	15	14	0	0	0	0	0	100.0	100.0	.0
Banks	8	8	0	8	8	4	1	3	0	0	0	0	0	100.0	100.0	.0
Unit banks	*2*	*2*	*0*	*2*	*2*	*1*	*0*	*1*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Banks operating branches	*6*	*6*	*0*	*6*	*6*	*3*	*1*	*2*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	86	86	0	86	86	61	14	11	0	0	0	0	0	100.0	100.0	.0
New Hampshire—all offices	182	180	2	137	135	101	2	32	2	0	45	45	0	98.9	98.5	100.0
Banks	104	102	2	74	72	48	1	23	2	0	30	30	0	98.1	97.3	100.0
Unit banks	*67*	*65*	*2*	*45*	*43*	*25*	*0*	*18*	*2*	*0*	*22*	*22*	*0*	*97.0*	*95.6*	*100.0*
Banks operating branches	*37*	*37*	*0*	*29*	*29*	*23*	*1*	*5*	*0*	*0*	*8*	*8*	*0*	*100.0*	*100.0*	*100.0*
Branches	78	78	0	63	63	53	1	9	0	0	15	15	0	100.0	100.0	100.0
New Jersey—all offices	1,298	1,296	2	1,229	1,227	816	227	184	0	2	69	69	0	100.0	100.0	100.0
Banks	237	235	2	217	215	129	33	53	0	2	20	20	0	100.0	100.0	100.0
Unit banks	*56*	*54*	*2*	*48*	*46*	*22*	*5*	*19*	*0*	*2*	*8*	*8*	*0*	*100.0*	*100.0*	*100.0*
Banks operating branches	*181*	*181*	*0*	*169*	*169*	*107*	*28*	*34*	*0*	*0*	*12*	*12*	*0*	*100.0*	*100.0*	*100.0*
Branches	1,061	1,061	0	1,012	1,012	687	194	131	0	0	49	49	0	100.0	100.0	100.0
New Mexico—all offices	196	196	0	196	196	106	12	78	0	0	0	0	0	100.0	100.0	.0
Banks	66	66	0	66	66	33	6	27	0	0	0	0	0	100.0	100.0	.0
Unit banks	*17*	*17*	*0*	*17*	*17*	*8*	*2*	*7*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Banks operating branches	*49*	*49*	*0*	*49*	*49*	*25*	*4*	*20*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	130	130	0	130	130	73	6	51	0	0	0	0	0	100.0	100.0	.0
New York—all offices	3,215	3,181	34	2,752	2,718	1,434	1,114	170	27	7	463	463	0	99.2	99.0	100.0
Banks	432	408	24	311	287	169	76	42	18	6	121	121	0	95.8	94.1	100.0
Unit banks	*147*	*131*	*16*	*121*	*105*	*64*	*21*	*20*	*11*	*5*	*26*	*26*	*0*	*92.3*	*90.5*	*100.0*
Banks operating branches	*285*	*277*	*8*	*190*	*182*	*105*	*55*	*22*	*7*	*1*	*95*	*95*	*0*	*97.5*	*96.3*	*100.0*
Branches [3]	2,783	2,773	10	2,441	2,431	1,265	1,038	128	9	1	342	342	0	99.7	99.6	100.0

North Carolina—all offices	1,217	1,209	8	1,217	1,209	572	4	633	8	0	0	0	0	99.3	99.3	.0
Banks	98	97	1	98	97	22	2	73	1	0	0	0	0	99.0	99.0	.0
Unit banks	*30*	*30*	*0*	*30*	*30*	*3*	*1*	*26*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Banks operating branches	*68*	*67*	*1*	*68*	*67*	*19*	*1*	*47*	*1*	*0*	*0*	*0*	*0*	*98.5*	*98.5*	*.0*
Branches	1,119	1,112	7	1,119	1,112	550	2	560	7	0	0	0	0	99.4	99.4	.0
North Dakota—all offices	240	235	5	240	235	54	6	175	5	0	0	0	0	97.9	97.9	.0
Banks	169	166	3	169	166	42	4	120	3	0	0	0	0	98.2	98.2	.0
Unit banks	*118*	*116*	*2*	*118*	*116*	*31*	*3*	*82*	*2*	*0*	*0*	*0*	*0*	*98.3*	*98.3*	*.0*
Banks operating branches	*51*	*50*	*1*	*51*	*50*	*11*	*1*	*38*	*1*	*0*	*0*	*0*	*0*	*98.0*	*98.0*	*.0*
Branches	71	69	2	71	69	12	2	55	2	0	0	0	0	97.2	97.2	.0
Ohio—all offices	1,821	1,819	2	1,820	1,818	962	467	389	2	0	1	1	0	99.9	99.9	100.0
Banks	517	515	2	516	514	217	120	177	2	0	1	1	0	99.6	99.6	100.0
Unit banks	*238*	*236*	*2*	*237*	*235*	*68*	*64*	*103*	*2*	*0*	*1*	*1*	*0*	*99.2*	*99.2*	*100.0*
Banks operating branches	*279*	*279*	*0*	*279*	*279*	*149*	*56*	*74*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	1,304	1,304	0	1,304	1,304	745	347	212	0	0	0	0	0	100.0	100.0	.0
Oklahoma—all offices	494	493	1	494	493	243	22	228	0	1	0	0	0	100.0	100.0	.0
Banks	434	433	1	434	433	203	19	211	0	1	0	0	0	100.0	100.0	.0
Unit banks	*376*	*375*	*1*	*376*	*375*	*165*	*16*	*194*	*0*	*1*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Banks operating branches	*58*	*58*	*0*	*58*	*58*	*38*	*3*	*17*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	60	60	0	60	60	40	3	17	0	0	0	0	0	100.0	100.0	.0
Oregon—all offices	389	387	2	386	384	260	0	124	2	0	3	3	0	99.5	99.5	100.0
Banks	50	48	2	49	47	10	0	37	2	0	1	1	0	96.0	95.9	100.0
Unit banks	*20*	*18*	*2*	*20*	*18*	*3*	*0*	*15*	*2*	*0*	*0*	*0*	*0*	*90.0*	*90.0*	*.0*
Banks operating branches	*30*	*30*	*0*	*29*	*29*	*7*	*0*	*22*	*0*	*0*	*1*	*1*	*0*	*100.0*	*100.0*	*100.0*
Branches [3]	339	339	0	337	337	250	0	87	0	0	2	2	0	100.0	100.0	100.0
Pennsylvania—all offices	2,301	2,291	10	2,198	2,188	1,346	264	578	7	3	103	103	0	99.7	99.7	100.0
Banks	479	471	8	471	463	299	23	141	5	3	8	8	0	98.9	98.9	100.0
Unit banks	*220*	*213*	*7*	*219*	*212*	*139*	*9*	*64*	*4*	*3*	*1*	*1*	*0*	*98.2*	*98.1*	*100.0*
Banks operating branches	*259*	*258*	*1*	*252*	*251*	*160*	*14*	*77*	*1*	*0*	*7*	*7*	*0*	*99.6*	*99.6*	*100.0*
Branches [3]	1,822	1,820	2	1,727	1,725	1,047	241	437	2	0	95	95	0	99.9	99.9	100.0
Rhode Island—all offices	262	252	10	184	174	98	0	76	10	0	78	78	0	96.2	94.6	100.0
Banks	20	18	2	13	11	5	0	6	2	0	7	7	0	90.0	84.6	100.0
Unit banks	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*.0*	*.0*	*.0*
Banks operating branches	*20*	*18*	*2*	*13*	*11*	*5*	*0*	*6*	*2*	*0*	*7*	*7*	*0*	*90.0*	*84.6*	*100.0*
Branches	242	234	8	171	163	93	0	70	8	0	71	71	0	96.7	95.3	100.0
South Carolina—all offices	520	520	0	520	520	261	11	248	0	0	0	0	0	100.0	100.0	.0
Banks	102	102	0	102	102	19	6	77	0	0	0	0	0	100.0	100.0	.0
Unit banks	*40*	*40*	*0*	*40*	*40*	*4*	*3*	*33*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Banks operating branches	*62*	*62*	*0*	*62*	*62*	*15*	*3*	*44*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	418	418	0	418	418	242	5	171	0	0	0	0	0	100.0	100.0	.0
South Dakota—all offices	259	259	0	259	259	91	29	139	0	0	0	0	0	100.0	100.0	.0
Banks	161	161	0	161	161	33	25	103	0	0	0	0	0	100.0	100.0	.0
Unit banks	*122*	*122*	*0*	*122*	*122*	*24*	*22*	*76*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Banks operating branches	*39*	*39*	*0*	*39*	*39*	*9*	*3*	*27*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	98	98	0	98	98	58	4	36	0	0	0	0	0	100.0	100.0	.0

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1970—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	796	791	5	796	791	353	46	392	4	1	0	0	0	99.5	99.5	.0
Banks	308	304	4	308	304	77	13	214	3	1	0	0	0	99.0	99.0	.0
Unit banks	*165*	*162*	*3*	*165*	*162*	*17*	*8*	*137*	*2*	*1*	*0*	*0*	*0*	*98.8*	*98.8*	*.0*
Banks operating branches	*143*	*142*	*1*	*143*	*142*	*60*	*5*	*77*	*1*	*0*	*0*	*0*	*0*	*99.3*	*99.3*	*.0*
Branches	488	487	1	488	487	276	33	178	1	0	0	0	0	99.8	99.8	.0
Texas—all offices	1,267	1,259	8	1,267	1,259	550	58	651	8	0	0	0	0	99.4	99.4	.0
Banks	1,191	1,183	8	1,191	1,183	530	50	603	8	0	0	0	0	99.3	99.3	.0
Unit banks	*1,120*	*1,112*	*8*	*1,120*	*1,112*	*512*	*43*	*557*	*8*	*0*	*0*	*0*	*0*	*99.3*	*99.3*	*.0*
Banks operating branches	*71*	*71*	*0*	*71*	*71*	*18*	*7*	*46*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	76	76	0	76	76	20	8	48	0	0	0	0	0	100.0	100.0	.0
Utah—all offices	187	187	0	187	187	88	34	65	0	0	0	0	0	100.0	100.0	.0
Banks	48	48	0	48	48	10	6	32	0	0	0	0	0	100.0	100.0	.0
Unit banks	*28*	*28*	*0*	*28*	*28*	*5*	*3*	*20*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Banks operating branches	*20*	*20*	*0*	*20*	*20*	*5*	*3*	*12*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	139	139	0	139	139	78	28	33	0	0	0	0	0	100.0	100.0	.0
Vermont—all offices	136	135	1	128	127	75	0	52	0	1	8	8	0	100.0	100.0	100.0
Banks	49	48	1	43	42	26	0	16	0	1	6	6	0	100.0	100.0	100.0
Unit banks	*22*	*21*	*1*	*18*	*17*	*11*	*0*	*6*	*0*	*1*	*4*	*4*	*0*	*100.0*	*100.0*	*100.0*
Banks operating branches	*27*	*27*	*0*	*25*	*25*	*15*	*0*	*10*	*0*	*0*	*2*	*2*	*0*	*100.0*	*100.0*	*100.0*
Branches	87	87	0	85	85	49	0	36	0	0	2	2	0	100.0	100.0	100.0
Virginia—all offices	1,058	1,058	0	1,058	1,058	589	166	303	0	0	0	0	0	100.0	100.0	.0
Banks	233	233	0	233	233	101	42	90	0	0	0	0	0	100.0	100.0	.0
Unit banks	*82*	*82*	*0*	*82*	*82*	*27*	*18*	*37*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Banks operating branches	*151*	*151*	*0*	*151*	*151*	*74*	*24*	*53*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	825	825	0	825	825	488	124	213	0	0	0	0	0	100.0	100.0	.0
Washington—all offices	712	710	2	649	647	469	50	128	1	1	63	63	0	99.9	99.8	100.0
Banks	100	98	2	91	89	25	8	56	1	1	9	9	0	99.0	98.9	100.0
Unit banks	*44*	*42*	*2*	*42*	*40*	*8*	*3*	*29*	*1*	*1*	*2*	*2*	*0*	*97.7*	*97.6*	*100.0*
Banks operating branches	*56*	*56*	*0*	*49*	*49*	*17*	*5*	*27*	*0*	*0*	*7*	*7*	*0*	*100.0*	*100.0*	*100.0*
Branches [3]	612	612	0	558	558	444	42	72	0	0	54	54	0	100.0	100.0	100.0

West Virginia—all offices	205	205	0	205	205	85	37	83	0	0	0	0	0	100.0	100.0	.0
Banks	200	200	0	200	200	85	35	80	0	0	0	0	0	100.0	100.0	.0
Unit banks	*195*	*195*	*0*	*195*	*195*	*85*	*33*	*77*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Banks operating branches	*5*	*5*	*0*	*5*	*5*	*0*	*2*	*3*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	5	5	0	5	5	0	2	3	0	0	0	0	0	100.0	100.0	.0
Wisconsin—all offices	884	880	4	881	877	190	62	625	1	3	3	3	0	99.9	99.9	100.0
Banks	611	607	4	608	604	125	42	437	1	3	3	3	0	99.8	99.8	100.0
Unit banks	*442*	*438*	*4*	*439*	*435*	*90*	*33*	*312*	*1*	*3*	*3*	*3*	*0*	*99.8*	*99.8*	*100.0*
Banks operating branches	*169*	*169*	*0*	*169*	*169*	*35*	*9*	*125*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	273	273	0	273	273	65	20	188	0	0	0	0	0	100.0	100.0	.0
Wyoming—all offices	72	72	0	72	72	42	13	17	0	0	0	0	0	100.0	100.0	.0
Banks	70	70	0	70	70	41	13	16	0	0	0	0	0	100.0	100.0	.0
Unit banks	*68*	*68*	*0*	*68*	*68*	*40*	*13*	*15*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Banks operating branches	*2*	*2*	*0*	*2*	*2*	*1*	*0*	*1*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches	2	2	0	2	2	1	0	1	0	0	0	0	0	100.0	100.0	.0
Other Areas																
Pacific Islands—all offices [4]	20	9	11	20	9	5	0	4	11	0	0	0	0	45.0	45.0	.0
Banks	0	0	0	0	0	0	0	0	0	0	0	0	0	.0	.0	.0
Unit banks	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*.0*	*.0*	*.0*
Banks operating branches	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*.0*	*.0*	*.0*
Branches [5]	20	9	11	20	9	5	0	4	11	0	0	0	0	45.0	45.0	.0
Panama Canal Zone—all offices	2	0	2	2	0	0	0	0	2	0	0	0	0	.0	.0	.0
Banks	0	0	0	0	0	0	0	0	0	0	0	0	0	.0	.0	.0
Unit banks	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*.0*	*.0*	*.0*
Banks operating branches	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*.0*	*.0*	*.0*
Branches [6]	2	0	2	2	0	0	0	0	2	0	0	0	0	.0	.0	.0
Puerto Rico—all offices	204	189	15	203	188	19	0	169	15	0	1	1	0	92.6	92.6	100.0
Banks	14	9	5	13	8	0	0	8	5	0	1	1	0	64.3	61.5	100.0
Unit banks	*4*	*2*	*2*	*3*	*1*	*0*	*0*	*1*	*2*	*0*	*1*	*1*	*0*	*50.0*	*33.3*	*100.0*
Banks operating branches	*10*	*7*	*3*	*10*	*7*	*0*	*0*	*7*	*3*	*0*	*0*	*0*	*0*	*70.0*	*70.0*	*.0*
Branches [7]	190	180	10	190	180	19	0	161	10	0	0	0	0	94.7	94.7	.0
Virgin Islands—all offices	30	25	5	30	25	25	0	0	5	0	0	0	0	83.3	83.3	.0
Banks	6	1	5	6	1	1	0	0	5	0	0	0	0	16.7	16.7	.0
Unit banks	*5*	*0*	*5*	*5*	*0*	*0*	*0*	*0*	*5*	*0*	*0*	*0*	*0*	*.0*	*.0*	*.0*
Banks operating branches	*1*	*1*	*0*	*1*	*1*	*1*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*100.0*	*100.0*	*.0*
Branches [8]	24	24	0	24	24	24	0	0	0	0	0	0	0	100.0	100.0	.0

Table 103. NUMBER OF BANKING OFFICES IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1970—CONTINUED

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

[1] Nondeposit trust companies are excluded in computing these percentages.

[2] Includes 13 noninsured branches of insured banks; 11 branches in the Pacific Islands and 2 in the Panama Canal Zone.

[3] Massachusetts: 1 branch operated by a noninsured bank in New York.
New York: 14 branches operated by 3 insured banks in Puerto Rico (not members of F. R. System).
Oregon: 1 branch operated by a national bank in California.
Pennsylvania: 2 branches—1 operated by a noninsured bank in New York and 1 operated by a national bank in New Jersey.
Washington: 2 branches operated by a national bank in California.

[4] United States possessions (American Samoa, Guam, Midway Islands, and Wake Island); Trust Territories (Kwajalein, Majuro, Palau Islands, Ponape Island, Saipan, and Truk).

[5] Pacific Islands: 20 branches.
American Samoa (Pago Pago): 1 insured branch operated by an insured bank in Hawaii (not member of F. R. System).
Caroline Islands on Truk: 1 noninsured branch operated by a national bank in California.
Mariana Islands: 6 branches (4 insured on Guam and 2 noninsured on Saipan) operated by a national bank in California.
Guam: 4 insured branches operated by 2 insured banks in Hawaii (not members of F. R. System) and by a national bank in New York.
Caroline Islands: 3 noninsured branches (1 on Palau Islands [Koror], 1 on Ponape Island [Kolonia], 1 on Yap Island [Colonia]) operated by an insured bank in Hawaii (not member of F. R. System).
Marshall Islands: Kwajalein—2 noninsured branches operated by an insured bank in Hawaii (not member of F. R. System). Majuro—1 noninsured branch operated by a national bank in California.
Midway Islands on Sand Island: 1 noninsured branch operated by an insured bank in Hawaii (not member of F. R. System).
Wake Island: 1 noninsured branch operated by an insured bank in Hawaii (not member of F. R. System).

[6] Panama Canal Zone: 2 noninsured branches operated by 2 national banks in New York.

[7] Puerto Rico: 19 insured branches operated by 2 national banks in New York.

[8] Virgin Islands: 16 insured branches operated by 2 national banks in New York and by 1 national bank in California.

Table 104. NUMBER AND DEPOSITS OF ALL COMMERCIAL AND MUTUAL SAVINGS BANKS, (STATES AND OTHER AREAS), DECEMBER 31, 1970

BANKS GROUPED BY CLASS AND DEPOSIT SIZE

Deposit size (in dollars)	All banks	Insured commercial banks				Non-insured banks and trust companies	Mutual savings banks	
		Total	Members F.R. System		Non-members F.R. System		Insured	Non-insured
			National	State				
Number of banks								
Less than 1 million	295	192	24	5	163	103	0	0
1 to 2 million	929	908	97	37	774	20	0	1
2 to 5 million	3,304	3,277	636	203	2,438	19	6	2
5 to 10 million	3,493	3,449	1,132	271	2,046	14	14	16
10 to 25 million	3,501	3,388	1,456	313	1,619	12	63	38
25 to 50 million	1,337	1,210	624	140	446	6	71	50
50 to 100 million	643	536	305	61	170	10	60	37
100 to 500 million	535	426	265	84	77	10	79	20
500 million to 1 billion	97	69	45	14	10	0	27	1
1 billion or more	65	56	37	19	0	0	9	0
Total	**14,199**	**13,511**	**4,621**	**1,147**	**7,743**	**194**	**329**	**165**
			(In thousands of dollars)					
Amount of deposits								
Less than 1 million	170,266	141,563	18,139	3,127	120,297	28,703	0	0
1 to 2 million	1,452,010	1,418,868	154,250	61,030	1,203,588	31,146	0	1,996
2 to 5 million	11,304,488	11,206,071	2,277,515	730,602	8,197,954	65,280	25,339	7,798
5 to 10 million	25,330,415	24,988,903	8,372,812	2,005,608	14,610,483	116,096	97,292	128,124
10 to 25 million	54,386,752	52,335,634	22,868,077	4,992,252	24,475,305	217,374	1,141,626	692,118
25 to 50 million	46,428,297	41,766,517	21,626,316	4,981,953	15,158,248	261,299	2,544,348	1,856,133
50 to 100 million	44,810,679	37,090,858	21,045,550	4,265,228	11,780,080	686,394	4,468,422	2,565,005
100 to 500 million	114,556,289	90,126,507	58,462,457	17,723,278	13,940,772	1,599,343	19,342,331	3,488,108
500 million to 1 billion	68,992,939	49,022,812	33,397,740	9,546,009	6,079,063	0	19,307,583	662,544
1 billion or more	190,172,964	174,416,122	117,212,801	57,203,321	0	0	15,756,842	0
Total	**557,605,099**	**482,513,855**	**285,435,657**	**101,512,408**	**95,565,790**	**3,005,635**	**62,683,783**	**9,401,826**

ASSETS AND LIABILITIES OF BANKS

Table 105. Assets and liabilities of all commercial banks in the United States (States and other areas), June 30, 1970
Banks grouped by insurance status and class of bank

Table 106. Assets and liabilities of all commercial banks in the United States (States and other areas), December 31, 1970
Banks grouped by insurance status and class of bank

Table 107. Assets and liabilities of all mutual savings banks in the United States (States and other areas), June 30, 1970, and December 31, 1970
Banks grouped by insurance status

Table 108. Assets and liabilities of insured commercial banks in the United States (States and other areas), December call dates, 1961, 1966-1970

Table 109. Assets and liabilities of insured mutual savings banks in the United States (States and other areas), December call dates, 1961, 1966-1970

Table 110. Percentages of assets and liabilities of insured commercial banks operating throughout 1970 in the United States (States and other areas), December 31, 1970
Banks grouped by amount of deposits

Table 111. Percentages of assets and liabilities of insured mutual savings banks operating throughout 1970 in the United States (States and other areas), December 31, 1970
Banks grouped by amount of deposits

Table 112. Distribution of insured commercial banks in the United States (States and other areas), December 31, 1970
Banks grouped according to amount of deposits and by ratios of selected items to assets or deposits

Before 1969, statements of assets and liabilities were submitted by insured commercial banks on either a cash or an accrual basis, depending upon the bank's method of bookkeeping. In 1969, insured commercial banks having resources of $50 million or more, and beginning in 1970, $25 million or more, were required to report their assets and liabilities on the basis of accrual accounting. Where the results are not significantly different, particular accounts may be reported on a cash basis. Banks not subject to full accrual accounting are required to report the installment loan function on an accrual basis, or else to submit a statement of unearned income on installment loans carried in surplus accounts. All banks are required to report income taxes on an accrual basis.

All majority-owned premises subsidiaries are fully consolidated in 1969 and subsequent reports. Consolidation is required of other majority-owned domestic subsidiaries (but not domestic commercial bank subsidiaries) meeting either of the following criteria: any subsidiary in which the bank's investment represents 5 percent or more of its equity capital accounts, *or* any subsidiary whose gross operating revenues amount to 5 percent of the bank's gross revenues.

In the case of insured banks with branches outside the 50 States, net amounts due from such branches are included in "Other assets," and net amounts due to such branches are included in "Other liabilities." Branches of insured banks outside the 50 States are treated as separate entities but are not included in the count of banks. Data for such branches are not included in the figures for the States in which the parent banks are located.

Prior to 1969, securities held by commercial banks were reported net of valuation reserves; total loans were reported both gross (before deductions for reserves) and net, the latter included in "Total assets." Beginning in 1969, loans and securities are shown on a gross basis in "Total assets" of commerical banks. All reserves on loans and securities, including the reserves for bad debts set up pursuant to Internal Revenue Service rulings, are included in "Reserves on loans and securities" on the liability side of the balance sheet.

Individual loan items are reported gross. Installment loans, however, are ordinarily reported net if the installment payments are applied directly to the reduction of the loan. Such loans are reported gross if, under contract, the payments do not immediately reduce the unpaid balances of the loan but are assigned or pledged to assure repayment at maturity.

The category "Trading account securities" was added to the condition report of commercial banks in 1969 to obtain this segregation for banks that regularly deal in securities with other banks or with the public. Banks occasionally holding securities purchased for possible resale report these under "Investment securities."

Assets and liabilities held in or administered by a savings, bond, insurance, real estate, foreign, or any other department of a bank, except a trust department, are consolidated with the respective assets and liabilities of the commercial department. "Deposits of individuals, partnerships, and corporations" includes trust funds deposited by a trust department in a commercial or savings department. Other assets held in trust are not included in statements of assets and liabilities.

Demand balances with, and demand deposits due to, banks in the United States, except private banks and American branches of foreign banks, exclude reciprocal interbank deposits. (Reciprocal interbank deposits arise when two banks maintain deposit accounts with each other.)

Asset and liability data for noninsured banks are tabulated from reports pertaining to the individual banks. In a few cases, these reports are not as detailed as those submitted by insured banks.

Additional data on assets and liabilities of all banks as of June 30, 1970, and December 31, 1970, are shown in the Corporation's semiannual publication *Assets and Liabilities—Commercial and Mutual Savings Banks.*

Sources of data. Insured banks: see p. 213; noninsured banks: State banking authorities; and reports from individual banks.

Table 105. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1970

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks					Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System	Total	Banks of deposit [2]	Nondeposit trust companies [4]
			Total	National	State [1]				
Total assets	534,932,157	529,911,148	431,543,317	314,334,409	117,208,908	98,367,831	5,021,009	1,616,928	404,081
Cash, reserves, balances with banks, and collection items—total	85,909,632	85,086,666	75,598,145	52,000,544	23,597,601	9,488,521	822,966	771,472	51,494
Currency and coin	7,141,544	7,106,654	5,487,542	4,150,768	1,336,774	1,619,112	34,890	34,446	444
Reserve with Federal Reserve banks (member banks)	21,532,330	21,532,330	21,532,330	16,285,978	5,246,352	0	0	0	0
Demand balances with banks in U.S. (except American branches of foreign banks)	18,035,319	17,370,388	10,452,787	8,361,267	2,091,520	6,917,601	664,931	621,697	43,234
Other balances with banks in United States	285,151	254,858	167,856	143,624	24,232	87,002	30,293	22,589	7,704
Balances with banks in foreign countries	399,524	343,840	315,928	187,003	128,925	27,912	55,684	55,591	93
Cash items in process of collection	38,515,764	38,478,596	37,641,702	22,871,904	14,769,798	836,894	37,168	37,149	19
Securities—total	127,700,683	126,449,958	95,491,472	71,526,495	23,964,977	30,958,486	1,250,725	1,016,284	234,441
U.S. Treasury securities	51,860,255	51,390,820	37,344,965	28,212,097	9,132,868	14,045,855	469,435	424,135	45,300
Securities of other U.S. Government agencies and corporations	10,198,281	9,995,016	6,152,716	4,790,965	1,361,751	3,842,300	203,265	192,879	10,386
Obligations of States and subdivisions	63,152,940	62,709,981	50,127,351	37,064,271	13,063,080	12,582,630	442,959	333,053	109,906
Other securities	2,489,207	2,354,141	1,866,440	1,459,162	407,278	487,701	135,066	66,217	68,849
Investment securities—total	124,721,827	123,475,545	92,566,512	69,482,585	23,083,927	30,909,033	1,246,282	1,011,841	234,441
U.S. Treasury securities	*50,982,270*	*50,517,278*	*36,495,081*	*27,567,557*	*8,927,524*	*14,022,197*	*464,992*	*419,692*	*45,300*
Securities of other U.S. Government agencies and corporations	*9,777,131*	*9,573,866*	*5,748,377*	*4,509,768*	*1,238,609*	*3,825,489*	*203,265*	*192,879*	*10,386*
Obligations of States and subdivisions	*61,519,591*	*61,076,632*	*48,500,775*	*35,989,743*	*12,511,032*	*12,575,857*	*442,959*	*333,053*	*109,906*
Other securities	*2,442,835*	*2,307,769*	*1,822,279*	*1,415,517*	*406,762*	*485,490*	*135,066*	*66,217*	*68,849*
Trading account securities—total	2,978,856	2,974,413	2,924,960	2,043,910	881,050	49,453	4,443	4,443	0
U.S. Treasury securities	*877,985*	*873,542*	*849,884*	*644,540*	*205,344*	*23,658*	*4,443*	*4,443*	*0*
Securities of other U.S. Government agencies and corporations	*421,150*	*421,150*	*404,339*	*281,197*	*123,142*	*16,811*	*0*	*0*	*0*
Obligations of States and subdivisions	*1,633,349*	*1,633,349*	*1,626,576*	*1,074,528*	*552,048*	*6,773*	*0*	*0*	*0*
Other securities	*46,372*	*46,372*	*44,161*	*43,645*	*516*	*2,211*	*0*	*0*	*0*
Federal funds sold and securities purchased under agreements to resell—total	11,203,002	10,877,751	8,277,105	6,544,113	1,732,992	2,600,646	325,251	322,701	2,550
With domestic commercial banks	10,672,712	10,350,461	7,766,063	6,074,469	1,691,594	2,584,398	322,251	319,701	2,550
With brokers and dealers in securities	339,740	336,740	330,494	298,697	31,797	6,246	3,000	3,000	0
With others	190,550	190,550	180,548	170,947	9,601	10,002	0	0	0

Other loans and discounts—total	**288,152,972**	**286,052,783**	**233,372,281**	**170,666,608**	**62,705,673**	**52,680,502**	**2,100,189**	**2,054,572**	**45,617**
Real estate loans—total	71,291,260	70,961,829	53,519,027	40,846,231	12,672,796	17,442,802	329,431	313,921	15,510
Secured by farmland	*4,054,310*	*4,029,714*	*1,973,418*	*1,548,587*	*424,831*	*2,056,296*	*24,596*	*24,014*	*582*
Secured by residential properties:									
Secured by 1- to 4-family residential properties:									
Insured by Federal Housing Administration	*7,223,513*	*7,121,922*	*6,251,866*	*5,216,019*	*1,035,847*	*870,056*	*101,591*	*101,274*	*317*
Guaranteed by Veterans Administration	*2,575,045*	*2,521,351*	*2,176,995*	*1,749,294*	*427,701*	*344,356*	*53,694*	*53,367*	*327*
Not insured or guaranteed by FHA or VA	*31,733,090*	*31,643,881*	*23,347,843*	*18,254,813*	*5,093,030*	*8,296,038*	*89,209*	*83,155*	*6,054*
Secured by multifamily (5 or more) residential properties:									
Insured by Federal Housing Administration	*576,921*	*574,539*	*526,306*	*282,732*	*243,574*	*48,233*	*2,382*	*2,382*	*0*
Not insured by FHA	*2,736,220*	*2,731,858*	*2,206,608*	*1,476,848*	*729,760*	*525,250*	*4,362*	*4,362*	*0*
Secured by other properties	*22,392,161*	*22,338,564*	*17,035,991*	*12,317,938*	*4,718,053*	*5,302,573*	*53,597*	*45,367*	*8,230*
Loans to domestic commercial and foreign banks	2,536,373	2,457,448	2,228,151	1,356,672	871,479	229,297	78,925	78,925	0
Loans to other financial institutions	14,452,033	14,307,600	13,466,670	8,915,621	4,551,049	840,930	144,433	144,385	48
Loans to brokers and dealers in securities	3,972,371	3,885,941	3,748,746	1,705,322	2,043,424	137,195	86,430	82,210	4,220
Other loans for purchasing or carrying securities	3,568,615	3,545,295	2,922,666	1,971,187	951,479	622,629	23,320	16,457	6,863
Loans to farmers (excluding loans on real estate)	11,258,947	11,240,836	6,641,153	5,556,779	1,084,374	4,599,683	18,111	17,904	207
Commercial and industrial loans (incl. open market paper)	109,321,072	108,278,105	95,548,469	67,743,184	27,805,285	12,729,636	1,042,967	1,032,055	10,912
Other loans to individuals—total	64,574,674	64,270,398	48,791,586	37,905,364	10,886,222	15,478,812	304,276	300,941	3,335
Passenger automobile instalment loans	*22,580,650*	*22,466,491*	*16,112,958*	*13,092,184*	*3,020,774*	*6,353,533*	*114,159*	*112,910*	*1,249*
Credit cards and related plans:									
Retail (charge account) credit card plans	*3,054,467*	*3,054,462*	*2,766,909*	*2,208,081*	*558,828*	*287,553*	*5*	*5*	*0*
Check credit and revolving credit plans	*1,183,703*	*1,182,240*	*1,037,364*	*721,552*	*315,812*	*144,876*	*1,463*	*1,463*	*0*
Other retail consumer instalment loans	*7,003,526*	*6,981,796*	*5,023,574*	*4,128,137*	*895,437*	*1,958,222*	*21,730*	*21,506*	*224*
Residential repair and modernization instalment loans	*3,623,000*	*3,616,790*	*2,818,570*	*2,111,541*	*707,029*	*798,220*	*6,210*	*6,066*	*144*
Other instalment loans for personal expenditures	*10,113,629*	*10,032,922*	*7,378,527*	*5,621,052*	*1,757,475*	*2,654,395*	*80,707*	*79,721*	*986*
Single-payment loans for personal expenditures	*17,015,699*	*16,935,697*	*13,653,684*	*10,022,817*	*3,630,867*	*3,282,013*	*80,002*	*79,270*	*732*
All other loans (including overdrafts)	7,177,627	7,105,331	6,505,813	4,666,248	1,839,565	599,518	72,296	67,774	4,522
Total loans and securities	**427,056,657**	**423,380,492**	**337,140,858**	**248,737,216**	**88,403,642**	**86,239,634**	**3,676,165**	**3,393,557**	**282,608**
Bank premises, furniture and fixtures, and other assets representing bank premises	8,598,407	8,549,723	6,911,637	5,334,964	1,576,673	1,638,086	48,684	31,003	17,681
Real estate owned other than bank premises	397,957	388,435	291,453	231,747	59,706	96,982	9,522	5,349	4,173
Investments in subsidiaries not consolidated	738,663	718,234	709,850	558,695	151,155	8,384	20,429	4,936	15,493
Customers' liability on acceptances outstanding	4,034,721	3,954,569	3,793,198	2,231,073	1,562,125	161,371	80,152	80,152	0
Other assets	8,196,120	7,833,029	7,098,176	5,240,170	1,858,006	734,853	363,091	330,459	32,632
Total liabilities, reserves, and capital accounts	**534,932,157**	**529,911,148**	**431,543,317**	**314,334,409**	**117,208,908**	**98,367,831**	**5,021,009**	**1,616,928**	**404,081**
Business and personal deposits—total	**358,526,294**	**356,622,276**	**280,818,087**	**209,581,343**	**71,236,744**	**75,804,189**	**1,904,018**	**1,757,011**	**147,007**
Individuals, partnerships, and corporations—demand	165,367,055	164,400,237	133,159,243	98,062,966	35,096,277	31,240,994	966,818	847,561	119,257
Individuals, partnerships, and corporations—time	182,858,307	182,113,347	138,471,657	106,700,592	31,771,065	43,641,690	744,960	717,210	27,750
Savings deposits	*94,608,364*	*94,309,625*	*73,287,600*	*56,517,486*	*16,770,114*	*21,022,025*	*298,739*	*281,254*	*17,485*
Deposits accumulated for payment of personal loans	*949,566*	*942,743*	*714,209*	*536,349*	*177,860*	*228,534*	*6,823*	*6,803*	*20*
Other deposits of individuals, partnerships, and corporations	*87,300,377*	*86,860,979*	*64,469,848*	*49,646,757*	*14,823,091*	*22,391,131*	*439,398*	*429,153*	*10,245*
Certified and officers' checks, letters of credit, travelers' checks, etc.	10,300,932	10,108,692	9,187,187	4,817,785	4,369,402	921,505	192,240	192,240	0

Table 105. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1970—CONTINUED

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks					Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System	Total	Banks of deposit [2]	Nondeposit trust companies [4]
			Total	National	State [1]				
Government deposits—total	**42,806,580**	**42,555,592**	**33,330,985**	**26,090,569**	**7,240,416**	**9,224,607**	**250,988**	**249,001**	**1,987**
United States Government—demand	8,099,047	8,049,504	6,960,409	5,069,841	1,890,568	1,089,095	49,543	47,556	1,987
United States Government—time	209,947	209,865	171,779	137,160	34,619	38,086	82	82	0
States and subdivisions—demand	17,218,413	17,091,018	12,972,777	10,244,879	2,727,898	4,118,241	127,395	127,395	0
States and subdivisions—time	17,279,173	17,205,205	13,226,020	10,638,689	2,587,331	3,979,185	73,968	73,968	0
Domestic interbank deposits—total	**24,514,952**	**24,328,373**	**23,411,715**	**14,106,036**	**9,305,679**	**916,658**	**186,579**	**186,279**	**300**
Commercial banks in the United States—demand	22,782,246	22,738,538	21,957,959	13,414,102	8,543,857	780,579	43,708	43,408	300
Commercial banks in the United States—time	511,144	510,344	421,228	216,282	204,946	89,116	800	800	0
Mutual savings banks in the United States—demand	1,079,761	985,280	939,657	404,170	535,487	45,623	94,481	94,481	0
Mutual savings banks in the United States—time	141,801	94,211	92,871	71,482	21,389	1,340	47,590	47,590	0
Foreign government and bank deposits—total	**10,802,161**	**10,465,573**	**10,225,504**	**6,041,205**	**4,184,299**	**240,069**	**336,588**	**335,090**	**1,498**
Foreign governments, central banks, etc.—demand	1,009,104	942,301	922,250	496,313	425,937	20,051	66,803	66,475	328
Foreign governments, central banks, etc.—time	6,858,406	6,796,190	6,730,052	4,140,009	2,590,043	66,138	62,216	61,216	1,000
Banks in foreign countries—demand	2,581,676	2,395,089	2,314,274	1,218,588	1,095,686	80,815	186,587	186,417	170
Banks in foreign countries—time	352,975	331,993	258,928	186,295	72,633	73,065	20,982	20,982	0
Total deposits	**436,649,987**	**433,971,814**	**347,786,291**	**255,819,153**	**91,967,138**	**86,185,523**	**2,678,173**	**2,527,381**	**150,792**
Demand	*228,438,234*	*226,710,659*	*188,413,756*	*133,728,644*	*54,685,112*	*38,296,903*	*1,727,575*	*1,605,533*	*122,042*
Time	*208,211,753*	*207,261,155*	*159,372,535*	*122,090,509*	*37,282,026*	*47,888,620*	*950,598*	*921,848*	*28,750*
Miscellaneous liabilities—total	**50,112,865**	**48,400,620**	**45,292,746**	**30,601,223**	**14,691,523**	**3,107,874**	**1,712,245**	**1,660,596**	**51,649**
Federal funds purchased (borrowed) and securities sold under agreements to repurchase	15,715,639	15,627,626	15,170,643	11,345,773	3,824,870	456,983	88,013	88,013	0
Other liabilities for borrowed money	2,928,141	2,632,086	2,346,797	1,715,142	631,655	285,289	296,055	284,370	11,685
Mortgage indebtedness	704,697	702,231	564,160	352,248	211,912	138,071	2,466	2,466	0
Acceptances outstanding	4,129,269	4,028,523	3,866,749	2,268,652	1,598,097	161,774	100,746	100,746	0
Other liabilities	26,635,119	25,410,154	23,344,397	14,919,408	8,424,989	2,065,757	1,224,965	1,185,001	39,964
Total liabilities	**486,762,852**	**482,372,434**	**393,079,037**	**286,420,376**	**106,658,661**	**89,293,397**	**4,390,418**	**4,187,977**	**202,441**
Minority interest in consolidated subsidiaries	**3,971**	**3,383**	**831**	**812**	**19**	**2,552**	**588**	**0**	**588**

Reserves on loans and securities—total	**6,260,351**	**6,240,888**	**5,272,183**	**3,800,316**	**1,471,867**	**968,705**	**19,463**	**18,549**	**914**
Reserve for bad debt losses on loans	5,942,459	5,930,886	5,076,852	3,670,186	1,406,666	854,034	11,573	10,905	668
Other reserves on loans	126,950	125,495	65,248	41,502	23,746	60,247	1,455	1,455	0
Reserves on securities	190,942	184,507	130,083	88,628	41,455	54,424	6,435	6,189	246
Capital accounts—total	**41,904,983**	**41,294,443**	**33,191,266**	**24,112,905**	**9,078,361**	**8,103,177**	**610,540**	**410,402**	**200,138**
Capital notes and debentures	2,142,779	2,052,091	1,806,518	1,136,734	669,784	245,573	90,688	90,688	0
Equity capital—total	39,762,204	39,242,352	31,384,748	22,976,171	8,408,577	7,857,604	519,852	319,714	200,138
Preferred stock	*112,154*	*107,614*	*95,747*	*62,583*	*33,164*	*11,867*	*4,540*	*4,540*	*0*
Common stock	*11,033,526*	*10,902,703*	*8,611,012*	*6,356,970*	*2,254,042*	*2,291,691*	*130,823*	*75,358*	*55,465*
Surplus	*17,760,426*	*17,599,075*	*14,361,377*	*10,438,277*	*3,923,100*	*3,237,698*	*161,351*	*124,447*	*36,904*
Undivided profits	*9,788,762*	*9,622,386*	*7,493,932*	*5,437,743*	*2,056,189*	*2,128,454*	*166,376*	*79,660*	*86,716*
Reserve for contingencies and other capital reserves	*1,067,336*	*1,010,574*	*822,680*	*680,598*	*142,082*	*187,894*	*56,762*	*35,709*	*21,053*
PERCENTAGES									
Of total assets:									
Cash and balances with other banks	16.1%	16.1%	17.5%	16.5%	20.1%	9.6%	16.4%	16.7%	12.7%
U.S. Treasury securities and securities of other U.S. Government agencies and corporations	11.4	11.3	9.8	10.2	8.7	18.1	13.3	13.3	13.8
Other securities	12.5	12.5	12.3	12.6	11.8	13.3	11.6	8.7	44.2
Loans and discounts (including Federal funds sold and securities purchased under agreements to resell)	56.0	56.0	56.0	56.4	55.0	56.2	48.3	51.5	11.9
Other assets	4.1	4.0	4.4	4.3	4.4	2.7	10.4	9.8	17.3
Total capital accounts [5]	7.9	7.8	7.7	7.7	7.7	8.2	17.8 [3]	13.2 [3]	49.5
Of total assets other than cash and U.S. Treasury securities:									
Total capital accounts [5]	10.6	10.5	10.4	10.3	10.7	10.8	23.5 [3]	17.4 [3]	65.1
Number of banks	13,690	13,487	5,804	4,638	1,166	7,683	203	154	49

[1] Excludes 1 noninsured trust company in Massachusetts not engaged in deposit banking.

[2] 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.

[3] Data for branches of foreign banks referred to in the previous footnote have been excluded in computing this ratio for noninsured banks of deposit and in total columns.

[4] Amounts shown as deposits are special accounts and uninvested trust funds, with the latter classified as demand deposits of individuals, partnerships, and corporations. Includes 1 trust company, a member of the Federal Reserve System.

[5] Only asset and liability data are included for branches located in "other areas" of banks headquartered in one of the 50 States; because no capital is allocated to these branches, they are excluded from the computation of ratios of capital accounts to assets.

Note: Further information on the reports of assets and liabilities of banks may be found on page 191.

Table 106. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1970

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks					Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System	Total	Banks of deposit [1]	Nondeposit trust companies [3]
			Total	National	State				
Total assets	581,536,361	576,350,801	468,079,443	342,619,142	125,460,301	108,271,358	5,185,560	4,788,489	397,071
Cash, reserves, balances with banks, and collection items—total	94,029,650	93,048,095	81,589,882	56,118,102	25,471,780	11,458,213	981,555	927,729	53,826
Currency and coin	7,108,147	7,084,430	5,458,344	4,170,463	1,287,881	1,626,086	23,717	23,164	553
Reserve with Federal Reserve banks (member banks)	23,325,123	23,325,123	23,325,123	16,389,622	6,935,501	0	0	0	0
Demand balances with banks in U.S. (except American branches of foreign banks)	21,806,059	21,088,737	12,685,561	9,928,136	2,757,425	8,403,176	717,322	675,272	42,050
Other balances with banks in United States	1,522,694	1,401,661	1,062,245	921,152	141,093	339,416	121,033	109,820	11,213
Balances with banks in foreign countries	475,948	395,356	344,758	224,122	120,636	50,598	80,592	80,592	0
Cash items in process of collection	39,791,679	39,752,788	38,713,851	24,484,607	14,229,244	1,038,937	38,891	38,881	10
Securities—total	148,403,234	147,218,922	112,043,806	84,246,852	27,796,954	35,175,116	1,184,312	969,449	214,863
U.S. Treasury securities	62,019,003	61,616,966	45,420,445	34,223,491	11,196,954	16,196,521	402,037	367,141	34,896
Securities of other U.S. Government agencies and corps	13,459,256	13,277,707	8,680,486	6,681,300	1,999,186	4,597,221	181,549	168,800	12,749
Obligations of States and subdivisions	69,844,469	69,390,338	55,680,891	41,541,587	14,139,304	13,709,447	454,131	345,904	108,227
Other securities	3,080,506	2,933,911	2,261,984	1,800,474	461,510	671,927	146,595	87,604	58,991
Investment securities—total	142,736,921	141,554,863	106,455,254	80,242,479	26,212,775	35,099,609	1,182,058	967,195	214,863
U.S. Treasury securities	*59,280,214*	*58,880,431*	*42,725,323*	*32,211,784*	*10,513,539*	*16,155,108*	*399,783*	*364,887*	*34,896*
Securities of other U.S. Government agencies and corps	*12,662,608*	*12,481,059*	*7,900,022*	*6,158,087*	*1,741,935*	*4,581,037*	*181,549*	*168,800*	*12,749*
Obligations of States and subdivisions	*67,868,524*	*67,414,393*	*53,719,296*	*40,223,446*	*13,495,850*	*13,695,097*	*454,131*	*345,904*	*108,227*
Other securities	*2,925,575*	*2,778,980*	*2,110,613*	*1,649,162*	*461,451*	*668,367*	*146,595*	*87,604*	*58,991*
Trading account securities—total	5,666,313	5,664,059	5,588,552	4,004,373	1,584,179	75,507	2,254	2,254	0
U.S. Treasury securities	*2,738,789*	*2,736,535*	*2,695,122*	*2,011,707*	*683,415*	*41,413*	*2,254*	*2,254*	*0*
Securities of other U.S. Government agencies and corps	*796,648*	*796,648*	*780,464*	*523,213*	*257,251*	*16,184*	*0*	*0*	*0*
Obligations of States and subdivisions	*1,975,945*	*1,975,945*	*1,961,595*	*1,318,141*	*643,454*	*14,350*	*0*	*0*	*0*
Other securities	*154,931*	*154,931*	*151,371*	*151,312*	*59*	*3,560*	*0*	*0*	*0*
Federal funds sold and securities purchased under agreements to resell—total	16,251,177	15,952,321	12,687,146	10,435,738	2,251,408	3,265,175	298,856	293,047	5,809
With domestic commercial banks	13,474,649	13,175,793	9,959,706	7,901,946	2,057,760	3,216,087	298,856	293,047	5,809
With brokers and dealers in securities	2,267,869	2,267,869	2,226,429	2,051,828	174,601	41,440	0	0	0
With others	508,659	508,659	501,011	481,964	19,047	7,648	0	0	0

Other loans and discounts—total	**300,409,513**	**298,189,504**	**242,740,855**	**178,029,442**	**64,711,413**	**55,448,649**	**2,220,009**	**2,171,553**	**48,456**
Real estate loans—total	73,275,013	73,053,364	54,911,714	41,826,420	13,085,294	18,141,650	221,649	209,366	12,283
Secured by farmland	*4,351,457*	*4,319,352*	*2,213,128*	*1,552,195*	*660,933*	*2,106,224*	*32,105*	*31,531*	*574*
Secured by residential properties:									
Secured by 1- to 4-family residential properties:									
Insured by Federal Housing Administration	*7,329,231*	*7,302,286*	*6,380,939*	*5,320,612*	*1,060,327*	*921,347*	*26,945*	*25,918*	*1,027*
Guaranteed by Veterans Administration	*2,589,471*	*2,563,475*	*2,195,646*	*1,787,069*	*408,577*	*367,829*	*25,996*	*25,168*	*828*
Not insured or guaranteed by FHA or VA	*32,410,311*	*32,321,718*	*23,783,793*	*18,594,639*	*5,189,154*	*8,537,925*	*88,593*	*82,355*	*6,238*
Secured by multifamily (5 or more) residential properties:									
Insured by Federal Housing Administration	*589,986*	*588,760*	*518,955*	*293,023*	*225,932*	*69,805*	*1,226*	*1,226*	*0*
Not insured by FHA	*2,720,757*	*2,718,829*	*2,175,018*	*1,425,403*	*749,615*	*543,811*	*1,928*	*1,928*	*0*
Secured by other properties	*23,283,800*	*23,238,944*	*17,644,235*	*12,853,479*	*4,790,756*	*5,594,709*	*44,856*	*41,240*	*3,616*
Loans to domestic commercial and foreign banks	2,674,249	2,581,078	2,344,574	1,382,772	961,802	236,504	93,171	93,171	0
Loans to other financial institutions	15,949,662	15,794,299	14,712,648	10,088,786	4,623,862	1,081,651	155,363	155,315	48
Loans to brokers and dealers in securities	6,333,081	6,208,570	5,963,127	2,886,705	3,076,422	245,443	124,511	120,952	3,559
Other loans for purchasing or carrying securities	3,536,951	3,517,601	3,028,177	2,145,273	882,904	489,424	19,350	13,022	6,328
Loans to farmers (excluding loans on real estate)	11,168,541	11,153,583	6,543,686	5,478,728	1,064,958	4,609,897	14,958	14,744	214
Commercial and industrial loans (incl. open market paper)	113,422,100	112,214,990	98,255,729	70,329,427	27,926,302	13,959,261	1,207,110	1,189,985	17,125
Other loans to individuals—total	66,307,647	66,005,700	49,950,215	38,851,857	11,098,358	16,055,485	301,947	298,786	3,161
Passenger automobile installment loans	*22,495,211*	*22,366,443*	*15,962,109*	*12,994,079*	*2,968,030*	*6,404,334*	*128,768*	*127,519*	*1,249*
Credit cards and related plans:									
Retail (charge account) credit card plans	*3,808,035*	*3,807,987*	*3,439,779*	*2,730,815*	*708,964*	*368,208*	*48*	*48*	*0*
Check credit and revolving credit plans	*1,345,977*	*1,343,990*	*1,174,986*	*797,872*	*377,114*	*169,004*	*1,987*	*1,987*	*0*
Other retail consumer installment loans	*7,328,361*	*7,306,995*	*5,283,131*	*4,306,451*	*976,680*	*2,023,864*	*21,366*	*21,140*	*226*
Residential repair and modernization installment loans	*3,722,792*	*3,716,802*	*2,883,803*	*2,174,929*	*708,874*	*832,999*	*5,990*	*5,837*	*153*
Other installment loans for personal expenditures	*10,608,505*	*10,534,538*	*7,722,134*	*5,914,927*	*1,807,207*	*2,812,404*	*73,967*	*73,169*	*798*
Single-payment loans for personal expenditures	*16,998,766*	*16,928,945*	*13,484,273*	*9,932,784*	*3,551,489*	*3,444,672*	*69,821*	*69,086*	*735*
All other loans (including overdrafts)	7,742,269	7,660,319	7,030,985	5,039,474	1,991,511	629,334	81,950	76,212	5,738
Total loans and securities	**465,063,924**	**461,360,747**	**367,471,807**	**272,712,032**	**94,759,775**	**93,888,940**	**3,703,177**	**3,434,049**	**269,128**
Bank premises, furniture and fixtures, and other assets representing bank premises	9,196,645	9,143,432	7,363,342	5,709,767	1,653,575	1,780,090	53,213	35,549	17,664
Real estate owned other than bank premises	417,761	406,832	288,911	211,590	77,321	117,921	10,929	5,515	5,414
Investments in subsidiaries not consolidated	761,651	740,897	732,715	583,430	149,285	8,182	20,754	3,729	17,025
Customers' liability on acceptances outstanding	3,860,194	3,753,246	3,561,963	2,054,612	1,507,351	191,283	106,948	106,948	0
Other assets	8,206,536	7,897,552	7,070,823	5,229,609	1,841,214	826,729	308,984	274,970	34,014
Total liabilities, reserves, and capital accounts	**581,536,361**	**576,350,801**	**468,079,443**	**342,619,142**	**125,460,301**	**108,271,358**	**5,185,560**	**4,788,489**	**397,071**
Business and personal deposits—total	**397,263,608**	**395,246,811**	**311,879,233**	**232,709,438**	**79,169,795**	**83,367,578**	**2,016,797**	**1,868,678**	**148,119**
Individuals, partnerships, and corporations—demand	182,882,185	181,897,284	146,905,537	107,672,239	39,233,298	34,991,747	984,901	862,526	122,375
Individuals, partnerships, and corporations—time	205,794,490	204,962,756	157,654,910	120,849,780	36,805,130	47,307,846	831,734	806,000	25,734
Savings deposits	*99,123,483*	*98,815,863*	*76,585,410*	*59,260,813*	*17,324,597*	*22,230,453*	*307,620*	*290,253*	*17,367*
Deposits accumulated for payment of personal loans	*810,035*	*802,924*	*580,308*	*432,871*	*147,437*	*222,616*	*7,111*	*7,093*	*18*
Other deposits of individuals, partnerships, and corps	*105,860,972*	*105,343,969*	*80,489,192*	*61,156,096*	*19,333,096*	*24,854,777*	*517,003*	*508,654*	*8,349*
Certified and officers' checks, letters of credit, travelers' checks, etc.	8,586,933	8,386,771	7,318,786	4,187,419	3,131,367	1,067,985	200,162	200,152	10

Table 106. ASSETS AND LIABILITIES OF ALL COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1970—CONTINUED

BANKS GROUPED BY INSURANCE STATUS AND CLASS OF BANK

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Total	Insured banks						Noninsured banks		
		Total	Members of Federal Reserve System			Not members of F.R. System		Total	Banks of deposit [1]	Nondeposit trust companies [3]
			Total	National	State					
Government deposits—total	49,745,675	49,455,597	38,659,130	30,204,661	8,454,469	10,796,467		290,078	286,645	3,433
United States Government—demand	7,968,600	7,914,962	6,465,253	4,744,977	1,720,276	1,449,709		53,638	50,207	3,431
United States Government—time	465,851	465,476	406,837	321,559	85,278	58,639		375	373	2
States and subdivisions—demand	17,933,287	17,784,768	13,282,059	10,291,206	2,990,853	4,502,709		148,519	148,519	0
States and subdivisions—time	23,377,937	23,290,391	18,504,981	14,846,919	3,658,062	4,785,410		87,546	87,546	0
Domestic interbank deposits—total	29,227,829	28,968,652	27,856,291	17,736,266	10,120,025	1,112,361		259,177	258,422	755
Commercial banks in the United States—demand	26,379,350	26,290,939	25,349,826	16,392,199	8,957,627	941,113		88,411	87,681	730
Commercial banks in the United States—time	1,432,849	1,424,049	1,305,376	802,878	502,498	118,673		8,800	8,800	0
Mutual savings banks in the United States—demand	1,102,631	975,413	927,389	406,388	521,001	48,024		127,218	127,193	25
Mutual savings banks in the United States—time	312,999	278,251	273,700	134,801	138,899	4,551		34,748	34,748	0
Foreign government and bank deposits—total	9,282,378	8,842,795	8,553,411	4,785,292	3,768,119	289,384		439,583	438,154	1,429
Foreign governments, central banks, etc.—demand	999,237	919,683	892,683	514,602	378,081	27,000		79,554	79,263	291
Foreign governments, central banks, etc.—time	4,761,885	4,627,306	4,540,557	2,871,460	1,669,097	86,749		134,579	133,579	1,000
Banks in foreign countries—demand	3,168,209	3,000,626	2,882,934	1,270,715	1,612,219	117,692		167,583	167,445	138
Banks in foreign countries—time	353,047	295,180	237,237	128,515	108,722	57,943		57,867	57,867	0
Total deposits	485,519,490	482,513,855	386,948,065	285,435,657	101,512,408	95,565,790		3,005,635	2,851,899	153,736
Demand	*249,020,432*	*247,170,446*	*204,024,467*	*145,479,745*	*58,544,722*	*43,145,979*		*1,849,986*	*1,722,986*	*127,000*
Time	*236,499,058*	*235,343,409*	*182,923,598*	*139,955,912*	*42,967,686*	*52,419,811*		*1,155,649*	*1,128,913*	*26,736*
Miscellaneous liabilities—total	46,531,967	44,968,169	41,704,338	28,471,821	13,232,517	3,263,831		1,563,798	1,510,224	53,574
Federal funds purchased (borrowed) and securities sold under agreements to repurchase	16,707,856	16,609,041	16,198,007	11,829,689	4,368,318	411,034		98,815	98,815	0
Other liabilities for borrowed money	2,745,864	2,572,528	2,390,458	1,280,365	1,110,093	182,070		173,336	161,393	11,943
Mortgage indebtedness	670,904	668,545	507,468	386,110	121,358	161,077		2,359	2,359	0
Acceptances outstanding	3,971,756	3,848,666	3,656,996	2,096,325	1,560,671	191,670		123,090	123,090	0
Other liabilities	22,435,587	21,269,389	18,951,409	12,879,332	6,072,077	2,317,980		1,166,198	1,124,567	41,631
Total liabilities	532,051,457	527,482,024	428,652,403	313,907,478	114,744,925	98,829,621		4,569,433	4,362,123	207,310
Minority interest in consolidated subsidiaries	3,824	3,219	858	831	27	2,361		605	0	605

Reserves on loans and securities—total	**6,315,760**	**6,299,150**	**5,318,893**	**3,835,776**	**1,483,117**	980,257	16,610	15,610	1,000
Reserve for bad debt losses on loans	6,009,872	5,998,689	5,121,978	3,704,652	1,417,326	876,711	11,183	10,515	668
Other reserves on loans	118,348	115,601	63,882	41,777	22,105	51,719	2,747	2,747	0
Reserves on securities	187,540	184,860	133,033	89,347	43,686	51,827	2,680	2,348	332
Capital accounts—total	**43,165,320**	**42,566,408**	**34,107,289**	**24,875,057**	**9,232,232**	**8,459,119**	**598,912**	**410,756**	**188,156**
Capital notes and debentures	2,184,868	2,091,879	1,821,909	1,161,120	660,789	269,970	92,989	92,989	0
Equity capital—total	40,980,452	40,474,529	32,285,380	23,713,937	8,571,443	8,189,149	505,923	317,767	188,156
Preferred stock	*111,844*	*107,304*	*95,843*	*62,680*	*33,163*	*11,461*	*4,540*	*4,540*	*0*
Common stock	*11,266,696*	*11,137,824*	*8,765,499*	*6,456,797*	*2,308,702*	*2,372,325*	*128,872*	*78,208*	*50,664*
Surplus	*18,228,960*	*18,072,590*	*14,637,523*	*10,659,140*	*3,978,383*	*3,435,067*	*156,370*	*124,747*	*31,623*
Undivided profits	*10,309,567*	*10,145,848*	*7,971,481*	*5,863,824*	*2,107,657*	*2,174,367*	*163,719*	*77,786*	*85,933*
Reserve for contingencies and other capital reserves	*1,063,385*	*1,010,963*	*815,034*	*671,496*	*143,538*	*195,929*	*52,422*	*32,486*	*19,936*
PERCENTAGES									
Of total assets:									
Cash and balances with other banks	16.2%	16.1%	17.4%	16.4%	20.3%	10.6%	18.9%	19.4%	13.6%
U.S. Treasury securities and securities of other U.S. Government agencies and corporations	12.4	12.4	10.8	11.2	9.8	19.2	11.2	11.1	12.0
Other securities	13.1	13.2	13.1	13.4	12.4	13.3	11.6	9.1	42.1
Loans and discounts (including Federal funds sold and securities purchased under agreements to resell)	54.5	54.5	54.6	55.0	53.4	54.2	48.6	51.5	13.7
Other assets	3.9	3.8	4.1	4.0	4.2	2.7	9.7	8.9	18.7
Total capital accounts [4]	7.4	7.4	7.3	7.3	7.4	7.8	18.2 [2]	13.9 [2]	47.4
Of total assets other than cash and U.S. Treasury securities:									
Total capital accounts [4]	10.1	10.0	9.9	9.8	10.3	10.5	24.0 [2]	18.5 [2]	61.0
Number of banks	13,705	13,511	5,768	4,621	1,147	7,743	194	147	47

[1] Includes asset and liability figures for 15 branches of foreign banks (tabulated as banks) licensed to do a deposit business in New York. Capital is not allocated to these branches by the parent banks.
[2] See table 105, note 3.
[3] Amounts shown as deposits are special accounts and uninvested trust funds, with the latter classified as demand deposits of individuals, partnerships, and corporations.
[4] See table 105, note 5.
Note: Further information on the reports of assets and liabilities of banks may be found on page 191.

Table 107. ASSETS AND LIABILITIES OF ALL MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), JUNE 30, 1970, AND DECEMBER 31, 1970

BANKS GROUPED BY INSURANCE STATUS

(Amounts in thousands of dollars)

Asset, liability, or surplus account item	June 30, 1970			December 31, 1970		
	Total	Insured	Noninsured	Total	Insured	Noninsured
Total assets	**76,372,866**	**66,116,253**	**10,256,613**	**79,014,649**	**68,541,276**	**10,473,373**
Cash, balances with banks, and collection items—total	**907,623**	**785,441**	**122,182**	**1,244,438**	**1,115,656**	**128,782**
Currency and coin	176,688	145,431	31,257	206,277	173,646	32,631
Demand balances with banks in the United States	516,031	443,832	72,199	610,214	538,858	71,356
Other balances with banks in the United States	132,912	122,947	9,965	327,102	316,584	10,518
Cash items in process of collection	81,992	73,231	8,761	100,845	86,568	14,277
Securities—total	**15,021,043**	**12,346,495**	**2,674,548**	**16,119,470**	**13,470,992**	**2,648,478**
Obligations of the U.S. Government, net—total	**3,160,479**	**2,376,775**	**783,704**	**3,061,473**	**2,353,525**	**707,948**
Valuation reserves	12,091	12,091	0	10,462	10,462	0
Obligations of the U.S. Government, gross—total	**3,172,570**	**2,388,866**	**783,704**	**3,071,935**	**2,363,987**	**707,948**
Direct:						
Treasury bills	*151,070*	*119,251*	*31,819*	*172,202*	*149,078*	*23,124*
Treasury certificates of indebtedness	*4,150*	*880*	*3,270*	*4,168*	*0*	*4,168*
Treasury notes maturing in 1 year or less	*297,058*	*215,839*	*81,219*	*265,801*	*203,496*	*62,305*
Treasury notes maturing after 1 year	*854,847*	*620,312*	*234,535*	*936,299*	*678,095*	*258,204*
United States nonmarketable bonds	*16,118*	*11,588*	*4,530*	*6,223*	*4,465*	*1,758*
Other bonds maturing in 1 year or less	*77,997*	*57,293*	*20,704*	*68,877*	*52,825*	*16,052*
Other bonds maturing in 1 to 5 years	*552,084*	*420,317*	*131,767*	*463,369*	*355,401*	*107,968*
Other bonds maturing in 5 to 10 years	*71,120*	*42,061*	*29,059*	*111,554*	*88,156*	*23,398*
Other bonds maturing after 10 years	*818,132*	*714,505*	*103,627*	*699,158*	*608,034*	*91,124*
Guaranteed obligations	329,994	186,820	143,174	344,284	224,437	119,847
Obligations of States and subdivisions, net	**195,573**	**188,834**	**6,739**	**194,944**	**187,197**	**7,747**
Valuation reserves	5,562	5,562	0	5,409	5,409	0
Obligations of States and subdivisions, gross	**201,135**	**194,396**	**6,739**	**200,353**	**192,606**	**7,747**
Other bonds, notes, and debentures, net—total	**9,357,112**	**7,859,961**	**1,497,151**	**10,392,848**	**8,884,377**	**1,508,471**
Valuation reserves	25,762	25,689	73	25,719	25,654	65
Other bonds, notes, and debentures, gross—total	**9,382,874**	**7,885,650**	**1,497,224**	**10,418,567**	**8,910,031**	**1,508,536**
Railroads	605,094	533,339	71,755	627,523	560,371	67,152
Utilities	4,514,770	3,819,233	695,537	4,976,888	4,237,176	739,712
Industrials	1,126,071	1,047,083	78,988	1,365,424	1,265,937	99,487
Securities of Federal agencies and corporations not guaranteed by U.S.	1,707,960	1,277,870	430,090	1,904,337	1,496,289	408,048
All other	1,428,979	1,208,125	220,854	1,544,395	1,350,258	194,137
Corporate stocks, net—total	**2,307,879**	**1,920,925**	**386,954**	**2,470,205**	**2,045,893**	**424,312**
Valuation reserves	38,552	38,455	97	38,371	38,332	39
Corporate stocks, gross—total	**2,346,431**	**1,959,380**	**387,051**	**2,508,576**	**2,084,225**	**424,351**
Bank	503,632	263,917	239,715	487,171	251,321	235,850
Other	1,842,799	1,695,463	147,336	2,021,405	1,832,904	188,501

Loans and discounts, net—total	**59,076,717**	**51,730,077**	**7,346,640**	**60,220,954**	**52,635,417**	**7,585,537**
Valuation reserves	132,525	122,737	9,788	131,918	118,391	13,527
Loans and discounts, gross—total	**59,209,242**	**51,852,814**	**7,356,428**	**60,352,872**	**52,753,808**	7,599,064
Real estate loans—total	56,880,148	49,872,706	7,007,442	57,947,779	50,695,693	7,252,086
Secured by farmland	*100,927*	*95,031*	*5,896*	*118,517*	*112,723*	*5,794*
Secured by residential properties:						
Insured by FHA	*15,931,136*	*14,796,944*	*1,134,192*	*16,086,537*	*14,921,659*	*1,164,878*
Guaranteed by VA	*12,091,828*	*10,953,676*	*1,138,152*	*12,008,036*	*10,884,718*	*1,123,318*
Not insured or guaranteed by FHA or VA	*21,236,838*	*17,654,761*	*3,582,077*	*21,841,919*	*18,104,579*	*3,737,340*
Secured by other properties	*7,519,419*	*6,372,294*	*1,147,125*	*7,892,770*	*6,672,014*	*1,220,756*
Commercial and industrial loans (including open market paper)	417,238	403,284	13,954	600,374	586,589	13,785
Loans to individuals for personal expenditures	1,274,568	1,003,473	271,095	1,353,655	1,081,513	272,142
All other loans (including overdrafts)	637,288	573,351	63,937	451,064	390,013	61,051
Total loans and securities	**74,097,760**	**64,076,572**	**10,021,188**	**76,340,424**	**66,106,409**	**10,234,015**
Bank premises	455,115	409,065	46,050	474,240	426,043	48,197
Furniture and fixtures	117,519	99,230	18,289	120,712	102,637	18,075
Real estate owned other than bank premises	63,405	59,926	3,479	66,593	62,805	3,788
Miscellaneous assets	731,444	686,019	45,425	768,242	727,726	40,516
Total liabilities and surplus accounts	**76,372,866**	**66,116,253**	**10,256,613**	**79,014,649**	**68,541,276**	**10,473,373**
Deposits—total	**69,288,670**	**60,197,536**	**9,091,134**	**72,085,609**	**62,683,783**	9,401,826
Demand deposits of individuals, partnerships, and corporations	620,211	563,227	56,984	573,994	555,746	18,248
Time deposits of individuals, partnerships, and corporations	68,602,203	59,569,837	9,032,366	71,432,412	62,049,610	9,382,802
Other deposits (official checks, etc.)	24,136	24,054	82	26,398	26,348	50
States and subdivisions	32,162	31,277	885	40,255	39,913	342
United States Government	7,840	7,037	803	8,277	7,895	382
Interbank	2,118	2,104	14	4,273	4,271	2
Total demand deposits	*654,365*	*596,481*	*57,884*	*612,298*	*593,615*	*18,683*
Total savings and time deposits	*68,634,305*	*59,601,055*	*9,033,250*	*71,473,311*	*62,090,168*	*9,383,143*
Miscellaneous liabilities	**1,464,300**	**1,141,536**	**322,764**	**1,217,388**	**1,000,127**	**217,261**
Total liabilities (excluding surplus accounts)	**70,752,970**	**61,339,072**	**9,413,898**	**73,302,997**	**63,683,910**	**9,619,087**
Surplus accounts—total [1]	**5,619,896**	**4,777,181**	**842,715**	**5,711,652**	**4,857,366**	854,286
Surplus	3,825,833	3,356,983	468,850	3,864,751	3,382,374	482,377
Undivided profits	1,273,012	990,319	282,693	1,296,002	1,017,646	278,356
Other segregations of surplus	521,051	429,879	91,172	550,899	457,346	93,553
PERCENTAGES						
Of total assets:						
Cash and balances with other banks	1.2%	1.2%	1.2%	1.6%	1.6%	1.2%
U.S. Government obligations, direct and guaranteed	4.1	3.6	7.6	3.9	3.4	6.8
Other securities	15.5	15.1	18.4	16.5	16.2	18.5
Loans and discounts	77.4	78.2	71.6	76.2	76.8	72.4
Other assets	1.8	1.9	1.1	1.8	1.9	1.1
Total surplus accounts	7.4	7.2	8.2	7.2	7.1	8.2
Of total assets other than cash and U.S. Government obligations:						
Total surplus accounts	7.8	7.6	9.0	7.6	7.5	8.9
Number of banks	497	331	166	494	329	165

[1] Includes par value of debentures aggregating $6,067 thousand of eight banks located in six States and Puerto Rico.

Table 108. ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1961, 1966–1970

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Dec. 30, 1961	Dec. 31, 1966	Dec. 30, 1967	Dec. 31, 1968	Dec. 31, 1969 [1]	Dec. 31, 1970
Total assets	**279,980,591** [2]	**407,283,269** [2]	**455,445,184** [2]	**505,453,732** [2]	**530,714,711**	**576,350,801**
Cash, reserves, balances with banks, and collection items—total	56,181,467	68,651,850	77,532,592	83,269,951	89,335,129	93,048,095
Currency and coin	3,692,593	5,457,281	5,953,155	7,216,003	7,346,973	7,084,430
Reserve with Federal Reserve banks (member banks)	16,917,834	19,068,820	20,275,051	21,230,246	21,452,826	23,325,123
Demand balances with banks in the U.S. (except American branches of foreign banks)	13,816,911	15,136,611	16,520,060	18,089,886	19,389,950	21,088,737
Other balances with banks in the U.S.	80,713	257,066	544,658	334,917	230,150	1,401,661
Balances with banks in foreign countries	249,421	250,872	280,249	264,433	320,921	395,356
Cash items in process of collection	21,423,995	28,481,200	33,959,419	36,134,466	40,594,309	39,752,788
Investment securities—total	**89,661,642**	**104,285,823**	**123,263,625**	**135,242,315**	**122,203,185**	**141,554,863**
U.S. Treasury securities	66,090,869	55,903,996	62,229,348	64,171,324	53,262,588	58,880,431
Securities of other U.S. Government agencies and corporations	2,112,292	5,959,194	8,901,164	10,081,641	9,239,140	12,481,059
Obligations of States and subdivisions	20,103,538	40,831,664	49,820,973	58,391,738	57,572,607	67,414,393
Other securities	1,354,943	1,590,969	2,312,140	2,597,612	2,128,850	2,778,980
Trading account securities [3]	....	....	....	....	**3,181,756**	**5,664,059**
Federal funds sold [4]	....	**2,460,941**	**3,924,357**	**6,526,458**	**9,712,405**	**15,952,321**
Other loans and discounts—total	**127,413,856** [2]	**220,331,690** [2]	**237,518,086** [2]	**264,671,395** [2]	286,751,602	**298,189,504**
Real estate loans—total	30,330,432	54,099,590	58,678,014	65,332,745	70,325,953	73,053,364
Secured by farmland	*1,731,465*	*3,112,422*	*3,419,336*	*3,735,180*	*3,992,931*	*4,319,352*
Secured by residential properties:						
Secured by 1- to 4-family residential properties:						
Insured by Federal Housing Administration	*5,996,563*	*7,441,201*	*7,603,100*	*7,809,567*	*7,262,023*	*7,302,286*
Guaranteed by Veterans Administration	*2,613,165*	*2,556,527*	*2,613,060*	*2,626,560*	*2,596,261*	*2,563,475*
Not insured or guaranteed by FHA or VA	*12,570,273*	*24,659,845*	*27,157,632*	*30,712,679*	*31,210,921*	*32,321,718*
Secured by multifamily (5 or more) properties:						
Insured by Federal Housing Administration [3]	....	....	....	....	*562,501*	*588,760*
Not insured by FHA [3]	....	....	....	....	*2,647,857*	*2,718,829*
Secured by other properties	*7,448,966*	*16,329,595*	*17,884,886*	*20,448,759*	*22,053,459*	*23,238,944*
Loans to domestic commercial and foreign banks	1,032,864	2,132,957	1,847,683	2,145,604	2,425,147	2,581,078
Loans to other financial institutions	7,310,112	13,186,453	12,447,077	13,676,953	14,938,963	15,794,299
Loans to brokers and dealers in securities	4,030,000	5,643,112	6,017,418	6,409,302	5,646,962	6,208,570
Other loans for purchasing or carrying securities	2,107,360	3,149,552	3,724,055	4,068,900	3,994,818	3,517,601
Loans to farmers (excluding loans on real estate)	6,224,041	8,549,399	9,260,220	9,712,410	10,323,657	11,153,583
Commercial and industrial loans (including open market paper)	45,156,607	80,408,482	88,257,588	98,161,381	108,393,788	112,214,990
Other loans to individuals—total	27,819,669	47,992,068	51,628,083	58,414,799	63,355,683	66,005,700
Passenger automobile installment loans	*9,062,043*	*18,290,164*	*18,890,458*	*21,200,443*	*22,706,108*	*22,366,443*
Credit cards and related plans:						
Retail (charge account) credit card plans	(5)	(5)	*828,313*	*1,312,020*	*2,639,497*	*3,807,987*
Check credit and revolving credit plans	(5)	(5)	*521,909*	*798,115*	*1,082,791*	*1,343,990*
Other retail consumer installment loans	*2,807,751*	*4,692,533*	*4,781,232*	*5,520,274*	*6,269,924*	*7,306,995*
Residential repair and modernization installment loans	*2,693,068*	*3,216,162*	*3,351,554*	*3,494,813*	*3,654,863*	*3,716,802*
Other installment loans for personal expenditures	*4,480,462*	*8,091,439*	*8,361,180*	*9,390,559*	*9,936,340*	*10,534,538*
Single-payment loans for personal expenditures	*8,776,345*	*13,701,770*	*14,893,437*	*16,698,575*	*17,066,160*	*16,928,945*
All other loans (including overdrafts)	3,402,771	5,170,077	5,657,948	6,749,301	7,346,631	7,660,319

Total loans and securities	**217,075,498**	**327,078,454**	**364,706,068**	**406,440,168**	**421,848,948**	**461,360,747**
Bank premises, furniture and fixtures, and other assets representing bank premises	3,450,217	5,619,987 [6]	6,007,170	6,656,856	8,070,059	9,143,432
Real estate owned other than bank premises	93,778	....	282,704	323,257	360,820	406,832
Investments in subsidiaries not consolidated [3]	....	....	....	....	651,095	740,897
Customers' liability on acceptances outstanding	1,651,595	2,178,017	2,314,772	2,472,778	3,308,881	3,753,246
Other assets	1,528,036	3,754,961	4,601,878	6,290,722	7,139,779	7,897,552
Total liabilities, reserves, and capital accounts	**279,980,591**	**407,283,269**	**155,445,184**	**505,453,732**	**530,714,711**	**576,350,801**
Business and personal deposits—total	**203,088,106**	**293,565,757**	**329,860,033**	**361,993,247**	**365,934,821**	**395,246,811**
Individuals, partnerships, and corporations—demand	123,489,686	144,323,672	158,491,340	172,006,973	178,185,683	181,897,284
Individuals, partnerships, and corporations—time	74,561,084	142,261,089	162,727,918	180,506,278	176,240,900	204,962,756
Savings deposits	*63,887,537*	*90,076,746*	*94,451,458*	*96,166,256*	*93,796,302*	*98,815,863*
Deposits accumulated for payment of personal loans	*771,554*	*1,223,553*	*1,283,923*	*1,215,522*	*1,129,305*	*802,924*
Other deposits of individuals, partnerships, and corporations	*9,901,993*	*50,960,790*	*66,992,537*	*83,124,500*	*81,315,293*	*105,343,969*
Certified and officers' checks, letters of credit, travelers' checks, etc.	5,037,336	6,980,996	8,640,775	9,479,996	11,508,238	8,386,771
Government deposits—total	**23,881,005**	**33,768,382**	**36,990,123**	**41,385,278**	**36,092,200**	**49,455,597**
United States Government—demand	5,943,251	4,990,164	5,238,918	5,012,445	5,050,538	7,914,962
United States Government—time	280,030	257,599	285,533	376,629	222,560	465,476
States and subdivisions—demand	12,215,686	15,059,104	15,577,942	16,881,042	17,559,438	17,784,768
States and subdivisions—time	5,442,038	13,461,515	15,887,730	19,115,162	13,259,664	23,290,391
Domestic interbank deposits—total	**16,680,600**	**18,355,321**	**20,660,087**	**23,221,458**	**24,858,037**	**28,968,652**
Commercial banks in the United States—demand	15,751,918	16,947,228	18,788,406	21,424,784	23,394,428	26,290,939
Commercial banks in the United States—time	213,214	476,896	727,014	714,271	415,216	1,424,049
Mutual savings banks in the United States—demand	700,355	782,525	935,212	933,799	1,017,123	975,413
Mutual savings banks in the United States—time	15,113	148,672	209,455	148,604	31,270	278,251
Foreign government and bank deposits—total	**4,255,164**	**7,150,699**	**8,285,680**	**8,051,716**	**10,104,607**	**8,842,795**
Foreign governments, central banks, etc.—demand	656,922	869,268	874,451	866,885	940,239	919,683
Foreign governments, central banks, etc.—time	2,178,055	4,212,084	5,166,228	4,752,732	6,378,964	4,627,306
Banks in foreign countries—demand	1,297,787	1,784,407	1,909,911	2,118,758	2,475,098	3,000,626
Banks in foreign countries—time	122,400	284,940	335,090	313,341	310,306	295,180
Total deposits	**247,904,875**	**352,840,159**	**395,795,923**	**434,651,699**	**436,989,665**	**482,513,855**
Demand	*165,092,941*	*191,737,364*	*210,456,955*	*228,724,682*	*240,130,785*	*247,170,446*
Time	*82,811,934*	*161,102,795*	*185,338,968*	*205,927,017*	*196,858,880*	*235,343,409*
Miscellaneous liabilities—total	**7,346,272**	**18,413,009**	**20,910,731**	**28,958,217**	**47,966,725**	**44,968,169**
Federal funds purchased (borrowed) [7]	....	2,824,088	4,980,322	7,468,200	14,684,700	16,609,041
Other liabilities for borrowed money	462,309	1,904,513	568,797	1,214,440	3,367,342	2,572,528
Mortgage indebtedness [3]	....	....	....	....	601,562	668,545
Acceptances outstanding	1,689,406	2,234,455	2,382,072	2,508,707	3,387,309	3,848,666
Other liabilities	5,194,557	11,449,953	12,979,540	17,766,870	25,925,812	21,269,389
Total liabilities	**255,251,147**	**371,253,168**	**416,706,654**	**463,609,916**	**484,956,390**	**527,482,024**
Minority interest in consolidated subsidiaries	....	....	....	....	**3,295**	**3,219**
Reserves on loans and securities—total	**2,606,474**	**4,336,933**	**4,732,606**	**5,215,817**	**6,178,797**	**6,299,150**
Reserve for bad debt losses on loans	2,606,474	4,336,933	4,732,606	5,215,817	5,885,873	5,998,689
Other reserves on loans [3]	....	....	....	....	108,824	115,601
Reserves on securities [3]	....	....	....	....	184,100	184,860

Table 108. ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1961, 1966–1970—CONTINUED

(Amounts in thousands of dollars)

Asset, liability, or capital account item	Dec. 30, 1961	Dec. 31, 1966	Dec. 30, 1967	Dec. 31, 1968	Dec. 31, 1969 [1]	Dec. 31, 1970
Capital accounts—total	22,122,970	31,693,168	34,005,924	36,627,999	39,576,229	42,566,408
Capital notes and debentures	22,107	1,729,902	1,984,390	2,110,137	1,998,316	2,091,879
Equity capital—total	22,100,863	29,963,266	32,020,534	34,517,862	37,577,913	40,474,529
Preferred stock	*14,745*	*61,583*	*87,076*	*90,686*	*103,416*	*107,304*
Common stock	*6,584,701*	*8,856,837*	*9,253,642*	*9,772,605*	*10,529,322*	*11,137,824*
Surplus	*10,798,364*	*13,998,697*	*14,983,375*	*16,173,907*	*17,460,832*	*18,072,590*
Undivided profits	*4,156,764*	*6,166,477*	*6,610,743*	*7,419,669*	*8,426,787*	*10,145,848*
Reserve for contingencies and other capital reserves	*546,289*	*879,672*	*1,086,698*	*1,060,995*	*1,057,556*	*1,010,963*
PERCENTAGES						
Of total assets:						
Cash and balances with other banks	20.1%	16.9%	17.0%	16.5%	16.8%	16.1%
U.S. Treasury securities and securities of other U.S. Government agencies and corporations	24.3	15.2	15.6	14.7	11.8	12.4
Other securities	7.7	10.4	11.5	12.1	11.8	13.2
Loans and discounts (including Federal funds sold and securities purchased under agreements to resell)	45.5	54 7	53.0	53.6	55.9	54.5
Other assets	2.4	2.8	2.9	3.1	3.7	3.8
Total capital accounts	7.9	7.8	7.5	7.2	7.5	7.4
Of total assets other than cash and U.S. Treasury securities:						
Total capital accounts	14.0	11.2	10.8	10.2	10.2	10.0
Number of banks	13,115	13,541	13,517	13,488	13,473	13,511

[1] For description of changes in 1969 in the Report of Condition, see p. 191 and notes to tables.
[2] Assets in 1968 and prior years include "Other loans and discounts" at gross (before deduction of valuation reserves) value, as reported in 1969 and 1970. "Other loans and discounts" in 1966–1968 exclude Federal funds sold, now reported separately.
[3] Not available prior to figure shown, see note 1.
[4] Prior to December 31, 1966, "Federal funds sold (loaned)" not reported separately; most were included with loans to banks; beginning in 1967, includes securities purchased under agreements to resell, which previously were reported with "Loans to domestic commercial and foreign banks" and "Other loans for purchasing or carrying securities."
[5] Before 1967, loans extended under credit cards and related plans were distributed among other installment loan items.
[6] Net of mortgages and other liens; previously included with "Other liabilities." Includes real estate owned other than bank premises.
[7] Prior to December 31, 1966, Federal funds purchased were included in "Other liabilities for borrowed money"; beginning in 1967, includes securities sold under agreements to repurchase, which previously were reported with "Other liabilities for borrowed money."

Table 109. ASSETS AND LIABILITIES OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER CALL DATES, 1961, 1966–1970

(Amounts in thousands of dollars)

Asset, liability, or surplus account item	Dec. 30, 1961	Dec. 31, 1966	Dec. 30, 1967	Dec. 31, 1968	Dec. 31, 1969	Dec. 31, 1970
Total assets	37,064,623	53,049,468	57,867,208	62,123,491	64,633,716	68,541,276
Cash, balances with banks, and collection items—total	828,199	847,825	881,596	883,058	780,079	1,115,656
Currency and coin	126,598	145,587	153,639	164,965	179,378	173,656
Demand balances with banks in the United States	490,382	474,276	461,378	497,725	499,506	538,858
Other balances with banks in the United States	167,637	166,743	202,325	157,610	42,964	316,584
Cash items in process of collection	43,582	61,219	64,254	62,758	58,231	86,568
Securities—total	9,847,742	8,675,750	10,447,028	11,802,948	11,843,577	13,470,992
Obligations of the U.S. Government, net—total	4,689,898	3,323,662	3,110,649	2,854,896	2,445,609	2,353,525
Valuation reserves	23,841	13,504	13,610	12,559	13,004	10,462
Obligations of the U.S. Government, gross—total	4,713,739	3,337,166	3,124,259	2,867,455	2,458,613	2,363,987
Direct:						
Treasury bills	*137,757*	*289,812*	*365,155*	*284,785*	*122,070*	*149,078*
Treasury certificates of indebtedness	*43,881*	*16,900*	*50*	*1,800*	*2,043*	*0*
Treasury notes maturing in 1 year or less	*233,269*	*98,058*	*109,244*	*146,108*	*158,515*	*203,496*
Treasury notes maturing after 1 year	*660,190*	*219,584*	*487,248*	*696,291*	*654,983*	*678,095*
United States nonmarketable bonds	*165,631*	*61,857*	*36,129*	*25,560*	*13,997*	*4,465*
Other bonds maturing in 1 year or less	*64,902*	*34,647*	*70,330*	*116,940*	*91,152*	*52,825*
Other bonds maturing in 1 to 5 years	*393,825*	*797,174*	*604,801*	*453,476*	*437,306*	*355,401*
Other bonds maturing in 5 to 10 years	*1,328,363*	*684,249*	*386,957*	*152,659*	*11,718*	*88,156*
Other bonds maturing after 10 years	*1,617,533*	*1,003,468*	*902,375*	*808,814*	*762,119*	*608,034*
Guaranteed obligations	68,388	131,417	161,970	181,022	204,710	224,437
Obligations of States and subdivisions, net	628,978	236,697	205,323	185,211	185,388	187,197
Valuation reserves	10,236	6,168	6,126	5,733	5,561	5,409
Obligations of States and subdivisions, gross	639,214	242,865	211,449	190,944	190,949	192,606
Other bonds, notes, and debentures, net—total	3,850,055	3,941,772	5,752,972	7,150,316	7,396,659	8,844,377
Valuation reserves	23,363	22,642	24,055	22,634	26,765	25,654
Other bonds, notes, and debentures, gross—total	3,873,418	3,964,414	5,777,027	7,172,950	7,423,424	8,910,031
Railroads	516,916	368,290	480,595	500,629	512,297	560,371
Utilities	1,824,076	1,654,151	2,714,948	3,436,139	3,624,115	4,237,176
Industrials	477,080	429,976	760,267	950,371	953,590	1,265,937
Securities of Federal agencies and corporations not guaranteed by U.S.	505,463	1,009,066	1,049,964	1,235,256	1,149,455	1,496,289
All other	549,883	502,931	771,253	1,050,555	1,183,967	1,350,258
Corporate stocks, net—total	678,811	1,173,619	1,378,084	1,612,525	1,815,921	2,045,893
Valuation reserves	66,668	42,067	38,615	35,084	37,918	38,332
Corporate stocks, gross—total	745,479	1,215,686	1,416,699	1,647,609	1,853,839	2,084,225
Bank	171,616	225,177	232,232	246,455	251,903	251,321
Other	573,863	990,509	1,184,467	1,401,154	1,601,936	1,832,904
Loans and discounts, net—total	25,812,078	42,593,177	45,492,445	48,287,403	50,828,568	52,635,417
Valuation reserves	219,703	140,483	126,789	121,876	120,928	118,391
Loans and discounts, gross—total	26,031,781	42,733,660	45,619,234	48,409,279	50,949,496	52,753,808
Real estate loans—total	25,639,686	41,808,403	44,595,807	47,177,405	49,329,087	50,695,693
Secured by farmland	*45,346*	*47,719*	*110,695*	*111,935*	*106,943*	*112,723*

Table 109. ASSETS AND LIABILITIES OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS) DECEMBER CALL DATES, 1961, 1966–1970—CONTINUED

(Amounts in thousands of dollars)

Asset, liability, or surplus account item	Dec. 30, 1961	Dec. 31, 1966	Dec. 30, 1967	Dec. 31, 1968	Dec. 31, 1969	Dec. 31, 1970
Secured by residential properties:						
Insured by FHA	*7,565,963*	*13,563,472*	*14,057,536*	*14,500,512*	*14,742,577*	*14,921,659*
Guaranteed by VA	*8,378,382*	*10,473,930*	*10,756,786*	*10,940,229*	*11,030,456*	*10,884,718*
Not insured or guaranteed by FHA or VA	*7,288,248*	*13,490,913*	*14,824,561*	*16,029,770*	*17,193,309*	*18,104,579*
Secured by other properties	*2,361,747*	*4,232,369*	*4,846,223*	*5,594,959*	*6,255,802*	*6,672,014*
Commercial and industrial loans (including open market paper)	112,337	191,599	158,428	237,600	206,348	586,589
Loans to individuals for personal expenditures	235,492	617,747	734,973	869,601	987,198	1,081,513
All other loans (including overdrafts)	44,266	115,911	130,026	124,673	426,863	390,013
Total loans and securities	**35,659,820**	**51,268,927**	**55,939,473**	**60,090,351**	**62,672,145**	**66,106,409**
Bank premises	223,326	329,951	355,946	382,353	400,375	426,043
Furniture and fixtures	23,489	57,444	72,833	88,068	96,684	102,637
Real estate owned other than bank premises	20,211	27,798	30,617	36,449	47,607	62,805
Miscellaneous assets	309,578	517,523	586,743	643,212	636,826	727,726
Total liabilities and surplus accounts	**37,064,623**	**53,049,468**	**57,867,208**	**62,123,491**	**64,633,716**	**68,541,276**
Deposits—total	**33,399,591**	**48,255,636**	**52,912,962**	**56,861,324**	**58,867,848**	**62,683,783**
Demand deposits of individuals, partnerships, and corporations	246,989	366,110	412,089	463,777	503,982	555,746
Time deposits of individuals, partnerships, and corporations	33,121,088	47,834,854	52,443,585	56,339,968	58,303,307	62,049,610
Other deposits (official checks, etc.)	6,796	11,513	14,327	18,571	18,378	26,348
States and subdivisions	17,780	35,384	35,548	30,499	32,660	39,913
United States Government	6,140	6,445	6,151	6,231	7,213	7,895
Interbank	798	1,330	1,262	2,278	2,308	4,271
Total demand deposits	*261,901*	*387,162*	*435,035*	*489,980*	*533,836*	*593,615*
Total savings and time deposits	*33,137,690*	*47,868,474*	*52,477,927*	*56,371,344*	*58,334,012*	*62,090,168*
Miscellaneous liabilities	**474,350**	**653,735**	**716,615**	**781,183**	**1,068,152**	**1,000,127**
Total liabilities (excluding surplus accounts)	**33,873,941**	**48,909,371**	**53,629,577**	**57,642,507**	**59,936,000**	**63,383,910**
Surplus accounts—total	**3,190,682**	**4,140,097**	**4,237,631**	**4,480,984**	**4,697,716**	**4,857,366**
Surplus	2,269,864	2,923,692	3,072,343	3,245,950	3,317,372	3,382,374
Undivided profits	624,503	821,662	774,284	842,645	970,376	1,017,646
Other segregations of surplus	296,315	394,743	391,004	392,389	409,968	457,346
PERCENTAGES						
Of total assets:						
Cash and balances with other banks	2.2%	1.6%	1.5%	1.4%	1.2%	1.6%
U.S. Government obligations, direct and guaranteed	12.7	6.3	5.4	4.6	3.8	3.4
Other securities	13.9	10.1	12.7	14.4	14.5	16.2
Loans and discounts	69.6	80.3	78.6	77.7	78.6	76.8
Other assets	1.6	1.7	1.8	1.9	1.8	1.9
Total surplus accounts	8.6	7.8	7.3	7.2	7.3	7.1
Of total assets other than cash and U.S. Government obligations:						
Total surplus accounts	10.1	8.5	7.9	7.7	7.7	7.5
Number of banks	330	332	333	334	331	329

Table 110. PERCENTAGES OF ASSETS AND LIABILITIES OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1970 IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1970

BANKS GROUPED BY AMOUNT OF DEPOSITS

Asset, liability, or capital account item	All banks	Banks with deposits of—									
		Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Total assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cash and due from banks	16.2	17.8	13.5	12.0	12.0	11.8	12.1	12.9	16.0	16.5	19.6
U.S. Treasury securities [1]	10.2	28.8	26.3	21.9	17.9	15.6	12.7	12.2	9.8	8.9	6.8
Obligations of States and political subdivisions [1]	11.7	3.1	3.5	7.6	11.4	13.5	14.2	14.1	13.4	12.0	9.8
Other securities [1]	2.7	6.5	7.7	6.8	5.4	4.5	4.2	3.5	2.5	1.7	1.3
Federal funds sold (loaned) [2]	2.8	4.6	3.2	3.1	3.5	3.5	3.4	3.2	3.1	3.3	2.0
Other loans and discounts—total	51.8	37.3	44.6	47.0	47.9	48.9	50.5	50.9	51.8	53.0	53.4
Real estate	12.7	6.4	9.9	13.6	15.0	16.1	16.5	16.8	14.5	12.9	8.9
To banks and other financial institutions	3.1	1.3	.6	.6	.6	.7	1.0	1.4	2.4	4.3	5.3
To purchase or carry securities	1.7	.3	.2	.3	.4	.5	.6	.8	1.4	1.0	3.0
To farmers	1.9	13.1	17.1	13.7	9.2	4.7	2.0	1.2	.8	.6	.5
Commercial and industrial	19.5	5.3	5.9	7.0	8.6	10.7	13.5	14.8	17.1	20.2	27.0
Installment loans for personal expenditures	8.5	7.1	7.7	8.5	10.2	11.9	12.6	11.6	13.7	8.9	4.9
Single-payment loans for personal expenditures	2.9	2.7	2.6	2.9	3.2	3.6	3.7	3.6	3.6	3.4	2.0
All other loans (including overdrafts)	1.3	1.3	.6	.5	.6	.7	.6	.7	1.4	1.6	1.8
Other assets [1]	4.7	1.9	1.2	1.5	1.9	2.3	2.9	3.1	3.4	4.5	7.1
Total liabilities, reserves, and capital accounts	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Deposits—total	83.7	74.9	87.5	88.8	89.4	89.2	88.4	87.7	86.0	82.9	78.6
Demand	*43.0*	*50.9*	*48.3*	*41.8*	*40.8*	*39.6*	*39.6*	*40.2*	*43.4*	*45.6*	*44.5*
Time	*40.7*	*24.0*	*39.2*	*47.0*	*48.5*	*49.7*	*48.8*	*47.5*	*42.6*	*37.3*	*34.1*
Individuals, partnerships, and corporations—demand	31.8	44.2	41.3	34.7	33.3	32.1	32.5	32.0	32.3	33.6	30.3
Individuals, partnerships, and corporations—time	35.5	20.7	35.6	43.4	44.9	45.8	44.7	42.6	37.6	32.5	27.7
U.S. Government	1.5	.3	.8	1.2	1.5	1.8	1.3	1.1	1.4	1.8	1.4
States and subdivisions	7.1	8.9	9.1	8.7	8.7	8.2	7.7	8.5	8.2	8.2	5.4
Domestic interbank	5.4	.3	.3	.3	.3	.5	1.1	2.3	5.3	5.6	9.1
Foreign government and bank	1.0	.0	.0	.0	.0	.0	.0	.1	.1	.2	2.4
Other deposits	1.5	.4	.4	.6	.8	.9	1.0	1.1	1.0	1.0	2.2
Federal funds purchased (borrowed) [3]	2.9	.1	.0	.1	.1	.1	.3	.7	2.1	4.5	5.1
Other liabilities for borrowed money	.4	.0	.1	.1	.1	.1	.1	.2	.4	.7	.7
Other liabilities [4]	4.5	2.3	.9	1.1	1.5	2.1	2.8	3.0	3.1	3.5	7.2
Reserves on loans and securities	1.0	.3	.5	.6	.9	.8	1.0	.9	1.0	1.0	1.3
Capital notes and debentures	.4	.0	.0	.0	.1	.1	.2	.3	.3	.5	.5
Other capital accounts	7.0	22.4	10.9	9.2	8.1	7.5	7.2	7.1	7.0	6.8	6.7
Number of banks	13,342	159	861	3,208	3,436	3,382	1,209	536	426	69	56

[1] Securities held in trading accounts are included in "Other assets."
[2] Includes securities purchased under agreements to resell.
[3] Includes securities sold under agreements to repurchase.
[4] Includes minority interest in consolidated subsidiaries.
Note: For income and expense data by size of bank, see tables 116 and 117. Assets and liabilities (in $000) of all commercial banks by size of bank are contained in *Assets and Liabilities—Commercial and Mutual Savings Banks* (with 1970 report of income), December 31, 1970.

Table 111. PERCENTAGES OF ASSETS AND LIABILITIES OF INSURED MUTUAL SAVINGS BANKS OPERATING THROUGHOUT 1970 IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1970

BANKS GROUPED BY AMOUNT OF DEPOSITS

Asset, liability, or surplus account item	All banks [1]	Banks with deposits of—							
		Less than $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Total assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cash and due from banks	1.6	3.1	3.8	2.5	2.1	2.0	1.6	1.6	1.4
Obligations of the U.S. Government, net	3.4	5.9	11.6	6.5	4.9	4.1	3.6	3.3	2.7
Valuation reserves	(2)	.0	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Other securities, net	16.2	9.3	17.4	18.6	15.2	18.2	16.6	15.2	16.4
Valuation reserves	.1	.1	.3	.1	.1	.1	.1	.1	.1
Loans and discounts, net	76.8	80.8	65.9	71.0	76.5	74.1	76.2	77.8	77.5
Valuation reserves	.2	.2	.3	.1	.2	.2	.1	.2	.2
Real estate loans—total	74.0	71.9	60.4	66.3	71.5	70.5	72.8	75.7	75.3
Secured by farmland	*.2*	*1.5*	*.6*	*.4*	*.4*	*.1*	*.0*	*.4*	*.0*
Secured by residential properties:									
Insured by FHA	*21.8*	*11.2*	*6.0*	*7.7*	*9.7*	*14.4*	*20.4*	*24.2*	*25.6*
Guaranteed by VA	*15.9*	*4.4*	*6.2*	*6.0*	*8.2*	*10.3*	*15.5*	*15.5*	*20.4*
Not insured or guaranteed by FHA or VA	*26.4*	*48.8*	*39.3*	*45.4*	*45.8*	*38.6*	*28.5*	*24.3*	*18.3*
Secured by other properties	*9.7*	*6.1*	*8.3*	*6.9*	*7.4*	*7.1*	*8.3*	*11.2*	*11.0*
Commercial and industrial loans (including open market paper)	.9	.3	.3	.3	.6	.3	.9	.7	1.2
Loans to individuals for personal expenditures	1.6	6.6	4.0	3.3	3.2	2.5	1.9	1.2	1.0
All other loans (including overdrafts)	.6	2.1	1.5	1.2	1.4	1.0	.8	.4	.1
Other assets	1.9	.9	1.3	1.4	1.3	1.6	1.9	2.1	2.0
Total liabilities and surplus accounts	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Deposits—total	91.5	90.4	91.1	91.0	91.4	91.4	91.8	91.4	91.2
Demand deposits of individuals, partnerships, and corporations	.8	.5	.1	.5	.8	.9	1.0	.7	.8
Time deposits of individuals, partnerships, and corporations	90.5	84.9	90.1	90.0	89.9	90.3	90.7	90.6	90.4
Other deposits	.1	5.0	1.0	.5	.7	.2	.2	.0	.0
Miscellaneous liabilities	1.5	2.0	.4	.7	.8	.8	1.1	1.5	2.1
Surplus accounts—total	7.1	7.7	8.5	8.3	7.8	7.8	7.1	7.1	6.7
Surplus	4.9	3.9	4.6	4.6	4.5	4.4	4.8	5.1	5.1
Undivided profits	1.5	2.2	2.8	2.8	2.3	2.6	1.6	1.4	.9
Other segregations of surplus	.7	1.5	1.0	.9	.9	.7	.7	.6	.7
Number of banks	327	6	13	63	70	60	79	27	9

[1] Dollar amounts of assets and liabilities of all mutual savings banks are shown in *Assets and Liabilities—Commercial and Mutual Savings Banks* (with 1970 report of income); see table 110 notes.

[2] Less than 0.05 percent.

Table 112. DISTRIBUTION OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1970

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

Ratios (In percent)	All banks	Number of banks with deposits of—									
		Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Ratios of obligations of States and subdivisions to total assets of—											
Zero	921	110	265	366	127	43	9	0	1	0	0
More than 0.0 but less than 1.0	643	21	168	317	87	40	7	3	0	0	0
1.0 to 2.49	736	24	125	373	130	67	9	4	4	0	0
2.5 to 4.99	1,111	16	135	479	289	127	36	13	14	2	0
5.0 to 7.49	1,432	9	93	446	413	303	72	37	37	11	11
7.5 to 9.99	1,712	4	47	369	547	434	160	65	61	15	10
10.0 to 12.49	1,751	2	24	308	493	551	184	95	65	13	16
12.5 to 14.99	1,629	2	9	220	441	554	211	91	75	16	10
15.0 to 17.49	1,354	1	15	157	353	462	198	96	66	4	2
17.5 to 19.99	863	2	14	95	220	290	131	56	48	3	4
20.0 to 24.99	982	0	10	96	243	380	150	57	40	3	3
25.0 or more	377	1	3	51	106	137	43	19	15	2	0
Ratios of U.S. Treasury securities to total assets of—											
Less than 5	910	17	46	175	211	249	104	41	44	6	17
5 to 9.99	2,439	19	69	361	538	655	345	179	202	40	31
10 to 14.99	2,950	19	121	476	753	873	374	180	126	20	8
15 to 19.99	2,372	18	97	521	689	706	230	75	36	0	0
20 to 24.99	1,769	23	155	517	497	432	95	38	10	2	0
25 to 29.99	1,214	22	98	428	349	253	43	16	4	1	0
30 to 34.99	723	17	96	300	181	111	11	4	3	0	0
35 to 39.99	478	20	75	215	102	61	4	1	0	0	0
40 to 44.99	272	11	55	116	62	26	2	0	0	0	0
45 to 49.99	162	15	37	66	34	7	1	1	1	0	0
50 or more	222	11	59	102	33	15	1	1	0	0	0

Table 112. DISTRIBUTION OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), DECEMBER 31, 1970—CONTINUED

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

Ratios (In percent)	All banks	Number of banks with deposits of—									
		Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Ratios of loans to total assets of—											
Less than 20	115	18	23	45	16	9	1	2	1	0	0
20 to 24.99	146	10	30	53	37	14	0	1	1	0	0
25 to 29.99	293	10	53	97	81	43	4	3	2	0	0
30 to 34.99	505	16	53	177	137	97	15	8	2	0	0
35 to 39.99	938	20	84	285	268	197	58	15	10	0	1
40 to 44.99	1,500	15	120	432	408	350	107	38	29	0	1
45 to 49.99	2,120	23	127	495	554	583	185	82	58	8	5
50 to 54.99	2,483	19	134	497	603	721	261	120	97	20	11
55 to 59.99	2,475	27	108	497	575	649	296	137	133	25	28
60 to 64.99	1,670	17	73	347	416	439	192	95	72	11	8
65 to 69.99	844	6	68	210	225	212	73	28	16	5	1
70 to 74.99	294	9	21	96	93	54	10	7	3	0	1
75 or more	128	2	14	46	36	20	8	0	2	0	0
Ratios of cash and due from banks to total assets of—											
Less than 5	430	4	40	141	106	82	40	10	7	0	0
5.0 to 7.49	1,901	10	130	534	546	482	128	43	24	3	1
7.5 to 9.99	3,037	19	153	779	817	841	262	101	58	6	1
10.0 to 12.49	2,752	24	144	601	698	775	280	135	77	13	5
12.5 to 14.99	1,981	24	126	418	509	492	227	105	63	10	7
15.0 to 17.49	1,285	17	82	296	306	302	137	66	58	7	14
17.5 to 19.99	814	26	76	187	181	181	56	34	49	11	13
20.0 to 24.99	833	19	94	190	190	165	66	31	56	15	7
25.0 to 29.99	303	20	39	87	63	44	10	9	22	4	5
30.0 or more	175	29	24	44	33	24	4	2	12	0	3

Ratios of total demand deposits to total deposits of—											
Less than 25	384	4	11	82	126	119	24	8	10	0	0
25 to 29.99	810	2	31	204	218	221	86	37	9	1	1
30 to 34.99	1,361	4	40	331	344	391	149	64	35	2	1
35 to 39.99	1,853	6	79	428	499	530	177	78	47	5	4
40 to 44.99	2,182	11	99	535	585	566	211	93	68	7	7
45 to 49.99	2,033	18	146	487	511	531	178	83	62	11	6
50 to 54.99	1,644	13	112	389	421	411	167	63	54	8	6
55 to 59.99	1,223	17	91	280	297	311	104	53	52	9	9
60 to 64.99	749	17	71	166	203	148	64	24	39	9	8
65 to 69.99	463	15	51	130	96	79	30	17	27	10	8
70 to 79.99	435	22	70	136	95	57	12	12	18	7	6
80 to 89.99	143	19	34	36	28	17	5	1	3	0	0
90 or more	231	44	73	73	26	7	3	3	2	0	0
Ratios of total capital accounts to total assets other than cash and due from banks, and U.S. Treasury securities, and U.S. Government agency securities of—											
Less than 7.5	418	0	2	23	53	161	96	37	36	3	7
7.5 to 9.99	3,093	0	23	276	693	1,113	505	231	191	35	26
10.0 to 12.49	3,947	4	88	674	1,188	1,210	418	182	143	24	16
12.5 to 14.99	2,311	8	117	695	719	544	129	59	28	5	7
15.0 to 17.49	1,301	9	127	515	379	202	39	11	18	1	0
17.5 to 19.99	739	18	113	326	175	80	13	9	4	1	0
20.0 to 22.49	478	16	75	235	110	30	5	5	2	0	0
22.5 to 24.99	305	15	61	148	54	22	1	2	2	0	0
25.0 to 29.99	352	24	91	168	49	15	4	0	1	0	0
30.0 to 34.99	205	17	72	97	15	4	0	0	0	0	0
35.0 to 39.99	96	12	38	31	11	3	0	0	1	0	0
40.0 or more	266	69	101	89	3	4	0	0	0	0	0
Ratios of total capital accounts to total assets of—											
Less than 5	280	0	2	28	54	105	55	19	14	1	2
5 to 5.99	1,092	1	14	121	266	408	149	64	56	4	9
6 to 6.99	2,602	0	50	378	677	833	356	145	131	18	14
7 to 7.99	3,117	5	94	641	845	902	323	155	105	30	17
8 to 8.99	2,322	10	128	601	671	552	183	87	71	10	9
9 to 9.99	1,491	14	109	485	433	308	73	36	27	3	3
10 to 10.99	921	13	122	336	236	149	30	17	13	3	2
11 to 11.99	567	18	101	234	114	66	27	5	2	0	0
12 to 12.99	323	20	62	152	55	25	4	1	4	0	0
13 to 14.99	325	24	81	118	66	22	7	5	2	0	0
15 to 16.99	165	21	50	64	17	11	1	1	0	0	0
17 or more	306	66	95	119	15	7	2	1	1	0	0
Number of banks	13,511	192	908	3,277	3,449	3,388	1,210	536	426	69	56

INCOME OF INSURED BANKS

Table 113. Income of insured commercial banks in the United States (States and other areas), 1962-1970

Table 114. Ratios of income of insured commercial banks in the United States (States and other areas), 1962-1970

Table 115. Income of insured commercial banks in the United States (States and other areas), 1970
Banks grouped by class of bank

Table 116. Income of insured commercial banks operating throughout 1970 in the United States (States and other areas)
Banks grouped by amount of deposits

Table 117. Ratios of income of insured commercial banks operating throughout 1970 in the United States (States and other areas)
Banks grouped according to amount of deposits

Table 118. Income of insured mutual savings banks in the United States (States and other areas), 1962-1970

Table 119. Ratios of income of insured mutual savings banks in the United States (States and other areas), 1962-1970

The income data received and published by the Corporation relate to commercial and mutual savings banks insured by the Corporation.

Commercial banks

Prior to 1969, reports of income and dividends were submitted to the Federal supervisory agencies on either a cash or an accrual basis. In 1969, banks with assets of $50 million or more, and beginning in 1970, $25 million or more, were required to report consolidated income accounts on an accrual basis. Smaller banks continue to have the option of submitting their reports on a cash or an accrual basis, except that unearned discount on installment loans, and income taxes, must be reported on an accrual basis. For more detail on the method of cash or accrual reporting by banks, and on the inclusion of subsidiaries in consolidated statements of condition and income, refer to page 191 of this report.

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 the year.

In 1969 the Report of Income was revised to include a more detailed breakdown of investment income and separation of income from Federal funds transactions from other loan income. The overall contents of "Operating income" were not changed significantly from prior years, the principal changes being the consolidation of subsidiaries and conversion to accrual accounting.

Under "Operating expenses," expense of Federal funds transactions, which is now itemized separately, was included prior to 1969 under "Interest on borrowed money." "Interest on capital notes and debentures," now included in operating expenses, before 1969 was not treated as a charge against operating earnings or net income. The item "Provision for loan losses" covers actual loan losses (charge-offs less recoveries), or an average percentage of loan losses experienced during the previous five years, applied to average loans outstanding during the year, beginning in 1969. Newly organized banks and others are also permitted to determine their loan loss ratio by averaging forward from 1969 or their first year of operation. Prior to 1969, loan losses for most banks (those on a reserve basis) were not charged against operating income or net income. Instead, transfers to loan loss reserves were included as a charge against net income (but not against operating income). Actual losses charged to loan loss reserves were treated as a memorandum item.

In 1969 and 1970, "Applicable income taxes" for income before securities gains or losses is an estimate of the tax liability that a bank would incur if its taxes were based solely on operating income and expenses; that is, if there were no security gains or losses, no extraordinary items, etc.

Income from securities gains and losses, reported both gross and after taxes, prior to 1969 was reported as separate gain or loss items. It is now included, along with a subtraction for minority interest in consolidated subsidiaries, before arriving at net income (after taxes).

The memorandum item "Total provision for income taxes" does not necessarily equal the sum of "Applicable income taxes" and the tax effects of security gains or losses and of extraordinary charges or credits. The principal difference is accounted for by the fact that the transfer to reserve for bad debts generally exceeds provision for loan loss and consequently tends to reduce tax liability.

In comparing the 1969 and 1970 reports with prior data, certain generalizations are applicable. Because of the inclusion of additional items in "Operating expenses," "Income before taxes or security gains or losses" is understated, compared with the current operating income of prior reports. On the other hand, "Net income" for years prior to 1969 tends to be somewhat understated because it includes transfers to bad debt reserves which would generally exceed the provision for loan losses. Table 114 provides several operating ratios which afford comparsions between years prior to 1969 and more recent earnings experience.

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 2 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), 1962–1970

(Amounts in thousands of dollars)

Income item	1962	1963	1964	1965	1966	1967	1968	1969 [1]	1970
Operating income—total	12,218,959	13,509,713	15,024,487	16,817,187	19,508,414	21,781,611	25,478,404	30,806,805	34,716,420
Interest and fees on loans [2]	7,717,845	8,672,315	9,785,238	11,204,863	13,286,400	14,646,637	17,121,079	20,726,664	22,967,366
Income on Federal funds sold and securities purchased under agreements to resell [2]	...	...	...	...	...	...	...	811,580	1,006,367
Interest on U.S. Treasury securities	2,093,207	2,176,454	2,240,389	2,224,711	2,317,794	2,601,900	3,004,655	2,845,257	3,078,725
Interest and dividends on securities of other U.S. Government agencies and corporations [3]	...	...	...	...	...	...	...	551,068	688,421
Interest on obligations of States and political subdivisions [3]	...	...	...	...	...	...	...	2,215,971	2,620,257
Interest and dividends on other securities [3]	759,030	921,060	1,085,334	1,285,287	1,531,517	1,904,886	2,376,223	134,548	151,832
Trust department income	543,916	573,252	629,694	689,628	756,130	820,269	906,206	1,021,900	1,132,292
Service charges on deposit accounts	681,243	728,857	781,405	842,775	915,049	987,187	1,055,964	1,120,196	1,178,192
Other service charges, collection and exchange charges, commissions, and fees	237,446	248,362	280,289	304,276	354,036	411,021	478,028	693,578	842,480
Other operating income	186,272	189,413	222,138	265,647	347,488	409,711	536,249	686,043	1,050,488
Operating expense—total [4]	8,589,177	9,714,980	10,897,460	12,486,120	14,561,852	16,553,642	19,354,237	24,076,791	27,588,602
Salaries and wages of officers and employees	3,073,552	3,284,375	3,519,062	3,762,024	4,095,742	4,537,896	5,101,803	5,878,812	6,656,884
Pensions and other employee benefits	419,098	457,033	490,732	525,692	598,768	667,345	755,744	903,469	1,060,167
Interest on deposits	2,845,283	3,464,308	4,088,061	5,070,781	6,259,472	7,379,863	8,681,705	9,789,893	10,483,795
Expense of Federal funds purchased and securities sold under agreements to repurchase [5]	...	...	...	...	...	...	...	1,205,787	1,400,838
Interest on other borrowed money [5]	64,325	106,517	127,277	189,519	301,768	266,476	528,986	433,120	464,568
Interest on capital notes and debentures [4]	...	...	...	...	...	...	...	100,742	104,730
Occupancy expense of bank premises, net	555,670	608,462	670,243	731,573	802,060	873,541	970,034	1,073,339	1,254,520
Gross occupancy expense	699,296	760,908	831,158	898,440	980,444	1,059,785	1,173,423	1,331,926	1,555,734
Less rental income	143,626	152,446	160,915	166,867	178,384	186,244	203,389	258,587	301,214
Furniture and equipment, depreciation, rental costs, servicing, etc.	267,885	311,518	362,301	411,889	458,695	533,846	631,564	773,072	909,090
Provision for loan losses [4]	...	...	...	...	...	...	...	521,064	703,150
Other operating expenses	1,363,364	1,482,767	1,639,784	1,794,642	2,045,347	2,294,675	2,684,401	3,397,493	4,550,860
Income before income taxes and securities gains or losses [6]	...	...	...	...	...	...	...	6,730,014	7,127,818
Net current operating earnings (old basis)	3,629,782	3,794,733	4,127,027	4,331,067	4,946,562	5,227,969	6,124,167	...	...
Applicable income taxes [6]	...	...	...	...	...	...	...	2,164,419	2,173,775
Income before securities gains or losses [6]	...	...	...	...	...	...	...	4,565,595	4,954,043
Securities gains or losses, net [6]	...	...	...	...	...	...	...	−237,707	−103,695
Gross	198,048	117,558	−13,674	−426	−392,447	−4,312	−438,520	−512,242	−224,028
Taxes [6]	...	...	...	...	...	...	...	−274,535	−120,333
Net income before extraordinary items [6]	...	...	...	...	...	...	...	4,327,888	4,850,348
Extraordinary charges or credits, net [6]	...	...	...	...	...	...	...	6,914	−12,810
Gross	...	...	...	...	...	...	...	3,994	−35,865
Taxes	...	...	...	...	...	...	...	−2,920	−23,055
Less minority interest in consolidated subsidiaries [6]	...	...	...	...	...	...	...	235	245
Net income	...	...	...	...	...	...	...	4,334,567	4,837,293

Recoveries, charge-offs, transfers from reserves, net	−567,652	−532,745	−681,521	−786,746	−839,869	−904,645	−992,665	...	...
Net income before taxes (old basis)	3,260,178	3,379,546	3,431,832	3,543,895	3,714,246	4,319,012	4,692,982	...	...
Total provision for income taxes	1,256,382	1,226,783	1,148,203	1,029,162	1,029,906	1,177,154	1,267,044	1,505,336	1,863,787
Federal income taxes	1,159,725	1,130,629	1,050,624	927,423	911,585	1,020,988	1,086,889	1,287,514	1,619,790
State and local income taxes	96,657	96,154	97,579	101,739	118,321	156,166	180,155	217,822	243,997
Net income after taxes (old basis)	2,003,796	2,152,763	2,283,629	2,514,733	2,684,340	3,141,858	3,425,938	...	...
Dividends on capital—total [7]	941,189	993,374	1,088,310	1,202,349	1,307,387	1,426,202	1,589,114	1,769,314	2,040,027
Cash dividends declared on common stock	939,426	990,039	1,062,561	1,146,186	1,240,048	1,342,538	1,488,670	1,762,279	2,033,288
Cash dividends declared on preferred stock [7]	1,763	3,335	25,749	56,163	67,339	83,664	100,444	7,035	6,739
Memoranda									
Recoveries credited to reserves (not included above):									
On loans	84,863	96,897	157,791	124,062	143,859	168,680	219,115	209,124	255,350
On securities	4,714	6,216	4,515	4,158	3,300	5,638	1,913	1,986	1,260
Losses charged to reserves (not included above):									
On loans	238,825	323,475	394,181	429,490	545,647	601,194	629,707	697,874	1,236,988
On securities	16,305	17,314	43,683	25,761	60,282	29,072	32,262	12,448	2,881
Average assets and liabilities [8]									
Assets—total	276,869,632	301,861,288	328,756,207	360,944,351	391,255,121	425,619,337	473,138,013	516,325,483	543,880,408
Cash and due from banks	49,438,670	50,997,566	54,449,343	59,013,596	62,867,398	70,248,679	78,504,024	86,663,384	89,089,607
United States Treasury securities	64,519,914	64,058,431	61,439,390	59,419,551	56,088,649	57,357,584	61,545,807	56,724,083 [10]	54,198,407 [10]
Obligations of States and political subdivisions [9]	...	...	...	...	...	...	...	58,011,200 [10]	62,012,771 [10]
Other securities [9]	25,761,084	31,421,875	36,360,062	41,540,772	47,054,812	55,213,293	65,318,374	11,839,130 [10]	12,821,687 [10]
Loans and discounts	130,437,964	147,948,743	168,082,284	191,391,533	214,381,628	230,636,149	253,678,319	283,479,251	301,667,242
All other assets	6,712,000	7,434,673	8,425,128	9,578,899	10,862,634	12,163,632	14,091,481	19,608,435 [10]	24,090,694 [10]
Liabilities and capital—total	276,869,632	301,861,288	328,756,207	360,944,351	391,255,121	425,619,337	473,138,013	516,325,483	543,880,408
Total deposits	243,319,550	264,069,489	287,988,560	315,643,533	340,336,714	368,906,501	407,508,260	431,468,339	449,522,141
Demand deposits	*153,849,494*	*159,561,973*	*168,382,122*	*178,089,360*	*185,336,407*	*194,982,924*	*213,628,389*	*230,490,525*	*237,588,875*
Time and savings deposits	*89,470,056*	*104,507,516*	*119,606,438*	*137,554,173*	*155,000,307*	*173,923,577*	*193,879,871*	*200,977,814*	*211,933,266*
Borrowings and other liabilities	10,846,274	13,507,899	14,376,273	16,479,957	20,067,721	23,836,162	30,297,605	46,642,486	53,212,878
Total capital accounts	22,703,808	24,283,900	26,391,374	28,820,861	30,850,686	32,876,674	35,332,148	38,214,658	41,145,389
Number of employees (end of period)	656,153	648,967	702,658	732,163	777,361	815,037	866,725	904,008	959,867
Number of banks (end of period)	13,124	13,291	13,493	13,547	13,541	13,517	13,488	13,473	13,511

[1] Figures before 1969 may differ slightly from those published by the Board of Governors of the Federal Reserve System and the Comptroller of the Currency because of differences in rounding techniques. Revisions in Report of Income in 1969 are discussed on pp. 212–213; also see notes to tables.

[2] "Income on Federal funds sold" was included in "Interest and discount on loans" in 1968 and prior years (see 1968 report, p. 198).

[3] Income from "Securities of other U.S. Government agencies and corporations" and from "Obligations of States and political subdivisions" were included in income from "Other securities" in 1968 and prior years.

[4] "Interest on capital notes and debentures" and "Provision for loan losses" not included in "Operating expense—total" in 1968 and prior years.

[5] "Expense of Federal funds purchased and securities sold under agreements to repurchase" were included in "Interest on borrowed money" in 1968 and prior years.

[6] Data are not available prior to 1969. See p. 213 of this report.

[7] In 1968 and prior years, "Dividends declared on preferred stock" was reported in combination with "Interest on capital notes and debentures."

[8] For 1964–1970, averages of amounts reported at beginning, middle, and end of year. For 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, midyear, and year-end calls. 1962–1968 averages of securities and loans have been revised to a gross basis.

[9] In 1968 and prior years, "Obligations of States and political subdivisions" were included in "Other securities."

[10] Securities held in trading accounts are included in "All other assets."

Table 114. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1962–1970

Income item	1962	1963	1964	1965	1966	1967	1968	1969	1970
Amounts per $100 of operating income									
Operating income—total	$100.00	$100.00	$100.00	$100.00	$100.00	$100.00	$100.00	$100.00	$100.00
Income on loans [1]	63.16	64.19	65.13	66.63	68.11	67.24	67.20	69.91	69.05
Interest on U.S. Treasury securities [2]	17.13	16.11	14.91	13.23	11.88	11.95	11.79	9.23	8.87
Interest on State and local government obligations [2]	......	......	......	......	......	......	......	7.19	7.55
Interest and dividends on other securities [2]	6.21	6.82	7.22	7.64	7.85	8.74	9.33	2.23	2.42
Trust department income	4.45	4.24	4.19	4.10	3.88	3.77	3.56	3.32	3.26
Service charges on deposit accounts	5.58	5.39	5.20	5.01	4.69	4.53	4.14	3.64	3.39
Other charges, commissions, fees, etc.	1.94	1.84	1.87	1.81	1.81	1.89	1.88	2.25	2.43
Other operating income	1.53	1.41	1.48	1.58	1.78	1.88	2.10	2.23	3.03
Operating expense—total [3]	70.29	71.91	72.53	74.25	74.64	76.00	75.96	78.15	79.47
Salaries and wages	25.15	24.31	23.42	22.37	20.99	20.83	20.02	19.08	19.18
Pensions and other benefits	3.43	3.38	3.27	3.13	3.07	3.07	2.97	2.93	3.05
Interest on time and savings deposits	23.28	25.64	27.21	30.15	32.09	33.88	34.07	31.78	30.20
Interest on borrowed money [3]	.53	.79	.85	1.13	1.55	1.22	2.08	5.65	5.67
Occupancy expense of bank premises, net	4.55	4.50	4.46	4.35	4.11	4.01	3.81	3.48	3.61
Furniture and equipment, etc.	2.19	2.31	2.41	2.45	2.35	2.45	2.48	2.51	2.62
Provision for loan losses [3]	......	......	......	......	......	......	......	1.69	2.03
Other operating expenses	11.16	10.98	10.91	10.67	10.48	10.54	10.53	11.03	13.11
Income before income taxes and securities gains or losses	......	......	......	......	......	......	......	21.85	20.53
Net current operating earnings (old basis)	29.71	28.09	27.47	25.75	25.36	24.00	24.04	......	......
Amounts per $100 of total assets									
Operating income—total	4.41	4.48	4.57	4.66	4.99	5.12	5.38	5.97	6.38
Net current operating earnings (old basis)	1.31	1.26	1.26	1.20	1.26	1.23	1.29	......	......
Income before income taxes and securities gains or losses	......	......	......	......	......	......	......	1.30	1.31
Net income [4]	.72	.71	.69	.70	.69	.74	.72	.84	.89
Amounts per $100 of total capital accounts									
Net income [4]	8.83	8.86	8.65	8.73	8.70	9.56	9.70	11.34	11.76
Cash dividends declared on common stock	4.14	4.08	4.03	3.98	4.02	4.08	4.21	4.61	4.94
Net additions to capital from income	4.68	4.77	4.53	4.56	4.46	5.22	5.20	6.71	6.80
Special ratios									
Income on loans per $100 of loans [1]	5.92	5.86	5.82	5.85	6.20	6.35	6.75	7.60	7.95
Income on U.S. Treasury securities per $100 of U.S. Treasury securities	3.24	3.40	3.65	3.74	4.13	4.54	4.88	5.02	5.68
Income on obligations of States and political subdivisions per $100 of obligations of States and political subdivisions [2]	......	......	......	......	......	......	......	3.82	4.23
Income on other securities per $100 of other securities [2]	2.95	2.93	2.98	3.09	3.25	3.45	3.64	5.79	6.55
Service charges per $100 of demand deposits	.44	.46	.46	.47	.49	.51	.49	.49	.50
Interest paid per $100 of time and savings deposits	3.18	3.31	3.42	3.69	4.04	4.24	4.48	4.87	4.95
Number of banks (end of period)	13,124	13,291	13,493	13,547	13,541	13,517	13,488	13,473	13,511

[1] Includes Federal funds sold.

[2] "Interest on State and local government obligations" included in "Interest and dividends on other securities" in 1968 and prior years. Income from securities held in trading accounts is included in "Other operating income."

[3] "Interest on capital notes and debentures," which is included in "Interest on borrowed money" in 1969 and 1970, and "Provision for loan losses" were not included in "Operating expense—total" in 1968 and prior years.

[4] Because of changes in the form of reporting by banks, figures in 1969 and 1970 are not fully comparable with those in 1968 and prior years; see table 113 and p. 213.

Table 115. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1970

BANKS GROUPED BY CLASS OF BANK

(Amounts in thousands of dollars)

Income item	Total	Members F.R. System		Non-members F.R. System	Operating throughout the year	Operating less than full year
		National	State			
Operating income—total	34,716,420	20,433,731	7,489,285	6,793,404	34,695,215	21,205
Interest and fees on loans	22,967,366	13,698,354	5,012,703	4,256,309	22,957,256	10,110
Income on Federal funds sold and securities purchased under agreements to resell	1,006,367	602,927	178,686	224,754	1,003,770	2,597
Interest on U.S. Treasury securities	3,078,725	1,654,123	555,336	869,266	3,074,736	3,989
Interest and dividends on securities of other U.S. Government agencies and corporations	688,421	326,990	87,880	273,551	686,712	1,709
Interest on obligations of States and political subdivisions	2,620,257	1,535,309	556,048	528,900	2,619,916	341
Interest and dividends on other securities	151,832	90,675	28,007	33,150	151,368	464
Trust department income	1,132,292	626,202	448,503	57,587	1,132,281	11
Service charges on deposit accounts	1,178,192	686,411	181,577	310,204	1,177,301	891
Other service charges, collection and exchange charges, commissions, and fees	842,480	534,791	146,904	160,785	842,032	448
Other operating income	1,050,488	677,949	293,641	78,898	1,049,843	645
Operating expense—total	27,588,602	16,301,996	5,899,683	5,386,923	27,562,913	25,689
Salaries and wages of officers and employees	6,656,884	3,838,556	1,445,331	1,372,997	6,649,015	7,869
Pensions and other employee benefits	1,060,167	625,174	250,807	184,186	1,059,514	653
Interest on deposits	10,483,795	6,215,245	1,977,682	2,290,868	10,478,528	5,267
Expense of Federal funds purchased and securities sold under agreements to repurchase	1,400,838	937,495	428,009	35,334	1,400,767	71
Interest on other borrowed money	464,568	169,780	274,629	20,159	464,538	30
Interest on capital notes and debentures	104,730	55,165	35,091	14,474	104,715	15
Occupancy expense of bank premises, net	1,254,520	723,788	289,353	241,379	1,252,622	1,898
Gross occupancy expense	1,555,734	923,541	352,715	279,478	1,553,692	2,042
Less rental income	301,214	199,753	63,362	38,099	301,070	144
Furniture and equipment, depreciation, rental costs, servicing, etc.	909,090	546,553	175,882	186,655	907,943	1,147
Provision for loan losses	703,150	405,564	129,032	168,554	702,460	690
Other operating expenses	4,550,860	2,784,676	893,867	872,317	4,542,811	8,049
Income before income taxes and securities gains or losses	7,127,818	4,131,735	1,589,602	1,406,481	7,132,302	−4,484
Applicable income taxes	2,173,775	1,239,931	535,870	397,974	2,173,624	151
Income before securities gains or losses	4,954,043	2,891,804	1,053,732	1,008,507	4,958,678	−4,635
Net securities gains or losses	−103,695	−64,512	−42,561	3,378	−103,848	153
Gross	−224,028	−136,817	−87,746	535	−224,184	156
Taxes	−120,333	−72,305	−45,185	−2,843	−120,336	3
Net income before extraordinary items	4,850,348	2,827,292	1,011,171	1,011,885	4,854,830	−4,482
Extraordinary charges or credits, net	−12,810	2,081	−17,017	2,126	−12,717	−93
Gross	−35,865	84	−37,595	1,646	−35,786	−79
Taxes	−23,055	−1,997	−20,578	−480	−23,069	14

Table 115. INCOME OF INSURED COMMERCIAL BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1970—CONTINUED

BANKS GROUPED BY CLASS OF BANK

(Amounts in thousands of dollars)

Income item	Total	Members F.R. System		Non-members F.R. System	Operating throughout the year	Operating less than full year
		National	State			
Less minority interest in consolidated subsidiaries	245	39	....	206	245	....
Net income	4,837,293	2,829,334	994,154	1,013,805	4,841,868	−4,575
Total provision for income taxes	1,863,787	1,058,327	422,626	382,834	1,863,648	139
Federal income taxes	1,619,790	924,202	348,913	346,675	1,619,656	134
State and local income taxes	243,997	134,125	73,713	36,159	243,992	5
Dividends on capital—total	2,040,027	1,277,716	476,357	285,954	2,039,897	130
Cash dividends declared on common stock	2,033,288	1,273,039	474,876	285,373	2,033,158	130
Cash dividends declared on preferred stock	6,739	4,677	1,481	581	6,739	....
Memoranda						
Recoveries credited to reserves (not included above):						
On loans	255,350	164,375	40,990	49,985	255,305	45
On securities	1,260	608	153	499	1,251	9
Losses charged to reserves (not included above):						
On loans	1,236,988	763,047	240,414	233,527	1,236,713	275
On securities	2,881	1,495	342	1,044	2,881	....
Number of employees, December 31	959,867	558,124	187,618	214,125	957,984	1,883
Number of banks, December 31	13,511	4,621	1,147	7,743	13,342	169

Table 116. INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1970 IN THE UNITED STATES (STATES AND OTHER AREAS)

BANKS GROUPED BY AMOUNT OF DEPOSITS

(Amounts in thousands of dollars)

Income item	All banks [1]	Banks with deposits of— Less than $1 million [2]	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Operating income—total	**34,695,215**	9,108	94,683	753,132	1,680,115	3,551,251	2,876,271	2,575,305	6,284,565	3,583,386	13,287,399
Interest and fees on loans	22,957,256	4,643	51,391	430,277	995,139	2,164,968	1,810,720	1,649,301	4,174,644	2,460,654	9,215,519
Income on Federal funds sold and securities purchased under agreements to resell	1,003,770	460	3,612	29,424	70,072	142,200	103,638	86,006	184,867	96,901	286,589
Interest on U.S. Treasury securities	3,074,736	2,255	23,291	152,175	272,056	481,756	320,630	268,568	526,429	250,753	776,823
Interest and dividends on securities of other U.S. Government agencies and corporations	686,712	768	7,006	49,685	83,454	139,581	103,513	71,383	105,499	33,166	92,657
Interest on obligations of States and political subdivisions	2,619,916	97	2,001	35,376	121,630	304,121	262,402	233,131	523,855	262,181	875,122
Interest and dividends on other securities	151,368	94	598	3,450	6,870	14,942	11,382	11,455	28,078	15,622	58,877
Trust department income	1,132,281	32	23	379	2,822	17,530	33,742	49,217	221,123	157,340	650,073
Service charges on deposit accounts	1,177,301	364	3,414	28,979	77,798	183,279	136,580	107,075	226,141	111,956	301,715
Other service charges, collection and exchange charges, commissions, and fees	842,032	264	2,281	16,683	34,482	68,025	60,355	64,961	179,000	101,846	314,135
Other operating income	1,049,843	131	1,066	6,704	15,792	34,849	33,309	34,208	114,929	92,967	715,888
Operating expense—total	**27,562,913**	7,208	72,721	590,006	1,318,897	2,801,994	2,276,003	2,062,652	4,974,662	2,799,337	10,659,433
Salaries and wages of officers and employees	6,649,015	2,978	25,898	172,552	344,776	682,164	549,602	504,606	1,267,125	708,870	2,390,444
Pensions and other employee benefits	1,059,514	246	2,023	16,727	41,034	89,370	79,987	73,722	202,852	121,941	431,612
Interest on deposits	10,478,528	1,534	25,161	247,247	579,947	1,259,871	1,009,199	889,520	1,933,979	959,142	3,572,928
Expense of Federal funds purchased and securities sold under agreements to repurchase	1,400,767	3	6	226	1,249	6,744	11,382	27,036	184,357	187,524	982,240
Interest on other borrowed money	464,538	12	49	733	1,816	4,819	6,839	8,552	32,165	51,889	357,664
Interest on capital notes and debentures	104,715	0	17	194	776	3,693	4,846	6,263	18,933	13,976	56,017
Occupancy expense of bank premises, net	1,252,622	403	2,618	21,870	52,245	120,438	103,109	97,279	245,214	130,111	479,335
Gross occupancy expense	1,553,692	416	2,778	23,402	56,123	132,670	120,122	121,654	313,849	184,537	598,141
Less rental income	301,070	13	160	1,532	3,878	12,232	17,013	24,375	68,635	54,426	118,806
Furniture and equipment, depreciation, rental costs, servicing, etc.	907,943	219	1,988	17,843	42,737	94,537	82,381	78,706	209,531	115,204	264,797
Provision for loan losses	702,460	427	2,575	18,581	44,056	87,431	59,469	57,095	119,995	75,008	237,823
Other operating expenses	4,542,811	1,386	12,386	94,033	210,261	452,927	369,189	319,873	760,511	435,672	1,886,572
Income before income taxes and securities gains or losses	**7,132,302**	1,900	21,962	163,126	361,218	749,257	600,268	512,653	1,309,903	784,049	2,627,966
Applicable income taxes	**2,173,624**	495	5,488	43,082	98,947	208,779	165,981	143,267	385,819	255,244	866,522

Table 116. INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1970 IN THE UNITED STATES (STATES AND OTHER AREAS)—CONTINUED

BANKS GROUPED BY AMOUNT OF DEPOSITS

(Amounts in thousands of dollars)

Income item	All banks [1]	Banks with deposits of— Less than $1 million [2]	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Income before securities gains or losses	**4,958,678**	1,405	16,474	120,044	262,271	540,478	434,287	369,386	924,084	528,805	1,761,444
Net securities gains or losses	**−103,848**	−19	30	21	1,192	184	−509	1,289	−6,367	−3,581	−95,990
Gross	−224,184	−17	64	58	1,201	−1,793	−3,418	106	−16,945	−7,920	−195,306
Taxes	−120,336	2	34	37	9	−1,977	−2,909	−1,183	−10,578	−4,339	−99,316
Net income before extraordinary items	**4,854,830**	1,386	16,504	120,065	263,463	540,662	433,778	370,675	917,717	525,224	1,665,356
Extraordinary charges or credits, net	**−12,717**	3	−22	112	568	786	2,115	3,555	−676	572	−19,730
Gross	−35,786	4	−16	58	678	947	2,254	3,257	−2,060	389	−41,297
Taxes	−23,069	1	6	−54	110	161	139	−298	−1,384	−183	−21,567
Less minority interest in consolidated subsidiaries	245	0	6	1	−1	45	19	5	173	−3	0
Net income	**4,841,868**	1,389	16,476	120,176	264,032	541,403	435,874	374,225	916,868	525,799	1,645,626
Total provision for income taxes	**1,863,648**	758	6,318	44,847	98,514	198,785	153,640	132,979	346,798	226,831	654,178
Federal income taxes	1,619,656	726	5,919	41,445	91,213	182,867	141,631	121,634	313,685	203,914	516,622
State and local income taxes	243,992	32	399	3,402	7,301	15,918	12,009	11,345	33,113	22,917	137,556
Dividends on capital—total	**2,039,897**	328	4,525	30,411	65,294	145,962	129,170	120,966	372,324	236,795	934,122
Cash dividends declared on common stock	2,033,158	328	4,525	30,401	65,200	145,692	128,958	120,519	371,740	235,933	929,862
Cash dividends declared on preferred stock	6,739	0	0	10	94	270	212	447	584	862	4,260
Memoranda											
Recoveries credited to reserves (not included above):											
On loans	255,305	67	740	6,631	17,750	35,442	26,504	22,980	45,927	20,637	78,627
On securities	1,251	0	4	11	79	427	199	223	307	1	0
Losses charged to reserves (not included above):											
On loans	1,236,713	191	2,352	22,468	59,208	128,033	96,747	91,071	213,137	142,982	480,524
On securities	2,881	1	2	252	230	399	898	498	353	0	248
Number of employees, December 31	957,984	628	4,348	26,472	53,399	115,850	86,684	77,799	188,656	101,458	302,690
Number of banks, December 31	13,341	158	861	3,208	3,436	3,382	1,209	536	426	69	56

[1] This group of banks is the same as the group shown in table 115 under the heading "Operating throughout the year" (see note 2).
[2] Figures do not include a noninsured trust company which became an insured bank in a corporate reorganization resulting in its subsequent merger. Data of this bank are included in the $1 billion-or-more category.

Table 117. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1970 IN THE UNITED STATES (STATES AND OTHER AREAS)[1]

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS

Income item	Banks with deposits of— Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Amounts per $100 of operating income										
Operating income—total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Income on loans [2]	56.03	58.09	61.04	63.40	64.97	66.56	67.38	69.37	71.37	71.51
Interest on U.S. Treasury securities [3]	24.76	24.60	20.21	16.19	13.57	11.15	10.43	8.38	7.00	5.85
Interest on State and local government obligations [3]	1.06	2.11	4.70	7.24	8.56	9.12	9.05	8.33	7.32	6.59
Interest and dividends on other securities [3]	9.46	8.03	7.05	5.38	4.35	3.99	3.22	2.12	1.36	1.14
Trust department income	.35	.02	.05	.17	.49	1.17	1.91	3.52	4.39	4.89
Service charges on deposit accounts	4.00	3.61	3.85	4.63	5.16	4.75	4.16	3.60	3.12	2.27
Other charges, commissions, fees, etc.	2.90	2.41	2.21	2.05	1.92	2.10	2.52	2.85	2.84	2.36
Other operating income [3]	1.44	1.13	.89	.94	.98	1.16	1.33	1.83	2.60	5.39
Operating expense—total	79.14	76.80	78.34	78.50	78.90	79.13	80.09	79.16	78.12	80.22
Salaries and wages	32.70	27.35	22.91	20.52	19.21	19.11	19.59	20.16	19.78	17.99
Pensions and other benefits	2.70	2.14	2.22	2.44	2.52	2.78	2.86	3.23	3.40	3.25
Interest on time and savings deposits	16.84	26.57	32.83	34.52	35.48	35.09	34.54	30.77	26.77	26.88
Interest on borrowed money	.16	.08	.15	.23	.43	.80	1.62	3.75	7.07	10.51
Occupancy expense of bank premises, net	4.43	2.76	2.90	3.11	3.39	3.58	3.78	3.90	3.63	3.61
Furniture and equipment, etc.	2.40	2.10	2.37	2.54	2.66	2.86	3.06	3.34	3.22	1.99
Provision for loan losses	4.69	2.72	2.47	2.62	2.46	2.07	2.22	1.91	2.09	1.79
Other operating expenses	15.22	13.08	12.49	12.52	12.75	12.84	12.42	12.10	12.16	14.20
Income before income taxes and securities gains or losses	20.86	23.20	21.66	21.50	21.10	20.87	19.91	20.84	21.88	19.78
Amounts per $100 of total assets										
Operating income—total	6.12	6.15	6.08	6.03	6.07	6.11	6.10	6.06	6.14	5.99
Income before income taxes and securities gains or losses	1.28	1.43	1.32	1.30	1.28	1.27	1.21	1.26	1.34	1.18
Net income	.93	1.07	.97	.95	.93	.93	.89	.88	.90	.74
Memoranda										
Recoveries credited to reserves (not included above):										
On loans	.04	.05	.05	.06	.06	.06	.05	.04	.04	.04
On securities	0	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	0
Losses charged to reserves (not included above):										
On loans	.12	.15	.18	.21	.22	.21	.22	.21	.25	.22
On securities	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	0	(4)

Table 117. RATIOS OF INCOME OF INSURED COMMERCIAL BANKS OPERATING THROUGHOUT 1970 IN THE UNITED STATES (STATES AND OTHER AREAS)[1]—CONTINUED

BANKS GROUPED ACCORDING TO AMOUNT OF DEPOSITS

Income item	Banks with deposits of—									
	Less than $1 million	$1 million to $2 million	$2 million to $5 million	$5 million to $10 million	$10 million to $25 million	$25 million to $50 million	$50 million to $100 million	$100 million to $500 million	$500 million to $1 billion	$1 billion or more
Amounts per $100 of total capital accounts										
Net income	5.67	9.74	10.49	11.65	12.16	12.58	11.95	11.99	12.17	10.41
Cash dividends declared on common stock	1.34	2.68	2.65	2.88	3.27	3.72	3.85	4.86	5.46	5.88
Net additions to capital from income	4.33	7.07	7.83	8.77	8.88	8.85	8.09	7.12	6.69	4.50
Memoranda										
Recoveries credited to reserves (not included above):										
On loans	.18	.44	.58	.78	.80	.77	.73	.60	.48	.50
On securities	0	(4)	(4)	(4)	.01	.01	.01	(4)	(4)	0
Losses charged to reserves (not included above):										
On loans	.52	1.39	1.96	2.61	2.88	2.79	2.91	2.79	3.31	3.04
On securities	(4)	(4)	.02	.01	.01	.03	.02	(4)		(4)
Special ratios[5]										
Income on loans per $100 of loans [2]	7.44	7.47	7.41	7.45	7.53	7.54	7.60	7.66	7.78	7.73
Income on U.S. Treasury securities per $100 of U.S. Treasury securities [3]	5.83	5.74	5.61	5.47	5.29	5.36	5.22	5.19	4.83	5.16
Income on obligations of States and political subdivisions per $100 of obligations of States and political subdivisions [3]	3.43	3.74	3.76	3.82	3.84	3.92	3.92	3.77	3.75	4.02
Income on other securities per $100 of other securities [3]	8.44	6.40	6.32	5.94	5.94	5.82	5.55	5.08	4.79	5.10
Service charges per $100 of demand deposits	.44	.46	.56	.68	.79	.73	.63	.50	.42	.31
Interest paid per $100 of time and savings deposits	3.91	4.17	4.25	4.29	4.34	4.40	4.44	4.38	4.41	4.72
Number of banks, December 31	158	861	3,208	3,436	3,382	1,209	536	426	69	56

[1] This group of banks is the same as the group shown in table 115 under heading "Operating throughout the year."
[2] Includes Federal funds.
[3] Income from securities held in trading accounts is included in "Other operating income."
[4] Less than 0.005.
[5] Ratios are based on assets and liabilities reported at end of year.

Table 118. INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1962–1970

(Amounts in thousands of dollars)

Income item	1962	1963	1964	1965	1966	1967	1968	1969	1970
Current operating income—total	1,755,582	1,946,776	2,164,115	2,391,753	2,606,012	2,884,789	3,238,735	3,581,559	3,874,870
Interest on U.S. Government obligations	156,410	153,659	153,368	147,751	142,509	130,873	134,857	130,111	119,465
Interest and dividends on other securities	206,367	203,720	207,164	211,278	226,023	301,218	417,984	503,724	574,521
Interest and discount on real estate mortgage loans—net	1,342,896	1,534,446	1,738,621	1,950,930	2,141,099	2,326,459	2,538,502	2,768,370	2,963,859
Interest and discount on real estate mortgage loans—gross	*1,383,735*	*1,580,276*	*1,790,318*	*2,009,214*	*2,203,133*	*2,391,848*	*2,605,960*	*2,836,248*	*3,031,459*
Less: Mortgage servicing fees	*39,283*	*44,174*	*49,756*	*56,165*	*59,998*	*63,405*	*65,426*	*67,338*	*67,298*
Premium amortization	*1,556*	*1,656*	*1,941*	*2,119*	*2,036*	*1,984*	*2,032*	*541*	*302*
Interest and discount on other loans and discounts—net	22,733	27,576	33,538	41,773	53,172	67,925	83,807	121,172	154,230
Income on real estate other than bank building—net	−52	−108	−122	−97	−255	−209	−415	126	832
Income on real estate other than bank building—gross	*302*	*296*	*421*	*541*	*513*	*767*	*1,664*	*2,030*	*3,635*
Less: Operating expense	*354*	*404*	*543*	*638*	*768*	*976*	*2,079*	*1,904*	*2,803*
Income on other assets	9,777	9,984	13,121	18,713	18,095	25,248	23,036	22,114	26,856
Income from service operations	17,451	17,499	18,425	21,405	25,369	33,275	40,964	35,942	35,107
Current operating expense—total	252,963	274,544	290,471	311,755	334,451	353,947	389,780	442,151	519,499
Salaries—officers	40,466	42,792	45,391	48,514	52,085	55,510	60,161	66,937	73,608
Salaries and wages—other employees	79,165	84,514	89,514	93,680	98,421	105,612	115,146	126,676	143,928
Pension, hospitalization and group insurance payments, and other employee benefits	25,419	27,202	28,138	30,080	33,593	34,243	37,149	41,860	47,072
Fees paid to trustees and committee members	4,158	4,404	4,604	4,720	4,855	4,945	5,111	5,484	6,103
Occupancy, maintenance, etc., of bank premises (including taxes and recurring depreciation)—net	29,269	32,160	34,683	37,219	38,855	42,412	47,184	52,491	60,655
Occupancy, maintenance, etc., of bank premises (including taxes and recurring depreciation)—gross	*39,297*	*42,583*	*45,871*	*49,093*	*51,387*	*55,631*	*61,405*	*67,376*	*76,285*
Less: Income from bank building	*10,028*	*10,423*	*11,188*	*11,874*	*12,532*	*13,219*	*14,221*	*14,885*	*15,630*
Deposit insurance assessments	12,172	12,709	14,035	15,887	16,810	17,712	19,571	21,145	20,865
Furniture and fixtures (including recurring depreciation)	5,997	7,714	9,182	10,262	11,777	13,799	16,414	19,726	22,603
All other current operating expenses	56,317	63,049	64,924	71,393	78,055	79,714	89,044	107,831	144,665
Net current operating income	1,502,619	1,672,232	1,873,644	2,079,996	2,271,561	2,530,842	2,848,955	3,139,408	3,355,371
Franchise and income taxes—total	17,966	22,587	26,022	29,487	37,480	37,708	47,710	61,874	78,421
State franchise and income taxes	17,502	19,168	21,657	22,048	31,426	33,737	39,281	47,571	53,111
Federal income taxes	464	3,419	4,365	7,439	6,054	3,971	8,429	14,303	25,310
Net current operating income after taxes	1,484,653	1,649,645	1,847,622	2,050,511	2,234,081	2,493,134	2,801,245	3,077,535	3,276,950
Dividends and interest on deposits	1,334,005	1,481,869	1,653,768	1,809,350	2,087,072	2,395,762	2,612,638	2,808,141	2,987,200
Net current operating income after taxes and dividends	150,648	167,776	193,854	241,161	147,009	97,372	188,607	269,394	289,750
Nonrecurring income, realized profits and recoveries credited to profit and loss, and transfers from valuation adjustment provisions—total	105,907	113,085	105,454	75,130	177,612	93,536	135,049	104,501	60,241
Nonrecurring income	20,453	28,678	18,048	15,242	20,211	20,377	29,394	23,743	14,509
Realized profits and recoveries on:									
Securities sold or matured	55,751	28,752	36,472	27,375	59,173	47,292	77,817	64,809	26,405
Real estate mortgage loans	739	2,465	1,088	1,266	773	705	1,351	865	657
Other real estate	462	807	571	719	1,548	2,059	2,286	2,555	2,084
All other assets	957	871	1,096	1,532	3,429	1,114	2,066	4,238	1,421
Transfers from valuation adjustment provisions[1] on:									
Securities	5,460	26,995	22,029	11,817	13,635	7,774	11,884	4,463	7,055
Real estate mortgage loans	21,465	24,342	25,786	16,365	78,458	13,435	9,583	3,167	7,559
Other real estate	66	46	92	121	20	64	56	81	46
All other assets	554	129	272	693	365	716	612	573	505

Table 118. INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1962–1970—CONTINUED

(Amounts in thousands of dollars)

Income item	1962	1963	1964	1965	1966	1967	1968	1969	1970
Nonrecurring expenses, realized losses charged to profit and loss, and transfers to valuation adjustment provisions—total	109,192	101,611	88,234	93,036	147,688	94,744	100,690	160,669	186,073
Nonrecurring expenses	18,941	17,331	12,991	15,306	10,499	12,458	12,693	13,434	22,315
Realized losses on:									
Securities sold	31,379	47,629	39,884	48,124	100,585	63,624	64,136	98,959	113,744
Real estate mortgage loans	1,083	1,681	2,023	3,037	7,015	4,891	4,488	24,246	26,991
Other real estate	662	656	712	886	1,644	1,850	1,609	2,186	2,541
All other assets	424	655	936	927	2,646	1,932	3,219	2,608	3,920
Transfers to valuation adjustment provisions[1] on:									
Securities	30,925	11,548	8,692	6,524	13,015	5,229	7,962	15,224	8,233
Real estate mortgage loans	25,252	21,534	22,266	17,394	11,590	3,796	5,558	3,266	6,640
Other real estate	76	74	57	122	97	127	189	39	548
All other assets	450	503	673	716	597	837	836	704	1,141
Net additions to total surplus accounts from operations	147,363	179,250	211,074	223,255	176,933	96,164	222,966	213,225	163,918
Memoranda									
Recoveries credited to valuation adjustment provisions[1] (not included in recoveries above) on:									
Securities	1,658	3,389	756	341	1,277	2,726	391	1,946	3,719
Real estate mortgage loans	48	201	64	85	212	231	183	154	97
Other real estate	....	....	....	....	....	1	2	199	4
All other assets	35	14	13	24	46	89	116	141	73
Realized losses charged to valuation adjustment provisions[1] (not included in realized losses above) on:									
Securities	5,830	12,973	6,058	6,564	6,811	2,172	2,835	5,515	8,140
Real estate mortgage loans	501	5,136	765	841	1,220	4,040	1,072	1,052	1,460
Other real estate	6	190	....	118	257	204	186	134	115
All other assets	448	178	258	308	341	1,016	353	562	284
Average assets and liabilities[2]									
Assets—total	38,152,221	41,180,616	44,609,410	48,466,656	51,399,898	55,173,023	59,674,026	63,314,677	65,788,122
Cash and due from banks	794,362	786,298	768,719	891,727	838,855	953,843	825,767	715,778	778,430
United States Government obligations	4,748,691	4,563,328	4,351,966	4,030,731	3,594,830	3,156,304	3,049,815	2,702,791	2,386,678
Other securities	5,151,555	5,115,637	5,057,794	5,069,343	5,153,130	6,312,183	8,135,834	9,334,079	9,898,447
Real estate mortgage loans	26,435,337	29,538,513	33,121,502	36,991,670	40,095,486	42,794,592	45,445,434	47,971,370	49,628,670
Other loans and discounts	441,994	543,458	588,196	672,117	842,896	1,003,436	1,175,629	1,462,572	1,903,163
Other real estate	19,640	21,114	28,389	27,228	29,263	27,987	36,156	38,345	57,981
All other assets	560,642	612,268	692,844	783,840	845,438	924,678	1,005,391	1,089,742	1,134,753
Liabilities and surplus accounts—total	38,152,221	41,180,616	44,609,410	48,466,656	51,399,898	55,173,023	59,674,026	63,314,677	65,788,122
Total deposits	34,350,820	37,175,285	40,334,274	43,985,749	46,590,719	50,247,915	54,534,572	57,834,645	59,862,839
Savings and time deposits	*34,070,511*	*36,870,906*	*39,997,217*	*43,609,062*	*46,172,242*	*49,805,468*	*54,053,723*	*57,304,999*	*59,296,823*
Demand deposits	*280,309*	*304,379*	*337,057*	*376,687*	*418,477*	*442,447*	*480,849*	*529,646*	*566,016*
Other liabilities	537,630	588,622	660,037	653,614	764,445	730,825	793,930	888,123	1,162,859
Total surplus accounts	3,263,771	3,416,709	3,615,099	3,827,293	4,044,734	4,194,283	4,345,524	4,591,909	4,762,424
Number of active officers (end of period)	3,085	3,170	3,281	3,423	3,602	3,708	3,899	4,178	4,300
Number of other employees (end of period)	17,617	18,459	18,958	19,451	19,609	20,367	21,164	21,927	23,205
Number of banks (end of period)	331	330	327	329	322	333	334	331	329

[1] Includes "Valuation reserves" and "Other asset valuation provisions (direct write-downs)."
[2] Averages of amounts for four consecutive official call dates beginning with end of the previous year and ending with the fall call of the current year.

Table 119. RATIOS OF INCOME OF INSURED MUTUAL SAVINGS BANKS IN THE UNITED STATES (STATES AND OTHER AREAS), 1962–1970

Income item	1962	1963	1964	1965	1966	1967	1968	1969	1970
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	8.91	7.89	7.09	6.18	5.47	4.54	4.16	3.63	3.08
Interest and dividends on other securities	11.76	10.46	9.57	9.83	8.67	10.44	12.90	14.07	14.83
Interest and discount on real estate motgage loans—net	76.49	78.82	80.34	81.57	82.16	80.65	78.38	77.30	76.49
Interest and discount on other loans and discounts—net	1.29	1.42	1.55	1.75	2.04	2.35	2.59	3.38	3.98
Income on other assets	.56	.51	.60	.78	.69	.87	.71	.62	.71
Income from service operations	.99	.90	.85	.89	.97	1.15	1.26	1.00	.91
Current operating expense—total	14.41	14.10	13.42	13.03	12.83	12.27	12.04	12.35	13.41
Salaries—officers	2.30	2.20	2.10	2.03	2.00	1.93	1.86	1.87	1.90
Salaries and wages—other employees	4.51	4.34	4.14	3.92	3.78	3.66	3.55	3.54	3.71
Pension, hospitalization and group insurance payments, and other employee benefits	1.45	1.40	1.30	1.26	1.29	1.19	1.15	1.17	1.22
Fees paid to trustees and committee members	.24	.23	.21	.20	.19	.17	.16	.15	.16
Occupancy, maintenance, etc., of bank premises (including taxes and recurring depreciation)—net	1.67	1.65	1.60	1.55	1.49	1.47	1.46	1.47	1.57
Deposit insurance assessments	.69	.65	.65	.66	.64	.61	.60	.59	.54
Furniture and fixtures (including recurring depreciation)	.34	.39	.42	.43	.45	.48	.51	.55	.58
All other current operating expenses	3.21	3.24	3.00	2.98	2.99	2.76	2.75	3.01	3.73
Net current operating income	85.59	85.90	85.58	86.97	87.17	87.73	87.96	87.65	86.59
Franchise and income taxes—total	1.02	1.16	1.20	1.24	1.44	1.31	1.37	1.73	2.02
State franchise and income taxes	1.00	.98	1.00	.93	1.21	1.17	1.21	1.33	1.37
Federal income taxes	.02	.18	.20	.31	.23	.14	.26	.40	.65
Net current operating income after taxes	84.57	84.74	85.38	85.73	85.73	86.42	86.49	85.92	84.57
Dividends and interest on deposits	75.99	76.12	76.42	75.65	80.09	83.04	80.67	78.40	77.09
Net current operating income after taxes and dividends	8.58	8.62	8.96	10.08	5.64	3.38	5.82	7.52	7.48
Amounts per $100 of total assets[2]									
Current operating income—total	4.60	4.73	4.85	4.93	5.07	5.23	5.42	5.66	5.89
Current operating expenses—total	.66	.67	.65	.64	.65	.64	.65	.70	.79
Net current operating income	3.94	4.06	4.20	4.29	4.42	4.39	4.77	4.96	5.10
Franchise and income taxes—total	.05	.05	.06	.06	.07	.07	.08	.10	.12
Net current operating income after taxes	3.89	4.01	4.14	4.23	4.35	4.52	4.69	4.86	4.98
Dividends and interest on deposits	3.50	3.60	3.71	3.73	4.06	4.34	4.37	4.44	4.54
Net current operating income after taxes and dividends	.39	.41	.43	.50	.29	.18	.32	.42	.44
Nonrecurring income, realized profits and recoveries credited to profit and loss, and transfers from valuation adjustment provisions—total [1]	.28	.27	.24	.15	.34	.16	.22	.17	.09
Nonrecurring expenses, realized losses charged to profit and loss, and transfers to valuation adjustment provisions—total [1]	.28	.24	.20	.19	.29	.17	.17	.25	.28
Net additions to total surplus accounts from operations	.39	.44	.47	.46	.34	.17	.37	.34	.25
Special ratios[2]									
Interest on U.S. Government obligations per $100 of U.S. Government obligations	3.29	3.37	3.52	3.67	3.96	4.15	4.42	4.81	5.01
Interest and dividends on other securities per $100 of other securities	4.01	3.98	4.10	4.17	4.39	4.77	5.14	5.40	5.80
Interest and discount on real estate mortgage loans per $100 of real estate mortgage loans	5.08	5.19	5.25	5.27	5.34	5.44	5.59	5.77	5.97
Interest and discount on other loans and discounts per $100 of other loans and discounts	5.14	5.07	5.70	6.22	6.31	6.77	7.13	8.28	8.10
Dividends and interest on deposits per $100 of savings and time deposits	3.92	4.02	4.13	4.15	4.52	4.81	4.83	4.90	5.04
Net additions to total surplus accounts from operations per $100 of total surplus accounts	4.52	5.25	5.84	5.83	4.37	2.29	5.13	4.64	3.44
Number of banks (end of period)	331	330	327	329	332	333	334	331	329

[1] See table 118, note 1.
[2] Based on average amounts of assets, deposits, or surplus accounts for four consecutive call dates (see table 118, note 2).

BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES; DEPOSIT INSURANCE DISBURSEMENTS

Table 120. Number and deposits of banks closed because of financial difficulties, 1934-1970

Table 121. Insured banks requiring disbursements by the Federal Deposit Insurance Corporation during 1970

Table 122. Depositors, deposits, and disbursements in insured banks requiring disbursements by the Federal Deposit Insurance Corporation, 1934-1970

Banks grouped by class of bank, year of deposit payoff or deposit assumption, amount of deposits, and State

Table 123. Recoveries and losses by the Federal Deposit Insurance Corporation on principal disbursements for protection of depositors, 1934-1970

Deposit insurance disbursements

Disbursements by the Federal Deposit Insurance Corporation to protect depositors are made when the insured deposits of banks in financial difficulties are paid off, or when the deposits of a failing bank are assumed by another insured bank with the financial aid of the Corporation. In deposit payoff cases, the disbursement is the amount paid by the Corporation on insured deposits. In deposit assumption cases, the principal disbursement is the amount loaned to failing banks, or the price paid for assets purchased from them; additional disbursements are made in those cases as advances for protection of assets in process of liquidation and for liquidation expenses.

Noninsured bank failures

No noninsured bank failed in 1970.

For detailed data regarding noninsured banks which suspended in the years 1934-1962, see the *Annual Report* for 1963, pp. 27-41. For 1963-1969, see table 120 of this report, and previous reports for respective years.

Sources of data

Insured banks: books of bank at date of closing; and books of FDIC, December 31, 1970.

Table 120. NUMBER AND DEPOSITS OF BANKS CLOSED BECAUSE OF FINANCIAL DIFFICULTIES, 1934–1970

Year	Number					Deposits (in thousands of dollars)				
	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	**625**	**131**	**494**	**8**	**486**	**1,023,013**	**61,973**	**961,040**	**41,147**	**919,893**
1934	61	52	9	......	9	37,332	35,364	1,968	......	1,968
1935	32	6	26	1	25	13,987	583	13,404	85	13,319
1936	72	3	69	......	69	28,100	592	27,508	......	27,508
1937	83	7	76	2	74	34,141	528	33,613	328	33,285
1938	80	7	73	......	73	60,444	1,038	59,406	......	59,406
1939	72	12	60	......	60	160,211	2,439	157,772	......	157,772
1940	48	5	43	......	43	142,787	358	142,429	......	142,429
1941	16	2	14	......	14	18,805	79	18,726	......	18,726
1942	23	3	20	......	20	19,541	355	19,186	......	19,186
1943	5	......	5	......	5	12,525	......	12,525	......	12,525
1944	2	......	2	......	2	1,915	......	1,915	......	1,915
1945	1	......	1	......	1	5,695	......	5,695	......	5,695
1946	2	1	1	......	1	494	147	347	......	347
1947	6	1	5	......	5	7,207	167	7,040	......	7,040
1948	3	......	3	......	3	10,674	......	10,674	......	10,674
1949	9	4	5	1	4	9,217	2,552	6,665	1,190	5,475
1950	5	1	4	......	4	5,555	42	5,513	......	5,513
1951	5	3	2	......	2	6,464	3,056	3,408	......	3,408
1952	4	1	3	......	3	3,313	143	3,170	......	3,170
1953	5	1	4	2	2	45,101	390	44,711	26,449	18,262
1954	4	2	2	......	2	2,948	1,950	998	......	998
1955	5	......	5	......	5	11,953	......	11,953	......	11,953
1956	3	1	2	......	2	11,689	360	11,329	......	11,329
1957	3	1	2	1	1	12,502	1,255	11,247	10,084	1,163
1958	9	5	4	......	4	10,413	2,173	8,240	......	8,240
1959	3	......	3	......	3	2,593	......	2,593	......	2,593
1960	2	1	1	......	1	7,965	1,035	6,930	......	6,930
1961	9	4	5	......	5	10,611	1,675	8,936	......	8,936
1962	3	2	1	1	......	4,231	1,220	3,011	3,011	......
1963	2	......	2	......	2	23,444	......	23,444	......	23,444
1964	8	1	7	......	7	23,867	429	23,438	......	23,438
1965	9	4	5	......	5	45,256	1,395	43,861	......	43,861
1966	8	1	7	......	7	106,171	2,648	103,523	......	103,523
1967	4	......	4	......	4	10,878	......	10,878	......	10,878
1968	3	......	3	......	3	22,524	......	22,524	......	22,524
1969	9	......	9	......	9	40,120	......	40,120	......	40,120
1970	7	......	7	......	7	52,340	......	52,340	......	52,340

[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, page 179 of the report for 1965, and page 183 of the 1966 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. Deposits are adjusted as of December 31, 1970 and exclude deposits for three cases requiring disbursements by the Corporation: 1 bank in voluntary liquidation in 1937 (payoff case no. 90); 1 noninsured bank in 1938 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).

Table 121. INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION DURING 1970

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	FDIC disbursement [2]	Receiver or liquidating agent or assuming bank
Deposit payoff							
289	State Bank of Prairie City Prairie City, Iowa	NM	1,670	February 22, 1970	February 26, 1970	$3,640,287	Federal Deposit Insurance Corporation
290	The Peoples State Savings Bank Auburn, Michigan	NM	8,089	April 18, 1970	April 24, 1970	8,342,277	Federal Deposit Insurance Corporation
291	Farmers Bank of Petersburg Petersburg, Kentucky	NM	474	June 25, 1970	June 29, 1970	1,178,066	Federal Deposit Insurance Corporation
292	Eatontown National Bank Eatontown, New Jersey	N	9,904	August 7, 1970	August 15, 1970	13,530,172	Federal Deposit Insurance Corporation
Deposit assumption							
199	First State Bank of Bonne Terre Bonne Terre, Missouri	NM	5,778	August 24, 1970	August 31, 1970	5,545,396	Commerce Bank of Bonne Terre, Bonne Terre, Missouri
200	City Bank of Philadelphia Philadelphia, Pennsylvania	NM	1,940	September 3, 1970	September 11, 1970	8,851,685	Girard Trust Bank, Philadelphia, Pennsylvania
201	Berea Bank and Trust Company Berea, Kentucky	NM	3,312	October 8, 1970	October 15, 1970	5,298,811	Peoples Bank and Trust Co. Berea, Kentucky

Table 121. INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION DURING 1970 —CONTINUED

Case number	Assets [1]							Total	Liabilities and capital accounts [1]			
	Cash and due from banks	U.S. Government obligations	Other securities	Loans, discounts, and overdrafts	Banking house furniture & fixtures	Other real estate	Other assets		Deposits	Other liabilities	Capital stock	Other capital accounts
Deposit payoff												
289	424,522	56,172	16,851	3,422,540	17,000	0	193,193	4,130,278	3,896,924	0	50,000	183,354
290	2,144,095	624,000	414,636	7,410,394	228,923	47,417	7,325	10,876,790	9,940,084	0	300,000	636,706
291	277,527	75,500	33,100	649,939	1,249	5,343	30,903	1,073,561	1,258,647	0	25,000	−210,086
292	2,390,334	1,000,141	2,692,730	8,813,271	745,811	12,471	5,762,192	21,416,950	15,911,633	3,692,024	625,000	1,188,293
Deposit assumption												
199	325,540	495,398	346,141	6,545,433	248,603	24,370	17,220	8,002,705	7,118,202	79,456	280,000	525,047
200	2,661,154	100,250	95,000	7,298,049	239,281	0	381,561	10,775,295	8,838,859	4,693	875,000	1,056,743
201	209,012	714,511	654,264	4,210,363	83,279	0	0	5,871,429	5,375,007	0	125,000	371,422

[1] Figures as determined by FDIC agents after adjustment of books of the bank immediately following its closing.
[2] Includes disbursements made to December 31, 1970, plus additional disbursements estimated to be required in these cases.

Table 122. DEPOSITORS, DEPOSITS, AND DISBURSEMENTS IN INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934–1970

BANKS GROUPED BY CLASS OF BANK, YEAR OF DEPOSIT PAYOFF OR DEPOSIT ASSUMPTION, AMOUNT OF DEPOSITS, AND STATE

Classification	Number of banks			Number of depositors [1]			Deposits [1] (in thousands of dollars)			Disbursements by FDIC [1] (in thousands of dollars)				
										Principal disbursements			Advances and expenses [2]	
	Total	Payoff cases	Assumption cases	Total	Payoff cases	Assumption cases	Total	Payoff cases	Assumption cases	Total	Payoff cases [3]	Assumption cases [4]	Payoff cases [5]	Assumption cases [6]
All banks	**489**	**288**	**201**	**1,703,984**	**528,675**	**1,175,309**	**931,321**	**286,095**	**645,226**	**465,374**	**197,980**	**267,394**	**3,672**	**52,014**
Class of banks														
National	90	33	57	357,427	97,622	259,805	223,273	102,121	121,152	114,751	56,525	58,226	1,233	7,607
State member F.R.S.	27	10	17	376,257	88,892	287,365	197,673	34,388	163,286	108,179	26,498	81,681	270	19,385
Nonmember F.R.S.	372	245	127	970,300	342,161	628,139	510,374	149,586	360,788	242,444	114,957	127,487	2,169	25,022
Year														
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	8,891	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	19,161	12,045	7,116	103	905
1938	74	50	24	203,961	44,288	159,673	59,684	10,296	49,388	30,479	9,092	21,387	93	4,902
1939	60	32	28	392,718	90,169	302,549	157,772	32,738	125,034	67,770	26,196	41,574	162	17,603
1940	43	19	24	256,361	20,667	235,694	142,429	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	....	372
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	3,458	2,795	663	87	51
1957	1	1	......	2,338	2,338	....	1,163	1,163	....	1,031	1,031	....	20	....
1958	4	3	1	9,587	4,380	5,207	8,240	4,156	4,084	3,026	2,796	230	38	31
1959	3	3	......	3,073	3,073	....	2,593	2,593	....	1,835	1,835	....	51	....
1960	1	1	......	11,171	11,171	....	6,930	6,930	....	4,765	4,765	....	82	....
1961	5	5	......	8,301	8,301	....	8,936	8,936	....	6,200	6,200	....	154	....
1963	2	2	......	36,430	36,430	....	23,444	23,444	....	19,232	19,232	....	304	....
1964	7	7	......	19,934	19,934	....	23,438	23,438	....	13,746	13,746	....	585	....
1965	5	3	2	15,817	14,363	1,454	43,861	42,889	972	11,391	10,918	473	600	123
1966	7	1	6	95,424	1,012	94,412	103,523	774	102,749	15,075	735	14,340	25	1,142
1967	4	4	......	4,729	4,729	....	10,878	10,878	....	8,125	8,125	....	217	....
1968	3	......	3	12,850	....	12,850	22,524	....	22,524	5,284	....	5,284	....	650
1969	9	4	5	27,370	6,540	20,830	40,133	9,011	31,122	37,039	7,631	29,408	215	2,349
1970	7	4	3	31,167	20,137	11,030	52,419	31,087	21,332	46,379	26,690	19,689	373	220

Table 122. DEPOSITORS, DEPOSITS, AND DISBURSEMENTS IN INSURED BANKS REQUIRING DISBURSEMENTS BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, 1934–1970—CONTINUED

BANKS GROUPED BY CLASS OF BANK, YEAR OF DEPOSIT PAYOFF OR DEPOSIT ASSUMPTION, AMOUNT OF DEPOSITS, AND STATE

Classification	Number of banks			Number of depositors [1]			Deposits [1] (in thousands of dollars)			Disbursements by FDIC [1] (in thousands of dollars)				
										Principal disbursements			Advances and expenses [2]	
	Total	Payoff cases	Assumption cases	Total	Payoff cases	Assumption cases	Total	Payoff cases	Assumption cases	Total	Payoff cases [3]	Assumption cases [4]	Payoff cases [5]	Assumption cases [6]
Banks with deposits of—														
Less than $100,000	107	83	24	38,347	29,695	8,652	6,418	4,947	1,471	5,000	4,309	691	88	154
$100,000 to $250,000	109	86	23	83,370	65,512	17,858	17,759	13,920	3,839	12,906	11,554	1,352	209	173
$250,000 to $500,000	62	37	25	92,179	57,287	34,892	22,315	12,921	9,394	15,615	10,549	5,066	164	611
$500,000 to $1,000,000	70	34	36	159,587	73,495	86,092	53,285	25,681	27,604	34,981	19,886	15,095	398	2,330
$1,000,000 to $2,000,000	56	20	36	208,886	69,402	139,484	74,927	26,353	48,574	43,016	20,817	22,199	479	3,680
$2,000,000 to $5,000,000	46	18	28	274,375	80,956	193,419	151,139	59,101	92,038	85,370	42,092	43,278	748	6,352
$5,000,000 to $10,000,000	24	5	19	256,796	40,754	216,042	161,285	37,655	123,630	80,089	26,139	53,950	556	6,726
$10,000,000 to $25,000,000	9	4	5	222,591	99,093	123,498	151,639	65,341	86,297	83,242	52,974	30,268	497	6,327
$25,000,000 to $50,000,000	5	1	4	284,809	12,481	272,328	199,594	40,176	159,418	95,153	9,660	85,493	531	25,339
$50,000,000 to $100,000,000	1	......	1	83,044	....	83,044	92,960	....	92,960	10,000	....	10,000	....	320
State														
Alabama	4	2	2	9,170	2,059	7,111	6,170	3,985	2,185	3,557	2,562	995	81	91
Arkansas	7	6	1	5,446	4,541	905	2,538	1,942	596	1,720	1,576	144	43	48
California	4	3	1	21,059	17,890	3,169	47,298	46,220	1,078	25,607	12,906	12,701	626	754
Colorado	4	2	2	8,810	1,382	7,428	11,052	2,262	8,790	4,462	938	3,524	40	754
Connecticut	2	2	......	5,379	5,379	....	1,526	1,526	....	1,242	1,242	....	8	....
Florida	5	2	3	14,082	1,725	12,357	17,665	2,668	14,997	6,163	2,145	4,018	60	549
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	21	9	12	81,193	43,274	37,919	52,563	26,879	25,684	29,985	22,003	7,982	378	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	8	5	3	17,725	5,736	11,989	13,376	8,358	5,018	7,515	6,444	1,071	106	113
Kansas	10	6	4	6,715	3,824	2,891	5,052	4,357	694	4,093	3,601	492	54	72
Kentucky	25	19	6	39,925	18,964	20,961	15,522	5,212	10,309	11,931	4,506	7,425	86	263
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	12	5	7	125,711	10,173	115,538	119,834	11,334	108,499	27,214	9,654	17,560	156	1,193
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	50	36	14	47,055	29,478	17,577	18,225	7,240	10,985	13,214	6,009	7,205	99	432
Montana	5	3	2	1,500	849	651	1,095	215	880	639	186	453	6	21
Nebraska	6	6	......	6,069	6,069	....	8,145	8,145	....	5,008	5,008	....	46	....
New Hampshire	1	......	1	1,780	....	1,780	296	296	....	117	....	117	....	8
New Jersey	40	13	27	532,467	113,701	418,766	210,542	49,040	161,502	95,655	39,998	55,657	319	20,154
New York	26	3	23	269,621	28,440	241,181	145,439	13,286	132,153	67,997	10,836	57,161	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	2,656	1,397	1,259	24	203
Ohio	4	2	2	13,751	7,585	6,166	7,223	2,345	4,877	2,098	1,610	488	7	44
Oklahoma	12	8	4	27,650	20,149	7,501	18,920	11,053	7,867	10,275	7,936	2,339	178	306
Oregon	2	1	1	3,439	1,230	2,209	2,670	1,368	1,302	1,948	986	962	11	81
Pennsylvania	30	8	22	168,834	43,828	125,006	84,595	14,340	70,255	60,144	10,133	50,011	75	9,585
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	2,411	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	38	29	9	59,132	40,916	18,216	52,831	26,398	26,432	33,148	19,342	13,806	635	1,332
Utah	1	......	1	3,254	....	3,254	5,992	....	5,992	3,248	....	3,248	....	178
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	8,263	3,867	4,396	295	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	430
Wyoming	1	......	1	3,212	....	3,212	2,033	....	2,033	202	....	202	....	19

[1] Adjusted to December 31, 1970. In assumption cases, number of depositors refers to number of deposit accounts.
[2] Excludes $481 thousand of nonrecoverable 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 chargeable to liquidation activities.
[3] Includes estimated additional disbursements in active cases.
[4] Excludes excess collections turned over to banks as additional purchase price at termination of liquidation.
[5] These disbursements are not recoverable by the Corporation; they consist almost wholly of field payoff expenses.
[6] Includes advances to protect assets and liquidation expenses of $50,613 thousand, all of which have been fully recovered by the Corporation, and $1,398 thousand of nonrecoverable 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 123. RECOVERIES AND LOSSES BY THE FEDERAL DEPOSIT INSURANCE CORPORATION ON PRINCIPAL DISBURSEMENTS FOR PROTECTION OF DEPOSITORS, 1934–1970

(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, 1970	Estimated additional recoveries	Losses [1]	Number of banks	Principal disbursements [2]	Recoveries to Dec. 31, 1970	Estimated additional recoveries	Losses [1]	Number of banks	Principal disbursements [3]	Recoveries to Dec. 31, 1970	Estimated additional recoveries	Losses [1]
Total	**489**	**465,372**	**362,993**	**39,565**	**62,815**	**288**	**197,979**	**137,212**	**24,921**	**35,846**	**201**	**267,393**	**225,781**	**14,644**	**26,969**
Status															
Active	49	201,830	126,693	39,565	35,572	25	88,870	44,469	24,921	19,480	24	112,960	82,224	14,644	16,092
Terminated	440	263,543	236,300	....	27,244	263	109,109	92,743	....	16,367	177	154,434	143,557	....	10,877
Year [4]															
1934	9	941	734	....	207	9	941	734	....	207	....	....	....	....	....
1935	25	8,891	6,202	5	2,683	24	6,026	4,274	....	1,751	1	2,865	1,928	5	932
1936	69	14,781	12,325	....	2,455	42	8,056	6,595	....	1,460	27	6,725	5,730	....	995
1937	75	19,161	15,610	....	3,549	50	12,045	9,520	....	2,524	25	7,116	6,090	....	1,025
1938	74	30,479	28,055	....	2,425	50	9,092	7,908	....	1,184	24	21,387	20,147	....	1,241
1939	60	67,770	60,618	....	7,153	32	26,196	20,399	....	5,798	28	41,574	40,219	....	1,355
1940	43	74,134	70,338	....	3,796	19	4,895	4,313	....	582	24	69,239	66,025	....	3,214
1941	15	23,880	23,290	....	591	8	12,278	12,065	....	213	7	11,602	11,225	....	378
1942	20	10,825	10,136	....	688	6	1,612	1,320	....	292	14	9,213	8,816	....	396
1943	5	7,172	7,048	....	123	4	5,500	5,376	....	123	1	1,672	1,672	....	....
1944	2	1,503	1,462	....	40	1	404	363	....	40	1	1,099	1,099	....	....
1945	1	1,768	1,768	....	....	....	....	....	....	....	1	1,768	1,768	....	....
1946	1	265	265	....	....	....	....	....	....	....	1	265	265	....	....
1947	5	1,724	1,645	13	67	....	....	....	....	....	5	1,724	1,645	13	67
1948	3	2,990	2,349	....	641	....	....	....	....	....	3	2,990	2,349	....	641
1949	4	2,552	2,183	....	369	....	....	....	....	....	4	2,552	2,183	....	369
1950	4	3,986	2,601	....	1,385	....	....	....	....	....	4	3,986	2,601	....	1,385
1951	2	1,885	1,885	....	....	....	....	....	....	....	2	1,885	1,885	....	....
1952	3	1,369	577	....	792	....	....	....	....	....	3	1,369	577	....	792
1953	2	5,017	5,017	....	....	....	....	....	....	....	2	5,017	5,017	....	....
1954	2	913	654	....	258	....	....	....	....	....	2	913	654	....	258
1955	5	6,784	6,554	....	230	4	4,438	4,208	....	230	1	2,346	2,346	....	....
1956	2	3,458	3,163	55	240	1	2,795	2,500	55	240	1	663	663	....	....
1957	1	1,031	1,031	....	....	1	1,031	1,031	....	....	....	....	....	....	....
1958	4	3,026	2,998	....	28	3	2,796	2,768	....	28	1	230	230	....	....
1959	3	1,835	1,738	....	97	3	1,835	1,738	....	97	....	....	....	....	....
1960	1	4,765	4,765	....	....	1	4,765	4,765	....	....	....	....	....	....	....
1961	5	6,200	4,698	1	1,501	5	6,200	4,698	1	1,501	....	....	....	....	....
1963	2	19,232	17,140	1,542	550	2	19,232	17,140	1,542	550	....	....	....	....	....
1964	7	13,743	11,168	891	1,686	7	13,743	11,168	891	1,686	....	....	....	....	....
1965	5	11,391	5,969	210	5,214	3	10,918	5,652	209	5,060	2	473	317	1	154
1966	7	15,075	5,121	1,464	8,491	1	735	611	104	20	6	14,340	4,510	1,360	8,471
1967	4	8,125	5,561	1,028	1,535	4	8,125	5,561	1,028	1,535	....	....	....	....	....
1968	3	5,284	4,543	196	546	....	....	....	....	....	3	5,284	4,543	196	546
1969	9	37,039	25,455	9,985	1,600	4	7,631	2,358	4,323	950	5	29,408	23,097	5,662	650
1970	7	46,379	8,325	24,176	13,875	4	26,690	145	16,769	9,775	3	19,689	8,180	7,407	4,100

[1] Includes estimated losses in active cases. Not adjusted for interest or allowable return, which was collected in some cases in which the disbursement was fully recovered.
[2] Includes estimated additional disbursements in active cases.
[3] Excludes excess collections turned over to banks as additional purchase price at termination of liquidation.
[4] No case in 1962 required disbursements.
Note: Due to rounding differences, components may not add to totals.

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